

Buy

Price (Dec 6 th , 24)	1,780
Target Price	2,315
Potential Upside	30.03%
Market Cap	44.05 T
Number of Share	24.89 B
52w Lo/Hi	1635 / 1995

Source : IDX | Phintraco Sekuritas Research
as of Dec 6th, 2024

IHSG vs BNGA



Source : IDX

Shareholder	%
CIMB Group Sdn Bhd	91.45%
Public	7.51%
PT Commerce Kapital	1.02%
Lamo Darmawan	0.01%

Source : Company | as of fin. statement Q3-24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	269	271	-0.75%
2025F	309	296	+4.30%

Source : *marketscreener | as of Dec 6th, 2024

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PT Bank CIMB Niaga Tbk

(BNGA.JK / BNGA.IJ)

CASA growth and selective loan growth are still BNGA's focus

BNGA's net profit grew 4.7% YoY to IDR5.1 trillion in 9M24. This aligns with Interest Income, which grew 7.8% YoY to IDR18 trillion in 9M24. In addition, provision expenses of 9M24 were recorded at IDR1.5 trillion, which decreased 17.1% YoY from IDR4.9 trillion in 9M23. So BNGA can optimize net profit in 9M24 despite the increase in Interest expense (+22.8% YoY) in 9M24.

BNGA revised its Cost of Credit (COC) guidance to below 1% for FY24F. BNGA lowered its COC to 0.88% in 9M24 from 1.22% in 9M23. BNGA's COC has tended to decline in the last five years. In sequence, BNGA's COC in 2019-2023 (1.7%; 2.8%; 2.4%; 1.8%; 1.0%) This underlies BNGA's optimism to revise its COC guidance for 2024 to below 1% from the previous target of 1.0% -1.1 %.

Credit growth was accompanied by improvements in asset quality in 9M24. BNGA recorded credit growth of 6.4% YoY to IDR218.5 trillion in 9M24. This growth was supported by corporate loans, which grew 7.1% YoY in 9M24 with a contribution of 39% to total credit. Amidst this credit growth, BNGA still managed to reduce its non-performing loan gross to 2.0% in 9M24 from 2.4% in 9M23. This aligns with BNGA's efforts to maintain a quality corporate loan portfolio from top local and multinational companies. Regarding liquidity, BNGA's Loan to Deposit Ratio (LDR) was maintained at 84.3% in 9M24, down 20 bps YoY from 9M23.

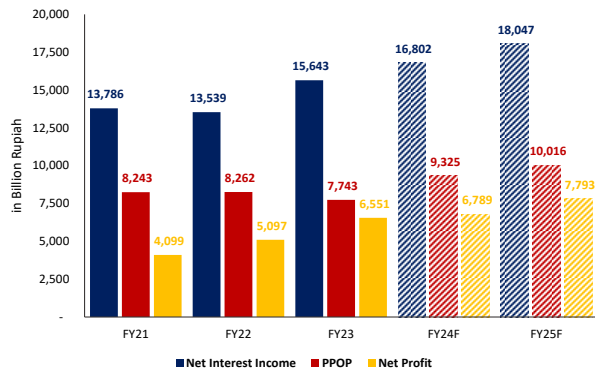
Current Account Saving Account (CASA) grew 8.8% YoY in 9M24. BNGA managed to maintain the growth of Third Party Funds (TPF), where TPF grew 8.8% YoY to IDR256 trillion in 9M24. CASA was recorded at IDR171 trillion, an increase of 8.8% YoY, with a CASA ratio of 67.7% in 9M24. Meanwhile, CASA for 2019 was recorded at 55.3%, with a CAGR of 59% over the past 5 years. This achievement is accompanied by a strong CASA position from retail and non-retail segments by optimizing BNGA's digital applications.

CASA growth and selective loan growth are still BNGA's focus. BNGA will continue to focus on corporate and consumer financing. BNGA will optimize mortgage loans for the consumer segment by focusing on secondary cities without ignoring big cities (with low Risk-Adjusted Return on Capital) where mortgage loans contribute the highest (57%) for the consumer segment. In addition, BNGA continues to develop OCTO mobile services so that CASA growth can continue. So we estimate that BNGA can record interest income growth of 7% in FY25F.

Using the Discounted Cash Flow method with a Required Return of 9.4% and Terminal Growth of 4%, we estimate BNGA's fair value at Rp2,315 (8.57x expected P/E). Therefore, we maintain a buy rating for BNGA with a potential upside of 30.03%.

