

3. Commercial Bank

Posted on



Left: **Justice K Sripavan**, Chairman. Right: **Prof A K W Jayawardane**, Deputy Chairman.

The Bank marks a century of operations in Sri Lanka, while playing a significant role leading the private sector banks in supporting affected sectors as a result of the pandemic.

A century of excellence to spur on the economy

Commercial Bank, commenced 2020 in a spirit of euphoria with celebrations to mark a century of operations in Sri Lanka, a period during which the Bank became an integral part of the economic and social landscape of the country. The year soon transitioned into a challenging one, but under the guidance and stewardship of eminent Banker, S Renganathan, the Bank rose to the occasion and triumphed over 2020/21.

Highest-ever, single year growth

The Bank reported a profit after tax for the year of Rs.16 Bn., compared to Rs.17 Bn. in 2019, a marginal decline of 3.83% when viewed in the context of the highest ever single-

year impairment provision of Rs.21 Bn. Deposits recorded the highest-ever single-year growth of Rs.212 Bn. to end the year at Rs.1,265 Bn. contributed to increasing the total asset base to Rs.1,736 Bn, a remarkable increase of 25.15%. Taking into account the shareholder expectations, the dividend policy of the Bank, and the potentially challenging times ahead, the Board of Directors decided to maintain the dividends per share at the same level as in the recent past.

Supporting the engine of the national economy

The Bank prioritized the support of the SME and Micro enterprises sector, which is undoubtedly the engine of the national economy. The Bank emerged as the leading lender for COVID-19 relief amongst private sector banks and initiated two major loan programs for SMEs affected by the pandemic. One is an Rs.10 Bn. scheme funded through a loan of USD50Mn. The Bank will continue to place a strong emphasis on SME acquisition to support the sector.

The first-ever foreign equity placement

The Bank boasts a private placement of shares with the IFC worth USD50 Mn in a landmark accomplishment. This investment is significant as it is the first foreign equity placement by the Bank and collectively makes the IFC Financial Institutions Growth Fund LP (FIG Fund). And the IFC Emerging Asia Fund LP (EA Fund) is the largest shareholder of the Bank, thereby increasing the Bank's foreign shareholder composition to 23.66%. Interestingly, this is the first post-pandemic equity placement by the IFC and represents one of the most significant foreign investments into Sri Lanka since the onset of the pandemic.

As a domestic systemically important bank, Commercial Bank has been a driving force in partnering and cooperating with national economic development efforts. In the COVID-19 pandemic recovery process, the Bank has played a significant role in leading private sector banks to grant working capital loans and provide concessions to affected sectors. The Bank has implemented programs under 11 different categories for affected industries and individuals as part of its Finance Support Scheme and extended these relief measures beyond the mandated debt moratorium.



Board of Directors

Justice K Sripavan

Chairman

Prof A K W Jayawardane

Deputy Chairman

1. S Renganathan

Managing Director/CEO

2. K Dharmasiri

Independent Non-Executive Director

3. L D Niyangoda

Independent Non-Executive Director

4. N T M S Cooray

Independent Non-Executive Director

5. T L B Hurulle

Independent Non-Executive Director

- 6. S C U Manatunge**
Executive/Non-Independent Director/ Chief Operating Officer
- 7. J Lee**
Independent Non-Executive Director
- 8. R Senanayake**
Independent Non-Executive Director
- 9. S Muhseen**
Independent Non-Executive Director
- 10. R A P Rajapaksha**
Company Secretary