

**SEMINAR ON “RESPONSIBLE BANKING CONDUCT- AN IMPERATIVE FOR SUSTAINABLE GROWTH” held on 22-8-2016 at NIBAF, Islamabad**

**CLOSING REMARKS BY Muhammad Akmal, DIRECTOR, BC&CPD**

Ladies & Gentlemen, it is indeed a privilege for me and my team to organize today's event and to have all you here for learning and sharing thoughts on Responsible Banking Conduct. As has been rightly said in the morning session, this event was one of the major milestones to communicate and connect with the top management of the banking industry and share with them SBP's observations as well as expectations regarding Consumer Protection and Responsible Banking Conduct.

You will agree that norms, ethics, values and culture in general differ between people, generations and even entities. Conduct being subjective in nature is difficult to be determined and enforced. Broadly speaking, there is no such thing as 'best approach' or a universally valid conduct framework, specially for the banks- as the conduct risk profile of every bank varies from the other but incidentally they directly or indirectly affect each others.

Ladies &Gentlemen, bankers are considered to be responsible participants in economic life therefore, their business conduct is highly important. The banks need to think about good governance, responsible behavior, corporate social responsibility- preferably guided by their self-regulation and sustainability- which is a pre requisite in the dynamic banking environment. May I add that the customer's trust is all important to successful banking which is to be won through sincerity & personal integrity. Sincere behaviour of individual employees strengthens the organization's reputation.

Since banking is built on trust, banks need to act by addressing the issue of adequate Responsible behavior. Naturally, regulations foster good conduct, but a bank needs to specify clearly the values its culture stands for. Not everything that is not explicitly forbidden is allowed! Therefore, management of the bank has to develop and implement an FTC framework that spells out:

1. their intentions and commitment viz a viz Responsible Banking Conduct and
2. their expectations from their staff as to how they should behave to exhibit Responsible Banking Conduct.

While concluding, I would like to share three key “take aways” from this Semina:

1. First, the behavior of individuals in banks is guided by the 'tone from the top'. It is therefore, board and senior management's responsibility to address and prioritise good conduct.

2. The second value I would name is responsibility – at the individual and the institution level. Banks, for their part, have to accept responsibility for complying with legal and regulatory requirements that govern matters of compliance and more importantly instill and adopt the concept of self-regulation.
3. Third, sustainability has to be another principle of good conduct in the dynamic banking environment. A bank that generates short-term profits may appear attractive at first glance, but in the long run only the banks that value sustainability will survive. Even if that means short-term costs or missed profits, the long-term benefits will outweigh them. Winning customers' confidence, cementing customer loyalties and building up a good reputation are tasks that take time and are costly, but they are necessary nonetheless. This holds true especially for the banking industry, because the customer's trust is all important to successful banking.

Ladies and Gentlemen, I'm immensely pleased to see that along with the senior management of SBP, a good number of CEOs or the second in commands of the banks attended this Seminar. For me it's a very encouraging sign, showing the desired level of seriousness and commitment on the subject matter. I'm also grateful to Mr. Naseer, Ms. Kathryn, Mr. Irfan Fazli and Ms. Memoona Afridi for taking out time from their busy schedules to contribute to our efforts to strengthen FTC regime and responsible conduct in the banking industry. I will take this opportunity to thank NIBAF as well as the team from SBP-BSC, Islamabad for their full support and cooperation.

I hope that this event has been a source of great learning for all of us. I am confident and hopeful that we together can take this industry to newer horizons of responsible banking and sustainable growth. I wish to have more such events of common interest in future.

I once again thank all the guest speakers, participants, specially the CEOs who personally honoured this event, organizers and NIBAF team.

Allah Hafiz and Good By