

STRATEGY AND RESOURCE ALLOCATION

PEOPLE'S LEASING ADOPTS A STRUCTURED AND DYNAMIC APPROACH TO STRATEGY DEVELOPMENT THAT ENSURES ALIGNMENT WITH ITS LONG-TERM VISION, STAKEHOLDER EXPECTATIONS, AND EVOLVING MARKET CONDITIONS. THIS PROCESS INVOLVES A THOROUGH ENVIRONMENTAL ANALYSIS, SUPPORTED BY REGULAR EVALUATIONS OF MACROECONOMIC FACTORS, INDUSTRY TRENDS, AND REGULATORY DEVELOPMENTS TO IDENTIFY EMERGING RISKS AND OPPORTUNITIES. CONCURRENTLY, AN INTERNAL PERFORMANCE REVIEW ASSESSES OPERATIONAL EFFICIENCY, RESOURCE ALLOCATION, RISK APPETITE, AND ORGANISATIONAL CAPABILITIES TO PINPOINT STRENGTHS AND WEAKNESSES.

Stakeholder engagement plays a vital role by incorporating feedback from customers, employees, regulators, shareholders, and communities, ensuring the strategy reflects diverse perspectives and expectations. These insights feed into a detailed SWOT analysis, offering strategic clarity on priority areas. The Company then translates this analysis into actionable strategies through the TOWS matrix, leveraging strengths, addressing weaknesses, capitalising on opportunities, and mitigating threats. Finally, the strategic plans are implemented across business units with clearly defined KPIs, while ongoing monitoring and periodic reviews enable timely course corrections and continuous improvement.



STRENGTHS

- ⊙ Strong market positioning with "People's Band"
- ⊙ Extensive branch network
- ⊙ Stable asset quality
- ⊙ Experienced leadership
- ⊙ Loyal and high functioning workforce
- ⊙ Strong financial position
- ⊙ Strong IT infrastructure and robust digital front end

» TOWS APPROACH**S–O Strategy: Leverage strengths to capture opportunities.**

Use People's Leasing's core competencies, such as strong brand reputation, skilled workforce, financial stability, and technological infrastructure to develop innovative products and services, expand into new markets.

S–T Strategy: Use strengths to mitigate external threats

Use the Company's robust risk management frameworks, and resilient operational capabilities to anticipate, respond to, and minimise the impact of challenges such as market volatility, regulatory changes, competitive pressures, and economic uncertainties.

WEAKNESSES

- ⊙ Maturity mismatch between assets and liabilities
- ⊙ Limited product innovation
- ⊙ Gaps in digital infrastructure
- ⊙ High sensitivity to interest rate movements due to the reliance on lending income
- ⊙ High credit risk exposure
- ⊙ Moderate use of advanced analytics

» TOWS APPROACH**W–O Strategy: Improve internal gaps by capitalising on external opportunities**

Targeted investments to align internal improvements with emerging market trends, customer demands, and industry innovations, in order strengthen People's Leasing's competitive position, enhance efficiency, and unlock new growth avenues.

W–T Strategy: Identify and address weaknesses to mitigate threats

Identify and address weaknesses by conducting thorough internal assessments to uncover vulnerabilities that could be exploited by external risks. Once identified, these weaknesses are systematically addressed through process improvements, capacity building, and strategic realignment. This proactive approach minimises People's Leasing's exposure to threats such as market competition, regulatory non-compliance, or operational inefficiencies, thereby enhancing overall resilience and safeguarding long-term performance.

OPPORTUNITIES

- ⊙ Expected boom in Sri Lankan economy specifically SME sector resulting in the heighten demand for credit
- ⊙ Growing interest in digital financial services
- ⊙ Existence unbanked and underbanked segments seeking financial assistance
- ⊙ Shoot towards green financing

THREATS

- ⊙ Competitive pressures
- ⊙ High staff attrition
- ⊙ Cyber security threats

STRATEGY AND RESOURCE ALLOCATION

SUSTAINABLE GROWTH

People's Leasing is dedicated to responsible business expansion, playing a crucial role in empowering the SME sector and underserved communities often overlooked by traditional banks. By fostering financial inclusion and economic growth while ensuring financial stability, the Company adopts a balanced approach that integrates innovation, market penetration, operational efficiency, and customer-centric strategies. This enables enhanced competitiveness, stronger brand trust, and a greater share in the financial services industry.

