

## **ABSTRACT**

*The objective of this research is to value intrinsic value from four banks in Indonesia, those are BCA, BNI, BRI and BTN. These four banks have the highest stock price increment compared to stock market price increment from LQ45, Kompas100, Finance Sector, and Infobank15 index, in five years period from 2013 until 2018. We use two methods to do valuation of those four banks, namely Discounted Dividend Model (DDM) with single scheme and Free Cash Flow to Firm (FCFF) with three schemes. Those three schemes that will be used in FCFF methods are optimistic, moderate and pessimistic schemes, which are differentiated by each revenue growth. These three growths will provide options for the investors to match valuation results with the company financial condition. We use these two valuation methods so that we can compare which method will generate intrinsic value that approaching the market value. This research will calculate twenty intrinsic value from each bank, and those intrinsic values will be compared with market value. The proximity of intrinsic value and market value will be calculated with the delta or spread value between intrinsic and market value. We recommend to do valuation with the same banks with different valuation methods for the next research..*

**Keywords** : Valuation, Dividend Discount Model, Free Cashflow to Firm, Stock Value, Stock Market