

DECLARATION OF A CREDIT AGENCY UNDER THE MORTGAGE ACT, NO. 06
OF 1949 BY DIRECTOR GENERAL OF COMMERCE

The following documents should be submitted to consider for granting of Approved Credit Agency status as per the section 114 of the Mortgage Act.

1. Request Letter for Approved Credit Agency status signed by the Head of the Institution.
2. Certificates of Incorporation of the Company issued by the Registrar of Companies.
3. Memorandum of Articles/Articles of Association of the Company.
4. Annual Reports of the Company including audited Statement of Financial Position and Profit or Loss Account for the immediately preceding 3 years.
5. (a) If it is a Bank, the licenses issued by the Central Bank of Sri Lanka under the Banking Act No. 30 of 1998.

(b) If it is a Finance Company, license issued by the Central Bank of Sri Lanka under the Finance Business Act, No. 42 of 2011.

(c) If it is a Finance Leasing Company, license issued by the Central Bank of Sri Lanka under the Finance Leasing Act No. 56 of 2000.

(d) If it is a Co-operative society, the recommendation of the Commissioner of Co-operative Development with the following documents;
 - I. Audited balance sheets and profit or loss accounts for the immediately preceding 3 years.
 - II. Recommendation of the People's Bank based on the financial status of the Co-operative Society.
6. A Director Board Resolution seeking the status as an Approved Credit Agency.
7. Any other relevant documents / information in support of the request.

Duly filled application with all required documents along with three certified copies should be submitted in four separate files indicating the name of the Company on each file.

**APPLICATION FOR DECLARATION OF A CREDIT AGENCY
UNDER THE MORTGAGE ACT, TRUST RECEIPT ORDINANCE
AND INLAND TRUST ACT**

01	Name of Applicant						
02	Date of Application						
03	which Act (circle relevant Act/Acts)	Mortgage Act	Trust Receipts Ordinance	Inland Trust Act			
04	Nature of Application (put <input type="checkbox"/> mark to the relevant field)	New Application	Change of Name	Other Changes (Please specify)			
05	Nature of Institution (put <input type="checkbox"/> mark to the relevant field)	Company	Cooperative Society	Financial Institution	Financial Leasing Company	Bank	Other
06	If other, please specify						
07	Financial health related information:						
	Specific Aspect of Financial Health -----	Financial Ratio -----	Value -----	Reference page/s in Annual Report or other source document -----			
07.1 Capital	i.	Minimum Core Capital					
	ii.	Core Capital to Risk Weighed Assets					
	iii.	Capital Base to Risk Weighed Assets					
07.2 Asset Quality	i.	Gross Non-performing Advances to Total Advances					
	ii.	Net Non-performing Advances to Total Advances					
	iii.	Provision Coverage Ratio					
	i.	Net Interest Margin					

07.3 Profitability and Earnings	ii. Efficiency Ratio		
	iii. Return on Assets		
	iv. Return on Equity		
07.4 Liquidity	i. Regulatory Liquid Assets to Total Assets		
	ii. Regulatory Liquid Assets to Deposits		
	iii. Regulatory Liquid Assets to External Funds		
07.5 Assets / funding structure	i. Capital funds to Total Assets		
	ii. Total deposits to Total Assets		
	iii. Borrowings to Total Assets		
07.6 Credit rating of Institute			
* Above information should be provided whenever applicable to the Company otherwise mention as 'NA' (not applicable) with valid reasons.			
* Required details to fill the item No. 07 in the application "Financial Health related information" is given below;			
	Financial Ratio -----	Formula -----	
07.1(ii)	Core Capital to Risk Weighed Assets	$(\text{Core Capital (Tier1)} / \text{Risk Weighed Assets}) \times 100$	
07.1(iii)	Capital Base to Risk Weighed Assets	$(\text{Total Regulated Capital} / \text{Risk Weighed Assets}) \times 100$	
07.2(i)	Gross Non-performing Advances to Total Advances	$(\text{Non-performing Loans and Advances} / \text{Total Loans and Advances}) \times 100$	
07.2(ii)	Net Non-performing Advances to Total Advances	$(\text{Net Non-performing Loans and Advances} / \text{Total Loans and Advances}) \times 100$	
07.2(iii)	Provision Coverage Ratio	$(\text{Total Provisions} / \text{Non-performing Advances}) \times 100$	
07.3(i)	Net Interest Margin	$(\text{Interest Income Less Interest Expenses} / \text{Average Assets}) \times 100$	
07.3(ii)	Efficiency Ratio	$(\text{Non-interest Expenses} / \text{Total Income Less Interest Expenses Loan Loss Provisions and Loans Written Off}) \times 100$	
07.3(iii)	Return on Assets	$\text{Profit (Annualized)} / \text{Average Assets} \times 100$	
07.3(iv)	Return of Equity	$\text{Profit (Annualized)} / \text{Average Equity} \times 100$	
07.4(i)	Regulatory Liquid Assets to Total Assets	$(\text{Regulatory Liquid Assets} / \text{Total Assets}) \times 100$	
07.4(ii)	Regulatory Liquid Assets to Deposits	$(\text{Regulatory Liquid Assets} / \text{Deposits}) \times 100$	
07.4(iii)	Regulatory Liquid Assets to External Funds	$(\text{Regulatory Liquid Assets} / \text{External Funds}) \times 100$	
07.5(i)	Capital funds to Total Assets	$(\text{Capital funds} / \text{Total Assets}) \times 100$	
07.5(ii)	Total deposits to Total Assets	$(\text{Total Deposits} / \text{Total Assets}) \times 100$	
07.5(iii)	Borrowings to Total Assets	$(\text{Borrowings} / \text{Total Assets}) \times 100$	
08	Date of		

Establishment		
09 Contact Details:		
	Person responsible for the application -----	Head of the Institution -----
i) Name		
ii) Designation		
iii) Address		
iv) Phone/Mobile		
v) Fax		
vi) Email		
10 Descriptive information about the institute:		
10.1 History of the Institute in brief		
10.2 Risk management and internal control measures		
10.3 Corporate governance		
10.4 Compliance Culture		
10.5 Experience of regulatory ceilings/restrictions imposed by regulators within last 3 years		
10.6 Public complaints/Legal proceedings against the institute or any Board member		
Name	:	
Signature	:	
Seal	:	
Date	:	

FOR OFFICE USE ONLY:

Date of application -----	Reference No -----	Form Complete -----	Documents submitted -----	Comments -----