

# THE PROFESSIONAL BANKER

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# Contents

	Page
Association of Professional Bankers 2019-2020 Group Photographs	3
Association of Professional Bankers – Sri Lanka Elects Mr. C Amarasinghe As Their New President	4
Internal Controls – What? Why? How?	6
Market Updates	10
Toxic Air: Don't Breath Deep	12
The Annual Memorial Oration and the Memorial Trust Awards Ceremony	14
The Banker's Evening Forum on Economic Survival in Turbulent Times	15
APB Holds Their Annual Bank Coordinators Induction Forum & Fellowship	16
Bankers' Jokes	17
Moments from the Members Night	18
Puzzle Space	18

**apfb ASSOCIATION OF PROFESSIONAL BANKERS  
2019 - 2020**



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**Mr. Asanka Ranbhoty** - Immediate Past President (Union Bank of Colombo PLC), Mr. Jagath Gamanayake - Vice President (National Savings Bank),  
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**Mr. Anton Arumagan** - Council Member (DFCC Bank PLC), Ms. Krishanti Narangoda - Council Member (People's Bank),  
**Mr. Thushikana Pandithachara** - Council Member (DFCC), Mr. Indira Kodagamage - Council Member (National Development Bank PLC),  
**Mr. K. Ravendran** - Council Member (National Savings Bank), Mr. Thejaka Perera - Assistant Secretary (DFCC Bank PLC).

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BANK CO-ORDINATORS INDUCTION  
2019 - 2020**



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**Ms. Shamal Perera (Hatton National Bank PLC), Ms. Ranee Lokugegama (Nations Development Bank PLC), Mr. Anitha Perera (Nation Trust Bank), Mr. Jagath Kanathilake (Regional Development Bank),  
**Ms. Samudra Adikawa (NCB Bank Ltd), Mr. Isuru Jayarathna (Bank of China), Mr. Suman Indrathilake (DFCC Bank Ltd), Mr. Varuna Kapuge (Neslan Bank PLC), Mr. Rajarathna Nageswaran (DFCC Bank PLC).****

# Association of Professional Bankers – Sri Lanka Elects Mr. C Amarasinghe As Their New President



Mr. C Amarasinghe has been elected as the President of the Association of Professional Bankers – Sri Lanka, for the year 2019/20, at their annual general meeting on 22<sup>nd</sup> March 2019.

Mr. Amarasinghe has been in the banking profession for over 29 years and has acquired a profound knowledge and experience in banking, corporate and offshore banking, and channel management operations. Currently he holds Directorial position in several companies while rendering voluntary service to the Association of Professional Bankers – Sri Lanka.

He had as his first degree BSc in Public Administration (Special) from the University of Sri Jayewardenepura, Sri Lanka and later obtained his Master of Science degree from the same university.

**Q: As the newly elected President of APB, what do you feel about this appointment?**

**A:** I consider it is a privilege and an honour. When I joined the council in 2011, my sole intention was to get more involved in APB activities and make a better contribution to achieve its objectives interacting with APB colleagues. After eight years, today, I am at the helm of the association being elected as the President and I am very happy about that. I know that it is not an easy job. A great challenge but I am ready to accept it. I know that my team is behind me and your support would always be there for me. I am also fortunate to have dynamic team of members in our council with different capabilities and representing various banks.

**Q: After eight years with the APB, and having come to the highest position in it you may recall some of your predecessors and peers who have helped on the way to reach this position. To whom do you want to express your gratitude as President of APB?**

**A:** First of all, I would like to thank the APB and the selection committee for placing their trust on me and selecting me as the president of this august association for the ensuing year. I take this opportunity to thank all who supported me in my career and encouraged me to engage in professional activities in the APB. My special thanks go to Madam Nalini who was my former CEO and a past President of this Association. She nominated me to the Council and always guided me in carrying out my responsibilities in the APB. I would also like to thank Mr Senerath Bandara a past President of APB and the General Manager of Bank of Ceylon for assisting me in every way in discharging my responsibilities in APB activities. Let me look back to the year we just finished and the outstanding leadership given to the APB by the President Mr. Asanka Ranhotty. Thank you Asanka for your leadership and guidance through many issues we faced during the past year. I want to offer my respect and appreciation to all our past Presidents as well. Each of them has brought a unique perspective and leadership to the Association each one building upon the foundation of the previous leadership, creating a bridge of the competencies which carries all of us to stronger ground.

**Q: Could you please give a brief account the APB, its history and objectives?**

**A:** APB has a long history. Established in 1988 with very clear objectives, it continued to serve the industry maintaining the highest standard of professionalism, ethics, and governance, as declared in our mission statement. We continued to evolve year after year understanding contemporary trends, whilst upholding its deep rooted principles and values. The prime objective of our Association is to undertake, promote and facilitate studies in Banking field and prepare its members for the future by updating them on the changes in the industry from time to time and creating a positive impact on the industry.

