

SECTORIAL LIMITS

1. Credit Policy Manual Version 1V Part I section 9 on the captioned subject reads as follows:-

QUOTE

SECTION 9

- In order to avoid industry/sector concentration, the Company has fixed limits on its exposure to different sectors.
- Company will follow the sector classification as specified by CBSL RMD will keep the Board /Management informed of any requirement to reduce exposure to sectors considered as high risk depending on the external conditions.
- DGM Credit / Chief Risk Officer will propose any amendment to the limits specified below with justification for such amendments to CEO/ Executive Director for consideration.
- Such justifications should arise from external factors such as impact from a downturn in the economy on a particular sector/industry, changes in laws and regulations that will have an impact or potential opportunities in a particular sector. The DGM Credit shall propose appropriate sector limits from time to time for the approval of the Board through BIRMC.

Unquote

2. In terms of the above requirements we obtained the Approval of the Board of Directors at their meeting held on 25th October 2024 to adopt the following limits subject to 1 (C) & (d) ABOVE

3. SECTORIAL LIMITS

Table 1 Prudential Exposure Limits Sector Wise Loan	
CATEGORY	MAXIMUM LIMIT AGAINST TOTAL PORTFOLIO
Consumption Loans	25.00%
Financial Services	33.00%
Wholesale & Retail Trade	20.00%
Construction & Infrastructure Development	10.00%
Agriculture, Forestry & Fishing	10.00%
Manufacturing	10.00%
Transportation & Storage	5.00%
Tourism	5.00%
Health Care, Social Services & Support Services	5.00%
Information Technology And Communication	5.00%
Education	5.00%

Professional, Scientific & Technical Activities	2.00%
Arts, Entertainment & Recreation	2.00%
Lending to Ministry of Finance	0.00%
Table 2 Prudential Exposure Limits - Product Wise Exposure	
Category	MAXIMUM LIMIT AGAINST TOTAL PORTFOLIO
Business loan	45.00%
Personal loan	15.00%
Leasing	25.00%
Revolving loan	20.00%
Power draft	10.00%
Gold loan	10.00%

4. Branch Managers, Officials at Central Credit Department, should coordinate and ensure compliance with the sectorial limits stated above, when entertaining applications for credit (loans /Lease Finance products)


Deputy General Manager (Credit)


CEO / Executive Director