

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

FOR THE YEAR ENDED DECEMBER 31, 2022

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“Code” or “Regulations”) issued by the Securities and Exchange Commission of Pakistan (“the Commission”), for the purposes of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The total number of directors are eight (8) as per the following:
  - a. Male: seven (7) including President & Chief Executive Officer
  - b. Female: one (1)
2. The composition of the Board is as follows:

|      |                        |  |
|------|------------------------|--|
| i)   | Independent Directors  |  |
|      | 1-                     | Dr. Amjad Waheed                                       |
|      | 2-                     | Mr. Haider Ali Hilaly                                  |
|      | 3-                     | Dr. Lalarukh Ejaz                                      |
|      | 4-                     | Mr. Sulaiman Sadruddin Mehdi                           |
| ii)  | Non-executive Director |  |
|      | 1-                     | Mr. Ali Hussain  |
|      | 2-                     | Mr. Syed Ali Hasham                                    |
|      | 3-                     | Mr. Tasnim-ul-Haq Farooqui                             |
| iii) | Executive Directors    |  |
|      | 1-                     | Mr. Syed Amir Ali, President & Chief Executive Officer |
| iv)  | Female Director        |  |
|      | 1-                     | Dr. Lalarukh Ejaz                                      |

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this 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 updating 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 Companies Act, 2017 (the ‘Act’) and these Regulations.
7. The meetings of the Board were presided over by the Chairman of the Board and the Board has complied with the requirements of the 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 SBP BPRD Circular No. 3 dated August 17, 2019 SBP's Corporate Governance Regulatory Framework, Act and the Regulations.
9. Out of eight (8) directors including President & Chief Executive Officer, seven (7) directors have already attained Directors training program certification namely, Mr. Syed Amir Ali, Dr. Amjad Waheed, Mr. Haider Ali Hilaly, Dr. Lalarukh Ejaz, Mr. Sulaiman Sadruddin Mehdi, Mr. Syed Ali Hasham and Mr. Tasnim-ul-Haq Farooqui.
10. There were no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit, during the year. The Board has approved their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following committees comprising of members given below:

Board Audit Committee:

**Chairperson**

Mr. Haider Ali Hilaly

**Members**

Dr. Lalarukh Ejaz

Mr. Sulaiman Sadruddin Mehdi

Mr. Syed Ali Hasham

Mr. Tasnim-ul-Haq Farooqui

Board Human Resource & Remuneration Committee \*

**Chairperson**

Mr. Sulaiman Sadruddin Mehdi

**Members**

Mr. Ali Hussain

Dr. Amjad Waheed

Dr. Lalarukh Ejaz

Mr. Syed Ali Hasham

Mr. Tasnim-ul-Haq Farooqui

Board Risk Management Committee

**Chairperson**

Dr. Amjad Waheed

**Members**

Mr. Sulaiman Sadruddin Mehdi

Mr. Syed Ali Hasham

Mr. Syed Amir Ali

Board Information Technology (IT) Committee

**Chairperson**

Dr. Lalarukh Ejaz

**Members**

Mr. Haider Ali Hilaly

Mr. Syed Amir Ali

Mr. Tasnim-ul-Haq Farooqui

*\*In the 110th Board of Director's meeting held on March 01, 2022, the Board dissolved Board Remuneration Committee and Human Resource Management Committee with immediate effect and formed Board Human Resource & Remuneration Committee.*

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
- |   |             |
|---|-------------|
| Board Audit Committee                         | Quarterly   |
| Board Human Resource & Remuneration Committee | Half Yearly |
| Board I.T Committee                           | Half yearly |
| Board Risk Management Committee               | Half yearly |
15. The Board has set up an effective internal audit function with team who is considered suitably qualified and experienced for the purpose and are 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, the 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.



Syed Amir Ali  
President & Chief Executive Officer



Ali Hussain  
Chairman

Date: March 01, 2023



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF BANKISLAMIC PAKISTAN 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 BankIslami Pakistan 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.

**Date: 2 March 2023**

**Karachi**

**UDIN: CR2022101061CqsuBLIz**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**