සේවක අර්ථසාධක අරමුදල
ஊழியர் சேமலாப நிதியம்
Employees' Provident Fund

2023

වාර්ෂික වාර්තාව
ஆண்டறிக்கை
Annual Report

Employees' Provident Fund
Annual Report
2023

EPF, the largest superannuation fund of the private and semi government sector employees in Sri Lanka, continued to grow its asset base in 2023 by exceeding Rs. 3.8 trillion assets, while improving the service quality and ensuring a reasonable rate of return for its' members and the safety of the Fund. The value of the Fund grew by 11.5 per cent to record Rs. 3,857.4 billion by end 2023 compared with Rs. 3,459.9 billion recorded in the previous year. During the year, EPF efficiently provided a number of productive services to its' members with the maximum retirement benefits while ensuring the safety and growth of the Fund. EPF has successfully navigated its' fund management activities by earning Rs. 469 billion in 2023. By the end of 2023, the total investment value of the Fund reached Rs. 3,867.6 billion. Despite the unfavorable conditions that prevailed in the market and the volatility in market interest rates, EPF was able to declare an attractive rate of return of 13.00 per cent to its' members for the year 2023.

In terms of Section 5 (1) (i) of the EPF Act No.15 of 1958, the copies of Financial Statements prepared for the year ended 31.12.2023 have been transmitted to the Ministries of Labour and Finance on 28.03.2024. Further, the same Financial Statements were submitted to the Auditor General on 03.04.2024.

Table of Contents

SECTION A

CORPORATE STEWARDSHIP

Message from the

Governor & Chairman of the Governing Board

I am pleased to issue this message for the Annual Report of the Employees' Provident Fund (EPF) for the year 2023, on behalf of the Governing Board of the Central Bank of Sri Lanka (CBSL).

The EPF demonstrated remarkable performance throughout 2023, despite facing numerous challenges. At the beginning of the year, high interest rates prevailed against a backdrop of elevated risks, largely due to concerns about the sustainability of the local sovereign debt. However, the finalisation of the International Monetary Fund's Extended Fund Facility (IMF-EFF) and the successful completion of the Domestic Debt Optimization (DDO) programme, resulted in a reduction of risk premia on yields on Government securities, thereby strengthening confidence in the domestic financial market.

Along with these developments, the investment portfolio of EPF reached Rs. 3,867.6 bn at the end of 2023, reflecting a year-on-year growth of 11.5 per cent. The total investment income for the year amounted to Rs. 469 bn, recording an increase of 48.6 per cent, achieved through prudent fund management strategies adopted by the EPF within the established governance framework. I am proud to announce that this strong performance enabled the EPF to declare a higher return of 13 per cent on members' balances as of the end of 2023.

The EPF continued to enhance its systems and infrastructure to deliver a seamless service to its primary stakeholders, comprising members and employers. As a part of these efforts, employer awareness programmes were conducted, leading to a significant number of employers transitioning to the 'EPF Online Service', enabling intraday updating of member accounts while paving the way for development of a comprehensive and an accurate member database.

This commendable performance of EPF displays the unwavering commitment of the Department of Labour and the Employees' Provident Fund Department of the CBSL to deliver an excellent service, ensuring that EPF members can enjoy a secure and a contented retirement life. On behalf of the Governing Board, I extend my heartfelt appreciation to all those who are involved in managing the EPF, for their dedication and diligence in fulfilling their responsibilities. Moreover, I extend my gratitude to the employers and the members of EPF for their continued trust and confidence placed with the Central Bank of Sri Lanka as the custodian of the Fund.

Dr. P. Nandalal Weerasinghe
Chairman of the Governing Board
Governor of the Central Bank of Sri Lanka

Message from the
Commissioner General of Labour

It gives me a great pleasure to convey this message to the Annual report of the Employees' Provident Fund-2023 which analyses the progress achieved in the Year 2023 by the Employees' Provident Fund, established under the Employees' Provident Fund Act No. 15 of 1958 with the aim of securing the retirement life of employees in Private and Semi Government sector of Sri Lanka. It is considered our great achievement that being able to provide the service recipients with quality service in the year 2023 as the administrator of the Employees' Provident Fund, which is the largest social security scheme in Sri Lanka at present.

The Department of Labour took measures to introduce an E-service with a view to providing an efficient service to both the employers and employees. For that purpose, software development work is being done and it will be possible to carry out the employer registration, member registration, submission of claim applications etc. through this E-service. Further, this will enable checking of member registration and the unregistered members will be able to take necessary steps for their ABH registration. Through this service, recipients will be provided with the opportunity to make available their services more easily.

As such, legal provisions have been adopted to scan the member's identity card and to take a photograph of his/ her upper body (bust) for the registration of members with the relevant Labour office within 30 days in order to avoid the issues emerging due to paying of contributions without registration of members. The facilities needed to District Labour offices to carry out these tasks are being improved. Also, the software development work has been completed and it will solve many problems faced by all the members.

The dedication of officers is vital for the success of all these tasks. Therefore, I am grateful to officers of the Department of Labour who contribute immensely in carrying out statutory responsibilities of the Employees' Provident Fund and as well as the officers of the Employees' Provident Fund Department of the Central bank of Sri Lanka who contribute to carry out the activities of the Employees' Provident Fund successfully. I hope that this report would be of great help for the users of these data, academics who work on this subject, working people and all other stakeholders inclusive of business community who have an interest in the subject.

H.K.K.A. Jayasundara
Commissioner General of Labour

Senior Management Team

As at 31st December 2023

EPF Department of the Central Bank of Sri Lanka

DIVISION	DESIGNATION	NAME
S/EPF's Office	Superintendent	Mr. D L Nihal
	Additional Superintendent	Mrs. S M L Siriwardane
	Additional Superintendent	Mrs. R M D C M Rajapakse
	Deputy Superintendent	Mrs. D P A N D Perera
	Deputy Superintendent	Mr. W H M Kumara
	Deputy Superintendent	Mrs. K A T N Senarathna
	Deputy Superintendent	Mrs. R A C C Rupasinghe
Corporate Services and Administration Division	Senior Assistant Superintendent	Mr. W S H Kumarasena
	Assistant Superintendent	Mrs. K A S A Kuruppuarachchi
	Assistant Superintendent	Mrs. W M A Prabhashani
Collection Division	Senior Assistant Superintendent	Mr. P W Wimal Shantha
	Assistant Superintendent	Mrs. M W T Dilshani
Current Contribution Division	Assistant Superintendent	Mrs. D R M Mendis
	Assistant Superintendent	Mr. S I A Walawage
	Assistant Superintendent	Mrs. M A V Wijendranee
Re-Registration Division	Senior Assistant Superintendent	Mr. M W N Mannanayaka
E-Collection Division	Senior Assistant Superintendent	Mrs. G B M P Dissanayake
	Senior Assistant Superintendent	Mr. B M J Wijayasundara
	Assistant Superintendent	Mrs. L V M N Arseculeratne
Fund Management Division	Senior Assistant Superintendent	Mrs. L P S Perera
	Senior Assistant Superintendent	Mr. K U B Tennekoon
	Senior Assistant Superintendent	Ms. L D S R Gunasekara
	Senior Assistant Superintendent	Ms. D P Udugamakorala
	Senior Assistant Superintendent	Mr. W A A S Sumanadasa
	Senior Assistant Superintendent	Mr. W A W N Wanniarachchi
	Assistant Superintendent	Mrs. M Thurkagini
	Assistant Superintendent	Mrs. E A C M Edirisinghe
	Assistant Superintendent	Miss. K V D Sakunika
Accounts and Reconciliation Division	Senior Assistant Superintendent	Mrs. M Dissanayake
	Senior Assistant Superintendent	Mrs. W A N D Dias
	Senior Assistant Superintendent	Mr. A K Chathuranga
	Assistant Superintendent	Mrs. R K M Prathibhani
Records Management Division	Senior Assistant Superintendent	Mrs. D Y S Mahagederawatte
	Assistant Superintendent	Mr. T T D Peiris
	Assistant Superintendent	Miss. W M S Weerakkodi

Record Amendments Division	Senior Assistant Superintendent	Mrs. K M G C Bandara Rajanayake
	Senior Assistant Superintendent	Mr. E M S Ekanayake
	Assistant Superintendent	Mrs. K H Gunasekera
	Assistant Superintendent	Mrs. Y A J N Yapa
Housing Loan Division	Assistant Superintendent	Mr. K A D H A Rajarathna
Refund Control Division	Senior Assistant Superintendent	Mrs. S S Weniwelkola
	Senior Assistant Superintendent	Mrs. B A N Karunaratne
Refund Payments Division	Senior Assistant Superintendent	Mrs. G G N M Perera
	Senior Assistant Superintendent	Mrs. W L P J Lekamalage
	Senior Assistant Superintendent	Mr. P Premasiri
Public Relations, Inquiries Counter & Call Centre	Assistant Superintendent	Mr. S G C Samaranayaka

EPF Section of Labour Department

DIVISION	DESIGNATION	NAME
	Commissioner of Labour	Mrs. A M G N D Sumanasena
Claim	Deputy Commissioner of Labour	Mrs. T M I Lakmali
	Assistant Commissioner of Labour	Mrs. B Niroshini
	Assistant Commissioner of Labour	Mrs. Dilanka Y Wijethun Arachchi
	Assistant Commissioner of Labour	Mrs. C K D H Munasinghe
	Assistant Commissioner of Labour	Mrs. N M A Nawarathna
Recovery	Deputy Commissioner of Labour	Miss. A M Sriyani Chandrika
	Assistant Commissioner of Labour	Miss. A H L Rupika Padmini
	Assistant Commissioner of Labour	Mr. P M Wickramathilaka
30% claim	Assistant Commissioner of Labour	Mrs. G G H E De Silva
IT	Assistant Commissioner of Labour	Mr. G C P Kumara
Admin	Assistant Commissioner of Labour	Mrs. T C Karunathilaka
Central Filing Section	Assistant Commissioner of Labour	Mr. T Lakshmidaran
L	Assistant Commissioner of Labour	Mrs. D M T P Dasanayake

Regulatory Framework

The Employees' Provident Fund (EPF/Fund) was established under the Employees' Provident Fund Act No.15 of 1958 (Act) as a mandatory defined contribution retirement scheme for the private and semi government sector employees who are not entitled for government pension benefits. In terms of the provisions of the Act, the Commissioner of Labour acts as the general administrator of the Fund while the Central Bank of Sri Lanka is entrusted with the powers, duties and responsibilities to act as the custodian of the Fund. The Employees' Provident Fund Department facilitates the Central Bank of Sri Lanka in discharging its powers, duties and functions entrusted by the Act.

The mandatory minimum contribution rate for the members of the Fund is 20 per cent of the gross monthly earnings of their employment. The employer and the employee (members) are required to contribute minimum rate of 12 per cent and 8 per cent of the member's monthly gross earnings, respectively, to EPF. Employers are liable to pay EPF contributions for their employees, subject to the provisions of the Act.

The EPF members are eligible to claim their retirement benefits (contributions and interest) upon reaching the retirement age of 50 years for females and 55 years for males. In addition, members are also entitled to withdraw funds in their EPF accounts in the events of migration, permanent disability, leaving the employment due to marriage (only for female members) and joining a pensionable employment. Further, legal heirs of deceased members are eligible to receive the benefits in the case of the death of a member. In addition to the retirement benefits, EPF facilitates members to obtain loans for housing purposes from five approved lending institutions by pledging the balances lying to the credit of their accounts. Further as provided in the EPF (amendment) Act, No. 02 of 2012, members who is presently employed, have service of more than 10 years and EPF account balance of more than Rs. 300,000 are entitled to withdraw up to 30 per cent of the amount lying to the credit in their accounts subject to a maximum of Rs. 2 million for the purpose of house construction or medical treatment w.e.f. 2015.

Functions of the EPF Department of the CBSL

Receipt of member contributions, surcharges and fees and the income from the investment of moneys of the Fund and credit such sums to the Fund.

Maintenance of individual member accounts and issue of annual statements of individual accounts to the members.

Investment of funds not immediately required for the purposes of EPF Act in securities as the Board may consider fit and may sell such securities to provide risk adjusted return to the members while ensuring the safety of the Fund.

Crediting annual interest to member accounts at a rate approved by the Central Bank of Sri Lanka with the concurrence of the Hon. Minister of Labour and the Hon. Minister of Finance.

Maintenance of general accounts and preparation of annual accounts.

Effecting refund of benefits in accordance with Letters of Determination issued by the Commissioner of Labour.

Issuing of certificates of credit balances to relevant lending institutions facilitating to obtain housing loans and providing other services such as balance confirmation.

Submission of information such as financial statements and statements of investments to the Hon. Minister of Labour and Hon. Minister of Finance within 3 months from the end of each year.

Re-registration of names in member accounts as appearing in their National Identity Card (NIC).

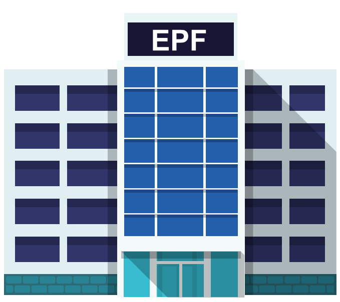
Effecting of 30 per cent refunds in accordance with Letters of Determination issued by the Commissioner of Labour.

Maintanance of correct member accounts details and perform amendments, where necessary.

Functions of the Commissioner of Labour

Implementation of the Employees' Provident Fund Act, No. 15 of 1958. Accordingly,

- Registration of institutions in the Employees' Provident Fund.
- Registration of members in the Employees' Provident Fund.
- Recovery of contributions from employers defaulting payments.
- Issue of determination letters for the payment of benefits to employees.
- Supervision of approved Provident Funds.
- Implementation of projects for the progress of the Employees' Provident Fund.
- Conducting field inspections and investigations to ensure acting in accordance with the Provisions of the Employees' Provident Fund Act.
- Dealing with the complaints received regarding non-payment of Employees' Provident Fund Contributions.
- Taking legal action against employers who do not comply with the Employees' Provident Fund Act.
- Recovery of surcharges in respect of payment of contributions in delay.
- Taking necessary actions to make aware the public including both the employees and employers about Employees' Provident Fund.



SECTION B

CORPORATE OVERVIEW

OUR VISION

"To be the most caring superannuation fund in the region enabling our members to have a contented retirement life"

OUR MISSION

"To provide maximum retirement benefits and an efficient service to our members through prudent and innovative management of the Fund"

Milestones of the Journey

1958

Enactment of the Employees' Provident Fund (EPF) Act, No. 15 of 1958.

Establishment of the rates of EPF Contribution to the Fund at 4% by the Employee and 6% by the Employer

1971

Increment of the rates of EPF Contribution from 4% to 6% by Employee and 6% to 9% by the Employer

1981

Further increment of the rates of EPF Contribution to 8% by Employee and 12% by Employer

1988

Facilitation of the members to pledge their EPF for obtaining housing loans from approved lending institutions

1996

Implementation of EPF Computer System on AS400 subsequent to the Bomb Blast at CBSL Head Office

1998

Issuance of 'Member Balance Statements' remotely for the first time at the Exhibition held at BMICH to mark the 50th independence anniversary of the country

1999

Automation of EPF Refund Authorization Process

1999

Commencement of connecting the DL's District Labour offices to EPFD of CBSL, electronically

Initiation of Electronic transfer of Determination Letters

Establishment of the Digital Communication link between DL and CBSL.

2000

Introduction of a new Computer System to expedite the EPF Claim Process

2000

Issuance of Half Year Member Balance Statement

2001

Decentralization of EPF Payment Process to District Labour offices

2002

Initiation of the Electronic Contribution Collections

2006

Implementation of SAP System ECC5 with GL, Investment and Inventory modules

2007

Launch of the EPF official web site in trilingual

2008

Initiation of re-registration of members

Launch of dissemination of member balances and information through WEB and Mobile in line with the 60th independence anniversary of the country

2011

Commencement of re-engineering of member liability system with a central double entry ledger system

Introduction of EPF online payment facility through Licensed Commercial Banks

Value of the EPF reached at Rs. 1 trillion level

2012

Amendment of the EPF Act and addition of Section No. 23A by EPF (amendment) Act No. 02 of 2012

2012

Submission of EPF details through an electronic media were made compulsory for the employers more than 50 employees

2013

Introduction of a new Computerized System to monitor the Default Payments & Court Cases

2015

Establishment of the EPF 30% Claim Process

2015

Initiation of 30% pre-retirement refunds for Housing and Medical purposes

Implementation of E-Record Room

2016

Introduction of the online member information verification mechanism which brought 100% process automation and real time updation of member accounts

2017

Decentralization of contribution Collection with People's Bank island-wide

Value of the EPF reached at Rs. 2 trillion level

2021

Value of the EPF reached at Rs. 3 trillion level

Relaunch official website of EPF with an online contribution platform

2023

Restucturing of Government Bond Portofolio

As the custodian of the Fund, EPFD is constantly liable to ensure the safety of the fund and to assure a risk adjusted rate of return for the members

FINANCIAL
HIGHLIGHTS - 2023

Contributions Received
Rs. 210.6 bn

Gross Income
Rs. 469.5 bn

Rate of Interest paid on Member Balances
13.00 %

Total Net Worth of the Fund (Total Net Assets)
Rs. 3,857.4 bn

Rate of Return on Average Investments
12.8 %

Net Contributions
Rs. (5.3 bn)

Operational Expenditure
Rs. 2.3 bn

Refund Payments
Rs. 215.9 bn

Interest Credited to Member Balances
Rs. 436.8 bn

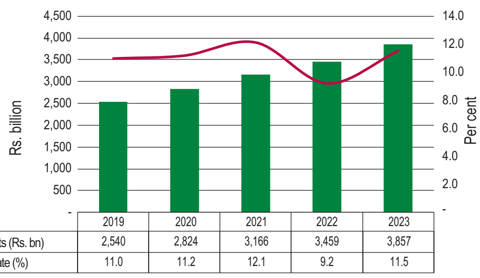
Income Tax Expenditure
Rs. 61.9 bn

Operational Expenses as a percentage of the Total Income
0.49%

Net Income
Rs. 405.2 bn

EPFD has enhanced its systems and infrastructure to deliver a seamless service to its stakeholders, primary the members and employers.

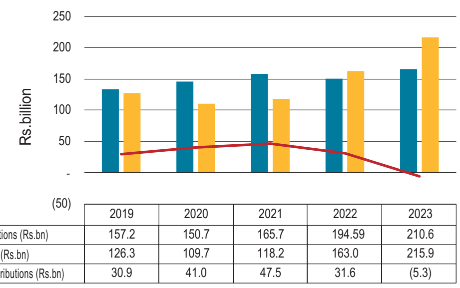
Graph 01 Growth of the Fund



	2019	2020	2021	2022	2023
Net Assets (Rs. bn)	2,540	2,824	3,166	3,459	3,857
Growth rate (%)	11.0	11.2	12.1	9.2	11.5

Source: EPF Department, Central Bank of Sri Lanka

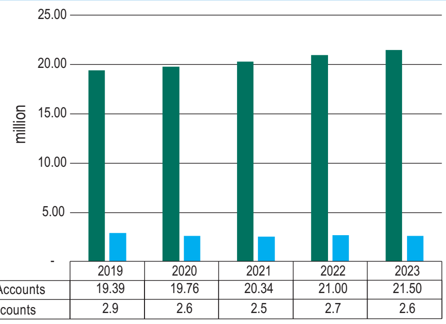
Graph 02 Contributions, Refunds and Net Contributions



	2019	2020	2021	2022	2023
Contributions (Rs.bn)	157.2	150.7	165.7	194.59	210.6
Refunds (Rs.bn)	126.3	109.7	118.2	163.0	215.9
Net Contributions (Rs.bn)	30.9	41.0	47.5	31.6	(5.3)

Source: EPF Department, Central Bank of Sri Lanka

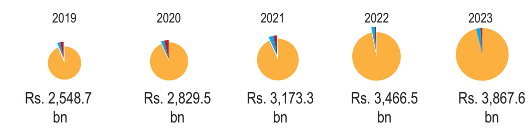
Graph 03 Number of Member Accounts



	2019	2020	2021	2022	2023
Total Member Accounts	19.39	19.76	20.34	21.00	21.50
Contributing Accounts	2.9	2.6	2.5	2.7	2.6

Source: EPF Department, Central Bank of Sri Lanka

Graph 04 Composition of Investment Portfolio

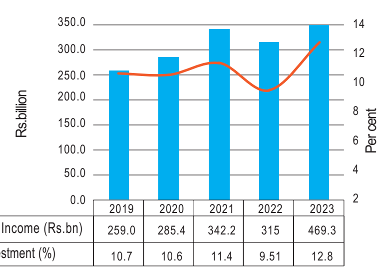


Composition	2019	2020	2021	2022	2023
Government Securities (Per cent)	93.8	93.4	93.2	96.9	96.2
Equity (Per cent)	3.0	2.8	3.8	2.3	2.7
Debentures & Others (Per cent)	3.2	3.8	2.9	0.8	1.1

Government Securities Equity Debentures and Other

Source: EPF Department, Central Bank of Sri Lanka

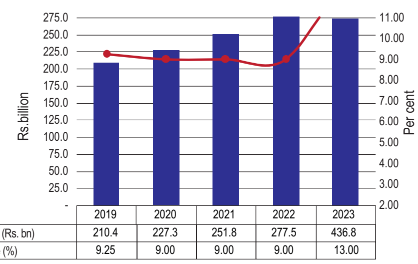
Graph 05 Return on Average Investment Portfolio



	2019	2020	2021	2022	2023
Gross Investment Income (Rs.bn)	259.0	285.4	342.2	315	469.3
Return on Avg Investment (%)	10.7	10.6	11.4	9.51	12.8

Source: EPF Department, Central Bank of Sri Lanka

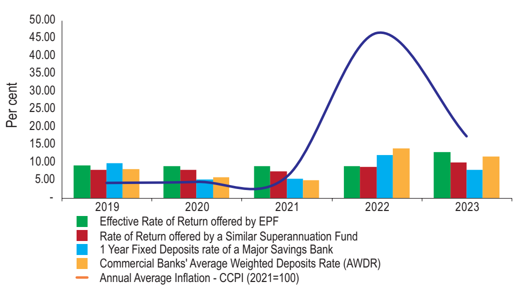
Graph 06 Interest Credited to Closing Balances of Member Accounts



	2019	2020	2021	2022	2023
Interest Paid (Rs. bn)	210.4	227.3	251.8	277.5	436.8
Interest Rate (%)	9.25	9.00	9.00	9.00	13.00

Source: EPF Department, Central Bank of Sri Lanka

Graph 07 Effective Rate of Return for Member Balances vs. Market Rates



Source : EPF Department, Central Bank of Sri Lanka
Annual Report - 2023, Central Bank of Sri Lanka

With the online services of EPFD, you can gain a fingertip access to EPF related information such as member balances, contributions and payment status etc.

OPERATIONAL HIGHLIGHTS 2023

Investments during 2023 :

- Rs. 297.5 bn in Treasury Bonds
- Rs. 798.7 bn in Treasury Bills

Numbers by End 2023 :

- Member accounts – 21.5 million
- Contributing member accounts – 2.6 million
- Employers – 77,651
- Re-registered members as per NIC's name – 1.7 million
- No of recipients of Housing loan guarantee certificates – 13,784 members

Refund Payments :

- Value – Rs. 215.9 billion
- No. of beneficiaries – 221,822

Pre-retirement Benefits :

- Value – Rs.25.4 billion
- No. of beneficiaries – 42,435

E - Return System :

- 71 per cent of the active member accounts
- 81 per cent of the total monthly EPF contributions

Employer, Member & Other Stakeholder Inquiries :

- Visits – 184,403
- Letters – 1,978
- Calls – 73,187
- E- mails – 18,959

Labour Department :

- Introduction of E-Service with the aim of providing an efficient service to both employers and employees.
- Adoption of legal provisions to scan the members identity card and take a photograph of his / her upper body (bust) for the registration of members with the relevant Labour Office within 30 days in order to avoid the issues emerging due to paying of contributions without registration of member.

Labour Department :

- Conduct of island wide mobile services, distribution of hand bills and implementation of various awareness programmes in order to resolve the problems of the members in respect of Employees' Provident Fund.

1

REVIEW OF THE PERFORMANCE OF EPF - 2023

1. Introduction

The total net worth of the Fund reached Rs. 3,857.4 billion as at end 2023 recording a 11.5 per cent growth over Rs. 3,459.9 billion recorded by end 2022. The total number of member accounts was 21.5 million by end of 2023. The number of contributing member accounts was 2.6 million by end 2023, a decrease of 3.7 per cent compared to 2.7 million in 2022. Meanwhile, the number of contributing employers recorded an increase of 5.98 per cent to 77,651 by end 2023 from 73,272 reported at the end 2022.

1.1 Member Contribution and Payment of Retirement Benefits

During 2023, member contributions increased by 8.2 per cent to Rs. 210.58 billion from Rs. 194.59 billion during 2022. The total amount refunded to the members and their legal heirs was Rs. 215.90 billion during 2023, indicating an increase of 32.4 per cent over that of Rs. 163.03 billion refunded during 2022. The total number of refund claims paid during 2023 was 221,822 which was a decrease of 12.9 per cent compared to 254,630 recorded during 2022. Accordingly, the net contribution (gross contributions less refunds) decreased by 116.8 per cent to Rs. (5.3) billion compared to Rs. 31.56 billion recorded during the previous year. The decrease in the net contribution recorded during 2023 compared with the last year is mainly due to a higher increase in contributions refunded than the increase in contribution receipt.

