

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT September 30th, 2013

	<i>Notes</i>	Sep-13 Rupees
ASSETS		
Cash and balances with SBP and NBP	6	163,438,789
Balances with other Banks/ NBFIs/ MFBS	7	864,046,373
Lending to financial institutions	8	-
Investments	9	528,303,636
Advances	10	5,686,996,934
Operating fixed assets	11	252,244,764
Other assets	12	811,861,212
Deferred tax asset - net	11	33,232,502
Total assets		<u>8,340,124,210</u>
LIABILITIES		
Deposits	13	2,471,812,263
Borrowings	14	4,175,000,000
Sub-ordinated loan	15	-
Other liabilities	16	309,109,978
Deferred tax Liability - net	11	-
Taxation	27	-
Total liabilities		<u>6,955,922,241</u>
NET ASSETS		<u>1,384,201,969</u>
REPRESENTED BY:		
Share capital	17	1,000,000,000
Statutory reserve		100,003,846
Capital reserve		-
Reserve for contingencies		-
Depositor Protection Fund		25,000,961
Accumulated Profit / (loss)		176,582,969
		<u>1,301,587,776</u>
Surplus / (Deficit) on revaluation of assets	18	15,824,403
Deferred grant	19	66,789,790
Total capital		<u>1,384,201,969</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-AUDITED)
FOR THE NINE MONTH PERIOD ENDED September 30th, 2013

	Notes	Sep-13 Rupees
Mark-up / return / interest earned	21	1,035,074,214
Mark-up / return / interest expensed	22	455,768,800
Net Mark-up / Interest income		579,305,414
Provisions against non-performing loans, advances and other assets		
Specific provisions		38,483,390
General provisions		25,251,201
		63,734,591
Bad debts written off directly	10.3	3,408,054
Net mark-up / interest income after provisions		512,162,769
NON-MARK-UP / NON-INTEREST INCOME		
Fee, commission and brokerage income	23	124,100,691
Other income	24	133,240,974
Total Non-Mark-up / Non-Interest Income		257,341,665
Total Income		769,504,434
NON MARK-UP/ NON INTEREST EXPENSES		
Administrative expenses	25	560,858,725
Other charges	26	-
		560,858,725
PROFIT (LOSS) BEFORE TAXATION		208,645,709
Taxation - Current	27.1	63,993,970
Deffered	27.2	(7,478,009)
PROFIT (LOSS) AFTER TAXATION		152,129,748
Unappropriated loss brought forward		110,570,459
Profit/(Loss) available for appropriation		262,700,207
APPROPRIATIONS:		
Transfer to:		
Statutory reserve		60,165,722
Contribution to Depositors Protection Fund		15,041,430
General reserve		-
		75,207,152
UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD		187,493,055
EARNING PER SHARE	29	1.52

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PRESIDENT / CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED September 30th, 2013

	<i>Note</i>	Sep-13 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation		208,645,709
Adjustments for:		
Depreciation		35,254,900
Amortization		25,810,246
Revaluation of Investment		(16,773,849)
(Gain)/Loss on Disposal of Fixed Assets		(3,477)
Provision against non-performing loans and advances		23,957,117
Loans Written Off		3,408,054
Amortization of grant		(44,695,568)
		26,957,423
		235,603,132
(Increase)/decrease in operating assets		
Advances - Microcredit Loan		(2,687,587,585)
Other assets		(586,028,074)
		(3,273,615,659)
Increase in operating liabilities		
Deposits		640,853,868
Other liabilities		62,630,307
		703,484,175
<i>Net cash flow from operating activities</i>		(2,334,528,352)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in operating fixed assets		(53,960,224)
Investment in CWIP		(13,119,645)
Investment in Intangible assets		(3,016,283)
Net investments in securities		942,544,010
Proceed Received on Sale of Fixed Assets		35,000
<i>Net cash flow from investing activities</i>		872,482,858
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital		-
Grant from the State Bank of Pakistan		31,757,038
Borrowings- Others		1,111,077,821
<i>Net cash flow from financing activities</i>		1,142,834,859
Net increase in cash and cash equivalents		(319,210,635)
Cash and cash equivalents at beginning of the year/period		1,346,695,797
Cash and cash equivalents at end of the year/period		1,027,485,162

