

BANGKOK COMMERCIAL ASSET MANAGEMENT PLC

No. 81/2025
30 July 2025

FINANCIAL INSTITUTIONS

Company Rating: A-
Issue Ratings:
Senior unsecured A-
Outlook: Negative

Last Review Date: 27/03/25

Company Rating History:

| Date | Rating | Outlook/Alert |
|----------|--------|---------------|
| 24/03/25 | A- | Negative |
| 17/02/20 | A- | Stable |

Contacts:

Sithakarn Tongphiphat, CFA, FRM
sithakarn@trisrating.com

Jantana Taveeratanasilp
jantana@trisrating.com

Jittrapan Pantaleard
jittrapan@trisrating.com

Taweechok Jiamsakunthum
taweechok@trisrating.com

Narumol Charnchanavivat
narumol@trisrating.com



WWW.TRISRATING.COM

RATIONALE

TRIS Rating assigns a rating of “A-” to Bangkok Commercial Asset Management PLC (BAM)’s proposed issue of up to THB1.5 billion senior unsecured debentures maturing within five years. The company intends to use the proceeds from the new debentures for business expansion and debenture refinancing. At the same time, TRIS Rating affirms the company rating and the ratings on its outstanding senior unsecured debenture at “A-”. The rating outlook remains “negative”.

The “A-” ratings continue to reflect the company’s extensive experience and dominant market position as the largest distressed asset management company (DAMC). The ratings also take into consideration BAM’s acceptable financial leverage and diversified funding sources. However, the outlook remains negative, reflecting the uncertainty of recovery prospects, stemming from persistent challenges in asset recovery and broader macroeconomic headwinds.

The ratings on BAM are partly constrained by several risk factors. Apart from economic risk and uncertain cashflows, other key risks include high exposure to real estate and asset pricing risk. These risks could have a significant impact on the company’s financial performance if not well managed. However, BAM’s expertise in asset pricing, selective investment strategy, and diversification in terms of types and locations of assets help mitigate these risks to some extent, in our view.

The ratings are underpinned by our anticipation of an improvement in cash collections and earnings in 2025-2027. Cash collections are likely to increase steadily, driven by stepped-up efforts in non-performing loan (NPL) collections and restructuring as well as non-performing asset (NPA) disposals. We project cash collection to increase from THB15 billion in 2024 to THB17 billion by 2027. Key challenges to this base-case assumption remain, including Thailand’s weak economic conditions, a sluggish property market, and continued tightening of mortgage lending criteria by financial institutions.

BAM reported a net income of THB216 million, a decline of 49% year-on-year (y-o-y). In the second quarter of 2025, BAM disclosed two significant transactions, involving collections from NPLs and the disposition of NPAs. The estimated transaction values were THB2.8 billion and THB1.45 billion, respectively. These transactions are expected to enhance the company’s operating performance in the second quarter. The profitability measured by return on average assets (ROAA) remained weak in our view. We expect that the company will strive to deliver improved operating performance and profitability in order to mitigate the downward pressure on the ratings.

BAM’s financial leverage, measured by the debt-to-equity (D/E) ratio, declined to 2.12 times at the end of March 2025, down from 2.18 times at the end of 2024. This reduction was primarily due to BAM’s selective strategy in NPL acquisitions. TRIS Rating expects new asset investments are anticipated to remain below THB10 billion annually over the next few years. This should help reduce the burden from interest expenses to some extent and maintain D/E ratio below 2.2 times over the next few years. However, if NPL acquisitions exceed the base-case scenario, the D/E ratio could trend upward, potentially exerting pressure on the ratings.

We expect BAM’s funding and liquidity to be manageable over the next 12 months. The company’s debenture repayment obligations of THB22.2 billion over the next 12 months, while substantial, are considered manageable as the

maturity dates are well spread out. These obligations are likely to be refinanced through new debenture issuances and bank credit facilities. Year-to-date, BAM has issued approximately THB1.7 billion in new debentures, reflecting a slowdown in new NPL acquisitions. We anticipate another round of debenture issuance by the end of 2025.

