



# **Trust Investment Bank Limited**

**Quarterly Report  
(Un-Audited)  
September 2008**





## Trust Investment Bank Limited

Head Office: 23-D/1-A, Gulberg III,  
Lahore (Pakistan).

Telephones: +92-42-240 4714-19

Fax: +92-42-240 4720

Email: [info@trustbank.com.pk](mailto:info@trustbank.com.pk)

[www.trustbank.com.pk](http://www.trustbank.com.pk)

## CONTENTS

---

|                                                                    |       |
|--------------------------------------------------------------------|-------|
| Company Information                                                | 02    |
| Directors' Review                                                  | 03    |
| Unconsolidated Condensed Interim Balance Sheet                     | 06    |
| Unconsolidated Condensed Interim Profit & Loss Account             | 07    |
| Unconsolidated Condensed Interim Cash Flow Statement               | 08    |
| Unconsolidated Condensed Interim Statement of Changes in Equity    | 09    |
| Notes to the Unconsolidated Condensed Interim Financial Statements | 10-18 |
| <hr/>                                                              |       |
| Consolidated Condensed Interim Balance Sheet                       | 20    |
| Consolidated Condensed Interim Profit & Loss Account               | 21    |
| Consolidated Condensed Interim Cash Flow Statement                 | 22    |
| Consolidated Condensed Interim Statement of Changes in Equity      | 23    |
| Notes to the Consolidated Condensed Interim Financial Statements   | 24-32 |

## Company Information

### Board of Directors

|                         |                 |
|-------------------------|-----------------|
| Mr. Asif Kamal          | Chairman        |
| Mr. Humayun Nabi Jan    | Director        |
| Mr. Khalid Niaz Khawaja | Director        |
| Mr. Shafiq A. Khan      | Director        |
| Mr. Ahmed Ali Riaz      | Director        |
| Mr. Shazib Masud        | Director        |
| Mr. Javaid B. Sheikh    | Chief Executive |

### Audit Committee

Mr. Humayun Nabi Jan (Chairman)  
Mr. Asif Kamal  
Mr. Khalid Niaz Khawaja

### Chief Financial Officer

Mr. Imran Hameed

### Company Secretary

Mr. Awais Yasin

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisor

Nawaz Kasuri & Rashdeen Law Chambers

### Bankers to the Company

The Bank of Punjab  
Faysal Bank Limited  
Askari Bank Limited  
Allied Bank Limited  
National Bank of Pakistan Limited  
Habib Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank Limited  
Atlas Bank Limited  
Bank Al Habib Limited  
Habib Metropolitan Limited

### Registrars

Vision Consulting Limited  
1st Floor, 3-C, LDA Flats, Lawrence Road, Lahore  
Tel: 0426375531,6375339 Fax: 042-6374839

### Registered Office & Head Office

23- D/1-A, Gulberg-III, Lahore.  
Tel: 042-2404714-19 Fax: 042- 2404720  
Email: info@trustbank.com.pk  
Website: www.trustbank.com.pk

## Directors' Review

We are pleased to present the quarterly financial statements (Un-audited) of your Bank for the quarter ended 30 September, 2008.

### ECONOMIC OUTLOOK

The world wide financial crises and liquidity crunch also affected the financial markets of the Pakistan and this financial turmoil is compounded by economic crises in the country. The major reasons for economic crises in Pakistan are power shortage, law & order situation and political instability. Soon after the national elections and formation of new government, the financial and stock market of Pakistan has triggered in financial turmoil. Pakistan has experienced an un-precedent liquidity shortage in banking system during the quarter July to September 2008. SBP increased the discount rate as well as cash reserve requirements for the banking sector significantly as a measure to check inflationary trends in the economy. Consequently, market started creating pressure on the liquidity and discount rate was rising since June 2008. The overall economic and political scenario did not help to boost the confidence of the investor and the crisis in financial sectors in US & Europe and moreover the spate of stock market crashes across the world further exacerbated the lack of confidence. The decline in KSE Index continued even beyond June 2008 and further aggravated by developments in local as well as international economic & financial scenario. The effect of this financial turmoil has impacted on the financial results of your Bank for the quarter ended September 30, 2008.

### OPERATING RESULTS

The financial results for the quarter are as follows:

|                                                | September<br>2008   | September<br>2007 |
|------------------------------------------------|---------------------|-------------------|
|                                                | (Rupees in million) |                   |
| Revenue                                        | 263.99              | 181.91            |
| Operating Expenses                             | 52.98               | 51.92             |
| Financial Expenses                             | 197.91              | 122.93            |
| Operating profit before provision and taxation | 13.10               | 7.05              |
| Profit before taxation                         | 9.90                | 16.50             |
| Profit after taxation                          | 11.4                | 15.50             |
| Earnings per Share (Rs.)                       | 0.20                | 0.27              |

During the quarter the operating profit rises by 85% as compared to the previous quarter.

### REVIEW OF OPERATIONS

It is worth mentioning that due to political, financial instability and negative macro economic indicators, the situation was not much conducive for overall business and economic growth in the country, which have also affected the business and spread earning of your Bank in the quarter. Keeping in view of the narrow spreads in the leasing business, the Bank has successfully managed to increase the revenue stream. Total revenue recorded an increase of 45% as compared to the corresponding period. Contribution of lease income towards total revenue has increased by 51% and income from term finances has also substantially increased. It is worth mentioning that in compliance with the SECP regulations, brokerage business has been spin off with effect from 1st July, 2008 through establishment of new wholly owned subsidiary company i.e Trust Capital (Private) Limited.

During this quarter, total expenses were increased by 43%, mainly attributed to the financial cost which has risen by 61% as compared to the first quarter of year 2007. The main reason of increase in the financial cost is the rising trend in the interest rates due to liquidity crunch in the financial market. Administrative expenses increased due to renovation and relocation of some branches to tap more business and increase in the inflation rate has escalated higher cost in conducting the day to day business affairs.

## **RATING BY EXTERNAL AGENCY**

Pakistan Credit Rating Agency Limited has adjusted the long term credit rating of the Bank at "A+" ( A plus), while short term credit rating has also been adjusted at "A 1" ( A one ) with stable out look. Rating of term finance certificate I and II has been accordingly adjusted at "AA -" (double A minus) of TFC I and TFC II (both trenches). The third TFC issue, owing to its enhanced security structure has been assigned a rating of AA (Double A). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for the timely payment of financial commitments. This reflects Bank's resilient asset quality, sound credit risk management, sustainable financial performance and sturdy capitalization.

## **FUTURE OUTLOOK**

The future outlook and profitability of the financial institution is mainly dependent on economic and financial stability in the country. The consistent policies of the Government towards lowering the interest rate revised policy over cash reserve can play a pivotal role to save the industry from economic distress. Government of Pakistan and regulatory authorities are taking remedial measures to break the prevailing vicious circle of financial turmoil. Evidently SBP has intervened in this crises and help to ease off pressures from the liquidity in the financial sector. The Board is anticipating market normalization by the end of this year. As part of business strategy, Bank has plan to raise funds through TFCs subject to stability of financial markets and will strive for deposit mobilization from corporate sector as well as from individuals. The management of the Bank is anticipating a competitive and challenging ambiance for the NBFCs and will try its level best to take all necessary measures to improve the profitability of the Bank.

## **ACKNOWLEDGEMENT**

The directors express their appreciation and pay their gratitude to valuable customers, shareholders, financial institutions, and regulatory authorities for their continued support, persistent cooperation and patronage which give strength to pursue our corporate objectives with renewed vigor. The Board also acknowledges the valuable teamwork, devotion to duty and dedicated services rendered by the executives, employees and workers of the Bank.

For and on behalf  
of the Board of Directors

Lahore  
October 30, 2008

**Javaid B. Sheikh**  
Chief Executive

# Trust Investment Bank Limited

Unconsolidated Condensed Interim Financial Statements for  
the quarter ended September 30, 2008

