

*"Towards Creating A Culture
Of High Credit Quality And
Discipline That Promotes Wider
Financial Inclusion Among
All Segments Of The Economy
And Strengthens The Financial
System Stability Of The
Country"*

Credit Information Bureau of Sri Lanka (CRIB)
Annual Report 2015

*Towards Creating a Culture of High
Credit Quality and Discipline that
Promotes Wider Financial Inclusion
Among all Segments of the Economy
and Strengthens the Financial System
Stability of the Country.*

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CHAIRMAN'S MESSAGE



In 2015 CRIB issued 6.9 Mn credit reports to the member institutions recording an increase of 45% over previous year

In 2015, the CRIB, which commenced operations as a key support service provider to the banking and financial industry in 1990 under Credit Information Bureau of Sri Lanka Act, No. 18 of 1990, passed the milestone of 25 years in operations. In terms of the Credit Information Bureau of Sri Lanka (Amendment) Act, No. 42 of 2008, functions statutorily assigned to the CRIB are immensely supportive of strengthening the fundamentals of safe and sound banking and financial industry. Those functions relate to improving credit and financial culture of the country,

undertaking research and training for lending institutions and maintaining official registry for moveable assets as may be directed by the government. In 1990, the CRIB created its database for irregular loans over Rs. 1 million in the banking sector and issued first credit report in December 1990. In 2015, a total of 6,914,872 credit reports was issued whereas the data base carried 7,562,310 credit data items. Accordingly, services of the CRIB during the past 25 years have expanded with historical records reflecting its contribution to the improvement in credit quality and credit discipline being a core component of the safety and soundness of the banking and financial system and financial inclusion of the economy.

As per summary statistics, the growth momentum of operations of the CRIB in 2015 continued even though at a lesser phase of financial results than in 2014 (see Table below). The lower growth of financial results was mainly attributable to significant reduction of the fee charged on credit reports to members by 37.5 per cent from Rs 200 to Rs 125 in order to reduce the cost of credit to members and borrowers. Such a welcome facilitation was possible due to the strength the CRIB has built through its past performance.

Chairman's Message Contd.

Operational Highlights of the CRIB - 2015					Growth, %	
Performance Indicator	2006	2013	2014	2015	2014	2015
Income (Rs. Mn)	117	563	847	872	50.0	3.0
Net Profit After Taxation (Rs. Mn)	102	565	788	811	39.4	2.9
Distribution of Credit Reports (No. '000)	802	3,117	4,766	6,915	52.9	45.1
Shareholders' Funds (Rs. Mn)	309	1,986	2,673	3,334	34.5	24.7
Investments (Rs. Mn)	214	1,834	2,456	3,117	33.9	26.9
Total Assets (Rs. Mn)	214	2,035	2,709	3,365	33.1	24.2
Cost-Income Ratio (%)	27	26	21	23	-19.2	9.5
Return on Equity (%)	44	28	30	24	7.1	-20
Rate of Dividends (%)	50	400	600	650	50.0	8.3
Gross Dividends (Rs. Mn)	12.5	100	150.0	162.5	50.0	8.3
Earnings Per Share (Rs.)	406	2,261	3,152	3,244	39.4	2.9
Net Assets Per Share (Rs.)	1,237	7,944	10,693	13,338	34.6	24.7
Members (No.)	88	93	91	86	-2.1	-5.5
Staff (No.)	42	26	24	26	-7.6	8.3

Some of the highlights on improvement in use of CRIB services by members and public on were the increase in volume of data submission by member institutions by 14 per cent, the increase in distribution of credit reports to member institutions by 45 per cent, the increase in requests of individuals for their own credit reports (iReports) by 40 per cent, the decline in customer complaints in respect of iReports service by 35 per cent, the arrangement to shift the office of the CRIB to new spacious premises for further expansion and better facilities to all stakeholders with the state-of-the-art open inner office environment at the heart of Colombo's banking and financial center and the completion of user testing of online facility for corporates to access their iReports through Internet. As customary, the technical accuracy of data was maintained at 99 per cent. In addition, following performance highlights are also noted.

- Improved iReport online service for individuals (General public) further with new features and options.
- Commenced developing a simplified credit report system at low cost to be introduced to the micro finance sector by end of 2016 in view of the newly emerging micro finance sector pending from the new regulatory framework and increasing business volumes in the banking and finance company sector.
- Took measures to guide all lending institutions to be compliant with new NIC format introduced by the NIC Department and changed the CRIB system to accept data reported under the new format.
- Conducted public awareness through user trainings for members and SMEs and electronic and print media programmes where, as a part of this, celebrated its 25 years of service to the industry by felicitating its former Chairpersons, Directors and employees who were part of the first CRIB staff.

In 2015, the rate of dividend increased to 650 per cent with a gross dividend of Rs. 162.5 Mn as compared to the dividend of Rs 150 Mn distributed in 2014.

The future direction of the CRIB is to move forward gradually to expand the scale and scope of its operations to provide a series of value-added products and services to the banking and financial sector in line with its statutory functions provided by the CRIB Act.

The CRIB continued to transfer its financial gains to members by increasing capital reserves and distributing a substantial amount of profit as dividends. In 2015, the rate of dividend increased to 650 per cent with a gross dividend of Rs. 162.5 Mn as compared to the dividend of Rs 150 Mn distributed in 2014. The continued increase in earnings per share to Rs. 3,244 and net assets per share to Rs. 13,338 shows the strength of the shareholder value created by the CRIB in 2015. The ownership structure of the CRIB continued to remain as 19.3% by the Central Bank, 57.99% by commercial banks, 16.62% specialised

banks and 5.57% by finance companies and leasing companies.

The future direction of the CRIB is to move forward gradually to expand the scale and scope of its operations to provide a series of value-added products and services to the banking and financial sector in line with its statutory functions provided by the CRIB Act. The procurement of a new IT system to improve technological and operational efficiency of the CRIB reached the final stage of evaluation and is expected to complete by end of 2016. This system will replace the existing system which was commissioned in 2008. The new system will facilitate bringing insurance and other non-financial credit segments such as statutory payments, telecommunication and utilities to increase the coverage of credit profiles of persons as well as to offer sophisticated credit service options such as credit rating and scoring and credit research. This will help improve credit risk analysis on corporates and individuals and further promote credit market and discipline in credit risk management by all stakeholders. In this perspective, the Board is in the process of a major overhaul of the business and operational model of the CRIB and re-profiling its cost structure.

On behalf of the Board of the CRIB, I take this opportunity to extend my sincere thanks to staff, members, clients and service providers of the CRIB for their

continued support to the CRIB to enable it to stay relevant to its evolving market environment while record another year of active performance. Finally, I deeply appreciate the responsibilities discharged by the Board in leading and monitoring the operations of the CRIB in terms of the provisions of the Act and best practices. Further, I look forward to continued support of all of them to drive the CRIB towards creating a culture of high credit quality and discipline that promotes wider financial inclusion among all segments of the economy and strengthens the financial system stability of the country.

P. Samarasiri

Chairman

(Deputy Governor, Central Bank of Sri Lanka)

KEY PERFORMANCE INDICATORS

6.9MN

Number of credit reports issued

50.3%

Borrowers in database as a % of adult population

45%

Y-O-Y increase in demand for credit reports

7.9MN

Number of borrowers with active credit records

23.1MN

Number of records (credit facilities) in the system (including settlements)

13.8%

Y-o-Y growth in total credit portfolio submitted

99.3%

Data quality efficiency (as a % of total credit portfolio)

1.38%

Customer disputes against iReports issued

3.3BN

Total Assets

3%

Y - o - Y growth in revenue

3%

Y - o - Y growth in profitability

3,242

EPS

FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER	2010	2011	2012	2013	2014	2015
OPERATING RESULTS - (Rs.' 000)						
Income	307,898	444,296	430,163	563,690	847,877	872,923
Expenses	(111,870)	(140,283)	(139,934)	(148,055)	(179,739)	(199,634)
Operating Profit / (Loss)	196,028	304,013	290,229	415,635	668,138	673,289
Other Income	84,261	69,171	121,273	204,736	166,566	191,077
Net Profit Before Extra Ordinary Items	280,289	373,184	411,502	620,371	834,704	864,366
Extra Ordinary Items	-	-	-	-	-	-
Net Profit After Extra Ordinary Items	280,289	373,184	411,502	620,371	834,704	864,366
Taxation	(25,762)	(21,728)	(36,348)	(54,883)	(46,590)	(53,473)
Net Profit After Extra Ordinary Items & Taxation	254,527	351,456	375,154	565,488	788,114	810,893
SHAREHOLDERS FUNDS - (Rs.' 000)						
Share Capital	25,000	25,000	25,000	25,000	25,000	25,000
Reserve	427,418	567,518	817,435	817,901	1,117,357	1,118,593
Accumulated Fund	374,986	551,769	627,157	1,143,595	1,524,488	2,191,009
LIABILITIES - (Rs. ' 000)						
Creditors & Other Payables	56,185	35,287	36,642	45,997	32,680	25,774
Deferred Liabilities	1,328	2,187	2,435	3,275	9,819	4,351
ASSETS - (Rs. ' 000)						
Non Current Assets	53,508	75,646	59,287	60,985	48,889	29,816
Investments	705,956	979,871	1,360,380	1,755,999	2,455,562	3,117,183
Inventories	278	387	389	369	342	282
Trade & Other Receivables	118,396	103,784	79,968	119,423	182,618	188,901
Cash & Bank Balances	6,780	22,072	8,644	19,734	21,932	28,544
RATIOS						
Return on Average Shareholders' Funds (%)	31%	31%	26%	28%	30%	24%
Income Growth (%)	89%	44%	-3%	31%	50%	3%
Return on Average Assets (%)	22%	26%	25%	29%	29%	24%
Rate of Dividends (%)	150%	200%	200%	400%	600%	650%
Gross Dividends (Rs. ' 000)	37,500	50,000	50,000	75,000	150,000	162,500
SHARE INFORMATION						
Earning Per Share (Rs.)	1,018	1,406	1,501	2,262	3,152	3,244
Net Assets Per Share (Rs.)	3,310	4,577	5,878	7,629	10,667	13,338

HISTORICAL MILESTONES

1990

Act No. 18 of 1990 set the foundation for the first Credit Bureau in South Asia.

The database for irregular loans over Rs. 1Mn was created and the first credit report was issued in December 1990.

1991

24 registered finance companies joined the Bureau as shareholders.

1992

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

1995

1st amendment to 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 to 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 the CRIB

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 legal framework.

2014

Initiation of 2nd phase of development programme.

2015

25th anniversary of CRIB

ABOUT THIS REPORT

we have attempted to improve the contents of our report by reviewing our previous report against the expectations of our key stakeholder groups and by refining the material topics selected for discussion.





INTRODUCTION

Reporting period	1st January 2015 to 31st December 2015
Previous report	29th April 2015, CRIB Annual Report 2014
Reporting cycle	Annually
Contact point for questions.	General Manager, Credit Information Bureau of Sri Lanka The Whiteaways Building, No 25, Sir Baron Jayathilake Mawatha, Colombo 01 Tel:+94 112 131313 Fax:+94112338259 Email : lakmal@crib.lk
This report	<p>The annual financial statements of the CRIB are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), issued by the Institute of Chartered Accountants of Sri Lanka.</p> <p>The financial statement also conform to the CRIB Act No.18 of 1990 as amended by Act No.8 of 1995 and Act No.42 of 2008</p>
External Assurance	The Financial Statements together, with the related notes, have been audited by External Auditors, E&Y Chartered Accountants, Sri Lanka and their Report is given on page 89 of this report. The CRIB financials have also faced bi-annual audits by the Internal Auditors, KPMG Sri Lanka.
a. Policy on external assurance. b. Relationship with assurance providers.	The CRIB policy on external assurance conforms to relevant national regulations regarding internal and external audits of the CRIB Financial Statements. Both internal and external auditors are appointed by the CRIB Board.

DEFINING MATERIALITY

DEFINING REPORT CONTENT

The process of defining report content and aspect boundaries is listed below.

 <p>Identify relevant aspects.</p>	<p>1. The CRIB management identified material aspects.</p>
 <p>Set aspect boundaries</p>	<p>2. External entities were grouped into stakeholder groups and aspect boundaries were decided by the CRIB management. For the purpose of setting aspect boundaries, all external entities were classified and grouped as:</p> <ul style="list-style-type: none"> • Regulators (Including Central Bank and government) • CRIB Members • Auditors • Public (Current and potential customers) • Business entities (Current and potential customers) • Suppliers of services (Technical services, janitorial services, advertisers, event managers) • Industry bodies <p>All of the above external entities have been mentioned in the consolidated financial statements of this report.</p>
 <p>Prioritise the selected aspects</p>	<p>3. The list of relevant aspects were reviewed for level of impact (high, mid, low) on external stakeholders and CRIB employees (Please see table in pages 13 to 14). All aspects that have high impacts were identified and mapped onto an 'Impact Grid' (Page 15).</p>
 <p>Validate</p>	<p>4. To validate the above selected aspects, the CRIB management reviewed the previous CRIB Annual Report taking into account stakeholder feedback regarding the previous Annual Report.</p>

ASPECTS, ASPECT BOUNDARIES AND ASPECT PRIORITISATION

Relevant Aspect	Aspect Boundary								Impact (High, Mid, Low)	
	Internal	External Entities / Stakeholders								
	CRIB Employees	Regulators	Members	Auditors	Public	Businesses	Suppliers	Industry bodies	To CRIB	To External Stakeholders
ECONOMIC										
ECONOMIC PERFORMANCE	X	X	X	X			X		H	H
INDIRECT ECONOMIC IMPACTS	X	X	X		X	X			M	M
ENVIRONMENT										
ENERGY	X								L	L
WATER	X								L	L
LABOR PRACTICES AND DECENT WORK										
EMPLOYMENT	X		X		X		X		H	M
OCCUPATIONAL HEALTH AND SAFETY	X	X						X	H	L
TRAINING AND EDUCATION	X		X		X	X	X		H	H
DIVERSITY & EQUAL OPPORTUNITY	X				X				M	L
EQUAL REMUNERATION FOR WOMEN & MEN	X								H	L
LABOR PRACTICES GRIEVANCE MECHANISMS	X		X	X	X				H	M

Defining Materiality Contd.

Relevant Aspect	Aspect Boundary								Impact (High, Mid, Low)	
	Internal	External Entities / Stakeholders								
	CRIB Employees	Regulators	Members	Auditors	Public	Businesses	Suppliers	Industry bodies	To CRIB	To External Stakeholders
SOCIETY										
LOCAL COMMUNITIES	X								L	L
ANTI-CORRUPTION	X	X	X		X	X	X		H	H
PUBLIC POLICY	X	X	X						H	H
COMPLIANCE	X	X	X	X	X	X	X		H	H
PRODUCT RESPONSIBILITY										
CUSTOMER PRIVACY	X	X	X		X	X			H	H
COMPLIANCE	X	X	X	X	X	X	X		H	H

CHANGES IN SCOPE AND ASPECT BOUNDARY

The scope of the current report remains the same as the previous report (CRIB Annual Report 2014) and includes all three categories of economic, environmental and social.

However, aspects reported on in the 2014 Annual Report were reviewed as part of the validation process. Following this review, some aspects reported as high priority (water, electricity) were reduced in priority. Some aspects that were not included in the 2014 Annual Report were deemed high

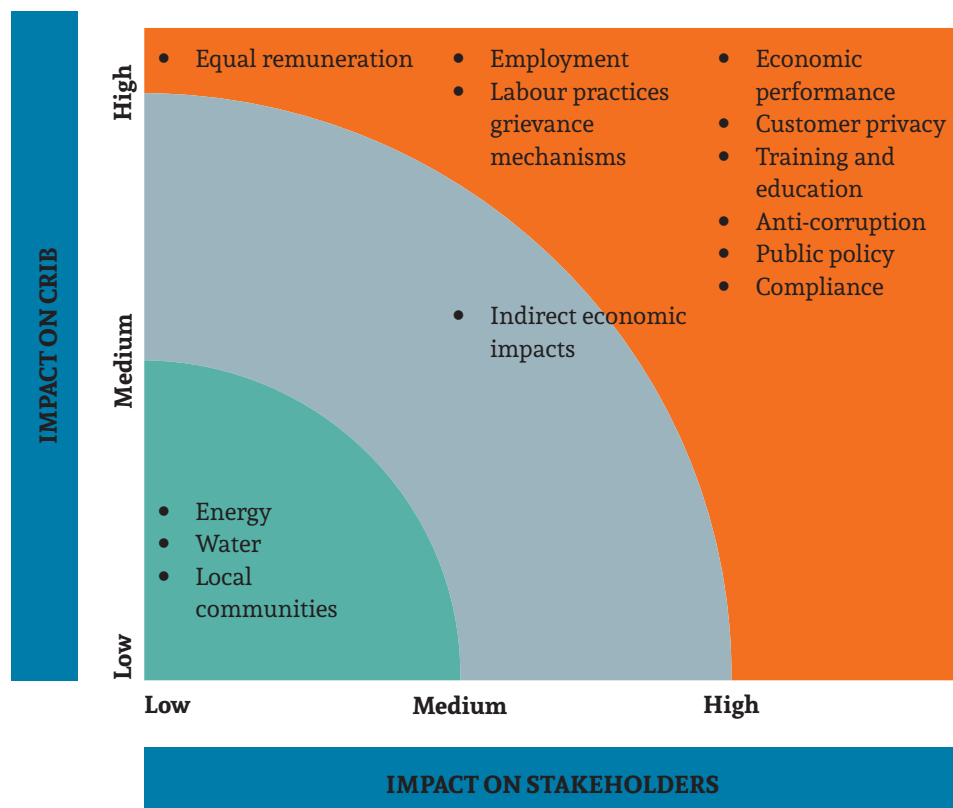
priority and have been included in the current report. These new aspects are - anti corruption, public policy, compliance with regulations and regulatory compliance in delivering products and services.

IMPACT GRID FOR SELECTING TOPICS FOR DISCUSSION

The aspects that have high impacts on both the CRB and external stakeholders were mapped onto an 'Impact Grid'. In addition, through the validation process, a number of other aspects were selected and mapped onto the Impact Grid.

RESTATEMENT OF INFORMATION

No information from the CRIB 2014 Annual Report has been restated.



ABOUT THE CRIB

This is where we update you regarding any
changes to the CRIB's key corporate information

WHO WE ARE

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.

OUR VITAL STATISTICS

NAME OF ORGANISATION

The Credit Information Bureau of Sri Lanka (CRIB)

LOCATION OF HEADQUARTERS

Current address:

The Whiteaways Building,
No 25, Sir Baron Jayathilake Mawatha,
Colombo 01

CRIB PRODUCTS & SERVICES

Type of Products	Name of the Product
Credit Information Report	Comprehensive Consumer Report
	Comprehensive Corporate Report
Self Inquiry Report	iReport Consumer
	iReport Corporate
	iReport Online
Bulk Data Processing	Bulk Request
Secured Transactions Registry	Search Report/ Finance Statements
Services	Name of the Service
CRIB Services	<ul style="list-style-type: none"> • Training programmes for shareholder institutions • Public awareness programmes on CRIB services • Coordinate with member institutions for data corrections and dispute resolutions on credit reports

COUNTRIES OF OPERATION:

CRIB operations are limited to Sri Lanka.

