

Change is *Here*



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Change is *Here*

The year under review was one that tested our limits; our endurance and our ability to rise up through the storm to become stronger, wiser, and more resolute in our ideals.

We strived to create accessibility and ease of use for our customers while implementing a new system that not only guarantees their security and financial opportunities but also the sustainability of our new operational framework.

Dedicating our efforts to innovating our processes, we thought out of the box in maintaining a high-value, uninterrupted service which was culminated by our strong and committed team.

Maintaining our impeccable standards and system of values remained of ultimate importance as we persevered and perfected our operations. We are committed and strived to bring a new digital landscape and Change Is Here.

Introduction to the Report

THE REPORT PROFILE

Greetings and welcome to the Fifth Integrated Annual Report from the Credit Information Bureau of Sri Lanka (CRIB). In this report, we delve into our operational and financial performance, guided by a framework centered around six key Capitals. We aim to illustrate how we create value for our stakeholders through the effective management of these Capitals, including Finance Capital, Intellectual Capital, Human Capital, Manufactured Capital, Natural Capital, and Social Capital.

CRIB is a statutory entity established under the Credit Information Bureau of

Sri Lanka Act No. 18 of 1990, featuring a distinctive public-private ownership structure. We are entrusted with the responsibility of serving as Sri Lanka's national credit information agency. It's worth noting that CRIB does not have any subsidiaries, affiliations, or associations.

Our decision to adopt the Integrated Reporting framework in our Annual Report is entirely voluntary, driven by our commitment to principles of good governance and exemplary corporate citizenship. Our primary objective in aligning our Annual Report with Integrated Reporting standards is to

enhance transparency in our public service operations and inform the people of Sri Lanka about how we manage these vital Capitals to deliver value to our diverse stakeholders. We firmly believe that this effort will not only bolster our reputation and image with stakeholders but also enhance the accuracy and clarity of our stakeholder communications.

The financial statements included in this report have been meticulously prepared in compliance with the Sri Lanka Accounting Standards (LKASs/SLFRSs) in effect as of December 31, 2022, as issued by the Institute of Chartered Accountants of Sri Lanka.

MEETING INTEGRATED REPORTING FRAMEWORK PRINCIPLES

The table presented below provides a concise summary of the sections within the Report that offer pertinent information aligning with the fundamental principles that govern the Integrated Reporting

Area of Focus	Annual Report Section Carrying Relevant Information
Strategic focus and future orientation	Chairperson's Review and General Manager's review sections cover the strategic direction, deviations and future prospects.
Connectivity of information	Operations Performance section summarises the overall management of capitals and value generated to stakeholders.
Stakeholder relationships	Stakeholder Engagement section provides insight into the nature and the quality of CRIB's stakeholder relations including how and to what extent the organisation understands, takes into account and responds to their needs and interests. Additional details are captured under the Social and Human Capital sections of the report.
Materiality	Materiality was determined through a careful evaluation by the senior management on disclosing information about matters that substantively affect the organisation's ability to create value over the short to medium and long term. Materiality is covered under Material Topics and Boundaries section of the report.
Conciseness	Information has been compiled and presented in a meticulously planned format to provide a comprehensive outlook in the most concise and user-friendly manner.
Reliability and completeness	To maintain reliability, both positive and negative material aspects have been reported in a balanced way in order to avoid material error. Additionally, the report has been assessed and evaluated by the senior management while the financial performance has been verified by external auditors for further assurance.
Consistency and comparability	The report being the 5th integrated report of CRIB carries consistent data that have been reported in line with standard reporting guidelines that allow the comparability of its contents.

Materiality Assessment

The concept of Materiality considers the impact of the organisation's operations on its internal and external stakeholders as well as the impact of external developments on the organisational performance. Hence, CRIB's operations have been reviewed considering both financial and non-financial aspects in comparison with the previous year's assessment in determining the material topics and boundaries for this report. In assessing the materiality of the selected topics, regulatory compliance, stakeholder expectations on areas of disclosure, improving transparency for the public and the government and sufficient compliance to the Integrated Reporting principles were taken into consideration. CRIB operates within Sri Lanka and hence its services and operations are limited within the boundaries of the country.

Material Topic	Significance	Section on Annual Report	Page Number/s
Discharging the Legal Mandate	Being a unique service provider established under a statute places significance on the need to maintain the legal mandate for which the organisation has been established.	<ul style="list-style-type: none"> Chairperson's Message Social Capital 	
Governance	Given the unique public-private set up, CRIB places significant weight on maintaining a sound governance of the establishment for effective performance.	<ul style="list-style-type: none"> The CRIB Governance System Board of Directors 	
Managing Information Security Risks and Data Confidentiality	CRIB is a data hub that gathers, stores, processes and distributes highly sensitive financial and credit data pertaining to individuals and institutions. Hence data security and confidentiality play a critical role in sustainable operations and stakeholder expectation management.	<ul style="list-style-type: none"> Managing Risks Intellectual Capital Ethics and Anti-Corruption 	
Financial and Operational Performance	The revenue generated and stakeholder value addition are hinged on the successful performance of the organisation, hence the significance.	<ul style="list-style-type: none"> General Manager's Message Operations Review Financial Statements External Environment Independent Auditors Report 	
Managing our Assets	Managing the key capitals for effective output and outcomes play an integral role in creating stakeholder value and thus effective management of these assets need to be monitored and reported.	<ul style="list-style-type: none"> Financial Capital Human Capital Intellectual Capital Manufactured Capital Natural Capital 	
Growth Strategy and Outlook	The sustainable growth and consistency of the organisation is dependent on its strategy, accuracy of execution and the future plans for growth – these factors determine the level of confidence of stakeholders in the organisation.	<ul style="list-style-type: none"> Message from the Chairperson General Manager's Message Strategy and resource allocation 	
Business model	Important to set the pace for the report and help the stakeholders understand the background, status and purpose of the organisation along with its value creation model.	<ul style="list-style-type: none"> Stakeholder Engagement 	

Stakeholder Engagement

The CRIB greatly appreciates the support of all the stakeholders in carrying out all its functions. The performance of its services will not be possible without the support, trust and confidence of these stakeholders. CRIB is proud to have continued its service continuously and with slight or no interruption during the year under review, which was made possible by the successful relationships the Bureau has nurtured with its stakeholders.

CRIB Act defines the role of the bureau that is expected to play in the Sri Lankan society and characterizes and identifies its stakeholders according to the provisions of the Act. As the National Credit Information Agency, CRIB deals

with a wide range of stakeholders, including international organizations.

The Bureau's primary stakeholders are:

- 1. The groups that have the greatest influence on the CRIB through the CRIB Act.
- 2. The groups the CRIB is mandated to serve through the CRIB Act.
- 3. Other stakeholders that are essential for the CRIB's operations.

Based on the above definition, the primary stakeholders of the CRIB are:

- 1. **CRIB members:** CRIB members (shareholders) are the Central Bank of Sri Lanka, the financial sector regulator and registered banks and finance and leasing companies.

- 2. **The Public of Sri Lanka:** As defined by the CRIB Act, all Sri Lankan citizens and institutions incorporated in Sri Lanka have the legal right to receive CRIB services.
- 3. **Government agencies:** CRIB collaborates with various Government agencies, including the Ministry of Finance, Central Bank and Inland Revenue Department.
- 4. **Our employees:** Our employees are the core of CRIB operations.
- 5. **Technical and Service partners:** The CRIB requires specialised technical support services to provide efficient and effective service to the public and member institutions. Therefore, CRIB's technical services providers are essential for the CRIB's operations.

Stakeholder engagement can be mainly divided into two categories as local and international engagement and therefore, CRIB's stakeholder engagement framework can be defined as follows -

LOCAL ENGAGEMENT

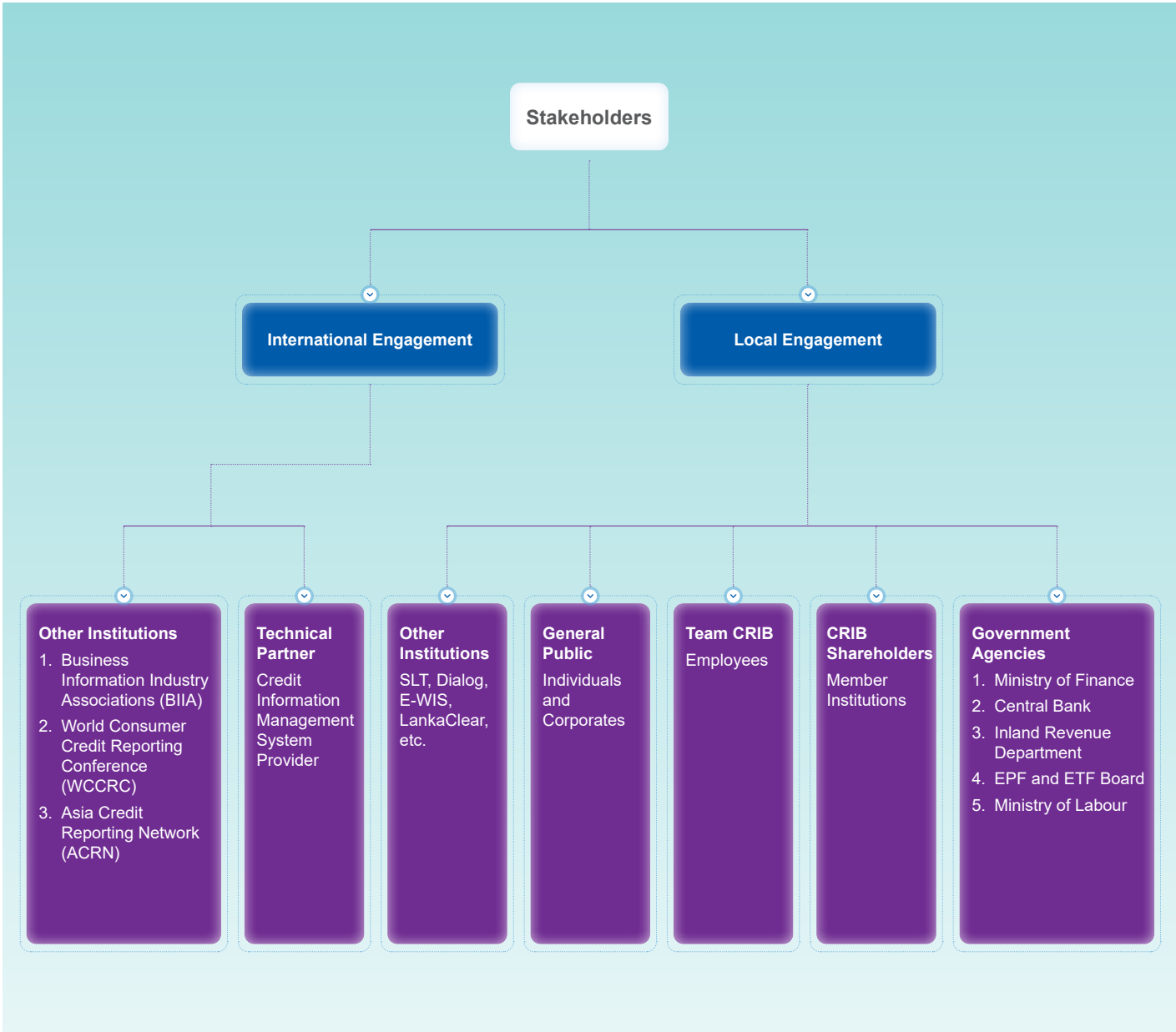
Stakeholder	Stakeholder Description	Method of Engagement	Purpose and Intent
Ministry of Finance, Central Bank of Sri Lanka, Inland Revenue Department, EPF, ETF and Ministry of Labour.	Government agencies.	Statutory reporting and general correspondence	To comply with statutory obligations, maintain transparency and ensure formal official communications.
CRIB member institutions.	Lending institutions registered with the Central Bank of Sri Lanka.	Annual Shareholder meeting, Annual report, Member awareness programmes, Communication with Compliance officers.	Providing accurate and up-to-date credit information and providing accurate information of moveable assets pledged as collateral for loan.
Team CRIB.	Employees	Salaries, wages and cash benefits, Knowledge and skills development programmes, Staff gatherings and meeting.	Providing industry standard compensation packages for performance, career growth and skill development opportunities.

Stakeholder	Stakeholder Description	Method of Engagement	Purpose and Intent
General public.	All Sri Lankans and registered institutions in Sri Lanka.	Web site service, Publications, Dedicated customer service and hot lines. Media coverage, public workshops	Fulfilling the mandate of the CRIB Act. As a national organization, provide services to the financial industry and the economy as a whole
External business entities	Support and Outsourced Service Providers.	telecommunication facilities for hosted services. Service Contracts, MOUs, NDAs, Subscriptions	Continue the service of the Bureau without any interruption.

INTERNATIONAL ENGAGEMENT

Stakeholder	Stakeholder Description	Method of Engagement	Purpose and Intent
Business Information Industry Association (BIIA)	Global information industry association represented by global information service providers such as credit bureaus, ratings agencies etc.	Membership subscription (since 2015).	A view to maintain sound relations and collaboration to enhance the knowledge based capabilities of CRIB while contributing to the knowledge hub of BIIA.
Asia Credit Reporting Network (ACRN)	Represents the Asia Credit Reporting Industry by bringing together key players in the Credit Reporting infrastructure.	Full membership status obtained in 2019 with the signing of MOU in Vietnam.	To contribute to the urgent needs for Asian countries to promote exchange and corporation in credit reposting by sharing knowledge and experience amongst members.
Creditinfo International GMBH and Dun & Bradstreet	Technical and Service Partners.	Constant collaboration through cross communication, Service Level Agreements, Contracts	Adherence to system performance, accuracy and safety standards to provide consistent, efficient and effective credit information services to the general public and Shareholders of the bureau.

Stakeholder Engagement



Government Agencies - CRIB

engages with these institutions through statutory reporting processes and formal communications. to ensure compliance with the statutory obligations, transparency and effective governance .

CRIB Shareholders - CRIB

shareholders are the Central Bank of Sri Lanka, the regulator of the financial sector, licensed banks, finance and leasing companies. We engage with our member institutions through the annual shareholder meeting, annual reports and user awareness programmes. Our aspirations are to provide accurate and up to date credit information and information on moveable assets pledge as collateral for loans.

Team CRIB - Our employees are at the core of CRIB operations, and we provide benefits, job security including opportunities for growth through knowledge and skill development.

General Public - All Sri Lankan citizens and institutions incorporated in Sri Lanka have legal right to receive CRIB services and for them we provide accurate and up-to-date credit information using efficient customer service.

Business Information

Industry Association (BIIA) - One of the Largest Information Resources for Business Information and Credit Information such as credit bureaus, rating agencies, etc. The CRIB received full membership of the BIIA in year 2015.

World Consumer Credit Reporting Conference (WCCRC) -

This is the largest gathering of the credit reporting industry around the world to discuss the latest news and trends in credit reporting and is the only international event specifically focusing on credit reporting. The CRIB has participated in all conferences and the conferences help CRIB staff to enhance their knowledge of the industry while establishing international networks with key stakeholders and professionals in the industry.

Asia Credit Reporting Network (ACRN)

To support equality and inclusive growth in Asia, the Asian Credit Reporting Network was established to represent the Asian Credit Reporting Industry by bringing together key players in the Credit Reporting discipline. This fulfils the urgent need for Asian countries to promote exchange and cooperation in credit reporting by sharing knowledge and experience among members.

CRIB has been attending key events of ACRN and the full membership status was received in September 2019.

Technical and Service Partners-

CRIB has a dedicated technical support service provider to deliver a consistent, efficient and effective service to the general public and our shareholders.

Chairperson's Message



I am pleased to present the audited financial statements and the Annual Report for 2022 to our valued shareholders and the public of Sri Lanka, on behalf of the Board of Directors of CRIB. This report reflects our commitment to transparency, highlights our financial performance, and outlines our dedication to enhance the financial ecosystem of Sri Lanka. We thank you for your trust in CRIB and unwavering support to it.

CHALLENGING BACKDROP

In 2022, the Sri Lankan economy grappled with formidable challenges, leading to a substantial contraction in the economy across all major sectors, including services, construction, tourism, manufacturing, and agriculture. These hardships were further exacerbated by input shortages and supply chain disruptions, creating a complex economic landscape. In tandem with these challenges, several key factors that emerged both domestically and globally further intensified the economic crisis during the year.

In order to safeguard the economy from potential macroeconomic instability, the Central Bank and the Government took several immediate and coordinated policy initiatives during the year. Although these have had a dampening effect on economic activities in the near term, they are expected to enable a robust and sustained recovery of the economy.

As we reflect on the challenging economic landscape seen in 2022, it's crucial to acknowledge that the performance of CRIB was also affected by the adverse developments in the economy. Against the backdrop of the disruptions seen in the wake of the economic crisis, a slowdown in credit



Amidst the economic conditions of 2022, our commitment to innovation and efficiency in credit information management remained steadfast. Despite the challenges posed by the economic climate, our dedication to delivering excellence in our services and systems continued unabated.

growth was observed. Consequently, primary income-generating avenue of CRIB was significantly hindered by the challenging operating environment that prevailed during the financial year.

OUR PERFORMANCE

We remained committed to serving our stakeholders as we navigated a challenging 2022, recognizing our essential role in the face of adversity. With an unwavering focus on the well-being of our employees, we ensured uninterrupted service delivery to our valued members. In our capacity as the National Credit Information Bureau, we delivered 6.1 million credit reports throughout the year marking a 27% deceleration from previous levels. As a result of these challenges, our recorded operational income dropped, to Rs. 694.2 million for the period under review. However, it's noteworthy that our financial performance was bolstered by the high-interest regime during this period, leading to a substantial 122% surge in other income for the Bureau. As a result, our profit after tax increased from Rs. 660.9 Mn in 2021 to Rs. 754.2 Mn in 2022.

A significant milestone in our journey during 2022 was the compelling need to reach the successful technical go-live of

our new system. The decision to procure this system was necessitated by the outdated nature of our previous Credit Information Management system, which lacked support from service providers and had numerous limitations, particularly in terms of scalability and capacity upgrades. This system had reached its end-of-life, prompting CRIB to search for a technologically advanced solution with the capacity to seamlessly accommodate future requirements of the financial sector.

Prior to the technical go-live, we diligently conducted a pilot run and a parallel run to ensure system stability and build user confidence for a seamless transition with positive feedback from member institutions. Consequently, the technical go-live commenced on December 1, 2022, and concluded successfully by year-end, receiving favourable and constructive responses from all member institutions.

TECHNOLOGY DRIVE

A pivotal achievement during the year was the successful launch of the Technical Go-Live Phase of the Credit Bureau Core System. This marked a significant milestone in our ongoing efforts to strengthen

our credit information management infrastructure. Our dedicated team worked diligently throughout the year, from conceptualization and development to rigorous testing and implementation, to bring this advanced system to fruition. This transformative solution is designed to revolutionize the way we manage and distribute credit information, emphasizing accuracy, security, and user-friendly accessibility with many enhanced products.

Throughout the year, CRIB conducted extensive training sessions, tailored for Compliance officers, Business teams, and Technical teams of our member lending institutions. These sessions aimed to comprehensively educate participants about the new system's functions, advanced features, and innovative products, with additional focus on enhancing data quality.

With the introduction of the new system, our capabilities have expanded to encompass non-financial data, including telco data, Utility data, and Insurance data. Furthermore, we could actively promote new products and features, such as credit score reports, monitoring and alerts, portfolio analytical reports, self-inquiry reports, batch reports and retrospective score analysis reports, while the automation of a majority of day-to-day operational functions enhances efficiency for institutions accessing our services.

Amidst the economic conditions of 2022, our commitment to innovation and efficiency in credit information management remained steadfast. Despite the challenges posed by the economic climate, our dedication to delivering excellence in our services and systems continued unabated.

Chairperson's Message



We remained committed to serving our stakeholders as we navigated a challenging 2022, recognizing our essential role in the face of adversity. With an unwavering focus on the well being of our employees, we ensured uninterrupted service delivery to our valued members.

WAY FORWARD

Our forward-looking strategy is centered on our core objective of providing accurate and timely credit information to our users for their credit decision making. The new state-of-the-art credit bureau system will play a pivotal role in achieving this goal, transforming how institutions approach credit and risk evaluation, with a strong emphasis on promoting inclusivity and expanding access to credit across all segments of the economy. Additionally, within the statutory mandate of CRIB, we endeavour to provide regulators with valuable insights for informed policy decisions, leveraging on our credit scores and benchmarking and analytical reports.

Another crucial aspect of our strategy involves enhancing our visibility along with many value added products and becoming a recognized credit bureau within the region. To achieve this, we will actively engage in various regional forums that not only boost our reputation as a regional player, but also serve as platforms for learning and adopting industry best practices to implement in Sri Lanka.

In alignment with our commitment to inclusivity, we are working towards including micro finance institutions within the CRIB membership. We advocate for the enactment of the Credit Regulatory Authority Act, which would allow micro finance institutions to join the bureau and access its services. This initiative holds the potential to greatly benefit micro finance institutions by enabling them to maintain healthier lending portfolios and prevent consumers of over borrowing. In addition, our efforts have been directed at reforming the Secured Transactions Act No. 49, 2009. This reform aims to streamline the utilization of movable assets as collateral for financing, offering valuable input for the forthcoming draft bill. Through these amendments, the Act will empower small and medium-scale entrepreneurs to secure loans using movable assets as collateral, with the ability to register such assets in our electronic registry. We firmly believe that our ongoing initiatives and forward-thinking approach will establish CRIB as a vital institution contributing to the economic prosperity of the country.

APPRECIATION

Throughout these turbulent times, CRIB demonstrated its commitment to navigating the economic challenges by providing unwavering support and uninterrupted services to its stakeholders. In this regard, the contribution of the CRIB team led by the General Manager is highly commendable as they displayed their total commitment and extended their immense support, to serve the stakeholders.

I would also like to extend my heartfelt appreciation to all our esteemed stakeholders, including the regulatory policy making authorities and the Central Bank for their continued confidence placed in CRIB. Their steadfast support has not only solidified our existing relationships but has also opened doors to establish new partnerships, even in the face of the most challenging circumstances.

Furthermore, my sincere gratitude goes out to the dedicated members of the Board of Directors for their invaluable professional guidance and continuous support. Their collective expertise has played a pivotal role in bolstering the bureau's performance, even during these tumultuous times.

Lastly, but certainly not least, I would like to express my gratitude to all member lending institutions, service providers, individuals, well-wishers, and the broader public for their unwavering support in various capacities throughout this demanding year. Your diverse contributions have been instrumental in helping CRIB successfully navigate the complexities during the year 2022.

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

General Manager's Message



Dear Shareholders,

Year marked several unprecedented changes throughout the Sri Lankan economy. It began with consequences of Covid 19 pandemic impact creating significant pressure on the Sri Lankan Rupee, which had been allowed to float freely in the first quarter of the year. Simultaneously, foreign exchange market restrictions caused shortages in essential goods. Due to low foreign currency reserves, liquidity issues, disruption in supply chain, implications on daily life and business environment were severe. This financial instability was exacerbated by social unrest during the second quarter of the year. Additionally, the potential recovery of tourism, post-pandemic, was hindered by travel advisories and negative perceptions stemming from the socio-economic disruption.

With subsequent changes that took place during the second quarter of the year swift actions were taken to address shortages in essential goods, leading to a faster-than-anticipated return to normalcy. In light of these circumstances CRIB remained steadfast and resolute in its objective to provide its products and services to the General public and member institutions achieving unparalleled operational performance.

OPERATIONAL PERFORMANCE

During 2022, CRIB encountered significant operational hurdles and limitations owing to the aforementioned challenging economic environment. One significant challenge involved was executing the Pilot run for the new Bureau system while maintaining the existing system in parallel. Managing both systems concurrently for a span of four months posed considerable difficulties in terms of operations and

General Manager's Message



In spite of the economic challenges, CRIB persevered in fulfilling its fundamental role of providing informative credit reports to member institutions to ascertain the financial standing of individuals.

resource distribution. Following a successful pilot run, the full parallel run began in August 2022 and completed successfully in end November 2022. Throughout the year, efforts were dedicated to training, knowledge sharing, providing support services, and managing the help desk to acquaint member institutions with the new system. These endeavors were accomplished using the Bureau's existing resources, despite the downturn in the economy and subdued credit growth impacting its core activities. This economic strain was reflected in the reduced aggregate credit facilities submitted as at 31st December 2022, dropping from 11.4Mn in the previous year to 10.6Mn by December 31, 2022. However, our operational efficiency remained steadfast, consistently achieving a credit report validation rate of over 99%. This speaks volumes about the dedicated CRIB team's unwavering commitment and strenuous collaborative efforts with our member institutions.

In spite of the economic challenges, CRIB persevered in fulfilling its fundamental role of providing informative credit reports to member institutions and the general public for informed decision-making and to ascertain the financial standing of individuals. Although at a 24% lower frequency, mainly due to the slowdown in credit growth in the market, these reports addressed a diverse array of needs. They

notably focused on risk assessment, monitoring and reviewing existing borrowers, and evaluating new credit facilities. Additionally, the introduction of summary reports offered simplified credit information for small-scale credit facilities at a reduced cost.

