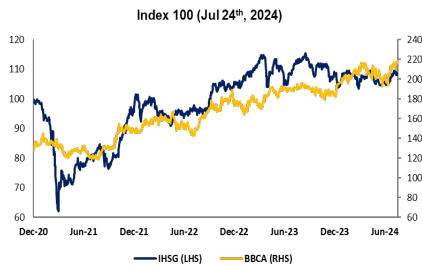


Hold

Price (Jul 26 th , 24)	10325
Target Price	10,950
Potential Upside	6.21%
Market Cap	1257 T
Number of Share	122.04 B
52w Lo/Hi	9500 / 10175

Source : IDX | Phintraco Sekuritas Research
as of Jul 25th, 2024

IHSG vs BBCA



Source : IDX

Shareholder	%
PT Dwimuria Investama Andalan	54.94
Public <5%	42.41
Pihak Afiliasi Pengendali	2.46

Source : Company | as of fin. statement FY-23

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	395	438	-9.82
2025F	430	479	-10.2

Source : *marketscreener | as of Jul 24th, 2024

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PT Bank Central Asia Tbk

(BBCA.JK / BBCA.IJ)

Credit Quality Remains Healthy Amidst Macroeconomic Conditions

BBCA's net profit grew 11.1% yoy to IDR26.9 trillion in 6M24 (IDR61.53 trillion Annualized or 47% of our 2024F). The growth was in line with the increased of Net Interest Income to IDR39.9 trillion (+7.9% yoy or 1.9% qoq) and Non-Interest Income which grew 12.1% yoy to IDR12.4 trillion in 6M24. In terms of expense, a decrease in provision expense of 6.8% yoy to IDR1.8 trillion in 6M24 and operating expense, which decreased by 8.4% QoQ or only increased by 4.7% yoy to IDR17.8 trillion in 6M24 also supported BBCA's net profit growth.

Resilience in loan growth in the last five years. BBCA recorded loan growth of 15.5% yoy in 6M24. Corporate loans grew 19.9% yoy, followed by consumer loans (+13.6% YoY), with a contribution of 45.7% and 24.8% supporting loan growth at BBCA. This achievement also continues the upward trend in BBCA loan growth, respectively; BBCA loan growth in the second quarter of 2019-2023 was (5.3%, -0.3%*, 13.8%, 9.0%, and 15.5%). Regarding liquidity, BBCA's Loan to Deposit Ratio (LDR) was recorded at 72.70% (+7% yoy, +1.5% qoq).
*first confirmed case of COVID-19 in Indonesia.

BBCA's credit quality remains healthy amidst macroeconomic conditions. BBCA recorded a limited gross Non-Performing Loans (NPL) increase of 30 bps to 2.2% yoy in 6M24. This figure is far below BI's safe limit of 5% yoy and below the gross NPL of Indonesian banking statistics (2.3% yoy). In line with maintained NPL, Loan at Risk was recorded to have fallen 260 bps yoy and -30 bps qoq to 6.4% ytd.

BBCA's Current Account Savings Account (CASA) ratio is consistently above the industry. BBCA succeeded in maintaining the growth of Third Party Funds (DPK); DPK grew 5.0% yoy to IDR 1.125 trillion in 6M24. CASA was recorded at IDR 915 trillion, an increase of 5.8% yoy. BBCA's CASA ratio grew by a limited 70 bps to 82.2% ytd in 6M24 and was above the banking industry's CASA ratio (figure 5). This can make BBCA's loan growth continue to grow above the industry, considering that the cost of funds is not too sensitive to changes in benchmark interest rates.

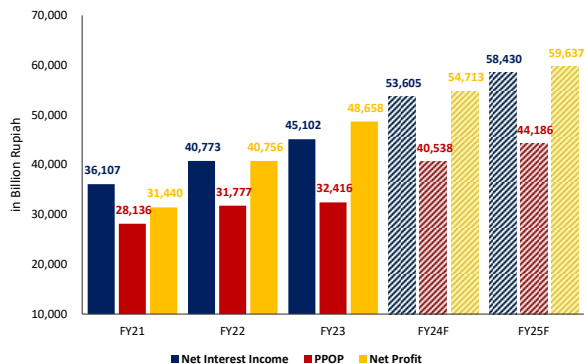
Lowest Cost of Fund (COF) compared to peers amidst high interest rates. Despite high interest rates, BBCA's cost of funds has remained stable in the last five years. BBCA's Deposit COF was 3.1% yoy in 6M24, the lowest cost of funds compared to peers with an average industry COF of 4.3% yoy. In addition, BBCA has a COF for CASA of 0.08%-0.81% Vs. Industry of 0.15-3.21%. Besides the low COF, BBCA recorded a Net Interest Margin (NIM) of 5.7%, growing 10 bps yoy.

