
Bangkok Commercial Asset Management PLC

Financial Institution | Asset Management/Financial Services

31 March 2026

Issuer Credit Rating: A-/Negative

Issue Ratings:

Senior Unsecured: A-/Negative

Rating Action

TRIS Rating affirms the issuer credit rating on Bangkok Commercial Asset Management PLC (BAM) and the ratings on its existing senior unsecured debentures at “A-” with “negative” outlook.

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.

The ratings 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, as well as its selective investment strategy and diversification in terms of type and location of assets help mitigate these risks to some extent, in our view.

Key Rating Considerations

Prolonged challenging environment continues to pressure the ratings

TRIS Rating expects market conditions for distressed asset management to remain challenging. We maintain negative outlook to reflect the risk that weaker conditions could hinder BAM’s cash collection recovery and continue to pressure its financial metrics.

Thailand’s persistently weak economic environment, coupled with ongoing geopolitical uncertainties, is likely to weigh on debtor’s serviceability and cash collections from debtors. Meanwhile, non-performing asset (NPA) cash collections are expected to remain subdued, given banks’ continued conservative stance on new lending, particularly in the mortgage segment. As of end-2025, 50% of BAM’s NPAs based on appraisal value are residential assets, making NPA disposal increasingly challenging.

Improved operating performance

In 2025, BAM’s total cash collection increased to THB17.9 billion from THB15.2 billion in 2024, primarily driven by two large transactions in the second quarter totaling THB4.3 billion. This supported a rise in net profit to THB1.8 billion from THB1.6 billion, a 13% year-on-year (y-o-y) increase, despite a higher expected credit loss (ECL) from debt-for-asset transfers.

Return on average assets (ROAA) improved to 1.31% in 2025 from 1.15% in 2024. While the stronger cash collection provides a foundation for gradual profitability improvement, we note that the uplift was driven by lumpy large-ticket recoveries. We project cash collection to moderate to THB16.4 billion in 2026 and gradually increase to THB17.7 billion by 2028, which could support ROAA trending above 1.5% over the medium term, subject to more consistent improvement in collection momentum.

Concern on rising NPA supply

Over the past decade, TRIS Rating has observed a steady buildup of BAM's NPA inventory with the balance increasing to THB49 billion in 2025 from THB17 billion in 2015. NPAs have been growing at a faster pace with a compound annual growth rate (CAGR) of 11% over the past decade compared with 5% of the total assets. This sustained accumulation raises concerns over the company's ability to effectively dispose of assets and convert them into cash, particularly as holding periods lengthen. The rising stock also brings into question the quality, liquidity, and marketability of these NPAs. Reflecting this trend, the net NPA to total asset ratio increased to 36% at end of 2025 from 21% at end of 2015.

With the ongoing oversupply in the real estate sector, especially in residential segments, coupled with tighter mortgage lending and subdued buyer demand, the pace of asset monetization is likely to remain constrained, potentially prolonging the NPA uptrend.

We note that the company has implemented several strategies to accelerate NPA monetization, which could help mitigate this risk if executed successfully. These include: (i) BAM Select, targeting premium repeat buyers; (ii) Assets for all (Sup Mahachon Campaign), aimed at driving mass-market adoption among lower-income customers through affordable residential units with installment options; and (iii) a partnership model involving Memorandum of Understandings (MOUs) with developers to renovate and resell properties, enhancing sales conversion.

Dominant market position in DAMC

BAM's business position is considered "strong", supported by its dominance as the largest DAMC in Thailand, with a market share of approximately 45% by asset size in 2025. BAM's total assets declined by 3.3% to THB136.0 billion at the end of 2025. The gross managed assets totaled THB129.6 billion, including non-performing loans (NPLs) with an outstanding balance (excluding accrued interest) of THB78.3 billion, NPAs of THB49.2 billion, and instalment sale receivables of THB2.1 billion.

