

Half Yearly Report (un-audited)

For the period ended December 31, 2012

**2012**



Trust Investment  
Bank Limited

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## Company Information

### Board of Directors

Mr. Muhammad Khurshid Malik	Chairman
Mr. Asif Kamal	Executive Director
Mr. Humayun Nabi Jan	Director
Syed Sajjad Hussain Rizvi	Director
Mr. Ahsan Rafique	Chief Executive Officer

### Controller Accounts & Finance

Mr. Muhammad Zubair

### Company Secretary

Mr. Awais Yasin

### Auditors

Zahid Jamil & Company  
Chartered Accountants  
A member firm of IGAF POLARIS

### Legal Advisor

Nawaz Kasuri & Rashdeen Law Chambers

### Registrars

Vision Consulting Limited  
1<sup>st</sup> Floor, 3-C, LDA Flats, Lawrence Road, Lahore.  
Tel: 042-36375531 & 36375339, Fax: 042-36374839

### Registered Office & Head Office

6<sup>th</sup> Floor, M. M. Tower, 28-A/K, Gulberg-II, Lahore.  
Tel: 042-3581 7601-05 Fax: 042-3581 7600  
Email: [info@trustbank.com.pk](mailto:info@trustbank.com.pk)  
Website: [www.trustbank.com.pk](http://www.trustbank.com.pk)

## Branch Network

- 1. Faisalabad Branch**  
1<sup>st</sup> Floor, 16-Chenab Market,  
Near UBL, Main Susan Road,  
Faisalabad.  
Tel: 041-8503306  
Fax: 041-8737431
  
- 2. Gujranwala Branch**  
Rehmat Plaza, 1<sup>st</sup> Floor,  
Near MCB Bank, Siddiqui Stop,  
Shaheenabad, G.T. Road,  
Gujranwala.  
Tel: 0553-733617  
Fax: 0553-842626
  
- 3. Multan Branch**  
Office No.6, 1<sup>st</sup> Floor, Muhammad Arcade,  
LMQ Road, Chungi – 9,  
Multan.  
Tel: 061-6210063  
Fax:061-6210063
  
- 4. Islamabad Branch**  
Suit No.306, 3<sup>rd</sup> Floor, ISE Tower,  
Jinnah Avenue, Blue Area,  
Islamabad.  
Tel: 051-2894561-63  
Fax: 051-2894562
  
- 5. Karachi Branch**  
KASB Fund Section, 5<sup>th</sup> Floor, Trade Center,  
Opposite Saima Trade Tower,  
I. I. Chundrigar Road, Karachi.  
Tel: 021-111-222-000  
Fax: 021- 32624635
  
- 6. Peshawar Branch**  
Office No.3, Azam Tower, Arbab Chowk,  
University Road, Peshawar.  
Tel: 091-5701484  
Fax: 091-5746302

## Directors' Report

On behalf of the Board of Directors I am pleased to present the un-audited condensed interim financial statements for half year ended December 31, 2012 together with the auditors' review report thereon.

### Performance and Economic Overview

During the period under review the macro-economic environment in Pakistan remained under stress which is further intensified by energy crises, law & order situation and increasing trend in inflation. In past years due to excessive money creation financed through credit creation coupled with excessive borrowings by Government results a sharp rise in inflation. The financial markets of Pakistan remained quite resilient and remained insulated from fall out effects of the worldwide business crises but uncertain business conditions in the country has reinforced the economic recession.

The period under review witnessed continued liquidity pressure in the financial sector. However, reduction in 200 basis points in policy rate by the central bank gives hope for better liquidity in coming months. Due to challenging economic environment, profit margins of the business enterprises and repayment capacity of borrowers have been squeezed. The situation in Pakistan is likely to remain fragile until the concrete measures taken by the Govt. to address aforesaid issues. The agriculture and industry slowdown witnessed in last three quarters which may indicate slight rising in the Non-performing Loans (NPLs) due to which additional provisioning can be seen in the coming period. The NBFC sector remained ignored by the financial institutions during the period under review due to which the business operations of the NBFCs remained under tremendous pressure.

### Financial Results

The financial results for the half year ended are as follows:

	December 31 2012	December 31 2011
	Rupees in million	
Revenue	46	192
Operating Expenses	60	66
Financial Expenses	26	286
Operating profit / (loss) before provision and taxation	(81)	(166)
Profit / (loss) before taxation	(5)	(176)
Profit / (loss) after taxation	(58)	(177)
Earnings / (loss) per Share (Rs.)	(0.29)	(3.43)

Due to continued acute liquidity crises, the Bank was not able to write new business and could not achieve its corporate goals. Since the Bank is in the mode of settlements with financial institutions and depositors, no accruals against interest expenses have been accounted for. Due to increasing trend in NPLs, Bank spent a huge amount on account of legal and recovery expenses which resulted in high operating expenses. Accumulated heavy losses resulted in depletion of equity & reserves of the Bank below the Minimum Capital Requirement (MCR). The Bank is facing severe challenges

Pakistan Credit Rating Agency Limited has withdrawn the entity rating "D" of the Bank. The Bank is in process of settlement of its financial obligations. Since the Bank is not taking deposit, credit rating has been withdrawn for the time being.

### Future Outlook

The future outlook and earning of the NBFCs sector is mainly dependent on availability of credit facilities on soft terms from financial institutions improvements in overall business environment in the country. In the absence of support from larger Banks and DFIs, Investments Banks have very little space for resource mobilization. The challenges are expected to remain for Trust Bank due primarily to severe liquidity crises. The central bank reduced the discount rate which has fruitful effects on subdued business conditions of the country. The new investors/strategic partner are being inducted in the Bank which shall help to improve the image and operating efficiency of the Bank. We believe that the country as well as the Bank has been able to weather the unprecedented economic crisis, and both are poised for a recovery now. In demonstration of strong commitment to the institution, the sponsors of the Bank have developed support plan, which has also been endorsed by the Board. This will help the Bank to consolidate and grow during this difficult period.



### **Acknowledgement**

The directors would like to express their gratitude to valuable customers, financial institutions and regulatory authorities for their patronage, persistent support and cooperation which give strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the continued trust by shareholders and valuable teamwork of the executives and employees of the Bank.

**For and on behalf  
of the Board of Directors**

**Lahore  
February 28, 2013**

**Ahsan Rafique  
Chief Executive Officer**

## Report to Members on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **TRUST INVESTMENT BANK LIMITED** as at **December 31, 2012** and the related condensed interim profit & loss account, condensed interim comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information"), for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the interim condensed profit & loss account for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

### Scope of Review

Except as explained in the paragraphs "a" to "d" below, we conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information consists of making inquiries, primarily of persons responsible for the 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 the 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.

### Basis for Adverse Conclusion

- a) the Company has incurred a net loss of Rs. 57.774 million during the period ended December 31, 2012 and as at that date, accumulated losses comes to Rs. 2,151.468 millions, equity fall short of minimum equity requirement of NBFCs by Rs. 935.402 millions, its total liabilities exceeds 10 times of equity (violation of NBFC & notified entities regulation, 2008), company's current liabilities exceeded its current assets by Rs. 748.801 million and overdue installments of Term Finance Certificates (TFC) and other financings from banking companies & financial institutions comes to Rs. 661.588 million, further the Securities & Exchange Commission of Pakistan has not yet renewed company's license to operate Investment finance services (IFS) and also suspended the permission for raising deposits in any form and PACRA has withdrawn long term and short term rating of the company since 19 November, 2012. These factors indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements, however, do not disclose this fact and any adjustment to that effect;
- b) The carrying amount of deferred tax assets amounting to Rs. 464.339 million should have been reversed in this interim financial information in the presence of adverse financial ratios as mentioned above in paragraph (a). Had this reversal been made non-current assets would have been decreased by Rs. 464.339 million and net loss for the year would have been increased by the same amount;
- c) Markup accrued on Term Finance certificates, Preference shares, Certificates of Investments, long term Morabaha, Running Finance and on financing from banking companies & financial institutions amounting to Rs. 94.75 million has not been recognized in this interim financial information. Had these markup been charged, loss for the period and negative equity would have been increased by the same amount;
- d) As explained in note no 12.1 and 15 of these financial information, the company has acquired the shares of Tricon Developers Limited ( associated undertaking) against subordinated loan from sponsors, Mr Asif Kamal. Duly attested transfer deed by Mr. Asif Kamal is available, however, evidence regarding the verification of ownership in the name of Mr. Asif Kamal is not provided. The financial impact, if any, is impracticable in the absence of related information.

