

August 2<sup>nd</sup>, 2024  
Banking, Equity

Price IDR 10,200  
Target Price IDR 11,625  
JKSE Index IDR 7,308.12



**Stock Code**  
Bloomberg code **BBCA IJ**  
Market Cap (IDR) **1,257.4 T**  
52-Week High (IDR) **10,425**  
52-Week Low (IDR) **8,600**  
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 **16,031**

**Key Indicators (%)**  
Gross NPL (Bank-Only) **2.03**  
Net Interest Margin **6.20**

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**BUY**

### Investment Consideration

#### Double-Digit Net Profit Growth Continues

In Q2 2024, BBCA achieved double-digit growth in net income attributable to the parent company, increasing by 11.10% to IDR 26.88 trillion. The highest growth came from net income from transactions at FVTPL, which surged by 57.36% YoY. Additionally, net interest income grew by 7.88% YoY, leading to a 30-bps YoY increase in the NIM ratio to 5.80%. We forecast that in 2024, BBCA will continue to generate higher profit attributable to the parent company, with an expected increase of 14.75% YoY, reaching IDR 55.82 trillion. The NIM ratio is projected to rise to 6.20%.

#### Strong Loan Portfolio Matches with ESG Commitment

As of June 2024, BBCA's consolidated loan portfolio reached IDR 849.31 trillion, reflecting solid growth of 15.41% YoY and exceeding its 9%-10% growth target for 2024. The highest growth came from the corporate loan segment, which increased by 19.20% YoY, while the consumer, commercial, and SME loan segments grew by 14.32% YoY and 10.50% YoY, respectively. Additionally, BBCA's strong commitment to ESG is evident in its Sustainable Financing, which grew by 9.39% YoY, with Natural Resources & Sustainable Land Use loans being the top contributor, accounting for 74% of Total Green Financing. For Electric Vehicle (EV) Financing, outstanding loans reached IDR 1.47 trillion, nearly doubling with a 95.47% YoY increase. We forecast BBCA will continue to expand its credit portfolio by 10.61% YoY, surpassing its target, by December 2024.

#### Asset Quality Declined but Remained at a Healthy Level

BBCA's bank-only NPL ratio rose by 30 basis points YoY, reaching 2.20%, although it remains at a healthy level. This rise was driven by increases in NPLs in the commercial, SME, and consumer segments, which rose by 54 basis points and 38 basis points from a year ago, respectively, to 1.73% and 1.83%. We forecast that by the end of 2024, BBCA's bank-only NPL ratio will improve to 2.03%, although that is still higher than in 2023.

#### Robust Transaction Volume Driven by Two Powerful Mobile Apps

BBCA has two powerful mobile apps: BCAmobile (since 2011) and myBCA (since 2021). Both applications have significantly impacted BBCA's business, with transactions showing a 21% YoY growth, reaching IDR 17 billion in the first semester of 2024. Specifically, Mobile & Internet Banking grew by 24% YoY, reaching IDR 14.8 billion, with value growing by 12% YoY to a level of IDR 13,265 trillion, and the number of users reaching 31 million.

