

Bank Central Asia

BUY (upgrade)

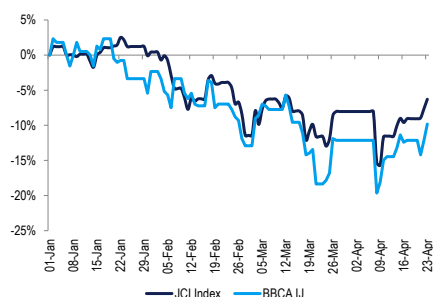
Company Update | Banks | **BBCA IJ** | 23 April 2025

Stock Data

Target price	Rp10,400
Prior TP	Rp10,400
Current price	Rp8,725
Upside/downside	+19.2%
Shares outstanding (mn)	123,275
Market cap (Rp bn)	1,075,575
Free float	42%
Avg. 6m daily T/O (Rp bn)	1,237

Price Performance

	3M	6M	12M
Absolute	-8.9%	-16.9%	-10.3%
Relative to JCI	-1.3%	-2.1%	-3.6%
52w low/high (Rp)	7,775 – 10,950		



Major Shareholders

PT Dwimuria Investama Andalan	54.9%
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1Q25 results: in-line amid strong loan growth and NIM; upgrade to BUY

- BBCA posted net profit of Rp14.1tr in 1Q25 (+10% yoy), in-line with ours/consensus and supported by solid NII/PPOP growth of +7/10% yoy.
- Loan growth reached 13% yoy, exceeding its 6-8% FY25F guidance. NIM expanded +20bp yoy to 5.8% driven by higher LDR and asset yield.
- LAR rose to 6.0% (+70bp qoq) due to one-off restructured debtor, but expected to normalize by Jun25. Upgrade to Buy with unchanged TP.

1Q25 results: in-line supported by strong NII and PPOP

BBCA reported net profit of Rp14.1tr in 1Q25 (+10% yoy), in-line with expectations at 25/24% of our and consensus' FY25F. PPOP rose +10% yoy, supported by solid NII growth of +7% yoy and non-II at +8% yoy while opex remained manageable at +2% yoy. Provisions rose by +16% yoy, bringing CoC to 0.5% in 1Q25 (vs. 0.4/0.3% in 1Q24/FY24) slightly above management's FY25F guidance of c.0.3%.

NIM supported by higher LDR and asset yield

NIM improved by +20bp yoy to 5.8% (-20bp qoq) driven by a +10bp increase in asset yield – from better asset mix – and rising LDR which reached 79% in 1Q25 (vs. 75% in 1Q24). It maintained its FY25F NIM guidance of 5.7-5.8%. Deposits grew +7% yoy/+5% qoq, led by strong CASA growth of +8% yoy/+6% qoq, while TD declined -1% yoy but rose +2% qoq.

Higher than expected loan growth, though slower outlook maintained

Loan growth remained robust at +13% yoy/+2% qoq, exceeding guidance of 6-8%. Corporate led the growth at +14% yoy/+3% qoq (mainly from power plant, infrastructure, and mineral sectors). SME and consumer followed with +13% yoy/+1% qoq and +11% yoy/+1% qoq, respectively. It also maintains FY25F loan growth target unchanged given the high base effect in 2H24.

One-off restructured account drove qoq increase in LAR

NPL rose slightly by +10bp yoy/+20bp qoq to 2.0% (vs. 1.9/1.8% in 1Q24/4Q24). While LAR declined -60bp yoy to 6.0% (vs. 6.6% in 1Q24), though up +70bp qoq due to one-off restructured debtor (nickel), which is expected to normalize by Jun25. Excluding this, LAR would stand at 5.4%. LAR coverage stood at 67% (74% excluding one-off in 1Q25 vs. 72/77% in 1Q24/4Q24).

Upgrade to Buy as slower growth outlook has been priced-in

We upgrade to Buy but maintaining our EPS estimates as slower growth has clearly been priced-in (-10% YTD). Currently BBCA trades at 3.8x P/B and 18.8x P/E vs. 10Y average of 3.8x and 21.2x. Upside risk is better than expected liquidity condition.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	74,938	82,264	87,258	94,381	102,078
PPOP	61,236	70,252	73,936	80,906	88,015
Provision charges	(1,056)	(2,034)	(3,304)	(4,079)	(4,446)
Net profit	48,639	54,836	57,196	62,213	67,673
Net profit growth	19%	13%	4%	9%	9%
P/BV (x)	4.6	4.2	3.8	3.5	3.3
Dividend yield	2.4%	3.2%	3.6%	3.7%	4.0%
ROAE	21.0%	21.7%	21.0%	21.3%	21.4%
IPS vs. consensus			98%	100%	100%

