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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Press Release

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The Democratic Socialist Republic of Sri Lanka
US Dollars 2.5 billion International Sovereign Bond Offering

On April 11th 2018, the Central Bank of Sri Lanka ("CBSL"), on behalf of the Democratic Socialist Republic of Sri Lanka ("Sri Lanka"), marked its return to the US dollar bond markets with a successful issuance of new US dollars 1.25 billion 5-year and US dollars 1.25 billion 10-year Senior Unsecured Fixed Rate Notes (the "Notes") with maturity dates of April 18th 2023 and April 18th 2028 respectively. The Notes have been rated 'B1', 'B+' and 'B+' by Moody's Investors Service, Standard and Poor's and Fitch Ratings respectively.

This marks Sri Lanka's twelfth US dollar benchmark offering in the international bond markets since 2007. This also represents the largest offshore bond offering ever by Sri Lanka and is a strong reflection of the international investor community's continued support for Sri Lanka through the years. Citigroup, Deutsche Bank, HSBC, J.P. Morgan and Standard Chartered Bank acted as the Joint Lead Managers and Bookrunners on this successful transaction.

Identifying a supportive issuance window in a challenging market environment, Sri Lanka announced the transaction during the Asia morning of April 11th 2018. The joint syndicates released terms and initial price guidance for new 5-year and 10-year tranches at 6.00% and 7.00% areas, respectively. The transaction saw strong interest from a wide range of high quality investors, which allowed the issuer to tighten price guidance by 25 bps each across both tranches. The Notes eventually priced during New York hours, well inside the initial price guidance with a coupon of 5.75% and 6.75% for new 5-year and 10-year tranches respectively.

The final order book stood at US dollars 3.0 billion across 235+ accounts for the 5-year tranche and US dollars 3.5 billion across 190+ accounts for the 10-year tranche. This clearly reflects investors' continued confidence in Sri Lanka and its economic outlook.

The orderbook was well diversified across both tranches. The 5-year tranche saw allocations of 66% to the U.S., 24% to Europe, and the remaining 10% to Asia. By investor type, the split was 92% to fund managers, 5% to insurance and pension funds, 2% to banks, and 1% to private banks. The 10-year tranche saw allocations of 65% to the U.S., 29% to Europe, and the remaining 6% to Asia. By investor type, the split was similar to the 5-year tranche i.e. 92% to fund managers, 5% to insurance and pension funds, 2% to banks, and 1% to private banks.