

## **SOCIAL & NETWORK CAPITAL**

A BANK PLAYS A KEY ROLE IN COMMUNITIES, FACILITATING ECONOMIC ACTIVITY AND CONTRIBUTING TO THE SOCIOECONOMIC PROGRESS OF THE PEOPLE. MUTUALLY DEPENDENT ON EACH OTHER FOR PROGRESS AND GROWTH, WE SEEK TO CREATE VALUE AND REMAIN RELEVANT TO THE PEOPLE, CONNECTING COMMUNITIES TO OPPORTUNITIES IN OTHER LOCAL AND GLOBAL MARKETS.

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**Rs. 47.9 Bn.**

Value Distributed for Customers

**Rs. 272.9 Bn.**

Loans disbursed to SME's

**91%**

Of total payments made to local suppliers

**500+**

More young ones will be able to live a normal life

**12%**

Customer penetration outside Western Province

**200+**

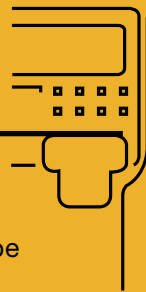
Countries connected

**Rs. 5.8 Bn.**

Total payments to suppliers

**1st**

ATM network in Sri Lanka to be secure with EMV capability



**5,200+**

beneficiaries under

*Divibala Viyapara Pubuduwa*

Programme since 2011



*Inquisitive minds learning and empowering themselves to face a tech-savvy future*



*A group of students attending a session of online learning programme initiated by the Bank's CSR Trust.*

### Creating Value to Customers

We have created value to our customers by providing investment opportunities and supporting their growth aspirations through financing as depicted in graphs 15 to 16. A strong franchise supported customer growth is testimony to our ability to create value. It is noteworthy that we retained over 90% of our term deposit customers despite intense price competition from other banks and non-banking financial institutions. Migrant workers continue to trust us with remittances to their families as we add value to them through innovative product enhancements.

Customer convenience was a key focus which has been supported through increased investment in digitalisation and branch automation, expansion of our customer touchpoints, card operations, online banking, mobile banking and collaborative networks. Our customer satisfaction surveys and brand health surveys keep us connected to our customers in addition to active dialogues with our staff. Results in recent years have shown positive trends in customer satisfaction with Commercial Bank emerging a clear leader across all key banks in the Truly Loyal customer segment percentage scores.

Our customer value proposition is graphically depicted below:

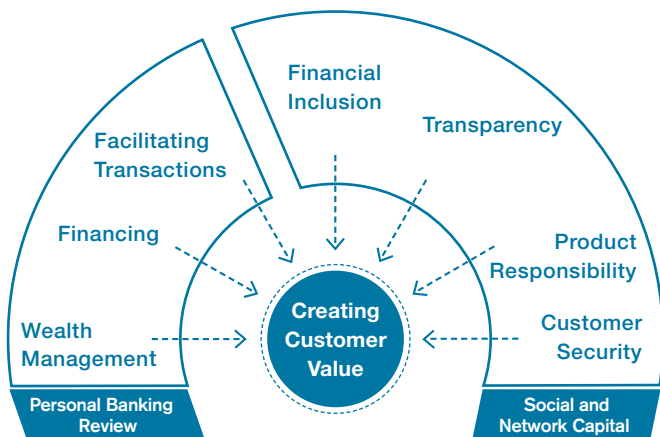
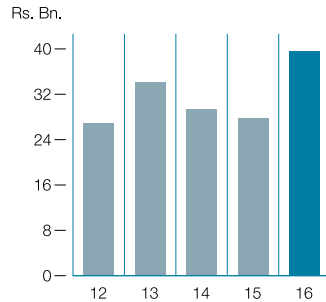


Figure 8

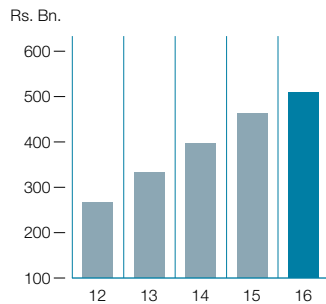
As the 'Personal Banking' and 'Corporate Banking' reviews (Pages 82 to 93) provides sufficient insights into how we support the wealth management and financing needs of customers, this segment covers other aspects.

