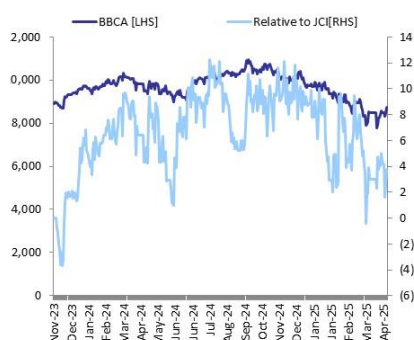


Buy

(Maintained)

Last Price (Rp)	8,725
Target Price (Rp)	11,900
Previous Target Price (Rp)	11,900
Upside/Downside	+36.4%
No. of Shares (mn)	123,275
Mkt Cap (Rpbn/US\$mn)	1,075,575/63,776
Avg, Daily T/O (Rpbn/US\$mn)	967.1/57.3
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	474.1 508.8 551.5
BRIDS/Cons (%)	(0.2) (2.1) (4.0)

BBCA relative to JCI Index



Source: Bloomberg

Bank Central Asia (BBCA IJ)

1Q25 Results: In line earnings with robust PPOP growth offsetting the higher provisions

- BBCA booked 1Q25 net profit of Rp14.1tr (+3% qoq, +10% yoy), in line with our and consensus' FY24 estimate.
- The bank continues to demonstrate a strong deposit franchise, allowing it to grow customer deposits 5% qoq amid the tight liquidity in 1Q25.
- We maintain Buy rating on BBCA with an unchanged TP of Rp11,900. BBCA remains our top pick in the sector.

Solid earnings growth in 1Q25

BBCA booked a net profit of Rp14.1tr in 1Q25 (+3% qoq, +10% yoy), forming 24% of our and consensus' FY25F, i.e., in line. The solid earnings growth was driven by PPOP which grew +8% qoq, +10% yoy, while provisioning jumped qoq due to the base reversal in 4Q24. Despite the 16% yoy higher provision expenses, CoC remained steady at 0.4% as loans expanded. Loans grew +2% qoq and +13% yoy to Rp941tr, with growth across segments i.e., Corporate +14%, SME +13%, Consumer +11%, Commercial +10%. The management attributed the qoq loan growth to the money-market lending in the corporate space, which is short-term in nature. NIM edged down to 6.2% (-27bps qoq, -9bps yoy), but CoF held steady at 1.1%, supported by strong CASA momentum.

Strong CASA growth from mass market segment amid tight liquidity

Total deposits rose +5% qoq to Rp1,193tr (+6% yoy), driven by an 8% yoy CASA surge, while TDs slipped 1% yoy as the bank reduced its rate on time deposit. Management noted that HNWI deposits declined due to a shift toward investment instruments, while the mass-market segment led the growth in the savings deposit.

Deteriorating asset quality and one-off uptick in LaR

The bank's NPL ratio rose to 2.0% (+33bps qoq), with the textile sector contributing the highest (~35% of NPL). Excluding textile-related NPL, the ratio would stand around 1.2–1.3%. LaR also increased to 6.0%, but adjusting for a one-off restructured debtor in the mineral sector, it normalized at ~5.4%, which should be reversed in 2Q. NPL coverage slipped to 180%, but the bank remains optimistic in its provisioning outlook.

Maintain Buy with a TP of Rp11,900

We maintain our Buy rating with a TP of Rp11,900, derived from GGM with a 6.5% CoE (5-year average) 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 asset quality deterioration and continuous Rupiah depreciation.

