

ANNEX 1: INVESTOR RELATIONS

The Bank is grateful to its loyal investors, particularly those who take a long-term view of their investments in the Bank and are ever willing to provide support at times when the Bank requires capital for business expansion. The Bank is also cognisant of the role investor relations play in this regard.

Irrespective of the method, information is central to effective investor engagement. The communication of relevant and timely information to investors and the broader capital markets enables them to make informed decisions about their current and prospective shares and other securities held at the Bank. The Bank has a strong reputation for being actively engaged with its investors. The Bank's disclosure of information in various publications, in the Annual Report – the main investor communications tool – in particular, goes far beyond the legal and regulatory compliance requirements. Through such disclosures, the Bank aims to help investors obtain a fair understanding of the Bank's current performance, strategic direction, governance, risk management, and future business prospects which have made the Bank's shares a creditable investment proposition. The Bank always attempts to present a balanced view of its fundamentals in terms of operational results, financial position, and cash flows. This is done with the aim of helping them to understand the underlying strengths of the Bank and building positive relationships with the investors.

The Annual General Meeting is an excellent platform to have a two-way communication between the Bank and the investor community. In addition, an Extraordinary General Meeting was held in May 2017 to obtain shareholders' approval for the Rights Issues of Ordinary Shares of Rs. 10 Bn. Further, we have provided an opportunity for investors to provide their feedback to the Bank about this Annual Report through the stakeholder Feedback Form enclosed to this Annual Report. We urge investors to make use of these opportunities and indicate their views and any concerns on any aspects relevant to the future prospects of the Bank which, among other things, may include strategic direction, quality of management, and governance. We value such inputs and will use them when formulating strategy for long-term value creation.

The Bank always aspires to put in place international best practices to investor relations since a healthy dialogue with this important stakeholder group helps the Bank in many ways. Examples include reinforcing good policies and practices such as accountability and good governance within the Bank, and building an active market and a fair valuation for the Bank's shares. These actions all lead to strengthen the trust and confidence of investors further. The effectiveness of the Bank's investor engagement efforts – through sharing relevant information about its current performance and future prospects – is evident when the Bank's shares are trading at a premium to their book value at the Colombo Stock Exchange (CSE) (Price to book value of 1.26 times as at December 31, 2017, the highest among the players in the Bank, Finance and Insurance sector).

The Bank is aware that its website is now the first port of call for most stakeholders who want to learn more about the Bank. Accordingly, the Bank makes all effort to keep it (including the investor relations pages thereof) up to date at all times.

This Report provides relevant information to facilitate an informed and constructive discussion at the forthcoming Annual General Meeting.

With a public holding (free float) of 99.71% in voting shares and 89.66% in non-voting shares against the regulatory minimum of 10%, the Bank's shares are actively traded in the CSE, providing a ready "enter and exit" mechanism for investors. The following pages of the Report provide information on the performance of the Bank's listed securities.

1. Our Listed Securities

The Bank's ordinary shares are listed on the Main Board of the Colombo Stock Exchange (CSE) under the ticker symbol 'COMB'. All debentures issued are also listed on the CSE.

Most daily newspapers, including the Daily News, Daily FT, The Island and Daily Mirror carry a summary of trading activity and daily prices of shares and debentures within their pages using the abbreviation of Commercial Bank or COMB (Table 26).

Summary of trading activity

Table – 26

Security type	Number in issue as at		Stock symbol
	31.12.2017	31.12.2016	
Equity			
Ordinary Shares – Voting	931,971,691	833,521,887	COMB-N0000
Ordinary Shares – Non-voting	63,927,611	57,212,653	COMB-X0000
Debt			
Fixed Rate Debentures March 2016/21	44,303,400	44,303,400	COMB-BD-08/03/21- C2341-10.75%
Fixed Rate Debentures March 2016/26	17,490,900	17,490,900	COMB-BD-08/03/26- C2342-11.25%
Fixed Rate Debentures October 2016/21	50,718,000	50,718,000	COMB-BD-27/10/21- C2360-12.00%
Fixed Rate Debentures October 2016/26	19,282,000	19,282,000	COMB-BD-27/10/26- C2359-12.25%
NewsWire Codes			
Bloomberg			
Dow Jones			
Reuters			

Share price trend over last five years

Table – 27

	2017	2016	2015	2014	2013
Ordinary shares – Voting					
Highest price (Rs.)	150.00	151.90	194.00	179.90	126.00
Lowest price (Rs.)	128.50	115.00	139.90	113.50	103.20
Last traded price (Rs.)	135.80	145.00	140.20	171.00	120.40
Ordinary shares – Non-voting					
Highest price (Rs.)	118.50	123.00	149.00	125.50	102.00
Lowest price (Rs.)	102.30	101.50	122.10	91.30	87.00
Last traded price (Rs.)	105.00	115.00	123.00	125.10	93.00

Sustainable value for investors
Ordinary shares – Voting

Table – 29

Ordinary shares – Voting	2017 Rs.	2016 Rs.
Highest price		
(31.10.2017)	150.00	
(07.11.2016)		151.90
Lowest price		
(30.03.2017)	128.50	
(09.03.2016)		115.00
Year-end price	135.80	145.00

2. Performance of Securities and Returns to Shareholders

Market exhibited a stronger investor appetite during the year compared to the previous year with both turnover and volume of shares traded recording significant increases. ASPI and S&P SL 20 indices gained 6.85% and 12.30% up to October, but lost part of the gains in November and December and ended the year with only 2.26% and 5.01% gains, respectively. Rising interest rates and inflation during the year also played a part resulting in a market performance that was less than expected. Domestic and foreign activity maintained its upward trajectory with respective turnovers growing by 14.23% and 39.03%. Foreign companies were net purchasers, while local companies and foreign and local individuals were net sellers. The Bank, Finance and Insurance sector also reflected a positive 5.07% trend during the year.

The market price of an ordinary voting share of the Bank decreased by 6.34% from Rs. 145.00 at the end of 2016 to Rs. 135.80 at the end of 2017 (Table 29). The Bank maintained its policy of issuing scrip dividends and continued with its employee share option plan. Further, the Bank raised Rs. 10 Bn. via a rights issue of Ordinary Shares in the proportion of 1:10 in June 2017. As a result there was an increase in the number of shares in issue in both categories (Please refer Section 3 on page 337). Market capitalisation for both voting and non-voting shares in turn increased from Rs. 127,440 Bn. (USD 851.019 Mn.) in 2016 to Rs. 133,274 Bn. (USD 867.670 Mn.) in 2017 accounting for 4.6% of the total market capitalisation.

During most of 2017, the movement of the non-voting share price followed the trend of the voting shares.

