

# BOONTHAVORN CERAMIC 2000 CO., LTD.

No. 218/2022  
28 November 2022

## CORPORATES

### Issue Rating:

Guaranteed AA+  
Outlook: Stable

Last Review Date: 28/10/21

### Issue Rating History:

Date	Rating	Outlook/Alert
09/11/18	AA+	Stable

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## RATIONALE

TRIS Rating affirms the rating of “AA+” on guaranteed bonds of Boonthavorn Ceramic 2000 Co., Ltd. (BTV Ceramic 2000). The bonds are guaranteed by Kasikorn Bank PLC (KBank: rated “AA+/Stable”<sup>1</sup>) and Credit Guarantee and Investment Facility (CGIF: rated “AAA/Stable”), a trust fund of the Asian Development Bank (ADB). The issue rating reflects the credit worthiness of KBank and CGIF as the guarantors of the guaranteed bonds.

## KEY RATING CONSIDERATIONS

The rating on BTV Ceramic 2000’s guaranteed bonds reflects the ratings on KBank and CGIF. Under the terms of the guarantee, KBank and CGIF each provide an irrevocable and unconditional guarantee to cover 50% of the principal and interest payments for the guaranteed bonds. The guarantee obligations rank at least pari passu with all other present and future unsecured and unsubordinated indebtedness of the guarantors.

The rating on the guaranteed bonds also takes into account the following conditions:

- The guarantors are entitled to determine either to make the payment in full (accelerated basis) or in accordance with the original payment schedule at any time after the occurrence of an Issuer Event of Default (as defined in the Guarantee Agreement) or the receipt of a Demand (as defined in the Guarantee Agreement). However, KBank and CGIF will no longer have obligations to make payments, amongst other terms and conditions of the bonds, under the following conditions: 1) the bondholders’ representative, at its discretion, so decides to accelerate the bonds other than pursuant to a CGIF Non-Payment Event or KBank Non-Payment Event; 2) the issuer chooses to accelerate the bonds at its instigation; or 3) the bondholders’ representative does not deliver the demand for payment within a pre-specified period.
- The bondholders might not receive the payment portion guaranteed by CGIF in Thai baht if CGIF determines that it is impossible or impracticable and that reasonable efforts have been made to obtain Thai baht. In such an event, CGIF may make an equivalent payment in US dollars or such other currencies as it may determine. However, TRIS Rating views the likelihood of such risk as very low. TRIS Rating also holds the view that there is no such risk for the payment portion guaranteed by KBank, as its main functional currency is Thai baht.

## RATING OUTLOOK

The rating and outlook on BTV Ceramic 2000’s guaranteed bonds solely reflect the creditworthiness of its guarantors, KBank and CGIF.

## RATING SENSITIVITIES

The rating on BTV Ceramic 2000’s guaranteed bonds may change if the ratings on any of its guarantors, KBank or CGIF, change.

<sup>1</sup> The rating assigned to KBANK is based on public information which TRIS Rating believes that it provides a sufficient basis for the assessment of the credit profile of KBANK. The rating is assigned without the participation of KBank.

**COMPANY OVERVIEW**

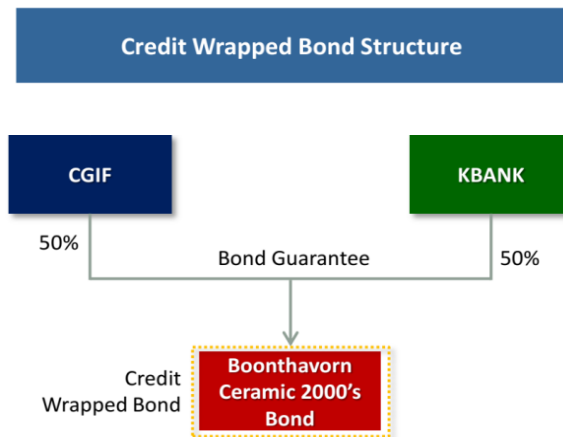
BTV Ceramic 2000 is a company 99.8% owned by Boonthavorn Group Co., Ltd. The company has the following key subsidiaries: Boonthavorn Lighting Center Co., Ltd. (70%), Boonthavorn Training Center and Skill Development Co., Ltd. (23%) and Boonthavorn Development Co., Ltd. (15%).

BTV Ceramic 2000 sells and distributes ceramic tiles, bathroom products, lighting, kitchen appliances, and home furniture. Most products are sourced from domestic manufacturers that produce products under various brands, including COTTO, TOTO and SOSUCO, etc. Other products are sourced from overseas through related companies. The company also owns and operates Boonthavorn’s Ratchadaphisek branch, the group’s largest branch by revenue.

