

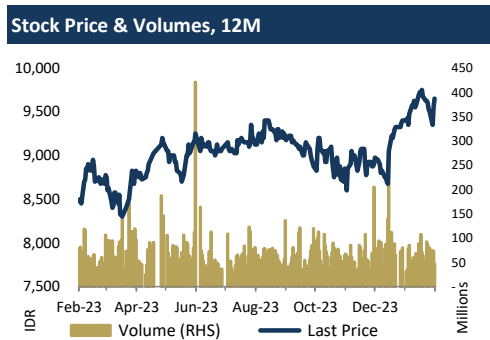
BUY (Maintain)

Target Price (IDR) 10,800
Potential Upside (%) 13.1

Price Comparison	
Cons. Target Price (IDR)	10,743
SSI vs. Cons. (%)	100.53

Stock Information	
Last Price (IDR)	9,550
Shares Issued (Mn)	123,275
Market Cap. (IDR Bn)	1,189,604
52-Weeks High/Low (IDR)	9,775/8,250
3M Avg. Daily Value (IDR Bn)	672.0
Free Float (%)	42.4
Shareholder Structure:	
PT Dwimuria Investama Andalan (%)	54.9
Public (%)	42.6
Others (%)	2.5

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	2.7	2.7	10.3	13.9
JCI Return	(0.8)	(0.8)	6.9	5.5
Relative	3.5	3.5	3.4	8.4



Company Background
 PT Bank Central Asia Tbk provides banking and related services. The bank also provides custodianship, trusteeship, and management of pensions funds of financial institutions

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Conservative during election year

Proyeksi pertumbuhan kredit yang konservatif di 2024F. BBCA mencatatkan pertumbuhan kredit yang solid di FY23 (+13.9% YoY), didukung oleh segmen UKM (+16.0% YoY), korporasi (+15.0% YoY), dan konsumen (+14.8% YoY). Memasuki 2024F, BBCA menargetkan angka pertumbuhan kredit yang lebih konservatif (9-10%), mengingat kemungkinan melambatnya permintaan kredit investasi korporasi di tahun pemilu. Namun, kredit konsumen dan usaha kecil dan menengah (UKM) diperkirakan akan tumbuh dua digit pada 2024F. Kami memperkirakan tingkat pemanfaatan fasilitas kredit UKM akan semakin meningkat pada tahun 2024F, bahkan melampaui tingkat sebelum Covid (64%).

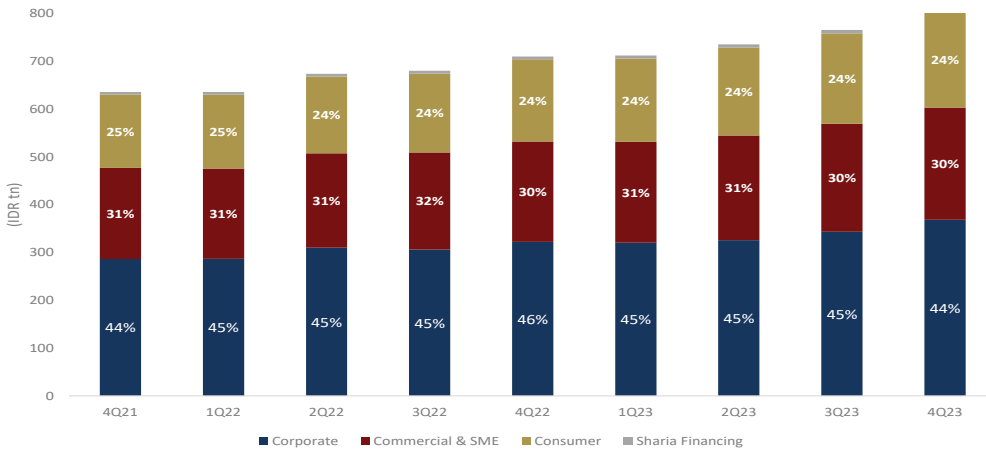
NIM diperkirakan tumbuh tipis di tengah pengetatan likuiditas. BBCA membukukan NIM sebesar 5.6% pada 4Q23 (+10bps QoQ), dengan NIM FY23 sebesar 5.5% (+20bps YoY), terutama didorong oleh repricing imbal hasil (yield) kredit dan perubahan dalam komposisi portofolionya, yang kini lebih mengutamakan aset-aset dengan yield tinggi. BBCA memperkirakan NIM-nya akan berada di kisaran 5.5%-5.6% pada 2024F, mengingat bank tersebut masih mampu untuk kembali melakukan repricing kredit pada awal tahun ini, dan BBCA mungkin akan menurunkan suku bunga TD pada akhir tahun dengan ekspektasi pemangkasan suku bunga Fed sebesar 50bps pada 2H24. Perlu dicatat bahwa BBCA masih memiliki likuiditas yang sangat memadai. Meskipun LDR-nya naik menjadi 70.2% pada 4Q23 (vs. 67.4% pada 3Q23 dan 65.2% di 4Q22), BBCA berencana untuk meningkatkan LDR-nya secara bertahap ke atas angka sebelum pandemi (80%).

