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MINISTRY OF FINANCE, ECONOMIC STABILIZATION & NATIONAL POLICIES

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SRI LANKA ANNOUNCES CONCLUSION OF INITIAL RESTRICTED DISCUSSIONS WITH MEMBERS OF THE AD HOC GROUP OF BONDHOLDERS

Colombo, Sri Lanka, 16 April 2024 – The Government of the Democratic Socialist Republic of Sri Lanka ("**Sri Lanka**") announces today that it has held restricted discussions over the past three weeks (the "**Restricted Period**") with nine members of the steering committee who agreed to take part in the restricted discussions (the "**Steering Committee**") of the Ad Hoc Group of Bondholders (the "**Group**", and together with Sri Lanka, the "**Parties**") of its International Sovereign Bonds ("**ISBs**"). Sri Lanka was joined by its legal and financial advisors, Clifford Chance and Lazard, respectively, and the restricted members of the Steering Committee were joined by the Group's legal and financial advisors, White & Case and Rothschild & Co, respectively. The Steering Committee as a whole comprises ten of the largest members of the Group, with the Group controlling approximately 50% of the aggregate outstanding amount of ISBs. Despite constructive discussions, the Parties did not come to an agreement on restructuring terms. The Steering Committee did not agree to an extension of the restricted discussions upon expiration of the current Restricted Period.

During the Restricted Period, Sri Lanka, the Steering Committee and its advisors met during a two-day working session in London on 27 and 28 March 2024 (the "**Meetings**") to discuss the Group's latest debt treatment proposal, sent to Sri Lanka's advisors on 11 March 2024 (the "**Group's March Proposal**"). Prior to the meetings, on 25 March 2024, Sri Lanka had also sent, through its advisors, its own debt treatment proposal to the Group's advisors ("**Sri Lanka's Proposal**") which was rejected by the Steering Committee. Both the Group's March Proposal and Sri Lanka's Proposal are attached in the Annex hereto.

Prior to the Meetings, staff at the International Monetary Fund (the "**IMF**") provided their preliminary and informal assessment of both Parties' proposals' consistency with Sri Lanka's IMF-supported program (the "**IMF-Supported Program**") parameters and debt sustainability objectives. The IMF staff assessment included an analysis of the sum total of restructuring proposals (for official and private creditors) based on agreed deals with certain creditors and the Sri Lankan authorities' restructuring scenario for other creditors. On that basis, the IMF staff concluded that the debt treatment scenario included in Sri Lanka's Proposal was consistent with the IMF-Supported Program debt sustainability targets, while the scenario included in the Group's March Proposal was not. IMF staff noted that these were preliminary assessments and the IMF staff would provide final assessments only after the Parties had reached a tentative agreement in principle.

During the Meetings, it was agreed that the primary basis for the discussions would be the Group's March Proposal. Sri Lanka articulated the main reservations it had in relation to the Group's proposed Macro-Linked Bond ("**MLB**") – while members of the Steering Committee articulated the reasons why they believed the terms of their MLB proposal were fair and reasonable.

The Steering Committee also suggested the possible introduction of a Governance Linked Bond, which Sri Lanka said it would consider subject to being provided with more details of this proposal. Such details on the possible structure of a Governance Linked Bond were subsequently shared with Sri Lanka's advisors on 3 April 2024.

The discussions narrowed down to four features of the MLB:

1. ***The baseline parameters of the instruments proposed by the Group were calibrated by reference to the Group's "alternative baseline", rather than Sri Lanka's IMF-Supported Program baseline***.

2. ***The balance of risks between Sri Lanka and holders of its ISBs*** - While the Group had already updated its original MLB structure to include a scenario where Sri Lanka might underperform IMF-Supported Program GDP projections, Sri Lanka invited the Group to consider a structure that would provide greater protections to Sri Lanka in such a scenario.

3. ***The test for triggering upward/downward adjustments in the MLB.***

4. ***The share of additional value in an upward adjustment scenario*** - Sri Lanka invited the Group to consider lower bondholder allocation in the scenario in which the country outperformed IMF-Supported Program GDP projections and satisfied the upward adjustment test in the MLB.

Over the course of the Meetings, the Parties came closer to a meeting of minds on Items 1 and 2, with the Steering Committee willing to agree to Sri Lanka's request for amendments in relation to these two key structural aspects, subject to Sri Lanka (i) agreeing to a consent fee (with the Steering Committee proposing a fee of 1.8% of the outstanding principal amount of the ISBs) with a view to offsetting the Group's perceived reduction of the market value of their proposal as result of such amendments and (ii) agreeing with the Group's proposal on Items 3 and 4.

