



NOT RATED

Stock Data

Curent Price	: IDR210
52wk Range H-L	: IDR400-100
Share Outstanding	: 38.91 billion
Free Float (%)	: 22.45
Mkt Capitalization (IDR billion)	: 8,015

Major Shareholders

PT MNC	: 68.81%
Investama Tbk	
UOB Kay Hian (Hongkong) Ltd	: 9.10%
HT Invesment Development Ltd	: 8.68%
Public	: 13.41%

**As of August 31, 2019*

Jessica Sukimaja
Research Associate
jessica.sukimaja@mncgroup.com
ext. 52307

PT MNC Kapital Indonesia Tbk (BCAP)

Financial Sector

Go Digital through SPIN!

Financial Performance 1H19: MNC Bank Still The Main Player

BCAP recorded 1H19 revenue at IDR1.33 trillion in 1H19, 1.27% YoY higher than IDR1.31 trillion in 1H18. The biggest contribution was from MNC Bank's interest revenue which amounted to IDR520.60 billion (+12.50% YoY), making up 47% of the Company's total 1H19 revenue. MNC Bank was able to manage low-cost funding worth IDR1,536.5 billion with a 18.2% ratio in relation to Third Party Deposits (DPK). This is in accordance with the increase in the Company's main revenue from interest and dividend by 6.92% YoY or IDR613.4 billion in 1H19 (vs IDR573.68 billion in 1H18). In addition, the company's EBITDA was recorded at IDR646.53 billion with EBITDA margin at 48.63%. All of these increases led to the Company's bottom-line of IDR25.50 billion in 1H19.

MNC Teknologi Nusantara (MTN) : Innovation through Digital Technology

Following the rapid growth of digital economy market, MNC Teknologi Nusantara (MTN) opened a new financial technology (fintech) business unit under the name SPIN (Smart Payment Indonesia). Supported by a captive database of 10 million people, MTN is creating a "centralized" single ID for its customers across all business units. All data will be stored and processed by Big Data Analytics. The goal is to unite the digital capabilities of all BCAP subsidiaries and access to MNC Group's diverse range of products. Meanwhile, MTN is currently developing its fintech infrastructure and looking for merchant platforms to work with.

Smart Payment Indonesia (SPIN): New and Better Features!

Smart Payment Indonesia (SPIN) is a product of MTN which features digital payment, e-money, e-wallet, digital remittance and loyalty programs. SPIN synergizes with MNC Media to generate traffic by giving cashback to customers through ads barter with merchants. The cashback leverages MNC's FTA channels by redirecting customers to SPIN's partner landing page and utilizing all MNC's Digital Platform as marketing channels. SPIN also becomes a payment solution as well as a gateway for all MNC Services, by providing big data insights and analytics. Available on both Android and iOS, SPIN provides financial advisory for all its user based on their spending habit. In addition, the application can be used for all domestic transactions in Indonesia by using Indonesian QR standards (QRIS) released by Bank Indonesia.

MNC Bank: Becoming Bank with 5-star services

PT Bank MNC Internasional Tbk (BABP) plans a corporate action through rights issue to increase their funds approximately IDR206.32 billion by issuing 4.13 billion new shares with a nominal value of IDR50. This action will dilute ownership of BABP with a maximum of 14.29% of initial capital for public that not exercise its right. During 1H19, Company's total liabilities remains at IDR9.34 trillion and total equity at IDR1.45 trillion. The main objective of this corporate action is to enhance productivity of the assets through lending, placement of the funds and purchase of securities while paying attention to the provision of the Minimum Capital Requirement (KPMR).

