

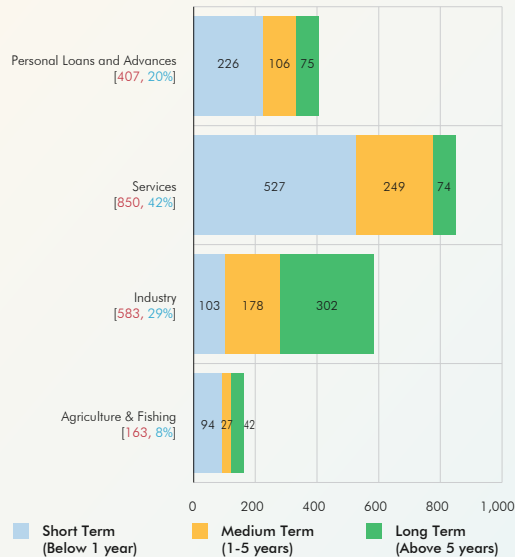
## Featured Chart 1.4

### Tenor-wise Distribution of Private Sector Credit by LCBs

(Based on Monthly Survey of Loans and Advances to the Private Sector by LCBs)



#### Tenor-wise Credit Expansion during 2025 (Rs. bn)



- Note: 1. Annual expansion in volume for each sector is presented in parentheses, along with its corresponding share of total expansion.
2. The distribution of outstanding private sector credit by sector at end 2025 was as follows: Agriculture (9%), Industry (38%), Services (31%), and Personal Loans and Advances (22%). Over the same period, the tenor-wise credit distribution of credit comprised short-term (42%), medium-term (22%), and long-term (36%).

Source: Central Bank of Sri Lanka

Private sector credit expansion in 2025 was largely broad-based. A majority of the credit expansion in the Services sector and in the form of Personal Loans and Advances was concentrated in short-term lending. This reflects increased financing requirements by service-oriented businesses for working capital purposes. Moreover, household borrowing increased to support consumption and manage short-term liquidity needs.

In contrast, credit expansion in the Industry sector was predominantly driven by long-term loans, indicating funding obtained for capital investment and business expansion projects, particularly during the recovery phase following the economic crisis.

Meanwhile, credit expansion in the Agriculture and Fishing sector remained mainly short-term, reflecting the seasonal nature of agricultural production process and the associated financing needs for inputs such as seeds, fertiliser, labour, and other cultivation-related expenses.