

5M26 Inline; Capitulation Unlocks Entry Point

23 June 2026



BBCA IJ	BUY
Sector	Banks
Price at 22 June 2026 (IDR)	6,225
Price target (IDR)	9,480
Upside/Downside (%)	52.3

Stock Information

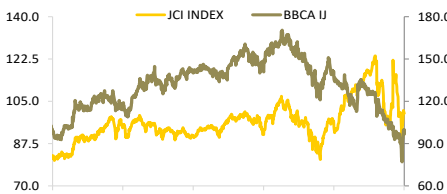
PT Bank Central Asia Tbk has positioned itself as one of the largest transaction banks in Indonesia. The bank provides custodianship, cash management, facilitation for exports and imports, as well as foreign exchange services. Through its subsidiaries, the bank also offers leasing and consumer financing services.

Market cap (IDR bn)	767,387
Shares outstanding (mn)	123,275
52-week range (IDR)	4,820-8,975
3M average daily vol. ('000)	204,135
3M average daily val. (IDR mn)	1,443,392

Shareholders (%)

PT Dwimuria Invest. Andalan	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	4.6	(8.1)	(28.5)

Bank-only net profit hit IDR25.68 tn, locking in 42.7% (KBVS)/41.7% (cons.) '26F and comfortably in line with the 38.4% 5YR historical average run-rate. Total loans grew +4.9% YoY, with +8.8% YoY growth in total TPF, supported by double-digit CASA expansion (+11.4% YoY) that starved out expensive funding. While 5M26 NIM saw -47bps YoY compression to 5.32%, it remains slightly higher than 4M26's 5.28% and sits right at BBCA's '26F 5.4% guidance floor. CoC improved to a negligible 0.3%, handily beating management's full-year guidance floor. Looking forward, BI's 100bps rate hike could offer asset repricing by 4Q26 and become a significant margin tailwind. Furthermore, domestic noise and foreign outflows have triggered a brutal -40.7% peak-to-trough plunge (high-low YTD26), completely decoupling from fundamentals. Our GGM stress test (+100 bps risk-free rate, +240 bps ERP) establishes an absolute structural floor of IDR6,860. Maintain BUY with GGM-based TP of IDR9,480 (3.8x '26F P/B); the stock currently trades at 2.5x '26F P/B, below its -2SD.

Provision drops offset flat NII; in line 5M26

BBCA's 5M25 bank-only earnings reached IDR25.68 tn (+2.1% YoY), mainly driven by a sharp drop in provisions (-13.6% YoY) from IDR1.41tn to IDR1.21tn. Net interest income came in flat (-0.5% YoY) due to softer loan yield, while non-interest income (+8.8% YoY) and well-managed cost-to-income ratio helped support positive PPop growth to IDR32.62 tn (+2.0% YoY). All in all, 5M26 earnings came in line with our '26F and consensus expectation at a run-rate of 42.7%/41.7% vs 5YR historical average of 38.4%.

Mid-single digit loan growth; Resilience solid deposit mix

Total loans grew by +4.9% YoY (from IDR924.26 tn to IDR969.09 tn). On the liabilities front, total TPF grew by +8.8% YoY, driven by solid double-digit CASA growth of +11.4% YoY (reaching IDR1,069.71 tn). This was largely fueled by robust demand deposit growth of +16.8% YoY. YTD, the bank's high-cost funding segment (time deposits) remained relatively flat at +0.3% YoY, but declined significantly on a yearly basis (-3.9% YoY) to IDR187.14 tn. This shift should help suppress the bank's funding costs and underpin '26F margins.

Improving CoC and CIR; slightly higher NIM on MoM basis

Amid the prolonged uncertainty, margin pressure sound acceptable. The 5M26 NIM softened by ~47 bps YoY, dropping from 5.8% to 5.32%. However, this is still close to BBCA's '26F lower-bound guidance of 5.4% and represents a slight MoM improvement from 5.28% in 4M26. Cost of credit continued to improve, dropping to 0.3% compared to 0.4% in 5M25, while cost-to-income ratio remains well-managed at 28.6% vs 28.7% in 5M25 and improving significantly from 30.7% at the end of last year (12M25). On the profitability front, RoE remain stood at healthy level (23.9%) and in line with our '26F RoE assumptions for GGM valuation.

