



Democratic Socialist Republic of Sri Lanka

Sri Lanka Development Bonds

DOCUMENT OF OFFER

Issuing Office

Public Debt Department
Central Bank of Sri Lanka
30, Janadhipathi Mawatha
Colombo 1
Sri Lanka

11 June 2010

SRI LANKA DEVELOPMENT BONDS

Main Features

Issuer	Democratic Socialist Republic of Sri Lanka
Currency	US Dollars
Size and Tenure	USD 175 million of 2 years USD 100 million of 3 years
Type of Security	Bond
Issuance	Auction Based
Interest Rate	6 month LIBOR for USD + margin through competitive bidding
Period for Subscription	From 11:00 hrs on 14 June to 10:00 hrs on 18 June 2010
Date of Settlement	30 June 2010
Interest Payments	Semi - annual
Minimum Investment	USD 100,000 & in multiples of USD 10,000
Transferability	By Endorsement, Delivery & Registration
Eligible Investors*	Foreign Citizens & Entities, Non Resident Sri Lankans, Sri Lankan Dual Citizens, Authorised Dealers, Primary Dealers, Specified Companies that have entered into agreement with the Board of Investment of Sri Lanka and specified Insurance Companies registered under the Regulation of Insurance Industry Act
Tax	Exempted from Income Tax paid in Sri Lanka
Issuing Office	Public Debt Department, Central Bank of Sri Lanka
Designated Agents to Purchase Bonds	Selected Authorised Dealers & Primary Dealers
Paying Agent	Bank of Ceylon
Governing Law	Sri Lankan Law

* Refer to Paragraph 1



Democratic Socialist Republic of Sri Lanka

Offer of Sri Lanka Development Bonds

USD 175 Million of 2 years

USD 100 Million of 3 years

Due to applicable regulatory requirements in the United States of America (USA) it is not possible to make this offer in the USA within the time frame of the proposed Sri Lanka Development Bond issue. Accordingly, this offer is not extended to the USA or to United States (US) persons. The Sri Lanka Development Bonds shall not be offered, sold, resold, pledged, transferred, assigned or delivered to or within the USA or to US persons. Any attempted sale, resale, pledge, transfer, assignment or delivery of Sri Lanka Development Bonds within the USA or to a US person shall not be recognised or accepted by the Government of Sri Lanka. Any application for Sri Lanka Development Bonds with an address in the USA or originating from the USA or requesting delivery of the Sri Lanka Development Bonds to the USA or any Notice of Transfer of Sri Lanka Development Bonds to a US person shall not be accepted by the Government of Sri Lanka.

This offer is made in terms of the Foreign Loans Act, No.29 of 1957.

Sri Lanka Development Bonds (SLDBs) are offered by the Government of Sri Lanka (the Issuer) to investors as specified in paragraph 1 of the Schedule hereto (Eligible Investors).

The Central Bank of Sri Lanka has granted the requisite permission under the Exchange Control Act, No. 24 of 1953 for the issue of SLDBs and for all transactions in and relating to SLDBs specified in this Document of Offer.

The SLDBs shall be issued in Sri Lanka only and shall be subject to the terms and conditions in the Schedule hereto.

Schedule

1. Eligible Investors

Only the following categories of persons are eligible to invest in SLDBs:

- (a) Authorised Dealers appointed in terms of Section 4 of the Exchange Control Act No. 24 of 1953;
- (b) Primary Dealers appointed by the Central Bank of Sri Lanka under the Registered Stock and Securities Ordinance No. 7 of 1937 and the Local Treasury Bills Ordinance No. 8 of 1923;
- (c) Citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka;
- (d) Citizens of Sri Lanka who have made their permanent abode outside Sri Lanka;
- (e) Citizens of Sri Lanka who have proceeded outside Sri Lanka to take up employment or to set up in business or in a profession;
- (f) Citizens of Sri Lanka who have dual citizenship provided that those citizens substantiate that their permanent place of abode is outside Sri Lanka;

- (g) Bodies corporate or unincorporate established under the laws of a country other than Sri Lanka;
- (h) Companies who have entered into agreements in terms of Section 17 of the Board of Investment of Sri Lanka Act, No.4 of 1978 with full exemption from the provisions of the Exchange Control Act provided that all purchases of SLDBs are made against debits to foreign currency accounts maintained only for the purpose of crediting earnings from exports of such companies.
- (i) Companies registered to carry on insurance business in Sri Lanka under the provisions of the Regulation of Insurance Industry Act, No.43 of 2000 provided that all purchases of SLDBs are made against debits to Special Foreign Currency Accounts maintained with commercial banks in terms of the approval of the Controller of Exchange.

