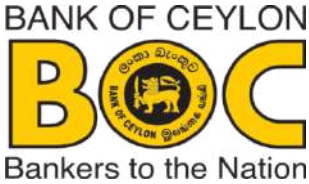
PROSPECTUS

BOC DEBENTURE ISSUE 2023

To be listed on the Colombo Stock Exchange

BANK OF CEYLON
BOC
Bankers to the Nation



Prospectus

ISSUE OF 50,000,000 BASEL III COMPLIANT TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE 5 YEAR DEBENTURES WITH NON-VIABILITY WRITE DOWN FEATURES AT AN ISSUE PRICE OF LKR 100 EACH TO RAISE A SUM OF UP TO SRI LANKAN RUPEES FIVE BILLION (LKR 5,000,000,000/-) WITH AN OPTION TO ISSUE UPTO A FURTHER FIFTY MILLION (50,000,000) OF SAID DEBENTURES TO INCREASE THE SAID SUM BY UP TO A FURTHER SRI LANKAN RUPEES FIVE BILLION (LKR 5,000,000,000/-), AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE
RATED BBB+ (lka) BY FITCH RATINGS LANKA LIMITED

Issue opens on 21st December 2023

ISSUE IS LIMITED FOR 'QUALIFIED INVESTORS' AS DEFINED HEREIN

Managers, Registrars, Bankers, & Lawyers to the Issue
Bank of Ceylon
BOC Square, No 01
Bank of Ceylon Mawatha
Colombo 01
Tel: +94 112394311, +94 112 448348

PROSPECTUS

This Prospectus is dated 12th December 2023.

This Prospectus has been prepared by the Bank of Ceylon (hereinafter sometimes referred to as "BOC "or "the Bank"). BOC and its Directors confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of the Bank have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Bank and making assumptions that are considered to be reasonable at the present point in time in its best judgment.

While BOC has taken reasonable care to ensure full and fair disclosure, it does not assume responsibility for any investment decision made by the Qualified investors based on the information contained herein. In making investment decisions prospective Qualified investors must rely on their own examination and assessments on BOC and the terms of the Issue, including the risks associated.

No dealer, sales person or any other person has been authorized to give any information or to make any representation in connection with the Debentures other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by BOC.

The trustee has given its written consent for the inclusion of its name and its reports/statements in the Prospectus.

This Prospectus has not been registered with any authority within or outside Sri Lanka.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of Bank of Ceylon since the date of this Prospectus. Please refer to the disclosures made by the Bank on the CSE website in respect of any material change in the affairs of the Bank and/or change in credit rating assigned to the debt securities (if any) since the date of this prospectus.

If you are in any doubt regarding the contents of this document or if you require any clarification or advice you may consult your Stockbroker, Bank Manager, Lawyer or any other Professional Advisor in this regard.

THE COLOMBO STOCK EXCHANGE (CSE) HAS TAKEN REASONABLE CARE TO ENSURE FULL AND FAIR DISCLOSURE OF INFORMATION IN THIS PROSPECTUS. HOWEVER, THE CSE ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THE STATEMENTS MADE, OPINIONS EXPRESSED OR REPORTS INCLUDED IN THE PROSPECTUS. MOREOVER, THE CSE DOES NOT REGULATE THE PRICING OF THE DEBENTURE, WHICH IS DECIDED SOLELY BY THE ISSUER.

By acquiring any Debenture, each Debenture Holder irrevocably consents to the principal amount of the Debenture and any accrued unpaid Debenture interest thereon being deemed paid in full by the issuance of Additional Tier 1 bond upon occurrence of a Trigger Event and the resulting Non - Viability write-down mechanism required to be effected by the Bank.

Upon a Non-Viability write-down;
i) The Trustees shall not be required to take any further directions from holders/ beneficial owners of the Debentures under the Trust Deed;
ii) The Trust Deed shall impose no duties upon the Trustee whatsoever with respect to write-off of the Debentures by converting to AT1 instrument upon occurrence of a Trigger Event and
iii) Upon the occurrence of a Trigger Event, each outstanding Debenture of this Issue will be converted, on a full and permanent basis

We advise you to read the content of the Prospectus carefully prior to investment.

This investment instrument is riskier than a bank deposit.

These Debentures are complex products and have provision for loss absorption in the form of Non - Viability write-down as set out in the Prospectus. This means that the Debentures shall have a principal loss absorption feature through a write-down mechanism which allocates losses to the instrument, at a point of non-viability determined by the Monetary Board of CBSL ("Trigger Event"). If the Trigger event occurs the Debentures shall be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of an Additional Tier 1 (AT1) instrument and shall be subordinated to claims of every other liability. Therefore, a Qualified Investor will be deemed paid in full the principal plus any accrued and unpaid interest due on the Debentures, if such Trigger Event occurs and the par value of such AT1 instrument will be the same as the par value of the Debentures and the rate of interest for such instrument shall be the same rate of interest applicable prior to conversion and subject to the sole discretion of the Central Bank of Sri Lanka.

Please refer to the 'Risk Factors Section' of the Prospectus for further details.

Each potential Qualified Investor in these Debentures must determine the suitability of investment in light of its own circumstances. In particular, each potential Qualified Investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether the Qualified Investor:

i. has sufficient knowledge and experience to make a meaningful evaluation of these Debentures, the merits and risks of investing in the Debentures and the information contained or incorporated by reference in this Prospectus;
ii. has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in these Debentures and the impact the Debentures will have on its overall investment portfolio;
iii. has sufficient financial resources and liquidity to bear all of the risks of an investment in these Debentures;
iv. understands thoroughly the terms of these Debentures, including the provisions relating to the Non - Viability write-down of the Debentures, and is familiar with the behavior of financial markets; and
v. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential Qualified Investor should not invest in these Debentures unless the Qualified Investor has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Debentures will perform under changing conditions, the resulting effects on the value of the Debentures and the impact this investment will have on the potential Qualified Investor's overall investment portfolio.

Representation

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No person is authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Bank.

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident Qualified Investors may be affected by the laws of the jurisdiction of their residence. Such Qualified Investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

For enquiries please contact Managers to the Issue.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". These can be identified by the use of forward looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Bank are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Bank operates and its ability to respond to them, the Bank's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Bank.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future.

Given the risk and uncertainties that may cause the Bank's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, Qualified Investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and other Numerical Data

The financial statements of the Bank and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to "LKR", "Rupees" or "Rs." is the lawful currency of Sri Lanka. Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. All the financial figures stated in this prospectus are 'audited' financial information unless otherwise mentioned as 'unaudited'

All Qualified Investors should indicate in the Application for Debentures, their Central Depository Systems (Private) Limited (CDS) account number.

In the event the name, address or NIC number/passport number/company number of the Qualified Investor mentioned in the Application Form differs from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/ passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Debentures are required to be directly deposited in to the CDS. To facilitate compliance with this directive, all Qualified Investors are required to indicate their CDS account number.

In line with this directive, THE DEBENTURES ALLOTTED TO A QUALIFIED INVESTOR WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH QUALIFIED INVESTOR, the details of which is indicated in their Application Form. If the CDS account number indicated in the Application Form is found to be inaccurate /incorrect or there is no CDS number indicated, the Application will be rejected and no allotments will be made. The Bank may require a Qualified Investor to provide such documentation as is reasonably necessary to satisfy itself that the investor is a Qualified Investor.

PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED.

Qualified Investors who wish to open a CDS account, may do so through a Member/Trading Member of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

ISSUE AT A GLANCE

<table>
<tr><td>Issuer</td><td>Bank of Ceylon</td></tr>
<tr><td>Instrument</td><td>Basel III compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 year Debentures (2023/28) with Non-Viability Write-Down features.</td></tr>
<tr><td>Listing</td><td>The Debentures will be listed on the Colombo Stock Exchange</td></tr>
<tr><td>Issue Rating</td><td>BBB+ (lka) by Fitch Ratings Lanka Ltd</td></tr>
<tr><td>Issuer Rating</td><td>‘A(lka)’/ Stable by Fitch Ratings Lanka Limited</td></tr>
<tr><td>Number of Debentures to be issued</td><td>An initial issue of fifty million (50,000,000) Debentures with an option to issue up to a further fifty million (50,000,000) Debentures, at the discretion of the Bank, in the event of an oversubscription of the initial issue</td></tr>
<tr><td>Amount to be Raised</td><td>Sri Lanka Rupees Five Billion (LKR 5,000,000,000/-) with an option to raise up to a further Sri Lanka Rupees Five Billion (LKR 5,000,000,000/-) at the discretion of the Bank, in the event of an oversubscription of the initial issue.</td></tr>
<tr><td>Issue Price</td><td>LKR 100/- per each Debenture</td></tr>
<tr><td>Type of Debentures</td><td>
<table>
<tr><th>Type of Debentures</th><th>Tenure (Years)</th><th>Interest Rate (per annum)</th><th>Annual Equivalent Rate (AER)</th><th>Interest Payment Frequency</th></tr>
<tr><td>A (Fixed Rate)</td><td>5</td><td>15.00%</td><td>15.00%</td><td>Annually</td></tr>
<tr><td>B (Floating Rate)</td><td>5</td><td>12-month T Bill rate + 1%</td><td></td><td>Annually</td></tr>
</table>
Floating Interest Rate for Type B will be the nominal rate of interest equivalent to One Hundred basis points (1.00%) above the Weighted Average Twelve (12) Months Gross Treasury Bill interest rate (Before Tax) at the latest Primary Auction as announced by the Central Bank of Sri Lanka prior to the interest resetting date for each annual period. This rate will be initially decided on the date of allotment of the Debentures and be applicable for a period of Twelve (12) Months commencing from the date of allotment of the Debentures and thereafter to be determined/revised annually at the expiry of every Twelve (12) Month period from the date of allotment of the Debentures on the same basis.
</td></tr>
<tr><td>Issue Opening Date</td><td>21st December 2023</td></tr>
</table>

Issue Closing Date	12th January 2024 Subject to the provisions contained below, the subscription list for the Debentures pursuant to this Prospectus will open at 9.30 a.m. on 21st December 2023 and shall remain open for 14 Market Days until closure at 4.30 p.m. on 12th January 2024. However, the subscription list will be closed on an earlier date with notification to the CSE on the occurrence of any of the following events: (i) The maximum of 100,000,000 Debentures being fully subscribed; or (ii) The Bank deciding to close the Issue upon the initial issue of 50,000,000 Debentures becoming fully subscribed. In the event the Bank decides to exercise the option to further issue up to 50,000,000 Debentures (on the initial issue of 50,000,000 Debentures being fully subscribed) but subsequently decides to close the subscription list upon part of the further issue of 50,000,000 Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed at 4.30 p.m. on the following Market Day.
Minimum Subscription	The minimum subscription requirement for Qualified Investors shall be Sri Lankan Rupees Ten Thousand (LKR 10,000/-). Provided however, the minimum subscription requirement applicable for an individual Qualified investor applying for these Debentures shall be Sri Lankan Rupees Five Million (LKR 5,000,000/-). Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-).
Basis of Allotment	In the event of oversubscription, the Bank will decide the basis of allotment in a fair manner and will be announced to the CSE. However, Bank reserves the right to allocate up to a maximum of 50% of the number of debentures to be allotted on a preferential basis, to identified qualified investors of strategic importance to the Bank. Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance, on a preferential basis will not exceed 50% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other Qualified Investors (Qualified Investors that do not fall under preferential category). In the event of such undersubscription, the other Qualified investor category will be allotted in full and any remaining Debentures will be allotted to identified Qualified Investor/s. Further, the Bank will allot the remaining number of Debentures (excluding the preferential allotment of 50%), in a fair manner among other investors.
Interest Payment Date(s)	Type A & B Date of expiry of every One (01) year period commencing from the date of allotment of the Debentures. Interest payments will be made not later than Three (03) working days from the due date of interest payment.

Mode of Payment of Principal Sum & Interest	Principal Sum and Interest will be paid to Debenture Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS (arranged only at expense of the investor) in the event accurate bank details have been provided, or by crossed cheques marked "Account Payee Only" in the event accurate bank details have not been provided.
Date of Maturity	Date of completion of 5 years for Types A & B from the date of allotment. Repayment of the Principal Sum (Face Value) before maturity in any circumstance shall be subject to the prior approval of the Debenture holders of the 3/4th of the Principal Sum of the Debentures outstanding at that time and the prior written consent of the Central Bank of Sri Lanka.
Trigger Point/Event	Trigger point/event for the purpose of loss absorption at the point of non-viability is the earlier of: a) A decision that a write-down, without which the bank would become non-viable, is necessary, as determined by the Monetary Board of CBSL. b)The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by the Monetary Board of CBSL
Non-Viability Write-Down mechanism	The Debentures shall have principal loss absorption at the point of non-viability through a write-down mechanism, which allocates losses to the Debentures at the sole discretion of the Monetary Board of CBSL without the approval by the Debenture Holders. Non viability write down mechanism is detailed in section 5.9 of this Prospectus.
Subordinated	The Claims of the Debenture Holders shall in the event of winding up of BOC, rank after the claims of depositors and secured and other unsecured creditors of BOC and any preferential claims under any statutes governing BOC but in priority to and over the claims and rights of the shareholder of BOC. These Debentures will rank in pari passu with other subordinated creditors subject to the non-occurrence of a trigger event as detailed in section 5.9.1 of this Prospectus.
Tier II Capital	Supplementary capital representing revaluation reserves, General provisions and other capital instruments which combine certain characteristics of equity and debt such as hybrid capital instruments and subordinated term debts.
Unsecured	Repayment of the Principal Sum and interest on these Debentures not being secured by any specific asset of Bank of Ceylon

Contents

1.	**CORPORATE INFORMATION**	**01**
2.	**RELEVANT PARTIES TO THE ISSUE**	**02**
3.	**LIST OF ABBREVIATIONS**	**03**
4.	**GLOSSARY OF TERMS RELATED TO THE ISSUE**	**04**
5.	**INFORMATION CONCERNING THE ISSUE**	**07**
5.1	Invitation to Subscribe	07
5.2	Debenture Types/Categories	07
5.3	Subscription List	08
5.4	Objectives of the Issue	08
5.5	Interest	10
5.6	Payment of the Principal Sum and Interest	11
5.7	Application of tax on Interest Payments	11
5.8	Redemption	11
5.9	Write-Down Mechanism	12
5.9.1	Trigger Event	12
5.9.2	Write-down mechanism at a point of non-viability	12
5.9.3	Features of the AT1 Bonds	13
5.9.4	Special circumstances	16
5.9.5.	Applicable Timelines	16
5.9.6	Market Announcements	17
5.9.7	Compliance with applicable laws and regulations	17
5.10	The Procedure to be followed in the event of non-occurrence of a “non-viable situation”	17
5.11	Trustee to the Issue	17
5.12	Rating of the Debenture	18
5.13	Rights and Obligations of the Debenture Holders	18
5.14	Benefits of Investing in Debentures	18
5.15	Risks in investing in the Debentures	19
5.16	Loss-Absorption related Risks related to Non-Viability Write–down	20
5.17	Transfer of the Debentures	22
5.18	Listing	23
5.19	Cost of the Issue	23
5.20	Brokerage Fee	23
5.21	Underwriting	23

6.	**PROCEDURE FOR APPLICATION**	**24**
	6.1 Inspection of Documents	24
	6.2 Eligible Applicants	24
	6.3 How to Apply	25
	6.4 Number of Debentures to be subscribed	29
	6.5 Mode of Payment for the investment by the applicants	29
	6.6 Rejection of Application	31
	6.7 Banking of Payments	31
	6.8 Allotment of Debentures	31
	6.9 Unsuccessful Applications	32
	6.10 Refunds	32
7.	**OVERVIEW OF THE BANK**	**33**
	7.1. Stated Capital	33
	7.2. Particulars of Loans, Borrowings, Liabilities & Indebtedness	33
	7.3. Guarantees and Other Material Contingent Liabilities as at 30th September 2023	35
	7.4. Litigation against the Bank	35
	7.5. Mortgages and Charges on the Assets of BOC	36
	7.6. Details of Convertible Debt Securities	36
	7.7. Takeover Offers	36
	7.8. Tax Concessions	36
	7.9. Dividend Policy of the Bank	37
	7.10. Financial Statements and Five Year Summary of the Bank	37
	7.11. Key Financial Ratios of the Bank	37
8.	**DETAILS OF BOARD OF DIRECTORS AND GENERAL MANGER**	**38**
	8.1. Details of Board of Directors	38
	8.2. Details of the General Manager	41
9.	**STATUTORY AND OTHER GENERAL INFORMATION**	**42**
	9.1 Inspection of Documents	42
10.	**DECLARATION BY THE DIRECTORS**	**43**
11.	**DECLARATION BY THE BANK**	**44**
12.	**DECLARATION BY THE MANAGERS TO THE ISSUE**	**44**
	Annexure I RATING REPORT	45
	Annexure II TRADING PARTICIPANTS	51
	Annexure III CUSTODIAN BANKS	54
	Annexure IV FATCA DECLARATION	56
	Annexure V REPORT OF THE AUDITOR GENERAL	57