The company's dominant market position is underpinned by over 20 years of experience. The company's expertise, coupled with a comprehensive database and established network with financial institutions, together play a crucial role in formulating effective strategies for asset selection and pricing. Additionally, longstanding relationships with legal execution departments further enhance its competitive edge. These strengths have solidified the company's leadership in the industry.

Selective asset acquisitions

We project that BAM's asset investments will reach approximately THB4 billion in 2026 and continue to increase, reaching THB10 billion by 2028. In 2025, BAM's asset investment fell to THB2.2 billion from THB7.9 billion in 2024. This decision aligns with both the company's strategic objectives and prevailing industry trends amid current economic conditions. The company will prioritize maximizing collections from its existing portfolio rather than seeking new acquisitions. Furthermore, BAM intends to enhance its emphasis on NPLs from small and medium enterprises (SMEs) and corporates, as mortgage assets have already constituted a significant portion of the portfolio.

Maintained financial leverage

With selective investment strategy, BAM's financial leverage, measured by the debt to equity (D/E) ratio, fell to 2.03 times at the end of 2025 from 2.18 times at the end of 2024. Given our assumptions of moderate investment over the next two years and cash collection of over THB16.5 billion during 2026-2028, we expect the company's D/E ratio to stay below 2 times over the next few years. A higher level of NPL acquisition than our base-case scenario could result in the D/E ratio trending upward. A significant increase in financial leverage could pressure the ratings.

Alternative expansion channel through joint venture model

In 2024, BAM entered into two joint ventures (JVs): Ari Asset Management Co., Ltd. (Ari), a JV with Government Savings Bank (GSB), and Arun Asset Management Co., Ltd. (Arun), a JV with Kasikornbank PLC (KBANK). Ari focuses on both unsecured and secured NPLs while Arun focuses only on secured NPLs. In 2025, combined share profits of both JVs to BAM were THB97 million. We believe the share profit from these two JVs should remain below THB200 million with assumptions of no additional major investments.

Ari is expected to serve as a government vehicle for Specialized Financial Institutions (SFIs) under the Pid Nhee Wai Pai Tor Dai program, an initiative by the Bank of Thailand (BOT) aimed at resolving retail unsecured NPLs with exposures below THB100,000. This program may support social and policy objectives by improving debt resolution for small borrowers.

Funding and liquidity remain manageable

BAM's funding profile is assessed as "adequate", underpinned by credit facilities from diverse financial institutions. A portion of the credit lines are from commercial banks that offload NPLs to BAM. In our view, this is a mutual benefit to both parties. The company is also a frequent issuer in the debt capital market.

At the end of 2025, BAM's total borrowings were THB88 billion, 70% of which was long-term. This included THB14 billion in outstanding long-term borrowings and THB14 billion in short-term borrowings from financial institutions, as well as THB60 billion in long-term debentures.

The company's debenture repayment obligations, while substantial, are considered manageable as the maturity dates are well spread out. The company has THB13 billion of debentures maturing in 2026, which will likely be refinanced by new issuances and bank credit facilities. As of December 2025, THB8 billion of the bank credit facilities remained unused and could be utilized to support its liquidity needs.

Base-case Assumptions

TRIS Rating's base-case assumptions for BAM's operations in 2026-2028 are:

- New NPL investments of THB4 billion in 2026 and growing to THB10 billion in 2028.
- D/E ratio to remain below 2 times.
- Total cash collection of THB16-THB18 billion per year.
- Funding cost of around 3.3%-3.4%.
- Operating expense to total income ratio of around 32%-34%.

Rating Outlook

The "negative" outlook reflects a challenging economic environment that could prolong the recovery of BAM's financial performance and cash collection.

Rating Sensitivities

The outlook could be revised back to "stable" if BAM demonstrates a sustained and clearly established recovery in operational performance, specifically cash collection and financial metrics.

The ratings could be revised downward if BAM's operating performance worsens than our projection and the prospect of business recovery is unlikely in the medium term. Moreover, the significant increases of BAM's leverage due to aggressive expansion, with the D/E ratio rising above 2.75 times for a sustained period, could also pressure the ratings.

