



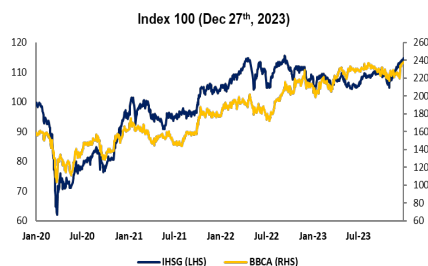
Buy

Price (Dec 27 th , 23)	9375
Target Price	10,718
Potential Upside	14.32%
Market Cap	1147.19 T
Number of Share	122.04 B
52w Lo/Hi	8,600 / 9,375

Source : IDX | Phintraco Sekuritas Research

| as of Dec 27th, 2023

IHSG vs BBKA



Source : IDX

Shareholder	%
PT Dwimuria Investama Andalan	54.94
Public	42.41
Others	2.65

Source : Company | as of fin. statement FY2022

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2023F	358	397	-9.88%
2024F	396	433	-8.57%

Source : *marketscreener | as of Dec 27th, 2023

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PT Bank Central Asia Tbk

(BBCA.JK / BBKA.IJ)

BBCA's Advantage Includes the Highest CASA and Lowest CoF

BBCA's net profit increased 26% yoy to IDR 36.4 trillion in 9M23. This growth was in line with the growth in Net Interest Income to IDR 55.9 trillion (+21.3%) yoy and a decrease in provision costs, which fell to 2.3 trillion (-41.5%) yoy. On the other hand, operational expenses were recorded to increase by 16.5% yoy, in line with BBKA's plans to expand its retail and SME business in the next 2-3 years.

BBCA's credit quality remains healthy despite high credit growth. BBKA recorded gross Non-Performing Loans (NPL) falling 20 bps to 2.0% yoy in 9M23. This figure is far below the BI benchmark of 5% yoy. BBKA loans grew 12% yoy to 766 trillion in 9M23. The SME segment (+16.4% yoy), consumer credit (+14.4% yoy), and corporate (+12.2% yoy) supported this credit growth.

Consistently records the highest CASA ratio compared to peers in the last three years. BBKA had a CASA ratio of 79.9% in 9M23, the highest CASA ratio compared to peers. This can provide an opportunity for corporate loans to grow above industries whose cost of funds is less sensitive to changes in reference interest rates so that they can encourage growth in Net Interest Margin (NIM).

Lowest Cost of Funds (CoF) compared to peers amidst high-interest rates. Despite high interest rates, BBKA's cost of funds remains maintained at 0.8% yoy, which is the lowest cost compared to peers. In line with the low COF, BBKA was able to generate net interest income of 5.7% yoy in 9M23 (second highest compared to peers). In addition, in November 2023, BBKA cut deposit interest rates by 25-50bps, thereby helping to keep COF low in the future.

BBCA will optimize Loan to Deposit Ratio (LDR) in 2024F, accompanied by a decrease in Loan at Risk (LaR) in 2023. BBKA's LDR reached 68.7% in 9M23, smaller than the pre-pandemic average of 80%. Besides optimism about lowering the benchmark interest rate 2024F, BBKA targets the LDR as more optimal in 2024F. Amidst the potential for LDR optimization, Loan at Risk / Loan BBKA in 9M23 recorded a significant decline of (-4.1%) yoy.

BBCA is developing Two flagship mobile apps, myBCA and BCAmobile. As of 9M23, BBKA has integrated its investment platform with myBCA and launched pay later on myBCA. Along with this development, BBKA continues to maintain convenience for its consumers with a customized display and filtering only the features that are considered needed, which are combined so that it becomes a manageable application.

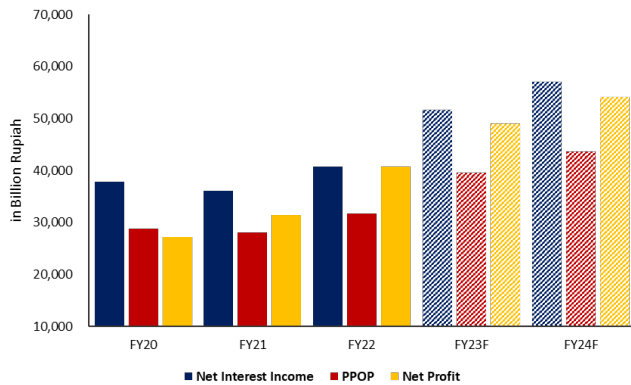
Using the Discounted Cash Flow method with a Required Return of 10.14% and Terminal Growth of 7.97%, we estimate the fair value of BBKA at 10,718 (26.97x expected P/E).