# Trust Investment Bank Limited

## Unconsolidated Condensed Interim Balance Sheet

As at 30 September 2008

|                                                           | Note | September 30<br>2008<br>(Un-Audited)<br>Rupees | June 30<br>2008<br>(Audited)<br>Rupees |
|-----------------------------------------------------------|------|------------------------------------------------|----------------------------------------|
| <b>Non - current assets</b>                               |      |                                                |                                        |
| Fixed assets                                              |      |                                                |                                        |
| Property and equipment                                    | 4    | 116,762,214                                    | 124,078,819                            |
| Intangible asset                                          | 4    | 792,940                                        | 33,204,684                             |
|                                                           |      | 117,555,154                                    | 157,283,503                            |
| Net investment in lease finance                           |      |                                                |                                        |
| Long term finances                                        | 5    | 3,308,150,731                                  | 3,420,843,454                          |
| Long term investments                                     | 6    | 791,851,774                                    | 563,347,630                            |
| Long term deposits                                        |      | 366,111,700                                    | 279,992,000                            |
| Long term advances                                        |      | 2,527,928                                      | 4,159,629                              |
| Deferred tax asset                                        |      | 97,379,318                                     | 97,379,318                             |
|                                                           |      | 56,866,202                                     | 55,366,202                             |
|                                                           |      | 4,622,887,653                                  | 4,421,088,232                          |
|                                                           |      | 4,740,442,807                                  | 4,578,371,735                          |
| <b>Current assets</b>                                     |      |                                                |                                        |
| Current maturities of non - current assets                | 7    | 1,274,230,628                                  | 1,210,646,914                          |
| Short term finances                                       | 8    | 535,891,989                                    | 384,634,120                            |
| Short term placements                                     | 9    | 215,284,230                                    | 500,425,308                            |
| Short term investments                                    |      | 376,426,609                                    | 569,891,145                            |
| Taxation - net                                            |      | 32,642,259                                     | 33,097,670                             |
| Markup accrued                                            |      | 67,371,892                                     | 37,070,524                             |
| Advances, prepayments and other receivables               | 10   | 531,007,046                                    | 681,939,159                            |
| Cash and bank balances                                    | 11   | 44,976,011                                     | 93,288,773                             |
|                                                           |      | 3,077,830,664                                  | 3,510,993,613                          |
|                                                           |      | 7,818,273,471                                  | 8,089,365,348                          |
| <b>Equity and liabilities</b>                             |      |                                                |                                        |
| <b>Share capital</b>                                      |      |                                                |                                        |
| <b>Reserves</b>                                           |      |                                                |                                        |
|                                                           |      | 585,528,729                                    | 585,528,729                            |
|                                                           |      | 521,573,163                                    | 510,079,888                            |
|                                                           |      | 1,107,101,892                                  | 1,095,608,617                          |
| <b>Surplus on revaluation of assets-net</b>               |      |                                                |                                        |
|                                                           |      | 7,184,722                                      | 7,243,576                              |
|                                                           |      | 1,114,286,614                                  | 1,102,852,193                          |
| <b>(Deficit ) / Surplus on revaluation of investments</b> |      |                                                |                                        |
|                                                           |      | (343,408,530)                                  | (120,299,798)                          |
| <b>Non - current liabilities</b>                          |      |                                                |                                        |
| Term finance certificates                                 | 12   | 699,599,250                                    | 145,632,592                            |
| Long term certificates of investment                      | 13   | 32,450,340                                     | 100,753,970                            |
| Long term borrowings                                      | 14   | 520,601,708                                    | 601,481,188                            |
| Long term deposits                                        |      | 970,117,377                                    | 1,026,219,481                          |
| Pre- IPO subscription of Term Finance Certificates        |      | -                                              | 449,910,000                            |
| Staff service costs                                       |      | 8,095,476                                      | 6,592,003                              |
|                                                           |      | 2,230,864,151                                  | 2,330,589,234                          |
| <b>Current liabilities</b>                                |      |                                                |                                        |
| Current maturities of long term liabilities               | 15   | 1,693,065,739                                  | 1,648,256,153                          |
| Short term certificates of investment                     |      | 549,425,023                                    | 1,042,181,991                          |
| Short term borrowings                                     |      | 2,403,179,181                                  | 1,911,402,172                          |
| Markup accrued                                            |      | 122,408,440                                    | 93,231,841                             |
| Trade and other payables                                  | 16   | 48,452,853                                     | 81,151,562                             |
|                                                           |      | 4,816,531,236                                  | 4,776,223,719                          |
|                                                           |      | 7,047,395,387                                  | 7,106,812,953                          |
| Contingencies and commitments                             | 17   | -                                              | -                                      |
|                                                           |      | 7,818,273,471                                  | 8,089,365,348                          |

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**



# Trust Investment Bank Limited

## Unconsolidated Condensed Interim Profit and Loss account

For the quarter ended 30 September 2008

|                                                                                                               | Note | September 30<br>2008<br>(Un-Audited)<br>Rupees | September 30<br>2007<br>(Un-Audited)<br>Rupees |
|---------------------------------------------------------------------------------------------------------------|------|------------------------------------------------|------------------------------------------------|
| <b>Revenue</b>                                                                                                |      |                                                |                                                |
| Income from lease operations                                                                                  | 18   | 162,738,250                                    | 108,088,749                                    |
| Income from investments                                                                                       | 19   | 26,668,599                                     | 30,218,681                                     |
| Income from term finances                                                                                     |      | 64,129,676                                     | 4,499,882                                      |
| Income from brokerage                                                                                         |      | -                                              | 10,842,044                                     |
| Other income                                                                                                  |      | 10,448,905                                     | 28,257,464                                     |
|                                                                                                               |      | <b>263,985,430</b>                             | 181,906,820                                    |
| <b>Expenditure</b>                                                                                            |      |                                                |                                                |
| Finance cost                                                                                                  |      | 197,911,989                                    | 122,928,587                                    |
| Administrative and operating expenses                                                                         |      | 48,100,496                                     | 47,674,232                                     |
| Depreciation and amortization                                                                                 |      | 4,078,794                                      | 4,217,843                                      |
| Other charges                                                                                                 |      | 802,935                                        | 31,197                                         |
|                                                                                                               |      | <b>250,894,214</b>                             | 174,851,859                                    |
| <b>Operating profit before provisions and taxation</b>                                                        |      |                                                |                                                |
|                                                                                                               |      | <b>13,091,216</b>                              | 7,054,961                                      |
| Provision for potential lease losses<br>(Deficit) / surplus on revaluation of held<br>for trading investments |      | (3,156,795)                                    | (3,000,000)                                    |
|                                                                                                               |      | -                                              | 12,512,975                                     |
|                                                                                                               |      | <b>(3,156,795)</b>                             | 9,512,975                                      |
| <b>Profit before taxation</b>                                                                                 |      |                                                |                                                |
|                                                                                                               |      | <b>9,934,421</b>                               | 16,567,936                                     |
| Provision for taxation                                                                                        |      | 1,500,000                                      | (1,000,000)                                    |
| <b>Profit after taxation</b>                                                                                  |      |                                                |                                                |
|                                                                                                               |      | <b>11,434,421</b>                              | 15,567,936                                     |
| <b>Earnings per share - basic</b>                                                                             |      |                                                |                                                |
|                                                                                                               | 20   | <b>0.20</b>                                    | 0.27                                           |

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

# Trust Investment Bank Limited

## Unconsolidated Condensed Interim Cash Flow Statement

For the quarter ended 30 September 2008

|                                                                       | Note | July 1 to<br>September 30,<br>2008<br>(Un-Audited)<br>Rupees | July 1 to<br>September 30,<br>2007<br>(Un-Audited)<br>Rupees |
|-----------------------------------------------------------------------|------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                           |      |                                                              |                                                              |
| Profit before taxation                                                |      | 9,934,421                                                    | 16,567,936                                                   |
| Adjustments for non cash items:                                       |      |                                                              |                                                              |
| Depreciation                                                          |      | 4,078,794                                                    | 4,217,843                                                    |
| Amortization of transaction costs of term finance certificates        |      | (8,293,342)                                                  | 393,878                                                      |
| Provision for staff service costs                                     |      | 1,800,000                                                    | 3,000,000                                                    |
| Provision for doubtful receivables                                    |      | 3,156,795                                                    | 3,000,000                                                    |
| Lease receivables written off                                         |      | 802,935                                                      | 19,950                                                       |
| Finance cost                                                          |      | 197,911,989                                                  | 122,928,587                                                  |
| Loss on sale of property and equipment                                |      | -                                                            | 11,247                                                       |
| Profit on sale of property and equipment                              |      | (8,000,000)                                                  | (21,307,965)                                                 |
| Diminution / (Surplus) on revaluation of held for trading investments |      | -                                                            | (12,512,975)                                                 |
|                                                                       |      | <b>191,457,171</b>                                           | <b>99,750,565</b>                                            |
| <b>Operating profit before working capital changes</b>                |      | <b>201,391,592</b>                                           | <b>116,318,501</b>                                           |
| <b>Changes in operating assets and liabilities</b>                    |      |                                                              |                                                              |
| (Increase) / decrease in:                                             |      |                                                              |                                                              |
| Long term and short term investments                                  |      | (68,987,399)                                                 | 279,473,719                                                  |
| Short term placements                                                 |      | 285,141,078                                                  | (269,526,942)                                                |
| Markup accrued                                                        |      | (30,301,368)                                                 | (1,207,646)                                                  |
| Advances, prepayments and other receivables                           |      | 151,904,611                                                  | (170,547,138)                                                |
| Long term and short term finances                                     |      | (406,617,256)                                                | (101,859,624)                                                |
| Net investment in lease finance                                       |      | 72,807,457                                                   | (168,425,500)                                                |
| Purchase of investments available for sale                            |      | (10,351,210)                                                 | (489,296,551)                                                |
| Certificates of investment                                            |      | (544,629,568)                                                | 564,074,638                                                  |
| Long term deposits                                                    |      | (7,118,104)                                                  | 79,865,443                                                   |
|                                                                       |      | <b>(558,151,759)</b>                                         | <b>(277,449,601)</b>                                         |
| Increase in trade and other payables                                  |      | (32,175,564)                                                 | 187,123,778                                                  |
|                                                                       |      | <b>(590,327,323)</b>                                         | <b>(90,325,823)</b>                                          |
| <b>Cash (utilized) / generated in operations</b>                      |      | <b>(388,935,731)</b>                                         | <b>25,992,678</b>                                            |
|                                                                       |      |                                                              |                                                              |
| Financial charges paid                                                |      | (227,088,588)                                                | (71,123,069)                                                 |
| Taxes paid                                                            |      | (455,411)                                                    | (1,117,642)                                                  |
| Staff service costs paid                                              |      | (296,528)                                                    | (900,478)                                                    |
|                                                                       |      | <b>(227,840,527)</b>                                         | <b>(73,141,189)</b>                                          |
| <b>Net cash used in / generated operating activities</b>              |      | <b>(616,776,258)</b>                                         | <b>(47,148,511)</b>                                          |
|                                                                       |      |                                                              |                                                              |
| Cash flows from investing activities                                  |      |                                                              |                                                              |
| Purchase of property and equipment                                    |      | (7,365,695)                                                  | (12,437,079)                                                 |
| Long term advances                                                    |      | -                                                            | (14,898,542)                                                 |
| Long term deposits                                                    |      | 1,631,703                                                    | 130,000                                                      |
| Sale proceeds of investments                                          |      | -                                                            | 31,321,979                                                   |
| Sale proceeds of fixed assets                                         |      | 51,015,255                                                   | 9,513,000                                                    |
| <b>Net cash generated / used in investing activities</b>              |      | <b>45,281,263</b>                                            | <b>13,629,358</b>                                            |
| <b>Cash flows from financing activities</b>                           |      |                                                              |                                                              |
| Long and short term borrowings                                        |      | 398,397,533                                                  | (391,159,540)                                                |
| Issue of term finance certificates                                    |      | 150,000,000                                                  | 450,000,000                                                  |
| Redemption of term finance certificates                               |      | (37,500,000)                                                 | (39,350,000)                                                 |
| Dividends paid                                                        |      | -                                                            | (328,575)                                                    |
| <b>Net cash generated / used in from financing activities</b>         |      | <b>510,897,533</b>                                           | <b>19,161,885</b>                                            |
| <b>Net increase in cash and cash equivalents</b>                      |      | <b>(60,597,463)</b>                                          | <b>(14,357,268)</b>                                          |
| <b>Cash and cash equivalents at the beginning of the year</b>         |      | <b>(238,927,899)</b>                                         | <b>(10,206,233)</b>                                          |
| <b>Cash and cash equivalents at the end of the year</b>               | 21   | <b>(299,525,362)</b>                                         | <b>(24,563,501)</b>                                          |