#### Valuation: 14% Upside, Buy

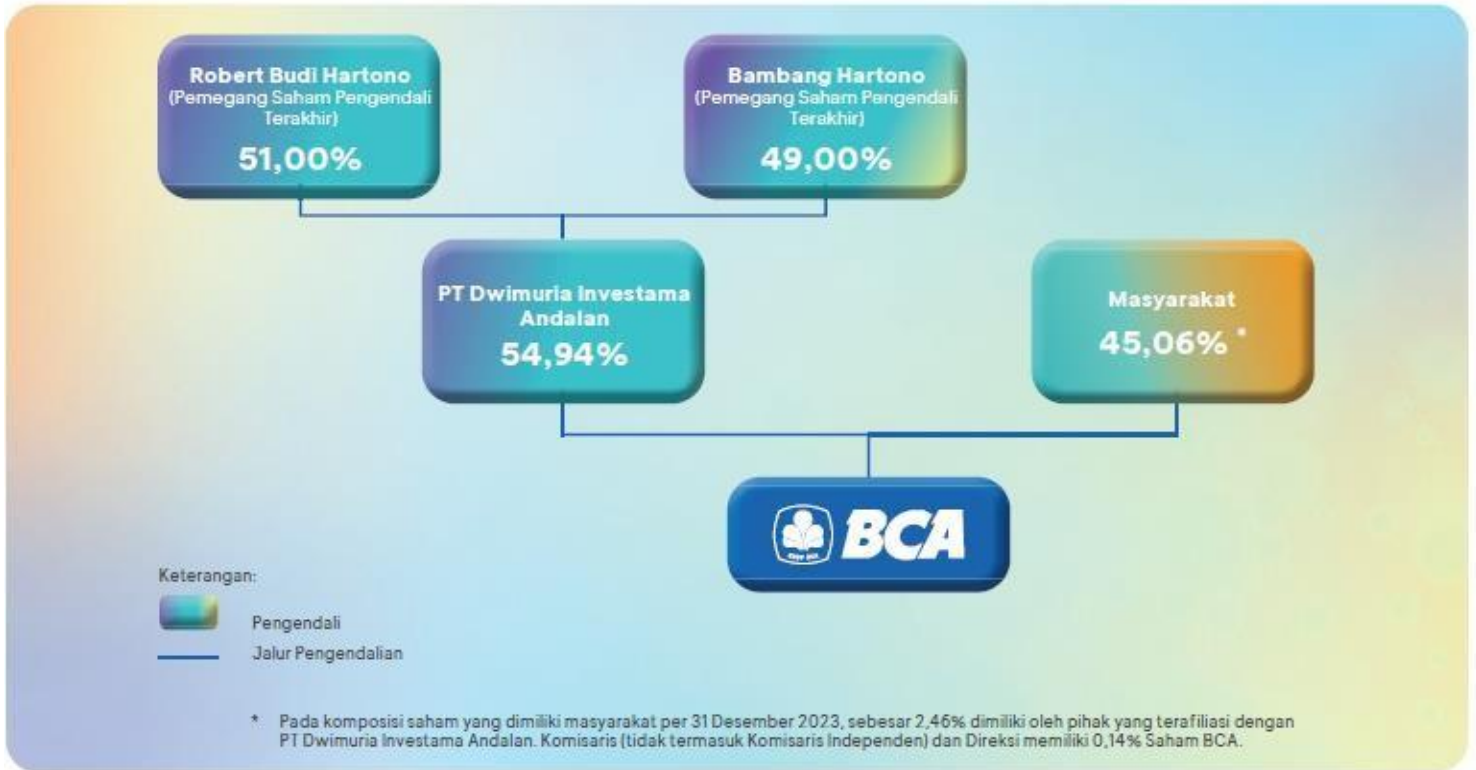
Based on our DDM valuation, we revise our one-year target price to IDR 11,625, implying a valuation of 5.43x PBV and a potential upside of 14%. Consequently, we maintain our recommendation to Buy.

Financial Highlights	2021A	2022A	2023A	2024F
Total Loan (Consol in IDR Bn)	636,987	711,262	810,392	896,388
Net Income (Consol in IDR Bn)	31,423	40,736	48,639	55,815
NIM (Consol)	5.24%	5.51%	6.13%	6.20%
NPL (Bank-Only)	2.20%	1.70%	1.90%	2.03%
CAR (Consol)	26.85%	26.84%	29.40%	29.02%

**Company Profile**

PT Bank Central Asia Tbk (the “Bank”) was established in Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprpto 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**