Market capitalisation

Table – 28

Year	Rs. Bn.	USD Mn.
2017	133,274	867,670
2016	127,440	851,019

Share price trend – Voting

Graph – 73



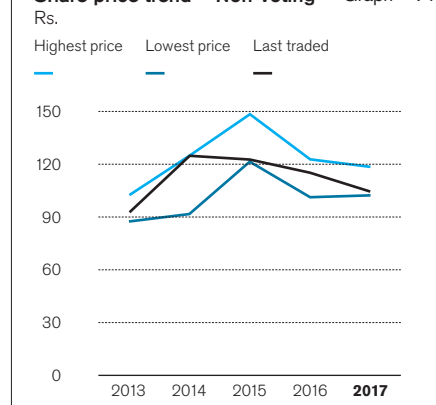
Ordinary shares – Non-voting

Table – 30

Ordinary Shares – Non-Voting	2017 Rs.	2016 Rs.
Highest price		
(16.05.2017)	118.50	
(04.01.2016)		123.00
Lowest price		
(31.03.2017)	102.30	
(09.03.2016)		101.50
Year end price	105.00	115.00

Share price trend – Non-voting

Graph – 74

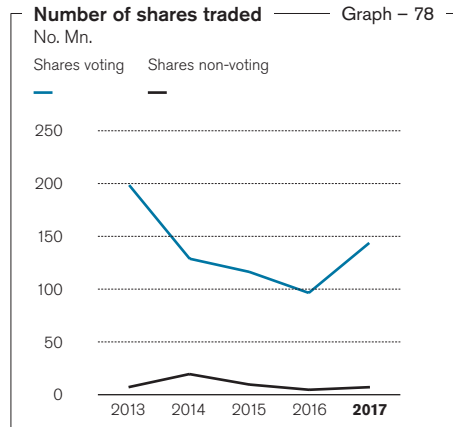
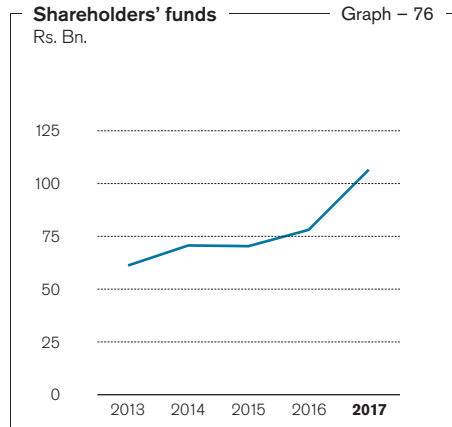
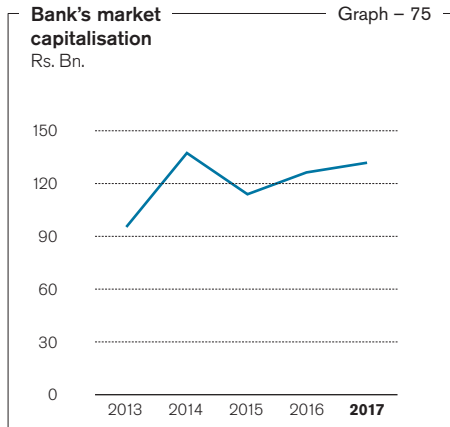


Information on shareholders' funds and Bank's market capitalisation

Table – 31

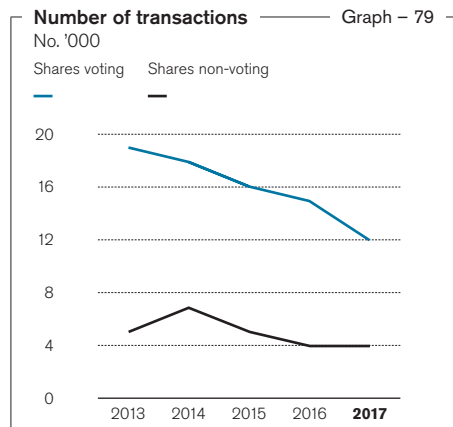
As at December 31,	Shareholders' funds	Commercial Bank's market capitalisation(*)	Total market capitalisation of the CSE	Market capitalisation as a % of CSE market capitalisation	Market capitalisation ranking
	Rs. Bn.	Rs. Bn.	Rs. Bn.	%	Rank
2017(*)	107	133	2,899	4.60	4
2016	78	127	2,745	4.64	3
2015	70	115	2,938	3.92	3
2014	71	139	3,105	4.46	3
2013	61	96	2,286	4.18	4

(*) Market capitalisation as at December 31, 2017 includes both voting and non-voting shares.



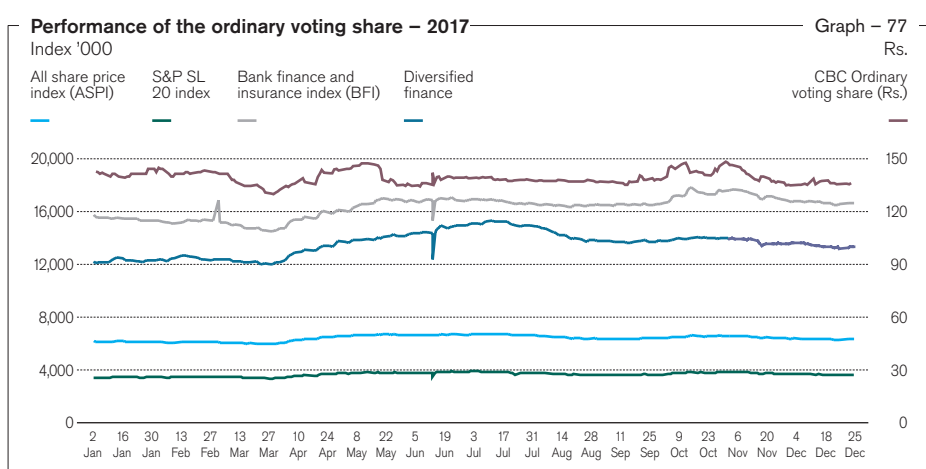
Number of transactions (No. '000) — Table – 32

	2017	2016	2015	2014	2013
Shares voting	12	15	16	18	19
Shares non-voting	4	4	5	7	5



Number of shares traded (No. Mn.) — Table – 33

	2017	2016	2015	2014	2013
Shares voting	144	96	117	129	199
Shares non-voting	7	5	10	20	7



With many investors adopting a holding strategy on the stock in view of its performance, an upward trajectory was recorded in the number of shares traded in both voting and non-voting shares during the year (Graph 78). There was, however sustained interest in the shares as reflected in the number of transactions in ordinary voting shares (Graph 79) which was similar to their performance in 2016 (Table 33).

Despite there being a marginal drop in the share price during 2017, the market price of Bank's ordinary voting shares grew by approximately 13% over the past five years.