2. Form, Investment, Denomination and Title

(i) Form, Investment and Denomination

The SLDBs are serially numbered and shall be issued at the auction in a minimum investment of USD 100,000 and increasing in multiples of USD 10,000. The minimum denomination (investment) shall be USD 10,000.

(ii) Title

Title to an SLDB shall vest in the registered holder of the SLDB and shall pass by endorsement and delivery of the SLDB and registration of such transfer as specified in paragraph 15.

3. Status

The SLDBs and interest due thereon are direct, unconditional, general, unsecured obligations of the Issuer and rank and shall rank pari passu without any preference among themselves with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future.

4. Size and Tenure

The size and tenure of the SLDBs shall be USD 175 million of two (2) years and USD 100 million of three (3) years

5. Interest and Maturity

(i) Interest Payments

Interest shall be payable in arrears semi-annually from the Date of Issue until the Maturity Date of an SLDB. If any Interest Payment Date falls on a day which is not a business day, payment shall be postponed to the next Business Day.

(ii) Interest Payment and Maturity Payment Dates

<u>Date</u>	<u>Interest Payment / Maturity Payment</u>
30 December 2010	First Interest Payment Date of 2 Year and 3 Year
30 June 2011	Second Interest Payment Date of 2 Year and 3 Year
30 December 2011	Third Interest Payment Date of 2 Year and 3 Year
30 June 2012	Fourth Interest Payment Date of 2 Year and 3 Year and Maturity Payment Date of 2 Year Bond
30 December 2012	Fifth Interest Payment Date of 3 Year
30 June 2013	Sixth Interest Payment Date of 3 Year and Maturity Payment Date of 3 Year Bond

(iii) The “Interest Period” is the period from and including the Date of Issue to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date.

(iv) Rate of Interest

The rate of interest payable on the SLDB shall be six (6) month London Inter Bank Offered Rate (LIBOR) for USD per annum plus a margin through competitive bidding (referred to as “Margin” hereafter).

(v) Paying Agent and Payment of Interest

The Issuer has appointed Bank of Ceylon as its Paying Agent. The Paying Agent (which term shall mean the said Bank of Ceylon or a person succeeding the said Bank of Ceylon by due appointment by the Issuer) shall determine the LIBOR for USD applicable to the SLDBs on the basis described below and shall pay interest on the Interest Payment Dates as specified in (ii) above to registered holders of SLDBs on the instructions of the Issuer.

(vi) Determination of Interest

The LIBOR for USD applicable from time to time in respect of SLDBs shall be determined on the basis of the following provisions:

- (a) On each “Interest Determination Date”, namely two Business Days (as defined hereunder) prior to the commencement of the Interest Period for which the rate will apply, the Paying Agent shall determine the Screen Rate (as defined below) as at or about 11.00 a.m. (London time) on the Interest Determination Date in consideration.
- (b) If the Screen Rate is unavailable, the Paying Agent will request the principal London office of each of the Reference Banks (as defined below) to provide the Paying Agent with its offered quotation to leading banks for eurodollar deposits in the London inter-bank market for the Interest Period concerned as at or about 11.00 a.m. (London time) on the Interest Determination Date in question. The Rate of Interest for the Interest Period shall be the Screen Rate plus the applicable Margin (as defined above) or, if the Screen Rate is unavailable, the arithmetic average (rounded upwards if necessary to the nearest 1/16 per cent) of the offered quotations as established by the Paying Agent [excluding the highest and lowest (or, in either case, if more than one, then only one of them) of the offered quotations provided by all the Reference Banks] plus the applicable Margin;
- (c) If on any Interest Determination Date the Screen Rate is unavailable and only four of the Reference Banks provide offered quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with the provisions of paragraph (b) on the basis of the offered quotations of those Reference Banks providing the offered quotations (excluding as provided above);
- (d) If on any Interest Determination Date the Screen Rate is unavailable and two or three only of the Reference Banks provide offered quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with the provisions of paragraph (b) on the basis of the offered quotations of those Reference Banks providing the offered quotations (but without excluding as provided above);

