



Mr. Niroshan Udage
Deputy Managing Director



SOCIAL AND RELATIONSHIP CAPITAL

Six question roundup with our Leaders



Mr. B D A Perera
Executive Director

Q1 What social and relationship capital mean to LBF?

Social and Relationship capital refers to the relationships across our stakeholder universe that serve as a key competitive strength for LBF.

Q3 What are the key material drivers identified, which were raised by the stakeholders?

Based on our materiality determination process, we have identified the following matters as material to our social capital. Each matter is grouped under a relevant materiality theme that speaks to our broader operating context.

Customer satisfaction	Corporate citizenship	Environmental management
Health, safety and wellbeing	Ethics and transparency	

Q5 What is LBF's approach to differentiate its social and relationship capital from peers?

Each year we make significant investments to enhance the stakeholders' lives by leveraging on opportunities to provide simple, fast and easy financial solutions as well as upgrade their life spans. Led by our product responsibility framework and CSR framework, we make sure that all go through a rigorous evaluation process prior to address the stakeholder's matters. At the same time, we are focused on leading the way in the digital age and in recent years have introduced innovations that offer 'best-in-class' digital customer service. Our aim is to create a seamless experience for customers, whether they are visiting a branch, using a computer or a mobile device on the go.

Q2 How social and relationship capital supports our value-creation goals?

The relationships we have cultivated and nurtured over the years, with customers, suppliers, and the wider community play an important role in LBF's evolutionary journey. Strong connections with customers help us to better understand their financial needs and deliver proactive solutions, while good supplier relationships safeguard against supply chain disruptions that could threaten the continuity of business operations. Furthermore, good standing in the community creates opportunities to gather support for LBF's corporate stewardship activities.

Q4 What are the challenges and opportunities associated with developing social and relationship capital?

In our quest to find new ways to reach out and build trust with customers, suppliers, and the wider community, we have found it best to use bespoke approaches that suit the needs of each stakeholder group.

Q6 What are key strategic drivers and how do we manage the trade-off to achieve the output ?

Our social and relationship capital is intricately linked with our people strategy and the way we engage with our customer and other stakeholders. The services and operations of many of our branches are designed to best serve the customers within their closest vicinities, so that we can specialize in customizing our offerings to their specific needs.

STAKEHOLDER'S EXPECTATIONS

		STAKEHOLDERS					
MATERIALITY	Corporate social responsibility	✓	✓	✓	✓	✓	✓
	Customer relationship	✓	✓	✓	✓	✓	✓
	Brand reputation	✓	✓	✓	✓	✓	✓

SPACE FOR DEVELOPMENT

- ▶ Events that bring various stakeholders on common platforms
- ▶ Innovative funding options for non-captured segments in partnership with multilateral institutions
- ▶ Customer service enhancement initiatives

CHALLENGES

- Addressing customers' queries and potential complaints
- Finding the right partnerships that can bolster value creation
- Process improvements for continuous development

WAY FORWARD

- Enhance customer relationship management
- Increase branding effort to increase awareness
- Continue efforts in CSR

Related strategic themes

SDG Impact

INVESTMENT ON
COMMUNITY
DEVELOPMENT
Rs. 15.56 Mn

Rs. 9.71 Bn
PAID TO THE
GOVERNMENT
AS TAXES

+750,000
CUSTOMER
BASE

28
CSR
PROJECTS

15,492
EMPLOYEE
VOLUNTEER
HOURS

6,954
BUSINESS
PARTNERS

32
FINANCIAL
SOLUTIONS

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER CAPITAL

MANAGING CUSTOMER CAPITAL - MAKING THE RIGHT MOVE AT RIGHT TIME



CRITICAL SUCCESS FACTORS

- ▶ Digital solutions for enhanced accessibility and convenience
- ▶ Drive superior customer experience through a culture of innovation
- ▶ Integration of Information and Communication Technology (ICT) to optimise internal processes and improve service delivery timelines

WHO ARE OUR CUSTOMERS?

- ▶ Individuals and businesses that make use of LBF's portfolio of investing, financing solutions and value-added services

WHY DO OUR CUSTOMERS CHOOSE US?

- ▶ The portfolio of customer-centric product offerings and promise of service excellence, all backed by the strength of LBF's long-standing brand reputation provide customers with the assurance of the best-in-class experience

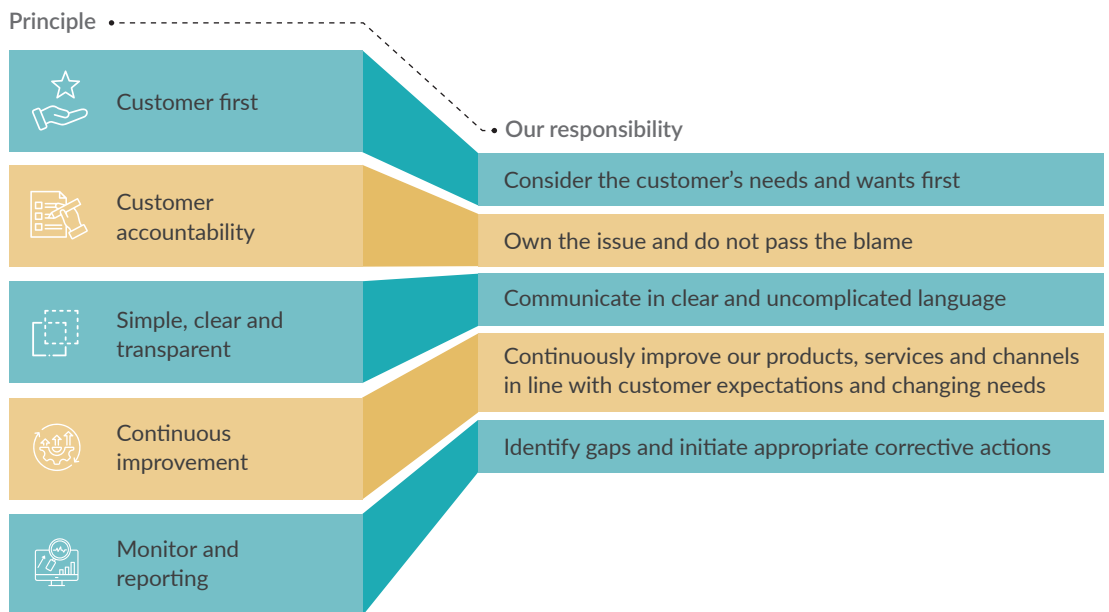
INTRODUCTION

Customer capital can be defined as the relationship that LBF has built with its customers over the years. Customer loyalty and satisfaction are the main indicators that denote the strength of our customer capital

1 FULFILLING OUR CUSTOMER PROMISE

LBF articulates its commitment to customers by embedding a customer-focused approach in all aspects of the business. Striving to uphold our commitment to not only meet but surpass customer expectations consistently, we adhere to all legal and regulatory requirements that apply to our operations, and make sure that our decision-making processes are based on strong customer-centric fundamentals.

