

# Bangkok Commercial Asset Management (BAM TB)

CEO Is Positive On Debt Collection Outlook And Confident In Achieving 2026's Debt Collection Target

## Highlights

- Positive tone during the analyst meeting.
- Two significant debt collections are awaiting in 2026.
- Maintain BUY with a higher target price of Bt9.50 (previously: Bt9.00).

## Analysis

- **Positive tone during the analyst meeting.** We came away from Bangkok Commercial Asset Management's (BAM) analyst meeting on 2 Mar 26 with a positive view. The CEO is quite positive on the debt collection outlook in 2026.
- **Announced 2026's debt collection target.** BAM set a debt collection target of Bt17.9b in 2026, which consists of: a) NPL of Bt10.5b, and b) non-performing assets (NPA) of Bt7.4b. The CEO guided that this Bt17.9b debt collection is the base case and a conservative target. The CEO is confident in achieving this target without relying on big ticket sizes.
- **Two significant debt collections are awaiting.** The CEO guided that two significant debt collections are pending in 2026. The first, sized at Bt1.3b-1.5b, is expected to complete in 2Q26 and is 99% progressed. The second, sized at Bt800m-Bt1.3b, is in the process of debt collection.
- **CEO guides a lower ECL in 2026.** The CEO guided that there should be a significant yoy decline in expected credit loss (ECL) due to strong governance in the past and results from the ECL improvement system project, which will reflect in 2026's performance. The CEO guided that the new ECL system should not require full provisioning because BAM can manage debt and realise recovery value through sales and other recovery methods.
- **Expect to see an increase in dividend policy.** The CEO guided that BAM is proposing a board approval to increase the dividend policy from 40% to 60-70%. However, the CEO has not committed to a payout ratio of 90% to sustain performance from 2025 onwards. BAM is studying a shift from annual to semi-annual dividend payments, though this is not yet confirmed. In our view, there is a high probability of maintaining a DPS of Bt0.50 going forward.

## Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net Interest Income	6,967	6,651	6,262	6,179	6,084
Non-Interest Income	2,612	3,586	3,230	3,199	3,192
Net profit	1,602	1,812	1,865	2,022	2,104
Net profit (adj.)	1,602	1,812	1,865	2,022	2,104
EPS (Bt)	0.5	0.6	0.6	0.6	0.7
PE (x)	14.7	13.0	12.7	11.7	11.2
P/B (x)	0.5	0.5	0.5	0.5	0.5
Dividend yield (%)	4.8	7.3	0.0	0.0	0.0
Net Int margin (%)	0.0	0.0	0.0	0.0	0.0
Cost/income ratio (%)	30.4	32.6	35.0	36.2	36.9
Loan loss cover (%)	0.0	0.0	0.0	0.0	0.0
Consensus net profit	-	-	1,933	2,051	n.a.
UOBKH/Consensus (x)	-	-	0.96	0.99	n.a.

Source: Bangkok Commercial Asset Management, Bloomberg, UOB Kay Hian

**BUY** (Maintained)

Share Price	Bt7.30
Target Price	Bt9.50
Upside	30.1%
Previous TP	Bt9.00

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## Stock Data

GICS sector	
Bloomberg ticker:	BAM TB
Shares issued (m):	3,232.0
Market cap (Bt\$m):	23,593.9
Market cap (US\$m):	750.7
3-mth avg daily t'over (US\$m):	3.9

## Price Performance (%)

52-week high/low					Bt8.6/Bt5.7
1mth	3mth	6mth	1yr	YTD	
(8.8)	(4.6)	(10.4)	15.0	(8.8)	

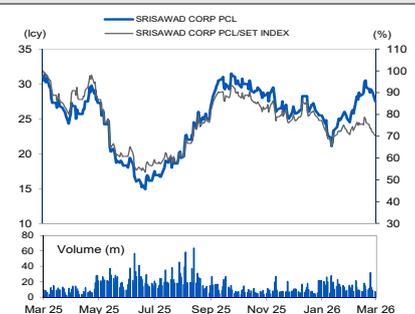
## Major Shareholders

	%
FIDF Funds	45.79
Thai NVDR	2.99
South East Asia UK (Type C) Nominees	2.22

## Balance Sheet Metrics

	%
FY26 NAV/Share (XX\$)	13.9
FY26 Net Debt/Share (XX\$)	n.a

## Price Chart



Source: Bloomberg

## Company Description

Management of NPLs and non-performing assets (NPA).

