



EMPLOYEES' PROVIDENT FUND FINANCIAL HIGHLIGHTS - 2021



Financial highlights of the Employees' Provident Fund (EPF) for the year ended 31st December 2021 and key performance indicators are disclosed below for the information of the general public. Financial Statements for the year 2021, submitted by the Monetary Board of the Central Bank of Sri Lanka to the Minister of Labour will be presented to the Parliament by the Hon. Minister in terms of the Section 6 (4) of the Employees' Provident Fund Act No. 15 of 1958. In terms of Section 14 (1) of the said Act, interest rate for 2021 has been fixed by the Monetary Board with the concurrence of the Hon. Minister of Finance and Hon. Minister of Labour.

SUMMARIZED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

Item	2021	2020	Change (%)
Total Gross Income	342,374	285,631	19.87
Less: Total Operating Expenditure	1,646	1,645	0.06
EPF Dept.: Central Bank of Sri Lanka	961	993	(3.22)
EPF Section: Department of Labour	685	652	5.06
Net Income before Income Tax	340,728	283,986	19.98
Less: Income Tax	41,657	39,063	6.64
Net Income after Income Tax	299,071	244,923	22.11
Add: Retained profit brought forward	430	129	233.33
Less: Unrealised Gain on Listed Equity	40,504	-	100.00
Net Income available for Distribution to the Members	258,997	245,052	5.69
Less: Interest paid on current year Refunds	4,550	4,316	5.42
Add/ (Less): Transfer from / (to) Profit Equalization Reserve	(2,600)	(13,000)	(80.00)
Less: Interest paid on Member Balances @ 9.00% in 2021 (9.00% in 2020)	251,786	227,307	10.77
Retained Profit Carried Forward	61	430	(85.81)

SELECTED KEY PERFORMANCE INDICATORS

Indicator	2021	2020
Membership		
Contributing Member Accounts (Active Members) (mn.)	2.5	2.6
Non-contributing Member Accounts (Inactive Members) (mn.)	17.8	17.1
Total Member Accounts (mn.)	20.3	19.7
Contributing Employers (Nos.)	71,203	89,853
Total Member Balances (Rs. mn.)	3,066,871	2,767,832
Member Contributions Received (Rs. mn.)	165,723	150,735
Annual growth in Member Contributions (%)	9.9	(4.1)
Gross Income (Rs. mn.)	342,374	285,631
Income from Government Securities	285,308	266,545
Income from Equities		
Dividend Income	6,685	2,917
Gain/ (Loss) on Fair Valuation of Equities	41,840	5,023
Income from Corporate Debts and Reverse repos	4,513	5,057
Income from Fixed Deposits	3,856	5,877
Other Income	172	212
Operating Expenses (Rs. mn.)	1,646	1,645
As a % of total Gross Income of the Fund	0.48	0.58
Investment Portfolio (Rs. mn.)	3,173,343	2,829,494
Annual Growth in Investment Portfolio (%)	12.15	11.0
Composition (%)		
Government Securities - Treasury Bonds and Bills	93.2	93.4
Equities	3.8	2.8
Corporate Debt Instruments	0.8	1.2
Reverse Repos	0.4	0.6
Fixed Deposits	1.8	2.0
Total	100	100
Refunds		
Amount Paid to Members (Rs. mn.)	118,192	109,725
Refunds - including part payments and 30% withdrawals (Nos.)	179,681	197,401
Annual increase in Refunds (%)	7.7	(18.3)
Housing Loan Guarantee Facilities		
Amount Sanctioned (Rs. mn.)	5,423	4,497
Guarantee Certificates issued (Nos.)	9,068	8,537
Return on Investments		
Gross Rate of Return on Average Portfolio (%)	11.40	10.62
Rate of Interest Paid on Member Balances (%)	9.00	9.00
Effective Rate of Interest Paid on Member Balances (%)	9.02	9.02

SUMMARIZED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

Item	2021	2020	Change (%)
Property, Plant and Equipment (including Intangible Assets)	511	336	52.08
Financial Assets	3,173,343	2,829,494	12.15
Current Assets	17,889	18,278	(2.13)
Total Assets	3,191,743	2,848,108	12.07
Less: Current Liabilities	25,608	23,795	7.62
Total Net Assets	3,166,135	2,824,313	12.10
Represented By:			
Total Member Balances (After crediting interest)	3,066,871	2,767,832	10.80
Reserves	53,699	56,051	(4.20)
Retained Profit	45,565	430	10,496.51
Net Worth of the Fund	3,166,135	2,824,313	12.10

SUMMARIZED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

Description	Member Balance	Retained Profit	Other Reserves	Total
Balance as at 31st December 2019	2,497,609	129	42,700	2,540,438
Net Profit for the year - 2020	-	244,923	-	244,923
Net Gain/ (Loss) on financial assets fair value through other comprehensive income	-	-	351	351
Net Contributions for 2020	42,916	-	-	42,916
Member Interest Paid on Refunds - 2020	-	(4,316)	-	(4,316)
Member Interest payable (2020 at 9.00%)	227,307	(227,307)	-	-
Transfers to Profit Equalization Reserve from distributable profit	-	(13,000)	13,000	-
Balance as at 31st December 2020	2,767,832	430	56,051	2,824,313
Net Profit for the year - 2021	-	299,071	-	299,071
Net Gain/ (Loss) on financial assets fair value through other comprehensive income	-	-	48	48
Net Contributions for 2021	47,252	-	-	47,252
Member Interest Paid on Refunds - 2021	-	(4,550)	-	(4,550)
Member Interest payable (2021 at 9.00%)	251,786	(251,786)	-	-
Transfers from Profit Equalization Reserve	-	5,000	(5,000)	-
Transfers to Profit Equalization Reserve from distributable profit	-	(2,600)	2,600	-
Balance as at 31st December 2021	3,066,871	45,565	53,699	3,166,135

SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2021

For the year ended 31st December	2021	2020
Net cash generated from operating activities	244,972	222,130
Net cash used in investing activities	(291,937)	(263,723)
Net cash generated from financing activities	47,454	41,065
Net increase/ (decrease) in cash and cash equivalents	489	(528)
Cash and cash equivalents at the beginning of the year	2,613	3,167
Cash and cash equivalents at the end of the year - Before Adjustments	3,102	2,639
Adjustments:		
Cash balance at the end of the year - Dept. of Labour	-	(26)
Cash and cash equivalents at the end of the year	3,102	2,613

EFFECTIVE RATE OF RETURN FOR MEMBER BALANCES VS. MARKET RATES (%)

Year	2017	2018	2019	2020	2021
Effective Rate of Return offered by EPF	10.51	9.54	9.27	9.02	9.02
Rate of Return offered by a similar Superannuation Fund	9.00	9.00	8.00	8.00	7.25
One Year Fixed Deposits rate of a major Savings Bank	11.00	10.50	9.83	5.25	5.50
Commercial Banks' Average Weighted Deposits Rate (AWDR)	9.07	8.81	8.20	5.80	4.94
Annual Average Inflation - CCPI (2013=100)	7.7	2.1	3.5	6.2	7.0

The above financial highlights were extracted from the unaudited financial statements for the year 2021 prepared in accordance with the applicable Sri Lanka Accounting Standards (LKAS/SLFRS).

A G U Thilakarathna
Superintendent
Employees' Provident Fund Department