

# THE PROFESSIONAL BANKER



## **OUR VISION**

The power of Professionalism in Banking in Sri Lanka

## **OUR MISSION**

To sustain the highest standards of professionalism and Integrity among Bankers

To Advance the Public Interest

To Influence the Achievement of the Highest Ethical Standards and  
Governance in Banking Industry

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The Opinions expressed in the articles contained in this e-journal are solely those of the authors and not that of the Association of Professional Bankers –Sri Lanka or the Institutions they are attached

# **Calling All Bankers** Annual Convention of the Association of Professional Bankers –Sri Lanka



**CHANGING  
DYNAMICS**

**29th ANNIVERSARY CONVENTION**

**21 & 22 November 2017 - Cinnamon Grand**

Bankers and Banking has survived four industrial revolutions by adapting to the changing environment and by reaping the benefits of innovation and economic progress.

But...change is unstoppable, and banks must be alert and prepared for the future. New economic superpowers have emerged in the Asian continent. Traditional trade routes and supply chains are being redrawn. And challenges are omnipresent. As such bankers need to act with abundance of caution.

This year at the Annual Convention of the Association of Professional Bankers Sri Lanka, we foregather to reprogram the way we think, to acquire to the wisdom of the masters, to collect insight and foresight to envision the path ahead and equip ourselves with the best tools in order to deliver the results expected from us.

***See you at the Convention***

***Be equipped to be the bankers of the future!***

(See the full convention program and brochure at the end of this E Journal)

## **EDITORIAL**

It is our pleasure to present to you the E-Journal Volume III Issue II, which is compiled for the third quarter of 2017.

In this issue we have introduced a new item "An interview with a CEO", which we hope to continue as a regular feature. This issue contains valuable articles of contemporary interest and are insightful to the banking professionals. Some of the articles have already been published in the APB page of Daily FT, nevertheless included herein for the benefit of those who may have missed the original publication. We are sure that our fellow bankers would find these articles very interesting and useful. In addition this edition includes a comprehensive market update and some news of the APB activities.

Most importantly, this issue carries a feature on the "Anniversary Convention" 2017, to be held under the theme "Changing Dynamics-Bank of the Future". Which is the flagship event of the APB calendar. Please read the convention brochure at the end of this E-Journal to be informed of the exciting line-up of sessions organised by the APB for the convention.

Also, we would appeal to the bankers to make your contributions to future editions of the E-Journal, thereby serving the banking community by sharing the insightful information and bringing in contemporary discussion points that would benefit our profession.

### **Bhanu Wijyaratne**

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## Interview with Mr. Lakshman Silva, newly appointed CEO DFCC Bank PLC.



### **1. Can you recollect your ties with Association of Professional Bankers – Sri Lanka?**

After joining the banking industry, I saw our seniors and mentors playing a key role in APB and working tirelessly in organizing events and activities with a view to uplifting the banking industry and the knowledge among members, and this encouraged me to join APB. I joined APB on the guidance of Mr. Kathiravelupillai as a member and was later elected as a council member. I served in the council as Vice President and Senior Vice President before I was elected as the President.

During my tenure as the President of APB, I recollect having organized many events, including the 19th anniversary convention of the association, on the theme “Financial Inclusion – An Imperative Need for Sustained Economic growth” which the association felt was appropriate in the context of the challenges faced by the country then. It was held under the patronage of the then governor of CBSL, Mr. Nivard Cabraal as the Chief Guest and Mrs. Chanda Kochhar of the ICICI, India as the Guest of Honour. This forum ended as a very successful event, and it was a source of encouragement for me to enthusiastically carry forward the activities of APB for the benefit of its members in general and the banking industry in particular.

During my tenure as the President I was able to create the Development Fund for APB and other related activities. I am happy to see the progress APB had made in its activities, increased acceptability among the banking community and specially interest taken by the young bankers towards its activities.

### **2. You have just taken over the reins of DFCC Bank. What are your views about the changing landscape of the financial industry and Banking in Sri Lanka and how in your opinion the Banks, as an industry should approach these changes?**

One of the key trends impacting the financial landscape in Sri Lanka is the rise of Fintech which has significantly altered banking products and services and the processes. The competition coming from non-banks is not new but is fundamentally changing the face of the retail payments market which create a new front of competition to Banks. Furthermore, consumer preferences are rapidly changing and retail customers now expect a product mix that integrate e-commerce, social media and retail payments, and to be able to switch seamlessly across digital platforms. Payments technology is also evolving at an unprecedented speed where mobile payments and online payments are becoming more prevalent and accepted. Thus, keeping pace with these technologies requires major investments from Banks and they need to focus on internal process re-engineering and optimizing customer experience.

In my view, Banks should either through higher investments or partnering with technology companies, keep up with the technological change if they are to face this intense competition and remain viable in the long run.

In addition, amidst the stiff competition faced from both banking and non-banking institutions, Banks also need to focus on diversifying income generating activities in order to contribute positively to bottom line.

Sri Lanka has also achieved a high rate of financial inclusion compared to other South Asian Countries. Research shows that a larger share of households in Sri Lanka accesses multiple financial institutions for their borrowing and savings needs, however the use of technology based services such as e-payments and mobile banking is of relatively low prevalence in the rural areas. Financial education lags behind financial innovation and new products. So there is much more scope to improve financial inclusion by focusing on the cost and quality of financial services provided and also focusing on financial awareness and education.

### **3. Banks are faced with stringent regulatory requirements such as BASEL III, IFRS-9 etc. As a CEO of a leading Bank, how would you look at these requirements?**

Yes, while encouraging Banks to stimulate economic growth, we see that the regulatory framework standards has been significantly strengthened focusing on areas such as Corporate Governance, Risk Management, Capital Adequacy requirements, transparency and disclosure to ensure that Banks adopt best in class practices and maintain or exceed global standards of measurements in these areas. These are well and good, but new regulation also comes with new costs.

As a result of this Banks come under increased pressure, especially in the case of Basel III related requirements, Banks have to raise capital to meet the higher requirements in order to achieve rapid growth and have to put in place capital-raising plans to support balance sheet expansion, which is somewhat challenging under prevailing market conditions.

Whilst strengthened regulatory policy is good, if we want banks to be stronger and sustainable businesses, we need to ensure that new regulations are mutually consistent, supports transitions taking place and does not unduly impact banks' ability to transact in capital markets which could result in banks scaling down certain market making activities.

### **4. The performance of Sri Lankan economy in 2016, reconfirmed the necessity of addressing the deep rooted structural issues, if the country is to progress steadily towards a higher growth trajectory, as envisaged. In your opinion how can the Banking industry support these initiatives in order to improve the productivity and efficiency of the economy?**

Provided there are consistent policies and strengthened macroeconomic fundamentals through improved fiscal performance and the conduct of monetary policy, Banks can support the progress of the country along a sustainable growth trajectory by;

- Supporting industry sectors with sector specific solutions; Cash flow challenges and limited access to capital can create bottlenecks and thus supporting these industry sectors that exhibit significant community engagement and growth potential can unlock exponential growth. One such market is the local tea industry which generates local employment opportunities while bringing in significant export income. To service this growing market, DFCC Bank introduced a Tea Integrated Payments System (TIPS) that enables the Tea Industry to cater to the unique requirements of its suppliers and farming communities while providing the scalability for future expansion of its operations.

Bank's should also invest in studying the dynamics of large sectors and develop financial products and innovative new delivery channels customized to the needs of the businesses in the industry, which will strengthen the entire local industry sector.