3. Information on Movement in Number of Shares Represented by the Stated Capital (As per Rule No. 7.6 (ix) of the Listing Rules of the CSE)

Year	Details		Basis	No. of shares issued/ (redeemed)	No. of shares			
					Ordinary shares voting	Ordinary shares Non-voting	Cumulative redeemable preference shares	
1987	As at December 31, 1987				3,000,000	–	–	
1988	Bonus Issue	Voting	2 for 3	2,000,000	5,000,000	–	–	
1990	Bonus Issue	Voting	1 for 1	5,000,000	10,000,000	–	–	
1993	Rights Issue	Voting	1 for 4	2,500,000	12,500,000	–	–	
1996	Bonus Issue	Voting	3 for 5	7,500,000	20,000,000	–	–	
	Rights Issue	Voting	1 for 4	5,000,000	25,000,000	–	–	
	Share Swap	Non-Voting		894,275	25,000,000	894,275	–	
	Bonus Issue	Non-Voting	3 for 5	536,565	25,000,000	1,430,840	–	
1998	Rights Issue	Non-Voting	1 for 4	357,710	25,000,000	1,788,550	–	
	Bonus Issue	Voting	3 for 10	7,500,000	32,500,000	1,788,550	–	
2001	Bonus Issue	Non-Voting	3 for 10	536,565	32,500,000	2,325,115	–	
	Bonus Issue	Voting	1 for 5	6,500,000	39,000,000	2,325,115	–	
2003	Bonus Issue	Non-Voting	1 for 5	465,023	39,000,000	2,790,138	–	
	Issue of Cumulative Redeemable Preference Shares			90,655,500	39,000,000	2,790,138	90,655,500	
	Bonus Issue	Voting	1 for 3	13,000,000	52,000,000	2,790,138	90,655,500	
	Rights Issue	Voting	1 for 4	13,000,000	65,000,000	2,790,138	90,655,500	
2004	Bonus Issue	Non-Voting	1 for 3	930,046	65,000,000	3,720,184	90,655,500	
	Rights Issue	Non-Voting	1 for 4	930,046	65,000,000	4,650,230	90,655,500	
	Issue of Cumulative Redeemable Preference Shares			100,000,000	65,000,000	4,650,230	190,655,500	
	ESOP	Voting		29,769	65,029,769	4,650,230	190,655,500	
2005	ESOP	Voting		1,361,591	66,391,360	4,650,230	190,655,500	
	Bonus Issue	Voting	1 for 1	66,389,162	132,780,522	4,650,230	190,655,500	
	Bonus Issue	Non-Voting	1 for 1	4,650,230	132,780,522	9,300,460	190,655,500	
2006	ESOP	Voting		737,742	133,518,264	9,300,460	190,655,500	
	Redemption of Cumulative Redeemable Preference Shares			(90,655,500)	133,518,264	9,300,460	100,000,000	
2007	Rights Issue	Voting	3 for 10	40,288,996	173,807,260	9,300,460	100,000,000	
	Bonus Issue	Voting	1 for 3	58,204,268	232,011,528	9,300,460	100,000,000	
	ESOP	Voting		919,649	232,931,177	9,300,460	100,000,000	
	Rights Issue	Non-Voting	3 for 10	2,790,138	232,931,177	12,090,598	100,000,000	
	Bonus Issue	Non-Voting	1 for 3	4,030,199	232,931,177	16,120,797	100,000,000	
2008	Redemption of Cumulative Redeemable Preference Shares			(100,000,000)	232,931,177	16,120,797	–	
	ESOP	Voting		350,049	233,281,226	16,120,797	–	
2009	ESOP	Voting		540,045	233,821,271	16,120,797	–	
2010	Share Split	Voting	1 for 2	117,402,608	351,223,879	16,120,797	–	
	Share Split	Non-Voting	1 for 2	8,060,398	351,223,879	24,181,195	–	
	ESOP	Voting		2,081,508	353,305,387	24,181,195	–	
2011	Scrip issue for final dividend 2010	Voting	Rs. 2.00 per share	2,277,195	355,582,582	24,181,195	–	
	Scrip issue for final dividend 2010	Non-Voting		255,734	355,582,582	24,436,929	–	
	ESOP	Voting		1,457,645	357,040,227	24,436,929	–	
	Rights Issue	Voting		1 for 14	25,502,433	382,542,660	24,436,929	–
	Rights Issue	Non-Voting		1 for 14	1,745,494	382,542,660	26,182,423	–
	Share Split	Voting		1 for 1	382,542,660	765,085,320	26,182,423	–
	Share Split	Non-Voting		1 for 1	26,182,423	765,085,320	52,364,846	–

Year	Details	Basis	No. of shares issued/ (redeemed)	No. of shares							
				Ordinary shares voting	Ordinary shares Non-voting	Cumulative redeemable preference shares					
2012	Scrip issue for final dividend 2011	Voting	Rs. 2.00 per share	13,587,144	778,672,464	52,364,846	-				
	Scrip issue for final dividend 2011	Non-Voting						1,108,902	778,672,464	53,473,748	-
	ESOP	Voting						1,341,768	780,014,232	53,473,748	-
2013	Scrip issue for final dividend 2012	Voting	Rs. 2.00 per share	13,076,189	793,090,421	53,473,748	-				
	Scrip issue for final dividend 2012	Non-Voting						1,069,474	793,090,421	54,543,222	-
	ESOP	Voting						1,445,398	794,535,819	54,543,222	-
2014	Scrip issue for final dividend 2013	Voting	Rs. 2.00 per share	12,504,344	807,040,163	54,543,222	-				
	Scrip issue for final dividend 2013	Non-Voting						1,036,724	807,040,163	55,579,946	-
	ESOP	Voting						3,237,566	810,277,729	55,579,946	-
2015	Scrip issue for final dividend 2014	Voting	Rs. 2.00 per share	8,118,773	818,396,502	55,579,946	-				
	Scrip issue for final dividend 2014	Non-Voting						719,740	818,396,502	56,299,686	-
	ESOP	Voting						2,170,613	820,567,115	56,299,686	-
2016	Scrip issue for final dividend 2015	Voting	Rs. 2.00 per share	11,818,040	832,385,155	56,299,686	-				
	Scrip issue for final dividend 2015	Non-Voting						912,967	832,385,155	57,212,653	-
	ESOP	Voting						1,136,732	833,521,887	57,212,653	-
2017	Scrip issue for final dividend 2016	Voting	Rs. 2.00 per share	10,521,802	844,043,689	57,212,653	-				
	Scrip issue for final dividend 2016	Non-Voting						903,357	844,043,689	58,116,010	-
	Rights Issue	Voting	1 for 10	84,649,465	928,693,154	58,116,010	-				
	Rights Issue	Non-Voting	1 for 10	5,811,601	928,693,154	63,927,611	-				
	ESOP	Voting		3,278,537	931,971,691	63,927,611	-				

4. Dividends

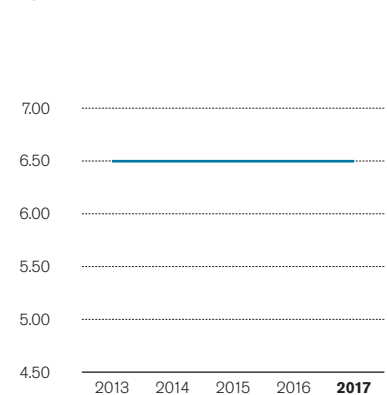
The declaration of a dividend should always ensure that a balance between the shareholders' needs and the business needs of the Bank. For the year under review, the Bank paid two interim dividends totalling to Rs. 4.50 per share in cash. A final dividend of Rs. 2.00 per ordinary share has now been recommended by the Bank's Board of Directors. This will be met in the form of the issue and allotment of new shares for both voting and non-voting shareholders of the Bank for the year ended December 31, 2017. It will be submitted for the approval of the shareholders at the 49th AGM, to be held on March 28, 2018.

