

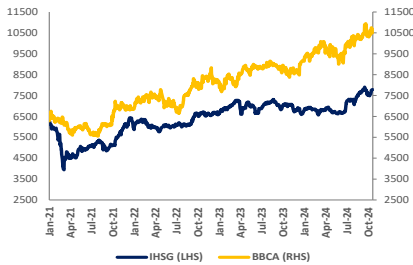
Thursday, October 24th, 2024

Hold

Price (Oct 23 rd , 24)	10,650
Target Price	11,600
Potential Upside	8.92%
Market Cap	1257 T
Number of Share	122.04 B
52w Lo/Hi	10,300/10,850

Source : IDX | Phintraco Sekuritas Research | as of Oct 23rd, 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 3Q24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	395	437	-9.61%
2025F	430	478	-10.04%

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

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PT Bank Central Asia Tbk

(BBCA.JK / BBCA.IJ)

Credit Growth Accompanied by Maintained Credit Quality

BBCA's net profit grew 12.8% yoy to IDR41.1 trillion in 9M24 (IDR54.8 trillion Annualized or 75% of our 2024F). The growth was in line with the development of Net Interest Income to IDR39.6 trillion (+19.5% yoy or 4.2% QoQ) and Non-Interest Income which grew 13.5% yoy to IDR19 trillion in 9M24. In terms of costs, there was an increase in interest expense by 3.9% yoy to IDR7.5 trillion in 9M24, lower than the double digit growth in interest income (16.7% yoy).

Resilience of loan growth in the last five years. BBCA recorded credit growth of 14.5% yoy in 9M24. Corporate loans grew 15.9% yoy, followed by consumer loans (+13.2% yoy), with contributions of 45.1% and 24.7% supporting loan growth at BBCA. This achievement also continues the trend of increasing BBCA loan growth sequentially. BBCA loan growth in the second quarter of 2019-2023 was (5.3%, -0.3%*, 13.8%, 9.0%, 15.5%). Regarding liquidity, BBCA's Loan to Deposit Ratio (LDR) was recorded at 75.1% (+8% yoy, +2.4% QoQ).

*first confirmed case of COVID-19 in Indonesia.

BBCA's credit quality remains healthy amid macroeconomic fluctuations.

BBCA recorded a limited gross Non-Performing Loan (NPL) increase of 10 bps yoy to 2.2% in 9M24. However, BBCA's NPL-gross experienced a quarterly decline (-10 bps qoq). In line with the maintained NPL, Loan at Risk (LaR) was recorded to have decreased by 180 bps yoy and -30 bps qoq to 6.1% ytd.

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 5 years. BBCA's Deposit COF was 3.1% yoy in 9M24, which is 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 ten bps yoy.

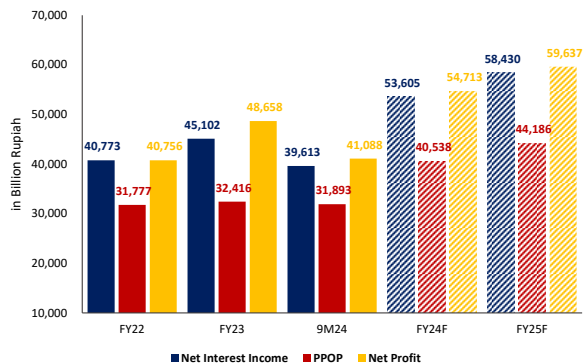
Strong customer relationships are BBCA's competitive advantage.

Customers increased by 5% yoy to 32.6 million in 9M24, with transaction volume reaching 26 billion (+21%yoy) in 9M24. In addition, BBCA's mobile and internet banking transaction value also increased by 12% yoy in 9M24. BBCA targets 2024F loan growth to be 9%-10% and CASA growth to be 6%-8%.

Using the Discounted Cash Flow method with a Required Return of 6.81% and Terminal Growth of 8.09%, we estimate BBCA's fair value at 11,600 (26.14x expected P/E). Therefore, we maintain a hold rating for BBCA with a higher target and potential upside of 8.92%.