Our commitment to raising awareness and educating the public remained unwavering. In 2022, CRIB conducted 14 public awareness sessions to enlighten the general public about the importance of managing and maintaining a favorable individual credit record in order to facilitate favourable financial standards for individuals and corporates. Additionally, we leveraged print and electronic media campaigns to further emphasize this crucial aspect.

In summary, the operational review for 2022 reflects CRIB's adaptability and resilience in navigating the challenging economic landscape while maintaining its unwavering dedication to delivering reliable and vital credit information services to support our member institutions and the broader financial community.

FINANCIAL PERFORMANCE

In the financial performance for the year 2022, Bureau faced several challenges mainly reduction in credit growth contraction of economy that impacted its overall performance.

In terms of core business operations reporting, there was a notable reduction in the number of reports generated during the year, with the figure decreasing from 8.3 million to 6.1 million reports. This represented a significant 26.5% reduction compared to the previous year, 2021. This decline in report generation can be attributed to the challenges associated with the credit environment during 2022.

Furthermore, the financial figures reflected the impact of these challenges, as recorded revenue for the period also experienced a year-on-year decrease. In 2022, the recorded income decreased from 934.8 million to 694.2 million, marking a substantial 25% decline. This decline in income can be attributed to the broader economic conditions and subdued credit environment prevailed. In consequence to same Bureau recorded a marginal increase of 1.1% in the total operational expenses despite the surge in all costs as a result of diligently managing its Administration, Finance and Operational costs during the year and managed to bring down the operating expenses from 249.4Mn to 203.4Mn which is a 18.4% reduction.

Despite these external challenges and the prevailing high-interest rate environment, the organization demonstrated resilience through a remarkable increase in other income, which surged by an impressive 122%. This diversification of income sources helped cushion the impact of the challenging economic conditions.

Consequently, the organization's profit before tax for the year exhibited growth, increasing from 865.0 million in 2021 to 1040.5 million in 2022. This positive trend in profitability showcased the organization's ability to navigate adverse

conditions and adapt to changing market dynamics.

However, it's worth noting that the earnings per share for the year recorded a modest increase, standing at 14% from Rs.2644/- to Rs.3017/- in 2022. This increase in earnings per share reflects the organization's commitment to maintaining financial stability and managing shareholder expectations amidst challenging circumstances.

In summary, the financial performance for the year 2022 reflects the organization's resilience in the face of economic challenges, with a notable increase in profitability despite a decline in credit growth and recorded income. The focus on diversifying income sources and prudent financial management contributed to this positive outcome, showcasing the organization's adaptability and commitment to delivering value to its stakeholders.

STATE OF THE ART CREDIT BUREAU SYSTEM

Following the successful completion of the Pilot Run and the Parallel Run, the Technical Go-Live of new Credit Bureau system commenced on November 30, 2022, with the goal of achieving full system Go-Live by January 1, 2023. Throughout the year, CRIB conducted numerous training sessions related to the implementation of the new system. These sessions were aimed at educating Compliance officers, Business teams, and Technical teams from our member lending institutions about the system's functions, features, enhanced products, and advanced features. Additionally, extensive efforts were made to improve data quality levels. In December 2022, CRIB organized a Compliance officers' forum to educate

these officers and institutional users further. The forum provided insights into advanced functions, features, value-added products, and services of the new system. It also emphasized the critical importance of data quality in ensuring the accuracy of information in credit reports and CRIB scores. At this forum, we proudly announced the launch of the new system, scheduled for January 1, 2023.

With the introduction of the new system, CRIB will expand its data sources to include non-financial data, encompassing Telco data, Utility data, and Insurance data. This expansion will demonstrate, one's integrity and build reputational collateral, facilitating non bankable individuals in accessing credit facilities from formal financial institutions. Moreover, we will promote additional products and features such as CRIB score reports, monitoring reports, Alerts, Portfolio Analytical reports, Batch reports, self-inquiry reports and Retrospective Score Analysis reports. This enhancement will enable institutions to access services more efficiently swiftly with informative reports for risk assessment, lending decisions and to create a robust financial system, as the new system can connect financial institutions through API's.

The Secured Transaction Registry (STR) continues to stand as a testament to our dedication to innovation and excellence. Developed by our in-house ICT team, it remains an exceptional electronic database that allows secured creditors, financial institutions who are members of CRIB, by providing a platform to register their security interests in movable assets held by enterprises or individuals. The STR effectively addresses the challenges surrounding default and enforcement that are often encountered in the financing

of movable assets. Serving as a central electronic registration system, it plays a pivotal role in mitigating the risks associated with dual collateralization and fraudulent activities within the sector. Moreover, it equips financial and leasing institutions with the necessary tools to assess a client's creditworthiness, to promote credit against movable collateral such as machinery, inventories, stocks validate collateral usage, and enhance the overall transparency and security of transactions.

In the ever-evolving landscape of the digital age, CRIB took a momentous step in 2022 by launching its trilingual corporate website. This initiative not only refreshed our brand but also elevated user experiences while aligning our online presence with the evolving objectives of our organization. The CRIB corporate website now serves as the official online platform, offering a comprehensive repository of information about CRIB, our extensive range of products and services, our core values, and our ongoing activities. This digital representation of our organization has become a dynamic hub for engaging with a diverse array of stakeholders, including customers, clients, investors, employees, partners, and the wider public. We are elated to share that our new corporate website received a prestigious Merit Award in the Best Corporate Website category at BestWeb2023, Sri Lanka's exclusive web design competition.

In the year 2022, our commitment to expansion and integration bore fruit as several new members seamlessly integrated their systems with our User Acceptance Test (UAT) infrastructure. A notable portion of these members successfully completed their UAT phase, underscoring their readiness

General Manager's Message



Looking towards the future, our unwavering commitment remains centered on the continual optimization and enhancement of our Credit Bureau services for both our member institutions and the general public, with a primary objective of bolstering the robustness of the financial sector....

and steadfast commitment to a smooth integration process. This proactive approach exemplifies the collaborative spirit that underpins our efforts to ensure the seamless assimilation of their systems into our platform. Through the Host-to-Host Application Programming Interface (API), this integration empowers lending institutions with real-time, efficient, secure, and scalable access to credit bureau data. These enhancements significantly augment the operational efficiency of lending institutions, ultimately enhancing the overall experience for their customers. As we advance, the timely completion of UAT continues to serve as a cornerstone of our collective endeavors, a testament to our shared commitment to excellence and the highest standards in integration practices.

FUTURE OUTLOOK

Looking towards the future, our unwavering commitment remains centered on the continual optimization and enhancement of our Credit Bureau services for both our member institutions and the general public, with

a primary objective of bolstering the robustness of the financial sector. Our visionary roadmap comprises several pivotal goals. Firstly, we are devoted to educating and creating awareness among the general public about the paramount importance of proficient credit management and maintaining a favorable financial standing by individuals and firms. Secondly, we aim to promote and offer value-added products that equip individuals and institutions with the knowledge needed for well-informed financial decision-making. Additionally, we plan to expand our footprint in the digital media realm, fostering increased accessibility and engagement. We also envision the comprehensive digitalization of Bureau services and a transformation of our processes to keep pace with evolving technological advancements. Furthermore, we intend to capture non-financial data to provide an avenue for those who may not have traditional banking histories, enabling them to develop a positive reputation and access credit from formal networks. Lastly, we are committed to fortifying our data analytics capabilities and continually

enhancing the user experience. These ambitious pursuits will serve as the driving force behind our endeavors in the years ahead, as we work tirelessly to fortify the financial sector and empower individuals and institutions alike.

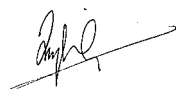
In conclusion, the successful technical go-live of the Credit Bureau Core System signifies a monumental milestone in our ongoing journey of innovation and relentless pursuit of excellence. We extend our heartfelt appreciation to all those who have contributed to this remarkable achievement and eagerly anticipate yet another year filled with growth and accomplishment.

Furthermore, our aspirations extend towards establishing ourselves as a regionally recognized credit bureau. We have already taken strides in this direction by actively participating in forums such as the Asia Credit Reporting Network (ACRN) and the Business Information Industry Association (BIIA), regional associations dedicated to credit reporting and business information. Our involvement in these forums has garnered recognition and positioned us to introduce best practices from other countries into the Sri Lankan market. Aligned with global standards, we envision becoming a regional leader, transforming CRIB into an indispensable one-stop shop for both borrowers and lenders.

Our commitment to providing comprehensive solutions to our stakeholders, encompassing the areas mentioned above, will enable us to emerge as a pivotal regional player in

the years to come. We have charted an extensive roadmap, with the new state-of-the-art credit bureau system at its core. Leveraging this system, we will extend our products and services to benefit the public and member institutions, revolutionizing credit evaluation and risk assessment for lenders while promoting financial inclusivity across all strata of society. Financial inclusivity remains a paramount focus of our future strategy, as we diligently work towards enhancing access to credit for all communities. We firmly believe that this new credit bureau system will serve as a catalyst for fostering inclusivity and driving positive change.

Last but certainly not least, we extend our thanks to all our member institutions and customers for your continued support and trust in us. We are committed to delivering even greater value by upholding the highest industry standards. Your confidence in CRIB is deeply appreciated, and we look forward to continuing our journey together.



Mr. Pushpike Jayasundera
Director/ General Manager

ACKNOWLEDGEMENT

As we navigated through a challenging year, our resilience has allowed us to maintain our position, and for this, we extend our heartfelt appreciation to all our stakeholders. We are grateful for your unwavering support.

We would like to express our sincere gratitude to the Chairperson and the esteemed members of the Board of Directors for their invaluable guidance and advice. Your leadership was instrumental in sustaining CRIB's operations during these trying times.

A special note of gratitude goes out to our dedicated team at CRIB. Your unwavering commitment and loyalty have been the driving force behind achieving our strategic objectives amidst the numerous challenges faced throughout the review period.

Key Performance Indicators

Total Assets



**Rs.
6.2
Bn**

Operation Income



**Rs.
694
Mn**

Investment Income



**Rs.
771
Mn**

Net Assets



**Rs.
5.4
Bn**

EPS



**Rs.
3,017**

Net Assets Per Share



**Rs.
21,850**

Number of Credit Reports Issued



**6.9
Mn**

Persons in database as a % of adult Population



71%

Number of persons with active credit records



**6.7
Mn**

Number of Active Credit Records (credit facilities) in the database



**8.7
Mn**

Data quality efficiency (as a % of total Credit Portfolio)



99%

Financial Highlights

Year Ended 31 December	2018	2019	2020	2021	2022
Operating Results - (Rs.' 000)					
Income	1,077,447	1,093,070	965,883	934,840	694,278
Expenses	(296,820)	(347,915)	(355,222)	(416,710)	(421,514)
Operating Profit / (Loss)	780,627	745,155	610,661	518,130	272,766
Other Income	521,381	551,117	493,474	346,928	771,703
Net Profit Before Extra Ordinary Items	1,302,008	1,296,272	1,104,135	865,058	1,044,467
Extra Ordinary Items					
Net Profit After Extra Ordinary Items	1,302,008	1,296,272	1,104,135	865,058	1,044,467
Taxation	(359,678)	(356,786)	(269,547)	(204,137)	(290,262)
Net Profit After Extra Ordinary Items & Taxation	942,330	939,486	834,588	660,921	754,205
Shareholders Funds - (Rs.' 000)					
Share Capital	25,000	25,000	25,000	25,000	25,000
Reserve	2,490,271	3,689,730	3,667,776	3,748,737	4,024,965
Accumulated Fund	2,435,371	1,530,934	1,559,287	1,526,834	1,412,639
	4,950,642	5,245,664	5,252,063	5,300,571	5,462,604
Liabilities - (Rs.' 000)					
Creditors & Other Payables	373,289	220,196	192,060	170,433	712,324
Deferred Liabilities	9,917	174,635	132,166	67,206	36,917
Assets - (Rs.' 000)					
Non Current Assets	34,500	177,628	129,416	72,373	75,289
Investments	5,073,983	5,159,883	5,117,353	5,033,677	5,146,259
Inventories	567	590	742	629	1,420
Trade & Other Receivables	199,174	265,532	294,054	380,268	929,536
Cash & Bank Balances	25,625	36,859	34,723	48,767	51,583
Ratios					
Return on Average Shareholders' Funds (%)	19%	18%	16%	12%	14%
Income Growth (%)	10%	1%	-12%	-3%	-26%
Return on Average Assets (%)	18%	17%	15%	12%	12%
Rate of Dividends (%)	2800%	3200%	2400%	2400%	2,112%
Gross Dividends (Rs. ' 000)	700,000	800,000	600,000	600,000	528,000
Share Information					
Earning Per Share (Rs.)	3,769	3,758	3,338	2,644	3,017
Net Assets Per Share (Rs.)	19,802	20,983	21,008	21,202	21,850

Non-Operational Highlights

Capital / Indicator	2022	Impacted Outcome
Intellectual Capital	Successful Technical Go-Live of Credit Bureau Core System	<ul style="list-style-type: none"> Enhanced Data Security Efficient Data Management Expanded Services Innovation and Excellence Improved Operational Efficiency
	Launching the New Corporate Website	<ul style="list-style-type: none"> Refresh Credit Bureau's Brand Enhance User Experience Online Presence and Public Outreach
	CBS API (UAT) Integration	<ul style="list-style-type: none"> Seamless Integration
Social Capital	Managing Relations with Member Institutions and General Public via <ul style="list-style-type: none"> Training & Awareness Programs Help Desk Services Electronic Media Publicity Print Media Publicity 	<ul style="list-style-type: none"> Two-way Communications Sustainable Relations with Member Institutions and the General Public Gain Feedback for Improvements
Human Capital	Creating Values through <ul style="list-style-type: none"> Remuneration Performance Evaluation Compliance Diversity and Equal Opportunity 	<ul style="list-style-type: none"> Safe Workplace Job Security Empowered and Engaged Staff Skilled & Knowledgeable Workforce
Natural Capital	Mitigating Environment Effects by <ul style="list-style-type: none"> Reducing the Consumption of Electricity, Water and Paper Recycling the Garbage Save Energy by Reducing Fuel Consumption 	<ul style="list-style-type: none"> Engagement for Environmental Sustainability Reduce Carbon Footprint

CRIB Score

- CRIB Score is a 3-digit number ranging from 250 to 900 and is categorized into 15 different score ranges defined as Risk Grades of 'A1' to 'E3'. The risk grades represent varying levels of credit risk or the likelihood of the individual missing the timely payment commitment. The CRIB Score is a dynamic number and is calculated based on the different credit profile attributes of individual or corporate, taken from the CRIB's credit data base.
- CRIB Score enable lenders to increase the efficiency of credit risk management by resorting to highly accurate and reliable credit underwriting process thus making credit decisions faster and consistent.



Historical Milestones

1990

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

The database for irregular loans over Rs. 1 Mn. 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 the CRIB Act No. 8 of 1995 was passed in Parliament.

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 technical partner, Messrs Dun and Bradstreet Information Services.

2008

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

2009

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

2010

Commenced collection of information on dishonoured 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 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 launched.

Initiative with IFC to reform the secured transactions legal framework.



2014

Initiation of the 2nd phase of the development programme.

2015

25th anniversary of the CRIB

2016

CRIB moved to its new office premises, the Whiteaways building at Sir Baron Jayathilake Mawatha, Fort.

2017

CRIB Live Data centre was relocated to a Tier 3 standard hosted facility, more secure and implemented on the state-of-the-art technology

2018

A new CRIB era is in the offing with the signing partnership with a new technology vendor to drive the CRIB next generation development roadmap.

2019

Initiation of Issuance of Credit Score Report

2020

iReport online"service was introduced with an online customer verification process to facilitate the general public during the COVID-19 pandemic.

2021

Integration of iReport online service Internet Banking portals of identified Banks.

2022

Parallel and Pilot runs as important milestone of the new system implementation were successfully completed.

2016

Introduction of Credit Information Report for micro lending.

2020

Relaunched member rating programme.



CRIB Credit Report Plus

- Credit Report Plus is the most comprehensive credit report issued by the bureau that contain standard Credit Report and the CRIB score. The dashboard of the report presents snapshot of overall credit performance of individual at a glance giving lender to decide on way forward on his credit evaluation process.
- Report provides granular overview of an individual's or business entity's credit standing, more objective view of his credit worthiness or risk profile, in depth scrutinizing ability of the prospective borrower's past credit behavior and re-payment discipline, to conduct a faster and accurate credit evaluation.



About Us

We are the first Credit Bureau in the South Asian region, established by the Sri Lanka Credit Information Bureau Act No. 18 of 1990.

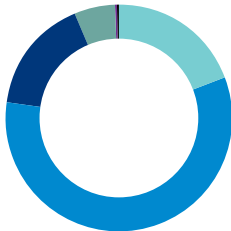
CRIB is a small organization compared to most other national institutions and for more than three decades we have contributed to strengthening the foundations of a safe and sound banking and financial industry to improve the Country’s credit and financial culture.

CRIB is a public-private partnership, in which the Central Bank owns a majority share, and the remaining shares are held by lending institutions regulated by the Central Bank.

CRIB’s main shareholders as at 31st December 2022	
The Monetary Board of Central Bank of Sri Lanka	19.30%
People’s Bank	18.96%
Bank of Ceylon	18.88%
National Savings Bank	12.18%
National Development Bank PLC	6.20%

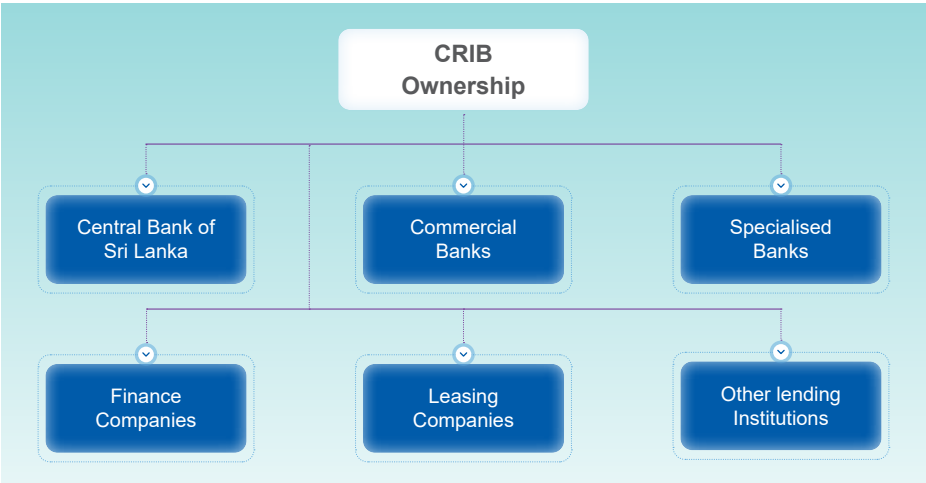
Sector Wise CRIB Share Ownership

Member Category/Share Holding (%)



CBSL	19.3%
Commercial Banks	58.11%
Specialized Banks	16.62%
Finance Companies	5.85%
Leasing Companies	0.04%
Other institutions	0.08%

OWNERSHIP OF CRIB



About Us

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 instil 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 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 information.
- ⦿ 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.

LEGAL FORM AND MANDATE OF THE CRIB

The CRIB was established through the Credit Information Bureau of Sri Lanka Act No. 18 of 1990, as a Statutory Body. Subsequent amendments to the CRIB Act were made through Act No. 08 of 1995 and Act No. 42 of 2008. In 2022, the CRIB came under the purview of the Ministry of Finance, Economic Stabilization and National Policies of Sri Lanka.



AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE CREDIT INFORMATION BUREAU OF SRI LANKA FOR THE COLLECTION OF CREDIT INFORMATION RELATING TO BORROWERS FROM LENDING INSTITUTIONS CONSUMERS OF CREDIT GRANTING INSTITUTIONS AND FOR THE PROVISION OF THAT INFORMATION ON REQUEST TO THE SHAREHOLDERS OF THE BUREAU AND AUTHORITIES AND INSTITUTIONS ENTITLED TO RECEIVE INFORMATION WITH A VIEW TO FACILITATING THE DISTRIBUTION OF CREDIT TO ALL SECTORS OF THE ECONOMY AND TO THE INFORMAL SECTOR, IN PARTICULAR ; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Preamble of CRIB Act

VALUE CREATION MODEL

The CRIB's economic value creation activity is primarily the collection of credit information of individuals and institutions from registered financial services providers (member institutions) and issuing credit reports to individuals and institutions. This process is facilitated through digital data collection systems connected to all registered lending institutions that are operated and maintained by the CRIB. The CRIB is responsible for the safety and confidentiality of this private data.

In addition to this core function, the CRIB also provides other support services which are;

- ⦿ Coordinating with member institutions for data corrections and dispute resolutions regarding credit information in credit reports.
- ⦿ Conducting training programs for CRIB users at member institutions.
- ⦿ Conducting awareness programmes regarding CRIB services for the general public.

In the domestic lending sector, CRIB shares are distributed among various financial institutions including specialized banks, commercial banks, finance companies, leasing companies and other nominated lending institutions, in addition the Central Bank of Sri Lanka remains as a major shareholder of the bureau.

CRIB Shareholders are listed below as at 31st December 2022

Monetary Board of Sri Lanka

LICENSED COMMERCIAL BANKS

1. Amana Bank PLC
2. Bank of Ceylon
3. Bank of China Limited Colombo Branch
4. Cargills Bank Limited
5. Citibank N.A.
6. Commercial Bank of Ceylon PLC
7. Deutsche Bank AG
8. DFCC Bank PLC
9. Habib Bank Limited
10. Hatton National Bank PLC
11. Hongkong and Shanghai Banking Corporation
12. Indian Bank
13. Indian Overseas Bank
14. MCB Bank Limited
15. National Development Bank PLC
16. Nations Trust Bank PLC
17. Pan Asia Banking Corporation PLC
18. People's Bank
19. Public Bank Berhad
20. Sampath Bank PLC
21. Seylan Bank PLC
22. Standard Chartered Bank
23. State Bank of India
24. Union Bank of Colombo PLC

LICENSED SPECIALISED BANKS

1. HDFC Bank of Sri Lanka
2. National Savings Bank
3. Regional Development Bank
4. Sanasa Development Bank PLC
5. Sri Lanka Savings Bank Limited
6. State Mortgage and Investment Bank

LICENSED FINANCE COMPANIES

1. Abans Finance PLC
2. Alliance Finance Company PLC
3. AMW Capital Leasing & Finance PLC
4. Asia Asset Finance PLC
5. Associated Motor Finance Company PLC
6. Assetline Finance Limited
7. Bimpuh Finance PLC
8. CBC Finance Limited
9. Central Finance Co PLC
10. Citizens Development Business Finance PLC
11. Commercial Credit and Finance PLC
12. Dialog Finance PLC
13. Fintrex Finance Limited
14. HNB Finance PLC
15. Kanrich Finance Limited
16. L B Finance PLC
17. Lanka Credit and Business Finance PLC
18. LOLC Finance PLC
19. Mahindra Ideal Finance Limited
20. Mercantile Investments and Finance PLC
21. Merchant Bank of Sri Lanka and Finance PLC
22. Multi Finance PLC
23. Nation Lanka Finance PLC
24. Orient Finance PLC
25. People's Leasing and Finance PLC
26. People's Merchant Finance PLC
27. Richard Pieris Finance Limited
28. Sarvodaya Development Finance PLC
29. Senkadagala Finance PLC
30. Singer Finance (Lanka) PLC

31. Siyapatha Finance PLC
32. S M B Finance PLC
33. Softlogic Finance PLC
34. U B Finance Company Limited
35. Vallibel Finance PLC

LICENSED LEASING ESTABLISHMENTS

1. Co-Operative Leasing Co Limited

OTHER INSTITUTIONS

1. Mercantile Merchant Bank Limited
2. National Development Turst Fund (Guranteed) Limited
3. Sri Lanka Export Credit Insurance Corporation

About Us

OUR PRODUCTS AND SERVICES

CRIB provides credit information report on request to member institutions and the general public through the Automated Credit Information Management System (CRIMS) and CRIB Score System. There are two types of credit reports, consumer (individual) and corporate (business). CRIB member institutions obtain their customers' credit information report through the bureau's website, while the general public can obtain their report directly from CRIB Premises and online.

In addition to issuing credit information reports, the Bureau also provides value added services to CRIB members and the general public.

