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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Iqbal Alimohamed
Chairman

Mr. Sohail Muzaffar
Vice Chairman

Mr. Muhammad Iqbal Ebrahim
Director

Mr. Afzal Ghani
Director

Mr. Danish Iqbal
Director

Mr. Muhammad Bilal Sheikh
Director

Mr. Muhammad Zahir Esmail
President & CEO/ Director

Mr. Muhammad Irfan Zafar
Company Secretary (Officiating)

MANAGEMENT

Mr. Muhammad Zahir Esmail
President & Chief Executive Officer

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/SAM/Legal

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

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

Mr. M. Saeed Khan
S.V.P - Head of Information/
Technology Division

Mr. Kh. Tajammul Hussain
S.V.P - Head of Human Resource &
Development 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. Syed Qurban Ali
S.V.P - Head of Audit & Inspection
Division

Mr. Akhtar Aleem Syed
S.V.P - Legal Affairs Division

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

Mr. Syed Imran Hashmi
S.V.P - Acting Head of Finance Division

Mr. Syed Nadeem Altaf
V.P - Head of Credit Administration
Division

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

MANAGEMENT AT REGIONS

Mr. Muhammad Rizwan Akram
E.V.P - Officiating General Manager
(Punjab & Northern Regions)

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

MANAGEMENT AT ZONES / AREAS

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

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

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

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

Mr. Abdul Rauf
S.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.
Mezzanine Floor, House of Habib Building,
(Siddiqsons Tower) 3-Jinnah C.H. Society,
Mian Shahrah-e-Faisal, Karachi-75350.
PABX: (92-21) 34325482-87
Fax: (92-21) 34325442
E-mail: ncsi@noble-computers.com
website:www.noble-computers.com

* Mr. Muhammad Zahir Esmail will replace Mr. Mammoon Ahmed Alvi after the approval of State Bank of Pakistan.

Directors' Report

The Board of Directors is pleased to present the third quarter accounts of Mybank Limited for the quarter ended September 30, 2010.

Performance Review

The recent catastrophic floods in the Country pose economic challenges for the Country as a whole, especially the agricultural sector, these challenges will trickle down to all sectors, and the banking sector may face issues in terms of both asset creation and deterioration of asset quality. However, the bank has maintained earning assets during the quarter under review. The management is focused to remain prudent and continuously strives to enhance quality of service and remained on guard to avoid nonperforming loans and maintained positive spread through core banking operations.

The following are the summarized comparative financial indicators.

	September 30, 2010	September 30, 2009
	(Rupees in '000)	
Loss before taxation and provision / write off against non-performing loans	(23,336)	(94,245)
Less: Provision / write off against non-performing Loans (Reversal) / Provision for diminution in the value of investments	198,653 (22,167)	1,255,127 166,949
Loss before taxation	(199,822)	(1,516,321)
Less: Taxation	190,281	(349,273)
Loss after taxation	(390,103)	(1,167,048)
(Accumulated Loss) / Unappropriated profit brought forward	(1,392,355)	226,143
Add: Transfer from surplus on revaluation of fixed assets	15,197	17,272
Accumulated Loss	(1,767,261)	(923,633)
Loss per share - Rupees	(0.74)	(2.20)

Credit Rating

The bank enjoys "A-" (Single-A Minus) rating for the medium to long term and "A-2" (A-Two) rating for the short term from the Pakistan Credit Rating Agency Limited (PACRA).

Changes in the Board Composition & Senior Management

Mr. Muhammad Zahir Esmail has been appointed as President & CEO of the Bank, and also co-opted as Director of the Board in place of Mr. Mamoon Ahmed Alvi by the Board of Directors in its 120th meeting held on October 22, 2010, consequent to the approval by the State Bank of Pakistan.

Future Outlook

Going forward restructuring of Mybank is expected after the sale of sponsor shareholding and Mybank is expected to evolve as a new entity to gain enhanced synergies after the proposed merger with Summit Bank. The Bank is focusing on recovery of non performing portfolio, increase in core banking income by increasing advances and diversifying risk of the portfolio and to comply with the minimum capital requirements prescribed by the State Bank of Pakistan.

Safeguarding stakeholders' value is the primary resolution of the board. The senior management is taking all measures to keep the employees' morale high and aligning their interest with the objectives of the bank.

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: October 22, 2010

Iqbal Alimohamed
Chairman

To: All Members of the Company

Dear Shareholder:

Appointment of Chief Executive

This is to advise you that the Board of Directors has appointed Mr. Muhammad Zahir Esmail as Chief Executive of the Company for a period of 3 years effective April 20, 2010 on the following terms and conditions:

Gross Monthly Salary of Rupees 895775/-, business class air travel within Pakistan on official trips, cost of 650 liters petrol on monthly basis as per prevailing rates, club membership / payment of monthly subscription to various clubs, two business class return air-tickets (self & spouse) once every year between Pakistan & South Africa and health life insurance coverage as per policy of the bank.

