

May 15<sup>th</sup>, 2024  
Banking, Equity

Price IDR 9,500  
Target Price IDR 11,400  
JKSE Index IDR 7,179.83



**Stock Code**  
**Bloomberg code** BBCA IJ  
**Market Cap (IDR)** 1,171.1 T  
**52-Week High (IDR)** 10,400  
**52-Week Low (IDR)** 8,600  
**6-m Avg Daily. Val (IDR)** 9,558  
**Free Float (%)** 42.37

### Major Shareholders (%)

**DIA** 54.94  
**Commissioner** 0.10  
**Directors** 0.04  
**Public** 44.92

### USD/IDR-YE (JISDOR)

**2023A** 15,439  
**2024F** 15,875

### Key Indicators (%)

**Gross NPL** 1.71  
**Net Interest Margin** 5.94

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### Investment Consideration

#### Maintaining Double-Digit Growth

In Q1 2024, BBCA sustained its growth in PATMI by 11.71% YoY, reaching IDR 12.88 trillion, although this was lower than FY23's growth of 19.40% YoY. The growth was driven by net income from the transaction FVTPL line item, which surged by 77.00% YoY due to realized gains on spot and derivative transactions and from selling financial assets. Additionally, interest income grew by 9.48%, but was offset by a 25.68% increase in interest expenses, keeping the bank-only NIM ratio stable at 5.6% both quarterly and annually. We forecast that BBCA will continue to grow its PATMI by another 12.32% YoY to IDR 54.63 trillion, with the consolidated NIM ratio expected to reach 5.94% due to interest rate hikes in 2024.

#### Robust Loan Expansion

As of March 2024, BBCA's consolidated loan portfolio grew robustly by 17.06% YoY to IDR 835.69 trillion. The highest annual growth was in corporate loans at 22.12%, followed by consumer loans at 14.87%, SME loans at 13.46%, and commercial loans at 9.25%. Shariah financing also saw significant growth, increasing by 20.78% YoY. From an economic sector perspective, the mining sector experienced the most substantial growth, surging by 334.46% YoY, followed by electricity, gas, and water, and transportation and warehousing, which grew by 43.02% YoY and 37.53% YoY, respectively. Additionally, BBCA's sustainable financing grew by 9.1% YoY. We predict that by December 2024, BBCA's loan portfolio will reach IDR 913.74 trillion, marking a 12.75% YoY increase.

#### Relatively Small Increase in NPL Ratio

In March 2024, BBCA's bank-only NPL ratio stood at 1.90%, a slight increase of 0.1% YoY but remained stable quarterly. This occurred due to increases in the commercial & SME and consumer segments, which reached 2.23% and 1.59%, respectively. The corporate segment's NPL improved by 18 bps YoY to 1.71%. We forecast that by December 2024, BBCA's bank-only NPL ratio will improve to 1.71%.

#### CASA Growth Rebounding

As of March 2024, BBCA's CASA ratio was 80.72%, a rise of 42 bps compared to Q4 2023 and a slight decrease of 47 bps annually. This increase was driven by growth in current accounts by 8.94% YoY and 0.25% QoQ, while savings accounts grew by 6.22% YoY and 3.54% QoQ. We predict that by December 2024, BBCA's CASA ratio will reach 81.54%, an increase of 124 bps YoY.

