

Media Release

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Colombo:

Invest Sri Lanka Forum in London draws interest and engagement among UK investors



A large gathering of Institutional Investors based in London showed a keen interest in investing in Sri Lankan equities while attending an Invest Sri Lanka Forum held at the London Stock Exchange recently. The Forum, which was organized by the Colombo Stock Exchange (CSE) in association with the Securities and Exchange Commission of Sri Lanka (SEC), attracted a number of UK- based frontier and emerging market Institutional Investor representatives. An event in Edinburgh, Scotland will also be held as part of the Invest Sri Lanka road show presently taking place in the United Kingdom (UK).

Through the years, Institutional Investors based in the UK have consistently had a strong investment presence in the Sri Lankan stock market and the UK remains to be one of the leading investors of Sri Lankan equities.

A high-level Sri Lankan delegation representing the Government of Sri Lanka, the Central Bank, the Securities and Exchange Commission of Sri Lanka, the Colombo Stock Exchange, Sri Lankan listed companies and Stock broker representatives were at the Forum to collectively make a case for the Sri Lankan capital market.

In what is a key feature of Invest Sri Lanka Forums, the event also facilitated over 45 One-to-one/group discussions between Investors and Chief Executives/Senior Representatives of Sri Lankan Listed Companies. John Keells Holdings PLC, Commercial Bank of Ceylon PLC, Dialog Axiata PLC, Hatton National Bank PLC, Sampath Bank PLC, MelstaCorp PLC, People's Leasing & Finance PLC, Nations Trust Bank PLC, Aitken Spence PLC, Tokyo Cement (Lanka) PLC, Sunshine Holdings PLC, Union Bank of Colombo PLC and Resus Energy PLC were represented at the event.

The State Minister for Finance and Mass Media Hon. Eran Wickramaratne, who made the keynote address at the Forum said "2017 resulted in the largest ever inflow of foreign investment into the Sri Lankan stock market in its history. This was a response to Sri Lanka's prudent macro-economic management resulting in reduced budget deficits, higher government revenue, decreasing inflation, increased exports, an improved foreign exchange reserves balance and an all-time high in foreign direct investment. Despite the hike in the US Dollar, the comparative value of Sri Lankan stocks with comparable Asian markets augments well for the performance of the CSE in the near future."

The Forum was offered a strong endorsement from the Chief Executive Officer of the London Stock Exchange PLC Mr. Nikhil Rathi, who spoke of the potential value of investing in Sri Lanka, stating that London Stock Exchange Group is one of the largest direct investors in Sri Lanka. He went on to reaffirm LSEG's commitment to strengthening its relationship with Sri Lanka and noted that LSEG would continue to grow its presence and facilities in the country.

Member of the Monetary Board of Sri Lanka Mr. Nihal Fonseka offering perspective on the monetary policy and the macro-economic outlook, stated that broad-based reforms under the IMF agreement has complemented the efforts of the Government, while noting that ongoing trade reforms are expected to strengthen the country's external sector on a sustainable basis. He also stated that increased access to external markets and fostering an investor friendly environment are likely to attract much needed FDIs in the period ahead.

SEC Chairman Mr. Ranel T. Wijesinha speaking to investors present at the event assured that the SEC is strongly committed to sound regulation and the development of the securities market in Sri Lanka, while noting that the processes of introducing a new SEC Act and the demutualization of the CSE are due to be completed in the near future. Mr. Wijesinha also stated that reporting structures of Sri Lankan listed companies are in-par with the rest of the world as a result of complying to globally accepted standards such as IFRS. He went on to note that the CSE and SEC aim to further engage institutional investors based in key foreign markets, stating that a strong base of international institutional investors is imperative to the development of the Sri Lankan capital market and the Sri Lankan economy at-large.

CSE Chairman Mr. Ray Abeywardena highlighted that attractive market valuations, complimented by the growth potential of Sri Lankan listed companies, and strong diversification opportunities within the market offers institutional investors with a timely opportunity to improve their investment interests in Sri Lankan listed companies.

Proving an independent viewpoint on the stock market, the Managing Director at LYNEAR Wealth Management Dr. Naveen Gunawardane outlined that in spite of recent global and regional developments, the investment case for Sri Lankan equities remains strong when compared to other frontier markets. He went on to state that while correlations between markets pick up during times of volatility, Sri Lankan equities remain relatively uncorrelated to other Frontier and Emerging markets, which offers institutional investors flexibility when managing their portfolios.

The panel discussion at the Forum, which was moderated by the Head of LSEG in Sri Lanka Mr. Dee Liyanwela, fostered an engaging and open conversation between the speakers and investors present. While investors expressed a sense of optimism regarding the measures implemented to reform the Sri Lankan economy, they also outlined factors and recommendations that would help pave the way for greater participation by foreign institutional investors in the market going forward.

The Invest Sri Lanka Forum was held in association with the Sri Lankan High Commission in the UK and the UK and Sri Lankan Offices of the International Chamber of Commerce. The Oxford Business Group supported the event in the capacity of Official Publication Partner.

About CSE

The Colombo Stock Exchange (CSE) operates the only stock market in Sri Lanka and is responsible for providing a transparent and regulated environment where companies and investors can come together. The CSE is a company that is limited by guarantee established under the Laws of Sri Lanka. The CSE is licensed by the Securities and Exchange Commission of Sri Lanka (SEC) and is a mutual exchange consisting of 15 Members and 14 Trading Members. All Members and Trading Members are licensed by the SEC to operate as Stockbrokers. For more information, please visit: www.cse.lk.

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