Strong customer relationships are BBCA's competitive advantage. The number of customers increased 6% yoy to 31.9 billion in 6M24, with transaction volume reaching 17 billion (+21% yoy) in 6M24. Apart from that, the value of BBCA mobile and internet banking transactions also increased 12% yoy in 6M24. For 2024F, BBCA is targeting loan growth of 9%-10% and CASA growth of 6%-8%.

Using the Discounted Cash Flow method with a Required Return of 10.21% and Terminal Growth of 8.09%, we estimate the fair value of BBCA at 10,950 (24.71x expected P/E). So, we give BBCA a hold rating with a higher target and potential upside of 8.84%.

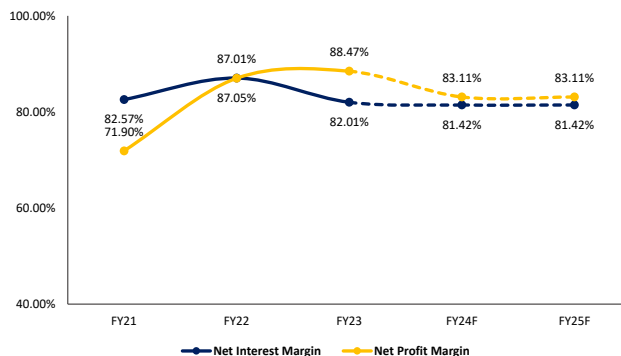
Performance Highlight

Figure 1. Financial Performance



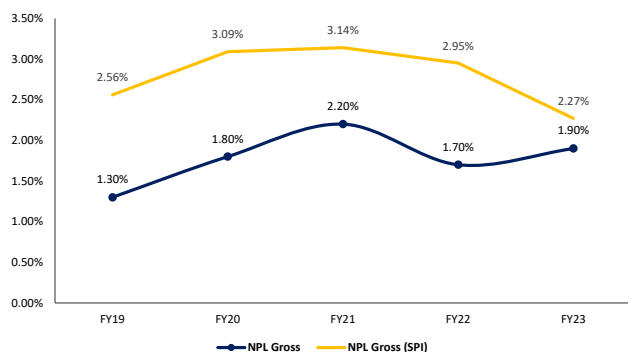
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



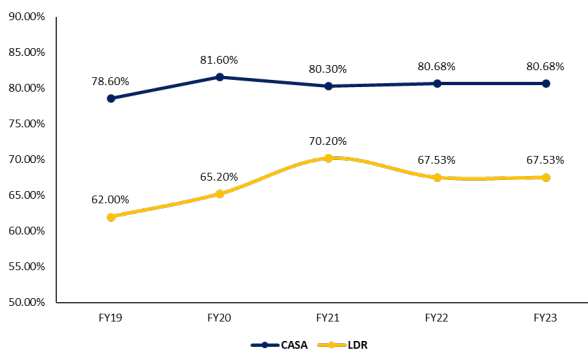
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



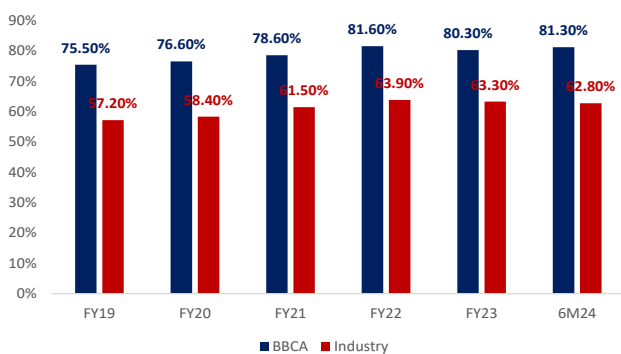
Source : OJK | Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



