

BUSINESS REVIEW

We reflect the values and provide the very best of Islamic Financing to our customers, with utmost responsibility and care.

Islamic Finance



We strive to be our customers' first choice for extending loans and leases - and therein lies unmatched comfort and relief.

Loan & Leasing

We are the foremost solution to the wary customers seeking to preserve their wealth, with the hope of a brighter future.

Deposit



LOANS & LEASING

CONTEXT AND STRATEGY

In terms of credit appetite, the current financial year can be divided into two contrasting halves, with the first half marked by sluggish demand amidst the impact of the prolonged economic downturn, while the second half of the year showed a visible uptick following the resurgence in economic activity towards the latter part of 2023.

Seeing that the demand for credit at the start of the year was largely for consumption purposes amidst ongoing uncertainties, People's Leasing opted for a conservative approach towards lending in the first half of the current financial year. As such, new exposures were undertaken on a highly selective basis mainly to support MSME's in fast growing sectors such as agriculture and export oriented manufacturing.

Further, considering the buildup of moratoriums granted to customers during the COVID period as well as the subsequent economic crisis, more emphasis was placed on the recovery effort. As part of this exercise, the entire recovery process was revamped with branch teams, and the Head Office Recoveries Section inclusive Legal Recoveries Unit all assigned recovery targets. This was complemented by extensive training for branch teams, including repossession officers. A new system to send SMS reminders to customers was implemented to assist in the follow up process, while a dedicated Recovery Call Centre was set up as a pilot project to further bolster recovery efforts. A new supervisory structure was introduced to strengthen the Head Office Recovery Section. A culmination of these initiatives enabled People's Leasing to achieve the target average collection ratio of 100.34%, while reducing

PRODUCT PORTFOLIO

- » Leasing
- » Motor Loans
- » Business Loans
- » Gold Loans
- » Self E- Cash
- » Educational Loans
- » Fast Track
- » Margin Trading

overall impairments by Rs. 1,554.47 (target - Rs. 750 Mn) and reversing the CBSL non-performing loans by Rs. 564.65 million.

However, with the economic revival and low interest rate environment triggering a more robust demand for credit in the second half of the year, the Company expanded lending activities with renewed emphasis on diversifying into a wider range of up and coming sectors. In this regard, a new Leasing product - "PLC Solar" was launched during the year reflecting the Company's efforts to contribute towards improving the share of renewable energy in the Country's total energy mix.

Meanwhile following the Company's decision to pursue aggressive credit expansion, a dedicated Credit Department was established to bring in the entire credit process under the purview of one department. The Credit Department was assigned with the responsibility of achieving the appropriate risk/reward balance to support the Company's growth objectives, while staying within the prudential credit quality limits established by the Board. The Credit Department is also tasked with promoting the credit awareness culture among employees and other stakeholders.

The launch of the PLCCORE system marks another important milestone in streamlining the overall credit process at People's Leasing. The PLCCORE System creates a comprehensive platform to introduce greater standardisation to the credit decision making process, thus ensuring all new exposures fall in line with the Company's credit quality benchmarks. Equipped with high speed file processing capability and 24/7 availability, the system is designed to materially reduce delays associated with manual processing and approval thereby expediting turnaround times to customers and empowering branch teams to accelerate credit expansion. Moreover, these corporate green initiatives commenced by the PLCCORE system are expected to lead to a systematic reduction in the average annual paper consumption and resulting waste generated by the branch network. The versatile design and advanced functionality of the PLCCORE system also contributes towards furthering the Company's sustainability ambitions by creating a structured framework to formally embed ESG (Environment/Social/Governance) considerations as part of the mandatory credit

evaluation process, underscoring a disciplined approach to minimise environmental and social risks associated with the Company's lending portfolio.

The Company maintained a consistent approach to grow its Loan portfolio driven by focused efforts to grow Gold Loans. To that end, Gold Loan facilities were introduced at 15 People's Leasing branches during the current financial year, bringing the total number of Gold Loan enabled branches to 104 as at 31st March 2024. The standard product portfolio was further enhanced with the inclusion of more flexible Gold Loan schemes, accompanied with extensive promotional activities, especially localised pocket campaigns to increase awareness among target customer groups. Internal systems were also further strengthened with a view to improving the customer experience.

Meanwhile, given the sluggish performance of the local equities market, the margin trading activities were scaled back in the current financial year.

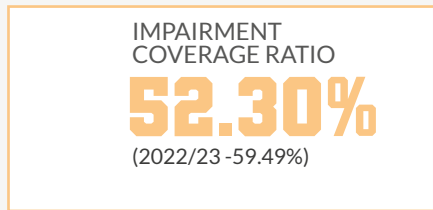
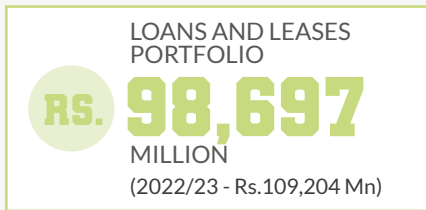
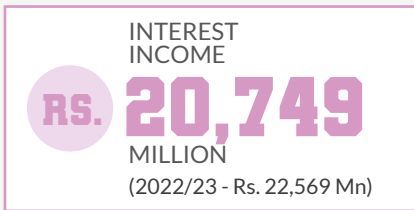
BUSINESS PERFORMANCE

Aggressive credit expansion strategies from January 2024 onwards produced incremental month-on-month growth in disbursements, with the January to March 2024 quarter recording a total of Rs. 14,898.27 million in new disbursement volumes, which represents almost 36.40% of the total disbursements for FY 2023/24. Despite the high volume growth achieved in the latter part of the year however, the combined impact of the cautious lending approach in the first half and the deeper focus on the recovery efforts, saw People's Leasing's Loans and Leases portfolio recording an overall decline of 9.62% from Rs. 98,697.26 million in FY 2022/23 to Rs. 109,203.95 million as on 31st March 2024.

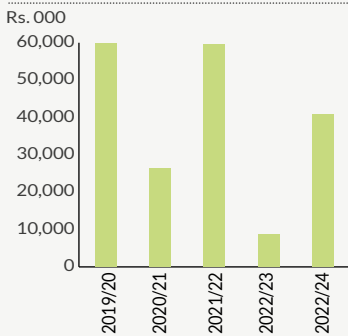
Leases continued to account for the largest share (53.85%) of the Company's total lending portfolio as at 31 March 2024, followed by Loans (41.37%). Within the Loan portfolio, Gold Loans recorded the strongest expansion in the current financial year. Buttressed by strong contributions from the branch network, the Gold Loan portfolio grew by to cross the landmark Rs. 10 billion mark and end at an all-time high of Rs. 10,957.78 million as at 31 March 2024.

Motor Loans on the other hand reported a decline of 49.80% year on year. Nonetheless,

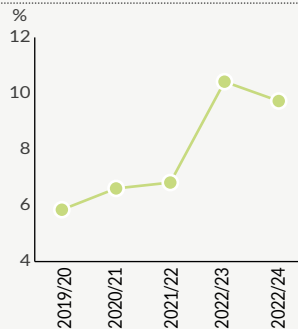
Performance Highlights of 2023/24



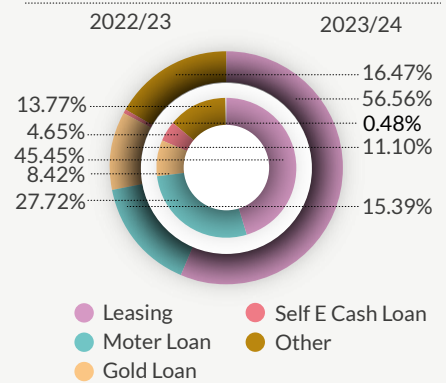
Loan and Lease Disbursements



Impairment as a % of portfolio



Composition - Portfolio



Motor Loans remained the largest contributor to Loan portfolio followed by Gold Loans.

The Loans and Leases portfolio experienced a notable enhancement in overall quality during the current financial year, with the impairment provision declining to Rs. 8,854.79 million from Rs. 10,409.26 million reported in the preceding financial year, a testament to the aggressive recovery and collection efforts deployed throughout the year.

With no notable activity in the local equity market, the Margin Trading Portfolio moving from Rs. 6,377.19 million at the end of the previous financial year to Rs. 5,600.45 million by end of FY 2023/24.

FUTURE OUTLOOK

With the low interest rate environment highly conducive for credit expansion, People's Leasing will rely on the newly formed Credit Department and the new PLCCORE system add fuel to grow its Loans and Leases portfolio in a sustainable manner over time. These efforts will be further complemented by product innovation and service delivery enhancements to improve customers' overall experience.

Ensuring steady growth in the Gold Loan portfolio will remain another key priority in the next 12 -18 months. In this regard, People's Leasing will look to consolidate its position by deepening the penetration into existing segments coupled with broad based strategies to systematically improve access to the Company's Gold Loan offerings and island-wide coverage in the year ahead.

ISLAMIC FINANCE

CONTEXT AND STRATEGY

Many of the same conditions that affected People’s Leasing’s Loans and Leases and Deposit businesses in FY 2023/24, affected the Company’s Al-Safa Islamic Finance Unit as well. Subdued activity in the first few months was followed by robust growth as the Al-Safa Islamic Finance Unit moved ahead with plans to grow captive market share amidst signs of economic revival in the Country from mid-2023 onwards.

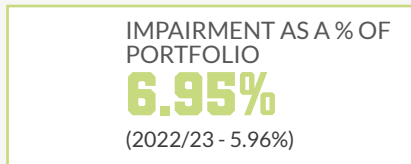
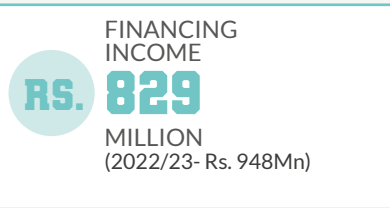
Being one of the leading non-bank financial institutions in Sri Lanka to offer Islamic Finance, the main priority for Al-Safa was to consolidate its first mover advantage. To that end, all products were marketed aggressively by the network of 7 dedicated Al-Safa branches. To further increase island-wide visibility, Al-Safa’s Islamic Finance product range was introduced at over 15 People’s Leasing Branches in the current financial year. With this latest development, a total of 53 People’s Leasing Branches have been enabled to offer Al-Safa’s Islamic Finance product range.

In parallel, promotional activities were further intensified was incurred on direct marketing, street promotions and pocket marketing campaigns conducted by branch teams. High impact social media campaigns and digital marketing initiatives were also carried out to drive awareness about the entire product range, with more emphasis on popularising the latest additions to the product basket - the Wakalah Investment solution and the Wadi’ah – Gold Safekeeping product.

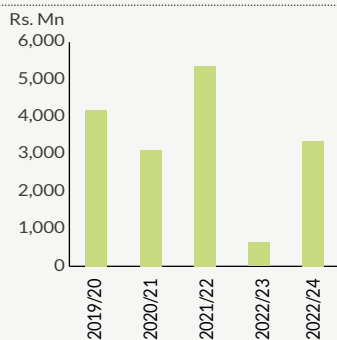
Meanwhile, the roll out of the PLC Core System has also proven to be a key catalyst in Al-Safa’s efforts to promote its lending products. With its highly streamlined credit approval mechanism, the PLC Core System helps to significantly reduce turnaround times to enable a speedier service to the customers, thereby improving their overall experience and enhancing satisfaction.

To further strengthen the internal operational framework of the Islamic Finance Unit and provide assurance regarding its Shari’ah compliance, new recruitments in the Shari’ah supervisory board was taken place during the year. All policies and procedures across our product lineup were reviewed and updated to in conformity with Shari’ah, compliance and legal requirements.

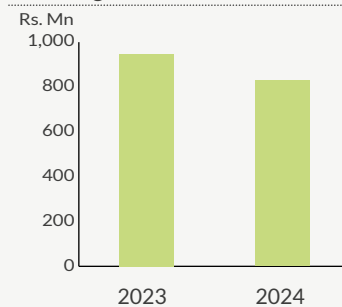
Performance Highlights of 2023/24



New disbursements



Financing Income



As always, strict control was maintained over recovery and collections to ensure internally established NPA threshold were not exceeded.

BUSINESS PERFORMANCE

On the back of more conceive market conditions, Al-Safa recorded a significantly improved performance compared to the previous year, with new disbursements reporting a 425.53% growth year on year. Fuelled by strong demand, both the Wakalah Investment solution and the Wadi’ah – Gold Safekeeping product grew rapidly within a short period of time, with the Wakalah Investment portfolio reaching Rs. 4,235.65 million and the Wadi’ah – Gold Safekeeping portfolio standing at Rs. 464.38 million on 31 March 2024.

FUTURE OUTLOOK

Going forward, Al-Safa’s main thrust would be to strengthen its market presence via a two-pronged approach involving expansion of the network of dedicated branches and increasing the number of People’s Leasing branches equipped to offer Islamic financial services. Reconstituting existing products to offer more flexibility and enhance features for greater customer convenience, will also be critical in Al-Safa’s efforts to sustain captive market share, while product innovation will spearhead entry into new market segments in the coming years. In this regard, the Company will aim to expand the Shari’ah related business product line up through the launch of Sahim (Investment Plan) and Sukuk (Bonds).

DEPOSITS

CONTEXT AND STRATEGY

The general decline in demand for term deposits observed in the current financial year is attributed to several reasons. Most notable among them is the consecutive rate cuts imposed by the CBSL as part of the IMF-led monetary policy reforms which saw the SDFR (Standing Deposit Facility Rate) declining progressively from double digit levels at the start of the financial year to 8.50% as at 31st March 2024. The stress on personal disposable incomes caused by prolonged economic uncertainty and heightened inflationary conditions was also partly responsible for the weak appetite for deposits in the current financial year. The demand for savings too was similarly affected as the saving capacity of households declined rapidly on the back of lower disposable incomes.

Amidst this backdrop, the NBFi industry as a whole, People's Leasing included, had to contend with sizeable outflows of term deposits as investors began redirecting funds towards higher yielding alternatives. Responding proactively to the situation, People's Leasing prioritised customer retention. Aiming to maintain the Company's benchmark 61.12% retention ratio, a series of special offers were initiated targeting existing customers with bulk deposits with longer maturities.

In a bid to further consolidate the deposit book, the Company also leveraged its long-standing reputation and strong island-wide branch footprint to broaden the customer base, with more emphasis on deepening the penetration into regional markets. To complement these efforts, a new product - "Senehas" minor FD was launched, marking Sri Lanka's first-ever tailor made long term investment solutions for minors. The new offering which is clubbed to the "Senehas" - offers the benefits of both FD's and savings. The "Senehas" minor FD scheme was launched as part of the "Ithurum Themasa" - a mega campaign that ran from May 2023 to July 2023.

With the rate gap between savings and term deposits closing significantly owing to the low interest rates environment, the Company seized the opportunity to promote retail savings by encouraging customers to move their investment into a more liquid form during these uncertain times. The Company's recent tie up with its parent People's Bank to enable access to Western Union International Money Transfer services across all 109 People's Leasing branches, also represents an important step in the ongoing effort to drive savings.

BUSINESS PERFORMANCE

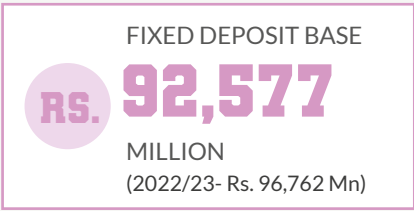
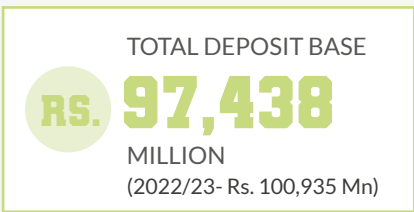
Even though the Company's deposit mobilisation strategies proved successful in achieving the desired inflows, the high volume of outflows during the year saw People's Leasing's overall deposit portfolio contracting from Rs. 100,935.11 million in FY 2022/23 to Rs. 97,437.73 million as at 31st March 2024, signalling a decline of 3.46% year on year.

When analysing the detailed classification of deposit trends, it shows a 4.32% decrease in Fixed Deposits portfolio and a 16.46% improvement in the savings portfolio.

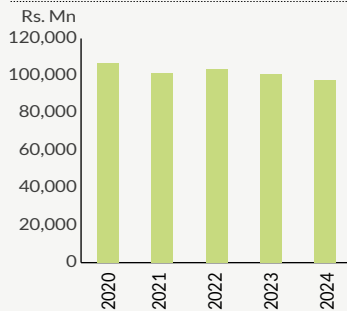
FUTURE OUTLOOK

With all indications suggesting that the current low rate environment will likely to continue for the foreseeable future, People's Leasing will place equal emphasis on customer retention and customer acquisition in order to grow captive market share in the years ahead.

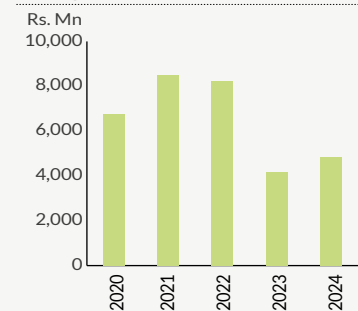
Performance Highlights of 2023/24



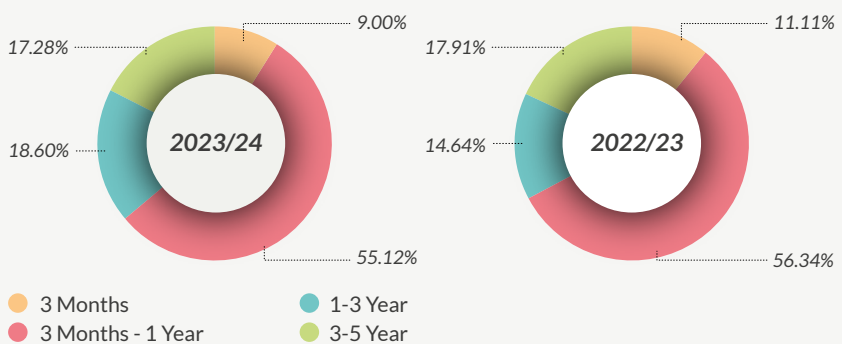
Total Deposit Portfolio



Saving Portfolio



Deposit based on Maturity



SUBSIDIARY REVIEW

PEOPLE'S INSURANCE PLC



CONTEXT AND STRATEGY

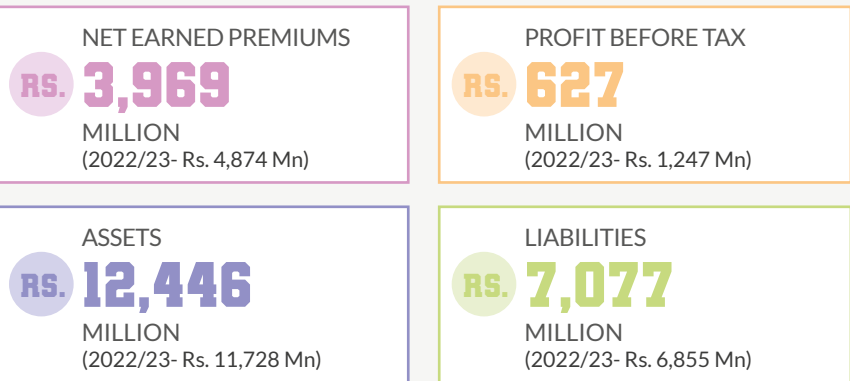
People's Insurance PLC (PI) operates within the General Insurance industry in Sri Lanka, which remains a highly price competitive space inherently characterised by narrow margins. The general insurance industry as a whole came under considerable stress in the current financial year amidst muted demand for motor and non-motor insurance products attributed to the prolonged economic downturn experienced in recent years, causing a majority of general insurers to report underwriting losses. Adding to the pressure, the National Insurance Trust fund (NITF) requested all General Insurance companies to remit 100% ceding of the motor SRCC & TC premium to them with effect from 01st January 2023. The VAT rate increase from 15% to 18% also further exacerbated the situation.

At a time when most general insurers in Sri Lanka began revisiting their pricing strategies to cover losses, PI refrained from doing so and focused instead on technology-driven service quality enhancements to support customer retention and consolidate market share. An important milestone in this regard, was the launch of the "Call and Go" feature, a new innovative mechanism for PI's motor-segment customers to call the designated hotline to report minor accidents and continue their journey without waiting for the assessor to arrive. In parallel, the new the Assessor App was launched to create a platform to streamline backend systems to expedite motor claim settlements.

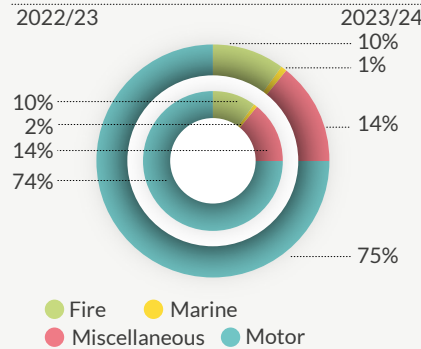
The Company's digital presence was further strengthened in 2023, following the launch of several new front end interfaces, among them a dedicated portal for authorised travel agents to generate travel insurance policies for their clients and the online portal upgrade to enable customers to generate third party motor insurance policies, via the corporate website.

Meanwhile ongoing improvements to backend systems saw the roll out of the fully automated workflow management system to expedite document processing at the claims department. New digital tools, including power BI dashboards were implemented in the underwriting department, to facilitate online real time monitoring of portfolios, claim details, arrears position etc.

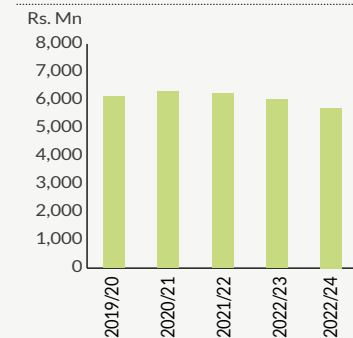
Performance Highlights of 2023/24



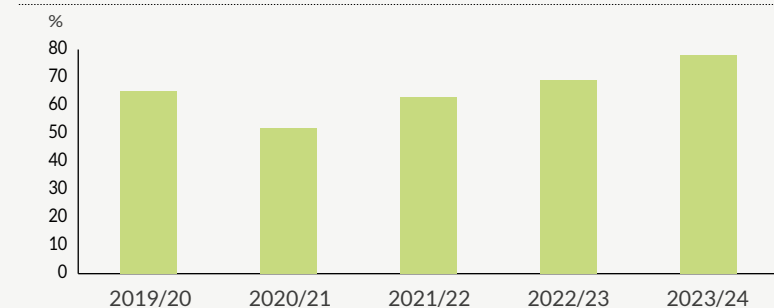
Portfolio Split



Gross written premium



Claims Ratio



PI's advertising and marketing activities also gathered momentum in 2023, with the Company seeking to reinforce its brand identity across all key customer segments. Notable initiatives included the appointment of Dilantha Malagamuwa as the Brand ambassador for PI's motor insurance products, followed by a special campaign to create awareness about the 'Call and Go' service. In tandem with these efforts, the Company continued to further strengthen its social media presence with an increasing number of activities run through this medium. Other brand visibility initiatives through conventional ATL and BTL campaigns also continued throughout the year

A culmination of these efforts saw PI deliver a resilient performance for FY 2023 to further solidify its position in the local general insurance industry.

FUTURE OUTLOOK

The future outlook for PI and indeed the entire general insurance industry will depend on the robustness of Sri Lanka's economic recovery and its ability to generate and grow the demand for general insurance products over time. In the meantime, PI will aim to take the lead in increasing insurance penetration in Sri Lanka to provide the impetus for sustained long term growth.

SUBSIDIARY REVIEW

ALLIANCE FINANCE PLC



CONTEXT AND STRATEGY

The year 2023 posed significant challenges for Bangladesh's economy. With disruptions in supply chains precipitated by widespread geopolitical uncertainty coupled with a sharp increase in fuel and commodity prices worldwide causing unprecedented inflationary conditions globally, Bangladesh's long-standing macroeconomic stability, often characterised by robust growth, modest inflation rates, and a resilient external sector, visibly weakened in 2023. With these challenges affecting most sectors of the economy, the year 2023 was labelled as one of the most onerous periods in the Country's recent history.

Aiming to succeed despite the odds, Alliance Finance PLC - Bangladesh (AFPLC) adopted a cautious approach to business growth underscored by focused recovery efforts aimed at maintaining the Company's historically low NPL ratio.

Working concurrently to further strengthen the Company's customer outreach, AFPLC's footprint was further expanded with a new booth set up in the Uttara region.

Ongoing efforts to position AFPLC as a fully-fledged financial services institution in Bangladesh saw several improvements to strengthen back-end operational architecture and streamline front-end interfaces throughout the year. In this regard, the core system upgrade undertaken during the year saw the introduction of a new "Treasury Module" along with a few other mandatory modules including the Electronic Dealing System (EDS Money) and Real Time Gross Settlement (RTGS) in compliance with regulatory directives issued by the Bangladesh Bank. To accommodate the enhanced scalability of the business, a secondary disaster recovery site was also established in the latter part of 2023. Concerning improving front-end interfaces, the e-KYC process was rolled out to support digital customer onboarding for deposit clients.

BUSINESS PERFORMANCE

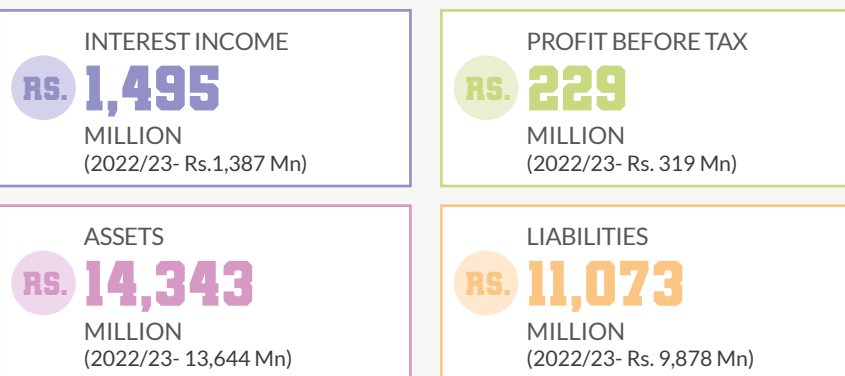
Testifying to the success of the AFPLC's prudent lending approaches, the Company succeeded in restricting NPLs to 0.27% which is considered one of the best in the NBFIs sector. It is also noteworthy that the low NPL ratio is despite the loan portfolio reporting 35% growth year-on-year.

FUTURE OUTLOOK

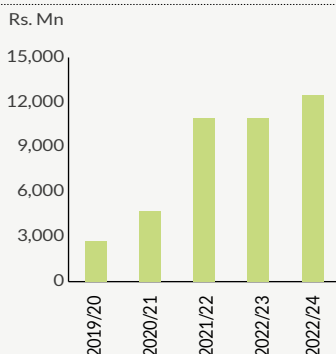
Moving forward, the primary focus will be on bolstering AFPLC's stature as a comprehensive financial institution, providing a wide array of financial solutions. This encompasses expanding services beyond traditional financing and investment options to include wealth management, capital markets participation, merchant banking, advisory services, and obtaining an issue manager license, among others.

As a first step, the Company will aim to establish itself as a key player in the Country's capital markets and systematically pursue further diversification into the Islamic finance sphere. Meanwhile, further consolidating its position and strengthening captive market share attributed to the core business, the Company will look to leverage technology-driven product innovation to gain first mover advantage to cement its leadership status in Bangladesh's emerging fintech space.

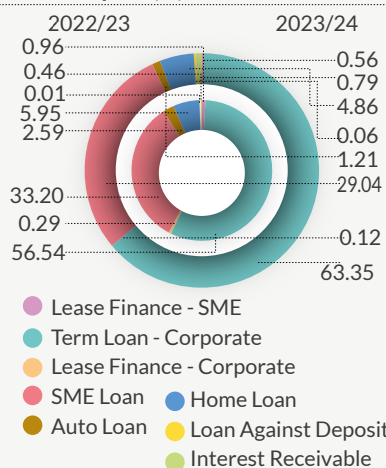
Performance Highlights of 2023/24



Lease and Loans portfolio



Portfolio Split - (%)



SUBSIDIARY REVIEW

PEOPLE'S MICRO-COMMERCE LTD



CONTEXT AND STRATEGY

With muted credit demand against the backdrop of the prolonged economic downturn in the Country as well as the ongoing vehicle import restrictions, adversely affecting the lending operations of People's Micro-Commerce Ltd. (PML) in the first half of the year, the Company resolved to focus on optimal margin management and technology-driven cost efficiencies in order to safeguard the bottom line.

However, with improving economic conditions and low interest rates signalling a more conducive environment for lending, PML seized the opportunity to grow market share in its stronghold markets. Marketing and promotional activities were accelerated. At the same time, a focused approach to diversify the lending mix, saw the launch of two new products - Personal Loans and Education Loans in the latter part of 2023.

The Company's advisory services and financial literacy training activities were also further strengthened to help both existing and new customers to acquire the skills, knowledge and financial discipline for sustained business growth.

