

PT Bank Central Asia, Tbk

HOLD

26 October 2021
Banking, Equity

Price **IDR. 7525**
Target Price **IDR. 8200**
JKSE Index **6625.697**

Published on Investing.com, 5 Nov 2019 - 3:15:09 GMT. Powered by TradingView.
Bank Central Asia Tbk, Indonesia, Jakarta:BBCA, M



Stock Code
Bloomberg code **BBCA IJ**
Market cap (IDR.bn) **927,644B**
52-Week High (IDR) **8250**
52-Week Low (IDR) **5720**
6-m Avg Daily. Val (IDR) **6481**

Major Shareholders (%)
Dwimuria **54.94%**
Public **45.06%**

USD/IDR-YE
2020A **14,050**
2021F (6M Avg) **14,343**

Key Indicators
Non Performing Loan (%) **2.00**
Net Interest Margin (%) **5.34**

Analyst: Lingga Pratiwi
Lingga.pratiwi@binaartha.com

Investment Consideration

Corporate Loan growth

In 3Q21, Loan growth was 4.5% YoY. This was driven by a 7.1% YoY growth in corporate loans to the Tower, CPO, and pulp & paper sectors. Consumer loans rose 2.1% YoY thanks to the BCA Expoversary event earlier in the year. Another virtual consumer loan expo was held in July and will be extended until November. Commercial loans grew by 1.5% YoY. Management is optimistic that credit demand will continue to improve, given that economic activity is recovering following the easing of the lockdowns. We estimate loan growth at 4.27% in 2021F in line with BBCA management guidance of 4-6%.

CASA Up Significantly

Customer deposits grew strongly +18.3% YoY with CASA up by +21.1% YoY driven by increased transaction limits for its mobile banking application, and acceptance of new customers at its digital bank. Time Deposits grew by 9.7% YoY. BBCA currently has 215 thousand digital banking BLU subscribers, 30% of which are BCA customers. In September, BLU had total funding of IDR 800 billion. BCA has increased BLU's capital level to IDR 4 trillion from IDR 1.3 trillion previously, and plans to list BLU on the Indonesia Stock Exchange in the next 1-2 years.

Asset quality continues to improve

The total loans for restructuring continues to improve at IDR 88.9 trillion as of September 2021 or 15% of the total loans. The previous amount was IDR 97.7 trillion in June 2021 or 19% of total loans. This improvement was due to some customers returning to normal payments. This is in line with the previous management target. NPLs were flat on a quarterly basis and slightly increased to 0.5% YoY, Loan at Risk increased to 1.4% YoY. LAR coverage increased to 35.1% from 32% in 2Q21.

Valuation: 9% Upside, Hold.

Based on our DDM Valuation, we have a target price within one year of IDR 8,200 or trading at 1.0x PBV which gives 9% potential upside, Hold.