**Q: What is the state of the banking industry today and what are the challenges faced by them?**

**A:** Banking industry is faced with several challenges today. Sri Lanka has fully adopted the new accounting reporting principles based on IFRS 9. As a result it will substantially increase the impairment provision on loans with a knock on effect on profits and capital. At the same time some banks will face the challenge of meeting the elevated capital requirements. With the rapid pace of technology adoption, significant changes are taking place in the financial services industry from new electronic channels to reducing use of physical cash to use of artificial intelligence to robotics and so on. Along with these advances, there is the increasing threat of cyber-attacks and new forms of fraud etc.

As you are aware, the economy has been growing at a slower pace during the past three to four years due to various reasons, and the banking sector could not avoid turbulence arising from the economic shocks that come along with it. Industry NPLs has become a rude reality when stressed businesses spread across the country. Nearly all sectors struggle with the issues impacting on banking business significantly.

**Q: As the President of APB, what would be your way forward?**

**A:** Well, during the coming year, we will take necessary steps to strengthen our membership, enhance awareness of APB activities among the members and increase the involvement of young bankers in our activities. We will provide opportunities to meet and share knowledge of our members with the assistance of the bank representatives to ensure best participation from the banks at APB activities. I request the membership of APB to involve in APB activities more and more and get the best benefit out of the activities we organize for the membership throughout the year.

**Q: Finally, what would be the message you wish to convey to your membership?**

**A:** APB organizes several activities in a year for the benefit of the membership. Among all, the Annual Convention is our key event which we are planning to be held in September. As regards the topics, we have requested the membership to send in their suggestions. At the council level, we will deliberate on them and consider the key issues and trends in the industry and decide a theme that will align with our objectives and provide greater benefits to the participants.

In closing, I earnestly request everyone's support, my council, Council of Advisors, Past presidents, and especially our members so that we can add more meaning to our initiatives and accomplish our objectives benefiting the larger audience of the banking community.

## Internal Controls – What? Why? How?

The frank opinion of some members of the operational staff of any organization on internal control system, is that it is a barrier to progress. There are some other common misconceptions on internal control system as well. Some of them and the reality are

Misconception	Reality
i. Internal control starts with a strong set of policies and procedures	Internal controls start with a strong control environment.
ii. The internal controls are implemented simply to stop frauds and errors	Internal controls cover a wider spectrum
iii. Internal control is a responsibility of Internal Audit Department.	Management is the owner of internal control
iv. Internal control is a finance related activity and others follow what the finance inform them	Internal control is integral to every aspect of the business
v. Internal Controls are essentially negative.	Internal controls always make the right things happen
vi. Internal Controls take time away from core activities of an organization <i>e.g. Customer Service, Product Development, Making Sales etc.</i>	Internal controls should be built into, not onto business processes
vii. Internal Controls can be given up to a certain amount with downsizing and empowerment.	Different forms of internal controls are required with downsizing and empowerment
viii. If Internal Controls are strong enough, there will be no frauds and financial statements will be accurate.	Internal controls provide reasonable, but not absolute assurance that the organizations' objectives will be achieved.

It is most important that we minimize the gap between the misconceptions and the reality both for the success of an organization and that of a staff member. In order to bridge this gap, it requires paradigm shift of the organization and the staff. However, some staff members are little too late in bridging this gap, specially be victim of compromising of internal controls in investigative matters. Therefore, required paradigm shift should occur without any delay.

There are multiple defence lines in organizations, three lines of defences exist in the widely accepted model. According to this model, there are three internal defence lines.

**First line of defence** – Operational staff is the first line of defence in any organization. Operational staff should avoid any kind of negative effect to the organization at the transaction/ operation level. The related internal controls have been established in the related business processes. The majority of the staff represents this defence line.

**Second line of defence** – This line includes Finance, Compliance, Risk Management, Security, Quality Control, inspection etc. This defence line checks the transactions after processing using various methods and tools and check with the applicable internal controls.

**Third line of defence** – Internal Audit function of an organization is considered as this line of defence. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate

and improve the effectiveness of risk management, control and governance process. Internal Audit function directly reports to the Board Audit Committee to ensure its independence.

In addition to the above mentioned three internal defence lines, supervision by the regulators, external auditors and other external assurance providers are also considered as defence lines for any organization. Any kind of report or control alerts from any assurance provider is similar to a blood report of a person. If a deviation from standard requirement of any ingredient in blood is found, one person may get the required medical treatment and another person may just ignore it without being concerned of the repercussions. It is similar to an organization, which ignores the identified internal control lapses.

