



# **Performance Report 2025**

**Public Debt Management Office**

**Annual Performance Report for the Year 2025**  
**Public Debt Management Office**  
**Head No 338**

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# **1. Institutional Profile**

## **1.1 Introduction**

The Public Debt Management Office (PDMO) was established and commenced operations on 02nd December 2024, following the enactment of the Public Debt Management Act No. 33 of 2024 (PDMA) on 18<sup>th</sup> June 2024 and came into effect on 25<sup>th</sup> November 2024. The PDMA provides the legal framework for the establishment of the operationally independent PDMO. PDMO strengthens and centralizes the management of Government debt, improves accountability and debt transparency by disseminating public debt-related information and ensures the implementation of efficient and transparent borrowing practices, which are imperative for debt sustainability and the long-term fiscal health of the country.

## **1.2 Vision, Mission, Goals and Objectives of the Institution**

### **Vision**

“To be the role model for public debt management in the global arena, renowned for trustworthiness, efficiency, and transparency.”

### **Mission**

“To strategically execute and oversee the Government’s borrowing requirements, minimizing financing costs, and ensuring a prudent degree of risk in alignment with economic and fiscal objectives of Sri Lanka.”

### **Objectives**

- To meet financing needs and debt payment obligations on a timely basis.
- To borrow at the lowest costs as possible over the medium to long term, consistent with a prudent degree of risk.
- To promote the development of the domestic debt securities market.

## **1.3 Key Functions**

The PDMO comprises three main mandatory divisions, namely “Front Office”, “Middle Office” and “Back Office”. Each of these divisions is headed by an Additional Director General.

### **1.3.1 Front Office**

The Front Office serves as the operational arm of the Public Debt Management Office (PDMO), with primary responsibility for executing the Government's borrowing operations and implementing the approved debt management strategy. It is responsible for mobilizing financing from domestic and external sources, maintaining effective engagement with investors and development partners, and supporting the development of the Government securities market. Through the execution of borrowing operations, investor relations activities, and market development initiatives, the Front Office supports the Government's financing requirements while contributing to efficient debt management and sustainable market access.

The Front Office comprises three key units, each with distinct yet complementary responsibilities:

- I. Domestic Borrowing Unit (DBU)
- II. External Borrowing Unit (EBU)
- III. Investor Relations and Market Development Unit (IRU)

Since the establishment of the PDMO, the Front Office has played a pivotal role in implementing the Government's domestic and external borrowing programme, strengthening investor relations, and supporting the development of the Government securities market. The key functions of each unit are outlined below.

#### **1.3.1.1 Domestic Borrowing Unit (DBU)**

The Domestic Borrowing Unit (DBU) of the Public Debt Management Office (PDMO) – Front Office played a central role in mobilizing domestic funding to meet the Government's financing requirements and implement the Annual Borrowing Programme. The Unit was responsible for planning, executing, and monitoring domestic borrowing operations through the issuance of Treasury Bills, Treasury Bonds, and other approved debt instruments in line with the Government's financing strategy. In addition, the DBU was responsible for processing sovereign guarantees and on-lending facilities.

- Engage with PDD/CBSL for the transition of Government Securities issuance and participate in on-the-job training, to conduct such issuances before the end of 2025 by PDMO.
- Facilitate and conduct Debt & Cash Management Committee (DCMC) meetings to determine the quarterly borrowings
- Publish Treasury Bill and Treasury Bond issuance calendars (quarterly with monthly rolling updates)
- Conduct pre-bid meetings with market participants to assess demand and preferences
- Conduct auctions for Government Securities: *T-Bills, T-Bonds and Domestic Dollar Bonds*
  - Publish auction notices in newspapers and on MoF & PDMO websites
  - Submit DBU/TEC recommendations to the Auction Steering Committee (ASC) for decision of the auction
  - Publish auction results on MoF & PDMO websites
- Prepare secondary market reports using the Bloomberg platform
- Undertake On-lending, Guarantees, non-market borrowings
- Contribute to the Preparation of Annual Borrowing Plan

### **1.3.1.2 External Borrowing Unit (EBU)**

The External Borrowing Unit (EBU) serves as the focal point for managing the Government's external financing operations and implementing the external borrowing strategy. The unit is responsible for leading negotiations with bilateral and multilateral development partners and other stakeholders, evaluating financing proposals and facilitating the execution of external financing arrangements. In carrying out these responsibilities, the EBU provides strategic advice on borrowing decisions, with due consideration to debt sustainability, financing costs and associated risks, thereby supporting the Government's efforts to meet its financing requirements in a sustainable and prudent manner.

The EBU's key functions include the following:

- Negotiating, contracting, and managing all Government external borrowings from bilateral, multilateral, and commercial sources including reviewing terms of financing proposals of agencies to ensure alignment with the objectives of the PDMA and negotiating financial terms and conditions with the agencies, and make recommendations to the Hon. Minister and Cabinet of Ministers under the provisions of Public Debt Management Act.
- Liability Management-related activities.
- On-lending and guaranteed debt including executing Subsidiary Financing Agreements and Guarantee Premium Agreements with State Owned Enterprises and obtaining the approval of Cabinet of Ministers for sovereign borrowings (if applicable), on-lending, etc.

- International cooperation and stakeholder engagement through participating in country strategy discussions of multilateral donor agencies and coordinating missions, and portfolio reviews
- Monitoring borrowing ceilings in coordinating with the MO.
- Trend Analysis by tracking global financial conditions, interest rate trends, and currency movements and evaluating implications for future external borrowing strategies.

### **1.3.1.3 Investor Relations and Market Development Unit (IRU)**

The Investor Relations and Market Development Unit (IRU) serves as the focal point for strengthening the Government's investor relations framework and supporting the development of the Government securities market. The Unit is responsible for formulating and implementing investor relations strategies, maintaining active engagement with investors and other key stakeholders, and facilitating initiatives to broaden the investor base and develop the domestic Government securities market. In carrying out these responsibilities, the IRU supports the Government's financing objectives by enhancing investor confidence, strengthening stakeholder coordination, and promoting effective investor relations and market development practices.

The IRU's key functions include the following:

- Define a strategy for the publication of public debt-related information and investor relations activities, considering disclosure channels, target audience and coordination within the Government.
- Prepare the Annual Investor Relations Plan.
- Establish and maintain active and regular contact with investors of Government debt securities (domestic and external), creditors, financial intermediaries, credit rating agencies and credit research analysts and provide complete and timely information about the economic and financial situation, perspectives of the country and about the public debt, and promote transparency.
- Facilitate stakeholder coordination with a range of Government agencies and market participants, other regulatory institutions such as Central Bank, Securities Exchange Commission, etc., to develop the domestic debt securities market and financial market infrastructure.
- Develop effective investor relations practices and diversify the investor base.
- Based on requirements and market conditions, explore opportune market conditions to introduce new Government debt securities.
- Monitor and report on domestic and international market conditions and participants, including analyzing the investor base for Government debt
- Managing investor relationships and communication

### **1.3.2 Middle Office**

The Middle Office operates as the analytical and strategic arm of the Public Debt Management Office (PDMO), with primary responsibility for the effective management of the Government's debt portfolio. It adopts a forward-looking and risk-informed approach, encompassing the continuous assessment of market conditions, comprehensive evaluation of associated risks, and the formulation of policies and strategies to guide borrowing operations executed by the Front Office. Through rigorous analytical frameworks and structured strategic planning, the Middle Office ensures that financing is secured in a cost-effective manner, while maintaining prudent risk levels and supporting overall debt sustainability.

The Middle Office comprises three key directorates, each with distinct yet complementary responsibilities:

- I. Policy and Analysis Unit
- II. Credit Risk Analysis and Monitoring Unit
- III. Risk Control and Compliance Unit

Since the establishment of the PDMO, the Middle Office has demonstrated strong performance in 2025 by introducing innovative, rational, and sustainable debt management practices. These efforts have contributed to strengthening the country's debt management framework, ensuring compliance with legal requirements while aligning with international best practices. The key achievements of each directorate are outlined below.

#### **1.3.2.1. Policy and Analysis Unit (PAU)**

The Policy and Analysis Unit (PAU) serves as the strategic arm of the Middle Office (MO) within the Public Debt Management Office (PDMO) of the Ministry of Finance (MoF), Sri Lanka. The PAU operates under the mandate established by the Public Debt Management Act No. 33 of 2024 and the Guidelines of the Public Debt Management Office issued by the Minister of Finance on July 09, 2025.

The primary mandate of the PAU is to

- develop the Medium Term Debt Management Strategy
- prepare Annual Borrowing Plan
- formulate financial risk management guidelines, and
- Produce high-quality analytical reports to support sound fiscal and debt management decision-making.
- Ensure that the government's financing needs are met at the lowest possible cost, while maintaining prudent risk levels consistent with strategic targets.

### **1.3.2.2. Credit Risk Analysis and Monitoring Unit (CRAMU)**

The Credit Risk Analysis and Monitoring Unit (CRAMU) is playing key roles to

- assess and monitor credit risk arising from loan guarantees and on-lending arrangements associated with the State Owned Enterprises (SOEs), Provincial Councils, Local Government and other entities as defined in the Act
- undertake credit risk assessments as a prerequisite for the approval and issuance of new loan guarantees/on-lending operations and
- Conduct assessments periodically during the life of the loan guarantee and on-lending to monitor the credit quality of loan guarantees and on-lending portfolio.

### **1.3.2.3. The Risk Control and Compliance Unit (RCU)**

The Risk Control and Compliance Unit (RCU) of the Public Debt Management Office is established to

- Promote the culture of integrity, high ethical standards, and strong risk awareness.
- Conduct financial risk monitoring and compliance, Operational risk management, coordinates with internal and external auditors, and Compliance and integrity.

## **1.3.3 Back Office**

The Back Office is tasked with meeting the Government's debt service payment obligations on timely basis, and recording, reporting, dissemination and publication of public debt, loan guarantees, on-lending, suppliers' credit and finance lease.

The Back Office comprises three key units, each with diverse, nevertheless inter coordinated responsibilities:

- I. Debt Recording Unit (DRU)
- II. Debt Servicing Unit (DSU)
- III. Debt Statistics and Reporting Unit (DSRU)

During 2025, the Back Office has played a critical role in servicing Government debt, recording public debt statistics, engaging in the migration process to the Commonwealth Meridian debt recording system, and disseminating public debt data enhancing the public debt transparency. The key functions of each unit are outlined below.

### **1.3.3.1 Debt Recording Unit (DRU)**

The Debt Recording Unit (DRU) serves as the focal point for recording, maintaining, and monitoring the Government's public debt portfolio. The unit is responsible for ensuring the accuracy, completeness, and timeliness of debt data relating to domestic and external borrowings, debt servicing, guarantees, and on-lending transactions.