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, 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		152,129,748			152,129,748
Issue of share capital					
Transferred to Statutory Reserve		(60,165,722)	60,165,722		
Transferred to Depositors Protection Fund		(15,041,430)			(15,041,430)
Other Appropriations/Adjustments		(10,910,086)			
Balance as at September 30th, 2013	1,000,000,000	176,582,969	100,003,846	-	1,276,586,815

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, 2013

	Note	Sep-13 Rupees
6. CASH AND BALANCES WITH SBP AND NBP		
Cash in hand		
Local currency		17,547,809
Balances with State Bank of Pakistan (SBP) in:		
Local currency current accounts	6.1	145,890,980
Balances with National Bank of Pakistan (NBP) in:		
Local currency current accounts		-
Local currency deposit accounts		-
		163,438,789
7. BALANCES WITH OTHER BANKS/ NBFIS/ MFBS		
In Pakistan		
Local currency current accounts		3,895,296
Local currency deposit accounts		860,151,077
		864,046,373
8. LENDING TO FINANCIAL INSTITUTIONS		
Call money lending		-
Repurchase agreement lending (reverse repo)		-
Clean lending		-
Less: Provision for impairment		-
		-
9. INVESTMENTS		
Held for Trading Investments		
Market Treasury Bills (T-Bills)		-
Other Investments		50,562,266
		50,562,266
Available for sale securities		
Market Treasury Bills (T-Bills)		-
Add/(less): Surplus/(deficit) on revaluation of available for sale securities		-
		-
Held to maturity investments		
Treasury Bills		174,043,598
Pakistan Investment Bonds (PIBs)		130,322,772
Term Finance Certificates		173,375,000
Other Investments		-
		477,741,370
		528,303,636

10. ADVANCES**Loan Type**

Micro Credit	5,712,178,739
Micro Lease	-
Others	34,765,817
	<u>5,746,944,556</u>

Less: Provisions held:

Specific	(4,122,941)
General	(55,824,681)
	<u>(59,947,622)</u>

Advances- net of provisions

5,686,996,934**10.1 Particulars of Non-Performing Loans**

Category of Classification	Amount Outstanding	Provisions Required	Provisions Held
OAEM	3,063,655	-	-
Sub-Standard	11,817,630	2,954,407	2,954,407
Doubtful	2,255,066	1,127,533	1,127,533
Loss	41,001	41,001	41,001
Total	17,177,352	4,122,941	4,122,941

10.2 Particulars of Provision against Non-Performing Advances

	Sep-13		
	Specific	General	Total
Opening balance	5,417,025	30,573,480	35,990,505
Charge for the year	38,483,390	25,251,201	63,734,591
Amounts written off	(39,777,344)	-	(39,777,344)
Reversals			
Other movements (to be specified)			
Closing balance	<u>4,123,071</u>	<u>55,824,681</u>	<u>59,947,752</u>

10.3 Particulars of Write Offs:

Against Provisions	39,777,344
Directly charged to Profit & Loss account	3,408,054
	<u>43,185,398</u>

Sep-13**Note****Sep-13
Rupees****11. OPERATING FIXED ASSETS**

Capital Work-in-Progress	11.1	13,284,645
Operating Fixed Assets	11.2	175,743,389
Intangible Assets	11.3	63,216,730
		<u>252,244,764</u>

11.1 Capital Work-in-Progress

Civil works	13,284,645
Advance to Suppliers for Purchase of Office Equipment	-
Advance to Suppliers for Implementation of	
Banking Software	-
Hardware	-
IT Infrastructure Cost	-
	<u>13,284,645</u>