The commonly identified objective of an internal control system is the compliance with applicable rules and regulations. However, it plays a wider role than the commonly identified objective. The generally accepted definition of internal control is produced by the Committee of Sponsoring Organization (COSO/ Trade-way Commission – USA).

COSO defines internal control as ‘a process, effected by the entity’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives’, in three particular areas:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

Therefore, the following key concepts can be highlighted from the internal control definition produced by COSO.

- Internal control is a process, rather than a structure. It is a continuing series of activities, planned, implemented and monitored by the board of directors and management at all levels within an organization.
- Internal control provides only reasonable assurance, not absolute assurance, with regard to achievement of the organization’s objectives.
- The objectives of internal control relate to assurance not only about reliable financial reporting and compliance, but also with regard to the effectiveness and efficiency of operations.
- Internal control is therefore also concerned with the achievement of performance objectives, such as profitability.

COSO has further identified five important components in an internal control system as follows.

- Control environment
- Risk assessment
- Control procedures (Activities)
- Information & Communication
- Monitoring.

## CONTROL ENVIRONMENT

The control environment is the foundation on which an effective system of internal control is built and operated in an organization that strives to achieve its objectives. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The attitude and actions of the board and management regarding the significance of control within the organization are very important. The strength of the control environment often depends on the tone of the top and the commitment to comply with internal controls by the entire staff. The elements of Control Environment include,

- Communication and enforcement of integrity and ethical values

Organizations seek to promote their values, honesty and integrity among their employees on regular basis. It is important to effectively communicate and enforce such values amongst the employees.

- Commitment to competence

Competence is the knowledge and skill necessary to accomplish tasks that define the individual’s job. If employees are entrusted with duties beyond their competence level, then desired objectives are unlikely to be met. Therefore, internal control system should drive employees to upgrade their competence levels.

- Participation by those charged with governance

The directors/ owners are charged with the organization’s governance. Consequently, they are responsible for overseeing

the strategic direction of the organization and obligations related to its accountability.

- Management's philosophy and operating style

An organization's board of directors/ senior management will comprise of individuals each with a different mind-set as to philosophy and operating style, manifested in characteristics such as their:

- Approach to taking and managing business risks
- Attitudes and actions towards financial reporting
- Attitudes towards information processing and accounting and functions personnel

### **Organization Structure**

An organization's organizational structure is the framework within which an entity's activities for achieving its objectives are planned, executed, controlled and reviewed.

### **Assignment of authority and responsibilities**

Assignment of authority and responsibilities depend on the scale of the operation. Generally, large scale organizations require larger amount of assignment of authority and responsibility. Consequently, large organizations need to deal not only with ensuring that appropriate level of authority and responsibility are assigned to appropriately qualified and experienced personnel. It also requires to establish adequate reporting relationships and authorization hierarchies.

## **RISK ASSESSMENT**

Objectives and risks are connected. In order to make an assessment of risks, objectives for the organization must be established. Risk of achieving them should be identified and assessed. It is a basis for deciding how the risks should be managed.

## **CONTROL ACTIVITIES**

These are policies and procedures that ensure that the decisions and instructions of management are carried out. Control activities occur at all levels within an organization, and include authorizations, verifications, reconciliations, approvals, segregation of duties, performance reviews and asset security measures. Some of the Control activities are described below.

### **Segregation of duties**

Most transactions can be broken down into three separate duties: the authorization or initiation of the transaction, the handling of the asset that is the subject of the transaction, and the recording of the transaction. This reduces the risk of fraud and may also reduce the risk of error.

### **Physical controls**

Physical controls are measures and procedures to protect physical assets against theft or unauthorized access and use. They include:

- using a safe to hold cash and valuable documents
- using secure entry systems to buildings or areas of a building
- dual custody of valuable assets, so that two people are needed to obtain access to certain assets
- periodic inventory checks
- hiring security guards and using closed circuit TV cameras.

### **Authorization & approval**

Authorization and approval controls are established to ensure that a transaction must not proceed unless an authorized individual has given his approval, possibly in writing. For spending transactions, an organization might establish authorization limits,

### **Management controls**

Controls are exercised by management on the basis of information they receive. It includes,

- Top level Reviews - BOD or Senior Management reviews performance report on progress of the organization towards its goals.

- Activity controls- At departmental or divisional level, management should receive reports that review performance or highlight exceptions. (More frequently)

### Supervision

Supervision is oversight of the work of other individuals, by someone in a position of responsibility. Supervisory controls help to ensure that individuals do the tasks they are required to and perform them properly.

