

KRUNGSRIAYUDHYA CARD CO., LTD.

No. 15/2022
9 February 2022

FINANCIAL INSTITUTIONS

Company Rating:	AAA
Issue Ratings:	
Senior unsecured	AAA
Outlook:	Stable

Last Review Date: 28/10/21

Company Rating History:

Date	Rating	Outlook/Alert
15/11/16	AAA	Stable

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RATIONALE

TRIS Rating affirms the company rating on Krungsriayudhya Card Co., Ltd. (KCC) and the ratings on KCC's outstanding senior unsecured debentures at "AAA". At the same time, TRIS Rating assigns the "AAA" rating to KCC's proposed issue of up to THB10 billion in senior unsecured debentures of due within three years. The rating outlook remains "stable".

The ratings on KCC reflect the company's status as a core subsidiary of Bank of Ayudhya PLC (BAY). The ratings on KCC are equivalent to the company rating on BAY ("AAA/Stable" rated by TRIS Rating). As a wholly-owned, solo-consolidated subsidiary of BAY, KCC is fully controlled by BAY, and as such, is indirectly under the supervision of the Bank of Thailand (BOT) in accordance with the regulation on Consolidated Supervision. KCC is positioned as the bank's principal credit card unit under the "Krungsri" brand. KCC is operationally integrated with BAY. BAY also supports KCC in the form of business collaboration and financial assistance by making available credit facilities which enhance KCC's liquidity.

KCC has maintained its strong market position over the past few years, retaining a market share of around 10% in both outstanding credit card receivables and credit card spending. The company's outstanding loans stood at THB45 billion at the end of 2020. We expect KCC's capital to be maintained at a high level which should help support the company's business expansion in the medium term and absorb any potential rise in credit losses after the expiration of debt relief programs.

RATING OUTLOOK

The "stable" rating outlook reflects the expectation of TRIS Rating that KCC will maintain its status as a core subsidiary of the BAY Group and will continue to receive strong support from BAY.

RATING SENSITIVITIES

KCC's credit profile could be revised downward if the BAY Group's credit profile changes or TRIS Rating sees any material change regarding the importance of KCC to the BAY Group or the degree of support provided by BAY to KCC.

RELATED CRITERIA

- Issue Rating Criteria, 15 June 2021
- Group Rating Methodology, 13 January 2021
- Nonbank Financial Institution Methodology, 17 February 2020

Krungsriayudhya Card Co., Ltd. (KCC)

Company Rating:	AAA
Issue Ratings:	
KCC223A: THB4,000 million senior unsecured debentures due 2022	AAA
KCC229A: THB3,000 million senior unsecured debentures due 2022	AAA
KCC239A: THB5,000 million senior unsecured debentures due 2023	AAA
Up to THB10,000 million senior unsecured debentures due within 3 years	AAA
Rating Outlook:	Stable

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