Global Scientific JOURNALS

GSJ: Volume 9, Issue 7, July 2021, Online: ISSN 2320-9186
www.globalscientificjournal.com

A Case Study on Strategies to Deal with the Impacts of COVID-19 Pandemic in The Banking Industry in Sri Lanka

Duminda Silva

Doctoral Candidate of University of Kelaniya

duminda.silva@dfccbank.com

Nilshan Perera

Senior Lecturer of RGHE Campus, Sri Lanka

perera.nilshan@gmail.com

ABSTRACT

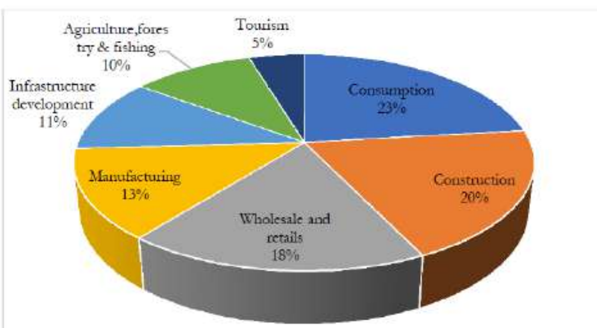
The aim of this paper is to contribute to the scholarly research in the business and management field, by exploring banking strategies implemented during COVID- 19 pandemic. For this purpose, this study employed a qualitative, case-study-based methodology for collecting information. The study reviews the magnitude of the COVID 19 pandemic's impact on the Sri Lankan banking industry and review the importance of electronic banking products, services, staff engagement initiatives, and marketing strategies that contribute to the banking industry's digital transformation. Review of this study found the upgrading and introducing new digital applications, the introduction of new channels for easy banking, and the growth of self-banking are among the most promising strategies most of the banks utilised during the pandemic. Furthermore, findings realised that new integrated systems in conjunction with the core banking system, which is scheduled to '*go-live in 2021*'are being implemented. The most promising strategies which were implemented by most of private commercial banks in Sri Lanka during the pandemic are the integrated customer relationship management (CRM) system, online banking system with a mobile app, and a new integrated anti-money laundering system (AML). It implies that most of the banks in Sri Lanka realised the need for innovation and digital strategies as an important factor for facing the pandemic. Analysis further found many digital transformation strategies such as staff engagement on digital platforms, COVID 19 and the drifting curve, digital strategy and marketing activities via digital platforms. Based on these, the authors underline that the COVID-19 pandemic has speeded up digitalization in the banking system in Sri Lanka.

Keywords: Banking Strategies; Pandemic; Adaptive Management; Digitalization of Banking Industry; COVID-19; Social Responsibility

1. INTRODUCTION

The COVID-19 pandemic has significantly augmented the digitization or digital transformation, affecting consumer behaviour, and changing business processes all over the world. During the first half of 2020, a lockdown situation in every country forced employees to work remotely. Consequently, it increased the significance of digital interaction between people, industries and government institutions. Businesses responded promptly to the demand for social exclusion measures during COVID 19: the majority of employees in organizations were offered the option to work from home. Authorities, government institutions, banks, and insurance businesses have also actively participated in the digital environment - the majority of banking sector services are now delivered electronically.

With the economic shockwave of the pandemic unfolded on the Sri Lankan economy, major sectors of the economy such as Banking, insurance, construction and tourism are expected to underperform in the post-COVID-19 period (Gunadasa, 2020). With COVID – 19 pandemics, the banking sector's profitability declined last year, as evidenced by a decline in the Return on Assets (ROA) and Return on Equity (ROE) ratios. Aside from the declining asset quality, the increase in operating costs and taxes fueled this shift. Loans and advances dominate the banking sector's asset composition, followed by investments. The liability structure, on the other hand, is dominated by customer deposits, followed by bank borrowings. Even though we couldn't make a decision on the COVID-19 pandemic's impact on the financial sector based on these numbers, we can understand the likely consequences by looking at these key asset and liability components (DCS, 2020).



