

PEOPLE'S MICRO - COMMERCE LIMITED

INFORMATION MEMORANDUM

Introduction

People's Micro - Commerce Limited (PML) is one of Sri Lanka's leading microcredit institutions, with over fifteen years of proven operating history and a strong nationwide presence. The Company benefits from a robust institutional pedigree, being a wholly owned subsidiary of **People's Leasing and Finance PLC** (Rated **A- (Ika)**), a public company listed on the Colombo Stock Exchange, with a majority shareholding held by Peoples Bank. People's Leasing and Finance PLC is, in turn, a subsidiary of **People's Bank** (Rated **AA- (Ika)**), one of Sri Lanka's largest and most established state-owned commercial banks.

This strong parentage provides PML with exceptional governance oversight, financial discipline, and institutional credibility, placing it among the most stable and well-managed microfinance institutions in the country.

PML specializes in providing micro and small-ticket credit solutions to middle-income and underserved communities who remain outside the effective reach of traditional banking channels. With a **loan portfolio of LKR 10.6 billion as at 31st December 2025**, a **recovery rate exceeding 98%**, and a strong profitability trajectory, PML represents a compelling opportunity for international funding partners seeking both financial sustainability and developmental impact.

Aligned with its long-term growth strategy, PML is now seeking to establish strategic funding partnerships with reputed foreign lenders and development-oriented financial institutions.

Corporate Overview

- **Company Name** : People's Micro - Commerce Limited
- **Legal Status** : Private Limited Company (Unlisted) (incorporated under the Companies Act No. 7 of 2007 of Sri Lanka.)
- **Ownership** : 100% subsidiary of People's Leasing and Finance PLC
- **Ultimate Parent** : People's Bank (AA-Ika)
- **Head Office** : No. 290, High Level Road, Nugegoda, Sri Lanka
- **Telephone** : +94 (0)11 2890 990
- **Website** : <https://peoplesmicrocommerce.lk>
<https://pml.lk/>

Key Contact

- **Name** : Mr. Wasantha Gunawardana
- **Designation** : Chief Executive Officer / General Manager
- **Mobile** : +94 (0)77 911 7493
- **Email** : wasanthak@plc.lk

Vision and Mission

Vision

To uplift the living standards of economically underprivileged communities and to make “PML” the most preferred micro finance service provider.

Mission

To sustainably provide financial solutions to micro entrepreneurs that promote the social and economic development.

Business Model & Market Focus

PML was established with the objective of delivering **accessible and responsible micro-credit solutions** to individuals and micro-entrepreneurs, with a strong emphasis on:

- Middle-income (upper and lower) segments
- Grassroots entrepreneurs
- Fixed-income earners and self-employed individuals
- Customers lacking formal collateral or income documentation required by banks

Product Focus

- Micro and small-ticket loans
- Personal and industrial transport financing
- Asset-backed lending, primarily secured by movable assets

PML’s lending approach balances **commercial sustainability with financial inclusion**, enabling the institution to maintain strong portfolio quality while delivering meaningful socio-economic impact.

Outreach & Distribution Network

- **Active Customer Base:** Over 20,000 customers
- **Branch Network:** 35 branches across Sri Lanka -
- **Human Capital:** Over 360 staff members
- **Operational Strength:** Majority of staff deployed as field officers, ensuring close customer engagement, strong monitoring, risk management and effective recovery mechanisms

Financial Performance & Growth

PML has demonstrated **consistent and accelerating financial performance**, underpinned by disciplined credit underwriting and prudent risk management.

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Key Financial Highlights

- **Net Profit (FY 2023/24):** LKR 186 million
- **Net Profit (FY 2024/25):** LKR 254 million
- **Net Profit (FY 2025/26):** 1st 10 months : LKR 172.5 Million

Customer Loan Portfolio:

- o LKR 4,578 million as at 31 March 2025
- o LKR 5,086 million as at 31 May 2025
- o LKR 10,620 million as at 31 December 2025

Portfolio Quality

- **NPL Ratio:**
 - 2.45% as of 31st March 2025
 - 1.11% as of 31st December 2025

Loan Recovery Ratio: Above 98%

Credit Discipline: Strong internal controls, risk management, continuous portfolio monitoring, and conservative provisioning

Funding Structure

PML is a **non-deposit-taking financial institution** and therefore relies entirely **on debt funding** to support its lending operations.

To date, PML has successfully mobilized funding from **almost all leading state and private sector banks in Sri Lanka**, reflecting strong market confidence in its governance, financial transparency, and performance track record.

With domestic funding lines approaching optimal utilization, PML is now proactively seeking to **diversify its funding base through long-term international partnerships**, thereby enhancing funding stability, tenor matching, and cost efficiency.

Governance & Management

Board of Directors

The Board is appointed by People's Leasing and Finance PLC and comprises **senior professionals in administration, law, banking, and accounting**. The Board exercises full oversight over:

- Strategic direction
- Policy formulation
- Risk governance
- Major management decisions

Corporate Management

The management team consists of CEO / General Manager supported by Head of Operations, Head of Finance, Head of Legal, Head of Credit/Administration & Head of HR

BANKERS

1. People's Bank
2. Bank of Ceylon
3. Hatton National Bank PLC
4. Seylan Bank PLC
5. Commercial Bank PLC
6. Pan Asia Bank PLC
7. Sampath Bank PLC
8. Cargills Bank PLC
9. Union Bank of Colombo PLC
10. DFCC Bank PLC
11. NDB Bank PLC

OTHER FUNDERS/KEY INSTITUTIONAL PARTNERS/KEY BUSINESS PARTNERS

1. People's Leasing and Finance PLC
2. People's Insurance PLC
3. Sanasa Development Bank PLC

Growth Strategy & Funding Opportunity

PML's medium-term strategy focuses on:

- Expanding outreach to underserved regions
- Scaling the loan portfolio sustainably
- Strengthening digital and operational efficiency
- Diversifying funding sources with international institutions

People's Micro - Commerce Limited invites **foreign development finance institutions, impact investors, and international lenders** to partner in its next phase of growth, offering:

- Strong financial performance
- High portfolio quality
- Proven management capability
- Clear developmental impact
- Institutional backing from Sri Lanka's leading state-owned Banking group

Join us in shaping the next chapter of inclusive development.