

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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

1. The total number of directors are 8 (eight) as per the following:

Gender	Number
Male	7
Female	1

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Ali Abbas Sikander Mr. Rashid Ahmed Jafer
Female Independent Director	Ms. Tahira Raza
Non-Executive Directors	Mr. Hamza Habib Mr. Mohamedali R. Habib Mr. Mohomed Bashir Mr. Mohsin Ali Nathani Mr. Muhammad H. Habib
President & CEO	Mr. Khurram Shahzad Khan

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 Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board and the shareholders have approved a formal policy and transparent procedures for remuneration of directors in accordance with the instructions from the State Bank of Pakistan, Act and these Regulations.
9. The Bank is compliant with the requirement of directors' training program provided in these Regulations.
10. During the current year, there was no new appointment of Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit.

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:

Committees	Names	Committee Designation	Category of Director
Audit Committee	Mr. Rashid Ahmed Jafer	Chairman	Independent Director
	Mr. Mohsin A. Nathani	Member	Non-Executive Director
	Mr. Muhammad Hyder Habib	Member	Non-Executive Director
	Ms. Tahira Habib	Member	Independent Director
Human Resources & Remuneration Committee	Ms. Tahira Raza	Chairperson	Independent Director
	Mr. Mohamedali R. Habib	Member	Non-Executive Director
	Mr. Mohamed Bashir	Member	Non-Executive Director
	Mr. Mohsin A. Nathani	Member	Non-Executive Director
Risk & Compliance Committee	Mr. Muhammad Hyder Habib	Chairman	Non-Executive Director
	Mr. Khurram Shahzad Khan	Member	President & Chief Executive
	Mr. Mohsin A. Nathani	Member	Non-Executive Director
	Ms. Tahira Raza	Member	Independent Director
	Mr. Rashid Ahmed Jafer	Member	Independent Director
Credit Committee	Mr. Mohamedali R. Habib	Chairman	Non-Executive Director
	Mr. Hamza Habib	Member	Non-Executive Director
	Mr. Khurram Shahzad Khan	Member	President & Chief Executive
	Mr. Mohsin A. Nathani	Member	Non-Executive Director
	Mr. Rashid Ahmed Jafer	Member	Independent Director
IT Committee	Mr. Ali Abbas Sikander	Chairman	Independent Director
	Mr. Hamza Habib	Member	Non-Executive Director
	Mr. Khurram Shahzad Khan	Member	President & Chief Executive
	Mr. Mohamedali R. Habib	Member	Non-Executive Director

Note: The Board Committees have been reconstituted during the year after the election of Board of Directors.

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 the committees were as per following:

Committees	Frequency of Meetings
Audit Committee	Four meetings were held during the financial year ended December 31, 2023
Human Resources & Remuneration Committee	Four meetings were held during the financial year ended December 31, 2023
Risk & Compliance Committee	Three meetings were held during the financial year ended December 31, 2023
Credit Committee	Two meetings were held during the financial year ended December 31, 2023
IT Committee	One meeting was held during the financial year ended December 31, 2023

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15. The board has set up an effective internal audit function.
 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.

On behalf of the Board

KHURRAM SHAHZAD KHAN

President & Chief Executive Officer

Karachi: 15 February 2024

MOHAMEDALI R. HABIB

Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Metropolitan 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 Metropolitan Bank 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.

Karachi: 06 March 2024
UDIN: CR202310201p3kAzgeEa

KPMG Taseer Hadi & Co.
Chartered Accountants