

# Sri Lanka Banking Sector Roundup - Q1 CY2025

# Glossary: Classification of Sri Lankan banks used in this document

## Government Banks (3 banks)



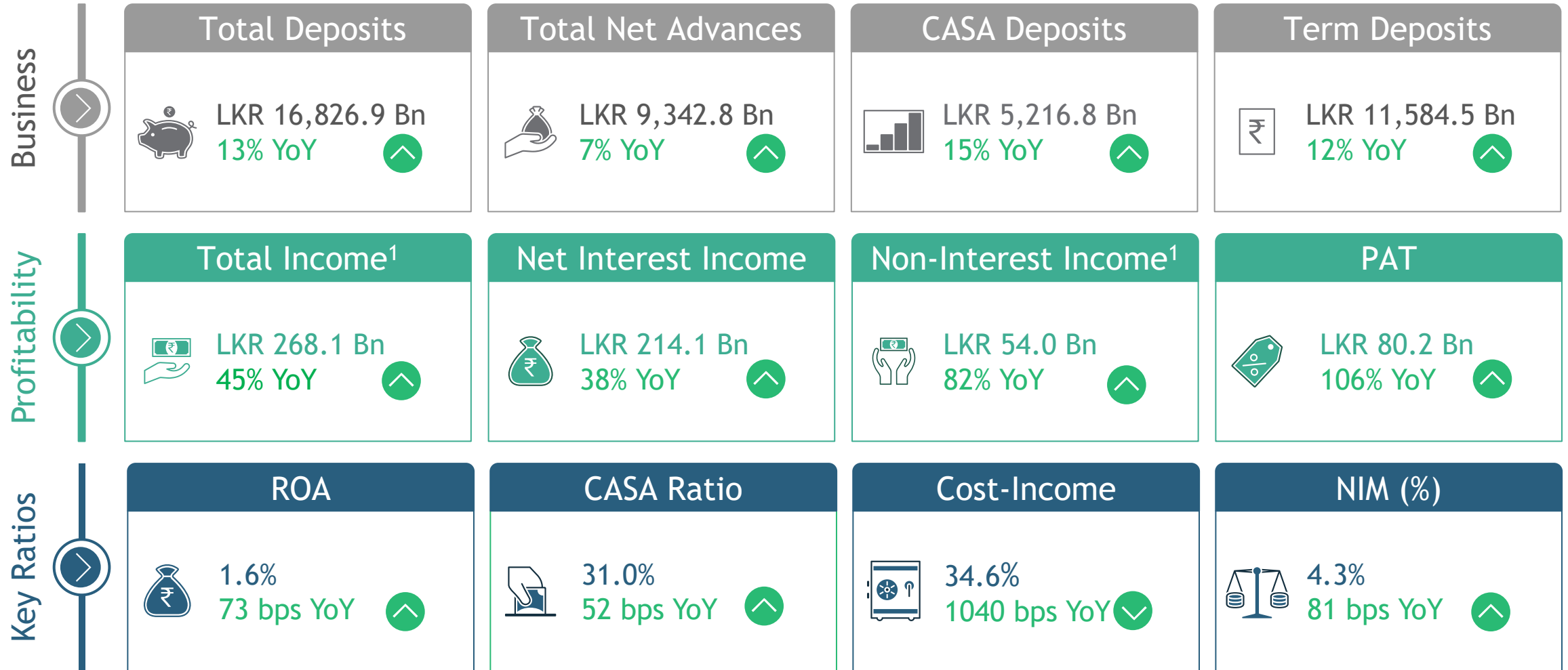
## Large Private Banks (3 banks)



## Mid-sized Private Banks (4 banks)



# Q1CY25 results: Banking industry snapshot



1. Calculated as Net Total income and Net Non-Interest Income  
Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Banks  
Source: Financial Results, Investor Presentation; BCG analysis

# Summary Snapshot (I/II)



## Macro Trends

- **Economic growth:** Real GDP growth for Q1 CY25 at 4.8%, driven by key industries and stable financial conditions
  - Agriculture sector reported 0.7% decline, Industrial output expanded by 9.7%, and services grew by 2.8%
- **Economic landscape:**
  - Industrial activity played a leading role in the quarter's growth, driven by the manufacturing (9.6% YoY), construction (10.7% YoY), mining and quarrying sectors (12.6% YoY)
  - While the slower growth in Q1 signals a tempering of the recent recovery pace, consistent quarterly expansion and strong performance in industrial sectors highlight the economy's underlying resilience



## Key Performance Indicators

- **Profitability:** Banking industry reported 106% YoY growth in Net Profit (298% YoY for Govt. banks and 49% YoY for Private banks), driven by improved NII and other income and decline in provisions
  - Growth in profits of private bank is due to reversal in provisioning for most of the large private banks and decline in provisions for mid-sized private banks
  - Pre Provisioning Operating Profits (PPOP) of Govt. banks registered a tremendous growth of 227%; while Private banks observed 25% YoY growth
- **Operational efficiency:** CIR improved by 1040 bps to 34.6% for the industry

# Summary Snapshot (II/II)



## Business

- **Credit:** Credit growth of 7% YoY in Q1CY25
  - CD ratio at 56%, decreased by 329 bps YoY
- **Deposits:** Double digit growth of 13% YoY in Q1CY25
  - Industry CASA Ratio: 31%
  - YoY Growth - CASA: 15%, TD: 12%



## NPA & Risk Mgmt.

- **Stage 3 Loans Ratio:**
  - Banking sector default risk eased for both Large and Mid-Sized Private banks
  - For all Govt. Banks Stage 3 Loans Ratio deteriorated in Q1CY25
- **Capital Adequacy:** All banks<sup>1</sup> (except for DFCC bank) have CRAR >16% signaling resilience in their risk management capabilities



## Digital & Payments

- **Digital Payments:**
  - **Shaping the future through digital transactions:** Central bank of Sri Lanka promotes digital payments campaign to enhance the awareness on the latest digital payment methods available and receive personalized guidance on making digital payments using mobile phones
  - HNB enhances digital payment accessibility by removing Merchant Discount Rates (MDR) on LankaQR transactions

1. Common Electronic Fund Transfer Switch (CEFTS)  
Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank

# Banking sector overview



Macro Indicators



Business: Advances & Deposits



Key Performance Indicators - Banking Sector



NPA & Risk Management



Branch Efficiency and Employee Productivity



Digital in Banking



Key Regulatory Measures



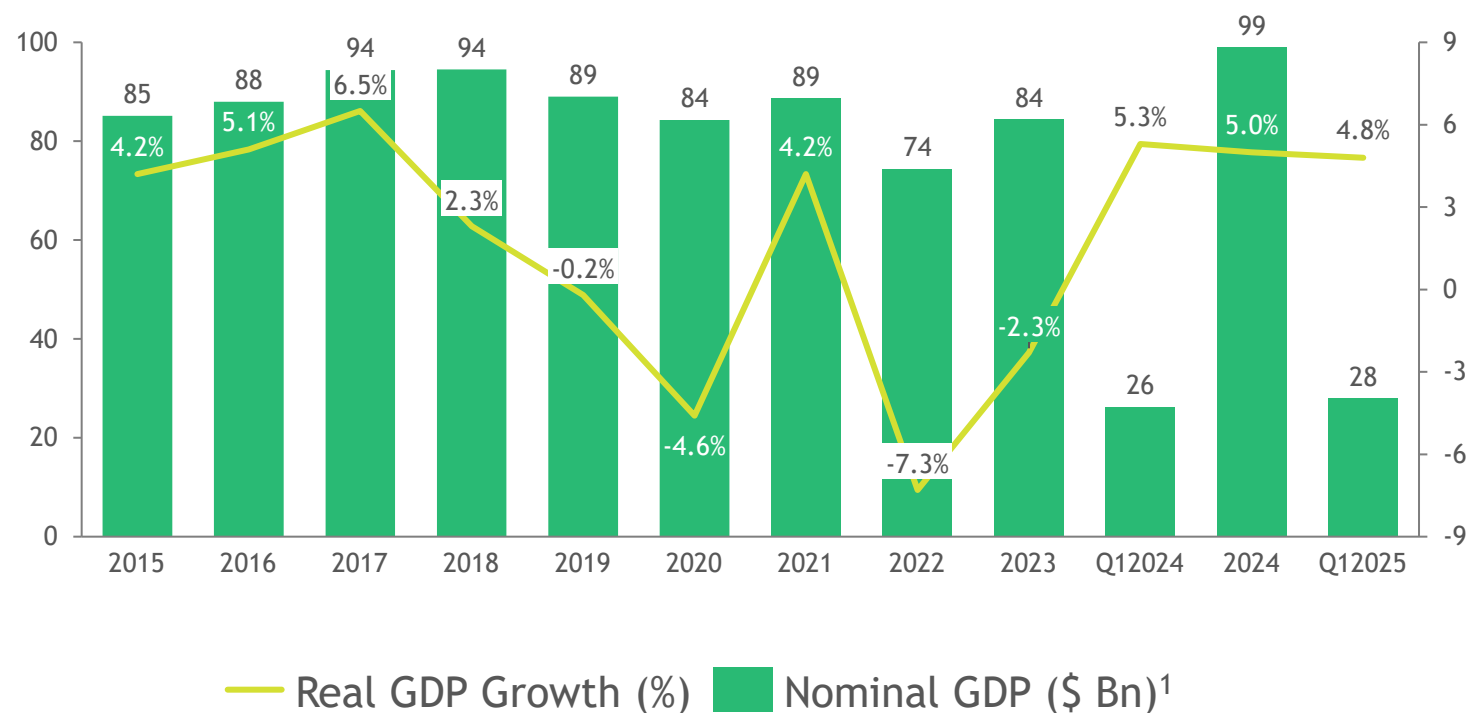
Individual Player Performance



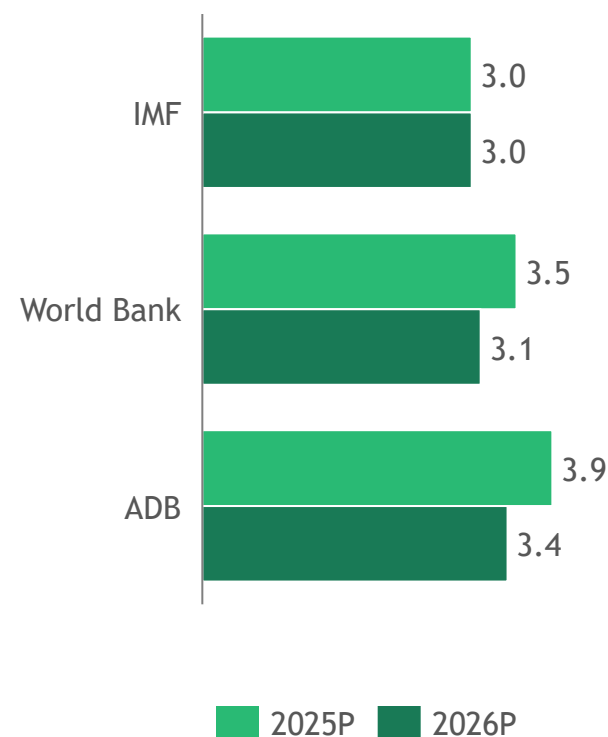
# Sri Lanka's real GDP for Q1CY25 has reported a 4.8% of growth rate

Growth is majorly driven by relatively stable exchange rate and low interest rates

## Gross Domestic Product (GDP)



## GDP growth forecast<sup>2</sup>



1. Nominal GDP in Billion USD 2: Forecast are likely to be revised further  
Source: Central Bank of Sri Lanka; World Bank; BCG analysis



# Sectoral GDP Growth (%): Industry and Services activities expanded; Agriculture seeing negative growth in the first quarter



1. Industry includes Mining and quarrying; Manufacturing; Electricity, gas, steam and air conditioning supply; Water collection, treatment and supply; Sewerage, Waste collection, treatment and disposal activities; materials recovery

Note: Growth (%) for each quarter calculated over the same quarter of the previous year

Source: Central Bank of Sri Lanka; Press Search; BCG analysis

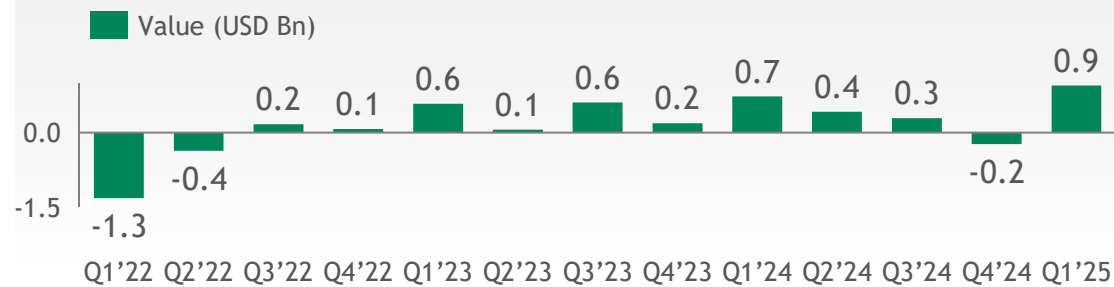




# Mixed Macroeconomic Signals | Reserves strengthen as external pressures ease, but Fiscal risks persist

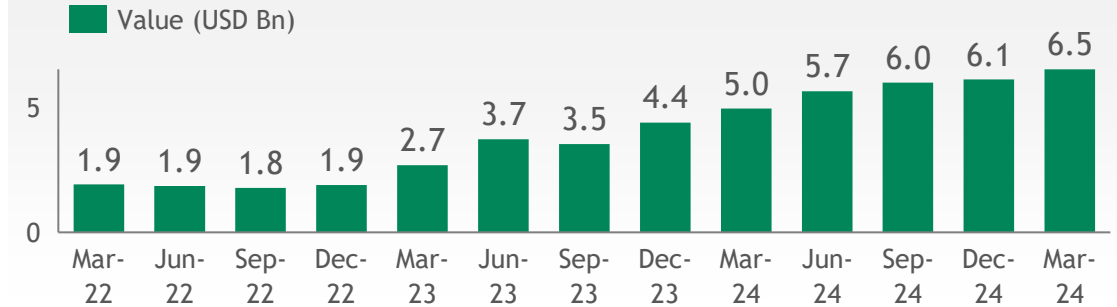
## Current Account Balance

Current account recorded a surplus in Q1CY25



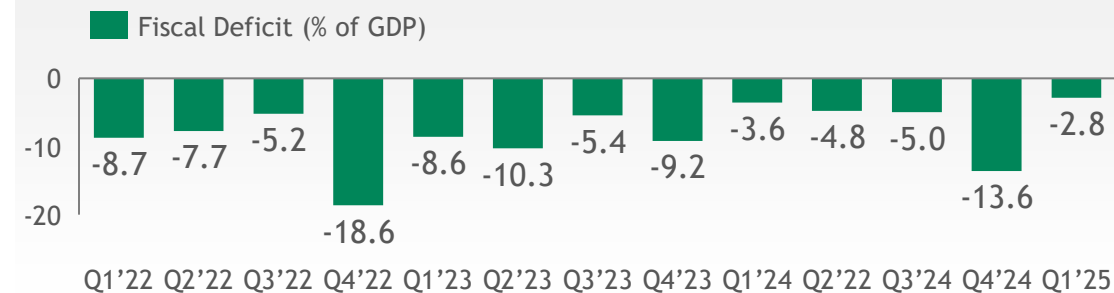
## Forex Reserves

Forex reserves strengthen, up 32% YoY (since Mar'24)



