

Press Release

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TRIS Rating Sees No Immediate Impact on TIDLOR's Ratings from Organizational Restructuring

TRIS Rating views that the announcement of group restructuring and shareholding management by Ngern Tid Lor PLC (TIDLOR, rated "A/Stable") has no immediate impact on the company and issue ratings.

Under the proposed scheme, Tidlor Holdings PLC (Tidlor Holdings) will be established as a non-operating holding company (NOHC), which will hold 100% share in TIDLOR. Tidlor Holdings will also propose a tender offer for all TIDLOR shares from existing shareholders (share swap) at a ratio of 1:1. Tidlor Holdings will be listed on the Stock Exchange of Thailand (SET) in place of TIDLOR. A new company (NewCo) will also be set up to manage non-life InsurTech brokerage operations that will be spun off from TIDLOR, which will be 99.99% owned by Tidlor Holdings.

Our rationale for maintaining the ratings on TIDLOR is based on the following factors: Firstly, there will be no material change in the current shareholding structure. Bank of Ayudhya PLC (BAY, rated "AAA/Stable") will remain a major shareholder in Tidlor Holdings. According to BAY's management, the bank has no intention to dilute its 30% holding in Tidlor Holdings. There will also be no change in BAY's financial support. The bank will continue to be the major funding provider for TIDLOR.

Moreover, there will be no change in TIDLOR's business strategy as well as operational and funding policies after the group restructuring. Following the group restructuring, TIDLOR will likely remain a core earnings contributor to the group. Tidlor Holdings and its subsidiaries will also have a status as a non-solo group of companies within the BAY Group under the Bank of Thailand's consolidated supervision. BAY's governance approach to Tidlor Holdings and its subsidiaries will therefore remain the same as that of TIDLOR.

Lastly, the board composition of Tidlor Holdings and TIDLOR will be the same, and there will be no change in the management team at TIDLOR. However, the new insurance brokerage company will have a different set of board members, based on the requirement by the Office of Insurance Commission.

Timeline of events

30 April 2024:

- TIDLOR announced that its board of directors resolved to propose to the shareholders' meeting its plan for restructuring of shareholding and establishment of Tidlor Holdings.

11 Jun 2024:

- TIDLOR convenes an extraordinary general meeting (EGM) to approve the restructuring plan, share swap, and listing of Tidlor Holdings in place of TIDLOR.

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- Tidlor Holdings proposes a share swap arrangement where it tenders for all of TIDLOR's shares from the existing shareholders at a ratio of 1:1, after which Tidlor Holdings will be listed in place of TIDLOR.
- TIDLOR will transfer its non-life InsurTech brokerage business to the new company.

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