Expect another in line 1H26F earnings print

Two consecutive months of in-line bank-only earnings (April and May '26) will play a vital role in shaping both bank-only and consolidated earnings for 1H26. Even assuming Jun' 26 bank-only earnings match May's level of IDR4.87 tn, BBCA's half-year earnings would come in relatively flat (+0.7% YoY), which still aligns with both our estimates and consensus expectations. We forecast 1H26F consolidated net profit to reach IDR29.61 tn, falling roughly 84.7 bps below consensus 1H26F expectations.

Early repricing unlocks upper-bound '26F NIM potential

Bank Indonesia's year-to-date 100 bps rate hike to 5.75% serves as a vital catalyst for margin recovery. While policy transmission is generally three to six months delayed, BBCA's proactive and selective loan repricing should help to speed up asset yield improvements as early as 4Q26. With the tailwinds, the bank's '26F NIM expectation of 5.4%-5.6% is looking increasingly achievable, with potential upsides to reach the upper bound of guidance. Also of note is the bank's 5M26 CoC of 0.3% comfortably beating its '26F guidance (0.4%-0.5%).

Market sell-off overshoots fundamentals

2026 has been a brutal year for BBCA; the stock has slid -22.0% YTD and suffered a steep -40.7% drop from its YTD26 peak. This correction has been heavily driven by weakening foreign investor confidence and prolonged domestic headwinds. However, BBCA's structurally solid balance sheet and proven historical resilience have completely decoupled from its '26F valuation. To test the structural support of the stock, we modeled a GGM stress test by raising the risk-free rate by +100 bps and adding a hefty +240 bps to the equity risk premium (ERP). This highly defensive scenario yielded a structural valuation floor of IDR6,860, indicating substantial upside that firmly reinforces our BUY recommendation.

Maintain BUY

We maintain our BUY rating with a GGM-based target price of IDR9,480 (3.8x '26F P/B), while the stock currently trades at a highly discounted 2.5x '26F P/B, falling well below its -2SD. Potential catalysts are: a) higher-than-expected loan growth and carefully selected loan repricing lead to stronger NIM, b) soft blended funding cost, and c) softer-than-anticipated CoC on a lesser front load and steady AQ improvement. Key downside risks: a) softer than expected loan growth on prolonged uncertainty and lower than expected repricing loan yield on rising competition; b) limited room for CoF adjustments; c) higher-than-expected CoC (excessive front-loading); d) deeper-than-anticipated drop in NIM; e) persistently weak foreign investor trust, flat market confidence, and a sustained weakening of the IDR/USD exchange rate.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net Interest income	82,264	85,548	89,856	95,108	102,460
Non int. Income	26,042	26,458	27,293	29,450	32,878
Operating income	108,307	112,006	117,149	124,558	135,338
Pre-provision profit	70,252	75,272	79,319	84,713	92,023
Net income (IDR bn)	54,836	57,537	60,162	64,279	69,793
EPS (IDR)	445	467	488	521	566
EPS growth (%)	12.7	4.9	4.6	6.8	8.6
PER (x)	14.0	13.3	12.8	11.9	11.0
PBV (x)	2.9	2.7	2.5	2.4	2.2
Div. Yield (%)	4.8	5.1	5.5	6.3	6.8
RoE (%)	24.6	23.3	23.4	24.1	25.0

Source: Company, KBVS Research

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Exhibit 2: BBCA 5M26 bank only results – selected profit and loss