- Supporting the advancement of financial inclusion; Bank's also need to recognize that rural communities are teeming with business activity, but most of the time none of these businesses are Bank clients. Thus, as mentioned before educating them on financial products and services is important which will increase the state of financial inclusion in the country.
- Innovation; Focusing on developing innovative product solutions and technological enhancements and diversifying financial solutions also play an important role in creating an enabling investment climate.
- Promoting Trade and Remittances: Bank's can also contribute towards this by investing in trade and remittance solutions thereby increasing foreign capital. For instance, in its efforts to support this, DFCC Bank introduced the Lanka Money Transfer system which is a web based remittance system targeting migrant worker earnings. The Bank has partnered with other Sri Lankan Banks that do not possess an individual remittance system. These institutions can then have an arrangement with the service to receive direct remittances for their account holders, as remittance transactions received from exchange companies to LMT will be retransmitted instantly to the respective partner bank/financial institution via a secure network.

## **5. What is your vision & strategy in taking DFCC Bank to greater heights?**

DFCC Bank has a rich heritage of over 60 years or more in Development Banking. Over the past six decades DFCC had been able to foster small, medium and large industrialist who had become the leading entrepreneurs in the country today. With commercial banking assistance over the past 13 years, DFCC had been able to provide all banking needs to the existing and prospective clients. Commercial banking has become very competitive, but with the strong financial standings and very supportive shareholders, my vision is to take DFCC to the next level of commercial banking. I would like DFCC to become the preferred bank to many, immaterial of the age they belong to.

## **6. Tell us something about your family life & how you manage work – life balance?**

My family consists of four members. My wife is a Management Accountant. She is a great strength to me in managing my work-life balance. In spite of being a working mother she carries a bigger share of household tasks relieving me to a greater extent to engage in my professional activities. We have two sons, both grown up and employed. We lead a simple life, while identifying our priorities in life and recognizing what is truly important to us.

## **7. As a veteran in the field of Banking, what is your message to the up and coming young bankers?**

Today, many youngsters keep changing their jobs for short term benefits and tend to prioritize one path over the other. Developing confidence and trust on the employer and working towards their objectives and goals are of vital importance to progress in their careers.

Banking is a dynamic profession that is highly respected by the society at large. Many youngsters want to pursue a career in banking; however, the opportunities come occasionally. Therefore, my message to the youngsters is that if they stay focused and develop their competencies and progress along with the evolving industry, realizing and understating such developments, a great career lies before them.

# Bankers beware if you don't "Wannacry"

## By Sanjeewa Wijesekara



### What is 'Wannacry' and Impact?

The massive attack that disabled 230,000 computers within a day across the globe occurred on 12th May 2017. Information Security experts stated the worm (a type of a Computer virus) called 'wannacry' infected computer systems in 99 countries with Russia, Ukraine and Taiwan being top victims. The "wannacry" has been categorized as "ransomware", and ransomware is malicious software that will retribute the damage if a particular ransom is paid.

(Figure 1) Geographical Spread of 'wannacry' infection



The 'wannacry' or 'wcry' is a specific "ransomware" version that encrypts the files in your computer in a way that the user cannot access the data. It targets the windows operating system which is widely used and when a computer is compromised, it shows a message (Figure 2) with instructions how to pay \$300. It has two countdown clocks, one shows a three-day deadline before the payment amount gets doubled and another clock showing a deadline that the data will lose permanently. Further it asks the user to pay in 'Bitcoins' which is a digital currency which exist in virtual world. Figure 2 shows the screen alert generated by the 'wannacry' attack on the victims computer.

(Figure 2) Wannacry Decrypter Screen



## How It Spreads

It is most vulnerable to Microsoft windows operating system and it is at its worst when it comes to "windows xp" as the vendor has stopped releasing security patches from 2014 April. 'Wannacry' mostly spread via electronic mail where users click unknown links and that ultimately encrypt their computers.

In the Sri Lankan context there were security alerts generated by Sri Lanka Cert (Computer Emergency Response Team) to the Sri Lankan banks and financial communities to be aware of 'wannacry' virus.

Technically the "wannacry" spread more faster than previously known ransomware viruses by using a stolen program code called 'EternalBlue' developed by National Security Agency in U.S.A.. 'EternalBlue' exploits weakness of the Server Message Block (SMB), which is a transport protocol used by windows operating system for various purposes and mainly for network file and device sharing.

## Prevention of 'wannacry'

In order to prevent falling victim to "wannacry" there are many measures that a bank can implement. Below stated security measures may reduce the exposure to 'wannacry' to a greater extent.

### 1. Fix the (SMB) Server Message Block Vulnerability

Windows operating system uses many protocols and it uses Server Message Block protocol for Network sharing and devices sharing such as network printers etc. If your windows operating system is running the old version of this Server Message Block Protocol it is vulnerable for 'wannacry'. Microsoft recommends to disable the stated protocol completely.

- Disable the outdated protocols including Server Message Block version 1 (SMBv1)

- Since the 'wannacry' decrypts Microsoft windows and heavily vulnerable to windows XP, keep an eye on how many workstations runs on windows xp and how critical the operations they dealt with. Replace windows xp with a newer version of windows as soon as possible. If windows xp still exists, check for the security patches that the vendor have specially released for 'wannacry' attack. This is a serious eye opener for Sri Lankan banks since most of the banks still depend on windows xp.

## **2. Timely Updating of System Security Patches**

Most of the windows operating systems are released with security patches from the vendor to fix the vulnerability of 'wannacry' including windows 7, windows 8, windows 10, even the abandoned windows XP, but still the 'wannacry' keeps spreading after four months of its first appearance because the user are yet to update security patches. So be hurry to check whether your bank's windows operating system is updated with latest security patches.

- Ensure all the windows workstations are updated with vendor released 'wannacry' patches.
- Ensure all the other information systems of the bank are regularly patched with vendor provided security updates.

## **3. User Awareness**

Educate the users about ransomware and other viruses, malwares, phishing attacks and other security best practices. Advise users to never click on unknown web links, unknown electronic mail attachments etc.

## **4. Internet and Electronic Mail**

- Ensure the internet and electronic mail access is given only for the users who need it.
- Ensure the web filtering is activated and allows only the required websites and blocks the malicious websites to the users.
- Ensure the electronic mail spam filtering is activated and blocks the mails coming from unknown senders.

## **5. Virus Guard Updates**

Ensure all the workstations in the bank are having virus guards and the virus guard software are updated with latest virus patterns.

## **6. Define Minimal Access for business critical workstations**

Identify the critical workstations in the bank such as card embossing computers, computers with critical data for business and make sure they are restricted to internet, electronic email access and external drives etc.

## **7. Network Segregation**

In Sri Lankan banking context we come across many number of systems in a single bank. Further there can be systems that there is no vendor support available. Practically we have to live with unsupported systems in order to continue our business. What we can do in this situation is to segregate the unsupported systems from the larger network to a separate network segment where it minimizes the impact of the compromise.

## **8. Use Best Practices**

- Disable auto run of USB, CD ROM, and External Drives etc.
- Make sure the file and folder sharing is internally controlled
- Control computer software and make sure the instant messaging, social media, and multimedia software installations are controlled
- Regularly backup the critical information in a separate environment

**If you are already a victim**

If your computer is already compromised the chance of getting your data back is in doubt. There is no successful “decrypter” invented yet. Even if you pay the price for the hacker there is no guarantee that you will have your data back. So what is needed is to prevention of the distribution to minimize the impact.

