



Linking Humanity & Stability





INTERCONNECTED

Linking Humanity & Stability

Since our inception, Al-Safa Islamic Financial Services Unit of People's Leasing & Finance PLC has been a trusted partner in the journeys of Sri Lankans across the island, playing a key role in their development and growth.

We firmly believe that true success is built on the strength of our ethical relationships with each stakeholder, and this report highlights how our commitment to excellence goes beyond our products, Shari'ah compliant services, cutting-edge digital solutions and responsive strategies.

By placing humanity at the heart of every decision, we have created a resilient and compassionate ecosystem that thrives, even in times of adversity. Every interaction is guided by empathy, respect, and a shared vision for growth. This year, more than ever, we have focused on building a lasting, interconnected network founded on trust, understanding, and mutual support enabling us not only to navigate challenges together, but to turn those challenges into opportunities for all.

As we look to the future, we know that our future-driven digital processes and commitment to humanity and faith-based values will continue to be our greatest strength. Together, we will achieve the impossible, ensuring that every journey we share is one of shared success.

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ABOUT US

Al-Safa Islamic Financial Services (AIF) is the dedicated Islamic financial services unit of People's Leasing & Finance PLC (PLC). Established in October 2005 with the vision of providing ethical and inclusive financial solutions, our operations are guided by the oversight of a Shari'ah Supervisory Board, which provides continuous assurance of compliance with Islamic jurisprudence.

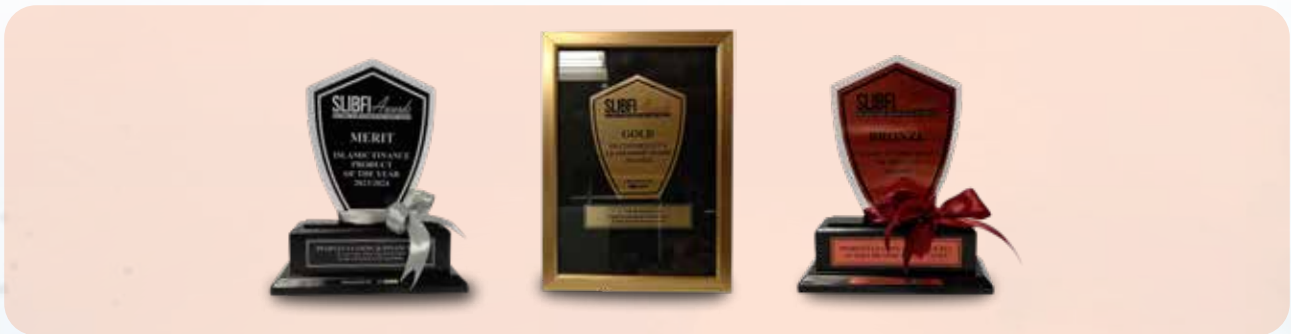
We take pride in being known as the preferred partner for individuals and businesses seeking financial solutions

that align with their values. Our diverse suite of Shari'ah-compliant offerings, including Ijarah (leasing), Musharakah (partnership financing), Wadi'ah Gold Safekeeping (safe keeping), Mudharabah (savings and term deposits), and innovative new solutions such as Wakalah fixed investments and Ijarah Solar, are all designed not only to meet the financial needs of customers but also to promote long-term sustainability and social equity

AIF operates as a seamlessly integrated unit within PLC's extensive island-wide branch network to bring Islamic finance within easy reach of customers across Sri Lanka. Further being as part of one of the largest and most iconic financial institutions in Sri Lanka, underpins AIF's positioning as a pioneer in shaping the future of Islamic finance in the Country.

AWARDS AND ACCOLADES

Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards 2024



Islamic Finance Forum of South Asia (IFFSA) Awards 2024



Sri Lanka Branding and Marketing Leadership Awards 2024



VISION, MISSION, AND VALUES



VISION

To become legendary in the Islamic financial service scene, as a provider of customer-friendly, creative, and innovative total solutions.



MISSION

Dedicated value added customer service to accomplish organisational service excellence whilst maintaining a sustainable competitive advantage



CORE VALUES

Economic viability, environmental responsibility, and social accountability.



OUR CULTURE

The Al-Safa Islamic Financial Services Unit of PLC shares the same culture as Peoples Leasing & Finance PLC, fostering strong adherence to Islamic finance rules and regulations, good governance, and ethical conduct. AIF also promotes an open, supportive, and collaborative work environment culture where employees are engaged and empowered. A customer-centric culture is cultivated to ensure excellence in service delivery.

CONTRIBUTION TO PEOPLE'S LEASING & FINANCE PLC



Total Assets **6.31%**



Lending Portfolio **5.37%**



Deposits **6.39%**



Profit **11.91%**

ABOUT OUR REPORT



INTRODUCTION

Welcome to the Annual Report of Al-Safa Islamic Financial Services (AIF), the dedicated Islamic financial services unit of People's Leasing & Finance PLC (PLC), for the year ended 31st March 2025. The Report provides a holistic overview of our financial and non-financial outcomes, highlighting how AIF continues to uphold Shari'ah principles and reflecting our commitment to transparency, accountability, and responsible disclosure of our performance and impact.

STAKEHOLDERS

					
Customers	Employees	Investors	Business Partners	Government and Regulators	Local Communities

SCOPE AND BOUNDARY

This report covers all operations of AIF, including our island-wide presence through dedicated Islamic finance branches and window offices across PLC's extensive network. It includes all financial and operational data, risk information related to AIF's activities during the reporting period, and non-financial disclosures that highlight ongoing social, environmental, and governance initiatives as part of our commitment as a responsible business.

The report covers AIF's operations for the 12 months from 1 April 2024 to 31 March 2025. Management has thoughtfully curated and prioritized the content to address the requirements and expectations of our key stakeholders, ensuring the information presented aligns with their interests and concerns.

REPORTING BEST PRACTICES

This report has been prepared in compliance with financial reporting standards applicable to financial services providers in Sri Lanka. Likewise, all Shari'ah compliance requirements have been adhered to under the guidance and oversight of the Shari'ah Supervisory Board.

Striving to elevate the quality of our non-financial information, we have made every effort to align with global best practices for sustainability reporting. Accordingly, a materiality process was undertaken in accordance with PLC's sustainability framework to identify issues most relevant to both AIF and our stakeholders.

ASSURANCE

Assurance has been provided by the Shari'ah Supervisory Board confirming that the contracts, transactions, and dealings of Al-Safa Islamic Financial Services during the year under review complied with Islamic Shari'ah rules and principles. Concurrently, external assurance on the Special Purpose Financial Statements of AIF was conducted by the Auditor General of Sri Lanka.

In addition, sustainability-related disclosures have been internally validated through PLC's governance and risk management structures to ensure accuracy, completeness, and alignment with recognized reporting frameworks.

Collectively, these measures aim to provide stakeholders with confidence that the Report is both reliable and transparent in reflecting AIF's performance and progress.

About Our Report

FORWARD-LOOKING STATEMENTS

This Report carries forward-looking statements representing AIF's current expectations regarding future events and performance. Such forward looking statements are based on information currently available about Sri Lanka's economic recovery and projections regarding the potential for Islamic finance in the Country in the coming years.

Disclaimer: The AIF management undertakes no obligation to update these forward-looking statements, whether as a result of new information, future events, or otherwise.

FEEDBACK

We recognise the importance of stakeholder insights in enhancing the quality and integrity of our reporting in the future and as such welcome stakeholder feedback on the current report. All such feedback should be directed to:





Chief Manager – Islamic Financial Services Unit,
People's Leasing & Finance PLC,
No:1161, Maradana Road,
Colombo 08, Sri Lanka.
Postal Code: 00800.
Phone: +94 11 2631 666

PDF version of the
Annual Report 2024/25



<https://www.plc.lk/products/AboutAl-Safa/islamic-annual-reports/>

Social media updates

-  <https://www.facebook.com/PeoplesLeasingFinancePLC?mibextid=LQQJ4d>
-  <https://www.linkedin.com/company/peoples-leasing/>
-  <https://www.instagram.com/peoplesleasingandfinance?igsh=a3hsMmszb3MwNnZ2>
-  <https://youtube.com/@peoplesleasing9294?si=fevtun9XWwwtPmOi>

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

For the year	2024/25	2023/24	2022/23
Financial Performance			
Gross Income (Rs. Mn)	1,727.09	1,445.95	1,092.65
Total Operating Income (Rs. Mn)	1,084.85	739.33	597.53
Impairment Charges & Other Loss (Rs. Mn)	(17.17)	15.28	(87.71)
Profit Before Tax (Rs. Mn)	686.08	417.46	397.42
Income Tax Expense (Rs. Mn)	256.99	142.29	121.95
Profit After Tax (Rs. Mn)	429.09	275.16	275.46
Return on Average Assets (ROA) (%)	6.06	4.68	5.03
Cost to Income Ratio (%)	23.19	27.28	32.34
Financial position			
Portfolio Receivable (Rs. Mn)	8,440.41	5,430.58	5,246.82
Total Assets (Rs. Mn)	12,273.73	10,353.25	7,486.58
Due to Customers (Rs. Mn)	7,952.64	6,497.09	4,030.90
Total Liabilities (Rs. Mn)	8,332.81	6,836.11	4,243.94
Total Equity (Rs. Mn)	3,940.93	3,517.15	3,242.64
Investor information			
Distributed Profit (Rs. Mn)	630.25	696.26	439.98
Return on Equity (ROE) (%)	11.51	8.14	8.88

NON-FINANCIAL HIGHLIGHTS

	Dedicated Branches	07		Window Offices	73
	New Recruits	34		Lending Customer (No)	4,922
	Employees Training (hours)	1,136		Deposit Customers (No)	13,594

CHAIRMAN'S MESSAGE

It is my great pleasure to present the Annual Report and Financial Statements of the PLC Islamic Financial Services Unit (AIF) for the financial year ended 31st March 2025.

Let me begin by stating that the year under review was a busy and exciting time for AIF as we worked on multiple fronts to scale up our business to reach and deliver value to the growing number of customers demanding ethical financial solutions in Sri Lanka. To fully appreciate our progress and performance for FY 2024/25 it is important to understand the contextual factors that had an impact on our business model and strategy this past year.

ISLAMIC FINANCE TRENDS

Globally, Islamic finance has evolved from a niche offering and continues to gain momentum as a mainstream financial solution with widespread appeal beyond traditional faith-based markets. This steady growth in recent years has been supported by the increasing recognition of Shari'ah-compliant financial products as a means of promoting financial inclusion, sustainable development, and long-term stability.

Within Sri Lanka too, Islamic finance has gained considerable traction over the past decade and today is recognised as an integral component of our country's financial services landscape. The Islamic finance value proposition continues to resonate with diverse customer segments across Sri Lanka. Further adding to its appeal is the emphasis on transparency, ethical conduct, and shared prosperity, which positions Islamic finance as a resilient and sustainable alternative, particularly during times of economic uncertainty.

CHALLENGES AND OPPORTUNITIES FOR AIF

For AIF, this environment presents both opportunities and challenges. On the one hand, as a dedicated Islamic financial services unit, AIF is ideally

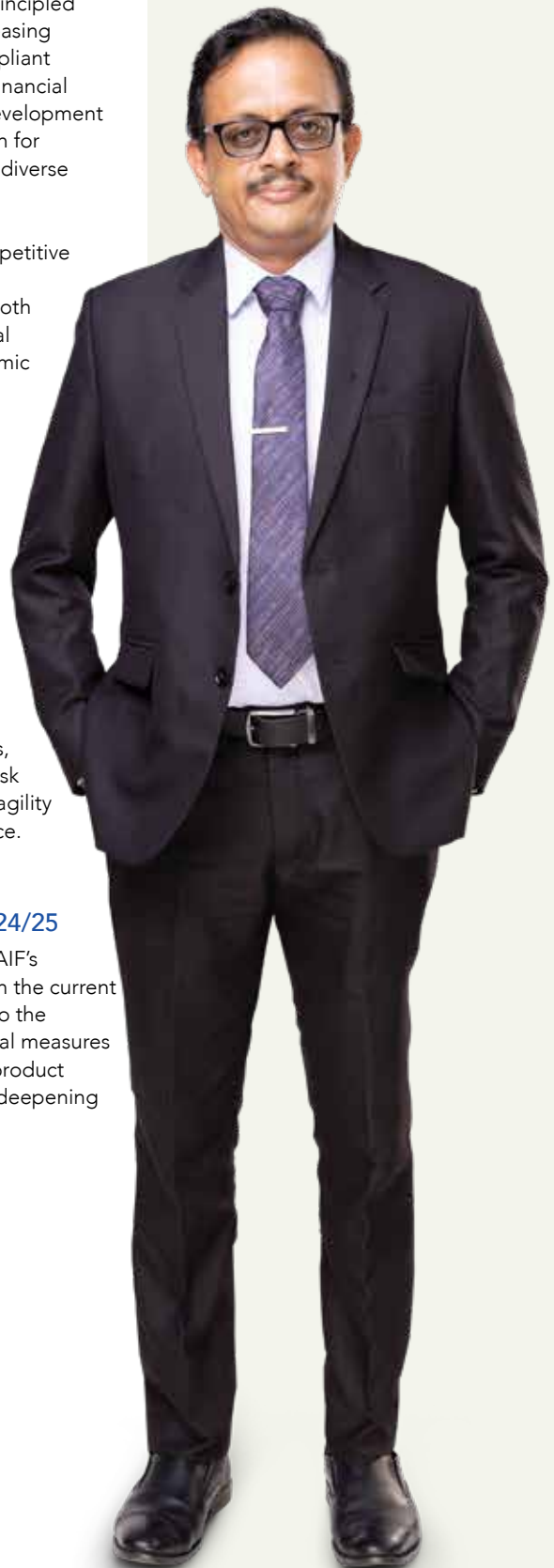
positioned to capitalise on the growing appetite for inclusive and principled financial solutions. The increasing recognition of Shari'ah-compliant products as instruments of financial inclusion and sustainable development provides a strong foundation for expanding our reach across diverse customer segments.

On the other hand, the competitive landscape is becoming increasingly dynamic, with both banks and non-bank financial institutions entering the Islamic finance space in Sri Lanka. Competitive pressures in turn highlight the need for AIF to differentiate itself through service excellence, product relevance, and unwavering adherence to Shari'ah principles. Additionally, the broader macroeconomic environment continues to pose challenges in terms of market volatility, credit risks, and regulatory requirements, which demand disciplined risk management and strategic agility to ensure long term resilience.

PERFORMANCE AND PROGRESS FOR FY 2024/25

I am pleased to report that AIF's performance and progress in the current year stands as a testament to the precise strategies and tactical measures focused on expanding our product access and reach as well as deepening customer relationships.

Rs. 12 Bn
Total Assets



AIF delivered record breaking results for FY 2024/25 with income at an all-time high of Rs 1,600.54 million, while profit after tax, rose to Rs. 429.09 million, a solid 55.94% jump from the Rs. 275.16 million reported in the previous financial year. Reflecting improved profitability, the Return on Assets (ROA) increased to 6.06% in FY 2024/25, up from 4.68% in the previous year, while the Return on Equity (ROE) strengthened significantly to 11.51%, compared to 8.14% in 2023/24.

Our balance sheet also further strengthened supported by a 18.55% expansion in the asset base from Rs. 10,353.25 million in the previous financial year to Rs. 12,273.73 million by end March 2025.

GOVERNANCE AND STEWARDSHIP

As always, strong governance remains the nexus of our operation, underscoring the commitment to transparency, accountability, and long-term sustainability. Throughout the year, the Board consistently reviewed and strengthened its policies to ensure compliance with international best practices in risk management, anti-bribery and anti-corruption, and ESG frameworks.

Equally importantly, the Shari'ah Supervisory Board continued to provide independent oversight to ensure adherence to Islamic principles. Moreover, proposed to recruitment of an in-house Shari'ah Supervisor is expected to further bolstered our internal compliance mechanisms by enabling day-to-day monitoring and guidance.

OUTLOOK AND PROSPECTS

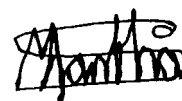
Looking ahead, the outlook for Islamic finance in Sri Lanka is positive, especially with projected improvements in key economic indicators in the coming months and years likely to fuel the demand for ethical and inclusive financial solutions. As the Sri Lankan economy continues its path toward recovery over the next three to five years, I envisage Islamic finance to become a key catalyst in promoting financial inclusion and supporting sustainable development nation-wide.

Against this backdrop, AIF is well positioned to build on its strong foundation and capture emerging opportunities. As we endeavor to chart a course for the future, our focus will be on strengthening our capabilities while staying firmly aligned to our principles. In short, our aim is to foster responsible growth, broaden access to Shari'ah-compliant financial solutions, and deliver enduring value to our customers, shareholders, and the wider community we serve.

ACKNOWLEDGMENTS

In closing, I wish to extend my deepest gratitude to my colleagues on the Board for their unwavering support at all times. I would also like to commend the management team and staff, led by AIF's dynamic CEO - Mr. Sanjeewa Bandaranayake for their tireless efforts in driving our success during the year.

To our customers and other stakeholders, I express my heartfelt appreciation for your continued trust and confidence. I hope that together, we can look forward to shaping AIF into a leading force in Islamic finance in Sri Lanka.



Prof. Ajantha Samarakoon
Chairman

30 October 2025
Colombo

CHIEF EXECUTIVE OFFICER'S MESSAGE

OPERATING CONTEXT

The year 2024 marked an important turning point in Sri Lanka's economic journey. Following a period of unprecedented turbulence, signs of gradual recovery began to emerge, underpinned by easing inflationary pressures, improving fiscal stability, and renewed investor confidence. Yet, the operating environment remained challenging for the financial services sector as a whole, with shifting regulatory requirements exerting pressure.

Amidst this backdrop, the Islamic finance sector presented strong growth potential, prompting several banks and non-bank financial institutions to expand their Islamic finance offerings, to cater to the growing demand for ethical, Shari'ah-compliant financial solutions.

OPERATIONAL PERFORMANCE

It is within this environment that AIF recorded a year of strong and disciplined growth demoted by steady growth across all key metrics. Our financing portfolio grew by 55.4% year-on-year to reach Rs. 8,440.41 million as at 31 March 2025, up from Rs. 5,430.58 million in the previous year. Ijarah financing emerged as a key growth driver, benefiting from heightened demand for asset-based solutions that provide customers access to vehicles and equipment without immediate ownership commitments. Musharakah financing also continued to deliver steady contributions, while the Wadi'ah Gold Safekeeping gained significant momentum, as customers increasingly turned to this Shari'ah-compliant solution for secure asset preservation.

Meanwhile despite robust growth in advances, the focus on asset quality was of paramount importance to us. Underpinned by our strong risk management fundamentals, we continued to systematically monitor exposures across branch, regional, and head office levels, while our focus on repayment capacity, sectoral and geographic concentrations, and early-warning mechanisms allowed us to redirect swiftly as needed.

Complementing these measures, aggressive recovery measures including targeted collection strategies, timely follow-ups, and restructuring of long-outstanding accounts helped to boost collections, culminating in a 48.44% year-on-year reduction in arrears, while the Non-Performing Advance Portfolio (CBSL non-performing portfolio – Stage 03 NP) declined to 3.81% from 11.07%.

AIF's savings portfolio delivered robust performance throughout the year, bolstered by increasing consumer demand for ethical and Shari'ah-compliant investment solutions. Among our three primary deposit and investment offerings, Wakalah Investment maintained its position as the dominant component of our deposit portfolio. This product, launched in 2023, continued its strong momentum with impressive growth of 26.89% during the current year. Meanwhile, Mudharabah Savings demonstrated exceptional performance with a remarkable 43.88% year-on-year increase, while Mudharabah Term Deposits experienced a slight contraction of 1.97% compared to the previous year.

Rs.429Mn

Profit After Tax



KEY FINANCIAL HIGHLIGHTS

Bolstered by sustained demand for our financing products particularly Ijarah, Wadi'ah Gold Safekeeping, and Musharakah offering, AIF recorded an income of Rs. 1,600.54 million in FY 2024/25, a commendable 21.6% increase from Rs. 1,316.35 million in the previous year. Financing activities remained the primary contributor to this growth, with Ijarah accounting for the largest share amounting to Rs. 852.72 million - equivalent of 53.28% of total income from Islamic products.

Operating expenses increased by 24.70% to Rs.251.54 million as a direct consequence of income growth, in particular owing to higher personnel costs. I must admit however that the robust expansion in income together with our stringent cost containment strategies helped to offset the increase in operating expenses. Consequently, our cost-to-income ratio also improved significantly, decreasing from 27.28% in the previous year to 23.19% FY 2024/25.

Strong operating results were supported further by the reversal of impairment charges that collectively added a significant boost to AIF's current year profitability. Profit after tax rose to Rs. 429.09 million in FY 2024/25, up 55.94% from Rs. 275.16 million recorded in FY 2023/24.

TEAM DEVELOPMENT

At AIF, we have always believed that our people are the driving force behind our continued growth and success. As our business expanded rapidly in the current year, we reinforced our conviction to develop an energetic team capable of bringing to life our vision.

Several parallel activities were undertaken, including an aggressive recruitment drive to ensure we had the right talent at all our dedicated branches and window offices. This was coupled with structured training programmes focused on customer service excellence, risk awareness, and product knowledge, with special emphasis on Islamic finance principles.

Moreover, to enhance the long-term resilience of our organisation, we began a broad based effort to revisit our career development and succession planning frameworks, placing emphasis on developing the next generation of leaders. Simultaneously we allocated considerable resources on managerial and leadership workshops. Complementing these measures, we also invested in holistic employee wellness, expanding health benefits, mental well-being support, and work-life balance initiatives to keep employees engaged and motivated.

FOCUS ON SUSTAINABILITY

Guided by the directives of People's Leasing & Finance PLC and aligned with the Sri Lanka Green Finance Taxonomy, we continued our journey in embedding ESG considerations into our financial solutions. Our goal is to encourage our customers to take part in the transition to clean energy.

Marking a major milestone in this effort, we launched the Ijarah Solar, a Shari'ah-compliant financing solution designed to accelerate the adoption of renewable energy across households and businesses. With features such as financing based on creditworthiness, repayment terms of up to seven years for affordability, and competitive profit rates through company-approved suppliers, Ijarah Solar empowers customers to reduce energy costs, contribute to environmental protection, and participate meaningfully in Sri Lanka's green transition.

Equally importantly, we underlined our commitment to the Shari'ah principles of compassion, social justice, and collective well-being, through the allocation of Rs. 23 million during the year through the AIF Charity Fund, which is dedicated to supporting vulnerable communities across Sri Lanka.

Of this, Rs. 12 million was allocated for debt settlement aimed at providing much-needed relief for families overburdened by financial obligations to enable them to rebuild their livelihoods and regain independence.

AWARDS AND ACCOLADES

The year under review was not only marked by strong financial and operational achievements but also by widespread recognition from industry peers and independent bodies that reaffirmed AIF's standing as a trusted, forward-looking Islamic finance provider committed to shaping the future of ethical and inclusive finance in Sri Lanka.

At the prestigious Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards, AIF was honoured with the Bronze Award for Islamic Finance Entity of the Year and the Merit Award for Islamic Finance Product of the Year, while our Head of Islamic Finance was recognised with the Gold Award for Transformative Leadership, underscoring the strength of our leadership and product innovation.

Reinforcing this momentum, the Sri Lanka Branding and Marketing Leadership Awards 2024 named AIF the Islamic Finance Service Provider of the Year and recognised our continued focus on innovation with the Islamic Finance Innovative Product of the Year award. Yet again, our Head of Islamic Finance was acknowledged through the Transformative Leadership Award, while one of our female leaders was celebrated as the Rising Personality of the Year in Islamic Finance – Women's Category, highlighting our commitment to diversity and empowerment.

On a regional platform, at the Islamic Finance Forum of South Asia (IFFSA) Awards 2024, AIF won multiple honours, including Silver Award for Islamic Banking Window/Unit of the Year, Silver Award for Digital Marketing Campaign of the Year, and Bronze Award for Marketing Campaign of the Year. We also received the Merit Award

Chief Executive Officer's Message

for Islamic Finance Product of the Year and the Special Recognition Award for Standout Submission, testifying to our ability to set benchmarks not only in product innovation but also in customer engagement and brand positioning.

LOOKING AHEAD

Our operational success in the past year has given us the confidence to take even more bold strides to accelerate our growth trajectory in the coming years. Firmly anchored to the Shari'ah principles and guided by PLC's values and service excellence, we will strive to lead by example in promoting Islamic finance as a mainstream solution for all customer segments across Sri Lanka.

Our immediate priority will be to extend our reach by expanding the window office network across the PLC branch network, with 30 additional outlets scheduled to be opened in the upcoming financial year. In parallel, we plan to introduce a Loyalty Card scheme for Wadi'ah Gold Safekeeping customers, aimed at fostering stronger relationships and rewarding long-term trust.

Over the medium term, we will aim to broaden our product portfolio to meet the evolving needs of customers seeking ethical and Shari'ah-compliant financial solutions. Key among these new launches is Sahim, an investment plan tailored for individuals seeking structured avenues for long-term wealth accumulation. Additionally, signaling our commitment to financial inclusivity, Self-e Cash, a benevolent loan facility offered against Islamic investments, will be introduced to provide responsible, affordable, and accessible financing options to customers.

Fueling these ambitious plans would also mean more emphasis on team development in particular employee retention, career development, and performance recognition. Our intention is to build and sustain a performance-driven and inclusive culture that will empower our people to thrive while safeguarding organisational resilience and excellence. To that end, we will look to revamp our rewards framework to create a stronger link between KPIs and performance-based incentives by setting clear qualitative and quantitative KPIs for senior management, refining succession plans for key positions, and automating HR processes to improve efficiency. We also intend to strengthen internal communication in order to enhance engagement and drive a sense of shared purpose across the organisation.

Ultimately, our future direction is guided by one clear ambition - to deliver financial solutions that create lasting value for our customers, employees and the wider community.

APPRECIATIONS

I wish to place on record my heartfelt gratitude to the Chairman and the Board of Directors of People's Leasing & Finance PLC for their unwavering guidance, foresight, and trust in the Al-Safa Islamic Finance Unit. Their steadfast support has enabled us to explore bold strategies while remaining true to both Shari'ah principles and the broader strategic objectives of our parent organisation.

I also take this opportunity to thank the entire AIF team for their dedication, professionalism, and commitment to excellence that has been crucial to AIF's success.

To our loyal customers, we are deeply grateful for the confidence you continue to place in us. Your trust in our services not only validates our efforts but also motivates us to continuously improve, ensuring that every interaction with AIF reflects the values of transparency, fairness, and compassion embedded in Islamic finance.



Mr. Sanjeeva Bandaranayake
Chief Executive Officer/
General Manager

30 October 2025
Colombo

SHARI'AH SUPERVISORY BOARD MEMBER'S MESSAGE



MESSAGE FROM - MUFTI M.I.M. RIZWE

It gives me great pleasure, as the Shari'ah Advisor to People's Leasing Al-Safa, to share a reflection on our journey and direction.

How Al-Safa began

Nearly two decades ago, the management of People's Leasing recognised the growing need for financial services that uphold the principles of the Noble Shari'ah. With sincere intention and careful planning, the Al-Safa Islamic Finance Unit was established in 2005 as a dedicated window to provide permissible and ethical alternatives to conventional finance. Its foundations were laid upon the Qur'anic command to avoid ribā and to promote transparency, fairness, and partnership in all financial dealings.

Shari'ah supervision and governance

From inception, Al-Safa was placed under the supervision of a Shari'ah Supervisory Board. The Board's role is to review contracts, oversee processes, and guide management to ensure that every product, every transaction, and every disclosure is in conformity with the principles of Shari'ah. This framework reflects not only local responsibility but also alignment with global standards set by bodies such as AAOIFI and the Islamic Financial Services Board.

Our journey and achievements

Al-Safa's growth over the years mirrors the broader progress of Islamic finance in Sri Lanka. What began with a handful of products and branches has

today become a nation-wide service through the People's Leasing branch network. New products such as Wakalah investments, Wadi'ah gold facilities and innovative financing structures have enabled thousands of customers to participate in ethical finance. Recognition at national and regional forums has further affirmed that our commitment to Shari'ah is matched by excellence in delivery.

Current context

Islamic finance globally continues to expand and diversify, with scholars such as Justice Mufti Muhammad Taqi Usmani and others guiding the development of permissible instruments in sukuk, equity and fintech. In Sri Lanka too, there is growing awareness among individuals and businesses seeking interest-free solutions. Al-Safa stands well-positioned to respond to this demand, with strengthened Shari'ah governance, digital innovations, and a customer-centric approach.