- (e) If on any Interest Determination Date the Screen Rate is unavailable and only one or none of the Reference Banks provides an offered quotation, then in determining the Rate of Interest for the relevant Interest Period, the Screen Rate used for determining the Rate of Interest for the Interest Period which last preceded the relevant Interest Period, or if the Screen Rate was not available for that Interest Period, the quotation under (b), (c) or (d) used for that Interest Period shall be used for determining the Rate of Interest in accordance with the provisions of paragraph (b) for the relevant period, provided however, that if determinable and if higher, the Reserve Interest Rate shall instead be used for determining the Interest Rate for the relevant period. The “Reserve Interest Rate” shall be the rate per annum which the Paying Agent determines to be either (A) arithmetic average (rounded upwards if necessary to the nearest 1/16 per cent) of the eurodollar lending rates which London banks selected by the Paying Agent are quoting, as at or about 11.00 a.m. (London time) on the relevant Interest Determination Date, for the relevant Interest Period, to the Reference Banks or those of them (being at least two in number) to which the quotations are, in the opinion of the Paying Agent, being so made plus the applicable Margin or (B) if the Paying Agent cannot determine the arithmetic average, the lowest eurodollar lending rate which four London banks selected by the Paying Agent are quoting, on the Interest Period, to leading European banks plus the applicable Margin.

(vii) Computation of Interest Amounts

The Paying Agent shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the U.S. dollar amount payable in respect of interest on each SLDB (the “Interest Amounts”) for the relevant Interest Period. The Interest Amounts on each SLDB shall be determined by applying the Rate of Interest to the denomination of the relevant SLDB, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(viii) In this paragraph 5, the expression:

- (i) “Screen Rate” means the rate for six month eurodollar deposits displayed on the Telerate Monitor as Telerate Page No. 3750 (or such replacement page on that service which displays the information); and
- (ii) “Reference Banks” means the principal London office of each of five leading banks engaged in the eurodollar inter-bank market selected by the Paying Agent with the approval of the Issuer, provided that once a Reference Bank has first been selected by the Paying Agent, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such.
- (iii) “Business Day” means a day on which banks are open for business in Sri Lanka provided that for the purpose of clause (i) of paragraph 5, it shall mean a day on which banks are open for business in Sri Lanka and foreign exchange markets settle payments in the relevant place or places.

6. Application

Applications for SLDBs shall be made in the Application Form at Appendix II of this Offer Document to the Superintendent of Public Debt, Central Bank of Sri Lanka, No.30, Janadhipathi Mawatha, Colombo 1, Sri Lanka. Application Forms are also available in the Central Bank of Sri Lanka, website: www.cbsl.gov.lk. Applications

of Eligible Investors under clauses (c), (d), (e), (f), (g), (h) and (i) of paragraph 1 shall be submitted through any of the Designated Agents listed in Appendix I.

The Issuer reserves the right to accept or reject any application in full or in part without assigning any reason. The Issuer shall inform in writing to the applicant the acceptance of the application or any part thereof by issuing to him a Notice of Acceptance of Application to the address given in the application within two (2) days from the close of the offer. Such acceptance shall be conditional upon payment being duly made by the applicant in terms of paragraph 7 below on the date stipulated in such Notice of Acceptance of Application as the settlement date (Settlement Date).

7. Payment for SLDBs

Payments for SLDBs in respect of which a Notice of Acceptance of Application has been sent by the Issuer must be made on or before 11:00 hrs (New York time) on 30 June 2010 (Settlement Date).

Eligible Investors under clauses (a) and (b) of paragraph 1 shall make such payment by crediting the “Central Bank of Sri Lanka account number 021083514” maintained at the Federal Reserve Bank, New York, USA.

Eligible Investors under clauses (c), (d), (e), (f), (g), (h) and (i) of paragraph 1 shall make such payment by crediting the “Sri Lanka Development Bond Investment Account” maintained by the Designated Agent through whom the application is submitted under paragraph 6.

