



**NOT RATED**

## Stock Data

Current Price	: IDR150
52wk Range H-L	: IDR268-100
Share Outstanding	: 38.91 billion
Free Float (%)	: 22.35
Mkt Capitalization (IDR billion)	: 5,836

## 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 October 31, 2019*



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## PT MNC Kapital Indonesia Tbk (BCAP)

### Financial Sector

## Transformation and Foundation

### Financial Performance 9M19: MNC Bank is still The Main Player

BCAP recorded revenue of IDR2.04 trillion in 9M19, 4.61% YoY higher than IDR1.95 trillion in 9M18. As the key driver of 9M19 performance, investment banking income and other income grew significantly by 38.61% YoY to IDR141.22 billion in 9M19, while the biggest contribution was from interest and dividends which amounted to IDR932.40 billion (+9.70% YoY), making up 45.76% of the total revenue, followed by the 10.22% YoY increase in net premium income amounting to IDR420.87 billion. Meanwhile, sharia profit sharing expenses and other expenses decreased by 62.28% YoY and 38.09% YoY respectively. Therefore, EBITDA successfully increased by 54.04% from 1H19, reaching IDR995.93 billion with EBITDA margin at 48.88% in 9M19. As the result, net profit surged by 170.17% on quarterly basis (IDR35.50 billion in 3Q19 vs IDR13.14 billion in 2Q19) amounting to IDR61.00 billion in 9M19.

### Smart Payment Indonesia (SPIN): Newcomer to Synchronies Financial Services

After receiving the license from Bank Indonesia as an e-money issuer, e-wallet, digital remittance arranger and loyalty program, SPIN was launched by PT MNC Teknologi Nusantara (MTN) on 3 November 2019 which became a new fintech player in Indonesia. Since the pre launching of the application, SPIN earned a 4.9 star rating followed by around 2,000 downloads through Android's Play Store and App Store, it will be operational after grand launch. Other than the unique aspect of SPIN catering to MNC Group's ecosystem, users are also able to transfer funds, top-up mobile data and pay electricity and water bills. On the other hand, the SPIN's QR Code technology is also will be integrated into other e-money services like OVO and Gopay which are established applications as a strategy to reduce merchant acquisition costs for MTN.

### Hario Apps: Another Apps to Complete Customer Services

Hario Apps is an application developed by MNC Life (MNCL) which was launched on 10 October 2019. This application supports MNCL's growing business as it provides an innovative health and life insurance which are simple, instant and affordable. MNCL understands that currently the public favors the convenience of mobile applications, especially for millennials as they are the main target who have better knowledge of insurance these days. Through Hario Apps, MNCL offers a promotion of "buy any products and receive a bonus protection scheme worth IDR11 million".

### 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 9M19, BCAP has a BV of IDR130.53 per share while the stock is trading at 1.18x trailing PBV, near to 0 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					
In Billion IDR	2015	2016	2017	2018	9M19
Operating Profit Margin	50.53%	46.06%	41.17%	46.21%	46.45%
Net Profit Margin	-1.96%	-1.70%	-30.91%	5.78%	2.99%
EPS (IDR)	(1.48)	(1.32)	(8.74)	3.13	1.47
PER (x)	(162.64)	(160.17)	(25.50)	48.24	104.76
BVS (IDR)	126.41	137.38	127.52	130.45	130.53
PBV (x)	1.90	1.54	1.74	1.16	1.18
ROA (%)	-0.20%	-0.18%	-3.71%	0.82%	0.32%
ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	1.06%