Our responsibility and outlook

As Shari'ah Advisor, I emphasise that the true success of Al-Safa is not measured by profit alone, but by the trust it earns through compliance with divine guidance. Every rupee entrusted by our customers carries with it an amānah — a sacred trust. It is therefore my duty, together with the Shari'ah Supervisory Board, to ensure that Al-Safa continues to uphold honesty, transparency, and the highest standards of Shari'ah compliance.

Looking ahead, our mission is clear:

- ◆ To expand the reach of ethical, interest-free finance across Sri Lanka.
- ◆ To innovate within the boundaries of Shari'ah, offering products that meet the needs of our time.
- ◆ To strengthen governance and ensure absolute clarity and integrity in every transaction.

Conclusion

I make du'ā that Almighty Allah accepts our humble efforts, grants barakah in the work of Al-Safa, and allows it to be a means of benefit for the people of our nation.

Mufti M.I.M. Rizwe
Shari'ah Advisor

People's Leasing & Finance PLC
Al-Safa Islamic Financial Services Unit

Shari’ah Supervisory Board Member’s Message



MESSAGE FROM - MUFTI YOOSUF HANIFFA

With gratitude to Almighty Allah, I am pleased to share this message as the Shari’ah Advisor to People’s Leasing Al-Safa Islamic Financial Services Unit. It is heartening to see Al-Safa’s consistent progress in embedding Shari’ah principles within modern financial practice.

The establishment of the Al-Safa Islamic Finance Unit in 2005 was a milestone in Sri Lanka’s financial landscape. Guided by a clear vision to provide ethical, transparent, and Shari’ah-compliant financial solutions, this initiative arose from the management’s foresight in meeting the community’s need for fair and interest-free alternatives.

Since its inception, Al-Safa has operated under the supervision of a dedicated Shari’ah Supervisory Board, ensuring full compliance in all products and operations. Its framework aligns with international standards such as AAOIFI and IFSB, upholding authenticity and sound governance.

Nearly two decades on, Al-Safa stands as a trusted name in Islamic finance, serving individuals and businesses through the People’s Leasing network island wide. Its growing recognition reflects a steadfast commitment to excellence, transparency, and integrity.

As the global Islamic finance sector advances through innovation and sustainability, Al-Safa remains dedicated to preserving Shari’ah values while embracing these developments responsibly. Our focus on ethical conduct and strong governance will continue to guide our mission in serving the community.

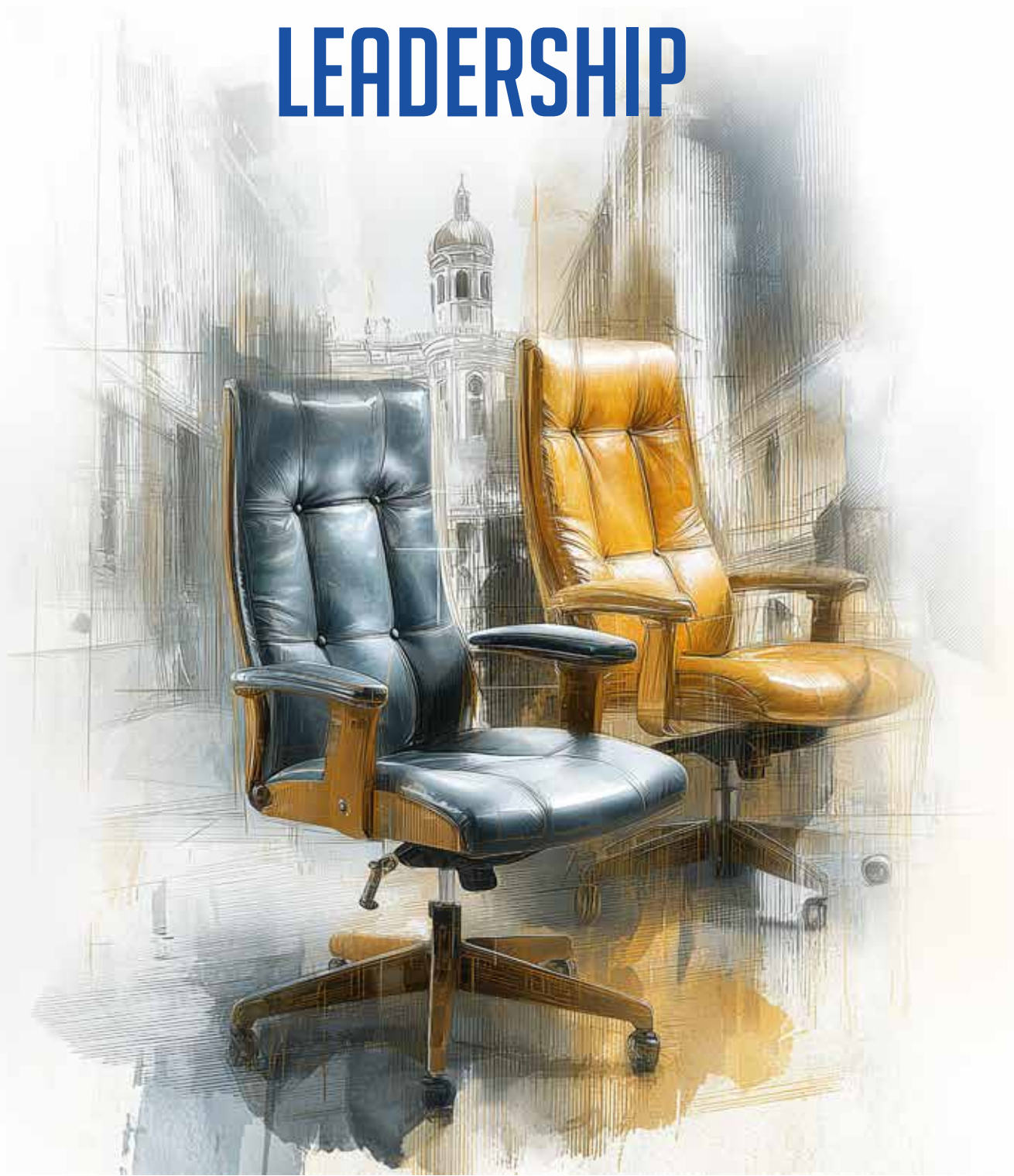
May Almighty Allah bless the efforts of People’s Leasing Al-Safa, grant barakah in its endeavours, and enable it to remain a source of benefit and integrity within the nation’s financial sector.

Mufti Yoosuf Haniffa
Shari’ah Advisor

People’s Leasing & Finance PLC
Al-Safa Islamic Financial Services Unit

MANAGEMENT PROFILES

SECURE LEADERSHIP



BOARD OF DIRECTORS



Prof. Ajantha Samarakoon
Chairman / Independent,
Non-Executive Director



Mr. Clive Fonseka
Non-Independent,
Non-Executive Director



Mr. Pravir Samarasinghe
Non-Executive Director



Mr. Dulinda Perera
Non-Independent, Non-Executive
Director



Ms. Udeni Gallage
Independent, Non-Executive Director



Mr. Bradley Emerson
Non-Independent, Non-Executive
Director



Mr. Anura Perera
Non-Independent, Non-Executive
Director



Mr. S. Sudarshan
Independent, Non-Executive Director



Ms. Shameela Loku Kaluge
Non-Independent, Non-Executive
Director



Mr. Jayantha Thilakarathne
Non-Independent, Non Executive
Director

As at 31st March 2025

PROF. AJANTHA SAMARAKOON
Chairman/ Independent Non-Executive
Director

Date Joined: 31 December 2024

Qualifications:

- ⊙ PhD in Management and Economics from Tomas Bata University in the Czech Republic.
- ⊙ Bachelor of Commerce (Special) Degree & Master's Degree from University of Kelaniya.
- ⊙ Membership in professional bodies such as CMA-Australia.
- ⊙ Membership Association of Accounting Technicians (AAT) in of Sri Lanka.

Experience:

Worked as an Audit Supervisor for three years, gaining valuable expertise in financial governance and operational oversight.

Key Skills

Finance and Auditing

Membership in Sub Committees

Member of the Board Integrated Risk Management Committee

Current Positions within the Group

None

Current Positions outside the Group

- ⊙ Professor at the Department of Commerce and Financial Management within the Faculty of Commerce and Management Studies at the University of Kelaniya, Sri Lanka.
- ⊙ Chief Examiner for the G.C.E. A/L examination since 2006 demonstrating the leadership in shaping educational standards at the national level.

Past Positions held/ Experience

- ⊙ Experienced academic leader, with a track record of mentoring PhD students and actively contributing to international conferences.
- ⊙ Played a key role in the development of curricula for both government and private universities in Sri Lanka, contributing to the country's education system.
- ⊙ Co-chair of the International Conference on Business and Industry (ICBI 2017).

MR. CLIVE FONSEKA
Non-Executive, Non-Independent Director

Date Joined: 9 February 2020

Qualifications:

- ⊙ Master's Degree in Business Administration from the University of Sri Jayewardenepura's Postgraduate Institute of Management.
- ⊙ Senior Fellow Member of the Institute of Bankers of Sri Lanka
- ⊙ ACI Dealing Certificate
- ⊙ Certified Member (CMA) of the Institute of Certified Management Accountants of Australia

Experience:

With over 29 years of experience includes leadership roles at American Express Bank and Standard Chartered Bank.

Key Skills

Banking/Finance

Membership in Sub Committees

- ⊙ Member of the Board Audit Committee

Current Positions within the Group

- ⊙ CEO/General Manager of People's Bank
- ⊙ People's Leasing Property Development Limited – Chairman

Current Positions outside the Group

- ⊙ Director - Sri Lanka Banks' Association
- ⊙ Director - Financial Ombudsman Sri Lanka
- ⊙ Director - Institute of Bankers of Sri Lanka
- ⊙ Director - Credit Information Bureau of Sri Lanka
- ⊙ Director - LankaPay Ltd
- ⊙ Member – National Payment Council

Past Positions held/ Experience

- ⊙ Deputy General Manager at People's Bank

MR. PRAVIR DHANUSH SAMARASINGHE
Non-Executive Director

Date Joined: 6 November 2023

Qualifications:

- ⊙ Fellow Member of Institute of Chartered Accountants of Sri Lanka
- ⊙ Fellow Member of Institute of Management Accountants (UK)
- ⊙ Master's Degree in Business Administration.

Experience:

- ⊙ 35 years of professional and commercial experience including 21 years in senior leadership.

Key Skills

General management, Finance, and Accounting

Membership in Sub Committees

- ⊙ Chairman of the Board Audit Committee
- ⊙ Chairman of the Board Human Resources & Remuneration Committee
- ⊙ Member of the Board Nominations and Governance Committee

Current Positions within the Group

None

Current Positions outside the Group

- ⊙ Director/CEO of Overseas Realty (Ceylon) PLC
- ⊙ Director/CEO of Mireka Capital Land (Pvt) Ltd
- ⊙ Director/CEO of Mireka Homes (Pvt) Ltd
- ⊙ Director/CEO of Havelock city (Pvt) Ltd
- ⊙ Director/CEO of Realty Management Services (Pvt) Ltd
- ⊙ Director/CEO of Overseas Realty Trading (Pvt) Ltd
- ⊙ Director of Swadeshi Industrial Works PLC
- ⊙ Director of Swadeshi Marketing (Pvt) Ltd
- ⊙ Director of Swadeshi Industrial Works PLC
- ⊙ Director of Keells Food Products PLC
- ⊙ Trustee of the Employers' Federation of Ceylon
- ⊙ Council member of the Employers' Federation of Ceylon

Board of Directors

Past Positions held/ Experience

- ⊙ Chairman of the Sri Lanka Institute of Directors
- ⊙ COO / Executive Director Richard Peiris & Company PLC
- ⊙ Chairman of the Employers' Federation of Ceylon
- ⊙ Chairman of the Industrial Association of Sri Lanka
- ⊙ Chairman of the Condominium Developers Association of Sri Lanka

MR. DULINDA PERERA

Non- Independent, Non-Executive Director

Date Joined: 23 January 2025

Qualifications:

- ⊙ Bachelor of Science in Engineering (Hons) in Chemical and Process Engineering from the University of Moratuwa
- ⊙ MBA from the University of the West of Scotland
- ⊙ Chartered Global Management Accountant (CGMA)
- ⊙ Associate Member of the Chartered Institute of Management Accountants (ACMA)
- ⊙ Member of the Chartered Institute of Marketing (MCIM)
- ⊙ Member of the Chartered Institute of Professional Managers (MCPM)

Key Skills

Expert in branding, digital transformation, corporate communications and finance.

Membership in Sub Committees

- ⊙ Chairman of the Information Technology & Digital Marketing Committee
- ⊙ Member of the Related Party Transactions Review Committee
- ⊙ Member of the Board Credit Committee

Current Positions within the Group

- ⊙ Chairman – People's Micro-Commerce Ltd
- ⊙ Director – People's Insurance PLC

Current Positions outside the Group

- ⊙ Hotel Developers (Lanka) Limited – Non-Executive Director
- ⊙ IKON Management Solutions Pvt Limited – CEO/Director

Past Positions held/ Experience

- ⊙ People's Insurance PLC – Head of Marketing
- ⊙ Indian High Commission of Colombo – Consultant Communications
- ⊙ N Factor Global – Vice President New Media

MS. UDENI GALLAGE

Non-Independent, Non-Executive Director

Date Joined: 30 January 2025

Qualifications

- ⊙ Attorney-at-Law

Experience

- ⊙ Over a decade of extensive experience in the Sri Lankan legal field, having served in both the private bar and government sector. Has contributed significantly to legal research, training programs, and voluntary initiatives aimed at justice and legal empowerment.

Key Skills

Legal, Research, Legal Empowerment, Training, Community Engagement

Current Positions within the Group

None

Membership in Sub Committees

- ⊙ Chairperson of Board Related Party Transaction Review Committee
- ⊙ Member of the Information Technology & Digital Marketing Committee

Past Positions Held / Experiences

- ⊙ Resource person for various institutions including the Department of Sports Sciences and Physical Education at Sabaragamuwa University of Sri Lanka.
- ⊙ Contributor to legal research and community-based legal training programs

MR. BRADLEY EMERSON

Non-Independent, Non-Executive Director

Date Joined: 10 February 2025

Qualifications:

- ⊙ MBA from the University of Sri Jayewardenepura
- ⊙ Advanced Diploma in Management Accounting from the Chartered Institute of Management Accountants (UK)
- ⊙ Fellow of the Institute of Bankers of Sri Lanka
- ⊙ Currently pursuing a Doctor of Business Administration (DBA)

Experience:

- ⊙ Seasoned professional with over four decades of expertise in banking, education, and strategic leadership.

Key Skills

Business Strategist

Membership in Sub Committees

- ⊙ Member of the Board Nominations & Governance Committee
- ⊙ Member of the HR & Remuneration Committee
- ⊙ Member of the Information Technology & Digital Marketing Committee

Current Positions within the Group

None

Current Positions outside the Group

- ⊙ Atarah Capital Pvt Ltd – Director
- ⊙ People's Bank - Director
- ⊙ Business Athletes Pvt Ltd – Founder/ CEO
- ⊙ Asia Capital PLC – Independent Director

Past positions held/ Experience

- ⊙ People's Insurance PLC – Chairman
- ⊙ Imperial Institute of Higher Education (Pvt) Ltd – CEO/Director
- ⊙ CIMA UK – Regional Director
- ⊙ Ministry of Finance-Public Private Partnership Unit - COO
- ⊙ Pan Asia Bank- Deputy CEO
- ⊙ NTB – Head of Retail Banking
- ⊙ Commercial Bank – Senior Manager Operations

MR. ANURA PERERANon-Executive, Non-Independent Director

Date Joined: 10 February 2025

Qualifications:

- ⊙ Bachelor of Business Management degree from the University of Kelaniya
- ⊙ Master of Business Studies from the University of Colombo
- ⊙ ACI-Operations Certificate with a distinction pass from the Financial Markets Association-Paris
- ⊙ ACI on-line FX Global Code Certificate from the Financial Markets Association-Paris
- ⊙ Associate Member of the Institute of Bankers of Sri Lanka
- ⊙ Member of the Association of Banking Sector Risk Professionals
- ⊙ Member of the Sri Lanka Forex Association
- ⊙ Member of the Association of Professional Bankers Sri Lanka

Experience:

- ⊙ Career started in 1991 and has gained extensive exposure and experience in Branch Banking, Regional Administration, Treasury Operations, Risk Management, and Credit Control in banking sector.

Key Skills

- ⊙ Risk management, Treasury operations, Credit control, Branch banking and Regional administration

Membership in Sub Committees

- ⊙ Chairman of the Board Investment Committee
- ⊙ Member of the Board Integrated Risk Management Committee

Current Positions within the Group

- ⊙ DGM -Risk Management – People's Bank
- ⊙ Chairman of the People's Leasing Fleet Management Ltd
- ⊙ Director of the Alliance Finance PLC – Bangladesh

Current Positions outside the Group

None

Past Positions held/ Experience

- ⊙ AGM-Risk Management – People's Bank

MR. SATHANANTHAN SUDARSHANNon-Executive, Independent Director

Date Joined: 10 February 2025

Qualifications:

- ⊙ Associate of the Institute of Chartered Governance Institute UK and Ireland
- ⊙ Associate of the Institute of Chartered Corporate Secretaries in Sri Lanka.
- ⊙ MBA from the University of Lincoln, Hull, United Kingdom
- ⊙ Completed the "Company Director's Course" conducted by the Commonwealth Association for Corporate Governance on behalf of the Commonwealth Fund for Technical Co- operation
- ⊙ Member of the Sri Lanka Institute of Directors

Experience:

A governance specialist with a Management and corporate secretarial background. Well versed in regulatory requirements of licensed financial institutions with over 20 years of experience.

Key Skills

- ⊙ Well versed in Board room activities, Board dynamics in advising Boards with special emphasis on Corporate Governance

Membership in Sub Committees

- ⊙ Chairman of the Nominations & Governance Committee
- ⊙ Chairman of the Board Integrated Risk Management Committee
- ⊙ Member of the Board Audit Committee
- ⊙ Member of the HR & Remuneration Committee
- ⊙ Member of the Related Party Transactions Review Committee
- ⊙ Member of the Board Credit Committee
- ⊙ Member of the Board Investment Committee

Current Positions within the Group

None

Current Positions outside the Group

- ⊙ Chairman of Board Secretaries Forum of Sri Lanka Institute of Directors
- ⊙ Chairman of Governance Consultants (private) Limited,
- ⊙ Treasurer of the Sri Lanka Tennis Association.

Past Positions held/ Experience

- ⊙ Group Company Secretary – Sampath Bank
- ⊙ Group Company Secretary – Siyapatha Finance

MS. SHAMEELA LOKU KALUGENon- Executive, Non- Independent Director

Date Joined: 17 February 2025

Qualifications:

- ⊙ Bachelor of Science Degree in Biological Science with a Second Class Upper Division from the University of Kelaniya
- ⊙ Master of Science in Computer Science from the University of Colombo
- ⊙ Master of Business Administration (Finance) with a distinction from Cardiff Metropolitan University, UK
- ⊙ Diploma in Treasury, Investment, and Risk Management from the Institute of Bankers of Sri Lanka (IBSL)
- ⊙ Fellow of the IBSL
- ⊙ ACI Dealing Certificate with a Distinction from the ACI Financial Markets Association, France
- ⊙ ACI Online FX Global Code Certificate awarded by the ACI Financial Markets Association, France
- ⊙ Member of the Sri Lanka Forex Association
- ⊙ Member of the Association of Professional Bankers

Experience

Over 22 years of experience in Bank's Treasury Unit.

Key Skills

- ⊙ Treasury operations including FX dealing, investment banking and risk management, International Banking, handling Financial Institutions, Computer science, Quality assurance

Board of Directors

Membership in Sub Committees

- Member of the Board Investment Committee

Current Positions within the Group

- DGM - Treasury, International & Investment - People's Bank

Current Positions outside the Group

- Vice President of Association of Primary Dealers (APD)

Past Positions held/ Experience

- Sri Lanka Standards Institute – Standards/Testing Officer
- Informatics Information systems (Pvt) Ltd- Faculty Member/Centre Coordinator
- Director of the Association of Primary Dealers (APD) in 2017
- Secretary of APD from 2020 to 2023
- People's Travels (Pvt) Ltd – Director (past)

MR. JAYANTHA THILAKARATHNE Non-Executive, Non- Independent Director

Date Joined: 11 March 2025

Qualifications:

- Attorney at Law with an LLB and LLM from the University of Colombo
- Master's in Public Management (HR) from the Sri Lanka Institute of Development Administration (SLIDA)
- Chartered Member of the Institute of Personnel Management (CIPM)
- Postgraduate Diploma in Public Management

Experience:

- Accomplished legal and human resource professional with over 25 years of senior management experience in both national and multinational organizations.

Key Skills

Expertise spans strategic HR management, legal advisory, change management, corporate culture development, and financial planning.

Membership in Sub Committees

- Chairman of the Board Credit Committee

Current Positions within the Group

None

Current Positions outside the Group

- Janatha Estate Development Board – Chairman
- Urban Development Authority – Director
- People's Bank – Director
- People's Travels Pvt Ltd – Chairman
- Taj Hotels PLC – Director of Human Resources

Past Positions held/ Experience

- Sri Lanka Telecom - Chief HR Officer
- Maliban Biscuit Manufactories - Group General Manager
- Ceylon Agro Industries PLC – Head of HR and Legal
- Lanka Wall tiles Limited – Personal Manager
- Rusirumal Pvt Ltd – Assistant Human Resource Manager
- Royal Porcelain (Interbatch Porcelain) – Head of HR/Legal
- State Plantation Corporation – Assistant Manager Legal

MS. NIROSHA KANNANGARA

Assistant General Manager/
Company Secretary

Date joined : May 2025

Qualifications

- Master of Laws (LL.M) – 2002, University of Colombo, Sri Lanka.
- Bachelor of Laws – Second class Honours Lower (division) – 1997 University of Colombo, Sri Lanka.
- Post Attorney Diploma In Banking and Insurance Laws 2008 – Advanced Legal Studies Unit of the Sri Lanka Law College.
- Attorney-At-Law of the Supreme Court of Sri Lanka from 01st of December 1998.
- Barrister and Solicitor to the Fiji High Court from 12th October 2018.
- Registered Company Secretary, in accordance with the Companies (Secretaries) Regulations in Sri Lanka to practice as a Corporate Secretary.
- Commissioner for Oaths in 1998.
- Notary Public since 1999.
- Accreditation Mediator in Fiji, since 2019.

Experience

- 25 years of overall experience in the field of law, banking, financial and company secretarial.

Key Skills

Advisory to the Board of Directors. Lecturer specialized in commercial law

Secretary to Sub-Committees

Board Nomination and Governance Committee
Board Related Party Transactions Review Committee
Board Human Resources and Remuneration Committee
Board Investment Committee
Board Credit Committee
Board Information Technology and Digital Marketing Committee

Current Position within the Group

Company Secretary of People's Leasing Fleet Management Limited

Company Secretary of People's Property Development Limited

Company Secretary to People's Leasing Havelock property Limited

Past Positions held/ Experience

- Assistant General Manager/ Company Secretary U B Finance PLC.
- Director Legal at Sri Lanka Tourist Development Authority.
- Resident Magistrate to Fiji Judicial Department.
- Assistant Vice President Legal, Company and Board Secretary at Union Bank of Colombo PLC.
- Legal Consultant at the DFCC Bank and DFCC Vardhana Bank, Ratnapura Branch.
- Guest Lecturer at the Faculty of Graduate Studies, University of Colombo.
- Visiting Lecturer at the Management Faculty of the Kelaniya University, Kelaniya.
- Project – Co-ordinator at the Centre for the Study of Human Rights, Faculty of Law, University of Colombo.

Ms Nirosha Kannangara resumed duties as the new Company Secretary effective from 2nd May 2025 , consequently , Ms. Shalini Silva ceased to hold the position of the Company Secretary with effective from 10th April 2025.

MANAGEMENT TEAM



Mr. Sanjeewa Bandaranayake
Chief Executive Officer/
General Manager



Mr. Udesch Gunawardena
Chief Operating Officer



Mr. Prabath Gunasena
Senior Deputy General Manager
Chief Information Officer (CIO)



Mr. Ranil Perera
Deputy General Manager
Head of Operation



Mr. Neil Thushantha
Assistant General Manager
Branch Network



Mr. Ganesan Thushyanthan
Assistant General Manager
Branch Network



Mr. Nalin De Silva
Assistant General Manager
Recoveries



Mr. Aminda Rajapaksa
Assistant General Manager
Chief Internal Auditor



Ms. Zairaa Kaleel
Assistant General Manager
Chief Compliance Officer

AIF TEAM

Centralized Islamic Finance Unit



Mr. Fazmil Mowlana
Head of Islamic Finance



Mrs. A. H. I. Munthas



Mrs. F. S. Firdhouse

Managers of Dedicated Branches



Mr. Aslam Mansoor
Dehiwala Branch



Mr. M. R. M. Ameen
Kandy Branch



Mr. M. J. M. Najath
Puttalam Branch



Mr. Rizwan Ismail
Park Street Branch



Mr. D. M. C. S. Dahanayaka
Muttur Branch



Mr. S. A. M. Rifan
Kattankudy Branch



Mr. T. Majuresan
Kalmunai Branch

Dedicated Marketing Officers at Window Offices



Mr. A. W. S. Ahamed
Pettah Branch



Mr. M. F. M. Murshid
Chilaw Branch



Mr. M. F. M. Rila
Matale Branch



Mr. M. M. M. Mohamed
Mawanella Branch



Mr. M. N. M. Shiran
Pilimathalawa Branch



Mr. T. M. Sakil
Kekirawa Branch

Dedicated Branches

Kandy Al-Safa Branch



AIF Team

Park Street Al-Safa Branch



Dehiwala Al-Safa Branch



Kalmunai Al-Safa Branch



Puttalam Al-Safa Branch



Muttur Al-Safa Branch



Kattankudy Al-Safa Branch



AIF UNIT HEAD'S MESSAGE



"From Revival to Resilience - A Journey of Transformation"

It is with immense pride and gratitude that I present this message on behalf of the Al-Safa Islamic Finance Unit of People's Leasing & Finance PLC. The financial year 2024/25 marks not just another chapter in our 19-year journey, but a defining milestone in our journey of transformation and growth.

When I assumed leadership of this unit in November 2021, Al-Safa was facing significant challenges, including declining performance, limited visibility, and a weakened market position. At the time, the road ahead seemed treacherous, but our vision was clear: to rebuild Al-Safa into a formidable force in Islamic finance, rooted in ethical values, operational excellence, and customer trust.

Driven by our strong conviction coupled with relentless hard work, strategic realignment, and the unwavering commitment of a passionate team, we spent the past few years strengthening our core fundamentals. We focused on restructuring our product portfolio, rolling out innovative Shari'ah-compliant solutions like Wadi'ah Gold Safekeeping, Ijarah Solar, expanding our footprint to 73 window offices, and strengthening governance through the active oversight of our Shari'ah Supervisory Board. The results are evident in our performance for FY 2024/25, where

- ◆ Profit After Tax surged by 55.94% to Rs. 429.09 Mn.
- ◆ Total Assets grew by 18.55%, reaching Rs. 12.27 Bn.
- ◆ Our deposit base expanded by 22.4%, reflecting renewed customer confidence.
- ◆ We achieved a collection ratio of 101.99% and reduced our NPL ratio to 3.81%.

These achievements are not just numbers; they are a testament to the Transformational Journey we embarked upon. Today, having not only restored performance, but also redefined our purpose, Al-Safa has positioned itself as a benchmark of resilience and revival. In a competitive landscape, we remain ahead of leading banks and NBFIs in Islamic Finance, driven by innovation, integrity, and an unwavering commitment to Shariah-compliant financial empowerment. Moreover, our focus on community upliftment, employee development, and digital innovation further reinforces our role as a responsible and forward-looking Islamic finance provider.

From humble beginnings to becoming a beacon of excellence in Islamic finance across South Asia, our journey has been shaped by resilience, innovation, and an unwavering commitment to Shariah-compliant financial empowerment. This year, we celebrated not only our legacy but also our leadership garnering prestigious accolades at the SLIBFI and IFFSA Awards and witnessing our team members rise to national and regional prominence.

These achievements are not merely trophies, they are testaments to the dedication of our people, the trust of our customers, and the strategic vision that guides us. As we look ahead, our focus remains clear: to deepen our impact, embrace digital transformation, and continue setting benchmarks in ethical finance.

