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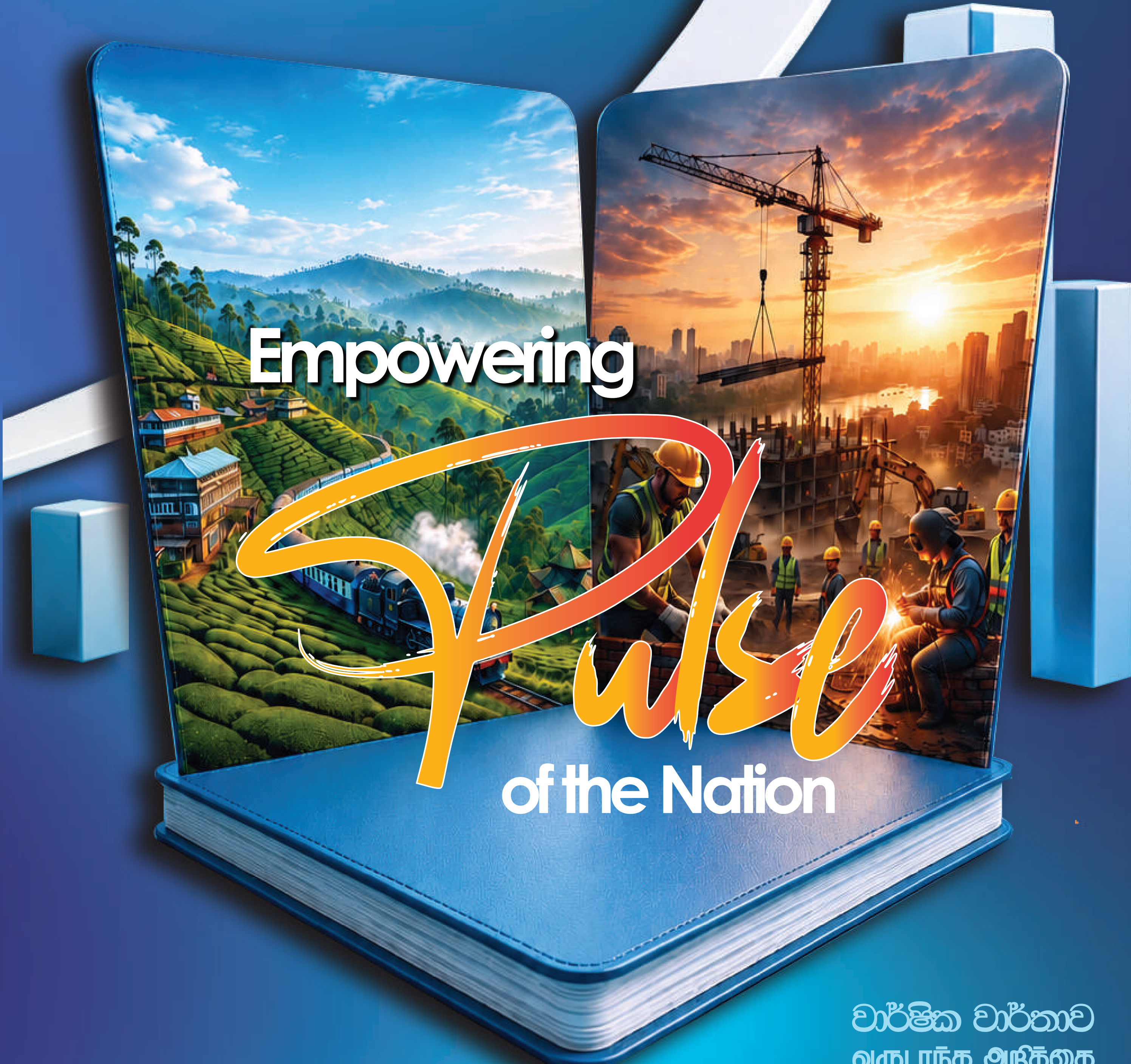
Employees' Trust Fund Board

Empowering Pulse of the Nation



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Annual Report

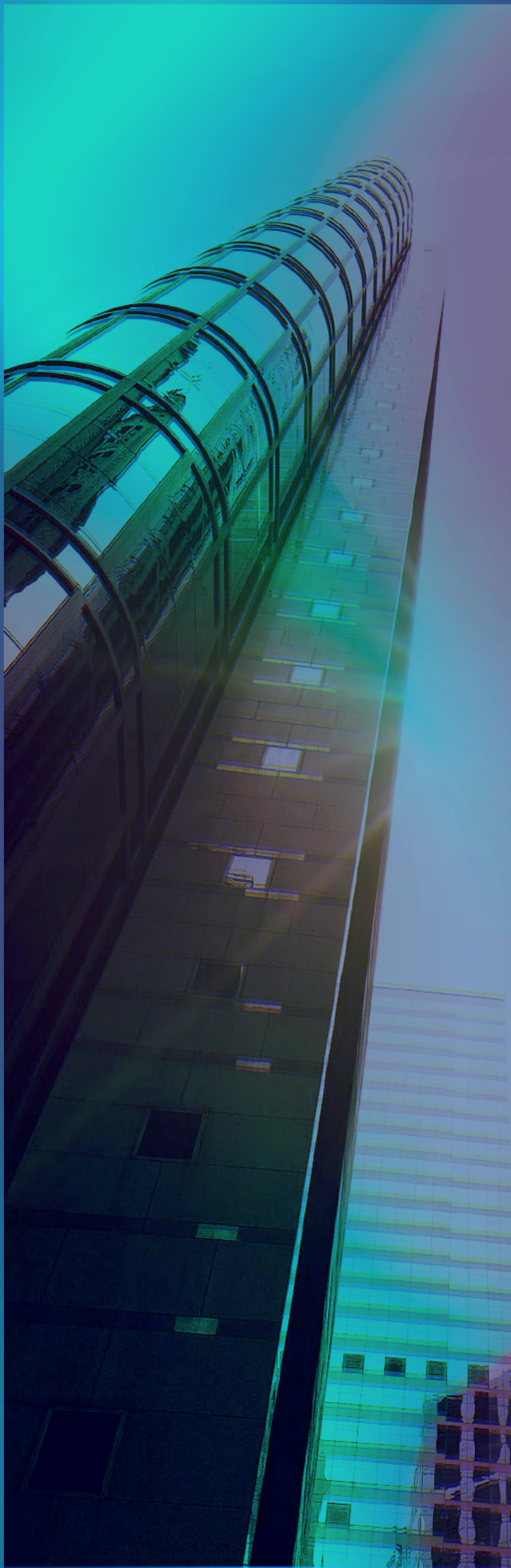
2025

Empowering *Pulse* of the Nation

The strength of a nation is not measured by its infrastructure alone, but by the vitality, security, and dignity of its workforce. At the Employees' Trust Fund Board (ETFB), we recognize that every worker from the executive suites in Colombo to the migrant workers abroad and the self-employed entrepreneurs in our villages is a vital beat in the national pulse.

In 2025, our theme, "***Empowering Pulse of the Nation***," reflects our unwavering commitment to being the lifeblood of economic democracy and social security in Sri Lanka.

Contents



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Introducing 45th Annual Report

Contents of the **Annual Report**

This is the 45th Annual Report of the Employees' Trust Fund Board which provides a comprehensive account of how the organization has created values primarily to its beneficiaries and to other stakeholders in 2025.

The Content of the Annual Report 2025 covers the operations spanning the head office and the branch network for the period of 1st January 2025 to 31st December 2025, with the most recent report being for the year ended 31st December 2024 for which comparatives are given throughout this report.

The contents of this report have been developed with an emphasis on the aspects that are material for the organization as well as for its key stakeholders.

Focus of the Report

The report aims to share the entity's inimitable value creation story over the short, medium and long term with our renowned stakeholders. It also presents concise communication of the strategy, governance & fund management and demonstrates the relationship between its financial performance and the social footprint created by the organization.

The report comprises of both quantitative and qualitative data and it is our intention to provide quantitative data where possible to facilitate comparisons and further analysis. The Financial Statements together with the related notes are audited by the government auditor and the assurance report is also available in this report.

Compliance of the Report

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards. The governance report discusses on how the entity complies with the Code of Best Practice on Corporate Governance for Public enterprises and ETF Act No. 46 of 1980.

Strategic Orientation

In addition to a focus on performance over the year, this Annual Report also provides stakeholders with insights into the Board's current and future strategies to drive growth.

Contact Person

K. D. A. P. Karunaratne
Deputy General Manager
(Finance)

Employees' Trust Fund Board
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About the Board

The Employees' Trust Fund Board was established under Act No. 46 of 1980 and commenced operations on 1st March 1981. It was established under the Ministry of Labor and currently operates under the purview of the Ministry of Finance, Planning and Economic Development. All public sector employees who are not entitled to the government pension scheme and all private sector employees are members of the Fund while their employers are required to remit 3% of the gross earnings of their employees to the Fund, monthly. Hence, unlike the EPF, only the employer makes a contribution on behalf of the employee/member and therefore, it is a non-contributory benefit to the member. Special consideration is given to increase the voluntary membership of self-employed persons and migrant workers who provide a sizable contribution to the economy.

The Objectives of the Board

(As per Section 07 of the ETF Act No. 46 of 1980)

a) To promote employee ownership, employee welfare, economic democracy through participation in financing and investment;

b) To promote the employee participation in management through the acquisition of equity interest in enterprises;

c) To provide for non-contributory benefit to employees on retirement; and

d) To do all such other acts or things as may be necessary for or conductive to, the attainment of the objectives specified in paragraphs (a), (b) and (c) above.

Our Value Proposition

Vision

To be the most dynamic & viable premier trust for all stakeholders through organizational excellence.

Mission

Be the most caring & prudent Trust, providing a wide range of financial member benefits and excellent customer services.

Values

- Creative, Innovative and Committed Staff
- People Friendly Working Environment
- Supportive Policies and Processes
- Excellent Systems and Procedures
- Sound Finance
- Delighted Customers

Financial **Highlights**

	2025	2024	Change
	LKR 000'	LKR 000'	%
Operations			
Total Income	71,277,599	65,987,907	8.02
Total Interest Income	68,766,748	61,819,095	11.24
Total Operating Expenses	2,767,476	2,811,307	(1.56)
Profit Before Tax	68,510,122	63,176,600	8.44
Tax Expense	9,611,094	8,678,062	10.75
Profit After Tax	58,899,028	54,498,538	8.07

Statement of Financial Position			
Cash and Cash Equivalent	661,831	794,613	(16.71)
Financial Assets at FVTPL	2,936,878	2,646,191	10.99
Financial Assets at FVTOCI	14,893,209	14,708,973	1.25
Financial Assets at Amortized Cost	644,575,893	563,248,506	14.44
Member Fund and Reserves	667,406,942	585,984,840	13.89

Member Point of View			
Member Balance	637,443,057	564,326,576	12.96
Interest & Dividend	55,303,829	51,301,803	7.80
Interest & Dividend (%)	9.50%	10%	(0.50)
Member Benefits	403,573	452,742	(10.86)
ROI	11.36%	11.92%	(0.56)
ROE	9.80%	10.20%	(0.40)
ROA	9.32%	9.77%	(0.45)

Key Milestones
On Member Benefits

1986

Death Benefit Scheme:
LKR 100,000/=

1989

Death Benefit Scheme
Permanent Disability Scheme:
LKR 200,000/=

1991

Death Benefit Scheme
Permanent Disability Scheme
Financial Assistance for Heart Surgery:
LKR 300,000/=

1992

Death Benefit Scheme
Permanent Disability Scheme
Financial Assistance for Heart Surgery
Reimbursement of Intra-ocular lenses: LKR 18,000/=

1994

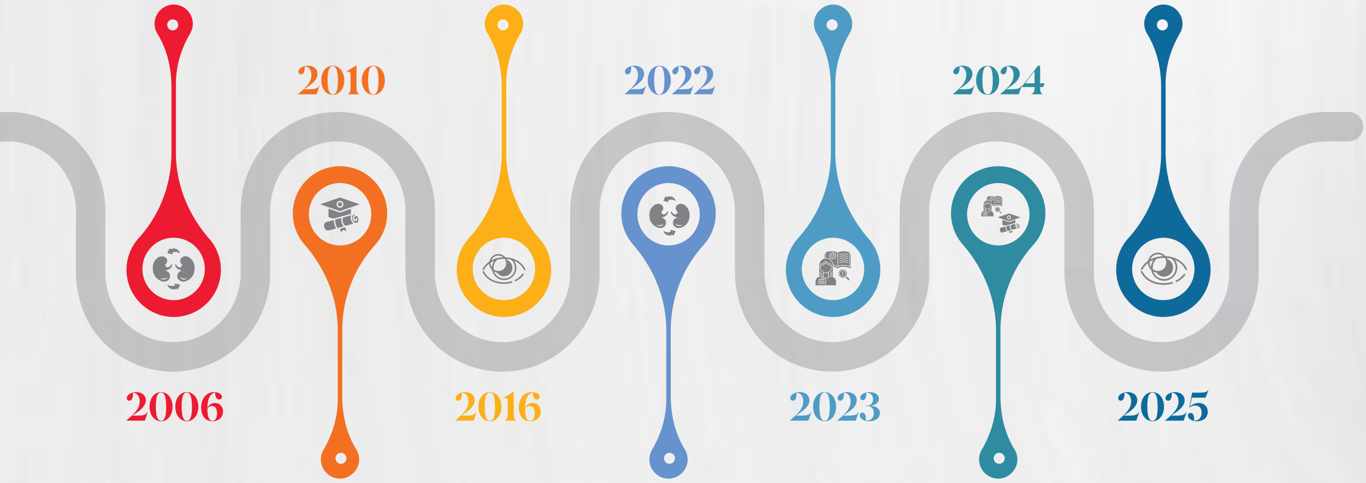
Death Benefit Scheme
Permanent Disability Scheme
Financial Assistance for Heart Surgery
Reimbursement of Intra-ocular lenses
Year 5 Scholarship
LKR 15,000/= for 9,000 Scholarships

1997

Death Benefit Scheme | Permanent Disability Scheme | Financial Assistance for Heart Surgery | Reimbursement of Intra-ocular lenses | Year 5 Scholarship |
"Shramasuwa Rekawarana" Hospitalization Scheme LKR 25,000/= per year up to maximum of LKR 50,000 during the entire service period

2002

Death Benefit Scheme | Permanent Disability Scheme Financial Assistance for Heart Surgery | Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Hospitalization Scheme
"Viyana" Low Interest Housing Loan Scheme



2006

Death Benefit Scheme | Permanent Disability Scheme | Financial Assistance for Heart Surgery | Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Scheme "Viyana" Housing Loan Scheme

Financial Assistance for Kidney Transplant Surgery LKR 300,000/=

2010

Death Benefit Scheme | Permanent Disability Scheme | Financial Assistance for Heart Surgery | Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Scheme | "Viyana" Housing Loan Scheme | Financial Assistance for Kidney Transplant Surgery

A/L Scholarship LKR 12,000/= for 5,000 Scholarship

2016

Death Benefit Scheme | Permanent Disability Scheme | Financial Assistance for Heart Surgery | Reimbursement of Intra-ocular lenses |Year 5 Scholarship "Shramasuwa Rekawarana" Scheme "Viyana" Housing Loan Scheme | Financial Assistance for Kidney Transplant Surgery A/L Scholarship

Reimbursement of Intra-ocular lenses: increased upto LKR 30,000/=

2022

Death Benefit Scheme | Permanent Disability Scheme | Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Scheme | "Viyana" Housing Loan Scheme | A/L Scholarship Financial Assistance for Heart Surgery increased upto Rs.350,000

Financial Assistance for Kidney Transplant Surgery increased upto Rs.350,000

2023

Death Benefit Scheme | Permanent Disability Scheme | Reimbursement of Intra-ocular lenses | Year 5 Scholarship "Shramasuwa Rekawarana" Scheme "Viyana" Housing Loan Scheme Financial Assistance for Heart Surgery Financial Assistance for Kidney Transplant Surgery

Financial Assistant for Vocational Training Course - "Nipunatha Saviya" - Rs. 50,000/= Children who sat for G.C.E. (A/L)

2024

Death Benefit Scheme | Permanent Disability Scheme |Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Scheme | "Viyana" Housing Loan Scheme | Reimbursement of Intra-ocular lenses | Financial Assistance for Heart Surgery | Financial Assistance for Kidney Transplant Surgery |

Financial Assistant for Vocational Training Course "Nipunatha Saviya" - Rs.50,000 who sat for the GEC(A/L) Financial Assistant under Vishwa Yathra - Rs.25,000 for children who are qualifying to Government Universities

2025

Death Benefit Scheme | Permanent Disability Scheme |Reimbursement of Intra-ocular lenses | Year 5 Scholarship | "Shramasuwa Rekawarana" Scheme | "Viyana" Housing Loan Scheme | Reimbursement of Intra-ocular lenses | Financial Assistance for Heart Surgery | Financial Assistance for Kidney Transplant Surgery | Financial Assistant for Vocational Training Course "Nipunatha Saviya" - Rs.50,000 who sat for the GEC(A/L) Financial Assistant under Vishwa Yathra - Rs.25,000 for children who are qualifying to Government Universities

Reimbursement of Intra-ocular lenses: LKR 50,000/=

Value Creation Model

VALUE ENABLERS (INPUTS)

Invested Capital

- Member Fund 564Bn

Member Capital

Total Active Employers	84,578
No of Active Members	2,654,811
Self & Migrant Workers	45,728

Employee Capital

- Total Staff 847
- More than 35% of staff has more than 20 years experience with the board
- Talented, skilled and qualified staff

Partner Capital

- Ministry of Finance, Planning & Economic Development
- Employees Provident Fund (EPF)
- Information Communication Technology Agency (ICTA)

Social & Community Capital

- Working Population

VALUE CREATION (PROCESSES)

Vision, Mission and Values

Goals & Objectives

Strategies & Activities

Primary Activities

- Collection
- Compliance & Enforcements
- Employer Relations
- Member Services
- Investments

Secondary Activities

- Finance
- Information Technology
- Human Resource
- Internal Audit
- Statistics

Act No. 46 of 1980

- Corporate Good Governance
- Corporate Risk Management

VALUE CREATED(OUTPUTS)

Investors

• Member Fund	637Bn
• ROI	11.36%

Members

• Interest	3.00%
• Dividend	6.50%

Employees

• Personal Expenses	1.5Bn
• Training and Development Cost	3.8Mn
• Staff turnover is below	5%

Community

• Claims Payment (Including Dividend & Interest)	30Bn
• For heart surgeries	168Mn
• For Life Insurance	98Mn
• For year 5 Scholars	94Mn
• Higher Education	54Mn
• Nipunatha Saviya	0.44Mn
• Shramasuva scheme	17Mn
• Permanent Disability	25Mn
• For kidney transplants	6Mn
• For intra- ocular lenses	9.8Mn

Core Functions of the Board

Contribution Collections and Employer Relations Division

It is mandatory to contribute 3% on gross earnings of employees who are working in the Private Sector and non Pensionable Government Organizations. Timely collection of contribution from employers, collection of surcharges, find defaulters/ non contributors, taking legal action against defaulters etc. are some of core activities associated with the contribution collection process. The Collection and Employer Relation Division is responsible for achieving collection targets of the Board.

Investment Division

The Investment Division is one of core business units of the organization which has been set up to manage the Investment Portfolio of the Board. The main objective of this unit is to ensure safety of investments, maintain sufficient liquidity and earn optimum return. A comprehensive investment policy is available as a guideline for investment decisions.

Member Services Division

The main functions of this Division include, updating and maintaining Member Accounts, issuing Annual Member Statements (AMS) to members, speedy processing of General Benefits (Normal and Death Claims) and maintain other Welfare Benefit Schemes for the active member. Adequate steps have been taken to provide the necessary infrastructure to further strengthen the activities of this Division.

Finance Division

The core functions of Finance Division include preparation of monthly and annual accounts, annual budget, Annual Board of Survey and effecting staff and other payments inclusive of government taxes, preparation of the corporate plan and other management information reports.

Administration and Human Resource Division

It is recognized that, there is a need for adapting to the modern HR techniques and best practices which are vital in the current competitive business environment. As a service organization the dependency of the ETF Board on people (employees) is very high. Hence, high priority is given to develop and improve the activities carried out by the Administration and Human Resources Division. Accordingly various initiatives have been taken to update and improve existing systems and procedures followed by the Administration and Human Resources Division and to provide necessary training for the staff.

Information Technology Division

The IT Division is mainly responsible to manage and maintain the Member Administration Software System (MASS). The Comprehensive quantum of initiatives have been taken to re-structure the IT environment of the organization in collaboration with the Information and Communication Technology Agency of Sri Lanka (ICTA).

Internal Audit Division

The Internal Audit Division is responsible to ensure that adequate Systems of Internal Controls are established and such systems are adopted continually and appropriately. The DGM (Internal Audit) directly reports to the CEO. The Management is of the view that, a study needs to be undertaken to re-assess the adequacy of the existing Systems and Procedures of Internal Audit and strengthen the role of Internal Audit as an effective tool in the decision making process of the organization and coordinating of Government Audit matters.

Legal Division

The Legal Division operates as an advisory service unit for all legal matters of the Board. The Legal activities have been de-centralized to regional level with the expansion of the Regional Office (RO) network. A separate Legal Officer has been assigned to engage for legal matters at each RO.

Value Added Statement

An analysis of the Board's value creation and allocation among the key stakeholder group is depicted below:

	2025 LKR million	2024 LKR million	Change %
Value Added			
Income earned from Core Business	70,653.68	65,353.78	8.11
Cost of Services	(379.93)	(375.85)	1.09
Value added from Core Business	**70,273.75**	**64,977.93**	**8.15**
Other income	623.92	634.13	(1.61)
Net gain on disposal of FVTOCI investments	2,172.06	215.28	908.95
Impairment charges for loans and other losses	(21.07)	(4.91)	329.12
Value Addition	**73,048.66**	**65,607.15**	**10.98**
Value Allocation To Employees			
Salaries, Wages and Other Benefits	1,453.48	1,400.62	3.77
To Members			
Interest paid to Members	17,464.35	15,390.53	13.47
Dividends paid to Members	37,839.48	35,911.28	5.37
To Government			
Taxes Expense	9,611.09	8,678.06	10.75

	2025	2024	Change
	LKR million	**LKR million**	**%**
To Community			
Member Benefits	403.57	452.74	(10.86)
To Expansion and Growth			
Retained Profit	386.20	727.79	(59.05)
Depreciation and amortization	46.65	46.13	1.13
Dividend equalization Reserve Fund	5,843.84	3,000	94.79
Total value allocated	**73,048.66**	**65,607.15**	**10.98**

Economic Value Added (EVA)

Economic Value Added (EVA) indicates the true economic profit of an organization. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks

	2025	2024
	LKR million	**LKR million**
Invested Capital		
Average Member fund	600,884.82	534,380.64
Add: Cumulative impairment provision for loans and other losses	9.04	30.10
	600,893.86	**534,410.74**
Return on Invested Capital		
Profit after taxation	58,899.03	54,498.54
Add: Impairment provision for loans and other losses	(21.07)	(4.91)
Total return on invested capital	**58,877.96**	**54,493.63**
Opportunity cost of invested Capital*	(46,869.02)	(49,697.40)
Economic Value Added	**12,008.94**	**4,796.23**

*Calculated based on weighted average 12 months Treasury bill rate 2025–7.80% (2024- 9.30%)

Corporate Stewardship

Chairman's Review

The year 2025 compared to 2024, can be considered a more stable phase during which the Sri Lanka's financial market became stronger and the investor confidence showed signs of rebuilding. In particular, both the Colombo Stock Exchange (CSE) and the Treasury Securities Market showed a recovery trend after the crisis period of 2022–2023. The fact that the Board managed to take advantage of the market in those positive conditions is particularly noteworthy.

Dear stakeholders,

I am delighted to have the opportunity to issue a message on behalf of the Employees' Trust Fund Board's Annual Report 2025. Being sensitive to the socio-political and economic conditions of the country and recognizing those spaces more broadly, we have paid special attention to fulfilling its role as a social protection fund and securing the rights of the members.

During the year 2025, the Sri Lankan economy has been able to further strengthen the stabilization and reform process that were underway after the economic crisis in 2022. Following the return of economy towards a path of growth in 2024, the gross domestic product (GDP) recorded a growth of around 5%, maintaining the same trend in 2025. The deflationary situation in 2024 began to gradually evaporate by mid part of 2025, and the inflation returned to positive levels due to rising food prices and increased domestic demand. The Central

Bank followed a relatively lighter monetary policy throughout 2025, keeping policy interest rates at 7.75% to give way for private sector credit flows to increase. This led to increased business activity.

In the world economic situation of 2025, factors such as geopolitical crises, international trade instability and US import tax policies also affected Sri Lanka. There were risks of international trade barriers affecting the garment export sector in particular. However, Sri Lanka was able to maintain economic stability due to the economic reform program implemented with the International Monetary Fund (IMF) and the consolidation of public financial discipline.

The revenue-based public financial reforms implemented by the government in 2025, increasing tax revenues, public expenditure control and debt restructuring programs helped rebuild confidence in the economy. Also, the stability of banks and financial institutions was further strengthened in 2025 compared to 2024. The new conditions created by these socio-economic mobilities and potentials have a great impact on the daily activities as well as on the future plans of our Board, which is the second largest social security fund in Sri Lanka.

Performance of the Fund

As at the end of the year 2024, the fund was around Rs. 564.327 billion and by the end of the year 2025, it exceeded the limit of Rs. 637.443 billion, showing a growth of 13%. The 7.8% growth shown in interest and dividend receipts and the 14.5% growth shown in contribution collections, the 14.1% growth in the investment portfolio and the decrease in the statutory benefits removal by 9.4% have directly influenced this 13% growth in the fund. The trend of removing the statutory benefits seen in the years 2022 and 2023 was gradually on the decrease in the years 2024 and 2025 and it can be identified as a strong indicator of economic stabilization because this situation happened to be documented following a wide propaganda campaign as well on the member benefits and rights, carried out by the Board through electronic media.

The year 2025 compared to 2024, can be considered a more stable phase during which the Sri Lanka's financial market became stronger and the investor confidence showed signs of rebuilding. In particular, both the Colombo Stock Exchange (CSE) and the Treasury Securities Market showed a recovery trend after the crisis period of 2022–2023. The fact that the Board managed to take advantage of the market in those positive conditions is particularly noteworthy.

The investment portfolio, which was Rs. 581.1 billion in 2024, grew to Rs. 662.8 billion by the end of 2025, and the investment made in treasury bonds and bills, which is the main and safest investment instrument of the Board, has increased by 14.5% by the end of 2025. Stock market investment showed an increase of 2.7% and the active contribution made by the investment committee in handling the investment portfolio deserves special mention. As a member's fund, it is also very important to be accountable for the safety of investments in order to acquire market advantages and consolidate the rights of the members.

Ensuring Member Rights

In the year 2025, the board paid special attention to affirming the rights of members. An island-wide publicity program on the responsibilities and legal obligations of employers, members' rights, welfare benefits offered by the Board was carried out using electronic media and social media and it helped to create a wide dialogue about the fund and its responsibilities.

The Board was able to offer 9.5% interest and dividend for all member accounts of the Board for the year 2025 and a sum to the value of Rs. 55.304 billion was added to the member accounts. This figure is an increase of 7.8% in comparison to Rs. 51.302 billion collected during the year 2024. The 14.5% growth in contribution collections compared to 2024 is a notable factor in affirming membership rights and benefits.

In the year 2025, the Board managed to release an amount of Rs. 30.7 billion as statutory benefits to the members for 166,444 member applications. Likewise, under various welfare schemes (education and health), steps have been taken to ensure the social welfare of members and their families and children in a way that does not affect the balance of the member account in whatsoever manner.

Digitization of services

It was an achievement in the year 2025 to be able to complete the analysis of the essential infrastructure requirements for the implementation of the new government's digitization policy in the Board and to be able to obtain the necessary approvals for restarting the core system development program whose development activities have been on hold halfway. The Board has paid special attention to complete the work of the said project before the end of 2026 and provide all member services through that system.

The focus has been on establishing a stronger cyber security system to protect member rights and plans have been made to take all necessary steps to ensure the security of the fund in line with the cyber security policy introduced and implemented by the new government.

Human resource development

With the approval of the Cabinet of Ministers for new recruitments that had been stalled for a considerable period of time in the public service and semi-government service, it was possible to recruit 55 new staff members through formal methods during the year 2025, thereby overcoming the serious deficiencies in service provision. This number of new recruitments is a 292.8% growth compared to the recruitments (14) that took place in the year 2024. It was possible to give promotions to 52 officers, which is a 147.6% increase compared to the year 2024, by conforming to the more transparent and accountable system, completely eliminating the growing mistrust of the employees over a period of time. Moreover, 51 training programs have been conducted completing the annual training plan, which is a positive situation in the subject of human resource development.

Elimination of salary anomalies

According to the National Salary Policy implemented in 2006, there were many deficiencies in the implementation of the Management Circular No. 30 applicable to public enterprises, and as such, there were salary disparities within the same grade as well as between different grades of the institution. In the implementation of circular No. 01/2025 introduced by the new government for salary increase in the Board, strict consideration was given to this fact and steps were taken to create economic justice in the institution and to establish industrial peace. I believe that this is a necessary and important step taken for the advancement of the institution in the long run.

Outstanding achievements

It is a special achievement for us to win the Special Appreciation Award in favour of the Board in the Great HR Awards - 2025 evaluation implemented by the Chartered Institute of Personnel Management (CIPM) in the year 2025 by evaluating the institution's introductions and corrections in the field of human resources and the entire process related thereto.

Also, in the annual Best Annual Report Evaluation Awards ceremony conducted by the Association of Public Financial Accountants of Sri Lanka (APFASL) annually with a view to apprising the standard of presentation of annual reports, reporting, transparency of disclosures, accountability, social accountability and corporate governance of public and semi-government institutions, the Board won the double awards of the Central Government Sector Gold Award and the Statutory Boards, Corporations and Authorities Sector Gold Award. Being able to savour such feat was a special achievement for the Board whilst it helped the Board to further strengthen the confidence of the entire membership under its wings.

Performance of the Subsidiary Company

The annual dividend received from Lanka Salt Company, the subsidiary managed by our Board, contributes to strengthening the fund. During the year 2025, despite the adverse weather conditions that affected salt production, dividends worth Rs. 315.7 million have been received.

It has been recognized as a major issue that the staff and recruitment procedures of the Subsidiary have not been formally approved so far and at the moment the specific identification of the categories of personnel, the review of the salary structure and the preparation of the recruitment schemes has been initiated and it is expected to complete the related tasks before the end of 2026 and obtain formal approval in accordance with the government policies. Also, the task of preparation of a subsidiary policy for administration has got underway.

Future Outlook

One of the main tasks expected to be carried out in the ensuing year is to prepare a more optimal system for internal control in all divisions and regional offices by expeditiously completing the vacancies in the internal audit department, which is one of the main factors for strengthening the internal control of the organization.

E-banking has now been introduced for crediting the contributions to the fund and since the law for a large group of employers to adapt to this system has been published by the Gazette in the year 2022, it is planned to necessarily adapt all employers to the e-banking system to which the law applies.

The main focus has been on completing the development work of the core system and making it possible for the system to perform all the services of the Board and collection of contributions as well as the maintenance of corporate accounts.

As a major financial institution, it is planned to invest about Rs. 100 million in the year 2026 for the development of infrastructure to establish cyber security methods. Simultaneously, the necessary work to establish a complete customer service center with all facilities is expected to be completed in the year 2026, work of which has already been started.

All the routine activities of the Board and the performance of all the staff members have been started to improve the performance index system in order to formally and rationally evaluate and, in the year 2026, the system is expected to be implemented after getting proper approvals. As such, the monthly incentives currently paid to all the staff members will also be paid subject to a proper appraisal system.

As the investment environment is determined by the fluctuating ups and downs of the economy, the emphasis is on focusing on new investment opportunities. Accordingly, attention has been paid on carrying out a strategic real estate development project for the two acres of land owned by the Board located at Navam Mawatha.

Acknowledgement

The active membership of the Board is currently around 2.6 million and the support given to us by the employer community, which considers crediting the monthly contributions to the fund as its first responsibility and does a great job to keep the member information up to date, provides an enormous degree of assistance in affirming the member rights. It also motivates the Board's members of the staff in their duties.

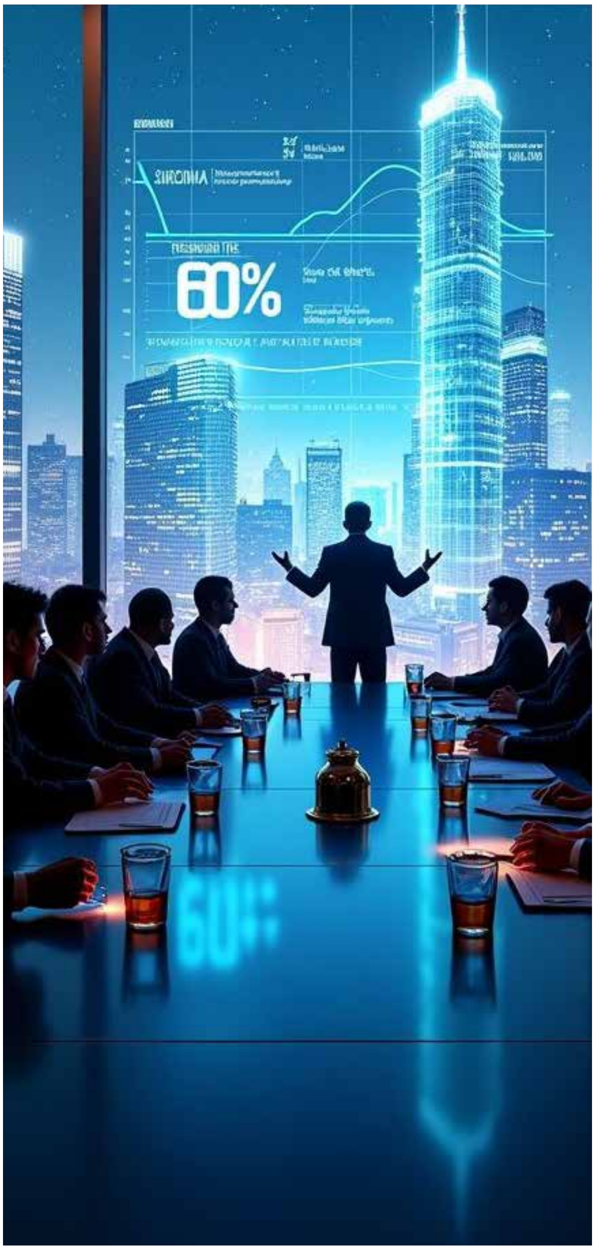
As a responsible institution, the entire staff of the Board should be especially appreciated about the work they carry out for and on behalf of the Board, whose contribution to the provision of services to the member community in compliance with the existing statutory rules and regulations is remarkable.

