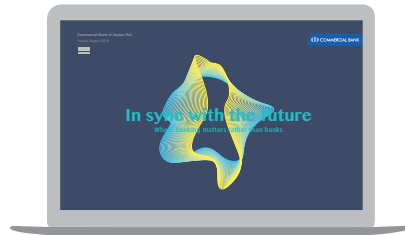


Introducing our 50th Annual Report



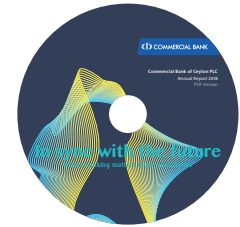
Printed integrated annual report
Limited copies of this report are available on request



Online HTML
Comprehensive report containing additional information



Mobile format
For readers on the go



Portable digital format
For offline convenience

Covering the 12-month period from January 1 to December 31, 2018, this is the 50th Annual Report of Commercial Bank of Ceylon PLC. Having commenced reporting in line with the IIRC Framework in 2013, this integrated report is consistent with our usual annual reporting cycle for financial and sustainability reporting and follows our most recent Report for the year ended December 31, 2017, for which comparatives are given, where applicable, within this Report.

Transcending the medium

To cater to the communications needs of the Bank's diverse stakeholder groups, this Report is available in multiple mediums and formats.

Strategic orientation

This Annual Report provides stakeholders with insight into the Bank's current and future strategies which are aimed at propelling its growth.

Non-financial information

With the growing interest in the Bank's future potential, this Annual Report includes disclosures on non-financial information, further enhancing clarity of its strategic imperatives.

Basis of preparation

This Report has been prepared in line with the IIRC framework and the Bank's social and environmental impacts are presented in accordance with the GRI Standards: Core option. It also comments on the Bank's contribution towards the UNDP Sustainable Development Goals.

The concepts, principles, and guidelines used in the preparation of this Report are drawn from the following:

- The International Integrated Reporting Framework (www.theiirc.org)
- The Global Reporting Initiative Sustainability Reporting Guidelines – GRI Standards (www.globalreporting.org)
- "A Preparer's Guide to Integrated Corporate Reporting", published by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

Report boundary

The financial performance of the Group, includes the six subsidiaries: Commercial Development Company PLC, ONEzero Company Ltd., Serendib Finance Ltd., Commex Sri Lanka S.R.L. Italy, Commercial Bank of Maldives Private Limited and CBC Myanmar Microfinance Company Limited and the two associates: Equity Investments Lanka Ltd. and Commercial Insurance Brokers (Pvt) Ltd. as depicted in the Consolidated Financial Statements on pages 157 and 353.

The Bank's social and environmental impact as discussed within the Management Discussion and Analysis, focuses on both Sri Lankan and Bangladesh operations of Commercial Bank of Ceylon PLC. the Parent entity of the Group which accounts for more than 98% of revenue, assets, borrowing and employees, unless stated otherwise.

During the year under review, no significant changes in the organisation type, structure, ownership, supply chain or topic boundaries took place. No changes in reporting or restatements were made of previously reported financial, social or environmental information, other than the adoption of Sri Lanka Accounting Standard – SLFRS 9 on "Financial Instruments", which became effective from January 1, 2018 and confining the GRI disclosures to the most material topics.

Responsibility for sustainability practices and external assurance

The Bank's Managing Director/Chief Executive Officer, Chief Operating Officer and other members of the Corporate Management are responsible for sustainability practices and disclosures made in this Report. They have worked with the external assurance providers on the Report content.

🕒 Introducing our 50th Annual Report

The Bank's external Auditors, Messrs Ernst & Young have assured the Group's Financial Statements and the non-financial information, while Messrs DNV GL Business Assurance Lanka (Pvt) Ltd., who represent DNV GL have assured the Bank's social and environmental processes.

The Board of Directors and the Management have no other relationship with Messrs Ernst & Young, DNV GL Business Assurance Lanka (Pvt) Ltd. or DNV GL, aside from their engagement as independent Assurance Service providers of the Group.

Quality assurance

We have taken every effort to provide credible information with the aid of visual elements such as figures, graphs, and tables in a consistent manner facilitating clarity and comparability.

Qualitative criteria taken into account include:

- **Completeness:** We have included material impacts within and under the direct control of the Bank, impacts outside which are indirectly influenced through our engagement with stakeholders and broader sustainability initiatives undertaken through the Bank's own CSR Trust.
- **Comparability:** We have included performance of current period and previous reporting periods together with industry benchmarks where relevant and available.
- **Accuracy and Consistency:** We have inbuilt internal controls to facilitate traceability and verifiability of information.
- **Clarity:** We have used visual elements to facilitate understanding of the reader and to maintain brevity of the Report.
- **Balance:** We have taken every possible effort to present a balanced review of relevant material information.
- **Credibility and Reliability:** We have obtained external assurance on both financial and sustainability information from reputed assurance service providers.

Precautionary Principle

We are keenly aware of the direct and indirect social and environmental impact of our actions. The indirect consequences are more significant, resulting from the business activities of our customers to whom we lend. The negative impacts are avoided or reduced through credit policies, SMES screening, post-disbursement supervision, dedicated green products and risk management processes.

The Bank's business model and operations do not directly create a significant negative impact on the environment. However, every effort is made to reduce our own carbon footprint through initiatives such as solar energy usage, energy efficient air conditioning and the elimination of paper usage in our processes.

Contact

Your comments or questions on this Report are welcome and we invite you to direct them to:



K D N Buddhipala
Chief Financial Officer
Commercial Bank of Ceylon PLC
"Commercial House"
21, Sir Razik Fareed Mawatha
Colombo 1
Sri Lanka

