

BOC leads historical breakthrough in Sri Lanka's financial markets



Kavinda de Zoysa, Chairman, BOC and Y.A. Jayathilaka, Acting General Manager/Chief Executive Officer, BOC.

Bank of Ceylon (BOC) successfully closed its inaugural Basel III-compliant Tier II Listed Sustainability Bond on the opening day, following strong investor demand. The issue—the largest sustainability bond issuance in Sri Lanka to date—also marked the first sustainability bond launched by a state-owned bank in the country.

Kavinda de Zoysa, the Chairman, BOC said the landmark issuance reflects investor confidence in the Bank's sustainability journey and its role as a nation-building institution. He noted that BOC remains committed to supporting Sri Lanka's economic revival, self-sufficiency, and global competitiveness while contributing to a more resilient future.

The successful issuance comes amid growing global emphasis on sustainable finance as a driver of economic recovery. Sustainability bonds have emerged as a vital channel for mobilising long-term capital, particularly in the face of fiscal pressures and climate risks. For Sri Lanka—recovering from a severe economic crisis and recurring climate disruptions—such financing is especially relevant. According to the Climate Bonds Initiative, global green, social, and sustainability bond issuance has exceeded USD 1 trillion annually in recent years.

Y. A. Jayathilaka, Acting AGM/CEO, stated that the bond was structured entirely in-house. The Sustainable Finance Framework was developed by the Sustainable Banking Division, while the Investment Banking Division led structuring with support from the Legal Division. The Colombo Stock Exchange facilitated the listing, with technical assistance from the Asian Development Bank. KPMG acted as Independent External Reviewer, People's Bank as Trustee, and the bonds were rated 'AA-' (Stable) by Lanka Rating Agency. Bond proceeds will be allocated to eligible green and social projects aligned with international standards and Sri Lanka's Green Finance Taxonomy, including renewable energy, water and waste management, agriculture, MSMEs, healthcare, education, and infrastructure.

G. A. Jayashantha, DGM noted that the issuance will strengthen BOC's Tier II capital, building on its strong financial performance and capital market track record.