

Bank Central Asia Tbk (BBCA)

Ruang yang Terbatas

Kinerja Pertumbuhan 1Q18 di Bawah Tren

BBCA mencetak kinerja **interest income** sebesar **Rp13,4 triliun yang tumbuh tipis 3,8% y-y**. Pertumbuhan pada 1Q18 merupakan yang paling lambat dibandingkan seluruh periode observasi kami sejak 1Q15. **Laba bersih tercatat sebesar Rp5,5 triliun yang tumbuh 10,4% y-y**. Pertumbuhan ini sedikit lebih rendah dibandingkan rata-rata pertumbuhan pada 1Q15, 1Q16 dan 1Q17 sebesar 10,8%.

Akselerasi Pertumbuhan Kredit

Pada 1Q18 BBCA mencatatkan **kredit sebesar Rp478 triliun yang tumbuh 14,4% y-y atau 0,3% q-q**. Kenaikan kredit secara kuartalan ini berbeda dengan tren 1Q15, 1Q16, dan 1Q17 yang selalu mencatatkan penurunan. **Segmen korporasi menjadi penopang kinerja kredit** BBCA dengan mencatatkan pertumbuhan 17,6% menjadi Rp179,4 triliun. Kami perkirakan pada 2018 kredit tumbuh 13,2% yang lebih tinggi dibandingkan pertumbuhan kredit sebesar 12,3% pada 2017.

Terbatasnya Ruang Akselerasi Pertumbuhan Laba

Meskipun akselerasi pertumbuhan kredit telah mendapatkan momentum, ruang bagi akselerasi pertumbuhan laba bersih masih terbatas. **Tekanan NIM** akibat ketidakpastian suku bunga acuan dan **terbatasnya ruang penurunan provisi** membuat pertumbuhan laba bersih ke depannya cenderung sedikit di bawah pertumbuhan dua tahun terakhir.

Target Harga Rp25.400

Kami menggunakan asumsi *forward* P/B sebesar 3,5x (1SD di atas rata-rata 4 tahun terakhir sebesar 3,2x) sebagai basis metode valuasi. Target harga ini mengimplikasikan P/B 2018E sebesar 4,1x (vs 3,7x saat ini).

Bank Central Asia Tbk | Summary (IDR bn)

	2016/12A	2017/12A	2018/12E	2019/12E
Interest Income	50,426	53,768	57,143	61,754
<i>growth</i>	7.1%	6.6%	6.3%	8.1%
Operating Revenue	53,779	56,982	62,425	68,534
Net profit	20,606	23,310	25,928	28,869
EPS (IDR)	836	945	1,052	1,171
<i>EPS growth</i>	14.4%	13.1%	11.2%	11.3%
BVPS (IDR)	4,572	5,330	6,195	7,166
Net Interest Margin	6.6%	6.1%	6.1%	6.0%
Loan/Deposits	80.1%	82.0%	86.0%	88.9%
NPL	1.3%	1.5%	1.4%	1.4%
ROE	20.4%	19.1%	18.3%	17.5%
ROA	3.2%	3.3%	3.3%	3.3%
ROIC	22.9%	20.1%	19.2%	18.3%
P/E	18.5x	23.2x	21.8x	19.6x
P/BV	3.4x	4.1x	3.7x	3.2x
DPS (IDR)	200	175	195	217
<i>Dividend yield</i>	0.8%	0.7%	0.8%	0.9%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

Hold

Dec 2018 TP (IDR)	25,400
Consensus Price (IDR)	24,077
TP to Consensus Price	+5.5%
vs. Last Price	+10.9%

Shares data

Last Price (IDR)	22,900
Price date as of	May 09, 2018
52 wk range (Hi/Lo)	24,700/16,800
Free float (%)	43.0
Outstanding sh.(mn)	24,655
Market Cap (IDR bn)	559,052
Market Cap (USD mn)	40,035
Avg. Trd Vol - 3M (mn)	14.98
Avg. Trd Val - 3M (bn)	344.98
Foreign Ownership	27.4%

