



PLC Posts Outstanding Q2 Performance Highlighting Resilience and Potential for Growth



Pradeep Amirthanayagam, Chairman, PLC.



Shamindra Mercelline, CEO/GM, PLC.

People’s Leasing & Finance reported strong financial performance for the second quarter of the financial year 2023/24, demonstrating unwavering resilience and a commitment to excellence, achieving significant year-on-year increases in Profit After Tax (PAT) for the Company and the Group.

For the first six months of FY 2023/24, PLC recorded a robust Profit After Tax (PAT) of 1,100 million rupees, marking an impressive 62.0 percent increase compared to the corresponding period in the previous financial year. The second quarter was particularly outstanding, with a 54.6 percent increase in PAT, reaching 767 million rupees, contributing significantly to profitability for September 30, 2023. Meanwhile, the PLC Group also achieved a Profit After Tax of 1,678 million rupees during the first six months of FY 2023/24, reflecting a substantial year-on-year increase of 35.8 percent. Net Interest Income for the Group for September 30, 2023 reached 6,495 million rupees.

Interest Income for the half-year ending September 30, 2023, witnessed a year-on-year increase of 3.7 percent, reaching 14,714 million rupees. This increase can be attributed to a substantial rise in investments driven by escalated interest rates in

the country. The Company achieved significant year-on-year profit growth through improved collections and intensified credit quality, which led to a 91.3 percent reduction in impairment charges and other losses on loans and receivables, recorded at just 162 million rupees, as of September 30, 2023.

Despite the inflationary environment in which it operates, PLC successfully curtailed the growth in operating expenses to 3.8 percent compared to the same period in FY 2022/23, owing to the improved efforts to increase efficiency through digital initiatives, right-sizing of branches, and improvements in internal processes. Additionally, the Group's operating expenses experienced a modest increase of 2.4 percent.

PLC's Total Asset Base as of September 30, 2023, was 153,817 million rupees, while Total Loans and Receivables amounted to 100,833 million rupees, consolidating its position as one of the most significant loans and receivables portfolios in the industry, despite limited business expansion on account of the challenging economic environment. The Total Asset Base of the Group as of September 30, 2023 was 179,758 million rupees, while the Group's Total Loans and Receivables portfolio amounted to 113,512 million rupees.

PLC's concerted efforts about collections enabled it to manage a majority of funding requirements via collections and thus remain vigilant in growing the Deposit Base in a high-interest environment. Nevertheless, the deposit base remained robust at 93,197 million rupees as of September 30, 2023. The Group's Deposit Base also stood at 101,101 million rupees as of September 30, 2023. Furthermore, PLC implemented a highly disciplined strategy for liquidity management during a highly volatile and complex business endeavor and maintained capital adequacy ratios well ahead of the regulatory minimums at the end of Q2 to guarantee financial stability.

Shamindra Marcelline, CEO/General Manager at PLC, said, "Our exceptional Q2 performance underscores our ability to navigate a complex, dynamic, and challenging business landscape. It also demonstrates our unwavering commitment to our valued customers and the strength of our operational fundamentals. Even in the face of adversity, we remain steadfast in delivering financial solutions that empower individuals and businesses, contributing to the economic prosperity of all Sri Lankans." These remarkable financial results highlight PLC's unwavering commitment to delivering financial solutions, fostering growth, and contributing to the economic prosperity of all Sri Lankans. The Company's resilience, strategic

adaptability, and dedication to excellence continue to drive its success. Accordingly, PLC remains a leader in the non-banking financial services sector, embodying innovation, trust, and enriching lives.