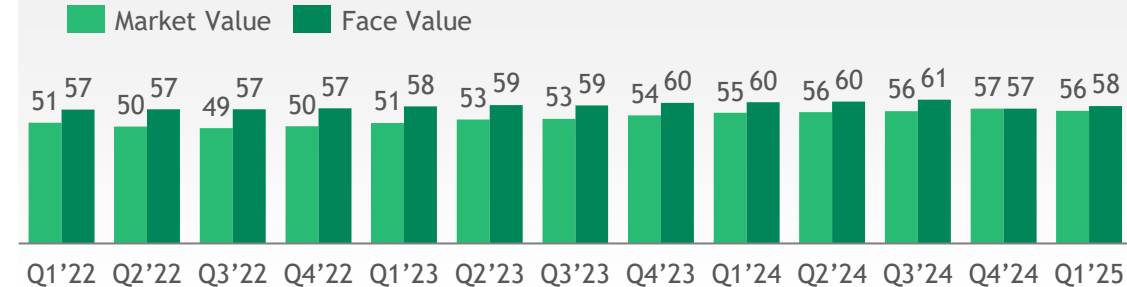
## Overall Fiscal Surplus (+)/Deficit (-)

Fiscal deficit<sup>1</sup> as (% of GDP) declined in Q1CY25



## Gross External Debt (USD Bn)

External debt moderated slightly in Q1-2025



1. Fiscal Deficit is calculated as Overall Fiscal Surplus (+)/Deficit (-)/GDP at Current Market Price (Nominal GDP)

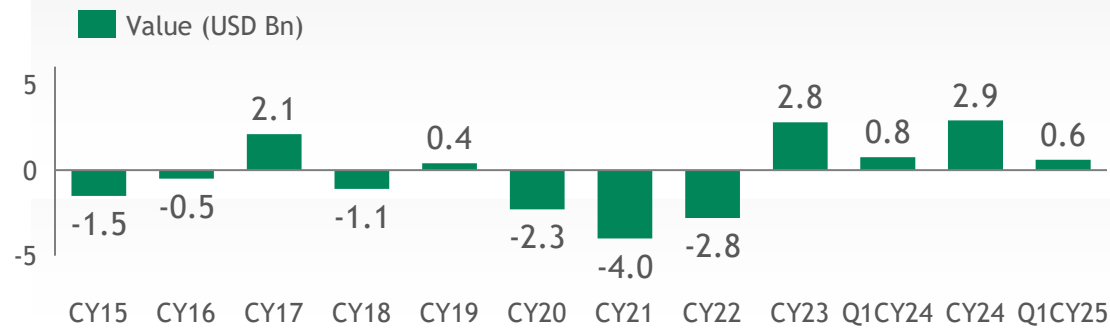
Source: Central Bank of Sri Lanka; Dept. of Census and Statistics; Press Search; BCG analysis



# Strong External Sector | Stability reinforced as deficit turns to surplus

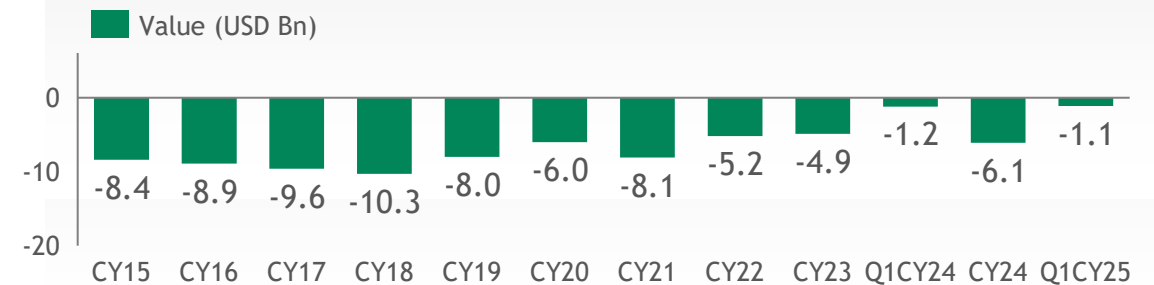
## Balance of Payment

BOP peaked in CY24, but Early Signs of Softening in Q1CY25



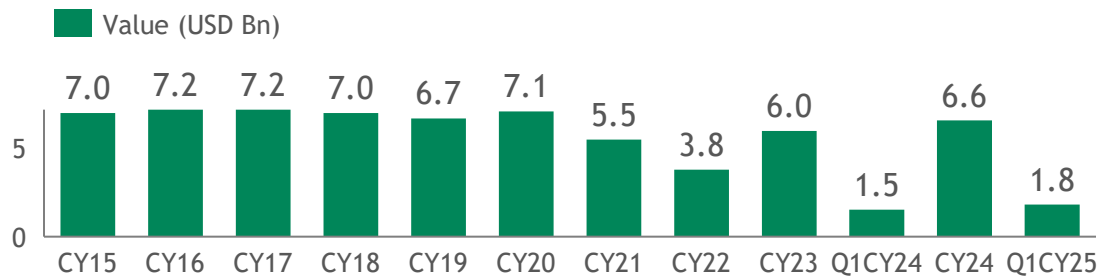
## Trade Balance

External debt eased slightly after historic high in Q4-2024



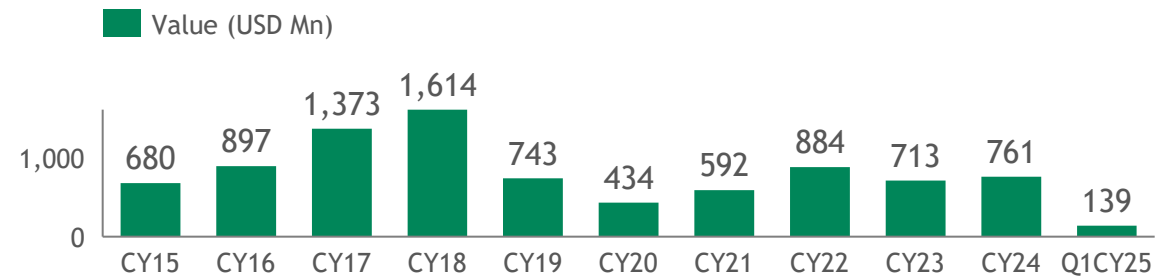
## Workers' Remittances

Recorded 18.1% YoY growth in Q1CY25



## Foreign Direct Investment<sup>1</sup>

FDI strengthen, up 7% YoY in CY24



1. FDI excluding foreign loans to the direct investment enterprises

Source: Central Bank of Sri Lanka; Dept. of Sensus and Statistics; Press Search; BCG analysis



# Economic landscape & Market dynamics | Resilient growth amidst softening inflation & market volatility

	Latest Month	Vs. Last year		Vs. Last month	
	Mar'25	Mar'24	YoY	Dec'24	QoQ
<b>Industry (Base: 2015=100)</b>					
IIP (Index)	103.9	98.4	5.6%	94.9	9.5%
Food Products	113.4	105.8	7.2%	99.1	14.4%
Manufacturing Textile	97.3	111.9	-13.0%	110.0	-11.5%
Non-Metallic Mineral Products	107.8	106.7	1.1%	104.9	2.8%
Coke & Refined Petroleum	116.9	108.7	7.6%	102.6	13.9%
<b>Trade &amp; Investment</b>					
Merchandise Exports (\$ Mn)	1,242	1,148	8.2%	1,102	12.7%
Merchandise Imports (\$ Mn)	1,637	1,508	8.6%	1,924	-14.9%
Services Inflow (\$ Mn)	665	625	6.4%	701	-5.1%
Services Outflow (\$ Mn)	272	251	8.4%	574	-52.6%
<b>Inflation<sup>5</sup> (Base: 2021=100)</b>					
Columbo Consumer Price Index	191.6	196.7	-2.6%	191.7	-0.1%
National Consumer Price Index	206.0	210.0	-1.9%	204.6	0.7%
CCPI Food Inflation	239.2	237.8	0.6%	240.7	-0.6%
CCPI Non-Food Inflation	174.6	182.1	-4.1%	174.2	0.2%

	Latest Month	Vs. Last year		Vs. Last month	
	Mar'25	Mar'24	YoY	Dec'24	QoQ
<b>Producer Price Index (Base: 2018 Q4=100)</b>					
PPI (Index)	235.6	244.4	-3.6%	235.5	0.0%
Agriculture	272.6	268.2	1.6%	257.5	5.9%
Manufacturing	234.3	242.6	-3.4%	235.9	-0.7%
Electricity, Gas, Steam & Air Conditioning Supply	158.4	215.4	-26.5%	166.2	-4.7%
<b>Financial Flows</b>					
CSE Inflows <sup>3</sup> (\$ Mn)	7.6	5.2	48.0%	19.2	-60.2%
CSE Outflows <sup>4</sup> (\$ Mn)	13.3	19.1	-30.3%	20.8	-36.0%
CSE Net Flows (\$ Mn)	-5.7	-13.9	59.3%	-1.6	-264.9%
G.Sec Market Net Flows (\$ Mn)	49.2	-10.3	577.7%	18.4	167.4%
<b>PMI and Tourism</b>					
Manufacturing PMI (Index)	63.9	62.5	2.2%	57.2	11.7%
Services PMI (Index) <sup>1</sup>	69.8	67.7	3.1%	71.7	-2.6%
Construction PMI (Index) <sup>2</sup>	54.3	55.9	-2.9%	51.4	5.6%
Earnings from Tourism (\$ Mn)	354	338	4.6%	362	-2.2%

1. Business Activity Index 2. Total Activity Index 3. Columbo Exchange Secondary Market Inflows 4. Columbo Exchange Secondary Market Outflows 5. Headline Inflation

Note: YoY change is Monthly % change (YoY Basis), QoQ change is Monthly % change (QoQ Basis)

Source: Central Bank of Sri Lanka; Dept. of Sensus and Statistics; Press Search; BCG analysis

# Banking sector overview



Macro Indicators



Business: Advances & Deposits



Key Performance Indicators - Banking Sector



NPA & Risk Management



Branch Efficiency and Employee Productivity



Digital in Banking



Key Regulatory Measures



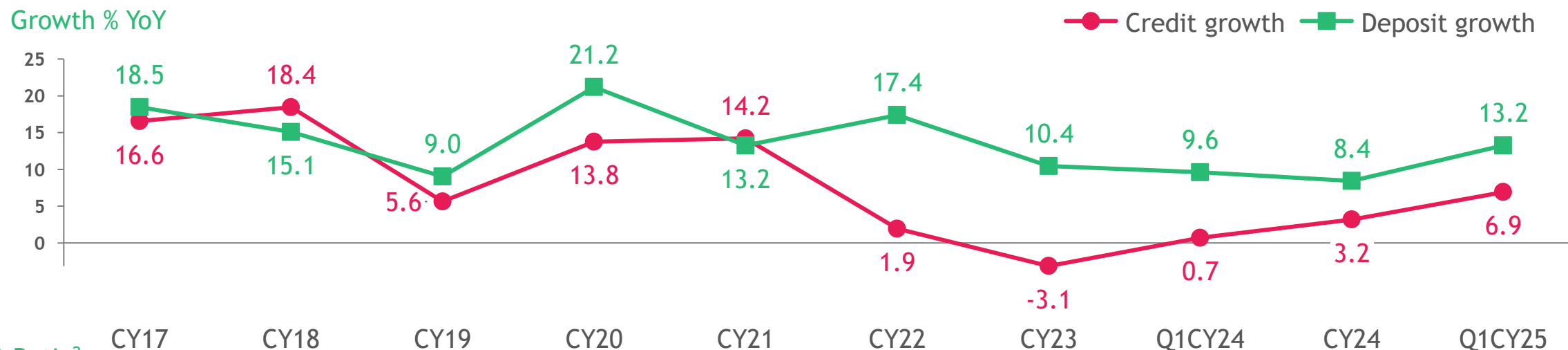
Individual Player Performance



# Banks deposit growth surpassed credit growth, leading to decline in CD ratios

Deposit growth driven by incremental rise in SA and TD

## Credit<sup>1</sup> and deposit growth rate (%)



## CD Ratio<sup>2</sup>

	CY17	CY18	CY19	CY20	CY21	CY22	CY23	Q1CY24	CY24	Q1CY25
Govt. Banks	75%	78%	74%	75%	75%	65%	56%	55%	49%	47%
Large Pvt	89%	91%	90%	77%	76%	66%	59%	59%	61%	61%
Mid-Sized Pvt	100%	98%	100%	90%	96%	85%	77%	75%	75%	77%
Industry	83%	86%	83%	78%	78%	68%	60%	59%	57%	56%

1. Credit includes loans and Advances

Source: Central Bank of Sri Lanka; Press Search; BCG analysis

Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank

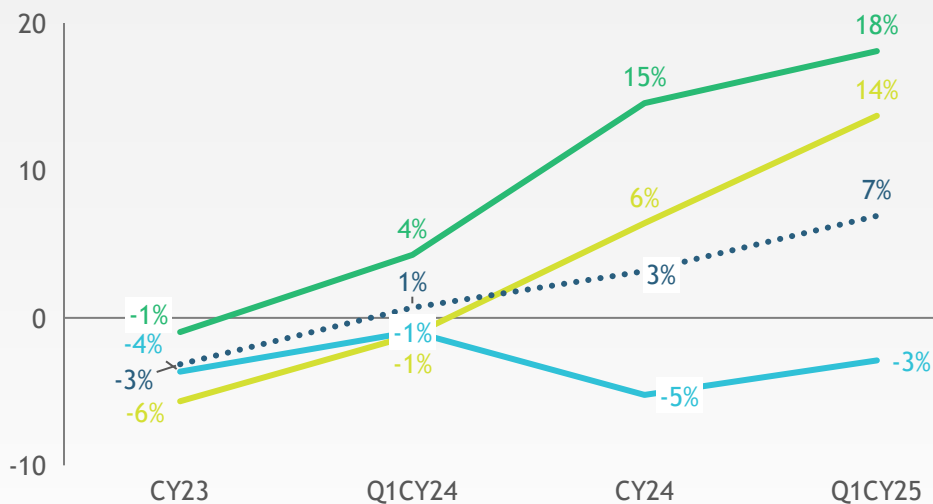


# Exceptional YoY deposit growth observed across all the banks in Q1CY25

Credit growth continued its upward trend; Govt. Banks still lag behind

## Credit growth (%) by bank category

Growth % YoY

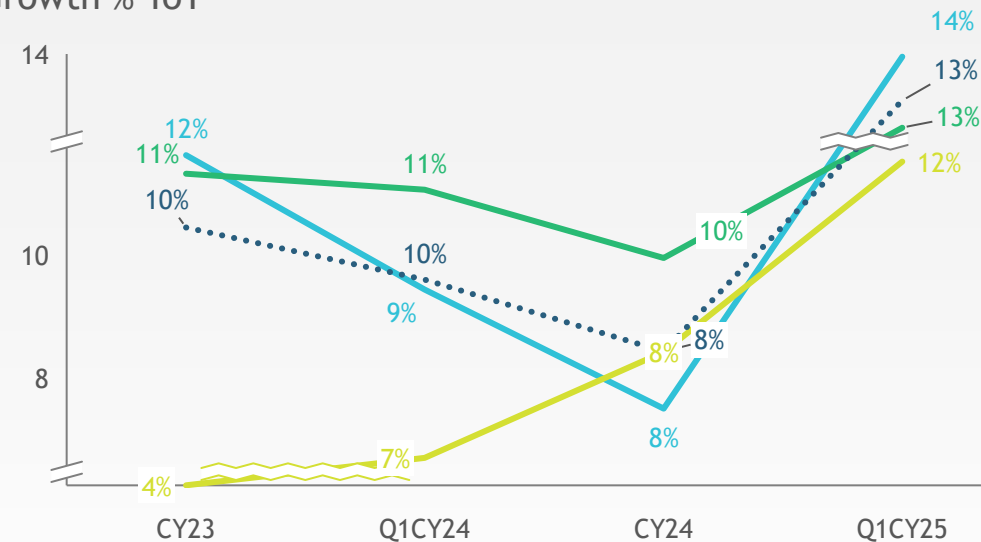


Market share (%)

Govt. Banks	51%	50%	46%	45%
Large Pvt	32%	33%	36%	37%
Mid-Sized Pvt	17%	17%	18%	18%

## Total Deposits growth (%) by bank category

Growth % YoY



Market share (%)

