

**NRSP MICROFINANCE BANK LIMITED**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT March 31st, 2014**

	<i>Notes</i>	<b>Mar-14 Rupees</b>
<b>ASSETS</b>		
Cash and balances with SBP and NBP	6	232,059,780
Balances with other Banks/ NBFIs/ MFBs	7	314,862,528
Lending to financial institutions	8	-
Investments	9	1,281,659,650
Advances	10	6,363,534,634
Operating fixed assets	11	235,571,097
Other assets	12	699,982,854
Deferred tax asset - net	11	24,451,265
<b>Total assets</b>		<b><u>9,152,121,808</u></b>
<b>LIABILITIES</b>		
Deposits	13	3,390,437,860
Borrowings	14	3,979,750,000
Sub-ordinated loan	15	-
Other liabilities	16	285,927,043
Deferred tax Liability - net	11	-
Taxation	27	-
<b>Total liabilities</b>		<b><u>7,656,114,903</u></b>
<b>NET ASSETS</b>		<b><u><u>1,496,006,905</u></u></b>
<b>REPRESENTED BY:</b>		
Share capital	17	1,000,000,000
Statutory reserve		99,588,948
Capital reserve		
Reserve for contingencies		
Depositor Protection Fund		25,671,656
Accumulated Profit / (loss)		313,854,270
		<u>1,439,114,874</u>
Surplus / (Deficit) on revaluation of assets	18	6,109,510
Deferred grant	19	50,782,521
<b>Total capital</b>		<b><u>1,496,006,905</u></b>
<b>MEMORANDUM / OFF BALANCE SHEET ITEMS</b>		-

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 THREE MONTH PERIOD ENDED March 31st, 2014**

	<i>Notes</i>	<b>Mar-14 Rupees</b>
Mark-up / return / interest earned	21	404,090,221
Mark-up / return / interest expensed	22	190,478,928
Net Mark-up / Interest income		213,611,293
Provisions against non-performing loans, advances and other assets		
Specific provisions		10,119,673
General provisions		15,835,725
		25,955,398
Bad debts written off directly	10.3	1,476,729
<b>Net mark-up / interest income after provisions</b>		<b>186,179,166</b>
<b>NON-MARK-UP / NON-INTEREST INCOME</b>		
Fee, commission and brokerage income	23	47,111,652
Other income	24	56,907,827
Total Non-Mark-up / Non-Interest Income		104,019,479
<b>Total Income</b>		<b>290,198,645</b>
<b>NON MARK-UP/ NON INTEREST EXPENSES</b>		
Administrative expenses	25	221,506,938
Other charges	26	-
		221,506,938
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>68,691,707</b>
Taxation - Current	27.1	17,271,795
Deffered	27.2	-
<b>PROFIT (LOSS) AFTER TAXATION</b>		<b>51,419,912</b>
Unappropriated loss brought forward		275,289,336
Profit/(Loss) available for appropriation		326,709,248
<b>APPROPRIATIONS:</b>		
<b>Transfer to:</b>		
Statutory reserve		10,283,982
Contribution to Depositors Protection Fund		2,570,996
General reserve		-
		12,854,978
<b>UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD</b>		<b>313,854,270</b>
<b>EARNING PER SHARE</b>	29	<b>0.51</b>

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**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED March 31st, 2014**

	<i>Notes</i>	<b>Mar-14 Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit / (Loss) before taxation		68,691,707
Adjustments for:		
Depreciation		14,814,471
Amortization		9,002,203
Revaluation of Investment		2,869,117
(Gain)/Loss on Disposal of Fixed Assets		(74,475)
Provision against non-performing loans and advances		14,927,611
Loans Written Off		1,476,729
Amortization of grant		(8,726,480)
		34,289,176
		102,980,883
(Increase)/decrease in operating assets		
Advances - Microcredit Loan		(1,589,582,731)
Other assets		(313,852,844)
		(1,903,435,575)
Increase in operating liabilities		
Deposits		(228,276,181)
Other liabilities		(9,145,837)
		(237,422,018)
<i>Net cash flow from operating activities</i>		(2,037,876,710)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets		(21,182,218)
Investment in CWIP		4,793,000
Investment in Intangible assets		(131,000)
Net investments in securities		1,985,729,034
Proceed Received on Sale of Fixed Assets		1,377,500
<i>Net cash flow from investing activities</i>		1,970,586,316
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital		-
Grant from the State Bank of Pakistan		1
Borrowings- Others		(477,500,000)
<i>Net cash flow from financing activities</i>		(477,499,999)
Net increase in cash and cash equivalents		(544,790,393)
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>546,922,308</b>

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 THREE MONTH PERIOD ENDED March 31st, 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		51,419,912			51,419,912
Issue of share capital					
Transferred to Statutory Reserve		(10,283,982)	10,283,982		
Transferred to Depositors Protection Fund		(2,570,996)			(2,570,996)
Other Appropriations/Adjustments					
Balance as at March 31st, 2014	<b>1,000,000,000</b>	<b>313,854,270</b>	<b>99,588,948</b>	-	<b>1,413,443,218</b>

