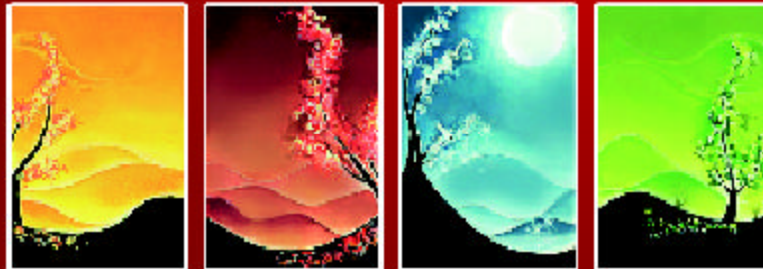




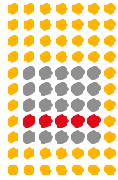
ESCORTS INVESTMENT
BANK LIMITED

Ever-changing ~ for the better



QUARTERLY REPORT

MARCH
2008



Contents of Quarterly Report March 2008



01	Corporate Information
02	Balance Sheet
03	Profit and Loss Account
04	Cash Flow Statement
05	Statement of Changes in Equity
06	Notes to the Financial Statements
11	Network





Corporate Information

Board of Directors

Chairman
Bashir Ahmed

President & Chief Executive Officer
Rasool Mansur

Directors

Zaigham Mahmood Rizvi
Barram Qureshy
Mulanir Ahmed
Srazia Bashir
Qasim Mehdi
Tajamul Hussain Bokhari

Company Secretary
Muhammad Anum Saleem

Executive Management

President & Chief Executive Officer
Rasool Mansur

Executive Director / Head of HR & Administration
Srazia Bashir

Chief Financial Officer / Head of Advisory Services
Muhammad Kamran Nasir

Head of Treasury Division
Arshad I. Khan

Head of Capital Markets Division
Muhammad Jawad Akhtar

Head of MIS & Settlements
Armat Baig

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

Head of Branch Network
Amir Samad

Head of Information Technology
Srenayyar Mirza

Company Secretary / Head of Corporate & Legal Affairs
Muhammad Anum Saleem



Audit Committee

Chairman
Bashir Ahmed

Members
Tajamul Hussain Bokhari
Barram Qureshy

Secretary
Muhammad Anum Saleem

Internal Auditors

A. F. Fergusons & Co.
Chartered Accountants

External Auditors

KPMG Taseer Hadi & Co
Chartered Accountants

Legal Advisors

Lexium - Attorneys at Law
Advocates and Legal Consultants

International Legal Services
Advocates and Legal Consultants

Tax Consultants

KPMG Taseer Hadi & Co
Chartered Accountants

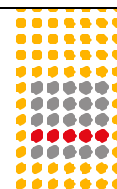
Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Habib Bank Limited
MCB Bank Limited
The Hong Kong and Shanghai
Banking Corporation Ltd.
The Bank of Khyber Limited

Condensed Interim Balance Sheet



As at 31 March 2008

ASSETS

	Note	31-Mar-08 Rupees (Un-audited)	30-Jun-07 Rupees (Audited)
Non-current Assets			
Fixed capital expenditure	5	137,133,957	143,159,958
Cards and rooms		84,105,000	78,105,000
Long term investments	6	554,554,399	569,162,392
Long term finances		24,133,910	39,451,792
Net investment in lease finance		63,976,475	53,761,296
Long term loans, deposits and prepayments		15,072,224	15,582,224
Deferred tax asset		40,106,321	22,276,280
Current Assets			
Current maturities of non-current assets		96,902,524	95,684,515
Short term investments	7	2,975,076,000	1,307,019,474
Short term finances		335,349,146	211,978,657
Short term placements	8	598,969,851	2,789,895,924
Advances, deposits, prepayments and other receivables		464,072,467	445,184,268
Cash and bank balances		86,802,568	133,425,151
		4,557,172,556	5,013,161,019
		5,476,254,843	5,934,659,959

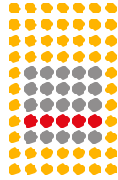
EQUITY AND LIABILITIES

Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		344,260,924	361,232,726
		785,260,924	802,232,726
Deficit on Revaluation of Investments	9	(2,824,813)	(4,140,041)
Non-Current Liabilities			
Term finance certificates	10	539,234,661	629,848,001
Obligation under finance lease		6,160,406	6,785,531
Long term certificates of deposit		334,090,960	312,894,289
Long term security deposit		26,023,615	18,473,051
Current Liabilities			
Current maturities of non-current liabilities		108,626,064	142,300,687
Short term borrowings		2,210,000,000	1,715,000,000
Running finance under mark up arrangements - Secured		98,090,772	295,856,901
Short term certificates of deposit		770,414,991	1,718,751,351
Trade and other payables		570,136,385	235,613,582
Provision for taxation		31,040,878	31,040,878
		3,788,309,090	4,168,563,999
Contingencies and Commitments	11		
		5,476,254,843	5,934,659,959

