

# People's Bank

THE POWER THAT DRIVES PEOPLE'S PROSPERITY



Mr. W. KARUNAJEWA : : CHAIRMAN

**C**hampioning Sri Lanka's development process by powering her people, People's Bank has consistently chartered a voyage of progress, prosperity and sustainable growth as a true partner of the people of Sri Lanka. This is an expedition that has seen the country and her people manage challenging times but, People's Bank has founded strong trusses of attainable hope and ambitious dreams on foundations that have ultimately advanced towards a reality that can only take Sri Lanka above and beyond.

Sri Lanka has today steered herself towards a renaissance where the dawning of a new era and a purposeful journey of development become the avenues for prosperity. Having being rid of the shackles of three decades of

terrorism and now emerging as a free and united land, Sri Lanka's prospects for the future are infinitely brighter and built upon a nation of resilient people who have for centuries proved that they have the dynamism and drive to create milieu of prosperity. Built on the vision of being the bank of the aspiring people of Sri Lanka, empowering them to become a value creating competitive and self-reliant nation, People's Bank adds itself as a key driver to this equation of prosperity, continuing to forge ahead in the annals of the country's development arena as being a bank 'with the people, for the people', which remains the underlying tenet of its existence.

People's Bank has, over its existence of 48 years, always been known for its ability to

objectively and realistically feel the pulse of the people, a truism that has for long been a core fundamental of the Bank, whose products and services have evolved to empower people in making their aspirations and dreams a reality. These products and services and the very ethos of our existence is all about ensuring life long partnerships made for the journey the Bank makes with the nation and vice versa. It is this philosophy therefore that truly espouses the name of the 'People's Bank'.

Having thus honed the knack of reading the pulse of the people accurately, People's Bank is able to continue powering Sri Lanka and her people, into a prosperity that lies within the context of sustained development where innovation is the key driver.

**VISIONARY BEGINNINGS  
HERALDING PROSPEROUS FUTURES**

Established under an Act of Parliament in 1961, namely the People's Bank Act No 29 subsequently mandated under the Banking Act No 30 of 1988 to function as a licensed Commercial Bank, the initial specified mandate pertaining to the Bank was to provide services and assist in the growth of Sri Lanka's rural sector and co-operative societies. However, with the granting of the commercial banking license, the Bank was able to actively expand its role while extending its products and services to reach across boundaries, both geographically and socially, to reach all ages and strata of Sri Lankan citizenry.

Having striven over the years to ensure that an environment of competitiveness is injected into our strategy and operations, we have seen the bank evolve into a strong and stable state bank that stands among the best in the country. The prestige and positive reputation that the Bank has garnered for itself over the decades with its emphasis on creating a highly stable and secure financial organisation within the country, has also elevated confidence levels among the public in the entirety of the state owned financial organisations.

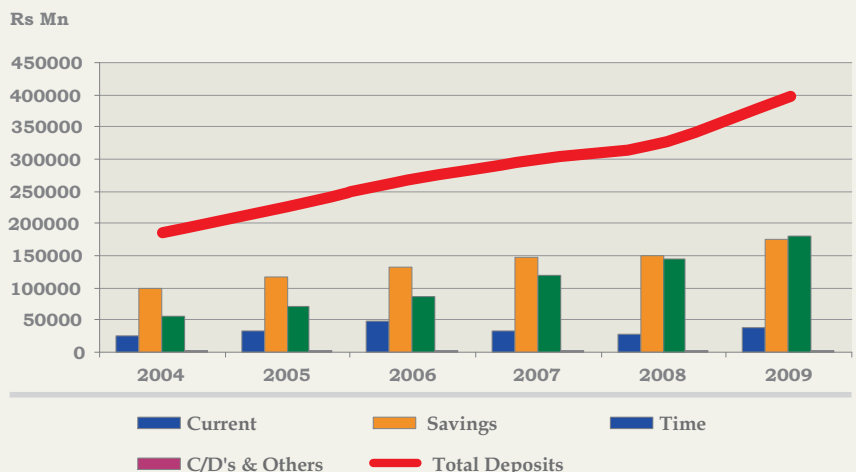
We have already implemented a well focused five year Strategic Plan from 2004 to 2008, which constructed the foundation for the Bank to move towards an evolutionary era on the trusses of productivity and competitiveness. The Strategic Plan which followed for the years from 2009 until 2014 were therefore built on this foundation. Having already envisaged the challenges the financial services industry and the Bank in particular may encounter in this transformation process, the Strategic Plan cohesively brings together strategies, action plans, standards and guidelines that will ensure not only the Bank's survival, but also enable the Bank to thrive and forge new ground in the coming years.