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

# Trust Investment Bank Limited

## Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2008

|                                                                   | Share capital      | Share premium | Statutory reserve  | General reserve   | Un-appropriated profit | Total                |
|-------------------------------------------------------------------|--------------------|---------------|--------------------|-------------------|------------------------|----------------------|
|                                                                   | Rupees             | Rupees        | Rupees             | Rupees            | Rupees                 | Rupees               |
| Balance as at 01 July, 2007                                       | 468,422,983        | 70,714,920    | 176,801,731        | 61,000,000        | 239,124,294            | 1,016,063,928        |
| Transfer from surplus on revaluation of fixed assets - net of tax | -                  | -             | -                  | -                 | -                      | -                    |
| Net profit for the quarter ended 30 September 2007                |                    |               |                    |                   | 15,567,936             | 15,567,936           |
| Balance as at 30 September, 2007                                  | 468,422,983        | 70,714,920    | 176,801,731        | 61,000,000        | 254,692,230            | 1,031,631,864        |
| Balance as at 01 July, 2008                                       | 585,528,729        | -             | 206,758,318        | 61,000,000        | 242,321,570            | 1,095,608,617        |
| Transfer from surplus on revaluation of fixed assets - net of tax | -                  | -             | -                  | -                 | 58,854                 | 58,854               |
| Net profit for the year ended 30 September 2008                   | -                  | -             | -                  | -                 | 11,434,421             | 11,434,421           |
| <b>Balance as at 30 September, 2008</b>                           | <b>585,528,729</b> | <b>-</b>      | <b>206,758,318</b> | <b>61,000,000</b> | <b>253,814,845</b>     | <b>1,107,101,892</b> |

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

# Trust Investment Bank Limited

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the quarter ended 30 September 2008

### 1 THE COMPANY'S OPERATIONS AND REGISTERED OFFICE

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 23-D/1-A, Gulberg III, Lahore. The Company is mainly engaged in the business of investment finance services and leasing. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

Pakistan Credit Rating Agency Limited has maintained the long term credit rating of the Company at "A+" (A plus), while short term credit rating has also been maintained at "A 1 (A one)" with stable outlook. Rating of term finance certificate I, II, and III has been maintained at "AA -" (double A minus) of TFC I and TFC II (both tranches) and "AA" (double AA) of TFC III.

### 2 STATEMENT OF COMPLIANCE

These accounts have been prepared in accordance with the approved International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standards Interpretations Committee of the IASC, as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies and Notified Entities Regulations 2007, the Prudential Regulations for NBFCs, along with the requirements of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Companies Ordinance, 1984, the rules, the regulations or the directives issued by the SECP differ with the requirements of these IAS, the requirements of the Ordinance, the rules, the regulations or the requirements of the said directives take precedence.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated 13 August 2003 to Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

### 3 SIGNIFICANT ACCOUNTING POLICIES

There is no change in accounting policies since June, 2008.

|          |                                                             | <b>30 September 2008</b>                              |                                               |
|----------|-------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
|          |                                                             | <b>Additions<br/>cost<br/>Rupees</b>                  | <b>Disposal<br/>book value<br/>Rupees</b>     |
| <b>4</b> | <b>FIXED ASSETS - PROPERTY AND EQUIPMENT</b>                |                                                       |                                               |
|          | Note                                                        |                                                       |                                               |
|          | Lease hold improvements                                     | 5,150,760                                             | 433,781                                       |
|          | Office equipment and machines                               | 773,750                                               | 4,191,889                                     |
|          | Furniture and fixtures                                      | 108,445                                               | 1,238,411                                     |
|          | Air-Conditioning equipment                                  | 166,240                                               | 598,471                                       |
|          | Vehicles                                                    | 1,166,500                                             | 4,164,386                                     |
|          | Intangible Assets                                           | -                                                     | 32,388,317                                    |
|          |                                                             | <b>7,365,695</b>                                      | <b>43,015,255</b>                             |
|          |                                                             | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | <b>June<br/>2008<br/>(Audited)<br/>Rupees</b> |
| <b>5</b> | <b>NET INVESTMENT IN LEASE FINANCE</b>                      |                                                       |                                               |
|          | Lease payments receivable                                   | 4,335,816,535                                         | 4,420,396,057                                 |
|          | Add: Residual value                                         | 1,215,094,156                                         | 1,223,377,097                                 |
|          | <b>Gross investment in leases</b>                           | <b>5,550,910,691</b>                                  | <b>5,643,773,154</b>                          |
|          | Less: Unearned finance income                               | 747,529,844                                           | 767,135,109                                   |
|          | Income suspended                                            | 137,762,345                                           | 138,212,086                                   |
|          | Provision for potential lease losses                        | 116,199,462                                           | 113,042,667                                   |
|          |                                                             | <b>1,001,491,651</b>                                  | <b>1,018,389,862</b>                          |
|          | Net investment in lease finance                             | <b>4,549,419,040</b>                                  | <b>4,625,383,292</b>                          |
|          | Less: Current portion of net investment<br>in lease finance | <b>1,241,268,309</b>                                  | <b>1,204,539,838</b>                          |
|          |                                                             | <b>3,308,150,731</b>                                  | <b>3,420,843,454</b>                          |

7

30 September 2008 (Un-Audited)

|                               | Not later than one year | Later than one year and not later than five years | Later than five years | Total                |
|-------------------------------|-------------------------|---------------------------------------------------|-----------------------|----------------------|
|                               | Rupees                  | Rupees                                            | Rupees                | Rupees               |
| Gross investment              | 1,626,655,787           | 3,924,254,904                                     | -                     | 5,550,910,691        |
| Less: Unearned finance income | 385,387,478             | 362,142,366                                       | -                     | 747,529,844          |
|                               | <b>1,241,268,309</b>    | <b>3,562,112,538</b>                              | <b>-</b>              | <b>4,803,380,847</b> |

30 June 2008 (Audited)

|                               | Not later than one year | Later than one year and not later than five years | Later than five years | Total                |
|-------------------------------|-------------------------|---------------------------------------------------|-----------------------|----------------------|
|                               | Rupees                  | Rupees                                            | Rupees                | Rupees               |
| Gross investment              | 1,604,856,731           | 4,038,916,423                                     | -                     | 5,643,773,154        |
| Less: Unearned finance income | 400,316,893             | 366,818,216                                       | -                     | 767,135,109          |
|                               | <b>1,204,539,838</b>    | <b>3,672,098,207</b>                              | <b>-</b>              | <b>4,876,638,045</b> |

|                                                   | Note | September 2008 (Un-Audited) Rupees | June 2008 (Audited) Rupees |
|---------------------------------------------------|------|------------------------------------|----------------------------|
| <b>6 LONG TERM FINANCES</b>                       |      |                                    |                            |
| Employees - considered good                       |      | <b>25,595,398</b>                  | 24,223,751                 |
| Others                                            |      |                                    |                            |
| Secured - considered good                         |      | <b>798,918,695</b>                 | 544,930,955                |
| Unsecured - considered good                       |      | <b>300,000</b>                     | 300,000                    |
|                                                   |      | <b>824,814,093</b>                 | 569,454,706                |
| Less : current maturity                           | 7    | <b>32,962,319</b>                  | 6,107,076                  |
|                                                   |      | <b>791,851,774</b>                 | 563,347,630                |
| <b>7 CURRENT MATURITIES OF NON-CURRENT ASSETS</b> |      |                                    |                            |
| Long term finances                                | 6    | <b>32,962,319</b>                  | 6,107,076                  |
| Net investment in lease finance                   | 5    | <b>1,241,268,309</b>               | 1,204,539,838              |
|                                                   |      | <b>1,274,230,628</b>               | 1,210,646,914              |

