

BBCA

PT Bank Central Asia Tbk

Earnings In-line, Strong CASA

- 9M25 net profit rose +5.7% YoY to Rp43.4tn (in-line with ours), driven by strong core income and CASA-led funding, keeping NIM stable at 5.8%.
- Loans grew +7.6% YoY, led by corporate and SME; asset quality solid with NPL 2.1% and improving LAR 5.5%.
- Management maintained 6–8% loan growth target and CAR 29.9%, ensuring ample liquidity and room for buyback/dividends.
- BUY maintained, TP cut to Rp9,600 (2026F PB 4.1x); premium valuation supported by CASA strength, asset quality, and digital ecosystem.

Solid 9M25 Performance Amid Higher Provisions

BBCA posted resilient 9M25 results with net profit of Rp43.4 trillion (+5.7% YoY) in-line with our estimate (74% of 2025F), supported by solid core income growth and robust CASA expansion despite rising provisions. Operating income grew to Rp85.2 trillion (+6.9% YoY), driven by net interest income of Rp63.9 trillion (+5.2% YoY) and stronger non-interest income (+12.4% YoY) on the back of higher fee and trading gains. PPOP increased to Rp57.3 trillion (+7.9% YoY), reflecting effective cost discipline with CIR improving to 29.2% (9M24: 30.2%). CASA rose to Rp998.9 trillion (+9.1% YoY), maintaining a high CASA ratio of 83.8% (9M24: 82.2%), which helped stabilize NIM at 5.8% (9M24: 5.8%). Asset quality remained sound, with gross NPL flat at 2.1% and LAR improving to 5.5% (9M24: 6.1%). Provision expenses rose to Rp3.4 trillion (+56.4% YoY) as management proactively strengthened buffers, particularly in consumer (auto, mortgage) and selected corporate exposures, driving credit cost to Rp1.5 trillion in 3Q25 (2Q25: Rp0.9 trillion).

Loan Growth Holds, Competition Heats Up

Total loans grew to Rp944 trillion (+7.6% YoY), supported by robust corporate (+10.4% YoY) and SME (+7.7% YoY) growth, while consumer lending was relatively soft at +3.3% YoY amid subdued auto financing (-4.3% YoY) due to selective approvals in lower down-payment segments and increased write-offs planned for year-end. Management highlighted that corporate loan competition has intensified following liquidity injections into state banks and lower policy rates, prompting borrowers to demand cheaper yields. Nevertheless, BBCA expects to offset yield compression through CASA-led funding growth as customers increasingly park liquidity in deposits amid narrowing yield differentials. On asset quality, management noted that mortgage NPL formation improved in 3Q25 compared to June, with expectations for further recovery in 4Q25 supported by strong mortgage bookings from the BCA Expo. SME asset quality stayed stable with SML around 2.5% and NPL at 2.9%, both well within manageable levels given the bank's secured lending structure and average ticket size of Rp5 billion.

Steady Guidance with Ample Capital Buffer

Management reaffirmed FY25 loan growth guidance of 6–8%, expecting a seasonal boost in 4Q25 primarily from the corporate segment, while maintaining conservative consumer exposure. LDR is projected to hover around 76–78% by year-end, ensuring ample liquidity. BBCA reiterated its Rp5 trillion share buyback program with flexibility depending on market conditions, and discussions on interim dividend and payout ratio are ongoing, with capital strength (CAR 29.9%) providing room for attractive shareholder returns. Looking ahead, we expect one more BI rate cut this year and potentially three more in 2026, bringing the policy rate to around 3.75%. While such easing could compress NIM by 20–30 bps next year, BBCA anticipates volume growth and a stronger transactional environment to offset the impact. In a lower-rate environment, CASA growth and fee-based income from transaction banking are expected to improve further.

