Half Year Report (un-audited) For the period ended December 31, 2013

2013







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Company Information

Board of Directors

Mr. Asif Kamal Chairman Mr. Humayun Nabi Jan Director Director Syed Sajjad Hussain Rizvi Mr. Mamoon-ur-Rashid Qureshi Director

Mr. Ahsan Rafique Chief Executive Officer

CFO & Company Secretary

Abid Saghir Farooqui

Chartered Accountants

Auditors

Zahid Jamil & Company

Legal advisor Chaudhry Mahmood Ur Rehman

Branch Network

1. Faisalabad Branch

1st Floor, 16-Chenab Market Near UBL, Main Susan Road, Faisalabad.

Tel: 041-8503306, Fax: 041-8737431

2. Multan Branch

22-A, Main Vehari Road, Near Coca Cola Factory, Multan.

Registrars

Vision Consulting Limited

1st Floor, 3-C, LDA Flats, Lawrence Road, Lahore.

Tel: 042-36375531 & 36375339

Fax: 042-36312550

Registered Office & Head Office

6th Floor, M.M. Tower, 28-A/K, Gulberg-II, Lahore.

Tel: 042-35817601-05 Fax: 042-35817600

Email: info@trustbank.com.pk Website: www.trustbank.com.pk

3. Islamabad Branch

Suit No.306, 3rd Floor, ISE Tower, Jinnah Avenue, Blue Area, Islamabad Tel: 051-2894562, Fax: 051-2894561

4. Karachi Branch

KASB Fund Section, 5th Floor, Trade Center, Opp. Saima Trade Tower, I.I. Chundigar Road, Karachi. Tel: 021-111-222-000, Fax: 021-32624635



DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present consolidated interim financial statement for the half yearly period ended December 31, 2013

Economic Review

In macro scenario, Pakistan in fiscal year 2012-13 started with continuous problems of power and gas shortages along with other internal and external challenges. The energy crisis deepened presenting paradoxical situation. While generating capacity is reported 20,000 MW, actual generation remains far below the demand resulting in nationwide long hours load shedding. The circular debt kept on increasing despite injections of the government, which built pressure on the fiscal side. Similarly, the working of Public Sector Enterprises also deteriorated resulting in further supplementing the burden on the budget. The adverse impact of these economic difficulties was further compounded by the ongoing war against extremism which continued unabated and not only on one hand caused irreparable loss to the economy but wiped out mental peace and harmony among the masses of the country. Karachi is the main hub of the economic activities, faced the series of attacks as well as similar incidence occurred in Punjab, Khyber Pakhtoon Khawa and Balochistan. In retaliation to these attacks and terrorist activities long and big sit down stage protests took place which sent a bad signal to the outside world about the insecurity prevailing in the country. An investment which is the mirror image of the economy nosedived to 14.2% if to compare with 2008 when it was hovering around 19.21% (based on year 2005-06). The resilience of the economy was tested several times by one crisis than others. The financial global meltdown in 2008 which shocked the developed and developing economies of the world and its effects are still being felt. Pakistan in no exception to feel the heat. The GDP growth which was at 5.0 % in 2007-08 dropped to 0.4% in 2008-09 (base 2005-06). The inflation reached to highest level of 25 percent in October 2008. There was unprecedented surge in oil and commodity prices. In addition the behavior of natural climate during 2010 and 2011 further added to the overall economic suffering. The economy on average grew since

In micro scenario, the NBFC sector remained ignored by the associated financial institution for last five years. The credit lending to NBFC sector was in "virtual halt mode" during the period under review and Trust Bank faced severe liquidity squeeze due to the overall economic situation as well further deterioration of its credit rating. The NBFC sector remained under tremendous pressure, suffering from lack of resource through credit lines as well as generation of deposits and negative perception of the NBFC sector. Due to non availability of credit lines, freezing of treasury loans from commercial banks, Trust Bank has been focusing on reducing its balance sheet by making recovery of assets & settling liabilities and doing non fund base activities to remain afloat. Due to challenging economic environment, the profit margins of the business enterprises have been squeezed and thus severely compromised the ability of borrowers to meet the repayments.

Financial Results

The financial results for the year ended December 31, 2013 in comparison with December 31, 2012 are as follows:

	(Rupee:	
Revenue	67.39	46.25
Operating Expenses	(42.89)	(64.53)
Financial Expenses	(3.67)	26.2
Other net operating income	20.11	6.19
Profit/ (loss) before provision & taxation	34.67	(80.53)
Provision (Reversal of Provision)	40.49	75.08
Profit/ (loss) after provision & taxation	(5.61)	(57.8)
Earnings/ (loss) per Share (Rs.)	(0.29)	(3.43)

As stated earlier the business conditions in the country are not conducive for overall business and especially for the NBFC sector.

December 31, 2013 December 31,2012

During the period under review due to liquidity constraints, the Bank has not been able to generate new business in accordance with the projections, resultantly balance sheet and spreads have been squeezed. The revenue of the Bank is decreased substantially as compared to the corresponding period which represents the impact of decrease in lease portfolio. Another reason for lower income is the fact that almost the entire lease portfolio has completed its term and amount of recovery being made against stuck up portfolio to the larger extent more of principal repayment and very small interest income. The slackened business conditions hampered the recovery of the Bank which resulted in a squeeze of liquidity; hence, the Bank was not able to do business.

The Finance Cost has been reduced substantially in the light of the Management decision that no interest payment on its liabilities till the operations of the Bank strengthened to sustain its operations cost and meets all the agreed amount of principal of liabilities. Non-performing loans continue to be the major challenge for the Banking industry and Trust Bank have no exception to this. Due to NPLs the Bank faced liquidity crises, hence, the Bank could not generate new business and secondly Bank could not meet its liabilities, so, NPLs are also accounted for high financial cost. During the period the management tried to control the administrative and operating expenses of the Bank.

Future Outlook

The economy of the country will remain under stress till proposed election in the year 2013. Lack of foreign inflows and continued utilization of available funds under poor governance tend to dissolve the confidence of investors. In order to control the catastrophic economic situation, the government must take coercive measures in order to provide a concrete solution to the anticipated energy crises on priority. The government should also involve all stakeholders to take decisive action for the restructuring of public sector institutions, transparency and good governance in the public sector and broadening of its revenue collection, regaining investor confidence and balanced fiscal & monetary policies.

The future outlook and earning of the NBFCs sector is mainly dependent on availability of credit facilities on soft terms from financial institutions and economic development in the country. Due to non availability/freezing of treasury loans from commercial banks, the Trust Bank will continue to focus on investment in security and quality assets. The Bank also intends to focus on Investment Finance Services receivable financing, advisory services and non-fund based income. The management anticipates a continuation of a competitive and challenging work environment in the wake of subdued economic condition and will try its level best to take all necessary measures to improve the earning capacity of the Bank. In a demonstration of strong commitment to the institution, sponsoring shareholders of the Bank have developed support plan, also duly endorsed by the Board, which will help the Bank to consolidate and grow during this difficult period.

Acknowledgement

The Board would like to express their gratitude to valued customers and shareholders for entrusting their confidence in the Bank which give strength to face the challenging times. We assure that we shall remain committed to maintain high standards of the service and strong culture of corporate governance in all endeavors. We would also thank to SECP for their continued support and patronage extended during the challenging period. The Board also acknowledges the valuable teamwork and significant contributions by the senior executives and employees of the Bank. The Board is confident that with the persistent cooperation by the SECP and committed efforts of the employees, the Bank shall be able to pursue its corporate objectives with renewed vigor.

