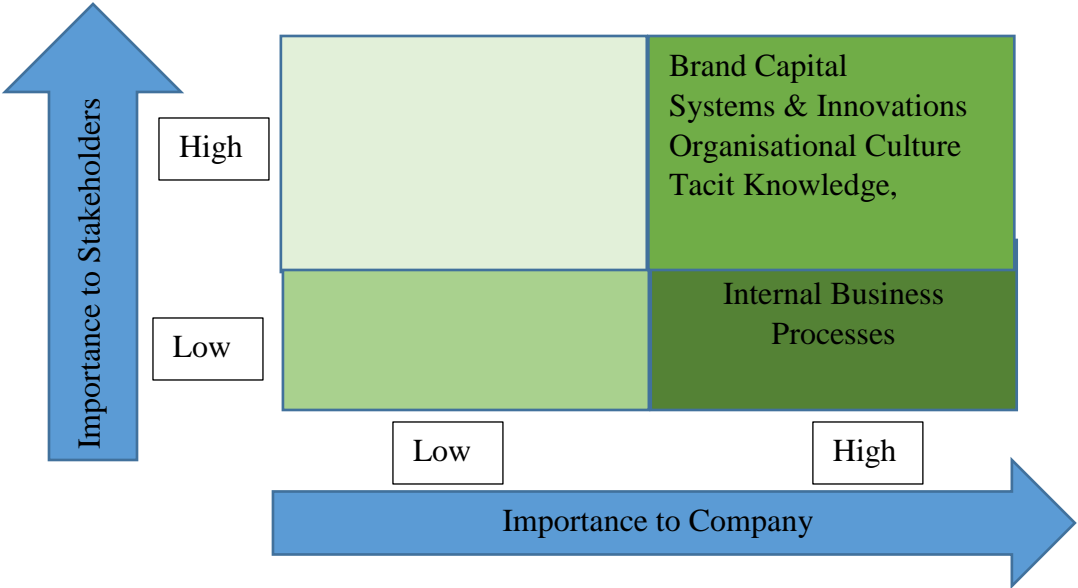


Intellect

As a premier finance company with a history of more than five decades, MI continues to harness vast amounts of knowhow and intelligence through its talented experienced team of financial professionals. Our exceptional service extended to our stakeholders is offered utilising this gathered expertise, evolving knowledge in the NBFBI sector. The strong corporate brand reputation that we possess has been built on a learning culture that we truly believe in. We are proud to be perceived as a pleasant financial specialist and a trustworthy partner throughout our remarkable journey which has played a critical role in defining the MI brand in terms of who we are and how we satisfy our stakeholder expectations.

