

SECONDARY MORTGAGE CORPORATION

No. 13/2020

24 September 2020

FINANCIAL INSTITUTIONS

Company Rating:	AA-
Issue Ratings:	
Senior unsecured	AA-
CreditAlert:	Positive

Last Review Date: 24/12/19

Company Rating History:

Date	Rating	Outlook/Alert
03/12/13	AA-	Stable
01/04/10	A+	Stable

Contacts:

Siriwan Weeramethachai

siriwan@trisrating.com

Sithakarn Tongphiphat, CFA, FRM

sithakarn@trisrating.com

Raithiwa Naruemol

raithiwa@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating places a CreditAlert with a “positive” implication on the “AA-” ratings of Secondary Mortgage Corporation (SMC) and its senior unsecured debentures.

The rating action follows the announcement of Abolition of Secondary Mortgage Corporation Act B.E. 2563 in the Royal Gazette on 23 September 2020. The Act has the legal effect of dissolving SMC and transferring SMC’s assets and liabilities to the Government Housing Bank (GHB), and that GHB will assume the roles and responsibilities of SMC as of 24 September 2020. The “positive” implication reflects a potential credit rating uplift as GHB has replaced SMC as the obligor, hence the ratings will reflect the credit profile of GHB instead of SMC.

We will resolve the CreditAlert once we have completed the evaluation of GHB’s credit profile.

RELATED CRITERIA

- Government-Related Entities Rating Methodology, 30 July 2020
- Nonbank Financial Institution Methodology, 17 February 2020

Secondary Mortgage Corporation (SMC)

Company Rating:	AA-
Issue Ratings:	
SMCT20NA: THB1,000 million senior unsecured debentures due 2020	AA-
SMCT216A: THB1,250 million senior unsecured debentures due 2021	AA-
SMCT210A: THB700 million senior unsecured debentures due 2021	AA-
SMCT236A: THB750 million senior unsecured debentures due 2023	AA-
SMCT238A: THB700 million senior unsecured debentures due 2023	AA-
SMCT230A: THB500 million senior unsecured debentures due 2023	AA-
CREDITALERT:	Positive

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

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CreditAlert, as part of TRIS Rating’s monitoring process as a public warning when there is insufficient information to fully assess and reconsider a debt instrument’s current rating or when significant events have occurred that may affect the company’s rating already assigned by TRIS Rating. Credit Alert designations may be “positive” or “negative” or “developing”, depending on the likely impact of a particular situation. The existing rating continues unchanged for the present. Monitoring is done until the debt instrument matures or the company’s rating contract expires.