As we approach two decades of dedicated service in Islamic Finance, our commitment remains resolute: to continue offering Shari'ah-compliant financial solutions that empower individuals, strengthen communities, and foster a more inclusive and sustainable economic future. We will continue to be guided by our unwavering values, a deep sense of responsibility, and a vision to make ethical finance accessible to all. With every step forward, we reaffirm our role not just as a financial institution, but as a trusted partner in progress.

To our stakeholders, partners, customers, team members and the incredible Al-Safa family, thank you for believing and being part of this journey. Together, we have turned a story of decline into a legacy of excellence. The best is yet to come.

Fazmil Mowlana
Chief Manager –
Islamic Finance (Al-Safa)
People's Leasing & Finance PLC

30 October 2025
Colombo

MANAGEMENT DISCUSSION AND ANALYSIS

STRONG FORESIGHT



OPERATING ENVIRONMENT

GLOBAL TRENDS IN ISLAMIC FINANCE

The Islamic Financial Services Industry (IFSI) entered 2025 with continued momentum across all major segments - banking, capital markets, and Takaful. Total global IFSI assets reached USD 3.88 trillion in 2024, reflecting a year-on-year increase of 14.9%. This growth was driven by the growing demand for Shari'ah compliant financial instruments, and increased participation from both established and emerging markets.

The industry continues to be regionally concentrated, with the GCC (Gulf Cooperation Council) region accounting for 54.1% of IFSI assets. East Asia and the Pacific, led by Malaysia and Indonesia, contributed 21.60%, followed by the MENA (Middle East and North Africa) region (excluding the GCC) with 14.10%. South Asia's Islamic finance assets rose from USD 105 billion in 2023 to approximately USD 111 billion in 2024, indicating a growth of 5.7%.

Islamic banking remained the largest segment of the industry, contributing approximately 71.62% of total IFSI assets and growing by 17.05% in 2024 compared to the previous year. Capital markets were similarly active, with new sukūk (bond) issuances rising to USD 230.4 billion in 2024, an increase of 25.60% bringing the total outstanding value to over USD 900 billion at the end of 2024.

In the Takaful (Insurance) segment, total assets rose to USD 54.4 billion by end 2024, recording a 16.9% increase from the previous year. Gross Written Contributions also grew, reaching USD 28.6 billion as at 31st December 2024, marking a 15.1% year-on-year rise.

Looking ahead, IFSI assets are projected to expand from USD 5.5 trillion in 2025 to USD 7.5 trillion by 2028 underpinned by the uptick in customer demand alongside stronger regulations surrounding responsible finance and ethical investing principles. Islamic banking is expected to continue to dominate the IFSI asset base,

accounting for close to USD 5.2 trillion of the 2028 projections, with outstanding sukūk forecasted to reach nearly USD 1.5 trillion over the next 3 - 5 years.

Table 1: Global growth of the Islamic Financial Services Industry (2023-2024)

Region	Islamic Banking (USD Tn)	Şukūk (USD Tn)	Islamic Funds (USD Tn)	Takaful (USD Tn)	Total Regional Assets (USD Tn)	% of Global Assets
Gulf Cooperation Council (GCC)	1.5	0.49	0.07	0.03	2.10	54.10%
East Asia & Pacific (EAP)	0.58	0.20	0.05	0.01	0.84	21.60%
Middle East & North Africa (MENA excl. GCC)	0.39	0.13	0.02	0.01	0.55	14.10%
Europe & Central Asia (ECA)	0.12	0.04	0.00	0.00	0.17	4.40%
South Asia (SA)	0.08	0.03	0.00	0.00	0.11	2.80%
Sub-Saharan Africa (SSA)	0.01	<0.01	<0.001	<0.0001	0.01	0.30%
Others	<0.01	<0.01	<0.001	<0.0001	0.01	0.20%

OVERVIEW OF ISLAMIC BANKING SECTOR IN SRI LANKA

While the operating environment in Sri Lanka during 2024 posed several challenges to the broader financial services sector, including both Islamic and conventional finance, there were also some notable opportunities for innovation and expansion.

Despite macroeconomic headwinds, the Islamic finance sector demonstrated strong growth potential during the period under review amidst growing competition as several banks and non-bank financial institutions (NBFIs) entered the Islamic finance space amidst significant untapped market potential.

OPERATIONS REVIEW

Strategic priorities

In light of the growing competitive pressures within Sri Lanka's Islamic finance space, AIF initiated a multi-pronged strategy to grow market

share and reinforce its position as the preferred partner for Shari'ah - compliant financial solutions in Sri Lanka.

In this regard, AIF's network of window offices was expanding from 53 to 73 during the year to improve island-wide visibility and support efforts to deepen the penetration into high-potential areas across the island.

Digital transformation played a central role in enhancing customer convenience. In particular, the PLC Core System implemented in 2024 helped was instrumental in streamlining the credit approval processes and reducing turnaround times. Additional progress was made through the Smart Branch concept and wider adoption of customer-facing tools such as the PLC Touch App, eDoc platform, and eReceipt improving access and service consistency across digital channels.

Likewise, the new Call Management System (CMS) rolled out in mid-2024 has helped to strengthen service

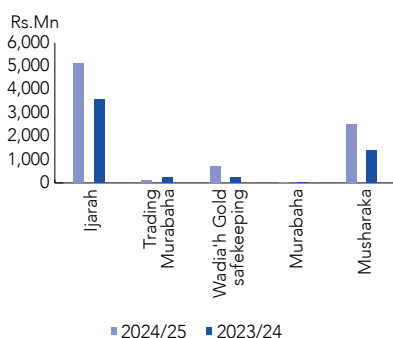
responsiveness and improve internal communication flows. To reinforce governance and compliance, the Shari'ah Supervisory Board was further strengthened with the inclusion of new members with the necessary expertise to support evolving customer needs and regulatory expectations.

LENDING PORTFOLIO

Al-Safa's lending portfolio reached Rs. 8,440.41 million as at 31 March 2025, reflecting a year-on-year increase of 55.42% from Rs. 5,430.58 million recorded in the previous year. Lending portfolio was comprising Ijara, Murabaha, Trading Murabaha, Musharaka, Wadi'ah Gold safekeeping receivables.

Among the product offerings, Ijarah financing demonstrated notable growth, driven by increased demand for asset-based solutions that allow customers to access vehicles or equipment without immediate ownership obligations. Musharakah continued to maintain a steady contribution to the financing portfolio, reflecting consistent interest in partnership-based financing structures. Wadi'ah Gold Safekeeping also gained momentum during the year, with more customers opting for this Shari'ah-compliant alternative as a secure means of financing.

Lending Portfolio



NEW PRODUCTS

During the year under review, AIF's lending portfolio was further expanded with the introduction of Ijarah Solar, a Shari'ah-compliant financing solution

aimed at supporting the adoption of renewable energy among both residential and commercial customers. The product is structured under the Ijarah concept, wherein the usage rights of the asset—solar electricity generation systems, are transferred from the lessor, Al-Safa, to the lessee, the customer, in return for rental payments.

Key features of Ijarah Solar include:

- ◆ Financing determined by the customer's creditworthiness and the collateral available
- ◆ A repayment tenure of up to 7 years, allowing for greater affordability and flexibility
- ◆ Competitive rental and profit rates, especially when the system is procured through company-approved suppliers

Through this product, Al-Safa continues to expand its Shari'ah - compliant portfolio while enabling customers to make economically and environmentally responsible choices.

DEPOSIT PORTFOLIO

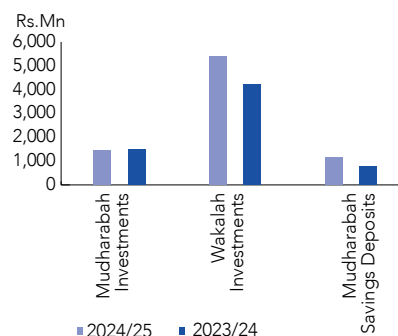
AIF's deposit portfolio recorded strong performance during the year, supported by a growing preference for ethical and Shari'ah - compliant investment options. Al-Safa continued to offer three core deposit and investment products: Mudharabah Investment, Wakalah Investments, and Mudharabah Savings.

Mudharabah Savings saw a significant year-on-year increase of 43.88%, reflecting growing demand for flexible, profit-sharing accounts among customers seeking long-term value without compromising on religious principles.

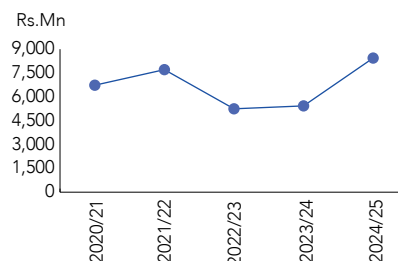
Mudharabah Investment recorded a marginal decline, falling from Rs. 1,474.17 million in the previous year to Rs. 1,445.11 million as at 31 March 2025. Despite the reduction, these deposits remained a key component of the savings mix.

The Wakalah Investment product, which was introduced in 2023, gained steady traction during the year. Offering anticipated return and structured under Islamic finance principles, this product grew by 26.89%, driven by its competitive characteristics and increasing customer confidence.

Deposit Portfolio



Movement of Net portfolio - Lending



ASSET QUALITY

Maintaining a healthy financing portfolio remained a core focus for Al-Safa during the year. In response to a challenging economic environment, the unit adopted a proactive and disciplined approach to credit management, guided by both risk principles and Shari'ah values.

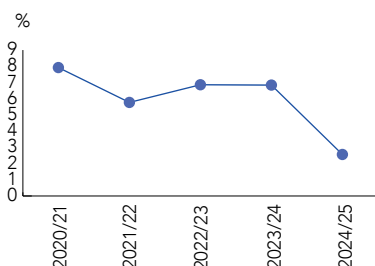
To reduce impairments and preserve asset quality, we prioritized aggressive recovery efforts by targeting overdue accounts and implementing timely collection measures. Long-outstanding cases were restructured with

Operating Environment

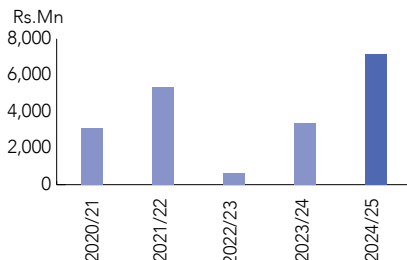
renegotiated terms to ease repayment pressure on customers and support long-term recoverability. These efforts were supported by close account monitoring and tailored engagement with clients.

KEY PERFORMANCE HIGHLIGHTS

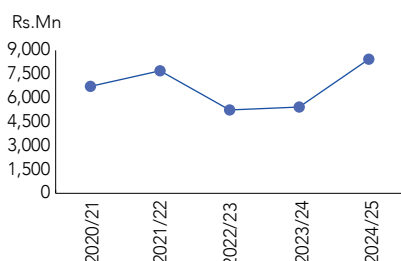
Impairments as a percentage of Portfolio



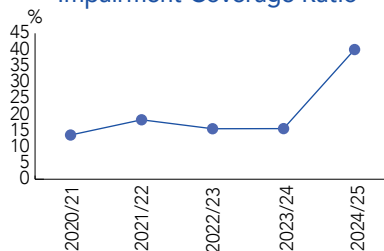
New Disbursements



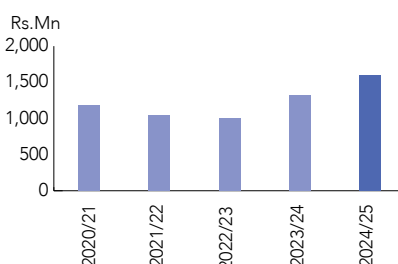
Movement of Net portfolio - Lending



Impairment Coverage Ratio



Income From Islamic Products



CAPACITY BUILDING INITIATIVES

In support of network expansion and product diversification efforts, internal capacity building was prioritized throughout the current year. An aggressive recruitment drive was launched to support the growing footprint of the Islamic finance business, ensuring adequate coverage and service delivery at both dedicated branches and window offices.

Simultaneously, targeted training programmes were rolled out across the branch network to equip staff with the technical and operational knowledge specifically through structured learning modules that emphasized customer service, risk awareness, and product knowledge aligned with Islamic finance principles.

These initiatives were critical in reinforcing service consistency, improving customer engagement, and maintaining compliance as we scaled operations in new and existing markets.

FUTURE PLANS

Building on the progress made during FY2024/25, AIF will seek to further capitalize on new and emerging opportunities in the Islamic finance sector in Sri Lanka.

In the short term, the focus will be on expanding access to AIF's Islamic finance services across the PLC branch network, with plans to expand the window office network to 30 additional branches in the upcoming financial year. As part of the efforts to strengthen customer engagement and encourage long-term relationships, a Loyalty Card scheme is also set to be introduced for Wadi'ah Gold Safekeeping customers.

Over the medium term, the product portfolio will be further broadened to meet evolving customer needs with a new savings option, Sahim, scheduled to be launched as an investment plan tailored for individuals seeking structured, Shari'ah - compliant avenues for long-term wealth accumulation. Another key product launch will be Self-e Cash, a benevolent loan facility offered against Islamic investments, providing customers with responsible and accessible financial support.

Looking further ahead, AIF's long-term vision involves tapping into institutional and international markets through the introduction of Sukuk, or Islamic bonds. This initiative aims to strengthen our investment offerings while supporting capital market development within a Shari'ah - compliant framework. Additionally, the unit aims to develop a structured product to facilitate Margin Trading to enable customers to explore new investment opportunities without compromising on ethical principles.

STAKEHOLDER ENGAGEMENT

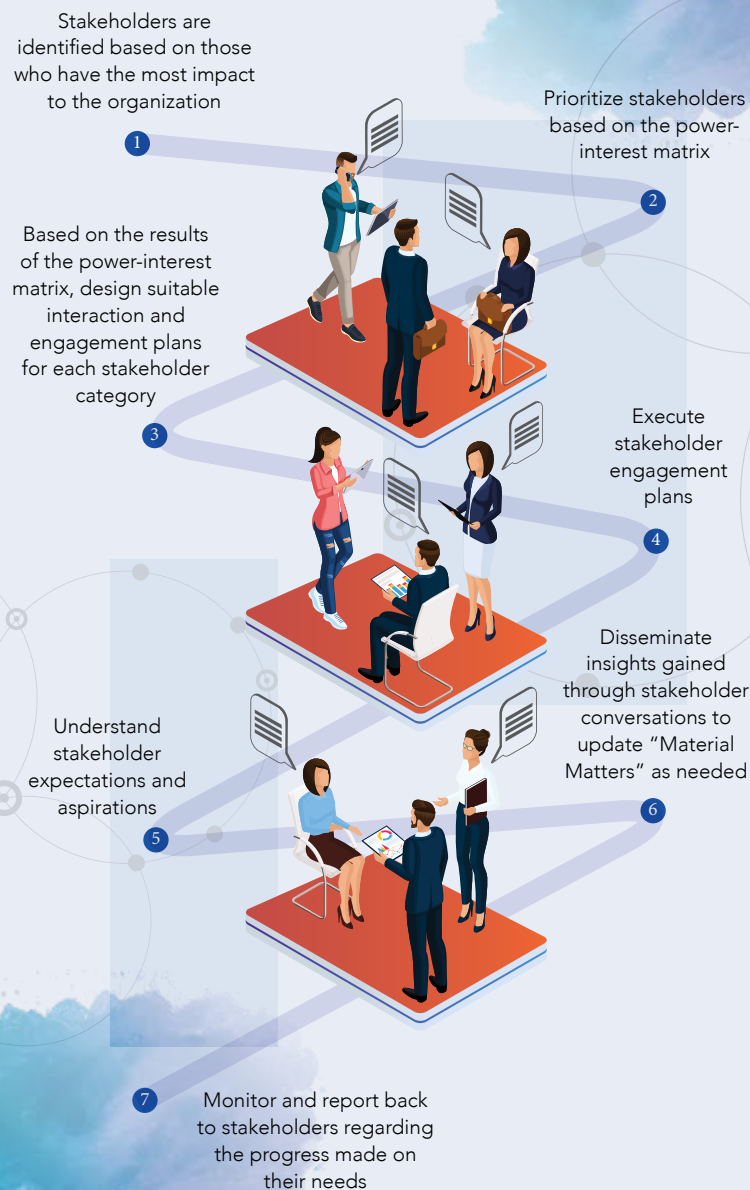
At AIF, we recognize that maintaining an open and continuous dialogue with our stakeholders allows us to better understand their needs, expectations, and concerns. These interactions help strengthen trust and provide an opportunity to demonstrate transparency by communicating the actions we are taking in response to the issues that matter most to them. On a broader level, sustained engagement ensures that AIF remains relevant to both the market and society, while reinforcing our role as a responsible and responsive Islamic finance solutions provider.

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Our approach to Stakeholder Engagement is based on a decentralized structure that promotes accountability while maintaining alignment with the strategic objectives of PLC. In this regard, PLC Board holds ultimate responsibility for stakeholder engagement as defined by its governance mandate. While the Board retains overall supervisory oversight, the execution of engagement activities has been delegated to AIF's leadership team, led by the Chief Manager – Islamic Finance, with guidance and oversight from the Shari'ah Supervisory Board.

AIF's leadership team, in consultation with the SSB, provides regular reports to the Board on the progress, outcomes, and insights gained through stakeholder interactions to create a continuous feedback loop that ensures that stakeholder perspectives are incorporated into decision-making to deliver long-term value creation in line with stakeholder expectations.

STAKEHOLDER ENGAGEMENT PROCESS



Stakeholder Engagement

Stakeholders	Method and Frequency of Engagement	Stakeholder Concerns and Expectations	AIF's Response
Investors	<ul style="list-style-type: none"> ◆ Annual Report ◆ Press Conferences / Press Releases (as needed) ◆ Proactively and directly engage investors (as needed) ◆ Participation in various investor conferences (as needed) ◆ Corporate Website (continuous and ongoing) ◆ Social media platforms (continuous and ongoing) 	<ul style="list-style-type: none"> ◆ Investor returns are distributed based on Shari'ah - compliant profit-sharing principles. ◆ Organizational resilience to safeguard business continuity in turbulent times. ◆ Expectation of greater clarity regarding performance and prospects, especially in times of uncertainty ◆ Responsible and balanced business conduct and sound ESG practices ◆ Transparency 	<p>We are committed to delivering sustainable, shari'ah - compliant value by maintaining an agile business model and exercising prudent financial management, strong governance structures, robust risk management practices, and comprehensive contingency planning to build resilience and ensure consistent results. At the same time, we pursue a balanced approach that aligns financial performance with responsible ESG practices, ensuring that long-term growth is achieved in a manner that protects stakeholder trust while promoting broader social and environmental responsibility in line with Islamic principles.</p>
Customers	<ul style="list-style-type: none"> ◆ Meetings (as needed) ◆ Branch teams (continuous and ongoing) ◆ Direct communications with customers (as needed) ◆ Call Centre (continuous and ongoing) ◆ Corporate Website (continuous and ongoing) ◆ Social media platforms (continuous and ongoing) 	<ul style="list-style-type: none"> ◆ Demand for tailor-made financial solutions in line with Shari'ah principles. ◆ Growing demand for easily accessible, convenient and affordable access to formal financial channels ◆ Clear and straightforward product information and ability to obtain the advice. ◆ Service efficiency ◆ Empathetic and friendly service ◆ Data privacy concerns arising as a result of increased use of digital channels. 	<p>Our approach to managing the customer experience is grounded in trust, transparency, accessibility, and service excellence, guided at all times by Shari'ah principles. We are committed to offering Shari'ah - compliant financial solutions that meet the diverse needs of our customers, while ensuring that our products remain ethical, affordable, and easily accessible. Equal emphasis is placed on professional service delivery, clear product information, and advisory support to enable informed decision-making. As the use of digital platforms expands, we continue to uphold the highest standards of data privacy and protection, reinforcing customer confidence and safeguarding the trust placed in us.</p>
Employees	<ul style="list-style-type: none"> ◆ Daily, weekly, and monthly staff meetings ◆ Weekly HR cluster meetings ◆ Monthly meetings with trade union representatives ◆ Monthly health and safety committee meetings ◆ Bi-annual performance evaluations ◆ Training initiatives (as needed) ◆ Corporate Website (continuous and ongoing) ◆ Social media platforms (continuous and ongoing) 	<ul style="list-style-type: none"> ◆ Financial security and concern about job prospects, especially during periods of economic uncertainty ◆ Ethical Business continuity and sustainable growth ◆ Fair & transparent remuneration and benefits ◆ Effective performance management and recognition. ◆ Job security ◆ A safe, inclusive, and respectful work environment supported by opportunities for career progression ◆ Staff up skilling ◆ Employee expectation of a safe workplace free of harassment and discrimination. ◆ Quick, effective, and fair resolution of grievances 	<p>We are committed to creating a supportive, fair, empowered and ethically guided workplace. Our HR practices aim to ensure fair and Shari'ah-compliant remuneration, transparent performance management, and timely recognition, ensuring that individual contributions are valued with equity and justice. We remain dedicated to creating a safe, inclusive, and respectful work environment, free from harassment and discrimination, while providing clear and responsive grievance mechanisms to address employee concerns effectively, reinforcing our commitment to trust, dignity, and mutual respect in the workplace whilst being in line with Shari'ah principles.</p>

Stakeholders	Method and Frequency of Engagement	Stakeholder Concerns and Expectations	AIF's Response
Government and Regulators	<ul style="list-style-type: none"> ◆ On-site review by the CBSL (annual) ◆ Off-site review by the CBSL (as needed) ◆ Dialogue with the policymakers and regulators (as needed) ◆ Directives and circulars (as needed) ◆ Review meetings (as needed) ◆ Compliance reports (as scheduled) 	<ul style="list-style-type: none"> ◆ Timely payment of all applicable taxes ◆ Compliance with all applicable regulatory requirements, including new directives ◆ Voluntary adoption of best practices ◆ Compliance with Shari'ah principles ◆ Prompt responsiveness towards regulatory amendments 	We remain deeply committed to upholding the trust placed in us by government authorities and regulators by ensuring full compliance with all applicable laws, directives, and Shari'ah principles. Guided by Shari'ah - governance, risk, and compliance frameworks that are designed to ensure agility and prompt responsiveness to regulatory changes, thereby safeguarding institutional stability while reinforcing the credibility of the local Islamic finance industry.
Community & Environment	<ul style="list-style-type: none"> ◆ Outreach initiatives (continuous and ongoing) ◆ Dialogue with institutions, community leaders, and community (continuous and ongoing) ◆ Sponsorships (as needed) ◆ Annual Report ◆ Corporate Website (continuous and ongoing) ◆ Social media platforms (continuous and ongoing) 	<ul style="list-style-type: none"> ◆ Ethical business practices in line with Shari'ah principles. ◆ Community empowerment and capacity building ◆ Environmental conservation 	In line with our Shari'ah values, we are committed to uplifting communities through targeted social initiatives that promote inclusive, equity, and long-term well-being. We also actively support environmental stewardship by investing in sustainable solutions and participating in initiatives that conserve natural resources and protect ecosystems

MATERIALITY

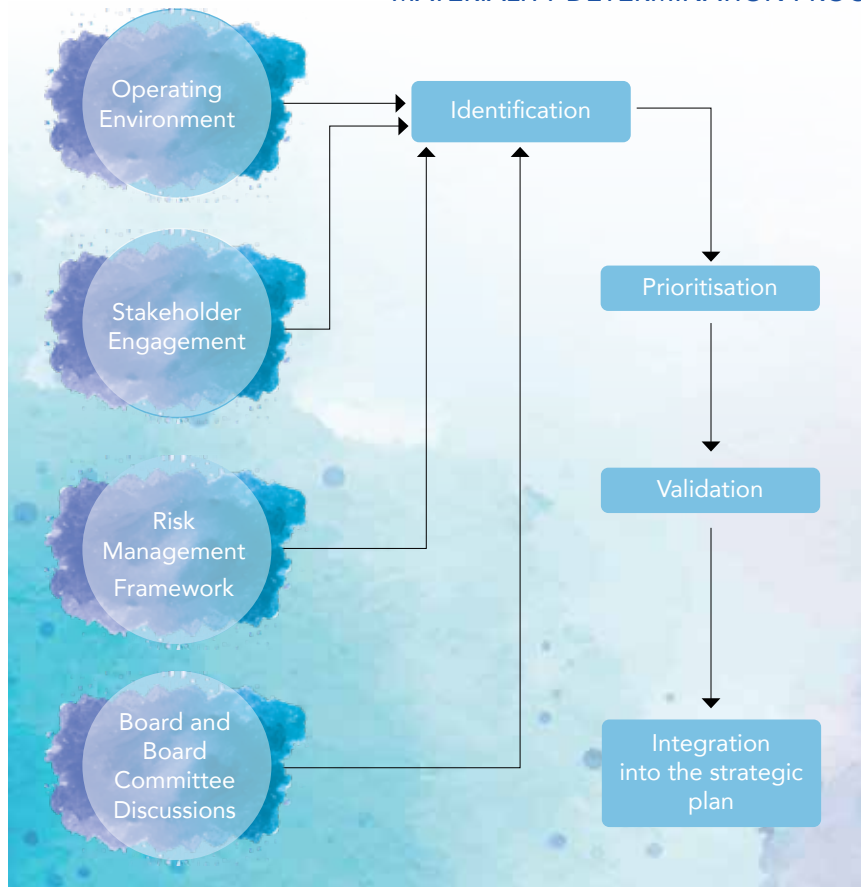
In alignment with PLC's sustainability framework, AIF adopts the principle of Materiality to identify and prioritise the issues that hold the greatest significance for both our business and our stakeholders. An issue is considered a Material Topic when it has a substantial impact on our business performance

in terms of growth, costs, or risks, or when it represents a key concern or expectation of our stakeholders.

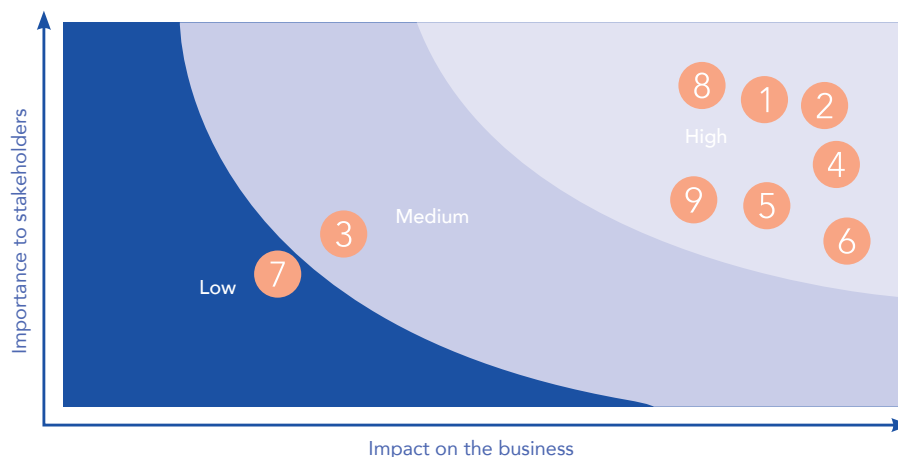
The determination of Material Topics is carried out through a rigorous and structured process that draws on insights from multiple assessments,
























including stakeholder feedback, regulatory requirements, industry benchmarks, and internal risk evaluations. Based on this process, a total of nine topics have been identified as Material for AIF, reflecting the intersection of business priorities and stakeholder interests.