Outlook Constructive

We maintain our **BUY** rating on BBCA with a lower target price of **Rp9,600** (from Rp11,000), implying a 2026F PB of 4.1x, or around -1 standard deviation from its forward PB band. BBCA continues to command a valuation premium over peers, supported by its superior CASA franchise, best-in-class asset quality, and robust digital ecosystem. While valuation remains rich, the recent ~3.6 billion shares of YTD foreign outflow suggests sentiment has turned cautious in the near term, creating a potential entry window for long-term investors. The medium-term outlook remains constructive, driven by recovering credit appetite, stable funding costs, and continued digital monetization. Key risks: margin compression and soft consumer loan demand.

Key Financial Highlights

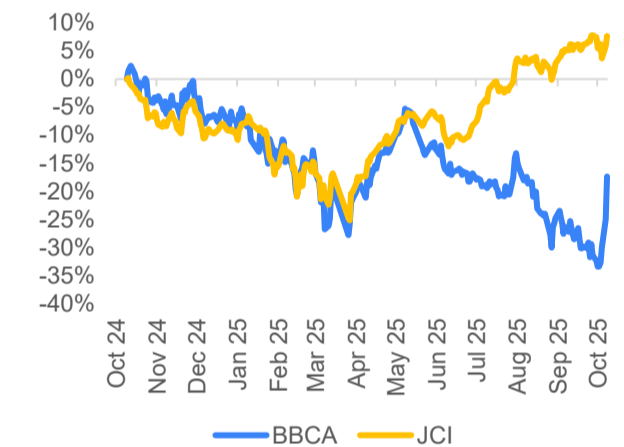
Key Metrics	2023	2024	2025F	2026F	2027F
Net Interest Income (Rp bn)	75,129	82,264	87,216	92,550	101,259
PPOP (Rp bn)	62,443	70,252	76,309	81,664	90,186
Net Profit (Rp bn)	48,639	54,836	57,366	61,350	67,354
NIM (%)	6.5	6.6	6.5	6.4	6.4
CAR (%)	29.4	29.4	29.5	29.3	29.1
Loan Growth (%)	14.0	13.8	5.0	11.3	12.5
Dividend Yield (%)	2.9	3.1	3.5	3.3	3.6

BUY

Stock Information (as of October 22, 2025)

Last Price (Rp)	8,200
Target Price (Rp)	9,600
Potential Upside	17.1%
Previous TP (Rp)	11,000
Market Cap (Rp tn)	1,000.7
52 Week Range (Rp)	10,875 – 7,225
Free Float	42.5%
Share Out. (bn)	122.0

1-Year Stock Performance Comparison vs JCI



Shareholders

BBCA's Shareholders	%
PT Dwimuria Investama Andalan	54.94
Public	42.46
Controlling Affiliate	2.46
Others	0.14

