

EMPLOYEES' PROVIDENT FUND

Financial Statements

2025


EMPLOYEES' PROVIDENT FUND
STATEMENT OF INCOME AND EXPENDITURE


For the year ended 31st December

	Note	2025 Total Rs.'000	2024 Total Rs.'000
Interest Income	6	506,954,241	455,125,984
Dividend Income	7	6,589,042	5,481,116
Net Gain/ (Loss) on Financial Instruments at Fair Value	8	39,133,892	53,488,367
Over/(Under) Provision of Impairment of Financial Assets	9	(752)	(313,748)
Investment Income		552,676,423	513,781,719
Other Income	10	610,008	326,307
Gross Income		553,286,431	514,108,026
Operating Expenses	11	(3,465,515)	(3,044,668)
Operating Profit/ (Loss) before Income Tax		549,820,916	511,063,358
Tax Expense	12	(69,511,241)	(64,137,133)
Profit/ (Loss) for the Year		480,309,675	446,926,225
Retained Profit brought Forward		351,424	759,127
Opening balance adjustment		(383)	-
Add/ (Less) : -Net Unrealised Loss/ (Gain) on Unlisted Equity during the Year		13,395,774	(3,876,814)
Add : Unrealised Gain on Listed Equity in previous years	24.1	-	28,829,186
Profit available for Distribution		494,056,490	472,637,724
Profit Distribution			
Less : Interest Paid on Current Year Refunds		(6,895,174)	(6,997,679)
Add/ (Less) - Transfer from / (to) Market Fluctuation Equalisation Reserve		(17,500,000)	(42,500,000)
Interest on member balances as at 31 st December 2025 at 10.75% (2024 -11.00%)		(469,255,774)	(422,788,621)
Balance Carried Forward for the Distribution in Next Year		405,542	351,424

The accounting policies and notes on pages 07 through 51 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 : 18 February 2026

**EMPLOYEES' PROVIDENT FUND
STATEMENT OF FINANCIAL POSITION**

As at 31st December

	Note	2025 Rs. Rs.'000	2024 Rs. Rs.'000
Assets			
Property, Plant and Equipment	13	564,714	419,555
Capital Work-in-Progress		-	297,885
Intangible Assets	14	11,497	8,612
Equity Securities	15	214,142,236	193,421,268
Fixed Income Securities	16	4,751,047,704	4,200,395,926
Inventories		34,010	27,945
Interest Receivables		-	66,500
Contribution Receivable		23,100,000	20,200,000
Other Current Assets	17	386,157	697,432
Cash and Cash Equivalents	18	4,066,322	4,678,687
		4,993,352,640	4,420,213,810
Liabilities			
Accounts Payable	19	12,198	748
Accrued Expenses		1,519,373	923,919
Current Tax Liabilities	12.2	36,015,954	33,477,467
Deferred Tax Liability	20	2,195,668	3,684,088
Other Liabilities	21	10,685,756	6,417,925
		50,428,949	44,504,147
Total Net Assets		4,942,923,691	4,375,709,663
Represented by, Member Balances	22	4,852,600,133	4,289,544,449
		4,852,600,133	4,289,544,449
Reserves	23	70,157,000	52,657,000
Retained Profit	24.2	20,166,558	33,508,214
		90,323,558	86,165,214
Total Net Worth of the Fund		4,942,923,691	4,375,709,663

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Central Bank of Sri Lanka



Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

Date : 18 February 2026

**EMPLOYEES' PROVIDENT FUND
RECEIPTS AND PAYMENTS ACCOUNT**

For the year ended 31st December

		2025	2024
	Note	Total	Total
		Rs.'000	Rs.'000
Cash balance at the beginning of the year		4,678,958	5,147,110
Total Receipts	25	827,740,392	681,373,528
Total Payments	26	(828,352,847)	(681,841,680)
Cash balance at the end of the year		<u>4,066,503</u>	<u>4,678,958</u>

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Central Bank of Sri Lanka



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Nihal D Liyanage
Superintendent
Employees' Provident Fund Department

Date : 18 February 2026

**EMPLOYEES' PROVIDENT FUND
STATEMENT OF INVESTMENTS**

Class of Investment	Note	Face value Rs.'000	Amortised Cost Rs.'000	Cost Rs.'000	Fair Value Rs.'000	Book Value Rs.'000
<i>As at 31st December 2025</i>						
Treasury Bonds	16.1.1	4,834,517,613	4,692,968,869	4,662,250,496	4,837,388,243	4,692,968,869
Treasury Bills	16.1.2	-	-	-	-	-
Corporate Debt Instruments	16.2	28,567,870	29,270,201	28,532,319	31,844,335	29,268,269
Reverse Repo	16.3	-	28,810,566	28,800,000	28,810,566	28,810,566
Listed Equities	15.1	-	-	77,924,169	188,854,737	188,854,737
Unlisted Equities	15.2	-	-	4,145,989	25,287,499	25,287,499
				4,801,652,973	5,112,185,380	4,965,189,940
<i>As at 31st December 2024</i>						
Treasury Bonds	16.1.1	4,195,453,228	4,084,070,173	4,030,144,944	4,164,733,105	4,084,070,173
Treasury Bills	16.1.2	70,664,535	69,194,612	66,468,616	69,173,307	69,194,612
Corporate Debt Instruments	16.2	12,640,570	12,955,124	12,640,570	13,645,334	12,954,034
Reverse Repo	16.3	-	34,177,107	34,150,000	34,177,107	34,177,107
Listed Equities	15.1	-	-	88,374,363	148,249,576	148,249,576
Unlisted Equities	15.2	-	-	9,145,989	45,171,692	45,171,692
				4,240,924,482	4,475,150,121	4,393,817,194

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

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Nihal D. Liyanage
Superintendent
Employees' Provident Fund Department

Date : 18 February 2026

**EMPLOYEES' PROVIDENT FUND
STATEMENT OF CASH FLOWS**

For the year ended 31st December

	2025 Rs.'000	2024 Rs.'000
Cash flows from operating activities		
Interest received from Investments	528,191,764	437,765,204
Dividends received from equities	6,295,819	7,210,698
Surcharges and other income	6,918	73,351
Payment of operating expenses	(2,042,795)	(2,300,194)
Advances given	(7,087)	(2,524)
Settlement of Creditors and other payables	(6,232,342)	(4,484,288)
Cash generated from operating activities	<u>526,212,277</u>	<u>438,262,247</u>
Taxes Paid	(68,286,039)	(62,476,636)
Net cash generated from operating activities	<u>457,926,238</u>	<u>375,785,611</u>
Cash flows from investing activities		
Investments in Financial Assets	(2,710,958,383)	(3,003,130,098)
Maturities of Investments	2,136,564,535	2,579,754,905
Proceeds on sale of Financial Investments	21,222,162	975,767
Acquisition of Property, Plant and Equipment	(151,812)	(75,409)
Net cash used in investing activities	<u>(553,323,498)</u>	<u>(422,474,835)</u>
Cash flow from financing activities:		
Contributions received	270,842,533	234,388,084
General Deposit Account - Labour Department	(56,664)	(40,331)
Refunds to Members	(176,001,064)	(188,069,955)
Net cash generated from financing activities	<u>94,784,805</u>	<u>46,277,798</u>
Net increase in cash and cash equivalents	(612,455)	(411,426)
Cash and Cash equivalents at the beginning of the year	4,678,958	5,090,384
Cash and cash equivalents at the end of the year-Before Adjustments	<u>4,066,503</u>	<u>4,678,958</u>
Adjustments:		
Cash balance at the end of the year - Labour Department	-	-
Cash and cash equivalents at the end of the year (Note A)	<u><u>4,066,503</u></u>	<u><u>4,678,958</u></u>
Note A		
Analysis of Cash and Cash equivalents as at 31 st December;		
Cash in Hand	20	20
Cash at Bank	4,066,483	4,678,938
	<u>4,066,503</u>	<u>4,678,958</u>
(-) Provision for impairment	(181)	(271)
	<u><u>4,066,322</u></u>	<u><u>4,678,687</u></u>