The DRU currently administers the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) and is in the process of migrating debt records, business processes, and operational functions to the Meridian Debt Management System. The Unit reconciles debt transactions with relevant stakeholders, prepares reliable debt information and reports, and ensures compliance with applicable laws, policies, and reporting requirements. In carrying out these responsibilities, the DRU provides accurate and timely debt information to support informed decision-making, debt sustainability analysis, and effective public debt portfolio management.

The DRU's key functions include the following:

- Recording, maintaining, and monitoring complete, accurate, and up-to-date records of all public debt instruments and debt transactions, including domestic and external borrowings, debt servicing, disbursements, loan guarantees, on-lending arrangements, and non-guaranteed debt of State-Owned Enterprises, Provincial Councils, and Local Authorities in the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) and other approved databases, while facilitating the migration of debt records to the Meridian Debt Management System.
- Validating the terms and conditions of debt instruments authorized by the Front Office and ensuring that all debt instruments, including loans, bonds, bills, guarantees, and derivative transactions, are accurately recorded in the CS-DRMS, while supporting the transition to the Meridian Debt Management System.
- Recording and reconciling loan disbursements, debt service payments, and other debt transactions in coordination with the Front Office, External Resources Department, Central Bank of Sri Lanka (CBSL), lenders, beneficiaries, line ministries, Treasury Operations Department, and other relevant institutions.
- Calculating and recording the rupee equivalent of foreign currency disbursements, capitalized interest, and debt service payments using the applicable exchange rates published by the CBSL and maintaining accurate financial records.
- Monitoring and reconciling debt transactions and outstanding balances with creditors, financial institutions, government agencies, and other counterparties to ensure the accuracy and integrity of debt data.
- Managing records relating to government guarantees and government receivables, and monitoring the performance of guaranteed loans.
- Administering the CS-DRMS and leading the implementation and migration to the Meridian Debt Management System, including data migration, system configuration, user access management, data validation, testing, security, backups, disaster recovery, business continuity, and user training to ensure a smooth transition.

- Preparing and disseminating timely and accurate debt reports, statistical information, and debt portfolio data, including debt stock, debt service, guarantees, disbursements, and debt indicators to support policy analysis, decision-making, and statutory reporting requirements.
- Maintaining debt-related documentation, including loan agreements, guarantee agreements, correspondence, lenders' statements, disbursement notifications, and other records in both electronic and physical formats in accordance with applicable legal and regulatory requirements.
- Providing operational inputs during loan negotiations and supporting debt management activities by advising on recording requirements, payment schedules, reporting obligations, and operational aspects of debt instruments to facilitate effective implementation and compliance.
- Supporting sovereign debt restructuring operations by coordinating with the External Resources Department (ERD), creditors, and other relevant stakeholders in the preparation, verification, reconciliation, and finalization of restructured loan amortization schedules, updating revised loan terms in the debt management system, and ensuring accurate debt servicing and reporting in accordance with the restructuring agreements.

### **1.3.3.2 Debt Servicing Unit (DSU)**

Debt servicing under Sri Lanka's Public Debt Management Act No. 33 of 2024 is centralized through the newly established PDMO, which ensures timely repayment of obligations, minimizes borrowing costs, and maintains transparency in Government debt operations. Earlier this function was carried out by the Public Debt Department (PDD) of Central Bank of Sri Lanka (CBSL) and PDMO started debt servicing functions under the supervision of CBSL on 13<sup>th</sup> October 2025 at their premises. The Debt Servicing Unit (DSU) of the Back Office (BO) within the PDMO serves as the operational unit responsible for ensuring that all Government debt obligations are paid accurately and on time since December 2025.

#### **Initiation of debt servicing transactions**

- Monitor upcoming debt servicing amounts (Daily/ Weekly/ Monthly/Yearly).
- Prepare, control, and issue payment instructions for domestic and external debt including principal and interest payments and relevant fees (i.e., commitment fee, administration fees, management fees, agent fees for SLDBs, annual administration fees for ISBs etc.).
- Initiate debt servicing process and ensure the timely settlement of all obligations, including interest payments, other charges, payments under derivative contracts (if any), and principal repayments on their respective due dates.

- For each debt service payment, communicate and deliver the payment instruction to the relevant counterparties (CBSL and SAD) and make the necessary data sharing with relevant systems.
- Ensure timely and accurate debt servicing of called guaranteed debt.
- Monitor the relevant treasury bank account balances in coordination with CBSL
- Ensure that payments are recorded in DMIS properly

#### **Disbursement and debt service forecast**

- Prepare disbursement and debt service forecasts for Government debt and guaranteed debt, and on-lending for inclusion in Government debt
- At the end of each month, prepare projected cash flows of on-lending operations and Government debt service of the existing debt, covering rolling twelve-month or any other time period, as agreed, and send them to the FO/MO and relevant counterparties (TOD, CBSL).

#### **1.3.3.3 Debt Statistics & Reporting Unit (DSRU)**

The Debt Statistics and Reporting Unit (DSRU) serves as the primary data dissemination unit of the Back Office (BO) within the PDMO. In accordance with the Public Debt Management Act No. 33 of 2024, the DSRU is responsible for the compilation, reporting and publication of comprehensive Government debt statistics in line with domestic legal requirements and international standards. Through structured reporting frameworks, the unit ensures transparency and provides the essential statistical foundation required for national policy formulation and debt sustainability analysis.

The DSRU's key functions include the following:

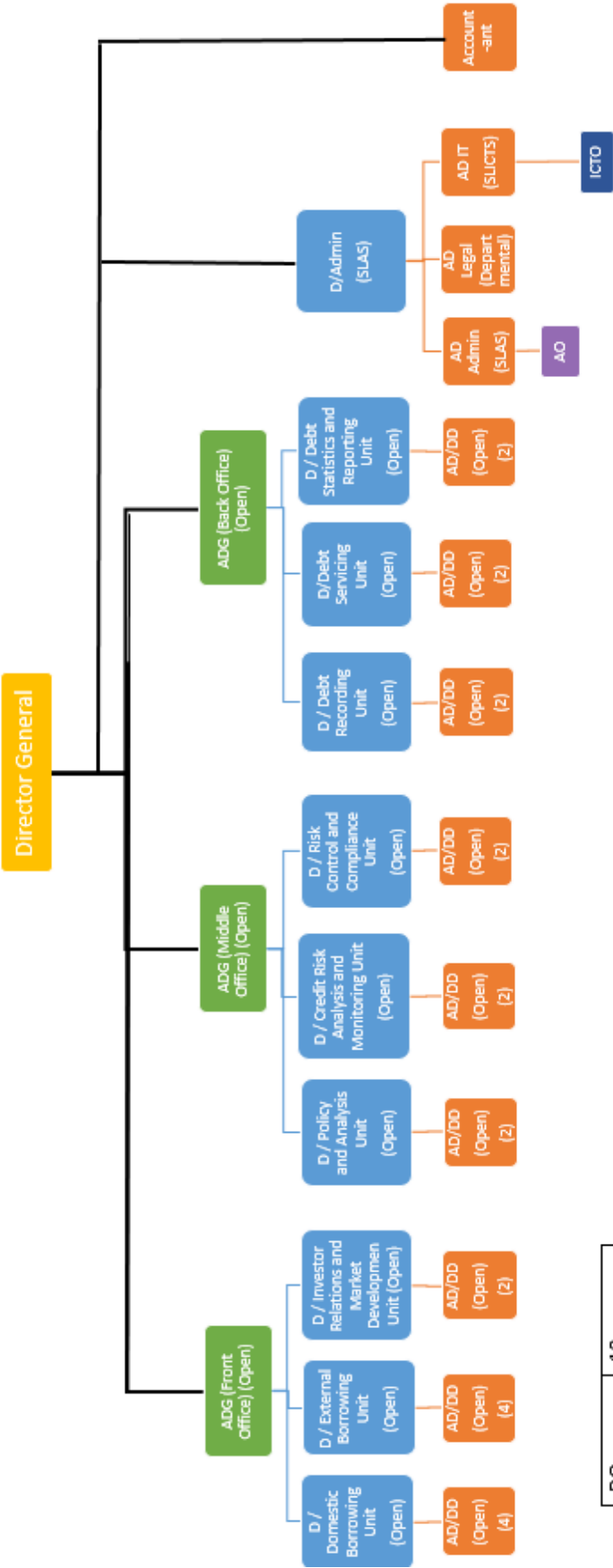
- **Compilation, reporting and publication of Government debt statistics**, including debt stock, debt service and other debt-related information through official publications and reporting platforms.
- **Preparation and submission of debt statistics in accordance with international reporting requirements**, including data submissions to the International Monetary Fund (IMF), World Bank, Bank for International Settlements (BIS) and the Central Bank of Sri Lanka (CBSL).
- **Preparation of public debt management reports and publications**, including quarterly debt bulletins, semi-annual debt reports and contributions to the Annual Report of the PDMO and other statutory reports.
- **Preparation of debt-related reports, statistical tables, presentations and customized information** for internal and external reporting requirements.
- **Compilation and harmonization of debt statistics** in accordance with internationally accepted statistical standards and methodologies.

#### **1.3.4 Administration and Finance Division**

The Administration and Finance Division is responsible for management of human resources, assets and financial resources. Placement, capacity development, and welfare of the officers within the Department is included in the human resource management. The acquisition, maintenance and maintaining records of physical and financial resources is covered by the Physical and financial resources management. In addition, development of annual work plan, performance reports, annual financial reports and follow up on Audit issues also fall under the scope of the Administration and Finance division.

1.4 Organizational Structure as at 31 December, 2025

Organization Chart of the Public Debt Management Office



|        |    |
|--------|----|
| DO     | 18 |
| MSO    | 13 |
| OES    | 05 |
| Driver | 05 |

## 2. Progress and the Future Outlook

### 2.1 Front Office

#### 2.1.1 Domestic Borrowing Unit (DSU)

Following the establishment of the PDMO, responsibility for the issuance of Government securities was transferred from the Public Debt Department (PDD) of the Central Bank of Sri Lanka (CBSL). To facilitate a smooth transition, PDMO officials underwent structured on-the-job training conducted by the PDD from March to November 2025. With effect from 1 December 2025, the Domestic Borrowing Unit (DBU) commenced the issuance of Government securities using the CBSL's Government Securities Auction System (GSAS).

