

Inline 9M25 earnings amid the continuing pressure

21 October 2025



BBCA IJ	BUY
Sector	Banks
Price at 20 Oct 2025 (IDR)	7,875
Price target (IDR)	11,080
Upside/Downside (%)	40.7

Stock Information

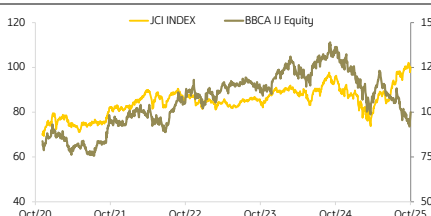
PT Bank Central Asia Tbk has positioned itself as one of the largest transaction banks in Indonesia. The bank provides custodianship, cash management, facilitation for exports and imports, as well as foreign exchange services. Through its subsidiaries, the bank also offers leasing and consumer financing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

Market cap (IDR bn)	924,563
Shares outstanding (mn)	123,275
52-week range (IDR)	7,225-10,850
3M average daily vol. ('000)	145,302
3M average daily val. (IDR mn)	1,156,556

Shareholders (%)

PT Dwimuria Invest. Andalan	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	0.96	(6.5)	(26.7)

BBCA's confirm its position as a resilient sector leader, delivering 5.7% yoy earnings growth despite sector pressures. 9M25 earnings came in line with our '25F and cons PATMI forecast (76.2%/74.9%). Total loans grew 7.6% yoy (within guidance and beating our forecast) led by a robust 10.4% increase in corporate segment. While consumer segment pressures (driven by a drop in vehicle loans) necessitated a +56.4% jump in provisions (tempering PATMI growth), the bank's operational efficiency remains healthy with PPoP grew 7.9% yoy, supported by NII (+12.4% yoy) and favorable funding mix (TD drop 2.1% yoy). Crucially, NIM held flat at 5.8%, yet beating our forecast and in line with BBKA's guidance. AQ continues to improve, with NPL improving to 2.1% vs 2.2% in 2Q25. BBKA simultaneously utilizing a large capital return program (buyback & dividend) to signal strong management conviction and provide direct support for the stock price. The bank is well-positioned to meet or exceed full-year targets with manageable Q4 pressure. Maintain BUY, GGM-based TP of IDR11,080 (4.8x '25F P/B), while currently at 3.4x (below -2SD).

Another inline quarterly earnings

Despite ongoing sector pressure, BBKA delivered positive 9M25 earnings growth (5.7% yoy), rising to IDR 43.4tn. Top line grew 5.2% yoy to IDR 63.9tn, supported by well loan growth (+7.6% yoy) and an exceptional contribution from NII (+12.4% yoy). Operating income increased 6.9% yoy, while a softer CIR helped PPoP grow healthily at 7.9% yoy. The modest single-digit growth in PATMI was primarily due to a noteworthy +56.4% yoy increase in provisions, reflecting persistent pressure in the consumer portfolio (auto and mortgage). Nevertheless, in all the 9M25 earnings are remain inline, establishing a run-rate of 76.2%/74.9% compared to average of 73.6%.

Healthy loans growth continues; TPF remain driven by robust CASA

Total loans grew 7.6% yoy to IDR944 trillion, surpassing our '25F forecast (6.6% yoy) and hitting the management guidance range of 6%-8% yoy. Corporate loans drove growth, increasing 10.4% yoy to IDR 436.9tn, supported by strong investment segment (+17% yoy). Consumer Loans experienced soft growth due to flattish mortgages (+0.8% qoq) and a decline in vehicle loans (-6.1% qoq), which aligns with overall auto sales trends. Total TPF grew 7.0% yoy, significantly supported by a 14.5% yoy increase in CA segment. CASA grew 9.1% yoy, reflecting the strength of BBKA's transaction banking. Notably, high-cost funds (TD) decreased by -2.1% yoy, a trend expected to continue.

