

Bangkok Bank (BBL TB)

3Q26: Results In Line With Consensus; Showing Clean Loan Portfolio

Highlights

- BBL reported a 3Q26 net profit of Bt9.5b, down 31% yoy and flat qoq.
- Permata Bank remains resilient amid the panic in Indonesia.
- Maintain BUY with a target price of Bt220.00.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Total gross loans	2,707,584	2,695,508	2,627,918	0.4	3.0
Net interest income	29,041	27,769	30,750	4.6	(5.6)
Non-interest income	11,634	12,571	16,913	(7.5)	(31.2)
Loan loss provision	(8,008)	(8,433)	(9,742)	(5.0)	(17.8)
Non-Interest Expenses	(20,518)	(19,954)	(20,697)	2.8	(0.9)
Pre-provision operating profit	20,157	20,386	26,966	(1.1)	(25.2)
Net income	9,489	9,498	13,789	(0.1)	(31.2)
EPS (Bt)	4.97	4.98	7.22	(0.1)	(31.2)
Ratio (%)					
NPL Ratio	3.2	3.3	3.3		
Loan loss coverage ratio (%)	322	306	294		
Net interest margin (NIM %)	2.50	2.42	2.72		
Credit cost (bp)	119	125	145		
Cost to income (%)	50	49	43		
CET1 ratio (%)	18.3	18.3	19.6		

Source: Bangkok Bank, UOB Kay Hian

Analysis

- 3Q26 results in line with consensus.** Bangkok Bank (BBL) posted a 3Q26 net profit of B9.5b, down 31% yoy and flat qoq. The results missed our expectations by 10% but were in line with consensus forecasts. The key miss to our forecast was the higher-than-expected opex. BBL's pre-provision operating profit dropped 25% yoy and 1% qoq in 3Q26.
- Loan portfolio grew qoq in 3Q26.** BBL reported outstanding loans of around Bt2.7t in 3Q26, growing 3.0% yoy and 0.4% qoq. In 9M26, the loan portfolio grew 3.2%, within its 2026 loan growth target of 2-3%. The bank is confident that it can achieve its loan growth target in 2026.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	133,899.6	123,629.7	114,315.5	121,566.0	128,420.6
Non-Interest Income	41,928.4	54,870.0	48,095.0	45,171.6	47,015.1
Net profit (rep./act.)	45,211.2	46,006.5	39,672.7	44,830.3	47,154.1
Net profit (adj.)	45,211.2	46,006.5	39,672.7	44,830.3	47,154.1
EPS (Bt)	23.7	24.1	20.8	23.5	24.7
PE (x)	7.7	7.6	8.8	7.8	7.4
P/B (x)	0.6	0.6	0.6	0.6	0.5
Dividend yield (%)	5.6	5.5	5.5	5.8	6.0
Net int margin (%)	3.0	2.8	2.5	2.6	2.7
Cost/Income Ratio (%)	48.0	48.4	49.1	48.7	48.8
Loan loss cover (%)	334.3	324.1	324.3	319.0	318.0
Consensus net profit	n.a	n.a	40,765.1	43,310.1	46,224.0
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: Bangkok Bank, Bloomberg, UOB Kay Hian

Analyst(s)

Thanawat Thangchadakorn

thanawat@uobkh.co.th

+662 090 3360

BUY (Maintained)

Share Price	Bt182.50
Target Price	Bt220.00
Upside	20.5%

Stock Data

Sector	Financials
Bloomberg ticker	BBL TB
Shares issued (m)	1,908.8
Market cap (Btm)	381,768.6
Market cap (US\$m)	11,351.0
3-mth avg daily t'over (US\$m)	64.6

Price Performance (%)

52-week high/low				Bt203.0/Bt144.0
1mth	3mth	6mth	1yr	YTD
14.3	19.4	24.6	40.4	18.0

Major Shareholders (%)

Thai NVDR	21.86
City Realty	4.70
The Social Security Office	3.89

Balance Sheet Metrics

FY26 NAV/Share (Bt)	313.1
FY26 Net Debt/Share (Bt)	n.a

Price Chart



Source: Bloomberg

Company Description

The third's largest commercial bank in Thailand in term of market capitalisation. The bank has a strong focus on corporate lending, which accounts for 50% of its loan book.

