



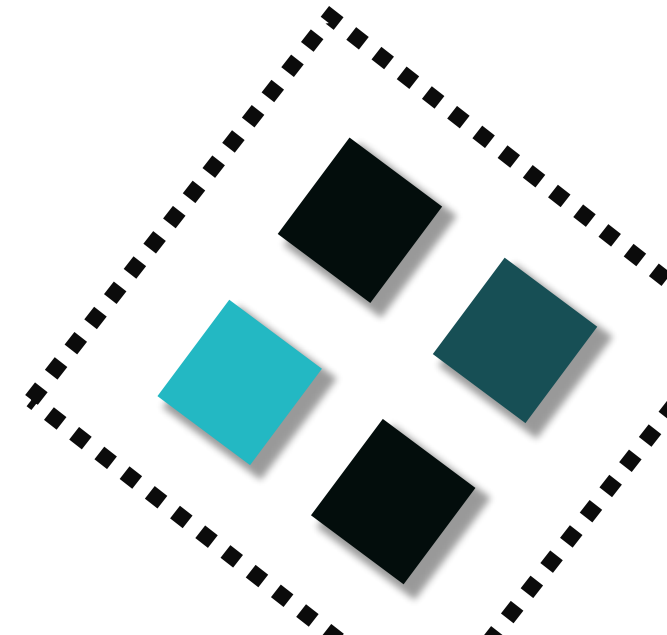
Press Conference

Review of the Monetary Policy Stance

Monetary Policy Review: No. 06 – November 2025

26 November 2025

Economic Research Department
Central Bank of Sri Lanka



The Central Bank of Sri Lanka keeps the Overnight Policy Rate unchanged

7.75%

**Overnight Policy
Rate (OPR)**

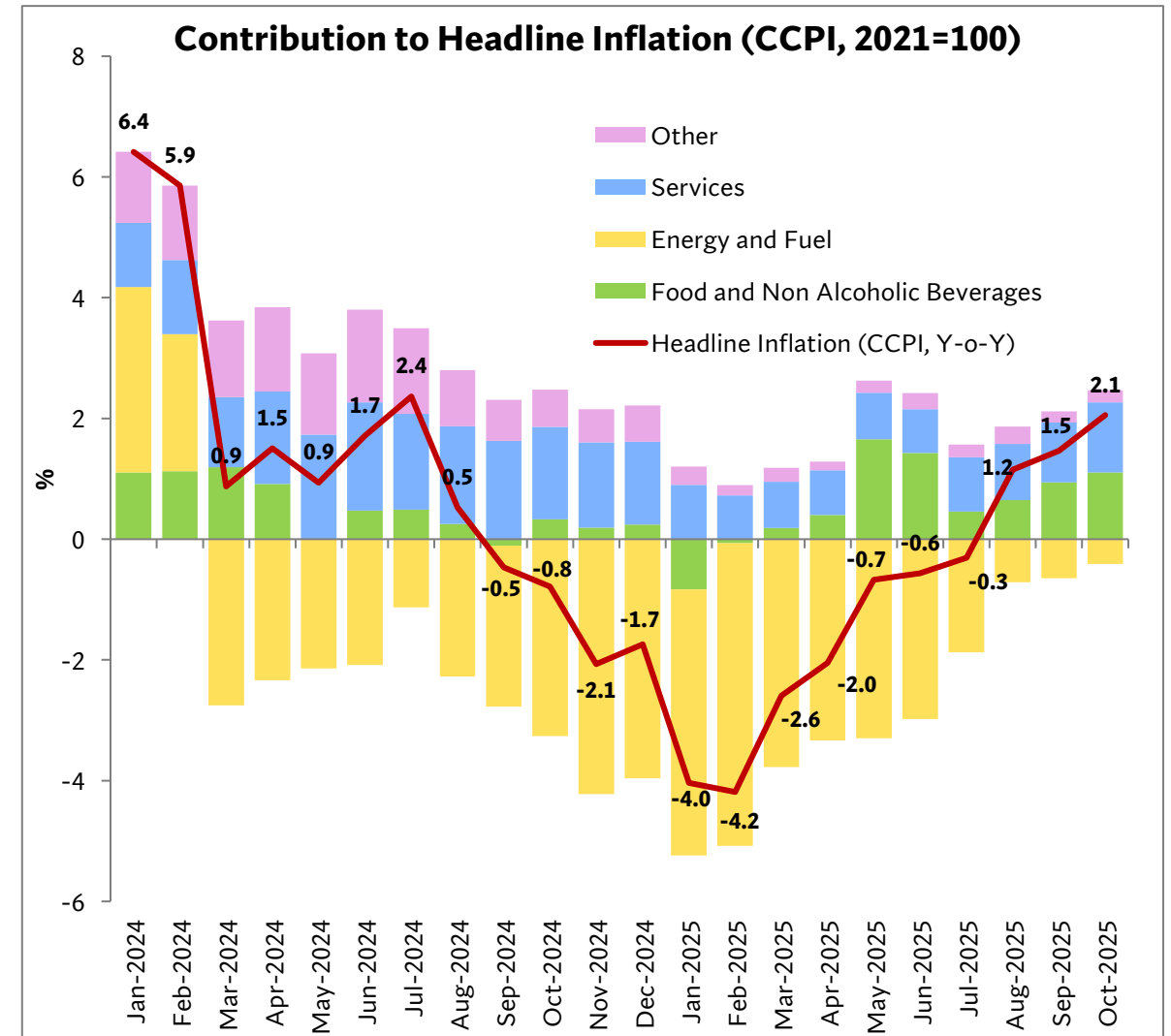
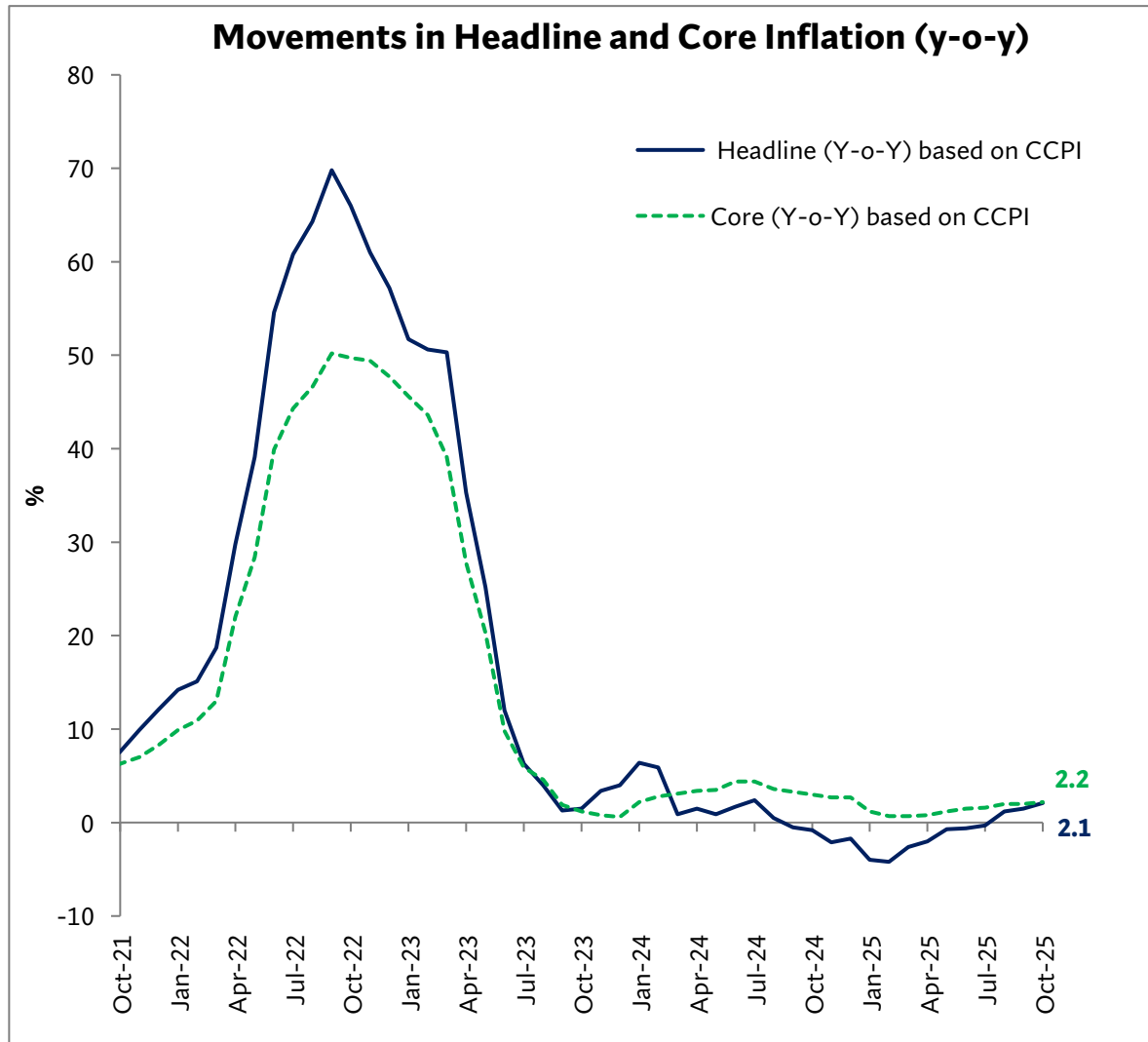
Margins for determination of the interest rates for Standing Facilities of the Central Bank remain unchanged at current levels;

