



**Not Rated**

## Stock Data

Current Price	: IDR254
52wk Range H-L	: IDR50-318
Share Outstanding	: 42.62 Bn
Free Float	: 32.07%
Mkt Capitalization (IDR Tn)	: 10.83

## Major Shareholders

PT MNC Investama Tbk.	: 50.40%
Jalan Pantai Limited	: 9.26%
HT Investment Development Ltd	: 8.81%
UOB Kay Hian (Hongkong) Ltd	: 8.19%
Public	: 23.34%

\*As of Sep 30, 2021

## MNCS Team Coverage

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## PT MNC Kapital Indonesia Tbk (BCAP IJ)

### Financial Sector

### Digital Financial Services Revolution

#### Solid Performance in 9M21

- BCAP's consolidated revenue grew +8.7% YoY to IDR1.92 tn in 9M21 (vs IDR1.77 tn in 9M20).
- This increase was supported by non-digital revenue, which grew +5.9% YoY to IDR1.85 tn. Meanwhile, digital revenue rose significantly by +252.7% YoY to IDR68.9 bn.
- Net profit increased +55.3% YoY to IDR26.15 bn in 9M21 (vs IDR16.84 bn in 9M20).
- MDT's revenue was recorded at IDR1.14 tn in 9M21, non-digital revenue as the main contributor reached IDR1.08 tn.
- Net profit was recorded at IDR54.78 bn in 9M21.

#### Motion Digital Technology for a Better Digital Ecosystem

- BCAP IJ formed PT Motion Digital Technology (MDT) entity which consolidates banking services (MotionBanking), securities transactions (MotionTrade), e-money & e-wallet (MotionPay), and Flash Mobile for payment gateway.
- The main reason of this consolidation is to create maximum synergy between MotionBanking, MotionTrade, MotionPay and Flash Mobile.
- The integration and synergy will attract more investors, including private equity, hedge funds, start-up investors, and other financial institutions.
- Apps under Motion Digital will be interconnected to each other with a single sign-on, connected e-KYC, and even cross wallet for convenient transactions.
- Motion Digital will also maximize synergies with MNC Media and MNC Digital to attract Motion Digital users by collaborating with e-commerce and fintech to quickly increase the number of transactions as well as Motion Digital users.

#### Strategy in Accelerating Digital Growth

- MotionBanking will collaborate as a platform that provides Open API Banking with Fintech, e-commerce, also travel and ride-hailing services.
- MotionBanking partners with Pos Indonesia as a cash in and out agent, where customers can make a cash deposit or withdrawal transactions at all post offices. Currently, Pos Indonesia has 4,524 post offices.
- MotionBanking also collaborated with lending platforms, such as 1) Kredit Pintar; 2) Atome; and 3) Kopnuspos to manage the risk.
- MNC Bank is also in the process to get approval from PT Kustodian Sentral Efek Indonesia (KSEI) to manage client fund accounts
- MotionTrade will add 3rd party e-KYC, especially in registering new customers, establishing synergies with fintech, and other expansions.
- In FY21, Motion Trade reached 343,054 of total downloads, which rose significantly by +6180% in 5 years. With transaction value increased by +120% YoY to IDR61.2 trillion, and commission value up +108% YoY to IDR71.2 bn.
- The company will focus on maximizing its transaction revenue through the underserved individuals and SMEs, considering that many of them still don't have access to credit.

#### Huge Market Opportunity Awaits

- Of the 276 million population in Indonesia, 26% are still underbanked, and 51% are unbanked.
- With the continuous growth of the digital economy, projected to reach a CAGR of +20% until FY25F, the company has an excellent opportunity to expand the range of its digital services.
- In the low-mid income population, there are 71% of people do not have access to credit. Therefore, digital loan services have the potential to continue growing along with economic growth.
- MSMEs contribute around ~60% to GDP, but only 26% of the total MSMEs have access to credit. Thus, providing credit facilities might support the acceleration of micro-businesses and enterprises.

