

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET
As At September 30,2017



ASSETS	Note	Sep-17 Rupees	Dec-16 Rupees
Cash and Balances with SBP and NBP	6	1,089,297,845	1,199,468,738
Balances with Other Banks/NBFIs/MFBs	7	3,505,299,304	4,067,413,358
Lending to Financial Institutions		-	-
Investment- Net of Provisions	8	3,603,931,936	6,109,061,490
Advances-Net of Provisions	9	18,726,487,454	13,126,730,913
Operating Fixed Assets	10	521,269,586	353,177,316
Other Assets	11	3,658,363,411	1,596,576,280
Deferred Tax Asset	12	11,964,121	-
Total Assets		31,116,613,657	26,452,428,095
LIABILITIES			
Deposits and Other Accounts	13	21,503,158,896	16,922,083,617
Borrowings	14	3,635,531,944	4,677,175,000
Subordinated Debts		672,360,000	672,360,000
Other Liabilities	15	1,681,833,165	976,148,152
Deferred Tax Liability		-	931,540
Total Liabilities		27,492,884,005	23,248,698,309
Net Assets		3,623,729,652	3,203,729,786
REPRESENTED BY:			
Share Capital	16	1,498,372,010	1,498,372,010
Statutory Reserve	5.10	445,881,490	357,739,212
Depositor's Protection Fund	5.11	118,618,847	96,583,278
Accumulated Profit		1,553,535,308	1,250,224,929
		3,616,407,655	3,202,919,429
Surplus on Revaluation of Assets-Net of Tax	17	-	-
Deferred Grants	18	7,321,997	810,357
Total Capital		3,623,729,652	3,203,729,786
MEMORANDUM / OFF-BALANCE SHEET ITEMS:	19	-	-

The annexed notes 1 to 35 form an integral part of these Financial Statements.

PRESIDENT

CHAIRMAN

DIRECTOR

DIRECTOR

NRSP MICROFINANCE BANK LIMITED
PROFIT AND LOSS ACCOUNT
For The Period Ended On September 30,2017



	Note	Sep-17 Rupees	Sep-16 Rupees
Mark-up / Return / Interest Earned	20	3,583,742,134	2,384,289,616
Mark-up / Return / Interest Expensed	21	(1,480,504,691)	(818,927,215)
Net Mark-up / Interest Income		2,103,237,443	1,565,362,401
Specific Provision Against Non-Performing Loans and Advances	9.5	(298,919,664)	(78,671,024)
General Provision Against Non-Performing Loans and Advances		(55,798,048)	(41,762,409)
Provision for Diminution in the Value of Investments		-	-
Bad debts written off directly	9.6	(2,184,950)	(11,805,479)
		(356,902,662)	(132,238,912)
Net Mark-up / Interest Income after provisions		1,746,334,781	1,433,123,489
NON MARK-UP / NON INTEREST INCOME			
Fee, Commission and Brokerage income	22	334,833,026	263,128,673
Dividend Income		-	-
Other Income	23	171,260,614	112,727,135
Total Non-Markup / Non Interest Income		506,093,640	375,855,808
		2,252,428,421	1,808,979,297
NON MARK-UP / NON INTEREST EXPENSES			
Administrative expenses	24	(1,670,525,928)	(1,087,751,747)
Other Charges		(256,000)	(188,000)
Total non-markup / non interest expense		(1,670,781,928)	(1,087,939,747)
		581,646,493	721,039,550
Extraordinary/unusual items		-	-
PROFIT BEFORE TAXATION			
		581,646,493	721,039,550
Taxation - Current	25	(161,163,452)	(194,921,149)
- Prior years		-	-
- Deferred		20,228,347	(1,769,872)
		(140,935,105)	(196,691,021)
PROFIT AFTER TAXATION			
		440,711,388	524,348,529
OTHER COMPREHENSIVE INCOME			
Items that will never be classified to profit and loss:			
-Re-measurement component - Net Actuarial Loss	15.2.1	(27,223,162)	1,007,963
		(27,223,162)	1,007,963
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		413,488,226	525,356,492
Accumulated Profit brought forward		1,250,224,936	754,487,462
Accumulated Profit		1,663,713,162	1,279,843,954
APPROPRIATIONS:			
Transfer to:			
Statutory reserve	5.10	88,142,278	104,869,706
Capital Reserve		-	-
Depositors' Protection Fund	5.11	22,035,569	26,217,426
Revenue Reserve		-	-
		110,177,847	131,087,132
ACCUMULATED PROFIT CARRIED FORWARD			
		1,553,535,315	1,148,756,822
Earnings per share-Basic and Diluted	26	2.94	3.50

The annexed notes 1 to 35 form an integral part of these Financial Statements.

