

Discussion with Mr. Roshan Fernando, investment advisor at Taprobane Securities (Pvt) Ltd.

13.09.2013

What was the impact of the Golden Key crisis on the share market as whole?

The Golden Key crisis happened in November 2008 and by February 2009 the entire share market of Sri Lanka had been impacted [Note: time of the Global Financial Crisis]. All relevant Ceylinco related companies experienced a drop in their share prices. It has been shown through research that many of the companies within the Ceylinco group were having losses and increasing debt during and after the crisis.

What was the impact of the crisis on the Sri Lankan financial industry as whole?

The crisis definitely had an impact on the industry as whole which can be demonstrated through the dropped share prices in the financial sector as whole. This clearly reflects the loss of trust in financial institutions in Sri Lanka. This will take some time to recover.

It is important to keep in mind that the Global Financial Crisis took place at the same time with the Golden Key crisis. Still the financial sector of Sri Lanka suffered more than other sectors on average, reflecting the public's trust in the financial sector.