### Interest Paid to Depositors



Graph 15

### Loans Disbursed



Graph 16

### Financial Inclusion

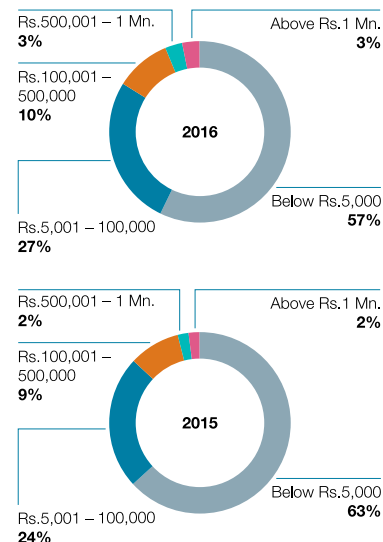
Our Customer penetration rate of 12% outside the principle province is testimony to the progress made in financial inclusion, supported by a growing network of touchpoints comprising 255 branches and

657 ATMs in Sri Lanka. The distribution of our deposits portfolio (Graph 17) and the growth of our targeted deposit products for women (*Anagi* savings accounts), micro entrepreneurs and small scale farmers (*Divsuru* savings accounts) and senior citizens (*Udara* savings/fixed deposit accounts) (Graph 18) provide testimony to our efforts to engage them in the country's socio-economic progress.

Some of our other efforts in empowering customers to conduct their own banking transactions include:

- Expanding the number of branches equipped with wheel-chair ramps by 31 during the year – bringing the total of such branches to 161 (58% of our branches);
- Facilitating customers with the choice of operating our ATMs in their preferred choice of language (Sinhala/Tamil/English/Bengali in the case of ATMs in Bangladesh); and
- Facilitating the visually impaired customers to enlarge text on our online banking platform.

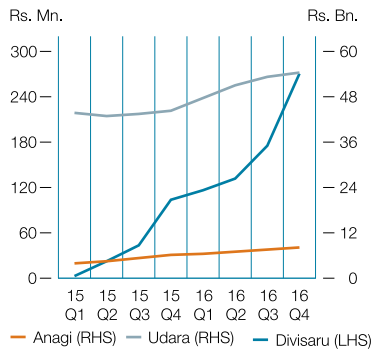
### Deposits Distribution



Graph 17



### Growth of Specialised Deposit Products



Graph 18

### Transparency of Product and Services

Our policies and procedures are developed and monitored to ensure that there is transparency in our fees and charges and customers clearly understand the terms and conditions of the financial products used by them. The staff is trained to explain the products to our customers in their preferred choice of language, using flyers that can be retained by customers, which contain information regarding features of the products and their terms and conditions. Additionally, our corporate website publishes deposit rates, lending rates, exchange rates and tariffs and charges and customers can obtain further clarifications from our Information Centre or any branch. A Complaints and Grievances procedure is also set out on the website and also displayed at branches including contact details of officials of the Bank and the Financial Ombudsman who can also be applied to in the event efforts made by the Bank prove unsatisfactory to the client.

### Product Responsibility

Product Development Committee comprising Key Management Personnel from various disciplines of the Bank ensures that all new products and services along with any changes to our current offerings conform to the applicable laws and regulations and reflect ethical practices.

### Responsible Lending

In keeping with our values, we encourage customers to be conservative in managing their wealth while catering to a wide range of risk appetites suited to their unique circumstances. In keeping with this philosophy, we focus marketing efforts on products that create wealth for our customers such as home loans and business loans and discourage consumption based lending. Our front line employees are trained to understand customer needs and proffer advice accordingly in keeping with our Code of Ethics.

We also screen 100% of business loans and industrial loans to ensure compliance with the Bank's Social & Environmental Management Systems (SEMS) policy facilitating compliance with the country's environmental and labour regulations and educating customers on the benefits of compliance. SEMS framework is more fully explained on page 78.

### Securing Customer Information

Security and privacy are key concerns of customers and consequently are priorities for the Bank. While it is regulated by the Banking Act and subsequent directions issued by CBSL in this regard, the Bank seeks to ensure that measures taken go well beyond mere compliance to meet the foreseeable threats in this rapidly evolving aspect.

Commercial Bank has been the industry leader in customer protection in compliance with the ISO 27001:2013 certifications for the past six years and we go beyond these requirements in ensuring the robustness and security of our technology platforms, through continued research and investment.

The Bank upgraded its ATM network in Sri Lanka to EMV chip capability, significantly enhancing security against fraud by conforming to the EMV standards of various card brands that are accepted by the Bank's ATMs, becoming the first ATM network in the country to be secured with the EMV capability.

The disaster recovery data centre akin to the live data centre is tested on regular basis through well structured and co-ordinated drills to warrant its reliance in the event of a disaster thereby ensuring the continuity of our services to the customers. Outcome of the drills is reported to the CBSL and where shortcomings are observed necessary corrective action is taken to avoid repetition of such lapses.

Other measures taken by the Bank in this regard include:

- All employees take an oath of secrecy
- Specific restrictions on disclosure of account information to third parties
- Investments in securing customers online privacy and protection
- Regular compliance reviews and audits
- Certification on specific aspects benchmarking international best practice

### Safeguarding Customer Confidence

The Bank's Code of Ethics specifies the Bank's zero tolerance policy on corruption, safeguarding customer confidence in the Bank. Provisions of the Code are reinforced by the Inspection Department which carries out onsite audits and online surveillance, adopting a risk based approach to determine the scope and frequency of audits for strategic business units.

