

# Bank Central Asia Tbk (BCA)

## Pertumbuhan Kinerja Solid, Kualitas Aset Menurun

BCA membukukan pertumbuhan kinerja yang solid pada 1H21, ditandai dengan kenaikan laba bersih sebesar 18,1% yoy menjadi IDR 14,4 triliun. PPOP berhasil tumbuh 13,4%; sementara beban provisi relatif terjaga dengan kenaikan hanya 0,4% yoy. Namun, memburuknya kualitas aset serta *Net Interest Margin* (NIM) yang melanjutkan trend penurunan, masih akan menjadi tantangan di sisa tahun 2021.

### Beban Provisi Terjaga, Laba Bersih Tumbuh Dua Digit

- Sepanjang 1H21, BCA mampu mencatat kenaikan Pendapatan Bunga Bersih menjadi IDR 28,2 triliun (naik 3,8% yoy); meski pertumbuhan kredit cenderung flat.
- Beban operasional tercatat turun -12,1% yoy; disebabkan komponen biaya kepegawaian yang lebih rendah. Alhasil, Pendapatan Operasional sebelum Provisi (PPOP) berhasil naik 13,4% yoy.
- Dengan biaya provisi yang relatif terjaga dibandingkan dengan tahun lalu pada awal pandemi, BCA mampu mencatat laba bersih naik 18,1% ke angka IDR 14,4 triliun.

### DPK Tumbuh Signifikan, NIM dan Kualitas Aset Melemah

- BCA masih membuktikan kehandalan dalam menghimpun Dana Pihak Ketiga yang tumbuh 17,5%; ditopang oleh segmen *Current Accounts/Giro* yang naik 21%.
- Trend pelemahan NIM masih berlanjut yang tercatat pada level 5,25% atau turun 71 bps dibandingkan 1H20.
- Gross NPL juga tercatat naik ke level 2,4%. Kenaikan NPL terjadi di hampir seluruh bidang usaha yang dibiayai, dipimpin oleh sektor perdagangan dan manufaktur.

### Transaksi Digital Mendominasi, Beberapa Aksi Korporasi direncanakan

- Nilai transaksi dari Internet dan Mobile Banking terus melesat signifikan dengan kenaikan masing-masing 32,8% dan 49,0%. Transaksi dari channel digital kini telah berkontribusi sebesar 54,4% dari seluruh total nilai transaksi di BCA. Perusahaan juga telah meluncurkan platform digital terbaru (*myBCA*) serta aplikasi layanan *wealth management* (*Welma*).
- Di akhir Juli 2021, BCA telah mengumumkan rencana pemecahan nominal saham (*stock split*) dengan rasio 1:5. Selain itu, BCA juga menargetkan untuk melakukan IPO terhadap anak usahanya, Bank BCA Digital (*blu*), yang direncanakan dalam 1-2 tahun mendatang.

### Mempertahankan *Overweight* dengan TP Rp 36.200

- Kami mempertahankan rating *Overweight* dengan memangkas target harga menjadi IDR 36,200/lembar. Target harga kami mencerminkan forward PBV FY21/22 pada level 4.3x/3.8x
- Beberapa faktor resiko terhadap TP kami antara lain: 1) Rendahnya permintaan kredit karena pengetatan PPKM berkelanjutan; 2) NPL dan NIM yang melemah; 3) Persaingan yang lebih ketat dalam perebutan dana murah di tengah maraknya transformasi perbankan digital.

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

	2019/12A	2020/12A	2021/12E	2022/12E
Interest Income	63,838	65,403	69,219	75,292
<i>Interest Income growth</i>	12.5%	2.5%	5.8%	8.8%
Operating Revenue	71,623	75,165	77,177	85,455
Net profit	28,565	27,131	31,744	36,364
EPS (IDR)	1,159	1,100	1,288	1,475
<i>EPS growth</i>	10.5%	-5.0%	17.0%	14.6%
BVPS (IDR)	7,063	7,492	8,517	9,649
Net Interest Margin	6.1%	5.7%	5.0%	5.0%
Loan/Deposits	84.9%	69.4%	67.6%	67.7%
NPL	1.3%	1.7%	2.4%	2.2%
ROE	17.5%	15.1%	16.1%	16.2%
ROA	3.3%	2.7%	2.8%	3.0%
Non-Int. Inc. /Op. Rev	29.5%	27.9%	29.3%	29.8%
P/E	28.8x	30.8x	28.1x	24.5x
P/BV	4.7x	4.5x	4.3x	3.8x
DPS (IDR)	555	451	528	605
<i>Dividend yield</i>	1.7%	1.3%	1.5%	1.7%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

