

BOC's International Ratings further upgraded two notches by Fitch

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Fitch Ratings has upgraded the Bank of Ceylon's (BOC) Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) from 'CCC-' to 'CCC+' and raised its Viability Rating (VR) to 'ccc+' from 'ccc-', while maintaining the Short-Term IDR at 'C'.

Fitch credits the successful completion of debt restructuring for reducing sovereign-related stress on Sri Lankan banks, improving BOC's credit profile. The conclusion of sovereign debt restructuring and a focus on increasing private-sector lending are expected to moderate the bank's exposure to sovereign risk.

Additionally, BOC's strong market position and enhanced liquidity profile have contributed to the upgrade, with expectations of improved profitability aligned with restructuring terms. Increased foreign currency funding access will result from the sovereign's regained creditworthiness. Furthermore, better economic conditions are anticipated to enhance asset quality, reducing solvency risk and leading to an upward revision of the bank's capitalization and leverage score.