LEGAL FORM

The CRIB was established by statute; The Credit Information Bureau of Sri Lanka Act No. 18 of 1990. Subsequent amendments to the CRIB Act were made through Act no 08 of 1995 and Act no 42 of 2008.

OWNERSHIP OF THE CRIB

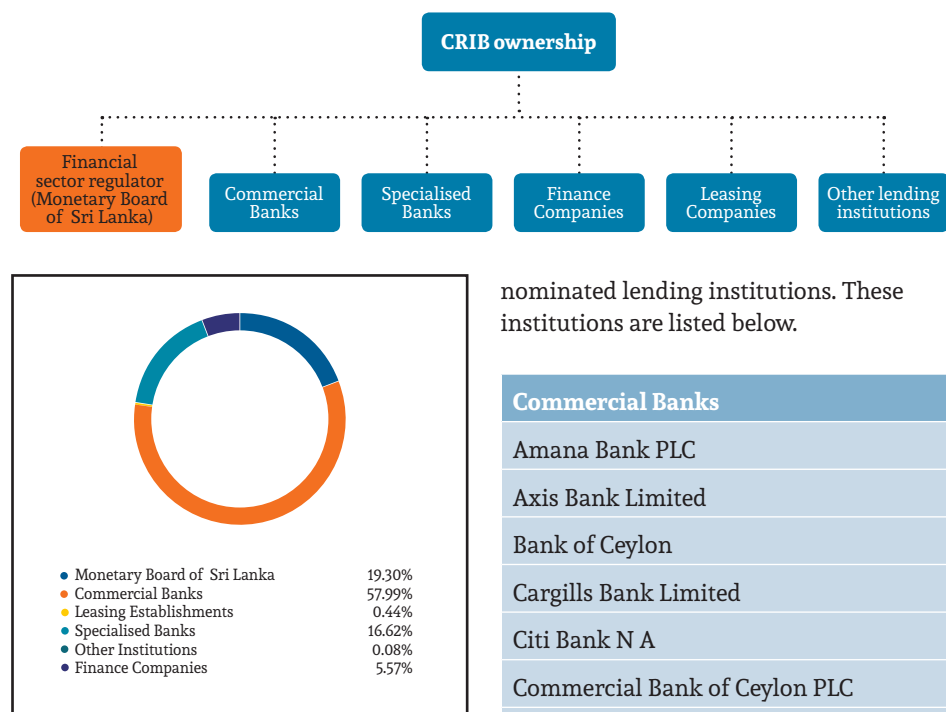
CRIB share ownership as at December 31st, 2015 :

- The Monetary Board of Central Bank of Sri Lanka : 19%
- Bank of Ceylon : 18.64 %
- People's Bank : 18.96 %
- National Savings Bank : 12.18 %
- National Development Bank PLC: 6.2%
- Other Lending Institutions: 25%

The CRIB has a unique public-private ownership structure. The CRIB is owned by

Our Vital Statistics Contd.

'member institutions' who own shares of CRIB. These member institutions comprise the Monetary Board of Sri Lanka, and all lending institutions (public and private), registered with the Central Bank of Sri Lanka.



CRIB Ownership

OWNERSHIP OF CRIB BY TYPE OF FINANCIAL INSTITUTION (AS AT DECEMBER 31, 2015)

Within the domestic lending sector, CRIB shares are distributed among different financial institutions including specialised banks, commercial banks, finance companies, leasing companies and other

nominated lending institutions. These institutions are listed below.

Commercial Banks

Amana Bank PLC
 Axis Bank Limited
 Bank of Ceylon
 Cargills Bank Limited
 Citi Bank N A
 Commercial Bank of Ceylon PLC
 Deutsche Bank AG
 DFCC Bank PLC
 Habib Bank Limited
 Hatton National Bank PLC
 HSBC Limited
 ICICI Bank Limited
 Indian Bank
 Indian Overseas Bank

MCB Bank Limited
 National Development Bank PLC
 Nations Trust Bank PLC
 Pan Asia Banking Corporation PLC
 People's Bank
 Public Bank Berhad
 Sampath Bank PLC
 Seylan Bank PLC
 Standard Chartered Bank
 State Bank of India
 Union Bank of Colombo PLC

Specialised Banks

HDFC Bank
 Lankaputra Development Bank Limited
 National Savings Bank
 Regional Development Bank
 Sanasa Development Bank PLC
 Sri Lanka Savings Bank
 State Mortgage & Investment Bank Limited

Finance Companies

Abans Finance PLC
 Alliance Finance Company PLC
 AMW Capital Leasing & Finance PLC
 Arpico Company Finance PLC

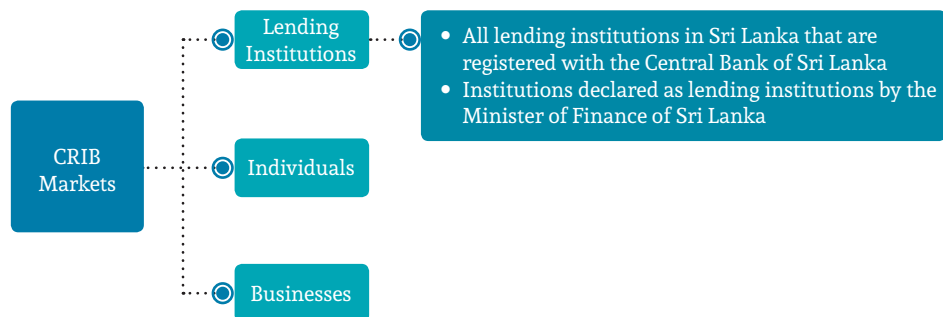
Our vital statistics Contd.

Asia Asset Finance PLC
Associate Motor Finance Company PLC
Bimputh Finance PLC
BRAC Lanka Finance PLC
Central Finance Company PLC
Chilaw Finance PLC
Citizens Development Business Finance PLC
City Finance Corporation Limited
Colombo Trust Finance PLC
Commercial Credit & Finance PLC
Commercial Leasing & Finance PLC
ETI Finance Limited
HNB Grameen Finance Limited
Ideal Finance Limited
Kanrich Finance Limited
L B Finance PLC
LOLC Finance PLC
Melsta Regal Finance Limited
Mercantile Investments & Finance PLC
Merchant Bank of Sri Lanka & Finance PLC
Multi Finance PLC
Nation Lanka Finance PLC
Orient Finance PLC
People's Leasing & Finance PLC

People's Merchant Finance PLC
Richard Peiris Finance Limited
Sarvodaya Development Finance Limited
Senkadagala Finance PLC
Serandib Finance Limited
Singer Finance (Lanka) PLC
Sinhaputra Finance PLC
Siyapatha Finance PLC
Softlogic Finance PLC
Summit Finance PLC
Swarnamahahal Financial Services PLC
The Finance Company PLC
The Standard Credit Lanka Limited
TKS Finance Limited
Trade Finance & Investments PLC
U B Finance Company Limited
Vallibel Finance PLC
Leasing Companies
Assetline Leasing Company Limited
Co-operative Leasing Company Limited
Isuru Leasing Company Limited
LOLC Micro Credit Limited
SMB Leasing PLC
Unisons Capital Leasing Ltd.

Other lending institutions
Mercantile Merchant Bank Limited
National Development Trust Fund (Guarantee) Limited
Sri Lanka Export Credit Insurance Corporation

MARKETS SERVED



SCALE OF THE ORGANISATION

Total number of employees	26	
Total number of operations	There is only one operational unit in the country	
Total capitalisation (Rs)	25 Mn	
Revenue by Income Type	2015 Rs. Mn	2014 Rs. Mn
Credit Information Report	935.41	903.40
Self Inquiry Report	2.15	2.17
Bulk Request	1.40	-
Data Corrections	0.66	0.46
Total	939.62	906.03

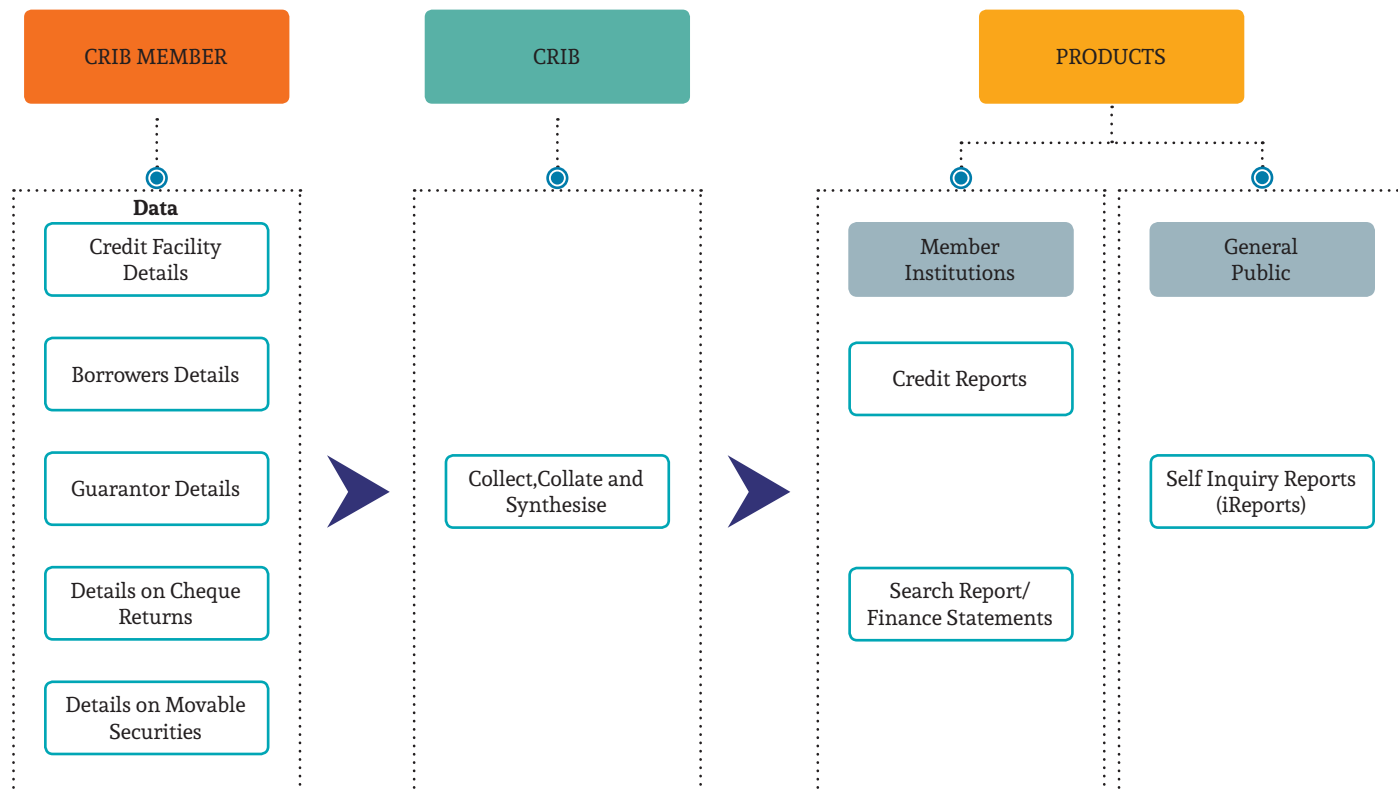
EMPLOYEE PROFILE

Total contract employees	2
Male	1
Female	1
Total permanent employees	24
Male	16
Female	8
Permanent employees by employment type and gender	
Managerial	6
Male	4
Female	2
Executive	6
Male	5
Female	1
Non Executive	12
Male	7
Female	5

A substantial portion of the organisation's work is performed by CRIB employees and not by outsourced or self employed persons. There are no variations in employee numbers due to seasonal or other factors. CRIB employees are not covered by collective bargaining agreements.

Our vital statistics Contd.

THE CRIB SUPPLY CHAIN



INPUTS TO THE CRIB SUPPLY CHAIN

1. Member institutions provide financial data on credit provided by them to individuals, businesses and other organisations.
2. Member institutions provide data on moveable securities registered in the Secured Transactions Register.

Primary inputs to the CRIB supply chain are credit and credit related data provided by lending institutions. Input data includes data relating to the following credit facility types.

- Credit cards
- Loans
- Leasing
- Hire purchases
- Letters of credit
- Over drafts
- Advances against import bill
- Retirements
- Bank guarantees
- Bills discounting
- Hypothecation
- Consumer durables
- Factoring
- Details of dishonoured cheques (cheque returns) due to insufficient funds.

CRIB INTERNAL PROCESS

The CRIB's Credit Information Management System (CRIMS) is designed to collect, collate and synthesise the input data, to generate credit information reports. These reports are provided on request of individuals or institutions specified in the CRIB Act.

CRIB OUTPUTS

- Credit information to 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.

- Invoices

Other CRIB services are:

- Conduct training programmes for member institutions.
- Conduct public awareness programmes regarding CRIB services.
- Coordinate with the member institutions to accommodate data corrections and the customer dispute resolution.

PRECAUTIONARY APPROACH

The CRIB has little or no impacts on the environment through its normal business operations due to its small size and service based nature of business. However, the CRIB considers environmental responsibility as a national obligation and has disclosed relevant environmental impacts under the chapter titled Environmental Responsibility.

SUBSCRIPTION TO EXTERNAL CHARTERS

The CRIB engages with external multilateral agencies and other governing bodies relating to the credit reporting industry.

- **International Finance Corporation (IFC):** The CRIB maintains regular communications with the International Finance Corporation (IFC) for the development of the CRIB and the domestic lending industry.
- **Asia- Pacific Consumer Credit Information Services (APCCIS):** The CRIB has been involved with APCCIS for the last 09 years and received full membership in 2015.

APCCIS is a non-profit, advocacy group, which promotes greater collaboration between credit reporting agencies in the Asia Pacific region and is the interactive and knowledge sharing platform for credit bureaus. The mission of APCCIS is to educate and update the public about the use of consumer credit information for lending decisions. APCCIS is owned and managed by the Business Information Industry Association (BIIA). BIIA is a global trade organisation that deals with the information content industry.

- **The World Bank Ease of Doing Business Index:** The CRIB is a key contributor to the Doing Business (DB) survey conducted by the World Bank annually. The CRIB provides regular updates for the Getting Credit Index, which has a major impact on overall country ranking of the Ease of Doing Business index.
- **World Consumer Credit Reporting Conference (WCCRC):** This is the largest gathering of the credit reporting industry in the world. WCCRC promotes knowledge sharing and mutual collaboration among professionals in the industry. The conferences help participating CRIB staff members to enhance their knowledge of the industry and to establish international networks with key stakeholders and professionals in the industry.

MEMBERSHIP IN ASSOCIATIONS

Employers Federation of Ceylon (EFC)

ETHICS AND GOVERNANCE

As Sri Lanka's only credit information provider, good governance is vital for credibility and is a key stakeholder expectation. Therefore, this year, we have expanded our governance disclosures.

BOARD OF DIRECTORS



MR P. SAMARASIRI

Chairman of the Credit Information Bureau of Sri Lanka

Deputy Governor of the Central Bank of Sri Lanka

Mr Samarasiri was appointed Chairman of the CRIB from January 1, 2016. He is currently a Deputy Governor of the Central Bank of Sri Lanka. Prior to the appointment as Deputy Governor, he served in many senior positions, such as Assistant Governor, Secretary to the Monetary Board, Compliance Officer and Director of Bank Supervision in the Central Bank. He also holds the post of Chairman of the Institute of Bankers of Sri Lanka and is a member of the Insurance Board of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

Mr. Samarasiri holds a BA Degree (Hons.) in Economics from University of Colombo and an MA in Economics from the University of Kansas, USA, and counts 33 years of experience in the Central Bank in areas of statistics, economic policies, regulation and supervision of banks and non-bank financial institutions, financial system stability, corporate governance, currency management, foreign exchange policies, financial intelligence and regional development.

Mr. Samarasiri has authored three books “මුදල් ගනුදෙනු, බැංකු සහ ආර්ථිකය”, “මූලික ආර්ථික විද්‍යා මූලධර්ම විග්‍රහය” සහ “ආර්ථික විද්‍යා මූලධර්ම සහ ප්‍රතිපත්ති” published by the Central Bank. He has also published several articles on economic and financial topics in various publications and news papers.



MR.A. A. M. THASSIM

Director, Credit Information Bureau of Sri Lanka

Director Bank Supervision Department of Central Bank of Sri Lanka

Mr. Thassim has been in the service of the Central Bank of Sri Lanka (CBSL) for over 23 years and is currently the Director of the Bank Supervision Department, which is responsible for the regulation and supervision of the banking sector in the country. Prior to this appointment he served a short period as Director of Communications and also served as the Director of International Operations and was responsible for the management of foreign reserves of the country and managing the exchange rate. Mr. Thassim has also gained experience and

knowledge in the field of payment systems and was a Director of Lanka Clear (Pvt) Ltd., which is presently the national clearing house and was involved in the implementation of the Cheque Imaging and Truncation System.

Mr. Thassim is an Associate member of the Chartered Institute of Management Accountants UK and possesses a Masters in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He has also gained a Diploma in Computer Systems Design from NIBM and has completed an executive programme on Leaders in Development from the John F. Kennedy School of Government, Harvard University, USA and Gold Reserves Management from Hass School of Business, University of California, Berkeley, USA.

Board of Directors Contd.



MR. D. M. GUNASEKERA

Director, Credit Information Bureau of Sri Lanka

General Manager of Bank of Ceylon

Mr. Gunasekera also serves as a Non-Executive Nominee Director on the Boards of BOC Travels (Private) Ltd, BOC Property Development & Management (Private) Limited, BOC Management & Support Services (Private) Limited, Bank of Ceylon (UK) Limited, Ceybank Holiday Homes (Private) Limited, Ceybank Asset Management Limited, Hotels Colombo (1963) Limited, Mireka Homes (Pvt) Ltd., Mireka Capital Land (Pvt) Ltd, the Institute of Bankers of Sri Lanka, the Lanka Financial Services (Bureau) Limited, Lanka Clear (Private) Limited, the Sri Lanka Banks' Association (Guarantee) Ltd., and the Financial Ombudsman Sri Lanka (Guarantee) Ltd. He

is also a Committee Member of the Asia-Pacific Rural Agricultural Credit Association (APRACA) and an Associate Member of the Institute of Bankers of Sri Lanka.