For and on behalf of the Board of Directors

Lahore April 02, 2014 Ahsan Rafique
President & 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, 2013 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, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

Except as explained in the paragraphs "a" to "i" 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.5.607 million during the period ended December 31, 2013 and as at that date accumulated losses are Rs. 2,284.263 million, equity short fall of minimum equity requirement of NBFCs by Rs. 394.921 million and its current liabilities exceed its current assets by Rs. 745.653 million. The company is facing operational & financial crisis and overdue installments of financing from banking companies & financial institutions and term finance certificates (TFC) are amounting to Rs. 1054.283 million as on balance sheet date. The Securities & Exchange Commission of Pakistan (SECP) 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 November 19, 2012. Further, the members of Board of Directors are less than the minimum number required for a listed company since November 2012, and SECP approval for existing directors is also pending. These factors, along with mentioned in (b) to (i) below, 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 normal course of business. The financial statements, however, do not disclose this fact and any adjustment to that effect;
- b) we could not satisfy ourselves regarding the carrying amount of deferred tax assets amounting to Rs. 435.931 million in the absence of working and other related information. In our opinion, this amount should have been reversed in these financial statements 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. 435.931 million, net loss for the period and short fall of minimum equity requirement of NBFCs would have been increased by the same amount;
- c) balances of long term financing amounting to Rs. 314.329 million (refer note 16) and markup accrued amounting to Rs. 246.580 million remained unconfirmed / unreconciled as on June 30,2013 and subsequent to that date in the absence of related information.
- d) the company has not provided for mark-up of Rs. 371.928 million in the preceding year and Rs.168.859 during the period on financing from banking companies & other financial institutions, term finance certificates, preference shares, certificates of Investment, long term morabaha and on running finance in these financial statements. Had the markup been provided net loss for the period would have been increased by Rs.168.859,markup payable, accumulated losses and short fall of minimum equity requirement of NBFCs would have been increased by the Rs 540.787million;
- e) we could not satisfy ourselves regarding subordinated loan received from Mr.Akram and other various landlords, in the form of land amounting to Rs. 623 million (refer note 15.3), in the absence of title documents and other relevant record. Moreover, Mr.Akram and other landlords are not the sponsors of the company. So, in our opinion, this transaction should not be classified as subordinated loan. Had this reclassification been made in appropriate head of account, the subordinated loan would have been decreased and short fall of minimum equity requirement of NBFCs would have been increased by the same amount;

- f) we could not satisfy ourselves regarding short term investment in shares of Tricon Developers Limited (a subsidiary) amounting to Rs 1,129.005 million (refer note 12), related subordinated loan from sponsors amounting to Rs. 973.283 million (refer note 15) on following grounds;
- i. the registrar of companies, Lahore circle, did not accept/approve the issue of shares of Tricon Developers Limited and the matter is still pending with him, consequently, the title of these shares has not been transferred in the name of the Trust Investment Bank Limited;
- ii. non-compliance of NBFC (Establishment and regulation) Rules 2003(7) (2) (h) regarding investment in unquoted shares in any company other than wholly owned subsidiary in excess of 20% of its equity;
- the Investment in shares of Tricon Developers limited (refer note 12) and related subordinate loan (refer note 15) are taken in accordance with face value of these shares @ of Rs.10/- per share. The breakup value is significantly lower than the face value of these shares, as per available unaudited financial statements of Tricon Developers Limited for the year ended June 30, 2012. However, no adjustment to that effect has been made in these financial statements; Financial impact of above points '(i)' to '(iii)' is impracticable in the absence of audited financial statements of Tricon Developers Limited for the year ended June 30, 2012 & 2013 and other relevant record;
- g) long term loans and advances (refer note 7), net investment in lease finance (refer note 8), short term loans and advances (refer note 10), short term placement (refer note 11) and other receivables (refer note 13) remained unconfirmed / unverified in the absence of any reply of balance confirmations sent as on June 30,2013 and subsequent to that date;
- h) the company has not charged any provision against unsecured past due balance receivable from broker amounting to Rs. 21.143 million (refer note 13). In our opinion this balance should be fully provided. Had this provision been made, current assets would have been decreased and loss for the period and short fall of minimum equity requirement of NBFCs would have been increased by the same amount;
- i) note 24 of the financial statements state certain contingencies, the ultimate outcome of these matters cannot presently be determined. Moreover, we have neither received direct reply of Mr. Rashdeen Nawaz Kasuri, a legal advisor and M/s Asim Iftikhar & Co, a tax consultant of the company, nor ascertain the legal / financial impact of the cases pending in their behalf, if any;

Adverse Conclusion

Based on our review, on the basis of above mentioned paragraphs "a" to "i", it causes 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.

Notwithstanding our adverse conclusion, we draw attention to the fact that:

I. Preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance 1984, and the matter of its classification will be dealt with in accordance with the clarification sought by the Institute of Chartered Accountants of Pakistan from the Securities and Exchange Commission of Pakistan.

LAHORE: CHARTERED ACCOUNTANTS
Date: APRIL 02, 2014 (Engagement Partner: Muhammad Amin)



Financial Statement

Trust Investment Bank Limited

For The Half Year Ended December 31, 2013

Condensed Interim Balance Sheet (Un-Audited) As at December 31, 2013

ASSETS	Note	(Un-audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
Non-current assets			
Fixed assets	5	940,920,985	964,298,694
Long term investments	6	57,005,513	66,297,263
Long term loans and advances	7	5,155,080	8,395,333
Net investment in lease finance	8	-	-
Long term deposits	Ü	1,247,310	1,331,550
Deferred tax asset		435,931,678	515,931,678
Total non-current assets		1,440,260,566	1,556,254,518
Current assets			
Current maturities of non - current assets	9	1,272,486,165	1,277,848,272
Short term loans and advances	10	111,132,489	109,038,553
Short term placements	11	1,000,000	4,858,663
Short term investments	12	1,129,005,480	1,093,005,480
Short term prepayments		283,280	1,600,004
Markup accrued		202,609,687	203,091,749
Taxation - net		2,278,888	2,984,337
Other receivables	13	196,972,262	199,205,522
Cash and bank balances	14	4,840,396	5,642,474
Total current assets		2,920,608,647	2,897,275,054
TOTAL ASSETS		4,360,869,213	4,453,529,572
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		892,028,729	892,028,729
Reserves		(1,983,232,893)	(1,977,625,630)
		(1,091,204,164)	(1,085,596,901)
Surplus on revaluation of fixed assets		18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	15	1,696,282,851	1,696,282,851
Long term financing-others	16	4,000,000	26,555,333
Long term morabaha	17	-	-
Long term certificates of investment	18	18,881,031	24,970,202
Deferred liabilities	10	4,615,342	5,041,342
Long term deposits Total non-current liabilities	19	43,520,596	61,424,576
		1,767,299,820	1,814,274,304
Current liabilities Short term borrowings	20	39,413,532	39,413,532
Short term certificates of investment	21	1,405,830,284	1,399,355,968
Current maturities of non current liabilities	22	1,802,215,661	1,841,213,448
Mark-up accrued		246,589,708	247,170,291
Trade and other payables	23	172,212,872	179,187,430
Total current liabilities	-	3,666,262,057	3,706,340,669
		5,433,561,877	5,520,614,973
CONTINGENCIES AND COMMITMENTS	24	4,360,869,213	4,453,529,572
		.,000,000,000	.,,,

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



Condensed Interim Profit and Loss Account (Un-Audited) For the Half Year Ended December 31, 2013

		Half year	ended	Quarter	ended
	_	31 Dece	mber	31 Decer	nber
		2013	2012	2013	2012
	Note	Rupees	Rupees	Rupees	Rupees
Income					
Income from lease operations		39,655,287	22,601,961	38,772,424	11,903,722
Income from investments		943,259	546,048	442,942	(1,812,165)
Income from term loans		26,798,872	23,103,560	15,092,215	(3,220,323)
	_	67,397,418	46,251,569	54,307,581	6,871,234
Finance cost	3	3,668,038	26,242,302	2,422,798	(84,537,110)
	-	63,729,380	20,009,267	51,884,783	91,408,344
Administrative and operating expenses		42,885,469	64,532,436	22,472,994	29,034,843
	-	20,843,911	(44,523,169)	29,411,789	62,373,501
Other operating income		20,110,953	6,187,814	16,866,893	3,174,084
	-	40,954,864	(38,335,355)	46,278,682	65,547,585
Other operating expenses		6,280,709	42,202,959	9,474,012	41,421,340
Operating profit / (loss) before provisions and taxation	-	34,674,155	(80,538,314)	36,804,670	24,126,245
Reversal against lease, term loan and other receivables	ſ	42,839,806	6,251,040	42,839,806	6,251,040
(Impairment) / reversal of impairment in the value of investment		(2,348,000)	68,826,000	(2,348,000)	68,826,000
	-	40,491,806	75,077,040	40,491,806	75,077,040
Profit/(loss) before taxation		75,165,961	(5,461,274)	77,296,476	99,203,285
Provision for taxation	25	80,773,224	52,312,395	80,773,224	(207,033)
(Loss)/profit after taxation	-	(5,607,263)	(57,773,669)	(3,476,748)	99,410,318
(Loss) / earning per share - basic / diluted	26	(0.10)	(0.29)	(0.06)	0.04
	-				

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

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Half Year Ended December 31, 2013

	Half year ended 31 December		
	2013	2012	
	Rupees	Rupees	
Loss after taxation for the period	(5,607,263)	(57,773,669)	
Will not be reclassified subsequently to profit or loss:			
Other comprehensive income	-	-	
Transferred from surplus on revaluation of			
fixed assets to accumulated loss-net of tax		508,584	
Total comprehensive loss for the period	(5,607,263)	(57,265,085)	

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



Condensed Interim Cash Flow Statement (Un-Audited) For the Half Year Ended December 31, 2013