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

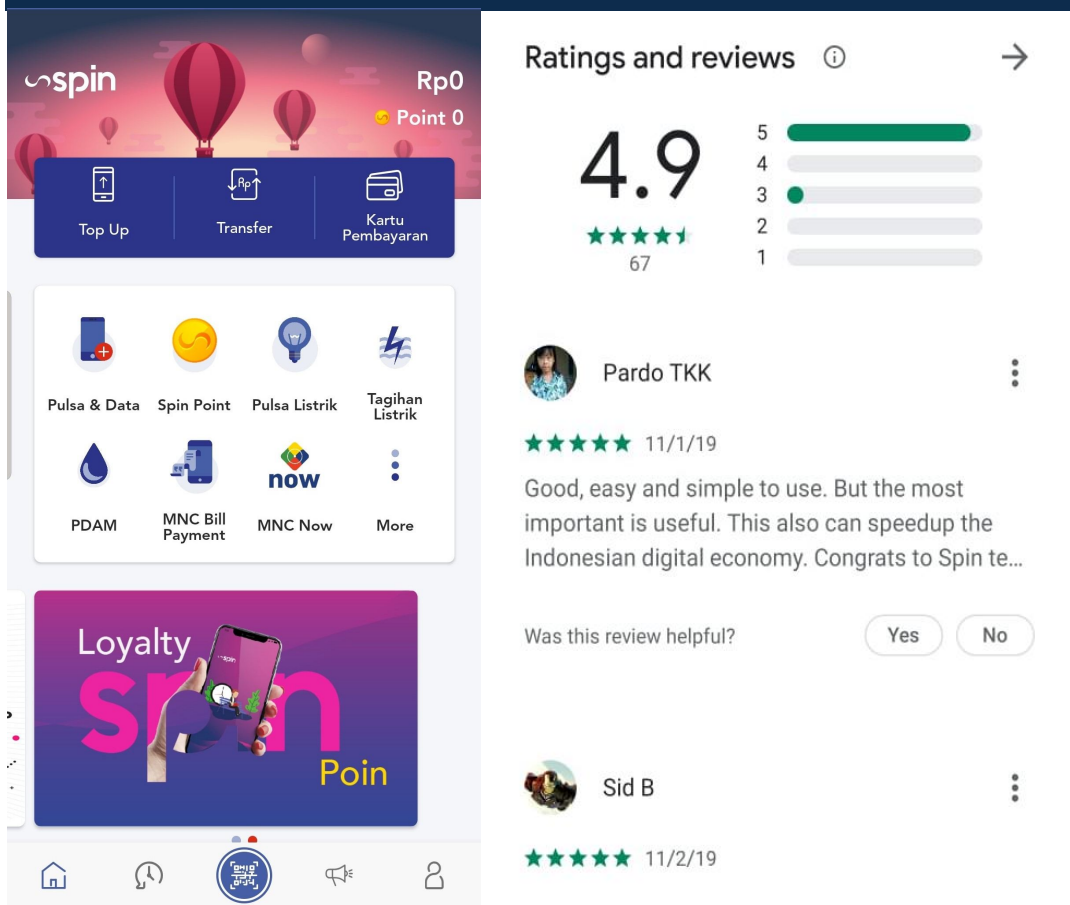
Exhibit 01. SPIN was Pre-launched on MNC Group 30th Anniversary



Source: Okezone.com

Exhibit 02. SPIN Front Page and Rating

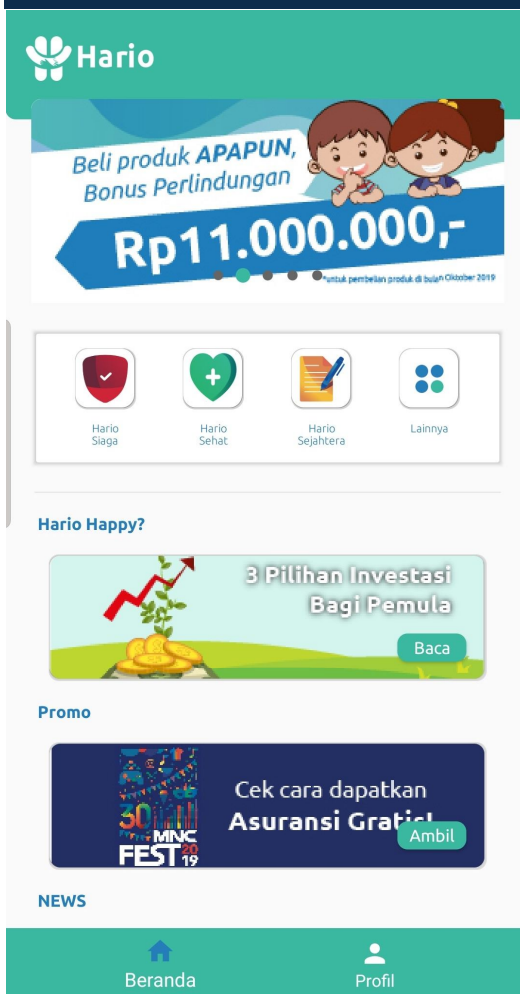
Application Front Page, and SPIN got 4.9 Star Rating in Play Store