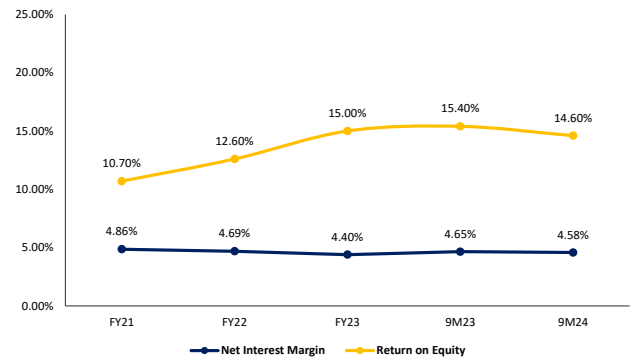
Performance Highlight

Figure 1. Financial Performance



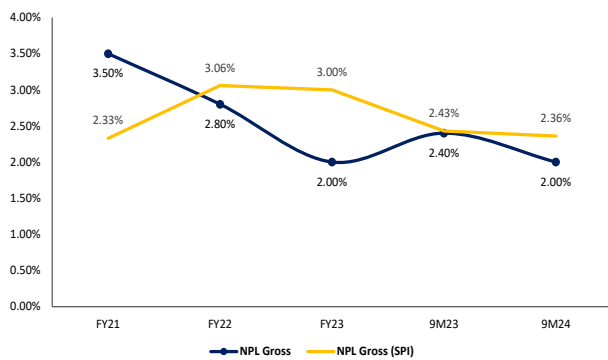
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



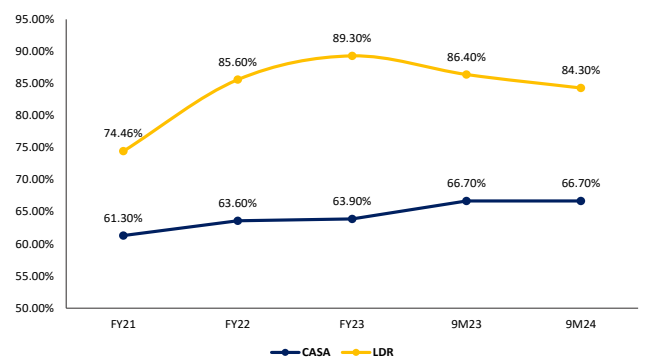
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



Source : Company | Phintraco Sekuritas Research

Figure 5. BNGA P/B Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24F	FY25F
Interest Income	13,786	13,539	15,643	12,312	16,802	18,047
Interest Expense	(5,543)	(5,277)	(7,899)	(6,944)	(7,477)	(8,031)
Net Interest Income	8,243	8,262	7,743	5,368	9,325	10,016
<i>NIM</i>	<i>59.79%</i>	<i>61.02%</i>	<i>49.50%</i>	<i>43.60%</i>	<i>55.50%</i>	<i>55.50%</i>
PPOP	4,398	4,929	4,437	3,246	5,488	6,420
<i>Provision</i>	<i>(4,125)</i>	<i>(3,575)</i>	<i>(1,851)</i>	<i>(1,475)</i>	<i>(2,501)</i>	<i>(2,687)</i>
EBITDA	157	1,400	2,678	1,873	2,986	3,733
<i>EBITDA Margin</i>	<i>1.14%</i>	<i>10.34%</i>	<i>17.12%</i>	<i>15.21%</i>	<i>17.77%</i>	<i>20.69%</i>
EBIT	273	1,354	2,586	1,771	2,980	3,727
<i>EBIT Margin</i>	<i>1.98%</i>	<i>10.00%</i>	<i>16.53%</i>	<i>14.38%</i>	<i>17.74%</i>	<i>17.74%</i>
Profit Before Tax	5,191	6,579	8,357	6,634	8,704	9,991
<i>EBT Margin</i>	<i>37.65%</i>	<i>48.59%</i>	<i>53.43%</i>	<i>53.88%</i>	<i>51.81%</i>	<i>55.36%</i>
Net Profit After Tax	4,099	5,097	6,551	5,182	6,789	7,793
<i>NPM</i>	<i>29.73%</i>	<i>37.64%</i>	<i>41.88%</i>	<i>42.09%</i>	<i>40.41%</i>	<i>43.18%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24F	FY25F
Asset						
Cash & Marketable Securities	14,718	11,204	13,233	29,024	13,985	12,799
Loans	168,478	183,414	201,322	207,388	206,080	210,950
Current Accounts	42,460	26,604	20,417	18,631	21,503	23,097
Total Current Assets	296,351	291,918	318,682	338,547	316,255	320,844
Fixed Assets	6,623	7,048	6,775	6,722	7,366	7,912
Investments	10	48	63	43	94	101
Total Non Current Assets	14,436	14,836	15,687	15,749	15,559	16,712
Total Asset	310,787	306,754	334,369	354,296	331,814	337,556
Liabilities						
Portion of Long Term Debt	3,236	9,488	26,715	18,509	14,610	12,793
Deposits	244,408	229,695	237,622	261,250	241,166	244,762
Total Current Liabilities	261,803	259,545	282,579	299,262	276,004	278,830
Long-Term Debt	5,595	1,933	2,453	2,324	3,327	2,571
Total Non Current Liabilities	5,595	1,933	2,453	2,324	3,327	2,571
Total Liabilities	267,399	261,478	285,032	301,586	279,331	281,402
Equity	43,388	45,276	49,337	52,710	52,483	56,155