Well-managed NIM, improving CoC with stable RoE

Amid the softer funding cost and lighter liquidity condition, the flat NIM should still deserved an applause. 9M25 NIM of 5.8% is still inline with '25F guidance and beating our '25F NIM for BBKA. CoC inched up, yet the bank expect it remain manageable at around 50bps or inline with our '25F CoC for BBKA of 0.5%. Gross NPL is well-managed at 2.1% and improving on quarterly basis from 2.2% in 2Q25. Loan at Risk (LAR) continued its positive trend (-60bps), improving to 5.5% from 6.1% in 9M24 and 20bps better to 5.5% vs 5.7% in 2Q25. We also like BBKA's steady RoE at 24.1%, which remain above our '25F expectation of 23.8%.

Expect another inline quarterly earnings

BBKA's proactive provisions reinforce a stable outlook, with our '25F CoC (0.50%) expected to continue settle in line (the bank's 4Q25F: 50 bps). While AI adoption incurs higher initial investment, the enhanced efficiency and effectiveness are projected to offset costs by delivering a superior customer experience and amplifying transactional banking revenue. Additionally, with BBKA 3Q25 PATMI (IDR 14.4tn), arrive above our '25F net income for BBKA and inline with cons. (3.26%/1.54%), BBKA only need to record a modest 4Q25 run-rate of 23.8% (KBVS) and 25.0% (cons.) or 2.6% and 1.3% lower than 3yr average.

Short term catalysts on interim dividend and buyback

The impending share buyback announcement by the bank, earmarking a maximum of IDR 9tn at a price ceiling of IDR 9,200, represents a potent dual catalyst for short-term stock appreciation. The convergence of the share repurchases and the anticipation of a sizable interim dividend forms a powerful fundamental tailwind. The buyback acts as a direct liquidity sponge for selling pressure, while the dividend reinforces the fundamental investment thesis, likely driving a tactical re-rating towards the IDR 9,200 ceiling as the market prices in the capital return. This action underscores BBKA's commitment to optimizing its capital structure in favor of its equity holders.

Maintain BUY; TP IDR11,080.

The crucial catalyst for '26F earnings will be a better operational environment driving higher loan volumes to counteract the upcoming low-interest rate cycle. While loan yield negotiation could begin sooner than anticipated, we expect the impact will primarily hit the 2Q26 book. Assuming a slower transmission of lower CoF could not offset enough loan yield, then we might see another flat NIM in 1Q26. Yet, given 9M25 NIM (5.8%) beat our forecast by 30bps, even assuming a 20bps drop in 1Q26F NIM (5.6%) would keep our '26F NIM expectation for BBKA at 5.6% firmly on track. We will start roll over our '26F. Maintain BUY with GGM-based TP of IDR11,080 (4.8x '25F P/B), while currently trades (3.4x) at below its -2SD of 3.6x. Key downside risks to our target price include: a) lower-than-expected loan growth; b) faster than expected loan yield adjustment, c) NIM stagnation, d) softer-than-anticipated BI rate cut transmission, higher than expected CoC, f) prolonged wait and see stance, g) stagnation and weakening debtor confidence, h) weakening IDR/USD.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	74,938	82,264	88,166	94,432	101,337
Non int. Income	23,579	26,042	27,858	30,324	33,307
Operating income	98,517	108,307	116,024	124,756	134,644
Pre-provision profit	61,236	70,252	75,729	82,022	88,386
Net income (IDR bn)	48,639	54,836	56,952	62,280	67,591
EPS (IDR)	395	445	462	505	548
EPS growth (%)	19.4	12.7	3.9	9.4	8.5
PER (x)	20.0	17.7	17.0	15.6	14.4
PBV (x)	4.0	3.7	3.4	2.9	2.5
Div. Yield (%)	3.4	3.8	3.8	4.2	4.5
RoE (%)	23.5	24.6	23.8	24.1	24.9

Source: Company, KBVS Research

Analyst

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Exhibit 2: BBKA 1H25 Selected Profit and Loss, Balance Sheet and Key Ratios