Membbaiknya LAR. Dari sisi kualitas aset, kami melihat adanya perbaikan pada rasio LAR BBCA selama setahun terakhir. LAR BBCA tercatat di level 6.9% pada Desember-23 vs. 7.9% di 3Q23 dan 10.4% di Des-22, dan BBCA memperkirakan LAR-nya akan terus membaik (target 2024F: <5%). Sejalan dengan perbaikan rasio LAR, BBCA mampu menurunkan biaya kredit (CoC) menjadi 30bps di FY23 vs. 70bps di FY22, dan menargetkan CoC sebesar 30-40bps di FY24. Meskipun BBCA berencana untuk mengembangkan segmen UKM di masa depan, kami yakin bank tersebut akan mampu menjaga kualitas kreditnya, karena BBCA akan sangat selektif dalam memberikan kredit UKM baru, dan sebagian besar akan disalurkan ke nasabah CASAnya.

BUY, TP IDR 10,800. Kami masih menyukai BBCA, mengingat risiko kreditnya yang rendah dan posisinya sebagai salah satu 'waralaba liabilitas' terbaik di Asia, yang dibuktikan dengan ROAE FY23 yang mencapai 21.0% (sektor: 19.2%). Namun, menurut kami valuasi BBCA saat ini cukup mahal (BBCA saat ini diperdagangkan dengan harga yang lebih premium dibandingkan valuasi historis (PBV: +1.5 SD). Kami mempertahankan rating BUY untuk BBCA dan TP sebesar IDR 10,500/saham, yang menyiratkan PBV 2024F sebesar 5.0x. Risiko: Penurunan NPL dan NIM yang lebih buruk dari perkiraan.

Forecast and Valuation (at closing price IDR 9,550 per share)					
Y/E Dec (IDR Bn)	21A	22A	23A	24F	25F
Net Interest Income (IDR Bn)	56,471	64,143	75,369	84,071	90,476
Pre Provision Profit (IDR Bn)	48,555	52,627	62,560	71,490	77,563
Operating Profit (IDR Bn)	39,231	48,100	60,297	68,265	73,826
Net Profit (IDR Bn)	31,423	40,736	48,639	53,122	57,443
EPS (IDR)	255	330	395	431	466
EPS Growth (%)	15.8	29.6	19.4	9.2	8.1
P/E Ratio (x)	38.0	29.3	24.5	22.5	20.8
BVPS (IDR)	1,644	1,793	1,966	2,152	2,363
P/BV Ratio (x)	5.9	5.4	4.9	4.5	4.1
DPS (IDR)	145	205	240	250	260
Dividend Yield (%)	1.5	2.1	2.5	2.6	2.7