- a. Standing Deposit Facility Rate (SDFR): OPR - 50 bps (7.25%)**
- b. Standing Lending Facility Rate (SLFR): OPR + 50 bps (8.25%)**

Statutory Reserve Ratio (SRR) remains unchanged at 2.00%

**The Board is of the view that
the current monetary policy stance
will support steering inflation towards the
target of 5%**

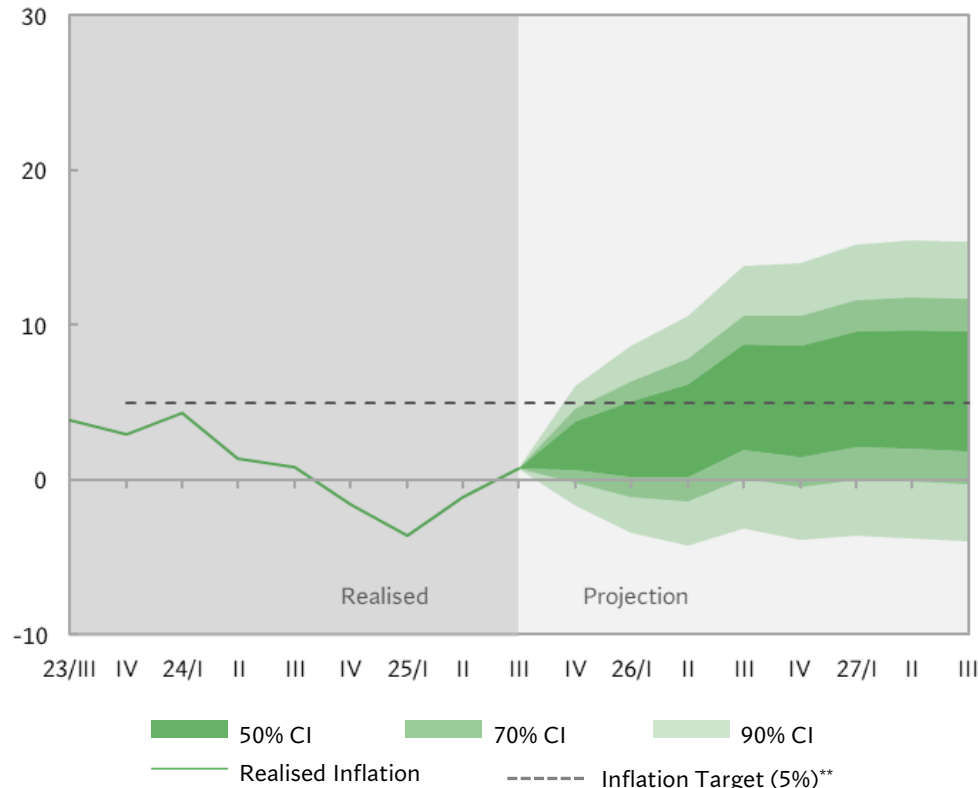
Headline inflation continued to accelerate in October for the third consecutive month...



Inflation is expected to rise more gradually than projected earlier and move towards the target by H2-2026...

Headline Inflation Projections (Quarterly, CCPI, y-o-y, %)

