

3rd Quarterly Report (Un-audited)
For the period ended March 31, 2014

2014



Trust Investment
Bank Limited



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Trust Investment Bank Limited

Company Information

Board of Directors

Mr. Asif Kamal

Mr. Humayun Nabi Jan

Syed Sajjad Hussain Rizvi

Mr. Mamoon-ur-Rashid Qureshi

Mr. Ahsan Rafique

Director

Director

Director

Director

Chief Executive Officer

Registrars

Vision Consulting Limited

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

Tel: 042-36375531 & 36375339

Fax: 042-36312550

Auditors

Zahid Jamil & Company

Chartered Accountants

Registered Office & Head Office

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

Tel: 042-35817601-05

Fax: 042-35817600

Email: info@trustbank.com.pk

Website: www.trustbank.com.pk

Legal advisor

Chaudhry Mahmood Ur Rehman

Branch Network

1. Faisalabad Branch

1st Floor, 16-Chenab Market

Near UBL, Main Susan Road,

Faisalabad.

Tel: 041-8503306, Fax: 041-8737431

2. Multan Branch

22-A, Main Vehari Road,

Near Coca Cola Factory,

Multan.

3. Islamabad Branch

Suit No.306, 3rd Floor, ISE Tower,

Jinnah Avenue, Blue Area, Islamabad

Tel: 051-2894562, Fax: 051-2894561

4. Karachi Branch

KASB Fund Section, 5th Floor, Trade Center,

Opp. Saima Trade Tower,

I.I. Chundigar Road, Karachi.

Tel: 021-111-222-000, Fax: 021-32624635



DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present consolidated interim financial statement for the nine months ended March 31, 2014

Economic Review

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

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

Financial Results

The financial results for the nine month ended March 31, 2014 in comparison with March 31, 2013 are as follows:

	March 31, 2014	(Rupees)	March 31,2013
Revenue	91,304,405		64,921,331
Operating Expenses	(60,578,375)		(86,379,586)
Financial Expenses	22,191,298		(38,305,258)
Other net operating income	41,431,556		13,340,496
Profit/ (loss) before provision & taxation	75,013,072		(92,279,436)
Provision (Reversal of Provision)	85,281,418		(22,764,645)
Profit/ (loss) after provision & taxation	(10,268,346)		(69,514,791)
Earnings/ (loss) per Share (Rs.)	(0.50)		(0.48)

Trust Investment Bank Limited

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

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

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

Future Outlook

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

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

Acknowledgement

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

For and on behalf of the Board of Directors

Lahore
April 29, 2014

Ahsan Rafique
President & Chief Executive Officer



Financial Statements

Trust Investment Bank Limited

3rd Quarterly report (un-audited)

March 31, 2014

Trust Investment Bank Limited

Condensed Interim Balance Sheet (Un-Audited) AS at 31 March 2014

ASSETS	Note	Un-audited	Audited
		31 March 2014 Rupees	30 June 2013 Rupees
Non-current assets			
Fixed assets	5	1,276,484,044	964,298,694
Long term investments	6	57,005,513	66,297,263
Long term loans and advances	7	11,611,274	8,395,333
Net investment in lease finance	8	-	-
Long term deposits		911,610	1,331,550
Deferred tax asset	9	390,931,678	515,931,678
Total non-current assets		1,736,944,119	1,556,254,518
Current assets			
Current maturities of non - current assets	10	1,195,359,860	1,277,848,272
Short term loans and advances	11	88,423,868	109,038,553
Short term placements	12	5,000,000	4,858,663
Short term investments	13	1,129,005,480	1,093,005,480
Short term prepayments		110,494	1,600,004
Markup accrued	14	212,428,586	203,091,749
Taxation - net		2,306,789	2,984,337
Other receivables	15	208,425,110	199,205,522
Cash and bank balances	16	3,849,029	5,642,474
		2,844,909,216	2,897,275,054
Assets classified as held for sale	17	-	-
Total current assets		2,844,909,216	2,897,275,054
TOTAL ASSETS		4,581,853,335	4,453,529,572
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		930,578,729	892,028,729
Reserves	19	(1,998,230,304)	(1,977,625,630)
		(1,067,651,575)	(1,085,596,901)
Surplus on revaluation of fixed assets-net	20	18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	21	2,080,958,476	1,696,282,851
Long term financing-others	22	26,555,333	26,555,333
Long term morabaha	23	-	-
Long term certificates of investment	24	-	24,970,202
Deferred liabilities	25	2,721,376	5,041,342
Long term deposits	26	-	61,424,576
Total non-current liabilities		2,110,235,185	1,814,274,304
Current liabilities			
Short term borrowings	27	39,413,532	39,413,532
Short term certificates of investment	28	1,303,621,166	1,399,355,968
Current maturities of non current liabilities	29	1,787,349,662	1,841,213,448
Mark-up accrued	30	246,571,789	247,170,291
Trade and other payables	31	143,802,076	179,187,430
Total current liabilities		3,520,758,225	3,706,340,669
		5,630,993,410	5,520,614,973
CONTINGENCIES AND COMMITMENTS	32	-	-
		4,581,853,335	4,453,529,572

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim Profit or Loss Account (Un-Audited)
For the Nine Months Ended March 31, 2014**

	Note	Nine Months ended		Quarter ended	
		31 March		31 March	
		2014	2013	2014	2013
		Rupees	Rupees	Rupees	Rupees
Income					
Income from lease operations		43,256,711	24,316,930	3,601,424	1,714,969
Income from investments		1,282,739	2,306,663	339,480	1,760,615
Income from term loans		46,714,681	33,243,365	19,915,809	10,139,805
		91,254,131	59,866,958	23,856,713	13,615,389
Finance cost		(22,290,439)	38,287,367	(25,958,477)	12,045,065
		113,544,570	21,579,591	49,815,190	1,570,324
Administrative and operating expenses		59,122,036	81,151,800	16,236,567	16,619,364
		54,422,534	(59,572,209)	33,578,623	(15,049,040)
Other operating income		41,431,556	12,691,865	21,320,603	6,504,051
		95,854,090	(46,880,344)	54,899,226	(8,544,989)
Other operating expenses		19,335,812	45,856,419	13,055,103	3,653,460
Operating loss before provisions and taxation		76,518,278	(92,736,763)	41,844,123	(12,198,449)
Provision / (Reversal) against lease and term loan		(42,839,806)	(6,251,040)	-	-
Impairment / (Reversal) of impairment in the value of investment		2,348,000	(68,826,000)	-	-
		(40,491,806)	(75,077,040)	-	-
Profit / (Loss) before taxation		117,010,084	(17,659,723)	41,844,123	(12,198,449)
Provision for taxation		125,773,224	52,312,395	45,000,000	(207,033)
Loss after taxation		(8,763,140)	(69,972,118)	(3,155,877)	(11,991,416)
Earnings / (Loss) per share - basic	33	(0.47)	(0.49)	(0.22)	(0.06)

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Trust Investment Bank Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Nine months Ended March 31, 2014