Following the Meetings, on 3 April 2024, the Group shared an updated version of its debt treatment proposal (the "**Group's April Proposal**"), which addressed Items 1 and 2 in the manner described above. The Group's April Proposal is also attached in the Annex hereto. The Group's April Proposal is yet to be assessed by the IMF staff.

While recognising the efforts made by the Group in accommodating some of its key observations, Sri Lanka reiterated its reservations regarding the structure of the MLB trigger test and the cashflows associated with the baseline and upside scenarios (Items 3 and 4).

Sri Lanka would like to thank the Steering Committee, the Group and their advisors for their constructive stance, and looks forward to continued engagement in good faith as soon as feasible, with a view to reaching common ground in the next few weeks, ahead of the second review of the IMF-Supported Program being considered by the IMF Executive Board.

*This announcement is made by Sri Lanka and constitutes a public disclosure of inside information under Regulation (EU) 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MAR**"). For the purposes of UK MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, this announcement is made by R M P Rathnayake, Deputy Secretary to the Treasury of Sri Lanka.*

ANNEX

[included on the following page]

1. Group's March Proposal

Indicative term sheet for Macro-Linked Bonds (1/2)

Indicative terms of new bonds under an MLB structure[1,2] (under Alternative Baseline)

Instrument type	Bonds instalments	Notional amount at exchange date (US$m)	PIK accumulated (2023-2027, US$m)	Notional at end 2027 including PIK (US$m)	Coupon rate		
					Up to 2027		2028 onwards (cash)
					Cash	PIK	
Past Due Interest[2]		**1,678**					
Plain Vanilla #1	2024	270	n.a.	n.a.	4.00%	n.a.	n.a.
	2025	270	n.a.	n.a.	4.00%	n.a.	n.a.
	2026	270	n.a.	n.a.	4.00%	n.a.	n.a.
	2027	270	n.a.	n.a.	4.00%	n.a.	n.a.
	2028	598	n.a.	n.a.	4.00%	n.a.	n.a.
New bonds instalments		**10,040**					
MLB #1	2029	750	94	844	4.00%	3.00%	7.75%
	2030	750	94	844	4.00%	3.00%	7.75%
MLB #2	2031	1,000	126	1,126	4.25%	3.00%	8.00%
MLB #3	2032	750	94	844	4.25%	3.00%	8.00%
	2033	750	94	844	4.25%	3.00%	8.00%
MLB #4	2034	1,250	157	1,407	4.50%	3.00%	8.25%
	2035	1,250	157	1,407	4.50%	3.00%	8.25%
	2036	1,250	157	1,407	4.50%	3.00%	8.25%
MLB #5	2037	573	72	644	4.50%	3.00%	8.25%
	2038	573	72	644	4.50%	3.00%	8.25%
	2039	573	72	644	4.50%	3.00%	8.25%
	2040	573	72	644	4.50%	3.00%	8.25%

- ***Post 20% nominal haircut on new bonds***
- ***No haircut on PDIs***

Key evolutions of the MLB structure :

- **New bonds amortizing from 2029** (vs. 2027 previously)
- **Additional instalments introduced** (final instalment in 2040 vs. 2036 previously)
- **Amended PDI amortization profile**
- **Lower PIK coupons** (3% vs. 4% previously)
- **Observation period expanded** from 2 to 3 years
- **Inclusion of a downward adjustment** below the IMF baseline

Note 1. Terms calibrated under a DSA based on public debt stock at end-2023
Note 2. "PDIs" capitalized into a new instrument. PDIs based on estimated past due interest accumulated at end Dec-2023, i.e. $1,678m (to be updated at the time of the debt exchange).