MATERIALITY DETERMINATION PROCESS



MATERIALITY MATRIX



Material Topic	Reason for Materiality	Topic Boundary	Management Approach	Relevant SDG(s)
1 Financial Stability	Ensures long-term resilience, continuity, and shari'ah compliant returns for investors and customers, even during economic volatility.	Internal (operations, employees, investors)	Strong governance, prudent risk management, Shari'ah-compliant business model, and contingency planning.	 
2 Resource Optimisation	Efficient use of financial, human, and natural resources reduces costs and supports sustainability.	Internal (operations, employees) External (environment, communities)	Adoption of digital platforms, energy-efficient practices, responsible procurement, and waste minimisation.	 
3 Health and Safety	Safeguards employee well-being, productivity, and compliance with workplace standards.	Internal (employees)	Occupational health & safety systems, awareness programmes, safe workplace practices, and grievance mechanisms.	 
4 Best Fit Employees	Attracting, retaining, and developing talent critical for business success and service excellence.	Internal (employees)	Fair remuneration, training & upskilling, performance management, inclusivity, and career development opportunities.	  
5 Sustainable Growth through Sustainable Finance	Promotes ethical, Shari'ah-compliant products that drive long-term value creation.	Internal (operations) External (customers, investors, regulators)	Offering sustainable Islamic finance solutions, integrating ESG factors into financing decisions, and supporting green projects.	  
6 Inclusive Finance and Minimising Inequalities	Expands access to finance for underserved and vulnerable segments, promoting financial inclusion.	Internal (operations) External (customers, communities)	Affordable, Shari'ah-compliant products, awareness programmes, and digital accessibility.	  
7 Climate Action	Responding to climate change risks while supporting environmental stewardship.	Internal (operations) External (customers, communities, environment)	Green financing products (e.g., Ijarah Solar), energy-efficient practices, supporting PLC's environmental projects.	  
8 Customer Experience	Central to building trust, loyalty, and growth through tailored Islamic financial solutions.	Internal (operations, employees) External (customers)	Accessible service channels, transparent communication, digital innovations, customer privacy safeguards, and Shari'ah-compliant advisory.	  
9 Ethics & Integrity	Vital for building stakeholder trust and essential for compliance with both regulatory requirements and Shari'ah principles.	Internal (employees) External (customers, investors, regulators, and communities)	Zero-tolerance policy for bribery and corruption, strong governance codes, ongoing ethics training, Shari'ah compliance audits	 

CUSTOMER VALUE PROPOSITION

At PLC Al-Safa Islamic Financial Services Unit (AIF), our purpose is to serve customers with financial solutions that honour both Shari'ah compliant products and financial solutions that meet their aspirations and values. Backed by nearly two decades in the business, AIF has earned the trust of customers and remains among the most preferred Islamic finance solutions providers in the country today.

Our approach combines affordable Shari'ah-compliant products coupled with widespread accessibility across Sri Lanka, be it physical touchpoints, digital convenience or one-on-one outreach through our team of

trained professionals committed to ensuring every interaction reflects our commitment to ethical finance.

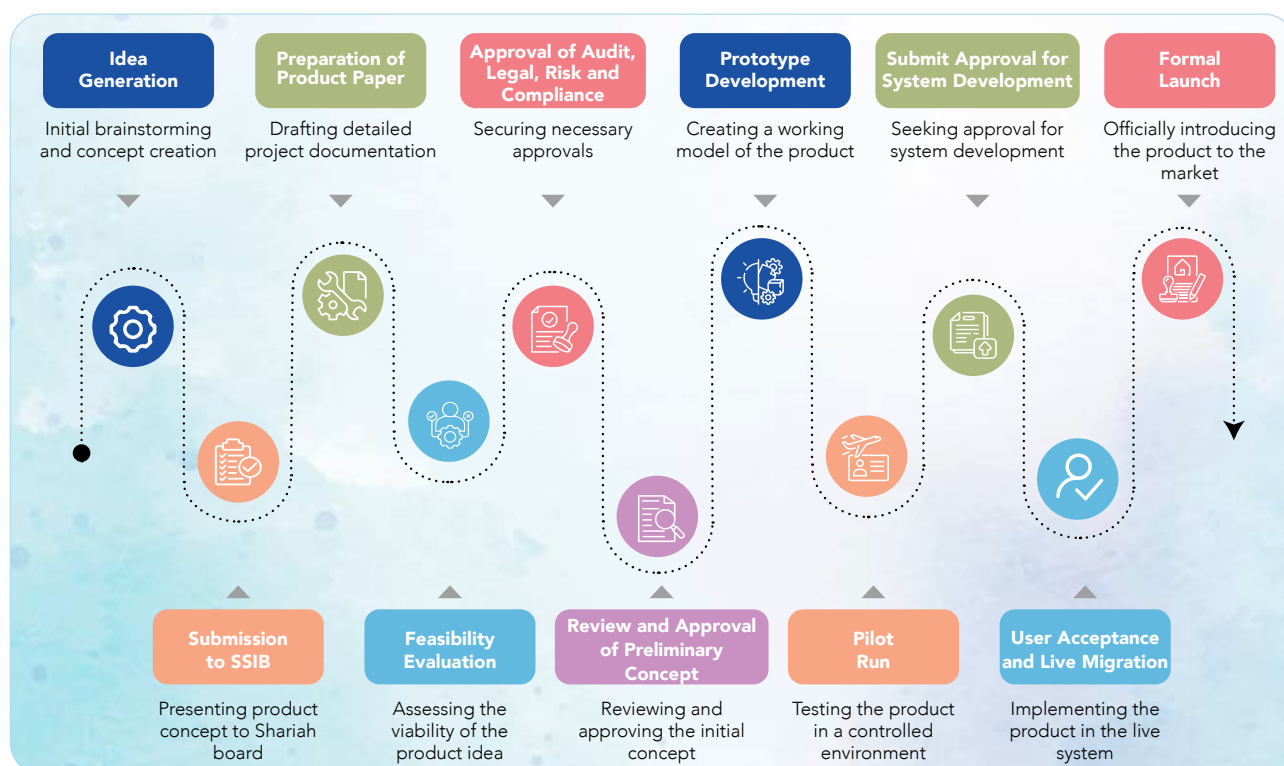
PRODUCT PORTFOLIO

Our promise to customers begins with our product portfolio, where we strive to deliver financial solutions that empower customers, support their aspirations, and reflect the true spirit of Islamic finance. To that end, we strictly comply with all Islamic financing principles, with every product is reviewed and approved by our Shari'ah Supervisory Board (SSB). This includes a comprehensive new product development process overseen by the SSB to ensure every offering

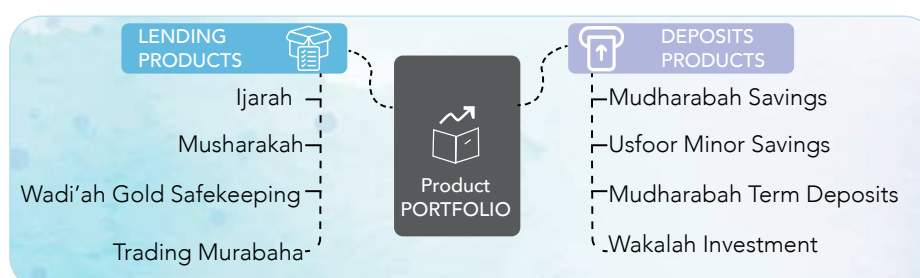
is relevant, competitive, and aligned with customer needs, while being consistent with Shari'ah principles. Moreover, continuous monitoring by the SSB ensures each product continues to provide customer value in line with Shari'ah principles throughout the product life cycle.

In keeping with our aim to continuously update our product portfolio in tandem with the market, we introduced Ijarah Solar in the current year. A Shari'ah-compliant financing solution, Ijarah Solar is designed to encourage the adoption of renewable energy among both residential and commercial customers around Sri Lanka.

NEW PRODUCT DEVELOPMENT PROCESS



ISLAMIC PRODUCT PORTFOLIO



LENDING PRODUCTS



IJARAH (LEASE)

The Ijarah product serves as a Shari'ah-compliant leasing solution, enabling the Company to procure Vehicles, Machineries and Solar on behalf of the customer. The customer benefits from the use of the asset by paying an agreed rental over a fixed period, while ownership remains with the Company throughout the lease term. Upon full and satisfactory completion of the lease payments, ownership of the asset is smoothly handed over to the customer, ensuring a well-defined and compliant pathway to asset ownership.



MUSHARAKAH

Musharakah is a Shari'ah-compliant joint venture solution designed to facilitate asset acquisition and working capital requirement. Under this arrangement, the customer gradually acquires ownership of the People's Leasing –Al Safa share in the asset, ultimately gaining full ownership of the property or asset upon completion of the payments. This approach provides a structured, compliant, and collaborative pathway to ownership.



WADI'AH (GOLD SAFEKEEPING FACILITY)

The Wadi'ah Gold Safekeeping Facility offers a Shari'ah-compliant, secure, and flexible solution for urgent financial needs. Customers can pledge their gold certificates to access cash advances at zero profit, enjoy Takaful insurance, flexible repayment periods, minimal charges, and convenient payment options. This comprehensive solution ensures a secure, transparent, and customer-friendly approach to meeting urgent financial needs.



MURABAHA / TRADING MURABAHA

Murabaha / Trading Murabaha is a Shari'ah-compliant financing solution designed to support customers with short- and medium-term funding for the purchase of commodities, assets, or working capital needs. Under this arrangement, the Company purchases the requested asset or commodity on behalf of the customer and sells it to them at a pre-agreed sale price, payable on a deferred basis. The sale price includes the cost of the asset and a disclosed profit margin, ensuring full transparency. This structured approach provides a compliant, transparent, and customer-friendly financing solution.

Customer Value Proposition

DEPOSIT PRODUCTS



MUDHARABAH SAVINGS ACCOUNT

This is a Savings account that works on the basis of "Mudharabah". Profit will be calculated based on a Pre agreed Ratio. The Account can be opened with a minimum deposit of Rs.1,000/-. The Savings account can be operated on the basis of globally accepted Visa Debit Card and SMS alert service on every debit/credit transaction with Online Facility Available.



USFOOR MINOR SAVINGS ACCOUNT

This is a unique Savings Account for minors based on the principle of profit sharing based on a pre agreed ratio. The Account can be opened with a minimum deposit of Rs.250/-



MUDHARABAH FIXED INVESTMENT

The Investment Certificate is based on the principles of Profit Sharing. The Profits are shared on a Pre agreed Ratio. An attractive profit share is offered based on the tenor starting from 3, 6, 12 months in duration. Higher Profit Sharing Ratio paid for Senior Citizen Term Investment Accounts for 12 Months Monthly and 12 Months Maturity Schemes.



WAKALAH TERM INVESTMENT

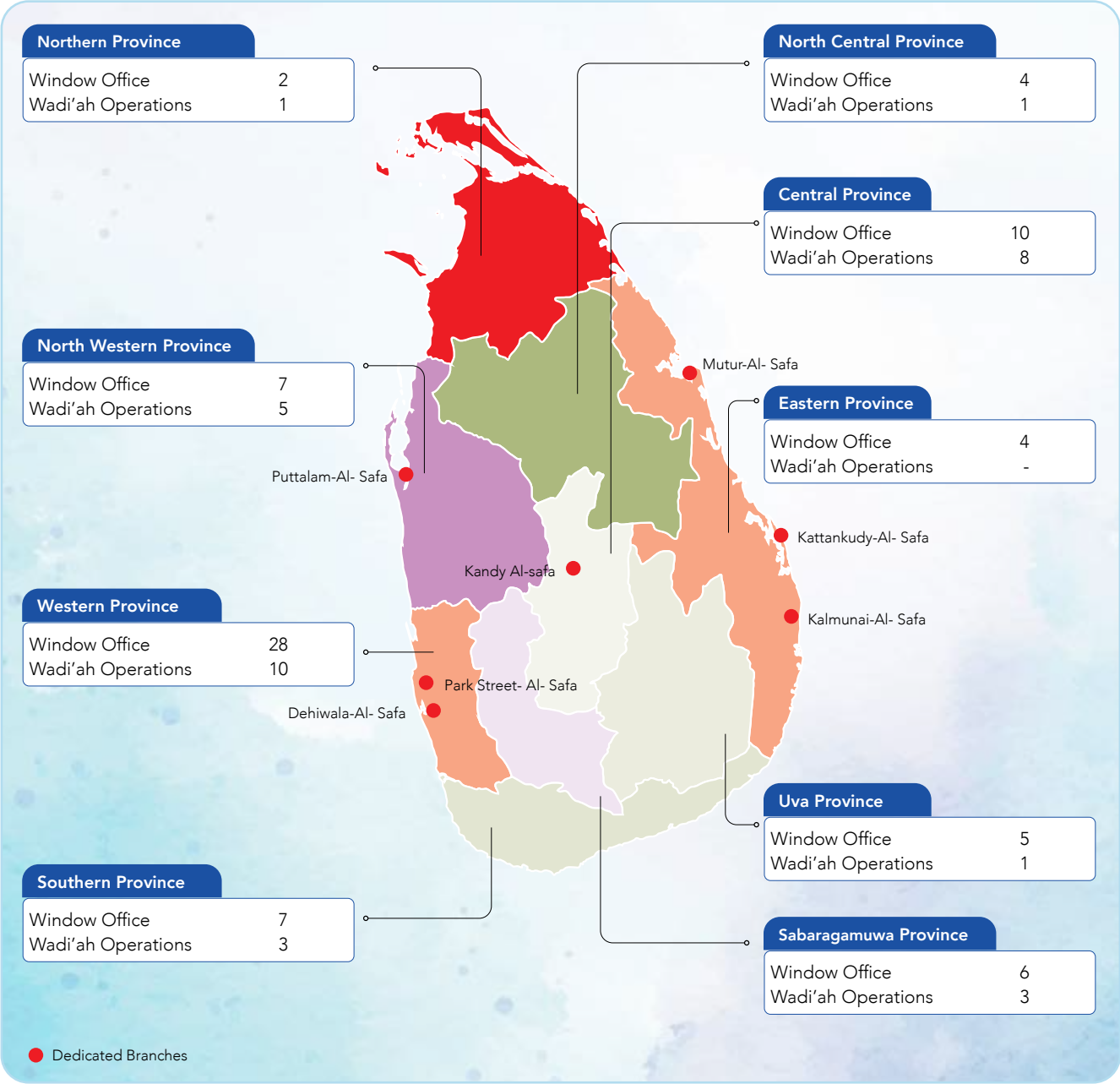
A contract in which one person (Muwakkil) appoints another person (Wakeel) as his agent to invest the funds provided by the Muwakkil in Shariah compliant business. Anticipated profit rates based on the tenor starting from 1 month to 2,3,6,12,13,15,18,24,26 & 36 month in duration. Profit will be paid at maturity or monthly as per the choice of the customer

CUSTOMER TOUCH-POINTS

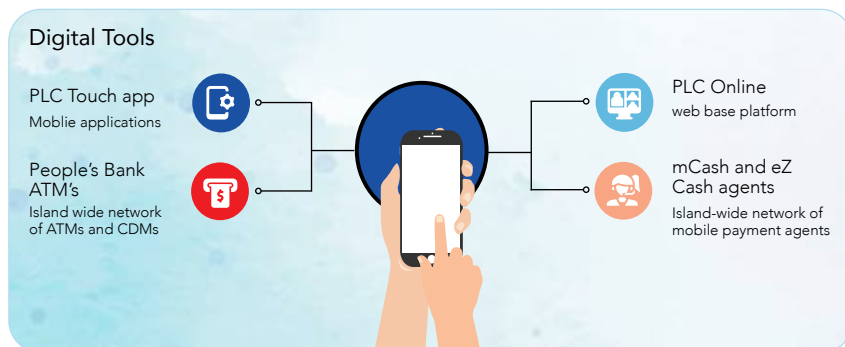
Accessibility is central in our value proposition. Our goal is to ensure that customers can access AIF’s products and services easily and conveniently as per their preference. To that end, we maintain a network of dedicated Islamic finance units strategically located in several key cities across Sri Lanka.

To further enhance visibility, we have extended our footprint by establishing window offices within the branch network of the Company. Including the 20 new window offices opened in the current year, AIF now has a total of 73 window offices, which covers 72% of PLC’s island-wide branch network. Additionally, selected window offices are equipped with Wadi’ah Gold Safekeeping Centers, providing customers with a secure and Shari’ah-compliant solution for safeguarding their gold assets. Currently 32 window offices are equipped with Wadi’ah Gold Safekeeping Centers, including 20 new window offices set up in the current year.

We also continue to leverage the state-of-the-art digital financial tools of the Company as well as our ultimate parent - People’s Bank - to enable our customers with seamless access to AIF’s products and services anytime, anywhere.



Customer Value Proposition



MARKETING AND COMMUNICATION

At AIF, we view marketing not merely as a promotional activity, but as a means of building trust by educating customers and guiding them to make informed financial decision that reflect their values. While demand for ethical and Shari'ah-compliant financial products in Sri Lanka continues to grow, awareness of Islamic finance remains limited, which has prompted AIF to expand its awareness programmes to include targeted financial literacy campaigns and targeted community outreach initiatives to highlight the unique benefits of Islamic finance and encourage greater participation among individuals and businesses.

In 2024/25, our marketing and communication efforts were designed to raise awareness of Shari'ah-compliant products, strengthen the Al-Safa brand, and make Islamic finance concepts more accessible to customers across the country.

A large-scale awareness campaign formed the backbone of our outreach efforts for the year. Led by AIF's staff at both dedicated branches and Islamic window units, the initiative created opportunities for direct engagement with customers. Informational brochures and face-to-face discussions helped address questions and explain the principles behind our offerings, while targeted visits to corporate clients allowed us to understand their needs and offer customized financial solutions.

Our awareness drive spanned key locations across Sri Lanka, including Colombo, Dehiwala, Kandy, Puttalam, Kalmunai, Muttur, Kattankudy, Chilaw, Matale, Mawanella, Kekirawa, Nawalapitiya, Gampola, and Nugegoda. This broad geographic reach ensured that both urban and regional customers had access to reliable information on Islamic finance.

We also leveraged key events to connect with customers and enhance brand visibility. Highlights included the CEO's Club Event, Leasing num Akuru Thunai, and the launch of Ijara Solar, each providing opportunities to showcase our offerings and engage stakeholders.

PLC Al-safa Islamic Financial Services Unit received the Bronze Award for Marketing Campaign of the Year at the 2024 Islamic Finance Forum of South Asia (IFFSA) Awards. This esteemed recognition highlights excellence in strategic marketing and communication within the Islamic finance industry across the South Asian region.

In parallel, we increased our presence on electronic and digital mediums. Key initiatives included the special radio broadcast aired throughout the month of Ramadan coupled with an aggressive social media campaign to promote our products among a wider audience.

Notably, our digital marketing efforts were recognised on an industry stage when AIF received the Silver Award for Digital Marketing Campaign of the Year at the Islamic Finance Forum of South Asia (IFFSA) Awards - an acknowledgment of the creativity, reach, and impact of our digital marketing initiatives.

COMPLAINT HANDLING

Being part of one of the largest financial services Group's in Sri Lanka, feedback from customers is treated as a valuable opportunity to strengthen our services and enhance trust.

Customers can reach us through multiple channels, including email, social media, the Customer Care Centre, in-person visits to any branch, or through the Central Bank of Sri Lanka and the Financial Ombudsman's

office. AIF remains committed to addressing customer concerns promptly, fairly, and in a manner that reflects both PLC's service standards and the Shari'ah principles. Further, in line with PLC's approach, we use insights from complaints to review internal processes, address root causes, and enhance staff training, ensuring that every interaction moves us closer to our goal of complete customer satisfaction.

All complaints are logged, routed to the appropriate internal team, and monitored through established systems. An ongoing system upgrade is underway to automate the monitoring and resolution of electronic transaction disputes, further improving responsiveness.

Meanwhile matters relating specifically to Shari'ah compliance are handled by a dedicated panel which is tasked with first reviewing each case in consultation with the SSB to ensure all resolutions align with Shari'ah principles.

During the year, AIF received one complaint via the CBSL and two direct submissions, with all cases successfully resolved to the satisfaction of the customer. No cases were referred to the Ombudsman.

CUSTOMER PRIVACY

As a responsible financial institution, we firmly believe that it is our duty to protect the confidentiality of our customers' personal and financial information. As such, we apply the highest standards of data protection, guided by both regulatory requirements and the ethical principles of Shari'ah.

Our operations are aligned to PLC's Data Protection Policy and Customer Protection Framework, developed in line with the Finance Business Act No. 42 of 2011. This framework sets out how customer information is collected, stored, accessed, and used, and serves as a training and reference tool to ensure staff are fully aware of their confidentiality obligations.

These same controls and safeguards are embedded into our Islamic finance operations. Staff dedicated to the unit receive the same training and oversight as all PLC personnel, ensuring consistent application of privacy protocols.

EMPLOYEE DEVELOPMENT

As a service oriented business, our people are at the lifeblood of Al-Safa Islamic Finance (AIF's) operations. They are the driving force behind our ability to deliver exceptional customer service, uphold our values, and achieve sustainable growth.

Hence, we have embraced a robust and forward-thinking approach towards employee development with the aim

of creating a committed workforce, while retaining and nurturing key talent in order to build a strong pipeline of leaders whose career aspirations are clearly aligned to corporate goals. Moreover, our efforts are directed towards fostering a culture of excellence that empowers individuals while contributing meaningfully to AIF's long -term success.

This approach is anchored to our 12 HR Value Drivers, which together form the foundation of how we manage, develop, and engage our employees. Each driver reflects our commitment to international best practices, regulatory compliance, and the principle that our people are our greatest assets.

KEY HIGHLIGHTS FOR FY 2024/25

1 Faster Recruitment

Recruitment lead times were reduced, with same-day feedback and offer documentation for selected categories.

2 Enhanced Onboarding

A new induction programme provided recruits with practical exposure, while a mobile app is being developed for seamless access to resources.

3 Fair Compensation

Salaries of employees were revised under the 2024 minimum wage adjustment, alongside a 10% increment for all staff.

4 Learning & Growth

A Learning & Development Policy is being developed, complemented by the launch of the 'Legendary Mindset' programme on wellbeing and growth.

5 Engaged Culture

A leadership initiative positioned AIF as the happiest workplace through CEO forums and interactive programmes promoting openness and trust.

6 Closer HR Access

The HR at Your Doorstep' programme enabled HR teams to visit branches and directly engage with employees on concerns and feedback.

HR VALUE DRIVERS

1

HR Management & Oversight

2

Recruitment Strategy

3

Employee Integration

4

Compensation & Benefits

5

Performance Monitoring

6

Competency Development

7

Developing Future Leaders

8

Communication & Engagement

9

Grievance Handling

10

Human Rights

11

Diversity, Equality & Inclusion

12

Safe Workplace

Employee Development

Age Analysis of Employees FY 2024/25		Age Analysis (years)					
Employee Category	Gender	<= 29	30 - 39	40 - 49	50 - 59	>60	Grand Total
Senior Leadership	Male	-	-	-	1	-	1
Middle Manager	Male	-	-	-	1	-	1
Line Manager	Male	-	1	1	-	-	2
Executive	Female	-	3	2	-	-	5
	Male	-	21	9	-	-	30
Non Executive	Female	15	10	1	-	-	26
	Male	27	17	5	1	1	51
Minor Staff	Male	1	1	-	-	-	2
Grand Total		43	53	18	3	1	118

		Service Analysis (years)					
Employee Category	Gender	> 15	10 - 15	06 - 10	03 - 06	< 3	Grand Total
Senior Leadership	Male	1	-	-	-	-	1
Middle Manager	Male	-	1	-	-	-	1
Line Manager	Male	1	1	-	-	-	2
Executive	Female	2	3	-	-	-	5
	Male	4	20	4	1	1	30
Non Executive	Female	-	-	8	1	17	26
	Male	1	2	8	4	36	51
Minor Staff	Male	1	-	-	-	1	2
Grand Total		10	27	20	6	55	118

HR MANAGEMENT & OVERSIGHT

At AIF, the management of human resources is firmly anchored in global best practices, supported by robust oversight from the Company, People's Leasing & Finance PLC (PLC). The Board of Directors of PLC provides overall direction and governance to ensure that AIF's human resource strategies are consistent with the broader Group objectives and compliant with statutory requirements.

Our HR function is guided by a comprehensive policy framework and covers recruitment, onboarding, learning and development, performance management, promotions and transfers, grievance handling, employee benefits, and separation. In addition to regulatory compliance, our policies incorporate commitments to international

frameworks, including the United Nations Global Compact (UNGC) and International Labour Organization (ILO) conventions, underscoring our dedication to upholding human rights and labour standards across all HR practices.

Oversight is further strengthened through internal audits, clearly defined roles and responsibilities, and continuous monitoring.

A key enabler of effective HR management is PLC's Human Resource Information System (HRIS), which serves as the backbone for managing core HR processes. This digital platform ensures that recruitment, performance appraisals, career development, remuneration, and employee engagement are efficiently aligned with both employee aspirations and organizational priorities.

Regulatory Compliance

Shop and Office Employees Act
No. 19 of 1954



Employees' Provident Fund Act
No. 24 of 1971



Employees' Trust Fund Act
No. 46 of 1980



Gratuity Act
No. 12 of 1983



Inland Revenue Act
No. 24 of 2017

HUMAN RIGHTS

AIF is committed to upholding the highest standards of human rights across all aspects of employment. In doing so, we follow the principle approach of People's Leasing & Finance, which is guided by the United Nations Global Compact (UNGC) and the conventions of the International Labour Organization (ILO). These frameworks underpin our practices and ensure that our policies remain consistent with global standards.

Accordingly, we reject all forms of child labour, forced labour and compulsory labour, with ensuring that every employment relationship is entered into freely and with mutual consent. In line with labour rights, employees are supported in their freedom of association and the right to collective bargaining through recognized representation.

DIVERSITY, EQUALITY AND INCLUSION

We view diversity, equality, and inclusion as essential to building a fair and forward-looking workplace. A diverse workforce strengthens our decision-making, enhances creativity and enables us to better serve our customers. Equality and inclusivity are therefore not only principles but also strategic priorities for the organization. Our code of conduct reinforces our non-discrimination policy, prohibiting any bias in relation to gender, age, ethnicity, religion or any other status protected by law. The commitment to non-discrimination extends across all aspects of the employee lifecycle from recruitment, selection, performance evaluation and training to career development. Completing this, leaders at all levels are expected to model inclusive behaviours and foster a culture of respect. Engagement activities, cultural celebrations and team-based initiatives further strengthened inclusivity and promote unity across the workforce.

RECRUITMENT STRATEGY

Recruitment is a critical element of our approach to managing human resources. In a highly competitive industry, effective recruitment enables us to attract the best-fit candidates who can uphold Shari'ah principles and our

ethical values, deliver quality success and drive long-term organisational success.

Recruitment at AIF is guided by a comprehensive annual cadre plan designed to ensure that each business function is adequately staffed in line

with strategic objectives. Vacancies are first communicated internally and subsequently advertised externally to ensure transparency and inclusivity. Selections are strictly merit-based and follow a structured process of shortlisting, interviews, and assessments to determine suitability.

Gender	New Recruits	Resignations
Female	9	8
Male	25	16
Grand Total	34	24

To ensure we remain compliant with local labour laws, AIF enforces the minimum age of employment (18 years and above). Additional protocols are in place to verify the age of potential recruits before appointments are confirmed. Successful candidates are issued with a formal contract of employment that outlines their terms of engagement, including job role, working hours, leave entitlements, EPF/ETF contributions and notice periods. Moreover, all new recruits undergo a six-month probationary period during which their performance and adaptability are closely monitored. Confirmation of employment is granted upon successful completion of probation, reinforcing our commitment to both fairness and performance driven practices.

Recruitment Process

Vacancy Identification



Internal/External Advertisement



Shortlisting



Interviews & Assessments



Probation (6 months)



Confirmation

Employee Development

EMPLOYEE INTEGRATION

At AIF, employee integration is designed to ensure that new hires transition smoothly into the organisation, both culturally and operationally. Effective integration is critical in helping new employees adapt quickly and deliver value during their probationary period.

We follow a structured onboarding process that introduces new employees to:

- ◆ Our code of conduct, policies, and operational procedures.
- ◆ The principles of Shari'ah compliance, which form the foundation of our operations.
- ◆ Their respective teams, managers, and assigned mentors to encourage relationship-building from day one.

The onboarding programme is holistic and goes beyond administrative orientation, reinforcing organizational values while enabling new hires to engage meaningfully from the outset.

During the year under review, a comprehensive induction programme was introduced to provide new recruits with in-depth exposure to all aspects of the organization while gaining hands-on experience. To strengthen these efforts, a mobile application is being developed to provide recruits with seamless access to essential resources such as company policies, corporate history and other key information required for a smooth transition into the organization.

COMPENSATION AND BENEFITS

As part of PLC - one of the largest financial institutions in Sri Lanka and also widely regarded as an employer of choice, AIF's compensation and benefits structures are strictly aligned PLC's well-established framework which is designed to ensure all employees are offered a fair and competitive package that reflects their skills, performance, and contribution to organizational growth.

At a minimum, we ensure our compensation packages are in compliance with regulatory requirements as mandated under the Shop and Office Employees Act.

Beyond compliance, our remuneration and benefits framework is industry-competitive, equitable, and aligned with both individual and organizational performance. Salaries are structured on a grading system, with each grade comprising minimum, medium, and maximum salary bands to support career progression.

Additionally, for executive employees, remuneration is with annual bonuses tied to both wide performance and individual Key Performance Indicators (KPIs). AIF employees are further entitled to all monetary and non-monetary benefits provided to permanent employees of PLC.

