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இலங்கை கொடு கடன் தகவல் பணியகம்
CREDIT INFORMATION BUREAU OF SRI LANKA

Honouring Our Commitment

**CREDIT
INFORMATION
BUREAU OF
SRI LANKA (CRIB)**

ANNUAL REPORT 2014

1ST

THE FIRST CREDIT BUREAU IN THE
SOUTH ASIAN REGION.
THE DISCIPLINING MECHANISM
PROVIDED BY A CREDIT INFORMATION
BUREAU IS EXPECTED TO IMPROVE THE
COUNTRY'S OVERALL CREDIT CULTURE.

**FIRST SUSTAINABILITY REPORT
(GRI'S G4 GUIDELINES)**

Honouring Our Commitment

AS WE INSTILL IN THE PEOPLE OF SRI LANKA, THE VALUE OF HONOURING THEIR COMMITMENT IN CREDIT AND FINANCIAL DISCIPLINE, WE AT THE CREDIT INFORMATION BUREAU OF SRI LANKA, WILL HONOUR OUR COMMITMENT TO BEING AN EFFICIENT AND ADVANCED ORGANIZATION. BY STAYING ABREAST OF THE BEST IN TECHNOLOGY AND ADOPTING QUALITY STANDARDS, WE LOOK FORWARD TO CREATING A NEW CREDIT ENVIRONMENT FOR EVERY SRI LANKAN.

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ABOUT THIS REPORT

In our efforts towards continuous improvement, we have embarked on a new reporting format from the current financial year. We have adopted sustainability reporting to describe how we contribute to the economic and social development of our country.

GRI Index Table

This report is our first attempt at sustainability reporting and has been compiled 'In Accordance' with the Global Reporting Index (GRI) G4, 'Core' reporting standards. This annual report is limited to the period of 1st January 2014 to 31st December 2014. No external assurances have been obtained for this report, as a sustainability report.

Contact point for questions on this report

General Manager
Credit Information Bureau of Sri Lanka
No 148, Vauxhall Street, Colombo 02, Sri Lanka
Tel: +94112 131313
Fax: +94112338259
Email: gaminipk@crib.lk

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Material Aspects and Boundaries of this Report

All entities listed in the financial statements: This information can be viewed in the financial statements of this report. All these entities have been covered by this report.

Process of defining content and aspect boundaries: Three internal assessments were conducted with the participation of senior management, to define the content and aspect boundaries of this report. Reporting principles to define content were implemented by identifying material aspects and aspect boundaries from the GRI G4 list of topics and aspects. This identification was based on management experience over the years.

For the purpose of setting aspect boundaries CRIB's internal entities were identified as:

- The Central Bank of Sri Lanka
- Member lending institutions
- Employees (includes management)

External entities were identified as:

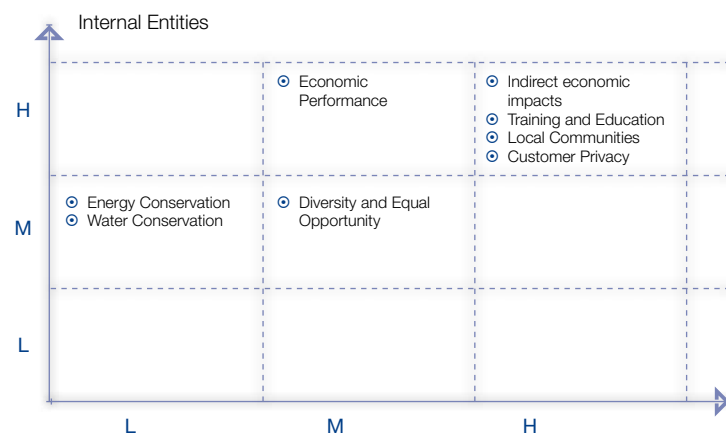
- The Government of Sri Lanka
- Auditors
- Law enforcement agencies
- Consumers or corporate customers
- Technical services providers
- Janitorial services provider
- Industry bodies
- Other business organisations (advertisers, event managers)

Material Aspects Covered by this Report and Aspect Boundaries

Material Aspect	Aspect boundary	
	Within the organisation material to:	Outside the organisation material to:
Economic performance	All entities	All entities
Indirect economic impacts	Central Bank, Ministry of Finance, private lending institutions	Individual customers, Government
Energy conservation	All entities	All entities
Water conservation	All entities	All entities
Training and Education	Employees	
Customers	Regulatory bodies	
Diversity and Equal Opportunity	Employees	Government
Local Communities	Central Bank, member institutions	Government
Compliance	All entities	All entities
Customer Privacy	All entities	All entities

Materiality Map

The materiality of the above aspects can be mapped according to their importance to our internal and external entities. The information content of this report is limited to these topics that have been identified as 'material aspects.'



We state that there have been no restatements of information from previous reports and there are no significant changes to scope and aspect boundaries as this is our first GRI report.



ABOUT THE CRIB

Our services go beyond credit reports. Our services facilitate quality of life improvements and economic growth, across the country.



OUR VISION

**“BUILDING A CUSTOMER FRIENDLY
RESERVOIR OF CREDIT INFORMATION”**



OUR COLLECTIVE CRUSADE

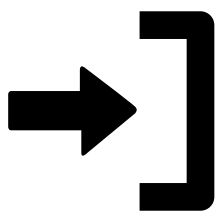
- ◉ To collect and collate credit and financial information on borrowers and prospective borrowers of lending institutions.
- ◉ To provide credit information on request, to shareholder lending institutions and simultaneously to borrowers to whom such information relate, and to instill credit discipline in the financial sector.
- ◉ To establish a credit-rating system in Sri Lanka.
- ◉ To undertake credit rating and to sell such credit ratings to any foreign and local agencies, or to any person making a request for such ratings.
- ◉ To undertake research and training projects for shareholder lending institutions.
- ◉ To operate a filing office of secured transactions to register the security interest of movables with a view to facilitate the distribution of credit to all sectors of the economy and to the informal sector in particular.



OUR RESPONSIBILITY

- ◉ Provide an efficient and effective credit information service and other value added services to the members by using state-of-the-art technology.
- ◉ Enable easy and fast access to credit while minimising non-performing loan levels.
- ◉ Increase the confidence of investors in the banking and finance sector, which is vital for the development of the economy and for the well-being of society.
- ◉ Improve the quality of work-life of employees and develop their skills.

Historical Milestones



1990

Act No. 18 of 1990 sets the foundation for the first Credit Bureau in South Asia. Database for irregular loans over Rs. 1Mn was created and first report was issued in December.

1991

24 registered finance companies joined the Bureau as shareholders.

1992

The Board first decided to levy a charge on credits; Rs. 35/- and Rs. 20/- per report transmitted through fax and post respectively.

1995

1st amendment of CRIB Act No. 8 of 1995 was passed in the Parliament.

1996

The office of the Bureau was totally destroyed due to the bomb explosion at the Central Bank and recommenced operations with restoration of the system from data backups.

1997

Credit card defaulters' database started.

2000

10th anniversary of the commencement of operations.

2004

CRIB with CBSL and The World Bank jointly hold the first South Asian Credit Bureau Conference in Colombo.

2005

Commencement of CRIB modernisation project.

2006

Automation project initiated with the technical partner Messrs Dun and Bradstreet Information Services.

2008

Launch of web-based Credit Information Management System (CRIMS).

2009

2nd amendment of the CRIB Act No. 42 of 2008 was enacted.

2010

Commencement of collection of information on dishonored cheques from commercial banks.

Issuing self inquiry reports (iReports) for the general public.

20th anniversary of commencement of operations.

2011

The establishment of the Disaster Recovery Centre was completed.

Establishment of a Secured Transactions Register (STR).

2012

Signing of Declaration of Secrecy by users of the Bureau services, made compulsory.

Data submission was fully automated with in-house developed system.

Inaugural cricket tournament the "Governor's Trophy" for all member institutions.

2013

Online version of iReport was launched.

Initiative with IFC to reform the secured transactions system legal framework.

2014

Initiation of 2nd phase development program.

Financial Highlights

Year Ended 31 December	2010	2011	2012	2013	2014
Operating Results - (Rs.'000)					
Income	307,898	444,296	430,163	563,690	847,877
Expenses	(111,870)	(140,283)	(139,934)	(148,055)	(179,737)
Operating Profit / (Loss)	196,028	304,013	290,229	415,807	668,138
Other Income	84,261	69,171	121,273	204,736	166,566
Net Profit Before Extra Ordinary Items	280,289	373,184	411,502	620,371	834,704
Extra Ordinary Items	-	-	-	-	-
Net Profit After Extra Ordinary Items	280,289	373,184	411,502	620,332	834,704
Taxation	(25,762)	(21,728)	(36,348)	(54,883)	(46,590)
Net Profit After Extra Ordinary Items & Taxation	254,527	351,456	375,154	565,488	788,114
Ratios					
Return on Average Shareholders' Funds (%)	31%	31%	26%	28%	30%
Income Growth (%)	89%	44%	-3%	31%	50%
Return on Average Assets (%)	22%	26%	25%	29%	29%
Rate of Dividends (%)	150%	200%	200%	400%	600%
Gross Dividends (Rs.'000)	37,500	50,000	50,000	75,000	150,000
Share Information					
Earning Per Share (Rs.)	1,018	1,406	1,501	2,262	3,152
Net Assets Per Share (Rs.)	3,310	4,577	5,878	7,944	10,667

53%

Credit Report Issued Increase

788 Mn

Net Profit

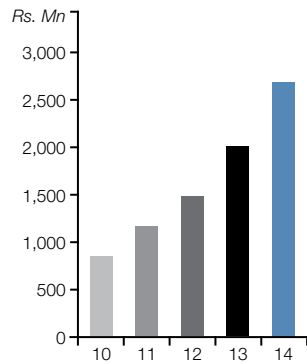
3,152

Earning per Share

10,667

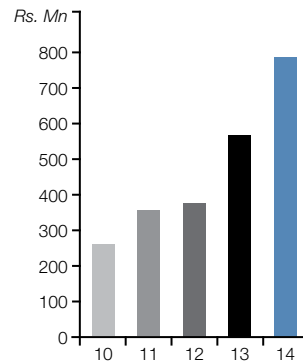
Net Asset per Share

Shareholder's Funds



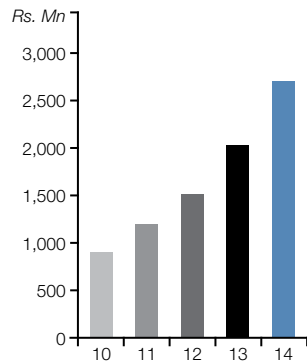
During the current financial year, shareholders funds saw a growth of 34% from Rs. 1.9 Bn to Rs. 2.6 Bn.

Profitability



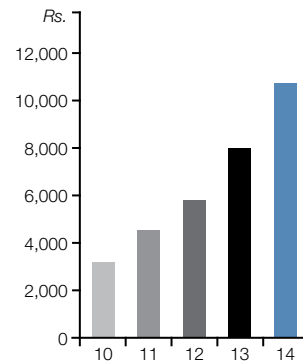
In the most profitable year of CRIB operations, net profit after tax increased 39% year-on-year to Rs. 788,113,017 in 2014, from Rs. 565,488,058 in the previous year.

Total Assets



The value of total assets of the CRIB increased by 33% from Rs. 2 Bn in 2013, to Rs. 2.7 Bn by end 2014.

Net Assets Per Share

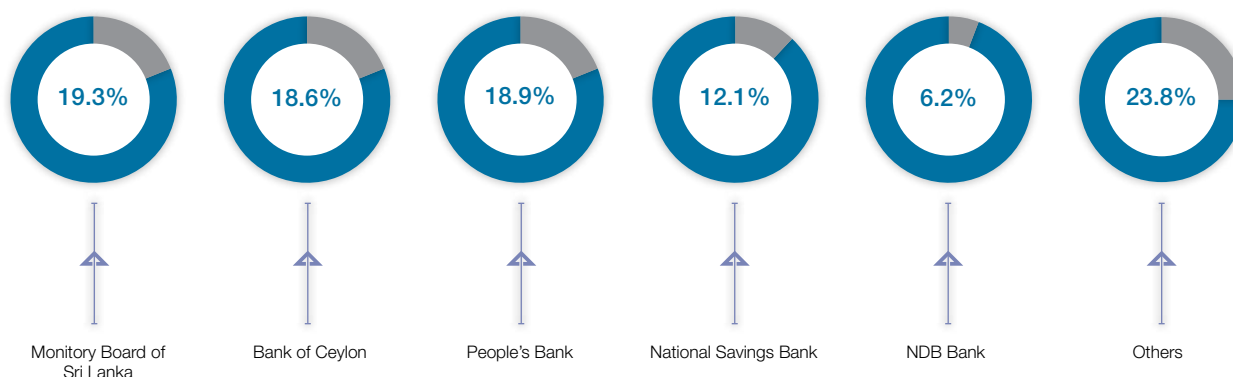


Net assets per share increased from Rs. 7,944 in 2013, to Rs. 10,667, in the current financial year which is a growth of 34%.

Who We Are

Name of organisation	The Credit Information Bureau of Sri Lanka (CRIB)
Primary services	<ul style="list-style-type: none"> Provide credit information to shareholder lending institutions and to members of the public, on demand We are also the implementation organisation for the Secured Transactions Registry system that registers security interests of movable securities. <p>In addition to the above primary services we also conduct:</p> <ul style="list-style-type: none"> Training programmes for member institutions Public awareness programmes on CRIB services
Location of headquarters	No 148, Vauxhall Street, Colombo 02, Sri Lanka CRIB operations are limited to Sri Lanka.
Nature of ownership and legal form	<p>The CRIB was established by the Credit Information Bureau of Sri Lanka No. 18 of 1990 CRIB Act. Subsequent amendments to the CRIB Act were made through Act no 08 of 1995 and Act no 42 of 2008.</p> <p>The CRIB has a unique public-private ownership structure. CRIB comes under the purview of the Ministry of Finance of Sri Lanka. The CRIB is owned by 'member institutions' who own shares of CRIB. These member institutions comprise all lending institutions in Sri Lanka (public and private) registered under the Central Bank of Sri Lanka.</p> <p>Share ownership as at December 31st, 2014</p> <p>The Monetary Board of Central Bank of Sri Lanka : 19.30% Bank of Ceylon : 18.64 % People's Bank : 18.96 % National Savings Bank : 12.18 % National Development Bank PLC : 6.2% Other Lending Institutions : 23.82%</p>

Ownership of CRIB



Ownership of CRIB by Type of Financial Institution

CRIB shares are distributed among financial sector regulator, the Central Bank, and the different financial institutions in Sri Lanka comprising specialised banks, commercial banks, finance companies, leasing companies and other nominated lending institutions.

CRIB shareholders

The Central Bank of Sri Lanka

SPECIALISED BANKS

1. DFCC Bank PLC
2. HDFC Bank
3. Lankaputhra Development Bank Limited
4. MBSL Savings Bank Limited
5. National Savings Bank
6. Regional Development Bank
7. Sanasa Development Bank Limited
8. Sri Lanka Savings Bank Limited
9. State Mortgage & Investment Bank

OTHER LENDING INSTITUTIONS

1. Mercantile Merchant Bank Limited
2. National Development Trust Fund
3. Sri Lanka Export Credit Insurance Corporation

LEASING COMPANIES

1. Assetline Leasing Company Limited
2. Co-Operative Leasing Company Limited
3. Isuru Leasing Company Limited
4. Laugfs Capital Limited

5. LOLC Micro Credit Limited
6. Merchant Bank of Sri Lanka Limited
7. SMB Leasing PLC

COMMERCIAL BANKS

1. Amana Bank Limited
2. Axis Bank Limited
3. Bank of Ceylon
4. Cargills Bank Ltd
5. Citi Bank N A
6. Commercial Bank of Ceylon PLC
7. Deutsche Bank AG
8. DFCC Vardhana Bank PLC
9. Habib Bank Limited
10. Hatton National Bank PLC

11. Hongkong and Shanghai Banking Corporation Limited
12. ICICI Bank Limited
13. Indian Bank
14. Indian Overseas Bank
15. MCB Bank Limited
16. National Development Bank PLC
17. Nations Trust Bank PLC
18. Pan Asia Banking Corporation PLC

19. People's Bank
20. Public Bank Berhad
21. Sampath Bank PLC
22. Seylan Bank PLC
23. Standard Chartered Bank
24. State Bank of India
25. Union Bank of Colombo PLC

FINANCE COMPANIES

1. Abans Finance PLC
2. Alliance Finance Co PLC
3. AMW Capital Leasing PLC
4. Arpico Finance Company PLC
5. Asia Asset Finance PLC
6. Associated Motor Finance Co PLC
7. Bartleet Finance PLC
8. Bimputh Finance PLC
9. BRAC Lanka Finance PLC
10. Capital Alliance Finance PLC
11. Central Finance Company PLC
12. Central Investments & Finance PLC
13. Chilaw Finance PLC

14. Citizen Development Business Finance PLC
15. City Finance Corporation Limited
16. Commercial Credit & Finance PLC
17. Commercial Leasing & Finance Limited
18. Deshodaya Development Finance Company Ltd.
19. ETI Finance Limited
20. George Steuart Finance Limited
21. Ideal Finance Limited
22. Indra Finance Limited
23. Kanrich Finance Limited
24. L B Finance PLC
25. Lanka Orix Finance PLC
26. MCSL Financial Services Limited
27. Melsta Regal Finance Limited
28. Mercantile Investments & Finance PLC
29. Multi Finance PLC
30. Nation Lanka Finance PLC
31. Orient Finance PLC
32. People's Leasing & Finance PLC

Who We Are Contd.

33. People's Merchant Finance PLC	37. Singer Finance (Lanka) PLC	41. Swarnamahahal Financial Services PLC	45. Trade Finance & Investments PLC
34. Prime Grameen Micro Finance Limited	38. Sinhaputhra Finance PLC	42. The Finance Company PLC	46. U B Finance Company Limited
35. Richard Peiris Arpico Finance Limited	39. Siyapatha Finance Limited	43. The Standard Credit Lanka Limited	47. Vallibel Finance PLC
36. Senkadagala Finance PLC	40. Softlogic Finance PLC	44. TKS Finance Limited	

Markets served

CRIB's markets comprise:

- ⦿ All lending institutions in Sri Lanka that are registered under the Central Bank of Sri Lanka
- ⦿ Institutions declared as lending institutions by the Minister of Finance of Sri Lanka
- ⦿ Individuals
- ⦿ Corporate entities

Scale of Organisation

Measure

Total number of branches

Total income:

Total capitalization : Equity (LKR)

Quantity of products or services provided:

Whether a substantial portion of work is performed by self-employed, or by individuals other than employees.

Report any significant variations in employment numbers

% of employees covered by collective agreements

2014

CRIB does not have branches. Our operations are limited to the Head Office at the location mentioned under 'Location of headquarters'

Our income is derived by issuing credit reports and income from investments

25 Mn

CRIBs products/services are limited to two. These are:
1. Credit reports
2. Secured Transactions Registry System services

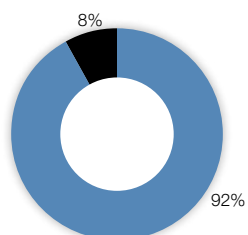
A substantial portion of the organisation's work is not outsourced. Outsourced activities include payroll management.