Based on the Projections during the November 2025 Monetary Policy Round



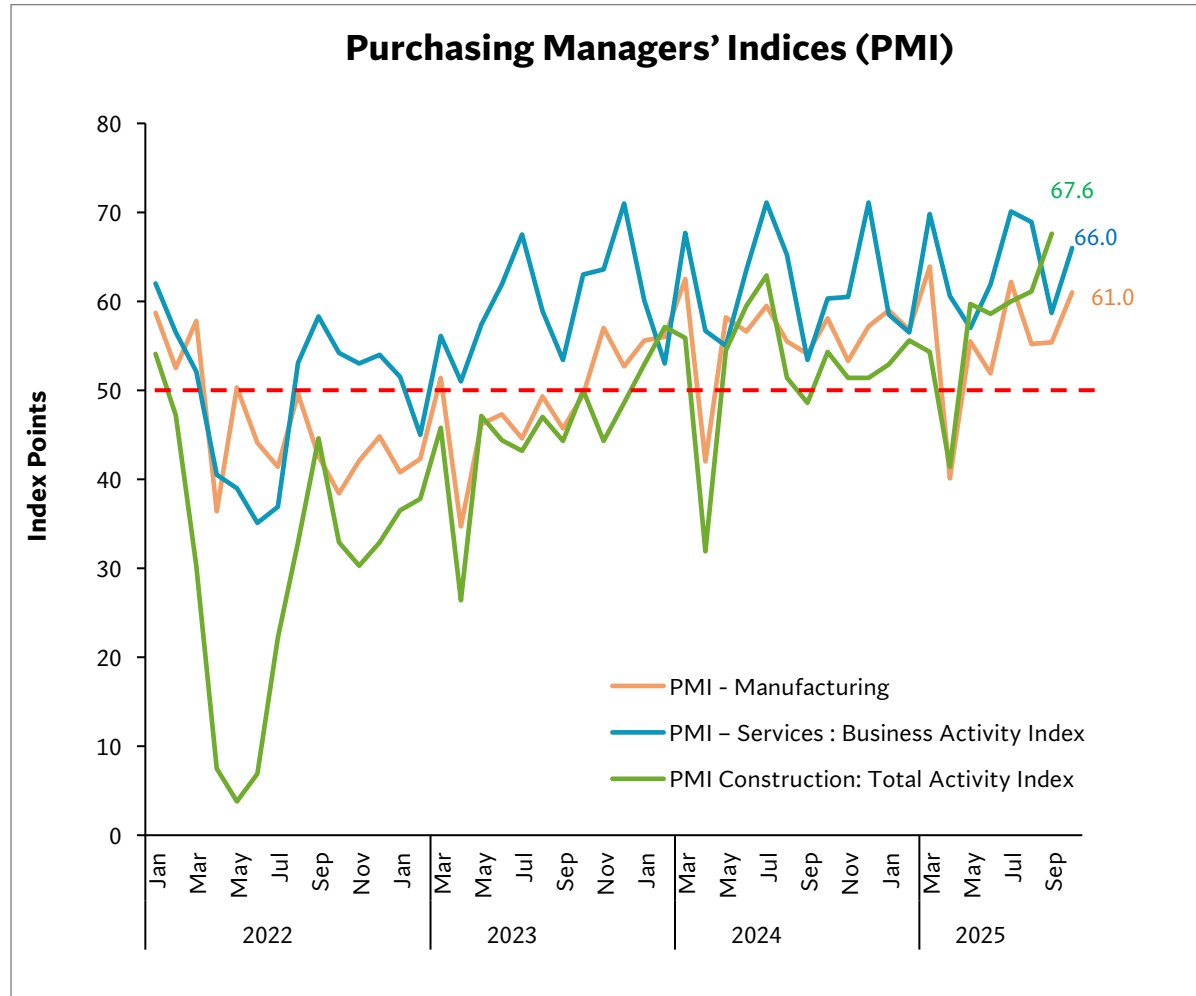
Source: Central Bank Staff Projections

** The inflation target (5%) was agreed under the Monetary Policy Framework Agreement (MPFA) signed between the Central Bank and the Minister of Finance in October 2023.

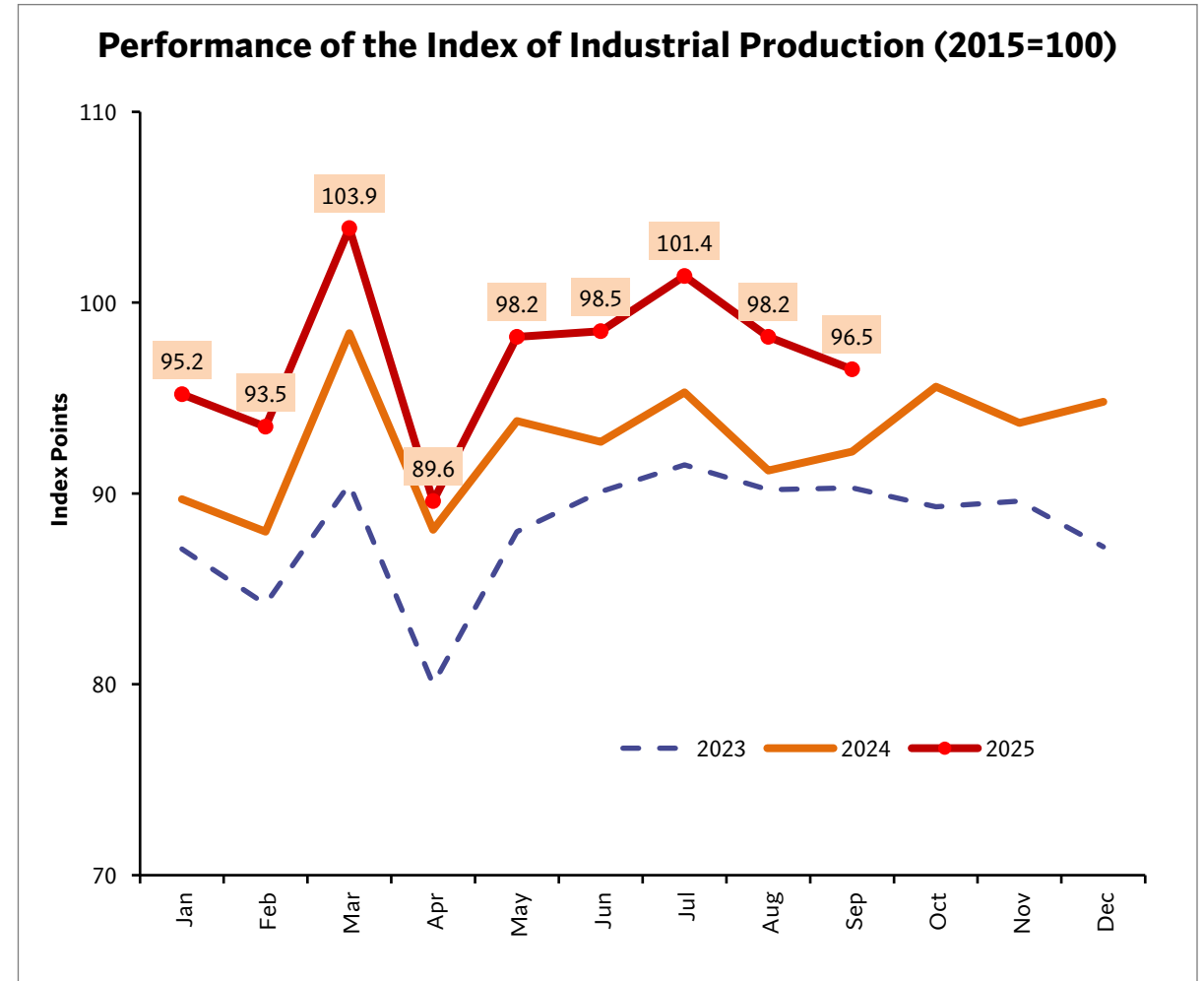
Core inflation is also expected to accelerate at a modest pace, as demand in the economy gradually strengthens

Medium-term inflation expectations remain well anchored around the inflation target

Leading economic indicators suggest a continuation of the growth momentum...