	Nine Months Ended	
	31 March	
	2014	2013
	Rupees	Rupees
Loss after taxation for the year	(8,763,140)	(69,972,118)
Will not be reclassified subsequently to profit or loss:		
Other comprehensive income/loss	-	-
Transferred from surplus on revaluation of fixed assets to accumulated loss-net of tax	-	862,270
Total comprehensive loss for the year	<u>(8,763,140)</u>	<u>(69,109,848)</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine months Ended March 31, 2014**

	Nine months ended	
	31 March	
	2014	2013
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	117,010,084	(17,659,723)
Adjustments for non cash / non operating items:		
Depreciation and amortization	5,387,769	6,037,214
Amortization of initial transaction cost over term finance certificates	-	1,410,696
Provision for staff service cost	400	4,214,103
Provision for potential lease and term loan losses	(42,839,806)	(6,251,040)
Lease receivables written off	19,335,812	45,856,419
Finance cost	(22,290,439)	36,876,671
Loss/(Gain) on disposal of fixed assets	(21,588,347)	(786,921)
Provision for / (application) in the value of investments	2,348,000	(68,826,000)
	<u>(59,646,611)</u>	<u>18,531,142</u>
Operating profit before working capital changes	57,363,473	871,419
Changes in operating assets and liabilities:		
(Increase) / decrease in:		
Long term loans and advances	8,791,177	139,550,729
Net investment in lease finance	115,380,479	136,031,589
Short term loans and advances	20,614,685	-
Long term deposit	419,940	(466,810)
Short term placements	(141,337)	-
Short term investments	(36,000,000)	(1,129,005,480)
Short term prepayments	1,489,510	14,919,893
Markup accrued	(9,935,339)	42,112,487
Other receivables	(9,219,588)	(127,764,117)
	<u>91,399,527</u>	<u>(924,621,709)</u>
Increase / (decrease) in liabilities:		
Certificates of investment	(142,093,395)	(280,445,686)
Trade and other payables	(35,385,354)	(23,819,647)
	<u>(86,079,222)</u>	<u>(1,228,887,042)</u>
Cash (used in) / generated from operations	<u>(28,715,749)</u>	<u>(1,228,015,623)</u>
Finance cost paid	(598,502)	(55,745,659)
Taxes paid	(96,076)	160,629
Staff service cost paid	(2,319,966)	(4,856,114)
	<u>(3,014,544)</u>	<u>(60,441,144)</u>
Net cash (used in) / generated from operating activities	<u>(31,730,293)</u>	<u>(1,288,456,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(383,621,323)	(500,720,724)
Long term investments	8,437,500	66,701,950
Long term deposits	(93,899,971)	-
Proceeds from disposal of:		
Fixed assets	114,345,017	68,964,871
Non current assets held for sale	-	476,368,866
Net cash used in investing activities	<u>(354,738,777)</u>	<u>111,314,963</u>

Trust Investment Bank Limited

	Nine months ended	
	31 March	
	2014	2013
	Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term and short term borrowing	-	(358,554)
Subordinated loan obtained	384,675,625	1,172,636,614
Dividend	-	552,909
Net cash generated from / (used in) financing activities	384,675,625	1,172,830,969
Net decrease in cash and cash equivalents	(1,793,445)	(4,310,835)
Cash and cash equivalents at the beginning of the year	(33,771,058)	(29,595,760)
Cash and cash equivalents at the end of the year	34 (35,564,503)	(33,906,595)

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
For the Nine months Ended March 31, 2014**

	Ordinary Shares	Preference shares	CAPITAL RESERVES		REVENUE RESERVES			Total
			Statutory reserve	General reserve	Accumulated losses	Sub Total		
Balance as at 01 July 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,134,655,367)	(1,833,624,460)	(941,595,731)	
Total comprehensive loss for the year	-	-	-	-	(138,619,310)	(138,619,310)	(138,619,310)	
Dividend on preference shares @ 1 year Kibor+100 BPS for the year ended 30 June 2013	-	-	-	-	(5,381,860)	(5,381,860)	(5,381,860)	
Balance as at 30 June 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,278,656,537)	(1,977,625,630)	(1,085,596,901)	
Total comprehensive loss for nine months	-	-	-	-	(8,763,140)	(8,763,140)	(8,763,140)	
Dividend on preference shares @ 1 year Kibor+100 BPS	-	-	-	-	(11,841,534)	(11,841,534)	(11,841,534)	
Balance as at 31 March 2014	724,453,729	206,125,000	240,030,907	61,000,000	(2,299,261,211)	(1,998,230,304)	(1,106,201,575)	

-----Rupees-----

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



Trust Investment Bank Limited

Notes to the Condensed Interim Financial Statements (Un-Audited) For the Nine months Ended March 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Trust Investment Bank Limited and its subsidiary company ("the Group") comprises of holding company Trust Investment Bank Limited ("TIBL") and a wholly owned subsidiary company Trust Capital (Private) Limited ("TCPL).
- 1.2** Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 6th Floor, M M Tower, 28 - A / K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).
- 1.3** The financial statements for the period ended March 31, 2014 reflect loss after taxation of Rs. 8.763 million and as of the said date, the accumulated losses of the company amounts to Rs. 1,998.23 million resulting in shortfall of the minimum regulatory requirement of the equity. Further, the company's license to operate investment finance services is pending for renewal by the SECP as of the balance sheet date. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. However, in order to improve the equity of the company, subsequent to the year, the Shareholder of the Bank has approved the acquisition of such number of ordinary shares of Tricon Developers Limited from Mr. Asif Kamal and property 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 shall be treated as a subordinated loan which shall be available for issuance of shares of Trust Bank. Sanction of approval from SECP is in progress. These 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.

2. BASIS OF MEASUREMENT

- 2.1** These interim financial information are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2013.
- 2.2** These condensed interim financial statements have been prepared in accordance with the requirements of the disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) - 34. These do not include all the information and disclosures made in the annual published financial statements and therefore should be read in conjunction with the financial statements of the company for the year ended June 30, 2013.
- 2.3** The classifications and provisioning requirements against non-performing assets have been considered in accordance with the applicable requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3. ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2013.

4. 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 June 30, 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.

		(Un-Audited)	Audited
		31 March 2014	30 June 2013
Tangible	Note	Rupees	Rupees
Property, plant and equipment	5.1	127,549,463	85,763,067
Capital work in progress	5.2	1,148,599,352	878,121,000
Intangible assets	5.4	335,229	414,627
		1,276,484,044	964,298,694

5.1. Property, plant and equipment

PARTICULARS	2014							Rate %
	ACCUMULATED DEPRECIATION							
	As at 01 July 2013	Additions during the year	Deletions during the year	As at 31 March 2014	As at 01 July 2013	For the year	Deletions 31 March 2014	
Owned		42,077,878		42,077,878				42,077,878
Land	-	-	-	73,015,000	3,537,691	2,605,392	6,143,083	66,871,917
Building on freehold land	73,015,000			19,668,157	14,809,861	728,739	15,538,600	4,129,557
Leasehold improvements	19,668,157			18,350,273	13,246,341	728,761	13,966,918	4,388,355
Office equipment and machines	18,071,381	342,392	(63,500)	12,329,702	6,886,558	408,240	7,294,798	5,034,904
Furniture and fixtures	12,329,702			1,964,028	1,064,950	67,446	1,132,396	831,632
Air-conditioning equipment	1,964,028	5,212,997	(475,000)	5,617,853	619,656	793,804	1,397,633	4,220,220
Vehicles	879,856			175,022,891	40,165,087	5,332,882	(24,011)	127,549,463
	135,928,124	47,633,267	(538,500)	175,022,891	40,165,087	5,332,882	(24,011)	127,549,463

