

Composition of the Committee

Board Credit Committee (BCC) consists of the following members:

Mr. K.G.D.D. Dheerasinghe (*Chairman*)

Mr. J. Durairatnam (*Managing Director/CEO*)

Mr. S. Renganathan (*Executive Director/Chief Operating Officer*)

Mr. W.M.R.S. Dias who was a member of the Committee relinquished duties as Director of the Bank with effect from July 16, 2014.

Mr. M.P. Jayawardena was a member of the Committee up to August 29, 2014.

Mr. K.M.M. Siriwardana was a member of the Committee from August 29, 2014 to November 25, 2014.

Mr. R.A.P. Rajapaksha, Assistant Company Secretary of the Bank, functions as the Secretary of the Committee.

A brief profile of each member of the Committee is given on pages 129 to 131.

Mandate and Role of the Committee

The Board Credit Committee assists the Board of Directors in effectively fulfilling its responsibilities relating to the Credit Direction, Credit Policy and Lending Guidelines of the Bank in order to inculcate healthy lending standards and practices and ensure relevant regulations are complied with.

The Committee is empowered to:

- Review and consider changes proposed from time to time to the Credit Policy and the Lending Guidelines of the Bank.
- Analyse and review the credit risk control measures in the lending areas, the pricing of lending proposals and also ensure that credit proposals are within relevant regulatory frameworks.
- Evaluate, assess and make recommendations on credit propositions submitted to the Board of Directors.
- Evaluate and recommend sector exposures and cross boarder exposures.
- Monitor Non-Performing Advances and recommend provision cover as required.
- Monitor and evaluate special reports called for by the Board of Directors.
- Set lending directions based on the current economic climate.

Committee Meetings

Twelve BCC meetings were held during the year under review. Attendance of the Committee members at meetings of BCC is given on page 153. Proceedings of the Committee meetings are regularly reported to the Board of Directors.

Methodology used by the Committee

The Committee will meet on a monthly basis and approve credit proposals above a predetermined limit.

Credit proposals and other credit reports intended for approval/perusal by the Board of Directors are scrutinised and/or recommended as required.

Credit proposals are evaluated in the perspective of the Bank's lending policies and appetite.

Close monitoring is exercised on exposures which are considered to generate a high quantum of potential credit risk to the Bank.

The BCC operates in consultation with the scope of the Bank's Credit Risk Management to ensure that the lending portfolios are managed in line with the stipulated credit risk parameters.



K.G.D.D. Dheerasinghe

Chairman - Board Credit Committee

Colombo
February 23, 2015