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CENTRAL BANK OF SRI LANKA

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Press Release

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Public Debt Department

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Issue of Sri Lanka Development Bonds (SLDBs)

The Central Bank of Sri Lanka, on behalf of the Government of Sri Lanka, offered to issue Sri Lanka Development Bonds (SLDBs) of US Dollars 50 million in 3 year tenor to eligible investors for subscription at a rate of US Dollar 6 month LIBOR plus a margin to be determined through competitive bidding.

The offer was opened from March 12 – 19, 2013 for bidding with the settlement on March 27, 2013. Foreign and local commercial banks operating in Sri Lanka subscribed at the auction. The offer was oversubscribed by 2.6 times with total bids received amounting to USD 129 million at the market determined rate of USD 6 month LIBOR + 400 bps (weighted average margin, which is the same margin as at the last auction held on February 15, 2013). Accordingly, with the intention of providing an opportunity for investors to invest their funds for a longer period, it was decided to accept the entirety of US Dollars 129 million in 3 year maturity at the above rate, where as of today, the US Dollar 6 month LIBOR rate is 0.4454 per cent.

The SLDB issue was executed in terms of Section 2 (a) and 2 (c) of the Foreign Loans Act No. 29 of 1957 as amended.

The SLDBs are transferable by endorsement, delivery and registration with the Superintendent of Public Debt of the Central Bank of Sri Lanka. Eligible investors may purchase SLDBs in the secondary market through Designated Agents appointed by the Central Bank of Sri Lanka.