1. CORPORATE INFORMATION

Issuer	Bank of Ceylon
Legal Form	A Banking Corporation domiciled in Sri Lanka, Duly incorporated on 1 August 1939 under the Bank of Ceylon Ordinance No 53 of 1938.
Registered Office & Head Office	Bank of Ceylon BOC Square, No. 01, Bank of Ceylon Mawatha Colombo 01 Tel : +94 11 2446790-811 Website : http://www.boc.lk
Secretary to the Board	Mrs. Janaki Senanayake Siriwardane
Lawyers	Legal Division of Bank of Ceylon
Auditors/Reporting Accountants	The Auditor General of Sri Lanka Auditor General's Department No: 306/72, Polduwa Road, Battaramulla
Rating Agency	Fitch Ratings Lanka Ltd Level 15-04, East Tower, World Trade Centre Colombo 01 Tel : +94 11 2541900
Board of Directors	Mr. Ronald C Perera, PC (Chairman) Mr R M Priyantha Rathnayake (Ex Officio Director) Major General (Rtd.) G A Chandrasiri (Non-Executive Director) Prof. Kithsiri Liyanage (Non-Executive Director) Mr Naresh Abeyesekera (Non-Executive Director)

2. RELEVANT PARTIES TO THE ISSUE

Managers & Registrars to the Issue	Bank of Ceylon Investment Banking Division, 7th Floor BOC Square, No:01, Bank of Ceylon Mawatha Colombo 01 Tel : +94 11 2448348, +94 11 2203640-48 Fax : +94 11 2346842
Bankers to the Issue	Bank of Ceylon, Corporate Branch, 1st Floor BOC Square, No:01, Bank of Ceylon Mawatha Colombo 01 Tel : +94 11 2471613, +94 11 2345428
Trustee to the Issue	Hatton National Bank PLC "HNB Towers" No. 479, T. B. Jayah Mawatha Colombo 10. Tel : +94 11 2661762
Lawyers to the Issue	Legal Division of Bank of Ceylon
Rating Agency to the Issue	Fitch Ratings Lanka Ltd Level 15-04, East Tower, World Trade Centre Colombo 01 Tel : +94 11 2541900

3. LIST OF ABBREVIATIONS

Abbreviation	Description
AER	Annual Equivalent Rate (Effective Annual Interest Rate)
AWPLR	Average Weighted Prime Lending Rate
BN	Billion
BOC	Bank of Ceylon
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CSE	Colombo Stock Exchange
MN	Million
NIC	National Identity Card
POA	Power of Attorney
LKR	Sri Lankan Rupees
RTGS	Real Time Gross Settlement
SEC	Securities Exchange Commission of Sri Lanka
IIA	Inward Investment Account
SLIPS	Sri Lanka Inter Bank Payment System
USD	US Dollar
VAT	Value Added Tax
WHT	Withholding Tax
FATCA	Foreign Account Tax Compliance Act

4. GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/s	Any qualified investor who submits an Application form under this Prospectus
Application Form / Application	The application form that constitutes part of this Prospectus through which an applicant may apply for the Debentures in Issue
BOC/Issuer/ The Bank	Bank of Ceylon
Board/ Board of Directors	The Board of Directors of Bank of Ceylon
Basel III	A Global Regulatory Framework for More Resilient Banks and Banking System, issued by the Basel Committee on Banking Supervision of the Bank for International Settlements in December 2010 (Revised in June 2011)
Debentures	Basel III compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 year Debentures (2023/28) with Non-Viability Write-Down features, to be issued pursuant to this Prospectus.
Debenture Holder/s	The holders of the Debentures for the time being whose accounts are deposited with the Debentures at the CDS as at the relevant date.
Non Viability Write-Down Mechanism	The Debentures shall have principal loss absorption at the point of non-viability through a write-down mechanism, which allocates losses to the Debentures at the sole discretion of the Monetary Board of CBSL without the approval by the Debenture Holders. Non viability write down mechanism is detailed in section 5.9.2.
Trigger Event	Trigger point/event for the purpose of loss absorption at the point of non-viability is the earlier of: a) A decision that a write-down, without which the bank would become non-viable, is necessary, as determined by the Monetary Board of CBSL b)The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by the Monetary Board of CBSL
Date of Allotment	The date on which the Debentures will be allotted to the Debenture Holders in terms of this Prospectus.
Date of Closure of the Issue	Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 21st December 2023 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 12th January 2024. However, the subscription list will be closed on an earlier date with notification to the CSE on the occurrence of any of the following events; • The initial 50,000,000 Debentures are fully subscribed; or • The additional 50,000,000 Debentures or part thereof are subscribed as may be decided by the Bank In the event the Bank decides to exercise the option to issue

	further up to 50,000,000 Debentures (upon the initial issue of 50,000,000 Debentures being fully subscribed) but subsequently decides to close the subscription list upon part of the further issue of 50,000,000 Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed at 4.30 p.m. on the following Market Day.
Date of Redemption	The date on which Redemption of the Debentures will take place as referred to in Section 5.8 of this Prospectus.
Due Date of Interest Payment	Type A & B Date of expiry of every One (01) year period commencing from the date of allotment of the Debentures. The first of such interest payment shall fall due in respect of Debentures of Type A & B on the date of expiry of One (01) year from the date of allotment of Debentures. Interest payments shall be made by BOC within Three (03) working days from the due dates. The final interest payments in respect of each type of Debentures shall be made with the repayment of the par value on the date of maturity/redemption of the Debentures. Interest calculation shall be based upon the actual number of days in each interest payment period (Actual/Actual). In order to accommodate the Debenture interest cycles in the CDS System of the CSE the payment of interest shall not include Debenture holders holding Debentures in the CDS as at the last day of the payment cycle but the date immediately preceding the due date of interest (entitlement date). The interest shall be calculated including the due date of interest payment.
Entitlement Date	The Market day immediately preceding the respective due date of Interest Payment or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any Redemption proceeds.
Interest Period	The period between two interest payment dates, which is inclusive of the day immediately after the previous interest payment date and the next interest payment date.
First Interest Period	The period commencing from the date of allotment and ending on the first due date of interest period. (Inclusive of the aforementioned commencement date)
Final Interest Period	The period commencing from the last interest payment date before the date of redemption and ending on the date immediately preceding to the date of redemption.
Market Day	Any day on which trading takes place at the CSE
Principle Sum/Face Value	Multiple of Par Value of Debentures (LKR 100) and the number of debentures allotted.
Minimum subscription	The minimum subscription requirement for Qualified Investors shall be Sri Lankan Rupees Ten Thousand (LKR 10,000/-). Provided however, the minimum subscription

	requirement applicable for an individual Qualified investor applying for these Debentures shall be Sri Lankan Rupees Five Million (LKR 5,000,000/-). Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-).
Issue	The offer of Debentures to Qualified Investors pursuant to this Prospectus.
Redemption	Repayment of the Principle Sum of the Debentures
Register	The Register of the Debenture Holders to be kept by BOC
Subordinated	The Claims of the Debenture Holders shall in the event of winding up of BOC, rank after the claims of depositors and secured and other unsecured creditors of BOC and any preferential claims under any statutes governing BOC but in priority to and over the claims and rights of the shareholder of BOC. These Debentures will rank in pari passu with other subordinated creditors subject to the non-occurrence of a trigger event as detailed in section 5.9.1 of this Prospectus.
Tier II Capital	Supplementary capital representing revaluation reserves, general provisions and other capital instruments which combine certain characteristics of equity and debt such as hybrid capital instruments and subordinated term debts.
Trust Deed	Trust Deed executed between Bank of Ceylon and Hatton National Bank PLC on 8th December 2023
Trustee	Hatton National Bank PLC
Unsecured	Repayment of the Principal and interest on these Debentures not being secured by any specific asset of Bank of Ceylon
Working Day	Any day (Other than Saturday, Sunday and any statutory holiday) on which the Banks and Foreign exchange markets are open for business in Sri Lanka.
Qualified Investors	Qualified Investors means the investors more fully described in section 6.2 of this Prospectus.

5. INFORMATION CONCERNING THE ISSUE

5.1 Invitation to Subscribe

The Board of Directors of the Bank of Ceylon resolved on 31st August 2023, as per the authority vested by the Bank of Ceylon Ordinance to raise a sum up to LKR 10.0 Billion from Qualified Investors by the issue of Debentures.

BOC hereby invites Qualified investors to make applications for the subscription of 50,000,000 (Fifty Million) Debentures at an issue price of LKR 100 each payable in full as outlined in this Prospectus, with an option to issue up to a further 50,000,000 (Fifty Million) Debentures in the event of an over subscription of the initial 50,000,000 (Fifty Million) Debentures.

BOC invites Applications for Two (02) types of Debentures described below, which shall rank equal and pari passu with each other, without any preference or priority one over the other except for the interest offered.

5.2 Debenture Types/Categories

Rated Unsecured Subordinated Redeemable Debentures with Par Value of LKR 100 each, categorized in to 2 types as described below.

Type A	Tenure 5 years. Interest is payable at a fixed rate of **Fifteen per cent (15.00%) per annum** on the Principal Sum annually (AER 15.00%) at the expiry of every One (01) year period from the date of allotment of the Debentures.
Type B	Tenure 5 years. Interest is payable on the Principal Sum annually at a floating rate equivalent to 100 basis points (1.00%) above the Weighted Average 12 month Gross Treasury bill rate decided on the basis set out in section 5.5 below at the expiry of every One (01) year period from the date of allotment of the Debentures

The repayment of the Principle Sum and Interest on these Debentures are not being secured by any specific assets of BOC.

It is the intention of the Bank to list the Debentures on the Colombo Stock Exchange. The CSE has given its in principle approval for the listing of the Debentures and any Additional Tier 1 (AT1) Bonds which are perpetual in nature, that would be issued upon the occurrence of a Trigger Event as determined by the CBSL, on the CSE. Such AT1 Bonds will be transferred to the ' Watch List' immediately, in the event the rating of such AT1 Bonds happens to be at below Investment Grade Rating at the point of such conversion in compliance with the CSE Listing Rule 2.2.1 (c) (a) (ii). The converted AT1 Bonds will only be traded on the Over The Counter (OTC) platform.

However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the CSE Listing Rules.

As set out in Rules 2.2.1 (n) and 2.2.1 (o) of the CSE Listing Rules, only Qualified Investors would be eligible to invest in these Debentures. Further, as set out in Rule 3.3.5 (ii) (a) (ii) of the CSE Listing Rules, the secondary trading of these Debentures shall also be limited to Qualified Investors. Accordingly, the primary and secondary market investments of the Debentures are limited to the Qualified Investors.

The rights of the Debenture Holders for receipt of the Principle Sum and any accrued interest on these Debentures in the event of winding up of BOC would be subordinated to the rights of the Secured and other Unsecured Creditors of BOC and any preferential claims under any statutes governing BOC. Therefore, the claims of these Debenture Holders shall in the event of winding up of BOC rank after all the claims of depositors and secured and other unsecured creditors of BOC and any preferential claims under any statutes governing BOC but in priority to and over the claims and rights of the shareholder of BOC. These Debentures will rank in pari passu with other subordinated creditors subject to the non-occurrence of a trigger event as detailed in section 5.10 of this Prospectus.

5.3 Subscription List

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 21st December 2023 and shall remain open for 14 market days including the issue opening date until closure at 4.30 p.m. on 12th January 2024.

In the event of an over-subscription of the 50,000,000 Debentures, the subscription list will be closed at 4.30 p.m. on the same day on which it is oversubscribed, with the notification to the CSE, unless otherwise decided by the Bank to keep the subscription list open until subscription of a further 50,000,000 Debentures or part thereof as may be decided by the Bank. In such event the subscription list will be closed at 4.30 p.m. on the day on which a further 50,000,000 Debentures or part thereof as may be decided by the Bank have been subscribed, with the notification to the CSE or on 12th January 2024 whichever is earlier. In the event the Bank intends to close the subscription list once part of the second tranche is subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed at 4.30 p.m. on the following Market Day.

Applications may be made forthwith. Duly completed Applications in the manner set out under the Procedure for Application in Section 6 of this Prospectus will be accepted.

5.4 Objectives of the Issue

The bank intends to utilize the entire proceeds of the issue to expand its loan book in the ordinary course of business within 12 months from the Date of Allotment. Since the bank has multiple sources of funds, such as different types of deposits and borrowings, dependency on proceeds of the debenture issue is marginal in expanding bank's loan book.
The funds raised through the Debenture issue will not be used for Related Party Transactions and a disclosure in this regard will be made in the Annual Reports of the Bank.

Further, subordinated nature and mid to long term liability of the funds raised through the debenture issue in compliance with requirements under BASEL III will enable the bank to achieve the following, on allotment.

(a) To increase the Tier II capital of the Bank in order to enhance the Capital Adequacy Ratio and Single Borrower Limit to facilitate expansion of the loan book.
As per Central Bank guidelines Capital Adequacy Ratio (CAR) is the ratio between (Tier I + Tier II) capital and total risk-weighted amount. Since the subordinated

debentures could be included under Tier II capital, CAR is expected to be improved as follows.

Minimum CAR Requirement to be maintained as per CBSL Regulation		14.00%
CAR of the Bank as at 30.09.2023		14.50%
Expected CAR subsequent to the Debenture Issue -	LKR 5 BN	14.78%
	LKR 10 BN	15.07%

Single Borrower limit is equal to 30% of (Tier I + Tier II) capital. When Tier II capital increases single borrower limit also goes up.

(b) To minimize and manage the gap exposure in the Bank's assets/liability portfolios.

(c) To strengthen the Bank's liquidity position and to increase the asset base.

The bank's experience is that loans and advance portfolio of the bank is expanding. During the third quarter of 2023 local currency loans and advances has increased by LKR 14.1 BN. As per published accounts of BOC, the gross local currency loans and advances as on 30.06.2023 was LKR 1,512.7 BN and the same as on 30.09.2023 was LKR 1,526.8 BN.

Since the proposed debenture issue is to raise Rs. 10.0 billion and demand for credit is excessive there is no specific risk factor that may lead to non-achievement of the objective of the issue.

Funds raised through the IPO will be utilized for enhancing the asset base of the bank (i.e. for granting loans and advances to customers) that in turn will improve the CAR of the bank. It is possible to advance the Rs. 10 billion to be raised through the IPO as mentioned in the preceding paragraph. However, if the bank fails to lend these funds due to a systemic risk, then those funds would be invested in Short Term Securities that offer a current yield of 13% p.a. Hence there are no significant risk factors that may lead to the non-achievement of IPO objectives within the specified time line.

Further, the funds raised through the Debenture Issue is expected to strengthen the Bank's liquidity position and to increase the asset base.

Bank has utilized the proceeds of all previous Debenture Issues towards achieving the objectives of the respective Issues.

The Bank has obtained approval from the Central Bank of Sri Lanka (CBSL) to include the value of the debentures under Tier II capital.

The below table would be disclosed in the interim financial statements and annual reports.

Objective number	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of Utilization' as per prospectus	Amount allocated from proceed in LKR (A)	% of total proceed	Amounts utilised in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized
1	Increase of Tier II capital to enhance the Capital Adequacy Ratio and Single Borrower Limit	Total amount raised through the issue; maximum amount Rs. 10 billion	Continuing from the date of allotment of Debentures	To be disclosed in the Annual Report and the Interim Financial Statements				
2	Minimize and manage the gap exposure in the Bank's assets/ liability portfolios.							
3	Strengthen the Bank's liquidity position and increase the asset base/loan book		Within 12 months from the date of allotment of Debentures.					

5.5 Interest

Type A	A fixed nominal rate of Fifteen per cent (15.00%) per annum (AER 15.00%) on the Principal Sum payable annually at the expiry of every One (01) year period from the date of allotment and every one year there from till redemption of the Debentures.
Type B	A floating nominal rate of interest equivalent to 100 basis points (1.00%) above the Weighted Average One (01) year Treasury Bill interest rate (Before Tax) at the latest Primary Auction as announced by the Central Bank of Sri Lanka prior to the interest resetting date for every annual period. This rate will be initially decided on the date of allotment of the Debentures and be applicable for a period of One (01) year commencing from the date of allotment of the Debentures and thereafter to be determined/revised annually at the expiry of every One (01) year period from the date of allotment of the Debentures on the same basis. The interest rates so established shall be notified by BOC to the CSE and the Trustee prior to the commencement of each annual period.

Interest payable in respect of Debentures of Types A & B shall be as follows:

The **first** of such interest payments shall fall due in respect of Debentures of **Type A & B** on the date of expiry of **One (01) year** from the date of allotment of the Debentures. Interest payments shall be made **within Three (03) working days** from the due dates.