|                                                             | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | June<br>2008<br>(Audited)<br>Rupees |
|-------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|
| <b>8 SHORT TERM FINANCES</b>                                |                                                       |                                     |
| Employees - considered good                                 | <b>891,989</b>                                        | 804,120                             |
| Others                                                      |                                                       |                                     |
| Secured - considered good                                   | <b>535,000,000</b>                                    | 383,830,000                         |
| Secured - considered doubtful                               | <b>650,000</b>                                        | 650,000                             |
| Less: Provision against doubtful finance                    | <b>650,000</b>                                        | 650,000                             |
|                                                             | -                                                     | -                                   |
|                                                             | <b>535,891,989</b>                                    | 384,634,120                         |
| <b>9 SHORT TERM PLACEMENTS - CONSIDERED GOOD</b>            |                                                       |                                     |
| <i>Secured</i>                                              |                                                       |                                     |
| Continuous funding system (CFS)                             | <b>23,601,259</b>                                     | 139,437,308                         |
| Securities purchased under reverse<br>repurchase agreements | <b>191,682,971</b>                                    | 360,988,000                         |
|                                                             | <b>215,284,230</b>                                    | 500,425,308                         |
| <b>10 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>       |                                                       |                                     |
| Advance to employees-considered good                        | -                                                     | 16,167                              |
| Advance against leases                                      | <b>57,900,736</b>                                     | 98,118,169                          |
| Advance against purchase of fixed assets                    | <b>1,826,874</b>                                      | 5,023,459                           |
| Other advances - considered good                            | <b>750,615</b>                                        | 381,801                             |
| Initial transaction cost of term finance certificates       | -                                                     | 5,549,389                           |
| Receivable from customers                                   | <b>284,068,614</b>                                    | 410,780,744                         |
| Prepayments                                                 | <b>10,505,308</b>                                     | 9,843,933                           |
| Miscellaneous receivables from lessees                      | <b>171,974,035</b>                                    | 148,625,216                         |
| Other receivables - considered good                         | <b>3,980,864</b>                                      | 3,600,281                           |
|                                                             | <b>531,007,046</b>                                    | 681,939,159                         |
| <b>11 CASH AND BANK BALANCES</b>                            |                                                       |                                     |
| Cash in hand                                                | <b>513,184</b>                                        | 1,175,600                           |
| With banks in:                                              |                                                       |                                     |
| Deposit accounts                                            | <b>232,198</b>                                        | 232,202                             |
| Current accounts                                            | <b>44,230,629</b>                                     | 91,880,971                          |
|                                                             | <b>44,462,827</b>                                     | 92,113,173                          |
|                                                             | <b>44,976,011</b>                                     | 93,288,773                          |

|                                                                      | Note | September<br>2008<br>(Un-Audited)<br>Rupees | June<br>2008<br>(Audited)<br>Rupees |
|----------------------------------------------------------------------|------|---------------------------------------------|-------------------------------------|
| <b>12 TERM FINANCE CERTIFICATES (TFC) - SECURED</b>                  |      |                                             |                                     |
| TFC II-1st tranche                                                   |      | 75,000,000                                  | 112,500,000                         |
| TFC II-2nd tranche                                                   |      | 187,500,000                                 | 187,500,000                         |
| TFC III                                                              |      | 600,000,000                                 | -                                   |
|                                                                      |      | <b>862,500,000</b>                          | 300,000,000                         |
| Less: Unamortized portion of initial transaction cost                |      | 12,660,750                                  | 4,367,408                           |
|                                                                      |      | <b>849,839,250</b>                          | 295,632,592                         |
| Less: Current maturity                                               | 15   | 150,240,000                                 | 150,000,000                         |
|                                                                      |      | <b>699,599,250</b>                          | 145,632,592                         |
| <b>13 LONG TERM CERTIFICATES OF INVESTMENT - UNSECURED</b>           |      |                                             |                                     |
| Local currency                                                       |      |                                             |                                     |
| - Financial institutions                                             |      | 808,333,333                                 | 858,333,333                         |
| - Corporates                                                         |      | 19,000,340                                  | 13,642,940                          |
| - Individuals                                                        |      | 116,950,955                                 | 124,180,955                         |
|                                                                      |      | <b>944,284,628</b>                          | 996,157,228                         |
| Less: Current maturity                                               | 15   | 911,834,288                                 | 895,403,258                         |
|                                                                      |      | <b>32,450,340</b>                           | 100,753,970                         |
| <b>14 LONG TERM BORROWINGS - SECURED</b>                             |      |                                             |                                     |
| Banking companies and other financial institutions:                  |      |                                             |                                     |
| The Bank of Punjab                                                   |      | 64,583,333                                  | 79,166,666                          |
| Faysal Bank Limited                                                  |      | 75,000,000                                  | 83,333,333                          |
| Allied Bank Limited                                                  |      | 50,000,000                                  | 50,000,000                          |
| Habib Bank Limited                                                   |      | 58,333,335                                  | 66,666,668                          |
| Syndicated Term Finance                                              |      | 20,977,619                                  | 20,940,432                          |
| Saudipak Industrial & Agricultural Investment Company (Pvt.) Limited |      | 24,999,998                                  | 33,333,328                          |
| Standard Chartered Bank Limited                                      |      | 413,555,554                                 | 454,888,888                         |
| Atlas Bank Limited                                                   |      | 187,500,000                                 | 200,000,000                         |
|                                                                      |      | <b>894,949,839</b>                          | 988,329,315                         |
| Less: Current portion shown under current liabilities                | 15   | 374,348,131                                 | 386,848,127                         |
|                                                                      |      | <b>520,601,708</b>                          | 601,481,188                         |



|                                                          | Note                                               | September<br>2008<br>(Un-Audited)<br>Rupees | June<br>2008<br>(Audited)<br>Rupees |
|----------------------------------------------------------|----------------------------------------------------|---------------------------------------------|-------------------------------------|
| <b>15</b>                                                | <b>CURRENT MATURITIES OF LONG TERM LIABILITIES</b> |                                             |                                     |
| Term finance certificates - secured                      | 12                                                 | 150,240,000                                 | 150,000,000                         |
| Certificates of investment - unsecured                   | 13                                                 | 911,834,288                                 | 895,403,258                         |
| Long term borrowings - secured                           | 14                                                 | 374,348,131                                 | 386,848,127                         |
| Long term deposits                                       |                                                    | 256,643,320                                 | 215,914,768                         |
| Pre- IPO subscription of Term Finance Certificates       |                                                    | -                                           | 90,000                              |
|                                                          |                                                    | <b>1,693,065,739</b>                        | <b>1,648,256,153</b>                |
| <b>16</b>                                                | <b>TRADE AND OTHER PAYABLES</b>                    |                                             |                                     |
| Payable to National Clearing Company of Pakistan Limited |                                                    | -                                           | 377,328                             |
| Customer's credit balances                               |                                                    | -                                           | 47,689,653                          |
| Advance receipt against leases                           |                                                    | 15,477,945                                  | 20,206,853                          |
| Unclaimed dividend                                       |                                                    | 3,191,285                                   | 3,221,681                           |
| Accrued liabilities                                      |                                                    | 1,644,669                                   | 2,485,230                           |
| Other liabilities                                        |                                                    | 28,138,954                                  | 7,170,817                           |
|                                                          |                                                    | <b>48,452,853</b>                           | <b>81,151,562</b>                   |
| <b>17</b>                                                | <b>CONTINGENCIES AND COMMITMENTS</b>               |                                             |                                     |

#### 17.1 Contingencies

- 17.1.1** The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 216.958 million. ( 30 June, 2008: Rs. 182.342 million)
- 17.1.2** In a suit filed, pending for ratable distribution of sale proceeds of a property auctioned by the Company on the order of the Banking Court, the Honorable Lahore High Court directed the Company to deposit the sale proceeds of that property amounting to Rs 25.650 million with the Court. However, the Company has obtained a stay against the order of the Honorable Lahore High Court. The Company's lawyer is of the opinion that the maximum exposure to the Company will be Rs 8.53 million if the case is decided against the Company.

#### 17.2 Commitments

- 17.2.1** Lease commitments approved but not disbursed as on balance sheet date amount to Rs.65.421 million (30 June, 2008: Rs. 123.142 million).
- 17.2.2** Commitment for the purchase of office space is given to Tricon Developers (Pvt) Limited, amounting to Rs. 29.63 million (30 June, 2008: Rs. 29.63 million).

|           |                                                                       | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | September<br>2007<br>(Un-Audited)<br>Rupees |
|-----------|-----------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>18</b> | <b>INCOME FROM LEASE OPERATIONS</b>                                   |                                                       |                                             |
|           | Finance lease income                                                  | <b>155,077,624</b>                                    | 99,136,977                                  |
|           | Front end fee                                                         | <b>76,300</b>                                         | 1,295,158                                   |
|           | Commitment and other fees                                             | <b>890,174</b>                                        | 865,000                                     |
|           | Miscellaneous                                                         | <b>6,694,152</b>                                      | 6,791,614                                   |
|           |                                                                       | <b>162,738,250</b>                                    | 108,088,749                                 |
| <b>19</b> | <b>INCOME FROM INVESTMENTS</b>                                        |                                                       |                                             |
|           | Profit / (Loss) on disposal of investment held for trading            | <b>(2,077,724)</b>                                    | 6,327,940                                   |
|           | Profit on investment in continuous funding system                     | <b>4,171,411</b>                                      | 5,834,189                                   |
|           | Profit on disposal of shares under reverse repurchase agreements      | <b>10,351,213</b>                                     | 14,714,214                                  |
|           | Profit / (Loss) on disposal of shares purchased under future contract | <b>(121,344)</b>                                      | 1,094,383                                   |
|           | Profit on short term placements and long term investments             | <b>10,865,373</b>                                     | 4,596,587                                   |
|           | Dividend income                                                       | <b>2,495,000</b>                                      | 2,031,250                                   |
|           | Underwriting and trusteeship fee                                      | <b>984,670</b>                                        | 120,000                                     |
|           |                                                                       | <b>26,668,599</b>                                     | 34,718,563                                  |
| <b>20</b> | <b>EARNINGS PER SHARE - BASIC</b>                                     |                                                       |                                             |
|           | Profit for the period after taxation                                  | Rupees <b>11,434,421</b>                              | 15,567,936                                  |
|           | Weighted average number of ordinary shares                            | Numbers <b>58,552,873</b>                             | 58,552,873                                  |
|           | Earnings per share (restated)                                         | Rupees <b>0.20</b>                                    | 0.27                                        |

