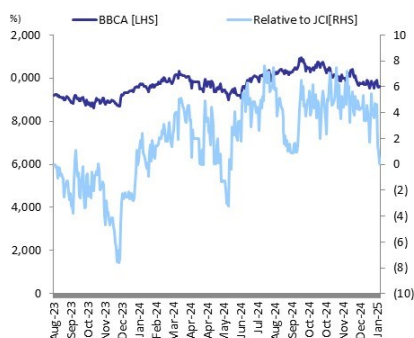


# Buy

(Maintained)

Last Price (Rp)	9,600
Target Price (Rp)	11,900
Previous Target Price (Rp)	11,800
Upside/Downside	+24.0%
No. of Shares (mn)	123,275
Mkt Cap (Rpbn/US\$mn)	1,183,440/72,693
Avg, Daily T/O (Rpbn/US\$mn)	721.9/44.3
Free Float (%)	42.4
Major Shareholder (%)	
PT Dwimura Investama	54.9
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	473.1 498.3 529.6
Consensus	484.9 524.5 n/a
BRIDS/Cons (%)	(2.4) (5.0) (5.0)

## BBCA relative to JCI Index



Source: Bloomberg

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# Bank Central Asia (BBCA II)

## FY24 Results: in-line, solid asset quality and NIM aided in navigating the tight liquidity environment

- Despite the challenging year, BBCA booked NP of Rp54.8tr in FY24 (+13% yoy), in line with our and consensus estimates.
- 4Q24's NP declined 3% qoq on the back of higher opex and higher effective tax rate, partly offset by a reversal on Cessie.
- We revised our FY25/26F EPS est. by +1.5/-0.3% and maintain Buy rating with a higher TP of Rp11,900. BBCA remains our top pick in the sector.

### In line FY24 net profit with double digit growth

BBCA recorded a net profit of Rp54.8tr in FY24 (+13% yoy), in line with our estimate (101%) and consensus (100%). Despite tight liquidity, BBCA improved its NIM to 6.4% (FY23 6.3%), supported by a higher LDR of 81.3% (FY23 73.5%) and a larger loan portion in earning assets. Loans grew 14% yoy to Rp922tr, driven by corporate (+16%) and SME (+15%) segments. Meanwhile, TPF grew 3% yoy to Rp1,134tr as BBCA reduced its TD portion (-3% yoy) in favor of low-cost CASA funding, which grew 4% yoy, lifting the CASA ratio by ~2%. CoC remained low at 0.2% (FY23 0.1%) despite doubled provision expenses. NPL and LaR ratios improved to 1.7% (FY23 1.8%) and 5.0% (FY23 6.6%), respectively.

### Lower qoq net profit on higher opex amid provision release

BBCA posted a net profit of Rp13.8tr in 4Q24 (-3% qoq, +13% yoy). PPOP declined 8% qoq (+16% yoy), partly offset by Rp0.3tr provision release (reversal on Cessie). A higher effective tax rate of 20.8% also contributed to the lower profit. CIR increased to 38.6% in 4Q24 (3Q24 33.3%, 4Q23 42.6%), driven by lower other operating income (-6% qoq) from a Rp0.4tr loss on Cessie and higher opex (+16% qoq). NIM remained steady at 6.5% in 4Q24 (-2bps qoq, +17bps yoy), with stable loan yield and CoF.

### FY25 bank-only guidance: profit over market share

Management expects a moderated loan growth of 6-8% (FY24 13.8%), stable NIM of 5.7-5.8% (FY24 5.8%), stable CoC of 0.3% (FY24 0.3%), higher CIR of 33-34% (FY24 31.5%), stable LaR ratio of 5.2-5.5% (FY24 5.3%), and a 25-50bps rate cut for FY25F. We tweaked our FY25F EPS est. by 1%, taking into account a higher NIM, higher CIR, and lower CoC.

### Maintain Buy with a higher TP of Rp11,900

We maintain our Buy rating and adjust our TP to Rp11,900, based on our updated forecasts. This valuation, derived from GGM with a 6.5% CoE and 21.4% FY25F ROE, implies an FV PBV of 5.2x. BBCA remains our top pick for its strong liquidity, resilient CoF, and solid asset quality. Risks to our view include further liquidity constraints, which may lead to higher CoF, and potential asset quality deterioration.

### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	61,236	70,252	75,855	80,044	86,098
Net profit (Rpbn)	48,639	54,836	58,325	61,423	65,290
EPS (Rp)	394.6	444.8	473.1	498.3	529.6
EPS growth (%)	19.4	12.7	6.4	5.3	6.3
BVPS (Rp)	1,966.0	2,130.5	2,292.8	2,452.9	2,615.2
PER (x)	24.3	21.6	20.3	19.3	18.1
PBV (x)	4.9	4.5	4.2	3.9	3.7
Dividend yield (%)	2.8	3.2	3.5	3.8	4.1
ROAE (%)	21.0	21.7	21.4	21.0	20.9

Source: BBCA, BRIDS Estimates

See important disclosure at the back of this report

**Exhibit 1. BBKA's FY24 earnings summary**

BBKA - Financial (Rpbn)	4Q23	3Q24	4Q24	qoq. %	yoy. %	2023	2024	yoy. %	FY24F	FY24C	A/F	A/C
Interest income	22,723	24,210	24,508	1%	8%	87,207	94,796	9%	93,632	95,325	101%	99%
Interest expense	3,370	3,173	3,177	0%	-6%	12,269	12,532	2%	12,767	13,095	98%	96%
Net interest income	19,353	21,037	21,331	1%	10%	74,938	82,264	10%	80,864	82,231	102%	100%
Other operating income	6,359	6,826	6,438	-6%	1%	23,579	26,042	10%	26,922	26,947	97%	97%
Operating expenses	10,964	9,279	10,731	16%	-2%	37,281	38,054	2%	37,575	38,334	101%	99%
PPOP	14,748	18,585	17,039	-8%	16%	61,236	70,252	15%	70,212	70,663	100%	99%
Provision	(422)	961	(333)	n/a	-21%	1,056	2,034	93%	3,268	3,136	62%	65%
Operating Profit	15,170	17,624	17,372	-1%	15%	60,180	68,218	13%	66,944	67,225	102%	101%
Net profit	12,219	14,198	13,762	-3%	13%	48,639	54,836	13%	54,106	54,776	101%	100%
Loans	810,392	877,178	921,878	5%	14%	810,392	921,878	14%	893,669	909,323	103%	101%
Customer deposits	1,101,863	1,125,582	1,133,612	1%	3%	1,101,863	1,133,612	3%	1,167,661	1,173,311	97%	97%
<b>Key Ratio</b>												
				qoq. bps	yoy. bps			yoy. bps				
Loan yield (%) - ann	7.4	7.6	7.5	↓ (7)	↓ 7	7.3	7.4	↑ 11				
Non-loan EA yield (%) - ann	7.3	7.2	7.3	↑ 1	↓ (5)	7.3	7.1	↓ (10)				
Cost of fund (%) - ann	1.2	1.1	1.1	↓ (0)	↓ (10)	1.1	1.1	↓ (3)				
NIM (%) - ann	6.3	6.5	6.5	↓ (2)	↑ 17	6.3	6.4	↑ 10				
CIR (%) - ann	42.6	33.3	38.6	↓ 534	↓ (400)	37.8	35.1	↓ (271)				
Cost of credit (%) - ann	(0.2)	0.4	(0.1)	↑ (59)	↑ 7	0.1	0.2	↑ 10				
ROE (%) - ann	20.4	22.9	21.2	↓ (164)	↑ 79	21.4	22.3	↑ 89				
CASA ratio (%)	80.2	82.0	82.0	↑ (0)	↑ 177							
LDR (%)	73.5	77.9	81.3	↓ 339	↓ 777							
NPL ratio (%)	1.8	2.0	1.7	↓ (40)	↓ (14)							
LaR ratio (%)	6.6	5.9	5.0	↓ (86)	↓ (159)							

Source: Company, BRIDS Estimates

**Exhibit 2. BBKA's Changes in Forecast**

BBKA - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2026F (Prev)	2026F (Curr)	Δ%
Net Interest Income (Rpbn)	85,385	90,167	5.60	91,145	94,430	3.60
PPOP (Rpbn)	75,309	75,855	0.73	80,829	80,044	(0.97)
Net profit (Rpbn)	57,470	58,325	1.49	61,622	61,423	(0.32)
BVPS (Rp)	2,286	2,293	0.28	2,452	2,453	0.04
Gross Loans (Rpbn)	960,296	977,613	1.80	1,055,868	1,060,437	0.43
Customer Deposits (Rpbn)	1,237,206	1,157,410	(6.45)	1,342,529	1,203,015	(10.39)
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2026F (Prev)	2026F (Curr)	Δ bps
Net Interest Margin	6.2	6.6	38	6.1	6.5	38
Gross NPL Ratio	1.5	1.5	8	1.5	1.5	8
Cost/Income Ratio	34.6	35.9	128	34.5	35.7	122
Cost of Credit	0.5	0.4	(11)	0.5	0.4	(10)
ROAE	21.1	21.4	27	21.1	21.0	(10)

