

3rd Quarterly Report (un-audited)

For the period ended March 2013

2013



Trust Investment
Bank Limited

Contents

2	Company Information
2	Branch Network
3	Directors' Review Report
5	Financial Statements
6	Balance Sheet
7	Profit and Loss Account
8	Statement of Comprehensive Income
9	Cash Flow Statement
11	Statement of Changes in Equity
12	Notes to the Financial Statements
21	Consolidated Financial Statements
22	Consolidated Balance Sheet
23	Consolidated Profit and Loss Account
24	Consolidated Statement of Comprehensive Income
25	Consolidated Cash Flow Statement
27	Consolidated Statement of Changes in Equity
28	Notes to the Consolidated Financial Statements

Company Information

Board of Directors

Mr. Asif Kamal	Chairman/Executive Director
Mr. Humayun Nabi Jan	Director
Syed Sajjad Hussain Rizvi	Director
Mr. Mamoon-ur-Rashid Qureishi	Director
Mr. Ahsan Rafique	Chief Executive Officer

Controller Accounts & Finance

Mr. Muhammad Zubair

Company Secretary

Mr. Awais Yasin

Auditors

Zahid Jamil & Company

Chartered Accountants

A member firm of IGAF POLARIS

Legal Advisor

Nawaz Kasuri & Rashdeen Law Chambers

Registrars

Vision Consulting Limited

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

Tel: 042-36375531 & 36375339, Fax: 042-36374839

Registered Office & 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**
Office No.6, 1st Floor, Muhammad Arcade,
LMQ Road, Chungi – 9,
Multan.
Tel: 061-6210063
Fax:061-6210063
- Islamabad Branch**
Suit No.306, 3rd Floor, ISE Tower,
Jinnah Avenue, Blue Area,
Islamabad.
Tel: 051-2894561-63
Fax: 051-2894562
- Karachi Branch**
KASB Fund Section, 5th Floor, Trade Center,
Opposite Saima Trade Tower,
I. I. Chundrigar Road, Karachi.
Tel: 021-111-222-000
Fax: 021- 32624635
- Peshawar Branch**
Office No.3, Azam Tower, Arbab Chowk,
University Road,
Peshawar.
Tel: 091-5701484
Fax: 091-5746302

Directors' Report

On behalf of the Board of Directors I am pleased to present the un-audited consolidated interim financial statements for the nine months period ended March 31, 2013.

Performance and Economic Overview

During the period under review the business environment in Pakistan remained under pressure. The major reason for subdued economic conditions in the country is energy crises. The business condition is further intensified by law & order situation and increasing trend in inflation. The situation in Pakistan is likely to remain fragile until the concrete measures taken by the government to address aforesaid issues. Due to forthcoming general elections in May – 2013, the investor are less inclined towards new investment thus the uncertain business conditions in the country and economic recession shall continue.

The financial and capital market witnessed good response due to steps taken by central bank through reduction in policy rate by 200 basis points. It will give good hope for better liquidity in coming months. The profit margins of the business enterprises have been squeezed due to challenging economic environment. Due to aforesaid reasons the repayment capacity of the borrowers has been reduced. It would result slight rising in the Non-performing Loans (NPLs), hence, additional provisioning can be seen in the future. The NBFC sector faced severe challenging environment and remained ignored by the financial institutions and regulator as well. The business operations of the NBFC sector remained under tremendous pressure and Bank has no exception to this.

Financial Results

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

	March 31, 2013	March 31, 2012
	Rupees in million	
Revenue	59.87	237.18
Operating Expenses	127.01	121.62
Financial Expenses	38.29	418.98
Operating profit / (loss) before provision	(92.74)	(286.18)
Profit / (loss) before taxation	(17.66)	(300.61)
Profit / (loss) after taxation	(69.97)	(302.64)
Earnings / (loss) per Share (Rs.)	(0.49)	(5.77)

The Bank was not able to write new business due to continued acute liquidity crises. Since the Bank is in the mode of settlements with financial institutions and depositors, no accruals against interest expenses have been accounted for in books of accounts. The Bank spent a huge amount on account of legal and recovery expenses due to increasing trend in NPLs, which resulted in high operating expenses. Accumulated heavy losses resulted in depletion of equity & reserves of the Bank.

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

Future Outlook

The future outlook and earning of the NBFCs sector is mainly dependent on improvements in overall business environment in the country and availability of credit lines on soft terms from financial institutions. Investments Banks have very little space for resource mobilization due to non-supportive response from larger Banks. The challenges are expected to remain for Trust Bank due primarily to severe liquidity crises. In order to improve the business efficiency of the Bank new investors/strategic partner are being inducted in the Bank which shall help to generate liquidity. The management believes that Bank has been able to come out of the present crises poised for recovery now. The sponsors of the Bank have developed support plan in demonstration of strong commitment to the institution. The management do hope that sponsor's support plan shall help the Bank to consolidate and grow during this challenging period.

Acknowledgement

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

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

Lahore
April 30, 2013

**Ahsan Rafique
Chief Executive Officer**



Financial Statement

Trust Investment Bank Limited

3rd Quarterly report (un-audited)

March 31, 2013



Condensed Interim Balance Sheet (Un-Audited)

AS AT MARCH 31, 2013

ASSETS	Note	(Un-audited)	(Audited)
		31 March 2013 Rupees	31 March 2012 Rupees
Non-current assets			
Fixed assets	5	843,253,390	417,816,357
Long term investments	6	94,963,704	101,762,904
Long term loans and advances	7	4,705,677	22,112,927
Net investment in lease finance	8	90,635,479	128,930,920
Long term deposits		1,733,660	1,266,850
Deferred tax asset		464,338,510	515,931,678
Total non-current assets		1,499,630,420	1,187,821,636
Current assets			
Current maturities of non-current assets	9	1,333,475,572	1,558,759,405
Short term loans and advances	10	137,849,716	258,579,111
Short term placements	11	35,000,000	35,000,000
Short term investments	12	1,129,005,480	-
Short term prepayments		3,519,815	18,439,708
Interest accrued		185,176,462	227,288,949
Taxation - net		2,641,762	3,200,360
Other receivables	13	220,607,478	92,985,034
Cash and bank balances	14	5,506,937	10,352,204
		3,052,783,222	2,204,604,771
Assets classified as held for sale		-	476,368,866
Total current assets		3,052,783,222	2,680,973,637
TOTAL ASSETS		4,552,413,642	3,868,795,273
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		892,028,729	892,028,729
Reserves		(1,862,281,875)	(1,833,624,460)
		(970,253,146)	(941,595,731)
Surplus on revaluation of fixed assets-net		18,511,500	19,373,770
Long term financing-subordinated loan	15	1,573,282,851	400,646,237
Long term financing-others	16	87,412,376	241,716,358
Long term morabaha	17	-	-
Long term certificates of investment	18	9,943,772	31,212,647
Deferred liabilities		2,293,243	2,935,254
Long term deposits	19	174,181,441	193,602,225
Total non-current liabilities		1,847,113,683	870,112,721
Current liabilities			
Short term borrowings	20	39,413,532	39,947,964
Short term certificates of investment	21	1,481,865,763	1,718,993,706
Current maturities of non-current liabilities	22	1,700,933,754	1,643,440,305
Mark-up accrued		245,070,956	263,939,944
Trade and other payables	23	189,757,600	254,582,594
Total current liabilities		3,657,041,605	3,920,904,513
TOTAL LIABILITIES		5,504,155,288	4,791,017,234
CONTINGENCIES AND COMMITMENTS	24	-	-
		4,552,413,642	3,868,795,273