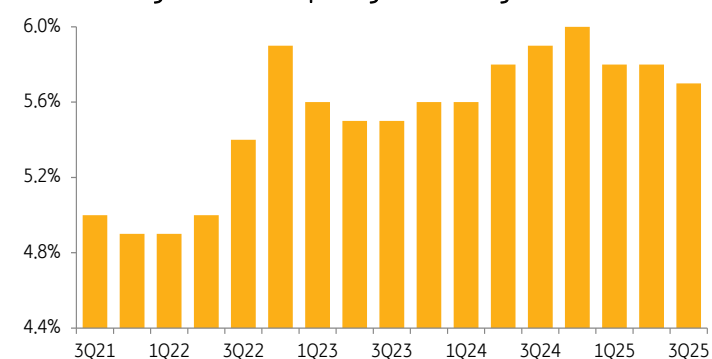
Profit and Loss (IDRtn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons '25F	% to cons.
Net interest income	60.7	63.9	5.2	21.1	21.4	0.3	21.4	(0.1)				
Non-interest income	19.0	21.4	12.4	6.6	7.6	1.0	6.9	9.6				
Total operating income	79.7	85.2	6.9	27.7	29.0	1.3	28.4	2.3				
Total operating expenses	(26.7)	(28.0)	5.0	(9.0)	(9.4)	(0.4)	(9.1)	2.3				
PPoP	53.1	57.3	7.9	18.7	19.6	0.9	19.2	2.3				
Provision	(2.2)	(3.4)	56.4	(1.0)	(1.5)	(0.5)	(0.9)	68.3				
Net profit	41.1	43.4	5.7	14.2	14.4	0.2	14.9	(3.3)	57.0	76.2%	57.9	74.9%

Balance Sheet (IDRtn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)	YtD (%)
Gross loans	877.0	944.0	7.6	877.0	944.0	7.6	959.0	(1.6)	2.4
Current accounts	352.0	403.0	14.5	352.0	403.0	14.5	385.0	4.6	11.4
Saving deposits	563.0	596.0	5.8	563.0	596.0	5.8	597.0	(0.1)	6.0
Time deposits	210.0	206.0	(2.1)	210.0	206.0	(2.1)	208.0	(0.9)	-1.8
Total Deposits	1,125.0	1,205.0	7.0	1,125.0	1,205.0	7.0	1,190.0	1.3	6.3
CASA	915.0	999.0	9.1	915.0	999.0	9.1	982.0	1.7	8.1
Total equity	256.0	276.0	8.1	256.0	276.0	8.1	262.0	5.7	5.2

Selected Key Ratios (%)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)
NIM	5.8	5.8	0.0	5.9	5.7	(0.2)	5.8	(0.1)
CoC	0.4	0.5	0.1	0.6	0.6	n/a	0.5	0.1
CIR	30.4	29.2	(1.0)	30.1	30.1	n/a	29.8	0.3
ROA	3.9	4.0	0.1	4.0	3.7	(0.3)	3.9	(0.2)
ROE	24.7	24.1	(0.6)	24.6	22.0	(2.6)	24.2	(2.2)
CAR	29.3	29.9	0.6	29.3	29.9	0.6	28.4	1.5
CASA	82.2	83.8	1.6	82.2	83.8	1.6	83.4	0.4
NPL gross	2.1	2.1	0.0	2.1	2.1	n/a	2.2	(0.1)
NPL coverage	193.9	166.6	(27.3)	193.9	166.6	(27.3)	167.2	(0.6)
LAR	6.1	5.5	(0.6)	6.1	5.5	(0.6)	5.7	(0.2)

