

BOC reports a Pre-tax profit of 30 billion rupees

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Kavinda de Zoysa, Chairman, BOC.



W P Russel Fonseka, GM/CEO, BOC.

Bank of Ceylon showed strong performance in first quarter of 2025, ensuring financial stability and prudent risk management aligned with national economic priorities.

Russel Fonseka, GM/CEO, BOC said, “The strength of the banking sector is crucial for confidence in the financial system. At Bank of Ceylon, we prudently manage our liquidity and capital while supporting key economic sectors. Our financial performance for 1Q 2025, highlighted by 5.3 trillion rupees in total assets, showcases our resilience and commitment to growth. This success, along with significant profitability gains, underscores our strategic focus and strong foundation. We are dedicated to expanding access, driving digital

innovation, and maintaining our leadership as Sri Lanka's premier financial institution."

The Bank reported a Profit Before Tax (PBT) of 30 billion rupees, a 222 percent increase from 9.3 billion rupees in 1Q 2024, driven by strong net interest income and improved efficiency. Profit After Tax (PAT) was 17.1 billion rupees, reflecting the Bank's focus on profitability and cost management.

Net interest income (NII) increased to 50.5 billion rupees, a 95 percent YoY rise due to effective asset and liability management as policy rates eased. Interest income grew 12 percent YoY to 121.1 billion rupees, while interest expenses fell 15 percent to 70.6 billion rupees, enhancing the net interest margin. Net fee and commission income boosted the Bank's profitability in 1Q 2025, rising five percent year-on-year to 5.2 billion rupees, driven by higher transaction volumes in card services, retail banking, and remittances, as well as increased engagement in digital banking. The Bank took a cautious approach to credit risk management, recognizing a 2.9 billion rupee impairment charge on loans. The Stage three loan ratio was 7.4 percent, with a strong provision coverage of 53.4 percent. Through effective monitoring of credit exposures, the Bank mitigated risks and maintained financial stability. Total operating income reached 57.2 billion rupees, an 88 percent increase year-on-year, driven by growth in net interest and fee income. Operating expenses were 16.5 billion rupees, with personnel costs rising by 17 percent. The Bank improved its cost-to-income ratio to 32.4 percent. Operating profit before taxes was 37.9 billion rupees, and after taxes, the Profit Before Tax (PBT) was 30 billion rupees, a 222 percent increase year-on-year. Income tax expenses amounted to 12.9 billion rupees, resulting in a Profit After Tax (PAT) of 17.1 billion rupees. Total tax contributions were 20.8 billion rupees, reinforcing the Bank's support for the national economy.

As of March 31, 2025, BOC reported total assets of 5.3 trillion rupees at the Bank level and 5.4 trillion rupees at the Group level, driven by investments in debt instruments. Gross loans decreased to 2.4 trillion rupees due to a stronger Sri Lankan Rupee and lower credit demand, while deposits rose by six percent to 4.5 trillion rupees, indicating strong customer confidence.

BOC reported strong profitability in 1Q 2025, achieving a pre-tax Return on Assets (ROA) of 2.33 percent and an after-tax Return on Equity (ROE) of 22.03 percent. The net interest margin increased from 3.57 to 3.92, reflecting effective asset management. The Bank's capital position remained solid, with a Common Equity Tier 1 ratio of 11.66 percent and a Total Capital Ratio of 16.12 percent, both above Basel III requirements. Liquidity coverage ratios were robust at 315 percent for local currency and 283.05 percent overall.

Kavinda de Zoysa, Chairman, BOC said, "As we build on the strong foundation of the Bank, we focus on enhancing our leadership in Sri Lanka's banking sector. Our commitment includes exceptional customer service, digital transformation, and prudent risk management. A priority is supporting small and medium enterprises (SMEs), including women, youth, and tech entrepreneurs, with tailored loan solutions and innovative digital products. We aim to enhance financial inclusion, expand digital offerings, promote sustainable growth, and foster economic progress. Supporting business revival remains essential as we invest in our people for future growth."