

Annex 5: Independent Assurance Reports

Annex 5.1: Independent Assurance Report to Commercial Bank of Ceylon PLC on the Sustainability Reporting Criteria Presented in the Integrated Annual Report – 2019



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Introduction and scope of the engagement

The management of Commercial Bank of Ceylon PLC ("the Company") engaged us to provide an independent assurance on the following elements of the sustainability reporting criteria presented in the annual report- 2019 ("the Report").

- Reasonable assurance on the information on financial performance as specified on page 348 of the Report.
- Limited assurance on other information presented in the Report, prepared in accordance with the requirements of the Global Reporting Initiative GRI Standards: "In accordance" – Core guidelines.

Basis of our work and level of assurance

We performed our procedures to provide limited assurance in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE 3000): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by The Institute of Chartered Accountants of Sri Lanka ("CASL").

The evaluation criteria used for this limited assurance engagement are based on the Sustainability Reporting Guidelines ("GRI Guidelines") and related information in particular, the requirements to achieve GRI Standards "In accordance" – Core guideline publication, publicly available at GRI's global website at "www.globalreporting.org".

Our engagement provides limited assurance as well as reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with SLSAE-3000 and consequently does not enable to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance.

Management of the Company's responsibility for the Report

The management of the Company is responsible for the preparation of the self-declaration, the information and statements contained within the Report, and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process in line with the GRI Sustainability Reporting Guidelines.

Ernst & Young's responsibility

Our responsibility is to express a conclusion as to whether we have become aware of any matter that causes us to believe that the Report is not prepared in accordance with the requirements of the Global Reporting Initiative, GRI Standards: "In accordance" – Core guidelines. This report is made solely to the Company in accordance with our engagement letter dated February 11, 2020.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the Company or for any purpose other than that for which it was prepared. In conducting our engagement, we have complied with the independence requirements of the Code for Ethics for Professional Accountants issued by the CASL.

Key assurance procedures

We planned and performed our procedures to obtain the information and explanations considered necessary to provide sufficient evidence to support our limited assurance conclusions. Key assurance procedures included:

- Interviewing relevant the company's personnel to understand the process for collection, analysis, aggregation and presentation of data.
- Reviewing and validation of the information contained in the Report.
- Checking the calculations performed by the Company on a sample basis through recalculation.
- Reconciling and agreeing the data on financial performance are properly derived from the Company's Audited Financial Statements for the year ended December 31, 2019.
- Comparison of the content of the Report against the criteria for a Global Reporting Initiative, GRI Standards: "In accordance" – Core guidelines.

Partners: W R H Fernando FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H De Silva ACA ACMA W K B S P Fernando FCA FCMA
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA Ms. P V K N Sajeewani FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

Principal G B Goudian ACMA A A J R Perera ACA ACMA T P M Ruberu FCMA FCCA

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Supplementary Information ⑤ Annex 5: Independent Assurance Reports

Our procedures did not include testing electronic systems used to collect and aggregate the information.

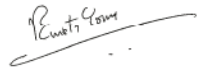
Limitations and considerations

Environmental and social performance data are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

Conclusion

Based on the procedures performed, as described above, we conclude that;

- The information on financial performance as specified on page 348 of the Report are properly derived from the audited Financial Statements of the Company for the year ended December 31, 2019.
- Nothing has come to our attention that causes us to believe that other information presented in the Report are not fairly presented, in all material respects, in accordance with the Company's sustainability practices and policies some of which are derived from Sustainability Reporting Guideline, GRI Standards – "In accordance" Core.



Ernst & Young
Chartered Accountants

February 24, 2020
Colombo

ANNEX 5.2: Independent Assurance Statement on Non-Financial Reporting – DNV GL

DNV GL

Independent Assurance Statement Scope and Approach

DNV GL represented by DNV GL Business Assurance Lanka (Private) Limited has been commissioned by the management of Commercial Bank of Ceylon PLC ('Commercial Bank' or 'the Bank', Company Registration Number PQ116) to carry out an independent assurance engagement for the non-financial - qualitative and quantitative information (sustainability performance) reported in Commercial Bank's Annual Report 2019 ('the Report') in its printed format for the financial year ending 31st December 2019. The non-financial disclosures in this Report have been prepared by the Bank, based on International Integrated Reporting Council's ('IIRC's') International <IR> Framework ('<IR> Framework') and includes references to the Global Reporting Initiative ('GRI') Sustainability Reporting Standards 2016 ('GRI Standards') for non-financial performance related to identified material topics.

We performed a Type 2, Moderate level of assurance using AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS), with 2018 addendum and DNV GL's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and GRI's Principles for Defining Report Content and Quality. Our assurance engagement was planned and carried out during January 2020 - February 2020 for the identified material topics and covering the non-financial performance related to activities undertaken by the Company during the reporting period 1st January 2019 to 31st December 2019. The intended user of this assurance statement is the Management of Bank ("the Management").

The reporting topic boundaries of sustainability/non-financial performance is based on internal and external materiality assessment covering Commercial Bank's banking and associated operations in Sri Lanka and Bangladesh. The Report excludes performance data and information related to the activities of Commercial Bank's seven subsidiaries – Commercial Development Co. PLC, CBC Tech Solutions Limited (Formerly ONEzero Co. Ltd.), Serendib Finance Ltd., Commercial Insurance Brokers (Pvt.) Ltd., Commex Sri Lanka S.R.L. Italy, Commercial Bank of Maldives (Private) Limited, CBC Myanmar Microfinance Company Limited and the operations of its associates, Equity Investments Lanka Ltd., as the results of their operations are not significant (<2 % revenue) compared to the overall results of the Bank. This is as set out in the Report in the section "Basis of Preparation".

