

HABIBMETRO *Newsletter* 4TH QUARTER, 2024

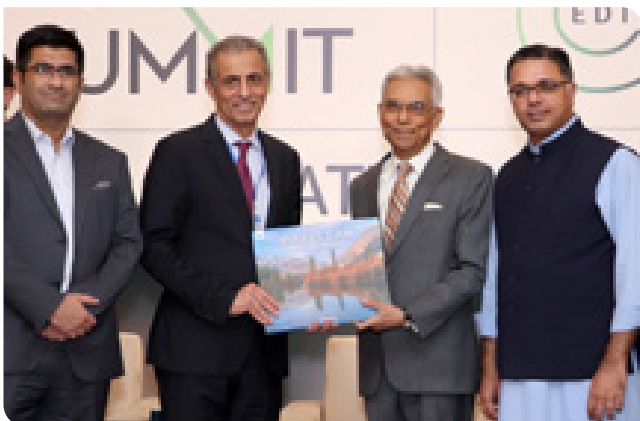


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CEO's Message

Dear Team,

I trust this message finds you in good health and spirits.

As we welcome the new year, I want to extend my gratitude to each of you for your commitment and support during the past year. Your dedication towards **HABIBMETRO** has been the driving force behind our continued growth and success.

I am delighted to share that, with the blessings of the Almighty and the support of our team, we achieved key milestones in 2024, including the Best Mid-Size Bank (Runner-up) award from CFA Society Pakistan, recognition as the 7th leading organisation among the Top 25 Companies by PSX and the Best Bank for Islamic Conversion Strategy award at the Islamic Retail Banking Awards. These accomplishments reflect the dedication of our team and the trust of our valued customers.

To gauge employee engagement levels, the Bank launched the Employee Pulse Survey in 2024. It also continued to prioritise Diversity & Equity in workforce, having reached a landmark of 1,500 female employees in the Bank. This translates to 23.5% gender diversity ratio. **HABIBMETRO'S** initiatives in this area were globally recognised as the Bank was recently awarded three GDEIB Awards, including DEI Structure, DEI Learning & Development and Community, Government Relationships and Philanthropy.

To celebrate the occasion of New Year, I am pleased to share that the Bank is announcing 2nd ex-gratia bonus for 2024 to all eligible staff. In addition to the ex-gratia bonus, the management has decided to continue the interim inflationary allowance for one more quarter i.e. Q1 2025. I am hopeful that these initiatives will support our staff in navigating these challenging times. HR will send out a communication shortly with details of the ex-gratia payment and inflationary allowance.

At **HABIBMETRO**, we are deeply humbled by the opportunity to support those in need through our ongoing corporate social responsibility initiatives. From healthcare and education to environmental sustainability and community development, we have worked together to uplift and empower communities across the country.

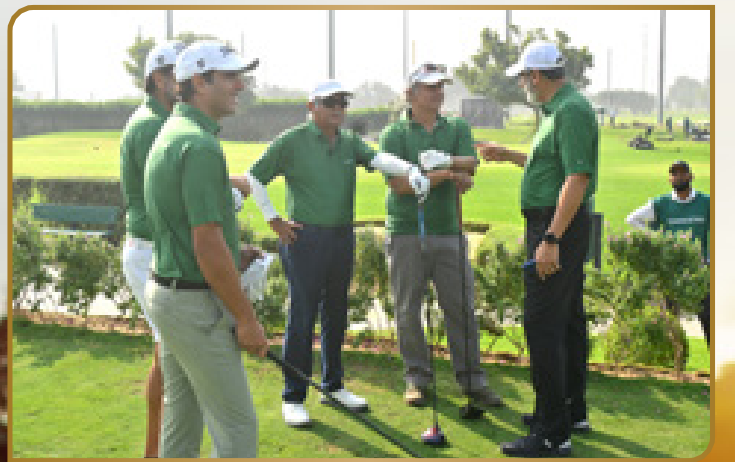
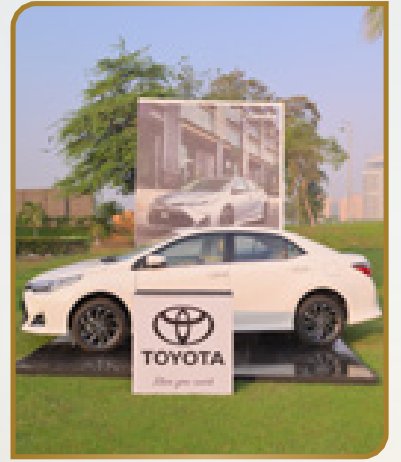
As we step into 2025, I am filled with optimism for the opportunities ahead. I am confident that, together, we will continue to drive innovation, growth and success for **HABIBMETRO** in the year ahead.

