

The Digital Highway



A milestone in People's Bank's Journey - Signing of the agreement with Silver Lake System SDV BUD Malaysia to install a state-of-the-art Core Banking Package and Trade Services Solution. Seen in picture is the Chairman of People's Bank Mr. Lal Nanayakkara and CEO of Silver Lake Systems Mr. Oob Peng Ooi exchanging agreements.

2003 was a watershed year for IT development within the Bank, having worked on the framework and introductory aspects during the restructuring process in earlier years. Working on the Vision of being a Bank spread across the country that cares for our customers with the flexibility of delivery channels and total efficiency, our focus on IT evolved into creating a solutions provider that supports the Bank's core value of customer service excellence in our bid to regain the Bank.

Core Banking Project

People's Bank, as part of its Corporate IT Strategy, decided to implement a Core Banking Software Solution covering all our Head office businesses and 60 Corporate and Commercial Branches at a cost of about US\$ 10 Million.

We currently have 5 archaic IT systems operating independently of each other resulting in poor customer service, poor MIS, delays in financial reporting, inability to identify the bank wide status of customers' financial positions or manage our products or customer relationships effectively.

We have not opted for a system that would just computerize what we do today. Instead we have chosen to take a great leap forward, which will mean adopting best practices and processes used by major Banks Worldwide, enabling us to catch up and keep at the front of the competitive race and customer value crusade.

We have entered into a partnership with SILVERLAKE SDN for at least the next 5 years to provide the systems and support which will enable us to expand our range of products and services, and deliver them in a much more customer friendly and productive manner.

For our customers this will mean:

- An anytime, anywhere service
- Information about all the customer accounts will be available at the Finger Tip. Knowing our customers in this way will empower our employees to develop much more responsive relationships.
- A complete range of services can be delivered at each point of sale terminal. Thus we will be able to care for our customers much better.
- Employees will have more time to serve, sell to, and build relations with customers.
- Easily accessible and more comprehensive information for customers.

For our Management and Controls:

- Information that now takes time to extract will be immediately available, enabling us to;
 - Sell the right products to the right customers
 - Respond to trends and manage our business more profitably
 - Manage and control risks better
 - Differentiate between customers and activities according to their needs and value

With the new system we will be able to:

- Effect policies and disciplines through the system
- Undertake straight through processing and automated clearing, speeding up end to end delivery and preventing manual intervention errors.

For our profit productivity per employee

- Better systems will enable us to attract and serve more valuable customers
- Saving in manual processes will give us more time to sell more products to each customer and gain fee income.
- We will be able to launch new products much more quickly and service existing products more easily.
- Automated processes will enabled us to free staff up for more productive tasks.

For our employees it will mean:

- More interesting jobs
- They will be empowered to undertake a much broader range of tasks
- Opportunities to demonstrate easily measurable achievements in sales, service and speed.

All IT related developments and projects of the Bank are initially overseen by an IT Steering Committee, which comprises of the members of the Corporate Management. In the case of the Core Banking Project, given the significant importance of the project, a separate Core Banking Project Steering Committee has also been formed. This committee comprises of the members of the Corporate Management and Executives from all the main users of this project. At the apex level of review, the Bank has a Board IT Committee which includes the Chairman, Directors and

The Digital Highway (Contd.)

Senior Management, who review the progress of all major IT projects including in particular the Core Banking Project.

In relation to the Core Banking Project itself, the management has ensured that at all stages that have been initiated to date, relevant and responsible representatives from all major users of the new platform have been fully involved. These selected executives and officers have been involved in identifying specific requirements and in evaluation of alternate options leading up to the selection of the eventual preferred solution for the Bank. All stages of the Core Banking Project will continue on the basis of full participation of the Corporate Management and the users' representatives.

Developments

During the year, 300 of the 325 branches were brought under the umbrella of automation albeit still functioning independently. Of the 240 pawning centers, 180 have been fully automated while the remaining 60 will be linked to the nearest branch to make the process more cost effective. This application will have the two-fold benefit of decreasing investment and extending the services of the branches as well. As the CBP rolls out the automation process, all branches will be brought onto a centralised IT platform for GL, MIS and Loan Processing.

96 ATMs and nearly 150 branches have now been connected to the Switch. By 2004, there will be 100 ATMs and 250 branches within the network. Courtesy telephones to extend our customer service abilities will be installed at every ATM site next year.

The Bank will also build an 'anytime, anywhere banking' capability for key functionalities, with inter-branch transactions for all deposits, current and savings accounts withdrawals being the significant facility that will be available for customers. The SLIP system is being further enhanced to transmit overseas remittances directly to the respective branches.

By mid 2004 the Bank will introduce Visa Electron, the internationally recognised debit card to the country and Visa Plus for use at ATMs or withdrawal centers. The Bank is now fully compliant with RTGS system within which the Sri Lankan Banking system operates. RTGS helps large volume transactions to be settled between banks electronically. The Card Centre has moved into plush premises and has upgraded software which has revitalised our credit card business, giving the Bank more capacity in handling a greater number of transactions in a more customer conducive environment.



CoreBanking project in progress - The IT & Finance team's representatives at a working discussion taking time off to pose for our cameras.

Training & Development

In all areas relating to IT, training is carried out by the IT Department staff in relation to inhouse developed systems. This process has enabled the Bank to have a large number of people who are knowledgeable in this regard to the use of systems. From the user point of view, the knowledge base helps them to make the best use of the systems.

Security

In an age of high IT development, the dangers of a breach of security increases constantly and better vigilance and continuous improvement in this area is a priority for the Bank. We are in the process of implementing virus protection systems and security firewalls, which will ensure total and complete protection for the Bank's IT system.

Disaster Recovery

A dedicated team is currently in the process of formulating a disaster recovery framework, which by end 2004, will enable the Bank through a data centre and back ups, to be fully compliant with disaster recovery for any man-made or natural disaster.

Innovation and advancement into an era of new age technology is the journey that we will continue from now on. Working within our IT Vision where technology has to conform and fuse the nuances of different cultures, traditions and backgrounds that formulate our diverse customer and stakeholder bases, we now have a clear focus of the role that IT plays and will continue to play within the Strategic Plan being implemented, mapping out the path of the future of the Bank.