Source : CBSL annual report (2019)

Figure 01: **Composition of loans and advances of the banking industry (2019)**

As shown in Figure 01, the sector-wise composition of the banking sector's loans and advances provides a clear view that there is a significant impact on the quality of the banking sector's assets, as many of the borrowing sectors, such as consumption, construction, manufacturing, and tourism, are likely to experience the pandemic's adverse economic implications in the short and medium term.As a result, sector performance is likely to remain stagnant. On the one hand, new investments in these sectors has been hampered, limiting future credit demand; on the other hand, the ability to repay previously obtained loans has been jeopardized. These likely implications would have a dual impact on the banking sector and the financial sector at large, with the increase in NPLs on bank balance sheets affecting the quality of the banking sector's assets, while lower investments in the aforementioned sectors would limit growth credit in the country, limiting future growth prospects (DCS, 2020).

What is more concerning that, even before the pandemic, the banking sector was experiencing rising NPLs on their balance sheets as a result of the previous year's economic disruptions. These rising NPLs would have an impact on the financial system's stability. Furthermore, the credit ratings of the banking sector have recently been downgraded by rating agencies (Kandewatta, 2020).For example, Fitch Ratings downgraded Sri Lanka's banking sector's outlook to negative in March 2020, citing the reasons described above, and in line with the country's sovereign ratings, which were upgraded to 'B-'/Negative on April 24, 2020, from 'B'/Negative. The Central Bank, on the other hand, opposed the move, highlighting Sri Lanka's ability to preserve debt repayment credibility. Fitch revised the National Long-Term Ratings of Sri Lankan financial institutions on June 10th as a result of the agency's recalibration of its Sri Lankan national rating scale. As a result, the credit ratings of eleven financial institutions in the country were raised (Department of Census and Statistics, 2020). Fitch also stated that rating revisions are used to modify ratings for reasons other than credit quality in order to reflect changes in the national rating scale. As a result, the risk of an increase in NPLs by the end of the year is expected to be greater for banks and financial institutions with smaller portfolios and greater exposure to retail and SME accounts (Bohingamuwa, 2020).

With all of these negative prospects, the digital banking segment proved to be critical, particularly during the lockdown. During this time, the cashless mode of payment and online banking became popular, as did technology-driven alternative self-banking practices that replaced the traditional practice of over-the-counter banking. This shift in customer behavior toward more technology-driven banking practices heralds the future of banking in the country and may indicate the need for investment in this segment by the rest of the financial sector's players as well (Sarath, 2020).

However, to the best of our knowledge, lack research has yet explored the impacts of COVID-19 pandemic on the banking industry in the context of an emerging economy like Sri Lanka. Therefore, this research contributes to the emerging economy by investigating the case of banking industry which is one of the vital sector in Sri Lanka. Further, nor have researchers examined strategies for overcoming those impacts and thereby improving resiliency in such contexts. To fill this gap, the present study establishes the following research questions.

1. How is coronavirus affecting the banking sector?
2. What are the successful approaches of banks in the context of the pandemic?

In order to fulfil this gap, the paper investigates the banking industry during the COVID-19 pandemic. The scope is to understand the coping mechanisms of banks during the pandemic crises. This review allows us to outline the lessons that how banks adapt their digital transformation and financial resilience.

The rest of the paper is structured in five sections; section two outlines the theoretical review of the COVID -19 pandemic in Banking sector, section three presents the methodology; section four presents the results and discussions; followed by a conclusion in the final section.

2. THEORETICAL REVIEW OF THE COVID -19 PANDEMIC IN BANKING SECTOR

The COVID-19 pandemic is a new experience to the world. Therefore, the literature regarding its consequences for banks is still developing. Yet, lessons from global financial crisis (GFC) of 2008 could have some relevance, particularly because the effects are likely to be similar. Universal events such as political unrest economic recessions, pandemics, war, and environmental disasters could have massive adverse effects on the firm value and performance of banks. GFC is such a phenomenon, and its outcomes are contagious like a pandemic (Caballero and Simsek 2009; Roubini 2008). The scholars argue that the spillover effects of global economic and financial crises spread fast through both the intra-financial and inter-financial systems approach. Because of this nature, COVID-19 pandemic is one of the global universal crises (Cecchetti and Schoenholtz 2020; Bachman 2020).

