



FINANCIAL STATEMENTS

31 December 2010

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Corporate Information

BOARD OF DIRECTORS

Chairman

Bashir Ahmed

President & Chief Executive Officer

Shazia Bashir

Directors

Bairam Qureishy

Mutahir Ahmed

Tajamul Hussain Bokharee

Sheharyar Ahmed

Zulfiqar A. Khan

Company Secretary

Muhammad Anum Saleem

EXECUTIVE MANAGEMENT

President & Chief Executive Officer

Shazia Bashir

Chief Financial Officer / Head of Advisory Services

Kamran Hafeez

Company Secretary / Head of Corporate & Legal Affairs

Muhammad Anum Saleem

Head of Branch Network

Azmat Baig

Head of Proprietary Investments

Hassan Abid Zaidi

AUDIT COMMITTEE

Chairman

Bashir Ahmed

Members

Tajamul Hussain Bokharee

Bairam Qureishy

Secretary

Muhammad Anum Saleem

Internal Auditors

Nasir Javaid Maqsood Imran

Chartered Accountants

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Legal Advisors

Lexium Attorneys at Law

Tax Consultants

KPMG Taseer Hadi & Co.

Chartered Accountants

Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

Bankers

Bank Alfalah Limited

Bank Al-Habib Limited

MCB Bank Limited

NIB Bank Limited

NETWORK

Head Office & Lahore Branch

Escorts House

26 - Davis Road, Lahore

Tel: (042) 3637 1931 -34

Fax: (042) 3637 5950

mailmanager@escortsbank.net

www.escortsbank.net

Branch Offices

Karachi Office

Room No. 631, 32

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Stock Exchange Road, Karachi

Tel: (021) 33247 1671 - 75

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Email: mailmanager@escortsbank.net

Islamabad Office

Shalimar-5/1,

Ataturk Ave, Islamabad

Tel: (051) 2270079

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Directors' Report

The Board of Directors of Escorts Investment Bank Limited (the "Bank") is pleased to present before you the un-audited financial statements for the half year ended 31 December 2010, duly reviewed by the External Auditors.

Economic Overview

During the period under review, Pakistan's economy remained stressed in the aftermath of the unprecedented floods and due to the continued delays in the implementation of key economic reforms. As a consequence of floods, the Government's fiscal position worsened, and the monetization of the deficit increased inflationary pressures. Government budgetary support borrowings from State Bank of Pakistan (SBP) rose in the tune of Rs 150 billion during the first six months of the outgoing financial year, depicting an increase of around 20% Year on Year (YoY) basis. Sustained inflow of workers' remittances and significant growth in exports together with inflows for flood relief contributed to a sharp YoY improvement in the current account during Jul 2010 to Nov 2010. The impact of this improvement on overall external account was, however, subdued due to substantial declines in capital and financial account surpluses. As a result country's foreign exchange reserves rose to the tune of US\$ 17 billion at the end of the period under review.

Financial Performance

Your Bank posted a loss of Rs 22.26 million for the six months ended 31 December 2010 translating into a negative EPS of Rs (0.50) as compared to a loss of Rs 11.53 million and negative EPS of Rs (0.26) in the corresponding period. The new initiatives of your Bank's management have continued to show their positive impact on the Bank's financial performance, evident from quarterly analysis of EPS presented below:

Quarter Ended - 2010	Rs
March	(0.67)
June	(0.87)
September	(0.50)
December	(0.01)

During the quarter ended December 31, 2010, your bank has posted a loss of Rs. 0.59 million whereas the loss of the bank for the quarter ended September 30, 2010 was Rs. 21.8 million. This phenomenal shift from loss making to achieving breakeven is a result of management's timely execution of its business plan based on sustainability and growth. In the succeeding quarters this trend is expected to continue.

Your bank has successfully achieved positive interest income in the outgoing quarter and is reckoned as a significant milestone in the Bank's financial turnaround. Your Bank has also managed to book corporate advisory business and is hopeful to achieve further successes in the upcoming period. The placement income for your Bank has shown a steep rise to achieve a level of Rs 31.64 million as compared to a meager Rs 4.22 million in the corresponding six month period. In line with the new business strategy, your Bank has also reduced its administrative and other operating expenses by Rs 12.7 million (27%) for the six months ended 31 December 2010, without comprising on the growth initiatives and operational capacity of the entity.

Future Outlook

The Securities Exchange Commission of Pakistan (“SECP”) and the Capital Markets of the country have finally reached consensus on a long awaited leverage product. Such leverage product shall not only provide much needed liquidity to the Capital Markets but shall also offer a lucrative avenue for the financial institutions to deploy short term funds. Your Bank is all geared up to tap this opportunity and generate meaningful results for its valued shareholders.

Corporate approval for the incoming home remittance business is in final stages and we are confident that the same shall be granted in due course. Upon receipt of such approval your Bank shall commence the home remittance business activity.

Acknowledgement

The Board wishes to place on record the gratitude to SECP for their valued support, assistance and guidance. The Board would also like to take this opportunity to express their admiration to the employees of the Bank for their commitment, hard work and cooperation. The Bank recognizes and records its gratitude for their efforts.

