

30 March 2021  
Banking, Equity

Price IDR. 1,495  
Target Price IDR. 1,850  
JKSE Index 6,166.82

Bank Pembangunan Barat Dan Banten, Indonesia, Jakarta:BJBR, D



Stock Code **BJBR IJ**  
Bloomberg code **9199.3B**  
Market cap (IDR.bn) **1905**  
52-Week High (IDR) **625**  
52-Week Low (IDR) **853**  
6-m Avg Daily. Val (IDR)

Major Shareholders  
Jawa Barat **38.18%**  
Bandung **7.24%**  
Banten **5.29%**  
Public **49.29%**

USD/IDR-YE  
2020A **14,050**  
2021F (6M Avg) **14,257**

Key Indicators  
Non Performing Loan (x) **1.72**  
Net Interest Margin (x) **4.85**

Analyst: Lingga Pratiwi  
Lingga.pratiwi@binaartha.com

### Investment Consideration

#### Credit growth jumped

In FY20, credits jumped 9.3% YoY. Growth was supported by the consumer segment with growth of 6.4%, (from civil servant and pension loans), Micro 6.7%, Mortgage 9.4%, and commercial which grew by 22.9% YoY, mainly from state-owned pharmaceutical companies. We estimate credit growth will be 9.29% in 2021F

#### Asset Quality improved

Non-Performing Loans decreased to 1.4% from 1.5% in 3Q20. This decline was driven by the Micro Loans, Commercial Loans, and Mortgage Loans. Special Mention Loans also decreased to 2% from 2.3% in 3Q20, with a higher Coverage Ratio of 139.4% from 138% in 3Q20. We estimate Non-Performing Loans will be 1.7% with a Coverage Ratio of 130% in 2021F

#### Restructured Loans

In FY2020, BJBR has only restructured loans amounting to IDR 2.9 trillion (3.3% of total loans). Most of the credit restructuring came from the commercial and micro-loans, and a small portion was from consumer loans, mainly to civil servants with fixed income.

#### BJBR's Focus

In 2021, BJBR will still focus on expanding their consumer business, particularly civil servant and pension loans. To support that organizationally, the bank has separated active ASN management and Pensioners into two different divisions. Growth will also come from commercial and corporate loans, especially infrastructure related, BUMN, Syndication, and other Government related projects.

