DFCC Bank’s National Long-Term Rating Affirmed By Fitch Ratings At ‘A+(Lka)’



Lakshman Silva, Director /CEO, DFCC Bank.

Reflecting DFCC Bank’s unparalleled positioning as one the strongest contenders in the banking and financial services sector of Sri Lanka, Fitch Ratings has affirmed DFCC Bank’s National Long-Term Rating at ‘A+(lka)’.

In addition to this, Fitch Ratings, a leading provider of credit ratings, commentary, and research for global capital markets, has affirmed the Bank’s Sri Lankan rupee senior unsecured debt at ‘A+(lka)’. In contrast, the ratings on DFCC’s Basel II and Basel III-compliant Sri Lankan rupee subordinated debt have been affirmed at ‘A-(lka)’.

These commendable ratings have been driven by DFCC Bank’s intrinsic financial strength, which has unwaveringly stood through these unpredictable times of a pandemic era. The acclaimed rating agency notes that such ratings awarded to DFCC Bank highlight its modest franchise among domestic, commercial banks and thinning capital buffers relative to industry competition.

Commenting on this impressive feat, Lakshman Silva, Chief Executive Officer of DFCC Bank, said, “Despite the challenging operating environment in Sri Lanka due to GDP contractions and disruptions in key economic sectors owing to COVID-19 pandemic control measures, DFCC Bank has continued to enjoy profitability and key performance indicators which display high profitability and growth across the board. These ratings achieved by the Bank stand as a testament to our resilience amid trying times. As we look toward the future, Sri Lanka can expect that DFCC will continue to remain as a steadfast player in the banking industry of the country.” Fitch highlights the importance of bolstering the capital to sustain the fast loan growth as witnessed. DFCC Bank enjoyed an increase of 4.2 percent in the first quarter of 2021 and 11.2 percent in 2020 relative to the private-sector peer bank average of 2.1 percent and 5.7 percent. In light of this, the financial performance, strengthening asset-quality metrics, and capital augmentation remain priorities to the Bank, going forward. Fitch has also identified the Bank’s growing commercial banking franchise as reflected by the improved loan to deposit ratio while dominating its flagship position as the leading project financier.

DFCC Bank is a full-service Commercial Bank with a legacy of 65 years as one of Sri Lanka’s leading financial conglomerates that offer a range of commercial and development banking services. DFCC Bank is rated [SL] AA- Stable by ICRA Lanka Limited and A+ (lka) Stable by Fitch Ratings Lanka Limited.

Having won several accolades, DFCC was also ranked amongst Business Today’s Top 30 Corporates in Sri Lanka.