EMPLOYEES' PROVIDENT FUND
STATEMENT OF CHANGES IN MEMBERS' WEALTH

Description	Members Balance	Building Reserve Fund	Technology Advancement Reserve Fund	Market Fluctuation Equalisation Reserve	General Reserve Fund	Retained Profit	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31st December 2023	3,817,891,512	3,157,000	350,000	-	6,650,000	58,637,289	3,886,685,801
Net Profit for the year - 2024	-	-	-	-	-	446,926,225	446,926,225
Net Contributions for 2024	48,864,316	-	-	-	-	-	48,864,316
Member Interest Paid on Refunds - 2024	-	-	-	-	-	(6,997,679)	(6,997,679)
Member Interest payable (2024 at 11%)	422,788,621	-	-	-	-	(422,788,621)	-
Proceeds received during the year relevant to excess amount paid on shares of Laugfs Gas PLC in 2011	-	-	-	-	-	231,000	231,000
Transfers to Market Fluctuation Equalisation Reserve from Distributable Profit	-	-	-	42,500,000	-	(42,500,000)	-
Balance as at 31st December 2024	4,289,544,449	3,157,000	350,000	42,500,000	6,650,000	33,508,214	4,375,709,663
Opening Balance adjustment due to Mehewara Piyasa capitalisation	-	-	-	-	-	(383)	(383)
Net Profit for the year - 2025	-	-	-	-	-	480,309,675	480,309,675
Net Contributions for 2025	93,799,910	-	-	-	-	-	93,799,910
Member Interest Paid on Refunds - 2025	-	-	-	-	-	(6,895,174)	(6,895,174)
Member Interest payable (2025 at 10.75%)	469,255,774	-	-	-	-	(469,255,774)	-
Transfers to Market Fluctuation Equalisation Reserve from Distributable Profit	-	-	-	17,500,000	-	(17,500,000)	-
Balance as at 31st December 2025	4,852,600,133	3,157,000	350,000	60,000,000	6,650,000	20,166,558	4,942,923,691

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 Management 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.

Employees' Provident Fund

Notes to the Financial Statements

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

The Financial Statements for the year ended 31st December 2025, were authorized for issue by the Governing Board of the CBSL on 18th February 2026.

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

Employees' Provident Fund

Notes to the Financial Statements

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

Employees' Provident Fund

Notes to the Financial Statements

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 comprise of 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.

Employees' Provident Fund

Notes to the Financial Statements

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%.

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 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.

As per LKAS 26 Retirement Benefit Plan investments shall be carried at fair value, other than the 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.

Employees' Provident Fund

Notes to the Financial Statements

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 are 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

Employees' Provident Fund

Notes to the Financial Statements

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

Employees' Provident Fund

Notes to the Financial Statements

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.

Employees' Provident Fund

Notes to the Financial Statements

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

Employees' Provident Fund

Notes to the Financial Statements

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.

Employees' Provident Fund

Notes to the Financial Statements

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.

Employees' Provident Fund

Notes to the Financial Statements

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

Employees' Provident Fund

Notes to the Financial Statements

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.

5. New or Amended Accounting Standards issued but not yet effective as at the reporting date

Sustainability Disclosure Standard – SLFRS S1 on "General Requirements for Disclosure of Sustainability-related Financial Information" (SLFRS S1) and SLFRS S2 on "Climate-related Disclosures" (SLFRS S2). Due to the investors' growing demand for ESG information, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). As a local accounting standard setter, CA Sri Lanka issued the localised standards based on

Employees' Provident Fund

Notes to the Financial Statements

these IFRSs designated as SLFRS S1 & SLFRS S2 during the year 2024. The adoption of the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 and SLFRS S2 will become effective for the Fund from January 01, 2028 and no material financial impact is expected on the Fund except for additional disclosures.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

6 Interest Income

For the year ended 31st December

	*CBSL	*Labour Dept.	2025 Total	2024 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest on Treasury Bonds	502,154,922	-	502,154,922	421,096,656
Interest on Treasury Bills	1,469,922	-	1,469,922	31,274,762
Interest on Corporate Debt Securities - Listed	1,417,905	-	1,417,905	965,609
Interest on Corporate Debt Securities - Unlisted	632,246	-	632,246	637,529
Interest on Fixed Deposits	58,521	-	58,521	-
Interest on Reverse Repos	1,220,725	-	1,220,725	1,151,428
	506,954,241	-	506,954,241	455,125,984

7 Dividend Income

For the year ended 31st December

	*CBSL	*Labour Dept.	2025 Total	2024 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Dividend from Equity Securities	6,589,042	-	6,589,042	5,481,116
	6,589,042	-	6,589,042	5,481,116

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

For the year ended 31st December

	*CBSL	*Labour Dept.	2025 Total	2024 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Listed Equity Securities	54,018,085	-	54,018,085	49,180,796
Unlisted Equity Securities	(14,884,193)	-	(14,884,193)	4,307,571
	39,133,892	-	39,133,892	53,488,367

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

For the year ended 31st December

	2025 Rs.'000	2024 Rs.'000
Under/ (Over) Provision of Impairment; (Note 15,16 & 18)		
Unlisted Equity Securities	-	315,175
Corporate Debt Securities	842	(1,317)
Bank Balances	(89)	(110)
	752	313,748
Under/ (Over) Provision of Impairment/ Impairment Expense	752	313,748

* "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.

EMPLOYEES' PROVIDENT FUND**Notes to the Financial Statements****10 Other Income***For the year ended 31st December*

	2025		2024	
	*CBSL	*Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Surcharges	605,380	-	605,380	317,481
Profit on Disposal of Fixed Assets	-	-	-	2,722
Other Income	1,667	2,961	4,628	6,104
	<u>607,047</u>	<u>2,961</u>	<u>610,008</u>	<u>326,307</u>

11 Operating Expenses*For the year ended 31st December*

	2025		2024	
	*CBSL	*Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Personnel Expenses	1,292,475	626,621	1,919,096	1,901,010
Administration Expenses	691,531	777,501	1,469,033	1,073,799
Other Expenses	73,479	3,907	77,386	69,859
	<u>2,057,485</u>	<u>1,408,030</u>	<u>3,465,515</u>	<u>3,044,668</u>

* "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.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

12 Tax Expense

For the year ended 31st December

	2025	2024
	Rs. '000	Rs. '000
Income Tax on Profit for the Year (Note 12.1)	71,000,583	63,709,484
(Over)/ Under Provision in respect of Previous Years	(922)	(3,108)
Deferred tax liability recognized during the year (Note 20)	(1,488,420)	430,757
	<u>69,511,241</u>	<u>64,137,133</u>

Tax expenses comprise 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%.

12.1 Reconciliation between Profit before Tax & Taxable income

	2025	2024
	Rs. '000	Rs. '000
Operating Profit/ (Loss) before income tax	549,820,916	511,063,358
Adjustment;		
Dividend income	(6,589,042)	(5,481,116)
Unrealised Loss/ (Gain) on financial instruments at fair value	(39,133,892)	(53,488,367)
Under/(Over) Provision of impairment of financial assets	752	313,748
Disallowed expenses	3,048,289	2,660,123
Adjusted income for taxation	<u>507,147,023</u>	<u>455,067,746</u>
Current tax expenses for the Fund		
Tax on Balance income (@ 14%)	71,000,583	63,709,484
	<u>71,000,583</u>	<u>63,709,484</u>

12.2 Current Tax Liabilities

	2025	2024
	Rs. '000	Rs. '000
Balance as at 01 st January	33,477,467	32,355,754
Income Tax on Profit for the Year	71,000,583	63,709,484
(Over)/ Under Provision in respect of Previous Years	(922)	(3,108)
Withholding Tax Credit	(175,135)	(108,027)
Payment during the year	(68,286,039)	(62,476,636)
Balance as at 31st December	<u>36,015,954</u>	<u>33,477,467</u>

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

13 Property, Plant and Equipment

13.1 EPFD - CBSL & Labour Dept: - 2025

	Computer Equipment Rs.'000	Furniture and Fittings Rs.'000	Office Equipment Rs.'000	Motor Vehicles Rs.'000	Other Rs.'000	Total Rs.'000
Cost						
As at 1st January 2025	652,604	197,666	553,350	97,202	6,435	1,507,257
Additions during the year	61,329	58,034	83,056	-	263,371	465,790
Disposals During the year	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
As at 31st December 2025	713,933	255,700	636,406	97,202	269,806	1,973,047
Accumulated Depreciation						
As at 1st January 2025	557,368	131,591	336,759	56,094	5,890	1,087,702
Charge for the year	33,706	26,536	34,042	-	226,347	320,631
Disposals During the year	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
As at 31st December 2025	591,074	158,127	370,801	56,094	232,237	1,408,333
Net Book Value (NBV)						
As at 31st December 2025	122,859	97,573	265,605	41,108	37,569	564,714
As at 31st December 2024	95,236	66,075	216,590	41,108	545	419,555

