

We consider a 'stakeholder' to be any person, group or entity that is affected by, or that we expect to be affected by the Bank's activities or their engagement with our organisation. Accordingly, we identify the groups listed below as our key stakeholders, all of whom have an expressed interest in our economic, social and environmental performance:

- Investors (including shareholders and analysts)
- Customers
- Employees (including employee associations)
- Government institutions (including legislators and regulators)
- Suppliers and other business partners
- Society in general
- The natural environment

The governance structure of the Bank demands active engagement with stakeholders to achieve our mission.

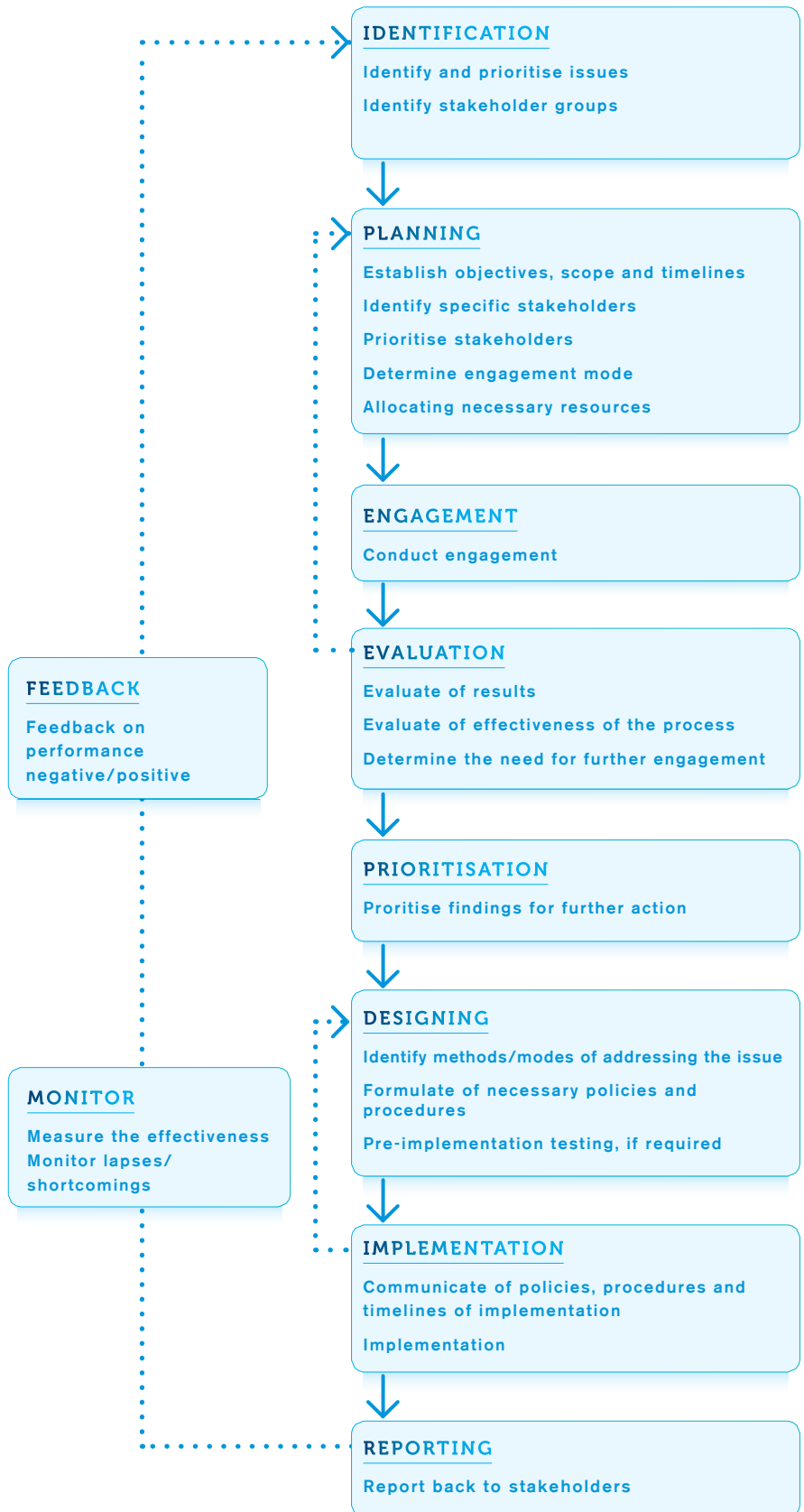
A constructive dialogue with stakeholders helps us to understand their expectations so we can better manage risk, innovation and process improvements. Maintaining an ongoing conversation also helps us to identify current and emerging issues, recognise opportunities to develop new products and services and improve performance while ensuring that our responses are in the best interest of our stakeholders.