(A dividend of Rs. 6.50 per share was declared and paid by the Bank for the year ended December 31, 2016. It consisted of a cash dividend of Rs. 4.50 per share and balance entitlement of Rs. 2.00 per share satisfied in the form of issue and allotment of new shares).

Dividends Table – 34

Dividends	2017	2016
Cash – Rs. per share		
First interim paid	1.50	1.50
Second interim paid	3.00	3.00
Total	4.50	4.50
Scrip – Rs. per share		
Final proposed/allotted	2.00	2.00
Total	6.50	6.50
Dividend payout ratio (%)		
Cash	27.04	27.64
Total (cash and shares)	39.06	39.94

Dividend per share Graph – 80
Rs.



Year	2017	2016	2015	2014	2013
Dividend per share	6.50	6.50	6.50	6.50	6.50

5. Shareholders

The Bank had 9,812 ordinary voting shareholders and 4,320 ordinary non-voting shareholders as at December 31, 2017 compared to 9,610 and 4,191 voting and non-voting shareholders as at December 31, 2016 (Table 35). With two new investors joining ranks, the percentage of ordinary voting shares held by the 20 largest shareholders increased to 71.39% from 66.35% in 2016. A rise was also recorded in the non-voting ordinary shares held by the 20 largest shareholders from 41.14% in 2016 to 45.53% in 2017. Three of the new investors making significant purchases during the year under review were foreign investors (Section 5.3).

	2017	2016
Voting shareholders	9,812	9,610
Non-voting shareholders	4,320	4,191
Total	14,132	13,801

5.1 Composition of Shareholders

	As at December 31, 2017				As at December 31, 2016			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Ordinary shares – voting								
Resident	9,524	97.06	614,635,782	65.95	9,314	96.92	587,487,079	70.48
Non-resident	288	2.94	317,335,909	34.05	296	3.08	246,034,808	29.52
Total	9,812	100.00	931,971,691	100.00	9,610	100.00	833,521,887	100.00
Ordinary shares – non-voting								
Resident	4,243	98.22	47,078,661	73.64	4,107	98.00	43,843,846	76.63
Non-resident	77	1.78	16,848,950	26.36	84	2.00	13,368,807	23.37
Total	4,320	100.00	63,927,611	100.00	4,191	100.00	57,212,653	100.00
Individuals								
Individuals	9,260	94.37	186,657,813	20.03	9,058	94.26	193,603,082	23.23
Institutions	552	5.63	745,313,878	79.97	552	5.74	639,918,805	76.77
Total	9,812	100.00	931,971,691	100.00	9,610	100.00	833,521,887	100.00
Individuals								
Individuals	4,102	94.95	34,197,527	53.49	3,970	94.73	32,320,757	56.49
Institutions	218	5.05	29,730,084	46.51	221	5.27	24,891,896	43.51
Total	4,320	100.00	63,927,611	100.00	4,191	100.00	57,212,653	100.00

5.2 Distribution schedule of the number of holders and percentage of holding in each class of equity securities (As per Rule No. 7.6 (x) of the Listing Rules of the CSE)

	As at December 31, 2017				As at December 31, 2016			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Ordinary Shares Voting								
1 – 1,000	5,003	50.99	1,118,801	0.12	4,827	50.23	1,107,910	0.13
1,001 – 10,000	3,091	31.50	11,273,062	1.21	3,081	32.06	11,064,002	1.33
10,001 – 100,000	1,411	14.38	40,094,004	4.30	1,406	14.63	40,096,730	4.81
100,001 – 1,000,000	233	2.38	65,888,648	7.07	227	2.36	63,821,779	7.66
Over 1,000,000	74	0.75	813,597,176	87.30	69	0.72	717,431,466	86.07
Total	9,812	100.00	931,971,691	100.00	9,610	100.00	833,521,887	100.00
Ordinary Shares Non-Voting								
1 – 1,000	2,349	54.38	557,060	0.87	2,248	53.64	544,686	0.94
1,001 – 10,000	1,354	31.34	4,608,957	7.21	1,354	32.30	4,513,800	7.89
10,001 – 100,000	518	11.99	14,886,791	23.29	492	11.74	13,932,010	24.35
100,001 – 1,000,000	91	2.11	22,204,420	34.74	90	2.15	21,600,494	37.77
Over 1,000,000	8	0.18	21,670,383	33.89	7	0.17	16,621,663	29.05
Total	4,320	100.00	63,927,611	100.00	4,191	100.00	57,212,653	100.00

5.3 The names, number and percentage of shares held by the twenty largest shareholders (As per Rule No. 7.6 (iii) of the Listing Rules of the CSE)

As at December 31, Ordinary shares-voting	2017		2016 (*)	
	No. of shares	%	No. of shares	%
1. DFCC Bank PLC A/C 1	126,930,224	13.62	122,747,994	14.73
2. Employees' Provident Fund	89,933,984	9.65	80,741,135	9.69
3. Mr Y S H I Silva	70,742,605	7.59	82,635,230	9.91
4. Deutsche Bank AG Singapore – DSS A/C NT Asian Discovery Master Fund	53,263,322	5.72	13,929,632	1.67
5. Sri Lanka Insurance Corporation Ltd. – Life Fund	46,620,431	5.00	41,854,996	5.02
6. Melstacorp PLC	41,516,889	4.45	28,295,305	3.39
7. CB NY S/A International Finance Corporation	41,442,164	4.45	37,206,040	4.46
8. Sri Lanka Insurance Corporation Ltd. – General Fund	40,087,155	4.30	35,989,537	4.32
9. Mrs L E M Yaseen	17,008,550	1.83	16,603,339	1.99
10. HSBC International Nominees Ltd. – JPMLU – Franklin Templeton Investment Fund	16,599,478	1.78	14,791,566	1.77
11. BNYMSANV RE-CF Ruffer Absolute Return Fund	16,414,352	1.76	6,336,702	0.76
12. Employee's Trust Fund Board	15,579,452	1.67	10,723,987	1.29
13. HSBC International Nominees Ltd. – JPMCB – T ROWE New Asia Fund	14,990,626	1.61	–	–
14. HSBC International Nominees Ltd. – SSBT – Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	14,181,819	1.52	12,732,186	1.53
15. HSBC International Nominees Ltd. – SSBT – Morgan Stanley Institutional Fund, Inc. – Frontier Emerging Markets Portfolio	13,605,543	1.46	12,998,068	1.56
16. BNYMSANV RE – First State Investments ICVC – Stewart Investors Indian Subcontinent Fund	9,897,978	1.06	8,886,230	1.07
17. HSBC International Nominees Ltd. – SSBT – BMO Investments II (Ireland) Public Limited Company	9,862,752	1.06	8,522,701	1.02
18. HSBC International Nominees Ltd. – JPMLU – T ROWE Price Funds SICAV	9,503,641	1.02	–	–
19. HSBC International Nominees Ltd. – BPSS LUX – Aberdeen Global Asia Pacific Equity Fund	9,444,947	1.01	11,172,854	1.34
20. HSBC International Nominees Ltd. – BP2S London – Aberdeen Asia Smaller Companies Investment Trust	7,734,621	0.83	6,944,006	0.83
Sub total	665,360,533	71.39	553,111,508	66.35
Other shareholders	266,611,158	28.61	280,410,379	33.65
Total	931,971,691	100.00	833,521,887	100.00

