Commercial Bank ends First Quarter with three trillion rupees



Sharhan Muhseen, Chairman, Commercial Bank.



Sanath Manatunge, MD/CEO, Commercial Bank.

The Commercial Bank of Ceylon Group has started 2025 strongly, achieving significant profit and balance sheet growth in Q1. As of March 31, 2025, the Group’s assets totaled 2.999 trillion rupees, according to a filing with the Colombo Stock Exchange.

Gross income for the quarter rose by 9.85 percent to 88.10 billion rupees, with interest income up 3.14 percent to 72.60 billion. Interest expenses decreased by 10.09 percent to 38.38 billion rupees, leading to a 23.53 percent increase in net interest income, which reached 34.21 billion rupees. Total operating income rose by 33.40 percent to 46.62 billion rupees, while the Group’s provision for impairment

charges grew by 110.44 percent to 7.23 billion rupees, reflecting additional prudential provisions for significant customers. This led to an improvement in the Bank’s impaired loans (Stage 3) ratio. Net operating income for the quarter reached 39.39 billion rupees, up 25 percent. Operating expenses rose only 6.20 percent to 12.80 billion rupees, leading to a 36.64 percent increase in operating profit before taxes on financial services, totaling 26.59 billion rupees.Taxes on financial services rose by 48.18 percent to 4.03 billion rupees, contributing to a Group profit before tax of 22.56 billion rupees for the quarter, a 34.77 percent increase. With income tax up 27.92 percent to 7.58 billion rupees, the Group’s net profit reached 14.97 billion rupees, reflecting a 38.52 percent growth. Commercial Bank of Ceylon reported a profit before tax of 21.88 billion rupees and a profit after tax of 14.50 billion rupees for the three months, posting growths of 35.10 percent and 38.71 percent, respectively.

Sharhan Muhseen, Chairman, Commercial Bank, said: “The Group has performed exceptionally well in the first quarter of the year, and it’s not just in terms of business volumes. While nearing the milestone of three trillion rupees in assets – a first for a private sector banking group – is a significant achievement, it is equally noteworthy that the Bank’s impaired loans (stage 3) ratio has declined and net interest margin has improved in tandem with balance sheet growth.”

Sanath Manatunge, MD/CEO of Commercial Bank, highlighted significant growth in the loan book during the first quarter of 2024, reversing a net loss of 1.9 billion rupees from the previous year. The bank nearly tripled its net other operating income and maintained the best CASA ratio despite higher demand for fixed deposits. “These achievements reflect our focus on various business aspects, contributing to strong first- quarter results and future resilience,” he stated. The group’s total assets increased by 122.85 billion rupees over the three months under review to reach 2.999 trillion rupees as of March 31, 2025. The Group ended the quarter with gross loans and advances of 1.642 trillion rupees, a growth of 116.75 billion rupees or 7.65 percent over three months, at a monthly average of 38.92 billion rupees. Meanwhile, deposits grew by 105.82 billion rupees, or 4.59 percent, to 2.412 trillion rupees in the three months reviewed, reflecting an average monthly growth of 35.27 billion rupees and a YoY growth of 12.67 percent, with monthly average growth of 22.60 billion rupees over 12 months.

The Bank reported an improved CASA ratio of 39.51 percent as of March 31, 2025, up from 38.07 percent in December 2024, positioning it among the best in the industry. Its liquidity coverage ratio for the quarter was 539.62 percent for Rupees

and 345.42 percent for all currencies, both exceeding the statutory minimum of 100 percent.

The Bank’s net stable funding ratio stood at 181.23 percent as at March 31 2025. In terms of profitability, the Bank’s net interest margin increased to 4.74 percent for the quarter compared to 4.27 percent reported for 2024 and 4.22 percent a year ago. The Bank’s return on assets (before tax) improved to 3.12 percent compared to 2.54 percent a year ago. In terms of asset quality, the Bank’s impaired loans (Stage 3) ratio improved to 2.58 percent while its impairment (Stage 3) to Stage 3 loans ratio further improved to 65.56 percent from 64.61 percent as at December 31 2024 and 44.60 percent as at March 31 2024.