COVID-19 produces a complex and diverse set of consequences for banks and threaten banking system stability (FSB 2020; Aldasoro et al. 2020).A growing volume of literature highlights the potential COVID-

19 implication for banks; however, much of it remains mostly applicable to developed countries (World Economic Forum, 2020). The COVID-19 pandemic has impacted nearly every aspect of life around the world. The worldwide lockdowns and economic shocks in turn cause a severe disruption in the international trade of goods and services, due to reduced import demand internationally, limited movement of international transport and logistics carriers, and stricter entry requirements of goods and people imposed by many countries (Barua. 2020; WTO, 2020; OECD, 2020). These have already started to generate severe macroeconomic costs for many nations through a sustained fall in aggregate demand and supply, slump in price levels, massive layoffs and job cuts, unfavorable exchange rate movement, and increases in risk and uncertainty for current or potential private-sector investments (World Bank, 2020).

The worldwide lockdowns and economic shocks due to COVID 19 Pandemic cause a severe disruption in the international trade of goods and services, due to reduced import demand internationally, limited movement of international transport and logistics carriers, and stricter entry requirements of goods and people imposed by many countries (Barua, 2020; WTO, 2020; OECD, 2020). These have already started to generate severe macroeconomic costs for many nations through a sustained fall in aggregate demand and supply, slump in price levels, massive layoffs and job cuts, unfavorable exchange rate movement, and increases in risk and uncertainty for current or potential private-sector investments (World Bank, 2020).Because of the diverse macroeconomic shocks, bank borrowers face high risk of default (Vidovic and Tamminaina, 2020). In addition to default risk, banks may also face liquidity crises as many depositors may choose to withdraw their savings to support their living and health expenses (Baret et al., 2020). Due to the pandemic, income opportunities for people and firms have become increasingly limited, which might force them to spend their savings. In particular, people losing jobs will desperately try to survive on their savings. This, if continued for too long, will cause liquidity shortage and limit the lending capacity of banks (Cheney *et al.,* 2020).

In addition, in many developing economies like Sri Lanka, financial markets are weakly efficient, suffer from insufficient regulatory infrastructure, lack innovation and adoption of cutting-edge technology, and are crippled with moral hazards and adverse selection problems driven by political interventions (Görg et al.2020). The COVID-19 pandemic is likely to make things significantly worse in these countries. As a case of such developing economies, this paper examines the possible impacts of the pandemic on Sri Lanka's banking sector.

3. METHODOLOGY

This paper reviews the level of information available in published materials relating to the consequences of the COVID-19 pandemic in the banking sector. The purpose is to comprehend how the banking industry can deal withCOVID-19 crises and to recognize how this crisis impact on the managerial practices in the banking industry. In this manner, we note how the banking industry grabs these challenges that take place during COVID-19 period that people has never experienced. Subsequently, thispaper employs a qualitative, case-study-based methodology. Creswell, (2013) pointed out that Qualitative research collects and works with non-numerical data and it is a method used to narrow down a vast field of research into one easily researchable topic. Given that the COVID-19 pandemic is a unique crisis external to the banking industry. Therefore, it is important to employ an in-depth study to determine the impacts of the COVID – 19 pandemics to the banking sector and to determine how banks minimize the effect of COVID – 19 impacts. Hence, case-study-based analysis was used as the most appropriate approach (Yin, 2013).

4. DISCUSSION AND RESULTS

4.1 Impact of COVID-19 in the Banking Industry

Basically, digital transformation is a thoughtful adjustment of economic and managerial activities, Business models, business processes, and competencies that take wide-ranging gain of the changes and opportunities of digital blends and their increasing impact on economy in a priority manner, taking into account current and future changes. In the global financial sector, COVID-19 has generated significant instability and high volatility. Although it is still not possible to identify the full impact of this pandemic globally, the situation will continue for at least two years until vaccination is found. Banks, like many other retail institutions are still suffering from the pandemic (Travel & F&B most effected). It is important to see that the banks are the financial body in many companies and retailers to maintain their stability. Many retailers are locked and quarantined and the ability of companies to repay is negatively affected. If it lasts longer, banks will suffer a liquidity shortage as companies and retails cannot make payments on their loan recovery in due time. When the situation lasts longer. The government would only remedy this by taking direct action against customers through a moratorium on debt (Campbell, 2020).

COVID-19's negative effects open up possibilities. Consumers are already afraid of getting the virus infected, and so digital platforms have to be searched if customer's banks want a cashless society. The personal mobile device becomes the operating device for payment to peers and firms. Options should be examined to use biometric authentication techniques to run machines (ATMs, terminals) remotely. Pandemic is like a war, usually when advances in digital technology are made, which help to boost banking as an industry. Using digital technology helps keep the social distance needed to combat the COVID-19.Consumers will adapt to technological development and lead us through digital platforms to rethink how to operate. In addition, it will increase sociality as a whole in future years to face another outbreak. Digital and cloud technology will therefore play a key role.