The final interest payments in respect of Debentures of Types A & B shall be made with the repayment of the Principal Sum on the date of maturity/redemption of the Debentures.

In order to accommodate the debenture interest cycles in the CDS System of the CSE the payment of interest shall not include Debenture Holders holding Debentures in the CDS as at the last day of the payment cycle **but one day prior to the due date of interest** (entitlement date). The interest shall be calculated including the due date of interest payment.

Interest calculation shall be based upon the actual number of days in each interest payment period (actual/actual).

In the event of an occurrence of a Trigger Event, as determined by the Monetary Board of the Central Bank of Sri Lanka, the Bank shall be required and entitled to issue and allot within twenty (20) days, AT1 Bonds of the Bank ranking equal and pari passu with the existing AT1 Bonds, to the Debenture holders up to the outstanding balance of such Debentures, including the total par value of the Debentures and the Debenture interest. As such, upon the issuance of AT1 Bonds to the Debenture holders, as stated above, no interest will be accrued on BASEL III Debentures thereafter, as the Debentures will cease to exist.

5.6 Payment of the Principal Sum and Interest

Payment of the Principle Sum and interest on the Debentures will be made after deducting any charges thereon (if any) in Sri Lankan Rupees to the Debenture Holders registered as at the due date of interest/Principle sum either through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details of the debenture holders are provided or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses of Debenture Holders recorded with CDS, at the risk of the Debenture Holders if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate.

However RTGS transfers could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers (i.e. LKR 5,000,000/- as of the date of this Prospectus)

5.7 Application of tax on Interest Payments

Interest on the Debentures will be paid after deducting any taxes and charges thereon (if any) as per the applicable law prevalent at the time the interest payment to the Debenture Holders.

Qualified Investors are advised to obtain clarifications in this regard from their tax advisors.

5.8 Redemption

BOC shall redeem the Debentures of Types A and B on expiry of 5 years from the date of allotment of the Debentures (i.e. on the date of maturity) or on such other earlier date on which the Debentures become payable in accordance with the provisions contained in the Trust Deed. If the date of redemption/maturity falls on a non-working day on which the Banks are closed for business, then the Debentures will be redeemed on the next working day of the date of redemption/maturity with the interest up to date of actual payment of the Principle Sum.

Repayment before the maturity of the Principle Sum of the Debentures in any circumstance shall be subject to the prior approval of the Debenture holders of 3/4th of the Principle Sum of the Debentures outstanding at that time and the prior written consent of the Central Bank of Sri Lanka. The Debenture Holder shall not have any right or option to call for redemption of the Debentures before the date of maturity of such Debenture. However, if a Trigger Event occurs prior to maturity or at the point of maturity, the Debentures will be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of an AT1 Bonds ranking equal and pari passu with the existing AT1 Bonds of the Bank.

5.9 Write-Down Mechanism

5.9.1 Trigger Event

A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the CBSL, and is defined under the Web Based Return Code 20.2.3.1.1.1 (10)(iii) (a & b) of the Banking Act Direction No.1 of 2016 (as amended) as a point/ event is the earlier of;

a) A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Monetary Board of CBSL, or
b) The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by the Monetary Board of CBSL

5.9.2 Write-down mechanism at a point of non-viability

The Debentures shall have a principal loss absorption feature through a write-down mechanism which allocates losses to the instrument, at a point of non-viability determined by the Monetary Board of CBSL ("Trigger Event"). If the Trigger event occurs the Debentures shall be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of Additional Tier 1 (AT1) Bonds and shall be subordinated to claims of every other liability.

However, if the trigger event occurs, the Government of Sri Lanka as the sole shareholder of the Bank will liaise with the CBSL to restore the Bank's viability. The Board of Directors of the Bank are responsible for exercising the write-down mechanism as directed by the CBSL, the Regulator. The decision to write-down shall be pari-passu on all Debentures issued under BASEL III compliant with the feature of loss absorption fully, partially or pro rata as determined by the Monetary Board of CBSL.

The Bank on receipt of a Trigger Event notification from the CBSL will immediately inform the investors and the write-down mechanism would be activated. The Bank shall immediately thereupon take the under mentioned actions.

i) Notify the Investors
ii) Suspend the transfer of the Debentures between qualified investors, until receipt of further instructions from CBSL.
iii) Suspend payment of any coupon payments immediately after the trigger point, for the written down value, from written down date and make arrangements to pay coupon on pro rata basis for the non-written down fraction (if any) at the due date.
iv) Without the consent of Debenture Holders, outstanding principal balance of the Debentures and accrued unpaid Debenture interest (if any), shall be permanently

written off by converting to AT1 Bonds that will be subordinated to the claims of every other liability and having the features described under the Web Based Return Code 20.2.2.1.1.1 of the Banking Act Direction No.1 of 2016 dated 29th December 2016, that is more fully described under 5.9.3 below.

v) The conversion price is the same as issue price of AT 1 Bonds stated in 5.9.3 below Furthermore, the rate of interest for such instrument shall be the same rate of interest applicable prior to conversion and subject to the sole discretion of the Central Bank of Sri Lanka.

5.9.3 Features of the AT1 Bonds

Issuer	Bank of Ceylon
Instrument	Basel III Compliant, Rated, Listed, Unsecured, Subordinated, Perpetual, Additional Tier 1 Capital (AT1) Bonds with a non-viability full and permanent write down feature. Such AT1 Bonds will be perpetual in nature and equivalent to the perpetual debt securities as per the CSE Listing Rules.
Listing	If a Trigger Event occurs for the BASEL III Debentures, any liability arising from such instrument at the point of such non-viability will be converted to the AT 1 Bonds and will be listed on the Colombo Stock Exchange.
Issue Rating	If a trigger event occurs for the BASEL III Debentures, a rating will be obtained for AT 1 Bonds prior to the issuance. Hence, the AT 1 bonds may have an investment grade or below rating at such point of time.
Issue Price	LKR 100/- per each AT1 Bond
Number and Amount of AT 1 Bonds to be issued	If a Trigger Event occurs for the Debentures, the outstanding principal balance of the Debentures and accrued unpaid Debenture interest (if any), at the point of such non-viability will be converted to the AT 1 Bonds. The number of AT 1 Bonds to be issued will be notifies to the CSE as stated in section 5.9.6

<table>
<tr><td>Details of AT1 Bonds</td><td>
<table>
<tr><th>Type of Interest</th><th>Tenure (Years)</th><th>Interest Rate (per annum)</th><th>Interest Payment Frequency</th></tr>
<tr><td>Fixed Rate</td><td>Perpetual</td><td>15.00%</td><td>Annually</td></tr>
</table>
Interest payment frequency is annually at the expiry of every one-year period from the date of allotment of the Bonds, subject to the conditions described under items 7 to 9 of the Web Based Return Code 20.2.2.1.1.1 of the Banking Act Direction No.1 of 2016 dated 29th December 2016 as detailed below.

(7) Coupon discretion:
(i) The Bank has full discretion at all times to cancel distributions or payments: In this regard, mandatory distributions are prohibited;
(ii) Any cancellation of coupon is not an event of default;
(iii) The Bank must have full access to cancelled coupon payments to meet obligations as they fall due; and
(iv) Any cancellation of coupon does not impose restrictions on the Bank, except in relation to distributions to ordinary shareholders.

(8) coupons must be paid out of distributable items: Any coupon to be paid under the capital instrument is only paid to the extent that the Bank has retained profits for distribution.

(9) The capital instrument shall not have a coupon that is reset periodically, based in whole or in part on the credit standing of the Bank or the Banking Group.

Therefore, the Bank will not make any additional payment to the Perpetual Debt Securities holders in the event of a default in payment of interest.
</td></tr>
<tr><td>Issue Date</td><td>Within twenty (20) days upon the occurrence of the Trigger Event for the BASEL III Debentures as determined by the Monetary Board of the CBSL.</td></tr>
<tr><td>Interest Payment Date(s)</td><td>Date of expiry of every One (01) year period commencing from the date of allotment of the Debentures.
Interest payments will be made not later than Three (03) working days from the due date of interest payment.</td></tr>
<tr><td>Redemption</td><td>These Bonds are irredeemable, subject to the Call Option mentioned below, where the AT1 Bonds may be fully redeemed.
Further, if a trigger event occurs for the AT 1 Bonds, and the AT 1 Bonds will be permanently written off with capital and accrued interest, and it shall cease to exist.</td></tr>
</table>

Call Option	These Bonds may be callable by the Bank at its discretion at any time after the expiry of five (5) years from the date of issue, subject to satisfying the following minimum requirements specified in item 5 of the Web Based Return Code 20.2.2.1.1.1 of the Banking Act Direction No.1 of 2016: i) Prior approval of the Monetary Board to exercise a Call Option has been obtained by the Bank; ii) The Bank shall not create an expectation that the Call Option will be exercised; and iii) The Bank shall not exercise a Call Option unless: a. The capital instrument is replaced by the Bank with capital of the same or better quality and the replacement of this capital is done in a manner that does not affect the income capacity of the issuing bank; or b. The Bank demonstrates that its capital position/ratios will be maintained well above the minimum after the Call Option is exercised. Upon an exercise of the Call Option if the scheduled date of redemption/maturity falls on a non-working day on which the banks are closed for business, then the Bonds will be redeemed on the next working day from the scheduled date of redemption/maturity with the Interest up to date of actual payment of the Principal Sum. Subject to the above, if the Bank exercise the Call Option, the AT 1 Bonds shall cease to exist.
Mode of Payment of Principal Sum & Interest	Interest will be paid to Bond Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS (arranged only at expense of the investor) in the event accurate bank details have been provided, or by crossed cheques marked "Account Payee Only" in the event accurate bank details have not been provided. The same procedure will be followed for the payment of Principal Sum, if the call option is exercised.
Write down Mechanism of AT1 Bonds	In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Monetary Board of CBSL, there would be a full and permanent write down of AT1 Bonds by the Bank without any requirement of approval by the Bond Holders, in compliance with Basel III requirements.
Trigger Point/Event of AT1 Bonds	Means the earlier of a point at which the Monetary Board of the CBSL determines; (a) that the Bank would become non-viable without a write down in terms of item 11(iii)(a) of the Web Based Return Code 20.2.2.1.1.1 of the Banking Act Direction No. 1 of 2016 dated 29th December 2016; or (b) to make a public

	sector injection of capital or equivalent support without which the Bank would have become non-viable in terms of item 11 (iii)(b) of the said Direction.
Trustee	Hatton National Bank PLC
Rating Agency to the Issue	Fitch Ratings Lanka Ltd.

All the features of BASEL III Debentures and AT1 Bonds including trigger events and permanent write off stated above are in compliance with the CBSL Directions and the CBSL has already granted approval to include these BASEL III Debentures under the Tier II Capital of the Bank.

5.9.4 Special circumstances

i) Trigger event may occur more than one occasion during the life span of the BASEL III Debentures and the AT 1 Bonds.

ii) Once the outstanding principal balance of the Debentures and accrued unpaid Debenture interest (if any) has been permanently written off by converting to an AT1 instrument pursuant to the trigger event, written down amount will not be restored under any circumstances, even though the trigger event has ceased to continue subsequently.

iii) If the bank is merged with or acquired by another bank after the Debenture being written down pursuant to a trigger event and, the other holders of equity shares get positive compensation on such mergers or acquisition, the Holders of Debentures who have been written down pursuant to the trigger event will also have to be appropriately compensated.

iv) If the Bank goes into liquidation before the Debentures have been written-off, these instruments will absorb losses in accordance with the order of seniority as per usual legal provisions governing priority of charges.

5.9.5. Applicable Timelines

Upon the occurrence of the Trigger Event as determined by the Monetary Board of the CBSL, the Bank shall be required and entitled to issue within twenty (20) days AT1 Bonds of the Bank ranking equal and pari-passu with the existing AT 1 Bonds of the Bank to the Debenture Holders as of the Trigger Date, up to the outstanding balance of such Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) as at that date at an issue price of LKR 100 per each AT 1 Bond decided by the Bank based on the market price of the Debentures or the book value at the time of converting to the said AT1 Bonds.

The CDS upload pertaining to AT1 Bonds will be completed within Twelve (12) Market Days from the date of issue of such AT1 Bonds and the Bank will make a Market Announcement as detailed in 5.9.6 below.

In the event of any Debenture Holder being entitled to a fractional allotment of an AT1 Bonds on such issuance, the Bank shall settle such sums in cash, based on the issue price of such AT1 Bonds within fourteen (14) Market Days from the date of allotment of the AT1 Bonds.

If a Trigger Event occurs for the AT 1 Bonds as determined by the Monetary Board of the CBSL, the Bank shall be required to fully and permanently write down AT 1 Bonds without any requirement of approval by the Bond Holders, in compliance with Basel III requirements within twenty (20) days from the occurrence of such Trigger Event.

5.9.6 Market Announcements

The Bank on receipt of a Trigger Event notification from the CBSL will immediately make a market announcement of the same and further announce the "price" and "dates" (i.e. Trigger Event date, date of allotment and CDS upload date) pertaining to the permanent write off of Debentures and issuance of such AT1 Bonds. The Bank will make a market announcement on the new rating of the AT 1 Bonds upon receiving the final rating report from the Fitch Ratings Lanka Ltd.

If a Trigger Event occurs for the AT 1 Bonds, the Bank on receipt of such notification from the CBSL, will immediately make a market announcement indicating the full and permanent write down of AT 1 Bonds without any requirement of approval by the Bond Holders, in compliance with Basel III requirements within twenty (20) days from the occurrence of such Trigger Event.

5.9.7 Compliance with applicable laws and regulations

Issue of any new AT1 Bonds due to occurrence of a Trigger Event for BASEL III Debentures and full and permanent write down of AT 1 Bond due occurrence of a subsequent Trigger Event, would be carried out in compliance with the applicable laws and regulations of Sri Lanka, including any regulations applicable on 'material interest that a shareholder may hold' in terms of the Banking Act No 30 of 1988 (as amended).

5.10 The Procedure to be followed in the event of non-occurrence of a "non-viable situation"

If a "non-viable situation" does not occur, section 5.9 above will not apply and payment of principal sum and interest on Debentures will be carried out as set out in sections 5.6 and 5.7 of this Prospects.

5.11 Trustee to the Issue

Hatton National Bank PLC has agreed to act as the Trustee for this Debenture Issue and has certified/confirmed its compliance and fulfilment of the requirements specified under Section 2.2.1.(k) 'Appointment of Trustee' of the Listing Rules of the CSE. The Bank and the Trustee have executed a Trust Deed. The Debenture holders in their Application for subscription will be required to irrevocably authorize the Trustee, subject to any overriding clauses in the Trust Deed to act as their agent in entering into such deeds, writings and instruments with the Bank and to act as the Trustee for the benefit of and interest of the Debenture Holders on the terms and conditions contained in the said Trust Deed.

The rights and obligations of the Trustee are set out in the Trust Deed.

The fee payable to the Trustee will be Sri Lanka Rupees Three hundred thousand (LKR 300,000/-) per annum (payable semi-annually) plus statutory levies. Trustee has no conflict of interest with the Bank, except that the Trustee is one of the Bank's rendering banking related services to the Bank and may be a Qualified Investor to Debentures.

5.12 Rating of the Debenture

Fitch Ratings Lanka Limited (FRLL) has assigned a credit rating of 'BBB+ (lka) to the Debentures. A copy of the rating report issued by FRLL is set out in Annexure III of this Prospectus.

The Bank's rating is A (lka)/Stable by FRLL. The Bank's rating was downgraded to A (lka)/RWN from AA- (lka)/RWN in January 2023 following the sovereign downgrade as detailed in the market announcement made by the Bank on 13th January 2023.

The Board of Directors would undertake to keep the CSE and the Trustee of the Debenture informed on any change to the Credit rating of the Debentures when the Board of Directors are aware of any changes to the ratings.

5.13 Rights and Obligations of the Debenture Holders

a) Debenture holders are entitled to the following:
   - Receiving the Principal Sum at maturity and interest on the Debentures as per Section 5.5, 5.6, 5.7 and 5.8 of this Prospectus, subject to the provisions contained in this Prospectus regarding the occurrence of a Trigger Event.
   - Ranking above the shareholder (Government of Sri Lanka) in the event of liquidation
   - Calling and attending meetings of the Debenture Holders as set out in the Trust Deed.
   - Receiving a copy of the annual report of the Bank within 5 months from the financial year end.
   - The other rights of the holders of these Debentures as set out in the Trust Deed

b) Debenture Holders are not entitled to the following:
   - Attending and voting at the meetings of the holders of shares and other Debentures issued by the Bank.
   - Sharing in the profits of the Bank.
   - Participating in any surplus in the event of liquidation.
   - Calling for redemption before maturity, subject to the provisions stated in the Trust Deed

   The above rights and obligations will remain unchanged even if the Debenture Holders become holders of AT 1 bonds of the Bank, due to the occurrence of a Trigger Event.

c) Holders of other Listed Debt Securities have the same rights as above.

d) Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Debenture Holder shall absolve the Bank from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS.

