

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

## For the year ended December 31, 2023

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:

<b>i)</b>	<b>Independent Directors</b>
	1- Mr. Akhtar Abbas
	2- Mr. Haider Ali Hilaly
	3- Mr. Sulaiman Sadruddin Mehdi
<b>ii)</b>	<b>Non-executive Directors</b>
	1- Mr. Suleman Lalani
	2- Mr. Ali Hussain
	3- Ms. Iffat Zehra Mankani
	4- Mr. Syed Ali Hasham
<b>iii)</b>	<b>Executive Director</b>
	1- Mr. Rizwan Ata, President & Chief Executive Officer *
<b>iv)</b>	<b>Female Director</b>
	1- Ms. Iffat Zehra Mankani

Note: The board of directors was elected effective from May 10, 2023.

\* Appointed as President & CEO effective from September 29, 2023 in place of Mr. Syed Amir Ali.

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. During the year, the Board of Directors has approved revised vision and mission statements of 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 have a formal policy and transparent procedures for remuneration of directors in accordance with SBP's Corporate Governance Regulatory Framework, Act and the Regulations.
9. The Board has arranged Directors' Training Program for Mr. Akhtar Abbas, Independent Director, and Mr. Rizwan Ata, President & Chief Executive Officer, during the year. Further, Mr. Suleman Lalani, Ms. Iffat Zehra Mankani, Mr. Haider Ali Hilaly, Mr. Sulaiman Sadruddin Mehdi and Mr. Syed Ali Hasham have already attained Directors training program certification. Moreover, Mr. Ali Hussain meets the requirements of exemption under the Regulations.
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**

Ms. Iffat Zehra Mankani

Mr. Sulaiman Sadruddin Mehdi

Mr. Syed Ali Hasham

Board Human Resource & Remuneration Committee

**Chairperson**

Mr. Akhtar Abbas

**Members**

Mr. Suleman Lalani

Ms. Iffat Zehra Mankani

Mr. Syed Ali Hasham

Board Risk Management Committee

**Chairperson**

Ms. Iffat Zehra Mankani

**Members**

Mr. Sulaiman Sadruddin Mehdi

Mr. Syed Ali Hasham

Mr. Rizwan Ata, President & CEO

Board Information Technology (IT) Committee

**Chairperson**

Mr. Haider Ali Hilaly

**Members**

Mr. Suleman Lalani

Mr. Akhtar Abbas

Mr. Rizwan Ata, President & CEO

Note: Subsequent to election of Directors and after receipt of SBP clearance, the Sub-Committees of the Board were re-constituted in the board meeting of the Bank held on July 25, 2023.

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 *	Quarterly
Board Risk Management Committee *	Quarterly

\* The Terms of Reference of the Committees were revised on October 4, 2023. Accordingly, the meetings of these Committees will be held on quarterly basis.

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.



Rizwan Ata  
President & Chief Executive Officer



Suleman Lalani  
Chairman

Date: February 28, 2024



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Chartered Accountants  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of BankIslami 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 2023 in accordance with the requirements of Regulation No. 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 2023.

**Date: 4 March 2024**

**Karachi**

**UDIN: CR202310106eZLhygWjP**



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