Throughout the reporting period, the DBU worked closely with market participants, government institutions, and regulatory authorities to ensure the orderly functioning of the Government securities market and maintain investor confidence.

|   | Targets                                                       | Indicators                                      | Progress                                                           |
|---|---------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|
| 1 | Commence the issuance of Government Securities                | Government Securities are issued by DBU/PDMO    | Since December 2025, Government Securities were issued by DBU/PDMO |
| 2 | Conducting pre-bid meetings                                   | Number of pre-bid meetings conducted            | *One(01) meeting was successfully conducted.                       |
| 3 | Conducting Debt & Cash Management Committee (DCMC) Meetings   | Number of DCMC meetings conducted               | *Four(04) meetings were successfully conducted.                    |
| 4 | Conducting Treasury Bill Auctions                             | Number of Auctions Conducted<br>Amount Accepted | *Five(05) Auctions were successfully conducted.<br>LKR 286 Billion |
| 5 | Conducting Treasury Bond Auctions                             | Number of Auctions Conducted<br>Amount Accepted | *Two(02) Auctions were successfully conducted.<br>LKR 177 Billion  |
| 6 | Conducting Domestic Dollar Bond Auctions                      | Number of Auctions Conducted<br>Amount Accepted | *One(01) Auction was successfully conducted.<br>USD 50 Million     |
| 7 | Publish secondary market reports using the Bloomberg platform | Number of reports published                     | *Twenty-One(21) reports Published.                                 |

|   |                                                            |                        |                                                                          |                        |
|---|------------------------------------------------------------|------------------------|--------------------------------------------------------------------------|------------------------|
| 8 | Undertake Guarantees, borrowings                           | On-lending, non-market | No of cases handing on the On-lending, Guarantees, non-market borrowings | Four(04) cases handled |
| 9 | Contribute to the Preparation of the Annual Borrowing Plan |                        | Providing details as per the request                                     | Provided               |

**\*Progress is given after taking over function in December 2025**

### **2.1.2 External Borrowing Unit (EBU)**

PDMO facilitated execution of new external financing commitments amounting to approximately USD 1, 238 million during 2025. The financing portfolio reflected a multilateral funding base, comprising approximately USD 790 million from the Asian Development Bank (ADB), USD 180 million from the International Development Association (IDA) World Bank Group, USD 52 million from the Asian Infrastructure Investment Bank (AIIB) and USD 10 million from the Saudi Fund for Development. These financing arrangements were secured on terms that supported the Government's financing requirements while maintaining consistency with debt sustainability objectives and the cost-risk parameters established under the debt management framework. The proceeds of the AIIB loan amounting to USD 52 million (equivalent to LKR 15.7 billion) was on-lent to the Ceylon Electricity Board (CEB) and accordingly, a Subsidiary Loan Agreement was signed in 2025.

In addition to securing financing from multilateral and bilateral development partners, the EBU facilitated access to emergency financing of SDR 150.5 million (equivalent to USD 206 million) under the IMF's Rapid Financing Instrument (RFI) in December 2025 following the Cyclone Ditwah. The facility provided timely support for urgent recovery and rehabilitation efforts, helping to address immediate financing needs and mitigate the fiscal impact of the disaster.

The EBU also negotiated programme - based financing to support macroeconomic stabilization, structural reforms and private sector development initiatives, thereby contributing to the Government's broader economic reform agenda. These operations played an important role in supporting fiscal and external sector stability while facilitating the implementation of key policy reforms and strengthening the foundations for sustainable economic growth.

**Table 1: Summary**

|    | <b>Project</b>                                                                               | <b>Lender</b> | <b>Amount<br/>(USD<br/>million)</b> |
|----|----------------------------------------------------------------------------------------------|---------------|-------------------------------------|
| 1  | Second Integrated Road Investment Programme-<br>Tranche 5                                    | ADB           | 90                                  |
| 2  | Strengthening Integrated Health Care and Governance<br>for Universal Health Coverage Program | ADB           | 100                                 |
| 3  | Sustainable Tourism Sector Development<br>Programme- Subprogramme1                           | ADB           | 70                                  |
| 4  | Sustainable Tourism Sector Development                                                       | ADB           | 30                                  |
| 5  | Strengthening Macroeconomic Resilience and<br>Transparency Programme- Subprogram             | ADB           | 100                                 |
| 6  | Mahaweli Water Security Investment Programme<br>Stage - 2 Project                            | ADB           | 200                                 |
| 7  | Power Sector Reforms and Financial Sustainability<br>Program-Subprogramme2                   | ADB           | 100                                 |
| 8  | Financial Sector Stability and Reforms Programme-<br>Subprogramme3                           | ADB           | 100                                 |
| 9  | Kerawalapitiya -Port L Second Transmission Line<br>Project                                   | AIIB          | 52                                  |
| 10 | Integrated Rurban Development and Climate<br>Resilience Program                              | IDA - WB      | 100                                 |
| 11 | Secure Affordable and Sustainable Energy for Sri<br>Lanka Project                            | IDA - WB      | 30                                  |
| 12 | General Education Modernization Project -Additional<br>Financing                             | IDA - WB      | 24.5                                |
| 13 | General Education Modernization Project -Additional<br>Financing                             | IDA - WB      | 25.5                                |
| 14 | Road Network Development Project-Saudi Fund for<br>Development                               | SFD           | 10                                  |
| 15 | IMF – Rapid Financing Instrument Facility (RFI)                                              | IMF           | 206                                 |

### **2.1.3 Investor Relations and Market Development Unit (IRU)**

The Investor Relations and Market Development Unit (IRU), being the first of its kind in Sri Lanka, achieved considerable progress since its inception during the year 2025. The IRU drafted the Investor Relations and Communications Policy (IRP) as well as the first Investor Relations Strategy (IRS) for public debt management. The IRP and the IRS were used to draft the first Investor Relations Plan of the PDMO for 2026.

The IRU facilitated country visits for representatives of Moody's Investors Service, S&P Global Ratings, and Fitch Ratings in 2025 and coordinated conference calls to provide timely updates on economic developments and related policy measures whenever necessary. These engagements strengthened communication channels and enhanced the provision of accurate and transparent information to the rating agencies.

In September 2025, S&P Global Ratings upgraded Sri Lanka's foreign currency sovereign credit ratings from the long-standing 'SD' (Selective Default) status to 'CCC+', reflecting Sri Lanka's recent efforts to complete the restructuring of remaining commercial debt. Moody's Investors Service affirmed Sri Lanka's sovereign credit ratings at Caa1 with stable outlook, and Fitch Ratings also affirmed CCC+, reflecting continued confidence in the country's ongoing economic recovery and reform efforts.

The IRU organized its first semi-annual investor call in July 2025 to engage directly with investors, pursuant to the publication of PDMO's semi-annual debt report. The call was announced on the London Stock Exchange.

Engagement with the International Institute of Finance (IIF) on investor relations marked a significant milestone of IRU activities in 2025, as it represented the first formal engagement of Sri Lanka with the organization. As per the IIF's Investor Relations and Debt Transparency Report, published on 09 July 2025, which covered 54 emerging markets and developing economies from various geographical regions, Sri Lanka recorded the 5<sup>th</sup> place of the most significant score improvements (+9.1) in 2025 elevating its overall score to 37.33 out of 50 from 25.2 in 2023 and 28.21 in 2024.

## **2.2 Middle Office**

### **2.2.1. Policy and Analysis Unit (PAU)**

The PAU has made significant progress in delivering its core mandate. The following achievements reflect the unit's commitment to strengthening Sri Lanka's public debt management framework:

- Formulated and published Medium-Term Debt Management Strategy (MTDS) 2026–2030 for managing cost and risk of the government's debt portfolio over the medium term.
- Formulated Annual Borrowing Plan (ABP) 2026 that ensures consistency with MTDS projections and aligns with the government's gross financing requirements.
- Designed the maturity mix for Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds) in align with the set targets of the MTDS to support informed issuance decisions during primary market auctions.
- Provided recommendations for Coupon Determination for the issuance of new Treasury Bonds in align with the prevailing market rates and the appetites, coupon rates for the new Treasury bonds are determined.

- Drafted the Public Debt Management Regulation No. 01/2025 and No.02/2025 and facilitate for the process of obtaining the approval of Cabinet of Ministers
- Drafted the Guidelines of the Public Debt Management Office (Part I) and Guidelines for the loan guarantees and on-lending and facilitated to be issued by the Minister of Finance.
- Drafted Standard Operational Procedure Manual for the PDMO
- Provided inputs to the Annual Report of the Ministry of Finance and Fiscal Risk Statement regarding debt management activities, outcomes, and the overall status of the government's debt portfolio.
- Organized a training program on the formulation of the MTDS and ABP, enhancing the technical expertise and institutional capacity within the PDMO.

## **Future Outlook**

- **Technical Strengthening:** Enhance institutional capacity through targeted training and technical assistance in debt sustainability analysis, risk modeling, benchmark issuance policy formulation, and yield curve development.
- **Inter-agency Coordination:** Strengthen coordination frameworks to enable seamless information sharing and more effective collaborative reporting.
- **Advanced and Active Debt Management:** Introduce more sophisticated debt management practices, including continuous liability management operations, proactive monitoring of financial market trends, and the development of innovative debt instruments to better manage the cost and risk profile of the debt portfolio.

### **2.2.2. Credit Risk Analysis and Monitoring Unit (CRAMU)**

During the year, to fulfill our mandate,

- Prepared the credit risk assessment methodology for SOEs based on the international best practices and subsequently received the approval of the Cabinet of Ministers.
- Initiated activities to develop separate credit risk assessment methodologies applicable for other entities.
- Formulated process and procedures for other key functions of the Unit including the monitoring of credit quality of portfolio level

