



**ESCORTS INVESTMENT BANK LIMITED** Quarterly Report - March 2007





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## Corporate Information

### Board of Directors

Chairman  
Bashir Ahmed

President & Chief Executive Officer  
Rashid Mansur

Directors  
Bairam Qureshy  
Mutahir Ahmed  
Shazia Bashir  
Qaim Mehdi  
Tajamul Hussain Bokhari (nominee National Bank of Pakistan)

Company Secretary  
Ahmed Hasan Khan

### Executive Management

President & Chief Executive Officer  
Rashid Mansur

Chief Operating Officer  
Muhammad Naeem Khan

Executive Director / Head of HR & Administration  
Shazia Bashir

Chief Financial Officer  
Farooq Hameed Khawaja

Company Secretary / Head of Legal & Corporate Affairs  
Ahmed Hasan Khan

Head of Treasury Division  
Arshad I. Khan

Head of Capital Markets Division  
Muhammad Jawad Akhtar

Head of Corporate Finance & Advisory  
Muhammad Kamran Nasir

Head of MIS & Settlements  
Azmat Baig

Head of Proprietary Investments (Equity & Equity related Products)  
Hasan Abid Zaidi



## Audit Committee

Chairman  
Bashir Ahmed

Members  
Tajamul Hussain Bokhari  
Bairam Qureshy

Secretary  
Ahmed Hasan Khan

## Internal Auditors

A. F. Fergusons & Co.  
Chartered Accountants

## External Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Legal Advisors

Zafar, Iqbal & Raja  
Advocates and Legal Consultants

International Legal Services  
Advocates and Legal Consultants

## Tax Consultants

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

## Bankers

Bank Alfalah Limited  
Bank Al-Habib Limited  
Habib Bank Limited  
Muslim Commercial Bank Limited  
PICIC Commercial Bank Limited  
The Bank of Khyber Limited



## Chief Executive's Review

### *Our Strategy Moves On...*

Great Results by any standard ...but the Results last year were simply Fantastic!

It is an honor and a pleasure for me to update you on the performance of Escorts Investment Bank Limited during the Quarter January ~ March 2007.

The Quarter under review has concluded with a set of Mixed News. Let me present the Good News first, but after this Foreword.

During my last Review I had talked about Benchmarking Corporate Success. In that context I had mentioned two sets of distinctive yet often mutually dependent measures viz. Quantitative Measures and Qualitative Measures. Among the Quantitative Measures I had listed: Net Profitability, Earnings per Share, Return on Equity, Dividends to Share Holders together with growth achieved in Equity and Total Assets.

Qualitative Measures included: Asset Quality, Diversity of Assets and Revenue Streams, Level of Hedging against Volatility of Revenues, Systems and Automation, Human Resource, Quality of Governance, Brand Visibility and Market's Perception about the Institution, Efficiency of Work Processes including the application of Technology and degree of Automation, Effective Internal Controls and, the degree of Resilience in the wake of adverse market conditions.

Among the pure Quantitative Measures I had emphasized my preference for, the "Percentage Return on Equity or Capital Employed" as the "most precise measure of Success of any Executive Management".

I was pleased to receive comments from a number of very distinguished personalities of our Financial Sector strongly endorsing my choice of "Return on Capital Employed" *as the most precise Qualitative Measure of Management Performance*.

The *Good News* is that Escorts Investment Bank has maintained its top ranking position, among the Investment Banks, in terms of the Return on Capital Employed (20.28% p.a.). Moreover our lead, in this respect, over our Peers, has further improved.

Our Shareholders Equity, our Deposits and Borrowings, our Financing and Leasing Business, our Investments and Placements, our Total Assets, our Net Assets per Share, our Gross Revenues, all have shown an increasing trend.

On the Qualitative side there has been consistent and significant progress in terms of Asset Quality, Systems Development and Automation, Human Resource Deployment and Capacity Building, Quality of Governance, Brand Visibility and Market's Perception about our Bank, Investor Awareness Initiatives, Resource Optimization and our lead role on crucial Sector Specific Issues.

These results are a reflection of the fact that everyday and in every way, my colleagues and I gear our efforts towards creating additional value for our stakeholders. Our strength lies in our customer focus, innovative products and quality service, supported by a committed team, operating within an accountable framework of social, ethical and corporate responsibility. Compliance of the text and spirit of the Regulatory Framework, Good Governance and Best Business Practices are our most revered principles.