Our Products and Services	Description
Credit Report (Credit report for the CRIB members and iReport for general public)	Contains factual information on individuals and corporates including Subject's name, address, ID numbers, and details of credit (Type of credit, amount granted/limit, balance outstanding, last updated date and status of such credit etc).
Score Report for CRIB members and general public	The CRIB score is a number ranging from 250 to 900 that provides indication of the level of risk, creditworthiness and likelihood of default.
iReport API and Score report API for online systems integration (CPU-to-CPU integration)	Customers of CRIB members can get their own iReport and score report through Application Program Interface (APT), a web service technology.
CRIB Score via an Application Programming Interface (API)	The Bureau facilitated all the member lending institutions to access CRIB Scores via APIs. With this latest technology, the member lending institutions are able to connect CRIB Score directly with their loan originating systems and integrate with existing in-house score card modules.
Online iReport	The general public can apply and obtain their iReport/CRIB Score report online through the Bureau website. Once online request is made, the Bureau conducts an online interview with the relevant applicant through the Google Meet for verification of identity and register as a online user to avail credit information service (iReport) Online, irrespective of their geographical location.
Credit Report for Micro Lenders	The Bureau also provides a specially designed Credit report at a very concessional price to support mass market digital Lending also for member institutions who largely involved in the micro finance business.
Value Added Services	
Bulk Request	This service is primarily used by members to periodically review their lending portfolio. Members can request credit information offline on batch mode, to greatly reduce the operating cost in obtaining information.
Retrospective CRIB Score Analysis	Retrospective CRIB score analysis is a report that can be used to predict the future based on the past behaviour of the loan portfolio. With the result of the retrospective CRIB score analysis, member institutions can develop new acquisition, account management or collection strategies, or define and revalidate existing strategies.
CRIB Bulk Scores	CRIB member lending institutions obtain CRIB bulk scores for their existing customers for risk assessment purposes. This service enables member institutions to efficiently review and monitor existing customers.
Secured Transaction Registry (STR)	CRIB maintains an online register for security interests over movable assets which are pledged as securities to obtain credit facilities by borrowers.
Training and awareness	Conducting training programmes for our members and awareness sessions/workshops for the general public.

Business *Intelligence* Service

- CRIB Business Intelligence Service delivers a wide range of analytical reports, graphical visualizations and statistical representations of institution's performance across the key measures of operational indicators.
- Benchmarking provides key insights that drive business strategy, helping organizations to analyze institutional performance in relation to segmental peers and the overall industry.
- BI service of CRIB can accommodate to generate customized reports for varying business requirements and purposes such as growth, monitoring and customer loyalty and use them according to specific business objectives.



Board of Directors



MRS. T. M. J. Y. P. FERNANDO - Chairperson



MRS. R. R. S. DE SILVA JAYATILLAKE - Director



MR. CLIVE FONSEKA - Director



MR. RUSSEL FONSEKA - Director



MR. D. P. N. RODRIGO - Director



MR. S. C. U. MANATUNGA - Director



MR. ANANDA SENEVIRATNE - Director



MR. LAKSHMAN GAMINI - Director



MR. NIHAL WEERAPANA - Director



MR. PUSHPIKE JAYASUNDERA - Director/General Manager

Board of Directors

MRS. T. M. J. Y. P. FERNANDO

Chairperson

Mrs. T M J Y P Fernando has over 30 years of service in the Central Bank in the areas of regulation and supervision of banks and non-bank financial institutions, foreign exchange management, currency management and payments and settlements systems. During this period, Mrs. Fernando has served as the Director of Bank Supervision and the Controller of Exchange and has played a vital role in contributing to the financial system stability by providing leadership to implement a strong regulatory framework for banks in line with international standards and best practices.

Currently, Mrs. Fernando oversees the departments of Bank Supervision, Non-bank Supervision, Payments & Settlements, Currency, Foreign Exchange, Finance, Regional Development and Employees' Provident Fund and serves as the Chairperson of the Financial System Stability Committee, Steering Committee on Implementation of the Road Map for Sustainable Finance in Sri Lanka and the National Payments Council. Mrs. Fernando also functions as the Chairperson of the Institute of Bankers of Sri Lanka and the Credit Information Bureau of Sri Lanka, a member of the Insurance Regulatory Commission of Sri Lanka, the Securities and Exchange Commission of Sri Lanka, and the Management Board of Api Wenuwen Api Fund of the Ministry of Defence.

Mrs. Fernando has represented the Central Bank as a Director of the National Gem and Jewellery Authority,

Golden Key Credit Card Company Limited, GK Hospitals Limited, Jetwing Symphony Limited and as a member of the Committee to review the code of corporate governance – Institute of Chartered Accountants of Sri Lanka, Subcommittee on Investment for negotiation of Free Trade Agreements and Southeast Asian Central Banks (SEACEN) advisory committee on Training.

She holds a Master of Financial Economics degree from the University of Colombo and a Bachelor of Commerce degree from the University of Sri Jayewardenepura.

MRS. R. R. S. DE SILVA JAYATILLAKE

Director

Mrs. R R S de Silva Jayatillake currently serves as the Director of Bank Supervision of the Central Bank of Sri Lanka. Mrs. Jayatillake has over 20 years' experience in bank supervision and regulation. Prior to her appointment to the Central Bank of Sri Lanka she has served as a Financial Officer at a commercial bank.

She has participated in several local and international training programs and seminars on various aspects of bank supervision and regulation conducted by foreign central banks, Bank for International Settlements, and the Financial Stability Board. Mrs. Jayatillake holds a Master of Arts degree in Financial Economics from the University of Colombo and is an Associate Member of the Chartered Institute of Management Accountants, UK.

MR. CLIVE FONSEKA

Director

A veteran in the industry, Mr. Fonseka, is a Fellow of the Institute of Bankers of Sri Lanka and holds an MBA from the Postgraduate Institute of Management at the University of Sri Jayewardenepura. He has been awarded a Distinction for the ACI Dealing Certificate and has accumulated over 29 years of experience in the field of Treasury Management. Furthermore, he is a Certified Member (CMA) of the Institute of Certified Management Accountants of Australia.

During the period spanning from 2018 to 2020, Mr. Fonseka assumed the role of President of the Association of Primary Dealers, in addition to holding membership in several committees, including the National Payment Council, Financial System Stability Consultative Committee, and the task force dedicated to studying and designing new alternative benchmark interest rates. Additionally, he held membership in the Market Working Group on Domestic Financial Market Infrastructure Development Project of the Central Bank of Sri Lanka (CBSL). Presently, he serves as a Non-Independent Non-Executive Director at People's Leasing & Finance PLC, People's Leasing Property Development Limited and LankaPay (Pvt) Limited. Credit Information Bureau of Sri Lanka, National Payment Council, Sri Lanka Banks' Association (Guarantee) Ltd., Financial Ombudsman Sri Lanka (guarantee) Ltd., Institute of Bankers of Sri Lanka and Lanka Financial Services Bureau Limited. Prior to his current appointments, he acted as Chief Examiner for the Institute of Bankers of Sri Lanka's IABF/DABF Examinations.

In 2002, Mr. Fonseka commenced his tenure at People's Bank, and since November 2011, he has been a member of the Bank's Senior Corporate Management team as Deputy General Manager. In this role, he oversaw the Foreign Exchange operations, activities of the Primary Dealer Unit, Investment Banking Unit, and USD and LKR Money Market operations, in addition to managing relationships with local and foreign commercial banks and financial institutions. Prior to joining People's Bank, he held senior positions at American Express Bank and Standard Chartered Bank.

Mr. Fonseka was appointed as the Chief Executive Officer/General Manager of People's Bank with effect from 1st of August 2023.

MR. W P RUSSEL FONSEKA **Director**

Mr. Russel Fonseka joined the Bank of Ceylon in January 1990. In his tenure of over 33 years in the Bank, he has gained a wealth of experience serving in various capacities within the Bank in local and international settings. Mr. Fonseka was serving as a member of the Corporate Management of the Bank since 2012 and he rose to the position of Additional General Manager in August 2021 before appointed as the General Manager/ Chief Executive Officer in January 2023.

Commencing his career in the Bank as a retail banker, Mr. Fonseka is specialized in financial management and strategic planning in the field of banking and finance. He acquired a wide array of expertise in all aspects of commercial

banking which came in handy in his tenure in the Bank. His stint with BOC London Branch groomed him into a professional banker with comprehensive experience in Treasury and International affairs.

Mr. Fonseka has played a pivotal role by deploying his expertise many and varied roles in the Bank as a senior member in the Corporate Management. He held the positions of Chief Financial Officer, Senior Deputy General Manager (Corporate & Offshore Banking), Deputy General Manager (International, Treasury, and Investment), Deputy General Manager (Retail Banking), and Deputy General Manager (Finance & Planning) of the Bank.

BSc. in Business Administration graduate from the University of Sri Jayewardenepura, Mr. Fonseka also earned the Postgraduate Diploma in Management from the Postgraduate Institute of Management (PIM) Sri Lanka. He has obtained a Master's Degree in Business Administration (MBA) from the University of Southern Queensland, Australia. Mr. Fonseka is a Senior Fellow Member of the Institute of Bankers of Sri Lanka, a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, and an Alumnus of the Harvard Business School of USA.

Mr. Fonseka also serves as a Director of Institute of Bankers of Sri Lanka, LankaPay (Private) Limited, National Insurance Trust Fund and many other subsidiaries and associate companies of Bank of Ceylon.

MR. DILSHAN RODRIGO **Director**

Mr Rodrigo possesses over two decades in banking experience and is the Executive Director / Chief Operating Officer of Hatton National Bank PLC. He provides administrative leadership to Credit, Operations, Risk Management, Banking Services, Compliance, ITD and Internal Audit functions. He oversees the cross functional teams involved in improving governance and compliance by serving in several Board and Management committees in the Bank. Mr. Rodrigo holds a MBA from Cranfield University UK, FCMA UK and FCCA UK.

He has played a catalyst role in the bank's transformation and cultural change by being the driving force towards centralization, automation, outsourcing and process improvement initiatives and is recognized for driving a performance culture through training, talent acquisition and introducing several break through cost optimization initiatives.

Mr Rodrigo has held many senior positions in multiple industries ranging from banking, insurance, investment banking and apparel. He presently functions as Chairman of HNB Finance PLC and Lanka Financial Services Bureau. Further, he holds Directorships in HNB Assurance PLC and Credit Information Bureau. Mr Rodrigo serves on the councils of the Sri Lanka Institute of Directors (SLID) and was the Chairman Policy Advocacy Committee of Asian Bankers Association (Taiwan) during 2011/12 and 2019/20.

Board of Directors

He has served as a lecturer and examiner on various undergraduate and postgraduate programs (CIMA, ACCA, PIM and University of Wales MBA programs) and is a Guest Lecturer for SLID, Director Certification Program. He has presented various technical papers in various forums locally and overseas on Strategy, Business Transformation and Risk Management. Mr Rodrigo has also served on local governing councils of CIMA, APB, ACCA and Risk Professional Forum and in the latter two as President.

MR S. C. U. MANATUNGE Director

Mr. Sanath Manatunge is a Fellow of Chartered Institute of Management Accountants – UK (FCMA – UK) and a Chartered Global Management Accountant (CGMA). He has obtained a Master of Business Administration (MBA) Degree from the University of Sri Jayewardenepura with a Merit Pass. He is also a Fellow Member of the Institute of Bankers – Sri Lanka (FIB), a Fellow of the Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow of the Chartered Management Institute, UK (FCMI). Mr Manatunge is also a member of Sri Lanka Institute of Directors since August 2017.

He joined the Commercial Bank of Ceylon PLC in 1989. Prior to being appointed as Managing Director/Chief Executive Officer, he functioned as the Executive Director/Chief Operating Officer of the Bank since 2018. He counts for 34 years of experience having held Corporate Management / Senior positions such as Deputy General Manager –

Corporate Banking, Chief Risk Officer, Head of Credit Risk and Chief Manager - Corporate Banking.

Under Mr Manatunge, the Corporate Banking Division of the Bank experienced a rapid growth in the loan book and in areas such as Trade Finance fee-based income while maintaining the quality of advances. During his tenure as Chief Operating Officer, Mr. Manatunge was heading strategically important business units of the Bank such as Personal Banking, Corporate Banking, Information Technology, Cards, and Digital Banking guiding them to become industry leaders. He has also given leadership and strategic inputs for transformational projects of the Bank such as “SME Transformation”, establishing a long term digital roadmap for the Bank and many projects to improve operational excellence.

In addition, he also serves on the Boards of Commercial Development Company PLC, a listed company in the Colombo Stock Exchange as the Managing Director and Commercial Bank of Maldives Private Limited, a licensed commercial Bank in Maldives as the Deputy Chairman.

He also holds the position of Vice Chairperson of Sri Lanka Banks' Association (Guarantee) Limited and Director of Lanka Financial Services Bureau Limited. Furthermore, holds positions as Council Member of The Employers' Federation of Ceylon, Executive Member of The Council for Business with Britain and Member of Sri Lanka Institute of Directors.

He was adjudged the “Chief Information Security Officer of the Year” at the EC – Council Global CISO Forum held in Atlanta – USA in September 2013 in recognition of his outstanding contribution in strengthening and promoting information security practices and IT Risk Management.

He was instrumental in forming the Association of Banking Sector Risk Professionals, Sri Lanka and was the President in the year 2014. He has also served as a Council Member of the Association of Professional Bankers (APB) and a member of the CIMA – “Thought Leadership Committee”.

He was a visiting lecturer for the MBA Degree programme at the University of Colombo. Also a resource person at the Training Centre of Central Bank of Sri Lanka and Institute of Bankers of Sri Lanka.

MR. ANANDA SENEVIRATNE Director

Appointed and assumed duties as the Managing Director (Executive) of Siyapatha Finance on 1st of March 2019.

Possessing over 36 years of working experience in various local and international Institutions, Mr. Seneviratne is a fellow member of the Institute of Chartered Accountant of Sri Lanka. He graduated in the Business Administration field from the University of Sri Jayawardenapura and proceeded in acquiring a Masters Degree in Business Administration from the University of Colombo.

Mr. Seneviratne served at Nestle Lanka Limited for a period of 17 years from May 1991 to June 2008, performing duties at various Senior Managerial levels. His tenure at Nestle commenced as the Head of Internal Audit and continued in the same position until 1995. Thereafter, he moved to the Financial Accounting Department as the Head of Financial Accounting in 1995 and in 1999 he was transferred to Nestle Middle East as the Business Excellence Manager until 2002 and assumed duties as the Head of Procurement in Nestle Lanka Limited subsequently. In 2008, he joined Loadstar (Pvt) Ltd as Director/General Manager of Procurement and continued up to 2009. Subsequently, he joined Assetline Leasing Company Limited in 2009 as Director Operations and was promoted as the Chief Executive Officer in 2015.

Chairman of the Leasing Association of Sri Lanka from 2016 to 2018 and simultaneously he was an alternative Board Member of the Credit Information Bureau of Sri Lanka (CRIB) and David Pieris Global Ventures (Pvt) Ltd.

Chairman of the Finance Houses Association of Sri Lanka and a Member of the Faculty Advisory Committee for the Centre for Banking Studies, Central Bank of Sri Lanka representing The Finance Houses Association of Sri Lanka (FHA). He is a Director at The Credit Information Bureau of Sri Lanka since March 2023

He currently serves as a member of the Board Integrated Risk Management Committee, the Board Credit Committee, the Board Information Technology

Committee, the Board Corporate Governance Committee and the Board Related Party Transaction Review Committee of Siyapatha Finance PLC. He attends the Board Human Resource & Remuneration Committee and the Board Audit Committee meetings of Siyapatha Finance PLC by invitation.

MR. LAKSHMAN GAMINI **Director**

Mr. Lakshman Gamini was appointed to the Board of Directors of National Savings Bank (NSB) in December 2020.

Mr. Gamini is an experienced banker who had served People's Bank for a period exceeding three decades and retired in 2014. He had widely involved in international banking and branch banking.

He had served State Printing Corporation as the Vice Chairman and Skills Development Fund, Ministry of Skills Development & Vocational Training as a Director. Currently, he serves as a Director at Three Star Logistics (PVT) Limited exposing him to the private sector.

He has been appointed as a Director of National Savings Bank in December 2020 and at present he serves the capacity as the Chairman of NSB Fund Management Company Ltd. (a fully owned subsidiary of National Savings Bank) from June 2023.

Mr. Gamini is a past pupil of the Royal College, Colombo.

MR. NIHAL WEERAPANA **Director**

Nihal Weerapana counts more than Thirty five (35) years of experience in the Finance Industry and presently employed at LOLC Finance PLC as the Chief Recovery Officer . He has been holding various positions at Mercantile Credit Limited , Industrial Finance Limited and he was attached to Commercial Leasing & Finance PLC as the General Manager -Recoveries, prior to the merger of LOLC Finance PLC & Commercial Leasing & Finance PLC.

He holds MSc in Management from University of Sri Jayawardhanapura and LLB (Honours) degree from Buckinghamshire New University of UK. He has gained Post Graduate Diplomas in Corporate & Strategic Finance and Banking Management from The Institute of Chartered Accountants of Sri Lanka and The Institute of Bankers of Sri Lanka respectively. He also secured Diploma in Micro Finance from The University of Colombo and Diploma in Risk Management from The Institute of Bankers of Sri Lanka. Furthermore, he is an associate member of The Institute of Certified Management Accountants of Australia (CMA) and The Chartered Institute of Marketing- UK (CIM-UK).

Board of Directors

MR. PUSHPIKE JAYASUNDERA

Director/General Manager

Pushpike Jayasundera counts more than 29 years' of experience in the banking and NBFi sector. He commenced his career at a reputed finance company and subsequently worked in two well established commercial banks for more than 15 years. Specialized in Business Process Re-engineering (BPR), process transformation, digitalization and office automation. He has a proven track record in introducing radical recovery & collection processes and re-engineering business channels to augment revenue generation. He has vast experience in the areas of retail and consumer banking, corporate banking, risk analysis, project financing, factoring, leasing, margin trading, pawning, gold loans and recoveries.

He was instrumental in commencing the entire leasing operation at Union Bank. He internally developed its IT platform, encompassing on-line credit approval to fully automated GL module. During its first year of operation he successfully developed a portfolio which generated an attractive yield to the bank with minimum delinquencies. He was heading the commercial credit department involving in all corporate banking activities including trade finance, operations, risk assessment, credit management and recovery, developing a high yielding lending portfolio. He left the banking industry whilst he was heading Leasing and Commercial Credit departments and subsequently went on to spearhead two quoted non-bank financial institutions as Chief Executive Officer.

He counts more than 12 years of CEO experience and revamped both these companies introducing best practices

in the industry, improving corporate governance, compliance and business processes. Hence he is renowned for introducing some innovative new products that became industry benchmarks.

He holds a Masters in Business Administration specialized in Finance from Sikim Manipal University and a finalist of Chartered Institute of Management Accountants UK. He is also a member of Institute of Commercial Management UK and currently reading for his MPhil/PhD in Economics at University of Colombo.

BOARD OF DIRECTORS (RETIRED)

MR. K. E. D. SUMANASIRI

Director

MR. N. UDAGE

Director

MR. C. S. HETTIARACHCHI

Director

MR. C. N. S. N. ANTHONY

Director/General Manager

MR. R. KODITUWAKKU

Director

MRS. V. A. A. N. DE SILVA

Director

MR. K. ARIYARATNE

Director

CRIB *Score* Retro

- CRIB Score Retro enables potential users of CRIB (CRIB member lending institutions) to review historical credit scores of existing customers to assess the correlation between their CRIB Score and actual repayment behavior. This facilitates lending institutions to evaluate the predictive power of the CRIB Score on their own portfolio and analyze how to integrate CRIB Score into their credit decisioning model or risk management framework.
- In depth understanding of the CRIB Score behavior within the existing portfolio will enable lending institution to meet business goals such as decreasing of overall risk of the portfolio or increase acceptance rates within its risk appetite.



OUR TEAM



MR. PUSHPIKE JAYASUNDERA
Director / General Manager



MR. K. A. JANAKA LAKMAL
Deputy General Manager



MRS. R. M. S. RATNAYAKE
Assistant General Manager -
Operations



MS. D. I. A. JAYASINGHE
Chief Manager - Accounts &
Administration



MR. A. N. PIYASIRI
Chief Manager - ICT Infrastructure



MRS. K. A. S. N. DASSANAYAKE
Head of Information Security Risk &
Compliance



MR. D. M. S. I. DISSANAYAKE
Manager - Operations



MRS GAYANI RAVINDRAKUMAR
Executive Secretary to Director /
General Manager



MRS. P. T. PERERA
Legal Advisor to The Board of
Directors



MR S. WANIGASOORIYA
Assistant Manager - Customer Service



MRS. Y. L. D. K. GUNATILAKE
Assistant Manager - Operations



MR. J. S. WEERASINGHE
Assistant Manager – Information Systems



MR. U. L. WEERASINGHE
Senior Executive - Business System Development



MR. E. A. S. U. PREMAKUMARA
Senior Executive - Operations



MR. M. D. S. N. GUNARATHNE
Senior Executive - Operations



MR. D. D. VITHANAARAACHCHI
Executive Administration



MR. S. S. JANSEN
Executive - Accounts



MRS HIRUNI WELIWITA
Executive Operations

OUR TEAM



MR. A. B. DASSANAYAKE
Executive - Business System
Development



**MR R. D. SANJEEWA SAMAN
KUMARA**
Executive - System Administration



**MR. B. A. SAMAN PATHMA
JAYAWARDENA**
Executive - Systems Administration



MR. H. V. S. M. DE SILVA
Senior Officer - Accounts



MR. K. K. D. W. GUNAWARDHANA
Senior Relationship Officer -
Customer Services



MR. K. VAGEESAN
Senior Relationship Officer -
Customer Services



MRS. V. THIVYA
Senior Relationship Officer -
Customer Services



MRS. N. N. BOPAKADAGE
Receptionist



MRS. T. G. S. KAVINDIKA
Receptionist Cum Typist



MR. M. M. M. IKRAM
Office Assistant



Mr. SUSITH FERNANDO
Office Assistant

Ethics and Anti-Corruption

CRIB ANTI-CORRUPTION SYSTEM

Being a public-private establishment that is committed to serve the public with secure storage, processing and provision of confidential credit information, the CRIB assumes substantial accountability for ethical conduct and prevention of corruption.

The CRIB is equipped with a strong legal framework to prevent corruption and to safeguard credit and financial information of the public which are reported to CRIB by its member lending institutions as required by the law. The provisions on the CRIB Act empowers the CRIB to prevent corruption in its operations through multiple ways as described herein.

(A) DECLARATION OF SECRECY

1. Declaration of Secrecy – By an officer or employee of the Bureau

Every director, officer or servant of CRIB is obliged to sign the Declaration of Secrecy once the appointment/ recruitment is confirmed and prior to assuming duties. He/she is legally bound to adhere to the provisions of the CRIB Act under Section 22 (1) (Duty not to disclose information) & Section 23 (1) (Declaration of Secrecy).

“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 matters 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 -

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

CRIB Act - Section 23 (1)

2. Declaration of Secrecy

– By a director, officer or servant employed in a member lending institution which is a shareholder of the Bureau.

Every officer employed in a member lending institution and is appointed as an Authorised Officer to access and receive credit information from the Bureau is obliged to sign the Declaration of Secrecy prior to being appointed as an Authorised CRIB User. He/ she is legally bound to adhere to the provisions of the CRIB Act under Section 22 (2) (Duty not to disclose information) & Section 23 (2) (Declaration of Secrecy)

“Every director, officer or servant employed in the business institution authorized 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.

CRIB Act - Section 23 (2)

(B) ACCESSING CREDIT INFORMATION

In terms of Section 7(B) (1) (a) of the CRIB Act, Authorised CRIB Users of member lending institutions can access credit information of their borrowers or prospective borrowers for the following six (06) permissible reasons ONLY;

1. Evaluating of a borrower for a new credit facility
2. Review as a guarantor for a new credit facility
3. Review as a partner/ proprietor for a new credit facility
4. Review as a director for a new credit facility
5. Monitoring and reviewing of an existing borrower
6. Opening of a current account

CRIB Act. - Section 7 (B) (1) (a)

(C) SUBMISSION OF CREDIT INFORMATION

The Bureau is empowered by law to call for credit and financial information of borrowers from any lending institution.

“The Bureau or any other person authorised by the Bureau in that behalf may, by notice in writing require any institution specified in section 7A to furnish information under this Act either to the Bureau or any other person authorised, within such period as shall be specified in the notice, all such information required by that notice.”

CRIB Act. - Section 21 (1)

By law, every lending institution is obliged to submit credit information to the Bureau irrespective of any other law or contractual obligation or agreement that may have been signed between parties to whom such information relates.

“Notwithstanding anything to the contrary in the respective laws establishing any institution specified in section 7A or any other law or in any agreement entered into between the consumers or borrowers and such institution, it shall be the duty of any such institution to furnish information under this Act, or required to furnish in response to a notice under subsection (1) any return or information, to comply with the requirements of such notice within such time as is specified therein.”

CRIB Act. - Section 21 (2)

(D) ADDITIONAL SAFEGUARDS

In addition to the above direct provisions in the CRIB Act in relation to disclosure of information, the Act also enables any individual or corporate entity to request his/her/its own credit report (iReport) from the Bureau. This enables an individual or corporate entity to rectify and resolve any discrepancies in the report as well as to find out which entities have accessed their credit report in the recent past.

Any discrepancy in a credit report should be brought to the notice of the relevant institution, whilst forwarding a dispute resolution request to the CRIB.

(E) SPECIAL PROCEDURES/ WORK FLOWS ADOPTED WHEN ISSUING iREPORT

Several authentication measures are implemented when issuing Self Inquiry Credit Reports (iReports) for the following scenarios in order to maintain customer privacy under the Public Policy Concept.

