



## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

### FOR THE YEAR ENDED DECEMBER 31, 2022

The Bank has complied with the requirements of the Regulations in the following manner:

- The total number of Directors are ten as per the following:
  - Male 09
  - Female 01

- The composition of the Board is as follows:

Independent Directors	Mr. Arshad Nasar Mr. Javed Iqbal Mr. Mohammad Rafiquddin Mehkari
Non - Executive Directors	Mr. Abbas D. Habib Mr. Adnan Afridi Mr. Anwar Haji Karim Mr. Murtaza H. Habib Syed Mazhar Abbas
Executive Director	Mr. Qumail R. Habib
Female Director - Non - Executive	Ms. Farhana Mowjee Khan

Mr. Mansoor Ali Khan is the Chief Executive of the Bank. Being the CEO of the Bank, he is deemed to be a Director.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Bank.
- 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.
- 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 significant policies along with their date of approval or updating is maintained by the Bank.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Act and these regulations.
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- The Bank is compliant with the requirement of Directors' Training Program provided in these Regulations. Directors have either attended the required training in prior years or stand exempted, as per criteria mentioned in the Code.
- 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.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.



12. The Board has formed six committees comprising of members given below:

<b>A.</b>	<b>Audit Committee</b>	<b>Position</b>
1	Mr. Mohammad Rafiquddin Mehkari	Chairman
2	Mr. Anwar Haji Karim	Member
3	Mr. Arshad Nasar	Member
4	Ms. Farhana Mowjee Khan	Member
5	Syed Mazhar Abbas	Member

<b>B.</b>	<b>Human Resource &amp; Remuneration Committee</b>	<b>Position</b>
1	Mr. Arshad Nasar	Chairman
2	Mr. Abbas D. Habib	Member
3	Ms. Farhana Mowjee Khan	Member
4	Mr. Murtaza H. Habib	Member
5	Syed Mazhar Abbas	Member

<b>C.</b>	<b>Credit Risk Management Committee</b>	<b>Position</b>
1	Syed Mazhar Abbas	Chairman
2	Mr. Arshad Nasar	Member
3	Mr. Mohammad Rafiquddin Mehkari	Member
4	Mr. Murtaza H. Habib	Member
5	Mr. Qumail R. Habib	Member

<b>D.</b>	<b>Risk Management Committee</b>	<b>Position</b>
1	Mr. Adnan Afridi	Chairman
2	Mr. Anwar Haji Karim	Member
3	Ms. Farhana Mowjee Khan	Member
4	Mr. Mohammad Rafiquddin Mehkari	Member
5	Mr. Qumail R. Habib	Member

<b>E.</b>	<b>IT Committee</b>	<b>Position</b>
1	Mr. Abbas D. Habib	Chairman
2	Mr. Arshad Nasar	Member
3	Mr. Javed Iqbal	Member
4	Mr. Mansoor Ali Khan	Member
5	Mr. Qumail R. Habib	Member



<b>F.</b>	<b>IFRS 9 Committee</b>	<b>Position</b>
1	Mr. Arshad Nasar	Chairman
2	Mr. Qumail R. Habib	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance.

14. The frequency of meetings of Board's Committees were as per following:

<b>Board's Committees</b>	<b>Frequency</b>
Audit Committee	Seven meetings held in the year
Human Resource & Remuneration Committee	Four meetings held in the year
Credit Risk Management Committee	Six meetings held in the year
Risk Management Committee	Four meetings held in the year
IT Committee	Four meetings held in the year
IFRS 9 Committee	Four meetings held in the year

15. The Bank has an effective internal audit division that is manned by suitably qualified and experienced personnel. The audit team is conversant with the policies and procedures 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 (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.

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 observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

MANSOOR ALI KHAN  
*Chief Executive*

ABBAS D. HABIB  
*Chairman*  
Board of Directors

Karachi: February 15, 2023



## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Bank AL Habib Limited

### 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 AL Habib 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. We have not carried out procedures to assess and determine the Bank's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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: February 24, 2023

UDIN: CR202210191vYdT7VUZ3