Profit (loss) before taxation 75,165,961 (5,461,274)	For the Half Year Ended December 31, 2013	Halfwaar	andad
CASH FLOWS FROM OPERATING ACTIVITIES			
Rapes			
CASH FLOWS FROM OPERATING ACTIVITIES			
Adjustments for non cash / non operating items: Depreciation and amortization 3,256,850 4,283,814 Amortization of initial transaction cost of term finance certificates - 940,464 Provision for staff service cost 400 3,948,733 Provision for / (reversal of) potential lease and term loan losses - (6,251,040) (6,251,040) (2,20,295) Finance cost 3,668,038 25,301,838 (23in) / loss on disposal of fixed assets (10,219,947) (20,20,295) Finance cost (10,219,947) (20,20,295) (10,219,947) (20,20,295) (10,219,947) (20,20,295) (20,219,947) (20,20,295) (20,219,947) (20,20,295) (20,219,947) (20,20,295) (20,219,947) (20,20,295) (20,219,948) (20,219,	CASH FLOWS FROM OPERATING ACTIVITIES	rupees	rupees
Depreciation and amortization	Profit / (loss) before taxation	75,165,961	(5,461,274)
Depreciation and amortization	Adjustments for non cash / non operating items:		
Amortization of initial transaction cost of term finance certificates Yerovision for staff service cost Yerovision for / (reversal of) potential lease and term loan losses Cappan Cap	•	3,256,850	4,283,814
Provision for / (reversal of) potential lease and term loan losses 6,280,709 42,202,959			940,464
Provision for / (reversal of) potential lease and term loan losses 6,280,709 42,202,959	Provision for staff service cost	400	3,948,733
Finance cost 3,668,038 25,301,838 (Gain) / loss on disposal of fixed assets (10,219,947) 202,208 (68,826,000)	Provision for / (reversal of) potential lease and term loan losses	-	
Claim loss on disposal of fixed assets 20,219,471 20,2208 Provision for / (appreciation) in the value of investments 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 (8,826,000) 1,802,976 2,348,000 1,803,928 2,348,000 (8,538,283 1,804,235 1,80	Lease receivables written off	6,280,709	42,202,959
Provision for / (appreciation) in the value of investments 2,348,000 (68,826,000) Operating profit/(loss) before working capital changes 80,500,011 (3,658,298) Changes in operating assets and liabilities: (Increase) / decrease in assets: Long term loans and advances 6,558,413 128,043,235 Net investment in lease finance (5,730,512) 79,540,116 Long term deposits 84,240 (412,810) Short term placements 3,858,663 - Short term placements (36,000,000) (1,083,728,866) Short term investments (36,000,000) (1,083,728,866) Short term prepayments 1,316,724 9,585,283 Markup accrued 482,062 14,323,096 Other receivables 2,233,260 (113,016,099) Increase / (decrease) in liabilities: (29,291,086) (965,666,045) Increase / (decrease) in liabilities: (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid <td< td=""><td>Finance cost</td><td>3,668,038</td><td>25,301,838</td></td<>	Finance cost	3,668,038	25,301,838
S.334,050 1,802,076 1,802,076 1,802,076 1,802,076 1,802,076 1,802,076 1,802,076 1,802,076 1,802,076 1,802,088 1,802,076 1,80	(Gain) / loss on disposal of fixed assets	(10,219,947)	202,208
Operating profit/(loss) before working capital changes 80,500,011 (3,658,298) Changes in operating assets and liabilities: (Increase) / decrease in assets: Long term loans and advances Net investment in lease finance Long term deposits Short term loans and advances Short term placements Short term placements Short term placements Short term placements Short term prepayments Short term	Provision for / (appreciation) in the value of investments		(68,826,000)
Changes in operating assets and liabilities: (Increase) / decrease in assets: 6,558,413 128,043,235 Not investment in lease finance (5,730,512) 79,540,116 Long term deposits 84,240 (412,810) Short term loans and advances (2,093,395) - Short term placements 3,858,663 - Short term prepayments 1,316,724 9,585,283 Markup accrued 482,062 14,323,096 Other receivables 2,233,260 (113,016,099) Certificates of investment (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) Cash generated from / (used in) operations 23,101,022 (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Vertash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTI			
Clncrease decrease in assets: Long term loans and advances 6,558,413 128,043,235 79,540,116 Long term deposits 84,240 (412,810) Short term loans and advances 2,093,336) - Short term loans and advances 3,858,663 - Short term investments 36,000,000 (1,083,728,866) Short term investments 36,000,000 (1,083,728,866) Short term prepayments 1,316,724 9,585,283 Markup accrued 482,062 14,323,096 (113,016,099) Other receivables 2,233,260 (113,016,099) Contract (decrease) in liabilities: Certificates of investment (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) Cash generated from / (used in) operations (23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (426,400) (4,114,04) Staff service cost paid (474,7976) (472,84,100) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: Fixed assets (32,212,606 16,029,000 Proceeds from disposal of: Fixed assets (32,212,606 16,029,000 Robert		80,500,011	(3,658,298)
Long term loans and advances 6,558,413 128,043,235 79,540,116 Long term deposits 84,240 (412,810)			
Net investment in lease finance (5,730,512) 79,540,116 Long term deposits 84,240 (412,810) Short term loans and advances (2,093,936) - Short term placements 3,858,663 - Short term investments (36,000,000) (1,083,728,866) Short term prepayments 1,316,724 9,585,283 Markup accrued 482,062 14,323,096 Other receivables 2,233,260 (113,016,099) Other receivables (22,91,086) (965,666,045) Increase / (decrease) in liabilities: Certificates of investment (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) Trade and other payables (6,974,558) (36,810,191) Cash generated from / (used in) operations 23,10,022 (1,132,128,704) Cash generated from / (used in) operations 23,10,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (47,24,796)		6 880 443	120.042.225
Long term deposits	ε		
Short term loans and advances			
Short term placements			(412,810)
Short term investments			-
Short term prepayments	1		(1.083.728.866)
Markup accrued 482,062 14,323,096 Other receivables 2,233,260 (113,016,099) (29,291,086) (965,666,045) Increase / (decrease) in liabilities: Certificates of investment (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) (28,107,903) (166,462,659) (57,398,989) (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: (57,938,610) - Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866 <		1 1 1	
Other receivables 2,233,260 (29,291,086) (113,016,099) (29,291,086) (965,666,045) Increase / (decrease) in liabilities: Certificates of investment (21,133,345) (129,652,468) (36,810,191) (28,107,903) (166,462,659) Trade and other payables (57,398,989) (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (472,400) (42,1104) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 (61,545,700) Long term deposits (57,938,610) Proceeds from disposal of: Fixed assets 32,212,606 (16,029,000) Fixed assets 32,212,606 (16,029,000) Non current assets held for sale - 476,368,866	1 1 2		, ,
Cartificates of investment			1 1
Certificates of investment	Other receivables		
Certificates of investment (21,133,345) (129,652,468) Trade and other payables (6,974,558) (36,810,191) (28,107,903) (166,462,659) (57,398,989) (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Wet cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: (57,938,610) - Fixed assets 32,212,606 16,029,000 Non current assets held for sale - 476,368,866	Increase / (decrease) in liabilities:	(23,231,000)	(903,000,043)
Trade and other payables (6,974,558) (36,810,191) (28,107,903) (166,462,659) (57,398,989) (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Wet cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 7,938,610 - Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866		(21 133 345)	(129 652 468)
Cash generated from / (used in) operations Cash generated from / (used in) operating activities Cash			
(57,398,989) (1,132,128,704) Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Wet cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 16,029,000 Non current assets held for sale - 476,368,866	Trade and other payables		
Cash generated from / (used in) operations 23,101,022 (1,135,787,002) Finance cost paid (4,248,621) (43,202,680) Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 16,029,000 Non current assets held for sale - 476,368,866			
Finance cost paid Taxes paid Staff service cost paid Met cash generated from / (used in) operating activities CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets Long term investments Long term deposits Proceeds from disposal of: Fixed assets Non current assets held for sale (43,202,680) (43,202,680) (44,742,795) (426,400) (4,742,796) (47,284,100) 18,358,226 (1,871,800) (707,724) (707,724) 57,938,610) - 32,212,606 16,029,000 476,368,866		(57,398,989)	(1,132,128,704)
Taxes paid (67,775) 132,684 Staff service cost paid (426,400) (4,214,104) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Variable of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866	Cash generated from / (used in) operations	23,101,022	(1,135,787,002)
Staff service cost paid (426,400) (4,214,104) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866	Finance cost paid	(4,248,621)	(43,202,680)
(4,742,796) (47,284,100) Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 (61,545,700) Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 476,368,866	Taxes paid	(67,775)	132,684
Net cash generated from / (used in) operating activities 18,358,226 (1,183,071,102) CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 476,368,866	Staff service cost paid		(4,214,104)
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866	N		
Purchase of fixed assets (1,871,800) (707,724) Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Non current assets held for sale 476,368,866	Net cash generated from / (used in) operating activities	18,358,226	(1,183,0/1,102)
Long term investments 8,437,500 61,545,700 Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Non current assets held for sale 476,368,866	CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits (57,938,610) - Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 476,368,866 Non current assets held for sale 476,368,866	Purchase of fixed assets	(1,871,800)	(707,724)
Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 476,368,866	Long term investments	8,437,500	61,545,700
Proceeds from disposal of: 32,212,606 16,029,000 Fixed assets 32,212,606 476,368,866	Long term deposits	(57,938,610)	-
Fixed assets 32,212,606 16,029,000 Non current assets held for sale 476,368,866	Proceeds from disposal of:		
Non current assets held for sale - 476,368,866	-	32,212,606	16,029,000
	Non current assets held for sale	_	1 1
110t cash (used in) / 201101 ated 11 0111 in (05tin)2 activities 117 (100 in (Net cash (used in) / generated from investing activities	(19,160,304)	553,235,842