Mr. Muhammad Zahir Esmail shall also be entitled to other benefits as per Bank policy.

This letter is being sent to you in terms of Section 218 of the Companies Ordinance, 1984.

Yours truly,

Muhammad Irfan Zafar
Company Secretary (Officiating)

Condensed Interim Statement of Financial Position

As at September 30, 2010

	Note	(Un-audited) September 30, 2010	Audited December 31, 2009
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		2,323,692	2,073,321
Balances with other banks		592,322	433,055
Lendings to financial institutions		2,036,039	35,000
Investments	5	8,326,818	10,037,950
Advances	6	17,165,300	17,428,423
Operating fixed assets	7	2,217,123	2,321,845
Deferred tax assets		1,091,657	1,162,341
Other assets		2,091,360	1,998,770
		35,844,311	35,490,705
LIABILITIES			
Bills payable		549,893	330,759
Borrowings		2,587,659	2,550,386
Deposits and other accounts		27,339,588	26,848,808
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		667,577	655,888
		31,144,717	30,385,841
NET ASSETS		4,699,594	5,104,864
REPRESENTED BY			
Share capital		5,303,582	5,303,582
Reserves		324,005	324,005
Accumulated loss		(1,767,261)	(1,392,355)
		3,860,326	4,235,232
Surplus on revaluation of assets - net		839,268	869,632
		4,699,594	5,104,864
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

Condensed Interim Profit and Loss Account (Un-audited)

For the nine months and quarter ended September 30, 2010

	Quarter ended September 30, 2010	Nine months ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2009
----- (Rupees in '000) -----				
Mark-up/Return/Interest earned	703,794	2,208,477	878,279	2,645,492
Mark-up/Return/Interest expensed	581,354	1,737,202	721,423	2,251,882
Net mark-up/ Interest income	122,440	471,275	156,856	393,610
Provision / (Reversal) against non-performing loans & advances	248,019	198,423	(94,203)	1,230,870
(Reversal) / Provision for diminution in the value of investments	-	(22,167)	21,740	166,949
Bad debts written off directly	-	230	1,006	24,257
	248,019	176,486	(71,457)	1,422,076
Net mark-up / interest (loss) / income after provisions	(125,579)	294,789	228,313	(1,028,466)
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	30,301	114,794	36,033	105,586
Dividend income	46,158	52,919	93,687	139,294
Income from dealing in foreign currencies	29,249	54,178	18,538	70,827
Gain / (loss) on sale of securities	248	3,599	(73,313)	(117,343)
Other Income	23,098	87,844	28,300	99,152
Total non markup / interest income	129,054	313,334	103,245	297,516
	3,475	608,123	331,558	(730,950)
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	282,355	812,164	273,500	785,166
Other provisions / write offs	-	-	-	-
Other charges	50	(4,219)	107	205
Total non-markup / interest expenses	282,405	807,945	273,607	785,371
Extra ordinary / unusual items	-	-	-	-
(LOSS) / PROFIT BEFORE TAXATION	(278,930)	(199,822)	57,951	(1,516,321)
Taxation - Current	8,328	25,218	14,395	28,535
- Prior years	62,348	87,428	-	32,186
- Deferred	(2,945)	77,635	(17,708)	(409,994)
	67,731	190,281	(3,313)	(349,273)
(LOSS) / PROFIT AFTER TAXATION	(346,661)	(390,103)	61,264	(1,167,048)
(Accumulated loss) / Unappropriated profit brought forward	(1,435,797)	(1,392,355)	(1,002,169)	226,143
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	5,468	15,197	5,757	17,272
Accumulated loss	(1,776,990)	(1,767,261)	(935,148)	(923,633)
(Rupees)				
Basic / diluted (loss) / earnings per share (adjusted)	(0.65)	(0.74)	0.12	(2.20)

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2010

	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(Rupees in '000)	
LOSS AFTER TAXATION	(390,103)	(1,167,048)
COMPONENTS OF COMPREHENSIVE INCOME NOT REFLECTED IN EQUITY		
(Deficit) / surplus on revaluation of investments	(22,118)	705,154
Deferred tax on revaluation of investment	6,951	(120,195)
	(15,167)	584,959
TOTAL COMPREHENSIVE LOSS	(405,270)	(582,089)

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

Condensed Interim Cash Flow Statement - (Un-audited)

For the nine months ended September 30, 2010

Nine months ended
September
30, 2010

Nine months ended
September
30, 2009

(Rupees in '000)

CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation	(199,822)	(1,516,321)
Less: Dividend income	(52,919)	(139,294)
	(252,741)	(1,655,615)

Adjustment:

Depreciation	101,867	118,995
Amortization of intangible assets	8,649	8,641
Amortization of premium on held to maturity securities	11,454	9,481
(Reversal) / Provision for diminution in the value of investments	(22,167)	166,949
Provision against non-performing advances	198,423	1,230,870
Bad debts written off directly	230	24,257
Gain on sale of fixed assets	(116)	(1,946)
	298,340	1,557,247
	45,599	(98,368)

