

This circular Cancels and replaces Credit Circular No 2024/04 dated 26th July 2024 on the subject "Staff Loan Scheme"

Staff Circular No: 2025/04.
24th February 2025

STAFF LOANS SCHEME

(Approved by the Board of Directors on 21st February 2025)

1. CATEGORY WISE LIMITS SUMMERY

Ref No of Limit	Nature of facility (Category)	LIMIT Above the Grade of Manager Rs	LIMIT Manager Grade Rs	LIMIT Below the Grade of Manager Rs
1	Housing Loans	4,000,000.00	3,000,000.00	2,000,000.00
2	Lease facility to purchase Car or Motor Cycle	3,000,000.00	3,000,000.00	2,000,000.00
3	Loan Consumption (Purchase of Consumer Durables, Electronic appliances)	1,000,000.00	1,000,000.00	750,000.00
4	Gold Loans	1,000,000.00		
5	Loan (Personal / Distress / Education of Children)	1,000,000.00	1,000,000.00	500,000.00

2. ELIGIBILITY CRITERIA AND TERMS & CONDITIONS COMMON TO ALL FACILITIES

- Should be a confirmed staff Member
- Should have a service period of 3 years in the Permanent carder as at the date of the application for the facility (including Probation / Training period)
- The total deductions from the monthly salary of the employee including the installment(s) on all categories of loans stated above, should not exceed 60% of the applicant's gross salary as at the date of the application (A statutory requirement which cannot be violated) (Refer paragraph 13 below)
- Loan Instalments / rentals should be recovered from the monthly salary by the Head of Human Resources as a salary deduction, and the Balance salary should be credited to the savings account of the borrower at kohuwala branch subject to section (e) above. For this purpose, the Human Resource Department should be provided with a copy of the approved Credit Paper by the Central Credit Department.
- Staff member should execute a letter of authority in respect of (d) above

- f) Staff loans should be evaluated and processed at Central Credit Department and the credit files held at CCD
- g) Staff members are not entitled to obtain a fresh Loan under the same category till settlement of the existing facility on that category in full.
- h) If husband and wife are staff members only one member is eligible to a housing loan or Vehicle Lease facility
- i) No restrictions for the grant of consumption loans within the limit of wife and the limit of husband (if they are staff members) treating as separate individual loan limits, Facility Ref Nos 3, 4 and 5 above
- j) Loans to repaid in monthly equated installments as stated under terms and conditions of advance in Paragraph No 4 below.
- k) Loan proceeds under all categories should be credited to the savings account of the borrower to be maintained at Kohuwala Branch. Thereafter debit the savings account to make direct payments where applicable
- l) Clear record in the CRIB report
- m) Charges to be recovered as per the concessionary rates quoted in the Credit Circular in force on the Subject "Tariffs and Charges" as applicable to the staff loan scheme
- n) CBSL direction
- o) "No finance company shall grant any accommodation on the guarantee or indemnity of any employee of the Finance Company" This direction applies to accommodations granted under this scheme to staff members as well as those granted to customers as well.

3. RATE OF INTEREST FOR ALL CATEGORIES OF LOANS

Limit Nos 1 to 5 in section 1 above

Apply prevailing CBSL rate of interest for fixed deposits @ 1 year Maturity (Ceiling rate) as at the date of approval.

The aforesaid rate of interest should be obtained from the Finance Department via email and the print of the mail should be filed with the securities for audit purposes.