- Immediately disconnect the compromised computer from the bank’s computer network
- Do not ever try to pay and get the data back
- Contact the Security experts and vendors for solutions

The article covered the basic prevention mechanisms for being a victim of ransomware ‘wannacry’ exploit, with an intention to protect the Sri Lankan banking environment from ransomware attacks’.

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# **Cryptocurrency challenges to Financial Institutions or Financial System**

## **By Ruwan Manjula Samarakkody**



Friday, 12 May 2017, was a historical day which reported WannaCry ransomware attack. This attack infected more than 230,000 computers in over 150 countries. The WannaCry ransomware attack was a worldwide cyber-attack by the WannaCry ransomware crypto worm, which targeted computers running the Windows operating system by encrypting data and demanding ransom payments in the Bitcoin. Thousands of affected users have paid around \$300 – \$600 for ransomware encrypting files through Bitcoin.

What is Bitcoin? Is it legalizing payment method? Global Criminal investigators haven't any mechanism to find the actual beneficiaries of those payments?

Bitcoin is a type of cryptocurrency. A cryptocurrency is a digital asset designed to work as a medium of exchange using cryptography to secure the transactions and to control the creation of additional units of the currency. Cryptocurrencies are a subset of alternative currencies, or specifically of digital currencies, which also called as digital cash, virtual currency, electronic currency, altcoins.

In 1998, Wei Dai published a description of "b-money", an anonymous, distributed electronic cash system. After that, Nick Szabo created "Bit Gold". Bit Gold was an electronic currency system which required users to complete a proof of work function with solutions being cryptographically put together and published. A currency system based on a reusable proof of work was later created by Hal Finney.

Bitcoin is a digital currency created in 2009. It follows the ideas set out in a white paper by the pseudonymous Satoshi Nakamoto, whose true identity has yet to be verified. The system is peer-to-peer, and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes and recorded in a public distributed ledger called blockchain. Since the system works without a central repository or single administrator, bitcoin is called the first decentralized digital currency. It provides solution to the problem of double-spending. Double-spending problem, that a digital currency can be used in more than one transaction that problem is not found in physical currencies, by its nature, only exist in one place at a single time.

There are no physical bitcoins, only balances kept on a public ledger in the cloud that is verified by

a massive amount of computing power. Balances are kept using public and private "keys," which are long strings of numbers and letters linked through the mathematical encryption algorithm that was used to create them. The public key (similar to a bank account number) serves as the address which is published to the world and to which others may send bitcoins. The private key (similar to an ATM PIN) is meant to be a protected secret, and only used to authorize bitcoin transmissions.

A wallet stores the information necessary to transact bitcoins. While wallets are often described as a place to hold store bitcoins, due to the nature of the system, bitcoins are inseparable from the blockchain transaction ledger. A wallet is something that "stores the digital credentials for your bitcoin holdings" and allows one to access and use them.

Bitcoins are not issued or backed by any banks or governments, also individual bitcoins are not valuable as a commodity. In spite of it's not being legal tender, Bitcoin charts high on popularity, and has triggered the launch of other virtual currencies. Bitcoin offers the promise of lower transaction fees than traditional online payment mechanisms and is operated by a decentralized authority, unlike government-issued currencies.

A cryptocurrency can be divided into smaller units; the smallest unit of bitcoin is called the satoshi (Concept of bitcoin has developed by Satoshi Nakamoto). The satoshi represents one hundred millionth of a bitcoin. The general unit structure of bitcoins has 1 bitcoin (BTC) equivalent to 1,000 millibitcoins (mBTC), 1,000,000 microbitcoins ( $\mu$ BTC), or 100,000,000 satsoshis.

The major advantage of bitcoin is that it is digital and hard to counterfeit. Not having a physical presence means that bitcoins are more secure, even before the block chain technology is taken into consideration. In 2014, the first bitcoin ATM has launched in the United States. The kiosk installed in Texas, is similar to bank ATMs but has scanners to read government-issued identification such as a driver's license or a passport to confirm users' identities.

In April 2017, one bitcoin is worth \$1,223 , it has appreciated by 58% from late 2016, when it was around \$770.

### **How can we earn Bitcoins**

Bitcoins can be accepted as a means of payment for products sold or services provided. The transactions can be handled with the requisite hardware terminal, wallet address and touch screen apps. An online business can easily accept bitcoins by just adding this payment option to the others it offers, like credit cards or PayPal. Online payments require a Bitcoin merchant tool. Those who are self-employed can get paid for a job in bitcoins.

Another way to earn bitcoins is by lending them out, and earn interest. Lending can take three forms

- direct lending to someone ,
- through a website which facilitates peer-to-peer transactions- pairing borrowers and lenders
- depositing bitcoins in a virtual bank (Bitbond, Bit Lending Club )

Also you can play at casinos that cater to Bitcoin, with options like online lotteries, jackpots, spread betting and other games.

There are many investors' speculators and Bitcoin supporters who believe that digital currency is the future. Those who endorse it are of the view that it facilitates a much faster, no-fee payment system for transactions across the globe. Although it is not itself any backed by any government or central bank, bitcoin can be exchanged for traditional currencies; in fact, its exchange rate against the dollar attracts potential investors and traders interested in currency plays. Indeed, one of the primary reasons for the growth of digital currencies like Bitcoin is that they can play both roles as an alternative to national fiat money and traditional speculative commodities like gold.

The Bitcoin was not designed as a normal equity investment, some speculative investors were moved to the digital money after it appreciated rapidly in 2011 and in 2013. Thus, they purchase bitcoin for its investment value rather than as a medium of exchange.

The concept of a cryptocurrency is still novel and, compared to traditional investments; Bitcoin doesn't have much of a longterm track record or history of credibility to back it. There is no guaranteed value for bitcoin as well as use of bitcoins carries several inherent risks.

### **Potential risks in Bitcoin**

- **Regulatory Risk:** Bitcoin is a rival to government currency and may be used for black market transactions, money laundering, illegal activities or tax evasion. Accordingly, governments/regulators may seek to regulate, restrict or ban the bitcoin.
- **Security Risk:** Bitcoin exchanges are entirely digital .Risks from hackers, malware and operational malfunctions are inherent. Hackers can also target Bitcoin exchanges, gaining access to thousands of accounts and digital wallets where bitcoins are stored.
- **Transaction Risk:** All Bitcoin transactions are permanent and irreversible. It's like dealing with cash: Any transaction carried out with bitcoins can only be reversed if the person who has received them refunds them. There is no third party or a payment processor involved, hence, no source of protection, appeal or chargeback if there is a problem.
- **Insurance Risk:** Bitcoin exchanges and Bitcoin accounts are not insured by any type of regulatory body or government program.
- **Fraud Risk:** While Bitcoin uses private key encryption to verify owners and register transactions, fraudsters and scammers may attempt to sell false bitcoin.
- **Market Risk:** Values of bitcoin can fluctuate.
- **Reputational Risk:** If fewer people begin to accept Bitcoin as a currency, these digital units may lose value and could become worthless. Any better virtual currency is always a threat to bitcoin
- **Tax Risk:** New taxes can be imposed to bitcoin.