5.2. Capital work in progress

	(Un-Audited) 31 March 2014	Audited 30 June 2013
Opening Balance	878,121,000	316,432,600
Additions	395,000,000	634,851,465
Disposal Cost	1,271,121,000	951,284,065
Revaluation (deficit) / surplus	(122,521,648)	(73,163,065)
Closing balance	1,148,599,352	878,121,000

5.3. Particulars of Capital work in progress

	(Un-Audited) 31 March 2014	Audited 30 June 2013
Tricon Corporate Centre	108,249,000	108,249,000
China Centre	65,972,230	146,872,000
Land at Jai Road Lahore	267,000,000	267,000,000
Land at Atyala road Rawalpindi	314,378,122	356,000,000
Land at Main Mohlanwal Road Mozang Chungi	153,000,000	-
Land at Kalar Kahar	240,000,000	-
	1,148,599,352	878,121,000

5.4. Intangible Assets

PARTICULARS	2014			
	AMORTIZATION			
	As at 01 July 2013	As at 31 March 2014	Deletions 31 March 2014	As at 31 March 2014
	1,294,383	1,294,383	-	959,154
Software Licenses	1,294,383	879,756	79,398	385,229
	1,294,383	879,756	79,398	959,154

Trust Investment Bank Limited

		(Un-audited)	Audited
		31 March	30 June
		2014	2013
6. LONG TERM INVESTMENTS		Rupees	Rupees
Investment in subsidiary-at cost		60,000,000	60,000,000
Investment in Term Finance Certificates and Sukuks		66,234,800	74,672,300
		<u>126,234,800</u>	<u>134,672,300</u>
Less: Impairment in the value of investments		39,387,287	37,039,287
		<u>86,847,513</u>	<u>97,633,013</u>
Less: Current portion of long term investments	10	29,842,000	31,335,750
		<u>57,005,513</u>	<u>66,297,263</u>
7. LONG TERM LOANS AND ADVANCES			
Secured:			
Employees - considered good		588,949	2,371,991
Companies, organizations and individuals			
Considered good		33,434,794	39,792,931
Considered doubtful		7,047,805	7,047,805
		<u>40,482,599</u>	<u>46,840,736</u>
		<u>41,071,548</u>	<u>49,212,727</u>
Un-secured:			
Companies, organizations and individuals - Considered doubtful		397,838,900	397,838,899
		<u>438,910,448</u>	<u>447,051,626</u>
Less: provision against doubtful loans		401,726,412	401,076,412
		<u>37,184,036</u>	<u>45,975,214</u>
Less : current maturity	10	25,572,763	37,579,881
		<u>11,611,274</u>	<u>8,395,333</u>
8. NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable		1,241,781,751	1,325,705,951
Add: Residual value		329,512,894	408,586,891
Gross investment in leases		<u>1,571,294,645</u>	<u>1,734,292,842</u>
Less: Unearned finance income		2,079,806	5,311,508
Income suspended		142,736,230	183,984,668
Provision for lease losses		286,533,512	336,064,025
		<u>431,349,548</u>	<u>525,360,201</u>
Net investment in lease finance		<u>1,139,945,097</u>	<u>1,208,932,641</u>
Less: Current portion of net investment in lease finance	10	1,139,945,097	1,208,932,641
		<u>-</u>	<u>-</u>



	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>
9. DEFERRED TAX ASSET		
Taxable temporary differences		
Accelerated depreciation for tax purposes	(9,105,030)	(9,105,030)
Leasing Finance	(345,554,360)	(345,554,360)
Deductible temporary differences		
Provision against investments	(99,212,500)	787,500
Taxable losses	869,803,568	869,803,568
	<u>390,931,678</u>	<u>515,931,678</u>
9.1. Movement in deferred tax asset		
Opening balance as at July 01, 2013	515,931,678	515,931,678
Provision made during the year	(125,000,000)	-
Closing balance as at March 31, 2014	<u>390,931,678</u>	<u>515,931,678</u>
10. CURRENT MATURITIES OF NON-CURRENT ASSETS		
Long term investments	6 29,842,000	31,335,750
Long term loans and advances	7 25,572,763	37,579,881
Net investment in lease finance	8 1,139,945,097	1,208,932,641
	<u>1,195,359,860</u>	<u>1,277,848,272</u>
11. SHORT TERM LOANS AND ADVANCES		
Short term loans-Secured	11.1 63,939,126	94,687,143
Short term advances	24,484,742	14,351,410
	<u>88,423,868</u>	<u>109,038,553</u>
11.1. Short term loans-Secured		
Companies, organizations and individuals		
Considered good	63,939,126	94,687,143
Considered doubtful	-	650,000
	63,939,126	95,337,143
Less: Provision against doubtful loans	-	650,000
	<u>63,939,126</u>	<u>94,687,143</u>
12. SHORT TERM PLACEMENTS		
Repurchase agreement lendings (Reverse Repo)	7,022,877	7,022,877
TDR	4,000,000	3,000,000
Placement with Kasb Liquid Fund against preference Shares	-	-
Placement with First Fidelity Leasing Modarba	1,000,000	1,858,663
	12,022,877	11,881,540
Less: Provision against doubtful lending	7,022,877	7,022,877
	<u>5,000,000</u>	<u>4,858,663</u>
13. SHORT TERM INVESTMENTS		
Associated company		
Un-quoted		
TRICON Developers Limited		
112,900,548 (2013:109,300,548) fully paid ordinary shares of Rs. 10 each.	1,129,005,480	1,093,005,480