- **Anticipate seeing more JVs in 2026.** Apart from guidance on two new JVs in 1Q26, the CEO guided that BAM is in the process of dealing with many financial institutions, especially banks. Some banks have proposed switching from setting up new JVs to bilateral agreements granting BAM the right to manage NPLs instead. The CEO also expects Ari Asset Management Company's net profit to grow from Bt107m in 2025 to Bt250m in 2026.
- **4Q25 results recap.** BAM posted a 4Q25 net profit of Bt118m, down 78% yoy and 36% qoq. The results are lower than our and consensus estimates by 57% and 61%, respectively. BAM recognised expected credit losses, which rose 20% yoy in 4Q25. Net profit for 2025 was Bt1.81b, +13.2% yoy.

### 4Q25 Results Recap

Year to 31 Dec (Btm)	4Q25	3Q25	4Q24	qoq chg (%)	yoy chg (%)
Total Cash Collection (NPLs+NPAs)	4,054	3,649	4,251	11.1	(4.6)
Cash Collection (NPLs)	2,085	2,370	2,326	(12.0)	(10.3)
Cash Collection (NPAs)	1,969	1,279	1,925	53.9	2.2
Interest Income - Collected	1,175	1,027	826	14.4	42.3
Interest Income - Accrued	627	770	1,036	(18.6)	(39.5)
Net Interest Income	1,583	1,921	1,693	(17.6)	(6.5)
Non-Interest Income	777	353	696	120.3	11.7
Provision Expenses	(1,216)	(1,372)	(1,011)	(11.4)	20.3
Total Operating Expenses	(1,039)	(734)	(790)	41.6	31.5
Net income	118	184	523	(35.9)	(77.5)
EPS (Bt)	0.04	0.06	0.16	(35.9)	(77.5)
Ratio (%)					
Cash collection to total port (%)	11.4	10.3	11.7	117bp	-28bp
Gain on loans purchased Loans % Cash Collection	23.3	36.9	27.8	-14ppt	-5ppt
NPA margin (%)	38.5	26.3	33.4	12ppt	5ppt
Credit Cost (bp)	602	669	453	-68bp	148bp
Cost to income (%)	43.7	31.6	32.7	1207bp	1098bp

Source: BAM, UOB Kay Hian

## Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt9.50 (previously: Bt9.00)** based on the Gordon Growth Model (cost of equity: 12.0%, long-term growth: 3%). This implies 2026F P/B of 0.64x, which is -0.5SD to its five-year mean.

## Earnings Revision/Risk

- We revise BAM's 2026-28 earnings forecasts upward by 7.3%, 2.6%, and 2.6% respectively, to reflect the brighter outlook from the CEO's guidance.

## Share Price Catalyst

- Upgrade in dividend payout.

## Environment Social Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

### Environmental

- BAM is committed to environmental management.

### Social

- BAM is committed to mitigating potential social impacts.

### Governance

- BAM is committed to conducting its business with integrity and a fairness framework.

## 2026 Financial Targets

	2026 Targets
Total Collection	Bt17.9b
Net Profit	Bt2b
Investment portfolio (AUM)	Bt600b

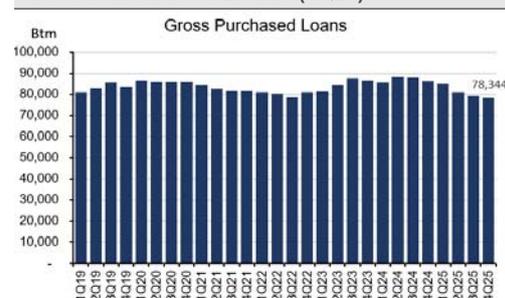
Source: BAM, UOB Kay Hian

## 2025 Financial Targets

	2025 Actual	2025 Targets	2024 Actual
Total Collection	Bt17.86b	Bt17.8b	Bt17.8b
NPLs collection	Bt10.7b	Bt10.8b	Bt10.8b
NPAs collection	Bt7.2b	Bt7b	Bt7b

