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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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# Press Release

Issued By **Regional Development Department**

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## *Central Bank approved Rs. 53 billion for 20,240 COVID-19 affected businesses*

The Central Bank, in consultation with the Government of Sri Lanka, has introduced the Saubagya Covid-19 Renaissance Loan Scheme to provide working capital loans at 4% interest rates to businesses adversely affected by the COVID-19 outbreak, through Licensed Banks, thereby supporting the revival of economic activity in the country. This Loan Scheme is available for COVID-19 affected businesses with an annual turnover below Rs. 1 billion, including self-employment and individuals. The Rs. 1 billion limit of annual turnover will not be applicable to businesses engaged in tourism, exports and related logistical supplies.

The Loan Scheme, which has been implemented in three phases, is expected to disburse a total of Rs 150 billion in working capital loans at the rate of 4% per annum. The total of working capital loan facilities provided by the Central Bank to be distributed among 20,240 businesses under the Loan Scheme as of 02 July 2020 exceeds Rs. 53 billion. These loans carry a concessional interest rate of 4% per annum with a repayment period of 24-months including a grace period of 6-months.

Under Phase-I of the Loan Scheme implemented with effect from 01 April 2020, the Central Bank granted approval for 13,926 loans amounting to Rs. 28 billion. Out of approved loans, Licensed Banks have already disbursed more than Rs. 21 billion among 10,270 affected businesses and individuals island wide as of 02 July 2020. Under Phase-II of the Loan Scheme implemented with effect from 19 June 2020, the Central Bank approved 6,314 loans amounting to Rs. 25 billion distributed among 6,314 businesses and individuals (See Table 1 for details).

Out of Rs. 53 billion approved under both Phases I and II of the Scheme, 45% has been provided to businesses in the services sector led by trade services, while distributing 38% and 17% among businesses in the industry sector and the agriculture sector, respectively (See Table 2 for details).

The Central Bank announced Phase-III of this Loan Scheme with a credit guarantee and interest subsidy with effect from 01 July 2020 with a view to accelerating lending at 4% per annum using the already available excess liquidity with Licensed Banks and to ensure adequate flow of funds for businesses which lack collateral to back their creditworthiness. Accordingly, the Central Bank will share a major portion of credit risk of end borrowers, while providing an interest subsidy of 5% per annum to banks to cover their cost of funds. The credit guarantee provided by the Central Bank ranges from 80% for the smaller loans to 50% for relatively larger loans.

Submission of loan applications under the Loan Scheme can be made to respective banks until 31 August 2020.

**Table 1: "Saubagya COVID-19 Renaissance Facility" Loan Scheme**  
Loans Approved by CBSL as at 02.07.2020

| Bank                               | Phase I       |                  | Phase II     |                  | Total         |                  |
|------------------------------------|---------------|------------------|--------------|------------------|---------------|------------------|
|                                    | Number        | Amount (Rs. mn.) | Number       | Amount (Rs. mn.) | Number        | Amount (Rs. mn.) |
| Amana Bank                         | 69            | 615              | -            | -                | 69            | 615              |
| Bank of Ceylon                     | 1,848         | 4,774            | 759          | 2,028            | 2,607         | 6,803            |
| Cargills Bank                      | 11            | 95               | -            | -                | 11            | 95               |
| Citi Bank                          | 4             | 88               | -            | -                | 4             | 88               |
| Commercial Bank                    | 731           | 2,799            | 3,215        | 14,345           | 3,946         | 17,145           |
| Deutsche Bank                      | 6             | 140              | -            | -                | 6             | 140              |
| DFCC Bank                          | 442           | 969              | 132          | 336              | 574           | 1,305            |
| Habib Bank                         | 1             | 25               | -            | -                | 1             | 25               |
| HDFC Bank                          | 27            | 27               | -            | -                | 27            | 27               |
| Hatton National Bank               | 731           | 2,502            | 940          | 4,162            | 1,671         | 6,664            |
| HSBC Bank                          | 17            | 363              | -            | -                | 17            | 363              |
| Indian Bank                        | 14            | 137              | -            | -                | 14            | 137              |
| Indian Overseas Bank               | 2             | 27               | -            | -                | 2             | 27               |
| Muslim Commercial Bank             | 14            | 164              | -            | -                | 14            | 164              |
| National Development Bank          | 467           | 1,398            | 69           | 183              | 536           | 1,580            |
| Nations Trust Bank                 | 157           | 1,143            | 13           | 84               | 170           | 1,227            |
| PABC Bank                          | 195           | 510              | -            | -                | 195           | 510              |
| Peoples Bank                       | 3,687         | 4,896            | 545          | 1,217            | 4,232         | 6,112            |
| Public Bank Berhad                 | 14            | 58               | -            | -                | 14            | 58               |
| Regional Development Bank          | 3,371         | 1,659            | -            | -                | 3,371         | 1,659            |
| Sampath Bank                       | 893           | 2,752            | 589          | 2,507            | 1,482         | 5,259            |
| Sanasa Development Bank            | 719           | 692              | -            | -                | 719           | 692              |
| Seylan Bank                        | 436           | 1,616            | 50           | 413              | 486           | 2,029            |
| Sri Lanka Savings Bank             | 5             | 34               | -            | -                | 5             | 34               |
| State Mortgage and Investment Bank | 21            | 89               | -            | -                | 21            | 89               |
| Standard Chartered Bank            | 4             | 64               | -            | -                | 4             | 64               |
| State Bank of India                | -             | -                | -            | -                | -             | -                |
| Union Bank                         | 40            | 333              | 2            | 28               | 42            | 361              |
| <b>Total</b>                       | <b>13,926</b> | <b>27,969</b>    | <b>6,314</b> | <b>25,303</b>    | <b>20,240</b> | <b>53,272</b>    |

