

# Bank Central Asia Tbk (BBCA)

## 9M20 Review: Permodalan dan PPOP yang Solid



Company Report | Nov. 20, 2020

## Hold

<b>Target Price (IDR)</b>	<b>34,000</b>
Consensus Price (IDR)	34,108
TP to Consensus Price	-0.3%
vs. Last Price	+3.0%

### Shares data

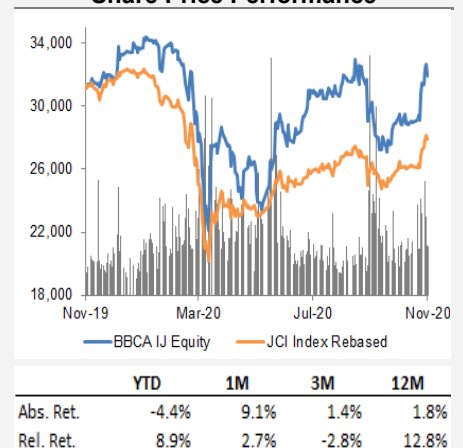
Last Price (IDR)	33,000
Price date as of	Nov. 20, 2020
52 wk range (Hi/Lo)	35,300 / 21,625
Free float (%)	44.8
Outstanding sh.(mn)	24,655
Market Cap (IDR bn)	764,922
Market Cap (USD mn)	51,687
Avg. Trd Vol - 3M (mn)	19.67
Avg. Trd Val - 3M (bn)	551.78
Foreign Ownership	25.3%

### Finance

#### Bank

Bloomberg	<b>BBCA IJ</b>
Reuters	<b>BBCA.JK</b>

### Share Price Performance



### Arief Machrus

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Walaupun kredit BBCA turun 0,6% YoY menjadi senilai Rp 581,8 triliun, segmen korporasi masih bertumbuh 8,6% YoY menjadi senilai Rp 251,9 triliun. BBCA pun masih mencatatkan laba bersih hingga Rp 20 triliun, atau lebih rendah 4,2% YoY ditengah kenaikan biaya pencadangan. Aktivitas ekonomi kuartal ketiga yang membaik, mendorong BBCA mampu mencatatkan net interest income yang tumbuh 9% menjadi senilai Rp 40,8 triliun.

### Pertumbuhan CASA Tekan LDR

BBCA mempertahankan penyaluran kredit yang konservatif, turun 0,6% YoY atau turun 2,2% QoQ. Strategi ini, ditengah likuiditas tinggi BBCA dengan loan to deposit (LDR) ratio yang mencapai dibawah 70% periode 9M20 dibanding 80,6% 9M19. Likuiditas BBCA didorong oleh pertumbuhan solid dana pihak ketiga 14,4% YoY, dengan current account dan saving account (CASA) masing-masing tumbuh 14,3% YoY dan 17,1% YoY. Di sisi lain, BBCA mampu menekan biaya mahal time deposit yang hanya naik 8,8% YoY 9M20, atau tumbuh lebih lambat dibanding tahun lalu tumbuh double digit 12% YoY 9M19. Dengan strategi kredit yang konservatif, kami melihat BBCA dapat memanfaatkan eksekusi likuiditas pada obligasi pemerintah dan surat utang yang dapat diperdagangkan.

### Kinerja Solid PPOP

Pencadangan BBCA mencapai Rp 9,1 triliun pada 9M20 atau naik 160,6% YoY, ditengah upaya perseroan menjaga kualitas aset. Sebelumnya, NPL (gross) naik 30 bps menjadi 1,9% 9M20 dari periode sama tahun lalu 1,6%. Kenaikan pencadangan ini, yang membuat laba bersih turun menjadi Rp 20 triliun. Di luar pencadangan, pre provision operating profit (PPOP) BBCA tumbuh hingga 13,5% menjadi senilai Rp 33,8 triliun. Kami melihat kinerja PPOP BBCA ini baik, atau melampaui sebagian besar bank-bank lainnya yang relatif mencatatkan penurunan PPOP.