* Comparative shareholdings as at December 31, 2016 of the twenty largest shareholders as at December 31, 2017.

Percentage of public holding of voting shares as at December 31, 2017 was 99.71% (99.73% as at December 31, 2016)
(As per Rule No. 7.6 (iv) of the Listing Rules of the CSE).

Number of shareholders representing public holding as at December 31, 2017 – 9,780 (9,578 as at December 31, 2016)
(As per Rule No. 7.13.1 of the Listing Rules of the CSE).

As at December 31, Ordinary shares – non-voting	2017		2016 (*)	
	No. of shares	%	No. of shares	%
1. Citi Bank NY S/A Norges Bank A/C 2	6,428,323	10.06	3,228,072	5.64
2. Employees' Trust Fund Board	4,656,784	7.28	4,167,636	7.28
3. HSBC International Nominees Ltd. – JPMLU – Franklin Templeton Investment Funds	3,866,166	6.05	3,309,627	5.78
4. GF Capital Global Ltd.	1,627,959	2.55	1,591,203	2.78
5. BNYMSANV RE-Butterfield Trust (Bermuda) Ltd.	1,442,008	2.26	1,419,594	2.48
6. CB NY S/A Salient International Dividend Signal Fund	1,323,138	2.07	1,802,572	3.15
7. Mr J D Bandaranayake	1,232,411	1.93	1,102,959	1.93
8. M J F Exports (Pvt) Ltd.	1,093,594	1.71	978,724	1.71
9. Mr M F Hashim	904,832	1.42	800,417	1.40
10. Saboor Chatoor (Pvt) Ltd.	872,800	1.37	781,100	1.37
11. Mrs L V C Samarasinha	750,000	1.17	650,000	1.14
12. Northern Trust Company S/A Polar Capital Funds PLC	718,286	1.12	–	–
13. Akbar Brothers (Pvt) Ltd. A/C No 1	689,509	1.08	576,809	1.01
14. Union Assurance PLC – No – 01A/C	649,979	1.02	581,706	1.02
15. Mr G R Mallawaarachy/Mrs B G P Mallawaarachy	536,072	0.84	479,764	0.84
16. Mr T W A Wickramasinghe	522,000	0.82	436,759	0.76
17. Mr Rahul Gautam	495,200	0.77	145,500	0.25
18. Mr Kirikankanamge Suren Mohanlal De Silva	442,974	0.69	383,468	0.67
19. Mr Amitha Lal Gooneratne	430,409	0.67	358,351	0.63
20. Bank of Ceylon A/C Ceybank Century Growth Fund	416,931	0.65	373,138	0.65
Sub total	29,099,375	45.52	23,167,399	40.49
Other shareholders	34,828,236	54.48	34,045,254	59.51
Total	63,927,611	100.00	57,212,653	100.00

* Comparative shareholdings as at December 31, 2016 of the twenty largest shareholders as at December 31, 2017.

Percentage of public holding of non-voting shares as at December 31, 2017 was 89.66% (99.79% as at December 31, 2016) (As per Rule No. 7.6 (iv) of the Listing Rules of the CSE).

Number of shareholders representing public holding as at December 31, 2017 – 4,309 (4,182 as at December 31, 2016) (As per Rule No. 7.13.1 of the Listing Rules of the CSE).

5.4 Directors' shareholding including the Chief Executive Officer's shareholding (As per Rule No. 7.6 (v) of the Listing Rules of the CSE)

As at December 31,	Ordinary shares – voting		Ordinary shares – non-voting	
	2017	2016	2017	2016
Mr K G D D Dheerasinghe – <i>Chairman</i>	23,567	21,159	Nil	Nil
Mr M P Jayawardena – <i>Deputy Chairman</i>	Nil	Nil	Nil	Nil
Mr J Durairatnam – <i>MD/CEO</i>	616,800	470,770	Nil	Nil
Mr S Swarnajothi	Nil	Nil	10,762	8,738
Mr S Renganathan	319,792	197,647	11,718	10,488
Prof A K W Jayawardane	Nil	Nil	Nil	Nil
Mr K Dharmasiri	Nil	Nil	Nil	Nil
Mr L D Niyangoda	Nil	Nil	Nil	Nil
Ms. N T M S Cooray	Nil	Nil	49,731	Nil
Mr G S Jadeja	Nil	Nil	Nil	Nil
Mr T L B Hurulle (<i>appointed w.e.f. April 5, 2017</i>)	Nil	N/A	Nil	N/A
Justice K Sripavan (<i>appointed w.e.f. April 26, 2017</i>)	Nil	N/A	Nil	N/A

6. Engaging with shareholders

During the year, the Bank has complied with its shareholder communication policy. This policy outlines the various formal channels through which it engages with shareholders. It covers the timely communication of quarterly performance as set out on pages 30 and 31. It also records significant events that may reasonably be expected to impact the share price. (More details are given in Financial Calendar on page 161.)

7. Material foreseeable risk factors

(As per Rule No. 7.6 (VI) of the Listing Rules of the CSE)

Information pertaining to the material foreseeable risk factors, that require disclosures as per the Rule No. 7.6 (vi) of the Listing Rules of the CSE is discussed in the Section on ["Managing Risk: An Overview"] on pages 154 through to 158.

8. Material issues pertaining to employees and industrial relations pertaining to the Bank

(As per Rule No. 7.6 (VII) of the Listing Rules of the CSE)

During the year under review there were no material issues relating to employees and industrial relations pertaining to the Bank which warrant disclosure.

