

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2011

	<i>Notes</i>	Jun-11 Rupees	Dec-10 Rupees
ASSETS			
Cash		7,084,050	-
Balances with SBP/NBP	6	75,510,000	-
Balances with other banks	7	1,422,894,790	1,011,678
Microcredit Loan	8	2,094,673,995	-
Operating fixed assets	9	311,041,015	57,437,213
Other assets	10	161,862,977	2,714,330
Total assets		<u>4,073,066,827</u>	<u>61,163,221</u>
LIABILITIES			
Deposits	11	480,639,797	-
Borrowings- Others	12	2,595,386,901	-
Sub-ordinated loan	13	150,000,000	-
Other liabilities	14	163,370,105	64,831,121
Total liabilities		<u>3,389,396,803</u>	<u>64,831,121</u>
NET ASSETS		<u>683,670,024</u>	<u>(3,667,900)</u>
REPRESENTED BY:			
Share capital	15	680,000,000	1,006,000
Accumulated loss		(55,822,209)	(38,822,513)
		<u>624,177,791</u>	<u>(37,816,513)</u>
Deferred grant	16	59,492,233	34,148,613
Total capital		<u>683,670,024</u>	<u>(3,667,900)</u>
MEMORANDUM / OFF BALANCE SHEET ITEMS	17		

The annexed notes 1 to 21 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 SIX MONTHS PERIOD ENDED JUNE 30, 2**

	Notes	Jun-11 Rupees	Dec-10 Rupees
Mark-up / return / interest earned	18	91,093,568	4,678
Mark-up / return / interest expensed		36,661,111	-
Net Mark-up / Interest income		54,432,457	4,678
Provisions against non-performing loans			
Specific provisions		-	-
General provisions		31,898,665	-
		31,898,665	-
Net mark-up / interest income after provisions		22,533,792	4,678
Non-Mark-up / Non-Interest Income			
Fee, commission and brokerage income	19	87,576,109	-
Other income	20	4,320,051	19,589,164
Total Non-Mark-up Income		91,896,160	19,589,164
Total Income		114,429,952	19,593,842
Administrative expenses	21	131,429,648	42,854,670
Profit /(Loss) after taxation		(16,999,696)	(23,260,828)

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CHIEF FINANCIAL OFFICER

**NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 201**

	Notes	Jun-11 Rupees	Dec-10 Rupees
CASH FLOW FROM OPERATING ACTIVITES			
Profit / (Loss) before taxation		(16,999,696)	(23,260,828)
Adjustments for non-cash changes:			
Depreciation		5,052,253	6,489
Amortization		6,582,304	274,533
Loss on Disposal of Fixed Assets		561,193	-
Amortization of grant		(4,320,051)	(19,589,164)
		<u>7,875,699</u>	<u>(19,308,142)</u>
		(9,123,997)	(42,568,970)
Decrease/(increase) in operating assets			
Microcredit Loans		(2,094,673,995)	-
Other assets		(158,184,976)	30,524,998
		<u>(2,252,858,971)</u>	<u>30,524,998</u>
Increase in operating liabilities			
Deposits		480,639,797	-
Other Borrowings		2,595,386,901	-
Other liabilities		98,538,984	49,261,614
		<u>3,174,565,682</u>	<u>49,261,614</u>
<i>Net cash flow from operating activities</i>		<u>912,582,714</u>	<u>37,217,642</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in operating fixed assets		(89,286,378)	(24,000)
Investment in CWIP		(23,173,578)	(56,598,644)
Investment in Intangible assets		(4,486,150)	(1,084,320)
Proceed Received on Sale of Fixed Assets		1,146,554	-
<i>Net cash flow from investing activities</i>		<u>(115,799,552)</u>	<u>(57,706,964)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital		678,994,000	1,001,000
Grant from the State Bank of Pakistan		28,700,000	20,500,000
<i>Net cash flow from financing activities</i>		<u>707,694,000</u>	<u>21,501,000</u>
Net increase in cash and cash equivalents		1,504,477,162	1,011,678
Cash and cash equivalents at beginning of the year/period		1,011,678	-
Cash and cash equivalents at end of the year/period		<u><u>1,505,488,840</u></u>	<u><u>1,011,678</u></u>

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NRSP MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2011

