CENTRAL BANK OF SRI LANKA

24 September 2026 | BANKING ACT DIRECTIONS | No. 05 of 2026

AMENDMENTS TO THE BANKING ACT DIRECTIONS NO. 01 OF 2024 ON LARGE EXPOSURES OF LICENSED BANKS

Banking Act Directions No. 01 of 2024 dated 25.03.2024 on Large Exposures of Licensed Banks are hereby amended by inserting Direction 8.10 immediately after Direction 8.9, as given below, with effect from 01.10.2026.

8.	Exclusions of Exposures from Maximum Limits given in Directions 6 and 7	8.10	Investments in instruments issued/guaranteed by foreign sovereigns and their central banks that are risk weighted at 0 per cent in terms of Banking Act Directions No. 01 of 2016 on Capital Requirements under Basel III for Licensed Commercial Banks and Licensed Specialised Banks, subject to the following: (i) Investments in such instruments are permitted by the Central Bank of Sri Lanka. (ii) Total investments in instruments issued/guaranteed by any single foreign sovereign and its central bank do not exceed 50 per cent of Tier 1 capital of the licensed bank. (iii) Instruments are denominated in the domestic currency of the respective sovereign.

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