		Sep-13
		Rupees
11.3	Intangible Assets	
	Computer Softwares	11.3.1 63,216,730
	Goodwill	-
	Client acquisition costs	11.3.2 -
		<u>63,216,730</u>
11.3.1	Computer Softwares	
	Balance as at beginning of the period	103,805,474
	Additions during the period	<u>3,016,283</u>
	Balance as at end of the period	<u>106,821,757</u>
	Amortization	
	Balance as at beginning of the period	(17,794,781)
	Charge during the period	<u>(25,810,246)</u>
	Balance as at end of the period	<u>(43,605,027)</u>
	Carrying value	<u>63,216,730</u>
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	50,170,069
	Accelerated amortization allowance	50,170,069
	Deferred credits arising in respect of	
	Accelerated depreciation allowance	16,937,567
	Deficit on revaluation of investment	16,937,567
		<u>33,232,502</u>

13.	DEPOSITS	Sep-13	Rupees
	Current Accounts		53,433,193
	Saving Accounts		1,538,051,629
	Fixed Deposits		880,327,441
			<u>2,471,812,263</u>
14.	BORROWINGS		
	Borrowings from PPAF	14.1	1,400,000,000
	Borrowing from NRSP		
	Borrowing from JS Bank	14.2	1,200,000,000
	Borrowing from JS Bank Ltd (Tranche - II)		800,000,000
	Borrowing from Standard Chartered Bank	14.2	325,000,000
	Borrowing from Pak Oman Investment Bank	14.2	90,000,000
	Borrowing from Askari Commercial Bank	14.2	360,000,000
	Long Term Client Acquisition Cost		-
			<u>4,175,000,000</u>
15.	SUB-ORDINATED LOAN		<u>-</u>
17.	SHARE CAPITAL		
17.1	Authorized Capital		
	Sep-13		Sep-13
	Number		Rupees
	<u>300,000,000</u>	Ordinary shares of Rs. 10 each	<u>3,000,000,000</u>
17.2	Issued, subscribed and paid-up capital		
	<u>100,000,000</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:

Sep-13 Number		Sep-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	15,824,403
	Unamortised loss on reclassification of available for sale securities to held to maturity	-
	Surplus/Deficit on Revaluation of Operating Fixed Assets	-
		<u>15,824,403</u>
19.	DEFERRED GRANT	
	Opening balance - January 1, 2013	79,728,320
	Grant received	31,260,999
	Interest income	496,039
	Amortization of the grant during the period	<u>(44,695,568)</u>
		<u>66,789,790</u>
20.	MEMORANDUM / OFF BALANCE SHEET ITEMS	Sep-13 Rupees
20.1	Commitments in respect of purchase of fixed assets	
20.2	There are no contingent liabilities at the period end.	

	Sep-13
	Rupees
21. MARK-UP / RETURN / INTEREST EARNED	
Mark-up Income on Advances - Microcredit Loans	989,661,194
Interest on deposit accounts/ placements with other banks/ financial institutions/ mutual funds	-
Others	45,413,020
	<u>-</u>
	<u>1,035,074,214</u>
22. MARK-UP / RETURN / INTEREST EXPENSED	
Interest on:	
NRSP borrowings	-
Client acquisition cost	-
Loan processing fee	14,125,000
PPAF Loan	135,553,643
JS Bank Borrowing	91,034,135
JS Bank Ltd (Tranche - II)	6,010,520
JS Bank Ltd (Car Financing)	1,015,768
Standard Chartered Bank Borrowing	41,010,281
Pak Oman Investment Bank Borrowing	8,219,774
Askari Commercial Bank Borrowing	32,486,915
Other deposits	126,312,764
Others	-
	<u>455,768,800</u>
23. FEE, COMMISSION AND BROKERAGE INCOME	
Micro-credit loan processing fee	128,656,585
Other Transaction Processing Fees	1,631,402
Commission Income	-
Collection Service income	(6,187,296)
	<u>124,100,691</u>
24. OTHER INCOME	
Income from Investments	75,661,792
Other Misc Services Incomes	12,880,137
Gain/(Loss) On Disposal Of Assets	3,477
Amortization of Deferred Grant	44,695,568
	<u>133,240,974</u>