

**NRSP MICROFINANCE BANK LIMITED**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT September 30th, 2014**

	<i>Notes</i>	<b>Sep-14 Rupees</b>
<b>ASSETS</b>		
Cash and balances with SBP and NBP	6	238,459,745
Balances with other Banks/ NBFIs/ MFBs	7	863,285,788
Lending to financial institutions	8	-
Investments	9	787,331,037
Advances	10	6,365,997,826
Operating fixed assets	11	209,209,142
Other assets	12	1,216,569,276
Deferred tax asset - net	11	24,451,265
<b>Total assets</b>		<b><u>9,705,304,079</u></b>
<b>LIABILITIES</b>		
Deposits	13	3,520,607,532
Borrowings	14	3,742,250,000
Sub-ordinated loan	15	-
Other liabilities	16	344,964,424
Deferred tax Liability - net	11	-
Taxation	27	-
<b>Total liabilities</b>		<b><u>7,607,821,956</u></b>
<b>NET ASSETS</b>		<b><u><u>2,097,482,123</u></u></b>
<b>REPRESENTED BY:</b>		
Share capital	17	1,000,000,000
Advance against share capital		498,372,012
Statutory reserve		118,306,651
Capital reserve		
Reserve for contingencies		
Depositor Protection Fund		30,351,081
Accumulated Profit / (loss)		384,045,654
		<u>2,031,075,398</u>
Surplus / (Deficit) on revaluation of assets	18	4,754,723
Deferred grant	19	61,652,002
<b>Total capital</b>		<b><u><u>2,097,482,123</u></u></b>
<b>MEMORANDUM / OFF BALANCE SHEET ITEMS</b>		-

The annexed notes 1 to 33 form an integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT / CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**NRSP MICROFINANCE BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED September 30th, 2014**

	<i>Notes</i>	<b>Sep-14 Rupees</b>
Mark-up / return / interest earned	21	1,305,197,219
Mark-up / return / interest expensed	22	594,812,034
Net Mark-up / Interest income		710,385,185
Provisions against non-performing loans, advances and other assets		
Specific provisions		38,845,095
General provisions		15,837,208
		54,682,303
Bad debts written off directly	10.3	5,478,384
<b>Net mark-up / interest income after provisions</b>		<b>650,224,498</b>
<b>NON-MARK-UP / NON-INTEREST INCOME</b>		
Fee, commission and brokerage income	23	100,972,181
Other income	24	130,696,984
Total Non-Mark-up / Non-Interest Income		231,669,165
<b>Total Income</b>		<b>881,893,663</b>
<b>NON MARK-UP/ NON INTEREST EXPENSES</b>		
Administrative expenses	25	681,159,954
Other charges	26	43,730
		681,203,684
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>200,689,979</b>
Taxation - Current	27.1	55,681,555
Deffered	27.2	-
<b>PROFIT (LOSS) AFTER TAXATION</b>		<b>145,008,424</b>
Unappropriated loss brought forward		275,289,336
Profit/(Loss) available for appropriation		420,297,760
<b>APPROPRIATIONS:</b>		
<b>Transfer to:</b>		
Statutory reserve		29,001,685
Contribution to Depositors Protection Fund		7,250,421
General reserve		-
		36,252,106
<b>UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD</b>		<b>384,045,654</b>
<b>EARNING PER SHARE</b>	29	<b>1.45</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT / CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**NRSP MICROFINANCE BANK LIMITED**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE NINE MONTH PERIOD ENDED September 30th, 2014

	<i>Notes</i>	<b>Sep-14 Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit / (Loss) before taxation		200,689,979
Adjustments for:		
Depreciation		45,007,797
Amortization		26,949,988
Revaluation of Investment		1,708,409
(Gain)/Loss on Disposal of Fixed Assets		(954,746)
Provision against non-performing loans and advances		15,774,626
Loans Written Off		5,478,384
Amortization of grant		(25,639,224)
		68,325,234
		269,015,213
(Increase)/decrease in operating assets		
Advances - Microcredit Loan		(1,596,894,593)
Other assets		(830,439,266)
		(2,427,333,859)
Increase in operating liabilities		
Deposits		(98,106,509)
Other liabilities		11,481,784
		(86,624,725)
<i>Net cash flow from operating activities</i>		(2,244,943,371)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets		(39,384,951)
Investment in CWIP		2,944,247
Investment in Intangible assets		(2,407,667)
Net investments in securities		2,479,863,568
Proceed Received on Sale of Fixed Assets		2,806,768
<i>Net cash flow from investing activities</i>		2,443,821,965
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital		-
Advance against share capital		498,372,012
Grant from the State Bank of Pakistan		27,782,226
Borrowings- Others		(715,000,000)
<i>Net cash flow from financing activities</i>		(188,845,762)
Net increase in cash and cash equivalents		10,032,832
Cash and cash equivalents at beginning of the year/period		1,091,712,701
<b>Cash and cash equivalents at end of the year/period</b>		<b>1,101,745,533</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT / CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**NRSP MICROFINANCE BANK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED September 30th, 2014**