Trust Investment Bank Limited

	(Un-audited)	Audited			
	31 March	30 June			
	2014	2013			
	Rupees	Rupee			
14. MARKUP ACCRUED					
Mark-up accrued on:					
Term finance certificates and Sukuks	728,307	1,202,748			
Short term and long term loans	29,567,534	18,626,486			
Investments in lease	182,076,244	183,206,014			
Short term placements	56,501	56,501			
	<u>212,428,586</u>	<u>203,091,749</u>			
15. OTHER RECEIVABLES					
Receivable from broker - considered good	151,143,275	21,143,275			
Miscellaneous receivables from lessees:					
Considered good	22,803,954	22,803,954			
Considered doubtful	308,548,991	345,202,043			
	331,352,945	368,005,997			
Other receivables					
Considered good	49,536,713	178,633,549			
Considered doubtful	4,625,524	4,625,524			
	54,162,237	183,259,073			
	536,658,457	572,408,345			
	328,233,347	373,202,823			
Less: Provision for doubtful receivables	<u>208,425,110</u>	<u>199,205,522</u>			
16. CASH AND BANK BALANCES					
Cash in hand	59,561	92,067			
With banks in:					
Current accounts	244,194	244,194			
Deposit accounts	3,545,274	5,306,213			
	3,789,468	5,550,407			
	<u>3,849,029</u>	<u>5,642,474</u>			
17. NON CURRENT ASSETS HELD FOR SALE					
The assets amounting to Rs. 476 milion classified as held for sale have been disposed off in consideration of Shares of M/s Tricon Developers.					
18. SHARE CAPITAL					
	2014	2013		2014	2013
	No. of shares	No. of shares	Authorized	Rupees	Rupees
	80,000,000	80,000,000	Ordinary shares of Rs. 10 each	800,000,000	800,000,000
	70,000,000	70,000,000	Preference shares of Rs. 10 each	700,000,000	700,000,000
	<u>150,000,000</u>	<u>150,000,000</u>		<u>1,500,000,000</u>	<u>1,500,000,000</u>
			Issued, subscribed and paid up		
			Ordinary shares of Rs. 10 each fully paid-up in cash	340,354,840	201429840
	34,035,484	20,142,984	Ordinary shares of Rs. 10 each issued as bonus shares	384,098,889	384,098,889
	38,409,889	38,409,889	Preference shares of Rs. 10 each issued	206,125,000	306,500,000
	<u>20,612,500</u>	<u>30,650,000</u>		<u>930,578,729</u>	<u>892,028,729</u>
	<u>93,057,873</u>	<u>89,202,873</u>			
				(Un-audited)	Audited
				31 March	30 June
				2014	2013
19. RESERVES				Rupees	Rupees
Capital reserves					
Statutory reserve				240,030,907	240,030,907
				<u>240,030,907</u>	<u>240,030,907</u>
Revenue reserves					
General reserve				61,000,000	61,000,000
Accumulated loss				(2,299,261,211)	(2,278,656,537)
				<u>(2,238,261,211)</u>	<u>(2,217,656,537)</u>
				<u>(1,998,230,304)</u>	<u>(1,977,625,630)</u>



		(Un-audited)	Audited
	Note	31 March 2014 Rupees	30 June 2013 Rupees
20. SURPLUS ON REVALUATION OF FIXED ASSETS			
Building		-	0
Capital work in progress	20.1	<u>18,511,500</u>	<u>18,511,500</u>
		<u>18,511,500</u>	<u>18,511,500</u>
20.1. Particulars of surplus on revaluation of fixed assets			
Opening balance as at July 01, 2013		18,511,500	19,373,770
Addition during the year		-	-
Deletion during the year		-	(829,359)
Transferred		-	(32,911)
Closing balance as at March 31, 2014		<u>18,511,500</u>	<u>18,511,500</u>
21. LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	21.1	<u>2,080,958,476</u>	<u>400,646,237</u>
21.1. Long term financing-Subordinated loan			
Opening balance as at July 01, 2013		1,696,282,851	400,646,237
Addition during the year		393,000,000	1,295,636,614
Paid during the year		8,324,375	-
Closing balance as at March 31, 2014	21.2	<u>2,080,958,476</u>	<u>1,696,282,851</u>
21.2. Particulars of subordinated loan			
Loan from:			
Directors-Asif Kamal		973,282,851	973,282,851
Associated undertakings-Tricon Developers		100,000,000	100,000,000
Muhammad Akram		614,675,625	623,000,000
Imran Mehmood		240,000,000	-
Muhammad Fayyaz Ahmad		153,000,000	-
		<u>2,080,958,476</u>	<u>1,696,282,851</u>
22. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	22.1	26,555,333	26,555,333
Banking companies and other financial institutions-Unsecured		-	-
Term finance certificates (TFC)-Secured		-	-
		<u>26,555,333</u>	<u>26,555,333</u>
22.1. Banking companies and other financial institutions-Secured			
The Bank of Punjab		296,077,333	296,077,333
Allied Bank Limited		70,000,005	70,000,005
Pak Oman Investment Company (Pvt.) Limited		5,161,297	5,161,297
The Bank of Khyber		27,777,780	27,777,780
Standard Chartered Bank Limited		49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)		81,640,625	81,640,625
First Women Bank Limited		64,027,397	64,027,397
CDC Trustee Askari Income Fund		126,250,000	126,250,000
PAK Brunei Investment Company		2,536,941	2,536,941
IGI Investment Bank Limited		67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited		88,058,721	88,058,721
		<u>878,359,773</u>	<u>878,359,773</u>
Less: Current portion shown under current liabilities	29	<u>851,804,440</u>	<u>851,804,440</u>
		<u>26,555,333</u>	<u>26,555,333</u>
23. LONG TERM MORABAHA			
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities	29	<u>15,500,000</u>	<u>15,500,000</u>
24. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		24,805,099	32,345,202
Unsecured		176,195,179	212,913,669
- Individuals		6,600,000	8,700,000
		<u>207,600,278</u>	<u>253,958,871</u>
Less: Current portion shown under current liabilities	29	<u>207,600,278</u>	<u>228,988,669</u>
		<u>-</u>	<u>24,970,202</u>

Trust Investment Bank Limited

		<u>(Un-audited)</u>	<u>Audited</u>
		31 March	30 June
		2014	2013
25. DEFERED LIABILITIES	Note	Rupees	Rupee
Gratuity		1,542,340	3,601,840
Leave encashment		<u>1,179,036</u>	<u>1,439,502</u>
		<u>2,721,376</u>	<u>5,041,342</u>
26. LONG TERM DEPOSITS			
Margin against letters of guarantee		135,977,005	150,997,616
Less: Current portion shown under current liabilities	29	139,396,555	139,396,555
		(3,419,550)	11,601,061
Deposits against lease arrangements		328,632,000	407,511,360
Less: Current portion shown under current liabilities	29	325,212,450	357,687,845
		3,419,550	49,823,515
27. SHORT TERM BORROWINGS		-	<u>61,424,576</u>
Banking companies and other financial institutions:			
Running finances - secured		<u>39,413,532</u>	<u>39,413,532</u>
28. SHORT TERM CERTIFICATES OF INVESTMENT			
- Financial institutions		12,850,006	12,850,006
- Corporate		1,251,172,878	1,358,107,680
- Individuals		39,598,282	28,398,282
		<u>1,303,621,166</u>	<u>1,399,355,968</u>
29. CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies & financial institutions			
Secured	22.1	851,804,440	851,804,440
Unsecured		17,251,959	17,251,959
Term finance certificates-Secured		230,583,980	230,583,980
Long term morabaha	23	15,500,000	15,500,000
Certificates of investment	24	207,600,278	228,988,669
Long term deposits	26	464,609,005	497,084,400
		<u>1,787,349,662</u>	<u>1,841,213,448</u>
30. MARK-UP ACCRUED			
Secured			
- Short and long term financing		89,375,472	89,375,472
- Term finance certificates		16,913,910	16,913,910
- Certificates of investment		196,278	196,278
		106,485,660	106,485,660
Unsecured			
- Certificates of investment		140,086,129	140,684,631
		<u>246,571,789</u>	<u>247,170,291</u>
31. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities		8,064,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		31,314,812	58,023,278
Accrued liabilities		16,481,903	11,575,105
Other liabilities		84,843,555	98,427,241
		<u>143,802,076</u>	<u>179,187,430</u>



32. CONTINGENCIES AND COMMITMENTS

32.1. Contingencies

There is no material change in the status of contingencies except following:

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 1,355 Million (June 30,2013: Rs. 1235.752 million).
- (b) The company has not recognised mark-up on financing from banking companies and financial institutions, term finance certificates, preference shares, certificates of investment, long term morabaha and on running finance, due to operational and financial constraints.

