

Half Yearly Accounts  
(Un-Audited)  
December 2007



**TRUST INVESTMENT BANK LIMITED**  
(Formerly Trust Leasing & Investment Bank Limited)



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Asif Kamal	–	Chairman
Mr. Ali Aslam Malik	–	Director
Mr. Zahid Rafique	–	Director
Mr. Humayun Nabi Jan	–	Director
Mr. Shafiq A. Khan	–	Director
Mr. Hamesh Khan	–	Director
Mr. Javaid Bashir Sheikh	–	Chief Executive Officer

### AUDIT COMMITTEE

Mr. Humayun Nabi Jan - Chairman  
Mr. Asif Kamal  
Mr. Ali Aslam Malik

### CHIEF FINANCIAL OFFICER

Mr. Imran Hameed

### COMPANY SECRETARY

Mr. Mudassar Kaiser Pal

### AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants

### LEGAL ADVISOR

Nawaz Kasuri & Rashdeen  
Law Chambers

### BANKERS TO THE COMPANY

The Bank of Punjab  
Habib Bank Limited  
National Bank of Pakistan  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Al-Barka Islamic Bank Limited  
Allied Bank Limited  
Soneri Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited

### REGISTRARS

Vision Consulting Limited  
1st Floor, 3-C, LDA Flats,  
Lawrence Road, Lahore.  
Tel: 042-6375531, 6375339  
Fax: 042-6374839

### REGISTERED & HEAD OFFICE

23-D/l-A, Gulberg - III, Lahore.

Tel: (042) 2404714-19

Fax: (042) 2404720

E. mail: info@ustbank.com.pk

Website: www.trustbank.com.pk



## BRANCH NETWORK

### **Main Branch**

35-A/II, Aziz Avenue, Canal Bank,  
Lahore. Ph: 042-5710988, 5875412-13  
Fax: 042-5713453

### **Jail Road, Lahore Branch**

M-I, First Floor, Khaleej Tower,  
38/A, Jail Road, Lahore  
Ph: 042-7584385

### **Faisal Town, Lahore Branch**

753/C, Adjacent Ravi Restaurant,  
Faisal Town, Lahore  
Ph: 042-5178893

### **Defence Housing Authority, Lahore Branch**

1st Floor, 4-S, DHA,  
Lahore Cantt.  
Ph: 042-5748029, 5707011 Fax: 5707012

### **Multan Road, Lahore Branch**

Office #01, 1st Floor, Ghulam Plaza,  
Opp. Grand Battery,  
Multan Road, Lahore

### **Gujrat Branch**

Ground Floor, Kashmir Plaza,  
Ram Talai Road, Gujrat  
Ph: 0533-510223, Fax: 0533-535819

### **Gujranwala Branch**

Data Plaza, G. T. Road, Opp.  
Trust Plaza, Gujranwala  
Ph: 0553-733617, Fax: 0553-733618

### **Sargodha Branch**

60/ A, Railway Road, Civil Lines  
(Opp. Solo Hotel), Sargodha  
Ph: 0483-213836

### **Islamabad Branch**

Ground Floor, Kashmir Commercial Complex,  
54-E, Fazal-e-Haq Road, Blue Area, Islamabad  
Ph: 051-2271544, 051-2272330

### **Mandi Baha-ud-Din Branch**

Al Ghani Plaza, Jail Road,  
Mandi Baha-ud-Din  
Ph: 0546-509568

### **Multan Branch**

1733/B-Ground Floor, LMQ Road  
(Central Chungi 8-9 High Way), Multan  
Ph: 061-6222008

### **Karachi Branch**

Office #006, 10th Floor, Saima Trade  
Tower-B, I. I. Chundrigar Road, Karachi  
Ph: 021-2272198, 2275002-3  
Fax: 021-2272199

### **Rawalpindi Branch**

49/62-Uni Building, 1st Floor,  
Bank Road, Rawalpindi Cantt.  
Ph: 051-5810149

### **Sialkot Branch**

Kashmir Road,  
Near Meezan Bank, Sialkot  
Ph: 052-4298350

### **Jhelum Branch**

24-Civil Lines, Near Imam Bargah,  
Jhelum Ph: 0544-625961  
Fax: 0544- 625972

### **Peshawar Branch**

Commercial Building, Jehangirabad,  
University Road, Peshawar.  
Ph: 091-5701484, Fax: 091-5846302

### **Faisalabad Branch**

Ground Floor, Saeed Arcade,  
721 Batala Colony, Faisalabad  
Ph: 041-8737542, Fax: 041-8737431

### **Sahiwal Branch**

79-A-F, Canal Colony  
Farid Town Road, Sahiwal  
Ph: 040-4463990-91, Fax: 040-4463987

## DIRECTORS' REPORT

We are pleased to present the half yearly accounts of your bank for the half year ended December 2007.

