

PT BPD Jawa Barat dan Banten Tbk (BJBR)

Banking Sector

Expecting higher loan growth

31 MAY 2022

Recommendations : BUY

Stock

Price on 30/05/2022 (Rp)	1.445
12M target price (Rp)	1.830
Capital gain potential	27%

Stock Data

Outstanding shares	10,521,443,686
Market cap (Rp)	15,203,486,126,270
Weight VS IHSG (%)	0.14

Shareholders

	(%)
W. Java Province	38.52%
W. Java cities/regional governments	24.16%
Banten Province	4.95%
Banten cities/regional governments	7.92%
Public	24.45%
Outstanding Shares (unit)	10,521,443,686

Price Performance

52-week high/low	Rp1,560/Rp1,202
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Capital gain/(loss) (in %)

1 month (2.03)	3 month 3.87	6 month 6.54	1 Year 4.62	YTD 8.54
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Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Interest Income	13,146	14,268	15,308
Net Interest Income	7,832	7,924	7,811
Net Revenue	9,184	9,417	9,319
Operating Income	2,599	3,079	3,266
OPM	28.30%	32.69%	35.05%
Net Income	2,032	2,352	2,489
Net Income Margin	5.84%	24.98%	26.71%
EPS (Rp)	206	238	252
PER (x)	6.46	6.06	5.73
PBV (x)	0.94	1.04	0.98
Loans to Deposits	81.68	88.08	88.26
Loans to Assets	64.96	65.51	66.02

*) based on market price (30/05/2022) at Rp1,445

Sources : Company, Bloomberg and KB Valbury Sekuritas

Laba bersih BJBR tumbuh 23,2% YoY pada 1Q22 menjadi Rp593 miliar. Pertumbuhan kredit BJBR diproyeksi dapat tumbuh 9-10% YoY tahun 2022. Rekomendasi "BUY" ditengah performa yang melebihi industry

Performa baik ditengah penurunan beban bunga

Laba bersih BJBR tumbuh 23,2% YoY pada 1Q22 menjadi Rp593 miliar. Pertumbuhan laba bersih utamanya ditopang oleh penurunan beban bunga 16,3% YoY, dengan CoF menurun dari 4,1% pada 1Q21 menjadi 3,0% pada 1Q22. Kemudian, pendapatan bunga cenderung flattish, hanya meningkat 0,4% YoY pada 1Q22. Namun, pendapatan bunga bersih menjadi meningkat 13,7% YoY pada 1Q22 menjadi Rp2,02 triliun, dengan NIM naik dari 5,5% pada 1Q21 menjadi 5,7%. Adapun, fee-based income meningkat 43,7% YoY pada 1Q22. Kemudian, beban operasional juga tumbuh 13,4% YoY pada 1Q22, kendati CIR menurun dari 67,1% pada 1Q21 menjadi 65,1%. PPOP tumbuh 25,4% YoY pada 1Q22 menjadi Rp893 miliar. Sementara itu, provisi naik 22,4% YoY pada 1Q22.

Pertumbuhan kredit lebih tinggi dan kualitas aset lebih baik

Kredit BJBR naik 8,2% YoY pada 1Q22 menjadi Rp98,2 triliun, ditopang oleh kredit commercial terutama untuk working capital dan consumer yang utamanya disalurkan untuk ASN. Kualitas aset BJBR membaik dengan NPL terus mengalami penurunan dari 1,4% pada 1Q21 menjadi 1,2% pada 1Q22, seiringan perbaikan di berbagai segmen yakni komersial, KPR dan mikro. Tetapi, special mention loan mengalami kenaikan dari 2,3% pada 1Q21 menjadi 2,6% pada 1Q22. Sedangkan, DPK naik 15,9% YoY pada 1Q22 menjadi Rp128,3 triliun pada 1Q22, dengan CASA relative stabil pada 44,9% pada 1Q22 dibandingkan 44,8% pada 1Q21. Dari likuiditas, LDR semakin melonggar dari 84,4% pada 1Q21 menjadi 79,2% pada 1Q22. Permodalan, CAR kuat dengan 17,1% pada 1Q22.

Pertumbuhan kredit yang lebih tinggi dari segmen tradisional

Kami memproyeksi pertumbuhan kredit BJBR dapat mencapai 9-10% pada 2022, terutama dari segmen kredit consumer, komersial dan juga mortgage. Kami menilai kualitas aset BJBR akan cukup kokoh pada tahun ini dengan NPL dapat dipertahankan pada 1,3-1,4% pada 2022, mengingat portfolio kredit BJBR yang didominasi segmen beresiko rendah yakni consumer yang utamanya untuk ASN dan pensiunan. BJBR tengah mengembangkan layanan digital loan secara native dan juga partnership dengan fintech lain seperti Amartha, Investree dan Crowde. Akan tetapi, BJBR akan mempertahankan coverage ratio pada kisaran yang konservatif 160% pada tahun ini, menjelang berakhirnya relaksasi OJK. Adapun, DPK juga akan tumbuh 9-10% YoY tahun ini ditengah berlanjutnya adopsi digitalisasi melalui mobile banking dengan BJBDigi, juga adopsi QRIS dan mengembangkan produk wealth management yang diharapkan dapat mendorong CASA. Ditengah penguatan digital banking, kami melihat hal ini dapat berpengaruh positif terhadap fee-based income BJBR yang akan melanjutkan pertumbuhan tinggi. Kami memperkirakan cost of fund akan cenderung stabil pada 3,5% pada 2022 ditengah suku bunga yang diproyeksi relative rendah, dan NIM akan berada pada 5,5-5,7%.