Valuation and Recommendation

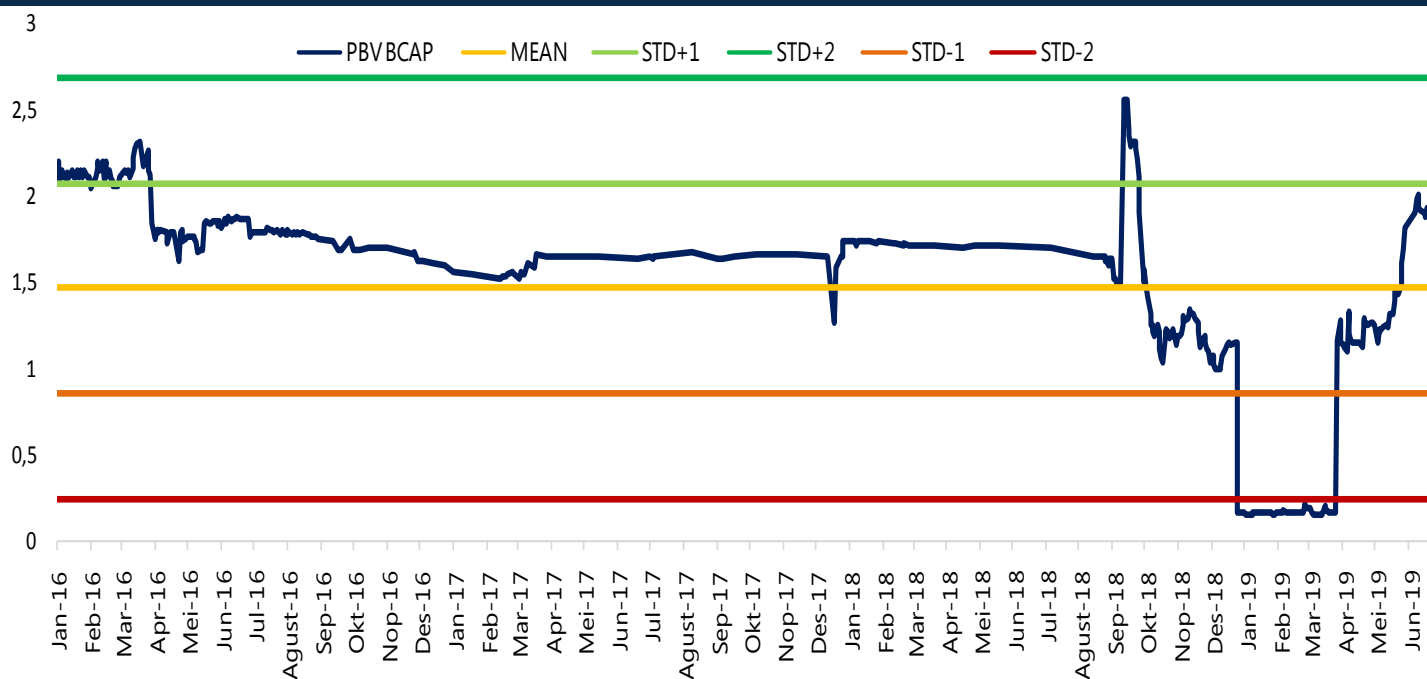
Connecting MNC business units within a one-stop financial ecosystem, developments in financial technology become one of the factors driving the Company's performance in the future. At this time in 1H19, BCAP has a BV of IDR129.58 per share while the stock is trading at 2.05x trailing PBV, near to +1 STD of PBV. Due to its affiliation with the Company, MNCS does not give any recommendation related to company prospect. **Recommendation: NOT RATED.**

Key Financial Highlight

	FY15	FY16	FY17	FY18	1H19
Operating Profit Margin	50.53%	46.06%	41.17%	46.21%	46.13%
Net Profit Margin	-1.96%	-1.70%	-30.91%	5.78%	1.92%
EPS (IDR)	(1.48)	(1.32)	(8.74)	3.13	0.60
PER (x)	(162.64)	(160.17)	(25.50)	48.24	443.33
BVS (IDR)	126.41	137.38	127.52	130.45	129.58
PBV (x)	1.90	1.54	1.74	1.16	2.05
ROA (%)	-0.20%	-0.18%	-3.71%	0.82%	0.14%
ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	0.45%

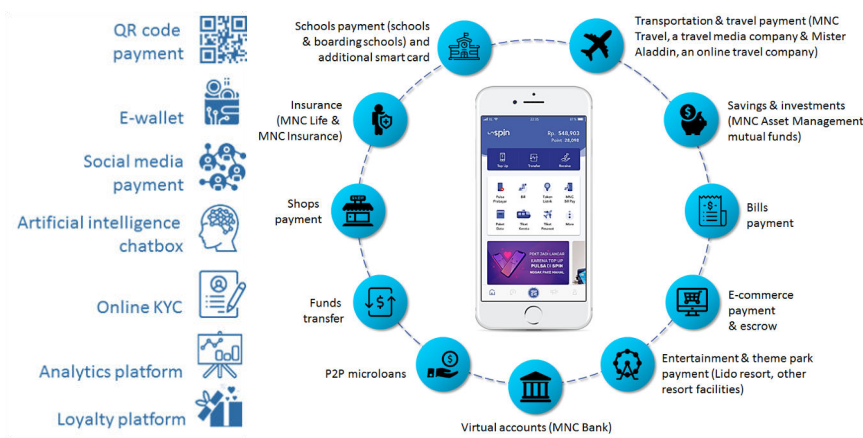
Sources: Bloomberg, BCAP (Notes: Presentation has been adjusted to reflect influence of distribution of bonus shares in 2018)

Exhibit 01. BCAP is Currently Trading at Level +1 STD PBV Ratio (3-Year average PBV)



Sources: Bloomberg, MNCS

Exhibit 02. SPIN Chart



Key Features

- Native IOS and Android Apps
- Latest tech stack and proprietary software.
- Easy, quick, safety, and convenience.
- Payment transaction system for all digital transaction.
- Gateway and central point of integration of all the different MNC business units.
- One digital application solution for all MNC services.
- Provide good big data insights, analytics and leads to all unit's of the MNC business.
- financial advisor for all SPIN user through understanding their data and spending habits.