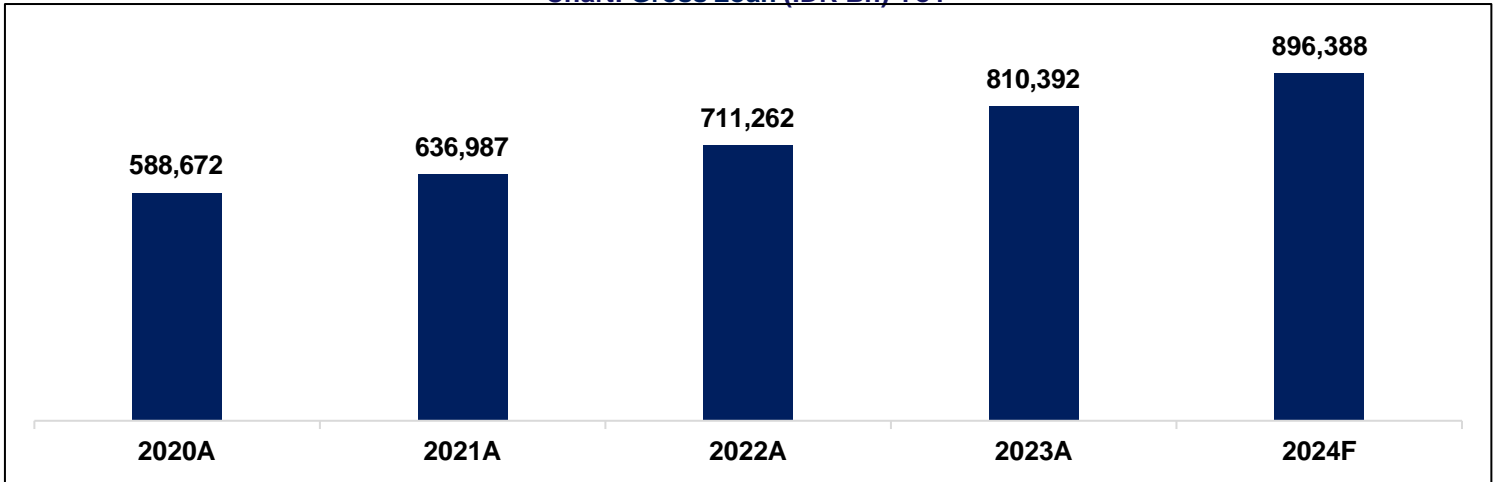


**Company Group Structure and Ownership of Subsidiaries**

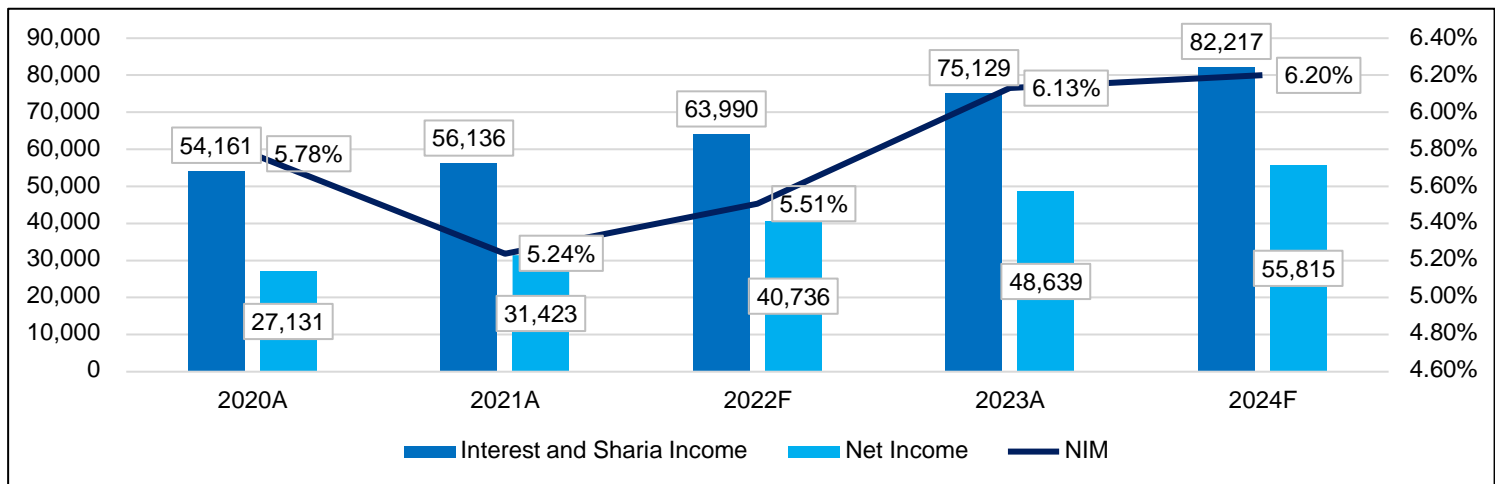


Source: Company

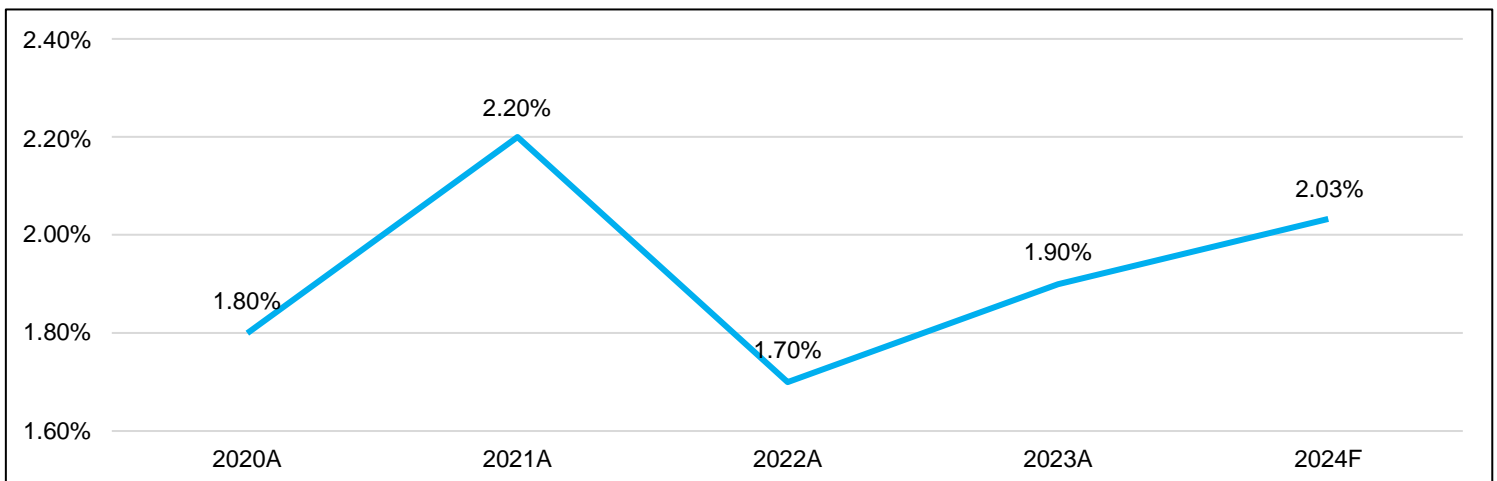
