

JAHANGIR SIDDIQUI INVESTMENT BANK *Ltd.*

Financial Statements For The
Quarter Ended
September 30, 2005
(Un-Audited)

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COMPANY INFORMATION

Board of Directors	Mr. Mazharul Haq Siddiqui (Chairman) Mr. Maqbool Ahmed Soomro (Vice Chairman) Mr. Muhammad Yousuf Amanullah (Chief Executive Officer) Mr. Munawar Alam Siddiqui Mr. Salman Rashid Mr. Zainul Abidin Memon. Mr. Firasat Ali
Company Secretary	Mr. Khwaja Jamaluddin Nasir
Auditors	Messrs. Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Bankers	ABN-AMRO Bank N.V. Allied Bank Limited Bank Al Falah Limited Bank Al Habib Limited Citibank N. A. KASB Bank Limited Metropolitan Bank Limited MCB Bank Limited PICIC Commercial Bank Limited Saudi Pak Commercial Bank Limited Union Bank Limited
Share Registrar	Technology Trade (Pvt.) Limited 241-C, Block-2, P.E.C.H.S., Karachi.
Registered Office	1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi.

CHAIRMAN'S REPORT

TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present the un-audited financial statements of Jahangir Siddiqui Investment Bank Limited ("JSIBL" or the "Company"), for the first quarter ended September 30, 2005 (the "Quarter").

Economic Review

Pakistan's economic performance during the Quarter has been strong, driven by a strong manufacturing sector and based on the healthy economic foundations built over the last few years. Growth has also been encouraged by the Government's consistent management of the economy. As a result, Pakistan's economic indicators have shown record high exports, a rise in the import of machinery and other inputs, a continuing surge in capacity utilization and strong growth in taxes, remittances and foreign direct investment. Economic variables and the economic direction continue to be encouraging with stability on the fiscal and external front.

During the Quarter, the KSE-100 Index rose by 10% to close at 8,226 points on September 30, 2005 up from 7,450 points on June 30, 2005. Market capitalization increased during the period by 14% standing at Rs 2,316 billion, or US\$40 billion, at the end of the Quarter. Economic and political stability coupled with excellent growth in corporate profitability continues to improve investor's confidence. Higher availability of the Continuous Funding System ("CFS"), that was enhanced from Rs12 billion to Rs25 billion from August 22, 2005 played a pivotal role in this bull run at the local bourses. The market gained 636 points after CFS introduction. Thus, almost 82% of the quarterly gain in the Index came after the higher CFS limit was allowed by the regulator.

Operating Performance

During the Quarter, your Company earned an after tax profit of Rs 7.381 million as compared to Rs. 144.637 million over the corresponding period last year. The higher profit earned during the previous corresponding period was due to increased capital gains realized on the sale of securities.

Total assets increased to Rs 5.8 billion from Rs 4.8 billion as at June 30, 2005 which reflects the continued commitment of the management to achieve sustainable growth. The deposit base of your Company has also shown growth from Rs 2.08 billion as at June 30, 2005 to Rs 2.4 billion as at September 30, 2005.

The management of your Company has made strenuous efforts in all critical areas of operations to improve the quality of its assets and manage its liabilities in as cost effective way as possible.

Credit Rating

The Pakistan Credit Rating Agency (Pvt.) Ltd. has maintained the long term credit rating of the Company at A+ ("Single A plus") and the short term rating at A1 ("A One"). The ratings denote a low expectation of credit risk and strong capacity for timely repayment of financial commitments.

Outlook

Management remains dedicated to its core strategy of promoting savings and investment in Pakistan. This will be achieved through increasing the coverage of our activities and further strengthening our balance sheet. Our task is to consolidate our gains, leverage our accomplishments and sustain our growth momentum.

Acknowledgement

The Board would like to take this opportunity to place on record its appreciation for the dedicated services and hard work of the JSIBL team. We would also like to thank our valued clients and partner financial institutions for their support and confidence. The Board also expresses its gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Central Board of Revenue and the Stock Exchanges for their continued cooperation and guidance.