EPFD - CBSL & Labour Dept: - 2024

	Computer Equipment Rs.'000	Furniture and Fittings Rs.'000	Office Equipment Rs.'000	Motor Vehicles Rs.'000	Other Rs.'000	Total Rs.'000
Cost						
As at 1st January 2024	687,109	202,349	463,273	97,202	6,423	1,456,356
Additions during the year	-	1,520	91,534	-	22	93,076
Disposals During the year	(33,569)	(6,203)	(1,177)	-	(10)	(40,959)
Adjustments	(936)	-	(280)	-	-	(1,216)
As at 31st December 2024	652,604	197,666	553,350	97,202	6,435	1,507,257
Accumulated Depreciation						
As at 1st January 2024	559,612	126,239	326,015	56,094	5,885	1,073,844
Charge for the year	32,261	11,487	12,079	-	15	55,842
Disposals During the year	(33,569)	(6,135)	(1,177)	-	(10)	(40,891)
Transfers/ Adjustments	(936)	-	(157)	-	-	(1,093)
As at 31st December 2024	557,368	131,591	336,759	56,094	5,890	1,087,702
Net Book Value (NBV)						
As at 31st December 2024	95,236	66,075	216,590	41,109	545	419,555
As at 31st December 2023	127,497	76,110	137,257	41,109	539	382,512

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Property, Plant & Equipment Contd....

13.2

2025

	Computer Equipment		Furniture and Fittings		Office Equipment		Motor Vehicles		Other		Total		Total Rs.'000
	*CBSL Rs.'000	*Labour Dept. Rs.'000	*CBSL Rs.'000	*Labour Dept. Rs.'000	*CBSL Rs.'000	*Labour Dept. Rs.'000	*CBSL Rs.'000	*Labour Dept. Rs.'000	*CBSL Rs.'000	*Labour Dept. Rs.'000	*CBSL Rs.'000	*Labour Dept. Rs.'000	
Cost													
As at 1st January 2025	153,045	499,559	71,599	126,067	107,577	445,773	-	97,202	6,083	352	338,304	1,168,953	1,507,257
Additions during the year	61,329	-	24,952	33,082	31,308	51,748	-	-	-	263,371	117,589	348,201	465,790
Disposals During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2025	214,374	499,559	96,551	159,149	138,885	497,521	-	97,202	6,083	263,723	455,893	1,517,154	1,973,047
Accumulated Depreciation													
As at 1st January 2025	118,755	438,613	47,961	83,630	37,066	299,694	-	56,093	5,538	352	209,320	878,382	1,087,702
Charge for the year	18,620	15,086	5,245	21,291	25,605	8,437	-	-	18	226,329	49,488	271,143	320,631
Disposals During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments During the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st December 2025	137,375	453,699	53,206	104,921	62,671	308,131	-	56,093	5,556	226,681	258,808	1,149,525	1,408,333
NBV as at 31st December 2025	76,999	45,860	43,345	54,228	76,214	189,390	-	41,109	527	37,042	197,085	367,629	564,714
NBV as at 31st December 2024	34,290	60,946	23,638	42,437	70,511	146,079	-	41,109	545	-	128,983	290,571	419,555

* "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.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Property, Plant & Equipment Contd....

2024	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	
Cost													
As at 1st January 2024	187,550	499,559	76,282	126,067	32,421	430,852	-	97,202	6,071	352	302,324	1,154,032	1,456,356
Additions during the year	-	-	1,520	-	76,613	14,921	-	-	22	-	78,155	14,921	93,076
Disposals During the year	(33,569)	-	(6,203)	-	(1,177)	-	-	-	(10)	-	(40,959)	-	(40,959)
Adjustments During the year	(936)	-	-	-	(280)	-	-	-	-	-	(1,216)	-	(1,216)
As at 31st December 2024	153,045	499,559	71,599	126,067	107,577	445,773	-	97,202	6,083	352	338,304	1,168,953	1,507,257
Accumulated Depreciation													
As at 1st January 2024	138,917	420,695	50,670	75,569	30,644	295,371	-	56,093	5,533	352	225,763	848,080	1,073,844
Charge for the year	14,343	17,918	3,426	8,061	7,732	4,347	-	-	15	-	25,517	30,326	55,842
Disposals During the year	(33,569)	-	(6,135)	-	(1,177)	-	-	-	(10)	-	(40,891)	-	(40,891)
Adjustments During the year	(936)	-	-	-	(133)	(24)	-	-	-	-	(1,069)	(24)	(1,093)
As at 31st December 2024	118,755	438,613	47,961	83,630	37,066	299,694	-	56,093	5,538	352	209,320	878,382	1,087,702
NBV as at 31st December 2024	34,290	60,946	23,638	42,437	70,511	146,079	-	41,109	545	-	128,984	290,571	419,555
NBV as at 31st December 2023	48,633	78,864	25,612	50,498	1,777	135,481	-	41,109	538	-	76,560	305,952	382,512

13.3 Property plant and equipment as at 31st December 2025 of CBSL includes fully depreciated assets having a gross carrying amount (cost) of Rs. 172.96 mn that are still in use (2024 - Rs. 151.33 mn)

* "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.

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

14 Intangible Assets

	2025			2024
	*CBSL	*Labour Dept.	Total	Total
Computer Software	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
As at 1 st January	47,452	13,914	61,366	46,492
Acquisitions during the Year	6,676	-	6,676	4,031
Adjustment	-	-	-	10,842
As 31st December	54,128	13,914	68,042	61,365
Amortisation				
As at 1 st January	46,885	5,868	52,753	40,796
Amortisation during the period	2,448	1,344	3,792	1,115
Adjustment	-	-	-	10,842
As 31st December	49,333	7,212	56,545	52,753
Net book value				
As at 1 st January	567	8,046	8,613	5,696
As 31st December	4,795	6,702	11,497	8,612

Intangible assets as at 31st December 2025 of CBSL includes fully amortized assets having a gross carrying amount (cost) of Rs. 48.6 mn that are still in use (2024 - Rs. 34.91 mn).

15 Equity Securities

As at 31st December

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Investments in equity securities	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Listed Equity (Note 15.1)	77,924,169	188,854,737	88,374,363	148,249,576
Unlisted Equity (Note 15.2)	4,145,989	25,287,499	9,145,989	45,171,692
Total Equity Instruments	82,070,158	214,142,236	97,520,352	193,421,268

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

15.1 Listed Equity Securities

As at 31st December

Company Name	2025		2024	
	Cost	Book value	Cost	Book value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Access Engineering PLC	448,736	1,501,059	448,736	706,501
ACL Cables PLC	155,514	3,182,924	155,514	1,400,061
Aitken Spence PLC	1,997,136	3,217,340	1,997,136	2,985,692
Aitken Spence Hotel Holdings PLC	1,710,207	3,567,556	1,710,207	2,668,186
Asian Hotels & Properties PLC	3,188,970	2,644,652	3,273,782	2,873,362
Brown & Company PLC	1,799,560	1,120,169	1,799,560	1,232,532
Bukit Darah PLC	2,310,610	2,943,608	2,310,610	1,696,861
Cargills (Ceylon) PLC	1,372,001	6,448,424	1,372,001	3,531,080
Cargills Bank PLC	-	-	495,000	374,000
Carson Cumberbatch PLC	2,607,240	4,229,952	2,607,240	2,051,947
Central Finance Company PLC	2,552,479	6,093,100	2,741,510	4,639,644
Ceylon Grain Elevators PLC	1,005,585	2,140,220	1,005,585	1,013,929
Ceylon Guardian Investment Trust PLC	535,934	759,222	535,934	451,236
Ceylon Hospitals PLC (NV)	25,411	230,008	25,411	115,322
Ceylon Hotels Corporation PLC	-	-	711,243	510,008
Ceylon Tobacco Company PLC	728,316	929,011	344,497	438,736
Chevron Lubricants Lanka PLC	674,509	828,063	71,893	198,208
CIC Holdings PLC (NV)	221,726	1,450,337	221,726	744,618

* "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.