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER



Condensed Interim Profit and Loss Account (Un-Audited)

For the period ended 31 March 2008

INCOME		Quarter Ended		Nine Months Ended	
		31-Mar-08 Rupees	31-Mar-07 Rupees	31-Mar-08 Rupees	31-Mar-07 Rupees
	No.:				
Profit on financing	12	12,922,390	13,655,535	36,071,762	42,579,381
Mark-up on lease finance		1,981,028	1,277,996	6,418,028	3,383,534
Return on placements		37,513,781	101,794,399	190,248,751	292,073,857
Return on investments		99,573,718	76,096,425	264,492,750	243,000,490
Fees and commission		22,874,803	19,395,391	89,648,022	44,432,614
Other income		1,453,835	995,335	5,858,410	2,114,331
		176,319,555	213,215,081	592,737,723	627,584,207

EXPENSES		31-Mar-08 Rupees	31-Mar-07 Rupees	31-Mar-08 Rupees	31-Mar-07 Rupees
Return on certificates of deposit		32,613,853	55,794,629	119,888,460	150,301,738
Return on term finance certificates		20,191,935	19,622,593	61,948,171	36,737,961
Mark-up on short term running finance		6,006,818	6,304,045	21,769,788	40,023,056
Mark-up on borrowings from financial institutions		41,637,954	42,047,431	141,535,993	117,619,212
Amortization of premium on held to maturity investments		2,637,009	2,446,815	7,911,027	7,340,445
Administrative and other operating expenses		54,688,148	52,702,373	177,815,790	144,289,395
Other financial charges		161,741	193,999	608,241	1,206,007
		157,937,458	179,111,885	531,477,471	497,517,814
Profit before taxation		18,382,096	34,103,196	61,260,252	130,066,393
Taxation		1,693,532	3,165,153	9,967,946	15,498,076
Profit after taxation		20,075,628	30,938,043	71,228,198	114,568,317
Earnings per share-basic and diluted		0.46	0.70	1.62	2.60

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

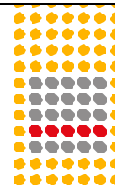


 DIRECTOR



 CHIEF EXECUTIVE OFFICER

Condensed Interim Cash Flow Statement (Un-Audited)



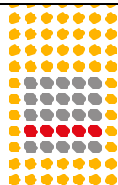
For the period ended 31 March 2008

	31-Mar-08 Rupees	31-Mar-07 Rupees
Cash flow from operating activities		
Profit before taxation	61,260,252	130,066,393
Adjustment for non cash expenses and other items:		
Dividend income	(119,725,269)	(94,873,230)
Depreciation on tangible assets	13,129,270	13,667,389
Amortization on intangible assets	750,026	749,925
Amortization of premium on held to maturity investments	7,911,027	7,340,445
Amortization of issuance cost of listed TFCs	1,179,972	-
Loss on sale of fixed assets	3,749	-
	(96,751,225)	(73,115,471)
	(35,490,973)	56,950,922
(Increase)/decrease in operating assets		
Repayment / (disbursements) of finances - net	(72,149,368)	18,462,478
Net investment in lease finance	(5,805,051)	(15,527,892)
Investment in placements - net	2,190,926,073	(179,962,650)
Investments - net	(1,663,529,177)	(287,988,625)
Loans, advances, deposits and prepayments	80,859,306	(182,124,726)
	530,301,783	(647,141,415)
Increase/ (decrease) in operating liabilities		
Borrowings from financial institutions	465,000,000	300,000,000
(Repayments of) / receipts from certificates of deposit	(960,892,341)	373,908,396
Running finance facilities	(197,766,129)	(288,031,060)
Trade and other payables	335,704,810	(277,077,802)
	(357,953,660)	108,799,534
Net changes in operating assets and liabilities	172,348,123	(538,341,881)
Net cash generated from/(used in) operating activities before taxes	136,857,150	(481,390,959)
Taxes paid	(77,006,098)	(70,043,615)
Net cash used in operating activities	59,851,052	(551,434,574)
Cash flow from investing activities		
Fixed capital expenditure	(9,558,407)	(16,411,145)
Dividend received	87,377,173	93,045,130
Proceeds from sale of fixed assets	1,258,794	1,579,474
Investment in cards and rooms	(6,000,000)	(32,700,000)
Net cash used in investing activities	73,077,560	45,513,459
Cash flow from financing activities		
Redemption of privately placed term finance certificates	(91,593,314)	454,148,343
Redemption of listed term finance certificates	(200,000)	-
Dividend paid	(87,210,812)	(88,164,027)
Repayment of lease obligation	(550,099)	(480,221)
Net cash (used in)/generated from financing activities	(179,554,225)	365,504,095
Net decrease in cash and cash equivalents	(46,625,613)	(140,417,020)
Cash and cash equivalents at the beginning of the period	133,428,181	169,720,022
Cash and cash equivalents at the end of the period	86,802,568	29,303,002