- **Qoq decline in non-II mainly due to significant reduction in investment gain and dividend income.** BBL reported a non-interest income (non-II) of Bt11.6b in 3Q26 (-31% yoy, -8% qoq). There was a gain on financial instruments measured at fair value through profit or loss of Bt2.6b in 3Q26 (2Q26: Bt3.4b, 3Q25: Bt5.5b). BBL reported a dividend income of Bt873m in 3Q26 (2Q26: Bt1.5b, 3Q25: Bt619m). Meanwhile, net fee and service income declined 3% qoq due to the lower loan-related fees. The bank said contribution from the wealth business requires time to grow while the mutual fund business continues to perform well.
- **Qoq increase in opex.** BBL reported opex of Bt20.5b, down 1% yoy but up 3% qoq. According to BBL, the qoq increase in opex in 3Q26 was mainly attributable to accrued expenses and IT-related costs. The bank guided that opex could remain high in 4Q26, but the cost-to-income ratio should come in at high-40s%, which is its full-year target for 2026.
- **Credit costs fell qoq.** The bank set aside provision expenses of Bt8b in 3Q26, down 18% yoy and 5% qoq. This resulted in credit costs dropping by 7bp qoq to 119bp in 3Q26. Meanwhile, the loan-loss coverage ratio surged from 306% in 2Q26 to 322% in 3Q26. BBL reported a decrease in NPL ratio to 3.2% in 3Q26 from 3.3% in 2Q26. The bank said the decline in NPLs was due to the early proactive restructuring of loans, which resulted in a bad debt recovery. BBL will continue to monitor and follow up with these accounts to restore them to performing status, which is consistent with the bank's historical NPL management patterns. We expect credit costs of around 1.2% for the whole year, relatively similar to the bank's guidance that 2026 credit costs may exceed its target of 1%.
- **Permata Bank remains resilient amid the panic in Indonesia.** BBL holds around 90% of Permata Bank and it is not too difficult to comply with the 12% free float regulation which is expected to be implemented in 2027. Meanwhile, the panic in the Indonesian stock market does not have any impact affecting BBL through Permata Bank except for forex translation gain/loss, which does not affect the income statement. Meanwhile, Permata Bank performed well with good asset quality and a good contribution to BBL.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt220.00** using the Gordon Growth Model (cost of equity: 11%, long-term growth: 2.0%). We roll over target price to 2027. This implies 0.67x 2027F P/B.

Earnings Revision/Risk

- We cut BBL's 2026-28 earnings forecasts by 5.6%, 2.5%, and 1.4% respectively, to reflect the lower-than-expected 3Q26 earnings due to the higher-than-expected opex.

Share Price Catalyst

- Upgrade in dividend payout.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environmental

- Responsible business practices support sustainable activities and environmental protection.
- Raises employee awareness on resource and energy conservation and implements effective environmental and resource management systems to reduce carbon footprint, working towards becoming a green organisation

Social

- Creates a safe, fair, and supportive working environment where employees can continuously develop their skills and fulfil their personal and professional aspirations

Governance

- Promotes conducting its business in accordance with the principles of good corporate governance, which form the foundation for sound performance results, a strong and stable financial position, and sustainable growth.