Another notable development was the roll out of the "Docubinet System", to expedite checking and approval of customer files, thereby reducing turnaround times and enhancing customer experience.

BUSINESS PERFORMANCE

PML registered robust results for FY 2023/24, marked by 142.26% year on year improvement in new disbursement volumes and a notable improvement in the Company's NPA ratio.

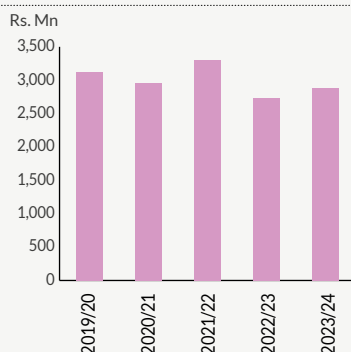
FUTURE OUTLOOK

As a microfinance company, PML will make substantial contributions to economic empowerment and productive employment by enhancing access to financial services, fostering entrepreneurship, mitigating poverty, facilitating skill development, promoting women's empowerment, and catalysing rural development.

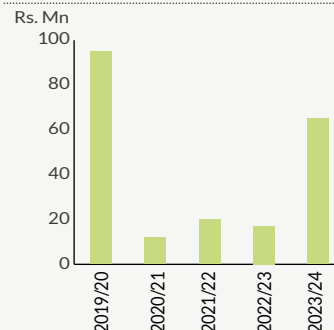
Performance Highlights of 2023/24

<p>INTEREST INCOME</p> <p>RS. 884</p> <p>MILLION</p> <p>(2022/23 - Rs. 765 Mn)</p>	<p>PROFIT BEFORE TAX</p> <p>RS. 198</p> <p>MILLION</p> <p>(2022/23 - Rs. 77 Mn)</p>
<p>ASSETS</p> <p>RS. 2,949</p> <p>MILLION</p> <p>(2022/23 - 2,621 Mn)</p>	<p>TOTAL PORTFOLIO</p> <p>RS. 2,883</p> <p>MILLION</p> <p>(2022/23 - Rs. 2,728 Mn)</p>

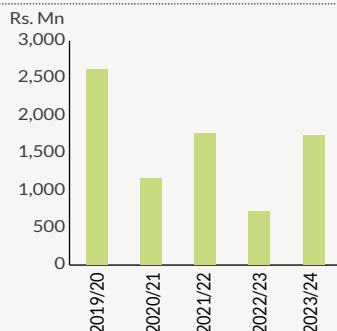
Total Portfolio



Loan Portfolio



New Disbursements



SUBSIDIARY REVIEW

PEOPLE'S LEASING PROPERTY DEVELOPMENT LIMITED



CONTEXT AND STRATEGY

People's Leasing Property Development Limited which was set up for the purpose of carrying out property development and facilities management activities, made good headway in the current financial year.

Nevertheless, noticeable increases in operational and maintenance expenses were observed due to inflationary conditions. Finance costs also experienced a notable rise in the first half of the year, and this momentum persisted throughout the year due to fixed interest rates borrowings.

During the year, the Company successfully obtained the solid waste management certificate from the Colombo Municipal Council to support an orderly solid waste management system, marking an important milestone in efforts to implement ESG best practices.

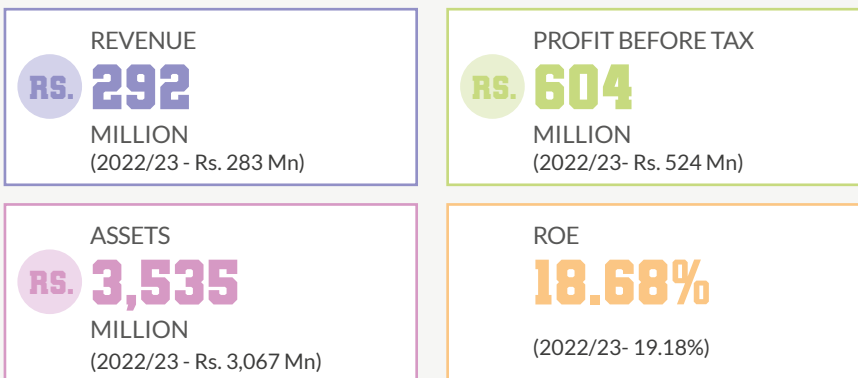
BUSINESS PERFORMANCE

The company experienced an increase in profitability in the financial year 2023/24 compared to the financial year 2022/23, which amounted to Rs. 471.60 million inclusively Rs. 360 million fair value gain which net of taxes.

FUTURE OUTLOOK

Going forward, People's Leasing Property Development Limited will strive to further expand corporate green initiatives specifically to focus on energy saving activities that will contribute towards reducing the environmental footprint and also result in sustained cost advantages.

Performance Highlights of 2023/24



SUBSIDIARY REVIEW

PEOPLE'S LEASING HAVELOCK PROPERTIES LIMITED



CONTEXT AND STRATEGY

People's Leasing Havelock Properties Limited takes pride in owning and overseeing a distinguished 12-story commercial office building nestled in the vibrant heart of Colombo.

The occupants of the building are affiliated with the People's Bank and People's Leasing Group, bound by contracts on average minimum of seven years. Despite economic slowdown challenges, the company effectively navigated these circumstances by previously securing lease agreements. Furthermore, it successfully renegotiated leases with tenants, resulting in increased monthly rentals and safeguarding revenue streams. Additionally, the company capitalised on opportunities by generating supplementary income through renting out the building's rooftop for events.

Meanwhile, operational costs increased significantly in the year under review owing to inflation-induced cost pressures. In response to cost escalation, energy saving strategies were promoted for the building and low energy consuming electric bulbs and other equipment were replaced. However cost increases were largely offset by lower finance costs resulting from the beneficial impact of declining interest rates from mid-2023 onwards.

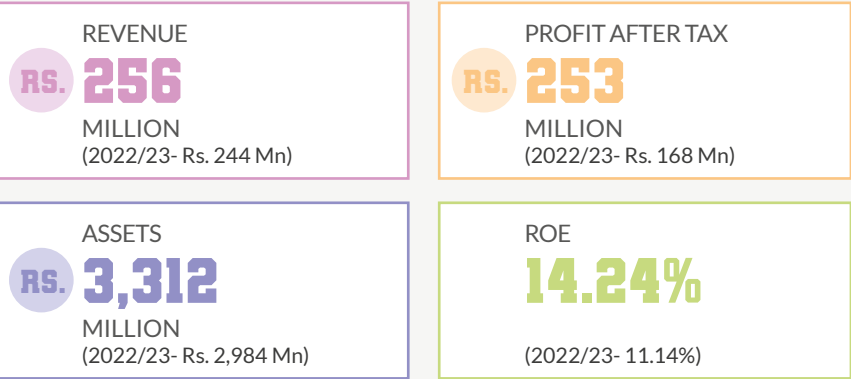
BUSINESS PERFORMANCE

The company experienced an increase in profitability in the financial year 2023/24 compared to the financial year 2022/23, which amounted to Rs. 253.37 million inclusively Rs. 240 million fair value gain which net of taxes.

FUTURE OUTLOOK

The Company is currently exploring various profitable ventures which enhance returns for the People's Leasing Group.

Performance Highlights of 2023/24



SUBSIDIARY REVIEW

PEOPLE'S LEASING FLEET MANAGEMENT LIMITED



CONTEXT AND STRATEGY

People's Leasing Fleet Management Limited specialises in, valuation and insurance claim assessments. Given that its vehicle Valuation operation relies mainly on the market demand for vehicles, the Company's performance and prospects in recent years has been adversely affected by the restriction on vehicle imports that was introduced by the government at the onset of the COVID-19 pandemic in 2020 and continues to remain in effect to date.

Considering the daunting challenges encountered in the immediate past, a broad based restructuring programme was undertaken in the current financial year, to right-size the organisation and improve its readiness for the future. As part of this endeavour, a strategic decision was made to divest the vehicle hiring business in 2023. In parallel various cost saving initiatives were also implemented to spearhead the transition into a leaner and fitter business model.

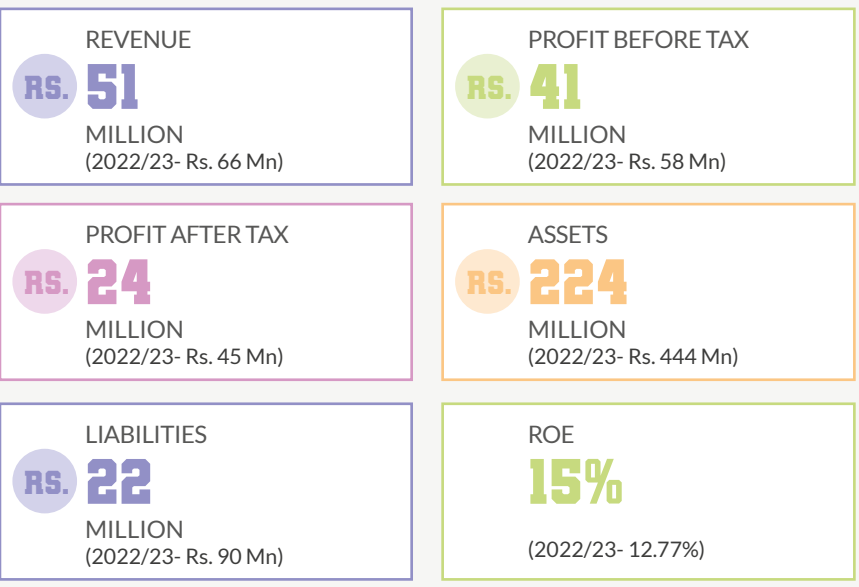
BUSINESS PERFORMANCE

The valuation income reflected a significant improvement in the financial year, escalating to Rs. 82.87 million in 2023/24 from Rs. 37.13 million in 2022/23. However, the profit for the financial year 2023/24 experienced a decline compared to 2022/23, amounted to Rs. 31.17 million. This decline primarily reflects the disposable profit recorded in the financial year 2022/23 in contrast to 2023/24.

FUTURE OUTLOOK

The company is prioritising the integration of advanced technologies into its existing operations. Furthermore, there is a deliberate focus on transitioning towards business operations characterised by variable costs, departing from the traditional fixed cost-based structure.

Performance Highlights of 2023/24



FINANCIAL CAPITAL

The returns from investment are many; chief among them is the satisfaction of knowing that success is at hand.

RETURN ON ASSETS (ROA)

3.25%

NET INTEREST MARGIN (NIM)

7.69%

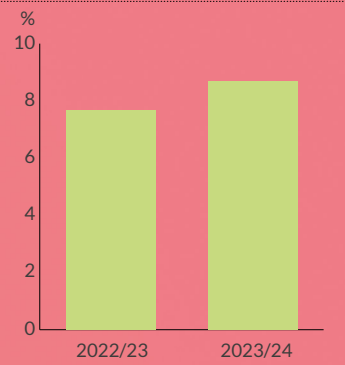


PROFIT AFTER TAX (PAT)

RS. 3,540.50 Mn.






ROE



FINANCIAL CAPITAL

VALUE CREATION HIGHLIGHTS

MATERIAL THEMES

-  Geopolitical and socio economic uncertainty
-  Business model flexibility in an environment that is continually changing
-  Developing sustainable ecosystems to support sustained wealth creation regardless of headwinds

KEY PRIORITY
Consistent Profitability

VALUE DRIVERS

- » Income Growth
- » Cost Efficiency
- » Credit Quality Management
- » Tax Policy

KEY PRIORITY
Right-Sizing of the Balance Sheet to support Financial Stability

VALUE DRIVERS

- » Stable Asset Growth
- » Prudent Management of Liabilities

KEY PRIORITY
Strategic Management of Capital and Liquidity

VALUE DRIVERS

- » Stated Capital
- » Cash Flow Position







KEY PRIORITY
Sustainable wealth Creation for Investors

VALUE DRIVERS

- » Dividend
- » Value to Investors

STAKEHOLDER OUTCOMES - DIRECT IMPACT

VALUE ENHANCED / PRESERVED

-  **17.33%**
year on year increase in profitability
-  **303.31%**
year on year reduction in impairment charges
-  **189.41%**
year on year increase in business volumes
-  **5.11%**
year on year increase in total equity
-  **30.00%**
Core capital ratio
-  **29.70%**
Total capital ratio

VALUE ERODED

-  **6.56%**
year on year decrease in total assets
-  **9.30%**
year on year decrease in lending portfolio



STAKEHOLDER OUTCOMES - INDIRECT IMPACT

1 EMPLOYEES

Financial stability of the Company ensures a safe working environment for employees

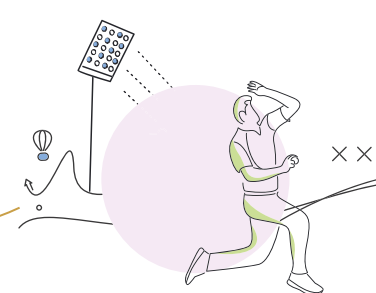
2 REGULATORS

Contribution towards the stability of the Country's financial sector

3 COMMUNITY

Improved financial access through formal channels

+ Value Enhanced = Value Preserved - Value Eroded



ESG Impact and Contribution to SDG's



- » 1.4 - By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- » 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.



- » 8.3 - Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- » 8.10 - Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- » 16.6 - Develop effective, accountable and transparent institutions at all levels



FUTURE TARGETS

SHORT TERM

- » Achieve year-on-year profit growth over 20%
- » Achieve over 40% growth in loans and advances portfolio
- » Intensify focus on short-term lending products to navigate interest rate volatility
- » Shift from short-term investments to long-term lending

MEDIUM TERM

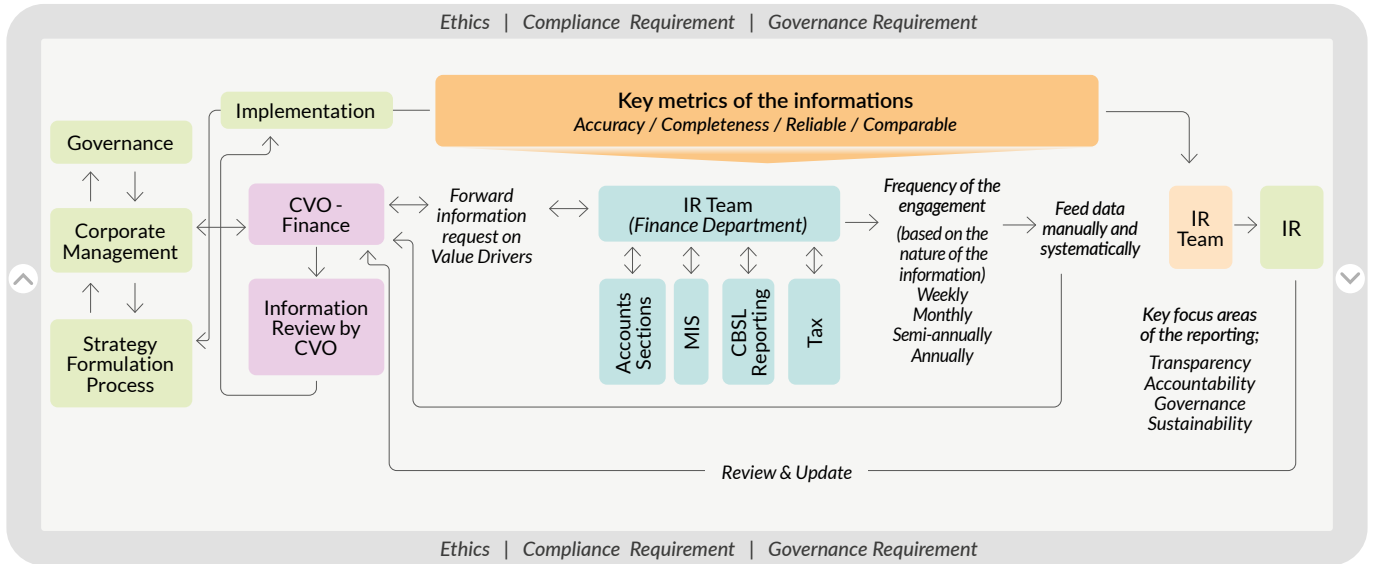
- » Enhance operational efficiency to consistently reduce the cost-to-income ratio
- » Enhance the funding mix by reducing reliance on a single source
- » Achieve a year-on-year growth over 25% in profit after tax

LONG TERM

- » Reduce cost to income ratio below 40%
- » Achieve over 50% growth in ROE

FINANCIAL CAPITAL

Information captured in this Financial Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Financial Capital section.



CONSISTENT PROFITABILITY

The overall profitability of the Company and the Group showed a significant improvement during the financial year 2023/24. The Company achieved a Profit After Tax (PAT) of Rs. 3,540.50 million, while the Group PAT reached Rs. 4,197.43 million, compared to Rs. 3,017.64 million and Rs. 3,441.70 million, respectively, reported FY 2022/23.

Income Growth

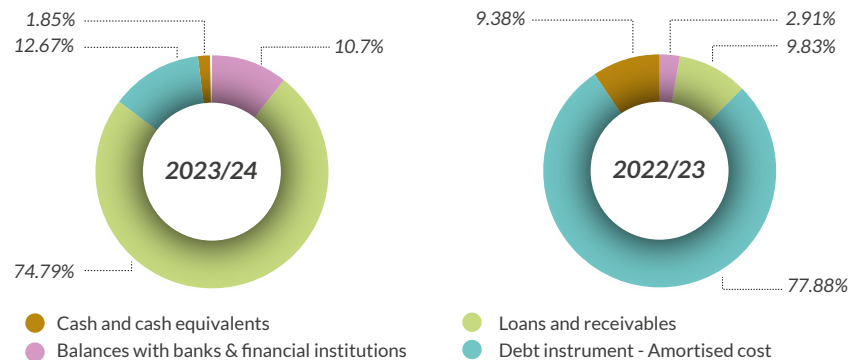
Net Interest Income (NII), is the primary source of income for People’s Leasing, as it serves as a key performance metric for the Company. NII represents the difference between the income generated from interest-earning assets and the interest paid on interest-bearing liabilities.

Interest Income:

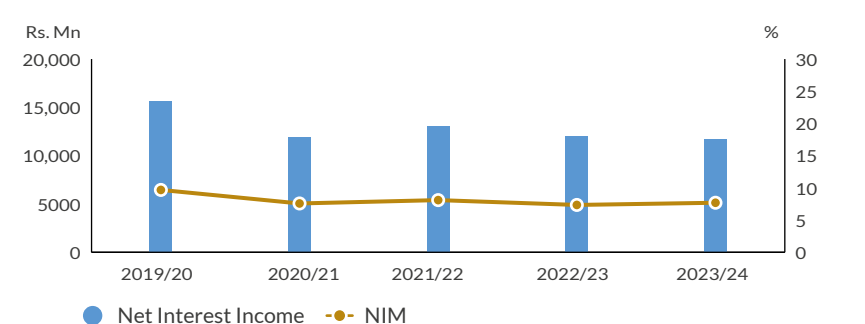
Interest income is derived from the company’s core activities, including loan and lease disbursements, investments in government securities, and placements with banks and other financial institutions. In FY 2023/24, interest income experienced a marginal decline of 4.45% year-on-year, mainly due to reduced interest income from loans and receivables, resulting from a strategic decision to curtail lending with long-term maturities, particularly during the first half of the financial year. Nonetheless, loans and receivables remained the main contributor to interest income, accounting for 74.79% of the total. This was followed by interest income from debt instruments and balances with banks and financial institutions. Interest income from debt instruments-amortised cost such as Treasury Bills indicated a significant year-on-year improvement of 29.02%.

The Group’s interest income also followed a similar pattern to the Company, experiencing a modest decline of 3.56% compared to the previous year.

Composition of interest income



NII and NIM

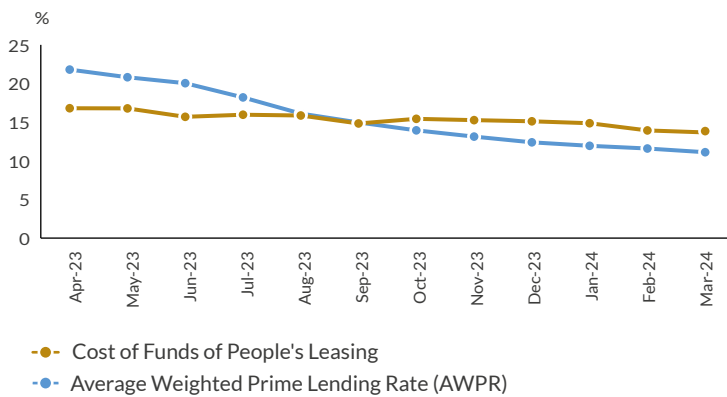


Interest Expense:

The interest expense of People's Leasing primarily consists of interest paid on deposits and debt funding, including short- and long-term bank borrowings and various issued debt securities such as securitisations, debentures, and commercial papers.

Although the interest paid on deposits showed a slight increase compared to the previous year, the interest expense on debt securities and bank borrowings notably decreased, reflecting the reduction in policy interest rates compared to the previous financial year. Consequently at Rs. 17,200.89 million, interest expenses for FY 2023/24 was well below budget, while also marking a year-on-year decline of 5.53%

Cost of Funds Vs AWPR



1.3 Net Interest Margin (NIM)

The decline in interest expense outpaced the decrease in interest income, resulting in a slight improvement in the Company's Net Interest Margin, which increased to 7.69% from 7.35% in the previous financial year. Due to the same reason NIM of the Group also increased to 8.03% in current financial year from 7.61% in financial year 2022/23.

COST EFFICIENCY

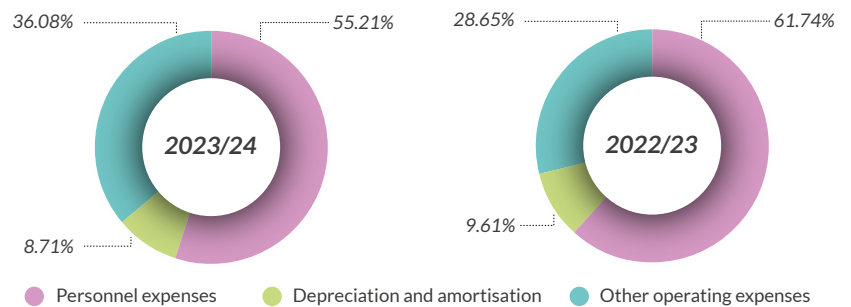
Operating Expenses

Operating expenses include personnel expenses, depreciation and amortisation and other operating expenses, incurred for the purpose of generating current and future income

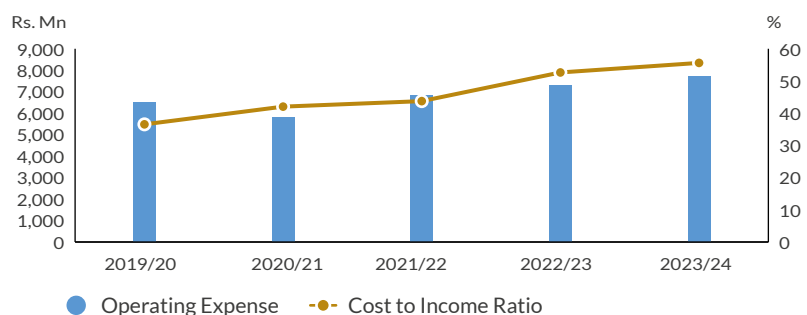
In the year under review, the Company focused on cost efficiency over expansion of operations to minimise expenses under an inflationary environment. Prudent management of operating expenses enabled the Company and the Group to restrict growth of overall operating expenses to 5.85% and 0.25% respectively compared to the previous year. Despite of the salary increments granted during the year under review Personnel expense which accounts for 55.21% of the total operating expense indicated a notable year-on-year decrease of 5.36% thanks to cautious reassessment of staff requirement to limit recruitments.

Given to the decline in total operating income the cost to income ratio of the Company for the financial year increased to 55.61% compared to 52.64% in financial year 2022/23. However, impairment adjusted cost to income ratio of People's Leasing reduced to 51.33% as against the industry average ratio of 52.8% for the year ended 31 March 2024.

Composition of Operating Expenses



Operating Expenses Vs Cost to income ratio



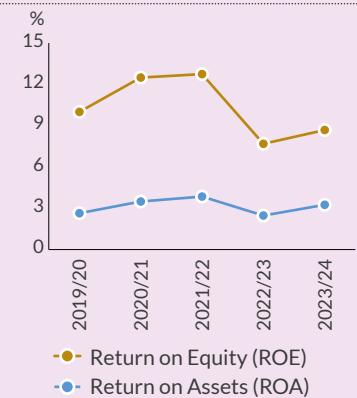
RETURN ON ASSETS (ROA) AND RETURN ON EQUITY (ROE)

Driven by improved profitability, People's Leasing's ROA increased from 2.47% in the financial year 2022/23 to 3.25% in 2023/24, while the ROE rose from 7.68% to 8.68% over the same period.

Similarly, the People's Leasing Group also saw enhanced performance, with its ROA rising from 2.66% in 2022/23 to 3.39% in 2023/24, and its ROE improving from 7.95% to 8.75%.

Profitability ratio line graph for five years – Graph 8

ROA and ROE



FINANCIAL CAPITAL

CREDIT QUALITY MANAGEMENT

Impairment Charges for Loans and Receivables

Impairment charges represent funds set aside for potential losses that may have to be incurred by the Company when borrowers do not honour their repayment commitments as agreed.

The Company's strategic focus on recoveries led to a cumulative collection ratio of 100.34% for the year, enabling People's Leasing to record a substantial reversal in impairment charges for loans and receivables, amounting to Rs. 1,155.78 million during the year under review, compared to a charge of Rs. 568.49 million in the financial year 2022/23.

However, due to a contraction in overall lending portfolio of the Company during the financial year total Non-performing advances ratio increased to 15.24% by March 2024 compared to 14.25% in March 2023. Despite this, the overall non-performing advances portfolio reduced to Rs. 17,544.36 million at the end of the financial year, compared to Rs. 18,086.12 million portfolio as at 31 March 2023.

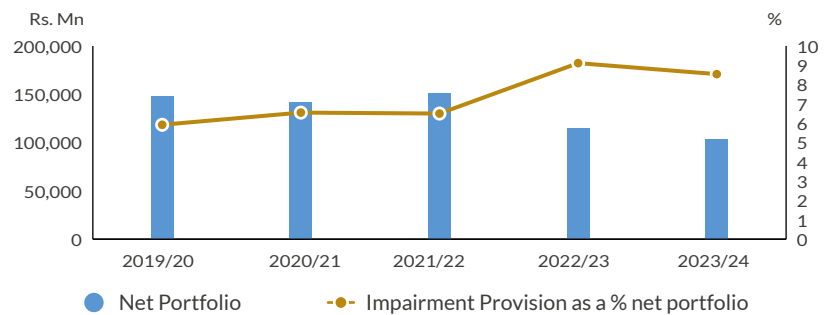
TAX POLICY

People's Leasing maintains a robust and transparent tax policy, based on proactive tax planning encompasses comprehensive consideration of all relevant tax frameworks, with a focus on timely payment of all applicable taxes.

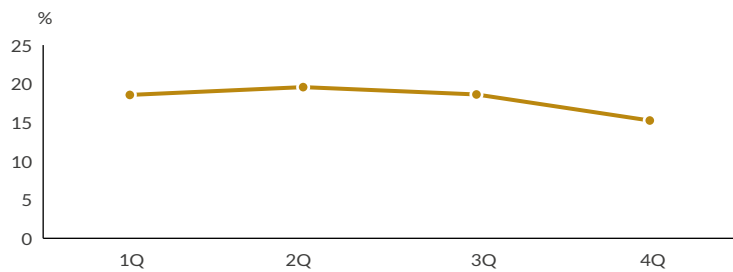
Tax Expenses

Profit earned during the year was subjected to income tax at the rate of 30% whilst financial services were subjected to an 18% VAT rate and a Social Security Contribution Levy (SSCL) of 2.5% for the financial year 2023/24.

Impairment Provision as a % Net Portfolio



Quarterly Non-performing Advances Ratio



Rs. Million	Tax on Financial Services	Income Tax	Total Taxation
Company	1,920.92	1,835.44	3,756.36
Group	1,996.43	2,231.79	4,228.22

RIGHT-SIZING OF THE BALANCE SHEET TO SUPPORT FINANCIAL STABILITY

Aiming to right-size its balance sheet to support financial stability People’s Leasing maintains a disciplined approach manage assets and liabilities, by aligning the balance sheet with long-term strategic goals.

STABLE ASSET GROWTH

Total Assets

In response to the measures taken to right-size the balance sheet amid a challenging business environment, both the Company and the Group experienced a decline in total assets. As of 31 March 2024, the Company’s total assets stood at Rs. 159,852.09 million, and the Group’s at Rs. 185,257.87 million, compared to Rs. 171,073.16 million and Rs. 194,376.87 million, respectively, as of 31 March 2023.

Interest-earning assets, which constitute nearly 90% of the total assets for both the Company and the Group, reflected a year-on-year decline of 9.07% and 6.89%, respectively. This decrease was primarily due to the Company’s strategy to reduce long-term lending, particularly during the first half of the financial year 2023/24.