Mr. Gunasekera is a career banker with over 32 years of diversified banking experience covering corporate and offshore banking, sales and channel management, international banking operations and extensive experience in credit management and administration. Prior to his appointment as Chief Executive of the Bank of Ceylon, he held a number of key corporate management positions in these areas. He was appointed to the Board of the Credit Information Bureau in January 2013.

Mr Gunasekara graduated from the University of Colombo, Sri Lanka, with a Special Degree in Public Finance and Taxation in 1981. Additional academic qualifications include a Corporate Management programme for Sri Lanka (LKCM2 AOTS) in Japan and an Advanced Management Programme conducted by Wharton University of Pennsylvania, USA.



MR. N. VASANTHA KUMAR

Director, Credit Information Bureau of Sri Lanka

Chief Executive Officer/General Manager of People's Bank

Mr Kumar also serves on the Boards of People's Leasing & Finance Plc, People's Leasing Property Development Ltd, People's Leasing Havelock Properties Limited, People's Travels (Pvt) Ltd, the National Payment Council, the Lanka Financial Services Bureau, the Financial Ombudsman Sri Lanka (Guarantee) Ltd., the Sri Lanka Banks' Association (Guarantee) Limited, and 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 of the Sri Lanka Forex Association.

Mr Kumar has a Master's Degree in Business Administration. Mr Kumar is a highly experienced banker with 32 years in Treasury Management. He joined People's Bank in March 2001, and has served in the capacity of CEO/General Manager of People's Bank since 2011. Prior to this he served as Treasurer at ANZ Grindlays Bank.



MR. DILSHAN RODRIGO

Director, Credit Information Bureau of Sri Lanka

Chief Operating Officer of Hatton National Bank PLC

Mr Rodrigo holds additional director positions at Acuity Securities Ltd, Acuity Partners (Pvt) Ltd, HNB Assurance PLC, Guardian Acuity Asset Management Ltd, Sithma Development (Pvt) Ltd and HNB General Insurance Ltd.

He was elected Chairman for two years by the Asian Banker's Policy Advocacy Committee, a forum for advancing the cause of banking and finance in the region and promoting regional co-operation, and is a former President of the ACCA Sri Lanka Division.

He has presented technical papers in various forums locally and overseas on strategy, business transformation and risk management and served as a lecturer and examiner for strategic management for the University of Wales affiliated MBA programme in Sri Lanka and as a guest lecturer at the Postgraduate Institute of Management. He was also a Director of the Certification Programme, at the Sri Lanka Institute of Directors.

Mr Rodrigo is a senior banker with extensive experience in retail banking, finance, institutional banking and risk management in leading local and foreign commercial banks operating in Sri Lanka.

Mr Rodrigo has an MBA from the Cranfield University of UK and is an FCMA, UK, and FCCA, UK.



MR. K. S. BANDARANAYAKE

Director, Credit Information Bureau of Sri Lanka

Deputy General Manager, Finance & Administration, People's Leasing & Finance PLC

Mr. Bandaranayake is an Associate of the Institute of Chartered Accountants of Sri Lanka since 1993, a member of the Institute of Certified Management Accountants (CMA) of Australia, and a Fellow of the Society of Certified Management Accountants (CMA) of Sri Lanka.

He is a finalist of the Chartered Institute of Management Accountants (CIMA), UK and possesses five years' experience at Ernst & Young Chartered Accountants. He has over 22 years of post-qualifying experience at a very senior level in the finance sector. He joined People's Leasing &

Finance PLC in July 2007. He is a former Vice President of the Asian Financial Services Association (AFSA) and a former Chairman of the Leasing Association of Sri Lanka. He also served as a Committee Member of the Ceylon Chamber of Commerce and as a Council Member of the Sri Lanka Institute of Credit Management.

Board of Directors Contd.



MR. NALIN WIJEKOON

Director, Credit Information Bureau of Sri Lanka

Director/CEO of Softlogic Finance PLC

Mr. Wijekoon was appointed as CEO of Softlogic Finance PLC in February 2013. Prior to this he was the Deputy CEO of the Company. He was appointed a Director of the Credit Information Bureau in 2015.

He was the Chairman of the Finance Houses Association of Sri Lanka (FHA) for years 2013/14 and 2014/15. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants, UK, and a Finalist of the

Institute of Bankers (Sri Lanka).

Mr. Wijekoon counts more than 36 years of experience in the Financial Sector. He commenced his career at Peoples Bank and served as Finance Officer from 1978 to 1990 before joining KMPG Ford Rhodes Thornton & Co., as Branch Manager in Kandy, in 1990. He served as a Project Officer at DFCC Bank in 1992 and joined Vanik Incorporation Ltd as Assistant Vice President, Finance in 1994 and served in that capacity until 2003.

Mr. Wijekoon has undergone numerous training programmes in Sri Lanka and overseas, including training at Harvard University, Boston, USA.



MR. A. R. FERNANDO

Director, Credit Information Bureau of Sri Lanka

Chief Executive Officer of DFCC Bank PLC

Mr Fernando also holds the post of Chairman at DFCC Bank subsidiaries - DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited - and the joint venture company of DFCC Bank, Acuity Partners (Pvt) Limited. In addition, he is a director of Lanka Ventures Limited. He is also a member of the Board of Directors of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He is former Director of DFCC Vardhana Bank PLC.

Mr Fernando is a career banker and has 30 years experience in banking and financial services. He was appointed to the Board of DFCC Bank in October 2013. Prior to joining DFCC Bank in August 2012, he was the Asia Pacific, Regional Head of Change and Delivery (commercial banking, trade and supply chain) of HSBC, Hong Kong.

Mr Fernando has a B.Sc. Engineering Degree from the University of Southern Illinois, USA and an M.Sc. in Management from Clemson University, South Carolina, USA. He is also an Associate of the Institute of Financial Studies (Chartered Institute of Bankers), UK.



P. L. D. N. SENEVIRATNE

Director, Credit Information Bureau of Sri Lanka

Director / Chief Executive Officer of Pan Asia Banking Corporation PLC

Mr. Dimantha Seneviratne is the Director/Chief Executive Officer of Pan Asia Banking Corporation PLC. He counts more than 25 years of banking of which, 15 years with the HSBC Group including several senior overseas postings covering Thailand, Bangladesh and Saudi Arabia. He has extensive exposure in Corporate Banking, Retail Banking and Wealth Management, Credit Risk Management, Operations and Market Risk, Internal Control, Investment Banking and Finance. His last three postings with HSBC Group were as Chief Risk Officer, Sri Lanka / Maldives, Bangladesh and Thailand, where he was responsible for credit

growth, strategy and governance in those geographies as a member of the country leadership team.

Mr. Seneviratne holds a MBA from the Postgraduate Institute of Management, University of Sri Jayawardenapura, and BSc, from the same University. He is a Fellow of the Institute of Bankers, Sri Lanka and a Post Graduate Diploma Holder in Computer System Design from the NIBM. Mr. Seneviratne is a Past President of The Association of Professional Bankers (APB) Sri Lanka. He is also a Director at Lanka Clear Pvt Ltd.



K A JANAKA LAKMAL

Acting General Manager

Credit Information Bureau of Sri Lanka

Mr. Janaka Lakmal joined the management team of CRIB in 2006 as Assistant General Manager. He was appointed as Deputy General Manager in 2009 and currently holds the post of Acting General Manager since May 2016.

He as project lead to the CRIB Modernisation Project spearheaded the business reengineering and technology transformation process under 5 year Development Initiative of the Bureau during 2006 -2010. He counts more than 20 years of experience in the financial and IT services industries.

In addition to his core profile he headed the Secured Transactions (ST) development project (2010 – 2011) where the bureau has developed and implemented first ever online ST register established by any operating credit bureau in the world. He represented CRIB in several international conferences in consumer credit reporting and had been invited to show case the country's achievements in credit reporting and financial inclusion and on development of secured transactions systems in several locally organised forums & the World Bank Financial Infrastructure Conferences in Brazil, Turkey and Malaysia. He is by profession an Engineer specialised in IT systems integration and was employed at John Keells and Bartleet groups prior to joining CRIB.

Mr Lakmal holds the Masters Degree (Honors) in Computer Science from Georgian Technical University, Tbilisi, Georgia and Masters Degree in Business Administration from University of Colombo, Sri Lanka.

BOARD OF DIRECTORS (RETIRED)



MR. B D W ANANDA SILVA

(Retired w.e.f. from Jan. 2016)

Chairman of the Credit Information Bureau of Sri Lanka

Deputy Governor of the Central Bank of Sri Lanka

Mr. Silva serves as the Chairman of the Institute of Bankers of Sri Lanka and is a Director of the Securities and Exchange Commission, the Insurance Board of Sri Lanka, the “Api Venuven Api” Fund and is a Member of the Cabinet Appointed Procurement Committee of the Ceylon Petroleum Corporation and the Quality Assurance Board of the Institute of Chartered Accountants of Sri Lanka. He is also a Director of West Coast Power (Pvt.) Ltd.

Mr. Silva has been with the Central Bank for 31 years and has worked in the Central Bank’s Development Finance Department, Economic Research Department and Bank Supervision Department and 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 and an M.A from University of Iowa, U.S.A. and an M.Sc. Degree from the 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.



MR. GAMINI KARUNARATNE

(Retired w.e.f. from May 2016)

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.



MRS. YVETTE FERNANDO

(Retired w.e.f. from Nov. 2015)

Director Bank Supervision Department Central Bank of Sri Lanka

Mrs. Yvette Fernando possesses over 25 years of experience in operational and policy matters relating to implementing regulatory and supervisory framework for banks. She joined the Central Bank of Sri Lanka in 1990 and worked in the departments of Banking Development and Bank Supervision. She was appointed as the Director of Bank Supervision in August 2009 and was responsible for overall regulation and supervision of licensed banks in Sri Lanka and administering the Deposit Insurance Scheme operated by the Central Bank.

Mrs Fernando was appointed as the Controller of Exchange since September 2015 to head the Exchange Control Department, which is assigned with the task of discharging the statutory responsibilities under the Exchange Control Act.

Mrs Fernando has participated in several local and international training programmes, seminars and other forums to enhance and update the knowledge on different aspects of bank supervision and regulation, and general banking operations. She has been a resource person in several training programmes and panel discussions on work related subjects, both local and overseas.

Mrs. Fernando holds a B Com (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka.



MR. PRATAPKUMAR DE SILVA

(Retired w.e.f. from May, 2015)

Senior Advisor Alliance Finance PLC

Mr. De Silva is a Fellow of the Institute of Credit Management, Sri Lanka and a Fellow of the Institute of Credit Management, England. He 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 for Alliance Finance Co. PLC. He is a director of several other Companies and is an Advisory Councillor of the Committee of the Finance Houses Association of Sri Lanka.

Board of Directors (Retired) Contd.



INDRAJIT WICKRAMASINGHE

(Retired w.e.f. from Aug. 2015)

Executive Director/ Chief Executive Officer of Union Bank

Mr. Indrajit Wickramasinghe is the Director/Chief Executive Officer of Union Bank of Colombo PLC. He counts for over 26 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, a Fellow of the Chartered Institute of Marketing UK, a Member of the Association of the 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 positions as a Vice President looking after functions such as HR, Marketing and seven years as 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, Development Holdings (Pvt) Ltd. He currently serves as a Non Executive Director of the National Asset Management Ltd and UB Finance Company Ltd.



MS. W A NALANI

(Retired w.e.f. from Jan. 2015)

Chairperson, National Saving 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.

**MR. ROHITHA GANEGODA**

(Retired w.e.f. from Feb. 2015)

Chief Information Officer of Nations Trust Bank

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 has served at Fujitsu Semiconductor USA and National Development Bank in Sri Lanka. He holds a BSc in computer science from the University of Texas at Austin, USA and a 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.

**MS. S.H. GUNAWARDENA**

(Retired w.e.f. from Jan. 2016)

Director Bank Supervision, Central Bank of Sri Lanka

Ms. S. H. Gunawardena has a First Class Honours B.A. Degree (Economic Special), from the University of Colombo and a M.Phil. Degree in Economics, from the University of Cambridge, UK.

Ms. Gunawardena has nearly 30 years experience in the Central Bank of Sri Lanka with exposure to both operational and policy related functions in seven departments. She has participated in several local and international training programmes, seminars and conferences relating to central banking, bank supervision, currency management etc...

Ms. Gunawardena has been a resource person in several training programmes on related subjects at the Centre for Banking Studies of the Central Bank, the Institute of Bankers Sri Lanka, various licensed banks and other financial institutions.

STAFF

**MS. D. I. A. JAYASINGHE***Chief Manager - Accounts & Administration***MRS. R. M. S. RATHNAYAKE***Chief Manager - Operations***MRS. P. T. PERERA***Legal Advisor to The Board of Directors***MRS. S. DE. S. GAMAGE***Legal Officer***MR. D. M. S. I. DISSANAYAKE***Assistant Manager - Operations***MR. T. M. RAJASEKARA***Assistant Manager - Business System Development***MR. K. D. S. WANIGASOORIYA***Assistant Manager - Customer Services***MRS. Y. L. D. K. GUNATILAKE***Senior Executive-Marketing & Product Promotion***MR. U. L. WEERASINGHE***Senior Executive - Business System Development*

**MR. D. D. VITHANAARACHCHI***Executive - Administration***MR. E. A. S. U. PREMAKUMARA***Executive - Operations***MR. M. D. S. N. GUNARATHNE***Executive - Operations***MS. J. S. WEERESINGHE***Executive - System Administration***MR. S. S. JANSEN***Senior Accounts Officer***MR. A. B. DASSANAYAKE***Senior Officer - Business System Development***MS. A. P. HAMID***Confidential Secretary***MR. H. V. S. M. DE SILVA***Accounts Officer***MRS. W. A. L. H. D. WELIWITA***Relationship Officer*

Staff Contd.

**MR. B. K. WIJENAYAKE***Relationship Officer***MR. K. K. D.W. GUNAWARDHANA***Relationship Officer - Customer Services***MR. K. VAGEESAN***Relationship Officer - Customer Services***MS. V. THIVYA***Relationship Officer - Customer Services***MRS. N. N. BOPAKADAGE***Receptionist***MRS. T. G. S. KAVINDIKA***Receptionist Cum Typist***MR. M. M. M. IKRAM***Office Assistant*

CRIB CORPORATE ETHIC

As a long standing and successful public-private partnerships, the CRIB is governed by not only a framework of regulations but also a strong organisational ethic that values and endorses the service culture.

Being an entity established by statute, CRIB functions are primarily regulated by the CRIB Act (Credit Information Bureau of Sri Lanka Act, No.18 of 1990) as amended by (Amendment) Act, No.8 of 1995 and (Amendment Act, No.42 of 2008). The daily operations of the CRIB are also governed by the CRIB Operational Manual that apply to all employees. The Act and Manual provide 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 CRIB has zero tolerance for bribery, including giving or receiving bribes and making or facilitation unethical payments.

COMPLIANCE WITH REGULATIONS

The CRIB complies with a number of national regulations in its daily operations. The CRIB did not face any fines, penalties or non monetary sanctions for non compliance or violation of any regulations during the financial year under review in conducting its operations and in the delivery of its products and services.

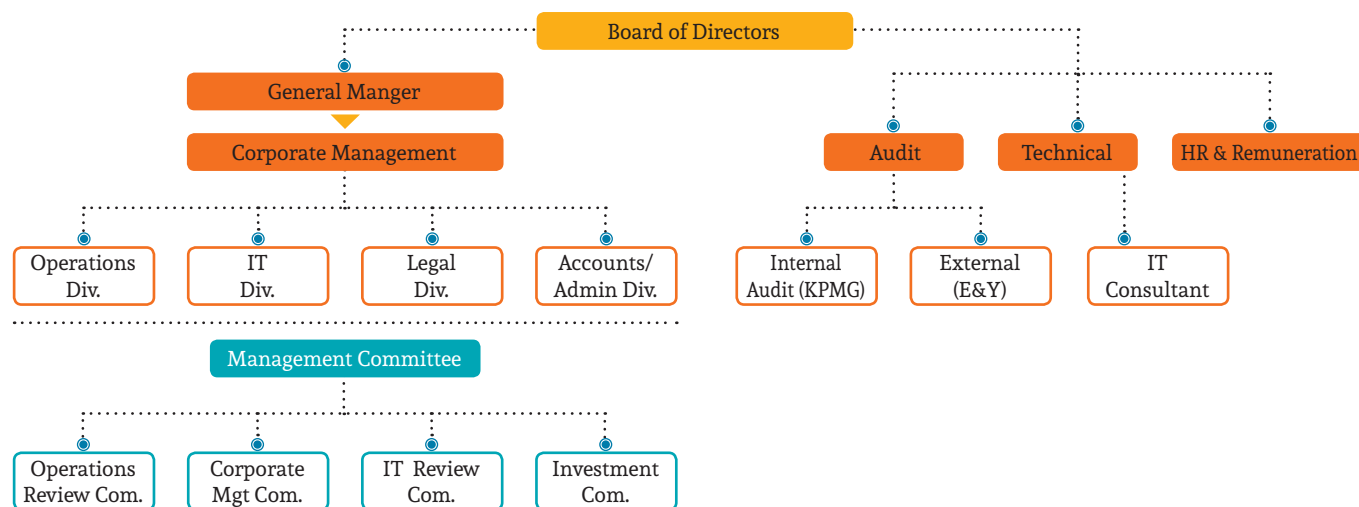
Regulation	Compliance status
Credit Information Bureau of Sri Lanka Act No.18 of 1990 (as amended)	Fully compliant
Secured Transactions Act No.49 of 2009	Fully compliant
Shop and Office Employees (Regulation of Employment & Remuneration) Act No.19 of 1954 (as amended)	Fully compliant
Employees' Provident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

CRIB GOVERNANCE

CRIB GOVERNANCE STRUCTURE

As per statute, the administration and management of the affairs of the CRIB is vested in the Board of Directors. The Board is supported in its decision making by 3 Board subcommittees – the Audit Committee, the Technical Committee and the Human Resource & Remuneration Committee. In addition, the CRIB has 4 Management Committees that review operations, corporate management, IT and investments

CRIB Governance Structure



EXECUTIVE-LEVEL POSITIONS FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

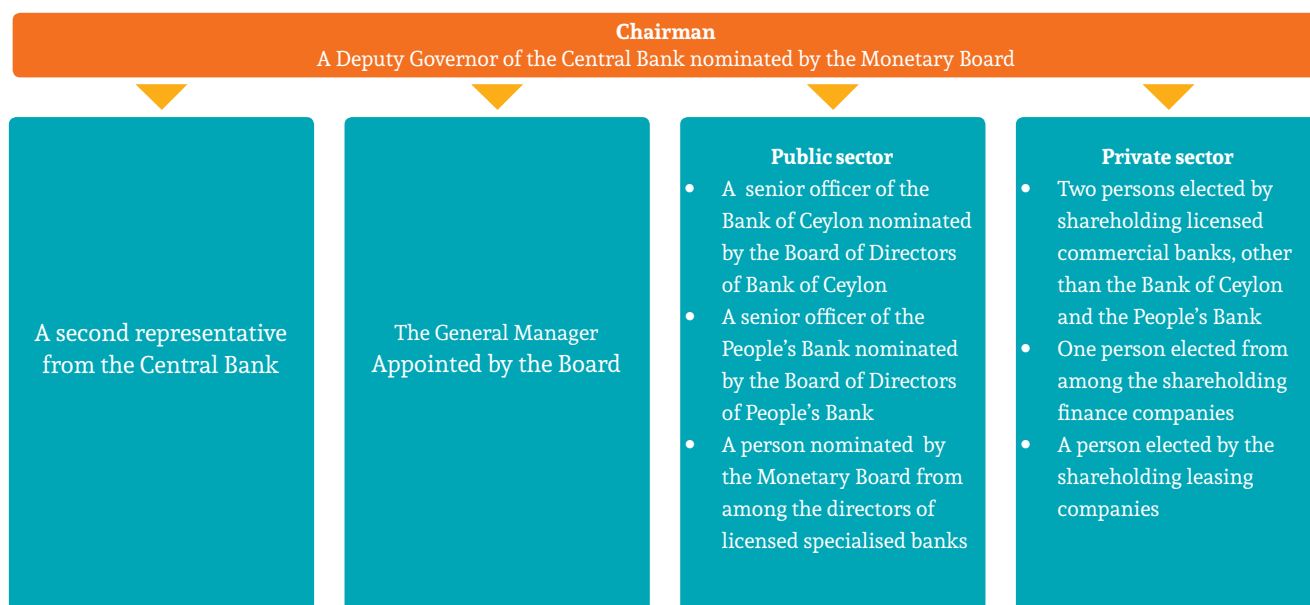
All three Board committees have an economic sustainability focus, where all three contribute towards the financial sustainability of the CRIB and on improving economic impacts. The Remuneration Committee and Technical Committee also have a strong social focus through human resources and customer protection aspects.