	Note	Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES Subordinated loan obtained	-	<u>-</u>	622,360,000
Net cash generated from financing activities		-	622,360,000
Net decrease in cash and cash equivalents	-	(802,078)	(7,475,260)
Cash and cash equivalents at the beginning of the period		(33,771,058)	(29,595,760)
Cash and cash equivalents at the end of the period	27	(34,573,136)	(37,071,020)

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



DIRECTOR

Condensed Interim Statement of Changes in Equity (Un-Audited) For the Half Year Ended December 31, 2013

			CAPITAL RESERVES	R	REVENUE RESERVES	ES	
	Ordinary Shares	Preference shares	Statutory	General reserve	Accumulated losses	Sub Total	Total
				II Rupees-			
Balances as at 01 July 2012	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	•	•	1	•	(57,265,085)	(57,265,085)	(57,265,085)
Dividend on preference shares @ 1 year Kibor+100 BPS	ı	•	•	•	40,452,438	40,452,438	40,452,438
for the period ended 31 December 2012 Balances as at 31 December 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,151,468,016)	(1,850,437,109)	(958,408,380)
Balances as at 01 July 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,278,656,537)	(1,977,625,630)	(1,085,596,901)
Total comprehensive loss for the period	•	•	1	•	(5,607,263)	(5,607,263)	(5,607,263)
Dividend on preference shares @ 1 year Kibor+100 BPS for the period ended 31 December 2013	1	1	ı	ı	1		•
Balances as at 31 December 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,284,263,800)	(1,983,232,893)	(1,091,204,164)

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

Notes to the Condensed Interim Financial Statements (Un-Audited) For the Half Year Ended December 31, 2013 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 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).

1.1. Parent company

- **1.1.1.** 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).
- 1.1.2 The financial statements for the period ended December 31, 2013 reflect loss after taxation of Rs. 5.607 million and as of the said date, the accumulated losses of the company are Rs. 2,284.263 million. Due to substantial recovery of classified portfolio in period ended December 31,2013, an amount of Rs.80.74 million on account of suspension and provision has been reversed. Also during the period 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. We are also in process of converting our preference shares in to ordinary shares. This will result in future interest cost and preference dividend savings to the company. Also with the suppor o recover agents, the compan is ursuing its customers / orrowers ver 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.

1.2 Subsidiary Company

1.2.1 Trust Capital (Private) Limited was incorporated as a private limited company on 20 June 2008 under the Companies Ordinance, 1984. TCPL is engaged in the business of stock brokerage, portfolio management and trading in listed securities on all the three Stock Exchanges of Pakistan. The registered office of TCPL is located at 202 Shah Jamal, Lahore. TCPL is a member of the Lahore Stock Exchange (Guarantee) Limited.

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, 2013.



- 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, 2013.
- 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, 2013. 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.

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 30,2013.

		(Un-Audited)	(Audited)
		31 December	30 June
		2013	2013
5. FIXED ASSETS	Note	Rupees	Rupees
Tangible			
Property, plant and equipment	5.1	83,916,460	85,763,067
Capital work in progress	5.2	856,642,830	878,121,000
Intangible assets		361,695	414,627
		940,920,985	964,298,694
5.1. Property, plant and equipment			
Opening book value		85,763,067	100,863,266
Add: Additions during 6 months / 12 months	5.1.1	1,871,800	4,049,150
		87,634,867	104,912,416
Less: Deletions during 6 months / 12 months	5.1.2	538,500	22,172,536
		87,096,367	82,739,880
Less: Depreciation during 6 months / 12 months		3,203,918	7,845,747
		83,892,449	74,894,133
Add: Depreciation adjustments for assets sold		24,011	10,868,934
during 6 months / 12 months			
Book value at the end of 6 months / 12 months	5.1.3	83,916,460	85,763,067

		(Un-Audited)	(Audited)
		31 December	30 June
	N T .	2013	2013
5.1.1. Additions during 6 months / 12 months	Note	Rupees	Rupees
Building on freehold land		_	3,015,000
Office equipment and machines		46,800	1,034,150
Vehicles		1,825,000	-
Venicles		1,871,800	4,049,150
5.1.2. Deletions during 6 months / 12 months			
Building on freehold land		-	6,454,492
Leasehold improvements		-	8,171,738
Office equipment and machines		63,500	1,175,816
Furniture and fixtures		-	866,294
Air-conditioning equipment		-	1,231,050
Vehicles		475,000	4,273,146
		538,500	22,172,536
5.1.3. Book value at the end of 6 months / 12 months			
Building on freehold land		67,740,381	69,477,309
Lease hold improvements		4,372,470	4,858,296
Office equipment and machines		4,333,288	4,825,040
Furniture and fixtures		5,170,984	5,443,144
Air-conditioning equipment		854,114	899,078
Vehicles		1,445,223	260,200
		83,916,460	85,763,067
5.2. Capital work in progress			
Opening Balance		878,121,000	316,432,600
Additions			634,851,465
N'essa I		878,121,000	951,284,065
Disposal		(21 479 170)	(72.162.065)
Cost		(21,478,170)	(73,163,065)
		(21,478,170)	(73,163,065)
Closing balance		856,642,830	878,121,000
6. LONG TERM INVESTMENTS			
Investment in subsidiary-at cost		60,000,000	60,000,000
Investment in Term Finance Certificates and Sukuks		66,234,800	74,672,300
		126,234,800	134,672,300
Less: Impairment in the value of investments		39,387,287	37,039,287
		86,847,513	97,633,013
Less: Current portion of long term investments	9	29,842,000	31,335,750
F 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		57,005,513	66,297,263



		(Un-Audited)	(Audited)
T I ONG TERM I O ING IND I DVI NGEG		31 December 2013	30 June 2013
7. LONG TERM LOANS AND ADVANCES	Note	Rupees	Rupees
Secured: Employees - considered good	11016	1,094,629	2,371,991
		1,074,027	2,5 / 1,5 / 1
Companies, organizations and individuals Considered good		24 511 970	39,792,931
		34,511,879	
Considered doubtful		7,047,805	7,047,805
		41,559,684	46,840,736
Un-secured:		42,654,313	49,212,727
Companies, organizations and individuals - considered doubtfu	l	397,838,899	397,838,899
		440,493,212	447,051,626
Less: Provision against doubtful loans	7.1	401,076,412	401,076,412
		39,416,800	45,975,214
Less : Current maturity	9	34,261,721	37,579,881
		5,155,080	8,395,333
7.1. Provision against doubtful loans			
Opening balance		401,076,412	398,842,509
Charge for the year		-	2,233,903
Reversal during the year		-	-
Closing balance		401,076,412	401,076,412
8. NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable		1,285,048,980	1,325,705,951
Add: Residual value		359,316,927	408,586,891
Gross investment in leases		1,644,365,907	1,734,292,842
Less: Unearned finance income		3,397,109	5,311,508
Income suspended		146,052,842	183,984,668
Provision for lease losses		286,533,512	336,064,025
		435,983,463	525,360,201
Net investment in lease finance		1,208,382,444	1,208,932,641
Less: Current portion of net investment			
in lease finance	9	1,208,382,444	1,208,932,641
9. CURRENT MATURITIES OF NON-CURRENT ASSETS			
Long town investments	6	20 942 000	21 225 750
Long term investments	6	29,842,000	31,335,750
Long term loans and advances	7	34,261,721	37,579,881
Net investment in lease finance	8	1,208,382,444	1,208,932,641
10. SHORT TERM LOANS AND ADVANCES		1,272,486,165	1,277,848,272
Short term loans - secured	10.1	79,783,283	94,687,143
Short term advances	10.1	31,349,206	14,351,410
Short term advances			
		111,132,489	109,038,553

