

Speech made by Mr. P Samarasiri, the Chairman, IBSL, and Deputy Governor of the Central Bank at its 22nd Convocation held on June 9, 2017 at BMICH

Honourable Governor

Honourable Secretary to the Treasury

Fellow Members of the IBSL Governing Board

Distinguished Invitees

All Award Recipients

Ladies and Gentlemen

Good Evening to all of you

I feel great privilege to associate with this 22nd convocation of the IBSL today along with this distinguished audience.

First, let me welcome the Governor, Secretary to the Treasury, Members of the Governing Board of the IBSL, Award Recipients and all other well-wishers to this convocation. Getting the Governor and Secretary to the Treasury to one public stage is a rare opportunity. They are two most high profile public servants with utmost public responsibilities we all are heavily dependent on. Their presence here today is a credential to the IBSL. I am grateful to all of you for taking-part in the convocation. This convocation could not have been possible without your association.

I wish to take few minutes to share with you the new business vision of the IBSL. Vision is like the clear road to travel. The IBSL is now only 53 years old. Still growing young. You just saw our new home, IBSL Towers. No doubt you are proud of our new home, because it is your home too as you are the members and stakeholders of the IBSL. It is your contribution that made the dream-home come through. We, the governing board, managed it prudently. Our Governing Board members are top bankers, therefore, our theme is the prudence.

In modern world today, our lives are extensively driven by banking and finance. As you know, this financial system produces money and facilitates our lives with money. Nobody can live

without banking and finance. Same time, we should not forget that the banking and finance live on public confidence in them. The public believe that their money is safe and sound. Some award-recipients today may already be in banking and finance careers. Some may be looking for such careers. Your prime duty is to protect the public confidence in banking and finance, not the profit for you at any cost. In this regard, you all have a role to play, how institutions are managed to serve their customers and public at large.

Almost all financial crises and failures are due to mismanagement and fraud on other's money. Not by everybody in financial institutions, but by few. Internal controls, governance rules and operational manuals are there to prevent fraud and mismanagement. However, they occur from time to time. Financial customers are of various risk appetites. Most do not like risks. Therefore, we have to select our customers and serve what they want. We should not sell risks to customers who do not like them. End of the day, our business model should be a prudently manageable risk. Some risk-taking with essential safeguards is necessary for business. However, our business model should not be run by perks given to employees and whatever their innovations. This is where mismanagement and fraud occur.

We must not forget that sustainability of business models requires support services of many internal and external stakeholders. Some of them are disciplined staff, boards, shareholders, auditors, regulators and capacity service providers. The IBSL is in the capacity service provider, mainly in the professional training. Our new business model is ready with a clear vision and mandate for next 10-20 years.

- New academic programme in ABAF - 2014: this is the base for our training model. It is to set an all-round financial management discipline in the financial system.
- New building with modern teaching facilities – Banking and financial education center
- New website and service management system
- Member care unit
- New membership policy and member capacity building
- Public education center
- Graduate level teaching through accreditation with a good institute. With theory and practical training. Banking and finance lacks practicing teachers.

Our business model is not based on aggressive marketing, but demand-driven quality. Our governing board's policy is not to recruit members aggressively by going after school leavers. Some staff members try it in order to increase their perks. Such membership recruitment is like a pyramid scheme. We do not do it. Our teaching and qualification focus on prudent business to be sustainable, not on aggressive profit.

My final message to you all today is to avoid mismanagement and fraud wherever you work, and promote prudence for long-term sustainability. Then only, we will have a safe and sound life with money and finance. The IBSL will be a tower of strength for prudence.

I wish all award-recipients success in all their future endeavors.

Thank you very much for listening to me.

Enjoy the Convocation and have a pleasant night.