There is no seasonal variation of employment.

(Our employees are not covered by collective agreements.)

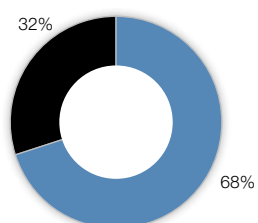
Measure	2014
Total number of employees	25
Total contract employees	2
Male	1
Female	1
Total permanent employees	23
Male	16
Female	7
Employees by employment type and gender	
Managerial	8
Female	3
Male	5
Executive	4
Female	1
Male	3
Non executive	13
Female	4
Male	9

Contract Employees



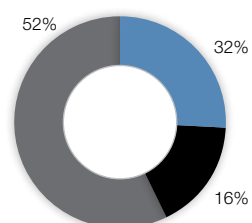
■ Permanent
■ Contract

Employees by Gender



■ Male
■ Female

Employees by Employment Category



■ Managerial
■ Executive
■ Non-Executive

Who We Are Contd.

The CRIB supply chain

Primary inputs to the CRIB supply chain are credit & credit related data provided by lending institutions, to individuals, businesses and other organisations. CRIB collects, collates and synthesises such data and disseminates them in the form of a credit information reports, on the request of a person or bodies specified under the CRIB Act. The data is managed using the Credit Information Management System (CRIMS).

Input data includes data relating to the following credit facility types and details of dishonoured cheques (Cheque Returns), dishonoured on the basis of 'insufficient funds,' by commercial banks. In addition, information relating to movable assets registered in the Secured Transactions Register, is also an input.

Credit facility types (that provide input data to the CRIB)

- ◉ Credit cards
- ◉ Loans
- ◉ Leasing
- ◉ Hire purchases
- ◉ Letters of credit
- ◉ Over drafts
- ◉ Advances against Exports/Import
- ◉ Bank Guarantees
- ◉ Bills Discounting
- ◉ Hypothecation
- ◉ Consumer Durables
- ◉ Factoring

CRIB's outputs are:

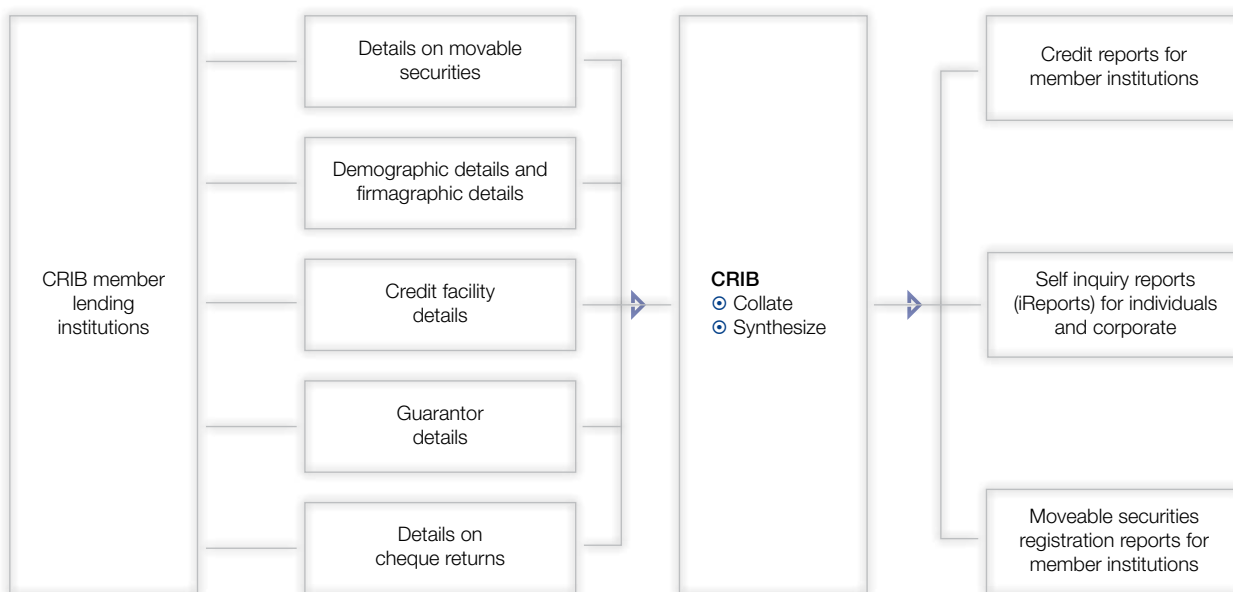
- ◉ Credit information to CRIB member lending institutions on individual and corporate borrowers, and potential borrowers
- ◉ Credit reports for individuals and corporate. (self inquiry credit reports - iReports)

- ◉ Information on movable assets pledged as security with lending institutions.

Other CRIB services are:

- ◉ Conducting training programmes for member institutions
- ◉ Conducting public awareness programmes regarding CRIB services

CRIB Supply Chain



Significant changes during reporting period:

There have been no significant changes to the organisation during the current year of assessment compared to the previous year.

Precautionary approach: CRIB is a service provider with no activities that have any significant impact on the environment. CRIB has only one physical office and a small staff, therefore, CRIB has minimum environmental impacts. However, the CRIB supports the precautionary approach on principle.

External initiatives: The CRIB is actively engaged with multilateral agencies and other governing bodies relating to the credit reporting industry.

- ◉ **The International Finance Corporation (IFC):** CRIB has been maintaining a close relationship with the IFC on diverse engagements for the development of the CRIB, in particular, and the industry in general. The latest initiative is a partnership agreement signed in 2013 to strengthen the secured transactions system of Sri Lanka.
- ◉ **Asia- Pacific Consumer Credit Information Services (APCCIS):** APCCIS is a non-profit institution owned and managed by the Business Information Industry Association (BIIA). BIIA is a world wide body that deals with information content industry as a trade organization. The mission of APCCIS is to educate and update the public about the use of consumer credit information for lending decisions. It is an advocacy group which promotes greater collaboration between credit reporting agencies and the interactive and knowledge sharing platform for credit bureaus in the

Asia Pacific region. CRIB during the last eight years, has been actively involved with APCCIS. The CRIB has associate membership at the APCCIS and is expecting full membership in 2015.

- ◉ **The World Bank:** CRIB is a key contributor to the Doing Business (DB) survey conducted by the World Bank annually. The bureau provides regular updates to the World Bank Doing Business team for the 'Getting Credit' index, which has a major impact on the overall country ranking on the 'Ease of Doing Business' in Sri Lanka.
- ◉ **World Consumer Credit Reporting Conference (WCCRC):** This is the largest gathering of the credit reporting industry world over that meets every two years to discuss and share knowledge and experience. CRIB has been participating in all conferences so far. We have found this beneficial for the CRIB staff to enhance their knowledge of the industry and establish a professional network with key stakeholders and professionals in the industry.

Membership in associations:

- ◉ Employers Federation of Ceylon



MANAGEMENT REVIEWS OF THE YEAR

This is the time we look back at the year gone by, learn from our experiences, and plan for the year ahead.

Chairman's Message





“The number of credit reports issued by CRIB to member financial institutions have increased from 3.1 Mn to 4.7 Mn in 2014, recording an increase of 55%, in spite of the slowdown in overall credit growth following the decline in the pawning portfolio.”

My dear shareholders,

It gives me great pleasure to present the performance and progress of the Credit Information Bureau of Sri Lanka (CRIB), along with the audited financial statements for the year 2014, to the Honourable Minister of Policy Planning, Economic Affairs, Child, Youth and Cultural Affairs, in compliance with Section 19 of the Credit Information Act, No 18 of 1990, as amended. This year, CRIB has adopted the Sustainability Reporting Framework in presenting its performance and progress as it gives an opportunity to provide a more holistic picture of our contributions to the financial sector, and the economy, as well as to our society in general.

Credit is a basic ingredient for any economy to function effectively and efficiently. Whether it is a corporate customer with large financing requirements or a Small and Medium Enterprise (SME), or a household with relatively lower funding needs, obtaining credit is a prime requirement for ongoing economic activity or for expansion. CRIB, over the last two and half decades, has helped Sri Lankan entrepreneurs and households to obtain credit facilities from financial institutions at competitive interest rates. At the same time, CRIB has helped the financial sector perform its intermediation function without disruption and has facilitated the financial system to allocate financial resources effectively and efficiently, which have been crucial to the continued growth in economic activities and to maintain financial system stability.

The key role played by CRIB of helping individuals and businesses to access credit more easily and at better rates, is amply demonstrated by the significant increase in the use of credit reports over time. The number of credit reports issued by CRIB to member financial institutions have increased from 3.1 Mn to 4.7 Mn in 2014, recording an increase of 53%, in spite of the slowdown in overall credit growth following the decline in the pawning portfolio. Total lending portfolios of banks and non-bank financial sector institutions have increased by 18 % in 2014, excluding pawning related lending, which is not reported to CRIB. CRIB has always helped banks and non-bank financial sector institutions to reduce time taken in screening and monitoring borrowers, reducing the problem of asymmetric information in lending. Although Non-Performing Loans (NPLs) in the banking sector increased to 6% by the middle of the year, mainly due to rise in pawning related NPLs, the year ended with a lower NPL ratio of 4.3 %.

I am indeed pleased to note that the financial performance of CRIB improved significantly during the year 2014 as the core income increased with the higher increase in the issue of credit reports. The investment portfolio of the Bureau increased. However, the CRIB's interest income decreased in 2014 and amounted to Rs. 166 Mn. The net operational income of the Bureau for the year under review amounted to Rs. 847 Mn, with a 50% year-on-year growth. As a result, profit for the year increased to Rs. 788 Mn and earnings per share rose to Rs. 3,152 from Rs. 2,262 in 2013.

The other major function undertaken by the CRIB is the operation of the Secured Transaction Register (STR). The main purpose of implementing STR has been to enable fast, easy and convenient access to financing for SMEs, thereby overcoming the problems arising from the lack of credit history and immovable collateral, which often prevented SMEs from qualifying and obtaining finance

facilities. However, the progress of registering movables in the register has been slow in view of several deficiencies in the STR Act (Secured Transactions Act No 49 of 2009). Therefore, CRIB has taken the initiative to address the shortcomings in the functioning of the STR. Accordingly, CRIB entered into an agreement with the International Finance Corporation (IFC) to address some of the shortcomings in the STR Act and further improve awareness. The final report on the amendments to the Act will be ready soon.

Maintaining high quality, accurate and up to date credit information at CRIB is the key to providing accurate credit reports. Towards this end, CRIB is planning on making a major ICT hardware infrastructure upgrade, which is expected to further enhance the capacity and performance of the existing ICT system, enabling CRIB to meet the growing demand for credit information services and deploy new services more efficiently. CRIB would also be in a better position to offer value added products, such as credit scoring, alerts, fraud prevention and portfolio analysis; and expand services further to a wider member group, including micro finance providers, insurance providers, retailers, and trade creditors.

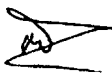
Economic conditions are expected to improve in 2015, as the Sri Lankan economy is expected to remain on a steady growth path benefitting from the gradual global recovery and the private sector-led domestic demand as a result of the low inflation and low interest rate environment. The new ICT infrastructure upgrade will also enhance operational efficiencies and expand CRIB's capacities to cater to expected credit growth. CRIB has plans to reduce its credit report charges

applicable for both individual reports and corporate credit reports beginning 2015. Going forward, CRIB, together with the financial sector, and other stakeholders, will play a collaborative role to spur investments and expand financing for new growth areas.

As we end the year on a high note, I would like to thank all members of the Board for their encouragement and valuable inputs. The continued readiness and effectiveness of CRIB in fulfilling its responsibilities will require a cohesive workforce that is dedicated to performance, and strong collaboration with our member financial institutions. On behalf of the Board, I wish to express my appreciation to the General Manager and all staff members of CRIB for their commitment and professionalism to ensure that the Bureau provided an excellent service to its stakeholders and the nation.

I am also grateful for the unwavering support and guidance by the Governor and the staff of the Central Bank. In addition, I would like to thank all our member institutions for their support during the year and I look forward to their continued support.

In conclusion, I look forward to further enhancing our contribution to the financial sector and the economy as we advance forward in this rapidly evolving economic environment.



B D W Ananda Silva
Chairman,
Credit Information Bureau of Sri Lanka

29th April 2015

Performance Review: Message from the GM





“...in 2014, the number of credit reports issued exceeded the number of new credit facilities approved in the country. This is the best indication of the growing public confidence in CRIB as an independent and impartial provider of personal and corporate credit profiles.”

In comparison with many other national institutions, the CRIB is a very small organisation. However, for over two decades we have been quietly providing a service that has strengthened and supported the entire economy. I am proud to state on behalf of our dedicated staff that in May 2015, the CRIB will be celebrating 25 years of service to the country.

The year 2014 meanwhile, has been one of our best performing years, where we issued over four million credit reports to both lending institutions and individuals. In fact, in 2014, the number of credit reports issued exceeded the number of new credit facilities approved in the country. This is the best indication of the growing public confidence in CRIB as an independent and impartial provider of personal and corporate credit profiles. During the year, we also focused on improving our services, to make sure that we continued to meet our national obligations to the highest standards. These efforts have strengthened our systems and procedures. As a result, input data validity had improved to 99% in 2014, and disputes regarding credit reports reduced by 43% in 2014, against 2013. We also continued to mediate with lending institutions on behalf of borrowers, in cases of disputed credit reports.

As a national organisation, I believe transparency and disclosure are aspects of good governance. Our annual reports have continued to meet these requirements. In 2014, our annual report for the financial year 2013, was recognised by the Institute of Chartered Accountants of Sri Lanka (ICASL), for the second consecutive year, for compliance with ICASL standards.

On a lighter note, in 2014 we continued our great cricketing tradition as a highly effective means of engaging with our member institutions. Authorised lending institutions are not only shareholders of CRIB, they are also an integral part of our value chain, as they provide the input data for credit reports. Therefore, it is important for our daily operations to build goodwill with our member institutions. As part of this process, in 2014, we continued our six-a-side cricket tournament and introduced a General Manager's Trophy, where CEOs of banks teamed up against their counterparts in finance and leasing companies.

CRIB strategy for sustainability

As this is our first attempt at sustainability reporting, I would like to briefly explain our reasons for this, and our strategies for sustainability.

The CRIB is a national organisation, established by statute, with a specific mandate set out by the Credit Information Bureau Act No. 18 of 1990, as amended by Act No. 08 of 1995 and 42 of 2008. This makes the CRIB's business model different from private sector profit oriented organisations. Nevertheless, I believe that taking specific steps to support long term sustainability is necessary, as the sustainability of the CRIB has a direct impact on overall financial system stability. This also makes it important that the CRIB remains financially sustainable - despite being a non-profit, public service institution. In this context, I am happy to note that the CRIB is entirely self financed and does not receive any financial assistance from the government. In fact, in 2014, we continued to see growth in profitability, which

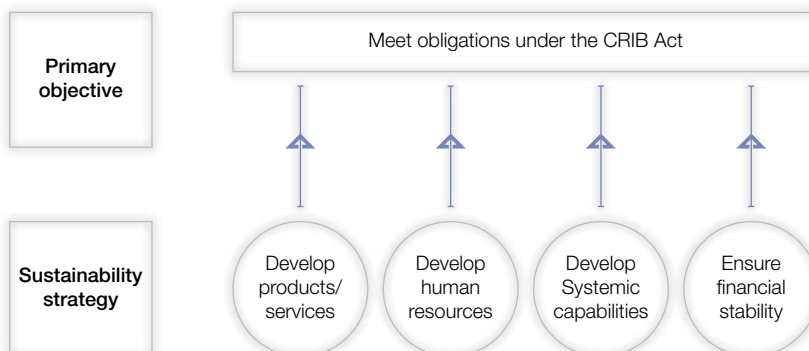
Performance Review: Message from the G.M Contd.

is an indication of our operational and management efficiency. This financial independence contributes towards the independence and impartiality of our services to the country.

Our primary objective is to ensure that our obligations to CRIB member institutions and the general public, are met, as specified by the CRIB Act. Therefore, our sustainability strategy is to meet our obligations under the CRIB Act by:

- ◉ Developing relevant products and services
- ◉ Developing our human resources
- ◉ Developing our systemic capabilities
- ◉ Ensuring our financial stability

Mission & Vision



Factors that affect CRIB operations

External factors

As a credit information services provider, our growth is linked with demand for credit, and credit growth in the country. Therefore, our performance, in terms of output volumes of credit reports, is dependent on market demand for credit.

The CRIB also has limited control over the information published in credit reports, as we are dependent on lending institutions' submissions of data. CRIB does not have a system to independently verify for accuracy, all credit related data submitted by lending institutions. Therefore, our data validation systems have inherent limitations.

Internal factors

Systemic constraints are another internal weakness affecting the quality and volumes of our services. The CRIB has now outgrown its existing IT system, which does not have the capacity to handle increasing volumes of data and to provide value added services. Therefore, in 2014, we initiated the process of upgrading our IT systems.

An internal weakness that affects overall performance of CRIB, is the lack of a dedicated human resource manager. This prevents the CRIB from maximising its human resource capital.

CRIB strategic priorities

Strategic priority

Explanation

Ensure confidentiality and secrecy

Data security and customer confidentiality is a priority to maintain CRIB credibility and to prevent misuse and abuse of CRIB data. Currently all registered lending institutions have access to the CRIB data base. Therefore, we have limited access to such private and sensitive data, to prevent unauthorised or illegal use of such data. We have also invested in disaster recovery and backup systems for data security. I am happy to note that over a period of 24 years, we have not experienced any breach in security. However, we will continue to make this a priority.

Increase accuracy of credit data, by reducing errors in data submitted by lending institutions

Inaccuracies in credit data submitted to CRIB, by lending institutions, result in inaccurate credit reports that lead to disputes. Such errors have detrimental impacts on honest borrowers and should be avoided to encourage credit growth and economic activities.

Reduce the turn-around time of updating credit information

Currently there is a maximum 45 day time lag between a credit transaction and availability of such data in the credit report. This time lag is due to lending institutions having the space of 30 days to submit credit information to the CRIB, and the time taken by the CRIB to process and update credit information. Credit information that is more up-to-date, will help lenders to access borrower information in a fair manner.

Add value to credit reports

Currently CRIB reports are limited to credit information on individuals and corporates and this information is limited to transactions with authorised lending institutions. Expanding credit reports to include other relevant information, such as utility payments, can support credit growth and make CRIB reports more useful.