We touch people from the cradle to their twilight years, nurturing relationships throughout lifetimes and through generations, with a commitment to ensuring that our stakeholders gain the best from our products, services and presence.

**REACHING BEYOND  
CONVENTIONAL BANKING**

To be a truly people's bank, it is fundamental that we must reach beyond conventional banking channels and routes to get to people who are placed beyond that vista. Peoples Bank is unique because our intentions have always been constructed on the trusses of helping all Sri Lankans improve their living standards, thereby uplifting the economy of the country. We touch people from the cradle to their twilight years, nurturing relationships throughout lifetimes and through generations, with a commitment to ensuring that our stakeholders gain the best from our products, services and presence, taking banking to the rural backwaters of Sri Lanka including the most difficult environs. The best barometer of our standing among the people is the fact that in measuring brand awareness, the Bank is ranked among the highest in top of the mind recall in the banking sector.

With a penetration of over 668 touch points which includes fully fledged branches interspersed with service delivery centers augmented by a range of ATMs that are destined to reach over 350 by the end of this year, we strongly believe that the Bank has already constructed a sturdy platform to reach and meet the needs of all diverse economic and social



segments within our communities. It is also a strategic move that will enhance the Bank's product and service delivery points by improving penetration, visibility and also branding. Technological innovations that literally bring banking to the doorstep of the customer, value additions that involve the complete ownership of our stakeholders where farmer communities are given technical advice and students become proactive members of the savings organisations are some examples that create the apt environment for the Sri Lankan people to regard People's Bank as a true partner.

#### CUSTOMER SERVICE EXCELLENCE

While our products are diverse and designed to meet the needs and aspirations at every stage of life of our rapidly increasing customer portfolio, our firm belief is that customer service is the key driver in retaining and growing our customer base. Over the years, the emphasis we have had on building and strengthening relationships has held us in good stead, even during the most challenging years, when the foundation of trust, confidence and friendship has made the partnership between the customer and the Bank grow both qualitatively and quantitatively. Our mission for our customers is about taking pride in providing an excellent service in the most caring, responsive and professional manner, a mission we have taken very seriously, permeating its importance to all levels of the Bank. It is this mission that has helped us build a solid foundation to our partnerships, ensuring they are long term and continue to be focused on being proactive and inclusive of all customer segments.

Our business values remain firmly ingrained in creating this customer centric milieu, recognising that the primary *raison d'être* for our existence is in creating value for the people. While we will exercise duty and utmost care for our depositors and promote ethical relationships through true and fair dealing, the customer must and continues to remain centric to our operations. This is aided with minimal

bureaucracy, hands-on management, quick decisions and implementation, all infused through a culture of empowerment among our team.

#### EXPANSIVE PRODUCTS, EXTENSIVE SERVICES

Conceptualising a product mix that would cater to every stage of life, our products have become imperative features to the journey of prosperity which we augur for the nation. Weighing into the importance of saving for the future of a child, our product cycle begins with Isuru Udana aimed at new-borns and infants, creating a solid foundation for growing up years and laying the springboard for the next cycle of student life, which is met by Sisu Udana, the Bank's most

successful student oriented product to date. Having taken student savings to a higher realm, Sisu Udana encompasses over half the student population of the nation, reaching beyond the conventional banking ethos by integrating social and cultural facets and a knowledge gaining culture among future generations. The accounts are mobilised through People's Bank mobile units and student centers established within schools, which also gives students first hand opportunities to experience the operations of a banking unit and inculcate an ownership to their savings habit.

