

Seminar on “Responsible Banking Conduct- A Cultural Transformation
LRC Auditorium , May 3, 2018

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 which is the second industry wide engagement session for the top management on Responsible Banking Conduct.

As has been rightly said in the morning sessions 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- because the conduct risk profile of every bank varies from the other but incidentally they directly or indirectly affect each others.

As we are aware that banking is built on trust, therefore, 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. It may not be assumed that anything which is not explicitly forbidden by regulations is allowed !

In view of its impact, bank's Responsible Culture is a priority area for the SBP. We expect banks to foster culture that support the spirit of regulations by conducting their business responsibly. We expect that banks do not limit FTC as a compliance issue rather they have it in their acumen to treat the customers fairly.

We have seen various dimensions of culture today. I would like to share three key “take away ” from today's Seminar:

1. First, the behavior of individuals in banks is guided by the 'tone from the top' to prioritize responsible conduct.

2. Secondly, the intentions of the top management needs to be visible in a bank through its investment in structures, human capital, systems and procedures. Banks who are doing what is required to be done, are merely doing the bare minimums and are standing on the bottom of FTC regime. Those who are self-assessing and following the expectations laid down in Conduct Assessment Framework (CAF) are the ones that are climbing the FTC ladder up.
3. Thirdly, FTC or Responsible Banking conduct is not a stagnant proposition. It is a continuously evolving and changing quest. As the consumer needs are changing, so are the modes of deliveries. Accordingly, banks need to have their eyes and ears to the ground! They need to be timely and properly equipped to address the upcoming challenges.

When I look back to the days we issued instructions for the banks to develop FTC framework and compare it with where we stand today as an industry on the front of FTC, I feel pride of the achievements we have made together. I am immensely pleased to see that banks have started investing in FTC as a key area of doing business. May it be trainings, recruitment, changes in structures, investment in R&D or for that matter, attending today's event. We expect that this zeal will keep on amplifying and we assure you that you always find us guiding and assisting you, where required. Similarly, we are open to welcome your suggestions for achieving our common goal of responsible banking conduct.

While concluding, I would like to thank our speakers 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 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 honored this event and my seniors and organizers of the event.

Allah Hafiz and Good Bye.