Finance

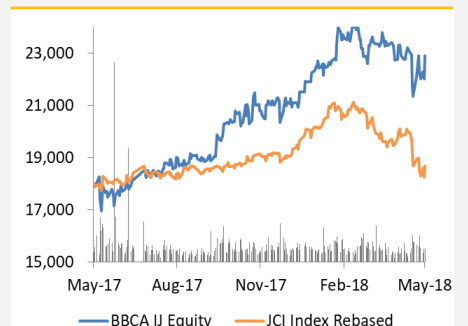
Bank

Bloomberg	BBCA IJ
Reuters	BBCA.JK

Raphon Prima

+62 21 797 6202, ext:214
raphon@nhsec.co.id

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	4.6%	0.5%	-2.9%	27.2%
Rel. Ret.	11.6%	6.0%	6.3%	23.5%

Sekilas tentang BBCA

BBCA merupakan bank swasta terbesar di Indonesia. Sekitar 38% dari total kredit BBCA disalurkan ke segmen korporasi. Kontribusi penyaluran kredit ke segmen ini mencatatkan kenaikan signifikan dari 35% pada 2014. Sementara itu, kontribusi penyaluran kredit ke segmen komersial dan UKM konsisten turun dari 39% pada 2014 menjadi 36% pada 2017.

Didukung oleh 1.235 cabang, BBCA memiliki jaringan distribusi yang cukup luas di Indonesia. Dari sisi dana pihak ketiga, produk tabungan memiliki kontribusi yang mencapai 50% dari total dana pihak ketiga. Tingginya kontribusi ini ditopang oleh fakta BBCA sebagai bank swasta utama yang dipilih masyarakat Indonesia untuk menabung.

Daya Saing Perbankan Indonesia di ASEAN

Industri perbankan di Indonesia menjadi prioritas investasi utama di ASEAN karena menawarkan **suku bunga kredit yang lebih tinggi** dibandingkan dengan suku bunga yang ditawarkan bank lain di ASEAN. Hal ini merupakan faktor utama keunggulan industri perbankan di Indonesia.

Bank di Indonesia masih **mampu mempertahankan NIM di atas bank ASEAN lain** meskipun sedang menghadapi tekanan penurunan suku bunga acuan oleh bank sentral. Keunggulan NIM ini mampu ditranslasikan menjadi ROE yang lebih tinggi.

Bank di Indonesia mampu mencetak **pertumbuhan laba bersih di kisaran 10%-20%** yang mampu disaingi oleh beberapa bank di Malaysia dan Singapura, seperti OCBC, CIMB dan Malayan Banking. Namun, tiga bank tersebut memiliki aset yang jauh lebih besar dibandingkan dengan aset bank di Indonesia.