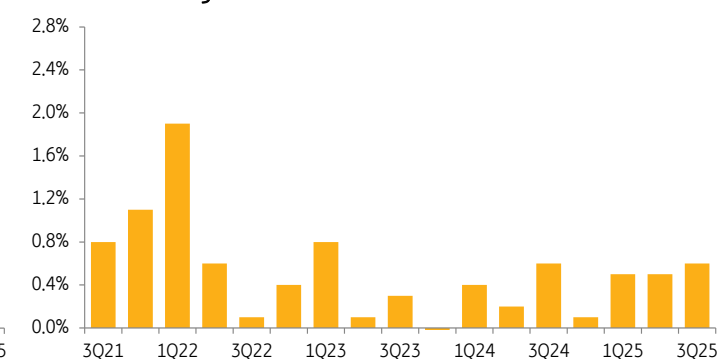
Source: Company, KBVS Research

Exhibit 3: Manageable NIM amid prolonged uncertainty



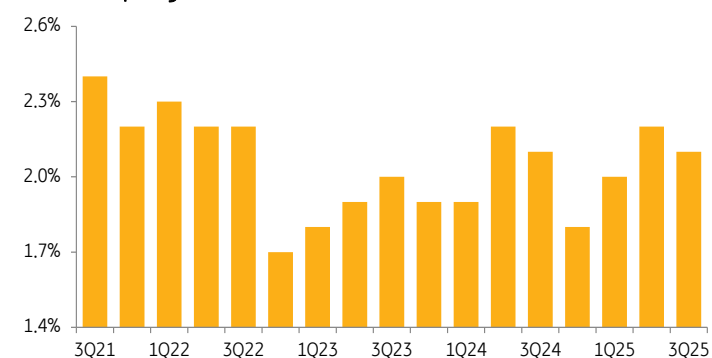
Source: Company, KBVS Research

Exhibit 4: Well-managed credit cost



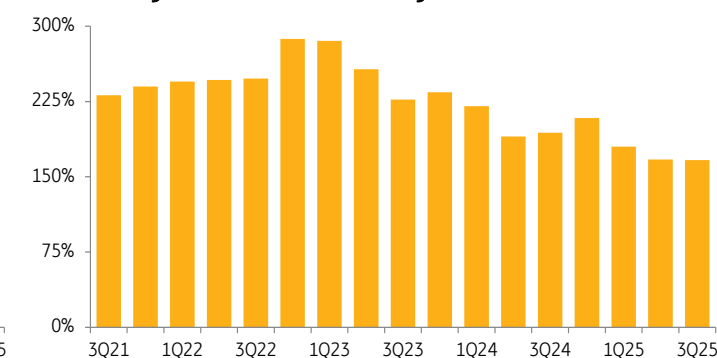
Source: Company, KBVS Research

Exhibit 5: Expect gross NPL to continue softened



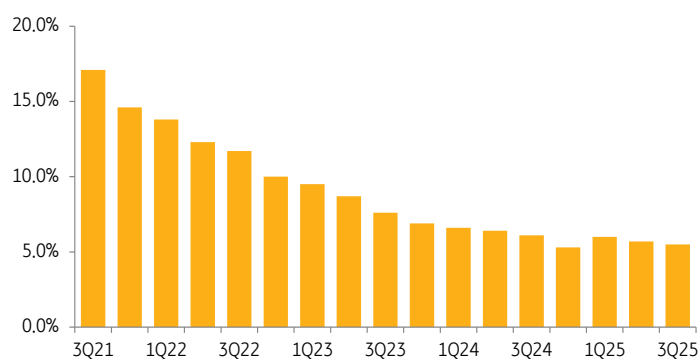
Source: Company, KBVS Research

Exhibit 6: Manageable CIR as additional catalyst



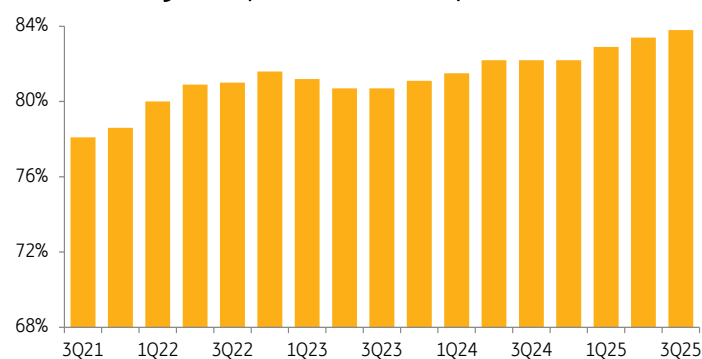
Source: Company, KBVS Research

Exhibit 7: Softer LAR continue intact



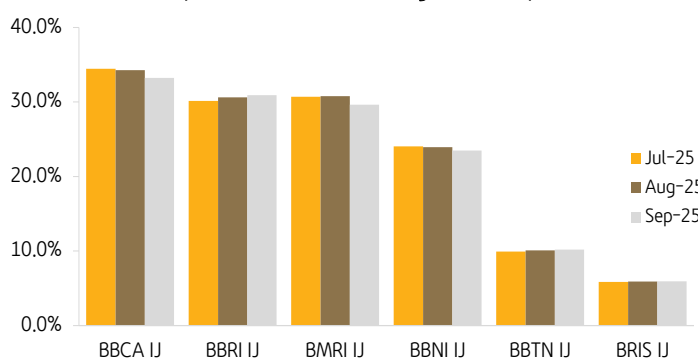
Source: Company, KBVS Research

Exhibit 8: Continuing solid deposit mix to overall help NIM



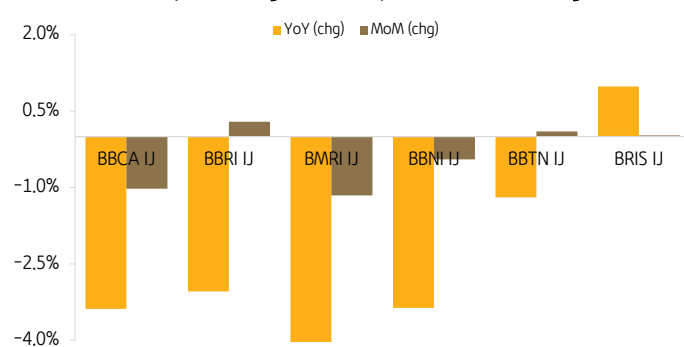
Source: Company, KBVS Research

Exhibit 9: BBKA and peers latest 3 month foreign ownership