4.1.1 Potential strategies for dealing with the impacts of COVID-19 pandemic

Private Commercial banks in Sri Lanka have placed a strong emphasis over the years on the importance of digitalization, as well as customer convenience and the relevance of these aspects to customers. In 2015, most of the commercial banks launched a mobile virtual wallet in collaboration with its own subsidiary "Synapsis," the reputable FinTeh arm of the Private Banks. Following that, in 2018, private banks launched the “I-Connect” payments and cash management solution for corporate customers, as well as the “First Interactive Credit Card Statement” for credit card customers in January 2019. The statement aids in the tracking of expenses – monthly, last three months, and provides a spend-by-spending analysis, as well as the separation of debit, credit, international, and local transactions. In terms of digitalization, the "MySpace" concept includes ATMs, CRMs, Cheque deposit kiosks, and Pay-and-Go machines where customers can make Cardless / Card-based cash deposits, withdrawals, credit card payments, bill payments, cheque deposits, and so on. Furthermore, the Mobile Teller “M-Teller” service allows bank employees to visit customers and collect their daily cash collections, which is provided at no cost (DFCC, 2021).

4.1.2 Remedial Actions Taken to Combat COVID-19 by Digitally Transforming

The bank must operate with 25% of its staff force during the lock-down period, without any interference in the service provided by the bank. The first task was to evaluate existing processors and make realistic future operating changes as summarized in the Figure 2

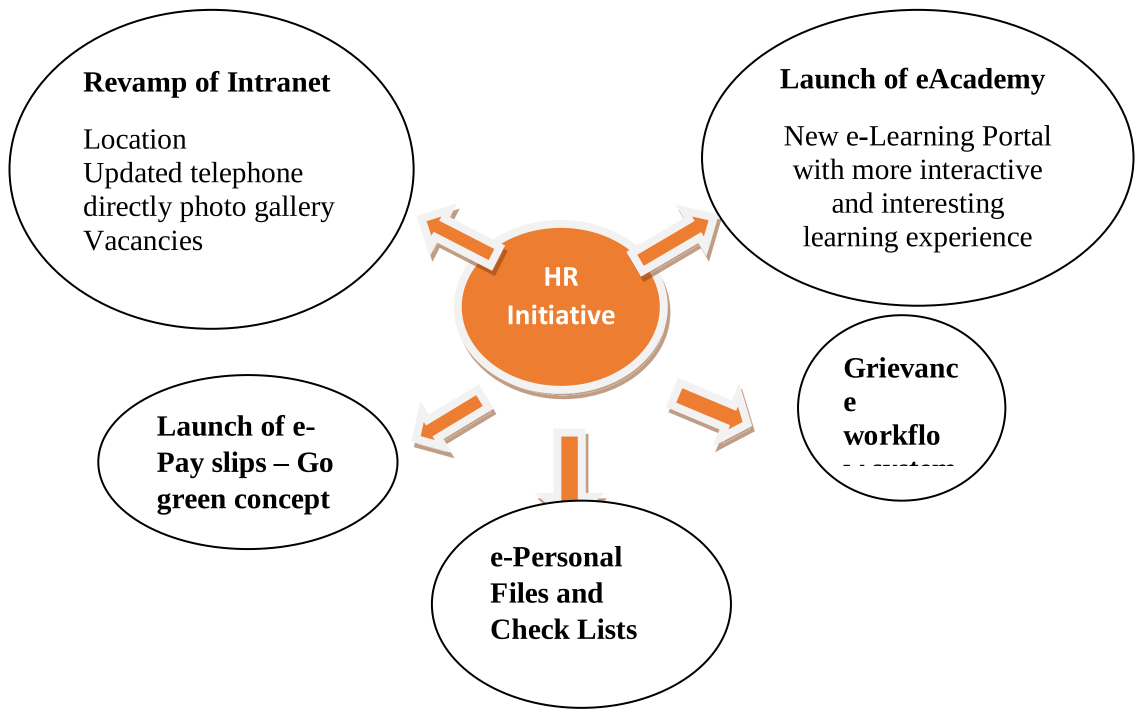


Figure 2: **COVID and post COVID HR Digital Initiatives**

4.1.3 Staff Engagement on Digital Platform

Several strategies were implemented for Staff engagement during COVID-19 pandemic. Hence staff convenience was looked at and help them work no matter where their location. Banks provide laptops, tablets, and data to use mobile phones etc for their convenience while ensuring security is not compromised at any point. Currently bank is working on educating staff on business intelligent tools and customer analytics for better decision making. Further bank has invested on Google Enterprise platforms to digital meeting with customer as well as staff to increase efficiency.

