



**A Comparative Study to Determine
The Impact of Engagement with Commercial Banks on
Poverty Reduction
in
Sri Lanka**

**This Dissertation to the Faculty of Graduate Studies of the University of
Kelaniya in Partial Fulfillment of the Requirements for the Degree of
Master of Commerce**

**Submitted By
FGS/02/10/02/2011/008
A.V.L Arasaratnam**

ප්‍රවේශ අංකය:	1207
වර්ග අංකය:	

**Master of Commerce Degree
Department of Commerce and Financial management
Faculty of Commerce and Management Studies
University of Kelaniya
Sri Lanka**

February 2015

ABSTRACT

This research study is aimed to investigate the effectiveness of the impact of engagement with commercial banks on poverty reduction in Sri Lanka, This study as focused on three districts mainly Trincomalee, Batticaloa and Ampara. The literature review also discusses the contribution on the role played by commercial banks on poverty reduction.

The study has five specific objectives. Firstly to determine the level of income among people who are engaged and non-engaged people with banks. Secondly to compare the levels of savings among people who are between engaged and non- engaged people with banks. Thirdly to compare the differences in debt among people who are between engaged and non-engaged people with banks. Fourthly to compare the level of educational among people who are difference between people engaged and none engaged people with banks. Finally to compare the differences in investment levels among people who are between engaged and non-engaged people with banks

The study was designed as a descriptive comparative analysis using SPSS software to analysis samples size of 200 participants 100 who were bank engaged and 100 who were bank none engaged.

According to the findings- There seems to be no difference between the bank engaged and the non engaged when it comes to in the levels investment and education. We could determine that the bank non engaged are correlatively better on savings this comparison largely due to the reduction in saving in banks due to the non attractive of its interest rates and the public searching for other avenues. The only way the bank has reduced poverty is through lending (Debt) and this has been better in the bank engaged participants than the non engaged participants.

Finally the researcher has presented few recommendations and suggests some recommendations for the future studies.

Keywords: Poverty, Banks, Income, Education, Savings, Investments.