PROCESSES FOR CONSULTATION BETWEEN STAKEHOLDERS AND THE BOARD

CRIB shareholders, who are also CRIB customers, are represented in the CRIB Board and Board meetings are held monthly. There is no mechanism for the general public to contact the CRIB Board directly, but the CRIB has made all contact information publicly available and all CRIB management, including the General Manager can be contacted directly by a member of the public.

BOARD COMPOSITION

As directed by statute, the Board of Directors of CRIB comprises ten (10) Directors out of which nine (09) are Non-Executive Directors. The members of the Board possess the required expertise, skill and experience to effectively manage and direct the Bureau in order to maintain highest standards of good governance and attain the organisational goals. They are persons with vision, leadership qualities, proven competence and integrity. The individual profiles of the members of the Board are given in pages 25 to 33 of this Report.



NOMINATION TO THE BOARD AND BOARD COMMITTEES

The Chairperson of the Board is always a Deputy Governor of the Central Bank nominated by the Monetary Board. One other senior officer of the Central Bank, also nominated by the Monetary Board is appointed to the Board. The two main state banks i.e. the Bank of Ceylon and the People's Bank are entitled to nominate one Director each to the Board. The shareholding licensed commercial banks are entitled to elect and nominate two persons to the Board, whilst the shareholding finance companies and the shareholding leasing establishments have the right to elect and nominate one Director each to the Board. One person representing the licensed specialised banks, nominated by the Monetary Board, is also appointed to the Board and the General Manager of CRIB being the ex-officio member to the Board completes the Board of Directors of CRIB. Every Director (except the Chairperson and the General Manager) shall hold office for a term of three (03) years and are eligible for re-nomination or re-election, as the case may be.

CRIB Governance Contd.

WHETHER THE CHAIRMAN IS ALSO AN EXECUTIVE OFFICER

The Chairman is an Independent, Non Executive appointment.

BOARD BALANCE AND INDEPENDENCE

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

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.

ROLE OF THE BOARD

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

STAKEHOLDER CONSULTATIONS

CRIB Board members are also shareholders and customers of the CRIB, representing the financial sector regulator and financial institutions in the country. Therefore, the CRIB Board composition integrates stakeholder inputs into CRIB decision making.

FREQUENCY OF BOARD REVIEWS OF RISKS, AND OPPORTUNITIES.

Board meetings are held monthly and all relevant topics are subject to Board discussion.

CRIB Board responsibilities

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

Topics reserved for approval by the Board

- 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 meetings in 2015

The Board had 13 meetings during the period under review and the attendance of each Director at Board Meetings is given in the table below. In compliance with the accepted best practices, Board Papers are circulated 4-5 days prior to a meeting, giving the Board members adequate time to scrutinise the same and be prepared for the meetings.

Attendance at Board meetings 2015

Name of Member	Board Meetings		
	No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mr. B. D. W. Ananda Silva	13	13	100%
Mrs. T. M. Y. P. Fernando	11	11	100%
Ms. S. H. Gunawardena	01	01	100%
Mr. D. M. Gunasekara (Alternate Director – Mr. S. M. S. C. Jayasuriya)	13	09	69.23%
Mr. N. Vasantha Kumar (Alternate Director – Mr. K. B. Rajapakse)	13	10	76.92%
Mr. I. A. Wickremasinghe (Alternate Director – Mr. D. P. N. Rodrigo)	07	07	100%
Mr. D. P. N. Rodrigo	06	06	100%
Mr. Sanjeewa Bandaranayaka	13	07	53.84%
Mr. A. R. G. Ganegoda (Alternate Director – Mr. Nilanth De Silva)	13	10	76.92%
Mr. J. E. P. A. De Silva (Alternate Director – Mr. Nalin Wijekoon)	03	02	66.67%
Mr. Nalin Wijekoon	10	07	70%
Mr. Arjun Fernando	10	06	60%
Mr. Gamini P. Karunaratne	13	13	100%

CRIB Governance Contd.

ROLE OF BOARD COMMITTEES

Board Committees are appointed by the Board of Directors in accordance with the generally accepted standards and best practices of Corporate Governance. The CRIB has three (03) Board Committees to date.

Attendance at Board Audit Committee meetings 2015

Name of Member	Audit Committee Meetings		
	No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mrs. T. M. Y. P. Fernando	3	2	100%
Mr. A. R. G. Ganegoda	3	3	100%
Mr. Sanjeewa Bandaranayaka	3	3	100%

Attendance at Board Technical Committee meetings 2015

Name of Member	Technical Committee Meetings		
	No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mrs. T. M. Y. P. Fernando	3	3	100%
Mr. I. A. Wickremasinghe	2	1	50%
Mr. A. R. G. Ganegoda	3	3	100%
Mr. D. P. N Rodrigo	1	1	100%

Attendance at Board Remuneration Committee meetings 2015

Name of Member	Remuneration Committee Meetings		
	No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mr. N. Vasantha Kumar	2	2	100%
Mr. Sanjeewa Bandaranayaka	2	2	100%

MANAGEMENT COMMITTEES

The following Management Committees have been established to further support the Board and the General Manager.

Management Committee	Responsibility	Area of focus
Corporate Management Committee (CMC)	<ul style="list-style-type: none"> Oversee that the day-to-day operations of the Bureau are conducted in a manner which is consistent with the strategic plans, business plans and budgets approved by the Board. 	<ul style="list-style-type: none"> Strategic Planning Risk Management Human Resources Communications Policy Financial Reporting
Operational Review Committee (ORC)	<ul style="list-style-type: none"> Review operations of the Credit Information Management System (CRIMS), the Secured Transaction Registry (STR) and general administration of the Bureau. Make appropriate recommendations to the GM and the Board. 	<ul style="list-style-type: none"> Set annual operational targets and goals. Perform periodic review of progress of set targets.
ICT Review Committee (ICTRC)	<ul style="list-style-type: none"> Provide monthly review reports on IT operations to the ORC for inclusion in the monthly Progress of Operations Report submitted to the Board. Monitor information security policies and practices on an on-going basis. Overlook all non-ICT related technical aspects of CRIB operations and assist the ORC in handling such operations. 	<ul style="list-style-type: none"> Set ICT based technology strategy. Review performance of all ICT operations of the CRIB.
Investment Committee (IC) The committee meets as and when funds are available for investment, prior to maturity.	<ul style="list-style-type: none"> Formulate and oversee the investment policies and management of investments. 	<ul style="list-style-type: none"> Prudent and effective investments of CRIB funds.

CRIB Governance Contd.

HIGHEST POSITION THAT FORMALLY REVIEWS AND APPROVES THE SUSTAINABILITY REPORT

- The General Manager
- The Deputy General Manager
- The Chief Financial Officer
- The Legal Officer
- Other divisional heads

PROCESS FOR COMMUNICATING CRITICAL CONCERNS TO THE HIGHEST GOVERNANCE BODY.

- Board papers
- Monthly Board meetings

NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS COMMUNICATED TO THE HIGHEST GOVERNANCE BODY IN THE REPORTING PERIOD.

- The need to upgrade the existing IT system.
- Sourcing a new location for the CRIB office to accommodate future growth.
- Draft STR Act was presented to the Board.

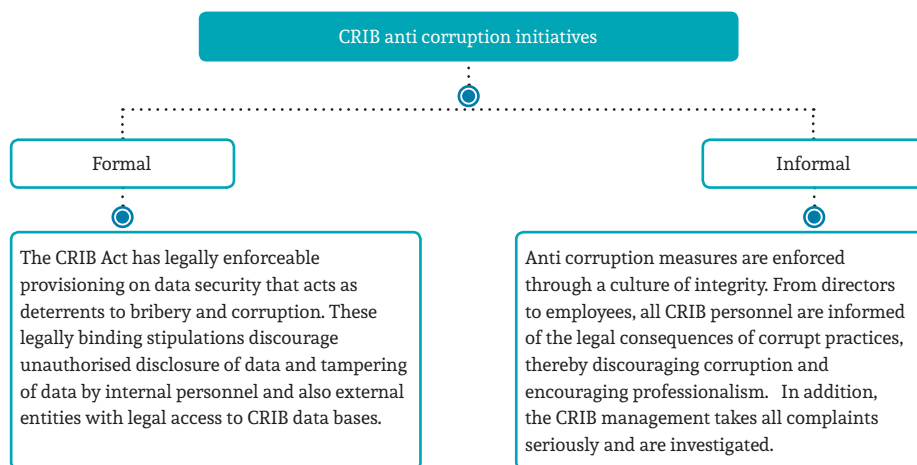
PROCESS FOR DETERMINING REMUNERATION

The Remuneration Committee decides on remuneration of all employees. Salary scales have been set and approved by the Board for different employee grades.

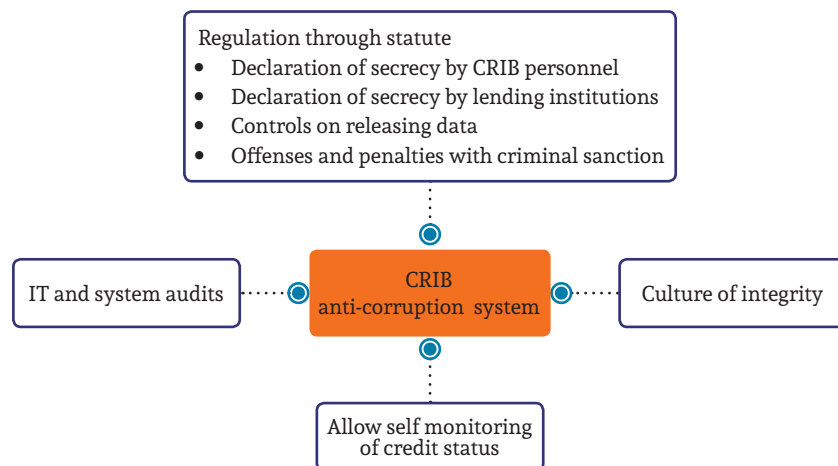
ANTI CORRUPTION

The CRIB has been established as a statutory body to operate as a service organisation and is entrusted with large volumes of private and confidential data by its member financial institutions. Therefore, it is essential to safeguard public and institutional trust in the CRIB. Corruption in any form would threaten the CRIB's credibility and integrity, thereby impeding its continuing operations. Corruption would also open the CRIB to public litigation under the CRIB Act. Therefore, the CRIB has in place an extensive system of checks and balances to prevent corruption.

We are proud to report that to date there have been no incidents or reports of corruption directed at the CRIB.



CRIB anti corruption framework



- **Declaration of Secrecy by CRIB personnel:** All CRIB directors and employees sign a Declaration of Secrecy that prevents unauthorised disclosure of CRIB data.

“Every Director of the Bureau and all officers and servants of the Bureau, shall before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all matter connected with the affairs of the Bureau, and shall by such declaration pledge himself not to reveal any matters which may come to his knowledge in the performance or discharge of his duties and functions except -

- a) when required to do so by a Court of Law or by any person or body of person to whom such matters relate ; and
- b) in order to comply with any of the provisions of this Act.”

Section 23 (1)

- **Declaration of secrecy by member lending institutions:** The Declaration of Secrecy form is submitted by every authorised CRIB User, and is authenticated by the relevant CRIB Compliance Officer of the lending institution.

“Every Director, officer or servant employed in the business of institution authorised to receive credit information which is a shareholder of the Bureau shall sign a declaration pledging himself to observe strict secrecy in respect of credit or financial information obtained by such institution authorised to receive credit information from the Bureau and all matters relating thereto, and shall by such declaration pledge himself not to reveal any such information or matter except –

- (a) when required to do so-
 - i) by a Court of Law
 - ii) by the person to whom such information relates;
- (b) in order to comply with any provisions of this Act or any other law.”

Section 23 (2)

- **Specifying permissible purposes for accessing credit information :** Authorised CRIB users of member lending institutions are legally bound to observe 06 permissible reasons to access credit information. When a borrower submits an application with his signature to be considered for a credit facility, according to the above legal provisions, a lender could send a request to the Bureau and receive credit information relating to the Borrower

CRIB Governance Contd.

Permissible reasons to access credit information :

- Evaluating of a borrower for a new credit facility
- Review as a Guarantor for a new credit facility
- Review as a partner/proprietor for a new credit facility
- Review as a director for a new credit facility
- Monitoring and reviewing of an existing borrower
- Opening of a current account

Usage of credit information for any other purposes other than the above mentioned (06) six permissible reasons, according to the provisions of the Act, is a punishable offence.

Section 7 (B) (1) (a)

- **Issuance of Self Inquiry Reports (iReports):** The CRIB Act 1990 was amended in 2008, to allow any individual or corporate entity obtain his/her or its credit report (iReport) from the CRIB. This discourages corruption by making it possible for individuals or corporate entities to monitor the accuracy of their personal credit status. In the case of any discrepancy, the CRIB verifies with the data reporting institutions for any resolution

PUBLIC POLICY

The CRIB has traditionally adopted a position of political neutrality, and does not engage in any type of political advocacy and has made no political contributions, in money or in kind, either directly or indirectly, to any political party, to date. The CRIB has also received no external funds from political parties, or the government. All CRIB funds are generated through its business activities.

AUDIT COMMITTEE REPORT

Board 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

The Board of directors has established the audit committee in accordance with best practices on audit committees. 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.

The Profiles of the members are given on pages 25 to 33 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 Committee

The purpose of the 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 and 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 submitting to the Board / publication.

Internal Controls, Risk Management & Going Concern

The Bureau also obtained the services of an independent professional accounting firm to carry out internal Audit of the Bureau & review their reports. The effectiveness of

CRIB Governance Contd.

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 are 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 implementation of the recommendations suggested by the internal auditor.

- Reviews, assesses and approve the internal audit plan and the internal audit programme.

External Audit

In regards to the external audit function of the Bureau the role played by the committee is as follows.

- Monitor 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.



Sanjeewa Bandaranayake

Chairman - Board Audit Committee

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.
- 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.
- Recommending annual bonuses, incentive payments, allowances to the

Board based on individual performances, responsibility, expertise and contribution.

- 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 recognises rewards as one of the key drivers influencing employee output which in turn have a direct impact on the service levels of the organisation.

2. Remuneration Packages

The remuneration packages 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
Travelling Allowance	Incentive Bonus

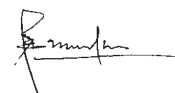
Apart from the above, there are other benefits enjoyed by employees such as loans, medical insurance etc.

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 – Remuneration Committee

CRIB Governance Contd.

TECHNICAL COMMITTEE REPORT

The Technical Committee is appointed by the Board of Directors as a standing committee to assist the Board of Directors in its oversight of technical matters particularly on information and communication technology matters of the Bureau. The Technical Committee report to the Board as requested by the Board, or as otherwise is necessary, or appropriate to ensure the Board is properly updated on technical operational matters.

The Technical Committee comprises three non executive directors and names and their profiles are provided on pages 25 to 33 in this Report.

During 2015 three committee meetings were held during months of January, June and August. The committee received updates from the management on key technical areas and guided the IT team in technology management front to increase delivery efficiency of the bureau is ICT based services. The technical committee in discharging its mandate continued to provide appropriate recommendations to the Board. Main area of focus during 2015 are as follows.

1. Procurement of new credit bureau system

CRIB progressed on the procurement process of the new system. Project team advised by the Messrs Ernst & Young continued the evaluation process and

completed the technical & financial evaluation. The Technical Committee reviewed the process followed by the project team and made recommendations to the Board.

On the directions of the Board, a probity audit was conducted by Messrs KPMG to ensure the integrity of the process applied on procurement process. The Technical Committee having studied the findings of the probity audit advised the project team on action to be taken. The Committee continued to engage with the project team and guided them to ensure audit findings are properly attended.

2. Online registration for Corporate iReport

The Technical Committee, in response to requests made by small and medium business community, directed the CRIB to explore the possibility of providing a secured online registration method for proprietors of such businesses to access their iReports. The CRIB extended improvement to the existing iReport online service and introduced a secure methodology for this purpose and deployed it for user testing before public launch.

3. Existing credit information management system and internal ICT infrastructure

In order to have a sustainable system response time to meet ever increasing demand for credit information services from members, The CRIB IT team continued with system improvements by

upgrading existing hardware to the extent possible and introducing limited system and software changes to the existing Bureau system.

The Bureau enhanced the internal ICT facilities by phasing out use of old hardware and further implementing security measures under external information security auditor's supervision. The Technical Committee continued to guide and direct the CRIB IT team in these endeavors.



