

Introducing our 51st Annual Report

The 51st Annual Report of Commercial Bank of Ceylon PLC covers the 12-month period from January 1 to December 31, 2019. Having commenced reporting in line with the International <IR> Framework in 2013, this Integrated Annual 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, 2018, 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 Integrated Annual Report is available in multiple mediums and formats. This approach also aims to balance the disparate imperatives of concision, comprehensiveness, and accessibility in our disclosures practices.

Strategic orientation

In addition to a focus on performance over the year, this Integrated Annual Report provides stakeholders with insights into the Bank's current and future strategies to drive growth.

Non-financial information

Recent trends make it clear that in addition to traditional forms of financial reporting, stakeholders in general, and providers of financial capital in particular, want access to non-financial information when assessing future potential of corporates. Accordingly, this Integrated Annual Report seeks to provide a holistic, integrated discussion of the Bank's performance, operations, and strategic imperatives.

Basis of preparation

This Integrated Annual Report has been prepared in line with the International <IR> 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 Integrated Annual Report are drawn from the following sources:

- 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)

- "Handbook on Integrated Corporate Reporting", published by CA Sri Lanka in collaboration with The Integrated Reporting Council of Sri Lanka

Report boundary

The financial performance of the Group includes the Bank along with seven subsidiaries – Commercial Development Company PLC, CBC Tech Solutions Limited (formerly ONEzero Company Limited), Serendib Finance Ltd., Commercial Insurance Brokers (Pvt) Ltd. (former associate Company), Commex Sri Lanka S.R.L. Italy, Commercial Bank of Maldives Private Limited and CBC Myanmar Microfinance Company Limited – and an associate – Equity Investments Lanka Ltd. (depicted in the Consolidated Financial Statements on pages 137 to 286).

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, borrowings 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 16 on "Leases" which became effective from January 1, 2019 and confining to 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 the sustainability practices and disclosures made in this Report. They have actively engaged with the external assurance providers on the Report content.

The Bank's external Auditors, Messrs Ernst & Young, have assured the Group's Financial Statements and 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

Six qualitative criteria were taken into account in the production of both text and visual elements (figures, graphs, tables):

- **Completeness:** This Annual Report includes material impacts within and under the direct control of the Bank, external impacts that are indirectly influenced through our engagement with stakeholders, and broader sustainability initiatives undertaken through the Bank's own CSR Trust.
- **Comparability:** This Report includes the performance of current and previous reporting periods together with industry benchmarks where relevant and available.
- **Accuracy and Consistency:** The content of this Report is supported by inbuilt internal controls to facilitate traceability and verifiability of information.
- **Clarity:** This report incorporates both text and visual elements to enhance readability, facilitate understanding, and maintain concision.
- **Balance:** This Report makes every possible effort to present a balanced review of relevant material information.
- **Credibility and Reliability:** This Report's financial and sustainability information has been vetted by reputed external assurance service providers.

Precautionary principle

Being keenly aware of the direct and indirect social and environmental impact of our actions, the indirect consequences resulting from the business activities of our customers to whom we lend in particular, the Bank avoids or reduces any such negative impacts through credit policies, Social and Environmental Management System (SEMS) screening, post-disbursement supervision, dedicated green products and risk management processes.

Although the Bank's business model and operations do not directly create a significant negative impact on the environment, every effort is made to reduce its own carbon footprint through initiatives such as solar energy usage, energy efficient air conditioning and the elimination of paper usage in its processes. A conscious effort was made to reduce the number of pages in this Report.

Contact

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

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