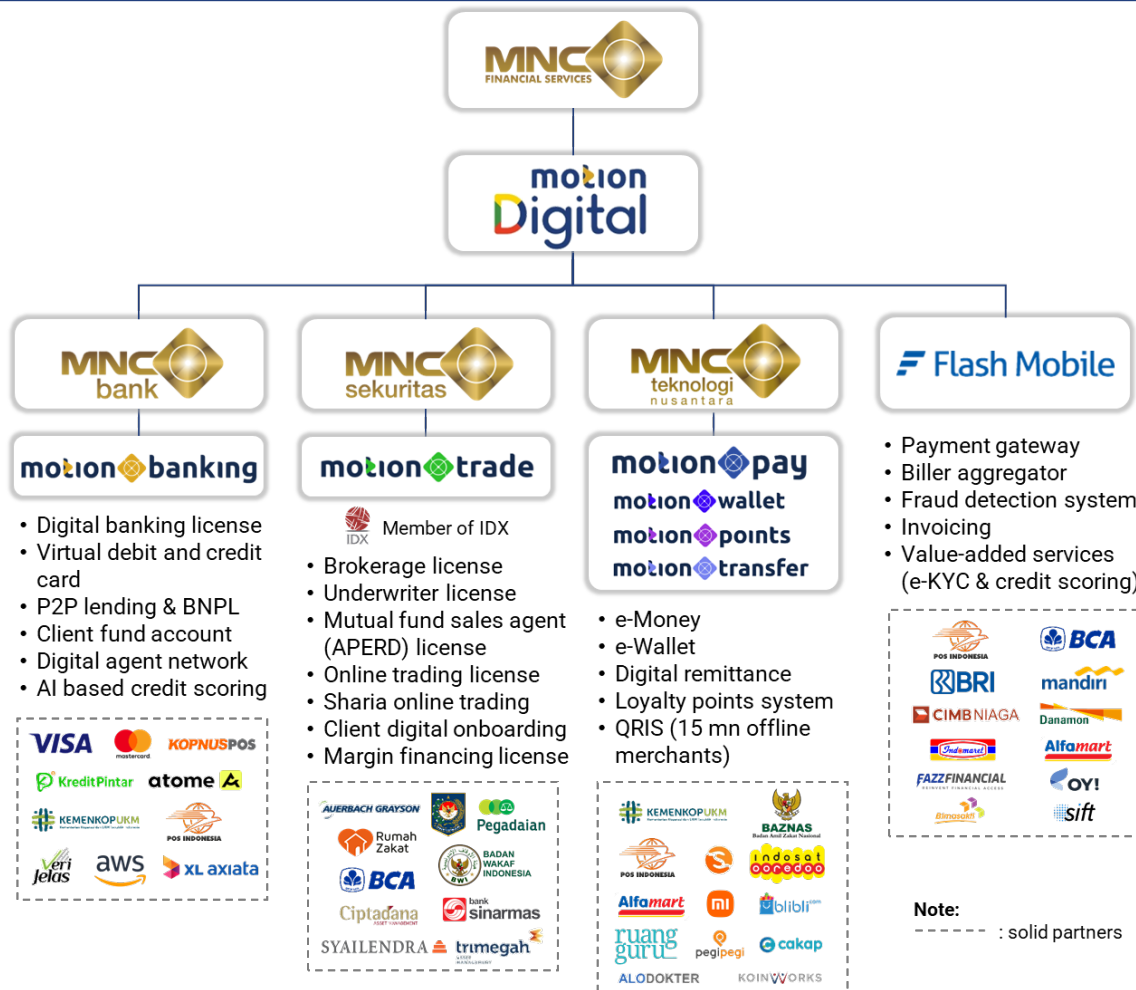
#### Valuation and Recommendation: NOT RATED

PT MNC Sekuritas is affiliated with PT MNC Kapital Indonesia Tbk. Therefore MNC Sekuritas Institutional Research Team does not recommend anything related to the prospect of the Company - **NOT RATED**

Key Financial Highlight	FY18	FY19	FY20	9M21
Operating Profit Margin (%)	46.21%	45.87%	43.46%	40.76%
Net Profit Margin (%)	5.78%	2.06%	2.47%	1.36%
EPS (IDR)	3.13	1.21	1.57	0.55
PER (x)	48.24	123.97	85.99	194.55
BVS (IDR)	130.45	126.33	115.85	119.44
PBV (x)	1.16	1.19	1.17	0.90
ROA (%)	0.82%	0.31%	0.34%	0.12%
ROE (%)	2.68%	1.02%	1.29%	0.46%