1.2 Investment Portfolio of EPF

Employees' Provident Fund Act No. 15 of 1958 (EPF Act) has empowered Central Bank of Sri Lanka (CBSL) formally known as the Monetary Board to invest such of the moneys of the Fund as are not immediately required for the purposes of this Act in such securities as the Board may consider fit and may sell such securities.

In 2023, the investment activities of the Fund were carried out in challenging market conditions, while adhering to the guidelines on Strategic Assets Allocation (SAA) of the Fund. The EPF Department prioritized its investments in government securities, particularly in Treasury bills, in response to uncertainties surrounding the sovereign debt restructuring process. In the backdrop of heightened volatility in the equity market, EPF took a more cautious approach to investment opportunities in the equity market. Investment opportunities in corporate debentures were limited due to adverse macroeconomic conditions, while the

EPF Department was also conscious of the need to invest in corporates with better credit ratings to mitigate credit risk of the corporate debt portfolio of the EPF.

On 04th July 2023, the Ministry of Finance announced the Government's Domestic Debt Optimization (DDO) strategy, offering superannuation funds two alternatives. Under the first option, EPF had the opportunity to exchange a minimum required amount of its existing Treasury bonds for 12 new series maturing between 2027 and 2038. This exchange would subject the EPF to an income tax rate of 14 per cent per annum on its taxable income derived from the Treasury bond portfolio. Alternatively, if the EPF opted not to exchange its existing portfolio, a fixed 30 per cent tax rate would be applied to the taxable income generated from its Treasury Bond Portfolio. After careful consideration of these options, then Monetary Board (Governing Board) acting as the custodian of the fund, chose to pursue the Debt Exchange offer. This decision, made carefully analyzing the two options with a long-term perspective and in the best interest of the members of the Fund, involved the EPF tendering Rs. 2,667.5 bn face value of Treasury bonds for Debt Exchange.

Accordingly, as at the end 2023, the investment portfolio of Rs. 3,867.6 billion consisted of 96.2 per cent in government securities, 2.7 per cent in equity, 0.4 per cent in corporate debentures and the remaining 0.7 per cent in reverse repurchase agreements .

The investment portfolio of the Fund, which consists of government securities, listed and unlisted equities, corporate debentures, and money market investments grew by 11.6 per cent from Rs. 3,466.5 billion at the end of 2022 to Rs. 3,867.6 billion at the end of 2023 as illustrated in Table 1 and Graph 8.

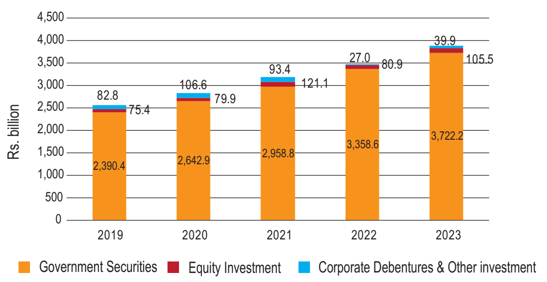
As the net contribution of the fund was reported at a negative Rs. 5.3 billion in 2023, the growth in the investment portfolio was mainly contributed by the net income of Rs. 405.2 billion. The concentration of investments in Government securities showed a slight decrease from 96.9 per cent in 2022 to 96.2 per cent at the end of 2023. However, the composition of investments in equity increased to 2.7 per cent in 2023 from 2.3 per cent in 2022. Investments in corporate debt securities accounted for 0.4 per cent of the portfolio, by the end of 2023. The total outstanding amount of reverse repurchase

Table 01 **Investment Portfolio 2019 – 2023**

Asset Class	Amounts in Rs. bn				
	2019	2020	2021	2022	2023
Government Securities	2,390.4	2,642.9	2,958.8	3,358.6	3,722.2
Equity Investment	75.4	79.9	121.1	80.9	105.5
Corporate Debentures	41.9	34.9	23.9	23.6	14.1
Fixed Deposits	25.0	55.8	57.2	-	-
Reverse Repo	16.0	16.0	12.3	3.4	25.8
Grand Total	**2,548.7**	**2,829.5**	**3,173.3**	**3,466.5**	**3,867.6**

Source : EPF Department, Central Bank of Sri Lanka transactions, including investments in term and overnight reverse repurchase agreements and standing deposit facility, accounted for 0.7 per cent of the portfolio at the end of 2023.

Graph 08 Investment Portfolio 2019 – 2023



Source : EPF Department, Central Bank of Sri Lanka

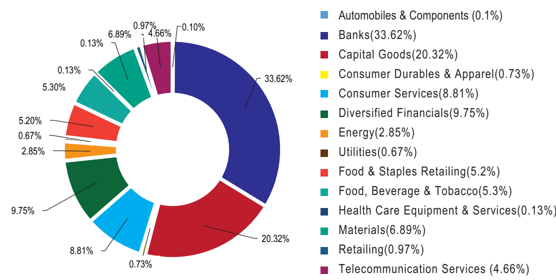
1.2.1 Government Securities Portfolio

The Government securities portfolio consisting of Treasury bonds and Treasury bills grew by 10.8 percent to Rs. 3,722.2 billion at end of 2023 from Rs. 3,358.6 billion at end of 2022. During 2023, EPF earned an interest income of Rs. 438.8 billion on the Government securities portfolio representing 93.5 percent of the total investment income of the Fund.

1.2.2 Equity Portfolio

The value of Equity portfolio of EPF, which consists of both listed and unlisted equities, increased by 30.4 per cent from Rs. 80.9 billion at the end of 2022 to Rs. 105.5 billion at the end of 2023. The value of listed equities increased by 34.3 per cent from Rs. 71.8 billion at the end of 2022 to Rs. 96.4 billion at the end of 2023. The unlisted equity portfolio, which carrying on cost basis had not been changed since there were no transactions relating to such investments during 2023. EPF's listed equity portfolio consists of investments in many companies operating in different sectors, such as Banks, Capital Goods, Consumer Services, Material etc. The details of EPF's listed equity portfolio as per the Global Industry Classification System (GICS) classification adopted by the Colombo Stock Exchange w.e.f. 20th January 2020 at market value is shown in graph 9. EPF's equity portfolio recorded a net gain of Rs. 23.8 billion during 2023 and a dividend income of Rs. 3.0 billion.

Graph 09 Sectorial Composition of the Listed Equity Portfolio as at end of 2023 (Based on Market Value)



Source : EPF Department, Central Bank of Sri Lanka

1.2.3 Corporate Debt Portfolio

The corporate debenture portfolio of the Fund stood at Rs 14.1 billion on book value as at end of 2023, constituting 0.4 per cent of the total portfolio. The Fund earned interest income of Rs. 2,324.2 million on the corporate debt portfolio.

1.2.4 Reverse Repurchase Transactions

The Funds are invested in the repo market and Open Market Operation window of Central Bank in managing the liquidity of the Fund. During 2023, the Fund earned an interest income of Rs. 1,251.1 million from reverse repo transactions, which was Rs. 1,420.9 million in 2022.

1.2.5 Total Investment Income of the Fund

Total investment income of the Fund amounted to Rs. 469.26 billion in 2023, recording an increase of 48.6 percent compared to that of the previous year (Table 02). Interest income, which accounts for 94.3 per cent of the realized investment income was the major source of income of the fund and grew by 26.7 per cent from Rs. 349.3 billion in 2022 to Rs. 442.4 billion in 2023. Further, dividend income generated from equity portfolio was reported as Rs.2,997.3 million in 2023 compared to Rs. 7,527.8 million earned in 2022. Further, listed equity portfolio of EPF recorded a net gain of Rs. 23.8 billion at the end of 2023 compared to Rs.40.9 billion net loss earned in 2022.

Table 02 Investment Income of the Fund

Source of Income	2022 Amount (Rs.mn)	2023 Amount (Rs.mn)	Growth (%)
Interest	349,269	442,419	26.7
Dividends	7,528	2,997	(60.2)
Net Gain/(Loss) on Financial Instruments at FVTP/L	(40,996)	23,836	158
Impairment of Financial Assets	(3.9)	4.0	203
Total	**315,797**	**469,257**	**48.6**

Source : EPF Department, Central Bank of Sri Lanka

1.3 Governance Framework for Risk Management of EPF

EPFD also considered as an integral part of the Risk Governance structure of the CBSL which focuses on both financial and non-financial risks pertaining to all its activities. Further, CBSL, as the ultimate decision-making authority of the fund management activities of the EPFD, provides policy direction for the investment activities of the EPF by specifying the overall risk parameters, such as the risk appetite and risk tolerance levels within which the Fund should be managed. The Monetary Board (then) has established the respective process through the supervision of two high-level committees namely, the Board Risk Oversight Committee (BROC) and EPF Investment Oversight Committee (EIOC) in order to strengthen the governance of the risk management structure of the EPF.

The BROC is responsible for overseeing the risk management function and the EIOC provides the highest level of oversight authority pertaining to the fund management activities. The role of the EIOC is to oversee the investment activities of the EPF by providing strategic and policy guidance for the Management of the Fund. Further, powers with respect to the day-to-day investment decision-making function of the EPF fund management activities have been delegated to the departmental level committee, the EPF Investment Committee (EIC).

Being align with the generally accepted principles and norms of fund management activities, The Middle Office (MO) of the Fund Management Division of EPFD is responsible for the risk management and monitoring of the fund management activities as the ‘First Line of Defense’, on a continuous basis, and monitoring the performance of the Fund. Further, MO is responsible for monitoring the implementation of the internal control system pertaining to the investment activities of EPFD. Accordingly, both pre-trade and post-trade compliances of investment activities are monitored in line with the parameters provided in Investment Policy Statement (IPS), Strategic Asset Allocation (SAA) and Investment Guidelines (IGs) and regular risk reporting procedures are undertaken to update the risks, if any, to the Senior Management of CBSL.

Further, a distinct mechanism is in place to escalate and address non-financial risks related to the overall EPF Department's activities through a separate committee, the Non-financial Risk Management Committee (NFRMC).

The Risk Management Department (RMD) as the 'Second Line of Defense', is responsible for providing the policy framework for the investment governance process through an independent assessment, recommending risk control measures to the EPF, reporting risks and compliance associated with the fund management activities of the EPF to the EIOC, NFRMC, BROC and Governing Board. Accordingly, providing applicable policy directions and guidelines relating to investment activities are handled by RMD through revising and updating the IPS, SAA and IGs in line with updated market and EPF's requirements, to improve the existing work procedures and to provide greater independence over the investment decision making process while maintaining an adequate level of internal controls. Further, RMD continuously coordinates in identifying and reporting the non-financials risks of EPFD being within the bank wide risk management procedures. As the 'Third Line of Defense', the Internal Audit Department provides risk assurance with regard to the fund management function of EPF.

In 2023, MO of EPFD reviewed the adherence of fund management activities of EPF with the parameters provided in IPS, SAA and IGs, and the internal control system in place while ensuring the safety of Fund and risk adjusted return to the Fund. Regular reporting of such activities was performed as specified by the IGs – 2021. Further, MO deliberated the possible risks emerged in managing the investment portfolio of EPF due to the drastic changes taken place in the investment climate during the year specially with regard to the Domestic Debt Optimization Programme announced by the Government. Furthermore, EPFD continuously paid attention to identify and address its non-financial risks while being align with CBSL's risk management framework. Accordingly, periodic reviews were conducted to identify and review non-financial risks of EPFD and to decide and monitor the implementation of risk mitigation actions thereon.

1.4 Operational Expenditure

The total operational expenditure of the Fund increased to Rs. 2,304.7 million in 2023, with 8.1 per cent increase compared to Rs. 2,133.8 million in 2022 mainly due to the increase in administration expenses. The operational expenses as a percentage of gross income decrease to 0.49 per cent during the year compared to 0.67 per cent in 2022 (Table 03).

1.5 Tax Expenditure

The Inland Revenue Act, No.24 of 2017, which was effective from 01st April 2018, the income tax rate applicable for the fund increased from 10 per cent to 14 per cent.

The applicable Income Tax rate for dividend received or derived by residents during the period from October 1, 2022 to December 31, 2022 is 15%. The tax expense increased to Rs.61,949 million in 2023 with 23.9 per cent increase compared to Rs. Rs.49,982 million in 2022.

1.6 Member Account Balances and Interest Credited

In 2023, a sum of Rs.436.8 billion was credited to member accounts as interest. Accordingly, the member account balances increased by

ENGLISH

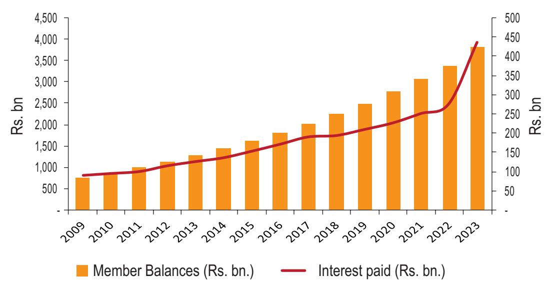
Table 03 **Operational Expenditure**

Item	EPF Department of Central Bank			Labour Department			Total		
	2022 (Rs.mn)	2023 (Rs.mn)	Change (%)	2022 (Rs.mn)	2023 (Rs.mn)	Change (%)	2022 (Rs. mn)	2023 (Rs. mn)	Change (%)
Personnel Expenses	990	935	(5.6)	474	460	(3)	1,464	1,394	(4.8)
Administrative Expenses	335	485	44.8	263	346	31.6	598	832	39.1
Other Expenses	66	74	12	5	4	(20)	71	79	11.3
Total	**1,391**	**1,494**	**7.4**	**742**	**811**	**9.3**	**2,133**	**2,305**	**8.01**
Total Expenses as a % of Gross Income	**0.44**	**0.32**		**0.23**	**0.17**		**0.67**	**0.49**	

Source: EPF Department, Central Bank of Sri Lanka

12.9 per cent to Rs. 3,817.9 billion as at end of 2023 compared to Rs. 3,380.6 billion as at end of 2022. The EPF fund was able to declare an attractive interest rate of 13.00 per cent on the closing balance of member accounts for the year ending 31st December 2023.

Graph 10 **Member Balances and Interest Credited**



Source : EPF Department, Central Bank of Sri Lanka

1.7 Housing Loan Guarantee Facility

The Housing Loan Guarantee Scheme that was introduced in 1988 with the objective of facilitating the members of Employees' Provident Fund (EPF) to obtain housing loans, continued in 2023. Members of the EPF are able to apply for housing loans from the participating lending institutions, viz., Housing Development and Finance Corporation Bank, State Mortgage and Investment Bank, Bank of Ceylon, People's Bank and Co-operative Rural Banks with the approval of Commissioner of Labour under this scheme. During the year 2023, EPF Department has issued 13,784 certificates of loan guarantees to Department of Labour for the approval of housing loans amounting to Rs. 10,240 million. Further, nearly Rs. 4,236 million was deducted from the relevant member accounts and remitted to the participating lending institutions in 2023 to settle the overdue loans for the year 2022 (Table 04).

1.8 Enforcement of Law

In accordance with the provisions of the EPF Act, the Department of Labour is responsible for the general administration and enforcement of the EPF Act. Accordingly, during 2023, the district labour offices and sub offices registered 7,795 new institutions and 32,027 new employees covering all provinces. More than 45.4 per cent of the institutions registered during the year 2023, were from the Western province.

ENGLISH

Table 04 — Housing Loan Guarantee Facility (2014:2023)

Year	No. of Guarantee Certificates Issued	Credit Approved (Rs mn)	Amount Remitted to Lending Institutions (Rs. mn)
2014	17,786	8,021	2,394
2015	13,132	5,489	2,522
2016	12,780	5,414	2,541
2017	10,998	4,946	2,485
2018	10,036	4,974	2,759
2019	10,022	5,097	3,164
2020	8,537	4,497	3,321
2021	9,068	5,423	3,573
2022	9,443	6,127	3,669
2023	13,784	10,240	4,236

Source : EPF Department, Central Bank of Sri Lanka

As per the provisions of the Act, the Department of Labour is empowered to take legal action against employers who do not pay member contributions. Accordingly, district labour offices and sub labour offices has sent 13,955 first notices and 9,860 red notices in order to claim overdue EPF contributions of Rs. 7,949 million and Rs. 4,561 million, respectively. Further, Rs. 633 million has been recovered by the Department of Labour by filing legal cases against 2,512 institutions which had failed to settle the arrears within 28 days after receiving the red notices (Table 05).

1.9 Re-registration of EPF members

Considering the importance of maintaining a unique member identification system, EPF Department continued the re-registration process of its active members under their National Identity Card (NIC) numbers and full names mentioned in their NICs. The verification of accuracy of NIC details at the above re-registration process is facilitated through the access provided to the database at the Department of Registration of Persons (DRP) under the Memorandum of Understanding with DRP. Further, several initiatives were taken by the EPF Department in 2023, with the intention of expediting the process of re-registration.

During the year 2023, 25,019 active members were re-registered and the total number of active members re-registered by end 2023 was 1,708,703.

1.10 E-Returns System for EPF Payments

To enhance operational efficiency within a paperless environment, the Central Bank of Sri Lanka (CBSL) introduced a mechanism for collecting contribution details through

Table 05 **Enforcement of Law**

Description		Year				
		2019	2020	2021	2022	2023
New Registrations	Employers	8,930	5,092	4,222	5,517	7,795
	Employees	37,297	427,016	18,298	31,415	32,027
Provincial wise Employer Registrations (As a % of total Employer Registration)	Western	42.8	45.1	50.8	46.6	45.4
	Northern & Eastern	11.3	11.3	10.1	12.2	11.1
	Other	45.9	43.6	39.1	41.2	43.5
First Notices	No. of notices sent	20,436	11,395	8,273	11,389	13,955
	Amount to be Claimed (Rs. million)	6,839	5,076	4,026	7,258	7,949
Red Notices	No. of notices sent	13,756	7,742	7,319	7,917	9,860
	Amount to be Claimed (Rs. million)	5,231	3,884	3,956	5,241	4,561
Filed Cases	No. of cases	4,235	2,712	2,218	1,664	2,512
	Amount Recovered (Rs. million)	547	329	557	826	633

Source : EPF Section, Department of Labour

electronic media. Initially implemented on a voluntary basis, this system was made compulsory under the statutory framework of the EPF (Amended) Act, No. 05 of 2012. According to the provisions of the Act, employers with more than 50 employees are mandated to submit the contribution details through electronic media.

In 2011, Licensed Commercial Banks (LCBs) joined as facilitators to collect EPF contributions via their online portals by making a remarkable improvement to the e-Return system. It resulted in a rapid improvement in the employer participation in the system and it improved the efficiency in the update of member accounts. Further, the processes of managing and supervising the overall operations have become more streamlined with this initiative. In 2016, the system was further enhanced with advanced technological integrations, enabling automated validation of member information and real time updating of member accounts through authorized LCBs.

2021 was a significant year for the EPF Department (EPFD) as it enabled the employers to submit their e-Returns through the EPFD's official web site and to make the payment online through participating LCB via 'LankaPay Online Payment Platform (LPOPP)' or by a cheque or as a direct debit. By the beginning of 2023, Bank of Ceylon, People's Bank, Commercial Bank, and Nations Trust Bank, partnered with the EPFD to integrate this advanced system into their operations. Further, Sampath Bank, DFCC Bank, Pan Asia Bank, Seylan Bank, and Hatton National Bank collaborated with the new system during 2023. A notable advantage of the new system is the updating of member accounts within a day upon the payment verification. In 2023, a total of 2,071 employers have joined with the electronic collection system introduced via EPFD's official web site.

Furthermore, steps were taken to raise awareness among employers about the electronic collection system and the benefits it offers to the members and the employers of EPF. As part of this initiative, awareness programmes were conducted for 320 employers covering 40 percent of the records with data discrepancies.

By the end of 2023, approximately 71 per cent active members were registered with the electronic collection system, with total EPF contributions collected through this platform amounting to Rs. 172.45 billion. It represent 81 per cent of the total contributions collected by the EPF.

1.11 Pre-Retirement Refund Scheme

In terms of the provisions in Employees Provident Fund (Amendment) Act, No. 02 of 2012 and the subsequent procedures passed by the Parliament in 2015, the 30 percent EPF pre-retirement benefit scheme, came into operation from 1st July 2015. The scheme is in high demand among the members of EPF and total of Rs. 149.4 billion has been refunded to over 266,938 beneficiaries by the end of 2023 and Rs.25.4 billion has been released to 42,435 beneficiaries during the year 2023 under this scheme.

1.12 Issuing of Statements of Member Accounts

Statements of member accounts are distributed to active members through their employers registered with the Fund, on a semi-annual basis. Accordingly, the member account statements of the first half and second half of 2022 were distributed during 2023 (Table 06).

1.13 Other Services to Members

EPF department observed an increasing trend in the volume of its activities and the number of members visiting the department to obtain EPF related services. Further, communications made with stakeholders through email, letters and over the telephone have also increase during the year. Given this situation, the department has taken several measures to provide efficient services to the stakeholders.

The Public Relations and Inquiries Counter of EPF Department has provided a valuable service to all the stakeholders of EPF by fulfilling the service requests of 184,403 members/ employers who visited the Department and has attended to 79,187 and 18,959 member inquiries raised through telephone calls and e-mails, respectively. Further, the Department has responded to 1,978 letters received from members, employers and other stakeholders.

In the year 2023, Record Amendment Division (RAD) successfully processed approximately 105,627 EPF record amendments pertaining to member accounts. Notably, among these amendments, 97,998 were related to Name/ NIC amendments and 7,629 account amendments. This encompassed a substantial volume of 23,571 requests for amendments received through regional offices.

Table 06 **Issue of Member Account Statements**

Period	No. of Employers	No. of Statements (Active Members)
2022 1st half	63,831	2,176,751
2022 2nd half	72,000	2,579,208

Source : EPF Department, Central Bank of Sri Lanka

ENGLISH

SECTION C

FINANCIAL STATEMENTS

EMPLOYEES' PROVIDENT FUND
STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st December	Note	2023			2022
		*CBSL	*Labour Dept.	Total	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	6	442,419,326	-	442,419,326	349,269,190
Dividend Income	7	2,997,302	-	2,997,302	7,527,818
Net Gain/ (Loss) on Financial Instruments at Fair Value	8	23,835,878	-	23,835,878	(40,995,584)
Over/(Under) Provision of Impairment of Financial Assets	9	4,036	-	4,036	(3,941)
Investment Income		**469,256,542**	**-**	**469,256,542**	**315,797,483**
Other Income	10	239,037	2,069	241,106	270,418
Gross Income		**469,495,579**	**2,069**	**469,497,648**	**316,067,901**
Operating Expenses	11	(1,494,162)	(810,537)	(2,304,699)	(2,133,782)
Operating Profit/ (Loss) before Income Tax		**468,001,417**	**(808,468)**	**467,192,949**	**313,934,119**
Tax Expense	12	(61,949,395)	-	(61,949,395)	(49,981,617)
Profit/ (Loss) for the Year		**406,052,022**	**(808,468)**	**405,243,554**	**263,952,502**
Retained Profit brought Forward				46,372	61,263
Unrealised (Gain)/Loss on Listed Equity				(23,707,153)	41,005,190
Profit available for Distribution				**381,582,773**	**305,018,956**
Profit Distribution					
Less : Interest Paid on Current Year Refunds				(8,218,285)	(6,434,802)
Add/ (Less) - Transfer from / (to) Profit Equalisation Reserve				64,150,000	(21,000,000)
Interest on member balances as at 31st December 2023 at 13.00% (2022-9.00%)				(436,755,361)	(277,537,781)
Balance Carried Forward for the Distribution in Next Year				**759,127**	**46,372**

* "CBSL" denotes the Employees' Provident Fund Department of the Central Bank of Sri Lanka and "Labour Dept." denotes the EPF Section of the Labour Department.

The accounting policies and notes on pages 287 through 339 form an integral part of the Financial Statements.
The Management is responsible for the preparation of these Financial Statements.
These Financial Statements were approved by the Governing Board of the Central Bank of Sri Lanka.

For and on behalf of the Governing Board,

Dr. P. Nandalal Weerasinghe
Governor
Central Bank of Sri Lanka

Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

Date : 20 March 2024

EMPLOYEES' PROVIDENT FUND
STATEMENT OF FINANCIAL POSITION

As at 31st December	Note	2023 Rs. Rs.'000	2022 Rs. Rs.'000
Assets			
Property, Plant and Equipment	13	382,512	362,496
Capital Work-in-Progress		297,885	297,885
Intangible Assets	14	5,696	3,537
Equity Securities	15	105,517,309	80,940,878
Fixed Income Securities	16	3,762,097,038	3,385,604,295
Inventories		22,683	25,020
Interest Receivables		70,000	122,125
Contribution Receivable		18,600,000	16,000,000
Other Current Assets	17	3,036,457	4,080,828
Cash and Cash Equivalents	18	5,090,003	4,330,788
		3,895,119,583	**3,491,767,852**
Liabilities			
Accounts Payable	19	4,870	4,734
Accrual Expenses		773,093	684,900
Other Current Liabilities	20	36,935,795	31,216,978
		37,713,758	**31,906,612**
Total Net Assets		**3,857,405,825**	**3,459,861,240**
Represented by,			
Member Balances	21	3,817,891,512	3,380,616,835
		3,817,891,512	**3,380,616,835**
Reserves	22	10,157,000	74,307,000
Retained Profit	23	29,357,313	4,937,405
		39,514,313	**79,244,405**
Total Net Worth of the Fund		**3,857,405,825**	**3,459,861,240**

The accounting policies and notes on pages 287 through 339 form an integral part of the Financial Statements.