32.2. Commitments

There exists no commitment as at balance sheet date.

33. PROVISION FOR TAXATION

	(Un-audited)	Audited
	31 March	30 June
	2014	2013
	Rupees	Rupee
- Current tax	773,224	398,049
For the year	125,000,000	-
- Deferred tax	125,773,224	398,049

33. LOSS PER SHARE

Loss for the year after taxation and preference dividend	Rupees	(20,604,674)	(144,863,440)
Weighted average number of ordinary shares	Numbers	58,552,872	58,552,872
Loss per share - basic	Rupees	(0.47)	(2.47)

There is no dilutive effect on the basic earning / (loss) per share of the company.

34. CASH AND EQUIVALENTS

Cash and bank balances	3,849,029	5,642,474
Short term running finance	(39,413,532)	(39,413,532)
	(35,564,503)	(33,771,058)

35. DATE OF AUTHORIZATION

The condensed interim financial statements are authorized for issue by the Board of Directors of the Company on April 29, 2014

CHIEF EXECUTIVE

DIRECTOR

Trust Investment Bank Limited



Consolidated Financial Statements

Trust Investment Bank Limited
3rd Quarterly report (un-audited)
March 31, 2014

Trust Investment Bank Limited

Consolidated Condensed Interim Balance Sheet Un-Audited AS at 31 March 2014

ASSETS	Note	Un-audited	Consolidated
		31 March 2014 Rupees	30 June 2013 Rupees
Non-current assets			
Fixed assets	5	1,308,308,651	996,409,665
Long term investments	6	31,700,197	169,814,550
Long term loans and advances	7	11,611,274	8,395,333
Net investment in lease finance	8	-	-
Long term deposits		5,993,518	6,413,458
Deferred tax asset	9	390,931,678	515,931,678
Total non-current assets		1,748,545,318	1,696,964,684
Current assets			
Current maturities of non - current assets	10	1,192,365,373	1,277,848,272
Short term loans and advances	11	88,423,868	109,038,553
Short term placements	12	5,000,000	4,858,663
Short term investments	13	1,129,131,980	1,103,131,980
Short term prepayments		22,262,070	28,209,191
Markup accrued	14	212,428,586	203,091,749
Taxation - net		2,306,789	2,984,337
Other receivables	15	161,263,446	22,948,859
Cash and bank balances	16	3,952,612	5,846,666
		2,817,134,724	2,757,958,270
Assets classified as held for sale		-	-
Total current assets		2,817,134,724	2,757,958,270
TOTAL ASSETS		4,565,680,042	4,454,922,954
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		930,578,729	892,028,729
Reserves	19	(2,001,552,600)	(1,979,442,720)
		(1,070,973,871)	(1,087,413,991)
Surplus on revaluation of fixed assets-net	20	18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	21	2,080,958,476	1,696,282,851
Long term financing-others	22	26,555,333	26,555,333
Long term morabaha	23	-	-
Long term certificates of investment	24	-	24,970,202
Deferred liabilities	25	2,721,376	5,041,342
Long term deposits	26	-	61,424,576
Total non-current liabilities		2,110,235,185	1,814,274,304
Current liabilities			
Short term borrowings	27	39,413,532	39,413,532
Short term certificates of investment	28	1,303,621,166	1,399,355,968
Current maturities of non current liabilities	29	1,777,978,412	1,831,842,198
Mark-up accrued	30	243,092,042	243,690,544
Trade and other payables	31	143,802,076	195,248,899
Total current liabilities		3,507,907,228	3,709,551,141
		5,618,142,413	5,523,825,445
CONTINGENCIES AND COMMITMENTS	32	-	-
		4,565,680,042	4,454,922,954

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**Consolidated Condensed Interim Profit or Loss Account (Un-Audited)
For the Nine Months Ended March 31, 2014**

	Note	Nine Months ended		Quarter ended	
		31 March		31 March	
		2014	2013	2014	2013
		Rupees	Rupees	Rupees	Rupees
Income					
Income from lease operations		43,256,711	24,316,930	3,601,424	1,714,969
Income from investments		1,282,739	2,306,663	339,480	1,760,615
Income from term loans		46,714,681	33,243,365	19,915,809	10,139,805
Income from brokerage		50,274	5,054,373	-	1,231,303
		91,304,405	64,921,331	23,856,713	14,846,692
Finance cost		(22,191,298)	38,305,258	(25,859,336)	12,051,523
		113,495,703	26,616,073	49,716,049	2,795,169
Administrative and operating expenses		60,578,375	86,379,586	17,692,906	17,337,604
		52,917,328	(59,763,513)	32,023,143	(14,542,435)
Other operating income		41,431,556	13,340,496	21,320,603	6,504,051
		94,348,884	(46,423,017)	53,343,746	(8,038,384)
Other operating expenses		19,335,812	45,856,419	13,055,103	3,653,460
Operating loss before provisions and taxati		75,013,072	(92,279,436)	40,288,643	(11,691,844)
Provision / (Reversal) against lease and term loan		(42,839,806)	(6,251,040)	-	-
Impairment / (Reversal) of impairment in the value of investment		2,348,000	(68,826,000)	-	-
		(40,491,806)	(75,077,040)	-	-
Profit / (Loss) before taxation		115,504,878	(17,202,396)	40,288,643	(11,691,844)
Provision for taxation		125,773,224	52,312,395	45,000,000	(207,033)
Loss after taxation		(10,268,346)	(69,514,791)	(4,711,357)	(11,484,811)
Earnings / (Loss) per share - basic	33	(0.50)	(0.48)	(0.32)	(0.15)

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Trust Investment Bank Limited

Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Nine months Ended March 31, 2014

	<u>Nine Months Ended</u>	
	<u>31 March</u>	
	2014	2013
	Rupees	Rupees
Loss after taxation for the year	(10,268,346)	(69,972,118)
Will not be reclassified subsequently to profit or loss:		
Other comprehensive income/loss	-	-
Transferred from surplus on revaluation of fixed assets to accumulated loss-net of tax	-	862,270
Total comprehensive loss for the year	<u>(10,268,346)</u>	<u>(69,109,848)</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the Nine months Ended March 31, 2014