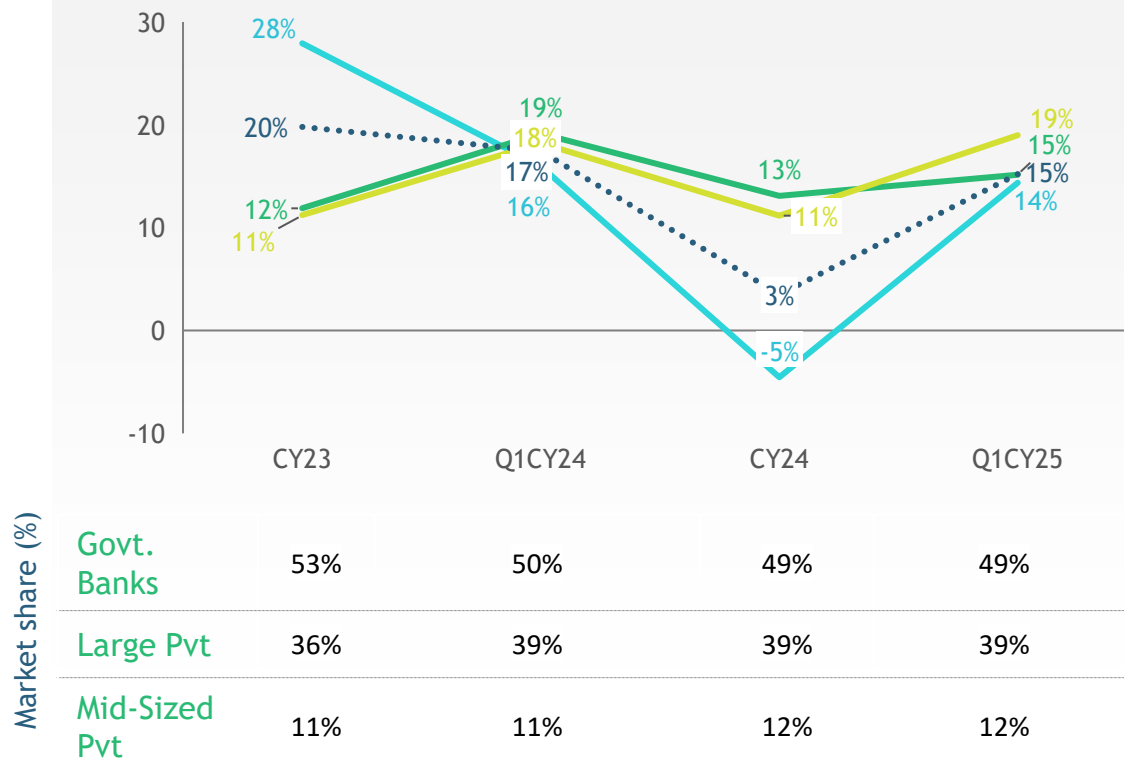
Govt. Banks	54%	53%	53%	54%
Large Pvt	33%	33%	33%	33%
Mid-Sized Pvt	13%	13%	13%	13%

Govt. Banks Large Pvt. Banks Mid-Sized Pvt. Banks Industry



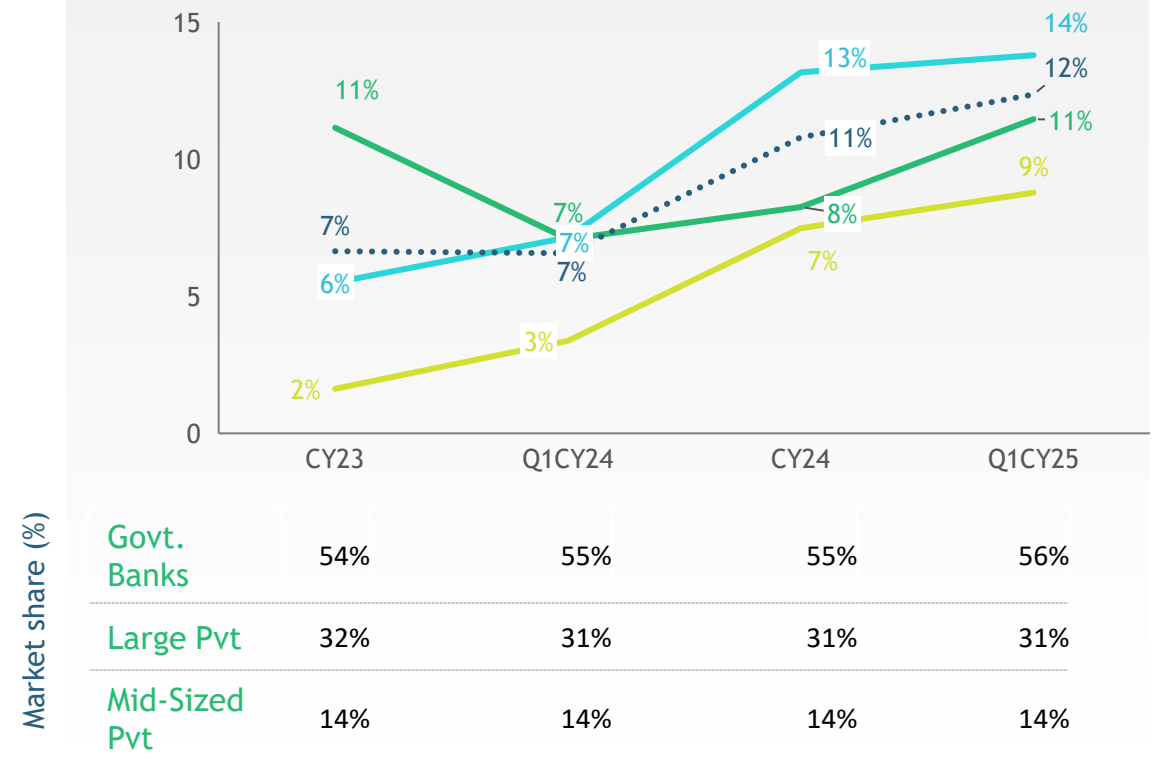
# Govt. banks expanding their CASA in Q1CY25 after witnessing a negative growth in CY24

## CASA growth YoY by bank category (%)



— Govt. Banks — Large Pvt. Banks — Mid-Sized Pvt. Banks •• Industry

## Term Deposits growth YoY by bank category (%)

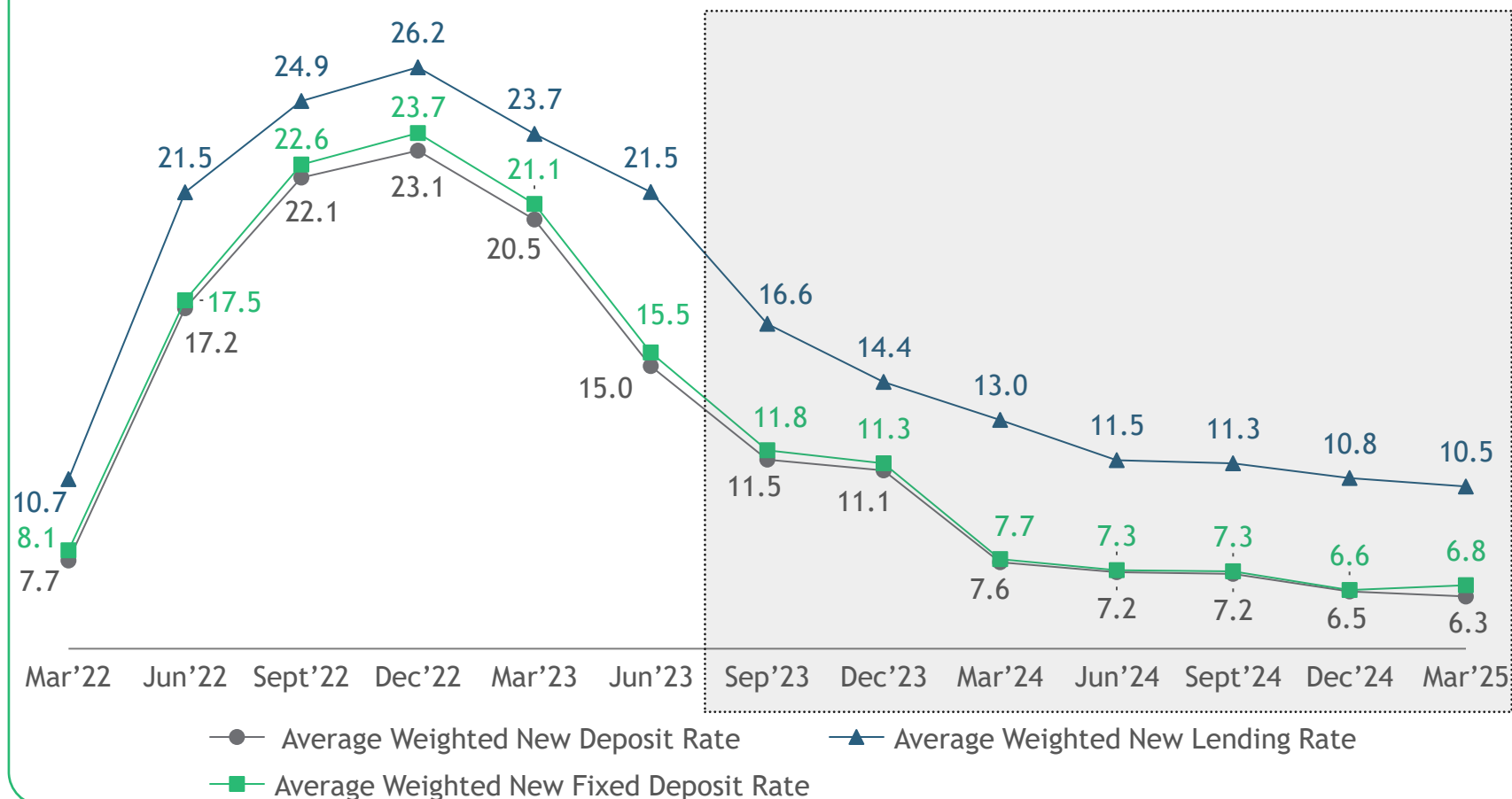






# Interest rates fall in line with macroeconomic stabilization goals

## Lending and Deposit rate (%)



Note: Average Weighted New Lending, Deposit & Fixed Deposit Rates, based on interest rates pertaining to all new interest-bearing rupee deposits mobilised by LCBs during a particular month

Source: CBSL

## Change in key rates in Mar-25 vs. Dec-24

-19 bps

Average Weighted New Deposit Rate (Industry)

18 bps

Average Weighted New Fixed Deposit Rate (Industry)

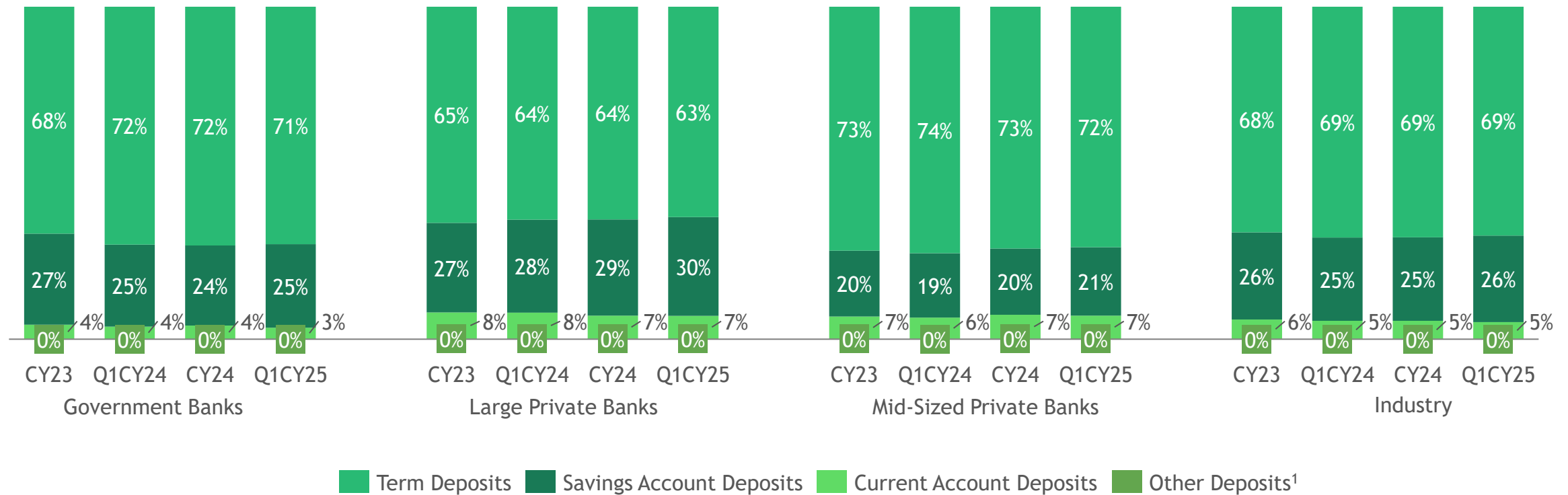
-31 bps

Average Weighted New Lending Rate (Industry)



# Private Large banks particularly focus on aggressively growing CASA deposits to transform liability side balance sheet

## Composition of Total Deposits (%)



Note: 1. Other Deposits include Certificate of deposits, Call deposits, Margin deposits and other deposits; 2. Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank

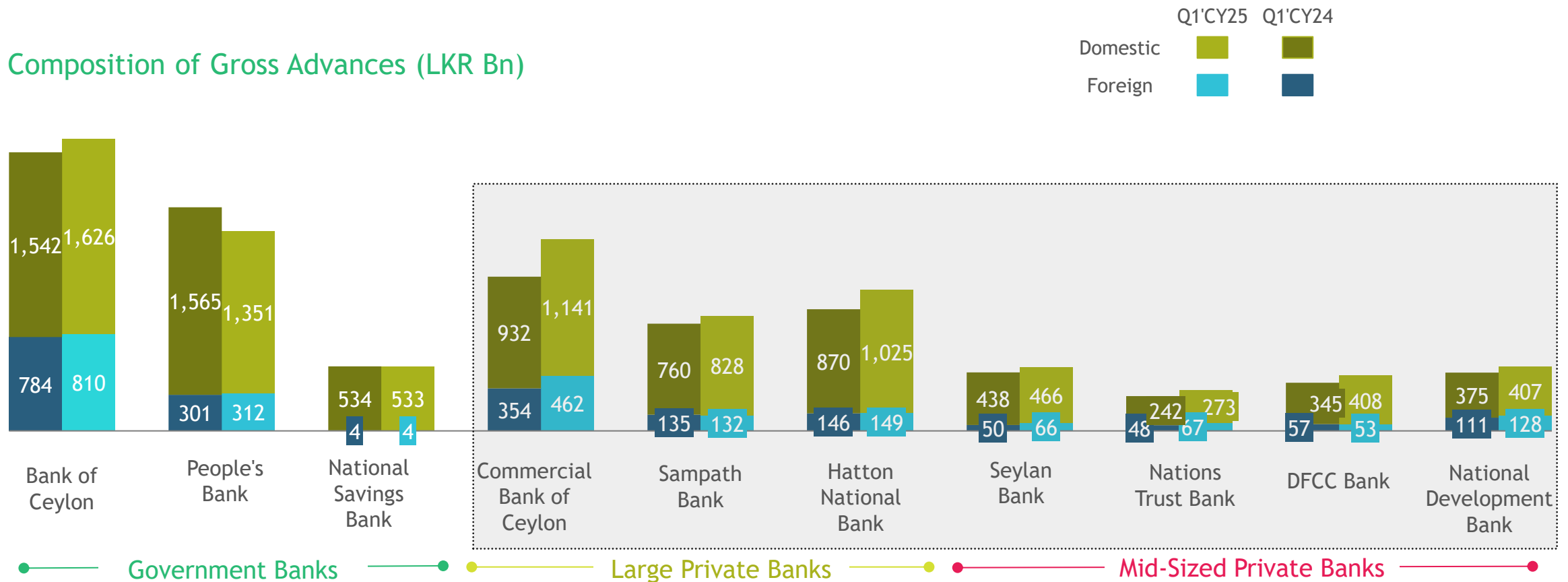
Source: Central Bank of Sri Lanka; Press Search; BCG analysis