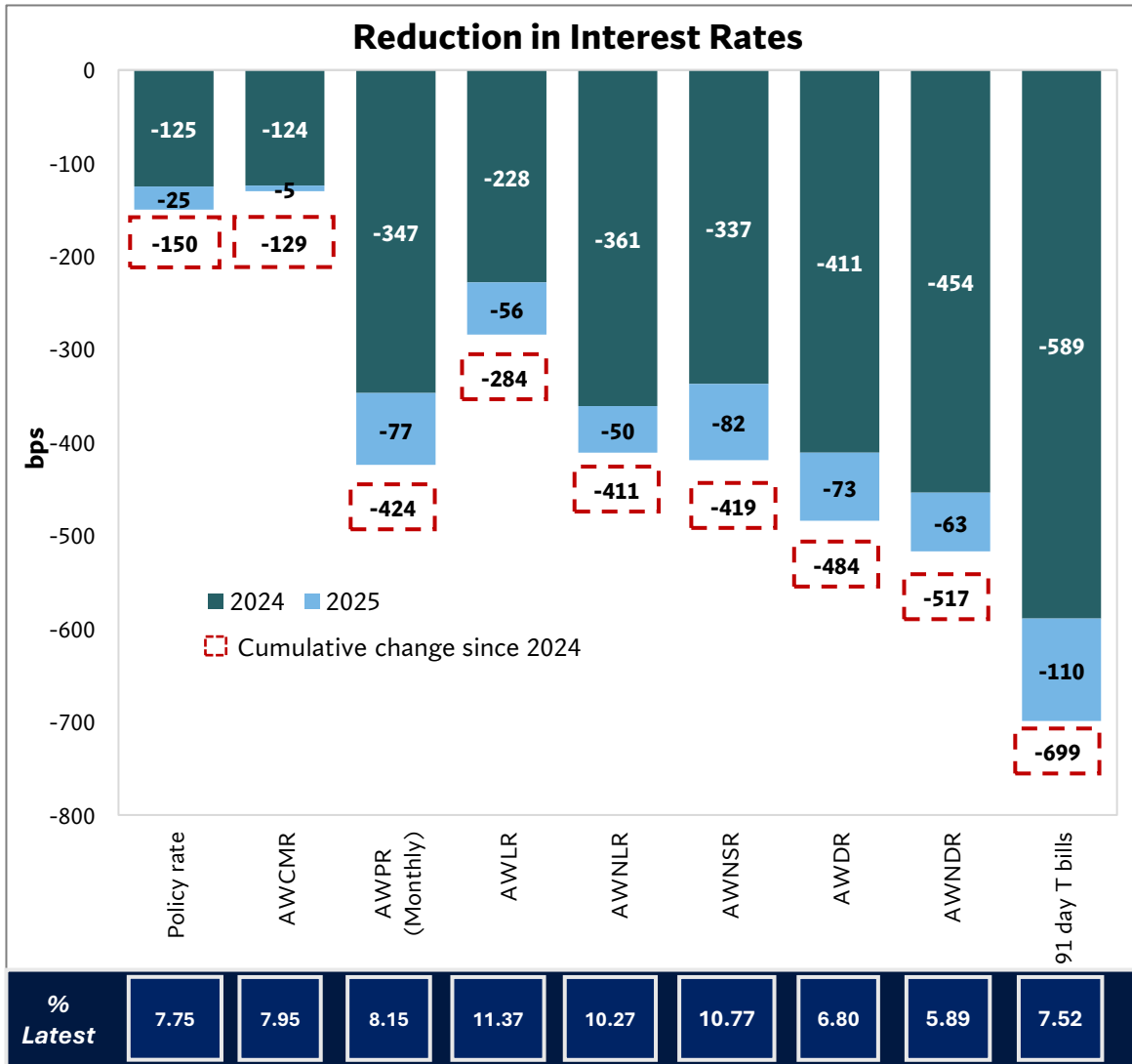


Source: CBSL



Source: DCS

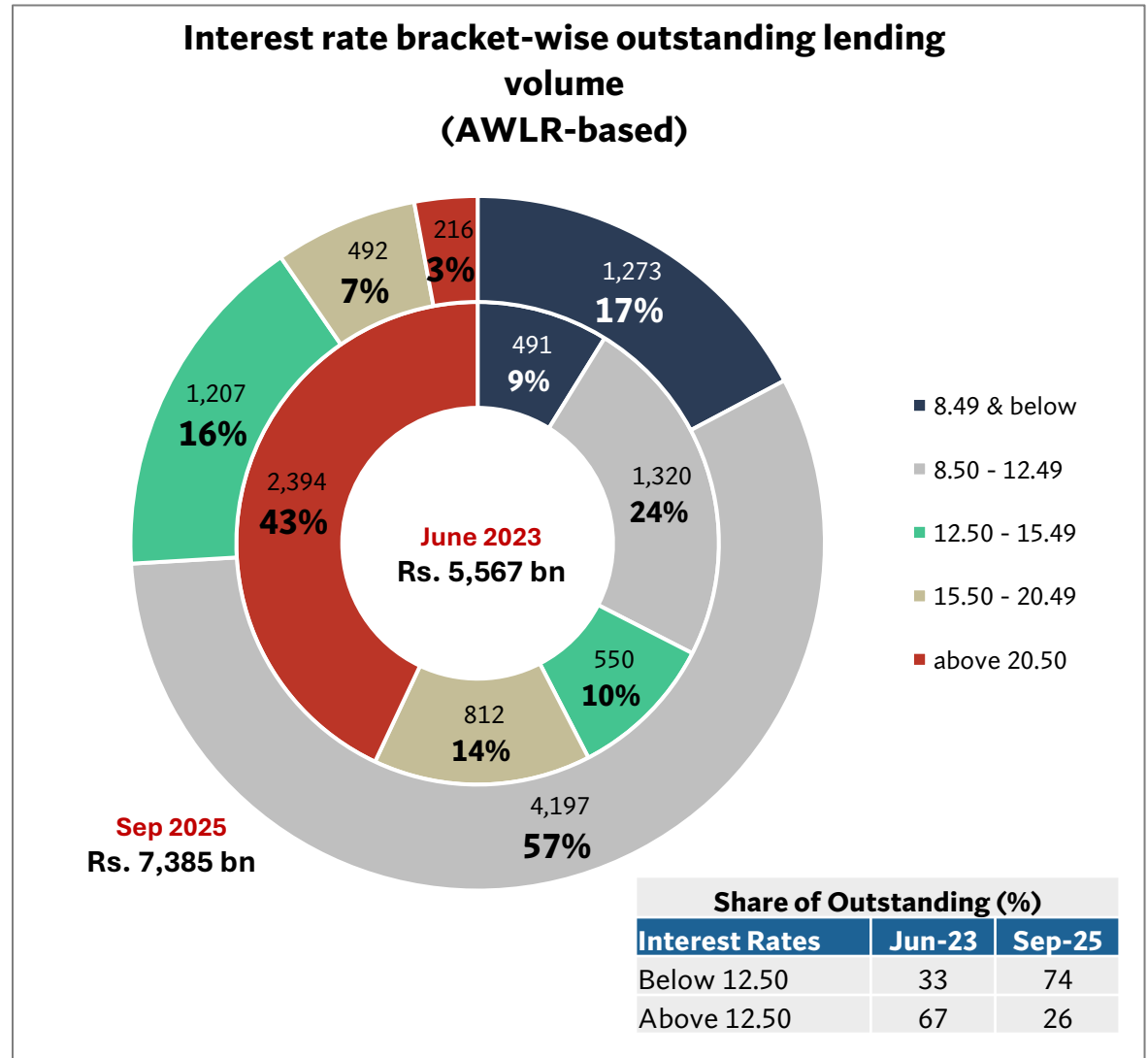
Market interest rates have broadly adjusted downwards...