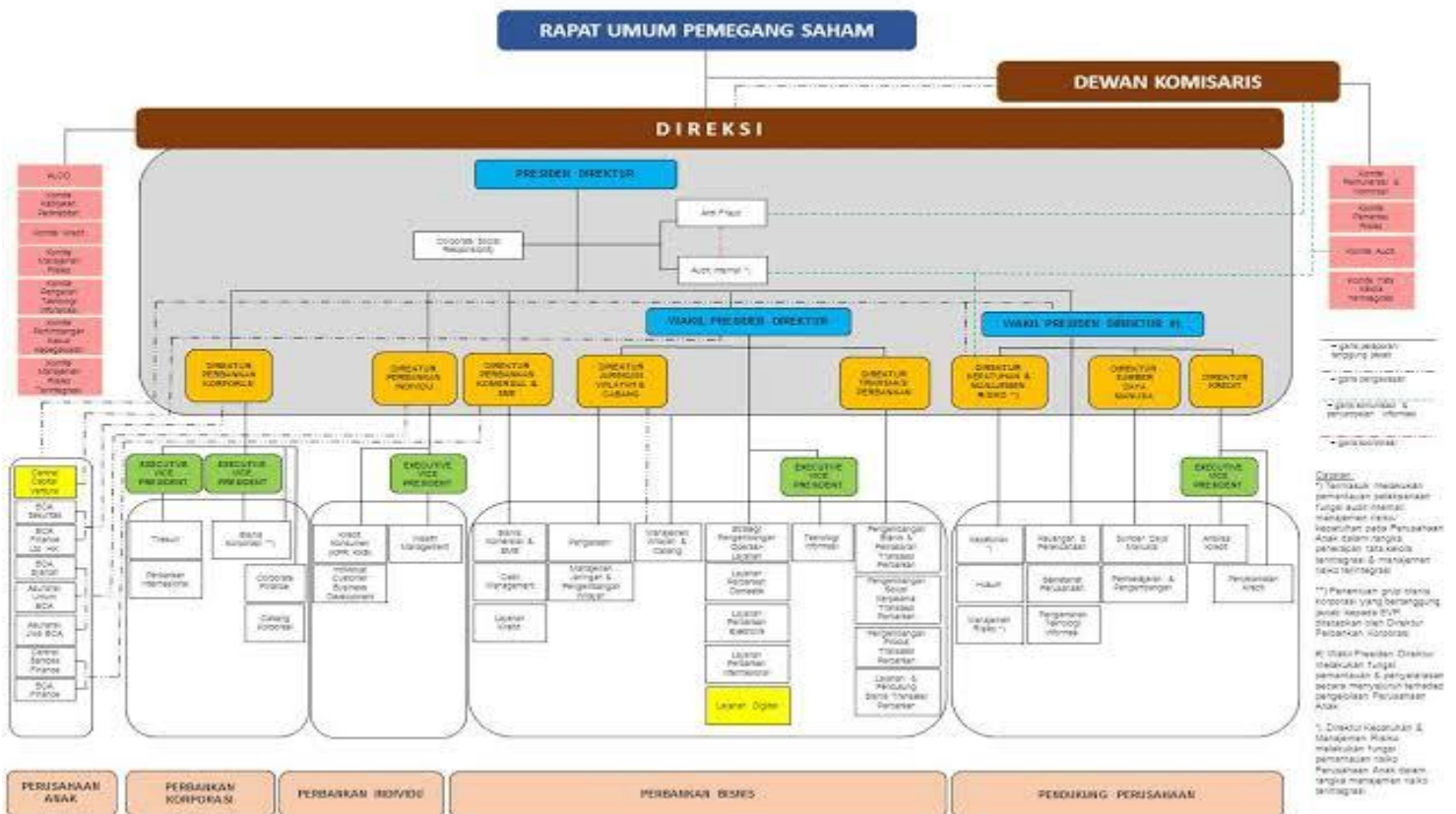
Income Statement (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Interest Income	53.799	56.812	64.352	65.875	77.994	84.455	106.920
Interest Expense	-11.941	-11.476	-13.528	-11.329	-17.945	-21.003	-23.959
Net Interest Income	41.858	45.336	50.824	54.547	60.049	63.452	82.961
Net Operating Income	18.109	23.150	26.484	21.101	30.279	35.455	37.720
Operating Expense	-21.430	-30.659	-32.737	-30.480	-35.879	-36.245	-43.625
PPOP	38.537	37.826	44.571	45.168	54.450	62.661	77.056
Provision Expense	-5.447	-5.740	-8.282	-11.599	-13.312	-13.956	-16.017
Operating Profit	33.089	32.086	36.289	33.569	41.138	48.706	61.039
Profit Before Tax	29.159	32.706	36.289	33.569	41.138	48.706	61.039
Tax Expense	-5.838	-6.854	-7.719	-6.421	-8.369	-9.948	-12.468
Net Profit	23.321	25.852	28.570	27.147	32.769	38.757	48.572
EPS (Rp/Share)	945,4	1.048,3	1.158,1	1.100,0	1.328,1	1.570,7	1.968,5