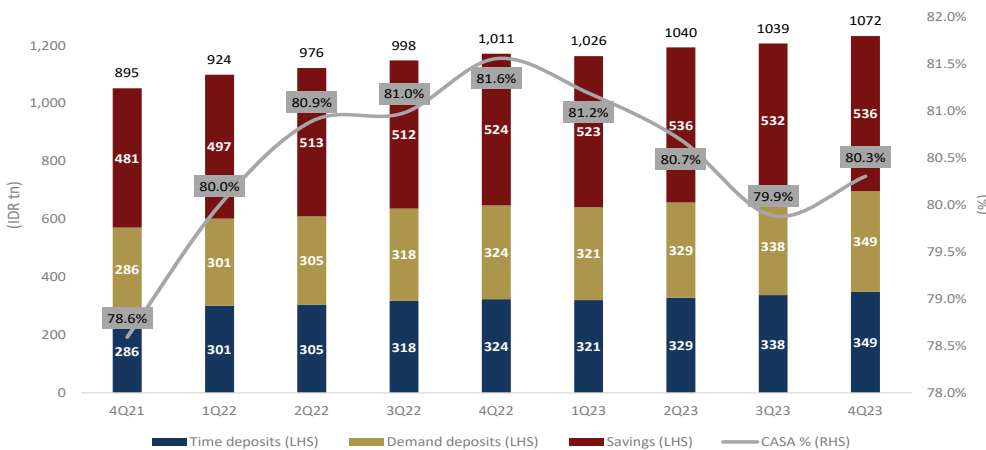
Figure 1. BBKA's loan portfolio



Pada FY23, BBKA mencatatkan pertumbuhan kredit yang kuat (+13.9% YoY), didorong oleh segmen UKM (+16.0% YoY), korporasi (+15.0% YoY), dan konsumen (+14.8% YoY)