Yvette Fernando

Chairman – Technical Committee

MANAGEMENT DISCUSSION & ANALYSIS

This section presents an overview of the global credit agency industry, the CRIB strategy, the CRIB risk profile for the year, and key performance related sub reports. These sub reports include:

- The 'Operations Review' which quantifies the full year's work output of the CRIB
 - The 'Financial Review,' which sets out the CRIB's financial situation as at end December 2015
 - The 'IT System Review' which explains improvements to the CRIB IT system, which is the central component of CRIB operations.
 - Several sub reports on CRIB stakeholder engagements with different stakeholder groups
-

INTERNATIONAL ENVIRONMENT

The history of credit information sharing goes back to the early 1820s in the United States, where a group of New York wholesalers formed a society and hired a credit investigator in an attempt to manage the riskiness of mercantile or trade credit. Credit Reporting Agencies (CRA) as it was historically referred to, originated in the US during the 1830s. Dun and Bradstreet, the oldest agency still in existence, traces its roots to the mercantile agency established in 1841, in New York. One of the first consumer credit bureaus was established in the United Kingdom in late eighteen hundreds.

Consumer and commercial information sharing in developed countries saw tremendous growth in the latter part of the 19th and early 20th centuries, with private and public credit reporting entities being established. At the same time, economic crises that have roots in the financial sector, also encouraged some countries to establish or fortify credit registries. Between 1990 and 2005 the total number of credit bureaus has more than doubled.

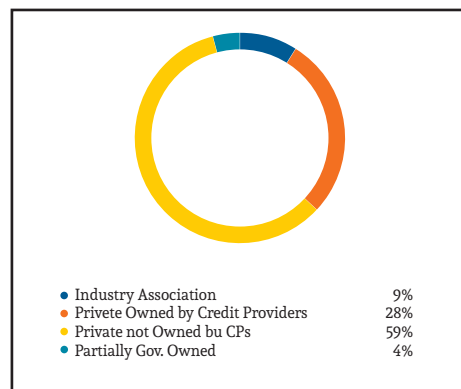
Today, the credit reporting industry is growing worldwide, spurred by technological innovations and the liberalisation of financial markets. In Asia

many emerging markets turned towards credit reporting after the financial crisis in the nineties.

WHO OWNS CREDIT BUREAUS

Globally credit information agencies are owned by different economic agents and in some cases, as in Sri Lanka, different economic entities share the ownership of a credit agency.

The 59%, of the world credit bureaus were owned by private companies and 28% of the agencies were owned by credit providers themselves. Only 9% of the world credit agencies were owned by industry associations and only 4% were partially government owned.



Global Ownership Structure of Credit Bureaus

LEGISLATION FOR CREDIT REPORTING

The main objective of legislation to enable credit reporting is to balance the ability of institutions to exchange credit information in the normal course of business, while simultaneously protecting individual rights to privacy. Worldwide, two broad approaches to the regulation of credit reporting can be identified:

- i. Use of broad data protection laws and consumer privacy & secrecy provisions
- ii. Use of specific credit bureau or credit reporting laws

The Sri Lankan credit bureau law is one of the oldest credit reporting laws enacted at the early stage of industry development. Significantly, the domestic law has established a time-tested private-public partnership for credit reporting; a role model credit reporting framework in the South Asian region.

INTERNATIONAL TRENDS IN CREDIT REPORTING

Globalisation, technological innovation and the liberalisation of markets have been influential factors in changing the initial scope of credit bureaus and the role they play in fast changing financial markets. Over the last two decades, the range of

products offered by credit bureaus has broadened significantly apart from the generic credit information services such as credit reports or bureau credit score. In developed markets, the scope of bureau products is well aligned with the specific market needs. Most value-added services and product offering cover different phases of client management; generally called as 'customer life cycle' (CLC).

The predictive nature of the bureau data has made it possible for business users to make faster and more accurate decisions at each stage of the CLC, from prospecting new clients and managing subsequent engagements of a client relationship.

CRIB SUSTAINABILITY STRATEGY

The primary objective of the CRIB is to ensure that 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:

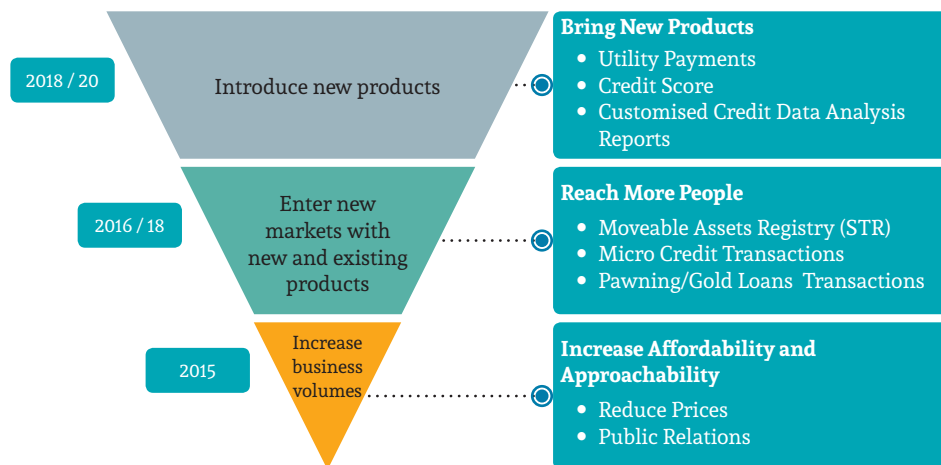
- Developing credit information related products and services
- Developing human resources
- Developing IT systemic capabilities
- Ensuring our financial stability : The sustainability of the CRIB has a direct impact on overall financial system stability. This also makes it important that the CRIB remains financially sustainable - despite being a non-profit, public service institution.

CRIB SUSTAINABILITY STRATEGY



CRIB GROWTH PLANS

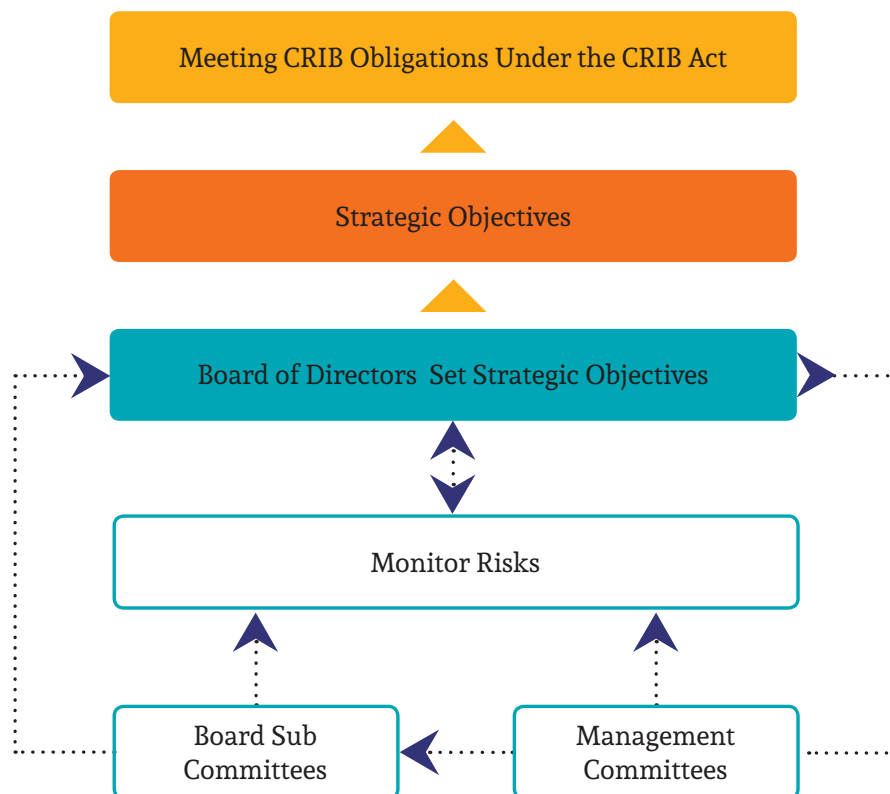
The CRIB is the sole agency with the mandate to discharge all credit information functions for the entire country. However, at present the CRIB provides only a limited range of credit information services, for a limited number of market segments, where market penetration is still fairly moderate. Therefore, the CRIB has significant opportunities for growth through developing new markets, developing new products and increasing the level of market penetration in existing markets.



RISK MANAGEMENT REVIEW

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 identified and regularly monitored and control processes are introduced to ensure risk management is effective.

CRIB RISK MANAGEMENT PROCESS



Risk Management Review Contd.

RISK CLASSIFICATION

Through the risk identification and risk assessment process described above, the CRIB classifies risks according to the potential impact and the likelihood of occurrence. As at end 2015, the CRIB's potential financial risks were fairly low, and only one type of risk, IT system related risks, were classified with high likelihood of impact. However, the CRIB is currently in the process of addressing this risk. Risks such as reputational risk have reduced in importance as the CRIB's credibility and level of public acceptance continued to increase.

Probability of occurrence	H		<ul style="list-style-type: none"> Lower response rate 	<ul style="list-style-type: none"> IT system saturation
	M	<ul style="list-style-type: none"> Investment risk 	<ul style="list-style-type: none"> IT system going down Reduction in data accuracy Reduction in data quality 	<ul style="list-style-type: none"> Delays in data submission
	L	<ul style="list-style-type: none"> Unauthorised access to data Breach of secrecy Interest rate risk 	<ul style="list-style-type: none"> Reputational risk 	<ul style="list-style-type: none"> Risks of non compliance with regulations Credit risk
		L	M	H
Potential impact of the risk on the CRIB				

SIGNIFICANT RISKS AND HOW WE MANAGE THE RISKS

The potential risks faced by the CRIB can be classified broadly under regulatory, financial, operational and social risks. The strategies formulated for minimising these risks are described below.

Regulatory risk	Risk management strategy
Lapses in regulatory compliance: Non compliance poses a risk of loss of credibility and reputation that could in turn impact operations of the CRIB.	Regulatory compliance is continually monitored by the Compliance Officers of member institutions, Head of Finance and the Board of Directors of CRIB.
Operational risks	Risk management strategy
Unauthorised access to data: Unauthorised access to CRIB data bases could lead to loss of data, misuse of data and lack of credibility in the CRIB.	<ul style="list-style-type: none"> • Online users (except users of CRIB member organisations) are required to be present themselves at the Bureau with valid proof of identity, to register for online access. • All data interchange and web service channels are encrypted using industry standards encryption mechanisms. • ICT infrastructure is secured with industry standard logical safeguards and periodic reviews for any potential vulnerabilities and service exploitations are conducted by the external IS auditors periodically. • Physical access to the CRIB operational area is strictly controlled with biometric devices installed at every entry point and movements around the data centre and lobby area, are video monitored and recorded. • A Visitor Register is maintained at the reception and visitors are allowed inside the operational area only under supervision of a CRIB employee. • All correspondence with each member institution is coordinated and communicated only through a Compliance Officer appointed by the Chief Executive of the said institution.
Breach of secrecy:	<ul style="list-style-type: none"> • All officers in financial institutions who are authorised to access credit information are required to sign a “Declaration of Secrecy.” • Stipulated guidelines/procedures, are followed strictly, when disclosing the credit information to those it relates to. • Access credentials are only issued to a pre-defined number of users at each institution.

Risk Management Review Contd.

Data related risks: Any deficiency in quality or accuracy of data impact the value of information and service integrity of the CRIB.	CRIB has no control over input data for CRIB credit reports, as such data are provided by member financial institutions. To minimise data risks: <ul style="list-style-type: none"> • A system based validation mechanism based on rules and conditions is deployed to mitigate data submission errors. • All member institutions have been instructed and are supervised to adhere to set guidelines in order to maintain data accuracy.
Non submission/delays of data: Non-submission of data or delays in submission by member institutions can make information obsolete and less important and relevant to business decisions.	<ul style="list-style-type: none"> • 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 for interim submission of data.
IT related risks : <ul style="list-style-type: none"> • IT system capacity and expansion capability • Data security • Efficiency of online access 	<ul style="list-style-type: none"> • The CRIB is in the process of upgrading the IT system to enhance capacity. • 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.
Financial risks	Risk management strategy
Interest rate risk:	Interest income is not a main income of the CRIB. Therefore this risk has minimum impacts.
Credit risk:	Since the customers of the CRIB are banks, finance companies and leasing companies there is minimum threat of credit risk.
Social risks	Risk management strategy
Reputational risk: This refers to the CRIB's credibility and integrity. These risks have profound impacts on the Bureau's service quality and statutory reputation.	<ul style="list-style-type: none"> • The CRIB conducted a number of awareness and public relations exercises during the year to gain visibility, enhance credibility and build trust. • Protect customer confidentiality – please refer breach of secrecy and unauthorised access to data given above. • Maintain quality of CRIB credit reports.

OPERATIONS REVIEW

Key indicators that are monitored for CRIB effectiveness are listed below.

- **Total number of credit reports issued** : This is the primary operational indicator of the CRIB and refers to all credit reports issued by the CRIB, including to authorised lending institutions and the public. These reports include credit information on both businesses and individuals. The total reports issued saw a significant increase of 45% year-on-year.
- **Number of users registering to view credit history online (iReports)** : This is another key indicator of CRIB operational performance, as it reflects the value of accessing credit information by individuals. This online facility (iReport online) is currently limited to individuals. This segment grew by 17% during the period under review.
- **Number of disputes on credit reports (iReports) issued by the CRIB** : This is a reflection of the data quality and reliability of CRIB reports, as 'disputes' on credit reports arise due to errors in reporting of data providers. Therefore, the current year's decrease in 'disputes' by 35% is a reflection of improved data-quality controls adopted by the CRIB and data providers' continuous effort on improving submission standards.

Indicators	2015	2014	% Change
Total number of credit reports issued	6,914,872	4,765,871	45%
Number of users registering to view credit history online	1312	1,125	17%
Number of disputes on credit reports issued by CRIB	184	281	(35%)

PERFORMANCE : CREDIT REPORTS

CRIB issues credit reports about the credit history of corporates and individuals. These reports are classified into two types of reports for member institutions and Self Inquiry Reports for the general public.

Credit Information Reports for member institutions

CRIB issues two types of reports to lending institutions - Comprehensive Consumer Credit Reports and Comprehensive Corporate Credit Reports. A NoHit Report is issued when the CRIB databases does not contain any information regarding the requested corporate or individual. In 2015, over 6.9 Mn credit reports were issued to CRIB member lending institutions, which is an increase of 45% against 2014.

- **Comprehensive Consumer Credit Reports**: These reports contain detailed credit and repayment histories and demographic information of individuals.
The number of consumer credit reports issued increased by 45.8% during the year.
- **Comprehensive Corporate Credit Reports**: These reports contain details of corporate entities and their credit and repayment histories.
The number of reports issued regarding the credit history of corporate entities increased by 26.6%.

Operations Review Contd.

Self Inquiry Reports (iReports)

- **iReport Corporate/ Consumer** : Any individual or corporate entity can request his / her / its own credit report iReport from the CRIB.

The number of iReports issued during 2015 to corporate entities increased by 97.69%, while reports issued to consumers, increased by 37.42%. iReport can be requested directly from the CRIB office or through any bank.

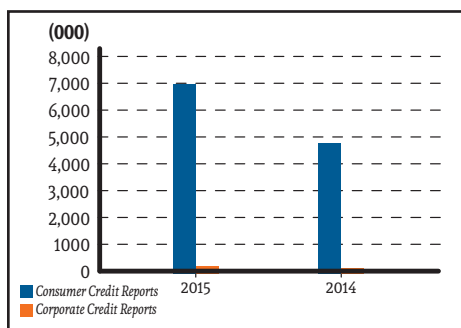
Any individual can directly call over at the Bureau office personally on any working day and obtain their (iReport).

iReport application can also be sent through any bank to the bureau and CRIB will deliver the iReport to the home address of the applicant through registered post. The online service to issue iReports (iReport online) was introduced by the CRIB in 2014 and is currently available only for individuals. Online access to personal credit reports can be obtained after registering with the CRIB and receiving a user credentials. This is the fastest growing form of credit report as more consumers realise the value of monitoring their credit history. The number of Online iReports increased by 142.51% in 2015, compared to 2014.

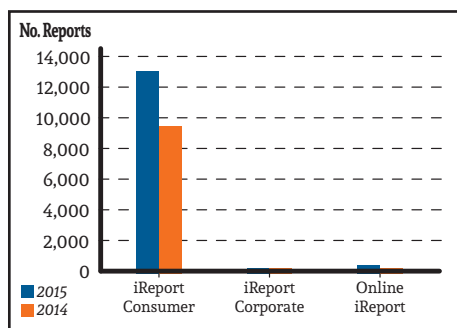
Bulk Requests

The CRIB accommodates bulk requests by lending institutions to periodically monitor credit status of their existing borrower profiles. This currently represents a very minor share of CRIB revenues.

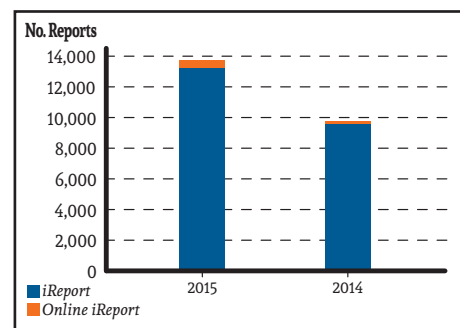
Category	Type of the Report	2015	2014	% Change
Credit Information Reports for Member Institutions	Consumer Credit Reports	6,680,301	4,581,690	45.80
	Corporate Credit Reports	221,259	174,728	26.63
Total		6,901,560	4,756,418	45.10
Category	Type of the Report	2015	2014	% Change
Self Inquiry Reports (iReports)	iReport Consumer	12,468	9,073	37.42
	iReport Corporate	342	173	97.69
	Online iReport	502	207	142.51
Total		13,312	9,453	40.82



credit reports for member institutions



Self Inquiry Report



iReport vs Online iReport

ACCURACY OF DATA

Data Corrections

Data correction requests are accommodated only through lending institutions and not from individuals or businesses. During the 12 months under review the number of requests for data corrections increased by 118%.

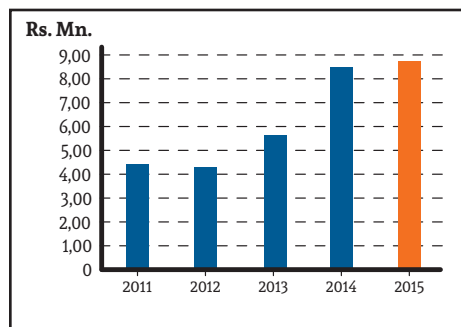
Type	2014	2015	% change
Data Corrections	769	1,677	118%

A member institution can request a correction of data reported to the CRIB to rectify any incorrect submission of its own data, or to resolve any dispute raised by an individual or corporate.

FINANCIAL REVIEW

OPERATIONAL INCOME

The CRIB's income from credit reports increased by 3% year-on-year to reach Rs 872 Mn, as a result of the 45% increase in the number of credit reports issued during the financial year 2015. The much lower growth rate in revenues, compared to the rate of growth of credit reports, is due to the CRIB decision to enhance value for members and the public by reducing the price of credit reports. Despite this rate cut, the CRIB was able to maintain a marginal increase in operational income due to the significant increase in the number of credit reports issued during the period.

