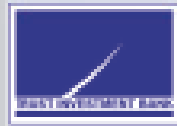
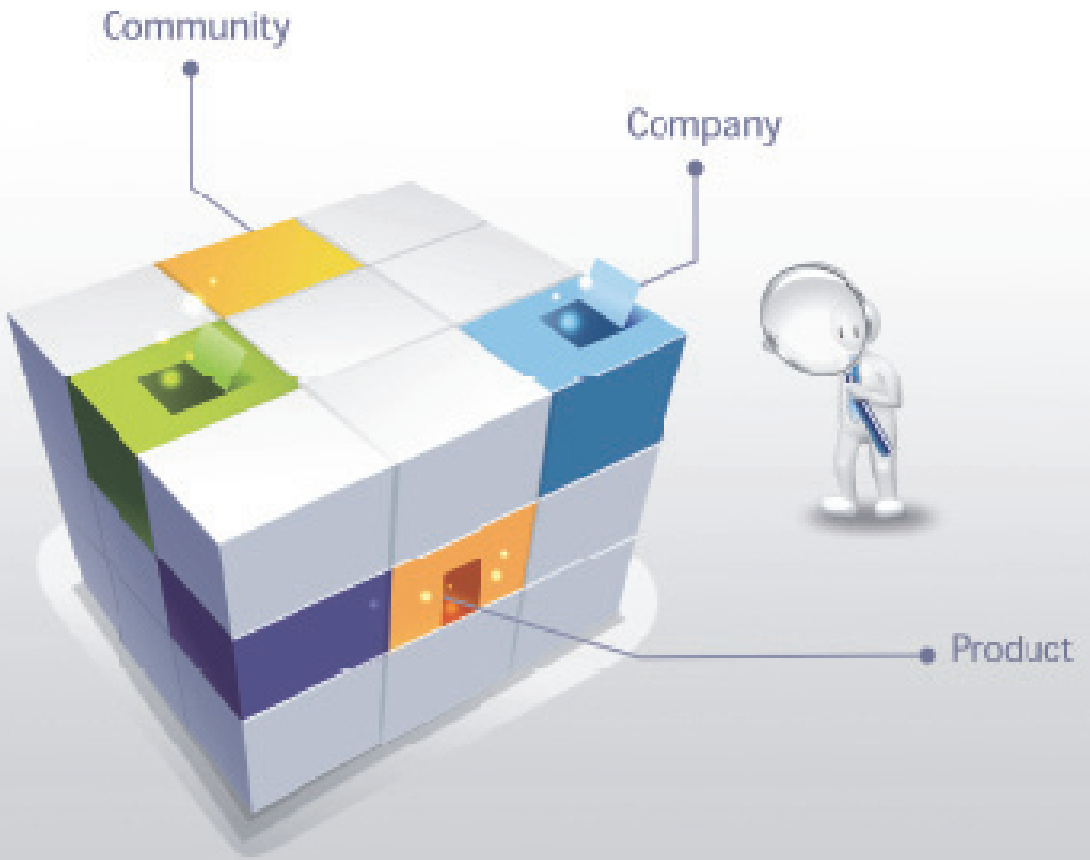


Half Yearly Report (un-audited)
For the period ended December 31, 2014



Trust Investment
Bank Limited

Contents

2	Company Information
2	Branch Network
3	Directors' Review Report
5	Report to Members on Review of Interim Financial Information
7	Financial Statements
8	Condensed Interim Balance Sheet (Un-Audited)
9	Condensed Interim Profit and Loss Account (Un-Audited)
10	Condensed Interim Statement of Comprehensive Income (Un-Audited)
11	Condensed Interim Cash Flow Statement (Un-Audited)
13	Condensed Interim Statement of Changes in Equity (Un-Audited)
14	Notes to the Condensed Interim Financial Statements (Un-Audited)
25	Consolidated Financial Statements
26	Consolidated Condensed Interim Balance Sheet (Un-Audited)
27	Consolidated Condensed Interim Profit And Loss Account (Un-Audited)
28	Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
29	Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
31	Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
32	Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)

Company Information

Board of Directors

Mr. Asif Kamal	Director
Mr. Tariq Husain	Director
Syed Sajjad Hussain Rizvi	Director
Mr. Mamoon-ur-Rashid Qureishi	Director
Mr. Abdul Shakeel	Director
Mr. Asad Ali Kazmie	Director
Mr. Ahsan Rafique	Director / Chief Executive Officer

Audit Committee

Syed Sajjad Hussain Rizvi	Chairman
Mr. Abdul Shakeel	Member
Mr. Mamoon-ur-Rashid Qureishi	Member

Company Secretary

Ms. Zahra Khalid

Chief Financial Officer

Mr. Muhammad Javed Iqbal

Auditors

Zahid Jamil & Company
Chartered Accountants

Legal Advisor

Chaudhry Mahmood Ur Rehman

Registrars

Corplink (Pvt.) Limited
Wings Arcade,
1-K, Commercial,
Model Town,
Lahore.
Tel: 042-35916714, 35916719 & 35839182
Fax: 042-36312550

Registered & Head Office

6th Floor, M. M. Tower, 28-A/K,
Gulberg-II, Lahore.
Tel: 042-3581 7601-05 Fax: 042-3581 7600
Email: info@trustbank.com.pk
Website: www.trustbank.com.pk

Branch Network

- Faisalabad Branch**
1st Floor, 16-Chenab Market,
Near UBL, Main Susan Road,
Faisalabad.
Tel: 041-8503306
Fax: 041-8737431
- Multan Branch**
22-A, Main Vehari Road,
Near Coca Cola Factory,
Multan.
- Islamabad Branch**
Suit No.306, 3rd Floor, ISE Tower,
Jinnah Avenue, Blue Area,
Islamabad.
Tel: 051-2894562
Fax: 051-2894561
- Karachi Branch**
Office No.749, 7th Floor,
Executive Towers,
Dolman Mall, Clifton,
Karachi.
Tel: 021-3582 6129

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present half yearly report of the Trust Investment Bank Limited for the half year ended December 31, 2014.

ECONOMIC REVIEW

Present government inherited difficult macroeconomic challenges due to volatile economic conditions on account of energy crisis, persistently high fiscal deficit, and security related issues and inflationary pressures in confluence with ongoing structural issues which brought plethora of challenges for monetary management in Pakistan. Situation further aggravated due to continuous decline in foreign and domestic investment and insufficient external inflows. At the same time, high government borrowing for budgetary purpose significantly affected the balance sheet of scheduled banks. Despite all these issues, banking sector of Pakistan showed strong resilience and emerged as a highly profitable financial backbone of the country. During the current FY positive developments have been witnessed on monetary side, as government not only contained its borrowing from SBP for budgetary support but was also able to achieve the target set under IMF condition by end March, 2014.

During the first half of current fiscal year, SBP reversed its policy stance from accommodative to tight policy as the rate was increased by cumulative 100 bps, staggered in two stages of 50 bps each. This policy stance was largely a reflection of expected inflationary pressures in the medium term on account of high growth in monetary aggregates and upward adjustment in administered prices of electricity and gas. However, during the second half of current fiscal year, SBP maintained the policy rate at 10.0 percent keeping in view the positive development of almost all major economic indicators. Recent data shows that during July – 9th May, 2013- 14, growth in money supply (M2) remained 7.32 percent which is less than 10.32 percent recorded in the same period last year. Contained growth in money supply was possible on account of decline in net government borrowing in particular for budgetary purpose as compared to the previous level. Contained growth in government borrowing has contributed to decline in growth of Net Domestic Assets of the banking sector. Growth in NDA stood at 4.79 percent (Rs.411.3 billion) during July-9th May, 2013-14 as compared to net expansion of 13.65 percent (Rs.970.2 billion) in the same period last year. On the other hand, Net Foreign Assets (NFA) has improved on account of availability of external financing from International financial institutions (IFIs) and immediate efforts of SBP to increase liquid reserves. It has increased to Rs.236.9 billion during July-9th May, 2013-14 as compared to the net contraction of Rs.181.4 billion in the comparable period last year. During the period under review, government sector borrowing for budgetary support squeezed only to Rs.264.7 billion against Rs.1, 075.8 billion in the same period of FY 13. Within the banking system, government retired Rs.10.5 billion to SBP against the borrowing of Rs.416.8 billion in the same period last year.