Source: Company, SSI Research

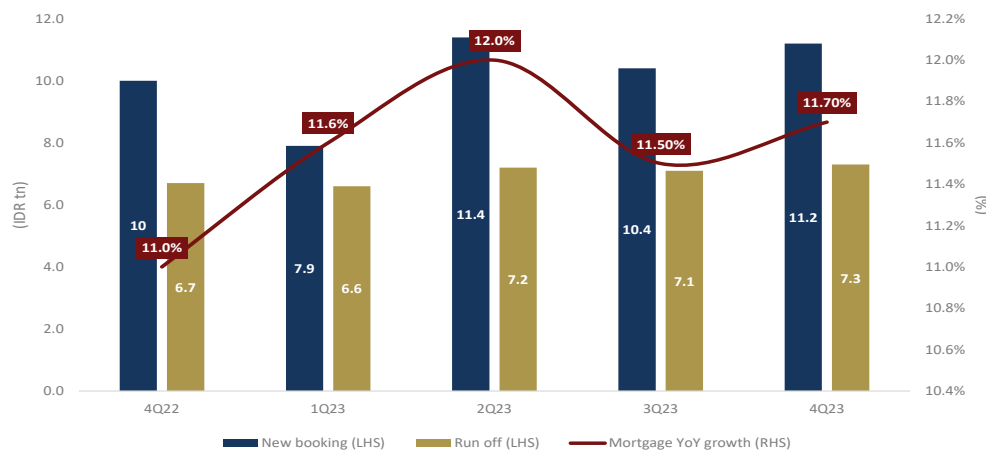
Figure 2. BBKA's CASA ratio



BBKA memiliki rasio CASA tertinggi di antara bank-bank Indonesia

Source: Company, SSI Research

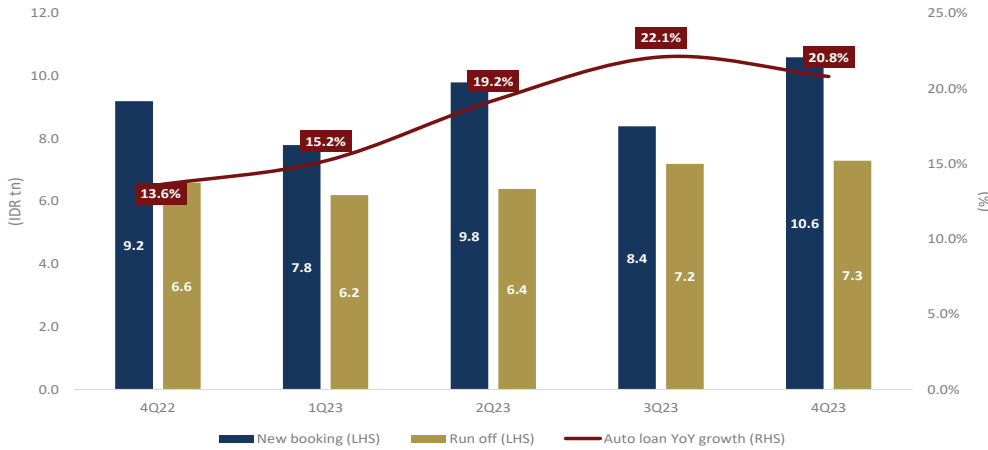
Figure 3. New mortgage loan trends



Portofolio hipotek BBKA mendapat dorongan signifikan dari insentif pemerintah, melampaui rata-rata industri; di samping itu, permintaan hipotek baru melonjak 2.3x selama tiga tahun terakhir

Source: Company, SSI Research

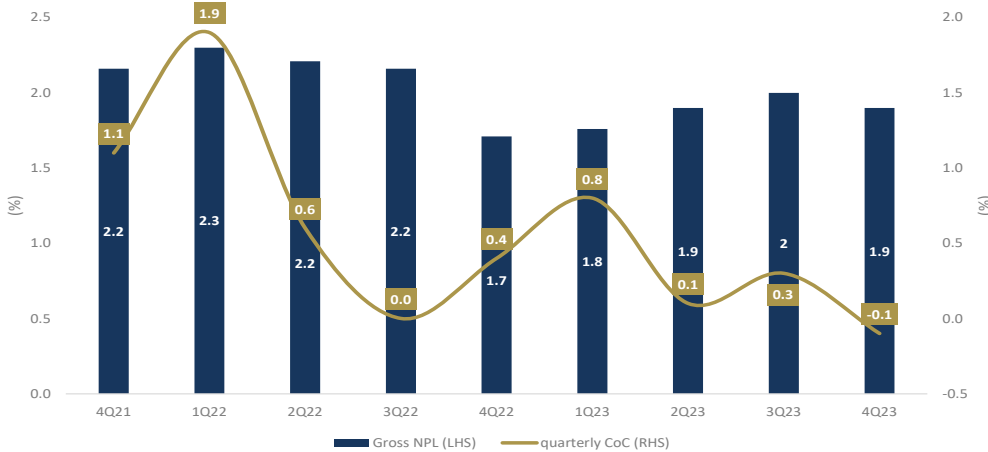
Figure 4. New auto loan trend



Permintaan kredit kendaraan baru terus meningkat sepanjang 2023

Source: Company, SSI Research

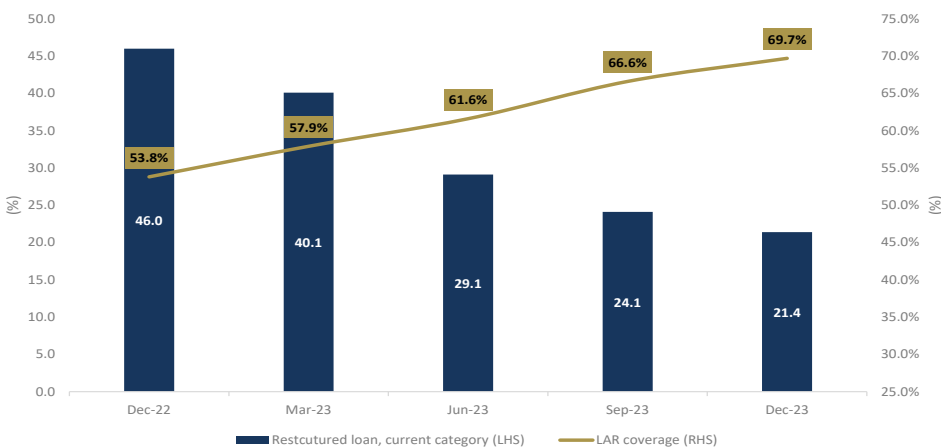
Figure 5. BBKA's credit cost



BBKA berhasil mengendalikan biaya kreditnya secara efektif di beberapa kuartal terakhir, tercatat mencapai 30bps di FY23 vs 70bps di FY22, berkat membaiknya rasio LAR