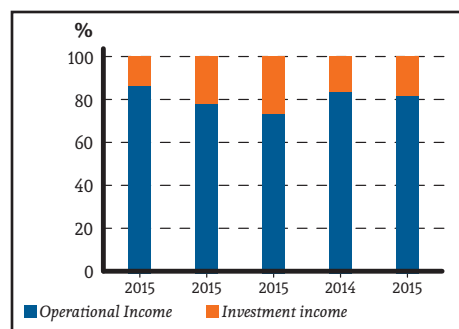


Operational Income

The main income of the CRIB is generated through credit reports. In addition, self inquiry reports contribute to the operational income of the CRIB. During the year the CRIB took several measures to improve customer and public awareness of the importance of credit reports. As a result of such public engagements, demand for self inquiry reports increased by 39% during the year.

OTHER INCOME

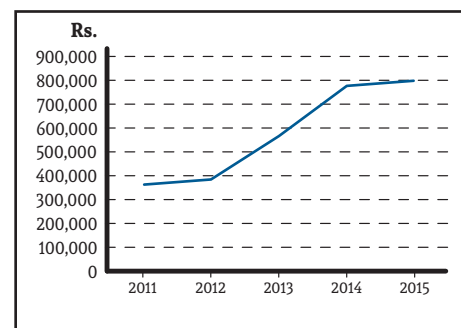
The other income of the CRIB, which accounts for 18% of total revenue, is mainly generated through interest income from government securities. During the current financial year, total interest incomes accrued to Rs 191 Mn.



Other Income

NET PROFIT

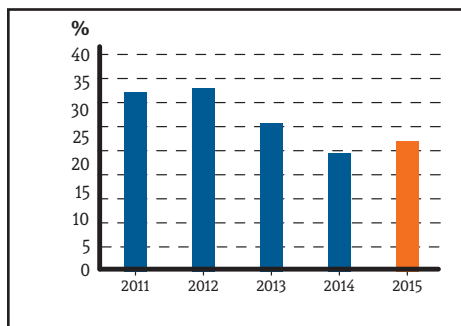
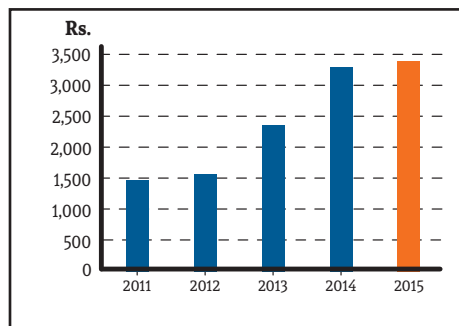
We are happy to report that despite the significant loss in revenues due to the reduction of credit report charges, the CRIB was able to record a net profit growth of 3% during the year 2015, to Rs 811 Mn.



Net Profit

OPERATIONAL EXPENSES

The overall expenses increased by 11% in 2015 to Rs 199 Mn. Operational expenses comprised mainly of employee related expenses, administration and establishment expenses and other operating expenses. Most of the expenditure of the CRIB are relatively fixed. Due to the increased costs, against a much lower rate in revenue growth, the cost to income ratio increased from 21% in 2014 to of 23% in 2015. As this change is primarily due to the lower revenue growth rate stemming from the reduction in credit report charges, we are confident the cost to income ratio will stabilise in the short term.

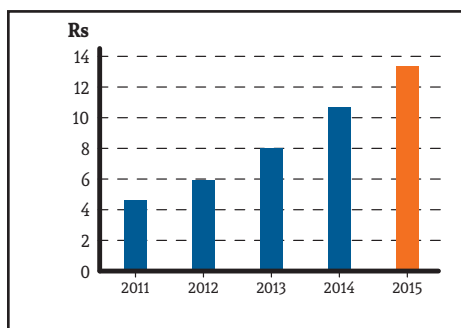
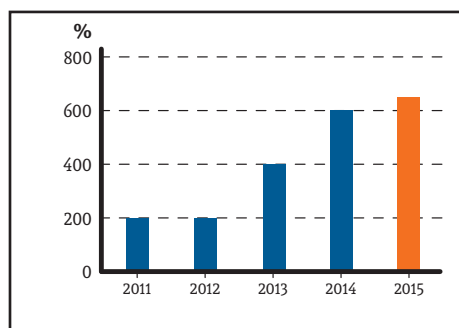
*Cost to Income**Earning Per Share*

NET ASSETS PER SHARE

Due to asset growth, the net asset per share value of the CRIB reached Rs 13,338, the highest ever recorded during the past 10 years of CRIB operations.

DIVIDEND PER SHARE

The CRIB proposed a final dividend of Rs 650 per share, on the profit declared for the year. It will amount to a total dividend payout of Rs 162.5 Mn in the year 2015 .

*Net Assets Per Share**Dividend Per Share*

EARNING PER SHARE

Even though charges decreased during the year 2015, earning per share grew by 3% during the year to Rs 3,244.

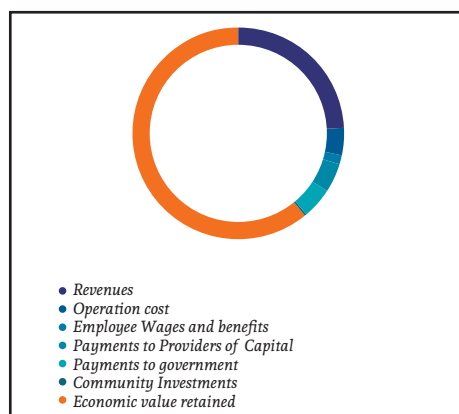
ECONOMIC CONTRIBUTIONS

ECONOMIC VALUE CREATION



Economic performance is a key sustainability criterion for the CRIB as the CRIB's statutorily mandated role, is as a national economic enabler. In addition, financial sustainability, at an organisational level, is vital for the CRIB's regular operations and independence. During 2015, the CRIB continued to discharge its duties as a national economic entity by contributing towards credit risk management of the country. This contribution is discussed in the Operational Review. The Financial Review section presents an analysis of the CRIB's internal financial health.

Direct economic value generated (EC1)	2015 Rs Mn	2014 Rs Mn
Revenues	872.92	847.87
Economic value distributed :		
Operating costs	147.66	138.21
Employee wages and benefits	51.82	41.52
Payments to providers of capital	162.50	150.00
Payments to government	166.73	138.67
Community investments	2.80	2.91
Economic value retained	2,189.10	1,530.89



Economic Value Distribution

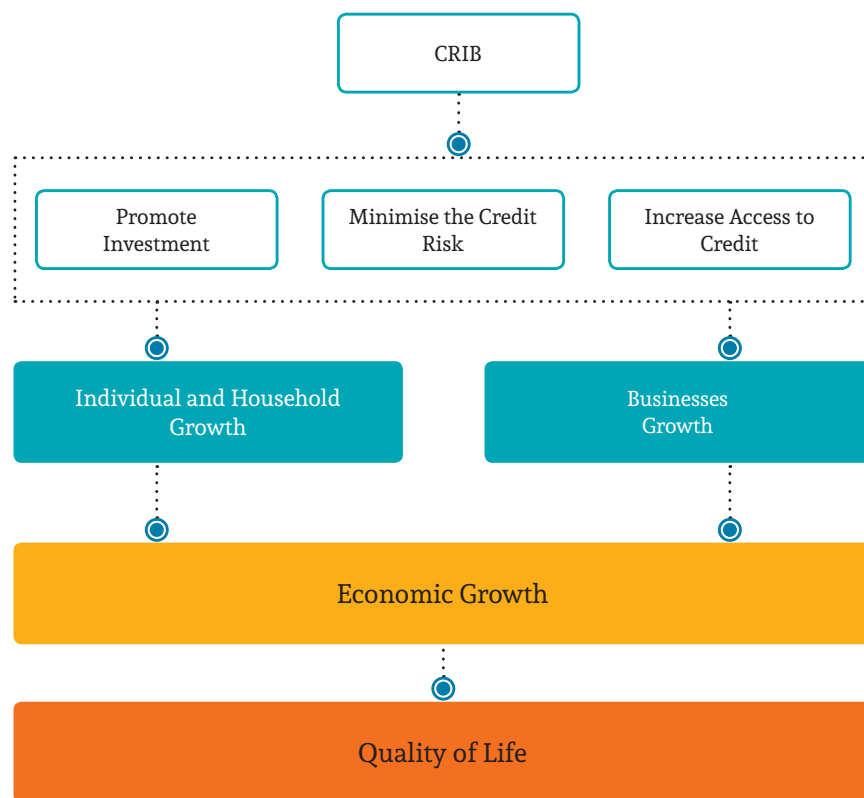
INDIRECT ECONOMIC IMPACTS

Indirect economic impacts of the CRIB are defined as impacts that are above and beyond the CRIB's financial performance and the CRIB's direct economic value creation. These are broader economic impacts that lead to economic growth and quality of life improvements that occur due to operations of the CRIB. These indirect impacts, although not directly quantifiable, are considered material to this report due to their overall socio-economic benefits to all stakeholders.

Credit reports have significant socio-economic impacts, as access to credit increases opportunities for livelihood creation and quality of life improvements. Life style credit facilities currently available in the country, through the formal financial sector include housing loans, vehicles loans, educational loans and other personal loans. The CRIB's individual credit reports are recognised as an effective tool for credit underwriting by all lending institutions in the country. Therefore, our credit reports support individuals to access any type of life style loans for personal and family life improvements.

CRIB reports also facilitate access to credit for start up businesses. The new CRIB STR facility makes it possible for small business to pledge moveable property as collateral to access credit from the formal financial sector.

Credit reports also support employment opportunities. Increasingly employers are concerned about employees' financial integrity and require proof of financial discipline. The CRIB personal credit report (iReport) can meet this requirement.



Indirect Economic Impacts Contd.

SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE EXTENT OF IMPACTS

Indirect economic impacts of CRIB can be listed as :

- Supporting economic growth by expanding credit flow.
- Positively impacting investment flows by influencing Sri Lanka's ranking in the World Bank's Doing Business Index. Ease of accessing credit is one of the elements examined by the index in ranking countries.
- Enhancing financial system stability by reducing credit risk.
- Enhancing portfolio quality.
- Discouraging credit related fraud.
- Supporting businesses by increasing access to credit through credit profiles.
- Supporting economic advancement of individuals, by creating reputational collateral which makes them formally credit worthy.

CRIB IT SYSTEM REVIEW

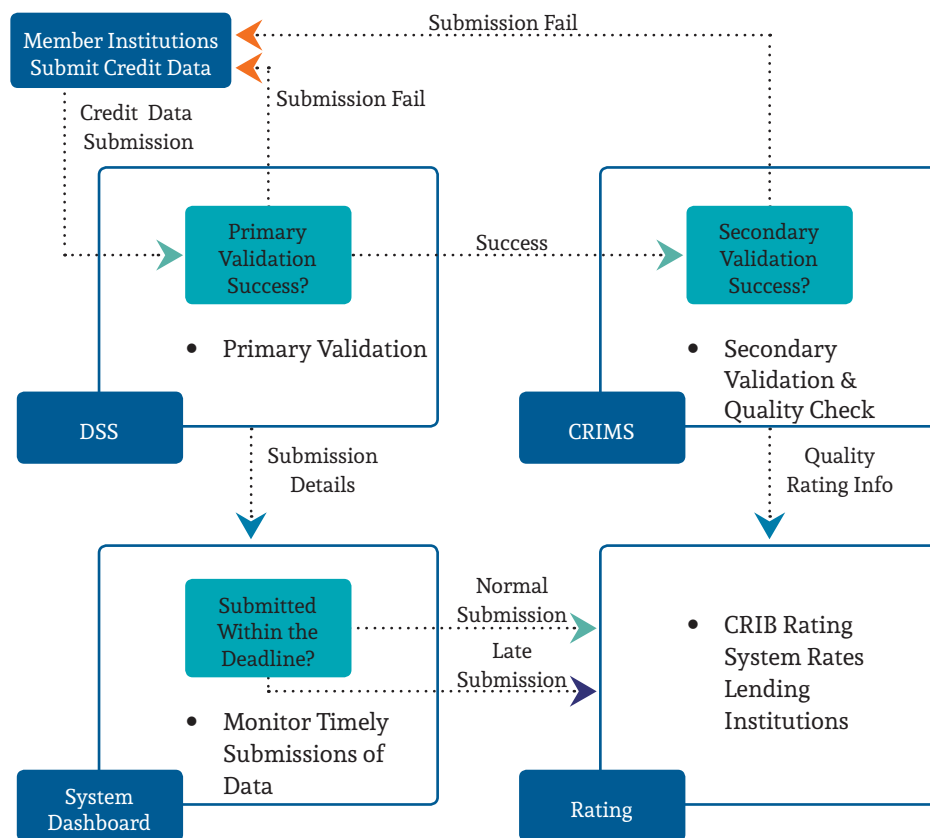
The CRIB discharges its mandate by electronically collecting, organising and storing credit information from member lending institutions. This process is managed through the Data Submission System (DSS) and Credit Information Management System (CRIMS). The key quality parameters of the CRIB data management process, are data quality and data security.

INPUT DATA QUALITY

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

- Validity and accuracy of data submitted by member institutions
- Timely submissions by member institutions

Data quality parameters are aimed at eliminating data errors that would lead to errors in credit reports. The CRIB promotes input data quality by maintaining an internal rating system to rate member institutions on the three criteria of; data validity, data quality and timely submissions. The CRIB adopts a strict data validation mechanism internally to technically qualify input data before they are written into the production system. Analytical reports on validation efficiency are internally reviewed and shared with data providers for further action on improvements.



The CRIB recognises the institutions with the best data quality, based on 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.

CRIB IT System Review Contd.

DATA SECURITY

Data security is essential to ensure confidentiality and to prevent abuse of CRIB data. Data security is facilitated through a number of security processes. These include:

- End to end encryption of data.
- Data storage is monitored by the industry best database audit application to monitor against unauthorised access.
- Online iReports incorporate security features such as QR codes, tamper proof strip and other hidden features, to prevent counterfeiting attempts.
- Online users are notified by SMS alerts when ever their profiles are updated or accessed.
- Lending institutions are required to obtain owner consent to access profiles.
- Dual authorisation process is in place for CRIB officials to access data for investigations purpose.

CRIB SYSTEM SECURITY

Access to CRIB data bases and computers is restricted to authorised personnel. The CRIB IT system is regularly monitored by an independent IT systems auditor. Two types of audits are conducted.

1. Online Audits: These are random audits, conducted every 2 months for 6 audits per year. These audits check for web threats.

2. On site audits: These are quarterly audits for physical and logical security.

Audit report summaries are sent to the Board Technical Sub Committee and conveyed to the Board.

IMPROVING OUR IT SYSTEM

The current CRIB IT system has been operational since 2008. The system is now experiencing capacity constraints. The CRIB system also has a relatively high data processing turn-around time. Therefore, we are currently in the process of acquiring a new IT system that will enhance the operational capacities and expand CRIB products and services. The new system is expected to:

- Generate reports faster
- Improve the processing turn around time
- Allocate credit scores to individuals and business.
- Generate analytical and adhoc reports for different stakeholders
- Capture non financial data into the CRIB data stream
- Introduce E-Alerts System for individuals and corporate borrowers

CELEBRATING 25 YEARS OF SERVICE WITH OUR STAKEHOLDERS

PEOPLE



The current financial year has been significant for the CRIB as we commemorated 25 years of service in May 2015. We celebrated our Silver Jubilee with a number of events that involved our stakeholders.

The current financial year has been significant for the CRIB as it commemorated 25 years of service. The silver jubilee was celebrated with a number of events involving our stakeholders and blessed by multi religious ceremonies. The CRIB fulfilled its responsibility towards the society by conducting a large number of service projects during 2015. A forum organised for our shareholders was a memorable event for all who shared their time and effort in the past and the present for the development and advancement of the CRIB. The staff of the CRIB was felicitated with a dinner hosted by the General Manager.



Celebrating 25 Years Of Service With Our Stakeholders Contd.

Forum for the shareholders



Staff celebrations



CRIB Annual Shareholder Meeting



ENGAGING WITH OUR STAKEHOLDERS

CRIB stakeholders

Stakeholders of the CRIB are identified primarily based 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. These stakeholder groups influence CRIB strategy and daily operations.

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

In deciding which groups to select as stakeholders for CRIB engagement, and to decide on the level of engagement we considered the level of influence exerted on CRIB by different groups and their interest in CRIB activities.

Stakeholder power/influence	H		<ul style="list-style-type: none">• Other regulators• Government	<ul style="list-style-type: none">• Central Bank• Employees• Member lending institutions
	M	<ul style="list-style-type: none">• Auditors		
	L		<ul style="list-style-type: none">• Suppliers	<ul style="list-style-type: none">• Customers
		L	M	H
Level of stakeholder interest in the CRIB				

Celebrating 25 Years Of Service With Our Stakeholders Contd.

STAKEHOLDER ENGAGEMENT 2015

Stakeholder group	Frequency of engagement	Method of engagement	Stakeholder expectations from CRIB	CRIB response to stakeholder expectations
Regulators	As required	<p>Relevant regulatory institutions are:</p> <ul style="list-style-type: none"> • Inland Revenue Department • EPF and ETF Boards • Ministry of Labour <p>CRIB engages with these institutions through the statutory reporting processes</p>	<ul style="list-style-type: none"> • To honour statutory obligations • Transparency • Compliance 	<ul style="list-style-type: none"> • Meeting statutory obligations • Providing accurate information
Member institutions	Daily	<ul style="list-style-type: none"> • Annual shareholders meeting • Audited accounts and annual report • Annual symposium for CRIB compliance officers • User awareness programmes 	<ul style="list-style-type: none"> • Accurate credit information about individuals and commercial entities • Accurate information on moveable assets pledged as collateral for loans 	<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	Daily	<ul style="list-style-type: none"> • Monthly meetings • Employee events 	<ul style="list-style-type: none"> • Benefits • Job security • Growth and development 	<ul style="list-style-type: none"> • CRIB employees benefits include: • Interest subsidy on Housing Loan schemes • Medical insurance • Concessionary staff loans • Employees are also provided training for growth and development

Stakeholder group	Frequency of engagement	Method of engagement	Stakeholder expectations from CRIB	CRIB response to stakeholder expectations
Public	Daily	Public awareness programmes such as: <ul style="list-style-type: none"> • Workshops • Paper advertisements • Mass media, such as TV programmes • Write-ups in popular magazines 	<ul style="list-style-type: none"> • Accurate & up to date credit information • Efficient customer service • Data related disputes resolution • Preventing fraud • Confidentiality 	<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 for customer privacy
Auditors	Quarterly	<ul style="list-style-type: none"> • Auditors are appointed by the Board. 	<ul style="list-style-type: none"> • Timely submissions of accounts 	<ul style="list-style-type: none"> • Provide access to accurate information on time
Suppliers	Daily	<ul style="list-style-type: none"> • Routine contact related to purchase of products and services 	<ul style="list-style-type: none"> • Timely payments • Transparent procurement process 	<ul style="list-style-type: none"> • Transparent formal procedures for the selection of suppliers • Formal payment procedures

KEY TOPICS AND CONCERNS RAISED THROUGH STAKEHOLDER ENGAGEMENT

No specific concerns were raised by any major stakeholders/groups during the year. All stakeholder comments were routine inquiries. Please refer the Operations Review on page 59 for information on customer dispute resolutions.