The guidelines, instructions and regulatory work of the Hon. Minister of Finance, Planning and Economic Development, the Hon. Deputy Minister, the Secretary of the Ministry including all the officials of the Board's subject Ministry of Finance, Planning and Economic Development, are of great help to carry out the work of the Board in the right direction with utmost transparency.

I also appreciate the understanding of the interests of the government and the general public by the members of the Board of Directors who dedicatedly work for the implementation of all tasks with full transparency and within a specific policy framework. I take this opportunity to show my respect, gratitude and sincerity to them on behalf of all the related parties and stakeholders.

Somasiri Ekanayake
Chairman / Chief Executive Officer

Message of the **Board of Directors**



> The fund which stood around Rs. 564.327 billion as at the end of the year 2024, exceeded the threshold of Rs. 637.443 billion, showing a growth rate of 13% by the end of the year 2025. Accordingly, during the year 2025, the Board as expected was in a position to credit the personal accounts of the members with an interest and dividend rate of 9.5%.

We, as the Board of Directors, are very pleased to have the opportunity to issue a message for the Annual Report 2025 published by the Employees' Trust Fund Board. As a social security fund, we have recognized that it is one of our prime tasks to focus on what should be the direction of our duties and to maintain the organizational process in line with the state policies as a whole.

The performance achieved by the Board in any specific period of time can be reckoned not as an independent fact but also as a representation of the overall economy. The fund which stood around Rs. 564.327 billion as at the end of the year 2024, exceeded the threshold of Rs. 637.443 billion, showing a growth rate of 13% by the end of the year 2025. Contribution collections and the Board's investment portfolio showed a growth of 14.5% and 14.1% respectively compared to 2024, which were instrumental in further strengthening the confidence of employers and members reposed in the Board and bringing about the funding stability the government expects from a social security fund and, creating an environment capable of paying away the member benefits without any disruption. Accordingly, during the year 2025, the Board as expected was in a position to credit the personal accounts of the members with an interest and dividend rate of 9.5%. Being able to declare and add such a significant amount of interest and dividends to member accounts in a situation where the prevailing overall interest rates were around 7% - 8% signifies an idea of the stability of the fund.

It was possible to implement a strategic plan that would help in establishing the stability of the fund and maintaining it in the long run, where prime and prominent emphasis has been laid to strengthening the routine operational process, ensuring the security of investments, digitizing the provision of services and implementing a strong cyber security policy and program in the Board in alignment with the cyber security policy of the government. It is herein noteworthy to pinpoint that the Employees' Trust Fund Board is not an isolated institution but works with concurrent partner and stakeholder institutions with good understanding and trust.

The deficiencies that have arisen in the implementation of the guidelines, rules and instructions introduced by the government from time to time in order to carry out the functions of public corporations, statutory bodies and boards in a standardized manner under a common policy have been identified and necessary steps have been taken to correct them while emphasis has been placed to ensure equal opportunities for all in the processes of recruitment and promotion in the organization and to work them out in accordance with a transparent policy.

The Board has placed an emphatic focus on the risk management and creating a risk-minimized environment, and we consider it as a major goal in the ensuing year. Plans and policies have been drawn out to make the customer services more efficient and facile, as well as to conduct a results-based evaluation method through the implementation of a streamlined and rational system of performance indicators in the organization. Introduction of an incentive scheme based on such evaluation method is also on the cards.

Therefore, we would like to bring it on record that it is also our expectation to contribute with no reservations by joining hands together to work as a team to achieve the goals of the Board as desired by the government policy, establishing confidence among members and employers for its accomplishment of the results proposed through the strategic plan that has been put into place.

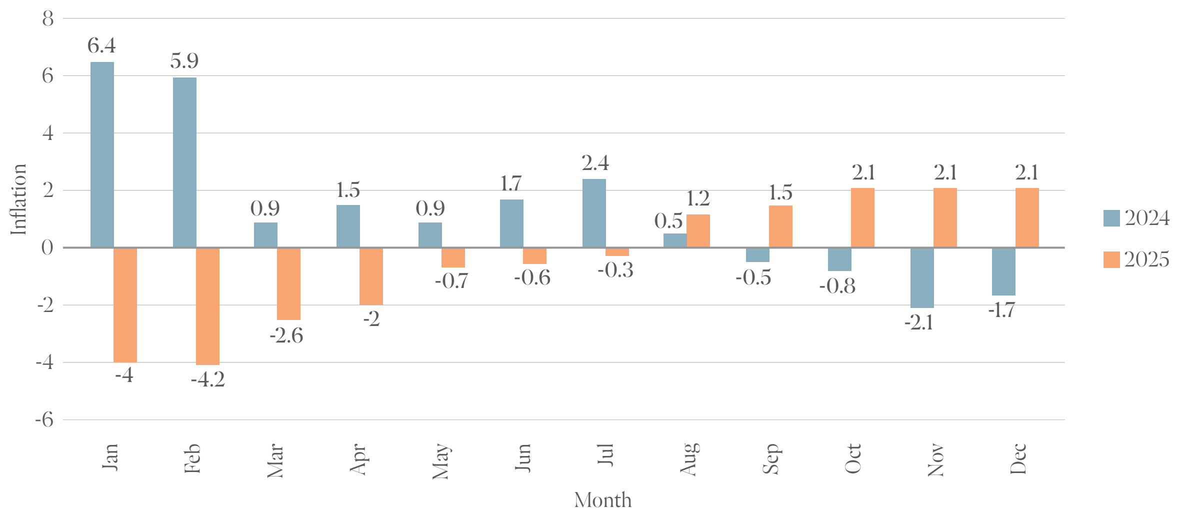
Board Members

Management
Discussion and Analysis

Year in Review 2025

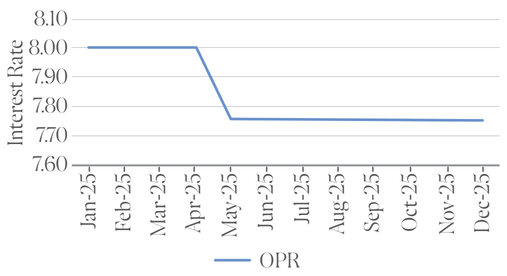
Sri Lanka's economy showed signs of stabilization in 2025 compared to 2024. Headline inflation, which had been in deflationary territory since September 2024, moderated to below 5% by year-end showing increase of 1.2% y-o-y, supported by recovering demand, agricultural shortages, and upward revisions to fuel and electricity tariffs. Core inflation remained positive throughout, while the National Consumer Price Index (NCPI) turned positive earlier in May 2025.

HEADLINE INFLATION (Y-O-Y) BASED ON CCPI



Source: Department of Census and Statistics

POLICY INTEREST RATES



***Source:** Central Bank of Sri Lanka*

GDP growth stabilized at 4.5-5% in 2025, marking eight consecutive quarters of growth. The rebound was led by industry, which grew by 7.9% on the back of strong performance in textiles and apparel ahead of US tariff deadlines, renewed activity in construction through small-scale projects, and growth in food and beverage manufacturing supported by tourism and rising consumption. The services sector recorded steady growth of 3.3%, driven by financial services and tourism-related activities such as accommodation and transport. Meanwhile, the agricultural sector grew modestly by 0.6%, as adverse weather conditions weighed on the production of several key crops. Fiscal consolidation undertaken within the IMF framework supported reforms enabled the government to record a primary fiscal surplus.

Cyclone Ditwah, which struck Sri Lanka in November 2025, was one of the most destructive climate-related disasters in recent years. Torrential rains, flooding, and landslides affected nearly 2 million people, with over 600 fatalities reported. The estimated economic loss of USD 4.1 billion equivalent to almost 4% of GDP caused severe damage to critical infrastructure including transport networks, housing, and agriculture. The disaster disrupted supply chains, curtailed agricultural output, and displaced households, intensifying food security and livelihood challenges. Reconstruction and relief needs have placed significant pressure on public finances, requiring increased government expenditure and budgetary reallocations.

The event underscored Sri Lanka's acute vulnerability to climate shocks and highlighted the urgent need for climate resilient infrastructure, disaster preparedness, and robust risk-financing mechanisms. For financial institutions, it reinforced the importance of comprehensive risk management frameworks and maintaining strong capital buffers to ensure resilience in the face of extreme weather events.

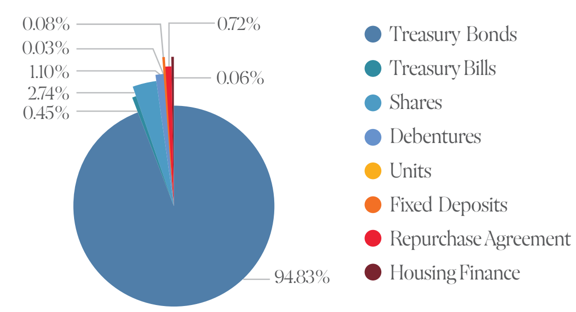
Investment

Overview Of Investment In 2025

In 2025, investment activities were undertaken amid challenging market conditions shaped by post debt restructuring uncertainties, particularly regarding bilateral agreements with creditors, policy decisions by the Central Bank of Sri Lanka in the context of the IMF Extended Fund Facility, and political shifts under the new administration. Guided by the Investment Policy, the Board prioritized allocations to gilt edged securities, ensuring the safety of assets remained paramount. However, the continuous decline in market interest rates compared to 2024, driven by the Central Bank's policy easing under ongoing economic reforms, weighed negatively on returns from the fixed income portfolio. Broad reductions in overnight policy rates to stimulate economic activity further contributed to lower yields across both government and corporate debt instruments.

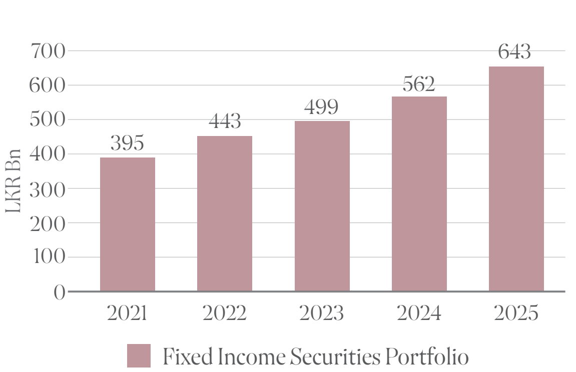
The ETF Board adopted a cautious approach toward equity market investments, while still capitalizing opportunities during the strong performance of the share market in the final quarter. This strategy contributed, Board to generate total revenue of Rs. 71.3 billion, reflecting a year on year growth of 8%. Further, a total return of 9.50% was declared to the members of the fund which is more attractive rate above the one year Treasury bill and fixed deposit rates during the year. The total investment portfolio enhanced to Rs. 663 billion by end 2025, reflecting a 14% increase compared to the previous year. Equity income recorded a substantial increase, rising from Rs. 2.42 billion in 2024 to Rs. 3.98 billion in 2025 representing a 64% growth driven by higher dividend income and capital gains arising from the strong performance of the Board's diversified equity portfolio. With overall performance, ETFB achieved a ROI of 11.36% during the year 2025.

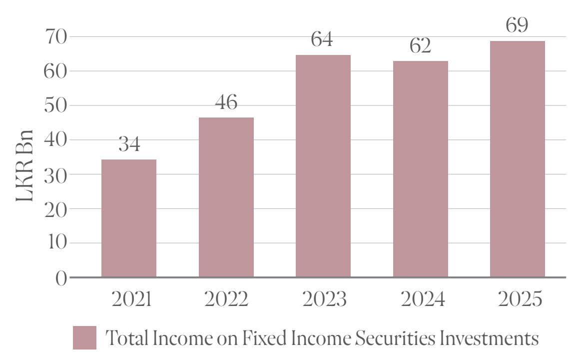
PORTFOLIO COMPOSITION AS AT 31-12-2025



Investment In Fixed Income Securities

Funds invested in fixed income securities amounting Rs 643 billion consist of 97% of the total portfolio in 2025. Out of which 95% represents investments in Government Securities pertaining to Treasury bonds and Treasury bills. Despite contraction of Overnight Policy Rate from 8.00% to 7.75% and a subsequent decline in yield rates of Government Securities, the ETF Board was able to successfully navigate the adverse impact of decline in interest rates while depending Treasury bonds and Treasury bills by diversifying across various tenures as well as other fixed income generating asset classes. During 2025, the ETF Board has been able to achieve total revenue of Rs.69 billion on fixed income securities which is 12% increase compared to 2024.



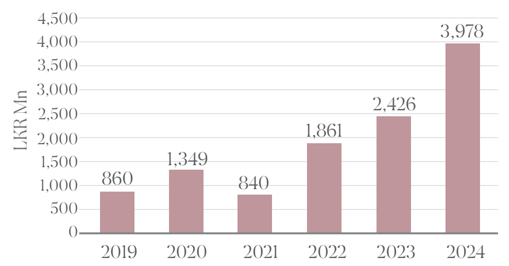


Equity Investment

Sri Lanka's equity market recorded a strong recovery in 2025, ranking among Asia's top performers. The All Share Price Index (ASPI) rose by 41.9% in 2025, reaching 22,624 points by December 2025 compared to 15,944 points at the end of 2024, while the S&P SL20 gained 26.6%. Market turnover more than doubled to Rs. 1,233 billion, reflecting heightened investor participation. Performance was driven by improving macroeconomic stability, lower interest rates, reduced inflation, and robust corporate earnings, particularly in the banking and financial sectors. Despite strong domestic momentum, net foreign outflows of Rs. 38.6 billion were observed, largely due to selling in blue-chip companies. Key growth drivers included GDP growth of 4.5-5.0%, a rebound in tourism and remittances, declining Treasury bill yields that encouraged a shift from fixed income to equities, and credit rating upgrades by Fitch and Moody's following debt restructuring. Overall, the equity market's resilience underscored renewed investor confidence and positioned Sri Lanka as one of the regions's best performing markets in 2025.

At the end of 2025, the ETF Board maintained its equity investments at 2.39% of the total Investment Portfolio. The Colombo Stock Exchange recorded strong performance during the year, supported by the restoration of macroeconomic stability and improved business activity, with many listed companies declaring dividends. The Board's equity portfolio generated Rs. 3,978 million revenue from dividends and capital gains, reflecting a significant 63.9% growth when compared to ASPI growth of 41.9% over the year 2024. In addition, the portfolio appreciated by Rs. 3.08 billion, driven by the favorable performance of the ASPI at year-end. These results highlight the Board's prudent investment approach of managing diversified equity portfolio and the positive impact of stock market recovery during the year.

TOTAL INCOME ON EQUITY INVESTMENT



The Way Forward

Looking ahead, Sri Lanka's economic trajectory in 2025 is expected to be shaped by a combination of microeconomic resilience, macroeconomic stabilization, and fiscal reforms. The country is projected to benefit from ongoing debt restructuring, fiscal consolidation, and structural reforms, which aim to restore investor confidence and strengthen external balances. Growth prospects will be supported by the recovery of tourism, expansion in renewable energy and infrastructure, and gradual improvements in export performance. Consumer demand is expected to recover gradually, driven by rising incomes and enhanced productivity across key sectors.

Government efforts to mobilize revenue, manage expenditure prudently, and reinforce public financial governance will remain central to sustaining stability. Debt restructuring initiatives are expected to ease fiscal pressures, while targeted investments in infrastructure, social welfare, and green projects will support inclusive growth.

Considering the overall outlook, Sri Lanka faces both opportunities and challenges. External risks such as global market volatility coupled with middle-east tension, commodity price fluctuations, and climate-related disruptions will require vigilant policy responses. Nevertheless, with disciplined governance, sustainability focused investments, and a commitment to social welfare, Sri Lanka is positioned to advance toward resilient, inclusive, and sustainable economic development in 2025 and beyond.

In the years ahead, the Employees' Trust Fund Board will remain a pivotal force in advancing member welfare and financial security being a leading social security fund in Sri Lanka. The Board remains committed to prudent investment diversification across equities and fixed income securities, while continuous efforts to enhance efficiency, transparency, and member accessibility. Strategic emphasis will be placed to more focus on GSS+ instruments in the coming years, to supporting the global transition towards a greener economy. At the same time, the Board is well positioned to ensure sustainable value addition to stakeholders through robust investment strategies align with adequate risk monitoring and governance framework.

Contribution Collection and Employer Relations

The Contribution Collections and Employer Relations Division of the Employees' Trust Fund Board holds the responsibility for the tasks of collecting contribution payments due from employers properly and within the prescribed time frame, as well as for recovering surcharges imposed on delayed contribution payments. The Division effectively in liaison with the key stakeholders associated with this exercise, such as respective employers, banking institutions, and the Department of Posts, ensures that the contribution payments transmitted are correctly accounted for and reported.

In addition, it is this Division that deals with the tasks of identifying new employers and registering them under this Fund. In line with the existing system, employer accounts under the Employees' Trust Fund are processed based on information obtained through a simple application form, using the same employer number assigned by the Employees' Provident Fund Division of the Department of Labour under the provisions of the Employees' Provident Fund Act, No. 15 of 1958. As such, the Board does not get involved in the direct registration of employers. Apart from this, new employer accounts may also be processed based on information gathered from field inspections conducted by regional offices, as well as on requests made by employers.

This Division strives to carry out activities in raising awareness among employers, as well as promoting membership under the Employees' Trust Fund, targeting those engaged in self-employment and the migrant workers employed abroad.

Accordingly, the Contribution Collections and Employer Relations Division, in collaboration with the network of Regional Offices of the Fund, works toward achieving its set targets of performance.

	2021	2022	2023	2024	2025
Number of active employers	69,094	64,026	75,485	79,895	84,578
Number of active members	2,430,091	2,455,609	2,592,923	2,548,200	2,654,811
Number of members engaged in self-employment	41,517	41,113	43,640	44,494	45,404
Number of migrant worker members	228	241	274	291	328

Employers who are required to comply with the payment of contributions on behalf of their employees

Employees engaged in public sector and private sector occupations that do not entitle them to a permanent pension become members of the Fund based on a legal provision made in the Employees' Trust Fund Act, No. 46 of 1980, and in addition, the individuals employed in self-employment and migrant workers employed abroad may also apply voluntarily for membership in the Fund.

Accordingly, it is expected through this Fund to provide for retirement and other welfare benefits to all employees in Sri Lanka, encompassing everyone who is engaged in occupations that do not entitle them to a permanent pension. In this context, the employers are required to make contribution payments not only for their permanent staff, but also for those employed on a temporary and contractual basis, as well as workers who receive wages on a daily or piecemeal basis. However, according to statistics from the Department of Labour and the Central Bank of Sri Lanka, there exists a significant discrepancy between the number of reported employers and the employees serving under them, and the number of persons registered under this Fund. In order to minimize this imbalance, the Fund continues to obtain updated information from relevant institutions and goes on to conduct field inspections based on such information as part of its constant engagement to register all stakeholders.

The other supplementary benefits, in addition to the retirement benefits offered by the Board, are provided only to the members whose employers have consistently and properly made contribution payments to the Employees' Trust Fund without interruption. Therefore, our staff is on constant vigilance to monitor as to whether the employers are making such contribution payments regularly and without delay, so that members may rightfully receive such benefits.

The collection of contribution payments through the Regional Offices

All 19 Regional Offices established by the Employees' Trust Fund Board covering the areas across the entire country, for the purpose of identifying employers who are required to pay contribution payments to the Fund on behalf of their employees, and guiding them through in that direction accordingly as well ensuring compliance in making contribution payments by already registered employers, has conducted field inspections numbering 25,000 to 27,000 to monitor employers on an annual basis. Around 70% of these inspections are primarily targeted at institutions with reported payment delays. On average, field inspections make it possible to identify approximately 3,762 new employers each year.

During the year 2025, a total of 25,782 field inspections were carried out. As a result of these inspections, 16,648 employers were identified as not having made contribution payments to the Fund. Furthermore, based on the findings disclosed by way of field inspections, the number of new members registered with the Fund was 17,095.

Payment of contributions through the online method

In pursuance of the directives issued by the Minister of Finance, Economic Stabilization, and National Policies through the Gazette Extraordinary No. 2311/39 dated 22.12.2022 of the Democratic Socialist Republic of

Sri Lanka, institutions employing more than 15 employees are required, from the 1st of February 2023 onwards, to remit contribution payments to the Employees' Trust Fund electronically via a computer system or mobile electronic device.

Accordingly, 82.28% of the total contribution payments collected during the year 2025 were made through the online method, representing 19.34% of the total number of active employers. In accordance with the government's prevailing policy of the digital economy in force, employers have been asked to pay strict attention to complying with the directive for payment of contributions and submission of remittance notices online, and it is recommended that this method is more convenient and efficient, particularly because remittance notices and member information can be submitted simultaneously. In the circumstances, even institutions with fewer than 15 employees have the ability to remit contributions and submit remittance notices through this online method, and efforts have therefore been made to encourage them to do likewise.

As such, it is considered a matter of priority task to direct the employers who have not yet made contribution payments via this method to do so.

Facilities have been provided for employers to make contribution payments via the online method using the two alternatives as set out below.

1. **E-Banking / Online Banking**

   Facilities have been provided to pay contributions via electronic banking (E-Banking / Online Banking) through the following commercial banks, numbering nine:
   - Bank of Ceylon
   - Peoples Bank
   - Commercial Bank
   - Sampath Bank
   - Seylan Bank
   - Nations Trust Bank
   - DFCC Bank
   - Hatton National Bank
   - National Development Bank

2. **Direct Debits**

   Contribution payments through direct debits can be made via any of the commercial banks.

   In addition to the online method as stated above, contribution payments may also be made to the Head Office or Branch Offices through conventional means such as cheques, money orders, and cash. However, as part of the effort to implement the government's current policy of the digital economy, such traditional methods are being discouraged. Instead, using the online method to carry out remittances via the internet will prove to be a simpler, more convenient and efficient alternative.

Accordingly, the analysis of contribution collections made through both online and traditional methods is as follows:

#	Method of Payment	2024			2025			Growth		
		No. of Employers (Average)	Value (Rs. million)	%	No. of Employers (Average)	Value (Rs. million)	%	No. of Employers (Average)	Value (Rs. million)	%
Online Methods										
1	Online Banking Method	10,618	32,227	76.65%	11,535	37,280	71.16	917	5,053	15.68
2	Direct Debit Method	209	2,273	5.41%	198	2,470	5.11	(11)	197	8.67
	Total (1+2)	10,827	34,500	82.05%	11,733	39,750	82.28	906	5,250	15.22
Conventional Methods										
3	Cheques	39,074	7,051	16.77%	41,131	7,942	16.44	5,057	891	12.64
4	Money Orders	2,767	86	0.20%	3,015	106	0.22	248	20	23.26
5	Cash	4,128	409	0.97%	4,691	515	1.07	563	106	25.92
	Total (3+4+5)	45,969	7,546	17.95%	48,837	8,563	17.72	2,868	1,017	13.48
Full Total		**56,796**	**42,046**	**100.00%**	**60,570**	**48,313**	**100**	**3,774**	**6,267**	**14.91**

Member Service

The primary objective of the Employees' Trust Fund Board established under Act No. 46 of 1980 is to promote workers' rights, employee welfare, and worker participation in management, while also fostering the economic democracy of its members. The Member Service Division consists of seven sections, whose main functions include updating and maintaining member accounts, issuing annual account statements to members, and facilitating the provision of statutory benefits as well as non-statutory welfare benefits to members.

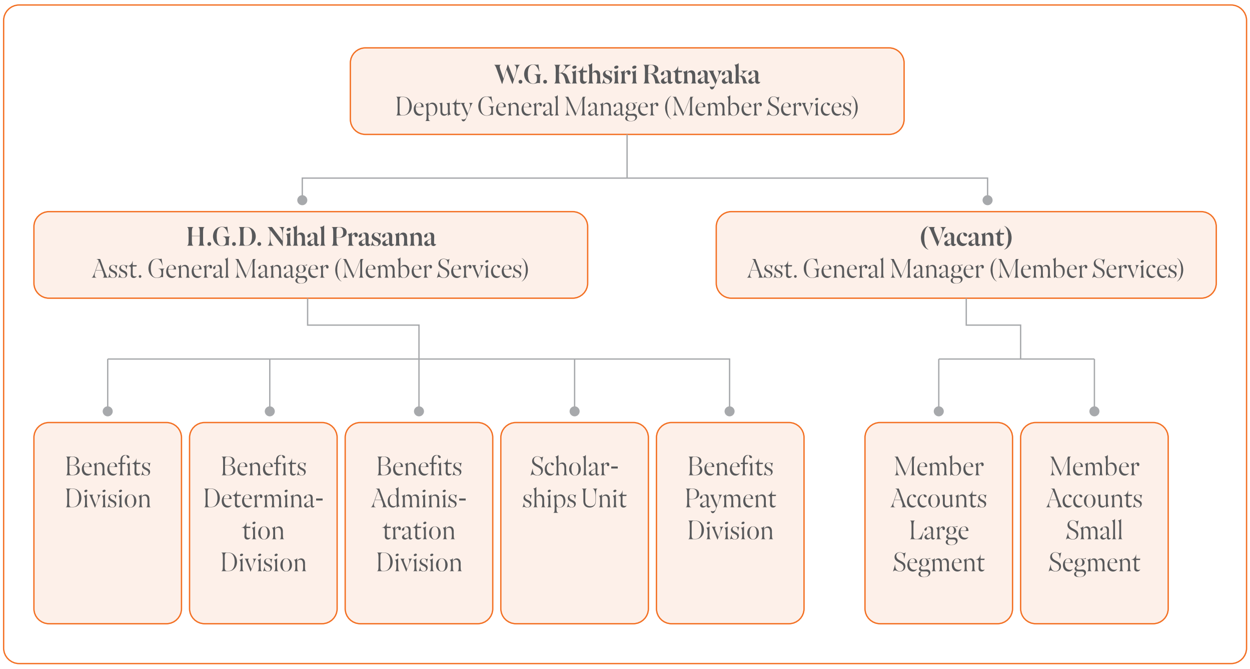


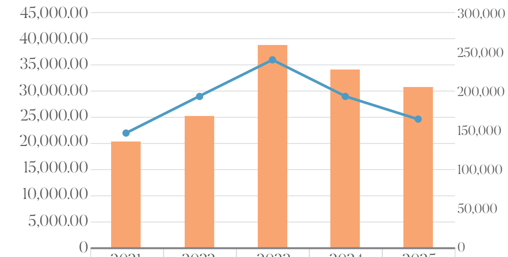
***Figure 1:** Organization Structure of Member Service Division*

Payment of Member Entitlements (Statutory Benefits)

Under the statutory benefits payment scheme, a member has the right to lay claim on the balance in his / her account upon termination of employment or upon reaching the age of 60, whose termination of employment becomes compulsory. In the event of the member's death, the account balance will be paid to the legal heirs, dependents, or nominees of the member.

In the year 2024, a total amount of Rs. 34 billion was paid on behalf of 195,896 members, whereas by the end of 2025, a total sum of Rs. 30.7 billion was paid in favor of 166,444 members. The quantitative reduction in members reclaiming their entitlements in 2025 could primarily be attributed to factors such as the stabilization of the economic situation prevailing in the country to a certain extent, the decline in the trend of employees migrating abroad, and the reopening of businesses that were previously closed due to the outburst of COVID-19 pandemic. This decrease, when compared with the year 2025, can be shown as a percentage of 15 %.

PAYMENT OF MEMBER ENTITLEMENT



	2021	2022	2023	2024	2025
Value (Mn.)	20,061.97	25,298.00	38,774.81	33,799.21	30,713.86
No of Members	149,019	195,212	240,888	195,896	166,444

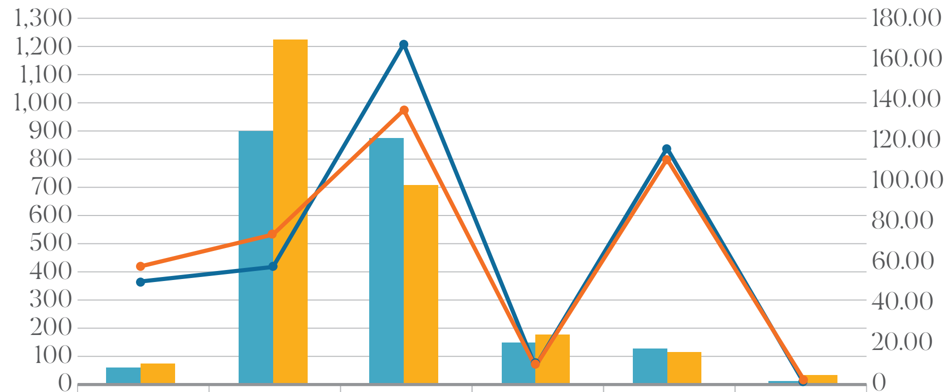
Value (Mn.) No of Members

Welfare Benefits (Non-statutory Benefits)

Among the key objectives for establishing the Employees' Trust Fund Board, the promotion of member welfare and the safeguarding of their economic democracy are accorded a priority place. Accordingly, since the introduction of the "Automatic Life Insurance Benefit (Death Benefit)" Scheme in 1986, up to the provision in 2024 of a financial grant amounting to Rs. 25,000.00 under the scheme named "Vishwa Yathra" for the sake of the children of our active members enrolling in a state university education, a total of 11 welfare benefits schemes have been set in motion to be on offer.

The Employees' Trust Fund Board, by providing medical assistance and awarding educational scholarships to the children of members with a view to securing their future goes nonstop beyond other welfare initiatives offered to members, such as housing loans at a concessionary interest rate without deducting any amount from the member account balances, and continues to being of service to its members as a steadfast pillar of support, ensuring protection and empowerment during the times of their need.

WELFARE BENEFITS



	I.O.L	Heart Surgery	Life Insurance	Permanent Disable	Shramasuwa Rakawarana	Kidney Transplant
2024 Amount LKR (Mn)	8.19	126.77	121.16	19.91	18.53	1.42
2025 Amount LKR (Mn)	9.68	168.59	98.38	24.15	16.90	6.46
2024 No of Claims	367	421	1223	81	835	6
2025 No of Claims	414	551	995	95	796	19

2024 Amount LKR (Mn) 2025 Amount LKR (Mn) 2024 No of Claims 2025 No of Claims

All these benefits are equally accessible to individuals engaged in self-employment and to migrant workers who have registered and obtained membership with the Fund. Although the cost of these welfare benefits is proportionally shared among all members, the capacity to offer protection to every member during their times of need has become a quiet yet profound source of pride for all stakeholders.

With the introduction of the welfare benefits, "Nipunatha Saviya" in 2023 and "Vishwa Yathra" in 2024, a new dimension was added to the welfare initiatives of the Board, thereby enhancing its portfolio of value-added services.

A financial grant of Rs. 50,000.00 is awarded to children who have sat for the Advanced Level Examination, encouraging them to pursue courses of study at National Vocational Qualification (NVQ) levels 3, 4, and 5, the initiative of which aims to equip them with the necessary skills and qualifications to enter both domestic and international job markets with pride and competence. By the end of 2025, a total amount of Rs. 437,800 has been paid under this benefit scheme for 12 children of Fund members.

In 2025, a financial benefit of Rs. 25,000.00 was provided to children of members who passed the Advanced Level Examination with distinction and gained admission to state universities. A total of Rs. 54,900,000 was paid on behalf of 2,196 such sons and daughters. The introduction of the "Vishwa Yathra" benefits scheme, which further expands member welfare benefits, can be recognized as a significant milestone in the evolution of the Fund's support initiatives.

Sustentation of the Member Accounts

According to the provisions of the Employees' Trust Fund Act, employers are required to remit to the Fund a monthly contribution equal to 3% of each employee's total monthly earnings. Those engaged in self-employment can obtain membership by contributing Rs. 500.00 per month, while migrant workers can do so by contributing Rs. 2,000.00 per month to the Fund.

In addition to the interest rate stipulated for the member balance by the Act, member accounts grow annually through dividend earnings declared on them. The process involving this task is managed by the Member Accounts - Large Segment for institutions with more than 15 members, and by the Member Accounts - Small Segment for institutions with fewer than 15 members.

As per Section 8 (a) of the Employees' Trust Fund Act, each active member is required to be notified of their individual account balance via an annual statement of accounts by the 30th of September of the following financial year. By the end of the year 2025, a total of 2,453,114 accounts out of 2,602,200 active member accounts were updated, and the relevant statements of accounts were dispatched to the respective employers. Additionally, out of approximately 15,440,000 inactive accounts, around 15,296,781 accounts have been updated.

Furthermore, the Fund has also taken a significant step towards broadening account accessibility for its members by enabling them to check their personal account balances via a short message service (SMS) through the electronic service (E-service) set in motion by the Board.

Human Resources and Management

Our Employees

At end of 2025,the ETF Board had 847 employees, a slight movement from the 2024 figure of 837 due to retirements and resignations.