PRESIDENT

CHAIRMAN

DIRECTOR

DIRECTOR

NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT
For The Period Ended On September 30,2017



	Note	Sep-17 Rupees	Sep-16 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		581,646,493	721,039,550
Less: Dividend Income		-	-
		581,646,493	721,039,550
Adjustments for non-cash (Income)/Expenses			
Depreciation		71,578,243	45,396,837
Amortization of intangible assets		26,581,516	17,721,052
Provision against non-performing advances		354,717,712	120,433,433
Advances written off Death Cases		2,184,950	11,805,479
Unrealized loss/(gain) on revaluation for as held for trading investments		-	(11,397)
Amortization of deferred grant		(2,356,919)	(14,140,039)
Gain on sale of operating fixed assets		(6,813,521)	(13,781,145)
Other Comprehensive Income		(27,223,162)	1,007,963
		418,668,819	168,432,183
(Outflow)/Inflow for/from Operating Assets			
Advances		(5,956,317,871)	(3,428,480,040)
Other assets		(2,074,092,584)	(1,606,227,020)
		(8,030,410,455)	(5,034,707,060)
(Outflow)/Inflow for/from Operating Liabilities			
Deposits and other accounts		4,581,075,279	3,838,144,144
Other liabilities		704,753,473	290,218,404
		5,285,828,752	4,128,362,548
Payments against provisions held against off-balance sheet obligations		-	-
Income tax paid		(140,935,105)	(196,691,021)
Gratuity and Leave encashment paid (including contributions)		-	-
Net cash flow from operating activities		(1,885,201,496)	(213,563,800)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		-	40,016,760
Net investment in held to maturity securities		(364,122,973)	16,418,858
Net investment in held for trading securities		2,869,252,527	(951,366,526)
Gain realized on investments		-	1,057,160
Investments in operating fixed and Intangible assets		(254,237,122)	(197,226,821)
Investment in CWIP		(12,642,675)	30,359,559
Sale proceeds of property and equipment disposed-off		7,441,289	30,714,168
Net cash flow from investing activities		2,245,691,046	(1,030,026,842)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital		-	-
Sub-Ordinated Debt		-	672,360,000
Borrowings		(1,041,643,056)	1,330,375,000
Grants received		8,868,559	5,644,905
Net cash flow from financing activities		(1,032,774,497)	2,008,379,905
Net increase in cash and cash equivalents		(672,284,947)	764,789,263
Cash and cash equivalents at beginning of the year		5,266,882,096	2,224,805,390
Cash and cash equivalents at end of the year/Period	27	4,594,597,149	2,989,594,653

The annexed notes 1 to 35 form an integral part of these Financial Statements.

PRESIDENT

CHAIRMAN

DIRECTOR

DIRECTOR



NRSP MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For The Period Ended On September 30,2017

	Share capital	Unappropriated Profit	Statutory Reserve	Depositor Protection Fund	Total
Rupees.....				
Balance as at December 31, 2015	1,498,372,010	754,487,456	220,781,778	60,381,579	2,534,022,823
Profit/Loss for the Period	-	525,356,492	-	-	525,356,492
Subscription for Paidup Capital	-	-	-	-	-
20% Transferred to Statutory Reserve	-	(104,869,706)	104,869,706	-	-
5% Transferred to Depositors Protection Fund	-	(26,217,426)	-	26,217,426	-
Other Appropriations/Adjustments	-	-	-	1,057,160	1,057,160
Balance as at September 30, 2016	1,498,372,010	1,148,756,816	325,651,484	87,656,165	3,060,436,475
Profit/Loss for the Period	-	141,577,772	-	-	141,577,772
Subscription for Paidup Capital	-	-	-	-	-
20% Transferred to Statutory Reserve	-	(32,087,728)	32,087,728	-	-
5% Transferred to Depositors Protection Fund	-	(8,021,931)	-	8,021,931	-
Return on Investment net of taxes on DPF	-	-	-	905,182	905,182
Balance as at December 31, 2016	1,498,372,010	1,250,224,929	357,739,212	96,583,278	3,202,919,429
Profit/Loss for the Period	-	413,488,226	-	-	413,488,226
Subscription for Paidup Capital	-	-	-	-	-
20% Transferred to Statutory Reserve	-	(88,142,278)	88,142,278	-	-
5% Transferred to Depositors Protection Fund	-	(22,035,569)	-	22,035,569	-
Other Appropriations/Adjustments	-	-	-	-	-
Balance as at September 30, 2017	1,498,372,010	1,553,535,308	445,881,490	118,618,847	3,616,407,655