LBF'S CUSTOMER PROMISE



Customer Value Proposition (CVP)

As part of our ongoing commitment to prioritising the customer's experience, we proactively engage with our customers to gain a deeper understanding of their evolving needs in light of changing social and economic conditions. These efforts continue to yield valuable insights that empower LBF to refine its CVP and enhance its preparedness to meet customer needs more comprehensively over time.

INSIGHTS FROM RECENT CUSTOMER NEEDS ASSESSMENT		
Cost-effective and affordable financial products and services	Consistent support for the achievement of financial goals	Simple and secure platforms with 24/7-365-day transactional capability
Tailor-made solutions for different customer segments - financial solutions that are easily accessible on the go, along with an array of payment options to enable customers to settle their dues from anywhere, and at any time	Purchase relevant financial products and services and other valuable services from any location, at any time, while being rewarded for loyalty	Convenience at a competitive price via a range of simple-to-use channels

Supporting the needs of diverse customer segments

Product categorisation - Gold Loans

As we continue to strive towards our goal of becoming the most preferred financial institution in Sri Lanka, we remain committed to addressing the needs of all our customers. Whether they are individuals, micro-entrepreneurs, or small and medium-sized enterprises (SMEs), we make a deliberate effort to provide customised products and services and re-engineer our channel architecture to maximise synergies for each respective customer segment.

Witnessing a strong market uptake for gold loans in the current financial year, LBF further enhanced its gold loan proposition. The advance quota offered on all gold loan products was dynamically revised in tandem with the upward movement in world gold prices, thus allowing customers to automatically benefit from the net value gain for their gold items. Meanwhile, as part of a focused approach to reach out to new customer segments, it was decided to expand LBF's gold loan channel infrastructure in the North and East regions of the country.



Right Solutions

Right Value

Right Direction

Right Experience

Right Vision

Right Strategy

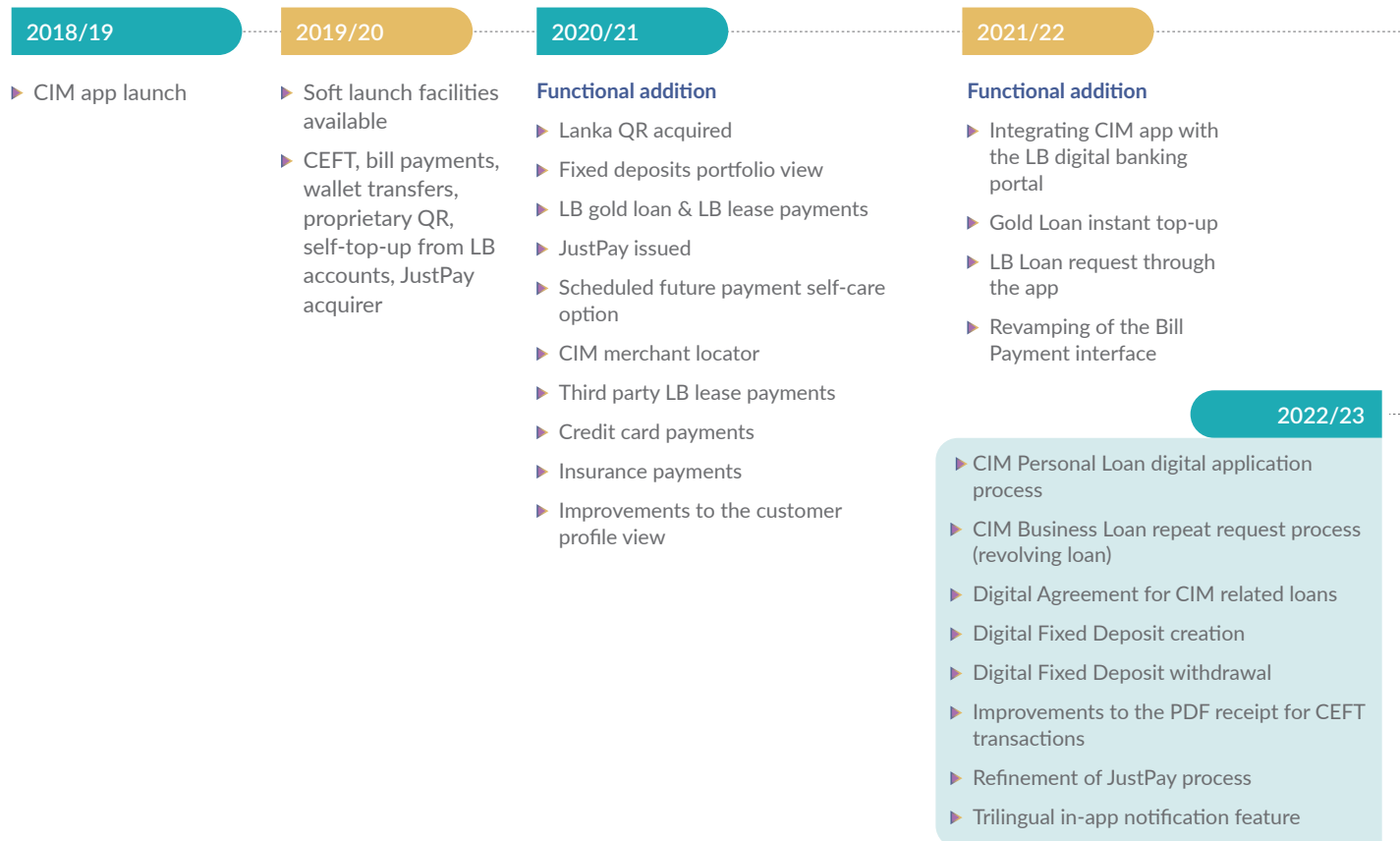
Introduction

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

Leveraging our digital platforms to meet our customer's needs

JOURNEY OF THE CIM APP



Leveraging the growing popularity of the LB CIM wallet app, the digital personal loan was launched in mid-2022 as a fully digitised loan facility specifically for salaried employees.

LB CIM business loan (CBL) to empower MSME (Micro, Small, and Medium Enterprises) entrepreneurs by providing access to flexible and highly affordable working capital finding. Further strengthening its commitment towards extending affordable access to working capital among the MSMEs, LBF entered into a Memorandum of Understanding (MoU) with WEBXPAY Ltd., a leading provider of SaaS-based digital payments solutions to MSMEs, to jointly promote the CBL product among the target market.