Level	Job Grade	Male	Female	Total
Senior	GM	-	-	-
	Additional General Manager	-	-	-
	Deputy General Manager	6	-	6
	Assistant General Manager	4	1	5
	Manager	20	18	38
	Total	**30**	**19**	**49**
Tertiary	Junior Manager	33	28	61
	Assistant Officers (MA4)	71	109	180
	Total	**104**	**137**	**241**
Secondary	Management Assistant MA2-2	4	2	6
	Management Assistant MA1-2	165	262	427
	Total	**169**	**264**	**433**
Primary	Primary Level	111	13	124
	Total	**111**	**13**	**124**
Grand Total		**414**	**433**	**847**

Employees by Age

Employees by Age (As at 31.12.2025) Age Range (Years)		
21-25	0	0%
26-30	76	8.88%
31-35	124	14.65%
36-40	130	15.34%
41-45	147	17.35%
46-50	87	10.27%
51-55	142	16.76%
Above 55	141	16.65%
Total	**847**	**100%**

Employees by Job Grade

	Job Grade	Total	%
Senior	GM		
	Deputy General Manager	6	0.71%
	Assistant General Manager	5	0.59%
	Manager	38	4.49%
	Total	**49**	**5.79%**
Tertiary	Junior Manager	61	7.20%
	Management Assistant 4	180	21.25%
	Total	**241**	**28.45%**
Secondary	Management Assistant 2-2	6	0.71%
	Management Assistant 1-2	427	50.41%
	Total	**433**	**51.12%**
Primary	Primary Level	124	14.64%
	Total	**124**	**14.64%**
Grand Total		**847**	**100%**

Employees by Gender

The ETF Board male to female ratio of employees stood at 48.87% : 51.12% at the end of 2025.

Male	Female	Total
414	433	847
48.87 %	51.12%	100%

Employees by Location

Head Office	468
Branch	379
Total	847

Out of the 847 employees of the ETF Board, 468 are based at the Head Office and 379 are spread across the branch network.

Detail	Executive	Non-Executive	Total
Retirement	10	16	26

Employee Transfers

A few transfers took place during the year on requests made by employees for their convenience.

Salaries and Benefits

All employees of the Board are permanent. As employees of Board are eligible for a number of benefits in addition to their basic salary.

	2025 LKR'000	2024 LKR'000	Change %
Salaries	548,670	533,429	(2.86)
Cost of Living Allowance	183,295	163,397	(12.18)
Meal Allowance	11,829	11,941	0.93
Overtime	29,644	38,885	23.77
Holiday Pay	11,811	16,260	27.36
Total	**785,249**	**763,912**	**37.02**

Benefits

Employees of the ETF Board are eligible for a number of benefits that are granted to employees. These include basic salary-wise incentives, medical bill reimbursement facilities, annual bonuses, and a variety of loans, and compensations for permanent disability or death of person

	2025 LKR'000	2024 LKR'000	Change %
Incentive	131,853	141,870	7.06
Uniform and Tailoring Cost	28,904	24,616	(17.42)
Retirement Special Bonus	1,400	1,600	12.50
Tea and other Staff Welfare Expense	14,656	16,569	11.55
Encashment of Leave	19,502	19,489	(0.07)
Annual Bonus	85,470	78,113	(9.42)
Reimbursement of Medical Expense	127,434	116,584	(9.31)
Interest on Housing Loan	5,794	7,015	17.41
Interest cost	39,502	39,439	(0.16)
Current Service Cost	19,364	14,511	(33.44)
EPF	111,573	104,594	(6.67)
ETF	22,268	20,941	(6.34)
Telephone Bill Reimbursement	3,780	3,690	(2.44)
Total	**611,500**	**589,031**	**(3.81)**

Incentive

Incentives granted on a grade wise basis include the attendance and performance incentives which are paid on a monthly basis.

Medical Facilities

Medical facilities of ETF Board employees include:

- Annual OPD medical reimbursement of up to LKR 75,000.00 per employee.
- Annual hospitalization reimbursement upto LKR 125,000.00 per employee.

Compensations for Permanent Disability or Death of Employee

Incident	Grade/ Designation	Compensation Amount
Death of employee	Chairman/Working Director	1,500,000.00
	Higher Management(2-1), (1-3),(1-1)	1,450,000.00
	Middle Management(1-3)	1,350,000.00
	Junior Manager (1-1)	1,250,000.00
	Assistant Officer(4)	1,125,000.00
	Management Assistant(2-2), (1-2)	1,000,000.00
	Primary Level (1),(2),(3)	875,000.00

Incident	Grade/ Designation	Compensation Amount
Permanent Disability	Chairman/ Working Director	1,750,000.00
	Higher Management (2-1), (1-3),(1-1)	1,700,000.00
	Middle Management (1-3)	1,650,000.00
	Junior Manager (1-1)	1,500,000.00
	Management Assistant (4)	1,350,000.00
	Management Assistant (2-2),(1-2)	1,200,000.00
	Primary Level (1),(2),(3)	1,050,000.00

Annual Bonus

The annual bonus paid in the month of December is equivalent to the two months' basic salary

Loans

Special Loans

Loan Amount	LKR 100,000.00
Recovery Period	60 Installments
Interest	4.2% per annum

Vehicle Loans

Any employee can obtain one loan from the motor vehicle, three wheel and motor bike loan categories, along

Motor Vehicle	Loan Amount	LKR3,000,000.00 (All Staff)
	Recovery Period	15years
	Interest	4.2%perannum
Three wheel Loan	Loan Amount	LKR 1,250,000.00
	Recovery Period	15years
	Interest	4.2%perannum
Motor Bike Loan	Loan Amount	LKR500,000.00
	Recovery Period	10years
	Interest	4.2%perannum
Push Bicycle Loan	Loan Amount	LKR25,000.00
	Recovery Period	36 Installments
	Interest	4.2%perannum

Special Distress Loan

Maximum Loan Amount	Equalent to 12 months Salary
Recovery Period	120 installments
Interest	4.2 per annum

Housing loans

Maximum Loan Amount	LKR 3,000,000.00
Recovery Period	25years or completion of age 60
Interest	1st 2,000,000 for 4.2%per annum Balance 1,000,000 for 7.0% per annum

Information Technology

In 2025, the Information Technology (IT) Division of the Employees' Trust Fund Board (ETFB) further strengthened its role as a key enabler of organizational efficiency, financial accountability, and digital transformation. The Division focused on enhancing system reliability, reinforcing governance frameworks, improving infrastructure resilience, and advancing strategic digital initiatives in alignment with national policies.

Key Achievements and Operational Improvements

Sage Accpac System – Multi-Year Maintenance Agreement

ETFB entered into a three-year Annual Maintenance Contract (AMC) for the Sage Accpac Accounting System to ensure uninterrupted financial operations and the timely submission of statutory reports. This initiative enhances system stability, minimizes service disruptions, ensures cost predictability, and strengthens vendor accountability.

IBM System Support – Continuity and Risk Mitigation

The Division continued to maintain its IBM-based core production environment, ensuring operational continuity while strengthening support mechanisms to mitigate risks associated with legacy systems.

Migration to Lanka Government Cloud (LGC)

Key systems, including the Accpac system, E-Service platform, and the new Core System, were successfully migrated to the Lanka Government Cloud (LGC) environment hosted at SLT Data Centres.

IT Governance and Strategic Initiatives

Establishment of Digital Infrastructure Advisory Committee (EDIAC)

ETFB established the Digital Infrastructure Advisory Committee (EDIAC) to provide strategic and technical guidance on infrastructure modernization, cyber security, and regulatory compliance. The Committee comprises representatives from ETFB, the Ministry of Finance, Planning and Economic Development, and Sri Lanka CERT, ensuring alignment with national standards and best practices.

Core System Development – Progress and Way Forward

The new ETFB Core System has reached the pre-deployment stage. Functional and procedural gaps have been identified and are currently being addressed. Key upcoming activities include Operational Acceptance Testing (OAT), parallel run execution, implementation of change requests, and integration with the other system.

Project Management and Oversight

Dedicated project teams were established to manage day-to-day project activities, including workflow validation, stakeholder coordination, testing, issue tracking, and performance monitoring, ensuring effective delivery and governance.

Cybersecurity and Compliance

In line with the National Cyber Security Policy, ETFB continued to strengthen its cybersecurity posture. Specialized training programs were conducted for Information Security Officers (ISO) and Assistant Information Security Officers (AISO) to enhance internal capabilities and ensure compliance with national cybersecurity standards.

Capacity Building and Staff Development

The Division conducted continuous training and development programs to enhance the technical, operational, and cybersecurity competencies of IT staff, ensuring readiness to support evolving technological demands.

Future Outlook

Looking ahead, ETFB will continue to drive its digital transformation agenda through the full implementation of the Core System, ETFB is planning to onboard its systems to the National Cyber Security Operations Centre (NCSOC) to enhance centralized threat monitoring and incident response capabilities and Endpoint Detection and Response (EDR) solutions, adoption of IT Service Management (ITSM) frameworks, and ongoing infrastructure modernization guided by EDIAC recommendations.

Finance

Overview

The Finance Division of the Employees' Trust Fund Board (ETFB) is entrusted with safeguarding members' funds through sound financial administration, prudent fund management, and strict adherence to statutory and regulatory requirements. The Division plays a pivotal role in supporting the Board by ensuring accurate financial reporting, effective cash flow management, and the timely settlement of all financial obligations.

Organizational Structure

The Finance Division operates through four specialized functional units, each contributing to the effective discharge of ETFB's financial responsibilities:

- Revenue Unit
- Payments Unit
- General Ledger Unit
- Compliance & Corporate Reporting Unit

Together, these units ensure the integrity, transparency, and reliability of the Board's financial operations.

Operational Performance

Despite operational challenges arising from staff shortages, the Finance Division successfully continued to meet its core responsibilities during the year under review. All functions were carried out in compliance with Financial Regulations, Sri Lanka Financial Reporting Standards (SLFRS/LKAS), and applicable government circulars, thereby maintaining high standards of accountability and financial discipline.

Key Functions of the Finance Division

Preparation of Financial Accounts

The Division is responsible for the preparation of monthly and annual financial statements, ensuring that all financial transactions are accurately recorded and reported in accordance with statutory and regulatory requirements.

Annual Budget Management

It undertakes the formulation, monitoring, and management of the annual budget, including the forecasting of revenue and expenditure, to ensure optimal and efficient allocation of financial resources.

Payments Management

The Division manages and processes payments to staff and external stakeholders, including the settlement of government taxes, while ensuring full compliance with prevailing financial regulations.

Government Audit Coordination

It facilitates and coordinates government audits by providing timely and accurate financial information, ensuring compliance with audit requirements and recommendations.

Corporate Plan Contribution

The Finance Division contributes to the preparation of the Corporate Plan by providing financial insights and projections that support the organization's strategic direction and long-term objectives.

Management Information Reporting

It prepares comprehensive management information reports that provide timely insights into financial performance and support informed decision-making by senior management.

Achievements and Recognition

The ETFB Annual Report was submitted to the Annual Report Awards Competition 2024, organized by the Public Sector Wing of the Institute of Chartered Accountants of

Sri Lanka (CA Sri Lanka). The awards ceremony was held on 5 February 2026 at the Bandaranaike Memorial International Conference Hall (BMICH).

In a highly competitive environment comprising 260 public sector institutions, the ETFB achieved exceptional recognition for the seventh consecutive year, securing the following accolades:

- Overall Winner – Gold Award
- Gold Award under the Statutory Boards, Corporations, and Authorities category

Participating institutions represented a broad spectrum of the public sector, including Ministries, Departments, Provincial Councils, Universities, Municipal Councils, Urban Councils, Pradeshiya Sabhas, Foreign-Funded Projects, and Non-Commercial Statutory Boards and Funds.

These awards recognize ETFB's continued commitment to the highest standards of transparency, accountability, social responsibility, corporate governance, and excellence in corporate reporting and financial disclosure.

Legal

The Legal Division provides advisory and representational services for the Employees' Trust Fund Board's legal matters. Operating under the direct supervision of the Chairman/Chief Executive Officer, administered through the Deputy General Manager (Legal) and staffed by professionally qualified Legal Officers, ensuring the effective delivery of both advisory services and operational legal outputs.

The Legal Division represents the Board in judicial and quasi-judicial proceedings, ensuring that its legal position is effectively presented and safeguarded. This includes preparing pleadings, written submissions, affidavits, and other legal instruments, as well as coordinating litigation strategies. In this regard, the Division collaborates with the Attorney General's Department where necessary to ensure that the Board's position is consistently and professionally advanced before courts and tribunals.

In furtherance of the Board's statutory mandate, the Legal Division plays a critical role in enforcement and recovery actions against defaulting employers. Such proceedings adhere to the provisions of the Employees' Trust Fund Act, No. 46 of 1980, including Section 28 where applicable. To enhance efficiency, recovery activities are managed through decentralized regional offices, with Legal Officers overseeing statutory procedures and maintaining coordination with the central Legal Division to ensure consistency and the timely progression of cases.

The Division drafts and reviews legal instruments essential to the Board's operations, including agreements and Memoranda of Understanding, ensuring they are legally sound and aligned with institutional objectives. Furthermore, it provides ongoing guidance to both internal and external stakeholders. Through the conduct of legal awareness programmes and the issuance of compliance guidelines, the Division enhances institutional capacity, promotes adherence to statutory obligations, and minimizes procedural deficiencies, thereby strengthening overall effectiveness.

The Legal Division remains integral to the effective functioning of the Employees' Trust Fund Board. Through its comprehensive engagement in legal advisory, representation, enforcement support, documentation, and legal development, it ensures that the Board operates within a robust legal framework while safeguarding members' rights and promoting employer compliance with statutory obligations.

Internal Audit

Internal Audit is an independent, impartial and objective assurance and consulting function that exists to streamline the operations of the Employees' Trust Fund Board as a service to management. Its primary role is to evaluate and improve the effectiveness of risk management, control and governance processes through a systematic and disciplined approach to achieve the Board's objectives. Special attention is paid here to the proper collection of member contributions, expediting benefit payments, protecting assets and ensuring transparency in the investment process.

The internal audit division conducts continuous evaluations to confirm the strength of the Board's internal control system. It herein examines the accuracy of financial reporting, asset protection, compliance with statutory rules and regulations, and the effectiveness of controls to prevent fraud and corruption. In particular, the fact that the investment policies implemented for the purpose of safeguarding the members' funds and providing maximum benefits are carried out in accordance with the Board's approved procedures is primarily observed here.

The Internal Audit Division is directly responsible to the Audit Committee and administratively reports to the Chairman / General Manager to safeguard its independence. This division, which operates under the Deputy General Manager (Internal Audit) who acts as the head of the division, conducts audit inspections covering all the divisions and regional offices of the Board according to an annual audit plan, and makes the necessary recommendations to the management to overcome the weaknesses so identified.

Board of Directors

As at 31st December 2025

MR. SOMASIRI EKANAYAKE
Chairman/ Chief Executive Officer
Appointed by the Minister of Finance, Planning and Economic Development

Mr. Somasiri Ekanayake is a seasoned public sector professional with over two decades of experience in strategic planning, policy implementation, and national development initiatives. He currently serves as the Chairman of the Employees' Trust Fund Board. Throughout his career, Mr. Ekanayake has held significant roles in several government entities, including the Ministry of Buddhasasana, Religious and Cultural Affairs, where he served as Director of Planning and Director General of the Ranminithenna National Tele Cinema Park. He has also contributed to the Department of Project Monitoring and Management, the Office for National Unity and Reconciliation, the Ministry of Culture and National Heritage, the District Secretariat Matale, and the Department of Labour. Mr. Ekanayake holds a Bachelor of Arts degree from the University of Peradeniya, a Master's in Regional Development & Planning from the University of Colombo, and a Master of Arts in Mass Communication from the University of Sri Jayewardenepura. He has also received international training in governance, leadership, and policy-making. A visionary leader, Mr. Ekanayake is committed to fostering sustainable growth and national progress through innovative strategies and policy reforms.

MR. INDIKA BADDEVITHANA
Director
Appointed by the Minister of Finance, Planning and Economic Development

Mr. Indika Baddevithana is a seasoned tax administration professional with over 17 years of experience at the Inland Revenue Department, currently serving as a Senior Deputy Commissioner. His career spans various roles, including nearly eight years as an Inspector of Excise at the Department of Excise and a brief academic tenure as a Temporary Assistant Lecturer in Physics at the University of Kelaniya. With a strong foundation in tax policy, revenue administration, legal procedures, and office management, he has contributed significantly to the field of taxation and governance.

He holds a B.Sc. Special (Hons) in Physics from the University of Kelaniya, an LL.B. from the Open University of Sri Lanka, and a Postgraduate Diploma in ICT from the University of Colombo. His professional development includes international training on tax policy in India and e-government and change management in Malaysia. Additionally, he has received local training in legal case law, court procedures, and office administration. His expertise in tax compliance, revenue collection, and legal frameworks continues to support national financial administration.

Board of Directors

As at 31st December 2025

MR. S F H FERNANDO
Director
Appointed by the Minister of Finance, Planning and Economic Development

Mr. Susanta Fernando is an accomplished accountant by profession, having held numerous senior positions in both the private and public sectors in Sri Lanka, as well as overseas in the United Kingdom and Australia. He was the Founder Managing Director of Bartleet Finance Ltd., a publicly listed company, and served as a Board Member for several other companies within the Bartleet Group, including Bartleet Mallory Stockbrokers Ltd., Bartleet and Company Ltd., and Bartleet Transcapital Ltd. In addition to his contributions to the corporate sector, he has held key leadership roles in various national institutions. He served as the Chairman of the Sri Lanka Bureau of Foreign Employment (SLBF), the National Institute of Business Management (NIBM), and Jaya Container Terminals Ltd. under the Sri Lanka Ports Authority (SLPA). He was also a Director of the Sri Lanka Convention Bureau and an Advisor to the Minister of Tourism. His international experience includes serving as the Financial Controller of BDS Corporation in Australia and as the Group Accountant for the Ictrohating Group of Companies in the United Kingdom. Furthermore, he was a Member of the National Labour Advisory Committee (NLAC) and contributed to the sports sector as the President of the Kalutara District Cricket Association.

MR. ATHULA HARISCHANDRA
Director
Appointed by the Minister of Finance, Planning and Economic Development

Mr. Athula Harishchandra is an accomplished professional with extensive expertise in the Banking sector with a career spanning over 20 years, where he has demonstrated strong leadership in financial markets and enterprise risk management. Currently, Mr. Harishchandra serves as a Senior Manager in a reputed foreign bank in Sri Lanka.

He is an experienced professional with a strong background in financial markets, treasury risk, traded risk and operational risk management. He holds a Masters of Financial Economics (MFE) from the University of Colombo and a Bachelor of Arts (Honors) from the University of Peradeniya. Additionally, he has obtained professional qualifications, including the ACI Operations Certificate in Financial Market Operations (Fance), the KESDEE intermediate Certificate in Products & Market Risk (USA), and a Diploma in Database Management (CBSL).

Known for his analytical mindset and problem-solving abilities, Mr. Harishchandra is dedicated to driving organizational success while maintaining the highest standards of professionalism and ethics.

MR. K T I PREMARATNE
Director
Representative of General Treasury

Mr. Indika Premaratne is a senior public sector professional with extensive experience in macroeconomic planning, public investment, and external resource management. He currently serves as the Director of the Macro Economic Planning Division and the Industries, Trade, and Investment Division at the National Planning Department.

With over two decades in government service, Mr. Premaratne has held key positions in the Ministry of Finance and the Department of External Resources, where he played a key role in negotiating and mobilizing development funds from international partners. He has overseen major foreign-funded projects and provided strategic oversight for state-owned enterprises.

He holds a Master of Public Administration (Policy) from Flinders University, Australia, a Master of Arts in Economics from the University of Kelaniya, and a Postgraduate Diploma in Development Studies from IDE Advanced School, Japan. Additionally, he earned a Bachelor of Science (Hons) from the University of Kelaniya and has completed specialized training in project management, fiscal policy, and public financial management from institutions such as the IMF, ADB, and the Lee Kuan Yew School of Public Policy.

Mr. Premaratne has served on multiple boards, including the Central Cultural Fund. Before joining the public sector, he gained experience in the private sector as a Management Trainee/Production Executive at a reputed company.

A dedicated policymaker, he continues to contribute to Sri Lanka's economic and development planning through strategic public investment and financial governance.

MRS. K A P DE SILVA
Director
Appointed by the Ministry of Trade, Commerce, Food Security and Co-operative Development

Mrs. De Silva holds a Master of Economics from the University of Kelaniya & a Bachelor of Commerce degree from the University of Colombo and a Postgraduate Diploma in management from the University of Sri Jayewardenepura. She has a qualification (CPFA) from the Institute of Chartered Accountants of Sri Lanka. She is presently working as the Chief Financial officer of the Ministry of Trade, Commerce and Food Security & Function as the Chair of C.W.E Construction and Engineering (Pvt) Ltd. She worked as Chief Accountant of the Ministry of Foreign Affairs & Ministry of Economic Development - Department of Agriculture. Mrs. De Silva was the Deputy General Manager Finance of Paddy Marketing Board and the Deputy Secretary of the Public Service commission.

Board of Directors

As at 31st December 2025

MR. JUDE DINAL PEIRIS
Director
Representative of Employer's Federation of Ceylon

Mr. Dinal Peiris is a well experienced businessman involved with a wide range of companies, mostly in the manufacturing sector ranging from aluminium, steel, MDF boards, building materials, textiles and garments. He is an Engineer by profession, with an MBA from the London Business School and he is Chairman and Director of several public and private companies. Mr. Peiris has a keen interest on human resources and he also serves as a Council Member of The Employers' Federation of Ceylon.

MR. CHANNA DISSANAYAKE
Director
Representative of Trade Union

Mr. Channa Dissanayake is an experienced Bank Officer and a dedicated trade union leader, actively contributing to the rights and welfare of employees in the banking sector. He currently serves as the President of the Ceylon Bank Employees' Union, playing a key role in advocating for fair labor practices and employee benefits within the banking industry. Additionally, he holds the position of President of the UNI Sri Lanka License Council under UNI Global Union, where he represents Sri Lankan workers on an international platform, striving to uphold global labor standards and workers' rights. Channa Dissanayake is also a Member of the National Labour Advisory Council (NLAC), working alongside policymakers and stakeholders to shape labor policies and enhance working conditions across various industries. With his extensive experience in banking and labor relations, he remains committed to strengthening employee rights and fostering fair workplace environments in Sri Lanka.

MR . KANISHKA PREMASHANTHA
Director
Nominated by the Minister as a representative of Trade Union Under Section 5(1) (e) of the Act

Mr. Kanishka Premashantha holds a Bachelor of Science in Business Administration (Special) Degree from the Faculty of Management Studies and Commerce at the University of Sri Jayewardenepura. A dedicated advocate for labor rights, Mr. Kanishka currently serves as the Vice President of the Inter Company Employees' Union, the leading trade union in Sri Lanka committed to protecting workers' rights. His leadership and experience in labor movements extend beyond national boundaries, being affiliated with the World Federation of Trade Unions (WFTU) and having represented Sri Lanka at various regional and international forums. He has actively participated in key trade union conferences, Organized by the International Labour Organization (ILO) and All China Federation of Trade Unions (ACFTU) over the past two years.

Team Corporate **Management**

Higher Management

Mr. Somasiri Ekanayake
Chairman/
Chief Executive Officer

Mr. Somasiri Ekanayake is a seasoned public sector professional with over two decades of experience in strategic planning, policy implementation, and national development initiatives. He currently serves as the Chairman of the Employees' Trust Fund Board. Throughout his career, Mr. Ekanayake has held significant roles in several government entities, including the Ministry of Buddhasasana, Religious and Cultural Affairs, where he served as Director of Planning and Director General of the Ranminithenna National Tele Cinema Park. He has also contributed to the Department of Project Monitoring and Management, the Office for National Unity and Reconciliation, the Ministry of Culture and National Heritage, the District Secretariat Matale, and the Department of Labour. Mr. Ekanayake holds a Bachelor of Arts degree from the University of Peradeniya, a Master's in Regional Development & Planning from the University of Colombo, and a Master of Arts in Mass Communication from the University of Sri Jayewardenepura. He has also received international training in governance, leadership, and policy-making. A visionary leader, Mr. Ekanayake is committed to fostering sustainable growth and national progress through innovative strategies and policy reforms.

Deputy General Managers

Mr. K. S. Welivita
Deputy General Manager
(Internal Audit)
(Retired on 02/08/2025)

Mr. K. S. Welivita is the Deputy General Manager of Internal Audit. He holds a Bachelor of Science in Applied Accounting from the University of Sri Jayewardenepura. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka, the Institute of Association of Accounting Technicians, and the Institute of Public Financial Accountants of Sri Lanka. Additionally, he has earned a Master of Business Administration in Finance from the University of Sri Jayewardenepura and a Diploma in Information Systems Security and Control Audit from the Institute of Chartered Accountants of India. With over 30 years of experience in finance and auditing across both private and public sector organizations, Mr. Welivita is a very versatile executive in his chosen field.

Mr. M. A. K. Aluthgamage
Deputy General Manager
(Investment)

Mr. M. A. K. Aluthgamage currently serves as the Deputy General Manager (Investment). He holds a Bachelor of Commerce (Special) degree from the University of Sri Jayewardenepura and a Master of Business in Finance from the University of Kelaniya. Additionally, Mr. Aluthgamage is a member of the Association of Accounting Technicians of Sri Lanka, Institute of Credit Management of Sri Lanka and the Sri Lanka Institute of Management overseeing a pivotal area of the ETFB.

Mr. W. G. K. Ratnayake
Deputy General Manager
(Member Services)

Mr. W. G. K. Ratnayake, the Deputy General Manager (Member Services), holds a Bachelor of Science degree in Human Resource Management from the University of Sri Jayewardenepura. He is a fellow member of both the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. Besides, he has partly qualified in Stage II of the Chartered Institute of Management Accountants, UK adding good value to his position.

Deputy General Managers

Mr. H. M. A. Jayantha Kumara
Deputy General Manager (Legal)

Mr. H.M.A. Jayantha Kumara taking care of the legal matters involving the ETFB currently serves as the Deputy General Manager (Legal). He holds a Bachelor of Science degree (Honors) from the University of Peradeniya and a Master of Arts in International Relations from the University of Colombo. He has also earned an LLM from the General Sir John Kotelawala Defense University and an LLB degree from the Open University of Sri Lanka. Mr. Kumara is an Attorney-at-Law of the Supreme Court of Sri Lanka, a Notary Public, and a Commissioner for Oaths. He is also a Registered Company Secretary.

Mr. K. D. A. P. Karunartne
Deputy General Manager (Finance)

Mr. K. D. A. P. Karunartne serves as the Deputy General Manager (Finance) and holds esteemed academic and professional qualifications as being Fellow Member of the Institute of Chartered Accountants of Sri Lanka, showcasing his capacity and commitment to the field of finance and accounting. His membership underscores his dedication to maintaining high standards of professional competence and ethical conduct within the industry.

Mr. R.J.C.S. Sampath Gunawardena

Deputy General Manager (Administration and Human Resources)

Mr. R.J.C.S. Sampath Gunawardena serves as the Deputy General Manager of Administration and Human Resources. He holds a Diploma in Management and Development from the University of Peradeniya and Associate Member of CIPM. Additionally, he has earned a Bachelor of Labour Education from the University of Colombo. Mr. Gunawardena further advanced his education by obtaining a Master of Arts and a Master of Business Studies, both from the University of Kelaniya fitting well into one of the key areas of the entity he serves in.

Mr. S.P.R.D. Fernando

Deputy General Manager (Information Technology)

Mr. Pradeep Fernando currently serves as the Deputy General Manager – Information Technology, bringing over 19 years of experience in the IT industry. He holds a Bachelor of Science in Computer Science, specializing in Software Engineering, and a Master of Science in Information Security, both from the University of Colombo.

Throughout his career, Mr. Fernando has shown strong skills in managing large IT systems, leading digital transformation projects, and ensuring effective information security. His leadership and technical expertise have helped drive innovation, improve operations, and support the organization's overall goals.

Mr. H.G.D.N. Prasanna

Assistant General Manager (Member Services) and Attending to the Duties - Deputy General Manager (C&ER)

Mr. H.G.D. Nihal Prasanna serves as the Assistant General Manager (Member Services) with additional responsibilities attending to the duties on behalf of Deputy General Manager (C & ER). He holds a Bachelor of Science degree from the University of Ruhuna and a Master's degree in Public Management from the Sri Lanka Institute of Development Administration. In addition, he has completed a Professional Advancement (PA) program at the University of HUST in Wuhan, China. His academic and professional qualifications give him an added impetus to serve the ETFB with dedication.

Assistant General Managers

Mr. K.G.N. Ratnayake

Assistant General Manager
(Administration & Human Resources

Mr. K.G.N. Ratnayake very capably serves as the Assistant General Manager overseeing Administration & Human Resources. He holds a Bachelor of Commerce (Special) degree from the University of Kelaniya and is an Associate Member of the Chartered Institute of Personnel Management.

Mrs. P.L.L.C.P. Alwis

Assistant General Manager
(Enforcement Region III)

Mrs. P.L.L.C.P. Alwis serves as the Assistant General Manager (Enforcement Region III) with additional responsibilities covering duties on behalf of the Deputy General Manager (C & ER). She holds a Bachelor of Science degree with First Class honors from the University of Colombo, a Master of Science degree specializing in Biotechnology from the University of Peradeniya, and a Master of Public Management degree from the Sri Lanka Institute of Development Administration. Additionally, she possesses a Diploma in Applied Statistics from the Institute of Applied Statistics Sri Lanka (IASSL). Currently, Mrs. Alwis is pursuing an LLB degree at the Open University of Sri Lanka to add to her lineup of professional qualifications.Company Secretary.

Mr. Pushparanga Weerasekara

Assistant General Manager
(Information Technology)

Mr. Pushparanga Weerasekara with an array of qualifications to his name is currently serving as the Assistant General Manager (Information Technology). He holds a Bachelor of Engineering Technology Degree with a specialization in Computer Engineering from the Open University of Sri Lanka. Additionally, he has attained a Master's degree in Registered Engineering Computer Science from Staffordshire University, UK. Mr. Weerasekara is an Associate Member of the Institutions of Engineers, Sri Lanka (IESL) and a Member of the British Computer Society, UK (MBCS). He is also recognized as a Registered Engineering Practitioner by the Engineering Council of Sri Lanka (ECSL). Furthermore, he has completed a Diploma in Artificial Intelligence (AI) System programme and a Diploma in JAVA Programming Development.

Mr. Anura Wickramasekara

Assistant General Manager
(Contribution Collection and Surcharge)

Mr. Anura Wickramasekara serves as the Assistant General Manager – Contribution Collection and Surcharge. He holds a Bachelor of Science in Management (Public) Special Degree from the University of Sri Jayewardenepura and a Master of Business Studies (MBS) from the University of Colombo. He is also a Certified Business Accountant (CBA), accredited by the Institute of Chartered Accountants of Sri Lanka.

Mr. Wickramasekara joined the Employees' Trust Fund Board (ETFB) on 3rd December 2024

Mr. D.M.K.G.A. Dissanayake

Assistant General Manager
Enforcement – Zone 2(Acting)

Mr. D.M.K.G.A. Dassanayake Serves as the Assistant General Manager (Acting) – (Enforcement – Zone II). He holds a bachelors of Art Degree from the University of Peradeniya and a Master of Business Administration (MBA) from IIC University of Technology (IICUT) - Cambodia.

Mr. Dassanayake Joined the Employees' Trust Fund Board 01.11.1995.

