

mybank Ltd.
Bank of today & tomorrow



Accounts for the Quarter ended
March 31, 2009
(Un-audited)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Iqbal Alimohamed
Chairman

Mr. Sohail Muzaffar
Vice Chairman

Mr. Muhammad Rafiq Tumbi *
Director

Mr. Muhammad Iqbal Ebrahim
Director

Mr. Afzal Ghani
Director

Mr. Danish Iqbal
Director

Mr. Muhammad Bilal Sheikh
President & Chief Executive Officer /
Director

**COMPANY SECRETARY
(Officiating)**
Mr. Muhammad Irfan Zafar

MANAGEMENT

Mr. Muhammad Bilal Sheikh
President & Chief Executive Officer

Ms. Mona Sultan, FCMA, CFA
E.V.P - CFO

Mr. Faisal Shaikha
E.V.P - Head of Investment &
Treasury Division (Front Office)

Mr. Akhtar Ali Khan
E.V.P - Head of Credit Sanction
& Monitoring Division

Mr. Anis Iqbal
E.V.P - Head of Information
Technology Division

Mr. Syed Nazir Hussain
S.V.P - Head of Operations Division

Mr. Tariq Idrees
S.V.P - Head of Credit Administration
Division

Mr. Kh. Tajammul Hussain
S.V.P - Head of Human Resource
& Development Division

Mr. Akhtar Aleem Syed
S.V.P - Head of Legal Affairs
Division / SAM Division

Mr. Baber Saeed Khan
S.V.P - Head of International
& Forex Division / Investment
& Treasury (Back Office)

Mr. Shaukat Ali Larik
S.V.P - Head of Compliance Division

Mr. Imran Ahmed
S.V.P - Head of Risk
Management Division

Mr. Syed Qurban Ali
S.V.P - Head of Audit & Inspection
Division

Lt Col. (R) Shahzad Begg
V.P - Head of Administration Division

Mr. Mian Junnaid Sajjad
A.V.P - Head of Consumer
Banking Division

MANAGEMENT AT REGIONS

Mr. Mamnoon Ahmed Alvi
S.E.V.P & General Manager
(Punjab & Northern Regions)

Mr. Khawaja Ghalib
E.V.P & Regional
General Manager (South)

MANAGEMENT AT ZONES / AREAS

Mr. Mushtaq Riaz Mirza
E.V.P - RGM, (Lahore Zone)

Mr. M. Parvez Sheikh
E.V.P & Zonal Chief
(Gujranwala Zone)

Mr. Shaukat Javaid Anjum
S.V.P & Zonal Chief (NWFP)

Ms. Javeria Zafar
S.V.P & Zonal Chief (Islamabad Zone)

Mr. Munir Ahmed Khan
S.V.P & Area Manager (Quetta)

Mr. Abdul Rauf
V.P & Area Manager (Hyderabad)

AUDIT COMMITTEE

Mr. Afzal Ghani
Chairman

Mr. Iqbal Alimohamed
Member

Mr. Sohail Muzaffar
Member

Mr. Danish Iqbal
Member

Mr. Muhammad Irfan Zafar
Secretary

AUDITORS

Messrs Hyder Bhimji & Co.
Chartered Accountants

**SHARES REGISTRAR
M/s Noble Computer
Services (Pvt) Ltd.**

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Main Karimabad Block-4, Federal
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* Appointment of Director is subject to the approval of the State Bank of Pakistan.



MYbank
Ltd.

Directors' Report

The Board of Directors is pleased to present the first quarter accounts of Mybank Limited for the period ended March 31, 2009.

Performance Review

The commencement of the new financial year, 2009 was not with the same momentum as every year. The main cause was not only the deteriorating macro economic indicators, unemployment and less consumer spending but also the floor removal from stock market just before the year end 2008.

Mybank adequately maintained the tier one capital at Rs. 5.069 billion net of losses and provisions. The revenue on substantial investment portfolio has also remained suspended during the quarter that affected the revenue stream.

As per the SECP directives of February 13, 2009 and subsequent circular by SBP, BSD Circular No. 4 of 2009 allowing the banks to route the loss through equity arising on AFS portfolio as on December 31, 2008. The bank voluntarily decided to take 50% of the diminution in the value of investments held as "Available for Sale" through Profit & Loss account to quoted market price of 31-12-2008. This 50% translated into Rs. 410.398 million.

Furthermore, the bank booked an impairment loss of Rs. 80.255 million on Profit & Loss account for the quarter under review. It represents 25% of the remaining 50% impairment on AFS portfolio as on March 31, 2009.

The following are the summarized comparative financial indicators.

	March 31, 2009	March 31, 2008
	(Rupees in '000)	
(Loss) /Profit before taxation and provision / write off against non		
-performing loans	(127,122)	221,632
Less: Provision / write off against non-performing Loans	863,853	44,435
Provision for diminution in the value of investments	80,255	-
(Loss) /Profit before taxation	(1,071,230)	177,197
Less: Taxation	(281,667)	98,000
(Loss) /Profit after taxation	(789,563)	79,197
Add: Profit brought forward	226,143	496,827
Add: Transfer from surplus on revaluation of fixed assets	5,758	5,554
(Loss) /Profit available for appropriation	(557,662)	581,578
(Loss) /Earnings per share - Rupees	(1.49)	0.19

Credit Rating

The bank enjoys "A" (Single-A) rating for the medium to long term and "A-1" (A-one) rating for the short term with a stable outlook from the Pakistan Credit Rating Agency Limited (PACRA).





