

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

	<i>Notes</i>	<b>Jun-14 Rupees</b>
<b>ASSETS</b>		
Cash and balances with SBP and NBP	6	245,416,678
Balances with other Banks/ NBFIs/ MFBs	7	567,284,579
Lending to financial institutions	8	-
Investments	9	1,867,557,669
Advances	10	6,208,762,396
Operating fixed assets	11	220,636,438
Other assets	12	800,363,761
Deferred tax asset - net	11	24,451,265
<b>Total assets</b>		<b><u>9,934,472,786</u></b>
<b>LIABILITIES</b>		
Deposits	13	3,756,517,002
Borrowings	14	4,369,750,000
Sub-ordinated loan	15	-
Other liabilities	16	262,644,379
Deferred tax Liability - net	11	-
Taxation	27	-
<b>Total liabilities</b>		<b><u>8,388,911,381</u></b>
<b>NET ASSETS</b>		<b><u><u>1,545,561,405</u></u></b>
<b>REPRESENTED BY:</b>		
Share capital	17	1,000,000,000
Statutory reserve		111,265,757
Capital reserve		
Reserve for contingencies		
Depositor Protection Fund		28,590,858
Accumulated Profit / (loss)		357,642,304
		<u>1,497,498,919</u>
Surplus / (Deficit) on revaluation of assets	18	5,790,359
Deferred grant	19	42,272,127
<b>Total capital</b>		<b><u><u>1,545,561,405</u></u></b>
<b>MEMORANDUM / OFF BALANCE SHEET ITEMS</b>		-

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

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PRESIDENT / CHIEF EXECUTIVE OFFICER

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CHIEF FINANCIAL OFFICER

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

	<i>Notes</i>	<b>Jun-14 Rupees</b>
Mark-up / return / interest earned	21	837,694,297
Mark-up / return / interest expensed	22	397,983,136
Net Mark-up / Interest income		439,711,161
Provisions against non-performing loans, advances and other assets		
Specific provisions		19,742,179
General provisions		14,447,592
		34,189,771
Bad debts written off directly	10.3	3,682,328
<b>Net mark-up / interest income after provisions</b>		<b>401,839,062</b>
<b>NON-MARK-UP / NON-INTEREST INCOME</b>		
Fee, commission and brokerage income	23	91,979,053
Other income	24	100,535,959
Total Non-Mark-up / Non-Interest Income		192,515,012
<b>Total Income</b>		<b>594,354,074</b>
<b>NON MARK-UP/ NON INTEREST EXPENSES</b>		
Administrative expenses	25	445,099,711
Other charges	26	40,000
		445,139,711
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>149,214,363</b>
Taxation - Current	27.1	39,410,406
Deffered	27.2	-
<b>PROFIT (LOSS) AFTER TAXATION</b>		<b>109,803,957</b>
Unappropriated loss brought forward		275,289,336
Profit/(Loss) available for appropriation		385,093,293
<b>APPROPRIATIONS:</b>		
<b>Transfer to:</b>		
Statutory reserve		21,960,791
Contribution to Depositors Protection Fund		5,490,198
General reserve		-
		27,450,989
<b>UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD</b>		<b>357,642,304</b>
<b>EARNING PER SHARE</b>	29	<b>1.10</b>