**20.1** No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on its earning per share.

|           |                                  | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | June<br>2008<br>(Audited)<br>Rupees |
|-----------|----------------------------------|-------------------------------------------------------|-------------------------------------|
| <b>21</b> | <b>CASH AND CASH EQUIVALENTS</b> |                                                       |                                     |
|           | Cash in hand                     | <b>513,184</b>                                        | 1,175,600                           |
|           | Cash at banks                    | <b>44,462,827</b>                                     | 92,113,173                          |
|           | Short term running finance       | <b>(344,501,373)</b>                                  | (332,216,672)                       |
|           |                                  | <b>(299,525,362)</b>                                  | (238,927,899)                       |

## 22 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, entities over which directors are able to exercise significant influence, entities with common directors, major shareholders, key management employees and employees' fund. The transactions and balances with related parties, other than those which have been disclosed in the relevant notes are disclosed as follows:

|                                                 | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | September<br>2007<br>(Un-Audited)<br>Rupees |
|-------------------------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>First Pakistan Securities Limited</b>        |                                                       |                                             |
| Amount due against leases                       | <b>383,616</b>                                        | 570,369                                     |
| Finance income charged during the period        | <b>9,338</b>                                          | 15,725                                      |
| Deposits against lease arrangements             | <b>149,700</b>                                        | 149,700                                     |
| <b>MCD Pakistan Limited</b>                     |                                                       |                                             |
| Finance income charged during the period        | -                                                     | 782                                         |
| <b>Switch Securities (Private) Limited</b>      |                                                       |                                             |
| Finance income charged during the period        | -                                                     | 1,534                                       |
| <b>Tricon Developers ( Partnership Concern)</b> |                                                       |                                             |
| Installments paid for purchase of office space  | <b>97,379,318</b>                                     | 52,923,542                                  |
| Amount due against leases                       | <b>439,474</b>                                        | -                                           |
| Finance income charged during the period        | <b>18,886</b>                                         | -                                           |
| Deposits against lease arrangements             | <b>48,700</b>                                         | -                                           |
| <b>Union Communication (Pvt) Limited</b>        |                                                       |                                             |
| Communication services                          | <b>249,412</b>                                        | 186,497                                     |
| <b>PolyGon Builders</b>                         |                                                       |                                             |
| Amount due against term finances                | <b>25,550,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>1,191,400</b>                                      | -                                           |
| <b>Ahmed Khalil</b>                             |                                                       |                                             |
| Amount due against term finances                | <b>10,000,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>556,541</b>                                        | -                                           |
| <b>Habib Rafiq (Pvt) Limited</b>                |                                                       |                                             |
| Amount due against leases                       | <b>34,850,240</b>                                     | -                                           |
| Finance income charged during the period        | <b>1,478,850</b>                                      | -                                           |
| Deposits against lease arrangements             | <b>3,871,121</b>                                      | -                                           |
| Letter of guarantees                            | <b>121,137,200</b>                                    | -                                           |
| <b>Allied Developers</b>                        |                                                       |                                             |
| Amount due against term finances                | <b>29,500,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>756,165</b>                                        | -                                           |
| <b>Employees' retirement fund</b>               |                                                       |                                             |
| Payment made                                    | <b>296,528</b>                                        | 900,478                                     |

**23 AUTHORIZATION**

These unconsolidated condensed interim financial statements were authorized for issue on 30 October, 2008 by the Board of Directors.

**24 GENERAL**

Figures have been rounded off to the nearest of rupee.

**CHIEF EXECUTIVE**

**DIRECTOR**

# Trust Investment Bank Limited & Subsidiary

Consolidated Condensed Interim Financial Statements for the  
quarter ended September 30, 2008

# Consolidated Condensed Interim Balance Sheet

As at 30 September 2008

|                                                           | Note | September 30<br>2008<br>(Un-Audited)<br>Rupees | June 30<br>2008<br>(Audited)<br>Rupees |
|-----------------------------------------------------------|------|------------------------------------------------|----------------------------------------|
| <b>Non - current assets</b>                               |      |                                                |                                        |
| Fixed assets                                              |      |                                                |                                        |
| Property and equipment                                    | 4    | 128,068,925                                    | 124,078,819                            |
| Intangible asset                                          | 4    | 33,181,257                                     | 33,204,684                             |
|                                                           |      | 161,250,182                                    | 157,283,503                            |
| Net investment in lease finance                           | 5    | 3,308,150,731                                  | 3,420,843,454                          |
| Long term finances                                        | 6    | 651,851,774                                    | 563,347,630                            |
| Long term investments                                     |      | 306,111,700                                    | 279,992,000                            |
| Long term deposits                                        |      | 3,907,928                                      | 4,159,629                              |
| Long term advances                                        |      | 97,379,318                                     | 97,379,318                             |
| Deferred tax asset                                        |      | 56,866,202                                     | 55,366,202                             |
|                                                           |      | 4,424,267,653                                  | 4,421,088,232                          |
|                                                           |      | 4,585,517,835                                  | 4,578,371,735                          |
| <b>Current assets</b>                                     |      |                                                |                                        |
| Current maturities of non - current assets                | 7    | 1,274,230,628                                  | 1,210,646,914                          |
| Short term finances                                       | 8    | 535,891,989                                    | 384,634,120                            |
| Short term placements                                     | 9    | 215,284,230                                    | 500,425,308                            |
| Short term investments                                    |      | 376,426,609                                    | 569,891,145                            |
| Taxation - net                                            |      | 33,060,928                                     | 33,097,670                             |
| Markup accrued                                            |      | 67,371,892                                     | 37,070,524                             |
| Advances, prepayments and other receivables               | 10   | 687,121,679                                    | 681,939,159                            |
| Cash and bank balances                                    | 11   | 44,487,712                                     | 93,288,773                             |
|                                                           |      | 3,236,875,037                                  | 3,510,993,613                          |
|                                                           |      | 7,822,392,872                                  | 8,089,365,348                          |
| <b>Equity and liabilities</b>                             |      |                                                |                                        |
| <b>Share capital</b>                                      |      |                                                |                                        |
| <b>Reserves</b>                                           |      |                                                |                                        |
|                                                           |      | 585,528,729                                    | 585,528,729                            |
|                                                           |      | 512,468,628                                    | 510,079,888                            |
|                                                           |      | 1,097,997,357                                  | 1,095,608,617                          |
| <b>Surplus on revaluation of assets-net</b>               |      |                                                |                                        |
|                                                           |      | 7,184,722                                      | 7,243,576                              |
|                                                           |      | 1,105,182,079                                  | 1,102,852,193                          |
| <b>(Deficit ) / Surplus on revaluation of investments</b> |      |                                                |                                        |
|                                                           |      | (343,408,530)                                  | (120,299,798)                          |
| <b>Non - current liabilities</b>                          |      |                                                |                                        |
| Term finance certificates                                 | 12   | 699,599,250                                    | 145,632,592                            |
| Long term certificates of investment                      | 13   | 32,450,340                                     | 100,753,970                            |
| Long term borrowings                                      | 14   | 520,601,708                                    | 601,481,188                            |
| Long term deposits                                        |      | 970,117,377                                    | 1,026,219,481                          |
| Pre- IPO subscription of Term Finance Certificates        |      | -                                              | 449,910,000                            |
| Staff service costs                                       |      | 8,095,476                                      | 6,592,003                              |
|                                                           |      | 2,230,864,151                                  | 2,330,589,234                          |
| <b>Current liabilities</b>                                |      |                                                |                                        |
| Current maturities of long term liabilities               | 15   | 1,693,065,739                                  | 1,648,256,153                          |
| Short term certificates of investment                     |      | 549,425,023                                    | 1,042,181,991                          |
| Short term borrowings                                     |      | 2,403,179,181                                  | 1,911,402,172                          |
| Markup accrued                                            |      | 122,408,440                                    | 93,231,841                             |
| Trade and other payables                                  | 16   | 61,676,789                                     | 81,151,562                             |
|                                                           |      | 4,829,755,172                                  | 4,776,223,719                          |
|                                                           |      | 7,060,619,323                                  | 7,106,812,953                          |
| Contingencies and commitments                             | 17   | -                                              | -                                      |
|                                                           |      | 7,822,392,872                                  | 8,089,365,348                          |

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

## Consolidated Condensed Interim Profit and Loss Account

For the quarter ended 30 September 2008

|                                                                       | Note | September 30<br>2008<br>(Un-Audited)<br>Rupees | September 30<br>2007<br>(Un-Audited)<br>Rupees |
|-----------------------------------------------------------------------|------|------------------------------------------------|------------------------------------------------|
| <b>Revenue</b>                                                        |      |                                                |                                                |
| Income from lease operations                                          | 18   | 162,738,250                                    | 108,088,749                                    |
| Income from investments                                               | 19   | 27,466,241                                     | 30,218,681                                     |
| Income from term finances                                             |      | 48,403,576                                     | 4,499,882                                      |
| Income from brokerage                                                 |      | 23,704,875                                     | 10,842,044                                     |
| Other income                                                          |      | 2,448,905                                      | 28,257,464                                     |
|                                                                       |      | <b>264,761,847</b>                             | 181,906,820                                    |
| <b>Expenditure</b>                                                    |      |                                                |                                                |
| Finance cost                                                          |      | 197,911,989                                    | 122,928,587                                    |
| Administrative and operating expenses                                 |      | 56,517,881                                     | 47,674,232                                     |
| Depreciation and amortization                                         |      | 4,729,141                                      | 4,217,843                                      |
| Other charges                                                         |      | 806,459                                        | 31,197                                         |
|                                                                       |      | <b>259,965,470</b>                             | 174,851,859                                    |
| <b>Operating profit before provisions and taxation</b>                |      |                                                |                                                |
|                                                                       |      | <b>4,796,377</b>                               | 7,054,961                                      |
| Provision for potential lease losses                                  |      | (3,156,795)                                    | (3,000,000)                                    |
| (Deficit) / surplus on revaluation of held<br>for trading investments |      | -                                              | 12,512,975                                     |
|                                                                       |      | <b>(3,156,795)</b>                             | 9,512,975                                      |
| <b>Profit before taxation</b>                                         |      |                                                |                                                |
|                                                                       |      | <b>1,639,582</b>                               | 16,567,936                                     |
| Provision for taxation                                                |      | 690,304                                        | (1,000,000)                                    |
| <b>Profit after taxation</b>                                          |      |                                                |                                                |
|                                                                       |      | <b>2,329,886</b>                               | 15,567,936                                     |
| <b>Earnings per share - basic</b>                                     |      |                                                |                                                |
|                                                                       | 20   | <b>0.04</b>                                    | 0.27                                           |