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24F	FY25F
Cash Flow from Operating						
Net Income	4,100	5,042	6,474	5,133	6,760	7,759
Depreciation & Amortization	213	46	92	(267)	(182)	193
Working Capital	9,613	(11,814)	(8,540)	24,563	148	(3,163)
Others	(3,842)	4,222	(10,388)	(3,748)	8,562	2,031
Net-CFFO	10,084	(2,505)	(12,362)	25,682	15,288	6,820
Cash Flow from Investing						
CAPEX	153	(470)	181	320	(410)	(739)
Others	38	(38)	(14)	19	(31)	(7)
Net-CFFI	(96)	(445)	(943)	205	310	(1,346)
Cash Flow from Financing						
Ch. in Lt liab.	(7,549)	2,590	17,747	(8,335)	(11,232)	(2,573)
Ch. in other non-current liab.	-	-	-	-	-	-
Equity	(1,765)	(3,154)	(2,413)	(1,760)	(3,614)	(4,088)
Net-CFFF	(9,314)	(563)	15,334	(10,096)	(14,846)	(6,660)
NET CASH FLOW	674	(3,513)	2,029	15,791	752	(1,186)

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24F	FY25F
Profitability Ratio (%)						
<i>NIM</i>	59.79%	61.02%	49.50%	43.60%	55.50%	55.50%
<i>OPM (EBITDA Margin)</i>	1.14%	10.34%	17.12%	15.21%	17.77%	20.69%
<i>NPM</i>	29.73%	37.64%	41.88%	42.09%	40.41%	43.18%
<i>ROA</i>	1.32%	1.66%	1.96%	1.46%	2.05%	2.31%
<i>ROE</i>	9.45%	11.26%	13.28%	9.83%	12.94%	13.88%
Banking Ratio						
<i>CASA to Third Party Funds</i>	61.34%	63.57%	63.86%	66.70%	62.92%	63.87%
<i>BOPO</i>	78.37%	74.10%	71.47%	72.30%	74.65%	74.06%
<i>LDR</i>	74.35%	85.63%	89.30%	84.30%	83.09%	83.40%
<i>CAR</i>	21.61%	22.19%	24.02%	22.40%	22.61%	22.56%
<i>NPL Gross</i>	3.46%	2.80%	1.96%	2.00%	2.74%	2.56%
Price Ratio						
<i>Share Price (IDR)</i>	810	1,082	1,695	1,760	2,315	2,315
<i>Average Share Price (IDR)</i>	827	958	1,500	1,853	2,315	2,315
<i>Outstanding Shares (in Billion)</i>	25	25	25	25	25	25
<i>EPS (IDR)</i>	163	203	261	206	310	354
<i>BVPS (IDR)</i>	1,726	1,802	1,963	2,097	2,234	2,400
<i>RPS (IDR)</i>	549	539	622	490	718	771
<i>PER(X)</i>	4.97	5.34	6.50	8.54	7.47	6.54
<i>PBV(X)</i>	0.47	0.60	0.86	0.84	1.04	0.96
<i>P/R(X)</i>	1.48	2.01	2.72	3.59	3.22	3.00
Dividends						
<i>DPS</i>	94	115	114	-	-	-
<i>DPR</i>	57.68%	56.78%	43.84%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	11.73%	14.22%	10.56%	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

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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