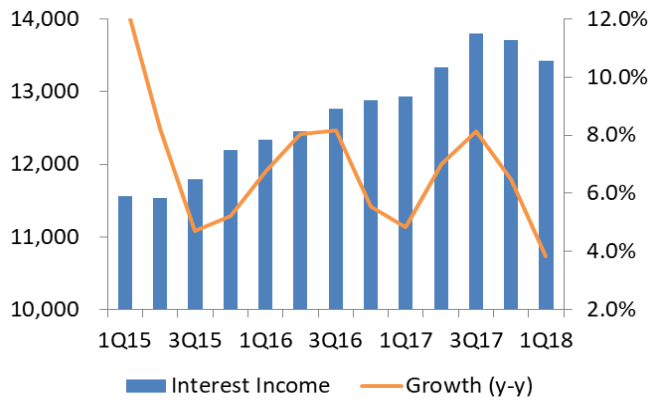
ASEAN Banks

Company	Market Cap (USD mn)	Total Asset (USD mn)	Net Profit Growth (LTM)	Net Interest Margin (LTM)	ROE (LTM)	P/E (LTM)	P/BV (LTM)	Dividend Yield
BBCA	40,035	55,219	13.0%	6.1%	18.7%	23.5x	4.1x	1.1%
BBRI	27,688	82,886	11.9%	7.7%	19.6%	12.8x	2.4x	3.4%
BMRI	23,687	82,772	59.4%	5.6%	14.4%	14.7x	2.0x	2.8%
BBNI	10,865	52,203	21.1%	5.5%	15.2%	10.8x	1.6x	3.1%
BBTN	2,286	19,235	14.5%	4.5%	15.2%	10.2x	1.5x	1.9%
Singapore								
DBS	56,058	387,334	8.3%	1.8%	9.8%	16.1x	1.5x	4.9%
UOB	36,882	268,287	13.5%	1.8%	10.7%	13.9x	1.4x	3.4%
OCBC	41,127	340,370	23.2%	1.7%	11.2%	13.0x	1.4x	2.7%
Malaysia								
CIMB	15,351	124,711	25.6%	2.5%	9.6%	13.0x	1.2x	3.9%
Malayan Banking	30,226	188,433	11.5%	1.9%	10.6%	15.0x	1.6x	5.0%
Hong Leong	5,547	50,939	5.9%	1.6%	9.8%	13.4x	1.3x	2.0%
Thailand								
Bangkok Bank	11,479	94,446	6.0%	2.3%	8.5%	10.8x	0.9x	3.4%
Siam Commercial	14,394	92,841	-13.0%	3.3%	11.8%	10.8x	1.2x	4.1%
Bank of Ayudhya	9,066	64,128	8.6%	3.7%	10.7%	12.1x	1.2x	2.2%
Philippine								
BDO Unibank	11,093	53,371	5.8%	4.1%	9.7%	21.0x	2.0x	0.9%
Metropolitan Bank	6,533	41,612	0.7%	3.8%	9.1%	15.2x	1.3x	1.1%
Philippine Island Bank	8,422	38,084	-3.9%	3.5%	12.4%	17.7x	2.1x	1.8%

Source: Bloomberg, NHKS research

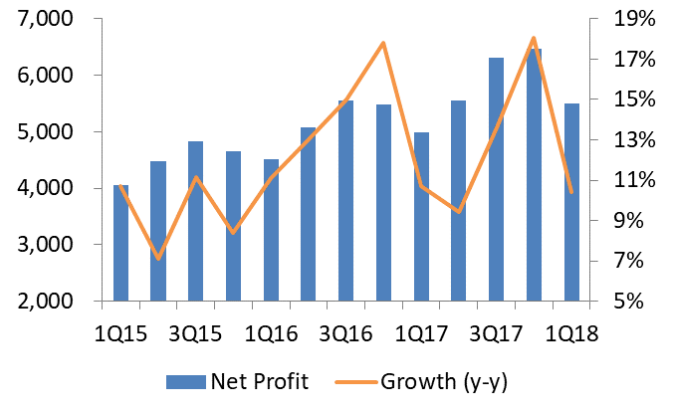
Performance Highlights

Interest Income (IDR bn)



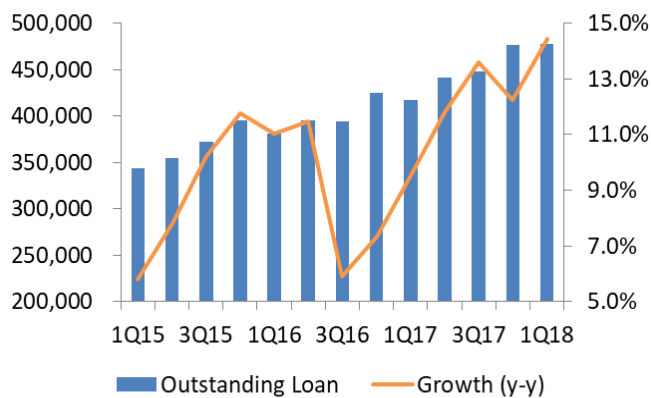
Source: Company, NHKS research

Net Profit (IDR bn)



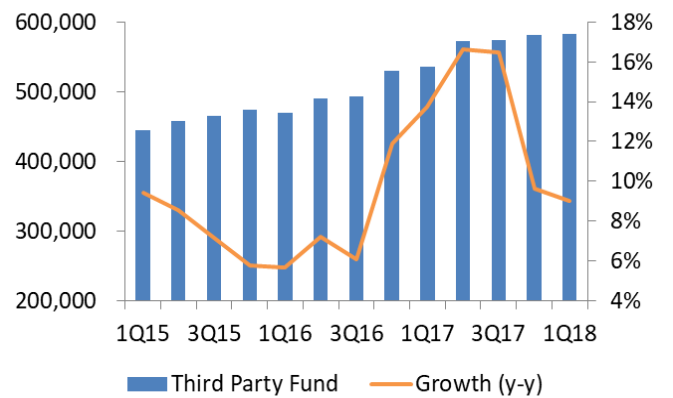
Source: Company, NHKS research

Outstanding Loan (IDR bn)