Wishing you and your families a very Happy New Year.

Khurram Shahzad Khan
President & CEO

5TH INVITATIONAL GOLF TOURNAMENT 2024

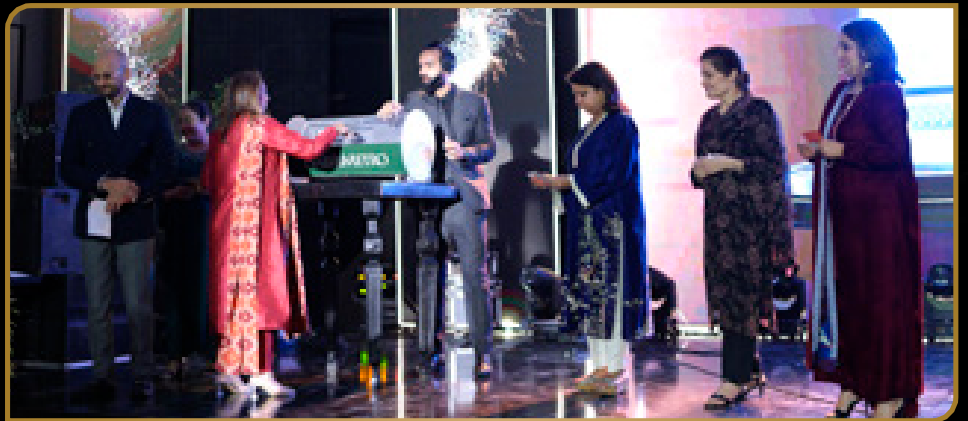




GALA

2024 | A NIGHT OF SYMPHONY







Inauguration of Family & Community Health Consulting Clinics at Indus Hospital



World Arthritis Day Awareness Session in Collaboration with Fatimiyah Hospital, Karachi



Visit to CDRS Animal Shelter, Karachi



Gift Distribution at Civil Hospital, Karachi in Collaboration with ChildLife Foundation

CSR

CORPORATE
SOCIAL
RESPONSIBILITY



Distribution of Wheelchairs to Various Schools



Donation to the National Epilepsy Centre



TOGETHER
FOR
BETTER



Books Distribution at Children Hospital Korangi on International Literacy Day



Iron Stoves Distribution in Tharparkar, Sindh



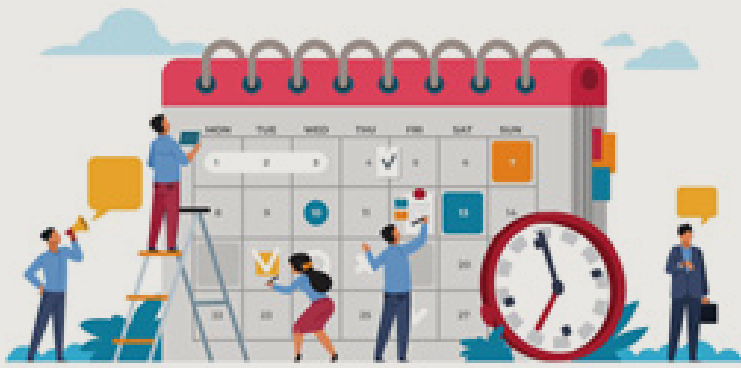
Mental Health Awareness Session in Karachi



Collaboration with Depilex Smileagain Foundation to Support Burn Victims

Breast Cancer Awareness Fundraising Event in Collaboration with Pink Pakistan 13th October 2024 | Emaar, Karachi