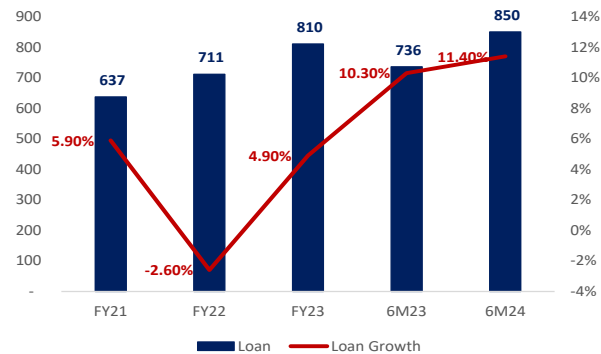
Source : Company | Phintraco Sekuritas Research

Figure 5. CASA Ratio BBKA Vs. Industry



Source : OJK | Phintraco Sekuritas Research

Figure 6. Loan Growth (In Rp trillion)



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	6M24	FY24F	FY25F
Interest Income	43,730	46,838	54,999	30,764	65,835	71,760
Interest Expense	(7,623)	(6,065)	(9,897)	(4,952)	(12,229)	(13,330)
Net Interest Income	36,107	40,773	45,102	25,812	53,605	58,430
<i>NIM</i>	<i>82.57%</i>	<i>87.05%</i>	<i>82.01%</i>	<i>83.90%</i>	<i>81.42%</i>	<i>81.42%</i>
PPOP	28,136	31,777	32,416	20,545	40,538	44,186
<i>Provision</i>	<i>(9,324)</i>	<i>(4,527)</i>	<i>(2,263)</i>	<i>(1,406)</i>	<i>(8,419)</i>	<i>(4,817)</i>
EBITDA	23,886	28,917	30,182	20,898	37,330	40,689
<i>EBITDA Margin</i>	<i>54.62%</i>	<i>61.74%</i>	<i>54.88%</i>	<i>67.93%</i>	<i>56.70%</i>	<i>56.70%</i>
EBIT	18,812	27,250	30,153	19,139	36,118	39,369
<i>EBIT Margin</i>	<i>43.02%</i>	<i>58.18%</i>	<i>54.82%</i>	<i>62.21%</i>	<i>48.22%</i>	<i>48.22%</i>
Profit Before Tax	38,841	50,467	60,180	33,223	68,136	74,268
<i>EBT Margin</i>	<i>88.82%</i>	<i>107.75%</i>	<i>109.42%</i>	<i>107.99%</i>	<i>103.50%</i>	<i>103.50%</i>
Net Profit After Tax	31,440	40,756	48,658	26,877	54,713	59,637
<i>NPM</i>	<i>71.90%</i>	<i>87.01%</i>	<i>88.47%</i>	<i>87.37%</i>	<i>83.11%</i>	<i>83.11%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	6M24	FY24F	FY25F
Asset						
Cash & Marketable Securities	247,848	270,255	333,755	359,613	351,774	376,974
Loans	597,670	669,204	767,601	806,055	842,018	923,649
Current Accounts	164,539	140,239	103,434	96,244	108,637	118,414
Total Current Assets	1,197,855	1,280,360	1,369,924	1,386,952	1,497,314	1,631,462
Fixed Assets	22,169	24,709	26,825	26,474	27,247	29,700
Investments	-	-	-	-	-	-
Total Non Current Assets	30,490	34,372	38,183	38,465	39,682	43,253
Total Asset	1,228,345	1,314,732	1,408,107	1,425,417	1,536,996	1,674,715
Liabilities						
Portion of Long Term Debt	1,053	1,573	2,684	2,164	2,501	2,726
Deposits	978,624	1,038,388	1,100,838	1,121,815	1,194,476	1,296,080
Total Current Liabilities	1,015,552	1,083,162	1,153,804	1,172,406	1,250,136	1,356,749
Long-Term Debt	982	500	500	500	1,237	1,348
Total Non Current Liabilities	4,221	3,948	3,872	3,898	4,719	5,144
Total Liabilities	1,019,774	1,087,110	1,157,676	1,176,304	1,254,855	1,361,892
Equity	202,849	221,182	242,538	240,861	274,506	304,501