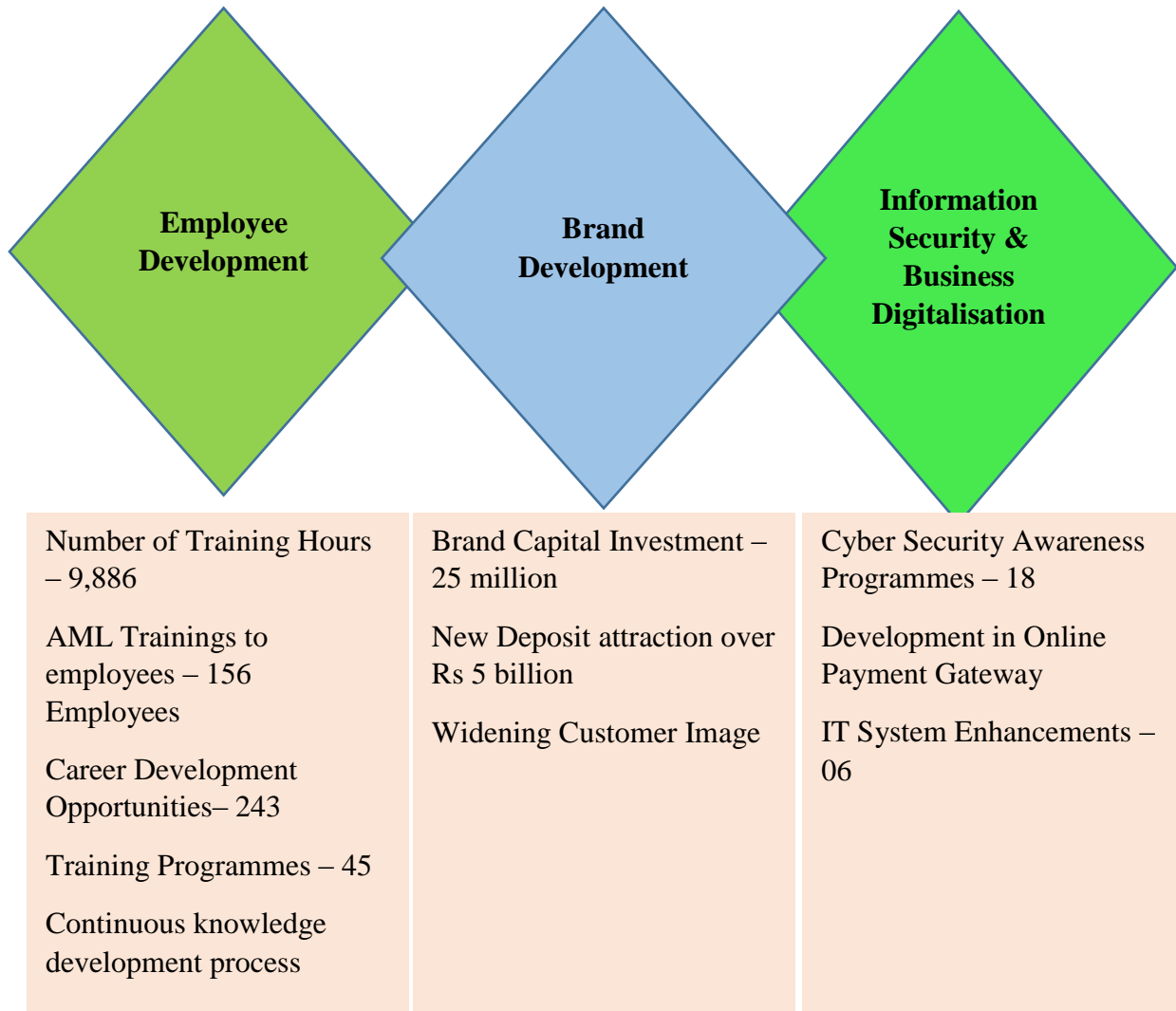
Despite the challenging encounters presented by an unfavourable operating environment, we deployed resources and made bold strategic investments to enhance our legendary service with the newest technology to drive growth, stay competitive and reinforce our position in the industry. We focused our attention on process efficiency, automating most processes to enhance customer convenience and overall productivity. Whilst our staunch leadership and good governance enriched our brand image, we managed all elements of intellectual capital synergistically to enhance our service value chain toward maximizing customer satisfaction.

Materiality and Impact Analysis



This year too intellectual capital made an exceptional contribution to create a notable positive impact to our value chain activities across all capitals. Amidst the COVID-19 pandemic and evolving macro-economic challenges, intellectual assets played a pivotal role in navigating MI's journey through unprecedented challenges, whilst building resilience and enhancing MI's competitive edge through digitisation, innovation and enhanced stakeholder convenience and satisfaction. At MI, intellectual capital remains in a constant state of evolution and has become the most fluid of all our capitals.

Performance Highlights



Material Matters

Employee Development

In order to keep up with technology breakthroughs to improve productivity whilst striving for service excellence, we intensified knowledge growth in employees and strengthened their competencies whilst formulating the right pool of talent with the right skills set to drive our business during this challenging period and beyond. After analysing knowledge gaps, we conducted numerous in-house training programmes and arranged training sessions to enhance the skills and competency levels of the staff. This supported our staff to enhance their knowledge and performance level on core businesses activities, as well as develop their professional skills.

Additionally, we organised specialised training sessions to enhance employee adoptability to the sudden changes in the operating environment and to maintain their mental well-being during stressful situations. We kept modifying and improving the tacit knowledge base of our workforce by setting up customised learning programmes with the help of internal resource personnel and had open discussions about the successes and failures encountered to share knowledge and experiences to face future better. Further, as part of passing down knowledge to the younger talented staff, the HR team was successful in completing a series of training sessions termed ‘Le Rave – Gear Up,’ focusing on delivering technical knowhow within the workforce to create a reliable team of potential successors. These types of programmes in turn supported employee growth and engagement while securing longer-term returns to MI.

Top Management Skills

As part of our human resource strategy, we focused on grooming our top management successors, through building and organising mentorship programmes for employees with proven leadership skills. In order to track these programmes and requirements, we used various universally-accepted methodologies such as ‘Mentimeter’ and the ‘EBI’ approach. Further, to create the drive required to face the myriad challenges, we conducted special training programmes to keep our top performers focused on the accomplishment of our strategic goals and objectives. Over the course of the year, we invested Rs. 4.2 million in developing managerial skills and competencies by obtaining the services of industry experts.