### **Threats of using Bitcoin**

- Bitcoin can be used to illegal payments /criminal activities (e.g. cyber-crimes)
- Support to Money Laundering/ Terrorist Financing (ML/TF) activities
- Support to tax evasion activities-It becomes extremely difficult to account for cryptocurrencies transactions.
- Threat of ponzi schemes relate to the Bitcoins e.g. Pyramid schemes
- Bitcoin is also used in controversial settings in the form of online black markets/ darknet markets (e.g. Silk Road)
- Challenge and damage existing financial system. Bitcoin is used primarily outside existing banking and governmental institutions, and exchanged over the Internet.
- High competition in cryptocurrency markets-In 2016, there were over 700 digital currencies in existence.
- Possibility to sharp depreciation of Bitcoin e.g. Gold price

### **Way forward of Bitcoin**

Adoption of cryptocurrencies creates a significant challenge to central banks' ability to influence the

price of credit for the whole economy and control of monetary and exchange rate policy. Widespreading of bitcoin will be impacted to global economic statistical data (Per capita income, GDP). If using cryptocurrencies becomes more popular, there is bound to be a loss of consumer confidence in fiat currencies.

The legal status of cryptocurrencies varies significantly from country to country and is still changing in many of them. While some countries have explicitly allowed bitcoin transactions ( e.g. Russia), others have banned (e.g. China) or restricted it. In 2014, the United States Internal Revenue Service (IRS) ruled that bitcoin will be treated as property for tax purposes as opposed to currency. This means bitcoin will be subject to capital gains tax. However, it has classified the legality of bitcoin.

Bitcoin companies have had difficulty in opening traditional bank accounts because banks are scared to deal with bitcoin companies they have doubt about bitcoin's links to illicit activity. Also bitcoin can become a major means of payment for e-commerce and may emerge as a serious competitor to traditional banks. Also investors will move to bitcoins to protect their savings against high inflation or exchange fluctuations. Bitcoin creates more challenges to the banking industry. Tomorrow, it is just not a competitor it is a substitute for the banking system.

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## **Nominations by bank customers.**

### **By Viraja Wanasinghe**



Bank customers may enter into various kinds of transactions with their respective financial institutions. In dealing with these transactions, the issue of such customers making nominations as regards 3rd party beneficiaries crops up time and again. This process may be complicated by the fact that at the same time, these customers might make last wills and leave these very same properties to their heirs or to other 3rd parties who might not be their nominees. Such a situation could give rise to much legal conflict and it is in everyone's best interests concerned that the true legal position be ascertained.

If any person maintains a savings account, has a fixed deposit, or owns treasury bills or treasury bonds or has deposited jewelry and other valuables in his bank, the officer handling the account might ask him whether he wishes to nominate any person as his nominee for these assets.

As many bank customers do not know what a nomination entails, it would be useful if they are made aware of its value and significance so that they know exactly what they are getting into when they sign a nomination form at their bank.

At the outset, it must be made clear that nominations cannot be made with regard to current accounts.

The procedure or process of making nominations in the above manner comes within the purview of the Civil Procedure Code of the country. This Code lays down all procedures and processes that must be followed in a court of law when dealing with civil actions of all kinds.

Section 544 of the Civil Procedure Code, deals with the legal aspect of making nominations to accounts;

Section 544(1) states that any person over 16 years of age who has

- (a) Moneys in any account other than a current account in any licensed commercial bank or specialized bank,
- (b) Shares in any company registered under the Companies Act,
- (c) Any life insurance policy issued by a recognized Insurance Company
- (d) Any money in deposit with any recognized Finance Company
- (e) Any movable property lodged in any licensed commercial or specialised Bank

May nominate any person (called the nominee) of his choice who will be paid the dues payable under (a) to (d) or the movable properties under (e) above in the event of the death of the person/account holder in question.

This nomination procedure was introduced in 1993 to the Civil Procedure Code under an amendment ( Act No 14 of 1993 ) for the purpose of streamlining the existing processes and procedures in Banks as well as other financial institutions such as Finance Companies and other institutions such as Insurance Companies with regard to savings accounts, fixed deposits and life policies.

A further amendment was made to section 544 (1) above in 2005 by the Civil Procedure Code ( Amendment ) Act No 4 of 2005 where the section was extended to cover instruments pertaining to any monetary interest issued by a company or any other body of persons.

It must be pointed out that while the above section deals with a situation where a single person is nominated as a nominee; there are instances where customers have nominated not one, but several persons as their nominees. In view of this practical difficulty, as a viable solution, the section may be interpreted as including the singular as well as the plural.

Also, this may give rise to many operational difficulties for Banks and other financial institutions. In such instances the Bank should insert an appropriate survivorship clause in the nomination form to avoid complications in the event one nominee dies and the others survive.

Another fact that must be pointed out is that it is not compulsory for a customer to nominate any person as his nominee, as the above section clearly states that , a customer“ may“ nominate any person as his nominee. It is clear that according to the section, he has a discretion or choice in the matter. If the word“shall“had been inserted there instead of the word“may“ then the customer will be under a compulsory requirement to make a nomination. In view of the above, a customer is perfectly within his rights in informing his Bank that he does not wish to make a nomination at all.

### **Revocation of nomination.**

A nomination may be revoked at any time by the customer or by the death of the nominee. At this juncture ,due to the discussion regarding last wills above, it would be pertinent for clarification purposes to briefly discuss the law pertaining to this area as well as situations where a person dies without leaving a will.

### **Testate and intestate succession:**

When a person with any assets dies, such assets will have to be distributed among his heirs, if any. However a person's properties cannot be distributed among his heirs as they see fit but according to the law as laid down by a court of law after a full inquiry has been held.

The accepted legal procedure in this area is that when a person dies leaving assets (both immovable and movable) exceeding the sum of Rs. 4,000,000/= in value then the first step that has to be taken is to discover whether he has left a last will.

If he has left a last will then his heirs will have to file a testamentary action in court, produce the will and get it proved. Thereafter the executor appointed by court distributes the assets according to the directions given in the last will under the supervision of court.

This legal procedure is referred to as testate succession. However, if it is found that he has not left a last will, then here too the heirs have to file action in

court where they have to prove that the person in question had left certain properties and that they are his lawful heirs. This procedure is different from that followed in testate succession above where a last will was made.

Once the assets and the heirs have been properly identified, then letters of administration are issued and an administrator distributes the assets as decided by court to the heirs identified in the inquiry held.

The legal procedure involved is called intestate succession.

### **The Bank's duty of care.**

It must be kept in mind that a bank has a legally imposed duty of care towards its customers and it will carry out a thorough inquiry where an heir or a nominee makes a request for the monies lying in a deceased customer's account to be released to their custody.

As regards a request made by an heir, all documents pertaining to the testamentary case filed in court will be examined by the Bank at length before the monies are released.

As regards a nominee, the Bank needs to be satisfied as to the true identity of the nominee, before it releases the assets.

### **Nomination supersedes the last will.**

An important aspect that has to be kept in mind is that section 544(2) states that such nomination takes effect on the death of the person/account holder concerned notwithstanding anything in his last will to the contrary.

The word "notwithstanding" is of importance here and understanding its true meaning is of crucial value.

Read in its entirety, section 544(2) appears to have only one reasonable and acceptable meaning, that is, that a nomination made by a bank customer would override or take precedence over what he has laid down in his last will.

This would mean that the nominee would be given preference over the heirs as named in the last will. In other words, he would have a priority claim to the customer's monies lying at the Bank or other institution as opposed to an heir under a valid last will.

That is, in a situation where a customer has nominated a person as his nominee for his savings account and has also left a last will where another person is named as his heir for the same account, in the event of the customer's death, the nominee has the right to the monies lying in the account over and above the right of the heir.

In such an instance the Bank cannot be taken to court as it has acted within the scope of section 544(2) by releasing the monies to the nominee instead of to the heir and is legally in a strong position of having acted within the law.