Strategic war room was created in order to immediately take necessary actions for business continuation during the COVID-19 lockdown period and beyond. The management was split to four teams based on the strengths of each individual for strategy implementation. The first step in establishing a successful war room is meticulous planning, keeping health and safety in mind. Getting in touch with and involving key members of the building/office operations early in the process will benefit you in the long run. It's all too easy to take certain things for granted, but everything good that happens in the world is the result of someone's efforts someone has to turn on the lights, someone has to turn on appropriate air ventilation, someone has to order food, someone has to connect monitors to printers to keyboards, and so on. If you take care of these details early on in the process, you will fortunately reach a point where all you have to worry about is presenting a compelling case. The ideal war room is designed in such a way that communication is streamlined while members can focus on their specific assignments. Setting up tables and workstations around the perimeter of a large room, facing inwards, allows everyone to look up and see everyone else when needed, while also allowing people to focus on their own screens (Murphy, 2020).

The war room's relationship to everything else is almost as important as the war room itself. The more everything is centralized, the less interaction the team has outside of the war room. In effect, the war room takes on the appearance of an office version of the "bubble" created by professional sports teams. The ideal war room will be close to other team members' rooms, bathrooms, printers, food, and, of course, elevators. So, if you're in the office, the war room might not be on the floor where the senior partner usually sits; it might be on the floor where everything intersects, which is the conference room floor. Every station in the war room should have masks and personal hand sanitizers. Wearing masks and washing your hands is obviously more important than ever if a group of people is going to be in the same room for every day of the trial. Finally, unlike in a traditional trial war room, the lawyers in a virtual trial war room actually participate in the trial. That means the trial could be in session at any time, and the distractions of people coming in and out of the war room are a serious concern. As a result, it is critical to label all entrances to the war room with signs informing people that a trial may be taking place.

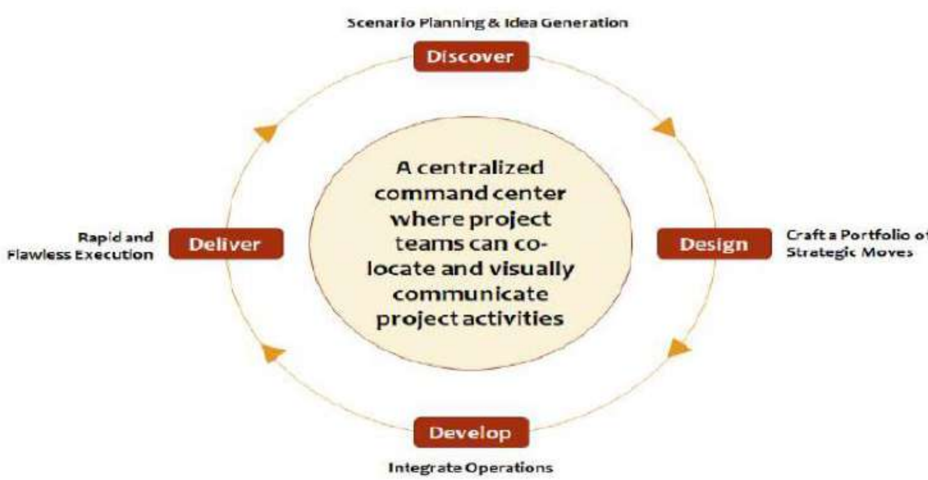


Figure 03: **Strategic War Room**

Virtual war rooms can feature large projection screens to project proceedings on to larger screens. It is best practice for private bankers in the war room to have their own workstations throughout the trial. The more computer screens in a virtual courtroom, the better. All notifications should be disabled to eliminate distractions from the virtual courtroom. The lead bankers who address the bank and examine the witnesses may wish to have a single laptop with the necessary video and audio capabilities (Murphy, 2020).The bankers should still have printed copies of their outlines, transcripts, and key documents at their fingertips. This arrangement allows the examining attorneys to somewhat recreate a traditional trial setting. This practice provides clear guidance to the witness and the bank to ensure minimal interruptions in the flow of examinations.