### Hold dengan Target Price Rp 34.000

NHKS Research mempertahankan target price BBCA di level Rp 34.000 dengan asumsi forward P/B sebesar 4,5x atau diatas rata-rata 3 tahun sebesar 3,7x. Selain mampu memanfaatkan eksekusi likuiditas, segmen kredit korporasi BBCA tetap tumbuh diantara segmen kredit lainnya. Rasio CAR yang mencapai 24,7% 9M20 atau jauh diatas ketetapan minimal Bank Indonesia (BI) sebesar 8%. Hal ini mengindikasikan, BBCA memiliki permodalan kuat menghadapi restrukturisasi kredit terdampak Covid-19.

### Bank Central Asia Tbk | Summary (IDR bn)

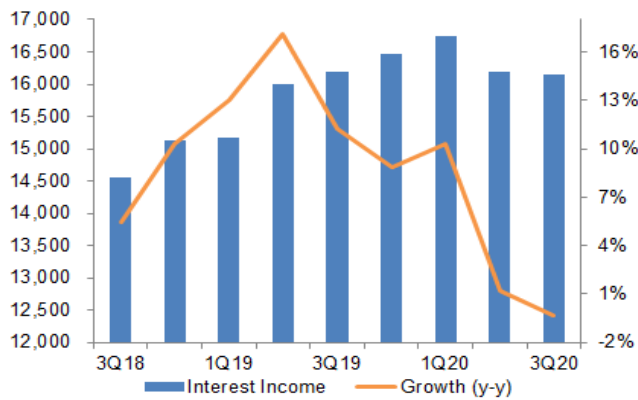
	2018/12A	2019/12A	2020/12E	2021/12E
Interest Income	56,767	63,838	64,423	69,294
<i>Interest Income growth</i>	5.6%	12.5%	0.9%	7.6%
Operating Revenue	63,034	71,623	71,598	77,900
Net profit	25,848	28,565	27,548	28,434
EPS (IDR)	1,048	1,159	1,117	1,153
<i>EPS growth</i>	10.9%	10.5%	-3.6%	3.2%
BVPS (IDR)	6,155	7,063	7,593	8,573
Net Interest Margin	6.0%	6.1%	5.6%	5.5%
Loan/Deposits	86.0%	84.9%	82.7%	88.0%
NPL	1.4%	1.3%	2.0%	2.0%
ROE	18.3%	17.5%	15.2%	14.3%
ROA	3.3%	3.3%	2.9%	2.7%
Non-Int. Inc. /Op. Rev	28.1%	29.5%	27.9%	27.9%
P/E	24.8x	28.8x	30.4x	29.5x
P/BV	4.2x	4.7x	4.5x	4.0x
DPS (IDR)	340	555	458	473
<i>Dividend yield</i>	1.3%	1.7%	1.3%	1.4%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