Source: Company, BRIDS Estimates

**Exhibit 3. BBKA's Valuation**

Gordon Growth Valuation with Inverse Cost of Equity	
<b>Parameters:</b>	<b>Remarks:</b>
Cost of equity (%) - Mean	6.5 5-Year average
Cost of equity (%) - SD	0.3 5-Year average
SD used	-
Cost of equity (%) used	6.5
Long-term growth (%)	3.0 Long-term GDP growth
Forward ROE (%)	21.4 FY25F ROAE
Fair value P/BV (x)	5.2 (ROAE - g) / (COC - g)
BV/share (IDR)	2,293 FY25F Book value per share
Fair value (IDR)	11,900 Fair value P/BV multiple x BVPS

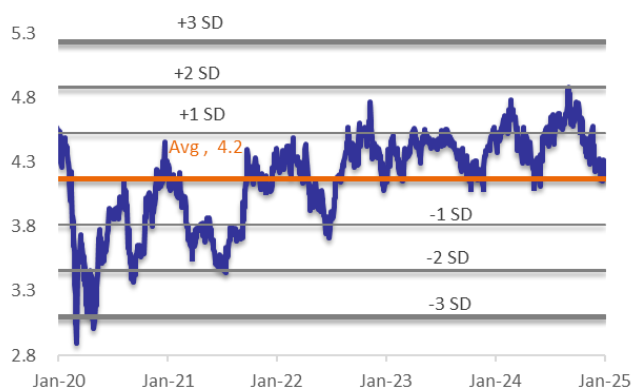
Source: Company, BRIDS Estimates

**Exhibit 4. BBKA's cost of equity band chart (5-year)**



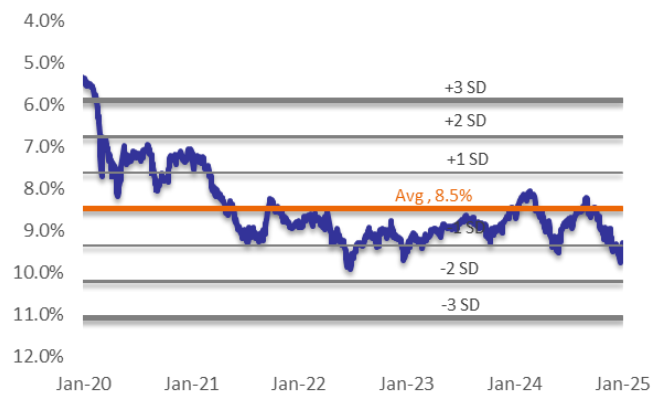
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 6. BBKA's P/BV band chart (5-year)**



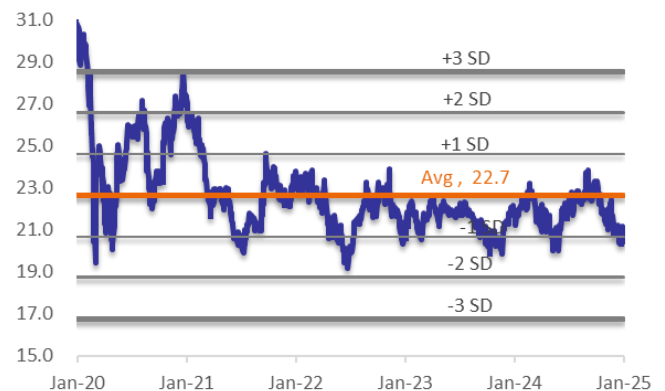
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 5. Sector's cost of equity band chart (5-year)**



Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 7. BBKA's P/E band chart (5-year)**



Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 8. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	87,207	94,796	102,861	106,973	112,757
Interest Expense	(12,269)	(12,532)	(12,694)	(12,543)	(12,404)
<b>Net Interest Income</b>	<b>74,938</b>	<b>82,264</b>	<b>90,167</b>	<b>94,430</b>	<b>100,353</b>
Non-Interest Income (NII)	23,579	26,042	28,172	30,063	32,827
<b>Oper. Income</b>	<b>98,517</b>	<b>108,307</b>	<b>118,339</b>	<b>124,493</b>	<b>133,180</b>
Oper. Expenses	(37,281)	(38,054)	(42,484)	(44,449)	(47,082)
<b>Pre-provisions profit</b>	<b>61,236</b>	<b>70,252</b>	<b>75,855</b>	<b>80,044</b>	<b>86,098</b>
Provisions & Allowances	(1,056)	(2,034)	(3,298)	(3,632)	(4,875)
<b>Operating Profits</b>	<b>60,180</b>	<b>68,218</b>	<b>72,558</b>	<b>76,412</b>	<b>81,223</b>
Non-Operating Income	0	0	0	0	0
Exceptionals	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>60,180</b>	<b>68,218</b>	<b>72,558</b>	<b>76,412</b>	<b>81,223</b>
Income Tax	(11,522)	(13,367)	(14,217)	(14,972)	(15,915)
Minorities	(19)	(15)	(16)	(17)	(19)
<b>Net Profit</b>	<b>48,639</b>	<b>54,836</b>	<b>58,325</b>	<b>61,423</b>	<b>65,290</b>