AWCMR Average Weighted Call Money Rate
AWNDR Average Weighted New Deposit Rate
AWDR Average Weighted Deposit Rate

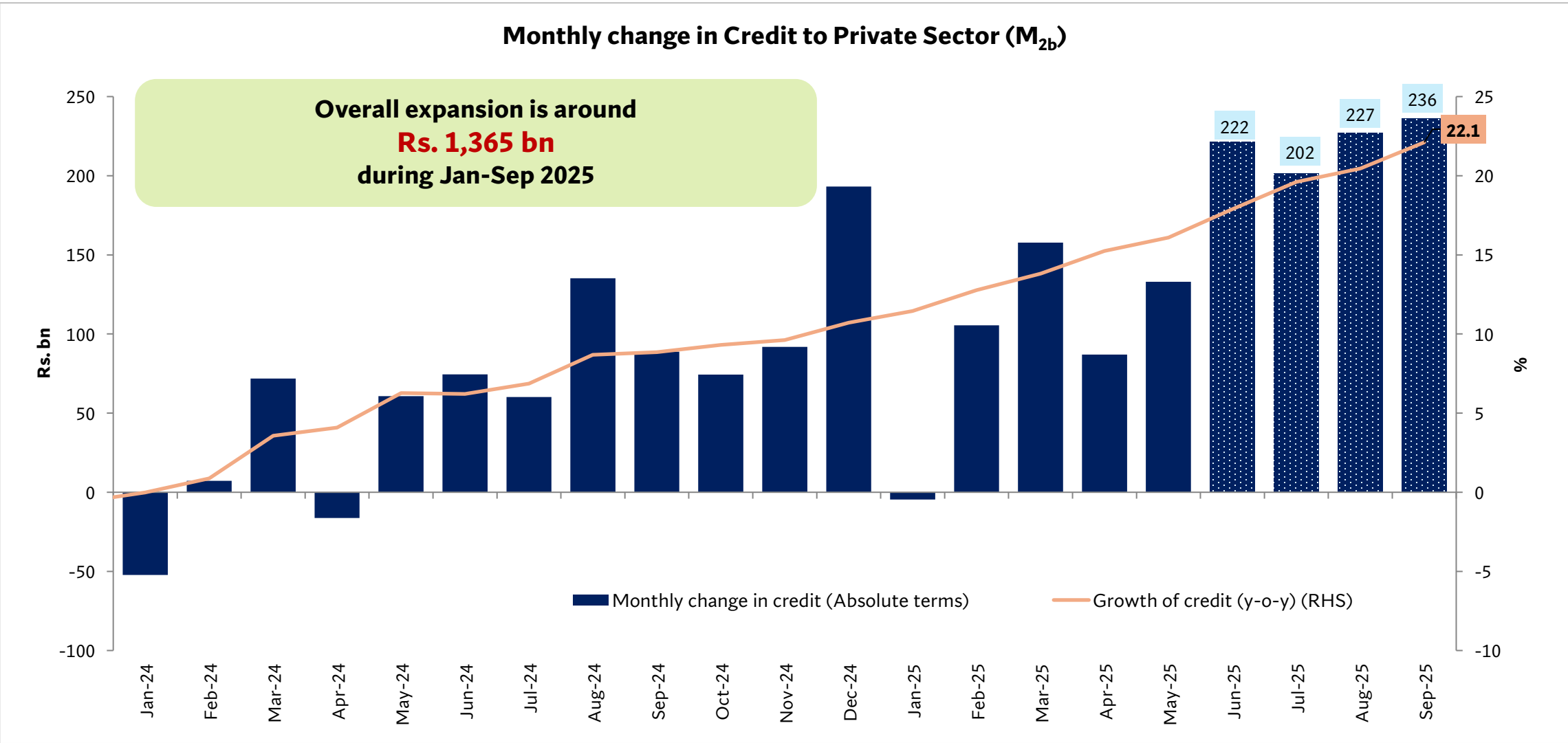
AWPR Average Weighted Prime Lending Rate
AWLR Average Weighted Lending Rate
AWNLR Average Weighted New Lending Rate

AWNSR Average Weighted New SME rate

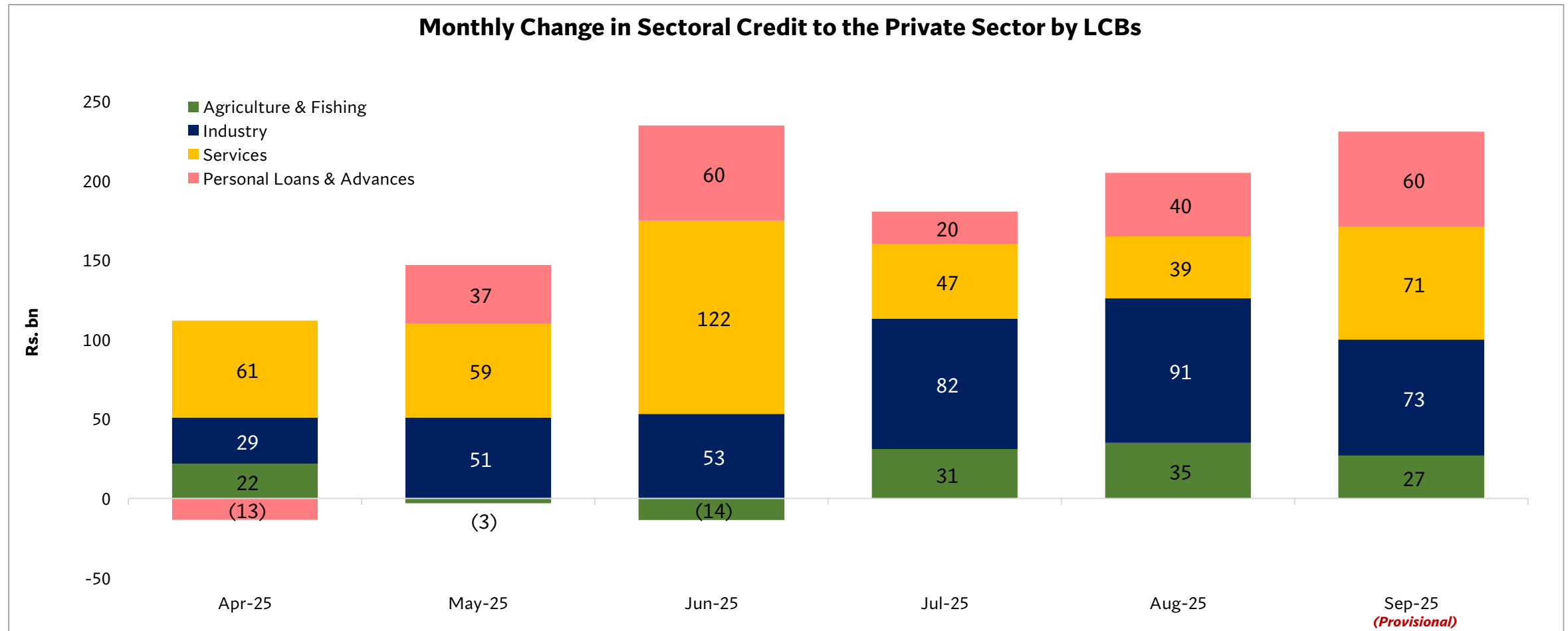


Share of Outstanding (%)		
Interest Rates	Jun-23	Sep-25
Below 12.50	33	74
Above 12.50	67	26

Credit to the private sector has recorded a notable expansion thus far in 2025...