Company Description

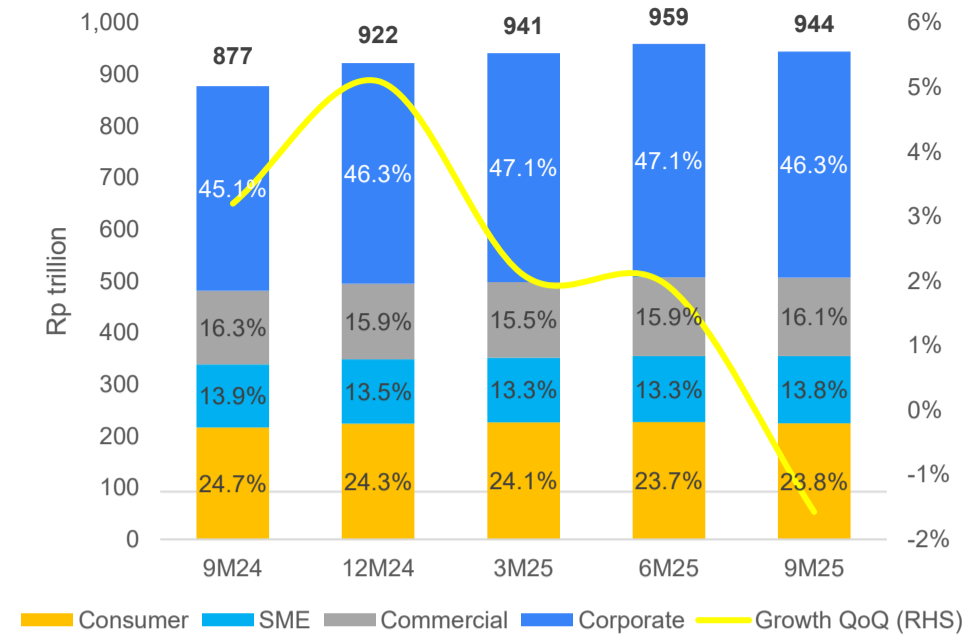
BBCA's Company Profile

PT Bank Central Asia Tbk (the Bank) is an Indonesia-based commercial bank. The Bank's segments include Transaction Banking, Corporate Banking, Commercial & Small & Medium Enterprise (SME) Banking, Individual Banking, and Treasury and International Banking. Its geographic areas include Sumatera, Java, Kalimantan, East Indonesia and overseas operation.

Analyst

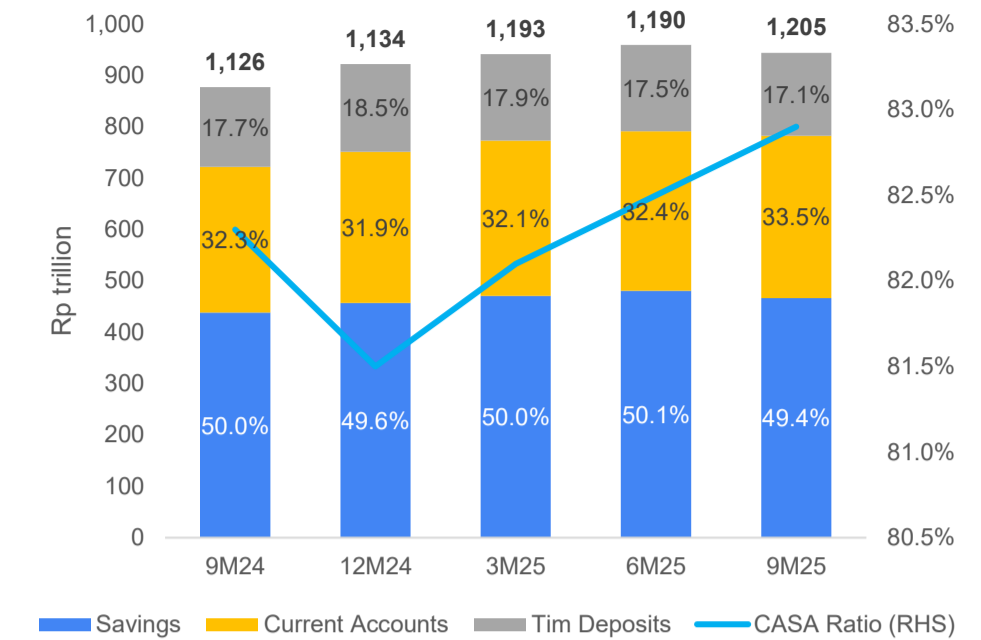
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Figure 1. BBCA's Loan Breakdown Trend