The Bank's Know Your Customer policies and processes are designed to prevent and detect unlawful activity including money laundering. Additionally, transactions are centrally monitored by the Bank's Anti Money Laundering Unit headed by the Compliance Officer and alerts are promptly reported to the Finance Intelligence Unit of the CBSL.

### Financial Literacy and Capacity Building

We support the growth of our SME customers by identifying their needs and potential and providing services such as capacity building programmes and building their financial literacy to enrich their knowledge. Commenced in the latter part of 2011, the capacity building programmes conducted by the Bank for the benefit of the SME's known as 'Diribala Viyapara Pubuduwa' is intended for continuous training of SMEs. External bodies that provide specialised skills are identified by the Bank using our substantial social networks to partner in delivery of these programmes. The Bank has conducted 59 programmes benefiting over 5,200 entrepreneurs since the commencement of conducting capacity building programmes. During the year, the Bank conducted its first dedicated programme targeting women entrepreneurs, with over 100 women attending the programme.

The Bank also carries out a series of entrepreneurship development programmes to improve financial literacy and entrepreneurship development amongst entrepreneurs of SMEs and Micro enterprises. We pioneered in initiating these programmes in collaboration with the Central Bank.

During the year, seven programmes under these initiatives were conducted benefiting 873 entrepreneurs.



The first Diribala Viyapara Pubuduwa programme held targeting the women entrepreneurs in Matara District

### Creating Value to Business Partners

Our business partners facilitate the smooth operations of our business, providing technology platforms, market access and necessary materials and other services. Our approach is to develop win-win relationships that enable us to grow together based on a common understanding of values that underpin our transactions. During the year, we have made payments of Rs. 5.776 Bn. to our business partners and engaged in a constructive manner, facilitating their growth, with over 90% of value created for local suppliers.

The level of dependency on our business partners to support our operations varies significantly from being critical to ad hoc and can be broadly categorised as depicted below:



Figure 9

### Our Approach

Established processes in place to ensure dealings with business partners are fair and apparent to meet our business needs without compromising agreed deliverables and the Bank’s Code of Ethics. The review processes include a thorough technical review including social and environment aspects and a detail financial review. Areas of concern on social and environment aspects are addressed in ongoing dialogues and reviews. Commencing with the issue of a Request for Proposal (RFP) on internal approval of the business case, the procurement process ensure ongoing evaluation of our business partners to maintain standards in line with our evolving business needs as set in Figure 10.

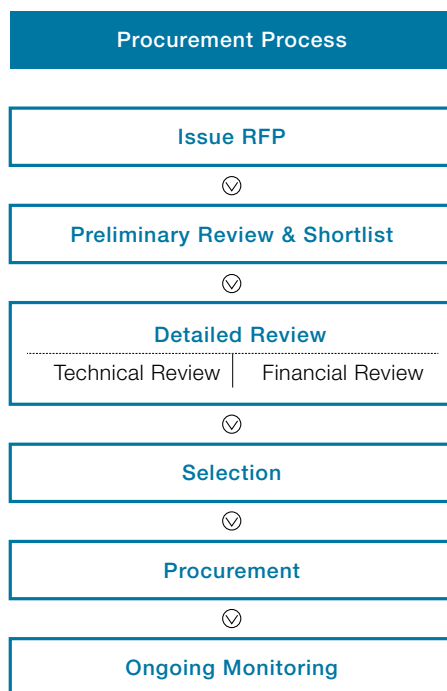


Figure 10

The RFP issued to potential suppliers include the following requirements:

- Compliance with Environmental Standards
  - Restriction of Hazardous Substances (RoHS) directive
  - Energy star rating
- Adherence to software piracy regulations
- Adherence to the 10th Principle of the UNGC
- Adoption of health and safety standards for suppliers with workers at risk of injury or disease
- Supplier Human Rights Assessment

Non-adherence to these requirements results in disqualification from the selection process and lead to the supplier being removed from the registered suppliers’ list. Regular dialogue ensures that areas of concern are identified and resolved wherever possible. Exit clauses in contracts ensure that the Bank is able to terminate the relationships in extreme cases where material issues remain unresolved.

### Extending Our Reach

Our network of correspondent banks comprises some of the world’s largest financial institutions with some relationships spanning over 25 years. (See page 440 for a complete list of our correspondent banks). It is supplemented by our Franchise partners include MasterCard, Visa, China UnionPay and Discover who provide connectivity to global payment platforms facilitating trade, tourism and overseas travel. A growing network of Exchange houses and agents facilitate remittances to and from Sri Lankans and Bangladeshi citizens working overseas enabling us to be among market leaders in this business segment.

All partners are subject to due diligence reviews in accordance with defined criteria. Additionally, relationships are formalised with detailed agreements defining mutual obligations and performance is monitored by both parties to ensure compliance with agreed terms and conditions.