Provided further that the Debenture Holders shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such error or inaccuracies or absence of changes are attributable to any act or omission of the Debenture Holders.

5.14 Benefits of Investing in Debentures

- Provides the Qualified investor an attractive interest income throughout the investment period.
- Provides an opportunity to diversify the investment portfolio of the Qualified Investor.

- Provides an opportunity to realize capital gain according to interest rate fluctuations in the financial markets.
- Being listed on the CSE, the Debentures will have a secondary market, limited to Qualified investors as detailed in this Prospectus, thus Qualified investors will be able to exit from the investment at any time.

5.15 Risks in investing in the Debentures

Subscribers to the Debentures could be exposed to the following risks:

Interest Rate Risk

The price of a typical Debenture will change in the opposite direction to a change in the market interest rates assuming all other factors are equal. "Market Interest Rate" refers to interest rate expected by the investors for investments with similar maturity and risk profile. As market interest rates rise, price of the Debenture may fall and vice versa. If an investor sells a Debenture prior to maturity when market interest rate is higher than BOC Debenture interest rates, the investor may incur a capital loss. Similarly, if an investor sells a Debenture prior to maturity when market interest rate is lower than the BOC Debenture interest rate, then the investor may receive a capital gain. This uncertainty is known as interest rate risk.

Further, if the Weighted Average One (01) year Treasury Bill rate plus One Hundred basis points (1.00%) rise above the fixed rate of the Debentures, the floating rate investor will gain more than the fixed rate investor whilst if the one year Treasury Bill rate plus 100 basis points fall below the fixed rate of the Debenture, the floating rate investor would earn an interest below the fixed rate investor.

Reinvestment Risk

BOC shall pay interest on the Debentures of Type A and B annually. A Qualified investor may decide to reinvest this interest payment and earn interest on interest. Depending on the prevailing market interest rates, the Debenture Holder may be able to reinvest the paid interest at a higher or lower interest rate than that is offered by the BOC Debenture. This uncertainty is known as "reinvestment risk"

Default Risk

Default risk also known as Credit risk, refers to the risk that the issuer of a Debenture may default. i.e. the issuer will be unable to pay interest and Principal Sum when due. It is advisable for prospective Qualified investors to take into account past earnings and asset growth performance of BOC, present financial strengths as reflected in the Balance Sheet of the Bank, its Risk Management Policies, Fitch Rating of 'A(lka)'/Stable for BOC, and the experience and skills of Directors and Senior Management Team and finally state ownership when forming an opinion on Default Risk.

Fitch Ratings Lanka Limited (FRLL) has assigned a credit rating of 'BBB+ (lka) to the Debentures. A copy of the relevant rating certificate is given in Annexure III of this Prospectus.

However, credit ratings may not reflect all risks associated with the investment in the Debentures.

Liquidity Risk

Liquidity Risk refers to the ability to encash the Debenture by selling it since the initial placement. As the Debenture instrument is listed on the CSE, Qualified investors will be

able to sell them in the secondary market at any given point of time and convert them to cash.
However, a downgrade, suspension or withdrawal of the rating assigned by FRLL to the Debentures could cause the liquidity or market value of Debentures to decline. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Changes in law, or changes in regulatory classification during the tenor of the Debenture may adversely affect the rights of holders of Debentures as well and could cause the market value of the Debentures to decline.

Duration Risk
Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

Subordination Risk
Subordination means that the rights and claims of Debenture Holders in respect of the payment of capital and interest on the Debentures will, in the event of winding up of the Bank, rank after the claims of all unsubordinated debt and will not be repaid until all other unsubordinated debt outstanding at the time has been settled. However, claims in respect of these Debentures are subject to the loss absorption at the pre-specified trigger /point of non-viability stated under section 5.9 of this Prospectus.

The Debentures will be the Bank's direct unsecured obligations which, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), will rank equally with the Bank's other subordinated indebtedness and will be subordinate in right of payment to the claims of the Bank's depositors and other unsubordinated creditors. Therefore, if, prior to the occurrence of a Trigger Event, the Bank becomes insolvent or is wound-up, the assets of the Bank would first be applied to satisfy all rights and claims of` holders senior indebtedness. If the Bank does not have sufficient assets to settle claims of such senior indebtedness holders in full, the claims of the Holders of the Debentures will not be settled and, as a result, the holders will lose the entire amount of their investment in the Debentures. The Debentures will share equally in payment with claims under other subordinated indebtedness if the Bank does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

5.16 Loss-Absorption related Risks related to Non-Viability Write–down

i. The Debentures may be subject to a Non-Viability Write-down which could result in a Conversion of the entirety of the BASEL III Debentures to AT 1 Bonds

Upon the occurrence of a Non-Viability Write-down, outstanding principal balance of the Debentures and accrued unpaid Debenture interest (if any), shall be permanently written off by converting to AT1 Bonds that will be subordinated to claims of every other liability to the extent required and as determined by the Monetary Board of CBSL. Such AT1 Bonds will be transferred to the 'Watch List' immediately, in the event the rating of such AT1 Bonds happens to be at below Investment Grade Rating at the point of such conversion in compliance with the CSE Listing Rule 2.2.1 (c) (a) (ii).

As a result, the holders may lose the entire amount of their investment in Debentures irrespective of whether the Bank has sufficient assets available to settle the claims of the Holders under the Debentures, in bankruptcy proceedings or otherwise.

Any such Non-Viability Write –down will be irrevocable and the Holders will, upon the occurrence of a Non-Viability Write–down, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank.

ii. The Debentures are loss-absorption instruments that involve risk and may not be a suitable investment for all investors

The Debentures are loss- absorption financial instruments designed to comply with applicable banking regulations and involve certain risks. Each potential investor of the Debentures must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances. In particular, each potential investor should understand thoroughly the terms of the Debentures, such as the provisions governing the Non-Viability Write-down, including under what circumstances a Trigger Event could occur.

A potential investor should not invest in the Debentures unless he/she has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Debentures will perform under changing conditions, the resulting effects of the likelihood of the Non-Viability Write– down and the value of the Debentures, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives which relates to all the information contained in this Prospectus.

iii. Uncertainty regarding the Trigger Event

Because of the uncertainty regarding the determination of a Trigger Event may occur, it will be difficult to predict when, if at all, the Debentures will be written-down. In addition, investors in the Debentures are likely not to receive any advance notice of the occurrence of a NonViability Trigger Event. As the CBSL retains full discretion to choose not to trigger NonViability Write-down not withstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstance, the Holders of the Debenture may be exposed to losses through the use of other resolution tools under applicable statutes.

iv. Following a Non-Viability Write – down, investor will no longer have rights as a BASEL III Debenture Holder

Upon a Non-Viability Write-down, the rights, terms and conditions of the BASEL III Debentures, including with respect to priority and rights on liquidation, will no longer be relevant if all such Debentures will be converted to AT 1 Bonds on a permanent basis. If a Non-Viability Write-down occurs, then the interest of depositors, other creditors of the Bank, and holders of Bank securities which are not contingent instruments will all rank in priority to the holders of AT 1 Bonds. However, if a subsequent Trigger Event occurs for the AT 1 Bonds, the Bond Holders may lose their investment on a full and permanent basis.

v. Investor's remedies for the Bank's breach of its obligations under the Debenture are limited

In the absence of an Event of Default (which shall occur upon the commencement of any action/proceeding against the Bank on the grounds of liquidation, bankruptcy, insolvency or receivership or upon an order being made or a resolution being passed for the winding up of the Bank) the Trustee and the Holders of the Debentures shall not be entitled to declare the principal amount of the Debentures due and payable under any circumstance. As a result, the

investor will have no right of acceleration in the event of a non-payment of interest or a failure or breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce any covenant of the Bank.

In addition to the above mentioned investment related risks, by investing in these Debentures the prospective investors will be exposing themselves to the business related risks of the Bank. Prospective qualified investors should carefully consider the risks relating to the business of BOC that are comprehensively covered in the Bank's Annual report available on the website of the Bank, www.boc.lk and the website of CSE, www.cse.lk. The risk management framework of the Bank, risk governance with Board of Directors oversight, prudently manages and mitigates the business related risks of the Bank.

vi. Acknowledgement of CBSL Resolution Powers

The CBSL retains full discretion regarding the determination that a Trigger Event has occurred; as the resolution authority of banks in Sri Lanka, the CBSL has resolution powers through statute.

The Monetary Board determines the Trigger Event and effects a conversion after considering the other bail-in alternatives available to the Bank. Further, Section 30 and 30(9) of the Monetary Law Act No.58 of 1949 (as amended) and Part VII (A) and Part VIII of the Banking Act No.30 of 1988 (as amended) specify certain events upon which Monetary Board can exercise its resolution mechanism. In view of the above, based on the statutory authority of the Monetary Board, CBSL retains full discretion to choose or not to choose to trigger for Non-Viability as has been provided for in the Banking Act Directions No.1 of 2016 (as amended) on Capital Requirements under Basel III for Licensed Commercial Banks and Licensed Specialized Banks.

As the CBSL retains full discretion to choose not to trigger Non-Viability Conversion notwithstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstances, the holders of the Debentures may be exposed to losses through the use of other resolution tools under applicable statutes.

5.17 Transfer of the Debentures

a) These Debentures shall be freely transferable amongst qualified investors and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

b) The Debentures shall be transferable and transmittable among Qualified investors through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein BOC may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC, and the CDS.

c) In the case of the death of a Debenture Holder,

- the survivor where the deceased was a joint holder; and
- the executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by BOC as having any title to his/her Debentures.

d) Any qualified investor becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she sustains the character in respect of which he/she proposes to act or his/her title as the Board of Directors of BOC thinks sufficient, may at the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of BOC, CDS, CSE and SEC.

e) No change of ownership in contravention to these conditions will be recognized by BOC.

5.18 Listing

An application has been made to the CSE for permission to deal in and obtain a listing for these Debentures on the CSE and approval has been granted in principle by the CSE.
The CSE however, assumes no responsibility for the accuracy of the statements made or opinions expressed or reports included in this Prospectus. Admission to the CSE is not to be taken as an indication of the merits of BOC or of these Debentures.

5.19 Cost of the Issue

The Board of Directors estimates that the total cost of the Issue including fees to professionals, printing, advertising and other costs connected with the Issue will be approximately LKR 35.0 Million. Such costs will be financed by the internal funds of the Bank.

5.20 Brokerage Fee

Brokerage fee of Fifteen Cents (LKR 0.15) per Debenture shall be paid in respect of the number of Debentures allotted on Applications bearing the original seal of any Bank operating in Sri Lanka or a member/trading member of the CSE or any other party identified by the Bank as involved in the Issue.

5.21 Underwriting

This Debenture issue is not underwritten.

In the event the issue is under subscribed, the subscribers shall be allotted in full and the quantum of the funds raised will be utilised for the purpose detailed in section 5.4 of this Prospectus.

6. PROCEDURE FOR APPLICATION

6.1 Inspection of Documents

The Trust Deed, Auditors' Report and Audited Financial Statements for the five (05) financial years ended 31st December 2022 {i.e. the five (05) financial years immediately preceding the date of this Prospectus} Interim Financial Statements as of 30th September 2023 and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Bank (if any) would be made available for inspection by the public during normal working hours, seven (07) Market Days prior to the date of opening of the subscription list at the registered office of the Bank at Bank of Ceylon Head Office, BOC Square, No. 1,Bank of Ceylon Mawatha, Colombo 01, Sri Lanka until the Date of Redemption of the Debentures.

The Prospectus and Trust Deed will be available on the web site of CSE, www.cse.lk and the website of the Bank, www.boc.lk from the Issue Opening Date until the Date of Redemption of the Debentures as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Audited financial statements of the Bank / Group made up to 31st December, 2022, Interim Financial Statements as of 30th September 2023, Accountants' Report and the five-year summary of financial statements stating the accounting policies adopted by the Bank certified by the Auditors. Qualifications carried in any of the Auditor's Reports covering the period in question and any material changes in accounting policies during the relevant period will be available on the web site of CSE, www.cse.lk and the website of the Bank, www.boc.lk.

6.2 Eligible Applicants

Applications are invited for the subscription of Debentures from the following categories of Qualified Investors.

a) A commercial bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended);
b) A specialized bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended);
c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund;
d) A venture capital fund/ company and private equity company;
e) A finance company licensed by the CBSL in terms of the Finance Business Act No. 42 of 2011 (as amended);
f) A company licensed by the CBSL to carry on finance leasing business under the Finance Leasing Act No. 56 of 2000 (as amended);
g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act No. 43 of 2000 (as amended);
h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007;
i) An investment trust or investment company;
j) A non-resident institutional investor; and,
k) An individual with an initial investment of Rs. 5,000,000/-.

The applicants should also meet the under mentioned eligibility criteria.

(a) An individual

(i) whose net personal assets excluding primary residential property, exceeds two hundred million rupees (Rs. 200,000,000/-) in value; or

(ii) whose average annual income in the preceding three (3) years is not less than thirty million rupees (Rs. 30,000,000/-); and,

(iii) who makes a declaration on his experience, ability and sophistication to take on the investment risk.

(b) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007 with net assets exceeding one thousand million rupees in value as determined by:

(i) the most recent audited balance sheet of the entity; or

(ii) in the absence of the audited balance sheet, the most recent balance sheet of the corporate entity certified by the entity as giving a true and fair view of the state of affairs of the entity as of the date of the balance sheet, which date shall be within the preceding twelve (12) months.

(c) The trustee of a trust as the Commission may specify when acting in that capacity.

In view of the above trading of the Debentures on the CSE will also be limited to Qualified Investors.

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or if made in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons. Applications will also not be entertained from any financial institution/ group over which the Bank has control or significant influence.

Neither the Bank nor a banking group over which the Bank exercise control or significant influence can have purchased the Debentures and Bank cannot directly or indirectly have funded the purchase of the Debentures.
"Persons resident outside Sri Lanka" will have the same meaning as in the Order published under Section 31 of the Foreign Exchange Act No 12 of 2017 in Gazette No.2213/40 dated 3rd February 2021.

When permitting Non -Residents to invest in the Debentures, the Bank will comply with the Foreign Exchange Act and the Regulations published thereunder including those contained in the Government Gazette (Extraordinary) No. 2213/35 dated 3rd February 2021 with regard to the issue and transfer of Debentures of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka

6.3 How to Apply

a) Applications should be made on the Applications Forms, issued with the Prospectus. Application Forms could also be downloaded from the Bank's website, www.boc.lk and the CSE website, www.cse.lk until the closure of the subscription list. (Exact size photocopies of the Application Forms too would be accepted.) Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus, which is available for inspection and also issued free of charge at the collection points listed in Annexure II of this Prospectus.

The Prospectus will be made available and can be downloaded from the website of CSE, www.cse.lk and the website of the Bank www.boc.lk until the Date of Redemption of the Debentures.

Applications that do not strictly conform to such instructions and the other instructions set out below or which are illegible will be rejected.
The Bank reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investor.

b) Applications should be made for a minimum of one hundred (100) Debentures (LKR 10,000) other than in the case of individual Qualified Investors. The minimum subscription requirement applicable for an individual Qualified Investor applying for Basel III Compliant Debt Securities shall be Rupees Five Million (Rs.5,000,000/). Applications exceeding the minimum subscription requirement should be in multiples of 100 Debentures (LKR 10,000). Applications for less than 100 Debentures and that are for less than the minimum subscription requirement for individual Qualified Investors or for a number, which is not in multiples of 100 Debentures, will be rejected.

c) Only one type of Debentures should be applied per Application Form. Investors may apply for different types of Debentures on separate Application Forms. If several Applications are received under one type of Debenture from a single customer that would be considered as multiple Application. The Bank/ Managers to the issue reserve the right to decide on and reject multiple Applications at their discretion.

d) If the ownership of the Debentures is desired in the name of one individual, full details should be given under the heading SOLE/FIRST APPLICANT in the Application Form, in the case of joint applicants, the signatures and particulars in respect of all applicants must be given under the relevant headings.

e) An Applicant of a joint Application will not be eligible to apply for the same type of Debentures through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected. In the case of joint Applications, the refunds (if any), interest payments and the redemption will be remitted in favour of the first Applicant as identified in the Application Form. The Bank shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member). Joint applicants should note that all parties should either be residents of Sri Lanka or non-residents.

f) Applications by companies, corporate bodies, societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustee/Board of Management.

g) Corporate Applicants registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/board of management.

h) All Applicants should indicate in the Application for Debentures, their CDS account number

i) The Applicant information such as the full name, address, NIC number/passport number/ company registration number and the residency status will be down loaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form. Therefore, Applicants are advised to ensure that the name, address, NIC number/passport number/ company registration number and the residency status mentioned in the Application Form tallies with the same provided in the CDS account as mentioned in the Application Form.

j) In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated. Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

k) Companies/corporate entities should state the Company Registration Number in the Application Form.
Individuals should state their National Identity Card (NIC) Number in the Debenture Application Form. Passport Number will be accepted only when the NIC Number is not available.

