

# THANACHART CAPITAL PLC

No. 60/2025  
11 June 2025

## FINANCIAL INSTITUTIONS

Company Rating:	A
Issue Ratings:	
Senior unsecured	A
CreditAlert:	Negative

Last Review Date: 13/03/25

### Company Rating History:

Date	Rating	Outlook/Alert
13/03/25	A	Alert Negative
10/04/20	A	Stable
14/03/19	A+	Alert Negative
16/01/12	A+	Stable
12/03/10	A	Positive
14/07/05	A	Stable

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## RATIONALE

TRIS Rating assigns a rating of “A” to Thanachart Capital PLC (TCAP)’s proposed issue of up to THB2.5 billion senior unsecured debentures maturing within three years. The company intends to use the proceeds from the new debentures to refinance TCAP’s outstanding debts.

The company rating on TCAP and all assigned issue ratings of “A” remain on CreditAlert with a “negative” implication.

The current company rating assigned on TCAP is equivalent to the group credit profile (GCP). The GCP is a weighted-average stand-alone credit profile (SACP) of its key subsidiaries Ratchthani Leasing PLC (THANI), Thanachart Insurance PLC (TNI), and Thanachart Securities PLC (TNS), enhanced by one notch from investment diversification.

The issue ratings are adjusted down by one notch due to structural subordination given TCAP’s status as a non-operating holding company (NOHC). Nonetheless, the notching is offset by a one-notch uplift from its large investment in TTB that consistently generates sizeable dividend income.

In our view, TCAP’s earnings capacity remains robust, driven by the diversified sources of earnings from its subsidiaries and associated companies. The company reported consolidated financial performance net profit amounting to THB7.0 billion in 2024, relatively stable year-on-year (y-o-y), mainly supported by a higher share of profit from TMBThanachart Bank (TTB) and MBK PLC (MBK) as well as improved net profit from TNI. However, this was offset by higher expected credit loss (ECL) expenses for hire purchase loans at THANI and ECL provisioning expenses for defaults on margin loans at TNS.

For the first three months of 2025, the company reported a net profit of THB1.7 billion, remaining flat y-o-y. This was due to the recognition of share profit from TTB and MBK of THB1.3 billion. Interest income from THANI declined given the cautious lending strategy that led to loan contraction. TNI reported 124% y-o-y improvement in net profit from lower insurance expenses. TNS reported 15% y-o-y lower net profit on account of lower securities brokerage revenue in line with the weaker market trading volume.

TCAP’s double leverage at the end of March 2025 was 110%. A double leverage higher than 120% could result in a one-notch downward adjustment of GCP of Thanachart Group and TCAP’s company rating as well as the issue ratings on its senior unsecured debentures.

## CREDIT ALERT

On 13 March 2025, TRIS Rating placed CreditAlert with a “negative” implication on all ratings on TCAP, including the company rating. The rating action follows the announcement by TTB and TCAP that their boards of directors have approved TTB’s potential purchase of 89.9% shares in TNS, currently held by TCAP for around THB3 billion. The transaction is expected to be completed within the third quarter of 2025, pending approvals by the shareholders of both parties and relevant regulators.

In our opinion, the divestment of TNS to TTB may adversely impact the GCP of TCAP, given that TNS is one of TCAP’s “strategically important” subsidiaries. Future rating actions will also consider TCAP’s use of sale proceeds and its long-term investment strategy.

We expect to resolve the CreditAlert once the transaction is finalized and we have sufficient information to reach a conclusion on the GCP of TCAP.

## NOTE ON CREDIT ALERT

CreditAlert is part of TRIS Rating's rating monitoring process as a public warning when there is insufficient information to fully assess, and review ratings assigned to a rated entity or when significant events have occurred that may affect the ratings assigned to a rated entity. A CreditAlert may be designated as "positive", "negative", or "developing", depending on the likely impact of a particular situation. The ratings remain unchanged when they are placed on a CreditAlert. A CreditAlert will be resolved once there is sufficient information to fully assess the rating impact.

## RELATED CRITERIA

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

## Thanachart Capital PLC (TCAP)

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
TCAP256A: THB3,100 million senior unsecured debentures due 2025	A
TCAP257A: THB1,400 million senior unsecured debentures due 2025	A
TCAP258A: THB900 million senior unsecured debentures due 2025	A
TCAP261A: THB1,100 million senior unsecured debentures due 2026	A
TCAP265A: THB1,000 million senior unsecured debentures due 2026	A
TCAP260A: THB1,690 million senior unsecured debentures due 2026	A
TCAP260B: THB640 million senior unsecured debentures due 2026	A
TCAP272A: THB1,500 million senior unsecured debentures due 2027	A
TCAP277A: THB800 million senior unsecured debentures due 2027	A
TCAP270A: THB2,000 million senior unsecured debentures due 2027	A
TCAP285A: THB1,000 million senior unsecured debentures due 2028	A
TCAP300A: THB800 million senior unsecured debentures due 2030	A
TCAP300B: THB1,770 million senior unsecured debentures due 2030	A
TCAP315A: THB1,500 million senior unsecured debentures due 2031	A
Up to THB2,500 million senior unsecured debentures due within 3 years	A
<b>CreditAlert:</b>	Negative

## TRIS Rating Co., Ltd.

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