Selected P&L (IDRbn)	5M25	5M26	YoY (%)	May-25	May-26	YoY (%)	Apr-26	May-26	MoM (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons.
Interest income	38,295	38,409	0.3	7,950	7,872	(1.0)	7,647	7,872	3.0				
Interest expense	(5,175)	(5,456)	5.4	(1,095)	(1,105)	0.9	(1,144)	(1,105)	(3.4)				
Net interest income	33,120	32,953	(0.5)	6,855	6,767	(1.3)	6,502	6,767	4.1				
Non Int Inc & others	11,701	12,728	8.8	1,942	2,187	12.6	2,203	2,187	(0.7)				
Total Income	44,821	45,681	1.9	8,798	8,955	1.8	8,705	8,955	2.9				
Opex	(12,851)	(13,061)	1.6	(2,561)	(2,693)	5.1	(2,759)	(2,693)	(2.4)				
PPOP	31,971	32,620	2.0	6,236	6,262	0.4	5,947	6,262	5.3				
Provision	(1,411)	(1,218)	(13.6)	(136)	(150)	11	28	(150)	(628)				
Net Profit	25,163	25,683	2.1	4,951	4,866	(1.7)	4,799	4,866	1.4	60,162	42.7	61,529	41.7

Source: Company, KBVS Research

Exhibit 3: BBCA 5M26 bank only results – selected profit and loss (monthly stand-alone)

Selected P&L monthly stand-alone (IDRbn)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	May-25	May-26 YoY (%)	Apr-26	May-26	MoM (%)
Interest income	7,742	7,244	7,904	7,647	7,872	7,950	7,872 (1.0)	7,647	7,872	3.0
Interest expense	(1,115)	(1,014)	(1,078)	(1,144)	(1,105)	(1,095)	(1,105) 0.9	(1,144)	(1,105)	(3.4)
Net interest income	6,628	6,230	6,826	6,502	6,767	6,855	6,767 (1.3)	6,502	6,767	4.1
Non Int Inc & others	2,212	2,051	4,075	2,203	2,187	1,942	2,187 12.6	2,203	2,187	(0.7)
Total Income	8,839	8,280	10,902	8,705	8,955	8,798	8,955 1.8	8,705	8,955	2.9
Opex	(2,438)	(2,811)	(2,361)	(2,759)	(2,693)	(2,561)	(2,693) 5.1	(2,759)	(2,693)	(2.4)
PPOP	6,402	5,469	8,541	5,947	6,262	6,236	6,262 0.4	5,947	6,262	5.3
Provision	(262)	(229)	(605)	28	(150)	(136)	(150) 10.6	28	(150)	(628.0)
Net Profit	4,998	4,230	6,790	4,799	4,866	4,951	4,866 (1.7)	4,799	4,866	1.4

Source: Company, KBVS Research

Exhibit 4: BBCA 5M26 bank only results – selected balance sheet

Selected BS (IDRbn)	1M26	2M26	3M26	4M26	5M26	5M25	5M26 YoY (%)	1M26	5M26	YTD (%)
Total Loan	948,957	953,224	962,123	965,017	969,098	924,262	969,098 4.9	948,957	969,098	2.1
Total Assets	1,559,675	1,563,219	1,590,091	1,564,904	1,592,981	1,467,183	1,592,981 8.6	1,559,675	1,592,981	2.1
Total Liability	1,284,351	1,283,750	1,339,336	1,309,628	1,333,110	1,219,341	1,333,110 9.3	1,284,351	1,333,110	3.8
Total Equity	275,324	279,469	250,755	255,276	259,871	247,842	259,871 4.9	275,324	259,871	(5.6)
Total deposits	1,225,423	1,227,768	1,261,082	1,246,053	1,256,848	1,155,217	1,256,848 8.8	1,225,423	1,256,848	2.6
Demand deposits	432,451	431,516	447,810	432,687	444,329	380,484	444,329 16.8	432,451	444,329	2.7
Savings deposits	606,455	609,997	626,106	626,142	625,379	580,097	625,379 7.8	606,455	625,379	3.1
Time Deposits	186,517	186,256	187,167	187,225	187,140	194,636	187,140 (3.9)	186,517	187,140	0.3
CASA	1,038,906	1,041,513	1,073,915	1,058,828	1,069,708	960,581	1,069,708 11.4	1,038,906	1,069,708	3.0