#### Valuation: 24% Upside potential, Buy.

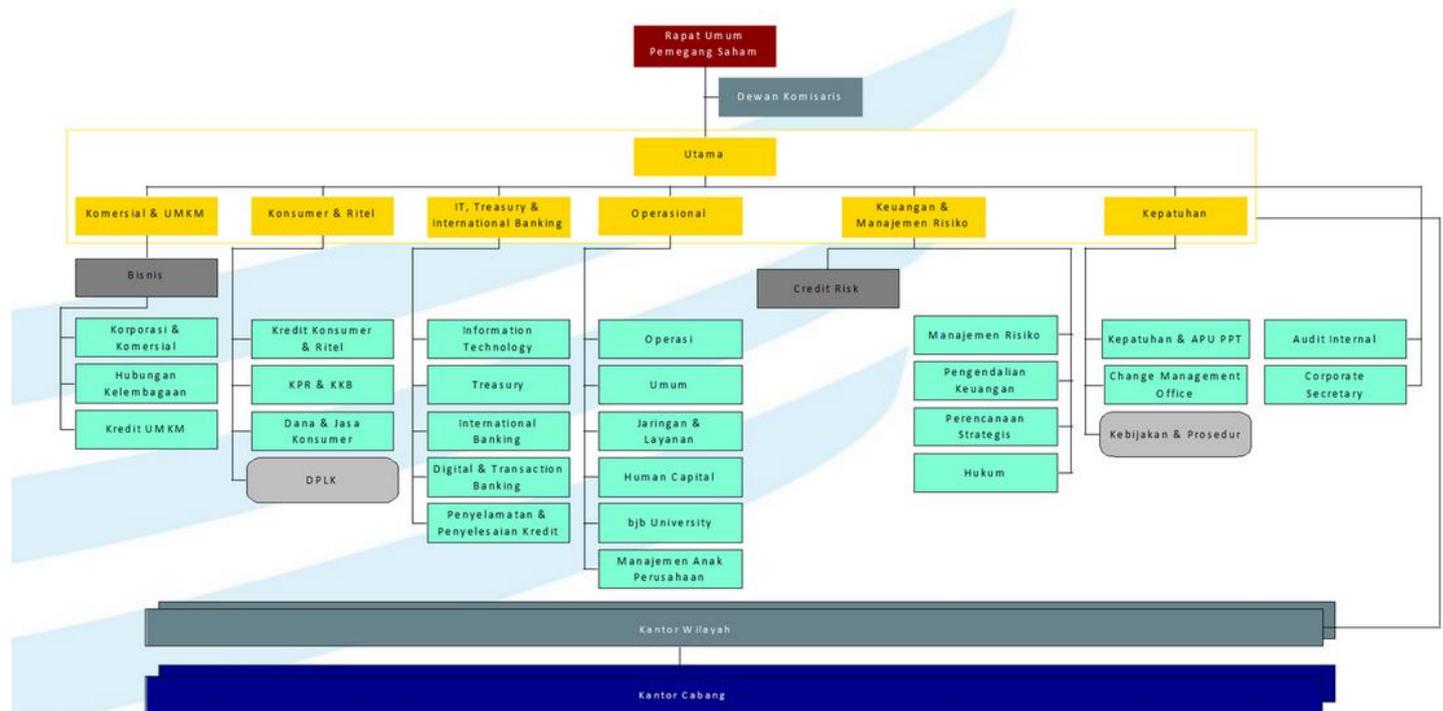
Based on our DDM Valuation, we have a target price within one year of IDR 1,850, which would mean the shares trading at 1.1x PBV and gives 24% upside potential. Buy.

Income Statement (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Interest Income	11.558	11.923	12.175	13.137	8.087	8.718	9.647
Interest Expense	5.195	5.415	6.009	6.123	1.465	1.604	1.775
<b>Net Interest Income</b>	<b>6.364</b>	<b>6.508</b>	<b>6.166</b>	<b>7.014</b>	<b>6.622</b>	<b>7.114</b>	<b>7.872</b>
Net Operating Income	807	926	931	941	1.160	1.294	1.432
Operating Expense	4.689	4.858	4.716	5.743	5.051	5.525	6.178
<b>PPOP</b>	<b>2.482</b>	<b>2.576</b>	<b>2.381</b>	<b>2.212</b>	<b>2.731</b>	<b>2.883</b>	<b>3.126</b>
Provision Expense	782	518	322	0	-320	-320	-320
<b>Operating Profit</b>	<b>1.701</b>	<b>2.058</b>	<b>2.059</b>	<b>2.212</b>	<b>2.411</b>	<b>2.563</b>	<b>2.806</b>
Profit Before Tax	1.632	1.937	1.978	2.168	2.366	2.518	2.760
Tax Expense	421	385	413	478	522	547	604
<b>Net Profit</b>	<b>1.211</b>	<b>1.552</b>	<b>1.564</b>	<b>1.690</b>	<b>1.844</b>	<b>1.972</b>	<b>2.156</b>
<b>EPS (Rp/Share)</b>	<b>124.9</b>	<b>157.8</b>	<b>159.0</b>	<b>171.8</b>	<b>187.4</b>	<b>200.4</b>	<b>219.1</b>