### OPERATING RESULTS

Financial results of the Bank are as under:-

	December 2007	December 2006
	(Rupees)	
Total revenue	434,327,832	349,380,088
Lease income	160,189,691	177,337,035
Income form investments	154,930,648	149,208,388
Expenditure	354,986,246	293,392,709
Operating Profit	79,341,586	55,987,379
Profit before taxation	35,500,938	33,311,672
Profit after taxation	28,500,938	26,311,672
Earning per share	0.49	0.45*

(\* Restated)

### REVIEW OF OPERATIONS

As evident from the results despite the decrease in the lease income, your Bank has maintained the steady profits. Hectic efforts have been put in to increase the total revenue base of the Bank. New avenues i.e. housing / mortgage financing and advisory services in the Real Estate Sector have been developed. The contribution from these productions will improve the revenue stream of your Bank.

It is worth mentioning that due to political instability and pre-election scenario the situation was not much conducive for overall business and economic growth in the country, which have also affected the business and spread earning of your Bank in the last quarter. However, your Bank has managed to maintained the steady revenue streams.

During the period total expenses were increased with 21 %, mainly attributed to the financial cost which has risen by 17% as compared to the last six months. The main reason of increase in financial cost is the upward trend in the interest rates. Further, during the period a new branch was established at Sahiwal which will help in outreach of new business revenues.

### CREDIT RATING

The credit rating for the current period is under review by Pakistan Credit Rating Agency Limited (PACRA). Our last year ratings were "AA-" (double A minus) for long term and "A1+" (A one plus) for short term. PACRA also assigned instrument rating of "AA" (double A) of listed term finance certificates of the Bank. These ratings indicate high credit quality and strong capacity of the Bank for timely repayment of its obligations.



### **FUNDS MOBILIZATION**

The Bank remained successful in raising funds at highly competitive rates during the period. Long term matching credit lines for leasing business were obtained from banks and financial institutions. Further, short term requirements of funds were raised from clean money market limits. The effective deposit mobilization drive has yielded positive results in raising deposits level. Bank has finalized a new structured term finance agreement with Standard Chartered Bank Pakistan Limited amounting to Rs.500 million. A Pre IPO issue of Term Finance Certificate of Rs.450 million has been obtained and remaining 150 million public issue is to be obtained shortly.

### **FUTURE OUT LOOK**

The vision of management is to make the Bank dynamic, robust and modern Investment Bank. Measures and efforts made during the last year for strengthening and reorganization of all the required departments, recruitment of capable and effective human resource, delegation of authority at different levels, prudent approach to book quality lease business, innovative credit products and collaboration with other significant players in the financial sector will definitely result in enhancing profitability of your Bank in coming years. Further, three more branches will be operational by the end of financial year 2008 and these will not only add additional lease business volume and deposits but also contribute in profitability.

For and on Behalf of the Board

**Javid Bashir Sheikh**  
Chief Executive Officer

## Independent Report on Review of Condensed Interim Financial Information to the Members of Trust Investment Bank Limited

### INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **Trust Investment Bank Limited** (“the Company”) as at 31 December 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 31 December 2006 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2007.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended 31 December 2007 is not prepared, in all material respects, in accordance with approved accounting standards’ as applicable in Pakistan relating to interim financial reporting.