On behalf of the Board

Mazharul Haq Siddiqui
Chairman

BALANCE SHEET

AS AT SEPTEMBER 30, 2005
(UN-AUDITED)

	September 30, 2005	June 30, 2005	
Assets			Note
Non-current assets			
Property, plant and equipment	8,756	9,700	
Stock exchange membership card	11,101	11,101	
Long term investments	252,177	237,728	
Long term loans and term finances	81,914	93,369	
Long term deposits	2,416	2,416	
Deferred taxation	1,425	1,247	
	357,789	355,561	
Current assets			
Short term investments	1,927,182	1,340,480	4
Loans and advances	428,579	502,185	
Fund placements	2,497,626	2,455,523	
Receivable against sale of marketable securities	137,444	20,882	
Prepayments, accruals & other receivables	36,920	53,101	
Taxation-net	11,749	6,942	
Cash and bank balances	419,133	81,816	
	5,458,633	4,460,929	
	5,816,422	4,816,490	
Equity & Liabilities			
Share capital & reserves			
Authorised capital			
500,000,000 (June 2005: 500,000,000) ordinary shares of Rs. 10 each	5,000,000	5,000,000	
Issued, subscribed and paid up capital			
85,312,500 (June 2005: 85,312,500) ordinary shares of Rs. 10 each	853,125	853,125	
Reserves	469,869	462,488	
Shareholders' equity	1,322,994	1,315,613	
Surplus/ (Deficit) on revaluation of investments	25,742	(113,370)	
Non-current liabilities			
Certificates of deposit	179,726	155,440	
Current liabilities			
Certificates of deposit	2,441,139	1,925,211	
Trade and other payables	356,443	91,755	
Short term borrowings	1,222,991	1,186,729	
Payable for purchase of marketable securities	267,387	255,112	
	4,287,960	3,458,807	
Contingencies and commitments			5
	5,816,422	4,816,490	

The annexed notes form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Muhammad Yousuf Amanullah
Chief Executive

JAHANGIR SIDDIQUI INVESTMENT BANK Ltd

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED
SEPTEMBER 30, 2005
(UN-AUDITED)

	July- September 30, 2005	July- September 30, 2004
----- (Rs. in '000s) -----		
Income		
Income from investments/reverse repurchase transactions	27,011	30,064
Return on fund placements with financial institutions	8,611	4,505
Capital gains/ (loss) on disposal of investments/ reverse repurchase transactions	53,711	143,450
Mark-up on loans and term finances	17,094	2,853
Consulting and corporate advisory fees	2,107	5,537
Commission and fees	245	529
Gain on sale of fixed assets	-	473
Other income	427	1,157
	109,206	188,568
Operating Expenses		
Return on certificates of deposit	56,966	6,190
Mark-up on short term running finance	3,669	415
Mark-up on borrowings from banks/ NBFCs	21,008	8,379
Administrative and operating expenses	17,034	26,779
	98,677	41,763
Profit before taxation	10,529	146,805
Taxation	(3,148)	(2,168)
Profit after taxation	7,381	144,637
	Rupees	Rupees
Basic and diluted earnings per share	0.09	1.70

The annexed notes form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE QUARTER ENDED
SEPTEMBER 30, 2005
(UN-AUDITED)

	September 30, 2005	September 30, 2004
----- (Rs. in '000s) -----		
Cash flows from operating activities:		
Profit for the period before taxation	10,529	146,805
Adjustment for:		
Depreciation on fixed assets	1,048	1,065
Provision for staff bonus	750	1,500
(Gain) on sale of fixed assets	-	(473)
	1,798	2,092
	12,327	148,897
(Increase) / decrease in operating assets:		
Long term loans and term finance	11,455	2,311
Short term investments	(447,767)	406,545
Short term loans and advances	73,606	(444,153)
Funds placements	(42,103)	126,919
Receivable against sale of marketable securities	(116,562)	(63,965)
Prepayments, accruals and other receivables	16,181	7,165
	(505,190)	34,822
Increase / (decrease) in operating liabilities:		
Borrowings from banks/NBFCs	139,440	(135,000)
Payable for purchase of marketable securities	12,275	(2,587)
Trade and other payable	263,938	(167,452)
	415,653	(305,039)
Net cash (used in) operating activities before income tax	(77,210)	(121,320)
Income tax (paid) / refund	(7,955)	37,296
Net cash (used in) operating activities	(85,165)	(84,024)
Cash flows from investing activities:		
Acquisition of fixed assets	(105)	(1,472)
Sale proceeds from disposal of fixed assets	-	650
Long term deposits	-	(10)
Net cash (outflow) from long term investments	(14,449)	(36,776)
Net cash (used in) investing activities	(14,554)	(37,608)
Cash flows from financing activities		
Issuance / (Redemption) of certificates of deposit	540,214	(182,500)
Net cash generated from / (used in) financing activities	540,214	(182,500)
Net increase / (decrease) in cash and cash equivalents	440,495	(304,132)
Cash and cash equivalents at beginning of the period	(97,844)	195,060
Cash and cash equivalents at end of the period	342,651	(109,072)