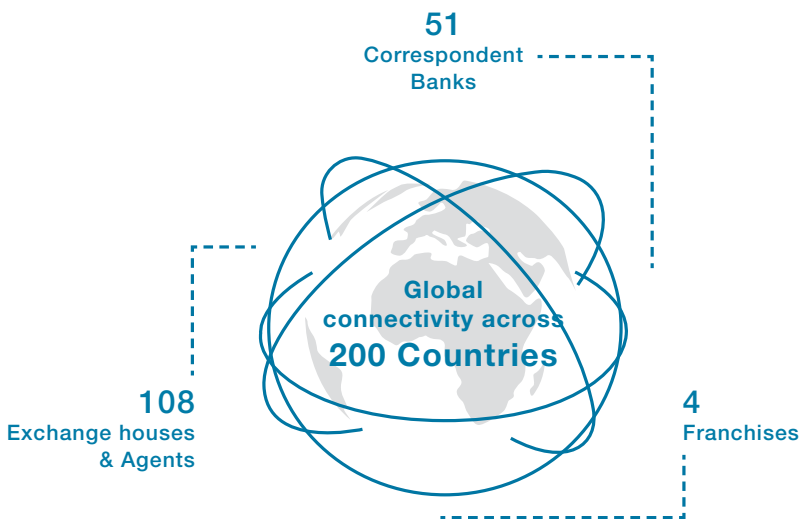


Figure 11

### Critical to Operations

These are suppliers whose services are used frequently and are required for business continuity. They include electricity, telecommunication, transport and materials suppliers including those for standby arrangements with whom we have long relationships with. When acquiring these services we look to ensure that our ethics are adhered to such as emissions and health and safety of their workers and compliance with relevant regulatory requirements in this regard.

### Ongoing Support

We engage with these suppliers frequently as they provide services that are necessary for the smooth running of our day-to-day business covering a wide range of services. They also range from large corporates to SME's and individuals. Sustainability challenges identified in this segment are given below:

| Business Partner/Material Aspect  |
|---|
| <b>Maintenance</b><br>Labour Practices<br>Health & Safety of Workers<br>Effluents & Waste         |
| <b>Human Resource Providers</b><br>Labour Practices<br>Human Rights<br>Health & Safety of Workers |
| <b>Waste Management</b><br>Effluents and Waste  |

Figure 12

Registered suppliers in this segment are subject to ongoing monitoring with a regular dialogue enabling discussion on areas of concern. We work with them to resolve identified issues and to encourage adoption of best practices. Compliance with all applicable regulation is strictly enforced requirement across all supplier segments.

### Ensuring the well-being of Our Outsourced Staff

Identified non-critical functions are outsourced to reputable agencies that meet our rigorous selection criteria. A well-documented screening process that is fully compliant with CBSL directions ensures that areas of concern identified by the Bank are subject to high levels of scrutiny. Concerns common to all outsourced firms include:

- compliance with labour laws,
- ensuring preservation of human rights,
- minimum pay,
- timely payments, and
- payment of statutory levies
- payment of social security contributions
- sufficient leave,
- reasonable working hours and
- that there is no forced or child labour.

The Human Resources Department of the Bank is responsible for screening outsourced agencies for logistical reasons and the specialised knowledge enabling guidance towards adopting increasingly higher standards in this regard. The Bank's Internal Audit provides assurance on the functioning of processes in this regard.

### Non-Routine Engagements

These suppliers range from large scale corporates to micro entrepreneurs. Suppliers in this category are less rigorously monitored for social and environmental concerns except for contractors where we work together with them to ensure the health and safety of their workers engaged in working in our premises.

### Supporting Policy Formulation

The Bank is a member of the following organisations that support policy formulation by identifying areas of concern for the economy and undertaking studies and analysis to support recommendations made to policy makers

- Sri Lanka Bank's Association
- Institute of Bankers, Sri Lanka
- Ceylon Chamber of Commerce
- National Chamber of Commerce
- Association of Banking Sector Risk Professionals, Sri Lanka
- The Association of Compliance Officers of Banks, Sri Lanka

### Building Sustainable Communities

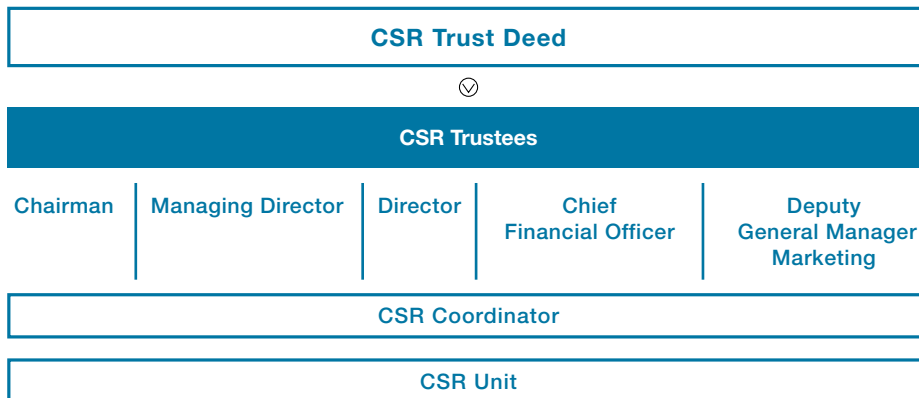
The Bank invests in the communities we operate in, to empower people and support their development as part of our normal business and also through targeted CSR projects. A CSR Trust Fund has been set-up for the purpose with allocations of up to 1% of the Bank’s post tax profits to engage in activities which are completely altruistic and have no expectation of a financial return to the Bank.