Rekomendasi BUY ditengah fundamental yang kuat

Kami merekomendasikan BUY saham BJBR dengan target Rp1.830 per saham, dimana saat ini ditawarkan dengan valuasi yang atraktif pada PBV 2022E yakni 1,04x. Rekomendasi kami didasarkan beberapa katalis yakni 1) potensi pertumbuhan yang stabil di kredit consumer yang menjadi contributor utama dengan kualitas aset yang baik; 2) efisiensi biaya bunga; 3) pengembangan digital banking dan wealth management, mendorong CASA dan fee-based; dan 4) kualitas aset yang solid. Di sisi lain, kami mencatat resiko seperti 1) pertumbuhan kredit yang lebih rendah dibandingkan proyeksi; 2) penurunan NIM; 3) adanya normalisasi perhitungan NPL pada 2023 dan 4) potensi kenaikan suku bunga pada 2H22.

Analyst(s)

Devi Harjoto

Alfiansyah

PT BPD Jawa Barat dan Banten Tbk (BJBR)

Banking Sector

FINANCIAL OVERVIEW

Income Statement (IDR bn)	1Q2021	1Q2022	YoY Change	4Q2021	1Q2022	QoQ Change
Interest Income	3,179	3,192	0.4%	3,456	3,192	(7.6%)
Interest Expenses	(1,405)	(1,176)	(16.3%)	(1,222)	(1,176)	(196.2%)
Net Interest Income	1,774	2,017	13.7%	2,235	2,017	(9.8%)
Fee-based income	259	372	43.7%	407	372	(8.6%)
Operating expenses	(1,352)	(1,534)	13.4%	(1,806)	(1,534)	(184.9%)
Gain/ (loss) on financial statement	31	38	22.5%	48	38	(20.8%)
PPOP	712	893	25.4%	884	893	1.0%
Loan loss provision	(124)	(151)	22.4%	(98)	(151)	(254.1%)
Non-operating expenses	(14)	(3)	(77.4%)	1	(3)	200.0%
PBT	574	738	28.6%	787	738	(6.2%)
Tax expenses	(93)	(145)	56.3%	(180)	(145)	(180.6%)
Net Income	479	596	24.4%	606	596	(2.2%)
NPL - Gross (%)	1.4	1.2	(0.2)	1.2	1.2	0
Capital Adequacy Ratio (%)	17.1	17.1	0	17.8	17.1	(0.7)
Net Interest Margin %	5.5	5.7	0.2	5.8	5.7	(0.1)
Return on Equity %	15.3	16.3	1	15.8	16.3	0.5
Return on Assets %	1.4	1.5	0.1	1.5	1.5	0
LDR (%)	84.4	79.2	(5.2)	81.7	79.2	(2.5)
CASA (%)	44.8	44.9	0.1	44.7	44.9	0.2

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (IDR bn)	2020A	2021A	2022E	2023F	2024F
Interest Income	12,628	13,146	14,268	15,308	16,409
Interest Expense	6,123	5,314	6,344	7,498	7,935
Net Interest Income	6,504	7,832	7,924	7,811	8,474
Fee-based Income	1,216	1,352	1,493	1,509	1,582
Net Revenue	7,720	9,184	9,417	9,319	10,056
Provisions for Loan Losses	(105)	244	250	257	263
Net Revenue After Provisions	7,825	8,940	9,167	9,063	9,793
Non Interest Expenses	5,604	6,335	6,088	5,797	6,312
Operating Income	2,212	2,599	3,079	3,266	3,481
Net Non-Operating Losses (Gains)	53	17	54	59	64
Pretax Income	2,168	2,588	3,025	3,207	3,417
Income Tax Expenses	478	569	670	716	769
Income for The Year	1,690	2,019	2,354	2,491	2,649
Minority Interests	3	(13)	2	2	3
Net Income	1,687	2,032	2,352	2,489	2,646
EPS Adjusted (IDR)	171	206	238	252	268
Dividends Per Share (IDR)	95	99	123	130	138

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT BPD Jawa Barat dan Banten Tbk (BJBR)