Mr. M.A. Chandrasena

Assistant General Manager (Attend to the Duty)
(Enforcement Region 1) Collection & Employer Relation Division

Mr. M.A Chandrasena serves as the Assistant General Manager Enforcement Region 1 (Attend to the Duty). He holds a Bachelor of Art General Degree from the University of Sri Jayawardhanapura and a Master of Business Studies (MBS) from the University of NSBM Sri Lanka

Mr. M.A Chandrasena join the ETFB on 21.04.1997

Management Team

Corporate Office

Contribution Collection & Employer Relations

Mrs. K M D A U Gunawardena
Finance Manager (Con. Collection)

Mrs. A Vidanapathirana
Manager (Surcharge)

Mrs N C Epa
Finance Manager (Con. Collection)

Mr. A J R Anura
Manager (Self Employment)

Member Services

Mr. M I Raufdeen
Manager (Member Accounts-SPU)

Mrs. I Wijetunge
Manager (Member Accounts-SC)

Mrs. W R Nandaseeli
Manager (Claims Determination)

Mr. H K K P Pushpa Kumara
Manager (Claims)

Mrs. M. B. P. K. Manel
Manager (Member Service-LC) (Acting)

Investment

Mrs. N R N Fernando
Finance Manager (Finance)

Mrs. H M C Damayanthi
Finance Manager (Investment)

Mrs. W A A Hansamali
Manager (Investment)

Finance

Miss. M A V Kumudini
Finance Manager (Finance)

Internal Audit

Mr. D L C D Kumara
Manager (Internal Audit)

Administration & Human Resource

Mr. B Sarath
Manager (Admin & HR)
(Retired on 02.01.2026)

Mr. P.A Ajantha
Manager (Admin & HR) (Acting)

Mr. T H C Preethi Kumara
Manager (Productivity)

Information Technology

Mr. B D Waduge
Manager (Info. Technology)

Mr. A.M.D.L.De Silva
Manager (System Admin)

Legal

Mrs. S R S Punchihewa
Manager (Legal)

Mrs. S P Rajapakse
Manager (Legal)

Mrs. V.M.A. Jayana Jayalanka
Manager (Legal)

Regional Office

Mr. M A Chandrasena
Regional Manager (Col. 1-7)

Mr. K N Asoka
Regional Manager (Col. 8 – 15)

Mr. U H S Ranjith
Regional Manager (N' Eliya)

Mr. N K U K Nagasinghe
Regional Manager (Badulla)

Mrs. S A P C Wijeratne
Regional Manager (Kalutara)

Mr. D M K G A Dassanayake
Regional Manager (Kurunegala)

Mr. D K S S Dissanayake
Regional Manager (Hambantota)

Mr. E M S K Ekanayake
Regional Manager (Kandy)

Mrs. A K N Prasangani
Legal Manager (Kandy)

Mrs. S M Gunasinghe
Regional Manager (Kegalle)

Mrs. J.A.M.S.V. Silva
Regional Manager (Gampaha) (Acting)

Mrs. C Abeygunasekara
Regional Manager (Matara)

Mr. P Hettiarachchi
Regional Manager (A' pura)
Cover-up-duties

Mr. J Thamilalagan
Regional Manager (Jaffna)

Mr. A G G Gunendra
Regional Manager (Galle)

Mr. T Arudsthan
Regional Manager (Vauniya)

Mr D D Kularatne
Regional Manager (Ratnapura)

Ms. J C Jayasinghearachchi
Regional Manager (Ampara)

Mr. K.G.E.P. Premawardene
Regional Manager (Colombo District)
(Acting)

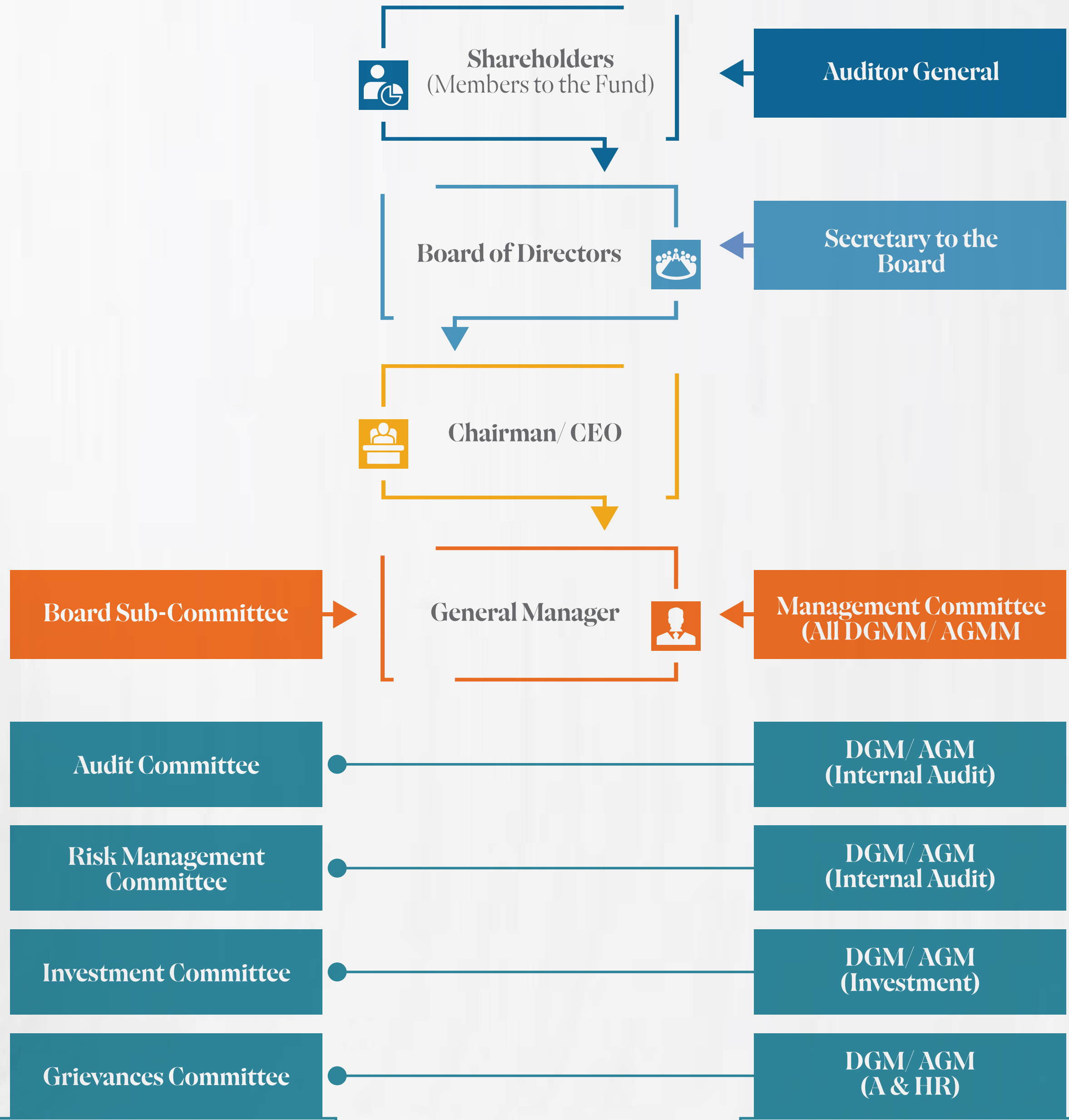
Corporate Governance

The Employees Trust Fund Board is a semi-government organization which considers good corporate governance as a key business imperative. The Board is committed to comply with all statutory and regulatory requirements across its business operations. The Board is guided by the key principles of transparency, reliability and compliance in directing the Board to achieve its governance objectives.

Corporate Governance Framework

The Governance Structure is graphically illustrated below:

The Board's corporate governance structure consists of multi-layer governance bodies with specific roles and responsibilities and clear reporting lines. The Board of Directors provides oversight and deliberates with the higher management about the Board's strategic direction, financial goals, resource allocation and risk appetite.



Board Sub-Committee

The Board Sub-Committes operate within specific responsiblities and clearly defind mandates. The committee chairpersons are responsible for the effective functioning of the committees and to make recommendations to the Board on the respective activities.

Management Committee

The management of operational decisions has been delegated to the senior management team led by the general manager. The management committee has been established to take day-to-day operational decisions and to make recommendation to the Chairman/ CEO.

The Board of Directors of the ETF Board holds apex responsibility for implementing sound governance structures and formulating policy frameworks, thereby effectively setting the tone at the top. Governance practices are reviewed and updated regularly to reflect regulatory changes, emerging risks and opportunities and internal changes.

The Board's Governance Framework has been developed to comply with several external and internal steering instruments, as listed below:

- ETF Act No. 46 of 1980
- Financial Regulations (Government)
- Public Enterprises Guidelines (Department of Public Enterprises)
- The Code of Best Practices (Department of Public Enterprises)
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka which seeks to address how corporates operate while fulfilling the rights of key stakeholder groups
- Sri Lanka Accounting and Auditing Standard Monitoring Board Act
- National procurement Guidelines
- Shop and Office Employees Act No. 19 of 1954 and amendments thereto addressing the rights and responsibilities of employees
- Acts, Circulars, Gazettes issued by the Taxation Authorities for collecting agents
- Relevant Government Circulars (Treasury, Ministry of public Administration)

1. The Board of Directors

1.1. The Board

The Board of Directors possesses a statutory responsibility in the stewardship of the funds on behalf of the Government and its stakeholders.

The Board strives to ensure that the Management of the ETFB maintains an effective system of internal controls that provides assurance on efficient operations and compliance with applicable laws and regulations.

1.1.1. Appointments to the Board

Directors are drawn from a wide cross-section of backgrounds. (Finance, Trade, Employers Federation, Trade union, etc.) to infuse greater diversity. This enables them to provide an independent view relating to matters discussed at the Board meetings. The Board shall consist of the following nine members:

- Four members nominated by the Minister
- One member nominated by the Minister in charge of the subject of Finance
- One member nominated by the Minister in charge of the subject of Trade
- One member nominated by the Employers Federation of Ceylon
- Two members nominated by the Minister in consultation with the executive of every trade union having more than 100,000

1.1.2 Board Responsibilities

The Board should exercise its mandated rights and responsibilities with integrity and in good faith as the custodian of public resources. The Board should at all times be conscious of its onerous responsibilities, as the outcome of any decisions and actions carried out without proper planning will ultimately be borne by the public at large. Matters and issues that should be addressed at Board Meetings:-

- Policy Formulation.
- Monitoring and evaluation of performance of the fund.
- Monitoring and evaluation of performance against objectives of subsidiaries/associates and other investments whilst ensuring adequate internal controls with the highest ethical standards.
- Annual Performance Review
- Working Capital management
- Analysis of Quarterly, Half Yearly and Annual Performance Reports and taking pro-active action

Name	No of Meetings Attended	No of Meetings Held During the Year 2025
Mr. Somasiri Ekanayake (Chairman / CEO)	15	15
Mr. K T I Premaratne (Treasury Representative)	15	15
Mr. Indika Baddevithana	12	15
Mrs.K.A.P.De Silva	14	15
Mr. C S Dissanayaka	13	15
Mr.S.F.H.Fernando	12	15
Mr. Jude Dinal Peiris	7	15
Mr. Athula Harischandra	12	15
Mr. K N Premashantha	13	15

1.1.3. Board Secretary

All members of the Board have access to the advice and services of the professionally qualified Board Secretary who is responsible to the Board for advising the Board on compliance with Board procedures, the law and relevant rules and regulations, and for ensuring that reliable and relevant information is provided to the Board in a timely manner. The Secretary ensures that procedures governing Board Meetings are followed and Board Papers are circulated in a timely manner for the effective functioning of the Board.

1.1.4. Role of the Board Secretary

The Board Secretary must ensure thatthe standard Board procedures are followed while providing guidance on legal requirements regarding Board proceedings. In addition, the Secretary's duties involve: -

- Circulating notice of Board meetings, Minutes of meetings, Board Papers together with other relevant documents
- Follow up actions on Board decisions
- Assist Board members by providing both internal and external information

1.1.5. Board Balance

The members of the Board possess the required expertise, skills and experience to effectively manage and direct the institution towards the highest standards of good governance and attain the organizational goals. They are persons with vision, leadership qualities, proven competence and integrity. The individual profiles of the members of the Board are given in Page No. 320 of this Report.

1.1.6. Adequate time for effective Board meeting

The Board usually meets at monthly intervals. The average time spent for a board meeting is around 3 hours. Board Papers are generally circulated not less than 3 working days prior to the meeting to ensure that the Board members have adequate time to peruse and study the Board Papers.

1.2 Chairman/Chief Executive Officer

The Chairman/Chief Executive Officer will be the important link in the entire governance structure who is responsible to lead the team and the Board towards its strategic direction.

He is responsible for implementation of the policies related to core activities and preparation of plans and programs, to achieve predetermined targets.

1.2.1 Appointments of the Chairman

The Chairman of the Board shall be the Chief Executive of the Board. The Chairman is appointed by the Minister.

1.2.2 Responsibilities of the Chairman

The Chairman/Chief Executive Officer serves as the important link in the entire governance structure to lead the entire team and the Board towards the right strategic direction. He is responsible for implementation of the policies related to core activities and preparation of strategic plans and initiatives to achieve pre-determined objectives.

1.2.3 Strategic and Operational Balance

Appropriate balance of power is ensured through clarity in roles and effective segregation of responsibilities.

The role of Chairman is separate from that of the General Manager; the Chairman is an Executive Director and provides leadership to the Board while the General Manager provides operational leadership and does not hold a Board position.

The major role/responsibilities of the Chairman and General Manager are given below:

Chairman

Overall strategic vision to the Board

Setting the strategic tone at the top

Ensure the board effectiveness to all strategic directors

Facilitating effective participation of all Board members

Maintaining effective communication with all the stakeholders including Government of Sri Lanka

Ensuring that adequate information is available to all Directors

Setting the ethical tone across the board.

General Manager

Execution of the strategic vision by setting up the objectives to achieve the vision.

Achieve the performance goals stipulated at the corporate plan.

Regular monitoring of targets and notify to the board of its achievements.

Ensuring that the Board operates within the approved risk appetite and robust internal control.

Provides operational leadership to the senior management.

Audit Committee Report 2025

Charter of the Committee

As a Board sub-committee, the Audit Committee assists the Board of Directors in fulfilling its responsibilities by executing responsibilities in financial reporting, internal controls, internal audit etc,

Composition and Meetings

The Audit Committee comprised three non-executive directors.

Name	Position	No. of meetings attended
Mr. K.T.I. Premaratne	Chairman of the committee	2/2
Mr. K.N. Premashantha	Member of the Committee	1/2
Ms. K.A.P.De.Silva	Member of the Committee	2/2
Mr.K.S.Welivita	Secretary to the Committee	

Functions of the Audit Committee

Key Functions of the Committee are;

- Review the adequacy and effectiveness of internal control systems, financial reporting processes in place, compliance with relevant Accounting Standards, and applicable regulatory requirements.
- Review significant estimates and judgments made by the management.
- Make necessary recommendations to the Board of Directors.

Internal Audit

The Internal Audit function of the Board is headed by the Deputy General Manager (Internal Audit). The Audit Committee reviewed the findings of the internal audit and recommendations together with the management responses and regularly followed up on the progress of the implementation of such recommendations in order to enhance the overall control mechanism.

External Audit

The Audit Committee reviewed and discussed the reports of the Auditor General with due consideration.

Key Focus Areas

During the year Audit Committee has considered unallocated receipts, the Board of Survey, Outstanding money orders, the progress of amendments to the Act, Nawam Mawatha car park income, financial reporting process, contribution and surcharge collections through courts, Educational Grants to employees, Vanik and Elkaduwa Investments and audited Ratnapura Regional Office Enforcement files etc.

Reporting

The minutes of the Committee meetings and recommendations were tabled at Board meetings, and Manager, Internal Audit provided verbal deliberations.

Conclusion

During the year committee has significantly considered the matters and audit observations tabled to the committee meetings, made necessary recommendations to the Board of Directors, and provided necessary guidance to the senior management. The Audit Committee is of the view that adequate measures are in place to ensure that investments are safeguarded to ensure that the financial position and the results disclosed in the Financial Statements are free from any material misstatements.

On behalf of the Audit Committee

(Sgd.)
K.T.I. Premaratne
Chairman
Audit Committee

Management Risk Committee Report

Purpose

Enterprise Risk Management (ERM) is designed to identify, assess, and manage risk inherent in our business environment. This approach enables us to predict potential unfavorable situations and respond proactively. Our risk management practices as an integral part of achieving strategic objectives and protecting the interests of stakeholders.

Risk Governance

The Board of Directors is responsible for the risk management process with the assistance of the Audit Committee and Management Risk Committee.management process and is assisted by the Audit Committee and Management Risk Committee who have oversight responsibility for the same.

Principal Risks

Risk	Mitigation Strategies
Credit Risk **Ensures when an employer is unable to meet his member contribution obligations**	• Regular region vice review • Monthly Installment payment plans • Active enforcement activities through the regional office network
Legal and Regulatory Risk **Arising from non-conformance with statutory and regulatory requirements**	• keep abreast of all policy changes, laws, and regulation changes • enhance regulatory awareness and dynamic discussions
Investment Risks **Refers to the risk of potential loss or underperformance of an investment.**	• Regular investment committee meetings • Mark-to-market revaluations of equity portfolios • Investment policy reviews and compliance. • Regular review by the Board of Directors

Risk	Mitigation Strategies
Interest rate risks **Risk that changes in interest rates will impact the value of financial instruments.**	• Regular economic review. • Valuations as per SLFRS. • Application of scientific forecasting methods.
Human Risks **Risk of inability to attract and retain skilled staff at senior and middle management levels.**	• Succession planning • Skills upgrading programs. • Measures taken to minimize labor turnover. • Regular discussions with line ministry. • Staff welfare programs • Cultural enhancements
Operational Risks **Risk of loss resulting from inadequate or failed internal processes, systems, people, or external events.**	• Improvements of supervision over processes. • Regular review of internal controls • Use of computer programs instead of manual work. • Audit and Assurance
Technology risk **Risk relates to the potential for information technology failures, breakdowns, halts, and herald lack of recovery.**	• Proper maintenance of backups. • System security enhancements. • Upgrade existing programs • Data cleansing
Cyber security risk **Risk refers to potential financial losses, disruption of operations, reputational damages due to failure in information technology systems, or cyber attacks.**	• Use of VPN • Enhanced system security and Firewall. • Expert consultations • Corporate awareness programs.

Conclusion

The MRC ensures that an adequate risk management framework is in place to identify, manage, and mitigate potential risks.

(Sgd.)
D.C.L.D. Kumara
Manager (Internal Audit)
Risk Management Coordinator

Investment Committee Report

The investment committee of the Board is established to guide and advice investment division in achieving Board's primary investment objectives of Safety, Liquidity and Return as provided in the Investment Policy. Further, the investment committee is supposed to assist the Board in monitoring effectiveness of the investments made in various products within the asset allocation guidelines and governance framework of the investment policy. The committee meets at least once in the month to recommend risk appetite investment (share purchase plan, debentures etc.) and to review the performance of fixed income securities and e quity investments.

Composition

The composition of the investment committee during the year is given below.

Name	Designation
Mr. Athula Harischandra	Director
Mr. Indika Baddevithana*	Director
Mrs K V C Dilrukshi	Treasury Representative
Mr. R. K. Jayalath**	General Manager (Acting)
Mr. M. A. K. Aluthgamage	Deputy General Manager (Investment)
Mr. K. D.A. P. Karunaratne	Deputy General Manager (Finance)
Mr. K.S. Welivita***	Deputy General Manager (Internal Audit)

Name	No. of meetings attended
Mr. Athula Harischandra	11/12
Mr. Indika Baddevithana*	09/12
Mrs. K. V. C. Dilrukshi	11/12
Mr. R. K. Jayalath**	03/12
Mr. M. A. K. Aluthgamage	12/12
Mr. K. D.A. P. Karunaratne	10/12
Mr. K.S. Welivita***	00/12

*Both virtual and physical

**Resignation for the post of General Manager (Acting) in July 2025

*** Retired from the Board in August 2025

Management Committee Report

Composition

The members of the committee during the year under review were as follows;

Chairman, General Manager and Senior Management

The responsibility of Managing operations of the Board is under the control of the Chairman and the Senior Management. They are responsible for the effective implementation of decisions taken by the Board of Directors. The Chairman and the Senior Management team provide information and necessary clarifications to the Board in making well considered decisions. They devise operational plans and budgets and uphold systems, procedures and controls towards efficient management of the fund while accomplishing the Board's Goals and Objectives.

The Management Committee therefore is an integral element in Board for periodic progress examination. This committee is bound to focus upon:

- Board decisions at preceding meetings that have still not been executed.
- Identifying performance gaps in targets and identify rationale for deviations with remedial action that needs to be implemented.
- Critical evaluation of cash flows and projected requirements for the quarter ahead
- Debt/cash management
- Follow up on procurement setbacks (if any) to prevent emergency purchases
- Ensuring payment of statutory dues such as EPF, ETF and taxes Required technology upgrades, with justifications to assist decision making of the Board
- Feedback on customer satisfaction/dissatisfaction including complaints in the media and recommend remedial measures for improvement /rectification
- Any new proposals to be incorporated in the revised Corporate Plan
- All matter relating to administration and establishment
- Any other day-to-day operational issues.

Risk Management

Background

ETFB as a well-governed statutory board, looks at risk as an opportunity to exercise authority by being in charge of exposure; and at risk control as an ongoing process starting with definition of business objectives, followed by policies on exposures which could, should or should not be assumed; identification and assessment of risk factors, as well as elaboration of ways and means for the management of risks associated with its activities.Every organization faces risks that present threats to its success.

Shocks or natural events, pandemic crisis, ESG issues have the potential to adversely affect the national, or even the global, economy. The COVID- 19 pandemic brought about huge upheaval and uncertainty with ramifications across all industries.

Technology has become an integral part of our lives. The development of new technology is behind of the increases in productivity that create economic growth.

However, disruptive innovations such as 'Fintech' and 'Regtech', Cryptoassets, Financial Crime, Cyber security, Data Security etc, are emerging considerations for risk management process.

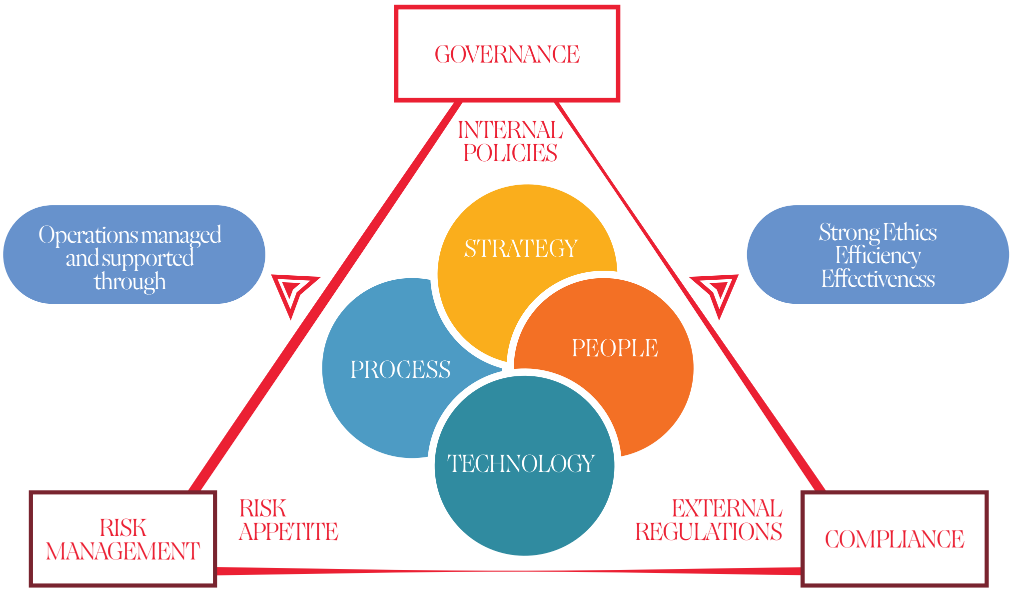
Road to Effective Principles

Governance, risk and compliance or GRC, is an increasingly recognized term that reflects a new way in which enterprises today are adopting an integrated approach to these aspects of their businesses. GRC is a paradigm to help grow ETFB in the in the best possible way.

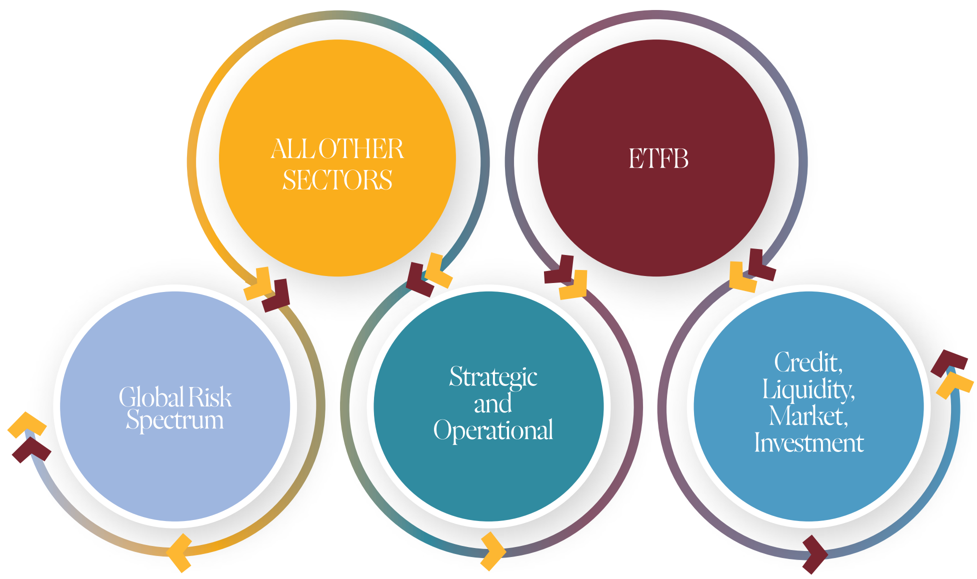
Risk Governance

The Board of Directors delegates the management of risk to the Board Risk Management Committee (RMC). The RMC is responsible for independently reviewing the identification, measurement, monitoring and controlling of all types of risks.

Moreover, RMC recommends to the Board of Directors an amount at risk that it is prudent for approval in line with the firm's business strategies. To ensure that risks are understood and manage, ETFB has adopted the three lines of defense model which plays an important role in the analysis, measurement and management of risk.



Risk **Comparison**



Internal Risk Drivers	Risk Factors	Mitigation Strategy
Strategic Risk	The current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment.	With compliance to the respective guidelines and circulars, in advance preparation of Corporate Plan and Action Plan for the whole organization and continuous monitoring of variances, internal and external Strategic Risk is being mitigated.
Operational Risk	The risk of loss resulting from inadequate or failed internal process, people and systems or from external events.	By application of controls, insurance, system audits and regular IT system updates, Business Continuity planning (BCP) and Disaster recovery (DP) procedures, information and cyber security , physical security, Risk awareness training, etc consequential risks of Operational Risk is being mitigated.
Credit Risk	The risk of loss caused by the counterparty or issuer to meet its obligations.	By signing agreements, maintain and monitoring of credit limits and getting sureties, Credit Risk has been mitigated.
Market Risk	One of the major aim of ETFB is the generation of returns through investment in local financial market thus its nature, is based on price uncertainty and losses will be arisen from changes in the value of financial instruments.	By considering the volatility risk, market liquidity risk, interest rate risk and equity price risk, market risk has been mitigated through applying cutting-edge investment methods and tools.
Investment Risk	Investment is the decision to forgo the use of current resources, in the belief that they can instead be used to create future benefits which are greater than their current value. Investment risk is the risk that these future benefits do not materialized or are less than required.	By considering the concept of responsible investment (RI) through ESG factors, investment risk mitigation has been done through adherence to investment policy and
Liquidity Risk	The liquidity of ETF B depends on, among other things, its immediate need of cash for member claims payment, how much cash it currently has, and how easily it can transform its investment assets into cash	By construction of maturity ladder, analysis of actual and contractual cash receipts, invest in liquid assets such as repo, diversified marketable stock market investments, liquidity risk has been mitigated

Operational Risk Management

Having identified, categorized under the operational risk causes: process, people, systems and external events, and then assessed the various operational risks facing the ETFB, and having then ranked the risks to decide the priority order to mitigate consequential risks of operational risk, a risk register has been constructed.

Division/Section/ Committee				MRC – 2nd Line of Defense						2025
	Key Risk Area (KRA)	Activity or particular of risk	Risk Owner	Impact / Severity of Risk: Low	Impact / Severity of Risk: Medium	Impact / Severity of Risk: High	Probability of occurrence/ Likelihood: Low	Probability of occurrence/ Likelihood: Medium	Probability of occurrence/ Likelihood: High	Strategy to mitigate risk
1	Member Accounts updating	Fraud risk	DGM MS			×	×			Segregation of duties through IT system controls
2	Password Control	Misappropriation of MASS passwords and options – Fraud risk	DGM-IT			×			×	i. Maintenance of IT database ii. More complex passwords
3	IT Policy	Operational risk	DGM-IT			×			×	i. Preparation of comprehensive IT policy ii. IT system audit
4	Changes to Member master file data	Fraud risk	DGM MS			×	×			i. Limited authorization to member master file data changes and overriding facility
5	Claims Process- slip payments	Fraud risk	DGM-MS			×	×			Integration of member National ID/Passport number of MASS to bank slip payments system
6	Claims process- Work Sheet preparation	Fraud risk	DGM-IT			×	×			IT system control over data entry to worksheets
7	Unallocated receipts	Fraud risk	DGM-MS			×			×	IT system control over unallocated receipts.
8	Member Accounts without Member Name and ID	Fraud risk	DGM-MS			×			×	i. Block of migrated accounts ii. Block accounts before 2015 iii. Update 2015 onwards accounts and submit progress to the committee
9	MASS System access log maintenance	Fraud risk	DGM-IT			×	×			Extend backups up to 3 years
10	Deletion of previous NIC when entering new NIC	i. Fraud risk ii. Dual payment risk iii. Loss of data	DGM-IT			×	×			Intrusion detection
11	Nawam Mawatha Car Park Income	i. Loss of income ii. Credit risk /Default Risk iii. Fraud risk iv. Compensation risk	DGM A&HR			×	×			i,ii,iii. Proper supervision and debt management iv. Valid and binding bilateral agreements
12	Nuwara eliya regional office - enforcement files	i. Compliance risk ii. Fraud risk iii. Legal risk iv. Loss of income	Act. DGM C&ER			×	×			i. Proper supervision and escalation process

	Division/Section/ Committee			MRC – 2nd Line of Defense						2025
	Key Risk Area (KRA)	Activity or particular of risk	Risk Owner	Impact / Severity of Risk			Probability of occurrence/ Likelihood			Strategy to mitigate risk
				Low	Medium	High	Low	Medium	High	
13	Inventory Management	i. Misappropriation of assets ii. Loss of assets	DGM-F			×	×			i. Board of survey ii. Master Inventory
14	Paid but shown as unpaid Member Accounts In the MASS	Fraud risk	DGM-MS DGM-IT			×	×			i. Identify and block all duplicated member accounts
15	Dummy Employer Accounts	Fraud risk	Act DGM C&ER DGM MS AGM-IT			×	×			Permanent Employer Accounts
16	Self-member claims – Migrant workers (manual claims)	Duel payments/ Fraudulent payments	Act DGM C&ER DGM-IT		×		×			Claims process through MASS
17	Motor vehicle insurance	Vehicle Accidents/ Thefts/Losses	DGM A&HR			×	×			Insurance at prevailing market value
18	i. Self Benefit Claims payment manually ii. Self-member claims paid before 2017 manually	Duel payments/ Fraudulent payments	Act.DGM C&ER DGM-IT			×	×			Claims process through MASS
19	Entering to the Agreements for Rent/Lease of Premises	Operational risk	DGM Legal DGM A&HR			×	×			Entering to valid and binding agreements
20	Fixed Asset Management	Asset Misplacements/ Losses	DGM-F		×		×			Accurate annual B.O.S IT asset register in IT Division Timely disposal
21	Cheque/ Cash deposits in Regional Offices	Theft/ Losses/ Delays	DGM C&ER		×			×		Proper supervision and record maintenance

Conclusion

Having gained an understanding of the broad spectrum of risks to which ETFB is potentially exposed, and the underlying drivers of each type, ETFB addressed the various ways in which the actual risks it faces can be managed. A risk register of risk types was compiled and used so that the risks and the associated mitigating actions and controls have been understood, owned and monitored.

Financial Information

	Note	Group		ETFB	
		31st December 2025	31st December 2024	31st December 2025	31st December 2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total Income					
Interest Income	4	69,064,442	62,194,449	68,766,748	61,819,095
Net Trading Income	5	507,665	1,275,472	-	-
Dividend Income	6	1,237,618	1,494,462	1,237,618	1,494,462
Gain/(Loss) on Financial Assets at Fair Value through Profit /(Loss)	7	649,310	2,040,218	649,310	2,040,218
Other Income	8	648,305	670,069	623,923	634,132
		72,107,340	**67,674,670**	**71,277,599**	**65,987,907**
Total Expenses					
Personal Expenses	9	1,744,117	1,766,683	1,453,476	1,400,616
Administrative Expenses	10	387,983	397,739	328,918	325,385
Financial Expenses	11	6,961	4,614	4,373	4,336
Member Expenses	12	560,803	597,330	555,734	591,126
Depreciation & Amortization	13	70,087	78,088	46,645	46,129
Interest Paid to members on Current Year		399,395	448,625	399,395	448,625
Impairment Charge/(Reversal)	14	(21,065)	(4,910)	(21,065)	(4,910)
Other Expenses	15	167,871	216,672	-	-
		3,316,151	**3,504,841**	**2,767,476**	**2,811,307**
Profit Before Tax		**68,791,189**	**64,169,829**	**68,510,122**	**63,176,600**
Income Tax Expenses	16	(9,701,792)	(8,969,846)	(9,611,094)	(8,678,062)
Profit for the Year		59,089,397	55,199,983	58,899,028	54,498,538
Profit Attributable to:					
Equity Holders of the Company		59,070,360	55,129,839	58,899,028	54,498,538
Non-Controlling Interest		19,037	70,144	-	-
Profit for the Year		**59,089,397**	**55,199,983**	**58,899,028**	**54,498,538**

	Note	Group		ETFB	
		31st December 2025	31st December 2024	31st December 2025	31st December 2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Items that are or may be Reclassified to Statement of Comprehensive Income					
Transfer to Fair Value Through Other Comprehensive Reserve (Shares)		2,552,068	3,922,880	2,552,068	3,922,880
Transfer to Fair Value Through Other Comprehensive Reserve (Units)		36,847	32,557	36,847	32,557
Items that will not be Reclassified to Statement of Comprehensive Income					
Actuarial Gain /(Loss) on Retirement Benefit Obligation		(50,554)	(79,318)	(50,554)	(79,318)
Total Other Comprehensive Income for the Year Net of Tax		2,538,362	3,876,120	2,538,362	3,876,120
Total Comprehensive Income for the Year Net of Tax		**61,627,758**	**59,076,103**	**61,437,390**	**58,374,658**
Total Comprehensive Income Attributable to					
Equity Holders of the Company		61,608,721	59,005,958	61,437,390	58,374,658
Non-Controlling Interest		19,037	70,144	-	-
Total Comprehensive Income for the Year Net of Tax		**61,627,758**	**59,076,103**	**61,437,390**	**58,374,658**
Retained Profit B/F		7,280,822	6,773,322	5,312,707	4,900,692
Net Gain / (Loss) on Financial Assets Designated Under FVTOCI		2,172,061	215,280	2,172,061	215,280
Transfer to Dividend Equalization Reserve Fund		(5,843,836)	(3,000,000)	(5,843,836)	(3,000,000)
Profit Available for Appropriation		59,089,397	55,199,983	58,899,028	54,498,538
Total Profit Available for Appropriation		**62,698,443**	**59,188,585**	**60,539,960**	**56,614,510**
Less: Proposed Apportionment - Dividend Paid 6.5% (2024 - 7%)		(37,839,476)	(35,911,278)	(37,839,476)	(35,911,278)
Less: Interest Expense - 3%		(17,464,353)	(15,390,525)	(17,464,353)	(15,390,525)
Less: Dividend - Lanka Salt		(315,788)	(535,815)	-	-
Less: Non-Controlling Interest		(19,037)	(70,144)	-	-
Profit After Appropriation		**7,059,789**	**7,280,822**	**5,236,130**	**5,312,707**

STATEMENT OF FINANCIAL POSITION
As at 31st December, 2025

	Note	Group		ETFB	
		31st December 2025	31st December 2024	31st December 2025	31st December 2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and Cash Equivalent		951,800	1,258,454	661,831	794,613
Financial Assets at Fair Value Through Profit and Loss	17	2,936,878	2,646,191	2,936,878	2,646,191
Investment in Subsidiary	18	-	-	470,961	470,961
Financial Assets at Fair Value Through Other Comprehensive Income	19	14,893,209	14,708,973	14,893,209	14,708,973
Financial Assets at Amortized Cost	20	646,529,952	565,832,614	644,575,893	563,248,506
Other Assets	21	5,770,289	5,012,179	4,922,843	4,552,263
Property, Plant & Equipment	22	764,209	882,476	178,891	246,185
Leasehold Property	23	-	-	-	-
Intangible Assets	24	203	1,148	203	1,148
Investment Property	25	4,587,406	4,587,406	4,587,406	4,587,406
Total Assets		**676,433,946**	**594,929,441**	**673,228,116**	**591,256,247**
Liabilities					
Interest Bearing Loans and Borrowings	26	218,203	403,727	-	-
Grants and Subsidies	27	29,997	33,070	3,513	4,873
Defined Benefit Obligation	28	910,299	838,889	446,622	381,024
Current Tax Liabilities	29	4,999,691	4,495,212	4,914,002	4,294,051
Other Liabilities	30	483,570	471,513	155,597	144,088
Deferred Tax Liabilities	31	5,188	15,696	-	-
Provisions	32	301,440	447,371	301,440	447,371
Total Liabilities		**6,948,387**	**6,705,477**	**5,821,174**	**5,271,407**
Total Net Assets		**669,485,559**	**588,223,964**	**667,406,942**	**585,984,840**
Member Fund	33	637,443,057	564,326,576	637,443,057	564,326,576
Reserves		31,787,544	23,626,379	29,963,885	21,658,264
Non-Controlling Interest		254,958	271,008	-	-
Net Assets Attributable to Members / Non-Controlling Interest		**669,485,559**	**588,223,964**	**667,406,942**	**585,984,840**

The accounting policies and notes as set out in pages 362 to 378 form an integral part of these financial statement.
Certified as correct,

K.D.A.P. Karunaratne
Deputy General Manager (Finance)

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the board.