For and on behalf of the Board



President and Chief Executive Officer
Lahore: February 25, 2011


Director

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim balance sheet of Escorts Investment Bank Limited (the Company) as at 31 December 2010 and the related interim profit and loss account, interim cash flows statement and interim statement of changes in equity and notes to the account for the six-months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Lahore : 25 February 2011

Condensed Interim Balance Sheet

As at 31 December 2010

	Note	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
ASSETS			
Non-current Assets			
Fixed assets		84,558,723	90,657,797
Cards and rooms		33,450,000	33,450,000
Long term investment in subsidiary company		175,004,000	175,004,000
Long term investments	5	523,432,070	530,943,335
Long term finances		21,561,879	61,397,756
Net investment in lease finance		3,459,713	5,777,635
Long term loans and advances		988,138	703,438
Long term deposits and prepayments		4,670,855	711,200
Deferred tax asset		76,475,390	76,475,390
		923,600,768	975,120,551
Current Assets			
Current maturity of non-current assets		158,019,891	89,738,002
Short term investments	6	21,038,522	54,876,119
Short term finances		172,633,481	125,771,994
Short term placements	7	788,000,000	200,000,000
Advances, deposits, prepayments and other receivables		296,925,676	370,017,203
Cash and bank balances		154,390,919	9,493,983
		1,591,008,489	849,897,300
		2,514,609,257	1,825,017,851
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		54,712,852	76,973,146
		495,712,852	517,973,146
Surplus on revaluation of investments	8	1,418,428	6,823,878
Non-Current Liabilities			
Term finance certificates		81,429,511	163,909,862
Long term certificates of deposit		118,903,278	255,913,312
Long term security deposit		2,151,715	3,917,900
Current Liabilities			
Current maturity of non-current liabilities		315,755,068	189,860,548
Short term borrowings	9	742,243,824	304,763,104
Running finance - Secured		65,134,671	-
Short term certificates of deposit		392,484,194	313,469,222
Trade and other payables	10	268,352,702	38,971,350
Provision for taxation		31,023,014	29,415,529
		1,814,993,473	876,479,753
Contingencies and Commitments	11	-	-
		2,514,609,257	1,825,017,851

The annexed notes from 1 to 17 form an integral part of this interim financial information.



Chief Executive Officer



Director

Condensed Interim Profit and Loss Account

For the Three Months and Six Months Ended 31 December 2010 (Un-audited)

Note	Three months ended		Six months Ended	
	31-Dec-10 Rupees	31-Dec-09 Rupees	31-Dec-10 Rupees	31-Dec-09 Rupees
INCOME				
Profit on financing	19,502,195	12,426,619	29,202,420	27,855,491
Mark-up on lease finance	278,279	220,933	1,029,059	1,404,535
Return on placements	24,786,513	399,760	31,644,788	4,222,927
Return on investments	12 30,831,654	22,453,372	49,917,585	82,659,350
Fees and commission	4,000,000	-	4,000,000	-
Other income	2,077,044	3,157,999	2,596,540	2,931,565
	81,475,685	38,658,683	118,390,392	119,073,868
EXPENSES				
Return on certificates of deposit	26,812,084	16,730,986	40,368,978	30,113,296
Return on term finance certificates	9,690,011	15,993,706	21,419,612	34,816,992
Mark-up on short term running finance	1,527,865	-	1,527,865	89,090
Mark-up on borrowings from financial institutions	22,390,998	7,267,911	33,877,029	15,185,751
Amortization of premium on held to maturity investments	3,547,625	3,267,094	6,602,174	6,109,099
Administrative and other operating expenses	13 16,058,131	24,319,055	34,775,637	47,490,390
Impairment on available for sale investments	412,303	-	412,303	-
Other financial charges	23,533	90,801	59,603	157,026
	80,462,550	67,669,553	139,043,201	133,961,644
Operating profit/(Loss) before Provisions and taxation	1,013,135	(29,010,870)	(20,652,809)	(14,887,776)
Provision for doubtful financing - reversed	-	3,106,363	-	3,356,546
Operating profit/(Loss) before taxation	1,013,135	(25,904,507)	(20,652,809)	(11,531,230)
Taxation	(1,607,485)	-	(1,607,485)	-
Loss after taxation	(594,350)	(25,904,507)	(22,260,294)	(11,531,230)
Other comprehensive Income/(Loss)-net of tax	-	-	-	-
Total Comprehensive Loss	(594,350)	(25,904,507)	(22,260,294)	(11,531,230)
Earnings per share-basic and diluted	(0.01)	(0.59)	(0.50)	(0.26)

The annexed notes from 1 to 17 form an integral part of this interim financial information.