8. Allotment, Issue and Delivery of SLDBs

The SLDBs shall be allotted and issued to applicants whose applications have been accepted in accordance with provisions of paragraph 6 and who have duly made payment as specified in paragraph 7 above, by the Issuer within fourteen (14) days of the Settlement Date. The Bonds so issued shall be sent by post to the custodian, if notice and particulars of the custodian is given in the Application Form, or if no such notice and particulars have been given, be despatched to the applicant at the mailing address of the applicant given in the Application Form.

9. Date of issue

The date of issue of the SLDB shall be the date stated on the SLDB as the date of issue (Date of Issue).

10. Repatriation

The principal sum repaid on an SLDB and interest on an SLDB shall be fully repatriable.

11. Repayment of Principal and Payment of Interest

- (i) (a) The principal repayable on an SLDB and the interest on an SLDB shall be payable in US Dollars.
- (b) The principal sum on an SLDB shall be repayable on the maturity date specified on the Bond (maturity date). If the maturity date falls on a day which is not a business day, repayment of principal shall be postponed to the next business day.
- (c) The SLDB must be signed and delivered at least thirty (30) days prior to the due date for repayment of principal to the Superintendent of Public Debt, Central Bank of Sri Lanka, No.30, Janadhipathi Mawatha, Colombo 1, Sri Lanka.

- (d) Interest shall be paid by the Paying Agent on behalf of the Issuer on each Interest Payment Date, in accordance with the last duly intimated instructions for payment, to the person to whom the SLDB is issued unless a Notice of Transfer has been registered with the Superintendent of Public Debt in terms of paragraph 15.
- (e) The repayment of principal shall be made by the Paying Agent on behalf of the Issuer, in accordance with the last duly intimated instructions for payment, to the person to whom the SLDB is issued unless a Notice of Transfer has been registered with the Superintendent of Public Debt in terms of paragraph 15.
- (f) In the event of a transfer having been registered in terms of paragraph 15, principal and/or interest, as the case may be, shall be paid to the registered transferee by the Paying Agent in accordance with the instructions for payment contained in the Notice of Transfer.
- (g) Any change in payment instructions shall be communicated to the Superintendent of Public Debt, Central Bank of Sri Lanka, No. 30, Janadhipathi Mawatha, Colombo 1, Sri Lanka in writing signed by the registered holder at least thirty (30) days prior to the next Interest Payment Date.

(ii) Method of Payment

All payments of interest and repayment of principal on the SLDBs shall be made by the Issuer through the Paying Agent by US Dollar cheque drawn on, or by transfer to, a US Dollar account of the registered holder in accordance with the last duly intimated instructions for payment.

12. Subdivision and Consolidation

Upon application made by a registered holder and on surrender of an SLDB to the Superintendent of Public Debt, Central Bank of Sri Lanka, No 30, Janadhipathi Mawatha, Colombo 1, Sri Lanka, the Issuer may consolidate or subdivide such SLDB as the case may be, and issue to the registered holder one or more new SLDBs as may be required. The minimum denomination to which an SLDB may be subdivided is USD 10,000. A fee of USD 5 per each new SLDB applied for on consolidation or subdivision shall be payable along with the application for consolidation or subdivision.

13. Custodian Arrangements

An applicant for SLDBs who has appointed a custodian to hold SLDBs on its behalf shall give notice of such appointment and particulars of the custodian, as required in the Application Form. Where such notice and particulars have been given, the Issuer shall send the SLDBs issued to such applicant to such custodian.

14. Nomination Facility

A registered holder who is the sole individual holder of an SLDB may nominate a person to whom repayment of principal and payment of interest may be made on the SLDB in the event of the death of the registered holder. Such nominee should be an Eligible Investor and should not be subject to any disqualification to invest in an SLDB. Particulars of such nominee, if any, and payment instructions in respect of such nominee shall be given in the Application Form for SLDBs or on a Notice of Transfer. The Issuer shall be entitled to make payment of interest and repayment of principal on the SLDB to such nominee on satisfying itself of the death of the registered holder, and the Issuer shall upon such payment be discharged of all its liabilities on the SLDB.