- Arithmetic & accounting
- recording transactions properly in the accounting system
- being able to trace each individual transaction through the accounting records
- checking arithmetical calculations, such as double-checking the figures.

### Personnel controls

Controls should be applied to the selection and training of employees, to make sure that:

- suitable individuals are appointed to positions within the organization; individuals should have the appropriate personal qualities, experience and qualifications where required;
- suitable induction and training, to ensure that they carry out their tasks efficiently and effectively.
- training in the purpose of controls and the need to apply them. Specific training about controls should help to increase employee awareness and understanding of the risks of failing to apply them properly.

## INFORMATION & COMMUNICATION

An organization must gather information and communicate it to the right people so that they can carry out their responsibilities. Managers need both internal and external information to make informed business decisions and to report externally. The quality of information systems is a key factor in this aspect of internal control.

## MONITORING

The internal control system must be monitored. This element of an internal control system is associated with internal audit, as well as general supervision. It is important that deficiencies in the internal control system should be identified and reported to senior management and the board of directors.

## LIMITATIONS OF INTERNAL CONTROL SYSTEM

The system can only provide reasonable assurance regarding the achievement of objectives - all internal control systems are at risk from mistakes or errors. The following are some of common limitations of an internal control system.

- A good internal control system cannot turn a poor manager into a good one.
- Internal control systems can be by-passed by collusion and management override.
- Controls are only designed to cope with routine transactions and events.
- There are resource constraints in provision of internal control systems, limiting their effectiveness.

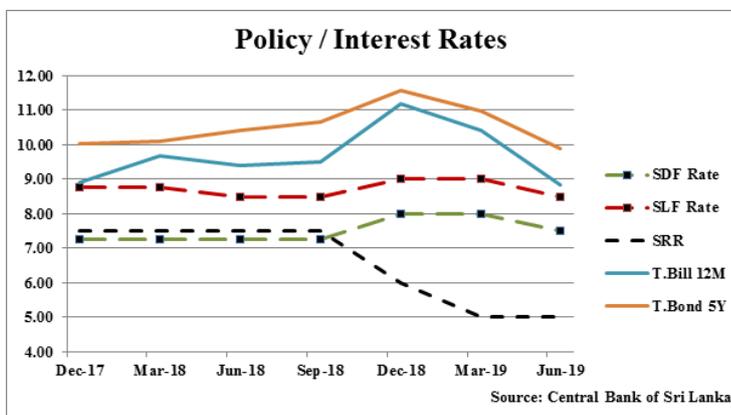
### About the author



*Maduwantha Liyanage is attached to Bank of Ceylon, as the Chief Internal Auditor. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka with 19 years of post-qualification experience and also holds a Bachelor of Science (Special) Degree in Accountancy and Financial Management from the University of Sri Jayawardenapura, Sri Lanka. He is also a member of the Certified Information Systems Auditors (CISA) of ISACA-USA.*

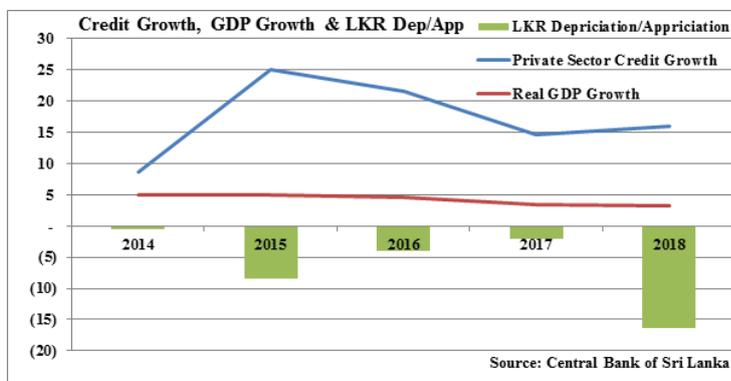
# Market Updates

Sri Lanka's economy is recovering after the unexpected and devastating Easter Sunday events and is trying to strengthen the economy through macroeconomic policies. Policy maker's changed the policy rates to make funds available at a low cost to stimulate the economy and generate growth. On 30th May 2019 policy rates were brought down by 0.50% i.e. 7.50% - 8.50% from 8.00% - 9.00%. Government Security (Treasury Bills/Bonds) rates reached one digit levels at recent auctions which were two digits early this year. It means government borrowings are reprising at low cost compared to recent local borrowings during the year.