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

	<i>Notes</i>	<b>Jun-14 Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit / (Loss) before taxation		149,214,363
Adjustments for:		
Depreciation		29,746,462
Amortization		17,955,564
Revaluation of Investment		2,744,045
(Gain)/Loss on Disposal of Fixed Assets		(954,746)
Provision against non-performing loans and advances		21,708,065
Loans Written Off		3,682,328
Amortization of grant		(17,236,873)
		57,644,845
		206,859,208
(Increase)/decrease in operating assets		
Advances - Microcredit Loan		(1,443,796,546)
Other assets		(414,233,751)
		(1,858,030,297)
Increase in operating liabilities		
Deposits		137,802,961
Other liabilities		(54,567,112)
		83,235,849
<i>Net cash flow from operating activities</i>		(1,567,935,240)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets		(27,285,559)
Investment in CWIP		3,238,006
Investment in Intangible assets		(1,972,355)
Net investments in securities		1,399,636,936
Proceed Received on Sale of Fixed Assets		2,806,768
<i>Net cash flow from investing activities</i>		1,376,423,796
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital		-
Grant from the State Bank of Pakistan		-
Borrowings- Others		(87,500,000)
<i>Net cash flow from financing activities</i>		(87,500,000)
Net increase in cash and cash equivalents		(279,011,444)
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>812,701,257</b>

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

	Share Capital	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		109,803,957			109,803,957
Issue of share capital					
Transferred to Statutory Reserve		(21,960,791)	21,960,791		
Transferred to Depositors Protection Fund		(5,490,198)			(5,490,198)
Other Appropriations/Adjustments					
Balance as at June 30th, 2014	<b>1,000,000,000</b>	<b>357,642,304</b>	<b>111,265,757</b>	-	<b>1,468,908,061</b>

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

	Note	Jun-14 Rupees
<b>6. CASH AND BALANCES WITH SBP AND NBP</b>		
Cash in hand		
Local currency		49,948,063
Balances with State Bank of Pakistan (SBP) in:		
Local currency current accounts	6.1	195,468,615
Balances with National Bank of Pakistan (NBP) in:		
		245,416,678
<b>7. BALANCES WITH OTHER BANKS/ NBFIS/ MFBS</b>		
In Pakistan		
Local currency current accounts		158,350,913.00
Local currency deposit accounts		408,933,666.00
		567,284,579.00
<b>9. INVESTMENTS</b>		
<b>Held for Trading Investments</b>		
Market Treasury Bills (T-Bills)		-
Other Investments		1,155,078,121
		1,155,078,121
<b>Held to maturity investments</b>		
Treasury Bills		-
Pakistan Investment Bonds (PIBs)		415,047,388
Term Finance Certificates		141,432,160
Term Deposit*		156,000,000
		712,479,548
		1,867,557,669
*TDR Rate: JS Bank 640 million @10.12%, PAK Oman 32 million @9.57% and Askari Bank 144 million @9.09%.		
<b>10. ADVANCES</b>		
<b>Loan Type</b>		
Micro Credit		6,285,114,498
Micro Lease		-
Others		
		6,285,114,498
<b>Less: Provisions held:</b>		
Specific		(14,740,094)
General		(61,612,008)
		(76,352,102)
Advances- net of provisions		6,208,762,396

### 10.1 Particulars of Non-Performing Loans

Advances include Rs. 33826357 which, as detailed below, have been placed under non-performing status:-

Category of Classification	Amount Outstanding	Provisions Required	Provisions Held
OAEM	2,819,703	-	-
Sub-Standard	4,282,155	1,070,538	1,070,539
Doubtful	26,109,886	13,054,943	13,054,942
Loss	614,613	614,613	614,613
<b>Total</b>	<b>33,826,357</b>	<b>14,740,094</b>	<b>14,740,094</b>

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

	Jun-14		
	Specific	General	Total
Opening balance	7,479,621	47,164,416	54,644,037
Charge for the year	19,742,179	14,447,592	34,189,771
Amounts written off	(12,481,706)	-	(12,481,706)
Reversals			
Other movements (to be specified)			
Closing balance	14,740,094	61,612,008	76,352,102

### 10.3 Particulars of Write Offs:

Against Provisions	12,481,706
Directly charged to Profit & Loss account (Recovery)	3,682,328
	<u>16,164,034</u>

### 11. OPERATING FIXED ASSETS

	Note	Jun-14 Rupees
Capital Work-in-Progress	11.1	1,554,994
Operating Fixed Assets	11.2	176,441,386
Intangible Assets	11.3	42,640,058
		<u>220,636,438</u>