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, 2014**

	Note	Mar-14 Rupees
<b>6. CASH AND BALANCES WITH SBP AND NBP</b>		
Cash in hand		
Local currency		44,085,426
Balances with State Bank of Pakistan (SBP) in:		
Local currency current accounts	6.1	187,974,354
Balances with National Bank of Pakistan (NBP) in:		
		<u>232,059,780</u>
<b>7. BALANCES WITH OTHER BANKS/ NBFIS/ MFBS</b>		
In Pakistan		
Local currency current accounts		10,512,208.00
Local currency deposit accounts		304,350,320.00
		<u>314,862,528.00</u>
<b>9. INVESTMENTS</b>		
<b>Held for Trading Investments</b>		
Market Treasury Bills (T-Bills)		-
Other Investments		425,922,750
		<u>425,922,750</u>
<b>Held to maturity investments</b>		
Treasury Bills		-
Pakistan Investment Bonds (PIBs)		404,304,740
Term Finance Certificates		151,432,160
Term Deposit*		300,000,000
		<u>855,736,900</u>
		<u>1,281,659,650</u>
*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		6,433,106,282
Micro Lease		-
Others		
		<u>6,433,106,282</u>
<b>Less: Provisions held:</b>		
Specific		(6,571,507)
General		(63,000,141)
		<u>(69,571,648)</u>
Advances- net of provisions		<u>6,363,534,634</u>

### 10.1 Particulars of Non-Performing Loans

Advances include Rs. 42134363 which, as detailed below, have been placed under non-performing status:-

Category of Classification	Amount Outstanding	Provisions Required	Provisions Held
OAEM	22,264,272	-	-
Sub-Standard	15,772,256	3,943,063	3,943,064
Doubtful	2,938,783	1,469,392	1,469,391
Loss	1,159,052	1,159,052	1,159,052
<b>Total</b>	<b>42,134,363</b>	<b>6,571,507</b>	<b>6,571,507</b>

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

	Mar-14		
	Specific	General	Total
Opening balance	7,479,621	47,164,416	54,644,037
Charge for the year	10,119,673	15,835,725	25,955,398
Amounts written off	(11,027,786)	-	(11,027,786)
Reversals			
Other movements (to be specified)			
Closing balance	6,571,508	63,000,141	69,571,649

### 10.3 Particulars of Write Offs:

Against Provisions	11,027,786
Directly charged to Profit & Loss account (Recovery)	1,476,729
	<u>12,504,515</u>

### 11. OPERATING FIXED ASSETS

	Note	Mar-14 Rupees
Capital Work-in-Progress	11.1	-
Operating Fixed Assets	11.2	185,819,033
Intangible Assets	11.3	49,752,064
		<u>235,571,097</u>

#### 11.1 Capital Work-in-Progress

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

		<b>Mar-14</b>	
		<b>Rupees</b>	
<b>11.3</b>	<b>Intangible Assets</b>		
	Computer Softwares	11.3.1	<u>49,752,064</u>
			<u>49,752,064</u>
<b>11.3.1</b>	<b>Computer Softwares</b>		
	Balance as at beginning of the period		111,742,078
	Additions during the period		<u>131,000</u>
	Balance as at end of the period		<u>111,873,078</u>
	<b>Amortization</b>		
	Balance as at beginning of the period		(53,118,811)
	Charge during the period		<u>(9,002,203)</u>
	Balance as at end of the period		<u>(62,121,014)</u>
	<b>Carrying value</b>		<u>49,752,064</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>Mar-14</b>	
			<b>Rupees</b>
	Current Accounts		164,001,351
	Saving Accounts		2,108,458,068
	Fixed Deposits		<u>1,117,978,441</u>
			<u>3,390,437,860</u>
<b>14.</b>	<b>BORROWINGS</b>		
	Borrowings from PPAF	14.1	925,000,000
	Borrowing from JS Bank	14.2	350,000,000
	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	80,000,000
	Borrowing from Askari Commercial Bank	14.2	320,000,000
	Borrowing from ECO Trade & Development Bank		542,250,000
			<u>3,979,750,000</u>
<b>17.</b>	<b>SHARE CAPITAL</b>		
<b>17.1</b>	<b>Authorized Capital</b>		
		<b>Mar-14</b>	<b>Mar-14</b>
		<b>Number</b>	<b>Rupees</b>
		<u>300,000,000</u>	
			Ordinary shares of
			Rs. 10 each <u>3,000,000,000</u>
<b>17.2</b>	<b>Issued, subscribed and paid-up capital</b>		
		<u>100,000,000</u>	
			Ordinary shares of
			Rs. 10 each <u>1,000,000,000</u>

**NRSP MICROFINANCE BANK LIMITED**  
**NOTE TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED March 31st, 2014**

		<b>Mar-14</b>
		<b>Rupees</b>
<b>21. MARK-UP / RETURN / INTEREST EARNED</b>		
Mark-up Income on Advances - Microcredit Loans		387,774,273
Interest on deposit accounts/ placements with other banks/ financial institutions/ mutual funds		-
Others		15,689,948
		626,000
		404,090,221
<b>22. MARK-UP / RETURN / INTEREST EXPENSED</b>		
Interest on:		
Loan processing fee		5,422,500
PPAF Loan		26,480,343
JS Bank Borrowing		23,358,356
JS Bank Ltd (Tranche - I)		10,625,754
JS Bank Ltd (Tranche - II)		23,406,247
JS Bank Ltd (Car Financing)		1,091,591
Standard Chartered Bank Borrowing		6,215,961
Pak Oman Investment Bank Borrowing		2,278,356
Askari Commercial Bank Borrowing		9,589,710
ECO Trade & Development Bank		4,540,084
Exchange Swap on ECO Borrowing		12,186,471
Other deposits		65,283,555
		190,478,928
		190,478,928
<b>23. FEE, COMMISSION AND BROKERAGE INCOME</b>		
Micro-credit loan processing fee		46,316,053
Other Transaction Processing Fees		787,178
Commission Income		8,276
Collection Service income		145
		47,111,652
		47,111,652
<b>24. OTHER INCOME</b>		
Income from Investments		39,884,696
Other Misc Services Incomes		8,222,176
Gain/(Loss) On Disposal Of Assets		74,475
Amortization of Deferred Grant		8,726,480
		56,907,827
		56,907,827