PRESIDENT / CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

NRSP MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As At September 30,2017



	Note	Sep-17 Rupees	Dec-16 Rupees
6 CASH AND BALANCES WITH SBP AND NBP			
Cash in hand		165,429,833	202,904,528
Balances with SBP -Local currency current accounts	6.1	920,399,308	995,947,687
-Local currency Deposit accounts		-	-
Balances with NBP -Local currency current accounts		19,081	28,836
-Local currency Deposit accounts		3,449,623	587,687
		1,089,297,845	1,199,468,738
7 BALANCES WITH OTHER BANKS/NBFIs/MFBs			
In Pakistan	Note	Sep-17 Rupees	Dec-16 Rupees
Local currency current accounts		22,435,175	5,300,591
Local currency deposit accounts	7.1	3,162,864,129	2,466,112,767
Local currency Term deposits	7.2	320,000,000	1,596,000,000
		3,505,299,304	4,067,413,358
8 INVESTMENT- NET OF PROVISIONS	Note	Sep-17 Rupees	Dec-16 Rupees
Federal Government securities - Held to Maturity			
Pakistan Investment Bonds (PIBs)	8.1	-	124,166,205
Treasury Bills (T.Bills)	8.3	1,176,256,659	790,995,348
Ijarah Sukuk		145,180,552	42,152,685
		1,321,437,211	957,314,238
Term finance certificates - Available for Sale			
Pakistan Mobile Communication Limited	8.4	-	-
		-	-
Mutual funds - Held for Trading		2,282,494,725	5,151,747,252
Less: Provision for diminution in value of investments		-	-
		2,282,494,725	5,151,747,252
		3,603,931,936	6,109,061,490
9 ADVANCES-NET OF PROVISIONS	Note	Sep-17 No. of loan outstanding	Dec-16 No. of loan outstanding
Loan type		Sep-17 Amount outstanding Rupees	Dec-16 Amount outstanding Rupees
Micro Credit	9.1	406,068	318,750
Islamic Advances	9.3	16,364	6,771
		422,432	325,521
Less: Provision held:			
Specific	9.5	6,242	1,271
General	9.5		
		6,242	1,271
		(198,074,964)	(12,124,598)
		(187,696,859)	(132,184,396)
		(385,771,823)	(144,308,994)
Advances - net of provision		18,726,487,454	13,126,730,913

	Sep-17 Amount outstanding Rupees	Dec-16 Amount outstanding Rupees
9.3 Cost of Murabaha Advances	976,276,064	373,612,977
Less: Security Deposits	-	-
Add: Profit on Murabaha	69,126,666	33,853,234
Sale price of Murabaha	1,045,402,730	373,612,977
Ijarah Assets	35,480,796	-
Less: Security Deposits	(9,653,844)	-
Less: Accumulated Depreciation	(886,978)	-
	24,939,974	

9.4 Category of Classification

	Sep-17				Dec-16	
	No. of NPLs	NPL Amount Total	NPL Amount Gold Loans	Provision Required	Provision Held	NPL Amount Total
	--"Numbers"--	"Rupees"				
Watchlist	4,996	148,001,879	283,822	-	-	63,386,407
OAEM	550	20,074,813	224,784	-	-	26,957,545
Sub-Standard	581	22,396,843	53,791	5,585,763	5,585,764	3,318,146
Doubtful	707	26,083,772	224,672	12,929,550	12,929,549	12,703,933
Loss	4,954	179,598,149	38,500	179,559,649	179,559,651	5,080,331
	11,788	396,155,456	825,569	198,074,962	198,074,964	111,446,362