### Adverse Conclusion

Based on our review, on the basis of above mentioned paragraphs "a" to "d", it cause us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

# Financial Statement

Trust Investment Bank Limited  
(For The Half Year Ended December 31, 2012)





**Condensed Interim Balance Sheet (Un-Audited)**

As at December 31, 2012

		(Un-Audited)	(Audited)
		31 December 2012	30 June 2012
		Rupees	Rupees
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current assets</b>			
Fixed assets	5	398,009,059	417,816,357
Long term investments	6	100,592,954	101,762,904
Long term loans and advances	7	6,607,978	22,112,927
Net investment in lease finance	8	170,297,438	128,930,920
Long term deposits		1,679,660	1,266,850
Deferred tax asset		464,338,510	515,931,678
<b>Total non-current assets</b>		<b>1,141,525,599</b>	1,187,821,636
<b>Current assets</b>			
Current maturities of non-current assets	9	1,364,135,742	1,558,759,405
Short term loans and advances	10	136,270,360	258,579,111
Short term placements	11	40,000,000	35,000,000
Short term investments	12	1,078,728,866	-
Short term prepayments		8,854,425	18,439,708
Interest accrued		212,965,853	227,288,949
Taxation - net		2,613,817	3,200,360
Other receivables	13	205,859,460	92,985,034
Cash and bank balances	14	2,876,979	10,352,204
		<b>3,052,305,502</b>	2,204,604,771
Assets classified as held for sale		-	476,368,866
<b>Total current assets</b>		<b>3,052,305,502</b>	2,680,973,637
<b>TOTAL ASSETS</b>		<b>4,193,831,101</b>	3,868,795,273
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		892,028,729	892,028,729
Reserves		(1,850,437,109)	(1,833,624,460)
		<b>(958,408,380)</b>	(941,595,731)
<b>Surplus on revaluation of fixed assets-net</b>		<b>18,865,186</b>	19,373,770
<b>Non-current liabilities</b>			
Long term financing-subordinated loan	15	1,023,006,237	400,646,237
Long term financing-others	16	87,412,376	241,716,358
Long term morabaha	17	-	-
Long term certificates of investment	18	21,781,272	31,212,647
Deferred liabilities		2,935,253	2,935,254
Long term deposits	19	197,123,443	193,602,225
<b>Total non-current liabilities</b>		<b>1,332,258,581</b>	870,112,721
<b>Current liabilities</b>			
Short term borrowings	20	39,947,999	39,947,964
Short term certificates of investment	21	1,608,508,913	1,718,993,706
Current maturities of non-current liabilities	22	1,729,299,735	1,643,440,305
Mark-up accrued		246,039,102	263,939,944
Trade and other payables	23	177,319,965	254,582,594
<b>Total current liabilities</b>		<b>3,801,115,714</b>	3,920,904,513
<b>TOTAL LIABILITIES</b>		<b>5,133,374,295</b>	4,791,017,234
<b>CONTINGENCIES AND COMMITMENTS</b>	24	-	-
		<b>4,193,831,101</b>	3,868,795,273

The annexed notes from 1 to 33 form an integral part of these interim financial statements.

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

For the Half Year Ended December 31, 2012

	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2012	2011	2012	2011
		Rupees	Rupees	Rupees	Rupees
<b>Income</b>					
Income from lease operations		22,601,961	98,275,194	11,903,722	13,610,281
Income from investments		546,048	5,243,586	(1,812,165)	2,774,591
Income from term loans and advances		23,103,560	88,709,847	(3,220,323)	27,132,562
		<u>46,251,569</u>	<u>192,228,627</u>	<u>6,871,234</u>	<u>43,517,434</u>
Finance cost	3	26,242,302	286,139,365	(84,537,110)	149,313,158
		<u>20,009,267</u>	<u>(93,910,738)</u>	<u>91,408,344</u>	<u>(105,795,724)</u>
Administrative and operating expenses		60,248,622	66,249,204	27,113,718	36,168,530
Depreciation and amortization		4,283,814	3,629,311	1,921,125	3,629,311
		<u>(44,523,169)</u>	<u>(163,789,253)</u>	<u>62,373,501</u>	<u>(145,593,565)</u>
Other operating income		6,187,814	7,107,301	3,174,084	3,488,891
		<u>(38,335,355)</u>	<u>(156,681,952)</u>	<u>65,547,585</u>	<u>(142,104,674)</u>
Other operating expenses		42,202,959	9,171,402	41,421,340	4,931,241
<b>Operating (loss)/profit before provisions and taxation</b>		<u>(80,538,314)</u>	<u>(165,853,354)</u>	<u>24,126,245</u>	<u>(147,035,915)</u>
Reversal/(Provision) against lease, loan and other receivables		6,251,040	(10,026,159)	6,251,040	(22,049,628)
Reversal of provision in the value of investment		68,826,000	-	68,826,000	-
		<u>75,077,040</u>	<u>(10,026,159)</u>	<u>75,077,040</u>	<u>(22,049,628)</u>
<b>(Loss)/Profit before taxation</b>		<u>(5,461,274)</u>	<u>(175,879,513)</u>	<u>99,203,285</u>	<u>(169,085,543)</u>
Provision for taxation	25	52,312,395	1,474,282	(207,033)	548,022
<b>(Loss)/Profit after taxation</b>		<u>(57,773,669)</u>	<u>(177,353,795)</u>	<u>99,410,318</u>	<u>(169,633,565)</u>
<b>(Loss) /earning per share - basic/ diluted</b>	26	<u>(0.29)</u>	<u>(3.43)</u>	<u>0.04</u>	<u>(3.09)</u>

The annexed notes from 1 to 33 form an integral part of these interim financial statements.

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year Ended December 31, 2012

	Half year ended	
	31 December	
	2012	2011
	Rupees	Rupees
<b>Loss after taxation for the period</b>	<b>(57,773,669)</b>	<b>(177,353,795)</b>
<b>Will not be reclassified subsequently to profit or loss</b>		
Other comprehensive income / loss	-	-
Transferred from surplus on revaluation of fixed assets to un-appropriated profit- net of tax	<b>508,584</b>	198,561
<b>Total comprehensive loss for the period</b>	<b>(57,265,085)</b>	<b>(177,155,234)</b>

The annexed notes from 1 to 33 form an integral part of these interim financial statements.

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

For the Half Year Ended December 31, 2012

	Half year ended	
	31 December	
	2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,461,274)	(175,879,513)
<b>Adjustments for non cash / non operating items:</b>		
Depreciation and amortization	4,283,814	3,629,311
Amortization of initial transaction cost of term finance certificates	940,464	940,464
Provision for staff service cost	3,948,733	3,000,000
(Reversal of)/Provision for potential lease, term loan losses and other receivables	(6,251,040)	10,026,159
Lease receivables written off	42,202,959	9,171,402
Finance cost	25,301,838	285,198,901
Loss/(Gain) on disposal of fixed assets	202,208	(388,331)
Unrealized loss on revaluation of held for trading investments	-	653,692
Loss on disposal of available for sale investments	-	45,120
Provision for / (appreciation) in the value of investments	(68,826,000)	-
	<b>1,802,976</b>	<b>312,276,718</b>
<b>Operating profit before working capital changes</b>	<b>(3,658,298)</b>	<b>136,397,205</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase) / decrease in assets:		
Long term and short term loans and advances	128,043,235	5,399,143
Net investment in lease finance	79,540,116	167,930,070
Other receivables - long term	-	7,765,916
Long term deposits	(412,810)	(975,000)
Short term placements and short term investments	(1,083,728,866)	(45,120)
Short term prepayments	9,585,283	(15,578,243)
Markup accrued	14,323,096	(71,452,575)
Other receivables - short term	(113,016,099)	(9,986,271)
	<b>(965,666,045)</b>	<b>83,057,920</b>
Increase / (decrease) in liabilities:		
Certificates of investment	(129,652,468)	(133,013,733)
Trade and other payables	(36,810,191)	9,520,039
	<b>(166,462,659)</b>	<b>(123,493,694)</b>
	<b>(1,132,128,704)</b>	<b>(40,435,774)</b>
<b>Cash (used in)/generated from operations</b>	<b>(1,135,787,002)</b>	<b>95,961,431</b>
Finance cost paid	(43,202,680)	(159,461,068)
Taxes paid	132,684	(2,626,029)
Staff service cost paid	(4,214,104)	(2,970,691)
	<b>(47,284,100)</b>	<b>(165,057,788)</b>
<b>Net cash (used in) from operating activities</b>	<b>(1,183,071,102)</b>	<b>(69,096,357)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal/(Purchase) of property and equipment	(707,724)	(143,892)
Long term investments	61,545,700	2,875,000
Sale proceeds from disposal of:		
Fixed assets	16,029,000	566,863
Non current assets held for sale	476,368,866	-
<b>Net cash generated from investing activities</b>	<b>553,235,842</b>	<b>3,297,971</b>

# Trust Investment Bank Limited

	Note	Half year ended	
		31 December	
		2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long and short term borrowings		-	117,582,421
Subordinated loan obtained		<b>622,360,000</b>	-
Redemption of term finance certificates		-	(74,970,000)
Dividend paid		-	(1,449)
<b>Net cash generated from financing activities</b>		<b>622,360,000</b>	42,610,972
<b>Net decrease in cash and cash equivalents</b>		<b>(7,475,260)</b>	(23,187,414)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(29,595,760)</b>	(12,498,133)
<b>Cash and cash equivalents at the end of the period</b>	27	<b>(37,071,020)</b>	(35,685,547)

The annexed notes from 1 to 33 form an integral part of these interim financial statements.

