

BANGKOK COMMERCIAL ASSET MANAGEMENT PLC

No. 31/2025
27 March 2025

FINANCIAL INSTITUTIONS

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

Last Review Date: 24/03/25

Company Rating History:

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

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RATIONALE

TRIS Rating assigns a rating of “A-” to Bangkok Commercial Asset Management PLC (BAM)’s proposed issue of up to THB2 billion senior unsecured debentures maturing within five years. The company intends to use the proceeds from the new debentures for debt refinancing. At the same time, TRIS Rating affirms the company and its outstanding senior unsecured ratings on BAM 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.

The ratings on BAM are partly constrained by several risk factors. Apart from economic risk and uncertain cashflows, other key risks including 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.

We anticipate asset investments in each of the next few years to be below THB10 billion, considering the company’s financial position. BAM’s consolidated debt has steadily increased over recent years, reaching THB93.9 billion by the end of 2024 due to continuous asset acquisitions. This expansion has significantly increased the company’s interest expense burden, which now constitutes equivalent to 38% of total income (excluding accrued interest), up considerably from 18% in 2019.

BAM’s financial leverage measured by the debt to equity (D/E) ratio rose to 2.18 times at the end of 2024 from 2.15 times at the end of 2023. Given our assumptions of moderate investment and a gradual recovery in cash collection during 2025-2027, we expect the company’s D/E ratio to stay at around 2.2 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.

We expect BAM’s funding and liquidity to be manageable over the next 12 months. The company’s debenture repayment obligations, while substantial, are considered manageable as the maturity dates are well spread out. The company has THB13.1 billion of debentures maturing in 2025, which will likely be refinanced by new issuances and bank credit facilities. The company is currently requesting additional credit facilities from financial institutions as an alternative funding source. As of December 2024, THB7 billion of the bank credit facilities remained unused and could be utilized to support liquidity needs.

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:	
BAM256A: THB370 million senior unsecured debentures due 2025	A-
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-
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-
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 THB2,000 million senior unsecured debentures due within 5 years	A-
Rating Outlook:	Negative

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