The annexed notes form an integral part of these financial statements.

Mazharul Haq Siddiqui
Chairman

Muhammad Yousuf Amanullah
Chief Executive

JAHANGIR SIDDIQUI INVESTMENT BANK Ltd

STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

	Issued, Subscribed and Paid-up Capital	Reserves			Total	Total
		Capital	Reserve for issue of bonus shares	Revenue		
		Special Reserve	Unappro- priated Profit			
----- (Rs. in 000s) -----						
Balance as at July 1, 2004	227,500	182,342	227,500	310,235	720,077	947,577
100% bonus shares declared subsequent to the year end	-	-	(227,500)	227,500	-	-
Balance as at July 01, 2004-restated	<u>227,500</u>	<u>182,342</u>	<u>-</u>	<u>537,735</u>	<u>720,077</u>	<u>947,577</u>
100% bonus shares declared subsequent to the year end	-	-	227,500	(227,500)	-	-
Net profit for the period	-	-	-	144,637	144,637	144,637
Transferred during the period	-	-	398,125	(398,125)	-	-
Balance as at September 30, 2004	<u>227,500</u>	<u>182,342</u>	<u>625,625</u>	<u>56,747</u>	<u>864,714</u>	<u>1,092,214</u>
Balance as at July 01, 2005	853,125	255,949	-	206,539	462,488	1,315,613
Net Profit for the period	-	-	-	7,381	7,381	7,381
Balance as at September 30, 2005	<u>853,125</u>	<u>255,949</u>	<u>-</u>	<u>213,920</u>	<u>469,869</u>	<u>1,322,994</u>

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

1. Legal status and operation

Jahangir Siddiqui Investment Bank Limited (JSIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the Company is situated at Room No. 1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi, Pakistan. JSIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The Company is a subsidiary of Jahangir Siddiqui & Company Limited.

2. Basis of measurement

These financial statements are unaudited and have been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" as applicable in Pakistan.

3. Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2005.

September 30, 2005	June 30, 2005
----- (Rs. in '000s) -----	

4. Short term investments

Available-for-sale

Listed securities

Open-ended mutual funds units	91,657	363,441
Term finance certificates	363,597	414,424

Unlisted securities

Term finance certificates	128,801	131,443
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Held for trading

Government securities

Pakistan Investment Bonds	70,495	-
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T Bills-One year	468,621	
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Listed shares	804,011	431,172
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	1,927,182	1,340,480
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5. Contingencies and Commitments

5.1 Contingencies

There is no significant change in the status of contingent liabilities of the company since the last annual balance sheet.

5.2 Commitments

Forward sale commitments	97,909	232,476
Forward purchase commitments	-	88,875
Underwriting commitments	148,000	148,000

	July- September 30, 2005	July- September 30, 2004
6. Transaction with associated undertakings/ Related parties/connected persons	----- (Rs. in '000s) -----	
Cumulative sum of money market instruments purchased	606,422	365,342
Cumulative sum of money market instruments sold	71,571	1,172,050
Sale of marketable securities (including resale under reverse repurchase agreements)	14,649,877	4,327,942
Purchase of marketable securities (including purchase under reverse repurchase agreements)	15,332,453	4,517,948
Brokerage	73	111
Rent	613	518
Security services	36	36

7. General

- 7.1 Prior period figures have been rearranged, wherever necessary, to facilitate the comparison.
- 7.2 These financial statements were authorized for issue by the Board of Directors on October 29, 2005.
- 7.3 Figures have been rounded off to the nearest thousand rupees.

If undelivered please return to:-

JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

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Chapal Plaza, Hasrat Mohani Road,

Karachi-74000, Pakistan.

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