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Condensed Interim Profit Or Loss Account (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Note	Nine months ended		Quarter ended	
		31 March		31 March	
		2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
Income					
Income from lease operations		24,316,930	116,697,563	1,714,969	18,422,369
Income from investments		2,306,663	20,200,100	1,760,615	14,956,514
Income from term loans and advances		33,243,365	100,282,464	10,139,805	11,572,617
		<u>59,866,958</u>	<u>237,180,127</u>	<u>13,615,389</u>	<u>44,951,500</u>
Finance cost	3	38,287,367	418,978,222	12,045,065	132,838,857
		<u>21,579,591</u>	<u>(181,798,095)</u>	<u>1,570,324</u>	<u>(87,887,357)</u>
Administrative and operating expenses		75,114,586	98,256,424	14,865,964	32,007,220
Depreciation and amortization		6,037,214	5,270,293	1,753,400	1,640,982
		<u>(59,572,209)</u>	<u>(285,324,812)</u>	<u>(15,049,040)</u>	<u>(121,535,559)</u>
Other operating income		12,691,865	17,231,646	6,504,051	10,124,345
		<u>(46,880,344)</u>	<u>(268,093,166)</u>	<u>(8,544,989)</u>	<u>(111,411,214)</u>
Other operating expenses		45,856,419	18,091,523	3,653,460	8,920,121
Operating (loss)/profit before provisions and taxation		<u>(92,736,763)</u>	<u>(286,184,689)</u>	<u>(12,198,449)</u>	<u>(120,331,335)</u>
Reversal/(Provision) against lease, loan and other receivables		6,251,040	(14,426,836)	-	(4,400,677)
Reversal of provision in the value of investment		68,826,000	-	-	-
		<u>75,077,040</u>	<u>(14,426,836)</u>	<u>-</u>	<u>(4,400,677)</u>
(Loss)/Profit before taxation		<u>(17,659,723)</u>	<u>(300,611,525)</u>	<u>(12,198,449)</u>	<u>(124,732,012)</u>
Provision for taxation	25	52,312,395	2,028,795	(207,033)	554,513
(Loss)/Profit after taxation		<u>(69,972,118)</u>	<u>(302,640,320)</u>	<u>(11,991,416)</u>	<u>(125,286,525)</u>
(Loss) /earning per share - basic/ diluted	26	<u>(0.49)</u>	<u>(5.77)</u>	<u>(0.16)</u>	<u>(5.43)</u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Condensed Interim Statement Of Comprehensive Income (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	<u>Nine Months Ended</u>	
	31 March	
	2013	2012
	Rupees	Rupees
Loss after taxation for the period	(69,972,118)	(302,640,320)
Will not be reclassified subsequently to profit or loss		
Other comprehensive income / loss	-	-
Transferred from surplus on revaluation of fixed assets to un-appropriated profit- net of tax	862,270	198,561
Total comprehensive loss for the period	<u>(69,109,848)</u>	<u>(302,441,759)</u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine months ended	
	31 March 2013 Rupees	31 March 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(17,659,723)	(300,611,525)
Adjustments for non cash / non operating items:		
Depreciation and amortization	6,037,214	5,270,293
Amortization of initial transaction cost of term finance certificates	1,410,696	1,410,696
Provision for staff service cost	4,214,103	-
(Reversal of)/Provision for potential lease, term loan losses and other receivables	(6,251,040)	14,426,836
Lease receivables written off	45,856,419	18,091,523
Finance cost	36,876,671	417,567,526
Loss/(Gain) on disposal of fixed assets	(786,921)	(388,331)
Unrealized loss on revaluation of held for trading investments	-	(1,759,199)
Loss on disposal of available for sale investments	-	45,120
Provision for / (appreciation) in the value of investments	(68,826,000)	-
	<u>18,531,142</u>	<u>454,664,464</u>
Operating profit before working capital changes	871,419	154,052,939
Changes in operating assets and liabilities:		
(Increase) / decrease in assets:		
Long term and short term loans and advances	139,550,729	131,597,219
Net investment in lease finance	136,031,589	205,612,532
Other receivables - long term	-	11,867,400
Long term deposits	(466,810)	(975,000)
Short term placements and short term investments	(1,129,005,480)	11,332,680
Short term prepayments	14,919,893	(25,732,262)
Markup accrued	42,112,487	(48,480,934)
Other receivables - short term	(127,764,117)	7,001,390
	<u>(924,621,709)</u>	<u>303,600,825</u>
Increase / (decrease) in liabilities:		
Certificates of investment	(280,445,686)	34,308,913
Trade and other payables	(23,819,647)	(37,449,814)
	<u>(304,265,333)</u>	<u>(3,140,901)</u>
Cash (used in)/generated from operations	(1,228,887,042)	300,459,924
	<u>(1,228,015,623)</u>	<u>454,512,863</u>
Finance cost paid	(55,745,659)	(267,976,161)
Taxes paid	160,629	(2,759,991)
Staff service cost paid	(4,856,114)	(962,391)
	<u>(60,441,144)</u>	<u>(271,698,543)</u>
Net cash (used in) from operating activities	(1,288,456,767)	182,814,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal/(Purchase) of property and equipment	(500,720,724)	(49,670)
Long term investments	66,701,950	3,812,500
Sale proceeds from disposal of: Fixed assets	68,964,871	1,610,734
Non current assets held for sale	476,368,866	-
Net cash generated from investing activities	111,314,963	5,373,564

Trust Investment Bank Limited

	<u>Nine months ended</u>	
	31 March 2013	31 March 2012
Note	Rupees	Rupees
CASH FLOW FROM FINANCING ACTIVITIES		
Long and short term borrowings	(534,432)	(60,549,502)
Long term morabaha	-	(4,000,000)
Subordinated loan obtained	1,172,636,614	-
Redemption of term finance certificates	-	(133,215,442)
Dividend paid	552,909	(1,449)
Net cash generated from financing activities	1,172,830,969	(197,766,393)
Net decrease in cash and cash equivalents	(4,310,835)	(9,578,509)
Cash and cash equivalents at the beginning of the period	(29,595,760)	(12,498,133)
Cash and cash equivalents at the end of the period	27 (33,906,595)	(22,076,642)

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Statement Of Changes In Equity (Un-Audited)

FOR THE HALF YEAR ENDED MARCH 31, 2013

	Ordinary Shares	Preference shares	RESERVES				Total
			Capital Statutory reserve	General reserve	Accumulated loss	Revenue Sub Total	
-----Rupees-----							
Balances as at 01 July 2011	585,528,729	306,500,000	240,030,907	61,000,000	(1,092,906,825)	(791,875,918)	100,152,811
Total comprehensive loss for the period	-	-	-	-	(302,640,320)	(302,640,320)	(302,640,320)
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 December 2011	-	-	-	-	(35,031,269)	(35,031,269)	(35,031,269)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit-net of tax							
Balance as at 31 March 2012	<u>585,528,729</u>	<u>306,500,000</u>	<u>240,030,907</u>	<u>61,000,000</u>	<u>198,561 (1,430,379,853)</u>	<u>198,561 (1,129,348,946)</u>	<u>198,561 (237,320,217)</u>
Balances as at 01 July 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,134,655,372)	(1,833,624,465)	(941,595,736)
Total comprehensive loss for the period	-	-	-	-	(69,109,848)	(69,109,848)	(69,109,848)
Dividend on preference shares @1 year Kibor + 100 BPS for the period ended 31 March 2013	-	-	-	-	40,452,438	40,452,438	40,452,438
Balance as at 31 March 2013	<u>585,528,729</u>	<u>306,500,000</u>	<u>240,030,907</u>	<u>61,000,000</u>	<u>(2,163,312,782)</u>	<u>(1,862,281,875)</u>	<u>(970,253,146)</u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

Notes To The Condensed Interim Financial Statements (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

1 THE COMPANY AND ITS OPERATION

- 1.1 Trust Investment Bank Limited "the Company" was incorporated in 1992 as a Public Limited Company under the Companies Ordinance, 1984. It is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 28-A/K, 6th Floor, M.M. Tower, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

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

- 1.2 The financial statements for the period ended March 31, 2013 reflect loss after taxation of Rs. 69.972 million and as of the said date, the accumulated losses of the company amounts to Rs. 2,163.112 million resulting in shortfall of the minimum regulatory requirement of the equity. Further, the company's license to operate investment finance services is pending for renewal by the SECP as of the balance sheet date. These conditions indicate the existence of a material uncertainty regarding the future operations of the company.