Indicative term sheet for Macro-Linked Bonds (2/2)

Overview of MLB adjustment mechanisms

Overview of GDP thresholds under the updated MLB structure

Baseline	US$ nominal GDP (avg. 2025-2027, billion)	Downside adjustements	
		Weighted incremental haircut[1]	Average coupon post 2028
Upside scenario	**96.3**	**-**	**8.2%**
GDP threshold #1	**93.9**	**-**	**7.3%**
GDP threshold #2	**90.1**	**-**	**6.1%**
GDP threshold #3	**86.3**	**11%**	**5.4%**
IMF baseline	**84.2**	**19%**	**5.4%**
Downside scenario	**80.5**	**36%**	**5.0%**

Note 1. Additional Haircut triggered by the adjustment (as a % of 2027 nominal including PIK)

2. Sri Lanka's Proposal

Introducing the Proposed "GDP-Linked A/B Bond" Solution

Bondholders would exchange their ISBs holdings against a basket of:

7 A-Bonds + 1 PDI Bond

- ***Plain Vanilla Bonds, with no contingent features***
- ***Fixed cashflows, independent of macroeconomic developments***

+

3 B-Bonds

- ***B-Bonds, with financial terms subject to adjustments in early 2028 by reference to Sri Lanka's macroeconomic performance up to such date***
- ***Adjustments to the B-bonds would be based on a "dual one-time test", pursuant to which Sri Lanka's USD GDP for 2027 would be compared to reference levels but subject to actual cumulated real GDP growth in the period 2024-2027***

Indicative Initial Terms of the New Eurobonds *(assuming 100% participation)*

		Indicative terms on the Eurobonds[1]				
		Final maturity	Nominal amount	Coupon rate[2]		
		Year	*In USDm*	*Up to 2028 (incl.)*	*From 2029 until 2032 (incl.)*	*From 2033 until maturity (incl.)*
8 Plain Vanilla Bonds	**PDI Bond**	**2024-2028** *Progressive amortization*[3]	1,341	3.0%		
	A-Bonds	**2029**	791	4.5%	6.0%	
		2030	879	4.5%	6.0%	
		2031	879	4.5%	6.0%	
		2032	879	4.5%	6.0%	
		2033	879	4.5%	6.0%	9.0%
		2034	879	4.5%	6.5%	9.0%
		2035	879	4.5%	6.5%	9.0%
3 « MLB-type » Bonds	**B-Bonds** (before any adjustments)	**2036**	966	4.0%	4.0%	4.0%
		2037	879	4.0%	4.0%	4.0%
		2038	879	4.0%	4.0%	4.0%
	TOTAL AMOUNT		**10,126**[4]	***Avg. 4.2%***	***Avg. 5.4%***	***Avg. 5.4%***

Notes: (1) The Republic of Sri Lanka reserves the right to merge/group some of the Eurobonds described above, to ensure a sufficient issuance size for each new instrument, (2) Semi annual coupon payments, (3) Amortization schedule as follows: 15% of the outstanding amount yearly paid between 2024 and 2027, and 40% in 2028, (4) Overall haircut of 28.8% on the outstanding claim (30% on the face value, 20% on PDIs).

Introduction to the Proposed B-Bonds

1 **Dual one-time test:**

- The adjusted financial terms of the B-Bonds would be determined by reference to a dual one-time test (conducted in 2028), pursuant to which **Sri Lanka's USD Nominal GDP for 2027** would be compared to reference levels but subject to **actual cumulated real GDP growth in the period 2024-27**

- **Reference levels for Sri Lanka's USD GDP in 2027 would be set at 5%, 10%, 15% and 20% below and above the baseline level**, creating 9 different zones, associated with 9 different sets of financial parameters for the B-Bonds. **Adjustments to payments would be conditioned on the cumulative real GDP growth between now and 2027**, as compared to the baseline

2 **Adjustment mechanisms:**

- Upside adjustments to the B-Bonds' baseline financial terms would be implemented by way of (1) accelerating amortization, (2) increasing the principal amount (with the increase varying depending on the zone), and (3) increasing the coupon rates after 2028 (with the increase again varying depending on the zone)

- Conversely, any downside adjustment in the payment terms of the B-Bonds terms would take the form of downward adjustments to principal (subject to a floor at zero) and lowering of coupon rates

3 **Nature of the adjustments:** Adjustments to financial parameters of the B-Bonds would be definitive and irrevocable

The Dual One-Time Test Determines the B-Bonds' Adjustors

2 ***Test variable 2:** Performance in cumulated real GDP growth (2024-2027) relative to IMF Baseline*[1]

