

A New Chapter

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People's Leasing & Finance PLC (PLC) has for long established itself as a leader in the Non-Banking Financial sector of Sri Lanka. Sabry Ibrahim, the Company's newly appointed Chief Executive Officer and General Manager hopes to maintain its growth momentum with a focus on PLC's core business and by leveraging on its strengths. Ibrahim joins PLC with a wealth of experience after serving in both the public and private banking sectors in Sri Lanka and overseas. He has special expertise in Corporate Banking, Treasury Management and Risk Management. Using the strong foundation laid by his predecessor, Sabry Ibrahim says PLC will continue its expansion in Sri Lanka and overseas with a dedication to promote financial inclusivity and accessibility.

By Udeshi Amarasinghe

Photography Mahesh Bandara and Menaka Aravinda

As the newly appointed CEO of People's Leasing & Finance can you tell us about your plans for the organisation?

This company has a great legacy. My predecessor has laid a strong foundation. At this moment People's Leasing & Finance (PLC) is the clear market leader in the industry and my overall plan is to build on that footing to ensure PLC remains in this pre-eminent position.

Leveraging on your private and public sector banking experience, how do you aim to cater to the requirement of PLC?

Although PLC is largely owned by the Government, it has always operated as a private sector organisation. Our aim and objective is to continue within that working environment. This will allow us to offer private sector flexibility and Government sector security to our customers, and it helps that we are allowed to function independently, similar to any private sector organisation

A strategy of diversification was employed by PLC. Can you tell us about the progress thus far?

Even though PLC has diversified, the new ventures are closely related to the company's core

business. Insurance, fleet management, micro finance and property development are the major areas of diversifications. This has enabled us to provide a range of financial and other related services to our valued customers. The diversification so far has been good. We are very satisfied with what we have done. We will not be diversifying too much into non-core areas.

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What can you tell us about the performance of the organisation?

This year has been a difficult one due to the rapid rise in interest rates in the recent past. We saw an exponential increase in interest rates in 2015 and 2016. This affects PLC because the company is largely a fixed interest rate lender, whereas our funding is on a short term variable rate basis. Therefore, rising interest rates hurt the company. We are developing as well as implementing new, innovative strategies to overcome this challenge.

How is PLC addressing the rising interest rates and the evolving needs of the customer?

Our strategies are focused on developing short-term products, which will mitigate the interest rate risk to a large extent. In terms of client requirements, we have introduced Gold Loans, which are similar, though not exactly, to pawning. Our analysts have identified a niche demand in the market for this. We are also developing variable rate loans and are hoping to enter into the housing loan market. We have received a positive response to many of our new products. Further, the Company is committed to adopting the latest technology in doing business with an intention to provide an exceptional value added service to customers, while improving overall operating efficiency

Could you tell us about PLC's five subsidiary companies?

Insurance is our largest subsidiary listed on the Colombo Stock Exchange in 2016. Within a short time span People's Insurance has emerged as a leading player within non-life insurance segment to range at fifth position. Our micro finance venture, People's Microfinance continues to play a major role in uplifting the rural poor and underprivileged communities thus generating a potential customer base for PLC in future. Fleet Management Company and two property developing companies have generated greater synergies to the Group by providing valuation services and undertaking the construction

projects of the Group respectively.

What can you tell us about the staff of PLC?

Staff is the great strength of PLC and has been the main success factor behind several feats and milestones reached so far by the Company. They are passionate about the success of both our customers and the company. They strive for excellence and embrace change willingly. We follow best practices in recruitment, recognition and compensation to ensure that the right talent is retained within the Company in the current competitive business setting. It is an aspect on which we hope to continue to build upon to ensure PLC's success in the future.

Can you elaborate on the expansion plans of PLC?

Over the last few years we have extended our branch network, which now has 103 branches spread across the island. We also have access to customers through People's Bank branches, where PLC has sub-offices. Together with our own branch network we have over 200 touch points spread across the island. This is an excellent reach. In terms of Non-Banking Financial Institutions (NBFI), I believe we have the largest reach and capacity to cater to Sri Lanka.

We are currently in the process of commencing operations in Bangladesh, which will be launched in the last quarter of this year. We have acquired a 51 per cent stake in a NBFI, of which we will be in charge of the operations and management with rights to nominate appointments to key positions such as CEO and CFO. Its operations will initially be based in Dhaka. This will be our first foray overseas and a major step in our international aspirations.

Your thoughts on the industry as a general?

Today, banks in particular have stringent requirements that a majority of our entrepreneurs are unable to meet. They have great ideas, but are unable to obtain the financing to see their fruition. Therefore, the Non-Banking Financial Institutions have the opportunity to grow their business by catering to their need. We provide basic financial services and products to a large part of the population, which does not have access to traditional banks. This industry has a great future. It has however suffered with the recent macro-economic problems in the country where for example new LTV ratios are restricting the business. However, these are temporary challenges and we see a lot of potential for the industry, especially given the growing infrastructure needs of the country, and the growing middle

class.

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With many players in the sector, how does PLC stay above the rest?

PLC's greatest strength is our staff. Second is our ability to change, innovate and move with evolving times. Number three is the strength and support we have from People's Bank.

The People's Bank name adds a lot of credibility to PLC and their network expands our reach. Obviously our loyal customers who have stayed with us over the years are also a great strength to us. Their positive feedback and constructive comments have helped us reach our current position. We hope to leverage on these strengths as we progress. Furthermore, PLC is the highest rated NBFIs in the country with two international ratings, which are on par with sovereign ratings. This has provided a platform for the Company when dealing at the international level.

Can you tell us about yourself?

I graduated from the University of Colombo with a major in Physics. After graduation I started teaching Physics at the university. Subsequently I decided to shift to banking. Throughout my 33-year career in the finance sector I have been with many banks, both in Sri Lanka and overseas. My previous assignment was at People's Bank, where I worked for nine years as the Senior Deputy General Manager in charge of Risk Management, and subsequently was appointed to lead the Wholesale Banking team as well. After retiring from People's Bank last year, I accepted the challenge of leading the PLC team.

Message to the readers?

Come to People's Leasing & Finance and do business with us. We offer a wide range of products and services to cater to most of your financial needs. Come and experience PLC's friendly and efficient service and bespoke financial solutions, while enjoying the security of dealing with a top rated institution that is backed by one of the largest state owned banks. In this way you can also contribute to building the Sri Lankan nation.