Any Application Form, which does not state the NIC, Passport or Company Registration Number and CDS account number as the case may be, will be rejected.

l) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s) which has been executed and submitted for registration in accordance with the Powers of Attorney (Amendment) Act No.28 of 2022. A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. Original of the POA should not be attached

m) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annex IV together with the Application Form. Under the provisions of FATCA, "US Persons" include;

- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.
- A person who spends certain number of days in the U.S. each year (more than 183 days)
- U.S. Corporations, estates and trusts
- Any entity that has a linkage or ownership to U.S. or the U.S. territories
- Non U.S. entities that have at least one U.S. Person as a "substantial beneficial owner"

n) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider/Applicant's name" signed by the margin provider, requesting a direct deposit of the Debentures to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application. Margin providers can, apply under their own name and such Applications will not be construed as multiple Applications, Such Margin providers should fall within the 'Qualified Investors' category.

o) Funds for the investments in Debentures and the payment for Debentures by non-residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) [formerly known as Securities Investment Accounts] of the non-residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected.

p) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence. If the non-resident Applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

q) Application Forms stating 3rd party CDS Account Numbers, instead of their own CDS Account Numbers, except in the case of Margin Trading, will be rejected.

r) Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked **"BOC DEBENTURE ISSUE"** on the top left hand corner in capital letters and dispatched by post or delivered by hand to the following address.

Managers & Registrars to the Issue
Bank of Ceylon
Investment Banking Division
7th Floor, Head Office,
"BOC Square", No 1, Bank of Ceylon Mawatha
Colombo 01

In the alternative Application Forms may also be delivered by hand to the head office, Trading Participants listed in Annexure II or any Custodian Bank listed in Annexure III.

Applications sent by post or delivered to any places mentioned in Annexure II and III should reach the office of the Managers and Registrars to the Issue at least by 4.30 p.m. on the date of closure of the subscription list. Applications received after the said period will be rejected even though they have been delivered to any of the said places prior to the closing date or carry a postmark dated prior to the closing date.

Applications delivered by hand to the Managers & Registrars to the issue after the closure of the issue will also be rejected.

Please note that Applicant information such as full name, address, NIC number/passport number/ company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF DEBENTURES WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Please note that upon the allotment of Debentures under this issue, the allotted Debentures would be credited to the Applicant's CDS account so indicated.

Hence, DEBENTURE CERTIFICATES SHALL NOT BE ISSUED

6.4 Number of Debentures to be subscribed

Applicants are allowed to invest in either Debentures of Type A and/or Debentures of Type B, subject to the minimum subscription under each type.

The minimum subscription requirement applicable for a Qualified Investor applying for Debt Securities shall be Rupees Ten Thousand (LKR 10,000/-).
Provided however, the minimum subscription requirement applicable for an individual investor applying for BASEL III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).

Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-)

6.5 Mode of Payment for the investment by the applicants

1. Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka, SLIPS or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka or internal fund transfer through Bank of Ceylon, as the case may be, subject to below.

2. Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either,

    - Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/- or
    - Bank guarantee issued by a licensed commercial bank operating in Sri Lanka, or
    - RTGS transfer with value on the date of submission of application or opening of the issue whichever is later, or
    - An internal fund transfer within Bank of Ceylon with value on the date of submission of application or opening of the issue whichever is later.

    Multiple cheques/bank drafts, bank guarantees, or RTGS transfers will not be accepted for Applications valued below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)

3. Cheques or Bank Drafts should be drawn upon any commercial bank in Sri Lanka and crossed "Account Payee Only" and made payable to **"BOC DEBENTURE ISSUE ACCOUNT".**

4. In case of bank guarantees, such bank guarantees should be in a manner acceptable to BOC, issued by any licensed commercial bank in Sri Lanka, payable on demand to **"BOC DEBENTURE ISSUE ACCOUNT"**and be valid up to minimum of 14 days from the closing date of issue. It is advisable that the applicants discuss with their respective bankers the matters

with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

5. In case of RTGS transfers (only for application values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)), such transfers should be made to the credit of **"BOC Debenture Issue Account"** bearing the account number **72584905** at **Bank of Ceylon, Corporate Branch** with value on the date of submission of Application or opening of the issue whichever is later.

6. The Applicant should obtain a confirmation from the Applicant's bank, to the effect that arrangements have been made to transfer funds for the total value of Debentures applied for, to the credit of **"BOC Debenture Issue Account"**bearing the account number **72584905** at **Bank of Ceylon, Corporate Branch** with value on the date of submission of application or opening of the issue whichever is later(i.e. the funds to be made available to the above account on date of submission of Application or opening of the issue whichever is later) and should be attached with the Application.

7. In case of internal fund transfers within Bank of Ceylon, such transfers should be made to the credit of **"BOC Debenture Issue Account"** bearing the account number **72584905** at **Bank of Ceylon Corporate Branch** with value on date of submission of application or opening of the issue whichever is later(i.e. the funds to be made available to the above account on date of submission of application or opening of the issue whichever is later)

8. **For RTGS transfers and internal fund transfers within Bank of Ceylon above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at 7.00% p.a. from the date of transfer up to the date of Allotment.** However, no interest will be paid if the RTGS transfers/internal fund transfers are not affected before the end of the Closing Date. Furthermore, even if such RTGS transfers/internal fund transfers are affected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.

9. SLIPS , CEFTS and Cash will not be accepted.

10. The amount payable should be calculated by multiplying the number of Debentures applied for by the issue price of LKR 100 per Debenture. If there is discrepancy in the amount payable and the amount specified in the cheque/bank draft/bank guarantee/RTGS or in the internal fund transfers within BOC, the Application will be rejected.

11. In the event that cheques are not realized prior to the date of deciding the basis of allotment, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid.

12. All cheques/bank drafts received in respect of the Applications will be banked commencing from the working day immediately following the closure of the subscription list.

13. Payment for the Debentures by non-residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks. An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

6.6 Rejection of Application

1. Applications and the accompanying cheques/bank drafts/bank guarantees or RTGS transfers/internal fund transfers within BOC, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and the Application will be rejected at the sole discretion of BOC.

2. Applications from Persons/ Applicants under the age of 18 years or in the names of sole proprietorships, partnerships, unincorporated trusts will also be rejected.

3. Any Application, which does not state the NIC, Passport or Company Registration Number as the case may be, will be rejected. Applications which do not carry the CDS account number, which is not opened at the time of closure of the subscription list or which indicate an incorrect/ inaccurate CDS account number shall be rejected, and no allotment will be made.

4. Any Application Form from a non-Qualified Investor will also be rejected.

5. Any Applicant who has applied for Debentures Type A & Type B, in a single Application Form will be rejected.

6. More than one Application submitted by an Applicant under the same type of Debentures will be rejected. If two or more Application Forms are submitted for one type of Debentures from a single Applicant, those would be considered as multiple Applications and the Bank will not accept such multiple Applications or suspected multiple Applications.

7. Any Application Form with more than three (03) natural persons as joint Applicants for any type of Debentures will be rejected.

8. Applications delivered by hand to the Managers and Registrars to the issue after closure of the subscription list will be rejected. Applications received by post after 4.30 p.m. on the third working day immediately following the date of closure of the subscription list, will also be rejected even if they carry a post mark dated prior to the closing date of the subscription list.

9. Applications delivered to any place mentioned in Annexure II should also reach the office of the Managers/Registrars to the Issue at least by 4.30 p.m. on the third working day immediately upon the closure of the Subscription List. Applications received after the said duration will be rejected even though they have been delivered to any of the said places prior to the closing date.

6.7 Banking of Payments

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day immediately after the Closure Date of the Subscription List as set out in Section 5.3 of this Prospectus, in terms of the CSE Listing Rules.

6.8 Allotment of Debentures

In the event of an over subscription, the Board of Directors of the Bank will endeavour to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board of Directors however shall reserve the right to allocate up to a maximum of 50% of the number of Debentures to be allotted under this Issue to identified Qualified Investor/s of strategic importance to the Bank.

Number of Debentures to be allotted to identified Qualified investor/s of strategic importance, on a preferential basis or otherwise will not exceed 50% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other Qualified investors (Qualified investors that do not fall under preferential category). In the event of such undersubscription from the other Qualified investors, such other investor category to be allotted in full and any remaining Debentures to be allotted to identified Qualified investor/s.

The allotment of Debentures as above will be done subject to the provisions in 3.3.5 (ii) (a) (i) & (ii) of the CSE Listing Rules.

The Bank reserves the right to reject any Application or to accept any Application in part only, without assigning any reason thereto. A written confirmation informing successful Applicants of the allotment of Debentures will be dispatched within ten (10) Market Days from the Closure Date of the Subscription List as required by the CSE.

6.9 Unsuccessful Applications

In the event an Application is accepted only in part, the balance of the monies received on Application will be refunded. Refunds on rejected Applications or partly allotted Debentures will be made on or before the expiry of Eight (08) market days from the issue closing date (excluding the date of closure of the issue). Applicants shall be entitled to receive interest at the rate of last quoted average weighted Prime lending rate (AWPLR) published by the Central Bank of Sri Lanka plus 5% for the delayed period on any refunds not made within this period.

6.10 Refunds

Where an Application is not accepted, subsequent to the cheque being realised the applicant's money in full or where an Application is accepted only in part, the balance of the applicant's money will be refunded. If the applicant has provided accurate and complete details of his bank account in the Application, the bank shall make such refund payments to the bank account specified by the applicant, through Sri Lanka Interbank payment system (SLIPS) and payment advice will be sent. In the event of refunds over Rupees Five Million (LKR 5,000,000/-) or If the applicant has not provided accurate and correct details of his bank account in the Application, the bank shall make such refund payment to the applicant by way of a cheque and sent by post at the risk of the applicants. In the case of joint applications, the cheques will be drawn in favour of the applicant's name appearing first on the Application Form. Refund cheques on Debentures, which have not been allotted, will be posted before the expiry of Eight (08) market days excluding the date of closure of the subscription list. Applicants would be entitled to receive interest at the rate of last quoted average weighted prime lending rate (AWPLR) published by the Central Bank of Sri Lanka plus 5% for the delayed period on any refunds not made within this period.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website.
http://www.lankaclear.com/products_and_services/sl_interbank_payment_system_guideline.php

In the event refunds are made to non-resident applicants, the funds will be refunded through their IIA accounts, if the applicant has provided accurate and complete details of his bank account in the Application.

7. OVERVIEW OF THE BANK

7.1. Stated Capital

The Stated Capital of the Bank is Rs. 25,730 million as at 30th September 2023.

The entire capital of BOC is held by the Secretary to the Treasury on behalf of the Government of Sri Lanka.

7.2. Particulars of Loans, Borrowings, Liabilities & Indebtedness

All debt securities stated herein relating to the rights to ensure compliance to CSE Listing Rule 3.3.4

Long term borrowings as at the Prospectus date	LKR 'Mn (unaudited)
Debentures Issued (Note 1 below)	32,800

Long term borrowings as at 30th September 2023	LKR 'Mn (unaudited)
Term Borrowings from banks abroad	40,555
Refinance borrowings	8,040
Senior notes	Nil
Short term Borrowings	
Under re-purchase agreements	102,735

Note 1- Details of Debentures

I. Unlisted, Unrated, Unsecured, Subordinated, Redeemable Rupee Debentures with Non-Viability Write-Down Features Issued by BOC as at the date of the Prospects

Year	Amount Invested LKR '000	Maturity Date	Interest Rate (%)	Payment frequency
2017	5,000,000	28.12.2025	12.75	Annually
2018	6,700,000	30.07.2026	12.00	Annually
2019	3,000,000	26.06.2024	11.75	Annually
	1,048,850	16.07.2024	11.80	Annually
	2,200,000	17.07.2024	11.80	Annually
	2,500,000	23.07.2024	11.80	Annually
	400,000	25.07.2027	11.50	Annually
	61,150		11.75	Annually
TOTAL	**20,910,000**			

II. BASEL III Compliant, Unlisted, Rated, Unsecured, Subordinated, Redeemable Rupee Debentures with Non-Viability Write-Down Features Issued by BOC as at the date of the Prospects

Year	Amount Invested LKR '000	Maturity Date	Interest Rate (%)	Payment frequency
2021	5,400,000	21.11.2026	W. Avg 6m TB Rate+2.5%	Semi-Annually
2022	6,490,000	29.12.2027	29	Annually
TOTAL	**11,890,000**			

If a Trigger Event occurs, the above Debentures shall be permanently written off and any liability arising from such instrument at the point of non-viability shall take the character of an Additional Tier 1 (AT1) instrument and shall be subordinated to claims of every other liability.

All the above Debenture Holders are entitled to following rights.

- Receiving the principal sum at maturity and interest on the Debentures as stipulated.
- Ranking above the shareholders (Government of Sri Lanka) in the event of liquidation.

The Bank does not have any outstanding convertible debt securities other the unlisted Basel III Compliant debentures stated in Note 1 (II) above with the convertible option to AT 1 bonds similar to the Listed Basel III Debenture.

III. Unsecured Subordinated Listed Redeemable Rupee Debentures as at the date of the Prospects Rupee Debentures Issued by BOC (2013 / 2016) as at the date of the prospectus

Issue Date	Maturity Date	Type	Amount LKR(000')	Rate of Interest (%)	Interest payment Frequency
29.12.2016	28.12.2024	C	783.6	12.75%	Annually
29.12.2016	28.12.2024	D	20	6 m GTB Rate + 1.25%	Bi-annually
Total			**4,821,607.6**		

IV. BASEL III Compliant, Unlisted, Unsecured, Subordinated, Perpetual, Additional Tier 1 Capital Bonds with a Non-Viability Write-Down as at the date of the Prospectus

Issue Date	Amount LKR(000')	Rate of Interest (%)	Interest payment Frequency
06.07.2020	5,000,000	W. Avg 12m NTB Rate + 1.5%	Annually
Total	**5,000,000**		

V. BASEL III Compliant, Rated, Unlisted, Unsecured, Subordinated, Perpetual, Additional Tier 1 Capital Bonds with a Non-Viability Write-Down as at the date of the Prospectus

Issue Date	Amount LKR(000')	Rate of Interest (%)	Interest payment Frequency
01.12.2020	10,000,000	W. Avg 12m NTB Rate + 1.5%	Annually
06.07.2021	3,350,000	6 m GTB Rate + 1.25% W. Avg	Annually
Total	**13,350,000**		

If a Trigger Event occurs the outstanding Principal balance of the Bonds AT 1 Capital Bonds sated in Note 1 (IV) and (V) will be written down on a permanent basis by an amount prescribed by the CBSL without any further consent of Bond Holders.

7.3. Guarantees and Other Material Contingent Liabilities as at 30th September 2023

In the normal course of business, the Bank makes various commitments and incurs contingent liabilities with legal recourse to its customers.

These commitments are quantified below.

	Amount as at 30/09/23 LKR Mn (unaudited)
Acceptance and Documentary Credit	168,401
Bills for Collection	56,774
Forward Exchange contracts	432,190
Guarantees	178,336
Undrawn and undisbursed facilities	217,463
Other commitments	47
Total	**1,053,210**

7.4. Litigation against the Bank

1. **SP/3857 D C Galle (Galle City Super Grade)**
   A claim for Rs. 314,076,083.90 has been filed by the plaintiff alleging that the bank and officers have acted illegally and wrongfully when granting the re-scheduled facility to him and has pleaded for an order to cancel the Mortgage Bond No.317 and 194 executed in favour of the Bank.

2. **M/12832 D C Tangalle (Beliatta Branch)**
   The bank has made a complaint against plaintiff for pawning of fake articles. The police has filed the Case No.22741 in Magistrate Court Tangalle and the Plaintiff was acquitted and discharged from the charges on 26 June 2020. Thereafter, the above action has been filed by the plaintiff has filed this case claiming an amount of Rs.6,500,000/- from the Bank as compensation over malicious prosecution against him.

3. **Civil Appeal High Court Galle 83/2020 (F) (M/717 - D C Elpitiya) (DGM Support Services Dpt)**
   During a training session conducted for all security staff the plaintiff's left hand was injured. Accordingly plaintiff has filed M/717 in D.C Elpitiya for damages of Rs.2.5M. The Judgment has been given in favour of the plaintiff and Bank has made an appeal (Civil Appeal High Court Galle 83/2020 (F)).

