Commercial Bank emerges Stronger.

Financial results for 1996 released by the Commercial Bank show a pre-tax profit of Rs 580 million, an increase of 18% from the previous year. Profit after tax grew by 31% to attain Rs 433 million.

Within 1996 the bank's total deposits, advances, and total assets grew by 27%, 22%, and 24% respectively. Earnings per share were Rs 18.31. By maintaining a capital adequacy ratio of 17% throughout the year Commercial Bank remained well above the Central Bank stipulated ratios.

In the relevant year Commercial Bank acquired a 94.5% stake in Commercial Development Co Ltd. Two setbacks the bank had to face were Com Trust falling by Rs 1.40 to be 60 cents a unit and the loss incurred in the sale of CBC Crosby Stock Brokers to Ceylinco Securities and Financial Services Ltd. Even under subdued market conditions Commercial Bank shares traded around Rs 124 in 1996.

At a recent press conference, Commercial Bank chairman, MJC Amarasuriya again reiterated his bank's position on the take over bids by Hatton National Bank and Development Finance Corporation of Ceylon. A 40% holding by a rival bank, the management feels, might be counter productive to the bank in the long run. On the issue of Commercial Bank's own bid for 40% of State Mortgage and Investment Bank, Amarasuriya stressed that they are awaiting the decision of the Public Enterprises Reform Commission.

The management has decided that the introduction of a new housing loan scheme (Nivahana), raising foreign exchange to facilitate local exporter borrowings, expansion and automation are to be the main priorities for 1997.