Lahore

**KPMG Taseer Hadi & Co.**  
Chartered Accountants



## Condensed Interim Balance Sheet (Un-Audited)

As at 31 December 2007

		31 December 2007 (Un-audited) Rupees	30 June 2007 (Audited) Rupees
<b>Non-Current Assets</b>	<i>Note</i>		
<b>Fixed Assets</b>			
Property and equipment	3	111,845,881	108,061,123
Intangible asset		31,054,874	30,955,585
		<b>142,900,755</b>	139,016,708
Net investment in lease finance	4	2,780,998,031	3,017,606,748
Long term finances	5	136,183,943	42,912,864
Long term investments		215,527,614	527,614
Long term deposits		4,185,828	3,965,828
Long term advances		67,742,134	38,025,000
		<b>3,204,637,550</b>	3,103,038,054
		<b>3,347,538,305</b>	3,242,054,762
<b>Current Assets</b>			
Current maturities of non-current assets	6	1,465,965,087	972,804,725
Short term finances	7	175,564,765	39,190,979
Short term placements	8	718,136,143	633,577,736
Short term investments	9	707,268,915	770,405,616
Taxation - net		28,354,016	27,529,228
Mark up accrued		29,464,332	17,544,269
Advances, prepayments and other receivables	10	716,515,491	539,624,140
Cash and bank balances	11	173,848,250	200,947,091
		<b>4,015,116,999</b>	3,201,623,784
		<b>7,362,655,304</b>	6,443,678,546
<b>Equity and Liabilities</b>			
Share capital		585,528,729	468,422,983
Reserves		388,772,690	547,640,945
		<b>974,301,419</b>	1,016,063,928
<b>Surplus / (Deficit) on revaluation of investments</b>		<b>(3,057,447)</b>	6,594,532
		<b>971,243,972</b>	1,022,658,460
<b>Non Current Liabilities</b>			
Term finance certificates	12	219,018,543	291,899,573
Long term certificates of investment	13	926,723,970	1,132,432,940
Long term borrowings	14	241,517,907	249,973,660
Long term deposits		922,423,841	933,431,375
Deferred taxation		30,036,526	25,036,526
Long Term Advances	15	450,000,000	-
Staff service costs		4,602,326	4,019,593
		<b>2,794,323,113</b>	2,636,793,667
<b>Current Liabilities</b>			
Current maturities of long term liabilities	16	999,351,604	794,041,048
Short term certificates of investment		999,715,342	331,874,225
Short term borrowings	17	1,289,897,557	1,373,653,324
Mark up accrued		87,760,341	54,181,534
Trade and other payables	18	220,363,375	230,476,288
		<b>3,597,088,219</b>	2,784,226,419
		<b>6,391,411,332</b>	5,421,020,086
<b>Contingencies and Commitments</b>	19	-	-
		<b>7,362,655,304</b>	6,443,678,546

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive

Director

## Condensed Interim Profit and Loss Account (Un-Audited)

For the quarter and half year ended 31 December 2007

	Notes	Quarter ended 31 December		Six months ended 31 December	
		2007 Rupees	2006 Rupees	2007 Rupees	2006 Rupees
<b>Revenue</b>					
Income from lease operations	20	52,100,942	70,396,053	160,189,691	177,337,035
Income from investments	21	120,212,085	81,955,072	154,930,648	149,208,388
Income from brokerage		12,647,523	9,229,891	23,489,567	12,165,137
Other income		67,460,462	7,111,823	95,717,926	10,669,528
		<b>252,421,012</b>	168,692,839	<b>434,327,832</b>	349,380,088
<b>Expenditure</b>					
Finance cost		126,525,900	109,638,520	249,454,487	213,515,103
Administrative and operating expenses		48,284,514	44,001,019	95,958,746	74,322,886
Depreciation and amortization		4,334,683	3,374,401	8,552,526	5,554,720
Lease receivables written off		989,290	–	1,020,487	–
		<b>180,134,387</b>	157,013,940	<b>354,986,246</b>	293,392,709
<b>Operating profit</b>		<b>72,286,625</b>	11,678,899	<b>79,341,586</b>	55,987,379
Provision for miscellaneous receivables and potential lease losses		(32,350,727)	(14,840,222)	(35,350,727)	(16,840,222)
Deficit on revaluation of held for trading investments		(21,002,896)	(19,137,440)	(8,489,921)	(5,835,485)
		<b>(53,353,623)</b>	(33,977,662)	<b>(43,840,648)</b>	(22,675,707)
<b>Profit/(loss) before taxation</b>		<b>18,933,002</b>	(22,298,763)	<b>35,500,938</b>	33,311,672
Provision for taxation		6,000,000	6,000,000	7,000,000	7,000,000
<b>Profit/(loss) after taxation</b>		<b>12,933,002</b>	(28,298,763)	<b>28,500,938</b>	26,311,672
<b>Earnings per share - basic and diluted</b>	22	<b>0.22</b>	(0.48)	<b>0.49</b>	0.45

