

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Bank Alfalah Limited ('the Bank')**
Year ended: **December 31, 2022**

The Bank has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Code/Regulations") in the following manner: -

1. The total number of directors are eight as per the following:
 - a. Male: Seven
 - b. Female: One
2. The composition of the Board is as follows:
 - i Independent Directors (including one female director) Three
 - ii Other non-executive Directors Four
 - iii Executive Directors One
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Bank;
4. The Bank has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updation is maintained by the Bank;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Bank had arranged Directors' Training program for its Directors. Four Directors of the Bank have already done certification of Director's Training Program. The other Directors stand exempted, as per criteria mentioned in the Code;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and The Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed/reconstituted the committees comprising of members given below:
 - A) **Board Audit Committee**
 1. Mr. Khalid Qurashi, Chairman
 2. Mr. Abdulla Khalil Al Mutawa, Member
 3. Mr. Khalid Mana Saeed Al Otaiba, Member
 4. Dr. Ayesha Khan, Member
 - B) **Board Strategy and Finance Committee**
 1. Mr. Abdulla Khalil Al Mutawa, Chairman
 2. Mr. Khalid Mana Saeed Al Otaiba, Member
 3. Dr. Ayesha Khan, Member
 4. Dr. Gyorgy Tamas Ladics, Member
 5. Mr. Khalid Qurashi, Member
 6. Mr. Atif Aslam Bajwa, Member
 - C) **Board Risk Management Committee**
 1. Mr. Khalid Mana Saeed Al Otaiba, Chairman
 2. Mr. Abdulla Khalil Al Mutawa, Member
 3. Mr. Khalid Qurashi, Member
 4. Mr. Atif Aslam Bajwa, Member
 - D) **Board Information Technology Committee**
 1. Dr. Gyorgy Tamas Ladics, Chairman
 2. Mr. Abdulla Khalil Al Mutawa, Member
 3. Mr. Khalid Mana Saeed Al Otaiba, Member
 4. Mr. Atif Aslam Bajwa, Member
 - E) **Board Human Resource, Remuneration and Nomination Committee**
 1. Dr. Ayesha Khan, Chairperson
 2. Mr. Abdulla Khalil Al Mutawa, Member
 3. Mr. Khalid Mana Saeed Al Otaiba, Member
 4. Dr. Gyorgy Tamas Ladics, Member
 5. Mr. Khalid Qurashi, Member
 - F) **Board Compensation Committee**
 1. Dr. Ayesha Khan, Chairperson
 2. Mr. Abdulla Khalil Al Mutawa, Member
 3. Mr. Khalid Mana Saeed Al Otaiba, Member

G) Board Crisis Management Committee

1. Mr. Abdulla Khalil Al Mutawa, Chairman
2. Mr. Khalid Mana Saeed Al Otaiba, Member
3. Dr. Ayesha Khan, Member
4. Dr. Gyorgy Tamas Ladics, Member
5. Mr. Khalid Qurashi, Member
6. Mr. Atif Aslam Bajwa, Member

H) Board Real Estate Committee (BREC)

1. Mr. Abdulla Khalil Al Mutawa, Chairman
2. Mr. Khalid Mana Saeed Al Otaiba, Member
3. Mr. Atif Aslam Bajwa, Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The number of meetings held during the year are as follows. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Bank;

Name of Committee	No. of Meetings held during the year, 2022
Board Audit Committee	Six
Board Strategy and Finance Committee	Six
Board Risk Management Committee	Four
Board Information Technology Committee	Four
Board Human Resources, Remuneration & Nomination Committee	Three
Board Compensation Committee	None
Board Crisis Management Committee	Four
Board Real Estate Committee	Two

15. The Board has set up an effective internal audit function, who are considered suitably qualified, experienced for the purpose and are conversant with the policies and procedures of the Bank; (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Bank;
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have followed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Atif Aslam Bajwa
President and Chief Executive Officer

Nahayan Mabarak Al Nahayan
Chairman

Abu Dhabi
February 2, 2023

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Bank Alfalah Limited (the Bank) for the year ended 31 December 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2022.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 21st February 2023

UDIN Number: CR202210120aLQf13qyE