The Management is responsible for the preparation of these Financial Statements.

These Financial Statements were approved by the Governing Board of the Central Bank of Sri Lanka.

For and on behalf of the Governing Board,

Dr. P. Nandalal Weerasinghe
Governor
Central Bank of Sri Lanka

Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

Date : 20 March 2024

EMPLOYEES' PROVIDENT FUND
RECEIPTS AND PAYMENTS ACCOUNT

For the year ended 31st December	Note	2023			2022
		CBSL Rs.'000	Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Cash balance at the beginning of the year		4,331,447	2,435	4,333,882	3,102,237
Total Receipts	24	619,168,869	848,082	620,016,951	527,413,380
Total Payments	25	(618,409,932)	(793,791)	(619,203,723)	(526,181,735)
Cash balance at the end of the year		**5,090,384**	**56,726**	**5,147,110**	**4,333,882**

The accounting policies and notes on pages 287 through 339 form an integral part of the Financial Statements.

The Management is responsible for the preparation of these Financial Statements.

These Financial Statements were approved by the Governing Board of the Central Bank of Sri Lanka.

For and on behalf of the Governing Board,

Dr. P. Nandalal Weerasinghe
Governor
Central Bank of Sri Lanka

Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

Date : 20 March 2024

EMPLOYEES' PROVIDENT FUND
STATEMENT OF INVESTMENTS

Class of Investment	Note	Face value Rs.'000	Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000	Book Value Rs.'000
As at 31st December 2023						
Treasury Bonds	16.1.1	3,354,860,516	3,234,838,801	3,167,996,437	3,301,910,739	3,301,910,739
Treasury Bills	16.1.2	444,357,807	400,194,434	419,341,945	420,297,186	420,297,186
Corporate Debt Instruments	16.2	13,640,570	13,640,570	13,401,341	14,071,177	14,068,769
Reverse Repo	16.3	25,800,000	25,800,000	25,820,344	25,820,344	25,820,344
Listed Equities	15.1	-	85,779,108	96,376,320	85,779,108	96,376,320
Unlisted Equities	15.2	-	9,640,989	9,140,989	9,640,989	9,140,989
		3,838,658,893	**3,769,893,902**	**3,732,077,376**	**3,857,519,542**	**3,867,614,347**
As at 31st December 2022						
Treasury Bonds	16.1.1	3,174,405,423	3,068,744,310	1,914,415,644	3,184,165,117	3,184,165,117
Treasury Bills	16.1.2	183,305,720	166,816,977	172,944,307	174,425,329	174,425,329
Corporate Debt Instruments	16.2	22,815,660	22,815,660	22,364,078	23,617,119	23,610,953
Reverse Repo	16.3	3,400,000	3,400,000	3,402,896	3,402,896	3,402,896
Listed Equities	15.1	-	84,909,116	71,799,889	84,909,116	71,799,889
Unlisted Equities	15.2	-	9,640,989	9,140,989	9,640,989	9,140,989
		3,383,926,803	**3,356,327,052**	**2,194,067,803**	**3,480,160,566**	**3,466,545,173**

The accounting policies and notes on pages 287 through 339 form an integral part of the Financial Statements.
The Management is responsible for the preparation of these Financial Statements.
These Financial Statements were approved by the Governing Board of the Central Bank of Sri Lanka.

For and on behalf of the Governing Board,

....

Dr. P. Nandalal Weerasinghe
Governor
Central Bank of Sri Lanka

Date : 20 March 2024

....

Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

EMPLOYEES' PROVIDENT FUND
SATEMENT OF CASH FLOWS

For the year ended 31st December	2023 Rs.'000	2022 Rs.'000
Cash flows from operating activities		
Interest received from Investments	405,207,532	328,807,041
Dividends received from equities	3,216,720	3,158,973
Surcharges and other income	7,018	76,022
Payment of operating expenses	(1,539,400)	(1,522,698)
Advances given	(8,607)	(13,541)
Settlement of Creditors and other payables	(4,850,002)	(3,922,234)
Cash generated from operating activities	**402,033,261**	**326,583,563**
Taxes Paid	(56,680,643)	(43,838,631)
Net cash generated from operating activities	**345,352,618**	**282,744,932**
Cash flows from investing activities		
Investments in Financial Assets	(2,972,024,779)	(2,799,928,854)
Maturities of Investments	2,632,643,670	2,487,022,087
Proceeds on sale of Financial Investments	154,195	12,692
Proceeds on sale of Fixed Asset	2,790	167
Acquisition of Property, Plant and Equipment	(69,702)	(188,340)
Net cash used in investing activities	**(339,293,826)**	**(313,082,248)**
Cash flow from financing activities:		
Contributions received	210,582,382	194,593,541
General Deposit Account - Labour Department	76,930	6,703
Refunds to Members	(215,902,441)	(163,031,106)
Net cash generated from financing activities	**(5,243,129)**	**31,569,138**
Net increase in cash and cash equivalents	**815,663**	**1,231,822**
Cash and Cash equivalents at the beginning of the year	4,331,447	3,102,060
Cash and cash equivalents at the end of the year-Before Adjustments	**5,147,110**	**4,333,882**
Adjustments:		
Cash balance at the end of the year - Labour Department	(56,726)	(2,435)
Cash and cash equivalents at the end of the year (Note A)	**5,090,384**	**4,331,447**
Note A		
Analysis of Cash and Cash equivalents as at 31st December;		
Cash in Hand	20	20
Cash in Transit	10,000	-
Cash at Bank	5,080,364	4,331,427
	5,090,384	**4,331,447**
(-) Provision for impairment	(381)	(659)
	5,090,003	**4,330,788**

EMPLOYEES' PROVIDENT FUND
STATEMENT OF CHANGES IN EQUITY / MEMBERS' WEALTH

Description	Members Balance	Building Reserve Fund	Technology Advancement Reserve Fund	Profit Equalisation Reserve Fund	General Reserve Fund	Investment Revaluation Reserve	Retained Profit	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31st December 2021	**3,066,871,294**	**3,157,000**	**350,000**	**43,150,000**	**6,650,000**	**392,375**	**45,565,111**	**3,166,135,780**
Investment revaluation reserve transferred to Retained Earnings due to accounting policy change	-	-	-	-	-	(392,375)	392,375	-
Adjusted balance as at 31st December 2021	**3,066,871,294**	**3,157,000**	**350,000**	**43,150,000**	**6,650,000**	**-**	**45,957,486**	**3,166,135,780**
Net Profit for the year - 2022	-	-	-	-	-	-	263,952,502	263,952,502
Net Contributions for 2022	36,207,760	-	-	-	-	-	-	36,207,760
Member Interest Paid on Refunds - 2022	-	-	-	-	-	-	(6,434,802)	(6,434,802)
Member Interest payable (2022 at 9.00%)	277,537,781	-	-	-	-	-	(277,537,781)	-
Transfers to Profit Equalization Reserve from Distributable Profit	-	-	-	21,000,000	-	-	(21,000,000)	-
Balance as at 31st December 2022	**3,380,616,835**	**3,157,000**	**350,000**	**64,150,000**	**6,650,000**	**-**	**4,937,405**	**3,459,861,240**
Net Profit for the year - 2023	-	-	-	-	-	-	405,243,554	405,243,554
Net Contributions for 2023	519,316	-	-	-	-	-	-	519,316
Member Interest Paid on Refunds - 2023	-	-	-	-	-	-	(8,218,285)	(8,218,285)
Member Interest payable (2023 at 13.00%)	436,755,361	-	-	-	-	-	(436,755,361)	-
Transfers from Profit Equalization Reserve	-	-	-	(64,150,000)	-	-	64,150,000	-
Balance as at 31st December 2023	**3,817,891,512**	**3,157,000**	**350,000**	**-**	**6,650,000**	**-**	**29,357,313**	**3,857,405,825**

Employees' Provident Fund
Notes to the Financial Statements

1. Corporate Information

1.1 Reporting Entity

The Employees' Provident Fund ("EPF" or "the Fund") is a mandatory defined contributory retirement scheme for the private and semi government sector employees in Sri Lanka established under the EPF Act No.15 of 1958. The Commissioner of Labour acts as the general administrator of the Fund while the Central Bank of Sri Lanka (CBSL) is entrusted with the powers, duties and responsibilities to act as the custodian of the Fund. The Employees' Provident Fund Department of the Central Bank of Sri Lanka facilitates to discharge the aforementioned powers, duties and functions entrusted to CBSL by the Act.

2. Basis of Accounting

2.1 Statement of Compliance

The financial statements of the Fund have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs & LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the EPF Act No. 15 of 1958.

In terms of Section 5(1) (f), (g), (h) and (i) of EPF Act No.15 of 1958, the CBSL is required to maintain a general account in respect of the Fund, prepare the following financial statements annually and transmit a copy of the each statement to the Minister of Labour.

a. Statement of Income and Expenditure,

b. Statement of Assets and Liabilities,

c. Statement of Receipts and Payments, and

d. Statement of Investments, showing the face value, purchase price and market value of each of the investment.

2.2 Responsibility for Financial Statements

The Governing Board of the CBSL is responsible for the preparation and presentation of the Financial Statements of the Fund as per the provisions of the EPF Act No. 15 of 1958.

2.3 Approval of Financial Statements by the Governing Board of the CBSL

The Financial Statements for the year ended 31st December 2023, were authorized for issue by the Governing Board of the CBSL on 20th March 2024.

2.4 Basis of Preparation

The Financial Statements have been prepared on the historical cost basis, except for financial assets that have been measured at fair value or based on ultimate redemption value assuming a constant rate of return to maturity as appropriately giving due consideration to the requirements of LKAS 26 - Accounting and Reporting by Retirement Benefit Plans and SLFRS 09 - Financial Instruments.

2.5 Functional and Presentation Currency

The Financial Statements of the Fund are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Fund.

2.6 Use of Materiality, Offsetting and Rounding

Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately unless they are immaterial.

Offsetting

Assets and liabilities and income and expenses in the Financial Statements are not set off unless required or permitted by Sri Lanka Accounting Standards.

Rounding

The amounts in the Financial Statements have been rounded off to the nearest Rupees thousands, except where otherwise indicated.

2.7 Use of Judgments, Estimates and Assumptions

In preparing these Financial Statements of the Fund, the Management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively.

The Management considered the following items, where significant judgments, estimates and assumptions have been used in preparing these Financial Statements.

Going concern

The Management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Therefore, the Financial Statements of the Fund continued to be prepared on a going concern basis.

In addition to that specific accounting judgments, estimations and assumptions were used in the following disclosures.

- Valuation of Financial Instruments
- The impairment of assets
- Depreciation of Property, Plant and Equipment
- Provision for liabilities

2.8 Events Occurring after the Reporting Period and Contingent Liabilities

All material events occurring after the Reporting Date have been considered when preparing the Financial Statements. Provisions and relevant disclosures have been made for all known liabilities.

3. Material Accounting Policies

3.1 Recognition of Income and Expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and revenue can be reliably measured. Expenses are recognized in the Statement of Income and Expenditure on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in managing the Fund by both the EPF Department of the CBSL and the EPF Section of the Department of Labour has been charged to the Fund as its expenditure.

3.1.1 Interest Income

Interest income is recognized in the Statement of Income and Expenditure for all interest-bearing financial instruments on an accrual basis using the effective interest method. Interest income consists of coupon interest income and gain or loss on amortization of discount or premium of the financial instruments.

3.1.2 Dividends

Dividend income is recognized when the Fund's right to receive the payment is established. Dividend income is presented net of any non-recoverable Withholding Taxes (WHT).

3.1.3 Gain on Fair Valuation of Financial Investments at Fair Value

Fair Valuation changes on Financial Investments at Fair Value comprises realized and unrealized gains on fair valuation (mark to market valuation) of listed and unlisted equity, are presented in profit or loss as ‘gain or loss on fair valuation of Financial Investments at Fair Value in the Statement of Income and Expenditure.

3.1.4 Personnel Expenses

Personnel expenses include all staff-related expenses incurred by both the EPF Department of CBSL and the EPF Section of the Department of Labour. The Fund does not maintain separate pension fund or other post employee benefit plans.

3.1.5 Income Tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

As per the Inland Revenue Act No 24 of 2017 which is effective from 1st April 2018, the Fund is liable to pay income tax at 14%.

As per the Notice No. PN/IT/2023-01 dated 20.01.2023 issued by the Commissioner General of Inland Revenue on “Implementation of Budget Proposals - 2023”, applicable Income Tax rate for dividend received or derived by the residents during the period from October 1, 2022 to December 31, 2022 is 15%.

3.2 Assets

3.2.1 Plan Assets

Plan Assets of the Fund have been accounted for in accordance with LKAS 26 and the areas that are not coming under LKAS 26 including the assets used in the operations of the Fund are accounted for in accordance with the applicable accounting standards.

Fixed income securities of the Fund comprise of the Treasury Bonds, Treasury Bills, Reverse Repo agreements, Debentures, and Investment in Fixed Deposits and the Listed and Unlisted Equity Securities are accounted in accordance with LKAS 26. Any other financial investment which is not included in LKAS 26 that may arise in future, will be treated under SLFRS 09.

Accordingly, as per LKAS 26 Retirement Benefit Plan investments shall be carried at fair value other than Investments that have a fixed redemption value and that have been acquired to match the obligations of the plan and investments which are held for which an estimate of fair value is not possible. Where the Fund’s investments are held for which an estimate of fair value is not possible, have been disclosed, as appropriately.

Equity Securities are measured subsequently at fair value and fixed income securities are measured subsequently at amounts based on the ultimate redemption value assuming a constant rate of return to maturity.

The measurement of credit impairment for fixed income securities is based on the three - stage expected credit loss model (Note 3.2.1.2) and no impairment is calculated for financial investments measured at fair value.

3.2.1.1 Recognition and Derecognition of plan assets

A financial asset or financial liability is recognized in the Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

The Fund derecognizes a financial asset when the contractual cash flows from the asset expire, or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

Financial liability is derecognized from the statement of financial position when the Fund has discharged its obligation, or the contract is cancelled or expires.

3.2.1.2 Impairment of financial assets

The EPF applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value:

- Fixed income securities measured at amounts based on the ultimate redemption value assuming a constant rate of return to maturity;
- Loan commitments; and
- Financial guarantee contracts.

No ECL is recognized for equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.

The Fund determines 12-month ECL for instruments which are not significantly credit deteriorated

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognized.

In consistent with the policies of the Fund, rated below BBB- are considered to non-investment grade investments and the Fund considers such investments as significant deterioration of credit risk incurred. Such investments are considered for lifetime ECL calculation.

Further, movements within the ratings of the investment grade stipulate significant deterioration of credit risk. Significant deterioration is measured through the two notches downgrade of the external credit rating of the counterparty since the origination of the instrument.

For sovereign instruments significant deterioration is defined as a four notches downgrade of external credit rating of the counterparty.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Fund assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Fund considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

The Fund assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Fund if the commitment is drawn down and the cash flows that the Fund expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Fund expects to recover.

For further details on how the Fund calculates ECLs, including the use of forward-looking information, refer to the Credit quality of financial assets section in Note 30.

ECLs are recognized using a provision for doubtful debts account in profit and loss. The Fund recognizes the provision charge in profit and loss, with the corresponding amount recognized in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

3.2.1.3 Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the Statement of Financial Position when the Fund has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.2.1.4 Critical accounting assumptions and estimates

Assumptions made at each reporting date are based on the best estimates at that date. Although the Fund has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The accounting policies which are most sensitive to the use of judgement, estimates and assumptions are specified below.

Fair value measurement

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.

Where the classification of a financial asset or liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active market to which the Fund has immediate access. An adjustment for credit risk is also incorporated into the fair value as appropriate.

The fair value for a net open position that is a financial liability quoted in an active market is the current offer price, and for a financial asset the bid price, multiplied by the number of units of the instrument held or issued.

Where no active market exists for a particular asset or liability, the Fund uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

However, as explained in Note 16 unlisted equities are carried at fair value and the cost is considered as the best estimation of fair value as sufficient and recent information are not available to measure the fair value reliably using valuation techniques. Further, estimated fair values of unlisted equity investments are disclosed in Note 31.

3.2.2 Property, Plant and Equipment (PPE)

Recognition

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

Measurement

All property, plant and equipment are initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (as explained under 'subsequent costs'). Purchased software which is integral to the functionality of the related equipment is capitalized as part of that equipment.

Cost model

Property, plant and equipment, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When an asset’s carrying value is higher than its estimated recoverable amount, the carrying value is written down to its recoverable amount. Please refer Note 3.2.6 - Impairment of non-financial assets.

Subsequent costs

When significant parts of a property, plant and equipment are required to be replaced at regular intervals, the Fund derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciates accordingly. Ongoing repair and maintenance costs are charged to profit, or loss as incurred.

Derecognition

An item of property, plant and equipment is derecognized upon disposal, replacement or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in Profit or Loss in the period the asset is derecognized.

Depreciation

Depreciation is based on straight-line method over the estimated useful lives of the asset. Depreciation of an asset begins from the date it is available for use or in respect of self-constructed assets from the date that the asset is completed and ready for use. Depreciation ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized.

The estimated rates of depreciation of assets are follows;

Asset Class	**Rate of Depreciation**
Buildings	02%
Plant and Machinery	25%
Office Equipment	25%
Furniture & Fittings	10%
Motor Vehicles	20%
Computer Equipment	25%
Other	20%

Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted if appropriate.

3.2.3 Intangible Assets

Computer software not integral to computer hardware are shown as intangible assets and recognized at cost. Subsequent to the initial recognition, they are carried at cost less any accumulated amortization based on useful life of three years.

3.2.4 Inventories

Inventories consist of consumable items and carried at weighted average cost.

3.2.5 Receivables

Receivables are carried at expected realizable value after making provision for impairment. All receivables are assessed for specific impairment by considering objective evidence.

3.2.6 Impairment of Non- Financial Assets

The Fund assesses at the end of each financial period if events or changes in circumstances indicate that there is an indication that a non- financial asset may be impaired. If such an indication exists, the Fund makes an estimated recoverable amount of the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

3.3 Liabilities

3.3.1 Retained Benefits

EPF benefits, retained on the instructions of the Commissioner of Labour are shown as retained benefits until instructions are received to release them. Such benefits are not retained for more than one accounting period in this account and transferred to unclaimed benefit account.

3.3.2 Unclaimed Benefits

EPF benefits which are duly refunded to the members or the beneficiaries, but returned for various reasons as well as the Retained Benefit over one year are credited to the Unclaimed Benefits Account until they are re-claimed.

3.3.3 Under Payments & Over Payments (Refunds)

The balance shown in the Under Payments & Over Payments (Refunds) Account represents benefits to be paid as part payments.

3.3.4 Under Payments & Over Payments (Contribution)

The balance shown in the Under Payments & Over Payments (Contribution) Account represents contributions received but not credited to the member accounts, temporarily.

3.3.5 Provisions

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

3.3.6 De-recognition of Liabilities

Liabilities are de-recognized when they are extinguished, that is when the obligation is discharged, canceled, or expires.

3.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "direct method" of preparing cash flows in accordance with the Sri Lanka Accounting Standard "LKAS 07– Statement of Cash Flows". Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.5 Receipts and Payments Account

Statement of Receipts and Payments represents all receipts received in the form of cash during the year and payments made in cash during the year.

4. Comparative Information

The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year (Note 32 – Comparative Information).

5. Changes in Material Accounting Policies

5.1 The Fund has consistently applied the Accounting Policies as set out in Notes 01 to 04 to all periods presented in these Financial Statements, unless otherwise disclosed in the Financial Statements:

5.2 The Fund adopted LKAS 26 from 2023, the specific standard available for retirement benefit plans to provide more relevant information to the users of financial statements. Further, the provisions in SLFRS 09 are considered when direct guidelines are not available in LKAS 26 to provide a comprehensive information to the users of the financial statements.

5.3 However, this does not change the basis of measurement of financial assets and the amounts recorded in financial statements in 2022, except for the classification changes described in Note 32. The net assets position of the Fund as of 31st December 2022 remains unchanged and there is no impact to the profit or loss reported for the year 2022. Therefore, the financial statements are not restated.

5.3.1 Those securities that have a fixed redemption value and that have been acquired to match the obligations of the plan, or specific parts thereof, may be carried at amounts based on their ultimate redemption value assuming a constant rate of return to maturity. As per section 5 (1) (e) of the EPF Act No. 15 of 1958, EPF is allowed to invest such of the moneys of the Fund which is not immediately required for the purposes mentioned in the Act. Hence, the investments of the EPF are made in such a way that it can meet the member liabilities at any point in time. Therefore, the investments in fixed income securities are carried at amounts based on their ultimate redemption value assuming a constant rate of return to maturity. The listed and unlisted equity instruments are carried at fair value.

5.4 In the absence of a SLFRS that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy considering the requirements in SLFRSs dealings with similar and related issues. Accordingly, the following are presented with these financial statements in line with the provisions given in the respective standard mentioned therein.

5.4.1 Provision for Expected Credit Loss (ECL) : LKAS 26 does not require the Fund to make an expected credit loss provision on financial assets. However, to represent the fair position of financial instruments, ECL provision is calculated and provided under the guidelines given in SLFRS 09. However, the Treasury Bills and Treasury Bonds are not assessed for impairment, since the counterparty is the sovereign of the country, and the instrument is based on rupee terms.

5.4.2 Note on Financial risk management objectives, policies and processes is given under the guidelines given in SLFRS 09.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

6 Interest Income

For the year ended 31st December	2023			2022
	CBSL	**Labour Dept.**	**Total**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Interest on Treasury Bonds	378,441,273	-	378,441,273	325,422,599
Interest on Treasury Bills	60,402,705	-	60,402,705	15,272,142
Interest on Corporate Debt Securities - Listed	1,686,725	-	1,686,725	2,290,667
Interest on Corporate Debt Securities - Unlisted	637,486	-	637,486	637,500
Interest on Fixed Deposits	-	-	-	4,225,390
Interest on Reverse Repos	1,251,137	-	1,251,137	1,420,892
	442,419,326	**-**	**442,419,326**	**349,269,190**

7 Dividend Income

For the year ended 31st December	2023			2022
	CBSL	**Labour Dept.**	**Total**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Dividend from Equity Securities	2,997,302	-	2,997,302	7,527,818
	2,997,302	**-**	**2,997,302**	**7,527,818**

8 Net Gain/(Loss) on Financial Instruments at Fair Value

For the year ended 31st December	2023			2022
	CBSL	**Labour Dept.**	**Total**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Listed Equity Securities	23,835,878	-	23,835,878	(40,995,584)
	23,835,878	**-**	**23,835,878**	**(40,995,584)**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

9 Under/ (Over) Provision of Impairment of Financial Assets

For the year ended 31st December	2023	2022
	Rs.'000	Rs.'000
Under/ (Over) Provision of Impairment; (Note 16 & 18)		
Corporate Debt Securities	(3,758)	4,531
Fixed Deposits	-	(1,154)
Bank Balances	(278)	565
	(4,036)	3,941
Under/ (Over) Provision of Impairment/ Impairment Expense	**(4,036)**	**3,941**

10 Other Income

For the year ended 31st December	2023			2022
	CBSL	Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Surcharges	237,017	-	237,017	255,408
Other Income	2,020	2,069	4,089	15,010
	239,037	**2,069**	**241,106**	**270,418**

11 Operating Expenses

For the year ended 31st December	2023			2022
	CBSL	Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Personnel Expenses	934,614	459,799	1,394,413	1,464,458
Administration Expenses	485,115	346,430	831,545	598,253
Other Expenses	74,433	4,308	78,741	71,071
	1,494,162	**810,537**	**2,304,699**	**2,133,782**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

12 Tax Expense

For the year ended 31st December	2023 Rs.'000	2022 Rs.'000
Income Tax on Profit for the Year (12.1)	61,939,424	49,825,806
(Over)/ Under Provision in respect of Previous Years	9,971	155,811
	61,949,395	**49,981,617**

Tax expenses comprises the estimated tax on the taxable income for the year and any adjustment to the tax estimates in respect of previous years. The amount of current year tax expense is the best estimate of the tax liability in terms of the applicable laws, directions and determinations.

Summary of significant provision applicable under relevant tax legislation

(a) As per the Inland Revenue Act No 24 of 2017 with effective from 1st April 2018, the fund is liable to pay income tax at 14%.
(b) from October 1, 2022, Applicable Income Tax rate for dividend received or derived by residents is 15%.