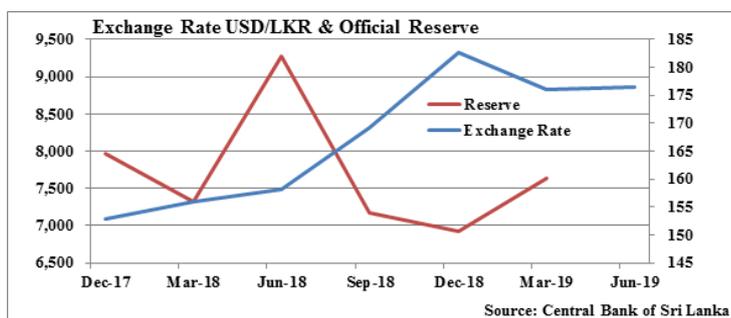
Central Bank on 28th June 2019 further reduced interest rates on deposit products (Fixed Deposits/Savings) by way of a cap with the intention of brining down lending rates. CBSL said that interest rates will come down with time only when existing deposits are reprised at present lower rates. The interest rate on savings and deposits with tenures less than 3 months are linked to SDFR (Standing Deposit Facility Rate) while longer tenors are linked to the 364 Treasury Bill Rate.

The cap is reviewed quarterly. In this context anticipated credit growth as a result of low borrowing cost won't simply support the GDP growth if we fail to channel funds towards priority sectors and not totally for consumption purpose. In



2018 GDP growth was 3.20% while private sector credit growth recorded 15.90%.

The currency depreciated more than 19% during the year 2018 and has seen a reversal this year. In 2018 foreign investors pulled out from the Debt and Equity markets and this approximately USD 994.7 Million. Foreigners could hold up to 10% of the debt market and has since being revised downward to 5%. Furthermore foreign holding in the debt market is around



2.66% and we can assume that these investors will not exit the market as they are risk takers. There are indications of the Federal Reserve cutting policy rates in future and this will also stall the flow of funds from Sri Lanka and may attract new investments too. This action stems the depreciation of LKR to some extent.

Inflation has been contained in single digit levels for a last continued period of over 10 years according to CBSL. Head line inflation decreased in June 2019 due to lower food and non food inflation. CBSL currently adopting Flexible Inflation Targeting (FIT). Looking forward, the success of FIT depends on key factors such as: Strong fiscal policy, CBSL Independence, Legislative amendments, CBSL transparency & accountability and financial market development.

Furthermore, the settlement of USD debt obligations in early this year with the successful issuance of International Sovereign Bonds (USD 2.4 Billion in March 2019 and USD 2.0 Billion in June 2019) signaled foreign investors back to Sri Lanka. The USD/LKR is currently at 176.00/10 levels and shows an appreciation compared with the year end figure of 2018. But there may be pressure on LKR in the future if less remittances / FDI's are received and the economy does not pickup due to non-receipt of expected exports and lesser tourist arrivals.



#### **About the author**

*Raviemohan is currently attached to the Dealing Room, Bank of Ceylon, Colombo. He holds a Management Degree from the UOJ and a MBA in finance from USJP. He is also an Associate of the Institute of Bankers Sri Lanka*

# TOXIC AIR DON'T BREATHE DEEP



## Have you ever seen a sign like this? You will – if you don't care about the air

An average person consumes about 1-2 kg of food, 1-2 litres of water and breathes about 10,000 litres of air daily. Although we are cautious about the hygienic aspects of food and water, do we ever care about the quality of air we breathe?



Toxic air pollution now causes more than 7 million premature deaths worldwide every year, says WHO. They also point out that 92 per cent of people worldwide do not breathe clean air. Air pollution costs the global economy \$5 trillion every year in welfare costs. Ground-level ozone pollution is expected to reduce staple crop yields by 26 per cent by 2030.

WHO classified diesel fumes as a Class1 carcinogen which means that these can definitely cause cancer. These emissions cause grave health effects to those exposed. Research by the Health Effects Institute of USA has shown that Particulate Matter which are fine droplets, liquid or solid emitted with the smoke - are extremely damaging to health as it goes deep in to the lungs as well as gets absorbed to the lung tissue and penetrates the blood. It can then cause Hypertension, Atherosclerosis, Heart Attacks, Strokes, Bronchial Asthma and Premature death of those exposed. The main victims of air pollution are schoolchildren, elderly people, pedestrians, public transport commuters and street vendors.



Recently WHO in collaboration with the Climate & Clean Air Coalition (CCAC) released air quality data for 3,000 cities and towns globally and according to the data 80% of the cities around the world have exceeded the safe air quality levels. This study shows that air pollution levels in the Colombo city limits have exceeded the WHO safe level of 10 microgrammes/m<sup>3</sup>, by 3.6 times which is quite alarming compared to some of the other cities.

