Buy

(Maintained)

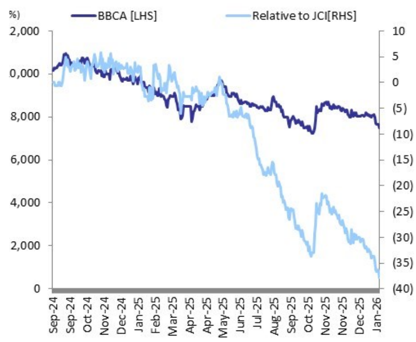
Tactical (3M): OW

Last Price (Rp)	**7,500**
Target Price (Rp)	**11,400**
Previous Target Price (Rp)	***10,800***
Upside/Downside	**+52.0%**
No. of Shares (mn)	**123,275**
Mkt Cap (Rpbn/US$mn)	**924,563/55,145**
Avg, Daily T/O (Rpbn/US$mn)	**1,169.6/69.8**
Free Float (%)	**42.4**
Major Shareholder (%)	
PT Dwimura Investama	**54.9**

EPS Consensus (Rp)

	2026F	**2027F**	**2028F**
BRIDS	491.7	528.8	580.9
Consensus	502.0	544.7	642.6
BRIDS/Cons (%)	**(2.0)**	**(2.9)**	**(9.6)**

BBCA relative to JCI Index



Source: Bloomberg

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Bank Central Asia (BBCA IJ)

FY25 Results: Improving Asset Quality and CASA Deposit to Navigate the Lower Loan Yield in FY26F

- **BBCA booked NP of Rp14.1tr in 4Q25 bringing its FY25 NP to Rp57.5tr (+5% yoy), slightly above our estimate but in line with consensus.**
- **Management expects a higher loan growth of 8-10%, lower NIM of 5.4-5.6%, stable CoC of 40-50bps, and improving consolidated CIR at 31-33%.**
- **Maintain BUY with a higher TP of Rp11,400 taking into account the higher FY26F ROE as we adjusted FY26 earnings by +5% from lower opex.**

Steady bottom line amid declining NIM in 4Q25

BBCA booked net profit of Rp14.1tr in 4Q25 (–2% qoq, +3% yoy), supported by lower-than-expected opex and credit costs despite seasonal cost pressures. Non-interest income rose 1% qoq, driven by a 10% increase in fees and commissions, offsetting weaker trading and loan sale losses. Opex increased 8% qoq but remained efficient yoy, bringing CIR to 35.7% (vs. 33.2% in 3Q25 and 38.6% in 4Q24). NIM declined 8bps qoq to 6.0% due to lower EA yield amid stable CoF. Loans grew 5% qoq, driven by corporate loans (+10%) offsetting flat consumer loans. Customer deposits rose 4% qoq on stronger CA and SA, lifting the CASA ratio to a record 84.1%.

Robust CASA-driven deposit and corporate loan growth

For FY25, BBCA recorded net profit of Rp57.5tr (+5% yoy), slightly above our estimate (102% of FY25F) and in line with consensus, supported by lower CoC. NIM declined 25bps yoy to 6.1% due to pressured loan yields despite stable funding costs. TPF grew 10% yoy to Rp1,249tr as CASA rose 13% yoy and TD declined 3%, while loans expanded 8% yoy led by corporate (11%), commercial (8%), and Sharia (23%) segments. CoC increased 18bps to 0.4% as provision expenses rose 97% yoy amid higher write-offs, which doubled to Rp7.7tr. Despite this, asset quality remained resilient, with NPL stable at 1.7% and LaR improving to 4.7%.

Improving loan growth and efficiency to offset the lower NIM

Management guides FY26 loan growth of 8–10%, NIM at 5.4–5.6%, CoC at 0.4–0.5%, and consolidated CIR of 31–33%, supported by fee income growth and improved funding mix. The bank will remain selective in SME, mortgage, and auto loans, while continuing to grow corporate lending and non-retail CASA through new myBCA business products.

Maintain Buy with a higher TP of Rp11,400

We maintain our Buy rating with a higher TP of Rp11,400 (from Rp10,800 prev.), derived from GGM with a 5-year avg. 6.8% CoE and higher FY26F ROE of 20.8%, which implies an FV PBV of 4.7x. **Tactical (3M) view: OW**. Despite overhang in country risk and persistent foreign outflow, we see limited downside in valuation which is already below -2SD in term of implied CoE and PBV. Risks to our view include asset quality deterioration and stagnating CoF.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	70,252	75,272	79,583	85,732	94,237
Net profit (Rpbn)	54,836	57,537	60,618	65,186	71,608
EPS (Rp)	444.8	466.7	491.7	528.8	580.9
EPS growth (%)	12.7	4.9	5.4	7.5	9.9
BVPS (Rp)	2,130.5	2,283.2	2,446.1	2,616.6	2,799.1
PER (x)	16.9	16.1	15.3	14.2	12.9
PBV (x)	3.5	3.3	3.1	2.9	2.7
Dividend yield (%)	4.0	4.3	4.7	5.2	5.9
ROAE (%)	21.7	21.1	20.8	20.9	21.5