However, in order to improve the equity of the company, the existing sponsors of the Bank has entered into an agreement for the acquisition of land situated at Malir, Karachi having market value of Rs. 900.00 million, which are required to comply with minimum equity requirement (MER) as per NBFC Rules & regulations but being prudent we have only taken Rs. 500 million. The Land acquired through aforesaid transaction shall be treated as subordinated loan from the new sponsors which shall be available for issuance of shares of Trust Investment bank Limited. This transaction shall strengthen the equity of the bank and as a result the bank shall become equity compliant. Also during the year the company has successfully negotiated settlement with major deposit holders against the properties owned by it and negotiations with other depositors and financial institutions are in process. This will result in future interest cost saving to the company. Also with support of the recovery agents the Company is pursuing its customers / borrowers very aggressively. These measures are expected to contribute towards improvement in the financial conditions of the Company. SECP has sanctioned its approval for this transaction. This transaction shall strengthen the equity of the bank and as a result the bank shall become equity compliant and it may increase dividend earnings and capital appreciation since it is expected that shares in the investee company will generate reasonable profits in future. Also during the year the company has successfully negotiated settlement with major deposit holders against the properties owned by it and negotiations with other depositors and financial institutions are in process. This will result in future interest cost savings to the company. Also with the support of recovery agents, the company is pursuing its customers / borrowers very aggressively. These measures are expected to contribute towards improvement in the financial condition of the company.

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

2 BASIS OF PRESENTATION AND MEASUREMENT

- 2.1 These interim financial information are un-audited and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.
- 2.2 "These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan and submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi and Lahore Stock Exchange.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the period ended March 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. The Reversal entry was made during the month of November 2012.

4 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2012.

		(Un-audited) 31 March 2013 Rupees	(Audited) 30 June 2012 Rupee
5 FIXED ASSETS			
Tangible			
Property and equipment	5.1	587,691,297	100,863,266
Capital work in progress	5.2	255,121,000	316,432,600
Intangible assets		441,093	520,491
		<u>843,253,390</u>	<u>417,816,357</u>
5.1. Property and equipment			
Opening book value		100,863,266	86,331,706
Add: Additions during 6 months / 12 months	5.1.1	500,720,724	74,390,141
		601,583,990	160,721,847
Less: Deletions during 6 months / 12 months	5.1.2	10,776,999	61,390,628
		590,806,991	99,331,219
Less: Depreciation during 6 months / 12 months		6,037,214	6,880,145
		584,769,777	92,451,074
Add: Depreciation adjustments for assets sold during 6 months / 12 months		2,921,520	8,412,192
Book value at the end of 6 months / 12 months	5.1.3	<u>587,691,297</u>	<u>100,863,266</u>
5.1.1. Additions during 6 months / 12 months			
Land		500,000,000	-
Building on freehold land		-	70,000,000
Office equipment and machines		720,724	1,140,471
Vehicles		-	3,249,670
		<u>500,720,724</u>	<u>74,390,141</u>
5.1.2. Deletions during 6 months / 12 months			
Land		-	22,000,000
Building on freehold land		6,454,499	33,521,558
Office equipment and machines		87,500	568,433
Furniture and fixtures		-	730,740
Air-conditioning equipment		1,035,000	286,301
Vehicles		3,200,000	4,283,596
		<u>10,776,999</u>	<u>61,390,628</u>

Trust Investment Bank Limited

	(Un-audited) 31 March 2013 Rupees	(Audited) 30 June 2012 Rupees
5.1.3. Book value at the end of 6 months / 12 months		
Land	500,000,000	-
Building on freehold land	67,374,997	74,751,786
Lease hold improvements	7,803,126	9,180,178
Office equipment and machines	5,194,573	5,404,368
Furniture and fixtures	6,000,134	6,486,629
Air-conditioning equipment	1,032,036	1,789,650
Vehicles	286,431	3,250,655
	<u>587,691,297</u>	<u>100,863,266</u>
5.2. Capital work in progress		
Opening balance	316,432,600	145,249,000
Additions	6,451,465	171,183,600
Disposal		
Cost	(67,763,065)	-
Revaluation Surplus	-	-
	(67,763,065)	-
Revaluation deficit	-	-
Closing balance	<u>255,121,000</u>	<u>316,432,600</u>
6 LONG TERM INVESTMENTS		
Investment in subsidiary-at cost	60,000,000	60,000,000
Investment in Shares-unquoted -at cost	2,250,000	2,250,000
Investment in Term Finance Certificates and Sukuks-unquoted	74,672,300	141,374,250
	<u>136,922,300</u>	<u>203,624,250</u>
Less: Provision against doubtful investments	17,566,596	86,392,596
	<u>119,355,704</u>	<u>117,231,654</u>
Less: Current portion of long term investments	24,392,000	15,468,750
	<u>94,963,704</u>	<u>101,762,904</u>
7 LONG TERM LOANS AND ADVANCES		
LOANS		
Secured:		
Employees - considered good	1,147,854	3,678,952
Companies, organizations and individuals;		
Considered good	35,632,794	51,923,030
Considered doubtful	7,047,805	7,047,805
	<u>42,680,599</u>	<u>58,970,835</u>
ADVANCES		
Un-secured:		
Companies, organizations and individuals	397,838,899	397,838,899
Considered doubtful	441,667,352	460,488,686
Less: Provision against doubtful loans	399,816,412	398,842,509
	41,850,940	61,646,177
Less : Current portion of long term loans and advances	37,145,263	39,533,250
	<u>4,705,677</u>	<u>22,112,927</u>