Somasiri Ekanayake
Chairman / Chief Executive Officer

K T I Premaratne
Director

STATEMENT OF CHANGES IN MEMBERS' WEALTH
As at 31st December, 2025

Group	Attributable to members of the Board						
	Retained Profit	Fair Value Through Oci Reserve	Other Reserves	Dividend Equalization Reserve Fund	Post Acquisition Reserves	Non-Controlling Interest	Total
Balance as at 01.01.2024	**4,900,692**	**(908,152)**	**(78,574)**	**10,456,164**	**1,872,630**	**260,399**	**16,503,158**
Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI	-	3,955,437	-	-	-	-	3,955,437
Interest on Member Fund Balance 3%	(15,390,525)	-	-	-	-	-	(15,390,525)
Dividend 7%	(35,911,278)	-	-	-	-	-	(35,911,278)
Dividend Equalization Reserve Fund Transfer	(3,000,000)	-	-	3,000,000	-	-	-
Accumulated Profit for the Year	54,498,538	-	-	-	-	70,144	54,568,683
Net Gain / (Loss) From Financial Assets Designated Under FVTOCI	215,280	-	-	-	-	-	215,280
Actuarial Gain/(Loss)	-	-	(79,318)	-	-	-	(79,318)
Dividend paid by Subsidiary	-	-	-	-	-	(59,535)	(59,535)
Movement in Subsidary equity	-	-	-	-	95,485	-	95,485
Balance as at 31.12.2024	**5,312,707**	**3,047,285**	**(157,892)**	**13,456,164**	**1,968,115**	**271,008**	**23,897,388**
Balance as at 01.01.2025	**5,312,707**	**3,047,285**	**(157,892)**	**13,456,164**	**1,968,115**	**271,008**	**23,897,388**
Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI	-	2,588,915	-	-	-	-	2,588,915
Interest on Member Fund Balance 3%	(17,464,353)	-	-	-	-	-	(17,464,353)
Dividend Paid 6.5%	(37,839,476)	-	-	-	-	-	(37,839,476)
Dividend Equalization Reserve Fund Transfer	(5,843,836)			5,843,836			
Accumulated Profit for the Year	58,899,028	-	-	-	-	19,037	58,918,065
Net Gain / (Loss) From Financial Assets Designated Under FVTOCI	2,172,061	-	-	-	-	-	2,172,061
Actuarial Gain/(Loss)	-	-	(50,554)	-	-	-	(50,554)
Dividend paid by Subsidiary	-	-	-	-	-	(35,088)	(35,088)
Movement in Subsidary equity	-	-	-	-	(144,456)	-	(144,456)
Balance as at 31.12.2025	**5,236,130**	**5,636,201**	**(208,445)**	**19,300,000**	**1,823,659**	**254,958**	**32,042,502**

STATEMENT OF CHANGES IN MEMBERS' WEALTH

As at 31st December, 2025

ETFB	Attributable to members of the Board				Total
	Retained Profit	Available For Sale Reserve	Other Reserves	Dividend Equalization Reserve Fund	
Balance as at 01.01.2024	**4,900,692**	**(908,152)**	**(78,574)**	**10,456,164**	**14,370,130**
Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI	-	3,955,437	-	-	3,955,437
Interest on Member Fund Balance 3%	(15,390,525)	-	-	-	(15,390,525)
Dividend 7%	(35,911,278)	-	-	-	(35,911,278)
Dividend Equalization Reserve Fund Transfer	(3,000,000)	-	-	3,000,000	-
Accumulated Profit for the Year	54,498,538	-	-	-	54,498,538
Net Gain / (Loss) From Financial Assets Designated Under FVTOCI	215,280	-	-	-	215,280
Actuarial Gain/(Loss)	-	-	(79,318)	-	(79,318)
Balance as at 31.12.2024	**5,312,707**	**3,047,285**	**(157,892)**	**13,456,164**	**21,658,264**
Balance as at 01.01.2025	**5,312,707**	**3,047,285**	**(157,892)**	**13,456,164**	**21,658,264**
Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI	-	2,588,915	-	-	2,588,915
Interest on Member Fund Balance 3%	(17,464,353)	-	-	-	(17,464,353)
Dividend Paid 6.5%	(37,839,476)	-	-	-	(37,839,476)
Dividend Equalization Reserve Fund Transfer	(5,843,836)			5,843,836	
Accumulated Profit for the Year	58,899,028	-	-	-	58,899,028
Net Gain / (Loss) From Financial Assets Designated Under FVTOCI	2,172,061	-	-	-	2,172,061
Actuarial Gain/(Loss)	-	-	(50,554)	-	(50,554)
Balance as at 31.12.2025	**5,236,130**	**5,636,201**	**(208,445)**	**19,300,000**	**29,963,885**

	Group		ETFB	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Operating Activities				
Proceeds from Sale of Financial Instrument Designated at FVTPL	6,264,495	4,245,483	6,264,495	4,245,483
Maturities of Financial Instrument Designated at Amortized Cost	39,048,218	103,586,509	39,048,218	103,586,509
Maturities of Financial Instrument Loan & Receivables	144,556	127,924	144,556	127,924
Payment for Purchase for Financial Instruments Designated at FVTPL	(2,268,546)	(789,646)	(2,268,546)	(789,646)
Payment for Purchase for Financial Instruments Designated at Amortized Cost	(122,760,554)	(171,873,190)	(122,760,554)	(171,873,190)
Loan Granted for Acquire Loan & Receivable Financial Instrument	(411,055)	(329,752)	(411,055)	(329,752)
Monies received from Customers	2,966	4,006	-	-
Monies paid to Suppliers	(3,183)	(3,097)	-	-
Interest Received	71,373,418	66,365,461	71,373,418	66,365,461
Dividend Received	2,026,898	1,378,225	2,026,898	1,378,225
Other Income Received	580,690	603,703	580,690	603,703
Operational Expenses Paid	(3,972,920)	(1,585,381)	(3,972,920)	(1,585,381)
Member Expenses Paid	(330,944)	(302,738)	(330,944)	(302,738)
Income Tax Paid	(6,533,060)	(9,013,639)	(6,533,060)	(9,013,639)
Interest Paid	(399,398)	(448,625)	(399,395)	(448,625)
Defined Benefit Plan Costs paid	(34,530)	(46,344)	(34,507)	(46,340)
Ground Rent paid to Divisional Secretaries	(0)	-	-	-
Year 5 Scholarship Payment/Refund	(94,419)	(113,391)	(94,419)	(113,391)
Higher Education Scholarship Payment	(55,338)	(2,155)	(55,338)	(2,155)
Net Cash Flows from Operating Activities	**(17,422,706)**	**(8,196,647)**	**(17,422,463)**	**(8,197,553)**
Investing Activities				
Purchase of Property and Equipment	(13,535)	(11,608)	(13,516)	(11,564)
Acquisition of Investments	850	(419)	-	-
Interest Received	-	349	-	-
Net (Grants) / Repayments of Staff Loans	(10)	(30)	-	-
Net Cash Flows from Investing Activities	**(12,695)**	**(11,708)**	**(13,516)**	**(11,564)**
Financing Activities				
Contribution Received	47,606,906	41,542,789	47,606,906	41,542,789
Refunds	(30,301,151)	(33,435,146)	(30,301,151)	(33,435,146)
Financial Expenses Paid	(2,557)	(2,498)	(2,557)	(2,498)
Dividends Paid	(568)	(1,022)	-	-
Net Cash Flows from Financing Activities	**17,302,629**	**8,104,124**	**17,303,197**	**8,105,146**
Net Increase in Cash and Cash Equivalents	(132,771)	(104,232)	(132,783)	(103,972)
Cash and Cash Equivalents at 01st January	794,673	898,905	794,613	898,585
Cash and Cash Equivalents at 31st December	**661,902**	**794,673**	**661,831**	**794,613**

Market Value of Treasury Bond Portfolio as at 31/12/2025

(Rs. '000)

Year	Face Value	Purchase Cost	Market Value	Amortized Cost
2026	23,492,979	22,837,014	24,382,711	23,853,287
2027	37,988,188	34,946,019	39,366,810	35,885,994
2028	97,308,767	89,750,127	102,179,965	91,460,989
2029	57,792,357	56,154,394	59,372,626	60,249,616
2030	77,879,130	74,492,074	80,066,555	76,136,448
2031	52,548,072	49,707,790	55,668,077	51,007,700
2032	73,943,680	65,362,167	73,126,995	54,064,907
2033	64,801,627	60,930,126	67,643,307	78,004,479
2034	33,447,954	31,065,196	33,454,665	30,911,129
2035	36,643,144	34,289,137	36,381,479	33,732,929
2036	30,622,954	28,248,749	29,893,423	27,282,426
2037	30,622,954	28,248,749	31,395,969	28,677,341
2038	30,622,954	28,248,749	31,040,253	28,338,341
2039	7,600,000	7,676,208	7,645,030	7,972,327
Total	**655,314,761**	**611,956,500**	**671,617,867**	**627,577,913**

Market Value of Treasury Bond Portfolio as at 31/12/2024

(Rs. '000)

Year	Face Value	Purchase Cost	Market Value	Amortized Cost
2026	23,492,979	22,837,014	24,506,893	23,562,472
2027	37,988,188	34,946,019	39,219,208	35,441,613
2028	95,621,256	88,030,085	98,816,091	88,608,482
2029	36,783,406	34,257,062	37,036,650	38,300,537
2030	40,617,980	37,283,401	40,405,222	37,573,087
2031	48,521,728	45,613,900	50,513,040	47,145,782
2032	66,188,785	57,907,689	63,956,349	46,666,963
2033	60,859,072	57,337,854	63,044,952	74,602,885
2034	33,447,954	31,065,196	33,262,216	31,477,041
2035	32,049,144	29,771,347	31,671,806	29,786,470
2036	30,622,954	28,248,749	29,860,534	27,900,426
2037	30,622,954	28,248,749	31,365,928	29,358,729
2038	30,622,954	28,248,749	31,015,020	29,033,057
2039	7,600,000	7,676,208	7,319,955	7,974,151
Total	**575,039,355**	**531,472,023**	**581,993,863**	**547,431,692**

Market Value of Treasury Bill Portfolio as at 31/12/2025

(Rs. '000)

Year	Face Value	Purchase Cost	Market Value	Amortized Cost
2025	-	-	-	-
2026	3,004,000	2,851,558	2,947,902	2,950,164

Market Value of Treasury Bill Portfolio as at 31/12/2024

(Rs. '000)

Year	Face Value	Purchase Cost	Market Value	Amortized Cost
2024	-	-	-	-
2025	3,227,000	2,952,462	3,122,842	3,119,900

The Fair Values of the Government Securities are based on the average of Buying and Selling quotes as at 31st December 2024 and 2025 respectively published by the Central Bank

MARKET VALUE OF QUOTED DEBENTURE PORTFOLIO
For The Year Ended 31st December, 2025

Market Value of Quoted Debenture Portfolio as at 31/12/2025

Name of Company	Date of Purchase	Date Redemption	Debentures		Market Value			Amortized Cost (Rs.000)
			Nos.	Cost (Rs.000)	Per Debenture	(Rs.000)	Rate (p.a)	
Sampath Bank PLC	12.04.2021	12.04.2028	6,000,000	600,000	100.00	600,000	9.00%	639,057,534
Ceylon Electrcity Board	16.04.2021	15.04.2026	20,000,000	2,000,000	94.20	1,884,000	9.35%	2,133,205,479
Singer Finance (Lanka) PLC	25.06.2021	25.06.2026	1,750,000	175,000	100.00	175,000	9.25%	183,426,370
People's Leasing Finance PLC	05.08.2021	05.08.2026	10,000,000	1,000,000	99.93	999,300	9.00%	1,036,739,726
Sampath Bank PLC	26.03.2025	26.03.2030	1,756,000	175,600	100.00	175,600	11.75%	191,484,584
Siyapatha Finance PLC	26.06.2025	26.06.2030	1,352,800	135,280	100.00	135,280	11.40%	143,265,597
Seylan Bank PLC	18.07.2025	18.07.2030	1,000,000	100,000	100.00	100,000	11.25%	105,147,260
Hatton National Bank PLC	17.12.2025	17.12.2030	5,000,000	500,000	100.00	500,000	10.25%	502,106,164
Hatton National Bank PLC	17.12.2025	17.12.2032	5,000,000	500,000	100.00	500,000	11.00%	502,260,274
Bank Of Ceylon	24.12.2025	24.12.2030	10,000,000	1,000,000	100.00	1,000,000	10.50%	1,002,301,370
Nation Trust Bank PLC	09.07.2021	09.07.2026	8,000,000	800,000	100.00	800,000	9.15%	835,296,438
Total				**6,985,880**		**6,869,180**		**7,274,290,797**

The Fair Value of the Corporate Debentures - Listed are based on the prices as at 31st December 2025 published by the Colombo Stock Exchange

Market Value of Quoted Debenture Portfolio as at 31/12/2024

Name of Company	Date of Purchase	Date Redemption	Debentures		Market Value			Amortized Cost (Rs.000)
			Nos.	Cost (Rs.000)	Per Debenture	(Rs.000)	Rate (p.a)	
NDB	25.09.2020	24.09.2025	4,750,000	475,000	100.00	475,000	9.50%	487,239
DFCC Bank PLC	23.10.2020	23.10.2025	5,000,000	500,000	100.00	500,000	9.00%	508,630
Sampath Bank PLC 2	12.04.2021	12.04.2028	6,000,000	600,000	100.00	600,000	9.00%	639,058
Ceylon Eclectricity Board	16.04.2021	15.04.2026	20,000,000	2,000,000	94.20	1,884,000	9.35%	2,133,205
Singer Finance (Lanka) PLC	25.06.2021	25.06.2026	1,750,000	175,000	96.02	168,035	9.25%	183,426
Peoples Leasing Finance	05.08.2021	05.08.2026	10,000,000	1,000,000	95.50	955,000	9.00%	1,036,740
Nations Trust Bank PLC	09.07.2021	09.07.2026	8,000,000	800,000	100.00	800,000	9.15%	835,296
Total				**5,550,000**		**5,382,035**		**5,823,595**

The Fair Value of the Corporate Debentures - Listed are based on the prices as at 31st December 2024 published by the Colombo Stock Exchange

Quoted shares investments re- classified as " Fair Value through Other Comprensive Income"

	Company Name	Original Cost (Rs. 000)	Fair Value (Rs. 000)	Mkt. Value (Rs. 000)
1	Asian Hotels & Pro.	58,213	48,812	46,663
2	Aitken Spence Co	66,482	66,298	71,328
3	Ait. Spence Hotel	5,591	5,404	7,261
4	Asiri Hospital	129,516	108,690	129,494
5	Asiri Surgical	66,124	53,025	60,537
6	Bairaha Farms	15,431	12,870	29,493
7	Carson Cumber	12,512	10,492	21,095
8	Ceylon Guardian Inv.	121,388	65,506	110,217
9	Ceylon Grain Elevator	43,341	62,992	132,614
10	Central Industries	50,026	67,300	113,278
11	CIC Holdings	71,590	132,052	244,437
12	Colombo Fort Land	54,076	25,315	55,626
13	Com. Bank	1,150,639	1,372,710	1,898,846
	Com. Bank (X)	426,244	450,235	745,904
14	DFCC Bank	644,084	500,966	657,206
15	Dockyard	138,773	36,327	96,871
16	Dialog Axiata	19,495	19,559	49,228
17	Dipped Product	86,955	105,001	117,072
18	Eden Hotels	75,885	26,577	21,514
19	First Capital Tresu	10,841	694,783	968,563
20	HNB (X)	81,598	149,932	186,208
21	HNB Assurance	111,194	175,010	246,310
22	Hayleys Fabric	77,572	120,353	89,606
23	Haycarb PLC	82,261	97,348	121,256
24	John Keells	15,800	13,939	14,432
25	JKH	2,140,032	2,935,582	2,805,689
26	Kelani Cables	5,842	21,812	59,370
27	Kelani Tyres	213,201	206,106	220,582
28	Keells Foods	7,847	8,596	8,364
29	Lankem Ceylon	16,823	6,583	6,599
30	Lanka IOC	14,746	102,415	104,447
31	Lanka Tiles	16,745	20,907	17,864
32	Lanka Walltile	25,053	21,542	18,781
33	NDB Bank	1,505,792	1,628,561	2,032,201
34	Nawaloka Hospital	27,011	13,369	31,903

	Company Name	Original Cost (Rs. 000)	Fair Value (Rs. 000)	Mkt. Value (Rs. 000)
35	Overseas Reality	27,343	42,275	67,052
36	People's Leasing	33,627	40,892	59,599
37	People's Insurance	54,925	69,242	70,324
38	PGP Glass PLC	13,338	25,755	40,557
39	Renuka Holdings	68,221	33,597	88,509
40	Resus Energy	33,083	35,661	59,350
41	Richard Peiris Co	115,544	147,801	242,531
42	Royal Ceramics	2,138	3,514	3,742
43	Sampath Bank	386,523	777,972	965,872
44	Seylan Bank	397,733	406,417	541,976
	Seylan Bank (X)	56,311	68,013	91,044
45	Sri Lanka Telecom	110,326	230,163	275,402
46	Teejay Lanka	115,357	139,501	93,715
47	Trans Asia	37,073	25,737	34,888
48	Tokyo Cement PLC	110,492	131,353	211,137
49	Vallibel Power	66,065	86,044	113,728
50	Windforce PLC	86,749	115,508	211,687
	Total	9,303,571	11,766,413	14,711,972

Delisted Shares

1	Property Development	5	45	-

Property Dev. PLC-has been de-listed with effect from 27th October 2022.

Unquoted Shares investments re- classified as " Fair Value through Other Comprensive Income"

	Company Name	Cost (Rs. 000)	Net Assets Value (Rs. 000) 31.12.2024	Net Assets Value (Rs. 000) 31.12.2025
1	Fitch Ratings Lanka Ltd	1,649	3,779	2,398
	Total	**1,649**	**3,779**	**2,398**

Investments in subsidiaries as at 31.12.2025

	Company Name	Cost (Rs. 000)
1	Lanka Salt Ltd	470,961
	Total	**470,961**

Quoted Share Investments Classified As " Fair Value through Profit or Loss"

	Company Name	Actual Cost (Rs. 000)	Fair Value (Rs. 000)	Mkt. Value As at 31.12.2025 (Rs. 000)
1	Access Engineering	128,045	128,045	147,370
2	ACL Cables PLC	21,634	21,634	26,318
3	Cable Solutions PLC	21,950	21,950	22,004
4	CIC Holdings	59,076	59,076	62,432
	CIC Holdings (X)	48,597	48,597	48,694
5	Chevron Lubricant	176,596	176,596	179,706
6	Dipped Products	144,578	143,440	159,930
7	Distilleris Company PLC	52,806	52,806	51,861
8	HNB	241,876	295,952	322,676
	HNB PLC (X)	168,588	168,588	172,207
9	Haycarb PLC	8,044	9,519	11,857
10	Hayleys PLC	23,770	23,770	26,311
11	Hemas Holdings	7,132	7,132	11,915
12	JKH	180,058	180,058	175,650
13	Lanka IOC	222,908	307,889	302,167
14	Lanka Tile PLC	183,850	156,723	133,912
15	Lanka Walltile	314,486	245,171	213,739
16	Laugfs Power	1,337	833	933
17	LVL Energy Fund	28,755	28,755	26,197
18	Melstacorp PLC	58,109	58,109	55,711
19	People's Insurance	51,899	50,265	51,051

	Company Name	Actual Cost (Rs. 000)	Fair Value (Rs. 000)	Mkt. Value As at 31.12.2025 (Rs. 000)
20	Richard Peiris Co.	36,321	54,835	89,981
21	Royal Ceramic	326,434	318,122	338,694
22	Sampath Bank	174,184	174,184	174,246
23	Seylan Bank	796	891	1,188
24	Sunshine Holdings	3,282	3,282	5,677
25	Three Acre Farms	92,760	92,760	91,270
26	Tokyo Cement PLC	11,149	11,149	14,115
	Tokyo Cement PLC (X)	15,360	15,360	19,066
	Total	**2,804,381**	**2,855,492**	**2,936,877**

Investments In Units Trust As At 31.12.2025

	Type	Actual Cost (Rs. 000)	Fair Value (Rs. 000)	Mkt. Value (Rs. 000) 31.12.2025
1	CTCLSA Asset Mana.	1,403	6,188	9,284
2	National Equity Fund	22,131	117,536	169,511
	TOTAL	**23,534**	**123,724**	**178,794**

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

Employees' Trust Fund Board (ETFB) is a State Owned Enterprise, established under Act No.46 of 1980 and commenced operations on 1st March 1981. The Board is functioning under the Ministry of Finance, Planning & Economic Development.

Lanka Salt Limited is a Public Limited Company incorporated & domiciled in Sri Lanka. The Registered Office and the principal Place of Business of the Company is located at Mahalewaya, Hambantota.

1.2 Consolidated Financial Statements

The Consolidated Financial Statements of the Board as at and for the year ended 31st December 2025 comprise the Board (Parent) and its fully-owned Subsidiary (together referred to as the "Group"). The subsidiary of the Board as at 31st December 2025 was Lanka Salt Limited; ETFB is the ultimate parent of the Group.

The Financial Statements of the Board and its Subsidiary have a common financial year which ends on 31 December. The Financial Statements of the "Board" and the "Group" are prepared for the 12 months period ended 31 December each.

1.3 Principal Activities and Nature of Operations

During the year, the principal activities of the Board and its subsidiaries dealt within these financial statements were as follows:

Name of the Company	Nature of Business
Employees' Trust Fund Board	Public sector employees who are not entitled under the government pension scheme and all private sector employees are members of this fund while their employers are required to remit 3% of the gross earning of their employees to the fund monthly. The migrant and self-employment sectors employees also could be members of the fund on voluntarily basis by paying a specified minimum contribution to the fund. Apart from managing the fund, ETF Board provides a range of social and welfare benefits to members during their employment.
Lanka Salt Limited	The principal activity of the Company is production and distribution of Salt.

1.4. Responsibility for Financial Statements

The Board of Directors of the ETFB is responsible for the preparation and presentation of the Financial Statements of the Group and the Board as per the provisions of the ETFB Act No 46 of 1980 and amendments thereon and Sri Lanka Accounting Standards (LKAS/SLFRS).

1.5. Date of Authorization for Issue

The financial statement of Employees' Trust Fund Board for the year ended 31stDecember, 2025 were authorised for issue in accordance with a resolution of the board of directors on 27th March 2026.

The Financial Statements of Lanka Salt Ltd for the year ended 31st December 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 10th February 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. General Policies

2.1.1. Presentation of Statement of Financial Position

The assets and liabilities of the entity presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity. No adjustments have been made for inflationary factors affecting the Financial Statements. An analysis on recovery or settlement within 12 months and after more than 12 months from the Reporting date is presented here.

2.1.2. Statement of Compliance

The statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with accounting policies and notes (*"financial statements"*) of the company as at 31st December, 2025 and for the year then ended and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS).

The financial statements of LSL have been prepared in accordance with the Sri Lankan Accounting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS for SMEs). The preparation and presentation of these Financial Statements is in compliance with the requirements of the Companies Act No.07 of 2007.

2.1.3. Significant Accounting Judgments, Estimates and Assumptions

The Board makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future.

The preparation of financial statements of LSL in conformity with the SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed as follows.

Judgments

Deferred Tax Assets:

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.1.4. Basis of Measurement

The financial statements have been prepared under the historical cost convention with exception of certain assets and liabilities are being measured at fair value and for the financial assets that are carried at amortized cost as per the requirements of SLFRS 09, Financial Instruments. LKAS 26 Accounting and Reporting by Retirement Benefit Plans has been applied in preparation and presentation of financial statements.

The fact that ETFB applied LKAS 26 Accounting and Reporting by Retirement Benefit Plans in preparation and presentation of financial statements of ETFB had not been specifically disclosed in the previous financial statements. Non-disclosure of this matter does not necessitates any restatement of amounts that were reported in previous financial statements.

The financial statements of LSL have been prepared on a historical cost basis. The functional currency of the company is Sri Lanka Rupees and financial statements are presented in Sri Lanka Rupees

2.1.5. Functional and Presentation Currency

Items included in these Financial Statements are measured and presented in Sri Lankan Rupees, which is the currency of the primary economic environment in which the Board operates.

2.1.6. Rounding

The amounts in the Financial Statements have been rounded-off to the nearest rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on "Presentation of Financial Statements".

2.1.7. Offsetting

Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the IFRS Interpretations Committee and Standard Interpretations Committee). Financial assets and financial liabilities are offset and the net amount reported in the SOFP, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.1.8. Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the LKAS 1 and amendments to the LKAS 1 on "Disclosure Initiative" which was effective from January 1, 2016.

2.1.9. Going Concern

The Management of ETF Board has made an assessment of the Board's ability to continue as a going concern and is satisfied that the Board has resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern. Therefore, the financial statements are continued to be prepared on the going concern basis.

> The Directors of LSL have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

2.1.10. Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those of the previous year. 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

2.2. Basis of Consolidation

a) Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary as at 31st December 2025.

Subsidiary is consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company.

> The accounting policies have been consistently applied by the Company and are consistent with those used in previous year. However, the accounting policies of the two entities are different which are highlighted within the group accounting policies.

b) Subsidiaries

Subsidiaries are all entities over which the group has the power directly or indirectly to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The total profits and losses for the year of the company and of its subsidiaries included in consolidation and all assets and liabilities of the company and of its subsidiaries included in consolidation are shown in the consolidated statement of comprehensive income and the statement of financial position respectively.

c) **Reporting Date**
The financial statements of the subsidiaries are prepared for the common reporting period, which is 12 months ending 31st December.

2.3. Basis of Measurement Profit and Loss

2.3.1. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Revenue from sales of goods is recognized when the goods are delivered and title has passed. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Rendering of Services
Revenue from rendering of services is recognized by reference to the stage of completion, determined by taking into accounts the labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliability, revenue is recognized only to the extent of expenses incurred that are recoverable.

Interest
Revenue is recognised on a time proportion basis that takes in to accounts the effective interest rate on asset.

Others
Other income is recognized on an accrual basis.

2.3.2. Interest and Similar Income and Expense

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. Interest income includes coupon income and any gain or loss on amortization of discount or premium of the instruments.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest expense is recognized according to the Section 22 of the ETFB Act the shall pay interest at such rate, not less than three per centum, as may from time to time be fixed by the Board with concurrence of the Minister and the Minister in charge of the subject of Finance shall be paid for each year, out of the income from the investment of the money of the fund, on the amount standing to the credit of the individual account of each member of the credit of the individual account of each member of the fund as at the 31st of December in that year.

2.3.3. Dividend Income and Expense

Dividend income is recognized when the entity's right to receive the payment is established. Dividend expense is recognized according to the section 14 of the ETFB Act the board shall declared dividends from the profits realized by investing of money of the fund.

2.3.4. Other Income

Other Income is recognized when the entity's right to receive the payment is established except for the interest income on fair value measurement of Staff loans that is amortized over the employees' service period.

2.4. Taxation

2.4.1. Current Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Board current tax payable is based on taxable profit for the year. The provision for income tax is based on the elements of income and expenses as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act. The applicable tax rate is 14%.

Income tax expense represents the sum of the tax currently payable and deferred tax

The current tax payable is based on taxable profit for the year. The provision for income tax is based on the elements of income and expenses as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act.

2.4.2. Deferred Taxation

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for the financial reporting period.

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.5. Foreign Currency Transaction

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.6. Investments & Other Financial Assets

2.6.1. Classification

From 1st January 2018, the fund classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). Amount presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends o n such investments are recognized in profit or loss.

The fund reclassifies debt investments when and only when its business model for managing those assets changes.

2.6.2. Recognition & De-recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the fund commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the fund has transferred substantially all the risks and rewards of ownership.

2.6.3 Measurement

At initial recognition, the fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs or financial assets carried at FVTPL are expensed in Income Statement.

Financial assets with embedded derivatives are considered in the irentirety when determining whether their cash flows are solely payment of principal and interest.

2.6.3.1 Debt instruments

Subsequent measurement of debt instruments depends on the fund's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the fund classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows to match the obligation of EPFTB where those collection of contractual cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in Income Statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair Value Through Other Comprehensive Income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair Value Through Profit or Loss(FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2.6.3.2 Equity instruments

The fund subsequently measures all equity investments at fair value. Where the fund's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the fund's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Basic Financial Instruments

Financial assets are classified as financial assets held for trading, held to maturity, loan and receivables and financial assets available for sale. The company determines the classification of its financial assets at initial recognition.

Loan and Receivable

Loans and receivables include cash and short-term deposits, fixed deposit and trade and other receivables. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized. The losses arising from impairment are recognized in the statement of Comprehensive Income.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual agreement and the definition of financial liabilities.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial liabilities recorded at fair value through profit or loss.

Financial liabilities including Interest bearing loans and borrowings and other financial liabilities (trade and other payable) are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the income statement.

2.7. Property, Plant and Equipment

2.7.1 Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Board cost of the asset can be reliably measured. It is the policy of the Board that, an unit cost (including ancillary cost) of an item below Rs.10,000 will not be recognize as a Property, Plant and Equipment and such item will be recognized as an expense. However, costs (including ancillary cost) of land, buildings, and vehicle, are capitalized regardless of unit threshold Rs.10,000.

2.7.2 Basis of Measurement

Items of Property, Plant and Equipment other than freehold land are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs dismantling and removing the items and restoring the site at which they are located and borrowing costs eligible are capitalized.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for separate items of property, plant and equipment.

2.7.3 Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day to day servicing of property, plant and equipment are expensed as incurred.

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain future economic benefits expected from originally assessed standard of performance is recognized as an expense in income statement when incurred.

2.7.4 Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. Depreciation of assets commence in the month when it is available for use and is not depreciated in the month of disposal.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate. Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

	No. of Years (Useful Life Time)	Depreciation Rate
Buildings	40 Years	2.5%
Motor Vehicles	5 Years	20%
Computer Equipment	5 Years	20%
Furniture	10 Years	10%
Fixtures and Fittings	10 Years	10%
Other Equipment	5 Years	20%

2.7.5. De-recognition of Property, Plant and Equipment

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less annual rates are used for the depreciation of property, plant and equipment:

Buildings on Lease hold Land	2.5%
Water Supply Scheme	10%
Plant and Machinery	
- Pump & Accessories	20%
- Other (Table Salt Plant, Iodization Plant, Cranes & Other Plant)	10%
Equipment	10%
Furniture and Fittings	10%
Software and Other Network	50%
Motor Vehicles	
- Road Vehicles	10%
- Tractors & Trailer	20%
Development work	20%
Mature Plantations - Coconut	2%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

- **Biological Assets**

Biological assets are classified into mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specification. Coconut plantations and nurseries are classified as biological assets. Bearer biological assets include Coconut plants, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce. The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably. Permanent impairments to Biological Assets are charged to the Statements of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

- **Bearer Biological Assets**

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing etc, incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Coconut) which comes into bearing during the year, is transferred to mature plantations.

2.8. Investment Property

Investment Properties are those which are held either to earn rental income or for capital appreciation or for both. An investment property is recognized, if it is probable that future economic benefits that are associated with the investment property will flow to the board and cost of the investment property can be reliably measured.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the period in which they arise.

The Board's investment property shall revalue in every three years' time to open market value, with changes in the carrying value recognize in the Statement of Comprehensive Income. Rent receivable is spread on a straight-line basis over the period of the lease. Where an incentive (such as a rent free period) is given to a tenant, the carrying value of the investment property excludes any amount reported as a separate asset as a result of recognizing rental income on this basis.

The Board owns a land extend of 2 Acres 1 Rood 28 Perch at Nawam Mawatha, Colombo 02 which had been valued by the Government Valuer, as per the Government Valuer's Report dated 24th August 2022,the fair-value of the land and building was Rs.4,587,406,450/=. Further, the Department of Valuation informed us by their letter dated 23rd September 2023 the above v aluation of investment property valid for 05 years according to the Asset Management Circular No. 4/2018 dated 31st December 2018 which was issued by the Secretary to the Treasury.