## Overweight

Target Price (IDR)	36,200
Consensus Price (IDR)	36,537
TP to Consensus Price	-0.9%
Potential Upside	+14.9%

### Shares data

Last Price (IDR)	31,500
Price date as of	Aug 5, 2021
52 wk range (Hi/Lo)	36,900 / 26,950
Free float (%)	44.9
Outstanding sh.(mn)	24,655
Market Cap (IDR bn)	767,387
Market Cap (USD mn)	53,383
Avg. Trd Vol - 3M (mn)	15.59
Avg. Trd Val - 3M (bn)	488.4
Foreign Ownership	25.9%

### Financial Services

#### Banking

Bloomberg	BBCA IJ
Reuters	BBCA.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-6.9%	3.1%	-1.9%	1.5%
Rel. Ret.	-10.7%	-0.2%	-5.7%	-19.4%

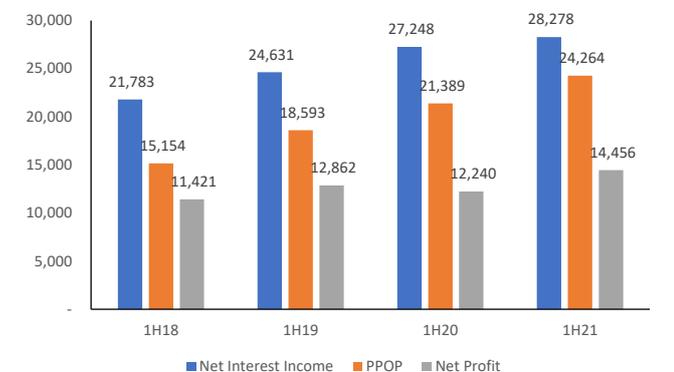
### Anggaraksa Arismunandar

(021) 5088 9134

anggaraksa@nhsec.co.id

# Performance Highlights

## Financial Performance (IDR Billion)



Source: Company, NHKSI Research

## Profitability Ratios (%)



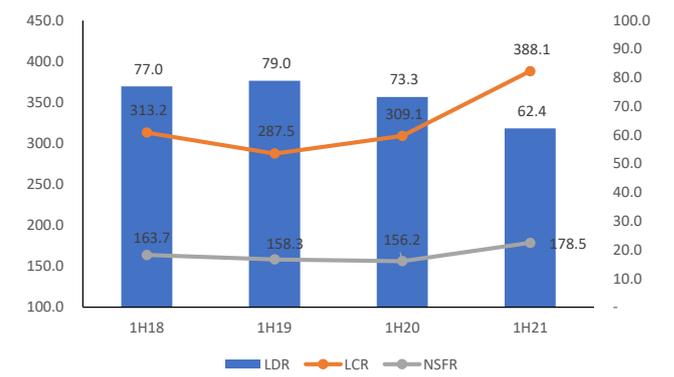
Source: Company, NHKSI Research

## Asset Quality (%)



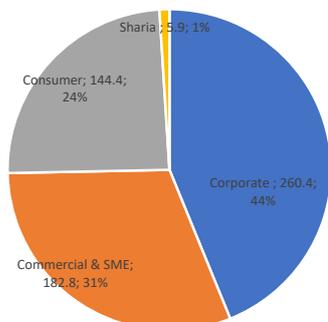
Source: Company, NHKSI Research

## Liquidity (%)



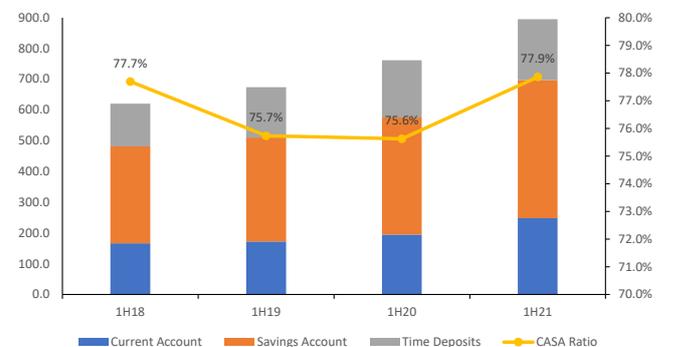
Source: Company, NHKSI Research

## Loan Composition by Segment (IDR Tn)



Source: Company, NHKSI Research

## Third Party Funds Composition (IDR Trillion)



Source: Company, NHKSI Research

## Company Overview



PT Bank Central Asia Tbk (BBCA) mulai beroperasi pada tanggal 21 Februari 1957 dan berkantor pusat di Jakarta. Saat ini, BBCA merupakan bank swasta terbesar di Indonesia dengan dukungan kekuatan jaringan cabang, ATM, dan perbankan elektronik. Berbagai produk dan layanan BBCA telah dikenal masyarakat luas, seperti: Debit BCA, KlikBCA (*internet banking*), serta M-BCA (*mobile banking*).