	Nine months ended	
	31 March	
	2014	2013
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	115,504,878	(17,659,723)
Adjustments for non cash / non operating items:		
Depreciation and amortization	5,502,509	6,037,214
Amortization of initial transaction cost over term finance certificates	171,624	1,410,696
Provision for staff service cost	400	4,214,103
Provision for potential lease and term loan losses	(42,839,806)	(6,251,040)
Lease receivables written off	19,335,812	45,856,419
Finance cost	(22,290,439)	36,876,671
Loss/(Gain) on disposal of fixed assets	(21,588,347)	(786,921)
Provision for / (application) in the value of investments	2,348,000	(68,826,000)
	(59,360,247)	18,531,142
Operating profit before working capital changes	56,144,631	871,419
Changes in operating assets and liabilities:		
(Increase) / decrease in:		
Long term loans and advances	8,791,177	139,550,729
Net investment in lease finance	115,380,479	136,031,589
Short term loans and advances	20,614,685	-
Long term deposit	419,940	(466,810)
Short term placements	(141,337)	-
Short term investments	(26,000,000)	(1,129,005,480)
Short term prepayments	5,947,121	14,919,893
Markup accrued	(9,935,339)	42,112,487
Other receivables	(9,219,588)	(127,764,117)
	105,857,138	(924,621,709)
Increase / (decrease) in liabilities:		
Certificates of investment	(142,093,395)	(280,445,686)
Trade and other payables	(49,629,732)	(23,819,647)
	(85,865,989)	(1,228,887,042)
Cash (used in) / generated from operations	(29,721,358)	(1,228,015,623)
Finance cost paid	(598,502)	(55,745,659)
Taxes paid	(96,076)	160,629
Staff service cost paid	(2,319,966)	(4,856,114)
	(3,014,544)	(60,441,144)
Net cash (used in) / generated from operating activities	(32,735,902)	(1,288,456,767)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(383,621,323)	(500,720,724)
Long term investments	9,342,500	66,701,950
Long term deposits	(93,899,971)	-
Proceeds from disposal of:		
Fixed assets	114,345,017	68,964,871
Non current assets held for sale	-	476,368,866
Net cash used in investing activities	(353,833,777)	111,314,963

Trust Investment Bank Limited

	Nine months ended	
	31 March	
	2014	2013
	Rupees	Rupees
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term and short term borrowing	-	(358,554)
Subordinated loan obtained	384,675,625	1,172,636,614
Dividend	-	552,909
Net cash generated from / (used in) financing activities	<u>384,675,625</u>	<u>1,172,830,969</u>
Net decrease in cash and cash equivalents	(1,894,054)	(4,310,835)
Cash and cash equivalents at the beginning of the year	(33,566,866)	(29,595,760)
Cash and cash equivalents at the end of the year	34 <u>(35,460,920)</u>	<u>(33,906,595)</u>

The annexed notes from 1 to 37 form an integral part of these

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Nine months Ended March 31, 2014

	Ordinary Shares	Preference shares	CAPITAL RESERVES	REVENUE RESERVES			Total
				Statutory reserve	General reserve	Accumulated losses	
Balance as at 01 July 2012	585,528,729	306,500,000	240,030,907	61,000,000	(2,154,602,523)	(1,853,571,616)	(961,542,887)
Total comprehensive loss for the year	-	-	-	-	(120,489,514)	(120,489,514)	(120,489,514)
Dividend on preference shares @ 1 year Kibor+100 BPS for the year ended 30 June 2013	-	-	-	-	(5,381,860)	(5,381,860)	(5,381,860)
Balance as at 30 June 2013	585,528,729	306,500,000	240,030,907	61,000,000	(2,280,473,627)	(1,979,442,720)	(1,087,413,991)
Total comprehensive loss for nine months	-	-	-	-	(10,268,346)	(10,268,346)	(10,268,346)
Dividend on preference shares @ 1 year Kibor+100 BPS	-	-	-	-	(11,841,534)	(11,841,534)	(11,841,534)
Balance as at 31 March 2014	724,453,729	206,125,000	240,030,907	61,000,000	(2,302,583,507)	(2,001,552,600)	(1,109,523,871)

-----Rupees-----

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



Trust Investment Bank Limited

Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited) For the Nine months Ended March 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Trust Investment Bank Limited and its subsidiary company ("the Group") comprises of holding company Trust Investment Bank Limited ("TIBL") and a wholly owned subsidiary company Trust Capital (Private) Limited ("TCPL).
- 1.2 Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. The registered office of the Company is situated at 6th Floor, M M Tower, 28 - A / K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).
- 1.3 The consolidated financial statements for the period ended March 31, 2014 reflect loss after taxation of Rs. 10.268 million and as of the said date, the accumulated losses of the company amounts to Rs. 2,001.55 million resulting in shortfall of the minimum regulatory requirement of the equity. Further, the company's license to operate investment finance services is pending for renewal by the SECP as of the balance sheet date. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. However, in order to improve the equity of the company, subsequent to the year , the Shareholder of the Bank has approved the acquisition of such number of ordinary shares of Tricon Developers Limited from Mr. Asif Kamal and property 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 shall be treated as a subordinated loan which shall be available for issuance of shares of Trust Bank. Sanction of approval from SECP is in progress. These 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.

1.4 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 Towers Gulberg II, Lahore. TCPL is a member of the Lahore Stock Exchange (Guarantee) Limited.

2. BASIS OF MEASUREMENT

- 2.1 These interim financial information are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2013.
- 2.2 These condensed interim financial statements have been prepared in accordance with the requirements of the disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) - 34. These do not include all the information and disclosures made in the annual published financial statements and therefore should be read in conjunction with the financial statements of the company for the year ended June 30, 2013.
- 2.3 The classifications and provisioning requirements against non-performing assets have been considered in accordance with the applicable requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3. ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2013.



4. 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 June 30, 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.

		<u>(Un-Audited)</u>	<u>Audited</u>
		31 March	30 June
		2014	2013
	Note	Rupees	Rupees
5. FIXED ASSETS			
Tangible			
Property, plant and equipment	5.1	128,401,536	86,729,880
Capital work in progress	5.2	1,148,599,352	878,121,000
Intangible assets	5.4	31,307,763	31,558,785
		<u>1,308,308,651</u>	<u>996,409,665</u>

Trust Investment Bank Limited

5.1. Property, plant and equipment

PARTICULARS	C O S T					ACCUMULATED DEPRECIATION				Rate %
	As at 01 July 2013	Additions during the year	Deletions during the year	As at 31 March 2014	As at 01 July 2013	For the year	Deletions	As at 31 March 2014	Book value as at 31 March 2014	
	-	42,077,878	-	42,077,878	-	2,905,392	-	-	42,077,878	
Land	-	-	-	73,015,000	-	5,537,691	-	6,143,083	66,871,917	5
Building on freehold land	73,015,000	-	-	19,668,157	-	14,809,861	-	15,538,600	4,129,557	20
Leasehold improvements	19,668,157	-	-	18,350,273	-	13,246,341	-	15,966,918	4,383,355	20
Office equipment and machines	18,071,381	342,392	(63,500)	13,181,775	-	6,886,558	-	7,294,798	5,886,977	10
Furniture and fixtures	13,181,775	-	-	1,964,028	-	1,064,950	-	1,132,396	831,632	10
Air-conditioning equipment	1,964,028	-	(475,000)	5,617,853	-	619,656	-	1,397,633	4,220,220	20
Vehicles	879,856	5,212,997	-	173,874,964	-	40,165,057	-	48,473,428	128,401,536	-
	126,780,197	47,633,267	(538,500)	173,874,964	40,165,057	5,332,382	(24,011)	48,473,428	128,401,536	

5.2. Capital work in progress

	(Un-Audited) 31 March 2014	Audited 30 June 2013
Opening Balance	878,121,000	316,432,600
Additions	993,000,000	634,851,465
Disposal	1,271,121,000	951,284,065
Cost	122,521,648	(73,163,065)
Revaluation (deficit) / surplus	1,148,599,352	878,121,000
Closing balance	1,148,599,352	878,121,000