**Exhibit 9. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	792,197	901,311	977,613	1,060,437	1,150,349
Provisions	(33,309)	(32,625)	(33,331)	(34,097)	(35,807)
<b>Net Loans</b>	<b>758,888</b>	<b>868,686</b>	<b>944,282</b>	<b>1,026,340</b>	<b>1,114,542</b>
Govt. Bonds	0	0	0	0	0
Securities	327,112	392,677	374,625	379,652	386,205
Other Earnings Assets	17,443	19,693	21,364	23,172	25,138
<b>Total Earnings Assets</b>	<b>1,255,324</b>	<b>1,344,563</b>	<b>1,403,785</b>	<b>1,494,072</b>	<b>1,593,284</b>
Fixed Assets	36,925	38,150	40,226	41,980	43,822
Non-Earnings Assets	37,497	37,893	33,259	36,216	35,789
<b>Total Assets</b>	<b>1,408,107</b>	<b>1,449,301</b>	<b>1,510,769</b>	<b>1,579,278</b>	<b>1,656,652</b>
Customer Deposits	1,090,767	1,120,614	1,157,410	1,203,015	1,255,158
Banks Deposits	10,071	3,656	1,327	482	175
Int. Bearing Liab. - Others	11,096	12,998	15,227	17,839	20,897
<b>Total Liabilities</b>	<b>1,165,569</b>	<b>1,186,466</b>	<b>1,227,934</b>	<b>1,276,698</b>	<b>1,334,064</b>
Share capital & Reserves	19,399	18,961	18,961	18,961	18,961
Retained Earnings	222,957	243,679	263,679	283,424	303,432
<b>Shareholders' Funds</b>	<b>242,356</b>	<b>262,641</b>	<b>282,640</b>	<b>302,385</b>	<b>322,393</b>
Minority interests	181	194	194	194	194
<b>Total Equity &amp; Liabilities</b>	<b>1,408,107</b>	<b>1,449,301</b>	<b>1,510,769</b>	<b>1,579,278</b>	<b>1,656,652</b>

**Exhibit 10. Key Ratios**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	7.2	7.3	7.5	7.4	7.3
Cost of funds	1.1	1.1	1.1	1.0	1.0
Interest Spread	6.1	6.2	6.4	6.3	6.3
Net Interest Margin	6.2	6.3	6.6	6.5	6.5
Cost/Income Ratio	37.8	35.1	35.9	35.7	35.4
Oper. Exp./Oper. Gross Inc.	45.7	43.5	44.6	44.2	44.2
Gross NPL Ratio	1.8	1.7	1.5	1.5	1.5
LLP/Gross NPL	234.6	219.3	220.2	207.6	201.0
Cost of Credit	0.1	0.2	0.4	0.4	0.4
Loan to Deposit Ratio	72.6	80.4	84.5	88.1	91.6
Loan to Funding Ratio	72.6	80.4	84.5	88.1	91.6
CASA Mix	80.0	81.7	82.2	82.6	83.0
ROAE	21.0	21.7	21.4	21.0	20.9
ROAA	3.6	3.8	3.9	4.0	4.0
CAR	26.2	26.7	26.0	25.9	25.6

**Exhibit 11. Dupont and Growth**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Dupont</b>					
Pre-Tax ROAA	4.4	4.8	4.9	4.9	5.0
Tax Retention rate	80.9	80.4	80.4	80.4	80.4
Post-Tax ROAA	3.6	3.8	3.9	4.0	4.0
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	5.9	5.7	5.4	5.3	5.2
ROAE	21.0	21.7	21.4	21.0	20.9
<b>Growth (%)</b>					
Interest income	20.7	8.7	8.5	4.0	5.4
Net Interest Income	17.1	9.8	9.6	4.7	6.3
Other Oper. Expenses	14.8	2.1	11.6	4.6	5.9
Fee Based Income	0.2	8.2	13.0	9.3	10.7
Pre-Provision Oper. Profit	11.4	14.7	8.0	5.5	7.6
Net Profit	19.4	12.7	6.4	5.3	6.3
Shareholders' Equity	9.7	8.4	7.6	7.0	6.6
Loan	14.0	13.8	8.5	8.5	8.5
Earnings Asset	7.6	7.1	4.4	6.4	6.6
Deposit	6.0	2.1	3.1	3.9	4.3
Int. Bearing Liab.	5.9	2.2	3.2	4.1	4.6
CASA	4.3	4.4	3.7	4.3	4.7
Total Asset	7.1	2.9	4.2	4.5	4.9

Source: BBKA, BRIDS Estimates

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**INVESTMENT RATING**

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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