Most of the Bank's engagement efforts are conducted in the normal course of business, in day-to-day interactions with customers, suppliers and other stakeholders. We also carry out more structured engagements, as discussed below.

**The Stakeholder Engagement Process**

The process is designed to promote inclusiveness and ensure that any critical concerns are brought swiftly to the attention of the Board of Directors and senior management, prompting effective action. The Bank did not encounter any critical stakeholder concerns during 2014.

The Bank's stakeholder engagement process is explained in the following diagram.



## Stakeholder Engagement

## How We Connect with Stakeholder Groups

Dialogue with the Bank's stakeholders is our primary method of understanding important current and emerging issues. For each of our stakeholder groups, we ensure appropriate engagement mechanisms are in place (as demonstrated in the chart below), so we can better understand their key issues.

## 1. Investors, Including Shareholders and Analysts

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
Annual reports	Annually	<b>Key topics discussed:</b> <ul style="list-style-type: none"> <li>• Interim and annual results</li> <li>• Plans to improve key performance indicators</li> <li>• Business expansion plans, locally and internationally</li> <li>• Liquidity management</li> <li>• Proposals for further enhancing services offered by the Bank</li> <li>• Sustainable growth</li> </ul> <b>Concerns raised:</b> <ul style="list-style-type: none"> <li>• Quality of assets</li> <li>• Sensitivity analysis on interest rates and exchange rates</li> </ul>	Concerns of existing and prospective shareholders are addressed (provided they are not related to commercial secrets) during the engagement process. Transparency, accountability and regular communications are among our top priorities.
Annual general meeting	Annually		
Extraordinary general meetings	As required		
Interim financial statements	Quarterly		
Press conferences and media releases	As required		
Investor presentations	As required		
Announcements made to the Colombo Stock Exchange	As required		
One-to-one discussions	As required		
Participation at road shows	As required		
Corporate website: <a href="http://www.combank.lk">www.combank.lk</a>	Continuous		

## 2. Customers

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
Customer satisfaction survey	Annually	<b>Key topics discussed:</b> <ul style="list-style-type: none"> <li>• Innovation in products and services</li> <li>• Interest rate trends, securities, terms and conditions, etc.</li> <li>• Fees and charges</li> <li>• Branch openings/relocations</li> <li>• Services available through online banking</li> </ul> <b>Concerns raised:</b> <ul style="list-style-type: none"> <li>• Reduction in interest rates on deposits</li> <li>• Customer service lapses</li> <li>• Factors promoting greater customer convenience, including branch layout, availability of a wide range of products and services, well-trained staff, etc.</li> <li>• Amicable resolution of disputes</li> </ul>	<p>Opinions and multiple expectations of customers, gathered through various forms of engagement, are considered in developing new products and services.</p> <p>Prompt communications to all staff through internal circulars – covering interest rates, as well as the terms and conditions that apply to our banking products – equips our employees to better handle a wide variety of customer requests.</p> <p>The Bank conducts annual customer surveys to obtain feedback on satisfaction levels and areas of potential improvement in existing services.</p> <p>Other measures to enhance customer satisfaction include improved information security, responsible marketing communications, innovative and environmentally friendly products and assisting in customers' business development processes.</p> <p>To resolve customer complaints, a member of the Bank's corporate management team has been named the Complaint Resolution Officer as part of the voluntary Financial Ombudsman program established by the Central Bank of Sri Lanka (CBSL).</p>
Touch points	As required		
Relationship managers' engagement with corporate customers	As required		
Complaint Resolution Officer	As required		
Customer workshops	As required		
Media advertisements	As required		
Corporate website: <a href="http://www.combank.lk">www.combank.lk</a>	Continuous		