Source: BBCA, BRIDS Estimates

Exhibit 1. BBCA FY25 results

BBCA - Financial (Rpbn)	4Q24	3Q25	4Q25	qoq, %	yoy, %	2024	2025	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	24,508	24,672	24,927	1%	2%	94,796	98,913	4%	98,190	99,369	101%	100%
Interest expense	3,177	3,310	3,325	0%	5%	12,532	13,364	7%	13,205	13,027	101%	103%
Net interest income	21,331	21,361	21,602	1%	1%	82,264	85,548	4%	84,985	86,342	101%	99%
Other operating income	6,438	7,801	6,386	-18%	-1%	26,042	28,316	9%	29,284	28,778	97%	98%
Operating expenses	10,731	9,678	10,005	3%	-7%	38,054	38,593	1%	39,746	40,222	97%	96%
PPOP	17,039	19,485	17,982	-8%	6%	70,252	75,272	7%	74,523	75,472	101%	100%
Provision	(333)	1,511	488	-68%	n/a	2,034	4,011	97%	4,315	4,203	93%	95%
Operating Profit	17,372	17,973	17,494	-3%	1%	68,218	71,261	4%	70,208	71,671	102%	99%
Net profit	13,762	14,381	14,140	-2%	3%	54,836	57,537	5%	56,435	57,657	102%	100%
Loans	921,878	944,120	992,901	5%	8%	921,878	992,901	8%	981,155	990,927	101%	100%
Customer deposits	1,133,612	1,204,753	1,249,159	4%	10%	1,133,612	1,249,159	10%	1,166,609	1,216,635	107%	103%
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.5	7.2	7.0	(17)	(45)	7.4	7.2	(25)				
Non-loan EA yield (%) - ann	7.3	6.7	6.8	5	(48)	7.1	6.8	(31)				
Cost of fund (%) - ann	1.1	1.1	1.1	(2)	(4)	1.1	1.1	0				
NIM (%) - ann	6.5	6.1	6.0	(8)	(43)	6.4	6.1	(25)				
CIR (%) - ann	38.6	33.2	35.7	256	(289)	35.1	33.9	(124)				
Cost of credit (%) - ann	(0.1)	0.6	0.2	(43)	35	0.2	0.4	18				
ROE (%) - ann	21.2	21.4	20.3	(111)	(96)	22.3	21.7	(66)				
CASA ratio (%)	82.0	83.7	84.1	49	219							
LDR (%)	81.3	78.4	79.5	112	(184)							
NPL ratio (%)	1.7	2.0	1.7	(39)	0							
LaR ratio (%)	5.0	5.4	4.7	(71)	(38)							

Source: Company, BRIDS Estimates

Exhibit 2. BBCA Changes in Forecast

BBCA - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn	85,216	89,197	4.67	88,052	93,792	6.52	94,125	102,085	8.46
PPOP (Rpbn)	75,818	79,583	4.97	80,692	85,732	6.25	88,447	94,237	6.55
Net profit (Rpbn)	57,626	60,618	5.19	61,291	65,186	6.36	67,248	71,608	6.48
BVPS (Rp)	2,430	2,446	0.66	2,587	2,617	1.14	2,758	2,799	1.49
Gross Loans (Rpbn)	1,058,889	1,089,553	2.90	1,143,009	1,197,616	4.78	1,234,051	1,318,587	6.85
Customer Deposits (Rpbn)	1,224,069	1,352,186	10.47	1,296,417	1,481,932	14.31	1,388,366	1,624,128	16.98
Ratios (%)	**2026F (Prev)**	**2026F (Curr)**	**Δ bps**	**2027F (Prev)**	**2027F (Curr)**	**Δ bps**	**2028F (Prev)**	**2028F (Curr)**	**Δ bps**
Net Interest Margin	5.9	5.8	(12)	5.8	5.6	(13)	5.8	5.7	(14)
Gross NPL Ratio	1.5	1.7	11	1.5	1.7	11	1.5	1.7	11
Cost/Income Ratio	34.9	33.5	(137)	33.9	32.5	(136)	33.1	31.9	(118)
Cost of Credit	0.4	0.4	3	0.4	0.4	3	0.4	0.4	4
ROAE	19.8	20.8	96	19.8	20.9	107	20.4	21.5	104

