

General Manager's Review



In 2018, the Bank is stepping into a new phase in its journey with the Corporate Plan for the period 2018-2020. Concurrent with the launching of this plan, we have reviewed and revised our Vision, Mission and Value Statement. Symbiotic with the Corporate Plan is our new theme; “Refine and Define the Bank for Future”.

“Bankers to the Nation”

It is with pride and humility that I take over the role of the General Manager of the Bank of Ceylon. The Bank has indeed travelled far in its journey from its relatively modest beginnings in 1939, as a bank to serve the then fledgling local business community. Today, BoC is the largest and most profitable single entity in the country and we are the “Bankers to the Nation”. The Bank of Ceylon is also the largest Bank in assets, loans and deposits all of which exceeded LKR 1 trillion in 2016. We also have the most extensive network of branches, ATMs and CDMs. I must pay a tribute to my predecessor, Mr D M Gunasekara for nurturing and handing over to me an Organisation with such a strong brand image. During my tenure, I intend to ensure that the Bank retains its No. 1 position, and steer it towards even greater heights.

From 2018 we have rebranded ourselves with a new Vision of building on our national reputation to strengthen our global presence, while being innovative and customer centric in our financial solutions. Our strategy to achieve the Vision will be to increase our efficiency, analyse financial markets and customer needs in-depth, develop appropriate solutions, leverage cutting-edge technology and empower our employees.

Our Corporate Plan

In 2018, the Bank is stepping into a new phase in its journey with the Corporate Plan for the period 2018-2020. Concurrent with the launching of this plan, we have reviewed and revised our Vision, Mission and Value Statement. Symbiotic with the Corporate Plan is our new theme: “Refine and Define the Bank for Future”. The plan was formulated through a professional and rigorous process. We re-examined the business model and operations, and considered how they should be refined in the context of the challenges and new opportunities we face in the current economic, social and business environment.

The preparation of the plan was robust, not a simple top-down exercise. Inputs were solicited from the department, branch and provincial levels. A workshop was convened with the entire corporate and executive

management represented where the draft plan was discussed and amended. After much filtering and refining the new plan was adapted. When the plan was launched all our operational staff were made aware of the plan with one voice. It was our firm conviction that successful implementation needed the awareness, commitment, and support from employees across the Bank. Our actual performance against the corporate plan is reviewed regularly and rigorously. The reviews are performed weekly, monthly and quarterly at different management levels.

Closeness to the Customer

A cornerstone of our thinking was the need to improve our customer service and the need to become more customer centric. The banking environment today is extremely competitive with over thirty banks in the industry. Customer relations become extremely important not only to secure new business but also to retain our existing customers.

It is therefore vital for the Bank employees to provide prompt and courteous service to customers. Customer centricity is therefore vital among all our staff members, processes and systems. We have recognised this by making “being customer centric” one of our core values. Our customer base encompasses a very wide range; it spans diverse groups including the largest corporates, SMEs, micro-entrepreneurs, the white-collar middle class, expatriate workers, farmers and fishermen. Each customer group has its own needs, its own tastes and preferences. They will also vary greatly in their degree of financial literacy. The Bank needs to be sensitive in this regard and treat each customer appropriately and cater to his or her needs. We will do more to instil the ethos of customer centricity in our staff by way of training, promoting awareness and staff development. We are currently in the process of recruiting a batch of staff assistants who will receive training both on the technical aspects of banking as well as customer service.

Our customer base is around 13 million and we serve a highly diverse customer base. The challenge is how to achieve customer centricity appealing to each

and every segment of customers that we cater to. We see the way forward as being encouraging our customers to make more use of the digital channels, whether ATM, CDM, Internet or mobile banking. The Bank has a solid and a first rated IT infrastructure and we should leverage this to promote awareness among the customers. In this connection it is heartening, to note that our mobile app, the “B app” which was introduced in 2017 is becoming increasingly popular. Through this app we have further expanded our virtual access to 24X365 banking services to our clientele.

We should also strive to make our digital services as user friendly as possible. We should also assure our clientele on the safety and security of our digital services to give them the confidence to wean them from going to the counters. The more the customers are using digital channels, the better the service we can give them at the branches.

Our Lending and Financial Inclusion

Our approach to lending involves two perspectives; one is the commercial approach, and the other is the development approach; Being a State-Owned bank and the largest Bank in the country we give preference to the development approach. It is our responsibility to support the needy people, living in the bottom of the pyramid to enhance their income level, social status and their living standards. The fact that we have more than 50 credit schemes catering to this segment of the market, demonstrates our commitment. If no defined schemes with dedicated external funding are available for a particular need we then create schemes utilising our own funds, still at concessionary terms. The Bank seeks to support those at low income levels, who nevertheless have the entrepreneurial drive, to uplift their living standards; we promote financial inclusion as they will otherwise be trapped with the informal sector money lenders.