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

15.1 Continued...

As at 31st December

Company Name	2025		2024	
	Cost Rs.'000	Book value Rs.'000	Cost Rs.'000	Book value Rs.'000
CIC Holdings PLC Voting	694,300	4,596,713	694,300	2,483,282
Colombo Dockyard PLC	-	-	2,791,809	773,930
Commercial Bank of Ceylon PLC	10,840,941	22,591,094	11,959,007	18,077,705
C T Holdings PLC	1,086,557	5,150,281	1,086,557	2,534,784
DFCC Bank PLC	568,485	666,211	3,661,156	3,298,218
Dialog Axiata PLC	2,255,649	7,075,238	2,255,649	2,777,862
Diesel & Motor Engineering PLC	817,462	1,861,299	1,625,690	1,701,393
Dilmah Ceylon Tea Company PLC	1,082,639	1,890,562	1,082,639	1,679,930
Dipped Products PLC	312,650	1,683,373	312,650	1,501,535
Galadari Hotels (Lanka) PLC	41,738	22,595	810,322	431,562
Hatton National Bank PLC	7,360,674	17,710,680	7,360,674	14,210,765
Haycarb PLC	222,565	1,412,384	222,565	1,128,584
Hayleys Fabric PLC	213,592	451,015	213,592	609,480
Hayleys Leisure PLC	348,442	408,021	348,646	342,813
Hayleys PLC	9,303	62,718	9,303	42,053
Hemas Holdings PLC	1,408,094	1,388,000	-	-
Jetwing Symphony PLC	-	-	390,000	432,545
John Keells Holdings PLC	1,760,498	2,425,030	1,760,498	2,525,607
John Keells Hotels PLC	1,166,289	1,797,065	1,166,289	1,616,574
Kelani Tyres PLC	98,635	139,221	98,635	129,742
Lanka IOC PLC	76,437	302,706	76,437	295,080
Lanka Tiles PLC	406,130	1,239,594	406,130	1,450,747
Laugfs Gas PLC (NV)	-	-	459,439	357,218
Laugfs Gas PLC - Voting	-	-	1,660,758	1,916,417
Laugfs Power PLC - Voting	201,184	579,796	281,261	723,723
Laugfs Power PLC - (NV)	63,213	130,124	87,642	162,372
LOLC Holdings PLC	1,611,013	8,502,065	1,611,013	10,479,554
National Development Bank PLC	3,470,259	5,704,372	3,369,555	4,472,435
Nations Trust Bank PLC	10,188	46,473	9,783	27,300
People's Leasing & Finance PLC	1,898,826	2,998,577	1,829,252	1,987,831
PGP Glass Ceylon PLC	541,434	4,958,411	541,434	3,115,941
Raigam Wayamba Salterns PLC	113,962	745,027	153,682	277,814
Richard Pieris & Company PLC	1,647,208	7,220,730	1,647,208	4,349,428
Royal Ceramics Lanka PLC	1,633,878	7,027,879	1,633,878	6,645,929
Sampath Bank PLC	6,809,236	17,132,984	6,809,236	13,829,183
Seylan Bank PLC - Voting	1,731,082	3,159,320	1,731,082	2,343,915
Seylan Bank PLC (NV)	585,594	1,332,371	585,594	1,004,566
Sierra Cables PLC	-	-	33	121
Sri Lanka Telecom PLC	857,619	2,089,239	857,619	1,760,025
Tal Lanka Hotels PLC	320,816	283,754	343,942	164,376
Tangerine Beach Hotels PLC	147,658	202,054	147,658	129,543
Teejay Lanka PLC	262,021	243,579	262,021	365,717
The Finance Company PLC*	205,490	-	205,490	-
The Kingsbury PLC	306,827	607,068	555,502	613,439
The Lighthouse Hotel PLC	279,921	377,200	309,422	324,919
Tokyo Cement Company (Lanka) PLC (NV)	152,766	588,507	152,766	378,060
Trans Asia Hotels PLC	263,155	249,180	263,155	192,899
Vallibel One PLC	2,705,806	10,516,582	2,705,806	6,950,737
	77,924,169	188,854,737	88,374,363	148,249,576

*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 Securities

As at 31st December

Company Name	2025		2024	
	Cost Rs.'000	Book value Rs.'000	Cost Rs.'000	Book value Rs.'000
Canwill Holdings (Pvt) Ltd.	-	-	5,000,000	5,000,000
Fitch Ratings Lanka Limited	625	625	625	625
Sri Lankan Airlines	500,000	0.1	500,000	0.1
Laugfs Eco Sri Limited - Voting	62,282	62,282	62,282	62,282
Laugfs Eco Sri Limited - (NV)	19,407	19,407	19,407	19,407
Laugfs Leisure Limited - Voting	448,820	448,820	448,820	448,820
Laugfs Leisure Limited - (NV)	139,855	139,855	139,855	139,855
West Coast Power (Pvt) Ltd	2,975,000	24,931,685	2,975,000	39,815,878
	4,145,989	25,602,674	9,145,989	45,486,867
Less: Provision for Impairment		(315,175)		(315,175)
		25,287,499		45,171,692

15.2.1 Unlisted equity investments are carried at fair value. In the absence of a reliable measure of fair value, cost is utilized as the best estimate of fair value for all such holdings, excluding Sri Lankan Airlines and West Coast Power (Pvt) Ltd. Further details on the fair value estimation for the entities where cost is utilized as the fair value, are provided in note 31.

15.2.2 Net Asset Value (NAV) per share has been declined significantly (more than 50% value of the purchase price per share) over the period of time on the shares of the Laugfs Gas Leisure Limited. Hence, a provision for impairment has been made.

15.2.3 The Fund holds 27.04% of total shareholding of the West Coast Power (Pvt) Ltd. However, the Fund acquired this investment as an investment in plan assets with the objective of obtaining the benefits from the changes in fair value and not with the intention of exercising significant influence over the investee. Therefore, the Fund elects to account for this investment as an equity investment under LKAS 26.

15.2.4 The Dividend Discount Model (DDM) was used to determine the fair value of West Coast Power (Pvt) Ltd. The fair value measurement was categorized as a level 3 fair value based on the inputs in the valuation technique used.

Movement of Fair Valuation of West Coast Power (Pvt) Ltd

	Rs.'000
Fair Value as at 31st December 2023	35,508,307
Increase/ (decrease) in fair valuation for 2024	4,307,571
Fair Value as at 31st December 2024	39,815,878
Increase/ (decrease) in fair valuation for 2025	(14,884,193)
Fair Value as at 31st December 2025	24,931,685

Sensitivity Analysis - West Coast Power (Private) Limited

	Change in Fair Value (Rs. '000)
Risk free rate of return	
1% increase	(1,200,535)
1% decrease	1,294,968
Beta	
0.01 increase	(62,200)
0.01 decrease	62,435
Equity risk premium	
1% increase	(1,281,248)
1% decrease	1,389,376

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

16 Fixed Income Securities

As at 31st December

	2025				2024			
	Face Value	Cost	Fair Value	Amortised Cost	Face Value	Cost	Fair Value	Amortised Cost
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments in Government Securities								
Treasury Bonds (Note 16.1.1)	4,834,517,613	4,662,250,496	4,837,388,243	4,692,968,869	4,195,453,228	4,030,144,944	4,164,733,105	4,084,070,173
Treasury Bills (Note 16.1.2)	-	-	-	-	70,664,535	66,468,616	69,173,307	69,194,612
	<u>4,834,517,613</u>	<u>4,662,250,496</u>	<u>4,837,388,243</u>	<u>4,692,968,869</u>	<u>4,266,117,763</u>	<u>4,096,613,560</u>	<u>4,233,906,412</u>	<u>4,153,264,785</u>
Investments in Debentures								
Listed (Note 16.2.1)	28,567,870	28,532,319	31,844,335	29,270,201	7,640,570	7,640,570	8,474,907	7,949,884
Unlisted (Note 16.2.2)	-	-	-	-	5,000,000	5,000,000	5,170,428	5,005,240
Less: Provision for Impairment	-	-	-	(1,932)	-	-	-	(1,090)
	<u>28,567,870</u>	<u>28,532,319</u>	<u>31,844,335</u>	<u>29,268,269</u>	<u>12,640,570</u>	<u>12,640,570</u>	<u>13,645,334</u>	<u>12,954,034</u>
Investments in Repo Transactions (16.3)	-	28,800,000	28,810,566	28,810,566	-	34,150,000	34,177,107	34,177,107
	<u>-</u>	<u>28,800,000</u>	<u>28,810,566</u>	<u>28,810,566</u>	<u>-</u>	<u>34,150,000</u>	<u>34,177,107</u>	<u>34,177,107</u>
Total investments in Fixed Income Securities	<u>4,863,085,483</u>	<u>4,719,582,815</u>	<u>4,898,043,144</u>	<u>4,751,047,704</u>	<u>4,278,758,333</u>	<u>4,143,404,130</u>	<u>4,281,728,852</u>	<u>4,200,395,926</u>