MATERIAL MATTERS

- ⊙ Macro- economic Amenableness
- ⊙ Business Vitality
- ⊙ Innovation in parallel with Market Demand and enhancing Digital Applications
- ⊙ Financial Stability
- ⊙ Resource Optimisation
- ⊙ Sustainable Growth through Sustainable Finance
- ⊙ Inclusive Finance and minimising Inequalities
- ⊙ Climate Action
- ⊙ Ethics and Integrity

KEY RISKS

- ⊙ Credit Risk (Default Risk)
- ⊙ Market Risk (Interest Rate Risk)

TACTICAL FOCUS

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| <ul style="list-style-type: none"> ⊙ Promoting financial inclusion ensures accessible financial services to empower individuals and small businesses to engage fully in economic participation. This approach also drives long-term growth by expanding the customer base, diversifying risk, and aligning with national development goals ensuring equitable and resilient progress. | <ul style="list-style-type: none"> ⊙ Integration of ESG criteria into the investment decision- making processes, reflecting a shift towards more responsible and ethical investing practices. The Company is incorporating sustainability considerations into the risk management frameworks, recognising the materiality of ESG risks to long-term financial performance | <ul style="list-style-type: none"> ⊙ Safeguarding credit quality to ensure financial stability, risk mitigation, and long-term sustainability. Through robust credit assessment, prudent lending, and ongoing portfolio monitoring, the Company minimizes defaults and protects asset quality. This approach also enhances stakeholder confidence, supports regulatory compliance, and reinforces responsible, inclusive lending practices | <ul style="list-style-type: none"> ⊙ Operational efficiency and cost optimisation through digital transformation initiatives to improve internal efficiencies alongside cost containment and lean management practices | <ul style="list-style-type: none"> ⊙ Reduce maturity mismatch by diversifying funding sources and optimal asset-liability management |
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FY 2024/25 DASHBOARD

Resource Allocation Highlights

- 02 branches relocated as part of the branch re-sizing strategy
- Digital enablement of Branch teams as part of smart positioning of branches
- Forged a new strategic business partnership to promote ecofriendly vehicle financing
- Rs. 580.08 Mn disbursed through Green Financing Schemes
- Roll out of the Call Management System (CMS) to serve as an early warning mechanism for recoveries
- PLCCORE system was further enhanced to generate actionable insights on credit, default, and concentration risks

CAPITALS IMPACTED



SDG'S



OUTCOMES

For the Year	2024/25	2023/24	2022/23
Total Portfolio (Rs.Mn)	157,092.39	103,650.45	114,278.95
Loan and Lease Disbursements (Rs. Mn)	101,909.90	44,294.83	9,347.70
Gold Loan Portfolio growth (year on year growth %)	85.15%	26.56%	239.54%
NPL Ratio (%)	5.86	15.84	13.91
Borrowing mix (Deposits: Other) (%)	88.33:11.67	87.99:12.01	80.52:19.48
Cost per branch (Rs. Mn)	81,990.36	70,593.20	65,492.40
Cost-to-income ratio (%)	54.96	55.61	52.64

KEY PRIORITIES FOR THE FUTURE

Short Term

- Set up 10 new branches to promote financial inclusion in underserved regions across Sri Lanka
- Leverage favourable macroeconomic conditions to drive credit expansion
- Enhance operational efficiency through a skilled workforce.

Medium Term

- Expand digital platforms to facilitate convenient repayment of dues
- Strengthen sustainable financing solutions

Long Term

- Deliver value-driven financial solutions while navigating market conditions.
- Strengthen risk assessment frameworks for sustainable portfolio growth.

STRATEGY AND RESOURCE ALLOCATION

EMPOWERING PEOPLE

People’s Leasing strives to cultivate a workplace where talent thrives, underpinned by a deep commitment to humanity. Through engagement, empowerment, and a culture of growth, the organisation fosters an environment where employees feel valued, respected, and inspired to excel. By prioritising empathy, integrity, and well-being, the company ensures a fulfilling and rewarding career journey for every individual.