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive

Director



## Condensed Interim Cash Flow Statement (Un-Audited)

For the half year ended 31 December 2007

	Six months ended 31 December	
	2007 Rupees	2006 Rupees
<b>Cash flows from operating activities</b>		
Profit before taxation	35,500,938	33,311,672
Adjustments for non cash and other items		
Depreciation	8,552,526	5,554,720
Amortization of transaction costs	2,118,970	1,619,329
Provision for gratuity	6,000,000	6,000,000
Provision for potential lease losses	35,350,727	16,840,222
Lease balances written-off	1,020,487	-
Finance cost	249,454,487	213,515,103
Profit on sale of fixed assets	(78,753,143)	(17,400)
Surplus / (Deficit) on revaluation of held for trading investments	8,489,921	5,835,485
Gain on sale of investments available for sale	(7,249,000)	(3,629,346)
	224,984,975	245,718,113
<b>Cash flows from operations before working capital changes</b>	260,485,913	279,029,785
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in		
Investments held for trading	155,861,522	(102,738,560)
Short term placements	(84,558,407)	237,599,290
Mark up accrued	(11,920,063)	(27,580,350)
Advances, prepayments and other receivables	(265,228,098)	172,386,751
Long and short term finances	(263,825,802)	(34,135,184)
Net investment in lease finance	(228,595,753)	(38,299,994)
Purchase of investment available for sale	(156,501,777)	(9,500,000)
Certificates of investment	664,665,087	506,459,400
Long term deposits	106,832,564	20,382,102
	(83,270,727)	724,573,455
Increase / (decrease) in trade and other payables	(11,248,839)	(24,632,219)
	(94,519,566)	699,941,236
<b>Cash generated from/(used) in operations</b>	165,966,347	978,971,021
Finance cost paid	(215,875,680)	(217,056,544)
Taxes paid	(2,824,788)	(1,452,147)
Gratuity paid	(5,417,267)	(8,822,516)
	(224,117,735)	(227,331,207)
<b>Net cash generated from/(used) in operating activities</b>	(58,151,388)	751,639,814
<b>Cash flows from investing activities</b>		
Purchase of operating fixed assets	(74,904,880)	(40,579,352)
Long term deposits	(220,000)	(637,500)
Sale proceeds of fixed assets	44,028,000	60,000
Sale proceeds of long term investments	63,550,950	23,629,346
<b>Net cash used in investing activities</b>	32,454,070	(17,527,506)

## Condensed Interim Cash Flow Statement (Un-Audited)

For the half year ended 31 December 2007

	Six months ended 31 December	
	2007 Rupees	2006 Rupees
<b>Cash flow from financing activities</b>		
Long term and short term borrowings	(269,018,235)	(521,536,743)
Advance for issue of Term Finance Certificates	450,000,000	-
Redemption of Term Finance Certificates	(120,000,000)	(100,000,000)
Dividends paid	(69,127,521)	(59,394,221)
<b>Net cash generated / (used) in financing activities</b>	<b>(8,145,756)</b>	(680,930,964)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(33,843,074)</b>	53,181,344
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(10,206,233)</b>	(17,652,461)
<b>Cash and cash equivalents at the end of the period</b>	<b>(44,049,307)</b>	35,528,883

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

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Chief Executive

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Director

## Condensed Interim Statement of Changes in Equity (Un-Audited)

For the half year ended 31 December 2007

	Share capital	Share premium	Statutory reserve	General reserve	Un-appropriated profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 1 July 2006</b>	407,324,333	70,714,920	156,192,221	61,000,000	278,883,552	974,115,026
Final dividend for 2006 paid @5% (Rs 1.50 per share)	-	-	-	-	(61,098,650)	(61,098,650)
Bonus shares issued for 2006 @5%	61,098,650	-	-	-	(61,098,650)	-
Net profit for the half year ended 31 December 2006	-	-	-	-	26,311,672	26,311,672
Transfer to statutory reserve	-	-	5,262,334	-	(5,262,334)	-
<b>Balance as at 31 December 2006</b>	468,422,983	70,714,920	161,454,555	61,000,000	177,735,590	939,328,048
<b>Balance as at 1 July 2007</b>	468,422,983	70,714,920	176,801,731	61,000,000	239,124,294	1,016,063,928
Final dividend for 2007 paid @5% (Rs 1.50 per share)	-	-	-	-	(70,263,447)	(70,263,447)
Bonus shares issued for 2007 @5%	117,105,746	(70,714,920)	-	-	(46,390,826)	-
Net profit for the half year ended 31 December 2007	-	-	-	-	28,500,938	28,500,938
Transfer to statutory reserve	-	-	5,700,188	-	(5,700,188)	-
<b>Balance as at 31 December 2007</b>	585,528,729	-	182,501,919	61,000,000	145,270,771	974,301,419

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive

Director

## Notes to the Condensed Interim Financial Information (Un-Audited)

For the half year ended 31 December 2007

### 1 The Company's operations and registered office

Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 23-D-1/A, Gulberg III, Lahore. The Company is mainly engaged in the business of leasing & investment banking. The Company also holds license for housing finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is a member of Lahore Stock Exchange (Guarantee) Limited.

Pakistan Credit Rating Agency Limited has maintained the long term credit rating of the Company at "AA-" (double A minus), while short term credit rating has also been maintained at "A1+" (A one plus) with stable out look. Rating of all categories of term finance certificates has been maintained at "AA" (double A).

Vide its Notifications dated November 21, 2007, the Securities and Exchange Commission of Pakistan (SECP) has announced certain revisions in the NBFC Rules 2003 and has also promulgated the NBFC Regulations 2007. The existing NBFCs have been allowed different time limits for aligning themselves with different revised provisions. The management of the Company will deliberate on the course of action to be taken, with a view to fall in line with the revised regime.

