

# Fitch Ratings

COO/CFO  
FYI Pl.  
P. Jay  
24/5/2019

Mr. Palitha Gamage  
CEO/General Manager,  
Housing Development Finance Corporation Bank of Sri Lanka,  
No 1, Sir Chittampalam A. Gardiner Mawatha,  
Colombo 2.

May 23, 2019

Dear Mr. Gamage,

**Re: Fitch rating action affecting the rating of Housing Development Finance Corporation Bank of Sri Lanka**

Fitch (see definition below) has affirmed the ratings described below

National Long-Term Rating at 'BB+(lka)'; Outlook Stable  
National Long-Term Rating of senior unsecured debentures at 'BB+(lka)'

In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Fitch seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each

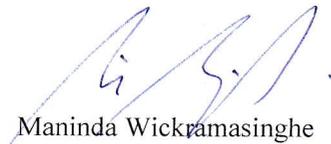
# FitchRatings

In this letter, "Fitch" means Fitch Ratings Lanka Limited together with any successor in interest.

Rating actions for public ratings will be valid and effective only upon publication of the rating action on Fitch's website.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact Sugath Alwis at 2541900 ext. 12.

Sincerely,



Maninda Wickramasinghe  
CEO/Country Head  
Fitch Ratings Lanka Limited