DIGITISING CUSTOMER JOURNEYS

Customer life-cycle management

Seamless customer on-boarding through digital KYC

24/7 - 365 day transactional and service capabilities through digital channels

Integrated end-to-end solutions

Focus on excellent customer experiences across all front end interfaces

Strengthening service delivery through back end system developments

Leverage our competency in data and analytics

Customer behavioural analysis to enable personalisation

Predictive analysis using machine learning, AI based insights

Delighting customers by delivering an exceptional customer experience

Driven by our goal to provide outstanding customer experiences, we are always searching for new and ever more creative methods to improve our internal systems and infrastructure, with the aim of boosting their scalability and efficiency.

In FY 2022/23 our internal data science teams made good progress in enabling LBF's gold loan offerings to be customised based on the customers' credit scores. Accordingly, customers with high credit scores were eligible to receive a higher advance quota on the value of their gold items.

Meanwhile, the functionality of the LB CIM wallet app was further upgraded with the integration of the end-to-end FD solution, enabling customers to activate the digital KYC, proceed to instant FD placement, and receive the digital FD certificate in an easily downloadable format

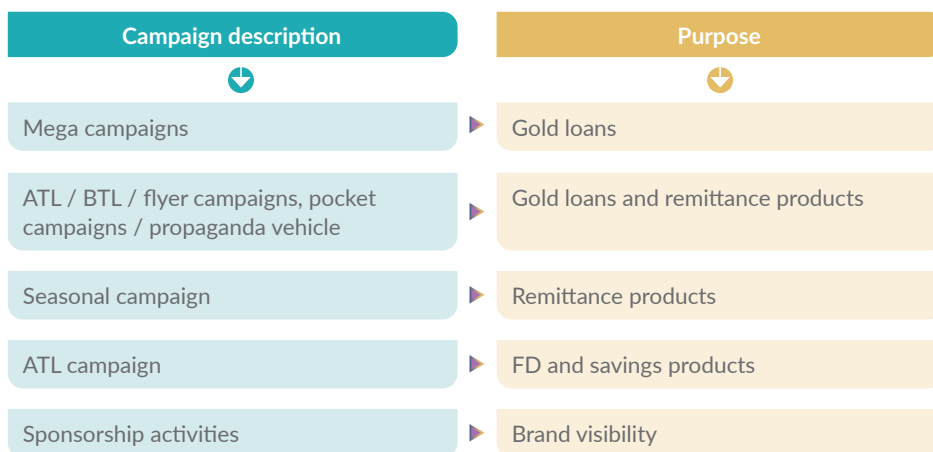
Building customer awareness

To earn and retain the trust of our customers, we believe we must communicate with our customers openly. Accordingly, we ensure that our promotional materials are designed to present relevant information regarding our products and services in a clear and uncomplicated manner, in conformity with all regulatory compliance requirements as well as industry norms and standards.

A highly principled approach supports our efforts to achieve these objectives, wherein all product-specific promotional and marketing content are screened by the respective product head, while generic content is reviewed by the head of marketing to verify compliance with the Company's ethics guidelines. All promotional content (product specific and generic) must be approved by the management prior to publication.

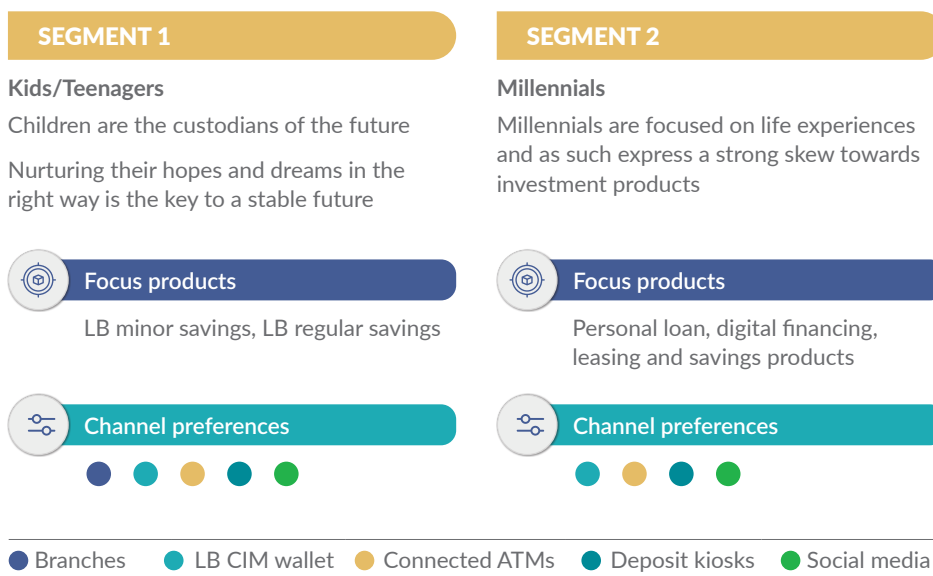
In keeping with our ambition to maximise customer outreach, we employ multiple communication mediums from conventional ATL and BTL activities to new-age social media platforms. LBF's dedicated in-house social media management unit oversees the management of LBF's social media footprint in line with the stated objectives set out by the Board approved social media plan.

We often conduct market studies to assess the quality of our promotional activities and the efficacy of our delivery mediums in achieving the intended purpose of building customer awareness.



2 MANAGING OUR CHANNELS

We consider our channel infrastructure to be a key component of our customer value proposition. Our channel management decisions are influenced by a range of factors, including customer profiles, life cycles, geographical location, population density, and competitive positioning. At the same time, we continue working to improve the responsiveness of our channels to better meet customer needs, which has put us on a path to developing an omnichannel environment that will seamlessly integrate our physical and digital channel architecture. For more detailed information on our channel operations, refer to the manufactured capital Report on page 140.