**Company Profile**

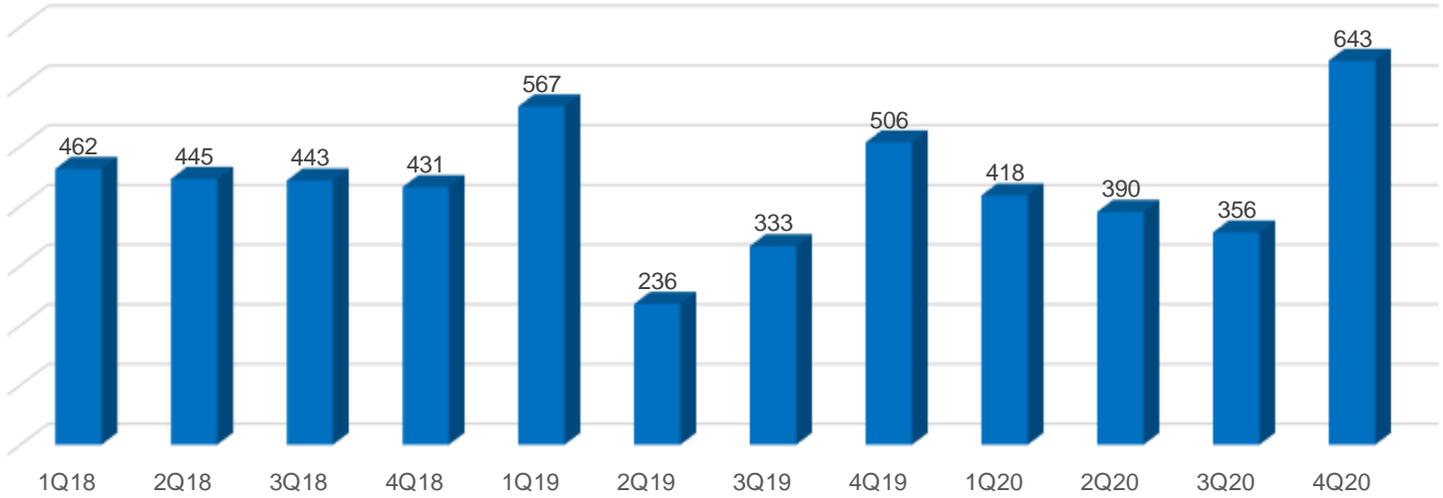
On September 12, 2007, the name of the Bank was changed to PT Bank Pembangunan Daerah Jawa Barat dan Banten based on the approval of the Minister of Justice and Human Rights in its letter No. W8-02673HT.01.04-TH.2007. Based on the Bank's Board of Directors' Decision Letter No. 1065/SK/DIR - PPN/2007 dated November 29, 2007, the Bank changed its name to "Bank Jabar Banten". Based on the letter of Bank Indonesia No.12/78/APBU/Bd dated June 30, 2010 regarding the Amendment Plan of the Bank's logo, as well as Board of Directors' Decision Letter No.1337/SK/DIR-PPN/2010 dated July 5, 2010 regarding the Amendment of name and Logo enforcement of Brand Identity Guidelines on August 2, 2010, the change in the name of "Bank Jabar Banten to "bank bjb" was made official. The Articles of Association of PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk as stated in the Deed of Establishment No. 4 dated April 8, 1999 and Establishment Deed Amendment No. 8 dated April 15, 1999, have been amended several times with the latest update based on the Minutes of the Shareholders' Extraordinary General Meeting of PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk as covered in the Notarial Deed No. 139 dated March 29, 2017. According to article 3 of the Bank's Articles of Association, the Bank's objective is to engage in the banking business.

