

4

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What's Inside:

02

Banca Fueled
for the Future
Drivers 2025

08

Events 3RD
Quarter 2025

15

Corporate
Social
Responsibility

16

Social Media Ethics
& Responsibility
of a State



CONTENTS

Banca Fueled for the Future Drivers 2025

02

Article

SBP's Consolidated Customer Onboarding Framework

04

Charting the Future of Consumer Banking in Pakistan

07

Events 3RD Quarter, 2025

08

Article

Learning & Development Review, 3RD Quarter 2025

09

Corporate Social Responsibility

15

Social Media Ethics and Responsibility of a State

16

Shariah Beyond Borders

17





BANCA

FUELED FOR THE FUTURE

 DRIVERS 2025





SBP'S CONSOLIDATED CUSTOMER ONBOARDING FRAMEWORK: KEY CHANGES AND IMPLICATIONS

The 'Consolidated Customer Onboarding Framework' has been issued by the State Bank of Pakistan (SBP) vide BPRD Circular No. 01 of 2025 dated July 25, 2025 to streamline the account opening and customer onboarding process, aiming to improve customer experience and consolidate existing frameworks and instructions into a single document. This new framework aims to simplify, streamline, and remove interpretational ambiguities caused by the existence of separate onboarding instructions for different account/customer types, thereby ensuring efficiency in account opening and facilitating compliance.



Key Changes in Instructions

Area	Customers' Digital Onboarding Framework (previously issued & updated in 2022)	Consolidated Customer Onboarding Framework (Revised issued in July 2025)
Expanded Applicability and Scope	Primarily focused on "Customers' Digital Onboarding" for Banks and MFBs , specifically for Resident Pakistanis who are natural persons , covering all types of local currency (PKR) accounts and permissible Foreign Currency (FCY) Accounts.	Expands the applicability to a wider range of SBP Regulated Entities (REs) , including Banks, DFIs, MFBs, Digital Banks, and EMIs . It covers both in-branch and remote onboarding , and is applicable for opening accounts/wallets for Individuals and Entities (legal persons/arrangements), including Local Currency and Foreign Currency accounts, and explicitly mentioning Roshan Digital Accounts .
Unified Account Opening Process	Differentiated between "Asaan Digital Accounts (ADA) / Asaan Digital Remittance Accounts (ADRA) / Freelancer Digital Accounts (FDA)" and "Digital Accounts" (regular accounts) with separate requirements.	Adopts a consolidated approach with unified information and document requirements for all-natural persons (Table-A) and entities (Table-B), regardless of whether onboarding is in-branch or remote. This eliminates the previous distinct categories for digital accounts.
Detailed Entity Onboarding Requirements	Primarily focused on natural persons.	Provides comprehensive and detailed instructions for the onboarding of various entity types , including Sole Proprietorships, Partnerships, Limited Liability Partnerships (LLPs), Limited Companies/Corporations, Branch/Liaison Offices of Foreign Companies, Trusts, Clubs, Societies, Associations, INGOs / NGOs / NPOs / Charities. This level of detail for entities was not present in the 2022 Digital Onboarding Framework.

