

Merchant Bank Of Sri Lanka And Finance Marks Strong Turnaround In Q1 2021

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Kanchana Ratwatte, Chairman, MBSL.



Jude Gamalath, CEO, MBSL.

The Merchant Bank of Sri Lanka and Finance (MBSL) has made a strong turnaround by posting a profit during one of the worst-affected periods in recent history demonstrating its ability and resilience to overcome obstacles. The company faced many challenges in the first quarter of the year as well as in the months leading to it, but it has managed to turn the situation around to post a profit. The pre-tax profit growth was 296 percent, up from pretax loss growth of 116 percent in the first quarter of 2020. Such profits are a direct result of the institution wide changes that have been put in place to deal with the pandemic. The Net Interest Income increased 70 percent to 718 million rupees from 422 million, in the first quarter of 2020.

According to Kanchana Ratwatte, Chairman of MBSL, the company has consistently proven resilient in the face of hardships. He says, “We have always prided ourselves on our ability to stay flexible and agile. Our ability to move with the times, our team’s sense of loyalty, and our commitment to excellence in any situation has helped us effectively to navigate through these difficult times and come out stronger. The company is turning around with renewed vigor, more focus and new strategies. We are very optimistic about our future”.

The growth in gross earnings was a result of increase in equity related activities and real estate income. The company's customers' loyalty was proven with an increase of deposits by five percent to 22.8 billion from 21.7 billion. Net fee and commission income increased by 33 percent as a result of improved business volumes. The company was able to curtail the operating cost by around one percent year on year with strict management of the costs.

The pandemic affected the overall numbers at MBSL but did not hesitate to implement all relief measures introduced inline with the government policies to cushion the impact of the pandemic on customers to assist improving their cash flows.

CEO (Actg) of MBSL, Jude Gamalath added that, "It was due to our utmost commitment to customer relationships that strengthened the trust they have in us, strong focus on key business areas, and the 100 percent dedication of our staff and management that we were able to post profits in one of the country's worst periods in recent times. Such factors allowed us to create a quick turnaround in Q1 2021. We are happy that we have been able to do this and look forward to continued success in the future". MBSL entered the Sri Lankan financial sector as the country's merchant bank in 1982 and was quoted on the Colombo Stock Exchange in 1991.