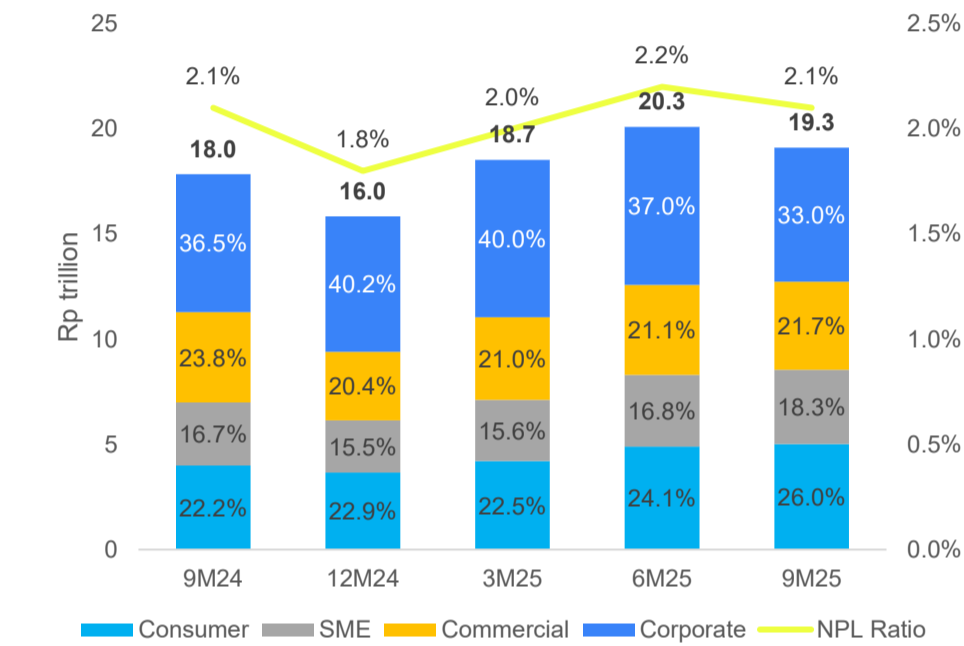
Source: Company, Ajaib Research

Figure 2. BBCA's Third-Party Fund Trend



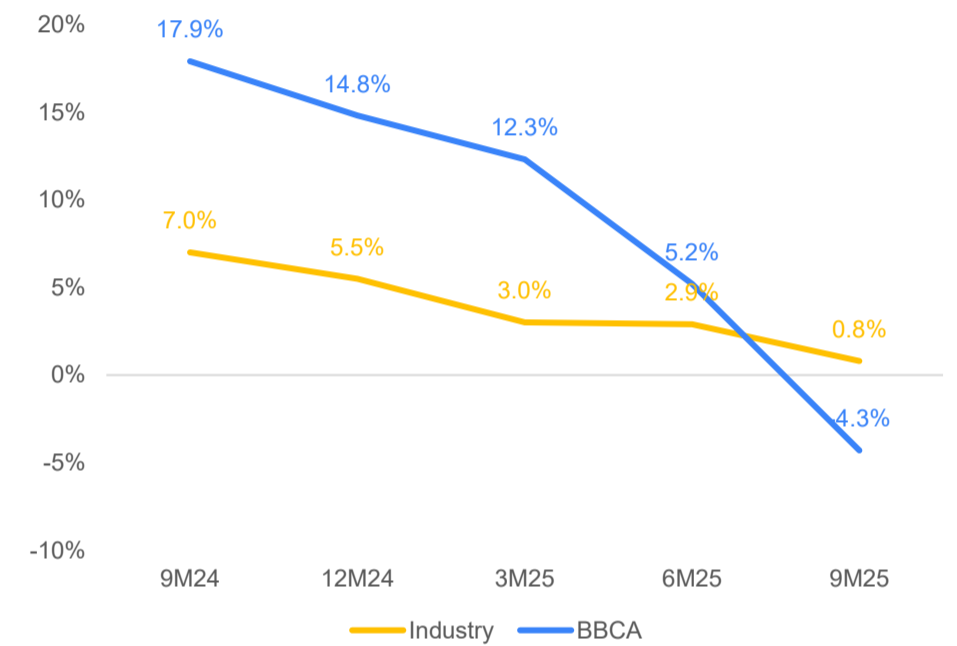
Source: Company, Ajaib Research

Figure 3. BBCA's NPL Breakdown Trend



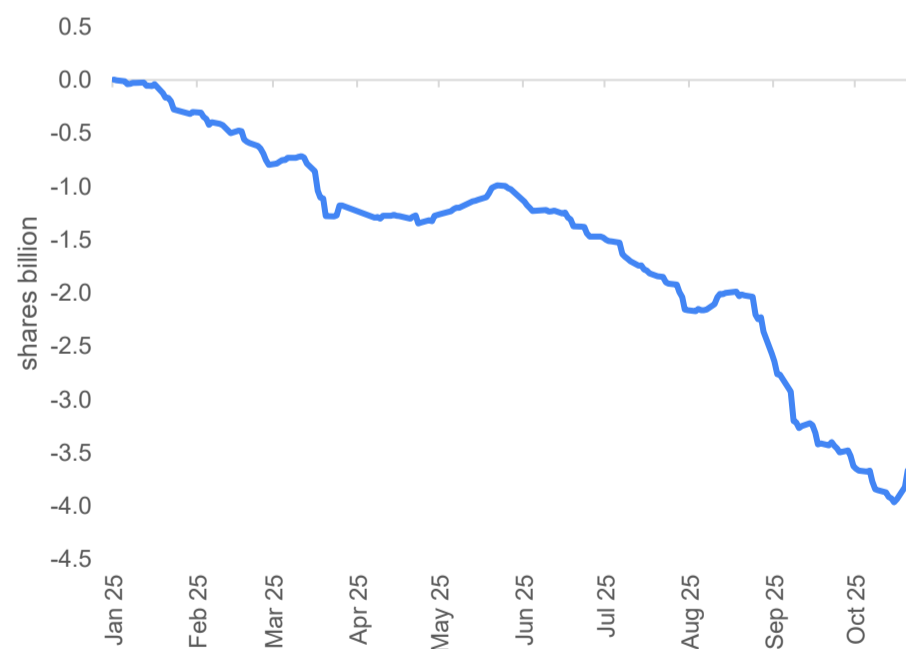
Source: Company, Ajaib Research

Figure 4. BBCA's Auto Loan Growth vs Industry



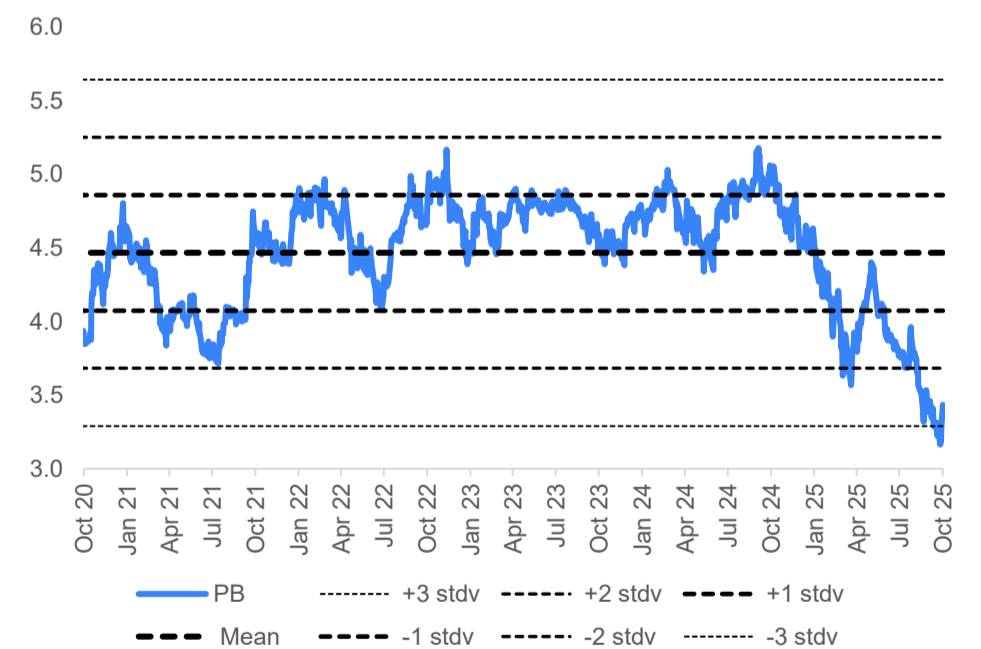
Source: Company, Ajaib Research

Figure 5. BBCA's YTD Foreign Flow



Source: Bloomberg, Ajaib Research

Figure 6. BBCA's Forward PB Band



Source: Bloomberg, Ajaib Research

Figure 7. Peers Valuation Comparison

Ticker	Market Cap (Rp tn)	PB (x)	PE (x)	ROE (%)	Div. Yield (%)
BBCA	1,034	3.7	12.7	20.7	3.7
BBNI	150	0.9	2.7	13.0	9.3
BBRI	564	1.8	0.1	18.0	9.3
BMRI	402	1.5	1.3	20.1	10.8
Sector Average		2.0	4.2	17.9	8.2