CAPITAL REPORTS

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<p>SEGMENT 3</p> <p>Young families</p> <p>Young families are often under financial pressures brought on by lifestyle aspirations including; bigger homes, family vehicles, etc.</p> <p>Focus products Leasing, mortgage loan, gold loan, digital financing and savings products</p> <p>Channel preferences ● ● ● ● ●</p>	<p>SEGMENT 4</p> <p>Established families</p> <p>Balancing work commitments, children’s education expenses and retirement planning often compels the need of flexible products to accommodate unplanned expenses</p> <p>Focus products Education loan, gold loan and savings products</p> <p>Channel preferences ● ● ● ● ●</p>	<p>SEGMENT 5</p> <p>Mature well-off</p> <p>Mature, financially –stable customers who focus on a higher quality of life and enjoying their retirement</p> <p>Focus products FD products and savings products</p> <p>Channel preferences ● ● ● ● ●</p>
<p>SEGMENT 6</p> <p>Senior Citizens</p> <p>Senior citizens who expect secure product returns in order to maintain quality of life they are accustomed to</p> <p>Focus products Senior citizen’s FD and savings products</p> <p>Channel preferences ●</p>	<p>SEGMENT 7</p> <p>Self-employed individuals</p> <p>Independent self-sufficient individuals seeking dynamic solutions to progress to the next level</p> <p>Focus products Personal loan, leasing, savings, mortgage and gold loan</p> <p>Channel preferences ● ● ● ● ●</p>	<p>SEGMENT 8</p> <p>SMEs</p> <p>Deemed the backbone of the national economy, SMEs require stable long term solutions that would help their businesses to grow and mature</p> <p>Focus products Personal loan, gold loan, mortgage, micro leasing and savings</p> <p>Channel preferences ● ● ● ● ●</p>

● Branches ● LB CIM wallet ● Connected ATMs ● Deposit kiosks ● Social media

Social media presence

Key imperative	key enablers
Lead with persistence and deliver shared value to a wide-ranging range of stakeholders	Continue to invest in strategic capabilities that drive market leadership
Address customers’ essential needs through hyper-personalised propositions provided in the right time and right moments	Continue to build a modern technology design that powers digital transformation of systems and process
Deliver propositions through effective, digital first distribution channels that complement our customers’ behavioural patterns	Evolve our execution model to deliver fast-lane innovation
Establish a diverse market footprint that best meets our customers’ expectations	Develop and nurture an entrepreneurial culture

3 ENSURING TRUST AND SAFETY

At LBF, we recognize that accountability, credibility, and integrity are the fundamental covenants for maintaining trust and safety. To this end, we are dedicated to fostering an environment that safeguards customers' rights and interests. Our Code of Conduct and Anti-Corruption and Bribery policy (ABC) delineate the requisite behaviours that all employees are expected to uphold when forging professional relationships with customers. Additionally, we committed to

providing ongoing training for our staff to ensure they are well-versed in customer rights and understand the significance of honesty and integrity in their interactions with customers.

4 CUSTOMER PRIVACY

As a responsible financial institution, LBF has an embedded commitment to safeguarding the integrity of its data assets, including customer information. A Board-approved data privacy policy describes how the

Company collects, handles, and processes customer information obtained via the LBF website and social media platforms. In the year under review, we began working to update our data privacy policy and create a necessary framework to align with the newly mandated Personal Data Protection Act No. 9 of 2022.

The intellectual capital report on page 160 offers more comprehensive coverage regarding measures taken to safeguard customer privacy.

5 CUSTOMER RELATIONSHIP MANAGEMENT

From its very inception, LBF has encouraged its customers to reach out and let us know any issues they may have with our products, services, or any other concerns they may have. To support this, we have established 3 separate call centres, one for gold loan customers, one for marketing and DFS-related matters, and one for recovery-related aspects. Given the high volume of calls received by our call centres about balance inquiries, a special hotline was created on WhatsApp and published on all social media platforms and the corporate website. We also established a dedicated inbound hotline to manage inquiries coming through our social media platforms.

As a follow, up to the fully automated customer relationship management system that was rolled out in 2021, the complaint handling process was further streamlined with call center agents empowered to provide on-the-spot solutions in coordination with relevant and operational teams. The spot resolution measures have resulted in a significant reduction in the average complaint resolution timelines.

Customer complaints 2022/23

Area	No. of complaints received	Customer complaints solved
Credit	95	93%
Gold loan	32	97%
Insurance	26	100%
Recovery	184	93%
Savings and deposits	14	100%
General	14	93%

Digital customer engagement

Digital customer engagement activities are carried out under the purview of the social media unit. When formulating our social media content in the current financial year, we deviated from the traditional sales-driven approach and instead focused on incorporating more educational and informative content in order to increase customer engagement. This approach was consistent with our efforts to inform

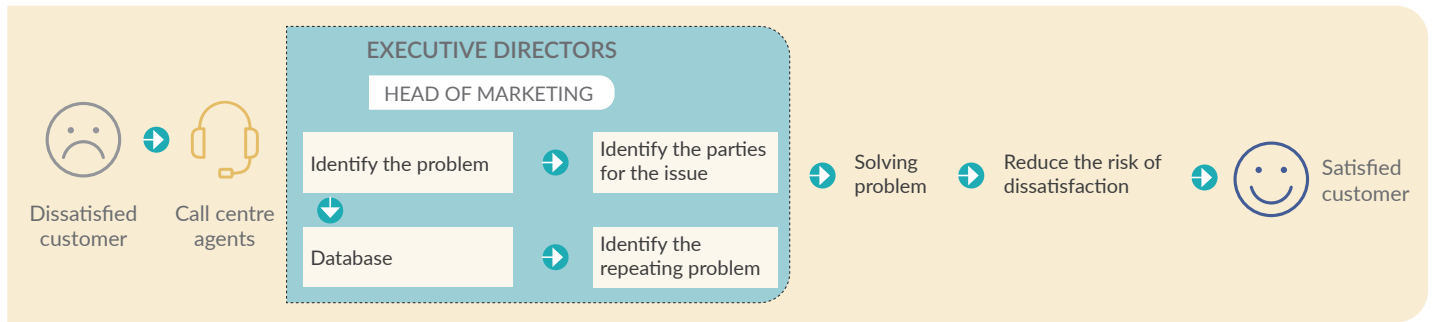
customers and the wider community to exercise greater financial discipline during challenging economic conditions.

We leveraged LBF's facebook page to create positive conversations revolving around solutions to ongoing challenges with all content made shareable to spread the message to a wider audience. 'LB Saara Siththam', a short movie series on

CUSTOMER RELATIONSHIP MANAGEMENT MODEL



SOCIAL AND RELATIONSHIP CAPITAL



the importance of human connections was one of the key facebook campaigns run in the current financial year. Special content was also developed to increase viewership of the LB sustainability- facebook page. The linked-in platform was used to convey LBF's people-centric approach toward its

employees, while instagram feeds were revamped with new thematic content on more contextual topics introduced at regular intervals. Steps were also taken to further expand LBF's social media presence into the TikTok space in order to reach out to a different audience. In parallel, the corporate

website was also revamped with simplified content and user-friendly access along with AI-based imagery for a more visually engaging user experience.