2.8.1. (a) Information on investment properties of the Board – Extents and Locations

Location	Extent(Perches)	Fair value of the investment property
Employees' Trust Fund Board, Nawam Mawatha, Colombo 02	388	Rs. 4,566,000,000.00

Location	Buildings	Fair value of the investment property
Employees' Trust Fund Board, Nawam Mawatha, Colombo 02	19,319	Rs. 21,406,450.00

2.8.2. (b) Information on investment properties of the Board – Valuations

Name of professional valuer/ location and address	Method of valuation and significant unobservable inputs	Range of estimates for unobservable inputs Rs.	Fair value of the investment property Rs.
Department of Government Valuation "Valuation House" No 748, Maradana Roard, Colombo 10.	Market comparable method • Price per Perches • Price per square foot	11,823,212.50p.p 625 – 1955 p.sq.ft.	4,566,000,000.00 21,406,450.00

2.8.3. (c) Valuation techniques and sensitivity of the fair value measurement of the Investment properties of the Group

Valuation Technique	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves valuation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location and condition of specific property.	• Price per Perches • Price per square foot	Estimated fair value would increase/(decrease) if; Price per Perches would increase/(decrease) Price per square foot would increase/(decrease)

2.9. Intangible Assets

2.9.1. Externally Acquired Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment. Whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an in tangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2.9.2. Computer Software Packages

Amount incurred in acquisition/upgrading Computer software Packages are recognized as an intangible asset and amortized over 3 years.

2.10 Leasehold Properties

The Leasehold property comprising of land use rights which was previously classified under Property, Plant & Equipment and stated at valuation have been reclassified as "Leasehold Property". Lease amount paid for the land at Hambantota has been capitalized and amortized over the lease period of 30 years.

2.10.1 Operating Lease

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Board (an "operating lease"), the total rentals payable under the lease are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.11 Inventories

Inventories are valued at lower of the cost and net realizable value, after making due allowances for obsolete and slow moving items.

Inventories are valued at lower of the cost and net realizable value, after making due allowances for obsolete and slow moving items.Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:-

Raw Materials -	At purchase cost on first-in first-out cost basis
Finished Goods -	At the cost of direct materials, direct labour and an appropriate proportion of regional production overheads.
Work-in-progress- expenses, level of 12	At 25% of last season's Brine Circulation and Beds Preparation apportioned over calculated quantity of salt deposited at the density and above.
Consumables & Spares -	At purchase cost on First in First out basis

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

2.12 Retirement Benefit Liability

2.12.1 Employee benefits

The board has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the board pays fixed contributions to a separate entity. A defined benefit plans define an amount of pension benefit that an employee will receive on retirement, based on the years of service and compensation.

2.12.2 Defined Contribution Plans

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Board contributes 15% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

The company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. A defined benefit plans define an amount of pension benefit than an employee will received on retirement, based on the years of service and compensation.

All employees are eligible for Employees' Provident Fund and Employees' Trust Fund contributions in line with the prevalent statutes and regulations. The company contributes 15% and 3% of gross employee emoluments to EPF and ETF respectively.

2.12.3 Defined Benefit Plans – Gratuity

The cost of defined benefit pension plan and the present value of its obligation are determined using actuarial valuation. The actuarial valuation involves making assumptions, which may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rate of the Company. Details of key assumptions used in actuarial valuations are set out in Note-34 to the Financial Statements.

The Company has an unfunded, non-contributory defined benefit plan covering all of its regular employees where the benefits are based on the years of service and percentage of latest monthly salary. The simplifications on estimated future salary increases, future service of current employees and in-service mortality of current employees as per Section 28.19 have been used in calculating the value of the liability. The gratuity liability is not funded nor actuarially valued.

2.13 Member Wealth

2.13.1 Member Balance

Contribution received and receivable from members net of refunds made to members during the year together with interest and dividends accrued to them are consisted in member fund.

2.13.2 Dividends

Dividends are recognized when the fund's right to receive is established.

2.13.3 Reserves

The fair value through other comprehensive income reserve comprises of the cumulative net change in fair value of fair value through other comprehensive income financial investments until the assets are de-recognized or impaired. The other reserves relate to the annual adjustments of actuarial gains or losses and it represents the net change of the actuarial gains or losses as at the balance sheet date.

Dividend Equalization Reserve serves as a buffer between a certain dividend level and profits available. It is a distributable reserve which is specifically set up to ensure that dividends remain stable for despite being changes in earnings.

2.14 Provisions

The Board has recognized provisions for liabilities of uncertain timing or amounts. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Provisions for legal claims are recognized when; the company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefit will be required to settle the obligation and the amount can be estimated reliably.

The provisions are measured at the present value of the future amount required to settle the obligation using a pre-tax rate reflecting the current assessment of the time value of money and specific risks relevant for the obligation. The increase in provision due to time passage is recognized as an interest expense.

2.15 Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

2.16 Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan rupees using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

2.17 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.18 Grants and Subsidies

The Board recognized the monetary grants related to assets are recognized as cost and deferred in the Statement of Financial Position and credited to the Statement of Comprehensive Income over the useful life of the asset.

Grant received amortized to the Statement of Comprehensive Income are as follows.

Computer Software	33.33%
Motor vehicle	20%

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as differed income. Where the Company receives non-monetary grants, the asset and that grant are recorded at nominal amounts and is released to the income statement over the expected useful life of the relevant asset by equal annual installments as follows:

Grants received are credited to a reserve account and amortized to the income statement as follows.

Grant for Iodization Plant	10%
Grant for Motor Vehicle	10%
Grants for Building	2.5%
Grant for Pump House	2.5%

Grant for Compensation to Employees - Reduce by the compensation paid.

2.19 Impairment of Assets

2.19.1 Impairment of Financial Assets

As per SLFRS 9, the Board records anallowance for expected credit losses for Debenture investments and other financialinstruments measured at amortised cost.

Incorporating Forward looking scenarios

As opposed to the incurred loss model, future expected losses are required to be estimated under the ECL model introduced by SLFRS 9. It requires the use of forward looking macro-economic data and assumptions that are not directly related to the entity. This is incorporated into the impairment calculation via the Economic Factor Adjustment.

Impairment approach for Investments in debt securities (other than FVTPL)

External credit rating data can be used to establish provisions. Further the deterioration of credit rating, published financials and other information has to be reviewed to assess the significant increases in credit risk and whether the instruments are investment grade, in order to make a lifetime provision, if any.In the absence of external rating data, default rates has to be established using structural methods/ credit spreads/ credit scores, in order to establish ECL.

Fundamental Components of ECL

- **Estimating the Probability of Default**

  Since historical default data for debentures, fixed deposits and Loans & receivables were not available, external global default rates published by S&P Global Ratings, in the report on 2018 Annual Global Corporate Default Study and Rating Transitions, were utilized.

- **Estimating the Loss Given Default (LGD)**

  As per the Guidelines issued by Banks Supervision department of Central Bank of Sri Lanka to Licensed Banks on the Adoption of SLFRS 9,

  When the licensed bank is unable to compute LGDs due to lack of data or inputs, such bank is required to use a minimum LGD of 45 per cent for such exposures.Therefore, an LGD of 45% was used for Debentures and Fixed Deposits, in computing the impairment.

- **Estimating the Exposure at Default (EAD)**

  Expected Credit Loss is measured over the period which the entity is exposed to Credit Risk. EAD is the amount of money that is invested in certain financial instrument that is exposed to credit risk.

  From 1 January 2019, the fund assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Board recognises loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Quoted – Debenture
- Fixed Deposits
- Scheme Loan Deposit with SMIB
- Scheme Loan deposit with NDB

2.19.2 Impairment of Non–financial Assets

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Board estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

2.20 Accounting Policies

2.20.1 Valuation of Investment Property

The entity obtains valuations performed by external valuer in order to determine the fair value of its investment properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuer also makes reference to market evidence of transaction prices for similar properties.

2.20.2 Fair Value of Financial Instruments

The Board determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

2.20.3 Useful Lives and Residual Values were Appropriate for Property, Plant and Equipment

The entity tests annually whether, the useful life and residual value estimates were appropriate and in accordance with its accounting policy.

2.21.4 Business Combinations and Acquisition of Non-controlling Interest

In 1997, Employees' Trust Fund Board has acquired 90% of the shares of Lanka Salt Limited (LSL). Resultant goodwill is amounting to LKR 378,926,440 which had been assumed to be amortized over 05 year period starting from the year of acquisition, based on the accounting practice available as of the date of acquisition.

The details of the business combination are as follows:

	Group	
	Rs.	**Rs.**
Consideration Transferred		
Proportionate share of Recognized Amount or Identifiable Net Assets		470,960,938
Stated Capital	31,500,000	
Reserves	60,534,498	92,034,498
Goodwill		**378,926,440**

Since goodwill had amortized fully, there is no adjustment to the both of accounts of the year under review.

3 ADJUSTMENTS TO MEMBER FUND

3.1 Adjustments to the member fund of 2025

	Rupees
Surcharge To Member Fund	755,637.59
Member Fund C/A-150	-
Refund of Over Payment	(2,304,626.56)
Member Fund To Surcharge	(2,912,504.48)
Total	**(4,461,493.45)**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
4	**INTEREST INCOME**					
	Financial Investments at Amortized Cost	4.1	69,064,442	62,194,449	68,766,748	61,819,095
			69,064,442	**62,194,449**	**68,766,748**	**61,819,095**
4.1	**Financial Investments at Amortized Cost**					
	Interest on Fixed Deposit		332,706	421,675	42,966	52,714
	Interest from Debenture		525,227	674,976	525,227	674,976
	Yield on Treasury Bond		67,325,013	56,742,181	67,325,013	56,742,181
	Margin on Treasury Bill		350,609	3,728,228	350,609	3,728,228
	Interest on Repurchase Agreements		441,292	537,942	441,292	537,942
	Interest on Money Market		4,367	3,712	4,367	3,712
	Interest on NDB Scheme Deposit		43,309	51,536	43,309	51,536
	Interest on SMIB Housing Loan Deposit		10,832	9,297	10,832	9,297
	Interest on SMIB Savings A/C		1,082	473	1,082	473
	Staff Loans					
	Interest on Special loan		1,055	1,120	1,055	1,120
	Interest on Vehicle Loan		10,902	7,550	10,902	7,550
	Interest on Special Distress Loan		17,646	15,398	9,691	9,006
	Interest on Special Festival Loan		401	361	401	361
	Interest on Special Advance		-	1	-	1
			69,064,442	**62,194,449**	**68,766,748**	**61,819,095**
5	**NET TRADING INCOME**					
	Net Revenue	5.1	2,507,205	3,450,552	-	-
	(-) Cost of Sales		(1,999,540)	(2,175,081)	-	-
			507,665	**1,275,472**	**-**	**-**
5.1	**Net Revenue**					
	Gross Revenue		2,958,501	4,071,652	-	-
	(-) Value Added Tax and Nation Building Tax		(451,297)	(621,099)	-	-
			2,507,205	**3,450,552**	**-**	**-**
6	**DIVIDEND INCOME**					
	Dividends on Shares - Quoted		918,268	955,397	918,268	955,397
	Dividend on Shares - Unquoted		319,350	539,065	319,350	539,065
			1,237,618	**1,494,462**	**1,237,618**	**1,494,462**
7	**GAIN /(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT /(LOSS)**					
	Current Share Trading Profit		567,925	1,143,331	567,925	1,143,331
	Fair Value Adjustment of Shares		81,385	896,887	81,385	896,887
			649,310	**2,040,218**	**649,310**	**2,040,218**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
8	**OTHER INCOME**					
	Amortization of Government Grant		3,073	5,329	1,360	3,617
	Rent Income		2,024	1,996	300	320
	Surcharges		534,359	560,922	534,359	560,922
	Staff Loan Income		40,825	31,576	40,825	31,576
	Sundry Income		18,055	18,739	3,822	2,698
	Profit / (Loss) On Car Park (Nawam Mawatha)		44,609	37,915	44,609	37,915
	Profit / (Loss) On Holiday Bungalow		(2,852)	(2,915)	(2,852)	(2,915)
	Income write-back		1,500	-	1,500	-
	Transport Recovery		6,712	16,507	-	-
			648,305	**670,069**	**623,923**	**634,132**
9	**PERSONAL EXPENSES**					
	Wages and Salaries	9.1	882,845	867,526	786,517	765,481
	Short-Term Monetary and Non-Monetary Benefits	9.2	628,036	671,235	474,252	455,649
	Defined Benefit Plans	9.3	62,229	70,126	58,866	53,950
	Other Long Term Employee Benefits	9.4	171,007	157,795	133,841	125,535
			1,744,117	**1,766,683**	**1,453,476**	**1,400,616**
9.1	**Wages and Salaries**					
	Staff Costs (Including Directors' Fee) Comprise:					
	Salaries		641,480	628,870	548,670	533,429
	Directors' Fees		3,043	3,508	1,268	1,570
	Cost of Living Allowance		183,295	163,397	183,295	163,397
	Meal Allowance		11,829	11,941	11,829	11,941
	Overtime		31,387	43,551	29,644	38,885
	Holiday Pay		11,811	16,260	11,811	16,260
			882,845	**867,526**	**786,517**	**765,481**
9.2	**Short-Term Monetary and Non-Monetary Benefits**					
	Training & Development Expenses		5,597	4,803	5,506	4,393
	Recruitment Expenses		2,688	600	2,688	600
	Staff Welfare		81,389	85,929	53,800	49,390
	Incentive		132,486	142,578	131,853	141,870
	Encashment of Leave		19,502	19,489	19,502	19,489
	Bonus		209,816	253,767	85,470	78,113
	Reimbursement of Medical Expenses		128,559	118,858	127,434	116,584
	Staff Loan Cost		40,825	31,576	40,825	31,576
	Interest on Housing Loans		5,794	7,015	5,794	7,015
	Workers Compensation		1,380	6,619	1,380	6,619
			628,036	**671,235**	**474,252**	**455,649**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
9.3	**Defined Benefit Plans**					
	Interest Cost		39,502	39,439	39,502	39,439
	Current Service Cost		22,727	30,687	19,364	14,511
			62,229	**70,126**	**58,866**	**53,950**
9.4	**Other Long Term Employee Benefits**					
	E.P.F. Board's Contribution		141,306	130,402	111,573	104,594
	E.T.F. Board's Contribution		29,701	27,393	22,268	20,941
			171,007	**157,795**	**133,841**	**125,535**
10	**ADMINISTRATIVE EXPENSES**					
	Building Rent		178,513	176,111	169,154	165,976
	Rates		632	614	34	16
	Lease Payment - Land Hambntota		324	240	324	240
	Electricity Charges		35,485	51,332	27,937	37,233
	Telephone Charges		18,732	10,033	16,679	8,291
	Water Charges		2,839	2,997	2,839	2,997
	Consultancy Fees		7,709	8,568	2,733	3,266
	Audit Fees		3,712	3,426	2,266	2,266
	Security Charges		8,191	6,947	8,191	6,947
	Legal Fees		10,087	7,812	7,120	6,270
	Hiring Charges		457	1,120	457	1,120
	Postage & Telegrams		2,837	3,401	2,019	2,354
	Travelling & Subsistance		626	315	626	315
	Printing & Stationery		3,197	2,993	2,984	2,633
	Media & Publicity		1,885	1,748	-	-
	Advertisement & Press Notices		512	849	512	849
	Vehicle Insurance & License Fees		2,441	2,092	2,441	2,092
	Newspapers & Periodicals		742	697	550	517
	Diciplinary Investigation Charges		4,711	996	4,711	996
	Donations		-	114	-	-
	Other Insurance		14	13	14	13
	Office Upkeep & Requirements		4,010	5,283	257	457

		Note	Group 2025	Group 2024	ETFB 2025	ETFB 2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Stamp Duty & Registration Fee		614	71	614	71
	Miscellaneous Expenses		5,511	5,842	5,511	5,842
	Consumable		267	375	267	375
	Vehicle Repairs & Maintenance		35,383	40,267	14,442	13,838
	Fuel Charges		21,366	24,746	21,366	24,746
	Maintenance of Building		30,972	31,744	30,972	31,744
	Maintenance of Machine,Furniture & Equipments		6,211	6,993	3,897	3,919
			387,983	**397,739**	**328,918**	**325,385**
11	**FINANCE EXPENSES**					
	Custodial Fee		1,815	1,839	1,815	1,839
	Bank Charges		2,803	2,743	2,557	2,497
	Interest expenses		2,342	32	-	-
			6,961	**4,614**	**4,373**	**4,336**
12	**MEMBER EXPENSES**					
	Member Benefits	12.1	403,573	452,742	403,573	452,742
	Member Services	12.2	79,649	62,944	74,581	56,740
	IT Services	12.3	77,581	81,644	77,581	81,644
			560,803	**597,330**	**555,734**	**591,126**
12.1	**Member Benefits**					
	Death Benefits Scheme		98,403	121,664	98,403	121,664
	Permanent Disablement Scheme		25,129	19,911	25,129	19,911
	I.O.L. Implanting Scheme		9,877	8,186	9,877	8,186
	Sramasuwa Rekawarana Scheme		17,254	18,532	17,254	18,532
	Heart Surgery Scheme		168,135	126,768	168,135	126,768
	Kidney Transplant Scheme		6,462	1,422	6,462	1,422
	Year 5 Scholarship Scheme	12.1.1	63,450	109,425	63,450	109,425
	"Nipunatha Saviya" Benefit Scheme	12.1.1	4,063	7,366	4,063	7,366
	"Vishwa Yathra" Scheme/ Higher Eduacation Scheme	12.1.1	10,800	39,468	10,800	39,468
			403,573	**452,742**	**403,573**	**452,742**

12.1.1 The following table shows the payments made by ETFB for Year 5 scholarship,Vishwa Yathra and Nipunatha Saviya programme in the year 2025.

Education Programme	Relevant Year	No of Student	Amount (Rs.)
Year 5 Scholarship	2024	6270	94,050,000
		6270	94,050,000
Nipunatha Saviya	2022/2023	12	437,800
		12	437,800
Vishwa Yathra	2022/2023	2196	54,900,000
		2196	54,900,000

		Note	Group 2025	Group 2024	ETFB 2025	ETFB 2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
12.2	**Member Services**					
	Postage & Telegrams		21,624	22,319	21,624	22,319
	Printing & Stationery		24,209	26,177	24,209	26,177
	Member Related Expenses		2,639	1,061	2,639	1,061
	Travelling & Subsistance		10,691	12,393	5,623	6,189
	Media & Publicity		17,376	40	17,376	40
	Scholarship Expenses		3,110	954	3,110	954
			79,649	**62,944**	**74,581**	**56,740**
12.3	**IT Services**					
	Maintenance of Hardware		6,533	3,203	6,533	3,203
	Maintenance of Software		13,218	13,029	13,218	13,029
	Depreciation		34,608	37,050	34,608	37,050
	Insurance		363	393	363	393
	Rental on Leased Lines		22,858	27,969	22,858	27,969
			77,581	**81,644**	**77,581**	**81,644**
13	**DEPRECIATION & AMORTIZATION**					
	Depreciation for property, Plant & Equipment		66,842	66,016	46,645	46,129
	Amortization of Lease Hold Land & Development Work		-	875	-	-
	Depreciation/Impairment of Biological Asset		3,245	11,197	-	-
			70,087	**78,088**	**46,645**	**46,129**
14	**IMPAIREMENT CHARGE/ REVERSAL**					
	Imprirement on Debenture		(20,941)	(4,792)	(20,941)	(4,792)
	Imprirement on SMIB Deposit		(66)	(30)	(66)	(30)
	Imprirement on NDB Deposit		(49)	(72)	(49)	(72)
	Imprirement on Fixed Deposit		(10)	(16)	(10)	(16)
			(21,065)	**(4,910)**	**(21,065)**	**(4,910)**

		LANKA SALT 2025	LANKA SALT 2024
		Rs. '000	Rs. '000
15	**OTHER EXPENSES**		
	Sales Promotion Expenses	15,827	29,116
	SSCL Expenses	66,755	73,921
	Paneltics & Surcharges	86	230
	Expenses of Biological Assest	7,645	9,646
	Enviormental Work	14,774	38,538
	Circuit Bungalow Maintenance	11,997	14,590
	Salt Musium Expenses	5,010	6,624
	Sanitary Services	19,112	23,959
	Atrimea Expenses	5,369	1,454
	Services Station Expenses	12,913	14,296
	Mineral Tax Expenses	8,385	4,298
		167,871	**216,672**

				ETFB	
				2025	2024
				Rs. '000	Rs. '000
16	**INCOME TAX EXPENSES**				
	Accounting Profit/(Loss) before Tax			**68,510,122**	**63,176,600**
	Exempt and other source of income			(1,886,928)	(3,534,680)
	Disallowable expenses			926,317	1,041,234
	Allowable Expenses			(43,821)	(55,624)
	Assessable Income from Investment			**67,505,690**	**60,627,530**
	Gross Income Tax Expense @ 14%			**9,450,797**	**8,487,854**
	Dividend - Tax on Final WHT Payment (1,059,588.42*15%)			**-**	**978**
	Over Provision Adjustment			(978)	296
	Dividend - Final WHT Tax			161,276	188,934
	Current Income Tax Expense			**9,611,094**	**8,678,062**

				LANKA SALT	
				2025	2024
				Rs. '000	Rs. '000
	Accounting Profit/(Loss) before Tax from operations			**281,066**	**993,229**
	Disallowable Expenses for Taxation			119,842	267,686
	Allowable Expenses for Taxation			(63,519)	(60,498)
	Taxable Profit on Business Income			337,389	823,386
	Taxable Profit on Interest Income			-	377,031
	Net Taxable Profit/(Loss)			**337,389**	**1,200,416**
	Current Tax Expense				
	Income Tax on Business income	37,970	30%	11,391	247,016
	Income Tax on Investment income	299,418	30%	89,826	113,109
	Current Income Tax Charge			**101,217**	**360,125**
	Deferred Income Tax				
	Overed Provision of current taxes in respect of prior years			(12)	(13,171)
	Deferred Taxation Charge/(Reversal)			(10,507)	(55,170)
	Income tax expense reported in the Income Statement			**90,698**	**291,784**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
17	**FINANCIAL ASSETS AT FVTPL**					
	Quoted Share Investment (Trading)		2,936,878	2,646,191	2,936,878	2,646,191
			2,936,878	**2,646,191**	**2,936,878**	**2,646,191**
18	**INVESTMENT IN SUBSIDIARY**					
	Lanka Salt Limited		-	-	470,961	470,961
			-	**-**	**470,961**	**470,961**
19	**FINANCIAL ASSETS AT FVTOCI**					
	Quoted Share Investment Long Term		14,711,973	14,536,111	14,711,973	14,536,111
	Share Investment - Delisted		45	45	45	45
	Unquoted Share Investment		2,398	3,779	2,398	3,779
	Quoted Units		178,794	169,039	178,794	169,039
	Promissory Notes		12,174	12,174	12,174	12,174
	Less: Impairment on Promissory Notes		(12,174)	(12,174)	(12,174)	(12,174)
			14,893,209	**14,708,973**	**14,893,209**	**14,708,973**
20	**FINANCIAL ASSETS AT AMORTIZED COST**					
	Treasury Bonds		627,577,913	547,431,692	627,577,913	547,431,692
	Treasury Bills		2,950,164	3,119,900	2,950,164	3,119,900
	Quoted - Debenture		6,446,445	4,995,749	6,446,445	4,995,749
	Less: Impirement on Debenures		(8,515)	(29,456)	(8,515)	(29,456)
	Fixed Deposits		2,352,281	2,983,405	514,815	505,948
	Less: Impirement on Fixed Deposits		(77)	(88)	(77)	(88)
	Repurchase Agreement		4,737,860	4,915,443	4,737,860	4,915,443
	Debentures Unquoted		835,296	835,296	835,296	835,296
	SMIB-Scheme Deposit		358,876	383,073	358,876	383,073
	Less: Impirement on SMIB Deposit		(318)	(383)	(318)	(383)
	NDB Scheme Deposit		407,199	496,325	407,199	496,325
	Less: Impirement on NDB Deposit		(129)	(177)	(129)	(177)
	Staff Loans					
	Special Loan		23,465	29,423	23,465	29,423
	Special Distress Loan		441,403	428,148	324,810	321,496
	Festival Advance		253	34	253	34
	Special Festival Loan		2,161	1,785	2,161	1,785
	Vehicle Loan		405,675	242,444	405,675	242,444
			646,529,952	**565,832,614**	**644,575,893**	**563,248,506**

			Group		ETFB	
		Note	2025	2024	2025555	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
21	**OTHER ASSETS**					
	Accrued Income	21.1	-	-	-	-
	Receivables & Prepayments	21.2	5,002,029	4,661,911	4,908,306	4,540,227
	Inventories	21.3	768,260	350,269	14,537	12,036
			5,770,289	**5,012,179**	**4,922,843**	**4,552,263**
21.1	**Accrued Income**					
	Interest Receivable		23,466	24,966	23,466	24,966
	Less: Provision Against Doubtful Income	21.1.1	(23,466)	(24,966)	(23,466)	(24,966)
			-	-	-	-

21.1.1 Interest Receivable as follows.

Entity	Instrument	Interest Receivable
Elkaduwa Plantation	Unquoted Debentures	7,892
MBSL Vanik	Quoted Debentures	206
Vanik Incorporation	Quoted Debentures	15,000
Promissory Notes	Promissory Notes	368
Provision Against Doubtful Income		**23,466**

			Group		ETFB	
		Note	2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
21.2	**Receivables & Prepayments**					
	Trade Debtors		26,480	58,381	-	-
	Tax Receivable		48,331	43,657	-	-
	Contribution Receivable		4,231,978	3,716,377	4,231,978	3,716,377
	Money Order Control		8,750	5,577	8,750	5,577
	Postal Franking Machine Imprest		721	914	721	914
	Salary Advance		-	40	-	40
	Sundry Debtors		287,120	317,570	287,120	317,570
	Dues from Ex-employees		6,905	7,346	6,905	7,346
	Security Deposits		5,460	4,860	5,460	4,860
	Prepayment		30,461	30,307	11,549	10,661
	Pre - Paid Staff Loan Cost		161,356	108,678	161,356	108,678
	Dividend Receivable		188,094	361,730	188,094	361,730
	Advance Payment		6,373	6,474	6,373	6,474
			5,002,029	**4,661,911**	**4,908,306**	**4,540,227**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
21.3	**Inventories**					
	Common Salt Stock		495,525	89,587	-	-
	Artimea Stock		1,471	940	-	-
	Work in Progress		48,727	47,498	-	-
	Consumables and Spares		4,011	6,091	-	-
	Stock of Stationery & Consumable		216,905	204,542	12,917	10,425
	Library		272	272	272	272
	Holiday Bungalow Inventory		1,348	1,339	1,348	1,339
			768,260	**350,269**	**14,537**	**12,036**

22. PROPERTY, PLANT & EQUIPMENT

22.1 Group

(Rs. '000)

	Land	Buildings	Motor Vehicles	Computer Equipment	Furniture Fittings & Office Equipment	Buildings on Leasehold Land	Plant & Machinery	Bearer Biological Assets		Development Work	In the Course of Construction	Total
								Immature Plantations	Mature Plantations			
Cost												
Balance at 1st January 2024	20,000	23,620	346,379	204,180	207,897	631,831	315,892	10,500	17,717	326,250	8,060	2,112,328
Additions	-	-	3,187	5,709	22,507	10,482	5,350	-	-	-	20,703	67,938
Adjusment	-	-	-	-	-	-	-	6,463	5,475	-	-	11,938
Revaluations/Transfer	-	-	-	-	-	-	-	-	-	-	(10,465)	(10,465)
Balance at 31st December 2024	**20,000**	**23,620**	**349,566**	**209,889**	**230,404**	**642,314**	**321,241**	**16,963**	**23,192**	**326,250**	**18,298**	**2,181,738**
Balance at 1st January 2025	20,000	23,620	349,566	209,889	230,404	642,314	321,241	9,191	14,727	326,250	18,298	2,165,500
Additions	-	-	1,349	5,766	14,709	14	2,684	-	-	-	7,234	31,755
Adjusment	-	-	5,840	-	-	-	-	(2,158)	(1,052)	1,466	-	4,096
Revaluations/Transfer	-	-	-	-	-	4,042	-	-	-	-	(11,349)	(7,306)
Balance at 31st December 2025	**20,000**	**23,620**	**356,756**	**215,655**	**245,114**	**646,370**	**323,925**	**7,033**	**13,675**	**327,716**	**14,183**	**2,194,045**

STATEMENT OF CHANGES IN EQUITY

As at 31st December, 2025

(Rs. '000)

	Land	Buildings	Motor Vehicles	Computer Equipment	Furniture Fittings & Office Equipment	Buildings on Leasehold Land	Plant & Machinery	Bearer Biological Assets		Development Work	In the Course of Construction	Total (Rs. '000)
								Immature Plantations	Mature Plantations			
Accumulated Depreciation												
Balance at 1st January 2024	-	1,182	208,128	65,421	93,906	196,399	243,439	-	2,833	312,307	-	1,123,614
Depreciation Charge for the Year	-	591	40,110	41,227	25,009	15,836	16,230	-	245	12,152	-	151,399
Amortization of Government Grant			1,360									1,360
Disposals	-	-	-	-	-	-	-	-	(986)	-	-	(986)
Balance at 31st December 2024	**-**	**1,772**	**249,598**	**106,648**	**118,915**	**212,234**	**259,669**	**-**	**2,092**	**324,459**	**-**	**1,275,388**
Balance at 1st January 2025	-	1,772	249,598	106,648	118,915	212,234	259,669	5,153	4,577	324,459	-	1,283,025
Depreciation Charge for the Year	-	591	40,725	42,270	26,981	14,960	18,099	-	224	1,791	-	145,641
Amortization of Government Grant	-	-	1,360	-	-	-	-	-	-	-	-	1,360
Balance at 31st December 2025	**-**	**2,363**	**291,683**	**148,918**	**145,896**	**227,195**	**277,769**	**5,153**	**4,611**	**326,250**	**-**	**1,429,837**
Net Book Value												
At 1st January 2024	20,000	22,438	138,251	138,759	113,991	435,433	72,453	10,500	14,884	13,944	8,060	988,714
At 31st December 2024	20,000	21,848	99,968	103,241	111,489	430,079	61,572	16,963	21,100	1,791	18,298	906,350
At 31st December 2025	**20,000**	**21,257**	**65,073**	**66,736**	**99,218**	**419,175**	**46,157**	**1,879**	**9,064**	**1,466**	**14,183**	**764,208**

22. PROPERTY, PLANT & EQUIPMENT

(Rs. '000)

		Land	Buildings	Motor Vehicles	Computer Equipment	Furniture & Other Equip.	Total
22.2	**Board**						
	Balance at 1st January 2024	**20,000**	**23,620**	**103,324**	**204,180**	**83,076**	**434,200**
	Additions	-	-	-	5,709	8,491	14,200
	Balance at 31st December 2024	**20,000**	**23,620**	**103,324**	**209,889**	**91,567**	**448,400**
	Balance at 1st January 2025	**20,000**	**23,620**	**103,324**	**209,889**	**91,567**	**448,400**
	Additions	-	-	-	5,766	7,751	13,516
	Balance at 31st December 2025	**20,000**	**23,620**	**103,324**	**215,655**	**99,318**	**461,916**
	Accumulated Depreciation						
	Balance at 1st January 2024	**-**	**1,182**	**39,176**	**65,421**	**17,818**	**123,596**
	Depreciation Charge for the Year	-	591	19,305	41,227	16,136	77,259
	Amortization of Government Grant	-	-	1,360	-	-	1,360
	Balance at 31st December 2024	**-**	**1,772**	**59,841**	**106,648**	**33,954**	**202,215**
	Balance at 1st January 2025	**-**	**1,772**	**59,841**	**106,648**	**33,954**	**202,215**
	Depreciation Charge for the Year	-	591	19,305	42,270	17,285	79,450
	Amortization of Government Grant	-	-	1,360	-	-	1,360
	Balance at 31st December 2025	**-**	**2,363**	**80,506**	**148,918**	**51,239**	**283,026**
	Net Book Value						
	At 1st January 2024	20,000	22,438	64,147	138,759	65,258	310,604
	At 31st December 2024	20,000	21,848	43,483	103,241	57,613	246,185
	At 31st December 2025	**20,000**	**21,257**	**22,818**	**66,736**	**48,079**	**178,891**

		Note	Group		ETFB	
			2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
23	**LEASEHOLD PROPERTY**					
	Cost					
	At 1st January		20,910	20,910	-	-
	At 31st December		**20,910**	**20,910**	**-**	**-**
	Accumulated Amortization					
	Balance as at 1st January		20,910	20,213	-	-
	Charge for the Year		-	697	-	-
	Balance as at 31st December		**20,910**	**20,910**	**-**	**-**
	Net Book Value as at 31st December		**-**	**-**	**-**	**-**
24	**INTANGIBLE ASSETS**					
	Balance as at 1st January		1,148	6,163	1,148	6,163
	Additions		54	95	54	95
	Amortization during the year		(999)	(5,110)	(999)	(5,110)
	Computer Software from Government Grant	24.1	-	-	-	-
	Balance as at 31st December		**203**	**1,148**	**203**	**1,148**
24.1	**Computer Software from Government Grant**					
	At Beginning of Period		-	2,257	-	2,257
	Amortization		-	(2,257)	-	(2,257)
	At End of Period		**-**	**-**	**-**	**-**
25	**INVESTMENT PROPERTY**					
	Balance as at 1st January		4,587,406	4,587,406	4,587,406	4,587,406
	Balance as at 31st December		**4,587,406**	**4,587,406**	**4,587,406**	**4,587,406**

26. INTEREST BEARING BORROWINGS

Lanka Salt Limited	31st December 2025			31st December 2024		
	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Finance Leases	-	-	-	-	-	-
Bank Overdrafts	218,203	-	218,203	403,727	-	403,727
	218,203	**-**	**218,203**	**403,727**	**-**	**403,727**

27. GRANTS & SUBSIDIES

	ETFB	
	2025	2024
	Rs. '000	Rs. '000
At Beginning of Period	4,873	8,490
Additions	-	-
Amortization	(1,360)	(3,617)
At End of Period	**3,513**	**4,873**

	Iodized Plant	Building	Pump House	Motor Vehicle	Lanka Salt Limited Total 2025	Lanka Salt Limited Total 2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost						
As at 1st January	19,515	41,124	1,387	6,500	68,527	68,527
As at 31st December	**19,515**	**41,124**	**1,387**	**6,500**	**68,527**	**68,527**
Amortization						
As at 1st January	19,515	18,078	613	2,125	40,331	38,618
Reversal during the Year	-	1,028	35	650	1,713	1,713
As at 31st December	**19,515**	**19,106**	**647**	**2,775**	**42,043**	**40,331**
Written Down Value						
As at 31st December	**-**	**22,019**	**740**	**3,725**	**26,483**	**28,196**

		Note	Group		ETFB	
			2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
28	**DEFINED BENEFIT OBLIGATION**					
	Opening Defined Benefit Obligation 01st January		838,890	593,245	381,024	303,379
	Amount Recognized in the income statement	28.1	87,386	225,811	58,866	53,950
	Actuarial (Gains) / Losses on Obligations	28.2	50,554	79,318	50,554	79,318
	Benefit Paid		(66,532)	(59,484)	(43,821)	(55,624)
	Closing Defined Benefit Obligation 31st December		**910,299**	**838,890**	**446,622**	**381,024**
28.1	**Expenses recognized in the income statement**					
	Interest Cost				39,502	39,439
	Current Service cost				19,364	14,511
					58,866	**53,950**
28.2	**Expenses recognized in the other comprehensive income statement**					
	Actuarial (Gain/Loss) due to changes in financial assumptions				76,694	79,318
	Actuarial (Gain/Loss) Due to changes in demographic assumptions				(31,286)	-
	Actuarial (Gain/Loss) Due to experience adjustments				5,146	-
	Expenses recognized in the other comprehensive income statement				**50,554**	**79,318**
28.3	**Actuarial assumptions used in determining retirement benefit obligation.**					
	Financial Assumptions					
	Discount rate				10.00%	11.00%
	Future Salary increment rate				7.00%	6.00%
	Demographic Assumptions				IALM2006-08	A1967/70
	Mortality table				**Mortality Table**	**Mortality Table**
	Retirement Age				60 Years	60 Years

Expected average future working life of the active participants is 12.6 years (2024: 8.5 years).