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)	22.1	19.6	18.4	17.5	16.5
PBV (x)	4.4	4.1	3.8	3.6	3.3
Dividend yield (%)	3.1	3.5	3.8	4.1	4.5
ROAE (%)	21.0	21.7	21.4	21.0	20.9

Source: BBCA, BRIDS Estimates

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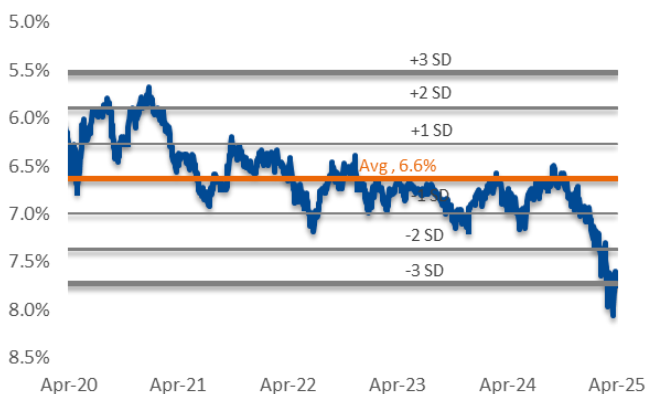
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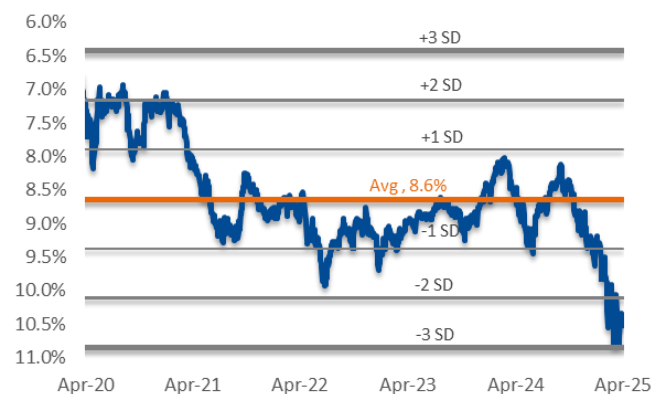
Exhibit 1. BBKA's 1Q25 earnings summary

BBKA - Financial (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	1Q24	1Q25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	22,964	24,508	24,367	-1%	6%	22,964	24,367	6%	102,861	100,668	24%	24%
Interest expense	3,197	3,177	3,248	2%	2%	3,197	3,248	2%	12,694	12,645	26%	26%
Net interest income	19,766	21,331	21,119	-1%	7%	19,766	21,119	7%	90,167	88,022	23%	24%
Other operating income	6,452	6,438	7,006	9%	9%	6,452	7,006	9%	28,172	28,565	25%	25%
Operating expenses	9,417	10,731	9,638	-10%	2%	9,417	9,638	2%	42,484	40,600	23%	24%
PPOP	16,801	17,039	18,487	8%	10%	16,801	18,487	10%	75,855	75,942	24%	24%
Provision	886	(333)	1,031	n/a	16%	886	1,031	16%	3,298	2,967	31%	35%
Operating Profit	15,915	17,372	17,456	0%	10%	15,915	17,456	10%	72,558	72,577	24%	24%
Netprofit	12,879	13,762	14,146	3%	10%	12,879	14,146	10%	58,325	58,420	24%	24%
Loans	835,685	921,878	941,173	2%	13%	835,685	941,173	13%	977,613	1,003,810	96%	94%
Customer deposits	1,120,757	1,133,612	1,193,361	5%	6%	1,120,757	1,193,361	6%	1,157,410	1,212,403	103%	98%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.3	7.5	7.3	(23) ↓	(9)	7.3	7.3	(9)				
Non-loan EA yield (%) - ann	7.2	7.3	6.9	(38) ↓	(32)	7.2	6.9	(32)				
Cost of fund (%) - ann	1.1	1.1	1.1	(1) →	(3)	1.1	1.1	(3)				
NIM (%) - ann	6.3	6.5	6.2	(27) ↓	(9)	6.3	6.2	(9)				
CIR (%) - ann	35.9	38.6	34.3	(437) ↓	(165)	35.9	34.3	(165)				
Cost of credit (%) - ann	0.4	(0.1)	0.4	59 →	1	0.4	0.4	1				
ROE (%) - ann	21.9	21.2	22.2	100 ↑	29	21.9	22.2	29				
CASA ratio (%)	80.6	82.0	82.5	50 ↑	188							
LDR (%)	74.6	81.3	78.9	(245) ↓	430							
NPL ratio (%)	1.9	1.7	2.0	33 ↓	10							
LaR ratio (%)	6.3	5.0	5.9	83 ↑	(46)							