12.1 *Reconciliation between Profit before Tax & Taxable income*

		2023 Rs. '000	2022 Rs. '000
Operating Profit/ (Loss) before income tax		467,192,949	313,934,119
Adjustment;			
Dividend income		(2,997,302)	(888,087)
Share Buy Back considered as dividend income		3,481	3,366
Capitalization of reserve considered as dividend income		18,116	
Unrealised Loss/ (Gain) on financial instruments at fair value		(23,835,878)	40,995,584
Under/(Over) Provision of impairment of financial assets		(4,036)	3,941
Disallowed expenses		2,045,582	1,837,255
Adjusted income for taxation		442,422,912	355,886,178
Current tax expenses for the fund			
Tax on Dividend Income (@ 14% up to 30.09.2022)	@ 14%	-	905,659
Tax on Dividend Income (@ 15% After 01.10.2022)	@ 15%	3,240	26,116
Tax on Balance income (@ 14%)	@ 14%	61,936,184	48,894,031
		61,939,424	49,825,806

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

13 Property, Plant and Equipment

13.1 EPFD - CBSL & Labour Dept: - 2023

	Computer Equipment	Furniture and Fittings	Office Equipment	Motor Vehicles	Other	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost						
As at 1st January 2023	625,707	202,348	454,863	97,202	6,423	1,386,543
Additions during the year	61,402	-	8,410	-	-	69,812
Disposals During the year	-	-	-	-	-	-
As at 31st December 2023	**687,109**	**202,348**	**463,273**	**97,202**	**6,423**	**1,456,355**
Accumulated Depreciation						
As at 1st January 2023	535,486	112,579	314,019	56,093	5,869	1,024,046
Charge for the year	24,126	13,660	11,995	-	16	49,797
Disposals During the year	-	-	-	-	-	-
As at 31st December 2023	**559,612**	**126,239**	**326,015**	**56,093**	**5,885**	**1,073,843**
Net Book Value (NBV)						
As at 31st December 2023	**127,497**	**76,109**	**137,259**	**41,109**	**538**	**382,512**
As at 31st December 2022	**90,221**	**89,768**	**140,842**	**41,109**	**554**	**362,496**

EPFD - CBSL & Labour Dept: - 2022

	Computer Equipment	Furniture and Fittings	Office Equipment	Motor Vehicles	Other	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost						
As at 1st January 2022	610,210	112,190	432,741	97,202	6,423	1,258,766
Additions during the year	15,665	90,157	22,122	-	-	127,944
Disposals During the year	(167)	-	-	-	-	(167)
As at 31st December 2022	**625,707**	**202,347**	**454,863**	**97,202**	**6,423**	**1,386,543**
Accumulated Depreciation						
As at 1st January 2022	517,812	100,023	304,842	56,093	5,846	984,616
Charge for the year	17,740	12,556	9,177	-	24	39,497
Disposals During the year	(66)	-	-	-	-	(66)
As at 31st December 2022	**535,486**	**112,579**	**314,020**	**56,093**	**5,869**	**1,024,047**
Net Book Value (NBV)						
As at 31st December 2022	**90,221**	**89,767**	**140,843**	**41,109**	**554**	**362,496**
As at 31st December 2021	**92,398**	**12,167**	**127,898**	**41,109**	**578**	**274,150**

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

Property, Plant & Equipment Contd….

13.2

2023	Computer Equipment		Furniture and Fittings		Office Equipment		Motor Vehicles		Other		Total		Total
	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost													
As at 1st January 2023	140,645	485,062	76,281	126,067	30,922	423,941	-	97,202	6,071	352	253,919	1,132,624	1,386,543
Additions during the year	46,905	14,497	-	-	1,499	6,911	-	-	-	-	48,404	21,408	69,812
Disposals During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2023	**187,550**	**499,559**	**76,281**	**126,067**	**32,421**	**430,852**	**-**	**97,202**	**6,071**	**352**	**302,323**	**1,154,032**	**1,456,355**
Accumulated Depreciation													
As at 1st January 2023	126,876	408,610	46,313	66,266	26,138	287,881	-	56,094	5,517	352	204,844	819,203	1,024,047
Charge for the year	12,041	12,085	4,356	9,303	4,506	7,489	-	-	16	-	20,919	28,877	49,796
Disposals During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2023	**138,917**	**420,695**	**50,669**	**75,569**	**30,644**	**295,370**	**-**	**56,094**	**5,533**	**352**	**225,763**	**848,080**	**1,073,843**
NBV as at 31st December 2023	**48,633**	**78,864**	**25,612**	**50,498**	**1,777**	**135,481**	**-**	**41,108**	**538**	**-**	**76,560**	**305,952**	**382,512**
NBV as at 31st December 2022	**13,769**	**76,452**	**29,968**	**59,801**	**4,784**	**136,060**	**-**	**41,108**	**554**	**-**	**49,075**	**313,421**	**362,496**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Property, Plant & Equipment Contd….

2022	Computer Equipments		Furniture and Fittings		Office Equipments		Motor Vehicles		Other		Total		Total
	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	CBSL	Labour Dept.	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost													
As at 1st January 2022	140,203	470,006	47,966	64,226	29,783	402,958	-	97,202	6,071	352	224,024	1,034,744	1,258,768
Additions during the year	609	15,056	28,315	61,841	1,139	20,983	-	-	-	-	30,063	97,880	127,944
Disposals During the year	(167)	-	-	-	-	-	-	-	-	-	(167)	-	(167)
As at 31st December 2022	**140,645**	**485,062**	**76,281**	**126,067**	**30,922**	**423,941**	**-**	**97,202**	**6,071**	**352**	**253,919**	**1,132,624**	**1,386,543**
Accumulated Depreciation													
As at 1st January 2022	122,268	395,543	42,118	57,905	23,345	281,497	-	56,094	5,494	352	193,225	791,391	984,616
Charge for the year	4,674	13,066	4,195	8,361	2,793	6,384	-	-	24	-	11,686	27,811	39,497
Disposals During the year	(66)	-	-	-	-	-	-	-	-	-	(66)	-	(66)
As at 31st December 2022	**126,876**	**408,610**	**46,313**	**66,266**	**26,138**	**287,881**	**-**	**56,094**	**5,517**	**352**	**204,845**	**819,202**	**1,024,046**
NBV as at 31st December 2022	**13,769**	**76,452**	**29,968**	**59,801**	**4,784**	**136,060**	**-**	**41,108**	**554**	**-**	**49,074**	**313,422**	**362,496**
NBV as at 31st December 2021	**17,935**	**74,463**	**5,848**	**6,321**	**6,438**	**121,461**	**-**	**41,108**	**578**	**-**	**30,798**	**243,353**	**274,152**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

14 Intangible Assets

Computer Software	2023			2022
	CBSL	Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
As at 01st January	35,590	7,830	43,420	41,257
Acquisitions during the Year	1,020	2,052	3,072	2,163
As 31st December	**36,610**	**9,882**	**46,492**	**43,420**
Amortisation				
As at 01st January	34,910	4,973	39,883	39,248
Amortisation during the period	566	347	913	635
As 31st December	**35,476**	**5,320**	**40,796**	**39,883**
Net book value				
As at 01st January	680	2,857	3,537	2,009
As 31st December	**1,134**	**4,562**	**5,696**	**3,537**

15 Equity Securities

As at 31st December	2023		2022	
	Cost	Fair Value	Cost	Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments in equity securities				
Listed Equity (Note 15.1)	85,779,108	96,376,320	84,909,116	71,799,889
Unlisted Equity (Note 15.2)	9,640,989	9,140,989	9,640,989	9,140,989
Total Equity Instruments	**95,420,097**	**105,517,309**	**94,550,105**	**80,940,878**

All the equity securities are categorised under financial asset at fair value in accordance with LKAS 26

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

15.1 Listed Equity Securities

As at 31st December	2023		2022	
Company Name	Cost Rs.'000	Book value Rs.'000	Cost Rs.'000	Book value Rs.'000
Access Engineering PLC	448,736	415,709	448,736	219,118
ACL Cables PLC	155,514	812,863	155,514	828,222
Aitken Spence PLC	1,997,136	2,388,553	1,997,136	2,635,645
Aitken Spence Hotel Holdings PLC	1,710,207	1,984,601	1,710,207	1,600,281
Asian Hotels & Properties PLC	3,273,782	2,624,488	3,273,782	1,692,342
Asiri Surgical Hospital PLC	1,681	3,067	1,681	3,091
Brown & Company PLC	1,799,560	691,463	1,799,560	815,926
Bukit Darah PLC	2,310,610	1,100,281	2,310,610	833,784
Cargills (Ceylon) PLC	1,372,001	2,845,882	1,372,001	1,973,621
Carson Cumberbatch PLC	2,607,240	1,357,226	2,607,240	1,511,298
Central Finance Company PLC	2,741,510	2,570,119	2,741,510	1,526,199
Ceylon Grain Elevators PLC	1,005,585	848,062	1,005,585	430,719
Ceylon Guardian Investment PLC	549,333	244,620	552,401	185,450
Ceylon Hospitals PLC (NV)	25,411	120,055	25,411	126,981
Ceylon Hotels Corporation PLC	711,243	408,867	711,243	365,829
Chevron Lubricants Lanka PLC	49,564	91,737	49,564	98,036
CIC Holdings PLC (NV)	221,726	472,332	221,726	617,921
CIC Holdings PLC Voting	694,300	1,690,745	694,300	2,245,521
Colombo Dockyard PLC	2,791,809	593,072	2,791,809	692,897
Commercial Bank of Ceylon PLC	10,435,514	10,169,390	10,050,842	5,048,501
CT Holdings PLC	1,086,557	2,163,887	1,086,557	1,345,223
DFCC Bank PLC	3,604,601	2,250,898	3,558,726	863,532
Dialog Axiata PLC	2,255,649	2,136,817	2,255,649	2,018,105
Diesel & Motor Engineering PLC	1,625,690	939,048	1,625,690	1,099,686
Dilmah Ceylon Tea Company PLC	1,082,639	1,562,386	1,082,639	1,770,651
Dipped Products PLC	312,650	768,676	312,650	801,737
Galadari Hotels (Lanka) PLC	810,322	379,395	810,322	296,402
Hatton National Bank PLC	7,212,654	7,368,344	7,035,172	3,294,899
Haycarb PLC	222,565	850,738	222,565	762,092
Hayleys Fabric PLC	213,592	448,799	213,592	250,441

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

15.1 Listed Equity Securities Contd...

As at 31st December	2023		2022	
Company Name	**Cost Rs.'000**	**Book value Rs.'000**	**Cost Rs.'000**	**Book value Rs.'000**
Hayleys Leisure PLC	348,646	218,154	348,646	219,193
Hayleys PLC	9,303	22,877	9,303	21,787
Jetwing Symphony PLC	390,000	297,818	390,000	368,727
John Keells Holdings PLC	1,597,949	1,940,431	1,597,949	1,374,048
John Keells Hotels PLC	1,166,289	1,475,320	1,166,289	1,294,828
Kelani Tyres PLC	98,635	98,666	98,635	90,120
Lanka IOC PLC	76,437	239,349	76,437	475,765
Lanka Tiles PLC	406,130	1,048,314	406,130	1,145,196
Laugfs Gas PLC (NV)	459,439	432,991	459,439	182,217
Laugfs Gas PLC - Voting	1,891,758	2,072,741	1,891,758	903,206
Laugfs Power Limited - Voting	281,261	509,501	281,261	521,080
Laugfs Power Limited (NV)	87,642	140,722	87,642	122,681
LOLC Holdings PLC	1,611,013	5,393,498	1,611,013	6,042,539
National Development Bank PLC	3,272,741	2,464,016	3,190,284	1,156,013
Nations Trust Bank PLC	9,478	15,417	9,018	6,246
Nestle Lanka PLC	-	-	21,687	90,500
People's Leasing & Finance PLC	1,763,311	1,185,833	1,763,311	554,128
PGP Glass Ceylon PLC	541,434	2,528,880	541,434	1,192,186
Raigam Wayamba Salterns PLC	153,682	239,757	153,682	220,729
Richard Pieris & Company PLC	1,647,208	3,482,940	1,647,208	4,094,578
Royal Ceremics Lanka PLC	1,633,878	4,033,391	1,633,878	4,323,673
Sampath Bank PLC	6,809,236	8,244,883	6,697,680	3,903,033
Seylan Bank PLC - Voting	1,693,790	1,284,025	1,646,415	880,618
Seylan Bank PLC (NV)	563,918	603,538	537,162	254,972
Sierra Cables PLC	33	106	33	83
Softlogic Holdings PLC	133,137	65,075	133,137	114,965
Sri Lanka Telecom PLC	857,619	2,352,609	857,619	1,722,039
Tal Lanka Hotels PLC	343,942	141,319	343,942	121,980
Tangerine Beach Hotels PLC	147,658	85,547	147,658	96,302
Teejay Lanka PLC	262,021	253,350	262,021	221,245
The Finance Company PLC*	205,490	-	205,490	-
The Kingsbury PLC	555,502	552,095	555,502	434,519
The Lighthouse Hotel PLC	309,422	160,171	309,422	152,544
Tokyo Cement Company (Lanka) PLC (NV)	152,766	235,899	134,651	146,732
Trans Asia Hotels PLC	263,155	167,552	263,155	193,329
Vallibel One PLC	2,705,806	4,087,416	2,705,806	3,203,938
	85,779,108	**96,376,320**	**84,909,116**	**71,799,889**

*The securities of The Finance Company (TFC) has been delisted from the official list of the Colombo Stock Exchange (CSE) with effect from 28.12.2020.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

15.2 Unlisted Equity

As at 31st December	2023		2022	
Company Name	**Cost Rs.'000**	**Book value Rs.'000**	**Cost Rs.'000**	**Book value Rs.'000**
Canwill Holdings (Pvt) Ltd.	5,000,000	5,000,000	5,000,000	5,000,000
Cargills Bank Limited	495,000	495,000	495,000	495,000
Fitch Ratings Lanka Limited	625	625	625	625
Sri Lankan Airlines	500,000	0.1	500,000	0.1
Laugfs Gas Eco Sri Limited - Voting	62,282	62,282	62,282	62,282
Laugfs Gas Eco Sri Limited - Non Voting	19,407	19,407	19,407	19,407
Laugfs Gas Leisure Limited - Voting	448,820	448,820	448,820	448,820
Laugfs Gas Leisure Limited - Non Voting	139,855	139,855	139,855	139,855
West Coast Power (Pvt) Ltd	2,975,000	2,975,000	2,975,000	2,975,000
	9,640,989	**9,140,989**	**9,640,989**	**9,140,989**

The unlisted equities are continued to be accounted at fair value and the cost is considered as the fair value, since there is no reliable measure of fair value, except for Sri Lankan Airlines. A separate disclosure is given in Note 30 for estimated fair values.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

16 Fixed Income Securities

As at 31st December	2023				2022			
	Face Value Rs.'000	Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000	Face Value Rs.'000	Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000
Investments in Government Securities								
Treasury Bonds (Note 16.1.1)	3,354,860,516	3,234,838,801	3,167,996,437	3,301,910,739	3,174,405,423	3,068,744,310	1,914,415,644	3,184,165,117
Treasury Bills (Note 16.1.2)	444,357,807	400,194,434	419,341,945	420,297,186	183,305,720	166,816,977	172,944,307	174,425,329
	3,799,218,323	3,635,033,235	3,587,338,382	3,722,207,925	3,357,711,143	3,235,561,287	2,087,359,951	3,358,590,446
Investments in Debentures								
Listed (Note 16.2.1)	8,640,570	8,640,570	8,396,116	9,065,951	17,815,660	17,815,660	17,358,838	18,611,879
Unlisted (Note 16.2.2)	5,000,000	5,000,000	5,005,225	5,005,225	5,000,000	5,000,000	5,005,240	5,005,240
Less: Provision for Impairment	-	-	-	(2,407)	-	-	-	(6,166)
	13,640,570	13,640,570	13,401,341	14,068,769	22,815,660	22,815,660	22,364,078	23,610,953
Investments in Repo Transactions (16.3)	25,800,000	25,800,000	25,820,344	25,820,344	3,400,000	3,400,000	3,402,896	3,402,896
	25,800,000	25,800,000	25,820,344	25,820,344	3,400,000	3,400,000	3,402,896	3,402,896
Total investments in Fixed Income Securities	**3,838,658,893**	**3,674,473,805**	**3,626,560,067**	**3,762,097,038**	**3,383,926,803**	**3,261,776,947**	**2,113,126,925**	**3,385,604,295**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Fixed Income Securities Contd...

Movement of Impairment for Fixed Income Securities

	Provision as at 31.12.2023	Provision as at 31.12.2022	Over/ (Under) Provision
	Rs'000	Rs'000	Rs'000
Impairment allowance for Corporate Debt Securities	2,407	6,166	(3,758)
	2,407	**6,166**	**(3,758)**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Fixed Income Securities (Contd…)

16.1 Investments in Government Securities

16.1.1 Treasury Bonds

As at 31st December		2023				2022			
	Year of Maturity	Face Value Rs.'000	Purchase Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000	Face Value Rs.'000	Purchase Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000
Government of Sri Lanka Treasury Bonds	2023	-	-	-	-	208,482,053	199,769,593	188,309,417	211,917,752
	2024	-	-	-	-	149,140,198	149,226,509	118,320,492	153,549,072
	2025	-	-	-	-	247,304,118	249,361,735	173,229,621	254,013,926
	2026	98,616,617	93,482,787	93,487,444	92,434,269	403,659,982	357,069,272	254,033,751	391,780,440
	2027	240,142,682	226,937,151	230,587,928	235,365,555	245,139,468	254,432,400	141,828,860	253,502,856
	2028	292,737,152	272,171,255	273,882,248	277,827,409	501,264,340	477,363,591	278,241,344	502,628,667
	2029	222,292,681	209,849,265	209,108,946	212,751,259	175,443,233	194,212,821	112,320,632	194,262,073
	2030	222,292,681	209,849,265	205,438,450	210,373,045	91,928,830	94,977,703	48,861,460	94,802,552
	2031	222,292,681	209,849,265	209,103,611	216,893,964	287,443,723	277,915,162	167,410,389	279,264,228
	2032	222,292,681	209,849,265	207,053,851	216,786,301	214,271,480	158,047,092	101,774,806	173,085,193
	2033	410,332,589	402,062,561	380,825,055	414,672,581	307,254,648	282,516,820	141,765,917	295,561,923
	2034	313,851,011	316,137,853	301,535,818	322,298,804	91,558,330	106,288,588	50,694,520	108,554,442
	2035	319,739,491	315,759,280	300,011,035	318,465,396	97,446,810	105,910,014	50,086,101	106,677,492
	2036	222,292,681	209,849,265	210,222,410	209,831,379	-	-	-	-
	2037	222,292,681	209,849,265	212,149,910	216,454,203	-	-	-	-
	2038	222,292,681	209,849,265	209,615,329	216,432,356	-	-	-	-
	2039	13,659,000	13,746,969	11,490,292	14,084,227	13,659,000	13,746,969	6,195,832	14,082,470
	2041	26,700,000	27,737,826	25,248,214	29,253,512	26,700,000	27,737,826	15,435,697	29,273,774
	2043	-	-	-	-	30,676,000	22,309,955	13,271,879	23,046,205
	2044	78,263,210	92,355,217	83,491,056	92,512,384	78,263,210	92,355,217	49,820,159	92,681,691
	2045	4,770,000	5,503,044	4,744,838	5,474,094	4,770,000	5,503,044	2,814,767	5,480,360
					-				
		3,354,860,516	**3,234,838,801**	**3,167,996,437**	**3,301,910,739**	**3,174,405,423**	**3,068,744,310**	**1,914,415,644**	**3,184,165,117**

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

16.1 (i) Fixed Income Securities (Contd…)

The EPF as an eligible participant, submitted an offer to exchange the portfolio of Treasury Bonds of the EPF under the Domestic Debt Optimization (DDO) programme in terms of the invitation made by the Ministry of Finance, Economic Stabilization and National Policies (MOF) following a Resolution adopted by Parliament.

On 04 July 2023, MOF announced the Government's policy on domestic public debt optimization strategy, which was approved by the Parliament by a Resolution on 01 July 2023. As per the Exchange Memorandum, the following two options were available for EPF under DDO programme.

(i) Exchange Option: EPF can exchange a minimum required amount of existing Treasury bonds with 12 new Treasury bond series that mature from 2027 to 2038. These new bonds are offered with a coupon rate of 12% per annum until 2026 and 9% per annum thereafter. The EPF would continue to pay income tax at 14% per annum on its taxable income attributable from its Treasury bond portfolio.

(ii) Non-Exchange Option: If EPF decides not to exchange the existing Treasury bonds a 30% tax rate would apply to the taxable income of Treasury bond portfolio of the EPF,

Accordingly after a careful examinaton of the two options available to EPF, the EPF tendered Rs. 2,667,512,169,237 face value of Treasury Bonds for Debt Exchange, including additional Rs. 149,890,740,000 in excess of the minimum participation requirement considering its comparative benefits to the Fund. The Government has accepted the same and issued new Treasury Bonds to EPF with an equivalent face value on 14.09.2023.

Accordingly, EPF received 12 new treasury bonds in exchange and the details are as follows.

ISIN	Series	Bond Exchange Date	Date of Maturity	Amount Allocated (Face Value) (Rs. 000) *
LKK00427C155	12%9%2027'A'	2023-09-14	2027-03-15	222,292,681
LKK00528D158	12%9%2028'A'	2023-09-14	2028-04-15	222,292,681
LKK00629E152	12%9%2029'A'	2023-09-14	2029-05-15	222,292,681
LKK00730F155	12%9%2030'A'	2023-09-14	2030-06-15	222,292,681
LKK00831A152	12%9%2031'A'	2023-09-14	2031-01-15	222,292,681
LKK00932B156	12%9%2032'A'	2023-09-14	2032-02-15	222,292,681
LKK01033C150	12%9%2033'A'	2023-09-14	2033-03-15	222,292,681
LKK01134D154	12%9%2034'A'	2023-09-14	2034-04-15	222,292,681
LKK01235E157	12%9%2035'A'	2023-09-14	2035-05-15	222,292,681
LKK01336F150	12%9%2036'A'	2023-09-14	2036-06-15	222,292,681
LKK01437A157	12%9%2037'A'	2023-09-14	2037-01-15	222,292,681
LKK01538B150	12%9%2038'A'	2023-09-14	2038-02-15	222,292,681
Total				**2,667,512,169**

* The Face Value of the each of the new bond is determined by equally allocating the total face value of the exchanged bond portfolio in to 12 new bonds

As per the Financial Terms of the New Bonds referred to in the Exchange Memorandum, each series will receive 12% coupon semi-annually up to 2026 including 1st semi-annual coupon payment falling due in 2026, and 9% coupon semi-annually thereafter (i.e. 2nd semi-annual coupon payment in 2026 and onwards).