Other long term challenges include expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, and reducing dependence on foreign donors.

FINANCIAL RESULTS

The financial results for the half year ended December 31, 2014 in comparison with December 31, 2013 are as follows:

	December 31, 2014	December 31, 2013
	(Rupees in millions)	
Revenue	26.99	67.45
Operating Expenses	-37.61	44.22
Financial Expenses	-1.74	-3.77
Other income / (expenses)	-9.45	13.83
Profit/ (loss) before provision & taxation	-21.81	121.73
Reversal of Provision / (Provision)	32.28	40.49
Profit/ (loss) after provision & taxation	9.53	-6.99
Earnings/ (loss) per Share (Rs.)	0.14	-0.12

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

Trust Investment Bank Limited

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
February 26, 2015

Ahsan Rafique
President & Chief Executive Officer

Report to Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of TRUST INVESTMENT BANK LIMITED as at December 31, 2014 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, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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) as described in note 1.1.2 to the condensed interim financial statements, the financial statements have been prepared on going concern basis. As at balance sheet date, the Company has accumulated losses amounting to Rs. 2,283.197 million (June 30, 2014: Rs.2,292.725 million), shareholder's equity is negative by Rs. 1,159.340 million (June 30, 2014: Rs.1,098.868 million), its current liabilities exceed its current assets by Rs. 781.764 million (June 30, 2014: Rs. 729.577 million) and overdue installments of financing from banking companies & financial institutions and term finance certificates (TFC) are amounting to Rs. 1,141.696 million (June 30, 2014: Rs. 1,141.696 million). The company is facing operational & financial crisis. Moreover, the company is defendant / petitioner in various law suits as mentioned in note # 24 to the condensed interim financial statements. 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. These factors, along with mentioned in (b) to (d) 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 condensed interim 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. 515.932 million (June 30, 2014: Rs. 515.932 million) in the absence of working and other related information. In our opinion, this amount should have been reversed in these condensed interim financial statements in the presence of adverse financial ratios as mentioned above in paragraph (a). Had this reversal been made, non-current assets and net profit for the period would have been decreased by Rs. 515.932 million and accumulated losses would have been increased by the same amount;

c) properties of various landlords amounting to Rs. 1,284.67 million (restated June 30, 2014: Rs. 1,284.67 million) have been injected by the sponsor directors in the form of subordinated loan in these condensed interim financial statements (Refer note 15.1). Properties amounting to Rs. 779.756 million (June 30, 2014: Rs. 779.756 million) still not have been transferred in the name of the Company.

d) we could not satisfy ourselves regarding short term investment in shares of Tricon Developers Limited (a subsidiary) amounting to Rs 1,129.005 million (June 30, 2014: Rs. 1,129.005 million) (refer note 12), related subordinated loan from sponsors amounting to Rs. 1,253.282 million (June 30, 2014: Rs. 1,253.282 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

Trust Investment Bank Limited

in unquoted shares in any company other than wholly owned subsidiary in excess of 20% of its equity;

iii. the Investment in shares of Tricon Developers limited (refer note 12), related subordinated loan (refer note 15) are taken in accordance with face value of these shares at the rate of Rs.10/- per share. The breakup value is significantly lower than the face value of these shares, as per available audited financial statements of Tricon Developers Limited for the year ended June 30, 2013. However, no adjustment to that effect has been made in these condensed interim financial statements. Financial impact of the same is impracticable in the absence of relevant information;

Adverse Conclusion

Based on our review, on the basis of above mentioned paragraphs "a" to "d", 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:
Date: FEBRUARY 26, 2015

CHARTERED ACCOUNTANTS
(Engagement Partner: Muhammad Amin)



Financial Statement

Trust Investment Bank Limited

Half Yearly Report (un-audited)

December 31, 2014

Trust Investment Bank Limited

CONDENSED INTERIM BALANCE SHEET (Un-Audited) AS AT DECEMBER 31, 2014

ASSETS	Note	Un-audited	Audited
		31 December 2014 Rupees	30 June 2014 Rupees
Non-current assets			
Fixed assets	5	1,459,835,272	1,462,582,956
Long term investments	6	39,315,466	43,222,939
Long term loans and advances	7	6,961,297	3,815,975
Net investment in lease finance	8	-	-
Long term deposits		1,011,550	811,310
Deferred tax asset		515,931,678	515,931,678
Total non-current assets		2,023,055,263	2,026,364,858
Current assets			
Current maturities of non - current assets	9	999,675,225	1,058,847,589
Short term loans and advances	10	79,804,595	72,462,301
Short term placements	11	1,000,000	4,000,000
Short term investments	12	1,129,005,480	1,129,005,480
Short term prepayments		343,319	215,237
Markup accrued		204,349,012	201,981,288
Taxation - net		849,587	1,669,382
Other receivables	13	157,355,769	183,288,213
Cash and bank balances	14	2,646,119	8,852,265
Total current assets		2,575,029,106	2,660,321,755
TOTAL ASSETS		4,598,084,369	4,686,686,613
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		822,028,729	892,028,729
Reserves		(1,981,368,531)	(1,990,896,610)
		(1,159,339,802)	(1,098,867,881)
Surplus on revaluation of fixed assets-net		18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	15	2,357,958,476	2,357,958,476
Long term financing-others	16	-	-
Long term morabaha	17	-	-
Long term certificates of investment	18	12,996,263	12,996,263
Deferred liabilities		5,729,364	6,189,364
Long term deposits	19	5,435,226	-
Total non-current liabilities		2,382,119,329	2,377,144,103
Current liabilities			
Short term borrowings	20	39,413,532	39,413,532
Short term certificates of investment	21	1,137,035,764	1,138,439,357
Current maturities of non current liabilities	22	1,745,015,401	1,779,912,742
Mark-up accrued		268,969,602	268,969,602
Trade and other payables	23	166,359,043	163,163,658
Total current liabilities		3,356,793,342	3,389,898,891
		5,738,912,671	5,767,042,994
CONTINGENCIES AND COMMITMENTS	24	-	-
		4,598,084,369	4,686,686,613

