



CENTRAL BANK OF SRI LANKA

27 May 2026

BANKING ACT DIRECTIONS

No. 02 of 2026

**AMENDMENTS TO DIRECTIONS ON CAPITAL REQUIREMENTS UNDER BASEL III
FOR LICENSED COMMERCIAL BANKS AND LICENSED SPECIALISED BANKS**

Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for licensed commercial banks and licensed specialised banks are hereby amended by replacing the following Directions, with effect from 01.09.2026.

SCHEDULE I

Appendix IV

PART III(A): COMPUTATION OF RISK WEIGHTED AMOUNT FOR CREDIT RISK

Web Based Return Code	Assets	Risk Weight (%)
20.3.1.8.3.0	Claims Secured by Gold The amount must agree with the sum of the following items from Web Based Return Code (WBRC) 20.3.1.8.3.1 to 20.3.1.8.3.3	
20.3.1.8.3.1	Loan to Value Ratio equal to or less than 70% Total value of claims collateralized by gold with a loan to value ratio of equal to or less than 70% at the reporting date.	10
20.3.1.8.3.2	Loan to Value Ratio over 70% and up to 100% Total value of claims collateralized by gold with a loan to value ratio of over 70% and up to 100% at the reporting date.	40
20.3.1.8.3.3	Loan to Value Ratio over 100% Total value of claims collateralized by gold with a loan to value ratio of over 100% at the reporting date.	100

Dr. P Nandalal Weerasinghe
*Chairman of the Governing Board and
Governor of the Central Bank of Sri Lanka*