

BUY | TP : IDR11,600
BBCA Stock Price Data

Last Price	:	IDR10,300
52wk High	:	IDR10,400
52wk Low	:	IDR8,600
Share Out	:	123.28bn
Market Cap	:	IDR1,269 tn

BBCA Stock Price Performance

1-Day	:	+2.23%
1-Week	:	+1.98%
1-Month	:	+5.64%
3-Month	:	+8.71%
Year-to-Date	:	+9.57%

Major Shareholders

Dwimuria Investama Andalan	:	55%
Public	:	45%

PT Bank Central Asia Tbk (BBCA IJ)
Stronger than Expected Loan
The 1H24 result broadly in-line

Net profit reached IDR14tn in 2Q24 (+9% QoQ), bringing 1H24 NPAT to IDR26.9tn (+11% YoY), in line with our and consensus' expectations estimates. This remarkable growth in net profit due to robust loan and NIM growth, while CoC remains manageable at 0.3%. PPOP grew by +5% QoQ in 2Q24 (+10% YoY) was mainly propelled by a strong net interest income and lower opex. Better CIR level at 29.1% in 2Q24 (vs 32.4% in 1Q24), thanks to excellent cost control.

NIM Expansion to 5.8%, Maintains FY24F Guidance

NIM expanded by +20bps QoQ to 5.8% in 2Q24, with 1H24 NIM at 5.7% mainly driven by higher LDR. LDR has increased to 75.5% (vs 68.7% in 1H23), accompanied by a slight uptick in yields from placements in Central Banks and other banks. Asset yield rose by +5bps QoQ to 6.65%, while CoF relatively flat at 1% (-10bps QOQ) after BBKA lowered TD rates in Apr-24, however, recent adjustments may impact NIM in July 2024. Management intends to maintain competitive loan yields amidst ongoing corporate sector competition, suggesting limited room for loan yield repricing. Guidance for FY24 NIM remains at 5.5%-5.6%.

Robust +15.5% YoY Loan Growth Led by Corporate Segment

Loan grew +1.7% QoQ/+15.5% YoY reaching IDR850tn in 1H24. Corporate segment (investment loan) led the way with +5% QoQ/+20% YoY, followed by consumer loans at +6% QoQ/+14% YoY. SME also posted strong numbers with a +6% QoQ/+13% YoY, while commercial loans was slower at +7.9% YoY. The strong corporate loan growth in 1H24 was propelled by sectors such as mineral, down streaming, power, and transportation & logistics. Management maintains a moderate 9%-10% loan growth in FY24E. Management expects robust demand for corporate loans to continue in 3Q24. Moreover, third party funds growth slightly lagged behind loans at +0.4% QoQ (+5.1% YoY), where CASA increased by +5.8% YoY and time deposits (TD) rose by 1.7%.

Manageable CoC Despite Some Downgrades

Higher NPL at 2.2% in 2Q24 (+30 bps QoQ) supported by some downgrades in restructured book for commercial, SME, and consumer segment. NPL coverage stood at 190% in 1H24. Notably, the bank continued its efforts to reduce the Loan at Risk (LAR) ratio, achieving a ratio of 6.4% in 1H24 (FY24E target of 6%). Meanwhile CoC stood at 0.3% in 1H24 (FY24 guidance of 0.3%-0.4%).

Valuation & Recommendation: BUY with TP of IDR11,600

We maintain our BUY recommendation with higher TP of IDR11,600 which implied PBV FY24E/FY25F of 5.1x/4.7x. We expect potential loan growth surprises, coupled with higher asset yields, credit cost savings and steady ROE. Downside risk: slower-than-anticipated loan growth.

