

NGERN TID LOR PLC

No. 50/2025
8 May 2025

FINANCIAL INSTITUTIONS

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

Last Review Date: 19/11/24

Company Rating History:

Date	Rating	Outlook/Alert
27/05/21	A	Stable
11/01/21	A-	Alert Developing
06/12/18	A-	Stable
12/10/18	A	Alert Developing
19/09/16	A	Stable
24/04/14	A-	Stable

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RATIONALE

TRIS Rating assigns a rating of “A” to Ngern Tid Lor PLC (TIDLOR)’s proposed issue of up to THB5 billion senior unsecured debentures maturing within four years. The company intends to use the proceeds from the new debentures for debt refinancing.

At the same time, TRIS Rating affirms the company rating on TIDLOR and the ratings on its outstanding senior unsecured debentures at “A”, with a “stable” outlook.

The ratings incorporate a one-notch enhancement from TIDLOR’s stand-alone credit profile (SACP) assessed at “a-” level. The enhancement reflects our view of TIDLOR’s status as a strategic affiliate of Bank of Ayudhya PLC (BAY, rated “AAA/Stable”). The ratings take into consideration the business and financial support TIDLOR receives from BAY.

TIDLOR’S SACP takes into consideration its strong market position, as one of the largest lenders in the auto title loan segment. Key rating strengths include a strong capital base, adequate risk management, and sufficient funding and liquidity. However, rating constraints arise from a decline in asset quality, coupled with higher funding costs, which might lead to lowered profitability.

TIDLOR’s performance in 2024 was strong and in line with our expectations, which continues to underpin its credit profile. Outstanding loans reached THB104 billion, a 6.6% growth year-on-year (y-o-y), while net income grew to THB4.2 billion, up 11.6% y-o-y. This was supported by a strengthened loan yield of 18.2% in 2024 compared with 17.4% in 2023, which helped compensate for rising funding and credit costs. Funding costs rose to 3.4% in 2024 from 2.9% in 2023.

In terms of asset quality, we observe an improving trend in the fourth quarter of 2024 (4Q24) as seen in fallen non-performing loan (NPL) formation, despite reporting a higher NPL ratio of 1.81% at the end of 2024, compared to 1.45% at the end of 2023. Credit costs was at 3.4% in 2024, below our expectation, thanks to tighter underwriting and improved collections.

Meanwhile, TIDLOR’s solid capital and adequate earnings continue to support its SACP. Risk-adjusted capital (RAC) ratio and earnings before taxes to average risk weighted assets (EBT/ARWA) remain relatively stable at 28.7% and 5.2%, respectively, at the end of 2024.

TIDLOR’s insurance brokerage business continues to show steady growth, contributing to overall revenue diversification. In 2024, TIDLOR ranked as the second-largest non-life insurance broker with a 3.4% market share. The insurance premiums generated through its brokerage channels increased 16.4% y-o-y to THB10.2 billion, significantly outpacing the industry growth of 4.1%. We expect the insurance brokerage business to continue growing above the industry average, supported by multiple brokerage channels.

TIDLOR is completing a corporate restructuring where TIDLOR Holding (established in 2024) will become its parent company and replace it as the listed entity. The tender offer for TIDLOR shares achieved 99.4% participation as of April 2025, exceeding the required 95% threshold. By mid-May 2025, accepting shareholders will complete their share swap from TIDLOR to TIDLOR Holding,

coinciding with TIDLOR's delisting and TIDLOR Holding's listing on the Stock Exchange of Thailand.

RATING OUTLOOK

The “stable” outlook is based on our expectation that TIDLOR will maintain its strong capital base and leading market position in the auto title loan and insurance brokerage business while delivering satisfactory financial performance. We also expect TIDLOR to control its asset quality at an acceptable level.

RATING SENSITIVITIES

The ratings could be upgraded if the SACP of TIDLOR is revised upwards. This could occur if the company improves its business position by continuously strengthening its market position while maintaining strong asset quality and sound financial performance.

The ratings may be downgraded if there is a downward revision of the SACP or removal of the rating enhancement. The rating enhancement could be removed if we determine that the importance of TIDLOR to the BAY Group has significantly weakened. This could occur due to a reduction in BAY's shareholding in TIDLOR, or if the level of operational integration and funding support decreases substantially.

The SACP could be revised downwards if TIDLOR's business position weakens materially, or asset quality deteriorates to the point that earnings capacity declines significantly or the RAC ratio falls well below 25% for a sustained period.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Financial Institution Rating Methodology, 25 September 2024
- Group Rating Methodology, 7 September 2022

Ngern Tid Lor PLC (TIDLOR)

Company Rating:	A
Issue Ratings:	
TIDLOR258A: THB1,850 million senior unsecured debentures due 2025	A
TIDLOR258B: THB2,350 million senior unsecured debentures due 2025	A
TIDLOR259A: THB6,500 million senior unsecured debentures due 2025	A
TIDLOR25NA: THB1,900 million senior unsecured debentures due 2025	A
TIDLOR267A: THB3,400 million senior unsecured debentures due 2026	A
TIDLOR268A: THB1,000 million senior unsecured debentures due 2026	A
TIDLOR260A: THB1,035 million senior unsecured debentures due 2026	A
TIDLOR26NA: THB2,100 million senior unsecured debentures due 2026	A
TIDLOR26DA: THB1,500 million senior unsecured debentures due 2026	A
TIDLOR273A: THB2,000 million senior unsecured debentures due 2027	A
TIDLOR274A: THB1,500 million senior unsecured debentures due 2027	A
TIDLOR278A: THB800 million senior unsecured debentures due 2027	A
TIDLOR278B: THB2,000 million senior unsecured debentures due 2027	A
TIDLOR27NA: THB1,000 million senior unsecured debentures due 2027	A
TIDLOR283A: THB500 million senior unsecured debentures due 2028	A
TIDLOR288A: THB600 million senior unsecured debentures due 2028	A
TIDLOR280A: THB465 million senior unsecured debentures due 2028	A
Up to THB5,000 million senior unsecured debentures due within 4 years	A
Rating Outlook:	Stable

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