### 2 Summary of significant accounting policies

#### 2.1 Accounting convention

The condensed interim financial information has been prepared under the historical cost convention, except for held for trading investments and available for sale investments, which have been recognized at fair value.

#### 2.2 Basis of presentation

This condensed interim financial information is un-audited but subject to limited scope review by auditors and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. The condensed interim financial information do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2007.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

#### 2.3 Accounting policies

The accounting policies and methods of computation followed for the preparation of the condensed interim financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2007.

#### 2.4 Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2007.



		31 December 2007 (Un-Audited)	
		Additions cost	Disposal book value
		Rupees	Rupees
<b>3</b>	<b>Fixed assets - property and equipment</b>		
	Building /land	56,520,025	60,888,035
	Lease hold improvements	5,097,721	-
	Office equipment and machines	2,850,585	131,175
	Furniture and fixtures	910,318	-
	Air conditioning equipment	485,060	-
	Vehicles	9,041,171	1,603,647
		<b>74,904,880</b>	<b>62,622,857</b>
	<b>Intangible assets</b>	<b>154,550</b>	<b>-</b>
		<b>31 December 2007 (Un-Audited)</b>	<b>30 June 2007 (Audited)</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>4</b>	<b>Net investment in lease finance</b>		
	Lease payments receivable	4,032,573,695	3,864,762,908
	Add: Residual value	1,154,474,522	1,054,280,794
	<b>Gross investment in leases</b>	<b>5,187,048,217</b>	<b>4,919,043,702</b>
	Less: Unearned finance income	661,778,217	687,719,451
	Income suspended	226,881,800	161,531,804
	Provision for potential lease losses	87,126,007	80,900,962
		<b>975,786,024</b>	<b>930,152,217</b>
	<b>Net investment in lease finance</b>	<b>4,211,262,193</b>	<b>3,988,891,485</b>
	Less: Current portion of net investment in lease finance	1,430,264,162	971,284,737
		<b>2,780,998,031</b>	<b>3,017,606,748</b>

Note

6

31 December 2007 (Un-Audited)				
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,778,496,566	3,408,551,651	-	5,187,048,217
Less: Unearned finance income	348,232,404	313,545,813	-	661,778,217
	1,430,264,162	3,095,005,838	-	4,525,270,000
30 June 2007 (Audited)				
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,317,703,796	3,601,339,906	-	4,919,043,702
Less: Unearned finance income	346,419,059	341,300,392	-	687,719,451
	971,284,737	3,260,039,514	-	4,231,324,251

**TRUST INVESTMENT BANK LIMITED**  
(Formerly Trust Leasing & Investment Bank Limited)

	<i>Note</i>	<b>31 December 2007</b> (Un-Audited) <b>Rupees</b>	30 June 2007 (Audited) Rupees
<b>5 Long term finances</b>			
Employees - considered good		<b>9,230,898</b>	9,632,852
Others: Secured - considered good		<b>162,353,970</b>	34,500,000
Unsecured - considered good		<b>300,000</b>	300,000
		<b>171,884,868</b>	44,432,852
Less: Current maturity	6	<b>35,700,925</b>	1,519,988
		<b>136,183,943</b>	42,912,864
<b>6 Current maturities of non-current assets</b>			
Long term finances	5	<b>35,700,925</b>	1,519,988
Net investment in lease finance	4	<b>1,430,264,162</b>	971,284,737
		<b>1,465,965,087</b>	972,804,725
<b>7 Short term finances</b>			
Employees - considered good		<b>627,256</b>	1,190,979
Others: Secured - considered good		<b>174,937,509</b>	38,000,000
Secured - considered doubtful		<b>650,000</b>	650,000
Less: Provision against doubtful finance		<b>(650,000)</b>	(650,000)
		<b>175,564,765</b>	39,190,979
<b>8 Short term placements - considered good</b>			
Continuous funding system		<b>246,122,043</b>	357,563,636
Placements with Financial Institutions		<b>150,000,000</b>	-
Securities purchased under reverse repurchase agreements		<b>322,014,100</b>	276,014,100
		<b>718,136,143</b>	633,577,736
Fair value of quoted securities held as collateral against lending on Continuous Funding System and Reverse Repurchase Agreement.			
<b>Quoted shares</b>		<b>646,631,707</b>	706,548,416
These have been placed for a period upto one year.			