Movement of Impairment for Fixed Income Securities

	Provision as at 31.12.2025 Rs'000	Provision as at 31.12.2024 Rs'000	Under/ (Over) Provision Rs'000
Impairment allowance for Corporate Debt Securities	1,932	1,090	842
	<u>1,932</u>	<u>1,090</u>	<u>842</u>

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

		2025				2024			
	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	2025	-	-	-	-	150,000	166,012	150,772	166,349
Treasury Bonds	2026	125,455,289	120,301,439	127,101,378	126,311,841	125,455,289	120,301,439	128,478,865	122,426,121
	2027	254,942,682	242,931,468	254,797,784	254,858,431	254,942,682	242,931,468	254,664,788	253,020,712
	2028	452,454,342	428,008,434	460,002,401	437,915,638	452,454,342	428,008,434	454,676,686	435,008,339
	2029	372,883,010	358,564,043	379,352,185	358,084,141	358,650,244	343,645,579	360,892,659	344,271,073
	2030	326,703,099	311,549,575	327,672,039	307,527,564	290,499,640	274,474,544	286,930,389	272,524,160
	2031	416,997,386	406,076,063	428,233,095	412,497,189	399,017,230	386,931,603	401,656,902	396,567,490
	2032	466,988,664	439,374,018	460,878,247	444,815,334	364,434,217	332,105,643	347,518,704	340,413,874
	2033	650,507,394	612,170,523	636,167,983	620,074,415	525,988,829	500,792,238	512,215,136	510,374,707
	2034	450,657,550	449,730,516	452,279,597	448,629,919	313,851,011	316,137,853	314,357,178	317,859,853
	2035	456,829,582	454,547,653	455,599,749	447,628,942	319,739,491	315,759,280	313,500,567	314,233,920
	2036	222,292,681	209,849,265	215,775,504	201,092,644	222,292,681	209,849,265	216,189,635	205,724,354
	2037	292,121,043	279,955,178	284,922,642	283,787,524	222,292,681	209,849,265	216,111,166	216,338,912
	2038	222,292,681	209,849,265	215,352,259	208,827,885	222,292,681	209,849,265	219,205,480	213,986,193
	2039	13,659,000	13,746,969	13,202,380	14,092,990	13,659,000	13,746,969	12,620,008	14,090,373
	2041	26,700,000	27,737,826	28,570,388	29,216,112	26,700,000	27,737,826	28,378,829	29,240,334
	2044	78,263,210	92,355,217	92,271,285	92,146,952	78,263,210	92,355,217	91,960,149	92,354,482
	2045	4,770,000	5,503,044	5,209,327	5,461,348	4,770,000	5,503,044	5,225,192	5,468,927
		4,834,517,613	4,662,250,496	4,837,388,243	4,692,968,869	4,195,453,228	4,030,144,944	4,164,733,105	4,084,070,173

16.1.2 Treasury Bills

As at 31st December

		2025				2024			
	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	2025	-	-	-	-	70,664,535	66,468,616	69,173,307	69,194,612
		-	-	-	-	70,664,535	66,468,616	69,173,307	69,194,612

The fair values of the Government Securities are based on the average of buying and selling quotes (Clean Price) as at 31st December 2025, published by the Ministry of Finance (31st December 2024 - published by the Central Bank of Sri Lanka)

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements
Fixed Income Securities (Contd...)

16.2 Investments in Debentures

16.2.1 Corporate Debentures - Listed

As at 31st December

	Year of Maturity	2025				2024			
		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
DFCC Type B Debenture 13.00%_2025	2025	-	-	-	-	1,000,000	1,000,000	1,105,964	1,099,014
National Development Bank PLC_2013-2025_14.00%p.a	2025	-	-	-	-	500,000	500,000	521,135	500,000
National Development Bank PLC_2020-2025_9.50%p.a	2025	-	-	-	-	1,200,000	1,200,000	1,228,712	1,230,608
Commercial Bank Debentures Type B 2016-2026	2026	1,685,110	1,685,110	1,837,092	1,721,305	1,685,110	1,685,110	1,919,511	1,721,305
DFCC Bank_13.75%_2026	2026	555,460	555,460	619,655	613,840	555,460	555,460	638,037	613,840
HNB Debenture_12.80%_2026	2026	1,700,000	1,700,000	1,835,889	1,759,617	1,700,000	1,700,000	1,837,316	1,759,616
Sri Lanka Telecom PLC 2018-2028 12.75%	2028	1,000,000	1,000,000	1,201,958	1,025,500	1,000,000	1,000,000	1,224,232	1,025,500
DFCC BANK PLC - BLUE Bond 21/11/29-C2603-10.25	2029	90,460	90,460	96,699	91,456	-	-	-	-
Assetline Finance Limited 15/12/30-C2609-11	2030	1,190,000	1,190,000	1,315,532	1,195,795	-	-	-	-
Bank of Ceylon 2025-2030 11.25%	2030	2,314,200	2,314,200	2,619,688	2,467,702	-	-	-	--
Bank of Ceylon 24/12/30 - 10.50	2030	5,000,000	5,000,000	5,501,909	5,010,948	-	-	-	-
Commercial Bank of Ceylon PLC 2025 - 2030 10.85%	2030	5,000,000	5,000,000	5,516,274	5,204,327	-	-	-	-
DFCC BANK PLC - BLUE Bond 21/11/30- C2602-0	2030	90,460	54,909	55,125	55,528	-	-	-	-
DFCC BANK PLC - BLUE Bond 21/11/30-C2601-10.5	2030	500,000	500,000	541,815	505,636	-	-	-	-
First Capital Holding PLC 2025 - 2030 11% Annually	2030	500,000	500,000	550,503	513,613	-	-	-	-
Hatton National Bank PLC 16/12/30-C2611-10.25	2030	587,930	587,930	640,407	590,291	-	-	-	-
Hayles PLC 2025-2030 11.15%	2030	750,000	750,000	929,355	760,760	-	-	-	-
LOLC Finance PLC 10/12/30-C2606-11.25	2030	4,000,000	4,000,000	4,467,950	4,025,772	-	-	-	-
Sampath Bank PLC 2025 - 2030 11.75%	2030	400,000	400,000	462,417	435,696	-	-	-	-
Seylan Bank PLC 2025 - 2030 10.80%	2030	246,250	246,250	318,753	251,696	-	-	-	-
Seylan Bank PLC 2025 - 2030 11.25%	2030	1,000,000	1,000,000	1,114,677	1,049,959	-	-	-	-
Siyapatha Finance PLC 2025 - 2030 11.40%	2030	458,000	458,000	517,131	484,317	-	-	-	-
Hatton National Bank PLC 16/12/32-C2612-11	2032	1,500,000	1,500,000	1,701,506	1,506,443	-	-	-	-
		28,567,870	28,532,319	31,844,335	29,270,201	7,640,570	7,640,570	8,474,907	7,949,884

16.2.2 Corporate Debentures - Unlisted

As at 31st December

	Year of Maturity	2025				2024			
		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	5,170,428	5,005,240
		-	-	-	-	5,000,000	5,000,000	5,170,428	5,005,240

In the absence of an active market, the fair value of corporate debentures has been estimated by discounting expected future cash flows using yields of government securities of similar maturities, adjusted for an appropriate credit risk premium.