Mosquito coils are used by 2 billion people worldwide who burn 12 billion coils every year. A mosquito coil has pyrethroids, coal dust/coconut husk, binders such as cow dung and resins in its composition. It has been estimated that burning 1 mosquito coil produces enough particles of particulate matter (PM<sub>2.5</sub>) as 100 cigarettes and as much hydrocarbons produced by 50 cigarettes! Both mosquito coils and incense sticks produce polyaromatic hydrocarbons and benzene which are known carcinogens. It is not advisable to burn them inside homes specially when babies are present since they breathe more air relative to their body weights than adults. Due to these reasons people should be educated to have the firewood kitchens in an open space outside the main house.

### What can we do?

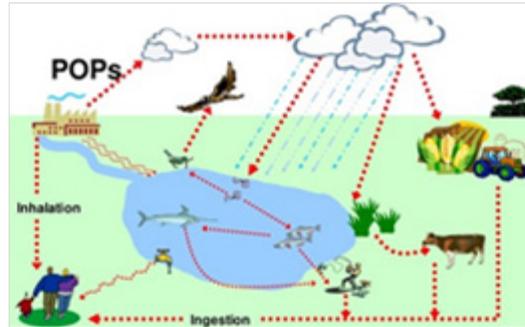
Electricity generation using coal and other fossil fuels contribute a lot to air pollution. Switch-off all your unnecessary electrical appliances including bulbs, whether it be filament type, CFL or LED, computer monitors, fans and air conditioners. Replace high electricity consuming appliances to energy efficient appliances. Install a solar system at home.

Walking and cycling whenever possible will reduce your diesel / petrol consumption. If affordable, use a hybrid or

electric vehicle. Using public transport will also contribute to a cleaner atmosphere.

Landfills account for 11% of the world's methane emissions, and municipal waste is expected to nearly double by 2025. Buy things with less wrappings. Do not waste food.

Don't burn plastic, polythene, rubber, polystyrene etc. Burning such material under inappropriate conditions emit Persisting Organic Pollutants (POPs) those are highly toxic.



Livestock production has become a major driver of climate change due to its heavy water, feed and energy requirements, and a major source of methane emissions from ruminant animals like cattle. Shift your diet to more vegetables. Avoid beef. Use more salads (raw forms) than cooked food. Above all, don't waste food.

Grow more trees around you to clean your atmosphere. Don't cover your small gardens with concrete. At least grow some grass.



#### About the author

The writer is Mr Hemantha Seneviratne - Assistant Manager – Sustainable Business of Hatton National Bank PLC and a Core Group Member of Sri Lanka Banks Association's Sustainable Banking Initiative. He has completed his B.Sc in Biology (OUSL), M.Sc in Environmental Science (OUSL) and a diploma in Environmental Journalism. He holds membership in the Institute of Biology, Ceylon Bird Club and Field Ornithology Group of Sri Lanka and published articles in local and international publication.

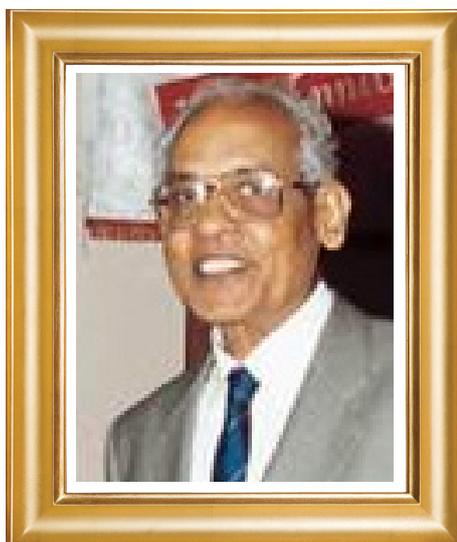
# The Annual Memorial Oration and the Memorial Trust Awards Ceremony

(The 17<sup>th</sup> year remembrance of the Late Mr K Sivagananathan)

The Annual Memorial Oration and the Memorial Trust Awards Ceremony organized by the Association of Professional Bankers Sri Lanka on the occasion of the 17th year remembrance of the Late Mr K Sivagananathan were held recently at the Bank of Ceylon Head Office Auditorium, Colombo with Mr Mahela Jayawardena, former Captain Sri Lanka Cricket as the Chief Guest and Mr Bingumal Thewarathanthri, CEO of Standard Chartered Bank, Sri Lanka as the Guest of Honor.



*The Photograph of the Head Table -from Left to Right; Mr. Halin Hettigoda, Secretary General - APB, Mr. Asanka Ranhotty, President - APB, Mr. Mahela Jayawardene, the Chief Guest and Mr. Bingumal Thewarathanthri, Guest of Honor, Mr Nathan Sivagananathan*



**Late Mr K Sivagananathan**



## The Banker's Evening Forum on Economic Survival in Turbulent Times

The Association of Professional Bankers of Sri Lanka (APBSL), held the Bankers Evening Forum on Tuesday, 9<sup>th</sup> July 2019 with an inspiring presentation together with an interactive Q & A session on an embryonic topic which is “Economic Survival in Turbulent Times”.