Details of the credit risk assessment conducted for several SOEs during the year are presented below;

| Project Name                                                                                | Lender           | Beneficiary SOE                          | On-lending / Guarantees                                        | Loan Amount (USD million)                                                                 |
|---------------------------------------------------------------------------------------------|------------------|------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Kerawalapitiya - Port L Second Transmission Line Project - <b>New</b>                       | AIIB             | Ceylon Electricity Board                 | On-lending                                                     | 52                                                                                        |
| Secure, Affordable and Sustainable Energy for Sri Lanka Project - <b>New</b>                | World Bank       | Ceylon Electricity Board                 | On-lending                                                     | 30                                                                                        |
| Sampur - Kappalthurai Transmission Infrastructure Development Project - <b>New</b>          | AIIB             | Ceylon Electricity Board                 | On-lending                                                     | 22                                                                                        |
| Katana Water Supply Project (KWSP) - <b>Restructured</b>                                    | CDB              | National Water Supply and Drainage Board | 75 % of the Loan – Undertaking<br>25 % of the Loan – Guarantee | <b>Original</b> - 54.79<br><b>Restructured</b> - 45.80                                    |
| Thambuttegama Water Supply project - <b>Restructured</b>                                    | CDB              | National Water Supply and Drainage Board | 100% of the Loan- Undertaking                                  | <b>Original</b> - 102.54<br><b>Restructured</b> - 40.55                                   |
| Gampaha, Attanagalle and Minuwangoda Integrated Water Supply Scheme - <b>Restructured</b>   | CDB              | National Water Supply and Drainage Board | 75 % of the Loan – Undertaking<br>25 % of the Loan – Guarantee | <b>Original</b> - 195.08<br><b>Restructured</b> - 118.51                                  |
| Polgahawela, Pothuhera and Alawwa Integrated Water Supply Project - <b>Restructured</b>     | Indian EXIM Bank | National Water Supply and Drainage Board | 100 % of the Loan – Guarantee                                  | <b>Original</b> - 91.8<br><b>Restructured</b> - 59.13<br><b>Non – Restructured</b> – 1.68 |
| Aluthgama, Mathugama and Agalawaththa Integrated Water Supply Project - <b>Restructured</b> | Indian EXIM Bank | National Water Supply and Drainage Board | 100 % of the Loan - Guarantee                                  | <b>Original</b> -164.9<br><b>Restructured</b> - 90.16<br><b>Non – Restructured</b> – 1.42 |
| Funded Interest Term Loan - <b>Restructured</b>                                             | Indian EXIM Bank | National Water Supply and Drainage Board | 100 % of the Loan - Guarantee                                  | 5.38                                                                                      |

|                                                                              |      |                                                 |           |                                                                                                        |
|------------------------------------------------------------------------------|------|-------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------|
| Bandaranaike International Airport Development Project - <b>Restructured</b> | JICA | Airport & Aviation Services (Sri Lanka) Limited | Guarantee | <b>Rescheduled debt - JPY</b><br>15,091,857,367<br><b>Non-rescheduled debt - JPY</b><br>13,426,321,054 |
|------------------------------------------------------------------------------|------|-------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------|

In addition to the individual credit risk assessments, during the reporting period, the necessary inputs were provided for the preparation of the Fiscal Risk Statement 2026, with a specific focus on the assessment of fiscal risks arising from overall treasury guarantee portfolio and the on-lending portfolio.

### Future Outlook

- Steps have been initiated to enhance the existing credit risk assessment framework by strengthening methodologies to assess the financial health of the SOEs, aligning with the international best practices.
- Efforts are underway to develop structured process and procedures for managing guarantee calls and non-performing on-lent loans, with the assistance of IMF and World Bank Technical Assistance.
- Discussions are ongoing to development an interactive dashboard to facilitate real time monitoring with the assistance of Asian Development Bank.

### 2.2.3. Risk Control and Compliance Unit (RCU)

Within the year 2025, the Risk Control and Compliance Unit successfully achieved the following achievements in accordance to the relevant mandates and guidelines.

- Developed the Code of Conduct, which is applicable to all officers of the Public Debt Management Office.
- Established the Risk Committee to address the potential risks arising from operational activities of Front Office, Middle Office, Back Office, Administration Division, and Finance Division of the Public Debt Management Office.
- Conducted three Risk Committee Meetings in 2025 to raise awareness of risk for all officers including risk committee, present the prepared risk report, and raise awareness on the Risk Management Framework.
- Prepared four quarterly risk reports for the first, second, third, fourth quarters and one special report on domestic borrowing limits of 2025 to report on progress in managing operational risk and subsequently presented to the Director General of the Public Debt Management Office.
- Established the Ethics Committee to review ethical matters and self-disclosures made by officials, and finally make decisions on related matters.

## **Future Outlook**

Looking ahead, the Risk Control and Compliance Unit aims to go through the following as well, in order to strengthen the culture of integrity, high ethical standards, and strong risk awareness.

- Develop the Business Continuity Plan and test regularly.
- Engage with regular monitoring activities of the debt portfolio performances.
- Prepare early warning alerts to the heads of the Public Debt Management Office.
- Develop the Operational Risk Management Policy
- Develop the Crisis Management Plan.
- Develop the Risk Management Framework.

## **2.3 Back Office**

### **2.3.1 Debt Recording Unit (DRU)**

#### **Debt Restructuring Process**

Debt Restructuring Progress in GOSL Sri Lanka has achieved substantial progress in restructuring its external debt following the public debt service moratorium declared in April 2022. Significant milestones have been reached across bilateral, commercial, and multilateral creditor categories. On 26 June 2024, Sri Lanka finalized a debt treatment agreement with the members of the Official Creditor Committee (OCC), representing the country's major bilateral lenders. On the same date, Sri Lanka also concluded Bilateral Debt Treatment Agreements with the Export-Import Bank of China for loans owed to that institution. These agreements were implemented through the signing of amendment arrangements, completing the debt treatment process with China Exim Bank. Further progress was achieved on 24 December 2024 with the signing of amendment agreements with the China Development Bank, marking the conclusion of that restructuring process as well. Meanwhile, Sri Lanka reached an agreement in principle with International Sovereign Bond (ISB) holders on 19 September 2024 regarding the restructuring of ISBs. The subsequent exchange of outstanding ISBs into new bonds was completed on 16 December 2024, achieving a participation rate of nearly 98 percent, facilitating the conversion of almost all defaulted ISBs into new International Sovereign Bonds.

Sri Lanka also made important gains in restructuring bilateral debt with Paris Club members. The signing of bilateral amendatory agreements with the Government of Japan, the Export-Import Bank of India, and the Government of the French Republic marked a series of key achievements. The restructuring process with Japan was concluded on 24 March 2025, followed by the signing of bilateral amendatory agreements with the Export-Import Bank of India on 25 March 2025 (Lines of Credit) and 3 April 2025 (Buyer's Credit Agreements). With the completion of bilateral amendatory agreements with the Government of the French Republic on 16 June 2025, EXIM Bank of Hungary on 01 July 2025, and the United Kingdom on 22 August 2025, Sri Lanka has completed approximately 94% of its debt restructuring process. Sri Lanka also made important gains in restructuring bilateral debt with Paris Club members.

The signing of bilateral amendatory agreements with the Government of Japan, the Export-Import Bank of India, and the Government of the French Republic marked a series of key achievements. The restructuring process with Japan was concluded on 24 March 2025, followed by the signing of bilateral amendatory agreements with the Export-Import Bank of India on 25 March 2025 (Lines of Credit) and 3 April 2025 (Buyer's Credit Agreements). Sri Lanka has signed bilateral amendatory agreements with the Government of the French Republic on 16 June 2025, EXIM Bank of Hungary on 01 July 2025, Saudi Fund on 14 July 2025 and the United Kingdom on 22 August 2025. With the completion of signing bilateral amendatory agreements with the Government of Australia on 27 October 2025 and with the Government of Denmark on 11 November 2025, Sri Lanka has completed approximately 95% of the restructuring agreement signing process under its debt restructuring programme. As a result of these agreements, Sri Lanka has resumed regular debt servicing to the respective creditor partners.

### **Migration of the CS-DRMS Database to Commonwealth Meridian**

Needs Assessment Mission undertaken in Sri Lanka during 10–15 August 2025 and the successful migration of Sri Lanka's public debt database from CS-DRMS to Commonwealth Meridian.

As part of the transition from the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) to the Commonwealth Meridian debt management platform, seven officers of the PDMO successfully participated in the Commonwealth Meridian Training and Data Validation Programme conducted by the Commonwealth Secretariat Debt Management Unit from 24 November to 5 December 2025. The programme was organized following the Commonwealth Meridian

The primary objectives of the programme were to validate the accuracy and completeness of the migrated debt data, provide comprehensive hands-on training on the operation and maintenance of public debt records in Commonwealth Meridian, and establish procedures for the parallel operation of Commonwealth Meridian and CS-DRMS/Excel-based systems during the transition period prior to the planned system go-live in early 2026. The training combined practical system-based learning sessions with extensive data validation and reconciliation exercises using Sri Lanka's migrated public debt database.

The programme strengthened the technical capacity of PDMO officers to manage public debt data within the new platform and enhanced institutional readiness for the implementation of Commonwealth Meridian as the Government's primary debt recording and management system. The successful completion of the training represented a significant milestone in modernizing Sri Lanka's public debt management infrastructure and supporting the digital transformation of debt recording, reporting, and analytical functions.

## **Future Outlook**

Following the successful migration of the CS-DRMS database to Commonwealth Meridian and the completion of the training and data validation programme, the PDMO will continue the parallel operation of Commonwealth Meridian and the existing debt recording systems to ensure the accuracy, completeness, and reliability of debt data. During this period, further reconciliation, validation, and system refinement activities will be undertaken in collaboration with the Commonwealth Secretariat. Subject to the successful completion of these activities, the full transition to Commonwealth Meridian is expected to be finalized by end of the August 2026, enabling the system to serve as the primary platform for public debt recording, management, reporting, and analysis in Sri Lanka.

## **Treasury Guarantees and Letters of Comfort Issued by the General Treasury**

During 2025, the PDMO continued to support the General Treasury in the management, monitoring, and recording of Treasury Guarantees and Letters of Comfort issued to State-Owned Enterprises and other eligible institutions. This included the evaluation of requests, maintenance of guarantee records, monitoring of contingent liabilities, and reporting on the Government's exposure arising from guaranteed obligations.

As at 31 December 2025, the outstanding stock of Treasury Guarantees amounted to Rs. 436,275.69 million, covering 144 guarantee instruments issued to 33 beneficiary institutions. The total outstanding value of Letters of Comfort as at 31 December 2025 was reported at Rs.789.60 million.

The continuous monitoring and reporting of Treasury Guarantees and Letters of Comfort contributed to strengthening the management of contingent liabilities and enhancing fiscal risk oversight within the public sector.