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Half year ended		Quarter ended	
	31 December		31 December	
	2014	2013	2014	2013
Note	Rupees	Rupees	Rupees	Rupees
Income				
Income from lease operations	3,878,959	39,655,287	352,323	38,772,424
Income from investments	240,214	943,259	144,525	442,942
Income from term loans	22,869,385	26,798,872	10,279,126	15,092,215
	26,988,558	67,397,418	10,775,974	54,307,581
Finance cost	1,736,228	3,668,038	856,440	2,422,798
	25,252,330	63,729,380	9,919,534	51,884,783
Administrative and operating expenses	37,099,240	42,885,469	17,282,600	22,472,994
	(11,846,910)	20,843,911	(7,363,066)	29,411,789
Other income	3,950,529	20,110,953	1,746,509	16,866,893
	(7,896,381)	40,954,864	(5,616,557)	46,278,682
Other operating expenses	13,617,298	6,280,709	4,405,575	9,474,012
(Loss) / profit before provisions and taxation	(21,513,679)	34,674,155	(10,022,132)	36,804,670
Reversal against lease, term loan and other receivables	33,919,819	42,839,806	33,919,819	42,839,806
Impairment charged in the value of investment	(1,935,723)	(2,348,000)	(1,935,723)	(2,348,000)
	31,984,096	40,491,806	31,984,096	40,491,806
Profit before taxation	10,470,417	75,165,961	21,961,964	77,296,476
Provision for taxation	25 942,338	80,773,224	942,338	80,773,224
Profit / (loss) after taxation	9,528,079	(5,607,263)	21,019,626	(3,476,748)
Earnings / (loss) per share - basic	26 0.14	(0.10)	0.30	(0.06)
Earnings / (loss) per share - diluted	26 0.12	(0.06)	0.26	(0.04)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

Trust Investment Bank Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended		Quarter ended	
	31 December		31 December	
	2014	2013	2014	2013
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation for the year	9,528,079	(5,607,263)	21,019,626	(3,476,748)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the year	<u>9,528,079</u>	<u>(5,607,263)</u>	<u>21,019,626</u>	<u>(3,476,748)</u>

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Un-audited	Un-audited
	31 December	31 December
	2014	2013
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,470,417	75,165,961
Adjustments for non cash / non operating items:		
Depreciation and amortization	3,051,110	3,256,850
Provision for staff service cost	-	400
Reversal against lease, term loan and other receivables	(33,919,819)	(42,839,806)
Lease receivables written off	13,617,298	6,280,709
Finance cost	1,736,228	3,668,038
Impairment in the value of investment	1,935,723	-
Loss on disposal of fixed assets	-	(10,219,947)
Un-realized loss on revaluation of held for trading investment	-	2,348,000
	(13,579,460)	(37,505,756)
Operating (loss) / profit before working capital changes	(3,109,043)	37,660,205
Changes in operating assets and liabilities:		
(Increase) / decrease in assets:		
Long term loans and advances	(3,158,969)	6,558,413
Net investment in lease finance	39,750,193	43,800,001
Long term deposits	(4,098,735)	84,240
Short term loans and advances	(7,342,294)	(2,093,936)
Short term placements	3,000,000	3,858,663
Short term investments	-	(36,000,000)
Short term prepayments	(128,082)	1,316,724
Markup accrued	(2,367,724)	482,062
Other receivables	(24,420,847)	(4,457,447)
	1,233,542	13,548,720
Increase / (decrease) in liabilities:		
Certificates of investment	(4,703,593)	(21,133,345)
Trade and other payables	3,195,385	(6,974,558)
	(1,508,208)	(28,107,903)
	(274,666)	(14,559,183)
Cash (used in) / generated from operations	(3,383,709)	23,101,022
Finance cost paid	(1,736,228)	(4,248,621)
Taxes paid	(122,543)	(67,775)
Staff service cost paid	(460,000)	(426,400)
	(2,318,771)	(4,742,796)
Net cash (used in) / generated from operating activities	(5,702,480)	18,358,226
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(303,426)	(1,871,800)
Long term investments	-	8,437,500
Long term deposits	(200,240)	(57,938,610)
Proceeds from disposal of:		
Fixed assets	-	32,212,606
Net cash used in investing activities	(503,666)	(19,160,304)

Trust Investment Bank Limited

	Un-audited	Un-audited
	31 December	31 December
	2014	2013
Note	Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net decrease in cash and cash equivalents	(6,206,146)	(802,078)
Cash and cash equivalents at the beginning of the year	(30,561,267)	(33,771,058)
Cash and cash equivalents at the end of the year	27 (36,767,413)	(34,573,136)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Ordinary Shares	Preference shares	CAPITAL RESERVES	REVENUE RESERVES			Total
				Statutory reserve	General reserve	Accumulated losses	
-----Rupees-----							
Balances as at 01 July 2013 (Restated)	585,528,729	306,500,000	240,030,907	61,000,000	(2,293,795,553)	(1,992,764,646)	(1,100,735,917)
Total comprehensive loss for the period	-	-	-	-	(5,607,263)	9,528,079	(5,607,263)
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	(2,299,402,816)	(1,998,371,909)	(1,106,343,180)
Balances as at 01 July 2014	685,903,729	206,125,000	240,828,097	61,000,000	(2,292,724,707)	(1,990,896,610)	(1,098,867,881)
Total comprehensive income for the period	-	-	-	-	9,528,079	9,528,079	9,528,079
Conversion of preference shares into ordinary shares	55,375,000	(55,375,000)	-	-	-	-	-
Redemption of preference shares	-	(70,000,000)	-	-	-	-	(70,000,000)
Dividend on preference shares @ 1 year Kibor+ 100 BPS for the period ended 31 December 2014	-	-	-	-	-	-	-
Balances as at 31 December 2014	741,278,729	80,750,000	240,828,097	61,000,000	(2,283,196,628)	(1,981,368,531)	(1,159,339,802)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR



Trust Investment Bank Limited

Notes to the Condensed Interim Financial Statements (Un-Audited) For the Half Year Ended December 31, 2014

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").

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).

The Pakistan Credit Rating Agency Limited (PACRA) has withdrawn the long term (previously "D") and short term (previously "D") credit rating since November 19, 2012.

1.1.2 The accumulated losses of the company amounts to Rs. 2,283.197/- million as at December 31, 2014, and the company's license to operate investment finance services is pending for renewal by the SECP as at December 31, 2014. 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, during the period as stated in note # 15, the Shareholder of the Bank has approved the acquisition of such number of ordinary shares of Tricon Developers Limited from Mr. Asif Kamal and properties from new sponsors, which are required to comply with Minimum Equity Requirement (MER) as per NBFC Rules & Regulations. The shares and property acquired through aforesaid transactions has been treated as a subordinated loan which is available for issuance of shares of Trust Bank. These transaction has strengthen the equity of the bank and bank is equity complied 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 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. The preference shares amounting to Rs.55.375 million have been converted into ordinary shares and preference shares amounting to Rs. 70 million have been settled against assets of the bank. The future interest cost and preference dividend have been saved. 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. Hence these condensed interim financial statements are prepared on going concern basis.

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 6th Floor, M M Tower, 28 - A / K, Gulberg II, Lahore. TCPL is a member of the Lahore Stock Exchange 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, 2014.

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, 2014.

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 year ended June 30, 2014. 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, 2014.