**Chart: Gross Loan (IDR Bn) YoY**



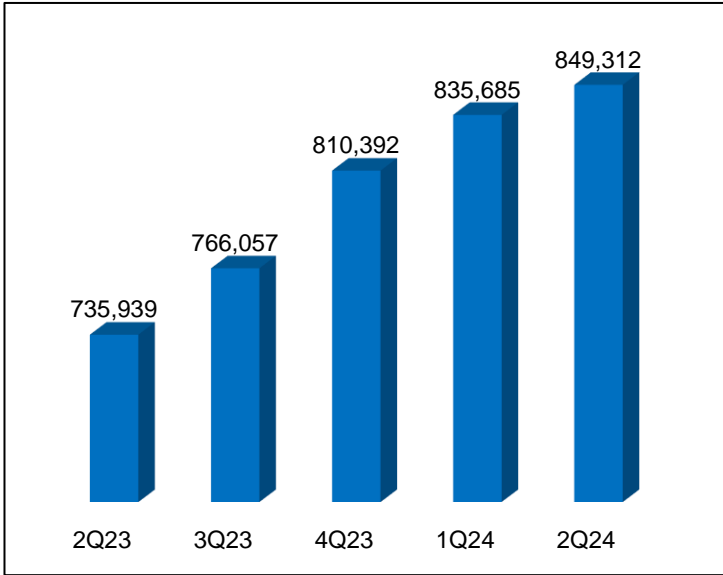
**Chart: Profitability Ratio YoY**



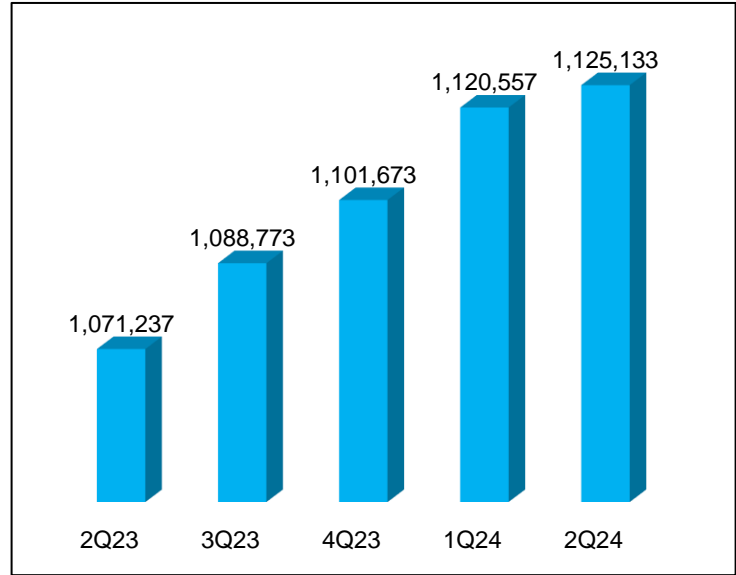