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

# Consolidated Condensed Interim Cash Flow Statement

For the quarter ended 30 September 2008

|                                                                       | Note | July 1 to<br>September 30,<br>2008<br>(Un-Audited)<br>Rupees | July 1 to<br>September 30,<br>2007<br>(Un-Audited)<br>Rupees |
|-----------------------------------------------------------------------|------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                           |      |                                                              |                                                              |
| Profit before taxation                                                |      | 1,639,582                                                    | 16,567,936                                                   |
| Adjustments for non cash items:                                       |      |                                                              |                                                              |
| Depreciation                                                          |      | 4,729,141                                                    | 4,217,843                                                    |
| Amortization of transaction costs of term finance certificates        |      | (8,293,342)                                                  | 393,878                                                      |
| Provision for staff service costs                                     |      | 1,800,000                                                    | 3,000,000                                                    |
| Provision for doubtful receivables                                    |      | 3,156,795                                                    | 3,000,000                                                    |
| Lease receivables written off                                         |      | 802,935                                                      | 19,950                                                       |
| Finance cost                                                          |      | 197,911,989                                                  | 122,928,587                                                  |
| Loss on sale of property and equipment                                |      | -                                                            | 11,247                                                       |
| Profit on sale of property and equipment                              |      | -                                                            | (21,307,965)                                                 |
| Diminution / (Surplus) on revaluation of held for trading investments |      | -                                                            | (12,512,975)                                                 |
|                                                                       |      | <b>200,107,518</b>                                           | <b>99,750,565</b>                                            |
| <b>Operating profit before working capital changes</b>                |      | <b>201,747,100</b>                                           | <b>116,318,501</b>                                           |
| <b>Changes in operating assets and liabilities</b>                    |      |                                                              |                                                              |
| (Increase) / decrease in:                                             |      |                                                              |                                                              |
| Long term and short term investments                                  |      | (8,987,399)                                                  | 279,473,719                                                  |
| Short term placements                                                 |      | 285,141,078                                                  | (269,526,942)                                                |
| Markup accrued                                                        |      | (30,301,368)                                                 | (1,207,646)                                                  |
| Advances, prepayments and other receivables                           |      | (5,332,650)                                                  | (170,547,138)                                                |
| Long term and short term finances                                     |      | (266,617,256)                                                | (101,859,624)                                                |
| Net investment in lease finance                                       |      | 72,807,457                                                   | (168,425,500)                                                |
| Purchase of investments available for sale                            |      | (10,351,210)                                                 | (489,296,551)                                                |
| Certificates of investment                                            |      | (544,629,568)                                                | 564,074,638                                                  |
| Long term deposits                                                    |      | (7,118,104)                                                  | 79,865,443                                                   |
|                                                                       |      | (515,389,020)                                                | (277,449,601)                                                |
| Increase in trade and other payables                                  |      | (19,474,773)                                                 | 187,123,778                                                  |
|                                                                       |      | <b>(534,863,793)</b>                                         | <b>(90,325,823)</b>                                          |
| <b>Cash (utilized) / generated in operations</b>                      |      | <b>(333,116,693)</b>                                         | <b>25,992,678</b>                                            |
| Financial charges paid                                                |      | (227,088,588)                                                | (71,123,069)                                                 |
| Taxes paid                                                            |      | (37,372)                                                     | (1,117,642)                                                  |
| Staff service costs paid                                              |      | (296,528)                                                    | (900,478)                                                    |
|                                                                       |      | (227,422,488)                                                | (73,141,189)                                                 |
| <b>Net cash used in / generated operating activities</b>              |      | <b>(560,539,181)</b>                                         | <b>(47,148,511)</b>                                          |
| <b>Cash flows from investing activities</b>                           |      |                                                              |                                                              |
| Purchase of property and equipment                                    |      | (8,695,815)                                                  | (12,437,079)                                                 |
| Long term advances                                                    |      | -                                                            | (14,898,542)                                                 |
| Long term deposits                                                    |      | 251,702                                                      | 130,000                                                      |
| Sale proceeds of investments                                          |      | -                                                            | 31,321,979                                                   |
| Sale proceeds of fixed assets                                         |      | -                                                            | 9,513,000                                                    |
|                                                                       |      | (8,444,114)                                                  | 13,629,358                                                   |
| <b>Net cash generated / used in investing activities</b>              |      | <b>(8,444,114)</b>                                           | <b>13,629,358</b>                                            |
| <b>Cash flows from financing activities</b>                           |      |                                                              |                                                              |
| Long and short term borrowings                                        |      | 398,397,533                                                  | (391,159,540)                                                |
| Issue of term finance certificates                                    |      | 150,000,000                                                  | 450,000,000                                                  |
| Redemption of term finance certificates                               |      | (37,500,000)                                                 | (39,350,000)                                                 |
| Dividends paid                                                        |      | -                                                            | (328,575)                                                    |
|                                                                       |      | 510,897,533                                                  | 19,161,885                                                   |
| <b>Net cash generated / used in from financing activities</b>         |      | <b>(58,085,762)</b>                                          | <b>(14,357,268)</b>                                          |
| <b>Net increase in cash and cash equivalents</b>                      |      | <b>(238,927,899)</b>                                         | <b>(10,206,233)</b>                                          |
| <b>Cash and cash equivalents at the beginning of the year</b>         |      |                                                              |                                                              |
| <b>Cash and cash equivalents at the end of the year</b>               | 21   | <b>(297,013,661)</b>                                         | <b>(24,563,501)</b>                                          |

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**



## Consolidated Condensed Interim Statement of Changes in Equity For the quarter ended 30 September 2008

|                                                                      | Share<br>capital   | Share<br>premium  | Statutory<br>reserve | General<br>reserve | Un-appropriated<br>profit | Total                |
|----------------------------------------------------------------------|--------------------|-------------------|----------------------|--------------------|---------------------------|----------------------|
|                                                                      | Rupees             | Rupees            | Rupees               | Rupees             | Rupees                    | Rupees               |
| Balance as at 01 July, 2007                                          | 468,422,983        | 70,714,920        | 176,801,731          | 61,000,000         | 239,124,294               | 1,016,063,928        |
| Transfer from surplus on revaluation<br>of fixed assets - net of tax | -                  | -                 | -                    | -                  | -                         | -                    |
| Net profit for the quarter ended<br>30 September 2007                |                    |                   |                      |                    | 15,567,936                | 15,567,936           |
| <b>Balance as at 30 September, 2007</b>                              | <b>468,422,983</b> | <b>70,714,920</b> | <b>176,801,731</b>   | <b>61,000,000</b>  | <b>254,692,230</b>        | <b>1,031,631,864</b> |
| Balance as at 01 July, 2008                                          | 585,528,729        | -                 | 206,758,318          | 61,000,000         | 242,321,570               | 1,095,608,617        |
| Transfer from surplus on revaluation<br>of fixed assets - net of tax | -                  | -                 | -                    | -                  | 58,854                    | 58,854               |
| Net profit for the year ended<br>30 September 2008                   | -                  | -                 | -                    | -                  | 2,329,886                 | 2,329,886            |
| <b>Balance as at 30 September, 2008</b>                              | <b>585,528,729</b> | <b>-</b>          | <b>206,758,318</b>   | <b>61,000,000</b>  | <b>244,710,310</b>        | <b>1,097,997,357</b> |

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

# Notes to the Consolidated Condensed Interim

## Financial Statements (Un-audited)

For the quarter ended 30 September 2008

### 1 THE COMPANY'S OPERATIONS AND REGISTERED OFFICE

Trust Investment Bank Limited ("the Parent 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 23-D/1-A, Gulberg III, Lahore. The Parent Company is mainly engaged in the business of investment finance services and leasing. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

The Parent Company has a wholly owned subsidiary namely Trust Capital (Private) Limited ("The Subsidiary Company). The subsidiary was incorporated in 2008 as a private limited company. It is engaged in the brokerage, portfolio management services and trading in equities.

### 2 STATEMENT OF COMPLIANCE

These consolidated financial statements ("financial statements") have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated 13 August 2003 to Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

### 3 BASIS OF CONSOLIDATION

The Consolidated financial statements include the financial statements of the Parent Company and the Subsidiary Company together constituting "the Group" statements. Subsidiaries are those enterprises in which the Parent Company directly or indirectly controls, beneficially owns or holds more than 50 percent of the voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date the control commences until the date the control ceases. The financial statements of the Subsidiary Company have been consolidated on line by line basis. All material inter company balances, transactions and resulting unrealized profit/(losses) have been eliminated.