(Increase) / Decrease in operating assets

Lendings to financial institutions	(1,536,039)	6,573
Advances	64,470	775,393
Others assets (excluding advance taxation)	(29,528)	156,166
	(1,501,097)	938,132

Increase/ (decrease) in operating liabilities

Bills Payable	219,134	552,183
Borrowings	40,135	4,200,486
Deposits and other accounts	490,780	(4,989,442)
Other liabilities (excluding current taxation)	11,689	(93,214)
	761,738	(329,987)
	(693,760)	509,777

Income tax paid

	(168,874)	(131,005)
Net cash flow (used in) / from operating activities	(862,634)	378,772

CASH FLOW FROM INVESTING ACTIVITIES

Net proceeds from available-for-sale securities	1,699,727	448,171
Dividend income received	46,087	138,587
Investments in operating fixed assets	(9,545)	(1,097,219)
Sale proceeds of property and equipment disposed-off	3,865	3,093
Net investment from / cash (used in) investing activities	1,740,134	(507,368)

CASH FLOW FROM FINANCING ACTIVITIES

Issue of share capital	-	-
Dividend paid	-	-
Net cash flow from financing activities	-	-

Effects of exchange rate changes on cash and cash equivalents

	-	-
Increase/(Decrease) in cash and cash equivalents	877,500	(128,596)
Cash and cash equivalents at beginning of the period	2,533,756	2,485,579
Cash and cash equivalents at end of the period	3,411,256	2,356,983

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the nine months ended September 30, 2010

	Share capital	Statutory reserve	Unappropriated profit / (Accumulated loss)	Total
	----- (Rupees in '000) -----			
Opening balance as at January 1, 2009	5,303,582	324,005	226,143	5,853,730
Loss for the period ended September 30, 2009	-	-	(1,167,048)	(1,167,048)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	17,272	17,272
Transfer to statutory reserve	-	-	-	-
Closing Balance as at September 30, 2009	5,303,582	324,005	(923,633)	4,703,954
Loss for the period ended December 30, 2009	-	-	(472,781)	(472,781)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	4,059	4,059
Transfer to statutory reserve	-	-	-	-
Opening Balance as at January 01, 2010	5,303,582	324,005	(1,392,355)	4,235,232
Loss for the period ended September 30, 2010	-	-	(390,103)	(390,103)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	15,197	15,197
Transfer to statutory reserve	-	-	-	-
Closing balance as at September 30, 2010	5,303,582	324,005	(1,767,261)	3,860,326

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the period ended September 30, 2010

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 (2009: 80) branches in Pakistan. Currently the Bank's medium and long-term credit rating is "A-" (single A minus), and its short term credit rating is "A2" (A Two).

The State Bank of Pakistan (SBP) vide BSD Circular No. 7 of 2009 dated April 15, 2009 has set the Minimum Capital Requirement (MCR) for banks upto Rs.10 billion to be achieved in a phased manner by December 31, 2013. The required MCR (free of losses) have to reach at Rs. 7 billion by December 31, 2010. The paid up capital of the Bank as of September 30, 2010 amounted to Rs. 5,303.582 million and the Bank has reserves and accumulated losses of Rs. 324.005 million and Rs. 1,767.261 million respectively as of said date. Keeping in view the said regulatory requirement of MCR, the majority shareholders of the Bank has entered into share purchase agreement on September 30, 2009 with M/s Suroor Investment Limited (SIL), a company incorporated in Mauritius, which has plans to acquire their 59.34% shareholding in the Bank and undertake a merger of three commercial banks in Pakistan including the Bank which would result in transfer of assets, liabilities and operations of the Bank to the proposed merged entity. The SBP extended the timeline for meeting the minimum capital requirement of Rs.6 billion for the Bank till March 31, 2010 which has since expired and the management has submitted the request to SBP for further extension.

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, 2009.

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 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, 2009.

5. Investments

Investments by types

	(Un-audited) September 30, 2010			Audited December 31, 2009		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----						
Available-for-sale securities						
- Market Treasury Bills	6,684,724	161,368	6,846,092	8,528,124	-	8,528,124
- Pakistan Investment Bonds	51,280	-	51,280	51,385	-	51,385
- National Investment Trust Units	700,000	-	700,000	700,000	-	700,000
- Term Finance Certificates - listed	110,452	-	110,452	113,759	-	113,759
- Term Finance Certificates - unlisted	15,550	-	15,550	15,550	-	15,550
- Sukuk Investment Certificates	25,000	-	25,000	50,000	-	50,000
- GOP Ijarah Sukuk Bond	10,000	-	10,000	10,000	-	10,000
- Listed Companies' Shares	211,227	-	211,227	300,510	-	300,510
- Unlisted Companies' Shares	10,000	-	10,000	10,000	-	10,000
- Mutual Funds Units - Close-ended	104,305	-	104,305	318,218	-	318,218
- Mutual Funds Units - Open-ended	313,913	-	313,913	-	-	-
- Preference Shares	37,500	-	37,500	37,500	-	37,500
	8,273,951	161,368	8,435,319	10,135,046	-	10,135,046
Held-to-maturity securities						
- Pakistan Investment Bonds	494,393	-	494,393	505,847	-	505,847
	494,393	-	494,393	505,847	-	505,847
Total Investment at cost	8,768,344	161,368	8,929,712	10,640,893	-	10,640,893
Less: Provision for Diminution in value of Investments	(597,647)	-	(597,647)	(619,814)	-	(619,814)
Investments (Net of Provisions)	8,170,697	161,368	8,332,065	10,021,079	-	10,021,079
(Deficit)/Surplus on revaluation of Available-for-sale securities	(4,110)	(1,137)	(5,247)	16,871	-	16,871
Total investments at carrying value	8,166,587	160,231	8,326,818	10,037,950	-	10,037,950

