

INTRODUCTION TO THE 48TH ANNUAL REPORT

Basis of Preparation

This is the 48th Annual Report of Commercial Bank of Ceylon PLC, which covers the financial year ended December 31, 2016 and this Integrated Annual Report sets out a balanced review of our financial, social and environmental performance.

This is also our 8th Report presenting information in accordance with the GRI Guidelines and the third Report based on GRI G4 Guidelines, with the most recent Report being for the year ended December 31, 2015 for which comparatives are given in this Report.

There were no restatements of previously reported financial, social or environmental information.

The guiding principles, regulations, codes and Acts used for financial and narrative reporting, reporting on sustainability goals and practices and for reporting on how the Bank is governed is depicted pictorially as shown below. Further, we also followed the guidelines given in the 'Preparer's Guide to Integrated Corporate Reporting', a publication by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in the preparation of this Report.

Commercial Bank of Ceylon PLC, the parent entity of the Group, accounts for over 95% of Group's revenue, assets, borrowings and employees and therefore, is the main entity for which social and environment information is presented in the narrative sections of this Report unless otherwise referred to as Group or Consolidated. Thus, although the Bank's five subsidiaries, Commercial Development Company PLC, ONEzero Company Ltd., Serendib Finance Ltd., Commex Sri Lanka S.R.L. Italy and Commercial Bank of Maldives Private Limited together with two associate companies, Equity Investments Lanka Ltd., and Commercial Insurance Brokers (Pvt) Ltd. are consolidated in the preparation of Group Financial Statements, but are excluded from the social and environment reporting process.

Material aspects boundaries are based on both internal and external assessments carried out covering the Bank's operations in Sri Lanka and where specified, Bangladesh, where the Bank has 19 branches.

Both quantitative and qualitative data are provided and it has been our intention to provide reliable external benchmarks where possible to facilitate comparison and further analysis for convenience of readers of this Report.

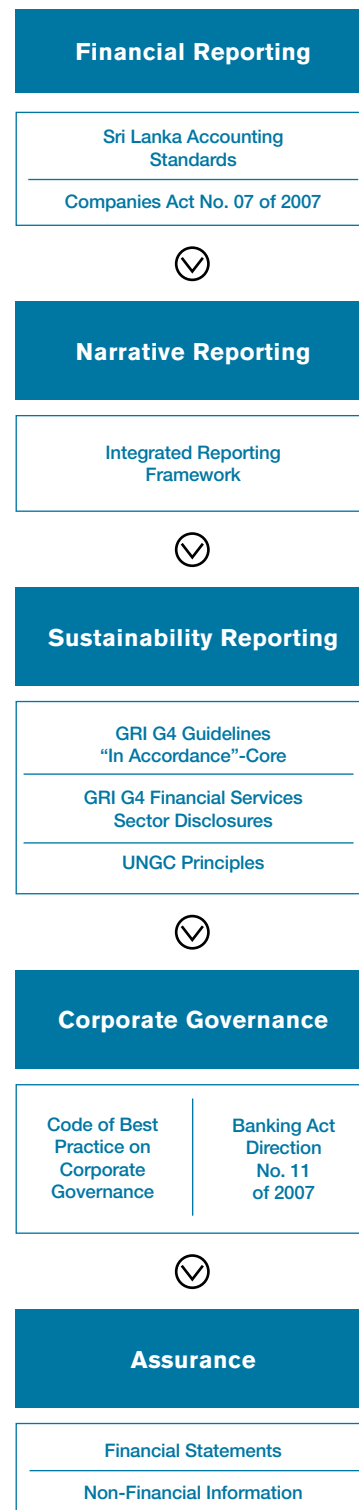
Quality Assurance

We have taken every effort to ensure that our Report reflect a balance review that is complete and accurate. It is our intention to provide credible information with the aid of visual elements such as graphs and tables in a consistent manner facilitating clarity and comparability.

External Assurance

The Bank seeks independent opinion on the Financial Statements from its External Auditors who are rotated every five (5) years to ensure their independence and objectivity as required by the guidelines issued by the regulators. Assurance is also obtained on our social and environmental processes from Messrs DNV GL Business Assurance Lanka (Pvt) Ltd. who represent DNV GL and performance indicators from Messrs KPMG.

Commercial Bank of Ceylon PLC, the Board of Directors and Management does not have any relationship with Messrs DNV GL or KPMG, apart from latter's engagement as the Independent External Auditor of the Group. The Bank's Managing Director, who is an Executive Director of the Board and members of the Corporate Management of the Bank are responsible for sustainability practices and disclosures made in this Report, worked with the external assurance providers on the report content.



This Annual Report has been structured as depicted below into six sections, namely Strategic Report, Management Discussion and Analysis, Governance, Financial Reports, followed by Annexes and Supplementary Information.

Strategic Report

An introduction to the Bank and a highlevel view of how we formulate strategy and deliver results

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Management Discussion and Analysis

A concise and balanced review of our operating environment, business verticals and how we utilised the capitals to deliver value to stakeholders

Page 37

Governance

Overview of how we maintain balance between stakeholder interests and exercise oversight of affairs of the Bank, including management of risks

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Financial Reports

Our Financial Statements and supporting notes together with the Auditors' opinion presented in accordance with regulatory requirements

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Annexes

Detailed information supporting Management Discussion and Analysis, Governance and Risk & Capital Management Reports

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Supplementary Information

Additional information for the detail oriented

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Contact Person

For any inquiries and feedback with reference to this Report please contact



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This Annual Report is published within three months of the date of the Statement of Financial Position. The web version is also published online on the same date as the date of issue of this Annual Report at www.combank16.annualreports.lk