Trust Investment Bank Limited

		Un-audited	Audited
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
5. FIXED ASSETS			
Tangible			
Property, plant and equipment	5.1	558,672,251	561,367,003
Capital work in progress	5.2	900,907,190	900,907,190
Intangible assets		<u>255,831</u>	<u>308,763</u>
		<u>1,459,835,272</u>	<u>1,462,582,956</u>
5.1. Property, plant and equipment			
Opening book value		561,367,003	85,763,063
Add: Additions during 6 months / 12 months	5.1.1	<u>303,426</u>	519,255,599
		561,670,429	605,018,662
Less: Deletions during 6 months / 12 months	5.1.2	<u>-</u>	<u>(39,596,729)</u>
		561,670,429	565,421,933
Less: Depreciation during 6 months / 12 months		<u>(2,998,178)</u>	<u>(7,000,784)</u>
		558,672,251	558,421,149
Add: Depreciation adjustments for assets sold during 6 months / 12 months		-	2,945,854
Book value at the end of 6 months / 12 months	5.1.3	<u>558,672,251</u>	<u>561,367,003</u>
5.1.1. Additions during 6 months / 12 months			
Land		-	513,700,210
Office equipment and machines		256,306	342,392
Furniture and fixtures		47,120	-
Vehicles		-	5,212,997
		<u>303,426</u>	<u>519,255,599</u>
5.1.2. Deletions during 6 months / 12 months			
Land		-	31,026,877
Building on freehold land		-	3,015,000
Office equipment and machines		-	994,625
Furniture and fixtures		-	1,432,383
Air-conditioning equipment		-	1,156,844
Vehicles		-	1,971,000
		<u>-</u>	<u>39,596,729</u>
5.1.3. Book value at the end of 6 months / 12 months			
Land		482,673,333	482,673,333
Building on freehold land		61,595,626	63,175,000
Lease hold improvements		3,497,978	3,886,640
Office equipment and machines		3,807,486	3,974,210
Furniture and fixtures		4,186,860	4,347,168
Air-conditioning equipment		302,412	318,330
Vehicles		<u>2,608,556</u>	<u>2,992,322</u>
		<u>558,672,251</u>	<u>561,367,003</u>

	Un-audited	Audited
	31 December	30 June
	2014	2014
Note	Rupees	Rupees
5.2. Capital work in progress		
Opening balance	900,907,190	878,121,000
Additions	-	240,000,000
	<u>900,907,190</u>	<u>1,118,121,000</u>
Disposal		
Cost	-	(217,213,810)
Closing balance	<u>900,907,190</u>	<u>900,907,190</u>
6. LONG TERM INVESTMENTS		
Investment in subsidiary-at cost	60,000,000	60,000,000
Investment in financial instruments	62,953,550	62,953,550
	<u>122,953,550</u>	<u>122,953,550</u>
Less: Impairment in the value of investments	67,879,084	65,943,361
	<u>55,074,466</u>	<u>57,010,189</u>
Less: Current portion of long term investments	9 15,759,000	13,787,250
	<u>39,315,466</u>	<u>43,222,939</u>
7. LONG TERM LOANS AND ADVANCES		
Secured:		
Employees - considered good	470,899	579,608
Companies, organizations and individuals		
Considered good	31,582,065	31,180,203
Considered doubtful	7,047,805	7,047,805
	<u>38,629,870</u>	<u>38,228,008</u>
	39,100,769	38,807,616
Un-secured:		
Companies, organizations and individuals - Considered doubtful	397,838,899	397,838,899
	436,939,668	436,646,515
Less: Provision against doubtful loans	7.1 401,778,937	403,653,029
	35,160,731	32,993,486
Less: Current maturity	9 28,199,434	29,177,511
	<u>6,961,297</u>	<u>3,815,975</u>
7.1. Provision against doubtful loans		
Opening balance	403,653,029	401,076,412
Charge for the period / year	296,966	2,576,617
Reversal during the period / year	(2,171,058)	-
Closing balance	<u>401,778,937</u>	<u>403,653,029</u>
8. NET INVESTMENT IN LEASE FINANCE		
Lease payments receivable	1,160,708,171	1,214,753,521
Add: Residual value	302,670,201	324,929,233
Gross investment in leases	<u>1,463,378,372</u>	<u>1,539,682,754</u>
Less: Unearned finance income	1,003,476	1,726,375
Income suspended	133,484,444	133,635,056
Provision for lease losses	373,173,661	388,438,495
	<u>507,661,581</u>	<u>523,799,926</u>
Net investment in lease finance	955,716,791	1,015,882,828
Less: Current portion of net investment in lease finance	9 -	-
	<u>-</u>	<u>-</u>

Trust Investment Bank Limited

		Un-audited	Audited
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
9. CURRENT MATURITIES OF NON-CURRENT ASSETS			
Long term investments	6	15,759,000	13,787,250
Long term loans and advances	7	28,199,434	29,177,511
Net investment in lease finance	8	955,716,791	1,015,882,828
		<u>999,675,225</u>	<u>1,058,847,589</u>

10. SHORT TERM LOANS AND ADVANCES

Short term loans-Secured	10.1	53,279,126	53,289,126
Short term advances		26,525,469	19,173,175
		<u>79,804,595</u>	<u>72,462,301</u>

10.1. Short term loans-Secured

Companies, organizations and individuals			
Considered good		53,279,126	53,289,126
Considered doubtful		650,000	650,000
		53,929,126	53,939,126
Less: Provision against doubtful loans		650,000	650,000
		<u>53,279,126</u>	<u>53,289,126</u>

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	1,000,000
		8,022,877	11,022,877
Less: Provision against doubtful lending		7,022,877	7,022,877
		<u>1,000,000</u>	<u>4,000,000</u>

12. SHORT TERM INVESTMENTS

Subsidiary company			
Un-quoted			
TRICON Developers Limited			
112,900,548 (June 30, 2014: 112,900,548) fully paid ordinary shares			
of Rs. 10 each. Equity held 50.11% (June 30, 2014: 50.11%)	12.1	1,129,005,480	1,129,005,480

(Breakup value Rs. 3.34/- per share based on available audited accounts for the year ended June 30, 2013)

12.1. These represent investment in shares of M/s Tricon Developers Limited, acquired against Sub-Ordinated Loan of Mr. Asif Kamal to strengthen the equity of the company. Also includes the Land converted into shares amounting to Rs. 476.368 million.

12.2. Summarised financial information of subsidiary based on audited available accounts for the year ended June 30, 2013 is as follows;

	30 June
	2013
Aggregate amount of	
Assets	956,779,519
Liabilities	203,138,545
Revenue	20,633,074
Profit for the year	200,722,433

	Un-audited	Audited
	31 December	30 June
	2014	2014
Note	Rupees	Rupees
13. OTHER RECEIVABLES		
Receivable from broker - considered good	15,614,432	21,143,275
Miscellaneous receivables from lessees:		
Considered good	25,966,224	-
Considered doubtful	315,837,740	318,830,017
	341,803,964	318,830,017
Other receivables		
Considered good	115,775,113	183,328,213
Considered doubtful	4,625,524	4,625,524
	120,400,637	187,953,737
	477,819,033	527,927,029
Less: Provision for doubtful receivables	13.1 320,463,264	344,638,816
	157,355,769	183,288,213
13.1. Movement of provisions for doubtful receivable		
Opening balance	344,638,816	373,202,823
Charge for the period / year	-	106,153,058
	344,638,816	479,355,881
Written off during the period / year	-	(51,660,188)
Reversed during the period / year	(24,175,552)	(83,056,877)
Closing balance	320,463,264	344,638,816
13.2. Other receivables include the following amounts due from related parties:		
Neither past due nor impaired	13.2.1 53,520,725	51,073,829
Past due and impaired		
- over 180 days	13.2.2 3,920,248	3,920,248
13.2.1. This represents receivable from Trust Capital (Pvt) Limited.		
13.2.2. This represents receivable from Trust Management (Pvt) Limited.		
14. CASH AND BANK BALANCES		
Cash in hand	367,814	120,694
With banks in:		
Current accounts	249,059	244,194
Deposit accounts	2,029,246	8,487,377
	2,278,305	8,731,571
	2,646,119	8,852,265
15. LONG TERM FINANCING - SUBORDINATED LOAN		
Long term financing-subordinated loan	15.1 2,357,958,476	2,357,958,476
15.1. Particulars of subordinated loan		
Loan from:		
Directors - Asif Kamal	15.1.1 1,759,282,851	1,759,282,851
Subsidiary company -Tricon Developers	15.1.2 100,000,000	100,000,000
Mamoom -ur- Rashid	15.1.3 258,675,625	258,675,625
Syed Sajjad Rizvi	15.1.4 240,000,000	240,000,000
	2,357,958,476	2,357,958,476
15.1.1. 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, upto June 30, 2013. The date has been extended till June 30, 2014 by addendum (dated 30 June 2013) to agreement (dated 17 May 2010). Further properties amounting to Rs. 356 million and Rs.150 million of Muhammad Akram and Muhammad Fiaz respectively have been injected for equity participation in favor of Mr. Asif Kamal through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). However, properties of Rs. 356 million have not been transferred in the name of the Company.		

