

Solid 5M25 and May25 stand-alone earnings growth

19 June 2025



BBCA IJ	BUY
Sector	Banks
Price at 18 June 2025 (IDR)	8,900
Price target (IDR)	12,510
Upside/Downside (%)	40.6

Stock Information

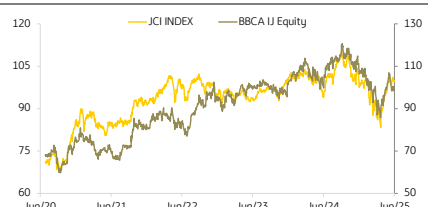
PT Bank Central Asia Tbk has positioned itself as one of the largest transaction banks in Indonesia. The bank provides custodianship, cash management, facilitation for exports and imports, as well as foreign exchange services. Through its subsidiaries, the bank also offers leasing and consumer financing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

Market cap (IDR bn)	1,100,230
Shares outstanding (mn)	123,275
52-week range (IDR)	7,275-10,950
3M average daily vol. ('000)	131,066
3M average daily val. (IDR mn)	1,133,336

Shareholders (%)

PT Dwimuria Invest. Andalan	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(2.4)	9.3	(1.4)

BBKA delivered impressive earnings growth in both 5M25 and May25, with net income rising 16.3% yoy and 12.1% yoy (9.7% mom) respectively. This brought the 5M25 bank-only results in line with our '25F expectations, achieving a 43.0% run-rate, pointedly surpassing last year's 39.5%. Robust loan growth continued at 11.8% yoy, well exceeding both the '25F management guidance of 6%-8% and our forecast (6.6%). On the funding side, total TPF grew a healthy 5.6% yoy and 6.3% ytd, primarily driven by low-cost funding. Key ratios remained strong: NIM reached 5.73%, perfectly aligning with both management's 5.7%-5.8% guidance and our 5.7% 2025 forecast. Maintain BUY GGM-based TP IDR12,510 (5.0x '25F P/B), while currently trade at 3.6x '25F P/B or slightly below average of 3.7x '25F P/B.

BBKA's 5M25 Earnings Soar on Non-Interest Income & Cost Control

BBKA recorded a robust bank-only net income of IDR 25.16tn in 5M25, a noteworthy increase from IDR 21.63tn in 5M24. This strong performance was primarily fueled by substantial non-interest income growth and effective cost management. The bank's top line expanded by 6.7% yoy, supported by robust loan growth in 5M25. Despite a slight 5.9% yoy increase in funding cost, NII still grew by 6.8% yoy. Total non-interest income surged by 21.5% yoy. Coupled with a well-managed 3.8% yoy increase in CIR, this led to a solid 13.2% yoy growth in PPOp to IDR 31.97 trillion. Additionally, continuing soft credit costs further boosted BBKA's bank earnings, which rose by 16.3% yoy. BBKA's 5M25 bank-only earnings are in line with consensus and our '25F financial year projections for BBKA bet income, reaching a run rate of 42.3%/43.0% and surpassing last year's run rate by 3.5% (39.5%/43.0%).

Maintains strong stand-alone performance in May25

BBKA demonstrated continued robust performance in May 2025 on a stand-alone basis. Net interest income expanded by 7.9% yoy (4.8% mom), complemented by a significant 12.2% yoy (23.5% mom) rise in non-interest income. Despite a manageable increase in cost-to-income of 2.9% yoy (4.1% mom), Pre provision operating profit sustained double-digit growth at 11.5% yoy (10.7% mom). Net income also showed strong growth, up 12.1% yoy (9.7% mom). Amid ongoing market uncertainties, these impressive bank-only results are expected to be instrumental in BBKA achieving its projected earnings run-rate in the coming quarters.