◉ Figure 13

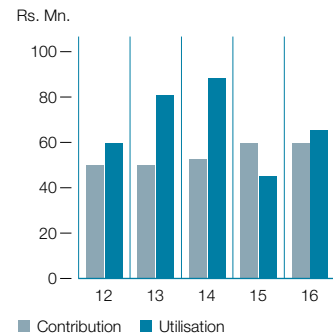
### CSR Trust Fund

The Bank’s CSR projects are streamlined to bring meaningful outcomes by the establishment of the CSR Trust in 2004. The Trust Deed clearly sets out the objectives, powers of the Trustees, eligibility criteria and the Bank pledges to transfer up to 1% of its post tax profit annually for identified projects. Formal structures and processes are in place for governance of CSR Trust activities and a combination of cross departmental teams and dedicated resources are responsible for operationalising its vision (Figure 14). Strong commitment from the top management is a key driving force giving impetus for positive action. Formal communication lines have also been established facilitating participation by all strategic business units and maximising impact. The Bank’s contributions to the CSR Trust fund and their utilisation over the past decade totals to Rs. 453.86 Mn. and Rs. 369.07 Mn. respectively (Graph 19).



◉ Figure 14

### CSR Trust Fund – Contribution and Utilisation



◉ Graph 19

We strongly believe that in order to develop societies, facilitating access to knowledge for all is key and accordingly our CSR initiatives are focused on education. Over 69% of funds is utilised in this segment which reflects our passion for empowering people through education. Our initiatives mainly focuses on IT knowledge amongst the younger school-going generation of the country whilst secondarily we focus on developing their English and Maths skills to capacitate them to face a tech-savvy and competitive workforce and entrepreneurs in the future.

Healthcare received 17% of funds supplementing facilities at Government hospitals and other healthcare institutions.

Disaster relief and preservation of cultural heritage also received regular contributions. Apart from the key focus areas of the Trust each region has been allocated budgets to engage in projects that are relevant to their localities.

Our staff volunteer their service to benefit the causes championed by the Bank. Costs of the CSR unit staff who are engaged solely on CSR Trust activities are not included in the cost of the contributions.



Spending of CSR Trust Fund in 2016

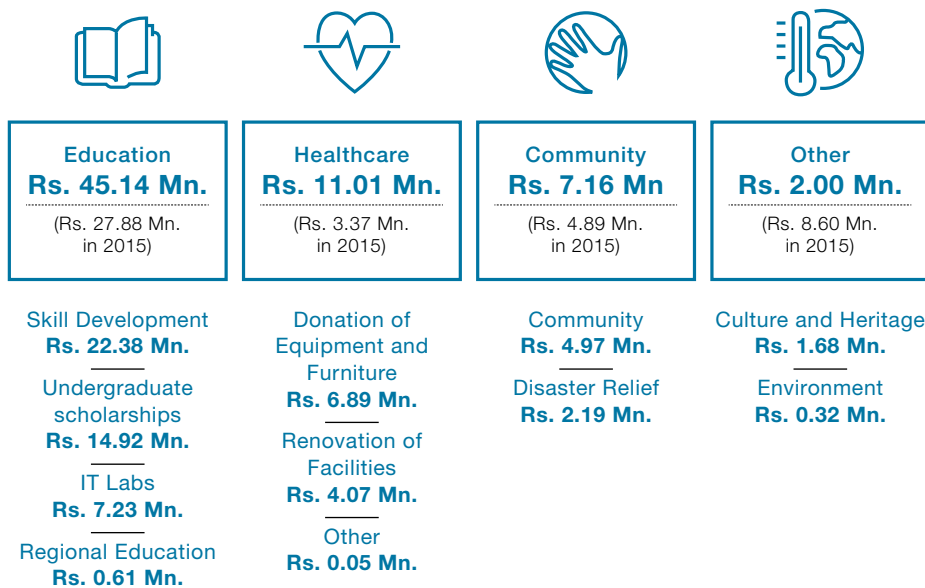
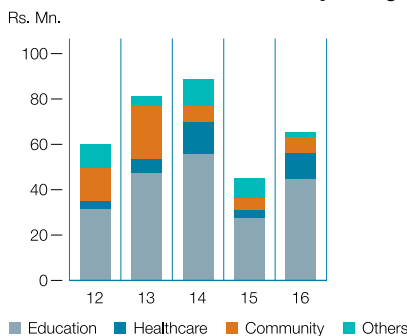


Figure 15

Utilisation of CSR Trust Fund by Category



Graph 20

Education

In 2016, 69% of the funds amounting to Rs. 45.14 Mn. were utilised in ICT – online education, scholarships and other worthy educational projects.