MATERIAL MATTERS

- ⦿ Macro- economic Amenableness
- ⦿ Business Vitality
- ⦿ Health and Safety
- ⦿ Brain Drain
- ⦿ Best Fit Employees
- ⦿ Customer Experience
- ⦿ Ethics and Integrity

KEY RISKS

- ⦿ Operational Risk

TACTICAL FOCUS

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| ⦿ Train the marketing team to adopt a customer-centric mindset, integrating empathy and humanity in every interaction by investing in specialised training sessions focused on customer-first strategies. These efforts are further reinforced through targeted incentive programmes | ⦿ Managing employee Performance by investing in advanced performance management systems to effectively track employee progress and ensure alignment with corporate objectives, supported by a transparent feedback mechanism that fosters open communication and continuous improvement. Complementing these efforts are robust reward schemes, including performance-based incentives, which recognise and motivate high-performing employees. | ⦿ Career development and succession planning aimed at building a strong internal talent pipeline and prepare future leaders from within. Key priorities include, mentorship programmes and professional certifications, and building employee skills in emerging financial technologies. | ⦿ Leadership development by investing in managerial skill development and leadership workshops, job rotation, special assignments to empower employees to take ownership of tasks and decision making | ⦿ Creating a positive work environment through team-building activities, employee engagement programs, and social responsibility initiatives that promote collaboration and a sense of purpose. Additionally, resources PLC strives to foster a workplace that is inclusive and free from discrimination and bias, ensuring every employee feels respected, supported, and empowered to thrive. |
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FY 2024/25 DASHBOARD

Resource Allocation Highlights

- ⊙ Rs. 4,864.57 million distributed as monetary benefits to employees
- ⊙ 10% salary increment for all employees
- ⊙ 100% of employees receiving the annual performance evaluation
- ⊙ 79,826 training hours
- ⊙ Launch of the "Talent Pool" initiative
- ⊙ Launch of the HR at Your Doorstep programme

CAPITALS IMPACTED



SDG'S



OUTCOMES

For the Year	2024/25	2023/24	2022/23
Employee Retention Rate (%)	83.60	79.74	89.22
New Recruits	964	359	85
Promotions	823	598	28
Gender Ratio	1,923:753	1,498:554	1,591:523
Female representation at Senior Management Level (%)	9.09	10.64	13.95
Incidents of discrimination	Zero	Zero	Zero

KEY PRIORITIES FOR THE FUTURE

Short Term

- ⊙ Modernise HR operations by enhancing digital tools for performance tracking and service delivery.
- ⊙ Strengthen leadership accountability through performance-aligned KPIs and refreshed incentive structures.
- ⊙ Foster closer staff engagement through branch-level HR visits and employee communication forums.

Medium Term

- ⊙ Recalibrate rewards systems to promote continuous performance and fairness across all levels.
- ⊙ Build leadership capacity internally via mentorships, job rotations, and professional growth initiatives.
- ⊙ Realign HR frameworks and policies to stay in step with organisational goals and workforce expectations.

Long Term

- ⊙ Position People's Leasing as an employer of choice by creating a purpose-driven and people-first workplace culture.
- ⊙ Future-skill the workforce by investing in training for emerging financial technologies and innovation readiness.

STRATEGY AND RESOURCE ALLOCATION

BUILDING STRONGER CONNECTIONS

People's Leasing is committed to fostering meaningful relationships with both internal and external stakeholders. The company enhances collaboration, engagement, and customer experience by ensuring trust, transparency, and long-term value creation in an evolving financial landscape, supported by seamless digital platforms

MATERIAL MATTERS

- ⊙ Macro- economic Amenableness
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- ⊙ Customer Experience
- ⊙ Ethics and Integrity