6 MONITORING CUSTOMER SATISFACTION

LBF holds the belief that the most effective way to evaluate the success of its efforts is through the quantifiable measurement of customer satisfaction. In the current year, we activated a new customer rating dashboard to assess customer satisfaction with spot resolutions provided by call center agents. Findings from the customer rating mechanism are collated weekly, summarized, and submitted to the audit committee quarterly.

7 BUILDING FUTURE FOR THE CUSTOMER CAPITAL

Strategic objective

Improve our customers' experience with personalised solutions delivered through channels of their choice, based on a deep understanding of their current needs and future ambitions.

Short-term

- ▶ Enhance digital capabilities to provide more value to the customer in a short period
- ▶ LBF's strategy of offering new products and services to its existing customers is aimed at increasing customer loyalty and retention while simultaneously boosting revenue streams

Medium-term

- ▶ Develop diverse value propositions for each customer segment
- ▶ Strengthen data science and behavioural capabilities to improve customer mapping

Long-term

- ▶ Improve operational efficiency by making sure that our technology is stable, efficient, secure, and robust while automating our processes and transitioning to cloud-based solutions

Growth sustainable opportunity

Improving new number of customer, customer retention, and attention to the 360-degree view of the customer

Vision

Leading loyal customer brand in Sri Lanka

SWOT ANALYSIS

S STRENGTHS

- ▶ A diverse portfolio of highly customer-centric products and services to cater to all market segments along with superior digital capabilities to enable the launch of first-to-market products and services

W WEAKNESSES

- ▶ Inadequate mechanisms to track customer satisfaction and loyalty in a more consistent manner

O OPPORTUNITIES

- ▶ Use of digital technology to map out pain points in the customer journey and find appropriate solutions

T THREATS

- ▶ The highly competitive environment with a large number of players fighting for market share

Right Solutions

Right Value

Right Direction

Right Experience

Right Vision

Right Strategy

Introduction

SOCIAL AND RELATIONSHIP CAPITAL

BUSINESS PARTNER CAPITAL

MANAGING BUSINESS PARTNER CAPITAL - MAKING THE RIGHT MOVE AT RIGHT TIME



INTRODUCTION

Business partner capital refers to the value that our business partners bring to the table, which can include financial, intellectual, and operational resources. In this way, business partner capital serves as a crucial component of LBF's value chain

WHY DOES LBF NEED SUPPLIERS AND BUSINESS PARTNERS?

► To procure essential goods and services required for the Company's day-to-day operations.

WHY DO BUSINESS PARTNERS CHOOSE LBF?

► To have the assurance of a stable and reliable business partner relationship with whom they can grow over time.

We require our suppliers to align with the Company's ethics policies. Their readiness to respond to, manage and mitigate operational, financial and reputational risks is assessed during onboarding and periodically thereafter, in line with the manual of procedure, procurement, external supplier management mechanism and Code of Ethics.

1 SUPPLY CHAIN PROFILE

The supply chain of LBF comprises major suppliers, along with several minor suppliers who provide a variety of products and services to support the regular administrative functions through our network.

Except for IT suppliers, all of our other suppliers are based in Sri Lanka.

	Financial year		
	2022/23	2021/22	2020/21
No. of business partners	More than 6,900	More than 3,500	More than 3,000

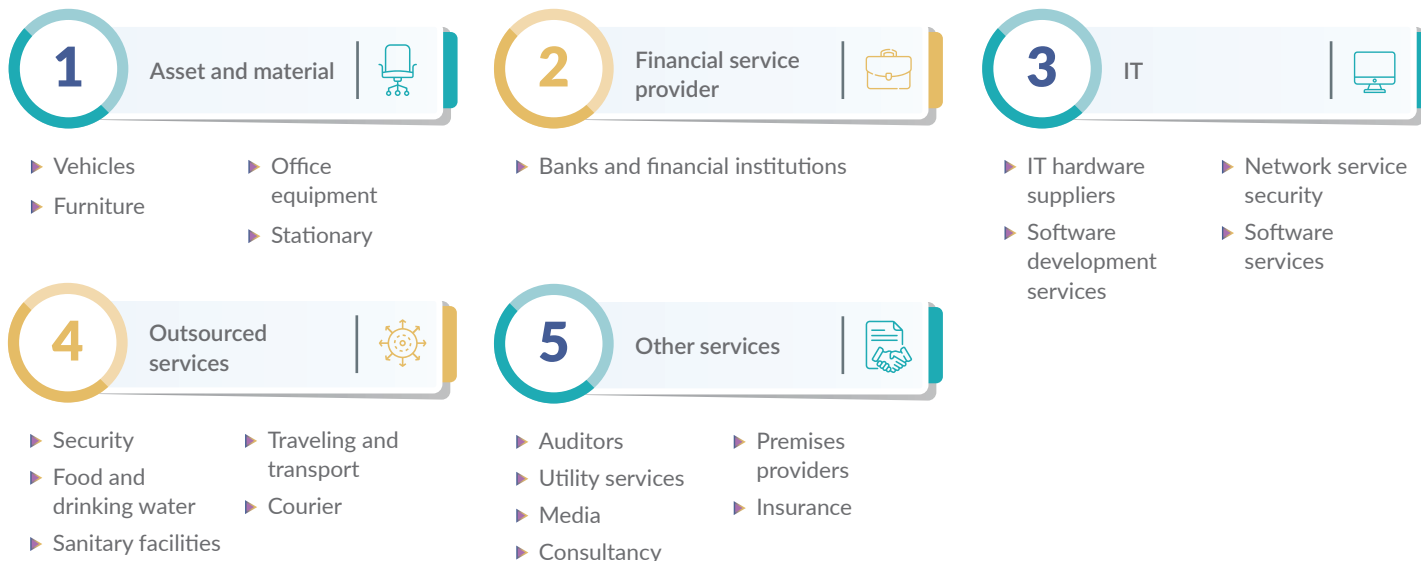
2 SUPPLY CHAIN MANAGEMENT APPROACH

Suppliers are a critical component of our value chain and their assistance is essential in ensuring the seamless continuity of our daily business operations. To guarantee efficient management of our supply chain, all procurement activities, except for IT-related sourcing, are centralised under the purview of the LBF's administrative department. The administrative department serves as the primary authority responsible for overseeing and ensuring compliance with LBF's procurement policy. Our procurement policy has been developed in alignment with international best practices to ensure impartial and equitable procurement processes, as well as fair payment terms for all suppliers.



3 DEVELOPING SUPPLIERS AS STRATEGIC PARTNERS

The administrative department is responsible for various duties, including selecting suppliers and promoting ongoing engagement to guarantee compliance with LBF's social and environmental best practices. Additionally, they are accountable for managing the development of suppliers as long-term strategic partners.