EVENTS

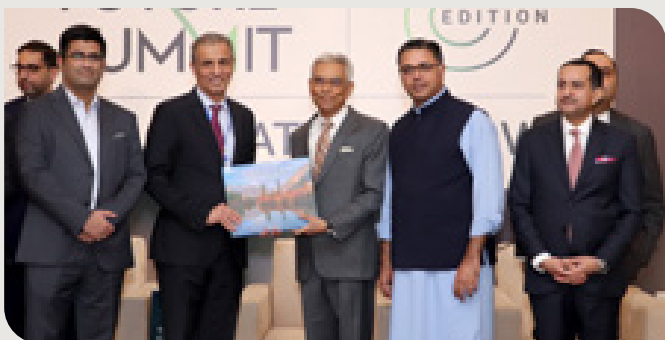
4th Quarter 2024



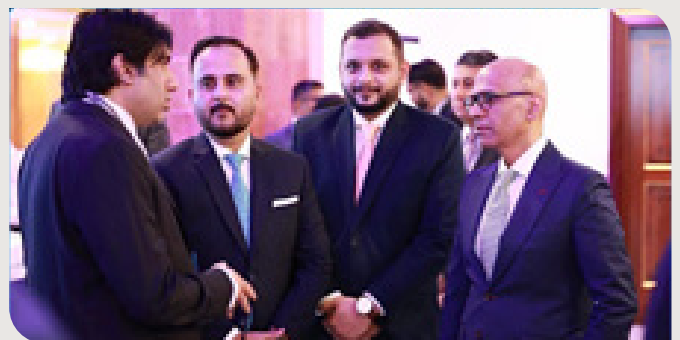
Inauguration of Treasury & Financial Markets Revamped Office by Senior Management



MOU Signing Ceremony between HABIBMETRO and SEDF



Participation in The Future Summit 2024



Participation in the 4th Pakistan Remittance Summit



Celebrating the National Day of The Kingdom of Thailand



HABIBMETRO Partners with Armstrong ZE (Pvt.) Ltd. to Provide Syndicated Project Financing



Staff Recognition for Successful Centralisation of Inward Foreign Remittances



Pinktober 2024 - Breast Cancer Awareness Sessions



President & CEO's Visit to Quetta



Customer Appreciation Day at Korangi Industrial Area & IBB Korangi Branches



Environmental & Social Risk Management Workshops (South & North Regions)



Compliance Championship Cricket Tournament



HABIBMETRO Partners with SAFCO Ventures for \$121.2 Million ADB and IFC-Led Facilities at the ADB Signing Event in Baku, Azerbaijan





Celebration of Women Entrepreneurship Day at Branches Organised by SME South



Women Entrepreneurship Day Celebration at SBP



HABIBMETRO Internal Audit's Annual Planning Meeting for 2025



Pinktober 2024 - Gift Distribution to Female Employees



Remittance Awareness Session at Pakistan Emigrant Office (Multan)



Remittance Awareness Session at Pakistan Emigrant Office (Peshawar)



Remittance Awareness Session at Pakistan Emigrant Office (Quetta)



Remittance Awareness Session at Pakistan Emigrant Office (DG Khan)

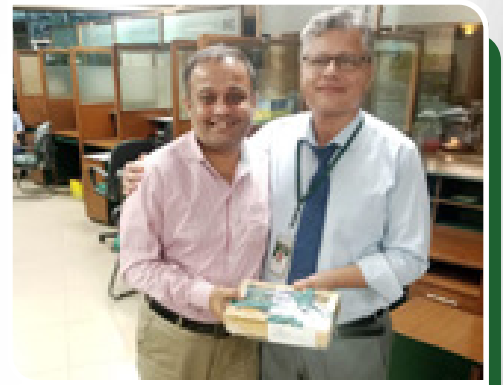
President & CEO's Visit to Quetta



Celebrations

4th Quarter 2024

Diwali Gift Distribution to All Celebrating Staff



Christmas Gift Distribution to All Celebrating Staff



SIRAT

Review



MoU Signing Ceremony with Islamic Relief Pakistan



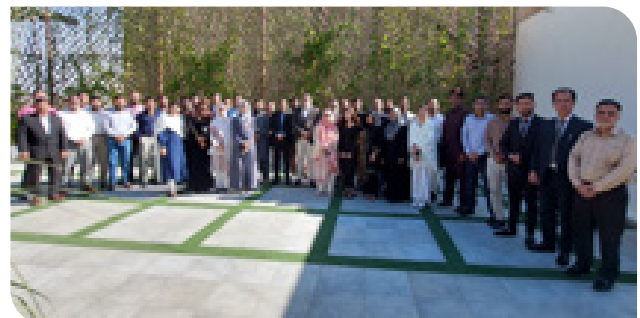
HABIBMETRO SIRAT's Participation in the World Islamic Finance Forum (WIFF) 2024



MoU Signing between HABIBMETRO SIRAT & NED Academy



Dinner Hosted By Global Islamic Banking Team, HBZ for Ms. Maya Marissa Malek



Successful Completion of Comprehensive Trainings on Implementation of Islamic Banking Products



Islamic Finance

Learning Series

Nomenclature and Concept of Charity in Islamic Banking Institutions

Introduction

As Islamic banking experienced unprecedented growth, grasping its underlying philosophy is crucial. Rooted in Shariah principles, Islamic Banking Institutions (IBIs) adhere to the Shariah governance framework that not only ensures halal income generation & distribution but also embodies a distinctive approach for the purification of income, setting it apart from conventional banking paradigms.