(i) Issuing an iReport under a Power of Attorney

- ⦿ An applicant who is unable to personally visit the Bureau or a Bank to request to obtain his/ her

iReport (due to being overseas/health conditions etc.), can request for his/ her iReport through an attorney duly appointed by way of a Special Power of Attorney (POA). Several documents together with the POA must be submitted in support of the application.

(ii) Issuing an iReport of a deceased individual

- ⦿ Only a legal heir, namely spouse/ child/parent, of the deceased can be the applicant and request for and obtain the iReport of the deceased individual from the CRIB. The applicant needs to submit several documents in support of the application.

(iii) Issuing an iReport of a foreign national

- ⦿ An Applicant who is not a Sri Lankan Citizen, can request for, and obtain his/ her iReport from the CRIB upon submitting several required documents. The duly filled iReport Application and the copy of the Passport must be submitted with the authorization of CRIB Authorized User of a Bank, that the foreign national is dealing with locally.

(iv) Issuing iReports through Online Video Call Verification

- ⦿ Due to the COVID-19 pandemic situation, the Bureau introduced a new verification process via a ‘Video Call Verification’ method with an individual who requests for his/ her iReport online without visiting the Bureau Office. The Video Call Verification is followed by a Q & A session to verify the applicant’s borrowings and other demographic information, in order to ensure

authenticity of the requester and to deliver the iReport to the correct individual.

(v) Issuing iReports through Internet / Mobile Banking Applications (Mobile Apps)

- ⦿ Bureau introduced a new way of issuing Self-Inquiry Credit Reports to the customers whose identities have been verified via Know Your Customer (KYC) process of a Lending Institution. Customers can send their Registration Requests to the CRIB’s Online Self-Inquiry Service via the Internet / Mobile Banking Application (Mobile App). The registration request consists of the verified Profile Information included with verified Mobile & Email, available in their Financial Institution and agreed Terms & Conditions relates to “Online Service Agreement of the Bureau.
- ⦿ The customers who have registered successfully are eligible to obtain their Self-Inquiry Credit Reports (iReport and Score Report) via the Mobile App and get the required Report delivered to his/her Verified Email, automatically.
- ⦿ This will enable the Bureau to Register KYC Customers of a Lending Institution, who is using Internet / Mobile Banking Application, without visiting the Bureau office, and enable the Bureau to send the required reports automatically (without manual intervention) to the requested Customers whose information relates to, in a secure mode.

Ethics and Anti-Corruption

(vi) Maintaining customer privacy when correcting reported credit information

- ⦿ The Bureau handles corrections of credit information (if there is any error or misreporting by member lending institutions) based on the customer dispute and with confirmation from the respective member lending institution.
- ⦿ The Bureau does not accept any data corrections from outside parties, or any other person in member lending institutions, other than the Compliance Officer, who is assigned to deal with the CRIB.
- ⦿ Every correction is accepted by the Bureau only through the standard Data Correction Form prepared by the Bureau, which should be submitted on the institution letterhead authenticated by the Compliance Officer.
- ⦿ At the Bureau, every correction is done within levels of authorisation. The data correction request is initiated, performed and finally approved within the said levels of authorisation. Corruption is thus eliminated as several CRIB officers are involved in a single data correction.

(F) OFFENCES AND PENALTIES

Section 27 of the CRIB Act defines offences under the Act which applies to any Director, Officer or servant of CRIB, and any institution authorised to receive credit information.

- ⦿ Under Section 27 (1) (e) of the CRIB Act, a director, officer or servant of any institution specified in Section 7 (b) of the CRIB Act entitled to receive information from the CRIB, who discloses any credit or financial information obtained by such institution from the CRIB, to any person for any purpose other than a purpose for which he is authorised to disclose such information by the CRIB Act, is guilty of an offence under the CRIB Act and as per Section 27 (2) on conviction after trial before a Magistrate, be liable to a fine not exceeding One Million Rupees (Rs. 1,000,000/-) or to imprisonment for a period not exceeding five (05) years or to both such fine and imprisonment.

(G) SUSPENSION OF SERVICES TO MEMBER INSTITUTIONS WHO ARE IN VIOLATION OF PROVISIONS OF THE CRIB ACT

Section 26 (A) (1)

“The Bureau may, if it is satisfied that there is adequate proof that a person being a director, officer or servant of any institution specified in section 7B entitled to receive credit or financial information or other value added services from the Bureau, has committed an offence under paragraphs (a), (b), (c) and (e) of subsection (1) of section 27, make an order to suspend the furnishing of any such information or the provision of any other services, to such institution.”

Governance and Internal Controls

The basis of the CRIB’s governance system is set 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). As per statute, the administration and management of the affairs of the CRIB is vested in the Board of Directors. The Board of Directors of the CRIB are committed to ensuring effective oversight of the Bureau operations and to ensure that all such business affairs of the Bureau are conducted according to the highest standards of good governance, embracing established best practices.

STATUS OF COMPLIANCE

In addition to the CRIB Act, the CRIB complies with a number of national regulations in its daily operations.

Regulation	Compliant	Partially compliant / Non compliant
Credit Information Bureau of Sri Lanka Act No.18 of 1990 (as amended)	Yes	
Secured Transactions Act No.49 of 2009	Yes	
Shop and Office Employees (Regulation of Employment & Remuneration) Act No.19 of 1954 (as amended)	Yes	
Employees’ Provident Fund Act No.15 of 1958 (as amended)	Yes	
Employees’ Trust Fund Act No.46 of 1980 (as amended)	Yes	
Payment of Gratuity Act, No.12 of 1983 (as amended)	Yes	
Inland Revenue Act No. 24 of 2017	Yes	
Foreign Exchange Act, No.12 of 2017	Yes	
Stamp Duty (Special Provisions) Act No.12 of 2006 (as amended)	Yes	
Electronic Transactions Act No.19 of 2006	Yes	
Right to Information Act, No.12 of 2016	Yes	

CORPORATE GOVERNANCE

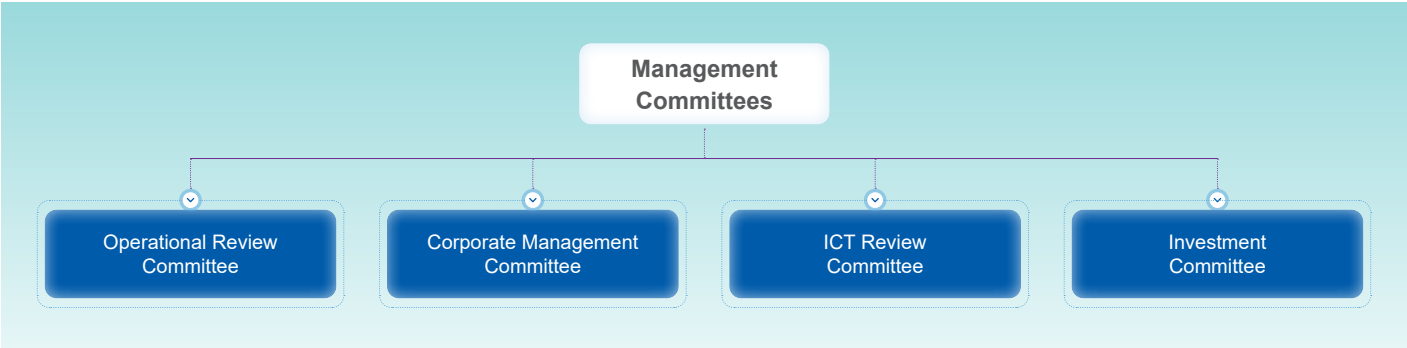
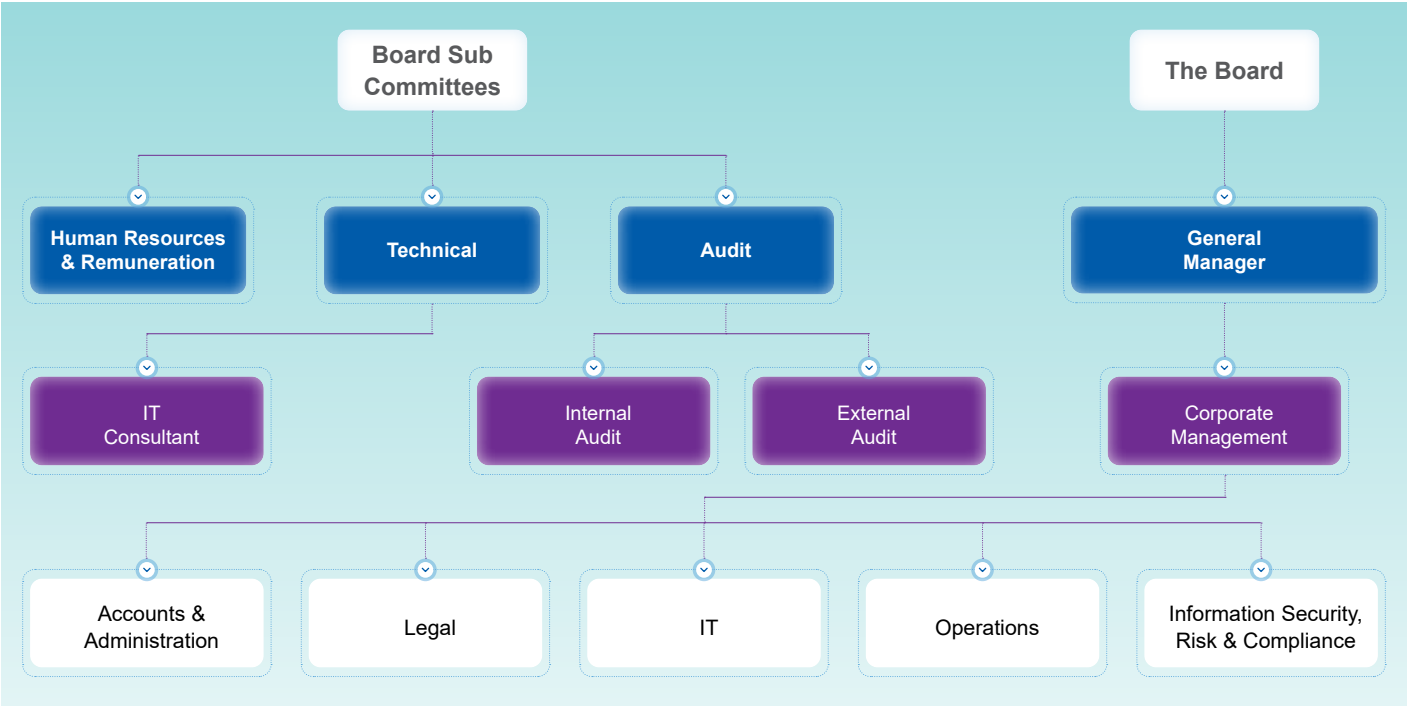
Corporate Governance is a system of mechanisms, processes and relations by which organisations are directed and controlled in the proper manner. Corporate Governance structure specifies the distribution of rights and responsibilities among different participants within the organisation, such as, the shareholders, the Board of Directors, senior management, auditors, etc., and spells out the rules, norms and procedures for decision making. This provides a structure/ framework in which the organisation’s objectives and targets are set. Governance Framework brings transparency, accountability and responsibility not merely to satisfy regulatory requirements but also to show the openness of CRIB to all our stakeholders and to the general public.

Governance and Internal Controls

GOVERNANCE STRUCTURE

The CRIB Act stipulates the overall governance structure of the CRIB and specifies the composition of the Board and the Board’s powers, duties and functions.

The administration and management of the affairs of the CRIB is vested with the Board, and the Board is authorised to decide on necessary rules for internal management and governance.



BOARD OF DIRECTORS

As directed by statute, the Board of Directors of the CRIB comprises ten (10) Directors out of which, nine (09) are Non-Executive Directors.

The Chairman 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 also 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 (01) Director each, to the Board.

The shareholding licensed commercial banks are entitled to elect and nominate two (02) persons to the Board, whilst the shareholding finance companies and the shareholding leasing establishments have the right to elect and nominate one (01) Director each, to the Board.

One (01) person representing the licensed specialised banks, nominated by the Monetary Board, is also appointed to the Board.

The General Manager of CRIB being the ex-officio member to the Board, completes the Board of Directors of the CRIB.

Every Director (except the Chairman 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.

The members of the Board possess the required expertise, skills and experience to effectively manage and direct the

Bureau in order to maintain the 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 30-34 of this Report.

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. The Board is primarily responsible for;

- ⦿ Setting strategies, direction and establishing objectives for the management
- ⦿ Monitoring performance against objectives, whilst ensuring adequate internal controls with the highest ethical standards
- ⦿ Appointing the General Manager and determining the remuneration of the management and staff
- ⦿ Maintaining the Bureau Fund and reserves in a healthy manner
- ⦿ Declaring dividends
- ⦿ Reporting to shareholders

Topics reserved for approval by the Board include:

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

BOARD BALANCE & INDEPENDENCE

The Chairman is an independent, non-executive appointment. 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.

Board held regular monthly meetings in order to ensure effective direction of the Bureau objectives and identify possible existing gaps. During the financial year under review, 13 board meetings were held.

Governance and Internal Controls

MEETINGS OF THE BOARD (JANUARY 2022 TO DECEMBER 2022)

The Board of Directors meet regularly at monthly intervals. 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.

Board Meeting				
Name of Member		No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mrs. T. M. J. Y. P Fernando	Chairperson	13	12	92%
Mr. D. P. N. Rodrigo	Director	13	11	85%
Mr. D. Seneviratne	Director	1	1	100%
Mr. R. Kodituwakku	Director	13	12	92%
Mr. N. Udage	Director	13	11	85%
Mrs. V. A. A. N. De Silva	Director	13	8	62%
Mr. C. Hettiarachchi	Director	13	11	85%
Mr. D. Muthukudaarachchi	Alternative Director to Mr. K. E. D Sumanasiri		3	N/A
Mr. K. E. D. Sumanasiri	Director	13	9	69%
Mr. K. Ariyaratne	Director	12	11	92%
Mr. H. K. D. Lakshman Gamini	Director	12	11	92%
Mr. C. N. S. N. Anthony	Director/General Manager	13	13	100%

In compliance with accepted best practices, Board papers are circulated 4-5 days prior to a meeting, giving the Board members adequate time to scrutinize the same and be prepared for the meetings.

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.

AUDIT COMMITTEE

Monitors and reviews the effectiveness of the Bureau's internal and external audit functions and coordinates between relevant parties. Internal audits are carried out on a quarterly basis and the audit reports are discussed and required corrective measures are agreed upon at the Audit Committee meetings. The Report of the Audit Committee is annexed with this report on page 52.

Audit Committee Meetings				
Name of Member		No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mrs. V. A. A. N. De Silva	Director	1	1	100%
Mr. K. Ariyaratne	Director	1	1	100%
Mr. C. Hettiarachchi	Director	1	1	100%

REMUNERATION COMMITTEE

The Terms of Reference of the Remuneration Committee includes the regulation of the organisational structure, salary scales, salary increments, bonus distribution and staff promotions. The Report of the Remuneration Committee is annexed with this report on page 52.

Remuneration Committee Meetings				
Name of Member		No. of Meetings Held during Tenure of Office	No. of Meetings Attended	Percentage of Attendance
Mr. D. P. N. Rodrigo	Director	1	1	100%
Mr. N. Udage	Director	1	1	100%
Mr Clive Fonseka	Director	1	1	100%

TECHNICAL COMMITTEE

No technical committee meeting was held during the period under review.

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 progress reviews of 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 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.

Governance and Internal Controls

MEASURES TAKEN TO DEVELOP AND ENHANCE THE BOARD'S KNOWLEDGE

The CRIB Board members comprise of representatives from the financial sector, regulator and industry leaders, and thus do not require this provision.

REMUNERATION POLICIES FOR MEMBERS OF THE BOARD AND SENIOR EXECUTIVES OF THE BUREAU

- ⦿ Board members and Board committee members are remunerated on a 'per sitting basis'
- ⦿ The Remuneration Committee decides on remuneration for all employees

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.

INTERNAL CONTROLS

The Board has taken necessary steps to ensure the integrity of the Bureau's accounting and financial reporting systems, so that internal control systems remain robust and effective via the review and monitoring of such systems on a periodic basis.

These internal controls include

1. Internal audits on financials that are conducted as requested by Bureau, by BDO Partners.
2. External annual audits on the financials that are conducted annually by Ernst & Young.
3. In addition to the above, regular risk reviews are conducted by the Board and Board sub committees.

Risk Management

RISK CULTURE

The CRIB Board and senior management are fully cognizant of the duties and obligations stipulated within the legal parameters of the CRIB Act towards ensuring confidentiality and security for sensitive public and financial sector information, while ensuring the welfare of the overall financial system. Therefore, the Bureau makes all efforts to foster an internal culture geared towards sound internal controls and risk management, reflecting its accountability to the public of Sri Lanka.

A cohesive and comprehensive risk culture is ingrained within the hierarchy of the CRIB through an ongoing process of training, reinforced by legally binding contracts. This dual defence system ensures that all employees are instilled with a sense of responsibility and accountability regarding risks pertaining to discharging their duties on a daily basis.

Every Director of the Bureau and all officers and servants of the Bureau, sign a declaration pledging to observe strict secrecy respecting all matters connected with the affairs of the Bureau. Credit information is released by the Bureau only under six permissible reasons, as described in the Ethics and Anti-Corruption chapter of this report. Therefore, the CRIB's organisation culture is constantly conscious of the external risk environment in maintaining essential credibility among member institutions and the general public.

RISK APPETITE

Risk appetite is the level of risk the CRIB is prepared to accept in pursuing its objectives and have been defined with Board approval based on strategic targets and financial objectives. In the event the risk appetite threshold has been breached or it is approaching unacceptable levels, risk mitigating measures and business controls are implemented. Risk appetite, therefore, translates into operational measures such as new or enhanced limits or qualitative checks.

CRIB RISK MANAGEMENT FRAMEWORK

The CRIB risk management framework comprises several layers of risk identification and assessment. The ultimate authority in risk management related decisions is the CRIB Board of Directors. As part of its duties the Board regularly reviews the operating environment for potential risks that could impede the CRIB from discharging its obligations under the CRIB Act. The CRIB Audit Committee and the CRIB Management Committee are directly involved in supporting the Board in identifying and managing risks.

Risks are identified and regularly monitored, and control processes are introduced to ensure risk management is effective. Risk reviews are also conducted against the strategic objectives of the CRIB.

Risk classification

The CRIB identifies its emerging risks and potential impacts and regularly monitors such risks for changes and likelihood of occurrence. The CRIB's strong financial discipline and the growing demand for its services ascertain that the CRIB did not face a significant financial risk as at end 2022. Therefore, due to the rapidly changing external environment, the highest potential risks were mainly related to IT systems and data security, operational aspects and human resources. Over the years, the CRIB has also enhanced its reputational and social credibility, which has helped reduce reputational related risks of the CRIB - although this remains a risk in the context of data security and public trust.

Risk Management

Significant risks and management of these risks

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

Risk Classification	Risk level (L,M,H)	Risk Management Strategy
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.	L	<ul style="list-style-type: none"> ⦿ A full-time risk management and compliance officer monitors this risk. ⦿ In addition, 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
Unauthorized access to data: Unauthorized access to CRIB databases could lead to loss of data, misuse of data and lack of credibility in the CRIB.	L	<ul style="list-style-type: none"> ⦿ Online users of credit information (except users of CRIB member organizations) are required to 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 standards, logical safeguards and periodic reviews for any potential vulnerabilities and service exploitations are conducted by the external IS auditors periodically. ⦿ Vulnerabilities identified through these assessments and the recommended remediations are communicated to ICT division for resolution. Subsequent follow-on assessments ascertain whether or not remediation has been completed . ⦿ Physical access to the CRIB operations area is strictly controlled with biometric devices installed at every entry point and movements around the data center 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:	L	<ul style="list-style-type: none"> ⦿ All officers in financial institutions who are authorized 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.
Data related risks: Any deficiency in quality or accuracy of data impacts the value of information and service integrity of the CRIB.	M	<ul style="list-style-type: none"> ⦿ CRIB has no control over input data for CRIB credit reports, as such data are provided by member financial institutions. To minimize data risks: ⦿ 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.

Risk Classification	Risk level (L,M,H)	Risk Management Strategy
Non submission/delays of data: Non- submission of data or delays in submission by member institutions can make information obsolete and may be less relevant to business decisions.	M	<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 Efficiency of online access System Incompatibilities with newer, more recent technologies 	H	<ul style="list-style-type: none"> Whilst this remains a High Risk for the year under review, the implementation of the new Credit Bureau System and the underlying IT infrastructure and support systems in 2023 will reduce and minimize this risk in 2023.
<ul style="list-style-type: none"> Data security System security 	M	<ul style="list-style-type: none"> IT and application system providers are engaged for resolution of system level risks. In addition to vulnerability assessments, penetration testing of web accessible systems are carried out to further ascertain exploitable vulnerabilities and remediate them. Vulnerabilities identified through these assessments and penetration tests are communicated to ICT along with the recommended remediation for resolution. Subsequent follow-on assessments ascertain whether or not remediation has been completed. 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
Financial risks		Risk management strategy
Interest rate risk:	M	<ul style="list-style-type: none"> The investment portfolio was rationalized during the year to address potential risks.
Credit risk:	L	<ul style="list-style-type: none"> Since the customers of the CRIB are banks, finance companies and leasing companies, there is minimum threat of credit risk.
Reputational risk		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.	M	<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 unauthorized access to data. Maintain quality of CRIB reports.

Board Audit Committee Report

The Board Audit Committee functioned under the Charter & Terms of Reference adopted by the Board of Directors of Credit Information Bureau of Sri Lanka (Bureau). 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 to assess compliance to regulatory requirements, standards and acts.

COMPOSITION OF THE BOARD AUDIT COMMITTEE

The Board of Directors has established the Audit Committee in accordance with best practices on Audit Committee. Audit Committee of the Bureau comprises of three (03) Independent, Non-Executive Directors appointed by the Board. Members of the Audit committee as of the financial year ended 31st December 2022 are as follows:

- ⦿ **Mr. Kapila Ariyaratne**
(Chairman)
- ⦿ **Mr. Chaminda Hettiarachchi**
(Committee Member)
- ⦿ **Mrs. V. A. A. N. De Silva**
(Committee Member).

After retirement of the aforementioned members from the board, Presently the Audit Committee of the Bureau is chaired by Mr. Dilshan Rodrogo, who serves as the Executive Director/COO of Hatton National Bank PLC. He is a fellow Member of FCMA UK and FCCC UK. He holds a MBA from Cranfield University UK.

Mrs. R R S De Silva Jayathilake is the Director of Bank Supervision Division of the Central Bank of Sri Lanka and Mr. Ananda Seneviratne is the Managing Director Siyapatha Finance PLC are other two committee members.

The wide range of experience mainly on banking and financial industry brought to the Committee through these positions held by the present members are given on pages 30 - 34 of this Annual Report.

TERMS OF REFERENCE

The Charter of the Audit Committee is subjected to review and update 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 review of internal and external audit reports and any operational deficiencies and shortcomings are highlighted in such reports.

MEETINGS

The proceedings of the Audit committee meetings are recorded with adequate details and reported to the Board of Directors, where all key issues, concerns, actions taken and outcome achieved or pending are discussed at Board meetings. The General Manager may attend meetings on the invitation of the committee.

Attendance of the members is given on page 46 of this Annual Report

DUTIES AND RESPONSIBILITIES OF THE AUDIT OF COMMITTEE

The Audit Committee principally focuses on assisting the Board in fulfilling its duties by providing an independent and objective review of the Bureau's accounting and financial reporting processes and audit of the Financial Statements.

FINANCIAL REPORTING

The Audit Committee assess the effectiveness of financial reporting,

- ⦿ The Committee as a part of its responsibility oversees the Bureau's financial reporting process, on behalf of the Board of Directors reviews and discusses 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 their submission to the Board / publication.

INTERNAL CONTROLS, RISK MANAGEMENT AND GOING CONCERN

The Bureau also obtained the services of an independent professional accounting firm to carry out internal audit of the Bureau and to review reports. The effectiveness of the internal control procedures in place to identify and manage all significant risks are being reviewed by the Committee and assesses 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

The Audit committee ensures that the Internal Audit Function is independent of the activities and it is performed with impartiality proficiency and due professional care. In such context, the Committee;

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

Internal Audit Function is carried out by Messrs. BDO Partners, Chartered Accountant.

EXTERNAL AUDIT

External audit is carried out by Messrs. Ernst & Young, Chartered Accountants. The committee,

- Monitor independence, objectivity and effectiveness of the external audit in accordance with applicable standards of best practice.
- Assist Board of Directors to implement processes of engaging external auditor for audit services and agree on their remuneration schemes.

- Review to ensure that auditor comply with appropriate guidelines and apply relevant accounting standards.
- Discuss the audit plan, scope and methodology proposed to be adopted in conducting the audit proceeding to commence the annual audit with external auditor.
- Follow up on the corrective action plan presented by the management on issues raised in the Management Letter and Also can mention about Whistle blowing and fraud - Board response.

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 where necessary.

RE-APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee in keeping with the Bureau's policy recommended the Board that Messrs. Ernst & Young, Chartered Accountants to be re-appointed as External auditors for the financial year ending 31st December 2022.