	Share Capital	Unappropriated loss	Total
	-----Rupees-----		
Balance as at December 31, 2009	5,000	(15,561,685)	(15,556,685)
Loss for the period	-	(10,124,814)	(10,124,814)
Balance as at June 30, 2010	5,000	(25,686,499)	(25,681,499)
Loss for the period	-	(13,136,014)	(13,136,014)
Issue of share capital	1,001,000	-	1,001,000
Balance as at December 31, 2010	1,006,000	(38,822,513)	(37,816,513)
Loss for the Period	-	(16,999,696)	(16,999,696)
Issue of share capital	678,994,000	-	678,994,000
Balance as at June 30, 2011	680,000,000	(55,822,209)	624,177,791

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PRESIDENT / CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NRSP MICROFINANCE BANK LIMITED
NOTE TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2011

		Jun-11 Rupees	Dec-10 Rupees
6.	BALANCES WITH SBP/NBP		
	Local currency with State Bank Of Pakistan	75,510,000	-
	Local currency with National Bank Of Pakistan	-	-
		<u>75,510,000</u>	<u>-</u>
7.	BALANCES WITH OTHER BANKS		
	In Pakistan		
	Local currency current account	11,549,712	1,000
	Local currency Other Bank Accounts	1,411,345,078	1,010,678
		<u>1,422,894,790</u>	<u>1,011,678</u>
8.	MICROCREDIT LOAN		
	Receivable from CO's for Clean Portfolio	2,126,572,660	-
	General Provisions	(31,898,665)	-
		<u>2,094,673,995</u>	<u>-</u>
9.	OPERATING FIXED ASSETS		
	Capital Work-in-Progress	79,772,222	56,598,644
	Operating Fixed Assets	82,555,160	28,782
	Intangible Assets	148,713,633	809,787
		<u>311,041,015</u>	<u>57,437,213</u>
9.1	Capital Work-in-Progress		
	Civil works	9,041,717	7,729,351
	Advance to Suppliers for Implementation of		
	Banking Software	68,915,671	47,249,293
	IT Infrastructure Cost	1,814,834	1,620,000
		<u>79,772,222</u>	<u>56,598,644</u>

NRSP MICROFINANCE BANK LIMITED
NOTE TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2011

	Jun-11 Rupees	Dec-10 Rupees
9.3 Intangible Assets		
Computer Softwares	9.3.1 4,595,986	809,787
Client acquisition costs	9.3.2 144,117,647	-
	<u>148,713,633</u>	<u>809,787</u>
9.3.1 Computer Softwares		
Balance as at January 01, 2011	1,084,320	-
Additions during the period	<u>4,486,150</u>	<u>1,084,320</u>
Balance as at June 30, 2011	<u>5,570,470</u>	<u>1,084,320</u>
Depreciation		
Balance as at January 01, 2011	(274,533)	-
Additions during the period	(699,951)	(274,533)
Balance as at June 30, 2011	<u>(974,484)</u>	<u>(274,533)</u>
Carrying value	<u>4,595,986</u>	<u>809,787</u>
9.3.2 Client acquisition costs		
Balance as at January 01, 2011	-	-
Additions during the period	<u>150,000,000</u>	<u>-</u>
Balance as at June 30, 2011	<u>150,000,000</u>	<u>-</u>
Depreciation		
Balance as at January 01, 2011	-	-
Additions during the period	(5,882,353)	-
Balance as at June 30, 2011	<u>(5,882,353)</u>	<u>-</u>
Carrying value	<u>144,117,647</u>	<u>-</u>

11. DEPOSITS

Deposits in Saving Accounts (Tanzeem Bachat Account)	480,639,797	-
	<u>480,639,797</u>	<u>-</u>
	Jun-11 Rupees	Dec-10 Rupees

12. BORROWINGS- OTHERS

Borrowing from NRSP	<u>2,595,386,901</u>	<u>-</u>
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13. SUB-ORDINATED LOAN

Payable to NRSP	13.1 <u>150,000,000</u>	<u>-</u>
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13.1 This represents client acquisition cost payable to NRSP.

15. SHARE CAPITAL

15.1 Authorized Capital

Jun-11 Number	Dec-10 Number		Jun-11 Rupees	Dec-10 Rupees
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>

15.2 Issued, subscribed and paid-up capital

<u>68,000,000</u>	<u>68,000,000</u>	Ordinary shares of Rs. 10 each	<u>680,000,000</u>	<u>1,006,000</u>
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15.2.1 This represents ordinary shares allotted to shareholders of the Bank.