



Independent Auditor's Review Report

To the members of Faysal Bank 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 Code of Corporate Governance Regulations, 2019 (the Regulations) prepared by the Board of Directors of Faysal Bank Limited ('the Bank') for the year ended 31 December 2023, 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 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 of 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: 13 February 2024

Karachi

UDIN: CR202310188qVPWvLCTG

A handwritten signature in black ink, appearing to be 'Khalid Taseer', written in a cursive style.

KPMG Taseer Hadi & Co.
Chartered Accountants

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

Faysal Bank Limited
Year ended: December 31, 2022

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

1. The total number of directors are eleven as per the following:

Gender	Number
Male	09
Female	02

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Ali Munir
	Ms. Fatima Asad Khan (Female Director)
	Ms. Sadia Khan (Female Director)
	Mr. Mohsin Tariq
Non-Executive Directors	Mian Muhammad Younis
	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
	Mr. Juma Hasan Ali Abul
	Mr. Imtiaz Ahmad Pervez
	Mr. Abdulelah Ebrahim Mohamed AlQasimi
	Mr. Abdulla Abdulaziz Ali Taleb
Executive Director	Mr. Yousaf Hussain, President & CEO

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 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 and, in his absence, by a director elected by the Board for this purpose. 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 of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Presently out of Eleven (11) Board of Directors, the following Ten (10) Directors are Certified and have Completed the Directors' Training Program:

1. Mian Muhammad Younis
2. Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
3. Mr. Yousaf Hussain
4. Mr. Ali Munir
5. Mr. Juma Hasan Ali Abul
6. Mr. Abdulelah Ebrahim Mohamed AlQasimi
7. Mr. Abdulla Abdulaziz Ali Taleb
8. Ms. Fatima Asad Khan
9. Mr. Mohsin Tariq
10. Ms. Sadia Khan

Mr. Imtiaz Ahmad Pervez has attended and complete the Directors' Training Program, however the concluding test is pending.

The Bank had also arranged the following training for the Board of Directors in the year 2023:

- Compliance Structure for the Board of Directors by Pakistan Institute of Corporate Governance on April 28, 2023
- Directors' Orientation Workshop by Pakistan Institute of Corporate Governance on September 27, 2023
- Islamic Financial Contracts by Chairman Shariah Board of Faysal Bank Limited on October 26, 2023

10. The Board has approved the 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. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a) Board Audit and Corporate Governance Committee

Mr. Ali Munir	Chairman / Independent Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director

b) Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez	Chairman / Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Abdulla Abdulaziz Ali Taleb	Member / Non-Executive Director
Mr. Ali Munir	Member / Independent Director
Mr. Yousaf Hussain	Member / President and CEO

c) Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Chairman / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director
Ms. Fatima Asad Khan	Member / Independent Director
Ms. Sadia Khan	Member / Independent Director

The Code requires that the chairman of the human resource and remuneration committee is to be an independent director. The composition of the Bank's Recruitment Nomination and Remuneration Committee (RNRC) is in line with the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan which allows a non-executive director to be the Chairman in case the majority members of the committee are independent directors. Following the guidelines majority members of RNRC are independent directors, however, the Chairman of the RNRC is not an independent director.

d) Board Strategy Committee

Mian Muhammad Younis	Chairman / Non-Executive Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Ms. Fatima Asad Khan	Member / Independent Director
Mr. Imtiaz Ahmad Pervez	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

e) Board IT Committee

Ms. Sadia Khan	Chairperson / Independent Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Abdulla Abdulaziz Ali Taleb	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

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:
 - a) Board Audit & Corporate Governance Committee Quarterly meetings
 - b) Board Risk Management Committee Quarterly meetings
 - c) Recruitment Nomination and Remuneration Committee Quarterly meetings
 - d) Board Strategy Committee Quarterly meetings
 - e) Board IT Committee Quarterly meetings
15. The Board has set up an effective internal audit function which 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 company 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 company;
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.

Karachi

Dated: February 7, 2024



Mian Muhammad Younis
Chairman