#### Valuation: 20% Upside, Buy

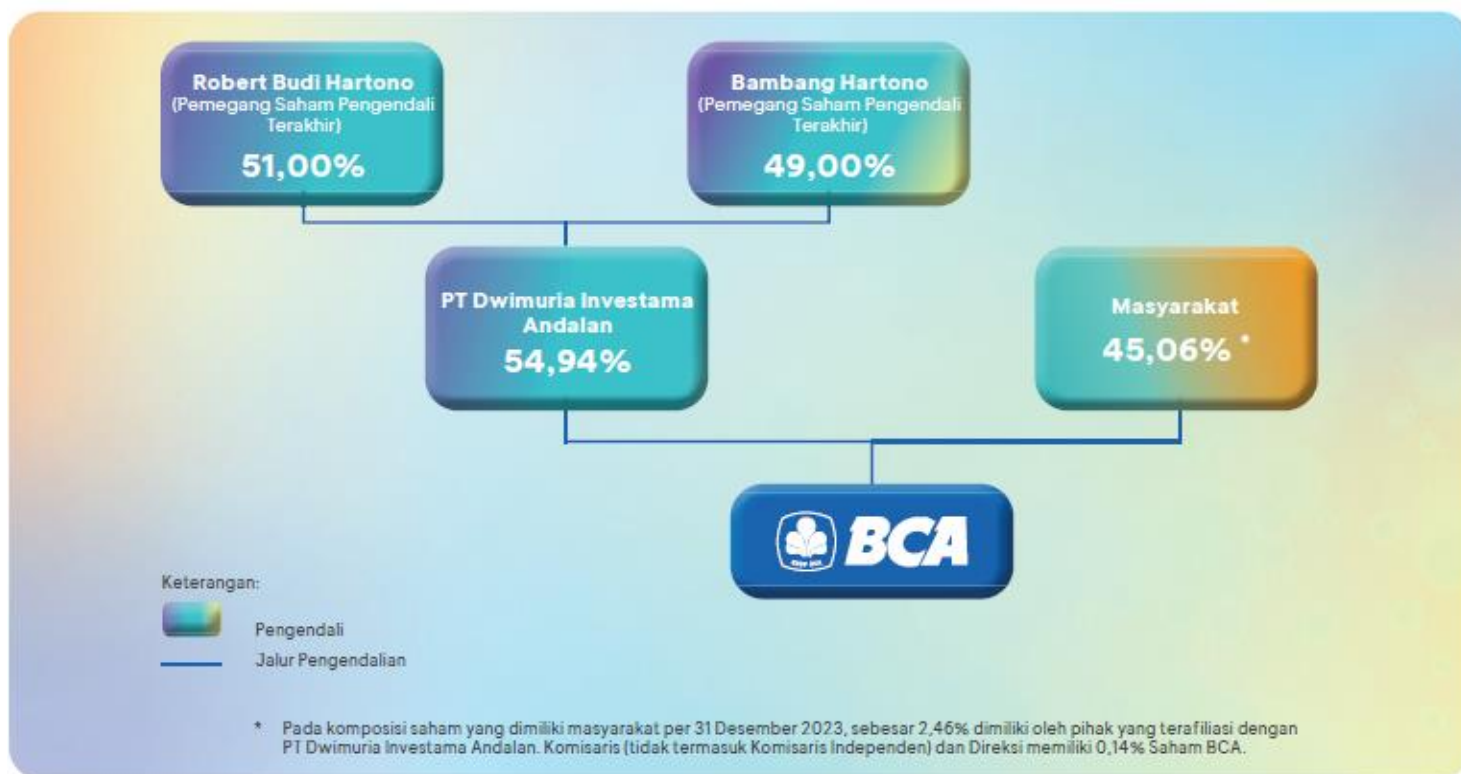
Based on our DDM valuation, we set a one-year target price of IDR 11,400, implying a valuation of 5.32x PBV and a potential upside of 20%. Consequently, we maintain a Buy.

Financial Highlights	2021A	2022A	2023A	2024F
Total Loan (Consol in IDR Bn)	636,987	711,262	810,392	913,736
Net Income (Consol in IDR Bn)	31,423	40,736	48,639	54,629
NIM (Consol)	5.24%	5.51%	6.13%	5.94%
NPL	2.20%	1.70%	1.90%	1.71%
CAR (Consol)	26.85%	26.84%	29.40%	27.43%

**Company Profile**

PT Bank Central Asia Tbk (the “Bank”) was established in Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955, originally named “N.V. Perseroan Dagang Dan Industrie Semarang Knitting Factory.” It started its banking operations on 12 October 1956. Currently known as PT Bank Central Asia, the Bank engages in banking activities and other financial services in accordance with the prevailing regulations in Indonesia.

