

**HOLD | TP : IDR9,900**
**BBCA Stock Price Data**

Last Price	:	IDR9,350
52wk High	:	IDR9,400
52wk Low	:	IDR7,325
Share Out	:	123.3bn
Market Cap	:	IDR1,152tn

**BBCA Stock Price Performance**

1-Day	:	+2.2%
1-Week	:	+2.2%
1-Month	:	+3.0%
3-Month	:	+5.7%
Year-to-Date	:	+9.3%

**Major Shareholders**

Dwimuria Investama Andalan	:	55%
Public	:	45%

**PT Bank Central Asia Tbk (BBCA IJ)**
**1H23 Result: Earnings in line, solid core performance**
**Outstanding result as expected**

1H23 BBCA posted a net profit of IDR24.2 tn (+34% YoY), primarily driven by strong net interest income (NII) and lower provision expenses. On quarterly basis, net profit grew by +8.8% QoQ to IDR12.7 tn in 2Q23 as opex and provision expenses dropped. Overall, BBCA's 1H23 net profit achieved 52%/50% of our/consensus FY23 estimate, thus relatively inline. Meanwhile, PPOP grew +22.1% YoY to IDR31.7 tn in 1H23, mainly driven by solid NIM improvement and steady non-interest income growth. ROE was recorded at 24.2% in 1H23, the highest level since 2004 while ROA was registered at 3.7%, the highest level after the pandemic.

**Positive loan growth in all segments**

Consumer loans recorded the highest growth (+13.9% YoY/ +4.8%QoQ) compared to other segments, followed by commercial and SME loans. Consumer loan growth was supported by a 12.0% YoY growth in mortgages (BCA Expoversary event) to IDR114.6 tn, and a 19.2% YoY increase in vehicle loans to IDR51.4 tn. Credit card outstanding grew 15.4% YoY to IDR14.6 tn. Meanwhile, commercial and SME loans grew 10.9% YoY to IDR219 tn and corporate segment only booked at 5.1% YoY growth. Overall, total loans up by 9.0% YoY to IDR735.9 tn in 1H23. NIM increased 60bps to 5.6% in 1H23 (vs 5.0% in 1H22) due to steady cost of fund and improvement on asset yield. Management targets 5.5%-5.6% NIM for FY23, slightly higher from initial 5.3%-5.4% targets.

**Solid CASA growth and improvement on asset quality**

On the funding side, CASA grew +5.7% YoY to IDR864.7 tn in 1H23. CASA ratio was stable at 80.7% (vs 81.6% in FY22). Third-party funds slightly increase by 6.0% YoY. BBCA's overall transaction volume has steadily climbed, hitting 14.3 bn (+27.3% YoY) in 1H23. This expansion was aided by continuous innovation across different channels in the ecosystem, as well as a wider client base. The mobile banking channel saw the greatest rise in transaction volume, increasing by 44.0% YoY. Meanwhile, NPL decline 30bps to 1.9% in 1H23 (vs 2.2% in 1H22). Restructured loans gradually recovered and returned to normal payment terms, as shown by a decline in loan at risk (LAR) ratio to 8.7% in 1H23, down from 12.3% in 1H22.

**Maintain HOLD with TP of IDR9,900**

We transfer our banking coverage from Tirta Widi Gilang to Victoria Venny. Despite all the catalysts aforementioned, we think that BBCA share price has already fairly valued thus maintain a HOLD rating, with our DDM-TP of IDR9,900/share implying 4.4x of FY24F PBV (7.0% of COE). Currently BBCA share is traded close to +2STD of 5-year mean PBV. Management FY23F guidance: 1) 10-12% of loan growth; 2) 5.5%-5.6% of NIM; 3) 1.9%-2.0% of NPL ratio; 4) 8%-9% LAR ratio.