As we are living in a VUCA environment, as Bankers we need to be vigilant on the new trends in the external market and how it affects in making an informed decision. Accordingly, APBSL organized this presentation together with the Q & A session to gain more insight on this emerging topic.

The forum was held at the BOC Head Office Auditorium and a countless number of participants including professionals, bankers and other special invitees attended the event. The speaker for the day was none other than Prof. Sirimal Abeyratne. He is a Veteran Speaker, Professor in Economics, University of Colombo and is also the Chairman of Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and the Chairman in Institute of Policy Studies. He holds a MPhil and MA (International

Institute of Social Studies, The Hague), PhD in Economics (Free University, Amsterdam) and a Postgraduate Diploma and BA Honors (University of Colombo). He is engaged in diversified areas of teachings such as Macroeconomics, International Economics and Development Policies and Issues.

The professor started the journey with the concept of “Thriving and Surviving in turbulent times”. He started with outlining the economic context of Sri Lanka and the impact of the monetary and fiscal policy measures of Sri Lanka towards a growth or decline in the economic growth. He explained the country's situation using the decline of the tax revenue and current account deficit. Then he focused on the economic growth within the international markets together with the investment growth using some facts and figures. Also mentioned were the modes of external finance sources such as stable forex inflows and volatile forex inflows. “In a turbulent time, there will not be any stable forex inflow for the country. Therefore, economists, bankers and other professionals need to keep an eye on this volatile and complex scenarios occurring in the world which will directly and indirectly affect Sri Lanka's economic growth.”

The professor further explained about the country's export and import nature and the reasons for the economic downturn and the decline of country's exports using two examples, comparing Sri Lanka with Bangladesh and Vietnam. He emphasized the fact that even though both Sri Lanka and Bangladesh exported the same amount 15 years ago, now Bangladesh is ahead of us in exports where they export US\$40Bn worth of goods. He also stressed on the fact that both Sri Lanka and Vietnam exported the same amount: US\$ 4 billion. However, now Vietnam's exports amount to US\$ 234 billion which shows the current adverse situation of Sri Lanka in terms of exports.

He also gave an insight into the Sri Lankan government's financial position. He focused on the decline of tax revenue, Recurrent expenditure and the Public investment and mentioned about the current account deficit and its impact on Sri Lanka's economy. Then he turned towards the turbulent economic conditions. Professor identified that there are two types of turbulent situations such as internal shocks and global economy. The internal shocks can be identified as political uncertainty, security issues and elections. The global economic issues can be identified as US economic policies, US-China trade frictions, Destabilized EU and Brexit. Later, he identified some policy options available for Sri Lanka to reduce the impact from the internal shocks and the global economic issues. They can be identified as short term policy options and long term policy options. The short term policy options can be identified as fiscal consolidation, constraining borrowings and investment and sale of asset. The Long-term policy options can be identified as Policy reforms, Foreign direct investment and Improving business confidence. He gave a detailed description on how these policies need to be implemented in order to achieve a sustainable economic growth in the future.

Finally, Prof. Sirimal Abeyratne initiated the panel discussion with some questions and opened up the Q&A session to the audience. This session was an exciting one where everyone joined to get more insight on the topic. This is where most of the doubts on the turbulent times in the economy was clarified. The panel discussion was of an absolute importance and to all the bankers who joined the presentation.



## APB Holds Their Annual Bank Coordinators Induction Forum & Fellowship

Association of Professional Bankers Sri Lanka held its *Annual Bank Coordinators Induction Forum & Fellowship* on 15<sup>th</sup> July 2019 at “Pitch” Restaurant – Mercantile Cricket Association, Colombo 7.

Mr. C Amarasinghe, President of APB graced the occasion with the APB Council. Mr. Thejaka Perea, Assistant Secretary, presented the overview, while the respective committee chairmen shared the way forward of APB for 2019/20 and also shared the expectations with Bank Coordinator. Accordingly, Mr. Aruna Fernando, Chairman - Publications Committee, Mr. Anton Arumugam, Chairman - Membership & Social Committee, Mr. K B Rajapaksa, Chairman - Continuous Professional Development Committee and Mr. B A H S Preena, Chairman - Special Events Committee addressed the gathering.



# Bankers' Jokes



## Loyal and Smart Banker's Wife

A little story of a Banker's wife.

There was a Banker., who had worked all his life, had saved all of his money. He was a real miser when it came to his money.

Just before he died, he said to his wife...‘When I die, I want you to take all my money and put it in the casket with me. I want to take my money to the afterlife with me.’