4. **DMR/3948/15 DC Colombo (Metropolitan Branch)**
   The above action has been filled by the plaintiff claiming Rs. 237,750,000.00 as damages for the loss occurred in respect of closing of a Fixed Deposit and transferring funds to an unknown account relying on a fraudulent email.

5. **DMR/2608/14 DC Colombo**

The above action has been filled by the plaintiff claiming USD 875,668.75 as damages for capital and due interest in respect of Fixed Deposit which has been transferred to an unknown account relying on a fraudulent email.

6. **DMR/2977/14 DC Colombo (Kahawatte Branch)**
   The above action has been filled by the plaintiff claiming Rs.1,710,000.00 stating that bank has misplaced the CR of the vehicle mortgaged to the bank

7. **DMR/1085/12 DC Colombo (HR Dept)**
   Retired pensioner claims Rs.25,000,000/- as damages for not giving promotions by the Bank

8. **DMR/2468/2014 DC Colombo (Recovery Corporate Dept)**
   Claim Rs.45,000,000/- for receiving the excess money from re-sale of the property vested to the Bank

9. **Commercial High Court HC/Civil/372/19/MR (DSP 00157/2016) (Recovery Corporate Dept)**
   Plaintiff claiming damages upto Rs. 100 million against the Bank for facilitating & neglecting to adhere to his instructions for crediting the amounts to the designated accounts and other claims including his plaint.

10. **DMR 04175/17 DC Colombo (Recovery Corporate Dept)**
    Claiming Rs.5,000,000/- for the damage caused to the Plaintiff good name due to a leakage of a confidential letter related to him, to a 3rd party through the bank.

11. **DMR 1366/18 DC Kandy (Kandy Super Grade)**
    Claiming Rs. 100 Million from the Bank and from the panel lawyer who prepared title report and who attested the Deed of transfer on the basis of professional negligence, stating that Panel lawyer being an agent of the bank has acted negligently when recommending the title to the property with an undivided share.

12. **CHC/270/2012/MR Commercial High Court (Card Center)**
    The plaintiff initiated initiated this legal action against the Bank claiming Rs.25,000,000/- for the money that has withheld by the bank for the suspicious transactions occurred in Sahana Foundation account.

7.5. Mortgages and Charges on the Assets of BOC

As at 30th September 2023 BOC has pledged Treasury Bonds for the value of LKR 78,901 MN. as security.

7.6. Details of Convertible Debt Securities

The Bank does not have any outstanding convertible debt securities other than those debentures as disclosed above.

7.7. Takeover Offers

There were no offers for acquisitions or mergers by third parties in respect of the BOC shares during the past two years. BOC has also not made any similar Offers for the shares of third parties during the past two years.

7.8. Tax Concessions

No special tax concessions are available to BOC as at date.

7.9. Dividend Policy of the Bank

Government of Sri Lanka is the sole shareholder of the bank. Dividend ratio will be decided based on the profitability of the bank on mutual consent.

Year	Dividends Paid (LKR 000)
2018	4,846,410
2019	346,410
2020	1,596,410
2021	1,846,410
2022	346,410

7.10. Financial Statements and Five Year Summary of the Bank

The following financial information of the Bank is available on the website of CSE, www.cse.lk and the website of the Bank, www.boc.lk

- Audited Financial Statements of the Bank for the financial year ended 31 December 2022
- Interim Financial Statements of the Bank for the Six months ended 30th June 2023.
- Report of the Auditor General and Five Year Summary of Financial Statements of the Bank as per CSE listing rule 3.3.9 (iii) (Please refer Annex. V of this prospectus)

7.11. Key Financial Ratios of the Bank

	31.12.2020	31.12.2021	31.12.2022
Interest Cover (times)*	2.5	2.9	1.3
Debt to Equity (times)**	35.4	51	43.9
Capital Adequacy Ratio (%)	14.9	17.8	15.4
Statutory Liquid Asset Ratio (%)	26.66	24.97	21.22

*Debentures and other term debt /Equity
**Debt to Equity = Profit Before Depreciation, Interest and Tax/Interest on Debentures and other term borrowings

Debt Servicing Details of the Bank Rs.Mn	2018	2019	2020	2021	2022
Gross interest due on debentures	5,937.8	5,974.3	6,240.8	7,143.8	7,133.7
Debenture interest paid on due date	5,937.8	5,974.3	6,240.8	7,143.8	7,133.7
Debenture interest paid after the due date	Nil	Nil	Nil	Nil	Nil
Debenture interest not paid as of to date	Nil	Nil	Nil	Nil	Nil

8. DETAILS OF BOARD OF DIRECTORS AND GENERAL MANGER

8.1. Details of Board of Directors

Mr. Ronald C. Perera
Chairman

Mr. Ronald C. Perera, President's Counsel is appointed as the Chairman of Bank of Ceylon with effective from 18th January 2023. He has previously served as a Director on the Board of Bank of Ceylon and then as its Chairman during 28th January 2015 to 18th November 2018 and 12th February 2019 to 26th November 2019.

Presently, he is serving as the Chairman of Sri Lanka Insurance Corporation Limited and as the Acting Chairman of National Lotteries Board. He has also served as the Chairman of BOC (UK) Limited, Merchant Bank of Sri Lanka & Finance PLC and Acting Chairman of Hotels Colombo (1963) Limited, which are subsidiaries of Bank of Ceylon and as a Director of Mireka Capital Land (Private) Limited and Mireka Homes (Private) Limited, former associate companies of the Bank.

Mr. Perera is an experienced lawyer with a wide practice in the Original Courts as well as in the Court of Appeal and Supreme Court of Sri Lanka especially in the areas of civil and criminal litigation, negotiation and drafting of commercial and transport contracts and agreements. He specializes in Commercial Law, Banking Law, Industrial Law, Injunctions, Defamation, Election Petitions, Civil Appeals, Revision Applications, Writ Applications and Fundamental Rights Cases. Additionally, has appeared in several Commercial Arbitrations.

Mr. Perera is an attorney -at-law and holds a Bachelor of Law (LL.B) degree from the University of Colombo and a Master's Degree in Law (LL.M) in International Trade Law from Northumbria University, United Kingdom.

Mr R M Priyantha Rathnayake
Non-Executive Ex officio Director

Mr. R.M.P Rathnayake assumed duties as Deputy Secretary to the Treasury on 08th January 2020 is a Special Grade officer in the Sri Lanka Planning Service and has been in the public service for almost 25 years in various positions. Mr. Ratnayake joined the public service as an Assistant Director belonging to the Planning Service in 1994. He was attached to the Department of National Planning, which is the apex government institution responsible for development plarming and preparation of National Development Plans.

In January 2011, he has appointed as the Director in-charge of Asian Development Bank (ADB) Division of the External Resources Department (ERD) which is responsible for mobilizing foreign financing for economic development of the country. Subsequently he has been promoted as the Additional Director General and then as the Director General of the ERD, he was responsible for coordinating with development partners, lending agencies and capital market to mobilize foreign financing for development projects, engage with bilateral negotiations and facilitate timely disbursement of foreign financing. He has gained vast experience in multilateral development banking as an Alternate Executive Director to the newly established Asian Infrastructure Investment Bank located in Beijing, China representing Sri Lankan government. Also served as an Additional Secretary in the Ministry of National Policies & Economic Affairs from February to May 2015 and appointed as DG/ERD in May 2015 again.
Other Significant Positions held:

- Alternate Director - Asian Infrastructure Investment Bank, Beijing, PRC
- Chairman, National Savings Bank, Sri Lanka
- Member, National Medicine Regulatory Authority, which regulates medicines, medical devices, borderline products, clinical trials and cosmetics
- Director, Civil Aviation Authority of Sri Lanka
- Director, Sri Lanka Institute of Tourism & Hotel Management
- Director of the People's Bank, a leading state bank in Sri Lanka
- Member of the Board of Management of the Post Graduate Institute of Medicine (PGIM), University of Colombo, institute that is responsible for the specialist training of Medical doctors
- Member of the Board of Directors of the National Aquaculture Development Authority of Sri Lanka, which is the main state sponsored organization mandated for the task of development of the aquaculture and inland fisheries sector
- Member of the Sri Lanka Council for Agricultural Research Policy (CAARP). CAARP advises the government on all matters regarding organization, planning and excusing of agricultural research
- Member of the Governing Council of the University of Vocational Training, A state University responsible for technical and Vocational training
- Member of the Board of Directors of the State Pharmaceuticals Corporation of Sri Lanka (SPC) from January 2006 to April 2010. SPC has been the sole supplier of pharmaceuticals, surgical consumable items, laboratory chemicals and equipment to all public health institutions.
- Member of the Board of Directors of the Mahaweli Authority of Sri Lanka from January 2006 to April 2010.
- Member of the Advisory Board to the Science and Technology Policy Research Division of the National Science Foundation from May 2005. Professional Record:
- Member of the Sri Lanka Economic Association-(Sri Lanka Economic Association, 275/75, Prof. Stanley Wijeesundara Mawatha, Colombo 07.)
- Visiting Consultant/ lecturer of the Sri Lanka Institute of Development Administration (SLIDA) since 2007.

Major General (Rtd.) G A Chandrasiri VSV
Independent Non-Executive Director

Major General (Rtd) G A Chandrasiri was appointed to the Board of Bank of Ceylon on 08.01.2021 as a Non-Executive Director.
He is the incumbent Chairman of Airport and Aviation Services (Sri Lanka) (Private) Limited since December 2019.

Previously he held the position of Governor of the Northern Province from 2009 to 2015. His dedicated and committed service during the five and a half years' tenure as the Governor assisted immensely in rebuilding the lives of the people of war-ravaged Northern Province.

During his illustrious military career of 35 years, he had held a number of key command and staff appointments in the Sri Lanka Army. Being a product of the elite Cavalry Army of the Sri Lanka Army, the Armoured Corps, he commanded the prestigious Armoured Brigade, two infantry divisions in the North prior to becoming the Commander of the important Security Forces Headquarters, Jaffna from 2005 to 2009. He too served as the Military Security Coordinator to HE the President from 1999 to 2002. He was also privileged to hold the posts of Principal Staff Officer at the Joint Operations Command Headquarters and Regimental Commander of the Sri Lanka Army Special Forces. At the final stage of his military career, he was appointed as the Chief of Staff of the Sri Lanka Army. In addition to his duties as the Chief of Staff, he functioned as the Competent Authority for the administration of Internally Displaced People in Northern Province.

In recognition of his service, he was awarded a number of medals and decorations including Rana Wickram Padakkama (RWP), Vishishta Sewa Vibushanaya (VSV) and Uththama Sewa Padakkama (USP).

He is a graduate from the prestigious National Defence College, India and Defence services Command and Staff College, Bangladesh. At present, he is reading for his Ph.D at the General Sir John Kotelawala Defence University, Sri Lanka.

Prof Kithsiri Liyanage
Independent Non-Executive Director

Currently, he serves as a senior professor in the department of Electrical and Electronic Engineering at the University of Peradeniya, where he has been a faculty member for over 25 years. Prior to this, he has held academic positions at the University of Tokyo, University of Washington and University of Peradeniya.

During his time as a faculty member in the Faculty of Engineering at the University of Peradeniya, he has been involved in several national-level roles, including serving as the secretary to the Ministry of National Policies, Economic Affairs Child Youth and Cultural Affairs, as well as holding positions such as Chairman of PUCSL, Chairman of Engineering Service Board, and Member of the NSCC. He has also participated in numerous national committees and policy forum. Moreover, he has held visiting positions at the University of Tokyo, Japan, Oulu University, Finland, and Meijo University, Japan. Additionally, he has served as the Dean of the Faculty of Engineering at the University of Ruhuna and the Dean of the Faculty of Graduate Studies at SLUT. He has also held several other positions, including Director of the Information Technology Center and Director of the Computing Center of the Faculty of Engineering, as well as Head of the Electrical and Electronic Engineering Department at the University of Peradeniya. Furthermore, he has served as a member of the board of Directors of the MILODA Academy of Financial Studies.

He obtained his B.Sc.Eng. (Hons) in Electrical and Electronic Engineering from the University of Peradeniya, Sri Lanka in 1983, and his M.Eng. and Dr.Eng. degrees in Electrical Engineering from the University of Tokyo, Japan in 1988 and 1991, respectively. He is a fellow of Institute of Engineers Sri Lanka, Senior Member of IEEE, USA, and a Chartered Engineer.

Mr. Naresh Abeyesekera
Non-Executive Director

Entrepreneur, Keynote Speaker, CEO of SECQUORO, specializing Transaction Advisory, Debt and Private Equity structuring and funding with a strong presence in the GCC, Europe and Asia together with driving business and digital transformation and advisory services across multiple sectors.

Mr. Abeyesekera was a Global Chief Financial Officer for market services and technology of the London Stock Exchange Group, a USD 60 Billion market capitalised FTSE 100 listed Entity overlooking operations in 40 markets across 4 continents and a member of its global leadership team.

In his twenties he was one of the youngest CFO's of a USD 100 million+ entity and was instrumental in the Transformation and listing of one of South Asia's largest manufacturing Companies recognised by Forbes among the "200 Best in Asia".

Mr. Abeyesekera played a key role in leading the development of the "Best Annual Report in South Asia" judged by the South Asian Federation of Accountants (SAFA) and has also managed

ERP implementations that won regional accolades. He was also awarded the Industry Leadership Award by SLASSCOM, the IT/BPO Industry Chamber for his contribution to the IT Industry of Sri Lanka.

Mr. Abeyesekera co-founded the Institute of Internal Auditors Chapter to strengthen the risk and governance knowledge framework in the country and has been trained in international taxation and international tax strategy in ISDB Malaysia. He has also been trained in lean thinking and practices in the Toyota Corporation in Japan.

In Feb 2020, he was appointed as a Commissioner of the Securities and Exchange Commission of Sri Lanka (SEC) and Chaired the SEC-CSE (Colombo Stock Exchange) joint Committee on Digitalization of the Colombo Stock Exchange and the Capital Market during COVID when the market could not operate. In 3-4 months the entire capital market was digitally transformed with electronic account openings and KYC with Automated Identity Verification for the 1st time in Sri Lanka setting a regional benchmark. He also instrumental in conceptualising the CSE Mobile App with a mobile 1st Quadruple play digital strategy that lead to over 200% growth in the investor base and driving the fastest growing mobile app in the country with over 200,000 active users in a short 12-18 months. The mobile app won the highest national ICT award "e-Swabhimani" awarded by the Information, Communication and Technology Agency of Sri Lanka.

Mr. Abeyesekera is a Fellow Chartered Accountant, Chartered Management Accountant (UK), Chartered Global Management Accountant (UK) and holds a MBA from the Prestigious Postgraduate Institute of Management.

8.2. Details of the General Manager

Mr. W. P. Russel P. H. Fonseka

Mr. Fonseka is a career banker and currently serves as Additional General Manager / Chief Financial Officer of Bank of Ceylon. He has over 33 years of experience in Bank of Ceylon and has played a pivotal role towards the success of the Bank by deploying his expertise in many varied roles which include Retail Lending, Corporate & Offshore Banking, International Operations, Treasury and Investment. Mr. Fonseka specializes in Financial Management, Financial Reporting and Strategic Planning in the field of Banking.

A graduate with a B Sc. Degree in Business Administration from the University of Sri Jayewardenepura, Sri Lanka, Mr. Fonseka also holds a Postgraduate Diploma in Management from the Postgraduate Institute of Management (PIM) Sri Lanka. He has also obtained a MBA from the University of Southern Queensland, Australia. Mr. Fonseka is a Senior Fellow Member of the Institute of Bankers of Sri Lanka and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He has completed the Advance Management Programme conducted by the Harvard Business School of USA.

Mr. Fonseka serves as a Director on the Boards of Merchant Bank of Sri Lanka 8& Finance PLC, Property Development PLC, Lankapay (Private) Limited and Transnational Lanka Records Solutions (Private) Limited. Mr. Fonseka was appointed to the Governing Council of Association of Accounting Technicians of Sri Lanka with effect from February 2020 and currently serves as the Immediate Past President of the Council. He also serves as a member of the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB).

9 STATUTORY AND OTHER GENERAL INFORMATION

9.1 Inspection of Documents

Bank of Ceylon Ordinance, the Trust Deed, Auditor's Reports and Audited Financial Statements for the five (05) financial years ended 31st December 2022 financial years immediately preceding the date of this prospectus), Interim Financial Statement as at 30th September 2023 and all other documents referred to in Rule 3.3.13 of the CSE Listing Rules, including material contracts and management agreements entered into by the Bank (if any) are available for inspection by the public during normal working hours, from seven (07) Market Days prior to the date of opening of the subscription list, at the registered office of the Bank at 'BOC Square' , No 01 , Bank of Ceylon Mawatha , Colombo 01 until the Date of Redemption of the Debentures.