**Company Structure**

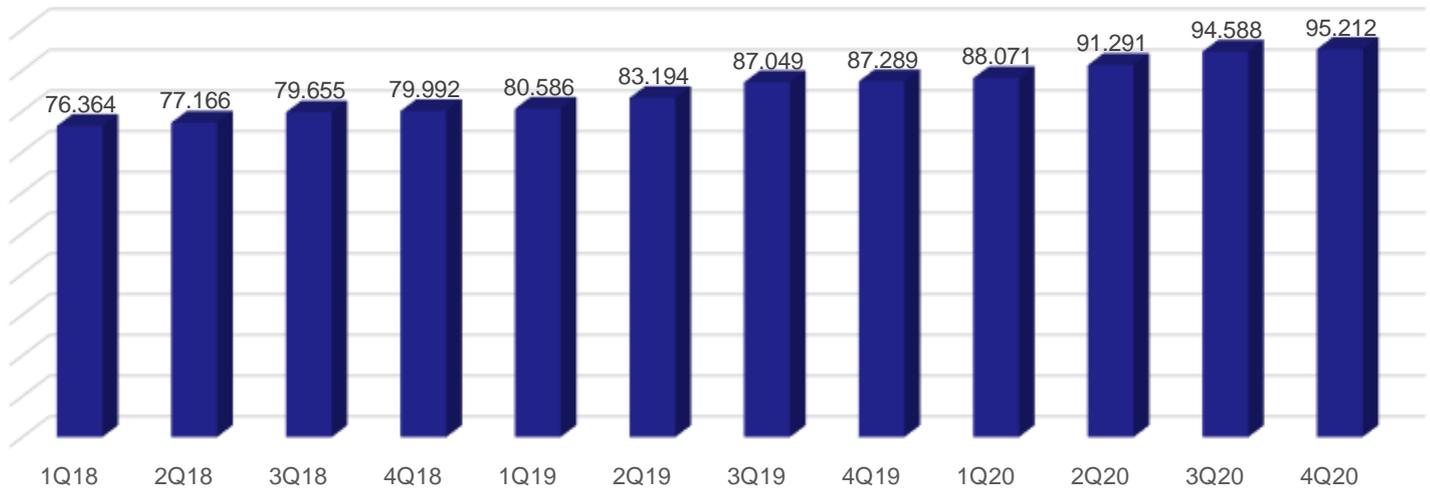


\* BAGAN STRUKTUR ORGANISASI KANTOR PUSAT (AFTER) SK Direksi Nomor 0859/SK/DIR-PS/2019

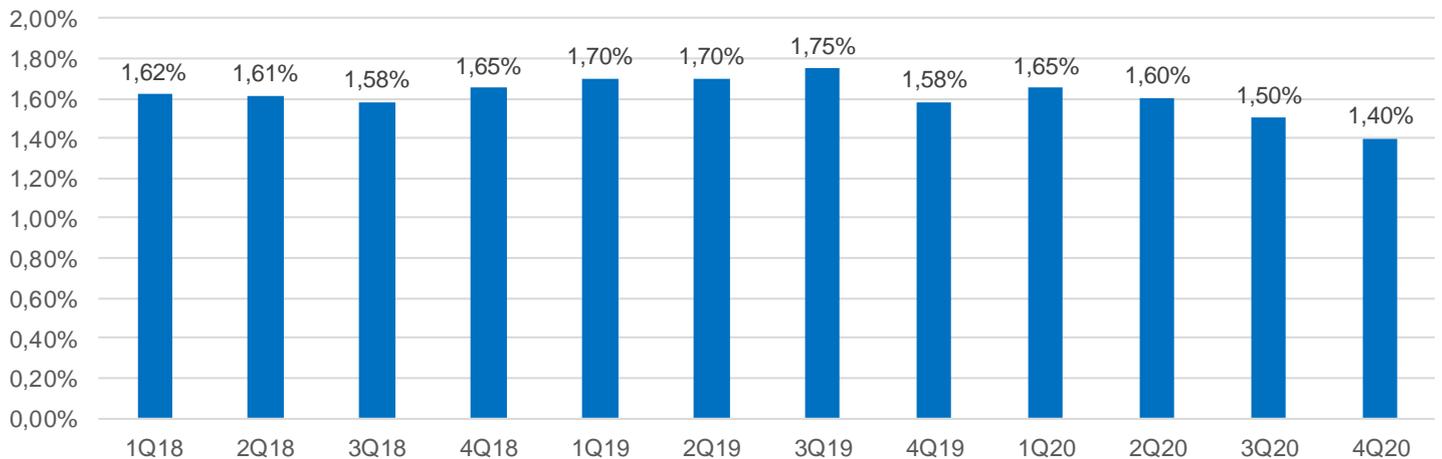
**Chart: Net Income (x) QoQ**



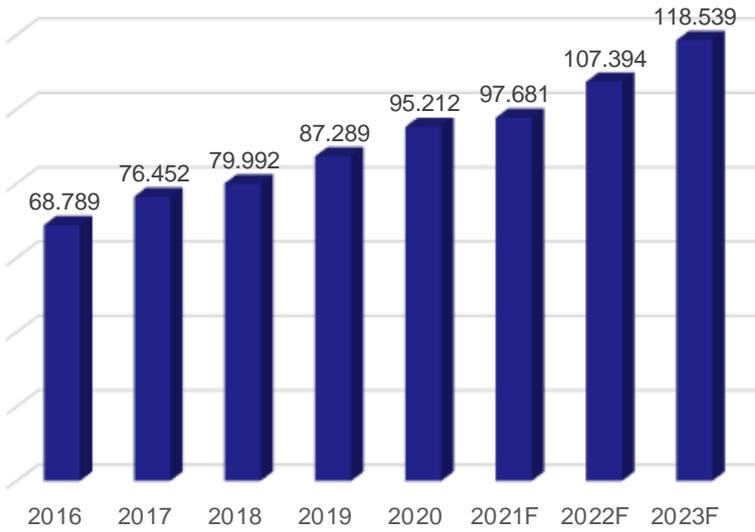
**Chart: Gross Loan (x) QoQ**



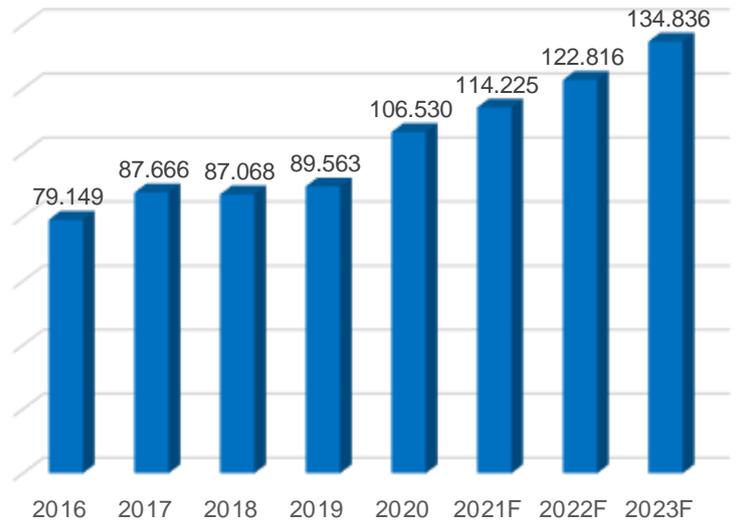
**Chart: Non Performing Loan (x) QoQ**



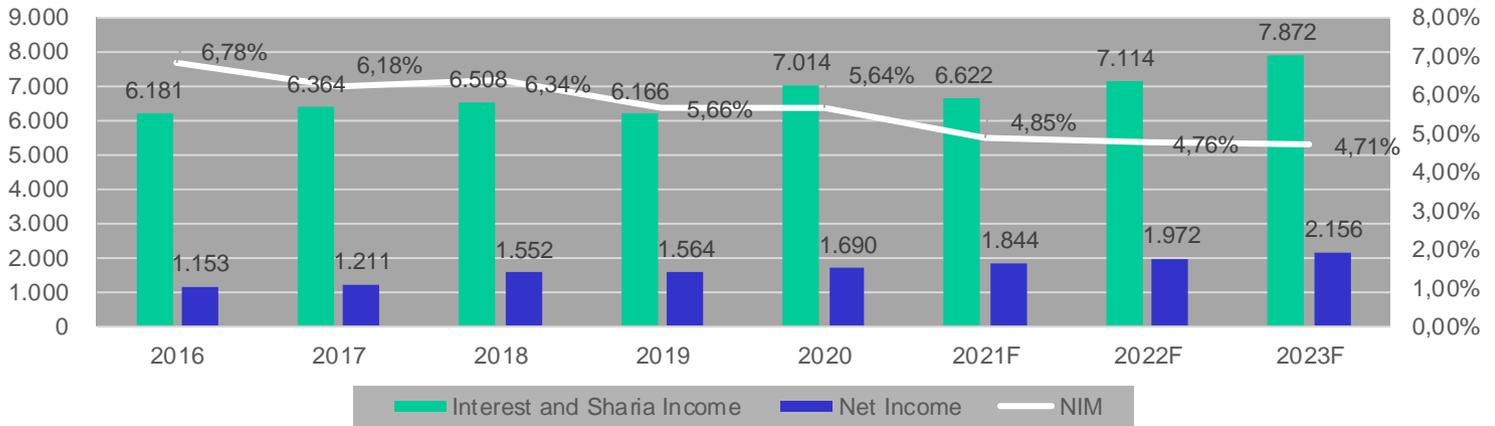
**Chart: Gross Loan (x) YoY**



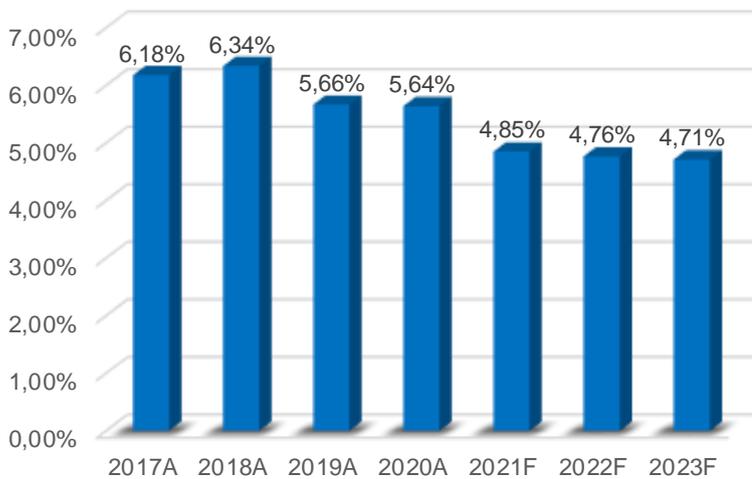
**Chart: Customer Deposit (x) YoY**



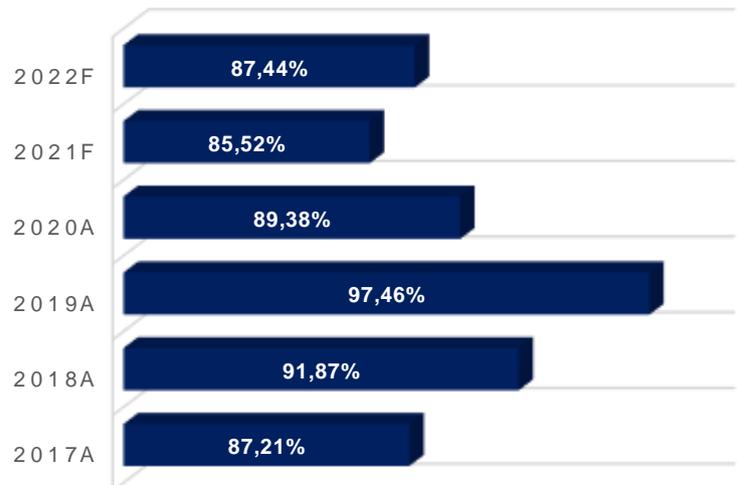
**Chart: Profitability (x) YoY**



**Chart: Net Interest Margin (x) YoY**



**Chart: Loan to Deposit Ratio (x) YoY**



**Balance Sheet (IDR.bn)**

Balance sheet (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Cash and CA with BI	8.359	12.911	9.673	11.735	11.481	12.782	13.871