However, a debate among general public and customers surrounds the concept of charity by IBIs. Therefore, this needs to be understood that IBIs in its different capacities including its role as Mudarib (fund manager), is responsible for managing the depositors' funds. Hence, in financing/investment side, where customers fail or default to timely pay the due amount to the IBI, without genuine reasons, the IBI would be unable to sustain itself and incapable of providing returns to customers/depositors. Therefore, this mechanism is designed to encourage customers to make timely payments of their due amounts in a disciplined manner.

Components of Charity Funds

Charity funds primarily consist of:

- i. Delayed payments by customers without genuine reasons (as per their undertakings and obligations in the facility documentation for timely payments)
- ii. Income/profit from void transactions or Shariah non-compliant investments
- iii. Doubtful amounts undetermined by investigation
- iv. Customer-requested profit transfers to charity

In this article, we will only briefly discuss the concept and procedural modalities for charity funds in case of delayed payments.

Concept of Charity Amount/Fund (Delayed Payments)

Regarding the concept of charity amounts in cases of delayed payments and customer undertakings, it is essential to understand that IBIs cannot charge excess amounts over the principal/due amount in case of delays, as this would be tantamount to riba (interest). However, if a customer is unable to pay the due amount and the IBI demands payment (due to unacceptable reasons) as per its obligation in the executed agreements, the charity amount will be triggered. Nevertheless, charity funds are utilized solely for social welfare purposes, and the institution cannot benefit from these funds, as per regulatory instructions.

Obligation to Pay Charity - Iltizaam bit tasadduq (التزام بالتصدق)

In facility agreements, customers undertake to pay charity amounts, in addition to overdue amounts, if demanded by the IBI, particularly in cases of delayed payments without valid reasons. This obligation is permissible under Shariah principles and is incorporated in the Islamic facility documentation which is mutually agreed between the customer and the IBI.

Stages of Charity-Related Matters

1. Inactivation of charity obligation
2. Imposition/demand of charity from the customer
3. Waiver of right of collection of charity from the customer

The stages of charity in IBIs involve three key steps:

- Firstly, if the IBI choose not to demand charity from a customer who has delayed payment due to valid reasons (inactivation of charity obligation).
- Secondly, if the customer has no valid reason for delay, the IBI may impose and demand charity as per the customer's undertaking in the facility agreement (imposition/demand of charity).
- Thirdly, the IBI may waive its right to collect the charity, in which case the customer is still obligated to pay the charity amount for social welfare purposes, as per Shariah principles (Waiver of right of collection of charity).

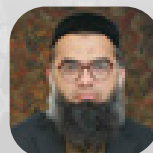
Please note that the application of these stages also depends on the specific wording and undertakings embedded in the facility agreements of the IBI.

Disclosure and Utilisation

As per regulatory instructions, charity funds disclosures are required in annual accounts.

Conclusion

Understanding the concept of charity in Islamic banking institutions is crucial. Charity funds are utilized for social welfare purposes, and institutions cannot benefit from these funds. It is essential to avoid unnecessary debates on this matter, as the IBI, acting as Mudarib (fund manager), has the responsibility to safeguard the depositors' funds. This process is carried out under the supervision of regulatory and Shariah guidelines, ensuring transparency and compliance.



Contributed by:

Mufti Khawaja Noor ul Hassan
Resident Shariah Board Member

Emerging Sales Challenges in Banking Industry

The banking industry is facing numerous emerging challenges in sales, primarily driven by changing customer expectations, technological advancements, and increasing competition.

Increasing Competition

The rise of fintechs and non-traditional banking players has intensified competition in the banking industry.

Changing Customer Expectations

Customers now expect personalised, omni-channel experiences from their banks. Banks must invest in digital transformation to meet these expectations and stay relevant.

Regulatory Compliance

Banks must navigate an increasingly complex regulatory environment, with stringent requirements around data protection, anti-money laundering, and risk management.

Outdated Mobile Banking

Banks must upgrade their mobile banking apps to provide seamless, user-friendly experience that meet customers' evolving expectation.

Security Breaches

The threat of cyberattacks and data breaches is ever-present, and banks must invest in robust security measures to protect customer data.