		(Un-audited)	(Audited)
		31 March 2013 Rupees	30 June 2012 Rupees
7.1. Provision against doubtful loans			
Opening balance		398,842,509	5,158,165
Charge for the year		973,903	393,709,628
Reversal		-	(25,284)
Closing balance		<u>399,816,412</u>	<u>398,842,509</u>
8 NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable		1,402,316,541	1,620,342,394
Add: Residual value		422,946,266	513,812,155
Gross investment in leases		<u>1,825,262,807</u>	<u>2,134,154,549</u>
Less: Unearned finance income		7,911,884	30,076,591
Income suspended		172,644,609	181,890,491
Provision for lease losses		282,132,526	289,499,142
		<u>462,689,019</u>	<u>501,466,224</u>
Net investment in lease finance		<u>1,362,573,788</u>	<u>1,632,688,325</u>
Less: Current portion of net investment in lease finance	9	<u>1,271,938,309</u> <u>90,635,479</u>	<u>1,503,757,405</u> <u>128,930,920</u>
9 CURRENT MATURITIES OF NON-CURRENT ASSETS			
Long term investments	6	24,392,000	15,468,750
Long term loans and advances	7	37,145,263	39,533,250
Net investment in lease finance	8	<u>1,271,938,309</u>	<u>1,503,757,405</u>
		<u>1,333,475,572</u>	<u>1,558,759,405</u>
10 SHORT TERM LOANS AND ADVANCES			
Short term loans	10.1	107,154,619	231,955,017
Short term advances		30,695,097	26,624,094
		<u>137,849,716</u>	<u>258,579,111</u>
10.1 Short term loans			
Companies, organizations and individuals;			
Secured			
Considered good		107,154,619	231,955,017
Unsecured			
Considered doubtful		650,000	650,000
		<u>107,804,619</u>	<u>232,605,017</u>
Less: Provision against doubtful finances		650,000	650,000
		<u>107,154,619</u>	<u>231,955,017</u>
11 SHORT TERM PLACEMENTS			
Repurchase agreement lendings (Reverse Repo)-unsecured		7,022,877	7,022,877
Considered good			
Placement against Property		35,000,000	35,000,000
		<u>42,022,877</u>	<u>42,022,877</u>
Less: Provision against doubtful lending		7,022,877	7,022,877
		<u>35,000,000</u>	<u>35,000,000</u>

Trust Investment Bank Limited

	<u>(Un-audited)</u>	<u>(Audited)</u>
	31 March	30 June
	2013	2012
	Rupees	Rupees
12 SHORT TERM INVESTMENTS		
Related parties-at cost		
Investment in shares-unquoted	<u>1,129,005,480</u>	<u>-</u>
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, this also includes the Land (previously kept as assets classified as held for sale) converted into shares amounting to Rs. 476.368 million.		
13 OTHER RECEIVABLES		
Receivable from broker - considered good	21,143,275	21,143,275
Miscellaneous receivables from lessees:		
Considered good	2,699,682	22,803,954
Considered doubtful	319,457,804	317,742,732
	<u>322,157,486</u>	<u>340,546,686</u>
Other receivables;		
Considered good	13.1 195,204,218	49,050,901
Considered doubtful	3,920,248	3,920,248
	<u>199,124,466</u>	<u>52,971,149</u>
	542,425,227	414,661,110
Less: Provisions for doubtful receivable	<u>321,817,749</u>	<u>321,676,076</u>
	<u>220,607,478</u>	<u>92,985,034</u>
13.1 This includes receivable from Trust Capital (Pvt) Limited amounting to Rs. 174,615,555.		
14 CASH AND BANK BALANCES		
Cash in hand	134,158	457,065
Cash at banks:		
Current accounts	321,709	392,724
Deposit accounts	5,051,070	9,502,415
	<u>5,372,779</u>	<u>9,895,139</u>
	<u>5,506,937</u>	<u>10,352,204</u>
15 LONG TERM FINANCING-SUBORDINATED LOAN		
Subordinated Loan (Tricon Developers)	15.1 400,646,237	400,646,237
Subordinated Loan(Asif Kamal)	15.2 672,636,614	-
Subordinated Loan(Khurshid Malik)	15.3 500,000,000	-
	<u>1,573,282,851</u>	<u>400,646,237</u>
15.1 The Bank shall issue shares against this amount of Rs. 400,646,237/- to Mr. Asif Kamal after obtaining approval from SECP.		
15.2 This represents the amount of subordinated loan from Mr. Asif Kamal in form of 672,636,61.4 shares of Tricon Developers Limited at face value of Rs. 10/- per share. The acquisition of shares of Tricon Developers has been duly approved through special resolution in shareholder's extra ordinary general meeting held on September 05, 2012. As per the terms & conditions of the subordinated loan agreement amended through addendum dated June 29, 2012. The Bank shall issue shares amounting to Rs.1,093,282,851/- including the amount of Rs. 400,646,237/- as mentioned above in Note # 15.1 to Mr. Asif Kamal after obtaining approval from SECP.		

15.3 This represents the amount of subordinated loan from Mr. Khursheed Malik, representative of a group of investors, in form of Land measuring 17 acers located at Survey # 339, 340 and 348, Deh Mehran, Tappo Malir, Dist. Malir, Karachi. The Bank shall issue preference and common shares at face value in composition of 50:50 of the equity value determined by the bank after due completion of formalities and approval from SECP.

		(Un-audited)	(Audited)
		31 March	30 June
		2013	2012
		Rupees	Rupees
16 LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-secured	16.1	87,412,376	168,627,292
Banking companies and other financial institutions-unsecured	16.2	-	-
Term finance certificates (TFC) - secured	16.3	-	73,089,066
		<u>87,412,376</u>	<u>241,716,358</u>
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	<u>790,947,397</u>	<u>709,732,481</u>
		<u>87,412,376</u>	<u>168,627,292</u>
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	<u>17,251,959</u>	<u>17,251,959</u>
		<u>-</u>	<u>-</u>
16.3 Term finance certificates (TFC) - secured			
TFC III		230,583,980	230,583,980
Less: Unamortized portion of the initial transaction cost		470,239	1,880,935
		<u>230,113,741</u>	<u>228,703,045</u>
Less: Current portion shown under current liabilities	22	<u>230,113,741</u>	<u>155,613,979</u>
		<u>-</u>	<u>73,089,066</u>
17 LONG TERM MORABAHA			
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities	22	<u>15,500,000</u>	<u>15,500,000</u>
		<u>-</u>	<u>-</u>
18 LONG TERM CERTIFICATES OF INVESTMENT			
Local currency			
Corporate			
Secured		27,294,972	39,977,207
Unsecured		213,363,669	241,299,177
		<u>240,658,641</u>	<u>281,276,384</u>
Individuals		10,100,000	12,800,000
		<u>250,758,641</u>	<u>294,076,384</u>
Less: Current portion shown under current liabilities	22	<u>240,814,869</u>	<u>262,863,737</u>
		<u>9,943,772</u>	<u>31,212,647</u>

Trust Investment Bank Limited

		(Un-audited)	(Audited)
		31 March	30 June
		2013	2012
		Rupees	Rupees
19	LONG TERM DEPOSITS		
	Margin against letters of guarantee	158,665,694	164,252,852
	Deposits against lease arrangements	421,821,535	511,827,522
	Less: Current portion shown under current liabilities	406,305,788	482,478,149
		15,515,747	29,349,373
		<u>174,181,441</u>	<u>193,602,225</u>
20	SHORT TERM BORROWINGS		
	Banking companies and other financial institutions:		
	Running finances - secured	<u>39,413,532</u>	<u>39,947,964</u>
21	SHORT TERM CERTIFICATES OF INVESTMENT		
	Local currency		
	Financial institutions	12,850,006	16,950,000
	Corporate	1,385,130,586	1,527,413,136
	Individuals	83,885,171	174,630,570
		<u>1,481,865,763</u>	<u>1,718,993,706</u>
22	CURRENT MATURITIES OF NON CURRENT LIABILITIES		
	Long term financing from banking companies and other financial institutions		
	Secured	16.1 790,947,397	709,732,481
	Unsecured	16.2 17,251,959	17,251,959
	Term finance certificates - secured	16.3 230,113,741	155,613,979
	Long term Morabaha	17 15,500,000	15,500,000
	Certificates of investment	18 240,814,869	262,863,737
	Long term deposits	19 406,305,788	482,478,149
		<u>1,700,933,754</u>	<u>1,643,440,305</u>
23	TRADE AND OTHER PAYABLES		
	Advance receipt against leases	19,220,578	49,458,150
	Unclaimed dividend	3,098,411	3,099,758
	Preference dividend payable	57,471,716	98,475,716
	Accrued liabilities	10,895,508	11,176,860
	Other liabilities	99,071,387	92,372,110
		<u>189,757,600</u>	<u>254,582,594</u>

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

The Company has issued guarantees to various parties on behalf of clients amounting to Rs.1,272.80 Million (June 30, 2012: Rs. 772.471 million).