Key Changes in Instructions

Area	Customers' Digital Onboarding Framework (previously issued & updated in 2022)	Consolidated Customer Onboarding Framework (Revised issued in July 2025)
Revised Identity Verification (CDD) Procedures	Allowed NADRA Verisys at account opening, but required Biometric Verification (BV) within 60 days, with a debit block imposed if not conducted within that period. Mobile SIM ownership verification was also required.	Makes Biometric Verification (BV) the primary method for customers with CNIC / NICOP / POC / ARC / POR cards prior to establishment of the relationship/opening of the account/wallet. NADRA Verisys is now specified as an alternate only in specific scenarios (e.g., permanent physical disability, senior citizens over 60, non-residents outside Pakistan). A tiered approach for digital/remote onboarding is mandated, starting with BV, then Verisys with CNIC-MSISDN pairing and OTP/callback, and finally, Verisys with a debit block if the previous steps fail, with a final step of guiding the customer to a branch if all digital options are exhausted. For digital banks/EMIs without physical presence, a recorded video KYC/interview along with NADRA Verisys is required.
Turn-Around Time (TAT)	Stated a maximum of two working days for a decision on ADA, ADRA, FDA, and other digital accounts.	Retains the two working days TAT for individual customers but introduces a distinct five working days TAT for entity customers , from the day of receiving complete documents.
Amendments to AML/CFT/CPF Regulations	Highlighted compliance with AML Act, 2010.	The issuance of the Consolidated Customer Onboarding Framework directly results in amendments to the existing AML/CFT/CPF Regulations for SBP REs. Specifically, provisions related to customer identification, verification of identity, and beneficial ownership now refer to the Consolidated Customer Onboarding Framework for required information and documents, superseding previous annexures (Annexure-I and Annexure-II). A new Annexure-I for "Information and document to be obtained from Occasional Customer" is added.
Standardised Account Opening Form (SAOF)	—	For face-to-face onboarding, banks and MFBs are required to use a Standardised Account Opening Form (SAOF) for Resident Pakistani Accounts, which is provided as Annex-A in the Consolidated Framework. This provides a uniform approach for in-branch account opening. In essence, the "Consolidated Customer Onboarding Framework" represents a more comprehensive and integrated regulatory approach to customer onboarding, expanding its scope to cover all SBP Regulated Entities, all customer types (individuals and entities), and both in-branch and digital channels, while also directly amending other relevant regulations for improved clarity and efficiency.
Security and Infrastructure Requirements (Audit)	Required banks/MFBs to conduct an "annual audit" of their digital onboarding arrangements.	Updates this to "periodic audit" based on risk assessments and mandates full compliance of the audit report within three months of its issuance . It also explicitly refers to specific existing circulars for mobile app security, digital banking product security, digital payments security, and enterprise technology governance.

Implementation of the Key Changes

1	Comprehensive Policy and Process Documentation Updates	Banks must comprehensively update all existing policies, process documents, and internal guidelines to align with the framework's expanded applicability and scope, which now covers all SBP Regulated Entities (REs), both in-branch and remote onboarding, and all customer and account types. This includes reflecting direct amendments to AML/CFT/CPF Regulations
2	Development of Digital Onboarding Portals for Entities	Systems must ensure the availability of robust digital portals capable of facilitating the onboarding of various entity types, capturing newly mandated detailed information and associated documents.
3	Implementation of Smart Computerised Account Opening Interfaces at Branches	SBP REs are encouraged to implement a smart computerized interface at branches for efficient, paperless account opening. This interface should be used by branch staff to fill forms digitally, be integrated with biometric verification/NADRA API, connected to a centralized application tracking system, and ideally enable live photo capturing and automatic name screening.
4	Alignment of Account Opening Forms with Standardized Format	For face-to-face onboarding of Resident Pakistani Accounts, banks and Microfinance Banks (MFBs) shall invariably use the Standardized Account Opening Form (SAOF) provided in Annex-A, requiring changes to existing forms.
5	Availability of Account Opening Forms in Urdu	The Standardized Account Opening Form (SAOF) must be maintained in both Urdu and English.
6	Integration of Live Photo Capturing Capability	Digital onboarding applications (excluding Asaan Mobile Accounts) must have the functionality to capture live photos that are verified against the picture on the valid ID document. Branch interfaces are encouraged to enable this for photo accounts.
7	Establishment of Digital Product Information Portals	Systems shall make products and their required documents readily available on portals for customers to easily apply as per their needs.
8	Implementation of Video KYC System for Enhanced Due Diligence	For customers requiring Enhanced Due Diligence (EDD) during non-face-to-face onboarding, and for specific digital bank/EMI scenarios, systems must facilitate a recorded video call facility for KYC/interviews, with all data retained as per record retention requirements

The 'Consolidated Customer Onboarding Framework' **directly supersedes** a list of previously issued instructions, which are now replaced by the new framework. These include:

- **"Customers' Digital Onboarding Framework"** issued vide BPRD Circular No. 02 dated September 15, 2021, and revised vide BPRD Circular Letter No. 15 dated April 30, 2022.
- **"Guidelines on Low Risk Bank Accounts with Simplified Due Diligence - Asaan Account"** issued vide BPRD Circular No. 11 dated June 22, 2015, and revised vide BPRD Circular Letter No. 10 dated April 13, 2022.
- **"Guidelines on Low Risk Bank Accounts with Simplified Due Diligence - Asaan Account" (Asaan account FAQs)** issued vide BPRD Circular Letter No. 24 dated July 31, 2015.
- **"Framework for Freelancers Accounts"** issued vide BPRD Circular No. 05 dated October 23, 2023.
- **"Regulations for Digital On-Boarding of Merchants"** issued vide BPRD Circular Letter No. 01 dated January 06, 2020.
- **"Rules for Digital On-boarding of Merchants"** issued vide PSD Circular No. 03 of 2019 dated November 1, 2019.
- **"Introduction of Basic Banking Account"** issued vide BPD Circular No. 30 of 2005 dated November 29, 2005.
- **"Framework for Remote/ Digital Onboarding of Non-Resident Pakistanis (NRPs) and Non-Resident Pakistan Origin Card (POC) Holders"** issued vide BPRD File Letter No. BPRD/AML-01/2020-9124 dated August 13, 2020, and revised vide BPRD File Letter No. BPRD/AML-01/2021-9510 dated August 26, 2021.
- **"Framework for Remote/ Digital Account Opening of Non-Resident Legal Entities"** issued vide BPRD File Letter No. BPRD/AML-01/2022-10265 dated October 12, 2022.



Contributed by:

Muhammad Faizan Imtiaz
Policies & Procedures

CHARTING THE FUTURE OF CONSUMER BANKING IN PAKISTAN

Consumer banking landscape in Pakistan is on point of a profound transformation, favourable regulatory support, and the rising demands of a young, tech-savvy populace. While economy remains heavily reliant on cash, a tangible shift toward digital financial services signals a promising, though challenging, future.



Rise of Digital Tools:

Use of mobile and internet banking is surging, which encouraged the use of digital channels for transactions and government relief disbursements. Banks are beginning to leverage Artificial Intelligence (AI) and data analytics for hyper-personalised services, enhanced customer experience, and improved risk management.



Expanding the Consumer Finance Portfolio:

Traditionally, banks focused heavily on corporate and public sector lending. However, the future is set to see a resurgence and diversification of the consumer finance portfolio by introducing “Mera Ghar Mera Pakistan” and “Mera Ghar Mera Ashiana” Govt. backed schemes.



Consumer Lending Growth:

Banks have a growing opportunity to expand offerings like personal loans, auto loans, credit cards, solar finance and mortgage finance, leverage digital tools for more efficient and lower-risk credit assessment.



Islamic Banking's Role:

The Islamic banking sector providing a Sharia'h-compliant alternative that is positively perceived for its service quality, indicating a growing segment of the market focused on ethical and religious compliance in finance.



Contributed by:

Masood Siddiqui
Consumer Process & Governance
Retail Banking

EVENTS

3RD QUARTER, 2025



Celebrating the Cricket Champions of **HABIBMETRO**



Photography Art Exhibition in Collaboration with the Turkish Consulate and Yunus Emre Institute



Signing Ceremony for the Collection Arrangement with PTCL Group



MOU Signing with Shifa International Hospitals Limited



Joining the Cashless Revolution - First Micro Merchant Onboarded

LEARNING & DEVELOPMENT REVIEW, 3RD QUARTER 2025



Larning Centre, Karachi

HIGHLIGHTS



Total No. of Unique Participants

6,425

Total No. of Courses 322



In-House Trainings

159

Unique Participants

2,569



External Trainings

14

Unique Participants

36



HLearning

149

Unique Participants

6,315

List of Facilitators

Big thanks to all our subject matter experts for their sincere contributions towards learning.