In some situations the nominee and the heir may be one and the same so there is no conflict.

Many customers appear to be ignorant of the provisions of section 544 above probably due to the fact that it is contained in the Civil Procedure Code which is not something coming within the knowledge of the general public and many were under the erroneous impression that the last will took precedence over any nomination.

**Conclusion.**

In view of the above situation, as most customers are ignorant of the application of section 544(2), it is recommended that where a particular customer wishes to appoint a nominee, the Bank should also; in all fairness inform the customer that his nominee will override even his heirs named in his last will in the event of his death.

*(Viraja Wanasinghe is currently holding the post of senior legal officer at DFCC Bank PLC and, counts nearly 25 years of experience as an Attorney at Law, mainly in the fields of banking and labour law.*

*He holds an LLB from the Faculty of Law, University of Colombo and an MBA in Human Resource Management from the Faculty of Management & Finance, University of Colombo.)*

# **Code of Ethics' as a management device towards employee ethical behaviour**

## **By Viruli de Silva**



### **What is a Code of Ethics?**

Code of Ethics or Code of Conduct is a familiar term in business organizations, and it is also considered as an important document in the organization. What is a Code of Ethics? It has no universally accepted definition, but has been identified as a formal document which governs ethical standards of employees' conduct in organizations.

A Code of Ethics states the main ethical principles and values in the organization, and functions as a policy document. It articulates the ethical/professional conduct expected of employees, and expresses the acceptable ethical boundaries of behavior in the organization. Almost every Code of Ethics in an organization appears to be in a legalistic form, but it goes 'beyond the law' as it focuses on the 'spirit' in adding to the 'letter' of the law.

Codes of Ethics are extensively used by companies as a management tool. A well implemented Code is a strategic device for an organization, as the Code contributes towards the company's many key aspects: strategic framework, ethical identity and reputation, ethical guidance to employees, reflects the culture and work climate, etc.

Adherence to the Code of Ethics is a commitment an organization can undertake towards a strong ethical climate in the organization. Code of Ethics also enhances social responsibility and explains the norms and values the organization wish to uphold.

### **Common Codes of Ethics**

Some countries have a common Code of Ethics for strategically important industries in the economy. For example, Malaysia has a common Code of Ethics for its Financial Services Industry, issued in 2014 by the Financial Services Professional Body (FSPB), through Bank Negara and Securities Commission, Malaysia.

This Code specifies key ethical principles for high standard of professionalism and ethical conduct of institutions and employees in the Malaysian Financial Services Industry. It is mandatory that they adhere to the 'ethical' rules and regulations specified in the code.

The Sri Lankan banking industry too has a common Code of Conduct labelled 'Customer Charter', issued by the Central Bank of Sri Lanka (CBSL) in 2007 ([www.cbsl.lk](http://www.cbsl.lk)). The 'Customer Charter' is a set of professional/operational guidelines to bankers, with regard to the daily operations of customer

transactions in banks.

It is mandatory that all licensed banks operating in Sri Lanka and their employees adhere to the rules and regulations specified in the 'Customer Charter'. Thus, it directs employees towards professional conduct in handling operational transactions of customers in the banks. In addition, the 'Customer Charter' specifies customer obligations towards banks. It specifies how customers should fulfil their responsibilities towards the bank, when receiving their expected services.

In addition to the 'Customer Charter' of the CBSL, the banks operating in Sri Lanka have their own individual Codes of Ethics/Code of Conduct, to guide the management and employees, towards ethical and professional behavior at work. All established business organizations in Sri Lanka too have their own Codes of Ethics/Codes of Conduct, which guide towards employees' ethical behavior in the Company.

### **Benefits of Codes of Ethics in organizations**

Researchers have identified that Code of Ethics or Codes of Conduct can be used as a strategic tool to enhance a company's ethical reputation. European companies have used Codes of Ethics/Conduct to regulate labour relations and discourage intervention of the government.

It has been identified that, Codes of Ethics can improve work climates and make employees feel positive about their organizations. Most importantly, researchers have identified that Codes of Ethics in organizations could enhance employee ethical behavior, and also Codes positively influence ethical decision-making (Trevino & Weaver, 2003).

This study had identified that, open discussions about ethics in the organization helped to increase ethical behavior of employees in the organization. Further, it was noted, strong leaders who share their values with others, positively affected the organization and its Code. Research have identified that, when managers' and employees' behavior was consistent with codes, their behavior positively influenced others in the organization. Further, companies which possessed Codes of Ethics have reported fewer incidents of unethical behavior, than the companies which did not have a Code. It has been recognized that Codes of Ethics could develop patterns of trust among employees.

Many researchers have identified that, Codes can encourage employee and managers to act with integrity and the Codes can serve as valuable management tools. In a study which analyzed 67 earlier researches on Codes revealed that, Codes positively affected behavior in many organizations (Kaptein & Schwartz, 2008). Further, it has been noted, Codes of Ethics in organizations also serve as good communication devices, as they give organizational members a sense of shared values and commitment to ethical purpose.

### **Conclusion**

Researchers have identified that to make a Code of Ethics more effective, an organization should fulfil certain vital conditions: the Code must be communicated effectively; It should be communicated well through the correct channels; it should be supported by the senior management team; it should be readable; contents of the Code should be clear (clarity); Code of Ethics should include ethical principles and rules, based on universally accepted ethical principles (availability), and a Code of Ethics should be written positively, rather than negatively. Further, research reveals that communicating a Code from the 'top' often leads to the Code being ignored, thus ineffective.

Generally, Codes of Ethics are communicated to the employee in orientation material or posted on the Company intranet or website. Many employees do not read this vital document, until an event

or crisis occur. Thus, communication is key to the effectiveness of a Code of ethics, employees must know why a Code exists? Finally, researchers argued that, "Creating a Code of ethics will not guarantee that ethical behaviour will occur, ethics; the Code and ethical decision-making must be infused into the organisation, and not ordered from the top-down." (Neube&Wasburn, 2008).

*[Ms Viruli de Silva is a senior Commercial Banker, former Director Studies of the Institute of Bankers of Sri Lanka (IBSL) and a Management Consultant. She is currently reading for a 'PhD in Management' at the University of Sri Jayewardenepura, Sri Lanka.]*

# Market Update – July to September 2017

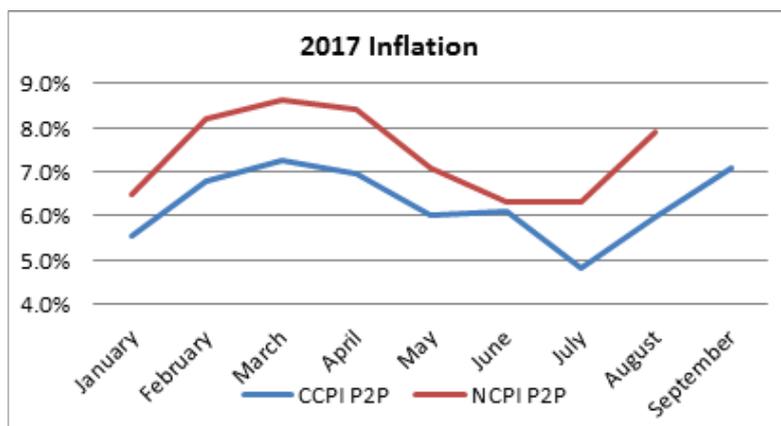
## By Ravinda Gunawardena



The Sri Lankan economy recorded a growth of 4.0 percent, year-on-year in the second quarter of A report on the CPD Lecture – Mr. Sanjeev Jeyarathnam 2017 affected by extreme weather conditions and weak external demand. The economy grew 3.8 percent year-on-year in the first quarter of 2017. According to the Central Bank of Sri Lanka (CBSL) key growth drivers in the first half of the year were construction, mining and quarrying, financial service activities, and wholesale and retail trade. As per the latest forecasts of the International Monetary Fund (IMF) the GDP growth is expected remain below 4.5 percent for 2017, which is a drop from its initial projection of 4.7 percent. In 2016 Sri Lanka recorded a Real GDP growth of 4.4 percent.