Creativity and Innovation

We consider innovation as an essential component in our success story, to stay relevant and competitive, especially in the technology arena. To meet evolving client needs and to maintain and uphold our position in the financial services sector, we continually encourage our employees to generate innovative thoughts and recognise their efforts in creativity through embedding their creative ideas to fine-tune our value chain. We place great emphasis on brainstorming and idea creation through knowledge sharing sessions conducted from top to bottom, from Executive Committee (EXCO) level to departmental meetings to boost group thinking and systems thinking while honouring employees' unique and original ideas. Moreover, our Business Process Reengineering Division closely collaborates with the main departments to increase operational efficiency and worker productivity through process enhancements, automation and resource optimisation.

Talent Acquisition, Building and Retaining

Our corporate strategy places a strong emphasis on our talent management efforts with the objective of formulating the right composition of core competencies and skills in order to extend value creation to all our stakeholders. After a detailed assessment of training and developmental needs of all employees, we provided appropriate learning and practical training opportunities which helped them to take their job performances to the next level. Currently we have number of employees who joined MI at entry level positions and climbed the corporate ladder to achieve career advancement. Further, to bridge several skills gaps, we also made appropriate recruitments after giving first priority to our existing capable and talented employees.

Training Type	Training Name	Resource Person	No of Beneficiaries	Total No of Hours
Classroom	Lego - Strategic thinking	Azeem Zahir	53	16
Online	Le Reve - Gear Up! Technical Session - Insurance	Pathum Rathnayaka	16	1
Online	Le Reve - Gear Up! Technical Session - BSD	Eranga Weerasiri	11	1
Online	Le Reve - Gear Up! Technical Sessions	Pubudu/Dinesh/Ryan/ Nadee/Hasitha	45	6
Online	Le Reve - Gear Up! Technical Session - ADU	Hasitha De Silva	21	1
Online	Le Reve - Gear Up! Technical Session - Legal Recovery	Eranda Withana	11	1
Online	Le Reve - Gear Up! Technical Session - Cashiering	Ranil Wijerathne	11	1
Online	Le Reve - Gear Up! Technical Session - Recoveries	Supun Jayarathna	13	1
Online	Gear Up! Technical Sessions - Micro Finance	Imran	11	2

Trainings by Industry Experts

Training	Trainer	Category	Training Hours	Participants
Corporate L&D Masterclass	SLASSCOM	Technical Skills Training	8	2
FD Sales Skill Training	Sanjika Perera	Technical Skills Training	16	16
Certificate Course in Compliance	BASL	Technical Skills Training	25	1
Training on Talent Analytics	SLASSCOM	Technical Skills Training	2	2
Art of Recoveries	FHA	Technical Skills Training	8	2
Le Reve - Gear Up! LEGO Training	Azeem Saheer (Luminary Learning)	Human Skills Training	8	25
Webinar on SLFRs 16	CA Sri Lanka	Technical Skills Training	4	3
Webinar on SLFRS-9 Sailing through crisis	CA Sri Lanka	Technical Skills Training	4	3
Le Reve - Gear Up! LEGO Training	Azeem Saheer (Luminary Learning)	Human Skills Training	8	28
Course on Practical Application of Income Tax	CMA	Technical Skills Training	28	1
Gear Up! Technical Sessions - Micro Finance	Imran	Technical Skills Training	2	11
Artificial Intelligence	SLID	Human Skills Training	4	4
Webinar series on Integrated Reporting	CA Sri Lanka	Technical Skills Training	13.5	1
Train the Trainer	Wild Drift	Human Skills Training	8	1
Training on Excel	Gemunu Premarathna	Technical Skills Training	8	13
Young Directors Forum	SLID	Human Skills Training	4	2
Advanced Sales Skill Training	Sanjika Perera	Technical Skills Training	16	20
Cashier Tech Talk	BOC - Dayajinie,	Technical Skills Training	8	92