Loan growth exceeds expectations; TPF bolstered by strong favorable funding mix

BBKA continues to demonstrate robust loan growth, reaching 11.8% yoy. This figure significantly surpasses both BBKA's 2025 guidance (6%-8% yoy) and our projection of 6.6% yoy, despite a consistent month-on-month decline since Jan25. We believe this substantial gap provides ample room for the bank to manage growth effectively through the remainder of the year. The first half of 2025 will be a crucial early indicator, with the 9M25 results serving as the definitive figure for overall 2025 loan growth achievement. On the funding front, total TPF grew by a healthy 5.6% yoy and 6.3% ytd, primarily driven by the low-cost funding segment. CASA surged by 7.3% yoy and 11.2% ytd. Notably, time deposits have consistently shown a declining trend, a pattern we expect to continue. This favorable funding mix will enable BBKA to more easily navigate its funding costs and experience stronger net profit growth this year.

Key ratios impress: NIM aligns with guidance, AQ remains a priority

Net interest margin reached approximately 5.73%, an improvement from 5.66% in the prior month, aligning perfectly with management's guidance of 5.7%-5.8% and our own 2025 forecast for BBKA NIM of 5.7%. While credit cost registered at 0.37%, slightly above the 30-bps guidance (and our 2025 forecast of 32-bps), maintaining robust asset quality remains a paramount objective for BBKA. Despite ample room to enhance loan yields, we anticipate a selective and cautious approach to implementation, making the 2025 cost of credit guidance highly achievable. Looking ahead, we expect management's strategic focus on bolstering CASA through enhanced product channel and ecosystem integration to significantly impact NIM, driving stronger earnings growth. Furthermore, the transmission of the previous rate cut (prior May25) to funding costs is anticipated to occur sooner than initially expected, further supporting profitability.

A preferred banking stock amidst market uncertainties

Despite ongoing market pressure on Indonesian banking stocks, BBKA demonstrated remarkable resilience in May 2025, recording the lowest yoy sold stock at just 0.6%. This positions BBKA as the fourth least-sold stock in the sector, behind BBRI (-4.5%), BBNI (-2.6%), and BMRI (-2.0%), underscoring its continued appeal as a preferred investment. Conversely, BBKA also secured the third position among stocks most added by foreign investors, trailing only BRIS and BBRI. Notably, the increased foreign ownership in BBRI is primarily attributed to a low-based valuation following its substantial prior sell-off.

Maintain BUY GGM TP of IDR12,510

Maintain BUY GGM-TP IDR12,510 (5.0x '25F P/B), while currently trade at 3.6x '25F P/B or slightly below average mean of 3.7x '25F P/B. Downside risks: 1) slower loan growth; 2) worsening NIM and AQ; 3) soaring CoC and NPL; 4) mounting funding cost; 5) mild economic activity; 6) weakening IDR/USD; 7) worsening global political tension; 8) steady pressure on buying power; and 9) persistently attractive SRBI yields

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	74,938	82,264	88,514	94,815	101,701
Non int. Income	23,579	26,042	27,858	30,324	33,307
Operating income	98,517	108,307	116,372	125,139	135,008
Pre-provision profit	61,236	70,252	76,077	82,405	88,750
Net income (IDR bn)	48,639	54,836	58,578	63,147	67,884
EPS (IDR)	395	445	475	512	551
EPS growth (%)	19.4	12.7	6.8	7.8	7.5
PER (x)	23.0	20.4	19.1	17.7	16.5
PBV (x)	4.6	4.3	3.6	3.0	2.6
Div. Yield (%)	2.3	3.1	3.3	3.5	3.8
RoE (%)	23.5	24.6	25.0	25.6	26.3

Source: Company, KBVS Research

Analyst

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Exhibit 2: BBKA 5M25 and monthly stand-alone bank only profit and loss

Selected Profit and Loss (IDRbn)	5M24	5M25	YoY (%)	May-24	May-25	YoY (%)	MoM (%)	KBVS '25F	% to KBVS '25F	Cons. '25F	% to Cons
Interest income	35,884	38,295	6.7	7,293	7,950	9.0	4.2	101,358	37.8		
Interest expense	(4,887)	(5,175)	5.9	(938)	(1,095)	16.7	0.6	(12,843)	40.3		
Net interest income	30,997	33,120	6.8	6,354	6,855	7.9	4.8	88,514	37.4		
Non Int Inc & others	9,631	11,701	21.5	1,906	2,139	12.2	23.5	27,858	42.0		
Opex	(12,375)	(12,851)	3.8	(2,488)	(2,561)	2.9	4.1	(40,295)	31.9		
PPOP	28,254	31,971	13.2	5,772	6,433	11.5	10.7	76,077	42.0		
Provision	(1,723)	(1,411)	(18.1)	(327)	(333)	1.9	32.5	(3,205)			
Net Profit	21,634	25,163	16.3	4,419	4,952	12.1	9.7	58,578	43.0	59,450	42.3