ICT – Online Education

The focus of the initial phase of IT labs programme was to raise computer literacy levels among students on a mass scale as it enhances their employability and access to knowledge. To date we have donated 172 fully equipped computer labs to schools across the country as part of this initiative. During the year Rs. 7.23 Mn. was invested in six IT labs.

As part of the Bank’s extensive commitments to promote education, a new initiative to raise averages for pass levels in key subjects in the GCE (A/L) and GCE (O/L) was introduced under the ‘Sipnena’ educational web platform of the CSR Trust with a view to promote online education.

‘Sipnena’ e-learning Platform

The CSR Trust in collaboration with Headstart (Pvt) Ltd., the company that owns the Guru.lk educational website, commenced the development of web based curricular in four GCE (A/L) subjects: Physics, Chemistry, Biology and Combined Math and three GCE (O/L) – Grade 10 subjects: Maths, Science and English in early 2016 with a view to make an improvement in the pass rates at the respective examinations and thereby promoting the job oriented education in Sri Lanka. By the end of the year all four GCE (A/L) subjects and approximately 80% of GCE (O/L) – Grade 10 subjects were completed and hosted in the ‘Sipnena’ website. In addition to the said contents, many other subjects including GCE (O/L) – Grade 11 Maths, Science and English and a few special learning video clips developed by Guru.lk also could be accessed by any ‘sipnena’ users free of

charge. Four Training Programmes were carried out for GCE (A/L) Maths and Science teachers in the Western Province by resource persons from Headstart (Pvt) Ltd. with the supervision of Director of Education – Western Province and its respective Directors for Maths and Science subjects with a view to familiarising the teachers as to how they could use e-content of ‘Sipnena’ in their day-to-day lessons at the class room. A total of 244 teachers participated in the above training programmes. As at end of the year, over 44,000 users have been registered for Sipnena e-content. Total expenditure of the project is Rs. 30.29 Mn. Total spent during the year Rs. 18.73 Mn.

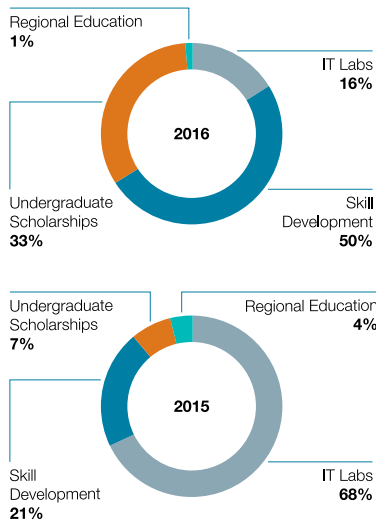
‘Smart Schools’ initiative

In addition to the installation of ‘Sipnena’ e-learning platform, a comprehensive Learning Management System (LMS) was introduced in 15 schools in the Western Province as a pilot project in collaboration with our partners; Headstart (Pvt) Ltd., Microsoft – Sri Lanka and Dialog Axiata under the supervision of the Department of Education – Western Province. The aim of the project was to transform the selected schools into Smart Schools to facilitate the teaching process smart and align with the global trend and standard by boosting teachers’ skills of using innovative teaching methods in teaching process at classrooms.

The teachers and students are provided with login credentials to access the web based curricular in the ‘Sipnena’ site via different login levels and they also be able to contribute innovative ideas and interact with each other to seek solutions to subject-related issues through a forum where other students and teachers are present. Teachers would have a login level that enables them to access resource materials and teaching guides as well as chat with their peers in other schools about teaching methods and subject matter.

The Headstart (Pvt) Ltd. provides needful resources, training, support and guidance to all these schools throughout the project to make this ongoing deployment a success. Total budgeted contribution for the project is Rs. 5.29 Mn.

**Investment Mix in Education**



Graph 21

**Scholarships**

Fifty more undergraduates from seven universities received their scholarships this year under the Bank’s ‘Sarasaviyata Nawa Saviyak’ programme at a ceremony held at the Bank’s Auditorium in Union Place. With this year’s presentation, the total number of undergraduate scholarships granted by Commercial Bank has increased to 350. In addition, 175 laptops have been gifted to scholarship recipients since 2012. With this latest batch 100 undergraduates are presently receiving the scholarship grant as the rest have already completed their degree. From 2016 onwards each scholarship recipient is in receipt of Rs. 50,000 a year, an increase of Rs. 20,000, for the duration of their degree.