**DEBT OF SOES' TREASURY GUARANTEES ISSUED BY GENERAL TREASURY**

| N<br>O. | Name of the<br>Institution                      | Name of the Bank or<br>Institution              | Outstanding Amount - Capital as at<br>31.12.2025 |                 |                  |                 | Total<br>(USD<br>Million) |
|---------|-------------------------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------|------------------|-----------------|---------------------------|
|         |                                                 |                                                 | US\$<br>Million                                  | Euro<br>Million | J.Yen<br>Million | Rs.<br>Million. |                           |
| 1       | Central Bank of Sri Lanka                       | Reserve Bank of India                           | 651.43                                           | .               | .                |                 | 651.43                    |
| 2       | Road Development Authority                      | Bank of Ceylon                                  |                                                  |                 |                  | 93,800.02       | 675.70                    |
|         |                                                 | Commercial Bank                                 |                                                  |                 |                  |                 |                           |
|         |                                                 | DFCC Bank                                       |                                                  |                 |                  | 3,478.26        |                           |
|         |                                                 | Hatton National Bank                            |                                                  |                 |                  |                 |                           |
|         |                                                 | National Development Bank PLC                   |                                                  |                 |                  |                 |                           |
|         |                                                 | National Savings Bank                           |                                                  |                 |                  | 67,777.55       |                           |
|         |                                                 | People's Bank                                   | 7.36                                             |                 |                  | 32,899.16       |                           |
|         |                                                 | Sampath Bank                                    |                                                  |                 |                  | 9,227.27        |                           |
| 3       | National Water Supply & Drainage Board          | Bank of Ceylon                                  |                                                  |                 |                  | 34,096.48       | 766.75                    |
|         |                                                 | China Development Bank                          | 193.73                                           |                 |                  |                 |                           |
|         |                                                 | Commercial Bank                                 |                                                  |                 |                  | 427.65          |                           |
|         |                                                 | DFCC Bank                                       |                                                  |                 |                  | 2,701.08        |                           |
|         |                                                 | Exim Bank of India                              | 161.17                                           |                 |                  |                 |                           |
|         |                                                 | Hatton National Bank                            |                                                  |                 |                  | 7,049.13        |                           |
|         |                                                 | ING Bank, NV of Netherlands                     |                                                  | 71.32           |                  |                 |                           |
|         |                                                 | National Development Bank PLC                   |                                                  |                 |                  | 13,651.70       |                           |
|         |                                                 | National Development Bank PLC                   |                                                  |                 |                  |                 |                           |
|         |                                                 | National Savings Bank                           |                                                  |                 |                  | 25,682.48       |                           |
|         |                                                 | People's Bank                                   |                                                  |                 |                  | 3,255.80        |                           |
|         |                                                 | UniCredit Bank Austria AG                       |                                                  | 40.8            |                  |                 |                           |
| 4       | Sri Lankan Airlines Limited                     | Bank of Ceylon                                  |                                                  |                 |                  |                 | 186.60                    |
|         |                                                 | DB Trustees (Hong Kong) Limited                 | 175                                              |                 |                  |                 |                           |
|         |                                                 | International Air Transport Association         | 11.6                                             |                 |                  |                 |                           |
|         |                                                 | People's Bank                                   |                                                  |                 |                  |                 |                           |
| 5       | Ceylon Electricity Board                        | Asian Development Bank                          | 307.57                                           |                 |                  |                 | 360.71                    |
|         |                                                 | Bank of Ceylon                                  |                                                  |                 |                  | 114.19          |                           |
|         |                                                 | Hatton National Bank                            |                                                  |                 |                  |                 |                           |
|         |                                                 | Industrial And Commercial Bank of China Limited | 26.53                                            |                 |                  |                 |                           |
|         |                                                 | National Savings Bank                           |                                                  |                 |                  | 3,000.00        |                           |
|         |                                                 | People's Bank                                   |                                                  |                 |                  | 5,135.34        |                           |
| 6       | Airport & Aviation Services (Sri Lanka) Limited | Hatton National Bank                            |                                                  |                 |                  | 4000            | 214.63                    |
|         |                                                 | Hongkong & Shanghai Banking Co.Ltd.             | 29.49                                            |                 |                  |                 |                           |
|         |                                                 | Japan International Cooperation Agency (JICA)   |                                                  |                 | 26947            |                 |                           |
| 7       |                                                 | Bank of Ceylon                                  |                                                  |                 |                  | 72040.78        | 256.75                    |

|    |                                                      |                                                               |           |       |
|----|------------------------------------------------------|---------------------------------------------------------------|-----------|-------|
|    | Ceylon Petroleum Corporation                         | China National Chemical Engineering No.14 Constrution Co. Ltd | 19.73     |       |
|    |                                                      | People's Bank                                                 | 4.63      |       |
| 8  | Bank of Ceylon & People's Bank                       | Asian Infrastructure Investment Bank (AIIB)                   | 80        | 80.19 |
|    |                                                      | Export Development Board                                      | 60        |       |
| 9  | General Sir John Kotelawala Defence University       | Bank of Ceylon                                                | 6.09      | 93.74 |
|    |                                                      | National Savings Bank                                         | 29,053.00 |       |
| 10 | Regional Development Bank                            | Asian Development Bank                                        | 50        | 50    |
| 11 | Ceylon Shipping Corporation Ltd                      | People's Bank                                                 | 47.55     | 47.55 |
| 12 | Mihin Lanka Limited                                  | Bank of Ceylon                                                |           |       |
|    |                                                      | People's Bank                                                 |           |       |
| 13 | National School of Business Management Limited       | Bank of Ceylon                                                | 4,535.00  | 14.63 |
| 14 | Lanka Sathosa Limited                                | People's Bank                                                 |           |       |
| 15 | Sri Lanka Rupavahini Corporation                     | People's Bank                                                 | 11.84     | 0.04  |
| 16 | Lanka Coal Company (Pvt) Ltd                         | Bank of Ceylon                                                | 19,610.25 | 63.26 |
| 17 | State Engineering Corporation                        | Bank of Ceylon                                                | 2,299.99  | 7.42  |
| 18 | Techno Park Development Company Private Limited      | National Savings Bank                                         |           |       |
|    |                                                      | People's Bank                                                 |           |       |
| 19 | Sri Lanka Land Reclamation & Development Corporation | National Savings Bank                                         |           |       |
| 20 | Paddy Marketing Board                                | People's Bank                                                 |           |       |
| 21 | State Development and Construction Corporation       | Bank of Ceylon                                                | 990.61    | 3.20  |
| 22 | Co-operative Wholesale Establishment                 | Paddy Marketing Board                                         | 729.6     | 2.35  |
| 23 | State Printing Corporation                           | People's Bank                                                 | 17.26     | 0.06  |
| 24 | Building Materials Corporation Ltd                   | Bank of Ceylon                                                | 500       | 1.61  |
| 25 | Ceylon Fisheries Corporation                         | Bank of Ceylon                                                |           |       |
| 26 | Janatha Estates Development Board                    | Bank of Ceylon                                                | 55.26     | 0.18  |

|                    |                                                                     |                        |  |  |  |                 |               |               |                   |  |                 |
|--------------------|---------------------------------------------------------------------|------------------------|--|--|--|-----------------|---------------|---------------|-------------------|--|-----------------|
| 27                 | Northsea Limited                                                    | Sri Lanka Savings Bank |  |  |  |                 |               |               |                   |  |                 |
| 24                 |                                                                     | Bank of Ceylon         |  |  |  |                 |               |               |                   |  |                 |
| 28                 | Sri Lanka State Plantation Corporation                              | People's Bank          |  |  |  |                 |               | 69.9          |                   |  | 0.23            |
| 29                 | Sri Lanka Rupavahini Corporation                                    | Bank of Ceylon         |  |  |  |                 |               |               |                   |  |                 |
| 30                 | National Paper Corporation                                          | People's Bank          |  |  |  |                 |               |               |                   |  |                 |
| 31                 | Lanka Electricity Company (Pvt) Ltd                                 | Asian Development Bank |  |  |  | 0.53            |               |               |                   |  | 0.53            |
| 32                 | Energy Activity Support Facility (CEB)                              | Asian Development Bank |  |  |  | 6.8             |               |               |                   |  | 6.80            |
| 33                 | Power System Strengthening and Renewable Energy Integration Project | Asian Development Bank |  |  |  | 0.16            |               |               |                   |  | 0.16            |
| <b>GRAND TOTAL</b> |                                                                     |                        |  |  |  | <b>1,773.28</b> | <b>112.12</b> | <b>26,947</b> | <b>436,275.69</b> |  | <b>3,484.52</b> |

#### The Outstanding List of Letter of Comfort Issued by the General Treasury up to 31.12.2025

| Name of Institution                                      | Name of the Bank or Institution | LC Amount       |                 |               |               | Date of Issue | Date of Expiry | Outstanding Amount - Capital as at 31.12.2025 |               |             |               |
|----------------------------------------------------------|---------------------------------|-----------------|-----------------|---------------|---------------|---------------|----------------|-----------------------------------------------|---------------|-------------|---------------|
|                                                          |                                 | USD Million     | Euro Million    | Yen Million   | Rs. Million   |               |                | USD Million                                   | Euro Million  | Yen Million | Rs. Million   |
| Co-operative Wholesale Establishment                     | Paddy Marketing Board           |                 |                 |               | 440.00        | 11-Jan-2017   | 11-Jan-2018    | 0.00                                          |               |             | 440.00        |
| Co-operative Wholesale Establishment                     | Paddy Marketing Board           |                 |                 |               | 440.00        | 1-Mar-2017    | 22-Feb-2018    | 0.00                                          |               |             | 289.60        |
| Bank of Ceylon and People's Bank                         | Export Development Board        |                 |                 |               | 60            | 29-Mar-2018   | 28-Feb-2027    |                                               |               |             | 60.00         |
| <b>Total in Issued Currency</b>                          |                                 | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>   | <b>940.00</b> |               |                | <b>0.00</b>                                   | <b>0.00</b>   | <b>0.00</b> | <b>789.60</b> |
| <b>CBSL Indicative Exchange Rates - As at 31.12.2025</b> |                                 | <b>309.9944</b> | <b>363.9644</b> | <b>1.9814</b> |               |               |                | <b>309.99</b>                                 | <b>363.96</b> | <b>1.98</b> | <b>1.00</b>   |
| <b>Total in Rupees</b>                                   |                                 | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>   | <b>940.00</b> |               |                |                                               |               |             |               |
| <b>Grand Total</b>                                       |                                 |                 |                 |               | <b>940.00</b> |               |                |                                               |               |             | <b>789.60</b> |

### **2.3.2. Debt Servicing Unit (DSU)**

#### **Debt servicing for the year 2025**

In the year 2025 with the collaboration of the PDD of CBSL a total of LKR 8.7 trillion was serviced for both domestic and external debt. Treasury bill repayments amounted to approximately LKR 6.3 trillion, representing the largest debt-service component. Treasury bond payments exceeded LKR 1.7 trillion, indicating a significant recurring financing cost. Foreign loan repayments totaled approximately LKR 762 billion (Project Loans and Long/Medium-Term Loans combined).

Sri Lanka's 2025 public debt servicing expenditure was heavily concentrated in domestic debt obligations, particularly Treasury bill redemptions and Treasury bond interest payments. While foreign debt servicing remained significant, accounting for nearly nine percent of total debt-service costs, domestic securities continued to be the primary driver of Government financing and repayment requirements. The total debt-service burden for the year was approximately LKR 8.7 trillion, highlighting the importance of effective cash flow and public debt management.