Dilshan Rodrigo

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 Three Independent Non-Executive Directors. The General Manager participates in all deliberations of this Committee and attends the meetings by invitation.

Members of the Remuneration Committee as of the Financial year ended 31st December 2022 are as follows:

- Mr. R. Kodituwakku – Chairman (Non-Executive)
- Mr. D. P. N. Rodrigo – Non Executive
- Mr. N. Udage – Non Executive

The Remuneration Committee for the financial year 2023 has been reconstituted in March 2023 as follows:

- Mr.Dilshan Rodrigo (Chairman- Non Executive)
- Mr.Clive Fonseka (Non Executive)
- Mr.H.K.D.Lakshman (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 recognizes rewards as one of the key drivers influencing employee output which in turn have a direct impact on the service levels of the organization.

2. REMUNERATION PACKAGE

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

Fixed Components	Variable Components
Basic Salary	Annual & Incentive Bonus
Travelling Allowance	Telephone Allowance

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.



Dilshan Rodrigo
Chairman – Remuneration Committee

Batch. Inquiry

- CRIB allows members to request credit information on their customers in bulk including credit scores for varying operational/business purposes. The service is beneficial for institutions that periodically monitor the portfolio of their existing clients or process large volume of credit applications.
- Information requested through batch services can be filtered to utilize them on need-to-know basis and apply into the existing credit score cards or risk models. Periodic monitoring of portfolio will enable institutions to profile customers effectively and use for cross-selling or up-selling to existing customer segments.

The image shows a close-up of a credit application form, tilted diagonally. The form is white with black text and checkboxes. The background is a dark blue gradient with a light blue diamond shape in the bottom right corner.

Personal Details

Your first name and initial _____

Nationality _____

Address (street and number), see instructions. _____

City, town, street and ZIP code, see instructions. _____

Last name _____

Phone Number _____ No. _____

► Checking a box for confirmation (See instructions on page 12)

☐ Single ☐ Spouse

☐ Married ☐ Divorced

☐ Other _____

Status

Check only one box.

Income

1 It is a process to allow an organization to focus resources on the greatest _____

2 The objectives will be based on how you gain _____

Exemptions

Dependents: First name _____ Last name _____

Development Plan 2022

The development plan envisaged by the bureau in 2019 set two broader business development objectives to be achieved in completion of a five-year period, ending 2023. However, due to unforeseen disruptions faced by the country during the decisive 2020-21 period the planned development roadmap had been significantly impacted with the delay in achieving targets as per the set time line. Key goals set by the bureau in 2019 were;

- ⦿ Expansion of Bureau's product portfolio
- ⦿ Increased diversification of user segments of the bureau.

We undertook a time consuming yet comprehensive and transparent multi-faceted evaluation process to select a suitable technology partner to drive our next generation development initiative. The bureau in 2018 signed a strategic cooperation agreement with the Creditinfo International GmbH, an international technology company excelled in delivering credit bureau solutions to diverse business environments across all key geographies in the world.

As part of this ongoing technology transformation, during the year 2022 CRIB was actively engaged in the last phase of the implementation of the new system project, a cornerstone of the set development initiative. CRIB was successful in launching the pilot run, parallel run along with testing cycles to ensure that the new application and system infrastructure to be in place by the start of 2023 for live operations.

A next stage of the bureau's development roadmap encompasses the vertical expansion of its product portfolio to newer heights with the introduction of value added services meant to enhance operational efficiencies and business performance of our members and prospective new subscribers.

CRIB under the proposed business development process, looks into expanding its information database coverage by integrating non-traditional data from relevant finance sectors such as insurance, telcos, utilities. The bureau in this endeavor, also puts key emphasis on outreach strategies to create more awareness in the financial industry contributing to regulatory and policy planning efforts at various institutional capacities.

Active engagement with peer organizations, industry associations and other regulatory bodies in various collaborative efforts during the year demonstrate our continued commitment towards stimulating to create an inclusive and disciplined credit culture in the country, as mandated as a statutory responsibility by the CRIB Act. In this direction the Bureau's role on the involvement of the World Bank Ease of Doing Business (EoDB) annual survey, the ongoing Secured Transaction legal reform project, regular participation of financial sector and credit market stability forums conducted by the CBSL are key testaments to be mentioned that helped to add strategic value to the Bureau during the year.

OUR PASSAGE TOWARDS EXPANSION AND DIVERSIFICATION.

Need for transformation

The credit bureau had long recognized the urgent need to transition to a new platform due to persistent technical and operational challenges in their outdated legacy system. These issues, including extended data update delays, capacity limitations, and system failures, hindered expansion and product delivery. To resolve these problems, the bureau made a timely strategic decision to acquire a modern credit bureau system with advanced technology infrastructure.

During 2022 CRIB actively pursued with the project implementation of the new system with the start of UAT testing along with parallel and pilot run phases, expecting to launch live operation in January 2023.

Operational Review

This section provides the operational performance of CRIB within the year 2022.

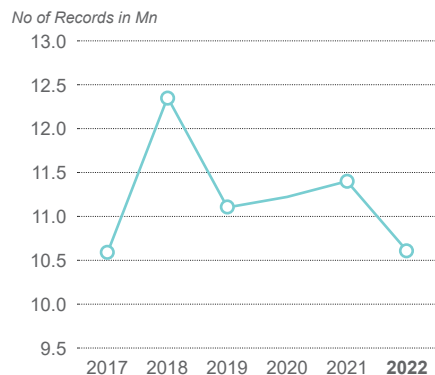
DATA SUBMISSION

Despite the numerous challenges and limitations to business operations during the year under review, 10.6 Mn credit facilities were submitted by lending institutions as of 31 December 2022, in comparison to the 11.4 Mn facilities submitted in the previous year. The data validation rate was maintained above 99% as had been the standard of the Bureau over the years demonstrating the commitment and tireless efforts of the CRIB team and member institutions.

Data submission progress 2017-2022

Year	Total no of records submitted (Mn)	Change %	Validation
2017	10.6		More than 99%
2018	12.4	16.9%	
2019	11.1	-10.3%	
2020	11.2	1.1%	
2021	11.4	1.6%	
2022	10.6	-7.0%	

Data Submission Progress 2017 - 2022

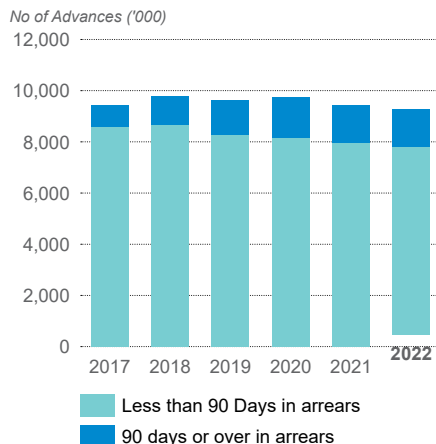


TOTAL CREDIT PORTFOLIO

Due to economic situation in the country, challenges in the operating environment and the resultant drop in credit growth, the total credit portfolio in terms of number of credit facilities showed a decrease (7%) as at 31st December 2022 in comparison to 2021. The total number of active credit facilities as of 1st December 2022 was 8.7 Mn in comparison to the 9.4 Mn reported in 2021.

Year	No. of Advances (In '000)			% Change		
	Less than 90 Days in arrears	90 days or over in arrears	Total	Less than 90 Days in arrears	90 days or over in arrears	Total
2017	8,612	843	9,454			
2018	8,682	1,119	9,801	0.82%	32.78%	3.67%
2019	8,281	1,354	9,635	-4.62%	21.01%	-1.69%
2020	8,142	1,587	9,729	-1.68%	17.22%	0.98%
2021	7,992	1,445	9,437	-1.84%	-8.95%	-3.00%
2022	7,316	1,451	8,767	-8.46%	0.42%	-7.10%

Credit Portfolio Analysis (2017-2022) No. of Credit Facilities



Total balance outstanding as of 31st December 2022 was LKR 15,880 Bn compared to LKR 14,456 Bn reported at the end of 2021. This is an increase of 9% when compared to Total balance outstanding of the year 2021. The depreciation of the LKR, had a significant effect in increasing the balance outstanding of non LKR credit facilities which represented in the total balance outstanding.

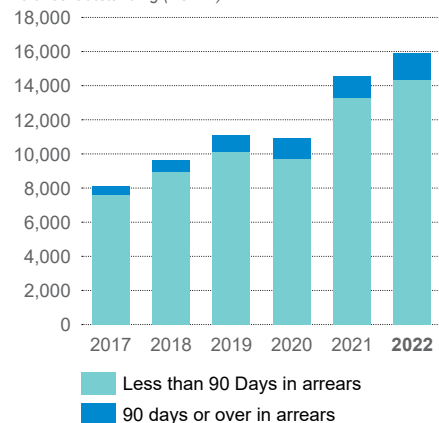
Year	Balance Outstanding (LKR Billion)			% Change		
	Less than 90 Days in arrears	90 days or over in arrears	Total	Less than 90 Days in arrears	90 days or over in arrears	Total
2017	7,590.5	491.3	8,081.8			
2018	8,930.9	701.4	9,632.3	17.7%	42.8%	19.2%
2019	10,129.4	953.7	11,083.2	13.4%	36.0%	15.1%
2020	9,706.3	1,218.1	10,924.4	-4.2%	27.7%	-1.4%
2021	13,299.3	1,244.3	14,543.6	37.0%	2.2%	33.1%
2022	14,348.9	1,531.6	15,880.5	7.9%	23.1%	9.2%

Operational Review

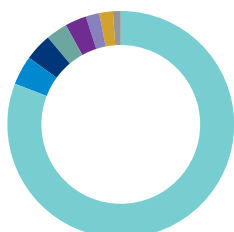
Credit Portfolio Analysis (2017-2022)

Balance Outstanding

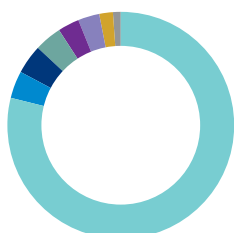
Balance Outstanding (Rs. Bn)



Province Wise Distribution of Credit Portfolio -2022 Balance Outstanding



Province Wise Distribution of Credit Portfolio -2021 Balance Outstanding



Out of the total balance outstanding 84.0% was represented by Commercial Banks, while Finance Companies, specialized banks and Leasing companies represented 10.4%, 5.5% and 0.1% respectively. Outstanding credit growth YoY was recorded only in the Commercial Banks segment, while Finance Companies and Specialised banks showed a slight growth during the review year. Total balance outstanding of Leasing companies has showed a decrease when compared to year 2021.

In year 2022, 9.6% of the total credit balance outstanding was recorded with arrears of 90 days or more, whereas this ratio for the previous year recorded as 8.6%. Percentage representation from Commercial Banks, Finance Companies, specialized banks and Leasing companies are recorded as 5.1%, 3.8 %, 0.7% and 0.1% respectively.

Institution Category	Credit facilities with 90 days or over in arrears		Total Balance Outstanding (LKR Billion)	
	2021	2022	2021	2022
Commercial Bank	587.9	804.4	12,057.4	13,345.7
Finance Companies	531.4	610.6	1,570.8	1,655.9
Specialized Bank	99.8	107.0	859.7	867.1
Leasing Companies	25.1	9.7	55.7	11.8
Total Balance Outstanding	1,244.3	1,531.7	14,543.6	15,880.5

Institution Category	Credit facilities with 90 days or over in arrears		Total Balance Outstanding	
	2021	2022	2021	2022
Commercial Bank Category %	4.0%	5.1%	82.9%	84.0%
Finance Companies %	3.7%	3.8%	10.8%	10.4%
Specialized Bank Category %	0.7%	0.7%	5.9%	5.5%
Leasing Companies %	0.2%	0.1%	0.4%	0.1%
Total Balance Outstanding	8.6%	9.6%	100.0%	100.0%

16.6% of the total no. of advances in year 2022 were recorded as credit with 90 days or more in arrears, whereas this ratio for the previous year recorded as 15.3%. Percentage representation from Commercial Banks, Finance Companies, specialized banks and Leasing companies are recorded as 4.4%, 9.0%, 0.1% and 3.0% respectively.

Institution Category	Credit facilities with 90 days or over in arrears (In ' 000)		Total no. of advances (In ' 000)	
	2021	2022	2021	2022
Commercial Bank	348.69	389.36	5,371.05	5,075.76
Finance Companies	784.57	793.18	2,636.32	2,455.52
Specialized Bank	254.38	264.30	1,314.91	1,229.10
Leasing Companies	57.98	4.40	115.52	7.10
Total	1,445.62	1,451.24	9,437.79	8,767.48

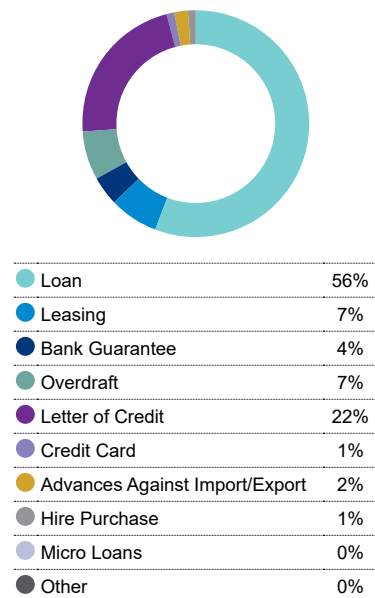
Institution Category	Credit facilities with 90 days or over in arrears		Total no. of advances	
	2021	2022	2021	2022
Commercial Bank Category %	3.7%	4.4%	56.9%	57.9%
Finance Companies %	8.3%	9.0%	27.9%	28.0%
Leasing Companies %	2.7%	3.0%	13.9%	14.0%
Specialized Bank Category %	0.6%	0.1%	1.2%	0.1%
Total No of Credit Facilities	15.3%	16.6%	100.0%	100.0%

Geographical segment wise analysis of Advances

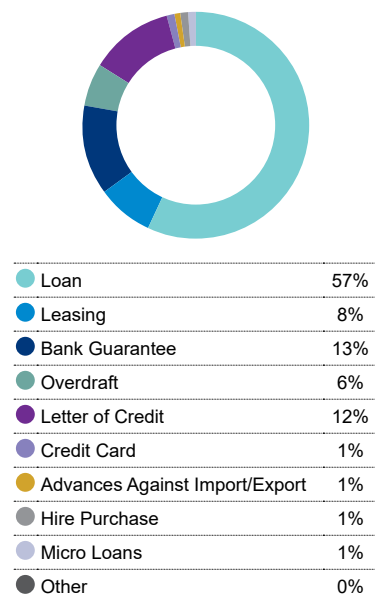
Highest number of credit facilities were reported within the western province of the Country. A drop in the number of credit facilities were reported from almost all provinces during the year.

Province	2021		2022	
	Balance Outstanding (LKR Billion)	No of Credit Facilities	Balance Outstanding (LKR Billion)	No of Credit Facilities
Western	11,249	5,038,617	12,697	4,708,129
Central	649	788,601	642	733,348
Southern	622	748,699	599	692,138
North Western	546	681,418	519	621,589
Sabaragamuwa	385	510,644	372	474,870
North Central	368	477,272	351	440,049
Uva	282	419,880	273	395,608
Eastern	255	462,030	244	415,562
Northern	189	310,645	183	286,158

Credit Facility Type Wise Distribution of Credit Portfolio 2022 Balance Outstanding



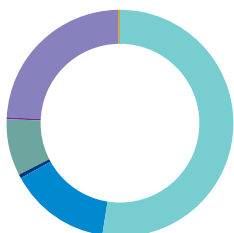
Credit Facility Type Wise Distribution of Credit Portfolio 2021 Balance Outstanding



Operational Review

Credit Facility Type Wise Distribution of Credit Portfolio 2022

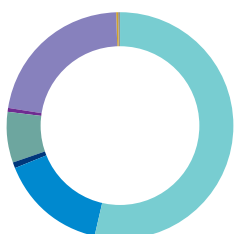
Number of Credit Facilities



Loan	52.1%
Leasing	14.1%
Bank Guarantee	0.7%
Overdraft	8.0%
Letter of Credit	0.2%
Credit Card	23.6%
Advances Against Import/Export	0.1%
Hire Purchase	0.5%
Micro Loans	0.5%
Other	0.1%

Credit Facility Type Wise Distribution of Credit Portfolio 2021

Number of Credit Facilities



Loan	52.9%
Leasing	15.0%
Bank Guarantee	0.8%
Overdraft	7.2%
Letter of Credit	0.5%
Credit Card	21.6%
Advances Against Import/Export	0.1%
Hire Purchase	0.5%
Micro Loans	0.5%
Other	0.1%

Credit Facility Type wise analysis of advances

The total credit portfolio recorded a decrease in the number of almost all types of lending as of 31st December 2022 in comparison to the previous year, except in the categories of Overdrafts and Credit Cards. Loans continue to dominate the portfolio with largest share of lending as of 31st December 2022 in terms of number of credit facilities and the value. The Balance Outstanding of Letters of credit and Advance against import/export shows a growth in 2022 when compared to year 2021 whilst other types of credit facilities shows a decrease.

Credit Facility Type	No of Credit Facilities (In '000) 2021		No of Credit Facilities (In '000) 2022	
Loan	4,990	52.9%	4,565	52.1%
Leasing	1,417	15.0%	1,240	14.1%
Bank Guarantee	80	0.8%	65	0.7%
Overdraft	683	7.2%	700	8.0%
Letter of Credit	51	0.5%	14	0.2%
Credit Card	2,041	21.6%	2,066	23.6%
Advances Against Import/Export	12	0.1%	11	0.1%
Hire Purchase	52	0.5%	47	0.5%
Micro Loans	104	1.1%	46	0.5%
Other	8	0.1%	10	0.1%

Credit Facility Type	Balance Outstanding (LKR Billion) 2021		Balance Outstanding (LKR Billion) 2022	
Loan	8,223.3	56.5%	8,901	56.1%
Leasing	1,212.0	8.3%	1,136	7.2%
Bank Guarantee	1,818.6	12.5%	554	3.5%
Overdraft	941.1	6.5%	1,040	6.5%
Letter of Credit	1,798.8	12.4%	3,448	21.7%
Credit Card	154.0	1.1%	169	1.1%
Advances Against Import/Export	191.2	1.3%	356	2.2%
Hire Purchase	69.4	0.5%	68	0.4%
Micro Loans	15.5	0.1%	12	0.1%
Other	119.8	0.8%	197	1.2%

ISSUANCE OF CREDIT REPORTS

CRIB delivered 6.9 Mn credit reports within the year 2022 through web, H-to-H service and also the Bulk request service mode which is designed for portfolio monitoring purposes. However, 24% YoY decrease is recorded in issuance of credit reports due to slowdown in credit growth in the Country.

Year	Consumer	Corporate	Total	Year on Year growth %
2017	8,935,987	312,117	9,248,104	
2018	9,851,377	349,775	10,201,152	10.31%
2019	11,065,759	318,370	11,384,129	11.60%
2020	9,267,991	289,598	9,557,589	-16.04%
2021	8,817,494	300,831	9,118,325	-4.60%
2022	6,670,261	243,779	6,914,040	-24.17%

Credit Reports 2017 - 2022



The majority of report requests were for the purpose of monitoring and reviewing of the existing borrower while the second highest demand was for evaluating borrowers for a new credit facility. Requests in almost all types of categories recorded an overall decrease in line with the market trends except the requests were for monitoring and reviewing of existing borrower.

REASON WISE ANALYSIS OF CREDIT REPORT INQUIRY 2017 – 2022

Reason	2017	2018	2019	2020	2021	2022
Evaluating of a borrower for a new credit facility	39.0%	36.3%	30.2%	30.6%	30.1%	28.6%
Review as a Guarantor for a new credit facility	18.6%	18.2%	16.1%	20.2%	18.0%	15.5%
Review as a partner/proprietor for a new credit facility	5.4%	4.4%	3.4%	3.6%	3.4%	3.8%
Review as a director for a new credit facility	0.7%	0.7%	0.7%	0.5%	0.4%	0.3%
Opening of a Current Account	1.1%	1.0%	0.9%	1.0%	1.8%	1.8%
Monitoring and reviewing of an existing borrower	35.2%	39.3%	48.7%	44.1%	46.3%	49.9%

CREDIT REPORTS FOR MICRO LENDING

Micro report was introduced to provide credit information in a simplified manner for small size credit facilities at a lesser cost. 289,186 credit reports issued during the period from January to December 2022

Operational Review

Micro Credit Information Report

Year	Consumer	Y on Y growth %
2017	663,869	-
2018	613,310	-7.62%
2019	468,478	-23.61%
2020	292,241	-37.62%
2021	295,776	1.21%
2022	289,186	-2.23%

Self-Inquiry Reports (iReport)

Self-inquiry process was launched on 1st December 2009 with the issuance of own credit reports (iReport), as 7(B) (1) (e) of the amended CRIB Act permits any individual or corporate entity to obtain his/her credit report from the bureau.

Due to the high demand from the general public toward this service, registration of individual customers and corporate customers for online self-inquiry service were launched in October 2013 and October 2018 respectively.

Online self-inquiry issuance process was introduced in November 2020 for facilitating those who have not registered for online service to get their own credit report (self-inquiry reports) online. This was an important initiative which was taken during the Covid-19 pandemic period, eliminating physical visits to the Bureau, and therefore minimizing risk.

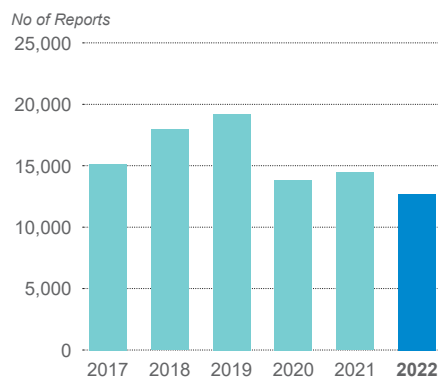
In addition to online iReport issuance process, CRIB started to register the general public for CRIB online self-inquiry service through internet/mobile banking application with effect from June 2021. With this approach the general public is able to register and request their own reports without visiting either CRIB or his/her bank.

As a result of continuous awareness process, this product was popularized over fast few years. In year 2022, CRIB conducted 14 public awareness sessions to educate the general public. In addition to that public awareness sessions were also conducted in both print and electronic media educating general public on the value of maintaining good credit record.

However, in the year under review, the demand for self-inquiry report also showed a decrease due to the prevailing economic situation in the country mainly due to challenges and limitations caused by the pandemic. However, 12,681 iReports were issued in year 2022 including the reports issued through online service and also the Internet/Mobile bank Applications.

Year	Total No. of self-inquiry reports	Y on Y growth (%)
2017	15,115	-
2018	17,936	18.7%
2019	19,216	7.1%
2020	13,824	-28.1%
2021	14,423	4.3%
2022	12,681	-12.1%

Self Inquiry Credit Reports 2017 - 2022



CRIB SCORE

CRIB Score which was introduced in January 2020, is a three-digit number calculated using information available in the credit report and the CRIB score today can be used to predict the future risk (probability of default) based on how the borrower has managed his/her debts in the past. Therefore, Credit Score is also called as Risk Score which is formulated to support lenders by providing fast and objective measurement in determining the risk in a lending process, but does not provide any lending decision.

Bureau received 213,040 inquiries for Score reports during the period from January to December 2022 in comparison to the 147,910 inquiries received in the previous year.

“Retrospective Score” is a product introduced in November 2020 based on CRIB Score. This product helps lenders to predict the future, based on the past behaviour of the credit portfolio. With the outcome of the retrospective analysis, member institutions would be able to develop new acquisition, account management or collection strategies, or else refine and revalidate the strategies, which are currently in place. Two institutions Requested the “Retrospective Score” product in year 2022.

“Bulk Scoring” product is also a product introduced in January 2021 based on CRIB score. This product is mainly used to analyze institutions’ existing portfolio for risk and credit evaluation purposes. Only one institution requested the “Bulk Scoring” product in the year 2022.

NEW SYSTEM IMPLEMENTATION

After successful completion of the Pilot Run and the Parallel Run, Technical Go-Live of the system was started on 30th November 2022 with the aim of system Go-Live by 1st January 2023.

Throughout the year CRIB conducted many training sessions related to new system implementation project to the Compliance officers, Business and Technical teams of the member lending institutions to educate them on functions and features of the new system and also the advanced products and services of the new system. Furthermore, several sessions were conducted to improve the data quality levels. In December 2022, Compliance officers' forum was conducted and educated compliance officers and institutional users explaining the advanced functions and features, value added product and services of the new system. Furthermore, data quality which has huge impact on the accuracy of the information appearing in the credit report and also the CRIB score calculated based on this information too was discussed and explained in detailed. Finally, launch of new system with effect from 1st January 2023 also announced at this forum.