Recipients of Commercial Bank’s undergraduate scholarships are chosen with the assistance of the University Grants Commission (UGC). Being ineligible for Mahapola or any other scholarship programme, the number of attempts made at the GCE A/L examination, the number of school-going children in the family, parental income and the distance between the university and the student’s home are some of the factors that are taken into consideration in identifying recipients.

**Laptops for Visually Handicapped Undergraduates**

At the request of ‘Centre for Sight’ unit of the Ophthalmology Department of Teaching Hospital Kandy, the CSR Trust donated 20 laptops to visually handicapped undergraduates from state universities to pursue their tertiary education. Selection of these students was done by the specialist doctors who work in the centre. With the installation of specialised software these students can use the laptops to take down notes and study lecture materials with enlarged e-texts. The CSR Trust has spent Rs. 1.55 Mn. on this project.

**Healthcare**

An anesthesia workstation with ventilator was donated to the newly constructed 3rd cardiac theatre in the Children’s Heart Centre at the Lady Ridgeway Hospital, the only heart centre that provides cardiac surgery for children in Sri Lanka, free of charge. Around 3,000 babies are born each year with heart defects of whom about 2,000–2,500 babies need cardiac surgery during their early years of life. Earlier, only about 1,000 surgeries could be performed per annum and with this new theatre 2-3 more surgeries could be done each day thereby reducing the surgery waiting list by one-third and minimum of 500 more young ones will be able to lead a normal productive life and enjoy their childhood. Rs. 5.21 Mn. was invested on this project.

We also provided financial assistance to renovate and expand the Surgical Intensive Care Unit (SICU) of the General Hospital (Teaching) Kandy. Rs. 3.24 Mn. was invested on this project. The patient turnout is over 350,000 in the Out Patients Department and around 700 to 900 in the surgical intensive care unit annually. The number of beds increased from 7 to 12.

**Community**

Professors Oliver Illeperuma and C.B. Dissanayake were among the first scientists to report a close connection between the quality of drinking water and Chronic Kidney Disease of an unknown origin (CKDu). Observations of a study

conducted by late Mr. Ranjith Mulleriyawa (an agronomist) at a rural agricultural village that has been adversely affected by CKDu points in the same direction. The CSR Trust supported the research by providing the necessary financial support. Research objective was to ascertain the feasibility of preventing or mitigating CKDu by providing clean drinking water through rainwater harvesting to 25 CKDu households. We financed the provision of 5,000 litre capacity water tanks to the target group of 25 families. A full tank is sufficient for a period of 11 months to fulfil the water requirement (drinking and cooking purposes only) of a family of four people. Medical staff attached to Government hospitals monitored the kidney functioning of the focus group with a ‘control’ group of 25 families drawn from the same village, who consume the well water. The results were encouraging with no new cases of affection recording from the families of the focus group by 11 new cases reporting in the control group. After the demise of Mr. Mulleriyawa the cause is now supported by researchers of Wayamba University. The CSR Trust allocated Rs. 7.52 Mn. for the project and Rs. 4.13 Mn. has been disbursed as of the year end.

**Other Projects**

Reconstruction of flight of steps to Sri Pada via Hatton route from ‘Rathu Palama up to Golutenna’, which commenced in May 2014, was completed in January 2016. Cost of materials and daily wages were borne by the CSR Trust. Labour for the project provided by the Civil Security Department attached to Sri Pada at a concessionary rate. Total investment of the project is Rs. 8.56 Mn. and Rs. 1.61 Mn. was disbursed in 2016.

Financial assistance provided to the BioDiversity and Elephant Conservation Trust for the translation and publishing of the book on biodiversity of Sri Lanka which was published in Sinhala medium in 2015 in collaboration with the CSR Trust to be distributed amongst Government schools.

## Our Contribution towards the Sustainable Development Goals



### How we do it

*Micro loans* product helps finance income generation activities and supports upgrading of living conditions, while the *Divisar* savings account is targeted at inculcating the savings habit and financial inclusion.

Enhancing our footprint outside the principle province supporting financial inclusion and alongside a digital banking experience.

As the largest financier of the country's SME sector, we also invest in capacity building through our *Diribala Viyapara Pubuduwa* programme, to support the growth of the sector.

In addition, we participate in three loans schemes operated by the CBSL to enable our customers to benefit from favourable interest rates from these specialised loan schemes.

*(More details on pages 82 to 93 and 54).*

### What we did in 2016

- Rs. 272.914 Bn. disbursements to SME Sector.
- Rs. 6.426 Bn. and Rs. 1.534 Bn. disbursements for agricultural and microfinance sectors, respectively.
- Seven capacity building workshops conducted benefiting 873 participants.
- Customer penetration rate of 12% outside principle province.
- Added two new agriculture and micro finance units.
- Loans to agriculture and fishing sector comprise 10% of our total loans portfolio.
- Launched a dedicated card product to facilitate payments between tea factories and tea small holders.