(The Prevailing Credit Circular on "Lending Rates" table 4 on the "Staff loan scheme" stands amended to this extent from the date of this circular)

4. SPECIFIC TERMS AND CONDITIONS

Facility No	Purpose & Repayment Period	Security
1 Housing Loan	<ul style="list-style-type: none"> a) Purchase a Property with a house b) Construct a House in a property owned by the applicant or Spouse individually or jointly c) Additions / alterations to an existing house d) To purchase a bare land to construct a house 	<ul style="list-style-type: none"> a) Primary Floating Mortgage over Immovable property owned by the applicant (If the property owner is the spouse the title to property should be transferred to the borrower) b) Loan Agreement c) Loan protection Policy d) Obtain Insurance cover over the building, against risk of fire riots and civil commotion up 100 % of the value of the building as stated in the valuation

	<p>e) To take over / Settlement of a housing loan in the name of the staff member at another financial institutions</p> <p>f) The housing loan facility could be utilized only once during the entire service period</p> <p><u>Repayment period</u> should be restricted to 10 years or up to the applicable date of retirement of the employee, or up to the 60th Birthday whichever is early</p>	<p>report duly assigned in favour of our company, if the value of building is a component in the Valuation report and if such value is considered to determine LTV.</p> <p>e) LTV- 90 % of the forced sale value as valued by a panel valuer . If construction of a house is financed LTV should be 90% of cost of the construction as stated in the bill of quantities (BOQ) of the architect backed by approved building Plan</p>
2 Lease Facility	<p>a) To purchase vehicles (car/ motor cycle) (Registered / Unregistered / Brand new)</p> <p>b) For Settlement of performing Lease liabilities at another financial institutions / Banks of the staff member <u>Repayment Period</u> – 48 to 60 months or up to the applicable date of retirement of the employee, or up to the 60th Birthday whichever is early</p>	<p>a) Lease Agreement over Vehicle</p> <p>b) Absolute ownership of the vehicle</p> <p>c) Original Certification of registration relating to (b) above</p> <p>d) Subject to requirements in the Leasing Policy and Procedures Manual and Circulars in force</p> <p>e) LTV as directed by CBSL</p> <p>f) Disbursement - Payment to Vendor</p>
3 Consumption Loans	<p>a) To Purchase of Consumer Durables Furniture / Electrical appliances etc.,)</p> <p>b) <u>Repayment Period</u> Minimum 12 months Maximum 36 months or up to the applicable date of retirement of the employee, or up to the 60th Birthday whichever is early</p>	<p>a) Mortgage over Immovable or movable asset as appropriate</p> <p>b) Loan Agreement</p> <p>c) Joint and Several 2 Personal Guarantors (One could be the Spouse) or Any other security acceptable to the Management</p> <p>d) LTV - Advance to be restricted 90 % of the item to be procured based on suppliers' invoice. Balance 10% to be funded by the applicant</p> <p>e) Disbursement – Payment to vendor Direct</p>
4 Gold Loans	Follow requirements in the Gold Loan Policy and Procedures Manual and in the credit circular in force as at the date of grant of the gold loan on the subject "GRANTING GOLD LOANS AGAINST GOLD VALUE AND CARATAGE".	
5 Loan Personal / Distress / Education of Children	<p>To meet personal contingencies not covered above</p> <p><u>Repayment Period</u> Minimum 12 months Maximum 24 months or up to the applicable date of retirement of the employee, or up to the 60th Birthday whichever is early</p>	<p>a) 2 Guarantors</p> <p>b) Any other security acceptable to the Management</p> <p>c) Disbursement – Credit Savings Account</p>

5. EXTERNAL BORROWINGS

Staff members should obtain the prior approval of the CEO/ Executive Director through the Head or Manager of the Human Resource Department to borrow from other financial institutions (Banks /Finance Companies)

6. DOCUMENTS TO BE SUBMITTED BY STAFF MEMBERS TO OBTAIN A LOANS AND FOR STAGE RELEASE PROCESS FOR HOUSE CONSTRUCTION

Requirements in Credit, Leasing and Gold Loans policy and Policy and procedures manuals and circulars in force should be followed by staff members as applicable.