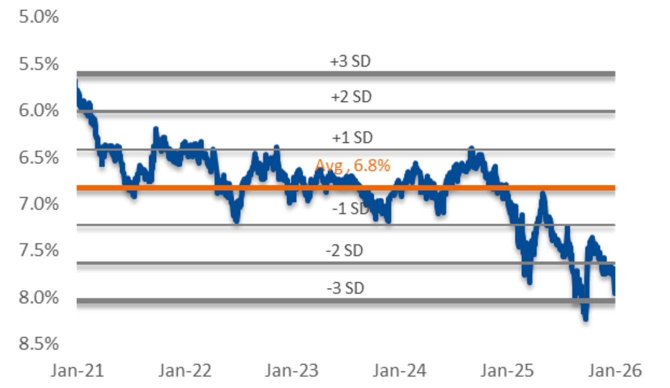
Source: Company, BRIDS Estimates

Exhibit 3. BBCA Valuation

Gordon Growth Valuation with Inverse Cost of Equity		
Parameters:		**Remarks:**
Cost of equity (%) - Mean	6.8	5-Year average
Cost of equity (%) - SD	0.4	5-Year average
SD used	-	
Cost of equity (%) used	6.8	
Long-term growth (%)	3.0	Long-term GDP growth
Forward ROE (%)	20.8	FY26F ROAE
Fair value P/BV (x)	4.7	**(ROAE - g) / (COC - g)**
BV/share (IDR)	2,446	FY26F Book value per share
Fair value (IDR)	**11,400**	Fair value P/BV multiple x BVPS

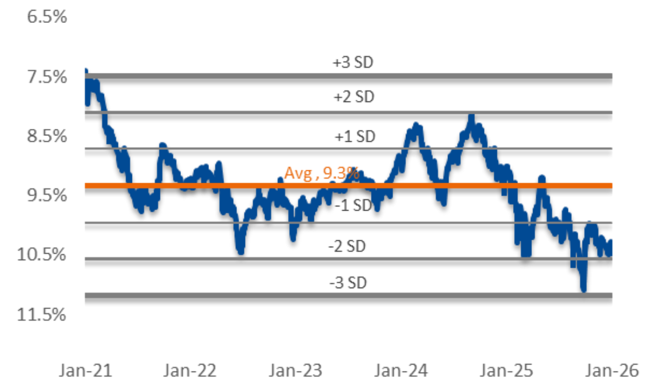
Source: Company, BRIDS Estimates

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



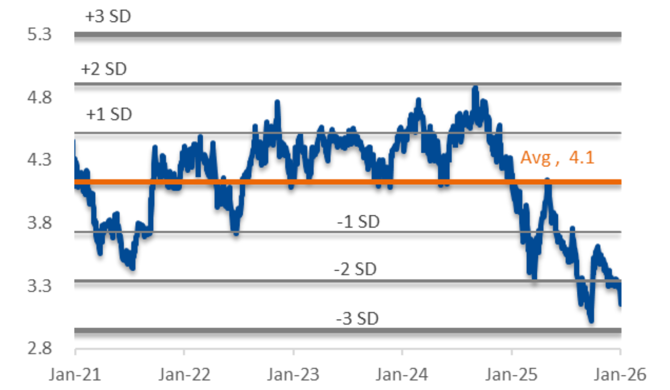
Source: Company, Bloomberg, BRIDS Estimates

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



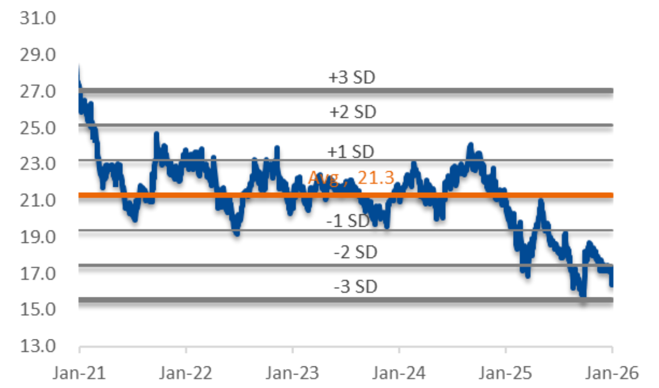
Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	94,796	98,913	102,450	107,639	116,590
Interest Expense	(12,532)	(13,364)	(13,253)	(13,847)	(14,505)
Net Interest Income	**82,264**	**85,548**	**89,197**	**93,792**	**102,085**
Non-Interest Income (NII)	26,042	28,316	30,557	33,303	36,355
Oper. Income	**108,307**	**113,865**	**119,754**	**127,095**	**138,440**
Oper. Expenses	(38,054)	(38,593)	(40,170)	(41,363)	(44,203)
Pre-provisions profit	**70,252**	**75,272**	**79,583**	**85,732**	**94,237**
Provisions & Allowances	(2,034)	(4,011)	(4,506)	(4,997)	(5,550)
Operating Profits	**68,218**	**71,261**	**75,077**	**80,735**	**88,687**
Non-Operating Income	0	0	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	**68,218**	**71,261**	**75,077**	**80,735**	**88,687**
Income Tax	(13,367)	(13,698)	(14,431)	(15,519)	(17,047)
Minorities	(15)	(26)	(28)	(30)	(32)
Net Profit	**54,836**	**57,537**	**60,618**	**65,186**	**71,608**