**Controlling Shareholder of BCA**



**Company Group Structure and Ownership of Subsidiaries**



Source: Company

Chart: Gross Loan (IDR Bn) YoY

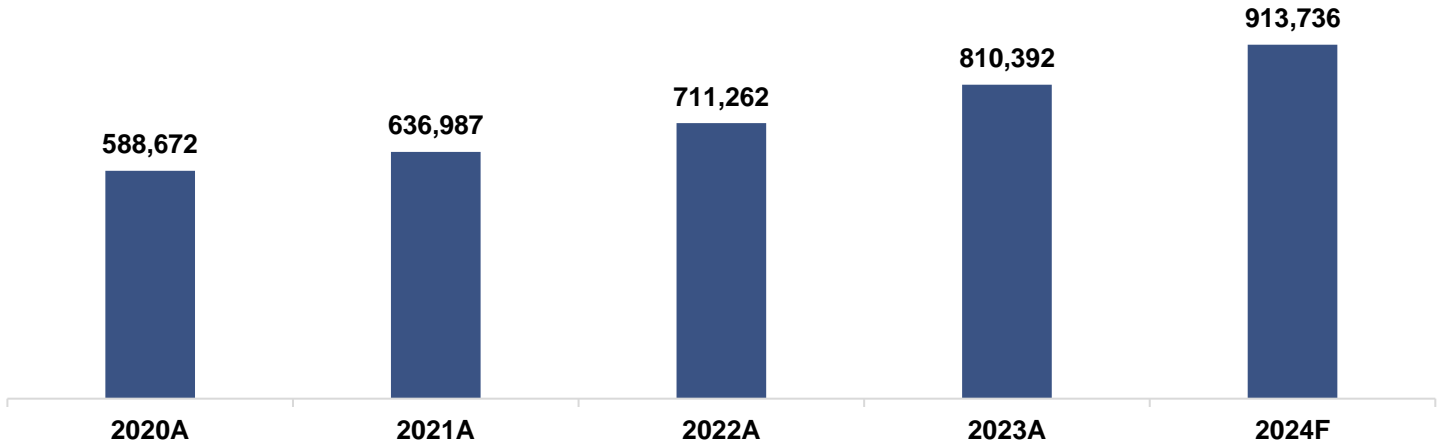


Chart: Profitability Ratio YoY