10.1. Short term loans - secured Companies, organizations and individuals Considered good Considered doubtful	Note	(Un-Audited) 31 December 2013 Rupees 79,783,283 650,000 80,433,283	(Audited) 30 June 2013 Rupees 94,687,143 650,000 95,337,143
Less: Provision against doubtful loans		650,000 79,783,283	650,000 94,687,143
11. SHORT TERM PLACEMENTS			
Repurchase agreement lendings (Reverse Repo)		7,022,877	7,022,877 3,000,000
Placement with First Fidelity Leasing Modarba		1,000,000	1,858,663
		8,022,877	11,881,540
Less: Provision against doubtful lending		7,022,877	7,022,877
12. SHORT TERM INVESTMENTS		1,000,000	4,858,663
Un-quoted TRICON Developers Limited 112,900,548 (June 30,2013: 109,300,548) fully paid ordi of Rs. 10 each. Equity held (June 30,2013: 48.51%) (Breakup value of Rs. 6.34/per share based on available u 12.1. These represent investment in shares of M/s Tricon Developer Mr. Asif kamal to strengthen the equity of the company(ref.nc as assets classified as held for sale) converted into shares amo shares has not been transferred in the name of Trust Investmen 12.2. Summarized financial information of subsidiary based on una	unaudited accors Limited, acquired 15.1) Also sunting to Rs. 4	quired against Sub-C includes the Land (p 476.368 million.The ed.	Ordinated loan of oreviously kept title of these
2012 is as follows:			UnAudited
Aggregate amount of Assets Liabilities Revenue Loss for the year 13. OTHER RECEIVABLES			June 30,2012 1,842,577,066 414,442,625 143,281,865 (1,213,645,151)
Receivable from broker - considered good		21,143,275	21,143,275
Miscellaneous receivables from lessees:		21,170,273	21,115,275
Considered good		22,803,954	22,803,954
Considered doubtful		297,216,808	345,202,043
Other receivables		320,020,762	368,005,997
Considered good	13.1	179,416,048	178,633,549
Considered doubtful	13.2	4,625,524	4,625,524
		104041 553	102 250 072

- $\textbf{13.1}. \ This includes \ receivable \ from \ Trust \ Capital \ (Pvt) \ Limited \ amounting \ to \ Rs. 47, 161, 664 /- (June \ 30, 2013: Rs. 176, 256, 664 /-) \\$
- $\textbf{13.2}. \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/-(June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ Limited amounting to Rs. 3, 920, 248/- (June 30, 2013: Rs. 3, 920, 248/-) \ This includes receivable from Trust Management (Pvt) \ This includes receivable from Tr$

14. CASH AND BANK BALANCES

Less: Provision for doubtful receivables

Cash in hand	509,537	92,067
With banks in:	244,194	244,194
Current accounts Deposit accounts	4,086,665	5,306,213
	4,330,859	5,550,407
	4,840,396	5,642,474

184,041,572 525,205,609

328,233,347

196,972,262

572,408,345

373,202,823

199,205,522



		(Un-Audited)	(Audited)
		31 December	30 June
		2013	2013
15. LONG TERM FINANCING - SUBORDINATED LOAN	Note	Rupees	Rupees
Long term financing-subordinated loan		1,696,282,851	1,696,282,851

- 15.1 This represents subordinated loan received from Mr. Asif Kamal, against 67.263 Million shares of Tricon Developers Limited at face value of Rs.10/- per share through agreement dated 8 November 2012 and 30.064 Million shares of Tricon Developers Limited at face value of Rs.10/- per share through Addendum (dated 29 June 2011) to agreement (dated 17 May 2010). 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 & conditions of the subordinated loan agreements, the Bank shall issue shares amounting to Rs.973,282,851/- to Mr. Asif Kamal after obtaining approval from SECP, up to June 30, 2013. The date has been extended till June 30,2014 by addendum (dated 30 June 2013) to agreement (dated 17 May 2010)
- Trust Bank has returned / transferred the land amounting to Rs. 300,646,237/- to M/s Tricon Developers Limited or their nominees simultaneously with the transfer of shares of M/s Tricon Developers at par value of Rs. 10 per share from Mr. Asif Kamal through Addendum (dated 29 June 2011) to agreement (dated 17 May 2010). Trust Bank obligation for the issuance of ordinary shares to Tricon Developers shall be reduced to cash component of subordinated loan only i.e. Rs. 100 Million.
- 15.3 Property amounting to Rs. 623,000,000/- from Mr. Muhammad Akram, has been injected as subordinated loan. Title of property has not yet been transferred in the name of the company (Refer note 5.2). Trust Bank shall issue shares to legal owners of property up to 31 December 2013 as per agreement dated 05 June 2013, after approval of SECP.

16. LONG TERM FINANCING - OTHERS Banking companies and other financial institutions-secured 16.1 4,000,000 26,555,333 Banking companies and other financial institutions-unsecured 16.2 Term finance certificates (TFC)-Secured 16.3 26,555,333 4,000,000 16.1. Banking companies and other financial institutions-secured Banking companies and other financial institutions 878,359,773 878.359.773 Less: Current portion shown under current liabilities 22 874,359,773 851,804,440 4,000,000 26.555.333 16.2 Banking companies and other financial institutions-unsecured Banking companies and other financial institutions 17,251,959 17,251,959 Less: Current portion shown under current liabilities 17.251.959 22 17,251,959 16.3. Term finance certificates (TFC)-secured 230,583,980 230,583,980 TEC III Less: Unamortized portion of the initial transaction cost 230,583,980 230,583,980 Less: Current portion shown under current liabilities 22 230,583,980 230,583,980 17. LONG TERM MORABAHA 15,500,000 Long term morabaha 15,500,000 Less: Current portion shown under current liabilities 22 15,500,000 15.500,000 18. LONG TERM CERTIFICATES OF INVESTMENT - Corporate Secured 27,256,031 32,345,202 Unsecured 191,695,179 212,913,669 - Individuals 7,400,000 8,700,000 226,351,210 253,958,871 Less: Current portion shown under current liabilities 228,988,669 22 207,470,179 18,881,031 24,970,202

		(Un-Audited)	(Audited)
		31 December	30 June
		2013	2013
	Note	Rupees	Rupees
19. LONG TERM DEPOSITS			
Margin against letters of guarantee		142,173,070	150,997,616
Less: Current portion shown under current liabilities	22	98,652,474	139,396,555
		43,520,596	11,601,061
Deposits against lease arrangements		358,397,296	407,511,360
Less: Current portion shown under current liabilities	22	358,397,296	357,687,845
•		_	49,823,515
		43,520,596	61,424,576
20. SHORT TERM BORROWINGS			
Banking companies and other financial institutions:			
Running finances - secured		39,413,532	39,413,532
21. SHORT TERM CERTIFICATES OF INVESTMENT			
- Financial institutions		12,850,006	12,850,006
- Corporate		1,352,981,996	1,358,107,680
- Individuals		39,998,282	28,398,282
		1,405,830,284	1,399,355,968
22. CURRENT MATURITIES OF NON CURRENT LIABILITY	IES		
Long term financing from banking companies & financial			
institutions			
Secured	16.1	874,359,773	851,804,440
Unsecured	16.2	17,251,959	17,251,959
Term finance certificates-secured	16.3	230,583,980	230,583,980
Long term morabaha	17	15,500,000	15,500,000
Certificates of investment	18	207,470,179	228,988,669
Long term deposits	19	457,049,770	497,084,400
		1,802,215,661	1,841,213,448
23. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities		8,064,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		17,987,923	11,575,105
Other liabilities		85,039,865	98,427,241
		172,212,872	179,187,430

24. CONTINGENCIES AND COMMITMENTS

24.1. Contingencies

There is no material change in the status of contingencies as disclosed in note # 32.1 of the financial statements for the year ended June 30, 2013 except following:

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 1,355 Million (June 30,2013: Rs. 1235.752 million).
- (b) The company has not recognised mark-up on financing from banking companies and financial institutions, term finance certificates, preference shares, certificates of investment, long term morabaha and on running finance, due to operational and financial constraints. Had the mark-up been fully recognised, mark-up accrued, loss for the year and negative equity would have been increased by Rs. 168.859 Million.

24.2. Commitments

There exists no commitment as at balance sheet date.



			Half year ended		Quarter	ended
			31 December	31 December	31 December	31 December
			2013	2012	2013	2012
			Rupees	Rupees	Rupees	Rupees
25.	TAXATION					
	Current		773,224	719,227	773,224	(207,033)
	Deferred	_	80,000,000	51,593,168	80,000,000	<u> </u>
		_	80,773,224	52,312,395	80,773,224	(207,033)
26. l	EARNING / (LOSS) PER SHARE					
	Earning / (loss) for the year after taxation	Rs	(5,607,263)	(16,812,647)	(3,476,748)	2,627,134
	Weighted average number of ordinary shares	No.	58,552,872	58,552,872	58,552,872	58,552,872
	Earning / (loss) per share - basic	Rs	(0.10)	(0.29)	(0.06)	0.04

26.1. 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.