(Un-audited) Audited
Note September 30, December 31,
2010 2009
(Rupees in '000)

6. ADVANCES

Loans, cash credits, running finances, etc.		
In Pakistan	19,568,648	19,927,801
Outside Pakistan	-	-
	19,568,648	19,927,801
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	709,374	751,162
Payable outside Pakistan	802,511	470,173
	1,511,885	1,221,335
Advances - Gross	21,080,533	21,149,136
Provision against loans and advances		
Specific provision	6.2 (3,914,633)	(3,719,959)
General provision against consumer loan	6.3 (600)	(754)
	(3,915,233)	(3,720,713)
Advances - net of provision	17,165,300	17,428,423

(Un-audited) Audited
September 30, 2010 December 31, 2009
(Rupees in '000)

6.1 Particulars of advances - Gross

In local currency	21,072,310	21,132,581
In foreign currency	8,223	16,555
	21,080,533	21,149,136

6.2 Advances include Rs. 7,997.942 million (2009: 7,679.502 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2010			Provision Required	Provision Held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				
Other Assets Especially Mentioned	1,852	-	1,852	-	-
Substandard	979,506	-	979,506	86,402	86,402
Doubtful	476,088	-	476,088	64,110	64,110
Loss	6,540,496	-	6,540,496	3,764,121	3,764,121
	7,997,942	-	7,997,942	3,914,633	3,914,633

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.

7. OPERATING FIXED ASSETS

During the current period, additions in fixed assets comprise of property & equipment and intangibles assets aggregating to Rs. 16.114 million (2009: Rs. 92.383 million), whereas deletions comprise of computer equipments, furniture and fixtures and vehicles aggregating to Rs. 3.750 million (2009: Rs. 13.951 million).

(Un-audited) Audited
September 30, 2010 December 31, 2009
(Rupees in '000)

8. CONTINGENCIES AND COMMITMENTS

8.1 Direct credit substitutes

i) Government	-	-
ii) Banks and other financial institutions	-	-
iii) Others	307,869	489,627

8.2 Transaction-related contingent liabilities

Contingent liabilities in respect of guarantees given, favouring

i) Government	1,632,411	1,666,871
ii) Banks and other financial institutions	-	6,582
iii) Others	111,454	121,022

(Un-audited) Audited
September 30, December 31,
2010 2009
(Rupees in '000)

8.3 Trade-related contingent liabilities

Contingent liabilities in respect of letter of credits accepted, favouring

i) Banks and other financial institutions	2,489,781	3,078,347
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8.4 Taxation

The Taxation Officer has amend and finalized the assessments (returns of income filed) u/s. 122 (5A) of the Income Tax Ordinance, 2001 by making various disallowances for the tax year 2008 and 2007, with net aggregate effect of Rs 189.164 million, the Bank preferred to file appeal before the Commissioner Inland Revenue (CIR) against these orders, where the matter is pending disposal.

For the tax year 2006, the taxation officer has finalized the assessment and created a demand amounting to Rs 92.035 million, the bank has preferred appeal before CIR (Appeals) against the order.

For the tax years 2004 and 2005, CIR(Appeals) has maintained the disallowances of certain deductions made by taxation officer with aggregate effect of Rs 29.657 million against which the Bank has preferred to file an appeal before the ITAT, where the matter is pending disposal.

For the tax year 2003, the bank preferred to file the appeal against the ITAT order to the Honorable Sindh High Court, which after hearing the case vacated the order of ITAT and remanded the case to the CIR for re-adjudication of the related issues strictly as per law. The Taxation Officer finalized the order on account of allocation of expenses to dividend income and created demand of Rs 39.070 million altogether a new order and ignoring the clear direction of Sindh High Court against which the bank filed an appeal before the CIR (Appeals).

No provision has been made in the financial statements, as the management is confident about favourable outcome of the above matters

8.5 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.