30 September 2008 (Un-Audited)

|                               | Not later than one year | Later than one year and not later than five years | Later than five years | Total                |
|-------------------------------|-------------------------|---------------------------------------------------|-----------------------|----------------------|
|                               | Rupees                  | Rupees                                            | Rupees                | Rupees               |
| Gross investment              | 1,626,655,787           | 3,924,254,904                                     | -                     | 5,550,910,691        |
| Less: Unearned finance income | 385,387,478             | 362,142,366                                       | -                     | 747,529,844          |
|                               | <b>1,241,268,309</b>    | <b>3,562,112,538</b>                              | <b>-</b>              | <b>4,803,380,847</b> |

30 June 2008 (Audited)

|                               | Not later than one year | Later than one year and not later than five years | Later than five years | Total                |
|-------------------------------|-------------------------|---------------------------------------------------|-----------------------|----------------------|
|                               | Rupees                  | Rupees                                            | Rupees                | Rupees               |
| Gross investment              | 1,604,856,731           | 4,038,916,423                                     | -                     | 5,643,773,154        |
| Less: Unearned finance income | 400,316,893             | 366,818,216                                       | -                     | 767,135,109          |
|                               | <b>1,204,539,838</b>    | <b>3,672,098,207</b>                              | <b>-</b>              | <b>4,876,638,045</b> |

|                                                   | Note | September 2008 (Un-Audited) Rupees | June 2008 (Audited) Rupees |
|---------------------------------------------------|------|------------------------------------|----------------------------|
| <b>6 LONG TERM FINANCES</b>                       |      |                                    |                            |
| Employees - considered good                       |      | <b>25,595,398</b>                  | 24,223,751                 |
| Others                                            |      |                                    |                            |
| Secured - considered good                         |      | <b>658,918,695</b>                 | 544,930,955                |
| Unsecured - considered good                       |      | <b>300,000</b>                     | 300,000                    |
|                                                   |      | <b>684,814,093</b>                 | 569,454,706                |
| Less : current maturity                           | 7    | <b>32,962,319</b>                  | 6,107,076                  |
|                                                   |      | <b>651,851,774</b>                 | 563,347,630                |
| <b>7 CURRENT MATURITIES OF NON-CURRENT ASSETS</b> |      |                                    |                            |
| Long term finances                                | 6    | <b>32,962,319</b>                  | 6,107,076                  |
| Net investment in lease finance                   | 5    | <b>1,241,268,309</b>               | 1,204,539,838              |
|                                                   |      | <b>1,274,230,628</b>               | 1,210,646,914              |

|           | Note                                                        | September<br>2008<br>(Un-Audited)<br>Rupees | June<br>2008<br>(Audited)<br>Rupees |
|-----------|-------------------------------------------------------------|---------------------------------------------|-------------------------------------|
| <b>8</b>  | <b>SHORT TERM FINANCES</b>                                  |                                             |                                     |
|           | Employees - considered good                                 | 891,989                                     | 804,120                             |
|           | Others                                                      |                                             |                                     |
|           | Secured - considered good                                   | 535,000,000                                 | 383,830,000                         |
|           | Secured - considered doubtful                               | 650,000                                     | 650,000                             |
|           | Less: Provision against doubtful finance                    | 650,000                                     | 650,000                             |
|           |                                                             | -                                           | -                                   |
|           |                                                             | <b>535,891,989</b>                          | <b>384,634,120</b>                  |
| <b>9</b>  | <b>SHORT TERM PLACEMENTS - CONSIDERED GOOD</b>              |                                             |                                     |
|           | <i>Secured</i>                                              |                                             |                                     |
|           | Continuous funding system (CFS)                             | 23,601,259                                  | 139,437,308                         |
|           | Securities purchased under reverse<br>repurchase agreements | 191,682,971                                 | 360,988,000                         |
|           |                                                             | <b>215,284,230</b>                          | <b>500,425,308</b>                  |
| <b>10</b> | <b>ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>          |                                             |                                     |
|           | Advance to employees-considered good                        | 1,142,054                                   | 16,167                              |
|           | Advance against leases                                      | 57,900,736                                  | 98,118,169                          |
|           | Advance against purchase of fixed assets                    | 1,826,874                                   | 5,023,459                           |
|           | Other advances - considered good                            | 751,815                                     | 381,801                             |
|           | Initial transaction cost of term finance certificates       | -                                           | 5,549,389                           |
|           | Receivable from customers                                   | 438,403,865                                 | 410,780,744                         |
|           | Prepayments                                                 | 11,133,732                                  | 9,843,933                           |
|           | Miscellaneous receivables from lessees                      | 171,974,035                                 | 148,625,216                         |
|           | Other receivables - considered good                         | 3,988,568                                   | 3,600,281                           |
|           |                                                             | <b>687,121,679</b>                          | <b>681,939,159</b>                  |
| <b>11</b> | <b>CASH AND BANK BALANCES</b>                               |                                             |                                     |
|           | Cash in hand                                                | 545,728                                     | 1,175,600                           |
|           | With banks in:                                              |                                             |                                     |
|           | Deposit accounts                                            | 232,198                                     | 232,202                             |
|           | Current accounts                                            | 46,709,786                                  | 91,880,971                          |
|           |                                                             | <b>46,941,984</b>                           | <b>92,113,173</b>                   |
|           |                                                             | <b>47,487,712</b>                           | <b>93,288,773</b>                   |

|                                                                      | Note | September<br>2008<br>(Un-Audited)<br>Rupees | June<br>2008<br>(Audited)<br>Rupees |
|----------------------------------------------------------------------|------|---------------------------------------------|-------------------------------------|
| <b>12 TERM FINANCE CERTIFICATES (TFC) - SECURED</b>                  |      |                                             |                                     |
| TFC II-1st tranche                                                   |      | 75,000,000                                  | 112,500,000                         |
| TFC II-2nd tranche                                                   |      | 187,500,000                                 | 187,500,000                         |
| TFC III                                                              |      | 600,000,000                                 | -                                   |
|                                                                      |      | <b>862,500,000</b>                          | 300,000,000                         |
| Less: Unamortized portion of initial transaction cost                |      | 12,660,750                                  | 4,367,408                           |
|                                                                      |      | <b>849,839,250</b>                          | 295,632,592                         |
| Less: Current maturity                                               | 15   | 150,240,000                                 | 150,000,000                         |
|                                                                      |      | <b>699,599,250</b>                          | 145,632,592                         |
| <b>13 LONG TERM CERTIFICATES OF INVESTMENT - UNSECURED</b>           |      |                                             |                                     |
| Local currency                                                       |      |                                             |                                     |
| - Financial institutions                                             |      | 808,333,333                                 | 858,333,333                         |
| - Corporates                                                         |      | 19,000,340                                  | 13,642,940                          |
| - Individuals                                                        |      | 116,950,955                                 | 124,180,955                         |
|                                                                      |      | <b>944,284,628</b>                          | 996,157,228                         |
| Less: Current maturity                                               | 15   | 911,834,288                                 | 895,403,258                         |
|                                                                      |      | <b>32,450,340</b>                           | 100,753,970                         |
| <b>14 LONG TERM BORROWINGS - SECURED</b>                             |      |                                             |                                     |
| Banking companies and other financial institutions:                  |      |                                             |                                     |
| The Bank of Punjab                                                   |      | 64,583,333                                  | 79,166,666                          |
| Faysal Bank Limited                                                  |      | 75,000,000                                  | 83,333,333                          |
| Allied Bank Limited                                                  |      | 50,000,000                                  | 50,000,000                          |
| Habib Bank Limited                                                   |      | 58,333,335                                  | 66,666,668                          |
| Syndicated Term Finance                                              |      | 20,977,619                                  | 20,940,432                          |
| Saudipak Industrial & Agricultural Investment Company (Pvt.) Limited |      | 24,999,998                                  | 33,333,328                          |
| Standard Chartered Bank Limited                                      |      | 413,555,554                                 | 454,888,888                         |
| Atlas Bank Limited                                                   |      | 187,500,000                                 | 200,000,000                         |
|                                                                      |      | <b>894,949,839</b>                          | 988,329,315                         |
| Less: Current portion shown under current liabilities                | 15   | 374,348,131                                 | 386,848,127                         |
|                                                                      |      | <b>520,601,708</b>                          | 601,481,188                         |

|                                                          | Note                                               | September<br>2008<br>(Un-Audited)<br>Rupees | June<br>2008<br>(Audited)<br>Rupees |
|----------------------------------------------------------|----------------------------------------------------|---------------------------------------------|-------------------------------------|
| <b>15</b>                                                | <b>CURRENT MATURITIES OF LONG TERM LIABILITIES</b> |                                             |                                     |
| Term finance certificates - secured                      | 12                                                 | 150,240,000                                 | 150,000,000                         |
| Certificates of investment - unsecured                   | 13                                                 | 911,834,288                                 | 895,403,258                         |
| Long term borrowings - secured                           | 14                                                 | 374,348,131                                 | 386,848,127                         |
| Long term deposits                                       |                                                    | 256,643,320                                 | 215,914,768                         |
| Pre- IPO subscription of Term Finance Certificates       |                                                    | -                                           | 90,000                              |
|                                                          |                                                    | <b>1,693,065,739</b>                        | <b>1,648,256,153</b>                |
| <b>16</b>                                                | <b>TRADE AND OTHER PAYABLES</b>                    |                                             |                                     |
| Payable to National Clearing Company of Pakistan Limited |                                                    | -                                           | 377,328                             |
| Customer's credit balances                               |                                                    | 12,733,709                                  | 47,689,653                          |
| Advance receipt against leases                           |                                                    | 15,477,945                                  | 20,206,853                          |
| Unclaimed dividend                                       |                                                    | 3,191,285                                   | 3,221,681                           |
| Accrued liabilities                                      |                                                    | 2,134,896                                   | 2,485,230                           |
| Other liabilities                                        |                                                    | 28,138,954                                  | 7,170,817                           |
|                                                          |                                                    | <b>61,676,789</b>                           | <b>81,151,562</b>                   |
| <b>17</b>                                                | <b>CONTINGENCIES AND COMMITMENTS</b>               |                                             |                                     |

#### 17.1 Contingencies

- 17.1.1** The Company has issued guarantees to various parties on behalf of clients amounting to Rs.216.958 million. ( 30 June, 2008: Rs. 182.342 million).
- 17.1.2** In a suit filed, pending for ratable distribution of sale proceeds of a property auctioned by the Company on the order of the Banking Court, the Honorable Lahore High Court directed the Company to deposit the sale proceeds of that property amounting to Rs 25.650 million with the Court. However, the Company has obtained a stay against the order of the Honorable Lahore High Court. The Company's lawyer is of the opinion that the maximum exposure to the Company will be Rs 8.53 million if the case is decided against the Company.

