Bankers To The Nation And The Resilient Leader

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Bank of Ceylon entered 2020 as the undisputed market leader with hope and enthusiasm. However, with the pandemic that engulfed the entire globe, BOC had to change gear and focus as the unfolding situation compelled to innovate fresh strategies to face the situation. The Bankers to the Nation, Bank of Ceylon continued to perform, playing a lead role in keeping the wheels of the economy moving as the crisis continued to the New Year as well. Following the concessions announced by the Government as well as the Central Bank of Sri Lanka with the advent of COVID-19, the Bank strengthened its capabilities to cater to customers in the best possible way. BOC has disbursed more than 39 billion rupees under the ‘Saubagya COVID-19 Renaissance Facility’ by extending working capital to COVID-19 affected businesses. The Bank also disbursed 128 billion rupees for development and agriculture sector including credit facilities under ‘BOC DiviUdana’ loans scheme. The Bank is moving forward with a stable performance and reported a Profit Before Tax of 16.6 billion rupees and Profit After Tax of 11.7 billion rupees, for the nine months ending at September 30, 2020. The total income of the Bank for the period was 181.8 billion rupees with a marginal increase of tow percent YoY. The non-fund-based income for the period amounted to 12.9 billion rupees showing an increase of 1.7 billion rupees YoY, and an exchange gain of 3.6 billion rupees, which contributed to this growth. The Bank’s assets base grew by 17 percent to 2.8 trillion rupees, backed by an increase of 25 percent in the loan book. BOC’s loan

book stood at 1.9 trillion rupees, the government and private sector lending contributed to growth, including lending to major infrastructure development projects initiated by the Government, funding requirements for mid-corporates for business expansion, SME sector, and priority sectors such as agriculture, fisheries and related industries. Term loans, scheme loans, personal loans and overdrafts are the key contributors to loan growth during the period. The term loan portfolio grew by 28 percent demonstrating the Bank's support in terms of working capital requirements.

The Bank's deposit base increased during the year, despite low interest rates. The deposit base of 2.3 trillion rupees represents 33 percent of the current and saving deposit base, which generates funds at low cost. BOC recorded the highest in terms of inward remittances of USD 2.7 billion as at end December 2020, an increase of 1.2 percent YoY. In addition to the latest 10 billion rupees AT1 Bond issue on December 1, 2020, the Bank successfully executed issuance of its first Additional Tier 1 (AT1) Bond of five billion rupees during the month of July 2020. These bond issuances have resulted in further strengthening the capital base of BOC by providing the required capital base for the business expansion. The Bank's Tier I Capital and Total Capital ratio stood at 10.4 percent and 14.0 percent respectively as at September 30, 2020. BOC's liquidity position was at a favorable level, reporting 29 percent statutory liquid assets ratio above its norm of 20 percent. BOC managed to maintain its Fitch local rating as AA+ remaining steady as a resilient market leader. BOC maintains its international rating on par with the sovereign. The Bank expanded its customer service by opening one new branch and two new 'Limited Service' branches, relocated 22 branches and installed 132 new CRMs. BOC increased its focus on digital service channels with customers showing a notable shift from physical banking to digital banking channels, marked by an increase in online transactions through B-app, Smart Pay, and online banking. BOC also conducted SME entrepreneur knowledge enhancement forums outside the western province, sharing key experiences and knowledge to help rebuild businesses, amidst the challenges of the pandemic.