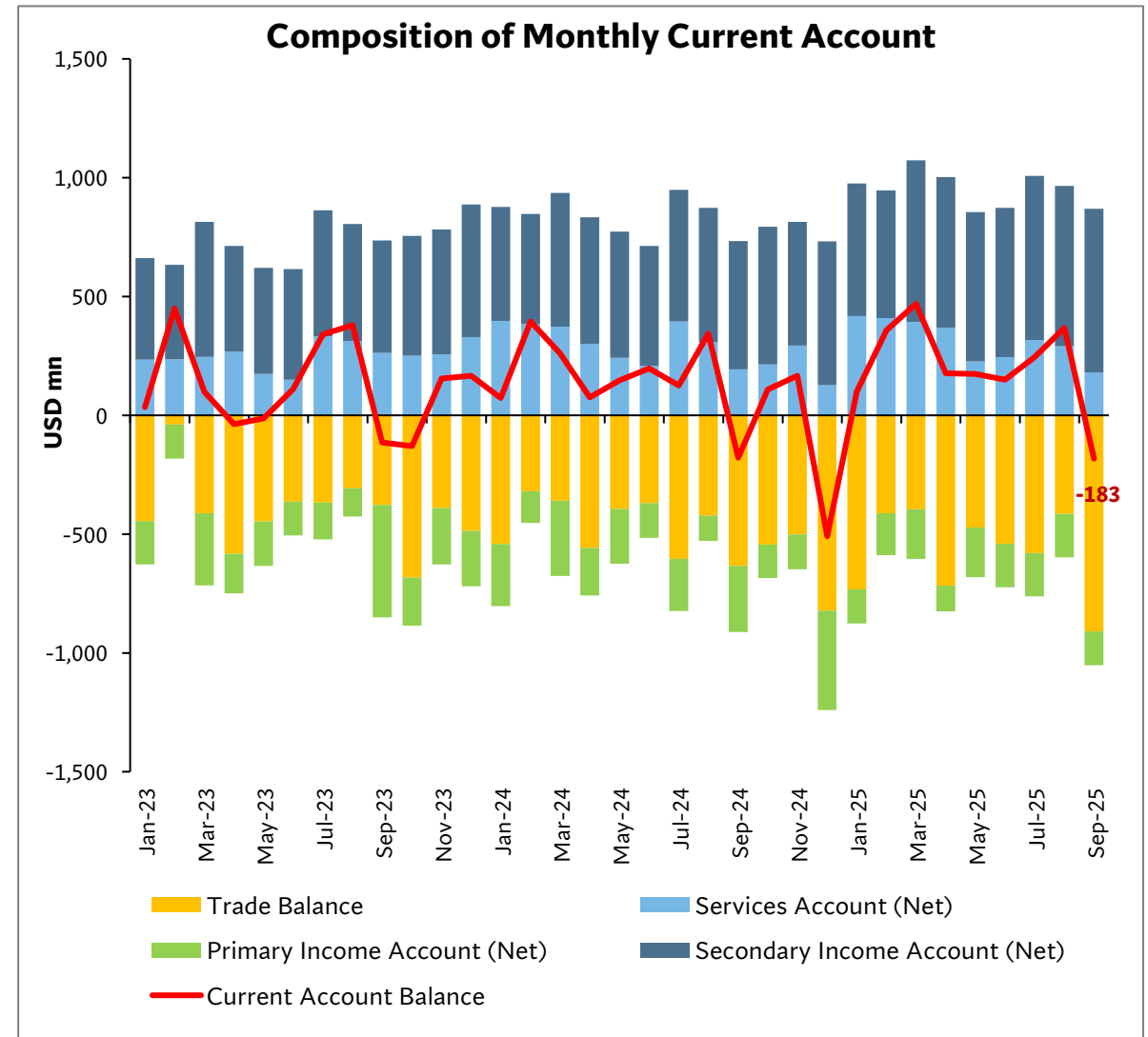
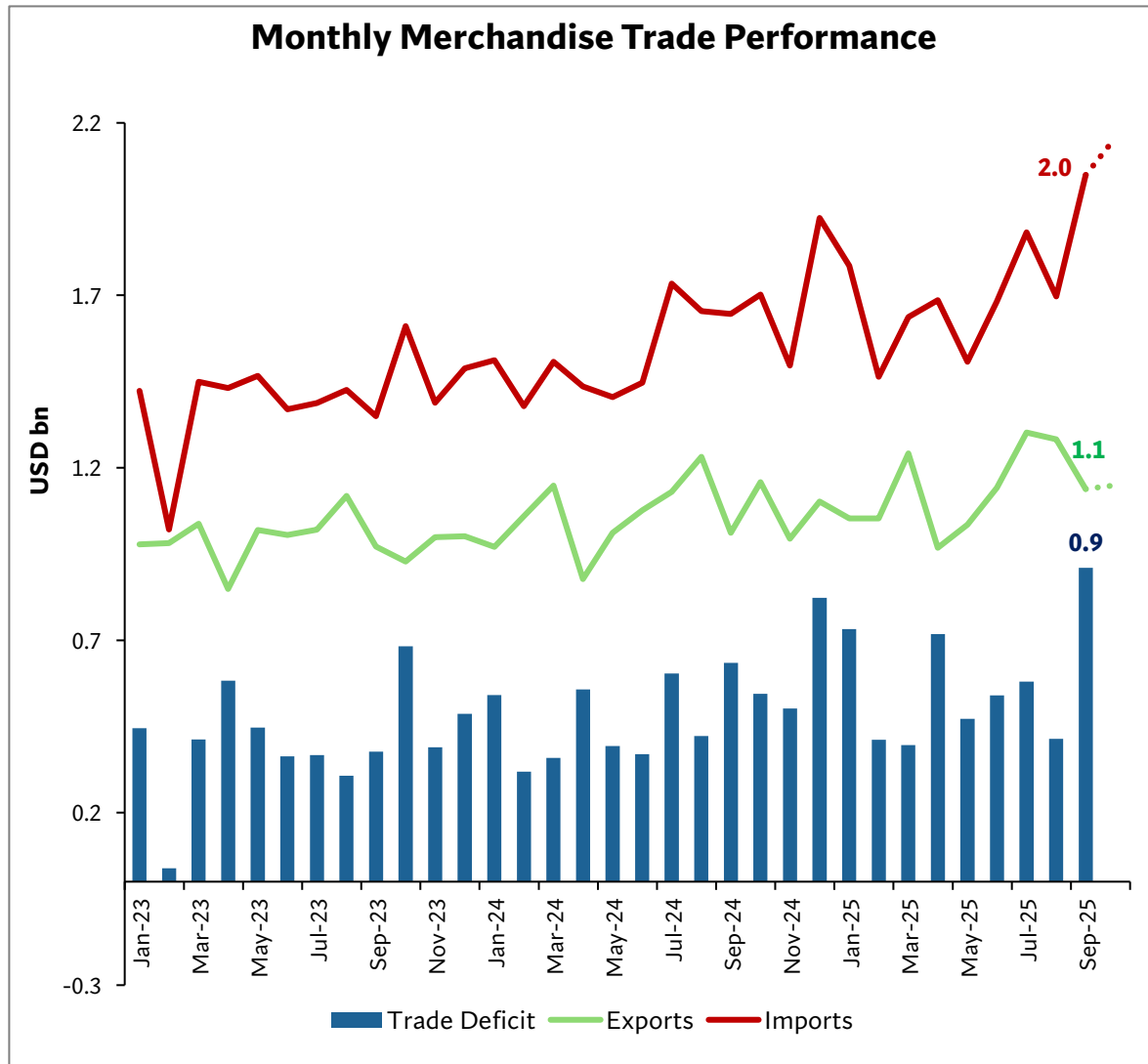
The expansion in private credit continued to remain broad-based...