Raise public awareness about CRIB services and eliminate misconceptions about CRIB's public role

Our ongoing public awareness programmes have made a significant difference in perceptions, as seen in the growth in demand for CRIB reports. However, the CRIB is still sometimes perceived as preventing individuals and businesses from obtaining credit from formal lending institutions. In fact, having one's credit information in the CRIB, has been viewed as a disqualifier from accessing credit - by automatically making the entity non-credit worthy. I would like to point out that this perception is a total contradiction of the purpose and objectives of CRIB. The CRIB's public role is not to prevent credit growth but to enhance credit growth by mitigating credit risk. A CRIB report reflects both positive and negative credit behaviour, and is compiled through data submitted by lending institutions. A positive credit profile can be the biggest asset an individual or a business can have, to support their growth. Therefore, it is vital that the public understand how the CRIB functions and how CRIB services can be leveraged for economic activities. This is particularly important in encouraging growth of rural economies.

Performance Review: Message from the G.M Contd.

Our goals over the next three years

Strategic priority	Action	Time frame
Ensure confidentiality and secrecy	<ul style="list-style-type: none"> Signing a Declaration of Secrecy, which is legally enforceable, with all formal lending institutions that have access to CRIB data. 	<ul style="list-style-type: none"> Successfully completed by end December 2014.
Increase data quality and validity	<ul style="list-style-type: none"> An institutional rating system was introduced in 2013 to rate data submitted by lending institutions. The ratings are sent directly to the CEO of the lending institution, on a quarterly basis. Strengthen the CRIB IT systems by replacing the existing CRIMS to enhance data validation processes. 	<ul style="list-style-type: none"> By end 2014, data validity had improved to 99%, since the introduction of the rating system in 2013. Project to replace the CRIMS is expected to commence by mid 2015. Implementation is expected to be completed by mid 2016.
Increase data updating frequency	<ul style="list-style-type: none"> Arrange for data inflows every 14 days, instead of 30 days. Adjust internal CRIB systems to accommodate the changes. 	<ul style="list-style-type: none"> We are currently in discussion with lending institutions to facilitate the shorter data submission cycle. The new CRIB IT system will support the changes.
Add value to credit reports	<ul style="list-style-type: none"> Provide alerts to borrowers on loan payments and delays. Expand credit profiles to include payment on water bills, electricity bills, telecom bills and insurance premiums. This more comprehensive credit history will present a more accurate credit profile and will facilitate a system of 'Reputational Collateral', that would make way for those without acceptable collateral, to be eligible for small credit. 	<ul style="list-style-type: none"> We will expand our services as soon as the new IT system is operational.
Raise awareness about CRIB services and eliminate misconceptions	<ul style="list-style-type: none"> Conduct public awareness programmes Conduct awareness programmes for lending institutions. Make credit reports more accessible. 	<ul style="list-style-type: none"> This is an ongoing process. During 2014, a total of 15 awareness programmes were conducted for the public and lending institutions. We already provide online self inquiry credit report facilities for the general public. However, for security purposes, we require a one-time, personal registration at the CRIB office.

Acknowledgements

In concluding this message, I would like to extend my gratitude to the Chairman and the Board of Directors for their guidance during the year. I wish to thank the former Governor of the Central Bank, Mr. Ajith Nivard Cabraal, and the officials of the Central Bank, for their support as a primary shareholder of CRIB. As always my gratitude goes out to our member institutions for their continued assistance and cooperation

during the year. I also greatly value and appreciate the commitment displayed by the management and staff towards our achievements in 2014. the CRIB team has been a great source of strength to me during the year. I would also like to thank our auditors M/S Ernst & Young, and the public, for their support and cooperation. Finally my sincere appreciation of the support extended by our technical partner M/S Dun & Bradstreet during this year.

CRIB will continue to assist lending institutions to make healthy credit decisions and promote disciplined borrowers in a disciplined society.



Gamini Karunaratne
General Manager

29th April 2015



MANAGEMENT DISCUSSION AND ANALYSIS

We have been systematically expanding what we do and reaching out to more people. Our contribution to the country is growing steadily every year.

CRIB Key Performance Indicators

CRIB Key Performance Indicators (KPIs)



Criteria

Quantity

This is a measure of the volume of goods and services delivered

KPIs

Number of queries received by the system over the reporting period.

This measure is the key measure of the demand for credit information reporting services.

Number of credit reports issued

This measure is the key output measure for the credit information reporting service. It can also be tracked at the product level, for example how many basic reports are issued, how many comprehensive reports issued.

Number of borrowers with credit records in the system at the end of the reporting period

This measure can be tracked for different categories of borrowers, such as firms and individuals.

Number of records in the system at the end of the reporting period

Each borrower may have more than one credit line and the history on each credit line is stored separately.

Hit ratio

This is the ratio of the number of reports issued, to the number of queries received. It is an important indicator of the ability of the credit information reporting service to satisfy lenders' demand for information. The hit ratio is indicative of the depth of data available in the Bureau.

Number of products offered

This measure could include a variety of products and services offered by the Bureau, such as basic reports, detailed reports, credit scores, portfolio monitoring, and fraud detection.

Criteria

Quality

This refers to the accuracy, completeness, consistency, and updated nature of the Bureau's data. Information, the main asset of the Bureau, only has value if it is accurate and current.

Timeliness

Financial Performance

Whereas return on equity, profit margins, and operational costs are standard indicators of financial performance, the Bureau may also track more specific indicators, as given in the column to the right

Customer satisfaction

Methods used to measure this category include customer surveys or actions taken by customers, including those listed in the column to the rights

KPIs

Number of complaints

The Bureau must have a mechanism to receive and log complaints from consumers/borrowers about the accuracy of information in their credit reports.

The percentage of complaints with inaccuracies of compiled information

Many complaints that a Bureau receives may be unjustified or result from errors stemming from the data provider. Tracking the number of complaints that can be attributed to the Bureau's actions allows the Bureau to improve the quality of its processes.

Data quality reports

The Bureau runs data quality reports to analyse the completeness and consistency of the data. Such reports produce tabulations of fields such as IDs and addresses, dates of birth, and other identifying information, and allows the Bureau to determine whether there are duplicate or incomplete files in the system.

Number of rejected files

When accepting a data file from the data provider, the Bureau runs simple consistency checks on the data (e.g., checking for minimum inputs). If the file does not pass this test, the system rejects it and sends it back to the data provider. Tracking the number of rejected files allows the bureau to monitor the quality of data available in the market.

Bureau continuously monitors its performance based on how quickly it can respond to inquiries/ requests from users, how quickly it can turn around requests to rectify errors, and how quickly it can update, assimilate, and merge records.

Cost to income ratio

It compares cost in relation to income generation of the Bureau.

Low cost to income ratio indicates more concentration on cost structure of the Bureau.

Return on equity

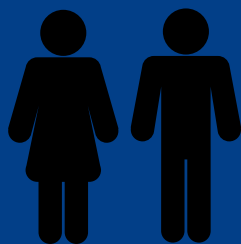
It measures profitability of funds invested by shareholders. High ROE ratio offers more return to shareholder's funds.

Number of complaints

By tracking complaints from lenders and data subjects separately, the Bureau can identify areas for improvement.

Average time to resolve complaint

Providing fast responses to complaints is one way of improving client satisfaction. One approach is to operate a help desk with staff available to answer questions and complaints promptly.



PEOPLE

We are a people organization. Our organization is driven by people, who are dedicated to serve the people of this country.

Stakeholder Engagement

Stakeholders of the CRIB were identified based primarily on the CRIB Act. The CRIB Act defines CRIB's role in Sri Lankan society and specifies to some extent, the stakeholders that the organisation must engage with, such as the Ministry of Finance, the Central Bank, member institutions, the public of Sri Lanka and employees. Therefore, these stakeholder groups have an impact on the CRIB's strategic priorities. In deciding which groups to select as stakeholders for CRIB engagement, we also considered the level of influence exerted on CRIB by different groups and the level of influence exerted by CRIB on different groups.

Our stakeholder engagement methods have been discussed in greater detail under the sections titled 'Our people' and 'Building relationships.'

Stakeholder group	Method of engagement	Stakeholder expectations from CRIB	CRIB response to stakeholder expectations
Regulators	<p>Relevant regulatory institutions are:</p> <ul style="list-style-type: none"> ◉ Inland Revenue Department ◉ EPF and ETF Boards ◉ Ministry of Labour <p>We engage with these institutions through statutory reporting processes</p>	<p>Expectations from CRIB are:</p> <ul style="list-style-type: none"> ◉ To honour statutory obligations ◉ Transparency ◉ Compliance 	<p>CRIB meets these expectations by</p> <ul style="list-style-type: none"> ◉ Meeting statutory obligations ◉ Providing accurate information
Member institutions	<p>We engage with our member institutions through:</p> <ul style="list-style-type: none"> ◉ Annual shareholders meetings ◉ Audited accounts and annual reports ◉ Annual symposium for CRIB compliance officers ◉ Annual cricket tournament for member institutions ◉ User awareness programmes 	<p>Expectations of member institutions are:</p> <ul style="list-style-type: none"> ◉ Accurate credit information about individuals and commercial entities ◉ Accurate information on moveable assets pledged as collateral for loans 	<p>Our response:</p> <ul style="list-style-type: none"> ◉ The Credit Information Management System (CRIMS) provides credit information services to member institutions ◉ The Bureau Business Services System (BBS) has been set up as a supportive module for CRIMS operations. ◉ Secured Transactions Registry system has been developed to register security interest on movable assets.
Employees	<p>We engage with our employees through:</p> <ul style="list-style-type: none"> ◉ Monthly meetings ◉ Employee events 	<p>Employee expectations are:</p> <ul style="list-style-type: none"> ◉ Benefits ◉ Job security ◉ Growth and development 	<p>We provide employees with the benefits below:</p> <ul style="list-style-type: none"> ◉ Interest subsidy on housing loan schemes ◉ Medical insurance ◉ Concessionary staff loans <p>Employees are also provided training for growth and development</p>

Stakeholder Engagement Contd.

Stakeholder group	Method of engagement	Stakeholder expectations from CRIB	CRIB response to stakeholder expectations
Public	<p>We engage with the public through public awareness programmes such as:</p> <ul style="list-style-type: none"> ◉ Workshops ◉ Paper adverts ◉ Mass media, such as TV programmes, radio programmes ◉ Write-ups in popular magazines 	<p>Public expectations from the CRIB are:</p> <ul style="list-style-type: none"> ◉ Accurate and up to date credit information ◉ Efficient customer service ◉ Data related disputes resolution ◉ Preventing fraud ◉ Confidentiality 	<p>CRIB meets these expectation by</p> <ul style="list-style-type: none"> ◉ Facilitating data accuracy ◉ Issuing self inquiry credit reports for individual and corporate (iReports) ◉ Facilitating online access to iReports ◉ Coordination with reporting institutions to resolve disputes ◉ Ensuring secrecy of credit data
Auditors	<ul style="list-style-type: none"> ◉ Auditors are appointed by the Board. 	<p>Auditors expect</p> <ul style="list-style-type: none"> ◉ Timely submissions of accounts ◉ Transparency 	<ul style="list-style-type: none"> ◉ We provide access to accurate information on time

Our People

As a small organisation, by end 2014, our total staff strength stood at only 25 employees including eight management grade employees. We provide equal opportunities for growth for all our employees and all employees benefit from all statutory payments.

Human resource administration

Human resource administration at the CRIB is guided by the CRIB Administration Manual. This is a transparent system that spells out the expected standard of behaviour from all employees. Areas covered under the Administration Manual include:

- Remuneration system. This is based on the Remuneration Sub Committee's recommendations that are approved by the Board.
- The Disciplinary Code and inquiry procedure for disciplinary actions, including appeals on disciplinary verdicts.
- The CRIB communication policy

Training and education

Training and skills development is considered a strategic priority by CRIB, to develop new services and to provide the highest standard of service required by our member institutions and the public. Therefore, our employees receive both local and overseas training to develop their skills. During 2014 our employees from the management and executive grades, received overseas training, while selected personnel from all three grades of management, executive and non-executive, received local training. During the year we invested Rs. 8.8 Mn on training programmes.

Diversity and equal opportunity

The CRIB is a non-discriminatory employer and our recruitments are based on merit. The CRIB does not

adhere to any discriminatory practices in recruitment and is an equal opportunity employer.

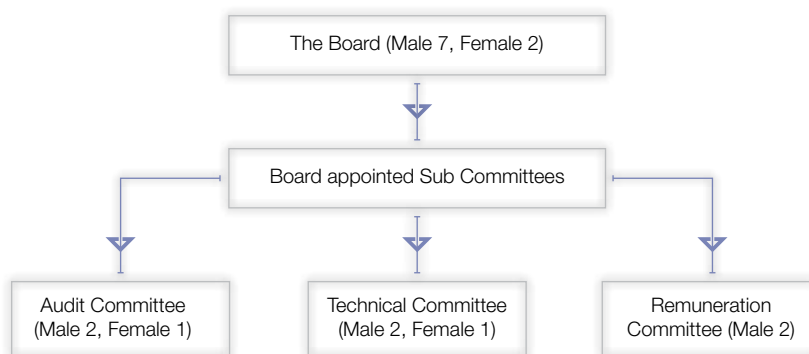
CRIB employees enjoy competitive wages that have been approved by the Board of Directors and are based on wage categories and market rates. Therefore, wages are fixed, and are based on market trends, and do not change on the basis of sex, ethnicity or any other demographic.

Board and Board appointed sub committees

CRIB does not discriminate in appointments to the Board of Directors. As at end 2014, the Board comprised nine members, where two were ladies. The Board does not contain members under the age of 30.

CRIB has three Board Sub Committees. The Audit Sub Committee has three members and one member is a lady, the Technical Sub Committee has three members and one is a lady, the remuneration committee has two gentlemen.

Total No Directors 9	Under 30 Years Old	30-50 Years Old	Over 50 Years Old	%
Male		3	4	78%
Female		1	1	22%



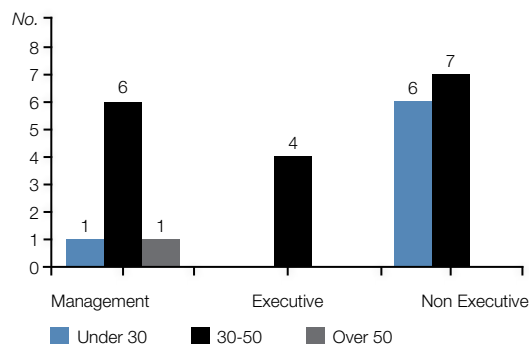
Our People Contd.

Employees

Out of the total employees, including contract and permanent employees, eight are managers. Out of the management cadre three are women, while out of the four executive grade employees, one is a woman. Out of the 13 non-executive grade employees, four are women. A majority of our employees, are between the ages of 30 and 50 years.

Employee Category	Male/ Female	Under 30 Years Old	30-50Years Old	Over 50 Years Old
Management (8 persons)	Male (5)	1	3	1
	Female (3)		3	
Executive (4 person)	Male (3)		3	
	Female (1)		1	
Non Executive (13 persons)	Male (9)	5	4	
	Female (4)	1	3	

Employees by Category and Age



A happy work place

During the year we conducted a number of events for employee participation and enjoyment. These gatherings allow employees to network and support team work within the workplace by creating a sense of ownership and belonging.

New year pirith ceremony

We started the year with a pirith ceremony held at the CRIB office to invoke blessings for the staff and CRIB activities during the year.

Training programme

We conducted a two day workshop for all staff at the Pegasus Reef Hotel in Hendala, Wattala, to develop their leadership skills and team spirit.

Annual staff get together

We had our annual year-end get together, at the CRIB office, on December 31st 2014, to celebrate the conclusion of a successful year.



New Year pirith ceremony



Training programme

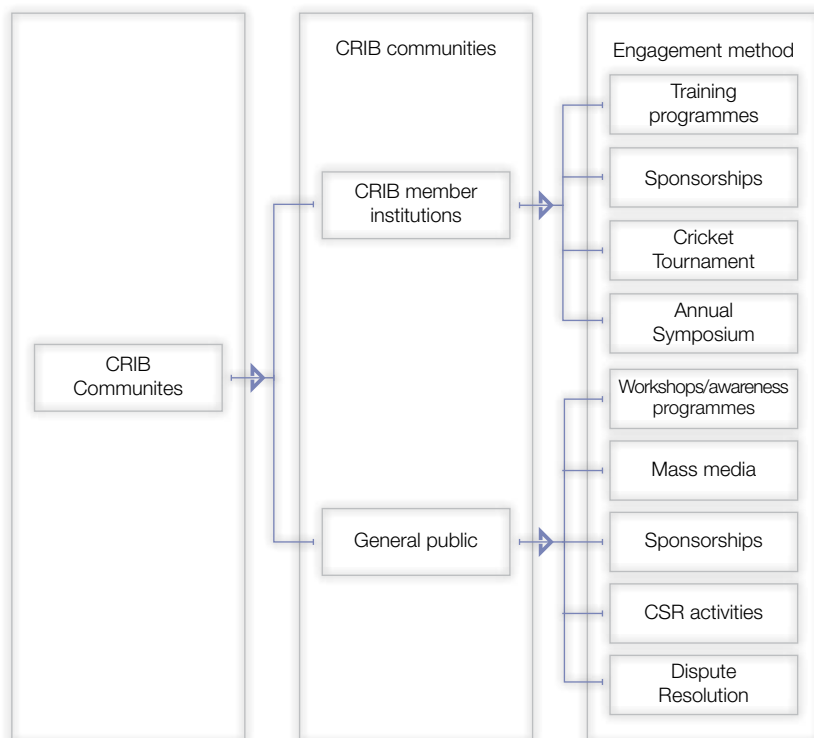


Annual staff get together

Building Relationships

The CRIB operates primarily with two community groups. These are our member institutions and the general public of Sri Lanka who are borrowers of credit or are potential borrowers. Therefore it is necessary that we build relationships with both social segments, to ensure sustainable long term operations.

CRIB community engagement



CRIB investments in community engagements in 2014

Activity

Cost Rs.

Total of 15 training programmes for member institutions and public workshops	246,000
Sponsorships of member institutional events and public welfare events	445,000
Mass media public relations activities	1,705,000
CSR activities	518,000
Total	2,914,000

Connecting with our member institutions

During the year 2014 we conducted a total of 12 awareness and training programmes targeting over 1,500 officials from our member lending institutions. CRIB training programmes are aimed at credit officers, managers, CEOs and other personnel of lending institutions who are involved in evaluating and making decisions on credit. Our programmes were aimed at educating officials of lending

institutions on correct interpretation of credit information in credit reports, improving the quality and validity of data submitted to the CRIB and also correcting misconceptions regarding CRIB services.

In addition to these training programmes, we also sponsored a number of welfare events organised by our member institutions such as sport festivals, stage drama shows, musical events, etc.

Institutions targeted for CRIB training programmes in 2014

The Bureau accepted all the invitations and requests from member institutions during the year, and conducted user awareness programmes accordingly. The Nations Trust Bank PLC, Softlogic Finance PLC and Sri Lanka Savings Bank organised a few special training sessions for their officers in 2014. In addition, the Bureau organised a few sessions in outstations and all the member institutions were invited.



CRIB training event



CRIB training event

Building Relationships Contd.



