

Inline 1H25 earnings

1 August 2025



BBCA IJ	BUY
Sector	Banks
Price at 31 Jul 2025 (IDR)	8,275
Price target (IDR)	11,080
Upside/Downside (%)	33.5

Stock Information

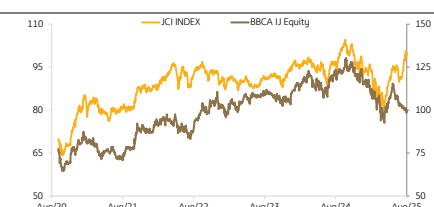
PT Bank Central Asia Tbk has positioned itself as one of the largest transaction banks in Indonesia. The bank provides custodianship, cash management, facilitation for exports and imports, as well as foreign exchange services. Through its subsidiaries, the bank also offers leasing and consumer financing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

Market cap (IDR bn)	1,020,101
Shares outstanding (mn)	123,275
52-week range (IDR)	7,275–10,950
3M average daily vol. ('000)	108,063
3M average daily val. (IDR mn)	958,453

Shareholders (%)

PT Dwimuria Invest. Andalan	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(3.4)	(4.8)	(19.0)

Analyst

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BBCA delivered a resilient 1H25 performance, with net income aligning with ours and cons. '25F (49.5%/48.8% vs 47.38%) despite ongoing macroeconomic pressures. The bank saw exceptional 12.9% yoy loan growth, significantly outpacing the industry and exceeding BBKA's guidance. Funding remains solid with CASA growth of 7.3% yoy, maintaining a robust CASA ratio of 83.4%. Profitability also impressed, with NIM expanding 10bps to 5.8% (meeting '25 guidance) and RoE climbing 40bps. While credit costs slightly increased to 0.5% and NPLs rose 20bps, cumulative yoy NPLs remained at 2.2%, and LAR continued to decline 70bps to 5.7%. Despite anticipated slower loan growth and manageable credit cost increases in a cloudier 2H25, our revisited 2025F model, using multiple valuation methodologies, maintains a BUY recommendation. Our GGM-based TP of IDR11,080 implies a 4.8x '25F P/B, offering an attractive upside from its current trading level of 3.6x (at its -2SD), especially following its recent sell-off.

Inline 1H25 earnings

BBKA has successfully posted a positive performance, with top-line growth of 7.0% YoY, driven by robust volume and an optimized asset mix. Non-Interest Income (Non-II) saw double-digit growth, fueled by a 30.3% YoY surge in trading income and a 9.5% YoY rise in fees and commissions. Operating expenses remained manageable, increasing by only 5.3% YoY and declining 3.6% QoQ. This led to a Pre-Provision Operating Profit (PPoP) growth of 9.1% YoY, achieving a high single-digit increase. The increase in provisions is viewed as acceptable, allowing the bank to maintain a cautious approach amidst the uncertain macroeconomic environment. Overall, BBKA's thorough operating performance resulted in 1H25 net income aligning with both our and consensus 2025 forecasts, reaching 49.5%/48.8% versus 47.38%.

Robust loans growth continues; TPF remain driven by solid CASA

BBKA's loan portfolio demonstrated exceptional 12.9% YoY growth across all segments, significantly outperforming industry trends (Indonesia's loan growth eased to 7.77% in June 2025) and exceeding both management and our 2025F projections. Corporate lending led the charge with a 16.1% YoY surge, followed closely by commercial and SME at 12.9% YoY and 11.1% YoY respectively. However, consumer loans are showing pressure from weakening disposable income, particularly in mortgage and auto segments, although personal loans still saw strong 9.4% YoY growth. On the funding side, CASA growth remained solid at 7.3% YoY, driven by stable current account growth of 9.2% YoY.

NIM expands, RoE climbs, and risks metrics still well managed

BBKA defies profit pressures with a strong performance: Net Interest Margin (NIM) expanded 10bps to 5.8%, meeting 2025F guidance and exceeding our 5.7% forecast. Return on Equity (RoE) climbed 40bps to 25.2%. A robust Current Account and Savings Account (CASA) ratio of 83.4% (+120bps YoY from 82.2% in 1H24, +50bps from 82.9% in 1Q25) remains a key strength. Credit cost saw a slight 20bps increase to 0.5%, with Non-Performing Loans (NPL) up 20bps due to downgrades in SME, commercial, and consumer (mortgage and auto) segments; however, cumulative NPL remained at 2.0% (vs 1H24). Loan at Risk (LAR) continued its positive decline, down 70bps to 5.7% (vs 6.4% last year and 6.0% in 1Q25).