Aimed at the young executive and young entrepreneur, our YES account and brand extension YES Future Stars spurs youth to gain financial mobility, empowering them to charter their future either in academics vis a vis higher studies or in creating an entrepreneurial venture to take them into a solid future. Given the economic hardships that numerous segments of society face in varying degrees, it is imperative that we, as a national bank accept the responsibility for creating an enabling environment for the people. Our niche products including Guru Setha, Suwa Sewana and PALS are designed for individuals in various competencies, for the furtherance of their future plans, granting access for purchase of personal needs, housing to household durables, vehicles, funding education and setting up professional private practice for teachers, health sector employees and professionals. The Bank recognises the catalytic role played by women, especially those in South Asia where the family unit to a great extent is patterned on a matriarchal format. Encouraging women to assume leadership in decision making, our Vanitha Vasana product which was launched to commemorate International Women's Day a decade ago, has today empowered women to develop their skills and make better homes and improve their lifestyles.

Yet another unique product that was based

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on the fundamental of ensuring sustainable secure futures is the People's Gift Voucher, which encourages monetary gift giving in a materialistic world. The gift vouchers are tangible prudent investments to be presented at special occasions, religious and cultural festivals and milestone ceremonies.

Given the Bank's stance of being one with the people, it was imperative that we salute the heroism of the armed forces of the country, whose sacrifices saw the return of Sri Lanka's sovereignty. This prompted the Bank to initiate the Deya Viru Pranama loan scheme. With nominal rates of interest, the scheme enables members of the forces to use these funds to return to normalcy, improving the status of their families while empowering themselves.

The Sri Lankan diaspora, who remain the bedrock to growing our GDP, contribute massive figures in foreign exchange into the national treasury. We consider it a national responsibility that these remittances must be channelled officially and our expatriate worker product, Videshika in partnership with the Foreign Employment Bureau of Sri Lanka serves this niche. Being a cohesive product that allows migrant workers to use their income prudently and responsibly, the value additions include a loan scheme which mitigates expenses incurred in pre-departure and assists in housing and subsequent entrepreneurial ventures.

Our product aimed at senior citizens is the Parinatha account, re-launched last year to include a host of additional benefits.

**MOVING INTO TECHNOLOGY DRIVEN BANKING**

People's Bank has always recognised the importance of integrating IT into the very innards of the operational and mindset transformation of the Bank. This has been a driving focus which underwent further impetus when the Bank began implementing the Strategic Plan based over five year periods. With most of our branches and service centers now

networked on a common platform and more ATMs being added to the fray, our strategic IT trusses are now well strengthened to meet the challenges of the future.

One of the primary initiatives channelled towards innovative customer services and new product development was the development of a detailed MIS (Management Information system) which permeated to better customer services features, while Internet banking, Palm Top banking and SMS banking continue as pivotal innovations that have enhanced our accessibility, penetration and the futuristic style of banking.

'Banking at your Doorstep' was taken to yet another ambit with the Bank's mobile on-line branches being deployed within displaced communities to ensure safety of their funds. Palm Top Banking too was extended expansively to the agricultural communities, where banking services and IT bridged the gap in this rural society.

Our award winning IT Team which steers and pushed the boundaries of IT innovations within the Bank remains a notch above par. One of the greatest achievements this year was the implementation of a fully functional disaster recovery system which achieves a 100% disaster

recovery solution for our core system, a first in IT within the industry, adding to the honour of the award bestowed on the Bank for the Best Core Banking Implementation and Deployment in South Asia and the Middle East at the Banking Technology Summit in Australia this year.

**ADDING VALUE TO OUR TEAM**

The transformation and pragmatism that the Bank has displayed in maintaining its leadership stance within the banking industry in Sri Lanka can be primarily attributed to the unwavering spirit, courageous dynamism and gung ho attitude that our team possesses. Encompassing over 8000 highly talented professional individuals who display an immense sense of team spirit and entrepreneurial spark, the need to overcome challenges and continue being leaders steers our team to give of their best in interacting with our stakeholders.