And so he got his wife to promise him, with all of her heart.

He died soon.

He was stretched out in the casket, his wife was sitting there, dressed in black, and her friend was sitting next to her. When they finished the ceremony, and just before the undertakers got ready to close the casket.

The obedient wife said, ‘Wait just a moment!’ She had a small metal box with her; she came over with the box and put it in the casket. Then the undertakers locked the casket down and they rolled it away.

Then her friend said, ‘Girl, I know you were not foolish enough to put all that money in there with your husband. The loyal wife replied,

‘Listen, I’m a wife; I cannot go back on my word. I promised him.’

‘You mean to tell me you put that money in the casket with him!?!?!?’

I sure did, ‘said the loyal wife.’ I got all the money together, put it into my account, and wrote him a cheque.... I put the cheque in the casket. Now it is up to him to encash the cheque.’

“If he can cash it, then he can spend it.”

## HOW TO PAY

It was five in the evening, the bank is almost closed. All of a sudden, the Bank Manager received a phone call from a lady. In a sweet voice she said - sir I urgently need Rs.10000. Her voice was so captivating that the Bank Manager could not say no. He instructed his cashier to keep the cash ready and with reluctance he obeyed his boss.

After a while, a dark complexioned fat lady with ugliest of face came to the bank and presented the cheque. The Bank Manager was taken aback, as he was expecting a cute beautiful lady. He immediately told the lady that they had already closed the cash for the day and she should come next day. The cashier was so furious and he asked the Band Manager if his intention was to not to pay why he was made to sit late.

BM - Its the Universal rule of the bankings that.....

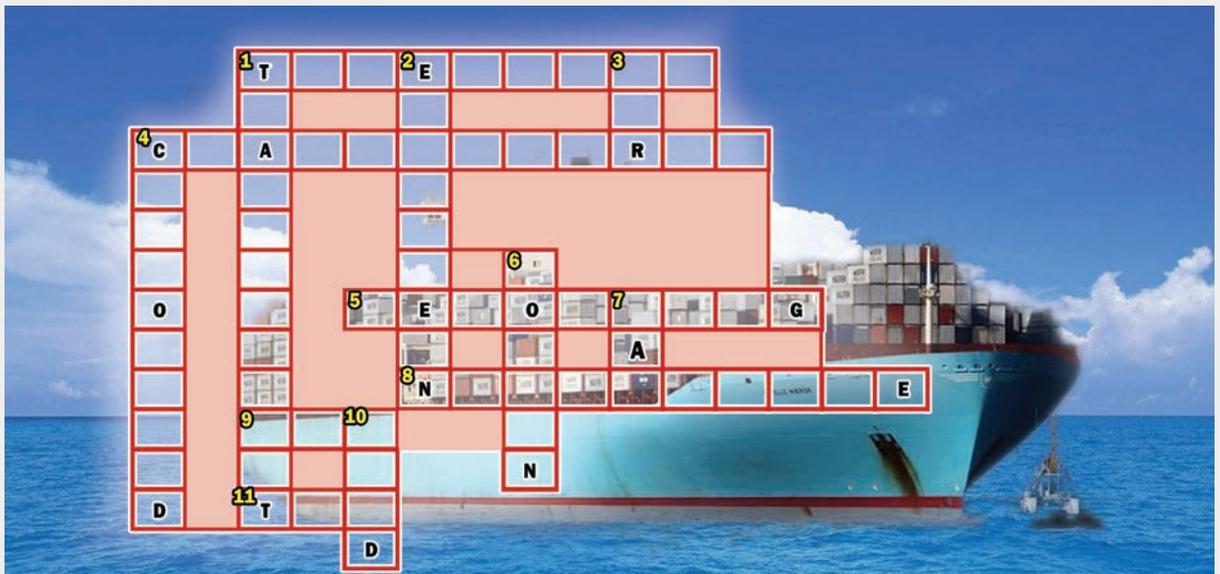
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# Moments from the Members Night



# PUZZLE SPACE



**Across**

- 1. This will enable the beneficiary to ship less or more than the agreed Amount, Quantity or Unit price of goods.
- 4. Banks generally refuse to accept this type of transport document
- 5. Type of a letter of credit
- 8. A feature of a Bill of Lading
- 9. Currency code of Ethiopia
- 11. Maximum tolerance level allowed by UCP 600

**Down**

- 1. Unloading and reloading in a similar or different conveyance
- 2. An Annually renewable documentary credit.
- 3. Popular incoterm use in sea shipment
- 4. Local representative nominated by the Principal in a documentary collection.
- 6. A word that usually associate with charter party B/L's
- 7. Indirect tax imposed on domestic consumption of goods and services
- 10. A long term debt instrument