Chief Executive Officer



Director

Condensed Interim Cash Flow Statement

For the Six Months Ended 31 December 2010 (Un-audited)

	31-Dec-10 Rupees	31-Dec-09 Rupees
Cash flow from operating activities		
Loss before taxation	(20,652,809)	(11,531,230)
Adjustment for non cash expenses and other items:		
Dividend income	(3,407,559)	(3,692,328)
Depreciation on tangible assets	5,852,566	7,757,023
Provision for doubtful financing - reversed	-	(3,356,546)
Amortization of discount on Government Treasury Bills	-	(2,646,566)
Amortization of premium on held to maturity investments	6,602,174	6,109,099
Amortization of issuance cost of listed TFCs	786,648	786,648
Gain on sale of fixed assets	(1,330,323)	(1,501,448)
Impairment loss on portfolio shares	412,303	-
	8,915,809	3,455,882
	(11,737,000)	(8,075,348)
Decrease /(increase) in operating assets		
Disbursements of finances - net	(77,373,768)	(80,202,518)
Net investment in lease finance	3,065,946	6,410,029
Investment in placements - net	(588,000,000)	380,000,000
Investments - net	28,019,844	34,245,741
Loans and advances	(40,616,761)	(21,572,642)
Deposits and prepayments	(598,366)	1,550,206
	(675,503,105)	320,430,816
Increase /(decrease) in operating liabilities		
Borrowings from financial institutions-net	437,480,720	1,182,274
Certificates of deposit-net	71,852,120	138,743,039
Running finance facilities	65,134,671	-
Trade and other payables	229,381,353	(9,229,559)
	803,848,864	130,695,754
Net changes in operating assets and liabilities	128,345,759	451,126,570
Net cash generated from operating activities	114,608,759	443,051,222
Taxes refund Receipts	113,551,589	24,770,955
Net cash generated from operating activities	228,160,348	467,822,177
Cash flow from investing activities		
Fixed capital expenditure incurred	(407,500)	(720,132)
Dividend received	3,407,559	3,692,328
Proceeds from sale of fixed assets	1,984,326	2,839,400
Investment in cards and rooms	-	(750,000)
Net cash generated from investing activities	4,984,385	5,061,596
Cash flow from financing activities		
Redemption of privately placed term finance certificates	-	(45,796,715)
Redemption of listed term finance certificates	(83,267,000)	(83,267,000)
Repayment of lease obligation	(4,980,797)	(468,705)
Net cash used in financing activities	(88,247,797)	(129,532,420)
Net increase in cash and cash equivalents	144,896,936	343,351,353
Cash and cash equivalents at the beginning of the period	9,493,983	19,478,267
Cash and cash equivalents at the end of the period	154,390,919	362,829,620

The annexed notes from 1 to 17 form an integral part of this interim financial information.



Chief Executive Officer



Director

Condensed Interim Statement of Changes in Equity

For the Six Months Ended 31 December 2010 (Un-audited)

	Share capital	Statutory reserve	Un-appropriated profit / Accumulated (loss)	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2009	441,000,000	154,050,085	2,353,124	597,403,209
Net Loss for the period ended 31 December 2009	-	-	(11,531,230)	(11,531,230)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(11,531,230)	(11,531,230)
Balance as at 31 December 2009	441,000,000	154,050,085	(9,178,106)	585,871,979
Balance as at 01 July 2010	441,000,000	154,050,085	(77,076,939)	517,973,146
Net loss for the period ended 31 December 2010	-	-	(22,260,294)	(22,260,294)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(22,260,294)	(22,260,294)
Balance as at 31 December 2010	441,000,000	154,050,085	(99,337,233)	495,712,852

The annexed notes from 1 to 17 form an integral part of this interim financial information.



Chief Executive Officer



Director

Condensed Interim Notes to the Financial Statements

For the Six Months Ended 31 December 2010 (Un-audited)

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, on 15 May 1995 and started its commercial operation on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges and is licensed to carry out investment 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, 2008. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term credit rating of the Company as ‘A-’ and the short-term rating as ‘A2’ dated 18 February 2011.

2. BASIS OF PRESENTATION

This interim financial information is un-audited but subject to limited scope review by the auditors. This interim financial information of the Company for the six months period ended 31 December 2010 has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 “Interim Financial Reporting “ and provisions of and directive issued under the Companies Ordinance, 1984. In case where the requirements differ, the provision of or directive issued under Companies Ordinance, 1984 have been followed.

The figures of the Condensed Interim profit and loss account for the three months ended 31 December 2009 and 2010 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the six months ended 31 December 2009 and 2010. This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 30 June 2010.

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 August 13, 2003 for Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, ‘Financial Instruments: Disclosures’ through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2010.

The company has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 – Operating Segments
IAS 1 – Presentation of Financial Statements
IAS 7 – Statement of Cash Flows
IAS 17 – Leases
IAS 36 – Impairment of Assets
IAS 39 Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the interim financial statements of the company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2010.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
5. LONG TERM INVESTMENTS		
Held to maturity		
Pakistan Investment Bonds	518,257,778	524,859,952
Term Finance Certificates - Unlisted	10,108,833	10,108,833
	528,366,611	534,968,785
Less: Current maturity of Term Finance Certificates	4,934,541	4,025,450
	523,432,070	530,943,335
6. SHORT TERM INVESTMENTS		
Available for sale		
Term finance certificates - Listed	4,899,706	4,889,673
Shares and units - Listed	16,551,119	52,719,858
Impairment Loss	(412,303)	(2,733,412)
	21,038,522	54,876,119
7. SHORT TERM PLACEMENTS		
Short term placements-Secured	788,000,000	200,000,000
<p>This represents placement with a Public Sector Entity against shares amounting Rs. 300 million and Pakistan Investment Bond amounting Rs. 600 million and carry mark-up ranging from 13.5% to 13.9% per annum (2010: 12.60% to 12.80% per annum).</p>		
	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
8. SURPLUS ON REVALUATION OF INVESTMENTS		
Available for sale		
Term finance certificates - Listed	(26,082)	(37,431)
Shares / units - Listed	1,800,203	7,217,002
	1,774,121	7,179,571
Less: Deferred tax	(355,693)	(355,693)
	1,418,428	6,823,878

