Early Warning System

IFC-51477

MFP-SME NTB

Quick Facts

Countries	Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2025-11-25
Borrower	NATIONS TRUST BANK PLC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 70.00 million

Project Description

According to the Bank's website, the proposed Project consists of an investment package of up to US$70 million to Nations Trust Bank Limited ("NTB") through two facilities: (1) a four-year, US dollar-denominated, amortizing, senior, unsecured loan of up to US$50 million ("IFC A Loan") and (2) an unfunded trade facility of up to US$20 million under IFC's Global Trade Finance Program ("GTFP").The proceeds from the IFC A Loan will be used by NTB to on-lend to small and medium-sized enterprises ("SMEs"), including women-owned SMEs ("WSMEs") in Sri Lanka, which remain underserved and face significant financing gaps.

The proposed GTFP facility will provide critical guarantee support to a leading player in Sri Lanka's SME and trade finance sector, focusing on export/import-oriented SMEs in key priority areas. The proposed Project will support the recovery of small businesses, which were disproportionately affected by Sri Lanka's triple crises—namely, the Easter Bombings of 2019, the COVID-19 pandemic, and the 2022 sovereign default. As the country's recovery strengthens, the proposed IFC investment is anticipated to enhance NTB's ability to support economic growth and job creation.

Early Warning System Project Analysis

The proposed Project entails a senior loan to Nations Trust Bank (NTB) for on-lending to small and medium enterprises (SME) in Sri Lanka. The Bank is involved in providing long and medium-term financing to corporates, and MSMEs by way of working capital, term loans, and to lesser extent project and structured finance. It also provides several short-term products as well as non-funded products like bank guarantees. The Bank has limited exposure to companies operating in high-risk E&S sectors such as power, transmission, telecom, hospitality, large scale construction. IFC loan will be deployed to SME segment which is dominated by agriculture, followed by industrial (manufacturing), consumer durables, small scale construction, automobiles and garments. Most of these SME sectors pose limited E&S risks and impacts which can be identified and mitigants designed in line with applicable laws and good industry practices.

Hence, the E&S risk of the proposed investment is considered medium, and the Project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.

Investment Description

- International Finance Corporation (IFC)

The Project comprises of a four-year, US dollar (US$)-denominated, amortizing structure senior loan of US$50 million and an unfunded trade facility of up to US$20 million under IFC's GTFP.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Nations Trust Bank PLC (Financial Intermediary)

Private Actors Description

NTB is Sri Lanka’s 9th largest licensed commercial bank by total assets. The Bank was established in 1999 and is a publicly listed licensed commercial bank in Sri Lanka, which provides a comprehensive range of services including personal banking, corporate banking, leasing, and SME banking. NTB operates 92 branches across Sri Lanka managing total assets of US$2.2 billion as of June 2025. The Bank is listed on the Colombo Stock Exchange (CSE) with a market capitalization of approximately US$281Mn as of 24 October 2025. NTB is rated “A(lka) by Fitch with a stable outlook. Seven institutional investors own approximately 77% of the Bank’s shareholding and the remaining shares are held by the public.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org