The *Not So Good News* is that, when we compare ourselves with ourselves, the Return on Capital Employed for the corresponding period of last year was still higher. It is not that this period's Return on Capital Employed is low. A return of 20.28 % P.A is good by any standard, but the return of 27.14 % for the corresponding period last year was simply fantastic.

- During the first three Quarters of this Financial Year there was a general rise in the interest rates as reflected in the increase in KIBOR. The yields on Investments and Financing activities could not match this increase and there was a consequential decrease in Spreads. This has been true for almost all the NBFCs, particularly the Investment Banks. In the case of Escorts Bank we were able to offset this deficit by a substantial increase in the volume of our Borrowings/Investments. Hence there has been a significant increase in our Gross Revenues and only a negligible decrease in our Net Interest Margin.
- Those activities of Investment Banks that are directly or indirectly connected with the Stock Markets were badly affected by the ongoing controversies about the Stock Markets, frequent changes in the Rules and Regulations including the Exposure Regimes and the imposition/enhancement of prohibitive Transaction Taxes. This led to shrinkage of volumes on the Stock Exchanges and a fall in our Fee-Based and Commission Income from certain segments of our activities.
- We have taken steps to address this situation. A number of new fee based activities have been started and revenues have started to flow in from these activities, beginning from the month of April. The real impact of these gains would however be reflected in the next Financial Year's profitability.

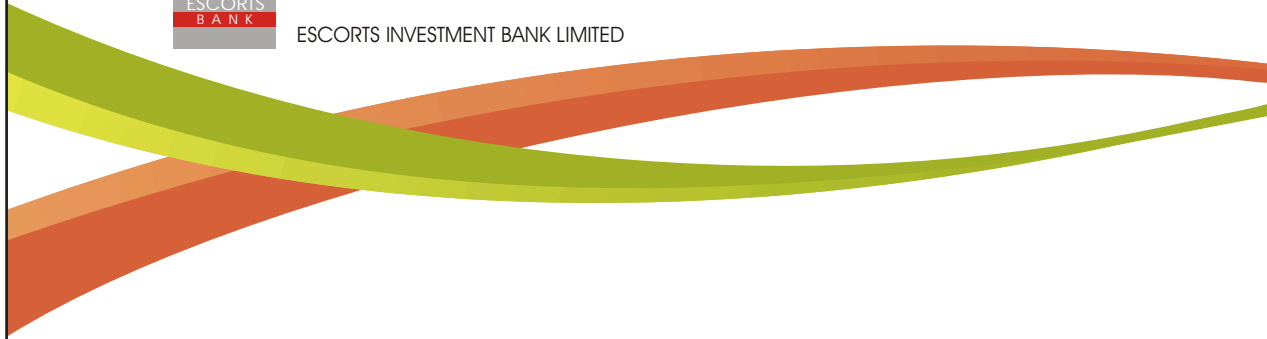
Financial Highlights of the period under review are given below:

### Financial Highlights (As at March 31, 2007)

UNAUDITED FIGURES		Rupees in Million		
Sr.#	Description	March 2007	June 2006*	Variance %
1	Shareholder's Equity	787	760	4
2	Deposits & Borrowings	4,518	3,687	23
3	Financing (including Leasing)	379	374	1
4	Investments & Placements	4,169	3,710	12
5	Total Assets	5,471	4,876	12
6	Net Asset Value per Share	17.45	16.89	3

\* Audited figures

Sr.#	Description	July 06 to March 07	July 05 to March 06	Variance %
7	Gross Revenues	628	534	18
8	Profit After Tax	115	154	(25)
9	Earnings Per Share Rs.	2.60	3.73	(30)
10	Return on Capital Employed (%p.a.)	20.28	27.14	(7)



## Future Outlook

I foresee a halt in the rising trend of interest rates and a consequential reduction in our Weighted Average Cost (WAC) of Funding. There may be some improvement in the Weightage Average Return (WAR) of our Investments also. This should help our spreads. Given the present much enhanced size of our Assets, even a small improvement in spreads could result in a very significant rise in our Gross Interest Margin.

We have chosen to retain our capacity to undertake those activities that experienced a fall in returns. At the same time we created additional capacity to generate revenues through new products. I foresee a substantial revenue jump as soon as the returns from affected activities return to the normal levels.

We are confident that the strategic course we have set is correct. We shall grow faster than our competitors from a core business perspective. We shall continue to improve both productivity and profitability.

Based on the foregoing, there is no doubt in my mind that the outlook for Escorts Investment Bank remains very positive.