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
9. SHORT TERM BORROWINGS		
Financial institutions -Secured	742,243,824	304,763,104

9.1 These represents borrowings under repurchase agreements and carry mark-up ranging from 13.60% to 14% per annum (2010: 12.05% to 12.40% per annum) and are for a period ranging from 3 days to one month (2010: 3 days to 1 month). These are secured against pakistan Investment Bonds.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
10. TRADE AND OTHER PAYABLES		
Customers' credit balances	9,190,720	4,610,836
Accrued return on certificates of deposit	7,168,888	5,140,442
Accrued return on term finance certificates	11,269,904	14,713,669
Accrued mark-up on secured borrowings	2,261,085	469,667
Accrued expenses and other payables	25,489,601	8,845,190
Payable against purchase of shares	208,549,853	-
Provision for compensated absences	2,035,377	2,804,272
Unclaimed dividend	2,387,274	2,387,274
	268,352,702	38,971,350

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no material change in the status since last audited published financial statements for the year ended 30 June 2010.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
11.2 Commitments		
Future sale contract - Shares	285,983,025	-
Future purchase contract - Shares	280,203,245	-
Capital expenditure	250,000	500,000

	Three months ended		Six months Ended	
	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
12. RETURN ON INVESTMENTS				
Mark-up / return on investments	15,748,480	15,746,981	31,651,549	31,633,472
Dividend income	1,944,774	2,769,933	3,407,559	3,692,328
Capital gain on investments	13,138,400	3,936,458	14,858,477	47,333,550
	30,831,654	22,453,372	49,917,585	82,659,350
13. ADMINISTRATIVE AND OTHER OPERATING EXPENSES				
Salaries, wages, other benefits and allowances	3,645,626	10,190,471	11,973,396	19,543,964
Staff Training and Welfare	19,110	18,808	24,005	53,416
Advertisement and business promotion	75,750	136,507	107,351	265,087
Donation	-	-	100,170	-
Rent, rates and taxes	2,359,522	2,677,072	4,632,504	4,919,899
Utilities	452,019	683,232	1,036,642	1,632,700
Communication charges	434,207	412,029	773,000	944,266
Traveling and vehicle maintenance	3,062,748	1,361,778	4,165,965	2,984,270
Repair and maintenance	1,103,984	426,767	1,485,431	970,148
Entertainment	325,877	349,988	642,960	708,279
Fee and subscriptions	139,260	387,924	858,688	798,873
Legal and professional charges	488,551	1,893,288	985,089	2,846,995
Printing and stationery	384,013	551,708	606,934	726,324
Fee, brokerage and commission	10,824	26,667	41,395	58,054
Insurance	268,503	505,901	499,595	1,360,250
Amortization of issuance cost of listed TFCs	393,324	393,324	786,648	786,648
Depreciation	2,716,869	3,834,890	5,852,566	7,757,023
Penalty	60,000	88,000	60,000	88,000
Staff motor vehicle contribution and insurance	19,533	19,533	39,066	63,699
Miscellaneous expenses	98,410	361,168	104,232	982,495
	16,058,130	24,319,055	34,775,637	47,490,390

14. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, subsidiary company, local associated companies, staff retirement funds, directors and other key management personnel. Material 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-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
Transactions during the period		
Subsidiary Company:		
Profit paid on certificates of deposit	305,100	2,481,982
Return on running account	2,971,126	7,486,341
Financing facility availed	50,000,000	50,000,000
Certificate of deposits issued	72,955,044	74,580,017
Certificate of deposit matured	22,680,454	22,346,233
Purchase of shares against hedging	4,560,450,204	-
Sale of share against hedging	4,769,000,057	-

	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
Associated companies:		
Return on finances received	228,956	213,983
Advisory fee	4,000,000	-
Profit paid on certificates of deposit	320,862	320,862
Chairman's secretariat expenses	1,800,000	1,800,000
Financing facility availed	1,570,400	53,073,931
Financing facility repaid	1,026,773	532,518
Letter of guarantee called	-	53,940,000
Directors:		
Profit paid on certificates of deposit	7,809,226	7,748,019
Certificate of deposit issued	-	400,000
Financing Facility Availed	20,672,516	-
Financing Facility Paid	107,675	-
Executives:		
Return on finances received	129,851	450,915
Profit paid on certificates of deposit	301,288	244,113
Fixed assets sold	1,434,326	-
Certificate of deposits issued	8,600,000	13,075,535
Certificate of deposits matured	2,560,000	13,704,117
Financing facility availed	5,524,400	539,000
Financing facility repaid	1,673,592	1,501,668
Others:		
Contribution to staff retirement benefits plan	497,957	786,654
	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
Balance at the end of the period		
Subsidiary Company:		
Certificates of deposit outstanding	72,955,044	22,680,454
Advances outstanding	100,000,000	50,000,000
Receivable from Subsidiary Company	53,170,401	9,139,698
Payable against purchase of shares	208,549,853	-
Associated companies:		
Advances outstanding	76,999,976	76,456,349
Certificates of deposit outstanding	6,095,003	6,095,003
Other receivable	4,674,250	1,871,656
Directors:		
Advances outstanding	20,564,841	-
Certificates of deposit outstanding	116,050,000	116,050,000
Other receivable	-	6,653,021
Executives:		
Advances outstanding	7,273,470	1,954,046
Certificates of deposit outstanding	8,600,000	2,560,000
Other receivable	-	78,569

15. SEGMENTAL ANALYSIS

The Bank's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

Financing activities

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Bank's liquidity.