Future Outlook

Going forward the main objective is to preserve the shareholders' value. The board is taking all the steps to ensure that the shareholders' interest is not being compromised in any way. Due to the classification of substantial portfolio, provisioning and lower income stream, it is very important to grow the bank and make it pass through this rough period. Although economic indicators are improving but the Board is still taking a very conscious view based on the experience learned through global economic crises.

The Board is conscious for the employees' morale and formulating strategies to keep their interests aligned with other stakeholders.

Acknowledgement

We would like to express our gratitude and thanks to the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan for their professional support and guidance. Our gratitude is due to our customers for the confidence that they have expressed in the Bank. We would also like to thank our shareholders for their patronage and help, the management and the staff for their hard work and commitment.

On behalf of the Board

Karachi: **April 24, 2009**

Iqbal Alimohamed
Chairman



Balance Sheet

As at March 31, 2009

	Note	Un-audited March 31, 2009	Audited December 31, 2008
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		1,666,108	1,862,545
Balances with other banks		517,329	566,725
Lendings to financial institutions		1,229,856	1,748,761
Investments	5	10,127,829	10,294,970
Advances	6	19,256,323	20,940,081
Operating fixed assets		3,925,934	2,414,783
Deferred tax assets - net		923,673	701,976
Other assets		1,109,367	1,273,162
		<u>38,756,419</u>	<u>39,803,003</u>
LIABILITIES			
Bills payable		364,017	273,286
Borrowings		5,546,818	4,600,431
Deposits and other accounts		26,059,892	28,032,735
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		651,110	753,483
		<u>32,621,837</u>	<u>33,659,935</u>
NET ASSETS		<u>6,134,582</u>	<u>6,143,068</u>
REPRESENTED BY			
Share capital		5,303,582	5,303,582
Reserves		324,005	324,005
Unappropriated (loss) /profit		(557,662)	226,143
		<u>5,069,925</u>	<u>5,853,730</u>
Surplus on revaluation of assets - net		1,064,657	289,338
		<u>6,134,582</u>	<u>6,143,068</u>
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 11 form an integral part of these accounts. The details of valuation investments, impairment and impact on profit and loss account are given in note No.5.2.

President & CEO

Chairman

Director

Director





Profit and Loss Account (Un-audited)

For the period ended March 31, 2009

	Note	March 31, 2009	March 31, 2008
		(Rupees in '000)	
Mark-up/Return/Interest Earned		838,216	838,695
Mark-up/Return/Interest Expensed		727,172	653,186
Net Mark-up/ Interest Income		111,044	185,509
Provision against non-performing loans and advances		863,375	44,435
Provision for diminution in the value of investments		80,255	-
Bad debts written off directly		478	-
		944,108	44,435
Net Mark-up / Interest Income after provisions		(833,064)	141,074
NON MARK-UP/INTEREST INCOME			
Fee, Commission and Brokerage Income		37,174	52,648
Dividend Income		9,253	137,921
Income from dealing in foreign currencies		24,017	27,242
Capital (loss) / gain on sale of securities		(57,031)	1,965
Unrealized gain / (loss) on revaluation of investments classified as held for trading		-	(2,886)
Other Income - net		25,449	15,808
Total non-markup / interest income		38,862	232,698
		(794,202)	373,772
NON MARK-UP/INTEREST EXPENSES			
Administrative expenses		276,930	196,550
Other provisions / write offs		-	-
Other charges		98	25
Total non-markup / interest expenses		277,028	196,575
Extra ordinary / unusual items		-	-
(LOSS)/PROFIT BEFORE TAXATION		(1,071,230)	177,197
Taxation - Current		925	18,500
- Prior years		15,000	-
- Deferred		(297,592)	79,500
		(281,667)	98,000
(LOSS)/PROFIT AFTER TAXATION		(789,563)	79,197
Unappropriated profit brought forward		226,143	496,827
Transfer from surplus on revaluation of fixed assets - net of deferred tax		5,758	5,554
(Loss)/Profit available for appropriations		(557,662)	581,578
		(Rupees)	
Basic / diluted (loss)/earnings per share	8	(1.49)	0.19

The annexed notes 1 to 11 form an integral part of these accounts. The details of valuation investments, impairment and impact on profit and loss account are given in note No.5.2.

President & CEO

Chairman

Director

Director



mybank Ltd.

Cash Flow Statement - (Un-audited)

For the period ended March 31, 2009

	March 31, 2009	March 31, 2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(1,071,230)	177,197
Less: dividend income	(9,253)	(137,921)
	(1,080,483)	39,276
Adjustment:		
Depreciation	39,636	33,332
Amortization of intangible assets	2,583	1,812
Amortization of premium on held to maturity securities	3,113	3,335
Provision for diminution in the value of investments	80,255	-
Provision against Non-performing Advances - net	863,375	44,435
Bad Debts written off directly	478	-
Loss on sale of fixed assets	60	2,380
	989,500	85,294
	(90,983)	124,570
(Increase) / decrease in operating assets		
Lendings to financial institutions	513,905	(272,529)
Held-for-trading securities	-	(223,035)
Advances	819,903	(752,694)
Others assets (including advance taxation)	150,398	453,595
	1,484,206	(794,663)
Increase/ (decrease) in operating liabilities		
Bills Payable	90,731	(334,952)
Borrowings	955,078	2,478,526
Deposits and other accounts	(1,972,843)	(1,533,998)
Other liabilities (excluding current taxation)	(102,373)	54,276
	(1,029,407)	663,852
	363,816	(6,241)
Income tax paid	(4,603)	(39,562)
Net cash flows from / (used in) operating activities	359,213	(45,803)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	459,619	(240,615)
Proceeds from held-to-maturity securities	-	-
Dividend income received	11,323	1,286
Investments in operating fixed assets	(1,072,339)	(184,915)
Sale proceeds of property and equipment disposed-off	42	9
Net cash flows (used in) / from investing activities	(601,355)	(424,235)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Dividend paid	-	-
Net cash flows from financing activities	-	-
Effects of exchange rate changes on cash and cash equivalents	-	-
(Decrease) in cash and cash equivalents	(242,142)	(470,038)
Cash and cash equivalents at beginning of the period	2,485,579	2,844,005
Cash and cash equivalents at end of the period	2,243,437	2,373,967