Name	Designation
Khawaja Noor Ul Hassan	Resident Shariah Board Member
Muhammad Ayaz Sheikh	Country Treasurer
Rizwan Ahmed	Regional Business Head – Commercial South
Saleemullah Sheikh	Head of Islamic Banking
Amber Agha	Head of Centralized Account Services Department & Operation Support
Farheen Nasir	Unit Head ICFR
Fauzia Sohail	Head IT RM Digital
Kashif Ahmed	Regional Operation Head
Kashif Qadri	Head - Trade projects, TBML, RR and TPMU
Mahwash Amer	Head of Portfolio Monitoring and Management
Maryam Fatima Hafeez	Regional Operation Head
Muhammad Adeel Malik	Head of Credit South
Muhammad Umer	Head Digital Platform
Naveed Ahmed	Head of Quality Assurance
Omair Aziz	Unit Head -Zone 1
Ovais Islam	Head Anti-Financial Crimes & Compliance
Salman Tariq	Unit Head Corporate Banking
Sehba Mansoor	Head, Correspondent Banking
Syed Ahsan Abbas	Regional Corporate Head
Syed Faheem Ul Islam	Officiating Head of Consumer
Adil Ahmed Sethi	Product Head Autos
Anjum Fatima	Head, HR Relationship Management
Arafat Ashraf	Unit Head Cards Product Development
Asma Abbas	HR Business Partner
Irfan Lalani	Head HR Shared Services, ER & Governance
Mairaj Hussain	Unit Head - HR Shared Services
Masood ul Haq Siddiqui	Unit Head Consumer Processing & Governance
Mohammad Taha Jawed	Product Head Secured Loans
Muhammad Arif	Regional Operation Head
Muhammad Hammad Jafri	Unit Head Products - IBD
Muhammad Imran Ilyas	Zonal Operations Manager - IBD
Rehan Habib	Unit Head - Transactions Surveillance / Monitoring
Syed Raziuddin	Unit Head-TBML Monitoring

List of Facilitators

Big thanks to all our subject matter experts for their sincere contributions towards learning.

Name	Designation
Syed Sajjad Haider	Manager Budgeting
Uzair Saeed Dar	Team Leader - LLC
Yasir Saeed	Unit Head Corporate Banking
Faisal Nisar	Manager - Operational Governance and Human Resources Business Partner
Malik Qamar Hayat	Manager Customer Insights and SQ Governance
Mirza Owais Bakht Temuri	Sr. Dealer FX Sales
Muhammad Tariq	Unit Head - Data Analytics & Investigation
Omer Siddiqui	Head HR Rewards, Policies & Systems
Syed Shoaib Ali Jafri	Unit Head - CFT
Syed Taha Mohiuddin	Regional Head Operations & Compliance
Syed Wajeeh Ul Husnain	Unit Head, Home Remittances (FI)
Hammad Ahmed Baig	Business Continuity Planning - Coordinator
Kazim Raza	Unit Head - HR Systems & Offboarding
Mehwish Sultan	TL - Call Centre
Muhammad Usman Dar	Officer, Trade Facilitation Desk
Murtaza	Product Manager - Liabilities
Nicholas Ali	Unit Head - Compliance Systems, FATCA & CRS
Syed Mansoor Hussain	Head of External Agency Coordination
Syed Muhammad Baqar	Manager ATMs
Uzair Ahmed	Manager - Product & Sales
Ali Raza Shalwani	Manager Employee Relations
Ayesha Talha Khan	Manager - HR Operations
Ayman Hina Daudpota	Marketing Manager - Product & Services
Mubashir Ahmed	Product Manager Employee Banking
Mushk Zehra	Product Manager - Liabilities
Umair Ullah	Assistant Product Manager Auto Loans
Farrukh Raza Hyderi	Officer Pool Management
Owais Shariq	Payment Authorization Officer
Syed Muhammad Raza Naqvi	Officer ICFR
Zeshan Ahmed	Payment Processing Officer
Syed Dabeer ul Haque	Assistant Product Manager - RDA



1. Islamic Banking Training Programme for CMC Members

As part of the Bank's **Islamic Transformation Plan**, a customised sensitisation session on **Islamic Banking** was organised for the **CMC members** in collaboration with NIBAF. The programme aimed to broaden leadership perspectives on the global and domestic Islamic Banking landscape and to provide clarity on the opportunities and challenges facing the industry.

The session highlighted the critical role of senior leadership in ensuring successful adoption of the Shariah Governance Framework, reinforcing how effective oversight and guidance from the top are vital to shaping the Bank's Islamic journey. Participants also gained insight into future industry trends, enabling them to anticipate market shifts and align strategies with the evolving financial ecosystem. This initiative reflects a major step in strengthening leadership readiness and building shared ownership of the Bank's Islamic Transformation agenda.



2. Islamic Finance Leadership Programme

To further strengthen leadership capacity in Islamic Banking and Finance, one of our **Senior Female Executives (EVP)** represented HABIBMETRO at the prestigious **Islamic Finance Leadership Programme (IFLP)** at the **University of Cambridge**. Hosted at Trinity Hall, the programme brought together thought leaders and practitioners from across the globe for 48 hours of intensive in-person learning, peer exchange, and industry dialogue.