Source: Bloomberg, BCAP

Exhibit 01. PT Motion Digital Technology (MDT) Structure



Sources : BCAP

Exhibit 02. Motion Digital Technology's Synergy



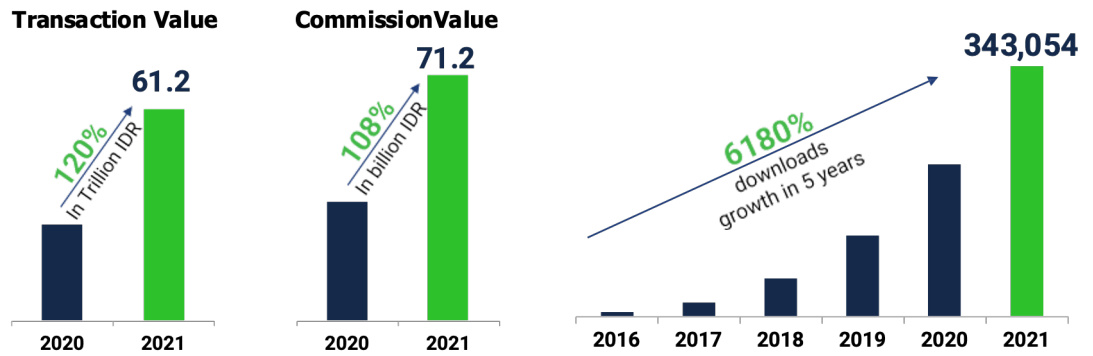
## PERFECT SYNERGY FOR A SEAMLESS USER JOURNEY

When users move on to more sophisticated platforms, KYC requirements becomes tighter with respect to the associated risk factors of the provided service.

- Single sign-on
- Connected e-KYC across platform
- Cross wallet for convenient transaction
- Complete user data for comprehensive credit scoring
- Single merchant acquisition for both MotionPay and MotionBanking

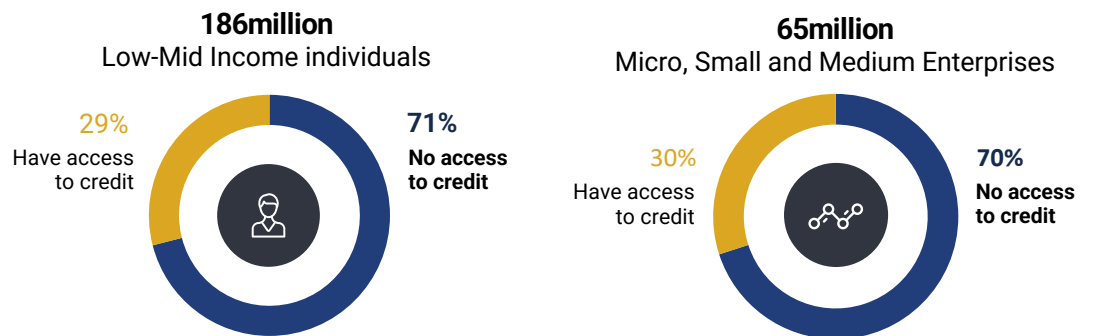
Sources : BCAP

Exhibit 03. Motion Trade's Accomplishment of Transaction Value, Commission Value and Downloads



Sources : BCAP

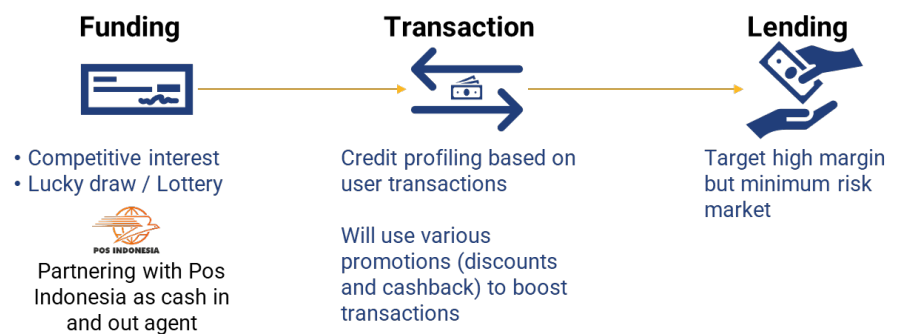
Exhibit 04. Motion Bank's Potential Market in Low-Mid Income Individuals and SME