## 9 Short term investments

Note	December 2007			June 2007			
	Held by Company	Given as Collateral	Total	Held by Company	Given as Collateral	Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Investments at fair value through profit and loss account	9.1	381,454,353	121,827,000	503,281,353	500,027,796	167,605,000	667,632,796
Investments available for sale	9.2	203,987,562	–	203,987,562	102,772,820	–	102,772,820
		<b>585,441,915</b>	<b>121,827,000</b>	<b>707,268,915</b>	<b>602,800,616</b>	<b>167,605,000</b>	<b>770,405,616</b>

### 9.1 Investments at fair value through profit and loss account

Name of investee company	Shares/Units		Cost		Fair Value		
	31 December 2007	30 June 2007	31 December 2007	30 June 2007	31 December 2007	30 June 2007	
	Number	Number	Rupees	Rupees	Rupees	Rupees	
<b>Investments held for trading:</b>							
<b>Technology and communication</b>							
Callmate Telips Telecom Limited	–	400,000	–	20,718,995	–	19,800,000	
<b>Energy and power</b>							
Pakistan Petroleum Limited	52,500	200,000	13,147,740	53,200,274	12,865,125	52,490,000	
Pakistan Oil fields Limited	25,500	306,000	8,281,235	107,460,471	8,527,200	97,002,000	
Oil & Gas Development Company Limited	90,000	425,000	10,639,857	52,508,240	10,750,500	50,915,000	
Pakistan State Oil Limited	25,500	–	10,035,064	–	10,368,300	–	
<b>Cement</b>							
Al-Abbas Cement Limited	50,000	–	702,685	–	760,000	–	
<b>Commercial banks</b>							
Askari Bank Limited	–	150,000	–	15,359,513	–	15,885,000	
The Bank of Punjab	517,500	450,000	51,749,551	50,771,686	50,611,500	52,425,000	
National Bank of Pakistan Limited	101,000	125,000	24,651,941	31,430,123	23,447,150	32,750,000	
Crescent Commercial Bank Limited	2,314,000	2,790,500	51,851,344	49,700,534	48,478,300	62,646,725	
Arif Habib Bank Limited	30,808	–	308,080	–	1,065,957	–	
My Bank Limited	2,358,250	1,994,000	55,573,054	56,401,210	56,480,088	59,620,600	
United Bank Limited	65,100	200,000	13,712,800	42,911,295	11,255,790	43,990,000	
PICIC Commercial Bank	–	881,500	–	36,922,073	–	38,786,000	
Saudi Pak Commercial Bank	–	1,000,000	–	23,136,907	–	25,150,000	
NIB Bank Limited	1,012,000	–	22,264,000	–	22,112,200	–	
Soneri Bank Limited	108,300	–	4,274,499	–	4,700,220	–	
<b>Investment companies</b>							
Arif Habib Securities Limited	340,085	512,685	57,972,826	39,363,593	58,902,722	59,779,071	
Pervez Ahmed Securities Limited	981,500	–	42,668,305	–	50,203,725	–	
Javed Omer Vohra & Company	108,000	–	15,559,106	–	17,647,200	–	
<b>Cable and electronics</b>							
Pak Electron Limited	400,375	472,500	27,545,800	40,049,100	26,965,256	40,635,000	
<b>Automobiles</b>							
Pak Suzuki Motors Company Limited	142,800	40,200	58,639,192	8,388,400	47,074,020	15,758,400	
<b>Refinery</b>							
National Refinery Limited	88,000	–	35,471,589	–	31,768,000	–	
Attock Refinery Limited	37,000	–	8,998,606	–	9,298,100	–	
		<b>8,848,218</b>	<b>9,947,385</b>	<b>514,047,274</b>	<b>628,322,414</b>	<b>503,281,353</b>	<b>667,632,796</b>

### 9.2 Investments available for sale:

Pervaiz Ahmad Securities Limited	80,000	750,000	1,816,000	7,500,000	4,092,000	17,025,000
Hira Textile Mills Limited	1,172,187	1,172,187	11,721,870	14,652,338	9,318,887	11,721,870
<b>Investment in commercial papers</b>						
Dewan Farooq Motors Limited	–	–	–	–	–	46,525,950
Azgard Nine Limited	–	–	–	–	73,893,550	27,500,000
Pak American Fertilizers Limited	–	–	–	–	116,683,125	–
<b>TOTAL</b>	<b>1,252,187</b>	<b>1,922,187</b>	<b>13,537,870</b>	<b>22,152,338</b>	<b>203,987,562</b>	<b>102,772,820</b>
					<b>707,268,915</b>	<b>770,405,616</b>