**Chart: NPL Ratio – Bank Only (%) YoY**



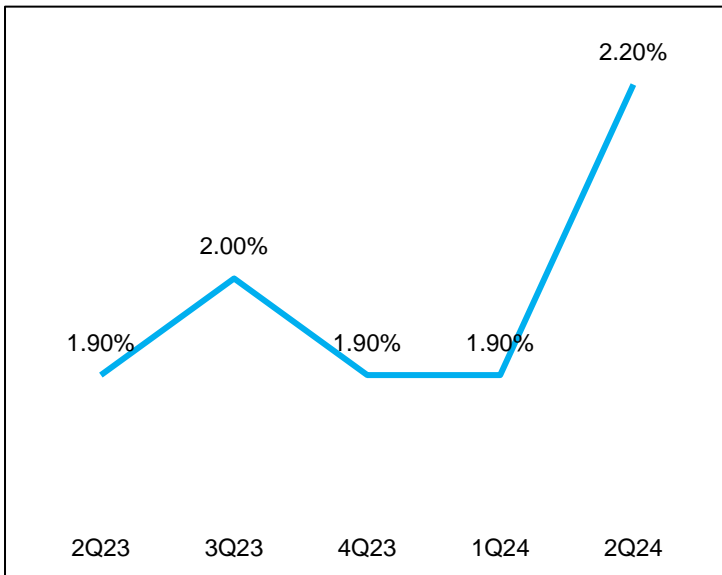
**Chart: Gross Loan (IDR Bn) QoQ**



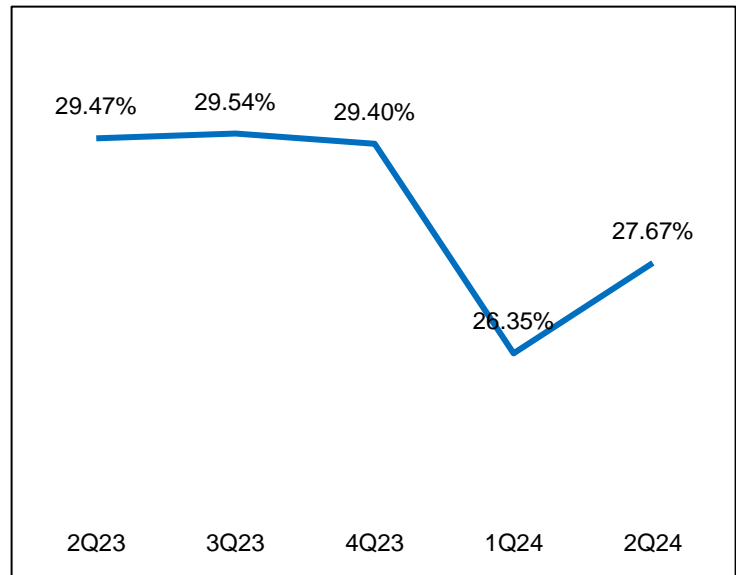
**Chart: Customer Deposit (IDR Bn) QoQ**