Key Financial Highlight (IDR bn)	FY20	FY21	FY22	FY23E	FY24F
Net Interest Income	54,161	56,136	63,989	73,331	77,352
Net Profit	27,131	31,423	40,736	46,202	51,999
EPS (IDR)	220	255	330	375	422
BVS (IDR)	1,497	1,644	1,793	1,955	2,265
P/E (x)	42.5	36.7	28.3	24.9	22.2
P/B (x)	6.2	5.7	5.2	4.8	4.1
ROAE (%)	15.1	16.2	19.2	20.0	20.0
ROAA (%)	2.7	2.7	3.2	3.4	3.5

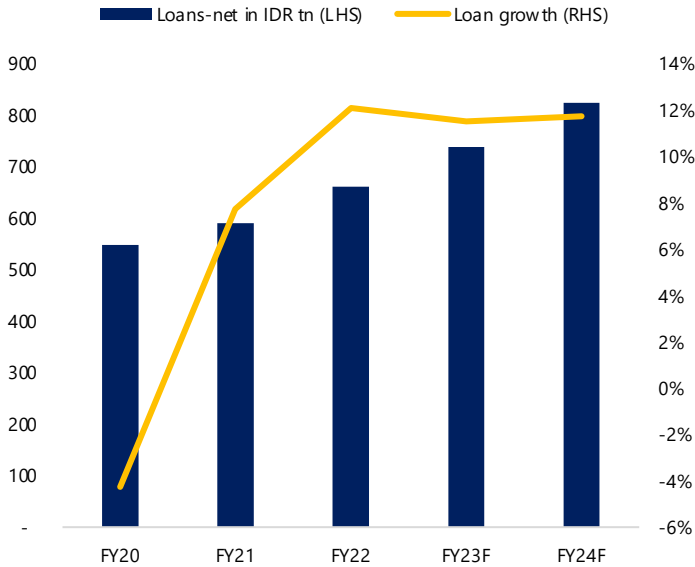
Sources : Bloomberg, MNCS Research


**Research Analyst**

Victoria Venny

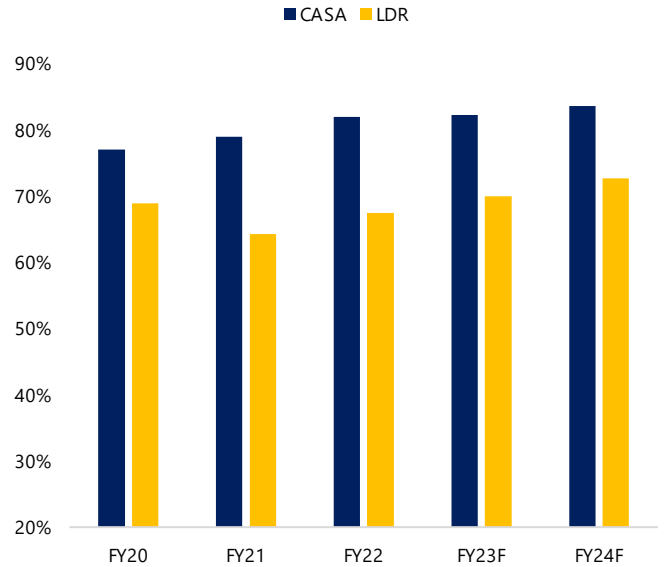
victoria.nawang@mncgroup.com

**Exhibit 01. We expect loan to grow 11% YoY in FY23F**



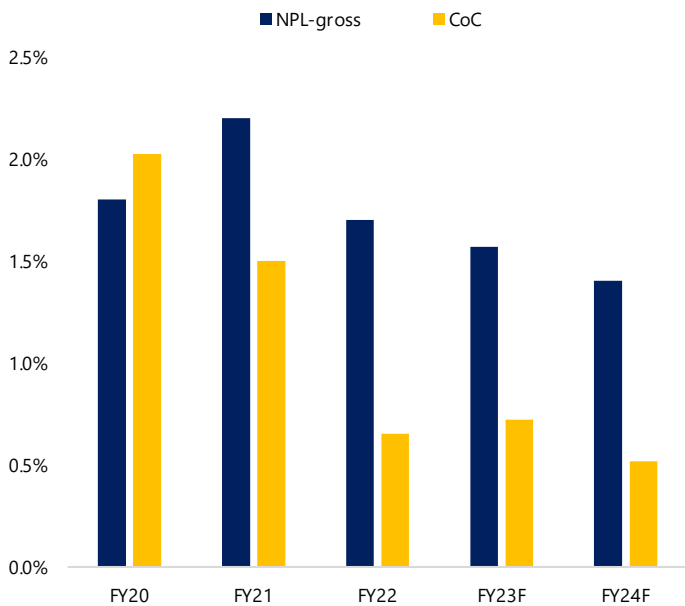
Sources : BBCA Data, MNCS Research

**Exhibit 02. Ample liquidity & strong low-cost funding**



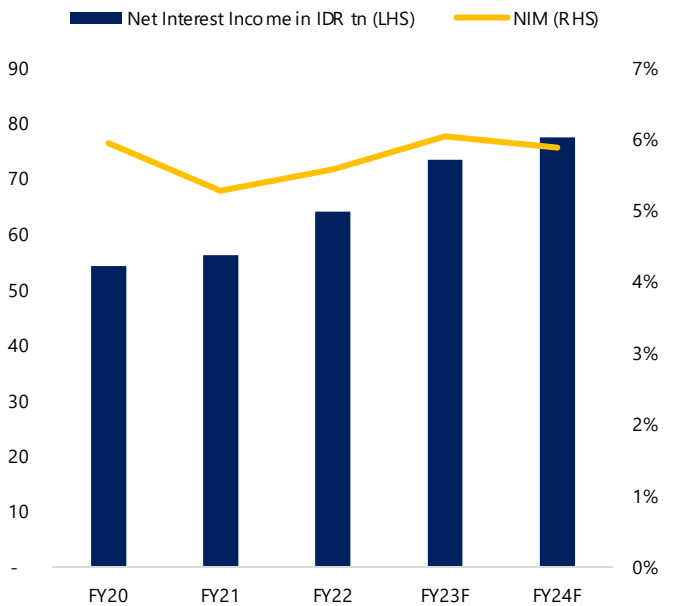
Sources : BBCA Data, MNCS Research

**Exhibit 03. BBCA's NPL trend**



Sources : BBCA Data, MNCS Research

**Exhibit 04. Net Interest Income & NIM trend**

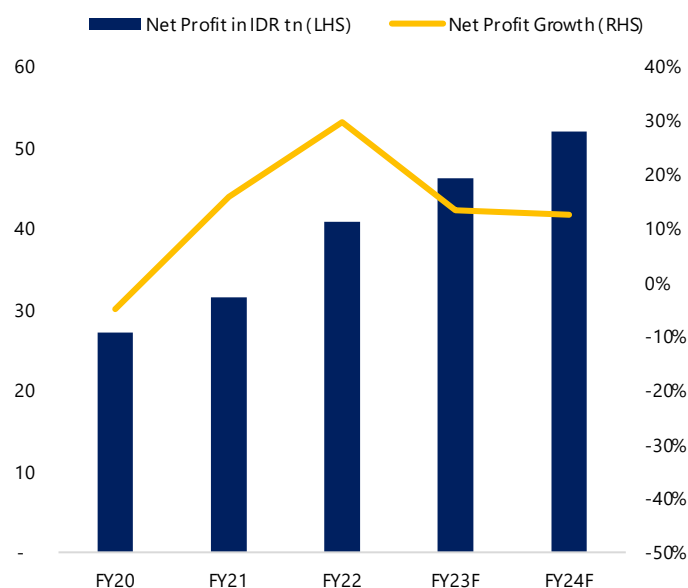