Meanwhile regular salary surveys conducted by PLC serve as the basis for ensuring our salary scales remain industry-competitive at all times, further strengthening our position as an employer of choice.

Benefits provided to Permanent Employees of Al-Safa Islamic Finance Unit



- ◆ Allowances and Incentives
- ◆ Leave Encashment Facility
- ◆ Medical Insurance
- ◆ Gratuity
- ◆ Life Insurance
- ◆ Musharakah Staff Loans
- ◆ Critical Illness Funding Support
- ◆ Salary Increment
- ◆ Death Donations
- ◆ Bonuses
- ◆ Parental Leave
- ◆ Holiday Home Facilities

PERFORMANCE MONITORING

Performance monitoring at AIF is designed to ensure every individual's contribution is directly linked to our organizational objectives. To that end achieve this, strategic goals established by the leadership are first cascaded down to departments and then translated into team and individual Key Performance Indicators (KPIs), thereby creating a structured framework to promote employee goal congruence across all levels of the organization.

The process includes a mid-year review and an annual appraisal, which together provide a balanced assessment of both performance outcomes and how effectively employees demonstrate AIF's core values in practice. Assessments are supported by the PLC Human Resource Information System (HRIS), which enhances transparency, consistency, and record-keeping.

High-performing individuals identified through the annual appraisal are recognized through merit-based salary increments, performance bonuses, and are earmarked for career advancement opportunities. Appraisal outcomes also serve as a critical input to training and development plans, ensuring that employees receive the guidance and resources necessary to strengthen their skills and prepare for greater responsibilities.

COMPETENCY DEVELOPMENT

We recognize that continuous learning is central to developing a skilled and future-ready workforce. Our competency development framework is therefore based on the widely adopted 70:20:10 blended learning model, where the majority of learning takes place on the job (70%), supported by structured classroom sessions (20%) and supplemented with mentoring and coaching (10%).

Training needs are identified through the annual performance appraisal process, which highlights individual skill gaps as well as organizational priorities. During the current year,

several programmes were conducted to enhance technical expertise, customer service capabilities and leadership skills. Learning interventions were delivered through classroom sessions, digital platforms and knowledge sharing facilitated by the Shariah Compliance Board and external training partners.

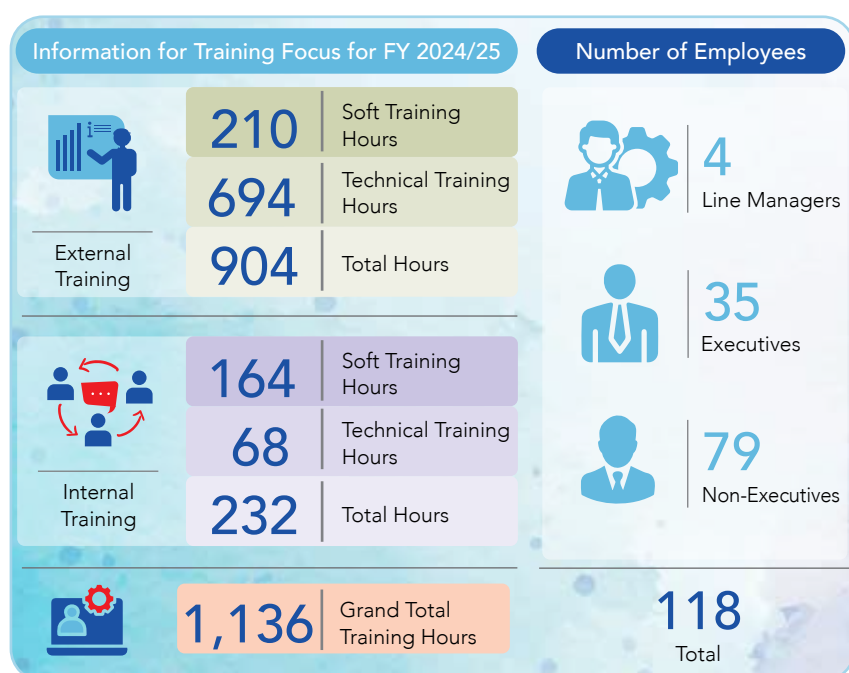
A major highlight for the year was the launch of the Legendary Mindset programme, which addressed areas such as stress management, behavioural transformation and mindful parenting,

underscoring our belief in holistic employee development focused on both professional skills and personal wellbeing.

Moreover, we also commenced work on developing a Learning & Development Policy to formally institutionalize our commitment to structured training and create a consistent framework for building employee competencies.

Promotion

Cadre	Female	Male	Grand Total
Line Manager	-	1	1
Executive	2	17	19
Non Executive	5	10	15
Grand Total	7	28	35



Communication is maintained through a combination of formal and informal channels. Line managers are expected to maintain regular dialogue with their teams, while monthly review meetings, circulars, and updates on the intranet provide employees with timely information on operational changes and strategic developments.

In addition, CEO forums offer employees an opportunity to engage directly with senior leadership, strengthening transparency and collaboration. A significant portion of AIF's workforce is unionized, and we maintain regular meetings with union representatives to ensure harmonious employee relations preventing the need for collective bargaining agreements.

During the year, AIF organized several engagement activities that fostered unity and cultural appreciation, including Ifthar gatherings, while also participating in Vesak and Pirith ceremonies, and Christmas celebrations. These events, alongside team-building activities and get-togethers, contributed to stronger bonds across the workforce and reinforced a sense of belonging.

DEVELOPING FUTURE LEADERS

We understand that developing a strong pipeline of leaders is vital to ensuring business continuity, sustaining long-term growth, and upholding the organization's values. Identifying and nurturing employees with leadership potential is therefore an integral part of our human capital agenda.

High-performing individuals are identified through the annual performance appraisal process and provided with opportunities for mentoring and coaching to strengthen their leadership capabilities. Employees are also encouraged to take part in cross-functional projects and initiatives, giving them exposure to different

aspects of the business and preparing them for broader responsibilities. Succession planning is carried out in alignment with PLC's institutionalized structures, ensuring that critical roles are supported by a pool of capable, future-ready leaders.

COMMUNICATION AND ENGAGEMENT

We firmly believe that open, transparent, and two-way communication is the foundation building a committed workforce. Our approach is built on open communication, ensuring that employees at every level feel heard, respected, and aligned with organizational priorities.

GRIEVANCE HANDLING

Effective grievance handling is a crucial element of employee development as it fosters trust, ensures fairness and strengthens workplace culture. By providing employees with the confidence that their concerns will be heard and resolved, we enable

Employee Development

individuals to focus on growth and performance while contributing positively to the organization.

We remain committed to maintaining a workplace environment where concerns can be raised openly, addressed fairly and resolved without fear of retaliation. To that end, our open-door policy encourages employees to directly reach out to the HR leadership at any time.

A formal grievance process, including clearly defined channels are in place for employees to lodge grievances. The entire grievance handling process is built on the principles of confidentiality, transparency, and timeliness, with all submissions managed by designated HR personnel, who are trained to address issues with sensitivity and impartiality.

SAFE WORKPLACE

As a financial services provider, our staff are not generally exposed to occupational health hazards typical of industrial settings. Nonetheless, the health and safety of our employees remains a top priority.

All AIF offices are located within PLC branches, which operate in strict adherence to all national fire safety regulations, with appropriate firefighting equipment installed at all locations. Fire wardens have been appointed to act as first responders and to conduct routine fire drills, ensuring that employees are well-prepared to respond in case of emergencies.

Moreover, PLC's Risk and Control Department and the Administration Department conduct regular safety checks and targeted training sessions to maintain preparedness and promote an organization - wide safety culture.

Notably, all permanent employees are entitled to comprehensive takaful (Islamic Insurance) coverage, including personal accident cover, surgical and hospitalization cover, as well as life and critical illness cover. Marketing and recovery officers, who operate in the field, are entitled to personal accident cover from the start of their probational probationary period. Furthermore, employees injured during the course of work are granted paid medical leave to support recovery and reintegration.

As part of our holistic approach to workplace safety, we have in recent years adopted PLC's growing focus on mental wellness and mindfulness.

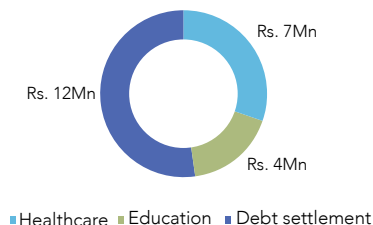
COMMUNITY & ENVIRONMENT

Our commitment to ethical finance extends well beyond business operations, where we strive to make meaningful contributions that uplift communities, promote social equity. Anchored in our core values and aligned with the broader CSR framework of People's Leasing & Finance PLC (PLC), we continue to integrate social responsibility into our strategic objectives, ensuring that financial growth is coupled with sustainable and inclusive societal impact.

Guided by three key principles: sustainable impact, transparency, and compliance with Shari'ah principles, all community initiatives are carried out under the AIF Unit's CSR and further aligned with the CSR framework of People's Leasing & Finance PLC, as well as the AIF Charity Fund. The Charity Fund operates under a clear mandate endorsed by both the Shari'ah Supervisory Board (SSB) and the PLC Main Board, ensuring resources are deployed responsibly for the purpose of enhancing the social wellbeing of underserved communities across Sri Lanka.

During the financial year 2024/25, a total of Rs. 23 million funds allocated for disbursement through the AIF Charity Fund, including Rs. 7 million for healthcare, Rs. 4 million for education, and Rs. 12 million for debt settlement, as part of a focused approach to address both immediate and long-term societal needs.

Funds allocation through the AIF charity Fund FY 2024/25



The bulk of the fund allocation through the AIF Charity Fund has been earmarked for debt settlement, aimed at providing future relief to individuals and families burdened by financial obligations, helping them rebuild their livelihoods and regain financial independence. By planning to ease the financial distress of vulnerable households and restore dignity and stability to communities most affected by economic hardship, AIF seeks to uphold Shari'ah principles of compassion, social justice, and collective well-being, thereby creating pathways toward sustainable and inclusive growth for all.

Meanwhile, healthcare contributions were directed towards strengthening medical services and improving community access to essential health infrastructure. Notably, an initial contribution of Rs. 450,000 was made to a hospital in the Eastern Province, marking the commencement of healthcare-related interventions for the year. Additional funds were also allocated to support the procurement of vital medical equipment and supplies to various hospitals and medical facilities dedicated to serving marginalized communities.

Our focus on education equity during the current year was aimed at promoting equal access to learning opportunities, through a wide range of activities including scholarships for underprivileged students to the provision of educational materials and improvements to school infrastructure. Our goal in all this is to extend support in rural areas, where limited resources often hinder children's ability to pursue even basic education.

ENVIRONMENTAL ADVOCACY

Hand in hand with our CSR initiatives, AIF remains committed to aligning with PLC's broader priorities, including environmental stewardship. Reflecting PLC's strong emphasis on solar financing in recent years, we introduced the

Ijarah Solar product during the current financial year. This innovative offering encourages customers to participate in the transition towards a low-carbon economy through a Shari'ah-compliant financing structure, thereby reducing reliance on conventional energy sources, lowering household and business electricity costs, and contributing directly to the national renewable energy agenda.

Beyond financing solutions, we also remain an active participant in PLC's environmental outreach programmes, which are focused on biodiversity conservation and habitat restoration through direct interventions as well as broader awareness programmes that reinforce the importance of environmental responsibility.

ACTING CHIEF FINANCIAL OFFICER'S MESSAGE



“Upholding Transparency, Accountability, And Shari’ah Compliance , Our Reporting Practices Have Been Strengthened to reflect Ethical Values and to Meet The Expectations of All Stakeholders”

It is my privilege to present this note on the financial performance of the Islamic Finance Unit for the year under review. The preparation and presentation of these financial statements are of critical importance, as they ensure that our results are reported with clarity, accountability, and in strict adherence to Shari’ah principles.

Despite the challenges of the operating environment, the Unit recorded remarkable progress during the year. Profit after tax stood at Rs. 429.09 million, reflecting a growth of 55.94% compared to the previous year. Notable improvements were also seen in portfolio quality and customer outreach. These results were driven by prudent risk management, disciplined cost control, and our unwavering commitment to Shari’ah-compliant practices. All key performance indicators have shown positive trends compared to the previous year, demonstrating the strength of our financing models such as Ijarah, Musharakah, and Wadi’ah Gold Safekeeping. A detailed review of the Unit’s financial results will be presented under the financial review set out in this report.

The financial statements of the Unit have been prepared in accordance with the accounting policies of People’s Leasing & Finance PLC, while also reflecting specific policies applicable to Islamic finance. In our commitment to transparency, we have further enhanced the level of disclosures to provide greater clarity, while ensuring full compliance with Shari’ah principles. Regular reviews conducted by the Shari’ah Supervisory Board (SSB) have further reinforced adherence to ethical and religious standards.

Looking ahead, our focus remains on upholding the highest standards of financial reporting, ensuring transparency, and strengthening stakeholder trust through responsible and ethical disclosures. With gratitude for the continued confidence of our stakeholders, we reaffirm our commitment to delivering clear, reliable, and Shari’ah-compliant financial reporting at all times.

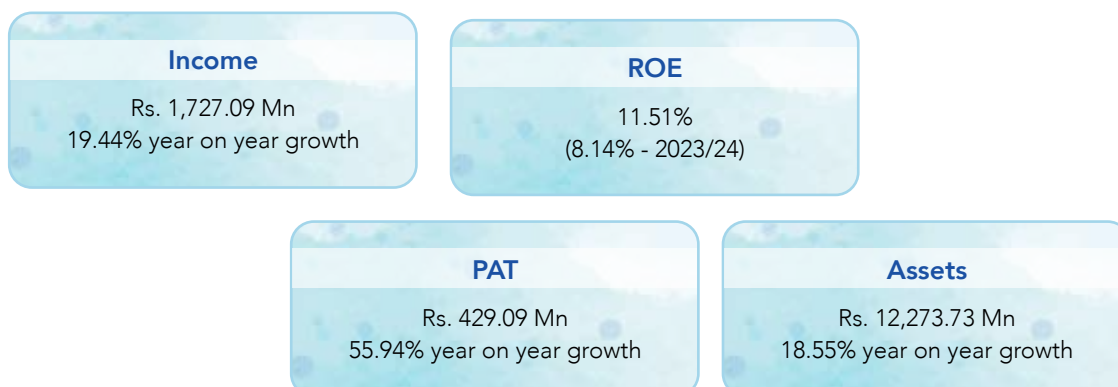
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Priyankara Gangabadage,
Acting Chief Financial Officer

30 October 2025

FINANCIAL REVIEW

KEY FINANCIAL HIGHLIGHTS



OVERVIEW

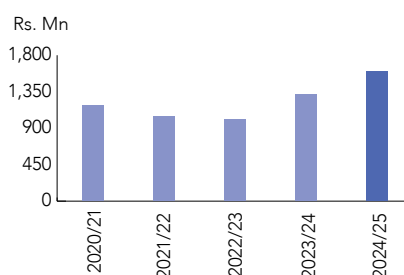
During the financial year 2024/25, the Islamic Financial Service Unit (AIF) of People's Leasing & Finance PLC registered strong financial results with all key metrics showing demonstrable improvements, a reflection of the units' market positioning within the Islamic finance sector.

INCOME

The income growth momentum from Islamic finance products continued to sustain robustly throughout the financial year 2024/25. AIF's gross income recorded a year-on-year increase of 19.44% to reach Rs. 1,727.09 million. This income is primarily derived from its Islamic finance portfolio, including Ijarah, Murabaha, Trading Murabaha, Wadi'ah Safekeeping, Musharakah, and Wakalah products, while other operating income encompasses fees and takaful commission earnings.

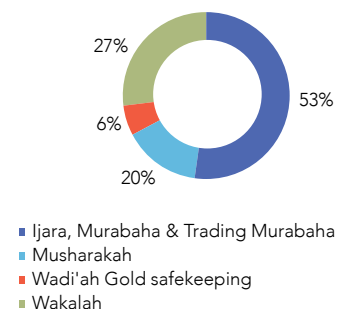
Driving by strong demand for AIF's Islamic finance portfolio throughout the current financial year, in particular Ijarah, Wadi'ah Safekeeping and Wakala products, AIF registered income of Rs 1,600.54 million for FY 2024/25, denoting a commendable 21.6% expansion from Rs 1,316.35 million in the previous year.

Income from Islamic Product

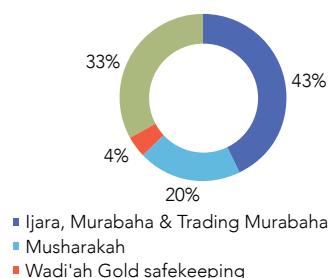


Income generated through financing activities accounted for the largest share of total income. Generating income of Rs. 852.72 million in the current year, Ijarah remained the largest contributor to the unit's top-line, accounting for 53.28% share of total financing income for FY 2024/25. Income from Musharakah declined by 8.56% Year-on-Year to Rs. 240.44 million compared to Rs. 262.0 million in the previous year which was Rs. 22.52 million. Meanwhile, Trading Murabaha and Murabaha products were discontinued as part of the strategic portfolio realignment in tandem with evolving market conditions.

Income from Islamic Product 2024/25



Income from Islamic Product 2023/24

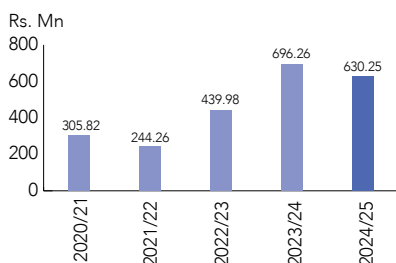


Income generated from the investment products also reported a strong improvement in the current year. Driven by the exponential demand for secure and Sharia-compliant gold safekeeping products, Income from the Wadi'ah Gold Safekeeping product experienced robust growth from Rs. 49.73 million in 2023/24 to Rs. 88.66 million in 2024/25, representing a substantial 78.29% improvement year on year.

Financial Review

The response to our Mudharabah, Wakalah investment & Mudharabah Savings deposit products has been exceptional, reflecting the strong client confidence we have built, even amid challenging market conditions. Demonstrating prudent financial management, we distributed over Rs. 630.25 million in profits to our investors, reinforcing their trust and ongoing support. Compared to the previous year, this represents a slight decline of 9.48%, primarily driven by an 8.57% reduction in anticipated profit distribution from Wakalah investments and a 22.75% decrease in Mudharabah investment deposits, attributable to a contraction in the Mudharabah investment portfolio compared to the previous year. Nevertheless, profit distribution to Mudharabah savings deposits recorded a significant year-on-year increase of 60.73%, reaching Rs. 38.16 million in FY 2024/25, reflecting enhanced savings mobilization.

Profit Distribution to Investors



Net operating income rose significantly by 52.20%, from Rs. 724.05 million to Rs. 1,102.01 million, aided by favourable impairment reversals. Reversal of impairment charges and other losses on core Islamic finance products for the current year amounted to Rs. 17.17 million compared to the previous year, reflecting a 212.36% reduction year on year.

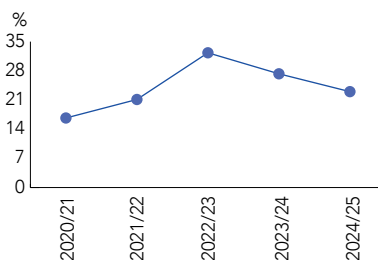
Other operating income dipped by 2.35%, mainly due to a decline in Takaful commissions.

OPERATING EXPENSES

Operating expenses rose by 24.69% to Rs. 251.54 million in the current year compared to Rs. 201.72 million in the previous year, largely as a consequence of higher personnel costs alongside substantial investments in employee welfare, performance incentives, and building a motivated and high-performing workforce. Inflation induced cost increases as well as routine increases in other operating expenses were also partly responsible for the escalation in operating expenses.

However, with the substantial expansion in income helping to offset the increase in operating expenses, AIF's cost-to-income ratio improved significantly, from 27.28% in the previous year to 23.19% FY 2024/25.

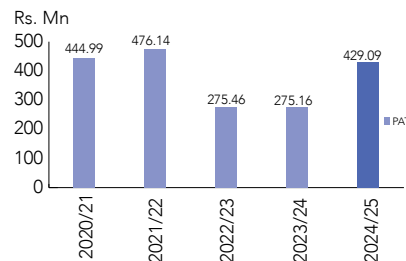
Cost to Income Ratio



PROFIT AFTER TAX

AIF recorded a notable increase in profit after tax, rising to Rs. 429.09 million in the financial year 2024/25 from Rs. 275.16 million in 2023/24. This represents a year-on-year growth of 55.94%, supported by increased revenue generation across its core product offerings coupled with enhanced operational efficiency and the emphasis on prudent cost management.

Profit After Tax



Reflecting this improved profitability, the Return on Assets (ROA) increased to 6.06% in FY 2024/25, up from 4.68% in the previous year, indicating more efficient utilisation of AIF's asset base in generating earnings. Likewise, the Return on Equity (ROE) also strengthened significantly to 11.51%, compared to 8.14% in 2023/24, highlighting the unit's improved ability to generate returns on shareholders' equity.

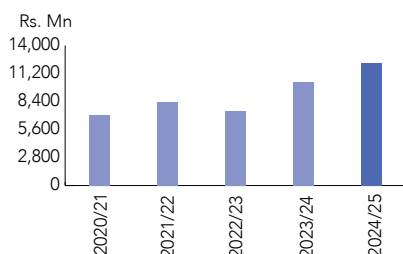
ROA & ROE



ASSETS

During the financial year ended 31 March 2025, AIF unit recorded strong growth in total assets, driven by robust expansion in the finance portfolio. The Unit's total assets grew by 18.55%, expanding to Rs. 12,273.73 million from Rs. 10,353.25 million in the previous financial year. Ijarah, Murabaha, Trading Murabaha and Musharaka and Wadi'ah gold safekeeping receivables represented approximately 68.77% of total assets, compared to 52.45% in the previous year.

Assets



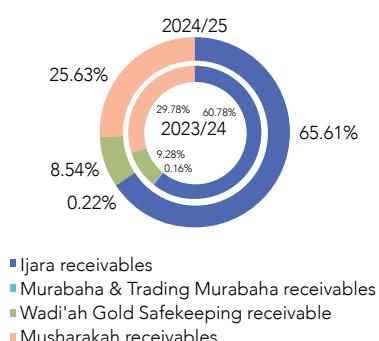
Total Lending Portfolio



FINANCING PORTFOLIO

Granting volumes registered impressive growth, expanding by 112.97% during 2024/25, underscored by the strategic and tactical measures implemented to grow AIF's captive market share. Incremental month-on-month growth in disbursements saw the total lending portfolio reaching Rs. 8,440.41 million by 31st March 2025, denoting a commendable 55.42% increase year-on-year. The Ijara portfolio alone expanded by 43.98% year-on-year, maintaining its dominance with a share of 60.78% of the total lending portfolio. The Musharakah and Wadia'h Gold safekeeping, Portfolios also recorded solid growth of 80.53% and 68.98% respectively in FY 2024/25, while the Trading Murabaha and Murabaha product portfolios declined in 2024/25 following the management decision to discontinue these product lines in keeping with market dynamics.

The composition of the lending portfolio

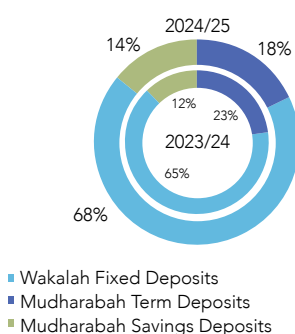


DEPOSIT PORTFOLIO

AIF's deposit base which includes Wakalah Investments, Mudharabah savings deposits and Mudharabah term deposits, grew to Rs. Rs. 7,952.64 million as on 31st March 2025, up by 22.4% from the Rs. 6,497.09 million reported at the end of the previous year.

Growing by 26.89% year on year from Rs. 4,235.65 million in the previous year to Rs. 5,374.83 million by the end of the current financial year, Wakalah Investments accounted for 67.59% of AIF's total deposits. Similarly, Mudharabah savings deposits also rose substantially to Rs. 1,132.70 million in FY 2024/25, up 43.88% from Rs. 787.27 million in 2023/24. In contrast, Mudharabah term deposits experienced a modest drop of 1.97%, to Rs. 1,445.11 million.

Composition of Deposits Portfolio





STEWARDSHIP

STRONG RESPONSIBILITY



CORPORATE GOVERNANCE

As a business unit within People's Leasing & Finance PLC (PLC), the Al-Safa Islamic Financial Services Unit (AIF) aligns its governance processes with PLC's strong commitment to ensuring long-term institutional stability, ethical conduct, and sustainable value creation for all stakeholders.

To this end, AIF operates under PLC's well-established governance framework, which sets out structured delegation of authority supported by clearly defined mandates, roles, and responsibilities that collectively facilitates effective decision-making, while ensuring accountability and transparency at every level of the business.

GOVERNANCE STRUCTURE

The Board of Directors of People's Leasing & Finance PLC (PLC) remains the ultimate governing authority, bearing responsibility for ensuring that the performance of AIF is fully aligned with the broader strategic objectives of PLC. Under the supervision of the PLC Board, the senior management team, led by the Chief Manager of AIF, is entrusted with providing leadership for the day-to-day functional and operational aspects of the Unit.

Meanwhile, given the specific requirements of AIF's unique business model as a dedicated Islamic finance solutions provider, an independent Shari'ah Supervisory Board (SSB) has been constituted to exercise functional oversight on matters relating to compliance with Shari'ah principles.

The distinction of the functions between the Board, Management, and the Shari'ah Supervisory Board allows for effective and efficient decision-making with clear accountabilities whilst internal control, ethics, various risk functions, policies and procedures, internal audit, external audit, and formal committees promote greater transparency.



Regulatory Requirements	Internal Frameworks	Voluntary Codes and Best Practices
<ul style="list-style-type: none"> ◆ Finance Business Act No. 42 of 2011 ◆ Companies Act No 7 of 2007 ◆ Listing rules of Colombo Stock Exchange ◆ Finance Business Act Direction No. 05 of 2021 on Corporate Governance ◆ Finance Business Act Direction No. 06 of 2021 on Assessment of Finess & Propriety of Key Responsible Persons ◆ The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and its amendments ◆ The Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments ◆ The Inland Revenue Act No. 24 of 2017 and its amendments ◆ The Shop and Office Employees Act No. 19 of 1954 and its amendments ◆ The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 ◆ All other applicable regulations 	<ul style="list-style-type: none"> ◆ Vision Mission and Corporate Values ◆ Articles of Association ◆ Corporate Governance Charter/ Board Charter ◆ Subsidiary /sub Subsidiary policy of parent ◆ Board-approved TORs of Board Committees ◆ Code of Business Conduct and Ethics ◆ Board-approved policy frameworks for governance, risk and operational areas including HR, IT security and data privacy ◆ Whistle blower protection Policy ◆ Internal control procedures and processes ◆ Anti-money laundering/KYC policy ◆ Corporate Communication Policy 	<ul style="list-style-type: none"> ◆ Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka ◆ GRI Standards issued by the Global Reporting Initiative ◆ IR Framework issued by IIRC ◆ ISO 27001 Information Security System Standards ◆ UNGC Sustainability Principles ◆ ILO Convention for Social and Labour, issues inducing Human Rights ◆ Sustainable Development Goals (SDG's)



Corporate Governance

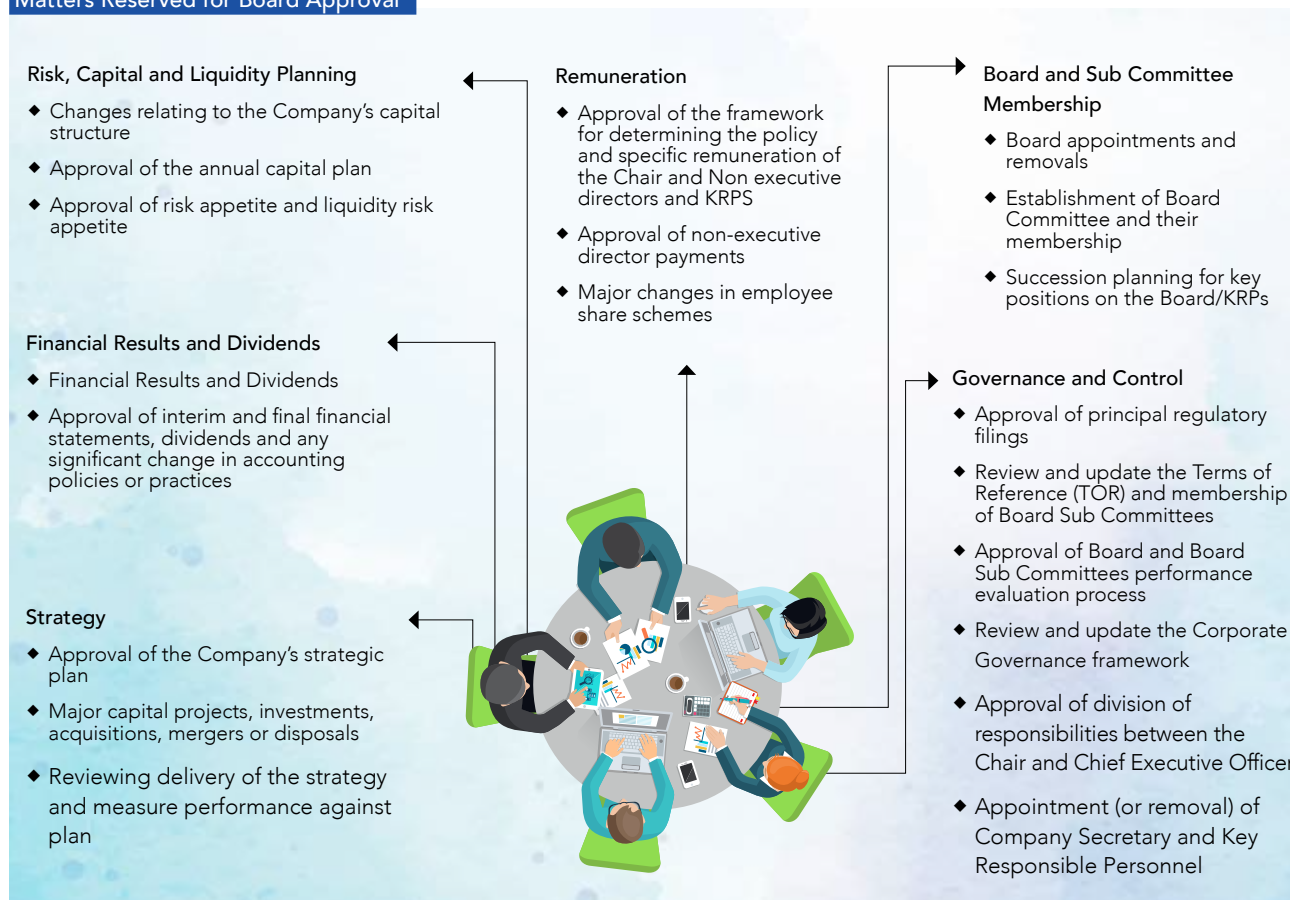
THE ROLE OF THE BOARD

The Board bears the critical responsibility for steering PLC towards sustainable long-term value creation for its stakeholders, ensuring all operations are conducted in line with the highest standards of integrity, accountability, and ethical conduct.

