

AYUDHYA CAPITAL AUTO LEASE PLC

No. 1/2020
8 January 2020

FINANCIAL INSTITUTIONS

Company Rating:	AA+
Issue Ratings:	
Senior unsecured	AA+
Outlook:	Stable

Last Review Date : 25/10/19

Company Rating History:

25/10/19	AA+	Stable
07/12/16	AA	Stable
29/12/14	AA-	Stable
26/12/13	A+	Alert Developing
24/04/09	A+	Stable
27/11/08	A	Positive
25/07/00	A+	Stable
03/02/00	A	Stable
18/02/98	A-	Stable
27/08/97	A	Stable
03/07/97	A	Negative
04/04/97	A	Stable

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RATIONALE

TRIS Rating affirms the company rating on Ayudhya Capital Auto Lease PLC (AYCAL) and the ratings on its outstanding senior unsecured debentures at "AA+" with a "stable" rating outlook. At the same time, TRIS Rating assigns the rating on AYCAL's proposed issue of up to Bt3 billion in senior unsecured debentures at "AA+". The proceeds from the new debentures will be used for loan repayment and business expansion.

The ratings take into consideration the business support and financial support AYCAL receives from Bank of Ayudhya PLC (BAY), rated "AAA" with a "stable" rating outlook by TRIS Rating. The ratings of AYCAL are enhanced from its stand-alone rating as TRIS Rating holds the view that the company is a highly strategic subsidiary of BAY.

The ratings on a standalone basis reflects the company's solid market position as the leading operator of motorcycle hire purchase loans, strong capital base, ample liquidity, and well managed asset quality. However, the strengths are weighed down moderately by concerns over intense competition, which may pressure loan yield, and a potential rise in credit risk due to the weakening economy.

RATING OUTLOOK

The "stable" rating outlook reflects our expectation that AYCAL's business direction will remain closely aligned with BAY's strategy. The outlook assumes that AYCAL will continue to receive a high level of support from its parent bank. The outlook also considers the ability of the management team to maintain AYCAL's strong market position as a leading motorcycle hire purchase lender. TRIS Rating also expects AYCAL's profitability and capital base will stay strong enough to serve as cushions against any downside risks in the motorcycle hire purchase business.

RATING SENSITIVITIES

The ratings and/or outlook could be uplifted if AYCAL's status to the Group further improves, which is highly unlikely in the foreseeable future. In contrast, the rating/outlook could be revised down should BAY's rating/outlook is downgraded, or TRIS Rating takes the views that AYCAL's status to the BAY Group has weakened.

RELATED CRITERIA

- Nonbank Lending Company, 7 May 2018
- Group Rating Methodology, 10 July 2015

CreditUpdate, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

Ayudhya Capital Auto Lease PLC (AYCAL)

Company Rating:	AA+
Issue Ratings:	
AYCAL201A: Bt2,000 million senior unsecured debentures due 2020	AA+
AYCAL207A: Bt2,500 million senior unsecured debentures due 2020	AA+
AYCAL20NA: Bt500 million senior unsecured debentures due 2020	AA+
AYCAL21NA: Bt1,000 million senior unsecured debentures due 2021	AA+
AYCAL22NA: Bt1,500 million senior unsecured debentures due 2022	AA+
Up to Bt3,000 million senior unsecured debentures due within 3 years	AA+
Rating Outlook:	Stable

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