The trial team's flexibility is perhaps the most significant advantage of a virtual trial. Because only one member of the team is likely to be visible to the court at any given time, the rest of the team can engage in a variety of other activities at the same time. In contrast, in a traditional trial, attorneys sit impassively in the courtroom during the day's proceedings and then spend their nights in a frenzy of research, drafting, and ongoing preparations for future stages of trial.

Figure 04: **Key Focus Areas of Strategic War Room**

One to two team members should be dedicated to assisting the examining sectors (Deposit, Debt moratorium, Cost and Alternative Channels), depending on the size of the case. These team members should, among other things, collaborate with the hot seat operator to ensure that the proper documents, call-outs, and highlights are presented to the witness on the screen, while also fielding in-the-moment requests to find a specific document or fact-check testimony that the witness just gave. Another team member may be tasked with keeping track of the exhibits that are introduced and whether or not the documents are moved into evidence. Throughout a trial (whether in person or virtual), the parties will raise various objections, on which the court will then request briefing. When this occurs in a virtual trial war room, tribal members can immediately begin the necessary legal research and drafting. This ability to multitask allows the trial to proceed without interruption because the parties are in the best position to complete the requested briefing on time.

Again, the fact that only one team is likely to be on screen at any given time frees up other team members to conduct witness preparation for later stages of trial, allowing the ability to work around witnesses' schedules. This kind of adaptability is essential when working with out-of-state witnesses and preparing them to testify in a virtual trial.

4.1.4 Digital Strategy Initiative

Local banks have developed its digital strategy roadmap for the coming years. These strategies keep in line with new trends and technologies. The bank has categorized its digital strategy offerings into digital channels, digital payments, digital operation and digital services. A plethora of products have and has been launched under those 3 periods.

4.1.5 Short Term digital strategy

In short term bank focused to Service cash withdrawal request for cash received via call centre through the mobile ATM. Two Mobile ATM deployed to areas where there is continues curfew. Through the web actively provide information at a time customer cannot reach out to branches. In addition to that, display of banking hours and other important information via pop ups. Add the calendar promotions feature, which enables promotions to be added to the. Google calendar of the customer. Other important thing is online chats. It is actively help customers to answer COVID-19 relief measure inquiries. Online accounts opening and credit card platform. Live chatbot in all three languages from all social media platforms and website video chat.

4.1.6 Medium Term digital strategy

Phase 11 of new feature for ATM, CRMs introduce to live environment. Other important tactics are card less cash deposit and utility bill payments, credit card payments, virtual wallet payments and balance inquiries and third party fund transfer, register for services (SMS, E statements and update mobile number). Virtual Wallet provides significant improvement to add all new feature for easy digital banking. Cheque deposit machines to be deployed to 15 new locations. In addition to that, enable CEFT payments via Virtual Wallet and Enable cash withdrawal via M teller. Mega pay introduced Pay-and-Go machines in 25 locations where customers can walk in and top-up their mobile phones and pay up to 55 different billers. Local private banks are the first to initiate Pay integrated with Lanka QR and Just Pay.

4.1.7 Long Term digital strategy

Sophisticated mobile banking tools are a key factor driving the meteoric rise of US neo-banks, and their importance has grown in the aftermath of COVID-19. Incumbent financial institutions, neobanks, and tech firms can all benefit from understanding how leading neo-banks are raising the bar for customer expectations and trust in order to successfully scale their businesses.

Debit Card + Chime Banking Mobile App Chime Bank provides a "no-fees" bank account. Chime San Francisco-based Chime, the largest US neo bank, has attracted over 7.4 million account holders as of 2019, with a projected increase to 19.8 million by 2024. The establishment of more neo-banks in the United States will raise awareness of digital-only banking, eventually displacing traditional banking institutions.

Consumers, particularly Gen Zers, who see technology as something that improves their lives, are driving the future of banking technology. The use of an application programming interface (API) to make proprietary data available to anyone who has the consumer's permission to access it is a common trend in banking technology. APIs could be used to make it possible for a bank's mobile app to retrieve customer account information. Fintechs have also used API technology to make their businesses run, and their success is inspiring competitors to create their own APIs. Furthermore, according to Insider Intelligence, 48 percent of banking executives believe that new technologies such as block chain and artificial intelligence (AI) will have the greatest impact on banking by 2020. Banks, according to Insider Intelligence, are looking into block chain technology in the hopes of streamlining processes and lowering costs.