The participation not only reflects individual

professional excellence but also underlines the Bank's strong commitment to developing future-ready leaders who can navigate the evolving Islamic Finance landscape. By engaging with international experts and exploring regulatory, strategic, and governance dimensions of the industry, this initiative positions HABIBMETRO as a values-driven institution prepared to embrace innovation and growth in Islamic Banking.



3. Women Champions Programme

In line with our commitment to fostering inclusion and empowering women in banking, the Bank successfully conducted guidance sessions for **Women Champions** across customer-facing roles. The programme was designed to ensure employees are equipped with the awareness and skills needed to better mobilise, onboard, and serve women customers with sensitivity and confidence.

Delivered both in **Karachi** and virtually via **Zoom**, the sessions **engaged 99 participants** from across the Bank. By building gender sensitivity into daily interactions, this initiative strengthens not only our service to women customers but also reinforces the Bank's broader mission of creating a more inclusive financial ecosystem.



4. Anti-Sexual Harassment Programmes

To reinforce a safe, respectful, and compliant workplace, the Bank conducted awareness sessions on **Anti-Sexual Harassment practices** in collaboration with the **Federal Ombudsperson Secretariat for Protection Against Harassment (FOSPAH)**. Sessions were held in Quetta and Karachi, engaging nearly **90 participants** from across functions.

The sessions provided clarity on regulatory protections, internal support mechanisms, and employee responsibilities in creating a positive and inclusive work culture. By strengthening awareness and empowering employees, these initiatives not only ensure compliance with legal requirements but also help embed a culture of dignity and respect across the Bank.



During these rotations, trainees are directly engaging with teams, customers, and operations, allowing them to gain hands-on exposure to the Bank's business. This structured journey not only sharpens their technical and professional skills but also prepares them to contribute meaningfully to the Bank's growth. The MTO programme remains a cornerstone of **HABIBMETRO's** talent pipeline, ensuring the grooming of future leaders who are aligned with the Bank's long-term vision.



6. Certified Trade Professional Programme

To further strengthen trade capabilities across the Bank, a comprehensive **5-day Certified Trade Professional Programme** was conducted in Karachi. Designed to build both depth and breadth of knowledge, the programme covered critical areas of trade finance, including documentary credits, collections, guarantees, and trade-based compliance, alongside emerging areas such as digital trade operations and automated processes. In addition, participants were introduced to risk identification and mitigation frameworks, ensuring a well-rounded understanding of trade practices.

A total of **24 participants** successfully completed the certification, demonstrating their readiness to apply enhanced expertise in their respective roles. This initiative reflects the Bank's commitment to continuously investing in specialised capability development & reinforcing operational excellence in trade services.



5. Management Trainee Officers Batch 2025

This quarter marked the onboarding of **7 new Management Trainee Officers (MTOs)** under Batch 2025. The trainees successfully completed an intensive classroom programme covering **Branch Operations, Islamic & Retail Banking Products, Compliance, Credit, and Trade Skills**. Building on this foundation, the MTOs have now moved into **rotational on-the-job training (OJT)** across key divisions.

7. Leadership Excellence Academy

The third cohort of the **Leadership Excellence Academy** was successfully concluded in **Karachi**, marking the completion of the programme. Designed for **Branch Managers** and **Area Heads** from **Commercial Bank South**, this immersive four-day experience focused on building the core competencies that define impactful leadership today:

- Strategic thinking and business foresight
- Effective people and performance management
- Confident, results-driven communication

The programme is more than just a training—it is a powerful step toward strengthening the leadership backbone of commercial branch network. **64 front-line leaders** successfully completed the inaugural sessions held in Karachi, taking away not just tools, but a renewed sense of purpose and clarity in their leadership roles.



8. Leadership Retreat

As part of the Bank's Leadership Development Plan, senior team members participated in the annual **"GROW THYSELF" Leadership Retreat** held in Bhurban. This exclusive off-site programme brought together **4 of our Senior Executives** (1 EVP and 3 SVPs) in an immersive setting focused on personal growth, strategic reflection, and professional development.

The retreat provided a valuable opportunity for participants to step back from day-to-day operational demands, re-energize, and engage in peer learning and forward-looking dialogue. Through reflective exercises and collaborative discussions, the leaders explored strategies to strengthen leadership effectiveness and align with the Bank's long-term vision.