### **2.3.3 Debt Statistics & Reporting Unit (DSRU)**

During the period, the DSRU achieved several milestones in enhancing the integrity and transparency of debt data:

- **Successful Migration of Functions from CBSL:**  
Executed the seamless transition and migration of relevant debt recording and statistical functions from the Central Bank of Sri Lanka (CBSL) to the PDMO. This included establishing the necessary operational infrastructure and data protocols to ensure continuity in debt administration.
- **Enhanced Content, Structure and Appearance of the Quarterly Statistical Debt Bulletin (QSDB):**  
Developed and implemented a refined format for the QSDB, providing more granular data and improved clarity and accessibility of public debt information. This enhanced publication was successfully published four times during the period.
- **Development and Implementation of Reporting Frameworks:**  
Structured reporting frameworks were developed to standardize the compilation and presentation of debt statistics. DSRU designed a professional reporting format for all data requests, ensuring that all the disseminated data follows a uniform layout.
- **Enhanced Information Dissemination:**  
The unit continued to publish debt statistical products in accordance with the publication timeline, including the monthly data on the Government debt stock, semi-annual debt report, and debt stock reports and cash flow reports on the Government's debt portfolio.

- During the period, the DSRU processed approximately 110 data requests including, submission to the IMF, Parliament, CBSL, World Bank, and requests made under RTI Act.
- Publication of Debt Data Report twice a year in June and December.
- Publication of debt outstanding reports monthly.
- Provided information for the CBSL Annual Economic Review, Final Budget Position Report of the Ministry of Finance, Mid Term Budget Position Report of the Ministry of Finance, Budget Economic and Fiscal Position Report, preparation of Annual Budget, Medium Term Debt Management Strategy etc.

### **Future Outlook**

Looking ahead, the DSRU is committed to further strengthening debt statistics and reporting capabilities. The following initiatives have been identified for the coming period:

- **Development of an Interactive Debt Statistics Dashboard**  
The unit is currently in the process of developing a comprehensive dashboard to provide management with real-time presentation of the debt portfolio.
- **Further Enhancement of Publications**  
Plans are in place to continue refining the content and presentation of the QSDB and other statistical publications.
- **Alignment with International Standards**  
Continued efforts will be made to gradually adopt the GFS and latest global best practices in debt statistics.
- **Capacity Development and Training**  
Prioritizing advanced training to equip the staff with the skills necessary to manage evolving reporting frameworks and trends.

### 3. Overall Financial Performance for the year ended 31<sup>st</sup> December 2025

#### 3.1 Statement of Financial Performance

ACA -F

| Statement of Financial Performance<br>for the period ended 31 <sup>st</sup> December 2025 |                                                                      |      |                   |      |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------|-------------------|------|
| Budget                                                                                    |                                                                      | Note | Rs.               |      |
|                                                                                           |                                                                      |      | Actual            |      |
|                                                                                           |                                                                      |      | 2025              | 2024 |
| -                                                                                         | <b>Revenue Receipts</b>                                              |      | -                 | -    |
| -                                                                                         | Income Tax                                                           | 1    | -                 | -    |
| -                                                                                         | Taxes on Domestic Goods & Services                                   | 2    | -                 | -    |
| -                                                                                         | Taxes on International Trade                                         | 3    | -                 | -    |
| -                                                                                         | Non Tax Revenue & Others                                             | 4    | -                 | -    |
| -                                                                                         | <b>Total Revenue Receipts (A)</b>                                    |      | -                 | -    |
| -                                                                                         | <b>Non Revenue Receipts</b>                                          |      |                   |      |
| -                                                                                         | Treasury Imprests                                                    |      | 97,210,000        | -    |
| -                                                                                         | Deposits                                                             |      | 93,839            | -    |
| -                                                                                         | Advance Accounts                                                     |      | 1,884,508         | -    |
| -                                                                                         | Other Receipts                                                       |      | -                 | -    |
| -                                                                                         | <b>Total Non Revenue Receipts (B)</b>                                |      | <b>99,188,347</b> | -    |
| -                                                                                         | <b>Total Revenue Receipts &amp; Non Revenue Receipts C = (A)+(B)</b> |      | <b>99,188,347</b> | -    |
| -                                                                                         | <b>Remittance to the Treasury (D)</b>                                |      | 51,305            | -    |
| -                                                                                         | <b>Net Revenue Receipts &amp; Non Revenue Receipts E= (C)-(D)</b>    |      | <b>99,137,042</b> | -    |
| -                                                                                         | <b>Less: Expenditure</b>                                             |      |                   |      |
| -                                                                                         | <b>Recurrent Expenditure</b>                                         |      | -                 | -    |
| 65,000,000                                                                                | Wages, Salaries & Other Employment Benefits                          | 5    | 59,101,305        | -    |
| 34,750,000                                                                                | Other Goods & Services                                               | 6    | 12,615,415        | -    |
| 250,000                                                                                   | Subsidies, Grants and Transfers                                      | 7    | 157,815           | -    |
| -                                                                                         | Interest Payments                                                    | 8    | -                 | -    |

ACA-1

ACA-3

ACA-4

ACA-5

ACA-2(ii)

|                    |                                                            |    |                    |   |           |
|--------------------|------------------------------------------------------------|----|--------------------|---|-----------|
| -                  | Other Recurrent Expenditure                                | 9  | -                  | - |           |
| <b>100,000,000</b> | <b>Total Recurrent Expenditure (F)</b>                     |    | <b>71,874,535</b>  | - |           |
|                    | <b>Capital Expenditure</b>                                 |    |                    |   |           |
| 10,000,000         | Rehabilitation & Improvement of Capital Assets             | 10 | 1,308,262          | - | ACA-2(ii) |
| 105,000,000        | Acquisition of Capital Assets                              | 11 | 21,840,056         | - |           |
| -                  | Capital Transfers                                          | 12 |                    | - |           |
| -                  | Acquisition of Financial Assets                            | 13 |                    | - |           |
| 10,000,000         | Capacity Building                                          | 14 | 614,000            | - |           |
| -                  | Other Capital Expenditure                                  | 15 |                    | - |           |
| <b>125,000,000</b> | <b>Total Capital Expenditure (G)</b>                       |    | <b>23,762,318</b>  | - |           |
|                    | Deposit Payments                                           |    | 93,839             | - | ACA-4     |
|                    | Advance Payments                                           |    | 11,353,939         | - | ACA-5     |
|                    | <b>Total Main Ledger Expenditure (H)</b>                   |    | <b>11,447,778</b>  | - |           |
|                    | <b>Total Expenditure I = (F+G+H)</b>                       |    | 107,084,631        | - |           |
| <b>225,000,000</b> | <b>Balance as at 31<sup>st</sup> December 2023 J=(E-I)</b> |    | <b>(7,947,589)</b> | - |           |
|                    | <b>Balance as per the Imprest Adjustment Statement</b>     |    | (7,947,589)        | - | ACA -7    |
|                    | <b>Imprest Balance as at 31st December</b>                 |    | -                  | - | ACA-3     |
|                    |                                                            |    |                    | - |           |

### 3.2 Statement of Financial Position

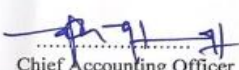
ACA-P

**Statement of Financial Position**  
**As at 31st December 2025**

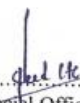
|                                     | Note       | Actual<br>2025<br>Rs | 2024<br>Rs |
|-------------------------------------|------------|----------------------|------------|
| <b><u>Non Financial Assets</u></b>  |            |                      |            |
| Property, Plant & Equipment         | ACA-6      | 21,840,056           | -          |
| <b><u>Financial Assets</u></b>      |            |                      |            |
| Advance Accounts                    | ACA-5/5(a) | 9,469,431            | -          |
| Cash & Cash Equivalents             | ACA-3      | -                    | -          |
| <b>Total Assets</b>                 |            | <b>31,309,487</b>    | <b>-</b>   |
| <b><u>Net Assets / Equity</u></b>   |            |                      |            |
| Net Worth to Treasury               |            | 9,469,431            | -          |
| Property, Plant & Equipment Reserve |            | 21,840,056           | -          |
| <b><u>Current Liabilities</u></b>   |            |                      |            |
| Deposits Accounts                   | ACA-4      | -                    | -          |
| Unsettled Imprest Balance           | ACA-3      | -                    | -          |
| <b>Total Liabilities</b>            |            | <b>31,309,487</b>    | <b>-</b>   |

Detail Accounting Statements in ACA format Nos. 2 to 7 presented in pages from 7 to 24 and Annexures to accounts presented in pages from 25 to 31 form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

  
 Chief Accounting Officer  
 Name :  
 Designation :  
 Date : 24.02.2026

  
 Accounting Officer  
 Name :  
 Designation :  
 Date : 20.02.2026

  
 Chief Financial Officer/ Chief Accountant/  
 Director (Finance)/ Commissioner (Finance)  
 Name :  
 Date : 20.02.2026

**Dr. Harshana Suriyapperuma**  
 Secretary to the Treasury and Secretary to the Ministry of Finance, Planning and Economic Development  
 Ministry of Finance  
 Colombo 01

**U. Subanapattuwa**  
 Director General  
 Public Debt Management Office  
 General Treasury  
 Colombo - 01, Sri Lanka

**G.D.M. Muditha Gunarathne**  
 Accountant (Acting)  
 Public Debt Management Office  
 General Treasury  
 Colombo - 01

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### 3.3 Statement of Cash Flows

ACA-C

| Statement of Cash Flows<br>for the Period ended 31 <sup>st</sup> December 2025                                     |                    |          |
|--------------------------------------------------------------------------------------------------------------------|--------------------|----------|
|                                                                                                                    | Actual             |          |
|                                                                                                                    | 2025               | 2024     |
|                                                                                                                    | Rs.                | Rs.      |
| <b><u>Cash Flows from Operating Activities</u></b>                                                                 |                    |          |
| Total Tax Receipts                                                                                                 |                    |          |
| Fees, Fines, Penalties and Licenses                                                                                |                    |          |
| Profit                                                                                                             | -                  | -        |
| Non-Revenue Receipts                                                                                               | -                  | -        |
| Revenue Collected on behalf of Other Revenue Heads                                                                 | 2,569,786          | -        |
| Imprest Received                                                                                                   | 97,210,000         | -        |
| Recoveries from Advance                                                                                            | 7,410,028          | -        |
| Deposit Received                                                                                                   | 93,839             | -        |
| <b>Total Cash generated from Operations (A)</b>                                                                    | <b>107,283,653</b> | <b>-</b> |
| <b><u>Less - Cash disbursed for:</u></b>                                                                           |                    |          |
| Personal Emoluments & Operating Payments                                                                           | 71,712,220         | -        |
| Subsidies & Transfer Payments                                                                                      | 157,815            | -        |
| Rehabilitation & Improvement of Capital Assets, Capital Transfers, Capacity Building and Other Capital Expenditure | 1,922,262          | -        |
| Expenditure incurred on behalf of Other Heads                                                                      | 151,857            | --       |
| Imprest Settlement to Treasury                                                                                     | 51,305             | -        |
| Advance Payments                                                                                                   | 11,354,299         | -        |
| Deposit Payments                                                                                                   | 93,839             | -        |
| <b>Total Cash disbursed for Operations (B)</b>                                                                     | <b>85,443,597</b>  | <b>-</b> |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (C )=(A)-( B)</b>                                                       | <b>21,840,056</b>  | <b>-</b> |
| <b><u>Cash Flows from Investing Activities</u></b>                                                                 |                    |          |
| Interest                                                                                                           | -                  | -        |
| Dividends                                                                                                          | -                  | -        |
| Divestiture Proceeds & Sale of Physical Assets                                                                     | -                  | -        |