However, a notable expansion in the total asset base was seen in the last quarter of the financial year, on the back of the Company’s aggressive capping to grow business volumes.

As of 31 March 2024, People’s Leasing held a market share of 9.08% in terms of asset base.

Total Assets - Company and Group



Loans and Receivables

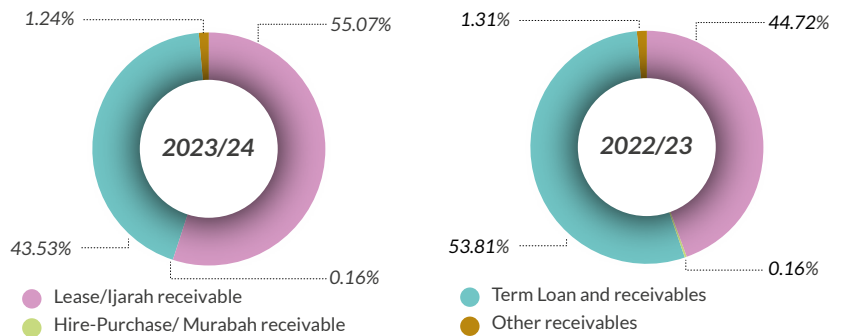
Loans and receivables portfolio of People’s Leasing represents the largest asset category in the Company’s balance sheet and generates the highest income in the form of interest income. Within the total lending portfolio, the lease and hire purchase portfolio, including Ijarah and Murabaha receivables, accounted to 55.23%, while loans and other receivables made up 44.77%.

Business volumes for the Company picked up during the second half of the financial year 2023/24, resulting in a notable improvement in the lease/Ijarah portfolio, which reached Rs. 61,953.26 million by year-end. However, due to a strategic focus on enhancing the leasing portfolio and improving portfolio quality, the term loans and receivables portfolio saw a year-on-year decline of 27.00%.

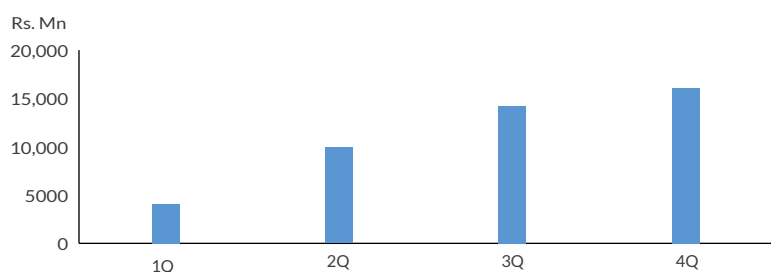
Gold loans, the emerging product in the lending portfolio of the Company touched Rs. 10 billion mark and reached to Rs. 10,957.79 million by the financial year end with a year-on-year improvement of 19.17%.

The Group’s total loans and receivables portfolio also mirrored the Company’s trend, experiencing a year-on-year decline of 6.75%.

Composition of Loans & Receivables



Business Volumes - Quarterly Basis



Other Interest Earning Assets/Investments

The decline in interest rates led to a significant decrease in the Company’s investments in banks and financial institutions. This decrease outpaced the 68.50% year-on-year increase in debt instruments, including investments in Treasury Bills and Bonds at amortised cost, resulting in an overall year-on-year decline of 8.49% in other interest-earning assets.

FINANCIAL CAPITAL

PRUDENT MANAGEMENT OF LIABILITIES

Interest bearing Liabilities

Interest-bearing liabilities, which include amounts due to banks, customers, and debt securities issued, represent 93.82% and 89.83% of the total liabilities for the Company and the Group, respectively. During the financial year 2023/24, the Company's emphasis on managing funding requirements through improved collections led to a year-on-year decline of 11.67% in its interest-bearing liabilities.

The deposit base of both the Company and the Group showed a slight decrease of 3.46% and 3.83%, respectively, as of 31 March 2024, compared to 31 March 2023. This decline is primarily due to the reduction in interest rates, in line with the policy rate cuts by the CBSL.

STRATEGIC MANAGEMENT OF CAPITAL AND LIQUIDITY

Ensuring capital adequacy and maintaining a strong liquidity position were primary objectives for People's Leasing during the financial year 2023/24. As a result, the Company's capital adequacy ratios saw improvements throughout the year, aligned with the growth in retained earnings, positioning it significantly ahead of industry average ratios as of the end of March 2024.

Moreover, in compliance with the CBSL Direction on Liquid Assets and in response to the challenges posed by the business context, People's Leasing prudently managed its liquidity, maintaining Rs. 41,679 million in liquid assets as of 31 March 2024 as against required liquid assets of Rs. 11,107 million.

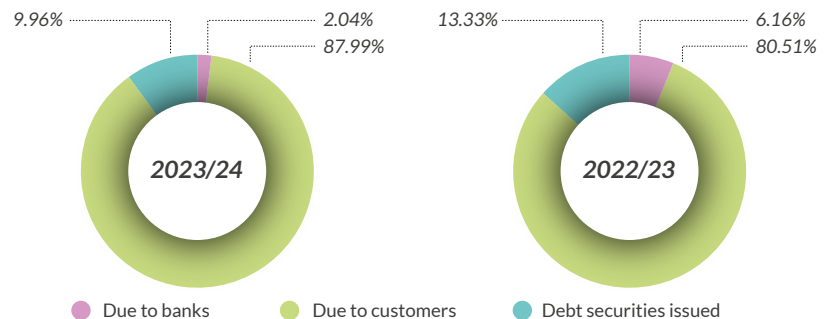
STATED CAPITAL

People's Leasing demonstrates a robust financial position with equity totalling Rs. 41,826.14 million, composed of Rs. 19,230.48 million in stated capital and Rs. 19,884.83 million in retained earnings. The Group's total equity for the financial year ending on 31 March 2024 reached Rs. 49,145.83 million. With the second interim dividend for the financial year 2023/24 paid in January 2024 in the form of a scrip dividend, both the Company and the Group witnessed an increase of Rs. 1,214.92 million in stated capital compared to the previous financial year.

CASH FLOW POSITION

Cash and Cash Equivalents of the Company and the Group increased to Rs. 9,728.13

Composition of Interest Bearing Liabilities



	2023/24	2022/23
Tier 1/ Core Capital Ratio (%)	30.00	25.76
Total Capital Ratio/Total Risk Weighted Capital Ratio (%)	29.70	26.61
Regulated Liquid Assets to Total Assets Ratio (%)	26.07	26.60

million and Rs. 10,636.51 million respectively as of 31 March 2024, up from Rs. 5,844.80 million and Rs. 6,316.00 million as of 31 March 2023. This increase is primarily attributed to net cash generated from operating activities, which amounted to Rs. 18,010.91 million for the Company and Rs. 17,290.16 million for the Group. For the Company, net cash generated from investing activities totalled Rs. 36.83 million, while net cash used in financing activities amounted to Rs. 14,419.43 million.

SUSTAINED WEALTH CREATION FOR INVESTORS

People's Leasing is committed to sustained wealth creation for its investors by integrating financial performance with sustainable and ethical practices. This approach involves long-term value generation through strategic investments, prudent risk management, and continuous innovation, coupled with the commitment good governance to build trust and confidence among its investors.

DIVIDEND PAYMENTS

The Company paid the first interim dividend for the financial year 2023/24 amounting to Rs. 0.70 per Ordinary share in the form of a cash dividend in August 2023 while the second interim dividend of Rs. 0.70 per share was disbursed in the form of a Scrip dividend in January 2024. Accordingly, a total of Rs.

2,858.64 million was paid as dividend for the financial year 2023/24 resulting a dividend payout ratio of 80.74%.

VALUE TO INVESTORS

Investors serve as the lifeblood of any organisation, providing essential financial capital, industry knowledge, and facilitating networking and collaborative opportunities. Their contributions play a vital role in fostering growth and sustainability within institutions.

People's Leasing & Finance PLC, recognises the symbiotic relationship between the Company and its investors / shareholders and works continually to strengthen these bonds going beyond financial returns to encompass transparent operations, effective communication, and fair treatment of investors.

As articulated by its theme, the 'Value to Investors' supplement serves as a testament to People's Leasing's dedication to fostering effective engagement and providing transparent and accurate information to its investors. Accordingly, this section encompasses a variety of supplemental statistics and information that may prove valuable to the company's stakeholders.

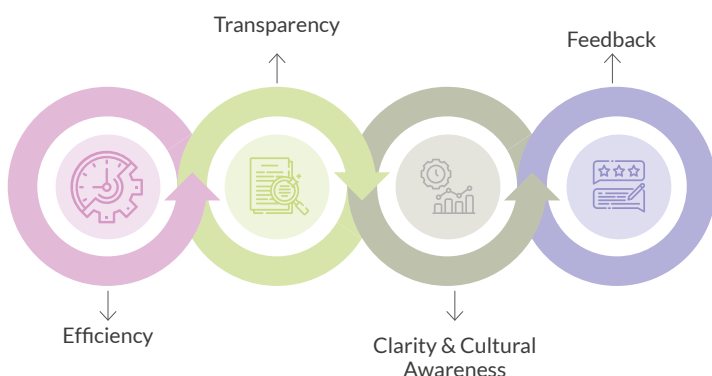
Considering regular and consistent interaction with the Company's investors as both a best practice and a responsibility, People's Leasing extends its efforts beyond mere financial reporting to cultivate proactive communication, feedback mechanisms, and timely responses to investor inquiries via various platforms.

Medium	Recurrence
Interim Financial Statements	Quarterly
Interim Paper Publications	Semi-annually
Annual General Meeting	Annually
Annual Report	Annually
Corporate Disclosure to CSE	As required
Updates on Investor	As required
Press Releases	As required

The company confirms that all aforementioned disclosures and communication were conducted in conformance to all compliance obligations and the principles set out under the organisational Communication Policy.



Fundamental Principles of the Communication Policy at People’s Leasing & Finance PLC



The Company pays close attention to continuous improvement to further refine its strategy for investor engagement to eventually enhance the value to its investors.

ANALYSING THE GLOBAL AND LOCAL EQUITY MARKETS - 2023

The Performance of Global Equity Markets

In 2023, global equity markets demonstrated resilience and adaptability amidst a backdrop of evolving economic dynamics and geopolitical uncertainties. Overall, the performance was characterised by a mix of highs and lows, influenced by factors such as monetary policy shifts, trade tensions, and technological advancements. While certain sectors, particularly technology and healthcare, experienced robust growth driven by innovation and digital transformation, others faced challenges amid supply chain disruptions and inflationary pressures.

All key equity markets in the world had closed out the year by providing returns in the double digits to their investors. The two major indexes of USA; the Dow Jones and the Nasdaq recorded jumps of 13.7% and 43.4% respectively.

While the British FTSE100 had zoomed by 3.8%, Germany’s DAX and the French CAC recorded an increase of 20.3% and 16.5% respectively, substantiating the positive effect of 2023 in the European continent.

However in the Asian region, while two of its major indices; the Straits Times index of Singapore and the Shanghai Composite Index based in China had declined by a 0.3% and 3.7% respectively, the Japanese Nikkei index had surged by a 28.2%, along with India’s BSE Sensex by an 18.7%.

FINANCIAL CAPITAL

The Performance of Local Equity Markets

In contrast to the restrained performance documented by the local equity market during 2022, the year 2023 saw the local equity market demonstrating a mixed performance with regard to key metrics comprising of price indices, market capitalization, and the daily turnover.

Both All-Share Price Index (ASPI) along with the Standard & Poor's Sri Lanka 20 (S&P SL 20) can be said to have succeeded in maintaining a positive rhythm throughout the entire year, with the ASPI expanding by a 24.9% and the latter by 15.7%. In 2023, the market capitalisation recorded a surge of 24.9% culminating at Rs. 4,233 billion upon the conclusion of the year, while the Colombo Stock Exchange documented a 43% decline resulting in an average daily turnover of Rs. 1,696 million as opposed to the preceding year's Rs. 2,972 million.

PERFORMANCE OF THE PEOPLE'S LEASING & FINANCE SHARE

PLC Share (PLC.N0000)	
Type of instrument	Quoted Ordinary Shares
Stock exchange listed	Colombo Stock Exchange (CSE)

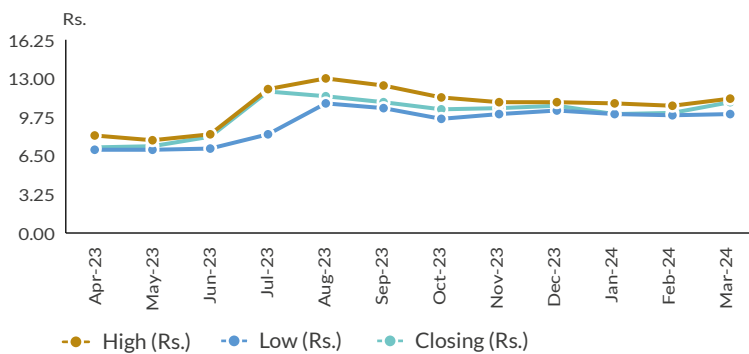
The People's Leasing share which registered its lowest price; Rs. 7.00 during two of the initial months; April and May of the 2023/24 financial year picked up later in the year to Rs. 13.00 in the August of 2023, marking the highest trading prices for the current financial year, before eventually closing at a price of Rs. 11.00 on the 31 March 2024. Comparatively the closing price of the People's Leasing share for 31 March 2023 was of Rs. 7.90.

SHARE INFORMATION

Share Capital

	2024		2023	
	Number	Rs. '000	Number	Rs. '000
Balance as at 1 April	2,041,883,116	18,015,559	1,887,195,002	17,071,961
Scrip Dividend	112,492,634	1,214,920	154,688,114	943,598
Balance as at 31 March	2,154,375,750	19,230,479	2,041,883,116	18,015,559

Share Price Movement



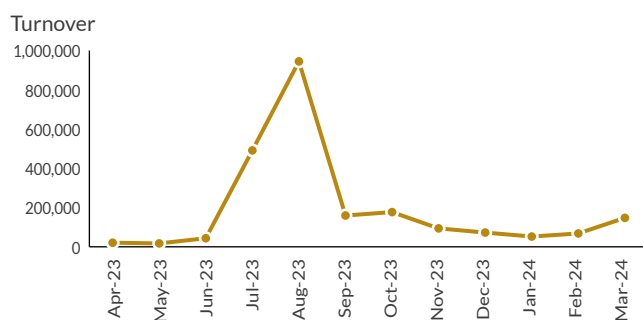
Information on the movement of shares represented by Stated Capital

Year ended	No. of Shares at the Beginning of the Financial Year		Addition/(redemption) of Shares during the Financial Year		Cumulative Shares at the end of the Financial Year		Issued Capital at the end of the Financial Year (Rs.)
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares	
1995/96	2	-	-	-	2	-	20
1996/97	2	-	-	-	2	-	20
1997/98	2	-	2,500,000	-	2,500,002	-	25,000,020
1998/99	2,500,002	-	-	-	2,500,002	-	25,000,020
1999/00	2,500,002	-	1,500,000	-	4,000,002	-	40,000,020
2000/01	4,000,002	-	2,000,006	-	6,000,008	-	60,000,080
2001/02	6,000,008	-	4,000,000	-	10,000,008	-	100,000,080
2002/03	10,000,008	-	-	-	10,000,008	-	100,000,080
2003/04	10,000,008	-	10,000,000	50,000,000	20,000,008	50,000,000	700,000,080
2004/05	20,000,008	50,000,000	-	-	20,000,008	50,000,000	700,000,080
2005/06	20,000,008	50,000,000	30,000,000	-	50,000,008	50,000,000	1,000,000,080
2006/07	50,000,008	50,000,000	-	(5,000,000)	50,000,008	45,000,000	950,000,080
2007/08	50,000,008	45,000,000	-	(10,000,000)	50,000,008	35,000,000	850,000,080
2008/09	50,000,008	35,000,000	-	(10,000,000)	50,000,008	125,000,000	1,850,000,080
2009/10	50,000,008	125,000,000	-	(10,000,000)	50,000,008	115,000,000	1,850,000,080
2010/11	50,000,008	115,000,000	-	(10,000,000)	50,000,008	105,000,000	1,850,000,080
2011/12	50,000,008	105,000,000	1,510,000,152	(15,000,000)	1,560,000,160	90,000,000	12,958,000,800
2012/13	1,560,000,160	90,000,000	-	(20,000,000)	1,560,000,160	70,000,000	12,736,073,308
2013/14	1,560,000,160	70,000,000	19,862,322	(20,000,000)	1,579,862,482	50,000,000	12,736,073,308
2014/15	1,579,862,482	50,000,000	-	(20,000,000)	1,579,862,482	30,000,000	12,936,073,308
2015/16	1,579,862,482	30,000,000	-	(20,000,000)	1,579,862,482	10,000,000	13,136,073,308
2016/17	1,579,862,482	10,000,000	-	(10,000,000)	1,579,862,482	-	13,236,073,308
2017/18	1,579,862,482	-	-	-	1,579,862,482	-	13,236,073,308
2018/19	1,579,862,482	-	-	-	1,579,862,482	-	13,236,073,308
2019/20	1,579,862,482	-	47,840,906	-	1,627,703,388	-	13,915,414,175
2020/21	1,627,703,388	-	76,899,372	-	1,704,602,760	-	14,892,036,208
2021/22	1,704,602,760	-	182,592,242	-	1,887,195,002	-	17,071,960,891
2022/23	1,887,195,002	-	154,688,114	-	2,041,883,116	-	18,015,558,392
2023/24	2,041,883,116	-	112,492,634	-	2,154,375,750	-	19,230,478,846

Share Trading Turnover of People's Leasing & Finance PLC

While the share trading turnover of the Company has fluctuated throughout the financial year 2023/24, the highest turnover was recorded in August of 2023; Rs. 944.65 million. The lowest turnover which is a value of Rs. 17.21 million, had been documented during the May of 2023.

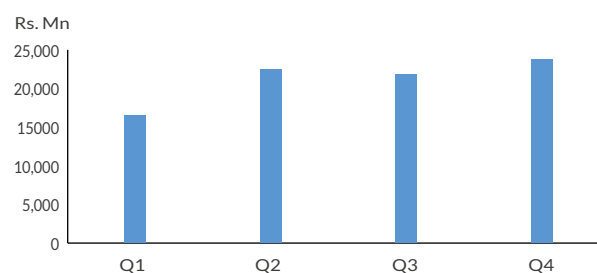
Share Trading Turnover



Market Capitalisation of People's Leasing & Finance PLC

The Company's market capitalisation as at the 31 March 2024 surmounted to a value of Rs. 23.70 billion; a 46.93% increment from the Rs. 16.13 billion recorded on 31 March 2023.

Market Capitalization



FINANCIAL CAPITAL

Profile of Ordinary Shareholders

	2023/24	Q4	Q3	Q2	Q1	2022/23
Share price (Rs.)						
Highest	13.00	11.30	11.40	13.00	8.30	9.30
Lowest	7.00	9.90	9.60	8.30	7.00	4.90
Closing	11.00	11.00	10.70	11.00	8.10	7.90
Number of transactions	21,035	2,731	2,695	13,157	2,452	19,493
Number of shares traded (million)	209.19	25.34	32.73	140.67	10.45	103.99
PLC Turnover (Rs million)	2,287.64	267.56	343.11	1,595.28	81.70	689.59
PLC turnover to total market turnover (%)	0.61	0.32	0.52	0.95	0.14	0.14
Number of days traded	238	58	63	60	57	235
Average daily turnover (Rs million)	9.61	4.61	5.45	26.59	1.43	2.93
Market capitalisation - CSE (MC) (Rs billion)	4,534.65	4,534.65	4,248.93	4,537.14	3,901.28	3,903.53
Market capitalisation - PLC(MC)(Rs billion)	23.70	23.70	21.85	22.46	16.54	16.13
PLC MC to CSE MC (%)	0.52	0.52	0.51	0.50	0.42	0.41
Market turnover- Rs million	376,004	82,617	65,942	168,749	58,696	500,918

Public Float

Abiding by the option No. 03 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange on the minimum public holding requirement, People's Leasing recorded a public holding percentage of 24.98% and a float adjusted market capitalisation of Rs. 5,919.79 million, reflected by 538,233,546 shares and 9,973 shareholders as at the 31 March 2024. These metrics are in comparison to the public float of 24.96%, float adjusted market capitalisation of Rs. 4,026.27 million, 509,648,840 shares, and 10,757 shareholders recorded as at 31 March 2023.

Analysis of the Ordinary Shareholders

Distribution of Ordinary Shareholders

Distribution of Ordinary Shareholders	31-Mar-24				31-Mar-23			
	No. of Shareholders	Shareholder %	No. of Shares	Share %	No. of Shareholders	Shareholder %	No. of Shares	Share %
Less than or equal to 1000	3,161	31.66	803,077	0.05	3,218	29.88	876,342	0.05
1,001 - 10,000	4,925	49.33	15,164,073	0.70	5,401	50.15	16,814,874	0.82
10,001 - 100,000	1,539	15.42	43,350,044	2.01	1,796	16.68	50,302,811	2.46
100,001 - 1,000,000	307	3.08	85,997,384	3.99	313	2.91	84,210,489	4.12
Over 1,000,000	51	0.51	2,009,061,172	93.25	42	0.39	1,889,678,600	92.55
Total	9,983	100.00	2,154,375,750	100.00	10,770	100.00	2,041,883,116	100.00

Composition of Ordinary Shareholders

Composition of Ordinary Shareholders	31-Mar-24				31-Mar-23			
	No. of Shareholders	Shareholder %	No. of Shares	Share %	No. of Shareholders	Shareholder %	No. of Shares	Share %
Resident - Individuals	9,585	96.01	131,805,896	6.12	10,391	96.48	138,605,328	6.79
Resident - Institutions	352	3.53	2,012,073,965	93.39	327	3.04	1,893,401,618	92.73
Non-resident - Individuals	43	0.43	5,627,086	0.26	48	0.45	5,846,233	0.29
Non-resident - Institutions	3	0.03	4,868,803	0.23	4	0.04	4,029,937	0.19
Total	9,983	100.00	2,154,375,750	100.00	10,770	100.00	2,041,883,116	100.00

Twenty Largest Shareholders

No.	Name of the Shareholder	31-Mar-24			31-Mar-23	
		No. of Shares	%		No. of Shares	%
1	People's Bank	1,615,781,805	75.00	No Change	1,531,412,331	75.00
2	Employee's Provident Fund	116,931,207	5.43	No Change	110,825,541	5.43
3	National Savings Bank	59,547,976	2.76	No Change	56,438,626	2.76
4	Rubber Investment Trust Ltd A/C No 01	20,884,428	0.97	1 Position Up	20,372,112	1.00
5	Employees Trust Fund Board	20,273,922	0.94	1 Position Up	19,455,652	0.95
6	J.B. Cocoshell (Pvt) Ltd	18,355,558	0.85	10 Positions Up	3,691,299	0.18
7	Bank Of Ceylon No. 1 Account	15,618,671	0.72	No Change	14,803,129	0.72
8	Perera And Sons Bakers Pvt Limited	14,000,000	0.65	No Change	13,000,000	0.64
9	Ceylon Investment PLC A/C # 02	9,865,504	0.46	No Change	11,446,107	0.56
10	Sri Lanka Insurance Corporation Ltd-General Fund	9,576,844	0.44	No Change	11,215,823	0.55
11	Cargills Bank Limited/ Senthilvel Holdings (Pvt) Ltd	9,173,890	0.43	New Entrant	N/A	
12	Mercantile Investments And Finance PLC	8,029,351	0.37	1 Position Down	7,610,092	0.37
13	Ceylon Guardian Investment Trust PLC A/C # 02	6,285,724	0.29	1 Position Down	6,960,225	0.34
14	DFCC Bank PLC/J N Lanka Holdings Company (Pvt) Ltd	5,803,009	0.27	New Entrant	N/A	
15	Phoenix Ventures Pvt Ltd	5,275,462	0.24	New Entrant	N/A	
16	Hatton National Bank PLC A/C No. 4 (HNB Retirement Pension Fund)	5,138,133	0.24	3 Positions Down	5,147,120	0.25
17	Seylan Bank PLC/JN Lanka Holdings Company (Pvt) Ltd	4,818,210	0.22	New Entrant	N/A	
18	Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd	3,970,700	0.18	3 Positions Down	3,763,367	0.18
19	Mr. M. J. Fernando (Deceased)	3,480,680	0.16	2 Positions Down	3,298,934	0.16
20	Mr. K.D.H. Perera	3,288,890	0.15	1 Position Down	3,117,158	0.15
	Subtotal	1,956,099,964	90.77			
	Other Shareholders	198,275,786	9.23			
	Total	2,154,375,750	100.00		2,041,883,116	100.00

Directors' and CEO's Shareholding (As at 31 March 2024)

Name	Position	Appointed Date / Resigned date	No of shares
MR. M.P. Amirthanayagam	Chairman		13,632
MR. Y. Kanagasabai	Director	Appointed w.e.f 11 August 2023	-
MR. C.J. Wijetillake	Director		5,972
MR. U.L.A.W. Bandara	Director		-
MR. P.D. Samarasinghe	Director	Appointed w.e.f 6 November 2023	-
MR. T.M. Wellalage	Director	Appointed w.e.f 3 October 2023	-
MR. H.I Balapatabendi	Director	Appointed w.e.f 9 November 2023	-
MR. A.M.P.M.B Atapattu	Director	Appointed w.e.f 2 January 2024	-
MR. H.M.U.K Samararatne	Director	Appointed w.e.f 2 January 2024	-
MR. K.C.J.C. Fonseka	Director		66,133
MR. M.A.A. Ahamat	Director		-
Mr. S.J.M.Marcelline	CEO/GM	Resigned w.e.f 1st April 2024	-
Mr. Udesh Gunawardena	Acting CEO	Appointed w.e.f 1st April 2024	-
Total			85,737

FINANCIAL CAPITAL

Directors' and CEO's Shareholding (As at 31 March 2023)

Name	Position	Appointed Date / Resigned date	No of shares
Mr. Sujeewa Rajapakse	Chairman	Resigned w.e.f 12 September 2022	
Mr. M. Pradeep Amirthanayagam	Chairman	Appointed as a Director w.e.f 15 July 2022 Appointed as Chairman w.e.f 12 September 2022	12,921
Mr. Rohan Pathirage	Director		435,630
Mr. K.C.J.C Fonseka	Director		62,680
Mr. C.J Wijetillake	Director		5,661
Mr. U.L.A.W Bandara	Director		
Mr. Azzam A. Ahamat	Director		
Ms. M.C Pietersz	Director		
Mr. Ranjith Kodituwakku	Director	Resigned w.e.f 03 February 2023	
Mr. M.S.H Gunawardana	Director	Appointed w.e.f 28 November 2022 Ceased to be a Director w.e.f 21 March 2023	
Mr. S. J. M Marcelline	CEO/GM		
Total			516,892

Value delivered to Shareholders in 2023/24

Adhering to the uniform dividend policy erected with the aim of deriving satisfactory returns to its shareholders, People's Leasing & Finance PLC declared a gross dividend of Rs. 1.40 per share during the financial year 2023-2024.

	2023/24	2022/23
Earnings per share - Group (Rs.)	1.64	1.40
Dividend per share (Rs.)	1.40	0.50
Dividend payout (%)	80.74	35.71
Dividend yield (%)	12.73	6.33
Dividend cover (times)	1.24	3.20
Net asset value per share (Rs.)	19.41	19.49
Price earning (times)	6.71	5.64
Price to book value (times)	0.57	0.41
Return on equity (%)	8.68	7.68
Earning growth (%)	17.14	(35.18)

Debenture Market Information

During the financial year 2023-2024, the Company did not render any debentures owing to the high interest regime and the uncertainty of the economic environment which existed.