# Domestic advances continue to dominate the overall advances portfolio

Significant untapped opportunity in expanding foreign exposures & capturing global growth potential

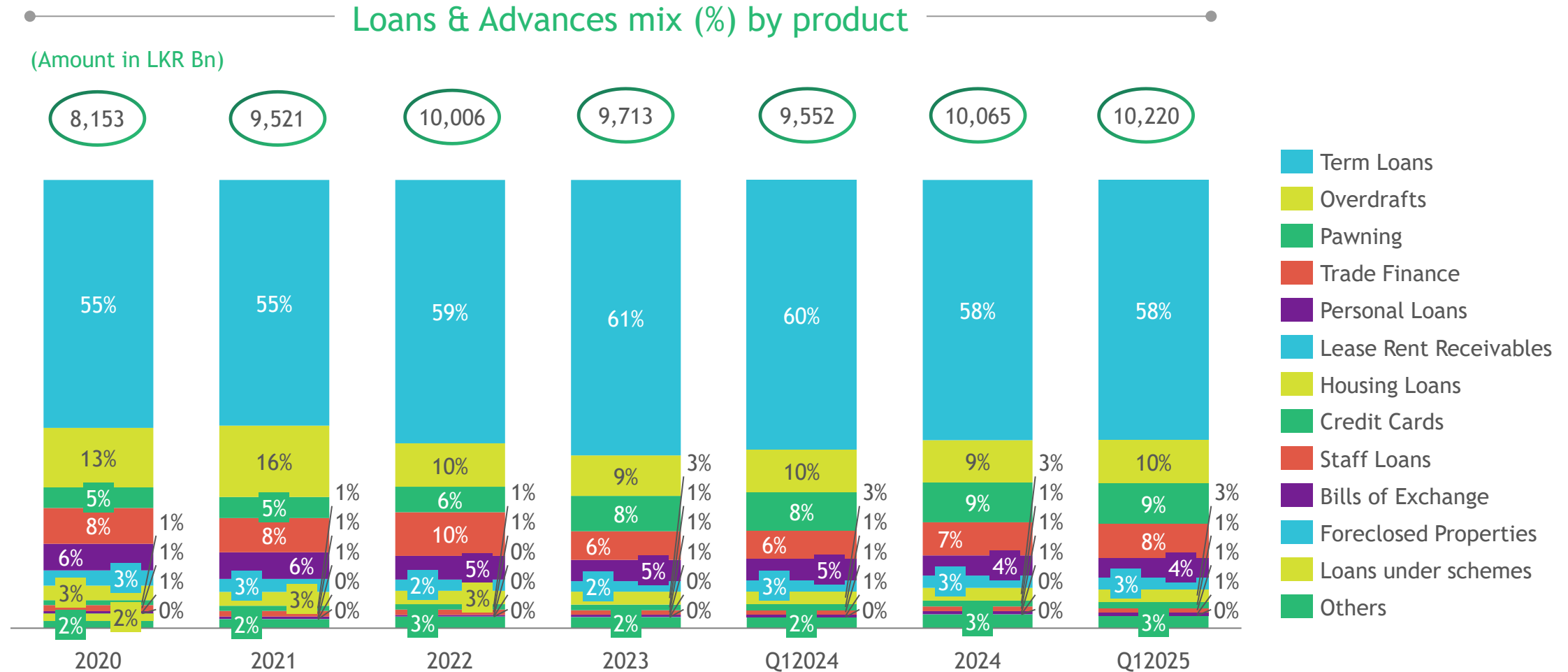
## Composition of Gross Advances (LKR Bn)





## ~60% of loan portfolio in Term loans

High dependency on Overdrafts, Trade finance and Pawning



Note: Credit cost is coming out to be negative because of reversal in provisioning's in exceptional years;  
Source: Central Bank of Sri Lanka; Press Search; BCG analysis

# Banking sector overview



Macro Indicators



Business: Advances & Deposits



Key Performance Indicators - Banking Sector



NPA & Risk Management



Branch Efficiency and Employee Productivity



Digital in Banking



Key Regulatory Measures

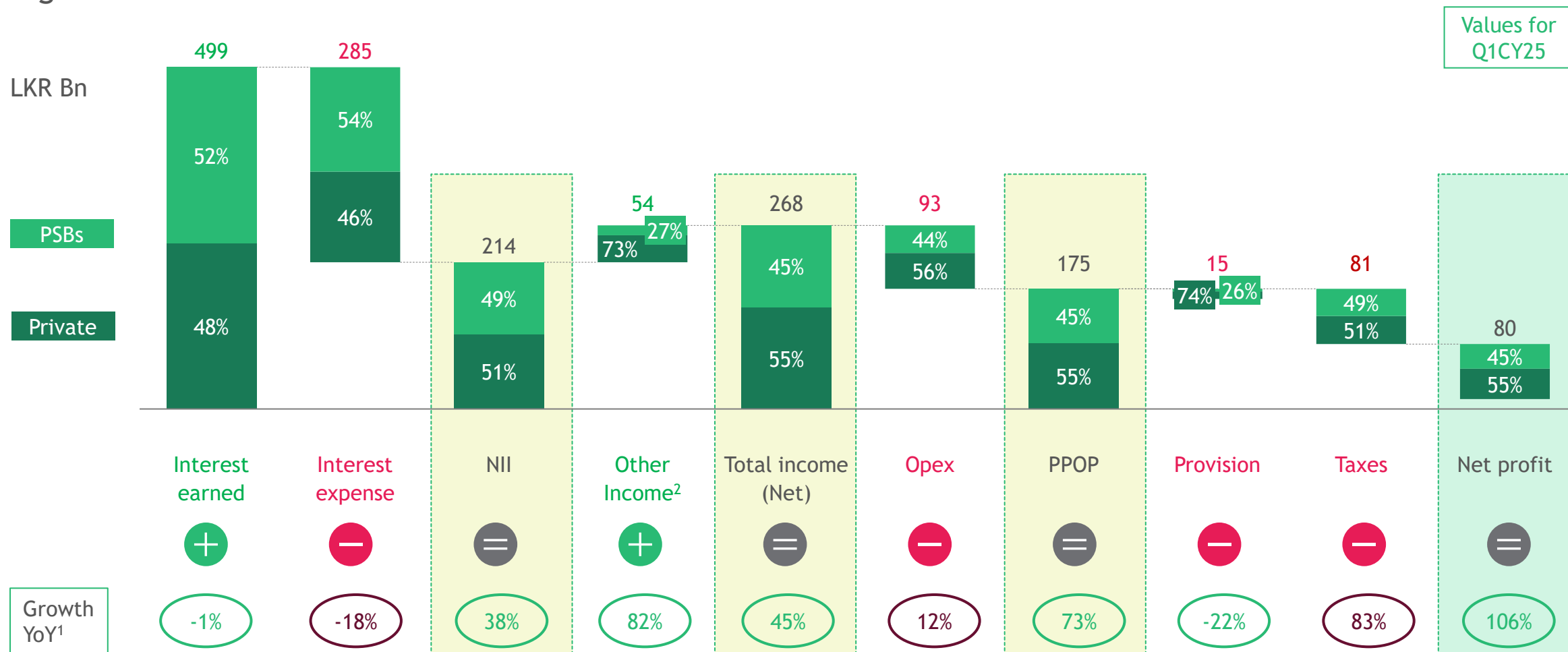


Individual Player Performance



# Sector profitability driven by higher NII and lower provisions

Govt. banks witnessed impressive profit growth of 298% vs. industry profit growth of 106% mainly due to higher NII



1. YoY growth over Q1CY24 2. Other income includes Net fee and commission income and other operating income  
 Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank  
 Source: Financial Results, Investor Presentation, Press release; BCG analysis



## Sector profitability improved during the first quarter of CY25; driven by margin expansion and rise in fee and other income

RoA Tree			Govt. Banks		Large Private		Mid-Sized Private		Industry	
Particulars <sup>1</sup>	UoM		Q1CY25	Q1CY24	Q1CY25	Q1CY24	Q1CY25	Q1CY24	Q1CY25	Q1CY24
Net interest Margin	(%)		4.1%	2.3%	4.5%	4.6%	4.6%	5.1%	4.3%	3.5%
Fee + Other Income	(%)		0.6%	0.4%	1.6%	0.6%	1.6%	1.7%	1.1%	0.7%
Operating expenses	(%)		1.6%	1.6%	2.0%	2.0%	2.5%	2.5%	1.9%	1.9%
Pre-Provision Profit <sup>2</sup>	(%)		3.1%	1.1%	4.1%	3.2%	3.7%	4.3%	3.5%	2.3%
Credit costs	(%)		0.1%	0.1%	0.4%	0.6%	0.6%	1.2%	0.3%	0.4%
Tax	(%)		1.5%	0.6%	1.8%	1.3%	1.5%	1.6%	1.6%	1.0%
Return on Assets	(%)		1.4%	0.4%	2.0%	1.3%	1.6%	1.5%	1.6%	0.9%

1. All the above #s are as a % of Opening and closing average assets for the quarter 2. Figures may not tally due to rounding off differences; Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank  
Source: Financial Statements; BCG analysis





# RoA tree | Several levers to enhance the RoA

Values for Q1CY25										
RoE	22.0%	23.4%	29.7%	21.0%	20.4%	17.6%	10.0%	15.6%	12.7%	20.3%
RoA	1.3%	1.3%	1.7%	2.0%	1.8%	1.9%	0.9%	1.4%	1.5%	2.8%
NII	3.9%	4.0%	4.6%	4.7%	4.2%	4.5%	3.9%	4.4%	4.0%	6.4%
Interest Income	9.4%	10.3%	11.1%	10.0%	9.7%	9.8%	9.9%	10.0%	10.4%	11.3%
Interest Expense	5.5%	6.3%	6.5%	5.3%	5.5%	5.3%	6.0%	5.6%	6.4%	4.9%
Other Income	0.5%	0.8%	0.3%	1.7%	1.9%	1.3%	1.3%	1.4%	1.9%	2.1%
Fee Income	0.4%	0.5%	0.1%	0.9%	1.0%	0.9%	0.9%	1.1%	0.8%	1.4%
Non-fee income	0.1%	0.3%	0.2%	0.8%	0.9%	0.4%	0.4%	0.3%	1.1%	0.7%
OpEx	1.3%	2.0%	1.7%	1.7%	2.4%	2.1%	2.1%	2.7%	2.4%	2.8%
Employee OpEx	0.8%	1.1%	1.2%	0.9%	1.1%	1.1%	1.1%	1.4%	1.1%	1.5%
Non-emp OpEx	0.5%	0.9%	0.5%	0.8%	1.3%	1.1%	1.0%	1.3%	1.3%	1.2%
PPOP	3.2%	2.9%	3.2%	4.6%	3.8%	3.7%	3.0%	3.0%	3.5%	5.8%
Provisioning	0.2%	0.3%	-0.4%	1.0%	0.0%	-0.1%	1.1%	0.1%	0.7%	0.3%
Total Tax	1.6%	1.3%	1.8%	1.6%	1.9%	1.8%	1.0%	1.5%	1.3%	2.7%
Leverage	16.6	18.0	17.2	10.3	11.1	9.1	10.7	11.0	8.4	7.3
CA Ratio (%)	4.7%	3.1%	NA	8.7%	5.1%	5.8%	8.2%	6.4%	3.6%	9.1%
SA Ratio (%)	23.5%	30.1%	20.0%	30.8%	29.7%	28.2%	17.4%	22.2%	22.7%	20.5%

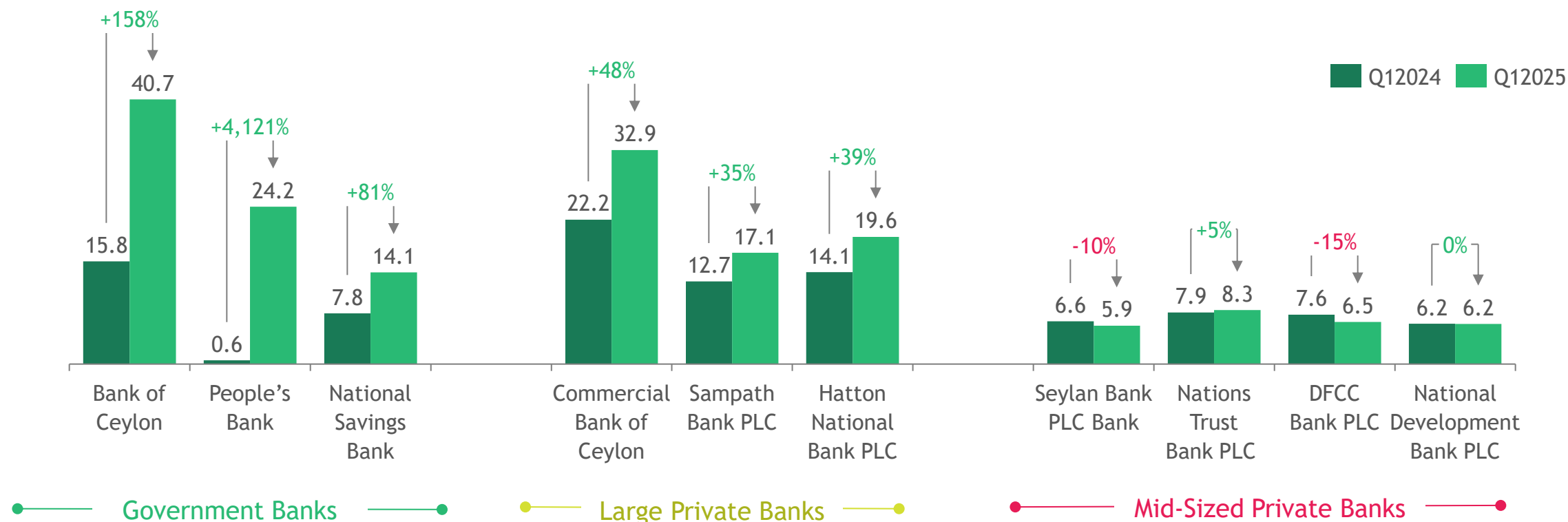
Note: Credit cost is coming out to be negative because of reversal in provisioning's in exceptional years  
 Source: Annual Reports, Quarterly Results; BCG Analysis



# Govt. banks all see an exceptional YoY increase in Pre-Provisioning Operating Profit; driven by strong growth in operating income

Select Banks

## Pre-Provisioning Operating Profit (PPOP)



PPOP is calculated as Total Operating Income - Total Operating expense

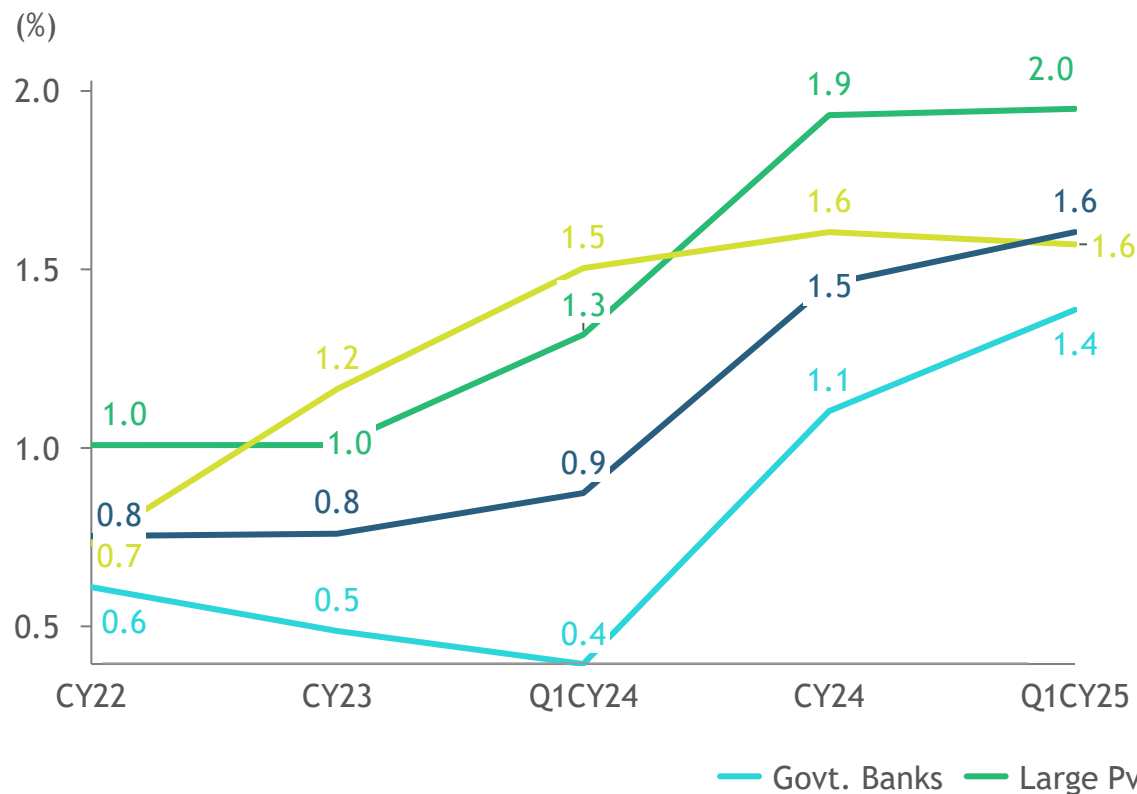
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Source: Annual Reports; Press Search; BCG analysis