P&L monthly stand alone - (MoM %)	Jan-25	Feb-25	Mar-25	Apr-25	May-25	YoY (%)	MoM (%)
Interest income	7,726	7,142	7,847	7,630	7,950	9.0	4.2
Interest expense	(1,029)	(962)	(1,001)	(1,088)	(1,095)	16.7	0.6
Net interest income	6,697	6,180	6,846	6,542	6,855	7.9	4.8
Non Int Inc & others	2,001	1,764	4,065	1,732	2,139	12.2	23.5
Opex	(2,303)	(2,640)	(2,885)	(2,461)	(2,561)	2.9	4.1
PPOP	6,395	5,304	8,026	5,812	6,433	11.5	10.7
Provision	(568)	(37)	(222)	(251)	(333)	1.9	32.5
Net Profit	4,726	4,249	6,721	4,515	4,952	12.1	9.7

Source: Company, KBVS Research

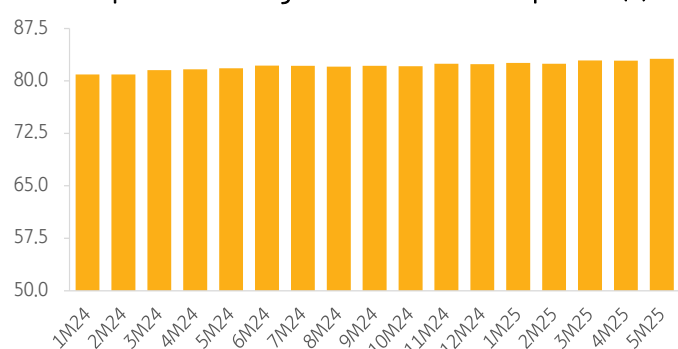
Exhibit 3: BBKA 5M25 and monthly stand-alone bank only balance sheet and selected key ratio

Selected Balance Sheet (IDRbn)	5M24	5M25	YoY (%)	May-24	May-25	YoY (%)	Ytd (%)
Total Loan (IDRbn)	826,729	924,262	11.8	826,729	924,262	11.8	2.9
Total deposits	1,094,316	1,155,217	5.6	1,094,316	1,155,217	5.6	6.3
Demand deposits	339,368	380,484	12.1	339,368	380,484	12.1	2.4
Savings deposits	555,951	580,097	4.3	555,951	580,097	4.3	6.9
Time Deposits	198,996	194,636	(2.2)	198,996	194,636	(2.2)	3.4
CASA	895,320	960,581	7.3	895,320	960,581	7.3	11.2

Selected Key Ratios (%)	1M25	2M25	3M25	4M25	5M25	YoY (%)	MoM (%)
NIM	6.0	5.7	5.7	5.7	5.7	0.01	0.08
Cost of credit	0.8	0.4	0.4	0.4	0.4	(0.13)	0.02
CASA	82.6	82.4	82.9	82.9	83.2	1.34	0.27
Loan to deposits	79.7	80.6	78.1	80.4	80.0	4.46	(0.42)
Cost to income	26.5	29.7	28.4	28.7	28.7	(1.79)	(0.05)
RoE	22.2	20.7	25.1	25.2	24.6	1.39	(0.59)
Mkt sec to total asset	26.0	26.6	26.1	24.8	25.2	0.33	0.36
Loan to asset	62.4	63.1	61.2	63.4	63.0	2.40	(0.38)