While concluding I would like to place on record my sincere gratitude to our Board of Directors for their guidance; to all the members of my team for their unrelenting dedication and high level of professionalism; to our customers for their loyalty and support and finally the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan for their commitment to the process of Financial Sector and Capital Markets Reforms.

I look forward to sharing with you, many more positive reviews for the periods to come.  
With warm regards,

Sincerely,

A handwritten signature in black ink, appearing to read "Rashid Mansur".

Rashid Mansur  
President & CEO

April 27, 2007

## Balance Sheet

As at 31 March 2007

### ASSETS

	Note	31-Mar-07 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
<b>Non-current Assets</b>			
Fixed capital expenditure	3	136,725,129	136,310,773
Cards and rooms		78,105,000	45,405,000
Long term investments	4	567,441,014	581,131,615
Long term finances		13,872,568	35,294,935
Net investment in lease finance		46,018,801	26,561,233
Long term loans, deposits and prepayments		15,698,200	9,194,808
Deferred tax asset		12,550,144	15,715,126
<b>Current Assets</b>			
Current maturities of non-current assets		106,247,940	104,516,841
Short term investments	5	1,140,064,281	848,362,705
Short term finances		230,456,001	223,895,088
Short term placements	6	2,450,084,550	2,270,121,900
Advances, deposits, prepayments and other receivables		644,744,825	409,526,938
Cash and bank balances		29,303,002	169,720,022
		<b>4,600,900,599</b>	<b>4,026,143,494</b>
		<b>5,471,311,456</b>	<b>4,875,756,984</b>

### EQUITY AND LIABILITIES

<b>Share Capital and Reserves</b>			
Share capital		441,000,000	441,000,000
Reserves		345,637,335	319,269,018
		<b>786,637,335</b>	<b>760,269,018</b>
Deficit on Revaluation of Investments	7	(17,234,783)	(15,402,330)
<b>Non-Current Liabilities</b>			
Term finance certificates	8	637,190,027	228,983,342
Obligation under finance lease		6,986,632	7,529,374
Long term certificates of deposit		297,169,286	397,315,618
Long term security deposit		17,653,280	9,138,300
<b>Current Liabilities</b>			
Current maturities of non-current liabilities		169,375,185	86,202,070
Short term borrowings		1,445,000,000	1,145,000,000
Running finance under mark up arrangements		490,307,679	778,338,739
Short term certificates of deposit		1,480,027,675	1,043,141,883
Trade and other payables		129,483,610	406,525,439
Provision for taxation		28,715,531	28,715,531
		<b>3,742,909,680</b>	<b>3,487,923,662</b>
Contingencies and Commitments	9		
		<b>5,471,311,456</b>	<b>4,875,756,984</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER





## Profit and Loss Account (Un-Audited)

For the period ended 31 March 2007

INCOME		Quarter Ended		Nine Months Ended	
		31-Mar-07 Rupees	31-Mar-06 Rupees	31-Mar-07 Rupees	31-Mar-06 Rupees
	Note				
Profit on financing		13,655,535	17,274,656	42,579,381	55,488,684
Mark-up on lease finance		1,277,996	187,031	3,383,534	187,031
Return on placements with financial institutions		3,541,302	2,681,311	7,462,243	29,057,527
Return on investments	10	174,349,522	173,658,040	527,612,104	386,955,207
Fees and commission		19,395,391	22,243,439	44,432,614	56,605,004
Other income		995,335	1,150,209	2,114,331	5,620,958
		<b>213,215,081</b>	<b>217,194,686</b>	<b>627,584,207</b>	<b>533,914,411</b>
<b>EXPENSES</b>					
Return on certificates of deposit		55,794,629	39,468,147	150,301,738	95,648,457
Return on term finance certificates		19,622,593	6,722,242	36,737,961	20,058,302
Mark-up on short term running finance		6,304,045	6,098,158	40,023,056	19,058,065
Mark-up on borrowings from financial institutions		42,047,431	24,406,838	117,619,212	84,890,155
Amortization of premium on held to maturity investments		2,446,815	2,270,346	7,340,445	6,811,040
Administrative and other operating expenses		52,702,373	59,261,926	144,289,395	134,454,981
Other financial charges		193,999	220,115	1,206,007	918,216
		<b>179,111,885</b>	<b>138,447,772</b>	<b>497,517,814</b>	<b>361,839,216</b>
Operating profit before taxation		34,103,196	78,746,914	130,066,393	172,075,195
Taxation		3,165,153	6,000,000	15,498,076	18,000,000
Profit after taxation		<b>30,938,043</b>	<b>72,746,914</b>	<b>114,568,317</b>	<b>154,075,195</b>
Earnings per share-basic and diluted	11	0.70	1.76	2.60	3.73