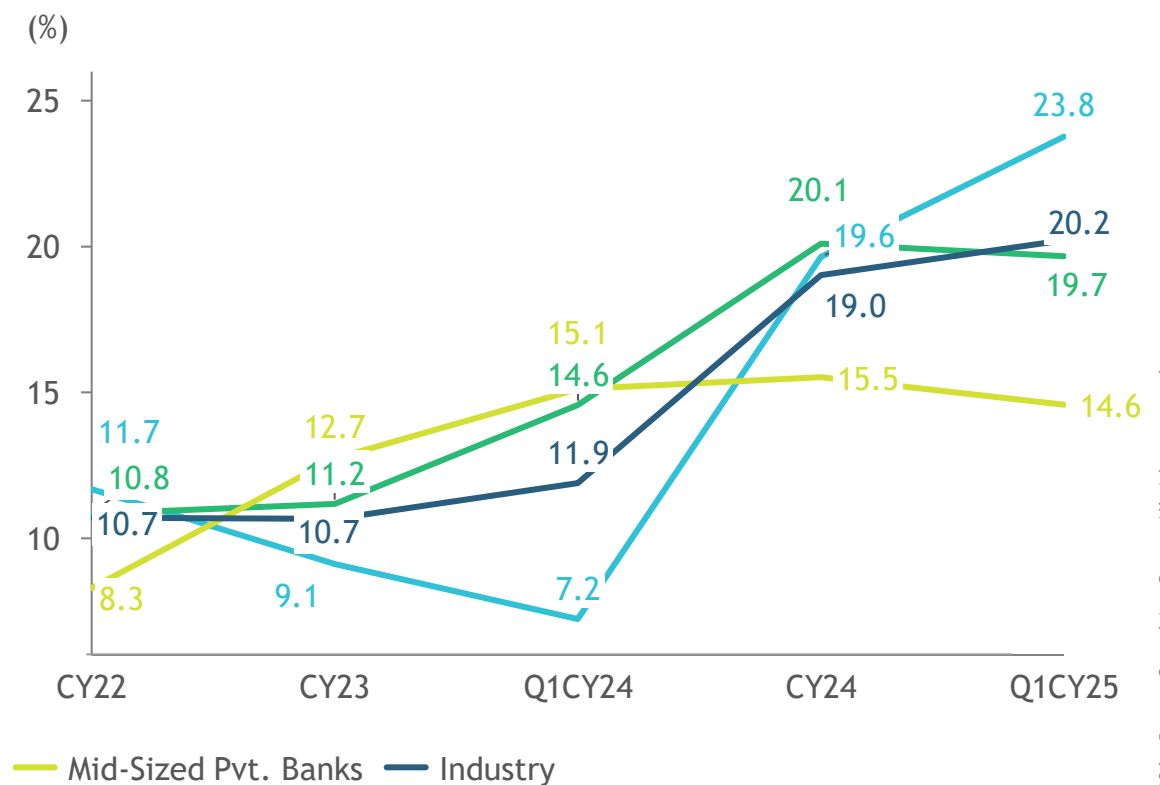


# All bank groups achieve >1% ROA; ROE continue to improve

## Return on Assets<sup>1</sup> by bank category



## Return on Equity<sup>2</sup> by bank category



1. Return on Assets is calculated as net profit/average opening and closing assets for the period or quarter 2. Return on Equity is calculated as net profit/average average opening and closing shareholders' fund for the period or quarter

Note: Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank

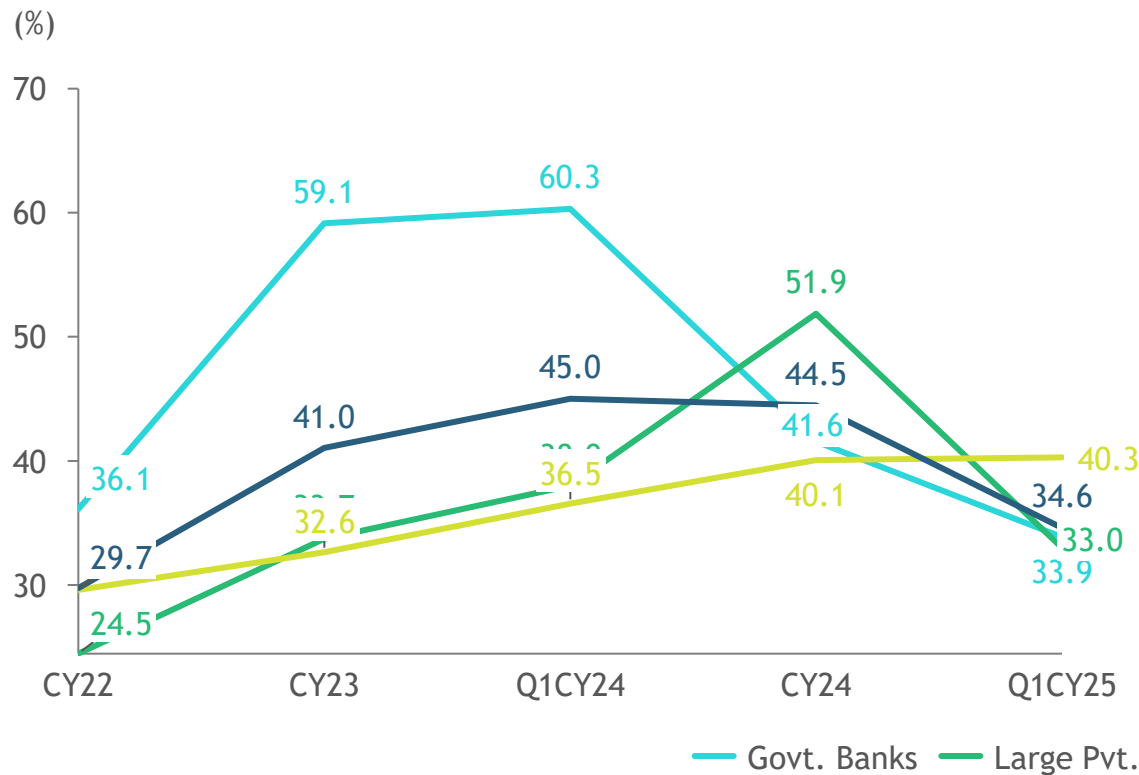
Source: Annual Reports; Press Search; BCG analysis



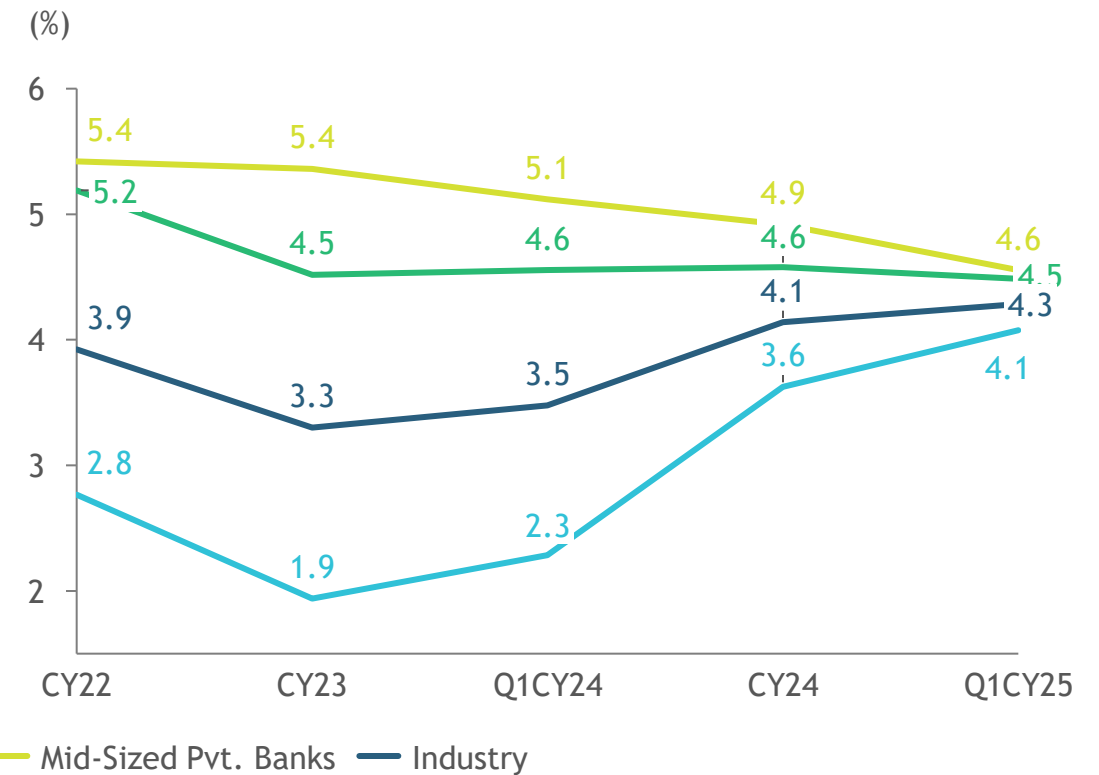
# Government banks outperforming peers with lowest CIR and increasing NIMs

Large Private Sector banks saw marginal YoY decline in NIMs

## Cost to Income Ratio<sup>1</sup> by bank category (%)



## Net Interest Margin<sup>2</sup> by bank category (%)



1. Cost to Income is calculated as Operation expense/(net interest income + other income) 2. NIM is calculated as (Interest Income - Interest Expense)/Average of opening and closing Assets for the quarter or period

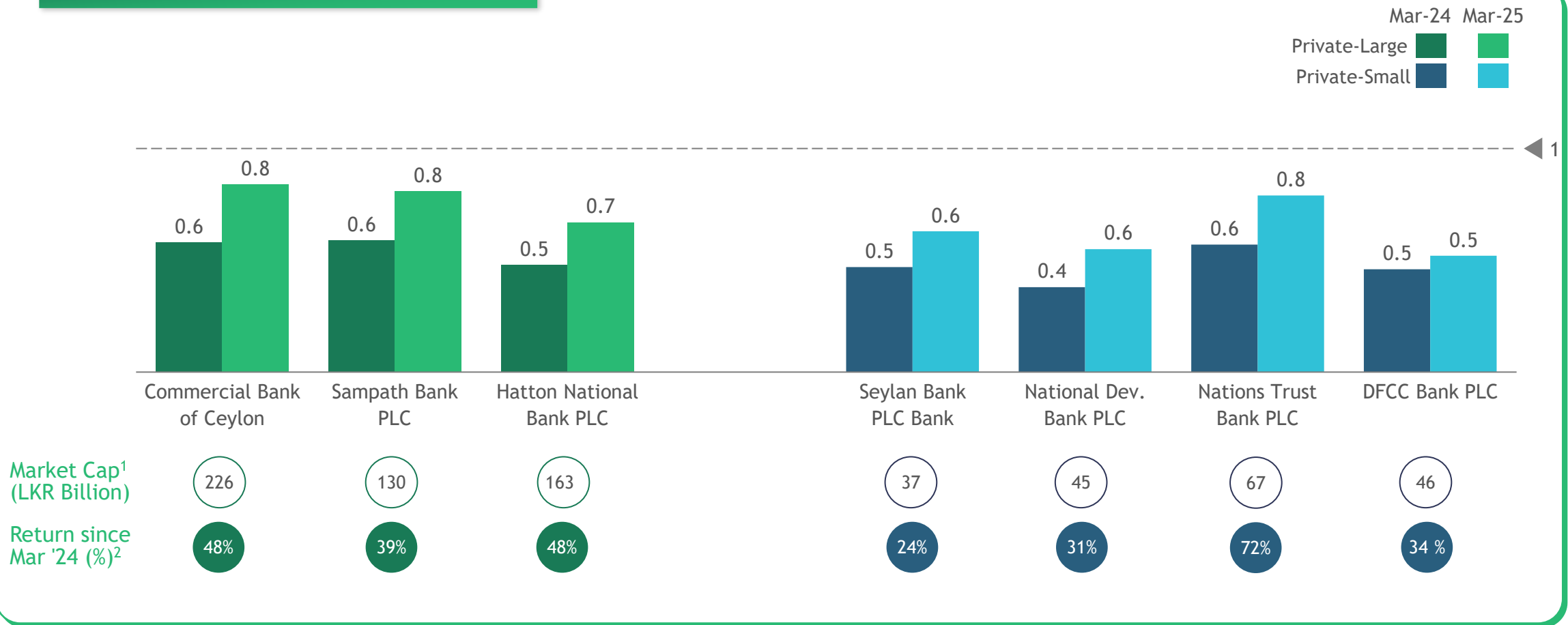
Note: Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank

Source: Annual Reports; Press Search; BCG analysis



# All banks commanding lower valuation vs last year; trading below book value

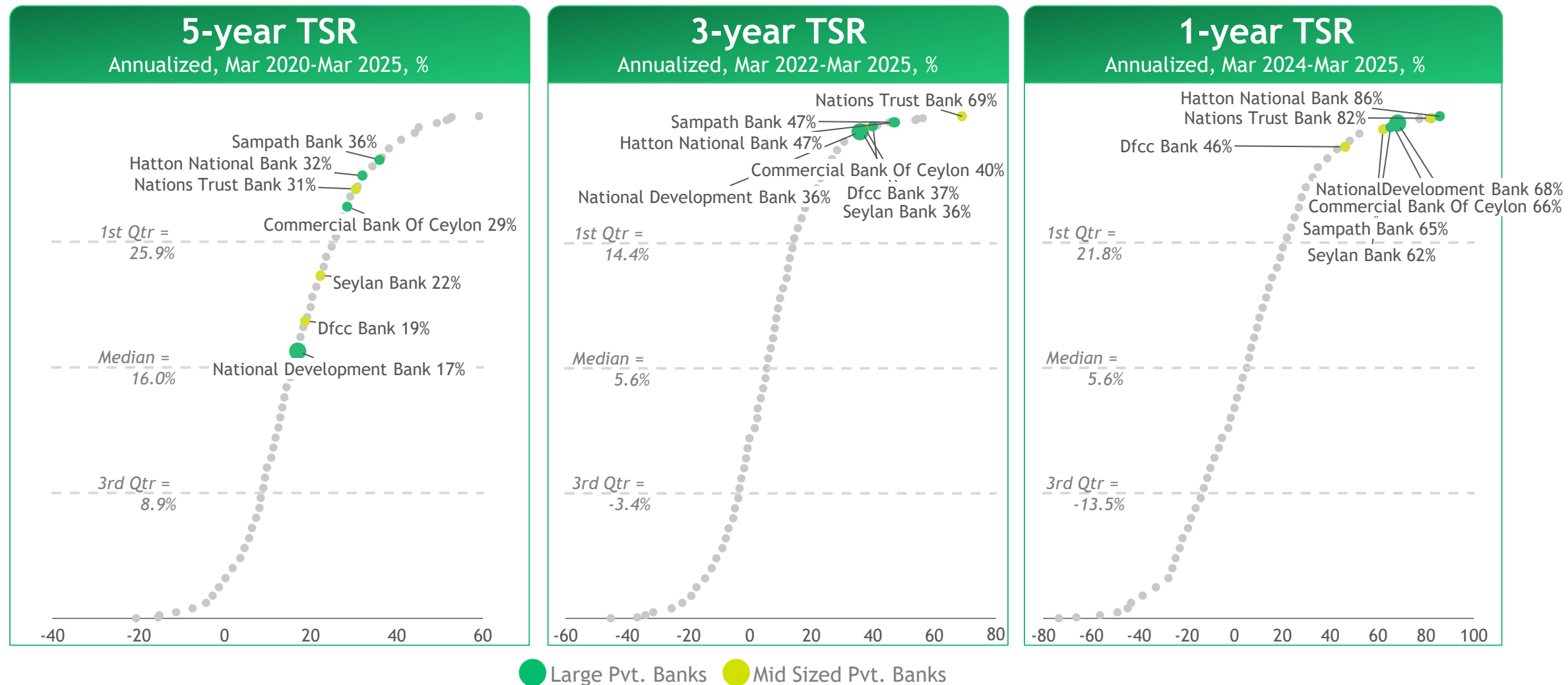
## Price/Book for Private Banks



1. Pricing as of the filing date of the balance sheet period end date (i.e March 2025), 2. Return refer to YoY change in Market Cap  
Source: Capital IQ, BCG Analysis