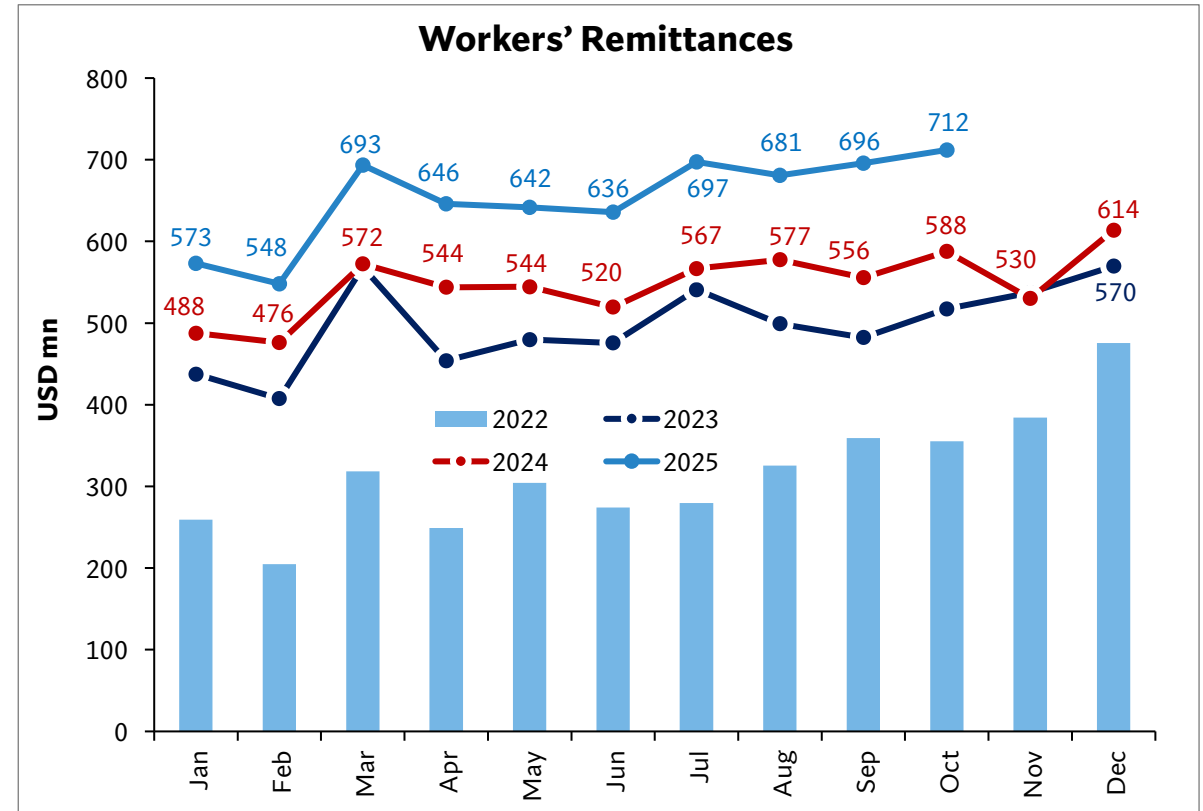
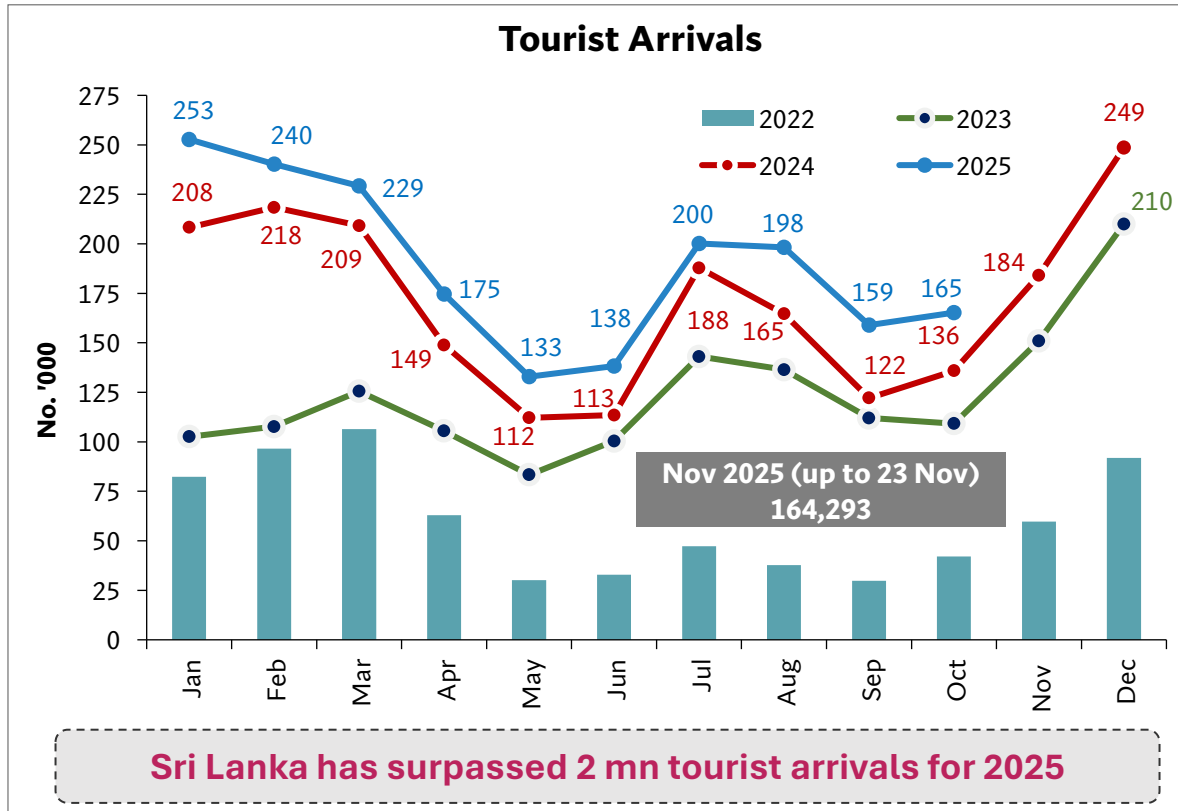
Note:

- The Monthly Survey on Loans and Advances by Licensed Commercial Banks (LCBs) to the private sector, with a detailed breakdown of credit extended to the key sectors of the economy was introduced from April 2025. The purpose of the new survey is to collect sector-wise credit data on a monthly basis, thereby enabling the monitoring and analysis of high-frequency movements in private sector credit.
- Total credit to the private sector as per the Monthly Survey slightly differ from that in the Monetary Survey due to differences in the compilation methodologies.

Imports have risen in recent months, contributing to a widening trade deficit...