CRIB training event



The ladies team from the Central Bank were the women's champions of the Six-A-Side Governor's Trophy



User training programme

Building goodwill and cooperation

The CRIB Six-a-Side cricket tournament Governor's Trophy was conducted with customary vigour, for the third consecutive year, at the P. Sara (Oval) Stadium, on October 11th and 12th attended by former Governor of the Central Bank, Mr Ajith Nivard Cabraal. This annual event brings together the country's finance industry for two days of fun and comradery.

In 2014, the CRIB introduced another trophy in the tournament, titled the General Manager's Trophy, to cricket fans in member institutions. The General Manager's Trophy saw the CEOs of banks pitting their batting and bowling skills against CEOs of non-bank financial institutions.

Annual symposium

This annual event recognises lending institutions with the best data quality. As quality of data submitted by lending institutions is a key determinant of the quality of CRIB credit reports, we have developed an internal rating system to rate lending institutions for data quality.



Nations Trust Bank were the proud champions of the Six-A-Side Governor's Trophy men's competition

Connecting with people

The CRIB conducts a range of public relations activities to engage with the general public and to build good relations with people. These activities are described below.

Type of activity	Description	Investment
Articles and advertisements in English, Sinhala and Tamil newspapers and magazines	<p>We published informative articles about CRIB services in the print media.</p> <ul style="list-style-type: none"> ◉ Sinhala publications: Lankadeepa, Divaina, Mawbima, Lakbima, LMD Dirimaga magazine ◉ English publications: Daily Mirror, Daily FT, Sunday Island, Echelon magazine ◉ Other industry publications 	<ul style="list-style-type: none"> ◉ Cost Rs. 1,705,000 ◉ Management time
Television appearances	<ul style="list-style-type: none"> ◉ The GM of CRIB participated in the Rupees and Cents programme on ITN ◉ The DGM of CRIB participated in the Derana News interview 	<ul style="list-style-type: none"> ◉ Management time
Radio programmes	<ul style="list-style-type: none"> ◉ The DGM of CRIB participated in a Lakhandia radio interview, ◉ The DGM of CRIB participated in a Radio Ceylon interview 	<ul style="list-style-type: none"> ◉ Management time
Workshops	<p>The CRIB conducted 3 workshops for the public targeting</p> <ul style="list-style-type: none"> ◉ Employees of MAS Intimates ◉ Employees of the Janashakthi Group of companies ◉ Management students of the Wayamba University of Sri Lanka 	<ul style="list-style-type: none"> ◉ CRIB management and personnel time ◉ Stationary for participants ◉ Refreshments for participants ◉ Educational documents ◉ Transportation of CRIB internal resource personnel ◉ Cost Rs. 246,000
Mediation services	<ul style="list-style-type: none"> ◉ In 2014, 281 disputes were brought to the CRIB regarding the credit information in self inquiry credit reports (iReports) ◉ By end 2014, 158 disputes were resolved ◉ 158 corrected credit reports (iReports) were issued free of charge by the CRIB following dispute resolution 	<ul style="list-style-type: none"> ◉ Management and personnel time ◉ CRIB resources
Sponsorships	<p>The CRIB sponsored a number of public welfare events during the year</p> <ul style="list-style-type: none"> ◉ We sponsored the “Banking Day” of Wayamba University 	<ul style="list-style-type: none"> ◉ Rs. 445,000 ◉ CRIB resources ◉ Management time
CSR projects	<p>The CRIB designed and equipped a modern library for the children of the Sri Sumanasara Vidyalaya, Uhumeeya, Kurunegala</p>	<ul style="list-style-type: none"> ◉ Rs. 518,000 in funds ◉ Management and personnel time

Building Relationships Contd.

CRIB workshops for the public

In 2014, we continued to conduct awareness programmes for the general public, to educate people on CRIB services and how credit reports can be leveraged for personal economic growth.



CRIB public awareness programmes allow people to interact with CRIB officials and gain a first-hand understanding of CRIB services



Mr. Gamini Karunaratne, General Manager of CRIB (right) addressing a public workshop. Also present Mr. K A Janaka Lakmal, Deputy General Manager of CRIB (middle) and Mr. Eardley Perera of Janashakthi Insurance (left)



Members of the public are taught how to register for a personal credit report and how to access their personal credit report (iReport) online

CSR projects

The CRIB contributes funds and resources for community welfare projects that benefit underserved populations and those in need. Suitable CSR projects are selected through a transparent mechanism.



CRIB CSR project 2014: Supporting children's education



Mr. Gamini Karunaratne opening the new library

The Sri Sumanasaara Vidyalaya, in the Kurunegala district did not have a proper library for its small student population. The school is located in the remote village of Kadurugahamadiththa, Uhumeeya, and supports a student population of about 110, from Grade 1 to Ordinary Levels. Due to lack of funds, the school was using a dilapidated room as a library, by housing a few books in the room. The Lions Club of Colombo Rosmead introduced this school to the CRIB and coordinated the project.

The CRIB treated the project as a community development project and worked with the school and the village community for six months, to set up the most modern school library in the entire Kurunegala district. The school supported the project by

providing a suitable room to house the library and the community chipped in, with voluntary labour. The CRIB designed and equipped the new library with suitable interiors, lighting, ventilation, electricity, book cupboards, recommended books by the Ministry of Education, and a computer with library administration software. A teacher was trained as a librarian. The new library was opened to students on May 17, 2014.

Today, over six months later, we are pleased to report that our CSR project is having a positive social impact. Already, student numbers have increased as the new library of the Sumanasaara Vidyalaya has become known as the most sophisticated library in the Kurunegala District. The library has helped rebuild community faith in the school and in education itself.



The new library

Compliance with regulations

During 2014, the CRIB did not face any fines or non-monetary sanctions due to non compliance with any regulations. During the year no one brought any legal cases against the CRIB due to disputes regarding credit reports.

Customer confidentiality

Customer privacy and confidentiality is a strategic priority for CRIB and is enforced through the CRIB Act. The CRIB Act states that the use of CRIB information for purposes other than those stipulated by the CRIB Act, are punishable by law. Therefore, we take all precautions possible to prevent breach of confidentiality.

We are happy to report that to date there have been no leaks, loss of data, or breach of confidentiality in the CRIB systems. However, threats to data security are treated as a high risk by the CRIB and risk management strategies, through IT systems and internal controls, have been introduced.

CRIB IT system

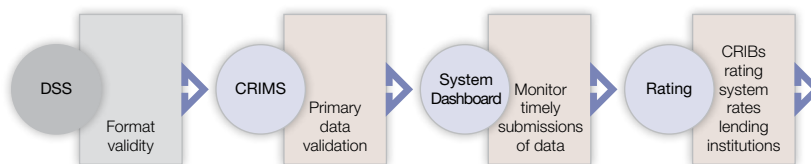
Although the CRIB is a small organisation with a staff of only 25 personnel, the CRIB is required to provide credit information services for the entire population of Sri Lanka, including individuals and corporates. The Credit Information Management System (CRIMS), a state of the art information and communication infrastructure deployed by the Bureau, is a core element of the CRIB's operations. CRIMS facilitates to collect credit data from lending institutions, process and store this data, and provide a range of different products and services for the public and member lending institutions. Ensuring data quality and providing data security is vital to build public confidence in the CRIB.

Data quality

Input data for credit reports are submitted by the member institutions of the Bureau. Therefore data quality in the CRIB context refers to:

- ◉ Validity & accuracy of data submitted by member institutions.
- ◉ Timely submissions by member institutions.

This process is facilitated through the Data Submission System (DSS) in CRIMS. A system dashboard allows the GM of CRIB to monitor data submissions to ensure timely submissions. The CRIB Internal rating system rates member institutions on data validity, quality and timely submission.



The CRIB recognises institutions with the best data quality, based on an internal rating system. In 2014, we were able to improve our data validity to 99%, which is one of the best standards in the Asian region.

Data security

Data security is essential to ensure confidentiality and to prevent abuse of data. Data security is facilitated through a number of technical & operational arrangements.

- ◉ End to end encryption of data.
- ◉ Data storage is monitored by the Oracle Audit Vault System, to monitor against unauthorised access.
- ◉ Online iReports incorporates security features such as QR codes, tamper proof strip and other hidden features, to prevent counterfeiting attempts.
- ◉ SMS alerts are sent to profile owners when a profile is accessed.
- ◉ Lending institutions are required to obtain owner consent to access profiles.

In addition, the CRIB IT system is regularly monitored by TECHCERT, an independent IT systems auditor. Two types of audits are conducted.

1. Online Audits: These are random audits, conducted every two months annually. These audits check for web threats.
2. Onsite audits: These are quarterly audits for physical and logical security.

Findings and summary reports of audits are circulated to the Technical Sub Committee and conveyed to the Board.

Improving our systems

The increased demand for information services from member institutions has forced CRIB to keep pace on continuous improvement to ICT infrastructure. However CRIMS now requires a technology face lift to improve quality of service which is adversely impacted due to decreased level of user response time.

In view of this the Bureau is in the process of revamping its technology infrastructure to transform overall Bureau operations and product portfolio into the next level of Bureau development.

With the new system in place, CRIB expects to:

1. Provide improved access time for information services.
2. Improve data processing turnaround time for up to date information.
3. Offer a suite of value added services to existing users.
4. Expand reach to other sectors of the credit market.
5. Facilitate more friendly services for the general public.
6. Help micro finance institution to improve their businesses.



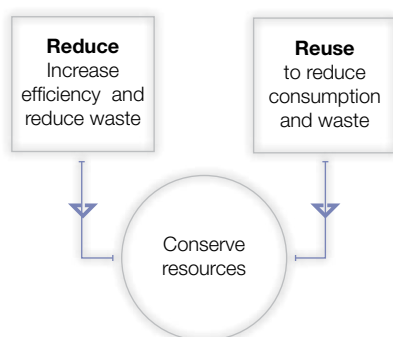
PLANET

We believe in protecting our planet for future generations. After all, we only have one Mother Earth.

Environmental Sustainability

As a small service operation, with no involvement in manufacturing, our environmental impacts are minimum and are limited to consumption of natural resources in the form of electricity, water and paper. Our fuel consumption is exceptionally low, as 99% of our employees travel by public transport and do not use personal vehicles. Our electricity consumption is primarily for purposes of lighting and air conditioning (cooling). Our water consumption is limited to drinking and sanitary purposes. These consumption figures are given below in the 'Resource consumption' table. We consume paper for official purposes but due to high computerisation, wastage of paper has been controlled.

Despite our small environmental footprint, as a public service organisation, we believe the environment is material to our organisation. This is primarily in the context of environmental responsibility, due to the life sustaining qualities of our natural environment, and the need to conserve our natural resources as part of our national wealth. Therefore, we strive to conserve our natural resources by reducing wastage and by increasing our operational efficiencies wherever possible.



Resource consumption table

Environmental impact	2014	2013
Report total fuel (and fuel type) consumption from non-renewable sources Petrol (L)	6,552	6,166
Total fuel consumption from renewable fuel sources in joules	0	0
Electricity consumption (Kw)	175,395	154,923
Cooling consumption	Not available	Not available
Total energy consumption in joules	Not available	Not available
Reduction in energy consumption due to conservation and efficiency initiatives in joules	Not available	
Types of energy included in the reductions: fuel, electricity, heating, cooling	Not available	Not available
Total volume of water withdrawn from Municipal water supplies or other water utilities		
Water Board (L)	1,296	1,183
Other (Water Mart bottled water) (L)	9,120	8,550
Total (L)	10,416	9,733
Volume of water recycled and reused by the organization.	Not applicable	Not applicable

Conservation efforts

Electricity and fuel consumption

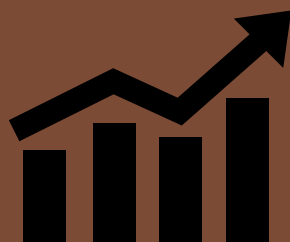
As a responsible corporate citizen, we initiated a number of internal actions to reduce our electricity and fuel consumption. These include:

- ⦿ Raising awareness about conservation and creating an attitude aimed at preventing wastage. This includes advising our staff to switch off lights and A/Cs when leaving the premises.

- ⦿ We attempt to reduce fuel consumption by using the same vehicle for several purposes, instead of using multiple vehicles for different uses.

Paper conservation

We attempt to reduce wastage of paper by using email whenever possible and by printing on both sides of the paper. We have introduced e-invoices to our member institutions instead of traditional printed invoices and we provide online iReports instead of printing-out personal credit reports.



PROFIT

We are small, but our economic contributions to the country are bigger than the eye can see.

Economic and Financial Sustainability

Economic performance is material to CRIB, as financial stability is essential for the sustainability of the company and the CRIB is essentially a part of the overall financial landscape of Sri Lanka. While our direct economic impacts are small compared to other commercial entities, our indirect economic impacts have wide spread influence on the overall economy of the country. These indirect economic impacts also have spill over effects on social aspects, such as quality of life improvement.

Operational review

We manage our direct and indirect economic impacts by monitoring the performance of our products and services, and by making suitable adjustments based on market and stakeholder responses. In addition all departments are monitored for outputs.

Awareness programmes play a central role in managing our economic impacts. We conduct continuous awareness programmes for the general public and lending institutions to raise awareness about CRIB services and how to utilise these services. Although impacts of such awareness programmes cannot be quantified, such programmes have supported growth of CRIB activities and enhanced the CRIB's credibility by eradicating misconceptions.

Key indicators that are monitored for economic effectiveness and the performance of these indicators during the year are listed below.

Indicators	2013	2014	% Change
Total number of credit reports issued	3,117,316	4,756,418	52.58%
Total number of self inquiry reports	7,319	9,246	26.33%
Number of users registering to view credit online	237	1,120	372.57%
Number of disputes on credit reports issued by CRIB	403	281	-43.42%
Total No of Authorised users registered for accessing of credit reports	5,408	6,063	12.1%
Total Credit Portfolio Reported as at 31st December	6.8 Mln	7.7 Mln	16.6%
Validity of data submitted	99%	99%	0
Number of disputes resolved	335	158	-52.83%

In 2014, 4,756,418 credit reports were issued by the CRIB to its member lending institutions, which is an increase of 52.58% against 2013. The table below shows the different types of credit reports issued by CRIB and the growth in credit reports from 2011-2014. This growth is indicative of the growing confidence held by the financial sector, in the CRIB, as a reliable credit information services provider.

Year	2011	2012	2013	2014
Consumer	2,187,772	2,231,228	2,989,722	4,581,790
Corporate	88,152	95,276	127,677	174,628

However member institutions can obtain credit reports only for the permissible purpose defined as per the CRIB Act. The table below illustrates the purpose wise analysis of credit reports issued from 2011 to 2014.

Type of credit report	2011	2012	2013	2014
Evaluation of a borrower for a new credit facility	1,112,927	1,109,742	1,437,083	2,102,337
Review as a Guarantor for a new credit facility	671,398	679,339	910,256	1,365,092
Review as a Partner/ proprietor for a new credit facility	163,867	153,549	199,508	318,680
Review as a Director for a new credit facility	15,931	16,286	18,704	28,539
Opening of a Current Account	20,483	27,918	40,525	57,077
Monitoring and reviewing of an existing borrower	291,318	339,670	511,240	884,694

Economic and Financial Sustainability Contd.

During the year 9,246 self inquiry reports were issued which is a growth of 26.33% compared to 2013. The on-line service for self inquiry (iReports) which gives a potential borrower an opportunity to view his/her credit history and current transactions was launched in October 2013. By end 2014, 1,357 users had registered for this facility.

Economic value generated

Our direct economic impacts are quantified in the economic value statement given below. CRIB did not received any financial assistance from government during the year.

Direct economic value generated	2014	2013
Revenues	847,877,477	563,690,182
Economic value distributed: Operating costs	138,219,211	108,645,518
Employee wages and benefits	41,520,403	39,409,331
Payments to providers of capital	150,000,000	100,000,000
Payments to government (by country)	138,679,713	127,523,511
Community investments	2,914,000	Non
Economic value retained	1,530,895,558	842,432,635

CRIB complies with all statutory payments to employees. The table below lists the on EPF/ETF contributions by company and employee.

EPF	2014	2013
Company 12%	2,271,264	2,207,680
Employee 08%	1,514,176	1,471,787
ETF 3%	567,816	551,920

Socio-economic impacts

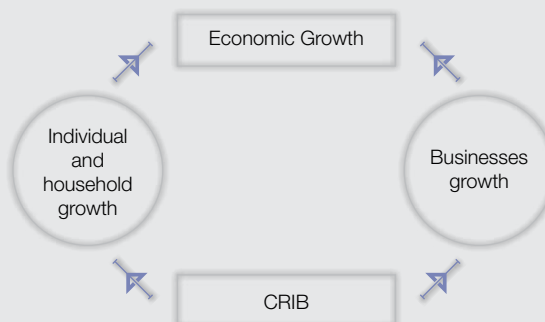
Sharing of Credit Information can make significant impacts by creating socio-economic opportunities on lives of individuals and Businesses.

Credit Reports issued by the CRIB are recognized by all lenders in the market as a effective tool, or a reliable source of information to assess credit risk of prospective borrowers. Information provided in credit reports help individuals as well as businesses to prove their credit worthiness, expediting credit thereby underwriting process to seek urgent need of funds for their economic activities. Credit reports are currently used by many institutions to assess one's financial discipline and integrity before they engage him/her for any business or institutional dealing. Foreign embassies & many large scale employers now require their candidates to provide them individual iReports at first instance. It is envisaged that credit reports will have a major role to play in their fast growing Sri Lankan economy in the rapid pace of social transformation.

Indirect economic impacts

Our economic impacts can be listed as:

- Supporting economic growth by expanding credit flows.
- Positively impacting investment climate by influencing Sri Lanka's ranking in the World Bank's Doing Business Index. Getting credit is one of the elements examined by the index in ranking countries. The CRIB supports Sri Lanka's ranking by effectively managing its sub index, 'Depth of Credit Information' in the system.
- Improving financial system stability by reducing credit risk, enhancing credit integrity and discouraging credit related fraud.
- Supporting businesses by increasing access to credit through credit profiles.
- Supporting economic advancement of individuals to build good loan repayment histories as reputational collateral for them to access credit from the formal market.



Financial review

Revenue

The CRIB completed another successful year by achieving both top and bottom line targets, despite a very challenging environment. When the financial performance of the CRIB for the year 2014, is analysed, a significant turnaround in income can be observed. The operational income increased by Rs. 284 Mn, which is an increase of 50% against the previous year. This reflects the high demand for credit reports and the importance of credit reports to industries. The core income was generated by issuing credit reports, while self inquiry report incomes also contributed about 1% to total income. The Income distribution of the CRIB for the year 2014 is given below.

Product	Gross Income Rs. Mn 2014	Gross Income Rs. Mn 2013
Credit report income	903,335	590,700
Self inquiry report income	2,133	1,747
Other income	508	3,338

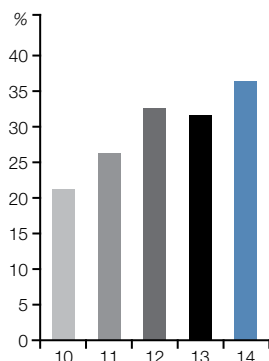
The Bureau issued a total of 4,756,418 credit reports to its member's institutions all over the country during the year 2014. This represents a 53% growth over the previous year. A major share, 96% of credit reports, were issued to consumers (individual report) and 4% of credit reports were issued to corporate entities.