Six Months ended 31 December 2010

	Financing activities	Investing activities	Total
Profit on financing	29,202,420	-	29,202,420
Mark-up on lease finance	1,029,059	-	1,029,059
Return on placements	-	31,644,788	31,644,788
Return on investments	-	49,917,585	49,917,585
Total income for reportable segments	30,231,479	81,562,373	111,793,852
Finance costs	(28,196,208)	(76,071,356)	(104,267,564)
Administrative and other operating expenses	(9,404,085)	(25,371,552)	(34,775,637)
Segment result	(7,368,814)	(19,880,535)	(27,249,349)
Other operating income			6,596,540
Unallocated administrative expenses			-
Profit before taxation			(20,652,809)
Segment assets	346,523,422	1,558,609,338	1,905,132,760
Unallocated assets			609,476,497
			2,514,609,257
Segment liabilities	179,223,102	393,088,262	572,311,364
Unallocated liabilities			1,446,585,041
Equity			495,712,852
			2,514,609,257

Six Months ended 31 December 2009

	Financing activities	Investing activities	Total
Profit on financing	27,855,491	-	27,855,491
Mark-up on lease finance	1,404,535	-	1,404,535
Return on placements	-	4,222,927	4,222,927
Return on investments	-	82,659,350	82,659,350
Total income for reportable segments	29,260,026	86,882,277	116,142,303
Finance costs	(21,784,923)	(64,686,331)	(86,471,254)
Administrative and other operating expenses	(11,964,375)	(35,526,015)	(47,490,390)
Provision for doubtful financing - reversed	3,356,546	-	3,356,546
Segment result	(1,132,726)	(13,330,069)	(14,462,795)
Other operating income			2,931,565
Unallocated administrative expenses			-
Loss before taxation			(11,531,230)
Segment assets	276,693,938	894,988,892	1,171,682,830
Unallocated assets			924,620,740
			2,096,303,570
Segment liabilities	140,672,948	460,156,946	600,829,894
Unallocated liabilities			909,601,697
Equity			585,871,979
			2,096,303,570

16. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 25 February 2011.

17. GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director

Consolidated Financial
Statements

31 December 2010

Condensed Interim Consolidated Balance Sheet

As at 31 December 2010

	Note	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
ASSETS			
Non-current Assets			
Fixed assets		88,690,216	95,376,028
Cards and rooms		85,007,892	84,955,000
Long term investments	6	523,432,070	530,943,335
Long term finances		21,561,879	11,397,757
Net investment in lease finance		3,459,713	5,777,635
Long term loans and advances		988,138	759,438
Long term deposits and prepayments		53,091,591	5,515,200
Deferred tax asset		76,475,390	76,475,390
Current Assets			
Current maturity of non-current assets		108,019,891	89,916,928
Short term investments	7	21,038,522	54,876,119
Short term finances		122,633,481	125,771,994
Short term placements	8	788,000,000	200,000,000
Advances, deposits, prepayments and other receivables		258,816,984	361,714,093
Cash and bank balances		174,382,134	19,507,754
		1,472,891,012	851,786,888
		2,325,597,901	1,662,986,671
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		(109,553,549)	(74,707,678)
Surplus on Revaluation of Investments	9	331,446,451 1,418,428	366,292,322 6,823,878
Non-Current Liabilities			
Term finance certificates		81,429,511	163,909,862
Long term certificates of deposit		118,903,278	255,913,312
Long term security deposit		2,151,715	3,917,900
Current Liabilities			
Current maturity of non-current liabilities		315,755,068	189,860,548
Short term borrowings	10	742,243,824	304,763,104
Running finance - Secured		65,134,671	-
Short term certificates of deposit		319,529,150	290,788,768
Trade and other payables	11	316,562,791	51,301,448
Provision for taxation		31,023,014	29,415,529
		1,790,248,518	866,129,397
Contingencies and Commitments	12	-	-
		2,325,597,901	1,662,986,671

The annexed notes form 1 to 18 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

Condensed Interim Consolidated Profit and Loss Account


For the Three Months and Six Months Ended 31 December 2010 (Un-audited)