### How we do it

The Bank has a dedicated unit to monitor illicit financial flows and report to regulatory authorities.

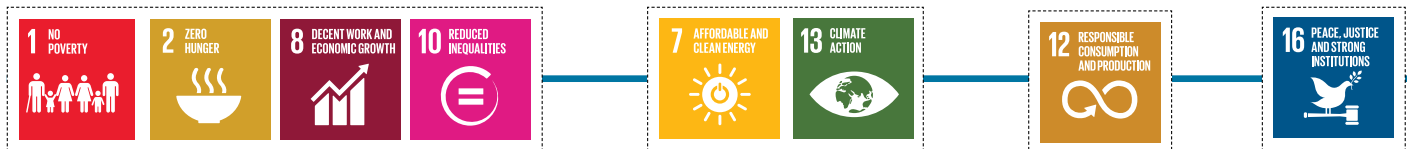
Adopting a policy of 'Know Your Customer'.

Gradually expanding our presence in the post conflict provinces, Northern and Eastern Provinces providing finance to SMEs and facilitating transactions for economic revival.

### What we did in 2016

- A new branch opened in the Eastern Province.
- 15 cases of suspicious transactions reported to the CBSL.

*(More details on page 55).*



### How we do it

The Bank is rolling out a comprehensive programme investing in solar power at its own buildings.

Finances large scale renewable energy generation projects through the Investment Banking Unit and supports SMEs and corporate institutions to invest in renewable energy, waste management and pollution control systems thereby help increase environmental sustainability of those organisations.

### What we did in 2016

- Invested Rs. 23.540 Mn. in solar panels in four branches taking the total investment to Rs. 33.703 Mn. in eight branches.
- Disbursed Rs. 1.049 Bn. for renewable energy projects.
- Reduced energy consumption per branch by 2.83%.

*(More details on page 78).*

### How we do it

Encouraging customers to migrate to paperless transacting channels such as online banking, mobile banking, e-statements and e-passbook reducing paper consumption.

Migrating paper-based processes to digital mediums and where ever possible eliminating unproductive process that rely on paper.

### What we did in 2016

- Launch of e-passbook, with over 250,000 registrations.
- 34% and 70% growth in registered users in online banking and mobile banking, respectively.

*(More details on page 78).*

**How we do it**

Supporting secondary education through developing online solutions for education and providing information technology infrastructure for schools, empowering our next generation through education.

**What we did in 2016**

- Invested Rs. 45 Mn. in education through the Bank's CSR Trust.
- A comprehensive learning management system was introduced in 15 schools.
- Web content development of the GCE (O/L) selected subject completed.
- 50 more undergraduates received scholarships.

(More details on page 59).

**How we do it**

Apart from its primary focus on education, the CSR Trust engages in activities that supports treatment facilities in Government healthcare institution by donating necessary medical equipment. Our efforts under the healthcare pillar of the CSR Trust have benefited thousands of patients and number adds on each day. The CSR Trust also supports provision of clean water and sanitation facilities on selective basis.

**What we did in 2016**

- Donated an anaesthesia workstation with ventilator to the Children's Heart Centre at the Lady Ridgeway Hospital.
- Provided financial support to renovate and expand the Surgical Intensive Care Unit of the Kandy General Hospital.
- Financed 5,000 litre water tanks for 25 families in a rural village tormented by the Chronic Kidney Disease supposedly linked with drinking water.

(More details on page 59).

**How we do it**

The Bank's CSR Trust, on a selective basis engages in activities in conservation of wild life and marine life.

All business loans are screened for SEMS compliance, which ensures the projects finance by us are built and operated in manner that is not harmful to the environment.

**What we did in 2016**

- 7,606 loan proposals were screened for SEMS compliance.



**How we do it**

Bank is a pioneer in adopting sustainable practices in the industry and plays an active role in promoting sustainability practices in the country by contributing to the efforts of the Sri Lanka Banks' Association to formulate a Sustainable Finance Initiative in Sri Lanka in collaboration with 16 other member banks.

Partnering with organisations and Government authorities to rollout initiatives implemented/supported by the Bank's CSR Trust.

**What we did in 2016**

- A comprehensive learning management system was introduced at 15 schools.
- Web content development of the GCE (O/L) selected subject completed.

(More details on page 59).

**How we do it**

Anagi savings account is a targeted product designed to support women and encourage women entrepreneurship. Holders of the Anagi savings accounts are entitled to other benefits such as lower interest rates on loans and special discounts on health packages offered by selected group of hospitals.

**What we did in 2016**

- Held the first capacity building programme with a participation over 100 women entrepreneurs.
- Special discount on health packages was added to list of benefits.

**How we do it**

At present the Bank does not have a dedicated product or process aligned with this goal.