1 ***Test variable 1:** 2027 Nominal GDP (in USDbn)*

Distribution around the IMF baseline		[... ; - 12%[	[-12% ; - 7%[	[-7% ; - 4%[	[-4% ; 0%[	[0% ; 4%[	[4% ; 7%[	[7% ; 12%[	[12% ; ...[
Below -20%	[...; 69.8[	Adjustors #4-	Adjustors #3-	Adjustors #2-	Adjustors #1-	Baseline	Baseline	Baseline	Baseline
From -20% to -15%	[69.8; 74.1[	Adjustors #3-	Adjustors #3-	Adjustors #2-	Adjustors #1-	Baseline	Baseline	Baseline	Baseline
From -15% to -10%	[74.1; 78.5[	Adjustors #2-	Adjustors #2-	Adjustors #2-	Adjustors #1-	Baseline	Baseline	Baseline	Baseline
From -10% to -5%	[78.5; 82.9[	Adjustors #1-	Adjustors #1-	Adjustors #1-	Adjustors #1-	Baseline	Baseline	Baseline	Baseline
From -5% to 5%	[82.9; 91.6[	Baseline	Baseline	Baseline	Baseline	Baseline	Baseline	Baseline	Baseline
From 5% to 10%	[91.6; 95.9[	Baseline	Baseline	Baseline	Baseline	Adjustors #1+	Adjustors #1+	Adjustors #1+	Adjustors #1+
From 10% to 15%	[95.9; 100.3[	Baseline	Baseline	Baseline	Baseline	Adjustors #1+	Adjustors #2+	Adjustors #2+	Adjustors #2+
From 15% to 20%	[100.3;104.7[	Baseline	Baseline	Baseline	Baseline	Adjustors #1+	Adjustors #2+	Adjustors #3+	Adjustors #3+
Above 20%	[104.7; ...[	Baseline	Baseline	Baseline	Baseline	Adjustors #1+	Adjustors #2+	Adjustors #3+	Adjustors #4+

Note: (1) This variable would be assessed as the variation between the actual cumulated real GDP growth and the cumulated real GDP growth under the IMF baseline projections

Indicative terms of the B-Bonds and Adjustment Mechanisms – *Upside Adjustments*

Post-2027 Adjustments		Capital Adjustment		Coupon rate adjustment			Amortization adjustment
Scenarios	**B-Bonds**	**Capital Adjustment Factor**	**Nominal Value of the B-Bonds[1]** *(in USDm)*	**From 2024 until 2027 (incl.)**	**From 2028 until 2032 (incl.)**	**From 2033 until maturity**	
No adjustment (reference)	B-Bond 2036	100%	966	4.0%	4.0%	4.0%	Bullet; final maturity in 2036
	B-Bond 2037	100%	879	4.0%	4.0%	4.0%	Bullet; final maturity in 2037
	B-Bond 2038	100%	879	4.0%	4.0%	4.0%	Bullet; final maturity in 2038
Adjustors #1+	B-Bond 2036	**120%**	**1,160**	4.0%	4.0%	4.0%	**3%[2] (2028-32), 7% (2033-35), 64% (2036)**
	B-Bond 2037	**120%**	**1,054**	4.0%	4.0%	4.0%	**3%[2] (2028-32), 7% (2033-35), 64% (2037)**
	B-Bond 2038	**120%**	**1,054**	4.0%	4.0%	4.0%	**3%[2] (2028-32), 7% (2033-35), 64% (2038)**
Adjustors #2+	B-Bond 2036	**135%**	**1,305**	4.0%	**4.5%**	**6.5%**	**Similar to adjustors #1+**
	B-Bond 2037	**135%**	**1,186**	4.0%	**4.5%**	**6.5%**	**Similar to adjustors #1+**
	B-Bond 2038	**135%**	**1,186**	4.0%	**4.5%**	**6.5%**	**Similar to adjustors #1+**
Adjustors #3+	B-Bond 2036	**150%**	**1,450**	4.0%	**5.5%**	**7.5%**	**Similar to adjustors #1+**
	B-Bond 2037	**150%**	**1,318**	4.0%	**5.5%**	**7.5%**	**Similar to adjustors #1+**
	B-Bond 2038	**150%**	**1,318**	4.0%	**5.5%**	**7.5%**	**Similar to adjustors #1+**
Adjustors #4+	B-Bond 2036	**165%**	**1,594**	4.0%	**6.5%**	**9.0%**	**Similar to adjustors #1+**
	B-Bond 2037	**165%**	**1,450**	4.0%	**6.5%**	**9.0%**	**Similar to adjustors #1+**
	B-Bond 2038	**165%**	**1,450**	4.0%	**6.5%**	**9.0%**	**Similar to adjustors #1+**

Notes: (1) Nominal Value of the B-Bonds after the dual one-time test, depending on the adjustors, (2) In % of B-Bonds nominal amount (yearly amortization)