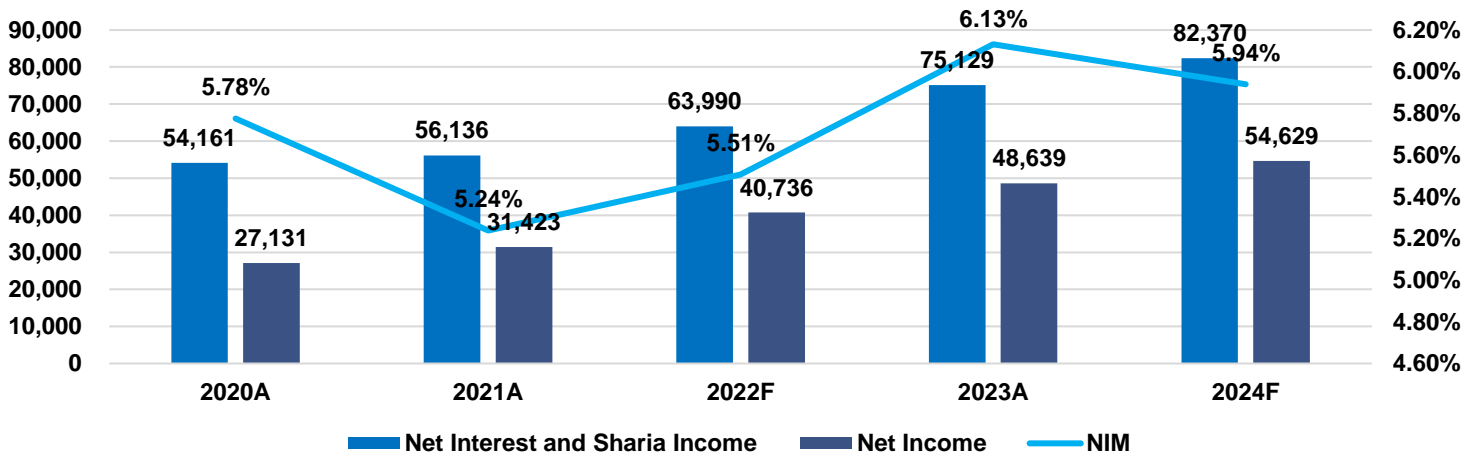


Chart: NPL Ratio – Bank Only (%) YoY

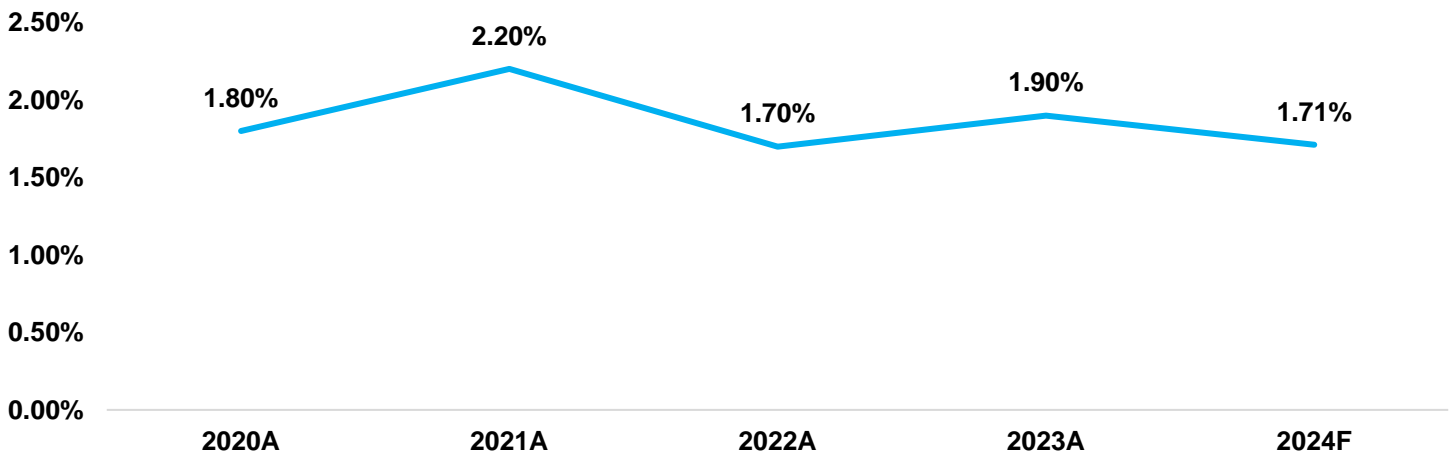


Chart: Gross Loan (IDR Bn) QoQ

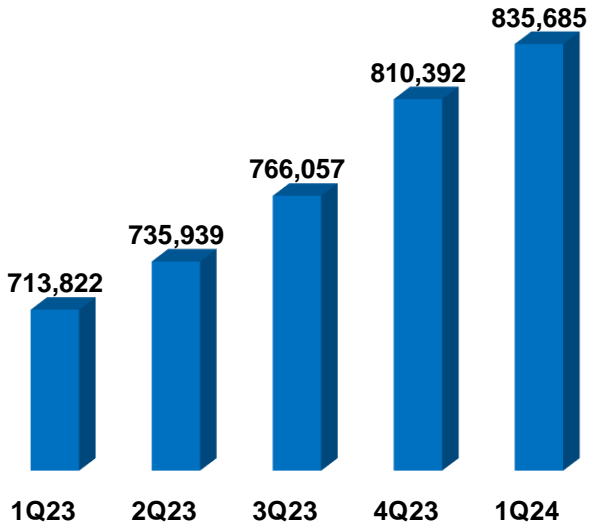