» KEY RISKS

- ⊙ Operational Risk
- ⊙ Strategic Risk
- ⊙ IT & Cybersecurity Risk

TACTICAL FOCUS

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| <ul style="list-style-type: none"> ⊙ Understanding and responding to evolving needs of customers by offering tailored financial solutions that cater to individuals, SMEs, and corporates across varying income levels and business profiles. This includes flexible leasing options, targeted loan products, and value-added services that are designed to support different financial goals, be it asset acquisition, business expansion, or personal mobility. By customising offerings, the Company ensures greater relevance, satisfaction, and long-term customer loyalty. | <ul style="list-style-type: none"> ⊙ Ensuring seamless access to financial services through the extensive branch network, coupled with a robust digital ecosystem comprising mobile apps, online portals, and self-service tools that allow customers to interact anytime, anywhere. This dual-channel strategy enhances convenience, improves turnaround times, and strengthens inclusivity across customer segments | <ul style="list-style-type: none"> ⊙ Service excellence by emphasising personalised engagement including providing guidance, transparent communication, and responsive support at every stage of the customer journey. Trained marketing officers and frontline staff ensure customers feel valued and understood, which enhances satisfaction and builds long-term brand affinity. Continuous staff training and customer feedback mechanisms further reinforce a culture of service excellence across all touchpoints. | <ul style="list-style-type: none"> ⊙ Safeguarding customer data and ensuring secure digital transactions by maintaining a robust IT security posture coupled with regular risk assessments to ensure compliance with data protection regulations. |
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FY 2024/25 DASHBOARD

Resource Allocation Highlights

- ⊙ Introduced Customised Gold loans products for target customer segments such as teachers, government officers, self-employed individuals
- ⊙ Conducted the first-ever brand health study
- ⊙ Introduced digital payment capability for Gold Loans through the PLC Touch-app
- ⊙ Introduced payment capability for Gold Loans through the People's bank CDM network
- ⊙ Reminder alerts to customers regarding upcoming FD renewals together with the automatic renewal option
- ⊙ Rs. 170.91 million spent on marketing and branding
- ⊙ ISO 27001:2022 version upgrade
- ⊙ Strengthening Information security governance with the appointment of the Chief Information Security Officer and the formation of the Information Security Steering Committee

CAPITALS IMPACTED



SDG'S



OUTCOMES

For the Year	2024/25	2023/24	2022/23
Growth in lending customer base (year on year growth %)	23.74	(8.21)	(9.18)
Growth in deposit customer base (year on year growth %)	5.49	(19.72)	23.79
FD Renewal Ratio (%)	65.43	61.12	49.75
Repeat Lending Customer Ratio	61.92%	36.87%	41.47%
Digital transaction volumes	1,022,963	1,012,196	967,386
Customer Complaints	77	166	128
Reported incidents regarding the breach of customer data	Zero	Zero	Zero

KEY PRIORITIES FOR THE FUTURE

Short Term

- ⊙ Use brand intelligence to drive more effective communication.
- ⊙ Support Local Small Businesses and Entrepreneurs.
- ⊙ Promote financial literacy and employee-led community outreach.
- ⊙ Introduce an automated vendor onboarding system.

Medium Term

- ⊙ Achieve SSCI certification to enhance supply chain standards.
- ⊙ Launch an AI-based platform for staff knowledge sharing.
- ⊙ Implement a CSR strategy aligned with business goals.

Long Term

- ⊙ Empower communities through sustainable financial solutions.
- ⊙ Expand services through innovation and new digital channels.
- ⊙ Strengthen community financial inclusion and resilience.

STRATEGY AND RESOURCE ALLOCATION

COMMITMENT TO SUSTAINABILITY AND SOCIAL RESPONSIBILITY

People's Leasing is dedicated to protecting the environment and uplifting communities through responsible business practices. By integrating sustainable finance, eco-friendly initiatives, and community-driven programs, the company strives to create a positive and lasting impact for future generations.