Company Profile

PT Bank Central Asia Tbk (the "Bank") was established in the Republic of Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprpto dated 10 August 1955 under the name of "N.V. Perseroan Dagang Dan Industrie Semarang Knitting Factory". This deed of establishment was approved by the Minister of Justice in its decision letter No. J.A.5/89/19 dated 10 October 1955 and was published in Supplement No. 595 to the State Gazette of the Republic of Indonesia No. 62 dated 3 August 1956. The name of the Bank has been changed several times with the latest change being PT Bank Central Asia based on the Notary Deed No. 144 of Wargio Suhardjo, S.H., the substitute of notary public Ridwan Suselo, dated 21 May 1974. The Bank started its commercial operations in the banking business on 12 October 1956. According to Article 3 of the Bank's Articles of Association, the Bank operates as a commercial bank. The Bank is engaged in banking activities and other financial services in accordance with the prevailing regulations in Indonesia.

Company Structure

STRUKTUR ORGANISASI PT BANK CENTRAL ASIA Tbk.



Source: Company

Chart: Gross Loan (x) YoY

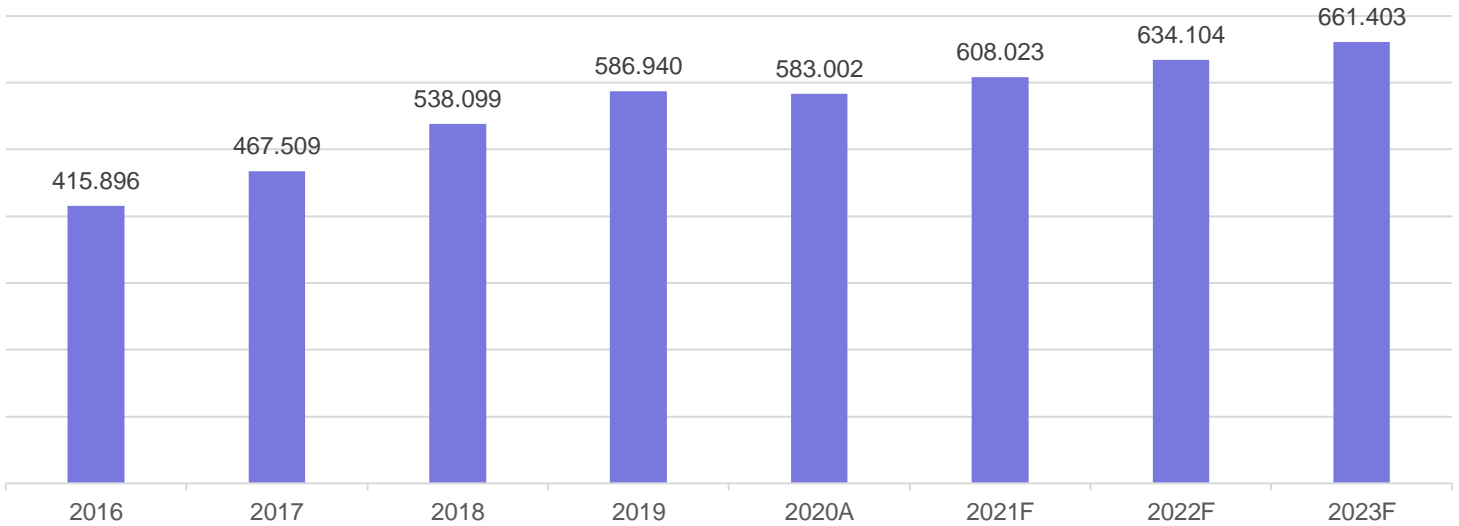


Chart: Profitability Ratio (x) YoY

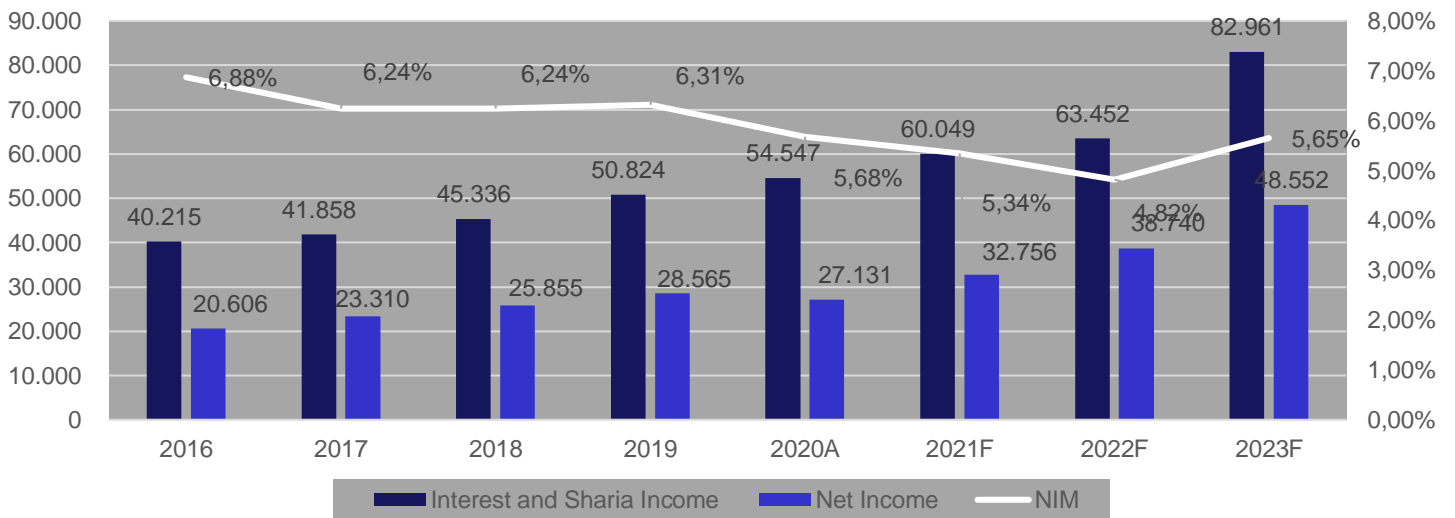
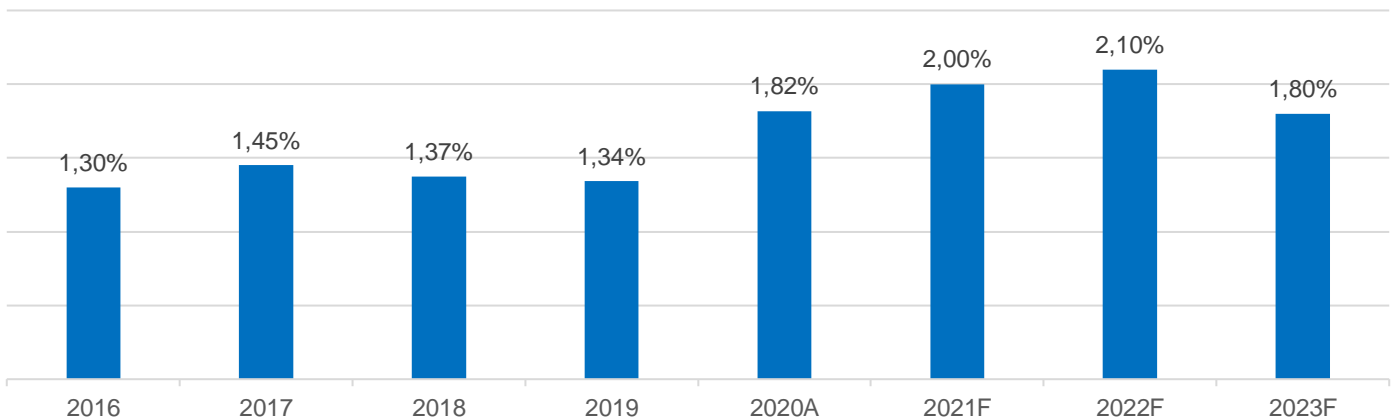