Continuous Innovation

Banks must priorities innovation and stay ahead of the curve to remain competitive. This requires a culture of experimentation, agility, and continuous learning.

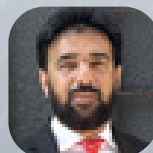
Digital Payments

The rise of digital payments is transforming the banking industry, and banks must adapt to this new reality by investing in digital payment infrastructure.

Data-Driven Decision Making

Banks must leverage data analytics to gain insights into customer behaviour, preferences, and needs. This requires significant investments in data infrastructure, analytics, and talent.

To overcome these challenges, banks must priorities digital transformation, innovation, and customer-centricity. This requires significant investment in technology, talent, and culture. By embracing these changes, banks can stay ahead of the curve and thrive in a rapidly evolving industry.



Contributed by:

Masood Siddiqui
Segment Head Institutional Cross-Sell



Learning

& Development Review

Quarter 4, 2024

Training Details

In-house Training

External Training

H-Learning

Total

No. of Courses

154

39

91

284

No. of Participants

5,370

99

19,318

24,787

List of Facilitators

A heartfelt thank you to all our subject matter experts for their invaluable contributions towards learning.

Name	Designation
Anjum Amin Siddiqui	Head, Regulatory Risk and Compliance
Ali Ashraf Khan	Head - Cards Business
Khawaja Noor UI Hassan	Resident Shariah Board Member
Ahmed Shah Khattak	Head - Shariah Compliance Department & Secretary Shariah Board
Ali Abbas	Regional Head SME - Commercial
Ghansham Das	Unit Head-TBML Monitoring
Irfan Haider	Regional Head Operations & Compliance (Comm South)
Muhammad Bilal Majeed	Head, Financial Crimes & Compliance
Sumaira Batool	Regional Head SME - Commercial
Syed Ather Ali	Regional Head SME - Commercial
Abi Zar	Unit Head Sanctions Advisory & Screening
Arsalan Siddiqui	Unit Head - ATMs & CCDMs
Danish Habib	Unit Head, EDD
Khalid Akber	Sr. Product Manager - Liability
Rehan Habib	Unit Head - Transactions Surveillance / Monitoring
Syed Shoaib Ali Jafri	Unit Head - CFT
Syed Taha Mohiuddin	Regional Head Operations & Compliance (Sirat Comm South)
Bilal Khan	Sr. Ops Risk Analyst
Hammad Ahmed Baig	Business Continuity Planning - Coordinator
Muhammad Imran Zafar	Regional Head SME - Commercial
Kazim Raza	Manager Systems & Projects
Kenith Griffin	TBML Analyst
Mehwish Sultan	TL - Call Centre
Nicholas Ali	Unit Head - Compliance Systems, FATCA & CRS
Umair Ullah	Assistant Product Manager Auto Loans
Umair Zubairi	Assistant Product Manager
Syed Muhammad Raza Naqvi	Officer ICFR
Zeshan Ahmed	Payment Processing Officer

Spotlight On

1. Leadership Programs

■ Lead It Well: Elevating Leadership Skills

The HR Learning team launched "Lead It Well", a flagship program to equip first-line managers with vital leadership skills. With successful events in Karachi and Lahore, **99 participants from AVP to SVP** levels joined to enhance their impact on the organisation's success.



■ Embark on Sustainability Leadership at Cambridge

Our fast-track management trainee attended the **University of Cambridge's** transformative five-day residential program, **Multi-Generational Leadership for Sustainability**. This inspiring experience equipped leaders with the knowledge, confidence, and skills to drive sustainability, resilience, and inclusivity in their organisations and beyond.



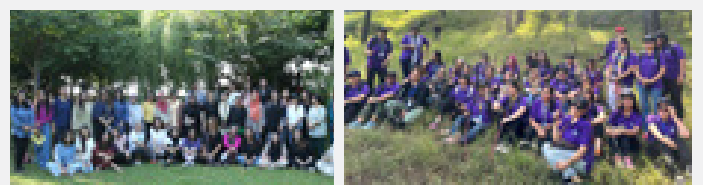
■ Shariah Board Member Advances Governance Skills at IBA

Our Shariah Board Member recently participated in the **five-day Director's Training Program (DTP) at the prestigious Institute of Business Administration (IBA)**. The program, split into two modules, provided essential regulatory knowledge and best practices for effective corporate governance, equipping participants to excel in board-level leadership locally and internationally.