Source: Company, SSI Research

Figure 6. BBKA's LAR coverage



Meskipun CoC menurun, rasio NPL coverage tetap tinggi di angka 234%, dan rasio LaR coverage saat ini (69.7%) lebih tinggi dibandingkan sebelum COVID-19

Source: Company, SSI Research

Figure 7. BBCA's 4Q23 results

(IDRbn)	4Q22	3Q23	4Q23	q-q (%)	Y-Y (%)	12M22	12M23	Y-Y (%)	12M23/2023F	12M23/cons
Interest Income	20,252	22,116	22,836	3.3	12.8	72,459	87,722	21.1		
Interest expense	2,201	3,313	3,375	1.9	53.3	8,315	12,353	48.6		
Net interest income	18,051	18,803	19,462	3.5	7.8	64,143	75,369	17.5		
Non-interest income	6,037	6,134	5,600	(8.7)	(7.2)	22,700	23,900	5.3		
Total operating income	24,088	24,937	25,062	0.5	4.0	86,843	99,269	14.3	100.8	99.1
Operating expense	8,701	9,449	9,615	1.8	10.5	31,878	36,663	15.0		
Impairment of fin. assets	609	410	-29	(107.0)	(104.7)	4,527	2,263	(50.0)		
Operating profit	14,778	15,078	15,475	2.6	4.7	50,439	60,342	19.6		
Pretax profit	14,662	15,127	15,170	0.3	3.5	50,467	60,180	19.2		
Net profit	11,781	12,230	12,219	(0.1)	3.7	40,736	48,639	19.4	101.0	99.4
BS & ratio analysis	4Q22	3Q23	4Q23	QoQ	YoY	12M22	12M23			
Gross loans (IDRbn)	711,139	765,905	810,252	5.8	13.9	711,139	810,252			
Third party funding (IDRbn)	1,039,718	1,088,773	1,101,673	1.2	6.0	1,039,718	1,101,673			
Key ratios										
Net interest margin (%)	5.3	5.5	5.5			5.3	5.5			
Cost efficiency (%)	36.1	37.9	38.4			36.7	36.9			
Cost to income (%)	43.8	46.6	45.6			47.0	45.9			
Loan/deposit (%)	68.4	70.3	73.5			68.4	73.5			
Loan/funding (%)	67.0	69.2	72.1			67.0	72.1			
Capital adequacy (%)	25.8	29.5	29.4			25.8	29.4			
Gross NPL (%)	1.71	2.04	1.86			1.7	1.9			
LLP/NPL (%)	291.6	231.7	231.6			291.6	231.6			
ROAE (%)	22.2	21.9	21.1			19.2	21.0			

NII membaik menjadi IDR 19.4tn (+3,5% QoQ, +7,8% YoY) pada 4Q23, didukung oleh pertumbuhan kredit yang kuat (13.9% pada Des-23) dan membaiknya NIM (5.6%)

Source: Company, SSI Research

Key Financial Figures

Profit and Loss					
Y/E (IDRbn)	21A	22A	23A	24F	25F
Interest income	65,980	72,459	87,722	99,164	106,182
Interest expense	9,509	8,315	12,353	15,093	15,706
Net interest income	56,471	64,143	75,369	84,071	90,476
Non interest income	21,518	21,886	23,866	26,102	28,410
Total operating income	77,988	86,029	99,235	110,173	118,886
Operating expenses	29,434	33,403	36,675	38,682	41,323
Loan loss provisions	9,324	4,527	2,263	3,225	3,737
Operating profit	39,231	48,100	60,297	68,265	73,826
Non-operating inc./(exp.)	-390	2,367	-118	-133	-150
Pre-tax profit	38,841	50,467	60,180	68,132	73,676
Corporate tax	-7,401	-9,711	-11,522	-14,988	-16,208
Minorities	-17	-20	-19	-22	-25
Net profit	31,423	40,736	48,639	53,122	57,443