Source: BAM, UOB Kay Hian

## Gross Purchased Loans (4Q25)



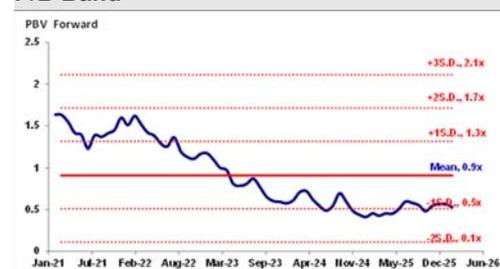
Source: BAM, UOB Kay Hian

## PE Band



Source: UOB Kay Hian

## P/B Band



Source: UOB Kay Hian

### Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest Income	9,812	9,011	8,609	8,219
Interest Expense	(3,161)	(2,748)	(2,430)	(2,135)
Net Interest Income	6,651	6,262	6,179	6,084
Fees & Commissions	3,586	3,230	3,199	3,192
Other Income	0	0	0	0
Non-Interest Income	3,586	3,230	3,199	3,192
Total Income	10,237	9,492	9,378	9,276
Staff Costs	(1,643)	(1,500)	(1,512)	(1,496)
Other Operating Expense	(1,691)	(1,826)	(1,882)	(1,924)
Pre-Provision Profit	6,903	6,165	5,984	5,857
Loan Loss Provision	(4,639)	(4,010)	(3,662)	(3,443)
Pretax profit	2,264	2,156	2,322	2,414
Tax	(452)	(291)	(301)	(310)
Minorities	0	0	0	0
<b>Net profit (adj.)</b>	<b>1,812</b>	<b>1,865</b>	<b>2,022</b>	<b>2,104</b>

### Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	2,121	1,682	1,542	1,441
Govt Treasury Bills & Securities	0	0	0	0
Interbank Loans	0	0	0	0
Customer Loans	69,190	64,143	59,752	55,491
Investment Securities	689	689	689	689
Derivative Receivables	0	0	0	0
Associates & JVs	0	0	0	0
Fixed assets (incl. prop.)	41,764	42,775	44,628	46,337
Other assets	21,500	20,096	19,218	18,411
<b>Total Assets</b>	<b>135,265</b>	<b>129,386</b>	<b>125,829</b>	<b>122,369</b>
Interbank Deposits	0	0	0	0
Customer Deposits	0	0	0	0
Derivative Payables	0	0	0	0
Debt equivalents	88,076	82,538	78,809	75,186
Other Liabilities	3,038	2,549	2,386	2,269
<b>Total Liabilities</b>	<b>91,114</b>	<b>85,088</b>	<b>81,194</b>	<b>77,455</b>
Shareholders' equity	44,914	45,061	45,397	45,677
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>136,028</b>	<b>130,148</b>	<b>126,591</b>	<b>123,132</b>

### OPERATING RATIOS

Year to 31 Dec (%)	2025	2026F	2027F	2028F
<b>Capital Adequacy</b>				
Tier-1 CAR	n.a.	n.a.	n.a.	n.a.
Total CAR	n.a.	n.a.	n.a.	n.a.
Total assets/equity (x)	3.0	2.9	2.8	2.7
Tangible assets/tangible common	3.0	2.9	2.8	2.7
<b>Asset Quality</b>				
NPL ratio	0.0	0.0	0.0	0.0
Loan loss coverage	n.a.	n.a.	n.a.	n.a.
Loan loss reserve/gross loans	32.5	23.4	23.4	23.4
Increase in NPLs	n.a.	n.a.	n.a.	n.a.
<b>Liquidity</b>				
Loan/deposit ratio	n.a.	n.a.	n.a.	n.a.
Liquid assets/short-term liabilities	n.a.	n.a.	n.a.	n.a.
Liquid assets/total assets	1.6	1.3	1.2	1.2

### Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
<b>Growth</b>				
Net interest income, yoy chg	(4.5)	(5.8)	(1.3)	(1.5)
Fees & commissions, yoy chg	37.3	(9.9)	(1.0)	(0.2)
Pre-provision profit, yoy chg	3.6	(10.7)	(2.9)	(2.1)
Net profit, yoy chg	13.2	2.9	8.4	4.1
Net profit (adj.), yoy chg	13.2	2.9	8.4	4.1
Customer loans, yoy chg	(11.3)	(7.3)	(6.8)	(7.1)
Customer deposits, yoy chg	n.a.	n.a.	n.a.	n.a.
<b>Profitability</b>				
Net interest margin	n.a.	n.a.	n.a.	n.a.
Cost/income ratio	32.6	35.0	36.2	36.9
Adjusted ROA	1.4	1.4	1.6	1.6
Reported ROE	4.1	4.2	4.5	4.7
Adjusted ROE	4.1	4.2	4.5	4.7
<b>Valuation</b>				
P/BV (x)	0.5	0.5	0.5	0.5
P/NTA (x)	17.5	18.3	18.8	19.3
Adjusted P/E (x)	13.0	12.7	11.7	11.2
Dividend Yield	7.3	0.0	0.0	0.0
Payout ratio	95	90	90	91

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