As at 31 March 2024

Type	Type A	Type B	Type C	Type D
Type	Type A	Type B	Type C	Type D
Tenure (Years)	3 years	3 years	5 years	5 years
Issue Date	21-August	21-August	21-August	21-August
Maturity Date	24-August	24-August	26-August	26-August
Interest Rate	Fixed	Zero Coupon	Fixed	Zero Coupon
Coupon Rate (%)	8.00	-	9.00	-
Effective Annual Yield (%)	8.00	8.00	9.00	9.00
Interest Rate Comparable Government Security (%)	6.25	6.25	6.93	6.93
Frequency of Interest Payable	Annual	Maturity	Annual	Maturity
Rating	A+	A+	A+	A+
Amount (Rs. Mn)	2,943	2,420	4,272	365
ISIN No.	LK0399D24847	LK0399D24839	LK0399D24821	LK0399D24854
Market Value (Rs.)				
Highest	Not traded	Not traded	Not traded	Not traded
Lowest	Not traded	Not traded	Not traded	Not traded
Closing	Not traded	Not traded	Not traded	Not traded
Current Yield (%)	8.00	8.00	9.00	9.00
Yield to Maturity (%)	8.00	8.00	9.00	9.00

As at 31 March 2023

Type	Type B	Type A	Type B	Type C	Type D
Tenure (Years)	5 years	3 years	3 years	5 years	5 years
Issue Date	18-April	21-August	21-August	21-August	21-August
Maturity Date	23-April	24-August	24-August	26-August	26-August
Interest Rate	Fixed	Fixed	Zero Coupon	Fixed	Zero Coupon
Coupon Rate (%)	12.80	8.00	-	9.00	-
Effective Annual Yield (%)	12.80	8.00	8.00	9.00	9.00
Interest Rate Comparable Government Security (%)	9.77	6.25	6.25	6.93	6.93
Frequency of Interest Payable	Annual	Annual	Maturity	Annual	Maturity
Rating	A+	A+	A+	A+	A+
Amount (Rs. Mn)	5,295	2,943	2,420	4,272	365
ISIN No.	LKR0399D23989	LK0399D24847	LK0399D24839	LK0399D24821	LK0399D24854
Market Value (Rs.)					
Highest	Not traded	Not traded	Not traded	Not traded	Not traded
Lowest	Not traded	Not traded	Not traded	Not traded	Not traded
Closing	Not traded	Not traded	Not traded	Not traded	Not traded
Current Yield (%)	12.80	8.00	8.00	9.00	9.00
Yield to Maturity (%)	12.80	8.00	8.00	9.00	9.00

Solvency and Debt Capital

	2023/24	2022/23	Change %
Debt to equity ratio excluding deposits (Times)	0.32	0.61	(0.29)
Tier 1 capital/Core capital ratio - %	30.00	25.76	4.24
Total capital ratio/Total risk weighted capital ratio - %	29.70	26.61	3.09
Interest cover (Times)	1.31	1.24	0.07
Current ratio (Times)	1.04	1.17	(0.13)



Current Progress of the Targets set in F/Y 2022/23

Selective lending to minimise credit concentration risk exposure across long term asset positions.	On going
Effective management of asset and liability portfolios to minimise the maturity mismatch	On going
Drive low risk short term products	Completed
Ensure a governance mechanism is in place to enable the introduction of Sustainable Finance activities based on strong risk management principles	Commenced
Pursue revenue diversification opportunities	On going
Safeguard liquidity positions and ensure liquid asset ratio remains above the regulatory requirements during normal and stressed conditions	On going

Capital Trade-offs

Consistent profitability and a stable balance sheet enhances the Company's brand equity



Improved profitability paves the way for CAPEX to strengthen the Company's asset base



Improved profitability facilitates higher benefits for employees and the wider community



MANUFACTURED CAPITAL

As we rise above ground, we rely on the tools of immense value that render themselves towards our prosperity.

55

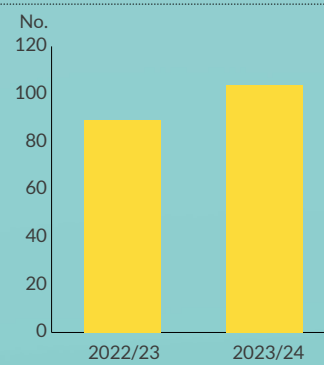
IMPLEMENTATION ONGOING AT 35 OF THE BRANCH NETWORK

FULLY INTEGRATED NEW LOAN ORIGINATION PLATFORM AND CREDIT APPROVAL ENGINE





Gold Loan Operations



MANUFACTURED CAPITAL

VALUE CREATION HIGHLIGHTS

MATERIAL THEMES

- Geopolitical and socio economic uncertainty
- Business model flexibility in an environment that is continually changing
- Developing sustainable ecosystems to support sustained wealth creation regardless of headwinds.

KEY PRIORITY

Improving the robustness of physical touch-points

VALUE DRIVERS

Branch Network Transformation

KEY PRIORITY

Facilitate "anytime-anywhere" access to financial services

VALUE DRIVERS

Digital Channel Enablement

KEY PRIORITY

Strengthen business resilience

VALUE DRIVERS

IT Infrastructure investment

STAKEHOLDER OUTCOMES - DIRECT IMPACT

VALUE ENHANCED / PRESERVED

IST
Launch of the first smart branch in Kalmunai

PLCCORE
Loan Origination System Implementation

GREEN BUILDING
CLASSIQUE by PLC Emerges as Sri Lanka's First EDGE-Certified Green Building

"CLASSIQUE"
Launch of the first "Classique" branch for high net-worth customers

35
5S implementation ongoing at 35 of the branch network (21- 2022/23)

DMS
Upgrade the existing Document Management System

VALUE ERODED

2
Cessation of branch operations

STAKEHOLDER OUTCOMES - INDIRECT IMPACT

<p>1 + SHAREHOLDERS</p> <p>Higher returns due to cost effective branch operations.</p>	<p>2 - EMPLOYEES</p> <p>Resistance to change resulting from automation</p>	<p>3 + REGULATORS</p> <p>Effective management of compliance risk</p>	<p>4 + ENVIRONMENT</p> <p>Reduction in paper waste across the branch network owing to paperless operations</p>
-----------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------	-----------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------

+ Value Enhanced = Value Preserved - Value Eroded



ESG Impact and Contribution to SDG's



- » 13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



- » 1.4 - By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, in-heritance, natural resources, appropriate new technology and financial services, including microfinance.
- » 9.3 - Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.
- » 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- » 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour intensive sectors.
- » 8.3 - Promote development oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro small and medium sized enterprises, including through access to financial services.
- » 8.10 - Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- » 16.6 - Develop effective, accountable and transparent institutions at all levels.

FUTURE TARGETS



SHORT TERM

- » Implement "Smart Branch" concept in conventional branches
- » Increase digital channel enablement with the introduction of e-KYC to facilitate customer on-boarding.



MEDIUM TERM

Strengthen IT infrastructure with investment in a CRM (Customer Relationship Management) solution and a Delinquency Management Solution.



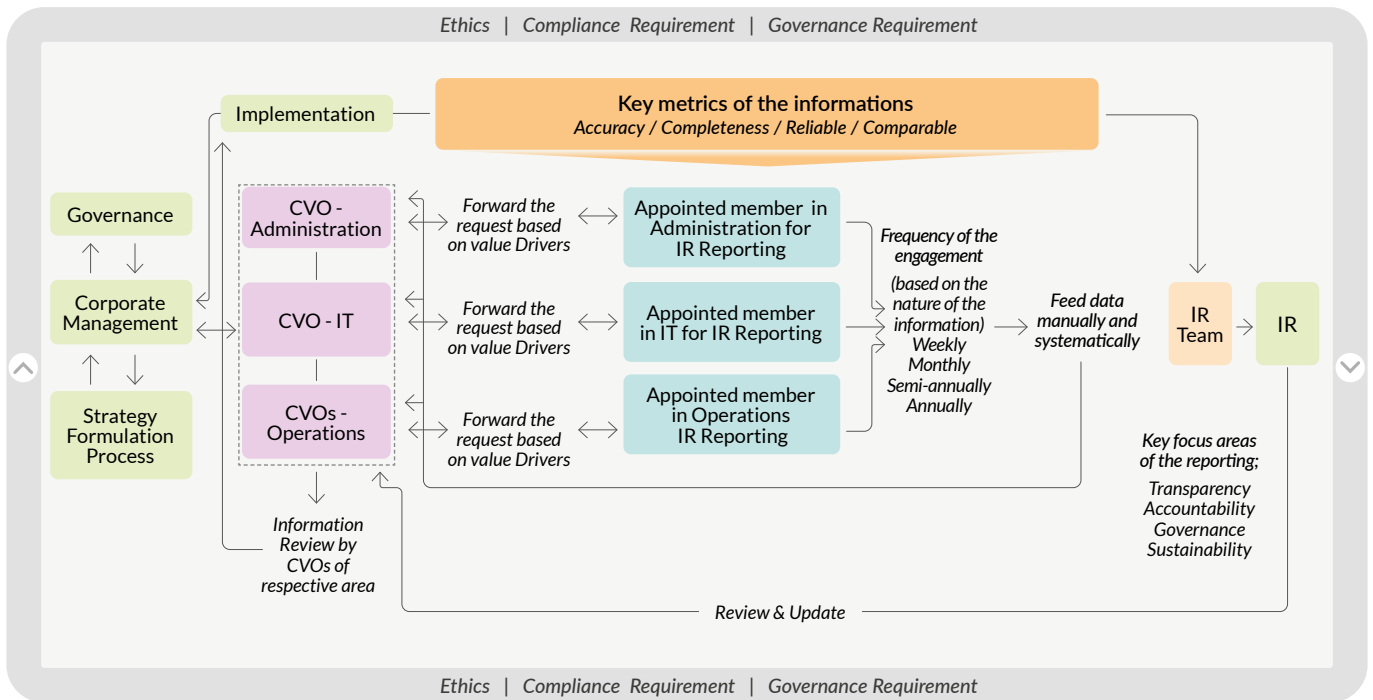
LONG TERM

Invest in Robotic Process Automation (RPA) and AI technology to leverage predictive analytics tools for improved decision making.



MANUFACTURED CAPITAL

Information captured in this Manufactured Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Manufactured Capital section.



IMPROVING THE ROBUSTNESS OF PHYSICAL TOUCH-POINTS

Branch Network Transformation

Intent on promoting greater financial inclusion across Sri Lanka, People’s Leasing has over the past 27 years made consistent investments in expanding its island-wide branch network. Underscored by this key objective, the Company has focused on establishing branches in key locations across the Country to support the economic empowerment of both individuals and businesses in these areas, thereby facilitating their growth and prosperity. On this basis, People’s Leasing has built a solid island-wide footprint, which today is represented in all districts across all nine provinces in Sri Lanka.

Given the Company’s strong island-wide presence, no new brick-and-mortar branches were opened in the current financial year with the Company focusing instead on transforming its branch network for the benefit of the Company and stakeholders. Several parallel approaches were initiated, among them the smart positioning strategy to relocate existing branches with a view to capitalising on area-specific strategic location advantages to maximise customer outreach.

This was accompanied with the branch right-sizing strategy underscored by the smart branch concept that aims to optimise branch performance by deploying multidisciplinary teams and maximising space utilisation. Meanwhile, considering the high levels of employee attrition across the industry as a consequence of the prolonged economic downturn, People’s Leasing began exploring the possibility of pooling branch resources to effectively leverage synergies for optimal benefit. In tandem with these efforts, the ongoing 5S implementation was also further accelerated.

Based on these principle approaches the People’s Leasing Kalmunai branch was transitioned as a smart branch with a limited team of ten. Uniquely designed to operate within a 1500 sq ft space, the team at the Kalmunai branch were fully trained to enhance their capability to offer the Company’s full range of products and services, encompassing all lending and deposit products.

Furthermore, substantial investments were made during the year to increase digital integration across the branch network. Branch managers and deputy managers were

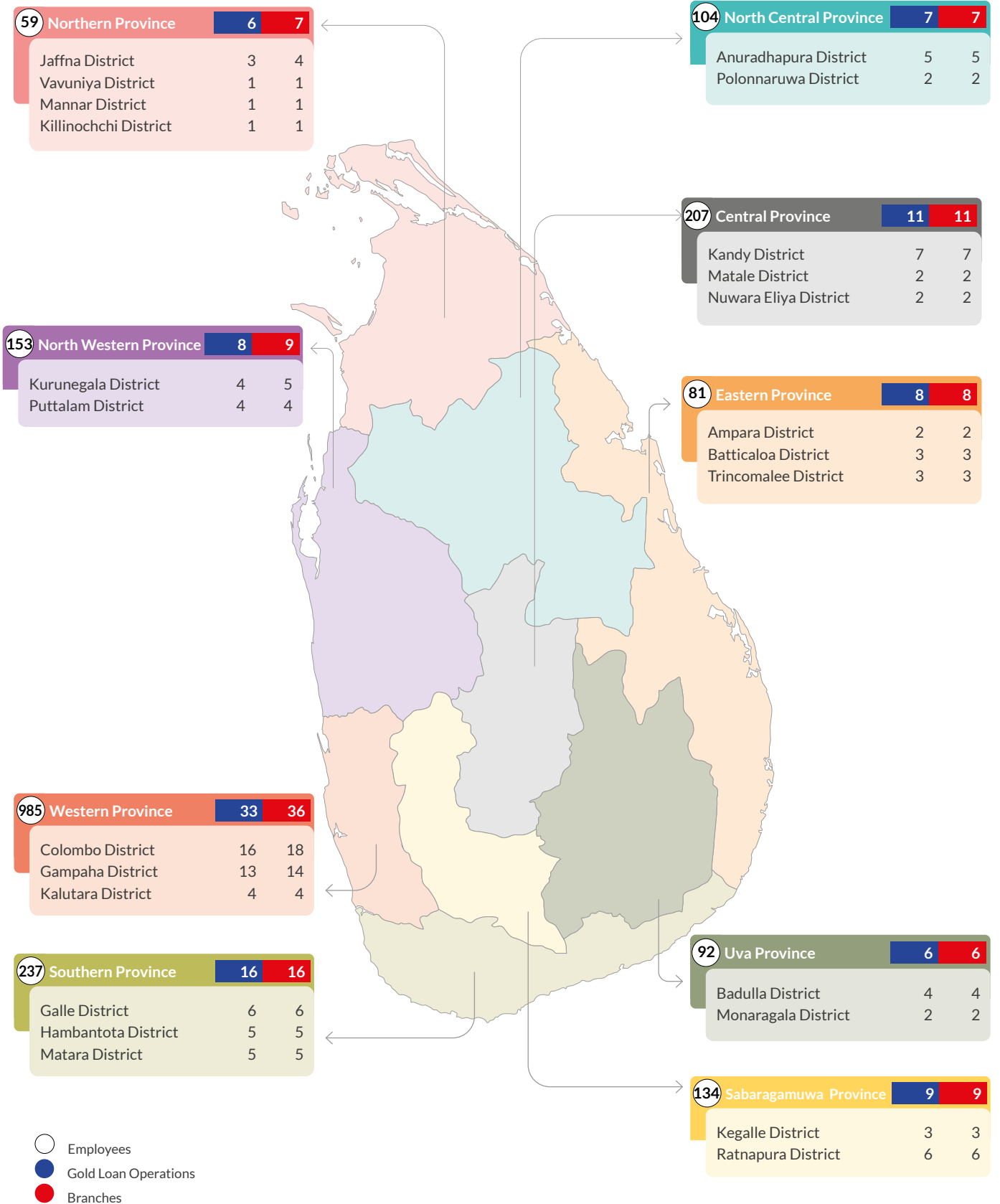
equipped with laptops to facilitate remote access to the Company’s core systems, while marketing teams were empowered with mobile access to enable virtual activation of credit processing. The added benefit from this virtual environment was the paperless process, which has led to a substantial reduction in branch costs.

In yet another important development, the People’s Leasing “Classique” Centre was unveiled in late September 2023, representing a further diversification of the Company’s physical footprint to broaden the market reach.

FY 2023/24

Costs involved in branch network transformation initiatives
Rs. 8.83 million

Investment in IT Infrastructure
Rs. 53.73 million

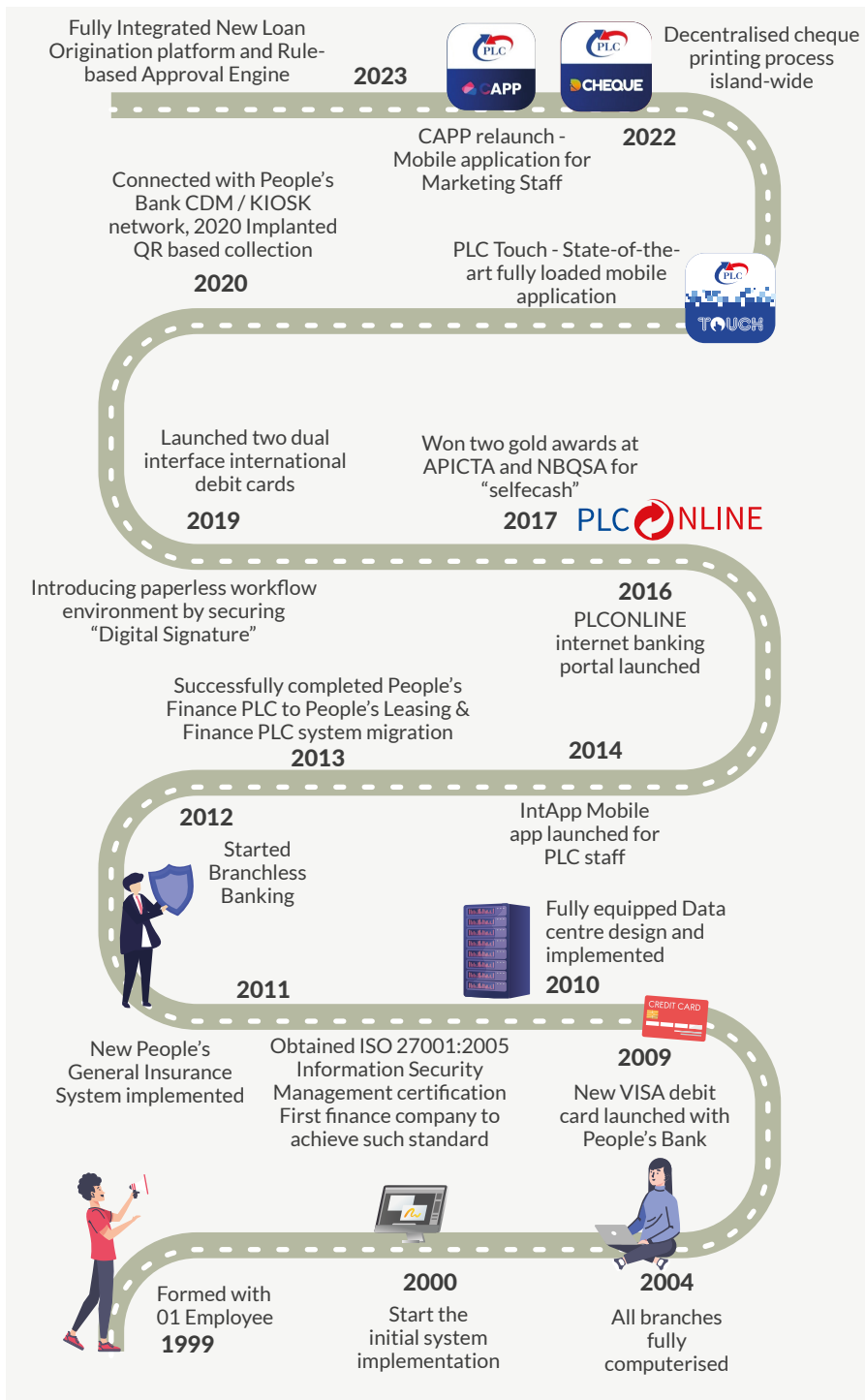


MANUFACTURED CAPITAL

FACILITATE “ANYTIME-ANYWHERE” ACCESS TO FINANCIAL SERVICES

Digital Channel Enablement

Operating within the highly competitive and fast paced non-bank financial services industry in Sri Lanka, People’s Leasing is well aware that digital channel enablement provides a crucial competitive advantage, both in terms of driving customer outreach as well as sustaining cost efficiencies over time. Premised on this, the Company has progressively advanced its digital footprint through strategic investments to develop groundbreaking front end customer interfaces such as the PLC Online platform, the PLC Touch mobile app etc. The current financial year saw the Company marking yet another milestone in its digital enablement roadmap, by pledging its support to facilitate UPI transactions via LankaQR, a government-led initiative to transform Sri Lanka’s digital payment ecosystem.



CLASSIQUE by PLC Emerges as Sri Lanka’s First EDGE-Certified Green Building



The Classique Centre, which was designed and built around the concept of green building, is a true example of the fusion of product innovation and sustainable transformation, redefining the financial services landscape. Recognising this quantum leap forward in green building, together with the facility’s outstanding incorporation of sustainability, and its integration of smart technology, the Classique Centre has now earned distinction as Sri Lanka’s 1st EDGE-Certified Green Building. EDGE, an acronym for “Excellence in Design for Greater Efficiencies”, represents a free software, a green building standard, and an international green building certification system, developed by the International Finance Corporation (IFC), a member of the World Bank Group.

STRENGTHEN BUSINESS RESILIENCE

IT Infrastructure Investment

In an era where technology drives efficiency and competitiveness, People’s Leasing has come to rely increasingly on the latest state-of-the-art IT infrastructure to streamline operations, enhance customer service, and effectively manage risks. The focus on IT infrastructure development gathered significant momentum in the current financial year with the company undertaking and completing several major projects.

#1 Project - PLCCORE Loan Origination System Implementation - A fully fledged system to serve as the backbone for the Company’s lending operations. Consisting of 14 seamlessly integrated modules covering the full spectrum of activities from the initial application stage to credit evaluations, processing and approval to the ultimate disbursement, the new system provides substantial benefits in terms of workflow optimisation and efficiency improvement through remote accessibility. In addition the system which was developed in-house is equipped with advanced data security protocols and robust analytics for real time reporting to support for improved decision making and effective compliance

Enhancing People's Leasing's virtual engagement with stakeholders



ATM	
2023/24	260,298 Rs. 3.46 Bn
2022/23	235,748 Rs. 3.23 Bn



Dcheque Transactions	
2023/24	42,092 Rs. 38.18 Bn
2022/23	30,615 Rs. 15.73 Bn



POS	
2023/24	249,258 Rs. 834.57 Mn
2022/23	220,074 Rs. 787.91 Mn



Transactions Via. CDM Network of Parent Bank	
2023/24	138,323 Rs. 3.87 Bn
2022/23	155,852 Rs. 4.43 Bn



Online Transfer	
2023/24	107,135 Rs. 4.79 Bn
2022/23	99,262 Rs. 4.66 Bn



mCash	
2023/24	2,212 Rs. 54.19 Mn
2022/23	2,179 Rs. 66.85 Bn



SLIPS Transactions	
2023/24	140,923 20.61 Bn
2022/23	130,222 Rs. 16.27 Bn



QR Payments	
2023/24	1,735 Rs. 13.61 Mn
2022/23	1,331 Rs. 8.74 Bn

Volume Value (Rs.)

risk management. Moreover, the paperless environment created by the PLCCORE system is expected to lead to a broad based reduction in paper usage across the branch network, resulting in significant cost savings as well as lower the Company's environmental footprint in terms of paper waste generated.

#2 Project- Upgrade the Existing Document Management System - The new high performance version with built-in user friendly features, including dynamic user interfaces supports greater compatibility with the Company's latest operating systems to deliver faster response times, improved system efficiency, and better overall user experience. The upgraded version with its focus on the accuracy and timeliness of data capture, also facilitates better compliance with reporting on industry standards and regulations.

#3 Project- Classique Centre System Development - To provide bespoke solutions to enhance the experience for discerning customers, including high corporate and net worth customers. Among the key developments were the implementation of digital onboarding tools and the creation of a dedicated "Classique" tab on the PLC touch app providing a dynamic user-friendly interface to drive customer engagement. Other initiatives that remain in progress under the Classique centre system development initiative, are e-receipts and e-certificates for FD's

#4 Project - Dedicated PEO TV Channel - To create a centralised platform to strengthen internal communication to employees. The channel has helped to streamline the flow of information, announcements, and updates provided to employees as well as communicating training material, and other relevant content to ensure that the workforce stays well-informed and engaged.



Current Progress of the Targets set in F/Y 2022/23

Setting up Premier Branches dedicated for high net worth customers	Ongoing
Leverage Group synergies to access the People's Bank network	Completed
Introducing a fully fledged digital wallet platform	Completed
Revamp traditional branch model through the introduction of the Smart Branch concept	Completed

Capital Trade-offs

Increase cost efficiencies associated with branch right-sizing, smart branches and automation.



In the short term, achieving optimisation through right-sizing and automation necessitates a financial commitment.



Enhanced customer experience attributed to technology-driven service fulfilment leading to improved customer satisfaction, in turn paving the way for business growth and expansion.



Strong reliable physical and digital infrastructure to enable uninterrupted operations, enhances the Company's competitive position and industry standing.

INTELLECTUAL CAPITAL

Altering the bowler's angle to fit the situation is crucial. Spinning the ball away from the batsman is common, but changing bowling style to exploit the rough can be more effective. The surprise of using the other arm offers a big advantage.



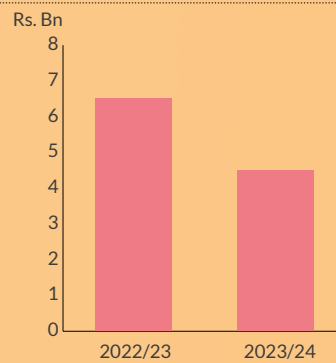


A- [LKA] OUTLOOK STABLE
BY FITCH RATINGS LANKA
LIMITED

RS. 25 Mn

TO FORTIFY ITS DR
ARCHITECTURE

Brand Value



INTELLECTUAL CAPITAL

VALUE CREATION HIGHLIGHTS

MATERIAL THEMES

- Business model flexibility in an environment that is continually changing
- Assembling and retaining a skilled, involved, and driven team
- Increase customer awareness through responsible communication
- Heightened demands on governance, compliance and regulatory context

KEY PRIORITY

Enhancing competitive positioning and industry standing

VALUE DRIVERS

- » Brand Value
- » Business Conduct and Ethics

KEY PRIORITY

Strengthen business resilience

VALUE DRIVERS

- » BCP and DR Architecture
- » Information Security Systems
- » IT Support Systems
- » Tacit Knowledge

KEY PRIORITY

Drive shared value

VALUE DRIVERS

- » Standards and Certifications
- » Group Synergies
- » Memberships and Affiliations

STAKEHOLDER OUTCOMES - DIRECT IMPACT

VALUE ENHANCED / PRESERVED

- Launch of **"CLASSIQUE BY PLC"**
- AA** Brand rating from Brand Finance
- Ranked among the **TOP - 40** in the LMD's Most Respected Entities for 2023
- Ranked **28TH** in the LMD's Most Awarded Entities in 2023
- Ranked **49TH** in the LMD's Top 100 in 2023
- Appointment of a **DEDICATED INCIDENT MANAGEMENT TEAM** to strengthen BCP

- A- [LKA]** Outlook Stable
A- [LKA] RWN : 2022 by Fitch Ratings Lanka Limited
- RS. 25 MN** to fortify its DR architecture
- Appointment of the Information Security Committee in compliance with the **CBSL DIRECTION NO.01 OF 2022**, Technology Risk Management and Resilience framework
- Established dedicated **ICT BUSINESS ANALYSIS** Unit to support improved decision making based on business analytics
- Appointment of the **ICT QUALITY ASSURANCE UNIT** to focus on ensuring the quality, reliability, and performance of Company-wide IT systems and applications

Nearly **50%** from the IT budget allocated to IT Security

VALUE ERODED

- BRAND VALUE - RS. 4.49 BILLION** by Brand Finance Sri Lanka (Rs. 6.51 billion - 2022/23)



STAKEHOLDER OUTCOMES - INDIRECT IMPACT

- 1 REGULATORS**
Contribution towards the stability of the Country's financial sector
- 2 COMMUNITY**
Opportunities for economic empowerment through increased access to financial services

+ Value Enhanced = Value Preserved - Value Eroded

ESG Impact and Contribution to SDG's



- » 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- » 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
- » 12.8 - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.



- » 9.3 - Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.
- » 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- » 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
- » 8.3 - Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including thorough access to financial services.
- » 8.10 - Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- » 16.4 - By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.
- » 16.5 - Substantially reduce corruption and bribery in all their forms.
- » 16.6 - Develop effective, accountable and transparent institutions at all levels.



FUTURE TARGETS



SHORT TERM

- » Improve brand positioning in the premier segment by strategically expanding the "Classique" concept to hub cities across Sri Lanka.
- » Invest in commissioning the latest Privileged Access Management software, Security Operation Centre and Security Information and Event Management tools to further strengthen information security systems.



MEDIUM TERM

Migrate to ISO 27001: 2022 by 2025.