OUR CUSTOMERS

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.

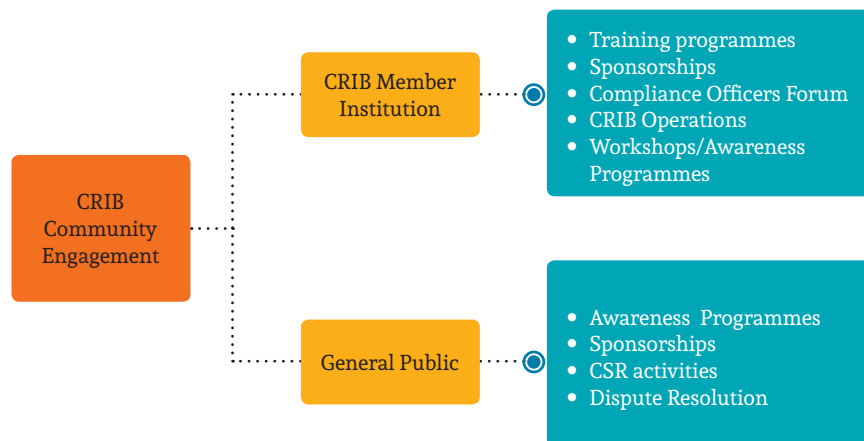
We are happy to report that to date there have been no leaks, loss of data, or breach of confidentiality in the CRIB systems. However, threats to data security are treated as a high risk by the CRIB and risk management strategies, through IT system security and internal controls, are in place.

COMPLIANCE WITH CUSTOMER PRIVACY

During 2015, the CRIB did not face any fines or non-monetary sanctions due to non compliance with customer privacy related regulations.

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.



CONNECTING WITH OUR MEMBER 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 & 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.

CRIB INVESTMENTS IN COMMUNITY ENGAGEMENTS IN 2015

In 2015, the CRIB invested over Rs 3.5 Mn in training programmes and workshops for members of the public, sponsorships, public relations activities and CSR activities.

Activity	Cost Rs
Public awareness activities	2,159,542
Sponsorships of member institutional events and public welfare events	225,000
CSR activities	1,211,949
Total	3,596,491

Building Relationships Contd.

ANNUAL COMPLIANCE OFFICERS FORUM

The 6th Annual CO forum was held at the Hilton Residences to educate compliance officers of member institutions about CRIB operations



CONNECTING WITH THE PUBLIC

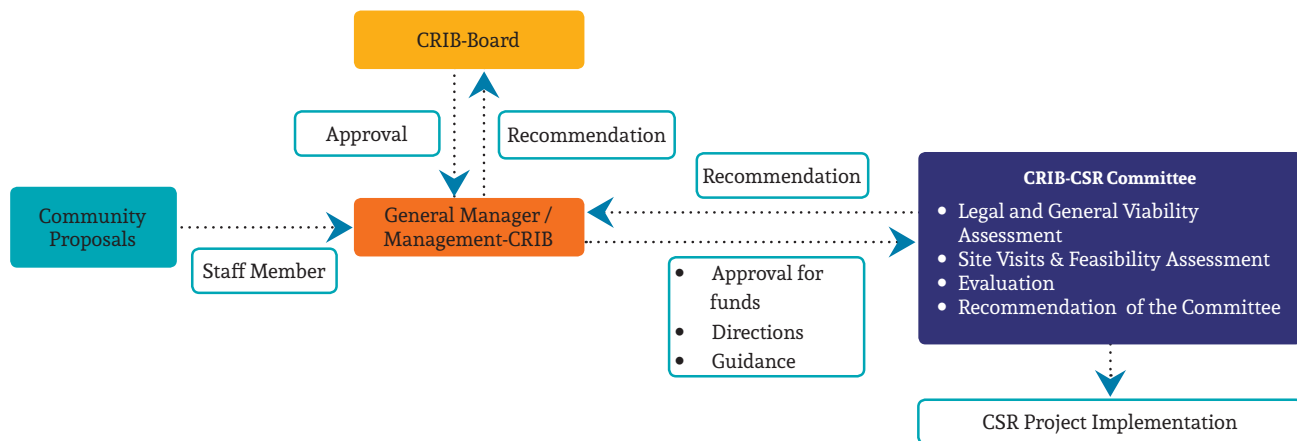
The CRIB conducts a range of public relations activities to raise awareness and clear up misconceptions about the CRIB. These activities are listed below.

Type of activity	Description	Investment
Articles and advertisements in English, Sinhala and Tamil newspapers and magazines	We published informative articles about CRIB services in the print media.	<ul style="list-style-type: none"> Rs. 1,817,790 Management time
	<p>Sinhala publications: Lankadeepa, Divaina, Mawbima, Lakbima, LMD Dirimaga magazine</p> <p>English publications: Daily Mirror, Daily FT, Sunday Island, Echelon magazine</p>	
Television appearances	The DGM of CRIB participated in the Derana 24 x 7 News interview Programme on Derana TV	<ul style="list-style-type: none"> CRIB management and personnel time Stationary for participants Educational documents Transportation of CRIB internal resource personnel
Workshops	The CRIB conducted 3 workshops for the public targeting	
	<ul style="list-style-type: none"> Employees of MAS Intimates 	
	<ul style="list-style-type: none"> Employees of the Noyon Lanka - Biyagama FTZ Management students of the Wayamba University of Sri Lanka 	

Type of activity	Description	Investment
Mediation services	In 2015, 184 disputes were brought to the CRIB regarding the credit information presented in self inquiry credit reports (iReports) By end 2015, 106 disputes were resolved.	<ul style="list-style-type: none"> • Management and personnel time • CRIB resources
Sponsorships	The CRIB sponsored a number of public welfare events during the year	<ul style="list-style-type: none"> • Rs 225,000 • CRIB resources • Management time
	<ul style="list-style-type: none"> • FINANCIA 2015 Programme 	
	<ul style="list-style-type: none"> • Peoples Leasing Fund Raising Project 	
	<ul style="list-style-type: none"> • Drama of SMIB Sport & Welfare Society • Annual Get-Together of Leasing Association of Sri Lanka 	
CSR projects	Book Donation -Vidyadeepa Vidyalaya at Ranawana,Thorayaya	<ul style="list-style-type: none"> • Rs 1,211,949 • Management and personnel time
	Provision of Construction Material - Gunawardanaramaya -Slave Island	
	Constructed a Shelter - Wattala	
	Assisted the Special Children Foundation - Navodya Special Children Foundation	
	Donated a water purifier - Seewali Vidyalaya at Senapura	

CSR PROJECTS

The CRIB contributes funds and resources for community welfare projects that benefit underserved populations and those in need. A procedure has been established to select suitable CSR programmes.



Building Relationships Contd.

CSR ACTIVITIES IN 2015



Assistance to the Special Children's Foundation

We assisted the Navodya Special Children's Foundation, located in Mount Lavinia, which is dedicated to accommodate children who require special attention due to various ailments. The CRIB contributed towards the Foundation's annual rent payment.



Donation of water purifier

There are 456 students following their education at the Seevali Vidyalaya in Senapura. We identified that purified water was a key requirement of the school. Therefore, the CRIB donated a water purifier for the use of the school.



Book donation

We provided books for the use of Grade 1 - 6 students at the Vidyadeepa Vidyalaya, Ranawana, Thorayaya.

**Provision of construction material**

The CRIB donated building materials to the Gunawardanaramaya in Slave Island.

**Flood shelter**

The CRIB constructed a shelter for a family, affected by flooding in Wattala.

OUR TEAM

As a small organisation, by end 2015, our total staff strength stood at only 26 employees including 8 management grade employees. We provide equal opportunities for growth for all our employees and all employees benefit from all statutory payments. In addition, we organise employee events for our staff and management to enjoy themselves and to socialise in an informal capacity.

HUMAN RESOURCE ADMINISTRATION

Human resource administration at the CRIB is guided by the CRIB Administration Manual. The Manual spells out the expected standard of behavior from all employees. Area 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.

COVERAGE OF THE ORGANISATION'S DEFINED BENEFIT PLAN OBLIGATIONS

CRIB complies with all statutory payments to employees. The table below lists the EPF/ETF contributions by company and employee. During the financial year 2015,

the CRIB contributed over Rs 2.8 Mn to the EPF and Rs 707,988 to the ETF on behalf of CRIB employees.

EPF & ETF	2015	2014
EPF - Company 12%	2,831,951	2,271,264
EPF - Employee 08%	1,887,967	1,514,176
ETF 3%	707,988	567,816

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 services required by our member institutions and the public. Therefore, our employees receive both local and overseas training to develop their skills. During 2015 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 over Rs 1.4 Mn on training programmes.

During the financial year 2015, the CRIB invested in excess of Rs 1.4 Mn on employee training in total.

TRAINING HOURS BY GENDER AND BY CATEGORY

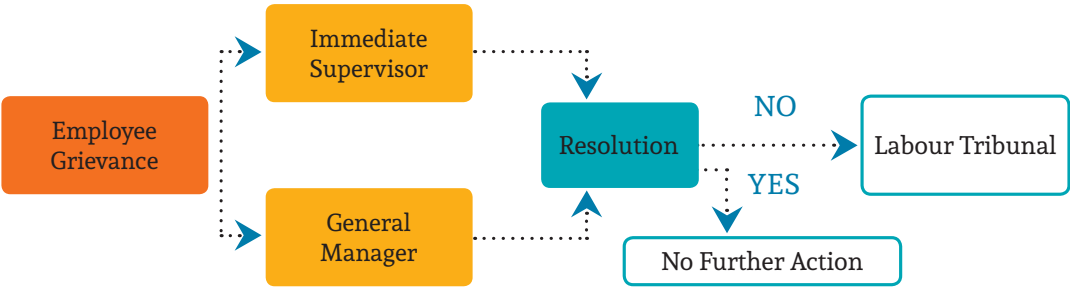
Staff Training	Foreign Training (Investment in Rs)	Local Training (Investment in Rs)	Total (Investment in Rs)
Managerial			
Female		24,071	24,071
Male	1,266,620	104,352	1,370,972
Executive			
Female			-
Male		27,300	27,300
Non executive			
Female		14,850	14,850
Male		39,950	39,950
Total	1,266,620	210,523	1,477,144

LABOUR PRACTICES GRIEVANCE MECHANISMS

The CRIB has a small team, which makes it possible to manage grievances informally in most cases. We believe this, opening quotation mark employee friendly’ work environment contributes towards workplace harmony, interdepartmental cooperation and smooth operations. CRIB employees are not unionised and all CRIB employees have direct access to all management and the General Manger to discuss any grievances.

Under national labour legislations CRIB employees have the option to resort to formal grievance mechanisms such as the Labour Tribunal, in the event the grievance is not resolved in-house. However, to date the CRIB has not had any grievances brought through formal grievance mechanisms.

THE CRIB GRIEVANCE HANDLING PROCESS



Number of grievances about labour practices filed through formal grievance mechanisms during the reporting period	0
How many were addressed during the reporting period	N/A
How many were resolved during the reporting period	N/A
Number of grievances about labour practices filed prior to the reporting period that were resolved during the reporting period.	N/A

Our Team Contd.

ANNUAL STAFF GETTOGETHER

After a full year of hard work, the CRIB team took time off to relax on 19th December 2015 with a well deserved year break at Thotopala Lake Resort, Piliyandala.



EMPLOYEE EVENTS AT THE CRIB

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.



ENVIRONMENTAL RESPONSIBILITY

PLANET



As a public service organisation, we believe natural resources are material to our organisation's long term sustainability. This is primarily in the context of environmental responsibility on our part, rather than actual or potential environmental impacts through our activities.

The CRIB is a small service organisation with minimum environmental impacts. However, we believe we need to conserve our natural resources for the future wellbeing of our country and people. Therefore, we have considered it material to report on our conservation efforts.

As a small service operation, with no involvement in manufacturing, our environmental impacts are limited to consumption of natural resources in the form of electricity, water and paper. Our fuel consumption is exceptionally low, as 75% 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 overleaf. We consume paper for official purposes but due to high computerisation, wastage of paper has been controlled. In addition, as a public service institution we accommodate considerable volumes of customers on a daily basis, at the CRIB office. Therefore, our total consumption figures include the electricity and water consumption that occurs in meeting our customers' needs.

ELECTRICITY AND FUEL CONSUMPTION

We have implemented a number of internal measures to control 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.
- Since 2014, we have initiated monitoring of energy and water consumption. We believe this would help sensitise employees and management towards preventing wastage.

These conservation measures have contributed towards electricity savings in 2015. We are pleased to report that total electricity consumption fell from 175,395 Kw in 2014, to 171,185 Kw in 2015 despite the growth in work volumes. In addition water consumption saw only a marginal 0.5% increase despite a significant increase in the number of walk-in customers to the CRIB office.

Environmental responsibility Contd.

PAPER CONSERVATION

We continued the practices of using email whenever possible, printing on both sides of paper and sending e-invoices to our member institutions instead of traditional printed invoices to reduce wastage of paper. We also provide online iReports instead of printing personal credit reports.

CRIB ENERGY AND WATER CONSUMPTION TABLE

Energy consumption	2015	2014
Total fuel consumption from non-renewable sources: Petrol (L)	1,115	6,552
Total fuel consumption from renewable fuel sources in joules	0	0
Electricity consumption (Kw)	171,185	175,395
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
Water		
Total volume of water withdrawn from Municipal water supplies or other water utilities	Not available	Not available
Water Board (L)	1,103	1296
Other (Water Mart bottled water) (L)	9,367	9120
Total (L)	10,470	10,416
Volume of water recycled and reused by the organisation.	0	0

FINANCIAL REPORTS

This section of our annual report presents the audited financial accounts for the financial year 2015 and other statutory disclosures:

- The Statement of Directors Responsibility for Financial Statements
 - The Annual Report of the Board of Directors on the Affairs of the Bureau
 - The Independent Auditors Report to the Shareholders of the CRIB
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement in Changes in Equity
 - Cash Flow Statements
 - Notes to the Financial Statements
-

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 inquiries 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 89 of the Annual Report.

By Order of the Board
Credit Information Bureau of Sri Lanka



Secretary
Colombo

22 August 2016

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 2015, to be presented at the 25th Annual Shareholder Meeting of the Bureau.

REVIEW OF THE YEAR

The Chairman's Message on pages 03 to 05, and the Management Discussion and Analysis chapters from pages 51 to 63, describe the affairs of the Bureau and mention important events that occurred during the year. This report together with the audited financial statements reflect 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. Please refer the Operation Review on pages 59 to 61 for more information.

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 89 in this report.

ACCOUNTING POLICIES

The Accounting Policies adopted in preparation of the financial statements is given on pages 95 to 111. 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 90.

PROPERTY, PLANT & EQUIPMENT

During the year under review the Bureau invested a sum of Rs. 5,355,335/- (2014 – Rs. 12,827,733/-) in Computer Accessories & equipment of which Rs. 501,000/- is in Intangible Assets and Rs. 1,315,544/- is in Furniture and fixtures and Data Centre Assets.

Information relating to movement in Property, Plant & Equipment during the year is disclosed under Note 104 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 106.

DIRECTORS' RESPONSIBILITIES

The Statement of the Directors' Responsibilities is given on page 86 of this report.

DIVIDEND

The Directors recommend the payment of a dividend for the financial year ended 31st December 2015.

RESERVES

The Reserves and Accumulated Profits as at 31st December 2015 amount to Rs. 3,332 Mn as against Rs. 2,673 Mn as at 31st December 2014. 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 2015. The details are given in Note 13 to the financial statement on page 108.

POST BALANCE SHEET EVENTS

There were no material events occurring after the Balance Sheet date that require adjustments, or disclosure which require adjustment in the Financial Statements other than those mentioned in Note 22 to the Financial Statements.

STATUTORY PAYMENTS

The declaration relating to Statutory Payments is made in the Statement of Directors' Responsibilities on page 86.

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

BOARD COMMITTEES

Please refer pages 47 to 50.

Directors

The Directors of the Bureau as at 31st December 2015 and their brief profiles are given on pages 25 to 33 in this report.

During the year under review the Board met on 13 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 Shareholder Meeting.

A sum of Rs 210,000 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 September 2016 at Kingsbury Hotel at 10.00 a.m.

For and on behalf of the Board.



P. Samarasiri

Chairman



Sanjeewa Bandaranayake

Director

22 August 2016

Colombo

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CREDIT INFORMATION BUREAU OF SRI LANKA



Building a better
working world

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Chartered Accountants
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eysl@lk.ey.com
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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 2015, and the statement of comprehensive income, statement of changes in equity and, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. Set out on pages 95 to 111.

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 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

22 August 2016
Colombo

STATEMENT OF COMPREHENSIVE INCOME

	Note	2015 Rs.	2014 Rs.
Revenue	3	872,923,609	847,877,477
Other Operating Income	4	191,077,107	166,565,705
Employee Related Expenses		(51,970,876)	(41,520,403)
Administration & Establishment Expenses		(47,046,408)	(40,601,580)
Other Operating Expenses		(95,741,525)	(93,297,815)
Secured Transaction Registry		(4,875,547)	(4,319,816)
Profit Before tax		864,366,361	834,703,568
Income Tax Expense	5	(53,473,919)	(46,590,550)
Profit for the year		810,892,442	788,113,017
Other Comprehensive Income			
Gains and Losses on Remeasuring Available for Sale Financial Assets		875,765	(1,487,775)
Actuarial gain or loss retirement benefit		(417,959)	679,494
Total Comprehensive Income for the Year		811,350,248	787,304,735
Earnings Per Share	17	3,244	3,152

The accounting policies and notes on pages 95 through 111 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015	Note	2015 Rs.	2014 Rs.
ASSETS			
Non-Current Assets			
Equipment	7	17,948,352	23,252,637
Intangible Assets	8	11,867,847	25,636,429
		29,816,199	48,889,066
Current Assets			
Inventories	10	282,685	342,197
Trade and Other Receivables	11	188,901,374	182,618,704
Other Current Financial Assets	9	3,117,183,585	2,455,562,554
Cash and Cash Equivalents	12	28,544,753	21,932,164
		3,334,912,397	2,660,455,619
Total Assets		3,364,728,596	2,709,344,686
EQUITY AND LIABILITIES			
Capital & Reserves			
Stated Capital	13	25,000,000	25,000,000
Reserves		1,118,593,369	1,117,356,878
Retained Earnings		2,191,009,116	1,530,895,558
Total Equity		3,334,602,485	2,673,252,436
Non-Current Liabilities			
Retirement Benefit Liability	14	4,351,840	3,411,972
		4,351,840	3,411,972

Statement of Financial Position Contd.

