



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Bank Limited

Review Report on 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 **Habib Bank Limited** (“the Bank”) for the year ended **December 31, 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 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 December 31, 2022.

KPMG Taseer Hadi & Co.

Chartered Accountants

Karachi

Engagement Partner: Aryn Pirani

Date: March 6, 2023

UDIN: CR202210201UA4kVgTLp

STATEMENT OF COMPLIANCE

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

For the year ended December 31, 2022

Habib Bank Limited (hereinafter referred to as 'the Bank') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") for the year ended December 31, 2022 in the following manner:

1. The total number of Directors is 8 as shown in the following table:

	Category	Number of Directors
a.	Male Director*	7
b.	Female Director	1

* including the President & CEO, who is an Executive Director.

2. The composition of the Board of Directors is as follows:

Categories	Names of Directors
Independent Directors	1- Mr. Salim Raza 2- Ms. Saba Kamal 3- Mr. Khaleel Ahmed
Non-executive Directors	4- Mr. Sultan Ali Allana 5- Mr. Shaffiq Dharamshi 6- Mr. Moez Ahamed Jamal 7- Dr. Najeeb Samie
Executive Director	8- Mr. Muhammad Aurangzeb

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) 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 approved 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 the Regulations.
7. The meetings of the Board of directors 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 meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations of SECP and SBP.
9. All Directors have either obtained required certification of SECP approved Directors' Training Programs (DTP) and/or stand exempted from such training, in accordance with the Regulations.
10. The Board has approved appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.

11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before the approval of the Board.
12. The Board has the following committees as of December 31, 2022 comprising of the members listed against each committee:

Name of Committee

Composition

- | | |
|---|---|
| a) Board Audit Committee (BAC) | <ol style="list-style-type: none"> 1. Mr. Khaleel Ahmed, Chairman 2. Mr. Moez Ahamed Jamal, Member 3. Dr. Najeeb Samie, Member |
| b) Board Compliance and Conduct Committee (BCNC) | <ol style="list-style-type: none"> 1. Mr. Moez Ahamed Jamal, Chairman 2. Mr. Shaffiq Dharamshi, Member 3. Mr. Khaleel Ahmed, Member |
| c) Board Development Finance Committee (BDFC) | <ol style="list-style-type: none"> 1. Mr. Salim Raza, Chairman 2. Mr. Khaleel Ahmed, Member 3. Ms. Saba Kamal, Member 4. Mr. Muhammad Aurangzeb, Member |
| d) Board Human Resource & Remuneration Committee (BHR&RC) | <ol style="list-style-type: none"> 1. Mr. Khaleel Ahmed, Chairman 2. Mr. Sultan Ali Allana, Member 3. Dr. Najeeb Samie, Member 4. Mr. Shaffiq Dharamshi, Member |
| e) Board IT Committee (BITC) | <ol style="list-style-type: none"> 1. Ms. Saba Kamal, Chairperson 2. Mr. Moez Ahamed Jamal, Member 3. Mr. Salim Raza, Member |
| f) Board Oversight Committee – International Governance (BOC-IG)* | <ol style="list-style-type: none"> 1. Mr. Sultan Ali Allana, Chairman 2. Dr. Najeeb Samie, Member 3. Mr. Muhammad Aurangzeb, Member |
| g) Board Risk Management Committee (BRMC) | <ol style="list-style-type: none"> 1. Mr. Salim Raza, Chairman 2. Mr. Shaffiq Dharamshi, Member 3. Mr. Muhammad Aurangzeb, Member |
| h) Board Nomination and Remuneration Committee (BNRC) | <ol style="list-style-type: none"> 1. Mr. Salim Raza, Chairman 2. Dr. Najeeb Samie, Member 3. Mr. Moez Ahamed Jamal, Member 4. Mr. Shaffiq Dharamshi, Member |
| i) Board Strategy Input & Monitoring Committee (BSIMC)** | <ol style="list-style-type: none"> 1. Mr. Sultan Ali Allana, Chairman 2. Mr. Moez Ahamed Jamal, Member 3. Dr. Najeeb Samie, Member 4. Ms. Saba Kamal, Member 5. Mr. Muhammad Aurangzeb, Member |
13. The Terms of Reference of the aforesaid committees have been prepared, documented and advised to the committee for compliance.

14. The number of meetings of the Board Committees held during the year were as per the following table:

Name of Committee	Number of Meetings
a) Board Audit Committee	8
b) Board Compliance and Conduct Committee	8
c) Board Development Finance Committee	4
d) Board Human Resource and Remuneration Committee	6
e) Board IT Committee	4
f) Board Oversight Committee – International Governance*	2
g) Board Risk Management Committee	6
h) Board Nomination and Remuneration Committee	4
i) Board Strategy Input & Monitoring Committee**	-

* Dissolved in September 2022

** Formed in October 2022

15. The Board has set up an effective Internal Audit function. The Internal Auditors are conversant with the policies and procedures of the Bank and are considered suitably qualified and experienced for the purpose.
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 (ICAP) and are registered with the 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 Companies Act 2017, 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.

Muhammad Aurangzeb
President & CEO

Sultan Ali Allana
Chairman

Date: February 24, 2023