	Note	31 December 2007 (Un-Audited) Rupees	30 June 2007 (Audited) Rupees
<b>10 Advances, prepayments and other receivables</b>			
Advance to employees-considered good		<b>30,668</b>	–
Advance against leases		<b>106,774,741</b>	77,815,311
Advance against purchase of fixed assets		<b>4,630,121</b>	36,710,266
Other advances - considered good		<b>4,475,319</b>	2,773,194
Initial transaction cost of term finance certificates		–	1,203,542
Receivable from broker		<b>102,867,839</b>	–
Receivable from brokerage customers		<b>334,264,689</b>	113,052,333
Receivable from National Clearing Company Limited		–	227,784,312
Receivable against sale of fixed assets		<b>97,348,000</b>	–
Prepayments		<b>10,067,530</b>	6,729,665
Miscellaneous receivables from lessees	10.1	<b>53,556,600</b>	71,654,315
Other receivables - considered good		<b>2,499,984</b>	1,901,202
		<b>716,515,491</b>	539,624,140
<b>10.1 Miscellaneous receivables from lessees</b>			
Considered good		<b>53,556,600</b>	71,654,315
Considered doubtful			
Miscellaneous receivables from lessees		<b>88,285,628</b>	59,159,946
Less: Provision against doubtful receivables		<b>(88,285,628)</b>	(59,159,946)
		–	–
		<b>53,556,600</b>	71,654,315
<b>11 Cash and bank balances</b>			
Cash in hand		<b>2,333,371</b>	395,429
With banks in:			
Deposit accounts		<b>231,862</b>	231,791
Current accounts		<b>171,283,017</b>	200,319,871
		<b>171,514,879</b>	200,551,662
		<b>173,848,250</b>	200,947,091



	Note	31 December 2007 (Un-Audited) Rupees	30 June 2007 (Audited) Rupees
<b>12 Term Finance Certificates (TFC) - secured</b>			
TFC I		<b>95,375,000</b>	140,375,000
TFC II-1st Tranche		<b>150,000,000</b>	187,500,000
TFC II-2nd Tranche		<b>225,000,000</b>	262,500,000
		<b>470,375,000</b>	590,375,000
Less: Unamortized portion of the initial transaction cost		<b>(5,981,457)</b>	(8,100,427)
		<b>464,393,543</b>	582,274,573
Less: Current maturity	16	<b>(245,375,000)</b>	(290,375,000)
		<b>219,018,543</b>	291,899,573
<b>13 Long term certificates of investment - unsecured</b>			
Local currency:			
Financial institutions		<b>1,025,000,000</b>	1,100,000,000
Corporate		<b>14,122,940</b>	13,352,940
Individuals		<b>90,623,970</b>	19,570,000
		<b>1,129,746,910</b>	1,132,922,940
Less: Current maturity	16	<b>(203,022,940)</b>	(490,000)
		<b>926,723,970</b>	1,132,432,940
<b>14 Long term borrowings - secured</b>			
Banking companies and other financial institutions:			
The Bank of Punjab		<b>116,666,656</b>	137,500,002
Faysal Bank Limited		<b>100,000,000</b>	-
Askari Bank Limited		<b>8,333,330</b>	16,666,664
Allied Bank Limited		<b>86,666,665</b>	86,666,665
National Bank of Pakistan Limited		<b>20,660,441</b>	33,160,441
Habib Bank Limited		<b>108,333,337</b>	141,666,666
Pak Kuwait Investment Company (Private) Limited		<b>8,333,331</b>	16,666,664
Pak Oman Investment Company Limited		<b>12,500,000</b>	25,000,000
Syndicated Term Finance		<b>39,414,241</b>	55,432,466
Soneri Bank Limited		-	50,000,000
Saudi Pak Industrial & Agricultural Investment Company (Private) Limited		<b>49,999,996</b>	66,666,664
		<b>550,907,997</b>	629,426,232
Less: Current portion shown under current liabilities	16	<b>(309,390,090)</b>	(379,452,572)
		<b>241,517,907</b>	249,973,660
<b>15 Long term advances</b>			

This represents advances from various financial institutions against Pre IPO of 3rd issue of Term Finance Certificate. It carries mark up at the rate of 11.95%.