The second review of the three-year Extended Fund Facility (EFF) obtained by Sri Lanka was successfully completed by the International Monetary Fund (IMF) and the third tranche to the value of approximately US dollars 167.2 million was disbursed on 19 July 2017. With this a total of US dollars 501.5 million has been received thus far by Sri Lanka under this facility. The securing of the third tranche underscores the commitment of the government to the EFF and helped enhance market confidence.

### Inflation



Source: Department of Census and Statistics

Inflation based on both the Colombo Consumer Price Index (CCPI) and National Consumer Price Index (NCPI) increased in August and September 2017. The CCPI for the month of September rose to 7.1 percent which is higher than the center point of 5.8 percent set by the IMF Quantitative Performance Criteria for the month of September. However, since this increase is mainly due to the

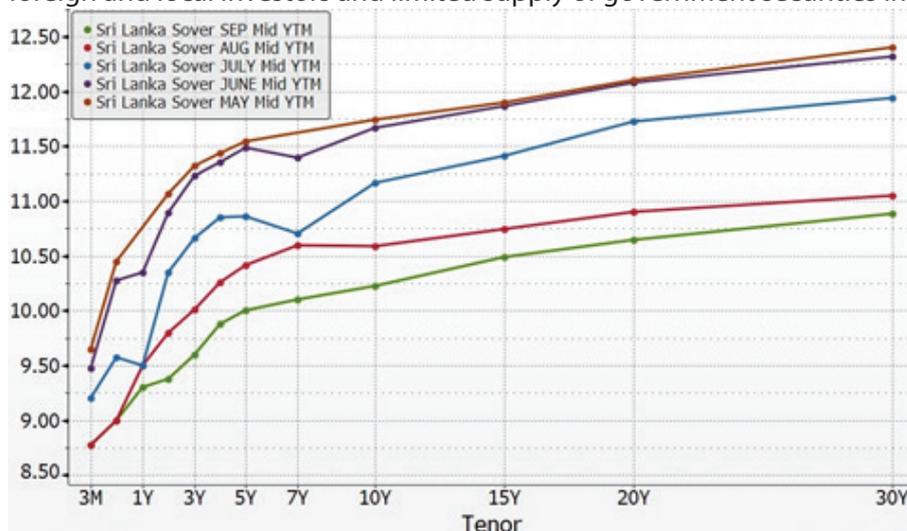
base effect and due to tax revisions and supply disruptions, it is unlikely that the CBSL would tighten Monetary Policy immediately, provided that credit growth remains at desirable levels. The effect of the base is expected to negate after November and inflation is expected to be at mid-single digit levels by end 2017.

### Interest Rates

The Monetary Board, at its meeting held on 25 September 2017, was of the view that the current monetary policy stance is appropriate and decided to maintain the policy interest rates at their current levels. Accordingly, Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were kept at their current levels of 7.25 percent and 8.75 percent, respectively.

According to CBSL data the credit growth extended to the private sector by commercial banks has shown a gradual deceleration since July 2016, responding to the prevailing high interest rates in the domestic market. The CBSL expects this growth to slow down to around 16.0 percent by end of this year.

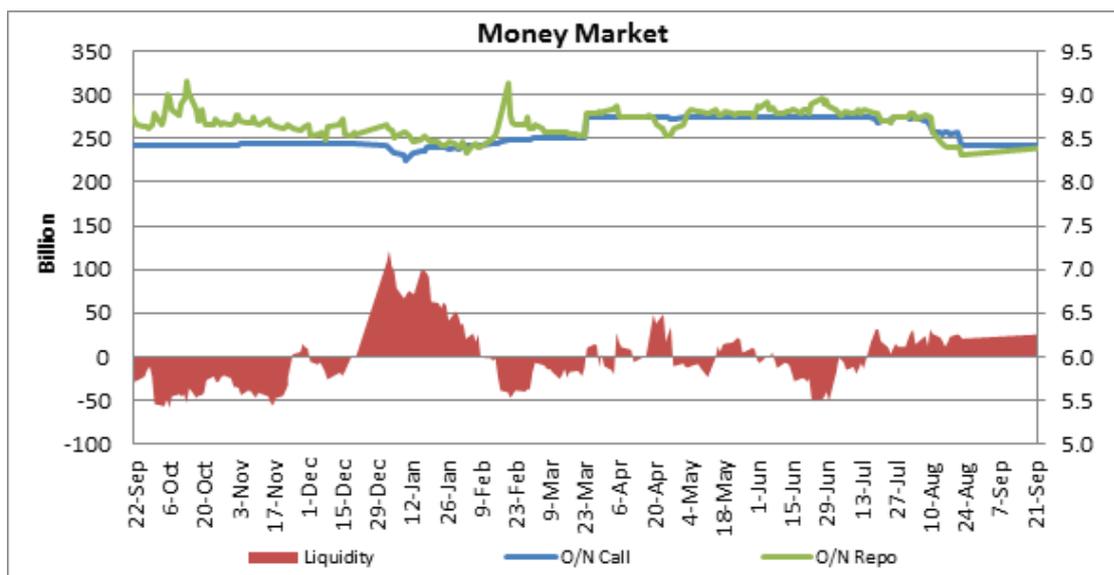
The yield curve of government securities continued its downward trend during the third quarter of 2017 as shown in the table below. This trend can be attributed to the increased demand by both foreign and local investors and limited supply of government securities in primary auctions.



Source: Bloomberg

Deposit and lending rates of commercial banks appear to have stabilized, partly in response to the recent decline in yields on government securities.

The current trend in the yield curve is expected to continue, mainly supported by the projected fiscal consolidation based on stronger revenues backed by the new Inland Revenue Act (IRA). However, this situation could change from unforeseen internal and external changes or shocks to the current system.



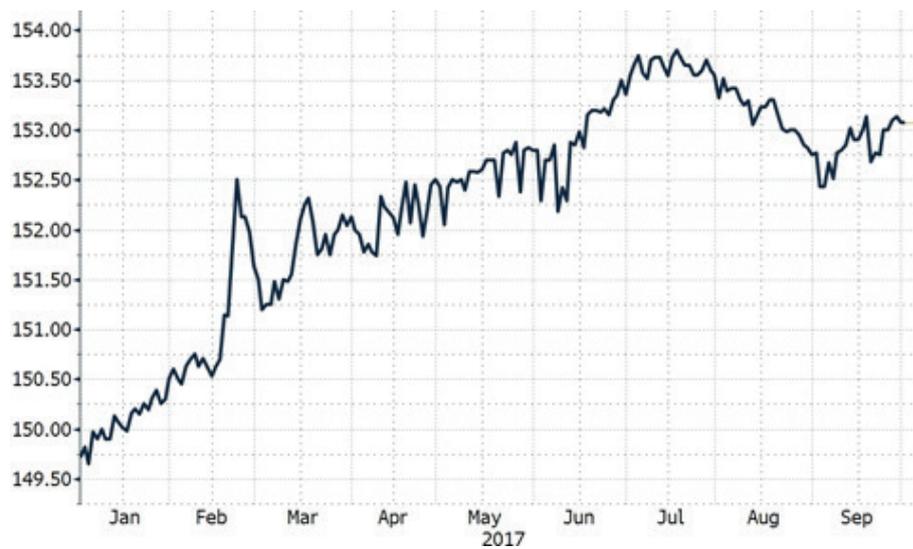
Source: CBSL Data

The inter-bank money market liquidity remained in positive territory from mid July, helping the inter-bank Repo and Call money rates to gradually fall during the third quarter of 2017. Accordingly, by end September the weighted average Call money market rate stood at 8.11 percent, while the Repo rate was at 8.01 percent. The CBSL held auctions on a regular basis under Open Market Operations to sell outright, Treasury bills out of the Central Bank holding to mop up excess liquidity. The CBSL holding of government securities fell gradually and stood at 49.2 billion Rupees by end September.