9. Quarterly performance in 2017 compared to 2016

As required by Rule No. 7.4 (a) (i) of the Listing Rules of the CSE, the Bank duly submitted the Interim Financial Statements for the year 2017 to the CSE within applicable statutory deadlines. (The Bank duly complied with this requirement for 2016)

The Audited Income Statement for the year ended December 31, 2017 and the Audited Statement of Financial Position as at December 31, 2017 will be submitted to the CSE within three months from the year end, which is well within the required deadline as required by Rule No. 7.5 (a) of the Listing Rules of the CSE. (The Bank duly complied with this requirement for 2016)

This Annual Report in its entirety is available on the Bank's website (<http://www.combank.lk/newweb/investor-relations>). Shareholders may also elect to receive a hard copy of the Annual Report via mail on request. The Company Secretary of the Bank will respond to individual letters received from shareholders.

Summary of the Income Statements – Group and Bank

	2017					2016				
	1st Quarter March 31	2nd Quarter June 30	3rd Quarter September 30	4th Quarter December 31	Total	1st Quarter March 31	2nd Quarter June 30	3rd Quarter September 30	4th Quarter December 31	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Group										
Net interest income	8,786.8	9,303.0	10,553.9	10,923.6	39,567.3	8,173.1	8,065.6	8,223.6	8,665.9	33,128.2
Net fee and commission income	2,060.9	2,021.5	2,235.5	2,606.5	8,924.4	1,463.0	1,515.6	1,805.5	2,305.1	7,089.2
Other operating income (Net)	845.8	766.2	(56.7)	726.4	2,281.7	1,429.1	496.7	1,080.1	1,174.9	4,180.8
Less: Impairment charges for loans and other losses	251.9	708.7	658.5	606.8	2,225.9	1,000.3	567.7	252.8	(237.5)	1,583.3
Net operating income	11,441.6	11,382.0	12,074.2	13,649.7	48,547.5	10,064.9	9,510.2	10,856.4	12,383.4	42,814.9
Less: Expenses	6,137.0	6,081.9	6,277.8	6,774.1	25,270.8	5,425.7	5,174.7	5,830.6	6,275.8	22,706.8
Operating profit	5,304.6	5,300.1	5,796.4	6,875.6	23,276.7	4,639.2	4,335.5	5,025.8	6,107.6	20,108.1
Add: Share of profits/ (losses) of associates companies	2.2	2.2	0.4	(1.1)	3.7	0.8	1.2	3.8	0.7	6.5
Profit before income tax	5,306.8	5,302.3	5,796.8	6,874.5	23,280.4	4,640.0	4,336.7	5,029.6	6,108.3	20,114.6
Less: Income tax expense	1,493.1	1,461.8	1,677.4	2,021.6	6,653.9	1,376.5	1,083.3	1,351.5	1,836.9	5,648.2
Profit for the period	3,813.7	3,840.5	4,119.4	4,852.9	16,626.5	3,263.5	3,253.4	3,678.1	4,271.4	14,466.4
Quarterly profit as a % of the profit after tax	23.8	23.9	25.7	26.6	100.0	22.6	22.5	25.4	29.5	100.0
Cumulative quarterly profit as a % of the profit after tax	23.8	47.7	73.4	100.0	-	22.6	45.0	70.5	100.0	-
Bank										
Net interest income	8,661.4	9,159.8	10,420.6	10,781.6	39,023.4	8,112.9	7,997.9	8,144.3	8,568.5	32,823.6
Net fees and commission income	2,021.2	1,956.2	2,173.7	2,451.3	8,602.4	1,460.0	1,508.9	1,798.1	2,248.5	7,015.5
Other operating income (Net)	848.5	756.7	(36.2)	821.4	2,390.4	1,405.8	496.6	1,077.6	1,281.4	4,261.4
Less: Impairment charges for loans and other losses	241.7	695.3	557.5	419.8	1,914.3	995.0	551.2	257.4	(273.8)	1,529.8
Net operating income	11,289.4	11,177.4	12,000.6	13,634.5	48,101.9	9,983.7	9,452.2	10,762.6	12,372.2	42,570.7
Less: Expenses	6,067.6	5,974.2	6,193.6	6,683.6	24,919.0	5,404.0	5,136.4	5,770.9	6,208.2	22,519.5
Profit before income tax	5,221.8	5,203.2	5,807.0	6,950.9	23,182.9	4,579.7	4,315.8	4,991.7	6,164.0	20,051.2
Less: Income tax expense	1,446.4	1,438.6	1,672.2	2,044.5	6,601.7	1,345.2	1,062.1	1,328.5	1,802.9	5,538.7
Profit for the period	3,775.4	3,764.6	4,134.8	4,906.4	16,581.2	3,234.5	3,253.7	3,663.2	4,361.1	14,512.5
Quarterly profit as a % of the profit after tax	23.5	23.5	25.8	27.2	100.0	22.3	22.4	25.2	30.1	100.0
Cumulative quarterly profit as a % of the profit after tax	23.5	47.0	72.8	100.0	-	22.3	44.7	69.9	100.0	-

Summary of Statements of Financial Position – Group

As at	2017				2016			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Cash and cash equivalents	31,194.2	38,761.0	27,738.2	34,673.4	26,041.8	33,510.9	26,332.8	32,924.2
Placements with banks	11,332.2	9,332.8	12,378.9	17,633.3	4,301.3	8,426.8	14,061.6	11,718.5
Securities purchased under resale agreements	42.0	42.3	–	–	9,002.0	80.0	350.1	–
Other financial assets – Held for trading	13,090.7	6,283.9	5,246.3	4,410.9	10,539.6	8,670.5	12,085.4	4,987.8
Loans and receivables to banks and other customers	647,472.4	673,890.1	712,704.4	743,084.6	539,906.8	554,878.6	578,642.4	620,753.9
Financial investments – Available for sale	171,489.2	162,538.6	156,345.9	154,913.6	168,306.5	168,810.7	171,516.3	160,092.5
Financial investments – Held to maturity	64,544.4	66,779.0	68,368.3	69,365.8	35,911.1	36,124.7	37,001.2	63,626.6
Financial investments – Loans and receivables	44,850.3	55,418.4	48,205.5	48,712.5	66,464.2	61,741.8	52,060.8	51,824.0
Other assets	73,962.6	82,078.2	79,466.4	83,026.6	66,641.6	61,250.5	65,741.8	75,056.1
Total assets	1,057,978.0	1,095,124.3	1,110,453.9	1,155,820.7	927,114.9	933,494.5	957,792.4	1,020,983.6
Due to banks	52,951.4	58,502.8	45,185.2	60,244.9	39,095.2	36,937.4	33,417.8	71,098.4
Securities sold under resale agreements	78,220.4	77,902.3	59,990.4	49,532.4	115,628.0	95,083.4	87,040.9	69,629.0
Due to other customers/deposits from customers	784,777.9	804,554.5	824,859.9	857,270.0	652,934.5	679,948.2	710,389.5	743,310.6
Other borrowings	9,330.5	8,936.2	24,423.7	23,786.1	9,881.9	9,603.9	9,578.5	9,270.2
Subordinated liabilities	25,273.4	25,142.1	25,370.6	25,165.9	18,541.0	17,957.8	17,979.1	24,849.5
Other liabilities	26,175.1	22,403.6	26,510.6	30,954.7	25,475.6	23,169.4	22,093.6	23,010.5
Shareholders' funds	81,249.3	97,682.8	104,113.5	108,866.7	65,558.7	70,794.4	77,293.0	79,815.4
Total liabilities	1,057,978.0	1,095,124.3	1,110,453.9	1,155,820.7	927,114.9	933,494.5	957,792.4	1,020,983.6
Quarterly growth (%)								
Loans and receivables to banks and other customers	4.30	4.08	5.76	4.26	5.88	2.77	4.28	7.28
Due to other customers/deposits from customers	5.58	2.52	2.52	3.93	4.63	4.14	4.48	4.63
Total assets	3.62	3.51	1.40	4.09	5.09	0.69	2.60	6.60