Indicative terms of the B-Bonds and Adjustment Mechanisms – *Downside Adjustments*

Post-2027 Adjustments		Capital Adjustment		Coupon rate adjustment			Amortization adjustment
Scenarios	**B-Bonds**	**Capital Adjustment Factor**	**Nominal Value of the B-Bonds[1]** *(in USDm)*	**From 2024 until 2027 (incl.)**	**From 2028 until 2032 (incl.)**	**From 2033 until maturity**	
No adjustment (reference)	B-Bond 2036	100%	966	4.0%	4.0%	4.0%	Bullet; final maturity in 2036
	B-Bond 2037	100%	879	4.0%	4.0%	4.0%	Bullet; final maturity in 2037
	B-Bond 2038	100%	879	4.0%	4.0%	4.0%	Bullet; final maturity in 2038
Adjustors #1-	B-Bond 2036	**75%**	**725**	4.0%	**2.5%**	**2.0%**	No adjustment
	B-Bond 2037	**75%**	**659**	4.0%	**2.5%**	**2.0%**	No adjustment
	B-Bond 2038	**75%**	**659**	4.0%	**2.5%**	**2.0%**	No adjustment
Adjustors #2-	B-Bond 2036	**50%**	**483**	4.0%	**2.0%**	**1.0%**	No adjustment
	B-Bond 2037	**50%**	**439**	4.0%	**2.0%**	**1.0%**	No adjustment
	B-Bond 2038	**50%**	**439**	4.0%	**2.0%**	**1.0%**	No adjustment
Adjustors #3-	B-Bond 2036	**25%**	**242**	4.0%	**2.0%**	**0.5%**	No adjustment
	B-Bond 2037	**25%**	**220**	4.0%	**2.0%**	**0.5%**	No adjustment
	B-Bond 2038	**25%**	**220**	4.0%	**2.0%**	**0.5%**	No adjustment
Adjustors #4-	B-Bond 2036	**0%**	**-**				
	B-Bond 2037	**0%**	**-**				
	B-Bond 2038	**0%**	**-**				

Note: (1) Nominal Value of the B-Bonds after the dual one-time test, depending on the adjustors

3. Group’s April Proposal

Indicative term sheet for Macro-Linked Bonds (1/2)

Indicative terms of new bonds under an MLB structure[1,2] (under IMF Baseline)

Instrument type	Bonds instalments	Notional amount at exchange date (US$m)	Notional at end 2027 (US$m)	Coupon rate		
				Up to 2027 (cash)	2028-2032 (cash)	2033 onwards (cash)
Past Due Interest[2]		**1,678**				
Plain Vanilla #1[3]	2024	336	n.a.	4.00%	n.a.	n.a.
	2025	336	n.a.	4.00%	n.a.	n.a.
	2026	336	n.a.	4.00%	n.a.	n.a.
	2027	336	n.a.	4.00%	n.a.	n.a.
	2028	336	n.a.	4.00%	n.a.	n.a.
New bonds instalments		**9,036**				
MLB #1	2029	650	650	3.75%	4.00%	-
	2030	650	650	3.75%	4.00%	-
MLB #2	2031	900	900	4.00%	4.25%	-
	2032	900	900	4.00%	4.25%	-
	2033	900	900	4.00%	4.25%	8.75%
Plain Vanilla #2[3]	2034	800	800	4.25%	6.00%	9.25%
	2035	800	800	4.25%	6.00%	9.25%
MLB #3	2036	1,250	1,250	4.25%	4.50%	9.50%
MLB #4	2037	1,093	1,093	4.25%	4.50%	9.75%
	2038	1,093	1,093	4.25%	4.50%	9.75%

- ***28% haircut** on the nominal amount of existing bonds*
- ***No haircut on PDIs***
- ***Consent fee representing c.1.8% of original principal claim (excl. PDIs, US$ 225m) to be paid upfront***

Key evolutions of the MLB structure :

- **A "shift" in the structure of the MLB, which is now centered on the IMF baseline,**
  - **Upside (downside) adjustments triggered** in case of GDP overperformance (underperformance) in comparison with the IMF baseline
- **Inclusion of an additional downside threshold** below the IMF baseline
- **Inclusion of a new vanilla bond**
- **Less instalments** (final instalment in 2038 vs. 2040 previously)

Note 1. Terms calibrated under a DSA based on public debt stock at end-2023
Note 2. "PDIs" capitalized into a new instrument. PDIs based on estimated past due interest accumulated at end Dec-2023, i.e. $1,678m (to be updated at the time of the debt exchange)
Note 3. New vanilla bond could potentially be structured (in whole or in part) as a "Governance-Linked Bond"

