



Regional Development Department
Central Bank of Sri Lanka
No.30, Janadhipathi Mawatha
Colombo 1.
01.07.2020

To: CEO/MD/GM: All Licensed Commercial Banks (LCBs) registered under the Saubagya COVID-19 Renaissance Facility

Dear Sir/Madam,

The Saubagya COVID-19 Renaissance Facility

This refers to the Operating Instructions (OIs) Nos: RDD/PR-COVID-19/2020/03 and RDD/PR-COVID19/2020/04 dated 19.06.2020 issued by the Director, Regional Development Department (RDD) of the Central Bank of Sri Lanka (CBSL), relating to the provision of advances to commercial banks in terms of provisions of section 83(1) of the Monetary Law Act (MLA) to facilitate funding for the Saubagya COVID-19 Renaissance Facility.

2. We would like to inform you that the Monetary Board granted approval to permit the LCBs to pledge the following assets to secure the Promissory Notes to be submitted to the CBSL in support of Saubagya Covid-19 Renaissance Facility, under section 83(1)(c) of the MLA:-

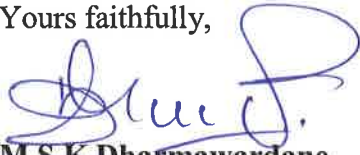
- (i) Government Securities (Treasury Bills, Treasury Bonds and Sri Lanka Development Bonds);
- (ii) Gold and bullion; and
- (iii) Performing loan receivables classified as stage 1 of SLFRS9 including the pawning portfolio of respective LCBs .

Relevant Loan agreement, pledge agreements and amendments to the OIs will be informed to the participating banks in due course.

3. Considering the urgent need for disbursement of funds and also the requests made by LCBs, upon the RDD's confirmation on the eligibility of and approved loan amounts to be disbursed to sub-borrowers, LCBs may disburse loans at 4 per cent interest rate to the sub-borrowers under the above facility even before obtaining financing from the CBSL.

Please bring the contents of this letter to the notice of the officers of the relevant departments/branches of your bank.

Yours faithfully,



M S K Dharmawardane

**Director/Regional Development Department
Central Bank of Sri Lanka**