Summary of Statements of Financial Position – Bank

As at	2017				2016			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Cash and cash equivalents	29,312.5	36,755.5	25,896.0	33,224.6	25,995.1	33,475.1	24,647.9	30,193.6
Placements with banks	11,332.2	9,332.8	12,378.9	17,633.3	4,301.3	8,426.8	14,061.6	11,718.5
Securities purchased under resale agreements	42.0	42.3	–	–	9,002.0	80.0	350.1	–
Other financial assets – Held for trading	13,090.7	6,283.9	5,246.3	4,410.9	10,539.6	8,670.5	12,085.4	4,987.8
Loans and receivables to banks and other customers	642,804.7	669,327.6	708,069.6	738,087.1	537,473.3	551,891.7	575,081.6	616,642.7
Financial investments – Available for sale	171,420.0	162,343.9	156,151.2	154,714.1	168,288.5	168,741.5	171,446.0	160,023.5
Financial investments – Held to maturity	61,627.6	63,317.1	63,567.2	63,562.8	35,911.1	36,124.7	37,001.2	60,981.3
Financial investments – Loans and receivables	44,850.3	55,418.4	48,205.5	48,712.5	66,464.2	61,741.8	52,060.8	51,824.0
Other assets	74,334.1	82,297.3	79,471.0	83,028.5	66,599.5	61,222.2	66,564	75,829.8
Total assets	1,048,814.1	1,085,118.8	1,098,985.7	1,143,373.8	924,574.6	930,374.3	953,298.6	1,012,201.2
Due to banks	49,242.8	54,875.7	41,847.3	57,121.0	37,185.2	34,401.0	30,419.2	67,608.8
Securities sold under resale agreements	78,462.7	78,121.3	60,212.6	49,676.8	115,831.1	95,288.0	87,275.7	69,867.5
Due to other customers/deposit from customers	780,813.0	799,902.4	818,564.4	850,127.5	653,039.5	680,057.5	710,457.9	739,563.5
Other borrowings	9,330.5	8,936.2	24,423.7	23,786.1	9,881.9	9,603.9	9,578.5	9,270.2
Subordinated liabilities	25,273.4	25,142.1	25,370.6	25,165.9	18,526.0	17,942.8	17,979.1	24,849.5
Other liabilities	25,948.7	22,067.4	26,048.1	30,397.1	25,256.2	22,989.7	21,824.8	22,688.0
Shareholders' funds	79,743.0	96,073.7	102,519.0	107,099.4	64,854.7	70,091.4	75,763.4	78,353.7
Total liabilities	1,048,814.1	1,085,118.8	1,098,985.7	1,143,373.8	924,574.6	930,374.3	953,298.6	1,012,201.2
Quarterly Growth (%)								
Loans and receivables to banks and other customers	4.24	4.13	5.79	4.24	5.65	2.68	4.20	7.23
Due to other customers/deposits from customers	5.58	2.44	2.33	3.86	4.64	4.14	4.47	4.10
Total assets	3.62	3.46	1.28	4.04	5.09	0.63	2.46	6.18

10. Debt Securities

The Bank did not issue any debt securities during the year ended December 31, 2017.

10.1 Debenture composition

	Fixed interest rate				Fixed interest rate			
	2017		2016		2017		2016	
Type of issue	Public	Public	Public	Public	Public	Public	Public	Public
Debenture type	Type "A"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"
CSE listing	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed
Issue date	March 2016	March 2016	Oct 2016	Oct 2016	Mar. 2016	Mar. 2016	Oct. 2016	Oct. 2016
Maturity date	March 2021	March 2026	Oct 2021	Oct 2026	Mar. 2021	Mar. 2026	Oct. 2021	Oct. 2026
Interest payable frequency	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Biannually	Biannually	Biannually	Biannually
Offered interest rate	10.75% p.a.	11.25% p.a.	12.00% p.a.	12.25% p.a.	10.75% p.a.	11.25% p.a.	12.00% p.a.	12.25% p.a.
Amount (Rs. Mn.)	4,430.340	1,749.090	5,071.800	1,928.200	4,430.340	1,749.090	5,071.800	1,928.200
Market Values								
– Highest (Rs.)	85.33	Not traded during the year	96.00	Not traded during the year	Not traded during the year	Not traded during the year	Not traded during the year	Not traded during the year
– Lowest (Rs.)	81.40		87.17					
– Year-end (Rs.)	81.40		87.17					
Interest Rates								
– Coupon rate (%)	10.75	11.25	12.00	12.25	10.75	11.25	12.00	12.25
– Effective annual yield (%)	11.04	11.57	12.36	12.63	11.04	11.57	12.36	12.63
Interest rate of comparable Government security	9.70	10.10	9.80	10.10	12.05	12.45	12.15	12.50
Other Ratios as at Date of Last Trade								
– Interest yield (%)	17.96	N/A	15.98	N/A	N/A	N/A	N/A	N/A
– Yield to maturity (%)	17.52	N/A	15.74	N/A	N/A	N/A	N/A	N/A

10.2 Other ratios

	2017	2016
Debt equity ratio (%)	38.61	33.33
Net assets value per share (Rs.)	107.54	87.97
Interest cover (Times)	11.56	14.83
Liquid assets ratio (%) (Minimum 20%)	27.64	27.41

10.3 Credit ratings

- The Bank's credit rating, AA (Ika) was reaffirmed by Fitch Ratings Lanka Ltd. in August 2017.
- The Bank's Bangladesh Operation's credit rating was reaffirmed at AAA by Credit Rating Information Services Ltd. in June 2017.

10.4 Credit ratings – Debentures

- The credit rating of the Bank's Subordinated Debentures affirmed in August 2017 at AA-(Ika) by Fitch Ratings Lanka Ltd.

Compliance report on the contents of Annual Report in terms of the Listing Rules of the CSE

The Bank has fully complied with all applicable requirements of Section 7.6 of the Listing Rules of the CSE on the contents of the Annual Report and Accounts of a listed entity.

For the readers' convenience, the table below provides references to the relevant sections of this Annual Report where specific information is disclosed together with the relevant page numbers.





