Buy

(Maintained)

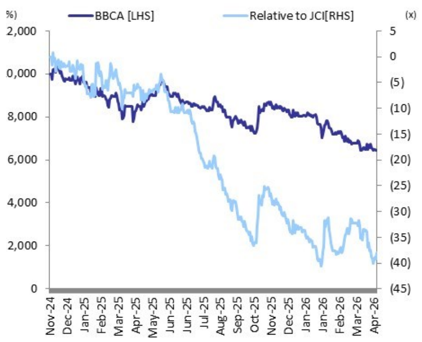
Tactical (3M): **OW**

Last Price (Rp)	**6,425**
Target Price (Rp)	**10,900**
Previous TP (Rp)	▼ ***11,400***
Upside/Downside	**+69.6%**
No. of Shares (mn)	**123,275**
Mkt Cap (Rpbn/US$mn)	**792,042/45,796**
Avg, Daily T/O (Rpbn/US$mn)	**1,195.6/69.1**
Free Float (%)	**42.5**
Major Shareholder (%)	
PT Dwimura Investama	**54.9**

EPS Consensus (Rp)

	2026F	**2027F**	**2028F**
BRIDS	491.7	528.8	580.9
Consensus	491.6	536.1	588.1
BRIDS/Cons (%)	**0.0**	**(1.4)**	**(1.2)**

BBCA relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3505

victor.stefano@brids.co.id

Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

naura.muchlis@brids.co.id

Bank Central Asia (BBCA IJ)

1Q26 Earnings: In Line; Robust Revenues and Contained Opex Offset NIM Drop and Higher CoC

- **BBCA booked a net profit of Rp14.7tr in 1Q26 (+4% qoq, +4% yoy), forming 24% of our and consensus' FY26F estimates, i.e., in line.**
- **Excluding corporate, other segments saw higher qoq NPL and LaR ratios, but still improved yoy driven by wholesale segments.**
- **Maintain Buy rating with a lower TP of Rp10,900; valuations are attractive at sub -3SD of its five year mean.**

Inline earnings with lower NIM offset by fee-income and contained opex

BBCA booked a net profit of Rp14.7tr in 1Q26 (+4% qoq, +4% yoy), supported by strong fee income and contained opex, forming 24% of our and consensus' FY26F estimates, i.e., in line. NIM eased to 5.7% (–33bps qoq, –49bps yoy), driven by lower EA yield, while CoF remained stable. Management indicated that pressure on corporate yields has started to ease and highlighted the possibility of repricing loans upward. Other operating income grew 15% qoq and 11% yoy, driven by stronger fee and commission income. Opex declined 9% qoq and was slightly lower yoy (–1%), supported by manpower efficiency initiatives.

Wholesale asset quality improvement offsetting the retail lending

BBCA's loans were flat qoq (+6% yoy), with consumer loans contracting 1.3% YTD (–2.0% yoy). Customer deposits rose 3% qoq, driven by CASA growth (+4%), bringing the CASA ratio to 84.7% (+53bps qoq, +222bps yoy). CA growth was broad-based, with SME deposits growing 34% yoy. Overall NPL and LaR declined 5% and 11% yoy, respectively, driven by improvements in corporate and commercial segments, partly offset by deterioration in consumer and SME segments. Excluding corporate, other segments saw higher qoq NPL and LaR ratios, with management highlighting continued weakness in retail lending and downgrades in commercial loans.

Maintaining FY26F guidance amid steady BI rate

The bank is now expecting a steady BI rate, i.e., unchanged at 4.75% but maintaining its FY26 loan growth target at 8–10%, NIM at 5.4–5.6%, CoC at 0.4–0.5%, consolidated CIR at 31–33%, and LaR ratio at 4.6–4.8%. BBCA will split its interim dividend into three tranches (Jun, Sep, Dec).

Maintain Buy with a lower TP of Rp10,900

We maintain our Buy rating but with a lower TP of Rp10,900, with a revised down 5-year avg. CoE of 7.0% (from 6.8%), implying a FV PBV of 4.5x. **Tactical (3M) view: OW.** Despite overhang in country risk and persistent foreign outflow, we see limited downside in valuation which is already below -3SD in terms 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)	14.4	13.8	13.1	12.2	11.1
PBV (x)	3.0	2.8	2.6	2.5	2.3
Dividend yield (%)	4.7	5.0	5.5	6.1	6.9
ROAE (%)	21.7	21.1	20.8	20.9	21.5

