

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31st, 2013

	<i>Notes</i>	Mar-13 Rupees
ASSETS		
Cash and balances with SBP and NBP	6	119,465,302
Balances with other Banks/ NBFIs/ MFBs	7	537,732,594
Lending to financial institutions	8	-
Investments	9	777,015,183
Advances	10	4,963,715,533
Operating fixed assets	11	239,334,947
Other assets	12	442,570,679
Deferred tax asset - net	11	29,452,510
Total assets		<u>7,109,286,748</u>
LIABILITIES		
Deposits	13	1,860,810,215
Borrowings	14	3,737,500,000
Sub-ordinated loan	15	-
Other liabilities	16	214,579,765
Deferred tax Liability - net	11	-
Taxation	27	-
Total liabilities		<u>5,812,889,980</u>
NET ASSETS		<u>1,296,396,768</u>
REPRESENTED BY:		
Share capital	17	1,000,000,000
Statutory reserve		51,705,474
Capital reserve		
Reserve for contingencies		
Accumulated Profit / (loss)		155,073,023
		<u>1,206,778,497</u>
Surplus / (Deficit) on revaluation of assets	18	28,994,523
Deferred grant	19	60,623,748
Total capital		<u>1,296,396,768</u>
MEMORANDUM / OFF BALANCE SHEET ITEMS		-

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-
FOR THE THREE MONTH PERIOD ENDED M**

	Notes	Mar-13 Rupees
Mark-up / return / interest earned	21	300,096,027
Mark-up / return / interest expensed	22	133,846,382
Net Mark-up / Interest income		166,249,645
Provisions against non-performing loans, advances and other assets		
Specific provisions		8,869,037
General provisions		18,952,700
		27,821,737
Bad debts written off directly	10.3	1,628,381
Net mark-up / interest income after provisions		136,799,527
NON-MARK-UP / NON-INTEREST INCOME		
Fee, commission and brokerage income	23	46,291,003
Other income	24	42,935,098
Total Non-Mark-up / Non-Interest Income		89,226,101
Total Income		226,025,628
NON MARK-UP/ NON INTEREST EXPENSES		
Administrative expenses	25	162,795,655
Other charges	26	-
		162,795,655
PROFIT (LOSS) BEFORE TAXATION		63,229,973
Taxation - Current	27.1	3,893,221
Deffered	27.2	-
PROFIT (LOSS) AFTER TAXATION		59,336,752
Unappropriated loss brought forward		110,570,459
Profit/(Loss) available for appropriation		169,907,211
APPROPRIATIONS:		
Transfer to:		
Statutory reserve		11,867,350
Contribution to Depositors Protection Fund		2,966,838
General reserve		-
		14,834,188
UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD		155,073,023
EARNING PER SHARE	29	0.59

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PRESIDENT / CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

	Mar-13
	Rupees
CASH FLOW FROM OPERATING ACTIVITES	
Profit / (Loss) before taxation	63,229,973
Adjustments for:	
Depreciation	11,268,537
Amortization	8,613,994
Revaluation of Investment	370,342
(Gain)/Loss on Disposal of Fixed Assets	-
Provision against non-performing loans and advances	18,714,844
Loans Written Off	1,628,381
Amortization of grant	(19,029,055)
	<u>21,567,043</u>
	84,797,016
(Increase)/decrease in operating assets	
Advances - Microcredit Loan	(1,957,284,238)
Other assets	(216,737,541)
	<u>(2,174,021,779)</u>
Increase in operating liabilities	
Deposits	29,851,820
Other liabilities	18,512,472
	<u>48,364,292</u>
<i>Net cash flow from operating activities</i>	<u>(2,040,860,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in operating fixed assets	(10,269,011)
Investment in CWIP	(4,379,256)
Investment in Intangible assets	(1,323,930)
Net investments in held-to-maturity securities	693,832,463
Proceed Received on Sale of Fixed Assets	-
<i>Net cash flow from investing activities</i>	<u>677,860,266</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Issue of share capital	-
Grant from the State Bank of Pakistan	(75,517)
Borrowings- Others	673,577,821
<i>Net cash flow from financing activities</i>	<u>673,502,304</u>
Net increase in cash and cash equivalents	(689,497,901)
Cash and cash equivalents at beginning of the year/period	1,346,695,797
Cash and cash equivalents at end of the year/period	<u><u>657,197,896</u></u>

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PRESIDENT / CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NRSP MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31st, 2013