	Note	Three months ended		Six months Ended	
		31-Dec-10 Rupees	31-Dec-09 Rupees	31-Dec-10 Rupees	31-Dec-09 Rupees
INCOME					
Profit on financing		11,118,140	10,176,619	20,818,365	18,119,150
Mark-up on lease finance		278,279	220,933	1,029,059	1,404,535
Return on placements		24,786,513	399,760	31,644,788	4,222,927
Return on investments	13	30,831,654	22,453,372	49,917,585	86,767,524
Fees and Commission		7,185,199	355,422	8,065,669	825,960
Other income		2,245,997	1,596,711	3,174,568	3,880,821
		76,445,782	35,202,817	114,650,034	115,220,917
EXPENSES					
Return on certificates of deposit		24,981,396	14,593,143	37,886,034	27,526,650
Return on term finance certificates		9,690,011	15,993,706	21,419,612	34,816,992
Mark-up on short term running finance		1,527,865	-	1,527,865	89,090
Mark-up on borrowings from financial institutions		22,390,998	7,267,911	33,877,029	15,185,751
Amortization of premium on held to maturity investments		3,547,625	3,267,094	6,602,174	6,109,099
Administrative and other operating expenses	14	23,003,680	29,860,954	45,156,450	60,670,111
Impairment on available for sale investment		412,303	-	412,303	-
Other financial charges		28,303	96,926	70,117	165,532
		85,582,181	71,079,734	146,951,584	144,563,225
Operating loss before Provisions and taxation		(9,136,399)	(35,876,917)	(32,301,550)	(29,342,308)
Provision for doubtful financing - reversed		-	3,106,363	-	3,356,546
Operating loss before taxation		(9,136,399)	(32,770,554)	(32,301,550)	(25,985,762)
Taxation		(2,448,456)	(1,142,527)	(2,544,321)	(2,036,592)
Loss after taxation		(11,584,855)	(33,913,081)	(34,845,871)	(28,022,354)
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive loss - net of tax		(11,584,855)	(33,913,081)	(34,845,871)	(28,022,354)
(Loss)/Earnings per share-basic and diluted		(0.26)	(0.77)	(0.79)	(0.64)

The annexed notes form 1 to 18 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

Condensed Interim Consolidated Cash Flow Statement

For the Six Months Ended 31 December 2010 (Un-audited)

	31-Dec-10 Rupees	31-Dec-09 Rupees
Cash flow from operating activities		
Loss before taxation	(32,301,550)	(25,985,762)
Adjustment for non cash expenses and other items:		
Dividend income	(3,407,559)	(3,692,328)
Depreciation on tangible assets	6,276,088	9,097,740
Provision for doubtful financing - reversed	-	(3,356,546)
Amortization of discount on Government Treasury Bills	-	(2,646,566)
Amortization of premium on held to maturity investments	6,602,174	6,109,099
Amortization of issuance cost of listed TFCs	786,648	786,648
(Gain)/Loss on sale of fixed assets	(1,217,103)	(2,251,998)
Impairment loss on portfolio shares	412,303	-
	9,452,551	4,046,049
	(22,848,999)	(21,939,713)
Decrease/(increase) in operating assets		
Repayment / (disbursements) of finances - net	(27,373,769)	(30,202,518)
Net investment in lease finance	3,065,946	6,410,029
Investment in placements - net	(588,000,000)	380,000,000
Investments - net	28,019,844	34,245,740
Loans and advances	(10,463,843)	(12,384,074)
Deposits and prepayments	(46,215,102)	973,889
	(640,966,924)	379,043,066
Increase/ (decrease) in operating liabilities		
Borrowings from financial institutions	437,480,720	1,182,274
(Repayments of) / receipts from certificates of deposit	21,577,530	86,509,255
Running finance facilities	65,134,671	-
Trade and other payables	265,261,342	(3,739,173)
	789,454,263	83,952,356
Net changes in operating assets and liabilities	148,487,339	462,995,422
Net cash generated from operating activities	125,638,340	441,055,709
Taxes refund receipts	112,502,344	21,788,287
Net cash generated from operating activities	238,140,684	462,843,996
Cash flow from investing activities		
Fixed capital expenditure incurred	(407,500)	(720,132)
Dividend received	3,407,559	3,692,328
Proceeds from sale of fixed assets	2,034,326	5,175,401
Investment in Cards and rooms	(52,892)	(750,000)
	4,981,493	7,397,597
Net cash generated from investing activities	4,981,493	7,397,597
Cash flow from financing activities		
Redemption of privately placed term finance certificates	-	(45,796,715)
Redemption of listed term finance certificates	(83,267,000)	(83,267,000)
Repayment of lease obligation	(4,980,797)	(468,705)
	(88,247,797)	(129,532,420)
Net cash used in financing activities	(88,247,797)	(129,532,420)
Net increase in cash and cash equivalents	154,874,380	340,709,173
Cash and cash equivalents at the beginning of the period	19,507,754	23,220,889
Cash and cash equivalents at the end of the period	174,382,134	363,930,062

The annexed notes form 1 to 18 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

Condensed Interim Consolidated Statement of Changes in Equity

For the Six Months Ended 31 December 2010 (Un-audited)

	Share capital Rupees	Statutory reserve Rupees	Accumulated (loss) Rupees	Total Rupees
Balance as at 01 July 2009	441,000,000	147,193,925	(106,603,187)	481,590,738
Net Loss upto 31 December 2009	-	-	(28,022,354)	(28,022,354)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(28,022,354)	(28,022,354)
Balance as at 31 December 2009	441,000,000	147,193,925	(134,625,541)	453,568,384
Balance as at 01 July 2010	441,000,000	147,193,925	(221,901,603)	366,292,322
Net loss upto 31 December 2010	-	-	(34,845,871)	(34,845,871)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(34,845,871)	(34,845,871)
Balance as at 31 December 2010	441,000,000	147,193,925	(256,747,474)	331,446,451

The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Executive Officer



Director

Condensed Interim Consolidated Notes to the Financial Statements For the Six Months Ended 31 December 2010 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited and its subsidiary Company ("The Group") comprises of holding Company Escorts Investment Bank Limited (EIBL) and a wholly owned Subsidiary Company Escorts Capital Limited ("ESCAP").