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	921,878	992,901	1,089,553	1,197,616	1,318,587
Provisions	(33,499)	(30,760)	(30,336)	(30,004)	(29,564)
Net Loans	**888,379**	**962,141**	**1,059,217**	**1,167,611**	**1,289,022**
Govt. Bonds	0	0	0	0	0
Securities	392,677	444,742	474,563	507,096	514,072
Other Earnings Assets	9,621	9,495	10,419	11,452	12,609
Total Earnings Assets	**1,345,438**	**1,467,568**	**1,590,948**	**1,733,252**	**1,863,059**
Fixed Assets	38,150	40,354	42,155	44,115	46,292
Non-Earnings Assets	37,893	42,621	39,337	39,950	40,636
Total Assets	**1,449,301**	**1,586,829**	**1,728,022**	**1,882,758**	**2,051,918**
Customer Deposits	1,120,614	1,233,799	1,352,186	1,481,932	1,624,128
Banks Deposits	3,656	3,966	3,314	3,155	3,004
Int. Bearing Liab. - Others	12,998	15,360	18,150	21,447	25,344
Total Liabilities	**1,186,466**	**1,305,141**	**1,426,262**	**1,559,975**	**1,706,638**
Share capital & Reserves	18,961	18,278	18,278	18,278	18,278
Retained Earnings	243,679	263,189	283,261	304,284	326,782
Shareholders' Funds	**262,641**	**281,466**	**301,539**	**322,562**	**345,059**
Minority interests	194	221	221	221	221
Total Equity & Liabilities	**1,449,301**	**1,586,829**	**1,728,022**	**1,882,758**	**2,051,918**

Exhibit 10. Key Ratios

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	7.3	7.0	6.7	6.5	6.5
Cost of funds	1.1	1.1	1.0	1.0	0.9
Interest Spread	6.2	5.9	5.7	5.5	5.6
Net Interest Margin	6.3	6.1	5.8	5.6	5.7
Cost/Income Ratio	35.1	33.9	33.5	32.5	31.9
Oper. Exp./Oper. Gross Inc.	43.5	44.0	43.6	42.7	42.0
Gross NPL Ratio	1.7	1.7	1.7	1.7	1.7
LLP/Gross NPL	225.2	191.7	172.3	155.0	138.7
Cost of Credit	0.2	0.4	0.4	0.4	0.4
Loan to Deposit Ratio	82.3	80.5	80.6	80.8	81.2
Loan to Funding Ratio	82.3	80.5	80.6	80.8	81.2
CASA Mix	81.7	84.0	84.4	84.7	85.1
ROAE	21.7	21.1	20.8	20.9	21.5
ROAA	3.8	3.8	3.7	3.6	3.6
CAR	26.7	26.2	25.2	24.7	0.0

Exhibit 11. Dupont and Growth

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	4.8	4.7	4.5	4.5	4.5
Tax Retention rate	80.4	80.8	80.8	80.8	80.8
Post-Tax ROAA	3.8	3.8	3.7	3.6	3.6
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	5.7	5.6	5.7	5.8	5.9
ROAE	21.7	21.1	20.8	20.9	21.5
Growth (%)					
Interest income	8.7	4.3	3.6	5.1	8.3
Net Interest Income	9.8	4.0	4.3	5.2	8.8
Other Oper. Expenses	2.1	1.4	4.1	3.0	6.9
Fee Based Income	8.2	9.3	7.2	8.5	7.1
Pre-Provision Oper. Profit	14.7	7.1	5.7	7.7	9.9
Net Profit	12.7	4.9	5.4	7.5	9.9
Shareholders' Equity	8.4	7.2	7.1	7.0	7.0
Loan	13.8	7.7	9.7	9.9	10.1
Earnings Asset	7.1	9.1	8.4	8.9	7.5
Deposit	2.1	10.1	9.5	9.6	9.6
Int. Bearing Liab.	2.2	9.9	9.6	9.6	9.7
CASA	4.4	13.1	10.0	10.1	10.1
Total Asset	2.9	9.5	8.9	9.0	9.0

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