4 CREATING VALUE THROUGH BUSINESS PARTNER CAPITAL



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5 BUILDING FUTURE FOR BUSINESS PARTNER CAPITAL

Strategic Objective

Ensuring suppliers focus on integrated services and value creation for LBF and its customers. Develop MSMEs as an essential enabler for the creation of much-needed employment opportunities.

<p>Short-term</p> <ul style="list-style-type: none"> ▶ Establish collaborative partnerships within the company’s network of business partners to generate immediate value, while ensuring the maintenance of a high-quality supply chain. ▶ Strategise and implement initiatives that foster the growth and development of our suppliers in alignment with LBF’s growth trajectory. 	<p>Medium-term</p> <ul style="list-style-type: none"> ▶ Enhance supplier training programs to elevate consciousness on ethics, integrity, and industry best practices. ▶ Mobilise technological solutions to simplify the supplier screening process. 	<p>Long-term</p> <ul style="list-style-type: none"> ▶ Create digital solutions to promote greater financial inclusion among small scale suppliers ▶ Encourage suppliers to align with LBF’s social and environmental priorities
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SWOT ANALYSIS

<p>S STRENGTHS</p> <ul style="list-style-type: none"> ▶ A strong, dependable supplier base ensuring the uninterrupted procurement of goods and services to maintain business continuity 	<p>W WEAKNESSES</p> <ul style="list-style-type: none"> ▶ Lack of planned engagement agenda 	<p>O OPPORTUNITIES</p> <ul style="list-style-type: none"> ▶ Promote local sourcing for routine requirements at branches 	<p>T THREATS</p> <ul style="list-style-type: none"> ▶ Unscrupulous tactics adopted by some suppliers after securing a contract with the Company
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Great Place For work employers that provide an exceptional experience for their staff members might get certification in recognition of their efforts.



COMMUNITY CAPITAL

MANAGING COMMUNITY CAPITAL - MAKING THE RIGHT MOVE AT RIGHT TIME



INTRODUCTION

At LBF, we consider the goodwill of the community to be a key asset for it is what validates our social license to operate.

WHY DOES LBF CONNECT WITH THE COMMUNITY?

- ▶ To understand the significant societal challenges and establish collaborations that will aid in the sustainable empowerment of communities

WHY DO COMMUNITIES CHOOSE LBF?

- ▶ To obtain the support of a reliable corporate entity with the capacity to take meaningful action to resolve community issues

1 COMMUNITY ENGAGEMENT STRATEGY

LBF places a significant emphasis on Corporate Social Responsibility (CSR) as we strive to act as a catalyst for social change. Our CSR approach extends beyond traditional philanthropy and focuses on facilitating systemic change that yields sustainable outcomes in the long run. In this regard, we leverage our extensive expertise in financial services, our widespread reach throughout Sri Lanka, the knowledge of our skilled personnel, and our leadership in innovative technology.

Even as business returns to normal in the post-pandemic era, LBF will continue to maintain a hybrid approach combining both physical and digital engagements to support our CSR strategy. We expect this “phygital” CSR strategy to underpin LBF’s efforts to drive broader systemic change in the years ahead.

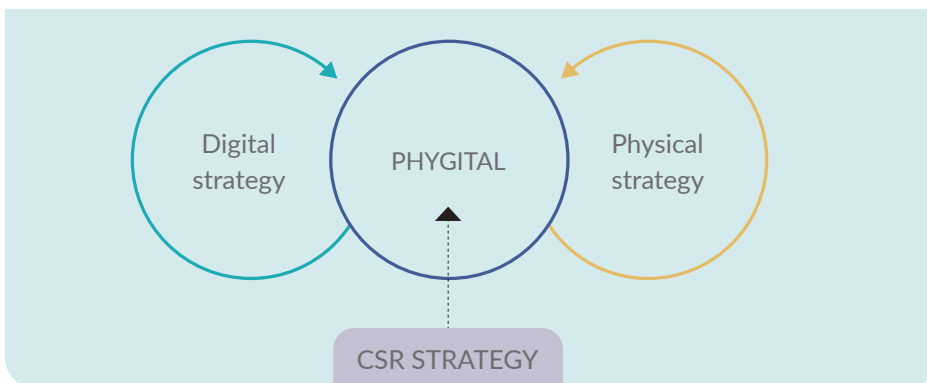
Among the goals of LBF’s community wellness initiatives are to offer assistance when necessary essentials to meet the most pressing needs of the entire community.

2 CSR GOVERNANCE

LBF’s CSR strategy is governed and managed by a dedicated sustainability team. Under the guidance of the Company’s senior management team, the sustainability team is responsible for identifying sustainability initiatives, developing projects that align with LBF’s six CSR pillars, and ensuring that the projects are executed efficiently to achieve the desired outcomes. The sustainability team takes on the crucial role of overseeing the management and implementation of LBF’s CSR strategy.