EIBL ("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 as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2008. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

ESCAP ("the Subsidiary") was incorporated as a public Limited company in Pakistan on 5 June 2008 under the Companies Ordinance, 1984 and became a wholly owned subsidiary Company of EIBL in June 2008. The Subsidiary is principally engaged in brokerage business. The registered office of the subsidiary is situated at Escorts House, 26 Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term credit rating of the Company as "A-" and the short-term rating as "A2" dated 18 February 2011.

2. BASIS OF PRESENTATION

This interim financial information is un-audited. This interim financial Information of the Group for the six months period ended 31 December 2010 has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 "Interim Financial Reporting " and provisions of and directive issued under the Companies Ordinance ,1984. In case where the requirements differ ,the provision of or directive issued under Companies ordinance ,1984 have been followed.

The figures of the Condensed Interim profit and loss account for the three months ended 31 December 2009 and 2010 have not been reviewed by the auditors of the Group as they have reviewed the cumulative figures for the Six months ended 31 December 2009 and 2010. This interim financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2010.

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 August 13, 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. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2010

The Group has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
 IFRS 8 – Operating Segments
 IAS 1 – Presentation of Financial Statements
 IAS 7 – Statement of Cash Flows
 IAS 17 – Leases
 IAS 36 – Impairment of Assets
 IAS 39 Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the interim financial statements of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 judgments made by management in applying the Group'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 2010.

5. BASIS OF CONSOLIDATION

The basis of consolidation for the preparation of this financial statements are the same as those followed in preparation of the annual audited consolidated financial statements of the Group for the year ended 30 June 2010.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
6. LONG TERM INVESTMENTS		
Held to maturity		
Pakistan Investment Bonds	518,257,778	524,859,952
Term Finance Certificates - Unlisted	10,108,833	10,108,833
	528,366,611	534,968,785
Less: Current maturity of Term Finance Certificates	4,934,541	4,025,450
	523,432,070	530,943,335
7. SHORT TERM INVESTMENTS		
Available for sale		
Term finance certificates - Listed	4,899,706	4,889,673
Shares and units - Listed	16,551,119	52,719,858
Impairment Loss	(412,303)	(2,733,412)
	21,038,522	54,876,119
8. SHORT TERM PLACEMENTS		
Short term placements-Secured	788,000,000	200,000,000

This represents placement with a Public Sector Entity against shares amounting Rs. 300million and Pakistan investment Bond amounting Rs. 600million and carry mark-up ranging from 13.5% to 13.9% per annum (2010: 12.60% to 12.80% per annum).

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
9. SURPLUS ON REVALUATION OF INVESTMENTS		
Available for sale		
Term finance certificates - Listed	(26,082)	(37,431)
Shares / units - Listed	1,800,203	7,217,002
	1,774,121	7,179,571
Less: Deferred tax	(355,693)	(355,693)
	1,418,428	6,823,878

10. SHORT TERM BORROWINGS

10.1 Financial institutions -Secured	742,243,824	304,763,104
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These represents borrowings under repurchase agreements and carry mark-up ranging from 13.60% to 14% per annum (2010: 12.05% to 12.40% per annum) and are for a period ranging from 3 days to one month (2010: 3 days to 1 month). These are secured against PIBs.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
11. TRADE AND OTHER PAYABLES		
Customers' credit balances	262,854,510	4,610,836
Accrued return on certificates of deposit	7,168,888	5,140,442
Accrued return on term finance certificates	11,269,904	14,713,669
Accrued mark-up on secured borrowings	2,261,085	469,667
Accrued expenses and other payables	28,585,753	21,175,288
Provision for compensated absences	2,035,377	2,804,272
Unclaimed dividend	2,387,274	2,387,274
	316,562,791	51,301,448

12. CONTINGENCIES AND COMMITMENTS**12.1 Contingencies**

There is no material change in the status since the last audited published financial statements for the year ended 30 June 2010.

	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
12.2 Commitments		
Future sale contract - Shares	285,983,025	-
Future purchase contract - Shares	280,203,245	-
Capital expenditure	250,000	500,000