|                                                                                      |              |   |
|--------------------------------------------------------------------------------------|--------------|---|
| Recoveries from On Lending                                                           | -            | - |
| <b>Total Cash generated from Investing Activities (D)</b>                            | -            | - |
| <br><b><u>Less - Cash disbursed for:</u></b>                                         |              |   |
| Capital Asset Construction, Purchases and Other Investment Acquisitions              | 21,840,056   | - |
| <b>Total Cash disbursed for Investing Activities (E)</b>                             | 21,840,056   | - |
| <b>NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(D)-(E)</b>                           | (21,840,056) | - |
| <br><b>NET CASH FLOWS FROM OPERATING &amp; INVESTMENT ACTIVITIES (G)=( C ) + (F)</b> | -            | - |
| <br><b><u>Cash Flows from Fianacing Activities</u></b>                               |              |   |
| Local Borrowings                                                                     | -            | - |
| Foreign Borrowings                                                                   | -            | - |
| Grants Received                                                                      | -            | - |
| <b>Total Cash generated from Financing Activities (H)</b>                            | -            | - |
| <br><b><u>Less - Cash disbursed for:</u></b>                                         |              |   |
| Repayment of Local Borrowings                                                        | -            | - |
| Repayment of Foreign Borrowings                                                      | -            | - |
| <b>Total Cash disbursed for Financing Activities (I)</b>                             | -            | - |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)</b>                           | -            | - |
| <br><b>Net Movement in Cash (K) = (G) + (J)</b>                                      | -            | - |
| <b>Opening Cash Balance as at 01<sup>st</sup> January</b>                            | -            | - |
| <b>Closing Cash Balance as at 31<sup>st</sup> December</b>                           | -            | - |

### 3.4 Notes to the Financial Statements

#### Basis of Reporting

1) Purpose of Preparation

The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025.

2) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2025.

3) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

4) Recognition of Revenue

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

5) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

6) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

7) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2025.

### 3.5 Performance of the Utilization of Allocation

| Type of Allocation | Allocation  |             | Actual Expenditure | Allocation Utilization as a % of Final Allocation |
|--------------------|-------------|-------------|--------------------|---------------------------------------------------|
|                    | Original    | Final       |                    |                                                   |
| Recurrent          | 100,000,000 | 100,000,000 | 71,874,535         | 72%                                               |
| Capital            | 125,000,000 | 125,000,000 | 23,762,318         | 19%                                               |

### 3.6 Performance of the Reporting of Non-Financial Assets

| Asset Code | Code Description        | Balance as per Board of Survey Report as at 31.12.2025 | Balance as per financial Position Report as at 31.12.2025 | Yet to be Accounted | Reporting Progress as a % |
|------------|-------------------------|--------------------------------------------------------|-----------------------------------------------------------|---------------------|---------------------------|
| 9152       | Machinery and Equipment |                                                        | 21,840,056                                                |                     |                           |

### 3.7 Auditor General's Report

The Final Audit report for 31<sup>st</sup> December 2025, issued by Auditor General has been attached (Annexure -1)

## 4. Performance indicators

| indicator                                                    | Actual output as a percentage (%) of the expected output |         |         |               |
|--------------------------------------------------------------|----------------------------------------------------------|---------|---------|---------------|
|                                                              | 100%-90%                                                 | 75%-89% | 50%-74% | Less than 50% |
| Progress in implementing the Annual Action Plan %            |                                                          |         | √       |               |
| Progress in implementing the Annual Procurement Plan %       |                                                          |         |         | √             |
| Progress in recurrent expenditure % (physical and financial) |                                                          |         | √       |               |
| Progress in capital expenditure % (financial)                |                                                          |         |         | √             |
| Summary of capital and recurrent expenditure %               |                                                          |         |         | √             |

Note- Public Debt Management Office (PDMO) began the establishment of the institution, staff training, and debt management operations from 02.12.2024. During 2025, gradually undertook debt management operations in accordance with PDMA while enhancing operational and human resources capacity. By early December 2025, PDMO had completed most of the transition of debt management functions from CBSL PDD.

## 5. Performance of the Achieving Sustainable Development Goals

The Public Debt Management Office (PDMO) contributes to Sri Lanka's Sustainable Development Goals (SDGs) by promoting responsible, transparent, and sustainable public debt practices that support macroeconomic stability and long-term development. The PDMO's core functions of government debt management, issuance and management of loan guarantees, management of on lending operations, investor relations, policy analysis, risk management, debt servicing, recording, and reporting of public debt are directly and indirectly aligned with the following SDGs:

### SDG 8: Decent Work and Economic Growth

By ensuring cost effective and efficient debt management, the PDMO contributes to a stable macroeconomic environment that supports economic growth, investment confidence, and employment generation.

### SDG 9: Industry, Innovation and Infrastructure (Indirect Contribution)

By securing sustainable financing and reducing debt vulnerabilities, the PDMO indirectly supports government capacity to invest in infrastructure modernization and industrial development.

**SDG 13: Climate Action (Indirect Contribution)**

Through promoting responsible debt practices and facilitating access to climate-related financing instruments (e.g., green bonds), the PDMO supports the government's ability to mobilize funding for climate resilience and sustainable development initiatives.

**SDG 16: Peace, Justice, and Strong Institutions**

The establishment of the PDMO under the Public Debt Management Act strengthens public financial governance through transparency, accountability, and institutional independence. Regular debt reporting, compliance mechanisms, and improved oversight emphasize the trust in public institutions.

**SDG 17: Partnerships for the Goals**

Through active engagement with international financial institutions, development partners, and domestic and foreign investors, the PDMO enhances financial cooperation and mobilizes sustainable financing to support national development priorities.

**SDG 04: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

Although the PDMO's primary mandate is financial management and debt oversight, its activities indirectly support education by providing resources to education and lifelong learning initiatives.

**SDG 06: Ensure availability and sustainable management of water and sanitation for all**

By managing public debt prudently and ensuring sustainable financing, the PDMO contributes to water and sanitation projects, helping the government secure funding for infrastructure that ensures the availability and sustainability of these essential services.

**SDG 07: Ensure access to affordable, reliable, sustainable and modern energy for all**

Through sound debt management and facilitating government financing, the PDMO supports investments in modern, sustainable energy infrastructure, ensuring access to affordable and reliable energy for citizens while promoting environmentally responsible development

## 6. Human Resource Profile

### 6.1 Cadre Management

Cadre Position as at 31st December 2025

| Level        | Approved Cadre | Existing Cadre | Vacancies |
|--------------|----------------|----------------|-----------|
| Senior       | 40             | 29             | 11        |
| Tertiary     | 03             | 02             | 01        |
| Secondary    | 24             | 13             | 11        |
| Primary      | 10             | 05             | 05        |
| <b>Total</b> | <b>77</b>      | <b>49</b>      | <b>28</b> |

### 6.2 Impact of Human Resource Shortage of Surplus on the Performance of the Institution

The Service needs of the institution were managed with the existing number of employees

### 6.3 Human Resource Development

It is important to provide local and foreign training to improve the knowledge, skills and positive attitudes of employees in the Department to perform their duties and to develop positive personalities within the Department who are committed to achieving organizational goals. Accordingly, the following local and foreign training programmes were provided to the staff of the Department in the year 2025.

| Name of the Program                                                  | No. of staff trained | Duration of the program  | Total Investment |         | Nature of the programm (Abroad/Local ) | Output/ Knowledge Gained |
|----------------------------------------------------------------------|----------------------|--------------------------|------------------|---------|----------------------------------------|--------------------------|
|                                                                      |                      |                          | Local            | Foreign |                                        |                          |
| Assessing and Managing Debt Related Fiscal Risk                      | 1                    | 05.02.2025<br>02.03.2025 | √                |         | Abroad                                 |                          |
| Management and Evaluation of Credit Risk of SOEs Debt and Guarantees | 3                    | 13.04.2025<br>20.04.2025 | √                |         | Abroad                                 |                          |

|                                                                              |    |                          |   |  |        |  |
|------------------------------------------------------------------------------|----|--------------------------|---|--|--------|--|
| Conference on Public Debt Transparency: Aligning the law with Good Practices | 1  | 13.05.2025<br>17.05.2025 | √ |  | Abroad |  |
| Fundamentals of Debt Reporting and Monitoring –                              | 5  | 17.08.2025<br>23.08.2025 | √ |  | Abroad |  |
| Formulation of the Medium-Term Debt Management Strategy - IMF/SARTTAC        | 15 | 25.08.2025<br>28.08.2025 | √ |  | Local  |  |
| Debt Management Based on Medium Term Strategy (Including MTDS)               | 2  | 06.09.2025<br>16.09.2025 | √ |  | Abroad |  |
| CBSL Training                                                                | 3  | 01.09.2025<br>30.09.2025 | √ |  | Local  |  |
| Quantitative Techniques in Debt Management – IMF                             | 5  | 05.10.2025<br>11.10.2025 | √ |  | Abroad |  |
| On-the-Job training                                                          | 3  | 13.10.2025<br>30.11.2025 | √ |  | Local  |  |
| ADB Workshop on Managing Sovereign Loans                                     | 8  | 13.11.2025<br>15.11.2025 | √ |  | Local  |  |
| Commonwealth Meridian Training                                               | 6  | 22.11.2025<br>07.12.2025 | √ |  | Abroad |  |
| Debt Reporting, Debt Recording, and Investor Relations - IMF                 | 2  | 01.12.2025<br>05.12.2025 | √ |  | Abroad |  |

