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Press Release

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EPF has not bought shares of TFC at inflated prices

The Employees' Provident Fund (EPF) categorically rejects the recent statement made by a Member of Parliament of the Opposition to a certain newspaper that EPF has bought the shares of The Finance PLC (TFC) at inflated prices. The factual position is as follows -

1. TFC offered 40 million shares at Rs. 40.00 each to the public on 21.01.2011. In response to such public offering, the EPF subscribed to 5 million shares for Rs. 200 million. TFC allotted 4,497,600 shares for Rs. 179,904,000 (11.2% of the total issue) to EPF on 23.02.2011. A total of 2098 other public and private sector investors also purchased shares issued at the Public Offer at the same price. At the time of this Public Offer, the TFC share was also trading at the market around Rs 40/-.

2. Since the above mentioned shares were purchased through the above mentioned Public Offer, not from the market, there was no involvement of a broker or seller. These monies were directly subscribed to TFC to strengthen its capital base.
3. In addition to the shares purchased at the Public Offer, EPF has purchased 593,600 shares of TFC during the period September - November 2011 from the market at the market prices. At no time did the EPF purchase TFC shares above the market prices. Further, during the year 2011, the stock market data reveals that 37,049,700 shares of TFC were traded at a weighted average price of Rs. 43.30, which is approximately 7.3% higher than the EPF's average purchase price of its shares in TFC.
4. The EPF is of the view that the proposed restructuring process of TFC would strengthen the financial position and performance, and therefore this investment is expected to generate satisfactory returns both by way of capital gains and dividends over the medium to long term.
5. In the light of the above, accusations made by the MP concerned are false, baseless and without any foundation.