Pada tahun 2000, perseroan melakukan penawaran saham publik perdana (IPO) dengan melepas 22,5% saham ke publik. Divestasi ini dilanjutkan pada tahun 2001 dengan pelepasan 10% saham melalui Penawaran Publik Kedua (*Secondary Public Offering*). BBCA juga memiliki beberapa anak perusahaan di bidang keuangan, antara lain: BCA Finance, Bank BCA Syariah, BCA Sekuritas, dan Asuransi Umum BCA.

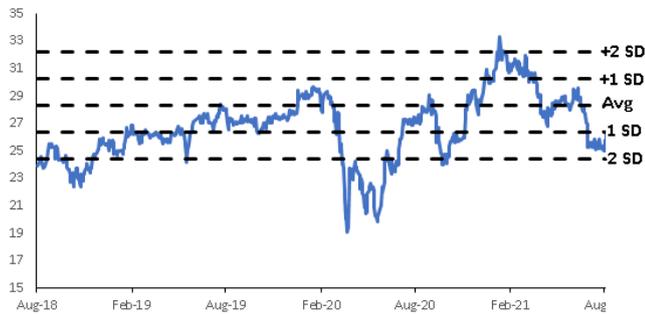
### ASEAN Banking Peers (as of 5 August 2021)

Company	Ticker	Market Cap (USD Mn)	Total Assets (USD Mn)	Net Income LTM (USD Mn)	ROE (%)	P/E (x)	P/B (x)	Dividend Yield LTM (%)
<b>INDONESIA</b>								
BANK CENTRAL ASIA TBK PT	BBCA IJ	53,441	77,596.65	2,036	16.46	26.12	4.09	1.70
BANK NEGARA INDONESIA PERSER	BBNI IJ	6,694	59,229.50	97	1.27	67.80	0.83	0.85
BANK MANDIRI PERSERO TBK PT	BMRI IJ	19,678	108,582.53	1,341	10.50	14.60	1.49	3.64
BANK RAKYAT INDONESIA PERSER	BBRI IJ	34,725	96,906.25	1,188	9.39	28.53	2.58	2.45
<b>SINGAPORE</b>								
DBS GROUP HOLDINGS LTD	DBS SP	58,475	491,524.53	4,515	10.16	13.04	1.40	2.34
UNITED OVERSEAS BANK LTD	UOB SP	32,821	327,938.24	2,067	7.48	0.74	1.06	2.95
OVERSEA-CHINESE BANKING CORP	OCBC SP	41,375	387,285.23	3,492	9.67	11.51	1.08	2.56
<b>MALAYSIA</b>								
CIMB GROUP HOLDINGS BHD	CIMB MK	10,742	146,783.95	539	5.61	14.30	0.78	1.06
<b>THAILAND</b>								
BANGKOK BANK PUBLIC CO LTD	BBL TB	5,926	128,646.44	624	4.35	9.98	0.42	2.43
SIAM COMMERCIAL BANK PUB CO	SCB TB	9,851	99,934.84	930	6.91	11.47	0.77	2.39