9.5 Particulars of provision against non performing advances:

	Sep-17			Dec-16		
	Rupees					
	Specific	General	Total	Specific	General	Total
Opening Balance	12,124,598	132,184,396	144,308,994	4,362,909	81,953,806	86,316,715
Charge for the year	298,919,664	55,798,048	354,717,712	85,722,858	50,230,590	135,953,448
Amounts written off	(112,913,551)	-	(112,913,551)	(77,961,169)	-	(77,961,169)
Reversals	-	-	-	-	-	-
Closing balance	198,130,711	187,982,444	386,113,155	12,124,598	132,184,396	144,308,994

9.6 Particulars of Write Offs

	Sep-17 Rupees	Dec-16 Rupees
Against provision	112,913,551	77,961,170
Directly charged to profit & loss account	2,184,950	19,375,256
	115,098,501	97,336,426

9.7 Movement of advance

	Sep-17 No. of loan	Dec-16 No. of loan	Sep-17 Amount	Dec-16 Amount
Opening balance	325,521	258,444	13,271,039,907	9,085,508,030
Disbursement during the Period/year	288,279	446,017	14,511,007,741	18,405,491,453
	613,800	704,461	27,782,047,648	27,490,999,483
Recovery during the year	184,515	374,240	8,554,689,870	14,122,623,150
Loans written off	6,853	4,700	115,098,501	97,336,426
Closing	422,432	325,521	19,112,259,277	13,271,039,907

10 OPERATING FIXED ASSETS

	Note	Sep-17 Rupees	Dec-16 Rupees
Capital work-in-progress	10.1	42,447,547	29,804,872
Property and equipment	10.2	430,881,996	250,593,036
Intangible assets	10.3	47,940,043	72,779,408
		521,269,586	353,177,316

10.1 Capital work-in-progress

Civil works	42,447,547	29,804,872
	42,447,547	29,804,872

12 DEFERRED TAX ASSET - NET	Sep-17	Dec-16
	Rupees	Rupees
Deferred debits arising in respect of		
Amortization allowance	41,313,663	28,418,002
Accelerated depreciation allowance	-	-
Actuarial effect on defined benefit plan	-	-
Provision against advances	-	-
Grants	-	-
	41,313,663	28,418,002
Deferred credits arising in respect of		
Accelerated depreciation allowance	29,349,542	29,349,542
Leased assets	-	-
Un-realized capital gain	-	-
	29,349,542	29,349,542
	<u>11,964,121</u>	<u>- 931,540</u>

13 DEPOSITS AND OTHER ACCOUNTS

	Sep-17	Dec-16	Sep-17	Dec-16
Note	No. of accounts	No. of accounts	Amount	Amount
			Rupees	Rupees
Fixed Deposits	2,184	1,688	12,150,126,436	9,552,054,386
Saving Deposits	698,063	597,138	7,803,067,523	6,660,681,035
Current Deposits	116,132	75,668	1,549,964,937	709,348,196
	<u>816,379</u>	<u>674,494</u>	<u>21,503,158,896</u>	<u>16,922,083,617</u>

13.3 Particulars of Deposits by Ownership

	Sep-17	Dec-16	Sep-17	Dec-16
	No. of accounts	No. of accounts	Amount	Amount
			Rupees	Rupees
1) Individual depositors	815,555	673,938	7,332,175,736	6,840,056,172
2) Institutional depositors				
a) Corporation / firms etc.	681	416	8,347,022,345	4,444,622,080
b) Banks & financial institutions	143	140	5,823,960,815	5,637,405,365
	<u>816,379</u>	<u>674,494</u>	<u>21,503,158,896</u>	<u>16,922,083,617</u>

14 BORROWINGS	Note	Sep-17	Dec-16
		Rupees	Rupees
Borrowings from Banks/Financial Institutions in Pakistan	14.1	2,459,444,444	4,425,000,000
Borrowings from Banks/Financial Institutions Outside Pakistan	14.2	1,176,087,500	252,175,000
Borrowings from Govt. of Pakistan		-	-
Borrowings from Others	14.3	-	-
		<u>3,635,531,944</u>	<u>4,677,175,000</u>
14.1 Borrowings from Banks/Financial Institutions (Secured)			
JS Bank Limited (Term Finance)	14.1.1	-	50,000,000
JS Bank Limited (against PPAF PRISM I)	14.1.2	-	-
JS Bank Limited (against PPAF PRISM II)	14.1.3	-	-
JS Bank (Running Finance)	14.1.4	-	-
Pak Oman Investment Company Limited (TF I)	14.1.5	454,444,444	520,000,000
Pak Oman Investment Company Limited (TF II)	14.1.6	320,000,000	400,000,000
Askari Commercial Bank	14.1.7	40,000,000	120,000,000
Syndicated Term Finance (Silk Bank- Pak Kuwait- Pak China Investment)	14.1.8	300,000,000	600,000,000
Standard Chartered Bank Ltd		-	-
United Bank Limited (Term Finance)		220,000,000	270,000,000
United Bank Limited (Running Finance)		-	215,000,000
Term Finance Certificate Issued		1,125,000,000	2,250,000,000
		<u>2,459,444,444</u>	<u>4,425,000,000</u>