5.3. Particulars of Capital work in progress

	(Un-Audited) 31 March 2014	Audited 30 June 2013
Tricon Corporate Centre	108,240,000	108,240,000
China Centre	65,972,230	146,872,000
Land at Jail Road Lahore	267,000,000	267,000,000
Land at Aiyala road Rawalpindi	314,378,122	356,000,000
Land at Main Mahlanwal Road Mozang Chungi	153,000,000	-
Land at Kalar Kahar	240,000,000	-
	1,148,599,352	878,121,000

5.4. Intangible Assets

PARTICULARS	C O S T				A M O R T I Z A T I O N			
	As at 01 July 2013	Additions / (Deletions) during the year	As at 31 March 2014	As at 01 July 2013	For the year	Deletions	As at 31 March 2014	
	-	-	1,294,383	-	79,398	-	950,154	
Software Licenses	1,294,383	-	1,294,383	-	79,398	-	335,229	
	1,294,383	-	1,294,383	79,398	-	950,154	335,229	



	(Un-audited)	Audited
	31 March 2014	30 June 2013
	Rupees	Rupees
6. LONG TERM INVESTMENTS		
Investment held for disposal	-	130,000,000
Investment in Term Finance Certificates and Sukus	66,234,800	74,672,300
	66,234,800	204,672,300
Less: Impairment in the value of investments	7,687,090	3,522,000
	58,547,710	201,150,300
Less: Current portion of long term investments	10 26,847,513	31,335,750
	31,700,197	169,814,550
7. LONG TERM LOANS AND ADVANCES		
Secured:		
Employees - considered good	588,949	2,371,991
Companies, organizations and individuals		
Considered good	33,434,794	39,792,931
Considered doubtful	7,047,805	7,047,805
	40,482,599	46,840,736
	41,071,548	49,212,727
Un-secured:		
Companies, organizations and individuals - Considered doubtful	397,838,900	397,838,899
	438,910,448	447,051,626
Less: provision against doubtful loans	401,726,412	401,076,412
	37,184,036	45,975,214
Less : current maturity	10 25,572,763	37,579,881
	11,611,274	8,395,333
8. NET INVESTMENT IN LEASE FINANCE		
Lease payments receivable	1,241,781,751	1,325,705,951
Add: Residual value	329,512,894	408,586,891
Gross investment in leases	1,571,294,645	1,734,292,842
Less: Unearned finance income	2,079,806	5,311,508
Income suspended	142,736,230	183,984,668
Provision for lease losses	286,533,512	336,064,025
	431,349,548	525,360,201
Net investment in lease finance	1,139,945,097	1,208,932,641
Less: Current portion of net investment in lease finance	10 1,139,945,097	1,208,932,641
	-	-

Trust Investment Bank Limited

	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>
9. DEFERRED TAX ASSET		
Taxable temporary differences		
Accelerated depreciation for tax purposes	(9,105,030)	(9,105,030)
Leasing Finance	(345,554,360)	(345,554,360)
Deductible temporary differences		
Provision against investments	(99,212,500)	787,500
Taxable losses	869,803,568	869,803,568
	<u>390,931,678</u>	<u>515,931,678</u>
9.1. Movement in deferred tax asset		
Opening balance as at July 01, 2013	515,931,678	515,931,678
Provision made during the year	(125,000,000)	-
Closing balance as at March 31, 2014	<u>390,931,678</u>	<u>515,931,678</u>
10. CURRENT MATURITIES OF NON-CURRENT ASSETS		
Long term investments	6 26,847,513	31,335,750
Long term loans and advances	7 25,572,763	37,579,881
Net investment in lease finance	8 1,139,945,097	1,208,932,641
	<u>1,192,365,373</u>	<u>1,277,848,272</u>
11. SHORT TERM LOANS AND ADVANCES		
Short term loans-Secured	11.1 63,939,126	94,687,143
Short term advances	24,484,742	14,351,410
	<u>88,423,868</u>	<u>109,038,553</u>
11.1. Short term loans-Secured		
Companies, organizations and individuals		
Considered good	63,939,126	94,687,143
Considered doubtful	-	650,000
	63,939,126	95,337,143
Less: Provision against doubtful loans	-	650,000
	<u>63,939,126</u>	<u>94,687,143</u>
12. SHORT TERM PLACEMENTS		
Repurchase agreement lendings (Reverse Repo)	7,022,877	7,022,877
TDR	4,000,000	3,000,000
Placement with Kasb Liquid Fund against preference Shares	-	-
Placement with First Fidelity Leasing Modarba	1,000,000	1,858,663
	12,022,877	11,881,540
Less: Provision against doubtful lending	7,022,877	7,022,877
	<u>5,000,000</u>	<u>4,858,663</u>
13. SHORT TERM INVESTMENTS		
Associated company		
Un-quoted		
TRICON Developers Limited		
112,900,548 (2013:109,300,548) fully paid ordinary shares of Rs. 10 each.	1,129,005,480	1,093,005,480
Investment of Subsidiary	126,500	10,126,500
	<u>1,129,131,980</u>	<u>1,103,131,980</u>



	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	2014	2013
14. MARKUP ACCRUED	Note	Rupees
Mark-up accrued on:		Rupees
Term finance certificates and Sukuks		1,202,748
Short term and long term loans		18,626,486
Investments in lease		182,076,244
Short term placements		56,501
		<u>212,428,586</u>
		<u>203,091,749</u>
15. OTHER RECEIVABLES		
Receivable from broker - considered good		103,981,611
Miscellaneous receivables from lessees:		21,143,275
Considered good		22,803,954
Considered doubtful		308,548,991
		<u>331,352,945</u>
Other receivables		49,536,713
Considered good		4,625,524
Considered doubtful		54,162,237
		<u>489,496,793</u>
		<u>396,151,682</u>
Less: Provision for doubtful receivables		<u>328,233,347</u>
		<u>161,263,446</u>
		<u>22,948,959</u>

	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	2014	2013
16. CASH AND BANK BALANCES	Note	Rupees
Cash in hand		59,561
With banks in:		92,067
Current accounts		347,777
Deposit accounts		3,545,274
		<u>3,893,051</u>
		<u>5,754,599</u>
		<u>3,952,612</u>
		<u>5,846,666</u>

17. NON CURRENT ASSETS HELD FOR SALE

The assets amounting to Rs. 476 million classified as held for sale have been disposed off in consideration of Shares of M/s Tricon Developers. The above shares belongs to Mr. Asif Kamal (Chairman).

