

People's Leasing closes the Third Quarter of the Financial Year 2022/23 on a commendable note

Posted on



Pradeep Amirthanayagam, Chairman, People's Leasing & Finance.



Shamindra Marcelline, CEO and General Manager, People's Leasing & Finance.

With a notable quarterly profit of 959 million rupees for the third quarter of the financial year 2022/23, People's Leasing & Finance's Profit After Tax (PAT) for the period ended December 31, 2022 reached 1,637 million rupees, demonstrating the Company's sustained ability to manage its core drivers amid turbulent times while prudently managing the assets and liabilities.

Despite the unfavorable socio-economic outlook prevailing in the country, strengthening

top-line interest income by an increase of 28.3 percent is noteworthy. Meantime, the Company successfully contained operational costs at a single-digit level amidst the country's growing inflationary situation through a digitalization drive and a multitude of other cost containment efforts unanimously implemented by the companywide staff. The first two quarters had a lower performance owing to the prevailing crisis in the country, which had a negative impact on the Company. Nevertheless, under the wings of the new leadership, PLC was yet again able to achieve remarkable third-quarter results that would invariably contribute towards progressive year-end results.

Pradeep Amirthanayagam, Chairman, People's Leasing made the following remarks in response to the third quarter turn-around financial results: "Our satisfactory financial performance during a quite challenging period is a quiet reflection of our deep commitment to review existing policies and procedures, re-alignment of our strategies to effectively respond to ever-demanding stakeholder concerns and most importantly, the cooperation of our employees to effectively steer change towards a more resilient workplace."

Shamindra Marcelline, Chief Executive Officer, and General Manager, People's Leasing added that a noteworthy PAT is achieved amidst managing the Company's liquidity position while ensuring the well-being of the entire workforce of over 2,000 and uplifting the lives of local communities where they operate at this milestone juncture.

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The Company also witnessed a reversal in impairment charges during the quarter compared to significantly high impairment charges during the first six months, reflecting the mutually set untiring efforts and effectively mobilized resources to manage credit risk and improvements made on collections. During the period, the Company also exceeded the minimum standards imposed by the Central Bank of Sri Lanka regarding disbursing capital and offering moratoria while maintaining the Non-Performing Loans (NPL) ratio well below the industry average.

Being a State-Owned Enterprise (SOE), the Company has taken a more inclusive approach in responding to public and stakeholder concerns than other key players in the Non-Bank Financial Institutions (NBFIs) landscape. The Company continued to create more value for stakeholders around the year by driving stakeholder-oriented leadership strategies, primarily focusing on strategic risk management, action to accelerate the pace of growth, and strengthening the existing policy framework.

People's Leasing also prudently initiated several strategic Corporate Social Initiatives (CSR) initiatives that benefited many deserving local communities in the areas where it operates.

Marcelline stated, "The outlook is extremely challenging. Prevailing inflationary pressure and increased interest rates will impact our loan book. To offset this impact and to improve our revenues we are proactively exploring different avenues."

Despite the challenges faced throughout the year, the resilience of People's Leasing was yet again proved through several national and international recognitions and accolades bagged during the period that ended 31, December 2022. Receipt of the international honor "European Award for Best Practices - 2022" from the European Society for Quality Research (ESQR) in Brussels, Belgium, tops the list. Meanwhile, the People's Leasing Annual Report 2021/22 was recognized as the "Best Integrated Report" in the State-Owned Enterprises/Companies - Finance & Leasing Category by the Certified Management Accountants of Sri Lanka. The "Bronze Award" for Annual Report in the Non-Bank Financial Institutions Category was bestowed at the "TAG S Awards - 2022" presented by the CA Sri Lanka and the "Certificate of Merit" was awarded in the Financial Services Category at the "Best Presented Annual Report Awards" by the South Asian Federation of Accountants (SAFA).