



Savings that build the Nation

The National Savings Bank makes your future secure with savings whilst taking Sri Lanka to a secure tomorrow by assisting the tremendous development taking place islandwide. And it's you who makes this progress possible. Because your future and that of your Nation are not separate but united as one, you truly build your country when you save.



The Leader in Developing You and Your Country

National Savings Bank

Earmarked to be Sri Lanka's Best Financial Institution by 2012

Since its inception in 1972, National Savings Bank (NSB) has grown in stature and strength, inculcating the value of savings in each and every Sri Lankan and contributing significantly to the economy of the country. With an island wide reach of nearly 5,000 service points and over 16 million account holders, NSB prides itself being Sri Lanka's pioneer and premier savings bank whose deposits are fully guaranteed by the Government of Sri Lanka. This immunity is well capable of segregating and upholding NSB from other Banks and Financial Institutions; however, the ever increasing competition and ever changing customer preferences and priorities pose a considerable threat to NSB's status quo.



**Mr. PRADEEP
KARIYAWASAM**
CHAIRMAN

Eager to benchmark itself with the other players in the industry both locally and internationally, NSB has decided to name the year 2010 as the 'Year of Change' 2010 marks a special year for the Bank as well as the country. With His Excellency the President ending the 30 year war within a period of less than 2½ years, the country finds itself in an abundance of opportunities not only in the North and East or the entire country, but also outside Sri Lanka. During the 38 years of the Bank's history, the Bank has become a strong financial outfit with only internal growth. End of war and restoration of peace has opened up myriad of opportunities for the Bank as well as the country to grow, especially externally.

Foreign remittances are a main focus in our future

As per the strategic direction and vision of the Bank, an ambitious goal has been set for 2012 the year the Bank reaches 40 years. That ambitious goal is for the Bank to transform itself to being the best managed, best administered, most profitable and the most respected financial institution. With this goal in mind, strategic plans have been initiated some of which are:

CORPORATE ADVERTISING CAMPAIGN

With the objective of enhancing the image of the Bank and reminding all citizens of the importance and urgency of savings, the benefit of savings to their livelihoods and most importantly, how they could be stakeholders of the development of the country.

PARADE OF A GIANT REPLICA OF A SAVINGS TILL

A giant Savings till approximately 11 ft in height and 8 ft in width was unveiled by His Excellency the President on 7th October and since then the till has been travelling to every nook and corner of the country with the objective of reconsolidating the message of the corporate advertising campaign. Responses received by the country-wide parade of the till have been unprecedented and overwhelming. Even though initially we expected this journey to be completed by the end of this year, there is every likelihood that this travel will continue to the end of 1st quarter of 2011.

EXCLUSIVE AGREEMENT WITH SRI LANKA POST

We hope to enter into an exclusive agreement with Sri Lanka Post which gives us the ability to use their network of 641 Main Post Offices and almost 3,500 Sub Post Offices as our service outlets supplementing our island wide branch network which is now at 175 but expected to be little less than 200 by the end of 2010. A unique project has been undertaken with Sri Lanka Post to introduce an interest bearing joint savings product and also to introduce a Small and Medium Enterprise type loan scheme (SME type) subsequent to a predetermined period. This exclusive agreement will provide us exclusive rights to market this special savings scheme as well as foreign remittances of Sri Lankan migrant workers, through the wide-reaching Postal Network.

This gigantic project seeks to fulfill main objectives of both the Institutions. From the point of view of Sri Lanka Post, this project will seek to uplift their overall standards and thereby increase their efficiency and productivity by means of equipping Post Offices and Sub Post Offices with computers and the required peripherals. Upgrading their IT infrastructure will not only enhance the delivery of Postal products and services but also the services related to NSB products. Under this project, postal systems will be enhanced to be more productive. Computerization of Main Post Offices has been completed by 31st October 2010 and computerization of Sub Post Offices will be undertaken in three phases. Starting from January 2011, we will install, commission, test and handover 1,000 Sub Post Offices every year and by the end of 2013, we hope to complete computerization of all Sub Post Offices in the island. The entire capital expenditure incurred towards this project exceeding Rs.570 Billion, would be borne by NSB. This will be an ongoing project as we will also undertake to maintain Post Offices and Sub Post Offices on periodic basis, as and when the need arises.