The annexed notes 1 to 11 form an integral part of these accounts. The details of valuation investments, impairment and impact on profit and loss account are given in note No.5.2.

President & CEO

Chairman

Director

Director





Statement of Changes in Equity (Un-Audited)

For the period ended March 31, 2009

	Share capital	Capital reserve		Total
		Statutory reserve (Rupees in '000)	Unappropriated profit/(loss)	
Opening balance as at January 1, 2008	4,242,866	324,005	496,827	5,063,698
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	5,554	5,554
Net income recognized directly in equity	-	-	5,554	5,554
Profit for the period ended March 31, 2008	-	-	79,197	79,197
Total recognized income and expense for the period	-	-	84,751	84,751
Transfer to statutory reserve	-	15,839	(15,839)	-
Closing balance as at March 31, 2008	4,242,866	339,844	565,739	5,148,449
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of deferred tax	-	-	74,055	74,055
Net income recognized directly in equity	-	-	74,055	74,055
Loss for the period ended December 31, 2008	-	-	(429,490)	(429,490)
Total recognized income and expense for the period	-	-	(355,435)	(355,435)
Reversal from statutory reserve	-	(15,839)	15,839	-
Issue of Right Shares	1,060,716	-	-	1,060,716
Closing balance as at December 31, 2008	5,303,582	324,005	226,143	5,853,730
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	5,758	5,758
Net income recognized directly in equity	-	-	5,758	5,758
Loss for the period ended March 31, 2009	-	-	(789,563)	(789,563)
Total recognized income and expense for the period	-	-	(783,805)	(783,805)
Transfer to statutory reserve	-	-	-	-
Closing balance as at March 31, 2009	5,303,582	324,005	(557,662)	5,069,925

The annexed notes 1 to 11 form an integral part of these accounts. The details of valuation investments, impairment and impact on profit and loss account are given in note No.5.2.

President & CEO

Chairman

Director

Director



mybank Ltd.

Notes to the Financial Statements (Un-Audited)

For the period ended March 31, 2009

1. Status and nature of business

mybank Limited was incorporated in Pakistan on October 7, 1991 as a public limited company under the Companies Ordinance, 1984. The Bank's registered office is situated at Regal Chowk, Jinnah Road, Quetta with principal place of business at 10th Floor, Business and Finance Centre, I.I. Chundrigar Road, Karachi. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges of Pakistan. The Bank is engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and operates 80 (2008: 80) branches in Pakistan. Currently the Bank's medium and long-term credit rating is "A", and its short term credit rating is A 1 (A one) with a stable outlook.

2. Basis of Presentation

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up there-on.

3. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, directives issued by the State Bank of Pakistan, the Banking Companies Ordinance, 1962, provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the requirement of the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984, and the requirements of the directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan take precedence.

The disclosures made in these financial statements have, however, been limited based on the format prescribed by the State Bank of Pakistan vide Banking Supervision Department Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and these financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2008.

The SECP has approved the adoption of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property'. The requirements of these standards have not been taken into account for the purpose of preparation of these financial statements as the implementation of the said standards has been deferred by the State Bank of Pakistan (SBP), vide BSD Circular No. 10 dated August 26, 2002 for banks in Pakistan till further instructions. However, the investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

These financial statements are un-audited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984.

4. Summary of significant accounting policies

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those applied in preparing the annual financial statements for the year ended December 31, 2008





5. Investments

5.1 Investments by types

	March 31, 2009			December 31, 2008		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----						
Available-for-sale securities						
- Market Treasury Bills	1,562,609	3,647,798	5,210,407	2,234,757	2,499,461	4,734,218
- National Investment Trust Units	700,000	-	700,000	700,000	-	700,000
- Term Finance Certificates - listed	136,316	-	136,316	149,653	-	149,653
- Term Finance Certificates - unlisted	19,838	-	19,838	27,246	-	27,246
- Sukuk Investment Certificates	50,000	-	50,000	50,000	-	50,000
- GOP Ijarah Sukuk Bond	10,000	-	10,000	10,000	-	10,000
- Listed companies' shares	346,202	-	346,202	250,958	-	250,958
- Unlisted companies' shares	10,000	-	10,000	10,000	-	10,000
- Mutual funds - units - close-ended	318,214	-	318,214	318,214	-	318,214
- Mutual funds - units - open-ended	3,605,981	-	3,605,981	4,616,288	-	4,616,288
- Preference shares	37,500	-	37,500	37,500	-	37,500
	6,796,660	3,647,798	10,444,458	8,404,616	2,499,461	10,904,077
Held-to-maturity securities						
- Pakistan Investment Bonds	511,137	-	511,137	514,250	-	514,250
	511,137	-	511,137	514,250	-	514,250
Investment at cost	7,307,797	3,647,798	10,955,595	8,918,866	2,499,461	11,418,327
Less: Provision for Diminution in value of Investments	(490,653)	-	(490,653)	(410,398)	-	(410,398)
Investments (Net of Provisions)	6,817,144	3,647,798	10,464,942	8,508,468	2,499,461	11,007,929
Surplus/(Deficit) on revaluation of Available-for-sale securities	(324,743)	(12,370)	(337,113)	(701,295)	(11,664)	(712,959)
Total investments at market value	6,492,401	3,635,428	10,127,829	7,807,173	2,487,797	10,294,970