	<i>Note</i>	<b>31 December 2007</b> (Un-Audited) <b>Rupees</b>	30 June 2007 (Audited) Rupees
<b>16 Current maturities of long term liabilities</b>			
Term finance certificates - secured	12	<b>245,375,000</b>	290,375,000
Certificates of investment - unsecured	13	<b>203,022,940</b>	490,000
Long term borrowings - secured	14	<b>309,390,090</b>	379,452,572
Long term deposits		<b>241,563,574</b>	123,723,476
		<b>999,351,604</b>	794,041,048
<b>17 Short term borrowings</b>			
Banking companies and other financial institutions:			
Running finances - secured		<b>217,897,557</b>	211,153,324
Placements from financial institutions - unsecured		<b>1,072,000,000</b>	1,162,500,000
		<b>1,289,897,557</b>	1,373,653,324
<b>18 Trade and other payables</b>			
Payable to National Clearing Company of Pakistan Limited		<b>19,244,859</b>	-
Customer's credit balances		<b>153,311,053</b>	199,320,252
Advance receipt against leases		<b>32,513,849</b>	17,807,071
Unclaimed dividend		<b>3,633,127</b>	2,497,201
Accrued liabilities		<b>1,812,922</b>	3,770,675
Other liabilities		<b>9,847,565</b>	7,081,089
		<b>220,363,375</b>	230,476,288
<b>19 Contingencies and Commitments</b>			
<b>19.1 Contingencies</b>			
As at 31 December 2007 guarantees issued by the Company to various parties on behalf of clients amounted to Rs. 76.565 million (30 June 2007: 25.681 million). There is no change in all other contingencies from those disclosed in the audited financial statements for the year ended 30 June 2007			
<b>19.2 Commitments</b>			
<b>19.2.1</b> Lease commitments approved but not disbursed as at balance sheet date amount to Rs. 175.655 million (30 June 2007: Rs. 217.065 million).			
<b>19.2.2</b> Commitment for the purchase of office space amounting to Rs. 59.274 million (30 June 2007 :Rs. 136.63 million).			



		<b>Six months ended 31 December</b>	
		<b>2007</b>	2006
		<b>Rupees</b>	Rupees
<b>20 Income from lease operations</b>			
Finance lease income		<b>139,894,356</b>	163,384,803
Front end fee		<b>698,954</b>	2,041,671
Commitment and other fees		<b>3,806,231</b>	364,000
Miscellaneous		<b>15,790,150</b>	11,546,561
		<b>160,189,691</b>	177,337,035
<b>21 Income from investments</b>			
Profit on disposal of investment held for trading		<b>82,616,598</b>	49,553,680
Profit on investment in continuous funding system		<b>13,627,511</b>	68,091,493
Profit on disposal of shares under reverse repurchase agreements		<b>28,102,720</b>	24,735,886
Profit on disposal of shares purchased under future contract		<b>1,094,383</b>	–
Profit on short term placements		<b>13,541,731</b>	223,150
Dividend income		<b>8,460,580</b>	2,974,833
Underwriting and trusteeship fee		<b>238,125</b>	–
Gain on disposal of investments available for sale		<b>7,249,000</b>	3,629,346
		<b>154,930,648</b>	149,208,388
<b>22 Earnings per share - basic</b>			
Profit for the year after taxation	<i>Rupees</i>	<b>28,500,938</b>	26,311,672
Weighted average number of ordinary shares	<i>Numbers</i>	<b>58,552,873</b>	58,552,873
Earnings per share	<i>Rupees</i>	<b>0.49</b>	0.45

**22.1** Corresponding figure of weighted average number of ordinary shares for the six months ended 31 December 2006 have been restated in order to incorporate the impact of bonus issue.

### 23 Transactions with related parties

Related parties comprise of directors, entities over which directors are able to exercise significant influence, entities with common directors, major shareholders, key management employees and employees' fund. The transactions and balances with related parties are as follows:

	Six months ended 31 December		Year ended
	2007 Rupees	2006 Rupees	30 June 2007 Rupees
<b>First Pakistan Securities Limited</b>			
Amount due against leases	526,089	–	613,135
Finance income charged during the period	29,936	41,247	–
Deposits against lease arrangements	149,700	–	149,700
<b>MCD Pakistan Limited</b>			
Amount due against leases	–	–	232,360
Finance income charged during the period	782	19,558	–
Deposit against lease arrangements	–	–	169,000
<b>Switch Securities (Private) Limited</b>			
Amount due against leases	–	–	273,725
Finance income charged during the period	1,534	28,531	–
Deposit against lease arrangements	–	–	142,200
<b>The Bank of Punjab Limited</b>			
Total facilities availed	348,000,000	–	348,000,000
Markup accrued during the period	8,757,057	13,305,263	–
Deposit of COI	500,000,000	–	1,000,000,000
Markup accrued during the period	27,945,205	1,117,808	–
Short term placements	–	–	2,782,000,000
<b>Tricon Developers (Private) Limited</b>			
Advance for purchase of office space	67,742,134	–	38,025,000
<b>Union Communications (Private) Limited</b>			
Amount due against leases	–	–	2,000,000
Finance income charged during the period	–	2,918	–
Commission income	–	109,432	–
Communication services	339,061	56,367	–
<b>Employees' retirement fund</b>			
Payment made	5,432,611	9,548,516	–

### 24 Authorization

The condensed interim financial information is authorized for issue on February 26, 2008 by the Board of Directors.

Lahore:

\_\_\_\_\_  
Chief Executive

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Director

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