As at 31 December 2015	Note	2015 Rs.	2014 Rs.
Current Liabilities			
Trade and Other Payables	15	19,439,476	20,751,717
Dividends Payable		1,227,121	903,121
Income Tax Liabilities		-	9,104,993
Cash and Cash Equivalents	10	5,107,674	1,920,445
		25,774,271	32,680,277
Total Equity and Liabilities		3,364,728,596	2,709,344,685



Chief Manager (Accounts and Administration)
(Dinesha I. A. Jayasinghe)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the board by:



Chairman



Director

The accounting policies and notes on pages 95 through 111 form an integral part of the Financial Statements.

22 August 2016
Colombo

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2015	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 2014	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
AFS Reserve measurements	-	-	-	-	(1,487,775)	679,494	(808,281)
Transferred to General Reserves	-	329,588	-	-	-	(329,588)	-
Transferred to Technical Reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(100,000,000)	(100,000,000)
Balance as at 31st December 2014	25,000,000	2,600,501	2,000,000	1,113,631,943	(875,566)	1,530,895,558	2,673,252,436
Net Profit for the year	-	-	-	-	-	810,892,442	810,892,442
Transferred to General Reserves	-	360,925	-	-	-	(360,925)	-
Other Comprehensive Income	-	-	-	-	875,566	(417,959)	(457,607)
Transferred to Technical Reserves	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(150,000,000)	(150,000,000)
As at 31 December 2015	25,000,000	2,961,426	2,000,000	1,113,631,943	-	2,191,009,116	3,334,602,485

The accounting policies and notes on pages 95 through 111 form an integral part of the Financial Statements.

CASH FLOW STATEMENTS

Year ended 31 December 2015

	2015 Rs.	2014 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit/(loss) before tax	864,366,361	834,703,567
Adjustments for		
Depreciation	11,975,163	12,605,416
Amotisation	14,289,583	15,790,714
Income from Investments	(191,077,107)	(166,565,705)
(Profit)/Loss on sales of Property, Plant & Equipment	-	-
Provision for Defined Benefit Plans	952,034	816,085
Operating Profit/(Loss) before Working Capital Changes	700,506,034	697,350,077
(Increase)/ Decrease in Inventories	59,512	27,557
(Increase)/ Decrease in Trade and Other Receivables	(6,282,669)	(63,195,218)
Increase/ (Decrease) in Trade and Other Payables	(1,312,241)	8,549,967
Cash Generated from Operations	692,970,635	642,732,383
Esc Paid	(2,309,251)	(1,897,160)
Gratuity Paid	(430,125)	-
Income Tax Paid	(53,747,565)	(52,510,983)
Net Cash From/(Used in) Operating Activities	636,483,694	588,324,240
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(6,670,879)	(13,710,232)
Proceeds from Sale of Property, Plant & Equipment	6,369	(2,589,419)
Acquisition of Investments	(631,188,150)	(646,373,579)
Interest Received	181,471,318	187,448,774
Net Cash Flows from/(Used in) Investing Activities	(456,381,342)	(475,224,456)
Cash Flows from (Used in) Financing Activities		
Dividends Paid	(149,676,000)	(99,820,000)
Net Cash Flows from/(Used in) Financing Activities	(149,676,000)	(99,820,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	30,426,352	13,279,784
Cash and Cash Equivalents at the beginning of the year	63,019,861	49,740,077
Cash and Cash Equivalents at the end of the year	93,446,214	63,019,861

The accounting policies and notes on pages 95 through 111 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 the Whiteaways Building, No 25, Sir Baron Jayathilake Mawatha, Colombo 01.

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 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 22nd August 2016.

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

Notes to the Financial Statements Contd.

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 recognised 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 recognised, 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 recognised 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 recognised 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 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 recognised 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

Notes to the Financial Statements Contd.

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. Amortised 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 amortisation is included in finance income in the income statement. The losses arising from impairment are recognised 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 derecognised 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 recognised 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.

Notes to the Financial Statements Contd.

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 recognised 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 realisable value, after making due allowances for obsolete and slow moving items. Net realisable 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 recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bureau makes an estimate of recoverable amount. A previously recognised 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 recognised. 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

recognised for the asset in prior years. Such reversal is recognised 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 recognised 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 financial position 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 recognised 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.

Notes to the Financial Statements Contd.

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.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following SLFRSs have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements. Those SLFRSs will have an effect on the accounting policies currently adopted by the Company and may have an impact on the future financial statements. None of those have been early adopted by the group.

SLFRS 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new

general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39.

SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

SLFRS 14 Regulatory Deferral Accounts

SLFRS 14 is an interim standard which provides relief for first time -adopters of SLFRS in relation to the accounting for certain balances that arise from rate-regulated activities (‘regulatory deferral accounts’). The standard permits these entities to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

SLFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

	2015 Rs.	2014 Rs.
3. REVENUE		
Credit Information	1,035,663,051	1,007,732,463
Less		
Discount Allowed	(66,717,845)	(58,100,267)
Value Added Tax	(96,021,597)	(101,754,719)
	872,923,609	847,877,477
4. OTHER OPERATING INCOME		
Interest Income	190,350,438	166,093,684
Loss on sale of Fixed Assets	-	
Staff Loan Interest	535,432	393,547
Sundry Income	72,223	11,644
Self Inquiry Income	119,014	66,830
	191,077,107	166,565,705
5. INCOME TAX		
The major components of income tax expense for the years ended 31 December are as follows :		
Income Statement		
Current Income Tax		
Current Income Tax Charge	53,448,044	46,590,550
Over /Under Provision	25,875	-
Income tax expense reported in the Income Statement	53,473,919	46,590,550

Notes to the Financial Statements Contd.

Year ended 31 December 2015

	2015 Rs.	2014 Rs.
6. PROFIT BEFORE TAX		
Stated After Charging		
Included in Administrative Expenses		
Employees Benefits Including the following		
- Defined Benefit Plan Costs - Gratuity (Included in Employee Benefits)	952,034	816,085
- Defined Contribution Plan Costs - EPF&ETF (Included in Employee 'Benefits)	3,539,939	2,840,454
Depreciation	11,975,163	12,605,416
Amortisation of Intangible Assets	14,192,644	15,790,714
Auditor's Fees and Expenses	210,000	190,000
Legal Fees	172,080	471,520
Directors Fees	822,500	720,000
Donations	104,500	202,000

	Balance As at 01.01.2015 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2015 Rs.
7. EQUIPMENT				
<i>7.1 At Cost</i>				
Computer & Accessories	78,809,208	5,355,335	1,984,592	82,179,951
Computer & Accessories -STR	149,400	-	-	149,400
Furniture, Fittings & Office Equipment	8,019,495	1,315,544	11,750	9,323,288
Sundry Assets	85,267	-	-	85,267
Data Centre	15,099,008	-	-	15,099,008
	102,162,378	6,670,879	1,996,342	106,836,914
<i>Depreciation</i>				
Computer & Accessories	60,087,957	9,729,791	1,984,592	67,833,156
Computer & Accessories -STR	139,347	10,053	-	149,400
Furniture, Fittings & Office Equipment	7,179,836	507,264	11,750	7,675,350
Sundry Assets	59,934	8,798	-	68,732
Data Centre	11,442,666	1,719,257	-	13,161,923
	78,909,740	11,975,163	1,996,342	88,888,561

	2015 Rs.	2014 Rs.
<i>Net Book Values</i>		
At Cost		
Computer & Accessories	14,346,795	18,721,248
Computer & Accessories -STR	-	10,053
Furniture, Fittings & Office Equipment	1,647,938	839,658
Sundry Assets	16,535	25,334
Data Centre	1,937,084	3,656,344
	17,948,352	23,252,637
Total Carrying Amount of Property, Plant & Equipment	17,948,352	23,252,637

7.2 Equipment includes fully depreciated assets having a gross carrying amounts of Rs. 70,345,305/- (2014 - Rs. 50,563,502/-).

	System Development Costs Rs.	Computer Software Development Rs.	Software STR Costs Rs.	Total Rs.
8. INTANGIBLE ASSETS				
Cost				
As at 01 January 2015	59,841,208	81,825,790	387,756	142,054,753
As at 31 December 2015	59,841,208	82,346,790	387,755	142,575,753
Additions	-	521,000	-	521,000
	-	521,000	-	521,000
Amortisation				
As at 01 January 2015	55,282,210	60,853,265	282,849	116,418,324
Amortisation for the Year	2,624,660	11,567,984	96,939	14,289,582
As at 31 December 2015	57,906,870	72,421,249	379,788	130,707,906
Net book value				
As at 01 January 2015	4,558,998	20,972,525	104,906	25,636,429
As at 31 December 2015	1,934,338	9,925,541	7,968	11,867,847

Notes to the Financial Statements Contd.

8.1 Intangible Assets include fully depreciated assets having a gross carrying amounts of Rs. 109,264,254/- (2014 - Rs. 77,761,114/-).

	2015 Rs.	2014 Rs.
9. OTHER FINANCIAL INSTRUMENTS		
<i>9.1 Available for sale financial instruments</i>		
Treasury Bills	-	776,005,095
	-	-
	-	776,005,095
Non Current	-	-
Current	-	776,005,095
<i>9.2 Loans and Receivables</i>		
Receivable Under Resale Agreements (Repo)	2,614,695,604	1,473,908,558
Fixed Deposit	502,487,981	205,648,901
	3,117,183,585	1,679,557,459
Non Current	-	-
Current	3,117,183,585	1,679,557,459
9.3 TOTAL NON CURRENT		
Total Current	3,117,183,585	2,455,562,554
	2015 Rs.	2014 Rs.
10. INVENTORIES		
Stationery	282,685	342,197

	2015 Rs.	2014 Rs.
11. TRADE AND OTHER RECEIVABLES		
Financial Assets		
Trade Debtors (9.1)	149,367,578	167,006,296
Loan to Bureau Staff	5,266,671	4,144,298
Pre paid Staff Expenses	648,398	599,359
Deposits for Safe Lockers	45,000	45,000
Receivable	50,000	56,289
	155,377,647	171,851,242
Non Financial Assets		
Advances & Prepayments	21,524,233	10,276,253
Taxes Receivable	11,999,494	491,209
	33,523,727	10,767,462
	188,901,374	182,618,704

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

Total	Neither Past Due Nor Impaired	Past Due but Not Impaired			
		<30 days	30 -60 days	61 - 90 days	< 90 days
Rs	Rs	Rs	Rs	Rs	Rs
149,367,578	69,871,412		67,861,343	9,233,206	2,401,618

Components of Cash and Cash Equivalents	2015 Rs.	2014 Rs.
12. CASH AND CASH EQUIVALENTS		
<i>12.1 Favorable Cash & Cash Equivalents Balance</i>		
Cash & Bank Balances	638,806	564,342
Saving Accounts balances	27,905,947	21,367,822
	28,544,753	21,932,164
Government Securities	70,009,135	43,008,143
	98,553,888	64,940,307

Notes to the Financial Statements Contd.

	2015 Rs.	2014 Rs.
Components of Cash and Cash Equivalents		
12.2 Unfavorable Cash & Cash Equivalents Balance		
Bank Overdraft *	(5,107,674)	(1,920,445)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	93,446,214	63,019,862

* This is due to unrepresented cheques

	2015		2014	
	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

	2015 Rs.	2014 Rs.
14. RETIREMENT BENEFIT LIABILITY		
Retirement Benefits Obligation-Gratuity		
As at 1st January	3,411,972	3,275,382
Charge for the Year	952,034	816,085
Actuarial Gains/Losses	417,959	(679,495)
Payments Made During the Year	(430,125)	-
As at 31 December	4,351,840	3,411,972

14.1 Defined Benefit Liability is valued as of 31 December 2015 and the principal assumptions used in the valuation is as follows:

	2015	2014
Discount Rate	10.50%	8%
Annual Salary Increment Rate	5%	6%
Staff Turnover	1%	1%
Average Remaining Life	20	7
Sensitivity Effect on Net Liability as at 31 December 2015	-	-

		Rs.
Discount Rate	+1%	(303,781)
	- 1%	340,157
Salary Increment Rate	+1%	343,401
	- 1%	(311,670)

	2015 Rs.	2014 Rs.
15. TRADE AND OTHER PAYABLES		
Financial Liability		
Trade Payables	4,153,065	2,560,547
Other Payables	870,598	621,057
Accrued Expenses	7,734,394	4,527,564
	12,758,057	7,709,168
Non Financial Liability		
Other Payables	6,681,419	13,042,550
	19,439,476	20,751,718

	2015 Rs.	2014 Rs.
16. DIVIDENDS PAID AND PROPOSED		
Declared during the year		
Dividends on Ordinary Shares :	162,500,000	150,000,000
	162,500,000	150,000,000
Dividend Per Share (Rs.)	650	600

Notes to the Financial Statements Contd.

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.

	2015	2014
Net Profit attributable to Ordinary Shareholders (Rs.)	810,892,442	788,113,017
Weighted Average number of Ordinary Shares -	250,000	250,000
Earnings per Share (Rs.)	3,244	3,152

18. FAIR VALUES

The management assessed that cash and cash equivalents, trade 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.

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.

(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. Since the customers of the Bureau are registered financial institutions, the exposure from default is minimum.

21. RELATED PARTY DISCLOSURE

Details of significant related party disclosures are as follows:

	2015 Rs.	2014 Rs.
21.1 Key Management Personnel Compensation		
Short-Term Employee Benefits	8,588,188	6,369,103
Total	-	6,369,103
Other Transactions with Key Management Personnel		
	2015 Rs.	2014 Rs.
21.2 Loans to Key Management Personnel		
Interest Received	-	5,787

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.

NOTES

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CORPORATE INFORMATION

CREDIT INFORMATION BUREAU OF SRI LANKA

INCORPORATION

Established under Credit Information Bureau of Sri Lanka

Act No. 18 of 1990 as amended by Act No. 08 of 1995 & 42 of 2008.

FUNCTIONS OF THE BUREAU

- 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.

BOARD OF DIRECTORS

Mr. P. Samarasiri

[Chairman]

Deputy Governor - Central Bank of Sri Lanka

Mr. A. A. M. Thasim

[Director]

Bank Supervision Department Central Bank of Sri Lanka

Mr. D. M. Gunasekara

[Director]

General Manager - Bank of Ceylon

Mr. N. V. Kumar

[Director]

General Manager - People's Bank

Mr. D. Rodrigo

[Director]

Chief Operating Officer - Hatton National Bank

Mr. S. Bandaranayake

[Director]

Deputy General Manager - Finance &

Administration - People's Leasing & Finance PLC

Mr. N. Wijekoon

[Director]

Chief Executive Officer - Softlogic Finance PLC

Mr. A. R. Fernando

[Director]

Chief Executive Officer - DFCC Bank PLC

Mr. D. Senevirathna

[Director]

Chief Executive Officer - Pan Asia Banking Corporation PLC

Mr. K. A. Janaka Lakmal

[Acting General Manager - CRIB]

BOARD OF DIRECTORS (RETIRED)

Mr. B. D. W. Ananda Silva

[Chairman]

Deputy Governor - Central Bank of Sri Lanka

Mr. G. P. Karunaratne

[Director / General Manager]

Credit Information Bureau of Sri Lanka

Mrs. T. M. J. Y. P. Fernando

[Director]

Bank Supervision Department Central Bank of Sri Lanka

Mr. J. E. P. A. De Silva

Senior Advisor - Alliance Finance PLC

Mr. I. Wickramasinghe

Executive Director/ Chief Executive Officer Union Bank

Ms. W. A. Nalini

Chairperson National Saving Bank

Mr. R. Ganegoda

[Director]

Chief Operating Officer - Nations Trust Bank PLC

Ms. S. H. Gunawardena

[Director]

Director Bank supervision (Central Bank of Sri Lanka)

ALTERNATE DIRECTORS**Mr. S. M. S. C. Jayasuriya**

*Deputy General Manager
Bank of Ceylon*

Mr. K. B. Rajapakse

*Senior Deputy General Manager
People's Bank*

Mr. Rohan Muttiah

*Chief Operating Officer
National Development Bank PLC*

Mr. F. Perera

*Deputy General Manager
Commercial Bank of Ceylon PLC*

ALTERNATE DIRECTORS (RETIRED)**Mr N. de Silva**

Union Bank of Ceylon PLC

BOARD AUDIT COMMITTEE**Mr. S. Bandaranayake**

*Deputy General Manager - Finance &
Administration - People's Leasing & Finance
PLC*

Mr. A. A. M. Thasim

*[Director Bank Supervision]
Department Central Bank of Sri Lanka*

Mr. A. R. Fernando

Chief Executive Officer of DFCC Bank PLC

BOARD AUDIT COMMITTEE (RETIRED)**Mrs. T. M. J. Y. P. Fernando**

*Controller of Exchange
Exchange Control Department Central Bank
of Sri Lanka*

Mr. R. Ganegoda

*Chief Operating Officer - Nations Trust Bank
PLC*

BOARD TECHNICAL COMMITTEE**Mr. D. Rodrigo**

*Chief Operating Officer - Hatton National
Bank*

**BOARD TECHNICAL COMMITTEE
(RETIRED)****Mrs. T. M. J. Y. P. Fernando**

*Bank Supervision Department Central Bank
of Sri Lanka*

Mr. I. Wickramasinghe

*Controller of Exchange
Exchange Control Department Central Bank
of Sri Lanka*

Mr. R. Ganegoda

*Chief Operating Officer - Nations Trust Bank
PLC*

BOARD REMUNERATION COMMITTEE**Mr. N. V. Kumar**

General Manager - People's Bank

Mr. S. Bandaranayake

*Deputy General Manager - Finance &
Administration - People's Leasing & Finance
PLC*

MANAGEMENT**Mr. K. A. Janka Lakmal**

Acting General Manager

Ms. D. I. A. Jayasinghe

Chief Manager - Accounts & Administration

Mrs. R. M. S. Ratnayake

Chief Manager - Operations

Mr. A. Nihal Piyasiri

Chief manager-IT

MANAGEMENT (RETIRED / RESIGNED)**Mr. G. P. Karunaratne**

General Manager

Mr. D. H. Ponnumperuma

Assistant General Manager

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

Corporate Information Contd.

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

REGISTERED OFFICE

The Whiteaways Building,
No 25, Sir Baron Jayathilake Mawatha,
Colombo 01.

CONTACT DETAILS

Hotline: +94 112 13 13 13

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E-mail: info@crib.lk

Website: www.crib.lk



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இலங்கை தொடுகடன் தகவல் பணிமுகம்
CREDIT INFORMATION BUREAU OF SRI LANKA