15. Transfer

SLDBs may be transferred only to Eligible Investors as specified in paragraph 1. Transfers shall be effected by endorsement and delivery and registration of the transfer by serving on the Superintendent of Public Debt at the Central Bank of Sri Lanka, No.30, Janadhipathi Mawatha, Colombo 1, Sri Lanka, a duly executed notice of transfer (“Notice of Transfer”) on a form obtainable from a Designated Agent listed at Appendix 1. Upon the registration of a transfer, the transferor and the transferee shall be informed in writing by the Issuer of the registration of the transfer.

A transferee shall be entitled to be registered only if such transferee is an Eligible Investor and a duly executed Notice of Transfer is served on the Superintendent of Public Debt at the above address to reach him at least thirty (30) days prior to next Interest Payment Date.

16. Joint Holdings

SLDBs may be held jointly by two holders. Repayment of principal and payment of interest shall be made only to the person whose name appears first on the SLDB and to the surviving holder in case of the death of the first holder.

17. Replacement of SLDBs

In the event of an SLDB being lost, stolen, mutilated, defaced or destroyed, it may be replaced by the Superintendent of Public Debt, Central Bank of Sri Lanka, No.30, Janadhipathi Mawatha, Colombo 1, Sri Lanka, upon a request being made by the registered holder and upon payment being made by the registered holder of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated and defaced SLDBs must be surrendered to the Superintendent of Public Debt at the above address before duplicates are issued.

18. Tax Treatment

All payments in respect of the SLDBs shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“Taxes”) imposed or levied by or on behalf of the Government of Sri Lanka, or any political sub-division of, or any authority in, or of, Sri Lanka having power to tax. An amount equal to interest or the discount paid or allowed as the case may be on any Sri Lanka Development Bond denominated in United States Dollars is exempt from Income Tax under section 13 of the Inland Revenue Act, No.10 of 2006, as amended.

19. Stamp Duty

Stamp Duty Act, No.13 of 1982 exempts from the payment of stamp duty any instrument executed by or on behalf of the Government.

20. Prescription

A claim for any payment on an SLDB shall become prescribed upon the expiry of ten (10) years from the date on which such payment becomes due.

21. Jurisdiction

The courts in Sri Lanka shall have exclusive jurisdiction in respect of all matters relating to this offer and the SLDBs.

22. Governing Law

The terms of this offer and the SLDBs shall be governed by and construed in accordance with the laws of Sri Lanka.

.....
C. J. P. Siriwardena

Superintendent of Public Debt
Central Bank of Sri Lanka

.....
Sujatha Cooray

Deputy Secretary to the Treasury
Government of the Democratic
Socialist Republic of Sri Lanka

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
SRI LANKA DEVELOPMENT BONDS

DESIGNATED AGENTS

<i>Name and Address</i>	<i>Telephone</i>	<i>Fax</i>
1. ACUITY SECURITIES LTD. 4th Floor, "Acuity House", 53, Dharmapala Mawatha, Colombo 3.	94-11-2206297	94-11-2206290
2. BANK OF CEYLON 7th Floor, 4, Bank of Ceylon Mawatha, Colombo 1.	94-11-2471605 94-11-2445785-787	94-11-2544324
3. CAPITAL ALLIANCE LTD. Level 5, "Millennium House" 46/58, Navam Mawatha, Colombo 2.	94-11-2317711	94-11-2317788
4. CITIBANK N.A. 65C, Dharmapala Mawatha, Colombo 7.	94-11-4796622	94-11-4794756
5. COMMERCIAL BANK OF CEYLON PLC. "Commercial House", 21, Bristol Street, Colombo 1.	94-11-2486330/4	94-11-2449889
6. DEUTSCHE BANK AG 86, Galle Road, Colombo 3.	94-11-4791252/3	94-11-2446447 94-11-2447067
7. DFCC VARDHANA BANK LTD. 73/5, Galle Road, Colombo 3.	94-11-2442776	94-11-2344434
8. ENTRUST SECURITIES LTD. 281, R.A. De Mel Mawatha, Colombo 3.	94-11-2564936	94-11-4715769
9. FIRST CAPITAL TREASURIES LTD. 75, Arnold Ratnayake Mawatha, Colombo 10.	94-11-2639883/84 94-11-2639892/3	94-11-2681460 94-11-2639899
10. HABIB BANK LTD. 140-142, 2nd Cross Street, Colombo 11.	94-11-2432824 94-11-2370391-2	94-11-2447827
11. HATTON NATIONAL BANK PLC. HNB Towers, Level 21, 479, T. B. Jayah Mawatha, Colombo 10.	94-11-2664847 94-11-2664850	94-11-2662735