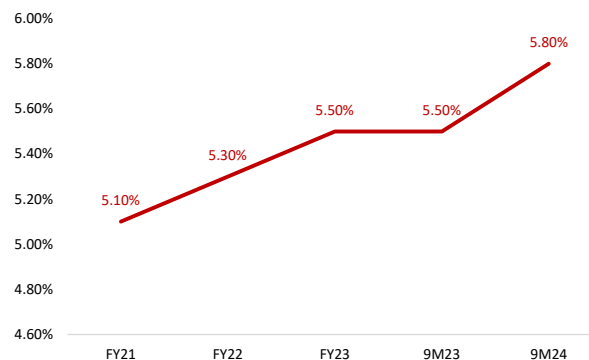
Performance Highlight

Figure 1. Financial Performance



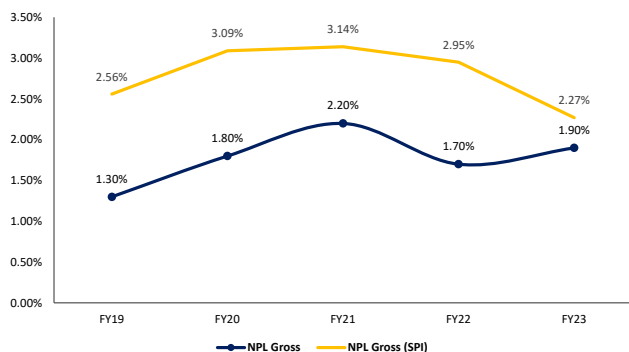
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



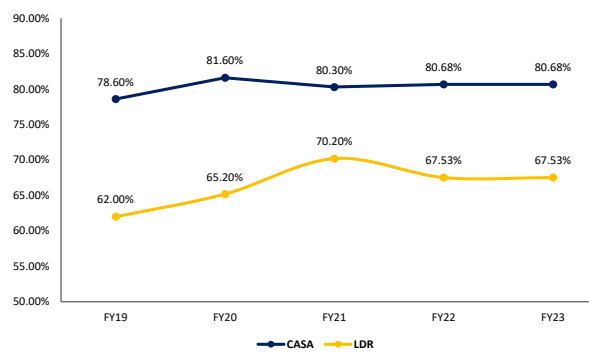
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



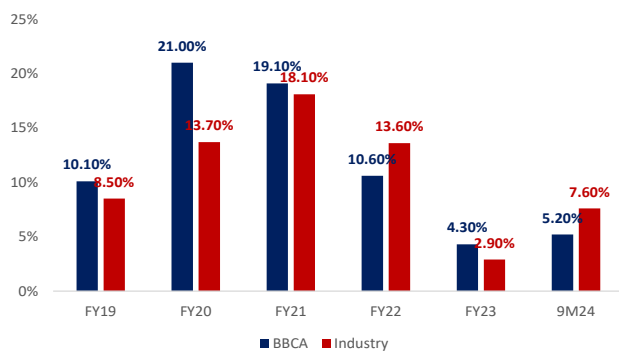
Source : OJK | Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



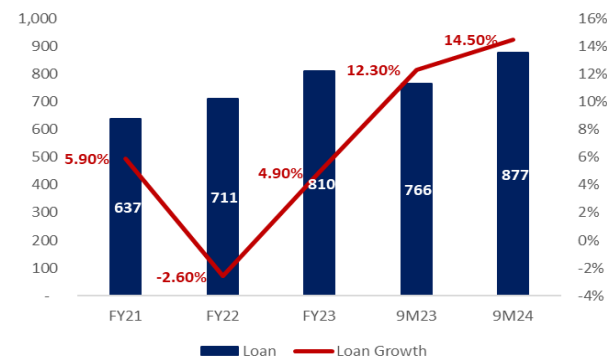
Source : Company | Phintraco Sekuritas Research

Figure 5. CASA Growth BBKA Vs. Industry



Source : OJK | Phintraco Sekuritas Research

Figure 6. BBKA Loan Growth (In Rp trillion)