Prospectus, Trust Deed and Bank of Ceylon Ordinance are available on the website of CSE, www.cse.lk and the website of the Bank, www.boc.lk from seven (07) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Debentures as stipulated in Rule 3.3.13 of the CSE Listing Rules.

10 DECLARATION BY THE DIRECTORS

We the undersigned being the Directors of Bank of Ceylon, hereby declare and confirm that the Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that, the provisions of the Colombo Stock Exchange listing rules have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the entity have been given in the Prospectus, such representations have been made after due and careful inquiry of the information available to the entity and making assumptions that are considered to be reasonable at the present point in time and according to our best judgment.

An Application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for Debentures issued by Bank of Ceylon and those Debentures which are the subject of this issue. Such permission will be granted when Debentures are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of Bank of Ceylon or of the Debentures issued.

Mr. Ronald C. Perera Chairman	(Sgd.)
Mr R M Priyantha Rathnayake Non-Executive Ex officio Director	(Sgd.)
Major General (Rtd.) G A Chandrasiri VSV Independent Non-Executive Director	(Sgd.)
Prof Kithsiri Liyanage Independent Non-Executive Director	(Sgd.)
Mr. Naresh Abeyesekera Non-Executive Director	(Sgd.)

11 DECLARATION BY THE BANK

An Application has been made to the Colombo Stock Exchange for permission to deal in and obtain a listing for the Debentures to be issued by the Bank pursuant to this Prospectus. Such permission will be granted when the Debentures are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the accuracy of the statements made or opinions expressed or reports included in this prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Bank or of these Debentures.

(Sgd.)
R. M. N. Jeewantha
Deputy General Manager
(International, Treasury & Investments)

(Sgd.)
M R A Shakoor
Assistant General Manager
(Investments)

12 DECLARATION BY THE MANAGERS TO THE ISSUE

We, Investment Banking Division of Bank of Ceylon, 7th Floor, "BOC Square", No. 01, Bank of Ceylon Mawatha, Colombo 01 being the Managers, Sponsors and Registrars to this Debenture issue, hereby declare and confirm that to the best of our knowledge and belief this prospectus constitutes full and true disclosure of all material facts about the issue and the BOC.

(Sgd.)
R. M. N. Jeewantha
Deputy General Manager
(International, Treasury & Investments)

(Sgd.)
M R A Shakoor
Assistant General Manager
(Investments)

Annexure I Rating Report

FitchRatings

Fitch Rates Bank of Ceylon's Basel III Subordinated Debt Final 'BBB+(lka)'

11 DEC 2023 5:12 PM

Fitch Ratings - Singapore - [publication date will be automatically inserted]
Fitch Ratings has assigned Bank of Ceylon's (BOC) (CC/CCC-/A(lka)/Stable) proposed Sri Lankan rupee-denominated Basel III-compliant subordinated debentures of up to LKR10 billion a final National Long-Term Rating of 'BBB+(lka)'.

The final rating is the same as the expected rating assigned on 21 November 2023 and follows the receipt of documents conforming to information already received.

The proposed debentures will mature in five years and will be listed on the Colombo Stock Exchange. The bank plans to use the proceeds to strengthen its Tier 2 capital base, bridge maturity mismatches, and to support the expansion of its asset base.

The bank expects the proposed debentures to qualify as Basel III-compliant regulatory Tier 2 capital. The debentures include a non-viability clause whereby the notes will be converted to an Additional Tier 1 (AT1) instrument on a permanent basis, subject to the occurrence of a trigger event, as determined by the Monetary Board of the Central Bank of Sri Lanka.

KEY RATING DRIVERS

BOC's Sri Lankan rupee-denominated subordinated debt is rated two notches below the bank's National Long-Term Rating anchor. This reflects Fitch's baseline notching for loss severity for this type of debt, and our expectations of poor recoveries upon non-performance. There is no additional notching for non-performance risks as the notes do not incorporate going-concern loss-absorption features, and will only convert to AT1 at the point of non-viability.

Fitch assumes that the authorities would step in late, moving the point of non-viability close to liquidation. The notes also do not have contingent conversion or write-down triggers that create moderate or high incremental non- performance risk relative to anchor.

BOC's National Long-Term Rating is used as the anchor rating for this instrument because the rating reflects the bank's standalone financial strength and best indicates the risk of the bank becoming non-viable.

Fitch affirmed BOC's National Long-Term Rating of 'A(lka)', removed it from Rating Watch Negative and assigned a Stable Outlook on 5 October 2023. For details, please see Fitch Affirms Ratings on 15 Sri Lankan Banks; Removes Watch Negative; CBL on Negative Outlook

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

BOC's subordinated debt would be downgraded if the bank's National Long-Term Rating is downgraded.
Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade
BOC's subordinated debt would be upgraded if the bank's National Long-Term Rating is upgraded.

BOC has a 1.78% equity stake in Fitch Ratings Lanka Ltd. No shareholder other than Fitch, Inc. is involved in the day-to-day rating operations of, or credit reviews undertaken by, Fitch Ratings Lanka Ltd.

DATE OF RELEVANT COMMITTEE

04 October 2023

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY	RATING			PRIOR
Bank of Ceylon subordinated	Natl LT	BB+(lka)	New Rating	BBB+(EXP)(lka)

View Additional Rating Details

FITCH RATINGS ANALYSTS

Tania Gold

Senior Director

Primary Rating Analyst

International

+65 6796 7224 tania.gold@fitchratings.com

Fitch Ratings Singapore Pte Ltd.

1 Wallich Street #19-01 Guoco Tower

Singapore 078881

Jeewanthi Malagala

Director

Primary Rating Analyst

National

+94 11 7066 605 jeewanthi.malagala@fitchratings.com

Fitch Ratings Lanka Ltd.

15-02 East Tower, World Trade Center Echelon Square, Colombo

00100

Tania Gold

Senior Director

Secondary Rating Analyst

National

+65 6796 7224
tania.gold@fitchratings.com

Jeewanthi Malagala
Director
Secondary Rating Analyst
International
+94 11 7066 605
jeewanthi.malagala@fitchratings.com

David Wong Senior Director
Committee Chairperson
+852 2263 9927
david.wong@fitchratings.com

Media relations
Jack Li
Beijing
+86 10 5957 0964
jack.li@thefitchgroup.com

Leslie Tan
Singapore
+65 6796 7234
leslie.tan@thefitchgroup.com

Peter Hoflich
Singapore
+65 6796 7229
peter.hoflich@thefitchgroup.com

Additional information is available on www.fitchratings.com

Applicable Criteria

Bank Rating Criteria (pub.01-Sep-2023)(includes rating assumption sensitivity) National Scale Rating Criteria (pub.22-Dec-2020)

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions

that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. Sector-specific best- and worst-case scenario credit ratings are listed in more detail at https://www.fitchratings.com/site/re/10238496 (https://www.fitchratings.com/site/re/10238496)

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange

Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2023 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs (https://www.fitchratings.com/regulatory) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Annexure II TRADING PARTICIPANTS

Bartleet Religare Securities (Pvt) Limited Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 02. Tel :+94 (0) 11 5 220 200 Fax :+94 (0) 11 2 434 985 E-mail :info@bartleetstock.com Website :http://www.bartleetreligare.com	Acuity Stockbrokers (Pvt) Ltd. No. 53, Dharmapala Mawatha, Colombo 03. Tel :+94 (0) 11 2 206 206 Fax :94 (0) 11 2 206 298/9 E-mail :sales@acuitystockbrokers.com Website :http://www.acuity.lk
John Keells Stock Brokers (Pvt) Ltd. 186, Vauxhall Street, Colombo 02. Tel : +94 (0) 11 2 306 250 Fax : +94 (0) 11 2 342 068 E-mail : jkstock@keells.com Website : http://www.jksb.com	Asha Securities Ltd. No. 60, 5th Lane, Colombo 03. Tel : +94 (0) 11 2 429 100 Fax : +94 (0) 11 2 429 199 E-mail : asl@ashasecurities.net Website : http://www.ashasecurities.net
Almas Equities (Pvt) Ltd Westin Tower, 5th Level No 2 - 4/1, Lake Drive, Colombo 08. Tel : +94 (0) 70 7 144 551 Fax : +94 (0) 11 2 673 908 E-mail : info@almasequities.com Website : https://www.almasequities.com	Somerville Stockbrokers (Pvt) Ltd. 1A, Park Way, Park Road, Colombo 05. Tel : +94 (0) 11 2 502 858 +94 (0) 11 2 502 862 Fax : +94 (0) 11 2 502 852 E-mail : contact@somerville.lk Website : www.somerville.lk
J B Securities (Pvt) Ltd. No. 150, St. Joseph Street, Colombo 14. Tel : +94 (0) 11 2 490 900 Fax : +94 (0) 11 2 430 070 E-mail : jbs@jb.lk Website : http://www.jbs.lk	Lanka Securities (Pvt) Ltd. 3rd Floor," M2M Veranda Offices", No. 34, W.A.D. Ramanayeke Mawatha, Colombo 02. Tel : +94 (0) 11 4 706 757 +94 (0) 11 2 554 942 Fax : +94 (0) 11 4 706 767 E-mail : info@lankasec.com Website : http://www.lankasecurities.com
Asia Securities (Pvt) Ltd. 4th Floor, Lee Hedges Tower No. 349, Galle Road, Colombo 03. Tel : +94 (0) 11 7 722 000 Fax : +94 (0) 11 2 584 864 E-mail : inquiries@asiasecurities.lk Website : http://www.asiasecurities.lk	Nation Lanka Equities (Pvt) Ltd. No. 44, Guildford Crescent, Colombo 07. Tel : +94 (0) 11 7 898 302 E-mail : info@nlequities.com Website : http://www.nlequities.com

Capital Trust Securities (Pvt) Ltd. 42, Mohamed Macan Markar Mawatha, Colombo 03. Tel : +94 (0) 11 2 174 174 +94 (0) 11 2 174 175 Fax : +94 (0) 11 2 174 173 E-mail : inquiries@capitaltrust.lk Website : http://www.capitaltrust.lk	S C Securities (Pvt) Ltd. 5th Floor, 26 B, Alwis Place, Colombo 03. Tel : +94 (0) 11 4 711 000 +94 (0) 11 4 711 001 Fax : +94 (0) 11 2 394 405 E-mail : itdivision@sampathsecurities.lk Website : http://www.sampathsecurities.lk
CT CLSA Securities (Pvt) Limited 4-14, Majestic City, 10, Station Road, Colombo 04. Tel : +94 (0) 11 2 552 290-4 Fax : +94 (0) 11 2 552 289 E-mail : info@ctclsa.lk Website : http://www.ctclsa.lk	First Capital Equities (Pvt) Limited. No. 2, Deal Place, Colombo 03. Tel : +94 (0) 11 2 639 898 +94 (0) 11 2 651 651 Fax : +94 (0) 11 2 576 866 +94 (0) 11 2 639 899 E-mail : equity@firstcapital.lk Website : http://www.firstcapital.lk
NDB Securities (Private) Limited. Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel : +94 (0) 11 2 131 000 Fax : +94 (0) 11 2 314 181 E-mail : mail@ndbs.lk Website : http://www.ndbs.lk	Nestor Stock Brokers (Pvt) Ltd. No. 428, 2/1, R. A. De Mel Mawatha, Colombo 03. Tel : + 94 11 4 758 813 Fax : + 94 11 2 550 100 E-mail : info@nestorstockbrokers.lk Website : https://www.nestorstockbrokers.lk
Capital Alliance Securities (Pvt) Ltd. Level 5, “Millennium House”, 46/58 Navam Mawatha, Colombo 02. Tel : +94 (0) 11 2 317 777 Fax : +94 (0) 11 2 317 788 E-mail : info@cal.lk Website : http://www.cal.lk	LOLC Securities Limited No. 481, T.B. Jayah Mawatha, Colombo 10. Tel : +94 (0) 11 5 889 889 Fax : +94 (0) 11 2 662 883 E-mail : info@lolcsecurities.com Website : http://www.lolcsecurities.com
First Guardian Equities (Pvt) Ltd. 32nd Floor, East Tower, World Trade Centre, Colombo 01. Tel : +94 (0) 11 5 884 400 (Hunting) Fax : +94 (0) 11 5 884 401 E-mail : info@fge.lk Website : http://www.fge.lk	Enterprise Ceylon Capital (Private) Limited. 2nd Floor – 4B, Liberty Plaza, 250, R. A. De Mel Mawatha, Colombo 03. Tel : +94 (0) 11 2 445 644 +94 (0) 11 2 301 861 E-mail : info@ecc.lk Website : http://ecc.lk

Richard Pieris Securities (Pvt) Ltd. No. 310, High Level Road, Nawinna, Maharagama. Tel : +94 (0) 11 4 310 500 Fax : +94 (0) 11 2 802 385 E-mail : communication@rpsecurities.com Website : http://www.arpico.com	Softlogic Stockbrokers (Pvt) Ltd Level 16, One Galle Face Tower, Colombo 02. Tel : +94 (0) 11 7 277 000 Fax : +94 (0) 11 7 277 099 E-mail : info@softlogicstockbrokers.lk Website : http://softlogicstockbrokers.lk
Ambeon Securities (Pvt) Ltd 2nd Floor, No. 10, Gothami Road, Colombo 08. Tel : +94 (0) 11 5 328 200 +94 (0) 11 5 328 100 Fax : +94 (0) 11 5 328 177 E-mail : info@ambeonsecurities.lk Website : http://www.taprobane.lk	ACAP Stock Brokers (Pvt) Ltd. No. 46/46, 7th Floor, Greenlanka Towers, Nawam Mawatha, Colombo 02. Tel : +94 (0) 11 7 564 000 Fax : +94 (0) 11 2 331 756 E-mail : info@acapstockbrokers.lk Website : https://acapstockbrokers.lk/
Senfin Securities Limited 4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. Tel : +94 (0) 11 2 359 100 Fax : +94 (0) 11 2 305 522 E-mail : info@senfinsecurities.com Website : https://senfinsecurities.com	

Trading Participants – Debt

NSB Fund Management Company Limited No. 400, Galle Road, Colombo 03. Tel : +94 (0) 11 2 564 601 Fax : +94 (0) 11 2 574 387 E-mail : nsb@nsb.lk Website :	Capital Alliance Limited Level 5, "Millennium House" 46/58, Nawam Mawatha, Colombo 02. Tel : +94 (0) 11 2 317 777 Fax : +94 (0) 11 2 317 788 E-mail : info@cal.lk Website : http://www.cal.lk
Wealthtrust Securities Limited No. 102/1, Dr. N. M. Perera Mawatha, Colombo 08. Tel : +94 (0) 11 2 675 091-4 Fax : +94 (0) 11 2 689 605 E-mail : info@wealthtrust.lk	Seylan Bank PLC Level 3, Seylan Towers, 90, Galle Road, Colombo 03. Tel : +94 (0) 11 2 456 300 Fax : +94 (0) 11 2 452 215 E-mail : info@seylan.lk Website : https://www.seylan.lk

Annexure III CUSTODIAN BANKS

NSB Fund Management Company Limited No. 400, Galle Road, Colombo 03. Tel : +94 (0) 11 2 564 601 Fax : +94 (0) 11 2 574 387 E-mail : nsb@nsb.lk Website :	Capital Alliance Limited Level 5, "Millennium House" 46/58, Nawam Mawatha, Colombo 02. Tel : +94 (0) 11 2 317 777 Fax : +94 (0) 11 2 317 788 E-mail : info@cal.lk Website : http://www.cal.lk
Wealthtrust Securities Limited No. 102/1, Dr. N. M. Perera Mawatha, Colombo 08. Tel : +94 (0) 11 2 675 091-4 Fax : +94 (0) 11 2 689 605 E-mail : info@wealthtrust.lk Website :	Seylan Bank PLC Level 3, Seylan Towers, 90, Galle Road, Colombo 03. Tel : +94 (0) 11 2 456 300 Fax : +94 (0) 11 2 452 215 E-mail : info@seylan.lk Website : https://www.seylan.lk
Bank of Ceylon Participant Code: BOC 11th Floor, No. 4, Bank of Ceylon Mawatha, Colombo 01. Tel : +94 (0) 11 2 204 064	Standard Chartered Bank Participant Code: SCB 37, York Street, Colombo 01. Tel : +94 (0) 11 2 480 450
Citibank N.A. Participant Code: CTI 65 C, Dharmapala Mawatha, Colombo 07. Tel : +94 (0) 11 4 794 728	Sampath Bank PLC Participant Code: SBL 110, Sir James Peiris Mw., Colombo 02. Tel : +94 (0) 11 5 331 458, +94 (0) 11 4 730 662
Deutsche Bank Participant Code: DBC No. 86, Galle Road, Colombo 03. Tel : +94 (0) 11 2 447 062 +94 (0) 11 2 438 057	Union Bank of Colombo PLC Participant Code: UBC 64A, Galle Road, Colombo 03. Tel : +94 (0) 11 2 374 205

Hatton National Bank PLC Participant Code: HNB HNB Towers, 479, T B Jayah Mawatha, Colombo 10. Tel : +94 (0) 11 2 661 762	Nations Trust Bank PLC Participant Code: NTB 256, Sri Ramanathan Mawatha, Colombo 15. Tel : +94 (0) 11 4 313 131
Hongkong & Shanghai Banking Corp. Ltd. Participant Code: HSB 24, Sir Baron Jayathilake Mw., Colombo 01. Tel : +94 (0) 11 2 325 435 +94 (0) 11 2 446 591 +94 (0) 11 2 446 303	Seylan Bank PLC Participant Code: SBK Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03. Tel : +94 (0) 11 4 701 812 +94 (0) 11 4 701 819
People's Bank Participant Code: PEO Head Office – Treasury, 5th Floor, 75, Sir Chittampalam A Gardiner Mw, Colombo 02. Tel : +94 (0) 11 2 206 782	State Bank of India Participant Code: SBI 16, Sir Baron Jayathilake Mw., P O Box 93, Colombo 01. Tel : +94 (0) 11 4 622 350
Public Bank Berhad Participant Code: PBB 340, R.A. De Mel Mawatha, Colombo 03. Tel : +94 (0) 11 2 576 289 +94 (0) 11 7 290 200-07	

Annexure IV FATCA DECLARATION

Manager

Bank of Ceylon

…….