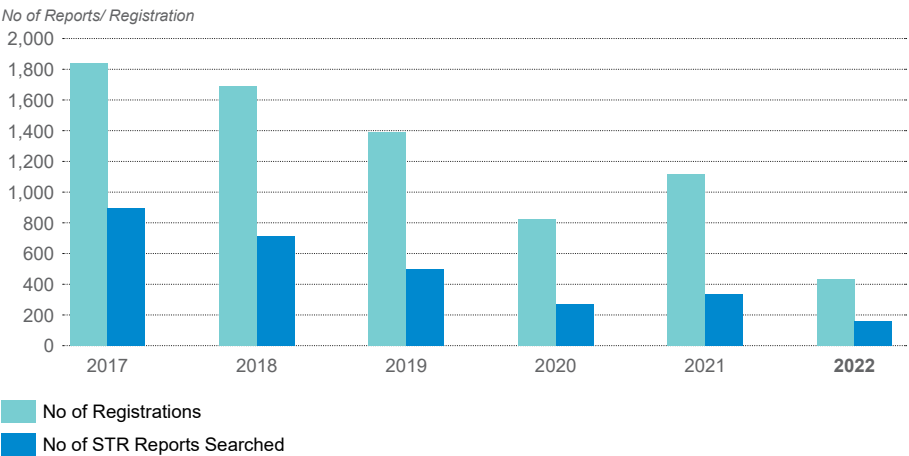
With the new system, non-financial data such as Telco data, Utility data and Insurance data will be collected. Further to that, Product and features such as Alerts, Portfolio Analytical reports and Retrospective Score Analysis reports also will be promoted. Institutions will be able to get the service more efficient manner, since all most all day-to-day operational functions have been managed online.

SECURED TRANSACTION REGISTRY SYSTEM OPERATIONS

The total number of registrations in STR Systems in the year 2022 was 431, compared to 1,117 registrations in 2021. The number of information searches carried out at STRS has decreased from 332 in 2021 to 157 in the year under review.

Year	No of Registrations	No of STR Reports searched	Change in Registration %	Change in Searches %
2017	1,832	895	-	-
2018	1,687	711	-7.91%	-20.56%
2019	1,390	499	-17.61%	-29.82%
2020	825	268	-40.65%	-46.29%
2021	1,117	332	35.39%	23.88%
2022	431	157	-61.41%	-52.71%

STR Operations Progress 2017 - 2022



Financial Capital



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The Bureau holds an investment portfolio worth Rs. 5 billion, which supplemented its primary income, and enabled it to maintain a sound financial position. For the year 2022, it generated an interest income of Rs. 771 million. In comparison to the previous year, income increased by 122% as a result of the market's high interest rates.

The financial capital chapter of the CRIB explains the material changes to our finances during the 12 months under review from January 1 to December 31, 2022. For a better understanding of our current financial situation, refer to this section of the annual report together with our financial statements and notes to the financial statements. Furthermore, the Managing Risks part of this annual report describes our financial risk management process. Our financial reporting policies have not changed from the previous financial year, and we did not have to restate any information from our previous annual report.

Due to the COVID-19 Pandemic, the fiscal year under review was one of the most challenging both globally and locally. and it's aftershock which took a toll on the economy, businesses and lives of the people. Despite these challenges, the Bureau was able to perform well continuing uninterrupted services.

With today's trends and conditions propelling society swiftly towards a digital lifestyle, the Bureau remains a key component in a paradigm shift enthusiastically engaging change to accomplish our commitments and promote financial prosperity.

CAPITAL STRUCTURE AND SHAREHOLDERS' FUNDS

The Bureau continues to function as an independent organization that does not receive government funds, and sustains itself with its own investments acquired through domestically generated revenues, maintaining a strong financial position. In the past ten years, CRIB has maintained record earnings and benefited the general economy of the nation. Over the past 25 years, its expanding reserves have benefited the members, staff, and other stakeholders.

CHANGES TO EQUITY

The stated capital of the CRIB remained unchanged at Rs. 25 million in 2022. However, the total equity of the CRIB marginally increased by 3% against 2021 to Rs. 162 million while CRIB's retained earnings grew to Rs. 1,412 million.

REVENUE

While the Country's financial industry had challenges that impacted its operations, the bureau survived despite a large increase in interest rates, skyrocketing costs, and numerous socioeconomic and political challenges. The Bureau is pleased to report that the number of credit reports issued to member institutions during the year under review through web exceeded 6 million, generating an income of Rs. 694 million from its core business. Credit score reports, which were first introduced in 2020, earned an income of approximately Rs 21 million in 2022, an increase by 27% in comparison to last year's income.

However, in response to the numerous challenges, the bureau increased its product portfolio by implementing retrospective reports via the current system, this product line generated a total revenue of Rs. 7 million during the year.

Due to a large part of processes being digitalized, the Bureau was able to establish a new revenue stream enabling the transmission of credit reports via mobile apps. This commenced in 2021 and continued into 2022 enabling the bureau to gain from its product portfolio as a result of its long-term investment strategy based on new product developments. Items such as credit report income, score report income, iReport income, and value-added product income make up the Bureau's product mix.

INVESTMENT INCOME

Interest income remains a significant source of income for the Bureau contributing 53% of total income during the year under review. The bureau witnessed a noteworthy year-on-year revenue growth for interest income due to high interest rates prevailing in the market.

The retained profits were placed in board-approved financial instruments until they were diverted into capital projects at the appropriate moment to benefit stakeholders, who serve us as both customers and shareholders.

The distribution of significant funding for capital-intensive projects, the state of economy, and any revisions to government policies as a result of the economic challenges will have a significant impact on the generation of future interest revenue of the Bureau.

The Bureau holds an investment portfolio worth Rs 5 billion, which supplemented its primary income, and enabled it to maintain a sound financial position. For the year 2022, it generated an interest income of Rs 771 million. In comparison to the previous year, income increased by 122% as a result of the market's high interest rates.

EXPENSES

Operating costs increased by 1% to Rs. 422 million throughout the year, compared to 2021. The cost of the new system setup and IT maintenance increased during the year, significantly impacting the bottom line. Administration & establishment cost increased significantly due to SLFRS -16 adjustment, while employee-related expenditures increased by 14%.

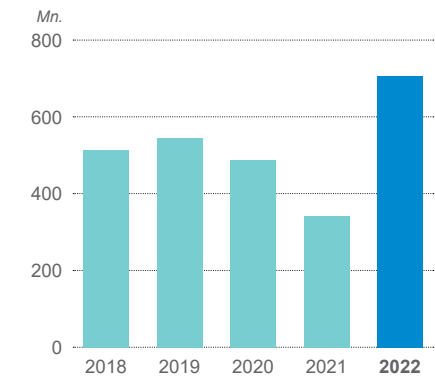
COST TO INCOME RATIO

The cost to income ratio increased from 48% in 2021 to 49% in 2022 due to a decreasing core income of 25% year-over-year. There was a 1% bare increase in operational expenses.

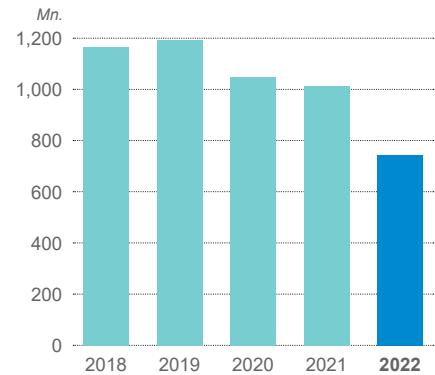
PROFITABILITY

However, the decline in the gross profit margin had a considerable negative influence on the current economic status, and its subsequent effect on

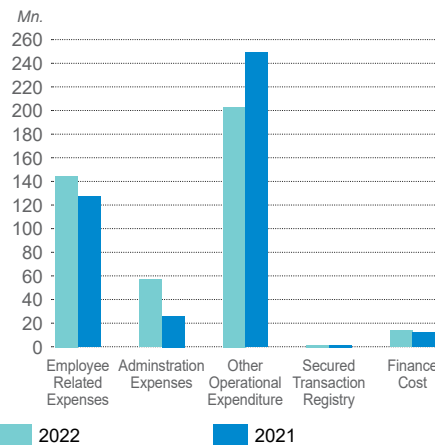
Year Wise Interest Income



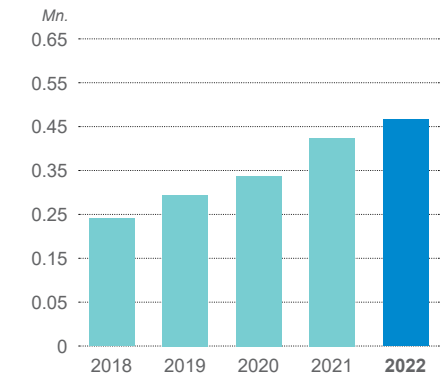
Credit Report Income



Expenses

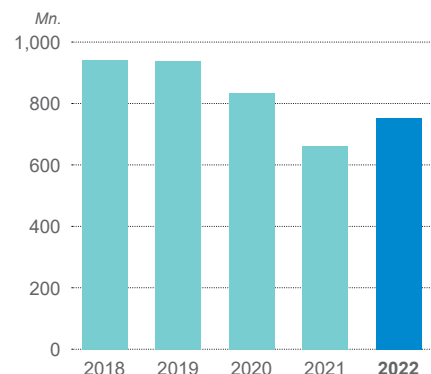


Cost to Income



Financial Capital

Profit for the Year



cost inflation. However, the increase in interest income has played an important role in increasing profitability, enabling the bureau to reach high profit after tax.

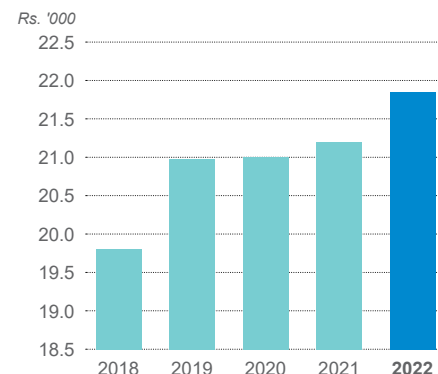
TAXATION

CRIB initially entered the income tax net in connection to its operating profits once the income tax Act Number 24 of 2017 was amended. During the financial year being assessed, tax costs experienced a substantial usage, reaching Rs 290 Mn.

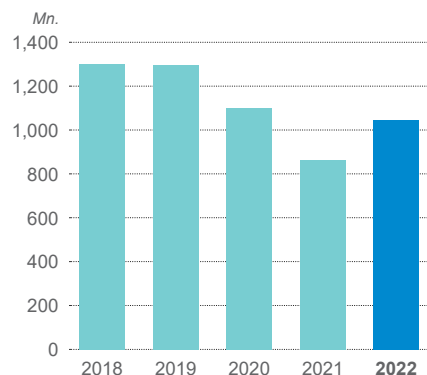
NET PROFIT

The Bureau recorded a net profit of Rs. 754 million during the year under review, this been a year-on-year increase 14%.

Net Assets Per Share



Profit Before Tax



EARNINGS PER SHARE (EPS)

With the on-going improvement in profitability, the bureau reported earning per share value of Rs. 3,017 growth of 14%.

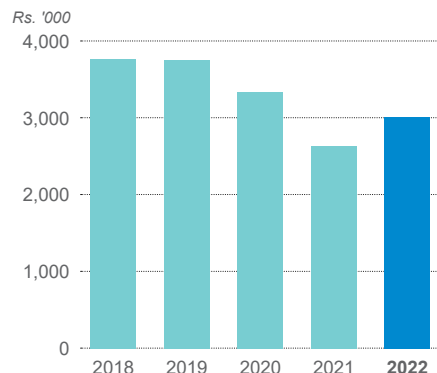
NET ASSETS PER SHARE

As a result of a steady rise of profitability, the total net asset value had crossed Rs. 5 billion by the end of 2022 and had reached the highest net asset value per share of Rs 21,850/- as at year end 2022. As a result, the Bureau's financial stability improved while shareholder wealth increased.

Dividend Per Share



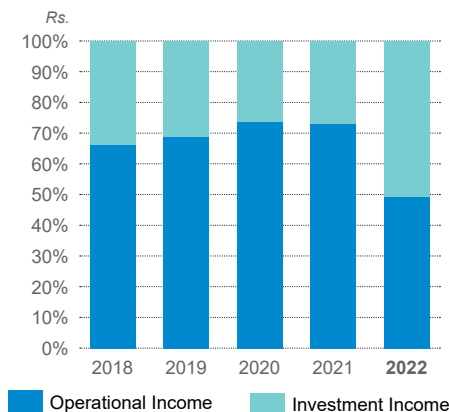
Earnings Per Share



DIVIDEND PER SHARE

A dividend of Rs. 2,112 per share was declared based on the profit of the previous year. This is consistent with the Bureau's continuous commitment to deliver balanced, healthy dividends and retention to support investing activities and to enhance long term benefits to shareholders.

Income Composition



Operational Income Investment Income

Human Capital



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By the end of 2022, the Bureau comprised of a total of 28 employees, 67% of staff members are male and 33% are female. Twelve (12) are management grade employees. As an equally opportunity employer, CRIB maintains gender diversity in its workforce.

CRIB's human capital comprises of a small team of highly skilled and experienced employees who are committed and dedicated to serve the nation. As an important data hub for the country, CRIB personnel serve our clients in accordance with the Bureau's Code of Ethics while protecting the privacy of consumer information. The success of the bureau is based on a highly motivated and engaged team of employees who gained a lot of knowledge and expertise over the years.

OUR STRATEGIC HR GOALS

Our strategic HR goals include finding the appropriate match for the right role, continuing human capital development, and providing a healthy work environment that encourages a good work-life balance.

EMPLOYEE PROFILE

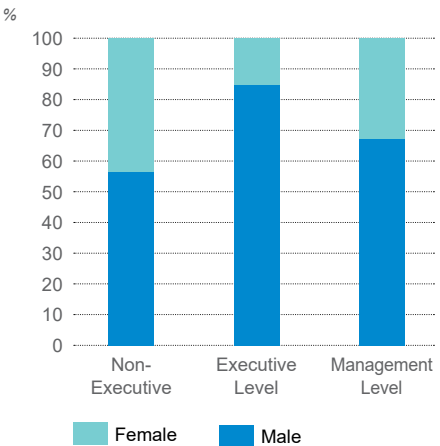
By the end of 2022, the Bureau comprised of a total of 28 employees, 67% of staff members are male and 33% are female. Twelve (12) are management grade employees. As an equally opportunity employer, CRIB maintains gender diversity in its workforce. Of the total workforce, six (6) of management employees are female. Seven (7) executive grade employees are male. Three (3) of the seven (7) non-executive employees are female.

Total Permanent Employees	25
Male	18
Female	8
Total Contract Employees	2
Male	1
Female	1

Category wise staff details

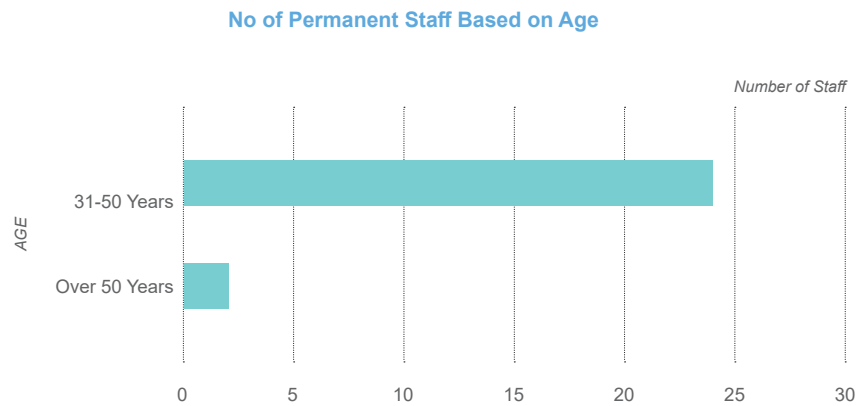
Permanent Staff Based on Age

Permanent Staff Based on Designation and Gender



All of the permanent cadre employees are above the age of 30, and two are beyond the age of 50.

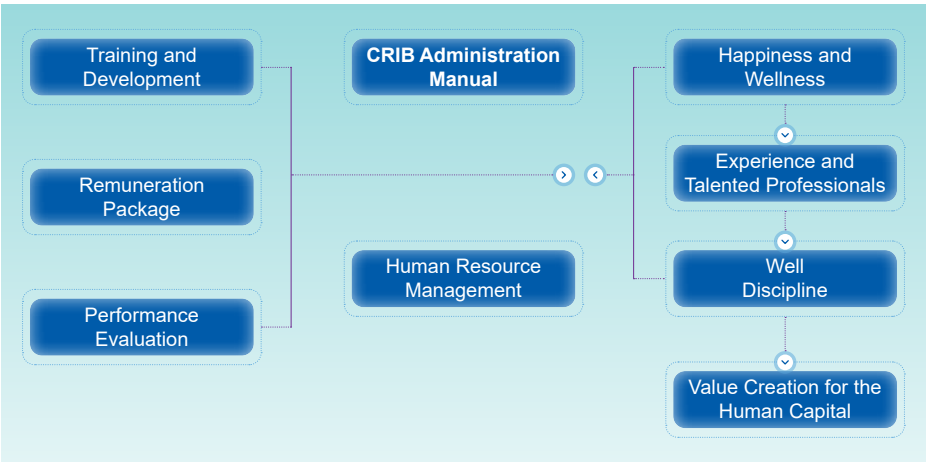
Human Capital



VALUE CREATION FOR HUMAN CAPITAL

Our team is the heart of the Bureau’s sustainability, and we believe utilizing their full potential is critical to our success. Therefore, we have been committed to ensure well being of our employees thus taking necessary steps to improve their knowledge and professionalism over the years. Further, we support their career progression with a transparent performance appraisal process, while maintaining an Administration Manual to sustain standard staff behavior.

As a result of the above, CRIB has been able to build an autonomous work environment that allows team members to fulfill their job tasks in a more appropriate and timely manner, while also motivating employees to enhance their skills and job knowledge.



Remuneration and Other Benefits

While maintaining a non-discriminatory work environment, CRIB provides its workers with an industry-leading remuneration plan that includes the following key perks. Medical insurance, staff concession rates for loans, Housing loan interest subsidies; reimbursement of professional subscription fees for professional bodies.

Further, all permanent employees are included in the Statutory Employees Provident Fund and Employees Trust Fund. The CRIB’s gratuity policy calculates half a month’s basic salary for employees with more than five years of service.

Learning and Development

Investing in people is a critical component of our talent acquisition and retention strategy. Developing industry-leading capabilities is essential to our HR strategy. We seek to provide opportunities for our staff to grow so that they may contribute to the bureau’s future success. However, due to the ongoing pandemic scenario, our personnel were unable to participate in any training and development programs throughout the fiscal year under review.

Human Resource Administration

CRIB has formulated an Administration Manual that serves as a guide focusing on four main areas of human resource administration: staff benefits, hours of work and Leave, inquiry procedure for disciplinary action and CRIB communication policy.

Staff Benefits -

Staff benefits are based on the Remuneration Committee appointed by the Board and the Committee makes recommendations to the Board in the areas of salaries, increments, bonuses and staff promotions.

Hours of Work and Leave -

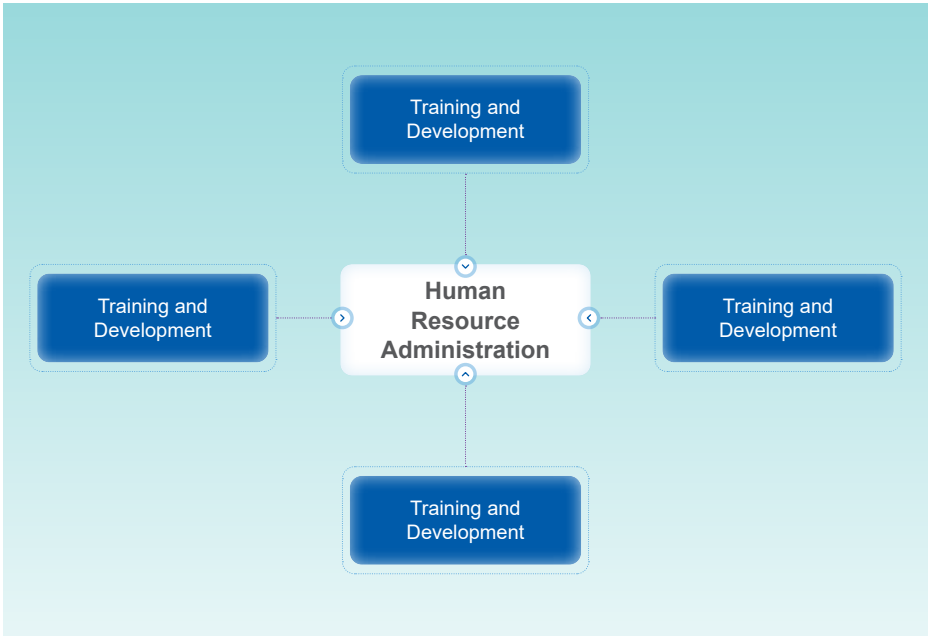
Employees are clearly instructed regarding their working hours, attendance, leave and compulsory vacation leave.

Inquiry Procedure for Disciplinary Action -

This inquiry procedure lay out the disciplinary action that can be taken against an employee as well as the appeals that can be made to the employee in a transparent manner.

The CRIB Communication Policy -

A variety of channels are available to communicate and engage with employees. We encourage participation and engagement of formal channels. Team briefing, employee forums and staff meetings enable them to discuss key matters and to express their views.



Performance Evaluation

CRIB's annual performance appraisal system is designed to evaluate employees' skills, performance and qualifications thereby identifying the necessary training and development requirement for performance improvement. Appraisals help to identify any gaps in knowledge and skills and bureau assist the employees to enhance their carrier prospects appropriately.

CRIB has also implemented an automated performance appraisal system to maintain quality and consistency in the appraisal process. The performance Management system also ensure that it measure and recorded the quantity of goal achievements as against the set objectives for the year.

Status of Compliance

CRIB enforces strict compliance with all labour laws and regulations under the Shops and Offices Employees Act No 19 of 1954. Payment of all statutory employee payments have been made on time by the bureau. As such no fines or penalties were imposed for late or non-payment of same. .

Diversity and Equal Opportunity

We strive to maintain diversity in the workplace and believe that a culture of inclusivity is vital in creating an environment where all our employees perform their duties and responsibilities at their best. As an equal opportunity employer, we foster a workforce diversity at every mean. We embrace innovative thinking and encourage people to be more forward looking while promoting environment for productive team culture.

Human Capital

EVENTS CARRIED OUT DURING 2022

At the beginning of each year, a religious ceremony is organized to invoke blessings on our staff, family members and the country. This event was held on 1st January 2022 marking the beginning of the new year.



Annual General Meeting

The 32nd Annual General Meeting of the Bureau was held on 28th September 2022 as a virtual meeting using digital platform.

Annual Staff Get Together

The Annual year-end get together for the staff was held on 30th December 2022 at Best Western Elyon, Colombo 05.



Social Capital



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Public relations and mass media awareness efforts of CRIB are aimed at creating greater awareness of the Bureau and its services amongst the public while also sharing important knowledge with the public on areas such as responsible borrowing, how to be a credit worthy customer and financial literacy and discipline etc.

As a national information service provider, CRIB considers the goodwill extended by its stakeholders and the credibility of the organization in the eyes of the public as significant social capital that contributes to sustainable growth of the Bureau.

Therefore, the CRIB strives to maintain healthy, two-way communications and sustainable relations with its member institutions and the public which are the two most important stakeholders for the Bureau.

This chapter describe the activities carried out during the financial year under review.

During the review year, CRIB invested Rs. 3,070,183/- in maintaining its public relations and awareness programs targeting the member institutions and the public.

MANAGING RELATIONS WITH MEMBER INSTITUTIONS

⦿ Credit Information Services

The primary service of CRIB is to issue credit information reports to its member institutions. CRIB ensures a fast, efficient and effective service to maintain long term relationships with the members.

⦿ Help Desk Service

The Help Desk provides inbound and outbound inquiry support to member institutions and assists on inquiries related to our products and services. These include user management inquiries, invoice queries and log-in details, whilst maintaining a high level of customer service when providing training support and advice. The CRIB stays committed to respond to all member institutions' queries received via email, post and fax and ensures all enquiries are investigated and completed within a reasonable time.

⦿ Connecting with member institutions

The CRIB organizes training programs together with the member lending institutions for authorized CRIB users and officials (Credit Officers, Branch Managers, Compliance Officers), who are involved in evaluating and making decisions on credit. The programs are held with the objective of educating officials of lending institutions on correct interpretation of credit information in credit reports., During these awareness programs, the officers are advised on how to enhance the quality and validity of data, dispute resolution, data corrections and also correcting misconceptions regarding CRIB and its services.

Social Capital

Training and Awareness Sessions for the Member Institutions

CRIB organized and conducted many training sessions for the technical and non-technical officers of the member institutions with the introduction of the new Credit Information Management System (CIMS) in 2022. These sessions were conducted online due to COVID- Pandemic situation and the economic turmoil situation prevailing in the country.

CRIB also organized a few technical and non-technical sessions with the participation of Creditinfo GmBh, the new Credit Bureau System provider in order to improve the awareness of the member institutions.

year 2022. The Central Bank increased the awareness among the SMEs in above provinces on special loan schemes available for small and medium entrepreneurs to start up a new business or to develop the existing business further.

CRIB conducted the awareness sessions on “Importance of credit report and How to be a credit worthy borrower maintaining your credit responsibly”.