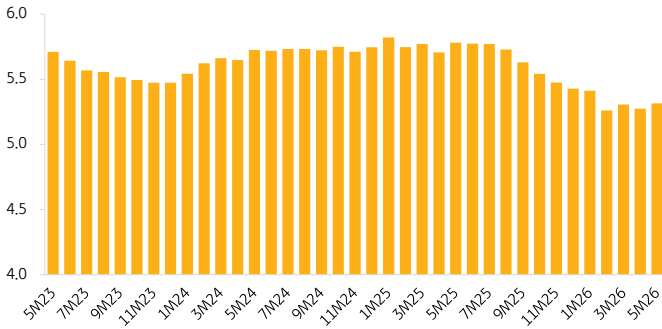
Source: Company, KBVS Research

Exhibit 5: BBCA 5M26 bank only results – selected key performance metrics adjusted / est. / calculation (%)

Selected key ratios	1M26	2M26	3M26	4M26	5M26	5M25	5M26 YoY (%)	1M26	5M26	YTD (%)
NIM	5.4	5.3	5.3	5.3	5.3	5.8	5.3 (0.5)	5.4	5.3	(0.1)
Cost of credit	0.3	0.3	0.5	0.3	0.3	0.4	0.3 (0.1)	0.3	0.3	(0.0)
CASA (IDRbn)	1,038,906	1,041,513	1,073,915	1,058,828	1,069,708	960,581	1,069,708 11.4	1,038,906	1,069,708	3.0
CASA	84.8	84.8	85.2	85.0	85.1	83.2	85.1 2.0	84.8	85.1	0.3
Loan to deposits	77.4	77.6	76.3	77.4	77.1	80.0	77.1 (2.9)	77.4	77.1	(0.3)
Cost to income	27.6	30.7	27.2	28.2	28.6	28.7	28.6 (0.1)	27.6	28.6	1.0
RoA	3.9	3.5	4.1	4.0	3.9	4.1	3.9 (0.2)	3.9	3.9	0.0
RoE	21.9	20.0	24.2	24.7	23.9	24.6	23.9 (0.7)	21.9	23.9	2.0
Mkt sec to total asset	27.6	28.5	28.0	27.2	27.2	25.2	27.2 2.0	27.6	27.2	(0.4)
Loan to asset	60.8	61.0	60.5	61.7	60.8	63.0	60.8 (2.2)	60.8	60.8	(0.0)

