

# PRESS RELEASE

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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

**Issued By** Bank Supervision Department

**Date** 05 December 2025

## **Relief Measures to Assist Individuals and Businesses affected by the Recent Cyclonic and Flood Disasters by Licensed Banks**

The Central Bank of Sri Lanka (CBSL), in view of the adverse effects of the recent cyclonic and flood disasters, having considered the proposals of the Sri Lanka Banks' Association (Guarantee) Ltd. (SLBA) and the need to grant effective relief to those affected without unduly compromising financial system stability, issued the Circular No. 04 of 2025 dated 05.12.2025 to all licensed banks to provide the relief measures to the individuals and businesses whose income or business has been directly affected (hereinafter referred to as borrowers).

Accordingly, licensed banks have been requested to provide following relief measures, upon receiving a request from such borrowers in writing or through electronic means, by 15.01.2026.

### **1. Temporary Debt Relief:**

- (a) Suspend the repayments of capital and/or interest of existing credit facilities of the affected borrowers, for a period of 3 to 6 months, on a case-by-case basis.
- (b) In this regard, licensed banks have been requested not to charge an interest rate above the applicable contract rate of interest during the period of suspension and to ensure that any interest will not be charged on the deferred interest payments.

### **2. New Loan Facilities to the Affected Borrowers:** Grant new loan facilities to affected individuals and businesses on a case-by-case basis, considering the repayment capacity of the borrower. In this regard, licensed banks have been requested to ensure that:

- (a) repayment of the new loan will commence after a minimum grace period of 3 months beyond the expiry of the suspension period referred to in paragraph (1) above;
- (b) any new loan granted up to a period of 2 years, to be charged at a maximum fixed interest rate of 9% p.a. or the contract interest rate applicable to the respective

borrower for overdrafts or loan facilities as at the date of this Circular, whichever is lower.

- (c) For any new loan granted for a longer tenor beyond 2 years, the interest rate may be revised by the licensed bank to a rate linked to Average Weighted Prime Lending Rate (AWPR) at the end of 2 years as specified in the loan facility agreement with the borrower.
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- 3. In addition, licensed banks have been requested to suspend charging for cheque returns, stop payments, late payment fees, credit restructuring/modification fees and penal interest on all credit facilities of affected borrowers during the period up to 31.01.2026. Where charges are levied through automatic system generated entries, such charges should be refunded to the relevant account within 3 business days of being charged.
  - 4. Further, licensed banks were requested to clearly inform the terms and conditions of any loan restructuring/reschedulement and the breakdown of capital, interest and other charges of credit facilities to the respective borrower, prior to approval and the consent of the borrower shall be obtained in writing or through electronic means. In the case of a rejection of providing above reliefs, inform the borrower in writing of the reasons for such rejection and advise the borrower that there is an opportunity to appeal against such rejection to the Director, Financial Consumer Relations Department of CBSL. Further, licensed banks have been advised not to decline new loan applications from borrowers solely based on adverse records of Credit Information Bureau (CRIB).

The affected individuals and businesses may avail the above reliefs in addition to the various disaster relief measures implemented by the Government of Sri Lanka with a view to normalizing the livelihoods and reviving of businesses in a timely manner.