



### Key Indices

|                        | Prev Close | 1D %  | 1W %   | 1M %   | YTD %  |
|------------------------|------------|-------|--------|--------|--------|
| DJIA                   | 51670.1    | (0.3) | 0.3    | (1.7)  | 7.5    |
| S&P 500                | 7805.5     | (0.0) | (0.2)  | 1.9    | 14.0   |
| FTSE 100               | 10650.3    | (0.1) | 1.0    | (0.0)  | 7.2    |
| AS30                   | 8921.5     | (0.2) | 0.2    | (0.0)  | (1.1)  |
| CSI 300                | 4275.7     | (0.3) | (1.6)  | (4.6)  | (7.7)  |
| FSSTI                  | 5430.5     | 0.3   | (4.8)  | (5.0)  | 16.9   |
| HSCEI                  | 8174.7     | 0.1   | 0.6    | (1.3)  | (8.3)  |
| HSI                    | 24345.2    | 0.3   | 0.3    | (1.9)  | (5.0)  |
| JCI                    | 5926.0     | (0.2) | (4.3)  | (9.3)  | (31.5) |
| KLCI                   | 1623.4     | 0.3   | (0.6)  | (4.4)  | (3.4)  |
| KOSPI                  | 6035.4     | (5.5) | (13.8) | (9.7)  | 43.2   |
| Nikkei 225             | 67777.5    | (1.8) | (3.1)  | 6.7    | 34.6   |
| SET                    | 1571.7     | (0.4) | (0.3)  | (1.2)  | 24.8   |
| TWSE                   | 48341.3    | (1.9) | (2.8)  | 5.4    | 66.9   |
| BDI                    | 2801       | (1.8) | (6.7)  | (20.1) | 49.2   |
| CPO (RM/mt)            | 4420       | (1.2) | 1.2    | (3.8)  | 12.4   |
| Brent Crude (US\$/bbl) | 106        | (0.9) | 5.1    | 1.0    | 73.7   |

Source: Bloomberg

### Corporate Events

|                                                                                | Venue     | Begin  | Close  |
|--------------------------------------------------------------------------------|-----------|--------|--------|
| Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy | Singapore | 19 Oct | 19 Oct |
| Hybrid Small & Mid-Caps Corporate Day                                          | Singapore | 21 Oct | 21 Oct |

### Top Stories

#### Small/Mid Cap Highlights | KB Bukopin (BBKP IJ/NOT RATED/Rp41)

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- BBKP's operating recovery is gaining traction, supported by lower funding costs, improving NIM and wholesale loan growth. However, profitability remains modest, while elevated legacy NPLs and potential restructuring costs continue to constrain capital generation. BBKP currently trades at 0.9x P/B, with sustainable earnings recovery and further asset-quality improvement remaining key factors in its valuation outlook. Amid speculation over the cooperative acquisition, BBKP confirmed that no discussions have taken place, while OJK stated that it has not received any formal proposal.

### Technical Analysis

#### Summarecon Agung | SMRA IJ

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- Trading Buy Range: We have a technical Buy at Rp254, and take profit at Rp274.

#### Elnusa | ELSA IJ

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- Trading Buy Range: We have a technical Buy at Rp650, and take profit at Rp700.

*Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

### KB Bukopin (BBKP IJ)

Operating Recovery Gains Traction; Legacy NPLs Remain A Hurdle

#### Highlights

- **Earnings recovery supported by lower funding costs.** NII rose 54.4% yoy, supported by a 100bp reduction in CoF, although profitability remains modest.
- **Legacy NPL resolution remains the key challenge.** LaR improved to 21.9%, but gross NPL remained elevated at 10.0%, with further clean-up potentially affecting earnings and capital.
- **Valuation rerating hinges on sustainable profitability.** Trading at 0.91x P/B, BBKP needs stronger capital generation and further asset-quality improvement to justify a higher valuation.

#### Analysis

- **Earnings recovery gains traction, supported by lower funding costs.** KB Bank (BBKP) booked a bank-only net profit of Rp6b in 1H26, following a net profit of Rp13b in full-year 2025, marking a significant turnaround from historical losses. Net interest income (NII) rose 54.4% yoy to Rp695b, while pre-provision operating profit (PPOP) improved 43.5% yoy. Net interest margin (NIM) expanded 70bp yoy to 2.0%, largely supported by a 100bp reduction in cost of funds (CoF) to 4.3% while loan yield was relatively stable at 8.2% in 1H26. Deposits grew 12.4% yoy, with CASA increasing 15.2% yoy, lifting the CASA ratio to 32.3%. While operating performance is improving, earnings remain modest, limiting the bank's capacity to absorb additional credit costs.
- **Asset quality improves, but legacy loans remain a significant overhang.** BBKP's loan-at-risk (LaR) ratio declined to 21.9% in Jun 26 from 24.4% in Jun 25, while normal loans (good loans) grew 8.1% yoy, accounting for nearly 80% of total loans (2021: 35%). However, gross NPL remained elevated at 10.0%, suggesting that legacy asset-quality issues have yet to be fully resolved. Management acknowledged that much of the historical LaR reduction was achieved through write-offs and asset swaps. BBKP continues to resolve legacy loans through organic collections, targeting Rp3t annually following Rp2.8t in 2025 and Rp1.4t in 1H26. Management is prioritising this approach to preserve capital, while discussing the possibility of a larger NPL clean-up in 2027, although no firm plan has been announced.