	Share Capital	Unappropriated Profit/(loss)	Statutory Reserve	General Reserve	Total
	-----Rupees-----				
Balance as at December 31, 2011	840,000,000	(12,165,429)	7,108,556	-	834,943,127
Profit/Loss for the Period	-	163,647,842	-	-	163,647,842
Issue of share capital	160,000,000	-	-	-	160,000,000
Transferred to Statutory Reserve		(32,729,568)	32,729,568		-
Transferred to Depositors Protection Fund		(8,182,386)	-		(8,182,386)
Balance as at December 31, 2012	1,000,000,000	110,570,459	39,838,124	-	1,150,408,583
Profit/Loss for the Period		59,336,752			59,336,752
Issue of share capital					
Transferred to Statutory Reserve		(11,867,350)	11,867,350		
Transferred to Depositors Protection Fund		(2,966,838)			(2,966,838)
Balance as at March 31st, 2013	1,000,000,000	155,073,023	51,705,474	-	1,206,778,497

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 THREE MONTH PERIOD ENDED MARCH 31st, 2013

	Note	Mar-13 Rupees
6. CASH AND BALANCES WITH SBP AND NBP		
Cash in hand		
Local currency		11,613,704
Balances with State Bank of Pakistan (SBP) in:		
Local currency current accounts	6.1	107,851,598
Balances with National Bank of Pakistan (NBP) in:		
Local currency current accounts		-
Local currency deposit accounts		-
		<u>119,465,302</u>
7. BALANCES WITH OTHER BANKS/ NBFIS/ MFBS		
In Pakistan		
Local currency current accounts		360,773
Local currency deposit accounts		537,371,821
		<u>537,732,594</u>
8. LENDING TO FINANCIAL INSTITUTIONS		
Call money lending		-
Repurchase agreement lending (reverse repo)		-
Clean lending		-
Less: Provision for impairment		-
		<u>-</u>
9. INVESTMENTS		
Held for Trading Investments		
Market Treasury Bills (T-Bills)		-
Other Investments		333,675,189
		<u>333,675,189</u>
Available for sale securities		
Market Treasury Bills (T-Bills)		-
Add/(less): Surplus/(deficit) on revaluation of available for sale securities		-
		<u>-</u>
Held to maturity investments		
Treasury Bills		119,620,597
Pakistan Investment Bonds (PIBs)		129,702,797
Term Finance Certificates		194,016,600
Other Investments		-
		<u>443,339,994</u>
		<u>777,015,183</u>

10. ADVANCES

Loan Type

Micro Credit	5,009,214,753
Micro Lease	-
Others	9,206,129
	5,018,420,882

Less: Provisions held:

Specific	(5,179,169)
General	(49,526,180)
	(54,705,349)
Advances- net of provisions	4,963,715,533

10.1 Particulars of Non-Performing Loans

Category of Classification	Amount Outstanding	Provisions Required	Provisions Held
OAEM	24,481,003	-	-
Sub-Standard	15,584,477	3,896,119	3,896,119
Doubtful	2,542,099	1,271,050	1,271,050
Loss	12,000	12,000	12,000
Total	42,619,579	5,179,169	5,179,169

10.2 Particulars of Provision against Non-Performing Advances

	Mar-13		
	Specific	General	Total
Opening balance	5,417,025	30,573,480	35,990,505
Charge for the year	8,869,037	18,952,700	27,821,737
Amounts written off	(9,100,985)	-	(9,100,985)
Reversals			
Other movements (to be specified)			
Closing balance	5,185,077	49,526,180	54,711,257

10.3 Particulars of Write Offs:

	Mar-13
Against Provisions	9,100,985
Directly charged to Profit & Loss account	1,628,381
	10,729,366

11. OPERATING FIXED ASSETS

	Note	Mar-13 Rupees
Capital Work-in-Progress	11.1	4,544,256
Operating Fixed Assets	11.2	156,070,062
Intangible Assets	11.3	78,720,629
		239,334,947

11.1 Capital Work-in-Progress

Civil works	4,544,256
Advance to Suppliers for Purchase of Office Equipment	-
Advance to Suppliers for Implementation of	
Banking Software	-
Hardware	-
IT Infrastructure Cost	-
	4,544,256