	Share Capital	Advance against Share	Unappropriated Profit/(loss)	Statutory Reserve	General Reserve	Total
	-----Rupees-----					
Balance as at December 31, 2012	<b>1,000,000,000</b>		<b>108,137,758</b>	<b>40,455,197</b>	-	<b>1,148,592,955</b>
Profit/Loss for the Period			228,213,789			228,213,789
Issue of share capital						-
Transferred to Statutory Reserve			(48,849,769)	48,849,769		-
Transferred to Depositors Protection Fund			(12,212,442)			(12,212,442)
Other Appropriations/Adjustments						-
Balance as at December 31, 2013	<b>1,000,000,000</b>		<b>275,289,336</b>	<b>89,304,966</b>	-	<b>1,364,594,302</b>
Profit/Loss for the Period			145,008,424			145,008,424
Issue of share capital						-
Transferred to Statutory Reserve			(29,001,685)	29,001,685		-
Transferred to Depositors Protection Fund			(7,250,421)			(7,250,421)
Advance against share capital		498,372,012				498,372,012
Balance as at September 30th, 2014	<b>1,000,000,000</b>	<b>498,372,012</b>	<b>384,045,654</b>	<b>118,306,651</b>	-	<b>2,000,724,317</b>

The annexed notes 1 to 33 form an integral part of these financial statements.

\_\_\_\_\_  
PRESIDENT / CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**NOTE TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED September 30th, 2014**

	Note	Sep-14 Rupees
<b>6. CASH AND BALANCES WITH SBP AND NBP</b>		
Cash in hand		
Local currency		38,918,853
Balances with State Bank of Pakistan (SBP) in:		
Local currency current accounts	6.1	199,540,892
Balances with National Bank of Pakistan (NBP) in:		
		<u>238,459,745</u>
<b>7. BALANCES WITH OTHER BANKS/ NBFIS/ MFBS</b>		
In Pakistan		
Local currency current accounts		4,868,817.00
Local currency deposit accounts		858,416,971.00
		<u>863,285,788.00</u>
<b>9. INVESTMENTS</b>		
<b>Held for Trading Investments</b>		
Market Treasury Bills (T-Bills)		-
Other Investments		-
		-
<b>Held to maturity investments</b>		
Treasury Bills		-
Pakistan Investment Bonds (PIBs)		400,898,877
Term Finance Certificates		126,432,160
Term Deposit*		260,000,000
		<u>787,331,037</u>
		<u>787,331,037</u>

\*TDR Rate: JS Bank 120 million @10.12%, PAK Oman 28 million @9.57% and Askari Bank 112 million @9.09%.

**10. ADVANCES****Loan Type**

Micro Credit	6,436,416,489
Micro Lease	-
Others	6,436,416,489

**Less: Provisions held:**

Specific	(7,417,039)
General	(63,001,624)
	(70,418,663)

Advances- net of provisions

6,365,997,826**10.1 Particulars of Non-Performing Loans**

Advances include Rs. 27592109 which, as detailed below, have been placed under non-performing status:-

Category of Classification	Amount Outstanding	Provisions Required	Provisions Held
OAEM	5,577,932	-	-
Sub-Standard	16,263,342	4,065,835	4,065,838
Doubtful	4,799,265	2,399,633	2,399,631
Loss	951,570	951,570	951,570
<b>Total</b>	<b>27,592,109</b>	<b>7,417,038</b>	<b>7,417,039</b>

**10.2 Particulars of Provision against Non-Performing Advances**

	Sep-14		
	Specific	General	Total
Opening balance	7,479,621	47,164,416	54,644,037
Charge for the year	38,845,095	15,837,208	54,682,303
Amounts written off	(38,476,676)	-	(38,476,676)
Reversals			
Other movements (to be specified)			
Closing balance	<u>7,848,040</u>	<u>63,001,624</u>	<u>70,849,664</u>

**10.3 Particulars of Write Offs:**

Against Provisions	38,476,676
Directly charged to Profit & Loss account (Recovery)	5,478,384
	<u>43,955,060</u>