Navigating 2H25 with resilience, valuation remains attractive

We anticipate a cloudier 2H25, potentially leading to slower loan growth and slightly higher, yet manageable, credit costs. BBKA will likely make additional provisions to prepare for continued mild economic activity concerns. We believe any further downgrades will not result in a significant NPL spike. On the profitability front, the Cost of Funds (COF) should remain stable thanks to BBKA's strong transactional banking and robust ecosystem. A steady, high-quality asset mix will also be crucial for managing 2H25 earnings growth. Despite in-line 1H25 results, we've revisited our 2025F model to account for the ongoing uncertainty in 2H25. Our re-evaluation of BBKA's valuation, using multiple methodologies (GGM, DDM, Single Stage Fair PB, Rolling PB), confirms a "BUY" recommendation ($\geq 10\%$ upside). Even with conservative assumptions, the stock offers an attractive upside following its recent sell-off.

Maintain BUY: TP IDR11,080.

Our 12M GGM-based TP of IDR11,080 is pegged at 4.8x '25F P/B, while currently BBKA stock trades (3.6x) at its -2SD of 3.6x. Key downside risks to our target price include: a) lower-than-expected loan growth; b) prolonged tight liquidity environment and stable attractive SRBI high yield; c) NIM stagnation d) higher-than-expected CoF and CoC; f) deteriorating asset quality; g) prolonged trade war uncertainty, mild economic activity, motionless wait & see stance, steady weakening purchasing power and household loan confidence. 10) 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)	21.5	19.1	18.4	16.8	15.5
PBV (x)	4.3	4.0	3.7	3.1	2.7
Div. Yield (%)	3.2	3.5	3.5	3.9	4.2
RoE (%)	23.5	24.6	23.8	24.1	24.9

Source: Company, KBVS Research

Bank Central Asia Indonesia (BBCA)

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

Profit and Loss (IDRtn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons '25F	% to cons.
Net interest income	39.7	42.5	7.0	20.2	21.4	5.9	21.1	1.6				
Non-interest income	12.4	13.7	10.6	6.1	6.9	13.1	6.8	2.2				
Total operating income	52.2	56.2	7.8	26.3	28.4	8.0	27.9	1.8				
Total operating expenses	17.7	18.6	5.3	(8.5)	9.1	-207.1	9.5	-3.6				
PPoP	34.5	37.6	9.1	17.8	19.2	7.9	18.4	4.5				
Provision (inc. loan recoveries)	-1.4	-2	43.4	(0.5)	(0.9)	80.0	(1.0)	-8.3				
Net profit	26.9	29.0	8.0	14.0	14.9	6.4	14.1	5.1	58.6	49.5%	59.5	48.8%
Balance Sheet (IDRtn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)				
Gross loans	850	959	12.9	850	959	12.9	941	1.9				
Current accounts	353	385	9.2	353	385	9.2	383	0.7				
Saving deposits	562	597	6.1	562	597	6.1	597	0.0				
Time deposits	210	208	(1.1)	210	208	(1.1)	214	-3.0				
Total Deposits	1,125	1,190	5.7	1,125	1,190	5.7	1,193	-0.3				
CASA	915	982	7.3	915	982	7.3	979	0.3				
Total equity	241	262	8.7	241	262	8.7	246	6.2				
Selected Key Ratios (%)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)				
NIM	5.7	5.8	0.1	5.8	5.8	0.0	5.8	0.0				
CoC	0.3	0.5	0.2	0.2	0.5	0.3	0.5	0.0				
CIR	30.5	29.1	-1.4	29.1	29.8	0.7	28.5	1.3				
ROA	3.8	4.1	0.3	4.1	3.9	-0.2	4.3	(0.4)				
ROE	24.8	25.2	0.4	26.9	24.2	-2.7	26.2	(2.0)				
CAR	27.8	28.4	0.6	27.8	28.4	0.6	26.6	1.8				
CASA	82.2	83.4	1.2	82.2	83.4	1.2	82.9	0.5				
NPL gross	2.2	2.2	0.0	2.2	2.2	0.0	2.0	0.2				
NPL coverage	190.2	167.2	-23.0	190.2	167.2	-23.0	180.5	(13.3)				
LAR	6.4	5.7	-0.7	6.4	5.7	-0.7	6.0	(0.3)				