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24F	FY25F
Interest Income	43,730	46,838	54,999	47,070	65,835	71,760
Interest Expense	(7,623)	(6,065)	(9,897)	(7,458)	(12,229)	(13,330)
Net Interest Income	36,107	40,773	45,102	39,613	53,605	58,430
<i>NIM</i>	<i>82.57%</i>	<i>87.05%</i>	<i>82.01%</i>	<i>84.16%</i>	<i>81.42%</i>	<i>81.42%</i>
PPOP	28,136	31,777	32,416	31,893	40,538	44,186
Provision	(9,324)	(4,527)	(2,263)	(2,367)	(4,419)	(4,817)
EBITDA	23,886	28,917	30,182	29,526	37,330	40,689
<i>EBITDA Margin</i>	<i>54.62%</i>	<i>61.74%</i>	<i>54.88%</i>	<i>62.73%</i>	<i>56.70%</i>	<i>56.70%</i>
EBIT	18,812	27,250	30,153	29,526	36,118	39,369
<i>EBIT Margin</i>	<i>43.02%</i>	<i>58.18%</i>	<i>54.82%</i>	<i>62.73%</i>	<i>48.22%</i>	<i>48.22%</i>
Profit Before Tax	38,841	50,467	60,180	50,846	68,136	74,268
<i>EBT Margin</i>	<i>88.82%</i>	<i>107.75%</i>	<i>109.42%</i>	<i>108.02%</i>	<i>103.50%</i>	<i>103.50%</i>
Net Profit After Tax	31,440	40,756	48,658	41,088	54,713	59,637
<i>NPM</i>	<i>71.90%</i>	<i>87.01%</i>	<i>88.47%</i>	<i>87.29%</i>	<i>83.11%</i>	<i>83.11%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24F	FY25F
Asset						
Cash & Marketable Securities	247,848	270,255	333,755	399,188	351,774	376,974
Loans	597,670	669,204	767,601	832,143	842,018	923,649
Current Accounts	164,539	140,239	103,434	85,973	108,637	118,414
Total Current Assets	1,197,855	1,280,360	1,369,924	1,393,703	1,497,314	1,631,462
Fixed Assets	22,169	24,709	26,825	26,811	27,247	29,700
Investments	-	-	-	-	-	-
Total Non Current Assets	30,490	34,372	38,183	39,999	39,682	43,253
Total Asset	1,228,345	1,314,732	1,408,107	1,433,702	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	1,118,403	1,194,476	1,296,080
Total Current Liabilities	1,015,552	1,083,162	1,153,804	1,165,935	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	3,641	4,719	5,144
Total Liabilities	1,019,774	1,087,110	1,157,676	1,169,576	1,254,855	1,361,892
Equity	202,849	221,182	242,538	255,961	274,506	304,501

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24F	FY25F
Cash Flow from Operating						
Net Income	31,423	40,736	48,639	41,074	54,694	59,617
Depreciation & Amortization	(3,056)	1,132	29	922	4,291	1,295
Working Capital	13,101	6,606	56,441	69,425	(20,383)	(1,818)
Others	618	384	(12,973)	(15,120)	7,527	(742)
Net-CFFO	42,085	48,859	92,135	96,301	46,130	58,352
Cash Flow from Investing						
CAPEX	2,801	(3,672)	(2,144)	(909)	(4,714)	(3,747)
Others	-	-	-	-	-	-
Net-CFFI	2,439	(5,014)	(3,840)	(2,737)	(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)	(230)	110	313
Equity	(13,288)	(22,403)	(27,283)	(27,650)	(22,726)	(29,622)
Net-CFFF	(13,551)	(21,438)	(24,795)	(28,131)	(22,321)	(28,285)
NET CASH FLOW	30,973	22,407	63,500	65,432	18,019	25,200

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24F	FY25F
Profitability Ratio (%)						
<i>NIM</i>	82.57%	87.05%	82.01%	84.16%	81.42%	81.42%
<i>OPM (EBITDA Margin)</i>	54.62%	61.74%	54.88%	62.73%	56.70%	56.70%
<i>NPM</i>	71.90%	87.01%	88.47%	87.29%	83.11%	83.11%
<i>ROA</i>	2.56%	3.10%	3.46%	3.82%	3.56%	3.56%
<i>RDE</i>	15.50%	18.43%	20.06%	21.40%	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%	272.70%	117.53%	117.53%
<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	10,325	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	333	395	430
<i>BVPS (IDR)</i>	1,645	1,794	1,967	2,076	2,016	2,232
<i>RPS (IDR)</i>	355	380	446	382	475	518
<i>PER(X)</i>	27.40	25.24	23.28	30.98	25.14	24.91
<i>PBV(X)</i>	4.25	4.65	4.67	4.97	4.92	4.80
<i>P/R(X)</i>	19.70	21.96	20.59	27.04	20.89	20.70
<i>EV/EBITDA</i>	255.04	330.61	394.71	333.30	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%

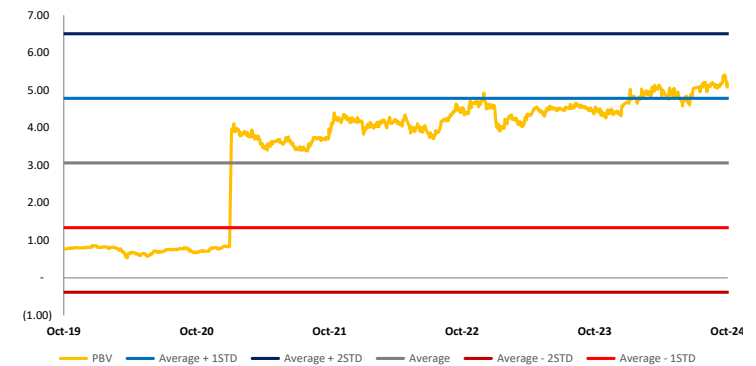
Source : Company | Phintraco Sekuritas Research

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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