#### 17.2 Commitments

- 17.2.1** Lease commitments approved but not disbursed as on balance sheet date amount to Rs.65.421 million (30 June, 2008: Rs. 123.142 million).
- 17.2.2** Commitment for the purchase of office space is given to Tricon Developers (Pvt) Limited, amounting to Rs. 29.63 million (30 June, 2008: Rs. 29.63 million).

|           |                                                                       | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | September<br>2007<br>(Un-Audited)<br>Rupees |
|-----------|-----------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>18</b> | <b>INCOME FROM LEASE OPERATIONS</b>                                   |                                                       |                                             |
|           | Finance lease income                                                  | <b>155,077,624</b>                                    | 99,136,977                                  |
|           | Front end fee                                                         | <b>76,300</b>                                         | 1,295,158                                   |
|           | Commitment and other fees                                             | <b>890,174</b>                                        | 865,000                                     |
|           | Miscellaneous                                                         | <b>6,694,152</b>                                      | 6,791,614                                   |
|           |                                                                       | <b>162,738,250</b>                                    | 108,088,749                                 |
| <b>19</b> | <b>INCOME FROM INVESTMENTS</b>                                        |                                                       |                                             |
|           | Profit / (Loss) on disposal of investment held for trading            | <b>(1,280,082)</b>                                    | 6,327,940                                   |
|           | Profit on investment in continuous funding system                     | <b>4,171,411</b>                                      | 5,834,189                                   |
|           | Profit on disposal of shares under reverse repurchase agreements      | <b>10,351,213</b>                                     | 14,714,214                                  |
|           | Profit / (Loss) on disposal of shares purchased under future contract | <b>(121,344)</b>                                      | 1,094,383                                   |
|           | Profit on short term placements and long term investments             | <b>10,865,373</b>                                     | 4,596,587                                   |
|           | Dividend income                                                       | <b>2,495,000</b>                                      | 2,031,250                                   |
|           | Underwriting and trusteeship fee                                      | <b>984,670</b>                                        | 120,000                                     |
|           |                                                                       | <b>27,466,241</b>                                     | 34,718,563                                  |
| <b>20</b> | <b>EARNINGS PER SHARE - BASIC</b>                                     |                                                       |                                             |
|           | Profit for the period after taxation                                  | Rupees <b>2,329,886</b>                               | 15,567,936                                  |
|           | Weighted average number of ordinary shares                            | Numbers <b>58,552,873</b>                             | 58,552,873                                  |
|           | Earnings per share (restated)                                         | Rupees <b>0.04</b>                                    | 0.27                                        |

**20.1** No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on its earning per share.

|           |                                  | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | June<br>2008<br>(Audited)<br>Rupees |
|-----------|----------------------------------|-------------------------------------------------------|-------------------------------------|
| <b>21</b> | <b>CASH AND CASH EQUIVALENTS</b> |                                                       |                                     |
|           | Cash in hand                     | <b>545,728</b>                                        | 1,175,600                           |
|           | Cash at banks                    | <b>46,941,984</b>                                     | 92,113,173                          |
|           | Short term running finance       | <b>(344,501,373)</b>                                  | (332,216,672)                       |
|           |                                  | <b>(297,013,661)</b>                                  | (238,927,899)                       |



## 22 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors, entities over which directors are able to exercise significant influence, entities with common directors, major shareholders, key management employees and employees' fund. The transactions and balances with related parties, other than those which have been disclosed in the relevant notes are disclosed as follows:

|                                                 | <b>September<br/>2008<br/>(Un-Audited)<br/>Rupees</b> | September<br>2007<br>(Un-Audited)<br>Rupees |
|-------------------------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>First Pakistan Securities Limited</b>        |                                                       |                                             |
| Amount due against leases                       | <b>383,616</b>                                        | 570,369                                     |
| Finance income charged during the period        | <b>9,338</b>                                          | 15,725                                      |
| Deposits against lease arrangements             | <b>149,700</b>                                        | 149,700                                     |
| <b>MCD Pakistan Limited</b>                     |                                                       |                                             |
| Finance income charged during the period        | -                                                     | 782                                         |
| <b>Switch Securities (Private) Limited</b>      |                                                       |                                             |
| Finance income charged during the period        | -                                                     | 1,534                                       |
| <b>Tricon Developers ( Partnership Concern)</b> |                                                       |                                             |
| Installments paid for purchase of office space  | <b>97,379,318</b>                                     | 52,923,542                                  |
| Amount due against leases                       | <b>439,474</b>                                        | -                                           |
| Finance income charged during the period        | <b>18,886</b>                                         | -                                           |
| Deposits against lease arrangements             | <b>48,700</b>                                         | -                                           |
| <b>Union Communication (Pvt) Limited</b>        |                                                       |                                             |
| Communication services                          | <b>249,412</b>                                        | 186,497                                     |
| <b>PolyGon Builders</b>                         |                                                       |                                             |
| Amount due against term finances                | <b>25,550,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>1,191,400</b>                                      | -                                           |
| <b>Ahmed Khalil</b>                             |                                                       |                                             |
| Amount due against term finances                | <b>10,000,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>556,541</b>                                        | -                                           |
| <b>Habib Rafiq (Pvt) Limited</b>                |                                                       |                                             |
| Amount due against leases                       | <b>34,850,240</b>                                     | -                                           |
| Finance income charged during the period        | <b>1,478,850</b>                                      | -                                           |
| Deposits against lease arrangements             | <b>3,871,121</b>                                      | -                                           |
| Letter of guarantees                            | <b>121,137,200</b>                                    | -                                           |
| <b>Allied Developers</b>                        |                                                       |                                             |
| Amount due against term finances                | <b>29,500,000</b>                                     | -                                           |
| Finance income charged during the period        | <b>756,165</b>                                        | -                                           |
| <b>Employees' retirement fund</b>               |                                                       |                                             |
| Payment made                                    | <b>296,528</b>                                        | 900,478                                     |

**23 AUTHORIZATION**

These consolidated condensed interim financial statements were authorized for issue on 30 October, 2008 by the Board of Directors.

**24 GENERAL**

Figures have been rounded off to the nearest of rupee.

**CHIEF EXECUTIVE**

**DIRECTOR**

# Branch Network

## Province of Punjab

**Main Branch & Brokerage House**  
35-A/II, Aziz Avenue, Canal Bank,  
Lahore

**DHA Branch**  
1st Floor, 4-S, Commercial Phase II,  
DHA, Lahore Cantt.

**Faisal Town Branch**  
753/C, Adjacent Ravi Restaurant,  
Faisal Town, Lahore.

**Gujrat Branch**  
Ground Floor, Kashmir Plaza,  
Ram Talai Road, Gujrat.

**Sargodha Branch**  
60/A Railway Road, Civil Lines  
(Opp. Solo Hotel),  
Sargodha.

**Gujranwala Branch**  
Opp. Divisional Public School,  
Sama Stop, GT Road, Gujranwala.

**Jhelum Branch**  
24-Civil Lines, Opp. Govt Girls  
High School No. 1, Near Imam Bargah,  
Jhelum.

**Mandi Baha-ud-Din Branch**  
Near Alvi Chowk, Mandi Baha-ud-Din.

**Multan Branch**  
1733/B - Ground Floor, LMQ Road,  
(Central Chungji 8-9 Highway), Multan.

**Sialkot Branch**  
Kashmir Road, Near Meezan Bank,  
Sialkot.

**Faisalabad Branch**  
Saeed Arcade, 721-Batala Colony  
Faisalabad.

**Sahiwal Branch**  
79-A-F, Canal Colony,  
Farid Town Road,  
Sahiwal.

**Rawalpindi Branch**  
5/10, Ground Floor, The Mall,  
Near PIA building,  
Rawalpindi.

**Islamabad Capital  
Islamabad Branch**  
Ground Floor, Kashmir  
Commercial Complex,  
54-E, Fazal-e-Haq Road, Blue Area,  
Islamabad.

## Province of Sindh

**Karachi Branch**  
30-A, Progressive Centre, Ground Floor,  
PECHS, Block 6, Main Shahrah-e-Faisal,  
Karachi.

## Province of NWFP

**Peshawar Branch**  
Commercial Building, Jehangirabad,  
University Road,  
Peshawar

w w w . t r u s t b a n k . c o m . p k



## Trust Investment Bank Limited

Head Office: 23-D/1-A, Gulberg III, Lahore (Pakistan).

Telephones: +92-42-240 4714-19 Fax: +92-42-240 4720

E m a i l : i n f o @ t r u s t b a n k . c o m . p k