



**CENTRAL BANK OF SRI LANKA  
BANK SUPERVISION DEPARTMENT**

15 May 2020

**BANKING ACT DIRECTIONS**

**No. 04 of 2020**

**LOAN TO VALUE RATIOS FOR CREDIT FACILITIES GRANTED  
IN RESPECT OF MOTOR VEHICLES**

Issued under Sections 46(1) and 76(J)(1) of the Banking Act, No. 30 of 1988, as amended.

The Central Bank of Sri Lanka issues Directions as follows for implementation of loan to value ratios in respect of credit facilities granted by licensed commercial banks (LCBs) and licensed specialised banks (LSBs), hereinafter referred to as licensed banks, for the purpose of purchase or utilisation of motor vehicles.

1. The following will replace Directions 1 (i) of the Banking Act Directions No. 04 of 2019 on Loan to Value Ratios for Credit Facilities Granted in respect of Motor Vehicles.
  - (i) Credit facilities granted by licensed banks for the purpose of purchase or utilisation of motor vehicles shall not exceed the following percentages of the market value of such vehicles.
    - (a) In respect of unregistered vehicles and registered vehicles which have been used in Sri Lanka for less than one year after the first registration;

**Table 1 – Loan to Value Ratio**

<b>Vehicle Category</b>	<b>Vehicle Class of Department of Motor Traffic</b>	<b>Electric Vehicles</b>	<b>Other</b>
Commercial vehicles	C1, C, CE, D1, D, DE, G1, G, J	90%	90%
Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	50%
Locally Assembled Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	70%
Three wheelers	B1	90%	25%
Light trucks	B	90%	90%
Any other vehicle	A1, A and single cabs categorized under B	90%	70%
Hybrid Motor Cars, Vans and SUVs	B (other than light trucks & single cabs)	50%	

- (b) 70 per cent in respect of registered vehicles which have been used in Sri Lanka for more than one year after the first registration.



**CENTRAL BANK OF SRI LANKA  
BANK SUPERVISION DEPARTMENT**

**15 May 2020**

**BANKING ACT DIRECTIONS**

**No. 04 of 2020**

---

2. Loan to Value Ratio for credit facilities granted for importation or purchase of motor vehicles under permits on concessionary terms shall be computed based on the proforma invoice value, instead of the market value of the motor vehicle.
  
3. The Banking Act Directions No. 04 of 2019 dated 31.05.2019 on Loan to Value Ratios for Credit Facilities Granted in Respect of Motor Vehicles are withdrawn with effect from the date of this Directions.

A handwritten signature in blue ink, reading "Prof. W D Lakshman".

**Prof. W D Lakshman**  
*Chairman of the Monetary Board and  
Governor of the Central Bank of Sri Lanka*