The Board operates in line with a clear mandate that defines the duties, responsibilities and expectations of the Board of Directors. As per the mandate the Board is entrusted with providing leadership to guide the formulation and implementation of PLC's corporate strategy and risk appetite, covering AIF as well. The Board is further required

to exercise independent judgment in reviewing, approving, and overseeing management's execution of the business strategy. The Board also plays a central role in evaluating performance across key financial and non-financial parameters, identifying course corrections as needed, and enabling a governance culture that supports innovation, agility, and resilience.

Matters Reserved for Board Approval



STRENGTHENING THE GOVERNANCE FRAMEWORK IN FY 2024/25

AIF maintains a proactive and adaptive approach that involves regularly reviewing and refining its governance framework, including policies, procedures and delegation of responsibilities in response to the dynamic internal and external environment in which it operates.



New Policies Implemented

- ◆ Anti-Corruption & Anti-Bribery Policy
- ◆ Credit Risk Management Framework
- ◆ Operational Risk Management Framework
- ◆ Policy on Environment, Social & Governance (ESG)
- ◆ Wadi'ah Gold Safekeeping Procedure Manual
- ◆ Legal Procedure Manual



Policies Reviewed and Updated

- ◆ Anti-Money Laundering (AML) Policy
- ◆ Compliance Charter & Policy Manual
- ◆ Policy on Outsourcing of Business Operations
- ◆ Policy on Post-Retirement Employment on Fixed Term Contract
- ◆ Disciplinary code
- ◆ Legal Procedure Manual Risk Appetite and Tolerance Statement
- ◆ Business Continuity Policy
- ◆ Policy on Information Protection Procedure
- ◆ Credit Policy
- ◆ Policy on writing-off of financial accommodations
- ◆ Procedure guideline on Anti Money Laundering & Combating the Financing of Terrorism

SHARI'AH SUPERVISORY BOARD (SSB)

The SSB functions as an independent assurance mechanism providing oversight on all matters pertaining to Shari'ah compliance. The SSB operates in accordance with its approved charter, which stipulates regular meetings be conducted to review the Institution's adherence to Shari'ah principles,

deliberate on emerging Shari'ah-related issues, and provide the necessary rulings and guidance. Furthermore, the SSB undertakes periodic Shari'ah audits to ensure ongoing compliance, transparency, and alignment with both regulatory requirements and the ethical tenets of Islamic finance.

The three member Shari'ah Supervisory Board (SSB) consists of duly qualified and recognized experts in Islamic finance and jurisprudence.



Mufti M.I.M. Rizwe
Member – Shari'ah Supervisory Board

Mufti M.I.M. Rizwe is a distinguished Islamic scholar and the President of the All Ceylon Jamiyyathul Ulama (ACJU), the apex body of Islamic theologians in Sri Lanka. A graduate of Jamiyyathul Uloomil Islamiya, Karachi, with specialization in Islamic Jurisprudence, he also holds M.A. degrees in Arabic and Islamic Studies from Wifaqul Madarisil Arabiya, Pakistan. With over three decades of service, Mufti Rizwe is a respected authority in Islamic scholarship, education, and interfaith harmony. He has delivered over 25,000 lectures worldwide, advocating peace and ethical conduct. He serves as a Shari'ah Advisor to leading financial institutions, including Amana Takaful, Bank of Ceylon, People's Leasing, and the Maldives Islamic Bank. Recognized among the 500 Most Influential Muslims in the World by the Royal Islamic Strategic Studies Centre, Jordan, Mufti Rizwe's leadership continues to inspire advancements in Islamic finance and moral governance globally.



Mufti Yoosuf Haniffa
Member – Shari'ah Supervisory Board

Mufti Yoosuf Haniffa is a distinguished Sri Lankan Islamic scholar, educator, and Shari'ah advisor, widely recognized for his contributions to Islamic finance, education, and community development. A graduate of the Islamic University of Karachi, he has played a leading role in advancing Islamic financial literacy and ethical governance since his return to Sri Lanka in 1993.

He serves as the Volunteer Chairman of the Zam Zam Foundation, a registered humanitarian NGO established in 2013, committed to empowering underprivileged communities across Sri Lanka. Its U.S. counterpart, Zam Zam Foundation USA Inc., is a 501(c)(3) tax-exempt nonprofit, and the organization obtained Special Consultative Status with the United Nations ECOSOC in 2023, underscoring its global recognition and credibility.

Renowned for his insight, eloquence, and ethical leadership, Mufti Yoosuf continues to guide institutions and inspire communities through his scholarship, public engagement, and steadfast dedication to Islamic values and social justice.



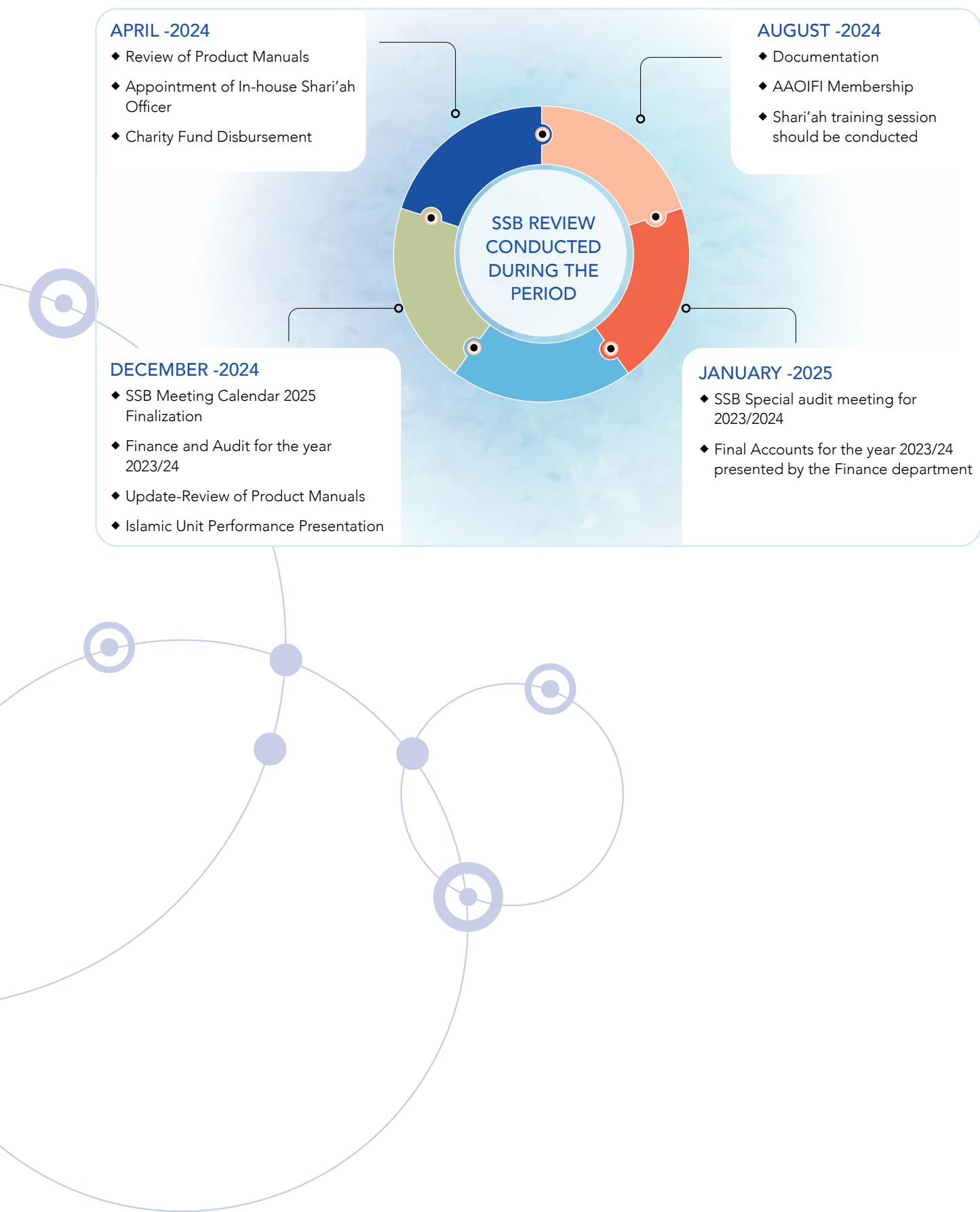
Ash-Sheikh Huzaifah Hussain
Member – Shariah Supervisory Board

Ash-Sheikh Huzaifah Hussain is a respected scholar in the field of Islamic Finance with extensive experience across Sri Lanka and the Maldives. He serves on the Shariah Boards of several leading Islamic financial institutions, including banks, finance companies, wealth management firms, and takaful operators.

He is actively engaged with the Fatwa Committee of the All Ceylon Jamiyyathul Ulama (ACJU), the supreme body of Islamic theologians in Sri Lanka, and has contributed as a Shariah consultant in pioneering initiatives such as establishing Islamic banking units, takaful operations, and waqf-based financial systems.

Widely recognized for his expertise in Shariah compliance frameworks, training programs, and scholarly works on Islamic commercial transactions, Ash-Sheikh Huzaifah continues to play a key role in advancing Islamic finance in the region. He joined the Shariah Supervisory Board of Al Safa Islamic Unit of People's Leasing on 24th November 2023.

Shari'ah Supervisory Board (SSB)



SHARI'AH BOARD ANNUAL AUDIT REPORT

To the Board of Directors of the People's Leasing & Finance PLC -Al Safa Islamic Finance Unit,

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the People's Leasing & Finance PLC -Al Safa Islamic Finance Unit during the period ended 31st March 2025.

We have also conducted our review to form an opinion as to whether the Al Safa Islamic Financial Services Unit has complied with the Shari'ah Rules and principles and also with the specific Fatwas, rulings and guidelines issued by us.

The Management of the Al- Safa Islamic Finance Unit is responsible for ensuring that it conducts its business in accordance with the Islamic Shari'ah Rules and principles. It is our responsibility to form an independent opinion, based on our review of the operations of the Al Safa Islamic Finance Unit and to report to you.

We conducted our review which included examining, on a test basis of each type of transaction, the relevant documentation and procedures adopted by the Al Safa Islamic Finance Unit. We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Al -Safa Islamic Finance Unit has adhered to the Islamic Shari'ah Rules and Principles.

IN OUR OPINION:

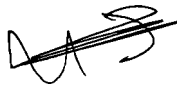
- 1) The contracts, transactions and dealings entered into by the People's Leasing & Finance PLC -Al Safa Islamic Finance Unit during the year ended 31st March 2025 that we have reviewed, are generally in compliance with the Islamic Shari'ah Rules and Principles; and
- 2) The allocation of profits to investment holders conform to the basis that had been approved by us in accordance with the Islamic Shari'ah Rules and Principles.

However, few observations have been forwarded by us to the Management of the Al- Safa Islamic Finance Unit for implementation and the Management is hereby advised to act accordingly.

We beg Allah the Almighty to grant us all the success and straight -forwardness.



Mufti M.I.M. Rizwe
Member, SSB



Mufti M.H.M. Yoosuf
Member, SSB



Ash Sheikh M.H.M. Huzaifah
Member, SSB

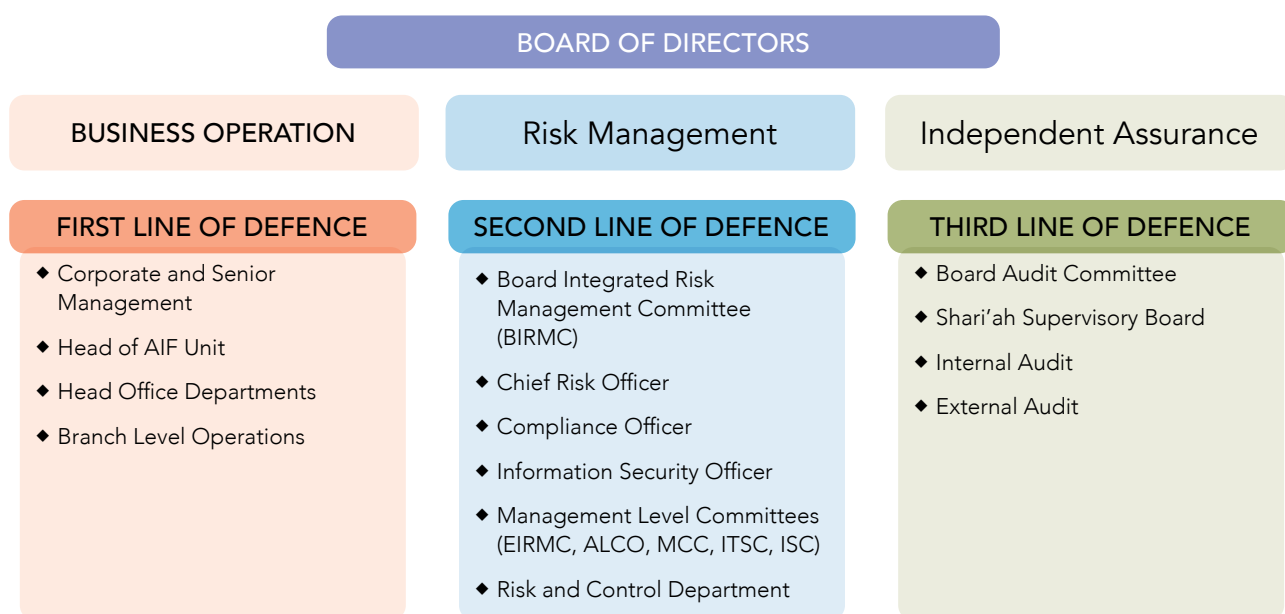
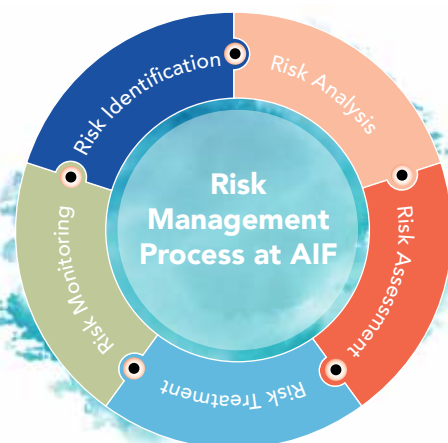
Date: 25th September 2025

RISK MANAGEMENT

OVERVIEW

As a business unit of People's Leasing & Finance PLC (PLC), AIF's approach to risk management is fully aligned with the best practices embedded within PLC's Integrated Risk Management (IRM) framework to identify, analyses, assess, treat and monitor risks across all aspects of its operations in a systematic and proactive manner. By mirroring PLC's IRM practices, AIF ensures risk management serves as an integral component of both strategic planning as well as decision-making in the day-to-day operations to build resilience against negative headwinds within the often-volatile financial services environment, safeguard stakeholder interests, and uphold the commitment to Shari'ah-compliant Principles.

Risk Governance The risk governance framework of PLC follows the three lines of defense model, which incorporates day-to-day operational activities, independent risk review and monitoring, as well as assurance functions. These three lines are distinguished based on their defined roles and responsibilities. Each line plays a critical part in identifying, monitoring and mitigating potential risks through the formulation of suitable and timely response strategies.



BOARD OF DIRECTORS AND RISK COMMITTEES

The PLC Board, as the highest governing body, sets the overall tone for risk management and defines the organisation-wide risk control framework, including AIF's business operations. The Board provides strategic oversight by reviewing key risks, by and establishing the framework that encompasses the risk

appetite, tolerance levels, policies, and procedures in line with the Company's short, medium, and long-term objectives.

Supporting the Board in its risk management responsibilities are several key Committees, including the Board Integrated Risk Management Committee (BIRMC), the Board Audit Committee (BAC), the Board Credit

Committee (BCC), and the Board Investment Committee (BIC). Together, these Board Committees monitor risks, provide recommendations, strengthen controls, and promote organisation-wide risk awareness. Additionally, the Shari'ah Supervisory Board (SSB) functions as an independent assurance mechanism providing oversight for Shari'ah compliance to ensure consistency with Shari'ah guidelines and risk management standards.

At the executive level, committees such as the Asset and Liability Committee (ALCO), IT Steering Committee (ITSC), Management Credit Committee (MCC), and the Executive Integrated Risk Management Committee (EIRMC), chaired by the CEO, COO, and CRO respectively, provide operational oversight and ensure a coordinated, proactive approach to managing the Company's overall risk exposure, including the Islamic finance portfolio.

RISK AND CONTROL DEPARTMENT

PLC's Risk and Control Department (RCD) continues to provide structured review, guidance, and independent oversight of the AIFs' activities. In this regard, the RCD is responsible for implementing the IRM framework including assessing emerging risks, ensuring regulatory compliance, and aligning AIF's growth strategies with the PLC's Strategic Plan.

The RCD manages overall portfolio risk exposures, including Islamic products, through a loan review mechanism, placing emphasis on comprehensive and consistent risk assessment rather than day-to-day facility reviews. Moreover, to reinforce robust credit discipline, and promote overall portfolio risk accountability across all segments, the Chief Risk Officer (CRO), who is a member of the Credit Committee, independently evaluates credit proposals, including Islamic credit facilities that exceed prescribed approval limits and provides appropriate recommendations as needed for the approval of higher authorities.

AIF RISK PROFILE

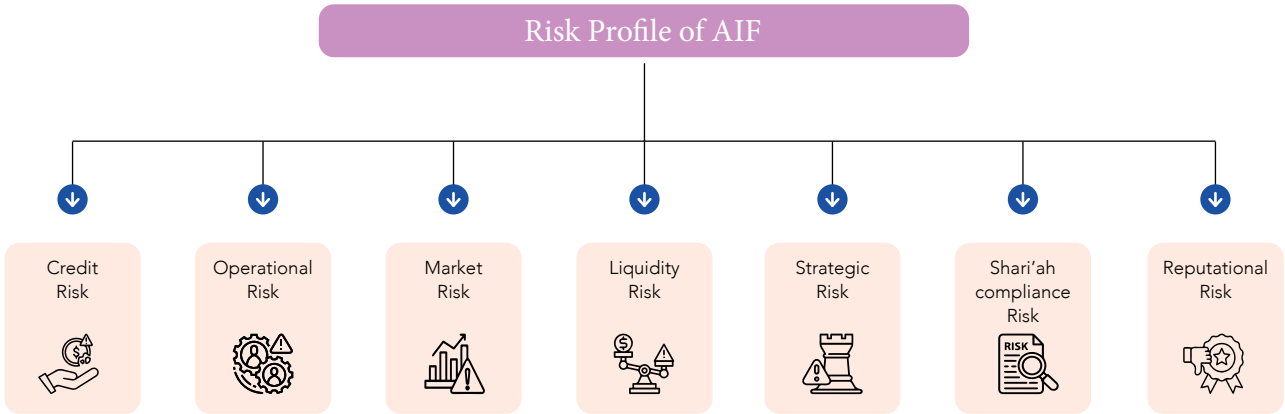
As an Islamic Financial Services provider, AIF faces several inherent risks associated with its business model. These include Credit, Operational, Market/ Liquidity, Strategic/ Reputation, and Shari'ah Compliance Risks. All risks are managed through policies, reviews, and mitigation measures underpinned by fundamental principles outlined within the IRM adopted by PLC.

RISK CONTEXT AND STRATEGY FOR FY 2024/25

The year 2024 was characterized by a gradually stabilising yet still fragile economic environment in Sri Lanka. Despite easing inflationary pressures and improving foreign reserves, the business climate remained challenging due to subdued consumer demand and lingering uncertainties.

Against this backdrop, AIF continued to manage risks in line with PLC's IRM framework. Additionally, we focused on strengthening early warning mechanisms and embedding additional controls to ensure timely identification of potential issues. At the same time, we took proactive steps to strengthen customer service excellence and product innovation leading

to several enhancements to existing Shari'ah-compliant solutions, alongside the introduction of new offerings to cater to changing customer requirements. These initiatives were implemented under close oversight to ensure that risk considerations were prioritized to sustain progress in a competitive and heavily regulated market.



Risk management

CREDIT RISK

Material Topics



Financial Stability



Sustainable Growth through Sustainable Finance

Credit Risk refers to the potential financial loss that may occur when a counter party or borrower fails to meet their contractual obligations. This concept encompasses not only individual defaults but also the risks that arise from excessive exposure to a single borrower, a group of borrowers, specific sectors, or geographic regions. This situation is commonly identified as concentration risk.

Given that AIF's core business is credit disbursement, credit risk represents the primary risk category. Accordingly, its management is based on well-defined credit-granting criteria, articulated

in the AIF's credit manuals, which facilitate comprehensive assessments of borrowers and counter parties, thereby mitigating credit concerns and limiting concentration risks. The effective management of credit risk is also supported by stringent post-credit monitoring, follow up, and recovery of dues with a view to minimizing arrears and non-performing advances. Staff training to promote disciplined credit management is another key aspect of the overall approach to managing credit risk.

During FY 2024/25, AIF's lending portfolio recorded a 55.42% year-on-year growth, a significant achievement underpinned by a strong credit risk management framework. Throughout

the year, credit exposures were systematically reviewed and monitored at the branch, regional, and head office levels, with particularly focus on repayment capacity, as well as sectoral and geographic concentrations.

Meanwhile, as testimony to the effectiveness of credit risk management strategies adopted consistently throughout the year, clear improvements were observed in key indicators, including a 48.44% year-on-year reduction in the non-performing advances portfolio (Stage 3) and a corresponding decline in the ratio of non-performing advances to 3.81%

OPERATIONAL RISK

Material Topics



Resource Optimisation



Health and Safety



Best Fit Employees



Customer Experience



Ethics and Integrity

Operational risk arises from inadequate or failed internal processes, people, systems, or external events, which could potentially hamper our ability to deliver services efficiently and in compliance with Shari'ah principles. To address this, the PLC has established an organization-wide Operational Risk Management Framework, supported by a robust internal control environment, clear segregation of duties, defined authority limits, and structured escalation procedures.

The RCD plays a central role by identifying, monitoring, and mitigating exposures through structured self-assessments, incident reporting, and audit reviews. Business Continuity Planning (BCP) exercises are regularly conducted to strengthen resilience and ensure preparedness for disruptions.


Operational risk events identified through these mechanisms are reviewed monthly and presented to the


Executive Integrated Risk Management Committee (EIRMC), enabling timely corrective actions and continuous enhancement of the risk framework.

In the year under review, the Shari'ah Supervisory Board conducted training sessions across the branch network to reinforce staff awareness of Shari'ah compliance requirements and operational risk controls.

MARKET RISK

Material Topics

 Financial Stability

 Sustainable Growth through Sustainable Finance

Market Risk represents the potential decline in value or earnings arising from changes in market-driven factors. AIF's primary exposure to Market Risk arises from fluctuations in profit-sharing returns and the value of profit-sensitive products, which may affect future income and expense levels.

PLC's Treasury Department closely monitors profit rate trends and submits reports to the Asset and Liability


Committee (ALCO), for the determining profit distribution under Mudharabah, Wakalah Investment, and the alignment of asset and liability portfolios with approved risk tolerance levels.


The Wadi'ah Gold Safekeeping product is also exposed to commodity price risk, arising from volatility in gold prices. In this regard, the RCD regularly monitors such price movements to ensure effective risk mitigation and

protect AIF's financial position. Stress testing is carried out by the RCD to evaluate the impact of adverse market conditions, with findings escalated to the Board Integrated Risk Management Committee (BIRMC) for timely strategic decision-making.

LIQUIDITY RISK

Material Topics

 Financial Stability

 Sustainable Growth through Sustainable Finance

Liquidity Risk stems from potential mismatches in cash inflows and outflows, which could affect AIF's ability to meet obligations on time. PLC's Treasury Department actively manages this risk by monitoring deposit base


movements, funding availability, and maturity gaps to ensure sufficient resources for operations.


Oversight is provided by the ALCO, which reviews liquidity indicators and contingency funding plans, while the


RCD conducts regular stress testing to evaluate resilience under stressed conditions to thereby safeguard stability and support growth. AIF's Liquidity Risk profile remains low, as PLC's strong financial position ensures adequate funds are maintained for day-to-day operations.

STRATEGIC RISK


Material Topics

 Financial Stability

 Resource Optimisation

 Best Fit Employees

 Sustainable Growth through Sustainable Finance

 Customer Experience

Strategic risk represents the potential impact on earnings and capital arising from shifts in the business environment, poor strategic decisions, ineffective implementation, or failure to respond to market changes.

AIF has adopted a holistic approach to managing strategic risk based on a comprehensive three-year strategic plan that prioritises organic growth by scaling up product offerings, while expanding island-wide reach. Regular reviews of the economic environment are undertaken to identify emerging

risks and refine strategies, thereby strengthening resilience and long-term sustainability.

These efforts are further supported by AIF's skilled and experienced team responsible for effective strategy delivery.

Risk management

SHARI'AH COMPLIANCE RISK

Material Topics



Inclusive Finance and Minimising Inequalities



Ethics and Integrity

Shari'ah Compliance Risk arises from the failure to adhere to Shari'ah rules and principles, which could result in reputational damage and materially affect the AIF's business operations. Shari'ah compliance risk is associated with AIF's diverse range of products, including Ijarah, Musharakah, Wadi'ah Gold Safekeeping, Mudharabah Term Deposits, Mudharabah Savings, Wakalah Investments, and the newly launched Ijarah Solar product.

Managing Shari'ah compliance falls under the purview of the Shari'ah Supervisory Board (SSB), which functions as an independent assurance body providing oversight on all matters pertaining to Shari'ah compliance. AIF obtained the Shari'ah Board's annual certificate/report for FY 2024/25, reaffirming the robustness of its compliance framework.

Meanwhile at the Company level, PLC's Compliance Function, overseen by the Compliance Officer, monitors adherence to regulatory requirements issued by the Central Bank of Sri Lanka.

