



Merchant Bank of Sri Lanka & Finance PLC

Co.Reg.No. PQ10

Unaudited key financial information for the period ended 30th June 2021

Income Statement

	01/01/2021 To 30/06/2021 (Rs. Mn.)	01/01/2020 To 30/06/2020 (Rs. Mn.)
Interest Income	2,714	2,585
Interest Expenses	1,386	1,973
Net Interest Income	1,328	612
Gains/(Losses) from Trading Activities	21	-
Other Income	96	74
Operating Expenses	(1,113)	(989)
Impairment	(163)	(157)
Profit/(Loss) Before Tax	169	(460)
Income Tax	(29)	-
Profit/(Loss) After Tax	140	(460)

Statement of Financial Position

	As at 30/06/2021 (Rs. Mn.)	As at 30/06/2020 (Rs. Mn.)
Assets		
Cash and Bank Balance	830	845
Government Securities	2,237	2,272
Due from Related Parties	222	253
Loans	26,942	27,129
Investments in Equity	747	1,209
Investment Properties and Real Estate	348	424
Property, Equipment and Right-of-use Assets	620	818
Intangible Assets	131	164
Other Assets	349	336
Total Assets	32,426	33,450
Liabilities		
Due to Banks	3,598	3,580
Due to Related Parties	3,922	3,224
Deposits from Customers	21,488	22,356
Other Borrowings	650	643
Other Liabilities	1,159	1,498
Total Liabilities	30,818	31,302
Equity		
Stated Capital	2,124	2,124
Statutory Reserve Fund	235	235
Retained Earnings	(754)	(207)
Other Reserves	3	(4)
Total Equity	1,608	2,148
Total Liabilities and Equity	32,426	33,450

Net Assets Value Per Share

9.69

12.95

Selected Key Performance Indicators

Description	As at 30/06/2021		As at 30/06/2020	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	3.97%	6.50%	4.68%	6.50%
Total Capital Adequacy Ratio	4.52%	10.50%	6.38%	10.50%
Capital Funds to Deposit Liabilities Ratio	8.68%	10.00%	13.21%	10.00%

Description	As at 30/06/2021	As at 30/06/2020
Quality of Loan Portfolio (%)		
Gross Non-Performing Loans Ratio	16.44%	16.98%
Net Non-Performing Loans Ratio	6.54%	8.19%
Net Non-Performing Loans to Core Capital Ratio	132.52%	122.43%
Provision Coverage Ratio	50.78%	40.52%
Profitability (%)		
Net Interest Margin	8.19%	3.81%
Return on Assets	1.04%	-2.75%
Return on Equity	17.45%	-42.80%
Cost to Income Ratio	88.32%	167.02%
Liquidity (%)		
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	146.66%	124.03%
Liquid Assets to External Funds	8.76%	7.44%
Memorandum Information		
Number of Branches	48	49
External Credit Rating	ICRA "[SL] BBB+ (Negative Outlook)"	ICRA "[SL] BBB+ (Negative Outlook)"
Regulatory Deposit/Lending Restrictions		
Cap on total Deposits (Rs. Bn)	23	23
Cap on total Lending portfolio (Rs. Bn)	35	35

CERTIFICATION:

We, the undersigned, being the Chief Executive Officer, the Head of Finance and the Compliance Officer of Merchant Bank of Sri Lanka & Finance PLC certify jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- the information contained in these statements have been extracted from the unaudited Financial Statements of the Licensed Finance Company unless indicated as audited.

(Sgd.)

P. I. Kandanaarachchi
Head of Finance
27/08/2021

(Sgd.)

H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer
27/08/2021

(Sgd.)

W. S. M. Fernando
Compliance Officer
27/08/2021

Merchant Bank of Sri Lanka & Finance PLC

(Subsidiary of Bank of Ceylon)

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