ComBank Receives USD 50 Million Equity From IFC

Commercial Bank has an- nounced the completion of all formalities relating to the private placement of shares with the International Finance Corporation (IFC) and the receipt of US 50 million dollars (9.215 billion rupees) from the latter for 115,197,186 ordinary voting shares in the Bank. This is the first foreign equity placement by Commercial Bank, the first post-pandemic equity placement by the IFC and is one of the largest foreign invest- ments into Sri Lanka since the start of the COVID-19 pandemic. The investment collectively makes the IFC, the IFC Financial Institutions Growth Fund LP (FIG Fund) as well as the IFC Emerging Asia Fund LP (EA Fund) the largest shareholder of the Commercial Bank. It further strengthens the Bank's shareholder composition by increasing its foreign share- holding up to 30 percent, en- hancing credibility and confi- dence, especially among foreign investors. The completed share allot- ment announced by Commercial Bank to the Colombo Stock Exchange (CSE) indicates the IFC receiving 34,559,156 shares and the IFC FIG Fund and the IFC EA Fund receiving 40,319,015 each. "This investment by the IFC in Sri Lanka via the Commercial Bank of Ceylon is an extremely impactful vote of confidence in Sri Lanka," said S Renganathan, Managing Director, Commercial Bank. "This investment repre- sents many benefits to the Bank as well as to the country, espe- cially at a time like the present, when economies and markets are reeling from the impacts of the COVID-19 pandemic. We are delighted to have the IFC, the IFC FIG Fund and the IFC EA Fund as key institutional inves- tors in the Bank, as it will further strengthen investor confidence while raising funds to support the Bank's future growth." Significantly, the IFC equity placement was done at a pre- mium price of 80 rupees per share, 20 percent more than the Weighted Average Price of 66.78 rupees for the 30 days preceding June 29, 2020, the date of the Board resolution on the private placement.