

A CEYLON
PRESS TINY
GUIDE

A GUIDE TO
SRI LANKA'S
8 BANK
VARIETIES

BANKS



1 THE STALINIST STATE BANK

Indefatigably dedicated to the daily task of proving that Soviet era customer care and service are not yet dead, the Bank of Ceylon moves like a living dinosaur, protected by its monopolistic size, and its status as most favoured government piggy bank. It is the island's largest bank and one of the largest businesses on the island, with an asset base of more than three trillion rupees. With over six hundred branches, an online service that would defeat Bill Gates, an unshakable faith in formfilling, paper-circulation, closing early, and doggedly following the right course of action, however wrong, it is also a useful tool for many a Finance Minister, and has, so far, and not unsurprisingly, successfully resisted all calls for the sort of privatization that its future salvation most needs.

2

OTHER STATE CONTROLLED LOCAL BANKS

The Sri Lankan government owns or has a fully controlling interest in five other local banks. The first of these, the People's Bank was founded in 1961 and now has 739 branches. It has had several moments of public shame, the most notable being when, in 2019, corruption and mismanagement led to a loss in excess of 2 billion rupees. Close on its heels is the National Savings Bank, with 202 branches and a cozy relationship with the sclerotic Sri Lanka Post and its 3,412 sub-post offices. Because it is bound by law to invest a minimum of 60% of its deposits in government issued and guaranteed securities, its deposit base has made it a piggy bank for the state finances. Struggling to stand out is the Regional Development Bank (Pradheshiya Sanwardhana Bank), founded in 2010 and with a modest asset based scattered across a retiring branch network. Two other banks are focused on housing. Founded in 1984, the Housing Development Finance Corporation Bank Of Sri Lanka is a small building society that became a bank. Small too is the State Mortgage and Investment Bank, set up in 1931, and struggling to break free of its home base in housing and agriculture in order to debut into the richer world of consumer banking.

3

SEMI STATE BANKS

Two banks stand out for inhabiting something of a no-man's land, their ownership shared between the state and a raft of non-government companies. Their modest asset base and branch network are almost mirror images of each other. The DFCC, set up in 1955, has moved, like Mata Hari, into the public sector with a spaghetti like rostrum of shareholders and a cosy, if complicated, relationship with government. The National Development Bank opened much later (1979).

4 THE TOP SRI LANKAN PUBLICLY OWNED BANKS

Two banks stand out like giraffes against all the rest, being Sri Lankan owned, with publicly held shares and a reputation for global standards of efficiency and customer focus. The first of these, the Hatton National Bank, began life in 1888 amongst the hill station's tea planters and plantation workers. It has a formidable asset and branch base and a deserving trophy cabinet of awards for its service levels. Its main rival is the much larger, Commercial Bank, the largest private bank in the country, and a child of various mergers and takeovers that traces its history back to 1920. Asset rich and professional, it has a strong global reputation and has been ranked on numerous occasions as one of the world's top 1000 Banks.

5 OTHER SRI LANKAN PUBLICLY OWNED BANKS

Six other banks across the island are publicly listed organizations free of all but the most egregious state control. The two leading ones, both founded in 1987, are the Sampath Bank, and the Seylan Bank. Hot on their heels is the Pan Asian Bank owned by Sri Lanka's principal billionaire, Dhammika Perera, followed by three smaller companies: the Nations Trust Bank, founded in 1999, the Union Bank Of Colombo, which opened for business four years earlier; and Cargills Bank, a sibling of the famous supermarket chain which set up its banking business in 2014. To complicate matters, a seventh bank, Sanasa Development Bank, also operates across the country – though is owned co-operatively by its customers and not by the state or large public companies.

6 WESTERN OWNED BANKS

Four banks, with their roots firmly in the economics of the west also operate in Sri Lanka as locally licenced businesses. The most notable of these is Standard Chartered Bank, a child of the Victorian era, its Sri Lankan offshoot expressed through a handful of branches in the better parts of Colombo. Larger in every conceivable way is the Hong Kong & Shanghai Banking Corporation (HSBC), a bank founded in Hong Kong on the opium trade, but which opened up its local branch here way back in 1892, the year Arthur Conan Doyle's first Sherlock Holmes story appeared. Beneath them, barely visible are two others, Citibank and Deutsche Bank.