5.2 The Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008 and remained in place until December 15, 2008. Consequent to the introduction of "Floor Mechanism" by KSE, the market volume declined significantly during the period from August 27, 2008 to December 15, 2008. There were lower floors on a number of securities at December 31, 2008. The equity securities has been valued at prices quoted on the KSE on December 31, 2008 without any adjustment as allowed by the State Bank of Pakistan (SBP) BSD Circular Letter No.2 dated January 27, 2009.

Furthermore, SBP BSD Circular No. 4 dated February 13, 2009 has allowed to follow Securities and Exchange Commission of Pakistan (SECP) notification vide SRO 150 (1)/2009 dated February 13, 2009 allowing that the impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investments held as "Available for Sale" to quoted market prices may be shown under the equity. The amount taken to equity including any adjustment/effect for the price movement shall be taken to Profit and Loss Account on quarterly basis during the year ending December 31, 2009. The amount taken to equity at December 31, 2008 shall be treated as a charge to Profit and Loss Account for the purpose of distribution as dividend.



QUARTERLY REPORT MARCH 2009

The impairment loss based on market values as at March 31, 2009 has been determined at Rs 731 million on listed equity investment held as "Available for Sale" at December 31, 2008. During the year 2008, bank provided Rs.410.398 million against the impairment loss based on market values as at December 31, 2008 amounting to Rs.821 million. In 2009, management has decided on the basis of their estimates and prudence to record the provision on quarterly basis. During the first quarter 2009, provision of Rs.80.255 million has been made accordingly.

Had the entire amount of decline in value based on market values as at March 31, 2009 been charged to profit and loss account, the impact on the financial statements would have been as follows:

	March 31, 2009 (Rupees in '000)
Increase in 'Provision for diminution in the value of investments'	240,765
Decrease in tax charge for the year	84,268
Net increase in loss for the period and increase in 'unappropriated loss'	156,497
	Rupees
Increase in loss per share - after tax	0.30

	Note	March 31, 2009 (Rupees in '000)	December 31, 2008
6. Advances			
Loans, cash credits, running finances, etc.			
In Pakistan		19,938,504	20,853,278
Outside Pakistan		-	-
		19,938,504	20,853,278
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		1,334,410	1,165,565
Payable outside Pakistan		933,485	1,007,939
		2,267,895	2,173,504
Advances - Gross	6.1	22,206,399	23,026,782
Provision against loans and advances			
Specific provision	6.2	(2,949,075)	(2,085,533)
General provision against consumer finance	6.3	(1,001)	(1,168)
		(2,950,076)	(2,086,701)
Advances - net of provision		19,256,323	20,940,081





March 31, 2009 December 31, 2008
(Rupees in '000)

6.1 Particulars of advances - Gross

6.1.1 In local currency	22,198,395	23,026,782
In foreign currencies	8,004	-
	22,206,399	23,026,782

6.2 Advances include Rs.6,716.023 million (December 31, 2008: 7,102.598 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2009 (Rupees in '000)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Other Assets									
Especially Mentioned	240	-	240	-	-	-	-	-	-
Substandard	476,772	-	476,772	155,020	-	155,020	155,020	-	155,020
Doubtful	5,011,284	-	5,011,284	1,836,432	-	1,836,432	1,836,432	-	1,836,432
Loss	1,227,727	-	1,227,727	957,623	-	957,623	957,623	-	957,623
	6,716,023	-	6,716,023	2,949,075	-	2,949,075	2,949,075	-	2,949,075

6.3 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by SBP.

March 31, 2009 December 31, 2008
(Rupees in '000)

7 Contingencies and Commitments

7.1 Direct credit substitutes

i) Government	-	-
ii) Banks and other financial institutions	-	-
iii) Others	466,288	629,230

7.2 Transaction-related contingent liabilities

Contingent liabilities in respect of guarantees given, favouring

i) Government	1,715,192	1,682,140
ii) Banks and other financial institutions	-	-
iii) Others	161,766	146,708

7.3 Trade-related contingent liabilities

Contingent liabilities in respect of letter of credits accepted, favouring

i) Banks and other financial institutions	3,634,774	3,516,832
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7.4 Taxation

Return filed by the Bank for tax year 2008 (Financial year 2007) has been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001. In respect of assessment year 2002-2003, the Bank preferred appeal with the Income Tax Appellate Tribunal (ITAT) against the demand raised by the income tax department amounting to Rs. 2.587 million. The ITAT accepted the appeal allowing first year depreciation allowance resulting in no further tax liability. However, proceedings have been initiated to demand assessing authorities for appeal effect in respect of allowability of first year depreciation allowance. For the tax year 2003, the ITAT decided the case in the favor of Income Tax Department with effect of Rs. 13.015 million. The Bank preferred appeal against the ITAT order before the Honorable Sindh High Court. The Court after hearing the case, vacated the order of ITAT and remanded the case to the Commissioner of Income tax for re-adjudication of the related issues strictly as per law. Consequently, there exists no demand on account of adverse order of the Tribunal. For the tax years 2004 and 2005, CIT (Appeals) has maintained the disallowances of certain deductions made by taxation officer with aggregate effect of Rs. 115.871 million against which the Bank has preferred appealed before the ITAT, where the matter is pending disposal.

