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CENTRAL BANK OF SRI LANKA

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Press Release

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Democratic Socialist Republic of Sri Lanka USD 1,500 million Dual-Tranche International Sovereign Bond Issuance

The Central Bank of Sri Lanka ("CBSL"), on behalf of the Government of Sri Lanka (Sri Lanka), marked its return to the U.S. dollar bond markets with a successful issuance of U.S.$500 million 5.5-year and U.S.$1.0 billion 10-year International Sovereign Bonds (Bonds) on July 11th, 2016. This marks Sri Lanka's 10th US Dollar bond issuance and the first dual-tranche offering.

The Bonds have been rated 'B1', 'B+' and 'B+' by Moody's Investors Service, Standard and Poor's and Fitch Ratings, respectively. Citigroup, Deutsche Bank, HSBC and Standard Chartered Bank acted as the Joint Lead Managers and Bookrunners of this successful transaction.

Despite the high volatility in the global financial markets following the historic U.K. referendum in June regarding their membership of the EU, the Bonds saw strong interests from a wide range of high quality investors. Orders totaled U.S.$2.5 billion for the 5.5-year tranche and U.S.$3.0 billion for the 10-year tranche. Both the 5.5-year and 10-year tranche were priced well inside the initial price guidance of 6.125% area and 7.125% area, with a coupon of 5.750% and 6.825% at par, respectively. This is a testament to investors' continued confidence in Sri Lanka and their positive sentiment on the economic outlook of Sri Lanka.

Driven by high quality institutional accounts globally, both the 5.5-year and 10-year tranche attracted orders from over 200 accounts each. The 5.5-year tranche saw allocations of 35% to the U.S., 37% to Europe, and the remaining 28% to Asia. By investor type, the split was 85% to fund managers, 8% to insurance and pension funds, 3% to banks, and 4% to private banks. The 10-year tranche saw allocations of 62% to the U.S., 28% to Europe, and the remaining 10% to Asia. By investor type, the split was 91% to fund managers, 7% to insurance and pension funds, 1% to banks and 1% to private banks.

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