9. Living Our Values Programme

The **Living Our Values Programme** continues to play an important role in strengthening our corporate culture. This quarter, sessions were conducted in Karachi, Lahore, Islamabad, and Peshawar, with a special session organised exclusively for Functional Heads to reinforce alignment at the leadership level.

With **207 staff members trained so far**, the programme has steadily grown in reach and impact, helping embed our core values into daily practice. By deepening cultural alignment and encouraging a values-driven mindset, the programme supports stronger employee engagement and ensures that our values remain central to both individual behavior and organisational performance.



Contributed by:

HR Team



CSR

Corporate Social Responsibility



Blood Donation Drive in Collaboration with Indus Hospital



Visit to WWF Wetland Centre



Donation of Electric Wheelchairs to Disability Welfare Association

SOCIAL MEDIA ETHICS AND RESPONSIBILITY OF A STATE

Prophet Muhammad ﷺ, the pride of Arabs and all humanity, stands as the perfect model whose life guides every aspect of existence. The Seerah (Prophet Muhammad's Model) is not merely a historical account but a complete practical constitution for humanity, the central thesis posits that an Islamic state is morally and practically obligated to institutionalise the Prophet's communication ethos to safeguard its citizens and harness the transformative potential of the digital landscape.

As social media advances into the "**Age of Information**," it transforms communication and connectivity, presenting both new opportunities and significant ethical, educational, and governance challenges that require careful consideration. To grasp the dual nature of social media, the paper introduces a powerful analogy:

Social Media is like Fire. Fire possesses two fundamentals:

Light & Burning

When used wisely, it enlightens minds through knowledge, fuels economic growth and enhances transparency. However, when misused, it becomes a destructive blaze that spreads misinformation, fosters extremism, damages reputations, and erodes moral and social harmony. The true nature of this digital "fire" depends not only on state regulations but on the intentions, intellect, and discipline of its users.



In this context, the state carries a moral and practical responsibility to ensure ethical digital governance. Inspired by prophetic teachings, a comprehensive Digital Code of Ethics should be established—defining and penalizing cybercrimes such as hate speech, data breaches, and indecent content, while instituting rapid mechanisms for the removal of harmful material. The goal must be to make the digital space one of Amn (peace) and Silm (safety), protecting citizens from psychological, financial, and reputational harm.

Ultimately, the digital revolution is a crucial test of governance, with social media as the key public space of the 21st century. State's duty is to create policies and education that transform individuals from passive data consumers to

responsible digital citizens by emphasizing Sidq (Truthfulness) and Amanah (Trustworthiness) in digital interactions and promoting social media's educational and its benefits. This engagement fulfills the Seerah's timeless mandate to establish justice, knowledge, and peace on earth, both physically and digitally.



Contributed by:

Hafiza Tooba Sani
Shariah Compliance



SHARIAH BEYOND BORDERS

SHARING PAKISTAN'S ISLAMIC BANKING STORY AND SIRAT'S SUCCESS IN MALAYSIA

In a world where financial systems increasingly intersect across borders, the principles of ethical and Shariah-complaint finance serve as a unifying language that transcends market differences. The journey of Islamic banking is no longer confined to local landscapes but is rapidly becoming a global conversation centred on governance, transparency, and innovation. Against this backdrop, the recent visit of Ahmed Shah Khattak, Head of Shariah Compliance and Secretary to the Shariah Board at **HABIBMETRO SIRAT** Pakistan, to Malaysia stands as a significant milestone. This visit not only showcased Pakistan's remarkable progress in Islamic banking on an international stage but also highlighted SIRAT's growing footprint worldwide.

Representing Pakistan and **HABIBMETRO SIRAT** this journey was underpinned by mutual dialogue a two-way exchange that allowed for the presentation of Pakistan's expertise and banking legacy alongside an opportunity to learn from Malaysia's own impressive advancements in Islamic finance.

The cornerstone of this visit was participation in the Association of Shariah Advisors in Islamic Finance (ASAS) Shariah Compliance Forum 2025 held in Kuala Lumpur. Here, an overview of Pakistan's robust Islamic banking framework, combined with the storied heritage of the Habib family, was shared with an audience of more than one hundred international Islamic banking experts.



This forum provided a dynamic platform to engage with global thought leaders on the evolving landscape of Shariah governance and compliance.