Messers, UNITS Actuaries & Consultants (Pvt) Ltd firms of professional actuaries, have been carried out an independent actuarial valuation of the defined benefit plan and accordingly compatible assumption have been unused in determining the cost of defined benefits.

		Note	Group		ETFB	
			2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
29	**CURRENT TAX LIABILITIES**					
	Gross Tax Liability		**9,611,094**	**8,678,062**	**9,611,094**	**8,678,062**
	(-) Income Tax Payments		(4,697,092)	(4,384,010)	(4,697,092)	(4,384,010)
	Tax Payable to IRD		**4,914,002**	**4,294,051**	**4,914,002**	**4,294,051**
30	**OTHER LIABILITIES**					
	Accounts Payables and Sundry Creditors	30.1	483,570	471,513	155,597	144,088
			483,570	**471,513**	**155,597**	**144,088**
30.1	**Accounts Payables and Sundry Creditors**					
	Trade and Other Payables	30.1.1	325,432	325,649	-	-
	Retained Tax On Claims Paid & Benefit		2,454	2,828	2,454	2,828
	Stamp Duty Payable on Claims		808	927	808	927
	Dividend Payable		2,542	1,777	-	-
	Unpaid Emoluments		75	76	75	76
	Stamp Duty Payable		93	111	93	111
	EPF Payable		19,712	18,546	19,712	18,546
	ETF Payable		2,365	2,226	2,365	2,226
	Accrued Expenses		76,315	68,603	76,315	68,603
	Returned Benefit (Cheques)		2,239	2,257	2,239	2,257
	Returned Benefit (Welfare)		517	159	517	159
	Returned Benefit (Slip)		6,273	5,416	6,273	5,416
	Unpaid Death Benefits		29,500	27,943	29,500	27,943
	P.A.Y.E.Tax Payable		606	3,352	606	3,352
	Retained W.H.T		604	776	604	776
	Unclaimed Scholarship		60	-	60	-
	Unreconcile Balance		14	14	14	14
	Library Fund		17	14	17	14
	Sundry Payable		207	207	207	207
	Refundable Deposit		249	70	249	70
	Security Deposits - Car park		13,126	10,035	13,126	10,035
	Salaries Control		163	-	163	-
	Salary Deductions Clearance		87	429	87	429
	Income Paid in Advance		111	101	111	101
			483,570	471,513	155,597	144,088

		LANKA SALT LIMITED 2025 Rs. '000	LANKA SALT LIMITED 2024 Rs. '000
30.1.1	**Trade and Other Payables**		
	Financial Liabilities		
	Trade Payables	33,242	81,948
	Salt Transport Payable	21,419	-
	Deposits Payables	15,267	35,825
	Social Security Contribution Levy	5,215	6,003
	Ground Rent Payable	27,390	18,925
	Non Financial Liabilities		
	Accrued Expenses	133,674	81,134
	Other Payables	20,997	31,167
	Value Added Tax Payables	34,783	37,201
	Provision for compensation payable	33,445	33,445
		325,432	**325,649**

		LANKA SALT LIMITED			
		Capital Allowances for Tax Purposes	Defined Benefit Plans	Deferred tax attributable to Tax Losses	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
31	**DEFERRED TAX LIABILITIES**				
	As at 01.01.2024	157,825	(86,960)	-	70,865
	Charge (credit) to profit or loss for the year	(4,769)	(50,400)	-	(55,170)
	As at 01.01.2025	153,056	(137,360)	-	15,696
	Charge (credit) to profit or loss for the year	(8,764)	(1,743)	-	(10,507)
	As at 31.12.2025	**144,291**	**(139,103)**	**-**	**5,188**

	Deferred tax liability	(144,291)	(153,056)
	Deferred tax asset	139,103	137,360
	Net Deferred Tax Liability	**(5,188)**	**(15,696)**

		Note	Group 2025 Rs. '000	Group 2024 Rs. '000	ETFB 2025 Rs. '000	ETFB 2024 Rs. '000
32	**PROVISIONS**					
	Provision for Audit fee		2,500	2,500	2,500	2,500
	Provn. for Employees' Accident Compensation Scheme		2,000	2,000	2,000	2,000
	Provision for Bonus		170	73,975	170	73,975
	Provision for Leave Encashment		15,630	16,320	15,630	16,320
	Provision for "Nipunatha Saviya" Benefit Scheme		72,525	91,275	72,525	91,275
	Provision for "Vishwa Yathra" Financial Assistance Program		104,275	126,000	104,275	126,000
	Provision for Year 5 Scholarship		104,340	135,300	104,340	135,300
			301,440	**447,371**	**301,440**	**447,371**

		ETFB	
		2025 Rs. '000	2024 Rs. '000
33	MEMBER FUND		
	Opening Member Fund Balance 01st January	**564,326,576**	**504,434,709**
	Previous Year Contribution Adjustment	(4,247)	(3,558)
	Contribution Received	48,120,511	42,028,214
	Refund of Contribution	(30,303,612)	(33,434,593)
	Interest on Member Fund Balance	17,464,353	15,390,525
	Dividend	37,839,476	35,911,278
	Closing Member Fund Balance 31st December	**637,443,057**	**564,326,576**

Unallocated Member Fund – Progress of Allocation (Last 5 Years)

The following table illustrates the year-on-year movement in the Unallocated Member Fund over the past five years, highlighting the continuous progress in allocating these balances to member accounts.

Period	Balance as of 31-Dec-21 Rs.'000	Balance as of 31-Dec-22 Rs.'000	Balance as of 31-Dec-23 Rs.'000	Balance as of 31-Dec-24 Rs.'000	Balance as of 31-Dec-25 Rs.'000	Balance as of 9-Mar-26 Rs.'000
1981-2014	113,890	83,993	33,116	14,548	14,508	14,508
2015-2023	-	-	954,900	614,099	390,046	362,221
2024	-	-	-	-	826,491	660,283
	113,890	**83,993**	**988,016**	**628,647**	**1,231,045**	**1,037,012**

33 CONTINGENT LIABILITIES & COMMITMENTS

33.1 Litigation against the Board

The Inland Revenue Department issued an assessment for the Year of Assessment 2018/2019 disallowing Notional Tax Credits and member-related expenses, resulting in a disputed tax amount of Rs. 2,328,096,677.

The Board appealed against the assessment, and the Tax Appeals Commission subsequently determined the matter in favor of the Employees' Trust Fund Board (ETFB). However, the Inland Revenue Department has filed an appeal before the Court of Appeal of Sri Lanka challenging the determination of the Tax Appeals Commission.

As at 31 December 2025, the case remains pending before the Court of Appeal. Based on the legal opinion obtained and the prior favorable determination by the Tax Appeals Commission, the Board is of the view that a favorable outcome is probable. However, no asset or liability has been recognized in the financial statements pending the final determination by the Court. The next hearing of the case is scheduled for 15 May 2026.

Supplementary Information

Auditor General's Report - 2025

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

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எனது இல.
My No. } LSW/F/ ETF /1/2025/265

මගේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date } 09th of June 2026

The Chairman,
Employees' Trust Fund Board.

The Auditor General's Report on the Financial Statements of the Employees' Trust Fund Board and its Subsidiary for the year ended as of the 31st of December 2025 and other legal and regulatory requirements in terms of Section 12 of the National Audit Act, No. 19 of 2018

01. FINANCIAL STATEMENTS

1.1 Opinion

The audit of the financial statements of the Employees' Trust Fund Board ("Board") and its Subsidiary ("Group") for the year ended as at the 31st of December 2025 comprising the Consolidated Statement of Financial Position for the year ended 31 December 2022 comprising the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and the explanatory notes to Financial Statements and a summary of Significant Accounting Policies was carried out under my direction in pursuance of the provisions of the National Audit Act, No. 19 of 2018 and the Finance Act, No. 38 of 1971 read in conjunction with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of Article 154 (6) of the Constitution.

In my opinion, the financial position of the Board and the Group as at 31 December 2025 and its financial performance and cash flows for the year then ended give a true and fair view in accordance with the Sri Lanka Accounting Standards.

1.2 Basis for Opinion

The audit was carried out by me in accordance with the Sri Lanka Audit Standards (SLASs). My responsibility under these audit standards has been further described in the part of the 'Responsibility of the Auditor over the Audit of the Financial Statements' in this report. It is my belief that the audit evidence obtained by me is sufficient and appropriate for providing a basis for my opinion.

1.3 Other information contained in the Annual Report 2025 of the Group

Other information means the information incorporated in the Annual Report of the Group that was obtained by me prior to the date of this audit report, but not included in the financial statements and my audit report in that regard. The management is responsible for this other information.

My opinion in relation to financial statements does not encompass other information and I do not express any assurance or opinion whatsoever in that connection.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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My responsibility with regard to the audit is to read the other aforesaid information so identified and, in doing so, to consider such other information are substantially inconsistent with the financial statements or in accordance with my knowledge I obtained during the course of the audit or otherwise.

If I, on the basis of other information received by me prior to the date of this audit report and the tasks carried out by me, come to the conclusion that this other information has substantially been misrepresented, it becomes necessary that I should report the particular matter. In this regard, I do not have anything to report.

When reading the 2025 Annual Report of the Group, if I conclude that there are significant misrepresentations, such matters should be communicated to the governing parties for correction. If there exist further uncorrected misrepresentations, they will be included in the report that will be tabled in due course in Parliament in terms of Article 154 (6) of the Constitution.

1.4 Responsibility of the management and the governing parties over the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Those parties charged with governance are responsible for overseeing the financial reporting process of the Group.

The Group should duly maintain the relevant books and records pertaining to its income and expenditure and assets and liabilities so as to enable it the preparation of the Group's annual and periodic financial statements in terms of subsection 16 (1) of the National Audit Act, No. 19 of 2018.

1.5 Responsibility of the Auditor over the Audit of Financial Statements

My objective is to give a reasonable assurance as to whether the financial statements as a whole are free from material misstatements due to fraud or error and to issue the Report of the Auditor, inclusive of my opinion. Even though giving a reasonable assurance is an assertion of a high level, the audit is not always an assurance that it brings into exposure the material misstatements during the course of carrying out the audit in accordance with the Sri Lanka Audit Standards. A material misstatement could result from the effect of frauds and errors severally or collectively and its materiality might depend on the impact of the economic decisions arrived at by the users based on these financial statements.

The audit was carried out by me with professional judgment and professional skepticism in keeping with the Sri Lanka Audit Standards. I further,

- designed and implemented audit procedures that are appropriate in the circumstances in identifying and assessing the risks of material misstatements that could result in the financial statements owing to fraud and errors, in setting up an audit opinion. It was in view of the fact that the impact caused by a fraud is more severe than that caused by reasons such as material misstatements resulting from erroneous recording and collusion, preparation of forged documents, intentional avoidance or the avoidance of internal controls.

- acquired an understanding of the Group's internal control in order to design circumstantially suitable audit procedures, even though it was not with the intention of expressing an opinion on the effectiveness of its internal control.

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

- decided on the relevance of applying the basis of the continued sustainability of the entity for accounting purposes based on the audit evidence acquired as to whether there exists a substantial uncertainty on the Group's going concern due to incidents or conditions. In case I determine that such uncertainty exists, my report should pay attention to the disclosures regarding the financial statements and if those disclosures are not sufficient, my opinion must be modified. However, the Group's continued state of the going concern may cease to exist on the future incidents or conditions.

- assessed the overall presentation of the financial statements, inclusive of the fact as to whether the relevant transactions and incidents upon which the structure and the content of the financial statements were based have been suitably and fairly incorporated and of the related disclosures.

- acquired sufficient and eligible audit evidence in regard to financial information pertaining to the activities of the entities or the businesses within the Group in order to express an opinion on the consolidated financial statements concerned. I am supposed to be responsible for the conduct, supervision and performance of the Group's audit. And, I shall also hold responsibility in toto for my audit opinion.

The related governing parties were made aware of the significant audit findings, major weaknesses of the internal controls and other matters identified during the course of the audit.

02. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

2.1 Special provisions on the following requirements are embodied in the National Audit Act, No. 19 of 2018.

2.1.1 All information and explanations necessary for the audit were obtained by me in accordance with the requirements set out in section 12 (a) of the National Audit Act, No. 19 of 2018 and the Board had maintained proper financial records as was evident by my examination.

2.1.2 The financial statements of the Group are consistent with those of the previous year in accordance with the requirements of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The recommendations made by me during the previous year have been included in the financial statements that have been presented in accordance with the requirement set out in section 6 (i) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the measures adopted and the evidence that was obtained and within the limitation confined to material considerations, nothing met with my attention to the extent of making the following statements.

2.2.1 That any member of the Board, in accordance with the requirement set out in section 12 (d) of the National Audit Act, No. 19 of 2018, has an interest directly or otherwise over any agreement connected to the Group outside of his general affairs of the business therein.

2.2.2 That the Board, in accordance with the requirement set out in Section 12 (f) of the National Audit Act, No. 19 of 2018, has acted in a manner that is inconsistent with any relevant written law or other general or special provisions issued by the governing body of the Group, excluding the observations given below :

Reference to Rules and Regulations / Directions	Non - Compliance
(a) Section 39 (2) of the National Audit Act, No. 19 of 2018	Even though the onward action to be taken within 03 months in regard to the detailed management report of the Auditor General should be presented, no replies to date had been made to the detailed management report of the Auditor General with respect to the year 2024, that had been issued on the 30th of May 2025.
(b) Section 396 (d) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka	No action had been taken in accordance with the Financial Regulations regarding 06 cheques, totaling Rs. 733,791 in value, that had remained lapsed for more than six months after their issuance.
(C) Public Enterprises Circulars-	
(i) Para 4.2 of Circular 01 / 2021 dated 17 Nov. 2021	Even though a minimum of 04 Audit and Management Committee meetings should be held per year, only 02 committee meetings had been held during the period under review.
(ii) Para 03 of Circular 01 /2021 (ii) dated 27 Sep. 2023	Even though the Board had been in possession of 90% of the equity capital of the Lanka Salt Limited, making it as a subsidiary thereof, no policy framework had so far been formulated in respect of the subsidiary company in terms of the circular requirements.
(iii) Para 02 of Circular 01 /2021 (iii) dated 27 Sep. 2023	Approval of the Department of Public Enterprises for the Board's Financial and Operational Procedure had not been obtained as of the present date.
(d) Para 20 of the Management Services Department Circular, No. 01 /2025 dated 25 March 2025	Even though the directions were made by circulars to pay monies involving combined allowances payable as per employee categorization according to their employee levels, payments had been made in deviation of such directions.
(e) Para 2.4 (b) (iii) of the Procurement Guidelines 2024 of the Democratic Socialist Republic of Sri Lanka	Even though the procurement committee relating to the process of the member awareness of the benefit schemes by the Independent Television Network Limited should make decisions on the dates of its propagandic work, its mode of operation, issuance of procurement documents, acceptance of related bid proposals, its closure and opening, etc. with a view to garnering a wide publicity on the very first day of the said committee meeting, it had not been so dealt with in respect of the procurement process on which a sum amounting to Rs. 15 million had been spent.

2.2.3 That the Group, in accordance with the requirement set out in section 12 (h) of the National Audit Act, No. 19 of 2018, has not performed in a manner inconsistent with its powers, duties and functions, excluding the observations as given below :

a) Even though, in terms of section 16 (1) of the Employees' Trust Fund Board Act, No. 46 of 1980, a contributory sum amounting to about three per cent of the total earnings earned by the employee should be paid to the fund by the respective employer on or before the last day of the ensuing month, 20 garment factories registered with the Board between 2001 and 2019 from the very beginning, 15 establishments providing cleaning facilities and 29 and 12 hotel and restaurant establishments in Colombo and Gampaha districts, respectively had not paid their dues for the year 2025. Institutions numbering 51 out of such institutions had not been subject to field inspections either.

b) Even though, in terms of section 16.3 of the Employees' Trust Fund Board Act, No. 46 of 1980, the contributions remitted by the employers to the Board should be credited to the personal accounts of the respective members, a sum amounting to Rs. 911.27 million credited to the Board by 6,612 employers from the year 1981 to 2024 had not been credited in favour of such personal accounts as of the 27th of April 2026. In this amount, there existed a sum to the value of Rs. 896.74 million for 6,211 employers in respect of the years 2015 and 2024. By 22 May 2026, the number of employers had reduced to 5,960 and the undistributed cash balance had amounted to Rs.876.4 million.

2.2.4 That the Group, in accordance with the requirement set out in section 12 (h) of the National Audit Act, No. 19 of 2018, has procured its resources and put them into use economically, efficiently and effectively and within the prescribed time limits in a manner consistent with the stipulated laws, excluding the observation as given below :

a) 21 QR Code Printers with a total value of Rs. 2,478,000 and 44 QR Code Scanners with a total value of Rs. 2,277,572 purchased in the year 2023 for new computer system projects remained idle in the stores over a period of three and a half years without any use.

b) In terms of the agreement reached between Bank of Ceylon and the Board as per the letter dated 06 August 2006, two deposits of Rs. 10 million and Rs. 490 million are maintained in Bank of Ceylon for providing check collection facilities. The Board had not focused on securing relatively higher market interest rates on these deposits which were held over a period nearly 20 years. By keeping a sum of this magnitude amounting Rs. 500 million in Bank of Ceylon for a long time such as this, the Board had lost the opportunity of gaining a high return.

c) The Board had purchased 761,478 shares of a private company in the year 2011, and its market value as of 31 December 2025 stood as Rs. 48,811,600. No dividends have been received for these investments from the year 2020 to 2024 and the dividends received therefrom in the year under review amounted to Rs. 383,739 only. During the period between the year 2020 and the year under review, the Board had not entered into any stock market transactions in respect of this company and the Board had not taken any action to invest this sum of money in companies that will yield effective returns.

d) The Board had purchased 3,302,188 shares of Sri Lanka Telecom in the year 2002 at a cost of Rs. 2,224,218,565. In the last 5 years, the amount of dividend received for these shares amounted to Rs. 13,241,773. Even though a period spanning 17 years have passed since the sale of Sri Lanka Telecom shares has been stopped as from the year 2008 on the advice of the General Treasury, the Board continues to hold these shares without making any capital gains therefrom. By maintaining the money in this fund consisting of the member dues for a long period of time, there was an impact on the level of benefits the member is entitled to have accrued.

e) The two-storied building situated at Navam Mawatha, owned by the Board, consisting of 19319 square feet and costing Rs. 21.41 million as of 31 December 2025, was not put to utilization for earning any investment income.

03. OTHER MATTERS

a) The letters confirming the balances involving the interest income of Rs. 24,793,485 that is receivable for the debentures of Elkaduwa Plantation Company and the total receivable value balances of Rs. 3,175,000,000 in the 05 listed debenture investments related to its respective institutions included in the financial statements of the year under review were not made available to the audit, which were due by such institutions.

b) Following issues were observed regarding the progress of achieving the objectives and functions embodied in the annual action plan with respect to the year under review :

(i) Even though, according to the information presented to the audit, the total number of employers registered with the Board is 235,624, the number of active employers at the end of the year under review is 84,491 or 35.8 percent. Measures taken by the Board to further increase the number of active employers and identify new employers had be further enhanced.

(ii) As disclosed in the Annual Report 2024, the Board has stated to have facilitated a service enabling members to access the balance of their personal accounts via a short message. At present, out of the active membership of 2.6 million, it has been reported to the audit that 35,662 members only have registered with the Board to obtain this service.

(iii) Even though, with a view to enhancing the efficiency and productivity of the Board's functions and services, a memorandum of understanding was reached in the month of November 2016 with the Sri Lanka Information and Communication Technology Agency to develop a member-centered system and to complete it in 3 years, the system concerned remained officially unimplementable in real terms even as at present. Although the project activities saw no completion within the projected period, services of an IT Consultant have also been obtained for a period of one year and a sum amounting to Rs. 2,400,000 had been paid to him as allowances for that purpose while the total expenditure borne by the Board for the project concerned by the end of December 2025 amounted to Rs. 193 million. The Board had taken no action to date to enter into a new agreement as the project had not seen its successful completion.

c) The Navam Mawatha Car Park, which was an invested property of the Board, draws a current estimated valuation of Rs. 4,566 million whereas its annual earnings amount to Rs. 44 million. Following issues were observed regarding the upkeep of the carpark, collection of income and entering into agreements :

(i) Within the Navam Mawatha premises owned by the Board, there stands fixed 02 commercial advertising hoardings even as at present, and the advertising hoarding of one agency is maintained from the year 2016 while the other advertising hoarding is hosted from the year 2022. The Board has continued to make way for the same agency to use the hoardings right throughout these years without adhering to the procurement procedures, and it has not made any arrangements either to enter into agreements with the agencies concerned.

(ii) The total balance amount to be collected from the car park users as of 31 December 2025 was Rs. 6,858,325 and the unpaid balance amount therein stood as Rs. 3,950,000 even though a period of 90 days has been elapsed. Although there existed 78 agencies that park vehicles on a monthly rental basis, the Board had taken action to enter into agreements with only one agency.

(iii) Even though a sum amounting to three-fold of the monthly parking fee should be made as security deposit for availing of the parking facility at the carpark, an agency obtaining the parking facility for 111 vehicles, despite a sum of Rs. 2,664,000 (8,000 x 3 x 11) is payable as security deposit, had made a deposit of Rs. 1,584,000 only, and the resultant amount in arrears worth Rs. 1,080,000 had not been recovered up until now.

d) The Ministry of Technology Circular No. MOT /2023/01 dated 02 May 2023 had spelt out instructions to all public institutions for adhering to the cyber security policy introduced for the purpose of safeguarding the assets of information from unwarranted entry, prevention and alteration or destruction with a view to ensuring confidentiality, adaptability and credibility of such information assets. Work such as the establishment of information security committees, the establishment of risk management committees and the maintenance of the information asset register and the information technology asset register in the Board had not been completed so far in line with the criteria of the said circular.

e) At the end of the year under review, the approved staff strength of the Board was 1,106, while the actual staff strength stood at 848, resulting in 258 vacancies. The following observations were made regarding the contribution of the members of staff and the staff recruitment in the process of achieving the objectives of the Board :

(i) During the examination of the personal file of the officer who was recruited to the post of Deputy General Manager (Member Services) in the year 2021, the relevant service certificates required to award marks for his work experience had not been filed.

(ii) Even though, in terms of 1-10 of Chapter II of the Establishments Code, an appointing authority should not antedate an appointment without the approval of the Director General of Establishments for whatsoever reason, the date of appointment of a person appointed as an Assistant Administrative Officer from 01 September 2020 had been antedated to be effective from 01 June 2016.

(iii) Even though, in accordance with Chapter II, Section 13.1.2 of the Establishments Code, an officer recommended for an acting appointment should in all respect possess the qualifications required by the approved Schemes of Recruitment, an officer serving in a Junior Management Level Grade II post had been appointed to act in the post of Manager (Benefits Administration) (MM 1-3) with effect from 22 December 2021 quite contrary to such provision,

(iv) Even though the approved staff strength for the Internal Audit Division was 15, the actual staff strength as of 31 December 2025 was limited to 05. The post of Assistant General Manager (Internal Auditor) had remained vacant even prior to 2023, and only 03 officers from the currently attached staff possessed the required qualifications.

f) At the meeting of the Committee on Public Enterprises (COPE) held on 26 August 2016, a directive was issued stating that the practice of the same individual holding both the posts of Chairman and Chief Executive Officer of the Board should be amended through a legislative revision. However, despite the lapse of 08 years since the said meeting, the Board had failed to expedite and implement this amendment.

g) The Profit Equalization Reserve was established with the objective of mitigating adverse impacts on the distributable profits of members caused by significant fluctuations in the market prices of the Fund's investments. However, no allocations were made to this reserve from profits during the period from 2015 to 2022. Subsequently, allocations of Rs. 10 million, Rs. 3 million and Rs. 5.8 million were made in the years 2023, 2024, and 2025 respectively. Transferring balances to the Profit Equalization Reserve in this manner, without a formally agreed policy framework, created a likelihood of a risk of reducing the profits distributable to the members.

h) The total balance of unclaimed general benefits as of 31 December 2025 amounted to Rs. 9,029, and the value therein for the period between 2001 and 2024 stood at a sum amounting to Rs. 4.6 million. Action had not been taken to make improvements to the measures adopted to settle these balances or credit the same back to the respective member accounts.

i) The balance in the suspense account designated as "V999," which contains contributions from unidentified employers for the period from 1982 to 2022 and has continuously persisted up to the year under review, stood at a sum amounting to Rs. 6.52 million.

j) The non-debt balance recoverable to the value of Rs.108,415 related to 06 officers who have been retired for approximately 1.5 to 17 years is Rs. 108,415 and the debt balance of Rs. 3,211,035 fallen due from 04 officers whose retirement periods ranged from approximately 1.5 to 4 years had not been able to be recovered either, even by the 30th of April 2026.

Sgd. /
L. S. I. Jayaratne
Auditor General
National Audit Office

Observations of the Board on the **Auditor General's Report 2025**

2.2.2 Non-compliance with rules, regulations and directives

(a) Arrangements are being made to submit the progress of the Detailed Management Auditor General's Report of 2024 within a month. Furthermore, the management has been instructed to provide the relevant progress reports without delay if a Management Auditor General's Report is presented for the year 2025.

(b) Rs. 6,868.64

This amount has appeared in the report on cheques exceeding 06 months from 2018 to date due to an error occurred in the computer system.

Rs. 1,669.05

The cheque carrying this amount in value was issued to Member No. A /23775/240, Mr. A. R. A. R. Seneviratne, under Lot No. 2023/515801. This was recorded as a negative value (1669.05-) in the unpresented cheques list. This occurred due to a computer system error, and since the stated value is incorrect, the payment has instead been settled and cleared to the member under Lot No. 2023/527336.

Both of the above-mentioned cheque numbers are in display in the unpresented cheques list of the computer system due to a system error. I intend to instruct the relevant sections to take the necessary steps to remove both these cheques from the cheque list in the future with the assistance of the Computer Division.

Rs. 147,939.16 / Rs. 415,865.10 / Rs. 154,438.25 / Rs. 10,349.59

These cheques are those issued to release the funds due to members upon the release of the withheld taxes. When transferring these to unclaimed accounts, computer system errors could occur, and hence, they have not been removed from the unpresented list and transferred to the unclaimed accounts.

Since it is difficult to take action in accordance with Financial Regulations due to errors caused by the computer system, I expect to submit these discrepancies to the Audit and Management Committee to obtain recommendations to rectify such defects, and subsequently proceed with it based on the approval of the Board of Directors.

(c) (i) Instructions have been given to properly conduct Audit and Management Committee meetings as scheduled from the year 2026 onwards. The Audit and Management Committee meeting for the first quarter of 2026 has already been held, and the meeting for the second quarter is scheduled to be held in June.

(ii) The Sri Lanka Institute of Development Administration (SLIDA) has been assigned the task of formulating a policy framework for Lanka Salt Company Limited (the subsidiary company), and those activities are currently underway. Steps will be taken to present the progress of this matter in the future

On 30.03.2026, the approval of the Board of Directors of Lanka Salt Company was received to award the formulation of the policy framework to the aforementioned institute at an estimated cost of Rs. 529,444.44. Currently, 50% of the estimated amount has been paid, and the work thereon has commenced.

(iii) Code of Operational Procedure

Steps have been taken to update the current Operational Procedure Code of the Board with the assistance of the Sri Lanka Institute of Development Administration (SLIDA) upon Board approval. This procedure code will be submitted for Board approval once the work thereof is finalized.

Code of Financial Procedure

The Financial Procedure Manual approved by the Board of Directors was submitted to the Department of Public Enterprises on 23 June 2022. The approved manual has not been received back as yet. Instructions have been given to the relevant sections to expedite obtaining the approval

(d) As per the approval granted at the Board of Directors meeting held on 25.03.2024, to amend the clauses in the internal circulars issued regarding the payment of combined allowances in accordance with Public Administration Circular No. 20 /2018, action has been taken to amend Clause 1 of the previous Internal Circular No. 2006 /26 and pay the combined allowances based on the monthly basic salary. However, as regards Clause 20 of the Management Services Circular No. 01 /2025, it has been decided to submit the matter to the upcoming Board meeting for approval regarding the payment of combined allowances according to the employee categorization as set out in Schedule No. 111 therein.

(e) agree with the observation that the Procurement Committee did not schedule the dates related to the procurement process at its first meeting, as stipulated in paragraph 2.4. (b) iii of the Procurement Guidelines of 2024. Steps have been taken to rectify this error from the year 2026 onwards. Although dates were not decided during the first procurement at its initial stage, specific dates were provided when executing the procurement process for the tasks stated in the audit paragraph. The details thereof are presented as given below:

a. The dates on which advertisements should be published are presented under Clause No. 3 of the agreement.

b. Particulars regarding the deadline for issuing procurement documents and receiving bid proposals can be obtained by reviewing the documents.

c. The opening of procurement documents was carried out on 05 February 2025, at 10:30 a.m.

2.2.3

(a) I agree with the matters pointed out in the audit paragraphs and note that the field inspections have not been conducted for the specific institutions highlighted. However, this does not imply that the Board has failed in its task to conduct field inspections to resolve the matters raised in the audit query.

The Board has identified 86,000 active employers, and through that process, field inspections have been carried out regarding institutions that have failed to pay contributions systematically. Additionally, 125,000 inactive employers have been identified, and field inspections have been conducted to encourage such identified employers to transition back to their active positions.

In order to make these efforts effective, the Collections and Employer Relations Divisions were established, and the offices at regional level covering the entire island have been set up to conduct operations more systematically. These offices primarily handle field inspections where a total of 47,020 employer inspections were conducted between the years 2008 and 2025. A summary of such inspections is shown below:

Period	Number of Institutions
2008 /07 – 2012 /12	9,112
2013 /01 – 2016 /12	14,182
2017 /01 – 2021 /12	13,894
2022 /01 – 2025 /12	9,832
Total	**47,020**

Instructions have been issued to inspect the institutions pointed out in the audit paragraphs immediately and to report their current progress. Furthermore, the relevant divisions have been instructed to identify defaulting and inactive employers, grade their current operational status based on acceptable criteria, and formulate and submit a 5-year plan for future field inspections. Accordingly, the Internal Audit Division of the Board has been instructed to monitor compliance with this plan and report back to me regarding the progress achieved. Additionally, arrangements have been made to review and follow up on these matters during monthly progress meetings with regional offices. The introduction of these internal control systems has established the necessary mechanism to resolve this issue.

Furthermore, to effectively manage the issues highlighted in the audit paragraphs, the following specific monthly targets have been assigned to regional offices :

1. Number of places to be inspected monthly
2. Effective rate percentage of the inspections
3. Number of new members identified
4. Agent value of payments calculated based on the monthly inspections of places

Through achieving these targets, regional offices carry out the following functions :

1. Issuing written notifications to institutions registered under the Employees' Provident Fund (EPF) that have failed to remit contributions to date.

2. Notifying employers with delayed payments to settle their outstanding balances.

3. Inspecting the premises of employers who fail to respond to the above notifications and initiating recovery procedures for arrears.

4. Receiving, investigating and recovering outstanding dues regarding complaints filed against non-payment of employee contributions.

When addressing the issues raised in audit paragraphs 2 and 3, certain challenges fall outside the operational scope of the Board, causing unavoidable hindrances in resolving these matters as desired. These limitations include :

1. The computerization of enforcement records was executed in the year 2008, creating practical difficulties in retrieving historical data prior to that year.

2. Delays arising from employer premises being closed, abandoned, or untraceable.

3. The inability to write off relevant records from the Board's accounts despite the physical closure of the respective employer institutions.

Plans have been drawn out to study necessary methodologies to overcome these limitations and establish a mechanism to expedite the resolution of the aforesaid issues.

(b) As of 22.05.2026, the number of employers has been reduced to 5,960, and unallocated funds have decreased by Rs. 20 million. Accordingly, the unallocated fund balance as of 05.05.2026 stood at Rs. 876,405,046.75.

To minimize such occurrences in the future, it has been made mandatory to remit ETF contributions via online channels. Additionally, submission of the Form II Text File via the online system has now been made compulsory.

Written instructions have been issued to the respective divisions to quickly allocate the unallocated funds accumulated between 2015 and 2024, and the progress thereof will be updated to the audit.

2.2.4

(a) This project was initially scheduled to commence during the second half of 2023. However, the Operational Acceptance Testing (OAT) sessions could not be launched within the planned timeline. Since the ICTA repeatedly highlighted the dire necessity of purchasing matching hardware components, procurement was executed upon receiving approval from the line Ministry. The requirement for these machines arises following the project initiation, and plans are in place to deploy them accordingly.