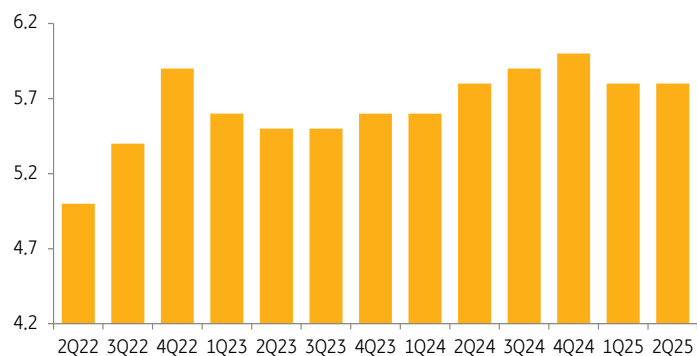
Source: Company, KBVS Research

Exhibit 3: '25F and '26F Forecast Adjustments

Forecast	New		Old		Diff. (%)			Street		Diff. vs Cons. (%)	
Adjustments	FY2025E	FY2026E	FY2025E	FY2026E	FY2025E	FY2026E	FY2027E	FY2025E	FY2026E	FY2025E	FY2026E
Loan	982,313	1,050,772	982,313	1,050,772	0.0%	0.0%	0.0%				
Deposit	1,177,526	1,226,067	1,177,526	1,226,067	0.0%	0.0%	0.0%				
Interest Income	100,334	106,989	101,358	108,082	-1.0%	-1.0%	-1.0%				
Interest Expenses	(12,167)	(12,557)	(12,837)	(13,205)	-5.2%	-4.9%	-5.1%				
Net Interest Income	88,166	94,432	88,521	94,877	-0.4%	-0.5%	-0.5%				
Non Interest Income	27,858	30,324	27,858	30,324	0.0%	0.0%	0.0%				
Opex	(40,295)	(42,734)	(40,295)	(42,734)	0.0%	0.0%	0.0%				
PPOP	75,729	82,022	76,084	82,467	-0.5%	-0.5%	-0.5%				
Loan Loss Provision	(4,881)	(4,546)	(3,205)	(3,850)	52.3%	18.1%	0.0%				
Net Profit	56,952	62,280	58,584	63,197	-2.8%	-1.5%	-0.6%	58,274	62,707	-2.3%	-0.7%

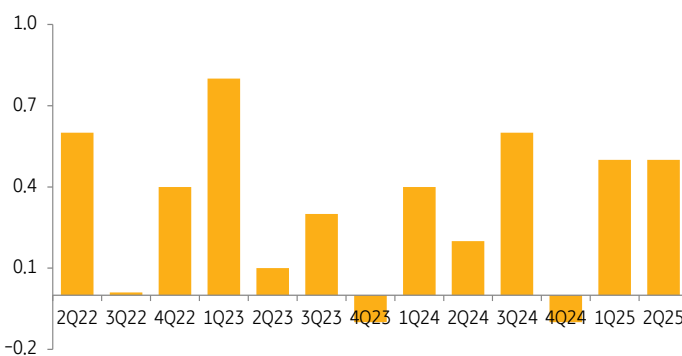
Source: Company, KBVS Research

Exhibit 4: NIM expansion continues in 1Q25 (20bps yoy)