(Un-audited) Audited
September 30, 2010 December 31,
2009
(Rupees in '000)

8.6 Commitments in respect of forward exchange contracts

Sale	1,696,139	1,049,850
Purchase	1,924,673	1,579,475

Principal Terms of Agreement

Sale: Currencies	Counter Parties	Maturity
USD	Banks and Financial Institutions	Oct. 01, 2010 - November 30, 2010
EURO	Banks and Financial Institutions	Oct. 01, 2010 - December 29, 2010
GBP	Banks and Financial Institutions	Oct. 04, 2010 - Oct. 05, 2010
CAD	Banks and Financial Institutions	November 05, 2010

Purchase: Currencies	Counter Parties	Maturity
USD	Banks and Financial Institutions	Oct. 01, 2010 - December 29, 2010
USD	Customers	Oct. 01, 2010 - March 20, 2011
EURO	Banks and Financial Institutions	Oct. 04, 2010 - Oct. 06, 2010
EURO	Customers	Oct. 02, 2010 - December 29, 2010
GBP	Customers	Oct. 11, 2010 - December 06, 2010
CAD	Customers	November 05, 2010

(Un-audited) Audited
September 30, 2010 December 31,
2009
(Rupees in '000)

8.7 Commitments in respect of sale and purchase of securities

Purchased under re-sale agreements	1,540,040	-
Sale under re-purchase agreements	160,361	-

8.8 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. 6,320 million as at September 30, 2010 (2009: Rs. 7,371 million). These being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

9. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings, major shareholders, employee benefit plans and its directors and executive officers (including their associates).

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

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

	(Un-audited) September 30, 2010			Audited December 31, 2009		
	Key management personnel	Associates	Other related parties	Key management personnel	Associates	Other related parties
-----Rupees in '000-----						
Advances						
Outstanding at the beginning of period / year	-	44,904	77,067	-	44,904	70,530
Disbursed during the period / year	-	-	13,122	-	893	23,225
Repaid during the period / year	-	(7,036)	(10,790)	-	(893)	(16,688)
Outstanding at the end of period / year	-	37,868	79,399	-	44,904	77,067
Deposits						
Outstanding at the beginning of period / year	1,542	3	98,474	2,830	24	23,936
Placement during the period / year	45,247	-	123,115	89,613	-	208,838
Withdrawals during the period / year	(45,930)	-	(99,608)	(90,901)	(21)	(134,300)
Outstanding at the end of period / year	859	3	121,981	1,542	3	98,474
Mark-up receivable	-	283	3	-	-	3
Mark-up payable	-	-	201	-	-	5,943

	(Un-audited) September 30, 2010			September 30, 2009		
-----Rupees in '000-----						
Mark-up / interest / return earned	-	1,552	2,883	-	2,337	2,663
Mark-up / interest / return expensed	3	-	2,091	47	-	6,115
Contribution to provident fund	-	-	10,751	-	-	8,910
Remuneration paid	5,831	-	-	20,265	-	-

10. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 22, 2010 by the Board of Directors of the Bank.

11. GENERAL

11.1 Figures have been rounded -off to the nearest thousands Rupees.

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

President & CEO

Chairman

Director

Director

BRANCHES NETWORK

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
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SOUTHERN REGION