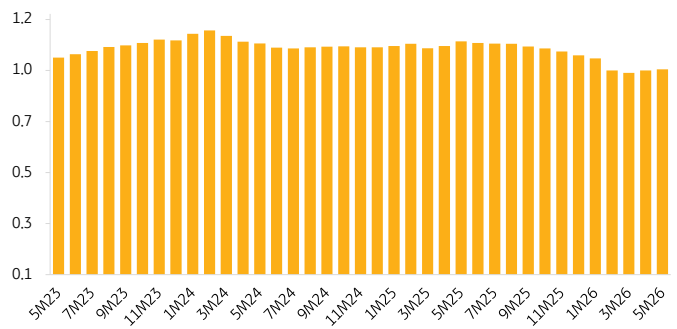
Source: Company, KBVS Research

Exhibit 6: NIM pressure continues, yet expect arrive within '26F guidance



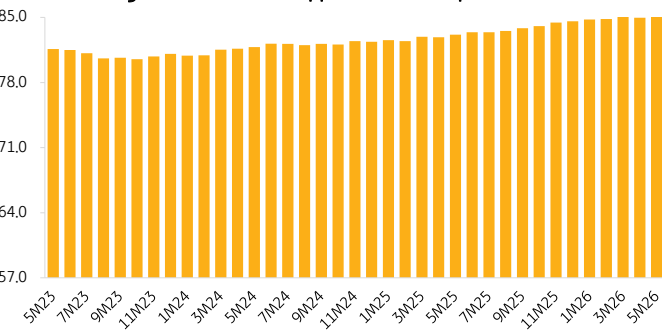
Source: Company, KBVS Research

Exhibit 7: Expect ongoing softer funding cost



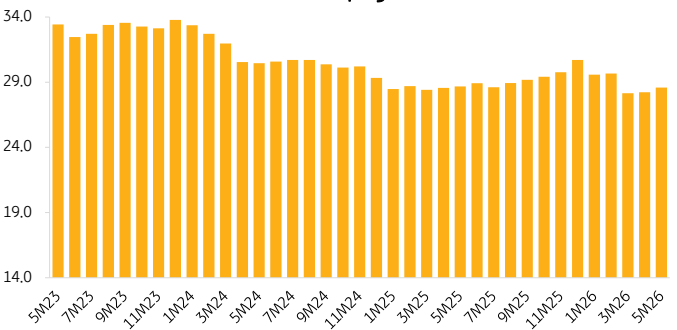
Source: Company, KBVS Research

Exhibit 8: Steady robust CASA to supports '26F NIM performance



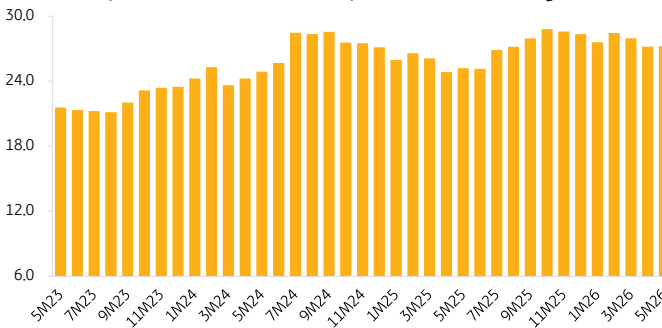
Source: Company, KBVS Research

Exhibit 9: Cost to income will continue play vital role



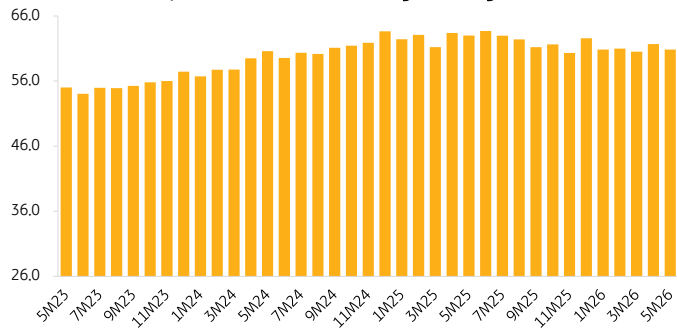
Source: Company, KBVS Research

Exhibit 10: Expect marketable securities portion to consistently softer... (%)



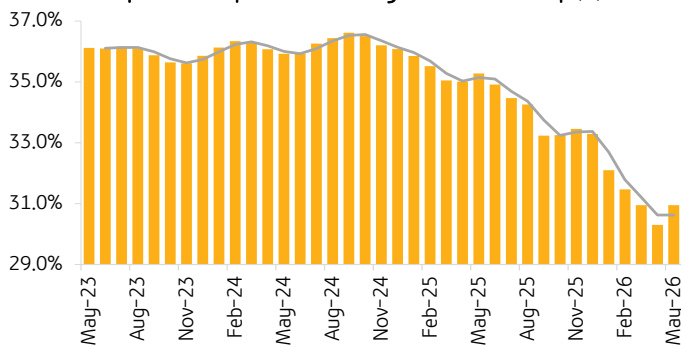
Source: Company, KBVS Research

Exhibit 11: ...and help loan to asset increase significantly (%)