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

For the Half Year Ended December 31, 2012

	Ordinary Shares reserve	Preference Shares reserve	RESERVES					Total
			Capital Statutory loss	General	Revenue		Sub Total	
					Accumulated			
----- Rupees -----								
<b>Balances as at 01 July 2011</b>	585,528,729	306,500,000	240,030,907	61,000,000	(1,092,906,821)	(791,875,914)	100,152,815	
Total comprehensive loss for the period	-	-	-	-	(177,155,234)	(177,155,234)	(177,155,234)	
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 December 2011	-	-	-	-	(23,439,103)	(23,439,103)	(23,439,103)	
<b>Balances as at 31 December 2011</b>	585,528,729	306,500,000	240,030,907	61,000,000	(1,293,501,158)	(992,470,251)	(100,441,522)	
<b>Balances as at 01 July 2012</b>	585,528,729	306,500,000	240,030,907	61,000,000	(2,134,655,369)	(1,833,624,462)	(941,595,733)	
Total comprehensive loss for the period	-	-	-	-	(57,265,085)	(57,265,085)	(57,265,085)	
Dividend on preference shares @1 year Kibor + 100 BPS for the period ended 31 December 2012	-	-	-	-	40,452,438	40,452,438	40,452,438	
<b>Balances as at 31 December 2012</b>	585,528,729	306,500,000	240,030,907	61,000,000	(2,151,468,016)	(1,850,437,109)	(958,408,380)	

The annexed notes from 1 to 33 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

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

For the Half Year Ended December 31, 2012

### 1 THE COMPANY AND ITS OPERATION

- 1.1 Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984. It is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 28-A/K, 6th Floor, M.M. Tower, Gulberg II, Lahore. The Company is mainly engaged in the business of investment 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 Pakistan Credit Rating Agency Limited (PACRA) has withdrawn the long term (previously "D") and short term credit rating since November 19, 2012. (Previously "D").

- 1.2 The financial statements for the period ended December 31, 2012 reflect loss after taxation of Rs. 57.774 million and as of the said date, the accumulated losses of the company amounts to Rs. 2,151.468 million resulting in shortfall of the minimum regulatory requirement of the equity. Further, the company's license to operate investment finance services is pending for renewal by the SECP as of the balance sheet date. These conditions indicate the existence of a material uncertainty regarding the future operations of the company.

However, in order to improve the equity of the company, subsequent to the period as stated in note # 31, the existing sponsors of the Bank has entered into an agreement for the acquisition of land situated at Malir, Karachi having market value of Rs. 900.00 million, which are required to comply with minimum equity requirement (MER) as per NBFC Rules & regulations. The Land acquired through aforesaid transaction shall be treated as subordinated loan from the new sponsors) which shall be available for issuance of shares of Trust Investment bank Limited. This transaction shall strengthen the equity of the bank and as a result the bank shall become equity compliant. Also during the year the company has successfully negotiated settlement with major deposit holders against the properties owned by it and negotiations with other depositors and financial and financial institutions are in process. This will result in future interest cost saving to the company. Also with support of the recovery agents the Company is pursuing its customers / borrowers very aggressively. These measures are expected to contribute towards improvement in the financial conditions of the Company. SECP has sanctioned its approval for this transaction. This transaction shall strengthen the equity of the bank and as a result the bank shall become equity compliant and it may increase dividend earnings and capital appreciation since it is expected that shares in the investee company will generate reasonable profits in future. Also during the year the company has successfully negotiated settlement with major deposit holders against the properties owned by it and negotiations with other depositors and financial institutions are in process. This will result in future interest cost savings to the company. Also with the support of recovery agents, the company is pursuing its customers / borrowers very aggressively. These measures are expected to contribute towards improvement in the financial condition of the company.

Based on the above and the financial projections as prepared by the company for future periods the management is confident that the company shall continue and further improve its business growth during the coming years resulting in improvement of its profitability.

### 2 BASIS OF PRESENTATION AND MEASUREMENT

- 2.1 These interim financial information are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This interim financial information does 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 June 30, 2012.
- 2.2 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan and submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi and Lahore Stock Exchange.

The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) - 34. These do not include all the information and disclosures made in the annual published financial statements and therefore should be read in conjunction with the financial statements of the company for the year ended June 30, 2012.

- 2.3 The classifications and provisioning requirements against non-performing assets have been considered in accordance with the applicable requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the period ended December 31, 2012. However, the management of the Bank suspended the accrual of Financial charges on Borrowings, Preference shares and Certificate of Investments (COIs) etc from July 2012. The Reversal entry was made during the month of November 2012.

### 4 ESTIMATES

The preparation of 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 judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended June 30,2012.

	Note	(Un-Audited) 31 December 2012 Rupees	(Audited) 30 June 2012 Rupees
<b>5 FIXED ASSETS</b>			
<b>Tangible</b>			
Property and equipment	5.1	<b>93,908,900</b>	100,863,266
Capital work in progress	5.2	<b>303,632,600</b>	316,432,600
<b>Intangible assets</b>		<b>467,559</b>	520,491
		<b>398,009,059</b>	417,816,357
<b>5.1. Property and equipment</b>			
Opening book value		<b>100,863,266</b>	86,331,706
Add: Additions during 6 months / 12 months	5.1.1	<b>707,724</b>	74,390,141
		<b>101,570,990</b>	160,721,847
Less: Deletions during 6 months / 12 months	5.1.2	<b>4,968,778</b>	61,390,628
		<b>96,602,212</b>	99,331,219
Less: Depreciation during 6 months / 12 months		<b>4,230,882</b>	6,880,145
		<b>92,371,330</b>	92,451,074
Add: Depreciation adjustments for assets sold during 6 months / 12 months		<b>1,537,570</b>	8,412,192
Book value at the end of 6 months / 12 months	5.1.3	<b>93,908,900</b>	100,863,266
<b>5.1.1. Additions during 6 months / 12 months</b>			
Building on freehold land		-	70,000,000
Office equipment and machines		<b>707,724</b>	1,140,471
Vehicles		-	3,249,670
		<b>707,724</b>	74,390,141
<b>5.1.2. Deletions during 6 months / 12 months</b>			
Land		-	22,000,000
Building on freehold land		<b>3,846,278</b>	33,521,558
Office equipment and machines		<b>87,500</b>	568,433
Furniture and fixtures		-	730,740
Air-conditioning equipment		<b>1,035,000</b>	286,301
Vehicles		-	4,283,596
		<b>4,968,778</b>	61,390,628



# Trust Investment Bank Limited

		(Un-Audited)	(Audited)
		<b>31 December</b>	30 June
		<b>2012</b>	2012
	Note	Rupees	Rupees
<b>5.1.3. Book value at the end of 6 months / 12 months</b>			
Land		-	-
Building on freehold land		<b>70,167,595</b>	74,751,786
Lease hold improvements		<b>8,262,141</b>	9,180,178
Office equipment and machines		<b>5,486,298</b>	5,404,368
Furniture and fixtures		<b>6,162,299</b>	6,486,629
Air-conditioning equipment		<b>1,059,924</b>	1,789,650
Vehicles		<b>2,770,643</b>	3,250,655
		<b>93,908,900</b>	100,863,266
<b>5.2. Capital work in progress</b>			
Opening balance		<b>316,432,600</b>	145,249,000
Additions		<b>6,451,465</b>	171,183,600
Disposal			
Cost		<b>(19,251,465)</b>	-
Revaluation Surplus		-	-
		<b>(19,251,465)</b>	-
Revaluation deficit		-	-
Closing balance		<b>303,632,600</b>	316,432,600
<b>6 LONG TERM INVESTMENTS</b>			
Investment in subsidiary-at cost		<b>60,000,000</b>	60,000,000
Investment in Shares-unquoted -at cost		<b>2,250,000</b>	2,250,000
Investment in Term Finance Certificates and Sukuks-unquoted		<b>79,828,550</b>	141,374,250
		<b>142,078,550</b>	203,624,250
Less: Provision against doubtful investments	6.1	<b>17,566,596</b>	86,392,596
		<b>124,511,954</b>	117,231,654
Less: Current portion of long term investments	9	<b>23,919,000</b>	15,468,750
		<b>100,592,954</b>	101,762,904
<b>6.1</b> Prior year figures have been reclassified for better presentation (Refer note # 33.3).			
<b>7 LONG TERM LOANS AND ADVANCES</b>			
<b>LOANS</b>			
<b>Secured:</b>			
Employees - considered good		<b>898,890</b>	3,678,952
Companies, organizations and individuals			
Considered good		<b>48,968,608</b>	51,923,030
Considered doubtful		<b>7,047,805</b>	7,047,805
		<b>56,016,413</b>	58,970,835
<b>ADVANCES</b>			
<b>Un-secured:</b>			
Companies, organizations and individuals			
Considered doubtful		<b>397,838,899</b>	397,838,899
		<b>454,754,202</b>	460,488,686
Less: provision against doubtful loans	7.1, 7.2	<b>399,816,412</b>	398,842,509
		<b>54,937,790</b>	61,646,177
Less : Current portion of long term loans and advances	9	<b>48,329,812</b>	39,533,250
		<b>6,607,978</b>	22,112,927