Further, the bank has preferred appeals before Income Tax Appellate Tribunal (ITAT) of Azad Jammu and Kashmir, where the matter is pending disposal, regarding excessive assessments on account of profits relating to Azad Jammu and Kashmir branches for the Tax year 2005 against creation of tax demand aggregating Rs. 22.862 million . For the tax year 2004, the taxation officer has finalized the assessment order and raised a demand of Rs.13.567 million, against which the bank has filed an appeal before CIT (Appeals), where the matter is pending disposal. No provision has been made in the financial statements, as the management is confident about favorable outcome of the above matters.

7.5 Other Contingencies

In the year 2004, forward sale of Pakistan Investment Bonds (PIB's) with face value of Rs. 250 million was entered into with Speedway Fondmetall (Private) Limited (Speedway). The deal was not honoured by Speedway on the due date and the contract was rolled over subject to receipt of Rs. 6 million and mortgage of properties. Consequent upon the failure by Speedway to honour the terms of the contract, the Bank served a final notice intimating to settle the deal within stipulated time otherwise the Bank will liquidate the deal, and claim the loss on deal by taking legal recourse. In response, Speedway filed a suit against the Bank and obtained stay from Honorable High Court of Sindh against the sale of PIB's which was vacated by the High Court during the year 2005.

The Bank started proceeding during the financial year 2006 to recover the loss on the deal by disposing off the mortgaged properties. However, Speedway filed another suit and obtained stay from the court against the sale of the properties mortgaged with the Bank, which was also dismissed as withdrawn by Speedway. Speedway filed third suit in the Banking Court No.2 against publication by which the mortgage properties were put to sale. The bank has also filed recovery suit of the Speedway in the High Court of Sindh. Subsequently the bank moved an application for transfer of the suit filed by the Speedway in Banking Court No.2 to the High Court of Sindh, so that the two suits are heard together in the apex Court.

During the financial year 2007 the Honorable High Court Sindh has passed a decree in Bank's favour for Rs.25.697 million with mark-up at the rate of 20 percent per annum from the date of filing of the suit till its realization. The Bank has filed an execution application in the court. In this regard provision of Rs. 6 million has been kept in the financial statements as a matter of prudence against the claim receivable of Rs. 26 million.

7.6 Commitments in respect of forward exchange contracts

	March 31, 2009	December 31, 2008
	(Rupees in '000)	
Sale	848,579	779,079
Purchase	646,256	1,391,942





Principal Terms of Agreement

Currencies	Counter Parties	Maturity
Sale:		
USD	Banks and Financial Institutions	Apr. 09, 2009 - Sep. 08, 2009
EURO	Banks and Financial Institutions	Apr. 01, 2009 - Jun. 26, 2009
CHF	Banks and Financial Institutions	Apr. 23, 2009
GBP	Banks and Financial Institutions	Apr. 06, 2009 - May 29, 2009
Purchase:		
USD	Banks and Financial Institutions	Apr. 01, 2009 - Jun. 26, 2009
USD	Customers	Apr. 06, 2009 - Aug. 15, 2009
EURO	Customers	Apr. 16, 2009 - Jun. 22, 2009
EURO	Banks and Financial Institutions	Apr. 09, 2009
GBP	Customers	Apr. 12, 2009 - May 31, 2009

March 31, 2009 December 31, 2008
(Rupees in '000)

7.7 Commitments in respect of sale and purchase of securities

Purchased under re-sale agreements	1,180,969	1,286,654
Sale under re-purchase agreements	3,635,910	2,488,308

7.8 Commitments to extend credit

The Bank has made commitments to extend credits to its customers in the normal course of business that amounts to Rs.6,619 million as at March 31, 2009 (December 31, 2008: Rs. 5,847 million). These being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

8. Basic and Diluted (loss) / earning per shares

March 31, 2009 March 31, 2008
(Rupees in '000)

There is no diluted effect on the basic (loss) / earnings per share of the Bank

(Loss) / profit for the period - Rupees in thousands	(789,563)	79,197
Weighted average number of ordinary shares (in thousands)	530,358	407,164
Basic (loss) / earnings per share - Rupees	(1.49)	0.19



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9. Related Party Transactions

Related parties comprise associated undertakings, major shareholders, employee benefit plans, employee contribution plans and key management personnel (including their associates).

Advances for house building and conveyance for personal use have also been provided to the staff and executives at the reduced rates in accordance with the terms of employment.

Detail of transactions with related parties during the quarter and balances with them as at the quarter ended are as follows:

	(Un-audited) March 31, 2009			(Audited) December 31, 2008		
	Key management personnel	Associates	Other related parties	Key management personnel	Associates	Other related parties
-----Rupees in '000-----						
Advances						
At January 1	-	44,904	70,530	-	70,620	58,289
Disbursed during the period	-	-	74,907	-	1,072	45,145
Repaid during the period	-	-	(77,892)	-	(26,788)	(32,904)
Outstanding at the end of period	-	44,904	67,545	-	44,904	70,530
Deposits						
At January 1	2,830	24	23,936	2,442	80	14,396
Disbursed during the period	19,363	-	7,024	123,800	2,019	64,192
Repaid during the period	(18,612)	-	(54,652)	(123,412)	(2,075)	(54,652)
Outstanding at the end of period	3,581	24	(23,692)	2,830	24	23,936
Mark-up receivable	-	285	-	-	1,824	11

	(Un-audited) March 31, 2009			March 31, 2008		
	Mark-up / interest / return earned	-	824	863	-	1,148
Mark-up / interest / return expensed	8	-	2	29	-	323
Contribution to provident fund	-	-	5,601	-	-	2,284
Remuneration paid	6,755	-	-	12,064	-	-

10 Date of Authorization for issue

The financial statements were authorized for issue on April 24, 2009 by the Board of Directors of the Bank.