(b) An amount of Rs. 500 million has been invested in fixed deposits and repurchase agreements on an annual renewal basis in terms of a mutual agreement between the Bank of Ceylon (BOC) and the Board to facilitate the smooth maintenance of the Board's primary contribution collection account. At the time of annual renewal, the prevailing interest rates for fixed deposits and repurchase agreements across three state banks are thoroughly compared, and the investment is placed with Bank of Ceylon under the most financially favorable interest rate. This therefore allows the Board to optimize yields based on the fluctuations of the annual market interest rates.

Through BOC Account No. 1839 which is the main bank account utilized for collecting cheque-based contributions, transactions worth Rs. 7,940 million across 512,981 cheques were processed during the year 2025. In addition, the value of 1,707 dishonored cheques recorded during the year with respect to this account amounted to Rs. 33 million.

For maintaining these accounts, Bank of Ceylon provides the following specialized facilities:

- BOC courier service visits the Board twice daily (at 12:00 p.m. and 2:30 p.m.) to collect cheques.
- Direct delivery of bank statements and dishonored cheques to the Board.
- Cheques handed over to the bank before 12:00 noon are credited to the account on the same day, while cheques received after 12:00 noon are credited on the next business day or the day following.
- Providing secure system access to the Board for daily transaction tracking and balance verification.

Accordingly, a monthly service fee of Rs. 100,000.00 is paid by the Board from the year 2005 to date without any tariff escalation for these specialized services provided by the bank.

Nevertheless, prior to the next roll-over of these fixed deposits in investments, steps will be taken to look into the possibility of evaluating alternative investment frameworks or more lucrative options compared to the current arrangement.

(c) The investment made in the aforementioned company is part of the hospitality sector within the long-term investment portfolio. Between 2011 and 2020, this investment yielded a dividend income of Rs. 24.16 million, and during 2011 and 2012, capital gains of Rs. 18 million were realized through the sale of shares. However, due to the COVID -19 pandemic and the subsequent economic downturn, the tourism and hotel sector experienced substantial losses, resulting in zero dividend declarations from 2020 to 2024. Following the revival of tourism from the year 2025, the company has returned to profitability, yielding a declared dividend of Rs. 383,739. We anticipate consistent dividend inflows in the coming years alongside sector growth, and we intend to divest these shares to secure capital gains once the selling price in the share market surpasses the actual cost.

(d) On 29.11.2002, the Board invested a sum amounting to Rs. 191,899,320 to acquire 12,793,288 shares at Rs. 15.00 per share during the Initial Public Offering (IPO) of Sri Lanka Telecom (SLT). All these shares were progressively sold between 2002 and 2006, generating capital gains worth Rs. 38,011,523.24.

Subsequently, between 10.02.2006 and 30.03.2009, the Board repurchased 4,181,400 shares across various price bands and divested 925,000 shares from time to time, securing capital gains of Rs. 6.9 million. The remaining balance of 3,302,188 shares cited in the audit query was accumulated during this specific timeframe.

By a letter dated 25.02.2008, the General Treasury issued written directives restricting the sale of SLT shares without prior written approval from the Ministry of Finance, citing national interest and state ownership impact. Consequently, the open-market trading of SLT shares to capture capital gains was halted. As of 30.03.2009, the Board held 3,302,188 SLT shares at a total actual cost of Rs. 110,340,299.24, reflecting an average cost of Rs. 33.41 per share.

A substantial appreciation in the market value of SLT shares has been observed in recent years. Specifically, a share with an actual cost of Rs. 33.41 was traded in the market at Rs. 88.50. As of .30.04.2026, while the actual cost per share remained at Rs. 33.41, its market price stood at Rs. 86.00, having peaked at a trading price of Rs. 107.25 on 02.02.2026.

As the Board complied with Treasury directives to freeze share sales since 2008, the Board has been compelled to hold this asset for 17 years without realizing capital gains. However, in addition to the 7% and 6.5% dividends distributed to members in 2023 and 2024 respectively, a rate of 3% interest was credited for all of such years.

(e) The Board is currently negotiating with the Urban Development Authority (UDA) to unlock fresh investment avenues. This initiative aims to screen premium investment projects, optimize returns, and deploy the unutilized assets of the Board with maximum efficiency.

03. OTHER MATTERS

(a) Elkaduwa Plantation Debenture

This entity is currently paying its outstanding interest arrears to the Board in monthly installments of Rs. 300,000.00. Because the legal proceedings surrounding the liquidation of the company are still pending, the balance confirmation letters cannot be obtained at this stage.

(b) (i) The Board has rolled out diverse multi-channel strategies to expand membership; promotional activities have been executed via the corporate website, national newspapers, awareness campaigns, and direct mail drops to target clients. Furthermore, a systematic 5-year growth blueprint has been initialized across regional offices to maximize the active employer base and discover new contributors. Divisional heads have been formally briefed in writing, and reinforcement instructions will be systematically delivered during monthly regional progress reviews. The National Audit Office was formally notified of these structural measures during previous audit queries. Starting from the financial year 2025, the Board intends to explicitly disclose its total base of primary employers and active members through its Annual Report.

(ii) Measures have been deployed to extend e-service facilities to members through direct engagement and audio-visual media campaigns. Consequently, 1,938 new members were successfully registered within a period of 3 months. Written instructions have been dispatched to relevant desks to maintain this momentum. The progress achieved will be retrieved quarterly and expected to be submitted to the National Audit Office.

(iii) The failure to finalize project deliverables within the baseline schedule is primarily attributed to the following compounding challenges :

1. Project management responsibilities were retained by the ICTA, and structural deficiencies in its project oversight primarily drove the implementation delays.
2. Operational slowdowns induced by the COVID-19 pandemic environment.
3. Extensive lead times required to execute and fulfill complex Change Requests (CRs).
4. Multiple critical core revisions that had to be implemented before transitioning the environment to a live state.
5. System defects and code bugs discovered during pre-OAT testing.

Based on the decision of the then heads of the institutions, and backed by the approval of the Department of Public Enterprises, a formal procurement process was completed to get onboard an expert IT Consultant for a one-year tenure in 2024. The IT Consultant at this juncture emphasized the absolute prerequisite of mapped system workflows and end-to-end testing protocols prior to initiating Operational Acceptance Testing (OAT). This intensive validation exercise herein exposed several localized and interconnected system integration faults.

It further revealed a fundamental functional gap between the modern business requirements of the Board and the baseline design of the new system. Consequently, the OAT run could not proceed as scheduled as planned. At this stage, the IT consultant identified the workflows related to the system in a proper manner and examined them in the system to cover all of them as a priority task. Related work thereto was Accordingly put to execution.

In this regard, duties were reported to the Chairman/Chief Executive Officer of the Information Technology Advisory Board, and his project-related reports were submitted to the Chairman of the Board and the Board of Directors from time to time. Although the total expenditure incurred by the Board for the project as of the end of December 2025 is stated as Rs. 193 million, over a sum amounting to Rs. 151 million of such expenditure was utilized for the procurement of hardware devices to ensure the smooth execution of day-to-day operations concurrently with the implementation of core system expansions. These devices have already been effectively deployed to enhance the operational productivity of our Board.

The procurement and project management related to this project were executed by the Information and Communication Technology Agency (ICTA), based on a Memorandum of Understanding (MOU) signed between our Board and ICTA concerning state institutions. The project development agreement was maintained between ICTA and the service provider, and all financial matters pertaining to the project were also managed by ICTA.

There is no agreement between the service provider and our Board regarding the project and such an agreement is required only after the project is officially handed over to our Board.

Through a letter dated 15 May 2026, the Acting Chief Executive Officer of ICTA informed us that its Board of Directors has decided to transfer the operational responsibility of the project to our Board. In this regard, a Board Paper has already been submitted to the Board of Directors of our Board. Upon receiving the necessary approvals, it is anticipated that the relevant procedures to enter into a new agreement will be initiated.

(c) i) I wish to clarify that the billboards erected at the Nawam Mawatha parking facility owned by the Board were constructed at the sole expense of a third party several years ago when the premises were leased out under a tenancy agreement. Although a 10% annual escalation fee was applied to these advertising structures over the years, the yield was deemed inadequate relative to the commercial value of the land. Consequently, it was proposed to secure an official Chief Government Valuer's assessment to re-price the rates. The asset owners were notified of this policy change and were permitted to display their media until the expiration of the current contract on 2026.03.31. To regularize future steps, a formal request was forwarded to the Valuation Department on 12.01.2026. However, the department cited that due to an acute shortage of valuation officers, the assignment could not be finalized rapidly. In response to our follow-up, the department requested specific data on 21.05.2026 regarding the explicit components requiring valuation. Further management decisions will be taken based on these hoardings.

ii) Invoices are issued to the organizations utilizing the parking facilities at the Nawam Mawatha parking lot, requesting settlement within 14 days. While approximately 50% of these issued invoices are settled within the stipulated timeframe, another segment takes over a month to effect payment. Given that these organizations have been utilizing this service based on a long-standing relationship with our Board, it is practical not to withdraw the facilities provided to them.

When the settlement of a particular month's invoice is delayed, the issuance of the subsequent month's invoice results in outstanding balances being accumulated against the respective organization. Therefore, in order to prevent the accumulation of outstanding balances, it is expected to implement a pre-payment mechanism in the future, where payments are made at the commencement of each month to access the parking facilities.

iii) Nations Trust Bank (NTB), which is a major institution utilizing the parking facilities at the Nawam Mawatha parking lot, initially credited security deposits to the Board for 66 vehicles. Subsequently, an additional 45 vehicles were included, and the designated officer-in-charge at the respective institution was notified via email and telephone to recover the due security deposit of Rs. 1,080,000. Accordingly, they have informed us that actions will be taken to settle this amount promptly.

(d)

- Drafts are being prepared for the establishment of the Information Security Committee in the Board and preparations are being made to carry out the same after obtaining approval for the appointments.

- The initial draft for the establishment of the Risk Management Committee within the Board is currently being prepared, and arrangements are being made to implement it upon obtaining the necessary approvals for the appointments.

- The board has included the action plan on how to ensure IT security in the 2026 action plan and the Board has also allocated the necessary provisions in the budget estimates of 2026.

- Consultancy from the Sri Lanka Computer Emergency Readiness Team (SLCERT) is required to formulate the Information Asset Register, and it is planned to finalize this document thereafter. Currently, the asset register is under preparation. Furthermore, budgetary allocations have been secured for the year 2026 to procure a software solution to efficiently capture, update, and maintain the IT Asset Register.

- The Head Office, regional offices, and the Data Centre within the Board are securely interconnected utilizing SD-WAN technology. Within this SD-WAN framework, data is encrypted prior to transmission across the network. Furthermore, user passwords related to the core data system are encrypted and securely stored within the database.

- The primary systems, including the core computer system of the Board, are hosted within the Data Centers. Internationally recognized security protocols have been implemented for these systems, and a dedicated mechanism has been put in place to ensure authentication. Furthermore, an access control framework has also been established.

- For all systems operating within the Board, user identities are verified and access permissions are granted strictly on a need-to-use basis. Accordingly, reciprocal Identity Management and Access Control mechanisms have been established.

- The Board has a disaster recovery system in place. Arrangements are being made to prepare the plan in consultation with SLCERT.

(e)

i. With reference to the inquiry forwarded to the former head of the respective employing institution to verify the professional experience of the officer recruited to the post of Deputy General Manager (Member Services) in the year 2021, a response has been duly received. Consequently, the subsequent onward action is currently in progress.

ii. The Ministry of Finance, Planning and Economic Development has given recommendations for antedating the promotion date of the Assistant Administrative Officers appointed on September 01 and onward action in that regard is accordingly being carried out.

iii. The recommendations of the Ministry of Finance, Planning and Economic Development have been received to rectify the acting appointment post of the Manager (Benefits Administration) given to the junior manager level officer and the issue will accordingly be resolved in the future as per the decision of the Board of Directors.

iv. I expect that the head of the internal audit division will prepare a plan regarding the future performance of the respective division and submit the necessary information to the administration and human resources division in writing to carry out future recruitments based on the needs of the employees and fill the service vacancies accordingly.

(f) Pursuant to the Board resolution dated 27.06.2025, which mandated that further actions concerning all amendments, including the proposed amendment to Section 5 (2) of the Employees' Trust Fund Act, be deferred pending a review and consultation with the Subject Minister to arrive at a final determination, a discussion on the said amendments was convened at the Ministry of Finance on 13.08.2025. The meeting comprised the Director General (Corporate Affairs), the Additional Director General (Legal Affairs), and relevant officials from the Ministry, together with the Chairman and designated officials representing the Employees' Trust Fund Board.

The decisions and directives resulting from the aforementioned discussion were communicated to the Chairman of the Board by the Director General (Corporate Affairs), on behalf of the Secretary to the Ministry of Finance, Planning, and Economic Development, via a letter dated 24.10.2025. Through the said letter, instructions were given to the Board officials to forward the relevant Cabinet Memorandum and the corresponding amended documents pertaining to the legislative amendment to the Ministry. Accordingly, Board Paper No. 282/2025, containing the Cabinet Memorandum and the redrafted proposed amendments to the Act, was submitted to the 776th Board of Directors' meeting held on 24 November 2025, and the Board's approval was duly obtained.

Thereafter, the draft of the proposed legislative amendments approved by the Board, together with the relevant draft Cabinet Memorandum, was submitted to the Secretary to the Ministry of Finance on 17 December 2025 for the initiation of subsequent action.

(g) The Dividend Equalization Reserve aims to ensure stability in the dividends distributed to the Fund's members. It is drawn upon during periods of declining interest income caused by unfavorable market interest rate volatility (fluctuations). The strategic use of this reserve enables the Fund to guarantee a stable interest and dividend rate to its membership.

Provisions for this reserve are set aside with the approval of the Board of Directors.

The present status of the unclaimed death benefits balance as of 31.12.2025 by the 04th of April 2026 is as follows :

	Unpaid Death Benefits	
	No. of Applications	Value (Rs.)
Balance as of 31.12.2025	1337	29,500,167.18
Released in 2026	9	742,217.64
Balance as of 30.04.2026	1328	28,757,949.54

Particulars of the 09 death beneficiaries during the year 2026 are as follows :

1	06/2025/506786/D/M	MADUSANKA H K B	1,109.96
2	07/2010/532009/D/S	SUBHAWICKRAMA J V	48,541.86
3	03/2014/513107/D/M	A DEVADAS	4,273.15
4	11/2015/548361/D/S	SALHAUMMAH A L	18,584.10
5	07/2017/532127/D/M	B S AMARADASA	1,717.45
6	10/2020/526270/D/M	INDRAN K	302,387.01
7	08/2024/512121/D/M	ANULAWATHI M W	44,104.46
8	03/2017/511876/D/S	K S CHANDRABOSE	75,634.99
9	12/2023/528441/D/S	RUPASINGHE K	245,864.66
			742,217.64

(h) Unclaimed death benefit balances arise when the beneficiaries or nominees of the deceased members fail to submit claims for the withdrawal of the respective member account balances. Consequently, after disbursing the shares due to the claimants who do come forward, the remaining balance is retained in the Board's account as 'unclaimed death benefits.' This annual balance has progressively increased, primarily due to a lack of personal information regarding many beneficiaries or nominees, as well as their migration or residency abroad. While this practice causes the annual balance to rise, withholding disbursements entirely when all beneficiaries fail to step forward would deprive the available claimants of their rightful benefits. Therefore, this approach ensures that at least some heirs of deceased members are granted the opportunity to receive their benefits.

(i) Although certain employers have remitted contributions to the Board, those that could not be identified due to a lack of corresponding employer details have been temporarily credited to the V100 and V999 suspense accounts. Subsequently, upon receipt of the relevant employer information, these funds have been transferred to the correct respective accounts. The balance in these accounts stood at Rs. 28.309 million in the year 2021. Through the process of identifying the correct employer accounts and subsequently transferring the balances, this figure has been successfully reduced to Rs. 6.52 million at present.

Out of the remaining balance, the employer-remitted information regarding banking deposits made after the year 2020 amounting to Rs. 389,411.90 is provided periodically by the respective employers. Additionally, details for certain payments are retrieved through the relevant banks. Based on this information, payments currently credited to the V999 account are systematically transferred to the correct employer accounts. However, it is observed that further acquisition of such information continues to be extremely difficult.

The measures taken to minimize the balance in the suspense accounts and to prevent further accumulation of the said balance are as follows :

a) As credits amounting to Rs. 6,135,719.13 made prior to the year 2006 remain unidentifiable at present, action has been taken to segregate these account balances in accordance with the directives issued by the Audit Committee on 29 March 2023. Future courses of action are scheduled to be executed upon receiving further instructions and recommendations from the Audit Committee.
b) As such problems had arisen due to the facilities provided by the employers for direct banking in the payment of contributions and surcharges, such direct banking has now been restricted.
c) Directing the employers to pay sums of contribution through electronic payment methods.

(j) The head of the division has been informed in writing to collect the relevant arrears in the future.

Somasiri Ekanayake
Chairman / Chief Executive Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

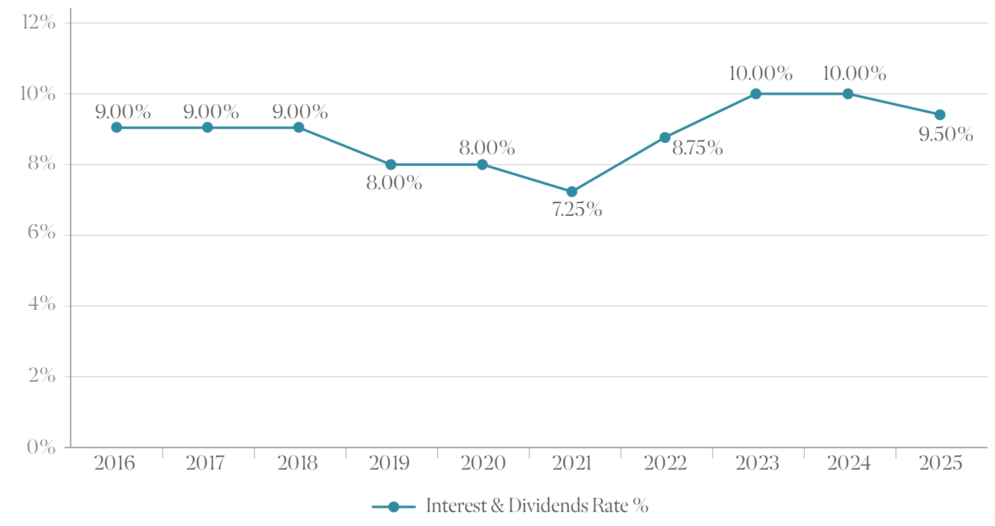
(Rs. Mn.)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Income										
Interest Income	68,767	61,819	64,381	46,316	34,095	33,398	31,555	28,302	27,239	23,492
Dividend Income	1,238	1,494	1,209	737	556	443	481	346	374	486
Gain/(Loss) on FA at FVTPL	649	2,040	1,528	(1,376)	551	(143)	(388)	(308)	535	69
Other Income	623	634	674	445	288	1,032	429	-	852	532
Total Income	**71,277**	**65,987**	**67,792**	**46,122**	**35,490**	**34,729**	**32,076**	**28,340**	**29,000**	**24,579**
Expense										
Personal Expenses	1,453	1,401	1,324	1,392	1,264	1,290	1,293	1,145	1,054	986
Administrative Expenses	329	325	313	252	272	187	180	183	168	141
Financial Expenses	4	4	4	4	4	4	4	5	2	3
Member Expenses	556	591	705	575	495	454	523	488	461	454
Depreciation	47	46	40	36	40	49	54	14	14	15
Interest Paid on Current Year	399	449	499	358	256	246	261	241	208	174
Impairment Charge/(Reversal)	(21)	(5)	(51)	77	-	-	-	-	13	-
Total Operating Expenses	**2,767**	**2,811**	**2,834**	**2,694**	**2,330**	**2,229**	**2,315**	**2,077**	**1,920**	**1,773**
Profit before Taxation	68,510	63,177	64,959	43,428	33,199	32,500	29,762	26,263	27,080	22,805
Less - Income Tax Expenses	9,611	8,678	9,017	6,449	4,603	4,493	4,242	3,395	2,706	2,394
Profit after Taxation	**58,899**	**54,499**	**55,942**	**36,978**	**28,569**	**28,007**	**25,519**	**22,868**	**24,374**	**20,411**

STATEMENT OF FINANCIAL POSITION

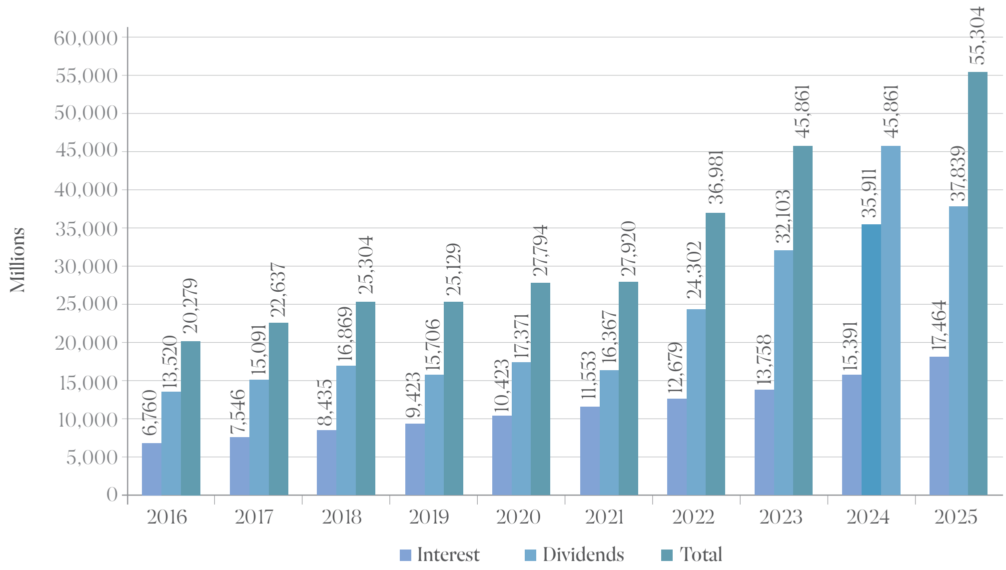
(Rs. Mn.)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ASSETS										
Cash and Cash Equivalent	662	795	899	584	579	681	549	738	743	614
Financial Assets at FVTPL	2,937	2,646	4,464	2,887	3,622	2,931	2,699	2,887	2,511	1,956
Investment in Subsidiary	471	471	471	471	471	471	471	471	471	471
Financial Assets at FVTOCI	14,893	14,709	10,765	8,647	10,561	7,638	7,900	7,564	7,846	9,209
Financial Assets at Amortized Cost	644,576	563,249	499,565	444,308	395,922	360,696	324,688	292,668	252,399	223,798
Other Assets	4,923	4,552	3,504	3,206	3,120	2,622	2,840	2,412	11,050	9,244
Property, Plant & Equipment	179	246	311	297	264	299	364	218	174	176
Intangible Assets	0	1	6	9	0	1	1	0	0	0
Investment Property	4,587	4,587	4,587	4,587	4,587	4,587	3,813	3,813	3,813	3,400
Total Assets	**673,228**	**591,256**	**524,511**	**464,997**	**419,132**	**379,926**	**343,325**	**310,771**	**279,006**	**248,870**
LIABILITIES										
Current Tax Liabilities	4,914	4,294	4,864	3,701	2,350	2,597	1,940	1,903	212	81
Government Grant	4	5	8	5	-		-	-	-	-
Defined Benefit Obligation	447	381	303	215	237	287	253	-	225	203
Other Liabilities	156	144	115	107	6,931	162	176	753	157	105
Provisions	301	447	415	407	328	302	105	133	82	88
Total Liabilities	**5,822**	**5,271**	**5,706**	**4,436**	**9,846**	**3,347**	**2,473**	**2,789**	**676**	**476**
Total Net Assets	**667,406**	**585,985**	**518,805**	**460,561**	**409,286**	**376,579**	**340,852**	**307,982**	**278,330**	**248,393**
Member Fund	637,443	564,327	504,435	459,631	406,289	375,215	339,244	306,455	274,160	245,605
Reserves	29,963	21,658	14,370	931	2,997	1,363	1,608	1,527	4,170	2,789
Net assets attributable to Members	**667,406**	**585,985**	**518,805**	**460,561**	**409,286**	**376,579**	**340,852**	**307,982**	**278,330**	**248,393**

Statistical Annexure

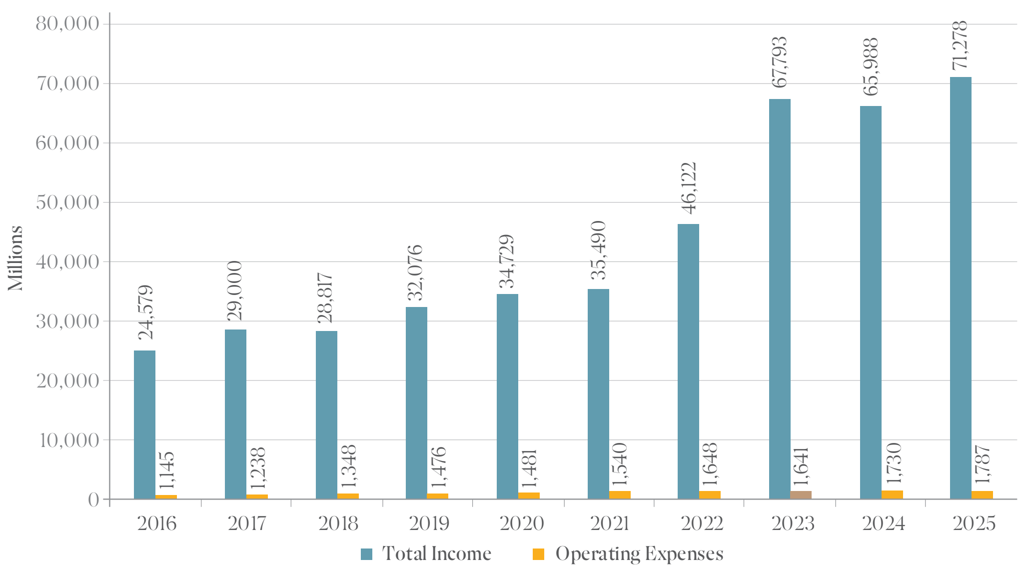
INTEREST AND DIVIDENDS RATES



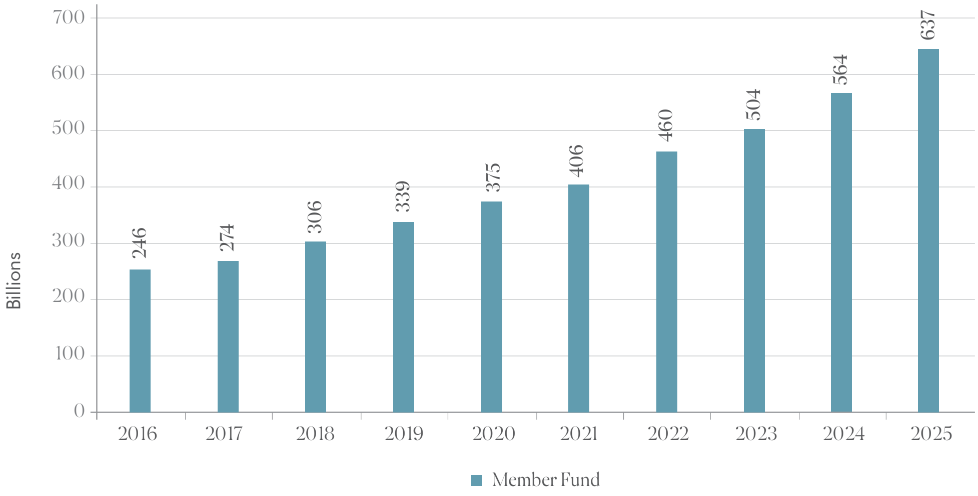
DECLARED INTEREST AND DIVIDENDS



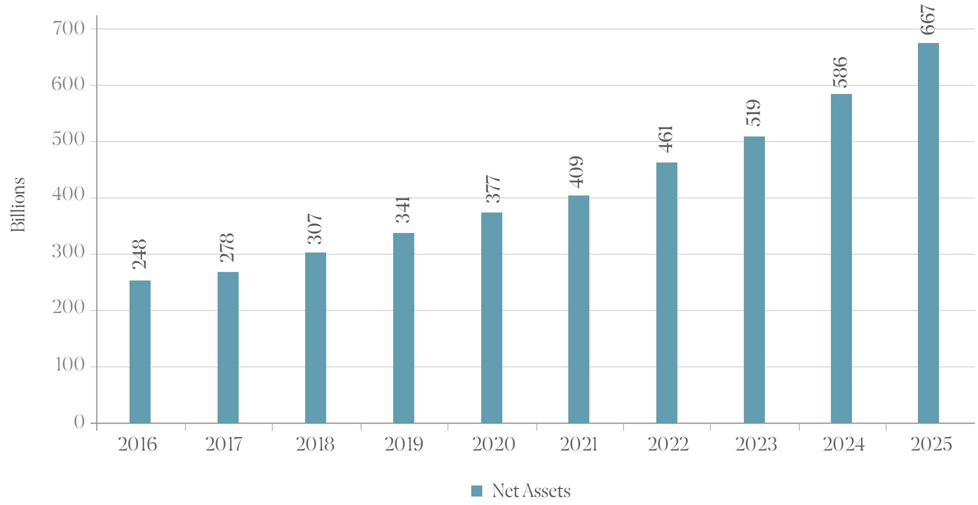
TOTAL INCOME VS. OPERATING EXPENSES



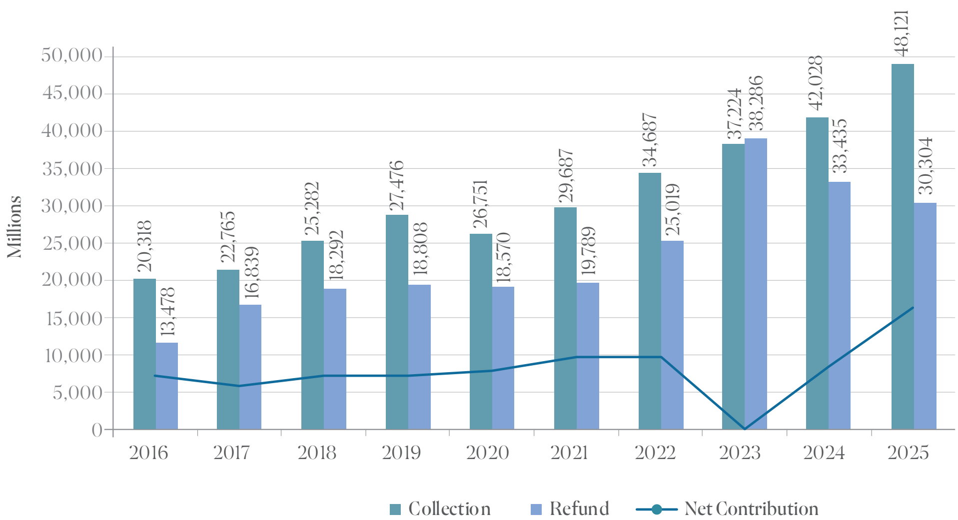
MEMBER BALANCE



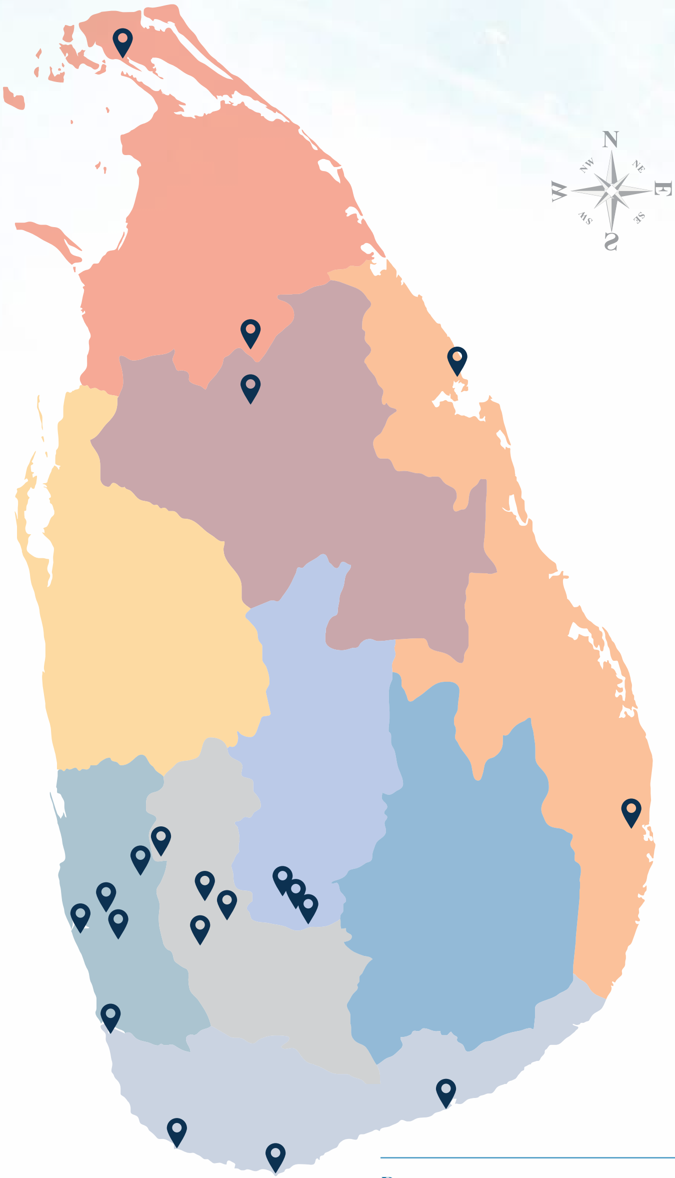
NET ASSETS



CONTRIBUTION & REFUND



Our Reach



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வருடாந்த அறிக்கை
Annual Report
2025

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