Further, in accordance with LKAS 26 the new treasury bond portfolio is recorded at the carrying value of the exchanged portfolio and therefore, EPF does not recognize any gain/ (loss) on bond exchange.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Fixed Income Securities (Contd…)

16.1.2 Treasury Bills

As at 31st December	Year of Maturity	2023				2022			
		Face Value Rs.'000	Purchase Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000	Face Value Rs.'000	Purchase Cost Rs.'000	Fair Value Rs.'000	Amortised Cost Rs.'000
Government of Sri Lanka Treasury Bills	2023	-	-	-	-	183,305,720	166,816,977	172,944,307	174,425,329
	2024	444,357,807	400,194,434	419,341,945	420,297,186	-	-	-	-
		444,357,807	**400,194,434**	**419,341,945**	**420,297,186**	**183,305,720**	**166,816,977**	**172,944,307**	**174,425,329**

The fair values of the Government Securities are based on the average of buying and selling quotes (Clean Price) as at 29th December 2023, published by the Central Bank of Sri Lanka.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

16.2 Investments in Debentures

16.2.1 Corporate Debentures - Listed

As at 31st December	Year of Maturity	2023 Face Value Rs.'000	2023 Purchase Cost Rs.'000	2023 Fair Value Rs.'000	2023 Amortised Cost Rs.'000	2022 Face Value Rs.'000	2022 Purchase Cost Rs.'000	2022 Fair Value Rs.'000	2022 Amortised Cost Rs.'000
Commercial Bank Debentures Type A 2018-2023	2023	-	-	-	-	2,000,000	2,000,000	2,000,000	2,106,521
Nations Trust Bank PLC_12.65%_2018-2023	2023	-	-	-	-	1,000,000	1,000,000	1,000,000	1,025,300
People's Leasing & Finance PLC 2018-2023_12.80%	2023	-	-	-	-	666,000	666,000	652,680	726,257
Sampath Bank_12.50%_2018-2023	2023	-	-	-	-	2,000,000	2,000,000	2,042,600	2,070,548
seylan bank debenture 15.07.2016 to 15.07.2023	2023	-	-	-	-	1,000,000	1,000,000	650,000	1,064,041
Bank of Ceylon_13.75%p.a	2023	-	-	-	-	134,090	134,090	137,067	137,525
DFCC Type B Debenture 12.75%_2023	2023	-	-	-	-	1,000,000	1,000,000	995,000	1,018,164
Hatton National Bank Type B 2016-2023	2023	-	-	-	-	1,000,000	1,000,000	1,072,500	1,021,726
National Development Bank PLC_2013-2023_13.90%p.a	2023	-	-	-	-	375,000	375,000	412,875	375,000
Sampath Bank_13.9%_2024	2024	1,000,000	1,000,000	1,000,000	1,116,912	1,000,000	1,000,000	1,000,000	1,116,912
DFCC Type B Debenture 13.00%_2025	2025	1,000,000	1,000,000	1,000,000	1,098,743	1,000,000	1,000,000	1,000,000	1,099,014
National Development Bank PLC_2013-2025_14.00%p.a	2025	500,000	500,000	200,000	500,000	500,000	500,000	200,000	500,000
National Development Bank PLC_2020-2025_9.50%p.a	2025	1,200,000	1,200,000	1,200,000	1,230,525	1,200,000	1,200,000	1,200,000	1,230,608
Commercial Bank Debentures Type B 2016-2026	2026	1,685,110	1,685,110	1,685,110	1,721,206	1,685,110	1,685,110	1,685,110	1,721,305
DFCC Bank_13.75%_2026	2026	555,460	555,460	611,006	613,681	555,460	555,460	611,006	613,840
HNB Debenture_12.80%_2026	2026	1,700,000	1,700,000	1,700,000	1,759,454	1,700,000	1,700,000	1,700,000	1,759,616
Sri Lanka Telecom PLC 2018-2028 12.75%	2028	1,000,000	1,000,000	1,000,000	1,025,430	1,000,000	1,000,000	1,000,000	1,025,500
		8,640,570	**8,640,570**	**8,396,116**	**9,065,951**	**17,815,660**	**17,815,660**	**17,358,838**	**18,611,879**

The fair values of the corporate debentures - listed : are based on the spot prices as at 29th December 2023, published by the Colombo Stock Exchange.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

16.2 Investments in Debentures

16.2.2 Corporate Debentures - Unlisted

As at 31st December	Year of Maturity	2023				2022			
		Face Value	Purchase Cost	Fair Value	Amortised Cost	Face Value	Purchase Cost	Fair Value	Amortised Cost
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Bank Of Ceylon_12.75%_2025	2025	5,000,000	5,000,000	5,005,225	5,005,225	5,000,000	5,000,000	5,005,240	5,005,240
		5,000,000	**5,000,000**	**5,005,225**	**5,005,225**	**5,000,000**	**5,000,000**	**5,005,240**	**5,005,240**

Unlisted debentures : amortised cost was considered as fair value as no information are available to estimate the fair value.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

16.3 Investments in Repo Transactions

As at 31st December	2023 Rs.'000	2022 Rs.'000
Domestic Operations Department	25,820,344	3,402,896
	25,820,344	**3,402,896**

17 Other Current Assets

As at 31st December	2023			2022
	CBSL Rs.'000	Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Dividend Receivable	2,458,697	-	2,458,697	3,572,863
Other Receivables	1,650	-	1,650	155
Prepayments	15,133	5,030	20,163	21,472
Current Account C/L	10,793,910	(10,793,910)	-	-
CGL Imprest	-	555,947	555,947	486,338
	13,269,390	**(10,232,933)**	**3,036,457**	**4,080,828**

18 Cash and Cash Equivalents

As at 31st December	2023 Rs.'000	2022 Rs.'000
Cash in Hand	20	20
Cash at Bank	5,080,364	4,331,427
Cash in Transit	10,000	-
Less: Provision for impairment on Bank Balances (Note 18.1)	(381)	(659)
	5,090,003	**4,330,788**

18.1 Provision for impairment

As at 31st December	as at 01.01.2023 Rs'000	as at 31.12.2023 Rs'000	Under/ (Over) Provision Rs'000
Bank Balances	659	381	(278)
	659	**381**	**(278)**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

19 Accounts Payable

As at 31st December	2023			2022
	CBSL Rs.'000	**Labour Dept. Rs.'000**	**Total Rs.'000**	**Total Rs.'000**
Vendors Payable	693	-	693	693
Retention Payable	4,177	-	4,177	4,041
	4,870	**-**	**4,870**	**4,734**

20 Other Current Liabilities

As at 31st December	2023			2022
	CBSL Rs.'000	**Labour Dept. Rs.'000**	**Total Rs.'000**	**Total Rs.'000**
Salary Payable	892		892	757
EPF Contributions Payable	224	-	224	195
ETF Contributions Payable	29		29	25
Income Tax Payable	32,361,881	-	32,361,881	27,249,083
Members' Housing Loan Defaults Payable to bank	4,600,000	-	4,600,000	4,000,000
Provision for Gratuity	165	-	165	165
Other Payables	(27,396)	-	(27,396)	(33,247)
	36,935,795	**-**	**36,935,795**	**31,216,978**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

21 Member Balances

Description	Balance as at 01.01.2023 Rs.'000	Debits during the year Rs.'000	Credits during the year Rs.'000	Balance as at 31.12.2023 Rs.'000
Current Year Contribution - Contribution No 01 A/C	69,555,108	245,533,218	254,774,906	78,796,796
Statement Contribution - Contribution No 02 A/C	2,996,842,715	312,691,747	577,281,445	3,261,432,413
Contribution from Comm. of Labour - CL No 01 A/C	11,122,820	2,858,101	3,972,551	12,237,270
U/P O/P Contributions A/C	2,232,286	959,260	1,316,921	2,589,947
Contribution for 1997/98 - 96 Contribution A/C	193	-	-	193
Members Collection A/C	1,687	214,926,258	215,203,134	278,563
Unclaimed Benefits	764,135	657,560	646,500	753,075
Retained Benefits	215,797	40,094	80,429	256,132
Refunds-Part payments(U/P O/P Refunds)	(463,212)	216,141,096	216,051,961	(552,347)
General Deposit Account maintained with Commissioner of Labour	334,289	572,675	678,747	440,362
Interest Payable	300,011,017	276,746,770	438,394,861	461,659,108
Total	**3,380,616,835**	**1,271,126,778**	**1,708,401,454**	**3,817,891,512**

22 Reserves

	Balance as at 01.01.2023 Rs.'000	Transfer (from)/to during the year Rs.'000	Balance as at 31.12.2023 Rs.'000
Building Reserve Fund (22.1)	3,157,000	-	3,157,000
Technology Advancement Reserve Fund (22.2)	350,000	-	350,000
Profit Equalisation Reserve Fund (22.3)	64,150,000	(64,150,000)	-
General Reserve Fund (22.4)	6,650,000	-	6,650,000
Total	**74,307,000**	**(64,150,000)**	**10,157,000**

Transfers to these reserves are in accordance with the Section 5 (1) (KK) of the EPF Act which provides for establishing such reserves out of the income of the Fund as the Monetary Board may determine to meet any contingencies or any depreciation in the market value of the assets of the Fund.

Investment revaluation reserve is not applicable under LKAS 26 reporting and transferred to retain earnings as explain under notes 23 and 32.

22.1 Building Reserve Fund

Building Reserve Fund has been constituted for the purpose of construction of a building for the Fund.

22.2 Technology Advancement Reserve Fund (TARF)

TARF was established in 1998 with an initial allocation of Rs. 50 Mn in order to meet the expenditure on the progressive modernisation of the EPF system.

22.3 Profit Equalisation Reserve Fund (PERF)

Distributable income to the members can be affected by the wide fluctuations of market prices of the investments made by the Fund. PERF was established in 1998 to use in such a circumstance to avoid such an adverse impact on the distributable income to members of the Fund.

22.4 General Reserve Fund (GRF)

The purpose of the building up the GRF is to absorb losses that may arise from accidental occurrences, which are not covered by the existing reserves.

23 Retained Profit

Reconciliation of opening retained profit is as follows.

	Amount Rs.'000
Balance as at 31st December 2021	**45,565,111**
Investment revaluation reserve transferred to Retained Earnings due to accounting policy change	392,375
Adjusted balance as at 31st December 2021	**45,957,486**
Net Profit for the year - 2022	263,952,502
Member Interest Paid on Refunds - 2022	(6,434,802)
Member Interest payable (2022 at 9.00%)	(277,537,781)
Transfers to Profit Equalization Reserve from Distributable Profit	(21,000,000)
Adjusted balance as at 31st December 2022	**4,937,405**

24 Receipts

For the year ended 31st December	2023			2022
	CBSL Rs.'000	Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Income - Interest from Investments	405,207,532	-	405,207,532	328,807,041
Contributions	210,582,382	-	210,582,382	194,593,542
Reimbursement of Expenses by the EPF-CBSL	-	765,842	765,842	774,969
Imprest Account (Commissioner of Labour)	-	5,000	5,000	-
General Deposit Account-(EPF Contributions)	-	71,930	71,930	6,703
Surcharges	-	3,066	3,066	5,547
Proceeds on dealing of Shares	154,195	-	154,195	12,692
Proceeds on sale of Fixed Asset	2,790	-	2,790	167
Dividends	3,216,720	-	3,216,720	3,158,973
Sundry Income	2,020	1,931	3,951	70,475
Settlement of Advances	13	313	326	66
Unclaimed Benefits	3,217	-	3,217	(16,795)
Total	**619,168,869**	**848,082**	**620,016,951**	**527,413,380**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

25 Payments

For the year ended 31st December	2023			2022
	CBSL Rs.'000	Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Investments	2,972,024,779	-	2,972,024,779	2,799,928,854
Less - Maturity Proceeds	(2,632,643,670)	-	(2,632,643,670)	(2,487,022,087)
	339,381,109	-	339,381,109	312,906,766
Refunds	215,905,658		215,905,658	163,014,311
	-			
Operating Expenses	777,714	761,686	1,539,400	1,470,414
	-			
Settlement of creditors/payables	4,850,002	-	4,850,002	3,922,234
Reimbursement of expenses - Comm. Labour	765,842	-	765,842	827,254
Acquisition of Property, Plant and Equipment	46,242	23,460	69,702	188,340
Advances - Miscellaneous	2,722	6,211	8,933	13,607
Taxes Paid	56,680,643	-	56,680,643	43,838,631
Adjustment: Cash Balance at the Beginning of the Year - Labour Department	-	2,434	2,434	178
Total	**618,409,932**	**793,791**	**619,203,723**	**526,181,735**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

26 Movement of Investment

For the Year Ended 31st December 2023

Type of Investment	Opening Balance 01.01.2023	Investments Rs.'000	Maturities Rs.'000	Sales Rs.'000	Transfers/ Adjustment Rs.'000	Amortisation Rs.'000	WHT Adjustment Rs.'000	Interest Received Rs.'000	Prov. for Impairment Rs.'000	Valuation Gain/Loss Rs.'000	Closing Balance Rs.'000	2023	2022	Change %
Equity Securities														
Listed Equity	71,799,889	878,438	-	113,242	-	-	-	-	-	23,811,235	96,376,320	2.5	2.1	0.4
Unlisted Equity	9,140,989	-	-	-	-	-	-	-	-	-	9,140,989	0.2	0.3	(0.0)
	80,940,878	**878,438**	**-**	**113,242**	**-**	**-**	**-**	**-**	**-**	**23,811,235**	**105,517,309**	**2.7**	**2.3**	**0.4**
Fixed Income Securities														
Treasury Bonds	3,184,165,117	297,535,217	156,848,170	-	-	378,441,273	-	401,382,698	-	-	3,301,910,739	85.4	91.9	(6.5)
Treasury Bills	174,425,329	798,659,562	613,190,411	-	-	60,402,705	-	-	-	-	420,297,186	10.9	5.0	5.8
Corporate Debenture	23,610,953	-	9,175,090	-	-	2,324,211		2,695,063	3,758	-	14,068,769	0.4	0.7	(0.3)
Reverse Repo	3,402,896	1,875,830,000	1,854,663,689	-	-	1,251,138	-	-	-	-	25,820,344	0.7	0.1	0.6
	3,385,604,294	**2,972,024,779**	**2,633,877,360**	**-**	**-**	**442,419,326**	**-**	**404,077,761**	**3,758**	**-**	**3,762,097,038**	**97.3**	**97.7**	**(0.4)**
Total	**3,466,545,173**	**2,972,903,217**	**2,633,877,360**	**113,242**	**-**	**442,419,326**	**-**	**404,077,761**	**3,758**	**23,811,235**	**3,867,614,347**	**100**	**100**	

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Movement of Investment (Contd…)

For the Year Ended 31st December 2023

Type of Investment	Opening Balance 01.01.2022	Investments Rs.'000	Maturities Rs.'000	Sales Rs.'000	Transfers/ Adjustment Rs.'000	Amortisation Rs.'000	WHT Adjustment Rs.'000	Interest Received Rs.'000	Prov. for Impairment Rs.'000	Valuation Gain/Loss Rs.'000	Closing Balance Rs.'000	2022	2021	Change %
Equity Securities														
Listed Equity	111,963,256	844,909	-	1,716	-	-	-	-	-	(41,006,561)	71,799,889	2.1	3.5	(1.5)
Unlisted Equity	9,140,989	-	-	-	-	-	-	-	-	-	9,140,989	0.3	0.3	(0.0)
	121,104,245	**844,909**	**-**	**1,716**	**-**	**-**	**-**	**-**	**-**	**(41,006,561)**	**80,940,878**	**2.3**	**3.8**	**(1.5)**
Fixed Income Securities														
Treasury Bonds	2,958,768,982	362,328,318	144,212,710	-	-	325,422,599	-	318,142,072	-	-	3,184,165,117	91.9	93.2	(1.4)
Treasury Bills	19,797	300,163,220	141,029,829	-	-	15,272,142	-	-	-	-	174,425,329	5.0	0.0	5.0
Corporate Debenture	23,965,887	-	349,208	-	-	2,928,167	-	2,929,363	(4,531)	-	23,610,953	0.7	0.8	(0.1)
Reverse Repo	12,302,377	2,061,387,316	2,071,707,690	-	-	1,420,892	-	-	-	-	3,402,896	0.1	0.4	(0.3)
Fixed Deposits	57,181,712	76,050,000	131,050,000	-	-	4,225,391	-	6,408,257	1,154	-	-	-	1.8	(1.8)
	3,052,238,755	**2,799,928,854**	**2,488,349,436**	**-**	**-**	**349,269,190**	**-**	**327,479,692**	**(3,376)**	**-**	**3,385,604,295**	**97.7**	**96.2**	**1.5**
Total	**3,173,343,001**	**2,800,773,763**	**2,488,349,436**	**1,716**	**-**	**349,269,190**	**-**	**327,479,692**	**(3,376)**	**(41,006,561)**	**3,466,545,173**	**100**	**100**	

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

27 Fair values of Financial Instruments

27 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 01 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 02 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 03 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assessing the significance of a particular input require judgments to be made, considering factors specific to the asset or liability.

27 Fair Value Hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Statement of Financial Position.

	2023				2022			
	Level 1 Rs'.000	Level 2 Rs'.000	Level 3 Rs'.000	Total Rs'.000	Level 1 Rs'.000	Level 2 Rs'.000	Level 3 Rs'.000	Total Rs'.000
Fixed Income Securities								
Treasury Bond	3,167,996,437	-	-	3,167,996,437	1,914,415,644	-	-	1,914,415,644
Corporate Debentures*	13,401,341	-	-	13,401,341	22,364,078	-	-	22,364,078
Treasury Bills	419,341,945	-	-	419,341,945	172,944,307	-	-	172,944,307
Reverse Repo*	25,820,344	-	-	25,820,344	3,402,896	-	-	3,402,896
Equity Instruments Measured at FV								
Listed Equity	96,376,320	-	-	96,376,320	71,799,889	-	-	71,799,889
Unlisted Equity**	9,140,989	-	-	9,140,989	9,140,989	-	-	9,140,989

* When observable data are not available to determine market value of financial instruments, amortised cost has been substituted as the fair value.

** Purchase Cost has been substituted as the fair value since there is no reliable measure of fair value.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

28 Financial Risk Management Objectives, Policies and Processes

Introduction

EPF being a Superannuation Fund manages long term savings of private and semi Government sector employees with the objective of maximising retirement benefits to its members while ensuring safety of the Fund. Therefore, management of risks associated with the Fund is critically important for the members as well as for the entire financial system of the country. The EPF embraces risk management, as an integral component of its investments, operations and decision making process.

The Investment Policy Statement and Investment Guidelines approved by the Monetary Board (now officially designated as the Governing Board) of the CBSL define the level of risks the EPF is willing to tolerate and form the basis of allocation of funds for investment. The asset allocations are regularly reviewed to ensure that funds are invested within the risk appetite of the EPF. The key risks faced by the Fund are Credit Risk, Market Risk, Liquidity Risk and Operational Risk.

Credit Risk

Credit Risk is the potential for loss due to the inability or unwillingness of a borrower/ counter-party to meet its payment obligations. Around 96.4% of the EPF's total investment is concentrated in Government Securities. Further, investments in Corporate Debt Instruments are made in investment grade instruments after thorough analysis of risks and returns. In additions, all Reverse Repo Investments of the Fund have been adequately collateralized by Government securities which are transferred into the Security Account of EPF at the time of transaction. Therefore, the credit risk of the Fund as a whole was at a very low level except for full concentration in the domestic market. Composition of the investment cost of the Fund as at the year end is as follows.

Analysis of Risk Concentration – Investment Composition

	2023		2022	
	Cost	**%**	**Cost**	**%**
	Rs. '000		**Rs. '000**	
Government Securities	3,635,033,235	96.4%	3,235,561,287	96.4%
Corporate Debt Securities	13,640,570	0.4%	22,815,660	0.7%
Investment in Equity	95,420,097	2.5%	94,550,105	2.8%
Others	25,800,000	0.7%	3,400,000	0.1%
	3,769,893,902	**100.0%**	**3,356,327,052**	**100.0%**

Market Risk

Market Risk is the potential for loss due to changes in the market value of portfolios and financial instruments due to movements in interest rates, foreign exchange and equity prices. The market risk faced by the Fund primarily arises from interest rate risk and equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest Rate Risk : If the general interest rates of the economy are to decline, the reinvestment rate of the coupon, dividend and maturities will reduce. Further, as per LKAS 26, all fixed income securities are measured at amortised cost basis. Therefore, the value of Fixed Income Securities are not affected by interest rate movements. Reinvest risk faced by the Fund has been mitigated by selecting Treasury Bonds of varying maturities and re-balancing the portfolio occasionally.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Financial Risk Management Objectives, Policies and Processes (Contd…)

Equity Price Risk : The equity price risk is the reduction in the value of equity portfolio due to the decline in share prices. This is an inherent risk of equity investments which has been mitigated by investing in fundamentally sound stocks with robust value. Further, the listed equity portfolio has been diversified into different sectors and the market risk on the listed equity portfolio is relatively low on the overall Fund since exposure to the equity market is approximately 2.5% of the total portfolio of the Fund and as the Fund makes appropriate adjustments to its portfolio from time to time as and when necessary.

Analysis of Risk Concentration – Sector wise exposure analysis

	2023		2022	
	Cost Rs.'000	%	Cost Rs.'000	%
Automobiles & Components	98,635	0.11%	98,635	0.12%
Banks	33,807,423	39.41%	32,725,301	38.54%
Capital Goods	12,620,393	14.71%	15,326,199	18.05%
Consumer Durables & Apparel	475,612	0.55%	475,612	0.56%
Consumer Services	10,030,167	11.69%	10,030,168	11.81%
Diversified Financials	6,665,166	7.77%	6,873,725	8.10%
Energy	2,427,634	2.83%	2,427,634	2.86%
Food & Staples Retailing	2,458,558	2.87%	2,458,558	2.90%
Food, Beverage & Tobacco	7,159,755	8.35%	7,181,442	8.46%
Health Care Equipment & Services	27,091	0.03%	27,091	0.03%
Materials	2,195,006	2.56%	2,176,890	2.56%
Retailing	1,625,690	1.90%	1,625,690	1.91%
Telecommunication Services	3,113,268	3.63%	3,113,268	3.67%
Utilities	3,074,709	3.58%	368,903	0.43%
Total	**85,779,108**	**100%**	**84,909,116**	**100%**

Liquidity Risk

Liquidity Risk is the risk arising from the inability of the EPF to meet its financial commitments and obligations when they fall due. The contribution of the Fund for the year was mostly in par with the refunds paid during the year. Further, interest and maturity proceeds provides additional cash flow to the Fund. EPF actively participates in the overnight Reverse Repo market as a lender enabling the Fund to earn interest income while maintaining adequate Funds to meet daily liquidity requirements.

In addition, due to the size of the Fund and the developing stage of the Financial Market in Sri Lanka, the Fund faces market liquidity risk. Specially, when the Fund is disposing sizable amount of securities, it affects the market prices adversely.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Liquidity Risk (Contd…)

Management of liquidity risk includes taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

Further, the Fund maintains sufficient amounts/ instruments of different maturities and highly liquid assets in order to meet all its liquidity needs through which the overall liquidity risk of the Fund is mitigated to greater extent. The maturity profile of the investment portfolio is given at Note No. 31.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events. The Member accounts of the Fund are maintained in a system that records all transactions centrally, while facilitating greater integration of processes in the EPF System at the CBSL, leading to significant improvement in operational efficiency and greater accuracy of data, with minimum manual interventions. The fund is in the process of procuring a comprehensive system integrating all the function of EPF processes.

Further, the operational risk of the fund is managed through defined authority level for transactions, availability of operational manuals, restrictions to access to information through password protection, maintenance of separate investment risk management unit and operational risk register etc. In addition, the Action Plan is reviewed every year to ensure smooth functioning of the operations in the event of any unforeseen circumstances. Operational activities are subject to an internal audit and audit findings are discussed on regular basis. Further, an external service provider, performs Real-Time Validation and Verification of EPF transactions and the observations are discussed on a quarterly basis.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

29 Impairment losses on financial investments subject to impairment assessment

SLFRS 09 requires to provide for impairment using "Expected Credit Loss Model (ECL)" determined based on the credit risk ratings of the counterparties and following financial instruments are subjected to the impairment provisioning using ECL Model.

I Fixed Income Securities

Accordingly, Treasury Bonds, Treasury Bills, Corporate Debt Securities, Fixed Deposits and Bank Balances shall be considered for impairment provisioning. However, Government Securities such as Treasury Bills and Treasury Bonds are not subject to impairment, since the counterparty is the sovereign of the country and the instrument is based on rupee terms.

Methodology

EPF Department does not have historical loss experience which enable the EPF to develop an ECL modelling technique considering historical losses, thus EPF considers loss statistics published by the external sources i.e-Bloomberg which are publicly available.

EPF Department will match the ratings of the issuer against the published Probability of Defaults (PD) by Bloomberg and considers following adjustments :

I Conversion of the Through the Cycle PD (TTC PD)

Bloomberg loss statistics reflect a TTC PD and EPF converts the TTC PD to Point in Time (PiT) by applying economic factor adjustment based on the the regression based conversion approach.

II Lifetime PD Structure

As the Bloomberg PD's represent 12month ECL for investments which have significantly deteriorated, EPF considers the lifetime PD based on the Lifetime PD curve extrapolated using the 12month PD

III Determination of Significant Increase of Credit Risk (SICR)

EPF determines SICR based on the Generally accepted investment/ Non-investment grade definitions published by international rating agencies. Generally, "rated below BBB-" are considered as Non-Investment grade investments. Thus, the EPF considers such investments as SICR incurred. For such investments, EPF considers life time expected credit loss calculation.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

Analysis of generally accepted ratings by global rating agencies are as follows

ICRA Rating	Fitch Rating	Moody's Rating	Bloomberg 1 Year Credit Scale		
			Scale	PD Upper Bound	
AAA	AAA	Aaa	IG-1	0.00%	12 Month ECL (Investment Grade)
AA+	AA+	Aa1	IG-2	0.00%	
AA	AA	Aa2	IG-3	0.01%	
AA-	AA-	Aa3	IG-4	0.02%	
A+	A+	A1	IG-5	0.03%	
A	A	A2	IG-6	0.05%	
A-	A-	A3	IG-7	0.10%	
BBB+	BBB+	Baa1	IG-8	0.17%	
BBB	BBB	Baa2	IG-9	0.30%	
BBB-	BBB-	Baa3	IG-10	0.52%	
BB+	BB+	Ba1	HY-1	0.88%	Lifetime ECL (Non - Investment Grade)
BB	BB	Ba2	HY-2	1.50%	
BB-	BB-	Ba3	HY-3	2.40%	
B+	B+	B1	HY-4	4.00%	
B	B	B2	HY-5	6.00%	
B-	B-	B3	HY-6	10.00%	
	CCC	Caa1	DS-1	15.00%	
	CCC	Caa2	DS-2	22.00%	
	CCC	Caa3	DS-3	30.00%	
	CCC	Ca	DS-4	50.00%	
	DDD	C	DS-5	100.00%	
	D	/	DDD	Defaulted	

Further, EPF considers that the financial instrument have significantly increase in credit risk when doubling of PD has occurred. Having established that all rating downgrades from investment grade to non - investment grade represent a SICR, EPF tabulated its migration rule below to determine how many notched down from each investment rating results in doubling of PD and hence SICR, which requires for a life time expected credit loss calculation.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

Thus below table indicates a comprehensive assessment of SICR for investments of EPF.

Original Rating	Rating below which a SICR deemed to have occurred	Notches Movement	Rationale
AAA to BBB-	BB+	N/A	Any credit rating from AAA thru BBB- to BB+ results in at least a doubling of PD
AAA	AA	2	Doubling of PD
AA+	AA-	2	Doubling of PD
AA	A+	2	Doubling of PD
AA-	A	2	Doubling of PD
A+	A-	2	Doubling of PD
A	BBB+	2	Doubling of PD
A-	BBB	2	Doubling of PD
BBB+	BBB-	2	Doubling of PD

The migration rule table will be reassessed and updated on a periodic basis based on the latest available/relevant PD and transition matrix.

IV Loss Given Default (LGD)

For expected credit loss assessment, EPF considers following LGDs/Loss rates in line with the consultation paper on adoption of SLFRS 9 issued by Central Bank of Sri Lanka on 31st December 2018.

a. Local currency Treasury bills, Treasury bonds and Reverse repo - 0%.

b. All other Local currency financial instruments - 45%

V For the purpose of determination of ECL, EPF applies the Point of default as the mid of the year (i.e. 6 months) considering the fact that the default events could be occurred at earlier part of the year or latter part of the year. Therefore, we have used the mid point of the year as point of default.