The CRIB recorded the highest operational profit of Rs. 668 Mn in 2014, representing a 61 % tremendous growth over the previous year. During the year the CRIB's net profit totaled to Rs. 788 Mn. The growth in net profit is 1.4 times above than the profits achieved in the previous year.

Expenses

We are happy to report only a 21% cost increase during the year against a 50% growth in revenues. Our costs increased from Rs. 148,054 in 2013 to Rs. 179,737 in 2014. The stronger growth in revenues saw our cost to income ratio continue to decline to 21% from 26% in the previous year indicating higher operational efficiencies.

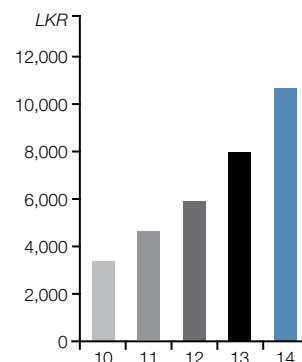
Cost to Income



Net Assets per Share

The Net Assets position of the Bureau recorded the highest ever value during last ten years. Net Assets per Share recorded a growth to Rs. 10,667 in 2014 from Rs. 7,944 in 2013.

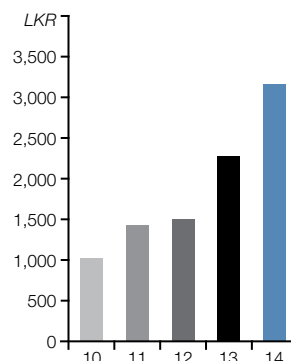
Net Assets per Share



Earnings per Share (EPS)

The total issued share capital remained unchanged at 25,000 shares in the current financial year. However, the EPS saw a sharp increase during the year reflecting the enhanced financial performance. The EPS increased from 2,262 in 2013, to 3,152 in 2014. This is a 39% increase over the previous year.

Earnings per Share



Economic and Financial Sustainability Contd.

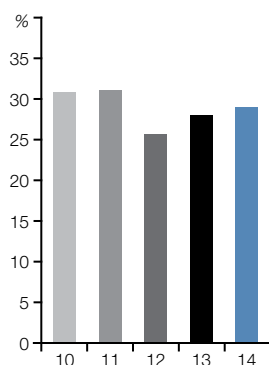
Return On Equity (ROE)

The ROE stood at 29% at the year end, consistent with the last year. It clearly displays the potential prevalent within the CRIB to earn significant returns on behalf of shareholders, year-on-year.

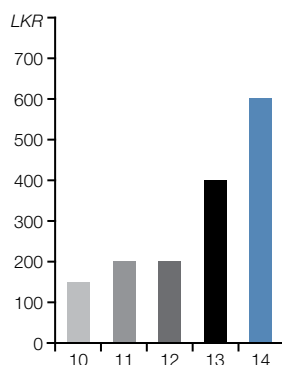
Dividend per Share

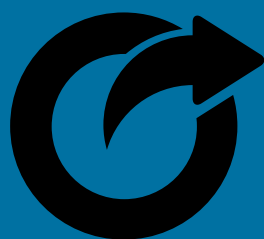
The Bureau proposed as a final dividend of Rs. 600 per share, on profits for the year. This will amount to a total dividend payout of Rs. 150 Mn in the year 2014. The proposed dividend is a 50% growth over last year's dividend per share of Rs. 400.

Return on Equity



Dividend Per Share





ENSURING GOOD GOVERNANCE

We believe prevention is better than cure. That is why our governance system attempts to detect and prevent problems before they occur.

Director's Profiles



① **Mr. B D W Ananda Silva**

Chairman

*Credit Information Bureau of Sri Lanka
(Deputy Governor, Central Bank of Sri Lanka)*

Mr. B D W Ananda Silva is a Deputy Governor of the Central Bank of Sri Lanka. He currently serves as the Chairman of the Credit Information

Bureau of Sri Lanka, Chairman of the Institute of Bankers of Sri Lanka, a Director of the Insurance Board of Sri Lanka, a Director of the Api Venuven Api Fund and a Director of West Coast Power (Pvt.) Ltd. He is also a member of the Cabinet appointed, Procurement Committee, of the Ceylon Petroleum Corporation.

Mr Silva has been with the Central Bank for 32 years and has worked in the departments of Development Finance, Economic Research and Bank Supervision. In his 31 year career in the Central Bank, Mr. Silva has acquired wide experience in the areas of monetary policy, bank supervision, financial system stability, exchange rate policy, external trade and balance of payments. He holds a B.Sc. first class degree from the University of

Jaffna, an M.A. from the University of Iowa, U.S.A. and a M.Sc. from University of Illinois, USA. He has been a visiting lecturer at the University of Colombo and a resource person for several high level courses conducted by the Central Bank.

② **Mr. Gamini Karunaratne**

**Director (Executive)/ General Manager
Credit Information Bureau of Sri Lanka**

Mr. Gamini Karunaratne is the Director/ General Manager of the Credit Information Bureau of Sri Lanka. He is a retired senior banker with 40 years experience in commercial banking. At the time of retirement, he held the post of Senior Deputy General Manager, International and Investment Banking, at the Hatton National Bank (HNB). During his career at HNB he served on the Boards of HNB

Securities Ltd and HNB Stock Brokers Ltd. After his retirement from HNB he was appointed a Director of DFCC Bank. He also served as a Director of Ceylinco Savings Bank. He is a founder member and a past president of the Sri Lanka Forex Association. He was the Chairman of Lunar Technologies (Pvt) Ltd and a Director of Minnerva Financials Ltd. He is also a fellow of the Chartered Institute of Management UK and a past President of its branch in Sri Lanka. He joined the Credit Information Bureau in June 2009 and continues to serve as its General Manager.

3 Mr. D M Gunasekara

Non-executive Director

Credit Information Bureau of Sri Lanka (General Manager, Bank of Ceylon)

Mr. D. M. Gunasekara was appointed General Manager/Chief Executive Officer of the Bank of Ceylon (BOC), in January 2013. Prior to his appointment as GM/CEO, he served as the Deputy General Manager in charge of retail banking and sales, and channel management. Mr. Gunasekara commenced his career with the bank in 1983 and over the years received extensive training in banking, especially in all aspects of credit management and administration. He served at the BOC London branch from 1997 – 2000. Overall, he counts over 31 years of experience in banking.

He is a non-executive nominee Director on the Boards of BoC Travels (Private) Ltd, BoC Property Development & Management (Pvt) Ltd., Property Development PLC., BoC Management & Support Services (Pvt) Ltd., Bank of Ceylon (UK) Ltd., Ceybank Holiday Homes (Pvt) Ltd., Ceybank Asset Management (Pvt) Ltd., Hotels Colombo (1963) Ltd., Merchant Bank of Sri Lanka & Finance PLC., Institute of Bankers of Sri Lanka, Credit Information Bureau of Sri Lanka, Lanka Financial Services (Bureau) Limited, Sri Lanka Banks' Association (Guarantee) Ltd., The Financial Ombudsman Sri Lanka (Guarantee) Ltd. and LankaClear (Private) Ltd.

He has successfully completed the programme on Corporate Management for Sri Lanka (LKCM2 AOTS) in Japan, an advanced management programme conducted by the Wharton University of Pennsylvania, USA. Mr. Gunasekara graduated from the University of Colombo, Sri Lanka, with a Special Degree in Public Finance & Taxation in 1981. He is an Associate Member of the Institute of Bankers of Sri Lanka and a Member of the Association of Professional Bankers.

4 Mr. Indrajit Wickramasinghe

Non-executive Director

Credit Information Bureau of Sri Lanka (Chief Executive Officer, Union Bank of Colombo PLC)

Mr. Wickramasinghe is the Director/Chief Executive Officer of Union Bank of Colombo PLC. He counts over 25 years of management experience, having worked in both the financial and consumer sectors in both local and multinational companies. He holds an MBA from the University of Sri Jayewardenepura and is a Chartered Marketer. He is a Fellow of the Chartered Institute of Marketing UK, a member of the Association of Professional Bankers and a member of the Oxford Business Alumni, University of Oxford.

Prior to his appointment as Director/CEO of Union Bank, he served as the Chief Operating Officer of NDB Bank where he was responsible for all business areas, including retail banking, corporate banking, SME Banking and project finance. Prior to that, he held the position of Vice President, overlooking functions such as HR and marketing. He had seven years of experience as the Vice President, heading retail banking. Mr. Wickramasinghe was also a non-executive Director of Eagle Insurance / Aviva NDB Insurance, NDB Capital Holdings PLC, NDB Securities (Pvt) Ltd and Development Holdings (Pvt) Ltd.

He currently serves as a non executive Director at National Asset Management Ltd and UB Finance Company Ltd.

5 Mr. K S Bandaranayake

Non-executive Director

Credit Information Bureau of Sri Lanka (Deputy General Manager, People's Leasing & Finance PLC)

Mr. Bandaranayake is the Deputy General Manager, Finance & Administration, at People's Leasing & Finance PLC. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka since 1993, a member of the Institute of Certified Management Accountants (CMA) of Australia, a Fellow of the Society of Certified Management Accountants (CMA) of Sri Lanka, and a finalist of the Chartered Institute of Management Accountants (CIMA), United Kingdom. Mr. Bandaranayake has five years of experience at Ernst & Young chartered accountants and over 21 years of post qualifying experience at a very senior level in the finance sector. He joined People's Leasing & Finance PLC in July 2007.

Mr. Bandaranayake was a Vice President of the Asian Financial Services Association (AFSA), a former Chairman and a present Director, of the Leasing Association of Sri Lanka, a former committee member of the Ceylon Chamber of Commerce and a council member of the Sri Lanka Institute of Credit Management.

6 Mr. N Vasantha Kumar

Non-executive Director

Credit Information Bureau of Sri Lanka (General Manager, People's Bank)

Mr. N. Vasantha Kumar is the Chief Executive Officer/General Manager of People's Bank. He took over this post on 22nd February 2011. He joined the People's Bank in March 2001, prior to which he served as Treasurer at ANZ Grindlays Bank, Colombo for many years. Mr. Kumar holds a Master's Degree in Business Administration and counts over 32 years of experience in treasury management.

He is a Director of People's Leasing Co. PLC, People's Insurance Ltd., People's Travels (Pvt) Ltd., Havelock

Director's Profiles Contd.

Property Ltd, People's Leisure Ltd, the Credit Information Bureau and the National Payment Council. He is a Member of the Governing Board of the Institute of Bankers of Sri Lanka. He is a past President of the Association of Primary Dealers and the Sri Lanka Forex Association.

7 Mr. Rohitha Ganegoda

Non-executive Director

*Credit Information Bureau of Sri Lanka
(Chief Operating Officer, Nations Trust Bank PLC)*

Mr. Rohitha Ganegoda joined the management team of Nations Trust Bank in 2002. He was appointed as the bank's Chief Operating Officer in January of 2009. Prior to joining Nations Trust Bank he served at Fujitsu Semiconductors, USA, and the National Development Bank of Sri Lanka. He holds a BSc in Computer Science from the University of Texas at Austin, USA, and an MBA in Finance, from the Southern Illinois University at Carbondale, USA. He also holds a Diploma in Computer Systems Design from the National Institute of Business Management, Colombo.

8 Ms. W A Nalani

Non-executive Director

*Credit Information Bureau of Sri Lanka
(Chairperson, National Savings Bank)*

Ms Nalani graduated from the University of Colombo, Sri Lanka, and holds a special degree in Economics and is a Fellow of the Institute of Bankers of Sri Lanka.

She was a career banker with over 37 years experience at the Bank of Ceylon in executive grades and reached the highest position of General Manager/CEO of the bank. She was the Chairperson of National Savings Bank and its subsidiary NSB Fund Management Co., from June 2013.

Ms Nalani had been a Board Director of several companies of the Bank of Ceylon group including Merchant Bank of Sri Lanka Plc, MCSL Financial Services Ltd, BOC Travels (Pvt) Ltd, Hotels Colombo (1963) Ltd, Ceybank Asset Management Ltd, and Ceybank Holiday Homes Ltd.

She was a Director at the Regional Development Bank, Sri Lankan Airlines Ltd, Lanka Clear Ltd, and the Institute of Bankers of Sri Lanka. She was a former President of the Association Of Professional Bankers Of Sri Lanka (2011/2012).

Ms Nalani is a co-winner of the Zonta award for excellence, in the banking category in 2009. She was presented the award 'Career Role Model Woman of the Year 2012/2013' by Women in Management.

9 Mr. J E P A De Silva

Non-executive Director

*Credit Information Bureau of Sri Lanka
(Senior Advisor to Alliance Finance Co. PLC)*

Mr De Silva is a Director, representing finance companies, on the Board of the Credit Information Bureau of Sri Lanka. He is an Advisory Councillor of the Committee of the Finance Houses Association of Sri Lanka and is the president of the Sri Lanka Institute of Credit Management.

Mr De Silva is a Fellow of the Institute of Credit Management, Sri Lanka, and is the first Sri Lankan to be honoured as a Fellow of the Institute of Credit Management, England.

He is the honorary Consul of the Republic of Peru in Sri Lanka and is a Senior Advisor to Alliance Finance Co. PLC. He is a Director of several other companies as well.

10 Mrs. T M J Y P Fernando

Non-executive Director

*Credit Information Bureau of Sri Lanka
(Director of Bank Supervision Central Bank of Sri Lanka).*

Mrs. T M J Y P Fernando is the Director of Bank Supervision, at the Bank Supervision Department of the Central Bank of Sri Lanka. She holds a B Com (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka.

Mrs. Fernando possesses over 25 years of experience in operational and policy matters relating to implementing regulatory and supervisory frameworks for banks. She was appointed the Director of Bank Supervision in August 2009.

She has participated in several local and international training programmes, seminars and other forums on different aspects of bank supervision and regulation, and general banking operations.

Mrs. Fernando has been a resource person in several training programmes and panel discussions, on work related subjects.

Our Team



Mr. K A Janaka Lakmal
Deputy General Manager



Mr. D H Ponnampuruma
Assistant General Manager



Ms. D I A Jayasinghe
Chief Manager - Accounts & Administration



Mrs. R M S Ratnayake
Senior Manager - Operations



Mr. D M S Indika Dissanayake
Assistant Manager - Operations



Mr. T M Rajasekara
Assistant Manager - Business System Development



Mrs. P T Perera
Legal Advisor to the Board of Directors



Mrs. Sanjani De S Gamage
Legal Consultant



Mr. K D S Wanigasooriya
Senior Executive - Customer Service & Network Management



Mr. U L Weerasinghe
Senior Executive - Business System Development



Mrs. Y L D K Gunatilake
Senior Executive - Marketing & Product Promotion



Mr. J S Weerasinghe
System Administration - Executive

Our Team Contd.



Mr. M D S N Gunarathne

Senior Relationship Officer - Operations



Mr. E A S U Premakumara

Senior Relationship Officer - Operations



Mr. S S Jansen

Senior Accounts Officer



Mr. D D VithanaArachchi

Senior Administration Officer



Mr. B K Wijenayake

Relationship Officer - Operations



Mrs. W A L H D Weliwita

Relationship Officer - Operations



Ms. A P Hamid

Confidential Secretary



Mr. H V S M De Silva

Accounts Officer



Mr. K K D W Gunawardena

Relationship Officer - Customer Services



Mrs. N N Bopakadage

Receptionist



Mr. M M Ikram

Office Assistant



Ms. T G S Kavindika

Receptionist cum Typist

Not pictured: Mr. Asela B Dassanayake Senior Officer - Business System Development

Governance System

Code of ethics

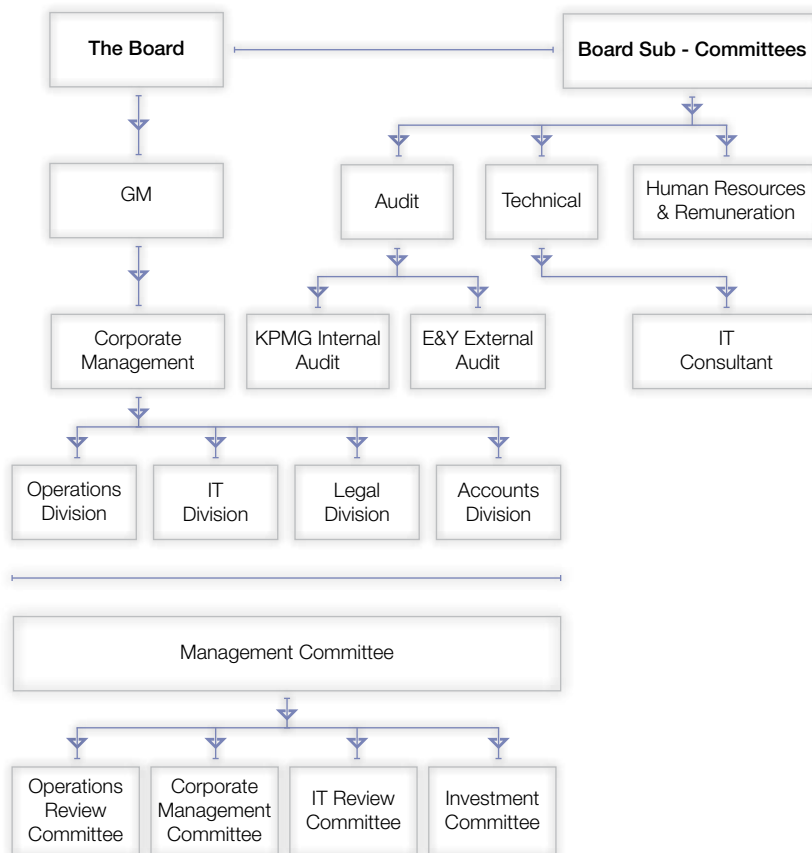
In addition to the regulatory framework of legal governance, the CRIB's operations are governed also by an internal code of ethics. The CRIB's Internal Code of Conduct applies to all employees. The Code provides a general outline of the standards of professional and ethical conduct expected of employees. These apply to general conduct and competence, confidentiality and misuse of material, confidential information and managing conflicts of interest. The Bureau's Internal Code also has a clause on bribery and anti-discrimination.

The CRIB has zero tolerance of bribery, including giving or receiving bribes and making of facilitation payments.

Compliance with regulations

The CRIB complies with a number of national regulations in its daily operations.

Corporate Governance Chart



Regulation	Compliant	Partially compliant	Non-compliant
Credit Information Bureau of Sri Lanka Act No.18 of 1990 (as amended)	Yes		
Secured Transactions Act No.49 of 2009	Yes		
Shop and Office Employees (Regulation of Employment & Remuneration) Act No.19 of 1954 (as amended)	Yes		
Employees' Provident Fund Act No.15 of 1958 (as amended)	Yes		
Employees' Trust Fund Act No.46 of 1980 (as amended)	Yes		
Inland Revenue Act No. 10 of 2006 (as amended)	Yes		
Stamp Duty (Special Provisions) Act No.12 of 2006 (as amended)	Yes		
Electronic Transactions Act No.19 of 2006	Yes		

Governance System Contd.