**Note**  
**Sep-14**  
**Rupees****11. OPERATING FIXED ASSETS**

Capital Work-in-Progress	11.1	1,848,753
Operating Fixed Assets	11.2	173,279,443
Intangible Assets	11.3	34,080,946
		<u>209,209,142</u>

**11.1 Capital Work-in-Progress**

Civil works	1,848,753
Advance to Suppliers for Purchase of Office Equipment	-
Advance to Suppliers for Implementation of	
Banking Software	-
Hardware	-
IT Infrastructure Cost	-
	<u>1,848,753</u>

		<b>Sep-14</b>	
		<b>Rupees</b>	
<b>11.3 Intangible Assets</b>			
Computer Softwares	11.3.1	34,080,946	
		<u>34,080,946</u>	
<b>11.3.1 Computer Softwares</b>			
Balance as at beginning of the period		111,742,078	
Additions during the period		2,407,667	
Balance as at end of the period		<u>114,149,745</u>	
<b>Amortization</b>			
Balance as at beginning of the period		(53,118,811)	
Charge during the period		(26,949,988)	
Balance as at end of the period		<u>(80,068,799)</u>	
<b>Carrying value</b>		<u><b>34,080,946</b></u>	
<b>11.3.2.2 DEFERRED TAX ASSET - NET</b>		<b>Rupees</b>	
Deferred debits arising in respect of			
Retirement benefits		39,620,590	
Accelerated amortization allowance		39,620,590	
Deferred credits arising in respect of			
Accelerated depreciation allowance		15,169,325	
Deficit on revaluation of investment		15,169,325	
		<u>24,451,265</u>	
<b>13. DEPOSITS</b>		<b>Sep-14</b>	
		<b>Rupees</b>	
Current Accounts		107,896,946	
Saving Accounts		1,746,778,132	
Fixed Deposits		1,665,932,454	
		<u>3,520,607,532</u>	
<b>14. BORROWINGS</b>			
Borrowings from PPAF		150,000,000	
Borrowing from JS Bank		300,000,000	
Borrowing from JS Bank Ltd (Tranche - I)		800,000,000	
Borrowing from JS Bank Ltd (Tranche - II)		800,000,000	
Borrowing from Pak Oman Investment Bank		870,000,000	
Borrowing from Askari Commercial Bank		280,000,000	
Borrowing from ECO Trade & Development Bank		542,250,000	
		<u>3,742,250,000</u>	
<b>17. SHARE CAPITAL</b>			
<b>17.1 Authorized Capital</b>			
	<b>Sep-14</b>		<b>Sep-14</b>
	<b>Number</b>		<b>Rupees</b>
	<u>300,000,000</u>	Ordinary shares of	<u>3,000,000,000</u>
		Rs. 10 each	
<b>17.2 Issued, subscribed and paid-up capital</b>			
	<u>100,000,000</u>	Ordinary shares of	<u>1,000,000,000</u>
		Rs. 10 each	

**NRSP MICROFINANCE BANK LIMITED**  
**NOTE TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED September 30th, 2014**

	<b>Sep-14</b> <b>Rupees</b>
<b>21. MARK-UP / RETURN / INTEREST EARNED</b>	
Mark-up Income on Advances - Microcredit Loans	1,259,329,715
Interest on deposit accounts/ placements with other banks/ financial institutions/ mutual funds	-
Others	45,867,504
	-
	1,305,197,219
<b>22. MARK-UP / RETURN / INTEREST EXPENSED</b>	
Interest on:	
Loan processing fee	8,622,500
PPAF Loan	47,539,993
JS Bank Borrowing	42,838,630
JS Bank Ltd (Tranche - I)	59,396,383
JS Bank Ltd (Tranche - II)	72,154,742
JS Bank Ltd (Car Financing)	3,325,050
Standard Chartered Bank Borrowing	12,619,886
Pak Oman Investment Bank Borrowing	47,596,129
Askari Commercial Bank Borrowing	27,885,260
ECO Trade & Development Bank	14,931,209
Exchange Swap on ECO Borrowing	35,892,919
Other deposits	222,009,333
	594,812,034
	594,812,034
<b>23. FEE, COMMISSION AND BROKERAGE INCOME</b>	
Micro-credit loan processing fee	98,650,241
Other Transaction Processing Fees	2,191,609
Commission Income	37,738
Collection Service income	92,593
	100,972,181
	100,972,181
<b>24. OTHER INCOME</b>	
Income from Investments	99,140,584
Other Misc Services Incomes	4,962,430
Gain/(Loss) On Disposal Of Assets	954,746
Amortization of Deferred Grant	25,639,224
	130,696,984
	130,696,984