

Ref No: BFI/ER/18/14

October 14, 2019

Chief Executive Officer
Nation Lanka Finance PLC
28, Dickmans Road
Colombo 5, Sri Lanka.

Dear Sir,

Sub: Issuer Rating of Nation Lanka Finance PLC

As you would be aware, in terms of the Rating Agreement dated August 20, 2018 in place between ICRA Lanka Limited (ICRA Lanka) and your company, ICRA Lanka is required to review the above rating, on an annual basis, or as and when the circumstances so warrant.

The Rating Committee of ICRA Lanka Limited, after due consideration of the latest developments in your Company, has revised the Issuer Rating assigned to your Company to “[SL]B-” (pronounced as S L B minus) with **Negative** outlook from “[SL]B” (pronounced as S L B) with a **Stable** outlook. Issuers with this rating are considered to have high risk of default regarding timely servicing of financial obligations. The rating is only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument. In any of your publicity material or other documents wherever you are using the above rating, it should be stated as Issuer Rating of “[SL]B- (Negative)”.

ICRA Lanka reserves the right to suspend, withdraw or revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA Lanka believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold any instrument issued/ to be issued by you.

You are required to forthwith inform us about any default or delay in repayment of interest and/or principal amount of any instrument rated or any other debt instruments/borrowings. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/debts of the company with any lender (s)/investor (s).

You are required to inform us immediately as and when the borrowing limit, as prescribed by the regulatory authority(ies), is exceeded.



We thank you for your kind co-operation extended during the course of the rating exercise.
Should you require any clarification, please do not hesitate to get in touch with us.

Yours faithfully,
ICRA LANKA LIMITED



Rasanga Weliwatte
HEAD OF FINANCIAL SECTOR RATINGS



Dasith Fernando
SENIOR ANALYST