



Sri Lanka: SRI: SENIOR UNSECURED LOAN TO NATIONS TRUST BANK - SMALL AND MEDIUM-SIZED ENTERPRISES FINANCE PROJECT

Project Name	SRI: SENIOR UNSECURED LOAN TO NATIONS TRUST BANK - SMALL AND MEDIUM-SIZED ENTERPRISES FINANCE PROJECT		
Project Number	46924-014		
Borrower/Company	NATIONS TRUST BANK PLC		
Country	Sri Lanka		
Location	Nation-wide		
Approval Number	7382/2987		
Type of ADB Assistance / Amount	7382/2987	Loan	USD 15.00 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	Finance - Banking systems and nonbank financial institutions - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Hruschka, Stefan A.		
Project Sponsor(s)			
Description	The project entails a \$15 million, 5-year ADB loan to NTB for onlending to SME borrowers. The project will help meet rising demand for financing by SMEs and give them better access to funding. It will also support the growth of Sri Lanka's banking sector by providing longer-term financing. To promote inclusive financial development, the project will include geographic targets for NTB onlending in post-conflict areas, as well gender lending targets to support women involved in SMEs.		
Objectives and Scope	To support SME lending and to help NTB better manage its growth and to benefit from SME-related technical assistance that is currently being implemented by the IFC. The ADB proceeds will be onlent to SMEs that have an annual turnover not exceeding SLRs600 million. This definition of SLRs600 million is consistent with the CBSL definition. The project will aim to ensure that a minimum of 50% of ADB's facility in SLRs equivalent will be onlent to SMEs outside Colombo and that 30% of this 50% targeted will be onlent to SMEs in the northern, eastern, and southern provinces that were most affected by the civil war and tsunami and are in particular need of access to finance to expand or start new businesses and reduce high levels of unemployment . To promote access to finance for women, 20% of the ADB's facility in SLRs equivalent will be onlent to SMEs owned or controlled by women borrowers.		
Linkage to Country/Regional Strategy	The project supports institutional and financial sector development and the deepening of the financial sector by increasing the ability of a mid-sized bank to expand lending to SMEs.		
Safeguard Categories			
Environment	FI		
Involuntary Resettlement	FI		
Indigenous Peoples	FI		
Summary of Environmental and Social Aspects			
Environmental Aspects	The investment is classified category FI (treated as C) for environment as the Nations Trust Bank (NTB) will exclusively use the facility for onlending to small and medium-sized enterprises (SMEs) whose business activities have minimal or no adverse environmental impacts.		

Involuntary Resettlement The project is classified category FI (treated as C) for involuntary resettlement and indigenous peoples under ADB's Safeguard Policy Statement. The project will increase access to finance for SMEs and contribute to diversifying the economy through an increased SME share in GDP, as well as result in employment creation. The project will not have any impact on involuntary resettlement.

Indigenous Peoples The project is classified category FI (treated as C) for indigenous peoples under ADB's Safeguard Policy Statement. The project will increase access to finance for SMEs and contribute to diversifying the economy through an increased SME share in GDP, as well as result in employment creation. The project will not have any impact on indigenous peoples as a community.

Stakeholder Communication,
Participation, and
Consultation

Timetable for assistance design, processing and implementation

Concept Clearance	16 Jul 2012
Due Diligence	12 Sep 2012
Credit Committee Meeting	03 Dec 2012 to 03 Dec 2012
Approval	06 Feb 2013
PDS Creation Date	01 Apr 2013
Last PDS Update	30 Sep 2014

Project Page <https://www.adb.org/projects/46924-014/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=46924-014>

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