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

CASES AGAINST BANK

Party Name	Amount	Court
	(Millions)	
Privatization Commission of Pakistan	270.00	Senior Civil Judge, Islamabad.
The Bank of Punjab	326.00	Lahor High Court.
Summit Bank Limited	95.93	Lahor High Court.
The Punjab Provincial Co-operative Bank Ltd.	103.00	Registrar Co-operative Societies, Punjab, Lahore.
House Building Finance Company Limited	6.59	Banking Court-V at Karachi
Levi's Strauss Pakistan (Pvt.) Limited	98.00	Civil Judge, Lahore.
Trading Corporation of Pakistan	87.50	Sindh High Court
Shifa Co-operative Housing Society	10.00	Additional Session Judge, Lahore.
Shifa International Hospital	5.00	Additional Session Judge, Lahore.

24.2 Commitments

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

	Nine Months ended		Quarter ended	
	31 March 2013 Rupees	31 March 2012 Rupees	31 March 2013 Rupees	31 March 2012 Rupees
25 TAXATION				
Current	719,227	1,474,282	(207,033)	548,022
Deferred	51,593,168	-	-	-
	<u>52,312,395</u>	<u>1,474,282</u>	<u>(207,033)</u>	<u>548,022</u>

26 (LOSS)/EARNING PER SHARE

(Loss)/Profit for the year after taxation and preference dividend	Rs.	<u>(28,657,410)</u>	<u>(337,671,589)</u>	<u>(9,217,629)</u>	<u>(181,154,556)</u>
Weighted average number of ordinary shares	No.	<u>58,552,872</u>	<u>58,552,872</u>	<u>58,552,872</u>	<u>58,552,873</u>
(Loss)/Earning per share - basic	Rs.	<u>(0.49)</u>	<u>(5.77)</u>	<u>(0.16)</u>	<u>(3.09)</u>

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.

Trust Investment Bank Limited

	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>31 March</u>	<u>30 June</u>
	<u>2013</u>	<u>2012</u>
	<u>Rupees</u>	<u>Rupees</u>
27 CASH AND EQUIVALENTS		
Cash and bank balances	5,506,937	10,352,204
Short term running finance	<u>(39,413,532)</u>	<u>(39,947,964)</u>
	<u><u>(33,906,595)</u></u>	<u><u>(29,595,760)</u></u>

28 DATE OF AUTHORIZATION

These condensed interim financial statements are authorized for issue by the Board of Directors of the Company on April 30, 2013.

29 GENERAL

29.1 Comparative figures have been rearranged / reclassified, wherever necessary, for the purpose of comparison.

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



Consolidated Financial Statement

Trust Investment Bank Limited
3rd Quarterly report (un-audited)
March 31, 2013



Consolidated Condensed Interim Balance Sheet (Un-Audited) AS AT MARCH 31, 2013

ASSETS	Note	(Un-audited)	(Audited)
		31 March 2013 Rupees	30 June 2012 Rupees
Non-current assets			
Fixed assets	5	874,959,128	418,968,796
Long term investments	6	168,087,454	41,762,904
Long term loans and advances	7	4,705,677	22,112,927
Net investment in lease finance	8	90,635,479	128,930,920
Long term deposits		6,815,568	1,266,850
Deferred tax asset		464,338,510	515,931,678
Total non-current assets		1,609,541,816	1,128,974,075
Current assets			
Current maturities of non-current assets	9	1,339,723,072	1,558,759,405
Short term loans and advances	10	137,849,716	258,579,111
Short term placements	11	35,000,000	35,000,000
Short term investments	12	1,139,131,980	-
Short term prepayments		3,519,815	18,439,708
Interest accrued		188,656,209	227,288,949
Taxation - net		2,641,762	3,200,360
Other receivables	13	72,683,797	92,985,034
Cash and bank balances	14	5,971,788	10,472,443
		2,925,178,139	2,204,725,010
Assets classified as held for sale		-	476,368,866
Total current assets		2,925,178,139	2,681,093,876
TOTAL ASSETS		4,534,719,955	3,810,067,951
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		892,028,729	892,028,729
Reserves		(1,894,096,940)	(1,833,624,460)
		(1,002,068,211)	(941,595,731)
Surplus on revaluation of fixed assets-net		18,511,500	19,373,770
Non-current liabilities			
Long term financing-subordinated loan	15	1,573,282,851	400,646,237
Long term financing-others	16	87,412,376	238,592,608
Long term morabaha	17	-	-
Long term certificates of investment	18	9,943,772	31,212,647
Deferred liabilities		2,293,243	2,935,254
Long term deposits	19	174,181,441	193,602,225
Total non-current liabilities		1,847,113,683	866,988,971
Current liabilities			
Short term borrowings	20	39,413,532	39,947,964
Short term certificates of investment	21	1,481,865,763	1,718,993,706
Current maturities of non-current liabilities	22	1,700,933,754	1,643,440,305
Mark-up accrued		245,070,956	263,939,944
Trade and other payables	23	203,878,978	273,092,629
Total current liabilities		3,671,162,983	3,939,414,548
TOTAL LIABILITIES		5,518,276,666	4,806,403,519
CONTINGENCIES AND COMMITMENTS	24	-	-
		4,534,719,955	3,884,181,558

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

Cosolidated Condensed Interim Profit Or Loss Account (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Note	Nine months ended		Quarter ended	
		31 March		31 March	
		2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
Income					
Income from lease operations		24,316,930	116,697,563	1,714,969	18,422,369
Income from brokerage		5,054,373	-	1,231,303	-
Income from investments		2,306,663	20,200,100	1,760,615	14,956,514
Income from term loans and advances		33,243,365	100,282,464	10,139,805	11,572,617
		<u>64,921,331</u>	<u>237,180,127</u>	<u>14,846,692</u>	<u>44,951,500</u>
Finance cost		38,305,258	418,978,222	12,051,523	132,838,857
		<u>26,616,073</u>	<u>(181,798,095)</u>	<u>2,795,169</u>	<u>(87,887,357)</u>
Administrative and operating expenses		80,342,372	98,256,424	15,584,204	32,007,220
Depreciation and amortization		6,037,214	5,270,293	1,753,400	1,640,982
		<u>(59,763,513)</u>	<u>(285,324,812)</u>	<u>(14,542,435)</u>	<u>(121,535,559)</u>
Other operating income		13,340,496	17,231,646	6,504,051	10,124,345
		<u>(46,423,017)</u>	<u>(268,093,166)</u>	<u>(8,038,384)</u>	<u>(111,411,214)</u>
Other operating expenses		45,856,419	18,091,523	3,653,460	8,920,121
Operating (loss)/profit before provisions and taxation		<u>(92,279,436)</u>	<u>(286,184,689)</u>	<u>(11,691,844)</u>	<u>(120,331,335)</u>
Reversal/(Provision) against lease, loan and other receivables		6,251,040	(14,426,836)	-	(4,400,677)
Reversal of provision in the value of investment		68,826,000	-	-	-
		<u>75,077,040</u>	<u>(14,426,836)</u>	<u>-</u>	<u>(4,400,677)</u>
(Loss)/Profit before taxation		<u>(17,202,396)</u>	<u>(300,611,525)</u>	<u>(11,691,844)</u>	<u>(124,732,012)</u>
Provision for taxation	25	52,312,395	2,028,795	(207,033)	554,513
(Loss)/Profit after taxation		<u>(69,514,791)</u>	<u>(302,640,320)</u>	<u>(11,484,811)</u>	<u>(125,286,525)</u>
(Loss) /earning per share - basic/ diluted	26	<u>(0.48)</u>	<u>(5.77)</u>	<u>(0.15)</u>	<u>(5.43)</u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Consolidated Condensed Interim Statement Of Comprehensive Income (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