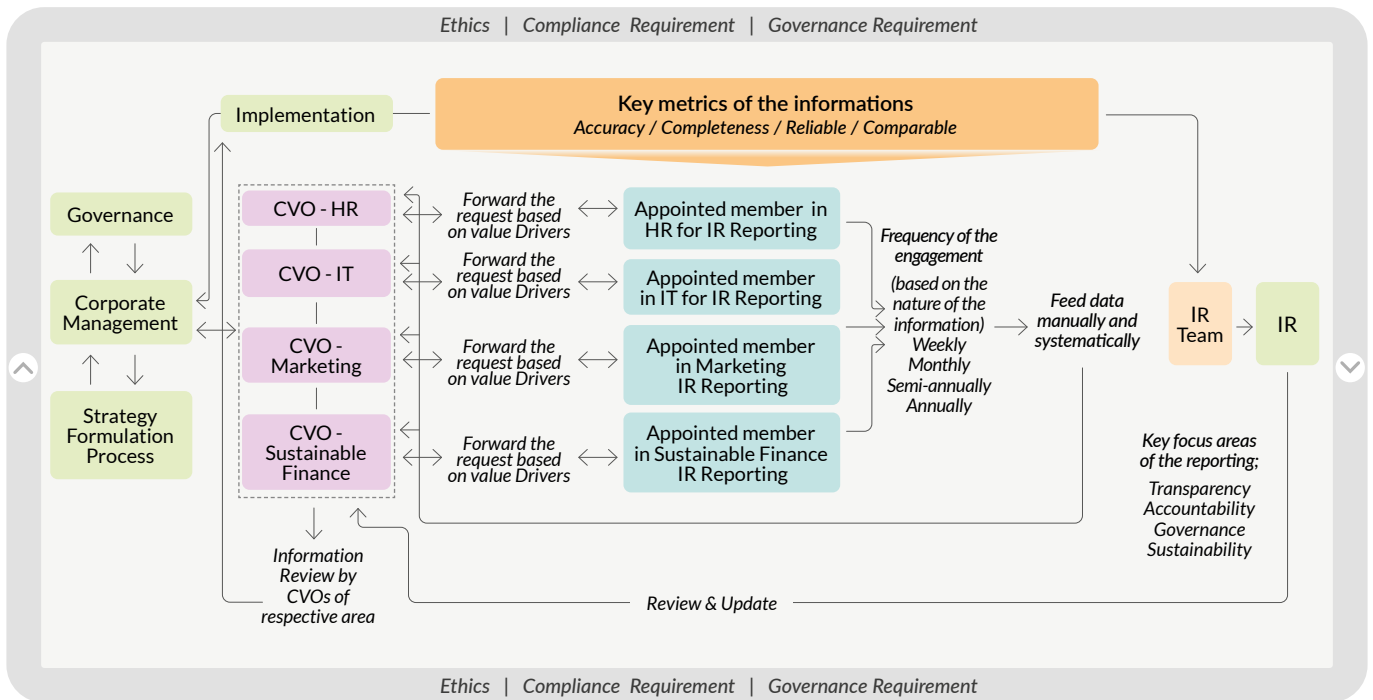
LONG TERM

Invest in Data Leakage Prevention solutions to safeguard information security systems against internal data breaches / leaks.



INTELLECTUAL CAPITAL

Information captured in this Intellectual Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Intellectual Capital section.



BRAND VALUE

People’s Leasing & Finance PLC’s (People’s Leasing) brand identity is synonymous with trust, reliability and innovation. For the past 2+ decades People’s Leasing has evolved in tandem with changing needs of customers, further solidifying its status as a champion for people and businesses across Sri Lanka to achieve financial prosperity. Backed by this legacy of service to the nation and its people, People’s Leasing today stands out as a symbol of strength, integrity and progress within the local NBF1 sector.

The FY 2023/24, posed some notable challenges for People’s Leasing arising from economic uncertainties, market volatility, and heightened competitive pressure from within the financial services sector, together threatening the erosion of market share. However, moving to arrest these challenges, the Company embarked on a multi-pronged strategic roadmap to focus on reorienting to market trends, such as the strong demand for bespoke financial services from high-net-worth individuals and the growing appetite for digital financial solutions, thereby positioning People’s Leasing as a fully-fledged financial solutions provider with the bandwidth to serve the full gamut of customers’ needs.

These efforts were driven by a series of distinctive brand-building initiatives, strategically executed throughout the year, to enhance People’s Leasing’s brand equity and position the brand as a trusted and forward-thinking financial partner for all customers across Sri Lanka.

The largest campaign undertaken during the year was the "Jeewithe Match Eka Dinanna Enna Api Langata – Api Eka Karale Wee ", a spin off from the "Api Eka Karale Wee" campaign launched in the previous financial year to coincide with Sri Lanka’s the 75th Independence Day celebrations. The new campaign, which leverages the influence of leading cricketing personalities, was conceptualised to highlight People’s Leasing’s capability to fuel post-crisis economic recovery based on precision-driven responses to emerging customer needs. The "Jeewithe Match Eka Dinanna Enna Api Langata – Api Eka Karale Wee " campaign was mobilised through a multi-channel communication approach encompassing social media, traditional media, and internal platforms to support optimal brand exposure and strengthen the People’s Leasing competitive position in the market.

Another key brand building initiative was the "Ekwa badhaka paradamu, Ekwa aramunu

wetha yamu," campaign to underscore the importance of synergy in building resilience and overcoming obstacles. The key objective of the campaign was to reinforce top-of-mind brand awareness among both new and existing customers across all market domains.

At the same time, efforts to strengthen People’s Leasing’s brand positioning and bolster market competitiveness in new and emerging markets also gathered momentum in the current financial year, underscored by the launch of "Classique by PLC," a premium offering tailored to the specific needs of high net worth customers. This visionary initiative, housed within a state-of-the-art financial services centre in Colombo not only redefines customer experience with its seamless, personalised services but also showcases People’s Leasing’s dedication to environmental stewardship through eco-friendly features such as rainwater harvesting and solar energy utilisation, all key considerations that are increasingly influencing the decisions of upscale customers. In a strategic move to further build brand equity and strengthen its presence in this premier market, People’s Leasing tied up with the Classic Car Club of Ceylon to become the exclusive event partner for the Classic Car Club Members Christmas Car Rally.

As always, consolidating brand presence in the mainstream market remained a key priority, prompting People’s Leasing to take early action to venture into the sustainable finance sphere with the launch of a new solar financing solution in partnership with Hayleys Solar.

Meanwhile, eager to close the gap in the digital space, the Company undertook several large projects to leverage digital innovation to transform both back end systems and front end interfaces with a view of augmenting overall customer experience. The digital transformation agenda was also partly influenced by People’s Leasing’s fresh commitment to embed environmental, social, and governance (ESG) principles at the heart of core business.

The emphasis on 360 degree consolidation saw the launch of the CEO’s club, a comprehensive reward and recognition platform to retain the top-performing, a strategic response to mitigate high levels

of employee attrition witnessed across the NBFi sector. The initiative was also intended to boost People’s Leasing’s reputation as an employer of choice.

 GRI 2-25, 205-1, 205-2, 205-3

BUSINESS CONDUCT AND ETHICS

People’s Leasing is deeply committed to upholding exemplary standards of business conduct and ethics in all facets of its operations. Anchored by the principles of transparency, accountability, governance and sustainability, the Company adheres rigorously to ethical standards and legal regulations.

The People’s Leasing Board sets the tone from the top to foster a culture of ethical decision-making, which is cascaded down through the Board approved Code of Conduct that aims to inculcate responsible behaviour among employees. These efforts are supported by comprehensive training and robust internal controls. In recent years, significant emphasis

has been placed on training and strengthening controls to prevent bribery and corruption as well as combat money laundering and terrorist financing. A total of 13 training programmes relating to these topics were conducted in the year under review to educate employees of the potential risks

As a part of the commitment to business conduct and ethics, the corporate management operating under the delegated authority of the Board, strives to exemplify the open door approach to promote frequent and ongoing conversations to address stakeholder concerns effectively and efficiently. In addition, formal grievance mechanisms, including the Whistleblower process, are in place to facilitate reporting of grievances or perceived misconduct.

There were no incidents of corruption reported in the current financial year.

People’s Leasing & Finance PLC - Brand achievements for FY 2023/24

Reporting Excellence

- » TAGS Annual Report Awards 2023 conducted by the Institute of Chartered Accountants of Sri Lanka - Silver Award (*Finance and Leasing companies with assets above Rs. 20bn*)
- » CMA Excellence in Integrated Reporting Awards, 2023 - Best Integrated Report Award in the Finance & Leasing (State Sector) category
- » ARC Awards, organised by Mercomm Inc., USA
 - The Grand Award for Infographics
 - Gold Awards for Financial Data, Infographics, and Chairman/President’s Letter, as well as a Bronze Award for Non-Traditional Annual Report
- » SAFA Best Presented Annual Report Awards, 2023 - Certificate of Merit

Digital Excellence

- » Winner of the Best Digital Process Enabler of the Year Award at the National Best Quality Software Awards (NBQSA) Awards 2023
- » Merit Award for in-house development, at the National Best Quality Software Awards (NBQSA) Awards 2023 in recognition of the strides in digital innovation and technology integration
- » Gold Award for Financial Institution of the year for adopting LankaSign Digital Signatures from LankaPay Technnovation Awards 2024

Marketing Awards

- » Sumathi Award for Best Commercial of the Year at the 29th Sumathi Awards 2024. The honour recognises PLC’s impactful Independence Day campaign, “Api Eka Karale Wee”.

Stability

- » AA Brand rating from Brand Finance
- » A- (Ika) Outlook Stable by Fitch Ratings Lanka Limited

Brand Reputation

- » Ranked 23rd among the top 30 Most Valued Brands in Sri Lanka in the LMD Brand Finance Report 2023
- » Placed 36th in the list of the Most Respected Brands in Sri Lanka in the LMD Brand Finance Report 2023
- » Ranked 31st in Business Today Top 40, 2023

Sustainability Certificates

- » Certificate of Acceptance for Sustainability Standards and Certification Initiative (SSCI) from European Organisation for Sustainable Development (EOSD)
- » EDGE Green Building Certificate for Classique by PLC from Green Business Certification Inc. (GBCI)
- » Certificate from Biodiversity Sri Lanka in appreciation for commitment of People’s Leasing towards Life Kanneliya Reforestation Project.

INTELLECTUAL CAPITAL

Business Continuity Plan (BCP) and Disaster Recovery (DR) Architecture

People's Leasing has established a robust BCP framework to ensure seamless operations and uninterrupted service delivery, even in the face of unforeseen challenges or disasters. At its core, the BCP prioritises the safety and well-being of employees, customers, and stakeholders while safeguarding the integrity of the Company's operations. The BCP, with its meticulously tailored strategies for risk assessment, crisis and contingency management covering Company-wide operations including the Head Office and island-wide branch locations, represents the institutional commitment to reliability, stability, by ensuring business continuity even in the most challenging circumstances.

As part of the ongoing improvements to the BCP, the Risk & Control Department monitored BCP drills of all branches. Scheduled BCP drills covering branch operations were carried out as planned during the year, under the oversight of the Risk & Control Department, with outcomes reported to the BIRMC at least quarterly. To further strengthen the BCP process, a dedicated Incident Management Team was appointed in the current financial year and provided appropriate training to enable them to serve as first responders in the event of an emergency.

The BCP is also supported by sophisticated DR architecture, to mitigate risks and ensure the rapid restoration of critical business functions in the event of a disaster. Built upon redundancy, resilience, and redundancy, People's Leasing's DR architecture encompasses a multi-layered approach to data protection, infrastructure redundancy, and operational continuity. Leveraging state-of-the-art technology and best practices, the architecture includes primary and secondary data centres at designated locations equipped with redundant network connectivity to enable real-time replication of vital systems and data.

Regular testing and continuous refinement ensure the readiness and effectiveness of the disaster recovery plan, to safeguard the Company's operational integrity and ability to deliver uninterrupted service, even in the face of the most challenging circumstances. In the year under review, People's Leasing invested close to Rs. 25 million on to fortify its DR architecture in line with CBSL requirements. Key implementations included the Firewall upgrade for secondary site, Data switch upgrade and Data centre core switch upgrade. The Company-wide CCTV monitoring system

was also upgraded along with the installation of a security alarm system for identified branches.

Information Security Systems

Given the scope and scale of People's Leasing's business, robust and resilient information security systems are vital to safeguard sensitive data and maintain customer trust. To that end, the ISO 27001:2013 Information Security Management Standard certification, which has been in place since 2011, serves as the cornerstone of the Company's information security system. Based on the ISO 27001 a comprehensive policy framework guides efforts to safeguard the Company's data assets.

All policies are maintained under the stewardship of the newly formed Information Security Committee (ISC) - the apex management level body responsible for information security and technology resilience of the Company. The formation of the ISC is in line with the minimum regulatory requirements stipulated by the CBSL Direction No.01 of 2022, Technology Risk Management and Resilience framework. The ISC, headed by People's Leasing's Chief Executive Officer (CEO), is responsible for providing oversight for both strategic and operational aspects of information security and technology risk management. The duties of the ISC also include reviewing and updating the information security policy framework as needed to reflect latest global best practices. Several new policies such as Log Management Policy, Technical Vulnerability and Patch Management Policy, Information Security Incident Management Policy were introduced in FY 2023/24, further strengthening the Company's information security vigilance.

In addition, internal audits, VAPT (Vulnerability and Penetration Testing) by independent experts, together with the CBSL onsite examinations and annual surveillance audits under ISO 27001 provide the ecosystem to identify and deploy immediate remedial action to arrest potential risks. On this basis, all the necessary software, hardware, servers and peripherals were upgraded at both primary and DR sites (as described above) in order to strengthen information security resilience.

Following its annual examination, the CBSL imposed a penalty of Rs. 500,000 on the Company owing to an operational lapse. Subsequently, the Company proceeded to address these lapses by implementing new controls to reinforce the control environment.

IT SUPPORT SYSTEMS

Keen to leverage IT for the purpose of optimising process efficiency, a dedicated ICT Business Analysis Unit was established to focus on understanding the business needs, processes, and requirements that can be enhanced with the use of technology. The primary goal of this unit is to bridge the gap between business objectives and technology solutions, ensuring that ICT systems effectively support and contribute towards achieving the Company's strategic objectives.

A new ICT Quality Assurance Unit was also set up as a dedicated team to focus on ensuring the quality, reliability, and performance of Company-wide IT systems and applications. The primary purpose of the ICT QA unit is to conduct ongoing due diligence to verify that the Company's IT products meet specified requirements and adhere to quality standards.

STANDARDS AND CERTIFICATIONS

Understanding its commitment to regulatory compliance and industry best practices, People's Leasing has over the years sought out standards, certifications and licenses to add value to various aspects of its business model. These include mandatory licenses issued by the CBSL as well as voluntary certifications such as the ISO 27001: 2013 Information Security Management Standard and the 5S Certification from the National Productivity Secretariat. The latest addition to the portfolio of certifications, is the EDGE (Excellence in Design for Greater Efficiencies) Green Building certification secured for the "Classique" centre.

These certifications exemplify the Company's unwavering commitment to benchmark the highest standards for operational excellence, customer satisfaction, and sustainability.

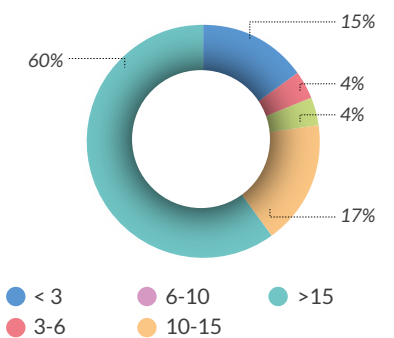


Tacit Knowledge

People’s Leasing boasts a wealth of tacit knowledge of its employees cultivated over years of industry experience and expertise. From seasoned financial experts to dedicated customer service professionals, each member of the People’s Leasing team contributes a unique blend of tacit knowledge that drives the Company’s success. This tacit knowledge encompasses not only technical know-how but also a deep understanding of customer needs, market dynamics, and best practices. Harnessing this tacit knowledge empowers the Company to make informed decisions, innovate and adapt swiftly to changing circumstances, thereby maintaining its position as a trusted leader in the financial services industry.

*The competencies and skill sets needed in Corporate Management encompass a range of domains. Thus, one member’s expertise to be represented across multiple areas to comprehensively reflect their diverse capabilities.

Senior Management’s Proficiency



GROUP SYNERGIES

People’s Leasing derives substantial benefits as a member of the People’s Bank Group. As a part of one of the largest financial services Groups in Sri Lanka, People’s Leasing has access to a broader network of resources, expertise and knowledge sharing to drive cost optimisation, innovation, operational efficiencies and risk mitigation. Furthermore, cross-selling opportunities among Group companies helps boost competitive positioning to spearhead market penetration and drive business expansion.



Memberships and Affiliations

Acknowledging the power of collaboration, People’s Leasing leverages its memberships and affiliations to enhance value creation across its operations. Affiliations with industry associations, professional bodies, and trade organisations, allow the Company to access to knowledge, resources, and networking opportunities and also keep abreast of industry trends, regulatory changes, and best practices. Memberships also lend credibility, further enhancing the Company’s reputation and industry standing.

People’s Leasing has obtained memberships of the following organisations;

- » The Financial House Association of Sri Lanka
- » Credit Information Bureau of Sri Lanka
- » The Financial Ombudsman, Sri Lanka
- » The Leasing Association of Sri Lanka
- » The Association of Margin Providers
- » Biodiversity Sri Lanka (Patron Member)

Bench Strength of People’s Leasing Corporate Management

Area of expertise	No. of personnel*
Finance/ Accounts	3
IT	1
Marketing/Digital Marketing/ Communication	4
Credit/ Branch Operations	6
Legal	1
Audit	3
Banking	1
Risk Management/ Compliance	2
Corporate Finance/Treasury	1



Capital Trade-offs

Strong market position and reputation in the industry paves the way for business growth and expansion leading to improved revenue generation



In the short run, expenses incurred for business growth and expansion need financial commitment

Reputed brand, competent team, resilient systems and good business conduct helps to build stakeholder trust



Current Progress of the Targets set in F/Y 2022/23

Digital KYC implementation	Completed
Implementation of a digital Delinquency management system	Ongoing
HRIS Mobile app roll out	Commenced
Update the ethics framework with the inclusion of formal anti-bribery and anti-corruption policies	Commenced
LMS Mobile app roll out	Ongoing
Expand the brand proposition to target a wider customer market, with special emphasis on attracting high net worth clientele	Commenced

HUMAN CAPITAL

A wealth of experience, skill, and knowledge paves the path to sustained success and deserved celebration.



1,498



554

NUMBER OF EMPLOYEES



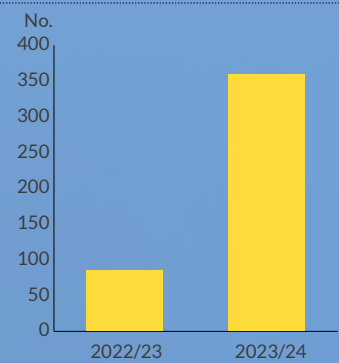
79.74%

RETENTION RATE

198

PROMOTIONS

Recruitments



HUMAN CAPITAL

VALUE CREATION HIGHLIGHTS

MATERIAL THEMES

- Geopolitical and socio economic uncertainty
- Business model flexibility in an environment that is continually changing
- Assembling and retaining a skilled, involved, and driven team
- Heightened demands on governance, compliance and regulatory context

HR GOVERNANCE

KEY PRIORITY
Attract and retain the best in-class team

VALUE DRIVERS

- » Strategic Recruitment
- » Cadre Planning
- » Employee Value Proposition
- » Remuneration and Benefits
- » On-Boarding
- » Diversity and Inclusion

KEY PRIORITY
Develop a reliable and high functioning workforce

VALUE DRIVERS

- » Performance Management
- » Training and Development
- » Career Advancement

KEY PRIORITY
Invest in strengthening employee resilience

VALUE DRIVERS

- » Employee Relations
- » Safety and Well-being

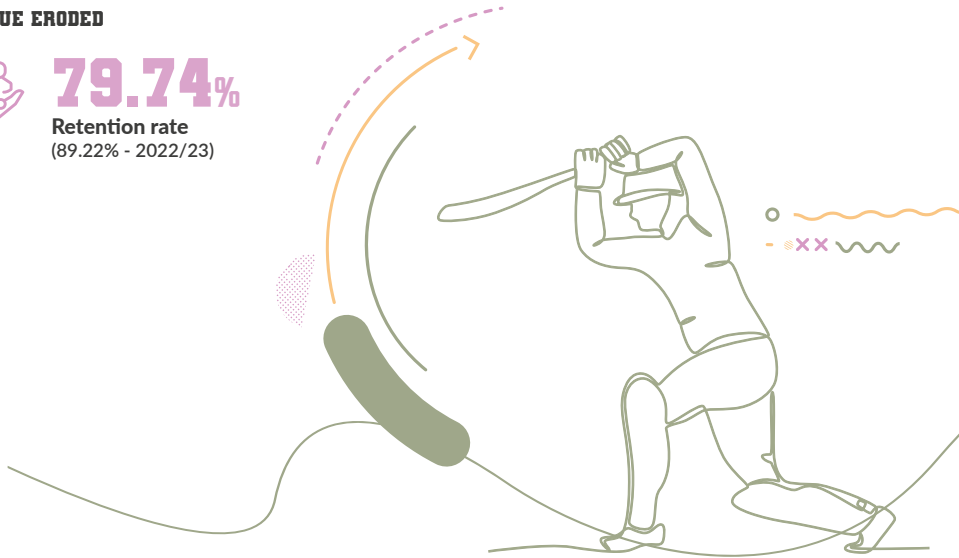
STAKEHOLDER OUTCOMES - DIRECT IMPACT

VALUE ENHANCED / PRESERVED

- 359** New Recruits (85 - 2022/23)
- RS. 4,488.55 MN** distributed as monetary benefits to employees (Rs. 4,488.55 Mn- 2022/23)
- 1:2.67 (F:M)** training hours (1: 3.01 - 2022/23)
- 1,498:554** Gender Balance (1,591:523 - 2022/23)(Male:Female)
- 25** females in leadership roles (25 - 2022/23)
- 198** promotions (28 - 2022/23)

VALUE ERODED

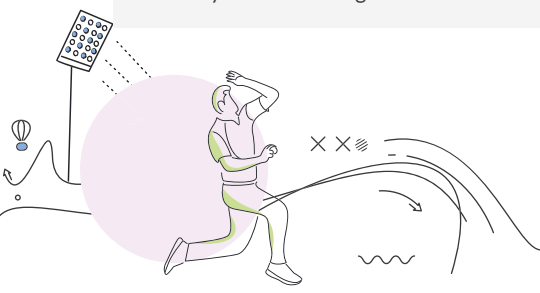
- 79.74%** Retention rate (89.22% - 2022/23)



STAKEHOLDER OUTCOMES - INDIRECT IMPACT

- 1 CUSTOMERS** = Best in-class service quality.
- 2 SHAREHOLDERS** = Higher returns fuelled by consistent business growth
- 3 REGULATORS** + Increased Taxes and job creation attributed to business expansion

+ Value Enhanced = Value Preserved - Value Eroded



ESG Impact and Contribution to SDG's



- » 13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



- » 4.4 - By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- » 4.7 - By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



- » 5.1 - End all forms of discrimination against all women and girls everywhere
- » 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
- » 8.3 - Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- » 8.5 - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- » 8.7 - Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
- » 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
- » 16.7 - Ensure responsive, inclusive, participatory and representative decision-making at all levels



FUTURE TARGETS



SHORT TERM

Talent retention initiatives are in place to prevent our skilled employees from being poached by competitors.



MEDIUM TERM

Strengthen the succession planning process to ensure 1:1 talent backup for all positions from middle management upwards.



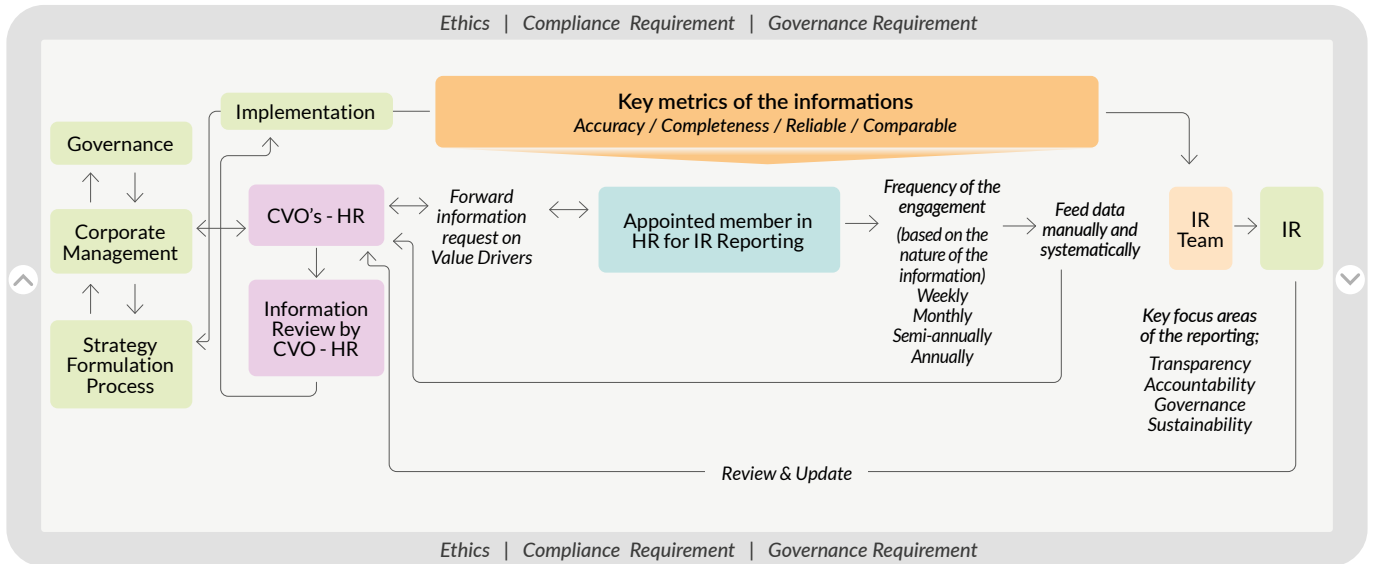
LONG TERM

Leverage digital technology to expand the scope of the work-life balance programme.



HUMAN CAPITAL

Information captured in this Human Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Human Capital section.



GRI 2-23,2-24

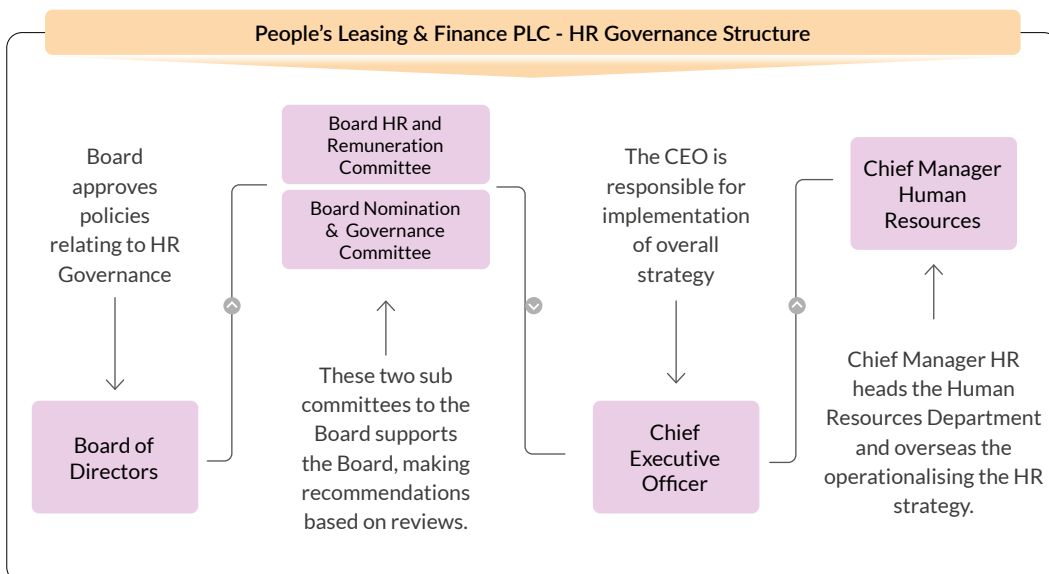
HR GOVERNANCE

HR governance stands as the umbrella framework to support People’s Leasing’s 360 degree approach to human capital management. The Company’s HR governance framework is underpinned by the Board-approved HR Policy manual which sets out clear mandates, procedures, and guidelines, developed in line with legal and regulatory compliance and due consideration of best practices to ensure consistency and fairness

across all HR processes. The success of the framework is further anchored to clearly defined roles and responsibilities. In this regard, the People’s Leasing HR Department (HRD) is the primary authority charged with policy implementation, monitoring and reporting. The fully fledged HRIS (Human Resource Information System) maintained under the stewardship of the HRD assists in driving transparency, accountability, and best practices for the purpose of continuous improvement of the HR governance framework.

In the year under review, the HRD undertook a comprehensive review of the Company’s HR Policy Manual resulting in several policy updates. The HR policy was updated in line with best practices, and relevant guidelines.

Compliance audits conducted by both regulatory authorities as well as the Company internal Compliance Department serve to provide further assurances regarding the HR Policy framework and the efficacy of implementation.