From the point of view of the Bank, we will have unlimited access to the Postal network and thereby have access to the furthest corners of Sri Lanka. True to its founding objective i.e. to increase the savings of the people, especially the rural and the low income segments, this strategic alliance with Sri Lanka Post will enable the Bank to reach the deepest recesses of rural life and increase the domestic savings ratio from the current figures of 17%-18% to the much desired 25%-26%. By these means, we would be in a better position to enhance our contribution to the national economy as was expected by the Government by the establishment of the Bank, 38 years ago.

From a broader point of view, this strategic alliance will serve to build up entrepreneurship on an island wide scale through cash circulation stimulated by SME type Loan

schemes. We are quite confident that through this venture, we can make a very strong contribution to the Govt.'s efforts to increase the Per Capita Income from the current US\$ 2,000 to US\$ 4,000 by 2015.

REMITTANCE AGREEMENTS WITH INTERNATIONAL EXCHANGE HOUSES

We are on a mission to enhance our foreign remittance base capitalizing on our unique status as the only State Bank whose deposits are fully guaranteed and protected by the Government of Sri Lanka, an undertaking which is explicitly stated in the Act of Parliament, through which the Bank came into existence. At a time rife with scandals and rackets concerning unsafe passage of hard-earned remittances, National Savings Bank guarantees safe and secure passage of money, which itself is a bonus to the customers nowadays. Whichever part of the world the migrant workers are stationed or wherever in the island their beneficiaries live, NSB ensures safe and complete delivery of inward remittances. With our unprecedented penetration into the country and our unrestricted access to the Postal Network, we are armed with the best logistics to facilitate money transfer services to the migrant worker population, 60% of whom are based in the Middle East.

planning. Having tapped into almost all segments of markets in the country, we have realized the need for looking beyond the local market which is almost saturated and finding new markets preferably outside the country. While consolidating the existing arrangements entered into by the bank with various exchange houses, we were able to sign up with foremost exchange houses in countries such as Kuwait, Lebanon, Jordan and Cyprus and once the situation in Saudi Arabia eases, we hope to sign agreements with exchange houses there too in all probability by the end of 2010. The globally recognized international financial network 'MoneyGram' too, is among our worldwide links. Being the only bank with 100% Govt. Guarantee and protection, which bespeaks safety and security and the Bank's far reaching network backed by the Postal outfit makes NSB extremely desirable and appealing for both the remitters and remitting agencies.

We continue our partnership with Eurogiro as their exclusive Sri Lanka member and our position would be much strengthened with the gigantic project being initiated with Sri Lanka Post. It has been indicated by Eurogiro that they will consider NSB unique in the Asian region and they have promised to give as much publicity as possible for the project launched for the joint interest bearing savings scheme 'SMILE', in conjunction with Sri Lanka Post, coinciding with the 'World Thrift Day' on 31st October, giving us unprecedented exclusive access to 641 Main Post Offices and almost

3,500 Sub Post Offices and our own network, presently numbering 175.

Being a service organization, our employees are the key success factor in rendering a delightful service to the customers. Therefore we always give much emphasis to training and upgrading skills of all employees. It is of paramount importance that the human capital is content and ensured of congenial working conditions so that they are motivated to give the Bank more than 100% attention and performance in our collective effort of elevating the Bank to the desired position in 2012 and beyond.

As a socially conscious and responsible fully-fledged state bank, we are in our quest of upgrading the standards of school education by sponsoring workshops for Grade 5 Scholarship exam, offering scholarships to Year 5 scholarship recipients and GCE (O/L) aspirants etc and introducing loan schemes for students and teachers. We also empower school children and expose them to financial management from an early stage through setting up of school banks. Not only our 2010 calendar, but beyond that also is committed for CSR activities and we will continue with these traditions, as we have done in the past.

In its path to being the best financial institution in Sri Lanka in 2012, National Savings Bank as a responsible State organization, will serve as a pivotal catalyst in the Government's mission of transforming our motherland to be the 'Wonder of Asia'. ■