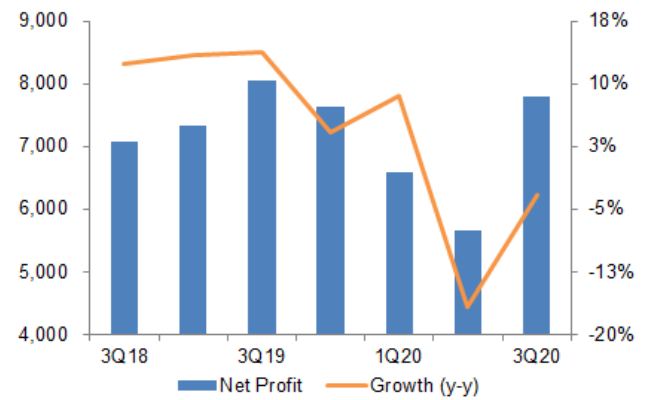
## Performance Highlights

Interest Income (IDR bn) | 3Q18 - 3Q20



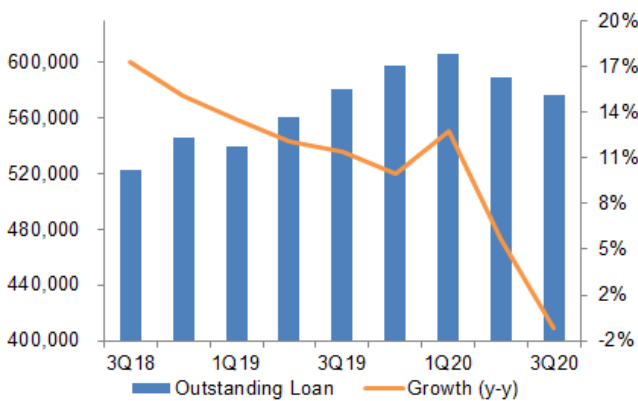
Source: Company, NHKSI Research

Net Profit (IDR bn) | 3Q18 - 3Q20



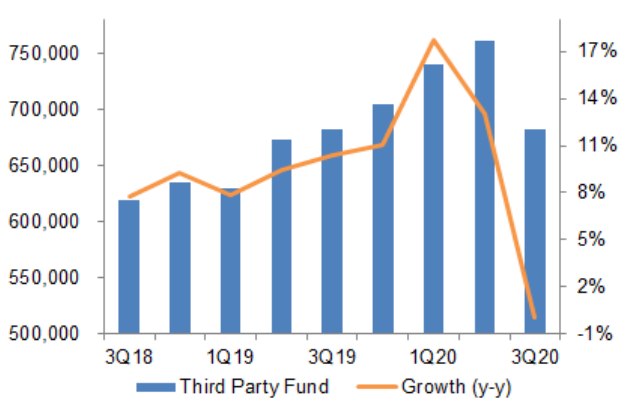
Source: Company, NHKSI Research

Outstanding Loan (IDR bn) | 3Q18 - 3Q20



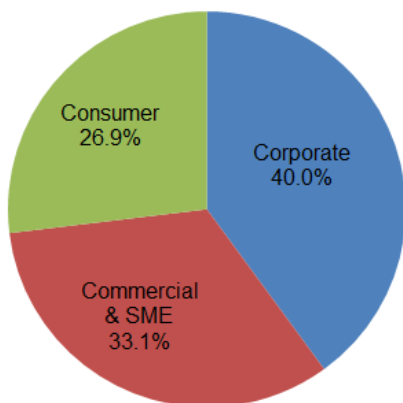
Source: Company, NHKSI Research

Third Party Fund (IDR bn) | 3Q18 - 3Q20



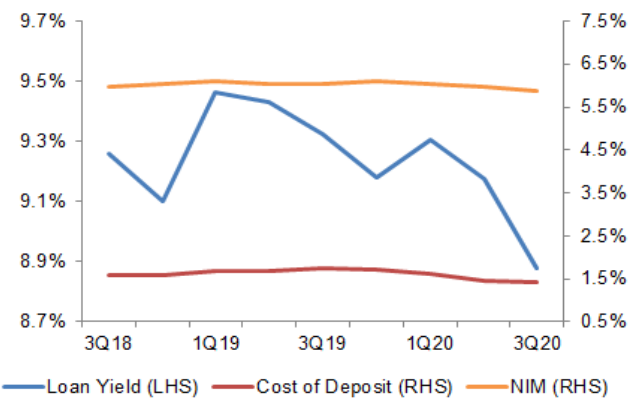
Source: Company, NHKSI Research

Deposit Composition



Source: Company, NHKS Research

Loan Yield, Cost of Deposit, NIM | 3Q18 - 3Q20



Source: Company, NHKS Research

## 3Q20 review (IDR bn)

	3Q19	4Q19	1Q20	2Q20	3Q20				4Q20
					Actual	Estimate	y-y	q-q	
Interest Income	16,190	16,470	16,741	16,196	16,139		-0.3%	-0.4%	
Interest Expense	(3,514)	(3,170)	(3,143)	(2,727)	(2,687)		-23.5%	-1.5%	
Net Interest Income	12,676	13,300	13,598	13,469	13,452		6.1%	-0.1%	
Operating Revenue	18,196	19,185	19,581	18,197	18,423		1.2%	1.2%	
Pre-Provisioning Operating Profit (PPOP)	11,239	11,049	10,107	11,424	12,318		9.6%	7.8%	
Loan loss provisions	(1,049)	(1,095)	(2,179)	(4,361)	(2,612)		149.0%	-40.1%	
Net Profit	8,060	7,644	6,581	5,659	7,796		-3.3%	37.7%	