14.2 Borrowings from Banks/Financial Institutions	Note	Sep-17 Rupees	Dec-16 Rupees
ECO Trade And Development Bank :			
First Tranche	14.2.1	126,087,500	252,175,000
Second Tranche	14.2.2	1,050,000,000	
		<u>1,176,087,500</u>	<u>252,175,000</u>

14.3 Pakistan Poverty Alleviation Fund (Reflows III)	Note	Sep-17 Rupees	Dec-16 Rupees
	14.3.1	-	-
		<u>-</u>	<u>-</u>

16 SHARE CAPITAL

16.1 Authorized Capital

Sep-17 (Number of shares)	Dec-16 (Number of shares)		Sep-17 Rupees	Dec-16 Rupees
<u>300,000,000</u>	<u>300,000,000</u>	Ordinary shares of Rs. 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>

16.2 Issued, subscribed and paid-up capital

Sep-17 (Number of shares)	Dec-16 (Number of shares)		Sep-17 (Rupees)	Dec-16 (Rupees)
<u>149,837,201</u>	<u>149,837,201</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>1,498,372,010</u>	<u>1,498,372,010</u>

16.2.1 The shareholders of the Bank are as follows:

Sep-17 (Number of shares)	Dec-16 (Number of shares)		Sep-17 Rupees	Dec-16 Rupees
77,999,475	77,999,475	NRSP Pakistan	779,994,750	779,994,750
23,837,201	23,837,201	KFW Germany	238,372,010	238,372,010
16,000,000	16,000,000	Acumen Fund USA	160,000,000	160,000,000
24,000,000	24,000,000	IFC	240,000,000	240,000,000
8,000,000	8,000,000	Acumen Capital Markets I LP	80,000,000	80,000,000
150	150	Mr. Shoaib Sultan	1,500	1,500
150	150	Mr. Fazalullah Qureshi	1,500	1,500
150	150	Dr .Rashid Bajwa	1,500	1,500
-	-	Mr. Aziz Raj Kot Wala	-	-
75	75	Mr. Rashid Khan	750	750
<u>149,837,201</u>	<u>149,837,201</u>		<u>1,498,372,010</u>	<u>1,498,372,010</u>

NRSP MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended On September 30,2017



	Note	Sep-17 Rupees	Sep-16 Rupees
20 MARK-UP / RETURN / INTEREST EARNED			
Mark-up / interest income on advances		3,368,689,583	2,295,680,309
Mark-up / interest income Government Securities		49,185,519	32,854,800
Mark-up / interest income Private Securities		-	-
Mark-up / interest income on bank deposits		165,867,032	55,754,507
Others		-	-
		<u>3,583,742,134</u>	<u>2,384,289,616</u>
21 MARK-UP / RETURN / INTEREST EXPENSED			
Markup Expense on Deposits		1,125,980,777	455,818,597
Loan Processing Fee on Borrowing		26,607,097	22,122,480
Markup Expense on Borrowings		327,916,817	340,986,138
Others		-	-
		<u>1,480,504,691</u>	<u>818,927,215</u>
22 FEE, COMMISSION AND BROKERAGE INCOME			
Loan Processing Fee on Lending		283,300,573	198,914,110
Other Transaction processing fee		50,378,254	59,723,685
Commission Income		1,153,649	4,490,878
Collection Service Income		550	-
		<u>334,833,026</u>	<u>263,128,673</u>
23 OTHER INCOME			
Investment Income		146,843,682	66,077,673
Amortization of Deferred Grant	18	2,356,919	14,140,039
Gain on disposal of operating fixed assets		6,813,521	13,781,145
Writeoff Recovered		12,138,598	13,905,551
Other Misc. Services Incomes		3,107,894	4,822,727
		<u>171,260,614</u>	<u>112,727,135</u>