	<u>Nine Months Ended</u>	
	31 March	
	2013 Rupees	2012 Rupees
Loss after taxation for the period	(69,514,791)	302,640,320)
Will not be reclassified subsequently to profit or loss		
Other comprehensive income / loss	-	-
Transferred from surplus on revaluation of fixed assets to un-appropriated profit- net of tax	862,270	198,561
Total comprehensive loss for the period	<u><u>(68,652,521)</u></u>	<u><u>(302,441,759)</u></u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine months ended	
	31 March 2013 Rupees	31 March 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(17,202,396)	(300,611,525)
Adjustments for non cash / non operating items:		
Depreciation and amortization	6,170,408	5,270,293
Amortization of initial transaction cost of term finance certificates	2,097,192	1,410,696
Provision for staff service cost	4,214,103	-
(Reversal of)/Provision for potential lease, term loan losses and other receivables	(6,251,040)	14,426,836
Lease receivables written off	45,856,419	18,091,523
Finance cost	36,876,671	417,567,526
Loss/(Gain) on disposal of fixed assets	(786,921)	(388,331)
Unrealized loss on revaluation of held for trading investments	-	(1,759,199)
Loss on disposal of available for sale investments	-	45,120
Provision for / (appreciation) in the value of investments	(68,826,000)	-
	<u>19,350,832</u>	<u>454,664,464</u>
Operating profit before working capital changes	2,148,436	154,052,939
Changes in operating assets and liabilities:		
(Increase) / decrease in assets:		
Long term and short term loans and advances	139,550,729	131,597,219
Net investment in lease finance	136,031,589	205,612,532
Other receivables - long term	-	11,867,400
Long term deposits	(466,810)	(975,000)
Short term placements and short term investments	(1,129,005,480)	11,332,680
Short term prepayments	14,919,893	(25,732,262)
Markup accrued	41,640,339	(48,480,934)
Other receivables - short term	2,150,626	7,001,390
	<u>(795,179,114)</u>	<u>303,600,825</u>
Increase / (decrease) in liabilities:		
Certificates of investment	(280,445,686)	34,308,913
Trade and other payables	(23,819,647)	(37,449,814)
	<u>(304,265,333)</u>	<u>(3,140,901)</u>
Cash (used in)/generated from operations	(1,099,444,447)	300,459,924
	<u>(1,097,296,011)</u>	<u>454,512,863</u>
Finance cost paid	(55,745,659)	(267,976,161)
Taxes paid	160,629	(2,759,991)
Staff service cost paid	(4,856,114)	(962,391)
	<u>(60,441,144)</u>	<u>(271,698,543)</u>
Net cash (used in) from operating activities	(1,157,737,155)	182,814,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal/(Purchase) of property and equipment	(500,720,724)	(49,670)
Long term investments and deposits	(63,673,050)	3,812,500
Sale proceeds from disposal of:		
Fixed assets	68,964,871	1,610,734
Non current assets held for sale	476,368,866	-
Net cash generated from investing activities	(19,060,037)	5,373,564

Trust Investment Bank Limited

		<u>Nine months ended</u>	
		<u>31 March</u>	<u>31 March</u>
		<u>2013</u>	<u>2012</u>
Note		Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES			
	Long and short term borrowings	(534,432)	(60,549,502)
	Long term morabaha	-	(4,000,000)
	Subordinated loan obtained	1,172,636,614	-
	Redemption of term finance certificates	-	(133,215,442)
	Dividend paid	552,909	(1,449)
	Net cash generated from financing activities	<u>1,172,830,969</u>	<u>(197,766,393)</u>
	Net decrease in cash and cash equivalents	<u>(3,966,223)</u>	<u>(9,578,509)</u>
	Cash and cash equivalents at the beginning of the period	<u>(29,475,521)</u>	<u>(12,498,133)</u>
	Cash and cash equivalents at the end of the period	<u>27</u> <u>(33,441,744)</u>	<u>(22,076,642)</u>

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

Consolidated Condensed Interim Statement Of Changes In Equity (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Ordinary Shares	Preference Shares	RESERVES				Total	
			Capital Statutory reserve	General reserve	Revenue			Sub Total
					Accumulated loss			
							----- Rupees -----	
Balances as at 01 July 2011	585,528,729	306,500,000	240,030,907	61,000,000	(1,092,906,825)	(791,875,918)	100,152,811	
Total comprehensive loss for the period	-	-	-	-	(302,640,320)	(302,640,320)	(302,640,320)	
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 December 2011	-	-	-	-	(35,031,269)	(35,031,269)	(35,031,269)	
Transferred from surplus on revaluation of fixed assets to un-appropriated profit-net of tax	198,561	198,561	198,561					
Balance as at 31 March 2012	<u>585,528,729</u>	<u>306,500,000</u>	<u>240,030,907</u>	<u>61,000,000</u>	<u>(1,430,379,853)</u>	<u>(1,129,348,946)</u>	<u>(237,320,217)</u>	
Balances as at 01 July 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,166,927,764)	(1,865,896,857)	(973,868,128)	
Total comprehensive loss for the period	-	-	-	-	(68,652,521)	(68,652,521)	(68,652,521)	
Dividend on preference shares @ 1 year Kibor + 100 BPS for the period ended 31 March 2013	-	-	-	-	40,452,438	40,452,438	40,452,438	
Balance as at 31 March 2013	<u>585,528,729</u>	<u>306,500,000</u>	<u>240,030,907</u>	<u>61,000,000</u>	<u>(2,195,127,847)</u>	<u>(1,894,096,940)</u>	<u>(1,002,068,211)</u>	

The annexed notes from 1 to 30 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

Notes To The Consolidated Condensed Interim Financial Statements (Un-Audited)

FOR THE NINE MONTHS ENDED MARCH 31, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 Parent Company

2.1 Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 6th Floor, M M Tower, 28 - A / K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

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

3 Basis of Consolidation

3.1 The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2013.

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

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

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

If the Group loses control over a subsidiary, it:

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Taxation

Current:

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

Deferred:

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

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

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

4.2. Property and equipment

These are stated at historical cost/revalued amount less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the diminishing balance method, except vehicles for which straight line method is used, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives.