## 07 . Compliance Report

| No       | Applicable Requirement                                                                                           | Compliance Status(Complied/Non-Complied) | Brief explanation for non-compliance | Corrective actions proposed to avoid non-compliance future |
|----------|------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------|------------------------------------------------------------|
| <b>1</b> | <b>The following Financial statements / accounts have been submitted on the due date</b>                         |                                          |                                      |                                                            |
| 1.1      | Annual Financial Statements                                                                                      | Complied                                 |                                      |                                                            |
| 1.2      | Advance to Public Officers Account                                                                               | Complied                                 |                                      |                                                            |
| 1.3      | Trading and Manufacturing Advance Accounts (commercial Advance Accounts)                                         | -                                        |                                      |                                                            |
| 1.4      | Stores Advance Accounts                                                                                          | -                                        |                                      |                                                            |
| 1.5      | Special Advance Accounts                                                                                         | Complied                                 |                                      |                                                            |
| 1.6      | Others                                                                                                           | -                                        |                                      |                                                            |
| <b>2</b> | <b>Maintenance of books and registers (FR 445)</b>                                                               |                                          |                                      |                                                            |
| 2.1      | Fixed assets register has been maintained and updated in terms of the Public Administration Circular No 267/2018 | Complied                                 |                                      |                                                            |
| 2.2      | Personal Emoluments Register/Personal Emolument Cards has been maintained and updated                            | Complied                                 |                                      |                                                            |
| 2.3      | Register of Audit queries has been maintained and updated                                                        | Complied                                 |                                      |                                                            |
| 2.4      | Register of Internal Audit Reports has been maintained and updated                                               | Complied                                 |                                      |                                                            |

|          |                                                                                                                                                                         |          |  |  |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 2.5      | All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date                                                                        | Complied |  |  |
| 2.6      | Register for cheques and money orders has been maintained and updated                                                                                                   | Complied |  |  |
| 2.7      | Inventory register has been maintained and updated                                                                                                                      | Complied |  |  |
| 2.8      | Stocks Register has been maintained and updated                                                                                                                         | Complied |  |  |
| 2.9      | Register of Losses has been maintained and updated                                                                                                                      | Complied |  |  |
| 2.10     | Commitment Register has been maintained and updated                                                                                                                     | Complied |  |  |
| 2.11     | Register of Counterfoil Books (GAN20) has been maintained and updated                                                                                                   | Complied |  |  |
| <b>3</b> | <b>Delegation of functions for financial control (FR 135)</b>                                                                                                           |          |  |  |
| 3.1      | The financial authority has been delegated within the institute                                                                                                         | Complied |  |  |
| 3.2      | The delegation of financial authority has been communicated within the institute                                                                                        | Complied |  |  |
| 3.3      | The Authority has been delegated in such manner so as to pass each transaction through two or more officers                                                             | Complied |  |  |
| 3.4      | The controls have been adhered to by the Accounts in terms of The State Accounts Circular No 171/2004 dated 11.05.2014 in using the Government Payroll software Package | Complied |  |  |

|     |                                                                                                                                                                  |          |  |  |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 4   | <b>Preparation of Annual Plans</b>                                                                                                                               |          |  |  |
| 4.1 | The annual action plan had been prepared                                                                                                                         | Complied |  |  |
| 4.2 | The annual procurement plan had been prepared                                                                                                                    | Complied |  |  |
| 4.3 | The annual internal audit plan had been prepared                                                                                                                 | Complied |  |  |
| 4.4 | The annual estimate has been prepared and submitted to the NBD on due date                                                                                       | Complied |  |  |
| 4.5 | The annual cash flow has been submitted to the Treasury Operations Department on time                                                                            | Complied |  |  |
| 5   | <b>Audit Queries</b>                                                                                                                                             |          |  |  |
| 5.1 | All audit queries have been replied within the specified time by the Auditor General                                                                             | Complied |  |  |
| 6   | <b>Internal Audit</b>                                                                                                                                            |          |  |  |
| 6.1 | The internal audit plan had been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019   | Complied |  |  |
| 6.2 | All the internal audit reports had been replied within one month                                                                                                 | Complied |  |  |
| 6.3 | Copies of all internal audit reports had been submitted to the Management Audit Department in terms of sub-section 40(4) of the National Audit Act No.19 of 2018 | Complied |  |  |

|          |                                                                                                                                                                                                                                                      |          |  |  |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 6.4      | All the copies of internal audit reports had been submitted to the Auditor General in terms of Financial Regulation 134(3)                                                                                                                           | Complied |  |  |
| <b>7</b> | <b>Audit and Management Committee</b>                                                                                                                                                                                                                |          |  |  |
| 7.1      | Minimum 04 meetings of the Audit and Management Committee had been held during the year as per the DMA Circular 1 -2019                                                                                                                              | Complied |  |  |
| <b>8</b> | <b>Asset Management</b>                                                                                                                                                                                                                              |          |  |  |
| 8.1      | The information about purchase of asset and disposals was submitted to the Comptroller General's Office in terms of paragraph 07 of the Asset Management Circular No 01/2017                                                                         | Complied |  |  |
| 8.2      | A suitable liaison officer was appointed to coordinate the implementation of the provisions of the Circular and the details of the nominated officer was sent to the Comptroller General's office in terms of paragraph 13 of the aforesaid Circular | Complied |  |  |
| 8.3      | The boards of survey were conducted and the relevant reports submitted to the Auditor General on due date in terms of the Public Finance Circular No.05/2016                                                                                         | Complied |  |  |
| 8.4      | The excess and deficits that were disclosed through the board of survey and other retaining recommendations, actions were carried out during the period specified in the circular                                                                    | Complied |  |  |

|           |                                                                                                                                                                |          |  |  |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 8.5       | The disposal of condemned articles had been carried out in terms of FR 772.                                                                                    | Complied |  |  |
| <b>9</b>  | <b>Vehicle Management</b>                                                                                                                                      |          |  |  |
| 9.1       | The daily running charts and monthly summaries of the pool-vehicles had been prepared and submitted to the Auditor General on due date                         | -        |  |  |
| 9.2       | The condemned vehicles had been disposed of within a period of less than 6 months after condemning                                                             | -        |  |  |
| 9.3       | The Vehicle log books had been maintained and updated                                                                                                          | Complied |  |  |
| 9.4       | The action has been taken in terms of FR 103, 104, 109 and 110 with regard to every vehicle accident                                                           | -        |  |  |
| 9.5       | The fuel consumption of vehicles has been re-tested in terms of the provisions of paragraph 3.1 of the Public Administration Circular No.30/2016 of 29.12.2016 | Complied |  |  |
| 9.6       | The absolute ownership of the vehicle log books has been transferred after the lease term                                                                      | Complied |  |  |
| <b>10</b> | <b>Management of Bank Accounts</b>                                                                                                                             |          |  |  |
| 10.1      | The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date                                                   | Complied |  |  |

|           |                                                                                                                                                                                                                                             |          |  |  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 10.2      | The dormant accounts that had existed in the year under review or carried forward from previous years had been settled                                                                                                                      | Complied |  |  |
| 10.3      | The action had been taken regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made in terms of Financial Regulations and those balances had been settled within one month | Complied |  |  |
| <b>11</b> | <b>Utilization of Provisions</b>                                                                                                                                                                                                            |          |  |  |
| 11.1      | The Provisions allocated had been spent without exceeding the limit.                                                                                                                                                                        | Complied |  |  |
| 11.2      | The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)                                                                                                                                       | Complied |  |  |
| <b>12</b> | <b>Advance to Public Officers Account</b>                                                                                                                                                                                                   |          |  |  |
| 12.1      | The limits had been complied with                                                                                                                                                                                                           | Complied |  |  |
| 12.2      | A time analysis had been carried out on the loans in arrears                                                                                                                                                                                | Complied |  |  |
| 12.3      | The loan balances in arrears for over one year had been settled                                                                                                                                                                             | Complied |  |  |
| <b>13</b> | <b>General Deposit Account</b>                                                                                                                                                                                                              |          |  |  |
| 13.1      | The action had been taken as per F.R.571 in relation to disposal of lapsed deposits                                                                                                                                                         | Complied |  |  |

|           |                                                                                                                   |          |  |  |
|-----------|-------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 13.2      | The control register for general deposits had been updated and maintained                                         | Complied |  |  |
| <b>14</b> | <b>Imprest Account</b>                                                                                            |          |  |  |
| 14.1      | The balance in the cash book has been remitted to TOD at the end of the year under review                         | Complied |  |  |
| 14.2      | The ad-hoc imprests had been issued as per F.R.371 settled within one month from the completion of the task       | Complied |  |  |
| 14.3      | The ad-hoc sub imprests had been issued in excess of approved limit as per F.R.371                                | Complied |  |  |
| 14.4      | The balance of the imprest account had been reconciled with the Treasury books monthly                            | Complied |  |  |
| <b>15</b> | <b>Revenue Account</b>                                                                                            |          |  |  |
| 15.1      | The refunds from the revenue had been made in terms of the regulations                                            | Complied |  |  |
| 15.2      | The revenue collection had been directly credited to the revenue account without crediting to the deposit account | Complied |  |  |
| 15.3      | Returns of arrears of revenue have been forwarded to the Auditor General in terms of FR 176                       | Complied |  |  |
| <b>16</b> | <b>Human Resource Management</b>                                                                                  |          |  |  |
| 16.1      | The staff had been paid within the approved Cadre                                                                 | Complied |  |  |

|           |                                                                                                                                                                                                                                                         |          |  |  |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 16.2      | All members of the staff have been issued a duty list in writing                                                                                                                                                                                        | Complied |  |  |
| 16.3      | All reports have been submitted to MSD in terms of their Circular No.04/2017 dated 20.09.2017                                                                                                                                                           | Complied |  |  |
| <b>17</b> | <b>Provision of information to the Public</b>                                                                                                                                                                                                           |          |  |  |
| 17.1      | An Information Officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulations                                                                                           | Complied |  |  |
| 17.2      | Information about the institution to the public has been provided by website or other alternative measures and facilities are made through the website or by other means to facilitate public to submit appreciations/allegation about the institutions | Complied |  |  |
| 17.3      | Bi-annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act                                                                                                                                                                | Complied |  |  |
| <b>18</b> | <b>Implementing Citizens' Charter</b>                                                                                                                                                                                                                   |          |  |  |
| 18.1      | A Citizens' Charter / Citizens Client's Charter has been formulated and implemented by the Institution in terms of the Circular No.05/2008(1) of the Ministry of Public Administration and Management                                                   | -        |  |  |

|           |                                                                                                                                                                                                                                                    |          |  |  |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--|--|
| 18.2      | A methodology has been devised by the institution in order to monitor and assess the formulation and the implementation of Citizens Charter/Citizens Client's charter as per paragraph 2.3 of the circular                                         | -        |  |  |
| <b>19</b> | <b>Preparation of the Human Resource Plan</b>                                                                                                                                                                                                      |          |  |  |
| 19.1      | A Human Resource Plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018                                                                                                        | Complied |  |  |
| 19.2      | A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan                                                                                               | Complied |  |  |
| 19.3      | Annual Performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid circular                                                                                                                   | Complied |  |  |
| 19.4      | A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular | Complied |  |  |
| <b>20</b> | <b>Responses Audit Paras</b>                                                                                                                                                                                                                       |          |  |  |
| 20.1      | The shortcomings pointed out in the Audit paragraphs issued by the Auditor General for the previous years have been rectified                                                                                                                      |          |  |  |