Source: Company, Indo Premier

Share price closing as of: 23 April 2025

Fig. 1: BBKA 1Q25 results summary

BBKA 1Q25 result (in Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	24,395	22,986	6%	24,615	-1%	100,843	24%		
Interest expenses	(3,248)	(3,200)	2%	(3,177)	2%	(13,586)	24%		
Net interest income	21,146	19,786	7%	21,438	-1%	87,258	24%		
Non interest income	6,806	6,298	8%	6,155	11%	27,227	25%		
Total Income	27,953	26,084	7%	27,593	1%	114,485	24%		
Overhead Expenses	(9,486)	(9,289)	2%	(10,434)	-9%	(40,549)	23%		
Pre-provision profit	18,467	16,796	10%	17,159	8%	73,936	25%		
Loan loss provision	(1,031)	(886)	16%	333	-410%	(3,304)	31%		
Pretax Profit	17,436	15,909	10%	17,492	0%	70,632	25%	72,299	24%
Non operating	19	6	226%	(120)	-116%				
Tax	(3,309)	(3,037)	9%	(3,608)	-8%	(13,420)	25%		
Minority interests	(1)	1	-188%	(1)	-9%	(16)	5%		
Net Profit	14,146	12,879	10%	13,762	3%	57,196	25%	58,296	24%

Source: Company, Indo Premier

Fig. 2: BBKA 1Q25 balance sheet summary

Balance Sheet (in Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
Secondary reserves	462	451	2%	422	9%
Gross Loan	941	836	13%	922	2%
Other assets and receivables	131	153	-14%	105	25%
Total Assets	1,534	1,440	7%	1,449	6%
Current Account (CA)	383	349	10%	362	6%
Savings Account (SA)	597	555	8%	562	6%
CASA	980	905	8%	924	6%
Time Deposits	214	216	-1%	210	2%
Total deposits	1,194	1,121	7%	1,134	5%
Other liabilities&accrued	94	92	2%	52	81%
Total Liabilities	1,288	1,213	6%	1,186	9%
Equity	246	227	8%	263	-6%

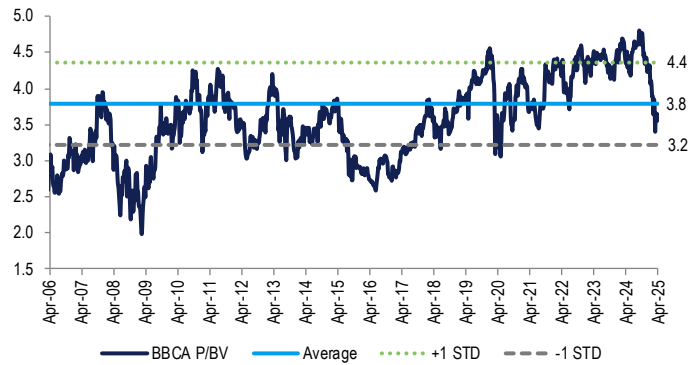
Source: Company, Indo Premier

Fig. 3: BBKA 1Q25 key ratios summary

Key Ratios (in %)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Asset Yield	6.8	6.9	6.9	7.1	7.0	6.9	7.2	7.2	7.1
Cost of Funds	1.0	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1
NIM (C)	5.6	5.6	5.5	5.5	5.6	5.7	5.8	5.8	5.8
CAR	29	30	30	29	26	28	29	29	27
LDR	69	69	70	74	75	76	78	81	79
Gross NPL	1.8	1.9	2.0	1.9	1.9	2.2	2.1	1.8	2.0
Special Mention	2.1	2.7	2.4	2.2	2.5	2.6	2.4	2.1	2.1
Coverage Ratio	285	257	227	234	220	190	194	209	181
CASA Ratio	81	81	80	80	81	81	81	82	83
Credit Costs (Q)	0.8	0.1	0.3	-0.1	0.4	0.2	0.6	-0.1	0.5
Credit Costs (C)	0.8	0.5	0.4	0.3	0.4	0.3	0.4	0.3	0.5
Loan at risk (incl Covid)	9.8	9.0	7.9	6.9	6.6	6.4	6.1	5.3	6.0
Cost to income	35	33	34	34	32	31	30	32	29

