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Fitch Rates DFCC Bank's Senior Debt Final 'AA-(lka)'

Fitch Ratings-Colombo-13 March 2019: Fitch Ratings has assigned DFCC Bank PLC's (DFCC: AA-(lka)/Stable) proposed Sri Lanka rupee-denominated senior debentures a final National Long-Term Rating of 'AA-(lka)'

The notes, which will total up to LKR10 billion, will mature in five, seven and 10 years and carry fixed coupons. The bank plans to use the proceeds to support its loan expansion. The debentures are to be listed on the Colombo Stock Exchange.

The final rating is the same as the expected rating assigned on 30 January 2019, and follows the receipt of documents conforming to information already received.

Key Rating Drivers

DFCC's National Long-Term Rating captures its developing commercial-banking franchise, relatively weak asset quality and earnings, and our expectation that DFCC would maintain higher capital buffers than similarly rated peers.

Rating Sensitivities

The bank's senior debt ratings will move in tandem with its National Long-Term Rating.

An inability to replenish its capital buffers to a level that is commensurate with its risk profile could pressure DFCC's National Long-Term Rating. Fitch sees limited upside for the bank's ratings due to its weak franchise.

Date of Relevant Committee

27-Sep-2018

DFCC Bank PLC

---senior unsecured; National Long Term Rating; New Rating; AA-(lka)

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Additional information is available on www.fitchratings.com

Applicable Criteria

[Bank Rating Criteria - Effective from 22 June 2018 to 12 October 2018 \(pub. 22 Jun 2018\)](#)
[National Scale Ratings Criteria \(pub. 18 Jul 2018\)](#)

Additional Disclosures

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