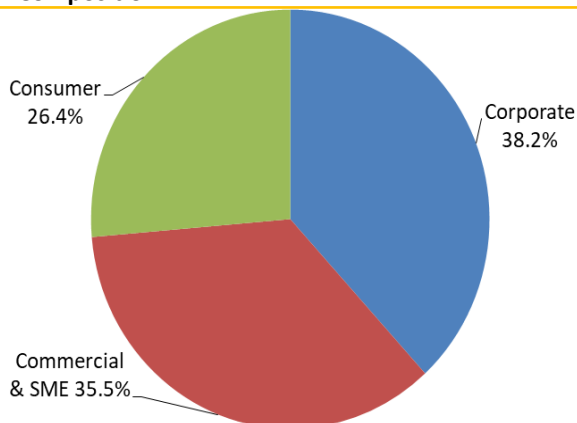
Source: Company, NHKS research

Third Party Fund (IDR bn)



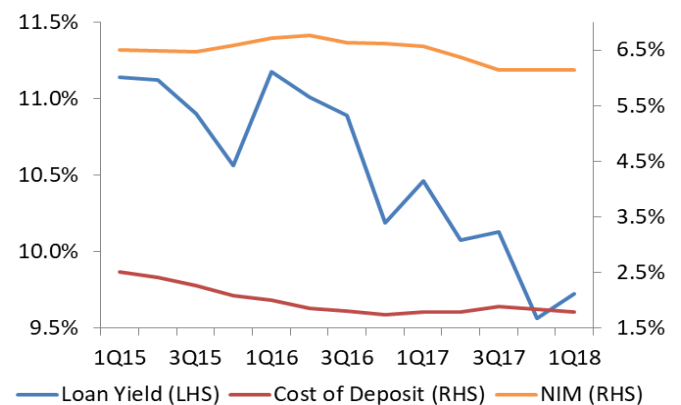
Source: Company, NHKS research

Loan Composition



Source: Company, NHKS research

Loan Yield, Cost of Deposit, NIM



Source: Company, NHKS research

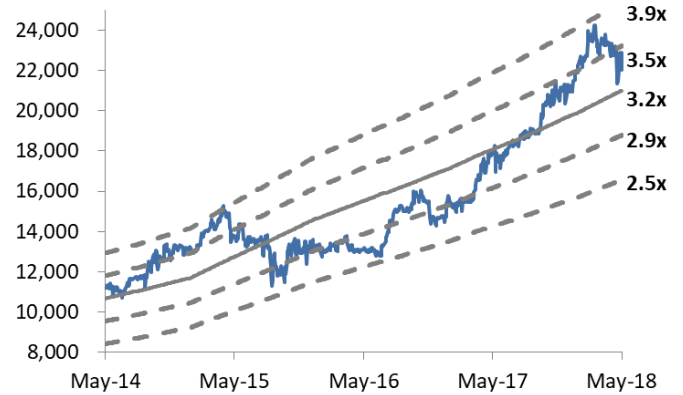
Multiple Valuation

Forward P/B band | Last 4 years



Source: NHKS research

Dynamic Forward P/B band | Last 4 years



Source: NHKS research

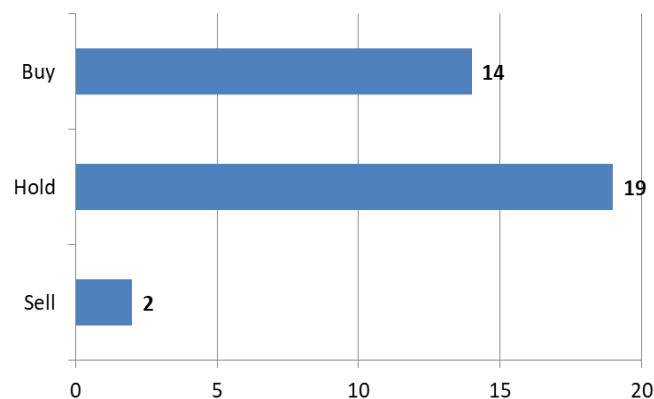
Rating and target price update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
10/04/2017	Buy	24,100 (Dec 2018)	20,325	19,622	+18.6%	+22.8%
4/03/2018	Hold	24,975 (Dec 2018)	23,400	23,727	+6.7%	+5.3%
5/14/2018	Hold	25,400 (Dec 2018)	22,900	24,077	+10.9%	+5.5%