7 SOUTH ASIAN BANKS

Five banks are licenced in Sri Lanka from the Indian sub-continent. The State Bank Of India is India's largest bank, but its five Colombo branches are a sentimental throwback to the days when coffee powered the Sri Lankan economy. It now modestly pursues the usual activities of a bank no longer fuelled by the boom years that gave it birth. The Indian Overseas Bank has a single branch in Colombo. "Been here few times," wrote one Mohamed A in a sorrowful online testimonial, "Silent and doesn't feel like a bank at all." Marginally more prominent is the Indian Bank, which dates back to 1906 Madras and has two branches in Colombo and Jaffna. Two more come from Pakistan, both with modest assets bases and slim to almost invisible branch networks: the 1951, Habib Bank and the 1994 Shariah compliant MCB Bank.

8 OTHER FOREIGN BANKS

Three banks complete the list of licensed banks in Sri Lanka, the largest being the Bank of China which has but one branch here and was probably set up to better service China's much gossiped about financial interests in the country. As with many Chinese state corporations, its balance sheet is not much easier to decipher than perpendicular Lushi poetry written to the literary standards of Han Dynasty Yuefu verse. Two smaller enterprises include the Saudi owned Sharia compliant Amana Bank and the Malaysian Public Bank Berhad.

DISCOVER MORE

A HISTORY LIKE NO OTHER

Contrary & creative, Sri Lanka built a tropical Versailles as the West constructed in wattle & daub. When the Cold War ebbed, its own began. The Ceylon Press *History of Sri Lanka* - in eBook and Podcast - unpicks its serpentine history.

BEHIND EACH GREAT STORY

Island Stories: The Sri Lanka Podcast and the Press's *Complete Audio Books* explore the things that make Sri Lanka, Sri Lankan.

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COMPANIONABLE LOOK-UPS

The Ceylon Press's subject *Companions to Sri Lanka* makes visible the whole island – from its arts, wildlife, & landmarks to religion, food, & history.

A LITTLE LIGHT RELIEF

And least it gets too serious, enjoy the off-grid *Jungle Diaries* blog & Podcast; and *Archaeologies*, the blank verse diaries of an occasional hermit.

ABOUT THE AUTHOR

David Swarbrick is a publisher, planter, hotelier, hermit, and writer.

He was born in Colombo and raised, with few concessions to modernity, in India, Singapore, and the Middle East. Cornish, he gained his degrees on the Celtic fringe: at the Universities of Wales, and Stirling, prolonging an introduction to accepted working hours for as long as was decently possible.

Having worked at News Corp's HarperCollins UK as board director for various otherwise homeless departments including sales, art and marketing; and HarperCollins India, he ran Hachette's consumer learning division. Prior to this, he launched Oxford University Press's first commercial online business, Oxford Reference Online.

When the doubtful charms of boardroom bawls, bottom lines, and divas diminished, he returned to Sri Lanka, the land of his birth hundreds of years earlier, to rescue a spice plantation and set of art deco buildings that had gone feral in the jungle.

Today, as The Flame Tree Estate & Hotel, it has become one of the country's top ten boutique hotels, run by the kindest and most professional of hospitality teams; and overseen by several small schnauzers.

It also helps fund The Ceylon Press, set up to make Sri Lanka's rich and complicated story, a mystery to many, and a secret to most, more accessible. The Press' books, companions, podcasts, blogs, and guides are freely available at theceylonpress.com. The Press also publishes Poetry from the Jungle, a podcast that recasts the orthodox view of the world's best poets and poems.

ABOUT THE FLAME TREE ESTATE & HOTEL

"It's absolute paradise," wrote one guest recently; "I would fly back to Sri Lanka simply to stay in this place for a couple more days."

Centered on a 25-acre organic spice and timber plantation, The Flame Tree Estate & Hotel has been renovated and furnished with art & antiques; its healthy menus fusing street food with fine dining.

Its 1,000 high rocky hills stalled the Dutch army in 1765; and until the civil war the estate stretched over 100 acres with 3 working elephants.

Today its restored plantations grow cardamom, turmeric, ginger, cloves, pepper, cocoa; rubber, coffee, vanilla; cinnamon, coconuts - and scores of trees from ebony to sapu – best enjoyed from the vantage point of the hotel's infinity pool. Visit www.flametreeestate.com.

It also houses and funds The Ceylon Press whose books, companions, podcasts, blogs, and guides are freely available at theceylonpress.com.

A GIFT FOR READERS

As a reader of this book, you naturally qualify for special treatment should your holiday ever bring you to Sri Lanka and The Flame Tree Estate & Hotel. Simply drop the general manager a note to tell him how you came across us and to make arrangements to best suit your time and budget:

GeneralManager@flametreeestate.com