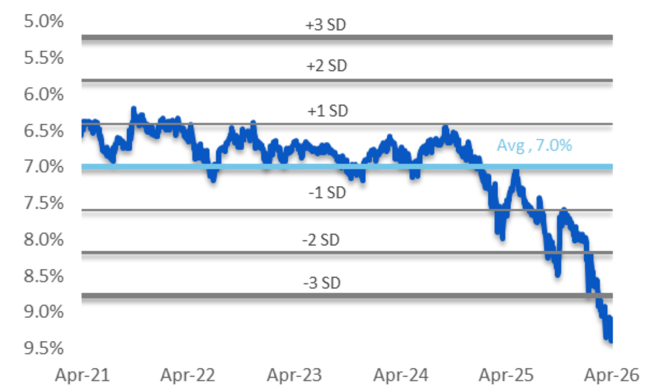
Source: BBCA, BRIDS Estimates

Exhibit 1. BBCA 1Q26 Results

BBCA - Financial (Rpbn)	1Q25	4Q25	1Q26	qoq, %	yoy, %	1Q25	1Q26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	24,367	24,927	24,592	-1%	1%	24,367	24,592	1%	102,450	103,833	24%	24%
Interest expense	3,248	3,325	3,484	5%	7%	3,248	3,484	7%	13,253	14,280	26%	24%
Net interest income	21,119	21,602	21,108	-2%	0%	21,119	21,108	0%	89,197	89,553	24%	24%
Other operating income	6,606	6,386	7,325	15%	11%	6,606	7,325	11%	30,557	29,068	24%	25%
Operating expenses	9,238	10,005	9,124	-9%	-1%	9,238	9,124	-1%	40,170	38,364	23%	24%
PPOP	18,487	17,982	19,309	7%	4%	18,487	19,309	4%	79,583	80,276	24%	24%
Provision	1,031	488	1,232	152%	20%	1,031	1,232	20%	4,506	4,531	27%	27%
Operating Profit	17,456	17,494	18,077	3%	4%	17,456	18,077	4%	75,077	76,173	24%	24%
Net profit	14,146	14,140	14,684	4%	4%	14,146	14,684	4%	60,618	60,728	24%	24%
Loans	941,173	992,901	993,829	0%	6%	941,173	993,829	6%	1,089,553	1,075,241	91%	92%
Customer deposits	1,193,361	1,249,159	1,292,551	3%	8%	1,193,361	1,292,551	8%	1,352,186	1,343,930	96%	96%
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.3	7.0	6.8	(23)	(45)	7.3	6.8	(45)				
Non-loan EA yield (%) - ann	6.9	6.8	6.3	(49)	(58)	6.9	6.3	(58)				
Cost of fund (%) - ann	1.1	1.1	1.1	1	(2)	1.1	1.1	(2)				
NIM (%) - ann	6.2	6.0	5.7	(33)	(49)	6.2	5.7	(49)				
CIR (%) - ann	33.3	35.7	32.1	(366)	(123)	33.3	32.1	(123)				
Cost of credit (%) - ann	0.4	0.2	0.5	29	5	0.4	0.5	5				
ROE (%) - ann	22.2	20.3	21.7	145	(50)	22.2	21.7	(50)				
CASA ratio (%)	82.5	84.1	84.7	53	222							
LDR (%)	78.9	79.5	76.9	(260)	(198)							
NPL ratio (%)	2.0	1.7	1.8	13	(19)							
LaR ratio (%)	5.9	4.7	4.9	24	(96)							

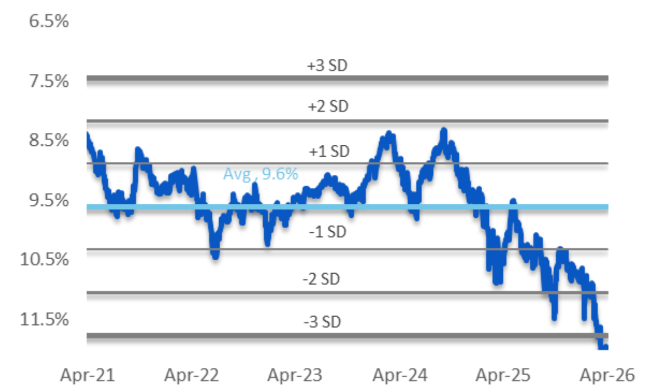
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBCA's Cost of Equity Band Chart (5-year)



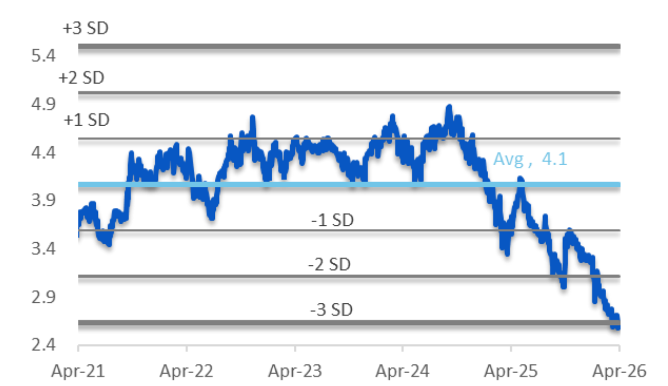
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's Cost of Equity Band Chart (5-year)



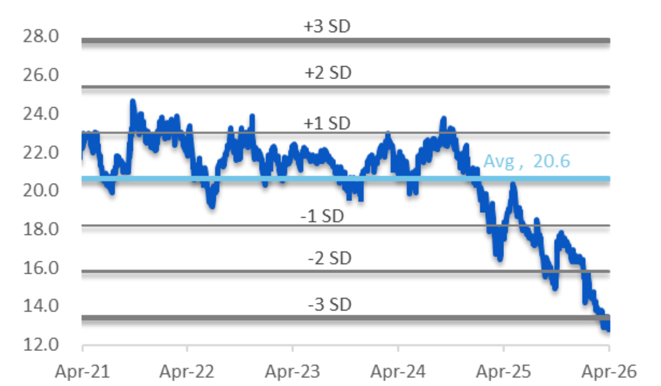
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BBCA's P/BV Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BBCA's P/E Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. 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 7. 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 8. Key Ratios

Year to 31 Dec (Rpbn)	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	24.7

Exhibit 9. Key Ratio

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

BRI Danareksa Equity Research Team		
Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team		
Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuho Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team		
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	Jason.joseph@brids.co.id

BRI Danareksa Sales Traders		
Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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