Indicative term sheet for Macro-Linked Bonds (2/2)

Overview of MLB adjustment mechanisms

Overview of GDP thresholds under the updated MLB structure

Baseline	US$ nominal GDP (avg. 2025-2027, billion)	Adjustements		
		Weighted incremental principal reinstatement (haircut if negative)[1]	2028 principal (as a % of original claim excluding PDIs)	Average coupon post 2028
Alternative baseline (MLB)	**96.3**	**28.8%**	**92.7%**	**8.5%**
GDP threshold #1	**93.9**	**24.7%**	**89.8%**	**8.1%**
GDP threshold #2	**90.1**	**20.6%**	**86.8%**	**7.4%**
GDP threshold #3	**86.3**	**8.2%**	**77.9%**	**6.8%**
IMF baseline	**84.2**	**-**	**72.0%**	**6.4%**
Threshold below IMF baseline #1	**80.5**	**(18.9%)**	**58.4%**	**6.0%**
Threshold below IMF baseline #2	**77.6**	**(37.0%)**	**45.3%**	**5.8%**

Note 1. Triggered by the adjustment (as a % of 2027 principal)

4. Governance Linked Bond

Overview of GLB key proposed features (1/2)

- ⇨ **Including an ESG component to the debt treatment agreement,** focusing on governance aspects, and mimicking the structure of Sustainability-Linked bonds (applicable to non-MLB instruments, with target size of $500m to $1bn)
- ⇨ **Governance-linked bond as an efficient incentive for the authorities to improve governance and reduce corruption vulnerability**, benefitting both the country and bondholders
- ⇨ **Coupon step down structure, with single adjustment triggered** in case all indicators meet performance targets at a specific date
- ⇨ **Final structure to be refined in good faith and in close coordination with the Sri Lankan authorities**

1 **Selected performance indicators**	■ **Set of transparent and easily measurable governance criteria** ■ **GLB adjustment based on [2] Key Performance Indicators (KPIs)**, including □ 1 quantitative target: government tax revenue-to-GDP □ 1 qualitative target: based on IMF program commitments, to be discussed *(see next page)*
2 **Measurement date**	■ **Aligned on MLB**: H1-2028, based on performance in [2026 or 2027]
3 **Adjustment date**	■ **Downward coupon adjustment** potentially **triggered in [June] 2028** if both targets met
4 **Test & coupon adjustment mechanism**	■ **[50] bps downward coupon adjustment** if both targets are met
5 **External party assessment**	■ **External review by independent entity** (Moody's ESG Solutions, Sustainalytics, …)

Overview of GLB key proposed features (2/2)

GLB structured based on 2 Key Performance Indicators (KPIs)

➩ **The coupon step-down would be activated if all of [two] KPIs are successfully met,** including one "quantitative" KPI and one "qualitative" reform target

1

KPI #1

Quantitative

➩ **Tax revenue-to-GDP ratio for [2026] or [2027][1]**

- For reference, IMF program tax revenue-to-GDP target: 14.0% in 2026 and 14.1% in 2027

2

KPI #2

Qualitative

➩ **Selected reforms envisaged under the current IMF program ("Structural Benchmarks"), in particular:**

- **Publication of public procurement contracts**: publish online semi-annually all public procurement contracts above Rs. 1 billion, along with comprehensive information in a searchable format on contract award winners, is confirmed by IMF reviews as met with at least 4 satisfactory semi-annual updates after the first date of publication, being confirmed as met by IMF reviews by end 2026.
- **Publication of information on tax exemptions:** publish online semi-annually a list of all firms receiving tax exemptions through various legal provisions, alongside the estimation of the value of the tax exemption, is confirmed by IMF reviews as met with at least 4 semi-annual updates after the first date of publication, being confirmed as met by IMF reviews by end 2026.

■ **The Sri Lanka Authorities may also suggest their own governance targets, along with their associated measurement and verification method**, to be subsequently discussed with the Steering Committee, so as to define the GLB mutually, in good faith

Note 1 To be discussed, considering the final review of the current IMF program is scheduled in March 2027

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Forward-Looking Statements

All statements in this announcement, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this announcement and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions and factors over which Sri Lanka has no control. Sri Lanka assumes no obligation to update these forward-looking statements and does not intend to do so, unless otherwise required by law.