Source: Company, KBVS Research

Exhibit 10: BBKA and peers foreign ownership YoY and MoM change



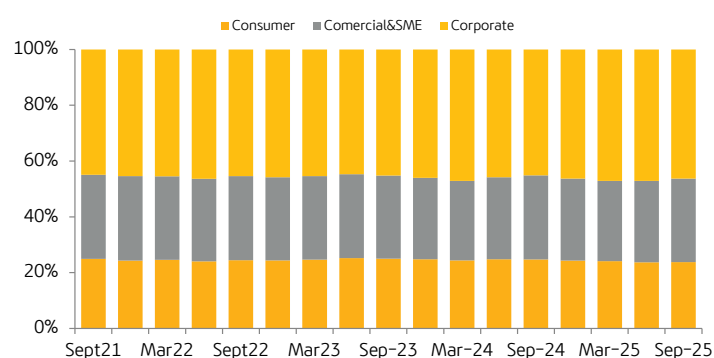
Source: Company, KBVS Research

Exhibit 11: BBKA and peers (stock under coverage) foreign ownership

Ticker	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	YTD 2024	YTD 2025	Incr / (Decr)	Sep-24	Aug-25	Sep-25	YoY (chg)	MoM (chg)
BBKA IJ	35.0	35.3	34.9	34.5	34.3	33.2	0.5	-2.6	-3.1	0.4	34.3	33.2	-3.4	-1.0
BBRI IJ	30.0	30.4	30.1	30.1	30.6	30.9	-2.7	-0.1	2.7	0.3	30.6	30.9	-3.0	0.3
BMRI IJ	31.4	31.6	31.3	30.7	30.8	29.6	0.5	-3.9	-4.4	0.3	30.8	29.6	-4.7	-1.2
BBNI IJ	24.0	24.0	24.1	24.0	23.9	23.5	-0.3	-2.6	-2.3	0.3	23.9	23.5	-3.4	-0.4
BBTN IJ	10.0	10.1	10.1	9.9	10.1	10.2	1.2	-0.5	-1.7	0.1	10.1	10.2	-1.2	0.1
BRIS IJ	4.8	5.3	5.4	5.8	5.9	5.9	1.5	1.3	-0.2	0.0	5.9	5.9	1.0	0.0
Avg	22.5	22.8	22.7	22.5	22.6	22.2	0.1	-1.4	-1.5	0.2	22.6	22.2	-2.5	-0.4

