

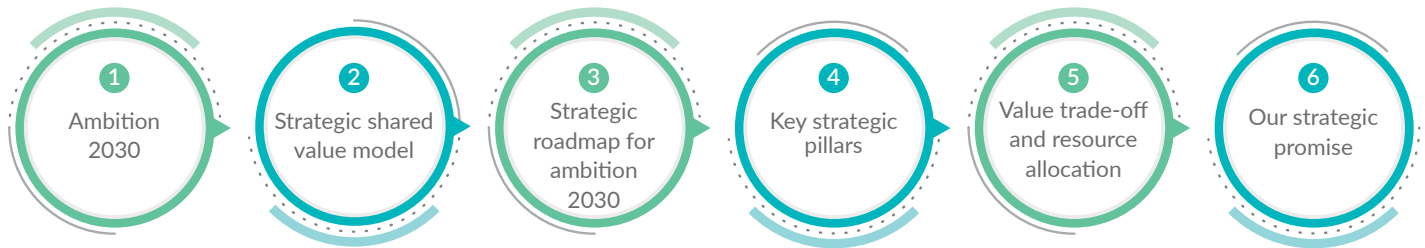
# UNPACKING OUR STRATEGY

Considering the highly competitive environment in which we operate, and the rising demand for more dynamic financial services, our strategy revolves around innovation. We leverage technology and AI-driven analytics to develop quick and efficient solutions that are at the same time more customer-friendly and affordable. We also believe that to create a sustainable future for all, it is equally important to ensure our products are safe, secure, and have the capacity to make a positive contribution economically, socially, and environmentally.

## OUR APPROACH TO STRATEGY

LBF's strategy is built on strong foundations and strengthened by over a half-century of service to generations of Sri Lankans. Over the past 50+ years and to date, we have been inspired by the principle of shared value which has inspired us to focus on providing only the most desirable financial solutions to meet the needs of each customer as and when they need it and in the exact way they expect it. Our strategy has always evolved cognisant of the environment that we operate in, including competitive pressure, changing customer behaviour and sustainability trends.



Our strategy is integrally connected to our core purpose as a financial institution.






## 1 AMBITION 2030

Given that shared value is foundational to the LBF's core strategy, we have articulated our medium-term objectives in the form of a purpose-based ambition, which serves as the framework for communicating to employees, shareholders, investors, analysts, and all other stakeholders. Planned integrated and innovative solutions, supported by best-in-class and emerging technologies and a culture of customer-centered collaboration, will enable us to compete and win in our chosen markets and industries in a new world.

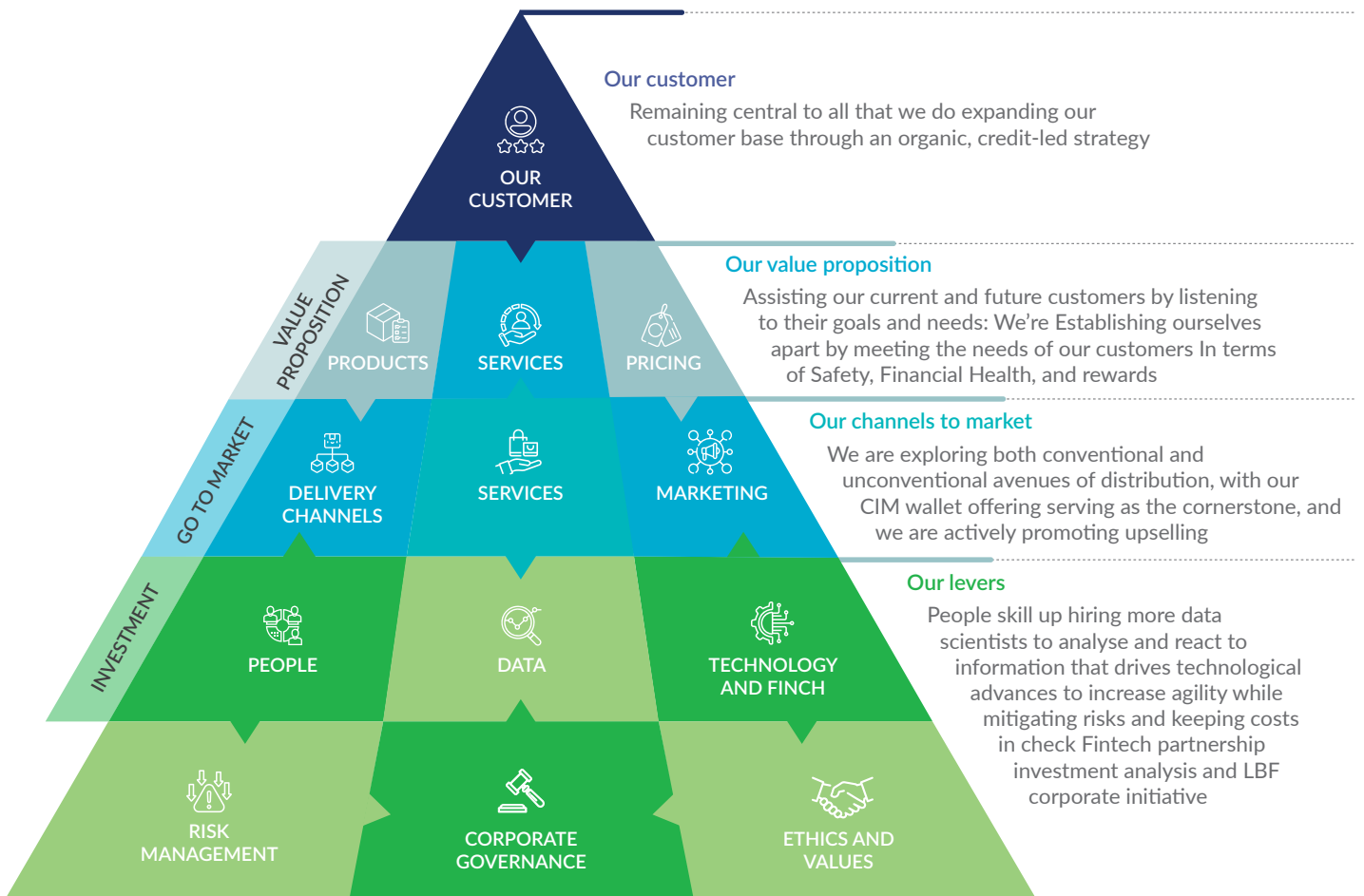
### Emerging strategic trends and opportunities