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)						Balance Sheet (Rp bn)					
	2023	2024	2025F	2026F	2027F		2023	2024	2025F	2026F	2027F
Interest Income	87,398	94,796	100,557	106,798	116,607	Cash	21,702	29,316	30,049	30,049	31,627
Interest Expense	-12,269	-12,532	-13,340	-14,248	-15,348	Placement with Other Banks	10,066	11,168	11,503	11,858	12,235
Net Interest Income	75,129	82,264	87,216	92,550	101,259	Government Bonds	264,598	317,653	317,653	317,653	317,653
Non-Interest Income	24,817	26,042	28,780	31,031	33,278	Loans	810,252	921,827	967,849	1,076,830	1,211,158
Operating Income	99,945	108,307	115,996	123,581	134,537	Others	301,489	169,337	213,305	239,561	253,172
Operating Expenses	-37,503	-38,054	-39,688	-41,917	-44,351	Total Asset	1,408,107	1,449,301	1,540,359	1,675,951	1,825,844
PPOP	62,443	70,252	76,309	81,664	90,186	Customer Deposits	1,101,700	1,133,600	1,204,820	1,310,878	1,428,121
Provisions & Allowances	-2,263	-2,034	-4,182	-4,515	-5,495	Borrowings	13,255	7,730	8,216	8,939	9,738
Operating Profit	60,180	68,218	72,127	77,149	84,691	Other liabilities	50,614	45,136	47,987	52,225	56,913
Non-Operating Income	0	0	0	0	0	Total liabilities	1,165,569	1,186,466	1,261,022	1,372,042	1,494,772
Pre-tax Profit	60,180	68,218	72,127	77,149	84,691	Minorities	181	195	195	195	195
Income Tax	-11,522	-13,367	-14,746	-15,785	-17,323	Equity	242,356	262,641	279,142	303,714	330,877
Minority Interest	-19	-15	-15	-15	-15	Shareholder equity	242,538	262,835	279,337	303,908	331,072
Net Profit	48,639	54,836	57,366	61,350	67,354	Total liabilities & Equity	1,408,107	1,449,301	1,540,359	1,675,951	1,825,844

Growth (%)						Key Metrics (%)					
	2023	2024	2025F	2026F	2027F		2023	2024	2025F	2026F	2027F
Net Interest Income	17.4	9.5	6.0	6.1	9.4	CAR	29.4	29.4	29.5	29.3	29.1
PPOP	13.5	12.5	8.6	7.0	10.4	Net Interest Margin	6.5	6.6	6.5	6.4	6.4
Net Profit	19.4	12.7	4.6	6.9	9.8	Cost to Income Ratio	37.5	35.1	34.5	34.3	33.2
Total Loans	14.0	13.8	5.0	11.3	12.5	Cost of Fund	1.1	1.1	1.1	1.1	1.1
CASA	4.3	4.4	8.2	9.5	10.2	Gross NPL	1.8	1.7	1.9	1.8	1.7
Deposit	6.0	2.9	6.3	8.8	8.9	ROAA	3.6	3.9	3.7	3.7	3.7
Earnings Asset	5.8	7.8	7.7	7.8	9.4	ROAE	20.1	20.9	20.5	20.2	20.3
Shareholders' Equity	9.7	8.4	6.3	8.8	8.9	CASA Mix	80.3	81.5	83.0	83.5	84.5
Dividend	31.7	11.1	-0.3	7.0	9.4	Dividend Yield	2.9	3.1	3.5	3.3	3.6

Source: Company, Ajaib Research

Rating for Sectors:

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:

The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

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