	(Un-Audited)	(Audited)
	31 December	30 June
	2013	2013
27. CASH AND EQUIVALENTS	Rupees	Rupees
Cash and bank balances	4,840,396	5,642,474
Short term running finance	(39,413,532)	(39,413,532)
	(34,573,136)	(33,771,058)

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 month ended 31 December		Year ended 30 June	
	2013	2012	2013	
Mr. Asif Kamal	Rupees	Rupees	Rupees	
Share capital	71,065,510	71,065,510	71,065,510	
Subordinate Loan	973,282,851	678,082,629	1,093,005,480	
Mr.Zahid Rafiq				
Share capital	57,024,050	57,024,050	57,024,050	
Genesis Securities (Pvt) Limited.				
Share capital	122,097,420	122,097,420	122,097,420	
Subsidiary Company				
Tricon Developers Limited				
Amount due against leases	-	549,076	134,376	
Finance income charged during the period	-	2,982	3,306	
Deposit against lease arrangements	-	189,000	189,000	
Long term financing - subordinated loan	100,000,000	400,646,237	100,000,000	
Habib Rafiq (Pvt) Limited				
Letter of Guarantees issued during the year	120,490,000	199,598,459	335,720,521	
Letter of Guarantees outstanding Income charged during the year	481,830,521	302,311,307 2,733,426	429,100,583 6,363,561	
	2,951,324	2,733,420	0,303,301	
Maple Leaf Cement Factory Limited			40,000,000	
Letter of Guarantees outstanding Income charged during the year	-	-	40,000,000 299,182	
Others	-		277,102	
Employees' retirement fund				
Contribution made	426,000	7,026,693	10,066,203	
Subsidiary Company	120,000	7,020,073	10,000,200	
Trust Capital (Private) Limited				
Loan (recovered) / paid during the period	(130,000,000)	(4,000,000)	(4,514,000)	
Outstanding loans and advances	47,161,664	174,397,525	176,256,664	

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 31,2013	
	Financing activities	Investment activities	Total
T C 1	39,655,287	Rupees	20.655.297
Income from lease operations Income from investments	39,033,287	943,259	39,655,287 943,259
Income from term loans	26,798,872	943,239	26,798,872
Total income for reportable segments	66,454,159	943,259	67,397,418
Total income for reportable segments	00,434,137	743,237	07,557,410
Finance cost	2,355,711	1,312,327	3,668,038
Administrative and operating expenses	39,812,227	3,073,242	42,885,469
Lease receivables written off	6,280,709	-	6,280,709
Provision for potential lease losses and term finance:	42,839,806	_	42,839,806
Impairment on available for sale investment	, , , <u>-</u>	2,348,000	2,348,000
Other income	60,322	20,050,631	20,110,953
Segment result	(24,894,616)	(25,840,941)	(10,513,651)
Profit before taxation		_	75,165,961
		D	
	Financing	December 31,2013 Investment	
	activities	activities	Total
	activities	Rupees	
		rupees	
Segment assets	1,755,498,396	138,098,073	1,893,596,469
Unallocated assets	,,,	,,	2,467,272,744
Chambeated abbets		_	4,360,869,213
		-	
Segment liabilities	2,861,892,095	1,440,486,315	4,302,378,410
Unallocated liabilities			1,149,694,967
		_	5,452,073,377
		December 31,2012	
	Financing	Investment	Total
	activities	activities	
	22.601.061	Rupees	22,601,961
Income from lease operations Income from investments	22,601,961	546,048	546,048
Income from investments Income from finances / loans	23,103,560	340,046	23,103,560
Total income for reportable segments	45,705,521	546,048	46,251,569
Total income for reportable segments	43,703,321	340,048	40,231,309
Finance cost	12,157,612	14,084,690	26,242,302
Administrative and operating expenses	63,770,563	761,873	64,532,436
Lease receivables written off	42,202,959		42,202,959
Provision for potential lease losses and term finance	(75,077,040)	-	(75,077,040)
Other income	(6,167,191)	(20,623)	(6,187,814)
Segment result	8,818,618	(14,279,892)	(5,461,274)
Loss before taxation		_	(5,461,274)



	December 31,2012			
	Financing activities	Investment activitiesRupees	Total	
Segment assets	1,897,837,433	1,417,621,218	3,315,458,651	
Unallocated assets	1,057,057,155		878,372,450	
		=	4,193,831,101	
Segment liabilities	951,059,731	1,883,417,622	2,834,477,353	
Unallocated liabilities	_	401,005,320		
		_	3,235,482,673	

30. UNADJUSTING POST BALANCE SHEET EVENTS

There is no significant event after balance sheet date which could have material effect on financial statements.

31. EXPOSURE EXCEEDING 20% OF EQUITY

Particulars	Party Name	Rupees
Long Term Loans	Ali Pervaiz Ahmed	393,125.286/-
Leases	Awan Business Concerns	145,973,580/-

32. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 02 April, 2014 by the Board of Director

33. GENERAL

- **33.1.** The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31,2013 and 2012 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- **33.2.** Figures have been rounded off to the nearest of rupee



Consolidated Financial Statement

Trust Investment Bank Limited
For The Half Year Ended December 31, 2013

Consolidated Condensed Interim Balance Sheet (Un-Audited) As at December 31, 2013

ASSETS	Note	(Un-audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
Non-current assets			
Fixed assets	5	972,869,200	996,409,665
Long term investments	6	30,522,800	169,814,550
Long term loans and advances	7	5,155,080	8,395,333
Net investment in lease finance	8	-	-
Long term deposits		6,329,218	6,413,458
Deferred tax asset		435,931,678	515,931,678
Total non-current assets		1,450,807,976	1,696,964,684
Current assets			
Current maturities of non - current assets	9	1,272,486,165	1,277,848,272
Short term loans and advances	10	133,284,065	135,565,218
Short term placements	11	1,000,000	4,858,663
Short term investments	12	1,129,131,980	1,103,131,980
Short term prepayments		283,280	1,682,526
Markup accrued Taxation - net		202,609,687	203,091,749
Other receivables	13	2,278,888 149,810,598	2,984,337 22,948,859
Cash and bank balances	14	4,943,979	5,846,666
Total current assets	17	2,895,828,642	2,757,958,270
TOTAL ASSETS		4,346,636,618	4,454,922,954
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		892,028,729	892,028,729
Reserves		(1,986,431,581)	(1,979,442,720)
		(1,094,402,852)	(1,087,413,991)
Surplus on revaluation of fixed assets		18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	15	1,696,282,851	1,696,282,851
Long term financing-others	16	4,000,000	26,555,333
Long term morabaha	17	10 001 021	24.070.202
Long term certificates of investment Deferred liabilities	18	18,881,031	24,970,202
Long term deposits	19	4,615,342 43,520,596	5,041,342 61,424,576
Total non-current liabilities	19	1,767,299,820	1,814,274,304
Current liabilities		, , , , , , , ,	,- , . ,
Short term borrowings	20	39,413,532	39,413,532
Short term certificates of investment	21	1,405,830,284	1,399,355,968
Current maturities of non current liabilities	22	1,792,844,411	1,831,842,198
Mark-up accrued		243,109,961	243,690,544
Trade and other payables	23	174,029,962	195,248,899
Total current liabilities		3,655,228,150	3,709,551,141
CONTINCENCIES AND COMMUTATIONES	24	5,422,527,970	5,523,825,445
CONTINGENCIES AND COMMITMENTS	24	4,346,636,618	4,454,922,954
		1,0 10,000,010	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

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



Consolidated Condensed Interim Profit and Loss Account (Un-Audited) For the Half Year Ended December 31, 2013