PT Bank Central Asia Tbk						
(in Billion Rupiah)	9M23	9M22	YoY (%)	FY22	FY21	YoY (%)
Interest & Premium Income - Net	55,900	46,100	21.30	64,143	56,471	13.60
Other Operating Income (Expenses)	18,300	16,700	9.70	22,673	21,427	5.80
PPOP	47,200	39,600	19.10	54,966	48,464	13.40
Provision	2,300	3,900	(41.50)	4,527	9,324	(51.50)
Operating Income	74,200	62,800	18.20	86,817	77,897	11.50
Net Income	36,400	29,000	18.80	40,736	31,423	29.60
EPS	295	235	25.52	330	255	29.64
Net Interest Margin (%)	5.50	5.10	40 bps	5.30	5.10	169 bps
Net Profit Margin (%)	77.12	73.23	389 bps	74.11	64.84	927 bps

Source : Company | Phintraco Sekuritas Research

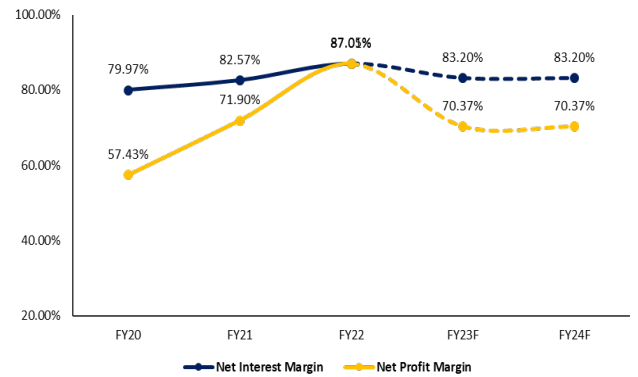
Performance Highlights

Figure 1. Financial Performance



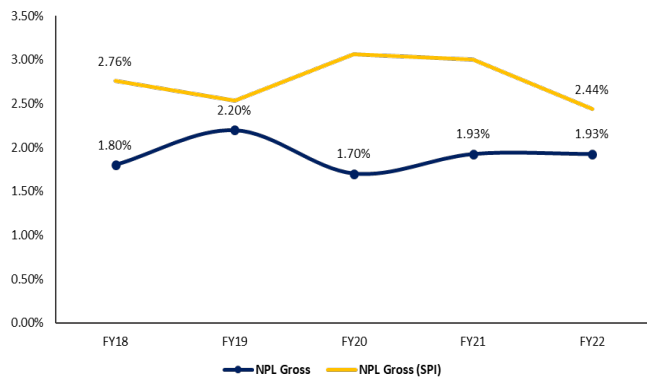
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



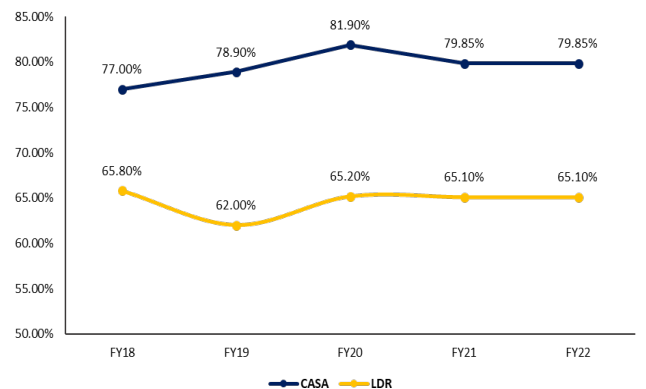
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