People's Leasing & Finance PLC - HR Policy Manual

COMPLIANCE

- Shop and Office Employees Act, No. 19 of 1954
- Employees' Provident Fund Act No. 24 of 1971
- Gratuity Act No. 12 of 1983
- Inland Revenue Act No. 24 of 2017
- Employees' Trust Fund Act No. 46 of 1980

HR POLICIES AND PRACTICES

- Recruitment
- On-boarding
- Promotion & Transfer
- Attendance & Leave
- Learning & Development
- Disciplinary Management
- Performance Management
- Compensation & Benefits
- Job Rotation
- Employee Facilities
- Rewards & Recognition
- Off-boarding

GRI 3-3, 406-1, 407-1, 408-1, 409-1

BEST PRACTICES

- Diversity and Inclusion
- Equal Opportunities
- Non-discrimination
- No Child Labour
- No Forced / Compulsory Labour
- Freedom of Association
- Female Empowerment

	New Recruits	(%)	Attritions	(%)
Gender				
Male	223	62.12	314	74.41
Female	136	37.88	108	25.59
	359	100.00	422	100.00
Age				
Less than and equal 29	294	81.89	286	67.77
30-39	50	13.93	100	23.70
40-49	10	2.79	23	5.45
50-59	2	0.56	13	3.08
Over 60	3	0.84	0	-
	359	100.00	422	100.00

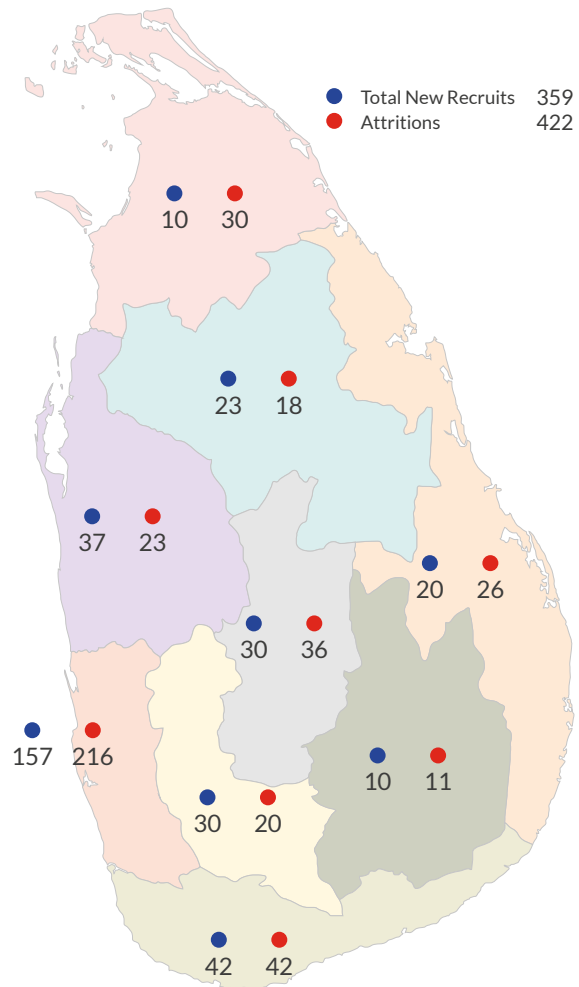
ATTRACT AND RETAIN THE BEST IN-CLASS TEAM

GRI 2-7,3-3,401-1

Strategic Recruitment

Strategic recruitment is paramount for People's Leasing, given that it directly impacts the Company's ability to stay ahead of peers in the highly competitive NBFi sector. By strategically recruiting individuals with the right blend of skills, experience, and cultural fit, the Company seeks to cultivate a diverse team, fostering creativity and adaptability while reflecting the varied needs of its customer base. Additionally, strategic recruitment enables the Company to build a workforce that not only meets current needs but also has the capacity to anticipate and respond proactively to future challenges and opportunities.

People's Leasing leverages its strong employer brand to recruit talented individuals with the attitude and mindset to understand the Company's vision, objectives and culture. Guided by the Board approved Recruitment Policy, selections are based strictly on merit, wherein a systematic approach to short-listing candidates considers suitability of skills, competencies, experience and mindset for the job role. Interviews are handled jointly by the HRD in collaboration with the respective HOD's and where relevant the involvement of the COO and / or the CEO/ GM. Final selections are made subject to the verification of the employees' credentials, including their age. Further, People's



HUMAN CAPITAL

Team Profile

GRI 2-7, 405-1



554

By Age		
203	Less than and equal to 29	377
251	30 - 39	715
71	40 - 49	304
27	50 - 59	91
2	Over 60	11

By Province		
42	Central	165
17	Eastern	64
18	North Central	86
37	North Western	116
11	Northern	48
33	Sabaragamuwa	101
55	Southern	182
15	Uva	77
326	Western	659
554	Grand Total	1,498

By Employment Level		
5	Senior Leadership	42
3	Middle Managers	41
17	Line Managers	113
126	Executives	439
401	Non executives	802
2	Minor staff	61



1,498

Employee Analysis by Employment Types

Region	No of Branches/Units	Permanent		Probation		Contract	
		Female	Male	Female	Male	Female	Male
Central	11	38	138	4	24	-	3
Eastern	8	6	61	8	2	3	1
North Central	7	14	66	2	16	2	4
North Western	9	27	90	4	22	6	4
Northern	7	9	39	2	5	-	4
Sabaragamuwa	9	25	79	7	15	1	7
Southern	16	42	157	7	19	6	6
Uva	6	12	69	3	4	-	4
Western	36	247	592	53	41	26	26
Grand Total	109	420	1,291	90	148	44	59

Diversity of Employees 2023/24

Employee category	Gender	Age Analysis (Years)					Total-Gender analysis (No.)
		> 60	50 - 59	40 - 49	30 - 39	<= 29	
Senior Leadership	F	0.00%	0.05%	0.15%	0.05%	0.00%	0.24%
	M	0.10%	1.22%	0.73%	0.00%	0.00%	2.05%
Middle Managers	F	0.00%	0.05%	0.05%	0.05%	0.00%	0.15%
	M	0.00%	0.49%	1.41%	0.10%	0.00%	2.00%
Line Managers	F	0.00%	0.29%	0.24%	0.29%	0.00%	0.83%
	M	0.00%	0.68%	3.41%	1.36%	0.05%	5.51%
Executives	F	0.00%	0.88%	2.44%	2.78%	0.05%	6.14%
	M	0.00%	1.22%	6.63%	13.26%	0.29%	21.39%
Non executives	F	0.10%	0.00%	0.54%	9.06%	9.84%	19.54%
	M	0.44%	0.44%	1.61%	19.15%	17.45%	39.08%
Minor staff	F	0.00%	0.05%	0.05%	0.00%	0.00%	0.10%
	M	0.00%	0.39%	1.02%	0.97%	0.58%	2.97%
Total (Number)		0.63%	5.75%	18.27%	47.08%	28.27%	100.00%

Leasing exclusively hires full-time employees and does not employ part-time staff.

With most organisations in Sri Lanka, including People’s Leasing experiencing high levels of employee turnover owing to the overseas skill migration trend, the Company accelerated its recruitment programme in the current financial year. An aggressive recruitment drive was launched in October 2023 to bridge skill gaps experienced across executive categories. Meanwhile, underscored by its “hire for potential” rationale, the Company pursued various targeted approaches, including placing more emphasis on regional hires, to recruit non-executives to be trained on-the-job.

CADRE PLANNING

Cadre planning is a formal procedure undertaken annually by the Company’s top management to ensure all areas of the business have access to adequate and competent workforce in alignment with business objectives. Preparation of the annual Cadre Plan is a meticulous process designed to complement People’s Leasing’s strategic recruitment approach to attract and retain capable employees who are the ideal fit for the Company.

Employee Value Proposition

People’s Leasing strives to position itself as an employer of choice by presenting a strong Employee Value Proposition (EVP) that stands out against industry peers. The Company’s

highly compelling EVP articulates the unique benefits and advantages that employees can expect from working at People’s Leasing beyond just salary and benefits. This proposition encompasses factors such as career development opportunities, a positive work culture, meaningful work, recognition and rewards, work-life balance, and opportunities for personal career advancement.

 GRI 2-19, 2-20, 401 -2

Remuneration and Benefits

Throughout its 2+ decades of operation in the local financial services industry, People’s Leasing has made a conscious effort to ensure remuneration benefit structures are competitive and above all, remunerate employees fairly and equitably for their skill, competencies and job responsibilities. In keeping with the Company’s equity principles, men and women in similar roles across all employee categories are remunerated equally without prejudice.

Moreover salary structures for all employee categories are reviewed regularly and adjusted to ensure compensation and benefits remain in tune with evolving trends and industry standards. Since no salary increments were granted in 2022 owing to the cost containment measures deployed in response to the economic crisis, the Board Remuneration Committee reviewed and updated salary structures for all employee categories in the current year.



HUMAN CAPITAL

On-Boarding

While hiring the right candidates is important, People's Leasing believes it is equally important to provide all new recruits with an inspiring on-boarding experience to encourage them to stay invested in the Company over the long term. As per People's Leasing's On-boarding Policy, all new recruits benefit from a comprehensive induction, where they are presented with key internal mandates such as Code of Conduct and Code of Ethics. In this way, the induction programme aims to equip new recruits with the tools that enable them to be productive as soon as possible. Upon completion of their induction, all new recruits are allocated to respective departments and placed on probation for a period of six months, whereafter the post-probationary review will determine their eligibility to be absorbed to the permanent cadre.

Diversity and Inclusion

People's Leasing greatly values diversity and inclusion in the workforce and strives to create an inclusive environment in which every individual feels valued, respected, and empowered to bring their authentic selves to work. This includes fostering a culture of belonging, providing equal opportunities for career advancement, and ensuring a harassment-free workplace for all employees.

The Company reinforces its commitment to diversity and inclusion through the voluntary adoption of global best practices, including the guidelines mandated by the ILO convention and the UNGC principles. These tenets are integrated into all HR policies, practices, and programmes, from recruitment and hiring to talent development and leadership initiatives. Embedding diversity and inclusion across the employment value chain, significantly enhances People's Leasing's reputation as an employer of choice and ideally complements the Company's strategic recruitment objectives.

GRI 3-3, 401-2

Remuneration and Benefits

	2023/24 Rs.million	2022/23 Rs.million	2022/21 Rs.million
Salaries and bonus	2,318.24	2,445.16	2,526.68
EPF	204.68	208.98	195.50
ETF	51.17	52.24	48.89
Overtime	34.07	23.24	33.16
Leave encashment	71.12	68.65	76.62
Allowance and incentives	1,187.21	1,351.64	873.71
Casual wages	1.55	1.45	0.82
Medical insurance	204.70	181.52	164.14
Gratuity	175.37	155.67	82.89
Total	4,248.11	4,488.55	4,002.41

GRI 401-3

Maternity Leave Indicators FY 2023/24

Service Indicator	Number	As a % of Total Female Workforce
Employees Entitled for Parental Leave	554	100
Employees on parental leave	47	8.48
Employees who returned after parental leave	35	6.32
Resignations after Parental Leave	2	0.36
Return to work rate of employees who took parental leave	74.47	-

DEVELOP A RELIABLE AND HIGH FUNCTIONING WORKFORCE

Performance Management

Understanding the importance of the performance-driven culture in fuelling the Company's competitive edge, People's Leasing has established a robust performance management system designed to empower employees, drive accountability, and facilitate goal congruence. At its core, the system emphasises clarity, transparency, and fairness, ensuring that the Company's expectations are clearly communicated to and supported by ongoing dialogue and collaboration between managers and employees to promote continuous improvement and accountability.

The 2-tier performance review cycle comprising the mid-year review and the annual performance appraisal is designed to encourage employees to take ownership of their performance and strive for excellence. The mid-year review provides an opportunity for employees to understand and overcome performance gaps, while the annual performance



People's Leasing & Finance PLC - Commitment to eliminate Gender Parity

As an equal opportunity, non-discriminatory employer, People's Leasing strives to reduce gender parity at every stage of the employee journey. To that end, the Company observes, gender-neutral recruitment practices, underscored by strict guidelines to prevent bias in the selection processes.

The Company's remuneration and benefits structures are designed to be fair and equitable regardless of gender. As part of this same commitment, the Company conducts regular pay equity analyses to identify and address any gender pay gaps across all employee categories.

Specific initiatives are being continually introduced to promote females in leadership roles. At the same time, training and awareness programmes are conducted regularly to educate employees and managers on the importance of gender equality, address unconscious bias, promote gender sensitivity, and create an inclusive work environment.

 GRI 405-2

Gender Gap Indicator

Employee category	Gender	Basic Salary Ratio
Senior Leadership	Male	1.00
	Female	0.99
Middle Managers	Male	1.00
	Female	0.92
Line Managers	Male	1.00
	Female	1.10
Executives	Male	1.00
	Female	1.11
Non executives	Male	1.00
	Female	0.94
Minor Staff	Male	1.00
	Female	0.81

Table : Gender wise Training Information

Category	Gender	No of Employees	Gender Wise proportion of staff trained	Training Hours	Average Hours
Senior Leadership	F	5	0.11	340	68
	M	42	0.89	1,302	31
Middle Managers	F	3	0.07	96	32
	M	41	0.93	3,157	77
Line Managers	F	17	0.13	714	42
	M	113	0.87	4,746	42
Executives	F	126	0.22	5,040	40
	M	439	0.78	17,560	40
Non Executives	F	401	0.33	16,842	42
	M	802	0.67	33,684	42
Minor staff	F	2	0.03	20	10
	M	61	0.97	1,098	18
		2,052		84,599	

Gender Parity Indicators

	2023/24	2022/23	2022/21
Female representation at Senior Management Level	10.64%	13.95%	15.38%
Female representation at Middle Management Level	6.82%	9.76%	8.00%
Female recruited as percentage of total new recruits	37.88%	42.35%	29.17%

appraisal serves as the key catalyst in enabling performance-based rewards.

In the year under review, the modalities of the annual performance appraisal process was further streamlined with the introduction of category-specific standardisation to fairly evaluate the qualitative performance of employees in each category.

During the reviewed period, a total of 1,825 permanent employees at People's Leasing underwent the mid-year review and the annual performance appraisal conducted, immediately after the conclusion of the FY 2023/24.

The "bright ideas" campaign to reward employee innovation, was linked to the newly launched "Chairman's Awards", programme to bring more focus on recognising employee commitment to overall performance excellence.

 GRI 404-1, 404-2

Training and Development

People's Leasing prides itself as a learning organisation and dedicates considerable resources each year towards training to ensure employees have the opportunity to continually upgrade their skills and knowledge with strong emphasis on enhancing skills pertinent to current positions. Accordingly, training is structured on the 70:20:10 principle, prioritising on-the-job experience (70%), mentoring (20%), and classroom training (10%). Additionally, leadership and soft skills training programs are implemented as needed to address specific developmental needs.

All staff are directed towards outbound training programs aimed at enhancing leadership skills and fostering teamwork dynamics. Additionally, tailored counselling sessions are conducted for Corporate Management to refine morale and attitudes, ultimately fostering high-value contributions to the Company.

This holistic approach to learning and development underscores the Company's commitment to nurturing talent and fostering continuous growth and improvement among its workforce.

 GRI 404-3

Career Advancement

Given the challenges encountered as a result of high employee attrition in 2023, People's

HUMAN CAPITAL

Leasing launched a broad based succession planning programme to provide employees with the opportunity to accelerate their career advancement within the Company.

Grounded in a forward-thinking approach, the new succession planning framework aims to ensure the continuity of leadership by identifying key positions critical to the Company's success and building a pipeline of qualified internal candidates to fill these roles. Accordingly, potential high performers identified through annual performance appraisal will be groomed for future leadership positions through a combination of mentoring, coaching, and ongoing training to nurture the skills and competencies required for succession. As a part of their development plans, selected candidates also benefit from job enrichment opportunities including long and short-term assignments internally, within other departments or businesses as well as job rotation schemes that allow them to take on additional responsibilities and explore new career paths. This is also in part to ensure the right leaders, with the right forward-looking skills, are in the right positions at the right time. By proactively preparing for leadership transitions, the Company's succession planning framework not only mitigates risks associated with key personnel turnover but also ensures a steady flow of capable leaders equipped to drive People's Leasing growth ambitions over the long term.

Following the rollout of the succession planning program, a pool of talented employees was identified who were

earmarked for development over the next 2-3 years.

 GRI 2-26, 2-30, 407-1

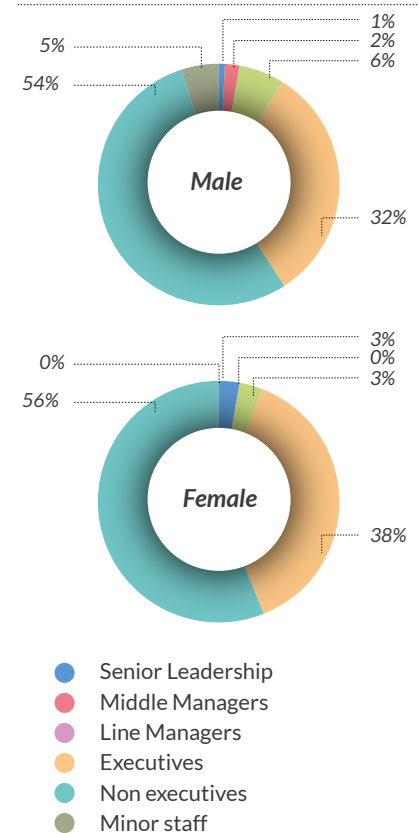
EMPLOYEE RELATIONS

Encouraging regular and open communication forms a major part of the Company's efforts to develop a reliable and high functioning workforce. To that end, daily / weekly team briefings and other routine meetings serve as effective channels to foster continuous and ongoing dialogue between employees and their respective team leadership, while the Company's open-door policy allows employees to reach out to their superiors to discuss any work related matters, one-on-one. Similarly town hall meetings provide an opportunity for employees to touch base with the Company's leadership on a regular basis. Operational changes are formally notified to all employees via the Company's intranet, with an advance notice prior to implementation.

Further with 58.63% of Company employees being organised under a union, People's Leasing seeks to develop strong ties with union representatives. The Head of HR and designated Senior Management members meet regularly with union representatives, which has ensured cordial relations and prevented the need for collective bargaining agreements.

A grievance handling process is in place for employees to formally intimate any issues that have not been resolved to their satisfaction through the aforementioned informal

Gender wise Promotion Details




Training Hours of the Employees by the Employee Category

Category	Gender	Training Mode					Total (hrs per employee)	Total Staff Trained	Training Hours	Average Training Hours
		Internal (hrs.- per employee)	External (hrs. per employee)	Overseas (hrs. per employee)	Online/ Virtual (hrs. per employee)					
Senior Leadership	F	20	5	40	3	68	5	340.00	68.00	
	M	20	5	3	3	31	42	1302.00	31.00	
Middle Managers	F	19	11	-	2	32	3	96.00	32.00	
	M	19	11	45	2	77	41	3157.00	77.00	
Line Managers	F	20	15	-	7	42	17	714.00	42.00	
	M	20	15	-	7	42	113	4746.00	42.00	
Executives	F	23	9	-	8	40	126	5040.00	40.00	
	M	23	9	-	8	40	439	17560.00	40.00	
Non Executives	F	25	8	-	9	42	401	16842.00	42.00	
	M	25	8	-	9	42	802	33684.00	42.00	
Minor staff	F	8	-	-	2	10	2	20.00	10.00	
	M	8	8	-	2	18	61	1098.00	18.00	
Total							2,052	84,599	40.33	

channels. All grievances are treated seriously and investigated immediately through an impartial review to ensure a fair and equitable resolution within the stipulated timeline. These are Company-wide practices that apply to all employee categories. There were no grievances reported in FY 2023/24.

Also forming an important part of the employee relations framework is the annual event calendar, which aims to foster greater interaction between employees and the leadership in an unofficial capacity.

 GRI 403 - 1, 403 -2, 403 -3, 403 -4, 403-5, 403-6, 403 -7, 403 -8, 403-9

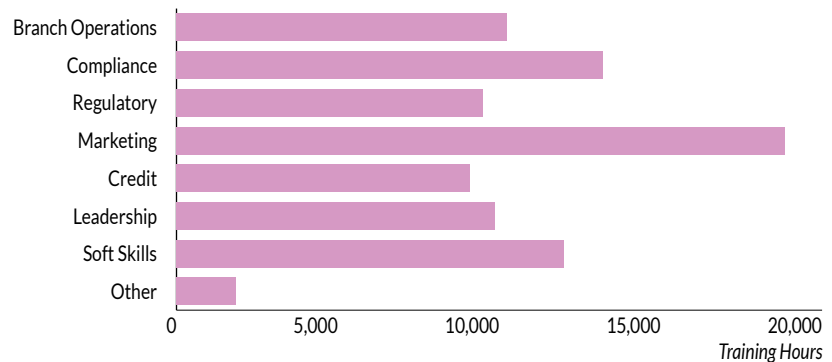
SAFETY AND WELL-BEING

Employees of People’s Leasing are not subject to occupational health risks owing to the nature of the Company’s operations. In the FY 2023, no work-related injuries were reported. Nonetheless, keen to assure the safety and well-being of its employees, customers and visitors to its premises, the Company complies with national fire safety regulations. Annual fire drills are organised in coordination with the national fire department.

Going beyond compliance, the Company’s Risk and Control Department conducts regular safety checks to identify potential safety risks and determine the efficacy of emergency preparedness across the branch network. The Risk and Control Department together with the Administration Department also undertakes targeted training activities to promote the organisation-wide safety culture.

Moreover, all employees of People’s Leasing benefit from Personal Accident Cover, Surgical and Hospitalisation Cover and Life and Critical Illness Cover. Additionally, all marketing officers and recovery officers are entitled to Personal Accident Cover during their probation period as well.

Learning Distribution



Creating a healthy work-life balance is also a key component of the overall approach to safety and well-being. The Company believes that a healthy work-life balance is crucial for overall well-being and productivity of its employees. In recent years, People’s Leasing has significantly expanded its focus on work-life balance with some key initiatives conducted at frequent intervals.

Capital Trade-offs

Higher staff costs associated with attracting and retaining the best in-class team increases short term operating costs



A reliable and high functioning team strengthens customer trust and contributes towards sustainable revenue generation long term earnings to boost Financial Capital over the long term



Strengthening employee resilience fosters employee loyalty, in turn enhancing brand reputation as an employer of choice



Current Progress of the Targets set in F/Y 2022/23

Updating the Learning Hub with the introduction of new modules in partnership external partners	Commenced
Introduction of the HR branch visit programme to strengthen employee engagement	Commenced
Implement a Staff Secondment Policy and Procedure to support employee career mobility	Commenced
Launch Mobile version of the Learning Hub to reinforce the importance of continuous learning	Ongoing
Develop and implement a formal Grievance Handling Policy	Ongoing
Implement a structured leadership development pro-gramme to support succession planning	Commenced

SOCIAL AND RELATIONSHIP CAPITAL

The power of mutually beneficial partnerships is seen in the supported development of all players and parties.



DEPOSIT CUSTOMERS (Nos.)

308,051

REPEAT CUSTOMER

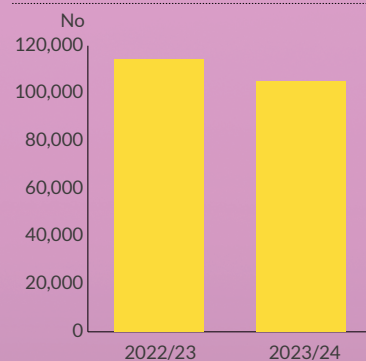
36.87%

NEW CUSTOMER

63.13%




Lending Customers



SOCIAL AND RELATIONSHIP CAPITAL

VALUE CREATION HIGHLIGHTS


MATERIAL THEMES	
	Geopolitical and socio economic uncertainty
	Business model flexibility in an environment that is continually changing
	Developing sustainable ecosystems to support sustained wealth creation regardless of headwinds
	Increase customer awareness through responsible communication
	Heightened demands on governance, compliance and regulatory context

KEY PRIORITY
Customer empowerment through timely and effective market orientation
VALUE DRIVERS
» Product Responsibility
» Service Excellence
» Marketing and Communications
» Complaint Handling
» Data Security


KEY PRIORITY
Socioeconomic development of communities
VALUE DRIVERS
» Sustainable Procurement
» Financial Inclusion
» Supplier Education and Capacity building
» Community Outreach

STAKEHOLDER OUTCOMES - DIRECT IMPACT

VALUE ENHANCED / PRESERVED

 Launch of the "CLASSIQUE" centre	 Launch of Wakalah Investment solution and the Wadi'ah – Gold Safekeeping product
 Launch of SOLAR FINANCING for Retail and MSME Customers	 Reduction in average turnaround times between customer on-boarding to disbursement thanks to the PLCCORE system automation
 Branches offering gold Loan products increased to 104	 Implemented the PERSONAL DATA PROTECTION policy
 Established CUSTOMER SERVICE AND DISPUTE Resolution Department	 31 community youth trained under the "හරිත නෙණ" (Haritha Nena) skills development programme
 83,856 Total active Business Partners	 RS. 85.42 MN granted as micro finance loans

VALUE ERODED

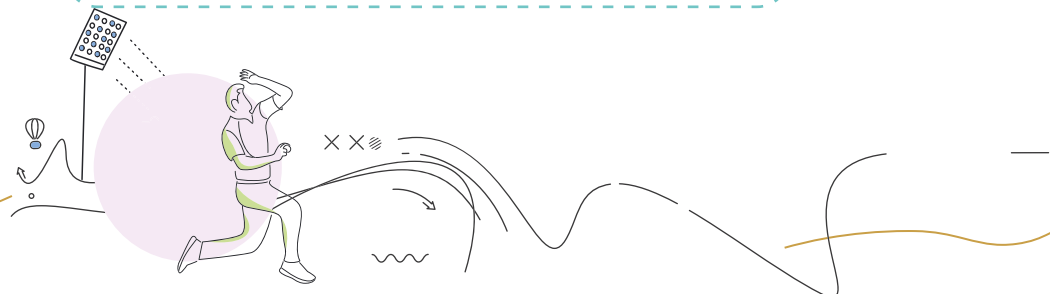
 A total of **166** complaints were received in FY 2023/24. (2022/23 - A total of 128 complaints)



STAKEHOLDER OUTCOMES - INDIRECT IMPACT

1 REGULATORS + Contribution towards socio economic development across the Country	2 ENVIRONMENT + Supporting decarbonisation through fostering awareness and adoption of eco-friendly business practices
---------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------

+ Value Enhanced = Value Preserved - Value Eroded



ESG Impact and Contribution to SDG's



Environment

- » 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities.
- » 12.8 - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
- » 13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Social

- » 1.4 - By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
- » 1.5 - By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.
- » 4.3 - By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
- » 4.4 - By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- » 4.5 - By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
- » 9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- » 11.a - Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.



Governance

- » 8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
- » 8.3 - Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- » 8.10 - Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
- » 16.6 - Develop effective, accountable and transparent institutions at all levels.



FUTURE TARGETS



SHORT TERM

- » Educate staff about the financial Consumer Protection Framework (CPF) regulations according to the FCRD-CBSL guidelines with the aim of reducing customer complaints by 25% for FY 2024/25
- » Improve financial literacy especially among vulnerable groups with the involvement of island wide customer touch points
- » Enhance community awareness regarding ESG matters via social media



MEDIUM TERM

- » Emphasis on ESG integration through focused efforts directed at women's empowerment, social equity and inclusion
- » Facilitate MSME sector expansion by providing access to a range of high-quality structured lending products, with a specific focus on green and sustainable finance solutions for vulnerable groups



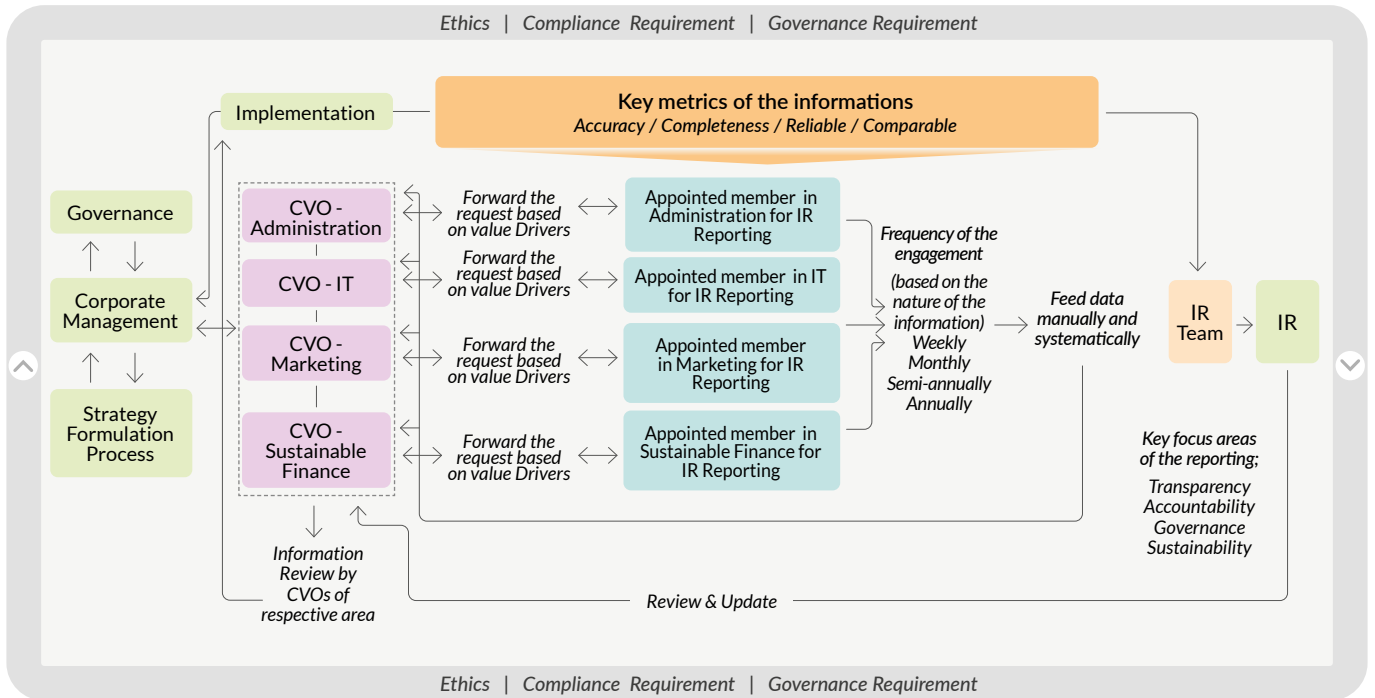
LONG TERM

- » Substantially increase financial literacy among consumers, particularly vulnerable groups, including women, youth and those with poor educational backgrounds
- » Promote sustainable leasing to increase investment in green projects and drive social entrepreneurship



SOCIAL AND RELATIONSHIP CAPITAL

Information captured in this Social and Relationship Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Social and Relationship Capital section.