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER



Condensed Interim Statement of Changes in Equity (Un-Audited)

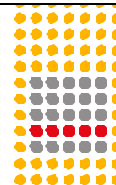
For the period ended 31 March 2008

	Share capital Rupees	Statutory reserve Rupees	Un-appropriated profit Rupees	Total Rupees
Balance as at 01 July 2006	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	441,000,000	123,367,466	222,269,869	786,637,335
Net profit upto 30 June 2007	-	-	15,595,391	15,595,391
Transfer to statutory reserve	-	3,119,079	(3,119,079)	-
Balance as at 30 June 2007	441,000,000	126,486,545	234,746,181	802,232,726
Net profit upto 31 March 2008	-	-	71,228,198	71,228,198
Transfer to statutory reserve	-	14,245,640	(14,245,640)	-
Final dividend for 2007 paid @ 20% (Rs. 2 per share)	-	-	(88,200,000)	(88,200,000)
Balance as at 31 March 2008	441,000,000	140,732,185	203,528,739	785,260,924

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

DIRECTOR

CHIEF EXECUTIVE OFFICER



Condensed Interim Notes to the Financial Statements (Un-Audited)

For the period ended 31 March 2008

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 reaffirmed the Short Term Credit Rating of the Company at "A-1" (Single A one) while Medium to Long Term Credit Rating has also been reaffirmed at "A" (Single A) with stable outlook.

The Company is a member of Karachi Stock Exchange (Guarantee) Limited (KSE) and Lahore Stock Exchange (Guarantee) Limited (LSE). 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. BASIS OF PRESENTATION AND MEASUREMENT

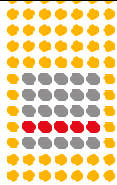
These condensed interim financial information have been prepared under the historical cost convention, except for held for trading investments and available for sale investments, which have been recognized at fair value. This condensed interim financial information is un-audited and have been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2007. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended 30 June 2007.

4. ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2007.



5. FIXED CAPITAL EXPENDITURE

	31 March 2008	
	Additions Cost Rupees (Un-Audited)	Disposals Book Value Rupees (Un-Audited)
The following additions and disposals were made during the nine months:		
Lease-hold improvements	115,000	-
Computer equipments	1,734,899	-
Office equipments	191,700	-
Vehicles - Owned	2,057,840	1,262,543
	4,099,439	1,262,543
Capital work in progress	5,016,403	-
	9,115,842	1,262,543

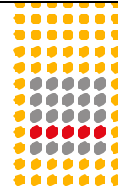
6. LONG TERM INVESTMENTS

	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Held to maturity		
Pakistan Investment Bonds	551,083,178	558,994,205
Term Finance Certificates - Unlisted	12,046,970	15,259,091
	563,130,148	574,253,296
Less: Current maturity of Term Finance Certificates	8,575,749	5,090,904
	554,554,399	569,162,392

7. SHORT TERM INVESTMENTS

Held by bank

	Note	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Available for sale			
Listed Term Finance Certificates		22,520,863	28,257,500
Listed shares and units		49,345,874	31,284,203
		71,866,737	59,541,703
Financial assets at fair value through profit and loss account			
Listed shares	7.1	2,903,209,263	1,247,477,771
		2,975,076,000	1,307,019,474



7.1 These include Rs. 2,139,006,608 (30 June 2007 Rs. 1,210,636,900) investment in shares sold in future market with settlement dates subsequent to the period under review.

8. SHORT TERM PLACEMENTS

	Note	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Considered good			
Unsecured	8.1	110,000,000	20,000,000
Secured under reverse repurchase agreements	8.2	488,969,851	2,769,895,924
		598,969,851	2,789,895,924

8.1 These represent clean placements with financial institutions and carry mark-up ranging from 9.40 % to 11 % per annum (2007: 11% per annum).