<i>(in Billion Rupiah)</i>						
INCOME STATEMENT	FY20	FY21	FY22	9M23	FY23E	FY24F
Interest Income	47,271	43,730	46,838	40,340	62,129	68,635
Interest Expense	(9,467)	(7,623)	(6,065)	(7,178)	(10,439)	(11,533)
Net Interest Income	37,805	36,107	40,773	33,162	51,690	57,103
<i>NIM</i>	<i>79.97%</i>	<i>82.57%</i>	<i>87.05%</i>	<i>82.21%</i>	<i>83.20%</i>	<i>83.20%</i>
PPOP	28,840	28,136	31,777	24,748	39,537	43,677
<i>Provision</i>	<i>(11,628)</i>	<i>(9,324)</i>	<i>(4,527)</i>	<i>(2,292)</i>	<i>(4,747)</i>	<i>(5,244)</i>
EBITDA	18,185	23,886	28,917	23,982	34,402	38,004
<i>EBITDA Margin</i>	<i>38.47%</i>	<i>54.62%</i>	<i>61.74%</i>	<i>59.45%</i>	<i>55.37%</i>	<i>55.37%</i>
EBIT	17,212	18,812	27,250	22,457	34,790	38,433
<i>EBIT Margin</i>	<i>36.41%</i>	<i>43.02%</i>	<i>58.18%</i>	<i>55.67%</i>	<i>52.69%</i>	<i>52.69%</i>
Profit Before Tax	33,569	38,841	50,467	45,010	61,064	67,458
<i>EBT Margin</i>	<i>71.01%</i>	<i>88.82%</i>	<i>107.75%</i>	<i>111.58%</i>	<i>98.28%</i>	<i>98.28%</i>
Net Profit After Tax	27,147	31,440	40,756	36,440	48,984	54,113
<i>NPM</i>	<i>57.43%</i>	<i>71.90%</i>	<i>87.01%</i>	<i>90.33%</i>	<i>70.37%</i>	<i>70.37%</i>

Source : Company | Phintraco Sekuritas Research

<i>(in Billion Rupiah)</i>						
BALANCE SHEET	FY20	FY21	FY22	9M23	FY23E	FY24F
Asset						
Cash & Marketable Securities	216,875	247,848	270,255	305,323	327,519	349,604
Loans	555,250	597,670	669,204	723,161	734,082	805,249
Current Accounts	86,905	164,539	140,239	124,664	121,792	134,545
Total Current Assets	1,045,697	1,197,855	1,280,360	1,345,839	1,372,457	1,498,259
Fixed Assets	21,915	22,169	24,709	25,748	38,621	42,665
Investments	-	-	-	-	-	-
Total Non Current Assets	29,873	30,490	34,372	35,611	52,422	57,911
Total Asset	1,075,570	1,228,345	1,314,732	1,381,449	1,424,879	1,556,170
Liabilities						
Portion of Long Term Debt	1,307	1,053	1,573	1,124	2,365	2,612
Deposits	844,447	978,624	1,038,388	1,086,918	1,126,714	1,222,554
Total Current Liabilities	880,903	1,015,552	1,083,162	1,134,246	1,184,007	1,285,846
Long-Term Debt	1,091	982	500	500	1,161	1,283
Total Non Current Liabilities	4,635	4,221	3,948	4,040	4,017	4,438
Total Liabilities	885,538	1,019,774	1,087,110	1,138,286	1,188,024	1,290,284
Equity	184,715	202,849	221,182	235,933	231,353	259,809

Source : Company | AT Research

<i>(in Billion Rupiah)</i>						
CASH FLOW	FY20	FY21	FY22	9M23	FY23E	FY24F
Cash Flow from Operating						
Net Income	27,131	31,423	40,736	36,420	48,967	54,095
Depreciation & Amortization	973	(3,056)	1,132	1,788	2,540	1,321
Working Capital	33,376	13,101	6,606	36,565	67,272	(1,618)
Others	2,788	618	384	(15,443)	(2,050)	(508)
Net-CFFO	64,268	42,085	48,859	59,331	116,729	53,289
Cash Flow from Investing						
CAPEX	(2,036)	2,801	(3,672)	(2,826)	(16,452)	(5,365)
Others	-	-	-	-	-	-
Net-CFFI	(1,424)	2,439	(5,014)	(3,027)	(21,932)	(6,810)
Cash Flow from Financing						
Ch. in Lt liab.	(1,896)	(363)	38	(449)	1,453	369
Ch. in other non-current liab.	3,544	(305)	209	92	(583)	299
Equity	(16,560)	(13,288)	(22,403)	(21,669)	(38,796)	(25,639)
Net-CFFF	(14,373)	(13,551)	(21,438)	(21,236)	(37,532)	(24,395)
NET CASH FLOW	48,471	30,973	22,407	35,068	57,265	22,085