Consumers can already see AI being used by most banks in the front office via chatbots. Banks are using artificial intelligence to improve customer identification and authentication while also simulating live employees with chatbots and voice assistants.

4.1.8 Marketing strategies of Digital Platform

With the global spread of COVID-19, all digital and social media platforms are seeing significant increases as people become more isolated at home and rely heavily on social media platforms to communicate with their friends and families. With this new norm in people's behaviour, digital communication is the way forward and will become a habit in people's daily lives. Banks took a step to build brand awareness and increase top-of-mind awareness among the audience by launching four digital activities. Most of Sri Lankan Bank's Facebook page statistics increased significantly on April 2nd. Over 3.2 million people have seen social media posts. There were over 200,000 interactions and 700,000 video views. 'Temenos' new core banking system, T24, include a customer relationship management (CRM) system to provide a 360-degree view of customers, an exciting online banking system, and a mobile app that is being developed in tandem with the system. A new integrated anti-money laundering (AML) system is also being integrated with the core banking system, which is scheduled to go live in 2021.

Focusing primarily on the overall value proposition it provides to customers through consequence and personalization. We continue to monitor banking trends both domestically and internationally, and we use evolving technology to improve our products and services. Retail banking sector will commit to increasing functionality, creating value to increase adoption, and ensuring that products and services are customer centric. The bank is proud to be at the forefront of unique digital innovations that help revolutionize digital banking and provide customers with convenience. Local banks are forging ahead on digital platforms and has devised an exciting road map to roll out more digital innovations that provide unrivalled convenience to its customers. The vision is to keep things simple, to provide convenience, and to focus on the customer. Customer experience and personalization are critical components of local bank's digital strategies, and the bank will continue to invest in improving these experiences.

5. CONCLUSION

The COVID-19 pandemic is a serious threat to the global viability of banks. It will almost certainly be worse in developing and emerging economies with weak financial systems. The study focused on establishing the extent to which the causes and consequences of COVID-19 in the Banking Industry such as remedial actions taken to Combat COVID-19 by digitally transforming. Authors mainly focus to technological adaptation of Sri Lankan commercial banks in COVID -19 pandemic situation to determine the extent to which strategies influence banks' intention to adopt digitalization their processes. The main findings showed that private commercial banks engage three activities to face the pandemic with successful way. They are staff engagement on digital platform, COVID-19 and drifting curve and digital strategy. Finally, critical attention was given to marketing activities of digital platform and how to get positive outcomes in pandemic situation via above activities.It can be concluded that, in particular, due to the consequences of the COVID-19 pandemic, more transactions will soon be carried out through digital channels and the network of bank branches will be optimized, but there will be operations that require physical interaction. It is worth noting that such a model is logical in a context of widespread digitization, but it is difficult to call it a target for banks that that focus on serving the most massive segments. In addition, the creation of such branches requires significant investments in IT technologies, personnel training and infrastructure (which is not available to all bank branches), and biometrics still carries certain risks for customers, in particular, risks of personal data leakage. The findings provide managers of the Banking industry with a clear understanding of the impacts of COVID-19 pandemic, as well as guidelines on how to deal with those impacts.

REFERENCES

Baret, S., Celner, A., O'Reilly, M., & Shilling, M. (2020). Deloitte Insights. https://www2.deloitte.com/content/dam/insights/us/articles/6693_covid-19-banking/DI_COVID-19-banking.pdf

Barua S, Barua B (2019).*Internationalization of Bangladesh banking sector: lessons from an emerging economy.* In: Sikdar A, Pereira V (eds) Business and management practices in South Asia. Palgrave Macmillan, Singapore.

Barua, B., & Barua, S. (2020). COVID-19 implications for banks: Evidence from an emerging economy. *SN Business & Economics*, *1*(1).

Barua, S. (2019). Financing sustainable development goals: A review of challenges and mitigation strategies. *Business Strategy & Development*, *3*(3), 277-293.