Awareness session conducted in Morawaka, Southern Province

MANAGING RELATIONS WITH THE GENERAL PUBLIC

Public relations and mass media awareness efforts of CRIB are aimed at creating greater awareness of the Bureau and its services amongst the public while also sharing important knowledge with the public on areas such as responsible borrowing, how to be a credit worthy customer and financial literacy and discipline etc. The objective of our publicity efforts is to gain trust and confidence in the eyes of the public as a reliable, national information provider. We believe that these investments made in developing our social capital will bear fruit in sustainable operations of the organization in the long term.

Public Awareness programs

CRIB together with the Regional Development Department of the Central Bank of Sri Lanka conducted the “Credit Camp” awareness program for the SMEs in Southern and Central Provinces during



Participants of the awareness session conducted in Kotapola, Southern Province



CRIB officials conduct the awareness session organized in Thihagoda



A woman entrepreneur clarifies her queries with CRIB officials in Weligama



Conducting an interactive session with the participants in Kamburupitiya

During these sessions, the Bureau issued the self-inquiry credit reports (iReports) to the participants free of charge, explained the contents of their credit reports and given them the opportunity to discuss the issues/concerns in their credit reports with the Bureau officials for necessary resolution.



Bureau officials issue iReports to the participants in Hakmana



CRIB officials explain the contents of iReports to the participants

Thirteen (13) Credit Camps were conducted in Morawaka, Kotapola, Thihagoda, Matara, Weligama, Sooriyawewa, Weeraketiya, Kamburupitiya, Angunakolapelessa, Hakmana, Mulatiyana, Malimbada and Dikwella in Southern province and one camp in Central Province, Nuwara-Eliya. The participation of SMEs for these Credit Camps were immense and several banking institutions and Govt. officials were also participated to facilitate in this programs.

🕒 **Electronic Media Publicity**

During the year under review, the Senior Management and the officials of the Bureau attended several discussions on electronic media such as television and radio to discuss the importance of CRIB and its services. Most of these programs were 'live' sessions where the audiences had the opportunity to directly connect with the discussion to clarify their queries and learn more insights.

🕒 **Print Media Publicity**

CRIB contributed for a series of articles published by major newspapers during the year with knowledge enhancing content related to borrowing, credit and the role of CRIB. As part of its print media publicity efforts, CRIB collaborated with Capital Media's highly acclaimed English magazine 'Echelon' to raise awareness on the CRIB and its services.

CRIB also contributed for the booklet produced by the Central bank of Sri Lanka to increase the Financial Literacy of the younger generation in Sri Lanka.

Intellectual Capital



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We are pleased to present our annual report highlighting the significant achievement of successfully launching the Technical Go-Live Phase Credit Bureau Core System.

The CRIB is a knowledge-based organization of which the key function revolves around collection, storage, analysis and distribution of confidential data. The operations of CRIB are conducted on secured platforms that are automated and are intelligently designed to suit the evolving needs of CRIB users while ensuring the dynamism and security of information stored therein. Owing to the above, the Intellectual Capital which comprises of its software systems and processes form a major part of CRIB's asset base and is integral to delivering value to its multiple stakeholders.

This chapter of the report discusses on the salient components that make up Intellectual Capital and how this is strategically manoeuvred for optimum performance of the Bureau. Despite the challenges of the year, significant investments were made towards enhancing our systems and software during the year to meet the evolving needs of users, especially in a backdrop of accelerated digitalization of service delivery

across all industries. Our primary intellectual assets and how these were enhanced further to add value during the year under review are described below.

CRIB'S CORE INTELLECTUAL ASSETS INCLUDE;

Core Credit Bureau System

Our main intellectual asset is the Core Credit Bureau System which is supported by several latest software systems and technologies. This system incorporates vital credit information of over 13 million individuals and institutions in Sri Lanka and thus maintains a high level of quality and accuracy of information. During the year, the CRIB database expanded by 1.5TB.

SUCCESSFUL TECHNICAL GO-LIVE OF CREDIT BUREAU CORE SYSTEM

We are pleased to present our annual report highlighting the significant achievement of successfully launching the Technical Go-Live Phase Credit Bureau Core System. This marks a pivotal moment in our organization's journey towards a more robust and efficient credit information management infrastructure. In the past year, our dedicated team worked tirelessly to conceptualize, develop, test, and finally began with technical Go Live the Credit Bureau Core System. This system has been designed to revolutionize the way we manage and disseminate credit information, ensuring accuracy, security, and ease of access for our valued stakeholders.

Key Milestones:

The journey towards this remarkable achievement encompassed several key milestones:

1. System Architecture and Development:

Meticulous planning and meticulous development efforts resulted in a state-of-the-art system architecture that accommodates the complexities of credit data processing while ensuring scalability and future adaptability.

2. Rigorous Testing Phases on Infrastructure:

The System Infrastructure underwent rigorous testing phases, including integration, user acceptance, and more testing. This comprehensive approach ensured that the system not only meets our internal requirements but also surpasses industry standards.

3. Collaborative Stakeholder Engagement:

Close collaboration with our Service Integrator, ISP's and regulatory bodies ensured that the Core System aligns seamlessly with their needs and adheres to regulatory compliance.

4. Robust Data Security Measures:

The system incorporates cutting-edge data security measures to protect sensitive information, maintaining the highest levels of data integrity and confidentiality.

Successful Go-Live:

The culmination of these efforts resulted in a successful technical go-live of the Credit Bureau Core System. This momentous event was marked by a smooth transition from the legacy systems to the new platform, with minimal disruptions to ongoing operations.

Benefits Realized:

The successful implementation of the Core System has already started yielding remarkable benefits:

1. Enhanced Data Security:

The new system ensures a higher degree of security for credit information and improves high availability of data provided to our clients.

2. Efficient Data Management:

Automation features and streamlined work flows have significantly improved the efficiency of credit data processing, reducing turnaround times.

3. Expanded Services:

With a more robust infrastructure in place, we are now equipped to expand our service offerings, catering to a broader range of financial institutions and non-financial data.

Looking Ahead:

As we move forward, we remain committed to continually optimizing and enhancing the Credit Bureau Core System. Regular system updates, data analytics capabilities, and a dedicated focus on user experience will drive our efforts in future.

In conclusion, the successful technical go-live of the Credit Bureau Core System marks a significant milestone in our ongoing commitment to innovation and excellence. We extend our gratitude to all those who contributed to this accomplishment and look forward to another year of growth and achievement.

The Secured Transaction Registry (STR)

A one-of-a-kind software developed by the in-house ICT team of CRIB, STR is an electronic database, to which secured creditors (financial institutions, leasing companies and private lenders), can provide notice of their security interests in the movable goods of an enterprise, or individual. Lenders, when financing

against movables, need to account for significant default and enforcement risks, including double collateralisation of the same asset to different lenders, due to not having a central movables registration system. The STR fulfils this requirement by countering such risks. Using the STR, finance and leasing companies and banks could check on the creditworthiness of a client, before approving a loan while also checking if the same collateral has been pledged for another credit facility which in turn helps avoid and reduce fraud within the sector.

Launching the new Corporate Website CRIB launched its corporate trilingual website in the year 2022. Launching the new corporate website is an exciting opportunity to refresh bureau's brand, enhance user experience, and align online presence with bureau's evolving goals. CRIB corporate website is the official online platform created to provide information about CRIB, products, services, values, and activities. It serves as a digital representation of the organization, aimed at engaging with various stakeholders including customers, clients, investors, employees, partners, and the general public.

CRIB has won a Merit Award in the competition under Best Corporate website in BestWeb2023, the Only Web Design Competition in Sri Lanka for the new corporate website.

CBS API - Integration of New Members

In the year 2022, we achieved significant progress in expanding our network. Several new members successfully integrated their systems with our User Acceptance Test (UAT) infrastructure; among them, a portion have completed their UAT phase, demonstrating their readiness and commitment to seamless

Intellectual Capital

integration. This signifies their proactive approach and the collaborative effort undertaken to ensure the smooth incorporation of their systems into our platform. Through the utilization of our Host-to-Host Application Programming Interface (API), this integration empowers lending institutions with real-time, efficient, secure, and scalable access to credit bureau data. The advantages of this integration positively influence both the operational efficiency of lending institutions and the overall experience of their customers.

As we move forward, the significance of on-time UAT completion remains a cornerstone of our collaborative efforts. It reflects our shared commitment to excellence and our dedication to upholding the highest standards in integration practices. In the year 2022, the following members integrated their systems into the UAT system.

No.	Institution name	Status
1	DFCC BANK PLC	UAT Completed
2	LB FINANCE PLC	UAT Stage
3	LOLC FINANCE PLC	UAT Stage
4	SAMPATH BANK PLC	UAT Stage
5	COMMERCIAL BANK OF CEYLON PLC	UAT Stage
6	CENTRAL FINANCE CO PLC	UAT Stage
7	NATIONS TRUST BANK	UAT Completed
8	HNB FINANCE	UAT Stage
9	HONGKONG & SHANGHAI BANKING CORPORATION	UAT Stage
10	NATIONAL SAVINGS BANK	UAT Stage
11	STANDARD CHARTERED BANK	UAT Stage
12	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC	UAT Stage

Manufactured Capital



“

In this direction, the Bureau appreciates and acknowledges the support of its Board members, management, the employees, various service providers and auditors in the proper maintenance and continuous improvement of manufactured capital.

Manufactured capital is an integral part of our value creation process that ensures the efficiency and accuracy of Bureau services.

Our Manufactured capital refers primarily to the ICT infrastructure that hosts the Bureau's intellectual capital, namely, the CRIB's business information systems including databases. In addition, the CRIB's data center equipment, internal ICT facilities, office equipment and furniture that contribute to the Bureau's value creation process are also considered as manufactured capital.

During the year, we initiated several steps to improve our manufactured capital including carrying out regular measures such as timely maintenance, site inspections, periodic evaluations and audits to ensure proper management of the Bureau's ICT infrastructure.

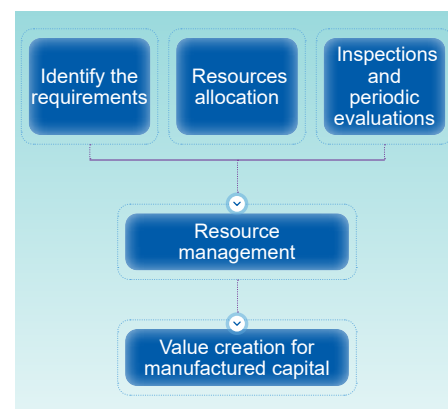
Further, we have embraced modernization of information technology related infrastructure as a key component in our value creation. During the disruptions to daily lives of the whole society, we undertook several non-ordinary measures to ensure our manufacturing resources were in tact and available to maintain uninterrupted operations of the Bureau delivering continued service to the institutional users and the general public.

In this direction, the Bureau appreciates and acknowledges the support of its Board members, management, the employees, various service providers and auditors in the proper maintenance and continuous improvement of manufactured capital

HOW WE MANAGE MANUFACTURED CAPITAL

1. We are persistently focused on improving our manufactured capital and thus continue to invest in it following all the necessary legal and regulatory procedures.
2. We pay our best attention to our resources and do our best to manage and maintain all resources on time.

Value Creation for Manufactured Capital



Natural Capital



Work-from-home method adopted during the first part of the year too helped to conserve substantial amount of use of water, electricity and fuel by the staff.

Our dedication to a greener future can be witnessed through targeted environmental management efforts that measure, monitor, and mitigate our environmental effect. We are concerned that our natural resources be preserved for the benefit of our country and future generations.

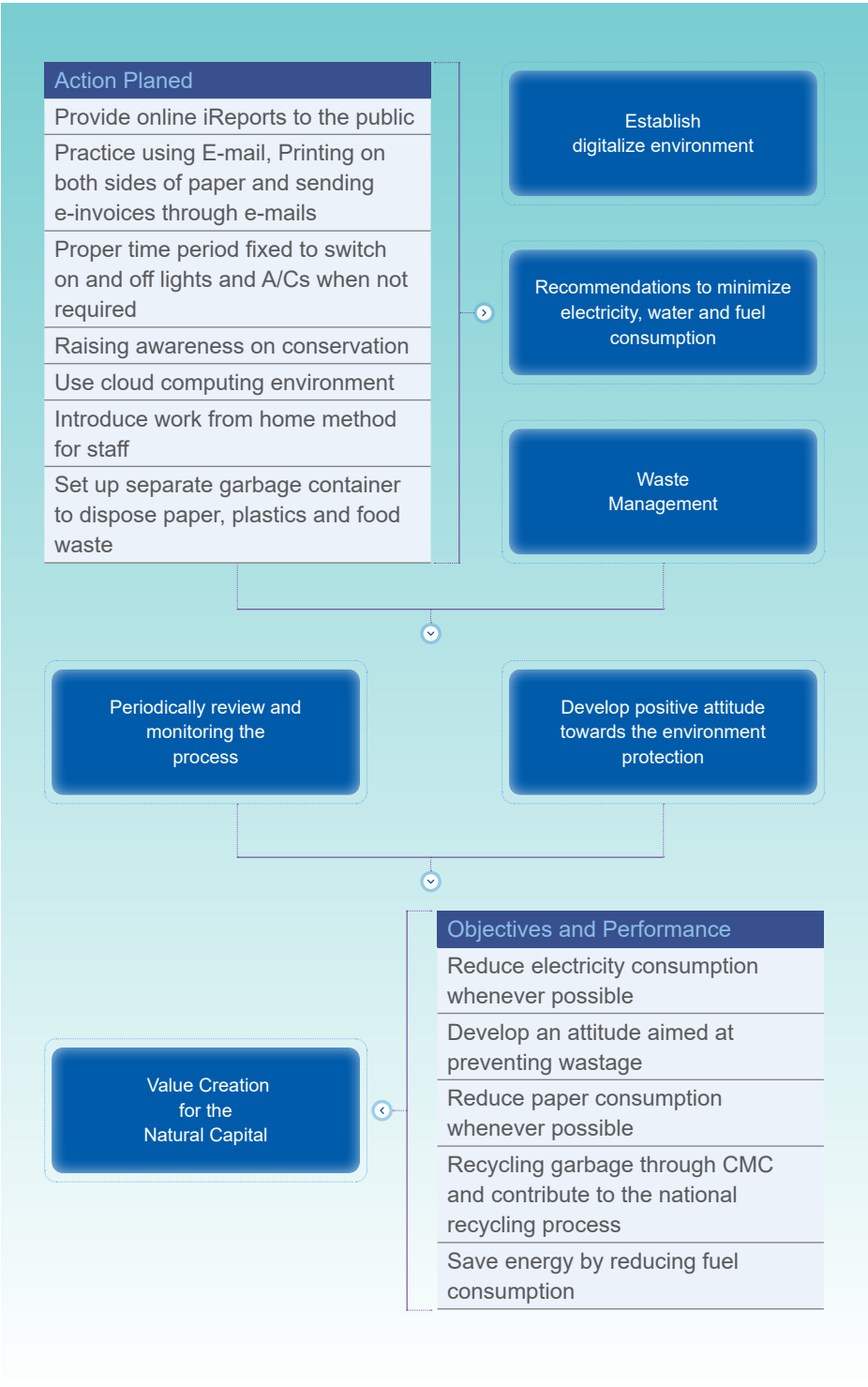
As an organization that is not involved in any industry based production process,, our environmental impact remains minimal and is limited to the consumption of natural resources in the form of electricity, water and paper. As many employees use public transport, our per capita fuel consumption is slated to keep at significantly low level. Despite lower impacts to environmental resources, we consistently pursue our effort to keep it at bare minimum. However we consider reporting of our efforts on conservation of natural resources is worthy as a nationally important service sector organization in the country.

We do our best to minimize the use of natural resources and always strives to minimize the usage of electricity, water and paper.

We have dramatically decreased paper consumption by encouraging online services and increasing customer familiarity. Furthermore, we have encouraged awareness among our staff members to use power and water sparingly, as well as to use e-mail whenever possible to reduce the usage of paper. In keeping to this notion in 2022 we introduced several digitalized procedures to reduce use of papers internally in our services.

Work-from-home method adopted during the first part of the year too helped to conserve substantial amount of use of water, electricity and fuel by the staff.

The following are the steps done by the Bureau to safeguard the environment and reduce waste of natural resources. The chart below indicates the Bureau's response to the foregoing.



Financial Reports

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Monitoring *and* Alerts

- Monitoring is a powerful credit bureau system feature that monitors a selected set of customers in the system and notifies the lender of changes in their credit risk profiles. This feature comes with a predefined set of rules that can be customized by setting threshold parameters.
- System is capable to deliver real-time alerts to authorized users of the subscribed lenders of the service via system wide or through email notifications. Multiple monitored groups can be configured by the lender with bespoke parameters to support different products and risk profiles within your portfolio.



Statement of Directors' Responsibilities for Financial Statements

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

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

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

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

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

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

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

Messrs. Ernst & Young, Chartered Accountants, the Auditors of the Bureau have examined the financial statements made available by the Board of Directors together with all relevant financial records, related data, minutes of Directors meeting and express their opinion in their report on page 85 of the Annual Report.

By Order of the Board
Credit Information Bureau of Sri Lanka



Mr. Pushpika Jayasundara
Secretary

Colombo
18th September, 2023

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 2022, to be presented at the 32nd Annual General Meeting of the Bureau.

REVIEW OF THE YEAR

The Chairperson's review on page 8 describes the affairs of the Bureau and mentions important events that occurred during the year, and up to the date of this report. This report together with the audited financial statements reflects the state of the affairs of the Bureau.

PRINCIPAL ACTIVITIES / CORE BUSINESS

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

FINANCIAL STATEMENTS

The financial statements prepared in compliance with the requirements of Section 151 of the Companies Act No 7 of 2007 are given on page 87 in this annual report.

INDEPENDENT AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on page 85 in this report.

ACCOUNTING POLICIES

The Accounting Policies adopted in preparation of the financial statements is given on pages 91 to 99. 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 87.

PROPERTY, PLANT & EQUIPMENT

During the year under review the Bureau invested a sum of Rs. 32.3 Mn (2021—Rs 8.4Mn) in Computer Accessories and Rs 2.17 Mn in Intangible Assets and Rs 0.03 Mn in Furniture and fixtures and Data Centre Assets.

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

INVESTMENTS

Details of long-term Investments held by the Bureau are given in Note 09 to the financial statements on page 105.

Directors' Responsibilities

The Statement of the Directors' Responsibilities is given on page 82 of this report.

DIVIDEND

The Directors recommend the payment of a dividend for the financial year ended 31st December 2022.

RESERVES

The Reserves and Accumulated Profits as at 31st December 2022 amount to Rs 5.4 Mn as against Rs 5.3 Mn as at 31st December 2021. 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 Credit Information Bureau of Sri Lanka Act No. 18 of 1990, the stated capital of the Bureau is Rs. 25,000,000/- as at 31st December 2022. The details are given in Note 10 to the financial statement on page 105.

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 23 to the Financial Statements.

STATUTORY PAYMENTS

The declaration relating to Statutory Payments is made in the Statement of Directors' Responsibilities on page 82

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

BOARD COMMITTEES

Audit Committee

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

1. **Mr. Kapila Ariyaratne**
(Chairman)
2. **Mrs. V. A. A. N. De Silva**
3. **Mr. C. Hettiarchchi**

The Report of the Audit Committee is given on page 52.

REMUNERATION COMMITTEE

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

1. **Mr. Ranjith Kodithuwaku**
(Chairman)
2. **Mr. D. Rodrigo**
3. **Mr. N. Udage**

The Report of the Remuneration Committee is given on page 54.

The earnings per share, net assets per share are given in Financial review on page 66 of this Annual Report.

DIRECTORS

The Directors of the Bureau as at 31st December 2022 and their brief profiles are given on page 30 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 General Meeting.

A sum of Rs 315,000/- 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 26th September 2023 at Kingsbury at 10.00 a.m.

For and on behalf of the Board.



Chairperson



Director

18th September 2023
Colombo

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



Ernst & Young
Chartered Accountants
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Colombo 10, Sri Lanka

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Fax (Gen): +94 11 269 7369
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Email: eysl@lk.ey.com
ey.com

CAY/MSM/TW

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Credit Information Bureau of Sri Lanka ("Bureau"), which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Comprehensive Income, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bureau as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in

the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bureau in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Bureau's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless management either intends to liquidate the Bureau or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bureau's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Partners: H M A Jayasinghe FCA FCMA, R N De Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamuwa FCA FCMA LLB (London), Ms. G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: W S J De Silva BSc (Hons)-MIS MSc-IT, G B Goudian ACA, D L B Karunathilaka ACA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

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



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ① Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ② Obtain an understanding of internal control relevant to the audit 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 Bureau's internal control.
- ③ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ④ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Bureau's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bureau to cease to continue as a going concern.

- ⑤ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

01 September 2023
Colombo

Statement of Comprehensive Income

Year ended 31st December,2022	Note	2022 Rs.	2021 Rs.
Revenue	3	694,277,938	934,840,906
Other Operating Income	4.1	771,703,729	346,928,179
Employee Related Expenses		(144,862,489)	(127,045,722)
Administration & Establishment Expenses		(57,291,616)	(26,129,285)
Other Operating Expenses	4.2	(203,444,228)	(249,443,491)
Secured Transaction Registry		(1,952,097)	(1,937,372)
Finance Cost		(13,963,627)	(12,156,128)
Profit Before tax		1,044,467,611	865,057,087
Income Tax Expense	5	(290,262,765)	(204,137,011)
Profit for the year		754,204,846	660,920,076
Net change in Fair Value of Financial assets at fair value through other comprehensive income			
Defined Benefit Plan Actuarial (Losses)/ Gain		11,184,198	8,753,124
Deferred Tax on Defined Benefit plan		(3,355,259)	(2,100,750)
Total Comprehensive Income for the Year		762,033,785	667,572,450
Earnings Per Share	16	3,017	2,644

The accounting policies and notes on pages 91 through 110 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31st December, 2022	Note	2022 Rs.	2021 Rs.
ASSETS			
Non-Current Assets			
Equipment	7	47,729,843	26,746,487
Intangible Assets	8	3,367,752	2,038,922
Right of Use Assets	13	20,351,138	35,535,156
Other Financial Assets	9	820,640,000	842,357,883
Deferred Tax Liability	5.1	3,842,596	8,054,768
		895,931,329	914,733,216
Current Assets			
Inventories	10	1,420,719	629,538
Trade and Other Receivables	11	929,536,803	380,268,050
Other Current Financial Assets	9	4,325,619,991	4,191,320,004
Cash and Cash Equivalents	12.1	59,338,995	51,260,670
		5,315,916,508	4,623,478,262
Total Assets		6,211,847,839	5,538,211,478
EQUITY AND LIABILITIES			
Capital & Reserves			
Stated Capital	14	25,000,000	25,000,000
Reserves		4,024,765,815	3,798,737,067
Retained Earnings		1,412,839,497	1,476,834,461
Total Equity		5,462,605,312	5,300,571,528
Non-Current Liabilities			
Retirement Benefit Liability	17	15,029,229	22,420,495
Lease Liability	9	21,888,754	44,786,291
		36,917,983	67,206,786
Current Liabilities			
Trade and Other Payables	15	80,477,224	50,620,907
Short Term Loan		356,250,000	-
Dividends Payable		17,480,861	7,614,461
Income Tax Liabilities	5.2	250,361,221	109,704,290
Cash and Cash Equivalents	12.2	7,755,238	2,493,506
		712,324,544	170,433,165
Total Equity and Liabilities		6,211,847,839	5,538,211,478

These Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.

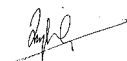


Dinesha I. A. Jayasinghe
Chief Manager (Accounts & Administration)

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;



Chairperson



Director

The accounting policies and notes on pages 91 through 110 form an integral part of the Financial Statements.

18th September, 2023
Colombo

Statements of Changes in Equity

	Stated Capital Rs.	General Reserve Rs.	Contingent Reserve Rs.	Technical Reserves Rs.	Building Reserve Rs.	FX Exposure Management reserve	Fair Value through Other Rs. Comprehensive Income Rs.	Retained Earnings Rs.	Total Rs.
As at 1st January 2021	25,000,000	7,077,223	-	2,641,631,943	1,000,000,000	100,000,000	19,067,172.00	1,459,289,911	5,252,066,249
Net Profit for the year	-	-	-	-	-	-	-	660,920,076	660,920,076
Transferred to General Reserves	-	27,900	-	-	-	-	-	(27,900)	-
Other comprehensive Income	-	-	-	-	-	-	(19,067,172)	6,652,374	(12,414,798)
Transferred to Technical Reserve	-	-	-	-	-	-	-	-	-
Transferred to FX Exposure Management Reserve	-	-	-	-	-	50,000,000	-	(50,000,000)	-
Dividends	-	-	-	-	-	-	-	(600,000,000)	(600,000,000)
Balance as at 31st December 2021	25,000,000	7,105,123	-	2,641,631,943	1,000,000,000	150,000,000	-	1,476,834,461	5,300,571,527
Net Profit for the year	-	-	-	-	-	-	-	762,033,785	762,033,785
Transferred to General Reserves	-	75,428,749	-	-	-	-	-	(75,428,749)	-
Transferred to Technical Reserves	-	-	-	113,100,000	-	-	-	(113,100,000)	-
Transferred to Contingent Reserve	-	-	37,500,000	-	-	-	-	(37,500,000)	-
Dividends	-	-	-	-	-	-	-	(600,000,000)	(600,000,000)
Balance as at 31st December 2022	25,000,000	82,533,872	37,500,000	2,754,731,943	1,000,000,000	150,000,000	-	1,412,839,497	5,462,605,312

The accounting policies and notes on pages 91 through 110 form an integral part of the Financial Statements.