REPUTATIONAL RISK

Material Topics



Financial Stability



Resource Optimisation



Health & Safety



Best Fit Employees



Sustainable Growth through Sustainable Finance



Climate Action



Inclusive Finance and Minimising Inequalities



Customer Experience



Ethical and Integrity

Reputation risk refers to any event or incident that could adversely impact the corporate brand. Reputation Risk for AIF remains low, given that it functions as a business unit within PLC - one of largest and most preferred financial services providers in Sri Lanka for nearly two decades, and as a flagship subsidiary of People's Bank, a premier state bank of the nation. The strength of this association reinforces customer confidence and mitigates reputational vulnerabilities.

Additionally, AIF actively manages its reputation through transparency, inclusivity and service excellence. This includes conducting financial literacy programmes to raise awareness regarding Islamic financing solutions, further reinforce its reputation as an ethical financial institution.

Additionally, AIF also engages in social responsibility initiatives. During the financial year 2024/25, a total of Rs. 23 million was allocated through the AIF Charity Fund, a platform dedicated towards supporting community empowerment and the social wellbeing of underserved communities across Sri Lanka.

Meanwhile AIF's commitment to excellence, reliability, and leadership in Islamic financial services was recognised both locally and internationally with a total of 12 awards during FY 2024/25.

FINANCIAL REPORTS

STEADY ENDURANCE



INDEPENDENT AUDITORS' REPORT



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

INF/C/PLF/2025/29

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

03 December 2025

Chairman

People's Leasing & Finance PLC

Report of the Auditor General on the Financial Statements of the Islamic Finance Services Unit of People's Leasing & Finance PLC for the year ended 31 March 2025

1. FINANCIAL STATEMENTS

1.1 Opinion

The audit of the special purpose financial statements of the Islamic Financial Services Unit of People's Leasing & Finance PLC (the "Unit") comprising the statement of financial position as at 31 March 2025 and the statement of comprehensive income for the year then ended 31 March 2025, and a summary of material accounting policy information and other explanatory information (together "the special purpose financial statements"), was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018.

In my opinion, the accompanying special purpose financial statements of the Unit as at 31 March 2025 are prepared in all material aspects in accordance with the accounting policies of the unit, as set out on pages 5 to 25 of these special purpose financial statements.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Basis of Preparation and restriction on distribution and use

I draw attention to the accounting policies set forth in pages 5 to 25 of these special purpose financial statements, which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose. My audit work has been undertaken so that I might state to the Chairman of the People's Leasing & Finance PLC, those matters that I am required to state, in an auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume the responsibility to anyone other than the addressee, for my audit work, for this report, or for the opinion I have formed. My opinion is not modified in respect of this matter.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the accounting policies, as set out on pages 5 to 25, and for such internal controls as management determines is necessary to enable the preparation of these special purpose financial statements that are free from material misstatements, whether due to fraud or error.

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இல. 306/72, போல்டன்ஸ் வீதி, பத்தரமுல்லை, இலங்கை.

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ag@auditorgeneral.gov.lk

www.naoal.gov.lk

In preparing these special purpose financial statements, management is responsible for assessing Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Unit's financial reporting process.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Unit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Unit to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.





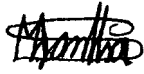

G H D Dharmapala
Auditor General (Acting)

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31st March	Note	2025 Rs.	2024 Rs.
Gross income		1,727,094,045	1,445,952,548
Income from Islamic Product		1,600,540,232	1,316,347,936
Less: Profit paid to investors and other financing expenses		642,247,952	706,623,858
Net income	5	958,292,280	609,724,078
Other operating income	6	126,553,813	129,604,612
Total operating income		1,084,846,093	739,328,690
Less: Impairment charge / (reversal) for credit losses	7	(17,165,153)	15,276,330
Net operating income		1,102,011,246	724,052,360
Less: expenses			
Personnel expenses	8	142,998,023	111,828,238
Depreciation and amortisation	9	27,881,713	28,885,908
Other operating expenses	10	80,661,352	61,004,595
Total operating expenses		251,541,088	201,718,741
Operating profit before taxes on financial services		850,470,158	522,333,619
Less : Taxes on financial services	11	164,387,655	104,875,887
Operating profit before income tax expense		686,082,503	417,457,732
Less : Income tax expense	12	256,991,828	142,293,858
Profit for the year		429,090,675	275,163,874
Other comprehensive income for the year			
Actuarial gains/ (losses) on retirement benefit obligation		(5,309,450)	(662,600)
Total comprehensive income for the year		423,781,225	274,501,274

Notes on pages 72 to 89 form an integral part of these Special Purpose Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	2025 Rs.	2024 Rs.
Assets			
Cash and cash equivalents	13	352,532,721	298,147,669
Ijarah, Murabaha, Trading Murabaha, Musharaka and Wadi'ah Gold safekeeping receivables	14	8,440,408,355	5,430,580,397
Other financial assets	15	3,378,463,246	4,504,834,544
Other assets	16	30,638,628	26,205,418
Property, plant and equipment	17	14,500,870	12,790,390
Right-of-use assets	18	57,190,904	80,694,062
Total assets		12,273,734,724	10,353,252,480
Liabilities			
Due to banks	19	40,497,263	31,469,493
Due to customers	20	7,952,642,272	6,497,092,451
Lease liabilities	21	76,288,330	95,029,900
Other liabilities	22	263,379,880	212,514,882
Total liabilities		8,332,807,745	6,836,106,726
Equity			
Retained earnings		3,940,926,979	3,517,145,754
Total equity		3,940,926,979	3,517,145,754
Total liabilities and equity		12,273,734,724	10,353,252,480
<p>We certify that these Special Purpose Financial Statements have been prepared in compliance with the requirements of the accounting policies.</p> <div>   </div> <div> <p>Priyankara Gangabadage Acting Chief Financial Officer</p> <p>Sanjeewa Bandaranayake Chief Executive Officer</p> </div> <p>The Board of Directors is responsible for the preparation and presentation of these Special Purpose Financial Statements.</p> <p>Approved and signed for and on behalf of the Board by;</p> <div>   </div> <div> <p>Prof. Ajantha Samarakoon Chairman</p> <p>Dr. Isuru Manawadu Director</p> </div> <p>Notes on pages 72 to 89 form an integral part of these Special Purpose Financial Statements.</p> <p>30 October 2025 Colombo</p>			

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

People's Leasing & Finance PLC (the 'Company') has set up the Islamic Financial Services Unit (the 'Unit') in October 2005 in compliance with Islamic Shari'ah Law. The Unit is located at No 33, Parkland Building, park Street, Colombo 02.

The principal activities of the Unit are providing Islamic Financial Services comprising Ijarah, Murabaha, Musharakah, Wadi'ah Gold Safekeeping, Mudharabah (profit sharing investments & savings) and Wakalah (term investments).

1.2 Basis of accounting

The special purpose financial statements of the Unit form part of the financial statements of People's Leasing & Finance PLC, which was prepared in accordance with the accounting policies of the Unit. Therefore, the isolated financial statements of the Unit should read in conjunction with the financial statements of People's Leasing & Finance PLC.

The special purpose financial statements of the Unit comprising statement of comprehensive income, statement of financial position and notes to the financial statements, which are together referred as Special Purpose Financial Statements.

2. BASIS OF PREPARATION

2.1 Responsibility for special purpose financial statements

The Board of Directors is responsible for preparation and presentation of these special purpose financial statements in accordance with the accounting policies of the Unit.

2.2 Basis of Measurements

The special purpose financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities that measured at fair value.

2.3 Presentation of special purpose financial statements

The assets and liabilities of the Unit in the statement of financial position grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Each material class of similar items presented separately in the special purpose financial statements. Items of dissimilar nature or functions too presented separately, unless they are immaterial.

2.4 Functional and Presentation Currency

The special purpose financial statements presented in Sri Lankan Rupees (Rs.), which is the functional and presentation currency of the Unit.

2.5 Rounding

The amounts presented in the Financial Statements have been rounded to the nearest rupee, unless otherwise specifically indicated.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.7 Comparative Information

The accounting policies of the Unit have consistently applied with those of the previous financial year. Comparative information is reclassified wherever necessary to comply with the current presentation.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the special purpose financial statements of the Unit requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Further, management is also required to

consider key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates.

Accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key significant accounting judgments, estimates and assumptions involving uncertainty are discussed below, whereas the respective carrying amounts of such assets and liabilities are as given in related notes to the special purpose financial statement.

3.1 Going Concern

The Unit's management has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Unit's ability to continue as a going concern. Therefore, the Special Purpose Financial Statements continue to be prepared on the going concern basis.

3.2 Fair value Measurement of Financial Instruments

The Unit measures the fair value of certain financial and non-financial assets and liabilities in accordance with SLFRS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Unit measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

3.3 Amortised Cost Measurement of Financial Instruments

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, plus the cumulative income, minus principal repayments, minus any reduction for impairment.

3.4 Impairment losses on Financial Accommodation.

In addition to the provisions made for possible financial accommodations and losses in accordance with the parameters and directives issued by the Central Bank of Sri Lanka, the Unit reviews its financial accommodation portfolio at each reporting date to assess whether additional impairment allowances are required to be recognised in the Statement of Profit or Loss.

The assessment of impairment involves the exercise of management judgment in estimating future cash flows, collateral values, and the timing of recoveries. These estimates are based on assumptions regarding various factors such as customer performance, economic conditions, and recovery experience. As actual results may differ from these estimates, subsequent adjustments to the impairment provisions may be necessary in future reporting periods.

3.5 Provision for Liabilities, Commitments, and Contingencies

Significant Judgments are made to recognise provisions for present obligations, estimating the outflow of resources. Contingent liabilities are disclosed when outflows are not probable or cannot be reliably measured. Commitments are disclosed as future contractual obligations.

3.6 Lease Liabilities and Right-of-Use Assets

The Unit reviews the lease terms, incremental financing profit rate, renewal options, and the measurement of lease liabilities and right-of-use assets at each reporting date. Management judgment is applied in estimating these values and assumptions; therefore, they are subject to uncertainty.

3.7 Useful lives of property, Plant & Equipment

The Unit reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

4.1.1 Ijara income

Profit arising from Ijarah assets is recognised over the term of the Ijarah, commencing from the month in which the Ijarah facility is executed so as to yield a constant periodic profit ratio on Ijarah assets.

4.1.2 Murabaha income

Profit arising from Murabaha assets is recognised over the term of the Murabaha, commencing from the month in which the Murabaha facility is executed so as to yield a constant periodic profit ratio on Murabaha assets.

4.1.3 Trading Murabaha income

The profits arising from Trading Murabaha transactions are recognised at the time of contracting if the sale is for cash or on credit not exceeding the financial period. Profit of a credit sale which will be paid for either by means of one payment due after the current financial period or by installments over several future financial periods are recognised so as to yield a constant periodic rate of return on the asset.

4.1.4 Musharakah income

Profit arising from Musharakah assets is recognised over the term of the Musharakah, commencing from the month in which the Musharakah facility is executed so as to yield a constant periodic profit ratio on Musharakah assets.

4.1.5 Fee and other income

Fees and other income that are integral to the financial asset or liability are included in the measurement of the amortised cost.

Other fees and other income, including account servicing fees are recognised as the related services are performed.

Collections on contracts written off are accounted for on cash basis.

4.2 Expenditure Recognition

4.2.1 Profit payable to Wakalah investors

Profit arising from Wakalah investment is recognised in the accounting period in which it is earned at an agreed profit sharing ratio. In the case of a loss, the Wakalah fund will bear the entire capital loss up to a maximum value not exceeding its capital investment provided that the conditions stipulated under the Wakalah agreement have been complied with.

4.2.2 Profit payable to the Mudharabah investors

Profit payable is recognised on accrual basis and credited to investors account when the profit is due on monthly, quarterly, biannually and annually. Investors are awarded points in terms of the value and period of their investment in Mudharabah operations on a basis determined by the Fund Manager from time to time. If the Mudharabah operation reports a profit, that would be distributed among investors in proportion to the number of points attributed to individual investors. If the Mudharabah operation reports a loss, that loss would have to be borne by the investors in proportion to the number of points attributed to individual investors. Profit distributed is added to the investment amount while losses apportioned are deducted from the investment amount.

4.2.3 Personnel expenses

Personnel expenses include salaries, bonus, terminal benefit charges, and other related expenses. The provision for bonus is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

Notes to the Financial Statements

Employees are eligible for Employees' Provident Fund (EPF) contribution and Employees' Trust Fund (ETF) contributions in accordance with the respective statutes and regulations.

Retirement benefit obligation is recognised in the Statement of Profit or Loss based on an actuarial valuation carried out for the gratuity liability in accordance with Sri Lanka Accounting Standard – LKAS 19 – “Employee Benefits”.

4.2.4 Other Expenditure Recognition

Other operating expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Profit or Loss in arriving at the profit for the year.

4.2.5 Taxation

◆ Income tax expense

Since the Unit is not liable for income taxation individually, income tax expense has been recorded at the effective tax rate of the company.

◆ Value added tax on financial services

VAT on FS calculate at the rate of 18% based on the value addition attributable to the financial services of the unit.

◆ Social Security Contribution Levy (SSCL)

The unit liable to pay SSCL on FS at the rate of 2.5% based on the value addition attributable to the financial services. Further, unit non-financial services liable on the turnover at the rate of 2.5%.

4.3 Financial Instruments

4.3.1 Date of recognition

All financial assets and liabilities except “regular way trades” are initially recognised on the trade date, i.e., the date that the Unit becomes a party to the contractual provisions of the instrument. “Regular way trades” means purchases or sales of financial assets

that requires delivery of assets within the time frame generally established by regulation or convention in the market place. Those trades are initially recognised on the settlement date.

4.3.2 Initial Measurement

The classification of financial instruments at initial recognition is based on their contractual cash flow characteristics and the business model under which they are managed. All financial instruments are initially measured at their fair value, plus any transaction costs that are directly attributable to the acquisition or issue of the instrument, except for financial assets measured at fair value through profit or loss, in accordance with Sri Lanka Financial Reporting Standard -SLFRS 9 on “Financial Instruments”.

Transaction costs related to financial assets measured at fair value through profit or loss are recognized directly in the Statement of Profit or Loss.

4.3.3 Classification and subsequent measurement of financial assets

The Unit classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms measured at either;

- ◆ Amortised cost
- ◆ Fair value through other comprehensive income (FVOCI)
- ◆ Fair value through profit or loss (FVTPL)

The subsequent measurement of financial assets depends on their classification.

Business model assessment

With effect from 1 April 2018, the Unit makes an assessment of the objective of a business model in which an asset is held at a portfolio level and not assessed on instrument-by- instrument basis because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- ◆ whether management's strategy focuses on earning contractual mark-up revenue, maintaining a particular profit ratio/rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- ◆ how the performance of the portfolio is evaluated and reported to the management;
- ◆ the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- ◆ the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking “worst case” or “stress case” scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Unit's original expectations, the Unit does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

[Assessment of whether contractual cash flows are solely payments of principal and mark-up \(SPPI test\)](#)

As a second step of its classification process the Unit assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

"Mark-Up (profit) is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Based on above assessments, subsequent measurement of financial assets is classified as follows.

Financial assets measured at amortised cost

Financial assets held to collect contractual cash flows where those cash flows represent solely payments of principal and agreed profit margin are measured at amortised cost using the effective profit method, less any impairment losses. This includes cash and cash equivalents, portfolio receivables, advances and other receivables.

Financial assets measured at FVOCI

Instruments are measured at FVOCI, if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the asset's cash flows represent payments that are solely payments of principal and mark-up on principal outstanding. This comprises equity securities and debt securities. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost. All other investments are measured at fair value after initial recognition.

Financial assets measured at FVTPL

As per SLFRS 9, all financial assets other than those classified at amortised cost or FVOCI are classified as measured at FVTPL. Financial assets at fair value through profit or loss include financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets and financial assets designated upon initial recognition at fair value through profit or loss.

Financial assets designated at fair value through profit or loss

As per SLFRS 9 – "Initial Recognition", the Unit may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis.

The Unit has not designated any financial assets upon initial recognition as at fair value through profit or loss as at the end of the reporting period.

4.3.4 Amortised cost- Financial Accommodations and Receivables

Financial accommodations are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition financial accommodations and receivables are measured at amortised cost. Financial accommodations and receivables comprise cash and cash equivalents, Ijarah, Murabaha, Trading Murabah, Musharakah, receivables and other receivables.

4.3.4.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts with banks. They are brought to Financial Statements at their face values or the gross values, where appropriate. There were no cash and cash equivalents held by the Unit that were not available for use. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

4.3.4.2 Ijarah Receivables

The Unit buys and rents out for a fee (Rental), the asset required by the client. The duration of the Ijarah and value of the rental is agreed in advance. Ownership of the asset will remain in the hands of the Unit until the end of the Ijarah term period. Ijarah receivables include the aggregate of the Ijarah rental Receivable, and net of unearned Ijarah income.

4.3.4.3 Murabaha Receivable (Trading Murabaha / Murabaha) and Musharakah Receivables

Trading Murabaha is sale of goods at a price, which includes a profit margin in addition to the cost. Murabaha is sale of goods on a deferred payment basis. Musharakah is a joint venture product for acquisition of assets. Amounts receivable under Trading Murabaha, Murabaha and Musharakah are included under "Trading Murabaha rentals receivables", "Murabaha receivables" and "Musharakah receivables" and are stated in the Statement of Financial Position after netting off the prepaid rentals, unearned income, and the provision for impairment.

4.3.4.4 Other Receivables

Other Receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

4.3.5 Classification and subsequent measurement of Financial Liabilities

The Unit initially recognises financial liabilities on the date that they are originated. The Unit classifies financial liabilities into the financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost. Other financial liabilities comprise Mudharabah investments, Wakalah investment, trade payables, accruals, and other payables.

4.3.6 De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial asset) is de-recognised when;

- ◆ The rights to receive cash flows from the asset which have expired;
- ◆ The Unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:

Notes to the Financial Statements

- ◆ The Unit has transferred substantially all the risks and rewards of the asset; or
- ◆ The Unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in Profit or Loss.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in Statement of Profit or Loss. The unit is having following financial liabilities provided to customers.

Mudharabah Savings Accounts

Mudharabah Savings Account is a profit earning account which offers customer a way to share profit distributions by investing their savings in a Shari'ah compliant manner.

The Unit invests deposited funds and shares the profits between the Unit and the customer based on the Unit's declared profit ratio at the end of each month following the concept of Mudarabah.

Salient features:

- ◆ Profit sharing
- ◆ Minimum deposit amount for individuals Rs. 500/-
- ◆ Profit distributions on monthly

Mudharabah Investment Account

Mudharabah Investment Account is a profit earning account that offers customers a way to share in the Unit's profit distributions by investing their money in a Shari'ah compliant manner based on the Mudharabah concept.

The Unit invests the deposited funds and shares the profits between the Unit and the customer based on the Islamic Finance Service Unit's declared profit rate at the end of each month, and paid on the maturity date.

Salient features:

- ◆ Profit sharing
- ◆ Profit distribution at maturity
- ◆ Flexible investment periods of 3, 6, 9 & 12 months
- ◆ The minimum deposit amount for customers is equal to Rs. 10,000/-

Wakalah Investment Account

Wakala Investment Account is an anticipated profit earning account which offers customers the opportunity to invest their money in a Shari'ah compliant manner based on the Wakalah concept.

The Unit invests deposited funds and shares the profits between the Unit and the customer based on the Islamic Finance Service Unit's predetermined profit rate paid on the maturity date. However, in case of a loss, the customer has to forego the entire capital invested as well as the profit component, where the Islamic Finance Service Unit's business has incurred losses and it is not due to gross negligence or misconduct.

Salient features:

- ◆ Anticipated profit return
- ◆ Profit distribution at maturity
- ◆ Flexible investment periods of 1,2,3,6,12,13,15,18,24,26 & 36 months
- ◆ The minimum deposit amount for customers is equal to Rs. 10,000,000/-

4.3.7 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis only when permitted under LKASs/ SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Unit's trading activity.

4.3.8 Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models.

4.3.9 Impairment

The Unit has established a policy to perform an assessment of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. SLFRS 9 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition.

Stage 1

Loans and receivables that is not originally credit-impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of lifetime expected credit losses (LTECL) that result from default events possible within next 12 months (12M ECL).

Stage 2

If a significant increase in credit risk (SICR) since origination is identified, it is moved to Stage 2 and the Unit records an allowance for LTECL.

Stage 3

If a loan is credit impaired, it is moved to Stage 3 and the Unit recognises an allowance for LTECL, with probability of default at 100%. So it is defined as credit impaired and default.

Significant increase in credit risk

When determining whether the risk of default on financial instruments has increased significantly since the initial recognition, the Unit will consider reasonable and supportable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information analysis based on the Unit's historical experience and expert credit assessment, including forward-looking information.

The Unit considers an exposure to have significantly increased credit risk when contractual payments of a customer are more than 30 days past due in accordance with the rebuttable presumption in SLFRS 9.

The Unit individually reviews at each reporting date, financial assets above a predefined threshold to identify whether the credit risk has increased significantly since origination, before an exposure is in default.

Individual impairment

Company will individually assess all significant customer exposures to identify whether there are any indicators of impairment. Financial assets with objective evidence of incurred losses

are classified as Stage 3. Financial assets which are individually significant but not impaired will be assessed collectively for impairment under either Stage 1 or Stage 2, based on the above specified criteria to identify whether there has been a significant credit deterioration since origination.

While establishing significant credit deterioration, the Unit will consider the following criteria:

- ◆ Other changes in the rates or terms of an existing financial instrument that would be significantly different if the instrument was newly originated.
- ◆ Significant changes in external market indicators of credit risk for a particular financial instrument or similar financial instrument - Other information related to the borrower, such as changes in the price of a borrower's debt/equity instrument.
- ◆ Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligation.
- ◆ An actual or expected significant change in the operating results of the borrower in relation to actual/expected decline in revenue, increase in operating risk, working capital deficiency, decrease in asset quality, increase in gearing and liquidity management problems.
- ◆ Significant increase in credit risk on other financial instruments of the same borrower.
- ◆ An actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that results in a significant change in the borrower's ability to meet the debt obligation.

Collective impairment

As explained the above, Company calculates ECL either on a collective or individual basis. Asset classes where Company calculates ECL on an individual basis includes all individually significant assets which belong to stage

3. All assets which belong to Stage 1 and 2 will be assessed collectively for Impairment. The Company groups smaller homogeneous exposures based on a combination of internal and external characteristics such as product type, customer type, days past due etc.

Calculation of Expected Credit Loss (ECL)

The Company calculates ECL based on 3 probability weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the Effective Profit Rate (EPR). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculation are outlined below and the key elements are as follows:

Probability of Default (PD)

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may occur at a specific time during the assessed period if the facility has not been previously derecognised and remains in the portfolio.

Exposure at Default (EAD)

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and income, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities.

Loss Given Default (LGD)

The Loss Given Default (LGD) is an estimate of the loss arising in the event of a default at a given time. It is based on the difference between the contractual cash flows due and those the lender expects to receive, including from the realization of any collateral. LGD is calculated on a discounted cash flow basis using EPR as the discounting factor and is usually expressed as a percentage of the EAD.

Notes to the Financial Statements

When estimating ECL, the Company considers 3 scenarios (base case, best case and worst case). Each of these scenarios are associated with different loss rates. For all products, Company considers the maximum period over which the credit losses are determined as the contractual life of a financial instrument.

Forward-looking information

The Unit incorporates forward-looking information into both its assessment as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Unit also obtained experienced credit judgment to formulate a base case and a worst case scenario. The base case represents a most-likely outcome and is aligned with information used by the Unit for strategic planning and budgeting.

The Unit has identified and documented key drivers of credit risk both quantitative and qualitative for various portfolio segments. Quantitative economic factors are based on economic data and forecasts published by CBSL and supranational organisations such as IMF.

Quantitative drivers of credit risk	Qualitative drivers of credit risk
Lending rate (AWPLR)	Status of industry business
GDP growth	Regulatory impact
Rate of inflation	Government policies
Unemployment rate	
Exchange rate	

4.4 Property Plant and Equipment

4.4.1 Basis of recognition

Property, plant and equipment are tangible items that are held for servicing or for administrative purposes and are expected to be used during more than one year.

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the asset will flow to the Unit and cost of the asset can be measured reliably.

4.4.2 Basis of measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring at

the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of computer equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The Unit apply the cost model to property, plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

4.4.3 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Unit and its cost can be measured reliably. The cost of

day-to-day servicing of property, plant and equipment are charged to the Statement of Comprehensive income.

4.4.4 Repairs and maintenance

Repairs and maintenance are charged to the Statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets, when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Unit and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

4.4.5 Derecognition

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in "other operating income" in the Statement of comprehensive income in the year the asset is derecognised.

4.4.6 Depreciation

Depreciation is recognised in Statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Name boards	5 Years
Computer hardware	5 Years
Office equipment	5 – 10 Years
Furniture and fittings	5 Years
Motor vehicles	5 - 8 Years

The depreciation rates are determined separately for each significant part of an item of property, plant and equipment

and commence to depreciate when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

4.4.7 Useful lives of property, plant and equipment

The Unit depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects Management's estimate of the period that the Unit intends to derive future economic benefits from the use of the Unit's property, plant and equipment. The residual value reflects Management's estimated amount that the Unit would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

4.5 Right-of-use assets

The Unit determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Unit has several lease contracts for branches that include extension and termination options. The Unit applies judgement in evaluating whether it is reasonably certain whether or not to exercise

the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, the Unit reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term in accordance with the pattern of benefits provided. Leasehold property comprising of land use rights and is amortised on a straight line basis over the remaining lease term.

4.6 Other Assets

The Unit classify all their other assets as other financial assets and other non-financial assets. Other non-financial assets mainly comprise of advance payments. Advance payments are carried at historical cost.

4.7 Liabilities and Provisions

4.7.1 Lease liabilities

The Unit recognises lease liabilities measured at present value of lease payments to be made over the lease term at the commencement date of the lease.

4.7.2 Employee Benefit Retirement Benefit Obligation – Gratuity

The Unit measures the present value of the promised retirement benefits for gratuity, which is a retirement benefit plan with the advice of an independent professional actuary using the 'Projected Unit Credit method' (PUC) as required by the Sri Lanka Accounting Standard-LKAS 19 - 'Employee Benefits'. The Unit recognises the total actuarial gains and losses that arise in calculating the Unit's obligation in respect of the plan in Statement of Comprehensive Income during the period in which it occurs.

The retirement benefit plan of the Entity was amended due to the increase in retirement age enacted by the minimum Retirement age of workers Act No. 28 of 2021.

The gratuity liability is not externally funded.

Defined Contribution Plans – Employees' Provident Fund & Defined Contribution Plans – Employee's Trust Fund

A defined contribution plan is a post-employment benefit plan under which a unit pays fixed contribution into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods as defined in the Sri Lanka Accounting Standard –LKAS 19 (Employee Benefits).

The contribution payable to a defined contribution plan is in proportion to the services rendered to the unit by the employees and is recorded as an expenses when they become due. The unit and employees' contribution to the Employees' provident Fund managed by the Central Bank of Sri Lanka at 12% and 8% respectively on the gross salary of each employee.

The unit contributes to the Employees' Trust Fund at 3% on the gross salary of each employee.