Source: Bloomberg

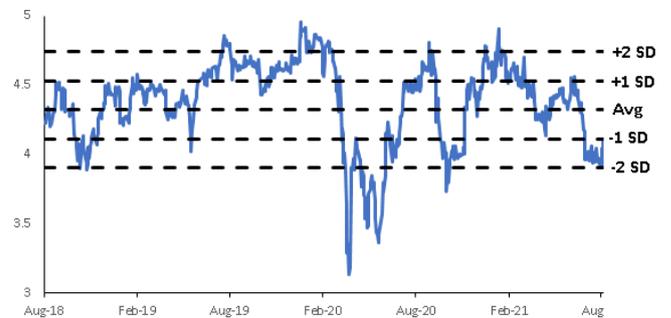
## Multiple Valuation

P/E Ratio Band | Last 3 Years



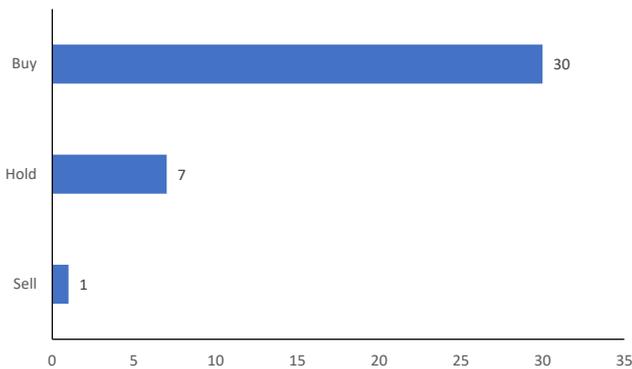
Source: Bloomberg, NHKSI research

P/BV Band | Last 3 Years



Source: Bloomberg, NHKSI research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI research

## Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	Potential Upside	vs Consensus
03/07/2020	Hold	30,100	28,475	30,057	+5.7%	+0.1%
12/07/2020	Hold	34,000	30,900	32,464	+10.0%	+4.7%
13/11/2020	Hold	34,000	33,000	34,108	+3.0%	-0.3%
24/02/2021	Overweight	38,000	34,125	37,849	+11.4%	+0.4%
06/08/2021	Overweight	36,200	31,500	36,537	+14.9%	-0.9%

Source: NHKSI Research, Bloomberg

## Summary of Financials

### INCOME STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
<b>Interest Income</b>	<b>63,838</b>	<b>65,403</b>	<b>69,219</b>	<b>75,292</b>
<i>Growth (% y/y)</i>	12.5%	2.5%	5.8%	8.8%
Interest Expenses	13,360	11,242	14,670	15,316
<b>Net Interest Income</b>	<b>50,477</b>	<b>54,161</b>	<b>54,548</b>	<b>59,976</b>
<i>Net Interest Margin</i>	6.1%	5.7%	5.0%	5.0%
Net Fee Income	13,608	13,160	14,728	16,793
Trading Income	3,456	4,303	4,334	4,765
Other Operating Income	4,080	3,541	3,567	3,922
<b>Operating Revenue</b>	<b>71,623</b>	<b>75,165</b>	<b>77,177</b>	<b>85,455</b>
Operating Expenses	(30,742)	(29,969)	(30,771)	(34,071)
<b>Pre-provisioning OP</b>	<b>40,880</b>	<b>45,197</b>	<b>46,406</b>	<b>51,384</b>
Provision for Impairment	(4,591)	(11,628)	(8,155)	(8,670)
<b>EBT</b>	<b>36,289</b>	<b>33,569</b>	<b>38,251</b>	<b>42,714</b>
Income Tax	(7,719)	(6,421)	(6,498)	(6,341)
Non-controlling Interest	(5)	(16)	(9)	(8)
<b>Net Profit</b>	<b>28,565</b>	<b>27,131</b>	<b>31,744</b>	<b>36,364</b>
<i>Growth (% y/y)</i>	10.5%	-5.0%	17.0%	14.6%