	Niroshini, Hareendra, Janaka			
Regulatory Framework Relating to Non-Bank Financial Institutions	CBSL	Technical Skills Training	16	2
Workshop on Labour Law and Industrial Relations	RH Training	Technical Skills Training	8	1
Leadership Coaching Assessment	#N/A	Human Skills Training	2	1
43rd CA Conference 2022	CA Sri Lanka	Technical Skills Training	2	7
Counselling Skills for Managers	Life Skill Academy	Technical Skills Training	2	2
Payroll Management	RH Training	Technical Skills Training	2	1
Digital Media Masterclass	SLASSCOM	Technical Skills Training	4	2
Personality Development & Corporate Etiquette	RH Training	Human Skills Training	3	1
Marketing Strategies to Sustain Business in a Crisis Situation	Vision 8 Academy	Technical Skills Training	6	2
Training on Valuation	Isuru Senarathna	Technical Skills Training	8	47
Sri Lanka Economic Summit	Ceylon Chamber of Commerce	Technical Skills Training	10	1
CPD Meeting Minutes	Institute of Chartered Corporate Secretaries	Technical Skills Training	2	1
EPF/ETF Contribution and practical issues	CNCI	Technical Skills Training	3	5
APIT,AIT, & WHT circular issues by CGIR	KPMG	Technical Skills Training	2	7
Awareness Session for Insurance Brokers 2023	SLIC	Technical Skills Training	6	1

Unique Culture Upheld

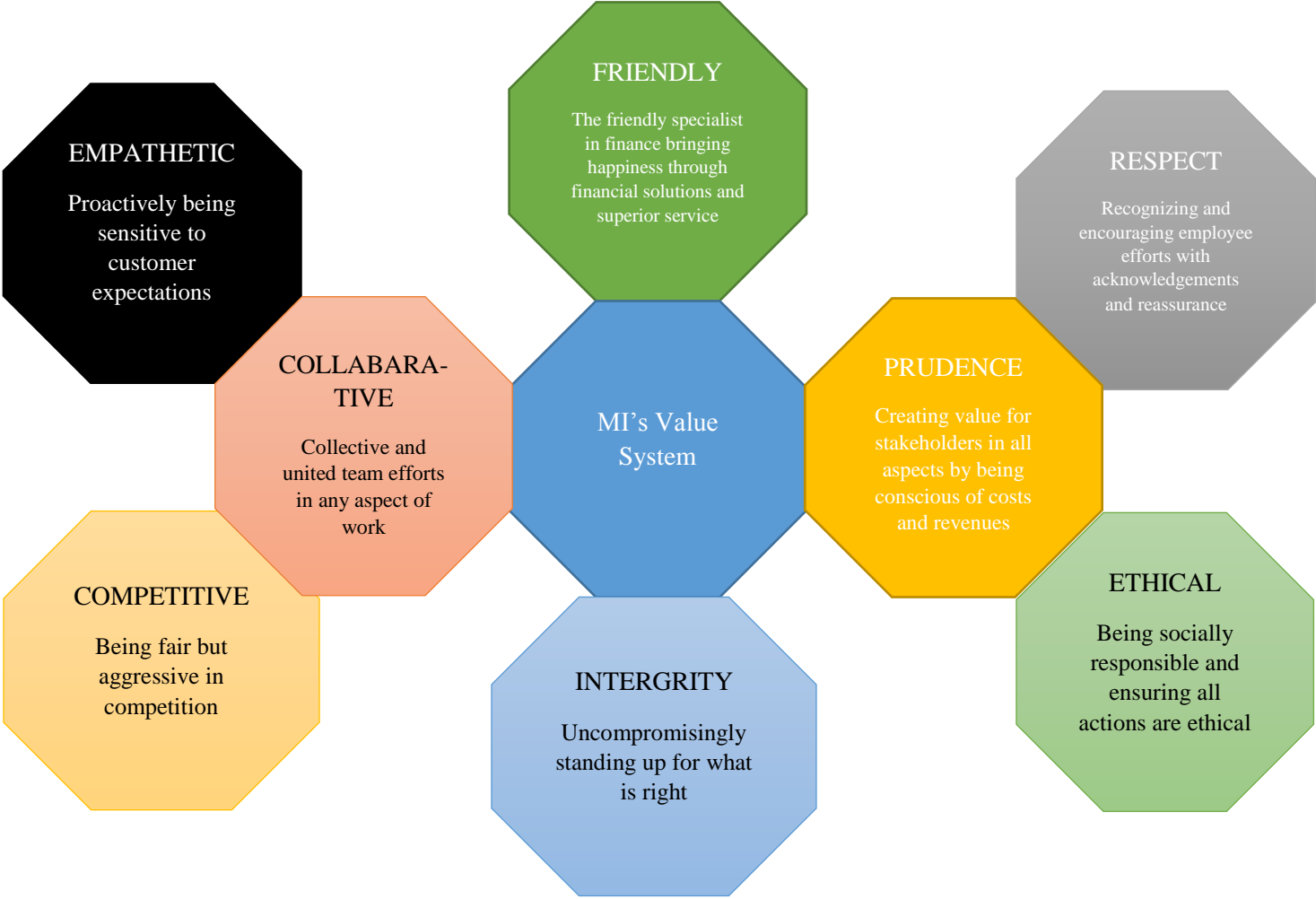
MI's corporate culture reflects a 'constructive model' which promotes and integrates all critical non-monetary fulfilments and staff's personal aspirations such as achievement, self-actualisation, encouragement and affiliation. These elements integrate seamlessly to create a culture that is self-motivating, open and collaborative to enhance the generation of fresh and unique ideas and to present opinions which contribute to the corporate success. The affable environment paves the way for our employees to perform at their peak without undue pressure and inhibitions whilst promoting equality and fairness in employee treatment.

