

press release

Standard Chartered Secures Repeat Mandate From Srilankan Airlines For Record Setting Bond Issuance

June - Colombo, Sri Lanka – Standard Chartered acting as the Joint Lead Manager and Joint Bookrunner successfully priced a US\$ 175 million, five-year Fixed Rate Senior Unsecured Reg S issuance for Srilankan Airlines, guaranteed by the Democratic Socialist Republic of Sri Lanka at 7.00% yield. This is the first international bond offering by a Sri Lankan Corporate since 2014 and a repeat mandate for Standard Chartered. The Bank acted as the sole bookrunner in Srilankan Airlines' inaugural transaction in 2014.

With multiple targets to achieve including establishing a tightly priced issuance in a short span of time, Standard Chartered was successfully able to meet both these requirements. The quasi sovereign nature of the issuer and the Guarantee from the Government of Sri Lanka allowed Srilankan Airlines to accomplish significant price compression and attain a diversified orderbook with participation from 93 accounts.

Commenting on the transaction Bingumal Thewarathanthri, CEO, Standard Chartered said, "We are proud to be part of this success and to support the National carrier in this record setting transaction. This is a testament to our continued support to develop debt capital market products for our clients in the region. The pricing achieved for the issuance reflects the strong investor confidence in Sri Lanka and the potential for other entities to tap the international capital markets. We are committed to the development of the country and our global footprint enables us to support our clients in their growth strategy."

The transaction saw a final orderbook of over USD 1 billion, achieving an oversubscription ratio of 5.7x. Strategic execution timing and supportive demand allowed Srilankan Airlines to price the five-year tranche at 7.000%, a marginal premium over sovereign, Strong investor participation was witnessed from institutional investors across Asia and Europe making this the largest tightening achieved from initial price guidance to final price guidance on a foreign currency bond transaction from Sri Lanka.

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