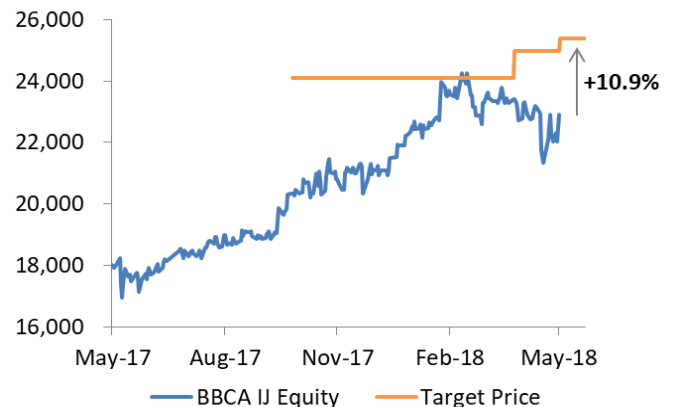
Source: NHKS research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

- Period: End of year target price
- Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Summary of Financials

BBCA Summary		
Last Price (IDR)	May 9, 2018	22,900
Target Price (IDR)	Dec 2018	25,400
Analyst: Raphon Prima	Rating:	Hold

INCOME STATEMENT

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Interest Income	50,426	53,768	57,143	61,754
Growth (% y/y)	7.1%	6.6%	6.3%	8.1%
Interest Expenses	10,347	11,941	11,467	11,563
Net Interest Income	40,079	41,826	45,676	50,191
Net Interest Margin	6.6%	6.1%	6.1%	6.0%
Net Fee Income	9,401	10,386	11,453	12,585
Trading Income	2,346	1,804	2,082	2,226
Other Operating Income	1,954	2,966	3,214	3,532
Operating Revenue	53,779	56,982	62,425	68,534
Operating Expenses	(23,379)	(25,190)	(27,589)	(30,293)
Pre-provisioning OP (PPOP)	30,400	31,791	34,836	38,241
Provision for Impairment	(4,561)	(2,633)	(2,541)	(2,432)
EBT	25,839	29,159	32,295	35,809
Income Tax	(5,207)	(5,838)	(6,355)	(6,923)
Non-controlling Interest	(27)	(11)	(12)	(17)
Net Profit	20,606	23,310	25,928	28,869
Growth (% y/y)	14.4%	13.1%	11.2%	11.3%

BALANCE SHEET

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Cash	15,944	16,754	13,223	12,058
Placement in Banks	88,427	71,536	80,629	91,466
Net Loans	411,761	462,953	524,894	596,517
Investment	116,384	146,365	150,572	152,595
Fixed Asset	16,991	16,869	17,453	19,991
Other Assets	27,233	35,842	37,228	40,062
Total Assets	676,739	750,320	823,999	912,688
Deposits	538,866	591,330	639,133	701,373
Debt	5,378	3,801	3,963	4,496
Other liabilities	19,780	23,787	28,172	30,134
Total Liabilities	564,024	618,918	671,268	736,003
Capital Stock	1,541	1,541	1,541	1,541
Retained Earnings	98,503	115,998	137,194	161,015
Shareholders' Equity	112,715	131,402	152,731	176,686

CASH FLOW STATEMENT

in IDR bn	2016/12A	2017/12A	2018/12E	2019/12E
Net Income	20,606	23,310	25,928	28,869
Deprec & Provision	6,449	4,012	1,685	1,845
Chg. In Working Capital	(8,372)	(13,040)	(8,838)	(897)
CFO	18,682	14,283	18,775	29,817
Net Changes in Loan	(30,904)	(57,087)	(75,692)	(83,327)
CFI	(91,501)	(77,708)	(68,913)	(88,840)
Dividends Paid	(4,315)	(5,178)	(4,536)	(5,048)
Net Changes in Deposit	57,145	51,606	46,621	62,239
CCF	54,477	45,808	43,711	57,858
Net Changes in Cash	(18,341)	(17,617)	(6,427)	(1,165)