MATERIAL MATTERS

- ⊙ Macro- economic Amenableness
- ⊙ Business Vitality
- ⊙ Resource Optimisation
- ⊙ Health and Safety

- ⊙ Principle Relationships
- ⊙ Inclusive Finance and minimising Inequalities
- ⊙ Climate Action
- ⊙ Ethics and Integrity

KEY RISKS

- ⊙ Operational Risk
- ⊙ Sustainability Risk

TACTICAL FOCUS

- ⊙ **Reducing the carbon footprint** through energy-efficient operations, responsible waste management, and minimising resource consumption. Strategic initiatives such as adopting green building practices, promoting paperless operations, and supporting reforestation or conservation programmes.
- ⊙ **Building a strong and reliable supplier network** to support consistent quality, timely delivery, and cost-effectiveness, while also fostering collaboration and innovation
- ⊙ **Enhance social well-being and empower individuals** to achieve economic independence through targeted community development initiatives aimed at improving education, healthcare, financial literacy, and livelihood opportunities, especially in underserved areas

FY 2024/25 DASHBOARD

Resource Allocation Highlights

- ⊙ GHG Inventory report independently verified in line with the ISO 14064:2018 standard
- ⊙ Rs. 364,542 spent on Green Outreach programmes
- ⊙ Rs. 1,075.54 million invested in CSR

CAPITALS IMPACTED



SDG'S



OUTCOMES

For the Year	2024/25	2023/24	2022/23
Carbon Footprint (tCo ₂ e)	5,663.76	3,974.42	4,149.30
New suppliers screened and on-boarded	57	25	146
Amount paid to suppliers (Rs. million)	152,380.82	76,385.13	43,390.38

KEY PRIORITIES FOR THE FUTURE

Short Term

- ⊙ Conduct campaigns aimed at enhancing community-level knowledge on financial and digital literacy.
- ⊙ Encourage employee participation in community service with paid volunteer days and recognition programs.

Medium Term

- ⊙ Develop a Strategic CSR Agenda to align with the Company's long term objectives

Long Term

- ⊙ Creating a Legacy of Financial Empowerment Across Generations

INTEGRITY-DRIVEN GOVERNANCE

People's Leasing upholds the highest standards of ethics, transparency, and accountability. Through strong governance frameworks and responsible leadership, we ensure trust, compliance, and sustainable value creation for all stakeholders

MATERIAL MATTERS

- ⊙ Macro- economic Amenableness
- ⊙ Business Vitality
- ⊙ Financial Stability
- ⊙ Resource Optimisation
- ⊙ Sustainable Growth through Sustainable Finance

- ⊙ Principle Relationships
- ⊙ Inclusive Finance and minimising Inequalities
- ⊙ Climate Action
- ⊙ Ethics and Integrity

KEY RISKS

- ⊙ All Risks

TACTICAL FOCUS

- ⊙ **Clear strategic direction and effective risk management in line with the Company's sustainability ambitions and long-term vision.**
- ⊙ Upholding high standards of ethics, transparency, and accountability to ensure integrity, regulatory compliance, and responsible decision-making
- ⊙ Integrate ESG-related risks into the corporate risk management framework, ensuring that Sustainability risks are regularly assessed, monitored, and reported
- ⊙ **Enhancing trust and transparency by engaging regularly with communities, customers, employees, and other stakeholders to create shared value**

FY 2024/25 DASHBOARD

Resource Allocation Highlights

- ⊙ Compliance with the CSE Listing rules
- ⊙ Strengthening risk appetite limits
- ⊙ Ongoing improvements under the SSCI standard certification
- ⊙ Preparation for the SLFRS S1 & S2 adoption

CAPITALS IMPACTED



SDG'S



OUTCOMES

For the Year	2024/25	2023/24	2022/23
Total Non-executive directors in the Board	10	11	08

KEY PRIORITIES FOR THE FUTURE

Short Term

- ⊙ Ensure full compliance with CSE Listing Rules to maintain market confidence and regulatory trust.
- ⊙ Implement and refine risk appetite limits to align risk tolerance with sustainability ambitions and stakeholder expectations.
- ⊙ Advance SSCI certification and ESG risk integration.
- ⊙ Establish Board Sub-Committee to govern sustainability matters including SLFRS S1 & S2

Medium Term

- ⊙ Fully integrate ESG risks into risk management.

Long Term

- ⊙ Institutionalize ethics-driven governance culture.
- ⊙ Continuously evolve governance frameworks with global standards.