		(Un-Audited)	(Audited)
		31 December 2012 Rupees	30 June 2012 Rupees
<b>7.1. Provision against doubtful loans</b>	<b>Note</b>		
Opening balance		398,842,509	5,158,165
Charge for the year		973,903	393,709,628
Reversal		-	(25,284)
Closing balance		<u>399,816,412</u>	<u>398,842,509</u>
<b>7.2</b>			
Prior year figures have been reclassified for better presentation (Refer note # 33.3).			
<b>8</b>			
<b>NET INVESTMENT IN LEASE FINANCE</b>			
Lease payments receivable		1,465,706,471	1,620,342,394
Add: Residual value		467,194,776	513,812,155
<b>Gross investment in leases</b>		<u>1,932,901,247</u>	<u>2,134,154,549</u>
Less: Unearned finance income		12,189,617	30,076,591
Income suspended		176,394,736	181,890,491
Provision for lease losses		282,132,526	289,499,142
		<u>470,716,879</u>	<u>501,466,224</u>
Net investment in lease finance		1,462,184,368	1,632,688,325
Less: Current portion of net investment in lease finance	9	1,291,886,930	1,503,757,405
		<u>170,297,438</u>	<u>128,930,920</u>
<b>9</b>			
<b>CURRENT MATURITIES OF NON-CURRENT ASSETS</b>			
Long term investments	6	23,919,000	15,468,750
Long term loans and advances	7	48,329,812	39,533,250
Net investment in lease finance	8	1,291,886,930	1,503,757,405
		<u>1,364,135,742</u>	<u>1,558,759,405</u>
<b>10</b>			
<b>SHORT TERM LOANS AND ADVANCES</b>			
Short term loans	10.1	104,620,227	231,955,017
Short term advances		31,650,133	26,624,094
		<u>136,270,360</u>	<u>258,579,111</u>
<b>10.1</b>			
<b>Short term loans</b>			
Companies, organizations and individuals			
<b>Secured</b>			
Considered good		104,620,227	231,955,017
<b>Unsecured</b>			
Considered doubtful		650,000	650,000
		<u>105,270,227</u>	<u>232,605,017</u>
Less: provision against doubtful finances		650,000	650,000
		<u>104,620,227</u>	<u>231,955,017</u>
<b>11</b>			
<b>SHORT TERM PLACEMENTS</b>			
Repurchase agreement lendings (Reverse Repo)-unsecured		7,022,877	7,022,877
<b>Considered good</b>			
Placement against Property		35,000,000	35,000,000
Short Term Placement in Bank-TDR		5,000,000	0
		<u>47,022,877</u>	<u>42,022,877</u>
Less: Provision against doubtful lending		7,022,877	7,022,877
		<u>40,000,000</u>	<u>35,000,000</u>

# Trust Investment Bank Limited

		(Un-Audited)	(Audited)
		<b>31 December 2012</b>	30 June 2012
	Note	Rupees	Rupees
<b>12</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>Related parties-at cost</b>		
	Investment in shares-unquoted	<b>1,078,728,866</b>	-

**12.1** The company has acquired shares amounting to Rs. 1,098,728,866 of Tricon Developer Limited @ Rs. 10 per share against sub-ordinated loan of Mr. Asif Kamal amounting to Rs. 602,360,000 to strengthen the equity of the company and against held for sale land amounting to Rs. 476,368,866. In compliance with equity method, the closing figures have not been adjusted, due to non-availability of financial statements for the period ended December 31, 2012 of Tricon Developers Limited. Based on latest available audited accounts of Tricon Developers Limited for the year ended June 30, 2011, summarized detail of assets, liabilities, revenue, profit and accumulated profit is as under:

	(Audited)
	<b>30 June 2011</b>
Total assets	<b>4,602,240,289</b>
Total liabilities	<b>1,960,460,698</b>
Revenue	<b>823,167,401</b>
Profit	<b>128,595,415</b>
Accumulated profit	<b>388,827,681</b>

## **12.2 Movement of shares of Tricon Developers Limited**

Opening	-
Addition during the period	<b>1,098,728,866</b>
Shares transferred against settlement	<b>(20,000,000)</b>
	<b>1,078,728,866</b>

		(Un-Audited)	(Audited)
		<b>31 December 2012</b>	30 June 2012
	Note	Rupees	Rupees
<b>13</b>	<b>OTHER RECEIVABLES</b>		
Receivable from broker - considered good		<b>21,143,275</b>	21,143,275
Miscellaneous receivables from lessees:			
Considered good		<b>2,699,682</b>	22,803,954
Considered doubtful		<b>304,927,816</b>	317,742,732
		<b>307,627,498</b>	340,546,686
Other receivables			
Considered good	13.1,13.2	<b>194,986,188</b>	49,050,901
Considered doubtful		<b>3,920,248</b>	3,920,248
		<b>198,906,436</b>	52,971,149
		<b>527,677,209</b>	414,661,110
Less: provisions for doubtful receivable	13.1	<b>321,817,749</b>	321,676,076
		<b>205,859,460</b>	92,985,034

**13.1** Prior year figures have been reclassified for better presentation (Refer note # 33.3)

**13.2** This includes receivable from Trust Capital (Pvt) Limited amounting to Rs. 174,397,525.

	Note	(Un-Audited) 31 December 2012 Rupees	(Audited) 30 June 2012 Rupees
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		213,076	457,065
With banks in:			
Current accounts		811,368	392,724
Deposit accounts		1,852,535	9,502,415
		2,663,903	9,895,139
		2,876,979	10,352,204
<b>15 LONG TERM FINANCING-SUBORDINATED LOAN</b>			
<p>The long term financing represents the subordinated loan received from Mr. Asif Kamal, in form of 62,236,000 shares of Tricon Developers Limited at face value of Rs.10/- per share. The amount of subordinated loan has been increased from Rs.400,646,237/- as on June 30, 2012 to Rs.1,023,006,237/- through induction of shares of Tricon Developers Limited amounting to Rs.622,360,000 shares of Tricon Developers Limited at face value of Rs.10/- per share. The acquisition of shares of Tricon Developers has been duly approved through special resolution in shareholder's extra ordinary general meeting held on September 05, 2012. As per the terms &amp; conditions of the subordinated loan agreement amended through addendum dated June 29, 2012. The Bank shall issue shares amounting to Rs.923,006,237/- to Mr. Asif Kamal after obtaining approval from SECP.</p>			
<b>16 LONG TERM FINANCING - OTHER</b>			
Banking companies and other financial institutions-secured	16.1	87,412,376	168,627,292
Banking companies and other financial institutions-unsecured	16.2	-	-
Term finance certificates (TFC) - secured	16.3	-	73,089,066
		87,412,376	241,716,358
<b>16.1 Banking companies and other financial institutions-secured</b>			
Banking companies and other financial institutions		878,359,773	878,359,773
Less: Current portion shown under current liabilities	22	790,947,397	709,732,481
		87,412,376	168,627,292
<b>16.2 Banking companies and other financial institutions-unsecured</b>			
Banking companies and other financial institutions		17,251,959	17,251,959
Less: Current portion shown under current liabilities	22	17,251,959	17,251,959
		-	-
<b>16.3 Term finance certificates (TFC) - secured</b>			
TFC III		230,583,980	230,583,980
Less: Unamortized portion of the initial transaction cost		940,471	1,880,935
		229,643,509	228,703,045
Less: Current portion shown under current liabilities	22	229,643,509	155,613,979
		-	73,089,066
<b>17 LONG TERM MORABAHA</b>			
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities	22	15,500,000	15,500,000
		-	-

# Trust Investment Bank Limited

		(Un-Audited)	(Audited)
		<b>31 December 2012</b>	30 June 2012
	Note	Rupees	Rupees
<b>18 LONG TERM CERTIFICATES OF INVESTMENT</b>			
Local currency			
- Corporate			
Secured	18.1	38,232,472	39,977,207
Unsecured		226,176,237	241,299,177
		<b>264,408,709</b>	281,276,384
- Individuals		10,500,000	12,800,000
		<b>274,908,709</b>	294,076,384
Less: Current portion shown under current liabilities	22	253,127,437	262,863,737
		<b>21,781,272</b>	31,212,647
<b>18.1</b>	Prior year figures have been reclassified for better presentation (Refer note # 33.3).		
<b>19 LONG TERM DEPOSITS</b>			
Margin against letters of guarantee		154,449,959	164,252,852
Deposits against lease arrangements		465,502,917	511,827,522
Less: Current portion shown under current liabilities	22	422,829,433	482,478,149
		<b>42,673,484</b>	29,349,373
		<b>197,123,443</b>	193,602,225
<b>20 SHORT TERM BORROWINGS</b>			
Banking companies and other financial institutions:			
Running finances - secured		39,947,999	39,947,964
<b>21 SHORT TERM CERTIFICATES OF INVESTMENT</b>			
Local currency			
- Financial institutions		12,850,006	16,950,000
- Corporate		1,502,321,389	1,527,413,136
- Individuals		93,337,518	174,630,570
		<b>1,608,508,913</b>	1,718,993,706
<b>22 CURRENT MATURITIES OF NON CURRENT LIABILITIES</b>			
Long term financing from banking companies and other financial institutions			
Secured	16.1	790,947,397	709,732,481
Unsecured	16.2	17,251,959	17,251,959
Term finance certificates - secured	16.3	229,643,509	155,613,979
Long term Morabaha	17	15,500,000	15,500,000
Certificates of investment	18	253,127,437	262,863,737
Long term deposits	19	422,829,433	482,478,149
		<b>1,729,299,735</b>	1,643,440,305
<b>23 TRADE AND OTHER PAYABLES</b>			
Advance receipt against leases		21,354,678	49,458,150
Unclaimed dividend		3,099,758	3,099,758
Preference dividend payable		58,023,278	98,475,716
Accrued liabilities		10,086,156	11,176,860
Other liabilities		84,756,095	92,372,110
		<b>177,319,965</b>	254,582,594

## 24 CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

The Company has issued guarantees to various parties on behalf of clients amounting to Rs.976.585 Million (June 30, 2012: Rs. 772.471 million).