The annexed notes 1 to 14 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

## Cash Flow Statements (Un-Audited)

For the period ended 31 March 2007

	31-Mar-07 Rupees	31-Mar-06 Rupees
Cash flow from operating activities		
Profit before taxation	130,066,393	172,075,195
Adjustment for non cash expenses and other items:		
Depreciation on tangible assets	13,667,389	11,472,662
Amortization on intangible assets	749,925	-
Amortization of premium on held to maturity investments	7,340,445	6,811,040
Loss / (gain) on sale of fixed assets	-	28,000
Mark-up/return income	(103,241,285)	(137,244,518)
Dividend income	(94,873,230)	(53,867,493)
Return on deposits and borrowings	344,681,967	219,654,979
	168,325,211	46,854,670
	298,391,604	218,929,865
(Increase)/decrease in operating assets		
Repayment / (Disbursements) of finances - net	18,462,478	304,463,245
Net investment in lease finance	(15,527,892)	(16,172,735)
Divestment from placements - net	(179,962,650)	(1,411,553,495)
Investments - net	(287,988,625)	58,711,011
Loans, advances, deposits and prepayments	(167,369,196)	34,866,854
	(632,385,885)	(1,029,685,120)
Increase/ (decrease) in operating liabilities		
Borrowings from financial institutions	300,000,000	(305,000,000)
Receipts from (repayments of) certificates of deposit	373,908,396	380,659,995
Running finance facilities	(288,031,060)	305,161,869
Trade and other payables	(268,092,351)	(78,641,822)
	117,784,985	302,180,042
Net changes in operating assets and liabilities	(514,600,900)	(727,505,078)
Mark-up/return received	88,485,755	127,776,785
Return on deposits and borrowings paid	(353,667,418)	(210,253,737)
Dividend received	93,045,130	38,393,593
Net cash used in operating activities before taxes	(388,345,829)	(552,658,572)
Taxes paid	(70,043,615)	(30,117,900)
Net cash used in operating activities	(458,389,444)	(582,776,472)
Cash flow from investing activities		
Fixed capital expenditure incurred	(16,411,145)	(15,675,375)
Proceeds from sale of fixed assets	1,579,474	1,435,785
Investment in cards and rooms	(32,700,000)	-
Net cash used in investing activities	(47,531,671)	(14,239,590)
Cash flow from financing activities		
Proceeds against Right issue	-	34,205,010
Dividend paid	(88,164,027)	(310,469)
Term Finance Certificate	454,148,343	(110,000)
Repayment of lease obligation	(480,221)	(283,874)
Net cash generated in financing activities	365,504,095	33,500,667
Net decrease in cash and cash equivalents	(140,417,020)	(563,515,394)
Cash and cash equivalents at the beginning of the period	169,720,022	671,204,063
Cash and cash equivalents at the end of the period	29,303,002	107,688,669

The annexed notes 1 to 14 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER



## Statement of Changes in Equity (Un-Audited)

For the period ended 31 March 2007

	Share Capital Rupees	Share deposit money Rupees	Statutory reserve Rupees	Un-appropriated profit Rupees	Total Rupees
Balance as at 01 July 2005 (Audited)	300,000,000	85,794,990	63,243,628	90,974,515	540,013,133
Received against 40% right issue	-	34,205,010	-	-	34,205,010
Right share issued (40%)	120,000,000	(120,000,000)	-	-	-
Bonus shares @ 5% issued	21,000,000	-	-	(21,000,000)	-
Net profit upto 31 March 2006	-	-	-	154,075,195	154,075,195
Transfer to statutory reserve	-	-	30,815,039	(30,815,039)	-
Balance as at 31 March 2006 (Un-audited)	441,000,000	-	94,058,667	193,234,671	728,293,338
Net profit upto 30 June 2006	-	-	-	31,975,680	31,975,680
Transfer to statutory reserve	-	-	6,395,136	(6,395,136)	-
Balance as at 30 June 2006 (Audited)	441,000,000	-	100,453,803	218,815,215	760,269,018
Net profit upto 31 March 2007	-	-	-	114,568,317	114,568,317
Transfer to statutory reserve	-	-	22,913,663	(22,913,663)	-
Final dividend for 2006 paid @20% (Rs. 2 per share)	-	-	-	(88,200,000)	(88,200,000)
Balance as at 31 March 2007 (Un-audited)	441,000,000	-	123,367,466	222,269,869	786,637,335

The annexed notes 1 to 14 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER



## Notes to the Financial Statements

For the period ended 31 March 2007

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operation on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services, leasing business and housing finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

JCR VIS Credit Rating Company Limited has assigned medium to Long Term Credit Rating of "A" (Single A) and Short Term Credit Rating of "A-1" (Single A one) with stable outlook.