Interbank Placement	17.689	9.727	7.918	5.816	12.883	12.556	13.415
Marketable Securities	7.713	8.617	8.855	11.480	15.329	16.761	19.189
Gross Loan	76.452	79.992	87.289	95.212	97.681	107.394	118.539
Allowance for Loans	-1.636	-786	-836	-1.913	-1.593	-1.273	-953
Loans-net	74.815	79.206	86.453	93.300	96.088	106.121	117.586
Other Earning Asset	26.578	22.693	21.575	29.133	38.832	41.930	48.437
Non Earning Asset	5.228	5.382	5.835	6.766	7.373	8.095	9.035
<b>Total Asset</b>	<b>114.980</b>	<b>120.191</b>	<b>123.536</b>	<b>140.934</b>	<b>153.774</b>	<b>168.928</b>	<b>188.928</b>
Deposit:							
Current Account	20.313	18.455	21.113	19.669	19.865	20.064	20.264
Saving Account	18.631	21.611	22.004	23.750	24.937	26.184	27.477
Time Deposits	48.722	47.002	46.446	63.112	69.423	76.568	87.095
Other Interest Bearing Liabilities	16.092	20.814	20.776	20.783	24.838	29.683	35.474
Non Interest Bearing Liabilities	1.117	1.024	1.155	1.615	1.732	1.862	2.044
<b>Total Liabilities</b>	<b>104.875</b>	<b>108.906</b>	<b>111.494</b>	<b>128.928</b>	<b>140.795</b>	<b>154.361</b>	<b>172.355</b>
<b>Total Shareholder's Equity</b>	<b>10.105</b>	<b>11.285</b>	<b>12.043</b>	<b>12.006</b>	<b>12.979</b>	<b>14.567</b>	<b>16.574</b>

**Income Statement (IDR.bn)**

Income Statement (Idr bn)	2017A	2018A	2019A	2020A	2021F	2022F	2023F
Interest Income	11.558	11.923	12.175	13.137	8.087	8.718	9.647
Interest Expense	5.195	5.415	6.009	6.123	1.465	1.604	1.775
<b>Net Interest Income</b>	<b>6.364</b>	<b>6.508</b>	<b>6.166</b>	<b>7.014</b>	<b>6.622</b>	<b>7.114</b>	<b>7.872</b>
Net Operating Income	807	926	931	941	1.160	1.294	1.432
Operating Expense	4.689	4.858	4.716	5.743	5.051	5.525	6.178
<b>Pre Provision Operating Profit</b>	<b>2.482</b>	<b>2.576</b>	<b>2.381</b>	<b>2.212</b>	<b>2.731</b>	<b>2.883</b>	<b>3.126</b>
Provision Expense	782	518	322	0	-320	-320	-320
<b>Operating Profit</b>	<b>1.701</b>	<b>2.058</b>	<b>2.059</b>	<b>2.212</b>	<b>2.411</b>	<b>2.563</b>	<b>2.806</b>
Profit Before Tax	1.632	1.937	1.978	2.168	2.366	2.518	2.760
Tax Expense	421	385	413	478	522	547	604
<b>Net Profit</b>	<b>1.211</b>	<b>1.552</b>	<b>1.564</b>	<b>1.690</b>	<b>1.844</b>	<b>1.972</b>	<b>2.156</b>
<b>EPS (Rp/Share)</b>	<b>124,9</b>	<b>157,8</b>	<b>159,0</b>	<b>171,8</b>	<b>187,4</b>	<b>200,4</b>	<b>219,1</b>