### External Sector

Official data with regards to the external sector is available only up to July thus far and according to these data, earnings from exports have maintained its positive growth for the fifth consecutive month in July 2017. However, the cumulative trade deficit widened in July 2017 as a result of the rise in import expenditure. Tourist arrivals and associated foreign exchange inflows grew on a cumulative basis. Workers' remittances declined on a cumulative basis during the year owing to sluggish economic performance and geo-political uncertainties in the Middle East. According to CBSL, its' total purchases of foreign exchange from the domestic market exceeded US dollars 1.1 billion on a net basis and gross official reserves improved to around US dollars 7.3 billion by 21 September 2017 from US dollars 6.0 billion at end 2016.

CBSL continued its flexible exchange rate policy throughout this year, resulting in a year-on-year depreciation of the Sri Lankan Rupee against the US dollar of 2.0 percent by end September 2017. By end September the spot Rupee closed at 153.05/15 levels. This movement of the currency is illustrated in the table below. The Rupee is expected to come under pressure against the greenback during the fourth quarter of this year with increased imports during the festival season.



Source: Bloomberg  
References  
[www.bloomberg.com](http://www.bloomberg.com)  
[www.cbsl.gov.lk](http://www.cbsl.gov.lk)  
[www.imf.org](http://www.imf.org)  
[www.statistics.gov.lk](http://www.statistics.gov.lk)

*(Ravinda currently works as the Fixed Income Securities Manager at DFCC Bank Treasury. He is a CFA charter-holder. He is also charter-holder of Chartered Institute of Management Accountants (CIMA) and Chartered Global Management Accountants (CGMA).)*

## APB EVENTS

### “Managing the In –betweens”

A report on the CPD Lecture – Mr. Sanjeev Jeyarathnam



The Continuous Professional Development Committee of the Association of Professional Bankers of Sri Lanka started off this year's series of Continuous Professional Development lectures with an address by Mr Sanjeev Jeyaratnam, founder of the “Revelations” all male choir group and a World Champion Choral Conductor.

Sanjeev identifies himself as a Chief Transformational Wizard, Lecturer, Singer, and an Actor. In delivering a lecture titled “Managing the in-between” Sanjeev emphasised on a key area a typical corporate employee tends to neglect, but can be used brilliantly in one's day today activities to bring great results.

Getting the audience to engage in the lecture Sanjeev elaborated on the different types of personalities that one would meet in office. Expounding through various examples that are available in day to day life, he made the audience aware that one factor that would be in one's control is ones mood. Explaining in very simple terms he clarified the bio kinetics of the brain, including the part of the brain called the Amygdala in the ones reactions to the external environment. Then he explained the mirror neuron reaction and how a bad mood is contagious and if the team leader's mood is bad how the effect would spread throughout the office.

Explaining on the research done by Daniel Goleman (whose doctrine of emotional intelligence has acclaimed world-wide acceptance), Richard Boyatzis and Annie McKee he stated that a leader's mood may be the biggest factor in bottom-line performance.

“A leader's emotional style, their mood and behaviours, create a certain culture or work environment. Irritated boss creates a toxic organization filled with negative underachievers who ignore opportunities, research say a leader must make sure not only that they are optimistic, authentic and maintain a high-energy mood, but that it shows through their actions and is in turn felt by their employees.” said Sanjeev.

Explaining the practical ways of managing ones emotions, Sanjeev described how leaders can learn habits and practices to improve their emotional style.

Then he went on to explain how posture has a reverse effect on one's emotion. Quoting from the research he said that the open posture help one to create a better mood. He showed the audience how to reset their emotion through a mindfulness breathing exercise termed “Sixteen seconds of bliss”.

Elaborating through Sanjeev's own experiences in training choir groups, he demonstrated as to how ordinary people can be made to deliver extraordinary results through the effective management of

the Emotional Intelligence.

He requested the audience to start their days with thinking about one thing that made them happy yesterday and to think of an opportunity that is available today, and requested the audience to inculcate the habit of offering genuine compliments and genuine appreciation and stated that these practices would work like a switch that will reset ones mood to happiness.

A hearty question and answer session was followed by the lecture. The questions by the audience were answered by ever smiling Sanjeev.



## **APB Anniversary Convention 2017 to be held on 21st & 22nd November 2017 at Cinnamon Grand, Colombo**



*Coming into being as a distinct economic activity in the medieval and early renaissance Italy and later developed by the English, Banking has held its preeminent position in the world throughout its proud history, by weathering the storm and catching the headwinds to forge ahead towards greater prosperity.*

*It has survived four industrial revolutions by adapting to the changing environment and by reaping the benefits of innovation and economic progress. Banks are described as a financial reservoir that holds the flood waters during the storm and later helps irrigate the fields.*

*But...change is unstoppable, and banks must be alert and prepared for the future. Advancement of technology, connectivity of the world, new delivery channels, complexity of customer demands, ever expanding regulatory requirements, competition arising from outside the industry are some of the challenges presently faced by the banking industry. And challenges are omnipresent. As such bankers need to act with abundance of caution.*

*Banking must remain attractive to its investors and should welcome new talent. The industry needs to embrace technological advances, win respect and trust while upholding exemplary standards and supporting sustainable development. This means that the banks must foresee the unforeseen.*

*A new sun is rising in Asia. New economic superpowers have emerged in the Asian continent. Traditional trade routes and supply chains are being redrawn. The rule books are being rewritten with the introduction of IFRS and BASEL and ever restrictive compliance requirements compelling new bankers to equip themselves with new skills while ensuring sustainable growth in an extremely high tech environment.*

*This year at the Annual Convention of the Association of Professional Bankers Sri Lanka, we foregather to gear up to face the changing dynamics and to equip the Bank of the future.*

*Like their predecessors, the bankers of today will weather any storm, ride the currents and set their sails to steer the industry towards the Promised Land.*

# Convention Brochure

<p>21 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>		<p>Chief Guest</p> <p>Dr. Indrajit Coomaraswamy, Governor, Central Bank of Sri Lanka</p>
	<p>Inauguration Changing Dynamics: Bank of the future</p>	<p><b>Main Focus Area</b></p> <p>Banks are vital component of an economy and play a major role in the society. Banking is continuously evolving with the advancement of technology and changing customer behaviour reshaping the competition all the time. Adding to that, tightening regulatory measures pose new challenges for banks to meet expectations of stake holders and demanding customers. Changing external environment make things further complicated; both in terms of opportunities and challenges. In this dynamic scenario, banks need to redefine processes and procedures, harnessing opportunities available in the environment while providing superior customer service to deliver greater performance in an ethical and moral manner. The question is how banks should prepare for this challenge.</p>
<p>Key Note Speaker</p> <p>Mr Tariq Bajwa, Governor, State Bank of Pakistan</p>		
	<p>1800hrs onwards</p>	