The company has filed recovery suits amount to Rs. 1,525.64 million (June 30, 2012: 1,769.15 million). Prima facie the bank has good arguable cases. The financial impact of the same has been accounted for in these interim financial statements.

#### CASES AGAINST BANK

Party Name	Amount (Millions)	Court
Privatization Commission of Pakistan	270	Senior Civil Judge, Islamabad.
The Bank of Punjab	326	Lahore High Court.
The Punjab Provincial Co-operative bank Ltd.	103	Registrar Co-operative Societies, Punjab, Lahore.
Levi's Strauss Pakistan (Pvt.) Limited	98	Civil Judge, Lahore.
Shifa Co-operative Housing Society	10	Additional Session Judge, Islamabad.
Shifa International Hospital	5	Additional Session Judge, Islamabad.

### 24.2 Commitments

No commitments exist as at balance sheet date. (June 30, 2012: Nil)

	Half year ended		Quarter ended	
	31 December 2012 Rupees	31 December 2011 Rupees	31 December 2012 Rupees	31 December 2011 Rupees
<b>25 TAXATION</b>				
Current	719,227	1,474,282	(207,033)	548,022
Deferred	51,593,168	-	-	-
	<b>52,312,395</b>	<b>1,474,282</b>	<b>(207,033)</b>	<b>548,022</b>
<b>26 (LOSS)/EARNING PER SHARE</b>				
(Loss)/Profit for the year after taxation and preference dividend	<b>Rs. (16,812,647)</b>	(200,594,337)	<b>2,627,134</b>	(181,154,556)
Weighted average number of ordinary shares	<b>No. 58,552,872</b>	58,552,872	<b>58,552,872</b>	58,552,873
(Loss)/Earning per share - basic	<b>Rs. (0.29)</b>	(3.43)	<b>0.04</b>	(3.09)
<b>26.1</b>	No figures for diluted earning per share has been presented as the Company has not issued any instrument which would have an impact on its earning per share.			
<b>27 CASH AND EQUIVALENTS</b>			(Un-Audited) 31 December 2012 Rupees	(Audited) 30 June 2012 Rupees
Cash and bank balances			2,876,979	10,352,204
Short term running finance			(39,947,999)	(39,947,964)
			<b>(37,071,020)</b>	<b>(29,595,760)</b>

# Trust Investment Bank Limited

## 28 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, other than those which have been disclosed in the relevant notes are disclosed as follows:

	Six months ended 31 December		Year ended 30 June
	2012	2011	2012
	----- Rupees -----		
<b>Mr. Asif Kamal</b>			
Share capital	71,065,510	71,065,510	71,065,510
Subordinate loan	678,082,629	-	-
<b>Mr. Zahid Rafiq</b>			
Share capital	57,024,050	57,024,050	57,024,050
<b>Genesis Securities (Pvt) Limited.</b>			
Share capital	122,097,420	122,097,420	122,097,420
<b>Associated Undertakings:</b>			
<b>Tricon Developers Limited</b>			
Amount due against leases	549,076	1,142,820	1,221,876
Finance income charged during the period/year	2,982	116,735	145,518
Deposit against lease arrangements	189,000	501,350	279,500
Long term financing - subordinated loan	400,646,237	400,646,237	400,646,237
<b>Habib Rafiq (Pvt) Limited</b>			
Letter of Guarantees issued during the period/year	199,598,459	227,864,780	164,680,696
Letter of Guarantees outstanding as at end of the period/year	302,311,307	305,302,628	373,308,256
Income charged during the period/year	2,733,426	2,560,883	5,144,042
<b>Maple Leaf Cement Factory Limited</b>			
Letter of Guarantees outstanding as at end of the period/year	-	40,000,000	40,000,000
Income charged during the period/year	-	237,886	471,929
<b>Polygon Developers</b>			
Amount due against term finances	-	22,000,000	-
Finance income charge during the period/year	-	3,139,509	3,139,509
<b>The Bank of Khyber</b>			
Amount outstanding against financing	-	27,777,780	27,777,780
Mark up paid during the period/year	-	2,039,221	3,708,773
<b>Others</b>			
<b>Employees' retirement fund</b>			
Contribution made	7,026,693	2,970,691	10,031,240
<b>Subsidiary Company:</b>			
<b>Trust capital (Private) Limited</b>			
Loan (Recovered) / paid during the period	(4,000,000)	-	-
The outstanding loans and advances	174,397,525	-	-

## 29 SEGMENT ANALYSIS

Trust investment bank activities are broadly categorized into two primary business segments namely financing activities and investing activities.

### Financing activities

Financing activities include providing long-term and short term financing facilities to corporate and individual customers including lease financing.

### Investment activities

Investment activities include money market activities, investment in government securities and capital market activities.

	----- December 31, 2012 -----		
	Financing activities	Investment activities	Total
	----- Rupees -----		
Income from lease operations	22,601,961	-	22,601,961
Income from investments	-	546,048	546,048
Income from finances / loans	23,103,560	-	23,103,560
<b>Total income for reportable segments</b>	45,705,521	546,048	46,251,569
Finance cost	12,157,612	14,084,690	26,242,302
Administrative and operating expenses	59,537,324	711,298	60,248,622
Depreciation and amortization	4,233,239	50,575	4,283,814
Lease receivables written off	42,202,959	-	42,202,959
Unrealized loss on held for trading investment	-	-	-
Provision for potential lease losses and other receivables	(75,077,040)	-	(75,077,040)
Other income	(6,167,191)	(20,623)	(6,187,814)
<b>Segment result</b>	<u>8,818,618</u>	<u>(14,279,892)</u>	<u>(5,461,274)</u>
<b>Loss before taxation</b>			<u>(5,461,274)</u>
Segment Assets	1,897,837,433	1,417,621,218	3,315,458,651
Unallocated assets			878,372,450
			<u>4,193,831,101</u>
Segment Liabilities	951,059,731	1,883,417,622	2,834,477,353
Unallocated liabilities			401,005,320
			<u>3,235,482,673</u>
Income from lease operations	98,275,194	-	98,275,194
Income from investments	-	5,897,278	5,897,278
Income from finances / loans	88,709,847	-	88,709,847
<b>Total income for reportable segments</b>	186,985,041	5,897,278	192,882,319
Finance cost	260,837,442	25,301,923	286,139,365
Administrative and operating expenses	64,223,669	2,025,535	66,249,204
Depreciation and amortization	3,518,347	110,964	3,629,311
Lease receivables written off	9,171,402	-	9,171,402
Unrealized loss on held for trading investment	-	653,692	653,692
Provision for potential lease losses and other receivables	10,026,159	-	10,026,159
Other income	(6,010,596)	(1,096,705)	(7,107,301)
<b>Segment result</b>	<u>(154,781,382)</u>	<u>(21,098,131)</u>	<u>(175,879,513)</u>
<b>Loss before taxation</b>			<u>(175,879,513)</u>
Segment Assets	3,756,137,157	171,678,172	3,927,815,329
Unallocated assets			1,247,163,102
			<u>5,174,978,431</u>
Segment Liabilities	3,830,703,926	807,841,806	4,638,545,732
Unallocated liabilities			435,991,177
			<u>5,074,536,909</u>



# Trust Investment Bank Limited

## 30 EXPOSURES EXCEEDING 20% OF EQUITY

Particulars	Party Name	Rupees
Long Term Loans	Ali Pervaiz Ahmed	393,125,286/-
Short Term Loans	Alpha real Estate & Services	95,000,000/-
Short Term Loans	SGM Sugar Mills Limited	72,000,000/-
Leases	Awan Business Concerns	145,973,580/-

## 31 UNADJUSTING POST BALANCE SHEET EVENT

Major Shareholder/Sponsor of the bank, Mr. Asif Kamal, has entered into a shareholder agreement for the acquisition of Land situated at Malir, Karachi, having value of Rs. 900.00 million to strengthen the equity of the Bank.

## 32 DATE OF AUTHORIZATION

These condensed interim financial statements are authorized for issue by the Board of Directors of the Company on February 28, 2013.