VI Economic Factor Adjustment was calculated using the past and forecasted GDP growth rates from 2012 to 2026 and obtained from the GDP growth rate statistics in IMF domain.

VII Financial Investments

For the Investments in Sri Lanka Government Treasury Bonds and Treasury Bills, we have not used the Sri Lanka Government sovereign rating as the investment is within the same jurisdiction of the CBSL. Hence, significant deterioration of credit risk does not exists and therefore, EPF considers 12 month ECL by using the best case scenario credit ratings of AAA.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

29.1 The tables below shows the ECL charges on financial instruments for the year recorded in the income statement:

31.12.2023

Rs' 000	Note	12MECL Individual	12MECL Collective	LTECL Individual	LTECL Collective	Total
Cash at Bank	8	(278)	-	-	-	(278)
Fixed Income Securities	8	(3,758)	-	-	-	(3,758)
Total Impairment Loss		**(4,036)**	**-**	**-**	**-**	**(4,036)**

31.12.2023 Rs' 000	Specific	Collective (individually not significant exposures)	Collective (Incurred but not yet identified)	Total
Credit loss expense on Bank Balance	(278)	-	-	(278)
	(278)	-		(278)
Credit loss expense on Fixed Income Securities				
Corporate Debt Securities	(3,758)	-	-	(3,758)
	(3,758)	-	-	(3,758)
Total on balance sheet items	(4,036)	-	-	(4,036)
Off balance sheet items	-	-	-	-
Total	**(4,036)**	**-**	**-**	**(4,036)**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

Fixed Income Securities

The table below shows the credit quality and the maximum exposure to credit risk per LKASed on the External credit ratings. The amounts presented are gross of impairment allowances. Details of the Fund's internal grading system are explained in Note 29 and policies on whether ECL allowances are calculated on an individual or collective are set out in Note 29.

	31.12.2023					
	12MECL Collective		LTECL Collective		Total	
	Balance	ECL	Balance	ECL	Balance	ECL
Rs. '000						
External Rating Grade						
AAA	3,748,028,268	-			3,748,028,268	-
AA+					-	-
AA					-	-
AA-					-	-
A+					-	-
A	6,090,994	444	10,619,377	1,836	16,710,371	2,279
A-	106,282	14	2,334,887	495	2,441,169	509
BBB+					-	-
BBB					-	-
BBB-					-	-
BB+					-	-
Total	**3,754,225,545**	**458**	**12,954,264**	**2,331**	**3,767,179,809**	**2,789**

	01.01.2023					
	12MECL Collective		LTECL Collective		Total	
	Balance	ECL	Balance	ECL	Balance	ECL
Rs. '000						
External Rating Grade						
AAA	3,361,993,342	-	-	-	3,361,993,342	-
AA+	-	-	-	-	-	-
AA	-	-	-	-	-	-
AA-	-	-	-	-	-	-
A+	-	-	-	-	-	-
A	9,577,643	1,384	10,628,574	3,027	20,206,216	4,411
A-	6,029,475	1,569	1,712,854	845	7,742,330	2,414
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
BBB-	-	-	-	-	-	-
BB+	-	-	-	-	-	-
Total	**3,377,600,460**	**2,953**	**12,341,428**	**3,872**	**3,389,941,888**	**6,825**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

29.2 Credit quality analysis

The table below shows gross balances under LKAS 26 as at 31 December 2023 analysed on the External Credit Rating system, which is described in Note 29.

31.12.2023	Neither past due nor impaired											
Rs. '000	**AAA**	**AA+**	**AA**	**AA-**	**A+**	**A**	**A-**	**BBB+**	**BBB**	**BBB-**	**BB+**	**Total**
Investment Balances												
Fixed Income Securities												
Corporate Debt Securities	-	-	-	-	-	11,736,289	2,334,887	-	-	-	-	14,071,177
Bank Balances	-	-	-	-	-	4,974,082	106,282	-	-	-	-	5,080,364
	-	**-**	**-**	**-**	**-**	**16,710,371**	**2,441,169**	**-**	**-**	**-**	**-**	**19,151,541**
					-							
ECL Provision												
Fixed Income Securities												
Corporate Debt Securities	-	-	-	-	-	1,913	495	-	-	-	-	2,408
Bank Balances	-	-	-	-	-	367	14	-	-	-	-	381
Total	**-**	**-**	**-**	**-**	**-**	**2,279**	**509**	**-**	**-**	**-**	**-**	**2,789**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Impairment losses (Contd…)

01.01.2023	Neither past due nor impaired											
Rs. '000	**AAA**	**AA+**	**AA**	**AA-**	**A+**	**A**	**A-**	**BBB+**	**BBB**	**BBB-**	**BB+**	**Total**
Investment Balances												
Fixed Income Securities												
Corporate Debt Securities	-	-	-	-	-	15,964,894	7,652,225	-	-	-	-	23,617,119
Bank Balances	-	-	-	-	-	4,241,323	90,104	-	-	-	-	4,331,427
	-	**-**	**-**	**-**	**-**	**20,206,217**	**7,742,330**	**-**	**-**	**-**	**-**	**27,948,546**
ECL Provision												
Fixed Income Securities												
Corporate Debt Securities	-	-	-	-	-	3,776	2,389	-	-	-	-	6,165
Bank Balances	-	-	-	-	-	634	25	-	-	-	-	659
Total	**-**	**-**	**-**	**-**	**-**	**4,410**	**2,414**	**-**	**-**	**-**	**-**	**6,825**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

30 Valuation of Unlisted Equity Instruments

Estimated Fair Values of the Unlisted Equity Investments are; as follows.

Investment	Basis	Number of shares	Purchase Value	2023 Fair value per share	2023 Fair value	2022 Fair value per share	2022 Fair value
			Rs.'000	Rs.	Rs.'000	Rs.	Rs.'000
Canwill Holdings (Pvt) Ltd.	Net asset based	500,000,000	5,000,000	13.07	6,536,935	10.80	5,400,000
Cargills Bank Limited *	Net asset based	44,000,000	495,000	11.01	484,286	10.56	464,640
West Coast Power (Pvt) Ltd	Net asset based	29,750,000	2,975,000	826.82	24,597,903	732.02	21,777,595
Fitch Ratings Lanka Limited	Net asset based	62,500	625	62.75	3,922	48.38	3,024
Laugfs Gas Eco Sri Limited - V	Net asset based	57,897,800	62,282	3.02	174,619	3.27	189,326
Laugfs Gas Eco Sri Limited - NV	Net asset based	18,041,300	19,407	3.02	54,412	3.27	58,995
Laugfs Gas Leisure Limited - V	Net asset based	57,897,800	448,820	5.54	320,839	4.76	275,594
Laugfs Gas Leisure Limited - NV	Net asset based	18,041,300	139,855	5.54	99,975	4.76	85,877
Grand Total			**9,140,989**		**32,272,891**		**28,255,050**

Due to the limitation of available information, net asset model was used to estimate the fair value of unlisted equity instruments and information were extracted from the latest audited financial statements of each company for the purpose of estimation.

* Cargills Bank Ltd was listed on the Colombo Stock Exchange on 09.01.2024 and trading at Rs.7.90 as of 31.01.2024. Accordingly, the market value of the EPF's holding as at 31.01.2023 is Rs. 347,600,000.00

Financial Statement Impact-Overall

	2022	2023
Cost	9,140,989	9,140,989
Estimated Fair Value	28,255,050	32,272,891
Impact to Net Assets	19,114,061	23,131,902
Gross change in fair values		4,017,842

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

31 Classification of Maturity Profile of the Portfolio
As at 31st December 2023

(Rs. mn)

Class of Investment	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2041	2044	2045	Not Defined	Total
Fixed Income Securities																					
Treasury Bond	-		92,434	235,366	277,827	212,751	210,373	216,894	216,786	414,673	322,299	318,465	209,831	216,454	216,432	14,084	29,254	92,512	5,474	-	3,301,911
Corporate Debentures	1,117	7,834	4,094	-	1,025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,071
Treasury Bills	420,297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	420,297
Reverse Repo	25,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,820
Other Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Securities																					
- Listed Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,376	96,376
- Unlisted Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,141	9,141
Grand total	**447,234**	**7,834**	**96,529**	**235,366**	**278,853**	**212,751**	**210,373**	**216,894**	**216,786**	**414,673**	**322,299**	**318,465**	**209,831**	**216,454**	**216,432**	**14,084**	**29,254**	**92,512**	**5,474**	**105,517**	**3,867,617**

Provision for Impairment on Debt Securities at Amortised Cost	(2)
Portfolio value net of impairment	3,867,614

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

32 Comparative Information

EPF classified its financial assets and presented annual financial statements under the accounting standards SLFRS 09 - Financial Instruments and SLFRS 07 - Financial Instruments : Disclosures. Therefore, as mentioned in note 5, the accounting policy of EPF is changed to record financial investments under LKAS 26 which resulted changes in the classification of financial assets of EPF. However, since the impact to the statement of income and expenses is not material and since there is no change to the previous year financial position the financial statement of the Fund are not restated.

As per SLFRS 09, there were 03 financial assets categories as financial assets at amortized cost, fair value through profit or loss (FVTPL), and fair value through other comprehensive income (FVOCI) and as per LKAS 26 there are only 02 financial assets categories as financial assets valued at amounts based on redemption value (same as amortized cost) and financial assets valued at fair value. Previously, EPF classified its total fixed income securities under amortized cost and as per LKAS 26 those securities are classified as financial assets valued at amounts based on redemption value. Listed equities classified under FVTPL and unlisted equities classified under FVOCI as per SLFRS 09 are re classified at financial assets at fair value as per LKAS 26.

Due to the classification change in unlisted equities, the Net Gain/ (Loss) on Financial Instruments at Fair Value includes the gain/ (loss) on mark to market valuations of both listed and unlisted equity investments. There is no Other Comprehensive Income component under LKAS 26 and the Statement of Other Comprehensive Income does not form a part of the financial statements of EPF from 2023. Further, the balance of the investment revaluation reserve is transferred to retained earnings.

Following comparative figures have been reclassified to conform with current year presentation.

32.1 Reconciliation of Statement of Income and Expenditure for the year ended 31.12.2022

For the year ended 31st December	Notes to the Recon--ciliation	2022 (As reported) Rs.'000	Impact due to policy change Rs.'000	2022 (Comparatives Amended) Rs.'000
Interest Income		349,269,190	-	349,269,190
Dividend Income		7,527,818	-	7,527,818
Net Gain/ (Loss) on Financial Instruments at Fair Value	A	(40,878,068)	(117,517)	(40,995,584)
Over/(Under) Provision of Impairment of Financial Assets		(3,941)	-	(3,941)
Investment Income		**315,914,999**	**(117,517)**	**315,797,483**
Other Income		270,418	-	270,418
Gross Income		**316,185,417**	**(117,517)**	**316,067,901**
Operating Expenses		(2,133,782)	-	(2,133,782)
Operating Profit/ (Loss) before Income Tax		314,051,635	(117,517)	313,934,119
Tax Expense		(49,981,617)	-	(49,981,617)
Profit/ (Loss) for the Year		**264,070,018**	**(117,517)**	**263,952,502**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Comparative Information (Cond…)

32.2 Reconciliation of Statement of Other Comprehensive Income for the year ended 31.12.2022

For the year ended 31st December	Notes to the Recon--ciliation	2022 (As reported) Rs.'000	Impact due to policy change Rs.'000	2022 (Comparatives Amended) Rs.'000
Other Comprehensive Income				
Net Gain/ (Loss) on financial assets at fair value through other comprehensive income	A	(117,517)	117,517	-
Other Comprehensive Income for the Year		**263,952,501**	**117,517**	**-**

*Hereinafter, the Statement of Other Comprehensive Income will not form a part of financial statements of the Fund.

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Comparative Information (Cond…)

32.3 Reconciliation of Statement of Financial Position for the year ended 31.12.2022

As at 31st December	Notes to the Recon- -ciliation	2022 (As reported) Rs.'000	Impact due to policy change Rs.'000	2022 (Comparatives Amended) Rs.'000
Assets				
Property, Plant and Equipment		362,496	-	362,496
Capital Work-in-Progress		297,885	-	297,885
Intangible Assets		3,537	-	3,537
Equity Instruments at FVOCI		9,784,750	(9,784,750)	-
Equity Instruments at FVTPL		71,156,128	(71,156,128)	-
Debt Instruments at Amortized Cost	B	3,385,604,295	(3,385,604,295)	-
Equity Securities		-	80,940,878	80,940,878
Fixed Income Securities		-	3,385,604,295	3,385,604,295
Inventories		25,020	-	25,020
Interest Receivables		122,125	-	122,125
Contribution Receivable		16,000,000	-	16,000,000
Other Current Assets		4,080,828	-	4,080,828
Cash and Cash Equivalents		4,330,788	-	4,330,788
		3,491,767,852	**-**	**3,491,767,852**
Liabilities				
Accounts Payable		4,734	-	4,734
Accrual Expenses		684,900	-	684,900
Other Current Liabilities		31,216,978	-	31,216,978
		31,906,612	**-**	**31,906,612**
Total Net Assets		**3,459,861,240**	**-**	**3,459,861,240**
Represented by,				
Member Balances		3,380,616,835	-	3,380,616,835
		3,380,616,835	**-**	**3,380,616,835**
Reserves	C	74,581,858	(274,858)	74,307,000
Retained Profit	D	4,662,547	274,858	4,937,405
		79,244,405	**-**	**79,244,405**
Total Net Worth of the Fund		**3,459,861,240**	**-**	**3,459,861,240**

EMPLOYEES' PROVIDENT FUND
NOTES TO THE FINANCIAL STATEMENTS

Comparative Information (Cont.…)

Note A

Net Gain/ (Loss) on Financial Instruments at Fair Value

The net gain/(loss) recorded for the listed equity instruments at FVOCI is transferred to the statement of income and expenditure since Other Comprehensive Income is not applicable under LKAS 26.

Note B

Financial Investments

Investment in financial assets are changed according to the new assets categories. Listed and Unlisted Equity instruments are categorized under financial instruments at fair value.

Note C

Investment Revaluation Reserve

Balance as at 31.12.2022	274,858
Transfer to Retained Earnings	(274,858)
Comparative amount shown in 2023	-

Note D

Retained Earnings

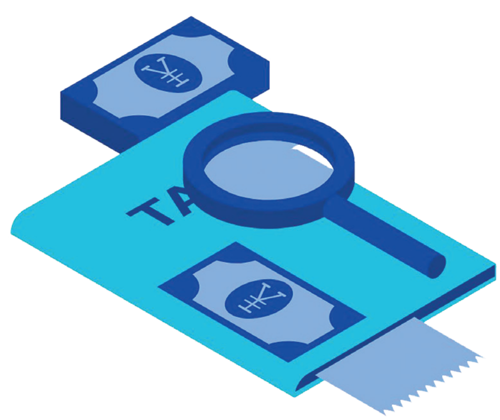
Balance as at 31.12.2022	4,662,547
Transfer of investment revaluation reserve	274,858
Comparative amount shown in 2023	4,937,405

33 Commitments

The Fund has purchased treasury bonds amounting to Rs. 34,333,812,380 on 28.12.2023 which is to be settled on 01.01.2024.

SECTION D

AUDITOR GENERAL'S REPORT



Commissioner General of Labour,
Department of Labour

Superintendent,
Employees' Provident Fund

The Report of the Auditor-General on the Financial Statements and Other Legal and Regulatory Requirements of the Employees' Provident Fund for the year ended 31st of December 2023, as per Section 12 of the National Audit Act No.19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Employees' Provident Fund, comprising the Statement of Financial Position as at 31st of December 2023 and the Statement of Financial Performance for the year then ended, Statement of Changes in Net Assets, and Cash Flow Statement for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies, for the year ended 31st of December 2023, was conducted under my direction in pursuance of the provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. As per Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka, my report shall be presented to the Parliament in due time.

In my opinion, except for the effect of the matters discussed in the "Basis for Qualified Opinion" section of this report, the financial position as at 31st of December 2023, and its financial performance and its cash flows for the year then ended, appear true and fair in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Although the total balances of **5** sub-accounts represented in the balance of the member account as per the financial statements as on **31**st December of the year under review were Rs. **94**,**633** million, as per the schedules submitted in relation to those accounts, the total balances were Rs. **78**,**693** million, thus a difference of Rs. **15**,**940** million was observed between the balances, but the comparative statements for that were not submitted for audit.

(b) According to the bank reconciliation statements prepared as of **31**st of December **2023** in respect of 09 bank accounts maintained by the Fund, after adjusting for transactions recorded in the cash book for the period from the year 2001 to 31st of December 2023 but not recorded in the bank statement, transactions recorded in the bank statement but not recorded in the cash book, dishonored cheques, direct debits/credits, balances existing since **2006** due to an error in the computer accounting system, money orders and cheques deposited but not received and cheques issued but not presented, the total net balances remained as an unsettled balance of Rs. **4,757.69** million. Of this, a net balance of Rs. **1,336.98** million had not been settled as of **30**th of April **2024.** Rs.**273.72** million included in this unsettled net balance was a value that was offset against transactions of Rs. **5,175.11** million that were not settled in the cash book and transactions of Rs. **5,448.83** million that were not settled in the bank statement, and those balances were balances that existed before the year **2018.**

(c) Although the financial statements indicate that there were fixed assets worth Rs.**1,154.03** million as of **31**st of December **2023** related to the Employees' Provident Fund Division of the Department of Labour, documentary evidence including basic information such as the code number of those fixed assets, date of purchase, cost of fixed assets and location of the assets was not submitted for audit.

(d) As per the depreciation schedule for the financial statements as at **31**st of December of the year under review, the value of fully depreciated fixed assets relating to the Department of Labour and the Employees' Provident Fund Division of the Central Bank of Sri Lanka was Rs. **644.89** million and Rs. **167.01** million respectively. Out of these assets, the assets that were still in use were identified and the estimated error that occurred due to not reviewing the useful life of the assets in accordance with Paragraph **51** of Sri Lanka Accounting Standard **16** had not been corrected in accordance with Sri Lanka Accounting Standard No. **08** and the assets that were no longer in use had not been disposed of appropriately.

(e) As per the financial statements as on **31**st of December **2023**, the cost of the vehicles was Rs. **97.20** million, the accumulated depreciation was Rs. **56.09** million and the net value was Rs. **41.11** million. It was observed that the depreciation of the vehicles from **2018**, which was Rs. **41.11** million, was not used for the calculation of depreciation.

(f) As of **31**st of December **2023**, the cost of the vehicles as per the financial statements was Rs. 97.20 million. According to the information provided to the audit, there are 42 vehicles financed by the Fund so far and their total cost is Rs. 140.58 million. Accordingly, a difference of Rs. **43.38** million was observed between the cost of the vehicles as stated in the financial statement and the cost of the vehicles originally financed.

(g) The balance of Rs. **297.89** million in the "Work in Progress of Internal Construction of the Mission Building" account as at **31**st of December **2023** should have been capitalized as office fixtures and depreciation accounted for, but this had not been done.

(h) On **29**th of December **2023**, Rs. **24.56** million was incurred for the interior design of the first floor of the Labour Secretariat and the value was accounted for as building improvement expenses instead of capitalizing it.

1.3 Other Information Included in the Annual Report for the Year 2023

Other information consists of the information included in the Annual Report of 2023 that I have received before the date of this Audit Report, but not included in the Financial Statements and my auditor's report thereon. Management is responsible for the other information.

My opinion on the Financial Statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

In connection with my audit of the Financial Statements, my responsibility is to read the other information that had been identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit or otherwise it is materially misstated.

Where I conclude that there is a material misstatement of this other information, based on the other information I have obtained before the date of this Audit Report and on the work I have performed, I am required to report that fact. Accordingly, I have nothing to report in this regard.

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

The management is responsible for the preparation and fair presentation of financial statements in accordance with Sri Lanka Accounting Standards, as well as for determining the necessary internal controls that would enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Institute's ability to function continuously, using the going concern basis of accounting, unless the management either intends to liquidate the Institute or has no realistic alternative but to cease operations, and disclosing the matters related to going concern.

As per Subsection 16 (1) of the National Audit Act No. 19 of 2018, the Institute should maintain proper books and records of all its income, expenditure, assets and liabilities to enable annual and periodic financial statements to be prepared in respect of the institution.

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

My objective is to provide a reasonable assurance that the financial statements as a whole are free from material misstatement 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 it is not a guarantee that an audit conducted in accordance with SLAuSs will always detect material misstatements. As material misstatements can arise from the individual or aggregate impact of fraud and error, they could be expected to influence the economic decisions made by users based on these financial statements.

I have exercised professional judgment and maintained professional skepticism throughout this audit, and conducted it in accordance with Sri Lanka Auditing Standards. Further,

- The basis for my opinion is to obtain sufficient and appropriate audit evidence, in identifying and assessing the risks of material misstatements in financial statements, whether due to fraud or error, and designing appropriate audit procedures to overcome the risks that arise due to fraud or error depending on the circumstance. The impact of a fraud is higher than that of a material misstatement because a fraud could transpire due to collusion, forgery, intentional omissions, misstatements or the override of internal control.

- I have obtained an understanding of the internal control of the Institute in order to design audit procedures that are appropriate in the circumstances, but I do not intend to express an opinion on the effectiveness of the institution's internal control.

- I have evaluated the reasonableness of the accounting policies and accounting estimates used, and the appropriateness of the related disclosures made by the management.

- I have concluded on the appropriateness of the management's use of the going concern basis of accounting, based on the audit evidence obtained as to whether there is a material uncertainty related to going concern of the Institute due to the events or conditions. If I conclude that a material uncertainty exists, I am required to draw attention to the related disclosures in the financial statements in my auditor's report and, to modify my opinion if such disclosures are inadequate. However, future events or conditions may cause the institution to cease to continue as a going concern.

- I have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Those charged with governance were informed of significant audit findings, including any significant deficiencies in internal control and other matters that were identified during the audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act No. 19 of 2018 includes special provisions with regard to the following requirements.

2.1.1 As per the requirements of Section 12 (a) of the National Audit Act No.19 of 2018, I have obtained all the relevant information and explanations which were necessary for the purpose of the audit, except for the effect of the matters I have described in the "Basis for Qualified Opinion" section of the report, and as per my examination the Institute has maintained proper accounting records.

2.1.2 As per the requirements of Section 6 (1) (d) (iii) of the National Audit Act No.19 of 2018, the set of financial statements presented for audit is consistent with the previous year.

2.1.3 As per the requirements of Section 6 (i) (d) (iv) of the National Audit Act No.19 of 2018, except for the observations made in (b), (c) and (d) of 1.2 of this report, the recommendations made by me in the previous year were included in the financial statements presented for audit.

2.2. Based on the procedures followed and the evidence obtained, and limited to material matters, nothing that requires making the following statements was observed by me.

2.2.1 That, as per the requirement of Section 12 (d) of the National Audit Act No.19 of 2018, any member of the governing body of the Fund has any direct or indirect interest in any contract entered into by the Institute, other than those relating to the ordinary business activities.

2.2.2 That, as per the requirement of Section 12 (f) of the National Audit Act No.19 of 2018, the Institution has not complied with any applicable written law or other general or special directions issued by the governing body of the Fund, except for the following observations.

Reference to Legal and Other Provisions	Non-compliance
(a) Labor Department Circulars (i) No. 01/99 dated 11th February 1999	During the audit conducted at the District Labour Office - Gampaha, it was observed that 70 cases where a period of 22 to 1438 days had elapsed for the issuance of the first notification for the collection of surcharges and contributions totaling Rs. 103 million, following the institution inspections carried out for the years 2018 to 2023. Further, final notices had not been issued to recover Rs. 13.46 million due in relation to 05 cases. In relation to the District Labour Offices of Colombo North, Gampaha and Kalutara, contributions and surcharges amounting to Rs.52.73 million, Rs. 95.22 million and Rs. 7.96 million were to be recovered from 61, 16 and 8 institutions respectively for the period from 2020 to 2023.
(ii) Section 2 of Circular No. 06/2011 dated 29th April 2011	Although the office is required to take steps to investigate a complaint within 14 days of receiving it, the District Labour Office - Colombo North had not taken steps to investigate and finalize 10 complaints out of the complaints received from 2020 to 2023.

(iii) Section 1(IV) of Circular

No. 6/2000 dated 10th February 2000

According to the Fund's monitoring database as of 11th of September 2023, there were 4835 active establishments registered with the District Labour Office - Gampaha and 411 inactive/closed establishments. Although the circular had instructed that establishments that had not been inspected for a long time should be selected for inspection when conducting inspections, 84 percent of the said establishments had not been inspected during the period from 2018 to 11th of September 2023. Furthermore, 8,483 institutions out of the registered institutions belonging to the Gampaha region had not been supervised.

(b) Section 15 of the Employees' Provident Fund Act No. 15 of 1958

Although the contributions of the employees of an institution must be remitted to the Fund before the last day of the following month at the end of each month, 89 and 109 institutions registered in 2022 under the administrative areas of District Labour Offices of Colombo North and Gampaha respectively had not paid the relevant contributions from the date of registration as of 31st of December 2023, but no follow-up had been carried out in this regard.

(c) 3.4 of Procurement Guidelines 2006

Although the procurement process requires the selection of suppliers registered in the Yellow Pages and Rainbow Pages of the telephone directory and the selection of suppliers for the purpose of inviting quotations, the method used to select suppliers for the purpose of inviting quotations for the purchase of computers, cameras and printers totalling to Rs. 27.89 million during the year under review was not disclosed.