Trust Investment Bank Limited

- 15.1.2.** 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 Limited shall be reduced to cash component of subordinated loan only i.e. Rs. 100 Million.
- 15.1.3.** Properties amounting to Rs. 258.6 million of Mrs. Samina Khurram have been injected for equity participation in favor of Mr. Mamoon Ur Rasheed through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. The company has the right to directly transfer these properties in settlement of any of its liabilities without transferring of the title in its own name. However, title of properties amounting to Rs. 183 million has not yet been transferred in the name of TIBL.
- 15.1.4.** Properties amounting to Rs. 240 million of Imran Maqsood have been injected for equity participation in favor of Mr. Sajjad Rizvi through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. The company has the right to directly transfer these properties in settlement of any of its liabilities without transferring of the title in its own name. However, title has not yet been transferred in the name of the company.

	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
16. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	16.1	-	-
Banking companies and other financial institutions-Unsecured	16.2	-	-
Term finance certificates (TFC)-Secured	16.3	-	-
		-	-
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	878,359,773	878,359,773
		-	-
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	22	17,251,959	17,251,959
		-	-
16.3. Term finance certificates (TFC)-Secured			
TFC III		230,583,980	230,583,980
Less: Current portion shown under current liabilities	22	230,583,980	230,583,980
		-	-
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
		-	-
18. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		22,371,263	22,371,263
Unsecured		164,695,179	165,995,179
- Individuals		1,100,000	3,100,000
		188,166,442	191,466,442
Less: Current portion shown under current liabilities	22	175,170,179	178,470,179
		12,996,263	12,996,263

		Un-audited	Audited
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
19. LONG TERM DEPOSITS			
Margin against letters of guarantee		131,599,777	135,698,512
Less: Current portion shown under current liabilities	22	126,164,551	135,698,512
		5,435,226	-
Deposits against lease arrangements		301,984,959	324,048,339
Less: Current portion shown under current liabilities	22	301,984,959	324,048,339
		-	-
		5,435,226	-
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		1,098,434,943	1,099,838,536
- Individuals		25,750,815	25,750,815
	21.1	1,137,035,764	1,138,439,357
21.1. These represent unsecured short term certificates of investment for a period of one months to one year. These carry mark-up rate ranging from 0% to 18.75% (June 30, 2014: 0% to 18.75%) per annum.			
22. CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies & financial institutions			
Secured	16.1	878,359,773	878,359,773
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	175,170,179	178,470,179
Long term deposits	19	428,149,510	459,746,851
		1,745,015,401	1,779,912,742
23. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities	23.1	5,564,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		15,971,298	16,517,299
Other liabilities		83,702,661	77,461,275
		166,359,043	163,163,658

23.1. These represent initial security deposit received against financing facilities.

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, 2014 except following:

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 864.375 million (June 30, 2014: Rs. 574.848 million).
- (b) The Company has filed recovery suits amount to Rs. 1,432.32 million (June 30, 2014: Rs. 1,428.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.
- (c) The company has not provided for mark-up of Rs. 668.522 in preceding years and Rs. 124.727 million 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 due to pending litigations. Had the markup been provided net profit for the period would have been decreased by Rs. 124.727 million, mark up payable and accumulated losses would have been increased by Rs. 793.249 million:

24.2. Commitments

24.2.1. There exists no commitment as at balance sheet date.

Trust Investment Bank Limited

	Half year ended		Quarter ended		
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees	
25. PROVISION FOR TAXATION					
Current tax					
For the year	942,338	773,224	942,338	773,224	
Deferred	-	80,000,000	-	80,000,000	
	<u>942,338</u>	<u>80,773,224</u>	<u>942,338</u>	<u>80,773,224</u>	
26. EARNINGS / (LOSS) PER SHARE					
26.1. Earnings / (loss) per share - basic					
Profit / (loss) for the period after taxation	Rs	<u>9,528,079</u>	<u>(5,607,263)</u>	<u>21,019,626</u>	<u>(3,476,748)</u>
Weighted average number of ordinary shares	No	<u>70,436,206</u>	<u>58,552,872</u>	<u>70,436,206</u>	<u>58,552,872</u>
Earnings / (loss) per share - basic	Rs	<u>0.14</u>	<u>(0.10)</u>	<u>0.30</u>	<u>(0.06)</u>
26.2. Earnings / (loss) per share - diluted					
Profit / (loss) for the period after taxation	Rs	<u>9,528,079</u>	<u>(5,607,263)</u>	<u>21,019,626</u>	<u>(3,476,748)</u>
Weighted average number of ordinary shares	No	<u>82,202,873</u>	<u>89,202,873</u>	<u>82,202,873</u>	<u>89,202,873</u>
Earnings / (loss) per share - basic	Rs	<u>0.12</u>	<u>(0.06)</u>	<u>0.26</u>	<u>(0.04)</u>
			Un-audited	Audited	
			31 December	30 June	
			2014	2014	
			Rupees	Rupees	
27. CASH AND EQUIVALENTS					
Cash and bank balances			2,646,119	4,840,396	
Short term running finance			<u>(39,413,532)</u>	<u>(39,413,532)</u>	
			<u>(36,767,413)</u>	<u>(34,573,136)</u>	
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		Year ended 30 June 2014 Rupees
	31 December		
	2014 Rupees	2013 Rupees	
Mr. Asif Kamal			
Share capital	71,065,510	71,065,510	71,065,510
Subordinate Loan	1,253,282,851	973,282,851	1,253,282,851
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
Associated undertakings:			
Habib Rafiq (Pvt) Limited			
Letter of Guarantees issued during the year	268,627,407	120,490,000	97,000,000
Letter of Guarantees outstanding	374,745,074	481,830,521	171,955,042
Income charged during the year	3,531,399	2,951,324	3,723,080
Others			
Employees' retirement fund			
Contribution made	-	426,000	-
Subsidiary Company			
Tricon Developers Limited			
Long term financing - subordinated loan	100,000,000	100,000,000	100,000,000
Trust Capital (Private) Limited			
Loan (recovered) / paid during the period	-	(130,000,000)	(130,100,000)
Outstanding loans and advances	53,520,725	47,161,664	51,073,829
Outstanding TFC,s	9,371,250	-	9,371,250
Mark-up payable on TFC,s (overdue more than 365 days)	1,986,254	-	1,986,254

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, 2014-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Income from lease operations	3,878,959	-	3,878,959
Income from investments	-	240,214	240,214
Income from term loans	22,869,385	-	22,869,385
Total income for reportable segments	26,748,344	240,214	26,988,558
Finance cost	1,672,928	63,300	1,736,228
Administrative and operating expenses	37,099,240	-	37,099,240
Lease receivables written off	13,617,298	-	13,617,298
Reversal against lease, term loan and other receivables	33,919,819	-	33,919,819
Impairment on available for sale investment	-	(1,935,723)	(1,935,723)
Other income	(474,109)	4,424,638	3,950,529
Segment result	(60,035,050)	6,537,275	10,470,417
Profit before taxation			10,470,417