Sources: Company

Source: Company

Exhibit 04. Financial Summary

Income Statement						Balance Sheet					
IDR Billion	FY15	FY16	FY17	FY18	1H19	IDR Billion	FY15	FY16	FY17	FY18	1H19
Total Revenue	1,953.74	2,287.34	2,386.25	2,661.76	1,329.54	Cash & Cash equivalents	3,682.61	3,245.48	1,780.67	1,925.70	1,564.72
Operating Expenses	(966.47)	(1,233.81)	(1,403.85)	(1,431.83)	(716.18)	ST And LT Investments	3,190.64	4,496.83	4,268.63	4,206.00	3,946.12
						Net Receivables	4,054.11	5,038.29	4,772.78	3,317.22	3,065.41
Operating Income	987.27	1,053.53	982.40	1,229.93	613.36	Net Loans	7,000.22	7,863.04	6,724.94	7,246.89	7,624.23
Non-Operating Income (Loss)	(1,037.91)	(1,111.33)	(1,963.12)	(1,049.44)	(593.33)	Net Fixed Assets	200.74	224.30	263.44	262.71	242.75
Pretax Income (Loss)	(50.64)	(57.80)	(980.72)	180.49	20.03	Other Assets	1,266.35	1,348.08	2,072.80	1,804.20	1,944.11
Income Tax Benefit (Expenses)	12.30	18.85	243.09	(26.61)	5.47	Total Assets	19,394.67	22,216.02	19,883.26	18,762.72	18,387.35
						Deposits	9,624.42	10,175.82	8,977.05	8,428.07	8,367.70
Net Income (Loss)	(38.34)	(38.94)	(737.63)	153.88	25.50	Deposits from other banks	500.71	507.32	197.26	740.09	577.32
Owners of the Company	(43.25)	(45.71)	(334.65)	119.84	22.96	Other Liabilities	4,065.53	5,127.60	5,081.44	3,847.24	3,722.40
Non-Controlling Interest	4.91	6.77	(402.98)	34.04	2.54	Total Liabilities	14,190.66	15,810.74	14,255.74	13,015.40	12,667.42
						Share Capital & APIC	3,726.63	4,937.75	4,937.75	4,987.75	5,041.37
EPS (full amount)	(1.48)	(1.32)	(8.74)	3.13	0.60	Retained Earnings	450.05	404.33	69.68	189.51	212.47
BVS (full amount)	126.41	137.38	127.52	130.45	129.58	Other Equity	(27.09)	(79.02)	(122.14)	(150.79)	(212.29)
						Non-Controlling Interest	1,054.42	1,142.22	742.24	720.86	678.38
						Total Equity	5,204.01	6,405.28	5,627.52	5,747.33	5,719.93
						Total Liabilities & Equity	19,394.67	22,216.02	19,883.26	18,762.72	18,387.35

Noted: Presentation has been adjusted to reflect influence of distribution of bonus shares in 2018