The Company is a member of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited. The Company has undertaken to contribute to the assets of the Karachi and Lahore Stock Exchanges, an amount not exceeding one thousand rupees each, in the event of their winding up, in accordance with their Memorandums of Association.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except for held for trading investments and available for sale investments, which have been recognized at fair value.

#### 2.2 Basis of Presentation

These condensed interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2006. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

#### 2.3 Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended 30 June 2006.

#### 2.4 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2006.

### 3. FIXED CAPITAL EXPENDITURE

	31 March 2007	
	Additions Cost Rupees (Un-Audited)	Disposals Book Value Rupees (Un-Audited)
The following additions and disposals were made during the nine months:		
Improvement on leasehold premises	29,500	-
Office furniture & fixture	72,110	-
Computer equipments	2,003,689	-
Office equipments	782,510	-
Vehicles - Owned	3,377,895	1,579,474
Capital work in progress	10,145,441	-
	<b>16,441,145</b>	<b>1,579,474</b>

### 4. LONG TERM INVESTMENTS

	31-Mar-07 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
<b>Held to maturity</b>		
Pakistan Investment Bonds	561,441,020	568,781,465
Term Finance Certificates - Unlisted	17,471,346	23,016,750
	<b>578,912,366</b>	<b>591,798,215</b>
Less: Current maturity of Term Finance Certificates	11,471,352	10,666,600
	<b>567,441,014</b>	<b>581,131,615</b>

## 5. SHORT TERM INVESTMENTS

Note	31 March 2007 (Un-Audited)				30 June 2006 (Audited)			
	Held by Bank Deposits	Deposited Deposits	Total Deposits	Total Deposits	Held by Bank Deposits	Deposited Deposits	Total Deposits	Total Deposits
Available for sale								
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Listed Term Finance Certificates	55,456,218	-	55,456,218	55,456,218	79,944,972	-	79,944,972	79,944,972
Listed shares/ units	35,757,346	-	35,757,346	35,757,346	54,014,038	-	54,014,038	54,014,038
Held for trading	91,213,564	-	91,213,564	91,213,564	133,959,010	-	133,959,010	133,959,010
Listed shares	1,048,850,717	-	1,048,850,717	1,048,850,717	714,403,695	-	714,403,695	714,403,695
	1,140,064,281	-	1,140,064,281	1,140,064,281	848,362,705	-	848,362,705	848,362,705

5.1 These include Rs. 973,930,600 (30 June 2006 Rs. 688,677,661) investment in shares purchased and simultaneously sold in future market with settlement dates subsequent to the period under review.



## 6. SHORT TERM PLACEMENTS

	Note	31-Mar-07 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
<b>Considered good</b>			
Unsecured		20,000,000	36,250,000
Secured under resale agreements	6.1	2,430,084,550	2,233,871,900
		<u>2,450,084,550</u>	<u>2,270,121,900</u>

6.1 These represent clean placements with financial institutions and carry mark-up @ 11% per annum (2006: 11% per annum).

## 7. (DEFICIT) / SURPLUS ON REVALUATION OF INVESTMENTS

	Note	31-Mar-07 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
<b>Available for sale</b>			
Listed term finance certificates		(837,122)	(1,074,710)
Listed shares / Units		(16,397,661)	(14,327,620)
		<u>(17,234,783)</u>	<u>(15,402,330)</u>

## 8. TERM FINANCE CERTIFICATES

This includes listed Term Finance Certificates (TFCs) issued during the period amounting to Rs. 500,000,000 (30 June 2006 Rs. Nil). These carry return at the rate of 6 months KIBOR plus 2.5 bps per annum with a floor of 8% per annum and ceiling of 17% per annum for the first two years and 18% for the remaining period. These TFCs are listed at Lahore Stock Exchange (Gurantee) Limited (LSE).

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

#### a) Taxation

There is no material changes in the status of outstanding litigations since the last audited published financial statements.