Central Bureau of Statistics, 2021 • Ministry of Cooperative and MSME, 2021 • Central Bank of Indonesia, 2021

Sources : BCAP

Exhibit 05. Motion Bank's Strategy and Focusing

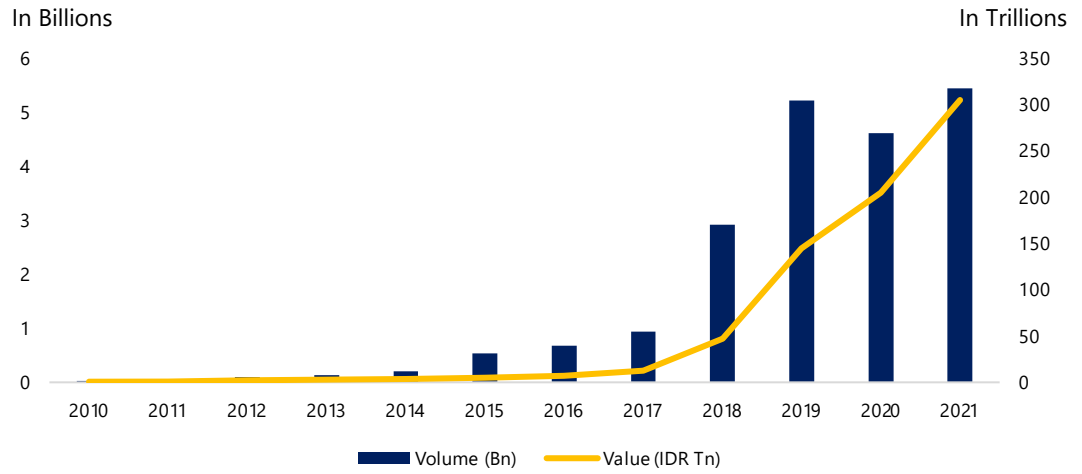


**Digital lending strategies:**

- VISA virtual credit card
- KreditPintar atome partnering with reputable P2P lending platforms to manage risk
- KOPNUSPOS lending to retired government employees
- Working with e-commerce for lending to both merchants (working capital) and buyers (BNPL)