Source: Company, MNCS

Hario Apps

Exhibit 03. Hario gave Free Insurance in MNC 30th Anniversary



Promo



**PANDUAN MENDAPATKAN ASURANSI GRATIS**

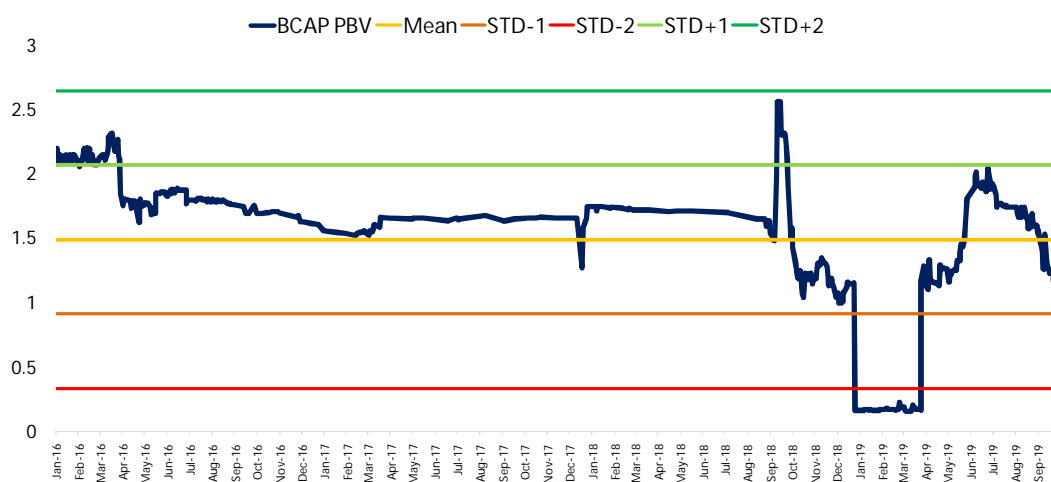
Bagi peserta Fun Walk MNC HUT, lakukan langkah-langkah di bawah ini untuk mendapatkan race pack Anda:

1. Pilih icon Lainnya.
2. Pilih icon Asuransi Gratis.
3. Isikan data diri Anda, lalu ketik : FUNWALKHUTMNC di kolom kode aktivasi, lalu tekan tombol Aktivasi.
4. Anda akan menerima konfirmasi di email bahwa Asuransi sudah aktif.

Anda bisa menunjukkan email aktivasi yang

Source: Company, MNCS

Exhibit 04. BCAP is Currently Trading at the Level of 0 STD PBV Ratio (3-Year average PBV)



Source: Company, MNCS

**Exhibit 05. Financial Summary**

Income Statement						Balance Sheet					
IDR Billion	FY15	FY16	FY17	FY18	9M19	IDR Billion	FY15	FY16	FY17	FY18	9M19
<b>Total Revenue</b>	<b>1,953.74</b>	<b>2,287.34</b>	<b>2,386.25</b>	<b>2,661.76</b>	<b>2,037.60</b>	Cash & Cash Equivalents	3,682.61	3,245.48	1,780.67	1,925.70	1,289.12
Operating Expenses	(966.47)	(1,233.81)	(1,403.85)	(1,431.83)	(1,091.07)	ST & LT Investments	3,190.64	4,496.83	4,268.63	4,206.00	4,240.43
<b>Operating Income</b>	<b>987.27</b>	<b>1,053.53</b>	<b>982.40</b>	<b>1,229.93</b>	<b>946.53</b>	Net Receivables	4,054.11	5,038.29	4,772.78	3,317.22	2,960.33
Non-Operating Income (Loss)	(1,037.91)	(1,111.33)	(1,963.12)	(1,049.44)	(890.42)	Net Loans	7,000.22	7,863.04	6,724.94	7,246.89	7,862.92
<b>Pretax Income (Loss)</b>	<b>(50.64)</b>	<b>(57.80)</b>	<b>(980.72)</b>	<b>180.49</b>	<b>56.11</b>	Net Fixed Assets	200.74	224.30	263.44	262.71	229.79
Income Tax Benefit (Expenses)	12.30	18.85	243.09	(26.61)	4.89	Other Assets	1,266.35	1,348.08	2,072.80	1,804.20	2,228.63
<b>Net Income (Loss)</b>	<b>(38.34)</b>	<b>(38.94)</b>	<b>(737.63)</b>	<b>153.88</b>	<b>61.00</b>	<b>Total Assets</b>	<b>19,394.67</b>	<b>22,216.02</b>	<b>19,883.26</b>	<b>18,762.72</b>	<b>18,811.22</b>
Owners of the Company	(43.25)	(45.71)	(334.65)	119.84	56.70	Deposits	9,624.42	10,175.82	8,977.05	8,428.07	8,873.72
Non-Controlling Interest	4.91	6.77	(402.98)	34.04	4.30	Deposits from other banks	500.71	507.32	197.26	740.09	348.03
<b>EPS (full amount)</b>	<b>(1.48)</b>	<b>(1.32)</b>	<b>(8.74)</b>	<b>3.13</b>	<b>1.47</b>	Other Liabilities	4,065.53	5,127.60	5,081.44	3,847.24	3,829.02
<b>BVS (full amount)</b>	<b>126.41</b>	<b>137.38</b>	<b>127.52</b>	<b>130.45</b>	<b>130.53</b>	<b>Total Liabilities</b>	<b>14,190.66</b>	<b>15,810.74</b>	<b>14,255.74</b>	<b>13,015.40</b>	<b>13,050.77</b>
						Share Capital & APIC	3,726.63	4,937.75	4,937.75	4,987.75	5,041.37
						Retained Earnings	450.05	404.33	69.68	189.51	246.22
						Other Equity	(27.09)	(79.02)	(122.14)	(150.79)	(209.13)
						Non-Controlling Interest	1,054.42	1,142.22	742.24	720.86	681.99
						<b>Total Equity</b>	<b>5,204.01</b>	<b>6,405.28</b>	<b>5,627.52</b>	<b>5,747.33</b>	<b>5,760.45</b>
						<b>Total Liabilities &amp; Equity</b>	<b>19,394.67</b>	<b>22,216.02</b>	<b>19,883.26</b>	<b>18,762.72</b>	<b>18,811.22</b>