OWNERSHIP

By Geography	% Shareholders	%
Indonesia	72.9 Dwimuria Investama	54.9
United States	13.0 Salim Anthoni	1.8
Luxembourg	4.3 Vanguard	1.7
United Kingdom	1.6 Capital Group	1.6

PROFITABILITY & STABILITY

	2016/12A	2017/12A	2018/12E	2019/12E
ROE	20.4%	19.1%	18.3%	17.5%
ROA	3.2%	3.3%	3.3%	3.3%
ROIC	22.9%	20.1%	19.2%	18.3%
Operating ROA	8.5%	8.0%	7.9%	7.9%
Pre-Provision ROA	4.8%	4.5%	4.4%	4.4%
Non-Interest Income/Op. Rev	25.5%	26.6%	26.8%	26.8%
Cost/Income	43.5%	44.2%	44.2%	44.2%
Cash Dividend (IDR bn)	4,931	4,315	4,799	5,344
Dividend Yield (%)	0.8%	0.7%	0.8%	0.9%
Payout Ratio (%)	23.9%	18.5%	18.5%	18.5%
Equity/Assets	16.7%	17.5%	18.5%	19.4%
Loan/Deposits	80.1%	82.0%	86.0%	88.9%
Loan/Assets	62.7%	63.5%	65.5%	67.0%
NPL	1.3%	1.5%	1.4%	1.4%
Loan Loss Reserves/Loans	3.0%	2.9%	2.7%	2.5%
Deposits/Liabilities	1.5%	1.7%	1.8%	1.8%
CASA/Deposits	77.0%	76.3%	77.6%	78.4%
Time Deposits/Deposits	23.0%	23.7%	22.4%	21.6%
Par Value (IDR)	63	63	63	63
Total Shares (mn)	24,655	24,655	24,655	24,655
Share Price (IDR)	15,500	21,900	22,900	22,900
Market Cap (IDR tn)	382.2	539.9	564.6	564.6

VALUATION INDEX

	2016/12A	2017/12A	2018/12E	2019/12E
Price /Earnings	18.5x	23.2x	21.8x	19.6x
Price /Book Value	3.4x	4.1x	3.7x	3.2x
Price/Op. Revenue	7.1x	9.5x	9.0x	8.2x
PE/EPS Growth	1.3x	1.8x	1.9x	1.7x
EV/Operating Revenue	6.9x	9.3x	8.9x	8.1x
EV/PPOP	12.2x	16.6x	15.9x	14.6x
EV (IDR bn)	371,868	527,090	555,439	557,138
Op. Revenue CAGR (3-Yr)	16.8%	11.6%	9.2%	8.4%
EPS CAGR (3-Yr)	13.1%	12.2%	12.9%	11.9%
Basic EPS (IDR)	836	945	1,052	1,171
Diluted EPS (IDR)	836	945	1,052	1,171
BVPS (IDR)	4,572	5,330	6,195	7,166
Op. Revenue PS (IDR)	2,181	2,311	2,532	2,780
DPS (IDR)	200	175	195	217

DCF, RIM & EVA

	2016/12A	2017/12A	2018/12E	2019/12E
DCF (IDR bn)				
NOPAT	24,274	25,427	27,981	30,847
+Depr./Amor.	6,449	4,012	1,685	1,845
-Chg. in Loan	(30,904)	(57,087)	(75,692)	(83,327)
-Incr. (Decr.) in Working Cap.	(8,372)	(13,040)	(8,838)	(897)
(Unlevered) FCFF	(57,267)	(103,340)	(129,353)	(50,635)
WACC				
Cost of Debt (Tax Adj.)	7.8%	5.9%	6.4%	6.7%
Cost of Equity (COE)	10.0%	10.4%	10.6%	10.8%
WACC (%)	9.9%	10.1%	10.1%	10.0%
RIM				
Spread (FROE-COE) (%)	13.0%	10.3%	9.1%	8.1%
Residual Income (IDR bn)	11,673	11,566	12,005	12,304
Equity Charge	8,933	11,744	13,923	16,565
EVA				
Invested Capital (IDR bn)	94,302	118,093	135,203	156,694
ROIC-WACC (%)	15.8%	11.4%	10.6%	9.7%
EVA (IDR bn)	14,904	13,490	14,348	15,135

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