

Manufactured Capital

Building Resilient Infrastructure, Promoting Inclusive and Sustainable Industrialisation, and fostering Innovation



Our customer interface has been revamped and its reach extended by new ATMs, CDMs and our branch-on-wheels.

- Launched B app for 24 x 365 anytime, anywhere banking
- “Branch-on-wheels” providing financial services to underserved communities

Our Infrastructure

Manufactured capital consists of our physical branch network and other tangible and intangible items that support our operations such as equipment, IT systems and network. With our long history we possess many assets that are legacy items as well as many that were added relatively recently. With our brick and mortar branches and the digital delivery channels, we boast the widest financial network of the country. As at 31 December 2017, we had 578 branches, 48 limited service branches, two mobile branches, 15 SME centres, 14 RLCs, 764 ATMs and 168 CDMs. Whatever technological developments and innovations take place, “with most of the customers still valuing the human touch”, the brick and mortar facilities and operations continue to be important. With our record and ethos of serving the grass roots and people from all walks of life, our branches are spread all over the island, located from highly developed cities to marginalised rural

hinterlands. The Bank of Ceylon also has the largest ATM and CDM network in the country and during the year, we added 86 ATMs and 45 CDMs. Our widespread network has been and continues to be an invaluable asset especially in the level of convenience it provides to the customers.

The banking model is changing from brick and mortar model to digital era. Hence to cater to the growing segment of millennials among our customers, who are demanding more of the new era banking, during the year we made a huge investment in upgrading our digital infrastructure.



“Branch-on-Wheels”

Upgrading Brick and Mortar

However, we have not forgotten our legacy customers and have been always balancing between digital delivery channels and the brick and mortar branch expansion. During the year we carried out a rationalisation and upgrading of our branch network for better customer service. Accordingly, two branches and one limited service branch were closed and one opened; in addition 19 branches were relocated and 41 branches were upgraded during the year.

Our branches in rural hinterlands cater to hitherto underserved populations and we thereby promote wider financial inclusion. We have also deployed two

mobile branches to cater to communities who are difficult to reach by traditional modes of banking. These mobile branches were also used in post-disaster situations during the year when physical branches in disaster hit areas were unable to function.

We have also conducted a major renovation of our branches to give them a physical facelift and be more appealing to our customers. During the year we completed transformation in 97 branches. As at 31 December 2017, 209 branches in total have been transformed

and 48 branch transformations were in progress. Also major renovations were done during the year for two branches. The total cost incurred during the year for developing our brick and mortar network was LKR 1.9 billion. This capital is a key driver of our value creation process, as it is indispensable to our customer service, whether the service channels are traditional or those employing cutting edge technologies.

Digital Transformation

With the move from traditional to digital banking, there have been consequent demands for upgrading our technological infrastructure. This has included upgraded network infrastructure,

ATMs and CDMs with enhanced security and service features. This has greatly increased customer convenience and trust and has helped us retain our No.1 position in the market space. One indication of the pace of change in customer preferences is how swiftly CDMs have become popular in every corner of the country. Our IT hardware and software need to be upgraded regularly to keep up with the ever-increasing needs of internet and mobile banking. Digital channels need to be secure, accessible, user-friendly, reliable and speedy. They also need to scale as transaction volumes increase. Regulatory requirements change and IT systems and procedures need to be modified to cater to the resulting information requirements. This is especially the case with changes to risk management, regulatory reporting requirements and anti-money laundering regulations. The investment in new computer equipment, software and network infrastructure in 2017 was LKR 1.7 billion.

In line with the current trends in the industry we made considerable progress in our digitisation initiatives during the year. Our online banking platform was re-launched with upgrades. The Smart Passbook notched a total of 41,567 registrations. An important development was the launching of our new mobile application “B app”. This app provides customers with a channel to carry out their digital banking operations that is rapid, secure and usable anywhere at any time. The security features of digital channels were also enhanced during the year.

Our ATMs recorded a total of 62.9 million transactions during the year while CDMs recorded 10.9 million hits. The EMV chip card issuing facility was introduced while EMV chip card acceptance facility was implemented for more than 500 ATMs.

In addition cardless utility bill payments and mobile top up facility were enabled in 500 ATMs and 13 CDMs. Further, cash re-cycling facility was also enabled in 13 CDMs.

In developing manufactured capital it is always essential that any new investments in that area be carefully evaluated considering the return they will bring and the time frames involved.

Impact of Social Media

Global trends such as social media will increasingly shape the banking industry in the future, especially when it comes to communicating with the millennial generation. Social media will increasingly be the preferred channel for communicating with customers. This will bring increasing challenges such as customers’ feedback being instantaneously communicated to a huge group of peers. Intelligent systems will need to be developed to analyse the resulting massive inflow of information.

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Customer communication via social media platforms

Safeguarding Our Physical Assets

We do not neglect the security and safety aspect of our branches. During the year LKR 258 million has been spent for security enhancements of our branch network. The Bank is scrupulously careful in making timely renewal of cash insurance limits and fire insurance policies in each branch and also the Head Office. Every measure has been taken to ensure our network has the highest level of security expected. During the year 2017 we completed CCTV coverage of all branches.

Greening Our Branch Network

During the year, 14 branches were converted to Solar Energy and total capacity installed in 2017 was 515 kw.

We have been continuing the process of fixing energy efficient lights, changing the architecture of the branches to avoid light losses, using rain water for landscaping in some branches and also installing automation systems for lighting controls. Our Kekirawa branch was the recipient of the Gold award from the Green Building Council for its green concept and we are spreading the concept to other selected branches as well.



First “Green Building” Branch of the BoC – “Kekirawa” Branch