Chart: NPL (x) YoY



Balance Sheet (IDR.bn)

Balance sheet (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Cash and CA with BI	69.639	86.410	99.640	90.211	92.142	54.861	11.354
Interbank Placement	124	1.040	1.936	1.080	2.921	3.893	3.762
Marketable Securities	143.679	121.862	153.720	201.947	316.599	410.824	458.943
Gross Loan	467.509	538.099	586.940	583.002	608.023	634.104	661.403
Allowance for Loans	-13.244	-13.569	-14.906	-27.913	-38.961	-50.610	-64.275
Loans-net	454.265	524.530	572.034	555.088	569.062	583.495	597.128
Other Earning Asset	203.309	188.452	219.382	410.343	516.340	682.433	806.435
Non Earning Asset	23.107	25.395	27.934	19.928	31.166	31.896	38.124
Total Asset	750.320	824.788	918.989	1.075.570	1.208.709	1.352.685	1.453.042
Deposit:							
Current Account	151.250	166.822	184.918	230.646	265.243	305.029	320.281
Saving Account	292.417	316.182	345.634	414.041	495.988	594.152	683.275
Time Deposits	137.449	146.808	168.428	196.890	226.424	260.387	291.634
Other Interest Bearing Liabilities	16.166	17.693	18.073	14.703	14.033	13.393	12.535
Non Interest Bearing Liabilities	21.637	25.530	27.793	34.693	43.306	54.058	67.480
Total Liabilities	618.918	673.035	744.846	890.974	1.044.993	1.227.020	1.375.204
Total Shareholder's Equity	131.402	151.753	174.143	184.596	163.716	125.665	77.838

Income Statement (IDR.bn)

Income Statement (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Interest Income	53.799	56.812	64.352	65.875	77.994	84.455	106.920
Interest Expense	-11.941	-11.476	-13.528	-11.329	-17.945	-21.003	-23.959
Net Interest Income	41.858	45.336	50.824	54.547	60.049	63.452	82.961
Net Operating Income	18.109	23.150	26.484	21.101	30.279	35.455	37.720
Operating Expense	-21.430	-30.659	-32.737	-30.480	-35.879	-36.245	-43.625
PPOP	38.537	37.826	44.571	45.168	54.450	62.661	77.056
Provision Expense	-5.447	-5.740	-8.282	-11.599	-13.312	-13.956	-16.017
Operating Profit	33.089	32.086	36.289	33.569	41.138	48.706	61.039
Profit Before Tax	29.159	32.706	36.289	33.569	41.138	48.706	61.039
Tax Expense	-5.838	-6.854	-7.719	-6.421	-8.369	-9.948	-12.468
Net Profit	23.321	25.852	28.570	27.147	32.769	38.757	48.572
EPS (Rp/Share)	945,4	1.048,3	1.158,1	1.100,0	1.328,1	1.570,7	1.968,5

Ratio Highlights

Ratio Analysis	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Profitability & Efficiency							
NIM	6,24%	6,24%	6,31%	5,68%	5,34%	4,82%	5,65%
Cost-to-Income Ratio	42,29%	43,86%	42,35%	40,29%	39,72%	36,65%	36,15%
ROE	17,75%	17,05%	16,41%	14,70%	20,01%	30,83%	62,38%
ROA	3,11%	3,13%	3,11%	2,52%	2,71%	2,86%	3,34%
ROAE		17,40%	16,73%	15,56%	17,35%	25,42%	46,60%
BOPO	44,30%	44,74%	41,81%	34,73%	37,42%	36,10%	35,65%
Cost of Credit	1,17%	1,07%	1,41%	1,99%	2,19%	2,20%	2,42%
Liquidity							
LDR	80,45%	85,44%	83,97%	69,27%	61,56%	54,68%	51,07%
CASA	76,35%	76,69%	75,90%	76,60%	77,07%	77,54%	77,48%
Asset Quality							
Gross NPL	1,45%	1,37%	1,34%	1,82%	2,00%	2,10%	1,80%
Provision Coverage	142,93%	125,83%	189,20%	260,90%	310,00%	380,00%	450,00%
Capital							
CAR	23,10%	23,40%	23,40%	25,80%	24,20%	24,20%	24,40%
Growth							
Loan Growth	14,48%	14,62%	9,49%	-2,51%	4,27%	4,29%	4,31%
Deposit Growth	9,62%	8,38%	10,98%	20,40%	17,36%	17,41%	11,70%
CASA Growth		8,69%	8,87%	9,84%	21,51%	18,08%	18,12%
Net Income Growth	13,12%	10,92%	10,48%	-5,02%	20,73%	18,27%	25,33%

