

 Early Warning System

IFC-51067

SLGP CBC RSF



Quick Facts

Countries	Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-12-09
Borrower	CBC RSF
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 30.00 million
Project Cost (USD)	\$ 60.00 million



Project Description

According to the Bank's website, the proposed project consists of an unfunded Risk Sharing Facility (RSF) of up to US\$30 million Sri Lankan Rupee (LKR) equivalent maximum IFC risk amount, representing 50 percent of an up to US\$60 million LKR equivalent of small and medium enterprises (SME) loan portfolio to be originated by Commercial Bank of Ceylon PLC (CBC or the Bank). The Project will support the Bank's lending to SMEs, including agriculture SMEs (Agri-SMEs) and women-owned SMEs (WSMEs). The RSF is expected to have a facility life of up to 8 years inclusive of a ramp-up period of up to 3 years. The Project would be processed under IFC's Small Loans Guarantee Program (SLGP), a programmatic approach to de-risking and scaling-up financing for SMEs in eligible countries.



Early Warning System Project Analysis

The E&S risk of the proposed investment is considered medium, and the Project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.

The Bank is involved in providing long and medium-term financing to corporates, and MSMEs by way of working capital, term loans, and to lesser extent project and structured finance. It also provides several short-term products as well as non-funded products like bank guarantees. The Bank has limited exposure to companies operating in high-risk E&S sectors such as power, transmission, telecom, hospitality, large scale construction. The project entails an unfunded Risk Sharing Facility to support Commercial Bank of Ceylon (CBC) to enhance its lending to small and medium enterprises (SMEs), particularly agriculture SMEs and women-owned SMEs. The SME asset class comprises entities engaged in manufacturing (food and beverage, tea factories, hardware/building material, apparel, textile and wood industry), commercial/wholesale business (hardware/building material, commercial vehicles, spare tyres, textiles, pharma retail and supermarkets), import business (vehicle and machinery spare imports, hardware/tile/cement/building material, private/commercial vehicle imports, pharma and electronics imports), export business (tea based products, coconut based products, fabric/textiles, and cinnamon exports) and tourism (local resorts/hotels and restaurants) and transport/storage (warehouses, coastal transport and freight forwarding). Most of these SME sectors pose limited E&S risks and impacts which can be identified and mitigants designed in line with applicable laws and good industry practices. The typical E&S risks include labor and working conditions, supply chain risk related to labor, gender-based violence and harassment, and biodiversity (e.g., in the agribusiness segment), air emissions, waste management, and handling of hazardous materials, in the SME borrower's operations.



Investment Description

- International Finance Corporation (IFC)

The proposed project is an unfunded RSF on a 50:50 basis, between IFC and CBC, to support up to US\$60 million equivalent local currency loans to Small and Medium Enterprises (SMEs), with a particular focus on agricultural SMEs (Agri-SMEs) and women-owned SMEs (WSMEs). IFC's maximum risk amount will be up to US\$30 million (equivalent in LKR) in the Project.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [COMMERCIAL BANK OF CEYLON PLC](#) (Financial Intermediary)



Private Actors Description

Commercial Bank of Ceylon (CBC) is Sri Lanka's third largest commercial bank in terms of balance sheet size and branch network. It is one of two Domestic-systemically important (D-SIB) private banks in Sri Lanka. It is the only Sri Lankan bank to have footprint outside Sri Lanka with its well-established operations in Bangladesh.

IFC and AMC together hold 14.41 percent of the Bank's voting shares. Other shareholders with over 5.0 percent ownership include Sri Lanka's reputed vehicle importer Y.S.H.I Silva (Indra Silva) (9.98 percent), Sri Lanka's reputed conglomerate D.P. Pieries (David Pieris Group) (9.68 percent), DFCC Bank PLC (9.67 percent), Employee Provident Fund (7.34 percent) and Sri Lanka Insurance Corporation Limited (5.05 percent).



Contact Information

Commercial Bank of Ceylon

Prasanna Indrajith

Chief Financial Officer

+94 (0) 11 2486550

prasanna_indrajith@combank.net

Commercial House No. 21, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01, Sri Lanka

www.combank.lk

ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>