<i>Name</i>	<i>Telephone</i>	<i>Fax</i>
12. HONGKONG & SHANGHAI BANKING CORP. LTD. (HSBC) 24, Sir Baron Jayatillake Mawatha, Colombo 1.	94-11-2421697 94-11-4713272	94-11-2430205
13. INDIAN BANK 57, Sir Baron Jayatillake Mawatha, Colombo 1.	94-11-2438302 94-11-2323402/3	94-11-2447562
14. MCB BANK LTD. 8, Leyden Bastian Road, Colombo 1.	94-11-5222234 94-11-2448765-6	94-11-2448764
15. NATIONAL DEVELOPMENT BANK PLC. 103A, Dharmapala Mawatha, Colombo 7.	94-11-2446994	94-11-2440262 94-11-230360-8
16. NATIONS TRUST BANK PLC. 242, Union Place, Colombo 2.	94-11-4313118/9 94-11-4313121	94-11-4791723
17. NATWEALTH SECURITIES LTD. 17A, Barnes Place, Colombo 7.	94-11-4716274 94-11-4703015	94-11-4716275
18. NSB FUND MANAGEMENT CO., LTD. 255, Galle Road, Colombo 3.	94-11-2467431 94-11-2564601	94-11-2564706
19. PEOPLE'S BANK 13th Floor, 75, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.	94-11-2206782	94-11-2458861
20. PUBLIC BANK BERHAD 340, R.A. De Mel Mawatha, Colombo 3.	94-11-2576289-92	94-11-2573958
21. SAMPATH BANK PLC. 2 nd Floor, Sampath Centre, 110, Sir James Peiris Mawatha, Colombo 2.	94-11-4730347 94-11-2300145	94-11-2300144
22. SEYLAN BANK PLC. Seylan Towers, 90, Galle Road, Colombo 3.	94-11-2452512-4 94-11-2456325-7	94-11-2452515
23. STANDARD CHARTERED BANK 37, York Street, Colombo 1.	94-11-2480050 94-11-2480054	94-11-2480145
24. STATE BANK OF INDIA 16, Sir Baron Jayatillake Mawatha, Colombo 1.	94-11-4622352-9	94-11-4622319

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
SRI LANKA DEVELOPMENT BONDS

Issued by the Democratic Socialist Republic of Sri Lanka
APPLICATION FORM



Due to applicable regulatory requirements in the United States of America (USA) it is not possible to make this offer in the USA within the timeframe of the issue of Sri Lanka Development Bonds (SLDBs). Accordingly, this offer is not extended to the USA or to US persons. The SLDBs may not be offered, sold, resold, pledged, transferred, assigned or delivered to or within the USA or to US persons. Any attempted sale, resale, pledge, transfer, assignment or delivery of SLDBs within the USA or to a US person shall not be recognised or accepted by the Government of Sri Lanka. Any application for SLDBs with an address in the USA or originating from the USA or requesting delivery of the SLDBs to the USA or any Notice of Transfer of SLDBs to a US person shall not be accepted by the Government of Sri Lanka.

(PLEASE REFER THE INSTRUCTIONS GIVEN AT THE END OF THIS APPLICATION AND THE ‘DOCUMENT OF OFFER’ OF SRI LANKA DEVELOPMENT BONDS PRIOR TO FILLING THE APPLICATION FORM).

Superintendent
Public Debt Department
Central Bank of Sri Lanka
30, Janadhipathi Mawatha
Colombo 1
Sri Lanka.

Dear Sir,

I/We hereby apply to invest in Sri Lanka Development Bonds (SLDBs) in terms of the “Document of Offer” issued by the Government of Sri Lanka (Issuer) dated 11 June 2010 (Document of Offer). I/We confirm that I/we have duly read and understood the said Document of Offer and that I am/we are fully aware of the terms and conditions applicable to the offer. I am/We are further aware that the Issuer has the right to accept or reject in full or in part this application.

