

Bank Central Asia (BBCA): BUY, SSI TP: IDR 12,500; Cons. TP: IDR 12,032



10M24 Bank-only Results: 18 November 2024

| (IDRbn) | MoM | | YoY | | YoY | 10M24/ 2024F | 10M24/ cons |
|-------------------------------|--------------|-------------|-------------|---------------|---------------|-----------------|----------------|
| | Oct-24 | (%) | (%) | 10M23 | | | |
| Net Interest Income | 6,659 | 3.1 | 10.8 | 58,348 | 63,663 | 9.1 | - |
| Non-interest income | 2,730 | 39.1 | (1.6) | 18,981 | 19,697 | 3.8 | - |
| Total operating income | 9,390 | 11.5 | 6.8 | 77,329 | 83,360 | 7.8 | 75.7 |
| Provisions | (341) | n.a. | n.a. | 2,252 | 1,488 | (33.9) | - |
| Operating profit | 7,002 | 26.0 | 20.1 | 49,267 | 56,584 | 14.9 | - |
| Net profit | 5,859 | 33.9 | 18.8 | 40,228 | 46,226 | 14.9 | 85.0 |
| Key ratios (%) | | | | | | | |
| Assets yield (annualized) | - | - | - | 6.5 | 6.7 | - | - |
| Cost of funds (annualized) | - | - | - | 1.1 | 1.1 | - | - |
| NIM (annualized) | - | - | - | 5.6 | 5.8 | - | - |
| Credit Costs (annualized) | - | - | - | 0.4 | 0.2 | - | - |
| LDR | - | - | - | 70.2 | 78.0 | - | - |
| ROE (annualized) | - | - | - | 21.0 | 22.1 | - | - |

SWOT Analysis of the Results (In-line)

Strength

Strong 10M24 earnings growth of 14.9% YoY driven by solid loan growth (14.2% YoY) and improved NIM (+20bps YoY); BBCA recorded some reversal in provisions during Oct-24, resulting in 10M24 CoC of 22bps (BBCA's FY24 guidance: 30-40bps)

Weakness

10M24 LDR rose to 78.0% (+783 bps YoY), highest since 6M20, primarily due to significant gap between deposit (2.7% YoY) and loan growth (14.2% YoY)

Opportunity

Given that it has the highest CASA ratio (82%) among our banking coverage (Sector: 65%), BBCA would benefit most if BI were to cut its 7DRR further, as the bank would be able to adjust TD rate immediately

Threat

The bank may need to raise CoC if asset quality deteriorates due to USD/IDR depreciation; BBCA's YTD outperformance against JCI could lead to profit-taking

Peer Comparables

| Company Ticker | Rating | Market Cap. (IDR tn) | Last Price (IDR) | TP (IDR) | YTD Net Buy/(Sell) (IDR bn) | Upside Potential (%) | 2024F | | | |
|----------------|-------------------|----------------------|------------------|---------------|-----------------------------|----------------------|------------|----------------|------------|-------------|
| | | | | | | | NIM (%) | EPS Growth (%) | PBV (x) | ROE (%) |
| BBCA | BUY | 1,242 | 10,075 | 12,500 | 3,690 | 24.1 | 5.7 | 9.2 | 4.7 | 20.9 |
| BBRI | BUY | 670 | 4,420 | 5,500 | (27,708) | 24.4 | 7.7 | 3.6 | 2.1 | 19.6 |
| BMRI | BUY | 590 | 6,325 | 8,500 | 542 | 34.4 | 5.2 | 3.0 | 2.1 | 21.2 |
| BBNI | BUY | 182 | 4,890 | 6,500 | 190 | 32.9 | 4.3 | 6.6 | 1.1 | 14.3 |
| BRIS | BUY | 132 | 2,870 | 3,300 | 1,870 | 15.0 | 5.5 | 15.6 | 3.0 | 16.9 |
| PNBN | BUY | 34 | 1,865 | 2,200 | 167 | 18.0 | 4.6 | 6.6 | 0.9 | 5.3 |
| ARTO | HOLD | 34 | 2,470 | 2,600 | 791 | 5.3 | 7.9 | 53.7 | 4.0 | 1.3 |
| BBTN | SELL | 18 | 1,265 | 1,100 | 305 | (13.0) | 3.6 | 7.4 | 0.4 | 11.7 |
| Sector | Overweight | 2,903 | | | (4,594) | 25.9 | 6.0 | 7.3 | 3.2 | 19.6 |

Relative YTD Performance vs JCI (%)