## Ratio Highlights (IDR.bn)

Ratio Analysis	2017A	2018A	2019A	2020A	2021F	2022F	2023F
<b>Profitability</b>							
NIM	6,18%	6,34%	5,66%	5,64%	4,85%	4,76%	4,71%
Cost-to-Income Ratio	65,38%	65,35%	66,45%	72,19%	64,91%	65,71%	66,40%
ROE	12,04%	13,82%	13,05%	14,13%	14,26%	13,58%	13,05%
ROA	1,05%	1,29%	1,27%	1,20%	1,20%	1,17%	1,14%
ROAE		12,93%	13,43%	13,59%	14,19%	13,92%	13,31%
BOPO	86,25%	83,98%	84,29%	84,29%	67,01%	68,01%	68,90%
Cost of Credit	5,20%	5,10%	5,40%	4,90%	0,33%	0,30%	0,27%
<b>Liquidity</b>							
LDR	87,21%	91,87%	97,46%	89,38%	85,52%	87,44%	87,91%
CASA	44,42%	46,02%	48,14%	40,76%	39,22%	37,66%	35,41%
<b>Asset Quality</b>							
Gross NPL	1,48%	1,66%	1,56%	1,39%	1,72%	1,78%	1,85%
Provision Coverage	105,93%	42,82%	44,34%	122,12%	130,00%	135,00%	142,00%
<b>Capital</b>							
CAR	18,80%	18,60%	17,70%	17,30%	17,87%	17,62%	17,60%
<b>Growth</b>							
Loan Growth	10,99%	5,87%	9,15%	7,92%	9,29%	9,61%	10,05%
Deposit Growth	10,76%	-0,68%	2,87%	18,94%	7,22%	7,52%	9,79%
Net Income Growth	5,04%	28,15%	0,78%	8,02%	9,11%	6,93%	9,35%

**QoQ Result**

Balance Sheet	4Q19	3Q20	4Q20	%QoQ	%YoY
Loan	87.289	94.588	95.212	0,7%	9,1%
Loan Loss Reserves	-836	-2.013	-1.913	-5,0%	128,7%
NPL	1.272	1.331	1.242	-6,7%	-2,4%
Deposit					
Demand	21.113	29.001	19.669	-32,2%	-6,8%
Savings	22.004	21.610	23.750	9,9%	7,9%
Time Deposit	46.446	64.895	63.112	-2,7%	35,9%
<b>Total Asset</b>	<b>123.536</b>	<b>147.582</b>	<b>140.934</b>	<b>-4,5%</b>	<b>14,1%</b>
<b>Shareholder Equity</b>	<b>11.993</b>	<b>11.116</b>	<b>11.960</b>	<b>7,6%</b>	<b>-0,3%</b>

Income Statement	4Q19	3Q20	4Q20	%QoQ	%YoY
Interest Income	3.167	3.284	3.729	13,6%	17,7%
Interest Expense	1.529	1.504	1.648	9,5%	7,7%
<b>Net Interest Income</b>	<b>1.638</b>	<b>1.780</b>	<b>2.081</b>	<b>17,0%</b>	<b>27,1%</b>
Net Operating Income	247	230	227	-1,5%	-8,2%
Operating Expense	-1.313	-1.567	-1.603	2,3%	22,1%
<b>PPOP</b>	<b>572</b>	<b>443</b>	<b>705</b>	<b>59,0%</b>	<b>23,3%</b>
Provision Expense	36	-46	0	-100,0%	-100,0%
<b>Operating Profit</b>	<b>-14</b>	<b>-7</b>	<b>-17</b>	<b>121,0%</b>	<b>16,2%</b>
Profit Before Tax	522	482	688	42,9%	31,9%
Tax Expense	93	126	162	28,5%	74,8%
<b>Net Profit</b>	<b>429</b>	<b>356</b>	<b>526</b>	<b>48,0%</b>	<b>22,7%</b>

Ratio	4Q19	3Q20	4Q20	QoQ	YoY
<b>Profitability &amp; Efficiency</b>					
NIM	5,70%	5,50%	5,40%	(0,10)	(0,30)
Cost-to-Income Ratio	68,40%	70,30%	76,70%	6,40	8,30
ROE	1,30%	12,90%	1,30%	(11,60)	-
ROA	13,00%	1,30%	14,30%	13,00	1,30
BOPO	84,00%	44,95%	84,00%	39,05	-
<b>Liquidity</b>					
LDR	95,70%	78,40%	86,30%	7,90	(9,40)
CASA	49,60%	52,66%	41,60%	(11,06)	(8,00)
<b>Asset Quality</b>					
Gross NPL (Bank only)	0,80%	1,60%	0,40%	(1,20)	(0,40)
Provision Coverage	1%	92%	2%	(89,92)	1,10
<b>Capital</b>					
CAR	17,70%	16,70%	17,30%	0,60	(0,40)

**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.*