	Regional Office, Karachi		Pearl Heaven Apartments, Khayaban-e-Roomi, Block No-5, Clifton, Karachi.	021	35824381 - 2	35824383	rokha@mybl.com.pk
1	Clifton Branch , Karachi	210	Pearl Heaven Apartments, Khayaban-e-Roomi, Block No-5, Clifton, Karachi.	021	35373231 - 35867651	35867647	clf@mybl.com.pk
2	Jodia Bazar Branch, Karachi	204	Ram Bharti Street, Ismail Trade Centre, Karachi	021	32437991-3 - 32471120	32437994	jbk@mybl.com.pk
3	North Napier Road Branch, Karachi	207	18-19, North Napier Road, Karachi.	021	32766477 & 32766755	32766487	nnk@mybl.com.pk
4	New Challi Branch, Karachi	201	Ground Floor, Trade Tower, Altaf Hussain Road, New Challi, Karachi	021	32422071,32422027, 32422096, 32422069	32422051	nck@mybl.com.pk
5	Paper Market Branch , Karachi	212	Al-Abbas Centre, Paper Market, Shahrah-e-Liaquat, Karachi.	021	32639671-2	32639670	pmk@mybl.com.pk
6	Abdullah Haroon Road Branch, Karachi	213	282/3, Abdullah Haroon Road, Area, Saddar, Karachi.	021	35685269, 35685393,35685940	35683991	sad@mybl.com.pk
7	Water Pump Branch, Karachi	215	Lateef Square, Block-16, Federal 'B' Area, Main Water Pump Market, Karachi.	021	36321387, 36314817	36314848	wpk@mybl.com.pk
8	Bahadur Shah Center Branch , Karachi	219	Bahadur Shah Center, Urdu Bazar, Off: M.A. Jinnah Road, Karachi.	021	32768547, 32768559	32765083	bsk@mybl.com.pk
9	I. I. Chundrigar Road Branch, Karachi	221	5-Business & Finance Centre, Opp: State Bank of Pakistan, Karachi.	021	32438212, 32472176, 32471796	32438218	iic@mybl.com.pk
10	North Karachi Industrial Area Branch, Karachi	225	Plot No. R-14, Gabol Town, North Karachi Industrial Area, Karachi.	021	32015919 -20 , 36995925	36975919	nia@mybl.com.pk
11	Garden East Branch, Karachi	226	Shop No. 4, 5 & 6, Jumani Centre Plot No. 177-B, Garden East, Karachi	021	32243311-13	32243314	gek@mybl.com.pk
12	S.I.T.E. Branch, Karachi	222	B/9-B/3, Near Metro Chowrangi S.I.T.E., Area, Karachi.	021	32586801-4, 32587166-8	32586806	site@mybl.com.pk
13	Plaza Quarters Branch, Karachi	203	Al-Shafi Building Noman Street, Off: M.A. Jinnah Road, Karachi	021	32771515-16-18	32771517	pqk@mybl.com.pk
14	Cloth Market Branch, Karachi	205	Shop No. 26, Kochin Wala cloth Market Laxmidas street, Karachi	021	32400790, 32413586, 32424178	32424175	cmk@mybl.com.pk
15	Timber Market Branch, Karachi	208	Siddique Wahab Road, Karachi.	021	32732729, 32766995	32733214	tmk@mybl.com.pk
16	Gulshan-e-Iqbal Branch, Karachi	209	B-44, Block 13/A, Main University Road, Gulshan-e-Iqbal, Karachi.	021	34987688, 34987739-40	34987689	gjk@mybl.com.pk
17	Tariq Road Branch, Karachi	214	C-51, Central Commercial Area, Near KFC Tariq Road, PE.C.H.S., Karachi.	021	34556486, 34556682	34555478	trk@mybl.com.pk

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
18	Barkat-e- Hyderi Branch, Karachi	216	Almas Square, Block-G, North Nazimabad, Karachi.	021	36628931, 36706896-7	36723165	bhk@mybl.com.pk
19	Shahrah-e-Faisal Branch, Karachi	218	Business Avenue Block-6, PE.C.H.S., Karachi.	021	34386417-18	34531819	sfk@mybl.com.pk
20	Defence Branch , Karachi	220	55-C, Phase-II, D.H.A, Opp Toyota Motors, Main Korangi Road, Karachi.	021	35387809-35396263 - 35312592	35387810	dha@mybl.com.pk
21	Badar Commercial Branch , Karachi	230	Plot No. 41-C, Badar Commercial, Street No. 10, Phase-V Extension, DHA Karachi	021	35348501, 35348502, 35348503	35348504	dha2@mybl.com.pk
22	Stock Exchange Branch, Karachi	223	Room No. 68 & 69 1st Floor, Stock Exchange Building, stock Exchange Road, Karachi.	021	32462540-42	32462550	kse@mybl.com.pk
23	Gulistan-e-Jauhar Branch, Karachi	224	Shop No. 5,6,7 & Office No. D-2, Farhan Centre Block No. 1, Gulistan-e-Jauhar Karachi	021	34022259, 34613674, 34016488-9	34022639	gej@mybl.com.pk
24	Rizvia Society Branch, Karachi	229	B-12, Rizvia Cooperative Society, Nazimabad, Karachi	021	36600956-57	36600958	rsk@mybl.com.pk
25	Jamshed Quarters Branch, Karachi	228	Showroom no. 3 & 4 AB Arcade Plot #. 714-6-1 Block A, New M.A. Jinnah Road, Karachi	021	34860422-23, 34860425	34860424	jqk@mybl.com.pk
26	Dhoraji Branch, Karachi	231	Plot No. 133, Block No. 7 & 8 Dhoraji Colony, C.P & Berar Co-operative Housing Society, Karachi	021	34860773-75	34860772	djk@mybl.com.pk

S.#	Name	Branch Code	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, Hyderabad	206	Plot No. 444-449, Haji Shah Rd., Saddar, Cantonment Area, Hyderabad	022	2720483, 2720248	2720206	hyd@mybl.com.pk
28	Latifabad No. 7. Branch, Hyderabad	227	Latifabad # 7, 5/D Unit #. 7, Hyderabad	022	3810524 & 3810525	3810515	ltf@mybl.com.pk
29	Marich Bazar Branch, Sukkur	202	Marich Bazar, Sukkur	071	5624316	5624317	suk@mybl.com.pk
30	Shaheed-e-Millat Road Branch, Mirpurkhas	217	Shaheed-e-Millat Rd, Mirpurkhas.	0233	874518	875925	mks@mybl.com.pk