On the other hand, MI strives to establish a performance-driven culture which strives to encourage employee engagement to facilitate achieving better success in corporate targets within the stipulated timeframes. Moreover, MI's corporate culture is embedded with the corporate governance framework, driving the Board and management towards the adoption of voluntary standards and industry best practices to enhance the transparency of each business operation whilst promoting employee integrity.

Furthermore, as an element of our unique culture, we consider appropriate change management a key ingredient in our longstanding success, adapting seamlessly to the ever-changing financial landscape. Over the past 58 years, our business strategy has addressed the changing needs of the financial eco system and will continue to drive the business with an adoptive culture.

Our Value System

Our culture is augmented by our corporate value system which comprises eight values.



MI's Brand Value

Being a legendary financial institution with an impeccable corporate track record, MI's brand continued to be a vibrant and customer oriented symbol in the industry, positioned as 'top of the mind' for financing needs. Our brand image is fortified with good governance, steadfast leadership, application of industry best practices, secured unwavering financial stability, strong liquidity position and capital strength, which has helped to maintain and foster stakeholder confidence and loyalty in the field of financial operations. Whilst reinforcing our brand image by promoting all of our product offerings under the 'MI' umbrella with the tagline 'Service that extends beyond,' we have integrated our brand across our entire organisation as a premier brand of choice throughout our business journey.

Moreover, we continued to enhance brand visibility with the broad-based use of new technology and social networks, while continuing our product and branch promotions via radio and press advertising, optimising our promotional budget. Moreover, during our business journey, our fundamental values, human-centred leadership, customer-oriented business strategies and social efforts have further enhanced our brand image throughout the community. The investment made on brand enhancement for the year stood at Rs. 25 million

Under the MI brand name, we were able to build sustainable relationships by extending our support to the community through various social initiatives which enabled us to stand out and distinguish the MI brand amidst the myriad challenges that we faced over the past few decades.

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Process Automation and Digital Transformation

With technology remaining as a key driving force in shaping customer needs and productivity in this highly-digitalised sector, we allocated more resources to improve our digital infrastructure and process automations. Accordingly we accelerated our digitalisation journey by updating internal systems and processes, extending the reach of our payment platforms and customer access points and enhancing our digital capabilities while remaining responsive to mutable customer needs. Our Digitisation Committee together with the process reengineering and business support team strived from all angles to enhance operational efficiency and customer convenience through automation, whilst reducing manual interventions, waste and time lapses that are involved in each business activity. A special steering committee set up to manage the ongoing core system migration towards a highly-technological platform is paving the way for greater use of technology to improve business competition.

Information Technology Developments

Automated Item	Functionality/Purpose	Benefits	Beneficiaries
Stationary System Automation	Stationary system has been implemented in order to eliminate the difficulties of record keeping and waste that were identified with manual processes. By using this system, users are able to obtain information regarding the availability of the required items as well as the cost associated with them. Additionally, this system resulted in a reduction of unnecessary expenses and a reduction of time consumption, as well as more efficient and effective distribution of stationery items to users.	<ul style="list-style-type: none"> ❖ Efficient distribution of Stationary Items ❖ Real time information about the availability of items 	All Staff
IT Inventory and Equipment Movement	The purpose of this system is to track the current locations of the IT equipment when branch	<ul style="list-style-type: none"> ❖ Increases transparency in equipment 	