Chart: Customer Deposit (IDR Tn) QoQ

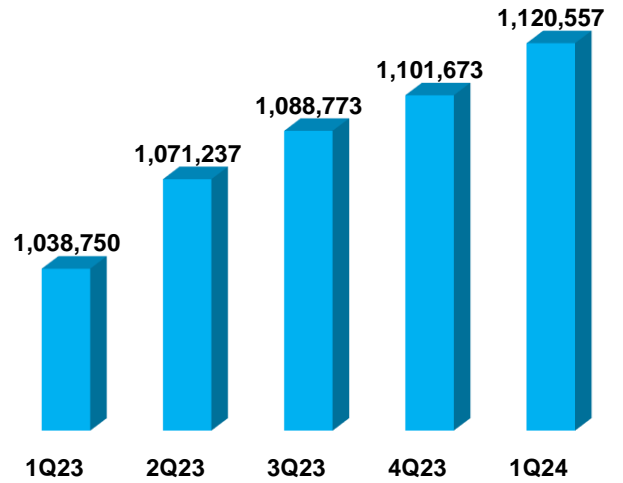


Chart: NPL Ratio – Bank Only (%) QoQ

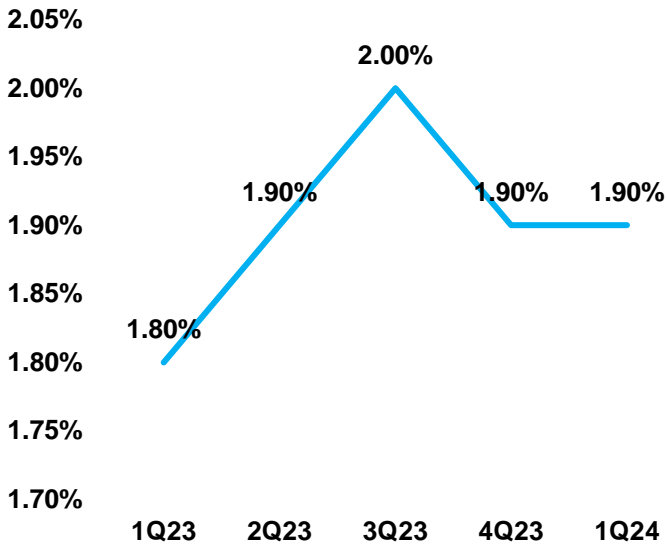
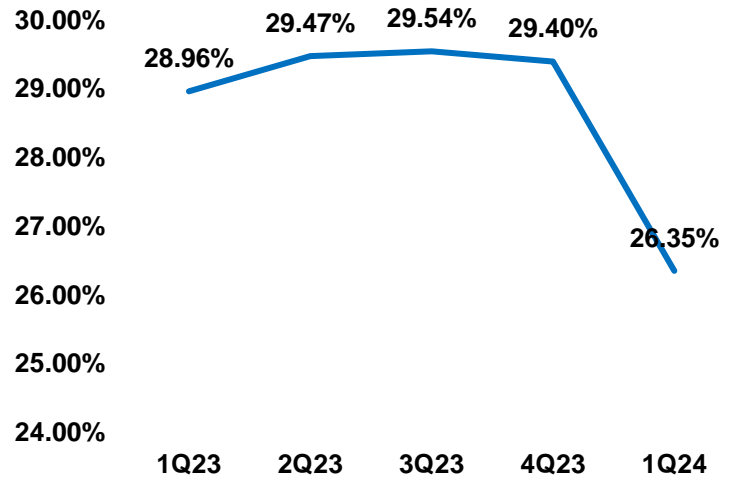