I/We hereby agree to purchase the SLDB/s applied for by me/us as may be accepted by you in accordance with the Document of Offer. I/We hereby undertake that I/we shall sign all such other documents as are necessary and do all such other acts as are necessary, if any, on my/our part to enable me/us to be registered as the holder(s) of the SLDB/s which may be issued to me/us. I/We hereby authorise you to record my/our name(s) and address (es) and other particulars as stated in this Application in your books and records.

I/We hereby confirm that I am/we are eligible investors in terms of the said Document of Offer and that I am/we are not subject to any disqualification in terms of the Document of Offer.

In the event of my/our being issued SLDB/s on the basis of this Application, I/we undertake to bind myself/ourselves unconditionally and irrevocably to the terms and conditions applicable to the SLDB and contained in the Document of Offer.



1. Particulars of the Applicant

1.1 Title	Mr.	Mrs.	Miss.	Rev.	Dr.	Other														
1.2 Last Name																				
1.3 Initials							
1.4 Names Denoted by Initials																				
1.5 Mailing Address																				
1.6 Telephone Number																				
1.7 Fax Number																				
1.8 E-mail Address																				
1.9 Nationality/Country of Incorporation																				
1.10 Eligibility	a	b	c	d	e	f	g	h	i							(Please ✓ relevant cage)				

2. Particulars of Joint-Applicant, if any

2.1 Title	Mr.	Mrs.	Miss.	Rev.	Dr.	Other														
2.2 Last Name																				
2.3 Initials							
2.4 Names Denoted by Initials																				
2.5 Mailing Address																				
2.6 Telephone Number																				
2.7 Fax Number																				
2.8 E-mail Address																				
2.9 Nationality/Country of Incorporation																				
2.10 Eligibility	a	b	c	d	e	f	g	h	i							(Please ✓ relevant cage)				

3. Custodian arrangement, if any

3.1 Name

3.2 Mailing Address

3.3 Telephone Number

3.4 Fax Number

3.5 E-mail Address

4. Particulars of Nominee, if any

4.1 Title

Mr.	Mrs.	Miss.	Rev.	Dr.	Other
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4.2 Last Name

4.3 Initials

4.4 Names Denoted by Initials

4.5 Mailing Address

4.6 Telephone Number

4.7 Fax Number

4.8 E-mail Address

4.9 Nationality

4.10 Eligibility

a	b	c	d	e	f	g	h	i
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 (Please ✓ relevant cage)

5. Maturity Period Applied for

5.1 02 Years 03 Years

6. Amount Applied for (in US Dollars)

6.1 In figures

6.2 In words

7. Interest Rate

7.1 In figures 6 month LIBOR for USD +

 basis points

7.2 In words 6 month LIBOR for USD +

 basis points



Instructions for filling the Application Form

Please read carefully the following instructions before you fill the application.

(A) Eligibility:

The following categories of investors are eligible to apply.

- (a) Authorised Dealers appointed in terms of Section 4 of the Exchange Control Act, No.24 of 1953;
- (b) Primary Dealers appointed by the Central Bank of Sri Lanka under the Registered Stock and Securities Ordinance, No.7 of 1937 and the Local Treasury Bills Ordinance, No.8 of 1923;
- (c) Citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka;
- (d) Citizens of Sri Lanka who have made their permanent abode outside Sri Lanka;
- (e) Citizens of Sri Lanka who have proceeded outside Sri Lanka to take up employment or to set up in business or in a profession;
- (f) Citizens of Sri Lanka who have dual citizenship provided that those citizens substantiate that their permanent place of abode is outside Sri Lanka;
- (g) Bodies corporate or unincorporate established under the laws of a country other than Sri Lanka;
- (h) Companies who have entered into agreements in terms of Section 17 of the Board of Investment of Sri Lanka Act, No.4 of 1978 with full exemption from the provisions of the Exchange Control Act provided that all purchases of SLDBs are made against debits to foreign currency accounts maintained only for the purpose of crediting earnings from exports of such companies.
- (i) Companies registered to carry on insurance business in Sri Lanka under the provisions of the Regulation of Insurance Industry Act, No.43 of 2000 provided that all purchases of SLDBs are made against debits to Special Foreign Currency Accounts maintained with commercial banks in terms of the approval of the Controller of Exchange.

