



## Sri Lanka: Proposed Loan to Hatton National Bank for Supporting Infrastructure Development

Project Name	Proposed Loan to Hatton National Bank for Supporting Infrastructure Development		
Project Number	48302-001		
Borrower/Company	HATTON NATIONAL BANK		
Country	Sri Lanka		
Location			
Approval Number	7434/3229, 7434/69		
Type or Modality of Assistance	7434	Loan	USD 75.00 million Committed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	<b>Finance</b> - Finance sector development - Infrastructure finance and investment funds		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Gunawardhena, Manohari		
Project Sponsor(s)			
Description	The project consists of a loan of up to \$100 million for onlending to infrastructure projects.		
Objectives and Scope	By working with one of Sri Lanka's leading private commercial banks and providing long-term debt financing and balance sheet support, ADB has a unique opportunity to promote private sector participation in the Sri Lankan financial sector and to support needed infrastructure development.		
Linkage to Country/Regional Strategy	The proposed project is directly aligned with the government's development policy framework, which aims to accelerate economic growth, improve access to finance, address inadequate and poor quality of infrastructure as a major constraint to rapid economic growth, and increase the low level of private sector investment. ADB's 2012 to 2016 country partnership strategy for Sri Lanka is built on the government's development policy framework and Strategy 2020, and calls for ADB support for private sector development, including projects that accelerate the pace of private sector participation and promote financial sector development. The project also supports inclusive and sustainable economic growth as outlined in the country partnership strategy, as the project will contribute to these objectives through infrastructure development. It is also consistent with ADB's country operations business plan to catalyze private investment and promote inclusive growth in Sri Lanka and to support financial sector development through ADB's Private Sector Operations Department. ADB has supported the private finance sector since the conflict. It provided a \$15 million senior loan to DFCC Vardhana Bank in 2012 to support housing finance and a \$15 million senior loan to Nations Trust Bank in 2013 to support SME finance in Sri Lanka. Eight Sri Lankan banks are active in ADB's Trade Finance Program.		

### Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

### Summary of Environmental and Social Aspects

Environmental Aspects	FI
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Involuntary Resettlement	FI
Indigenous Peoples	FI
Stakeholder Communication, Participation, and Consultation	ADB's engagement with HNB will play an important role in developing and supporting HNB's adherence to high corporate governance standards, as well as the adoption of market leading risk management, social, and environmental standards thereby enhancing risk management, environmental, and social responsibility at one of Sri Lanka's largest financial institutions.

### Timetable for assistance design, processing and implementation

Concept Clearance	30 Jun 2014
Due Diligence	
Credit Committee Meeting	06 Nov 2014
Approval	04 Dec 2014
Last PDS Update	06 Mar 2015

Project Page	<a href="https://www.adb.org/projects/48302-001/main">https://www.adb.org/projects/48302-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=48302-001">http://www.adb.org/forms/request-information-form?subject=48302-001</a>
Date Generated	06 July 2017

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