4.7.3 Other Provisions

Provisions are recognised when the Unit has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements

5. NET INCOME

For the period ended 31st March	2025 Rs.	2024 Rs.
Income from Islamic Product		
Profit margin - Ijara, Murabaha, and Trading murabaha	846,200,042	565,996,323
Profit margin - Musharakah	240,437,037	262,953,765
Profit margin - Wadi'ah Gold safekeeping	88,661,046	49,729,709
Profit margin - Wakalah	425,242,107	437,668,139
Total income	1,600,540,232	1,316,347,936
Profit paid to investors and other financing expenses		
Profit paid to investors		
Mudharabah savings	38,161,109	23,742,701
Mudharabah Investments	124,077,971	160,618,937
Wakalah Investments	468,207,882	511,901,006
Total Profit paid	630,446,962	696,262,644
Other financing expenses		
Expenses on operating lease liability	11,800,990	10,361,214
Total profit paid to investors and other financing expenses	642,247,952	706,623,858
Net income	958,292,280	609,724,078

6 OTHER OPERATING INCOME

For the period ended 31st March	2025 Rs.	2024 Rs.
Takaful commission	14,165,117	27,612,231
Other fees recovered	112,388,696	101,992,381
Total	126,553,813	129,604,612

7 IMPAIRMENT CHARGE / (REVERSAL) FOR CREDIT LOSSES

For the period ended 31st March	2025 Rs.	2024 Rs.
Impairment charge / (reversal)		
on Ijarah	(20,889,891)	(25,470,318)
on Murabaha	(2,047,018)	(1,145,108)
on Trading Murabaha	(131,966,494)	27,143,634
on Musharakah	(2,757,522)	10,148,318
on Wadi'ah Gold safekeeping	2,464,922	839,110
Total impairment charge/ (reversal)	(155,196,003)	11,515,636
Loss on disposals of collaterals including write- offs	141,789,994	9,560,509
Recovery of written-off debts	(3,759,144)	(5,799,815)
Total	(17,165,153)	15,276,330

8 PERSONNEL EXPENSES

For the period ended 31st March	2025 Rs.	2024 Rs.
Remuneration	128,491,299	97,613,920
Employee benefit – Defined contribution plans (EPF/ETF)	8,243,310	7,719,141
Employee benefit – Retirement benefit obligation- Gratuity	6,263,414	6,495,177
Total	142,998,023	111,828,238

9 DEPRECIATION AND AMORTISATION

For the period ended 31st March	2025 Rs.	2024 Rs.
Depreciation of property, plant and equipment	4,378,555	3,819,574
Amortisation – Right-of-use assets	23,503,158	25,066,334
Total	27,881,713	28,885,908

Notes to the Financial Statements

10 OTHER OPERATING EXPENSES

For the period ended 31st March	2025 Rs.	2024 Rs.
Auditor's remunerations	540,000	501,744
Professional fees	885,000	445,000
Legal fees	253,100	118,204
Office administration and establishment expenses	78,983,252	59,939,647
Total	80,661,352	61,004,595

11 TAXES ON FINANCIAL SERVICES

For the period ended 31st March	2025 Rs.	2024 Rs.
VAT on financial services	143,041,871	90,858,264
SSCL on Financial Services	21,345,784	14,017,623
Total	164,387,655	104,875,887

VAT ON FINANCIAL SERVICES

VAT on financial services is calculated in accordance with Value Added Tax (VAT) Act No. 14 of 2002 and subsequent amendments thereto. The value base for the computation of value added tax on financial services is calculated by adjusting the economic depreciation computed on rates prescribed by the Department of Inland Revenue to the accounting profit before income tax and emoluments payable. Emoluments payable include cash benefits, non-cash benefits including terminal benefits. VAT on financial services rate applied for the current financial year is 18% (2023/24 - 18%).

SSCL ON FINANCIAL SERVICES

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of supplying financial services, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No. 25 of 2022 (SSCL Act), at the rate of 2.5%, with effect from 01 October 2022. SSCL is payable on 100% of the Value Addition attributable to financial services. The Value Addition attributable to financial services shall be computed for the payment of SSCL on the business of supplying financial services by applying the attributable method referred in to Chapter III A of the value Added Tax Act No. 14 of 2002.

12 INCOME TAX EXPENSE

For the period ended 31st March	2025 Rs.	2024 Rs.
Income Statement		
Current income tax charge	256,991,828	142,293,858
Income tax expense recognised in income statement	256,991,828	142,293,858
Effective tax rate	37.75%	34.14%

13 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents include cash in hand and balance with banks. They are brought to account at the face value or the gross value where appropriate. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

	2025 Rs.	2024 Rs.
Cash in hand	146,157,573	122,808,022
Current Accounts with Banks	206,375,148	175,339,647
Total	352,532,721	298,147,669

14 IJARAH, MURABAHA, TRADING MURABAHA, MUSHARAKA, AND WADI'AH GOLD SAFEKEEPING RECEIVABLES

Recognition

Financial accommodations and receivables from customers are measured initially at fair value plus transaction costs.

Measurement

After initial recognition accommodation and receivables from customers are subsequently measured at amortised cost using the Effective Profit Rate less loss, allowance based on expected credit losses. Amortised cost is calculated by taking into account any fee and cost that are integral parts of Effective Profit Rate. The amortisation is included in advance income in the Statement of Profit or Loss.

For the period ended 31st March	2025 Rs.	2024 Rs.
Ijarah, Murabaha, Trading Murabaha, Musharaka and Wadi'ah Gold Safekeeping receivables (Note 14.1)	8,656,863,263	5,802,231,309
Less:		
Individual impairment charges (Note 14.2)	49,024,558	42,057,628
Collective impairment charges (Note 14.2)	167,430,350	329,593,284
Net Ijarah, Murabaha, Trading Murabaha, Musharaka and Wadi'ah Gold safekeeping receivables	8,440,408,355	5,430,580,397

Notes to the Financial Statements

14.1 Analysis by product

For the period ended 31st March	2025 Rs.	2024 Rs.
Ijarah receivables	5,176,237,082	3,629,917,692
Murabaha receivables	4,074,888	6,121,905
Trading Murabaha receivables	102,587,636	232,855,862
Musharaka receivables	2,587,328,983	1,468,959,286
Wadi'ah Gold safekeeping receivables	786,634,674	464,376,564
Gross total	8,656,863,263	5,802,231,309

14.2 Movement in Individual and collective impairment charges during the year

Impairment allowance for Ijarah, Murabaha, Trading Murabaha, Musharaka and Wadi'ah Gold Safekeeping receivables to customers.

A reconciliation of the allowance for impairment losses for Ijarah, Murabaha, Trading Murabaha, Musharaka and Wadi'ah Gold Safekeeping receivables by class, is as follows:

	Ijarah Rs.	Murabaha Rs.	Trading Murabaha Rs.	Musharakah Rs.	Wadi'ah Gold Safekeeping Rs.	Total Rs.
As at 1 April 2024	66,725,634	3,082,635	224,121,588	76,881,945	839,110	371,650,912
Charge/(Reversal) for the period	(20,889,891)	(2,047,018)	(131,966,494)	(2,757,523)	2,464,922	(155,196,004)
As at 31st March 2025	45,835,743	1,035,617	92,155,094	74,124,422	3,304,032	216,454,908
Individual impairment	-	-	3,556,218	45,468,340	-	49,024,558
Collective impairment	45,835,743	1,035,617	88,598,876	28,656,082	3,304,032	167,430,350
Total	45,835,743	1,035,617	92,155,094	74,124,422	3,304,032	216,454,908
As at 1 April 2023	92,195,952	4,227,743	196,977,954	66,733,627	-	360,135,276
Charge/(Reversal) for the period	(25,470,318)	(1,145,108)	27,143,634	10,148,318	839,110	11,515,636
As at 31st March 2024	66,725,634	3,082,635	224,121,588	76,881,945	839,110	371,650,912
Individual impairment	-	-	-	42,057,628	-	42,057,628
Collective impairment	66,725,634	3,082,635	224,121,588	34,824,317	839,110	329,593,284
Total	66,725,634	3,082,635	224,121,588	76,881,945	839,110	371,650,912

15. OTHER FINANCIAL ASSETS

For the period ended 31st March	2025 Rs.	2024 Rs.
Short Term Wakalah	3,378,463,246	4,504,834,544
Total	3,378,463,246	4,504,834,544

16. OTHER ASSETS

For the period ended 31st March	2025 Rs.	2024 Rs.
Advance payments	23,794,588	18,157,585
Other Receivables	6,844,040	8,047,833
Total	30,638,628	26,205,418

17. PROPERTY, PLANT AND EQUIPMENT

	Name boards Rs.	Computer hardware Rs.	Office equipment Rs.	Furniture and fittings Rs.	Motor vehicles Rs.	Total Rs.
Cost						
Balance at 01 April 2024	2,913,847	20,049,830	23,338,241	11,726,546	264,000	58,292,464
Additions / Transfers	-	27,000	6,062,034	-	-	6,089,034
Disposals / Transfers	-	-	-	-	-	-
As at 31st March 2025	2,913,847	20,076,830	29,400,276	11,726,546	264,000	64,381,498
Less: Accumulated depreciation						
Balance at 01 April 2024	2,384,641	17,759,956	15,540,530	9,660,197	156,750	45,502,074
Charge for the year	244,245	927,937	2,598,682.99	606,040	1,650	4,378,555
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31st March 2025	2,628,886	18,687,892	18,139,213	10,266,237	158,400	49,880,628
Net book value as at 31 March 2025	284,961	1,388,938	11,261,063	1,460,309	105,600	14,500,870

Notes to the Financial Statements

17. PROPERTY, PLANT AND EQUIPMENT (CONTD)

	Name boards Rs.	Computer hardware Rs.	Office equipment Rs.	Furniture and fittings Rs.	Motor vehicles Rs.	Total Rs.
Cost						
Balance at 01 April 2023	3,070,504	18,880,914	17,400,247	10,510,446	264,000	50,126,111
Additions / Transfers	-	1,168,916	5,970,794	1,183,300	-	8,323,010
Disposals / Transfers	(156,657)	-	(32,800)	32,800	-	(156,657)
Balance at 31 March 2024	2,913,847	20,049,830	23,338,241	11,726,546	264,000	58,292,464
Less: Accumulated depreciation						
Balance at 01 April 2023	2,229,819	16,524,209	13,941,751	9,006,428	136,950	41,839,157
Charge for the year	311,479	1,235,747	1,631,579	620,969	19,800	3,819,574
Transfers	-	-	(32,800)	32,800	-	-
Disposals	(156,657)	-	-	-	-	(156,657)
Balance at 31 March 2024	2,384,641	17,759,956	15,540,530	9,660,197	156,750	45,502,074
Net book value as at 31 March 2024	529,206	2,289,874	7,797,711	2,066,349	107,250	12,790,390

18. RIGHT-OF-USE ASSETS

For the period ended 31st March	2025 Rs.	2024 Rs.
Cost		
Balance as at 1 April	164,999,453	153,250,263
Balance as at 1 April – Adjusted	164,999,453	153,250,263
Adjustment	-	11,749,190
As at 31st March	164,999,453	164,999,453
(Less): Accumulated amortisation		
Balance as at 1 April	84,305,391	59,239,057
Amortisation	23,503,158	25,066,334
As at 31st March	107,808,549	84,305,391
Net book value at 31 March	57,190,904	80,694,062

19. DUE TO BANKS

For the period ended 31st March	2025 Rs.	2024 Rs.
Overdraft **	40,497,263	31,469,493
Total	40,497,263	31,469,493

** Overdraft represents the cash book balance

20. DUE TO CUSTOMERS

Accounting Policy

These include savings deposits and term deposits. Customer deposits are initially recognised at fair value net of transaction cost. Subsequent to initial recognition deposits are measured at their amortised cost using the Effective Profit Rate method. Profit paid/payable on these deposits is recognised in the Statement of Profit or Loss.

For the period ended 31st March	2025 Rs.	2024 Rs.
Mudharabah Investments	1,445,112,618	1,474,173,748
Wakalah Investments	5,374,829,701	4,235,653,363
Mudharabah Savings	1,132,699,953	787,265,340
Total	7,952,642,272	6,497,092,451

21. LEASE LIABILITIES

The present value of lease commitments as at 1 April 2019 has been calculated using weighted average incremental financing profit rate of 13.05% (2024-14.91%).

The Unit applied modified retrospective approach in accordance with SLFRS 16 when accounting for Right-of-use assets and operating lease liabilities.

For the period ended 31st March	2025 Rs.	2024 Rs.
Balance as at 1 April	95,029,900	101,184,831
	95,029,900	101,184,831
Additions/renewal of operating lease agreements during the year	-	11,749,190
Accretion of finance expense	11,800,990	10,361,214
Payments to lease creditors	(30,542,560)	(28,265,335)
Expiration of operating lease agreements during the year	-	-
Balance as at 31 March	76,288,330	95,029,900

Notes to the Financial Statements

22. OTHER LIABILITIES

For the period ended 31st March	2025 Rs.	2024 Rs.
Insurance Payable	42,504,003	35,516,061
Retirement Benefit Obligations (Note 22.1)	29,831,857	18,882,047
Charity Fund Payable	23,300,457	23,672,147
Other Liabilities	167,744,193	134,289,368
VAT Payable	(630)	155,259
Total	263,379,880	212,514,882

22.1 Retirement Benefit Obligations

For the period ended 31st March	2025 Rs.	2024 Rs.
Balance as at 01 April	18,882,047	15,589,799
Amount recognise in Statement of Profit or Loss (Note 22.1.1)	6,263,414	6,495,178
Amount recognise in Statement of Comprehensive Income (Note 22.1.2)	5,309,450	662,600
Benefits paid during the year	(623,054)	(3,865,530)
Balance as at 31 March	29,831,857	18,882,047

22.1.1 Amount recognise in Statement of Profit or Loss

For the period ended 31st March	2025 Rs.	2024 Rs.
Current service cost	3,698,265	4,491,058
Net income on the net defined benefit liability	2,565,149	2,004,120
Total amount recognised in Statement of Profit or Loss	6,263,414	6,495,178

22.1.2 Amount recognise in Statement of Comprehensive Income

For the period ended 31st March	2025 Rs.	2024 Rs.
Losses/(Gains) due to changes in assumptions	3,736,965	2,103,947
Experience Losses/(Gains) arising during the year	1,572,485	(1,441,347)
Total actuarial (losses)/gain recognised in Statement of Comprehensive Income	5,309,450	662,600

22.1.2 Amount recognise in Statement of Comprehensive Income (Contd)

For the period ended 31st March	2025	2024
As at 31st March		
Actuarial assumptions		
Discount rate	10.00%	12.00%
Future salary increment rate	10.00%	10.00%
Mortality	A1967/70 ultimate mortality	A 1967/70 Ultimate mortality
Disability	Standard RI rates	Standard RI rates
Retirement age	60 Years	60 years
Expected average working life of the active participants is 6 years for the year ended 31st March 2025. (6 - 2024)		

23 RELATED PARTY DISCLOSURE

23.1 Transactions with Key Management Personnel

As per the Sri Lanka Accounting Standard (LKAS -24) - "Related Party Disclosures", the KMPs include those who are having authority and responsibility for planning, directing and controlling the activities of the Islamic Finance Services Unit. Accordingly, the Board of Directors and members of the Corporate Management of the Company have been classified as KMPs of the Islamic Finance Services Unit. There were no transactions with key Management Personal during the year.

24 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no other material events occurring after the reporting date that require adjustments to or disclosure in the special purpose financial statements.

25 COMMITMENTS

The commitment of the unit for Wadi'ah Gold Safekeeping un-utilised facilities incidental to the ordinary course of unit is Rs.8,605,341.06 as at 31st March.

26 CONTINGENCIES

There were no material contingent liabilities outstanding as at the reporting date, which require adjustment to or disclosure in the special purpose financial statements.

27 COMPARATIVE INFORMATION

Certain line items in the statement of comprehensive income have been reclassified to align with Islamic finance terminology. Accordingly, "Financing Income" has been re-presented as "Income from Islamic products", and "Finance Expenses" have been re-presented as "Profit Paid to Investors and Other Financing Expenses." These reclassifications are presentation-based and have no impact on the reported profit or equity.

BRANCH NETWORK - PEOPLE'S LEASING & FINANCE PLC

Name	Province	Address	Telephone
Dambulla	Central	632 Anuradhapura Road Dambulla	066-2284252
Digana	Central	118/E Rajawella 2 Digana	081-2376923
Gampola	Central	No 31 Nawalapitiya Rd Gampola	081-2353030
Hatton	Central	199/B/1 Dimbulla Road Hatton	051-2225683
Kandy	Central	177 D S Senanayaka Weediya Kandy	081-2236280
Kandy Alsafa	Central	45 Katugasthota Rd Kandy	081-2205043
Katugasthota	Central	No 431 Katugasthota Road Kandy	081-2205947
Matale	Central	568 Trincomalee Street Matale	066-2226400
Nawalapitiya	Central	65 Ambagamuwa Road Nawalapitiya	054-2224481 /4482 /4483
Nuwara Eliya	Central	36K Ramanathan Complex Park Road NuwaraEliya	052-2224120
Pilimathalawa	Central	No 174 Colombo Road Pilimathalawa	081-2056336
Ampara	Eastern	No149 Kumarasiri Building Nidahas Mawatha Ampara	063-2223676/ 3680
Batticaloa	Eastern	No 26 New Kalmunai Road Batticaloa	065-2226512
Kalawanchikudi	Eastern	No 251 Main street Kaluwanchikudy 09	065-2251660
Kalmunai	Eastern	No 39 Batticalo Road Kalmunai	067-2225486
Kanthale	Eastern	72/1 Agrabodhi Mawatha Kantale	026-2234484
Kattandudy	Eastern	No 187 Main Street Kattankudy	065-2248341
Mutur	Eastern	No 257 Batticaloa Road Mutur	026-2238276
Trincomalee	Eastern	275 Main Street Trincomalee	026-2225285
Anuradapura	North Central	387 Harischandra Mawatha Anuradhapura	025-2224903
Galenbindunuwewa	North Central	87/61 Near People's Bank Galenbindunuwewa	025-2258033
Hingurakgoda	North Central	13 Govi Mawatha Hingurakgoda	027-2245484
Kekirawa	North Central	12/A Thalawa Road Kekirawa	025-2264821
Medawachchiya	North Central	76/D Jaffna Road Medawachchiya	025-2245209
Polonnaruwa	North Central	No 407 Main Street Kaduruwela Polonnaruwa?	027-2225793
Thabuttegama	North Central	No 326 Queens Junction Kurunegala Road Thambuttegama	025-2276180
Anamaduwa	North Western	57 Kurunegala Road Anamaduwa	032-2263488
Chilaw	North Western	No 10 Colombo Road Chilaw	032-2224101
Kuliyapitiya	North Western	21 Madampe Road Meegahakotuwa Kuliyapitiya	037-2281357/1353
Kurunegala	North Western	No 183B Colombo Road Kurunegala	037-2221582
Melsiripura	North Western	237 Dambulla Road Melsiripura	037-2250229 / 037-2250249
Narammala	North Western	No 105 Kuliyapitiya Road Narammala	037-2249651 /49652
Puttalam	North Western	No 106 Kurunegala Road Puttalam	032-2266893
Wariyapola	North Western	No 119 Kurunegala Road Wariyapola	037-2268484
Wennappuwa	North Western	No 327 1/1 Colombo Road Wennappuwa	031-2245663
Chunnakam	Northern	115 K K S Road Chunnakam	021-2241105
Jaffna	Northern	No12 Stanley Road Jaffna	021-2228031
Kilinocchi	Northern	Kandy Road Kilinocchi	021-2283869 / 021-2283867
Kodikamam	Northern	Peoples Bank Building Kandy Road Kodikamam	021-2050233
Mannar	Northern	110 St Sebastian Street Mannar	023-2251342
Nelliady	Northern	Jaffna Point Pedro Road Nelliady	021-2262809
Vavuniya	Northern	42 & 46 1st Cross Street Vavuniya	024-2225860
Puthukudiyiruppu	Northern	Word No 10 Mulathiv Road Puthukudiyiruppu	021-2290058

Name	Province	Address	Telephone
Balangoda	Sabaragamuwa	No 118A Barns Rathwaththa Mawatha Balangoda	045-2289500
Embilipitiya	Sabaragamuwa	122 New Town Road Embilipitiya	047-2261971
Godakawela	Sabaragamuwa	No 52 Main Street Godakawela	045-2240607/608
Kalawana	Sabaragamuwa	43 Mathugama Rd Kalawana	045-2256001/6002
Kegalle	Sabaragamuwa	345 Main Street Kegalle	035-2230101
Mawanella	Sabaragamuwa	No 37 New Kandy Road Mawanella	035-2249363 /035-2249364
Pelmadulla	Sabaragamuwa	118/1 Rathnapura Rd Pelmadulla	045-2276081
Ratnapura	Sabaragamuwa	No 244 Moragahayata Colombo Rd Rathnapura	045-2224755
Warakapola	Sabaragamuwa	No 177 Kandy Road Warakapola	035-2268114 /68124
Akuressa	Southern	No 77 Matara Road Akuressa	041-2284711
Aluthgama	Southern	415 Galle Road Aluthgama	034-2271630
Ambalangoda	Southern	No 09 New Galle Road Ambalangoda	091-2255647
Ambalanthota	Southern	32 1/1 Tissa Road Ambalanthota	047-2225265
Deniyaya	Southern	No 30/28 Main Street Deniyaya	041-2273341 / 041-2273713
Elpitiya	Southern	No 15 Ambalangoda Road Elpitiya	091-2290837
Galle	Southern	118 Matara Road Galle	091-2247521
Hambantota	Southern	102/K Beddewela Road Hambantota	047-2221276
Kamburupitiya	Southern	No 217 Matara Road Kamburupitiya	041-2294620
Matara	Southern	45/A Anagarika Dharmapala Mw Matara	041-2220129
Neluwa	Southern	1st Floor Manuka Building Dellawa Road Neluwa	091-2285450
Tangalle	Southern	5 5/A Annapitiya Road Tangalle	047-2242501 / 047-2242502
Thissamaharama	Southern	No 171 Main Street Tissamaharama	047-2239671
Udugama	Southern	Bar Junction Udugama	091-2285445
Urubokka	Southern	No 466D Main street Urubokka	041-2272570
Walasmulla	Southern	No 74 Beliaththa Road Walasmulla	047-2245651/5652/5653
Badulla	Uva	No339 Modern Complex Cocowatta Road Badulla	055-2223903/ 3904
Bandarawela	Uva	No 35/2D Welimada Road Bandarawela	057-2221145
Mahiyanganaya	Uva	No03 Siri Jayasanka Building Kandy Road Mahiyanganaya	055-2257739
Monaragala	Uva	No 32 Pothuvil Road Monaragala	055-2277485
Welimada	Uva	No 11 A Boralanda Road Welimada	057-2244996
Wellawaya	Uva	No 128 Monaragala Road Wellawaya	055-2274035
Head Office	Western	No1161 Maradana Road Colombo 08	011-2631631
Awissawella	Western	15 Kudagama Road Awissawella	036-2233791
Battaramulla	Western	No261 Main Street Battaramulla	011-2886820
Colombo 7	Western	02 Wijerama Mawatha Colombo 07	011-2122122
Dehiwala	Western	No 271 Galle Road Mount Lavinia	011-2720720
Divulapitiya	Western	No. 73 Meerigama Rd Divulapitiya	031-2248161
Gampaha	Western	No 65 Yakkala Road Gampaha	033-2232732
Giriulla	Western	Saman Fashion Building Colombo Road Giriulla	037-2288801
Grandpass	Western	No 507 Sirimavo Bandaranaike Mawatha Colombo 14	011-2340013
Hanwella	Western	No 132/3 Colombo Road Hanwella	036-2251330 /1331
Havelock	Western	No 7 Havelock Road Colombo 05	011-2592424
Homagama	Western	121/3 Highlevel Road Homagama	011-2098141
Horana	Western	171-A Rathnapura Road Horana	034-2267701
Ja-Ela	Western	112/A Negambo Road Ja-Ela	011-2228074

Branch Network - People's Leasing & Finance PLC

Name	Province	Address	Telephone
Kadawatha	Western	657A Kandy Rd Bandarawatta Kadawatha	011-2926908
Kaduwela	Western	349/A/1 New Kandy Rd Kothalawala Kaduwela	011-2548578
Kalutara	Western	No314 1/1 Main Street Kalutara South	034-2235799
Kelaniya	Western	950 Kandy Road Himbutuwelgoda Dalugama Kelaniya	011-2914112
Kiribathgoda	Western	157/2/2 Makola Road Kiribathgoda	011-2911766
Kirindiwela	Western	No153 Sujaya Building Gampaha Road Kirindiwela	033-2247582 /033-2247583
Maharagama	Western	215 High Level Rd Maharagama	011-2851628
Mathugama	Western	No 98/3 Agalawatta Road Mathugama	034-2249230
Metropolitan	Western	86 Vauxhall Street Colombo 02	011-2481000
Minuwangoda	Western	No 67/B Colombo Road Minuwangoda	011-2298641
Merigama	Western	69/A Giriulla Road Mirigama	033-2227558 /7525
Moratuwa	Western	No 553/1/1 Galle Rd Rawathawaththa Moratuwa	011-2648471
Negombo	Western	No29/1 Colombo Road Negambo	031-2223230
Negombo City	Western	209 Main street Negombo	031-2121002
Nittambuwa	Western	No 83 Kandy Road Nittambuwa	033-2298110
Nugegoda	Western	290 Highlevel Road Nugegoda	011-2813990
Panadura	Western	No 482 Arthur V Dies Mw Panadura	038-2237331
Pettah	Western	No 319 Main Street Colobmo 11	011-2437708
Piliyandala	Western	24A Vidyala Mawatha Piliyandala	011-2609835
Park Street	Western	Parkland 33 Park Street Colombo 02	011-2377877
Wattala	Western	No 540/A Negambo Road Wattala	011-2948441
Wellawattha	Western	44 W A Silva Mw Colombo 06	011-2361562

Customers requiring Shari'ah-compliant financial solutions or information on Islamic finance are able to reach our services via dedicated Islamic branches, Islamic window offices, as well as any People's Leasing & Finance PLC branch listed above.

CORPORATE INFORMATION

Name of Company

People's Leasing & Finance PLC
(Subsidiary of People's Bank)

Legal Form

Public Limited Liability Company
(Incorporated and domiciled in Sri Lanka)
Quoted in the Colombo Stock Exchange

Date of Incorporation

22nd August 1995

Date of commencement of Islamic Finance

10th October 2005

Company Registration Number

PB 647 PQ

Accounting Year-end

31st March

Stock Exchange Listing

The Ordinary shares of the Company were quoted on the Main Board of the Colombo Stock Exchange (CSE) on 24th November 2011.

Registered Office & Principal Place of Business

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code: 00800
Telephone +94 11 2631631
Fax +94 11 2631980/81
Email: info@plc.lk
Web Address: www.plc.lk

Compliance Officer

Ms. Zairaa Kaleel

Company Secretary

Ms. Nirosha Kannangara

Registrar

SSP Corporate Services (Pvt) Ltd
No. 101, Inner Flower Road,
Colombo 03, Sri Lanka.
Telephone: +94 11 2573894, +94 11 2576871
Fax: +94 11 2573609
E-mail: sspsec@sltnet.lk

Credit Rating

The Company has been assigned A(Ik); Outlook (Stable) by Fitch Ratings Lanka Limited

Auditor

Auditor General
Auditor General's Department,
No. 306/72, Polduwa Road,
Battaramulla.

Bankers

People's Bank
Bank of Ceylon
Sampath Bank PLC
National Development Bank PLC
Pan Asia Banking Corporation PLC
Commercial Bank of Ceylon PLC DFCC Bank PLC
Hatton National Bank PLC
Habib Bank Limited
Nations Trust Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Indian Bank
Indian Overseas Bank
Citi Bank N.A.

Dedicated branches

Park Street -Al-Safa
Kandy -Al-Safa
Dehiwala -Al-Safa
Kattankudy -Al-Safa
Kalmunai -Al-Safa
Puttalam -Al-Safa
Muttur -Al-Safa

Board of Directors

As at 30th Oct 2025
Prof. S.M.A.K. Samarakoon - Chairman
Mr. K.C.J.C. Fonseka
Mr. P.D. Samarasinghe
Mr. K.J.D.G. Perera
Ms. P.G.U. Gallage
Mr. R.B.R.P. Emerson
Mr. P.G.A.C. Perera
Mr. S. Sudarshan
Ms. K.S.R.S. Loku Kaluge
Mr. M.J. Thilakarathne
Dr. I. Manawadu

Shari'ah Supervisory Board

Mufthi M I M Rizwe
Mufthi M H M Yoosuf
Ash-Sheikh Huzaifah Hussain

Management team

Mr. Sanjeewa Bandaranayake -CEO/ GM
Mr. Udeshe Gunawardena - Chief Operating Officer
Mr. Prabath Gunasena- SDGM- ICT
Mr. Ranil Perera - Head of Operations
Mr. Neil Thushantha - AGM- Branch Network
Mr. Ganesan Thushyanthan - AGM- Branch Network
Mr. Nalin De Silva - AGM- Recoveries
Mr. Aminda Rajapaksha - Chief Internal Auditor
Ms. Zairaa Kaleel - Chief Compliance Officer
Mr. Fazmil Mowlana - Chief Manager- Islamic Finance
Mr. Priyankara Gangabadage - Acting Chief Financial Officer

Tax Payer Identity Number (TIN)

114 156396

Income Tax Identity Number

114 156396 0000

VAT Registration Number

114 156396 7000

Central Bank Registration Number

046 (Under the Finance Business Act No.42 of 2011)

Credit Agency Status

An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No.12 of 1947 by the Department of Commerce.

Designed & produced by

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ISLAMIC FINANCE



AL - SAFA ISLAMIC FINANCIAL SERVICES UNIT
PEOPLE'S LEASING & FINANCE PLC

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