



# **Beyond the Challenges**

"Household Debt and Financial Vulnerability"

## Dr. Rak Vorrakitpokatorn

Chief Executive Officer Bangkok Commercial Asset Management PCL.

August 27, 2025 Grand Hyatt Erawan Bangkok



## **AMCs: Unlocking the Debt Crisis**





### The Recycling Machine for NPLs Resolution

## PLs

**Performing Loans** 

Loans repaid on time, in good standing

## **Banks**

**Debt Restructuring (DR)** 

In default: Banks conduct DR (min. 2 times, RL rules) before auction

## **NPLs**

**Non-Performing Loans** 

Banks auctioning NPLs to AMCs

## **AMCs**

**Troubled Debt** Restructuring (TDR)

- Unlimited TDR
- Flexible terms & conditions

## **RPLs**

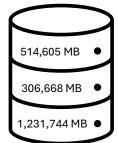
**Reperforming Loans** 

- TDR Factory Framework
- TDR Office



#### **NPLs & SM Loans** in the Financial Institutions System<sup>1</sup>

2,053,017 MB



**Commercial Banks** 

Specialized Financial Institutions (SFIs)

Special Mention Loans (SM Loans)



## **Stretching AMCs Capacity**

## **BAM**

acquires NPLs ~40.000 MB/year<sup>2</sup> D/E Ratio: ~2.1 times D/E Ratio to 3 times

stretch capacity

**BAM** 

can acquire at most 150,000 MB/year<sup>3</sup>

#### other AMCs

acquire NPLs ~60,000 MB/year stretch capacity

#### other AMCs

can acquire at most 100,000 - 150,000MB/year<sup>4</sup>

Remarks: <sup>1</sup> BOT as of May 20, 2025, and Fiscal Policy Office as of Jun 17, 2025

- <sup>2</sup> Historical data compiled by BAM from secured NPL auction invitations
- <sup>3</sup> Based on BAM's investment calculation under a 3.0 times D/E ratio covenant (Q2/25 D/E ratio: 2.06 times) and the current average estimated auction prices
- <sup>4</sup> Estimated investments by other AMCs, derived from SAM's D/E ratio of around 3.0 times
- and disclosed information from peers (as of Dec 2024)

# **AMCs: Unlocking the Debt Crisis**



## **NPLs & SM Loans**

## SME/Corporate Debt 1,294,584 MB

- NPLs from Banks: 333.920 MB
- NPLs from SFIs: 142,671 MB
- SM loans: 817,993 MB

## Household Debt (Personal Consumption) 758,433 MB

- NPLs from Banks: 180,685 MBNPLs from SFIs: 163,997 MB
- SM loans: 413,751 MB

## To Unlock Debt Crisis

### **Existing AMCs**

86 Licensed AMCs

(BOT, June 2025)

#### **National AMC**

- ARI AMC (Bank & AMC JV Model)
- Newly-established AMC
- Multi-Bank AMC

#### **Needed Actions**

- Soft loans for AMCs
- Relaxed regulations
- JV Partnership AMCs Model

#### **Needed Actions**

- Debt pooling programs
- Funding and financing options
- Resources
- Governance & execution

Source: BOT, Q1/2025P

Personal consumption includes housing, automobile, credit card and other personal loans.