## 33 GENERAL

33.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2012 and 2011 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

33.2 Nomenclature of the following accounts has been changed in these interim financial statements.

Previous	Current
Investment in Term Finance Certificates and Bonds/Sukuks-unquoted	Investment in Term Finance Certificates and Sukuks-unquoted
Short term loans-secured	Short term loans
Long term certificates of investment-unsecured	Long term certificates of investment
Current maturities of long term liabilities	Current maturities of non current liabilities
Income from term finances	Income from term loans and advances

33.3 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison:

Account Head	Previous classification	Current classification	Rupees
Investment in associate	Provision against doubtful investments-Net	Long term investment-Investment in Shares-unquoted-Separate line item	2,250,000/-
Long term loans	Long term loans and advances-Secured-Related parties-considered good	Other receivables-short term-considered good	31,479,062/-
Suspension against doubtful receivables	Other receivables-short term-Provision	Markup accrued-loans and advances-Unsecured-Considered doubtful-Suspension	3,212,505/-
Long term certificate of investment	Long term certificates of investment- local currency-Corporate-Unsecured	Long term certificates of investment-local currency-Corporate-Secured	39,977,207/-

33.4 Figures have been rounded off to the nearest of rupee.

CHIEF EXECUTIVE

DIRECTOR



# Consolidated Financial Statement

Trust Investment Bank Limited  
(For The Half Year Ended December 31, 2012)



**Consolidated Condensed Interim Balance Sheet (Un-Audited)**

As at December 31, 2012

	Note	(Un-Audited)	(Audited)
		31 December 2012 Rupees	30 June 2012 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	429,986,050	450,341,786
Long term investments	6	202,072,016	55,905,500
Long term loans and advances	7	6,607,978	22,112,927
Net investment in lease finance	8	170,297,438	128,930,920
Long term deposits		6,761,568	5,973,758
Deferred tax asset		464,338,510	515,931,678
<b>Total non-current assets</b>		<b>1,280,063,560</b>	1,179,196,569
<b>Current assets</b>			
Current maturities of non-current assets	9	1,364,135,742	1,558,759,405
Short term loans and advances	10	136,270,360	258,579,111
Short term placements	11	40,000,000	35,000,000
Short term investments	12	1,078,728,866	126,500
Short term prepayments		8,854,425	34,481,398
Interest accrued		212,965,853	230,501,454
Taxation - net		2,613,817	3,200,360
Other receivables	13	61,209,532	58,293,467
Cash and bank balances	14	3,114,167	10,472,443
		2,907,892,762	2,189,414,138
Assets classified as held for sale		-	476,368,866
<b>Total current assets</b>		<b>2,907,892,762</b>	2,665,783,004
<b>TOTAL ASSETS</b>		<b>4,187,956,322</b>	3,844,979,573
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		892,028,729	892,028,729
Reserves		(1,870,433,266)	(1,853,571,346)
		(978,404,537)	(961,542,617)
<b>Surplus on revaluation of fixed assets-net</b>		<b>18,865,186</b>	19,373,770
<b>Non-current liabilities</b>			
Long term financing-subordinated loan	15	1,023,006,237	400,646,237
Long term financing-others	16	87,412,376	238,592,608
Long term morabaha	17	-	-
Long term certificates of investment	18	21,781,272	31,212,647
Deferred liabilities		2,935,253	2,935,254
Long term deposits	19	197,123,443	193,602,225
<b>Total non-current liabilities</b>		<b>1,332,258,581</b>	866,988,971
<b>Current liabilities</b>			
Short term borrowings	20	39,947,999	39,947,964
Short term certificates of investment	21	1,608,508,913	1,708,993,706
Current maturities of non-current liabilities	22	1,729,299,735	1,637,192,805
Mark-up accrued		246,039,102	260,932,345
Trade and other payables	23	191,441,343	273,092,629
<b>Total current liabilities</b>		<b>3,815,237,092</b>	3,920,159,449
<b>TOTAL LIABILITIES</b>		<b>5,147,495,673</b>	4,787,148,420
<b>CONTINGENCIES AND COMMITMENTS</b>	24	-	-
		<b>4,187,956,322</b>	3,844,979,573

The annexed notes from 1 to 27 form an integral part of these interim financial statements.

## Consolidated Condensed Interim Profit or Loss Account (Un-Audited)

For the Half Year Ended December 31, 2012

	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2012 Rupees	2011 Rupees	2012 Rupees	2011 Rupees
<b>Income</b>					
Income from lease operations		22,601,961	98,275,194	11,903,722	13,610,281
Income from investments		546,048	5,243,586	(1,812,165)	2,774,591
Income from brokerage		3,823,070			
Income from term loans and advances		23,103,560	88,709,847	(3,220,323)	27,132,562
		<b>50,074,639</b>	<b>192,228,627</b>	<b>6,871,234</b>	<b>43,517,434</b>
Finance cost	3	26,253,735	286,139,365	(84,525,677)	149,313,158
		<b>23,820,904</b>	<b>(93,910,738)</b>	<b>91,396,911</b>	<b>(105,795,724)</b>
Administrative and operating expenses		64,758,168	66,249,204	31,623,264	36,168,530
Depreciation and amortization		4,283,814	3,629,311	1,921,125	3,629,311
		<b>(45,221,078)</b>	<b>(163,789,253)</b>	<b>57,852,522</b>	<b>(145,593,565)</b>
Other operating income		6,836,445	7,107,301	3,822,715	3,488,891
		<b>(38,384,633)</b>	<b>(156,681,952)</b>	<b>61,675,237</b>	<b>(142,104,674)</b>
Other operating expenses		42,202,959	9,171,402	41,421,340	4,931,241
<b>Operating (loss)/profit before provisions and taxation</b>		<b>(80,587,592)</b>	<b>(165,853,354)</b>	<b>20,253,897</b>	<b>(147,035,915)</b>
Reversal/(Provision) against lease, loan and other receivables		6,251,040	(10,026,159)	6,251,040	(22,049,628)
Reversal of provision in the value of investment		68,826,000	-	68,826,000	-
		<b>75,077,040</b>	<b>(10,026,159)</b>	<b>75,077,040</b>	<b>(22,049,628)</b>
<b>(Loss)/Profit before taxation</b>		<b>(5,510,552)</b>	<b>(175,879,513)</b>	<b>95,330,937</b>	<b>(169,085,543)</b>
Provision for taxation	25	52,312,395	1,474,282	(207,033)	548,022
<b>(Loss)/Profit after taxation</b>		<b>(57,822,947)</b>	<b>(177,353,795)</b>	<b>95,537,970</b>	<b>(169,633,565)</b>
<b>(Loss) /earning per share - basic/ diluted</b>	26	<b>(0.29)</b>	<b>(3.43)</b>	<b>0.04</b>	<b>(3.09)</b>

The annexed notes from 1 to 27 form an integral part of these interim financial statements.

**Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)**

For the Half Year Ended December 31, 2012

	<u>Half year ended</u>	
	<u>31 December</u>	
	2012	2011
	Rupees	Rupees
<b>Loss after taxation for the period</b>	<b>(57,822,947)</b>	<b>(177,353,795)</b>
<b>Will not be reclassified subsequently to profit or loss</b>		
Other comprehensive income / loss	-	-
Transferred from surplus on revaluation of fixed assets to un-appropriated profit- net of tax	<b>508,584</b>	198,561
<b>Total comprehensive loss for the period</b>	<b>(57,314,363)</b>	<b>(177,155,234)</b>

The annexed notes from 1 to 27 form an integral part of these interim financial statements.

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

For the Half Year Ended December 31, 2012

	Half year ended	
	31 December	
	2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,510,552)	(175,879,513)
<b>Adjustments for non cash / non operating items:</b>		
Depreciation and amortization	4,832,251	3,629,311
Amortization of initial transaction cost of term finance certificates	940,464	940,464
Provision for staff service cost	3,948,733	3,000,000
(Reversal of)/Provision for potential lease, term loan losses and other receivables	(6,251,040)	10,026,159
Lease receivables written off	42,202,959	9,171,402
Finance cost	25,301,838	285,198,901
Loss/(Gain) on disposal of fixed assets	202,208	(388,331)
Unrealized loss on revaluation of held for trading investments	-	653,692
Loss on disposal of available for sale investments	-	45,120
Provision for / (appreciation) in the value of investments	(68,826,000)	-
	<b>2,351,413</b>	<b>312,276,718</b>
<b>Operating profit before working capital changes</b>	<b>(3,159,139)</b>	<b>136,397,205</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase) / decrease in assets:		
Long term and short term loans and advances	128,043,235	5,399,143
Net investment in lease finance	79,540,116	167,930,070
Other receivables - long term	-	7,765,916
Long term deposits	(787,810)	(975,000)
Short term placements and short term investments	(1,083,728,866)	(45,120)
Short term prepayments	9,585,283	(15,578,243)
Markup accrued	14,323,096	(71,452,575)
Other receivables - short term	(113,803,543)	(9,986,271)
	<b>(966,828,489)</b>	<b>83,057,920</b>
Increase / (decrease) in liabilities:		
Certificates of investment	(129,652,468)	(133,013,733)
Trade and other payables	(36,029,958)	9,520,039
	<b>(165,682,426)</b>	<b>(123,493,694)</b>
	<b>(1,132,510,915)</b>	<b>(40,435,774)</b>
<b>Cash (used in)/generated from operations</b>	<b>(1,135,670,054)</b>	<b>95,961,431</b>
Finance cost paid	(43,202,680)	(159,461,068)
Taxes paid	490,112	(2,626,029)
Staff service cost paid	(4,214,104)	(2,970,691)
	<b>(46,926,672)</b>	<b>(165,057,788)</b>
<b>Net cash (used in) from operating activities</b>	<b>(1,182,596,726)</b>	<b>(69,096,357)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal/(Purchase) of property and equipment	(707,724)	(143,892)
Long term investments	61,545,700	2,875,000
Sale proceeds from disposal of:		
Fixed assets	16,029,000	566,863
Non current assets held for sale	476,368,866	-
<b>Net cash generated from investing activities</b>	<b>553,235,842</b>	<b>3,297,971</b>

# Trust Investment Bank Limited

	Note	Half year ended	
		31 December	
		2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long and short term borrowings		-	117,582,421
Subordinated loan obtained		<b>622,360,000</b>	-
Redemption of term finance certificates		-	(74,970,000)
Dividend paid		-	(1,449)
<b>Net cash generated from financing activities</b>		<b>622,360,000</b>	42,610,972
<b>Net decrease in cash and cash equivalents</b>		<b>(7,000,884)</b>	(23,187,414)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(29,595,760)</b>	(12,498,133)
<b>Cash and cash equivalents at the end of the period</b>	27	<b>(36,596,644)</b>	(35,685,547)

The annexed notes from 1 to 27 form an integral part of these interim financial statements.