Another sector to which we give a great deal of importance is the SMEs. This sector is the real engine of growth in the economy. In our programmes for this sector, which are conducted across the country, we also coordinate with various chambers of commerce. An important innovation in this

regard is our “*Vyaparika Hamuwa*” sessions. These sessions, in which our senior officers take part, are conducted at regional level and by industry. Networking is also a vehicle through which we can build sustainable value. At these events the Bank officers and the entrepreneurs get an opportunity to interact, understand each others’ needs, perspectives, and problems.

Another innovative step we have taken in the year under review, which will particularly benefit the rural population, is the rolling out of the “Branch-on-wheels”. Through this we take the Bank to the customer’s doorstep rather than the customer having to visit a branch. This mobile branch affords a large number of services such as account opening, cash deposits and withdrawals, bill payments and loan applications. Since the “Branch-on-wheels” is equipped with online connectivity any transaction is updated in real-time. This will inculcate the banking habit among the section of the population that is presently un-banked. We will ensure that we maintain a presence at events where large number of people congregate and also in disaster situations.

Commercial Lending

In our commercial lending we have always offered competitive rates leveraging on our advantage of being the industry giant with the largest deposit base. We strive to understand the projects and evaluate the projects based on the cash flows. Also we are of course prudent to obtain collateral to cover any risks. In our training programmes we emphasize on building the skills of our credit officers. We have streamlined our credit operations through our regional loan centres.

Reaching Out to the younger generation a landmark programme we commenced in 2017 was to take the message of financial responsibility to secondary school students. These students hold minors’ savings accounts in which their parents would have dutifully saved for their future. They would be entitled to withdraw the money on reaching the age of 18. One hour sessions were conducted by Bank Managers themselves, to guide students on financial discipline and soft skills important for their career development. Over 100 Managers were trained as effective trainers to deliver strong message to teenagers

on this regard. Over 200 such training sessions were conducted in 2017 and the programme will be continued in 2018. Our experience was that the students were much more receptive to the message when it came from an external expertise. The benefits of the programme were multifaceted. It had a CSR aspect in that we groom and direct youngsters for a prosperous future. It furthered the sustainability of the Bank by drawing a new group of potential lifetime savers. It also contributed to the personal development of our managers by giving them an exposure as effective communicators.

Way Forward

Looking to the future we have to keep a broad focus and evolve our business model to cater to diverse and changing needs. We have to serve to the new millennial generation while not forgetting our legacy customers who have long been loyal to us. We have to be in the forefront of digital and virtual banking, while continuing to give importance to the brick and mortar network. There is tremendous potential in the SME sector; business opportunities as well as to make a social contribution. We should exploit these opportunities while continuing to serve the corporate sector with better efficiency.

The Bank needs to be customer focused, both in its product development and in its customer service. The end outcome of both that we should aim at is customer delight. To support this, as well as many other needs, we need to ensure all our internal processes are effective and efficient.

We have an excellent team who has been our greatest strength. However, we have to further hone their skills to help them serve changing needs and emerging challenges. They have to be further motivated and trained to be the most important component of our engine of growth. Our training programmes need to be appropriately crafted and be on a par with the best in the world. In our new way forward, we have geared the HR practices of the Bank to cater the Banks strategic needs.

As a State bank, we do not focus merely on the bottom line but on the triple bottom line. We firmly support the Government’s commitment to the Sustainable Development Goals. The Bank will make its contribution

through our green banking and CSR initiatives and also through our normal operations.

Along with the unchallenged brand strength I was gifted with by all my predecessors, the new rebranding, the 2018-2020 way forward and with my most experienced and valued team BoC, without any doubt I pledge all our stakeholders that your Bank, the “Bankers to the Nation”, will always remain the Number One and will be serving you better and with much more pride in the days and years to come.

Appreciations

I must thank my predecessor, Mr D M Gunasekara for his support and guidance to me in my previous position and for a smooth handover. I am also grateful for the encouragement and guidance given to me by the Chairman and the Board of Directors. I do not forget the Hon. Minister of Finance and the Hon. Minister of Public Enterprise Development and the staff of the respective ministries who have also provided their guidance. The Central Bank of Sri Lanka, the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka have also made their contribution by providing the necessary regulatory oversight. I wish to also thank the Auditor General, who by his observations on the Financial Statements in this Report has made timely publication of the report possible.

It is our customers, many of whom have been loyal to us over a long period, who have enabled us to grow and prosper. The Bank has also been fortunate to have the support and cooperation of the trade unions through which we have been able to operate seamlessly. I also wish to express my gratitude to the management team and the staff who have shown the utmost dedication and have given me their unstinted cooperation over the years.



Senarath Bandara
General Manager

27 March 2018
Colombo