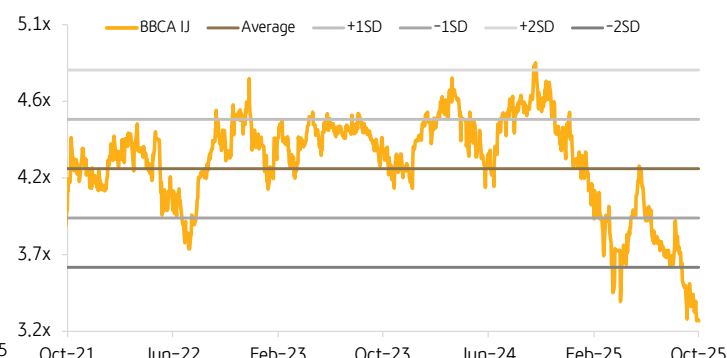
Source: Company, KBVS Research

Exhibit 12: Corporate & consumer segment will continue play crucial role



Source: Company, KBVS Research

Exhibit 13: Currently attractively trading at 3.4x '25F P/B, below its -2SD



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 14: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
wInterest income	87,207	94,796	100,334	106,989	114,258
Interest expenses	(12,269)	(12,532)	(12,167)	(12,557)	(12,921)
Net interest income	74,938	82,264	88,166	94,432	101,337
Non-interest income	23,579	26,042	27,858	30,324	33,307
Operating expenses	(37,281)	(38,054)	(40,295)	(42,734)	(46,258)
Pre-provision operating profit	61,236	70,252	75,729	82,022	88,386
Loan loss provision	(1,056)	(2,034)	(4,881)	(4,546)	(4,305)
Pretax Profit	60,180	68,218	70,849	77,476	84,081
Income Tax Expenses	(11,522)	(13,367)	(13,882)	(15,181)	(16,475)
Net profit	48,639	54,836	56,952	62,280	67,591

Exhibit 15: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	21,702	29,316	29,252	30,964	32,497
Current Account at BI	92,618	36,408	37,819	39,378	44,788
Interbank Loans	10,816	19,812	20,579	21,427	23,003
Govt Treas Bills & Sec	250,233	265,839	275,318	291,983	297,463
Investment Securities	76,662	126,617	132,816	139,666	147,257
Loans	776,331	888,379	945,764	1,011,355	1,098,671
Fixed Assets	26,825	28,251	29,748	31,320	32,970
Other assets	152,921	54,680	61,728	62,352	63,836
Total Asset	1,408,107	1,449,302	1,533,022	1,628,444	1,740,486
Liabilities					
Interbank Deposit	10,071	3,656	7,095	7,387	7,710
Customer Deposit	1,101,863	1,133,612	1,177,526	1,226,067	1,279,668
Debts Sec and Subordinates	500	500	500	500	500
Other Liabilities	53,136	48,698	64,590	58,022	57,740
Total liabilities	1,165,569	1,186,466	1,249,711	1,291,977	1,345,618
Equity					
Capital Stock	1,541	1,541	1,541	1,541	1,541
Additional Paid-in Capital	5,549	5,549	5,549	5,549	5,549
Retained Earnings	222,957	243,679	264,260	320,468	381,469
Other Equity	12,309	11,871	11,751	8,685	6,069
Shareholder's Equity	242,356	262,641	283,101	336,243	394,628
Non-controlling Interest	181	195	209	224	239
Total Equity	242,538	262,836	283,311	336,468	394,868

Exhibit 16: Key performance metrics

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM (%)	5.5	5.8	5.5	5.6	5.7
LDR (%)	73.5	81.3	83.4	85.7	89.2
CASA (%)	80.3	81.5	81.9	82.4	82.8
NPL (%)	1.8	1.7	2.2	2.1	2.1
ROAE (%)	23.5	24.6	23.8	24.1	24.9
ROAA (%)	3.6	3.8	3.8	3.9	4.0
CAR (%)	29.4	31.0	31.5	35.3	0.0
BVPS (IDR)	1,966	2,131	2,296	2,728	3,201
PER (x)	20.0	17.7	17.0	15.6	14.4
PBV (x)	4.0	3.7	3.4	2.9	2.5
Div. Yield (%)	3.4	3.8	3.8	4.2	4.5

Source: Company, KBVS Research

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