CUSTOMER EMPOWERMENT THROUGH TIMELY AND EFFECTIVE MARKET ORIENTATION

GRI 416-1, 416-2

Product Responsibility

People’s Leasing acknowledges its fundamental role in providing responsible financial products and services that prioritise the financial well-being of customers and in doing so preserve the integrity of the local NBFIs sector.

From mainstream financial products and innovative financial tools to tailored leasing options and customised advisory services, People’s Leasing offers a full range of products and services to meet the needs of all customer segments. To that end, strong emphasis on safety, and reliability in every product offering. Through rigorous quality control measures and continuous improvement initiatives, the Company remains steadfast in its commitment to providing customers with products that not only meet their needs but also uphold the highest standards of responsibility and integrity.

Striving to lead by example in developing timely and relevant products that reflect the evolving and emerging needs in the market,

the Company’s product development process begins with a meticulous assessment of customer needs coupled with comparison of existing product positioning and peer reviews to determine potential opportunities for product enhancement or diversification.

Product development is undertaken in 2 phases, Eg: Innovating ideas from Chairman’s Awards with phase 1 from ideation and concept development to preparing the product paper strictly managed under the purview of the Company’s CEO/GM. Finalised product papers are then presented to the Board Integrated Risk Management Committee (BIRMC) for review and approval of the preliminary concept, which kicks off phase 2 involving prototype development, followed by product validation and quality assurance to determine compliance with regulatory requirements and ending in the pilot run prior to the final product launch.

In this way, all new products and services were assessed for health and safety impacts. Similarly, the market performance of existing products are constantly monitored enabling the Company to identify underperforming products, with findings reported to the Board Audit Committee for necessary corrective action.

Several new products were launched in the current financial year, denoting the Company’s commitment to offer its customers the best in class financial solutions. The launch of the Solar financing scheme for retail and MSME segments represents a historic milestone in People’s Leasing’s product diversification strategy.

The Company’s Islamic product range was also further expanded with the launch of the Wakalah Investment solution and the Wadi’ah – Gold Safekeeping product. In parallel, special short term, low rate and flexible gold loan options were introduced, while the number of branches offering gold Loan products was also increased to 89 from 104 in the previous year.

In keeping with its product responsibility guidelines, People’s Leasing continues to provide advisory services and tailor-made repayment plans to assist customers who remained under prolonged stress.

There were no any incidents of non-compliance concerning the health and safety impacts of products and services. All products & services were assessed for health & safety impacts.



LENDING CUSTOMERS

2023/24 : 104,865
2022/23 : 114,246



DEPOSIT CUSTOMERS

2023/24 : 308,051
2022/23 : 383,715



REPEAT CUSTOMERS
36.87%



NEW CUSTOMERS
63.13%

* Cross-selling exists.

Service Excellence

Service excellence has been the cornerstone of People's Leasing's customer value proposition since the inception. Over the past 27 years, the Company has continued to demonstrate its unwavering commitment to service excellence across all customer segments. Be it retail customers, MSME's, large corporations or high networth individuals, 100% customer satisfaction at every touchpoint remains the overarching mandate. With a dedicated team of professionals and a customer-centric approach embedded in its culture, People's Leasing consistently strives to deliver exceptional service experiences that demonstrate care, reliability, and trustworthiness to its valued customers. Continuous and ongoing improvement of service standards goes hand in hand with these commitments.

In the current financial year, the Company undertook the launch of the PLCCORE system, signifying an important step in efforts to achieve service excellence. By facilitating seamless integration of processes through end to end credit workflow automation, the new system has greatly streamlined the credit evaluation process and simplified approval protocols, reduction in average turnaround times between customer on-boarding to disbursement.

Yet another notable development was the launch of the "Classique by PLC" in September 2023, which revolves around an exclusive service proposition targeting high net worth clientele. Another key feature of the "Classique by PLC" is its profile as Sri Lanka's 1st EDGE-Certified Green Building which recognises that the centres structural design and interior / exterior layout is consistent with high levels of efficiency in energy use, water use as well embodied energy in materials compared to standard other buildings.

Launch of Solar Financing for Retail and MSME Customers

The PLC solar leasing product launched to the market in March 2024, marks an important milestone in People's Leasing's product diversification strategy for the retail market. Having identified a severe market gap owing to the lack of financing solutions to promote household investment in renewable energy, People's Leasing launched a new financing scheme to enable a larger population demographic across Sri Lanka to benefit from affordable access to solar energy through investments in investing in on-grid, off-grid and hybrid energy or other solutions such as solar water heaters and solar pumps. The main aim of the product which offers attractive interest, is to reduce customers' cost of switching to solar energy.

Seeking to further expand the outreach across the island, People's Leasing formed a strategic partnership with Hayleys Solar, to offer tailored financing to drive early adoption of solar energy among the MSME sector. The rapid expansion of the MSME sector in recent years has seen sector as a whole emerging as a major consumer of grid electricity. Hence the solar financing scheme by People's Leasing signals a timely move designed to facilitate the MSME sector transition to solar energy.

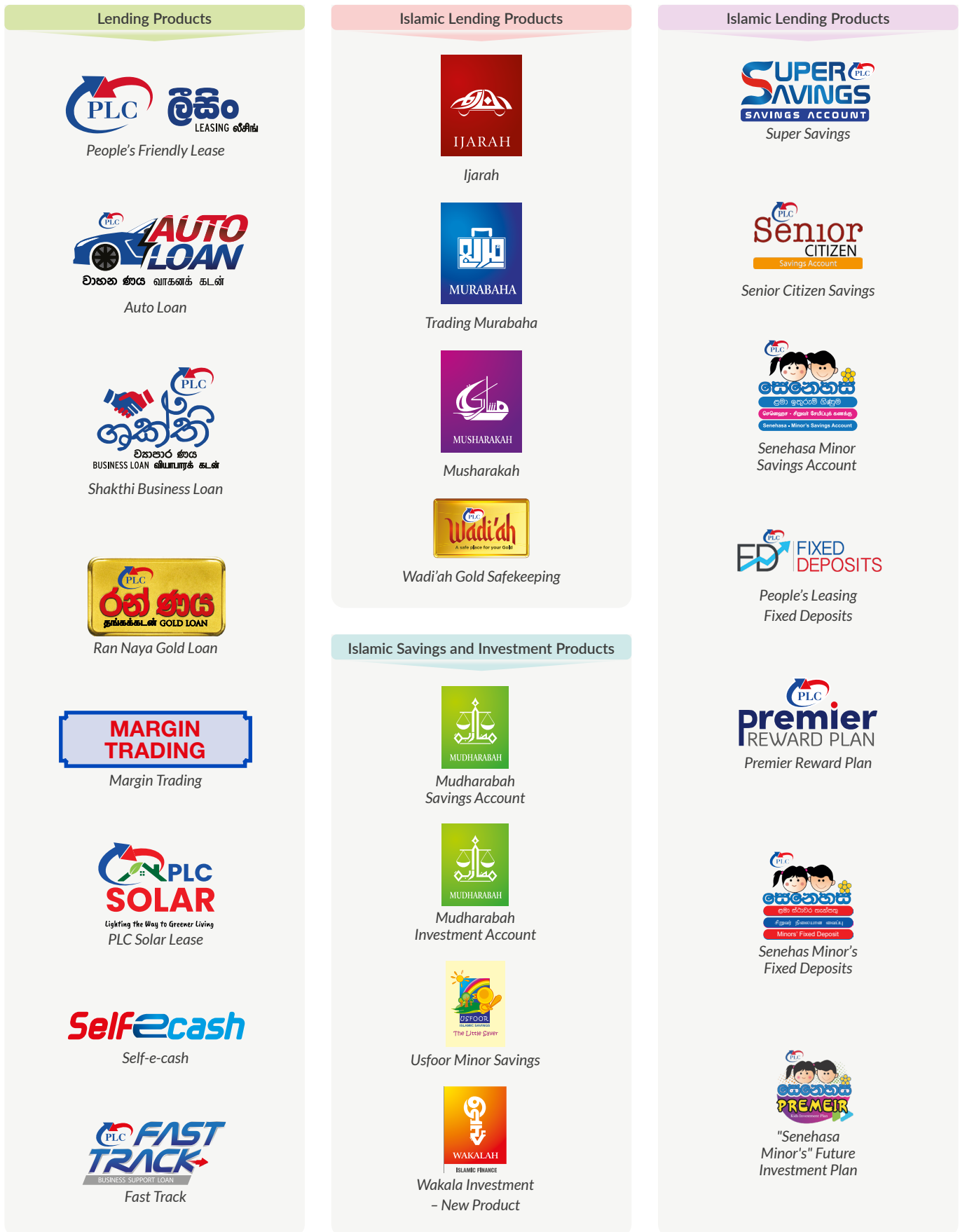
Launch of "Classique by PLC"



SOCIAL AND RELATIONSHIP CAPITAL

GRI 2-6

Product Portfolio Channel Architecture



GRI 3-3, 417-1, 417-2, 417-3

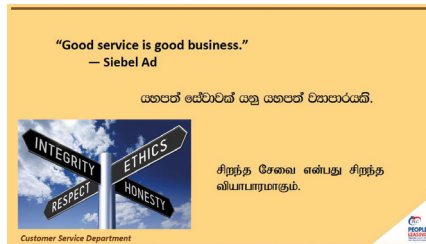
MARKETING AND COMMUNICATIONS

People’s Leasing’s approach to responsible marketing and communication is anchored to the principles of transparency, integrity, and ethical practices. These principles are embedded when designing high impact marketing and communication material, thus ensuring all published information regarding the Company’s products and services are truthful, accurate, and compliant with relevant regulations and industry standards. By providing clear and comprehensive information about its products and services, People’s Leasing aims to empower customers to make informed decisions that align with their needs and financial goals.

Furthermore, seeking every opportunity to build trust and credibility with its customers, the Company strictly avoids deceptive or misleading tactics or any other activities that could be construed as anti-competitive behaviour.

To ensure its marketing and promotional campaigns achieve the desired reach and impact, the Company uses a combination of mediums ranging from Above The Line (ATL), Below the Line (BTL) and digital to social media. In the year under review, a sum of Rs. 127.35 million was incurred for marketing and communication activities.

In the year under review, there were no reported incidents of non-compliance in relation to the disclosure of product information or marketing and communications.



Marketing and Communication Campaign - FY 2023/24		
Campaign Name	"ජීවිත මැවී එක දිනක එකතු කිරීමේ අයිතිකරු - අයිතිකරු වේ"	"එකවර බාධක කිරීම, එකවර අරමුණු වෙත යාම"
Scope and Purpose	Brand awareness	To boost the market sentiment for asset and liability products,
Target Customer Segment	Existing customers and new customers	New customers & vehicle dealers
Mediums used	TVC	ATL and BTL
Expected Reach	Island wide	Island wide



SOCIAL AND RELATIONSHIP CAPITAL

GRI 2-26

COMPLAINT HANDLING

Effective resolution of complaints forms an integral part of People’s Leasing’s pledge to achieve 100% customer satisfaction. To that end, a high priority on addressing and resolving customer complaints effectively and efficiently. Several channels have been put in place to receive customer complaints, with all complaints received directed to the Customer Service & Dispute Resolution Department, where it is recorded and a complaint loop activated, before being redirected to relevant chain of command for investigation and resolution within the stipulated timelines. Customers are kept informed throughout the process, with clear communication channels available for updates and inquiries, while solutions and remedies provided are often tailored to each individual case. Recurring complaints often involve deeper scrutiny with more focus on root cause analysis.

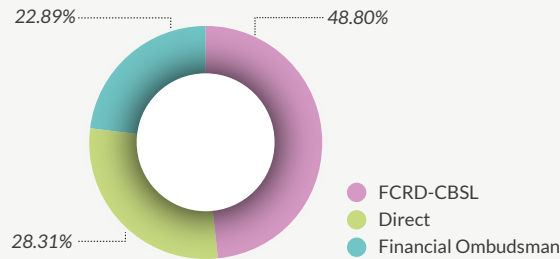
Moreover, assurance regarding the efficacy of the resolution process is sought through callbacks to gauge customer satisfaction of the resolution provided. Insights received as a result of these callbacks have proven to be immensely helpful driving continuous improvement of products, services, channels and customer service.

In tandem with continuous improvement efforts, the complaint handling mechanism was further streamlined in the current financial year, with disputes relating to POS/ATM/CEFT,CDMA, Utility, and Just Pay directed to the newly established Customer Service and Dispute Resolution Dept set up in the previous year. This new development has helped to expedite the solutions provided to customers in relation to these areas.

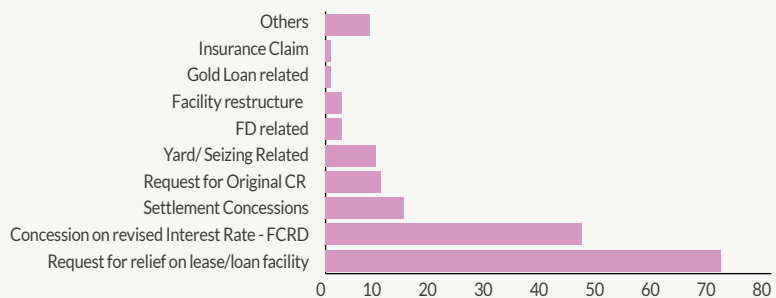
A total of 166 complaints were received in FY 2023/24 However it should be noted that a majority of these were not complaints, but rather inquiries regarding the decline in the interest rates.

Mode wise	Total
FCRD-CBSL	81
Direct	47
Financial Ombudsman	38
Total	166

Complaints/Requests Received During the FY 2023-2024 Mode-wise



Nature of the complaint /Request



HIGHEST COMPLAINTS/ REQUESTS RECEIVED BRANCH-WISE

Name of the Branch	No. of complaints/ Requests Received from each Branch
Havelock	12
Wattala	8
Kalutara	7
Kelaniya, Neluwa	5
Ambalangoda, Kandy, Metropolitan, Nugegoda, Piliyandala, Thambuttegama	4

DISPUTES HANDLED FROM 17.01.2024 TO 31.03.2024

Transaction Type	Total
POS	107
Fund Transfers	96
ATM	31
Utility Payments	17
CDMA	16
Total	267

GRI 2-24, 3-3, 418-1
DATA SECURITY

At People's Leasing, safeguarding customer privacy is not just a legal obligation but a core value ingrained in across the Company's operations and executed through a comprehensive Customer Protection Framework developed in line with the fundamental principles set out under the Finance Business Act No. 42 of 2011. The Customer Protection Framework serves as a guideline to educate staff on the confidentiality and privacy of its customers' personal and financial information.

Stringent measures are in place to ensure that sensitive customer data is securely stored, transmitted, and accessed only by authorised personnel for legitimate purposes. In this regard, People's Leasing adheres to strict compliance with data protection laws and regulations, continuously updating its security protocols to mitigate emerging risks and safeguard against unauthorised access or misuse of customer data.

In the year under review, a new Board approved Personal Data Protection policy was implemented, formally documenting Company-wide data storage and retrieval procedures, including access controls and specified authority limits. This was

accompanied with a series of workshops to educate teams on the new procedures.

In FY 2023/24, one (01) complaint was received regarding breach of customer privacy by an employee. As per the guidelines established under the Customer Complaint and Grievances Handling Policy, the investigation was handled by the HR Dept, with two-way communication to ensure the customer is kept apprised about the progress throughout the investigative process. Based on the findings of the investigation, the company has undertaken to further strengthen internal controls in regard to the protection of confidential customer information.

GRI 417-1

1 CUSTOMER PROTECTION FRAMEWORK

මූලික ගනුදෙනුකරුවන්ට ආරක්ෂා කිරීමේ අනුකූලතා රාමුව
වාඤ්ඤාකරුවන්ට පාලනය කළ හැකි ක්‍රමය

THE BASIC RIGHTS OF CUSTOMERS

- Right to Receive True Information of the Product/Service condition
- Right to Fair Treatment
- Right to be served Honestly
- Right to Suitability
- Right to Privacy
- Right to Seek Compensation and Redress

ගනුදෙනුකරුවන්ගේ මූලික අයිතීන්

- සත්‍ය තොරතුරු ලබාදීමේ අයිතිය
- සාධාරණ සේවාවක් ලබාදීමේ අයිතිය
- සමාජ සේවාවක් ලබාදීමේ අයිතිය
- විද්‍යාලීනව සේවාව ලබාදීමේ අයිතිය
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- සත්‍ය තොරතුරු ලබාදීමේ අයිතිය
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- සමාජ සේවාවක් ලබාදීමේ අයිතිය
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- විද්‍යාලීනව සේවාව ලබාදීමේ අයිතිය

Reference - Finance Business Act Direction (Financial Customer Protection Framework) No.1 of 2018

2 CUSTOMER PROTECTION FRAMEWORK

මූලික ගනුදෙනුකරුවන්ට ආරක්ෂා කිරීමේ අනුකූලතා රාමුව
වාඤ්ඤාකරුවන්ට පාලනය කළ හැකි ක්‍රමය

PERSONAL CONTACTS WITH CUSTOMERS

- When making a telephone contact with the existing or prospective customer,
- The person shall identify himself or herself by name, name of the LFC on whose behalf customer is contacted and the commercial purpose of the contact.

ගනුදෙනුකරුවන් සමඟ දුරකථන සම්බන්ධතා

- දුරකථන සමඟ සම්බන්ධතා සඳහා පුද්ගලිකව හඳුනාගැනීමේ අවශ්‍යතාවය
- දුරකථන සමඟ සම්බන්ධතා සඳහා පුද්ගලිකව හඳුනාගැනීමේ අවශ්‍යතාවය

වාඤ්ඤාකරුවන්ගේ සමඟ පුද්ගලික සම්බන්ධතා

- දුරකථන සමඟ සම්බන්ධතා සඳහා පුද්ගලිකව හඳුනාගැනීමේ අවශ්‍යතාවය
- දුරකථන සමඟ සම්බන්ධතා සඳහා පුද්ගලිකව හඳුනාගැනීමේ අවශ්‍යතාවය

Reference - Finance Business Act Direction (Financial Customer Protection Framework) No.1 of 2018

3 CUSTOMER PROTECTION FRAMEWORK

මූලික ගනුදෙනුකරුවන්ට ආරක්ෂා කිරීමේ අනුකූලතා රාමුව
වාඤ්ඤාකරුවන්ට පාලනය කළ හැකි ක්‍රමය

PERSONAL VISITS WITH CUSTOMERS

- Visit the customer by giving reasonable notice and such visits shall be made during the daytime.
- Maintain separate record of the visit including the purpose, date and time of the visit and the customer's response in brief.

ගනුදෙනුකරුවන්ට පෞද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා

- සාධාරණ දැනුම් දීමෙන් පසුව පුද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා
- සාධාරණ දැනුම් දීමෙන් පසුව පුද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා

වාඤ්ඤාකරුවන්ගේ පෞද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා

- සාධාරණ දැනුම් දීමෙන් පසුව පුද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා
- සාධාරණ දැනුම් දීමෙන් පසුව පුද්ගලිකව ප්‍රවේශය වීම සහ සම්බන්ධතා

Reference - Finance Business Act Direction (Financial Customer Protection Framework) No.1 of 2018

SOCIAL AND RELATIONSHIP CAPITAL

 GRI 3-3, 308-1, 308-2, 414-1, 414-2

SOCIOECONOMIC DEVELOPMENT OF COMMUNITIES

Sustainable Procurement

Recognising that suppliers play an important role supporting business continuity and resilience, People’s Leasing aims to build and maintain an efficient and reliable network of suppliers. The Company’s principal approach is based on promoting sustainable procurement that delivers shared value by leveraging opportunities for mutual growth. The Company register suppliers annually and maintain a database for 24 categories, with new suppliers on-boarded subject to a stringent registration process. All registered suppliers are local and based in Sri Lanka and account for 100% of the annual procurement spend.

Supplier screening is carried out by the Company’s procurement department in accordance with the Board approved Procurement Process which sets out key assessment criteria such as price, quality, service delivery and after-sales support as well as social and environmental considerations. A total of 178 new suppliers screened in the year under review, with 25 being on-boarded to the Company’s supplier registry in FY 2023/24.

As per the ongoing process supplier registration forms under each category were made available for download on the corporate website.

Meanwhile no negative social or environmental impacts were identified among any of the suppliers during the year. Nonetheless, keen to further improve to secure supplier commitment towards environmental and social aspects, the Company began the groundwork to introduce an ESG due diligence check-list to facilitate evaluation of supplier’s commitment to environmental, social and governance best practices. The ESG due diligence check-list which aims to support sustainable procurement, will be applicable to new suppliers registering from the next financial year onwards. As per this procedure, all new suppliers will be evaluated based on the ESG criteria encompassing social and environmental best practices including compliance with labour laws, adherence to safety and human rights best practices and environmental standards.

 GRI 2-8, 410-1

Supplier Education and Capacity Building

Supplier education and capacity building forms an important part of the effort to encourage suppliers to align with People’s Leasing’s business practices and work ethic. Premised on this, special emphasis is placed on raising awareness on certain topics. For instance, managers are required to educate outsourced service personnel operating at Company locations on safeguarding basic human rights in general including responsible visitor/customer management.

Reputable outsourced service providers security services at the head office and branches, ensuring that security procedures preserve the dignity of employees and other stakeholders.

Financial Inclusion

People’s Leasing is deeply committed to advancing financial inclusion, recognising it as a cornerstone of sustainable economic development. The traditional market space in which NBFIs in Sri Lanka operate provides an excellent opportunity for the Company to promote financial inclusion through innovative products, such as microfinance and small business loans, for rural communities who are often unable to access these financial services through the formal banking channels.

People’s Leasing -Micro-commerce Ltd (PML) specialises in empowering micro entrepreneurs through a combination of financial assistance and advisory services to instil greater financial discipline.

	2023/24	2022/23	2021/22
No. of loan granted	437	75	135
Total annual disbursement volumes (Rs.)	85,423,200	11,050,500	18,965,000
Total portfolio value	65,259,821	23,518,519	19,651,969

 GRI 3-3, 413-1, 413-2

COMMUNITY OUTREACH

People’s Leasing’s community outreach efforts embody the Company’s genuine commitment to the United Nations Sustainable Development Goals (SDGs). The Company strives to contribute to the advancement of various SDGs by aligning its actions with the Company’s roadmap towards sustainable development for positive social and environmental impact. People’s Leasing aims to make a tangible difference in the lives of people and the planet, in line with the overarching objectives of the SDGs underscored by programmes that focus on livelihood empowerment and environmental preservation as well as various CSR initiatives to address community needs. Further, by partnering with local stakeholders, NGOs, and government agencies, the Company leverages pooled resources and expertise to

create meaningful change at the grassroots level. These efforts typically focus on raising stakeholder awareness on ESG, improving community knowledge of fintech tools and digital literacy and strengthening ESG education both at the local level and organisational level, in order to promote responsible investment and borrowing practices,

In the year under review, the Company dedicated Rs. 0.71 million towards the following community outreach initiatives.

There have been no negative impacts on local communities by operation during thereporting year.

The progress and impacts generated by the community initiatives are monitored and assessed by the Head office level and Branch Level.

“හරිත නැණ” (Haritha Nena) - Youth Skill Development Initiative

People’s Leasing in partnership with the Vocational Training Authority (VTA) initiated a NVQ-level Hybrid Automobile Technology skill development workshop series aimed at developing automobile technicians specialising in hybrid automobile technology.



The move represents an important step towards developing expertise on hybrid automobile technology in Sri Lanka, in light of the national and international drive to accelerate the e-mobility transformation and growing demand for hybrid & electric vehicles. Two parallel programmes were conducted at the VTA Centre in Narahenpita, Colombo and at the VTA Centre in Wegiriya, Kandy. Collectively both programmes saw a total of 31 youth completing the 100 hours programme and received NVQ certificates.



Encouraging Rural Youth to Pursue Athletic Dreams

CP/W/A Rathnayaka Central College, Digana has consistently demonstrated excellence by securing victories in all-island school competitions and earning numerous medals at national-level athletic events.



Recognising the talent and commitment of these students of the school, People’s Leasing took the initiative to support them by providing required sporting gear. Sports footweares were presented to the students by the Company.

In addition, the Company also offered Ms. Tharushi Senarathna, (Gold medalist in the women’s 800 m category at the Asian Games), a complimentary, comprehensive disability insurance plan that will be effective for a period of ten years. This coverage assures her an opportunity to make a claim in the event that any injury within the next ten years. The facility aims to safeguard her financial well-being as she pursues her sporting career. The Company also offered Ms. Senarathna a job opportunity at People’s Leasing.



SOCIAL AND RELATIONSHIP CAPITAL

Saving Lives Together

As part of a community-based engagement, People’s Leasing’s Sports & Welfare Society collaborated with the National Blood Transfusion Service to carry out a blood donation campaign, which saw a total of 97 pints of blood was donated thanks to the contribution from a large number of Company employees.



Several company employees also committed to donate eyes other organs by pledging their support to the National Eye Association. A total of 157 employees signed pledges to donate their eyes and other organs.

Employees from several Group companies, including People’s Leasing Fleet, People’s Leasing Micro-Commerce, People’s Leasing Property Development, People’s Insurance, and People’s Bank also made voluntary contributions.



Recognising and Honouring the Diverse Talents Flourishing among PLC Employees’ Children

As part of a community-based engagement, People’s Leasing’s Sports & Welfare Society collaborated with the National Blood Transfusion Service to carry out a blood donation campaign, which saw a total of 97 pints of blood was donated thanks to the contribution from a large number of Company employees.



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Celebration of Women’s Day 2024

PLC Sports & Welfare Society has hosted an event with the theme “#InspireInclusion” in observance of World Women’s Day in 2024. The event recognises the commitment and dedication of women at all levels of the organisation as one of the diverse and dynamic work environments for all women. This event took place on March 7, 2024, at PLC’s head office. It brought together women employees from all branches of the Island wide branch network through a virtual platform, as well as all women employees from head office.



This event features a cooking demonstration in partnership with Singer Sri Lanka PLC and an overall campaign to raise awareness of women’s health in partnered with Nawaloka Hospitals PLC. In addition to that, every female employee of People’s Leasing & Finance PLC and People’s Leasing Fleet Management PLC received a token of appreciation. Aside from that, a special welfare market was held at the PLC head office where employees could affordably buy necessities for their households.



Promoting Health & Well-being of PLC Employees

Promoting Health & Well-being of PLC Employees



Awareness programme for employees

- » Session on Work Life Balance by Prof. Sarath Wijesooriya
- » Session on Planning of Retirement by Prof. Daya Rohana Athukorala
- » NCDs (Non-Communicable Diseases) Awareness - conducted by Vidyajoythi Prof. Arujuna De Silva on 13th July 2023 in partnership with Nawaloka Hospitals.
- » Diet & Nutrition Awareness - conducted by Nutritionist & Dietician Ms. Imihiri Pathirana on 14th February 2024 in partnership with Nawaloka Hospitals.

Weekly medical consultation & medical check-ups for employees

The People's Leasing Sports & Welfare Society tied up with Nawaloka Hospitals to arrange a weekly medical consultation session at Company's Head office premises where employees can obtain a free medical consultation from specialist General Physicians every Wednesday.

Vision screening programme

Organised in partnership with D.S. Jayasinghe Opticians, the free vision screening programme was held on 13th July 2023, at the Company head office saw over 200 employees benefiting from the free eye check up.



Launch of the memorial scholarship scheme

Initiated by the Company's Sports & Welfare Society to support deceased employees' children to pursue their education with eligible recipients receiving a monthly stipend until they turn eighteen years of age.