CGIF was founded in 2010 under the initiative of 10 ASEAN countries, together with China, Japan, Korea, and the ADB. CGIF’s main objective is to provide credit guarantees which allow eligible issuers to access regional local currency bond markets. Issuers can thus avoid currency and maturity mismatches by issuing bonds within the region. ADB is the trustee of CGIF. It holds in trust all of CGIF’s capital and is responsible for managing that capital. CGIF finances its operations solely from capital contributions. It is not allowed to borrow from any source, except for cash management purposes.

KBank was founded in 1945, by Mr. Choti Lamsam and other co-founders, as a commercial bank. Initially, the bank focused on retail segments, especially Thai farmers. In 1976, the bank was listed on the Stock Exchange of Thailand (SET). Currently, the bank diversifies into corporate customers, SME customers, and retail customers. The bank’s other businesses include transaction banking, securities trading, securities brokerage, fund management, leasing, and insurance, etc.

Based on the guarantee structure, KBank and CGIF each guarantees 50% of the principal and interest payments for the guaranteed bonds.



**FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS**

**The Guarantor**  
**Credit Guarantee and Investment Facility (CGIF),**  
**a trust fund of the Asian Development Bank (ADB)**

Unit: Mil. USD

	Jan-Jun * 2022	-----Year Ended 31 December -----			
		2021	2020	2019	2018
Interest income	13.0	27.3	28.9	26.2	19.7
Guarantee income	9.9	19.4	17.4	12.9	8.7
Other revenue**	1.7	4.4	3.4	2.8	1.1
Total revenue	24.6	51.1	49.6	41.9	29.5
Net income from operations	19.3	32.0	23.7	22.6	17.5
Total assets	1,343.7	1,372.8	1,351.7	1,255.1	957.8
Total liabilities	93.4	80.4	87.1	76.6	46.8
Shareholders' equity	1,250.3	1,292.4	1,264.5	1,178.4	911.0

\* Unaudited and not annualised

\*\* Including realised gain (loss) from securities, fair value changes from derivatives, commission from reinsurance, and miscellaneous income

**The Guarantor**  
**Kasikorn Bank (KBank)\***

Unit: Mil. THB

	Jan-Sep 2022	-----Year Ended 31 December -----			
		2021	2020	2019	2018
Assets	4,229,796	4,103,399	3,658,798	3,293,889	3,155,091
Deposits	2,659,896	2,598,630	2,344,998	2,072,049	1,995,001
Loan	2,464,277	2,421,813	2,244,821	2,001,956	1,914,072
NPL gross	87,682	104,036	101,007	84,038	74,400
NPL net	n.a.	n.a.	n.a.	55,685	41,431
Interest income	109,912	135,415	127,592	130,178	123,922
Interest expense	13,016	16,024	18,570	27,490	25,384
Non-interest income	27,008	43,958	45,869	57,803	56,945
Other operating expenses (non-interest expense)	53,711	71,044	69,997	72,729	68,348
EBPT	70,147	92,305	84,895	87,762	87,135
Net profit	32,579	38,053	29,487	38,727	38,459

n.a.= Not available

Unit: %

	Jan-Sep 2022	-----Year Ended 31 December -----			
		2021	2020	2019	2018
<b>Performance ratio</b>					
ROA	1.04	0.98	0.85	1.20	1.27
ROE	8.97	8.44	7.1	9.90	10.61
NIM	3.3	3.2	3.3	3.3	3.4
Efficiency ratio	43.4	43.5	45.2	45.3	44.0
<b>Asset quality ratio</b>					
NPL gross/loan	3.1	3.8	3.9	3.7	3.3
NPL net/loan	n.a.	n.a.	n.a.	2.5	1.9
Reserve/NPL gross	148.7	159.1	149.2	148.6	160.6
<b>Capital</b>					
CAR	19.2	18.8	18.8	19.6	18.3
Tier-1	17.2	16.5	16.1	16.2	15.9

\* Based on data provided on KBank's website ([www.kasikornbank.com](http://www.kasikornbank.com)).

n.a.= Not available

#### RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Issue Rating Criteria, 15 June 2021

#### Boonthavorn Ceramic 2000 Co., Ltd. (BTV)

##### Issue Rating:

BTV23DA: THB2,000 million guaranteed bonds due 2023

AA+

##### Rating Outlook:

Stable

#### TRIS Rating Co., Ltd.

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