2.2.3 that the Fund has acted in a manner inconsistent with the powers, functions and duties of the Fund as required by Section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 In accordance with the requirements of Section 12 (h) of the National Audit Act No. 19 of 2018, the resources of the Fund had not been procured and utilized economically, efficiently and effectively within the time limits in accordance with the relevant rules, except for the following observations:

(a) The Employees' Provident Fund Division of the Department of Labour had made provisions of Rs. 240 million for the project to improve the Provident Fund's information technology system during the year under review, but by the end of the year under review, provisions of Rs. 217.54 million remained out of the allocated provision.

(b) A bill amounting to Rs. 6.55 million produced by the service provider institution for the month of October 2023 for facility management and service fees and internal cleaning service of Mehewara Piyasa building had been borne in full by the Fund itself and had not been divided among all the institutions established in the said building.

(c) In 2023, 60 computers, 60 cameras and 60 printers worth a total of Rs. 27.89 million were purchased for the member re-registration project of the Fund. The memory capacity specification used when purchasing the first 30 of the 60 computers was changed when purchasing the last 30 computers and prices were called, and it was confirmed from the files that the specification mentioned on the second occasion was sufficient for the said project. Accordingly, by purchasing a unit in the first instance for Rs. 335,328 and a unit in the second instance for Rs. 141,400 each, the potential for saving Rs. 5.82 million, or approximately Rs. 193,928 per unit, had been lost. Further, although this project was planned to be commenced on 01st of June, 2022, the expected results had not been achieved due to the fact that 51 computers, 53 cameras and 50 printers out of the aforementioned sets of equipment were still in stores without being delivered as of 14th of March 2024.

2.3 Other Matters

(a) As of 31st of December of the year under review, membership entitlements amounting to Rs. 95,625 million had not been credited to the individual accounts of each employer for the following reasons.

(i) The amount of Rs. 12,237 million recovered from cases filed against employers and held at the Central Bank of Sri Lanka and the amount of Rs. 440 million held in a common deposit account of the Department of Labour.

(ii) The balance of Rs. 78,797 million held in the account titled Contributions No. 01 for the current year, which is maintained separately in the name of the employers and,

(iii) A balance of Rs. 1,009 million that exists in benefits withheld from members due to various reasons and unclaimed benefits, Rs. 2,590 million in short/excess contributions, and Rs. 552 million in short/excess benefit payments.

(iv) Although the Public Accounts Committee had ordered in 2013, 2016 and 2017 to promptly settle accounts that had not been credited to member accounts, no action had been taken accordingly.

(b) According to the Fund's monitoring data system, 226 and 99 employers in active status related to the District Labour Offices of Colombo North and Gampaha respectively had continuously paid contributions to the Employees' Trust Fund Board but had not paid contributions to the Fund. Further, although 38 and 35 employer institutions belonging to the District Labour Offices of Colombo North and Gampaha respectively were classified as closed institutions, contributions were paid to the Employees' Trust Fund Board in the year 2023 as well. No action had been taken to inspect these institutions and collect the contributions and surcharges due to the Fund.

(c) According to the Department of Labour's data system, as of 16th of November 2023, there were 913 applications pending in the Death Benefit Division of the Head Office, of which 794 remained as files that had only been entered into the data system. Upon further analysis of those applications, only 676 applications were divided into sub-categories and 118 of the 794 applications were not tracked in the system. Moreover, it was revealed that out of these 676 applications, 222 applications were received more than 5 years ago.

(d) An amount of Rs. 3.27 million was to be recovered for the default on payment of relevant contributions for the period from October 2019 to April 2022 by an employer institution within the administrative area of the District Labour Office - Kalutara. Even though the approval had been granted on 30th of December 2022 to pay the said amount in 32 installments, only four installments; i.e. 510,000, had been paid to the Fund by the 30th of June 2024 and, measures had not been taken to recover the due amount of Rs. 2.76 million.

(e) An amount of Rs. 5,000 from the investments of the shares of unlisted companies; i.e. 52 percent, had been invested in Canwill Holdings (Pvt.) Ltd. in the year 2013 and the construction work of the Grand Height Colombo Project which was to be implemented under the said company was scheduled to be completed on 27th of December 2021. However, the construction work of the said project had not been commenced even by the audit date and the company had informed that the project could not be implemented. Further, necessary measures are being taken by the State-owned Enterprises Restructuring Unit of the Ministry of Finance, Economic Stabilization and National Policies to sell this company. Therefore, the Fund had not received benefits through the investment even when 11 years had passed since the above investment and it was observed that this is an unproductive investment.

(f) Even though an amount of Rs. 5.89 million had been recovered in terms of the decree of a trial which was proceeded upon non-payment of the contributions during the period from January 2011 to December 2020 by an employer institution within the administrative area of the District Labour Office - Kalutara, a total of Rs. 1.14 million that should be divided among 7 members had not been divided by the 31st of December 2023.

(g) The money recovered from the employers by litigation is retained in a common deposit account until the money is settled and its balance as at 31st of December 2023 was Rs. 440.36 million. Rs. 87.06 million out of it was the money recovered during the period from the year 2009 to 2022. For the reason of not identifying the members who should receive the money in the common deposit account and not transmitting the said money to the Central Bank of Sri Lanka to credit to the individual accounts of the members, the members were deprived of the investment income that could have been earned by investing such money.

(h) As at 31st of December 2023, the Fund had filed 14,096 cases against external institutions to recover a total of Rs. 12,755.09 million. 4,381 cases out of the said cases which were filed to recover a total of Rs. 2,420 million were in inactive status and 2,138 cases that had been filed to recover a total of Rs. 1,232 million were in open warrant status. Further, external institutions had filed 62 cases before the Court against the Fund claiming a total of Rs. 201.3 million.

(i) As per the data obtained from the computer data system of the Department of Labour on 08th of May 2024, among the applications submitted by the members to the Fund to receive profits, the number of applications for which profits had not been released was 5,559. 1344 applications out of them were accepted during the years from 2012 to 2023 and 463 applications out of those 1344 applications had been merely inserted in the data system and no further action had been taken in that respect. As it has taken a long time for the steps of claims for authorization for payment of profits to 81 applications and claims for approval for payment of profits to 172 applications that are included in the process of releasing profits, it was observed that there was a delay in releasing funds to the members which is disadvantageous to the members.

(j) As at 31st of December 2023, the number of employers who had got registered only with the Employees' Trust Fund Board and had not got registered with the Employees' Provident Fund was 28,994 and the total of contributions received from the said employers to the Employees' Trust Fund Board on the said date amounted to Rs.401.25 million. Accordingly, no proper measure had been initiated by coordinating with the Board to identify and register the relevant employers who should have got registered but had neglected to get registered with the Fund.

(k) Profits had not been received to the Fund in the year under review for the investments of ordinary shares of Rs. 17,401.39 million made in 15 listed companies as at 31st of December 2023 and for the investments of ordinary shares of Rs. 4,390.49 million made in 09 listed companies for the years from 2019 to the year under review.

(l) A total of Rs. 10.99 million; i.e. an amount of Rs. 8.2 million which had been carried forward in the Investment Clearing Account from the year 2016 and an amount of Rs. 2.79 million which was available in the Asset Disposal Account received from disposing assets in the year 2023 had not been settled and had been included as "Other Payable Expenditure" in the financial statement.

(m) An agreement had been entered into with a private institution on 09th January 2020 to settle the unreconciled bank account balance carried forward from the year 2001 in the bank reconciliation statements prepared relevant to the bank accounts of the Fund. Even though the final report was to be submitted within 08 weeks from the date of entering into the agreement, the expected objectives of the relevant project had not been met even by the date of this report. 50 percent of the agreed amount; i.e. Rs. 1.56 million, had been paid by the 31st of December 2020.

W.P.C. Wickremarathne
Auditor General

‘ඉ’ කොටස | பிரிவு உ | SECTION E

සංඛ්‍යා සටහන් හා අතිරේක තොරතුරු
புள்ளிவிபரவியல் பின்னிணைப்பு
STATISTICAL APPENDIX & SUPPLEMENTARY INFORMATION

සංඛ්‍යා සටහන 01 / அட்டவணை 01 / Table 01

ආයෝජන, කල්පිරීම් හා ආයෝජන මත ප්‍රතිලාභය (1994 - 2023
முதலீடுகள், முதிர்ச்சிகள் மற்றும் முதலீடுகள் மீதான வருவாய் (1994-2023)
Investments, Maturities and Return on Investments (1994-2023)

රු. මිලියන/ரூபா.மில்/Rs Mn

වසර ஆண்டு Year	ජනවාරි 01 දිනට ආයෝජනයන්හි ආරම්භක ශේෂය சனவரி 01இல் உள்ளவாறான முதலீடுகளின் வெளிநின்ற நிலுவை Outstanding Balance of investments as at 01st January	වසර තුළ ආයෝජන* ஆண்டுகாலப் பகுதியில் முதலீடு * Investment during the year *	වසර තුළ කල්පිරීම් ஆண்டுகாலப்பகுதியில் முதிர்ச்சிகள் Maturities during the year	දෙසැම්බර් 31 දිනට ආයෝජනයන්හි අවසාන ශේෂය திசெம்பர் 31இல் உள்ளவாறான முதலீடுகளின் வெளிநின்ற நிலுவை Outstanding Balance of investments as at 31 st December	වසර තුළ සාමාන්‍ය ආයෝජන ஆண்டுக்காலப்பகுதியில் சராசரி முதலீடு Averge investment during the year	වැඩිවීම அதிகரிப்பு Increase (%) වසර අවසානයට ஆண்டு இறுதி Year end	වැඩිවීම அதிகரிப்பு Increase (%) සාමාන්‍ය சராசரி Average	දළ ආයෝජන ආදායම மொத்த முதலீட்டு வருமானம் Gross Investment Income	සාමාන්‍ය ආයෝජන මත ප්‍රතිලාභ අනුපාතිකය(%) சராசரி முதலீடுகள் மீதான வருவாய் வீதம் (%) Rate of Return on Avg. investments (%)
1993	54,835	30,427	18,729	66,532	60,684	21.33	20.07	9,159	15.09
1994	66,532	37,606	23,085	81,053	73,793	21.83	21.60	11,391	15.44
1995	81,053	82,672	66,813	96,912	88,983	19.57	20.58	13,588	15.27
1996	96,912	114,372	95,658	115,626	106,269	19.31	19.43	15,771	14.84
1997	115,626	132,290	110,636	137,280	126,453	18.73	18.99	17,712	14.01
1998	137,280	151,465	127,756	160,989	149,134	17.27	17.94	20,719	13.89
1999	160,989	157,978	133,050	185,917	173,453	15.48	16.31	22,755	13.12
2000	185,917	242,850	213,937	214,830	200,373	15.55	15.52	25,946	12.95
2001	214,830	189,658	157,613	246,875	230,853	14.92	15.21	30,218	13.09
2002	246,875	331,047	295,349	282,573	264,724	14.46	14.67	36,106	13.64
2003	282,573	429,390	392,010	319,953	301,263	13.23	13.80	41,219	13.68
2004	319,953	485,956	446,028	359,881	339,917	12.48	12.83	39,315	11.57
2005	359,881	447,973	403,121	404,733	382,307	12.46	12.47	41,749	10.92
2006	404,733	381,298	316,505	469,526	437,130	16.01	14.34	46,313	10.59
2007	469,526	434,871	363,421	540,976	505,251	15.22	15.58	59,264	11.73
2008	540,976	480,613	394,286	627,303	584,140	15.96	15.61	79,156	13.55
2009	627,303	512,048	401,237	738,114	682,709	17.66	16.87	109,435	16.03
2010	738,114	694,075	565,128	867,061	802,588	17.47	17.56	120,870	15.06
2011	867,062	1,181,723	1,060,819	987,966	927,514	13.94	15.57	115,821	12.49
2012	987,966	1,003,386	889,056	1,102,296	1,045,131	11.57	12.68	121,358	11.61
2013	1,105,544	1,441,983	1,290,200	1,257,327	1,181,436	13.73	13.04	136,303	11.54
2014	1,257,327	1,190,944	1,010,588	1,437,683	1,347,505	14.34	14.06	163,165	12.11
2015	1,437,683	2,075,791	1,845,538	1,604,241	1,520,962	11.59	12.87	171,532	11.28
2016	1,604,241	1,892,768	1,724,797	1,772,212	1,688,226	10.47	11.00	192,909	11.43
2017	1,772,212	1,334,447	1,114,286	1,992,372	1,882,292	12.42	11.50	222,604	11.83
2018	1,992,372	2,351,335	2,044,877	2,298,831	2,145,602	15.38	13.99	222,440	10.37
2019	2,298,831	2,365,750	2,115,860	2,548,721	2,423,776	10.87	12.96	259,039	10.69
2020	2,548,721	2,052,416	1,771,642	2,829,494	2,689,108	11.02	10.95	285,419	10.61
2021	2,829,494	2,622,148	2,278,300	3,173,343	3,001,419	12.15	11.61	342,203	11.40
2022	3,173,343	2,781,552	2,488,349	3,466,545	3,319,944	9.24	10.61	315,797	9.51
2023	3,466,545	3,034,947	2,633,877	3,867,614	3,667,079	11.57	10.46	469,257	12.80

* කල්පිරීමේ ආදායම නැවත ආයෝජනය කිරීම ඇතුළත් වේ.
* முதிர்ச்சி பெறுகைகளின் மீள்முதலீட்டினை உள்ளடக்குகின்றது
* Includes re-investment of maturity proceeds.

සංඛ්‍යා සටහන 02 / அட்டவணை 02 / Table 02

සාමාජික ශේෂ මත ප්‍රතිලාභ අනුපාතිකය (1994-2023)
உறுப்பினர் நிலுவைகள் மீதான வருவாய் வீதம் (1994-2023)
Rate of Return on Member Balances (1994-2023)

වසර ஆண்டு Year	ප්‍රකාශ කළ ප්‍රතිලාභ අනුපාතිකය(%) வெளிப்படுத்தப்பட்ட வருவாய் வீதம் (%) Rate of Return declared (%)	සාමාජික ශේෂ මත සඵල ප්‍රතිලාභ අනුපාතිකය(%) உறுப்பினர் நிலுவைகள் மீதான பயனுறு வருவாய் வீதம் (%) Effective Rate of Return on Member Balances(%)	සාමාන්‍ය වාර්ෂික උද්ධමනය(%) ஆண்டுச் சராசரி பணவீக்கம் (%) Annual Average Inflation(%)	සාමාජික ශේෂමත මූර්ත සඵල ප්‍රතිලාභ අනුපාතිකය(%) உறுப்பினர் நிலுவைகள் மீதான மெய் பயனுறு வருவாய் வீதம் (%) Real Effective Rate of Return on member balances (%)	වසර 5ක් සඳහා මධ්‍යක මූර්ත සඵල ප්‍රතිලාභ අනුපාතිකය(%) 5 வருட நகரும் சராசரி வீதம் - மெய் பயனுறு வருவாய் வீதம் (%) 5 Year Moving Average - Real Effective Rate of Return (%)
1993	13.50	13.99	11.74	2.01	-1.15
1994	12.75	13.17	8.45	4.35	-0.25
1995	12.75	13.15	7.67	5.09	2.34
1996	12.75	13.12	15.94	-2.43	1.89
1997	12.75	13.03	9.60	3.13	2.43
1998	12.25	12.46	9.40	2.80	2.59
1999	11.50	11.72	4.70	6.70	3.06
2000	11.50	11.69	6.20	5.17	3.07
2001	11.50	11.69	14.20	-2.20	3.12
2002	12.10	12.26	9.60	2.43	2.98
2003	12.00	12.07	6.30	5.43	3.51
2004	9.50	9.59	7.60	1.85	2.54
2005	9.00	9.13	11.60	-2.21	1.06
2006	10.10	10.30	13.70	-2.99	0.90
2007	11.20	11.40	17.30	-5.03	-0.59
2008	13.20	13.44	21.60	-6.71	-3.02
2009	13.75	13.92	3.40	10.17	-1.35
2010	12.50	12.66	5.90	6.38	0.37
2011	11.50	11.58	6.70	4.57	1.88
2012	11.50	11.62	7.60	3.74	3.63
2013	11.00	11.14	6.90	3.84	5.74
2014	10.50	10.60	3.30	7.07	5.12
2015	10.50	10.57	0.90	9.58	5.76
2016	10.50	10.51	4.00	6.51	6.15
2017	10.50	10.51	6.60	3.91	6.18
2018	9.50	9.54	4.30	5.24	6.46
2019	9.25	9.27	4.30	4.97	6.04
2020	9.00	9.02	4.60	4.42	5.01
2021	9.00	9.02	6.00	3.02	4.31
2022	9.00	9.00	46.40	-37.40	-3.95
2023	13.00	12.92	17.40	-4.48	-5.89
පසුගිය වසර 30 සඳහා සාමාන්‍ය මූර්ත සඵල ප්‍රතිලාභ අනුපාතිකය கடந்த 30 ஆண்டுகளுக்கான சராசரி மெய் பயனுறு வருவாய் வீதம் Average Real Effective Rate of Return for the past 30 Years				1.56	

සංඛ්‍යා සටහන 03 / அட்டவணை 03 / Table 03

සාමාජික ශේෂ, සාමාජික ශේෂ මත පොලී සහ සඵල පොලී අනුපාතිකය (1994-2023)

உறுப்பினர் நிலுவைகள், உறுப்பினர் நிலுவைகள் மீதான வட்டி மற்றும் உறுப்பினர் நிலுவைகள் மீதான பயனுறு வீதம் (1994-2023)

Member Balances, Interest on Member Balances and Effective Rate on Member Balances (1994-2023)

වසර ஆண்டு Year	වර්ෂයේ පොලී බැර කිරීමට පෙර සහ වර්ෂයේ දායක මුදල් බැර කළ පසු සාමාජික ශේෂය (රු. මිලි.) வட்டி வரவு வைக்கப்பட முன்னர் ஆண்டின் பங்களிப்புக்களை உள்ளடக்கியதுமான உறுப்பினர் நிலுவைகள் (ரூபா.மில்) Member Balances before crediting interest but including contributions of the year (Rs Mn)	සාමාජික ශේෂ මත ප්‍රකාශ කළ ප්‍රතිලාභ අනුපාතිකය உறுப்பினர் நிலுவைகள் மீது வெளிப்படுத்தப்பட்ட வருவாய் வீதம் Declared rate of return on member balances	සාමාජික ශේෂ සඳහා බැර කළ පොලී ප්‍රමාණය (රු.මිලි.) உறுப்பினர் நிலுவைகள் மீது வரவு வைக்கப்பட்ட வட்டித் தொகை (ரூபா. மில்) Amount of interest credited on member balances (Rs Mn)	සාමාජික ශේෂ මත සඵල ප්‍රතිලාභ අනුපාතිකය உறுப்பினர் நிலுவைகள் மீதான பயனுறு வருவாய் வீதம் Effective rate of return on member balances	වර්ෂය තුළ ලැබූ දායක මුදල් සහ පොලී බැර කළ පසු සාමාජික ශේෂය (රු. මිලි.) வட்டி வரவு வைக்கப்பட்ட பின்னருள்ளதும் பங்களிப்புக்களை உள்ளடக்கியதுமான உறுப்பினர் நிலுவைகள் (ரூபா.மில்) Member Balances after crediting interest & including contributions (Rs Mn)
1993	62,425	13.50%	8,427	13.99%	70,852
1994	75,731	12.75%	9,656	13.17%	85,387
1995	90,748	12.75%	11,578	13.15%	102,326
1996	108,495	12.75%	13,833	13.12%	122,329
1997	127,798	12.75%	16,294	13.03%	144,092
1998	149,194	12.25%	18,276	12.46%	167,470
1999	173,853	11.50%	19,993	11.72%	193,846
2000	199,913	11.50%	23,020	11.69%	222,933
2001	229,819	11.50%	26,474	11.69%	256,293
2002	262,785	12.10%	31,849	12.27%	294,634
2003	297,762	12.00%	35,820	12.09%	333,582
2004	339,977	9.50%	32,368	9.61%	372,345
2005	383,221	9.00%	34,490	9.13%	417,711
2006	432,553	10.10%	43,786	10.30%	476,339
2007	492,149	11.20%	55,240	11.40%	547,389
2008	567,216	13.20%	75,027	13.44%	642,243
2009	661,528	13.75%	90,691	13.92%	752,219
2010	772,931	12.50%	96,268	12.66%	869,199
2011	884,762	11.50%	101,284	11.58%	986,046
2012	1,008,737	11.50%	115,771	11.62%	1,124,508
2013	1,154,863	11.00%	126,992	11.14%	1,281,855
2014	1,308,171	10.50%	137,291	10.60%	1,445,462
2015	1,471,293	10.50%	154,200	10.57%	1,625,493
2016	1,639,037	10.50%	171,557	10.51%	1,810,595
2017	1,829,539	10.50%	191,244	10.51%	2,020,783
2018	2,059,561	9.50%	194,633	9.54%	2,254,194
2019	2,287,175	9.25%	210,434	9.27%	2,497,610
2020	2,540,526	9.00%	227,307	9.02%	2,767,832
2021	2,815,085	9.00%	251,787	9.02%	3,066,871
2022	3,103,079	9.00%	277,538	9.00%	3,380,617
2023	3,381,136	13.00%	436,755	12.92%	3,817,891

පෙසංඛ්‍යා සටහන 04 / அட்டவணை 04 / Table 04

ආයෝජන කළඹ පිළිබඳ ප්‍රකාශනය (1994-2023)
முதலீட்டு சொத்துப்பட்டியல் கூற்று (1994-2023)
Statement of Investment Portfolio (1994-2023)

රු. / ரூபாய் / Rs.