The CRIB is a successful public-private partnership, where the Board of Directors comprise public and private sector representatives. As directed by statute, the Board of Directors of CRIB comprises 10 Directors, out of which nine are Non-Executive Directors. Under the CRIB Act:

- ◉ The Chairman is a Deputy Governor of the Central Bank nominated by the Monetary Board.

The rest of the Board comprises:

- ◉ A senior officer of the Central Bank nominated by the Monetary Board
- ◉ A senior officer of the Bank of Ceylon nominated by the Board of Directors of Bank of Ceylon
- ◉ A senior officer of the People's Bank nominated by the Board of Directors of People's Bank
- ◉ Two persons elected by shareholding licensed commercial banks, other than the Bank of Ceylon and the People's Bank
- ◉ One person elected from amongst the shareholding finance companies
- ◉ A person nominated by the Monetary Board from amongst the directors of licensed specialized banks
- ◉ A person elected by the shareholding leasing companies
- ◉ The General Manager of the Bureau

The Role of the Board

The Board is primarily responsible for:

- ◉ Setting strategies, direction and establishing objectives for the management
- ◉ Monitoring performance against objectives whilst ensuring adequate internal controls with the highest ethical standards
- ◉ Appointing the General Manager and determining the remuneration of the management and staff

- ◉ Maintaining the Bureau Fund and the Reserves in a healthy manner
- ◉ Declaring Dividends
- ◉ Reporting to Shareholders

Topics reserved for approval by the Board include:

- ◉ CRIB's strategy
- ◉ Major changes to the management structure
- ◉ Annual budgets
- ◉ Investments made by CRIB
- ◉ Staff appointments and remuneration/welfare packages
- ◉ Other matters specifically reserved for approval of the Board under law and regulation.

Board Balance and Independence

The roles of Chairman and General Manager are distinct and separate, with a clear division of responsibilities.

Meetings of the Board

The Board of Directors meets regularly at monthly intervals. The Board had 11 meetings during the period under review and the attendance of each Director at Board Meetings is given in the table below:

Name of Member	Board Meetings		
	No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
1. Mr. B. D. W. Ananda Silva	11	11	100%
2. Mrs. T. M. Y. P. Fernando	11	09	81.82%
3. Mr. D. M. Gunasekara (Alternate Directors - Mr. T. Mutugala/Mr. S. M. S.C. Jayasuriya)	11	09	81.82%
4. Mr. N. Vasantha Kumar (Alternate Director - Mr. K. B. Rajapakse)	11	08	72.73%
5. Mr. I. A. Wickremasinghe (Alternate Director - Mr. D. P. N. Rodrigo)	11	09	81.82%
6. Mr. A. R. G. Ganegoda (Alternate Director - Mr. Nilanth De Silva)	11	10	90.91%
7. Ms. W. A. Nalani*	09	07	77.78%
8. Mr. J. E. P. A. De Silva (Alternate Director - Mr. Nalin Wijekoon)	11	09	81.82%
9. Mr. Sanjeewa Bandaranayaka	11	08	72.73%
10. Mr. Gamini P. Karunaratne	11	11	100%

* Ms. W. A. Nalani was appointed to the Board with effect from March 2014 (as the nominee of Licensed Specialised Banks).

In compliance with the accepted best practices, Board papers are circulated four to five days prior to a meeting, giving the Board members adequate time to scrutinise the same and be prepared for the meetings.

Managing Conflicts of Interest

If a Director of CRIB has a conflict of interest in a matter to be considered by the Board, such matters are disclosed and discussed at the Board meetings, directors with substantial interests abstain from voting on any Board resolution and their votes are not counted in the quorum for the relevant agenda item at the Board meeting.

Board appointed committees

The Board of Directors in accordance with the generally accepted standards and best practices of Corporate Governance has appointed committees and accordingly three (03) Board appointed committees have been constituted to date. All three committees have an economic sustainability focus, where all three contribute towards the financial sustainability of the CRIB and on improving economic impacts. The Remuneration Committee and Technical Committee also have a strong social focus through human resources and customer protection aspects. Further details on these 3 committees are given below.

Audit Committee

Monitors and reviews the effectiveness of the CRIB's internal and external audit functions and coordinates between relevant parties. Internal audits are done on a quarterly basis and audit reports are discussed and required corrective measures are agreed upon at the Audit Committee meetings. The Report of the Audit Committee is annexed with this report on page 59.

Technical Committee

The information systems of the Bureau are constantly audited, periodic review reports and findings are discussed and remedies are taken according to the directions of the Technical Committee. The Report of the Technical Committee is annexed with this report on page 62.

Remuneration Committee

The Terms of Reference of the Remuneration Committee includes the regulation of the organizational structure, salary scales, salary increments, bonus distribution and staff promotions. The Report of the Remuneration Committee is annexed to this report on page 61.

Management Committees

The following management committees have been established to further support the Board and the General Manager.

Corporate Management Committee (CMC)

The CMC's primary responsibility is to oversee that the day-today operations of the Bureau are conducted in a manner which is consistent with the strategic plans, business plans and budgets approved by the Board. Strategic planning, risk management, human resources, communications policy and financial reporting are the focus areas under the purview of the CMC.

Operational Review Committee (ORC)

The ORC reviews both operations of the Credit Information Management System (CRIMS) and Secured Transaction Registry System (STR), as well as the general administration of the CRIB and makes appropriate recommendations to the GM and the Board. The principle objective of

the ORC is to set annual operational targets and goals and perform periodic review of progress of set targets.

ICT Review Committee (ICTRC)

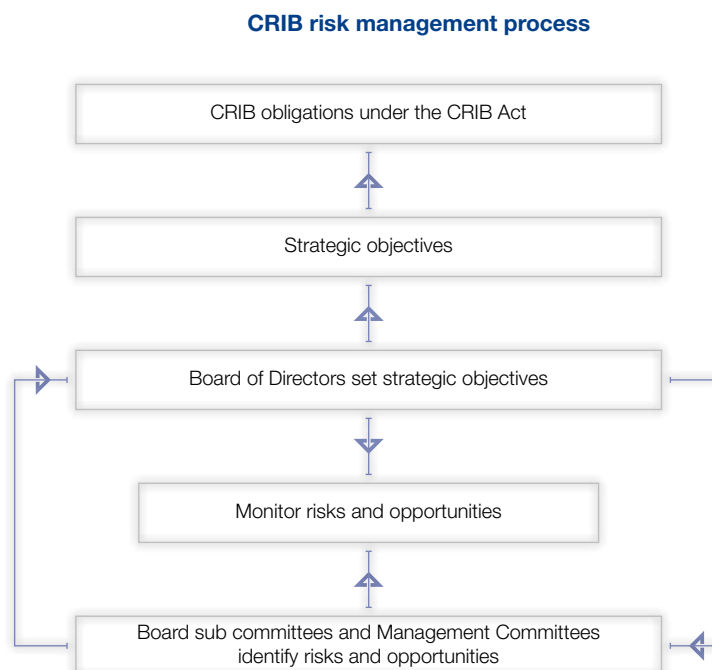
The ICTRC is responsible for setting the ICT based technology strategy and for reviewing performance of all ICT operations of the Bureau. The ICTRC provides a monthly review report on IT Operations to the ORC for inclusion in the monthly Progress of Operations report submitted to the Board. The ICTRC monitors the CRIB's security policies and practices on an on-going basis to ensure that they continue to remain relevant and complete. In addition, the ICTRC overlooks all non-ICT related technical aspects of CRIB operations and assists the ORC in handling such operations.

Investment Committee (IC)

The prime responsibility of the IC is to maintain prudent and effective investment of CRIB funds and to formulate and oversee the investment policies and management of same. The committee meets as and when funds are available for investment, prior to the maturity.

Risk Management

As part of the risk management process the Board regularly evaluates the operating environment for potential risks that could impede the CRIB from achieving its strategic objectives. Risks are regularly monitored and control processes are introduced to ensure risk management is effective.



Key risks and risk management methods

The key risks faced by the CRIB and actions taken to manage these risks, are described below.

Key risks

Regulatory framework: Lapses in regulatory compliance poses a risk to operational efficiency and accuracy of information

Access to data: There is a risk of unauthorised access to the credit data stored by the CRIB.

Risk management strategy

The CRIB has a clearly defined regulatory framework in place - including laws, containing data privacy, and protection of such data.

CRIB Act No. 18 of 1990 as Amended by Act No. 08 of 1995 and Act No. 42 of 2008 provides data protection through the right to restrict access to CRIB data. CRIB Act Sec. 7B specifies persons to whom the CRIB may give information on request.

- ⦿ To avoid unauthorised access, individuals (except users of CRIB member organisations) are requested to present themselves at the Bureau with valid proof of identity, to register for online access.
- ⦿ They will be provided with User IDs and passwords
- ⦿ Physical access to the bureau is strictly controlled. Visitors are allowed access only into the lobby area.
- ⦿ A visitor register is maintained at the reception and visitors are allowed inside the premises under supervision of Bureau employee only.
- ⦿ All correspondence with each member institution is coordinated and communicated only through a Compliance Officer appointed by the Chief Executive of the said institution.

Key risks

Lack of data quality and accuracy: As data is collected from members, the CRIB has no control over data accuracy. This can be a substantial risk to the final outcome.

Non submission of data: Non-submission of data affects quality of information services.

IT related risks:

- Data security
- Efficiency of online access
- Incompatibility in IT systems

Breach of secrecy:

Financial risk: The Bureau's main financial liabilities includes trade and other payables. The main objective is to support the operations of the Bureau.

Interest rate risk: The risk here is the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Subsequently, the future proceeds will have to be re-invested at a lower rate.

Credit risk: The risk that counterparties will not meet obligations under a financial instrument or customer contract, which would lead to financial loss.

Risk management strategy

- To minimise this risk, the database recognises individuals by a unique identifier such as National Identity Card Number for Sri Lankans (NIC) and Passport Number for non – Sri Lankans, and in case of duplication of NIC, it seeks assistance from the Department of Registration of Persons (DRP) for any verification or rectification.
- A system based validation mechanism is employed to mitigate data entry errors with cross checks to verify accuracy of data
- All member institutions are guided and supervised with a defined set of rules and procedures, to maintain data validity & accuracy.

- Grace period for submission delay is 2 months. Non-compliance will lead to suspension of membership as per the CRIB Act Sec. 26A.
- In addition to the regular monthly updates, the Bureau allows members access to update any not-updated data in their last submission.

- Periodic upgrades and updates of IT systems are performed to align with the industry and technology requirements.
- Periodic vulnerability assessment and security audits are conducted by the contracted IT experts.
- External auditors' reports are submitted to the Board Appointed Audit Committee and the Board is updated on a regular basis with an action plan and risk mitigation measures.
- IT and application system providers are engaged for resolution of system level risks.

To prevent a breach of secrecy:

- All officers in member institutions who are authorised to access the credit information are required to sign a "Declaration of Secrecy" with the Bureau.
- Stipulated guidelines/procedures are followed strictly, when disclosing the credit information to those it relates to.
- User credentials are only issued to a pre-defined number of authorised officers in member institutions.

This risk is managed by monitoring the financial system closely and taking corrective action when required

Interest income is not a main income of the Bureau. Therefore this risk has minimum impacts on the income of the bureau.

Since the customers of the Bureau are banks, finance Companies and leasing companies there is minimum threat of credit risk.



BOARD COMMITTEES

We combine management expertise with technical skills to improve our decision making to guide us through the year.

Audit Committee Report

The Board Audit Committee established in the latter part of 2010 functions under the Charter & Terms of Reference adopted by the Board of Directors. The Audit Committee is empowered by the Board to review the effectiveness of internal control systems, review external and Internal Audit Reports and financial statements and assess compliance with regulatory requirements.

Composition of the Board Audit Committee

Audit committee consists of three (03) independent, non-executive directors appointed by the Board. Members of the Audit committee as at December 2014 are as follows:

- ◉ Mr. Sanjeewa Bandaranayake (Chairman)
- ◉ Mrs. Yvette Fernando (Committee Member)
- ◉ Mr. Rohitha Ganegoda (Committee Member)

Mr. Sanjeewa Bandaranayake, current Chairman of the Committee is a Fellow member of the Institute of Chartered Accountants of Sri Lanka and a Fellow member of the Certified Management Accountants of Sri Lanka and Australia.

Mrs. Yvette Fernando is the Director Bank Supervision of the Central Bank of Sri Lanka and Mr. Rohitha Ganegoda is the Chief Operating Officer of Nations Trust Bank.

Ms. D.I.A. Jayasinghe, Chief Manager (Accounts & Administration) functions as the Secretary to the committee. The Profiles of the members are given on pages 49 & 50 of this annual report.

Terms of Reference

The Charter of the Audit Committee is subject to review periodically by the Board of Directors and clearly defines the Terms of Reference of the Audit Committee. The Committee is responsible to the Board of Directors and its observations and recommendations are presented to the Board for necessary action and implementation. The Audit Committee provides a forum for the review of internal & external audit reports and any operational deficiencies and shortcomings are highlighted in such reports.

Meetings

The minutes of such meetings were thereafter tabled at subsequent meetings of the Board of Directors.

The General Manager, Mr. Gamini Karunaratne attended meetings by invitation.

Duties and responsibilities of the Audit of Committee

The Purpose of Audit committee is to assist the Board of Directors in fulfilling successfully its responsibilities for the Bureau's accounting and financial reporting processes and audit of the financial statements.

Financial reporting

- ◉ The Committee as a part of its responsibility oversees the Bureau's financial reporting process, on behalf of the Board of Directors reviewed and discussed the annual financial statements to ensure reliability of information to the stakeholders.
- ◉ Monitors integrity of the financial statements, management statements and any other formal announcements relating to its financial performance.

- ◉ Adequacy and effectiveness of the internal controls, systems and procedures to provide reasonable assurance that all transactions are accurately and completely recorded.
- ◉ Review Financial Statements prior to submit to the Board / Publication.

Internal controls, risk management & going concern

The effectiveness of the internal control procedures in place to identify & manage all significant risks are being reviewed by the committee & assess the Bureau's ability to continue as a going concern in the foreseeable future.

Regulatory compliance

The committee closely monitors compliance relating to CRIB Act No 18 of 1990 as amended by Act No 08 of 1995 and Act No 42 of 2008, Secured Transactions Registry Act No 49 of 2009 and other statutory requirements and the systems and procedures in place to ensure compliance with such requirements.

Internal audit

- ◉ Mandate internal auditors at regular intervals to review and report on the effectiveness of existing controls and procedures adopted by the Bureau.
- ◉ Ensures that internal audit functions are independent and is performed with impartiality, proficiency and due professional care.
- ◉ Review the findings and recommendations of the internal auditors that enable the management responses on issues raised and assess the effectiveness of such findings and responses.
- ◉ Monitor management implementations of the recommendations suggested by the internal auditor.

Audit Committee Report Contd.

- ⦿ Reviews, assesses and approves the internal audit plan and the internal audit programme.

External audit

- ⦿ Monitors independence, objectivity and effectiveness of the external audit in accordance with applicable standards of best practice.
- ⦿ Assists Board of Directors to implement processes of engaging external auditors for audit services and agree on their remuneration schemes.
- ⦿ Review to ensure that auditors comply with appropriate guidelines and apply relevant accounting standards.
- ⦿ Discussing the audit plan, scope and methodology proposed to be adopted in conducting the audit proceeding to commence the annual audit with external auditors.
- ⦿ Follow up on the corrective action plan presented by the management on issues raised in the audit report.

Audit Committee charter

The Audit Committee Charter was last reviewed and revised in 2012 with the agreement of the Board of Directors.

Professional advice

The committee has an authority to seek external professional advice on matters within its purview.

Re-appointment of external auditors

The Audit Committee in keeping the Bureau's policy recommended the Board that Ernst & Young, Chartered Accountants be re-appointed as external auditors for the financial year ending 31st December 2015.



Sanjeeva Bandranayake

Chairman - Board Audit Committee

29th April 2015

Remuneration Committee Report

1. Composition and charter of the Human Resources and Remuneration Committee

The Board appointed Human Resources and Remuneration Committee comprise of the following two non executive directors. The General Manager participates in all deliberations of this Committee and attends the meetings by invitation.

- Mr. N Vasantha Kumar - Chairman (Non executive)
- Mr. Sanjeewa Bandaranayake - Non executive

The Committee was established by the Board on a formal and transparent process and the Board ensures the independence of the Committee.

Role of the Human Resources and Remuneration Committee

- Maintain a competitive and attractive remuneration package for employees at all levels on par with industry standards.
- Formulate policy on executive and non executive remuneration.
- Recommending annual bonuses, incentive payments, Allowances and staff changes to the Board based on individual performances, responsibility, expertise and contribution.
- Evaluate the performance of the General Manager and key management personnel against pre-agreed goals/targets and recommend rewards/promotions to the Board of Directors.

- Make recommendations to the Board of Directors from time to time of the new staff/ expertise required in order to enhance the quality of service.
- Recommend/ give directions to the Board on disciplinary matters if any, relating to key management personnel.

The Committee recognizes rewards as one of the key drivers influencing employee output which in turn have a direct impact on the service levels of the organization. The annual incentive bonus and various overseas training programs currently in force are designed to attract, retain and motivate employees of the Bureau.

2. Remuneration package

The remuneration package of the employees consists of a fixed and variable component. The basic salary and travelling allowance is fixed whereas the other benefits are variable.

Fixed Components	Variable Components
Basic salary	Annual bonus
Traveling allowance	Incentive bonus

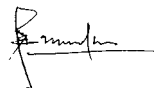
Apart from the above there are other benefits enjoyed by employees such as loans, medical insurance etc.

3. Retirement benefits

There are no retirement benefits to employees other than gratuity calculated at half months basic salary for each completed year of service.

I confirm that the Committee fulfilled its role as a Sub-Committee with great care and diligence.

The performance evaluation procedure adopted by the Bureau is well in place and encourages employees to give their best to the institution.



N. Vasantha Kumar
Chairman

29th April 2015

Technical Committee Report

The Board appointed Technical Committee comprises three non executive directors of CRIB. Their names and profiles are given in pages 49 and 50, respectively, of this Report. During the year 2014, the Committee continued to provide guidance to the CRIB IT team and made recommendations to the Board with regard to technical matters relating to the Bureau. Four Committee meetings were held during 2014 and the proceedings of these meetings with its recommendations were informed to the Board of Directors during the subsequent Board meetings. The main areas on which the Technical Committee attention was focused during the year are summarised below.