	Three months ended		Six months Ended	
	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
13. RETURN ON INVESTMENTS				
Mark-up / return on investments	15,748,480	15,823,774	31,651,549	31,633,472
Dividend income	1,944,774	2,769,933	3,407,559	3,692,328
Capital gain on investments	13,138,400	3,859,665	14,858,477	51,441,724
	30,831,654	22,453,372	49,917,585	86,767,524
14. ADMINISTRATIVE AND OTHER OPERATING EXPENSES				
Salaries, wages, other benefits and allowances	7,341,757	11,190,447	17,523,077	24,321,362
Staff Training and Welfare	19,110	18,808	24,005	53,416
Advertisement and business promotion	75,750	136,507	107,351	265,087
Donation	-	-	100,170	-
Rent, rates and taxes	3,652,110	3,377,629	6,232,193	6,426,376
Utilities	573,038	883,615	1,387,417	2,048,282
Communication charges	749,963	872,758	1,400,019	1,919,463
Traveling and vehicle maintenance	3,111,252	1,519,322	4,314,206	3,296,525
Repair and maintenance	1,197,865	520,424	1,653,736	1,175,128
Entertainment	380,727	410,413	726,931	822,914
Fee and subscriptions	372,319	416,229	1,150,320	864,703
Legal and professional charges	729,051	1,930,288	1,300,589	2,954,695
Printing and stationery	408,758	575,647	659,216	794,280
Fee, brokerage and commission	10,824	26,667	41,395	289,382
CDC and clearing charges	532,342	1,051,549	704,068	1,506,028
Insurance	268,503	512,900	504,809	1,369,038
Amortization of issuance cost of listed TFCs	393,324	393,324	786,648	786,648
Depreciation	2,994,447	4,327,152	6,276,084	9,097,739
Penalty	60,000	88,000	60,000	88,000
Staff motor vehicle contribution and insurance	19,533	19,533	39,066	63,699
Miscellaneous expenses	113,007	1,589,742	165,150	2,527,346
	23,003,680	29,860,954	45,156,450	60,670,111

15. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, subsidiary company, local associated companies, staff retirement funds, directors and other key management personnel. Material 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-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
Transactions during the period		
Associated companies:		
Return on finances received	228,956	213,983
Advisory fee	4,000,000	-
Profit paid on certificates of deposit	320,862	320,862
Chairman's secretariat expenses	1,800,000	1,800,000
Financing facility availed	1,570,400	53,073,931
Financing facility repaid	1,026,773	532,518
Letter of guarantee called	-	53,940,000

	31-Dec-10 Rupees (Un-audited)	31-Dec-09 Rupees (Un-audited)
Directors:		
Profit paid on certificates of deposit	7,809,226	7,748,019
Certificate of deposit issued	-	400,000
Financing Facility Availed	20,672,516	-
Financing Facility Paid	107,675	-
Executives:		
Return on finances received	129,851	450,915
Profit paid on certificates of deposit	301,288	244,113
Fixed assets sold	1,434,326	-
Certificate of deposits issued	8,600,000	13,075,535
Certificate of deposits matured	2,560,000	13,704,117
Financing facility availed	5,524,400	539,000
Financing facility repaid	1,673,592	1,501,668
Others:		
Contribution to staff retirement benefits plan	648,980	826,656
	31-Dec-10 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
Balance at the end of the period		
Associated companies:		
Advances outstanding	76,999,976	76,456,349
Certificates of deposit outstanding	6,095,003	6,095,003
Other receivable	4,674,250	1,871,656
Directors:		
Advances outstanding	20,564,841	-
Certificates of deposit outstanding	116,050,000	116,050,000
Other receivable	-	6,653,021
Executives:		
Advances outstanding	7,273,470	1,954,046
Certificates of deposit outstanding	8,600,000	2,560,000
Other receivable	-	78,569

16. SEGMENTAL ANALYSIS

The Bank's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

Financing activities

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Bank's liquidity.

Six Months ended 31 December 2010

	Financing activities	Investing activities	Total
Profit on financing	20,818,365	-	20,818,365
Mark-up on lease finance	1,029,059	-	1,029,059
Return on placements	-	31,644,788	31,644,788
Return on investments	-	49,917,585	49,917,585
Total income for reportable segments	21,847,424	81,562,373	103,409,797
Finance costs	(21,506,294)	(80,288,840)	(101,795,134)
Administrative and other operating expenses	(9,540,219)	(35,616,231)	(45,156,450)
Segment result	(9,199,089)	(34,342,698)	(43,541,787)
Other operating income			11,240,237
Loss before taxation			(32,301,550)
Segment assets	246,523,422	1,438,707,771	1,685,231,193
Unallocated assets			640,366,708
			2,325,597,901
Segment liabilities	113,858,320	294,186,643	408,044,963
Unallocated liabilities			1,586,106,487
Equity			331,446,451
			2,325,597,901

Six Months ended 31 December 2009

	Financing activities	Investing activities	Total
Profit on financing	18,119,150	-	18,119,150
Mark-up on lease finance	1,404,535	-	1,404,535
Return on placements	-	4,222,927	4,222,927
Return on investments	-	86,767,524	86,767,524
Fee and commission	-	825,960	825,960
Total income for reportable segments	19,523,685	91,816,411	111,340,096
Finance costs	(14,710,808)	(69,182,306)	(83,893,114)
Administrative and other operating expenses	(10,638,612)	(50,031,499)	(60,670,111)
Provision for doubtful financing - reversed	3,356,546	-	3,356,546
Segment result	(2,469,189)	(27,397,394)	(29,866,583)
Other operating income			3,880,821
Loss before taxation			(25,985,762)
Segment assets	224,443,938	771,389,891	995,833,829
Unallocated assets			905,821,215
			1,901,655,044
Segment liabilities	105,986,459	365,864,570	471,851,029
Unallocated liabilities			976,235,631
Equity			453,568,384
			1,901,655,044

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 25 February 2011.

18. GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director



ESCORTS INVESTMENT BANK LIMITED
Escorts House, 26-Davis Road, Lahore