Cash Flow Statements

	2022 Rs.	2021 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit/(loss) before tax from continuing operations	1,044,467,611	865,057,087
Adjustments for		
Depreciation	26,539,935	68,940,191
Amortization	846,167	865,469
Income from Investments	(771,703,729)	(346,928,179)
Profit /Loss on sale of property, Plant,& equipment	-	(687,824)
Provision for defined benefit plan	3,792,931	4,169,592
Lease Interest	7,904,674	11,194,061
Operating Profit/(Loss) before Working Capital Changes	311,847,589	602,610,397
(Increase)/ Decrease in Inventories	(791,181)	112,274
(Increase)/ Decrease in Trade and Other Receivables	(549,268,752)	(86,213,677)
Increase/ (Decrease) in Trade and Other Payables	29,856,317	12,234,449
Cash Generated from Operations	(208,356,027)	528,743,444
Esc Paid		-
Gratuity paid	-	-
Income Tax Paid	(148,748,921)	(244,488,344)
Net Cash From/(Used in) Operating Activities	(357,104,948)	284,255,100
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(34,514,271)	(10,281,535)
Proceeds from Sale of Property, Plant & Equipment	-	742,850
Acquisition of Investments	(6,710,834)	(125,150,447)
Interest Received	656,832,459	535,512,129
Net Cash Flows from/(Used in) Investing Activities	615,607,354	400,822,997
Cash Flows from (Used in) Financing Activities		
Dividends Paid	(590,133,600)	(600,199,700)
Payment for Lease liabilities	(30,802,212)	(70,834,401)
Loan received	365,250,000	-
Net Cash Flows from/(Used in) Financing Activities	(255,685,812)	(671,034,101)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,816,593	14,043,996
Cash and Cash Equivalents at the beginning of the year	48,767,164	34,723,168
Cash and Cash Equivalents at the end of the year	51,583,757	48,767,164

The accounting policies and notes on pages 91 through 110 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 "Whiteways" 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 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 01 September 2023.

2. 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. The Directors have considered the potential downsides that the COVID-19 pandemic could bring to business operations of the Bureau in making this assessment.

2.1.4 Comparative Information

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and Assumptions

The preparation of financial statements in conformity with SLFRS/LKAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised

in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Impairment of Loans & Receivables

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

Useful life for Property, Plant and Equipment

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

Defined Benefit Plan – Gratuity

The defined benefit obligation and the related charge for the year is determined

Notes to the Financial Statements

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 re-translated at the functional currency rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement with the exception of all monetary items that forms part of a net investment in a foreign operation. These

are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

2.3.2 Revenue Recognition

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

a) Rendering of Services

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

b) Interest

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

c) Others

Other income is recognized on an accrual basis.

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

2.3.3 Expenditure Recognition

- a) Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- b) For the purpose of presentation of income statement the directors are of the opinion that function of expenses method presents fairly the elements of the Bureau's performances, hence such presentation method is adopted.

2.3.4 Taxation

Current tax expense

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

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The relevant disclosures are given in Note 5 to the financial statements.

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) Right-of-use assets

SLFRS 16 supersedes LKAS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SLFRS 16 is substantially unchanged from LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 did not have an impact for leases where the Bureau is the lessor.

The Bureau adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Bureau elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 January 2019. Instead, the Bureau applied the standard only to contracts that were previously identified as leases

applying LKAS 17 and IFRIC 4 at the date of initial application.

Before the adoption of SLFRS 16, the Bureau classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease

Leases previously accounted for as operating leases The Bureau recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Board of directors and management anticipate to stay in same office premises further 3 years from right now.

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 de-recognizes 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

Notes to the Financial Statements

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 de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised. 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 & System Developments 25%

2.3.8 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Bureau's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Bureau has applied the practical expedient, the Bureau initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Bureau

has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Bureau's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ⦿ Financial assets at amortised cost (debt instruments)
- ⦿ Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- ⦿ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de recognition (equity instruments)
- ⦿ Financial assets at fair value through profit or loss

Financial assets at amortised cost (Debt instruments)

The Bureau measures financial assets at amortised cost if both of the following conditions are met:

- ⦿ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
And
- ⦿ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

Financial assets at fair value through OCI (Debt instruments)

The Bureau measures debt instruments at fair value through OCI if both of the following conditions are met:

- ⦿ The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling
And
- ⦿ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial

assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Bureau can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Bureau benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also

classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately.

Notes to the Financial Statements

The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e., removed from the Bureau's consolidated statement of financial position) when:

- ⊙ The rights to receive cash flows from the asset have expired
- Or
- ⊙ 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, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Bureau continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Bureau also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bureau has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bureau could be required to repay.

Impairment of financial assets

The Bureau recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Bureau expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Bureau applies a simplified approach in calculating ECLs. Therefore, the Bureau does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Bureau

has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Bureau applies the low credit risk simplification. At every reporting date, the Bureau evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Bureau reassesses the internal credit rating of the debt instrument. In addition, the Bureau considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Bureau considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Bureau may also consider a financial asset to be in default when internal or external information indicates that the Bureau is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Bureau. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

a) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Bureau's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SLFRS 9 are satisfied. The Bureau has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is de-recognised 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

2.3.9 Inventories

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

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

Stationery – At Accrual Cost on First in First out Basis

2.3.10 Impairment of non-financial assets

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

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

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property

Notes to the Financial Statements

previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

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

2.3.11 Cash and Cash Equivalents

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

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

2.3.12 Provision

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

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

Gratuity is a post-employment benefit plan. Provisions have been made for retirement gratuities from the first year of service for all employees in conformity with LKAS 19. However under the Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. The bureau is liable to pay gratuity in terms of relevant statute. In order to meet this liability the bureau uses an actuarial valuation method in accordance with LKAS 19.

The cost of providing benefits under gratuity is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of comprehensive income. The defined benefit liability comprises the present value of the defined benefit obligation using a discount rate based on market yields at the end of reporting period on government bonds of a similar tenure as the estimated term of the gratuity obligation. Gratuity liability is not externally funded.

2.3.14 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the bureau, directly or indirectly. During the year the bureau extended the number of individuals that are included within the definition of Key Management Personnel. As such comparative information related to the above update have been restated.

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 Changes In Significant Accounting Policies & Standards Issued But Not Yet Effective

2.4.1 *The accounting policies adopted by the Company are consistent with those of the previous financial year except for the following;*

Amendments to existing accounting standards

The Group applied all the existing accounting standards up to 31 December 2022 in preparing these financial statements, which are effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued but not yet effective

Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify;

- ⊙ What is meant by a right to defer settlement
- ⊙ That a right to defer must exist at the end of the reporting period
- ⊙ That classification is unaffected by the likelihood that an entity will exercise its deferral right

- ⊙ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- ⊙ Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

The Group is currently revisiting the accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of the amendments.

Notes to the Financial Statements

3. REVENUE

	2022 Rs.	2021 Rs.
Credit Information	747,301,506	1,014,439,894
Less		
Discount Allowed	(53,023,568)	(79,598,988)
	694,277,938	934,840,906

4. OTHER OPERATING INCOME & EXPENSES

4.1. Other Operating Income

	2022 Rs.	2021 Rs.
Interest Income	770,013,417	344,809,306
Loss on sale of Fixed Assets	-	687,824
Staff Loan Interest	1,641,685	1,351,322
Sundry Income	-	72,173
Self Inquiry Interest Income	48,627	-
	-	7,554
	771,703,729	346,928,179

4.2. Other Operating Expenses

	2022 Rs.	2021 Rs.
System Related Expenses	156,271,234	116,492,788
Other Operational Expenses	11,530,977	6,521,155
Professional Charges	6,048,640	5,672,284
Training & Developments	88,696	-
Customer & public Awareness	2,118,580	951,604
CSR Projects	-	50,000,000
Depreciation	27,386,102	69,805,661
	203,444,228	249,443,491

5. INCOME TAX

Income Statement	2022 Rs.	2021 Rs.
Current Income Tax charge	290,262,765	204,137,011
Income tax expense reported in the Income Statement	290,262,765	204,137,011

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

Statement of Profit or Loss	2022 Rs.	2021 Rs.
Current Income Tax		
Income Tax for the year	289,405,852	208,331,625
Deferred Tax		
Deferred Taxation Charge/(Reversal)	856,912	(4,194,614)
Income tax expense reported in the Income Statement	290,262,764	204,137,011
Statement of Other Comprehensive Income		
Deferred Taxation Charge/ (Reversal)	3,355,259	2,100,750
Total Tax Expense for the year	293,618,023	206,237,761

Reconciliation of Accounting Profit and Taxable Income

A reconciliation between the tax expense and the accounting profit multiplied by government of Sri Lanka's tax rate for the years ended 31 December 2022 and 2021 is as follows:

			2022 Rs.	2021 Rs.
Accounting profit before tax			1,044,467,611	865,057,088
Accounting Profit from Other Sources			771,703,729	346,081,082
Aggregate Disallowed Items			52,127,392	124,840,722
Aggregate Allowable Income			(820,382,487)	(359,294,286)
Taxable Profit for the year			1,047,916,245	976,684,606
Tax on balance taxable income at normal rate	416,150,365	24%	99,876,088	234,404,305
Tax on balance taxable income at normal rate	631,765,880	30%	189,529,764	-
Total Tax Payable	1,047,916,245		289,405,852	234,404,305
Tax Credits			-	(26,072,680)
Deferred Taxation Charge/Reversal			856,912	(4,194,614)
Income Tax Expense Reported in the Statement of Profit or Loss			290,262,764	204,137,011

Notes to the Financial Statements

5.1. Deferred Tax Liability

	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Capital Allowances for tax purposes	(1,127,458)	453,576	1,581,034	(1,931,041)		
Deferred Tax Asset						
Capital Allowances for tax purposes			-			
Post Employment Benefit Liability	4,508,769	2,220,272	(5,643,756)	(313,173)	3,355,259	2,100,750
Right to Use Asset	461,285	5,380,919	4,919,634	(1,950,400)		
			856,912	(4,194,614)	3,355,259	2,100,750
Deferred income tax charge/ (reversal)						
Statement of Profit or Loss			856,912	(4,194,614)		
Statement of Other Comprehensive Income			3,355,259	2,100,750		
Net deferred Tax Asset	3,842,596	8,054,768	(4,212,172)			

5.2. Income Tax Payable

	2022 Rs.	2021 Rs.
Opening Balance	109,704,291	145,861,010
Charge for the year	289,405,852	208,331,625
Tax Payments	(148,748,921)	(244,488,344)
Tax Liabilities	250,361,222	109,704,291

6. PROFIT BEFORE TAX STATED AFTER CHARGING

	2022 Rs.	2021 Rs.
Employees Benefits including the following		
- Defined Benefit Plan Costs - Gratuity (included in Employee Benefits)	3,792,932	4,169,592
- Defined Contribution Plan Costs - EPF&ETF (included in Employee 'Benefits)	10,681,900	9,245,662
Depreciation	26,539,935	68,940,191
Amortization of Intangible Assets	846,167	865,469
Auditor's Fees	323,000	323,000
Legal Fees	603,998	59,475
Directors Fees	2,060,000	1,980,000
Donations	-	50,000,000

7. EQUIPMENT

7.1. At Cost

	Balance As at 01.01.2022 Rs.	Additions/ Transfers/ Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2022 Rs.
Computer & Accessories	110,610,035	32,305,209		142,915,244
Computer & Accessories -STR	95,000	-		95,000
Furniture, Fittings & Office Equipment	30,056,771	34,064	-	30,090,835
Sundry Assets	239,341	-		239,341
Data Centre	2,923,077	-		2,923,077
	143,924,224	32,339,273	-	176,263,497

Depreciation

	Balance As at 01.01.2022 Rs.	Charge for the period/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2022 Rs.
At Cost				
Computer & Accessories	87,342,392	10,039,411		97,381,803
Computer & Accessories -STR	95,000			95,000
Furniture, Fittings & Office Equipment	26,760,375	1,144,161	-	27,904,536
Sundry Assets	221,904	7,333		229,237
Data Centre	2,758,068	165,010		2,923,077
	117,177,739	11,355,915	-	128,533,654

Notes to the Financial Statements

7. EQUIPMENT (CONTD.)

7.1. At Cost

Net Book Values	2022 Rs.	2021 Rs.
At Cost		
Computer & Accessories	45,533,441	23,267,643
Computer & Accessories -STR	0	-
Furniture, Fittings & Office Equipment	2,186,299	3,296,397
Sundry Assets	10,103	17,437
Data Centre	-	165,010
	47,729,843	26,746,487
Total Carrying Amount of Equipment	47,729,843	26,746,487

8. INTANGIBLE ASSETS

Cost	System Development Costs Rs.	Computer Software Costs Rs.	Software STR Costs Rs.	Total Rs.
As at 1st January 2022	64,579,204	88,188,603	387,755	153,155,562
As at 31st December 2022	64,579,204	88,188,603	387,755	153,155,562
Additions	-	2,174,998	-	2,174,998
	-	2,174,998	-	2,174,998
As at 31st December 2022	64,579,204	90,363,600	387,755	155,330,559
Amortization				
As at 1st January 2022	64,579,204	86,149,683	387,754	151,116,641
Amortization for the year	-	846,167	-	846,167
As at 31st December 2022	64,579,204	86,995,850	387,754	151,962,808
Net book value				
As at 1st January 2022	(0)	2,038,920	1	2,038,921
As at 31st December 2022	(0)	3,367,750	1	3,367,752

9. OTHER FINANCIAL INSTRUMENTS

9.1. Current

	2022 Rs.	2021 Rs.
Debenture	20,986,121	-
Fixed Deposit	4,204,392,112	4,091,285,665
Receivable under Resale Agreements (Repo)	100,241,758	100,034,339
	4,325,619,991	4,191,320,004

9.2. Non Current

	2022 Rs.	2021 Rs.
Treasury Bond	-	-
Debenture	820,640,000	842,357,883
Fixed Deposit	-	-
	820,640,000	842,357,883
Total Non Current	820,640,000	842,357,883
Total Current	4,325,619,991	4,191,320,004

10. INVENTORIES

	2022 Rs.	2021 Rs.
Stationery	1,420,719	629,538

Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

	2022 Rs.	2021 Rs.
Financial Assets		
Trade Debtors	60,780,358	129,082,265
Loan to Bureau Staff	38,755,173	17,974,557
Pre paid Staff Expenses	1,670,643	1,670,643
Deposits for Safe Lockers	45,000	45,000
	101,251,174	148,772,464
Non Financial Assets		
Advances & Prepayments	828,285,629	231,495,586
Taxes Receivable	-	-
	828,285,629	231,495,586
	929,536,803	380,268,050

12.. CASH AND CASH EQUIVALENTS

12.1. Favourable Cash & Cash Equivalents Balance

Components of Cash and Cash Equivalents	2022 Rs.	2021 Rs.
Cash & Bank Balances	1,152,207	863,258
Saving Accounts balances	58,186,788	50,397,412
	59,338,995	51,260,670
Government Securities		-
	59,338,995	51,260,670

12.2. Unfavourable Cash & Cash Equivalents Balance

Components of Cash and Cash Equivalents	2022 Rs.	2021 Rs.
Bank Overdraft *	(7,755,238)	(2,493,506)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	51,583,757	48,767,164

* This is due to unrepresented cheques

13. RIGHT OF USE ASSETS

SLFRS 16 "Leases" requires lessee to recognize all significant leases in the statement of Financial Position as "Right of Use Assets" together with their corresponding lease liability with effect from 01 January 2019. These leases were classified as operating leases under the requirement of "LKAS 17 Leases" up to 31 December 2018.

Movement in right-of-use assets	2022 Rs.	2021 Rs.
As at 1st January		
Day 1 impact from the application of SLFRS 16	201,648,423	201,648,423
Restated Balance as at 31st December		-
Additions / renewal operating lease during the year	201,648,423	201,648,423
Expiration of operating lease agreements during the year		-
As at 31 December		-
	201,648,423	201,648,423
Accumulated amortization :		
As at 1st January	166,113,267	110,780,552
Amortization for the year	15,184,018	55,332,715
Balance as at 31st December	181,297,285	166,113,267
Net Book Value at 31st December	20,351,138	35,535,156
Movement in operating lease liabilities		
Balance as at 1st January	44,786,290	105,161,700
Day 1 impact from the application of SLFRS 16		
Restated Balance as at 31st December	44,786,290	105,161,700
Additions/renewal of operating lease agreements during the year		
Accretion of interest	7,904,674	11,194,061
Payments to lease creditors	(30,802,211)	(71,569,470)
As at 31st December	21,888,753	44,786,291

14. STATED CAPITAL

	2022		2021	
	Number	Rs.	Number	Rs.
Ordinary Shares	250,000	25,000,000	250,000	25,000,000
	250,000	25,000,000	250,000	25,000,000

Notes to the Financial Statements

15. TRADE & OTHER PAYABLES

	2022 Rs.	2021 Rs.
Financial Liability		
Trade Payables	8,000	2,601,400
Other Payables	41,759,618	28,760,722
Accrued Expenses	30,666,246	11,447,619
	72,433,864	42,809,741
Non Financial Liability		
Other Payables	8,043,360	7,811,166
	80,477,224	50,620,907

16. 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.

	2022	2021
Net Profit attributable to Ordinary Shareholders (Rs.)	754,204,846	660,920,076
Weighted Average number of Ordinary Shares -	250,000	250,000
- Outstanding during the year		
Earnings per Share (Rs.)	3,017	2,644

17. RETIREMENT BENEFIT LIABILITY

Retirement Benefits Obligation-Gratuity	2022 Rs.	2021 Rs.
As at 1st January	22,420,495	27,004,027
Charge for the year	3,792,931	4,169,592
Actuarial (Gain)/Loss	(11,184,198)	(8,753,124)
Payments made during the year	-	-
As at 31 December	15,029,228	22,420,495

Defined Benefit Liability is valued as of 31 December 2022 and the principal assumptions used in the valuation are as follows:

	2022	2021
Discount Rate	18.10%	12%
Annual Salary Increment Rate	9%	9%
Staff Turnover	4%	8%
Average Remaining Life (Years)	12.37	9

Sensitivity effect on net liability as at 31 December 2022.

An actuarial valuation of the gratuity of the Bureau was carried out as at 31 December 2022 by Smile Global (Pvt) Ltd a firm of professional actuaries. The valuation method used by the actuary to value the Fund is the "Projected Unit Credit Method".

		Rs.
Discount Rate	1%	14,143,685
	-1%	16,013,836
Salary Increment Rate	1%	16,141,078
	-1%	14,021,425

18. DIVIDEND PAID

	2022 Rs.	2021 Rs.
Dividend Paid During the Year	528,000,000	600,000,000
Dividends On Ordinary Shares	528,000,000	600,000,000
Dividend Per Share	2,112	2,400

19. FAIR VALUE

The Management assessed that cash and cash equivalents, Trade and Receivable, Investment in Repo, Investment in Fixed deposits, Trade Payable, Bank Overdraft and other Current Liabilities approximately their carrying amounts Largely due to the short term maturities of these Instruments.

20. COMMITMENTS AND CONTINGENCIES

Capital Commitments

The board has approved the purchase of Credit Bureau solution (Software) and relevant agreement has signed.

Total software cost USD 2,478,754 (Exchange rate 1 USD = Rs 324.55) (Rs 804,479,610.07 - 2022)

Notes to the Financial Statements

21 RISK MANAGEMENT OBJECTIVES AND 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 counter-party 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.

22. RELATED PARTY DISCLOSURES

Details of significant related party disclosure are as follow,

Key Management Personal Compensation	2022 Rs.	2021 Rs.
Short term employment benefits	48,749,849	45,522,626
Long term transaction	13,664,380	11,523,212
	62,414,229	57,045,837

Bureau identifies Key Management Personnel as individual who are involved in planning, directing and controlling activities of the bureau from 2022. Comparative data are being showed accordingly.

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

Notice of the Annual General Meeting

Notice is hereby given that the 33rd Annual Shareholders' meeting of the Credit Information Bureau of Sri Lanka will be held on 26th September 2023 at Kingsbury, Colombo at 10.00 am.

THE FOLLOWING BUSINESS WILL BE TRANSACTED;

- ⊙ To read the notice convening the meeting.
- ⊙ To receive and consider the Annual Report of the Board of Directors on the affairs of the Bureau and the Audited Financial Statements of the Bureau for the year ended 31st December 2022 together with the Report of the Auditors thereon.
- ⊙ To ratify the re-appointment of M/S Ernst and Young, Chartered Accountants as the Auditors of the Bureau for the ensuing year and to authorise the Directors to determine their remuneration.
- ⊙ To declare a first and final dividend of Rs. 2,112/= per share as recommended by the Directors for the year ended 31st December 2022.
- ⊙ To Consider any other Business of which due notice has been given.

By Order of the Board



Mr. Pushpike Jayasundera
Secretary to the Board

18th September, 2023

Corporate Information

BOARD OF DIRECTORS - AS OF 31ST AUG 2023

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

Chairperson
Deputy Governor, Central Bank of Sri Lanka

Mrs. R. R. S. De Silva Jayatilake

Director
Director of Bank Supervision, Central Bank of Sri Lanka

Mr. Russel Fonseka

Director
General Manager, Bank of Ceylon

Mr. Clive Fonseka

Director
General Manager, People's Bank

Mr. D. P. N. Rodrigo

Director
Executive Director - Hatton National Bank PLC

Mr. Sanath Manatunga

Director
Managing Director - Commercial Bank of Ceylon PLC

Mr. Ananda Seneviratne

Director
Managing Director - Siyapatha Finance PLC

Mr. H. K. D. L. Gamini

Director
Director - National Savings Bank

Mr. Nihal Weerapana

Director
Chief Recovery Officer - LOLC Finance PLC

Mr. Pushpika Jayasundera

Director
General Manager - Credit Information Bureau of Sri Lanka

BOARD OF DIRECTORS - RETIRED

Mrs. V. A. A. N. De Silva

Director
Former Director of Bank Supervision, Central Bank of Sri Lanka
Retired with effect from Feb 2023

Mr. K E D Sumanasiri

Director
Former General Manager, Bank of Ceylon
Retired with effect from Jan 2023

Mr. Ranjith Kodituwakku

Director
Former General Manager, People's Bank
Retired with effect from Jan 2023

Mr. Kapila Ariyaratne

Director
Former Managing Director, Seylan Bank PLC
Retired with effect from Apr 2023

Mr. Niroshan Udage

Director
Executive Director, L B Finance PLC
Retired with effect from Mar 2023

Mr. C S Hettiarachchi

Director
Director - Corporate Affairs, Central Finance Company PLC
Retired with effect from Mar 2023

Mr. Nandi Anthony

Director
Former General Manager - CRIB
Retired with effect from Feb 2023

ALTERNATE DIRECTORS

Mr. M. R. N. Rohana Kumara

Deputy General Manager - Bank of Ceylon

Mrs. Samanthi Senanayake

Deputy General Manager - People's Bank

Mr. Damith Pallewatte

Deputy General Manager - Hatton National Bank PLC

Mr. Shamindra Mercelline

Chief Executive Officer - People's Leasing and Finance PLC

BOARD REMUNERATION COMMITTEE

Mr. D. P. N. Rodrigo

Chairman

Mr. H. K. D. L. Gamini

Committee Member

Mr. Clive Fonseka

Committee Member

Corporate Information

MANAGEMENT

Mr. Pushpike Jayasundera
Director/General Manager

Mr. K. A. Janaka Lakmal,
Deputy General Manager

Mrs. R. M. S. Rathnayake
Assistant General Manager
Operations

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

Mr. A. N. Piyasiri
Chief Manager – ICT

Mrs. K. A. S. N. Dassanayake
Head of Information Security, Risk and
Compliance

Mr. D. M. S. I. Dissanayake
Manager – Operations

Mrs. D. G. D. M. Ravindrakumar
Executive Secretary.

Mr. J. S. Weerasinghe
Assistant Manager – ICT.

Mr. K. D. S. Wanigasuriya
Assistant Manager – Customer
Service

Mrs. Y. L. D. K. Gunathilake
Assistant Manager – Operations.

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

BDO Partners,
Charter House,
#162/2, Sir Chittampalam A Gardiner
Mawatha,
Colombo 02.

PRINCIPAL BANKER

Bank of Ceylon

BUSINESS HOURS

8.00 am to 4.15 p.m.

REGISTERED OFFICE

201, Sir James Peiris Mawatha,
Colombo 02.

CONTACT DETAILS.

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இலங்கை கொடுகடன் தகவல் பணியகம்
CREDIT INFORMATION BUREAU OF SRI LANKA