Kami memperkirakan BBKA akan membukukan pertumbuhan EPS sebesar 9.2% di FY24, didukung oleh pertumbuhan kredit yang solid, NIM yang terjaga baik, dan membaiknya kualitas aset

Balance Sheet					
Y/E (IDRbn)	21A	22A	23A	24F	25F
Placement with other banks	29,524	17,453	10,066	10,670	11,310
Loans	636,902	711,139	810,252	902,060	1,004,522
Government bonds	187,246	208,344	264,598	256,598	254,598
Other interest bearing assets	338,696	339,992	272,886	292,129	318,681
Impairment in financial assets	-34,094	-35,462	-34,899	-45,943	-49,652
Net earnings assets	1,158,274	1,241,466	1,322,902	1,415,514	1,539,458
Cash on hand	23,616	21,360	21,702	22,787	23,926
Fixed assets	22,169	24,709	26,825	32,695	39,814
Other assets	24,285	27,197	36,679	40,565	44,873
Total assets	1,228,345	1,314,732	1,408,107	1,511,560	1,648,071
Customer deposits	976,884	1,040,842	1,102,913	1,177,156	1,258,587
Deposits from other banks	10,017	7,936	10,071	10,824	11,634
Borrowing and subordinated debts	976	1,316	1,629	1,678	1,728
Other liabilities	37,619	43,456	50,956	56,423	84,610
Total liabilities	1,025,496	1,093,550	1,165,569	1,246,081	1,356,559
Minorities	136	163	181	203	228
Equity	202,713	221,019	242,356	265,276	291,284
Total liabilities and equity	1,228,345	1,314,732	1,408,107	1,511,560	1,648,071

Segmen UKM akan menjadi fokus utama BBKA tahun ini

Key Ratios (%)					
	21A	22A	23A	24F	25F
ROA	2.7	3.2	3.6	3.6	3.6
ROE	16.2	19.2	21.0	20.9	20.6
NIM	5.1	5.2	5.7	5.7	5.7
Loan to deposit ratio	65.2	68.3	73.5	76.6	79.8
Loan to funding ratio	64.5	67.7	72.7	75.8	79.0
Cost efficiency ratio	37.7	38.8	37.0	35.1	34.8
CIR	55.2	49.0	46.0	45.5	45.1
Gross NPL	2.2	1.7	1.9	1.8	1.7
NPL coverage	241.6	286.5	226.0	230.4	236.6
LLR to total loans	0.0	0.0	0.0	0.0	0.0
CAR-total	22.9	23.0	26.8	29.6	30.1
CAR-tier I	22.1	22.1	25.8	28.6	29.0

BBKA berencana untuk meningkatkan LDR-nya secara bertahap ke atas angka sebelum pandemi (80%)

Major Assumptions (%)					
	21A	22A	23A	24F	25F
Net interest income growth	3.5	13.6	17.5	11.5	7.6
Operating income growth	6.5	10.3	15.3	11.0	7.9
Operating profit growth	25.0	22.6	25.4	13.2	8.1
Net profit growth	15.8	29.6	19.4	9.2	8.1
Loan growth	8.2	11.7	13.9	11.3	11.4
Deposit growth	16.1	6.5	6.0	6.7	6.9
Non-int. inc./opt. inc.	27.6	25.4	24.1	23.7	23.9
Corporate tax rate	19.1	19.2	19.1	22.0	22.0
Payout ratio	56.9	62.0	60.8	58.0	55.8

Meskipun BBKA berencana untuk mengembangkan segmen UKM di masa depan, kami yakin bank tersebut akan mampu menjaga kualitas kreditnya, karena BBKA akan sangat selektif dalam memberikan kredit UKM baru

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