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

For the Half Year Ended December 31, 2012

	Ordinary Shares reserve	Preference Shares reserve	RESERVES					Total
			Capital Statutory loss	General	Revenue		Sub Total	
					Accumulated			
----- Rupees -----								
<b>Balances as at 01 July 2011</b>	585,528,729	306,500,000	240,030,907	61,000,000	(1,096,673,883)	(795,642,976)	96,385,753	
Total comprehensive loss for the period	-	-	-	-	(1,012,071,521)	(1,012,071,521)	(1,012,071,521)	
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 December 2011	-	-	-	-	(45,856,849)	(45,856,849)	(45,856,849)	
<b>Balances as at 30 June 2012</b>	585,528,729	306,500,000	240,030,907	61,000,000	(2,154,602,253)	(1,853,571,346)	(961,542,617)	
<b>Balances as at 01 July 2012</b>	585,528,729	306,500,000	240,030,907	61,000,000	(2,154,602,253)	(1,853,571,346)	(961,542,617)	
Total comprehensive loss for the period	-	-	-	-	(57,314,363)	(57,314,363)	(57,314,363)	
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 December 2012	-	-	-	-	40,452,438	40,452,438	40,452,438	
<b>Balances as at 31 December 2012</b>	585,528,729	306,500,000	240,030,907	61,000,000	(2,171,464,178)	(1,870,433,271)	(978,404,542)	

The annexed notes from 1 to 27 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR



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

For the Half Year Ended December 31, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Trust Investment Bank Limited and its subsidiary company ("the Group") comprises of holding company Trust Investment Bank Limited ("TIBL") and a wholly owned subsidiary company Trust Capital (Private) Limited ("TCPL).

### 2 Parent Company

2.1 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 6th Floor, M M Tower, 28 - A / K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment 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 Pakistan Credit Rating Agency Limited (PACRA) has withdrawn the long term (previously "D") and short term credit rating since November 19, 2012. (Previously "D").

### 3 Basis of Consolidation

3.1 The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1. Taxation

##### Current:

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any.

##### Deferred:

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which deductible difference, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the period when differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited to income statement, except in case of items credited or charged to equity, in which case it is included in equity.

#### 4.2. Property and equipment

These are stated at historical cost/revalued amount less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the diminishing balance method, except vehicles for which straight line method is used, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives.

Full month's depreciation is charged on the additions during the month in which asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

Normal repairs and maintenance are charged to revenue as and when incurred. Renewals and replacements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the items can be reliably measured, and assets so replaced, if any, are retired.

Gains and losses on disposal of property and equipment are recognized in the profit and loss account in the year of disposal.

#### 4.3. Intangible assets

These are stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight-line method over a period of 10 years.

Full month's amortization is charged on the additions during the month in which asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

#### 4.4. Non current assets - held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in present conditions. Management must be committed to the sale, which should be expected to qualify for recognition as completes sale within one year from the date of classification.

Property and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

	<b>(Un-Audited)</b>	(Audited)
	<b>31 December</b>	30 June
	<b>2012</b>	2012
	<b>Rupees</b>	Rupees
<b>5 FIXED ASSETS</b>		
<b>Tangible</b>		
Property and equipment	<b>94,970,565</b>	102,015,705
Capital work in progress	<b>303,632,600</b>	316,432,600
<b>Intangible assets</b>	<b>31,382,885</b>	31,893,481
	<b>429,986,050</b>	450,341,786

# Trust Investment Bank Limited

		(Un-Audited)	(Audited)
		31 December 2012 Rupees	30 June 2012 Rupees
<b>6</b>	<b>LONG TERM INVESTMENTS</b>		
	Investment in Shares-unquoted -at cost	2,250,000	
	Investment in preference shares	130,000,000	
	Investment in quoted shares	31,479,062	
	Investment in Term Finance Certificates and Sukuks-unquoted	79,828,550	141,374,250
		<b>243,557,612</b>	141,374,250
	Less: Provision against doubtful investments	17,566,596	70,000,000
		<b>225,991,016</b>	71,374,250
	Less: Current portion of long term investments	23,919,000	15,468,750
		<b>202,072,016</b>	55,905,500
<b>7</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>LOANS</b>		
	<b>Secured:</b>		
	Employees - considered good	898,890	3,678,952
	Companies, organizations and individuals Considered good	48,968,608	51,923,030
	Considered doubtful	7,047,805	7,047,805
		<b>56,016,413</b>	58,970,835
	<b>ADVANCES</b>		
	<b>Un-secured:</b>		
	Companies, organizations and individuals Considered doubtful	397,838,899	397,838,899
		<b>454,754,202</b>	460,488,686
	Less: provision against doubtful loans	399,816,412	398,842,509
		54,937,790	61,646,177
	Less : Current portion of long term loans and advances	48,329,812	39,533,250
		<b>6,607,978</b>	22,112,927
<b>7.1.</b>	<b>Provision against doubtful loans</b>		
	Opening balance	398,842,509	5,158,165
	Charge for the year	973,903	393,709,628
	Reversal	-	(25,284)
	Closing balance	<b>399,816,412</b>	398,842,509
<b>8</b>	<b>NET INVESTMENT IN LEASE FINANCE</b>		
	Lease payments receivable	1,465,706,471	1,620,342,394
	Add: Residual value	467,194,776	513,812,155
	<b>Gross investment in leases</b>	<b>1,932,901,247</b>	2,134,154,549
	Less: Unearned finance income	12,189,617	30,076,591
	Income suspended	176,394,736	181,890,491
	Provision for lease losses	282,132,526	289,499,142
		<b>470,716,879</b>	501,466,224
	Net investment in lease finance	<b>1,462,184,368</b>	1,632,688,325
	Less: Current portion of net investment in lease finance	1,291,886,930	1,503,757,405
		<b>170,297,438</b>	128,930,920

		(Un-Audited)	(Audited)
		31 December 2012 Rupees	30 June 2012 Rupees
<b>9</b>	<b>CURRENT MATURITIES OF NON-CURRENT ASSETS</b>	<b>Note</b>	
	Long term investments	6 <b>23,919,000</b>	15,468,750
	Long term loans and advances	7 <b>48,329,812</b>	39,533,250
	Net investment in lease finance	8 <b>1,291,886,930</b>	1,503,757,405
		<b>1,364,135,742</b>	1,558,759,405
<b>10</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Short term loans	10.1 <b>104,620,227</b>	231,955,017
	Short term advances	<b>31,650,133</b>	26,624,094
		<b>136,270,360</b>	258,579,111
<b>10.1</b>	<b>Short term loans</b>		
	Companies, organizations and individuals		
	<b>Secured</b>		
	Considered good	<b>104,620,227</b>	231,955,017
	<b>Unsecured</b>		
	Considered doubtful	<b>650,000</b>	650,000
		<b>105,270,227</b>	232,605,017
	Less: provision against doubtful finances	<b>650,000</b>	650,000
		<b>104,620,227</b>	231,955,017
<b>11</b>	<b>SHORT TERM PLACEMENTS</b>		
	Repurchase agreement lendings (Reverse Repo)-unsecured	<b>7,022,877</b>	7,022,877
	<b>Considered good</b>		
	Placement against Property	<b>35,000,000</b>	35,000,000
	Short Term Placement in Bank-TDR	<b>5,000,000</b>	0
		<b>47,022,877</b>	42,022,877
	Less: Provision against doubtful lending	<b>7,022,877</b>	7,022,877
		<b>40,000,000</b>	35,000,000
<b>12</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>Related parties-at cost</b>		
	Investment in shares-unquoted	12.1 <b>1,078,728,866</b>	-
<b>12.1</b>	The company has acquired shares amounting to Rs. 1,098,728,866 of Tricon Developer Limited @ Rs. 10 per share against sub-ordinated loan of Mr. Asif Kamal amounting to Rs. 602,360,000 to strengthen the equity of the company and against held for sale land amounting to Rs. 476,368,866. In compliance with equity method, the closing figures have not been adjusted, due to non-availability of financial statements for the period ended December 31, 2012 of Tricon Developers Limited. Based on latest available audited accounts of Tricon Developers Limited for the year ended June 30, 2011, summarized detail of assets, liabilities, revenue, profit and accumulated profit is as under:		
			(Audited)
			30 June, 2011
	Total assets		4,602,240,289
	Total liabilities		1,960,460,698
	Revenue		823,167,401
	Profit		128,595,415
	Accumulated profit		388,827,681
<b>12.2</b>	<b>Movement of shares of Tricon Developers Limited</b>		
	Opening		-
	Addition during the period		1,098,728,866
	Shares transferred against settlement		(20,000,000)
			<b>1,078,728,866</b>