		Half year	ended	Quarter	ended
	_	31 Decei		31 Decei	
		2013	2012	2013	2012
	Note	Rupees	Rupees	Rupees	Rupees
Income					
Income from lease operations		39,655,287	22,601,961	38,772,424	11,903,722
Income from investments		943,259	546,048	442,942	(1,812,165)
Income from term loans		26,798,872	23,103,560	15,092,215	(3,220,323)
Income from brokerage		50,274	3,823,070	-	-
	-	67,447,692	50,074,639	54,307,581	6,871,234
Finance cost		3,767,179	26,253,735	2,519,795	(84,525,677)
	-	63,680,513	23,820,904	51,787,786	91,396,911
Administrative and operating expenses		44,218,200	69,041,982	23,562,506	33,544,389
	-	19,462,313	(45,221,078)	28,225,280	57,852,522
Other operating income		20,110,953	6,836,445	16,866,893	3,822,715
Other operating income	-		(38,384,633)		61,675,237
		39,573,266	(30,304,033)	45,092,173	01,073,237
Other operating expenses		6,280,709	42,202,959	9,474,012	41,421,340
Operating profit / (loss) before provisions and taxation	_	33,292,557	(80,587,592)	35,618,161	20,253,897
Reversal against lease, term loan and other receivables	Г	42,839,806	6,251,040	42,839,806	6,251,040
(Impairment) / reversal of impairment in the value of investment		(2,348,000)	68,826,000	(2,348,000)	68,826,000
	L	40,491,806	75,077,040	40,491,806	75,077,040
Profit / (loss) before taxation	-	73,784,363	(5,510,552)	76,109,967	95,330,937
Provision for taxation	25	80,773,224	52,312,395	80,773,224	(207,033)
Loss after taxation	-	(6,988,861)	(57,822,947)	(4,663,257)	95,537,970
(Loss) / earning per share - basic / diluted	26	(0.12)	(0.29)	(0.08)	0.04

The annexed notes 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, 2013

	Half year ended 31 December		
	2013	2012	
	Rupees	Rupees	
Loss after taxation for the period	(6,988,861)	(57,822,947)	
Will not be reclassified subsequently to profit or loss:			
Other comprehensive income	-	-	
Transferred from surplus on revaluation of			
fixed assets to accumulated loss-net of tax		508,584	
Total comprehensive loss for the period	(6,988,861)	(57,314,363)	

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



Consolidated Condensed Interim Cash Flow Statement (Un-Audited) For the Half Year Ended December 31, 2013

1 01 010 11m1 10m1 21m0 2000 m201 01, 2010	Half year ended	
	31 Dece	mber
	2013	2012
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	73,784,363	(5,510,552)
Adjustments for non cash / non operating items:		
Depreciation and amortization	3,256,850	4,832,251
Amortization of initial transaction cost of term finance certificates	-	940,464
Provision for staff service cost	400	3,948,733
Provision for / (reversal of) potential lease and term loan losses	-	(6,251,040)
Lease receivables written off	6,280,709	42,202,959
Finance cost	3,767,179	25,301,838
(Gain) / loss on disposal of fixed assets	(10,219,947)	202,208
Provision for / (appreciation) in the value of investments	2,348,000	(68,826,000)
	5,433,191	2,351,413
Operating profit / (loss) before working capital changes	79,217,554	(3,159,139)
Changes in operating assets and liabilities: (Increase) / decrease in assets:		
Long term loans and advances	6,558,413	128,043,235
Net investment in lease finance	(5,730,512)	79,540,116
Long term deposits	84,240	(787,810)
Short term loans and advances	2,281,153	(707,010)
Short term placements	3,858,663	_
Short term investments	(26,000,000)	(1,083,728,866)
Short term prepayments	1,399,246	9,585,283
Markup accrued	482,062	14,323,096
Other receivables	(126,861,739)	(113,803,543)
	(143,928,474)	(966,828,489)
Increase / (decrease) in liabilities:	, , , ,	
Certificates of investment	(21,133,345)	(129,652,468)
Trade and other payables	(21,218,937)	(36,029,958)
. ,	(42,352,282)	(165,682,426)
	(186,280,756)	(1,132,510,915)
Cash used in operations	(107,063,202)	(1,135,670,054)
Finance cost paid	(4,347,762)	(43,202,680)
Taxes paid	(67,775)	490,112
Staff service cost paid	(426,400)	(4,214,104)
Suil service cost para	(4,841,937)	(46,926,672)
Net cash used in operating activities	(111,905,139)	(1,182,596,726)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,871,800)	(707,724)
Long term investments	138,437,500	61,545,700
Long term deposits	(57,938,610)	01,575,700
	(37,930,010)	-
Proceeds from disposal of:	22.255.262	16.020.000
Fixed assets	32,375,362	16,029,000
Non current assets held for sale	-	476,368,866
Net cash generated from investing activities	111,002,452	553,235,842

	_	Half year	ended
	_	31 Decei	nber
		2013	2012
	Note	Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan obtained	_	<u> </u>	622,360,000
Not each generated from financing activities			622,360,000
Net cash generated from financing activities	_	(002 COE)	
Net decrease in cash and cash equivalents		(902,687)	(7,000,884)
Cash and cash equivalents at the beginning of the period	_	(33,566,866)	(29,595,760)
Cash and cash equivalents at the end of the period	27	(34,469,553)	(36,596,644)

The annexed notes 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, 2013

			CAPITAL RESERVES	X	REVENUE RESERVES	ES	
	Ordinary Shares	Preference shares	Statutory reserve	General	Accumulated losses	Sub Total	Total
				Rupees-			
Balances as at 01 July 2012	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	•	ı	1	ı	(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		•	•	1	40,452,438	40,452,438	40,452,438
Balances as at 31 December 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,171,464,178)	(1,870,433,271)	(978,404,542)
Balances as at 01 July 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,280,473,627)	(1,979,442,720)	(1,087,413,991)
Total comprehensive loss for the period	ı	I	ı	ı	(6,988,861)	(6,988,861)	(6,988,861)
Dividend on preference shares @ 1 year Kibor+100 BPS for the period ended 31 December 2013	•	•	•	•	•	•	•
Balances as at 31 December 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,287,462,488)	(1,986,431,581)	(1,094,402,852)

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

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

For the Half Year Ended December 31, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 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).

3 Basis of Consolidation

3.1. The consolidated financial statements comprise the financical statements of the Group and its susidiaries as at 31 December 2013.

Susidiaries 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 susidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup 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 susidiary, 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 probably 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.

			(Un-Audited) 31 December 2013 Rupees	(Audited) 30 June 2013 Rupees
5.	FIXED ASSETS			
	Tangible			
	Property, plant and equipment		84,834,933	86,729,880
	Capital work in progress		856,642,830	878,121,000
	Intangible assets		31,391,437	31,558,785
			972,869,200	996,409,665
6.	LONG TERM INVESTMENTS			
	Investment-held for disposal		-	130,000,000
	Investment in Term Finance Certificates and Sukuks		66,234,800	74,672,300
			66,234,800	204,672,300
	Less: Impairment in the value of investments		5,870,000	3,522,000
			60,364,800	201,150,300
	Less: Current portion of long term investments	9	29,842,000	31,335,750
			30,522,800	169,814,550
7. LO	ONG TERM LOANS AND ADVANCES			
	Secured:			
	Employees - considered good		1,094,629	2,371,991
	Companies, organizations and individuals			
	Considered good		34,511,879	39,792,931
	Considered doubtful		7,047,805	7,047,805
			41,559,684	46,840,736
	W 1		42,654,313	49,212,727
	Un-secured:		207 020 000	207.020.000
	Companies, organizations and individuals - considered doubtful		397,838,899	397,838,899
			440,493,212	447,051,626
	Less: Provision against doubtful loans	7.1	401,076,412	401,076,412
	I are a Comment on atomite	0	39,416,800	45,975,214
	Less : Current maturity	9	34,261,721	37,579,881
34			5,155,080	8,395,333



	•	(Un-Audited) 31 December 2013	(Audited) 30 June 2013
7.1. Provision against doubtful loans	Note	Rupees	Rupees
Opening balance		401,076,412	398,842,509
Charge for the year		-	2,233,903
Reversal during the year		-	-
Closing balance		401,076,412	401,076,412
8. NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable		1,285,048,980	1,325,705,951
Add: Residual value		359,316,927	408,586,891
Gross investment in leases		1,644,365,907	1,734,292,842
Less: Unearned finance income		3,397,109	5,311,508
Income suspended		146,052,842	183,984,668
Provision for lease losses		286,533,512	336,064,025
		435,983,463	525,360,201
Net investment in lease finance		1,208,382,444	1,208,932,641
Less: Current portion of net investment			
in lease finance	9	1,208,382,444	1,208,932,641
9. CURRENT MATURITIES OF NON-CURRENT ASSETS			
Long term investments	6	29,842,000	31,335,750
Long term loans and advances	7	34,261,721	37,579,881
Net investment in lease finance	8	1,208,382,444	1,208,932,641
10. CHADE TERM LOANS AND ADVANCES		1,272,486,165	1,277,848,272
10. SHORT TERM LOANS AND ADVANCES Short term loans - secured	10.1	101 024 950	121,213,808
Short term advances	10.1	101,934,859 31,349,206	14,351,410
10.1. Short term loans - secured			135.565.218
Companies, organizations and individuals		133,284,065	133,303,218
• • •			04.607.1.2
Considered good	10.2	79,783,283	94,687,143
Considered doubtful		650,000 80,433,283	650,000 95,337,143
		,	
Less: Provision against doubtful loans		79,783,283	650,000 94,687,143
		17,103,203	77,007,143