	-----December 31, 2014-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Segment assets	1,980,122,635	133,622,546	2,113,745,181
Unallocated assets			<u>2,484,339,188</u>
			<u>4,598,084,369</u>
Segment liabilities	3,523,567,720	1,160,507,027	4,684,074,747
Unallocated liabilities			<u>1,054,837,924</u>
			<u>5,738,912,671</u>

	-----December 31, 2013-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Income from lease operations	39,655,287	-	39,655,287
Income from investments	-	943,259	943,259
Income from finances / loans	26,798,872	-	26,798,872
Total income for reportable segments	66,454,159	943,259	67,397,418
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
Reversal against lease, term loan and other receivables	42,839,806	-	42,839,806
Impairment on available for sale investment	-	(2,348,000)	(2,348,000)
Other income	60,322	20,050,631	20,110,953
Segment result	(24,894,616)	(21,144,941)	75,165,961
Loss before taxation			75,165,961

Trust Investment Bank Limited

	-----December 31, 2013-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Segment assets	1,755,498,396	138,098,073	1,893,596,469
Unallocated assets			<u>2,467,272,744</u>
			<u>4,360,869,213</u>
Segment liabilities	2,861,892,095	1,440,486,315	4,302,378,410
Unallocated liabilities			<u>1,131,183,467</u>
			<u>5,433,561,877</u>

30. EXPOSURE EXCEEDING 20% OF EQUITY

Below is the outstanding exposure exceeding 20% of equity:

<u>Particulars</u>	<u>Party name</u>	<u>Amount (in Rupees)</u>
Long term loans	Ali Pervaiz and Associates	393,125,286/-

31. DATE OF AUTHORIZATION

These financial statements were authorized for issue on February 26, 2015 by the Board of Directors.

32. GENERAL

32.1. The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and 2013 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

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

CHIEF EXECUTIVE

DIRECTOR



Consolidated Financial Statement

Trust Investment Bank Limited
Half Yearly Report (un-audited)
December 31, 2014

Trust Investment Bank Limited

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET (Un-Audited) AS AT DECEMBER 31, 2014

ASSETS	Note	Un-audited	Audited
		31 December 2014 Rupees	30 June 2014 Rupees
Non-current assets			
Fixed assets	5	1,491,691,401	1,494,426,529
Long term investments	6	29,579,767	33,193,410
Long term loans and advances	7	6,961,297	3,815,975
Net investment in lease finance	8	-	-
Long term deposits		6,093,458	5,893,218
Deferred tax asset		515,931,678	515,931,678
Total non-current assets		2,050,257,601	2,053,260,810
Current assets			
Current maturities of non - current assets	9	999,675,225	1,058,847,589
Short term loans and advances	10	79,804,595	72,462,301
Short term placements	11	1,000,000	4,000,000
Short term investments	12	1,129,005,480	1,129,005,480
Short term prepayments		15,407,017	11,219,215
Markup accrued		204,349,012	201,981,288
Taxation - net		849,587	1,669,382
Other receivables	13	103,835,044	132,214,384
Cash and bank balances	14	4,273,962	12,399,322
Total current assets		2,538,199,922	2,623,798,961
		4,588,457,523	4,677,059,771
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		822,028,729	892,028,729
Reserves		(1,981,368,531)	(1,990,896,610)
		(1,159,339,802)	(1,098,867,881)
Surplus on revaluation of fixed assets-net		18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	15	2,357,958,476	2,357,958,476
Long term financing-others	16	-	-
Long term morabaha	17	-	-
Long term certificates of investment	18	12,996,263	12,996,263
Deferred liabilities		5,729,364	6,189,364
Long term deposits	19	5,435,226	-
Total non-current liabilities		2,382,119,329	2,377,144,103
Current liabilities			
Short term borrowings	20	39,413,532	39,413,532
Short term certificates of investment	21	1,137,035,764	1,138,439,357
Current maturities of non current liabilities	22	1,735,644,151	1,770,541,492
Mark-up accrued		266,983,348	266,983,348
Trade and other payables	23	168,089,701	164,894,320
Total current liabilities		3,347,166,496	3,380,272,049
		5,729,285,825	5,757,416,152
CONTINGENCIES AND COMMITMENTS	24	-	-
		4,588,457,523	4,677,059,771

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

CHIEF EXECUTIVE

DIRECTOR



**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Half year ended		Quarter ended	
	31 December		31 December	
	2014	2013	2014	2013
Note	Rupees	Rupees	Rupees	Rupees
Income				
Income from lease operations	3,878,959	39,655,287	352,323	38,772,424
Income from investments	240,214	943,259	144,525	442,942
Income from term loans	22,869,385	26,798,872	10,279,126	15,092,215
Income from brokerage	-	50,274	-	-
	26,988,558	67,447,692	10,775,974	54,307,581
Finance cost	1,742,381	3,767,179	858,947	2,519,795
	25,246,177	63,680,513	9,917,027	51,787,786
Administrative and operating expenses	37,608,506	44,218,200	17,331,824	23,562,506
	(12,362,329)	19,462,313	(7,414,797)	28,225,280
Other income	4,172,118	20,110,953	1,968,098	16,866,893
	(8,190,211)	39,573,266	(5,446,699)	45,092,173
Other operating expenses	13,617,298	6,280,709	4,405,575	9,474,012
(Loss) / profit before provisions and taxation	(21,807,509)	33,292,557	(9,852,274)	35,618,161
Reversal against lease, term loan and other receivables	33,919,819	42,839,806	33,919,819	42,839,806
Impairment charged in the value of investment	(1,641,893)	(2,348,000)	(2,105,581)	(2,348,000)
	32,277,926	40,491,806	31,814,238	40,491,806
Profit before taxation	10,470,417	73,784,363	21,961,964	76,109,967
Provision for taxation	25 942,338	80,773,224	942,338	80,773,224
Profit / (loss) after taxation	9,528,079	(6,988,861)	21,019,626	(4,663,257)
Earnings / (loss) per share - basic	26 0.14	(0.12)	0.30	(0.08)
Earnings / (loss) per share - diluted	26 0.12	(0.08)	0.26	(0.05)

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

CHIEF EXECUTIVE

DIRECTOR

Trust Investment Bank Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended		Quarter ended	
	31 December		31 December	
	2014	2013	2014	2013
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) after taxation for the year	9,528,079	(6,988,861)	21,019,626	(4,663,257)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the year	<u>9,528,079</u>	<u>(6,988,861)</u>	<u>21,019,626</u>	<u>(4,663,257)</u>

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

CHIEF EXECUTIVE

DIRECTOR



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Un-audited	Un-audited
	31 December	31 December
	2014	2013
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,470,417	73,784,363
Adjustments for non cash / non operating items:		
Depreciation and amortization	3,166,880	3,256,850
Provision for staff service cost	-	400
Reversal against lease, term loan and other receivables	(33,919,819)	(42,839,806)
Lease receivables written off	13,617,298	6,280,709
Finance cost	1,742,381	3,767,179
Impairment in the value of investment	1,641,893	-
Loss on disposal of fixed assets	-	(10,219,947)
Un-realized loss on revaluation of held for trading investment	-	2,348,000
	(13,751,367)	(37,406,615)
Operating (loss) / profit before working capital changes	(3,280,950)	36,377,748
Changes in operating assets and liabilities:		
(Increase) / decrease in assets:		
Long term loans and advances	(3,158,969)	6,558,413
Net investment in lease finance	39,750,193	43,800,001
Long term deposits	(4,098,735)	84,240
Short term loans and advances	(7,342,294)	2,281,153
Short term placements	3,000,000	3,858,663
Short term investments	-	(26,000,000)
Short term Pre payments	(4,187,802)	1,399,246
Markup accrued	(2,367,724)	482,062
Other receivables	(21,973,951)	(133,552,446)
	(379,282)	(101,088,668)
Increase / (decrease) in liabilities:		
Certificates of investment	(4,703,593)	(21,133,345)
Trade and other payables	3,195,385	(21,218,937)
	(1,508,208)	(42,352,282)
Cash used in operations	(5,168,440)	(107,063,202)
Finance cost paid	(1,742,381)	(4,347,762)
Taxes paid	(122,543)	(67,775)
Staff service cost paid	(460,000)	(426,400)
	(2,324,924)	(4,841,937)
Net cash used in operating activities	(7,493,364)	(111,905,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(431,756)	(1,871,800)
Long term investments	-	138,437,500
Long term deposits	(200,240)	(57,938,610)
Proceeds from disposal of:		
Fixed assets	-	32,375,362
Net cash (used in) / generated from investing activities	(631,996)	111,002,452