Source: Bloomberg, NHKSI Research

## Earnings revision (IDR bn)

		2019A	2020E	2021E
Interest Income	Revised Previous Change	63,838	64,423	69,294
Interest Expenses	Revised Previous Change	(13,360)	(12,766)	(13,089)
Net Interest Income	Revised Previous Change	50,477	51,658	56,205
Operating Revenue	Revised Previous Change	71,623	71,598	77,900
Pre-Provisioning OP	Revised Previous Change	40,880	43,542	47,374
Loan Loss Provision	Revised Previous Change	(4,591)	(9,192)	(12,569)
Net Profit	Revised Previous Change	28,565	27,548	28,434

Source: NHKSI Research

## Sekilas tentang BBCA

BBCA merupakan bank swasta terbesar di Indonesia. Sekitar 44% 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 34% pada tahun 2019. Didukung oleh banyak cabang, BBCA memiliki jaringan distribusi yang cukup luas di Indonesia. Dari sisi dana pihak ketiga, produk tabungan memiliki kontribusi lebih dari 49% dibandingkan 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. Mayoritas bank di Indonesia masih mampu mempertahankan NIM di atas 5% meskipun sedang menghadapi tantangan tren penurunan suku bunga kredit. Keunggulan NIM ini mampu ditranslasikan menjadi ROE yang lebih tinggi.

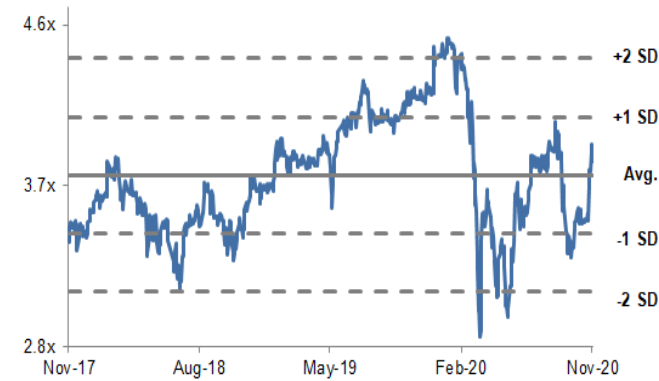
### ASEAN Banking Sector

	Market Cap (USD mn)	Asset (USD mn)	Int. Income LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	ROE (LTM)	P/E LTM	P/BV
<b>Indonesia</b>								
BBCA	50,196	66,367	4,074	2,054	10.1%	17.6%	24.9x	4.2x
BBRI	26,182	102,315	8,049	2,428	3.8%	18.6%	10.9x	2.1x
BMRI	16,186	95,201	6,063	1,989	6.7%	15.5%	8.3x	1.3x
BBNI	5,938	61,068	3,839	1,099	0.8%	14.1%	5.5x	0.8x
<b>Singapore</b>								
Oversea-Chinese Banking	29,024	365,678	6,625	3,162	-6.0%	9.5%	6.3x	0.8x
<b>Malaysia</b>								
CIMB Group	8,542	140,141	4,826	931	-29.1%	7.2%	9.3x	0.7x
Malayan Banking	19,983	203,988	4,360	2,027	4.8%	10.8%	10.1x	1.1x
Hong Leong Financial	3,489	57,497	1,275	433	-5.5%	9.2%	8.3x	0.7x
<b>Thailand</b>								
Bangkok Bank	6,727	108,104	3,307	1,114	-2.5%	8.2%	6.1x	0.5x
Siam Commercial Bank	8,251	99,602	3,997	1,310	7.1%	10.3%	6.3x	0.6x
Bank of Ayudhya	5,492	79,298	3,573	874	-13.7%	10.3%	6.3x	0.6x
<b>Philippines</b>								
BDO Unibank	8,868	62,894	2,840	840	18.0%	12.3%	10.2x	1.2x
Metropolitan Bank & Trust	3,549	48,338	1,893	534	19.7%	9.2%	6.8x	0.6x
Bank of the Philippine Island	6,814	43,490	1,732	554	20.9%	10.7%	11.9x	1.2x