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

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

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

4.3. Intangible assets

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

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

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

4.4. Non current assets - held for sale

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

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

		(Un-audited) 31 March 2013 Rupees	(Audited) 30 June 2012 Rupees
5	FIXED ASSETS		
	Tangible		
	Property and equipment - parent	5.1 587,691,297	102,015,705
	Property and equipment - subsidiary	1,019,244	
	Capital work in progress	5.2 255,121,000	316,432,600
	Intangible assets		
	Parent	441,093	520,491
	Subsidiary	30,686,494	31,372,990
		<u>874,959,128</u>	<u>418,968,796</u>
5.1.	Property and equipment		
	Opening book value - parent	102,015,705	87,254,865
	Add: Additions during 6 months / 12 months	5.1.1 500,720,724	74,740,168
		602,736,429	161,995,033
	Less: Deletions during 6 months / 12 months	5.1.2 10,776,999	61,390,628
		591,959,430	100,604,405
	Less: Depreciation during 6 months / 12 months	6,037,214	7,000,892
		585,922,216	93,603,513
	Add: Depreciation adjustments for assets sold during 6 months / 12 months	2,921,520	8,412,192
	Book value at the end of 6 months / 12 months	<u>588,843,736</u>	<u>102,015,705</u>
5.1.1.	Additions during 6 months / 12 months		
	Land	500,000,000	-
	Building on freehold land	-	70,000,000
	Office equipment and machines	720,724	1,250,471
	Furniture & Fixture	240,027	
	Vehicles	-	3,249,670
		<u>500,720,724</u>	<u>74,740,168</u>
5.1.2.	Deletions during 6 months / 12 months		
	Land	-	22,000,000
	Building on freehold land	6,454,499	33,521,558
	Office equipment and machines	87,500	568,433
	Furniture and fixtures	-	730,740
	Air-conditioning equipment	1,035,000	286,301
	Vehicles	3,200,000	4,283,596
		<u>10,776,999</u>	<u>61,390,628</u>

Trust Investment Bank Limited

	(Un-audited)	(Audited)
	31 March 2013 Rupees	30 June 2012 Rupees
5.1.3. Book value at the end of 6 months / 12 months		
Land	500,000,000	-
Building on freehold land	67,374,997	74,751,786
Lease hold improvements	7,803,126	9,180,178
Office equipment and machines	5,194,573	6,108,176
Furniture and fixtures	6,000,134	6,935,259
Air-conditioning equipment	1,032,036	1,789,650
Vehicles	286,431	3,250,655
	<u>587,691,297</u>	<u>102,015,704</u>
5.2. Capital work in progress		
Opening balance	316,432,600	145,249,000
Additions	6,451,465	171,183,600
Disposal		
Cost	(67,763,065)	-
Revaluation Surplus	-	-
	(67,763,065)	-
Revaluation deficit	-	-
Closing balance	<u>255,121,000</u>	<u>316,432,600</u>
6 LONG TERM INVESTMENTS		
Longterm investment subsidiary	133,123,750	-
Investment in Shares-unquoted -at cost	2,250,000	2,250,000
Investment in Term Finance Certificates and Sukuks-unquoted	74,672,300	141,374,250
	210,046,050	143,624,250
Less: Provision against doubtful investments	17,566,596	86,392,596
	<u>192,479,454</u>	<u>57,231,654</u>
Less: Current portion of long term investments	24,392,000	15,468,750
	<u>168,087,454</u>	<u>41,762,904</u>
7 LONG TERM LOANS AND ADVANCES		
LOANS		
Secured:		
Employees - considered good	1,147,854	3,678,952
Companies, organizations and individuals		
Considered good	35,632,794	51,923,030
Considered doubtful	7,047,805	7,047,805
	42,680,599	58,970,835
ADVANCES		
Un-secured:		
Companies, organizations and individuals		
Considered doubtful	397,838,899	397,838,899
	441,667,352	460,488,686
Less: provision against doubtful loans	399,816,412	398,842,509
	41,850,940	61,646,177
Less : Current portion of long term loans and advances	37,145,263	39,533,250
	<u>4,705,677</u>	<u>22,112,927</u>

	(Un-audited)	(Audited)
	31 March 2013 Rupees	30 June 2012 Rupees
7.1. Provision against doubtful loans		
Opening balance	398,842,509	5,158,165
Charge for the year	973,903	393,709,628
Reversal	-	(25,284)
Closing balance	<u>399,816,412</u>	<u>398,842,509</u>
8 NET INVESTMENT IN LEASE FINANCE		
Lease payments receivable	1,402,316,541	1,620,342,394
Add: Residual value	422,946,266	513,812,155
Gross investment in leases	<u>1,825,262,807</u>	<u>2,134,154,549</u>
Less: Unearned finance income	7,911,884	30,076,591
Income suspended	172,644,609	181,890,491
Provision for lease losses	282,132,526	289,499,142
	<u>462,689,019</u>	<u>501,466,224</u>
Net investment in lease finance	<u>1,362,573,788</u>	<u>1,632,688,325</u>
Less: Current portion of net investment in lease finance	9 1,271,938,309	1,503,757,405
	<u>90,635,479</u>	<u>128,930,920</u>
9 CURRENT MATURITIES OF NON-CURRENT ASSETS		
Long term investments	6 24,392,000	15,468,750
Long term loans and advances	7 37,145,263	39,533,250
Net investment in lease finance Subsidiary	8 1,271,938,309	1,503,757,405
	6,247,500	
	<u>1,339,723,072</u>	<u>1,558,759,405</u>
10 SHORT TERM LOANS AND ADVANCES		
Short term loans	10.1 107,154,619	231,955,017
Short term advances	30,695,097	26,624,094
	<u>137,849,716</u>	<u>258,579,111</u>
10.1 Short term loans		
Companies, organizations and individuals		
Secured		
Considered good	107,154,619	231,955,017
Unsecured		
Considered doubtful	650,000	650,000
	107,804,619	232,605,017
Less: provision against doubtful finances	650,000	650,000
	<u>107,154,619</u>	<u>231,955,017</u>
11 SHORT TERM PLACEMENTS		
Repurchase agreement lendings (Reverse Repo)-unsecured	7,022,877	7,022,877
Considered good		
Placement against Property	35,000,000	35,000,000
	42,022,877	42,022,877
Less: Provision against doubtful lending	7,022,877	7,022,877
	<u>35,000,000</u>	<u>35,000,000</u>

Trust Investment Bank Limited

	Note	(Un-audited)	(Audited)
		31 March 2013 Rupees	30 June 2012 Rupees
12 SHORT TERM INVESTMENTS			
Related parties-at cost			
Short term investment by subsidiary		10,126,500	-
Investment in shares-unquoted	12.1	1,129,005,480	-
		1,139,131,980	-
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. this also includes the Land (previously kept as assets classified as held for sale) converted into shares amounting to Rs. 476.368 million.		
13 OTHER RECEIVABLES			
Receivable from broker - considered good		21,143,275	21,143,275
Miscellaneous receivables from lessees:			
Considered good		2,699,682	22,803,954
Considered doubtful		319,457,804	317,742,732
		322,157,486	340,546,686
Other receivables			
Considered good		47,280,537	49,050,901
Considered doubtful		3,920,248	3,920,248
		51,200,785	52,971,149
		394,501,546	414,661,110
Less: provisions for doubtful receivable		321,817,749	321,676,076
		72,683,797	92,985,034
14 CASH AND BANK BALANCES			
Cash in hand		134,158	457,065
Cash at Banks:			
Current accounts		786,560	512,963
Deposit accounts		5,051,070	9,502,415
		5,837,630	10,015,378
		5,971,788	10,472,443
15 LONG TERM FINANCING-SUBORDINATED LOAN			
Subordinated Loan (Tricon Developers Ltd.)	15.1	400,646,237	400,646,237
Subordinated Loan(Asif Kamal)	15.2	672,636,614	-
Subordinated Loan(Khurshid Malik)	15.3	500,000,000	-
		1,573,282,851	400,646,237
15.1	The Bank shall issue shares against this amount of Rs. 400,646,237/- to Mr. Asif Kamal after obtaining approval from SECP.		
15.2	This Represents the amount of subordinated Loan from the Mr. Asif Kamal in the form of 672,636,61.4 shares of Tricon Developers Limited at face value of Rs. 10/- per share. The acquisition of shares of Tricon Developers has been duly approved through special resolution in shareholder's extra ordinary general meeting held on September 05, 2012. As per the terms & conditions of the subordinated loan agreement amended through addendum dated June 29, 2012. The Bank shall issue shares amounting to Rs.1,093,282,851/- including the amount of Rs. 400,646,237/- as mentioned above in Note # 15.1 to Mr. Asif Kamal after obtaining approval from SECP.		