Sources : BBCA Data, MNCS Research

**Exhibit 05. Net profit jumped +34% YoY in 1H23; in line with consensus estimate**

Income Statement (IDR bn)	2Q22	1Q23	2Q23	QoQ	YoY	1H22	2H23	YoY	% MNCS FY23F	% Cons. FY23F
Net interest income	15,246	18,482	18,622	0.8%	22.1%	29,667	36,983	24.7%		
Non-interest income	5,402	6,449	5,717	-11.4%	5.8%	11,534	12,558	8.9%		
Operating income	20,648	24,931	24,339	-2.4%	17.9%	41,202	49,541	20.2%		
PPOP	13,254	15,680	15,990	2.0%	20.6%	26,025	31,765	22.1%		
Pretax Profit	12,211	14,273	15,609	9.4%	27.8%	22,298	29,883	34.0%		
Net profit	9,851	11,584	12,607	8.8%	28.0%	18,049	24,190	34.0%	52.4%	50.2%
Gross Loans	675,362	711,262	735,939	3.5%	9.0%	675,362	735,939	9.0%		
Third Party Funds	1,011,043	1,038,750	1,071,237	3.1%	6.0%	1,011,043	1,071,237	6.0%		
Key ratio	2Q22	1Q23	2Q23	1H22	2H23					
NIM	5.0%	5.6%	5.6%	5.0%	5.6%					
ROA	3.1%	3.5%	3.8%	2.8%	3.7%					
ROE	19.8%	21.4%	23.1%	19.6%	24.2%					
LDR	66.8%	68.5%	68.7%	66.8%	68.7%					
NPL-gross	2.2%	1.7%	1.9%	2.2%	1.9%					