Company Overview

On 7 January 1999, BAM was founded under the Financial Institutional Development Plan of the Ministry of Finance (MOF) to acquire and manage NPAs from Bangkok Bank of Commerce PLC (BBC). In 2002, BAM was approved by the BOT to register as a limited company and expanded its scope of operations to manage the NPAs of other financial institutions under the Financial Institution Asset Management Decree (2001).

In 2005 under a Cabinet resolution, BAM merged with Financial Institution Asset Management Corporation (AMC). As a result, BAM received the transfer of AMC's distressed assets portfolio including NPLs and NPAs as well as the personnel of AMC. The combined resources enhanced the scale and efficiency of BAM's business in terms of customer reach, with 25 branches and over 1,200 staff.

In 2012, BAM was privatized under a strategic initiative of the Financial Institutions Development Fund (FIDF) approved by the MOF. The privatization was completed in late 2019 with a reduction of the FIDF's shareholding to 46% from 100%.

BAM's core business is distressed asset management which includes NPLs, acquired from financial institutions, and NPAs, transferred from NPLs or acquired from financial institutions. BAM's business is counter-cyclical in nature, acquiring large amounts of distressed assets during economic downturns and turning those assets into high-margin income during economic upcycles. The business is capital intensive due to long break-even periods of around 5-10 years.

Financial Statistics and Key Financial Ratios

Unit: Mil. THB

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total assets	136,028	140,635	137,315	132,804	125,904
Total managed assets	109,833	115,668	113,648	105,313	103,905
Loan purchased – net	68,467	77,503	77,959	72,384	73,406
Properties foreclosed – net	40,642	37,627	34,947	32,026	29,666
Total borrowings	88,076	93,912	90,518	85,552	80,154
Short-term borrowings	26,756	28,102	23,687	17,059	17,539
Long-term borrowings	61,320	65,810	66,831	68,493	62,615
Shareholder's equity	44,914	44,224	43,629	43,708	42,755
Total revenue	13,398	12,811	12,005	12,781	13,306
Interest expenses	3,161	3,231	2,908	2,637	2,559
Operating expenses	3,334	2,914	3,029	2,888	2,727
Earnings before interest and taxes (EBIT)	5,425	5,180	4,751	5,844	5,814
Net profit	1,812	1,602	1,534	2,725	2,600

Unit: %

	----- Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Profitability					
Operating income/average assets	7.40	6.89	6.73	7.84	8.33
Operating income/total income	76.41	74.78	75.78	79.37	80.77
Operating profit/average assets	4.99	4.80	4.49	5.61	6.22
Earnings before taxes/average assets	1.64	1.40	1.36	2.48	2.52
Return on average assets	1.31	1.15	1.14	2.11	2.02
Return on average equity	4.07	3.65	3.51	6.30	6.15
Capitalization					
Debt/equity (times)	2.03	2.18	2.15	2.04	1.94
Shareholders' equity/total managed assets	40.89	38.23	38.39	41.50	41.15
Funding and liquidity					
Stable funding ratio	95.74	94.19	96.19	105.40	100.29
Liquidity coverage measure (times)	0.11	0.09	0.09	0.42	0.22
Short-term borrowings/total liabilities	29.37	29.15	25.28	19.15	21.09
Total managed assets/total assets	80.74	82.25	82.76	79.30	82.53
Operating efficiency					
Operating expenses/operating income	32.57	30.42	33.29	28.47	25.37
Non-performing loan (NPL) cash collection to net NPL	14.62	11.10	11.24	13.87	11.54
Non-performing asset (NPA) cash collection to net NPA	18.07	17.69	19.74	21.81	24.83

Related Criteria

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

Bangkok Commercial Asset Management PLC (BAM)

Issuer Credit Rating:	A-
Issue Ratings:	
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-
BAM279B: THB1,500 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-
BAM289A: THB1,000 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-
Rating Outlook:	Negative

Rating History

Last Review Date: 11 September 2025

Date	Rating	Outlook/Alert
24-Mar-25	A-	Negative
17-Feb-20	A-	Stable

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