Banking Sector

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (IDR bn)	2020A	2021A	2022E	2023F	2024F
Assets					
Cash & Near Cash Items	11,735	15,648	15,674	16,007	15,337
Interbanking Assets	16,819	17,247	17,457	17,232	20,662
ST And LT Investments	11,521	17,014	19,647	22,940	24,849
Total Commercial Loans	23,759	27,466	27,872	28,284	28,702
Total Consumer Loans	70,579	73,523	83,205	94,247	107,125
Other Loans	1,615	1,886	1,914	1,942	1,970
Total Loans	95,953	102,875	112,991	124,473	137,797
Reserve for Losses on Loans	1,913	1,939	2,203	2,476	2,690
Net Loans	94,040	100,936	110,788	121,997	135,107
Net Fixed Assets	4,415	4,556	5,619	6,887	8,657
Total Deferred Tax Assets	101	119	126	134	143
Total Derivative Assets	0	4	4	5	5
Other Assets	2,303	2,833	3,160	3,327	3,464
Total Assets	140,934	158,356	172,476	188,529	208,224
Demand Deposits	19,289	26,126	28,452	30,367	32,232
Saving Deposits	22,736	25,298	29,162	32,782	36,184
Time Deposits	58,323	63,009	70,666	77,882	88,767
Total Deposits	100,348	114,433	128,280	141,031	157,183
ST Borrowings & Repos	15,327	19,007	21,528	23,677	26,200
LT Debt	0	8,280	8,666	9,070	9,492
Pension Liabilities	206	203	215	228	241
Total Liabilities	128,928	145,272	158,689	174,005	193,117
Share Capital & APIC	3,518	3,518	3,518	3,518	3,518
Retained Earnings	6,382	7,472	8,049	8,660	9,177
Other Equity	2,059	2,046	2,172	2,300	2,366
Equity before Minority Interest	11,960	13,036	13,739	14,478	15,061
Minority/Non Controlling Interest	46	48	47	47	47
Total Equity	12,006	13,084	13,786	14,525	15,107
Total Liabilities & Equity	140,934	158,356	172,476	188,529	208,224
Book Value Per Share (IDR)	1,212	1,321	1,393	1,467	1,527

Sources: Company, Bloomberg and KB Valbury Sekuritas

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (IDR bn)	2020A	2021A	2022E	2023F	2024F
Net Income	1,687	2,032	2,352	2,489	2,646
+ Depreciation & Amortization	290	337	188	202	216
+ Provision for Loan Losses	(105)	244	250	257	263
+ Non-Cash Items	21	106	(132)	(197)	419
+ Net Ch in Operating Capital	(12,984)	1,229	(6,028)	(4,886)	(6,516)
Cash From Operating Activities	(11,092)	3,948	(3,369)	(2,136)	(2,971)
+ Net Change in Investments	(405)	(419)	(269)	(295)	(309)
+ Other Investing Activities	(7,948)	(7,222)	(10,116)	(11,482)	(13,324)
Cash From Investing Activities	(8,352)	(7,640)	(10,385)	(11,777)	(13,634)
+ Dividends Paid	(925)	(942)	(1,211)	(1,282)	(1,363)
+ Cash From (Repayment) Debt	3,679	747	633	3,293	1,909
+ Net Change In Deposits	17,107	15,166	13,847	12,751	16,153
Cash From Financing Activities	19,916	15,024	13,269	14,763	16,698
Net Changes in Cash	2,062	3,912	26	333	(670)

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT BPD Jawa Barat dan Banten Tbk (BJBR)

Banking Sector

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings	9.04	6.46	6.06	5.73	5.39
EV to EBIT	8.69	6.37	9.35	9.49	9.94
Price to Sales	2.06	1.57	1.80	1.83	1.68
Price to Book	1.12	0.94	1.04	0.98	0.95
Dividend Yield	7.03%	7.97%	8.49%	8.99%	9.56%
Profitability Ratios					
Operating Margin	28.65%	28.30%	32.69%	35.05%	34.62%
Net Interest Margin	5.39%	5.84%	5.98%	6.71%	6.31%
Return on Assets	1.20%	1.28%	1.36%	1.32%	1.27%
Return on Common Equity	17.04%	18.49%	20.34%	20.44%	20.84%
Return on Capital	6.68%	6.76%	7.10%	6.93%	6.79%
Operating Income/Total Cap.	8.75%	8.65%	9.29%	9.10%	8.94%
Coverage Ratios					
Total Loans/Total Deposits	86.32	81.68	88.08	88.26	87.67
Total Loans/Total Assets	68.08	64.96	65.51	66.02	66.18
Total Deposits/Total Assets	71.20	72.26	74.38	74.81	75.49
CASA (%)	41.88	44.94	44.91	44.78	43.53
Equity/Assets	8.49	8.23	7.97	7.68	7.23
Capital Adequacy Ratio (%)	17.78	17.98	19.22	19.04	18.70
NPL - Gross (%)	1.44	1.32	1.31	1.30	1.30
Leverage Ratios					
LT Debt/Common Equity	0.00	0.75	0.75	0.74	0.75
LT Debt/Total Assets	0.00	5.23	5.02	4.81	4.56
Total Debt/Total Equity	154.82	248.30	261.03	268.90	281.15
Total Debt/Total Assets	10.88	17.23	17.51	17.37	17.14

*) based on market price (30/05/2022) at Rp1,445

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT BPD Jawa Barat dan Banten Tbk (BJBR)

Banking Sector

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