#### Key Financials

| Year to 31 Dec (Rpb)     | 2021    | 2022    | 2023    | 2024    | 2025  |
|--------------------------|---------|---------|---------|---------|-------|
| Net interest income      | 830     | 1,050   | 809     | 1,120   | 1,192 |
| Non-interest income      | 245     | 350     | 617     | 313     | 296   |
| Pre-provision opr profit | (2,039) | (1,136) | (1,192) | (1,429) | (666) |
| Net profit (adj.)        | (2,282) | (5,027) | (6,034) | (6,329) | 66    |
| EPS (Rp)                 | (-12.1) | (26.8)  | (32.1)  | (33.7)  | 0.4   |
| PE (x)                   | n.m     | n.m.    | n.m.    | n.m.    | 116.9 |
| P/B (x)                  | 0.58    | 0.69    | 0.55    | 0.96    | 0.96  |
| ROE (%)                  | (21.1)  | (41.2)  | (47.6)  | (57.2)  | 0.8   |

Source: BBKP, Bloomberg, UOB Kay Hian

#### Analyst(s)

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#### NOT RATED

|              |      |
|--------------|------|
| Share Price  | Rp41 |
| Target Price | n.a. |
| Upside       | n.a. |

#### Stock Data

|                                |           |
|--------------------------------|-----------|
| Sector                         | Banking   |
| Bloomberg ticker               | BBKP IJ   |
| Shares issued (m)              | 187,887.5 |
| Market cap (Rpb)               | 7,703.4   |
| Market cap (US\$m)             | 430.4     |
| 3-mth avg daily t'over (US\$m) | 0.2       |

#### Price Performance (%)

| 52-week high/low |        |        |        |        | Rp98/Rp38 |
|------------------|--------|--------|--------|--------|-----------|
| 1mth             | 3mth   | 6mth   | 1yr    | YTD    |           |
| (21.2)           | (19.6) | (35.9) | (43.1) | (46.8) |           |

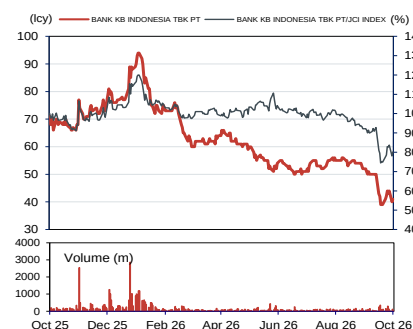
#### Major Shareholders (%)

|                          |       |
|--------------------------|-------|
| KB Kookmin Bank          | 66.88 |
| STIC Eugene Star Holding | 16.98 |

#### Balance Sheet Metrics

|                     |      |
|---------------------|------|
| FY26 NAV/Share      | n.a. |
| FY26 Net Debt/Share | n.a. |

#### Price Chart



Source: Bloomberg

#### Company Description

Bank KB Bukopin has one head office, 29 main branches, and 142 sub-branches in Indonesia.



## Profit &amp; loss

| Year to 31 Dec (Rpb)        | 2022          | 2023          | 2024          | 2025         |
|-----------------------------|---------------|---------------|---------------|--------------|
| Net interest income         | 1,050         | 809           | 1,120         | 1,192        |
| Fees & commissions          | 323           | 334           | 211           | 229          |
| Other income                | 27            | 283           | 103           | 67           |
| Non-interest income         | 350           | 617           | 313           | 296          |
| <b>Total income</b>         | <b>1,400</b>  | <b>1,426</b>  | <b>1,433</b>  | <b>1,488</b> |
| Staff costs                 | -734          | -810          | -800          | -790         |
| Other operating expense     | -1,773        | -1,808        | -2,062        | -1,363       |
| <b>Pre-provision profit</b> | <b>-1,108</b> | <b>-1,192</b> | <b>-1,429</b> | <b>-666</b>  |
| Loan loss provision         | -3,921        | -5,467        | -3,372        | -429         |
| Other provisions            | 0             | 0             | 0             | 0            |
| Other non-operating income  | -117          | -128          | -116          | 1,238        |
| <b>Pre-tax profit</b>       | <b>-5,146</b> | <b>-6,787</b> | <b>-4,917</b> | <b>143</b>   |
| Tax                         | -113          | -732          | 1,424         | 17           |
| Minorities                  | -5            | -22           | 1             | 1            |
| <b>Net profit</b>           | <b>-5,027</b> | <b>-6,034</b> | <b>-6,329</b> | <b>66</b>    |
| Net profit (adj.)           | -5,027        | -6,034        | -6,329        | 66           |