### 3. Employees, Including Employee Associations

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
Managers' conference	Annually	<p><b>Key topics discussed:</b></p> <ul style="list-style-type: none"> <li>• Collective Agreement 2015–17</li> <li>• Aligning values with corporate culture</li> <li>• Compliance with national regulations</li> <li>• Updates on rules and regulations of the CBSL</li> <li>• Future plans</li> <li>• Diversity and inclusion</li> <li>• Whistle-blowing mechanism</li> </ul> <p><b>Concerns raised:</b></p> <ul style="list-style-type: none"> <li>• Remuneration, including compensation based on performance</li> <li>• Staff welfare measures</li> </ul>	<p>The Bank conducts training and awareness sessions and sends instructions via circulars to increase employee awareness of the latest developments in the industry.</p> <p>The performance-driven culture of the Bank rewards employees based on their achievement of defined targets.</p> <p>The Bank signed a collective agreement with the Ceylon Bank Employees Union before the deadline for concluding negotiations.</p>
Relationship-building with employee associations	Annually		
Special events such as quiz contests, children's parties, staff get-togethers, art and sports events, etc.	Annually		
Regional review meetings	Quarterly		
Internal newsletter - Com Pulse	Quarterly		
Operational updates to staff via email	Daily		
Feedback from cross-functional training programmes	As required		
Negotiations with employees and their associations	As required		
Intranet site of the HR division	Continuous		

### 4. Government Institutions, Including Legislators and Regulators \*

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
On-site surveillance by the CBSL and the Bangladesh Bank	Annually	<p><b>Key topics discussed:</b></p> <ul style="list-style-type: none"> <li>• The CBSL's regulations pertaining to licensed commercial banks</li> <li>• Compliance with codes of best practices on corporate governance</li> <li>• Compliance with anti-money-laundering and know-your-customer requirements</li> <li>• Other government regulations, including tax rules</li> <li>• Factors that affect the well-being of Bank's employees</li> <li>• Mergers and acquisitions</li> <li>• Overseas expansion</li> </ul> <p><b>Concerns raised:</b></p> <ul style="list-style-type: none"> <li>• Access to finance by small and medium-sized enterprises (SMEs)</li> <li>• Consolidation of the financial sector</li> </ul>	<p>The Bank has an ongoing dialogue with regulators. We have put in place systems and procedures to assure regulatory compliance in both letter and spirit, strengthening our relationship with other public and professional institutions.</p>
Directives and circulars	As required		
Filing of returns	Within statutory deadlines		
Consultations	As required		
Press releases	As required		
Meetings	As required		
Official email address: <a href="mailto:info@combank.net">info@combank.net</a>	Continuous		

\* Government institutions include the Central Bank of Sri Lanka (CBSL), Bangladesh Bank, the Department of Inland Revenue, the Ministry of Finance, the Registrar of Companies, the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka, the Ceylon Chamber of Commerce, External Auditors and the Sri Lanka Accounting and Auditing Standards Monitoring Board, as well as professional organisations such as The Institute of Chartered Accountants of Sri Lanka and other Government groups.

Stakeholder Engagement

5. Suppliers and Other Business Partners

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
Supplier relationship management	As required	<p><b>Key topics discussed:</b></p> <ul style="list-style-type: none"> <li>Responsible procurement opportunities offered by the Bank</li> <li>Engagement with a preferred supplier database</li> </ul> <p><b>Concerns raised:</b></p> <ul style="list-style-type: none"> <li>Contractual performance</li> </ul>	<p>The Bank maintains a list of registered suppliers. We encourage an ongoing dialogue to ensure that value is created for both our suppliers and our own business. Reliability and mutual trust are key to building strong relationships.</p>
On-site visits and meetings	As required		

6. Society & Environment

Mode of Engagement	Frequency of Engagement	Key Topics Discussed and Concerns Raised	Methodologies Employed to Respond
Widespread network of delivery channels	Continuous	<p><b>Key topics discussed:</b></p> <ul style="list-style-type: none"> <li>Corporate responsibility initiatives</li> <li>Providing access to fair and affordable banking</li> <li>Community investment</li> <li>Youth-targeted sponsorships</li> <li>Raising the Bank's brand profile internationally through sports and arts</li> <li>Recognition for excellence by various external parties</li> </ul> <p><b>Concerns raised:</b></p> <ul style="list-style-type: none"> <li>Staff recruitment</li> <li>Financial inclusion</li> <li>Micro-financing and SME development</li> </ul>	<p>We contribute to local economic development through the full range of banking activities, from deposit taking and investments to personal lending and commercial finance, delivered via the Bank's nationwide branch and ATM network. Committed to being transparent in our activities, we keep the public informed of our sustainable performance and other relevant developments. We also support local communities and some of the most needy members of society through sponsorship of the CSR Trust Fund, whose initiatives include scholarships for underprivileged students.</p>
Press releases	As required		
Press conferences and media briefing	As required		
Informal briefings and communications	As required		
Communications with the general public	As required		
Public events	As required		
Call centre	Continuous		
Corporate website: <a href="http://www.combank.lk">www.combank.lk</a>	Continuous		