#### 11.1 Capital Work-in-Progress

Civil works	1,554,994
Advance to Suppliers for Purchase of Office Equipment	-
Advance to Suppliers for Implementation of Banking Software	-
Hardware	-
IT Infrastructure Cost	-
	<u>1,554,994</u>

<b>11.3</b>	<b>Intangible Assets</b>		<b>Jun-14</b>
	Computer Softwares	11.3.1	<b>Rupees</b>
			42,640,058
			<u>42,640,058</u>
<b>11.3.1</b>	<b>Computer Softwares</b>		
	Balance as at beginning of the period		111,742,078
	Additions during the period		1,972,355
	Balance as at end of the period		<u>113,714,433</u>
	<b>Amortization</b>		
	Balance as at beginning of the period		(53,118,811)
	Charge during the period		(17,955,564)
	Balance as at end of the period		<u>(71,074,375)</u>
	<b>Carrying value</b>		<u><b>42,640,058</b></u>
<b>11.3.2.2</b>	<b>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.</b>	<b>DEPOSITS</b>		<b>Jun-14</b>
			<b>Rupees</b>
	Current Accounts		133,956,728
	Saving Accounts		2,105,113,274
	Fixed Deposits		1,517,447,000
			<u>3,756,517,002</u>
<b>14.</b>	<b>BORROWINGS</b>		
	Borrowings from PPAF	14.1	575,000,000
	Borrowing from JS Bank	14.2	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 Standard Chartered Bank	14.2	162,500,000
	Borrowing from Pak Oman Investment Bank	14.2	870,000,000
	Borrowing from Askari Commercial Bank	14.2	320,000,000
	Borrowing from ECO Trade & Development Bank		542,250,000
			<u>4,369,750,000</u>
<b>17.</b>	<b>SHARE CAPITAL</b>		
<b>17.1</b>	<b>Authorized Capital</b>		
			<b>Jun-14</b>
			<b>Rupees</b>
			300,000,000
			<u>3,000,000,000</u>
			Ordinary shares of Rs. 10 each
<b>17.2</b>	<b>Issued, subscribed and paid-up capital</b>		
			100,000,000
			<u>1,000,000,000</u>
			Ordinary shares of Rs. 10 each
<b>17.2.1</b>	This represents ordinary shares allotted to shareholders of the Bank.		

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

	<b>Jun-14</b> <b>Rupees</b>
<b>21. MARK-UP / RETURN / INTEREST EARNED</b>	
Mark-up Income on Advances - Microcredit Loans	806,700,685
Interest on deposit accounts/ placements with other banks/ financial institutions/ mutual funds	-
Others	30,993,612
	-
	837,694,297
<b>22. MARK-UP / RETURN / INTEREST EXPENSED</b>	
Interest on:	
Loan processing fee	8,622,500
PPAF Loan	43,123,994
JS Bank Borrowing	33,643,672
JS Bank Ltd (Tranche - I)	34,854,575
JS Bank Ltd (Tranche - II)	47,579,836
JS Bank Ltd (Car Financing)	2,184,038
Standard Chartered Bank Borrowing	11,154,580
Pak Oman Investment Bank Borrowing	21,205,236
Askari Commercial Bank Borrowing	19,283,079
ECO Trade & Development Bank	11,176,884
Exchange Swap on ECO Borrowing	22,667,242
Other deposits	142,487,500
Others	-
	-
	397,983,136
<b>23. FEE, COMMISSION AND BROKERAGE INCOME</b>	
Micro-credit loan processing fee	90,246,663
Other Transaction Processing Fees	1,712,114
Commission Income	20,276
Collection Service income	-
	-
	91,979,053
<b>24. OTHER INCOME</b>	
Income from Investments	78,617,776
Other Misc Services Incomes	3,726,564
Gain/(Loss) On Disposal Of Assets	954,746
Amortization of Deferred Grant	17,236,873
	-
	100,535,959