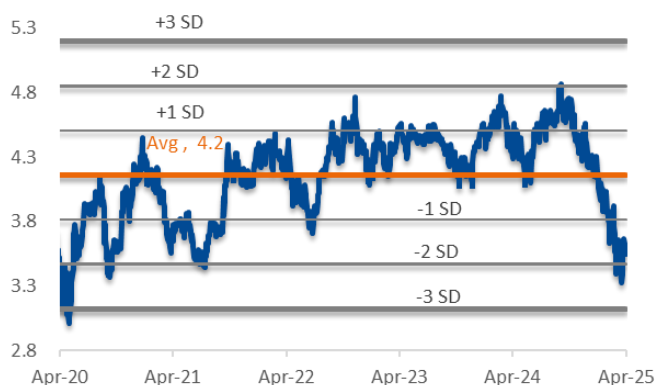
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBKA's cost of equity band chart (5-year)


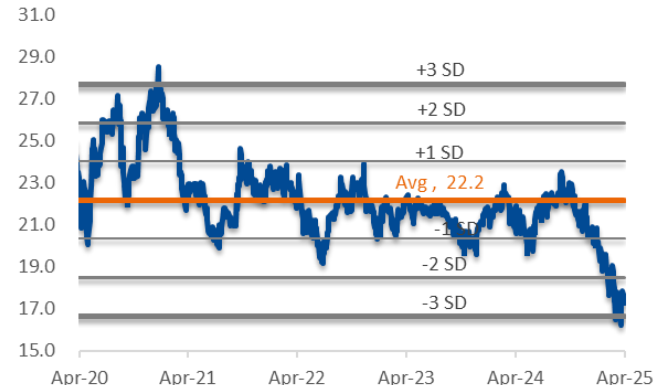
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's cost of equity band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BBKA's P/BV band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

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


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. 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)
Net Interest Income	74,938	82,264	90,167	94,430	100,353
Non-Interest Income (NII)	23,579	26,042	28,172	30,063	32,827
Oper. Income	98,517	108,307	118,339	124,493	133,180
Oper. Expenses	(37,281)	(38,054)	(42,484)	(44,449)	(47,082)
Pre-provisions profit	61,236	70,252	75,855	80,044	86,098
Provisions & Allowances	(1,056)	(2,034)	(3,298)	(3,632)	(4,875)
Operating Profits	60,180	68,218	72,558	76,412	81,223
Non-Operating Income	0	0	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	60,180	68,218	72,558	76,412	81,223
Income Tax	(11,522)	(13,367)	(14,217)	(14,972)	(15,915)
Minorities	(19)	(15)	(16)	(17)	(19)
Net Profit	48,639	54,836	58,325	61,423	65,290

Exhibit 7. 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)
Net Loans	758,888	868,686	944,282	1,026,340	1,114,542
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
Total Earnings Assets	1,255,324	1,344,563	1,403,785	1,494,072	1,593,284
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
Total Assets	1,408,107	1,449,301	1,510,769	1,579,278	1,656,652
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
Total Liabilities	1,165,569	1,186,466	1,227,934	1,276,698	1,334,064
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
Shareholders' Funds	242,356	262,641	282,640	302,385	322,393
Minority interests	181	194	194	194	194
Total Equity & Liabilities	1,408,107	1,449,301	1,510,769	1,579,278	1,656,652

Exhibit 8. 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 9. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
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
Growth (%)					
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: BBCA, BRIDS Estimates

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INVESTMENT RATING

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

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