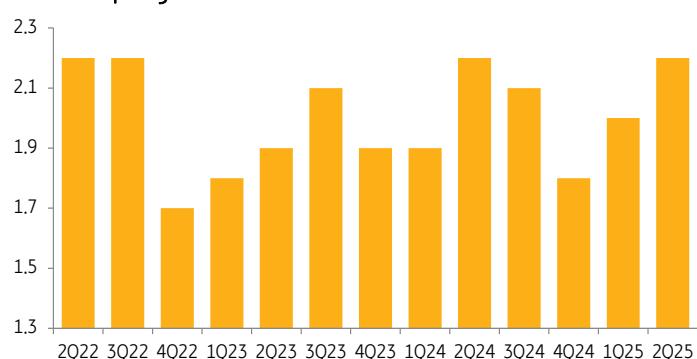
Source: Company, KBVS Research

Exhibit 5: Manageable credit cost



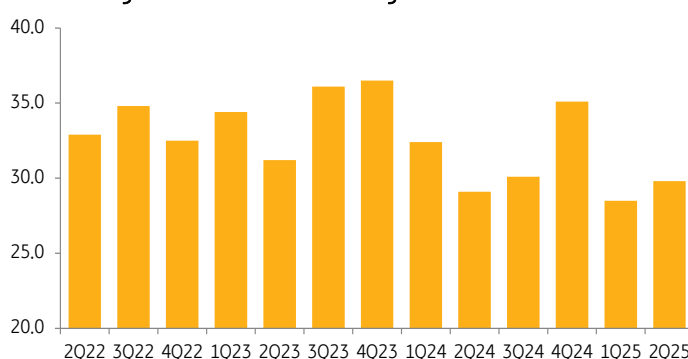
Source: Company, KBVS Research

Exhibit 6: Expect gross NPL to softened



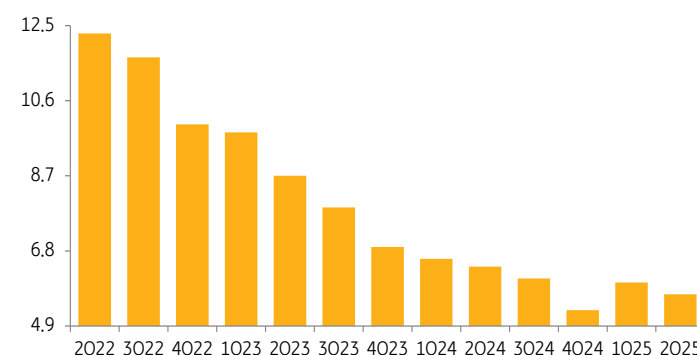
Source: Company, KBVS Research

Exhibit 7: Manageable CIR as additional catalyst



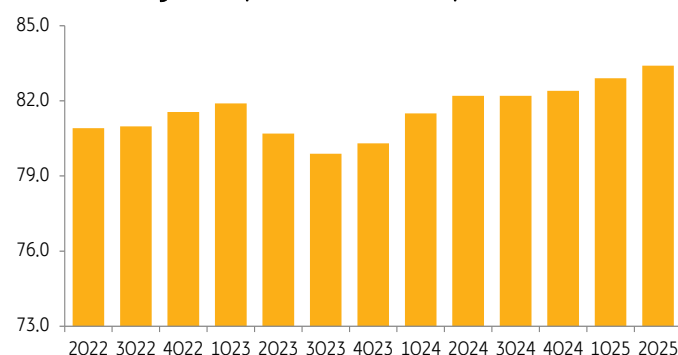
Source: Company, KBVS Research

Exhibit 8: Softer LAR continue intact



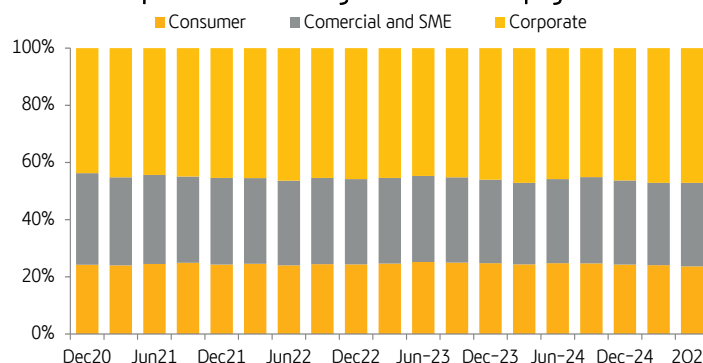
Source: Company, KBVS Research

Exhibit 9: Continuing solid deposit mix to overall help NIM



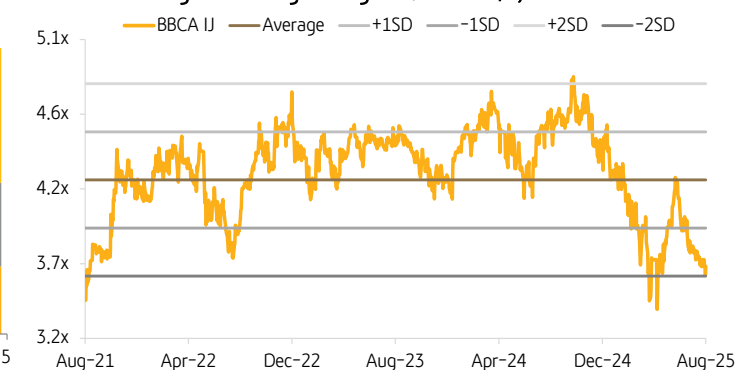
Source: Company, KBVS Research

Exhibit 10: Corporate & consumer segment will continue play crucial role



Source: Company, KBVS Research

Exhibit 11: Currently attractively trading at 3.6x '25F P/B, or at its -2SD



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 12: 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 13: 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 14: 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)	21.5	19.1	18.4	16.8	15.5
PBV (x)	4.3	4.0	3.7	3.1	2.7
Div. Yield (%)	3.2	3.5	3.5	3.9	4.2

Source: Company, KBVS Research

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