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>		<p>Resource Persons</p> <p>Dr. Harinda Vidanage, Director, Bandaranaike Centre for International Studies</p>
	<p>Session 1</p> <p>Trade Winds Redirected [Geo - Political &amp; Economic Landscape]</p>	
<p>0900hrs - 0935hrs</p> <p>Duration: 35 minutes</p>		<p><b>Main Focus Area</b></p> <p>China and India are emerging as new economic power houses in the world while US, EU, Britain and other leading nations are trailing in their economic progress. "One belt, one road" project of China may have objectives beyond economic expectations. Meanwhile, Middle East, a region that generates a lot of much needed foreign exchange for our country is experiencing challenges and uncertainties. Understanding these geopolitical changes is very important for the country to position the business strategies in a changing competitive environment.</p>

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>		
	<p>Session 2</p> <p>Pathfinders to The Fore [Preparing Banks to Embrace Change]</p>	
<p>Resource Persons</p> <p>Mr. Ralph Van Doorn, Resident Senior Word Bank Economist</p>		<p><b>Main Focus Area</b></p> <p>How banks should prepare to embrace the new economic landscape resulting from the geopolitical changes in the region and the other parts of the world.</p>
	<p>0935hrs - 1010hrs</p> <p>Duration: 35 minutes</p>	

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>		<p>Moderator</p> <p>Mr. Dilshan Rodrigo, Chief Operating Officer, HNB</p>	<p>Covering the above two inter related topics discussions will indicate how banks in Sri Lanka should prepare to face these external changes and adapt to new order.</p>
	<p>Panel Discussion 1</p>		
<p>1010hrs - 1050hrs</p> <p>Duration: 40 minutes</p>		<p>Panelist</p> <p>Mr. Anushka Wijesinghe, Dr. Harinda Vidanage Mr. Ralph Van Doorn</p>	

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>		<p>REFRESHMENTS</p> <p>1050hrs - 1120 hrs</p>	
	<p>Session 3</p> <p>Rules of The Game - Three Distinct Areas of Regulations BASEL III IFRS 9 COMP</p>		<p><b>Main Focus Area</b></p> <p>The BASEL III and IFRS 9 will have a huge impact on banks in terms of conducting business, leveraging on capital, identifying non-performing advances, recognizing profit etc. On the other hand identifying the right customers within the prescribed regulatory framework has become a key challenge, especially in developing economies like Sri Lanka. (There will be three short presentations on the selected regulatory areas followed by a panel discussion.)</p>
<p>1120hrs - 1220 hrs</p> <p>Duration: 60 Minutes</p>		<p>Resource Persons</p> <p><i>Basel III</i> Mr. Aby Eapen, E&amp;Y India</p> <p><i>IFRS9</i> Mr. Sujeewa Mudalige, Managing Partner, PwC</p>	
	<p>Compliant Customer Mr. C J P Siriwardena, Deputy Governor, CBSL</p>		

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>			
	<p>Panel Discussion 2</p>	<p>Discussion will focus on the regulatory areas selected and how banks should prepare for the challenges.</p>	
<p>1220hrs - 1300hrs</p> <p>Duration: 40 Minutes</p>		<p>Moderator</p> <p>Mr. Naomal Gunawardena</p>	
	<p>Panelist</p> <p>Mr. Aby Eapen, E&amp;Y India Mr. Sujeewa Mudalige, Managing Partner, PwC Mr. C J P Siriwardena, Deputy Governor, CBSL</p>		<p>LUNCH</p> <p>1300hrs - 1400hrs</p>

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>	<p><b>Main Focus Area</b></p> <p>Technology is changing at a rapid pace, so are the technological applications in banking. Banks without physical infrastructure, keeping transactions recorded in block chains, use of bitcoin as a crypto currency, use of iClouds etc... are the latest topics of discussion today. Banks today are totally different to the banks that existed couple of decades ago, similarly a future bank will be significantly different to banks today. How will technology influence us in this journey? And how will the future bank appear to customers and bankers? The ever evolving technological advances are assisting the Banking industry and at the same time threaten it. The wave of cyber-attacks has prompted the banks to question the high reliance placed on technology. However the answer lies within the problem itself. Banks are employing ethical hackers to assure the resilience of their firewalls. At the same time enormous capital is spent on IT developments to stay ahead of the competition and to secure the systems against the new vulnerabilities. Are Bankers and most importantly the consumers ready and willing to continuously adapt to face the new "interfaces"?</p>
	<p><b>Session 4</b></p> <p>The Encoded World [Digitalization Revolutionises Banking]</p>
<p>1400hrs - 1445 hrs</p> <p>Duration: 45 Minutes</p>	
	<p><b>Resource Persons</b></p> <p>Mr. Saurabh Tripathy, Senior Partner &amp; Director, BCG</p>

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>	<p><b>Main Focus Area</b></p> <p>Unlike good old days, competencies expected from employees are nowadays significantly different with the advent of new technology, and resulting product &amp; process innovations. It will continue to be so and the expectations of customers too will change consequently. In that backdrop an analysis of how Banks should prepare their human resource to effectively stay in the business, whilst upholding their main attribute that is needed for the sustenance of the Banking Business i.e. Trust and Respect.</p>
	<p><b>Session 5</b></p> <p>Soldiers of the Brave New World - "Super Bankers" [Grooming People to Take up Future Challenges of Banks in digital environment]</p>
<p>1445hrs - 1530 hrs</p> <p>Duration: 45 Minutes</p>	
	<p><b>Resource Persons</b></p> <p>Mrs. Chandí Dharmaratne Head of HR, Virtusa</p>

<p>22 . Nov. 2017</p> <p>Cinnamon Grand, Colombo</p>			
	<p><b>CEOs Forum</b></p> <p>View From The Top</p>	<p><b>Main Focus Area</b></p> <p>This Forum will focus on different aspects discussed during the keynote speech and the technical sessions, and will address the concerns and opportunities presented as to how the Banks should reshape their internal processes and business to face the new world order.</p>	
<p>1530hrs - 1630hrs</p> <p>Duration: 60 Minutes</p>		<p>Moderator</p> <p>Mr. Ranel Wijesinha, Director BOC &amp; SEC</p>	
	<p>Panelist</p> <p>Mr. Lakshman Silva, CEO, DFCC Bank Mr Nanda Fernando, MD, Sampath Bank Mr. Mark Prothero- CEO, HSBC, Colombo</p>		<p>Panelist</p> <p>Mr. Dumith Fernando, -Chairman, Asia Securities &amp; Director, SEC Dr. Nayana Dehigama, Chairman/MD -EPIC</p>

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## Bank Humor!!!

Best answer ever by Banker Husband...

"Wife ask - why in all marriages girl sits on left side and boy on right side?"

Tapori Baba

"Banker Husband reply - According to profit and loss statement a/c all income is on right side and expenses are in left side.

Best answer ever by Banker Husband...

"Wife ask - why in all marriages girl sits on left side and boy on right side?"

Tapori Baba

"Banker Husband reply - According to profit and loss statement a/c all income is on right side and expenses are in left side.



Contributed by Ms. Viruli De Silva.