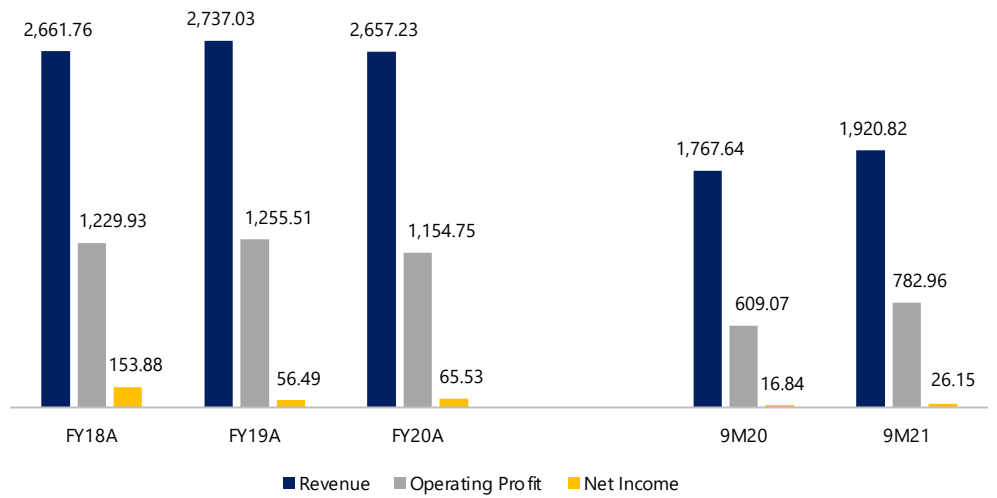
Sources : BCAP

Exhibit 06. Indonesia's Digital Transaction by Volume and Value 2010-2021



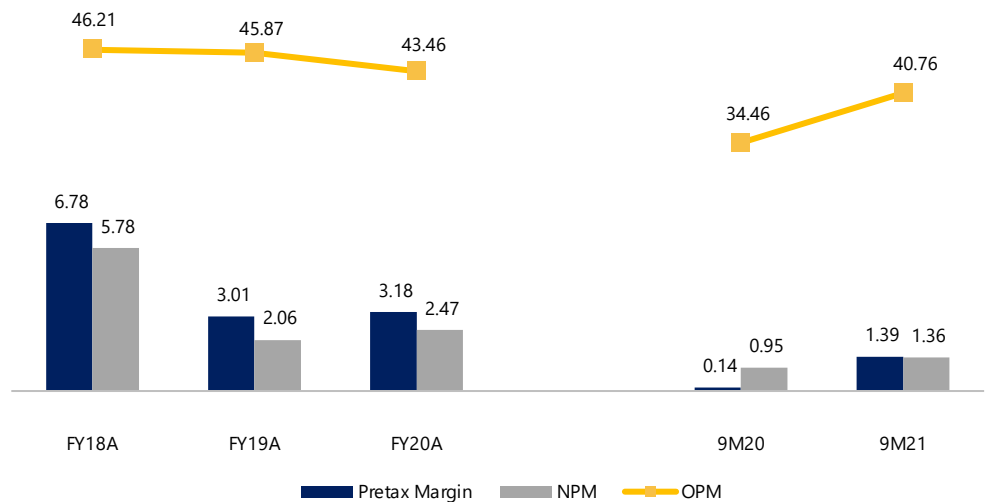
Sources : Bank Indonesia, MNCS

Exhibit 07. BCAP's Revenue, Operating Profit, and Net Income (IDR Bn)



Sources : BCAP, MNCS

Exhibit 08. BCAP's NPM, OPM, and Pre-tax Margin (%)



Sources : BCAP, MNCS

Exhibit 09. Financial Summary

In Billion IDR	Income Statement			
	FY18	FY19	FY20	9M21
<b>Total Revenue</b>	<b>2,661.76</b>	<b>2,737.03</b>	<b>2,657.23</b>	<b>1,920.82</b>
Operating Expenses	(1,431.83)	(1,481.52)	(1,502.48)	(1,137.86)
<b>Operating Income (Loss)</b>	<b>1,229.93</b>	<b>1,255.51</b>	<b>1,154.75</b>	<b>782.96</b>
Non-Operating Income (Loss)	(1,049)	(1,173.20)	(1,070.14)	(756.21)
<b>Pretax Income (Loss)</b>	<b>180.49</b>	<b>82.31</b>	<b>84.61</b>	<b>26.75</b>
Income Tax Benefit (Expenses)	(26.61)	(25.83)	(19.09)	(0.60)
<b>Net Income (Loss)</b>	<b>153.88</b>	<b>56.49</b>	<b>65.53</b>	<b>26.15</b>
Owners of the Company	119.84	46.79	62.08	23.25
Non-Controlling Interest	34.04	9.70	3.45	2.90
<b>EPS (full amount)</b>	<b>3.13</b>	<b>1.21</b>	<b>1.57</b>	<b>0.55</b>
<b>BVS (full amount)</b>	<b>130.45</b>	<b>126.33</b>	<b>115.85</b>	<b>119.44</b>