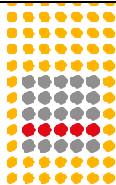
8.2 Securities held as collateral - Market Value

	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Quoted shares	476,756,230	2,784,646,205

These represent secured placements for a maximum period of upto 30 days and carry mark-up ranging from 10.20% to 13.62% per annum (2007: 11.42% to 19.83%)

9. DEFICIT ON REVALUATION OF INVESTMENTS

	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Available for sale		
Listed term finance certificates	(12,566)	(1,423,089)
Listed shares and units	(2,812,247)	(2,716,952)
	(2,824,813)	(4,140,041)



10. TERM FINANCE CERTIFICATES

	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Listed	499,600,000	492,457,974
Unlisted	39,634,661	137,390,027
	539,234,661	629,848,001

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

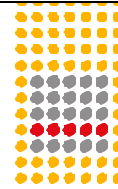
There are no significant changes in the contingent liabilities since the last audited published financial statements.

11.2 Commitments

	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Future sale contract - Shares	3,518,376,375	1,347,984,510
Future purchase contract - Shares	567,895,850	108,829,800
Capital expenditure	1,300,000	1,300,000

12. RETURN ON INVESTMENTS

	Quarter Ended		Nine Months Ended	
	31-Mar-08 Rupees	31-Mar-07 Rupees	31-Mar-08 Rupees	31-Mar-07 Rupees
Mark-up / return on investments	14,915,321	15,845,631	45,592,591	49,816,127
Dividend income	70,160,832	29,632,933	119,725,269	94,873,230
Capital gain on investments	14,497,565	30,617,861	99,174,890	98,311,133
	99,573,718	76,096,425	264,492,750	243,000,490



13. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, 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-08 Rupees (Un-Audited)	31-Mar-07 Rupees (Un-Audited)
Transactions during the nine months ended		
Associated companies:		
Return on finances received	399,348	1,121,116
Guarantee commission earned	592,050	592,050
Profit paid on certificates of deposit	803,584	2,599,159
Chairman's secretariat expenses	2,700,000	2,700,000
Staff retirement funds		
Contribution to staff retirement benefits plan	2,590,642	2,247,650
Key management personnel		
Return on finances received	930,753	951,715
Profit paid on certificates of deposit	22,030,061	14,373,208
Fixed assets sold	-	970,642

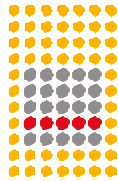
	31-Mar-08 Rupees (Un-Audited)	30-Jun-07 Rupees (Audited)
Balance at the end of the period		
Associated companies:		
Advances outstanding	2,822,232	3,560,139
Letter of guarantee outstanding	78,940,000	78,940,000
Certificates of deposit outstanding	10,195,003	10,195,003
Other receivable	672,873	83,825
Staff retirement funds		
Contribution to staff retirement benefits plan	2,590,642	3,080,369
Key management personnel		
Advances outstanding	11,486,652	23,816,100
Certificates of deposit outstanding	220,044,223	207,002,251
Other receivable	149,320	159,320

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed financial information was authorized for issue on 30 April 2008 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest rupee.



Network

Head Office & Lahore Branch

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26 - Davis Road, Lahore
Tel: (042) 637 1931 - 31
Fax: (042) 637 5950
info@escortsbank.net
www.escortsbank.net

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

Islamabad Office
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Blue Area, Islamabad
Tel: (051) 267 1621 - 03
Fax: (051) 267 4604
Email: islamabad@escortsbank.net

Investment Services Centers (Brokerage)

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Ground Floor, Escorts House
26 - Davis Road, Lahore
Tel: (042) 630 0757 - 58
Fax: (042) 630 0816

Lahore Stock Exchange Building
Room No. M-3, M-6, G-2 & 419
Lahore Stock Exchange Building,
19-Khayesoon-e-Iqbal, Lahore
Tel: (042) 630 7163 - 68
Fax: (042) 630 7168

Karachi Stock Exchange Building
Room No. 53, 53A & 632
Karachi Stock Exchange Building,
Stock Exchange Road, Karachi
Tel: (021) 247 1671 - 74 &
Tel: (021) 247 2370 - 73
Fax: (021) 247 2374

Islamabad
32 - West, Sohrab Plaza, Jinnah Avenue
Blue Area, Islamabad
Tel: (051) 267 1621 - 03
Fax: (051) 267 4604

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Room No. 519, 5th Floor,
State Life Building No.2,
2 Lagat Road, Faisalabad
Tel: (011) 262 4797 - 262 4908 - 261 73/5
Fax: (041) 262 5179

Sialkot
Room No. 226, 2nd Floor, Carit Plaza,
Sialkot Cantonment, Sialkot
Tel: (052) 663 4320-4
Fax: (052) 459 5097





ESCORTS INVESTMENT
BANK LIMITED

ESCORTS INVESTMENT BANK LIMITED
Escorts House, 26-Dave's Road, Lahore.

ESCORTS
IBANK