1. Selection of a new core business solution

Throughout the year 2014 the main focus of the Committee was on guiding the CRIB ICT team on selecting an appropriate technical solution which will enable the Bureau to enhance and integrate its technical services in a more effective and efficient manner. Based on the decision taken by the CRIB Board in the previous year to proceed with procuring a new core business solution, the Bureau continued the evaluation process with Messrs Ernst & Young. Product demonstrations were made by the short-listed vendors to enable the evaluation teams, stakeholders and other technical experts to better comprehend the technical architecture of the respective solutions. Members of the evaluation teams visited short-listed vendor nominated sites to obtain detailed information on Credit Bureau Systems offered by these vendors to enrich their evaluation process. Further, scope validation workshops and financial negotiations were also carried out to finalise the bid evaluations. The

Committee reviewed and monitored each step of the selection procedure to ensure that an appropriate technical service provider who can enable the Bureau to offer next generation credit bureau services is selected. The technical committee also required the CRIB ICT Team to undertake other preparatory work such as data cleansing, legal documentation and compatibility with member institutions.

2. iReportonline bank integration service

The Committee identified the need for a mechanism to verify authenticity of general public who wish to access their credit information (iReport) online. The Bureau developed an integration module which will provide authentication services through Banks internet banking portals. The module is kept ready to be deployed with the new core business solution.

3. Maintaining efficiency of the existing Credit Information Management System (CRIMS)

The Committee continued to inquire and guide the CRIB ICT team to maintain high quality service standards of CRIMS by facilitating acquisition of necessary hardware and increased interaction with the service provider.

In addition, the Committee provided necessary guidance for other IT related matters of CRIB. The ICT team also addressed several audit findings during the year.



T M J Y P Fernando (Mrs)
Chairperson - Technical Committee

29th April 2015



FINANCIAL REPORTS

These numbers are not mere numbers, they tell the story of our collective hard work for the year.

Statement of Directors' Responsibilities for Financial Statements

The CRIB Act No 18 of 1990 requires Directors to ensure that the Bureau keeps proper books of accounts of all the transactions and prepare financial statements that give a true and fair view of the state of the affairs of the Bureau and of the profit and loss for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

They are also responsible for taking reasonable measures to safeguard the assets of the Bureau, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors confirm that to the best of their knowledge and belief, all taxes and levies payable by the Bureau and all contributions and taxes payable on behalf of and in respect of the employees of the Bureau have been paid or provided for as at the reporting date.

The Directors are of the view that, these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka.

The Directors endeavor to ensure that the Bureau maintains sufficient records to be able to disclose with reasonable accuracy, the financial position of the Bureau and to be able to ensure that the financial statements of the Bureau meet with the requirements of the Sri Lanka Accounting Standards and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995

The Directors have reasonable expectation, after making enquiries and following a review of the Bureau's budget for the ensuing year including cash flows and borrowing facilities, that the Bureau has adequate resources to continue in operational existence for the foreseeable future, and therefore have continued to adopt the going concern basis in preparing the Accounts.

Messrs. Ernst & Young, Chartered Accountants, the Auditors of the Bureau have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of Directors meeting and express their opinion in their report on page 67 of the Annual Report.

By order of the Board
Credit Information Bureau of Sri Lanka



Secretary
Colombo

29th April 2015

Annual Report of the Board of Directors on the Affairs of the Bureau

The Directors are pleased to submit their report together with the audited accounts of the Bureau for the year ended 31st December 2014, to be presented at the 25th Annual General Meeting of the Bureau.

Review of the Year

The Chairman's review on page 19 describes the affairs of the Bureau and mentions important events that occurred during the year, and up to the date of this report. This report together with the audited financial statements reflects the state of the affairs of the Bureau.

Principal Activities / Core Business

The main activity of the Bureau is the business of collection and collation of trade credit and financial information on borrowers and prospective borrowers of lending institutions.

Financial Statements

The financial statements prepared in compliance with the requirements of Credit Information Bureau Act No. 18 of 1990.

Independent Auditor's Report

The Auditor's Report on the financial statements is given on page 67 in this report.

Accounting Policies

The Accounting Policies adopted in preparation of the financial statements is given on pages 72 to 78. There were no changes in Accounting Policies adopted by the Bureau during the year under review.

Financial Results/Profit and Appropriations

The Income Statement is set out on page 68.

Property, Plant & Equipment

During the year under review the Bureau invested a sum of Rs.12,827,723/- (2013 - Rs. 7,064,577/-) in Computer Accessories & equipment of which Rs. 2,589,419/- is in Intangible Assets and Rs. 444,849/- is in Furniture and fixtures and Data Centre Assets.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 07 to the financial statement.

Investments

Details of long-term Investments held by the Bureau are given in Note 09 to the financial statements on page 82.

Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 64 of this report.

Dividend

The Directors recommend the payment of a dividend for the financial year ended 31st December 2014.

Reserves

The Reserves and Accumulated Profits as at 31st December 2014 amount to Rs. 2,673 Mn as against Rs. 1,985 Mn as at 31st December 2013. The breakup and the movement are shown in the Statement of Changes in Equity in the financial statements.

Stated Capital

As per the terms of the Companies Act No. 7 of 2007, the stated capital of the Bureau is Rs. 25 Mn as at 31st December 2014. The details are given in Note 13 to the financial statement on page 83.

Post Balance Sheet Events

There were no material events occurring after the Balance Sheet date that require adjustments, or disclosure in the Financial Statements.

Statutory Payments

The declaration relating to Statutory Payments is made in the Statement of Directors' Responsibilities on page 80.

BOARD COMMITTEES

Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board.

1. Mr. Sanjeewa Bandaranayake (Chairman)
2. Mrs. T M J Y P Fernando
3. Mr. A R G Ganegoda

The Report of the Audit Committee is given on page 59.

Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee of the Board.

1. Mr. N Vasantha Kumar (Chairman)
2. Mr. A R G Ganegoda
3. Mr. Sanjeewa Bandaranayake

Annual Report of The Board of Directors on the Affairs of the Bureau Contd.

The Report of the Remuneration Committee is given on page 61.

Technical Committee

Following are the names of the Directors comprising the Technical Committee of the Board.

1. Mrs. T M J Y P Fernando
(Chairperson)
2. Mr. A R G Ganegoda
3. Mr. I A Wickramasinghe

The Report of the Technical Committee is given on page 62.

The earnings per share, net assets per share are given in Financial review on page 45 of this Annual Report.

Directors

The Directors of the Bureau as at 31st December 2014 and their brief profiles are given on page 48 in this report.

During the year under review the Board met on 11 occasions.

Auditors

The resolutions to appoint the present Auditors, Messrs. Ernst & Young Chartered Accountant, who have expressed their willingness to continue in office, will be proposed at the Annual General Meeting.

A sum of Rs. 190,000/- was paid as audit fee during the year:-

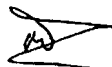
As far as the Directors are aware, the Auditors do not have any relationship or interest in the Bureau. The Audit Committee reviews the appointment of

the Auditors, its effectiveness and its relationship with the Bureau including the level of audit and non-audit fees paid to the Auditor. Details on the work of the Audit Committee are set out under Corporate Governance.

Notice of Meeting

The Annual Shareholders Meeting of the Credit Information Bureau of Sri Lanka will be held on 22nd May 2015 at Cinnamon Grand at 10.30. a.m.

For and on behalf of the Board.



B D W Ananda Silva
Chairman



G P Karunaratne
Director

29th April 2015
Colombo

Independent Auditor's Report to the Shareholders of the Credit Information Bureau of Sri Lanka



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

Report on the Financial Statements

We have audited the accompanying financial statements of Credit Information Bureau of Sri Lanka, ("the Bureau"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit and loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Set out on pages 68 to 88.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka

Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bureau as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

29th April 2015
Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA

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Statement of Comprehensive Income

Year ended 31 December 2014

	Note	2014 Rs.	2013 Rs.
Revenue	3	847,877,477	563,690,182
Other Operating Income	4	166,565,705	204,736,253
Employee Related Expenses		(41,520,403)	(39,409,331)
Administration and Establishment Expenses		(40,601,580)	(33,790,837)
Other Operating Expenses		(93,297,815)	(72,398,238)
Secured Transaction Registry		(4,319,816)	(2,456,443)
Profit Before tax		834,703,567	620,371,586
Income Tax Expense	5	(46,590,550)	(54,883,528)
Profit for the Year		788,113,017	565,488,058
Other Comprehensive Income			
Recycling items			
Net Unrealized Gains and Losses on Premeasuring AFS Instruments		(1,487,775)	867,429
Non- Recycling items			
Actuarial Gains/Losses on Retirement Benefit Obligations		679,494	-
Total Comprehensive Income for the Year		787,304,735	566,355,487
Earnings Per Share	17	3,152	2,262

The accounting policies and notes on pages 72 through 88 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31 December 2014

	Note	2014 Rs.	2013 Rs.
ASSETS			
Non-Current Assets			
Equipment	7	23,252,638	22,147,821
Intangible Assets	8	25,636,429	38,837,726
		48,889,067	60,985,547
Current Assets			
Inventories	10	342,197	369,754
Trade and Other Receivables	11	182,618,704	119,423,486
Other Current Financial Assets	9	2,455,562,554	1,834,707,148
Cash and Cash Equivalents	12	21,932,164	19,734,926
		2,660,455,619	1,974,235,314
Total Assets		2,709,344,686	2,035,220,861
EQUITY AND LIABILITIES			
Capital & Reserves			
Stated Capital	13	25,000,000	25,000,000
Reserves		1,117,356,878	1,118,515,065
Retained Earnings		1,530,895,557	842,432,635
Total Equity		2,673,252,435	1,985,947,700
Non-Current Liabilities			
Retirement Benefit Liability	14	3,411,973	3,275,382
		3,411,973	3,275,382
Current Liabilities			
Trade and Other Payables	15	20,751,719	12,201,751
Dividends Payable		903,121	723,121
Income Tax Liabilities		9,104,993	33,072,907
Cash Equivalents	12	1,920,445	-
		32,680,277	45,997,779
Total Equity and Liabilities		2,709,344,686	2,035,220,861



Dinesha I.A. Jayasinghe

Chief Manager (Accounts and Administration)

The Board of directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board by:



Director



Director

The accounting policies and notes on pages 72 through 88 form an integral part of the financial statements.

29 April 2015
Colombo

Statements of Changes in Equity

Year ended 31 December 2014	Stated Capital Rs.	General Reserve Rs.	Other Reserves Rs.	Technical Reserves Rs.	Available for sale Reserve Rs.	Retained Earnings Rs.	Total Rs.
As at 1st January 2013	25,000,000	2,058,678	2,000,000	813,631,943	(255,220)	627,156,812	1,469,592,213
Net Profit for the Year	-	-	-	-	-	565,488,058	565,488,058
Other Comprehensive Income	-	-	-	-	867,429	-	867,429
Transferred to General Reserves	-	212,235	-	-	-	(212,235)	-
Transferred to Technical Reserve	-	-	-	300,000,000	-	(300,000,000)	-
Dividends	-	-	-	-	-	(50,000,000)	(50,000,000)
Balance as at 31st December 2013	25,000,000	2,270,913	2,000,000	1,113,631,943	612,209	842,432,635	1,985,947,700
Net Profit for the Year	-	-	-	-	-	788,113,017	788,113,017
Transferred to General Reserves	-	329,588	-	-	-	(329,588)	-
Other Comprehensive Income	-	-	-	-	(1,487,775)	679,494	(808,281)
Transferred to Technical Reserves	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(100,000,000)	(100,000,000)
As at 31 December 2014	25,000,000	2,600,501	2,000,000	1,113,631,943	(875,566)	1,530,895,557	2,673,252,435

The accounting policies and notes on pages 72 through 88 form an integral part of the Financial Statements.

Cash Flow Statements

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit/(loss) before tax	834,703,567	620,371,586
Adjustments for		
Depreciation	12,605,416	10,112,750
Amortisation	15,790,714	14,372,112
Income from Investments	(166,565,705)	(204,269,255)
Provision for Defined Benefit Plans	816,085	839,727
Operating Profit before Working Capital Changes	697,350,076	441,426,920
Decrease in Inventories	27,557	19,526
Increase in Trade and Other Receivables	(63,195,218)	(89,307,294)
Increase/ (Decrease) in Trade and Other Payables	8,549,967	(4,882,588)
Cash Generated from Operations	642,732,383	347,256,565
Esc Paid	(1,897,160)	(1,277,480)
Income Tax Paid	(52,510,983)	(18,072,165)
Net Cash From Operating Activities	588,324,240	327,906,920
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(13,710,232)	(26,183,232)
Acquisition of Intangibles	(2,589,419)	-
Net Acquisition of Investments	(646,373,579)	(340,235,508)
Interest Received	187,448,774	130,466,453
Net Cash Flows from/(Used in) Investing Activities	(475,224,455)	(235,952,287)
Cash Flows from (Used in) Financing Activities		
Dividends Paid	(99,820,000)	(49,905,104)
Net Cash Flows Used in Financing Activities	(99,820,000)	(49,905,104)
Net Increase in Cash and Cash Equivalents	(13,279,785)	42,044,378
Cash and Cash Equivalents at the Beginning of the Year	49,740,077	7,690,548
Cash and Cash Equivalents at the End of the Year	63,019,862	49,740,077

The accounting policies and notes on pages 72 through 88 form an integral part of the financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Credit Information Bureau of Sri Lanka is a Corporate Body incorporated and domiciled in Sri Lanka under the Credit Information Bureau of Sri Lanka Act No.18 of 1990 as amended by Act No.8 of 1995 and Act No.42 of 2008. The office of the Bureau is located at No.148, Vauxhall Street, Colombo 02.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Bureau were to collect and collate trade, credit and financial information about borrowers and prospective borrowers of lending institutions, and to provide credit information on request, to lending institutions who are the shareholders of the Bureau and simultaneously to borrowers and prospective borrowers to whom such information relate, with a view to facilitating the distribution of credit to all sectors of the economy and to the informal sector, in particular

1.3 Date of Authorisation for Issue

The financial statements of Credit Information Bureau of Sri Lanka for the year ended 31 December 2014 were authorized for issue in accordance with a resolution of the Board of Directors on 29 April 2015.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The financial statements have been prepared on a historical basis. The financial statements are presented in Sri Lanka Rupees.

2.1.2 Statement of Compliance

The financial statements of the Bureau have been prepared in accordance

with Sri Lanka Accounting Standards (SLFRS and LKAS) as issued by Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the preparation and presentation of these Financial Statements is in compliance with the Credit Information Bureau of Sri Lanka Act No.18 of 1990 as amended by Act No.8 of 1995 and Act No.42 of 2008.

2.1.3 Going Concern

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

2.1.4 Comparative Information

Comparative information is reclassified where ever necessary to comply with current presentation.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and Assumptions

The preparation of financial statements in conformity with SLFRS/LKAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of

estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Loans & Receivables

The Bureau provides services to member institutions on credit terms. We know that certain debts due to us will not be paid through the default of a small number of our customers. Current conditions prevail in the internal and external environment and historical trends are used in determining the level of debts that we believe will not be collected. These estimates include such factors as the current state of the economy, particular industry issues, and debt collection trends.

Useful life for Property, Plant and Equipment

The property, plant and equipment in the Bureau are estimated to carry economic useful lives lasting over year. Remaining useful lives are assessed annually and changed when necessary to reflect their remaining lives in light of technological change, network investment plans, prospective economic utilisation and physical condition of the assets concerned. Principal depreciation rates used are discussed under Note 2.3.6.

Defined Benefit Plan - Gratuity

The defined benefit obligation and the related charge for the year is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long-term nature of such obligations these estimates are subject to significant uncertainty.

Fair value of financial instruments

When the fair value of financial assets

and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1 Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Bureau's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of

the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

2.3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bureau and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

a) Rendering of Services

Income from credit reports furnished to constituent shareholders is recognized, as revenue, as and when the services are provided.

b) Interest

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial

asset or liability. Interest income is included in other operating income.

c) Others

Other income is recognized on an accrual basis.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions, which are not material, are aggregated, reported and presented on a net basis.

2.3.3 Expenditure Recognition

a) Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

b) For the purpose of presentation of income statement the directors are of the opinion that function of expenses method presents fairly the elements of the Bureau's performances, hence such presentation method is adopted.

2.3.4 Taxation

Current Taxes

The provision for income tax is based on interest income in the financial statement and computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006.

2.3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific

Notes to the Financial Statements Contd.

asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Rental paid under leases are recognized as an expenses in the income statement on a straight-line basis over the lease term.

2.3.6 Equipment

Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of equipment are required to be replaced at intervals, the Bureau derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The

assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight line basis over the useful life of the assets.

The principal annual rates used are as follows:

Computer and Accessories	25% p.a.
Sundry Assets	20 % p.a
Furniture and Fittings	20 % p.a
Data Center	20 % p.a

2.3.7 Intangible Assets

Identifiable intangible assets are recognised when the Bureau controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Bureau and the cost of the asset can be reliably measured.

Finite lives intangible assets

Intangible assets with finite lives are stated at acquisition or development cost, less accumulated amortisation. The amortisation period and methods reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Software 25%

2.3.8 Financial instruments - initial recognition and subsequent measurement

2.3.8.1 Financial assets

(a) Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets as appropriate. The Bureau determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Bureau commits to purchase or sell the asset.

The bureau financial assets include cash and short-term deposits, trade and other receivables, Investment in governments' securities and repurchase agreement.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

(c) Available for Sale

Investment in Treasury bill & treasury bonds are classified as available-for-sale are those, which are neither classified as held to maturity nor designated at fair value through profit or loss. In this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

Derecognition

A financial asset is derecognized when:

- ⊙ The rights to receive cash flows from the asset have expired.
- ⊙ The Bureau has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Bureau has transferred substantially all the risks and rewards of the asset, or (b) the Bureau has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bureau has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Bureau's continuing involvement in it.

(d) Impairment of financial assets

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing

significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Bureau first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bureau determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the

asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

2.3.8.2 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate. The Bureau determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The bureau's financial liabilities include trade and other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.3.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.3.8.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length

market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

2.3.9 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae.

Stationery - At Accrual Cost on First in First out Basis

2.3.10 Impairment of non financial assets

The Bureau assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bureau makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In

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

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bureau makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.11 Cash and Cash Equivalents

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

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

2.3.12 Provision

Provisions are recognized when the Bureau has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan - Gratuity

Defined benefit plan defines an amount of benefits that an employee will receive on retirement, usually dependent on or more factors as years of service and compensation. Gratuity is a Defined Benefit Plan. The Bureau is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet and the Bureau. The cost of providing benefits under the defined benefit plans are determined separately for

each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are charged or credited in the period in which they arise.

The past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately. The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Gratuity liability is not externally funded.

b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Bureau contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

**2.3.9 NEW ACCOUNTING
STANDARDS EFFECTIVE FROM 1
JANUARY 2014 AND ISSUED BUT
NOT EFFECTIVE AT REPORTING
DATE**

(i) New accounting standards that became effective during the year

The following Sri Lanka Accounting Standards were issued by the Institute of Chartered Accountants of Sri Lanka and is effective for the periods commencing on or after of 01 January 2014.

