

## **Sri Lankan Banks to Focus on KYC, AML and Basel-II in 2008**

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Mumbai, June 25, 2008:i-flex® solutions (Reuters: IFLX.BO & IFLX.NS), a leading provider of IT solutions to the global financial services industry today announced that: It had conducted a survey of practitioners responsible for compliance and risk management in key domestic and foreign commercial banks (LCBs), specialized banks (LSBs) as well as registered finance companies (RFCs) in Sri Lanka.

The survey was designed to explore the key risk and compliance drivers and challenges facing Sri Lankan banks and readiness of Sri Lankan financial institutions to implement compliance and risk management initiatives

The survey found that bankers felt that the top two challenges they faced were internal to the bank - the need to standardize processes and the availability of professionals with the required skills to do so.

Close to half of the respondents viewed the creation of better risk management capability and risk management standards as the most important factor influencing their decision to upgrade or implement new risk and compliance initiatives.

The survey found that a majority of the respondents want to adopt an integrated, or at least a partially integrated, approach as part of their Risk and Compliance roadmap Sri Lankan banking professionals believe that 2008 would be the year when Sri Lankan banks upgrade their technology infrastructure to meet compliance requirements related to Know Your Customer (KYC)/Anti Money Laundering (AML) and to meet the stipulations of the Basel II accord.

Supporting Quotes:

Saloni Ramakrishna, Principal Architect for Risk and Compliance Solutions, Asia Pacific & Japan, i-flex solutions and also the lead for the survey, said: "The need to build internationally aligned risk and compliance frameworks and the need to address the critical issue of Basel norms on one side and combating the twin menace of Money Laundering and terrorism financing on the other is a priority for a systematic and integrated approach to Risk and Compliance initiatives for Sri Lankan banks. This thinking is in line with the global trend of convergence and integration in the Risk & Compliance space".

"An interesting fact from the survey findings is that "clear guidelines from regulators" do not figure in the top 3 concerns which is refreshingly different from the findings in some other parts of Asia. This clearly goes to the credit of the Central Bank of Sri Lanka," she further added.

About i-flex solutions

i-flex® solutions (Reuters: IFLX.BO and IFLX.NS), majority owned by Oracle, is a world leader in providing IT solutions to the financial services industry. Its strategy for financial services addresses the challenges that financial services institutions are faced with today. Its range of applications software, custom solutions and consulting services enable financial institutions to cut costs, respond rapidly to market needs, enhance customer service levels and mitigate risk.

i-flex solutions has sought regulatory and share holder approval to change its name to Oracle Financial Services. Together, Oracle and i-flex solutions offer financial services institutions the world's most comprehensive banking applications and technology footprint to address complex IT and business requirements.

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For more information on the press release, please contact:

Anish Augustine  
i-flex solutions  
Phone: +91-80-6776-5092  
Mobile: +91-97415 96060  
E-mail: [Anish.augustine@iflexsolutions.com](mailto:Anish.augustine@iflexsolutions.com)