management system	users send equipment to the IT department for repairs. As well as this system helps users to be aware of the asset details allocated for relevant branches. Additionally, this reduces unnecessary time consumption as well as enables more efficient and effective delivery of hardware equipment to the relevant branches	handling and movement	
Report to check the branch Gold Loan Float's Cash in hand	The purpose of this report, is to check all branch gold loan float balances including current float balance, total cash out from the float and daily cash in hand of the respective date in at one report for identify the real cash requirement of each branch. In addition to that when a branch needed a technical advises regarding gold loan float balancing from the head office, head cashier or other senior staffs are using this report.	<ul style="list-style-type: none"> ❖ Aided in keeping required liquidity position ❖ Mitigate Cash in Hand risk ❖ Greater control over company operations 	
Implementation of New Advanced Income tax Deduction (AIT)	This system is cable of detecting and deducting required AIT from the deposit customers and this is also a IRD requirement	<ul style="list-style-type: none"> ❖ Enhance regulatory compliance 	
Internal transfer within the FDS system (Refund & Reinvest)	Reduce the manual intervention in refund and reinvest procedure	<ul style="list-style-type: none"> ❖ Reduction in operational cost 	
Develop close files destroy system module in the DocMan system	Purpose of this system is to overcome the difficulties of keeping, sorting and destroying closed files in the manual process.	<ul style="list-style-type: none"> ❖ Uplift the accuracy in operations ❖ Surge in process efficiency 	

	Furthermore, this helped to reduce unnecessary time consumption for sorting and bundling files and find the exact location of the file in a more efficient and effective way		
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Business Intelligence Accumulation

As a longstanding finance company that is known for its unparalleled customer service, we always value the importance of continuously harnessing business intelligence as the foundation of our expanding knowledge base. We consider business intelligence not only as a process of passing on tacit knowledge throughout the organisation, but also as a process of gathering and analysing customer information and supplier sentiments and, most importantly, building strong and effective relationships with key stakeholders. We gather direct customer feedback through our dedicated hotlines, fully-fledged call centre and island-wide branch network while receiving valuable insight through our chain of suppliers. All digital and social media platforms are used to generate new business intelligence and to improve our business acumen regarding changing customer needs and market signals. Furthermore we have tactically used our marketing staff to identify satisfaction gaps, market behavioural data, competitor approaches and demographic data and carefully analysed such data to bring about the required changes to our operating landscapes.

Cyber Security and Business Continuity

In the backdrop of evolving cyber security threats with the extended use of online platforms, our in-house IT team launched a series of initiatives aimed at promoting information security and safeguarding customer privacy and trust. While upgrading our proxy and firewall systems as preventive measures against cyber-attacks, regular IT awareness sessions and vulnerability assessments were also performed to improve IT security environment.

In addition, we have deployed a Business Continuity Plan (BCP) which establishes required protocols, prevention and recovery systems in a case of natural disaster or cyber-attack. This plan ensures that our IT systems and other critical assets are protected and are able to function quickly in an event of a disaster. We have leveraged the newest technology to broaden our cloud and

storage systems to maximise the reach of information using our planned disaster recovery sites in the event of contingency events materialising. Further, in order to test our Business Continuity Plans, we proactively monitor the effectiveness of safety systems and conduct safety drills. This has allowed us to make our employees aware of the steps to be implemented in an event of contingency.

Capital Interdependencies

Capital/Activities	Brand Development	Cyber Security Enhancement	Knowledge Development	Process Automation
Financial Wealth	Financial Profit ↓	Capital ↓	Training Cost ↑	Routine Expenses ↓
Alliances	Business Recognition ↑	Trustworthiness ↑	↑ ✓ Competencies ↑ ✓ Client Service	Service Quality ↑
Human Strength	Employee Motivation ↑	Reliability ↑	Employee Performance ↑	Work Load ↓
Infrastructure	Branch Value ↑	Digital Channel ↑		Need of physical Infrastructure ↓
Nature	-	-	Environmental Hazards ↓	Manual Waste ↓

Future Aspirations

Short-Term (within one year)	Medium-term (2-5 years)	Long-term (5 and beyond)
<ul style="list-style-type: none"> ✓ Enhance multi- tasking and employee productivity ✓ Migration to new ERP system 	<ul style="list-style-type: none"> ✓ Introduce AI support to improve business outcomes ✓ Enhanced automation to cut manual tasks ✓ Use of bots for routine tasks 	<ul style="list-style-type: none"> ✓ Digital migration of core products ✓ Enhance the reliability of the BCP