(1) වසර ஆண்டு Year	(2) රුපියල් ණය ரூபாக் கடன்கள் Rupee Loans	(3) භාණ්ඩාගාර බැඳුම්කර திறைசேரி முறிகள் Treasury Bonds	(4) භාණ්ඩාගාර බිල්පත් திறைசேரி உண்டியல்கள் Treasury Bills	(5) ප්‍රති විකුණුම් ගිවිසුම් நேர்மாற்று மீள்கொள்வனவு உடன்படிக்கைகள் Revese Repo Agreements	(6) ණයකර සහ වෙනත් ආයෝජන கம்பனி தொகுதிக் கடன்கள் மற்றும் ஏனைய முதலீடுகள் Corporate Debentures & Other Investments	(7) ඒක්ෂණ තැන්පත් அழைப்புப் பணம் Call Money	(8) වාණිජ පත්‍රිකා வணிக பத்திரங்கள் Commercial Papers	(9) කොටස් பங்குகள் Shares	(10) වෙනත් ආයෝජන ஏனைய முதலீடுகள் Other Investments	(11) මුළු ආයෝජන දෙසැම්බර් 31 දිනට திசெம்பர் 31இல் உள்ளவாறான மொத்த முதலீடுகள் Total Investments as at 31st December	(12) (2+3+4) (11හි) % ලෙස (2+3+4) (11) இன் சதவீதமாக (2+3+4) as a % of (11)
1993	64,508,319,797	-	1,379,037,026	-	620,000,000	25,000,000	-	-	-	66,532,356,823	99.0
1994	77,703,584,484	-	2,248,905,321	8,980,313	1,095,000,000	-	-	-	-	81,056,470,118	98.6
1995	93,661,201,554	-	1,690,741,400	-	1,560,000,000	-	-	-	-	96,911,942,954	98.4
1996	110,318,073,100	-	2,582,685,700	-	2,360,000,000	365,000,000	-	-	-	115,625,758,800	97.6
1997	127,905,791,000	3,100,064,140	3,748,176,400	166,000,000	2,360,000,000	-	-	-	-	137,280,031,540	98.2
1998	143,667,209,900	11,568,411,320	2,496,449,500	762,923,185	2,030,000,000	-	53,240,965	420,418,818	-	160,998,653,688	98.0
1999	151,506,803,500	26,911,877,963	2,845,465,400	915,023,310	3,102,526,861	-	23,442,668	611,463,830	104,966,861	185,916,603,532	97.5
2000	157,155,028,372	47,303,371,713	4,797,986,300	1,622,045,353	2,720,532,000	-	-	1,231,223,705	81,600,000	214,830,187,443	97.4
2001	178,003,042,450	60,997,694,968	2,627,314,955	1,121,934,850	2,758,932,000	-	-	1,366,479,324	75,000,000	246,875,398,547	97.9
2002	172,454,623,650	100,309,826,106	2,622,596,600	3,463,769,840	2,308,610,800	-	-	1,413,199,336	-	282,572,626,332	97.5
2003	130,319,229,500	179,470,924,699	4,817,978,752	2,904,443,316	1,279,517,800	-	-	1,160,084,313	-	319,952,178,380	98.3
2004	74,307,932,800	273,795,018,144	4,719,144,050	2,984,713,361	2,446,975,096	-	-	1,636,250,180	217,882,096	359,890,033,631	98.0
2005	56,067,955,900	335,504,264,367	4,422,055,798	980,892,373	4,656,858,326	-	-	3,109,756,646	217,882,096	404,741,783,410	97.8
2006	56,067,955,900	396,397,999,121	4,686,967,172	4,011,713,020	6,962,353,136	-	-	3,632,452,611	-	471,759,440,960	96.9
2007	68,921,215,900	448,749,298,492	4,971,057,188	3,474,000,000	8,701,779,308	-	-	6,661,547,849	-	541,478,898,737	96.5
2008	68,539,457,400	539,621,099,727	722,025	3,548,000,000	8,748,723,120	-		6,866,527,521	-	627,324,529,793	96.9
2009	56,583,253,000	658,508,018,283	402,648,389	3,462,000,000	8,301,221,688	-	-	9,853,447,908	-	737,110,589,268	97.1
2010	40,921,000,000	768,387,815,622	5,936,349,431	1,357,000,000	6,285,997,690	-	-	43,614,212,926	-	866,502,375,668	94.1
2011	23,100,000,000	874,572,559,685	-	2,802,100,000	9,237,746,504	-	-	75,886,522,425	-	985,598,928,614	91.1
2012	23,100,000,000	980,371,915,815	31,757,671,753	3,106,900,000	7,981,853,041	-	-	59,225,526,555	-	1,105,543,867,164	93.6
2013	23,100,000,000	1,126,941,275,632	13,587,399,142	6,627,000,000	14,327,169,226	-	-	72,744,271,500	-	1,257,327,115,500	92.5
2014	23,100,000,000	1,286,593,392,598	940,477,000	8,134,000,000	22,331,336,095	-	-	96,583,484,167	-	1,437,682,689,860	91.2
2015	-	1,487,004,274,524	-	4,100,000,000	25,523,277,278	-	-	87,613,434,333	-	1,604,240,986,135	92.7
2016	-	1,611,629,157,767	38,815,227,099	2,745,000,000	38,171,950,948	-	-	80,850,404,266	-	1,772,211,740,080	93.1
2017	-	1,748,785,406,449	69,783,695,916	-	41,490,424,614	-	-	84,312,731,885	48,000,000,000	1,992,372,258,863	91.3
2018	-	2,084,497,739,992	34,733,240,412	26,350,903,297	44,787,080,905	-	-	74,852,555,047	33,609,534,372	2,298,831,054,025	92.2
2019	-	2,382,459,525,305	7,941,164,928	15,630,972,255	42,247,848,007	-	-	75,409,758,086	25,031,673,835	2,548,720,942,415	93.8
2020	-	2,639,859,512,338	3,049,914,543	16,002,379,121	34,865,417,377	-	-	79,947,782,097	55,769,350,770	2,829,494,356,245	93.4
2021	-	2,958,768,982,043	19,796,612	12,302,377,225	23,965,886,992	-	-	121,104,245,288	57,181,712,070	3,173,343,000,230	93.2
2022	-	3,184,165,116,563	174,425,329,324	3,402,896,604	23,610,953,868	-	-	80,940,878,347	-	3,466,545,172,706	96.9
2023	0	3,301,910,738,731	420,297,185,513	25,820,344,093	14,068,769,116	0	0	105,517,309,406	0	3,867,614,346,859	96.2

සංඛ්‍යා සටහන 05 / அட்டவணை 05 / Table 05

සංක්ෂිප්ත මුදල් ප්‍රවාහය (මුදල් මණ්ඩලය) (1994-2023)

தொகுக்கப்பட்ட காசுப்பாய்ச்சல் கூற்று (நாணயச் சபை) (1994-2023)

Summarised Cash Flow (Monetary Board) (1994-2023)

රු. මිලියන/ரூபா.மில்/Rs Mn

වසර ஆண்டு Year	ලැබීම් பெறுவனவுகள் Receipts					ගෙවීම් கொடுப்பனவுகள் Payments						වර්ෂය තුළ අරමුදල් ආයෝජන ஆண்டு காலத்தில் நிதியத்தின் முதலீடுகள் Investment of Funds During the Year
	දායක මුදල් பங்களிப்பு Contribution	කල් පිරීම් முதிர்ச்சிகள் Maturities	පොලී வட்டி Interests	වෙනත් ஏனையவை Others	එකතුව மொத்தம் Total	ප්‍රතිලාභ ගෙවීම් மீளளிப்புக்கள் Refunds	වියදම් செலவுகள் Expenses	ආදායම් බදු வருமான வரி Income Tax	රඳවා ගැනීම් බදු நிறுத்தி வைத்த வருமான வரி WHT	වෙනත් ஏனையவை Others	එකතුව மொத்தம் Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(5) - (11) = (12)
1993	6,611	18,730	8,310	53	33,704	2,377	62	835	-	-	3,274	30,430
1994	7,406	23,087	10,828	53	41,374	2,630	49	821	-	265	3,765	37,609
1995	8,154	66,813	12,916	57	87,940	2,886	58	1,869	-	431	5,244	82,696
1996	9,302	95,661	14,951	35	119,948	3,512	57	1,582	-	425	5,576	114,372
1997	10,851	110,636	17,381	35	138,903	4,775	68	1,691	-	79	6,613	132,290
1998	12,039	127,756	19,459	92	159,346	6,402	95	1,178	-	225	7,900	151,446
1999	13,679	133,310	21,362	179	168,530	7,691	97	1,808	-	640	10,236	158,294
2000	16,853	214,080	24,811	542	256,286	10,802	89	2,180	-	180	13,251	243,035
2001	17,739	114,366	27,885	848	160,838	11,194	101	2,759	-	490	14,544	146,294
2002	18,927	159,355	33,526	2,062	213,870	12,553	129	3,049	2,494	680	18,905	194,965
2003	20,188	196,348	30,557	5,671	252,764	17,032	131	2,331	4,333	806	24,633	228,131
2004	23,330	124,227	17,530	2,033	167,120	16,617	195	1,887	2,955	860	22,514	144,606
2005	27,315	207,090	34,699	2,229	271,333	17,024	149	947	2,360	1,040	21,520	249,813
2006	34,933	271,702	37,996	1,882	346,513	17,308	237	411	2,880	1,452	22,288	324,225
2007	40,574	346,014	47,454	734	434,776	21,830	304	984	7,219	1,405	31,742	403,034
2008	45,951	235,749	54,366	677	336,743	25,931	257	378	8,510	1,748	36,824	299,919
2009	48,712	249,476	74,005	1,098	373,291	31,901	278	256	9,760	1,971	44,166	329,125
2010	54,796	303,275	87,371	2,396	447,838	34,896	351	202	6,738	2,112	44,299	403,539
2011	61,879	380,942	86,071	2,786	531,678	47,311	346	-	13,571	3,200	64,428	467,250
2012	70,171	401,679	83,929	2,989	558,768	48,712	317	-	18,918	2,998	70,945	487,823
2013	80,176	666,345	98,698	3,197	848,416	50,243	465	-	31,031	3,317	85,056	763,360
2014	90,049	492,874	128,996	3,694	715,613	65,118	495	-	23,773	4,022	93,408	622,205
2015	102,453	520,188	136,306	4,156	763,103	78,004	300	133	15,294	3,161	96,891	666,212
2016	118,327	667,132	158,387	3,518	947,364	108,536	570	-	7,869	3,544	120,520	826,844
2017	133,353	406,955	172,453	5,524	718,285	117,687	660	63	10,151	3,264	131,826	586,459
2018	144,996	805,119	198,800	8,667	1,157,583	106,831	689	318	5,120	4,975	117,932	1,039,651
2019	157,247	2,111,474	241,250	7,112	2,517,084	126,330	646	36,180	-	3,722	166,879	2,350,205
2020	150,735	1,771,077	266,196	3,827	2,191,834	109,778	553	41,784	-	3,752	155,867	2,035,968
2021	165,723	2,277,747	284,633	8,581	2,736,684	118,215	715	40,241	-	5,353	164,524	2,572,161
2022	194,594	2,487,022	328,807	3,155	3,013,578	163,014	785	43,839	-	6,011	213,649	2,799,929
2023	210,582	2,632,644	405,208	3,379	3,251,813	215,906	778	56,681	-	6,424	279,789	2,972,025

සටහන 06

සංක්ෂිප්ත ආදායම් හා වියදම් ගිණුම (1999-2023)

රු. මිලියන

වසර	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ආයෝජන මත දළ පොලී	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165	84,674	90,904	105,038	127,499	143,055	165,485	188,346	229,446	254,681	277,409	293,678	349,269	442,419
(-) පොලී මත බදු	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)	(8,055)	(8,637)	(10,069)	(12,169)	(13,727)	(15,657)	(18,897)	(30,720)	(34,965)	(39,063)	(41,657)	(49,982)	(61,949)
ශුද්ධ පොලී	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178	76,619	82,267	94,969	115,330	129,328	149,828	169,449	198,726	219,716	238,346	252,021	299,287	380,470
(+) වෙනත් ආදායම්	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,092	31,369	30,509	31,620	36,375	28,800	27,586	34,846	(6,603)	4,642	8,222	48,696	(33,202)	27,078
බදු ගෙවූ පසු මුළු ආදායම්	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269	107,988	112,776	126,589	151,705	158,128	177,414	204,295	192,123	224,358	246,568	300,718	266,085	407,548
(-) වියදම් - මහ බැංකුව	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)	(425)	(537)	(605)	(621)	(671)	(921)	(793)	(902)	(927)	(993)	(961)	(1,391)	(1,494)
- කම්කරු දෙපාර්තමේන්තුව	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)	(361)	(410)	(374)	(422)	(520)	(566)	(556)	(604)	(655)	(652)	(685)	(742)	(811)
මෙහෙයුම් වියදම්වලට පසුව ශුද්ධ ආදායම	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445	107,202	111,829	125,610	150,662	157,249	175,927	202,947	190,617	222,776	244,923	299,071	263,953	405,244
(+) ආදායම් හා වියදම් ගිණුමෙන් පෙර වර්ෂයේ ඉදිරියට ගෙන ආ ශේෂය	1,049	396	122	377	637	360	108	320	187	218	439	18	294	369	28	141	311	216	189	268	159	129	129	61	46
(+) ගිණුම්කරණ ප්‍රතිපත්ති වෙනස්වීම්	-	-	-	-	-	-	-	4,187	-	-	1	-	-	-	28	-	-	-	-	2,203	-	-	-	-	-
(+) ලැයිස්තුගත නොකළ කොටස් විකිණීමෙන් ලැබෙන ප්‍රාග්ධන ලාභය																					90	-	(40,504)	41,005	(23,707)
සාමාජිකයන්ට බෙදා හැරීම සඳහා වන ශුද්ධ ආදායම	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,690	111,463	107,496	112,198	125,666	150,803	157,249	176,143	203,136	193,088	223,026	245,052	258,697	305,019	381,583
(-) ප්‍රතිලාභ මත ගෙවූ පොලී (වර්ෂය තුළ)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)	(2,343)	(2,098)	(2,233)	(3,201)	(2,833)	(4,646)	(4,624)	(4,296)	(4,762)	(4,316)	(4,550)	(6,435)	(8,218)
(-) ගොඩනැගිලි සංචිත අරමුදල	-	-	-	-	-	-	-	-		-	(3,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) තාක්ෂණ ප්‍රවර්ධන සංචිත අරමුදල	-	(100)	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-/+) ලාභ සම කිරීමේ සංචිත අරමුදල	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)	(3,500)					250	(7,000)	6,000	(7,700)	(13,000)	(2,600)	(21,000)	64,150
(-) පොදු සංචිතය	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	-	-	-	-	-	5,700	3,700	(4,000)	-	-	-	-	-	-	-	-	-
(-) සාමාජික ශේෂ මත පොලී	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)	(101,284)	(115,771)	(126,992)	(137,291)	(154,200)	(171,557)	(191,244)	(194,633)	(210,434)	(227,307)	(251,787)	(277,538)	436,755
(-) සාමාජිකයන්ට ගෙවිය යුතු ලාභාංශ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	-				-	-	-	-	-
- ප්‍රතිශතය (%)	**11.50**	**11.50**	**11.50**	**12.10**	**12.00**	**9.50**	**9.00**	**10.10**	**11.20**	**13.20**	**13.75**	**12.50**	**11.50**	**11.50**	**11.00**	**10.50**	**10.50**	**10.50**	**10.50**	**9.50**	**9.25**	**9.00**	**9.00**	**9.00**	**13.00**
ආදායම් හා වියදම් ගිණුමෙන් ඉදිරි වර්ෂයට ගෙනයනු ලබන ශේෂය	35	20	165	193	345	105	201	201	218	439	18	294	369	28	141	311	216	189	268	159	129	430	61	46	759

அட்டவணை 06

தொகுக்கப்பட்ட வருமானம் மற்றும் செலவினக் கணக்கு (1999-2023)

ரூபா.மில்

வருடம்	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
முதலீட்டின் மீதான மொத்த வட்டி	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165	84,674	90,904	105,038	127,499	143,055	165,485	188,346	229,446	254,681	277,409	293,678	349,269	442,419
(-) வருமான வரி	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)	(8,055)	(8,637)	(10,069)	(12,169)	(13,727)	(15,657)	(18,897)	(30,720)	(34,965)	(39,063)	(41,657)	(49,982)	(61,949)
தேறிய வட்டி	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178	76,619	82,267	94,969	115,330	129,328	149,828	169,449	198,726	219,716	238,346	252,021	299,287	380,470
(+) ஏனைய வருமானம்	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,092	31,369	30,509	31,620	36,375	28,800	27,586	34,846	(6,603)	4,642	8,222	48,696	(33,202)	27,078
வரிக்குப் பின் மொத்த வருமானம்	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269	107,988	112,776	126,589	151,705	158,128	177,414	204,295	192,123	224,358	246,568	300,718	266,085	407,548
(-) செலவுகள் - மத்திய வங்கி	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)	(425)	(537)	(605)	(621)	(671)	(921)	(793)	(902)	(927)	(993)	(961)	(1,391)	(1,494)
- தொழில் திணைக்களம்	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)	(361)	(410)	(374)	(422)	(520)	(566)	(556)	(604)	(655)	(652)	(685)	(742)	(811)
நடைமுறை செலவுகளின் பின் தேறிய வருமானம்	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445	107,202	111,829	125,610	150,662	157,249	175,927	202,947	190,617	222,776	244,923	299,071	263,953	405,244
முன்னைய ஆண்டின் வருமான செலவினக் கணக்கின் கொண்டு சென்ற மீதி	1,049	396	122	377	637	360	108	320	187	218	439	18	294	369	28	141	311	216	189	268	159	129	129	61	46
(+)கணக்கீட்டுக் கொள்கைகளின் மாற்றத்தின் விளைவு	-	-	-	-	-	-	-	4,187	-	-	1	-	-	-	28	-	-	-	-	2,203	-	-	-	-	-
(+)பட்டியலிடப்படாத பங்கு மூலதன அகற்றல் மீதான மூலதன வருவாய்																					90	-	(40,504)	41,005	(23,707)
உறுப்பினர்களுக்கு பகிர்ந்தளிப்பதற்காக கிடைக்கத்தக்கதாக உள்ள தேறிய வருமானம்	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,690	111,463	107,496	112,198	125,666	150,803	157,249	176,143	203,136	193,088	223,026	245,052	258,697	305,019	381,583
(-) மீளளிப்புக்கள் தொடர்பில் செலுத்தப்பட்ட வட்டி (நடைமுறை)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)	(2,343)	(2,098)	(2,233)	(3,201)	(2,833)	(4,646)	(4,624)	(4,296)	(4,762)	(4,316)	(4,550)	(6,435)	(8,218)
(-) கட்டட ஒதுக்க நிதியம்	-	-	-	-	-	-	-	-		–	(3,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) தொழில்நுட்ப மேம்பாட்டு ஒதுக்கம்	-	(100)	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-)/+ இலாப சமப்படுத்தல் ஒதுக்கம்	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)	(3,500)					250	(7,000)	6,000	(7,700)	(13,000)	(2,600)	(21,000)	64,150
(-) பொது ஒதுக்கம்	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	-	-	-	-	-	5,700	3,700	(4,000)	-	-	-	-	-	-	-	-	-
(-) உறுப்பினர் நிலுவைகளுக்கான வட்டி	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)	(101,284)	(115,771)	(126,992)	(137,291)	(154,200)	(171,557)	(191,244)	(194,633)	(210,434)	(227,307)	(251,787)	(277,538)	436,755
உறுப்பினர்களுக்கு செலுத்தத்தக்க பங்கிலாபம்	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	-				-	-	-	-	-
வீதம் (%)	**11.50**	**11.50**	**11.50**	**12.10**	**12.00**	**9.50**	**9.00**	**10.10**	**11.20**	**13.20**	**13.75**	**12.50**	**11.50**	**11.50**	**11.00**	**10.50**	**10.50**	**10.50**	**10.50**	**9.50**	**9.25**	**9.00**	**9.00**	**9.00**	**13.00**
அடுத்த ஆண்டின் வருமான செலவினக் கணக்கிற்கு கொண்டு சென்ற மீதி	35	20	165	193	345	105	201	201	218	439	18	294	369	28	141	311	216	189	268	159	129	430	61	46	759

Table 06

Summarised Income & Expenditure Account (1999 - 2023)

Rs Mn

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Interest on Investment	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165	84,674	90,904	105,038	127,499	143,055	165,485	188,346	229,446	254,681	277,409	293,678	349,269	442,419
(-) Income Tax	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)	(8,055)	(8,637)	(10,069)	(12,169)	(13,727)	(15,657)	(18,897)	(30,720)	(34,965)	(39,063)	(41,657)	(49,982)	(61,949)
Net Interest	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178	76,619	82,267	94,969	115,330	129,328	149,828	169,449	198,726	219,716	238,346	252,021	299,287	380,470
(+) Other Income	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,092	31,369	30,509	31,620	36,375	28,800	27,586	34,846	(6,603)	4,642	8,222	48,696	(33,202)	27,078
Total Income after Tax	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269	107,988	112,776	126,589	151,705	158,128	177,414	204,295	192,123	224,358	246,568	300,718	266,085	407,548
(-) Expenses - Central Bank	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)	(425)	(537)	(605)	(621)	(671)	(921)	(793)	(902)	(927)	(993)	(961)	(1,391)	(1,494)
- Labour Dept.	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)	(361)	(410)	(374)	(422)	(520)	(566)	(556)	(604)	(655)	(652)	(685)	(742)	(811)
Net Income after Working Expenses	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445	107,202	111,829	125,610	150,662	157,249	175,927	202,947	190,617	222,776	244,923	299,071	263,953	405,244
(+) C/F Balance of the previous year Income & Expenditure Account	1,049	396	122	377	637	360	108	320	187	218	439	18	294	369	28	141	311	216	189	268	159	129	129	61	46
(+) Effect of change of Accounting Policies	-	-	-	-	-	-	-	4,187	-	-	1	-	-	-	28	-	-	-	-	2,203	-	-	-	-	-
(+) Capital Gain on Disposal of Unlisted Equity																					90	-	(40,504)	41,005	(23,707)
Net Income available for distribution to Members	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,690	111,463	107,496	112,198	125,666	150,803	157,249	176,143	203,136	193,088	223,026	245,052	258,697	305,019	381,583
(-) Interest paid on Refunds (Current)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)	(2,343)	(2,098)	(2,233)	(3,201)	(2,833)	(4,646)	(4,624)	(4,296)	(4,762)	(4,316)	(4,550)	(6,435)	(8,218)
(-) Building Reserve Fund	-	-	-	-	-	-	-	-		-	(3,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Technology Advancement Reserve	-	(100)	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-)/+ Profit Equalisation Reserve	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)	(3,500)					250	(7,000)	6,000	(7,700)	(13,000)	(2,600)	(21,000)	64,150
(-) General Resurve	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	-	-	-	-	-	5,700	3,700	(4,000)	-	-	-	-	-	-	-	-	-
(-) Interest on Member Balances	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)	(101,284)	(115,771)	(126,992)	(137,291)	(154,200)	(171,557)	(191,244)	(194,633)	(210,434)	(227,307)	(251,787)	(277,538)	436,755
(-) Dividend payable to Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	-				-	-	-	-	-
- Rate (%)	**11.50**	**11.50**	**11.50**	**12.10**	**12.00**	**9.50**	**9.00**	**10.10**	**11.20**	**13.20**	**13.75**	**12.50**	**11.50**	**11.50**	**11.00**	**10.50**	**10.50**	**10.50**	**10.50**	**9.50**	**9.25**	**9.00**	**9.00**	**9.00**	**13.00**
Carreid Forward Balance of the Income & Expenditure A/C for the Next Year	35	20	165	193	345	105	201	201	218	439	18	294	369	28	141	311	216	189	268	159	129	430	61	46	759

LIST OF ACRONYMS

AFS – Available for Sale

ASPI – All Share Price Index

AWCMR – Average Weighted Call Money Rate

AWDR – Average Weighted Deposit Rate

AWFDR – Average Weighted Fixed Deposit Rate

AWLR – Average Weighted Lending Rate

AWNDR – Average Weighted New Deposit Rate

AWNLR – Average Weighted New Lending Rate

AWPR – Average Weighted Prime Lending Rate

BROC – Board Risk Oversight Committee

CBSL – Central Bank of Sri Lanka

CCPI – Colombo Consumer Price Index

ECLs – Expected Credit Losses

EIC – EPF Investment Committee

EIOC – EPF Investment Oversight Committee

EPF/ Fund – Employees' Provident Fund

FVOCI – Fair Value Through Other Comprehensive Income

FVTPL – Fair Value Through Profit or Loss

GDP – Gross Domestic Product

GRF – General Reserve Fund

HTM – Held to Maturity

IG – Investment Guidelines

IMF – International Monetary Fund

IPO – Initial Public Offering

IPS – Investment Policy Statement

LCBs – Licensed Commercial Banks

LGD – Loss Given Default

LKAS – Sri Lanka Accounting Standards

L & R – Loans & Receivables

MB – Monetary Board

NBV – Net Book Value

NCPI – National Consumer Price Index

NFRMC – Non Financial Risk Management Committee

PD – Probability of Defaults

PERF – Profit Equalisation Reserve Fund

PIT – Point in Time

PLIs – Participating Lending Institutions

PPE – Property, Plant and Equipment

RMD – Risk Management Department

SDFR – Standing Deposit Facility Rate

SLFRS – Sri Lanka Financial Reporting Standards

SLIBOR – Sri Lanka Inter Bank Offered Rate

SRR – Statutory Reserve Ratio

S&P SL20 Index – S&P Sri Lanka 20 Index

TARF – Technology Advancement Reserve Fund

WAC – Weighted Average Cost

WHT – Withholding Tax

පැහැදිලි කිරීම

පහත දැක්වෙන පොදු සටහන් මෙම වාර්තාවේ අන්තර්ගත තොරතුරු වලට අදාළ වේ.

1. ඇතැම් සංඛ්‍යා සටහන්වල සංඛ්‍යාවන් ආසන්නම පූර්ණ සංඛ්‍යාවට දක්වා ඇත. එබැවින් දක්වා ඇති එකතුවෙහිත්, සංඛ්‍යා එකතු කළ විට ලැබෙන මුළු එකතුවෙහිත් සුළු වෙනස්කම් පැවතිය හැක.
2. කලින් පළ කොට ඇති සංඛ්‍යාවන්ගෙන් වෙනස් වන්නේ, පසුව කළ සංශෝධන, ගැළපීම් හා අදාළ ගිණුම්කරණ ප්‍රමිති වලට අනුව වාර්තා කිරීම නිසාය.
3. වරහන් තුළ සඳහන් කර ඇති සංඛ්‍යා සෘණ වටිනාකම් වේ.
4. පහත සඳහන් සංකේතයන් යොදා ඇත.

   \- = නැත

புள்ளிவிபர அட்டவணையின் வரைவிலக்கணங்கள் விளக்கக் குறிப்புக்கள்

பின்வரும் பொதுக் குறிப்புக்கள் இவ் அறிக்கையின் உள்ளடக்கதிற்குப் பொருந்தக்கூடியவை

1. சில அட்டவணைகளிலுள்ள புள்ளிவிபரங்கள் அருகிலுள்ள இறுதி இலக்கத்திற்கு முழு எண்ணாக்கப்பட்டுள்ளன. ஆகவே, காட்டப்பட்டுள்ளவாறான மொத்தத்திற்கும் அதன் கூறுகளின் தொகைக்குமிடையே ஒரு சிறிய வேறுபாடு காணப்படலாம்.
2. முன்னர் வெளியிடப்பட்ட புள்ளிவிபரங்களுடன் ஒப்பிடும் போது வேறுபாடுகள் காணப்படுவதற்கு, அடுத்தடுத்த திருத்தங்கள் மற்றும் மாற்றங்கள், வகைப்படுத்தல்கள் மற்றும் பொருத்தமான கணக்கீட்டு நியமங்களின் வெளிப்படுத்தல் தேவைப்பாடுகள் என்பன காரணங்களாகும்.
3. அடைப்புக்குறிக்குள் சுட்டிக்காட்டப்பட்டுள்ள பெறுமதிகள் எதிர்மறைப் பெறுமதிகளாகும்.
4. அறிக்கை முழுவதும் பின்வரும் குறியீடுகள் பயன்படுத்தப்பட்டுள்ளன.

   \- = இல்லை

   அதாவது = அது, “குறிப்பிடத்தக்க” அல்லது “பெயர் குறிப்பிடத்தக்க”.

Explanatory Notes

The following general notes are applicable for the content of this report.

1. Figures in some tables have been rounded off to the nearest final digit. Hence, there may be a slight discrepancy between the total as shown and the sum of its components.
2. Differences as compared with previously published figures are due to subsequent revisions and adjustments, classifications and disclosure requirements of the applicable Accounting Standards.
3. Values indicated within parenthesis are negative values.
4. The following symbols have been used throughout the report

   \- = nil

   i.e., = that is, “specifically” or “namely.”