		Mar-13
		Rupees
11.3	Intangible Assets	
	Computer Softwares	11.3.1 78,720,629
	Goodwill	-
	Client acquisition costs	11.3.2 -
		<u>78,720,629</u>
11.3.1	Computer Softwares	
	Balance as at beginning of the period	103,805,474
	Additions during the period	<u>1,323,930</u>
	Balance as at end of the period	<u>105,129,404</u>
	Amortization	
	Balance as at beginning of the period	(17,794,781)
	Charge during the period	<u>(8,613,994)</u>
	Balance as at end of the period	<u>(26,408,775)</u>
	Carrying value	<u>78,720,629</u>
11.3.1.1	Amortization is charged on straight line basis @ 33.33% per annum, starting from the month the asset is available for use.	
11.3.2	Client acquisition costs	
	Balance as at beginning of the period	-
	Additions during the period	<u>-</u>
	Balance as at end of the period	<u>-</u>
	Amortization	
	Balance as at beginning of the period	-
	Charge during the period	<u>-</u>
	Balance as at end of the period	<u>-</u>
	Carrying value	<u>-</u>
11.3.2.2	DEFERRED TAX ASSET - NET	Rupees
	Deferred debits arising in respect of	
	Retirement benefits	<u>44,990,127</u>
	Accelerated amortization allowance	44,990,127
	Deferred credits arising in respect of	
	Accelerated depreciation allowance	<u>15,537,617</u>
	Deficit on revaluation of investment	15,537,617
		<u>29,452,510</u>

13.	DEPOSITS		Mar-13
			Rupees
	Current Accounts		14,233,321
	Saving Accounts		1,204,920,394
	Fixed Deposits		641,656,500
			<u>1,860,810,215</u>
14.	BORROWINGS		
	Borrowings from PPAF	14.1	1,500,000,000
	Borrowing from NRSP		
	Borrowing from JS Bank	14.2	1,250,000,000
	Borrowing from Standard Chartered Bank	14.2	487,500,000
	Borrowing from Pak Oman Investment Bank	14.2	100,000,000
	Borrowing from Askari Commercial Bank	14.2	400,000,000
	Long Term Client Acquisition Cost		-
			<u>3,737,500,000</u>
15.	SUB-ORDINATED LOAN		<u>-</u>
17.	SHARE CAPITAL		
17.1	Authorized Capital		
	Mar-13		Mar-13
	Number		Rupees
	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>
17.2	Issued, subscribed and paid-up capital		
	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>
17.2.1	This represents ordinary shares allotted to shareholders of the Bank.		

17.2.2 The shareholders of the Bank are as follows:

Mar-13 Number		Mar-13 Rupees
51,999,600	NRSP	519,996,000
16,000,000	Acumen Fund USA	160,000,000
16,000,000	KFW Germany	160,000,000
16,000,000	IFC	160,000,000
100	Mr. Shoaib Sultan	1,000
100	Mr. Fazalullah Qureshi	1,000
100	Dr. Rashid Bajwa	1,000
100	Aziz Raj Kot Wala	1,000
<u>100,000,000</u>		<u>1,000,000,000</u>

18. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus on revaluation of Held to Maturity & Available for Sale securities	28,994,523
Unamortised loss on reclassification of available for sale securities to held to maturity	-
Surplus/Deficit on Revaluation of Operating Fixed Assets	-
	<u>28,994,523</u>

19. DEFERRED GRANT

Opening balance - January 1, 2011	79,728,320
Grant received	-
Interest income	(75,517)
Amortization of the grant during the period	<u>(19,029,055)</u>
	<u>60,623,748</u>

20. MEMORANDUM / OFF BALANCE SHEET ITEMS

20.1 Commitments in respect of purchase of fixed assets

20.2 There are no contingent liabilities at the period end.

**Mar-13
Rupees**

	Mar-13
	Rupees
21. MARK-UP / RETURN / INTEREST EARNED	
Mark-up Income on Advances - Microcredit Loans	284,794,170
Interest on deposit accounts/ placements with other banks/ financial institutions/ mutual funds	15,301,857
Others	-
	<u>300,096,027</u>
22. MARK-UP / RETURN / INTEREST EXPENSED	
Interest on:	
NRSP borrowings	397,670
Client acquisition cost	-
Loan processing fee	17,791,438
PPAF Loan	45,715,068
JS Bank Borrowing	16,958,648
Standard Chartered Bank Borrowing	4,240,849
Pak Oman Investment Bank Borrowing	2,924,384
Askari Commercial Bank Borrowing	11,079,891
Other deposits	34,738,434
Others	-
	<u>133,846,382</u>
23. FEE, COMMISSION AND BROKERAGE INCOME	
Micro-credit loan processing fee	45,741,462
Other Transaction Processing Fees	548,810
Commission Income	731
Collection Service income	-
	<u>46,291,003</u>
24. OTHER INCOME	
Income from Investments	22,313,712
Other Misc Services Incomes	1,592,331
Gain/(Loss) On Disposal Of Assets	-
Amortization of Deferred Grant	19,029,055
	<u>42,935,098</u>