	31 December 2013 Rupees	30 June 2013 Rupees
11. SHORT TERM PLACEMENTS		
Repurchase agreement lendings (Reverse Repo)	7,022,877	7,022,877
TDR	-	3,000,000
Placement with First Fidelity Leasing Modarba	1,000,000	1,858,663
	8,022,877	11,881,540
Less: Provision against doubtful lending	7,022,877	7,022,877
	1,000,000	4,858,663
12. SHORT TERM INVESTMENTS		
Associated company		
Un-quoted		
TRICON Developers Limited		
112,900,548 (June 30,2013 : 109,300,548) fully paid ordinary shares		
of Rs. 10 each. Equity held 50.11% (June 30,2013: 48.51%) 12.1	1,129,005,480	1,093,005,480
Short term investment in TCPL	126,500	10,126,500
	1,129,131,980	1,103,131,980
as assets classified as held for sale) converted into shares amounting to R shares still has not been transferred in the name of Trust Investment Bank 13. OTHER RECEIVABLES Receivable from broker - considered good		21,143,275
Miscellaneous receivables from lessees:	21,143,275	21,143,273
Considered good	22 902 054	22,803,954
Considered good Considered doubtful	22,803,954	
Considered doubtful	297,216,808 320,020,762	345,202,043 368,005,997
Other receivables	, ,	
Considered good	132,254,384	2,376,886
Considered doubtful	4,625,524	4,625,524
	136,879,908	7,002,410
	478,043,945	396,151,682
Less: Provision for doubtful receivables	328,233,347	373,202,823
CASH AND BANK BALANCES	149,810,598	22,948,859
14. Cash in hand	509,537	92,067
With banks in:	307,337	72,007
Current accounts	347 777	118 386
	347,777	448,386
Deposit accounts	4,086,665	5,306,213 5,754,599
		5,846,666
	4,943,979	3,040,000

(Un-Audited) (Audited)



		(Un-Audited)	(Audited)
		31 December	30 June
		2013	2013
15. LONG TERM FINANCING - SUBORDINATED LOAN	Note	Rupees	Rupees
Long term financing-subordinated loan		1,696,282,851	1,696,282,851

- This represents subordinated loan received from Mr. Asif Kamal, against 67.263 million shares of Tricon Developers Limited at face value of Rs.10/- per share through agreement dated 8 November 2012 and 30.064 Million shares of Tricon Developers Limited at face value of Rs.10/- per share through Addendum (dated 29 June 2011) to agreement (dated 17 May 2010). 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 & conditions of the subordinated loan agreements, the Bank shall issue shares amounting to Rs.973,282,851/- to Mr. Asif Kamal after obtaining approval from SECP, up to June 30, 2013. The date has been extended till June 30, 2014 by addendum (dated 30 June 2013) to agreement (dated 17 May 2010
- 15.2 Trust Bank has returned / transferred the land amounting to Rs. 300,646,237/- to M/s Tricon Developers Limited or their nominees simultaneously with the transfer of shares of M/s Tricon Developers at par value of Rs. 10 per share from Mr. Asif Kamal through Addendum (dated 29 June 2011) to agreement (dated 17 May 2010). Trust Bank obligation for the issuance of ordinary shares to Tricon Developers shall be reduced to cash component of subordinated loan only i.e. Rs. 100 Million.
- 15.3 Property amounting to Rs. 623,000,000/- from Mr. Muhammad Akram, has been injected as subordinated loan. Title of property has not yet been transferred in the name of the company (Refer note 5). Trust Bank shall issue shares to legal owners of property up to 31 December 2013 as per agreement dated 05 June 2013, after approval of SECP.

16. LONG TERM FINANCING - OTHERS

10. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-secured	16.1	4,000,000	26,555,333
Banking companies and other financial institutions-unsecured	16.2	-	-
Term finance certificates (TFC)-secured	16.3		
	_	4,000,000	26,555,333
16.1. Banking companies and other financial institutions-secured	•		
Banking companies and other financial institutions		878,359,773	878,359,773
Less: Current portion shown under current liabilities	22	874,359,773	851,804,440
		4,000,000	26,555,333
16.2 Banking companies and other financial institutions-unsecure	ď		_
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
Less. Current portion shown under current nuomities		17,231,737	17,231,737
16.3. Term finance certificates (TFC)-secured	=		
TFC III		221,212,730	221,212,730
Less: Unamortized portion of the initial			
transaction cost		-	-
	-	221,212,730	221,212,730
Less: Current portion shown under current liabilities	22	221,212,730	221,212,730
17. LONG TERM MORABAHA	-		
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities	22	15,500,000	15,500,000
	=	<u> </u>	
18. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		27,256,031	32,345,202
Unsecured		191,695,179	212,913,669
- Individuals	_	7,400,000	8,700,000
		226,351,210	253,958,871
Less: Current portion shown under current liabilities	22	207,470,179	228,988,669
	-	18,881,031	24,970,202

		(Un-Audited)	(Audited)
		31 December	30 June
		2013	2013
	Note	Rupees	Rupees
19. LONG TERM DEPOSITS			
Margin against letters of guarantee		142,173,070	150,997,616
Less: Current portion shown under current liabilities	22	98,652,474	139,396,555
		43,520,596	11,601,061
Deposits against lease arrangements		358,397,296	407,511,360
Less: Current portion shown under current liabilities	22	358,397,296	357,687,845
		_	49,823,515
		43,520,596	61,424,576
20. SHORT TERM BORROWINGS			
Banking companies and other financial institutions:			
Running finances - secured		39,413,532	39,413,532
21. SHORT TERM CERTIFICATES OF INVESTMENT			
- Financial institutions		12,850,006	12,850,006
- Corporate		1,352,981,996	1,358,107,680
- Individuals		39,998,282	28,398,282
		1,405,830,284	1,399,355,968
22. CURRENT MATURITIES OF NON CURRENT LIABILITY	ΓΙΕS		
Long term financing from banking companies & financial			
institutions	4.4	05.4.250.552	051 004 440
Secured	16.1	874,359,773	851,804,440
Unsecured	16.2	17,251,959	17,251,959
Term finance certificates-secured	16.3 17	221,212,730	221,212,730
Long term morabaha Certificates of investment		15,500,000	15,500,000
	18 19	207,470,179	228,988,669
Long term deposits	19	457,049,770 1,792,844,411	497,084,400 1,831,842,198
AS TEN A DE LAND COMMED DANA DA DE		1,772,044,411	1,031,042,190
23. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities		8,064,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		17,987,923	11,575,105
Other liabilities		86,856,955	114,488,710
		174,029,962	195,248,899

24. CONTINGENCIES AND COMMITMENTS

24.1. Contingencies

There is no material change in the status of contingencies as disclosed in note # 32.1 of the financial statements for the year ended June 30, 2013 except following:

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 1,355 million (June 30,2013: Rs. 1,235.752 million).
- (b) The company had not recognised mark-up on financing from banking companies and financial institutions, term finance certificates, preference shares, certificates of investment, long term morabaha and on running finance, due to operational and financial constraints. Had the mark-up been fully recognised, mark-up accrued, loss for the year and negative equity would have been increased by Rs. 168.859 million

24.2. Commitments

There exists no commitment as at balance sheet date.



			Half year ended		Quarter ended	
			31 December	31 December	31 December	31 December
			2013	2012	2013	2012
			Rupees	Rupees	Rupees	Rupees
25.	TAXATION					
	Current		773,224	719,227	773,224	(207,033)
	Deferred	_	80,000,000	51,593,168	80,000,000	<u> </u>
		=	80,773,224	52,312,395	80,773,224	(207,033)
26. (LOSS) / EARNING PER SHARE					
	(Loss) / earning for the period after taxation	Rs	(6,988,861)	(16,861,925)	(4,663,257)	2,577,856
	Weighted average number of ordinary shares	No.	58,552,872	58,552,872	58,552,872	58,552,872
	(Loss) / earning per share - basic	Rs	(0.12)	(0.29)	(0.08)	0.04

26.1. 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.

	(Un-Audited)	(Audited)
	31 December	30 June
	2013	2013
27. CASH AND EQUIVALENTS	Rupees	Rupees
Cash and bank balances	4,943,979	5,846,666
Short term running finance	(39,413,532)	(39,413,532)
	(34,469,553)	(33,566,866)

28 Corresponding figures have been re arranged and re-classified ,wherever necessary, for the purpose of better presentation

Account Head	Previous Classification	Current Classification	Rupees
Short term loans and advances	Short term prepayments	Short term loans and advances-short term loans -secured	26,526,665/-



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