Barua, S. (2020). The impact of COVID-19 on air pollution: Evidence from global data. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3644198

Bohingamuwa, W., Harischandra, D., Kurukulasooriya, N., Keembiyahetti, N., Chandradasa, A., Sarath, H., & Kandewatta, K. (2020). *The Economic Impact of the COVID-19 Pandemic in Sri Lanka* (01). Faculty of Humanities and Social Sciences, University of Ruhuna.

Campbell, A. M. (2020). An increasing risk of family violence during the COVID-19 pandemic: Strengthening community collaborations to save lives. *Forensic Science International: Reports*, *2*, 100089.

Cecchetti, G., & Schoenholtz, L. (2020). *Contagion: Bank runs and COVID-19. In: Baldwin and di Mauro (eds) Economics in the time of COVID-19* (1st ed.). CEPR Press.

Central Bank of Sri Lanka (2020). Annual Report. Colombo: Sri Lanka.

Central Bank of Sri Lanka. (2021, April 8). *Launching of "2020 - Year of Digital Transactions" Promotional Campaign*. https://www.cbsl.gov.lk/en/news/launching-of-2020-year-of-digital-transactionspromotional-campaign.

Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approaches*. SAGE.

Deloitte Development LLC. (2020, August 8). *COVID-19 impact on bank liquidity risk management and response*. https://www2.deloitte.com/content/dam/Deloitte/us/Documents/regulatory/covid-regulators-response.pdf

DFCC Bank. (2021, May 12). *Digital Channels*. https://www.dfcc.lk/productscategories/ digital_channels.

Donthu, N., & Gustafsson, A. (2020). Effects of COVID-19 on business and research. *Journal of Business Research*, *117*, 284-289.

Emea, I. (2020, March 6). COVID-19 and its impact on the banking industry. *IDC Europe Blog*. https://blog-idcuk.com/covid-19-impact-banking-industry/

FSB. (2020, July 2). *COVID-19 pandemic: financial stability implications and policy measures taken*. Financial Stability Board. https://www.fsb.org/wp-content/uploads/P150420.pdf

Görg, H., Krieger-Boden, C., & Nunnenkamp, P. (2020, October 18). *Poor countries have the least-developed financial systems – that has to change*. World Economic Forum. https://www.weforum.org/agenda/2016/08/poor-countries-have-the-least-developed-financial-systems-that-has-to-change/

Gunadasa, S (2020, December 12). Mired in debt, Sri Lankan government vows to avoid default, World Socialist Web. https://www.wsws.org/en/articles/2020/05/06/slecm06.html Accessed on 12th June 2021.

Jorda, O., Singh, S. R., & Taylor, A. M. (2020). Longer-run economic consequences of pandemics (Report no. w26934). *National Bureau of Economic Research*.

Murphy, N. (2020, September 8). To win the Battle of banking, you need a digital war room. *FinTech Futures*. https://www.fintechfutures.com/2020/09/to-win-the-battle-of-banking-you-need-a-digital-war-room/

OECD. (2021). *OECD development pathways multi-dimensional review of the western Balkans assessing opportunities and constraints: Assessing opportunities and constraints*. OECD Publishing.

Roubini, N. (2008). The coming financial pandemic. Foreign Policy (165):44–48. *Journal of International*, *165*, 44-48.

Simsek, A., & Caballero, J. (2009). Complexity and financial panics. *NBER*. https://www.nber.org/papers/w14997

Vidovic, L., & Tamminaina, P. (2020, June 14). *The outlook for corporate credit risk; COVID-19 pandemic and macroeconomic*. Accelerating Progress | S&P Global. https://www.spglobal.com/marketintelligence/en/news-insights/research/the-outlook-for-corporate-credit-risk-covid-19-pandemic-and-macroeconomic

World Bank. (2020). *World Bank (2020d) The Economic and Social Impact of COVID-19* (17). Western Balkans Regular Economic. https://documents1.worldbank.org/curated/en/790561591286827718/pdf/The-Economic-and-Social-Impact-of-COVID-19-Financial-Sector.pdf

World Economic Forum. (2020, July 1). *Impact of COVID-19 on the Global Financial System*. https://www3.weforum.org/docs/WEF_Impact_of_COVID_19_on_the_Global_Financial_System_2020.pdf

WTO. (2020, October 14). *Trade set to plunge as COVID-19 pandemic upends global economy*. World Trade Organization - Global trade. https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

Yin, R. K. (2017). *Case study research and applications: Design and methods*. SAGE Publications.