Trust Investment Bank Limited

	<u>Un-audited</u> 31 December 2014 Rupees	<u>Un-audited</u> 31 December 2013 Rupees
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	-	-
Net decrease in cash and cash equivalents	(8,125,360)	(902,687)
Cash and cash equivalents at the beginning of the period	(27,014,210)	(33,566,866)
Cash and cash equivalents at the end of the period	27 (35,139,570)	(34,469,553)

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

CHIEF EXECUTIVE

DIRECTOR

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Ordinary Shares	Preference shares	CAPITAL RESERVES	REVENUE RESERVES			Total
				Statutory reserve	General reserve	Accumulated losses	
Balances as at 01 July 2013 (Restated)	585,528,729	306,500,000	240,030,907	61,000,000	(2,293,795,553)	(1,992,764,646)	(1,100,735,917)
Total comprehensive loss for the period	-	-	-	-	(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	(2,300,784,414)	(1,999,753,507)	(1,107,724,778)
Balances as at 01 July 2014	685,903,729	206,125,000	240,828,097	61,000,000	(2,292,724,707)	(1,990,896,610)	(1,098,867,881)
Total comprehensive income for the period	-	-	-	-	9,528,079	9,528,079	9,528,079
Conversion of preference shares into ordinary shares	55,375,000	(55,375,000)	-	-	-	-	-
Redemption of preference shares	-	(70,000,000)	-	-	-	-	(70,000,000)
Dividend on preference shares @ 1 year Kibor+100 BPS for the period ended 31 December 2014	-	-	-	-	-	-	-
Balances as at 31 December 2014	741,278,729	80,750,000	240,030,907	61,000,000	(2,283,196,628)	(1,981,368,531)	(1,159,339,802)

-----Rupees-----

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

CHIEF EXECUTIVE

DIRECTOR



Trust Investment Bank Limited

Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited) For the Half Year Ended December 31, 2014

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).

3. BASIS OF CONSOLIDATION

- 3.1. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014.

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 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.

	Un-audited	Audited
	31 December	30 June
	2014	2014
	Rupees	Rupees
5. FIXED ASSETS		
Tangible		
Property, plant and equipment	559,542,192	562,180,834
Capital work in progress	900,907,190	900,907,190
Intangible assets	31,242,019	31,338,505
	<u>1,491,691,401</u>	<u>1,494,426,529</u>

Trust Investment Bank Limited

	Un-audited	Audited
	31 December	30 June
	2014	2014
Note	Rupees	Rupees
6. LONG TERM INVESTMENTS		
Investment in financial instruments	62,953,550	62,953,550
Less: Impairment in the value of investments	17,614,783	15,972,890
	45,338,767	46,980,660
Less: Current portion of long term investments	9 15,759,000	13,787,250
	29,579,767	33,193,410
7. LONG TERM LOANS AND ADVANCES		
Secured:		
Employees - considered good	470,899	579,608
Companies, organizations and individuals		
Considered good	31,582,065	31,180,203
Considered doubtful	7,047,805	7,047,805
	38,629,870	38,228,008
	39,100,769	38,807,616
Un-secured:		
Companies, organizations and individuals - Considered doubtful	397,838,899	397,838,899
	436,939,668	436,646,515
Less: Provision against doubtful loans	7.1 401,778,937	403,653,029
	35,160,731	32,993,486
Less : Current maturity	9 28,199,434	29,177,511
	6,961,297	3,815,975
7.1. Provision against doubtful loans		
Opening balance	403,653,029	401,076,412
Charge for the period / year	296,966	2,576,617
Reversal during the period / year	(2,171,058)	-
Closing balance	401,778,937	403,653,029
8. NET INVESTMENT IN LEASE FINANCE		
Lease payments receivable	1,160,708,171	1,214,753,521
Add: Residual value	302,670,201	324,929,233
Gross investment in leases	1,463,378,372	1,539,682,754
Less: Unearned finance income	1,003,476	1,726,375
Income suspended	133,484,444	133,635,056
Provision for lease losses	373,173,661	388,438,495
	507,661,581	523,799,926
Net investment in lease finance	955,716,791	1,015,882,828
Less: Current portion of net investment in lease finance	9 955,716,791	1,015,882,828
	-	-



		Un-audited	Audited
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
9. CURRENT MATURITIES OF NON-CURRENT ASSETS			
Long term investments	6	15,759,000	13,787,250
Long term loans and advances	7	28,199,434	29,177,511
Net investment in lease finance	8	955,716,791	1,015,882,828
		<u>999,675,225</u>	<u>1,058,847,589</u>

10. SHORT TERM LOANS AND ADVANCES

Short term loans-Secured	10.1	53,279,126	53,289,126
Short term advances		26,525,469	19,173,175
		<u>79,804,595</u>	<u>72,462,301</u>

10.1. Short term loans-Secured

Companies, organizations and individuals			
Considered good		53,279,126	53,289,126
Considered doubtful		650,000	650,000
		53,929,126	53,939,126
Less: Provision against doubtful loans		650,000	650,000
		<u>53,279,126</u>	<u>53,289,126</u>

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	1,000,000
		8,022,877	11,022,877
Less: Provision against doubtful lending		7,022,877	7,022,877
		<u>1,000,000</u>	<u>4,000,000</u>

12. SHORT TERM INVESTMENTS

Subsidiary company			
Un-quoted			
TRICON Developers Limited			
112,900,548 (June 30, 2014: 112,900,548) fully paid ordinary shares			
of Rs. 10 each. Equity held 50.11% (June 30, 2014: 50.11%)	12.1	<u>1,129,005,480</u>	<u>1,129,005,480</u>

(Breakup value Rs. 3.34/- per share based on available audited accounts for the year ended June 30, 2013)

12.1. These represent investment in shares of M/s Tricon Developers Limited, acquired against Sub-Ordinated Loan of Mr. Asif Kamal to strengthen the equity of the company. Also includes the Land converted into shares amounting to Rs. 476.368 million.