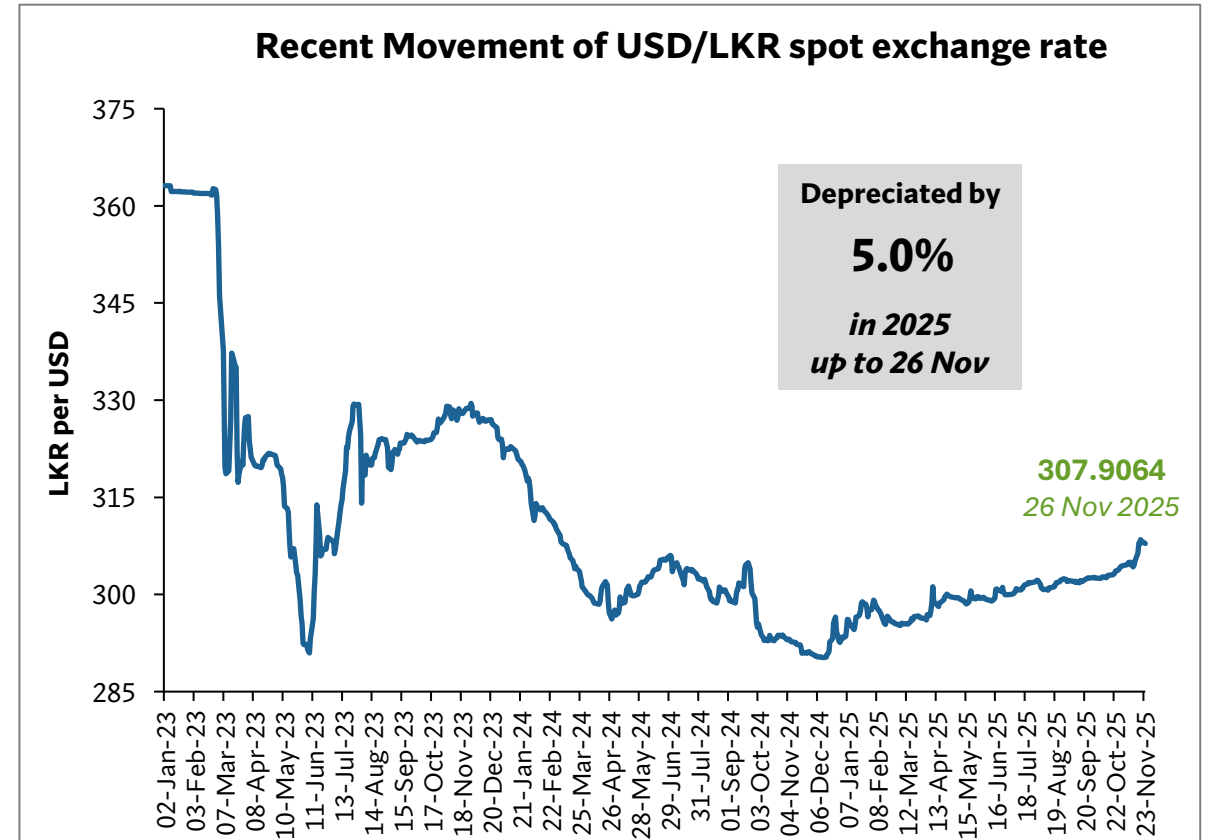
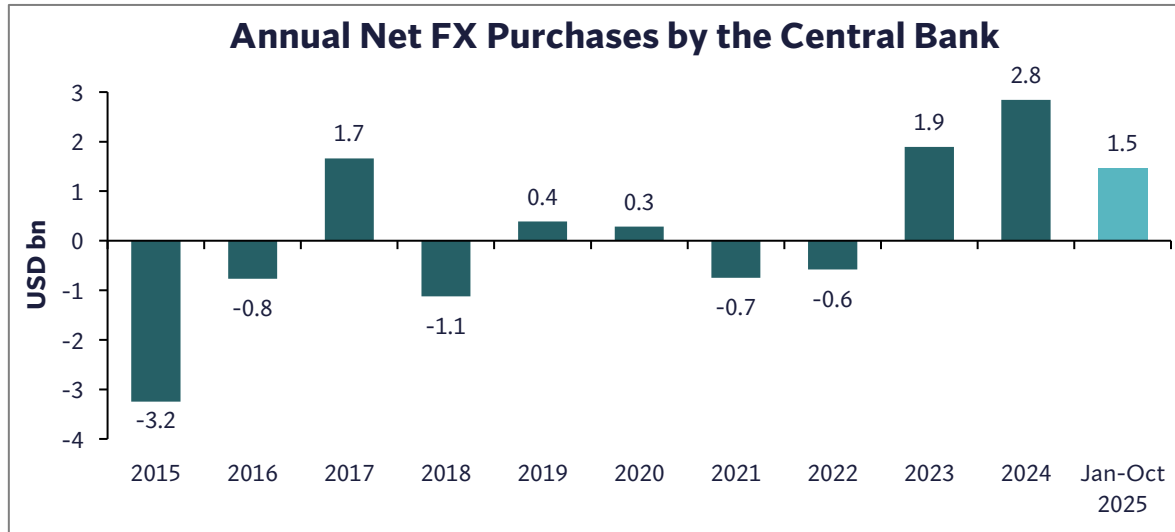
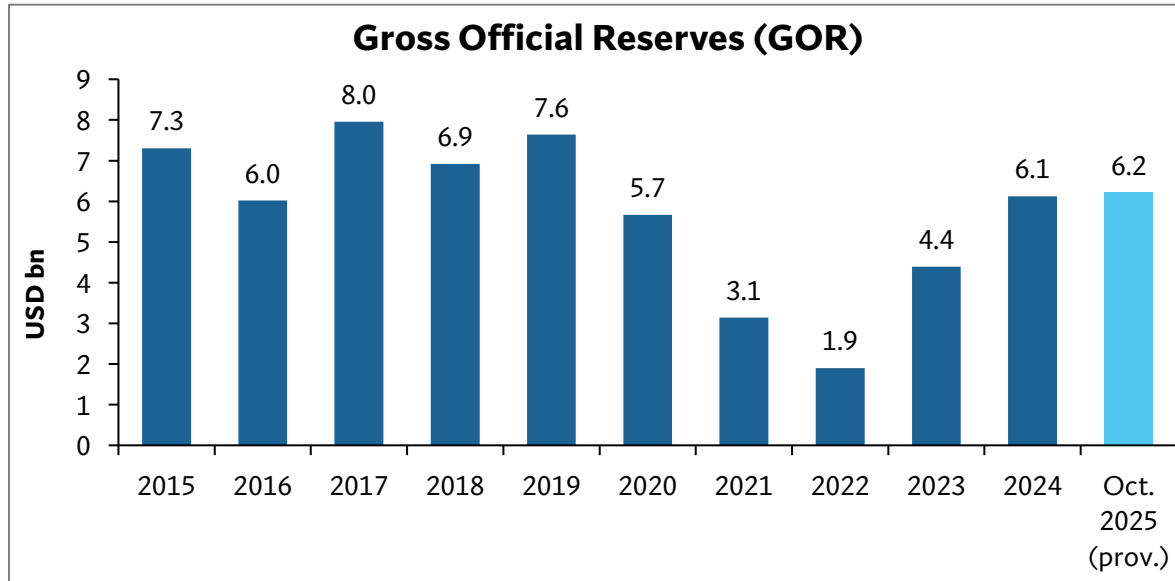
However, strong inflows from workers' remittances and tourism have cushioned the impact on the external current account...



Earnings from tourism	2025 Jan-Oct	2024 Jan-Oct
	USD 2.7 bn	USD 2.5 bn
		2024
		USD 3.2 bn

Workers' Remittances	2025 Jan-Oct	2024 Jan-Oct
	USD 6.5 bn	USD 5.4 bn
		2024
		USD 6.6 bn

Gross Official Reserves were maintained above USD 6 billion thus far in 2025, supported by net foreign exchange purchases by the Central Bank...



The recent depreciation pressure on the rupee has subsided with the improvement in foreign exchange liquidity

The Central Bank will continue to monitor and assess incoming data on evolving domestic and global economic conditions and emerging risks

The Board remains prepared to implement appropriate policy measures to ensure that **inflation stabilises around the target,** while supporting the economy to reach its potential

Thank You