11 General

Figures have been rounded-off to the nearest thousand Rupees.

Comparative figures have also been reclassified and re-arranged for comparison purposes wherever considered necessary

President & CEO

Chairman

Director

Director



**BRANCHES NETWORK**

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	RGM-Office	Pearl Heaven Apartments, Khayaban-e-Roomi, Block No-5, Clifton, Karachi.	021	5824381 - 2	5824383	rokhia@mybl.com.pk
1	Clifton Branch	Pearl Heaven Apartments, Khayaban-e-Roomi, Block No-5, Clifton, Karachi.	021	5373231 - 5867651	5867647	clf@mybl.com.pk
2	Jodia Bazar Branch	Ram Bharti Street, Ismail Trade Centre, Karachi	021	2437991-3 - 2471120	2437994	jbk@mybl.com.pk
3	North Napier Road Branch	18-19, North Napier Road, Karachi.	021	2766477 & 2766755	2766487	nnk@mybl.com.pk
4	New Challi Branch	Ground Floor, Trade Tower, Altaf Hussain Road, New Challi, Karachi	021	2422071, 2422027, 2422096, 2422069	2422051	nck@mybl.com.pk
5	Paper Market Branch	Al-Abbas Centre, Paper Market, Shahrah-e-Liaquat, Karachi.	021	2639671-2	2639670	pmk@mybl.com.pk
6	Abdullah Haroon Road Branch	282/3, Abdullah Haroon Road, Area, Saddar, Karachi.	021	5685269, 5685393, 5685940	5683991	sad@mybl.com.pk
7	Water Pump Branch	Lateef Square, Block-16, Federal 'B' Area, Main Water Pump Market, Karachi.	021	6321387, 6314817	6314848	wpk@mybl.com.pk
8	Bahadur Shah Center Branch	Bahadur Shah Center, Urdu Bazar, Off. M.A. Jinnah Road, Karachi.	021	2768547, 2768559	2765083	bsk@mybl.com.pk
9	I. I. Chundrigar Road Branch	5-Business & Finance Centre, Opp: state Bank of Pakistan, Karachi.	021	2438212, 2472176, 2471796	2438218	iic@mybl.com.pk
10	North Karachi Industrial Area Branch	Plot No. R-14, Gabol Town, North Karachi Industrial Area, Karachi.	021	2015919 -20, 6995925	6975919	nia@mybl.com.pk
11	Garden East Branch	Shop No. 4, 5 & 6, Jumani Centre Plot No. 177-B, Garden East, Karachi	021	2243311-13	2243314	gek@mybl.com.pk
12	S.I.T.E. Branch	B/9-B/3, Near Metro Chowrangi S.I.T.E., Area, Karachi.	021	2586801-4, 2587166-8	2586806	site@mybl.com.pk
13	Plaza Quarters Branch	Al-Shafi Building Noman Street, Off. M.A. Jinnah Road, Karachi	021	2771515-16-18	2771517	pqk@mybl.com.pk
14	Cloth Market Branch	Shop No. 26, Kochinwala Cloth Market, Laxmidas Street, Karachi.	021	2400790, 2413586, 2424178	2424175	cmk@mybl.com.pk
15	Timber Market Branch	Siddique Wahab Road, Karachi.	021	2732729, 2766995	2733214	tmk@mybl.com.pk
16	Gulshan-e-Iqbal Branch	B-44, Block 12/A, Main University Road, Gulshan-e-Iqbal, Karachi.	021	4987688, 4987739-40	4987689	gik@mybl.com.pk
17	Tariq Road Branch	C-51, Central Commercial Area, Near KFC Tariq Road, P.E.C.H.S., Karachi.	021	4556486, 4556682	4555478	trk@mybl.com.pk
18	Barkat-e- Hyderi Branch	Almas Square, Block-G, North Nazimabad, Karachi.	021	6628931-6706896-7	6723165	bhk@mybl.com.pk
19	Shahrah-e-Faisal Branch	Business Avenue Block-6, P.E.C.H.S., Karachi.	021	4386417-18	4531819	sfk@mybl.com.pk



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S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
20	Defence Branch	55-C, Phase-II, D.H.A, Opp Toyota Motors, Main Korangi Road, Karachi.	021	5387809-5396263 - 5312592	5387810	dha@mybl.com.pk
21	Badar Commercial Branch	Plot No. 41-C, Badar Commercial, Street No. 10, Phase-V Extension, DHA Karachi	021	5348501, 5348502, 5348503	5348504	dha2@mybl.com.pk
22	Stock Exchange Branch	Room No. 68 & 69 1st Floor, Stock Exchange Building, stock Exchange Road, Karachi.	021	2462540-42	2462550	kse@mybl.com.pk
23	Gulistan-e-Jauhar Branch	Shop No. 5,6,7 & Office No. D-2, Farhan Centre Block No. 1, Gulistan-e-Jauhar Karachi	021	4022259, 4613674 4016488-9	4022639	gej@mybl.com.pk
24	Rizvia Society Branch	B-12, Rizvia Cooperative Society, Nazimabad, Karachi	021	6600956-57	6600958	rsk@mybl.com.pk
25	Jamshed Quarters Branch	Showroom no. 3 & 4 AB Arcade Plot #. 714-6-1 Block A, New M.A. Jinnah Road, Karachi	021	4860422-23, 4860424	4860425	jqk@mybl.com.pk
26	Dhoraji Branch	Plot No. 133, Block No. 7 & 8 Dhoraji Colony, C.P & Berar Co-operative Housing Society, Karachi	021	4860773-75	4860772	djk@mybl.com.pk