# Trust Investment Bank Limited

		(Un-Audited)	(Audited)
		<b>31 December</b>	30 June
		<b>2012</b>	2012
	Note	Rupees	Rupees
<b>13 OTHER RECEIVABLES</b>			
Receivable from broker - considered good		37,972,409	21,143,275
Miscellaneous receivables from lessees:			
Considered good		2,699,682	22,803,954
Considered doubtful		304,927,816	317,742,732
		<b>307,627,498</b>	340,546,686
Other receivables			
Considered good		33,507,126	17,571,839
Considered doubtful		3,920,248	3,920,248
		<b>37,427,374</b>	21,492,087
		<b>383,027,281</b>	383,182,048
Less: provisions for doubtful receivable		321,817,749	324,888,581
		<b>61,209,532</b>	58,293,467
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		450,264	457,065
With banks in:			
Current accounts		811,368	512,963
Deposit accounts		1,852,535	9,502,415
		<b>2,663,903</b>	10,015,378
		<b>3,114,167</b>	10,472,443
<b>15 LONG TERM FINANCING-SUBORDINATED LOAN</b>			
<p>The long term financing represents the subordinated loan received from Mr. Asif Kamal, in form of 62,236,000 shares of Tricon Developers Limited at face value of Rs.10/- per share. The amount of subordinated loan has been increased from Rs.400,646,237/- as on June 30, 2012 to Rs.1,023,006,237/- through induction of shares of Tricon Developers Limited amounting to Rs.622,360,000 shares of Tricon Developers Limited at face value of Rs.10/- per share. The acquisition of shares of Tricon Developers has been duly approved through special resolution in shareholder's extra ordinary general meeting held on September 05, 2012. As per the terms &amp; conditions of the subordinated loan agreement amended through addendum dated June 29, 2012. The Bank shall issue shares amounting to Rs.923,006,237/- to Mr. Asif Kamal after obtaining approval from SECP.</p>			
<b>16 LONG TERM FINANCING - OTHER</b>			
Banking companies and other financial institutions-secured	16.1	87,412,376	168,627,292
Banking companies and other financial institutions-unsecured	16.2	-	-
Term finance certificates (TFC) - secured	16.3	-	73,089,066
		<b>87,412,376</b>	241,716,358
<b>16.1 Banking companies and other financial institutions-secured</b>			
Banking companies and other financial institutions		878,359,773	878,359,773
Less: Current portion shown under current liabilities	22	790,947,397	709,732,481
		<b>87,412,376</b>	168,627,292
<b>16.2 Banking companies and other financial institutions-unsecured</b>			
Banking companies and other financial institutions		17,251,959	17,251,959
Less: Current portion shown under current liabilities	22	17,251,959	17,251,959
		-	-

		(Un-Audited)	(Audited)
	Note	31 December 2012 Rupees	30 June 2012 Rupees
<b>16.3 Term finance certificates (TFC) - secured</b>			
TFC III		<b>230,583,980</b>	230,583,980
Less: Unamortized portion of the initial transaction cost		<b>940,471</b>	1,880,935
		<b>229,643,509</b>	228,703,045
Less: Current portion shown under current liabilities	22	<b>229,643,509</b>	155,613,979
		-	73,089,066
		<b>229,643,509</b>	155,613,979
		-	73,089,066
<b>17 LONG TERM MORABAHA</b>			
Long term morabaha		<b>15,500,000</b>	15,500,000
Less: Current portion shown under current liabilities	22	<b>15,500,000</b>	15,500,000
		-	-
		<b>15,500,000</b>	15,500,000
		-	-
<b>18 LONG TERM CERTIFICATES OF INVESTMENT</b>			
Local currency			
- Corporate			
Secured		<b>38,232,472</b>	39,977,207
Unsecured		<b>226,176,237</b>	241,299,177
		<b>264,408,709</b>	281,276,384
- Individuals		<b>10,500,000</b>	12,800,000
		<b>274,908,709</b>	294,076,384
Less: Current portion shown under current liabilities	22	<b>253,127,437</b>	262,863,737
		<b>21,781,272</b>	31,212,647
		<b>21,781,272</b>	31,212,647
<b>19 LONG TERM DEPOSITS</b>			
Margin against letters of guarantee		<b>154,449,959</b>	164,252,852
Deposits against lease arrangements		<b>465,502,917</b>	511,827,522
Less: Current portion shown under current liabilities	22	<b>422,829,433</b>	482,478,149
		<b>42,673,484</b>	29,349,373
		<b>197,123,443</b>	193,602,225
<b>20 SHORT TERM BORROWINGS</b>			
Banking companies and other financial institutions:			
Running finances - secured		<b>39,947,999</b>	39,947,964
<b>21 SHORT TERM CERTIFICATES OF INVESTMENT</b>			
Local currency			
- Financial institutions		<b>12,850,006</b>	16,950,000
- Corporate		<b>1,502,321,389</b>	1,517,413,136
- Individuals		<b>93,337,518</b>	174,630,570
		<b>1,608,508,913</b>	1,708,993,706
		<b>1,608,508,913</b>	1,708,993,706

# Trust Investment Bank Limited

		<b>(Un-Audited)</b>	(Audited)
		<b>31 December 2012</b>	30 June 2012
	Note	Rupees	Rupees
<b>22</b>	<b>CURRENT MATURITIES OF NON CURRENT LIABILITIES</b>		
	Long term financing from banking companies and other financial institutions		
	Secured	16.1 <b>790,947,397</b>	709,732,481
	Unsecured	16.2 <b>17,251,959</b>	17,251,959
	Term finance certificates - secured	16.3 <b>229,643,509</b>	149,366,479
	Long term Morabaha	17 <b>15,500,000</b>	15,500,000
	Certificates of investment	18 <b>253,127,437</b>	262,863,737
	Long term deposits	19 <b>422,829,433</b>	482,478,149
		<b>1,729,299,735</b>	<b>1,637,192,805</b>
<b>23</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Advance receipt against leases	<b>21,354,678</b>	49,458,150
	Unclaimed dividend	<b>3,099,758</b>	3,099,758
	Preference dividend payable	<b>58,023,278</b>	98,475,716
	Accrued liabilities	<b>10,086,156</b>	11,176,860
	Other liabilities	<b>98,877,473</b>	110,882,145
		<b>191,441,343</b>	<b>273,092,629</b>
<b>24</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		

## 24.1 Contingencies

The Company has issued guarantees to various parties on behalf of clients amounting to Rs.976.585 Million (June 30, 2012: Rs. 772.471 million).

The company has filed recovery suits amount to Rs. 1,525.64 million (June 30, 2012: 1,769.15 million). Prima facie the bank has good arguable cases. The financial impact of the same has been accounted for in these interim financial statements.

### CASES AGAINST BANK

Party Name	Amount (Millions)	Court
Privatization Commission of Pakistan	270	Senior Civil Judge, Islamabad.
The Bank of Punjab	326	Lahor High Court.
The Punjab Provincial Co-operative bank Ltd.	103	Registrar Co-operative Societies, Punjab, Lahore.
Levi's Strauss Pakistan (Pvt.) Limited	98	Civil Judge, Lahore.
Shifa Co-operative Housing Society	10	Additional Session Judge, Islamabad.
Shifa International Hospital	5	Additional Session Judge, Islamabad.

## 24.2 Commitments

No commitments exist as at balance sheet date. (June 30, 2012: Nil)

	Half year ended		Quarter ended	
	31 December 2012 Rupees	31 December 2011 Rupees	31 December 2012 Rupees	31 December 2011 Rupees
<b>25 TAXATION</b>				
Current	719,227	1,474,282	(207,033)	548,022
Deferred	51,593,168	-	-	-
	<b>52,312,395</b>	<b>1,474,282</b>	<b>(207,033)</b>	<b>548,022</b>
<b>26 (LOSS)/EARNING PER SHARE</b>				
(Loss)/Profit for the year after taxation and preference dividend	<b>Rs. (16,861,925)</b>	(1,057,928,370)	<b>2,577,856</b>	(181,154,556)
Weighted average number of ordinary shares	<b>No. 58,552,872</b>	58,552,872	<b>58,552,872</b>	58,552,873
(Loss)/Earning per share - basic	<b>Rs. (0.29)</b>	(18.07)	<b>0.04</b>	(3.09)
<b>26.1</b>	No figures for diluted earning per share has been presented as the Company has not issued any instrument which would have an impact on its earning per share.			
<b>27 CASH AND EQUIVALENTS</b>			<b>(Un-Audited)</b>	<b>(Audited)</b>
			<b>31 December 2012 Rupees</b>	<b>30 June 2012 Rupees</b>
Cash and bank balances			3,351,355	10,352,204
Short term running finance			(39,947,999)	(39,947,964)
			<b>(36,596,644)</b>	<b>(29,595,760)</b>





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