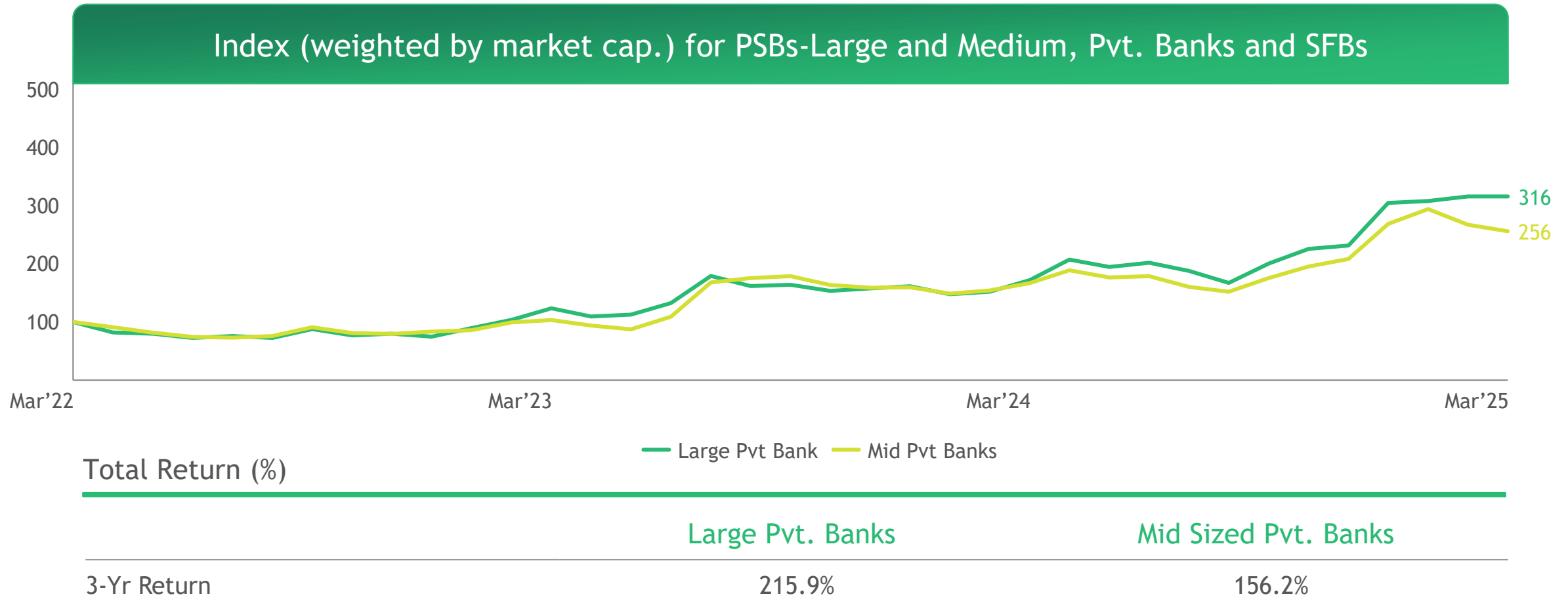
# Both Large and Mid Sized Pvt. Banks have created significant value over last 3 & 1 yrs



Note: Background Curve: S&P 500 Large Cap, Based on data ending in March. TSRs use company reporting currency.  
Source: S&P Capital IQ; BCG ValueScience® Center



## Similar trend observed in bank category wise returns; Large Pvt. Banks outperformed in last 1 yr



Note: Large Private Bank index includes 3 Private-Banks and Mid Sized Private Banks includes 4 Private-Banks; Index weighted as per market capitalization of banks Index period from March 2021 to March 2025 (Indexed to 100)  
Source: Capital IQ; BCG ValueScience Center



# Banking sector overview



Macro Indicators



Business: Advances & Deposits



Key Performance Indicators - Banking Sector



NPA & Risk Management



Branch Efficiency and Employee Productivity



Digital in Banking



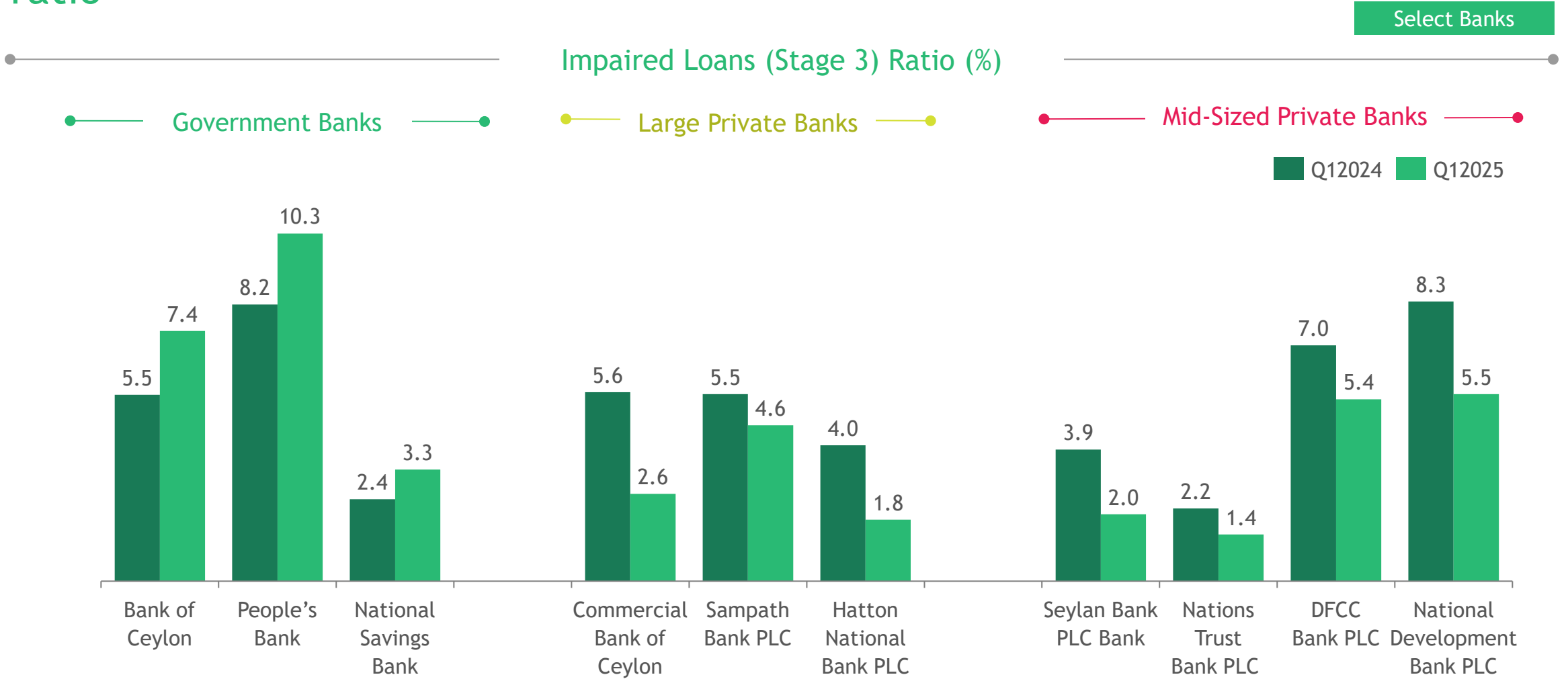
Key Regulatory Measures



Individual Player Performance



# Asset quality remains a concern for Govt. banks with increasing impaired loan ratio



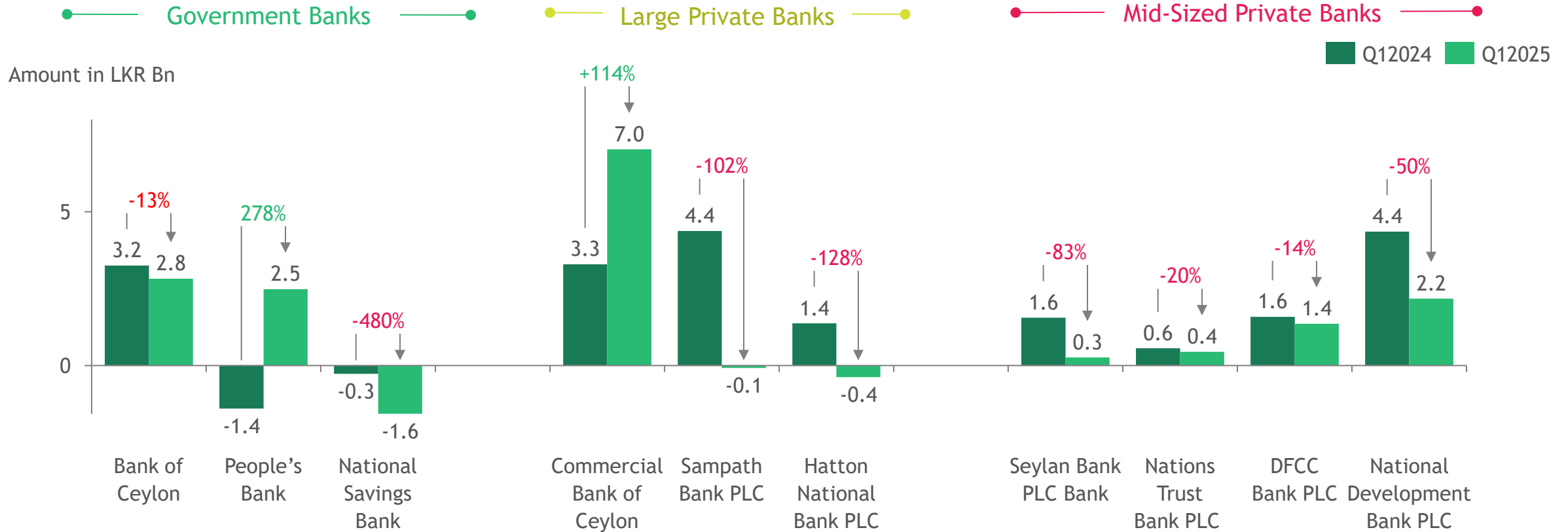


# Impairment provisioning declined YoY for most banks in Q1CY25

People's bank and Comm. bank saw sharp increase of 278% & 114% respectively

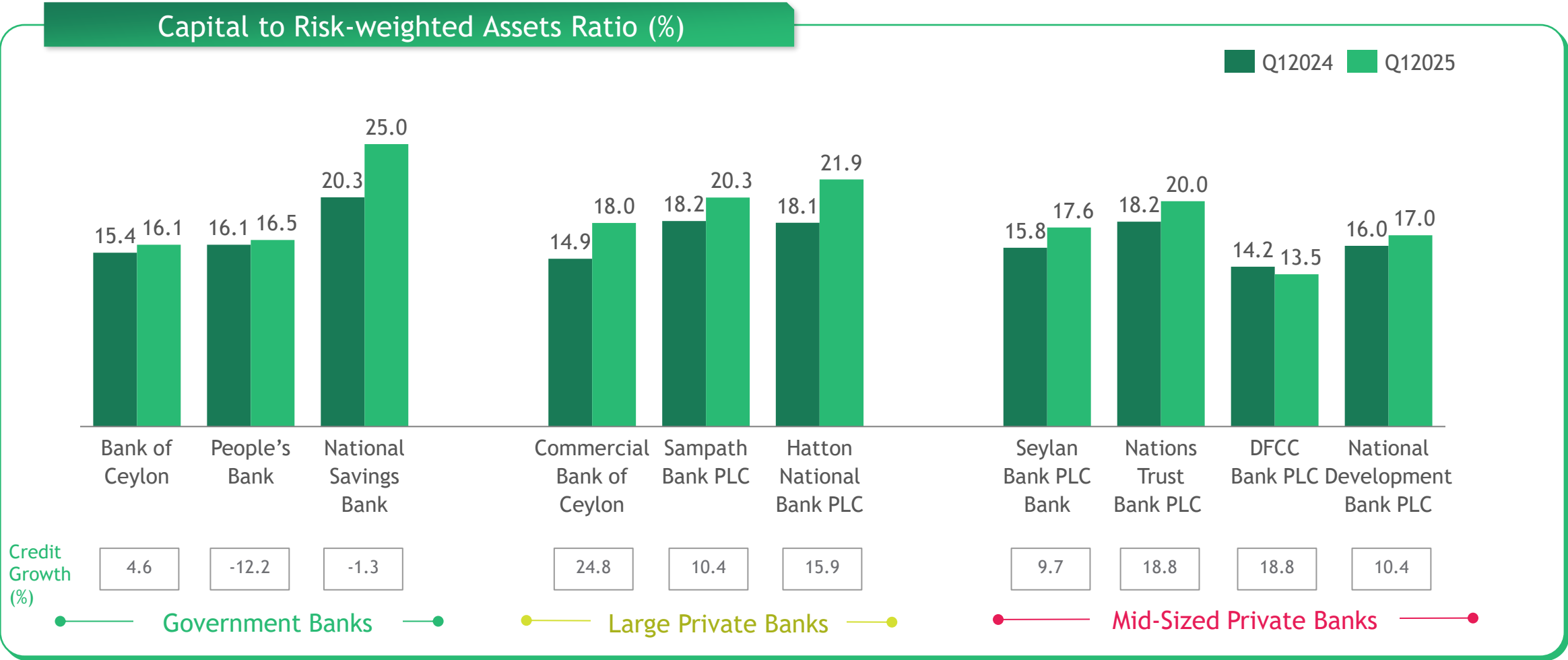
Select Banks

YoY growth in Provisioning (%)