**Table 2: "Saubagya COVID-19 Renaissance Facility" Loan Scheme  
Sector wise classification as at 02.07.2020**

| Sector                 | Applications  |             | Amount        |             |
|------------------------|---------------|-------------|---------------|-------------|
|                        | Number        | Share (%)   | Rs. mn.       | Share (%)   |
| <b>Agriculture</b>     | <b>3,244</b>  | <b>16%</b>  | <b>8,957</b>  | <b>17%</b>  |
| Cultivation            | 608           | 3.0%        | 947           | 1.8%        |
| Plantation             | 467           | 2.3%        | 2,956         | 5.5%        |
| Agro Industries        | 1,315         | 6.5%        | 3,038         | 5.7%        |
| Animal Husbandry       | 270           | 1.3%        | 722           | 1.4%        |
| Aquaculture            | 451           | 2.2%        | 987           | 1.9%        |
| Other                  | 133           | 0.7%        | 307           | 0.6%        |
| <b>Industry</b>        | <b>6,610</b>  | <b>33%</b>  | <b>20,102</b> | <b>38%</b>  |
| Apparel                | 1,872         | 9.2%        | 4,724         | 8.9%        |
| Construction           | 2,286         | 11.3%       | 6,149         | 11.5%       |
| Light Engineering      | 583           | 2.9%        | 1,672         | 3.1%        |
| Chemical based         | 263           | 1.3%        | 1,169         | 2.2%        |
| Leather & Rubber       | 254           | 1.3%        | 706           | 1.3%        |
| Printing               | 317           | 1.6%        | 1,276         | 2.4%        |
| Other                  | 1,035         | 5.1%        | 4,406         | 8.3%        |
| <b>Service</b>         | <b>10,386</b> | <b>51%</b>  | <b>24,213</b> | <b>45%</b>  |
| Tourism                | 1,674         | 8.3%        | 4,815         | 9.0%        |
| Communication & IT     | 910           | 4.5%        | 2,389         | 4.5%        |
| Trade                  | 3,696         | 18.3%       | 6,448         | 12.1%       |
| Logistics              | 602           | 3.0%        | 2,147         | 4.0%        |
| Transport              | 1,231         | 6.1%        | 1,952         | 3.7%        |
| Healthcare & Ayurvedic | 598           | 3.0%        | 1,960         | 3.7%        |
| Recreation             | 308           | 1.5%        | 659           | 1.2%        |
| Education              | 358           | 1.8%        | 802           | 1.5%        |
| Other                  | 1,009         | 5.0%        | 3,041         | 5.7%        |
| <b>Total</b>           | <b>20,240</b> | <b>100%</b> | <b>53,272</b> | <b>100%</b> |