EMPLOYEES' PROVIDENT FUND
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16.3 Investments in Repo Transactions

As at 31st December

	2025 Rs.'000	2024 Rs.'000
Reverse Repo	21,359,082	14,022,955
Market Operations Department	7,451,484	20,154,152
	<u>28,810,566</u>	<u>34,177,107</u>

17 Other Current Assets

As at 31st December

	2025			2024
	*CBSL Rs.'000	*Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Dividend Receivable	-	-	-	121,486
Other Receivables	3,393	-	3,393	3,190
Prepayments	7,223	3,928	11,151	55,302
Current Account C/L	13,022,321	(13,022,321)	-	-
CGL Imprest	-	371,613	371,613	517,454
	<u>13,032,937</u>	<u>(12,646,780)</u>	<u>386,157</u>	<u>697,432</u>

18 Cash and Cash Equivalents

As at 31st December

	2025 Rs.'000	2024 Rs.'000
Cash in Hand	20	20
Cash at Bank	4,066,483	4,678,938
Less: Provision for impairment on Bank Balances (Note 18.1)	(181)	(271)
	<u>4,066,322</u>	<u>4,678,687</u>

18.1 Provision for impairment

	As at 31.12.2024 Rs'000	As at 31.12.2025 Rs'000	Under/ (Over) Provision Rs'000
Bank Balances	271	181	(89)
	<u>271</u>	<u>181</u>	<u>(89)</u>

19 Accounts Payable

As at 31st December

	2025			2024
	*CBSL Rs.'000	*Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Retention Payable	12,198	-	12,198	748
	<u>12,198</u>	<u>-</u>	<u>12,198</u>	<u>748</u>

20 Deferred Tax Liability

	2025			2024
	*CBSL Rs.'000	*Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Balance as at 01 st January	3,684,088	-	3,684,088	3,253,331
Charge/(reversal) for the year recognized in Statement of income and expenditure	(1,488,420)	-	(1,488,420)	430,757
Balance as at 31st December	<u>2,195,668</u>	<u>-</u>	<u>2,195,668</u>	<u>3,684,088</u>

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

20.1 Reconciliation of Deferred Tax Liability

	2025		2024	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair Value gain on Unlisted Equity	21,956,685	2,195,668	36,840,878	3,684,088
	21,956,685	2,195,668	36,840,878	3,684,088

21 Other Liabilities

As at 31st December

	2025			2024
	*CBSL	*Labour Dept.	Total	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Allowance Payable	785	-	785	1,171
EPF Contributions Payable	170	-	170	255
ETF Contributions Payable	26	-	26	38
Other Tax Payable	1,774	-	1,774	4,101
Members' Housing Loan Defaults Payable to bank	5,200,000	-	5,200,000	6,388,033
Interim Liability on member balances*	5,428,348	-	5,428,348	-
Other Payables	30,205	24,448	54,654	24,327
	10,661,308	24,448	10,685,756	6,417,925

* This liability is recorded to recognize the excess balance in the General Ledger prior to 2015, against the member balance sub ledger and member related bank transactions, amounting to Rs.5.4 bn and Rs.101 mn respectively, until sufficient information is available for subsequent allocation.

22 Member Balances

Description	Balance as at	Debits during	Credits during	Balance as at
	01.01.2025	the year	the year	31.12.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Year Contribution - Contribution No 01 A/C	74,848,964	330,913,560	317,596,173	61,531,577
Statement Contribution - Contribution No 02 A/C	3,746,149,514	239,405,799	780,298,031	4,287,041,746
Contribution from Comm. of Labour - CL No 01 A/C	13,392,827	11,144,740	7,462,407	9,710,494
U/P O/P Contributions A/C	2,753,393	2,269,636	1,202,227	1,685,984
Contribution for 1997/98 - 96 Contribution A/C	193	-	-	193
Members Collection A/C	5,022	281,223,373	281,226,349	7,998
Unclaimed Benefits	779,537	1,077,565	519,562	221,534
Retained Benefits	294,865	58,064	116,972	353,773
Refunds-Part payments(U/P O/P Refunds)	(514,297)	176,128,002	176,126,634	(515,665)
General Deposit Account maintained with Commissioner of Labour	388,054	888,433	720,882	220,503
Interest Payable	451,446,376	432,297,269	473,192,889	492,341,996
Total	4,289,544,448	1,475,406,441	2,038,462,126	4,852,600,133

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

23 Reserves

	Balance as at 01.01.2025	Transfer (from)/to during the year	Balance as at 31.12.2025
	Rs.'000	Rs.'000	Rs.'000
Building Reserve Fund (23.1)	3,157,000	-	3,157,000
Technology Advancement Reserve Fund (23.2)	350,000	-	350,000
General Reserve Fund (23.3)	6,650,000	-	6,650,000
Market Fluctuation Equalization Reserve (23.4)	42,500,000	17,500,000	60,000,000
Total	52,657,000	17,500,000	70,157,000

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

23.1 Building Reserve Fund

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

23.2 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 modernization of the EPF system.

23.3 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.

23.4 Market Fluctuation Equalization Reserve (MFER)

MFER was established in 2024 to retain part of the earnings without distributing among members, as the Governing Board may determine where necessary, in order to mitigate any sudden market fluctuations which would assist in maintaining the stability of the Fund.

24 Retained Profit

24.1 Unrealized Gain on Listed Equity investments in previous years

	31.12.2024 Rs.'000
Retain profit Brought forward	58,637,289
Realized Income carried forward for the distribution in next year	(759,127)
Unrealized gain on unlisted equity investments (Net of deferred tax)	(29,279,976)
Net Unrealized gain on listed equity investments	28,598,186
Proceeds received relevant to excess amount paid on shares of Laugfs Gas PLC	231,000
Total Unrealized gain on listed equity investments	28,829,186

Net unrealized gains on listed equity investments include the gain on mark to market valuation of listed equity investments of the Fund. Further, the Fund received Rs. 231Mn in lieu of excess paid for 33 million shares in Laugfs Gas PLC in 2011 following an alleged market manipulation case filed by the Securities and Exchange Commission (SEC). This resulted a reduction in the purchase cost of Laugfs Gas PLC and the same is recorded under the retained earnings.

24.2 Retain Profit of the fund consists of the following

	31.12.2025 Rs.'000	31.12.2024 Rs.'000
Net Unrealized gain on listed equity investments	405,542	351,424
Net Unrealized gain on unlisted equity investments	19,761,016	33,156,790
Retain profit Brought forward	20,166,558	33,508,214

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

25 Receipts

For the year ended 31st December

	2025		2024	
	*CBSL Rs.'000	*Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Income - Interest from Investments	528,191,764	-	528,191,764	437,765,204
Contributions	270,842,533	-	270,842,533	234,388,084
Reimbursement of Expenses by the EPFD-CBSL	-	1,197,975	1,197,975	967,028
Imprest Account (Commissioner of Labour)	-	-	-	37,967
General Deposit Account-(EPF Contributions)	-	(56,664)	(56,664)	(78,298)
Surcharges	-	3,723	3,723	3,874
Proceeds on dealing of Shares	21,222,162	-	21,222,162	975,767
Dividends	6,295,819	-	6,295,819	7,210,698
Sundry Income	193	3,002	3,195	69,477
Deposit (Retention)	-	4	4	85
Settlement of Advances	715	285	1,000	1,042
Unclaimed Benefits	38,881	-	38,881	32,600
Total	826,592,067	1,148,325	827,740,392	681,373,528

26 Payments

For the year ended 31st December

	2025		2024	
	*CBSL Rs.'000	*Labour Dept. Rs.'000	Total Rs.'000	Total Rs.'000
Investments	2,710,958,383	-	2,710,958,383	3,003,130,098
Less - Maturity Proceeds	(2,136,564,535)	-	(2,136,564,535)	(2,579,754,905)
	574,393,848	-	574,393,848	423,375,193
Refunds	176,039,945	-	176,039,945	188,102,555
Operating Expenses	951,747	1,091,047	2,042,794	2,236,787
Settlement of creditors/payables	6,232,345	-	6,232,345	4,484,374
Reimbursement of expenses - Comm. Labour	1,197,976	-	1,197,976	1,030,435
Acquisition of Property, Plant and Equipment	101,113	50,699	151,812	75,409
Advances - Miscellaneous	1,509	6,579	8,087	3,566
Taxes Paid	68,286,039	-	68,286,039	62,476,636
Adjustment: Cash Balance at the Beginning of the Year - Labour Department	-	-	-	56,726
Total	827,204,522	1,148,325	828,352,847	681,841,680

* "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.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