Financial Highlight (IDR bn)	FY21	FY22	FY23	FY24E	FY25F
Net Interest Income	56,136	63,989	75,129	81,954	93,072
Net Profit	31,423	40,736	48,639	53,623	59,246
EPS (IDR)	255	330	395	435	481
BVS (IDR)	1,644	1,793	1,966	2,274	2,494
P/E (x)	40.4	31.2	26.1	23.7	21.4
P/B (x)	6.3	5.7	5.2	4.5	4.1
ROAE (%)	16.2	19.2	21.0	20.5	20.2
ROAA (%)	2.7	3.2	3.6	3.7	3.7

Sources : Bloomberg, MNCS Research


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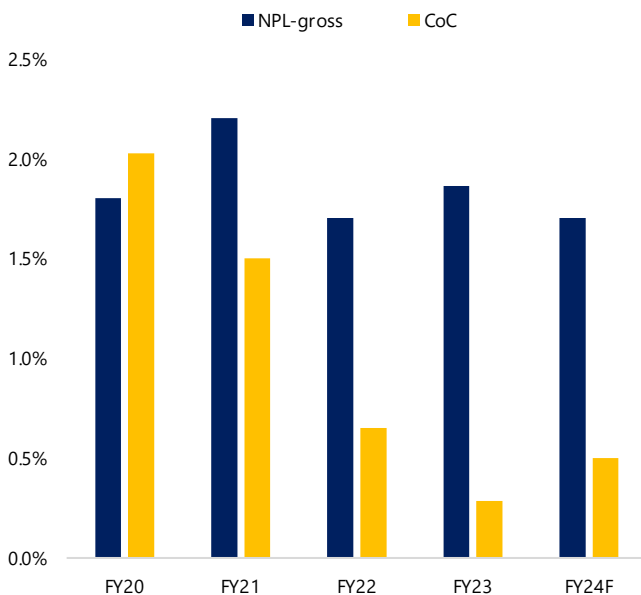
Exhibit 01. 1H24 Result Recap

Income Statement (IDR bn)	2Q23	1Q24	2Q24	QoQ	YoY	1H23	1H24	YoY	FY24E MNCS	FY24E Cons.
Net interest income	18,573	19,842	20,103	1.3%	8.2%	37,104	39,945	7.7%		
Non-interest income	5,913	6,406	6,030	-5.9%	2.0%	12,166	12,437	2.2%		
Operating income	24,486	26,249	26,133	-0.4%	6.7%	49,270	52,382	6.3%		
PPOP	16,090	16,904	17,681	4.6%	9.9%	31,670	34,585	9.2%		
Pretax Profit	15,669	15,879	17,300	8.9%	10.4%	29,789	33,179	11.4%		
Net profit	12,660	12,879	13,997	8.7%	10.6%	24,190	26,876	11.1%	50.1%	49.9%
Gross Loans	735,939	835,685	849,783	1.7%	15.5%	735,939	849,783	15.5%	102.0%	92.5%
Third Party Funds	1,071,237	1,120,757	1,125,333	0.4%	5.0%	1,071,237	1,125,333	5.0%	96.2%	94.5%

Key ratio	2Q23	1Q24	2Q24	1H23	1H24
NIM	5.6%	5.6%	5.8%	5.6%	5.7%
ROE	26.1%	22.7%	26.9%	24.2%	24.8%
LDR	68.7%	74.6%	75.6%	68.7%	75.5%
NPL-gross	1.9%	1.9%	2.2%	1.9%	2.2%
NPL Coverage	257%	220%	190%	257%	190%
CoC	0.1%	0.4%	0.2%	0.5%	0.3%