# Banks adequately capitalized with significant buffer to support future credit demand



# Banking sector overview



Macro Indicators



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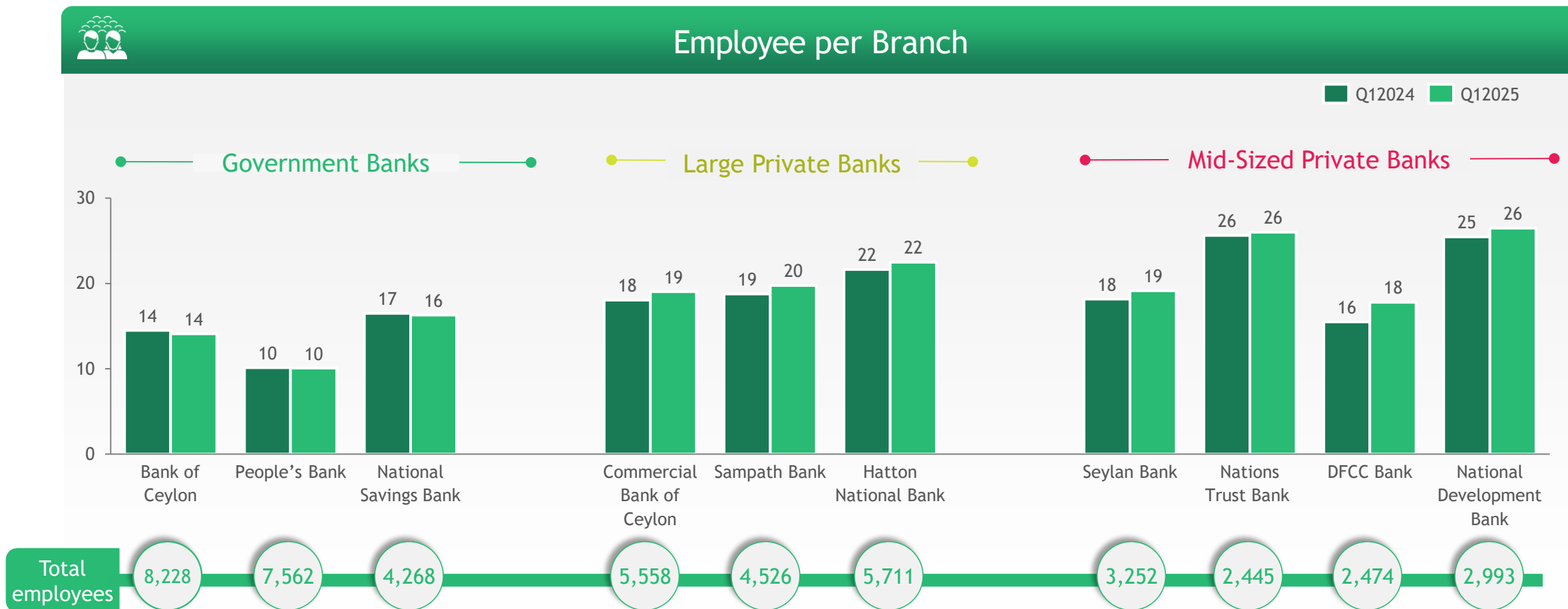
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# Banking sector workforce: Employees per branch across segments

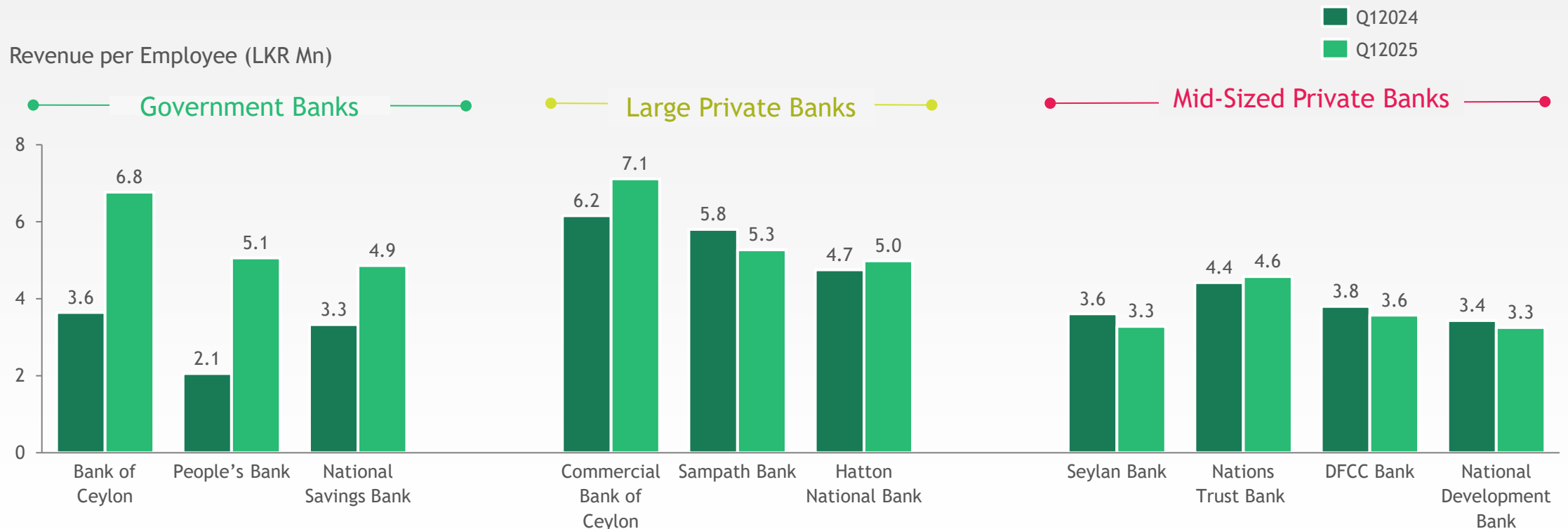




# Mid-Sized Private banks see productivity stagnation while Govt. Banks accelerate



## Employee productivity (Revenue<sup>1</sup> per employee per year)



1. NII + Net fee and commission income is considered as Revenue

Note: Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank; Only permanent employees considered for analysis

Source: Annual reports, BCG analysis

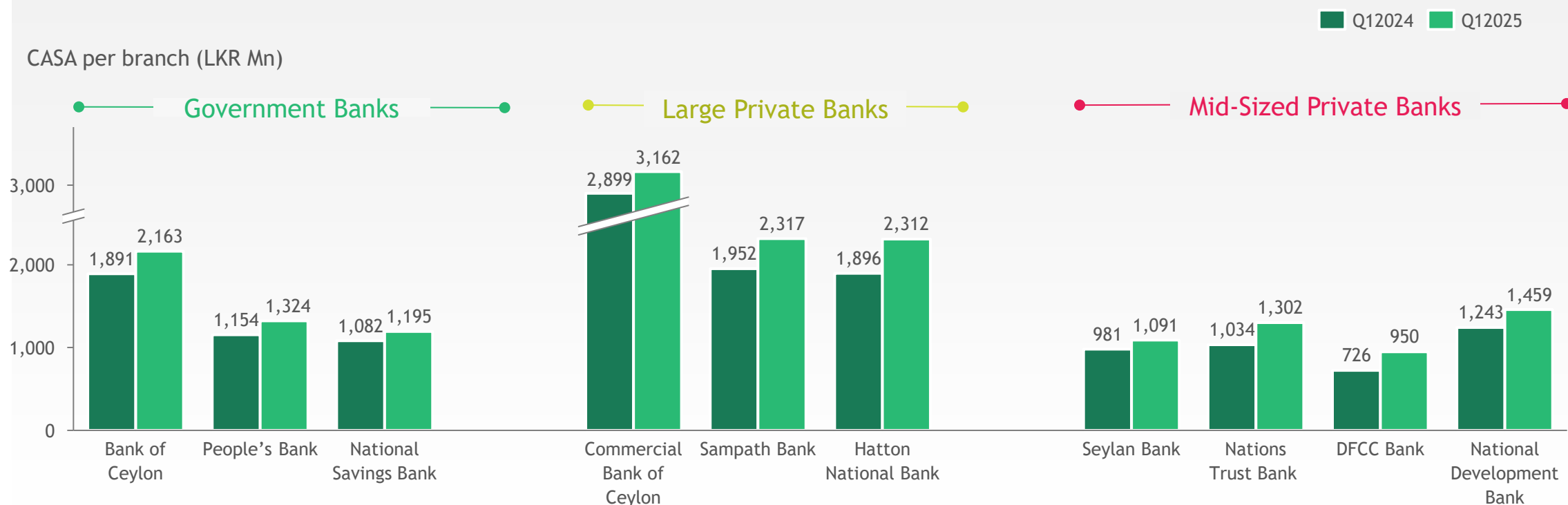




# CASA per branch improves across the board— Large Private banks dominate



## Branch Productivity (CASA per branch)



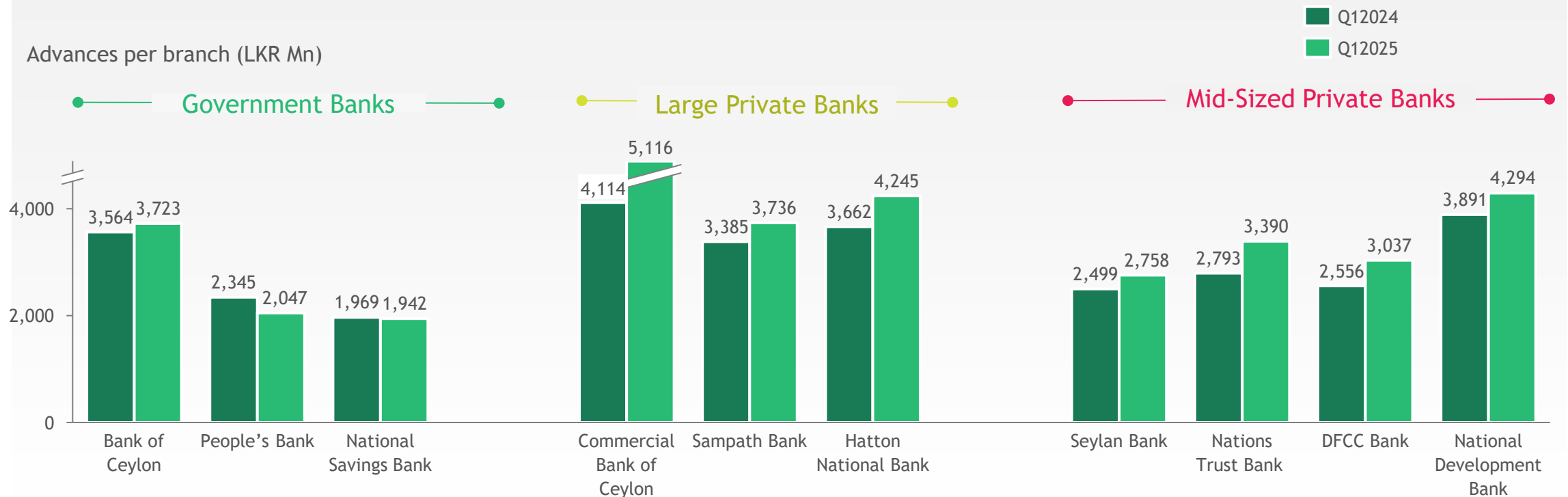
1. Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank  
Source: Annual reports, BCG analysis



# Rising branch productivity in Private banks, while Govt. banks remain steady



## Branch Productivity (Advances per branch)

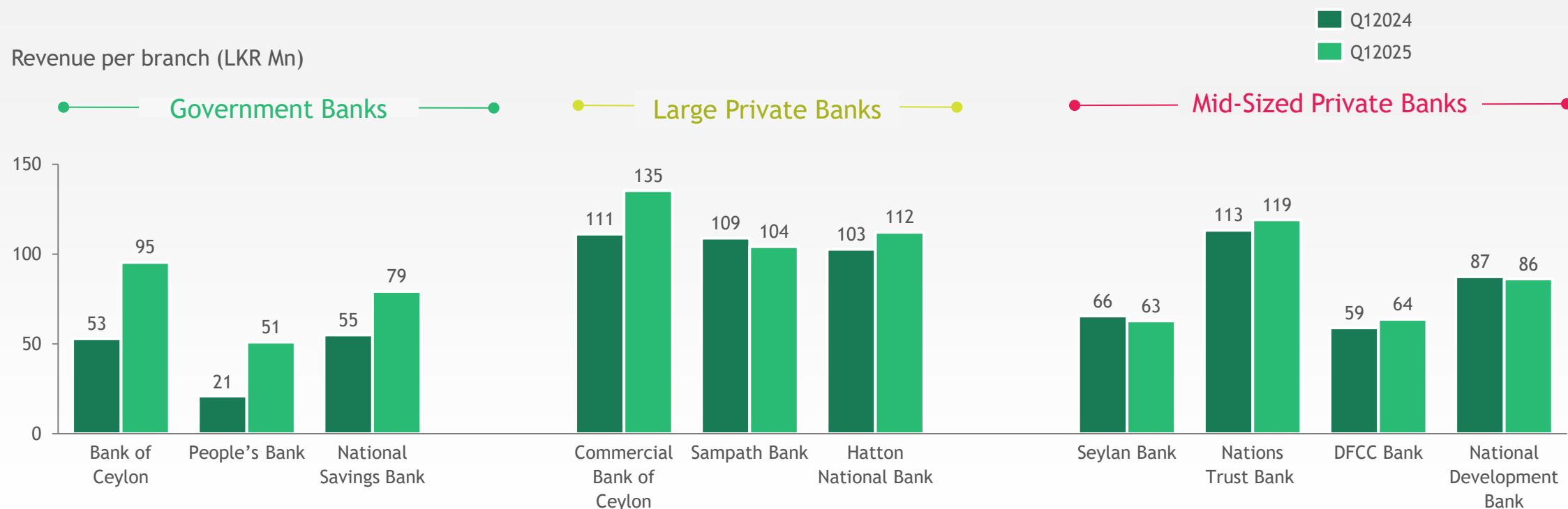




# Govt. banks post strong revenue gains per branch; Private banks retain edge with stable performance



## Branch Productivity (Revenue<sup>1</sup> per branch)



1. NII + Net fee and commission income is considered as Revenue

Note: Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Banks

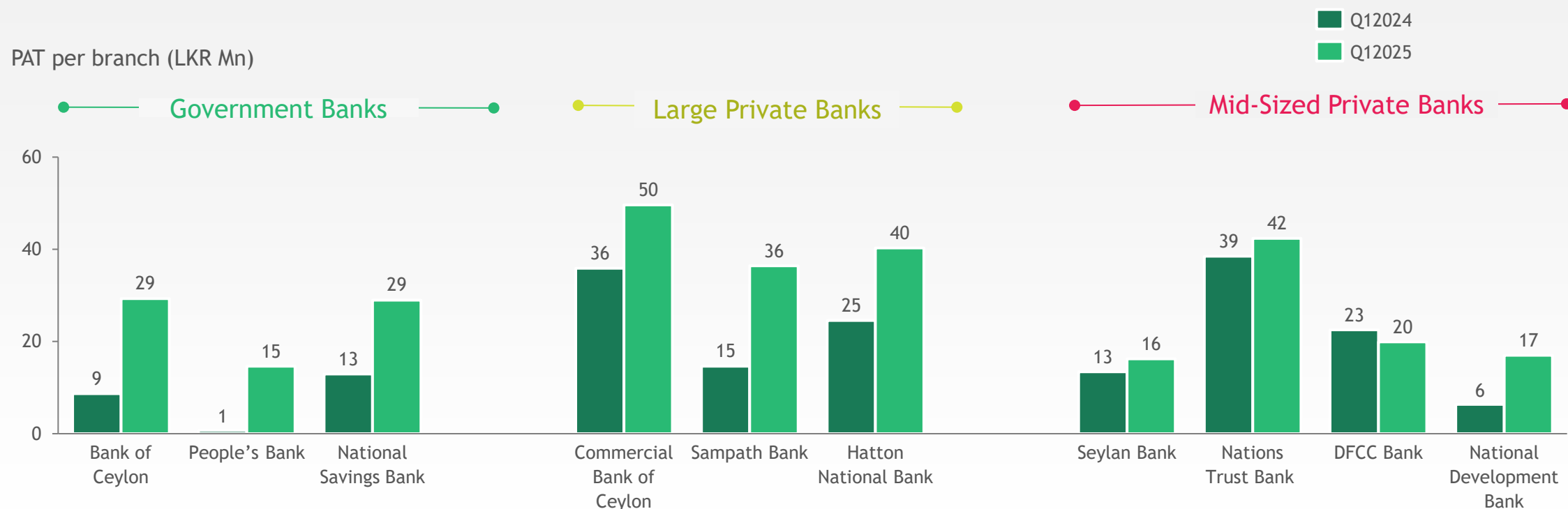
Source: Annual reports, BCG analysis



# PAT per branch jumps across segments; with Govt. banks deliver over >2x growth



## Branch Productivity (PAT per branch)



1. Analysis has been made based on 3 Government Banks, 3 Large Private Banks and 4 Mid-Sized Private Bank  
Source: Annual reports, BCG analysis

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# Digital Performance



## Website traffic disparities

- Sampath Bank (548.9K visits), Commercial Bank (520.7K), and Bank of Ceylon (478.1K) lead in website traffic.
- NDB Bank (83.1K visits) and HNB Bank (147.6K) are at the lower end, reinforcing a wide traffic gap between the banks.