Cash Flow						Ratios					
IDR Billion	FY15	FY16	FY17	FY18	1H19	Ratio	FY15	FY16	FY17	FY18	1H19
Net before chg. in op. assets & liabilities	(637.79)	(658.01)	241.79	684.24	409.06	Growth Year on Year					
Net in operating assets & liabilities	1,398.92	(360.22)	(1,981.31)	(594.43)	(453.40)	Revenue Growth (%)	97.94%	17.08%	4.32%	11.55%	1.27%
OCF	761.13	(1,018.23)	(1,739.52)	89.81	(44.34)	Net Income Growth (%)	-230.65%	-1.58%	-1,794.22%	120.86%	-79.25%
Dividends Received	0.04	2.05	1.06	0.48	-	Loan Growth (%)	14.11%	32.86%	6.74%	-24.44%	-22.97%
Net Change in Fixed	(84.91)	(57.79)	(53.44)	(39.38)	(7.18)	Deposits Growth (%)	25.04%	5.73%	-11.78%	-6.12%	7.47%
Others	(858.07)	(1,118.44)	290.60	533.78	232.44	EPS Growth (%)	-193.06%	10.75%	-563.56%	135.81%	-64.91%
ICF	(942.95)	(1,174.18)	238.22	494.88	225.26	BVS Growth (%)	13.59%	8.68%	-7.18%	2.30%	0.07%
Borrowings Net	272.35	697.22	395.92	(178.25)	(394.12)	Profit Margin					
Interest Payment	(210.05)	(169.60)	(359.42)	(314.25)	(145.00)	OPM (%)	50.53%	46.06%	41.17%	46.21%	46.13%
Others	1,049.11	1,227.67	-	52.36	-	Pretax Margin (%)	-2.59%	-2.53%	-41.10%	6.78%	1.51%
FCF	1,111.41	1,755.29	36.50	(440.14)	(539.12)	NPM (%)	-1.96%	-1.70%	-30.91%	5.78%	1.92%
						Other Ratio					
Net Cash Increase (Decrease)	929.59	(437.13)	(1,464.81)	144.55	(358.20)	Total Liabilities/Equity (x)	2.73	2.47	2.53	2.26	2.21
Net in foreign exchange different	-	-	-	0.49	(2.79)	Total Liabilities/Total Assets (x)	0.73	0.71	0.72	0.69	0.69
CF Beginning Balance	2,753.02	3,682.61	3,245.48	1,780.67	1,925.70	ROA(%)	-0.20%	-0.18%	-3.71%	0.82%	0.14%
CF Ending Balance	3,682.61	3,245.48	1,780.67	1,925.70	1,564.72	ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	0.45%

Sources: Bloomberg, MNCS

MNC SEKURITAS RESEARCH TEAM

Thendra Crisnanda

Head of Institutional Research, Strategy
thendra.crisnanda@mncgroup.com
(021) 2980 3111 ext. 52162

Victoria Venny

Telco, Consumer, Poultry, Small-Mid Cap
victoria.nawang@mncgroup.com
(021) 2980 3111 ext. 52236

Jessica Sukimaja

Research Associate
jessica.sukimaja@mncgroup.com
ext. 52307

I Made Adi Saputra

Head of Fixed Income Research
imade.saputra@mncgroup.com
(021) 2980 3111 ext. 52117

Muhamad Rudy Setiawan

Property, Construction
muhamad.setiawan@mncgroup.com
(021) 2980 3111 ext. 52317

Catherina Vincentia

Research Associate
catherina.vincentia@mncgroup.com
ext. 52306

Edwin J. Sebayang

Head of Retail Research, Technical
edwin.sebayang@mncgroup.com
(021) 2980 3111 ext. 52233

Atikah Yusriyah

Research Associate
atikah.yusriya@mncgroup.com
(021) 2980 3111 ext. 52313

T. Herditya Wicaksana

Technical Specialist
Herditya.wicaksana@mncgroup.com
(021) 2980 3150 ext. 52150

MNC SEKURITAS EQUITY SALES TEAM

Andi Abidin

Associate Director Institution & High Network
andi.abidin@mncgroup.com
(021) 2980 3111 ext. 52170

Harun Nurrosyid

Manager Equity Institution
harun.nurrosyid@mncgroup.com
(021) 2980 3111 ext. 52187

Agus Eko Santoso

Manager Equity Institution
agus.santoso@mncgroup.com
(021) 2980 3111 ext. 52185

Wesly Andri Rajaguguk

Head of Institutional Equity Sales
wesly.rajaguguk@mncgroup.com
(021) 2980 3111 ext. 52341

Ibnu Ramadhan

Institutional Equity Sales
ibnu.ramadhan@mncgroup.com
(021) 2980 3111 ext. 52178

Gina Purnama Sari

Institutional Equity Sales
gina.purnamasari@mncgroup.com
(021) 2980 3111 ext. 52181

Nesya Kharismawati

Manager Equity Institution
nesya.kharismawati@mncgroup.com
(021) 2980 3111 ext. 52182

Okhy Ibrahim

Manager Equity Institution
okhy.ibrahim@mncgroup.com
(021) 2980 3111 ext. 52180

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

PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16
Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340
Telp : (021) 2980 3111
Fax : (021) 3983 6899
Call Center : 1500 899

Disclaimer

This research report has been issued by PT MNC Sekuritas. It may not be reproduced or further distributed or published, in whole or in part, for any purpose. PT MNC Sekuritas has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; PT MNC Sekuritas makes no guarantee, representation or warranty and accepts no responsibility to liability as to its accuracy or completeness. Expression of opinion herein are those of the research department only and are subject to change without notice. This document is not and should not be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment. PT MNC Sekuritas and its affiliates and/or their offices, director and employees may own or have positions in any investment mentioned herein or any investment related thereto and may from time to time add to or dispose of any such investment. PT MNC Sekuritas and its affiliates may act as market maker or have assumed an underwriting position in the securities of companies discussed herein (or investment related thereto) and may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.