



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 ('the Rules') prepared by the Board of Directors of First Women Bank Limited ('the Bank') for the year ended December 31, 2024.

The responsibility for compliance with the Rules is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. 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 Rules.

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 Rules requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 and upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Rules as applicable to the Bank for the year ended December 31, 2024.

KARACHI

DATED: 11 APR 2025

UDIN: CR202410067oJ85cnaVW

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

Statement of Compliance

Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

Name of Bank: First Women Bank Limited (the Bank)

Name of the Ministry: Ministry of Finance

For the year ended: 31 December 2024

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "The Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Bank has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N	N/A									
			An explanation has been referred, where required											
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	√											
2.	<p>The Board has at least one-third of its total members as independent directors.</p> <p>The composition of Board of Directors for the year ended 31 December 2024 was as follows;</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td>President & CEO</td> <td>Mr. Farrukh Iqbal Khan</td> <td>3rd Jan, 2022</td> </tr> <tr> <td>*</td> <td></td> <td></td> </tr> </tbody> </table> <p>*On September 08, 2024 three years' term of Chairman and 3 Independent Directors was expired. Ms. Sumbul Munir (Nominee Director-HBL) was retired on Oct 30, 2024.</p>	Category	Names	Date of appointment	President & CEO	Mr. Farrukh Iqbal Khan	3 rd Jan, 2022	*			3(2)	√		
Category	Names	Date of appointment												
President & CEO	Mr. Farrukh Iqbal Khan	3 rd Jan, 2022												
*														
3.	The Directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	√											
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as board members under the provisions of the Act.	3(7)	√											

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
			An explanation has been referred, where required		
5.	The Chairman of the Board is working separately from the Chief Executive of the Bank.	4(1)	√		
6.	The Chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	4(4)	√		
7.	The Board has evaluated the candidates for the position of the Chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)			√ (a)
8.	The Board has ensured that obligations to all shareholders are fulfilled and they are duly informed in a timely manner of all material events through shareholder meetings.	5(3)	√		
9.	(a) The Bank has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures, including posting the same on the Bank's website. (www.fwbl.com.pk) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	√ √ √		
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety, objectivity, integrity and honesty and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	√		
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	√		

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
			An explanation has been referred, where required		
12.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Bank.	5(5)(b) (vi)	√		
13.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	√		
14.	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	√		
15.	The Board has developed a vision or mission statement, corporate strategy and significant policies of the Bank.	5(6)	√		
16.	The Board has developed significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7) & 5(9)	√		
17.	The Board has quantified the outlay of any action in respect of any service delivered or a goods sold by the Bank as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	√		
18.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	√		
19.	(a) The Board has met at least four times during the year.	6(1)	√		
	(b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	√		
	(c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	√		

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A									
			An explanation has been referred, where required											
20.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	√											
21.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	√											
22.	The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website.	10	√											
23.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11		√ (1)										
*24.	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with written terms of reference defining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated to all the board members.</p> <p>(d) The committees were chaired by the following non – executive directors:</p> <table border="1" data-bbox="300 1397 970 1866"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee (BAC)</td> <td>Mr. Wajahat Rasul Khan Ms. Sumbul Munir Ms. Bushra Ehsan</td> <td>Mr. Wajahat Rasul Khan</td> </tr> <tr> <td>Risk Management - Committee (BRCC)</td> <td>Ms. Sumbul Munir Mr. Wajahat Rasul Khan</td> <td>Ms. Sumbul Munir</td> </tr> </tbody> </table>	Committee	Number of Members	Name of chair	Audit Committee (BAC)	Mr. Wajahat Rasul Khan Ms. Sumbul Munir Ms. Bushra Ehsan	Mr. Wajahat Rasul Khan	Risk Management - Committee (BRCC)	Ms. Sumbul Munir Mr. Wajahat Rasul Khan	Ms. Sumbul Munir	12	√		
Committee	Number of Members	Name of chair												
Audit Committee (BAC)	Mr. Wajahat Rasul Khan Ms. Sumbul Munir Ms. Bushra Ehsan	Mr. Wajahat Rasul Khan												
Risk Management - Committee (BRCC)	Ms. Sumbul Munir Mr. Wajahat Rasul Khan	Ms. Sumbul Munir												
			√											
			√											
			√											
			√ (b)											

Statement of Compliance

S. No.	Provision of the Rules			Rule No.	Y	N	N/A
					An explanation has been referred, where required		
		Mr. Farrukh Iqbal Khan (President & CEO)					
	Human Resources Committee (BHRNCC)	Ms. Naghmana Alamgir Hashmi Mr. Muhammad Naheeb Agrawala Ms. Bushra Ehsan Mr. Farrukh Iqbal Khan (President & CEO)	Ms. Naghmana Alamgir Hashmi				
	Board I.T. Committee (BIT)	Mr. Muhammad Najeeb Agrawalla Ms. Naghmana Alamgir Hashmi Mr. Farrukh Iqbal Khan (President & CEO)	Mr. Muhammad Najeeb Agrawalla				
	Procurement Committee	NIL	NIL				
	<p>*On September 08, 2024 three years' term of Chairman and 3 Independent Directors was expired. Ms. Sumbul Munir (Nominee Director-HBL) was retired on Oct 30, 2024.</p>						
25.	The Board has approved the appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment.			13	√		