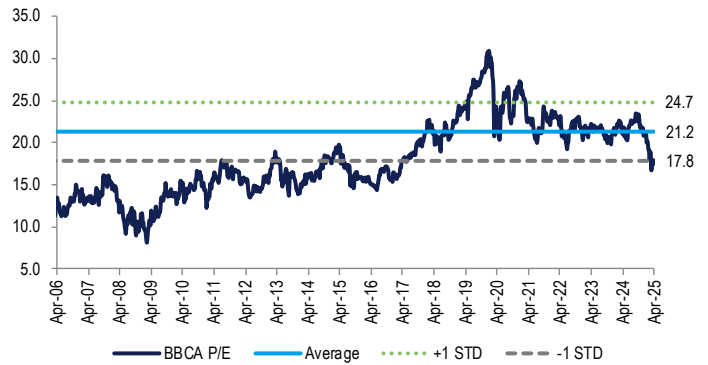
Source: Company, Indo Premier

Fig. 4: BBKA's P/BV – now trading at 3.8x FY25F P/BV vs. 10-year average of 3.8x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 5: BBKA's P/E – now trading at 18.8x FY25F P/E vs. 10-year average of 21.2x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 6: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY25F	FY26F	10Y Avg	FY25F	FY26F	10Y Avg
BBKA	8,725	10,400	4.3	19%	Buy	18.8	17.3	21.2	3.8	3.5	3.8
BBRI	3,760	4,700	2.1	25%	Buy	10.0	8.9	14.6	1.8	1.7	2.4
BMRI	4,900	7,100	2.0	45%	Buy	7.8	7.1	11.8	1.4	1.3	1.7
BBNI	4,150	5,000	1.0	20%	Hold	7.2	6.6	10.6	0.9	0.8	1.1
BBTN	1,010	1,450	0.6	44%	Buy	4.4	4.0	6.9	0.4	0.4	0.8
BRIS*	2,790	3,500	2.7	25%	Buy	15.9	14.0	16.0	2.5	2.1	2.2

Source: Bloomberg, Company, Indo Premier

*4Y avg

Share price closing as of: 23 April 2025

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	87,207	94,796	100,843	108,835	117,662
Interest expense	(12,269)	(12,532)	(13,586)	(14,454)	(15,584)
Net interest income	74,938	82,264	87,258	94,381	102,078
Non-interest income	23,579	26,042	27,227	29,127	31,201
Total operating income	98,517	108,307	114,485	123,508	133,279
Opex	(37,281)	(38,054)	(40,549)	(42,601)	(45,264)
PPOP	61,236	70,252	73,936	80,906	88,015
Provisions	(1,056)	(2,034)	(3,304)	(4,079)	(4,446)
Operating profit	60,180	68,218	70,632	76,827	83,569
Non-operating profit	-	-	-	-	-
Pre-tax profit	60,180	68,218	70,632	76,827	83,569
Income tax	(11,522)	(13,367)	(13,420)	(14,597)	(15,878)
Minority interest	(19)	(15)	(16)	(17)	(18)
Net profit	48,639	54,836	57,196	62,213	67,673

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	114,319	65,724	66,961	67,386	72,597
Secondary reserves	441,408	422,830	462,926	490,702	515,237
Gross loans	801,210	912,028	975,870	1,063,698	1,159,431
Loan provisions	(33,732)	(33,135)	(31,820)	(30,976)	(30,056)
Other assets	84,901	81,854	85,173	88,752	92,615
Total Assets	1,408,107	1,449,301	1,559,109	1,679,562	1,809,825
Total deposits	1,111,933	1,137,268	1,228,250	1,326,510	1,432,631
Securities and borrowings	2,684	3,574	3,574	3,574	3,574
Other liabilities	50,952	45,624	45,624	45,624	45,624
Total liabilities	1,165,569	1,186,466	1,277,448	1,375,708	1,481,829
Shareholders' equity	242,538	262,835	281,662	303,854	327,996
Total liabilities & equity	1,408,107	1,449,301	1,559,109	1,679,562	1,809,825

Growth YoY	2023A	2024A	2025F	2026F	2027F
Gross loans	14.0%	13.8%	7.0%	9.0%	9.0%
Total assets	7.1%	2.9%	7.6%	7.7%	7.8%
Total deposits	6.1%	2.3%	8.0%	8.0%	8.0%
Net interest income	17.1%	9.8%	6.1%	8.2%	8.2%
Non-interest income	0.4%	10.4%	4.5%	7.0%	7.1%
Total operating income	19.2%	13.4%	3.5%	8.8%	8.8%
Operating expense	14.8%	2.1%	6.6%	5.1%	6.2%
PPOP	11.4%	14.7%	5.2%	9.4%	8.8%
Net profit	19.4%	12.7%	4.3%	8.8%	8.8%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	3.6%	3.8%	3.8%	3.8%	3.9%
ROAE	21.0%	21.7%	21.0%	21.3%	21.4%
NIM	5.7%	6.0%	6.1%	6.2%	6.2%
Credit cost	0.1%	0.2%	0.4%	0.4%	0.4%
Cost/income	37.8%	35.1%	35.4%	34.5%	34.0%
LDR	72.1%	80.2%	79.5%	80.2%	80.9%
CAR	29.4%	29.4%	20.0%	20.1%	20.2%
NPL ratio	1.8%	1.7%	1.7%	1.7%	1.7%
Provisions/NPL	237.6%	212.7%	191.6%	167.2%	152.8%

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

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