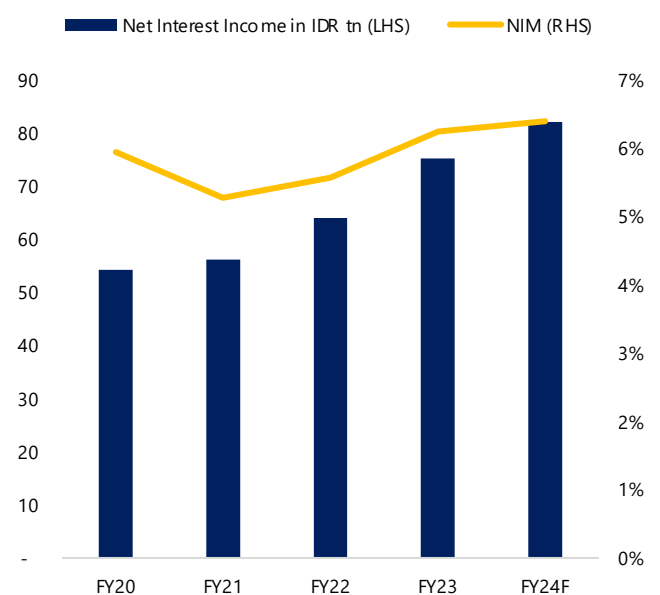
Sources : BBKA Data, MNCS Research

Exhibit 02. BBKA's NPL trend



Sources : BBKA Data, MNCS Research

Exhibit 03. Net Interest Income & NIM trend



Sources : BBKA Data, MNCS Research

Exhibit 04. BBKA's Financial Projection & Key Ratio

Income Statement (IDR bn)	FY21	FY22	FY23	FY24E	FY25F
Interest Income	65,627	72,241	87,398	92,606	101,282
Interest Expense	(9,491)	(8,252)	(12,269)	(10,652)	(8,210)
Net Interest Income	56,136	63,989	75,129	81,954	93,072
Opex	(30,308)	(32,483)	(37,503)	(37,949)	(40,742)
PPOP	48,165	54,993	62,443	70,620	80,817
Provision	(9,324)	(4,526)	(2,263)	(4,337)	(7,586)
Income Before Tax	38,841	50,467	60,180	66,283	73,231
Tax	(7,401)	(9,711)	(11,522)	(12,690)	(14,020)
Net Profit	31,423	40,736	48,639	53,623	59,246

Balance Sheet (IDR bn)	FY21	FY22	FY23	FY24E	FY25F
Securities - net	371,297	402,860	405,150	423,579	440,874
Placement with BI & other Banks	87,149	31,377	5,202	6,298	8,033
Other Earnings Assets	77,158	77,918	65,036	68,417	72,600
Loans	589,814	660,989	758,888	832,757	921,856
Total Earnings Assets	1,125,418	1,173,144	1,234,276	1,331,052	1,443,363
Non-Earnings Assets	102,927	141,588	173,831	193,624	200,973
Total Assets	1,228,345	1,314,732	1,408,107	1,524,677	1,644,337

CA	284,594	321,858	346,415	389,662	433,932
SA	480,000	522,458	534,087	587,131	628,472
TD	204,013	186,136	210,265	193,043	189,698
Customer Deposits	968,607	1,030,452	1,090,767	1,169,835	1,252,101
Total Liabilities	1,025,496	1,093,550	1,157,676	1,244,119	1,336,724

Paid in Capital & Reserves	23,132	20,160	19,399	39,990	49,264
Retained Earnings	179,581	200,859	222,957	240,375	258,138
Shareholders Equity	202,713	221,019	242,356	280,365	307,402
Minority Interests	136	163	181	192	210
Total Equity	202,849	221,182	242,538	280,557	307,612

Total Liabilities & Equity	1,228,345	1,314,732	1,400,213	1,524,677	1,644,337
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Key Ratio	FY21	FY22	FY23	FY24E	FY25F
IEA Yields	6.2%	6.3%	7.3%	7.2%	7.3%
CoF	1.0%	0.8%	1.1%	0.9%	0.7%
NIM	5.3%	5.6%	6.2%	6.4%	6.7%
CIR	38.6%	37.1%	37.5%	35.0%	33.5%
ROAA	2.7%	3.2%	3.6%	3.7%	3.7%
ROAE	16.2%	19.2%	21.0%	20.5%	20.2%
LDR	64.2%	67.4%	72.6%	74.2%	77.1%
NPL-gross	2.2%	1.7%	1.9%	1.7%	1.6%
CoC	1.5%	0.7%	0.3%	0.5%	0.8%

Sources : BBKA Data, MNCS Research

MNC Research Industry Ratings Guidance

- **OVERWEIGHT** : Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months
- **NEUTRAL** : Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months
- **UNDERWEIGHT** : Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

- **BUY** : Share price may exceed 10% over the next 12 months
- **HOLD** : Share price may fall within the range of +/- 10% of the next 12 months
 - **SELL** : Share price may fall by more than 10% over the next 12 months
 - **Not Rated** : Stock is not within regular research coverage

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