(B) How to Apply

1. Applications shall be submitted to the Superintendent of Public Debt (SPD), Central Bank of Sri Lanka, No.30, Janadhipathi Mawatha, Colombo 1, Sri Lanka. Eligible investors under (c)-(i) above should submit their applications to the SPD through one of the Designated Agents listed in Appendix-I to the Document of Offer.
2. Applications should be for a minimum of US Dollars 100,000. Applications for any higher amount should be in multiples of US Dollars 10,000.
3. An applicant may submit any number of applications.
4. Joint applications may be signed by one applicant only.
5. In case of applications under a Power of Attorney, the relevant Power of Attorney duly notarised must be attached to the Application Form.
6. Where the applicant is an eligible investor under (g), (h) and (i) above, a list of persons who are duly authorised to sign on behalf of the applicant and their specimen signatures must be forwarded together with the Application Form. Any changes in the list of authorised signatories together with their specimen signatures must be duly communicated in writing to the SPD. Unless and until any change in such authorisation is duly notified to the Issuer, the Issuer is entitled to act upon instructions signed by the authorised signatories whose names and specimen signatures are available with the Issuer.

(C) Instructions for filling the application.

1. Item (1) of the application.
 - 1.1 Indicate whichever is applicable by deleting the others.
 - 1.2 Last name of the Applicant. (Please see paragraph 16 of the Document of Offer)
 - 1.3 Initials of the Applicant
 - 1.4 Indicate the name(s) denoted by initials
 - 1.5 Provide the applicant's mailing address including street number, postal code, state and country (to which any notices *etc.* are to be sent).
 - 1.6 Provide the applicant's telephone number.

- 1.7 Provide the applicant's fax number.
 - 1.8 Provide the applicant's e-mail address.
 - 1.9 Indicate the nationality in the case of individual(s) or the country of incorporation/establishment in the case of coporate or unincorporate bodies.
 - 1.10 Indicate the category of eligibility of the applicant according to (A) above by ticking the relevant cage. In the case of eligible investors under (c)-(i) above, documentary evidence of eligibility (*eg.*: certified copies of incorporation/registration, relevant pages of the passport, visa *etc.*) must be enclosed.
2. Item (2) of the application
If there is a joint-applicant, information relating to such joint applicant should be given in the relevant cages.
 3. Item (3) of the application.
Custodian arrangement is optional to the investor. In the event the applicant has a custodian, please provide the full name of the custodian, the address of the custodian and telephone and fax numbers and e-mail address. SLDBs issued to the applicant will be sent to the custodian at the address given in this cage. Please also refer to paragraph 13 of the Document of Offer.
 4. Item (4) of the application.
In the event the applicant wishes to appoint a nominee, please provide the full name and address of such nominee. The nominee should be an eligible investor and should not be subject to any disqualification to invest in an SLDB in terms of the Document of Offer. The nomination facility is available only to an individual applicant, and is not available where there is more than one applicant.
 5. Item (5) of the application.
Indicate the relevant maturity period applied for by ticking the **given cage**.
 6. Item (6) of the application.
Indicate the amount applied for in US Dollars both in figures and words. Please refer B(2) above. One SLDB shall be issued for the full sum accepted.
 7. Item (7) of the application.
Indicate the expected margin (basis points) over the 6 month LIBOR for USD in figures and words.
 8. Item (8) of the application.
Provide instructions for payment of interest and repayment of principal
 - 8.1 Indicate whether you wish to receive payment by cheque or by direct credit to a bank account, by ticking the relevant cage.
 - 8.2 If you wish to receive payment by cheque, the cheque will be mailed to the mailing address. If you wish to receive payment by direct credit to a bank account, please provide relevant bank account details.
 9. Item (9) of the application.
Place the signature of the applicant/authorised signatory. In the case of an authorised signatory, please provide certified documentary evidence of such authorisation.
 10. Item (10) of the application.
An authorised officer has to sign at item 10 placing the relevant seal in the given space.