In Billion IDR	Cash Flow			
	FY18	FY19	FY20	9M21
Net before chg.in op.assets & liabilities	684.24	460.88	900.40	667.69
Net in operating assets & liabilities	(594.43)	(854.86)	809.34	322.67
<b>OCF</b>	<b>89.81</b>	<b>(393.98)</b>	<b>1,709.74</b>	<b>990.36</b>
Dividends Received	0.48	0.32	0.11	0.49
Net Change in Fixed Assets	(39.38)	(28.56)	(2.21)	5.13
Others	533.78	(58.63)	149.94	6.88
<b>ICF</b>	<b>494.88</b>	<b>(86.87)</b>	<b>147.84</b>	<b>12.50</b>
Borrowings Net	(178.25)	33.89	(1,003.38)	(201.12)
Interest Payment	(314.25)	(289.17)	(259.24)	(156.59)
Others	52.36	0.89	-	153.86
<b>FCF</b>	<b>(440.14)</b>	<b>(254.38)</b>	<b>(1,262.62)</b>	<b>(203.86)</b>
<b>Net Cash Increase (Decrease)</b>	<b>144.55</b>	<b>(735.23)</b>	<b>594.96</b>	<b>799.01</b>
Net in foreign exchange different	0.49	(13.08)	(14.18)	(12.29)
<b>CF Beginning Balance</b>	<b>1,780.67</b>	<b>1,925.70</b>	<b>1,177.40</b>	<b>1,758.17</b>
<b>CF Ending Balance</b>	<b>1,925.70</b>	<b>1,177.40</b>	<b>1,758.17</b>	<b>2,544.89</b>

In Billion IDR	Balance Sheet			
	FY18	FY19	FY20	9M21
Cash & Cash Equivalents	1,925.70	1,177.40	1,758.17	2,544.89
ST And LT Investments	4,206.00	4,021.81	4,045.08	4,333.66
Net Receivables	3,317.22	2,953.98	2,574.31	2,553.35
Net Loans	7,246.89	7,298.66	6,828.60	7,832.65
Net Fixed Assets	262.71	236.19	204.70	176.03
Other Assets	1,804.20	2,696.97	3,690.68	4,139.51
<b>Total Assets</b>	<b>18,762.72</b>	<b>18,385.01</b>	<b>19,101.55</b>	<b>21,580.08</b>
Deposits	8,428.07	8,304.73	9,068.81	11,098.35
Deposits from other banks	740.09	393.71	490.10	180.74
Other Liabilities	3,847.24	4,140.58	4,448.80	4,602.95
<b>Total Liabilities</b>	<b>13,015.40</b>	<b>12,839.03</b>	<b>14,007.71</b>	<b>15,882.04</b>
Share Capital & APIC	4,987.75	5,041.37	5,160.99	5,546.83
Retained Earnings	189.51	236.30	274.59	297.84
Other Equity	(150.79)	(362.46)	(829.10)	(754.29)
Non-Controlling Interest	720.86	630.78	487.36	607.67
<b>Total Equity</b>	<b>5,747.33</b>	<b>5,545.98</b>	<b>5,093.83</b>	<b>5,698.04</b>
<b>Total Liabilities &amp; Equity</b>	<b>18,762.72</b>	<b>18,385.01</b>	<b>19,101.55</b>	<b>21,580.08</b>

In Billion IDR	Ratios			
	FY18	FY19	FY20	9M21
<b>Growth Year on Year</b>				
Net Revenue Growth (%)	11.55%	2.83%	-2.92%	8.67%
Net Income Growth (%)	120.86%	-63.29%	16.00%	55.33%
Loan Growth (%)	-24.44%	-15.89%	-22.47%	-21.18%
Total Deposits Growth (%)	-6.12%	-1.46%	9.20%	37.77%
EPS Growth (%)	135.81%	-61.34%	29.75%	37.50%
BVS Growth(%)	2.30%	-3.16%	-8.30%	2.82%
<b>Profit Margin</b>				
OPM (%)	46.21%	45.87%	43.46%	40.76%
Pretax Margin (%)	6.78%	3.01%	3.18%	1.39%
NPM (%)	5.78%	2.06%	2.47%	1.36%
<b>Other Ratio</b>				
Total Liabilities/Equity (x)	2.26	2.32	2.75	2.79
TotalLiabilities/TotalAssets (x)	0.69	0.70	0.73	0.74
ROA (%)	0.82%	0.31%	0.34%	0.12%
ROE (%)	2.68%	1.02%	1.29%	0.46%

Sources : BCAP, MNCS

### 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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