While we create an environment of equal opportunity and empowerment, where knowledge gaining remains an imperative to rewards, career progression and meeting individual aspirations and goals, training and development initiatives are matched against



individual goals and organisational objectives. We in turn demand that our team is accountable for their actions and display the highest standards of integrity at all levels. There's also a culture of mutual respect and trust where meritocracy is the tool for performance elevation.

We develop our business by encouraging high performing teams that recognise and support the skills and talents of each of our employees, identifying natural leaders and honing their positives so they add value to the Bank. Our team has accepted change and become change agents in the transforming milieu of the Bank. They have undertaken the innovation of products and services with a passion, adding their valuable inputs into the decision making process to make our Bank's sustainability a proactive one.

#### ACCOLADES FOR ADDING POWER TO THE PEOPLE

Continually at the helm of being the bank for the people, the SLIM-NIELSEN Awards 2010 titled the People's Awards saw the Bank continue to sweep the boards. Conducted by The Nielsen Company and awarded on an independent survey encompassing the Sri Lankan people, People's Bank won the award for "The Best

Loved Bank" for the fourth time and "The People's Service Brand of the Year" for the second year consecutively. Adding to its accolades, People's Bank also won three awards at the SLIM Brand Excellence Awards 2009 including the coveted "Brand of the Year" award, the first time this honour has been conferred on a state organisation, as well as the award for "Service Brand of the Year". These awards are presented after evaluating marketing skills and brand name expertise as well as the quality of customer care and the impact on society. The awards vouch that People's Bank possesses a potent powerful brand and the ensuing brand value, which recognises it as a leader in the banking industry, strongly committed to the progress of the nation through its innovative products, services and social projects.

The People's Bank brand gained its own quantitative weight this year with an AA- rating awarded by Brand Finance Lanka. Recognizing it as among the strongest of the banks operating in Sri Lanka and published in the premier business magazine LMD's Annual Brands Edition, the rankings are based on research in the market and on data available in the public domain. The brand ratings are similar to a company's credit rating, providing an indication

of the future prospects of the brand as well as its ability to attract future sources of income.

#### BECOMING ONE WITH THE COMMUNITY

With a strong relationship axis that penetrates deep into our stakeholder base, the tenets of Corporate Social Responsibility at People's Bank are a way of life. We have always recognised and been highly committed to our role within the community, taking this responsibility to ensuring that we 'walk the talk'. We conceptualise and design products and services that are aligned to this role where our social responsibility is built on the basis of sustainability, helping communities improve themselves on the premise that when communities develop, it cascades to overarching development as well. We remain strong proponents of uplifting rural communities recognising that in empowering them they have the ability to contribute towards economic development and eventual nation building.

Much of our community based initiatives are based upon the trusses of the United Nations Millennium Development Goals of community empowerment, with education, shelter and food security as main fundamentals. The sustainability fundamentals lie in the

FINANCIAL HIGHLIGHTS	2009 (Rs. Mns)	2008 (Rs. Mns)	CHANGE %
Net Interest Income	23,927	18,962	26.2
Operating Income	30,635	24,456	25.3
Profit before Taxation	6,076	5,664	7.3
Profit after Taxation	3,320	2,705	22.7
Loans and Advances	299,077	263,462	13.5
Total Assets	476,226	397,548	19.8
Deposits from Customers	396,158	324,489	22.1

strengthening of the rural economy which can spur a renaissance in the corporative movement, which we feel will revitalise pivotal sectors in the rural economy including agriculture, livestock and SMEs. The Bank launched a comprehensive range of micro finance loan schemes meant to spearhead domestic production, create employment opportunities, enhance skills and empower various segments of society in order to optimise the use of untapped resources and uplift the rural economy.

We strongly believe in sustainable development where products like the Aswenna savings account creates an empowering culture for the farmer community across Sri Lanka, with its wide range of benefits and astute encouragement in money management and creation of a nest egg for future planning. Similarly, working on the vision of being food sufficient by the end of the next decade, the Bank is now a strategic partner with the national programme on the theme, "Plant Today – Reap Tomorrow", for the planting of three million fruit and vegetable bearing trees and plants.