**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	110,440
Interbank Placement	47,456	87,153	31,383	5,202	41,892
Marketable Securities	192,753	224,512	249,186	312,598	249,740
Gross Loan	588,672	636,987	711,262	810,392	896,388
Allowance for Loans	(27,914)	(33,240)	(34,841)	(34,061)	(33,833)
Loans-net	560,758	603,747	676,421	776,331	862,555
Other Earning Asset	417,968	489,751	462,318	456,068	444,038
Non-Earning Asset	45,040	45,445	50,523	61,389	61,129
<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>1,478,163</b>
Deposit:					
Current Account	229,821	285,640	323,924	348,457	354,868
Saving Account	414,041	481,373	524,014	536,184	570,335
Time Deposits	196,890	208,937	191,780	217,032	217,423
Other Interest-Bearing Liabilities	15,529	17,729	19,366	20,269	21,576
Non-Interest-Bearing Liabilities	34,575	31,818	34,466	43,628	50,333
<b>Total Liabilities</b>	<b>890,856</b>	<b>1,025,496</b>	<b>1,093,550</b>	<b>1,165,569</b>	<b>1,214,536</b>
<b>Total Shareholder's Equity</b>	<b>184,715</b>	<b>202,849</b>	<b>221,182</b>	<b>242,538</b>	<b>263,627</b>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR)**

<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	95,312
Interest Expense	(11,242)	(9,491)	(8,252)	(12,269)	(13,096)
<b>Net Interest Income</b>	<b>54,161</b>	<b>56,136</b>	<b>63,990</b>	<b>75,129</b>	<b>82,217</b>
Net Operating Income	21,004	22,338	23,487	24,817	26,731
Operating Expense	(29,969)	(30,308)	(32,483)	(37,503)	(37,400)
<b>PPOP</b>	<b>45,197</b>	<b>48,165</b>	<b>54,994</b>	<b>62,443</b>	<b>71,548</b>
Provision Expense	(11,628)	(9,324)	(4,527)	(2,263)	(3,040)
<b>Profit Before Tax</b>	<b>33,569</b>	<b>38,841</b>	<b>50,467</b>	<b>60,180</b>	<b>68,508</b>
Tax Expense	(6,421)	(7,401)	(9,711)	(11,522)	(12,690)
<b>Earning After Tax</b>	<b>27,147</b>	<b>31,440</b>	<b>40,756</b>	<b>48,658</b>	<b>55,818</b>
Income for The Year Attributable to - NCI	16	17	20	19	3
<b>Net Income</b>	<b>27,131</b>	<b>31,423</b>	<b>40,736</b>	<b>48,639</b>	<b>55,815</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%	6.20%
ROE	15.41%	16.40%	19.62%	21.29%	22.62%
ROA	2.69%	2.72%	3.18%	3.56%	3.87%
BOPO	47.69%	45.24%	42.55%	44.35%	41,38%
Cost of Credit	1.98%	1.46%	0.64%	0.28%	0.34%
<b>Liquidity</b>					
LDR	70.02%	65.27%	68.41%	73.56%	78.48%
CASA	76.58%	78.59%	81.55%	80.30%	80.97%
<b>Asset Quality</b>					
Gross NPL (Bank-Only)	1.80%	2.20%	1.70%	1.90%	2.03%
Gross NPL	1.80%	2.20%	1.70%	1.75%	2.01%
Provision Coverage	260.90%	240.00%	287.30%	234.10%	187.45%
<b>Capital</b>					
CAR	26.89%	26.85%	26.84%	29.40%	29.02%
<b>Growth</b>					
Loan Growth	-2.50%	8.21%	11.66%	13.94%	10.61%
Deposit Growth	20.28%	16.08%	6.53%	5.96%	3.72%
CASA Growth	21.36%	19.13%	10.55%	4.33%	4.59%
Net Income Growth	-5.02%	15.82%	29.64%	19.40%	14.75%