■ Empowering Female Leaders for Senior Roles

In line with its commitment to fostering female leadership, the Bank selected two senior female staff members (AVP-VP) for the **Leadership Retreat** and two others (VP-SVP) for the **Women Leadership Conference** at the Governor House in Sindh. These initiatives are designed to develop female talent for senior roles and offer valuable networking opportunities with women leaders across various industries.



2. Boosting Team Synergy through Effective Management

An in-house training session on **Effective Team Management** was held in Karachi, focusing on improving communication, enhancing collaboration, and boosting performance. With **31 participants**, this initiative aimed to foster a positive work environment through stronger team dynamics.



3. Mastering Taxation: Key Insights for Priority Banking

A session on **Local and International Taxation** in Karachi, attended by **24 participants**, covered tax planning, cross-border taxation, audits, and risk management strategies, enhancing their financial expertise.



4. Elevating Recruitment: Advanced Interviewing Techniques

The **Professional Interviewing Techniques** program in Karachi, attended by **26 participants**, enhanced the talent and business teams' skills in candidate profiling and interviewing. This initiative aims to ensure a seamless and memorable experience for candidates, reflecting our commitment to excellence in the recruitment process.



5. Strengthening Foundations in Islamic Banking

■ Islamic Banking Certification Program for Branch Managers

Two more iterations of the **three-day Islamic Banking Certification Program** were successfully held in Lahore and Islamabad, focusing on Islamic Banking, Economy concepts & Shariah-compliant products. With **48 Branch Managers** completing the training, a total of **151 participants** have now benefited from this program across six sessions this year.

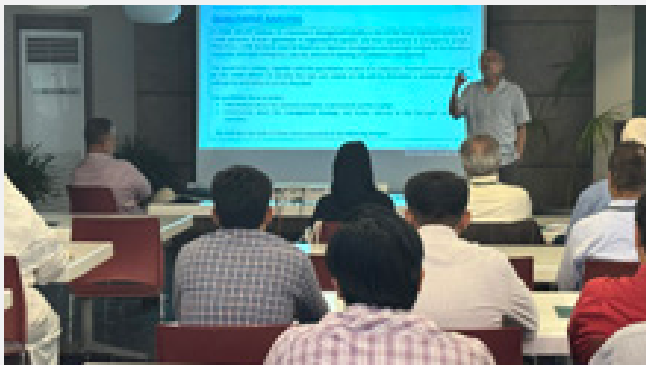
■ Islamic Banking Certification Course (IBCC) by NIBAF

Six senior staff members completed the **17-day IBCC** by NIBAF, covering Shariah principles, Islamic contracts, governance frameworks, and liquidity management. This program enhances both theoretical and practical knowledge, equipping participants to excel in the Islamic banking sector. Six senior staff members have successfully finished the NIBAF Islamic Banking Certification Course (IBCC).



6. Building Expertise in Credit Analysis

Multiple credit-focused programs, including Basic Credit Skills, Credit Report Analysis, and Moody's Credit Lens, were conducted. The two-day Basic Credit Skills workshop in Karachi was attended by **29 employees** from Corporate Transaction & Investment Banking, Credit, Commercial Banking South, and Islamic Banking. The session covered key topics like cash flow analysis, industry risk assessment, business risk evaluation, and identifying financial issues, enhancing participants' financial expertise and fostering collaboration across divisions.



7. Championing Female Leadership in Compliance

12 female staff members successfully completed the **six-day Compliance Trainee Officer program**, covering essential topics like FATCA, CRS, TBML, EDD File Notes, AML, and CFT. This training enhanced their understanding of compliance mechanisms, equipping them to effectively mitigate risks and prevent financial crimes, while also promoting gender diversity and empowerment within the compliance sector.

8. Fostering Inclusion: Celebrating International Day of PWDs

To mark the **International Day of Persons with Disabilities**, an interactive session featured simulations of blind dining, hearing challenges, and physical limitations led by the team of **Boltay Huroof**. The event, attended by **senior management and general staff**, aimed to deepen empathy and awareness, highlighting the barriers faced by individuals with disabilities and reinforcing the organisation's commitment to inclusivity and understanding.



Contributed by:

Learning Team

RECENT AWARDS & RECOGNITION



HABIBMETRO received the
**'Best Bank for Islamic
Conversion Strategy'** at the
**Islamic Retail Banking
Awards 2024**

HABIBMETRO received the
**'Top 25 Companies
Award'** for the year 2023
from the Pakistan Stock
Exchange (PSX)