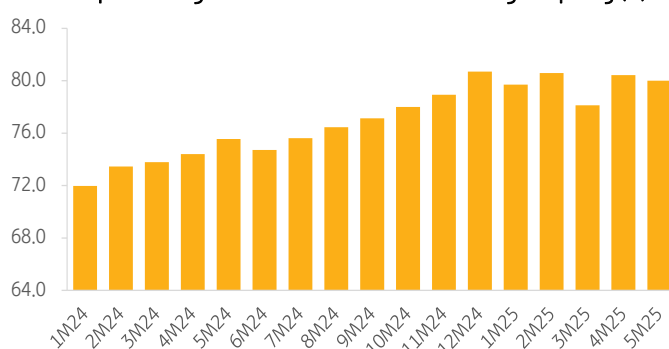
Source: Company, KBVS Research

Exhibit 4: Expect soft borrowing cost to sustain on solid deposit mix (%)



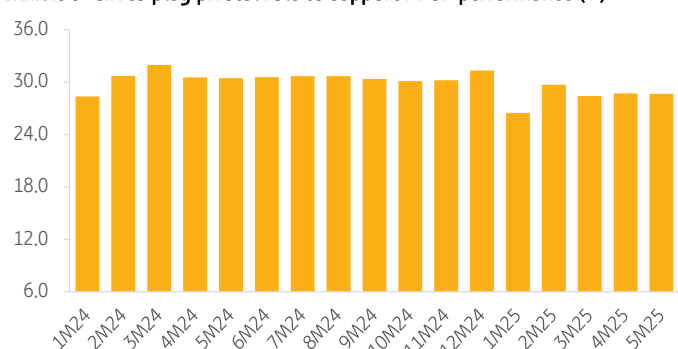
Source: Company, KBVS Research

Exhibit 5: Expect manageable LDR to continue amid the tight liquidity (%)



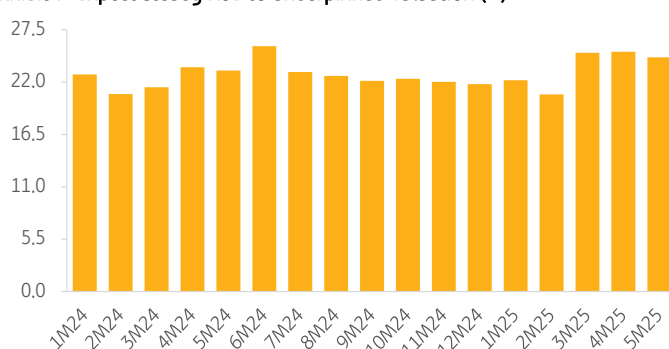
Source: Company, KBVS Research

Exhibit 6: CIR to play pivotal role to support PPoP performance (%)



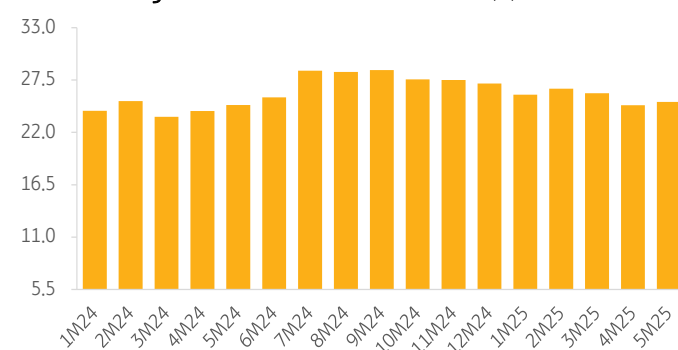
Source: Company, KBVS Research

Exhibit 7: Expect steady RoE to underpinned valuation (%)



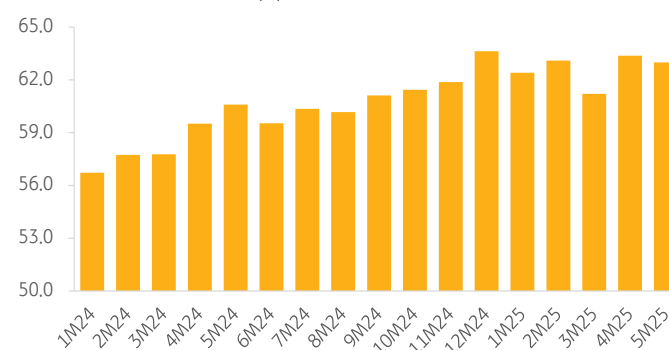
Source: Company, KBVS Research

Exhibit 8: Healthy marketable securities to total asset (%)