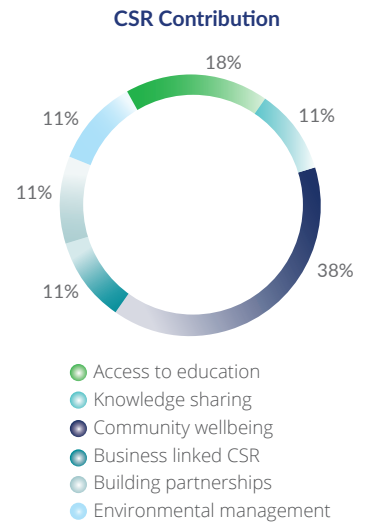
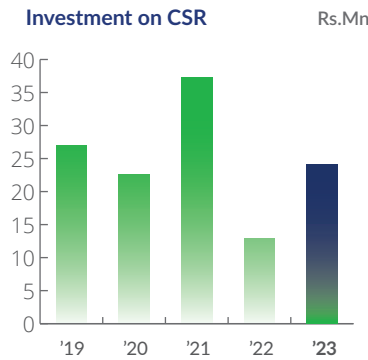
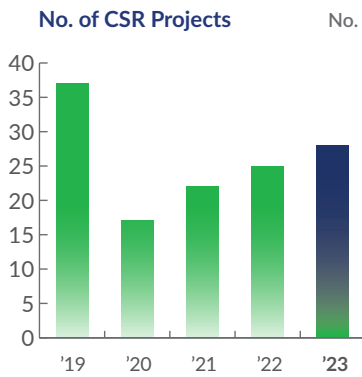
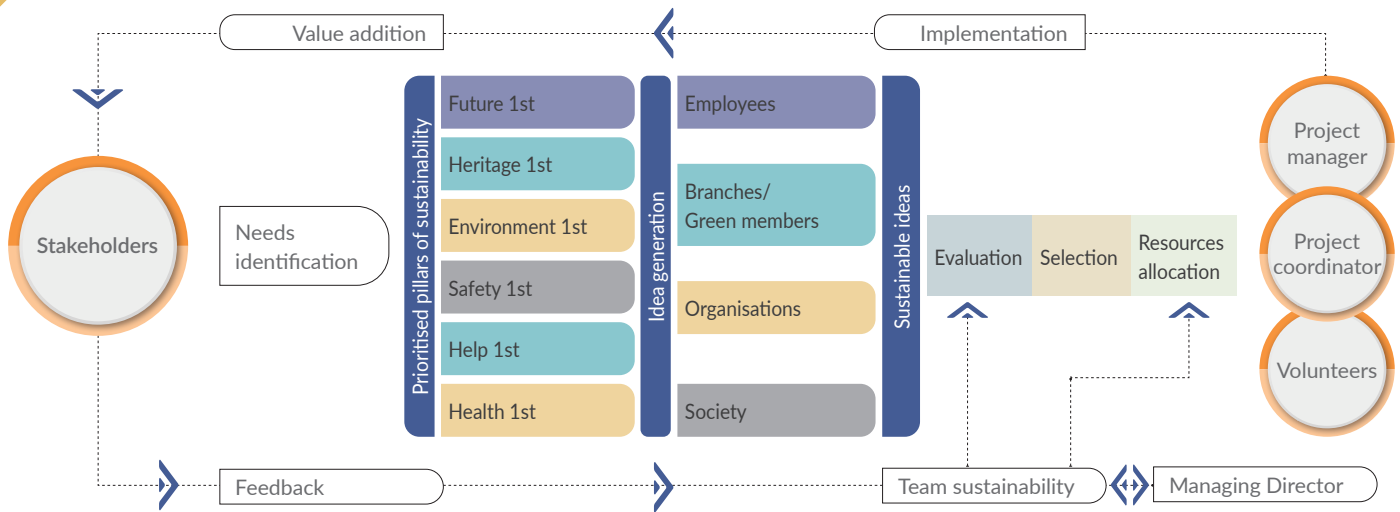
3 EMPLOYEE VOLUNTEERISM

LBF is committed to promoting employee volunteerism opportunities that give employees a sense of fulfilment by contributing to the greater good of the wider community. We encourage our employees to get involved in our CSR activities based on the principles of doing more, doing better, and reaching further to uplift lives and promote positive mindset changes. Moreover, we believe employees who participate in volunteer activities often share their experiences with others, leading to improved employee engagement, job satisfaction, and commitment to our mission. LBF provides the necessary support, training, and resources to facilitate volunteer activities and ensure that they are executed effectively.

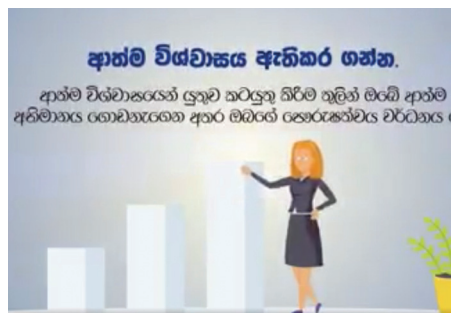


SOCIAL AND RELATIONSHIP CAPITAL

4 CSR MANAGEMENT FRAMEWORK



Customer awareness



5 CSR CONTRIBUTION

1

Access to education

At LBF, we firmly believe that a high-quality education at all levels is the key to reducing inequality and promoting sustainable socio-economic development over the long term. To this end, our CSR strategy emphasises access to education, intending to address the pervasive knowledge gap in Sri Lanka. As a socially responsible financial institution, we recognise that we have a significant role to play in enhancing digital literacy across society, which would enable the creation of self-sustaining communities capable of driving economic growth.



Project	Description	Achievements	Employee volunteerism (Hours)	2022/23 Expenditure (Rs.)	SDG focus
Schools and academic education					
LB Sisu Shakthi	Donating school books, equipment and school bags to the selected under privileged schools	<ul style="list-style-type: none"> ▶ 5 Schools selected for 2022/23 ▶ Creating an education mindset to the students ▶ Uplifting education opportunities of the society 	8,064	925,000	
Awareness programmes	Social media awareness programmes, covering importance of education	<ul style="list-style-type: none"> ▶ Provide guidance to enhance the capacity ▶ Ready the future leaders of the Sri Lanka 	183	-	
"Ma Dakina Lokaya"	Art competition for kids in celebration of Children's day	<ul style="list-style-type: none"> ▶ Provide mental stimulation to improve psychological well being of children ▶ Encourage the development of aesthetic talent among children ▶ 200 candidates participated of which 10 were selected as winners 	560	40,000	
Distribution of dry rations for School students	Donation of dry rations to students who are suffering from healthy requirements in the economic challenging period	<ul style="list-style-type: none"> ▶ Provide accesses to education ▶ Establish pleasant environment for kids to learn 	63	80,000	
Customer education					
Education on financial management	Conducted video series on social media to build awareness of the financial management under the topics of building investment habits, developing your savings habit, golden rules for strong financial security	<ul style="list-style-type: none"> ▶ Enhance the savings habit of the customers and non-customers ▶ Provide the wealth maximization opportunities ▶ 5 video clips 	108	-	











Visit our CSR gallery



SOCIAL AND RELATIONSHIP CAPITAL

2 **Knowledge sharing**

We believe that the youth are the driving force behind our country's future growth trajectory, and empowering them is crucial to achieving this goal. At LBF, we have a well-defined agenda focused on providing the necessary guidance and support to shape the next generation of innovators, business professionals, and corporate leaders.



Project	Description	Employee volunteerism (Hours)	2022/23 expenditure (Rs.)	SDG focus
Developing business to next levels				
Business development	Video series on social media to build awareness on business development focusing on topics such as - how to build and develop a business on social media, utilise hidden skills to earn an income, and how to identify customers (03 video clips, average more than 3,000 viewers)	560	-	  
Women empowerment				
Celebration of International women day	Creating powerful women with innovation and digital transformation for gender equality online presence to AI based image concepts	48	-	
Developing start-up business and budding entrepreneurs in Sri Lanka and Myanmar	Physical and digital awareness, including a video series for women entrepreneurs to support women's empowerment	512	-	  

























Visit our CSR gallery

3

Community well-being

LBF's community well-being activities are aimed at providing support as and when needed in order to address the most pressing needs of the community.