The engagement was overwhelmingly positive of particular interest was Pakistan's Shariah Governance Framework and the innovative role of the Resident Shariah Board Member (RSBM). This model, unique in its practical application, sparked thoughtful discussions among Malaysia's Islamic finance fraternity, showcasing Pakistan's leadership in bridging governance theory and operational practice.

Discussions also highlighted Habib Bank Zurich's (HBZ) extensive global presence, operating in eleven locations across four continents. The conversation further explored **HABIBMETRO SIRAT**'s practical experience, most notable its successful conversion of more than one hundred and seventy-four conventional banking branches to fully Islamic banking branches in just five years, which constitutes 43% of the Bank's Branch Network in Pakistan. This rapid transformation journey was accompanied by invaluable learnings and insights, reinforcing Pakistan's position as a regional pioneer.

A significant highlight was the recognition of the pivotal role played by Tan Sri Dr. Mohd Daud Bakar, Chairperson of the Bank's Shariah Board. His decades of expertise have been instrumental in establishing and implementing best practices in





Shariah compliance, contributing to the Bank's strong governance framework. The diversity within the Shariah Compliance Department—spanning thought, gender, and perspectives was also emphasised, reflecting a modern and inclusive approach to Shariah governance.

This branch conversion process is part of a broader national initiative to promote Islamic banking gaining momentum after a landmark Federal Shariah Court's decision has been instrumental in supporting the transformation of the banking industry to a Shariah-compliant financial system under the strategic eye of the State Bank of Pakistan. The government's proactive stance in this direction was welcomed, as it marks a significant step toward deepening Islamic finance's footprint in Pakistan's economy.

During the conference, Khattak had the opportunity to meet Zilkifli Hassan, Malaysia's Deputy Minister of the Prime Minister's Officer for Religious Affairs. Their discussion focused on Pakistan's Islamic banking journey and the Shariah Governance Structure at **HABIBMETRO SIRAT** and the wider group. Hassan underscored the critical importance of Shariah compliance and transparency in Islamic banking and praised Pakistan's successful implementation of a comprehensive Shariah Governance Framework as a notable advancement in the sector.

The exchange of knowledge proved to be reciprocal. One of the most inspiring takeaways from Malaysia was witnessing the proactive role of local Religious Scholars in Kuala Lumpur mosques. These leaders serve not only as spiritual guides but also as educators who use their platforms to demystify digital Islamic banking for their communities. Their emphasis on cybersecurity and password protection in financial transactions exemplifies grassroots financial literacy in action—an innovative approach that Pakistan's community can learn from.

This knowledge exchange reinforced that Pakistan is not merely a participant in the global Islamic finance dialogue but a significant contributor. With a strong Shariah-compliant ecosystem nurtured over two decades, Pakistan is well-positioned to serve as a model for other countries navigating Islamic banking's complexities. The visit thus acted as a bridge between two nations united by a shared passion for ethical finance, highlighting the potential for sustained mutual learning and collaboration to shape the future of the industry.

Through such knowledge-sharing initiatives, SIRAT is poised to further strengthen its ties internationally and promote its financial sector expertise on the global stage. As the Islamic banking industry continues to evolve rapidly, the key insights and strategic takeaways from this visit will play a crucial role in shaping its future—both locally and globally.



WAY FORWARD - SHAPING THE FUTURE OF ISLAMIC BANKING

- » Islamic finance on real economic activity. This principle distinguishes it from conventional finance, where many products are based on taking positions rather than taking ownership.
- » When an Islamic Banking Institution (IBI) launches a new product, it shifts to the direct custodianship of management, encompassing credit assessment, execution, advertising, and marketing.
- » Shariah's role is more selective; it primarily excludes impermissible elements, allowing flexibility and innovation within Islamic finance. Transparency and traceability are cornerstones of Shariah.
- » To remain competitive and relevant in a fast-evolving financial ecosystem, Islamic finance embraces fintech innovations, integrating technology which enables Islamic finance to be faster, cheaper, and smarter.



Contributed by:

Ahmed Shah Khattak
Shariah Compliance

RECENT AWARDS & RECOGNITION



**HABIBMETRO received
4 Elite Quality Awards by J.P. Morgan
&
Corporate Social Responsibility Award
by Shaukat Khanum Hospital
in 2025**