27 Movement of Investment

For the Year Ended 31st December 2025

Type of Investment	Opening Balance 01.01.2025	Investments	Maturities	Sales	Transfers/ Adjustment	Amortisation	Interest Received	Prov. for Impairment	Valuation Gain/Loss	Closing Balance	2025	2024	Change %
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
Equity Securities													
Listed Equity	148,249,575	2,809,239	-	15,084,716	-	-	-	-	52,880,639	188,854,737	3.8	3.4	0.4
Unlisted Equity	45,171,692	-	-	5,000,000	-	-	-	-	(14,884,193)	25,287,499	0.5	1.0	(0.5)
	193,421,267	2,809,239	-	20,084,716	-	-	-	-	37,996,446	214,142,236	4.3	4.4	(0.1)
Fixed Income Securities													
Treasury Bonds	4,084,070,173	632,271,564	150,000	-	-	502,154,922	525,377,790	-	-	4,692,968,869	94.5	93.0	1.6
Treasury Bills	69,194,612	-	70,664,535	-	-	1,469,922	-	-	-	-	-	1.6	(1.6)
Corporate Debenture	12,954,034	23,591,749	7,700,000	-	-	2,050,151	1,626,822	(842)	-	29,268,270	0.6	0.3	0.3
Reverse Repo	34,177,107	2,049,700,000	2,056,287,266	-	-	1,220,725	-	-	-	28,810,566	0.6	0.8	(0.2)
Fixed Deposits	-	3,000,000	3,000,000	-	-	58,521	58,521	-	-	-	-	-	-
	4,200,395,926	2,708,563,313	2,137,801,801	-	-	506,954,241	527,063,133	(842)	-	4,751,047,705	95.7	95.6	0.1
Total	4,393,817,193	2,711,372,552	2,137,801,801	20,084,716	-	506,954,241	527,063,133	(842)	37,996,446	4,965,189,942	100	100	

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Movement of Investment (Contd...)

For the Year Ended 31st December 2024

Type of Investment	Opening Balance	Investments	Maturities	Sales	Transfers/Ad justment	Amortisation	Interest Received	Prov. for Impairment	Valuation Gain/Loss	Closing Balance	2024	2023	Change %
	01.01.2024									Rs.'000			
Equity Securities													
Listed Equity	96,376,320	2,942,231	-	561,613	495,000	-	-	-	48,997,638	148,249,576	3.4	2.5	0.9
Unlisted Equity	41,674,296	-	-	-	(495,000)	-	-	(315,175)	4,307,571	45,171,692	1.0	1.1	(0.0)
	138,050,616	2,942,231	-	561,613	-	-	-	(315,175)	53,305,208	193,421,268	4.4	3.5	0.9
Fixed Income Securities													
Treasury Bonds	3,301,910,739	803,468,654	7,400,000	-	-	421,096,656	435,005,876	-	-	4,084,070,173	93.0	84.7	8.3
Treasury Bills	420,297,186	205,552,565	587,929,900	-	-	31,274,762	-	-	-	69,194,612	1.6	10.8	(9.2)
Corporate Debenture	14,068,769	-	1,000,000	-	-	1,603,138	1,719,191	1,317	-	12,954,034	0.3	0.4	(0.1)
Reverse Repo	25,820,344	1,991,775,000	1,984,569,665	-	-	1,151,428	-	-	-	34,177,107	0.8	0.7	0.1
	3,762,097,038	3,000,796,219	2,580,899,565	-	-	455,125,984	436,725,067	1,317	-	4,200,395,926	95.6	96.5	(0.9)
Total	3,900,147,654	3,003,738,450	2,580,899,565	561,613	-	455,125,984	436,725,067	(313,858)	53,305,208	4,393,817,194	100	100	

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

28 Fair values of Financial Instruments

28.1 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.

28.2 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.

	2025				2024			
	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	1,981,251,189	2,856,137,054	-	4,837,388,243	1,026,606,783	3,138,126,322	-	4,164,733,105
Corporate Debentures	-	-	31,844,335	31,844,335	-	-	13,645,334	13,645,334
Treasury Bills	-	-	-	-	69,173,307	-	-	69,173,307
Reverse Repo	-	28,810,566	-	28,810,566	-	34,177,107	-	34,177,107
Equity Instruments Measured at FV								
Listed Equity	188,854,737	-	-	188,854,737	148,249,576	-	-	148,249,576
Unlisted Equity*	-	-	25,287,499	25,287,499	-	-	45,171,692	45,171,692

** All Unlisted Equities other than West Coast Power (Pvt) Ltd and Sri Lankan Airlines, purchase cost has been substituted as the fair value for which sufficient and recent information are not available to measure the fair value reliably using valuation techniques..

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

29 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. In order to strengthen the governance structure related to the risk management aspect of EPF, and to carry out the oversight function of the fund management activities while providing high-level investment guidance an internal committee namely, EPF Investment Oversight Committee (EIOC) has been formed. Board Risk Oversight Committee (BROC) of CBSL also engages in the oversight function of the Risk Management Framework of the EPF. Further, the powers with respect to the day-to-day investment decision-making of the EPF have been delegated to the departmental level committee, the EPF Investment Committee (EIC) and it assess the cashflow position and market conditions, evaluates investment opportunities, and make investment decisions on daily basis.

The Investment Policy Statement, Investment Guidelines and the Strategic Asset Allocation approved by the Governing Board of the CBSL define the Policy Framework and the guidelines for the fund management activities with investment parameters that support prudent Risk Management while achieving optimal and risk adjusted returns. Investment Policy Framework ensures that EPF investment activities are in line with the risk appetite and the risk tolerance of CBSL. 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 97.1% of the EPF's total investment is concentrated in Government Securities, a risk-free investment in general. Further, investments in Corporate Debt Instruments are made in investment grade instruments after thorough analysis of risks and returns. In addition, 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 investments of the Fund as at the year end is as follows.

Analysis of Risk Concentration – Investment Composition

	2025		2024	
	Cost Rs. '000	%	Cost Rs. '000	%
Government Securities	4,662,250,496	97.1%	4,096,613,560	96.6%
Corporate Debt Securities	28,532,319	0.6%	12,640,570	0.3%
Investment in Equity	82,070,158	1.7%	97,520,352	2.3%
Others	28,800,000	0.6%	34,150,000	0.8%
	<u>4,801,652,973</u>	<u>100.0%</u>	<u>4,240,924,482</u>	<u>100.0%</u>

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. Market risk of the Fund as a whole was observed as moderate due to existing portfolio position.

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. Reinvestment risk faced by the Fund has been mitigated by selecting Treasury Bonds of varying maturities and re-balancing the portfolio occasionally. Modified Duration of EPF's treasury bond portfolio as of 31.12.2025 is 4.39% .

EMPLOYEES' PROVIDENT FUND
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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 1.7% 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

	2025		2024	
	Cost Rs.'000	%	Cost Rs.'000	%
Automobiles & Components	98,635	0.13%	98,635	0.11%
Banks	31,376,459	40.27%	36,186,578	40.95%
Capital Goods	11,266,056	14.46%	12,649,805	14.31%
Consumer Durables & Apparel	475,612	0.61%	475,612	0.54%
Consumer Services	7,774,024	9.98%	10,030,167	11.35%
Diversified Financials	6,803,742	8.73%	6,717,709	7.60%
Energy	76,437	0.10%	2,196,634	2.49%
Food & Staples Retailing	2,458,558	3.16%	2,458,558	2.78%
Food, Beverage & Tobacco	7,848,351	10.07%	7,504,252	8.49%
Health Care Equipment & Services	25,411	0.03%	25,411	0.03%
Materials	2,819,951	3.62%	2,217,335	2.51%
Retailing	817,462	1.05%	1,625,690	1.84%
Telecommunication Services	3,113,268	4.00%	3,113,268	3.52%
Utilities	2,970,203	3.81%	3,074,709	3.48%
Total	77,924,169	100%	88,374,363	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 member contributions to the Fund throughout the year were recorded higher than the refunds paid. 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.

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.

Accordingly, the Fund has maintained 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. 32.

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

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, segregation of duties 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

30 Impairment losses on financial investments subject to impairment assessment

Movement of Impairment

	Provision as at 31.12.2025	Provision as at 31.12.2024	(Over)/ Under Provision
	Rs'000	Rs'000	Rs'000
Investments in Unlisted Equity Instruments of which the cost is considered as fair value	315,175	315,175	-
Fixed Income Securities (including bank balances)	2,113	1,361	752
	317,288	316,536	752

The Fund makes provision for impairment for financial assets based on the methods specified below.

