



## **Fitch Assigns Asia Asset Finance's Proposed Senior Debt 'A+(EXP)(lka)' Rating**

Fitch Ratings - Colombo/Mumbai - 30 Apr 2024: Fitch Ratings has assigned Asia Asset Finance PLC's (A+(lka)/Stable) proposed Sri Lankan rupee-denominated senior unsecured debentures of up to LKR2 billion an expected National Long-Term Rating of 'A+(EXP)(lka)'.

### **KEY RATING DRIVERS**

The proposed debentures are likely to have maturities of three and five years and to be listed on the Colombo Stock Exchange. The company plans to use the proceeds to expand its loan book.

The final rating is subject to the receipt of final documentation conforming to information already received.

The proposed senior unsecured debentures are rated at the same level as Asia Asset Finance's National Long-Term Rating in accordance with Fitch's criteria. This is because the proposed debentures will rank pari passu with the company's other senior unsecured debt.

Fitch assigned Asia Asset Finance a first-time National Long-Term Rating of 'A+(lka)' with a Stable Outlook on 7 February 2024.

Asia Asset Finance's rating reflects our expectation that India-based Muthoot Finance Ltd (MFL, BB/Stable) will provide extraordinary support to its 72.9%-owned subsidiary, if required. This takes into account Asia Asset Finance's small size, modest role and contribution, limited brand sharing and different operating jurisdiction relative to MFL, which we believe limits Asia Asset Finance's strategic importance to MFL. Asia Asset Finance's standalone credit profile does not drive the rating, but is assessed to be materially weaker than its support-driven rating.

Details can be found in our commentary [Fitch Assigns Asia Asset Finance a First-Time Rating of 'A+\(lka\)'; Outlook Stable](#).

### **RATING SENSITIVITIES**

#### **Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

A downgrade of Asia Asset Finance's National Long-Term Rating would lead to a downgrade of the expected senior debt rating.

#### **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

An upgrade of Asia Asset Finance's National Long-Term Rating would lead to an upgrade of the expected senior debt rating.

## REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

## PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

Asia Asset Finance's rating is linked to the rating of its parent, MFL.

### RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕
<input type="text"/>	<input type="text"/>
Asia Asset Finance PLC	
senior unsecured	Natl LT A+(EXP)(lka) Expected Rating

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[VIEW ADDITIONAL RATING DETAILS](#)

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## APPLICABLE CRITERIA

- [National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)
- [Non-Bank Financial Institutions Rating Criteria \(pub. 18 Jan 2024\) \(including rating assumption sensitivity\)](#)

## ADDITIONAL DISCLOSURES

- [Solicitation Status](#)
- [Endorsement Policy](#)

- [Potential Conflicts Resulting from Revenue Concentrations](#)

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Asia Asset Finance PLC -

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