## SEO & organic search as the primary traffic driver

- Organic search contributes over 60% of total traffic for most banks—Seylan (66%), Sampath (59%), and Nations Trust (36%) show strong SEO reliance.
- Branded traffic remains dominant (e.g., NDB Bank 93%, Sampath 91%), showing loyalty but limited non-branded audience growth.



## Low dependence on paid search & social media

- Paid Search accounts for  $\leq 3\%$  of traffic across all banks—signaling low investment in PPC campaigns.
- Social media also contributes minimally (0-5%), indicating weak social engagement strategies.



## Mobile-First banking strategy is strong, but engagement data is missing

- Highest App Downloads: BOC (1.90M), People's Bank (1.82M), Commercial Bank (1.64M).
- Engagement Leaders (Avg. sessions/user): Nations Trust (45.2) and NDB Bank (41.69), despite low user base—suggesting niche but active users.
- Top MAUs: Sampath Bank (748K) and People's Bank (232K) demonstrate strong reach.











## High dependency on branded search

- Organic Keywords leadership: Sampath (19K), Commercial Bank (17.2K), and ComBank (17.2K)—these banks dominate search visibility.
- Low rankings in top positions: Most banks have  $<10\%$  of keywords in positions 1-3, signaling potential to improve ranking strategy.

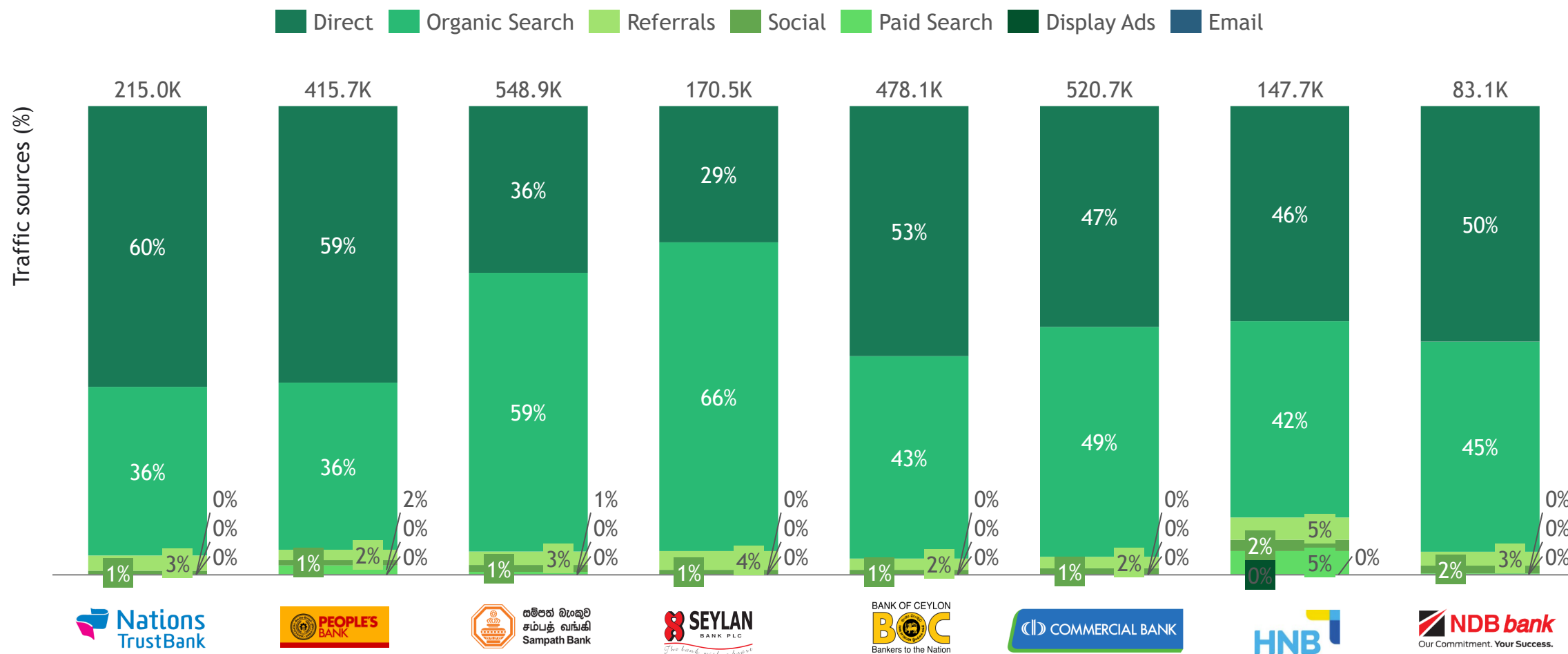


# Website Traffic Performance | High disparity in website traffic performance between top and lower-tier banks; with top 3 Banks capturing 1.5M+ Visits

									
Traffic metrics	Monthly Visits	214.9K	415.6K	548.9K	170.8K	478.1K	520.7K	147.6K	83.1K
	Monthly Unique Visitors	63.7K	131.8K	248K	85.7K	173.3K	235K	75.7K	37.7K
	Visits per Unique Visitor	3.4	3.2	2.2	2.0	2.8	2.2	1.9	2.2
User Behavior	Visit Duration (mm:ss)	05:37	05:15	02:00	01:26	04:55	01:42	01:57	03:45
	Pages per Visit	4.29	8.17	2.78	2.50	5.09	2.70	2.87	5.23
	Bounce Rate (%)	39.17%	28.16%	56.87%	63.38%	28.73%	47.30%	55.71%	36.54%











# Website performance | Organic Search Drives 60-66% of Visits — Paid & Social Channels Contribute Less Than 5%















## SEO Performance | High brand reliance with 91-93% of Traffic Is Branded — Less Than 7% of Keywords Rank in Top 3 Results

								
Authority Score	40	46	53	42	46	50	43	44
Organic Search Traffic (K)	63.8K	95.6K	93.6K	57.4K	151.5L	114.1K	32.7K	23.9K
Organic Keywords (K)	3.8K	12.9K	19K	8.7K	10.6K	17.2K	9.2K	3.3K
Backlinks (K)	7K	37.4K	16.3K	935.5K	126.3K	32.8K	13.3K	16.9K
Referring Domains (#)	904	1.1K	1.5K	909	1.4K	1.2K	1.3K	943
Branded Traffic (%)	82%	80%	91%	78%	76%	80%	29%	93%
Keywords Position 1-3	6.1%	4.8%	3.7%	2.9%	5.2%	5.3%	5.3%	5.7%
Keywords Position 4-10	10.9%	9.1%	6.5%	9.4%	7.9%	8.7%	8.7%	7.5%



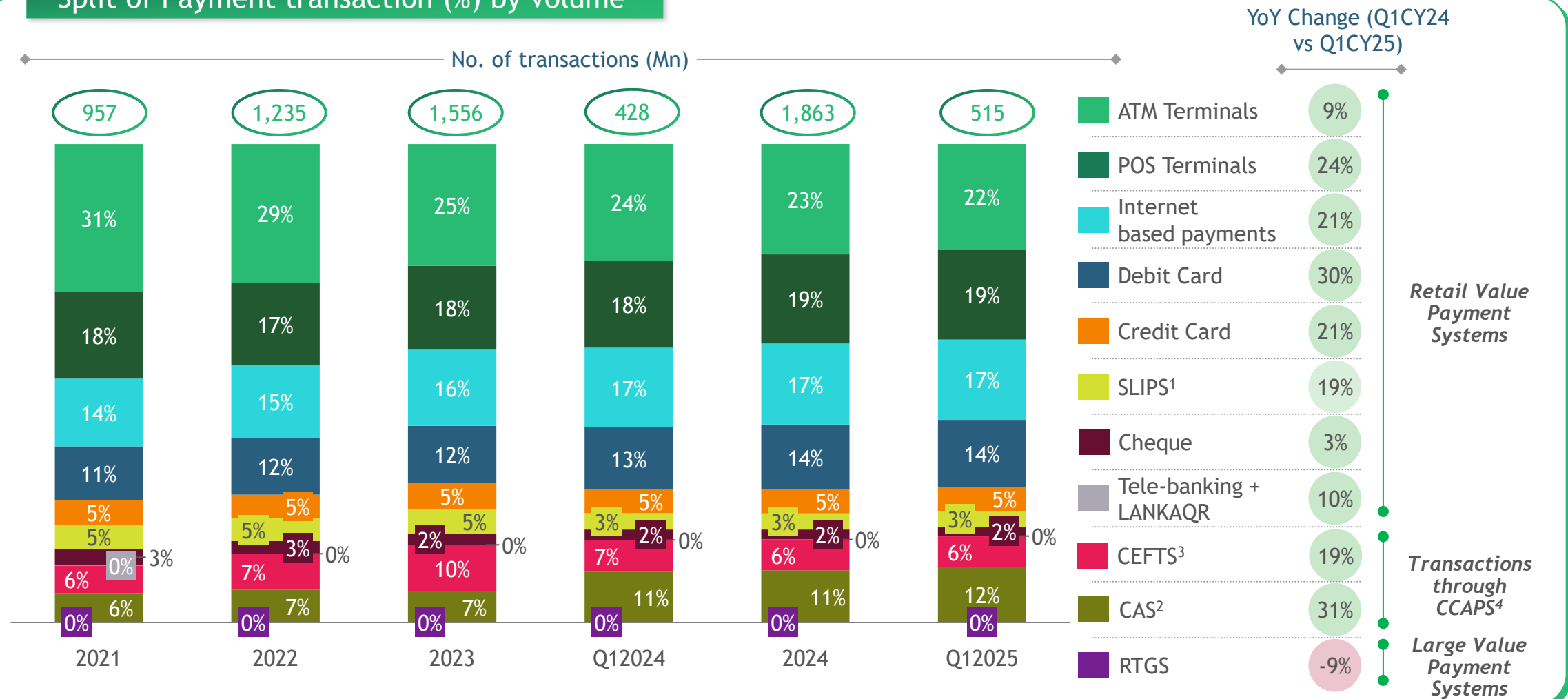
# Mobile App Performance | Strong mobile banking adoption with dominance by BOC, People's, ComBank; but highlights low engagement across apps

	Acquisition		Engagement			
	Cumulative Downloads <sup>1</sup>	L3M Downloads	Monthly Active Users	Daily Active Users	Monthly Open Rate	Monthly Avg Sessions / User <sup>2</sup>
	1.82m	130k	232k	26.6k	9.36%	14.03
	1.64m	120k	124k	24.6k	3.67%	27.02
	546k	103k	NA	36.5k	49.40%	27.13
	1.11m	79.4k	206k	24.2k	9.73%	31.09
	1.90m	42.1k	199k	22.1k	6.09%	19.7
	304k	21.7k	119k	37.4k	17.58%	14.49
	259k	14.3k	13.6k	3.4k	3.55%	41.69
	206k	8.8k	18k	5k	2.5%	45.2



# Digital payments (Internet banking) gaining market share of total payments systems

## Split of Payment transaction (%) by volume



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# Key Recent Regulatory Measures



## Reporting IT and Cybersecurity Incidents

- Licensed banks are required to report the IT and cybersecurity incidents and online & digital scams to the Director, Bank supervision department.
  - Immediate reporting: **Within 2 hours** of detection of the incident
  - Detailed reporting: **Within 14 days** of detection of the incident
  - Quarterly reporting: **Within 15 days** following the end of each quarter



## Domestic Systemically Important Banks (D-SIBs)

- Banks are assessed based on factors such as size, interconnectedness, substitutability, and complexity to determine their systemic importance
- Designated D-SIBs are mandated to maintain higher capital buffers, including CET1
- The directive outlines intensified supervisory expectations for D-SIBs, including rigorous risk management practices and contingency planning capital



## Corporate Governance framework for Licensed Banks

- Minimum of one-third of the board members must be independent non-executive directors**, ensuring greater independence in board decision-making.
- Mandates the **establishment of dedicated board committees**, such as Audit, Risk Management, and Remuneration Committees, **each chaired by an independent non-executive director**
- Licensed banks should **disclose detailed information on board composition**, including the names and profiles of directors, **in their annual reports**



## Relief Measures to Assist the affected SMEs

- Licensed banks must **create dedicated units to implement, monitor, and report on SME relief measures**
- Business Revival Units (BRUs)** formed under earlier circulars will **continue to support broader restructuring and revival** of distressed SME accounts.
- Emphasizes consistent application of relief measures across all licensed banks to **ensure equitable treatment of affected SMEs**

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Key Regulatory Measures













Individual Player Performance



# Annual player performance

[Select Banks](#)

	Period	Advances <sup>3</sup> LKR Tn	Deposits LKR Tn	CASA Ratio (%)	NIM <sup>1</sup> (%)	CIR <sup>2</sup> (%)	Stage 3 Loans Ratio(%)	ROA <sup>1</sup> (%)	
Govt. Banks	 BANK OF CEYLON	Q1CY25	2.2	4.5	28%	3.9%	29%	7.4%	1.5%
		Q1CY24	2.1	3.8	30%	2.4%	48%	5.5%	0.3%
	 PEOPLE'S BANK	Q1CY25	1.5	3.0	33%	4.0%	41%	10.3%	1.3%
		Q1CY24	1.8	2.7	32%	1.6%	96%	8.2%	0.1%
	 NSB National Savings Bank	Q1CY25	0.5	1.5	20%	4.6%	34%	3.3%	1.7%
		Q1CY24	0.5	1.5	19%	3.3%	48%	2.4%	0.8%
Large Pvt.	 COMMERCIAL BANK	Q1CY25	1.5	2.3	40%	4.7%	27%	2.6%	2.0%
		Q1CY24	1.2	2.1	41%	4.2%	35%	5.6%	1.6%
	 සමපත් බැංකුව சம்பத் வங்கி Sampath Bank	Q1CY25	0.9	1.5	35%	4.2%	39%	4.6%	1.8%
		Q1CY24	0.8	1.3	34%	5.2%	40%	5.5%	0.8%
	 HNB	Q1CY25	1.1	1.7	34%	4.5%	36%	1.8%	1.9%
		Q1CY24	0.9	1.6	31%	4.5%	41%	4.0%	1.3%
Mid-Sized Pvt.	 NDB bank Our Commitment. Your Success.	Q1CY25	0.5	0.6	26%	3.9%	42%	5.5%	0.9%
		Q1CY24	0.4	0.6	23%	4.2%	39%	8.3%	0.4%
	 SEYLAN BANK PLC The bank with a heart	Q1CY25	0.5	0.6	29%	4.4%	48%	2.0%	1.4%
		Q1CY24	0.4	0.6	28%	5.2%	44%	3.9%	1.3%
	 DFCC BANK Keep Growing	Q1CY25	0.4	0.5	26%	4.0%	40%	5.4%	1.5%
		Q1CY24	0.4	0.4	23%	4.5%	32%	7.0%	2.0%
	 Nations TrustBank	Q1CY25	0.3	0.4	30%	6.4%	32%	1.4%	2.8%
		Q1CY24	0.3	0.3	29%	7.2%	32%	2.2%	2.9%

xxx

Change vs. last year

1. RoA and NIM are calculated as % of average opening and closing assets 2. CIR is calculated as Opex by Total Income (NII + Other Income+ Net Fee & Commission Income) 3. Financial assets at amortized cost, Loans and advances to customers  
Source: Financial Statements; BCG analysis



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