QoQ Result

PT Bank Central Asia, Tbk  
Key Ratios

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)	2Q23	3Q23	4Q23	1Q24	2Q24	%QoQ	%YoY
Loan	735,939	766,057	810,392	835,685	849,312	1.63%	15.41%
Loan Loss Reserves	(35,625)	(35,389)	(34,061)	(34,570)	(34,061)	-1.47%	-4.39%
NPL	13,690	15,345	14,100	15,200	17,628	15.97%	28.77%
Deposit							
Demand	328,879	337,625	348,457	349,331	353,086	1.07%	7.36%
Savings	535,849	532,143	536,184	555,168	562,106	1.25%	4.90%
Time Deposit	206,509	219,005	217,032	216,058	209,940	-2.83%	1.66%
Total Asset	1,356,757	1,381,449	1,408,107	1,444,008	1,425,417	-1.29%	5.06%
Shareholder Equity	224,599	235,751	242,356	227,162	240,679	5.95%	7.16%

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (in IDR Bn)	2Q23	3Q23	4Q23	1Q24	2Q24	%QoQ	%YoY
Interest Income	21,559	22,029	22,783	23,020	23,058	0.16%	6.95%
Interest Expense	(3,059)	(3,297)	(3,370)	(3,197)	(2,985)	-6.63%	-2.40%
<b>Net Interest Income</b>	<b>18,501</b>	<b>18,733</b>	<b>19,413</b>	<b>19,823</b>	<b>20,073</b>	<b>1.26%</b>	<b>8.50%</b>
Net Operating Income	6,109	6,305	5,953	6,590	6,188	-6.11%	1.29%
Operating Expense	(8,525)	(9,501)	(10,226)	(9,473)	(8,572)	-9.51%	0.56%
<b>PPOP</b>	<b>16,085</b>	<b>15,537</b>	<b>15,141</b>	<b>16,940</b>	<b>17,688</b>	<b>4.42%</b>	<b>9.97%</b>
Provision Expense	(422)	(410)	29	(1,025)	(381)	-62.83%	-9.67%
<b>Profit Before Tax</b>	<b>15,663</b>	<b>15,127</b>	<b>15,170</b>	<b>15,915</b>	<b>17,308</b>	<b>8.75%</b>	<b>10.50%</b>
Tax Expense	(2,996)	(2,887)	(2,952)	(3,037)	(3,309)	8.96%	10.43%
<b>Earning After Tax</b>	<b>12,667</b>	<b>12,240</b>	<b>12,218</b>	<b>12,879</b>	<b>13,999</b>	<b>8.70%</b>	<b>10.51%</b>
Income for The Year Attributable to - NCI	7	10	(1)	(1)	2	-334.32%	-65.77%
<b>Net Income</b>	<b>12,660</b>	<b>12,230</b>	<b>12,219</b>	<b>12,879</b>	<b>13,997</b>	<b>8.67%</b>	<b>10.55%</b>

Ratio (Bank-Only)	2Q23	3Q23	4Q23	1Q24	2Q24	%QoQ	%YoY
<b>Profitability &amp; Efficiency</b>							
NIM	5.50%	5.50%	5.60%	5.60%	5.80%	0.20	0.30
CIR	31.20%	36.10%	36.50%	32.40%	29.10%	(3.30)	(2.10)
ROE	26.10%	22.30%	23.40%	22.70%	26.90%	4.20	0.80
ROA	3.90%	3.40%	3.70%	3.60%	4.10%	0.50	0.20
Cost of Credit	0.10%	0.30%	-0.10%	0.40%	0.20%	(0.20)	0.10
<b>Liquidity</b>							
LDR	65.70%	67.40%	70.20%	71.20%	72.70%	1.50	7.00
CASA	80.70%	79.90%	80.30%	80.70%	81.30%	0.60	0.60
<b>Asset Quality</b>							
Gross NPL	1.90%	2.10%	1.90%	1.90%	2.20%	0.30	0.30
Provision Coverage	257.10%	226.50%	234.10%	220.30%	190.20%	(30.10)	(66.90)
<b>Capital</b>							
CAR	29.50%	29.50%	29.40%	26.30%	27.80%	1.50	(1.70)

**Stock Ratings:**

Buy: a recommendation to purchase the security with upside potential of 12.5% or greater

Hold: a recommendation to neither buy nor sell a security with upside potential of 6.25%-12.49%.

Sell: a recommendation to close out a long position in a security with upside potential below 6.25% or negative.

**RESEARCH TEAM  
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