15.3 This Represents the amount of subordinated Loan from the Mr. Khursheed Malik, representative of a group of investors, in the form of Land measuring 17 acers located at Survey # 339, 340 and 348, Deh Mehran, Tappo Malir, Dist. Malir, Karachi. The Bank shall issue preference and common shares at face value in composition of 50:50 of the equity value determined by the bank after due completion of formalities and approval from SECP.

		(Un-audited)	(Audited)
		31 March 2013 Rupees	30 June 2012 Rupees
16 LONG TERM FINANCING - OTHER			
Banking companies and other financial institutions-secured	16.1	87,412,376	168,627,292
Banking companies and other financial institutions-unsecured	16.2	-	-
Term finance certificates (TFC) - secured	16.3	-	69,965,316
		<u>87,412,376</u>	<u>238,592,608</u>
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	<u>790,947,397</u>	<u>709,732,481</u>
		<u>87,412,376</u>	<u>168,627,292</u>
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	<u>17,251,959</u>	<u>17,251,959</u>
		<u>-</u>	<u>-</u>
16.3 Term finance certificates (TFC) - secured			
TFC III		230,583,980	221,212,730
Less: Unamortized portion of the initial transaction cost		<u>470,239</u>	<u>1,880,935</u>
		<u>230,113,741</u>	<u>219,331,795</u>
Less: Current portion shown under current liabilities	22	<u>230,113,741</u>	<u>149,366,479</u>
		<u>-</u>	<u>69,965,316</u>
17 LONG TERM MORABAHA			
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities	22	<u>15,500,000</u>	<u>15,500,000</u>
		<u>-</u>	<u>-</u>
18 LONG TERM CERTIFICATES OF INVESTMENT			
Local currency			
- Corporate			
Secured		27,294,972	39,977,207
Unsecured		<u>213,363,669</u>	<u>241,299,177</u>
		<u>240,658,641</u>	<u>281,276,384</u>
- Individuals		10,100,000	12,800,000
		<u>250,758,641</u>	<u>294,076,384</u>
Less: Current portion shown under current liabilities	22	<u>240,814,869</u>	<u>262,863,737</u>
		<u>9,943,772</u>	<u>31,212,647</u>

Trust Investment Bank Limited

		(Un-audited) 31 March	(Audited) 30 June
		2013 Rupees	2012 Rupees
19	LONG TERM DEPOSITS		
	Margin against letters of guarantee	158,665,694	164,252,852
	Deposits against lease arrangements	421,821,535	511,827,522
	Less: Current portion shown under current liabilities	406,305,788	482,478,149
		15,515,747	29,349,373
		<u>174,181,441</u>	<u>193,602,225</u>
20	SHORT TERM BORROWINGS		
	Banking companies and other financial institutions:		
	Running finances - secured	<u>39,413,532</u>	<u>39,947,964</u>
21	SHORT TERM CERTIFICATES OF INVESTMENT		
	Local currency		
	- Financial institutions	12,850,006	16,950,000
	- Corporate	1,385,130,586	1,517,413,136
	- Individuals	83,885,171	174,630,570
		<u>1,481,865,763</u>	<u>1,708,993,706</u>
22	CURRENT MATURITIES OF NON CURRENT LIABILITIES		
	Long term financing from banking companies and other financial institutions		
	Secured	16.1 790,947,397	709,732,481
	Unsecured	16.2 17,251,959	17,251,959
	Term finance certificates - secured	16.3 230,113,741	149,366,479
	Long term Morabaha	17 15,500,000	15,500,000
	Certificates of investment	18 240,814,869	262,863,737
	Long term deposits	19 406,305,788	482,478,149
		<u>1,700,933,754</u>	<u>1,637,192,805</u>
23	TRADE AND OTHER PAYABLES		
	Advance receipt against leases	19,220,578	49,458,150
	Unclaimed dividend	3,098,411	3,099,758
	Preference dividend payable	57,471,716	98,475,716
	Accrued liabilities	10,895,508	11,176,860
	Other liabilities	113,192,765	110,882,145
		<u>203,878,978</u>	<u>273,092,629</u>

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

The Company has issued guarantees to various parties on behalf of clients amounting to Rs.1,272.80 Million (June 30, 2012: Rs. 772.471 million).

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

CASES AGAINST BANK

Party Name	Amount	Court
	(Millions)	
Privatization Commission of Pakistan	270.00	Senior Civil Judge, Islamabad.
The Bank of Punjab	326.00	Lahor High Court.
Summit Bank Limited	95.93	Lahor High Court.
The Punjab Provincial Co-operative bank Ltd.	103.00	Registrar Co-operative Societies, Punjab, Lahore.
House Building Finance Company Limited	6.59	Banking Court-V at Karachi
Levi's Strauss Pakistan (Pvt.) Limited	98.00	Civil Judge, Lahore.
Trading Corporation of Pakistan	87.50	Sindh High Court
Shifa Co-operative Housing Society	10.00	Additional Session Judge, Lahore.
Shifa International Hospital	5.00	Additional Session Judge, Lahore.

24.2 Commitments

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

	Nine Months ended		Quarter ended		
	31 March 2013 Rupees	31 March 2012 Rupees	31 March 2013 Rupees	31 March 2012 Rupees	
25 TAXATION					
Current	719,227	1,474,282	(207,033)	548,022	
Deferred	51,593,168	-	-	-	
	<u>52,312,395</u>	<u>1,474,282</u>	<u>(207,033)</u>	<u>548,022</u>	
26 (LOSS)/EARNING PER SHARE					
(Loss)/Profit for the year after taxation and preference dividend	Rs.	<u>(28,200,083)</u>	<u>(337,671,589)</u>	<u>(8,760,302)</u>	<u>(181,154,556)</u>
Weighted average number of ordinary shares	No.	<u>58,552,872</u>	<u>58,552,872</u>	<u>58,552,872</u>	<u>58,552,873</u>
(Loss)/Earning per share - basic	Rs.	<u>(0.48)</u>	<u>(5.77)</u>	<u>(0.15)</u>	<u>(3.09)</u>

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.

	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>31 March</u>	<u>30 June</u>
	<u>2013</u>	<u>2012</u>
	<u>Rupees</u>	<u>Rupees</u>
27 CASH AND EQUIVALENTS		
Cash and bank balances	5,971,788	10,352,204
Short term running finance	<u>(39,413,532)</u>	<u>(39,947,964)</u>
	<u>(33,441,744)</u>	<u>(29,595,760)</u>

28 DATE OF AUTHORIZATION

These condensed interim financial statements are authorized for issue by the Board of Directors of the Company on April 30, 2013.

29 GENERAL

29.1 Comparative figures have been rearranged / reclassified, wherever necessary, for the purpose of comparison.

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