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and the process did not involve engagement with external stakeholders.

Responsibilities of the Management of Commercial Bank and of the Assurance Provider

The Management of Commercial Bank have the sole responsibility for the preparation of the Report as well as the processes for collecting, analysing and reporting the information presented in the Report. In performing our assurance work, our responsibility is to the Management; however, our statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of the Bank. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV GL provides a range of other services to Commercial Bank, none of which in our opinion, constitute a conflict of interest with this assurance work. DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith and are free from any misstatements. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Commercial Bank's Head Office, and as part of assurance we visited sample branch operations in Sri Lanka and Bangladesh. We adopted a risk-based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to Bank and its key stakeholders. We undertook the following activities:

- Review of Commercial Bank's approach to non-financial reporting based on <IR> Framework including stakeholder relationships and materiality determination process and its outcome as presented in this Report. We did not have any direct engagement with external stakeholders;
- Conducted interviews with selected senior managers responsible for management of sustainability issues and reviewed selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Bank's sustainability objectives;
- Conducted site visits to sample branch operations at Hanwellla, Kaduwela and Malabe in Sri Lanka and Dhaka in Bangladesh to review processes and systems in place for preparing site level sustainability/non-financial data and implementation of sustainability strategy. We were free to choose the sites we visited.

¹ The VeriSustain protocol is available on www.dnvgl.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

- Reviewed supporting evidence related to qualitative and quantitative non-financial disclosures within the Report for identified material matters.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. The reported data on economic performance and other financial data are based on audited financial statements issued by the Bank's statutory auditors.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe Commercial Bank's adherence to the criteria of reporting (Guiding Principles and Content Elements) related to the <IR> Framework, representation of the material topics, business model, disclosures on value creation through six capitals, related strategies and management approach and chosen topic-specific disclosures from the GRI Standards for identified material topics as below:

- GRI 201: Economic Performance 2016 – 201-1;
- GRI 203: Indirect Economic Impacts 2016 – 203-1;
- GRI 205: Anti-Corruption 2016 – 205-1, 205-3;
- GRI 302: Energy 2016 – 302-1, 302-4;
- GRI 305: Emissions 2016 – 305-1, 305-2;
- GRI 401: Employment 2016 – 401-1, 401-3;
- GRI 404: Training and Education 2016 – 404-1, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 418: Customer Privacy 2016 – 418-1.

Without affecting our assurance opinion, we also provide the following observations.

AA1000 AccountAbility Principles Standard (2018)

Materiality

The process of determining the issues that is most relevant to an organisation and its stakeholders.

The Report brings out the process of application of <IR> materiality principles to arrive at significant material topics for the Bank considering its nature of business. As part of assurance, we reviewed the process of materiality assessment and effectiveness of processes of revalidation of materiality based on inputs from key stakeholders such as employees, customers, investors, regulators and society. Though nothing has come to our attention to suggest that the Bank has not missed out key material issues related to its operations in Sri Lanka and Bangladesh, we are of the opinion that the Bank may benchmark its sustainability/non-financial performance with respect to identified material topic with its peers to further strengthen its material determination process based on changing external business environment.

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

We reviewed the application of the principle of stakeholder inclusivity i.e. the process of stakeholder identification and engagement including review of the process effectiveness in identifying, engaging and responding to key sustainability concerns of significant stakeholders. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity i.e. the Bank carries out regular stakeholder engagement to identify critical and emerging issues based on the changes in external environment through formal stakeholder engagement process, however the stakeholder

engagement process could be further strengthened to collect proactive inputs, ideas and suggestions through structured customer feedback mechanism.

Responsiveness

The extent to which an organisation responds to stakeholder issues.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness i.e. the key stakeholder concerns are fairly responded to within the Report. The Report also brings out disclosures such as Bank's business model, policies, management systems, governance mechanisms and disclosures on management approach for identified material topics. However, we are of the opinion that the adherence to this principle may further enhanced in future reporting periods by disclosing the Bank's short, medium and long-term goals with respect to identified material topics.

Impact

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact i.e. Bank has a defined process in place for monitoring, measurement and evaluation of key non-financial impacts on its internal and external stakeholders. The Report also describes both positive and negative impacts during the reporting period and related approaches to mitigate risks as applicable, to constantly create and change value for the Bank, and its key stakeholders.

Reliability

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

The robustness of the data management and aggregation systems were evaluated during our visits to Commercial Bank's Head Office and branch operations in Sri Lanka and Bangladesh; the sample data and information verified as part of verification was found to be reliable. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Specific Evaluation of the Information on Sustainability Performance

We consider the methodology and process for gathering information developed by Bank for its sustainability/non-financial performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability.

Additional Principles as per DNV GL VeriSustain**Completeness**

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness i.e. the Report has brought out the Content Elements and Guiding Principles of the <IR> Framework and has included the non-financial performance of the entities within the chosen reporting boundary considering the Bank's sphere of control and influence.

Neutrality

The extent to which a report provides a balanced account of an organisation's performance, delivered in a neutral tone.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality i.e. the Report presents its non-financial disclosures and performance in a neutral and balanced tone.

For DNV GL



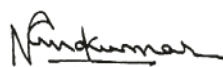
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