Source : Company | AT Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	6M24	FY24F	FY25F
Cash Flow from Operating						
Net Income	31,423	40,736	48,639	26,876	54,694	59,617
Depreciation & Amortization	(3,056)	1,132	29	640	4,291	1,295
Working Capital	13,101	6,606	56,441	37,593	(20,383)	(1,818)
Others	618	384	(12,973)	(9,641)	7,527	(742)
Net-CFFO	42,085	48,859	92,135	55,468	46,130	58,352
Cash Flow from Investing						
CAPEX	2,801	(3,672)	(2,144)	(290)	(4,714)	(3,747)
Others	-	-	-	-	-	-
Net-CFFI	2,439	(5,014)	(3,840)	(922)	(5,790)	(4,867)
Cash Flow from Financing						
Ch. in Lt liab.	(363)	38	1,111	(520)	553	336
Ch. in other non-current liab.	(305)	209	(76)	26	110	313
Equity	(13,288)	(22,403)	(27,283)	(28,553)	(22,726)	(29,622)
Net-CFFF	(13,551)	(21,438)	(24,795)	(28,688)	(22,321)	(28,285)
NET CASH FLOW	30,973	22,407	63,500	25,858	18,019	25,200

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	6M24	FY24F	FY25F
Profitability Ratio (%)						
<i>NIM</i>	82.57%	87.05%	82.01%	83.90%	81.42%	81.42%
<i>OPM (EBITDA Margin)</i>	54.62%	61.74%	54.88%	67.93%	56.70%	56.70%
<i>NPM</i>	71.90%	87.01%	88.47%	87.37%	83.11%	83.11%
<i>ROA</i>	2.56%	3.10%	3.46%	3.77%	3.56%	3.56%
<i>ROE</i>	15.50%	18.43%	20.06%	22.32%	19.93%	19.59%
Banking Ratio						
<i>CASA to Third Party Funds</i>	78.60%	81.60%	80.30%	82.20%	80.68%	80.68%
<i>BOPO</i>	54.20%	46.50%	43.80%	0.00%	36.13%	36.13%
<i>LDR</i>	62.00%	65.20%	70.20%	72.70%	67.53%	67.53%
<i>CAR</i>	24.27%	23.00%	28.30%	0.00%	18.89%	18.89%
<i>NPL Gross</i>	2.20%	1.70%	1.90%	2.20%	2.00%	2.00%
Price Ratio						
<i>Share Price (IDR)</i>	6,988	8,343	9,188	9,925	9,923	10,719
<i>Average Share Price (IDR)</i>	6,399	7,755	8,635	9,561	9,326	10,326
<i>Outstanding Shares (in Billion)</i>	123	123	123	123	151	151
<i>EPS (IDR)</i>	255	331	395	218	395	430
<i>BVPS (IDR)</i>	1,645	1,794	1,967	1,954	2,016	2,232
<i>RPS (IDR)</i>	355	380	446	250	475	518
<i>PER(X)</i>	27.40	25.24	23.28	45.52	25.14	24.91
<i>PBV(X)</i>	4.25	4.65	4.67	5.08	4.92	4.80
<i>P/R(X)</i>	19.70	21.96	20.59	39.77	20.89	20.70
<i>EV/EBITDA</i>	255.04	330.61	394.71	218.03	394.77	430.29
Dividends						
<i>DPS</i>	155	213	228	-	-	-
<i>DPR</i>	60.77%	64.28%	57.64%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	2.43%	3.04%	2.73%	0.00%	0.00%	0.00%

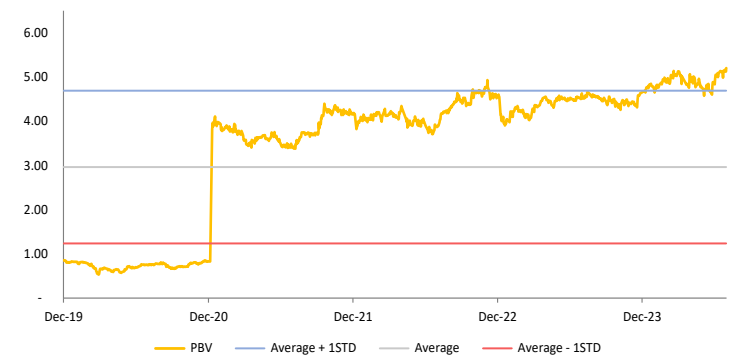
Source : Company | Phintraco Sekuritas Research

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	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
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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