QoQ Result

Balance Sheet	3Q20	2Q21	3Q21	%QoQ	%YoY
Loan	576.274	587.588	599.933	2,10%	4,11%
Loan Loss Reserves	-27.914	-32.989	-33.170	0,55%	18,83%
NPL	17.868	9.403	14.400	53,15%	-19,41%
Deposit					
Demand	205.424	248.237	263.375	6,10%	28,21%
Savings	391.134	448.838	458.424	2,14%	17,20%
Time Deposit	184.120	198.163	201.936	1,90%	9,68%
Total Asset	1.003.638	1.129.497	1.169.296	3,52%	16,51%
Shareholder Equity	179.029	187.370	197.815	5,57%	10,49%

Income Statement	3Q20	2Q21	3Q21	%QoQ	%YoY
Interest Income	16.258	16.514	32.878	99,09%	102,22%
Interest Expense	2.704	2.368	4.868	105,57%	80,04%
Net Interest Income	13.554	14.146	28.010	98,00%	106,65%
Net Operating Income	3.877	6.158	9.346	51,76%	141,03%
Operating Expense	5.646	7.976	20.911	162,19%	270,36%
PPOP	11.786	12.329	16.444	33,38%	39,53%
Provision Expense	-2.080	-3.292	3.292	-200,00%	-258,31%
Operating Profit	13.865	15.621	13.152	-15,81%	-5,14%
Profit Before Tax	9.706	9.037	19.737	118,41%	103,35%
Tax Expense	-1.905	-1.773	-3.656	106,19%	91,94%
Net Profit	7.801	7.264	16.081	121,39%	106,13%

Ratio	3Q20	2Q21	3Q21	QoQ	YoY
Profitability & Efficiency					
NIM	5,80%	5,20%	5,20%	-	(0,60)
CIR	37,40%	33,50%	33,30%-	0,20	(3,90)
ROE	16,90%	18,10%	18,70%	0,60	1,20
ROA	3,40%	3,20%	3,50%	0,30	(0,20)
Cost of Credit	1,80%	2,50%	1,70%-	0,80	0,70
Liquidity					
LDR	69,50%	62,40%	62,00%-	0,40	(7,10)
CASA	76,40%	77,90%	78,10%	0,20	1,50
Asset Quality					
Gross NPL (Bank only)	1,90%	2,40%	2,40%	-	0,50
Provision Coverage	243,5%	230,60%	231,3%	0,70	(12,90)
Capital					
CAR	24,70%	25,30%	26,20%	0,90	0,60

Stock Ratings:

Buy: a recommendation to purchase the security with upside potential of 20% or greater

Hold: a recommendation to neither buy nor sell a security with upside potential of 0-19%.

Sell: a recommendation to close out a long position in a security with upside potential below 0% or negative.

**RESEARCH TEAM
(62-21) 520-6678 ext.612**

Disclaimer; PT Binaartha Sekuritas has compiled this report in good faith, using information believed to be reliable. PT Binaartha and its analyst take no responsibility for the accuracy of the information contained in this report. This report has been produced for distribution to clients of PT Binaartha Sekuritas only. This report is not an invitation to buy or sell any security. PT Binaartha Sekuritas may have used the information in this report prior to publication. The company or its clients may have positions in or may from time to time buy or sell the securities mentioned in this report or other related securities.