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
	Area Office Quetta		Regal Chowk, Jinnah Rd., Quetta	081	2824966	2827057	jr@mybl.com.pk
31	Jinnah Road Branch, Quetta	101	Regal Chowk, Jinnah Road, Quetta.	081	2837028-29	2825065	jr@mybl.com.pk
32	Liaquat Bazar Branch, Quetta	103	Ainuddin Street, Quetta.	081	2837300-1	2837302	lbq@mybl.com.pk
33	Main Bazar Branch, Turbat	102	Main Bazar, Turbat.	0852	413874	414048	turb@mybl.com.pk
34	Gawadar Branch,	105	Airport Road, Khasra No. 430, Khewat No. 192, Khatoni No. 192, Gawadar Pakistan	0864	212144- 212146	212147	gwr@mybl.com.pk

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
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CENTRAL REGION

	GM- Office, Lahore			042	35692737	35692740	rollhr@mybl.com.pk
35	DHA Branch, Lahore	301	159, Y-Block D.H.A.Lahore		35692576-80, 35692618, 35692609, 35692606	35692738	dhalhr@mybl.com.pk
36	Liberty Market Branch, Lahore	310	26/C, Commercial Zone, Liberty Market, Gulberg, Lahore.	042	111-692-265, 35717273, 35763308	35763310	lml@mybl.com.pk
37	Badami Bagh Branch, Lahore	307	25 - Peco Road Badami Bagh Lahore	042	37724583, 37720382, 37705036	37730867	bbi@mybl.com.pk
38	Azam Cloth Market Branch, Lahore	313	F-1208, Azam Cloth Market, Lahore.	042	37667297, 37651374	37662026	acm@mybl.com.pk
39	Shahalam Gate Branch, Lahore	306	12-A, ShahAlam Gate, Lahore.	042	37666854 - 57	37663488	sag@mybl.com.pk
40	Johar Town Branch, Lahore	325	Plot No.20, Block-A, Moulana Shaukat Ali Road, Johar Town, Lahore.	042	35223047-49	35223050	jhr@mybl.com.pk
41	Egerton Road Branch, Lahore	317	27-Ajmal House, Egerton Road, Lahore.	042	36364522, 36364532	36364542	egr@mybl.com.pk
42	Allama Iqbal Town Branch, Lahore	326	56/12, Karim Block, Allama Iqbal Town, Lahore.	042	35434160-61,35434163	35434164	ait@mybl.com.pk
43	Darogawala Branch, Lahore	329	Near Shalimar garden G.T.Road Darogawala Lahore	042	36520681 - 83	36520684	dwl@mybl.com.pk
44	Wahdat Road Branch, Lahore	330	Mauza Ichra, Wahdat Road, Lahore	042	37503001	37503004	wri@mybl.com.pk
45	Kamahan Branch, Lahore	335	Kamahan, Mauza Jhatool, Lahore	042	35921487	35921489	mkl@mybl.com.pk
46	Samanabad Branch, Lahore	341	Plot No.855,Poonch Road, Samanabad, Lahore.	042	37568831, 37568844	37568854	sml@mybl.com.pk
47	Airport Road Branch, Lahore	339	M. M. Arcade, 192-B, New Air Port Road, Lahore	042	35700336, 35700338-9	35700323	arl@mybl.com.pk
48	Muridke Branch	331	774, G.T. Road Muridke	042	37950456,37994711-12	37994713	mds@mybl.com.pk
49	Booth at Doctor's Hospital		152-A, G1, Canal Bank, Johar Town, Lahore.	042	35314640	35314642	dhalhr@mybl.com.pk
50	Booth at Lahore Medical College		Lahore Medical & Dental College Tulsapura, Canal Bank, Lahore.	042	36583305	36583305	dhalhr@mybl.com.pk
51	Kasur Branch	322	Near Pul Qatal Gahri, Kutchery Road, Kasur.	049	2721993	2721994	qsr@mybl.com.pk
52	Sahiwal Branch	318	558/8-1, Navid, Plaza, High Street Sahiwal.	040	4229247, 4221615,4229247	4460960	swl@mybl.com.pk
53	Okara Branch	320	23/A, Ravi Road, Okara.	044	2528755, 2525355	2525356	okr@mybl.com.pk
54	Multan Branch	309	2576, Hussain Agahi Road, Multan.	061	4548083-4583268- 4583168	4543794	mul@mybl.com.pk
55	Rahim Yar Khan Branch	314	31/34 Shahi Road, Rahimyar Khan.	068	5877821-5883876	5876776	ryk@mybl.com.pk

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
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GUJRANWALA ZONE