Project	Description	Employee volunteerism (Hours)	2022/23 expenditure (Rs.)	SDG focus
Community support				
Donations for victims in Nawalapitiya	Donation of dry rations and support to the flood affected areas in Nawalapitiya	182	40,000	 
Gewathu Wagawata Athwelak	Distribution and sale of agricultural products for LB staff at the reasonable price to encourage the home gardening concept and enhance the mental relaxation	144	-	  
Community awareness				
Unknown stories in known cars	Video series on social media to build awareness on different type of motor vehicles (06 video clips, average more than 20,000 viewers)	176	-	
Cultural awareness programmes	Social media awareness programmes covering cultural, religious and international days celebrations to strengthen the cohesivity and pass the knowledge to next generation (5 video clips)	96	-	 
Awareness on first aid treatment	Providing knowledge and the importance of the first aid and explained the necessities	84	-	
Health habits	Awareness building on importance of cycling	90	-	
Home gardening tips	Social media awareness programmes covering gardening techniques, topics and methods for strengthening the home gardening concept among the community and transform the inorganic cultivation to organic cultivation	144	-	  
LB Abhipra	Video series of the celebrities to encourage the entrepreneurship among Sri Lankans by showcasing their entrepreneur skills (10 Video)	1,452	1,730,000	  
LB Digi Lanthe	Digital app development for digital game to enhance digital literacy and the customer engagement	384	110,000	 
Building ethics and values				
Protect the culture	Developed and rolled out a video series and awareness on customs related on cultural festivals to contribute towards safeguarding Sri Lanka's culture and heritage	30	-	 






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SOCIAL AND RELATIONSHIP CAPITAL


4

Build partnerships

We recognize the power of strategic partnerships with like-minded organisations, as they can lead to synergies that significantly amplify the impact of our community initiatives. We actively seek to establish value-adding partnerships, as appropriate, based on the scope and scale of the projects we undertake.

Project	Description	Employee volunteerism (Hours)	2022/23 Expenditure (Rs.)	SDG focus
With universities				
Fusecura'22 Business case study competition	LBF in partnership with Accountancy department of University of Sri Jayewardenepura to jointly conducted the Fusecura'22 business case study competition, an Inter- University Competition to develop youth entrepreneurs (120 contestants from 10 universities participated in the Inter-University Competition)	224	600,000	
With charity organisations				
Blood donation campaign	In line with 4th Anniversary celebration kekirawa branch conducted a blood donation campaign and LBF corporate office joined hand with Senehasa Padanama has been organised another a blood donation campaign to supported to diminish the shortage of blood and build up the brand as responsible corporate citizen among the community (75 donors)	136	60,000	
With career development partners				
LB career support	"LB Career Fair" series in partnership with University of Kelaniya to increase the participation in career development (212 participants engage with the programme)	54	-	








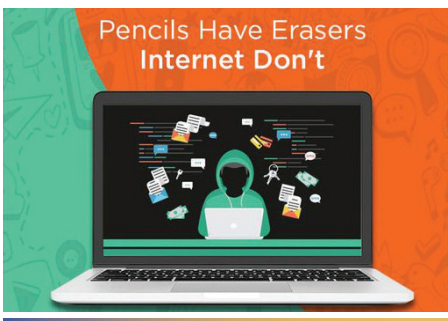
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5

Business linked CSR

Rather than being disconnected from the company's operations, strategic CSR is integrated into the company's overall strategy and aims to create shared value for both the company and the community.

Project	Description	Employee volunteerism (Hours)	2022/23 Expenditure (Rs.)	SDG focus
Focus on core business				
IT open day	Provide opportunities to young graduates and the undergraduates to experience the corporate world	256	-	
LB auto review	Video series on social media to build awareness on vehicle buying trends, care tips etc. (3 video clips)	384	60,000/-	
Cyber security				
Cyber security awareness	Conducted awareness campaigns on social media to enhance the knowledge of cyber security tips on fraudulent e-mails, cautious of the portable devices and sensitive information (12 awareness campaigns conducted)	88	-	



6 VALUE CREATION THROUGH COMMUNITY CAPITAL

VALUE FOR BUSINESS PARTNERS	VALUE FOR LBF	VALUE FOR SOCIETY
<ul style="list-style-type: none"> ▶ Reduced inequalities ▶ Sustainable communities ▶ Development of the rural economy 	<ul style="list-style-type: none"> ▶ Improved brand equity ▶ Increased brand recognition and awareness of products and services ▶ Creating a pool of future potential stakeholders 	<ul style="list-style-type: none"> ▶ Association with a trusted financial partner ▶ Ability to benefit from sound investment advice ▶ Enhanced trust in the financial services industry

CAPITAL REPORTS

SOCIAL AND RELATIONSHIP CAPITAL

7 BUILDING FUTURE FOR COMMUNITY CAPITAL

Strategic objective

Uplift communities to support sustainable nationwide development across Sri Lanka.

Short-term	Medium-term	Long-term
<ul style="list-style-type: none"> ▶ Systematically expand the community investment in identified areas ▶ Increase community engagement through social media 	<ul style="list-style-type: none"> ▶ Partnerships with multilateral organizations to develop innovative financial solutions for underserved segments ▶ Develop and launch a formal employee volunteer programme 	<ul style="list-style-type: none"> ▶ Establish a formal mechanism to handle community grievances ▶ Introduce a set of quantitative and qualitative indicators to measure the effectiveness of each project over time

SWOT ANALYSIS

S STRENGTHS

- ▶ Solid reputation as a responsible community steward derived through consistent efforts to tackle community issues over the years

W WEAKNESSES

- ▶ Lack of formal employee volunteer programme

O OPPORTUNITIES







- ▶ Conduct valid, reliable research into an identified area and design a mix of projects that will meet the unique needs of the chosen community

T THREATS

- ▶ Failure of projects due to the inability to tie up with the right partners who can add value to the Company's efforts

RELATIONSHIP BETWEEN CAPITALS

Trade-off between capitals

																		
	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L
Investment towards customer service	▲	▼▲	▼▲	—	▲	▲							▲	▲	▲			
Systemized the supplier registration	▲	▼	▼										▲	▲	▲			
Increasing community service efforts	▲	▲	▲							—	▲	▲	▲	▲	▲	▲	▲	▲

S - Short term M - Medium term L - Long term ▲ Increase ▼ Decrease — Neutral

Reaping benefits of investing in social and relationship capital

Focus on enhancing our operational efficiency and fine-tuning our structures to build strong relationships with our customers. We understand, however, that in optimising costs, there are relational trade-offs that need to be carefully managed



BUILDING FUTURE FOR SOCIAL AND RELATIONSHIP CAPITAL

Strategic objective

Building for the future - social and relationship capital