	Emerging trends	Emerging opportunities
 Consolidation	<ul style="list-style-type: none"> <li>▶ Pandemic-induced economic conditions have forced a rethink in delivery channels</li> <li>▶ Increased scale has become critical for competitiveness</li> <li>▶ More focus on cybersecurity and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>▶ Stakeholder collaborations</li> <li>▶ Organic growth through mergers and acquisitions</li> </ul>
 Specialisation	<ul style="list-style-type: none"> <li>▶ Customer expectation of socialised solutions in response to increased economic uncertainty</li> <li>▶ Increasing regulatory requirements</li> <li>▶ Skill gaps caused by labour outmigration</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leverage LBF's fully integrated portfolio to grow market reach</li> <li>▶ Drive specialised solutions for corporates</li> <li>▶ Focus on strengthening core competencies through specialisation in order to deliver value to customers</li> </ul>

	Emerging trends	Emerging opportunities	
 Partnerships	<ul style="list-style-type: none"> <li>▶ Collaboration as a key enabler of strategy</li> <li>▶ Partners to deploy specialist skills to create shared value</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase speed of delivery while reducing costs</li> <li>▶ Co-creation of innovative solutions reflecting best-in-class solutions</li> <li>▶ Optimise competitive value proposition to the market</li> </ul>	Right Solutions
 Digitalisation	<ul style="list-style-type: none"> <li>▶ Increased digital adoption is driven by economic uncertainty</li> <li>▶ Demand for fully digitised solutions at every stage of the customer lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>▶ Facilitate customer access through self-service solutions</li> <li>▶ Continue the modernisation of customer experience</li> </ul>	Right Value
 Experience and behaviour	<ul style="list-style-type: none"> <li>▶ Expectation of 24/7, 365 connectivity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Digital tools to build customer intimacy</li> </ul>	Right Direction

## 2 STRATEGIC SHARED VALUE MODEL

LBF's core purpose will continue to underpin all our decision-making, and the shared-value model will continue to be the main growth accelerator and the driving force behind our strategy and business model.




## UNPACKING OUR STRATEGY




### Deepening our commitment to the SDGs

While the UN has not ranked the SDGs by order of importance, internally LBF has identified primary and secondary SDGs based on their relevance to our business. This approach will guide how we prioritise our resources and commitments in order to maximise our impact to the benefit of each of our key stakeholders






 **Further reading**

- ▶ How to determine the strategic focus
- ▶ How to determine the strategic priorities

### 3 STRATEGIC ROADMAP FOR AMBITION 2030

We will be more deliberate about strengthening core competencies while pursuing specialisation and create a platform for consistent growth in key markets. This requires that we significantly intensify our focus on the following action plan

Strategic dimension	Our long-term objectives	Our mid-term to short-term objectives	
 Building a brilliant business	<ul style="list-style-type: none"> <li>▶ Focus on customers</li> <li>▶ Put customers at the heart of everything we do to safeguard their best interests</li> </ul>	<ul style="list-style-type: none"> <li>▶ Market-leading growth</li> <li>▶ Create access to sustainable, affordable, quality financial services coupled with specialised advisory services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Value creation for all stakeholders</li> <li>▶ Expand the geographical reach and build a solid presence in the digital space</li> </ul>
 Strengthening our strategic enablers	<ul style="list-style-type: none"> <li>▶ Protect and strengthen our culture</li> <li>▶ Inspire employees to embrace LBF's core purpose as part of their core value system</li> </ul>	<ul style="list-style-type: none"> <li>▶ A talented and diverse team</li> <li>▶ Promote employee engagement diversity, inclusion and transformation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Digitally powered business</li> <li>▶ Improving the experience, efficiency, simplicity and reach of our products and services</li> </ul>
 To create sustainably economic value for our stakeholders	<ul style="list-style-type: none"> <li>▶ Sustainable business operation</li> <li>▶ Lead by example in demonstrating responsible, inclusive and sustainable corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transform the business model to achieve superior operating excellence through modern, simple service tools</li> <li>▶ Embedding ESG excellence</li> <li>▶ Focus on regulatory compliance and social best practices</li> </ul>	<ul style="list-style-type: none"> <li>▶ Building a values-based culture</li> <li>▶ A strong values-based, ethical organisational culture provides a solid foundation for values-based decision-making and conduct in support of our stakeholders</li> </ul>