Rule No.	Disclosure requirement	Section/reference	Page/s
7.6 (i)	Names of persons who held the position of Directors during the financial year	• Annual Report of the Board of Directors	136 – 145
7.6 (ii)	Principal activities of the Bank and its Subsidiaries during the year and any changes therein	• Note 1.3 of the Accounting Policies • Group Structure	173 – 438
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held as at the end of the year	• Item 5.3 of the "Investor Relations"	340
7.6 (iv)	The public holding percentage	• Item 5.3 of the "Investor Relations"	340
7.6 (v)	Directors' and Chief Executive Officer's holding in shares at the beginning and at the end of the financial year	• Item 5.4 of the "Investor Relations" • Annual Report of the Board of Directors	342 136 – 145
7.6 (vi)	Information pertaining to material foreseeable risk factors	• Item 7 of the "Investor Relations"	342
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	• Item 8 of the "Investor Relations"	342
7.6 (viii)	Extents, locations, and valuations of land holdings and investment properties as at the end of the year	• Note 39.5 (a) and (b) to the Financial Statements on "Property, Plant and Equipment"	251 – 256
7.6 (ix)	Number of shares representing the stated capital as at the end of the year	• Note 53 to the Financial Statements on "Stated Capital" • Item 3 of the "Investor Relations"	278 337
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings as at the end of the year	• Item 5.2 of the "Investor Relations"	339

Rule No.	Disclosure requirement	Section/reference	Page/s
7.6 (xi)	Ratios and market price information: <ul style="list-style-type: none"> Equity – Dividend per share, dividend payout ratio, net asset value per share, market value per share Debt – Interest rate of comparable Government Securities, debt/equity ratio, interest cover and quick asset ratio, market prices and yields during the year Any changes in credit rating 	<ul style="list-style-type: none"> Items 4 and 10.2 of the "Investor Relations" Items 10.1 and 10.2 of the "Investor Relations" Items 10.3 and 10.4 of the "Investor Relations" 	<ul style="list-style-type: none"> 338 & 346 346 347
7.6 (xii)	Significant changes in the Bank or its Subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value as at the end of the year	<ul style="list-style-type: none"> Note 39.5 (b) to the Financial Statements on "Property, Plant and Equipment" 	252
7.6 (xiii)	Details of funds raised through Public Issues, Rights Issues and Private Placements during the year	<ul style="list-style-type: none"> Note 53 to the Financial Statements on "Stated Capital" 	278
7.6 (xiv)	Information in respect of Employee Share Option Schemes <ul style="list-style-type: none"> Total number of shares allotted during the financial year, price at which shares were allotted and the details of funding granted to employees (if any) Highest, lowest, and closing price of the share recorded during the financial year 	<ul style="list-style-type: none"> Notes 53.2 and 54 to the Financial Statements on "Employee Share Option Plans" Item 2 of the "Investor Relations" 	<ul style="list-style-type: none"> 279 & 280 335
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 (c) and 7.10.6 (c) of Section 7 of the Listing Rules	<ul style="list-style-type: none"> Not applicable since the Bank received an exemption in terms of Section 7.10 (c) of the Listing Rules 	–
7.6 (xvi)	Disclosures on Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower	<ul style="list-style-type: none"> The Bank did not have any related party transactions exceeding this threshold as at end 2017 	–

ANNEX 2: GOVERNANCE

ANNEX 2.1: COMPLIANCE WITH BANKING ACT DIRECTION

The Banking Act Direction No. 11 of 2007 and subsequent amendments thereto on Corporate Governance for Licensed Commercial Banks in Sri Lanka issued by the Central Bank of Sri Lanka

Section	Principle, compliance, and implementation	Complied
3 (1)	Responsibilities of the Board The Board has strengthened the safety and the soundness of the Bank in the following manner:	
a.	Setting strategic objectives and corporate values The Bank's strategic objectives and corporate values are determined by the Board as set out on page 28. These are communicated to all levels of employees through structured meetings and reinforced monthly at team meetings which review performance <i>vis-à-vis</i> strategic goals. The corporate values are included in the Code of Conduct and Business Ethics which is communicated to all employees in hard copy, via the Bank's intranet, through orientation programmes and reinforced at meetings.	
b.	Approving overall business strategy including risk policy and management The Board provides direction and guidance for preparation of the five year Corporate Strategic Plan from 2017-2021 which was approved by the Board after discussing related issues in detail with the Corporate Management. It is aligned to the overall Risk Strategy of the Bank through involvement of the Independent Risk Management Committee. The risk appetite of the Bank is embedded throughout the corporate plan in allocation of capital, adoption of risk matrix to measure the risk levels and in defining key performance indicators which include both quantitative and qualitative criteria. Additionally, governance and compliance are embedded into the Bank's Risk Management Policy Framework and included in the strategic goals. The Bank's Strategic Plan for 2018-2022 was approved on December 22, 2017 by the Board.	
c.	Risk management The BIRMC is tasked with approving the Bank's Risk Policy, defining the risk appetite, identifying principal risks, setting governance structures and implementing systems to measure, monitor and manage the principal risks. Managing Risk: An Overview on pages 154 to 158 and the Report of the BIRMC on pages 127 and 128 provide further insights on risk management policies and processes of the Bank.	
d.	Communication with all stakeholders The Board has approved and implemented the following communication policies: <ul style="list-style-type: none"> • Shareholders – The Shareholder Communication Policy of the Bank explicitly provides for effective and timely communication to shareholders of material matters and performance. Interim Financial Statements are made available to shareholders within 45 days for the first three quarters and within two months for the last quarter from the end of the relevant quarter and a quarterly press release is issued providing a review of the Bank's performance on a quarterly basis. Performance of the Bank is set out in the Annual Report of the Bank which is circulated to shareholders 15 working days prior to the AGM. The AGM is the key forum for contact with shareholders and the Bank has a history of well attended AGMs where shareholders take an active role in exercising their rights. Additionally, the Investor Relations page on the Bank's website contains the Interim Financial Statements and Annual Reports together with key disclosures on risk management. The Bank also provides information to equity analysts to facilitate high quality information in research reports which are made available to investors by the stockbrokers. • Customers – Customers include <i>inter alia</i> depositors and borrowers. The Bank's Customer Complaint Handling Policy has been printed in all three languages and disseminated to all customer contact points of the Bank. This document outlines the complaints handling policy of the Bank, provides contact numbers of the Bank for this purpose and also of the Financial Ombudsman. There is a 24-hour trilingual customer hotline set up for this purpose and reports are reviewed by the BIRMC. • Staff – Employees and representatives of the trade unions are given unrestricted access to the Management to discuss their concerns. The Deputy General Manager – Human Resource Management coordinates communication between the Board and the employees. 	
e.	Internal control system and management information systems The Board is assisted in this regard by the BAC who reviews the adequacy and the integrity of the Bank's internal control system and management information system. The BAC has reviewed reports from the Internal Audit Department and the External Auditors in carrying out this function and also reviewed management responses on same during the year.	