### PROFITABILITY & STABILITY

	2019/12A	2020/12A	2021/12E	2022/12E
ROE	17.5%	15.1%	16.1%	16.2%
ROA	3.3%	2.7%	2.8%	3.0%
Non-Int. Inc. /Op. Rev	29.5%	27.9%	29.3%	29.8%
Cost/Income	42.9%	39.9%	39.9%	39.9%
Cash Dividend (IDR bn)	13,684	11,124	13,015	14,909
Dividend Yield (%)	1.7%	1.3%	1.5%	1.7%
Payout Ratio (%)	47.9%	41.0%	41.0%	41.0%
Loan/Deposits	84.9%	69.4%	67.6%	67.7%
Loan/Assets	65.1%	54.2%	52.7%	52.3%
NPL	1.3%	1.7%	2.4%	2.2%
Loan Loss Res./Loan	2.6%	4.8%	5.9%	6.3%
CASA/Deposits	75.5%	76.6%	77.4%	78.4%
Time Deposits/Deposits	24.5%	23.4%	22.6%	21.6%
Par Value (IDR)	63	63	63	63
Total Shares (mn)	24,655	24,655	24,655	24,655
Share Price (IDR)	33,425	33,850	36,200	36,200
Market Cap (IDR tn)	824.1	834.6	892.5	892.5

### BALANCE SHEET

(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Cash	25,421	24,322	13,132	22,178
Placement in Banks	89,375	86,905	91,606	99,304
Net Loans	582,716	555,350	575,993	625,413
Investment	161,390	343,128	410,335	454,250
Fixed Asset	20,852	23,545	24,636	23,786
Other Assets	39,236	42,319	46,829	50,662
<b>Total Assets</b>	<b>918,990</b>	<b>1,075,570</b>	<b>1,162,530</b>	<b>1,275,593</b>
Deposits	711,512	850,916	909,678	990,982
Debt	5,000	2,037	4,898	5,339
Other liabilities	28,334	37,902	37,960	41,376
<b>Total Liabilities</b>	<b>744,846</b>	<b>890,856</b>	<b>952,536</b>	<b>1,037,698</b>
Capital Stock & APIC	1,541	1,541	1,541	1,541
Retained Earnings	155,114	160,540	148,281	171,036
<b>Shareholders' Equity</b>	<b>174,144</b>	<b>184,715</b>	<b>209,994</b>	<b>237,895</b>

### VALUATION INDEX

	2019/12A	2020/12A	2021/12E	2022/12E
Price /Earnings	28.8x	30.8x	28.1x	24.5x
Price /Book Value	4.7x	4.5x	4.3x	3.8x
Price/Op. Revenue	11.5x	11.1x	11.6x	10.4x
PE/EPS Growth	2.7x	-6.1x	1.7x	1.7x
EV/Operating Revenue	11.2x	10.8x	11.5x	10.2x
EV/PPOP	19.7x	18.0x	19.1x	17.0x
EV (IDR bn)	803,773	812,405	884,414	875,827
Op. Rev. CAGR (3-Yr)	10.0%	9.7%	7.0%	6.1%
EPS CAGR (3-Yr)	11.5%	5.2%	7.1%	8.4%
Basic EPS (IDR)	1,159	1,100	1,288	1,475
Diluted EPS (IDR)	1,159	1,100	1,288	1,475
BVPS (IDR)	7,063	7,492	8,517	9,649
Op. Revenue PS (IDR)	2,905	3,049	3,130	3,466
DPS (IDR)	555	451	528	605

### CASH FLOW STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12E	2022/12E
Operating Cash Flow	37,044	(99,909)	39,331	46,393
Investing Cash Flow	(91,148)	(32,389)	(106,271)	(110,628)
Financing Cash Flow	63,978	123,606	55,052	73,282
<b>Net Changes in Cash</b>	<b>9,875</b>	<b>(8,692)</b>	<b>(11,888)</b>	<b>9,047</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	74.0 Dwimuria Investama An	54.9
United States	11.7 JP Morgan Chase & Co	1.9
Luxembourg	5.0 Vanguard Group Inc	1.8
Others	9.3 Others	41.4

Source: Bloomberg, NHKS 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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