(i) Investments in Unlisted Equity Instruments for which the cost considered as fair value

If the estimated fair value based on the net asset value is significantly below than the carrying value, the difference is taken as impairment provision.

(ii) Fixed Income Securities

Provide for impairment using "Expected Credit Loss Model (ECL)" based on the credit risk ratings of the counterparties.

Accordingly, Treasury Bonds, Treasury Bills, Corporate Debt Securities 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 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 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 12 month 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
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%	(Investment Grade)
BBB	BBB	Baa2	IG-9	0.30%	
BBB-	BBB-	Baa3	IG-10	0.52%	
BB+	BB+	Ba1	HY-1	0.88%	Lifetime ECL
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.

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.

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

Impairment losses (Contd...)

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 2018 to 2030 and due to the fact that forecasted country specific GDP growth rate are not available in the IMF domain, the GDP growth rate forecasted for emerging markets by IMF is considered for ECL calculation for 2026.

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...)

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

31.12.2025

Rs' 000	Note	12MECL		LTECL		Total
		Individual	Collective	Individual	Collective	
Cash at Bank	9	89	-	-	-	89
Fixed Income Securities	9	(1,447)	-	606	-	(841)
Total Impairment Loss		(1,358)	-	606	-	(752)

31.12.2025

Rs' 000	Specific	Collective (individually not significant exposures)	Collective (Incurred but not yet identified)	Total
Credit loss expense on Bank Balance	89	-	-	89
	89	-	-	89
Credit loss expense on Fixed Income Securities				
Corporate Debt Securities	(841)	-	-	(841)
	(841)	-	-	(841)
Total on balance sheet items	(752)	-	-	(752)
Off balance sheet items	-	-	-	-
Total	(752)	-	-	(752)

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 LKAS 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 30 and policies on whether ECL allowances are calculated on an individual or collective are set out in Note 30.

	31.12.2025					
	12MECL		LTECL		Total	
	Collective		Collective			
	Balance	ECL	Balance	ECL	Balance	ECL
Rs. '000						
External Rating Grade						
AAA	4,722,540,195	-	-	-	4,722,540,195	-
AA+	-	-	-	-	-	-
AA	-	-	-	-	-	-
AA-	23,679,161	961	-	-	23,679,161	961
A+	1,851,283	142	-	-	1,851,283	142
A	7,041,156	1,011	-	-	7,041,156	1,011
A-	-	-	-	-	-	-
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
BBB-	-	-	-	-	-	-
BB+	-	-	-	-	-	-
Total	4,755,111,794	2,113	-	-	4,755,111,795	2,113

	01.01.2025					
	12MECL		LTECL		Total	
	Collective		Collective			
	Balance	ECL	Balance	ECL	Balance	ECL
Rs. '000						
External Rating Grade						
AAA	4,187,441,892	-	-	-	4,187,441,892	-
AA+	-	-	-	-	-	-
AA	-	-	-	-	-	-
AA-	-	-	-	-	-	-
A+	-	-	-	-	-	-
A	10,633,636	582	2,785,116	352	13,418,752	935
A-	1,880,163	173	2,335,146	253	4,215,309	426
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
BBB-	-	-	-	-	-	-
BB+	-	-	-	-	-	-
Total	4,199,955,692	755	5,120,262	606	4,205,075,954	1,361

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

Impairment losses (Contd...)

30.2 Credit quality analysis

The table below shows gross balances under LKAS 26 as at 31 December 2024 analysed on the External Credit Rating system, which is described in Note 30.

31.12.2025		Neither past due nor impaired										
Rs. '000	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	Total
Investment Balances												
<i>Fixed Income Securities</i>												
Corporate Debt Securities	760,759	-	-	19,721,828	1,815,268	6,972,345	-	-	-	-	-	29,270,201
Bank Balances	-	-	-	3,961,657	36,015	68,811	-	-	-	-	-	4,066,483
	760,759	-	-	23,683,485	1,851,283	7,041,156	-	-	-	-	-	33,336,684
ECL Provision												
<i>Fixed Income Securities</i>												
Corporate Debt Securities	-	-	-	792	139	1,001	-	-	-	-	-	1,932
Bank Balances	-	-	-	168	3	10	-	-	-	-	-	181
Total	-	-	-	961	142	1,011	-	-	-	-	-	2,113
01.01.2025		Neither past due nor impaired										
Rs. '000	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	Total
Investment Balances												
<i>Fixed Income Securities</i>												
Corporate Debt Securities	-	-	-	-	-	8,889,370	4,065,754	-	-	-	-	12,955,124
Bank Balances	-	-	-	-	-	4,529,383	149,555	-	-	-	-	4,678,938
	-	-	-	-	-	13,418,753	4,215,309	-	-	-	-	17,634,062
ECL Provision												
<i>Fixed Income Securities</i>												
Corporate Debt Securities	-	-	-	-	-	669	421	-	-	-	-	1,090
Bank Balances	-	-	-	-	-	251	20	-	-	-	-	271
Total	-	-	-	-	-	920	441	-	-	-	-	1,361

EMPLOYEES' PROVIDENT FUND

Notes to the Financial Statements

31 Valuation of Unlisted Equity Instruments

Estimated Fair Values of the Unlisted Equity Investments, for which cost is considered as fair value are; as follows.

Investment	Basis	Number of shares	Purchase Value Rs.'000	2025		2024	
				Fair value per share Rs.	Fair value Rs.'000	Fair value per share Rs.	Fair value Rs.'000
Fitch Ratings Lanka Limited	Net asset based	62,500	625	60.46	3,779	80.81	5,051
Laugfs Gas Eco Sri Limited - V	Net asset based	57,897,800	62,282	3.27	189,454	3.29	190,438
Laugfs Gas Eco Sri Limited - NV	Net asset based	18,041,300	19,407	3.27	59,035	3.29	59,342
Laugfs Gas Leisure Limited - V	Net asset based	57,897,800	448,820	3.60	208,523	3.60	208,523
Laugfs Gas Leisure Limited - NV	Net asset based	18,041,300	139,855	3.60	64,977	3.60	64,977
Grand Total			<u>670,989</u>		<u>525,768</u>		<u>528,331</u>

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.

Financial Statement Impact-Overall

	2024	2025
Estimated Fair Value	528,331	525,768
Cost	<u>(670,989)</u>	<u>(670,989)</u>
Impact to Net Assets	(142,658)	(145,221)
Gross change in fair values		(2,563)

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

32 Classification of Maturity Profile of the Portfolio
As at 31st December 2025

Class of Investment	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2041	2044	2045	Not Defined	(Rs. mn)	
																			Total	
Fixed Income Securities																				
Treasury Bond	126,312	254,858	437,916	358,084	307,528	412,497	444,815	620,074	448,630	447,629	201,093	283,788	208,828	14,093	29,216	92,147	5,461	-	4,692,969	
Corporate Debentures	4,095	-	1,025	91	22,552	-	1,506	-	-	-	-	-	-	-	-	-	-	-	29,270	
Reverse Repo	28,811	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,811	
Equity Securities																				
- Listed Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188,855	188,855
- Unlisted Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,287	25,287
Grand total	159,217	254,858	438,941	358,176	330,080	412,497	446,322	620,074	448,630	447,629	201,093	283,788	208,828	14,093	29,216	92,147	5,461	214,142	4,965,192	
Provision for Impairment on Debt Securities at Amortised Cost																			(2)	
Portfolio value net of impairment																			4,965,190	

EMPLOYEES' PROVIDENT FUND
Notes to the Financial Statements

33 Commitments and Contingencies

33.1 Commitments

The Fund has purchased Treasury bonds amounting to Rs.26,916 mn on 30.12.2025 and 31.12.2025 which is to be settled on 01.01.2026 and 02.01.2026.

The Fund has sold Listed Equity securities amounting to Rs.131 mn on 30.12.2025 and 31.12.2025 which is to be settled on 02.01.2026 and 05.01.2026.

33.2 Contingencies

The shareholding of EPF in Canwill Holdings (Pvt) Ltd was transferred to the Secretary to the Treasury with the agreement that "in the event there arises a surplus arising from the consideration received from the successful investor, deducted by all costs borne by the Ministry of Finance, Planning and Economic Development to conclude the divestiture and the and the Rs.5bn of sale proceeds, a deferred premium will be considered proportionate to the shareholding."