Chart: CAR (%) QoQ



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)**

<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024F</b>
Cash and CA with BI	51,805	89,401	125,470	114,319	106,702
Interbank Placement	47,456	87,153	31,383	5,202	31,230
Marketable Securities	192,753	224,512	249,186	312,598	341,694
Gross Loan	588,672	636,987	711,262	810,392	913,736
Allowance for Loans	(27,914)	(33,240)	(34,841)	(34,061)	(33,836)
Loans-net	560,758	603,747	676,421	776,331	879,900
Other Earning Asset	417,968	489,751	462,318	456,068	485,338
Non-Earning Asset	45,040	45,445	50,523	61,389	63,048
<b>Total Asset</b>	<b>1,075,570</b>	<b>1,228,345</b>	<b>1,314,732</b>	<b>1,408,107</b>	<b>1,534,988</b>
Deposit:					
Current Account	229,821	285,640	323,924	348,457	389,665
Saving Account	414,041	481,373	524,014	536,184	600,530
Time Deposits	196,890	208,937	191,780	217,032	224,128
Other Interest-Bearing Liabilities	15,529	17,729	19,366	20,269	14,888
Non-Interest-Bearing Liabilities	34,575	31,818	34,466	43,628	41,169
<b>Total Liabilities</b>	<b>890,856</b>	<b>1,025,496</b>	<b>1,093,550</b>	<b>1,165,569</b>	<b>1,270,378</b>
<b>Total Shareholder's Equity</b>	<b>184,715</b>	<b>202,849</b>	<b>221,182</b>	<b>242,538</b>	<b>264,610</b>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (in IDR Bn)**

<b>CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (in IDR Bn)</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024F</b>
Interest Income	65,403	65,627	72,241	87,398	95,120
Interest Expense	(11,242)	(9,491)	(8,252)	(12,269)	(12,749)
<b>Net Interest Income</b>	<b>54,161</b>	<b>56,136</b>	<b>63,990</b>	<b>75,129</b>	<b>82,370</b>
Net Operating Income	21,004	22,338	23,487	24,817	27,654
Operating Expense	(29,969)	(30,308)	(32,483)	(37,503)	(38,816)
<b>PPOP</b>	<b>45,197</b>	<b>48,165</b>	<b>54,994</b>	<b>62,443</b>	<b>71,208</b>
Provision Expense	(11,628)	(9,324)	(4,527)	(2,263)	(2,906)
<b>Profit Before Tax</b>	<b>33,569</b>	<b>38,841</b>	<b>50,467</b>	<b>60,180</b>	<b>68,302</b>
Tax Expense	(6,421)	(7,401)	(9,711)	(11,522)	(13,660)
<b>Earning After Tax</b>	<b>27,147</b>	<b>31,440</b>	<b>40,756</b>	<b>48,658</b>	<b>54,642</b>
Income for The Year Attributable to - NCI	16	17	20	19	13
<b>Net Income</b>	<b>27,131</b>	<b>31,423</b>	<b>40,736</b>	<b>48,639</b>	<b>54,629</b>

**Ratio Highlights**

Ratio Analysis (Consol)	2020A	2021A	2022A	2032A	2024F
<b>Profitability &amp; Efficiency</b>					
NIM	5.78%	5.24%	5.51%	6.13%	5.94%
ROE	15.41%	16.40%	19.62%	21.29%	22.54%
ROA	2.69%	2.72%	3.18%	3.56%	3.71%
BOPO	47.69%	45.24%	42.55%	44.35%	42.00%
Cost of Credit	1.98%	1.46%	0.64%	0.28%	0.32%
<b>Liquidity</b>					
LDR	70.02%	65.27%	68.41%	73.56%	75.25%
CASA	76.58%	78.59%	81.55%	80.30%	81.54%
<b>Asset Quality</b>					
Gross NPL (Bank-Only)	1.80%	2.20%	1.70%	1.90%	1.71%
Gross NPL	1.80%	2.20%	1.70%	1.75%	1.71%
Provision Coverage	260.90%	240.00%	287.30%	234.10%	228.70%
<b>Capital</b>					
CAR	26.89%	26.85%	26.84%	29.40%	27.43%
<b>Growth</b>					
Loan Growth	-2.50%	8.21%	11.66%	13.94%	12.75%
Deposit Growth	20.28%	16.08%	6.53%	5.96%	10.23%
CASA Growth	21.36%	19.13%	10.55%	4.33%	11.93%
Net Income Growth	-5.02%	15.82%	29.64%	19.40%	12.32%