10. APPROVAL OF LOANS

Approval under this scheme shall be by CEO/Executive Director subject to the following operational procedure:-

- a) Staff loan facilities for those below the grade of Manager should be submitted to the Central Credit Department at Head office for processing backed by the justifications and recommendation of the relevant Head or Manager of the department / branch of the staff member for consideration and the relevant Credit File should be held at the Head Office Credit Department.
- b) Credit Facilities for those in grade of Branch Manager and above should be processed at the Central Credit Department at Head office and the relevant Credit File should be held at the Head Office Central Credit Department. It should be ensured that a staff member do not handle in any manner his / her application for a loan

11. RATE OF INTEREST ON RESIGNATION / DISMISSAL)

- a) In the event of resignation or dismissal from service the employee should be required to either settle the facility in full or rescheduled with the interest rates and conditions applicable to the customers considering their repayment capacity.
- b) E- finance system data base should be amended accordingly to treat the loan account as that of a customer.
- c) Manager Human Resource should ensure compliance with (a) & (b) above before issuing the Service Letter and release of any payments or Security deposit or documents to such staff member

12. LOAN PROTECTION POLICY

In order to ensure settlement of the housing loan upon the death of the staff member and to avoid such liability be a burden on his /her survivors the liability should be

covered by obtaining a single premium Loan Protection Insurance Policy from a reputed Insurance Company acceptable to the company. The cost of premium should be met by the employee.

13. GENERAL CONDITIONS

- a) All applications should be cleared by the Head / Manager of the Human Resource Department with regard to pending or ongoing investigations / intended disciplinary action etc. prior to consideration of the application.
- b) If the equated Installment is in excess 60% of the applicant's gross salary such excess mount could be recovered from the duly verified Salary Income of the spouse. In such an event the Spouse should be a Joint Borrower for the proposed facility backed by a joint savings account. A letter of undertaking should be obtained from the employer of the spouse to remit to the joint savings account with the of our staff member the required amount in excess of aforesaid 60%. Accordingly Recover up to 60% from the salary the staff member (salary Deduction) and recover the excess amount from the aforesaid joint savings account.
- c) Grant of staff loans will be subject to the requirements in the Credit & Leasing Gold Loan Policy and Procedures Manuals, where applicable or if not provided herein.

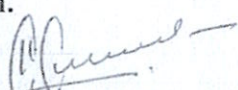
14. STAFF LOANS - SEGMENT WISE EXPOSURE LIMIT

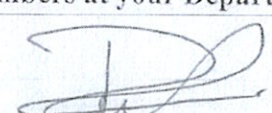
Total facilities under staff Loan Scheme should be restricted 5% of the total Loan Book value of the company. This control should be implemented by the Central Credit Department by disclosing compliance when recommending a staff loan


15. AUTHORITY TO AMEND TERMS & CONDITIONS HEREIN

- (a) The approval of the Board of Directors is required to exceed the maximum credit limits stated herein as staff members are considered as related / connected parties of the company
- (b) CEO / Executive Director is authorized to amend any terms and conditions stated herein to grant an accommodation to staff member at his discretion backed by recommendation and justification of DGM (Credit)/ Senior Manager (Credit) subject to 15 (a) above

Please ensure compliance with the above requirements and arrange to bring the contents of this circular to the notice of all staff members at your Department / Branch.


Senior Manager (Credit)


Manager Human Resources


CEO / EXECUTIVE DIRECTOR

It is a pleasure to have you here today. The purpose of this meeting is to discuss the progress of the project and to plan for the future.

2. Objectives

The main objectives of this project are to develop a new product, to improve the existing ones, and to expand the market.

The first objective is to develop a new product. This will involve research and development, and the creation of a prototype. The second objective is to improve the existing products. This will involve identifying the strengths and weaknesses of the current products, and making improvements where necessary. The third objective is to expand the market. This will involve finding new customers, and increasing sales.

The project will be completed by the end of the year. It is hoped that the results will be successful, and that the project will lead to a significant increase in sales.

3. Methodology

The methodology for this project is based on the principles of project management. This involves setting clear objectives, and planning the work to be done. It also involves monitoring progress, and making adjustments where necessary.

The project will be managed using a Gantt chart. This will allow us to see the progress of the project, and to identify any areas where we are falling behind.

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