Source: Bloomberg

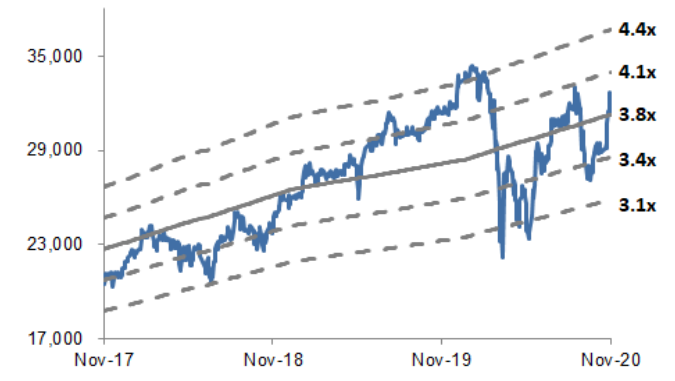
## Multiple Valuation

Forward P/B band | Last 3 years



Source: NHKSI research

Dynamic Forward P/B band | Last 3 years



Source: NHKSI research

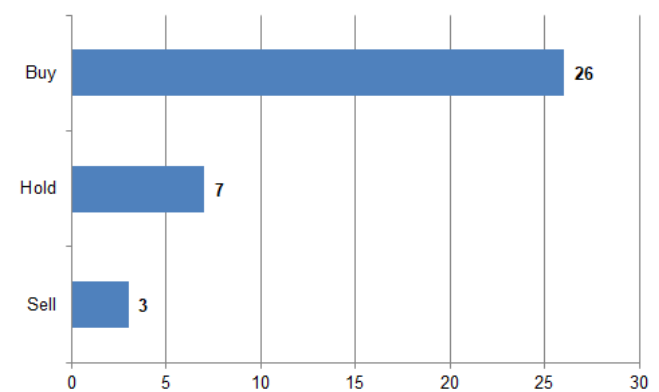
## Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
8/23/2018	Buy	27,650 (Dec 2018)	23,900	24,500	+15.7%	+12.9%
11/14/2018	Buy	28,825 (Dec 2019)	24,075	25,201	+19.7%	+14.4%
07/03/2020	Hold	30,100 (12 Month)	28,475	30,057	+5.7%	+0.1%
07/12/2020	Hold	34,000 (12 Month)	30,900	32,464	+10.0%	+4.7%
11/13/2020	Hold	34,000 (12 Month)	33,000	34,108	+3.0%	-0.3%

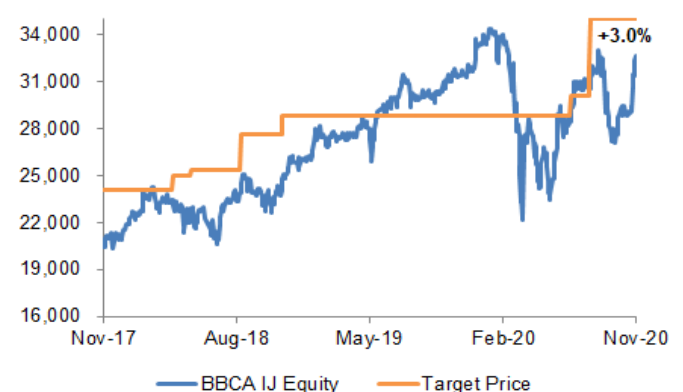
Source: NHKS research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKS research

## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2018/12A	2019/12A	2020/12E	2021/12E		2018/12A	2019/12A	2020/12E	2021/12E
<b>Interest Income</b>	<b>56,767</b>	<b>63,838</b>	<b>64,423</b>	<b>69,294</b>	ROE	18.3%	17.5%	15.2%	14.3%
<i>Growth (% y/y)</i>	5.6%	12.5%	0.9%	7.6%	ROA	3.3%	3.3%	2.9%	2.7%
Interest Expenses	11,476	13,360	12,766	13,089	Non-Int. Inc. /Op. Rev	28.1%	29.5%	27.9%	27.9%
<b>Net Interest Income</b>	<b>45,291</b>	<b>50,477</b>	<b>51,658</b>	<b>56,205</b>	Cost/Income	43.9%	42.9%	39.2%	39.2%
<i>Net Interest Margin</i>	6.0%	6.1%	5.6%	5.5%	Cash Dividend (IDR bn)	8,383	13,684	11,295	11,658
Net Fee Income	11,996	13,608	12,541	13,645	Dividend Yield (%)	1.3%	1.7%	1.3%	1.4%
Trading Income	2,807	3,456	4,227	4,599	Payout Ratio (%)	32.4%	47.9%	41.0%	41.0%
Other Operating Income	2,940	4,080	3,173	3,452	Loan/Deposits	86.0%	84.9%	82.7%	88.0%
<b>Operating Revenue</b>	<b>63,034</b>	<b>71,623</b>	<b>71,598</b>	<b>77,900</b>	Loan/Assets	66.2%	65.1%	64.5%	66.3%
Operating Expenses	(27,652)	(30,742)	(28,057)	(30,526)	NPL	1.4%	1.3%	2.0%	2.0%
<b>Pre-provisioning OP</b>	<b>35,383</b>	<b>40,880</b>	<b>43,542</b>	<b>47,374</b>	Loan Loss Res./Loan	2.6%	2.6%	4.7%	4.6%
Provision for Impairment	(2,677)	(4,591)	(9,192)	(12,569)	CASA/Deposits	76.2%	75.5%	74.5%	74.6%
<b>EBT</b>	<b>32,706</b>	<b>36,289</b>	<b>34,350</b>	<b>34,806</b>	Time Deposits/Deposits	23.8%	24.5%	25.5%	25.4%
Income Tax	(6,854)	(7,719)	(6,794)	(6,365)	Par Value (IDR)	63	63	63	63
Non-controlling Interest	(3)	(5)	(8)	(7)	Total Shares (mn)	24,655	24,655	24,655	24,655
<b>Net Profit</b>	<b>25,848</b>	<b>28,565</b>	<b>27,548</b>	<b>28,434</b>	Share Price (IDR)	26,000	33,425	34,000	34,000
<i>Growth (% y/y)</i>	10.9%	10.5%	-3.6%	3.2%	Market Cap (IDR tn)	641.0	824.1	838.3	838.3

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2018/12A	2019/12A	2020/12E	2021/12E		2018/12A	2019/12A	2020/12E	2021/12E
Cash	21,691	25,421	19,046	20,546	Price /Earnings	24.8x	28.8x	30.4x	29.5x
Placement in Banks	83,729	89,375	89,756	88,834	Price /Book Value	4.2x	4.7x	4.5x	4.0x
Net Loans	532,318	582,716	614,645	682,414	Price/Op. Revenue	10.2x	11.5x	11.7x	10.8x
Investment	126,196	161,390	219,301	222,092	PE/EPS Growth	2.3x	2.7x	-8.5x	9.2x
Fixed Asset	19,337	20,852	22,973	24,504	EV/Operating Revenue	9.9x	11.2x	11.5x	10.6x
Other Assets	41,517	39,236	34,010	40,534	EV/PPOP	17.6x	19.7x	18.9x	17.4x
<b>Total Assets</b>	<b>824,788</b>	<b>918,990</b>	<b>999,730</b>	<b>1,078,922</b>	EV (IDR bn)	622,925	803,773	821,273	823,574
Deposits	641,524	711,512	787,997	817,475	Op. Rev. CAGR (3-Yr)	9.6%	10.0%	7.9%	7.3%
Debt	3,493	5,000	1,936	5,723	EPS CAGR (3-Yr)	12.8%	11.5%	5.7%	3.2%
Other liabilities	28,018	28,334	22,586	44,354	Basic EPS (IDR)	1,048	1,159	1,117	1,153
<b>Total Liabilities</b>	<b>673,034</b>	<b>744,846</b>	<b>812,518</b>	<b>867,552</b>	Diluted EPS (IDR)	1,048	1,159	1,117	1,153
Capital Stock & APIC	1,541	1,541	1,541	1,541	BVPS (IDR)	6,155	7,063	7,593	8,573
Retained Earnings	135,569	155,114	160,745	145,074	Op. Revenue PS (IDR)	2,557	2,905	2,904	3,160
<b>Shareholders' Equity</b>	<b>151,754</b>	<b>174,144</b>	<b>187,212</b>	<b>211,370</b>	DPS (IDR)	340	555	458	473

Source: NHKSI research

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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