**QoQ Result**

**PT Bank Central Asia, Tbk  
Key Ratios**

<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR)</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>%QoQ</b>	<b>%YoY</b>
Loan	713,822	735,939	766,057	810,392	835,685	3.12%	17.07%
Loan Loss Reserves	(35,816)	(35,625)	(35,389)	(34,061)	(34,570)	1.50%	-3.48%
NPL	12,400	13,690	15,444	14,100	15,200	7.80%	22.58%
Deposit							
Demand	320,660	328,879	337,625	348,457	349,331	0.25%	8.94%
Savings	522,673	535,849	532,143	536,184	555,168	3.54%	6.22%
Time Deposit	195,416	206,509	219,005	217,032	216,058	-0.45%	10.56%
Total Asset	1,321,723	1,356,757	1,381,449	1,408,107	1,444,008	2.55%	9.25%
Shareholder Equity	211,261	224,599	235,751	242,356	227,162	-6.27%	7.53%

<b>CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR)</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>%QoQ</b>	<b>%YoY</b>
Interest Income	21,026	21,559	22,029	22,783	23,020	1.04%	9.48%
Interest Expense	(2,544)	(3,059)	(3,297)	(3,370)	(3,197)	-5.12%	25.69%
<b>Net Interest Income</b>	<b>18,482</b>	<b>18,501</b>	<b>18,733</b>	<b>19,413</b>	<b>19,823</b>	<b>2.11%</b>	<b>7.25%</b>
Net Operating Income	6,449	6,109	6,305	5,953	6,590	10.69%	2.19%
Operating Expense	(9,251)	(8,525)	(9,501)	(10,226)	(9,473)	-7.36%	2.40%
<b>PPOP</b>	<b>15,680</b>	<b>16,085</b>	<b>15,537</b>	<b>15,141</b>	<b>16,940</b>	<b>11.88%</b>	<b>8.04%</b>
Provision Expense	(1,460)	(422)	(410)	29	(1,025)	<b>3493.75%</b>	<b>-29.82%</b>
<b>Profit Before Tax</b>	<b>14,220</b>	<b>15,663</b>	<b>15,127</b>	<b>15,170</b>	<b>15,915</b>	4.91%	11.92%
Tax Expense	(2,687)	(2,996)	(2,887)	(2,952)	(3,037)	2.88%	13.02%
<b>Earning After Tax</b>	<b>11,533</b>	<b>12,667</b>	<b>12,240</b>	<b>12,218</b>	<b>12,879</b>	<b>5.41%</b>	<b>11.67%</b>
Income for The Year Attributable to - NCI	3	7	10	(1)	(1)	27.31%	-131.42%
<b>Net Income</b>	<b>11,530</b>	<b>12,660</b>	<b>12,230</b>	<b>12,219</b>	<b>12,879</b>	<b>5.41%</b>	<b>11.71%</b>

<b>Ratio (Bank-Only)</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>%QoQ</b>	<b>%YoY</b>
<b>Profitability &amp; Efficiency</b>							
NIM	5.60%	5.50%	5.50%	5.60%	5.60%	0.00	0.00
CIR	35.10%	31.20%	36.10%	36.50%	32.40%	(4.10)	(2.70)
ROE	22.30%	26.10%	22.30%	23.40%	22.70%	(0.70)	0.40
ROA	3.40%	3.90%	3.40%	3.70%	3.60%	(0.10)	0.20
Cost of Credit	0.80%	0.10%	0.30%	-0.10%	0.40%	0.50	(0.40)
<b>Liquidity</b>							
LDR	65.60%	65.70%	67.40%	70.20%	71.20%	1.00	5.60
CASA	81.20%	80.70%	79.90%	80.30%	80.70%	0.40	(0.50)
<b>Asset Quality</b>							
Gross NPL	1.80%	1.90%	2.10%	1.90%	1.90%	0.00	0.10
Provision Coverage	285.40%	257.10%	226.50%	234.10%	220.30%	(13.80)	(65.10)
<b>Capital</b>							
CAR	28.90%	29.50%	29.50%	29.40%	26.30%	(3.10)	(2.60)



**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.

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