12.2. Summarised financial information of subsidiary based on audited available accounts for the year ended June 30, 2013 is as follows;

	30 June
	2013
Aggregate amount of	
Assets	956,779,519
Liabilities	203,138,545
Revenue	20,633,074
Profit for the year	200,722,433

Trust Investment Bank Limited

		Un-audited	Audited
		31 December	30 June
		2014	2014
	Note	Rupees	Rupees
13. OTHER RECEIVABLES			
Receivable from broker - considered good		15,614,432	21,143,275
Miscellaneous receivables from lessees:			
Considered good		25,966,224	-
Considered doubtful		315,837,740	318,830,017
		341,803,964	318,830,017
Other receivables			
Considered good		62,254,388	132,254,384
Considered doubtful		4,625,524	4,625,524
		66,879,912	136,879,908
		424,298,308	476,853,200
Less: Provision for doubtful receivables	13.1	320,463,264	344,638,816
		103,835,044	132,214,384
13.1. Movement of provisions for doubtful receivable			
Opening balance		344,638,816	373,202,823
Charge for the period / year		-	106,153,058
		344,638,816	479,355,881
Written off during the period / year		-	(51,660,188)
Reversed during the period / year		(24,175,552)	(83,056,877)
Closing balance		320,463,264	344,638,816
13.2. Other receivables include the following amounts due from related parties:			
Past due and impaired			
- over 180 days	13.2.1	3,920,248	3,920,248
13.2.1. This represents receivable from Trust Management (Pvt) Limited.			
14. CASH AND BANK BALANCES			
Cash in hand		367,814	120,694
With banks in:			
Current accounts		1,876,902	3,791,251
Deposit accounts		2,029,246	8,487,377
		3,906,148	12,278,628
		4,273,962	12,399,322
15. LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	15.1	2,357,958,476	2,357,958,476
15.1. Particulars of subordinated loan			
Loan from:			
Directors - Asif Kamal	15.1.1	1,759,282,851	1,759,282,851
Subsidiary company -Tricon Developers	15.1.2	100,000,000	100,000,000
Mamoom -ur- Rashid	15.1.3	258,675,625	258,675,625
Syed Sajjad Rizvi	15.1.4	240,000,000	240,000,000
		2,357,958,476	2,357,958,476
15.1.1. 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, upto June 30, 2013. The date has been extended till June 30, 2014 by addendum (dated 30 June 2013) to agreement (dated 17 May 2010). Further properties amounting to Rs. 356 million and Rs.150 million of Muhammad Akram and Muhammad Fiaz respectively have been injected for equity participation in favor of Mr. Asif Kamal through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). However, properties of Rs. 356 million have not been transferred in the name of the Company.			

- 15.1.2.** 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 Limited shall be reduced to cash component of subordinated loan only i.e. Rs. 100 Million.
- 15.1.3.** Properties amounting to Rs. 258.6 million of Mrs. Samina Khurram have been injected for equity participation in favor of Mr. Mamoon Ur Rasheed through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. The company has the right to directly transfer these properties in settlement of any of its liabilities without transferring of the title in its own name. However, title of properties amounting to Rs. 183 million has not yet been transferred in the name of TIBL.
- 15.1.4.** Properties amounting to Rs. 240 million of Imran Maqsood have been injected for equity participation in favor of Mr. Sajjad Rizvi through Addendum (dated 27 June 2014) to equity participation agreement (dated 20 June 2013). The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. The company has the right to directly transfer these properties in settlement of any of its liabilities without transferring of the title in its own name. However, title has not yet been transferred in the name of the company.

	Note	Un-audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
16. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	16.1	-	-
Banking companies and other financial institutions-Unsecured	16.2	-	-
Term finance certificates (TFC)-Secured	16.3	-	-
		-	-
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	878,359,773	878,359,773
		-	-
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	22	17,251,959	17,251,959
		-	-
16.3. Term finance certificates (TFC)-Secured			
TFC III		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
		-	-
18. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		22,371,263	22,371,263
Unsecured		164,695,179	165,995,179
- Individuals		1,100,000	3,100,000
		188,166,442	191,466,442
Less: Current portion shown under current liabilities	22	175,170,179	178,470,179
		12,996,263	12,996,263

Trust Investment Bank Limited

		Un-audited	Audited
		31 December	30 June
		2014	2014
		Rupees	Rupees
19. LONG TERM DEPOSITS			
Margin against letters of guarantee		131,599,777	135,698,512
Less: Current portion shown under current liabilities	22	126,164,551	135,698,512
		5,435,226	-
Deposits against lease arrangements		301,984,959	324,048,339
Less: Current portion shown under current liabilities	22	301,984,959	324,048,339
		-	-
		5,435,226	-
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		1,098,434,943	1,099,838,536
- Individuals		25,750,815	25,750,815
	21.1	1,137,035,764	1,138,439,357
21.1.	These represent unsecured short term certificates of investment for a period of one months to one year. These carry mark-up rate ranging from 0% to 18.75% (June 30, 2014: 0% to 18.75%) per annum.		
22. CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies & financial institutions			
Secured	16.1	878,359,773	878,359,773
Unsecured	16.2	17,251,959	17,251,959
Term finance certificates-Secured	16.3	221,212,730	221,212,730
Long term morabaha	17	15,500,000	15,500,000
Certificates of investment	18	175,170,179	178,470,179
Long term deposits	19	428,149,510	459,746,851
		1,735,644,151	1,770,541,492
23. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities	23.1	5,564,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		15,971,298	16,517,299
Other liabilities		85,433,319	79,191,937
		168,089,701	164,894,320

23.1. These represent initial security deposit received against financing facilities.

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, 2014 except following:

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 864.375 million (June 30, 2014: Rs. 574.848 million).
- (b) The Company has filed recovery suits amount to Rs. 1,432.32 million (June 30, 2014: Rs. 1,428.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.
- (c) The company has not provided for mark-up of Rs. 668.522 in preceding years and Rs. 124.727 million 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 due to pending litigations. Had the markup been provided net profit for the period would have been decreased by Rs. 124.727 million, mark up payable and accumulated losses would have been increased by Rs. 793.249 million;

24.2. Commitments

24.2.1. There exists no commitment as at balance sheet date.

	Half year ended		Quarter ended	
	31 December 2014 Rupees	31 December 2013 Rupees	31 December 2014 Rupees	31 December 2013 Rupees
25. PROVISION FOR TAXATION				
Current tax				
For the year	942,338	773,224	942,338	773,224
Deferred	-	80,000,000	-	80,000,000
	<u>942,338</u>	<u>80,773,224</u>	<u>942,338</u>	<u>80,773,224</u>
26. EARNINGS / (LOSS) PER SHARE				
26.1. Earnings / (loss) per share - basic				
Profit / (loss) for the period after taxation	Rs <u>9,528,079</u>	<u>(6,988,861)</u>	<u>21,019,626</u>	<u>(4,663,257)</u>
Weighted average number of ordinary shares	No <u>70,436,206</u>	<u>58,552,872</u>	<u>70,436,206</u>	<u>58,552,872</u>
Earnings / (loss) per share - basic	Rs <u>0.14</u>	<u>(0.12)</u>	<u>0.30</u>	<u>(0.08)</u>
26.2. Earnings / (loss) per share - diluted				
Profit / (loss) for the period after taxation	Rs <u>9,528,079</u>	<u>(6,988,861)</u>	<u>21,019,626</u>	<u>(4,663,257)</u>
Weighted average number of ordinary shares	No <u>82,202,873</u>	<u>89,202,873</u>	<u>82,202,873</u>	<u>89,202,873</u>
Earnings / (loss) per share - basic	Rs <u>0.12</u>	<u>(0.08)</u>	<u>0.26</u>	<u>(0.05)</u>
27. CASH AND EQUIVALENTS				
Cash and bank balances			4,273,962	12,399,322
Short term running finance			<u>(39,413,532)</u>	<u>(39,413,532)</u>
			<u>(35,139,570)</u>	<u>(27,014,210)</u>
			Un-audited	Audited
			31 December	30 June
			2014	2014
			Rupees	Rupees

CHIEF EXECUTIVE

DIRECTOR

Head Office:

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

Tel: +92-42-3581 7601-5 Fax: +92-42-3581 7600

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