

IFC EXTENDS GROWTH SUPPORT TO NTB, COMB & NDB – FAIR VALUE UNCHANGED

FLASH NOTE

Overview of the program

- ✓ The International Finance Corporation (IFC), a member of the World Bank Group, announced a USD 166.0Mn country-level investment program aimed at reinforcing its long-standing support for Sri Lanka's private sector and facilitating the transition from macroeconomic stabilization to sustainable growth.
- ✓ The financing package is designed to expand access to finance for small and medium-sized enterprises, with a targeted emphasis on women-owned businesses and the agri-business sector, thereby promoting inclusive growth, strengthening key economic value chains, and supporting job creation among underserved segments of the economy.

Impact on NTB, COMB & NDB: Fair Value Unchanged

The investment has been strategically deployed across three private sector commercial banks, namely Nations Trust Bank (NTB), Commercial Bank of Ceylon (COMB), and National Development Bank (NDB): **FCR sees no meaningful valuation impact from the targeted lending and risk-sharing facilities and maintains fair values for all three counters.**



NATIONS TRUST BANK (NTB): USD 70.0Mn

- IFC has committed a USD 50.0Mn financing package to NTB, marking the first IFC-funded debt investment in Sri Lanka's financial sector since the 2022 economic crisis. Of the total facility, USD 7.5Mn, representing 15.0%, is allocated for lending to women-owned SMEs, aimed at improving access to finance for women entrepreneurs.
- In addition, under IFC's Global Trade Finance Program, NTB will benefit from a USD 20.0Mn trade finance guarantee, enhancing its capacity to support underserved sectors through improved access to international trade, global markets, and supply chains.
- **FCR holds its valuations unchanged, with the fair value for 2026E and 2027E intact at LKR 450.0 and LKR 570.0 respectively.**



COMMERCIAL BANK (COMB): USD 60.0Mn

- IFC has established a USD 60.0Mn Risk Sharing Facility with COMB, under which IFC will absorb 50.0% of principal losses on a defined portfolio of eligible SME loans, thereby strengthening COMB's capacity to scale up lending to priority segments.
- The facility is expected to accelerate credit expansion to SMEs, with a particular emphasis on women-owned enterprises and agri-businesses, supporting inclusive and sustainable private sector growth.
- **FCR holds its valuations unchanged, with the fair value for 2026E intact at LKR 225.0.**



NATIONAL DEVELOPMENT BANK (NDB): USD 36.0Mn

- IFC has extended a USD 20.0Mn Risk Sharing Facility to NDB, under which IFC will assume 50.0% of potential principal losses on a qualifying SME loan portfolio, enabling NDB to further deepen its outreach to SMEs, with a focus on women-owned businesses and the agri-business sector.
- Moreover, IFC's Global Trade Finance Program will provide NDB with a USD 16.0Mn trade finance guarantee, enhancing the bank's capacity to facilitate cross-border trade and integrate underserved sectors into global value chains.
- **FCR holds its valuations unchanged, with the fair value for 2026E intact at LKR 200.0.**



First Capital
A Janashakthi Group Company

First Capital Holdings PLC

No.2, Deal Place,
Colombo 3

Tel: +94 11 2145 000
Fax: +94 11 2145 050

RESEARCH

Dimantha Mathew	+94 11 2639 853	Akna Tennakoon	+94 11 2639 866
Ranjan Ranatunga	+94 11 2639 863	Dilhari Dias	+94 11 2639 866
Charith Gamage	+94 11 2639 863	Imashi Sellaperuma	+94 11 2639 866
Shahana Kanagaratnam	+94 11 2639 866	Manusha Kandanaarachchi	+94 11 2639 866
		Salaama Sanoon	+94 11 2639 866

GOVERNMENT SECURITIES SALES

Anjelo Simmons	+94 77 3031 636	Arun Kandasamy	+94 75 4861 506
Anushka Dissanayake	+94 77 2220 021		
Anushi Ranawaka	+94 77 3876 819		

CORPORATE DEBT SALES

Tharusha Ekanayake	+ 94 77 7 809 154
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EQUITY SALES

CEO	Jaliya Wijeratne	+94 71 5329 602	Equity Branches		
Colombo			Negombo	Priyanka Anuruddha	+94 77 4546 070
Isuru Jayawardana	+94 76 7084 953			Priyantha Wijesiri	+94 77 9065 779
Nishantha Mudalige	+94 77 3204 929		Jaffna	Gratian Nirmal	+94 77 4510 000
Anushka Buddhika	+94 71 4310 600				
Thushara Pathiraja	+94 77 0076 314		Agents		
Dayan Fernando	+94 77 7354 081		Colombo	Kithsiri Jayasinghe	+94 77 7790 657
Anjelo LaBrooy	+94 77 7546 645		Anuradhapura	Amila Luwishewa	+94 71 0628 195
Dillon Lowe	+94 76 6160 647		Galle	Nuwan Abeynayake	+94 77 7288 274
Evelyn John	+94 77 779 2452		Kandy	Ajith lhalawatta	+94 77 8477 530
Yudheshan Kannadasan	+94 77 415 5809		Embilipitiya	Ruwan Wanniarachchi	+94 77 3877 734
Yumeth Samarakoon	+94 72 4444 135				
Amash Ranasinghe	+94 77 7820 168				

UNIT TRUST SALES

Kavin Karunamoorthy	+94 77 0328 060	Imali Abeygunawardena	+94 77 1764 799
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BRANCHES

Kandy	Kurunegala	Matara	Negombo
CSE Branch Office, No. 88, Dalada Veediya, Kandy 20000.	No.174/B2, Negombo Road, Kurunegala. Kurunegala 60000.	CSE Branch Office, 1 st Floor, E.H.Coaray Tower, No.24, Anagarika Dharmapala Mawatha, Matara 81000.	Colombo Stock Exchange Negombo Branch Office, No. 72 A, 2/1, Old Chilaw Road, Negombo 11500.
Manager: Salinda Samarakoon	Manager:	Manager: Rohana Jayakody	Manager:
Tel: +94 81 2236 010	Tel: +94 37 2222 930	Tel: +94 41 2222 988	Tel: +94 31 4937 072

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