18. SHARE CAPITAL

<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
No. of shares	No. of shares	Authorized	Rupees	Rupees
80,000,000	80,000,000	Ordinary shares of Rs. 10 each	800,000,000	800,000,000
70,000,000	70,000,000	Preference shares of Rs. 10 each	700,000,000	700,000,000
<u>150,000,000</u>	<u>150,000,000</u>		<u>1,500,000,000</u>	<u>1,500,000,000</u>
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 10 each fully paid-up in cash	340,354,840	201429840
34,035,484	20,142,984	Ordinary shares of Rs. 10 each issued as bonus shares	384,098,890	384,098,889
38,409,889	38,409,889	Preference shares of Rs. 10 each issued	206,125,000	306,500,000
20,612,500	30,650,000		<u>930,578,730</u>	892,028,729
<u>93,057,873</u>	<u>89,202,873</u>			

19. RESERVES

	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	2014	2013
19. RESERVES	Note	Rupees
Capital reserves		Rupees
Statutory reserve		240,030,907
		<u>240,030,907</u>
Revenue reserves		61,000,000
General reserve		(2,302,583,507)
Accumulated loss		(2,241,583,507)
		<u>(2,001,552,600)</u>
		<u>(1,979,442,720)</u>

20. SURPLUS ON REVALUATION OF FIXED ASSETS

Building		-
Capital work in progress	20.1	18,511,500
		<u>18,511,500</u>
		<u>19,373,770</u>

Trust Investment Bank Limited

		(Un-audited)	Audited
		31 March	30 June
		2014	2013
	Note	Rupees	Rupees
20.1. Particulars of surplus on revaluation of fixed assets			
Opening balance as at July 01, 2013		18,511,500	19,373,770
Addition during the year		-	-
Deletion during the year		-	(829,359)
Transferred		-	(32,911)
Closing balance as at March 31, 2014		<u>18,511,500</u>	<u>18,511,500</u>
21. LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	21.1	<u>2,080,958,476</u>	<u>1,696,282,851</u>
21.1. Long term financing-Subordinated loan			
Opening balance as at July 01, 2013		1,696,282,851	400,646,237
Addition during the year		393,000,000	1,295,636,614
Paid during the year		8,324,375	-
Closing balance as at March 31, 2014	21.2	<u>2,080,958,476</u>	<u>1,696,282,851</u>
21.2. Particulars of subordinated loan			
Loan from:			
Directors-Asif Kamal		973,282,851	973,282,851
Associated undertakings-Tricon Developers		100,000,000	100,000,000
Muhammad Akram		614,675,625	623,000,000
Imran Mehmood		240,000,000	-
Muhammad Fayyaz Ahmad		153,000,000	-
		<u>2,080,958,476</u>	<u>1,696,282,851</u>
22. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	22.1	26,555,333	26,555,333
Banking companies and other financial institutions-Unsecured		-	-
Term finance certificates (TFC)-Secured		-	0
22.1. Banking companies and other financial institutions-Secured		<u>26,555,333</u>	<u>26,555,333</u>
The Bank of Punjab		296,077,333	296,077,333
Allied Bank Limited		70,000,005	70,000,005
Pak Oman Investment Company (Pvt.) Limited		5,161,297	5,161,297
The Bank of Khyber		27,777,780	27,777,780
Standard Chartered Bank Limited		49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)		81,640,625	81,640,625
First Women Bank Limited		64,027,397	64,027,397
CDC Trustee Askari Income Fund		126,250,000	126,250,000
PAK Brunei Investment Company		2,536,941	2,536,941
IGI Investment Bank Limited		67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited		88,058,721	88,058,721
		<u>878,359,773</u>	<u>878,359,773</u>
Less: Current portion shown under current liabilities	29	<u>851,804,440</u>	<u>851,804,440</u>
		<u>26,555,333</u>	<u>26,555,333</u>
23. LONG TERM MORABAHA			
Long term morabaha		15,500,000	15,500,000
Less: Current portion shown under current liabilities		15,500,000	15,500,000
24. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		24,805,099	32,345,202
Unsecured		176,195,179	212,913,669
- Individuals		6,600,000	8,700,000
		<u>207,600,278</u>	<u>253,958,871</u>
Less: Current portion shown under current liabilities	29	<u>207,600,278</u>	<u>228,988,669</u>
25. DEFERED LIABILITY			
Gratuity		1,542,340	3,601,840
Leave encashment		1,179,036	1,439,502
		<u>2,721,376</u>	<u>5,041,342</u>



		(Un-audited)	Audited
		31 March 2014	30 June 2013
	Note	Rupees	Rupees
26. LONG TERM DEPOSITS			
Margin against letters of guarantee		135,977,005	150,997,616
Less: Current portion shown under current liabilities	29	139,396,555	139,396,555
		(3,419,550)	11,601,061
Deposits against lease arrangements		328,632,000	407,511,360
Less: Current portion shown under current liabilities	29	325,212,450	357,687,845
		3,419,550	49,823,515
		-	61,424,576
27. SHORT TERM BORROWINGS			
Banking companies and other financial institutions:			
Running finances - secured		39,413,532	39,413,532
28. SHORT TERM CERTIFICATES OF INVESTMENT			
- Financial institutions		12,850,006	12,850,006
- Corporate		1,251,172,878	1,358,107,680
- Individuals		39,598,282	28,398,282
		1,303,621,166	1,399,355,968
29. CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies & financial institutions			
Secured	22.1	851,804,440	851,804,440
Unsecured		17,251,959	17,251,959
Term finance certificates-Secured		221,212,730	221,212,730
Long term morabaha	23	15,500,000	15,500,000
Certificates of investment	24	207,600,278	228,988,669
Long term deposits	26	464,609,005	497,084,400
30. MARK-UP ACCRUED			
Secured			
- Short and long term financing		89,375,472	89,375,472
- Term finance certificates		13,434,163	13,434,163
- Certificates of investment		196,278	196,278
		103,005,913	103,005,913
Unsecured			
- Certificates of investment		140,086,129	140,684,631
		243,092,042	243,690,544
31. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities		8,064,822	8,064,822
Unclaimed dividend		3,096,984	3,096,984
Preference dividend payable		31,314,812	58,023,278
Accrued liabilities		16,481,903	11,575,105
Other liabilities		84,843,555	114,488,710
		143,802,076	195,248,899

Trust Investment Bank Limited

32. CONTINGENCIES AND COMMITMENTS

32.1. Contingencies

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

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 1,355 Million (June 30,2013: Rs. 1235.752 million).
- (b) The company has not recognised mark-up on financing from banking companies and financial institutions, term finance certificates, preference shares, certificates of investment, long term morabaha and on running finance, due to operational and financial constraints.

32.2. Commitments

33. PROVISION FOR TAXATION

	<u>(Un-audited)</u>	<u>Audited</u>
	<u>31 March</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>
	<u>Rupees</u>	<u>Rupees</u>
- Current tax		
For the year	773,224	398,049
- Deferred tax	125,000,000	-
	<u>125,773,224</u>	<u>398,049</u>

33. LOSS PER SHARE

Loss for the year after taxation and preference dividend	Rupees	<u>(22,109,880)</u>	<u>(126,733,644)</u>
Weighted average number of ordinary shares	Numbers	<u>58,552,872</u>	<u>58,552,872</u>
Loss per share - basic	Rupees	<u>(0.50)</u>	<u>(2.16)</u>

There is no dilutive effect on the basic earning / (loss) per share of the company.

34. CASH AND EQUIVALENTS

Cash and bank balances	3,952,612	5,846,666
Short term running finance	(39,413,532)	(39,413,532)
	<u>(35,460,920)</u>	<u>(33,566,866)</u>

35. DATE OF AUTHORIZATION

The consolidated condensed interim financial statements are authorized for issue by the Board of Directors of the Company on April 29, 2014

36. GENERAL

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

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

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