With the north and east rapidly regaining its characteristics of normalcy, the agricultural economy in those two areas which were hitherto untapped, can now begin contributing towards macro development. The Northern Spring and Eastern Awakening loan schemes began this resurgence of economic activities, with the Bank extending assistance to entrepreneurs aimed at revitalizing the dormant entrepreneurial spark, distributing loans and providing non-financial services through varied programmes, especially micro and development activities.

The access to shelter, yet another primary need and a UN MDG, is met through Jaya Nivasa, a comprehensive housing loan scheme which is also extended to public sector employees who are generally unable to access housing loans due to lack of collateral or security.

Our commitment to ensuring a knowledge oriented citizenry gained added impetus this year with fifty students, being awarded Sisu Udana Kusalatha Pranama Scholarships for pursuance

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of higher education goals. These are students who have excelled at national and district level, achieving the highest marks in the GCE Advanced Level Examination.

Our unique Piyum Vila programme works with students in underprivileged families and this year, saw complete focus on children in the north and east who have undergone the trauma of war and displacement. Nurturing young children to acquire knowledge, skills and values that will contribute towards building a civic minded society, the programme uses modern learning and counselling techniques to work with students, parents and teachers in order to understand and gain insight into issues such as co-existence, habits, values, civic mindedness and coping with stress arising from a competitive education system.

#### MOVING INTO THE FUTURE

While People's Bank has been honoured with kudos and prestigious accolades over the many years of its existence, underpinning the values and ethics the Bank has strengthened in that time is the need for transparency, accountability and

governance in all spheres. As part of its mission, the Bank aims to generate benefits for the national economy while maintaining its independence and being commercially viable, all facets that it has sustainably and consistently upheld. We have a strong commitment to ensuring that our stakeholders gain the best from our products, services and presence which naturally has seen our brand ranked at the helm of the financial services industry.

From our input into the country's development facets and the results we have generated from these, it can be seen that we are tightly woven into the social fabric of the Sri Lankan people and in a larger panorama, into the economy as well. Our well planned products that contribute to a nation's progress and are closely interwoven into its productive future, illustrates the strength of the strategic links we have fostered even among the most far flung areas of Sri Lanka. Winning the People's Award this year was a good example of this partnership, where the people themselves gave us a vote of confidence in keeping us at the zenith of the financial services industry.

While we continue to be innovative in our infusion of IT into the proactive operations of the Bank, we will assert ourselves as a partner in national development, working from both a bottoms up approach through our micro finance and social responsibility projects to a top down approach where macro development and infrastructure projects will see our presence ingrained therein. We have aligned ourselves to the Government's Ten Year Development Vision which will be our driving focus in sustainable development for the coming decade.

We strongly believe that the objectives, targets and overarching ethos that we have infused into the everyday workings of the Bank has created an unwavering focal point for us to work upon. We will continue to build newer avenues of innovation and institute qualitative initiatives for a new journey ahead, where the People's Bank will power the people towards a united Sri Lanka poised for burgeoning prosperity and growth. ■

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# THE PEOPLE HAVE SPOKEN ONCE MORE

**PEOPLE'S BANK NAMED 'BEST LOVED BANK'  
AND 'PEOPLE'S SERVICE BRAND OF THE YEAR'**

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*Providing the highest level of service and a comprehensive range of banking solutions to the people of Sri Lanka, we at People's Bank are truly proud to be named the **'Best Loved Bank'** for the 4th consecutive year, and **'People's Service Brand of the Year'** for the 2nd consecutive year at the PEOPLES AWARDS 2010, a symbol of the faith and confidence placed in us by the people of Sri Lanka.*

*People's Bank is proud to share this momentous achievement with our loyal customer base of over 12 million customers islandwide, and with all our stakeholders. We pledge to continue to honour your choice with our dedication.*

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AA<sup>+</sup>Brand Finance Rating, A (Ika) Fitch Rating



**PEOPLE'S  
BANK**

THE PULSE OF THE PEOPLE >>>