Source: Company, KBVS Research

Exhibit 12: Expect milder pressure on foreign stocks ownership (%)



Source: Company, KBVS Research

Exhibit 13: Currently trades at 2.5x '26F P/B, or below its -2SD of 2.8x '26F P/B



Source: Company, KBVS Research

FINANCIAL TABLES

Exhibit 14: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Interest income	94,796	98,913	104,056	110,565	119,222
Interest expenses	(12,532)	(13,364)	(14,200)	(15,457)	(16,762)
Net interest income	82,264	85,548	89,856	95,108	102,460
Non-interest income	26,042	26,458	27,293	29,450	32,878
Operating expenses	(38,054)	(36,734)	(37,830)	(39,845)	(43,315)
Pre-provision operating profit	70,252	75,272	79,319	84,713	92,023
Loan loss provision	(2,034)	(4,011)	(4,839)	(4,781)	(5,238)
Pretax Profit	68,218	71,261	74,480	79,932	86,785
Income Tax Expenses	(13,367)	(13,698)	(14,293)	(15,627)	(16,966)
Net profit	54,836	57,537	60,162	64,279	69,793

Exhibit 15: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Assets					
Cash	29,316	25,305	24,969	25,833	26,817
Current Account at BI	36,408	47,768	55,649	66,535	84,465
Interbank Loans	19,812	15,145	18,334	21,266	24,804
Govt Treas Bills & Sec	265,839	300,881	341,820	378,548	414,767
Investment Securities	126,617	143,742	181,073	212,039	253,501
Loans	888,379	962,141	1,024,415	1,117,377	1,232,469
Fixed Assets	28,251	28,474	28,474	28,474	28,474
Other assets	54,679	63,371	71,003	72,011	75,450
Total Asset	1,449,301	1,586,829	1,745,736	1,922,082	2,140,747
Liabilities					
Interbank Deposit	3,656	3,966	4,402	4,920	5,536
Customer Deposit	1,133,612	1,249,159	1,386,359	1,549,467	1,743,694
Debts Sec and Subordinates	500	65	65	65	65
Other Liabilities	48,698	51,951	50,761	46,007	46,474
Total liabilities	1,186,466	1,305,141	1,441,587	1,600,458	1,795,769
Equity					
Capital Stock	1,541	1,541	1,541	1,541	1,541
Additional Paid-in Capital	5,549	5,492	5,492	5,492	5,492
Retained Earnings	243,679	263,189	284,422	301,869	322,419
Other Equity	11,871	11,244	12,448	12,449	15,228
Shareholder's Equity	262,641	281,466	303,903	321,352	344,680
Non-controlling Interest	194	221	246	272	298
Total Equity	262,835	281,688	304,149	321,624	344,978

Exhibit 16: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
NIM (%)	5.8	5.7	5.5	5.6	5.7
LDR (%)	81.3	79.5	76.4	74.6	73.1
CASA (%)	81.5	83.7	85.6	87.4	89.1
NPL (%)	1.7	1.7	1.60	1.60	1.57
ROAE (%)	24.6	23.3	23.4	24.1	25.0
ROAA (%)	3.8	3.8	3.6	3.5	3.4
CAR (%)	29.1	30.4	29.8	29.3	29.9
BVPS (IDR)	2,131	2,283	2,465	2,607	2,796
PER (x)	14.0	13.3	12.8	11.9	11.0
PBV (x)	2.9	2.7	2.5	2.4	2.2
Div. Yield (%)	4.8	5.1	5.5	6.3	6.8

Source: Company, KBVS Research

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Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Jakarta - Pluit

Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Malang

Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin

Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Padang

Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Medan

Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Investment Gallery

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Semarang
Jl. Jati Raya No. D6,
Srandol Wetan, Banyumanik,
Semarang 50263
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Salatiga
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Salatiga 50711
T. (0298) 313007

Jambi
Jl. Orang Kayo Hitam
No. 48 B
Jambi Timur 36123
T. (0741) 3068533