	Zonal Office, Gujranwala		G. T. Rd., Opp. General Bus Stand, Gujranwala.	055	3820400	3820404	zogu@mybl.com.pk
56	Gujranwala Branch	304	G.T. Rd., Opp. General Bus Stand, Gujranwala.	055	3820401-3	3820404	guj@mybl.com.pk
57	Sialkot Branch	305	Railway Road. Sialkot.	052	4582231, 4586734, 4586507,4601058-59	4582232	skt@mybl.com.pk
58	Gujrat Branch	315	Sethi Plaza. Opp. MY Guest House, Near Small Industrial Estate Gate, G.T. Road Gujrat	053	537161,62-524640,524447	525108	gtr@mybl.com.pk
59	Faisalabad Branch	302	Aminpur Bazar, Faisalabad.	041	2634705, 2626783, 2636783	2611363	fsd@mybl.com.pk
60	Sargodha Branch	319	Prince Cinema Market Railway Road. Sargodha	048	3768113-5	3768116	sgd@mybl.com.pk
61	Mandi Bahauddin Branch	324	Khasra # 143/112, Chak #51, Bank Rd., Off Railway Rd., (Ghalla Mandi), Mandi Bahauddin.	0546	600901, 600903-4-5	600902	mdb@mybl.com.pk
62	Narowal Branch	323	Sughra Shafi, Medical Complex, Muridke Narowal Rd., Narowal	0542	414090 - 414105-07	414089	nar@mybl.com.pk
63	Chak Ghanian Branch	334	Khewat No. 478/1 Khatooni No. 1457/60, Chak Ghanian, Post Office Sarai Alamgir	0544	654402-03, 655155	654401	cgl@mybl.com.pk
64	Dalwal Branch	332	Village & Post Office Dalwal, Tehsil Chooha, Saidan Shah, Distt Chakwal	0543	582834	582842	dcc@mybl.com.pk
65	Lalamusa Branch	340	G. T. Road, Lalamusa	053	7515694,7515699, 7515697,7519977	7515685	lmb@mybl.com.pk

ISLAMABAD ZONE

	Zonal Office, Islamabad		20 - Al Asghar Plaza, Blue Area, Islamabad.	051	111-692-265,2874743	2871012	rosib@mybl.com.pk
66	Blue Area Branch, Islamabad	303	20 - Al Asghar Plaza, Blue Area, Islamabad.	051	111-692-265 2823204,2872913	2274276	isd@mybl.com.pk
67	Barah Koh Branch, Islamabad	312	Murree Road, Tehsil / District, Islamabad.	051	2231344, 2233136	2231345	bkh@mybl.com.pk
68	G-11 Markaz Branch, Islamabad	333	Shop #. 25-34, Plot #. 23, Sajid Sharif, G-11 Markaz, Islamabad	051	2220973-6	2220977	msi@mybl.com.pk
69	Bank Road Branch, Rawalpindi	311	Saddar Bazar, Rawalpindi Cantt.	051	5523840-41	5523837	rwp@mybl.com.pk
70	Raja Bazar Branch, Rawalpindi	321	Raja Bazar, Rawalpindi.	051	5534173-5557244	5559544	rbp@mybl.com.pk
71	Murree Road Branch, Rawalpindi	327	DD/29, Shamsabad Murree Rd., Ojri Kalan, Rawalpindi.	051	4854400, 4854401-03	4854404	smr@mybl.com.pk
72	Wah Cantt Branch	338	Plot No. 17/37, Civic Center, Aslam Market, Wah Cantt	051	4542157, 4542167, 4542279	4542144	wcr@mybl.com.pk
73	Fateh Jang Branch	336	Main Rawalpindi Road, Mouza & Tehsil Fateh Jang Distt Attock	057	2210321-23	2210324	fjr@mybl.com.pk
74	Chakwal Branch	328	Al- Noor Plaza Sabzi Mandi, Talagang Road, Chakwal	0543	554796,540650-51	554797	chk@mybl.com.pk
75	Dina Branch	342	Mian G.T. Road Dina	0544	634471 -3	636675	djm@mybl.com.pk

S.#	Name	Branch Code	Address	City Code	Telephone No	Fax No.	E-mail Address
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KHYBER PAKHTUNKHWA ZONE

	Zonal Office		3-A, Arbab Road, Peshawar Cantt, Peshawar.	091	5253841, 5271812	5274251	pwr@mybl.com.pk
76	Arbab Road Branch, Peshawar	401	3-A, Arbab Road, Peshawar Cantt, Peshawar.	091	5270463, 5275915	5274251	pwr@mybl.com.pk
77	Milad Chowk Branch, Peshawar	403	Milad Chowk, New Gate, Peshawar City	091	2550477, 2550466, 2217131	2550488	cyp@mybl.com.pk
78	Mardan Branch	402	Bank Road, Mardan.	0937	865341	865342	mrd@mybl.com.pk
79	Mansehra Branch	337	Al- Hadeed Corporation Market Shahrak Resham Mansehra	0997	303186, 303180	303135	srm@mybl.com.pk
80	Attock Branch	405	Hamam Road, Attock	057	2703120	2703117	atk@mybl.com.pk
81	Mirpur A.K Branch	501	Younus Plaza Allama Iqbal Road, Mirpur, Azad Kashmir.	05827	444550, 444520	444522	mak@mybl.com.pk
82	Dadyal Branch, A.K	502	Choudhary Centre, Ara Jattan, Dadyal, Azad Kashmir.	05827	463475	465316	dad@mybl.com.pk