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	Area Office Hyderabad	Plot No. 444-449, Haji Shah Rd., Saddar, Cantonment Area, Hyderabad	022	2720430	2720206	hyd@mybl.com.pk
27	Saddar Branch	Plot No. 444-449, Haji Shah Rd., Saddar, Cantonment Area, Hyderabad	022	2720483, 2720248	2720206	hyd@mybl.com.pk
28	Latifabad No. 7. Branch	Latifabad # 7, 5/D Unit #. 7, Hyderabad	022	3810524 & 3810525	3810515	ltf@mybl.com.pk
29	Marich Bazar Branch	Marich Bazar, Sukkur	071	5624316	5624317	suk@mybl.com.pk
30	Shaheed-e-Millat Road Branch	Shaheed-e-Millat Rd, Mirpurkhas.	0233	874518	875925	mks@mybl.com.pk

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	Area Office Quetta	Regal Chowk, Jinnah Rd., Quetta	081	2824966	2827057	jrj@mybl.com.pk
31	Jinnah Road Branch	Regal Chowk, Jinnah Road, Quetta.	081	2837028-29	2825065	jrj@mybl.com.pk
32	Liaquat Bazar Branch	Ainuddin Street, Quetta.	081	2837300-1	2837302	lbq@mybl.com.pk
33	Main Bazar Branch	Main Bazar, Turbat.	0852	413874	414048	turb@mybl.com.pk
34	Gawadar Branch	Airport Road, Khasra No. 430, Khewat No. 192, Khatoni No. 192, Gawadar Pakistan	0864	212144- 212146	212147	gwr@mybl.com.pk





S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	GM- Office & RGM-Office	159, Y-Block D.H.A.Lahore	042	5692737 5692619	5692740 5692739	rolhr@mybl.com.pk
35	DHA Branch	159, Y-Block D.H.A.Lahore	042	5692609, 5692606	5692738	dhalhr@mybl.com.pk
36	Shahalam Gate Branch	12-A, ShahAlam Gate, Lahore.	042	7666856, 7666857, 7666854, 7666855	7663488	sag@mybl.com.pk
37	Azam Cloth Market Branch	F-1208, Azam Cloth Market, Lahore.	042	7667297, 7651374	7662026	acm@mybl.com.pk
38	Johar Town Branch	Plot No.20, Block-A, Moulana Shaukat Ali Road, Johar Town, Lahore.	042	5223047-49	5223050	jhrt@mybl.com.pk
39	Booth at Doctor's Hospital	152-A, G1, Canal Bank, Johar Town, Lahore.	042	5314640	5314642	dhalhr@mybl.com.pk
40	Booth at Medical & Dental college	Lahore Medical & Dental CollegeTulsapura, Canal Bank, Lahore.	042	6583305	6583305	dhalhr@mybl.com.pk
41	Badami Bagh Branch	203-Grain Market, Badami Bagh, Lahore.	042	7724583, 7720382, 7705036	7730867	bbl@mybl.com.pk
42	Egerton Road Branch	27-Ajmal House, Egerton Road, Lahore.	042	6364522, 6364532	6364542	egr@mybl.com.pk
43	Liberty Market Branch	26/C, Commercial Zone, Liberty Market, Gulberg, Lahore.	042	111-692-265, 5717273, 5763308	5763310	lml@mybl.com.pk
44	Allama Iqbal Town Branch	56/12, Karim Block, Allama Iqbal Town, Lahore.	042	5434160-61,5434163	5434164	ait@mybl.com.pk
45	Darogawala Branch	Near Shalimar garden G.T.Road Darogawala Lahore	042	6520681 - 6520682	6520683	dwl@mybl.com.pk
46	Wahdat Road Branch	Mauza Ichra, Wahdat Road, Lahore	042	7503001	7503004	wrl@mybl.com.pk
47	Kamahan Branch	Kamahan, Mauza Jhatool, Lahore	042	5921487	5921489	mkl@mybl.com.pk
48	Samanabad Branch	Plot No.855,Poonch Road, Samanabad, Lahore.	042	7568831, 7568844	7568854	sml@mybl.com.pk
49	Airport Road Branch	M. M. Arcade, 192-B, New Air Port Road, Lahore	042	5700336, 5700338-9	5700323	arl@mybl.com.pk
50	Kutchery Road Branch	Near Pul Qatal Gahri, Kutchery Road, Kasur.	049	2721993	2721994	qsr@mybl.com.pk
51	Ravi Road Branch	23/A, Ravi Road, Okara.	044	2528755, 2525355	2525356	okr@mybl.com.pk
52	High Street Branch	558/8-1, Navid, Plaza, High Street Sahiwal.	040	4229247, 4221615,4229247	4460960	swl@mybl.com.pk
53	Hussain Agahi Road Branch	2576, Hussain Agahi Road, Multan.	061	4548083-4583268- 4583168	4543794	mul@mybl.com.pk
54	Shahi Road Branch	31/34 Shahi Road, Rahimyar Khan.	068	5877821-5883876	5876776	ryk@mybl.com.pk