#### b) Guarantees

Outstanding guarantees as at balance sheet date were Rs. 111.940 million (2006: Rs. 198.422 million).

## 9.2 Commitments

	31-Mar-07 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Future sale contract - Shares	1,116,772,210	825,636,590
Future purchase contract - Shares	138,176,260	84,651,900
Capital expenditure	3,104,559	-

## 10 RETURN ON INVESTMENTS

	Quarter Ended		Nine Months Ended	
	31-Mar-07 Rupees (Un-Audited)	31-Mar-06 Rupees (Un-Audited)	31-Mar-07 Rupees (Un-Audited)	31-Mar-06 Rupees (Un-Audited)
Mark-up/return on investments	15,845,631	16,513,995	49,816,127	52,511,276
Dividend income	29,632,933	21,684,265	94,873,230	53,867,493
Capital gain(loss) on investments/ reverse repurchase transactions	128,870,958	135,459,780	382,922,747	280,576,438
	174,349,522	173,658,040	527,612,104	386,955,207

## 11 EARNINGS PER SHARE BASIS AND DILUTED

	Quarter Ended		Nine Months Ended	
	31-Mar-07 (Un-Audited)	31-Mar-06 (Un-Audited)	31-Mar-07 (Un-Audited)	31-Mar-06 (Un-Audited)
Profit for the period after taxation (Rupees)	30,938,043	72,746,914	114,568,317	154,075,195
Weighted average number of ordinary shares	44,100,000	41,253,507	44,100,000	41,253,507
Earnings per share (Rupees)	0.70	1.76	2.60	3.73

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



## 12. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

	31-Mar-07 Rupees (Un-Audited)	31-Mar-06 Rupees (Un-Audited)
<b>Transactions during the period</b>		
<b>Associated companies:</b>		
Return on finances received	1,121,116	1,368,217
Guarantee commission earned	592,050	592,050
Profit paid on certificates of deposit	2,599,159	3,761,727
Chairman's secretariat expenses	2,700,000	2,700,000
<b>Directors:</b>		
Return on finances received	236,273	-
Profit paid on certificates of deposit	13,408,392	9,904,693
<b>Executives:</b>		
Return on finances received	715,442	671,240
Profit paid on certificates of deposit	964,816	873,515
Fixed assets sold	970,642	1,073,977
<b>Others:</b>		
Contribution to staff retirement benefits plan	2,247,650	1,971,952

	31-Mar-07 Rupees (Un-Audited)	31-Mar-06 Rupees (Un-Audited)
<b>Balance at the end of the period</b>		
<b>Associated companies:</b>		
Advances outstanding	3,876,326	13,162,451
Letters of guarantee outstanding	78,940,000	78,940,000
Certificates of deposit outstanding	9,088,869	49,036,189
<b>Directors:</b>		
Advances outstanding	2,000,000	2,000,000
Certificates of deposit outstanding	201,000,000	122,000,000
Rent & other receivable	-	2,366,568
<b>Executives:</b>		
Advances outstanding	17,592,815	17,549,592
Certificates of deposit outstanding	7,517,615	16,985,504



13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27 April 2007 by the Board of Directors of the Company.

14. GENERAL

- i) Figures have been rounded off to the nearest rupee.



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DIRECTOR



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CHIEF EXECUTIVE OFFICER

## Our Network

### Head Office & Lahore Branch

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26 – Davis Road, Lahore  
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Fax: (042) 637 5950  
info@escortsbank.net  
www.escortsbank.net

### Branch Offices

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Fax: (021) 563 6075  
Email: karachi@escortsbank.net

**Islamabad Office**  
15 – E, Mezzanine Floor,  
Rehmat Center, Blue Area, Islamabad  
Tel: (051) 287 4601 – 03  
Fax: (051) 287 4604  
Email: islamabad@escortsbank.net

### Investment Services Centers (Brokerage)

**Main - Lahore**  
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Davis Road, Lahore  
Tel: (042) 630 0757 – 58  
Fax: (042) 630 0816

**Lahore Stock Exchange Building**  
Room No. M-3 & M-6,  
Lahore Stock Exchange Building,  
19-Khayaeban-e-Iqbal, Lahore  
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Fax: (042) 630 7168

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Karachi Stock Exchange Building,  
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Tel: (021) 247 2370 – 73  
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**Faisalabad**  
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**Saikkot**  
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**ESCORTS INVESTMENT BANK LIMITED**

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