

# ABOUT THE BANK

## Largest private sector commercial bank

Commercial Bank of Ceylon PLC is the largest private sector commercial bank and third-largest bank in Sri Lanka in terms of total assets. With a total asset base of Rs. 1.143 Tn. (USD 7.444 Bn.), accounting for 11% of sector assets, it is a Systemically Important Bank in the country. With a legacy of approximately 100 years and a history of 49 years in its present name, the Bank serves over three million customers with a staff strength of 4,982 employees both in Sri Lanka and in Bangladesh where the Bank has 19 branches. The Bank has a wide local and an international reach through a network of branches and ATMs, subsidiaries, a representative office, agency arrangements, Business Promotion Officers, and correspondent banking relationships.

International expansion of the Bank commenced with the acquisition of the Bangladesh operations of Crédit Agricole Indosuez in 2003 and continued since then with the Bank establishing subsidiaries in Italy, the Maldives, a representative office and a subsidiary in Myanmar and establishing agency arrangements and stationing its own Business Promotion Officers in several Middle Eastern countries for money remittance business.

## Risk profile

With a risk profile that reflects a moderate risk appetite, a strong funding base, a comfortable level of liquidity, a solid domestic franchise, and a consistently solid performance, the

Bank has been rated AA(Ika), the highest rating for a local private sector bank by Fitch Ratings Lanka Ltd. with a stable outlook.

The Bank is well diversified across its four main business segments of personal banking, corporate banking, treasury and international operations. International operations in Bangladesh, Maldives, Italy, and Myanmar now account for 11% of total assets and 17.5% of profit before taxes. Demonstrating its strong domestic franchise, 74.35% of the total assets is funded by customer deposits.

## Vibrant financial intermediation

Loans and receivables and deposits grew by over Rs. 100 Bn. for the third and second consecutive years respectively.

Loans and receivables to deposits ratio at 86.95% on average for the past five years with both credit and deposits growing in a commensurate manner, reflects the vibrancy of the Bank's financial intermediation and illustrates the optimum deployment of funding resources in the pursuit of productive assets. Current and savings accounts (CASA) make up 39.23% of the total deposits, the highest among the peer banks. Asset quality is one of the best among the industry.


## Well capitalised

The Bank is well capitalised with a CET 1 ratio of 12.11% as at December 31, 2017 as against the regulatory minimum of 6.25% denoting capital strength and resilience.

Successful rights issue of ordinary shares in June 2017 that raised Rs. 10.144 Bn. towards CET 1 capital and profits retained for the year of Rs. 10.104 Bn. helped boost the capital.

The Bank had the highest market capitalisation of Rs. 133.274 Bn. (USD 868 Mn.), ranking fourth among all listed entities and also had the highest Price to Book Value of 1.26 times of its shares in the Banking and Finance Sector of the Colombo Stock Exchange as at December 31, 2017.

## About the Group

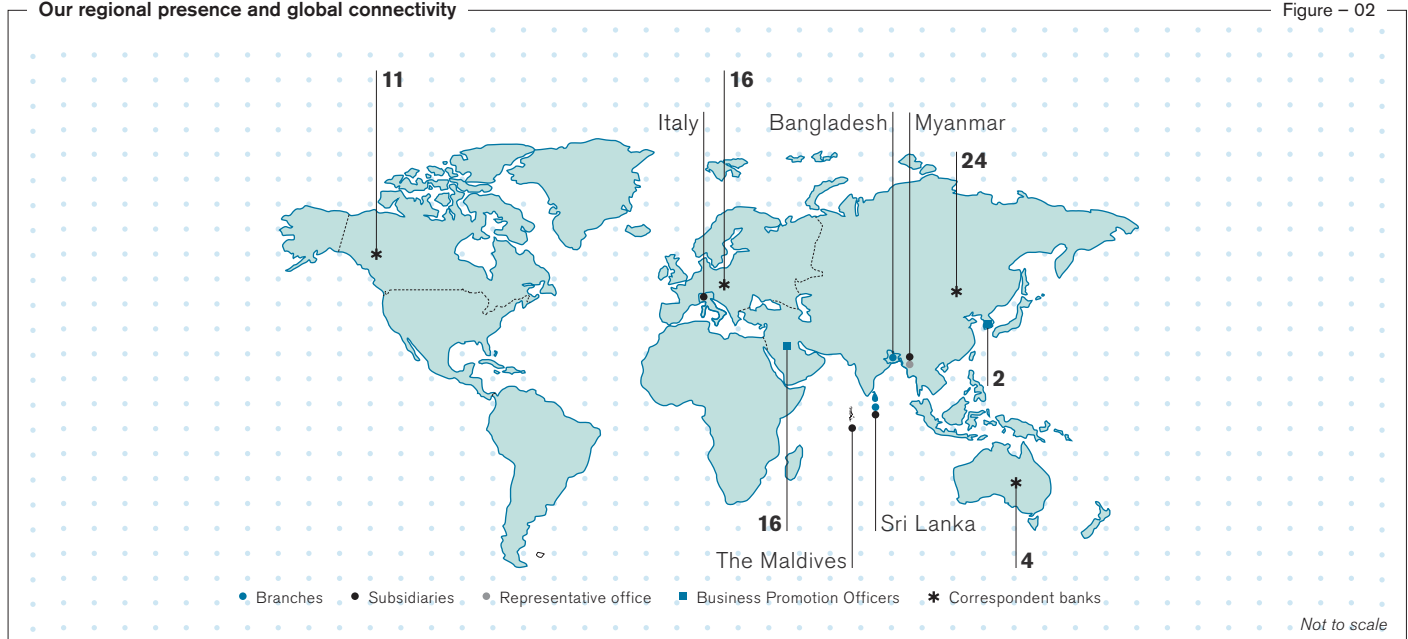
The Bank has six subsidiaries, including a small non-bank financial institution and two associate companies (  refer page 438 for Group Structure). The banking operations account for by far the largest share of Group assets and profits.

As demonstrated in this Report, the Bank clearly understands the evolving banking scenario and emerging risks associated with it and has a clear focus and strategy for its future growth.

There are approximately 9,800 ordinary voting shareholders of the Bank of whom DFCC Bank PLC (13.62%), entities related to the State including Employees Provident Fund, Employees Trust Fund Board, and Sri Lanka Insurance Corporation (20.62%), Mr Y S H I Silva (7.59%), and International Finance Corporation (4.45%) are the major shareholders.

Our regional presence and global connectivity

Figure - 02



**A snapshot of the Bank's profile**

Figure – 03

