



Micro Finance
apna bank
Limited

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

Name of Bank: Apna Microfinance Bank Limited

Year ending: December 31, 2022

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

1. The total number of directors are 9 as per the following:

- a. Female: 1
- b. Male: 8

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

Category	Number of Directors	Names
a) Independent Directors	2	Mr. Abdul Aziz Khan Ms. Tahira Raza
b) Non-Executive Directors	6	Mian M. A. Shahid Mr. Imad Mohammad Tahir Syed Rahat Ali Shah Mr. Muhammad Saleem Shaikh Mr. Mohammad Asghar Mr. Shahid Hassan
c) Executive Director	1	Mr. Wajahat Malik
d) Female Director	1	Ms. Tahira Raza

- 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 the Regulations.

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7. The meetings of the Board are 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 meetings of the Board.
8. The Board of directors has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations.
9. The Board has arranged Directors' Training Program (DTP) for the following directors:
 - Mr. Muhammad Akram Shahid
 - Mr. M Saleem Sheikh
 - Syed Rahat Ali Shah
 - Mr. Mohammad Asghar
 - Ms. Tahira Raza
10. The Board has approved appointment of CFO, 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) Audit Committee

Chairman	Mr. Abdul Aziz Khan
Member	Mr. Muhammad Asghar
	Mr. Imad Mohammad Tahir
	Mr. Muhammad Saleem Shaikh
	Syed Rahat Ali Shah

b) HR and Remuneration Committee

Chairman	Ms. Tahira Raza
Member	Mr. Wajahat Malik
	Mr. Imad Mohammad Tahir
	Syed Rahat Ali Shah
	Mr. Muhammad Saleem Shaikh

c) Risk Management Committee

Chairman	Mr. Muhammad Asghar
Member	Mr. Muhammad Akram Shahid
	Mr. Wajahat Malik
	Mr. Abdul Aziz Khan
	Syed Rahat Ali Shah

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 above referred was as under,

a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Half yearly
c) Risk Management Committee	Half yearly

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Board.

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 Accountant of Pakistan (ICAP) and are registered with Audit Oversight Board of Pakistan, that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP 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 of 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 requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3,7,8,27,32,33 and 36 of the Regulations have been complied with except that the number of independent directors of the Bank are less than one third of the total number of directors.

19. Explanation for non-compliance with some requirements, other than Regulations 3,6,8,27,32,33 and 36 is as under;

- Certain remaining policies will be developed in due course;
- Formation of nomination committee is under consideration;

- Directors Training Program will be arranged in due course for remaining directors; and
- The post of Head of Internal Audit vacant from March 2022 will be fulfilled in due course.



(Muhammad Akram Shahid)
Chairman