2026 Financial Targets

	9M26 Actual	2026 Target
Loan growth	3.2%	2-3%
NPL ratio	3.2%	~ 3%
NIM	2.47%	2.4-2.5%
Net fee income	2.0%	Low single digit
Cost to income	48.2%	High-40s%
Credit Costs	1.27%	1.0%

Source: BBL, UOB Kay Hian

Credit Cost (bp)



Source: BBL, UOB Kay Hian

PE Band



Source: BBL, UOB Kay Hian

P/B Band



Source: BBL, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	191,082	173,415	182,217	191,451
Interest expense	(67,452)	(59,099)	(60,651)	(63,030)
Net interest income/(expense)	123,630	114,316	121,566	128,421
Fees & Commissions	27,192	27,683	28,914	30,342
Net Trading Income	25,728	18,447	14,347	14,693
Other Income	1,950	1,965	1,910	1,981
Non-Interest Income	54,870	48,095	45,172	47,015
Total Income	178,500	162,411	166,738	175,436
Staff Costs	(36,759)	(37,018)	(35,509)	(37,851)
Other Operating Expense	(49,605)	(42,758)	(45,644)	(47,845)
Pre-Provision Profit	92,136	82,635	85,585	89,740
Loan Loss Provision	(36,148)	(32,732)	(28,899)	(30,117)
Pre-tax profit	55,988	49,904	56,686	59,624
Tax	(9,622)	(9,808)	(11,337)	(11,925)
Minorities	(359)	(423)	(518)	(545)
Net profit	46,007	39,673	44,830	47,154
Net profit (adj.)	46,007	39,673	44,830	47,154

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	18	19	19
Total CAR	22	23	24	24
Total Assets/Equity	8	8	8	7
Tangible Assets/Tangible Common Equity	8	8	8	8
Asset Quality				
NPL Ratio	3	3	3	3
Loan Loss Coverage	324	324	319	318
Loan Loss Reserve/Gross Loans	12	12	12	11
Increase in NPLs	10	8	0	(1)
Credit Cost (bp)	135	122	105	108
Liquidity				
Loan/Deposit Ratio	73	73	74	74
Liquid Assets/Short-Term Liabilities	55	54	52	53
Liquid Assets/Total Assets	42	41	41	41

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	47,560	133,813	55,337	56,392
Govt Treasury Bills & Securities	1,108,129	1,040,281	1,078,396	1,122,618
Interbank Loans	771,194	772,239	788,386	810,841
Customer Loans	2,320,306	2,386,626	2,442,028	2,498,613
Investment Securities	104,951	109,523	112,394	114,799
Derivative Receivables	98,058	91,673	91,924	93,528
Associates & JVs	1,021	1,086	1,086	1,086
Properties & Other Fixed Assets	77,066	75,088	74,636	75,650
Goodwill & Intangible Assets	22,516	20,966	20,966	20,966
Other Assets	55,541	75,263	79,067	80,767
Total assets	4,606,342	4,706,557	4,744,218	4,875,260
Interbank Deposits	314,644	355,235	364,562	371,579
Customer Deposits	3,196,284	3,261,276	3,310,728	3,371,883
Bills Payable	6,805	6,409	6,409	6,409
Derivative Payables	65,868	78,526	83,572	86,077
Subordinated Debts	244,009	210,084	159,067	190,367
Other Liabilities	203,048	194,814	193,889	195,768
Total liabilities	4,030,659	4,106,344	4,118,227	4,222,085
Shareholders' funds	573,923	598,356	624,088	651,192
Minority interest	1,761	1,857	1,904	1,984
Total Equity & Liabilities	4,606,342	4,706,557	4,744,218	4,875,260

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	(8)	(8)	6	6
Fees & Commissions, yoy Chg	(2)	2	4	5
Pre-Provision Profit, yoy Chg	1	(10)	4	5
Net Profit, yoy Chg	2	(14)	13	5
Customer Loans, yoy Chg	(4)	3	2	2
Profitability				
Net Interest Margin	3	3	3	3
Cost/Income Ratio	48	49	49	49
Adjusted ROA	1	1	1	1
Reported ROE	8	7	7	7
Adjusted ROE	8	7	7	7
Valuation				
P/BV	1	1	1	1
P/NTA	1	1	1	1
Adjusted P/E	8	9	8	7
Dividend Yield	5	5	6	6

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at [this link](#) or by scanning the QR code below:



The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."