RATING OUTLOOK

The “negative” outlook reflects a slower-than-expected improvement in cash collections and earnings. While we expect BAM’s financial performance to recover gradually over the next few years, down-side risks persist due to uncertain economic environment and a downturn in the property sector.

RATING SENSITIVITIES

The outlook could be revised back to “stable” if BAM’s performance improves as expected while financial leverage is maintained at a level not materially higher than the current level.

The ratings could be downgraded if BAM’s operating performance weakens or financial leverage increases beyond our base-case scenario.

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Financial Institution Rating Methodology, 25 September 2024

Bangkok Commercial Asset Management PLC (BAM)

| | |
|--|----|
| Company Rating: | A- |
| Issue Ratings: | |
| BAM259A: THB3,200 million senior unsecured debentures due 2025 | A- |
| BAM250A: THB1,334 million senior unsecured debentures due 2025 | A- |
| BAM25NA: THB5,370 million senior unsecured debentures due 2025 | A- |
| BAM25NB: THB1,000 million senior unsecured debentures due 2025 | A- |
| BAM264A: THB6,000 million senior unsecured debentures due 2026 | A- |
| BAM264B: THB240 million senior unsecured debentures due 2026 | A- |
| BAM265A: THB3,200 million senior unsecured debentures due 2026 | A- |
| BAM267A: THB405 million senior unsecured debentures due 2026 | A- |
| BAM267B: THB1,416 million senior unsecured debentures due 2026 | A- |
| BAM260A: THB209 million senior unsecured debentures due 2026 | A- |
| BAM26DA: THB1,300 million senior unsecured debentures due 2026 | A- |
| BAM274A: THB2,545 million senior unsecured debentures due 2027 | A- |
| BAM274B: THB1,535 million senior unsecured debentures due 2027 | A- |
| BAM276A: THB1,500 million senior unsecured debentures due 2027 | A- |
| BAM277A: THB1,715 million senior unsecured debentures due 2027 | A- |
| BAM279A: THB5,000 million senior unsecured debentures due 2027 | A- |
| BAM27NA: THB850 million senior unsecured debentures due 2027 | A- |
| BAM284A: THB1,300 million senior unsecured debentures due 2028 | A- |
| BAM284B: THB1,200 million senior unsecured debentures due 2028 | A- |
| BAM285A: THB350 million senior unsecured debentures due 2028 | A- |
| BAM286A: THB2,400 million senior unsecured debentures due 2028 | A- |
| BAM280A: THB903 million senior unsecured debentures due 2028 | A- |
| BAM28DA: THB1,200 million senior unsecured debentures due 2028 | A- |
| BAM294A: THB1,065 million senior unsecured debentures due 2029 | A- |
| BAM294B: THB845 million senior unsecured debentures due 2029 | A- |
| BAM297A: THB5,000 million senior unsecured debentures due 2029 | A- |
| BAM297B: THB115 million senior unsecured debentures due 2029 | A- |

| | |
|---|----------|
| BAM304A: THB700 million senior unsecured debentures due 2030 | A- |
| BAM304B: THB450 million senior unsecured debentures due 2030 | A- |
| BAM305A: THB300 million senior unsecured debentures due 2030 | A- |
| BAM307A: THB1,050 million senior unsecured debentures due 2030 | A- |
| BAM300A: THB670 million senior unsecured debentures due 2030 | A- |
| BAM30NA: THB580 million senior unsecured debentures due 2030 | A- |
| BAM30NB: THB2,000 million senior unsecured debentures due 2030 | A- |
| BAM317A: THB3,500 million senior unsecured debentures due 2031 | A- |
| BAM324A: THB2,140 million senior unsecured debentures due 2032 | A- |
| BAM335A: THB1,700 million senior unsecured debentures due 2033 | A- |
| BAM330A: THB1,734 million senior unsecured debentures due 2033 | A- |
| BAM344A: THB1,240 million senior unsecured debentures due 2034 | A- |
| BAM347A: THB1,000 million senior unsecured debentures due 2034 | A- |
| BAM347B: THB134 million senior unsecured debentures due 2034 | A- |
| Up to THB1,500 million senior unsecured debentures due within 5 years | A- |
| Rating Outlook: | Negative |

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

© Copyright 2025, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at www.trisrating.com/rating-information/rating-criteria