Awareness on financial literacy & cyber security for customers

People's Leasing enriches customer financial literacy and boosts cyber security awareness via social media platforms.



Current Progress of the Targets set in F/Y 2022/23

Continuous improvement in the customer value proposition through diversification and expansion of digital channels	Commenced
Introduce a comprehensive Supplier Management Framework including a Supplier Code of Conduct	Commenced

Capital Trade-offs

Earning the trust of customers improves customer loyalty and retention to support market share growth



Loyal customers and suppliers and good standing in the community helps bolster the Company's reputation and industry standing



Feedback from customers provides insights for continuous improvement in delivery channels.



NATURAL CAPITAL

Like instinct pays off in the field, our instinct is to make our natural resources a vital part of our genetic code.

RECYCLED WASTE

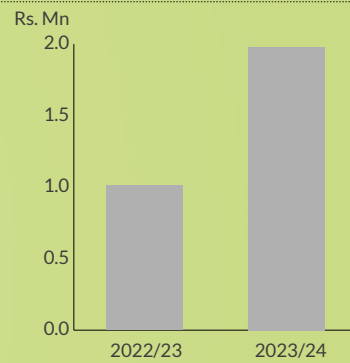
1,476 tCO₂e



CARBON FOOTPRINT

2,510.50 tCO₂e

Investment in Natural Environment



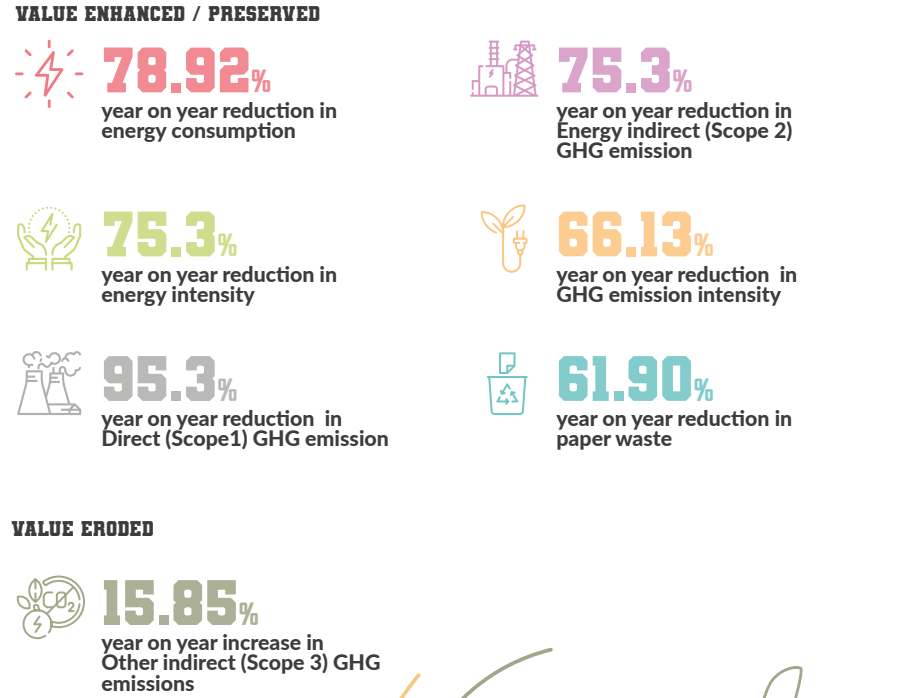
NATURAL CAPITAL

VALUE CREATION HIGHLIGHTS

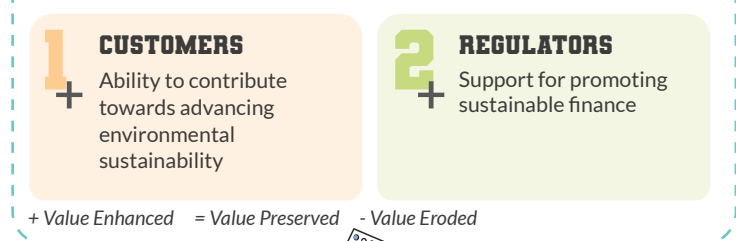
MATERIAL THEMES	
	Business model flexibility in an environment that is continually changing
	Developing sustainable ecosystems to support sustained wealth creation regardless of headwinds
	Increase customer awareness through responsible communication
	Heightened demands on governance, compliance and regulatory context

KEY PRIORITY
Advocating Responsible Lending
VALUE DRIVERS
» Green Financing
KEY PRIORITY
Strengthen business resilience
VALUE DRIVERS
» Green Operations
KEY PRIORITY
Drive shared value
VALUE DRIVERS
» ESG Awareness & Training
» Green Outreach Projects

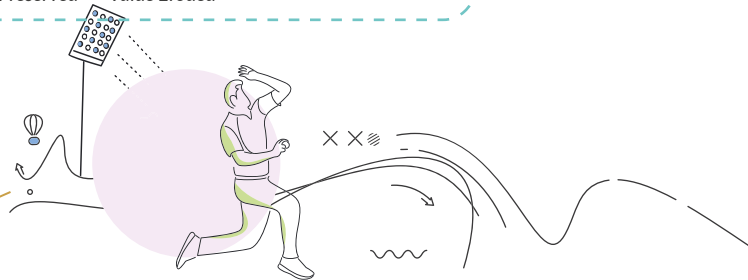
STAKEHOLDER OUTCOMES - COMMUNITY AND ENVIRONMENT (DIRECT IMPACT)



STAKEHOLDER OUTCOMES - INDIRECT IMPACT



* Calculations have been done based on the comparison between financial year 2022/23 Head office data with financial year 2023/24 Head office data.



ESG Impact and Contribution to SDG's



- » 6.5 - 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
- » 6.b - Support and strengthen the participation of local communities in improving water and sanitation management.
- » 7.2 - By 2030, increase substantially the share of renewable energy in the global energy mix indicators.
- » 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources
- » 12.3 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- » 12.7 - Promote public procurement practices that are sustainable, in accordance with national policies and priorities
- » 12.8 - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
- » 13.1 - Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- » 13.2 - Integrate climate change measures into national policies, strategies and planning.
- » 13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
- » 15.6 - Promote fair and equitable sharing of the benefits arising from the utilisation of genetic resources and promote appropriate access to such resources, as internationally agreed



- » 1.5 - By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.



- » 17.7 - Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed



FUTURE TARGETS

SHORT TERM

- » Reduce the dependency on grid energy by investing in renewable sources across the branch network
- » Pursue fin-tech partnerships to strengthen digital channel architecture
- » Increase automation to generate a significant reduction in paper consumption
- » Establish a mechanism to facilitate data capture and reporting of the both positive and negative environmental impacts attributed to the core lending operations

MEDIUM TERM

- » Promoting environmentally friendly forms of staff transportation through a sustainable leasing approach
- » Implement a comprehensive Environmental Management System (EMS) to track all key environmental metrics, including energy, emission, water and waste
- » In line with the EMS, establish targets and KPI for all branches and departments
- » Setting energy reduction targets to reduce the Company carbon footprint.
- » Set KPIs for energy & emission targets

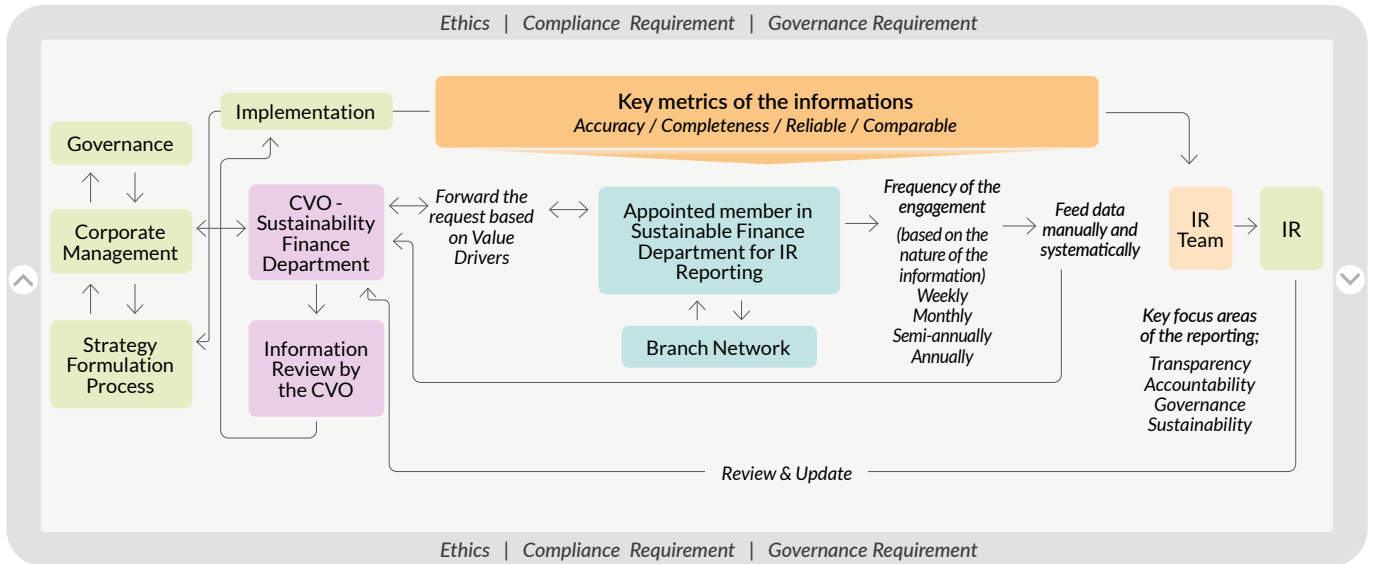
LONG TERM

- » Improve reporting transparency regarding performance and progress on environmental matters
- » Systematically adapt all branches to comply with the green building standards upheld by PLC branches, ensuring alignment with eco-friendly construction principles.



NATURAL CAPITAL

Information captured in this Natural Capital section has been gathered from various internal sources across the Company which is consistent with People’s Leasing’s approach to integrated thinking and reporting transparency. Detailed below is the information flow designed to provide assurance regarding the accuracy, completeness, reliability and comparability of the data and information captured within this Natural Capital section.



GREEN FINANCING

People’s Leasing has persistently positioned itself as an early adopter of green finance through its innovative vehicle leasing scheme for hybrid and electric vehicles, which has been in place for over a decade. The scheme is designed to offer special concessions to customers to encourage them to switch to the use of hybrid and electric vehicles. This approach underscores People’s Leasing’s commitment to responsible business, through the contribution towards reducing carbon emissions and also aligning with regulatory mandates such as the Central Bank of Sri Lanka’s Roadmap on Sustainable Finance, Sri Lanka Green Finance Taxonomy, and Guidelines on Sustainable Finance Activities, alongside directives from the Colombo Stock Exchange (CSE).

The Company continues to explore avenues to further develop and diversify its green portfolio to offer customers a wider range of solutions to secure their commitment towards combating climate change. The launch of the solar finance scheme in March 2024 for retail

and MSME’s customers, stands as a testament to the commitment to broaden the green portfolio.

Launch of PLC Solar Financing Scheme

The solar financing scheme launched to the market in March 2024, represents another landmark in People’s Leasing’s green product portfolio. The solar financing scheme, which offers attractive interest to reduce customers’ cost of switching to solar energy, aims to enable retail customers to benefit from affordable access to solar energy through investments in investing in on-grid, off-grid and hybrid energy or other solutions such as solar water heaters and solar pumps. Meanwhile as part of a targeted approach to enable MSME’s to access the solution, People’s Leasing formed a strategic partnership with Hayleys Solar.

Launch e-Wheel revolution

People’s Leasing partnered with Lanka E-Mobility Solution (PVT) Ltd (LeMS), a subsidiary of Island Climate Initiatives (PVT) Ltd (ICI), to unveil the first-ever battery-



Green Financing Solutions offered by People’s Leasing

- » Eco Leasing Facilities for Hybrid & Electric Automobiles
- » Solar financing scheme for retail customers and MSME’s in partnership with Hayleys Fentons
- » eWheel Solution in partnership with Lanka E-Mobility Solution (PVT) Ltd

swapping technology-powered three-wheeler conversion in Sri Lanka.

People’s Leasing remained the exclusive provider of financial services throughout the project’s pilot phase. The launch of this novel battery swapping technology means the three-wheeler owner no longer has to purchase a costly battery, or worry about end-of-life replacement. The entire conversion process which takes just two hours requires an initial investment of Rs. 500,000/-. Once converted, the vehicle can immediately start using our battery swapping service through battery swapping stations, saving approx. Rs. 20,000/- every month which equates to a 25-month return on investment.

The soft launch of the product took place on 16th November 2023 and has since gained good traction in the market.

Integration of ESG due diligence check list for credit proposals

Another key development in the Company’s Sustainable Finance Roadmap, is the ESG due diligence check list integration in to the credit evaluation process through the PLCORE system to enable ESG risk assessments to be performed for all new lending exposures. Through these efforts, the Company aims to systematically focus on reducing the ESG risks associated with its credit portfolio over time.

GREEN OPERATIONS

People’s Leasing has embraced green operations as the key principle to articulate its commitment to environmental sustainability. This involves driving energy efficient operations , conserving water as well as promoting waste reduction and recycling. Further reinforcing the commitment to green operations, energy, emissions, water and waste attributed to the day to day operations are strictly monitored.

Keen to encourage stakeholders across the value chain to also adopt green operations, a ESG due diligence check list was introduced for new suppliers offering their services to People’s Leasing.



GRI 3-3, 302-1, 302-2

Energy Efficient Operations

Electricity extracted from the national grid serves as the main source of energy used by People’s Leasing to power its head office & island-wide branch network. Energy consumption and energy efficiency levels are closely monitored on an ongoing basis through the state of the art Office Building Management System (BMS) at Head Office, to enable identification of energy wastage to initiate proactive steps to address areas of concern. Meanwhile branch-wise energy consumption is recorded on a monthly basis and measured against revenue and cost structures, while usage per employee is also monitored annually.

Consequently, the imported energy (grid electricity) consumption attributed to People’s Leasing in FY 2023/24 was 526,769 Kwh.

Green Operations - Key Developments for FY 2023/24

- » Implementation of a formal Environmental, Social & Governance Sustainability Policy for the Company
- » EDGE Green Building certification for Classique by PLC
- » Automation & Digitalisation for Paperless operations, including E-Memo, E-Signature, Board Pac, Document Scanning, D-Cheque, E-Receipts and the E-FD Certificate as well as the E-Learning platform
- » Solid Waste Managements (Refuse/ Recycle/Reduce/Reuse)
- » Trees saved from paper recycling
- » Environment friendly desk calendar for 2024 & e-calendar launch of Classique by PLC



NATURAL CAPITAL

 GRI 305-1,305-2, 305-3, 305-4, 305-5

Emission Monitoring

Emissions attributed to People's Leasing operations are monitored through the annual GHG Inventory Report taking into account both direct (Scope 1) and indirect emissions (Scope 2 and Scope 3) attributed to the day-to-day operations.

The GHG Inventory report for FY 2023/24 which was prepared in accordance with the latest global emissions accounting standard ISO 14064:2018 and guidelines issued by the United Nation's Intergovernmental Panel on Climate Change (IPCC), signals the completion of a decade long journey in quantifying the Company's carbon footprint.


People's Leasing's articulates its commitment to environmental stewardship through the annual carbon footprint calculation which analyses data across all facets of its operations. This comprehensive evaluation not only demonstrates the Company's dedication to minimising its environmental impact attributed to its operations but also provides valuable insights for implementing effective mitigation strategies and promoting sustainable practices within the Company and the broader community.

Water Conservation

As a service organisation, People's Leasing's need for water is limited only to the utility needs of staff. However as a responsible environmental steward, the Company endeavours to contribute towards the global effort to save water resources and to that end strives to foster a culture of mindfulness among employees. This is accompanied by stringent monitoring of water usage at all levels of operations.

Types of Company Direct and Indirect Emissions

Direct Emissions	Indirect Emissions
Company owned vehicles	Imported Energy (grid electricity)
Stationary combustions (standby generators)	T & D Loss
Fire extinguishers refilling/ replacement	Employee Commuting –not paid by the company
Refrigerant leakages	Waste disposal
Employee commuting - paid by the company	Municipal Water Consumption
Rented vehicles – paid by the company	Business Air Travel
Business travel (Land)	Rented Vehicles
	Hired Vehicles
	Waste Transport
	Transport Locally Purchased

 GRI 3-3 306-1, 306-2, 306-3, 306-4, 306-5

Waste Management

While propagating 3R (Reduce, Reuse, Recycle) principles as much as possible in the day to day operations, the Company accepts that some degree of paper waste and e-waste is unavoidable as a result of its operations. Accordingly, strict guidelines have been established to ensure all such waste is segregated properly and disposed of responsibly to avoid adverse impact to the environment. Waste collection bins have been made available at all Company locations, while collected waste is handed over to Central Environment Authority (CEA) authorised waste disposal service providers.

Waste type	Location	2023/24 Recycled total(Kg)	2022/23 Recycled total (Kg)	Disposal method
Paper Waste	PLC Head Office	1,476	7,797	Recycled
Food Waste	PLC Head Office	1,507	-	Animal feed

*Data is only for People's Leasing Head office

 GRI 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

Company Greenhouse Gas House (GHG) Emission for 2023/24

Energy consumption within the organisation	2164.35 GJ
Energy consumption outside of the organisation	30696.0484 GJ
Energy intensity	9.279976956 GJ/Rs.Mn
Reduction of energy consumption	No reduction due to business travel
Reduction of energy requirements of products and services	Not Applicable
Direct (scope 1) GHG emissions	2146.36 tCO ₂ e
Energy indirect (Scope 2) GHG emissions	225.35 tCO ₂ e
Other indirect (Scope 3) GHG emissions	138.7913 tCO ₂ e
GHG emissions intensity	0.708980881 tCO ₂ e/Rs.Million
Reduction of GHG emissions	No reduction due to business travel
Emissions of ozone-depleting substances (ODS)	71.81 tCO ₂ e
NOx,SOx and other significant emissions	Not Available

* Calculation has been done only for People's Leasing Head office and Business Travel has been increased due to the People's Leasing acquired vehicles from People's Leasing Fleet Management during the reporting year 2023/24 for recovery use.

Comparison of the company Carbon Footprint of financial year 2023/24 with Base Year

Emission Category	Scope	Emission Source	GHG Emissions (tCO2e)				
			2014/15 (Base Year)	2020/21	2021/22	2022/23	2023/24
Direct emissions	Scope 1	Employee commuting paid by the company	59.18	290.60	445.74	68.57	7.60
		Business travel (Land)	-	102.48	-	19.94	2,059.41
		Stand by generators	-	4,778.00	129.36	65.04	7.54
		Fire extinguishers	-	0.06	0.82	6.36	-
		Refrigerant leakages	83.27	136.20	152.24	72.81	71.81
		Total Direct Emissions	267.75	769.32	1,050.15	232.73	2,146.36
Indirect emissions	Scope 2	Imported Energy (grid electricity)	987.02	2,325.99	2,741.62	1,185.70	225.35
Indirect emissions	Scope 3	T & D Loss	-	208.60	273.80	120.17	21.75
		Employee Commuting (non-paid)	1,327.75	944.69	1,040.17	249.98	115.26
		Waste Disposal	0.13	44.63	37.35	4.59	0.42
		Municipal Water Consumption	9.83	5.99	5.94	2.94	1.36
		Business Air Travel	177.23	-	2.79	4.70	0.00
		Transport locally purchased	-	74.55	17.82	1.46	-
		Total Indirect Emissions	2,501.96	3,612.35	4,132.43	1,569.54	364.14
Total Emissions			2,769.71	4,381.67	5,182.58	1,802.27	2,510.50

Go Green Concept within Branch Network

Marking yet another important milestone in its journey to migrate to green building concept, People’s Leasing launched the “Classique” centre, denoting the first step in People’s Leasing’s endeavour to lead by example in championing environmental sustainability in the local NBF1 sector. Equipped with rainwater harvesting infrastructure, renewable energy systems and free EV charging service to its clientele, the “Classique” centre stands out as the epitome of a modern green building.

Retrofitted under the guidance of co-energi (Private) Limited, an independent specialist provider of sustainable and resource-efficient designs in building engineering services, the “Classique” centre has earned the distinction as Sri Lanka’s 1st EDGE (Excellence in Design for Greater Efficiencies) Certified Green Building.

The EDGE Certification, developed by the International Finance Corporation (IFC), a member of the World Bank Group, sets a benchmark, requiring a minimum projected reduction of 20% in energy use, water use, and embodied energy in materials compared to standard local buildings. To that end, the “Classique” centre’s design for energy efficiency, water conservation, and reduced emissions were independently verified by Transgreen Sustainability Solution - Indian

EDGE auditor and certified by Green Business Certification Inc. (GBCI), establishing the Classique Centre as a pioneering achievement in sustainable building practices in Sri Lanka.

GREEN AWARENESS

Awareness has always been a key component of People’s Leasing’s ESG ethos, promoting the Company to actively engage in creating environmental awareness among employees, customers and the wider community.

As part of this approach, the Company voluntarily allocates LKR. 1/= from company funds for every LKR.1,000/= in new savings deposits received by customers, towards sustainability and ESG education for local community.

A new initiative entitled “ESG Tuesday” was introduced in the current financial year, to provide employees with informative material on ESG related aspects, on a weekly basis

GREEN OUTREACH PROJECTS

Through its Green Outreach Projects, People’s Leasing serves as a catalyst for positive environmental change, inspiring individuals and businesses alike to embrace sustainable living practices for the betterment of future generations.

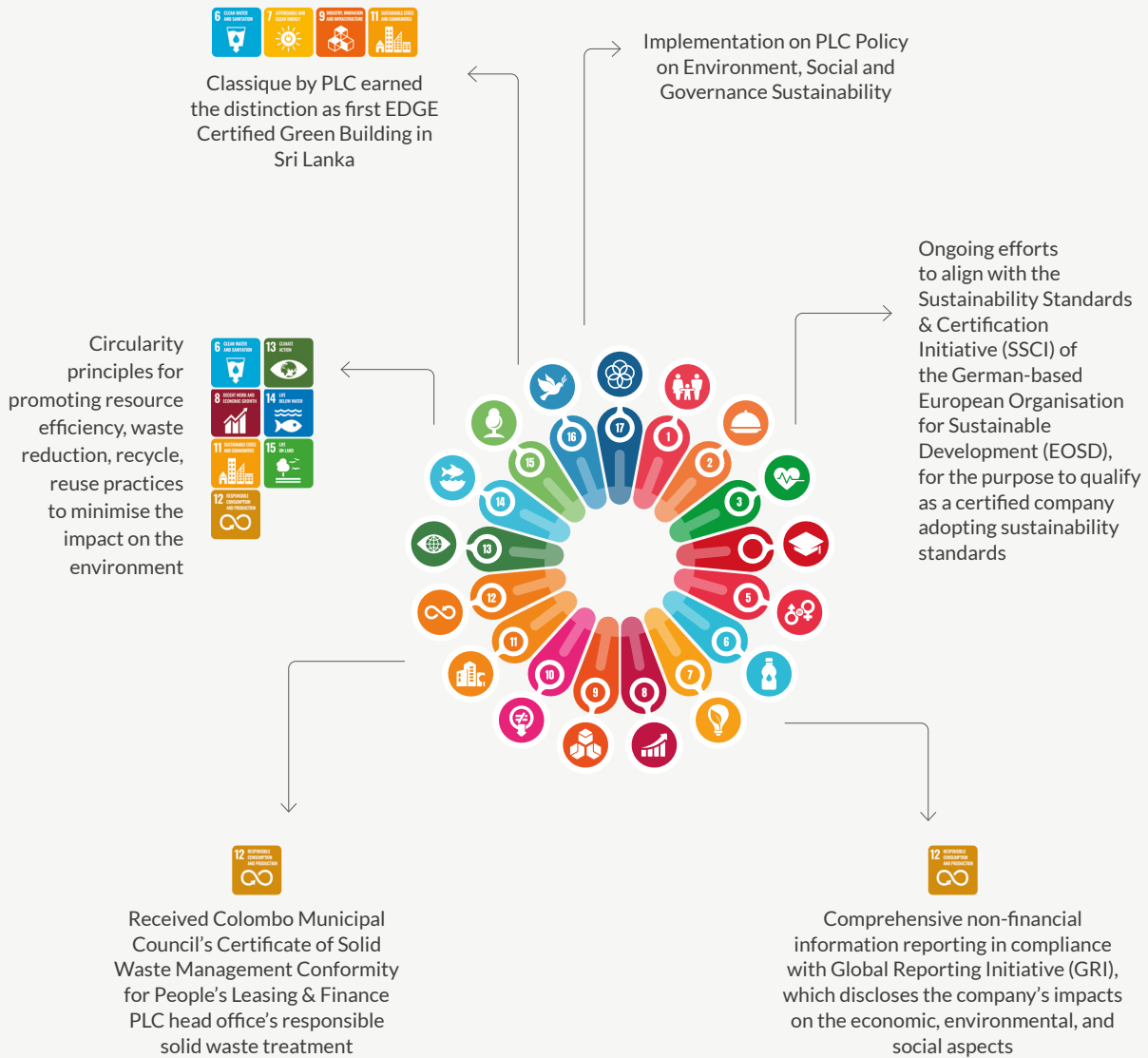
Moreover by actively involving employees and stakeholders in these initiatives, People’s Leasing not only contributes to mitigating environmental degradation but also cultivates a culture of ESG to that end, the Company often leverages partnerships with local environmental organisations, educational institutions, and government agencies, to spearhead initiatives aimed at fostering environmental awareness and promoting the adoption of eco friendly practices and lifestyles.



NATURAL CAPITAL

Migrating to Paperless Operations through Automation

In recent years the Company has made some major strides in system automation, which has resulted in a significant drop in the average daily paper computation and resultant waste. Notable contributors to paper reduction include digital tools implemented over the years, such as E-Memo, E-Signature, Board Pac, Document Scanning, D-Cheque and the E-FD Certificate as well as the E-Learning platform. The most recent PLCORE system implementation which represents the end-to-end automation of the credit approval process has helped to cut average daily paper usage.



Being a financial service provider, People's Leasing's operations are not directly responsible for the depletion of Natural Capital. Nevertheless, as a responsible corporate citizen, the Company has always expressed a strong commitment to sustainable practices which will help mitigate the impact of climate change. This commitment is underscored by a comprehensive Environmental strategy that seeks to embed sustainability into business decisions. The Environmental strategy, which serves as the umbrella

framework for addressing all material environmental concerns applicable to People's Leasing has been formulated to complement the environmental standards and global protocols adopted by the Company.

People's Leasing's a dedicated Sustainable Finance Unit is charged with the responsibility for implementing the Company's ESG strategy and driving continuous improvement.



Patron member of “Biodiversity Sri Lanka Platform”

Since 2013, People’s Leasing has proudly served as a Patron member of Biodiversity Sri Lanka (BSL), a national platform exclusively owned and operated by the private sector. Over the past decade, the Company has continued to support BSL’s core mission to foster robust corporate engagement in biodiversity and environmental conservation efforts across Sri Lanka. The BSL plays a pivotal role in safeguarding Sri Lanka’s delicate ecosystem by advocating for biodiversity-friendly policies and championing positive conservation measures mainly through technical assistance programmes, knowledge sharing, and facilitating dialogue among stakeholders.



Current Progress of the Targets set in F/Y 2022/23

Prioritise sustainable finance by granting financial assistance for green and socially inclusive projects	Commenced
Accelerate process automation through introduction of web based application and digital tools	Commenced
Improve digital infrastructure to reduce customer carbon footprint	Commenced
Continue support on reforestation and climate action projects and promote awareness on biodiversity conservation through CSR initiatives	Commenced
Identify and disclose the both positive and negative environmental related impacts generated through investments	Commenced
Raise awareness regarding Environmental Sustainability and the importance of the ESG consideration among the younger generation, starting from pre-school level	Ongoing
Reduce dependency on National Grid for electricity requirements by ensuring all new branches are powered through renewable energy	Commenced
Enhance digital offering to reduce branch size	Ongoing
Progress towards a lean and agile operating model	Ongoing
Target to meet 75% of energy requirement from renewable sources	Ongoing
Establish social and environmental code of conduct for suppliers	Commenced

Celebration of World Environment Day 2023

In commemoration of the 65th Anniversary of the Finance Houses Association of Sri Lanka (FHA), a massive Island wide tree planting initiative was launched on 05th of June 2023 to coincide with “World Environment Day 2023”. The primary objective of this environmental day initiative was to contribute towards the reduction of national carbon footprint by planting the highest number of plants within a single day in collaboration with FHA member companies. The main event took place at Independence Square.



As a fellow member of FHA, People’s Leasing extended its support for this environmental initiative with the participation of the Company’s branch network in Western, Southern, Central, North Central and Sabaragamuwa provinces around the Country.



Capital Trade-offs

Cost savings resulting from operational efficiencies from energy savings and reduction in paper waste



Recognition as a responsible environmental steward enhances the Company’s reputation and industry position



Increased awareness helps to promote eco-friendly lifestyles across the wider community