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

Cash Flow						Ratios					
IDR Billion	FY15	FY16	FY17	FY18	9M19	Ratio	FY15	FY16	FY17	FY18	9M19
Net before chg. in op. assets & liabilities	(637.79)	(658.01)	241.79	684.24	341.93	<b>Growth Year on Year</b>					
Net in operating assets & liabilities	1,398.92	(360.22)	(1,981.31)	(594.43)	(712.76)	Revenue Growth (%)	97.94%	17.08%	4.32%	11.55%	4.61%
<b>OCF</b>	<b>761.13</b>	<b>(1,018.23)</b>	<b>(1,739.52)</b>	<b>89.81</b>	<b>(370.83)</b>	Net Income Growth (%)	-230.65%	-1.58%	-1,794.22%	120.86%	-45.53%
Dividends Received	0.04	2.05	1.06	0.48	0.32	Loan Growth (%)	14.11%	32.86%	6.74%	-24.44%	-18.40%
Net Change in Fixed Assets	(84.91)	(57.79)	(53.44)	(39.38)	(9.27)	Deposits Growth (%)	25.04%	5.73%	-11.78%	-6.12%	5.58%
Others	(858.07)	(1,118.44)	290.60	533.78	(21.96)	EPS Growth (%)	-193.06%	10.75%	-563.56%	135.81%	5.76%
<b>ICF</b>	<b>(942.95)</b>	<b>(1,174.18)</b>	<b>238.22</b>	<b>494.88</b>	<b>(30.91)</b>	BVS Growth (%)	13.59%	8.68%	-7.18%	2.30%	1.11%
Borrowings Net	272.35	697.22	395.92	(178.25)	(10.72)	<b>Profit Margin</b>					
Interest Payment	(210.05)	(169.60)	(359.42)	(314.25)	(212.68)	OPM (%)	50.53%	46.06%	41.17%	46.21%	46.45%
Others	1,049.11	1,227.67	-	52.36	-	Pretax Margin (%)	-2.59%	-2.53%	-41.10%	6.78%	2.75%
<b>FCF</b>	<b>1,111.41</b>	<b>1,755.29</b>	<b>36.50</b>	<b>(440.14)</b>	<b>(223.40)</b>	NPM (%)	-1.96%	-1.70%	-30.91%	5.78%	2.99%
<b>Net Cash Increase (Decrease)</b>	<b>929.59</b>	<b>(437.13)</b>	<b>(1,464.81)</b>	<b>144.55</b>	<b>(625.14)</b>	<b>Other Ratio</b>					
Net in foreign exchange different	-	-	-	0.49	(11.44)	Total Liabilities/Equity (x)	2.73	2.47	2.53	2.26	2.27
<b>CF Beginning Balance</b>	<b>2,753.02</b>	<b>3,682.61</b>	<b>3,245.48</b>	<b>1,780.67</b>	<b>1,925.70</b>	Total Liabilities/Total Assets (x)	0.73	0.71	0.72	0.69	0.69
<b>CF Ending Balance</b>	<b>3,682.61</b>	<b>3,245.48</b>	<b>1,780.67</b>	<b>1,925.70</b>	<b>1,289.12</b>	ROA(%)	-0.20%	-0.18%	-3.71%	0.82%	0.32%
						ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	1.06%

Sources: Bloomberg, MNCS



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### 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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