Source : Company | Phintraco Sekuritas Research

RATIOS	FY20	FY21	FY22	9M23	FY23E	FY24F
Profitability Ratio (%)						
<i>NIM</i>	79.97%	82.57%	87.05%	82.21%	83.20%	83.20%
<i>OPM (EBITDA Margin)</i>	38.47%	54.62%	61.74%	59.45%	55.37%	55.37%
<i>NPM</i>	57.43%	71.90%	87.01%	90.33%	70.37%	70.37%
<i>ROA</i>	2.52%	2.56%	3.10%	3.52%	3.44%	3.48%
<i>ROE</i>	14.70%	15.50%	18.43%	20.59%	21.17%	20.83%
Banking Ratio						
<i>CASA to Third Party Funds</i>	77.00%	78.90%	81.90%	81.60%	79.85%	79.85%
<i>BOPO</i>	63.50%	54.20%	46.50%	0.00%	41.05%	41.05%
<i>LDR</i>	65.80%	62.00%	65.20%	67.40%	65.10%	65.10%
<i>CAR</i>	19.59%	24.27%	23.00%	123.00%	47.47%	47.47%
<i>NPL Gross</i>	1.80%	2.20%	1.70%	2.00%	1.93%	1.93%
Price Ratio						
<i>Share Price (IDR)</i>	6,370	6,988	8,343	8,932	10,846	5,837
<i>Average Share Price (IDR)</i>	5,616	6,399	7,755	8,816	6,272	6,272
<i>Outstanding Shares (in Billion)</i>	123	123	123	123	151	151
<i>EPS (IDR)</i>	220	255	331	296	358	396
<i>BVPS (IDR)</i>	1,498	1,645	1,794	1,914	1,720	1,928
<i>RPS (IDR)</i>	383	355	380	327	454	502
<i>PER(X)</i>	28.93	27.40	25.24	30.22	30.28	14.75
<i>PBV(X)</i>	4.25	4.25	4.65	4.67	6.31	3.03
<i>P/R(X)</i>	16.61	19.70	21.96	27.30	23.87	11.63
<i>EV/EBITDA</i>	220.22	255.04	330.61	295.60	358.20	395.70
Dividends						
<i>DPS</i>	111	155	213	-	-	-
<i> DPR</i>	50.59%	60.77%	64.28%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	1.81%	2.43%	3.04%	0.00%	0.00%	0.00%

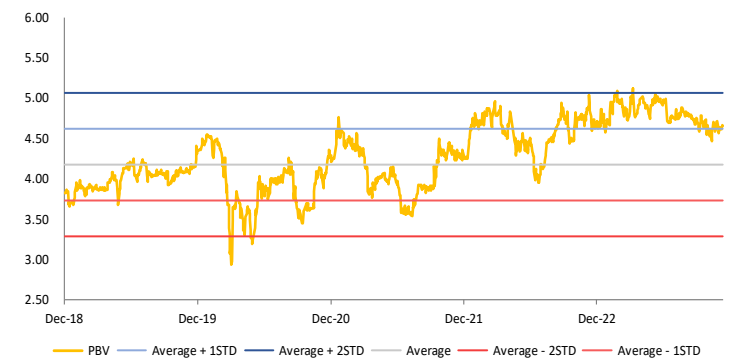
Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

<i>CAR</i>	>8%
<i>LDR</i>	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

BBCA P/B Band (5 Years)



Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBIT	: <i>Earning Before Interes & Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: Otoritas Jasa Keuangan
COF	: <i>Cost of Fund</i>
BOPO	: Biaya Operasi Pendapatan Operasi
DPK	: Dana Pihak Ketiga
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



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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 $\leq +10\%$ 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"

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Kantor Cabang & Mitra GI BEI



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