QUARTERLY REPORT MARCH 2009

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	Zonal Office Gujranwala	G. T. Rd., Opp. General Bus Stand, Gujranwala.	055	3820400	3820404	zogu@mybl.com.pk
55	G.T. Road Branch	G.T. Rd., Opp. General Bus Stand, Gujranwala.	055	3820401-3	3820404	guj@mybl.com.pk
56	Narowal Branch	Sughra Shafi, Medical Complex, Muridke Narowal Rd., Narowal	0542	414090 - 414105	414089	nar@mybl.com.pk
57	G.T. Road Branch	774, G.T. Road Muridke	042	7950456	7994713	mds@mybl.com.pk
58	Bank Road Branch	Khasra # 143/112, Chak #51, Bank Rd., Off Railway Rd., (Ghalla Mandi), Mandi Bahauddin.	0546	600901, 600903-4	600902	mdb@mybl.com.pk
59	Railway Road Branch	Railway Road, Sialkot.	052	4582231, 4586507,4601058	4582232	skt@mybl.com.pk
60	Gujrat Branch	Sethi Plaza, Opp. MY Guest House, Near Small Industrial Estate Gate, G.T. Road Gujrat	053	3537161,62-3524640,3524447	3525108	gtr@mybl.com.pk
61	Sargodha Branch	Prince Cinema Market, Railway Road, Sargodha	048	3768114-5 - 3768113	3768116	sgd@mybl.com.pk
62	Aminpur Bazar Branch	Aminpur Bazar, Faisalabad.	041	2634705, 2626783, 2636783	2611363	fsd@mybl.com.pk
63	Chak Ghanian Branch	Khewat No. 478/1 Khatooni No. 1457/60, Chak Ghanian, Post Office Sarai Alamgir	0544	654402-03	654401	cgl@mybl.com.pk
64	Dalwal Branch	Village & Post Office Dalwal, Tehsil Choha, Saidan Shah, Distt Chakwal	0543	582834	582842	dcc@mybl.com.pk
65	Lalamusa Branch	G. T. Road, Lalamusa	053	7515694	7515685	lmb@mybl.com.pk

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	Zonal Office Islamabad	20 - Al Asghar Plaza, Blue Area, Islamabad.	051	111-692-265,2874743	2871012	rosib@mybl.com.pk
66	Blue Area Branch	20 - Al Asghar Plaza, Blue Area, Islamabad.	051	111-692-265 2823204,2872913	2274276	isd@mybl.com.pk
67	Bharah Koh Branch	Murree Road, Tehsil / District, Islamabad.	051	2231344, 2233136	2231345	bkh@mybl.com.pk
68	G-11 Markaz Branch	Shop #. 25-34, Plot #. 23, Sajid Sharif, G-11 Markaz, Islamabad	051	2220973-6	2220977	msi@mybl.com.pk
69	Shamsabad Branch	DD/29, Shamsabad Murree Rd., Ojri Kalan, Rawalpindi.	051	4854400, 4854401-03	4854404	smr@mybl.com.pk
70	Fateh Jang Branch	Main Rawalpindi Road, Mouza & Tehsil Fateh Jang Distt Attock	057	2210321-23	2210324	fjr@mybl.com.pk
71	Bank Road Branch	Saddar Bazar, Rawalpindi Cantt.	051	5523840-41	5523837	rwp@mybl.com.pk
72	Raja Bazar Branch	Raja Bazar, Rawalpindi.	051	5534173-5557244	5559544	rbp@mybl.com.pk
73	Wah Cantt Branch	Plot No. 17/37, Civic Center, Aslam Market, Wah Cantt	051	4542157 4542167 4542279	4542144	wcr@mybl.com.pk





S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
74	Chakwal Branch	Khasra No. 1886, Khewat No. 778/1 Khatooni No. 1334/1, Al-Noor Plaza Sabzi Mandi, Talagang Road, Chakwal	0543	554796	554797	chk@mybl.com.pk
75	Dina Branch	Mian G.T. Road Dina	0544	634471 -3	636675	djm@mybl.com.pk
76	Dadyal Branch	Choudhary Centre, Ara Jattan, Dadyal, Azad Kashmir.	058630	42475	44316	dad@mybl.com.pk
77	Nangi Chowk Branch	Nangi Chowk, Mirpur, Azad Kashmir.	058610	44550	44522	mak@mybl.com.pk

S.#	Name	Address	City Code	Telephone No	Fax No.	E-mail Address
	Zonal Office NWFP	3-A, Arbab Road, Peshawar Cantt., Peshawar.	091	5253841	5274251	pwr@mybl.com.pk
78	Attock Branch	Hamam Road, Attock	057	2703120	2703117	atk@mybl.com.pk
79	Arbab Road Branch	3-A, Arbab Road, Peshawar Cantt., Peshawar.	091	5270463, 5275915	5274251	pwr@mybl.com.pk
80	Milad Chowk, Branch	Milad Chowk, New Gate, Peshawar City	091	2550477, 2550466, 2217131	2550488	cyp@mybl.com.pk
81	Bank Road Branch	Bank Road, Mardan.	0937	865341	865342	mrd@mybl.com.pk
82	Shahrah Resham Branch	Al- Hadeed Corporation Market Shahrah Resham Mansehra	0997	303186, 303180	303135	srm@mybl.com.pk



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