I/We……

……and

……of

(address)……

……holder/s of Passport Number /NIC Number ……who fall under the definition of the Foreign Account Tax Compliance Act ("FATCA'') which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that that I/We understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request Bank of Ceylon which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Bank of Ceylon and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

…….. …….

Date Signature/s of Applicant/s

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. } BAN/B/BOC/DI/2023 මගේ අංකය / உமது இல. / Your No. } දිනය / திகதி / Date } 06 December 2023

The Chairman

Bank of Ceylon

Report of the Auditor General on the Statistical summary of the Bank of Ceylon for the last five years ended 31 December 2022

I have audited the Financial Statements of the Bank of Ceylon (the "Bank") and the Consolidated Financial Statements of the Bank and its subsidiaries for the last five years ended 31 December 2022, from which the five years statistical summary were derived, in accordance with Sri Lanka Auditing Standards. In my reports dated 29 March 2019, 27 March 2020, 24 March 2021, 28 February 2022 and 28 February 2023, I expressed an opinion that the financial statements from which the five years statistical summary were derived gave a true and fair view.

In my opinion, the accompanying five years statistical summary is consistent, in all material respects, with the financial statements from which they were derived and on which I expressed unqualified opinion.

For a better understanding of the Bank's financial position and the results of its operations for the period and of the scope of our audit, the five years statistical summary should be read in conjunction with the financial statements from which the five years statistical summary were derived and my audit opinion thereon.

This report is made solely for the purpose of the Bank of Ceylon in usage in the process of issuing a rupee debenture to the value of Rs.5 billion with an option of increasing it up to 10 billion in case of oversubscription which will be listed on the Main Board of the Colombo Stock Exchange. This report should not be used, circulated, quoted or otherwise referred to for any other purpose.

W.P.C. Wickramaratne

Auditor General

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

Statement of Profit or Loss

Rs. 000

For the year ended 31 December	Bank 2018	2019	2020	2021	2022
Gross Income	221,020,693	239,116,469	247,163,965	290,362,494	513,149,335
Interest income	195,393,970	220,477,174	226,310,574	260,513,393	456,267,458
Less: Interest expenses	129,835,996	145,330,696	151,534,708	149,261,452	329,921,080
Net interest income	**65,557,974**	**75,146,478**	**74,775,866**	**111,251,941**	**126,346,378**
Fee & commission income	12,917,022	14,569,762	14,261,148	17,649,434	22,837,771
Less: Fee & commission expenses	2,246,512	2,472,955	2,302,057	3,470,032	6,486,129
Net fee & commisssion income	10,670,510	12,096,807	11,959,091	14,179,402	16,351,642
Net gains/ (losses) from trading	3,431,822	2,535,301	2,627,620	4,742,396	17,602,384
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	(681,365)	321,789	928,234	1,347,097	(804,438)
Net gains/ (losses) from derecognition of finar	152,029	282,260	482,684	393,920	861,349
Net other operating income	9,807,215	930,183	2,553,705	5,716,254	16,384,811
Total operating income	**88,938,185**	**91,312,818**	**93,327,200**	**137,631,010**	**176,742,126**
Less : Impairment charge/ (reversal) for loans	15,040,961	18,597,725	31,232,178	43,733,731	87,155,696
Net operating income	73,897,224	72,715,093	62,095,022	93,897,279	89,586,430
Less : Operating expenses					
Personnel expenses	17,351,465	18,365,029	18,190,480	24,981,940	28,991,429
Depreciation and amortisation expenses	2,200,294	3,704,004	4,254,528	4,146,256	4,286,899
Other expenses	11,341,068	10,440,209	10,639,665	12,552,393	14,018,161
Total operating expenses	**30,892,827**	**32,509,242**	**33,084,673**	**41,680,589**	**47,296,489**
Operating profit before taxes on financial serv	43,004,397	40,205,851	29,010,349	52,216,690	42,289,941
Less : Taxes on financial services	9,588,312	10,520,624	5,458,468	9,027,173	11,313,292
Profit before income tax	**33,416,085**	**29,685,227**	**23,551,881**	**43,189,517**	**30,976,649**
Less : Income tax expense	12,413,425	6,587,192	5,786,749	5,599,410	(995,759)
Profit for the year	**21,002,660**	**23,098,035**	**17,765,132**	**37,590,107**	**31,972,408**
Attributable to:					
Equity share holders	**21,002,660**	**23,098,035**	**17,765,132**	**37,590,107**	**31,972,408**

Statement of Profit or Loss

Rs. 000

For the year ended 31 December	Group 2018	2019	2020	2021	2022
Gross Income	229,351,138	248,692,003	252,756,030	297,620,853	520,891,164
Interest income	201,809,401	227,377,777	231,454,401	266,565,137	463,203,346
Less: Interest expenses	133,119,922	149,082,891	154,251,160	151,575,510	333,434,454
Net interest income	**68,689,479**	**78,294,886**	**77,203,241**	**114,989,627**	**129,768,892**
Fee & commission income	13,305,501	14,969,583	14,500,865	17,931,406	23,165,682
Less: Fee & commission expenses	2,260,623	2,512,206	2,324,128	3,508,619	6,505,334
Net fee & commisssion income	11,044,878	12,457,377	12,176,737	14,422,787	16,660,348
Net gains/ (losses) from trading	3,468,191	2,555,256	2,643,463	4,813,011	17,678,455
Net fair value gains/ (losses) from financial instruments at fair value through profit or loss	(717,194)	342,807	991,525	1,309,021	(956,745)
Net gains/ (losses) from derecognition of finar	153,240	292,812	492,996	466,392	877,853
Net other operating income	11,331,999	3,153,768	2,672,780	6,535,886	16,922,573
Total operating income	**93,970,593**	**97,096,906**	**96,180,742**	**142,536,724**	**180,951,376**
Less : Impairment charge/ (reversal) for loans	15,176,472	18,719,243	32,032,073	43,661,965	87,294,905
Net operating income	78,794,121	78,377,663	64,148,669	98,874,759	93,656,471
Less : Operating expenses					
Personnel expenses	19,076,846	20,213,082	20,050,612	26,925,255	31,352,978
Depreciation and amortisation expenses	2,813,469	3,775,144	4,391,152	4,239,633	4,507,368
Other expenses	13,133,953	12,911,506	12,080,058	13,866,816	15,423,966
Total operating expenses	**35,024,268**	**36,899,732**	**36,521,822**	**45,031,704**	**51,284,312**
Operating profit before taxes on financial serv	43,769,853	41,477,931	27,626,847	53,843,055	42,372,159
Less : Taxes on financial services	9,818,020	10,850,549	5,463,182	9,339,679	11,442,505
Operating profit after taxes on financial servic	33,951,833	30,627,382	22,163,665	44,503,376	30,929,654
Share of profits/ (losses) of associate compani	9,269	48,187	82,488	133,677	122,847
Profit before income tax	**33,961,102**	**30,675,569**	**22,246,153**	**44,637,053**	**31,052,501**
Less : Income tax expense	12,922,017	6,928,234	5,938,747	5,953,659	(796,516)
Profit for the year	**21,039,085**	**23,747,335**	**16,307,406**	**38,683,394**	**31,849,017**
Attributable to:					
Equity share holders	**21,056,794**	**23,452,040**	**16,842,514**	**38,490,392**	**31,994,638**
Non-controlling interest	(17,709)	295,295	(535,108)	193,002	(145,621)

Financial Position

As at 31 December	Bank 2018	Bank 2019	Bank 2020	Bank 2021	Bank 2022 (Rs. 000)	Group 2018	Group 2019	Group 2020	Group 2021	Group 2022 (Rs. 000)
Assets										
Cash and cash equivalents	78,447,577	64,868,895	84,416,624	82,647,406	128,401,532	78,558,031	64,829,735	83,198,445	82,313,908	135,230,827
Balances with Central Banks	65,680,371	54,594,436	33,351,852	74,121,781	70,494,529	65,680,371	54,594,436	33,351,852	74,121,781	70,494,529
Placements with banks	40,450,089	44,476,343	27,615,851	4,957,417	16,459,303	41,681,910	47,911,621	27,913,969	5,342,369	17,811,665
Securities purchased under resale agreements	-	2,179,449	2,001,047	2,074,474	1,480,403	1,436,068	3,981,886	3,822,312	2,976,664	1,463,368
Derivative financial instruments	1,205,657	132,090	548,926	4,342,531	57,155,486	1,205,657	132,090	548,926	4,342,531	57,155,486
Financial assets recognised through profit or loss measured at fair value	9,277,298	10,055,415	9,856,220	9,230,022	10,280,055	9,583,327	11,052,769	10,869,471	9,640,813	10,636,190
Financial assets at amortised cost										
Loans and advances	1,429,107,181	1,549,804,871	1,988,409,007	2,413,762,291	2,325,594,329	1,460,618,588	1,580,949,025	2,018,393,730	2,446,330,329	2,355,978,333
Debt and other instruments	551,839,449	572,747,809	724,390,172	1,082,179,876	1,555,897,307	553,033,150	573,977,330	725,579,585	1,082,837,662	1,562,373,679
Financial assets measured at fair value through OCI	16,699,582	14,236,090	15,362,480	18,302,556	8,690,802	19,338,783	17,016,553	17,913,778	22,879,810	10,750,044
Investment in subsidiary companies	6,513,048	6,513,048	6,513,048	8,181,138	8,181,138					
Investment in associate companies	92,988	92,988	92,988	92,988	92,988	441,226	447,035	510,084	595,531	684,536
Investment properties	2,765,856	2,648,784	2,534,118	2,414,640	2,414,640	120,182	117,276	114,370	107,704	104,798
Property, Plant and Equipment	24,178,155	25,579,065	33,366,003	32,757,485	34,845,004	37,762,509	39,486,380	47,418,620	46,944,191	50,992,323
Right of use assets/ Leasehold properties	98,899	3,479,937	3,208,879	3,137,955	3,002,305	130,500	2,187,622	2,643,686	2,825,719	2,624,300
Intangible assets	1,238,186	1,127,007	1,020,881	1,039,985	1,442,433	1,456,630	1,361,858	1,228,597	1,214,591	1,593,344
Deferred tax assets	-	-	-	2,152,712	15,577,466	3,052	511,936	76,873	2,213,847	15,598,541
Other assets	57,236,737	62,580,402	50,292,999	61,888,586	96,449,984	58,549,569	63,926,060	51,189,477	63,262,306	97,276,598
Total assets	**2,284,831,073**	**2,415,116,629**	**2,982,981,095**	**3,803,283,843**	**4,336,459,704**	**2,329,599,553**	**2,462,483,612**	**3,024,773,775**	**3,847,949,756**	**4,390,768,561**
Liabilities										
Due to banks	2,402,468	2,669,407	2,402,043	17,936,070	11,514,897	2,515,998	2,932,950	2,628,434	18,646,339	11,547,714
Securities sold under repurchase agreements	97,399,359	34,183,210	57,106,652	162,156,413	180,218,543	97,423,302	34,880,507	57,697,780	161,668,335	179,938,744
Derivative financial instruments	509,018	106,677	102,182	380,328	921,033	509,018	106,677	102,182	380,328	921,033
Financial liabilities at amortised cost										
Due to depositors	1,770,974,846	2,005,211,794	2,474,775,488	2,866,894,010	3,334,774,261	1,789,924,369	2,025,204,033	2,493,110,291	2,886,237,094	3,358,198,424
Other borrowings	201,792,174	137,833,543	180,884,127	444,107,977	390,489,543	207,053,674	145,095,262	185,102,055	447,875,002	397,083,583
Debt securities issued	-	-	-	-	-	4,105,681	2,107,810	2,107,493	2,107,182	58,807
Current tax liabilities	3,922,189	-	591,723	647,993	6,523,443	4,039,380	138,677	775,259	978,532	6,853,709
Deferred tax liabilities	5,073,526	4,592,021	923,462	-	-	7,762,214	7,182,866	3,305,797	2,153,309	2,694,221
Insurance provision - Life	-	-	-	-	-	575,625	511,091	498,767	413,743	355,190
Insurance provision - Non-life	-	-	-	-	-	366,618	358,504	488,784	526,017	662,773
Other liabilities	19,760,430	34,015,688	44,898,628	46,042,365	94,075,650	21,970,739	34,758,044	45,372,722	47,461,127	96,425,230
Subordinated liabilities	50,827,239	54,221,552	64,637,407	64,358,855	63,758,191	50,484,487	54,211,542	64,627,397	64,105,970	63,498,599
Total liabilities	**2,152,661,249**	**2,272,833,892**	**2,826,321,712**	**3,602,524,011**	**4,082,275,561**	**2,186,731,105**	**2,307,487,963**	**2,855,816,961**	**3,632,552,978**	**4,118,238,027**
Equity										
Share capital	25,000,000	25,000,000	25,000,000	25,000,000	25,730,000	25,000,000	25,000,000	25,000,000	25,000,000	25,730,000
Permanent reserve fund	12,890,000	13,383,000	13,739,000	14,491,000	15,131,000	12,890,000	13,383,000	13,739,000	14,491,000	15,131,000
Retained earnings	78,061,681	87,689,480	96,983,948	136,739,177	158,616,238	79,179,548	89,140,565	97,463,266	138,104,222	159,819,481
Cashflow hedge reserve	-	-	-	3,239,266	25,620,635	-	-	-	3,239,266	25,620,635
Other reserves	16,218,143	16,210,257	20,936,435	21,290,389	29,086,270	25,103,751	25,686,997	31,486,761	32,972,844	45,172,451
Total equity attributable to equity holder of the Bank	**132,169,824**	**142,282,737**	**156,659,383**	**200,759,832**	**254,184,143**	**142,173,299**	**153,210,562**	**167,689,027**	**213,807,332**	**271,473,567**
Non-controlling Interest						695,149	1,785,087	1,267,787	1,589,446	1,056,967
Total equity	132,169,824	142,282,737	156,659,383	200,759,832	254,184,143	142,868,448	154,995,649	168,956,814	215,396,778	272,530,534
Total liabilities and equity	**2,284,831,073**	**2,415,116,629**	**2,982,981,095**	**3,803,283,843**	**4,336,459,704**	**2,329,599,553**	**2,462,483,612**	**3,024,773,775**	**3,847,949,756**	**4,390,768,561**
Contingent liabilities and commitments	**508,306,808**	**508,217,961**	**600,210,687**	**999,726,729**	**1,344,899,769**	**513,192,419**	**516,632,979**	**619,669,887**	**1,018,141,749**	**1,346,920,056**

Financial statements for the last five years have been reinstated as appropriate.

Financial statements for the last five years have been extracted from the audited financial statements. The Board of Directors is responsible for the preparation and presentation of the financial statements.

Certification

Certify that the above fianacial statements have been extracted from the audited financial statements of the Bank for the last five years ended 31.12.2022.

M P Ruwan Kumara
Chief Financial Officer

W P Russel Fonseka
General Manager

Ronald C Perera
Chairman

19 September 2023

Registered Office

BOC Square, No. 01, Bank of Ceylon Mawatha, Colombo 01, Sri Lanka

www.boc.lk

Manager to the Issue
Investment Banking Division,
Bank of Ceylon.
7th Floor, Head Office, Colombo 01
Tel: +94 011 2448348, +94 11 2203640-48 Fax: +94 011 2346842

BANK OF CEYLON
BOC
Bankers to the Nation