## Operating Ratios

| Year to 31 Dec (%)                   | 2022 | 2023  | 2024  | 2025  |
|--------------------------------------|------|-------|-------|-------|
| <b>Capital Adequacy</b>              |      |       |       |       |
| Tier-1 CAR                           | 11.5 | 19.3  | 11.4  | 14.8  |
| Total assets/equity (x)              | 8.0  | 6.0   | 10.4  | 11.2  |
| Tangible assets/ Tangible equity (x) | 12.3 | 16.4  | 9.3   | 8.1   |
| <b>Asset Quality</b>                 |      |       |       |       |
| NPL ratio                            | 6.6  | 9.1   | 8.7   | 9.7   |
| Loan loss reserve/gross loans        | 3.2  | 7.2   | 6.3   | 5.6   |
| <b>Liquidity</b>                     |      |       |       |       |
| Loan/deposit ratio                   | 98.5 | 113.2 | 103.3 | 146.0 |

## Balance Sheet

| Year to 31 Dec (Rpb)                  | 2022          | 2023          | 2024          | 2025          |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Cash with central bank                | 4,665         | 3,495         | 3,042         | 4,421         |
| Govt securities                       | 12,010        | 12,213        | 14,300        | 11,479        |
| Interbank loans                       | 12,925        | 5,048         | 3,195         | 6,128         |
| Customer loans                        | 50,583        | 49,419        | 14,749        | 49,875        |
| Investment securities                 | 0             | 17,536        | 21,767        | 19,719        |
| Derivative receivables                | 0             | 0             | 0             | 0             |
| Fixed assets (incl. prop.)            | 3,396         | 3,234         | 12            | 3,623         |
| <b>Total assets</b>                   | <b>89,995</b> | <b>84,307</b> | <b>83,075</b> | <b>89,795</b> |
| Interbank deposits                    | 0             | 0             | 0             | 0             |
| Customer deposits                     | 51,962        | 44,789        | 46,593        | 54,639        |
| Derivative payables                   | 0             | 0             | 0             | 0             |
| Debt equivalents                      | 24,974        | 23,208        | 26,332        | 25,259        |
| Other liabilities                     | 1,842         | 2,200         | 2,188         | 1,856         |
| <b>Total liabilities</b>              | <b>78,779</b> | <b>70,197</b> | <b>75,114</b> | <b>81,755</b> |
| Shareholders' funds                   | 11,221        | 14,136        | 7,962         | 8,065         |
| Minority interest - accumulated       | -5            | -26           | -0.21         | -25           |
| <b>Total equity &amp; liabilities</b> | <b>89,995</b> | <b>84,307</b> | <b>83,075</b> | <b>89,795</b> |

## Key Metric

| Year to 31 Dec (%)            | 2022   | 2023   | 2024   | 2025  |
|-------------------------------|--------|--------|--------|-------|
| <b>Growth</b>                 |        |        |        |       |
| Net interest income, yoy chg  | 26.5%  | -22.9% | 38.4%  | 6.5%  |
| Fees & commissions, yoy chg   | -23.0% | 3.2%   | -36.9% | 8.6%  |
| Pre-provision profit, yoy chg | n.m    | n.m    | n.m    | n.m   |
| Net profit, yoy chg           | n.m    | n.m    | n.m    | n.m   |
| Customer loans, yoy chg *     | -13.6% | -2.3%  | -3.8%  | 4.9%  |
| Customer deposits, yoy chg    | -6.9%  | -13.8% | 4.0%   | 17.3% |
| <b>Profitability (%)</b>      |        |        |        |       |
| Net interest margin           | 1.2    | 1.0    | 1.3    | 1.4   |
| Adjusted ROA                  | (5.6)  | (6.9)  | (7.6)  | 0.1   |
| Reported ROE                  | (41.2) | (47.6) | (57.2) | 0.8   |
| <b>Valuation</b>              |        |        |        |       |
| P/BV (x)                      | 0.69   | 0.55   | 0.96   | 0.96  |
| Adjusted P/E (x)              | n.m.   | n.m.   | n.m.   | 116.9 |

### Technical Analysis



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#### Summarecon Agung SMRA IJ

Technical BUY with 8% potential return

Resistance: Rp266, Rp276

Support: Rp244, Rp232

Stop-loss: Rp244

Share price closed higher and formed a bullish candlestick. Price advanced with better momentum; hence, we see potential for more rallies ahead and challenge the resistance at Rp266 and Rp276. Technical indicator RSI is sloping upwards and moving out of its oversold zone, while the MACD has just given a bullish signal. Buy at Rp254 and take profit at Rp274.

Approximate timeframe: 2-4 weeks.



#### Elnusa ELSA IJ

Technical BUY with 7.5% potential return

Resistance: Rp685, Rp705

Support: Rp610, Rp585

Stop-loss: Rp610

Share price closed higher and formed a bullish candlestick. Price advanced with higher trading volume; hence, we see potential for further rallies to continue and challenge the resistance at Rp685 and Rp705. Technical indicator RSI is sloping upwards and approaching its midline, while the Stochastic has just given a bullish signal and moved out of its oversold zone. Buy at Rp650 and take profit at Rp700.

Approximate timeframe: 2-4 weeks.

Our institutional research has a fundamental BUY and target price of Rp1,450.

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