**SLFRS 13 - Fair Value
Measurement**

Sri Lanka Accounting Standard - SLFRS 13 (Fair Value Measurement) establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The Company did not have any material impact from the implementation of SLFRS 13. Necessary disclosures required by the new Standard have been included in the Notes to the Financial Statements.

(ii) Accounting standards issued but not effective

Standards issued but not yet effective up to the date of issuance of the financial statements are set out below. The Company will adopt these standards when they become effective. Pending a detailed review, the financial impact is not reasonably estimable as at the date of publication of these financial statements.

**Sri Lanka Accounting Standard
(SLFRS 15) - "Revenue from
Contracts with Customers"**

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Sri Lanka Accounting Standard (LKAS 18) - "Revenue", Sri Lanka Accounting Standard (LKAS 11) - "Construction Contracts" and IFRIC 13 - "Customer Loyalty Programmes". This standard is effective for the annual periods beginning on or after 01 January 2017. The Company will adopt these standards when they become effective. Pending the completion of detailed review, the financial impact is not reasonably estimable as at the date of publication of these Financial Statements.

**SLFRS 9 - Financial Instruments:
Classification and Measurement**

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

This standard was originally effective for annual periods commencing on or after 01 January 2015. However, the original effective date has been deferred and revised effective date is yet to be announced.

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
3. REVENUE		
Credit Information	1,007,732,463	663,431,616
Less		
Discount Allowed	(58,100,268)	(32,098,612)
Value Added Tax	(101,754,719)	(67,642,822)
	847,877,477	563,690,182
4. OTHER OPERATING INCOME		
Interest Income	166,093,684	204,269,255
Staff Loan Interest	393,547	396,071
Sundry Income	11,645	6,696
Self Inquiry Income	66,830	64,231
	166,565,705	204,736,253

5. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows:

Income Statement

Current Income Tax

Current Income Tax charge	46,590,550	54,883,528
Income tax expense reported in the Income Statement	46,590,550	54,883,528

5.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

Accounting Profit Before Tax	834,703,567	620,371,586
Accounting Profit Before Income Tax	834,703,567	620,371,586
At the statutory income tax rate of 28%	233,716,999	173,704,044
Adjustments in Respect to Current income Tax of Previous Year	(1,128,447)	(2,422,763)
Income Exempt from Tax	(185,998,002)	(116,397,753)
At the Effective Income Tax Rate of 9% (2013 : 9%)	46,590,550	54,883,528
Income Tax Expense Reported in the Income Statement	46,590,550	54,883,528

Notes to the Financial Statements Contd.

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
6. PROFIT BEFORE TAX		
Stated After Charging		
Included in Employee Related Expenses		
Employees Benefits Including the Following		
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	816,085	839,727
- Defined Contribution Plan Costs - EPF & ETF (included in Employee 'Benefits)	2,840,454	2,759,600
Included in Administrative Expenses		
Depreciation	12,605,416	10,112,750
Amortisation of Intangible Assets	15,790,714	14,372,112
Auditor's Fees and Expenses	190,000	170,000
Legal Fees	471,520	508,509
Directors Fees	720,000	1,020,000
Donations	202,000	127,278

Year ended 31 December 2014

	Balance As at 01.01.2014 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2014 Rs.
7. PROPERTY, PLANT & EQUIPMENT				
7.1				
At Cost				
Computer & Accessories	65,981,475	12,827,733	-	78,809,208
Computer & Accessories -STR	149,400	-	-	149,400
Furniture, Fittings & Office Equipment	7,730,905	358,417	69,828	8,019,494
Sundry Assets	85,267	-	-	85,267
Data Centre	14,942,750	524,082	367,822	15,099,010
	88,889,797	13,710,232	437,650	102,162,379

Depreciation

	Balance As at 01.01.2014 Rs.	Charge for the period/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2014 Rs.
At Cost				
Computer & Accessories	50,462,706	9,625,253	-	60,087,959
Computer & Accessories -STR	101,997	37,350	-	139,347
Furniture, Fittings & Office Equipment	6,052,714	1,196,950	(69,828)	7,179,836
Sundry Assets	42,880	17,053	-	59,933
Data Centre	10,081,679	1,728,810	(367,822)	11,442,666
	66,741,976	12,605,416	(437,650)	78,909,742

Net Book Values

	2014 Rs.	2013 Rs.
At Cost		
Computer & Accessories	18,721,249	15,518,769
Computer & Accessories -STR	10,053	47,403
Furniture, Fittings & Office Equipment	839,658	1,678,190
Sundry Assets	25,334	42,387
Data Centre	3,656,344	4,861,072
	23,252,638	22,147,821
Total Carrying Amount of Property, Plant & Equipment	23,252,638	22,147,821

7.2 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 50,563,502/- (2013 - Rs. 44,868,968/-).

	Computer Software Costs Rs.	System Development Costs Rs.	Software STR Costs Rs.	Total Rs.
8. INTANGIBLE ASSETS				
Cost				
As at 1st January 2014	59,841,208	79,236,372	387,755	139,465,334
	59,841,208	79,236,372	387,755	139,465,334
Additions	-	2,589,419	-	2,589,419
As at 31st December 2014	59,841,208	81,825,790	387,755	142,054,753
Amortisation				
As at 1st January 2014	52,657,551	47,784,149	185,910	100,627,610
Amortisation for the year	2,624,660	13,069,116	96,939	15,790,714
As at 31st December 2014	55,282,210	60,853,265	282,849	116,418,324
Net book value				
As at 1st January 2014	7,183,657	31,452,222	201,845	38,837,725
As at 31st December 2014	4,558,998	20,972,525	104,906	25,636,429

8.1 Intangible assets include fully depreciated assets having a gross carrying amounts of Rs. 77,761,114 /- (2013 - Rs. 77,275,821/-).

Notes to the Financial Statements Contd.

Year ended 31 December 2014

	2014 Rs.	2013 Rs.
9. OTHER FINANCIAL INSTRUMENTS		
9.1 Available for Sale Financial Instruments		
Treasury Bills	776,005,095	304,347,228
	776,005,095	304,347,228
Current	776,005,095	304,347,228

Treasury bills have been value based on level 1 public information

Year	Bank	Interest Rate	Cost	Fair Value	Yield
2014	Peoples Bank	5.73%	399,999,942	402,580,057	6.00%
	Sampath Bank	5.76%	370,000,000	373,425,036	6.00%
2013	Commercial Bank	7.88%	150,000,000	157,046,521	7.85%
	Peoples Bank	9.55%	149,999,932	156,768,900	7.54%

	2014 Rs.	2013 Rs.
9.2 Loans and Receivables		
Receivable under Resale Agreements (Repo)	1,473,908,558	1,145,507,874
Fixed Deposit	205,648,901	384,852,046
	1,679,557,459	1,530,359,920
Non Current	-	-
Current	1,679,557,459	1,530,359,920
9.3 Total Non Current		
Total Current	2,455,562,554	1,834,707,148

10. INVENTORIES

Stationery	342,197	369,754
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11. TRADE AND OTHER RECEIVABLES

Financial Assets

Trade Debtors (11.1)	167,006,296	103,063,181
Loan to Bureau Staff	4,144,298	3,312,343
Pre paid Staff Expenses	599,359	469,225
Deposits for Safe Lockers	45,000	45,000
Receivable	56,289	178,427
	171,851,242	107,068,176

Non Financial Assets

Advances & Prepayments	10,276,253	12,355,310
Taxes Receivable	491,209	-
	182,618,704	119,423,486

11.1 As at 31 December, the ageing analysis of trade receivables is as follows:

	Total Rs	Neither Past Due Nor Impaired	Past Due but Not Impaired			
			<30 days Rs.	30 -60 days Rs.	61 - 90 days Rs.	< 90 days Rs.
	167,006,296	102,837,122	29,540	51,952,890	11,733,824	452,920

	2014 Rs.	2013 Rs.
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12. CASH AND CASH EQUIVALENTS

Components of Cash and Cash Equivalents

12.1 Favourable Cash & Cash Equivalents Balance

Cash & Bank Balances	564,342	538,457
Saving Account Balance	21,367,822	19,196,469
	21,932,164	19,734,926
Government Securities	43,008,143	30,005,151
	64,940,307	49,740,077

12.2 Unfavourable Cash & Cash Equivalents Balance

Bank Overdraft	(1,920,445)	-
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	63,019,862	49,740,077

Year ended 31 December 2014

	2014		2013	
	Number	Rs.	Number	Rs.
13. STATED CAPITAL				
Ordinary Shares	250,000	25,000,000	250,000	25,000,000
	250,000	25,000,000	250,000	25,000,000

	2014 Rs.	2013 Rs.
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14. RETIREMENT BENEFIT LIABILITY

Retirement Benefits Obligation - Gratuity

As at 1st January	3,275,382	2,435,655
Charge for the year (Note 14.1)	136,591	839,727
Payments made during the year	-	-
As at 31 December	3,411,973	3,275,382

Notes to the Financial Statements Contd.

	2014 Rs.	2013 Rs.
14.1 Charge for the Year		
Current Service Cost	455,793	547,450
Interest Cost	360,292	292,277
Charged to the Income Statements	816,085	839,727
Actuarial (Gains)/Losses due to Changes in Financial Assumptions	(838,426)	-
Actuarial (Gains)/Losses due to Changes in Experience	158,931	-
Charged to the Other Comprehensive Income Statement	(679,495)	
Net Charge for the Year	136,590	839,727

14.2 Defined Benefit Liability is valued as of 31 December 2014 and the principal assumptions used in the valuation is as follows:

	2014	2013
Discount Rate	8%	12%
Annual Salary Increment Rate	6%	10%
Staff Turnover	1%	5%
Average Remaining Life	7	21

Sensitivity effect on net liability as at 31 December 2014

		Rs.
Discount Rate	+1%	(219,543)
	- 1%	248,841
Salary Increment Rate	+1%	251,321
	- 1%	(225,431)

	2014 Rs.	2013 Rs.
15. TRADE & OTHER PAYABLES		
Financial Liability		
Trade Payables	2,560,547	621,295
Other Payables	621,057	639,911
Accrued Expenses	4,527,564	3,356,212
	7,709,169	4,617,418
Non Financial Liability		
Other Payables	13,042,550	7,584,333
	20,751,719	12,201,751

16. DIVIDENDS PAID AND PROPOSED

Declared during the year

Dividends on ordinary shares :	150,000,000	100,000,000
	150,000,000	100,000,000

Dividend Per Share	600	400
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17. EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the year.

	2014	2013
Net Profit attributable to Ordinary Shareholders (Rs.)	788,113,017	565,488,058
Weighted Average number of Ordinary Shares	250,000	250,000
Earnings per Share (Rs.)	3,152	2,262

18. FAIR VALUES

The management assessed that cash and cash equivalents, trade & other receivables, investments in repo, Investments in fixed deposits, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The investments in government securities have been valued as at year end based on level 1 information available on market yield.

19. COMMITMENTS AND CONTINGENCIES

Capital Commitments

Approved but not contracted for

The board has approved the purchase of software to up grade the Credit Information Management System and Selection process is underway.

20. RISK MANAGEMENT OBJECTIVES & POLICIES

The Bureau's main financial liabilities include trade and other payables. The main purpose of these financial liabilities is to support to operations of the Bureau. The Bureau has financial assets including trade and other receivables, cash and short-term deposits that arrive directly from its operations and Treasury bills & Treasury bonds as available-for-sale investments. The Bureau has following risk types.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a risk that future proceeds will have to be re-invested at a lower rate. But the interest income is not a main income of the Bureau. Therefore there is less possibility for interest rate risk to effect it's main operations.

Notes to the Financial Statements Contd.

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2014 and 2013 is the carrying amounts of respective financial instruments.

As at 31 December 2014	Risk free	Neither past-due nor impaired			Non-rated	Past-due but not impaired	Total
		AAA to AA-	A+ to A-	BBB+ to BB-			
Available-for-sale financial assets							
Investments in Government Securities	776,005,095		-	-	-	-	776,005,095
Loans and receivables							
Repurchase Agreements	1,473,908,558		-	-	-	-	1,473,908,558
Fixed Deposits	-		205,648,901	-	-	-	205,648,901
Trade Receivables	-		167,006,296		-	-	167,006,296
Other Receivables	-		-	-	4,844,946	-	4,844,946
Cash in Hand and Balance at Bank			21,932,164		-	-	21,932,164
Total	2,249,913,653		394,587,361	-	4,844,946	-	2,649,345,959

As at 31 December 2013	Risk free	Neither past-due nor impaired			Non-rated	Past-due but not impaired	Total
		AAA to AA-	A+ to A-	BBB+ to BB-			
Available-for-sale Financial Assets							
Investments in Government Securities	304,347,228		-	-	-	-	304,347,228
Loans and Receivables							
Repurchase Agreements	1,145,507,874		-	-	-	-	1,145,507,874
Fixed Deposits	-		384,852,046	-	-	-	384,852,046
Trade Receivables			103,063,181				103,063,181
Other Receivables					4,004,995		4,004,995
Cash in Hand and Balance at Bank			19,734,926				19,734,926
Total	1,449,855,102	-	507,650,153	-	4,004,995	-	1,961,510,250

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Maturity profile of investments based on remaining maturity is given below.

As at 31 December 2014	0-6 months Rs.	7-12 months Rs.	1-2 years Rs.	3-5 years Rs.	No stated Maturity	Total Rs.
Cash and Cash Equivalents	21,932,164	-	-	-	-	21,932,164
Investments in Government Securities	793,094,405	-	-	-	-	793,094,405
Repurchase agreements	972,295,345	534,350,000	-	-	-	1,506,645,345
Fixed Deposit	-	215,000,000	-	-	-	215,000,000
Trade Receivables	167,006,296	-	-	-	-	167,006,296
Other Receivables	-	-	-	-	4,844,946	4,844,946
	1,954,328,210	749,350,000	-	-	4,844,946	2,708,523,155
Financial Liabilities						
Trade & Other Payables	7,709,169	-	-	-	-	7,709,169
Cash Equivalents	1,920,445	-	-	-	-	1,920,445
	9,629,614	-	-	-	-	9,629,614
As at 31 December 2013	0-6 months Rs.	7-12 months Rs.	1-2 years Rs.	3-5 years Rs.	No stated Maturity	Total Rs.
Cash and Cash Equivalents	19,734,926	-	-	-	-	19,734,926
Investments in Government Securities	156,768,900	157,046,521	-	-	-	313,815,421
Repurchase Agreements	1,091,626,101	84,000,000	-	-	-	1,175,626,101
Fixed Deposit	-	391,950,000	-	-	-	391,950,000
Trade Receivables	103,063,181	-	-	-	-	103,063,181
Other Receivables	-	-	-	-	4,004,995	4,004,995
	1,371,193,108	632,996,521	-	-	4,004,995	2,008,194,624
Financial Liabilities						
Trade & Other Payables	4,617,418	-	-	-	-	4,617,418
	4,617,418	-	-	-	-	4,617,418

21. RELATED PARTY DISCLOSURE

Details of significant related party disclosures are as follows:

	2014 Rs.	2013 Rs.
21.1 Transactions with Key Management Personnel		
Short-term Employee Benefits	6,433,000	6,369,103
Post-employment Benefits	-	-
Termination Benefit	-	-
Total	6,433,000	6,369,103

Notes to the Financial Statements Contd.

Other Transactions with Key Management Personnel

	2014 Rs.	2013 Rs.
21.2 Loans to Key Management Personnel		
As at 1 January 2014	-	277,778
Loans Advanced during the Year	-	-
Loans Repayments Received	-	(277,778)
As at 31 December	-	-
Interest Received	5,787	31,667

Loans advanced to Key Management Personnel have the followings terms and conditions

- Loans for the purpose of vehicle which is unsecured carry interest rate of 6% is repayable monthly.

22. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements.

Corporate Information

Credit Information Bureau of Sri Lanka

Registered Office

No. 148, Vauxhall Street, Colombo 02, Sri Lanka.

Legal Form

Established under Credit Information Bureau of Sri Lanka Act No. 18 of 1990 as amended by Act No. 08 of 1995 & 42 of 2008.

Contact Details

Hotline: +94 112 13 13 13

Fax: +94 112 338 259

E-mail: info@crib.lk

Website: www.crib.lk

Secured Transactions Register

Help Desk: + 94 112 333 744

Email: supportdesk@str.lk

Web: www.str.lk

Business Hours: 8 am to 4.15 pm

Customer Service: 9 am to 3.30 pm

Board of Directors

Mr. B D W Ananda Silva [Chairman]	<i>Deputy Governor - Central Bank of Sri Lanka</i>
Mrs. Yvette Fernando [Director]	<i>Director Bank Supervision - Central Bank of Sri Lanka</i>
Mr. N. Vasantha Kumar [Director]	<i>General Manager - People's Bank</i>
Mr. D M Gunasekara [Director]	<i>General Manager - Bank of Ceylon</i>
Mr. Indrajith Wickramasinghe [Director]	<i>Chief Operating Officer - NDB Bank PLC</i>
Mr. Rohitha Ganegoda [Director]	<i>Chief Operating Officer - Nations Trust Bank PLC</i>
Mr. J E P A de Silva [Director]	<i>Senior Advisor - Alliance Finance Co. PLC</i>
Ms. W A Nalani [Director]	<i>Chairperson, National Savings Bank</i>
Mr. Sanjeewa Bandaranayake [Director]	<i>Deputy General Manager - People's Leasing & Finance PLC</i>
Mr. Gamini Karunaratne [Director]	<i>General Manager - Credit Information Bureau of Sri Lanka</i>

Alternative Directors

Mr. S M S C Jayasuriya	Bank of Ceylon
Mr. K B Rajapakse	People's Bank
Mr. Dilshan Rodrigo	Hatton National Bank PLC
Mr. Nilanth De Silva	Union Bank of Colombo PLC

External Auditors

Ernst & Young

201, De Saram Place, P O Box 101, Colombo 10, Sri Lanka.

Internal Auditors

KPMG (Chartered Accountants)

32 A, Sir Mohamed Macan Markar Mawatha, P.O. Box 186, Colombo 03, Sri Lanka.

Lawyers

Varners

Level 14, West Tower, World Trade Centre, Colombo 01, Sri Lanka.

Principal Banker

Bank of Ceylon

Management

Mr. Gamini Karunaratne	<i>General Manager</i>
Mr. K A Janaka Lakmal	<i>Deputy General Manager</i>
Mr. D H Ponnampereuma	<i>Assistant General Manager</i>
Ms. D I A Jayasinghe	<i>Chief Manager - Accounts & Administration</i>
Mrs. R M S Ratnayake	<i>Senior Manager - Operations</i>

Board Audit Committee

Mr. Sanjeewa Bandaranayake

Mrs. Yvette Fernando

Mr. Rohitha Ganegoda

Board Technical Committee

Mrs. Yvette Fernando

Mr. Indrajith Wickramasinghe

Mr. Rohitha Ganegoda

Board Remuneration Committee

Mr. N. Vasantha Kumar

Mr. Sanjeewa Bandaranayake



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இலங்கை கொடுகடன் தகவல் பணியகம்
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