Sources : BBKA Data, MNCS Research

**Exhibit 06. Net Profit Trend**


Sources : BBKA Data, MNCS Research

**Exhibit 07. BBKA's Financial Projection & Key Ratio**

<b>Income Statement (IDR bn)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23F</b>	<b>FY24F</b>
Interest Income	65,403	65,627	72,241	84,692	86,330
Interest Expense	(11,242)	(9,491)	(8,252)	(11,360)	(8,977)
<b>Net Interest Income</b>	<b>54,161</b>	<b>56,136</b>	<b>63,989</b>	<b>73,331</b>	<b>77,352</b>
Opex	(29,969)	(30,308)	(32,483)	(35,970)	(35,779)
<b>PPOP</b>	<b>45,196</b>	<b>48,165</b>	<b>54,993</b>	<b>62,579</b>	<b>68,619</b>
Provision	(11,628)	(9,324)	(4,526)	(5,571)	(4,461)
Income Before Tax	33,568	38,841	50,467	57,007	64,158
Tax	(6,421)	(7,401)	(9,711)	(10,831)	(12,190)
<b>Net Profit</b>	<b>27,131</b>	<b>31,423</b>	<b>40,736</b>	<b>46,202</b>	<b>51,999</b>

<b>Balance Sheet (IDR bn)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23F</b>	<b>FY24F</b>
Securities - net	339,372	371,297	402,860	410,047	428,699
Placement with BI & other Banks	47,451	87,149	31,377	31,914	40,704
Other Earnings Assets	70,956	77,158	77,918	79,830	84,710
<b>Loans</b>	<b>547,644</b>	<b>589,814</b>	<b>660,989</b>	<b>736,940</b>	<b>823,164</b>
Total Earnings Assets	1,005,423	1,125,418	1,173,144	1,258,730	1,377,277
Non Earnings Assets	70,147	102,927	141,588	156,946	165,458
<b>Total Assets</b>	<b>1,075,570</b>	<b>1,228,345</b>	<b>1,314,732</b>	<b>1,415,676</b>	<b>1,542,735</b>

CA	228,985	284,594	321,858	353,864	395,238
SA	413,161	480,000	522,458	554,949	595,533
TD	192,138	204,013	186,136	197,564	195,806
Customer Deposits	834,284	968,607	1,030,452	1,106,376	1,186,576
<b>Total Liabilities</b>	<b>890,856</b>	<b>1,025,496</b>	<b>1,093,550</b>	<b>1,174,525</b>	<b>1,263,303</b>

Paid in Capital & Reserves	24,057	23,132	20,160	23,956	45,329
Retained Earnings	160,539	179,581	200,859	217,021	233,910
Shareholders Equity	184,596	202,713	221,019	240,976	279,240
Minority Interests	118	136	163	175	192
<b>Total Equity</b>	<b>184,714</b>	<b>202,849</b>	<b>221,182</b>	<b>241,151</b>	<b>279,432</b>

<b>Total Liabilities &amp; Equity</b>	<b>1,075,570</b>	<b>1,228,345</b>	<b>1,314,732</b>	<b>1,415,676</b>	<b>1,542,735</b>
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<b>Key Ratio</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23F</b>	<b>FY24F</b>
IEA Yields	7.2%	6.2%	6.3%	7.0%	6.6%
CoF	1.4%	1.0%	0.8%	1.1%	0.8%
NIM	5.9%	5.3%	5.6%	6.0%	5.9%
CIR	39.9%	38.6%	37.1%	36.5%	34.3%
ROAA	2.7%	2.7%	3.2%	3.4%	3.5%
ROAE	15.1%	16.2%	19.2%	20.0%	20.0%
LDR	68.9%	64.2%	67.4%	69.9%	72.6%
NPL-gross	1.8%	2.2%	1.7%	1.6%	1.4%
CoC	2.0%	1.5%	0.7%	0.7%	0.5%

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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