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
			An explanation has been referred, where required		
26.	The Chief Financial Officer and the Company Secretary have requisite qualifications prescribed in the Rules.	14	√		
27.	The Bank has adopted International Financial Reporting Standards notified by the Commission under subsection (1) of section 225 of the Company Act 2017.	16	√		
28.	The directors' report for the year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	√		
29.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Bank except those disclosed to the Bank.	18	√		
30.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the company contains criteria and details of remuneration of each director.	19	√ √		
31.	The financial statements of the Bank were duly endorsed by the chief executive and chief financial officer before approval of the Board.	20	√		

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A												
			An explanation has been referred, where required														
* 32.	<p>The Board has formed an audit committee, with defined and written terms of reference and having the following members:</p> <table border="1"> <thead> <tr> <th>Number of Members</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Mr. Wajahat Rasul Khan</td> <td>Independent Director</td> <td>BA(Economics) Article & Final 1 ICA England & Wales (UK)</td> </tr> <tr> <td>Ms. Sumbul Munir</td> <td>NON-Executive Director</td> <td>MSc(Finance) MBA</td> </tr> <tr> <td>Ms. Bushra Ehsan</td> <td>Independent Director</td> <td>MA Economics DAIBP Part-1</td> </tr> </tbody> </table> <p>The Chief Executive and Chairman of the Board are not members of the audit committee.</p> <p>*On September 08, 2024 three years' term of Chairman and 3 Independent Directors was expired. Ms. Sumbul Munir (Nominee Director-HBL) was retired on Oct 30, 2024.</p>	Number of Members	Category	Professional Background	Mr. Wajahat Rasul Khan	Independent Director	BA(Economics) Article & Final 1 ICA England & Wales (UK)	Ms. Sumbul Munir	NON-Executive Director	MSc(Finance) MBA	Ms. Bushra Ehsan	Independent Director	MA Economics DAIBP Part-1	21(1) & 21(2)	√		
Number of Members	Category	Professional Background															
Mr. Wajahat Rasul Khan	Independent Director	BA(Economics) Article & Final 1 ICA England & Wales (UK)															
Ms. Sumbul Munir	NON-Executive Director	MSc(Finance) MBA															
Ms. Bushra Ehsan	Independent Director	MA Economics DAIBP Part-1															
33.	<p>(a) The Chief financial officer, the Chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.</p> <p>(b) The audit committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief internal auditor and other executives.</p> <p>(c) The audit committee met the Chief internal auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the External auditors</p>	21(3)	√														

Statement of Compliance

S. No.	Provision of the Rules	Rule No.	Y	N	N/A
			An explanation has been referred, where required		
34.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The Chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	√ √ √		
35.	The external auditors of the Bank have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	√		
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	√		
37.	The Bank published and circulated a statement along with its annual report to set out the status of its compliance with these rules, and also filed with the Commission and the registrar concerned such statement along with its annual report.	24(1)	√ (c)		

Statement of Compliance

Explanation for Compliance and Non applicability with the provisions of Public Sector Companies (Corporate Governance) Rules, 2013

The Public Sector Companies (Corporate Governance) Rules 2013 promulgated by the Securities and Exchange Commission of Pakistan (SECP) has laid down certain provisions which are not considered applicable to the extent of overriding provisions of The Banks (Nationalization) Act, 1974 and Regulations of SBP BPRD. Other explanations are as follows:

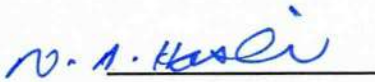
- (a) Under Sections (11) (1) (a & b), (2) & (3) of BNA 1974 the Federal Government may, if it deems necessary, appoint a President and not less than five and not more than seven other members including one or more directors whose election by the private shareholders shall be appointed by the Federal Government in consultation with SBP. Mr. Farrukh Iqbal Khan appointed by MoF on Dec 2019 as President & CEO and he joined FWBL on Jan 3rd, 2022.
- (b) The roles and responsibilities of Procurement Committee are being currently performed by the Board directly.
- (c) The management has submitted delayed Financial Statements for the years 2022 & 2023 with the relevant approval of SECP.



Farrukh Iqbal Khan
President & CEO



Muhammad Najeeb Agrawalla
Chairman Board



Independent Director



Independent Director

Statement of Compliance

Explanation for Non-Compliances with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the Bank to seek compliance in the forthcoming years:

S. No.	Rule/Sub-Rule No.	Reasons For Non-Compliance	Future Course of Action
1	11(1)	FWBL's Board of Directors including CEO are Certified. In the year 2023 Ms. Bushra Ehsan (Independent Director) got qualified Director Training Certificate from ICAP and Ms. Naghmana Alamgir Hashmi (Independent Director) got qualified Director Training Certificate from IBA-CEE in 2024.	In order to ensure the directors well conversant with the corporate law and practice, Orientation Course will be arranged.