Source: Company, KBVS Research

Exhibit 9: Solid loan to asset (%)



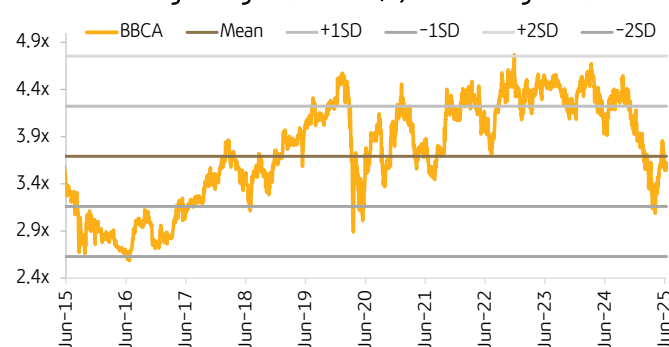
Source: Company, KBVS Research

Exhibit 10: Preferred banking stock amidst market uncertainties

Ticker	Apr-25	May-25	YTD 2024	YTD 2025	Incr / (Decr)	May-24	May-25	YoY (chg)	MoM (chg)
BBCA IJ	35.0%	35.3%	-0.2%	-0.6%	-0.4%	35.9%	35.3%	-0.6%	0.3%
BBRI IJ	30.0%	30.4%	-1.7%	-0.5%	1.1%	35.0%	30.4%	-4.5%	0.4%
BMRI IJ	31.4%	31.6%	-0.2%	-1.9%	-1.7%	33.7%	31.6%	-2.0%	0.2%
BBNI IJ	24.0%	24.0%	-0.6%	-2.1%	-1.5%	26.6%	24.0%	-2.6%	0.0%
BBTN IJ	10.0%	10.1%	0.3%	-0.6%	-0.9%	10.5%	10.1%	-0.4%	0.1%
BRIS IJ	4.8%	5.3%	0.5%	0.7%	0.1%	4.0%	5.3%	1.3%	0.5%
Average	22.5%	22.8%	-0.3%	-0.8%	-0.5%	24.3%	22.8%	-1.5%	0.2%

Source: Company, KBVS Research

Exhibit 11: Currently trading at 3.6x '25F P/B, below average of 3.7x



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 12: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	87,207	94,796	101,358	108,082	115,437
Interest expenses	(12,269)	(12,532)	(12,843)	(13,267)	(13,736)
Net interest income	74,938	82,264	88,514	94,815	101,701
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	76,077	82,405	88,750
Loan loss provision	(1,056)	(2,034)	(3,205)	(3,850)	(4,305)
Pretax Profit	60,180	68,218	72,872	78,554	84,446
Income Tax Expenses	(11,522)	(13,367)	(14,278)	(15,392)	(16,546)
Net profit	48,639	54,836	58,578	63,147	67,884

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	21,702	29,316	30,517	32,017	33,701
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	947,439	1,013,727	1,101,043
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	1,535,963	1,631,868	1,744,060
Liabilities					
Interbank Deposit	10,071	3,656	3,798	3,954	4,127
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	44,471	37,446	36,851
Total liabilities	1,165,569	1,186,466	1,226,295	1,267,968	1,321,146
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	290,618	347,901	409,515
Other Equity	12,309	11,871	11,751	8,685	6,069
Shareholder's Equity	242,356	262,641	309,459	363,676	422,674
Non-controlling Interest	181	195	209	224	239
Total Equity	242,538	262,836	309,668	363,901	422,914

Exhibit 14: Key performance metrics

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM (%)	5.5	5.8	5.7	5.8	5.9
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	1.7	1.7	1.7
ROAE (%)	23.5	24.6	25.0	25.6	26.3
ROAA (%)	3.6	3.8	3.9	3.9	3.9
CAR (%)	29.4	31.0	34.2	37.7	0.0
BVPS (IDR)	1,966	2,131	2,515	2,983	3,487
PER (x)	23.0	20.4	19.1	17.7	16.5
PBV (x)	4.6	4.3	3.6	3.0	2.6
Div. Yield (%)	2.3	3.1	3.3	3.5	3.8

Source: Company, KBVS Research

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