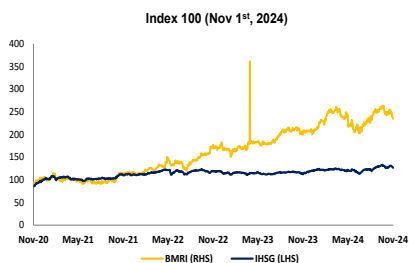


Buy

Price (Nov 1 st , 24)	6650
Target Price	7900
Potential Upside	18.77%
Market Cap	609.84 T
Number of Share	92.39 B
52w Lo/Hi	6650 / 7450

Source : IDX | Phintraco Sekuritas Research
| as of Nov 1st, 2024

IHSG vs BMRI



Source : IDX

Shareholder	%
Negara Republik Indonesia	52.00
Indonesia Investment Authority	8.00
Public <5%	39.90

Source : Company | as of fin. statement 3Q24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	638	608	+5.00%
2025F	684	672	+1.78%

Source : *marketscreener | as of Nov 1st, 2024

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PT Bank Mandiri (Persero) Tbk

(BMRI.JK / BMRI.IJ)

Strong Wholesale Business Positioning Amidst Tight Competition

BMRI's net profit of 9M24 grew 7.6% yoy to 78% of our FY24 estimate. BMRI recorded a net profit of IDR42 trillion (+7.6% yoy) in 9M24. This growth is in line with the development of net interest income, which grew by 3.81%. This net profit growth was achieved even though provision expenses increased 4.15% to IDR9.5 trillion in 9M24. For FY24F, BMRI revised its credit cost guideline to $\leq 1.0\%$ vs. Previously 1.0%-1.2%, with a Net Interest Margin (NIM) target of (5.0%-5.3%).

Wholesale Business remains the highest compared to peers. BMRI recorded a total credit of IDR1.6 trillion, increasing by 20.8% yoy in 9M24. The credit growth was supported by commercial and corporate loans, which grew by 29.4% yoy and 23.6% yoy in 9M24. The corporate segment still provides the highest contribution to BMRI's credit distribution, which is 36.5%. Regarding liquidity, BMRI's loan-to-deposit ratio (LDR) was 92.1% yoy in 9M24, higher than 86.8 in 9M23. Meanwhile, the Cost of Credit (CoC) decreased by 90 bps yoy to 0.87%.

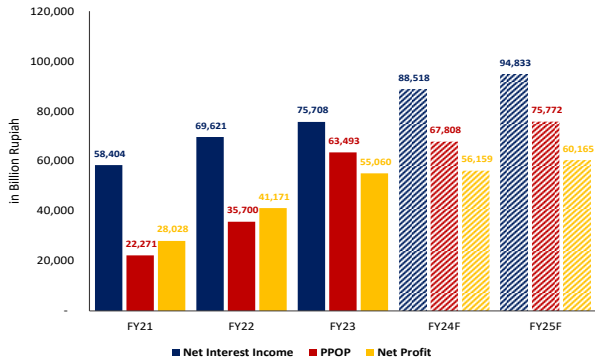
Current Account Saving Account (CASA) grew by 15% in 9M24. BMRI recorded CASA of IDR1.2 trillion (+15% yoy) in 9M24, with a CASA ratio of 73.8% (+12 bps) yoy. Meanwhile, Third Party Funds (TPF) reached IDR1.7 trillion, growing 14.9% yoy in 9M24. Regarding asset quality, Non-Performing Loans (NPL) fell 36 bps yoy to 1.13 in 9M24. This achievement also continues the downward trend in NPL in the last three years (NPL of (2.72 in FY21, 1.92 in FY22, and 1.19 in FY23).

BMRI's credit growth is targeted at 16%-18% in FY24F. Several factors, such as improving domestic consumption, the realization of private and government investment, a continuation of National Strategic Projects for connectivity and telecommunications, and downstream, have the potential to support credit growth at BMRI. BMRI's strong position in the wholesale segment allows BMRI to optimize these positive catalysts. Therefore, BMRI has revised its credit growth target upwards to 16%-18% from the previous 13%-15% for 2024. On the other hand, BMRI's digitalization efforts could support Bank Mandiri's growth. Around 27.3 million users have used the Livin' application and have managed around 3.5 billion transactions (+37.4% yoy), with a transaction value reaching IDR3.9 trillion (+25.9% yoy) in 9M24. Therefore, we project that net profit for FY24 can grow by 2% yoy to IDR56.2 trillion.

Using the Discounted Cash Flow method with a Required Return of 10.52% and Terminal Growth of 3.39%, we estimate BMRI's fair value at 7,900 (12.37x expected P/E). Therefore, we still give BMRI a buy rating with a potential upside of 18.77%.

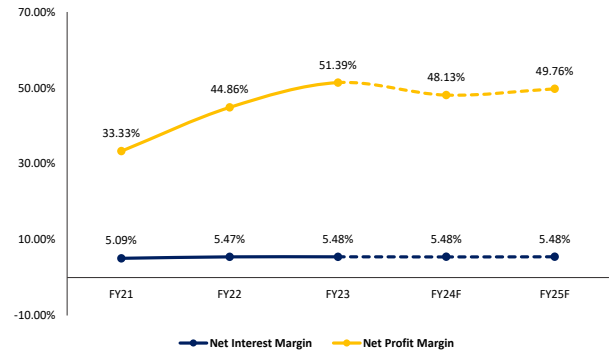
Performance Highlight

Figure 1. Financial Performance



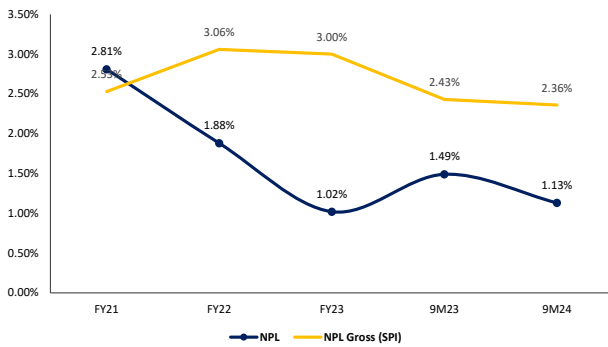
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



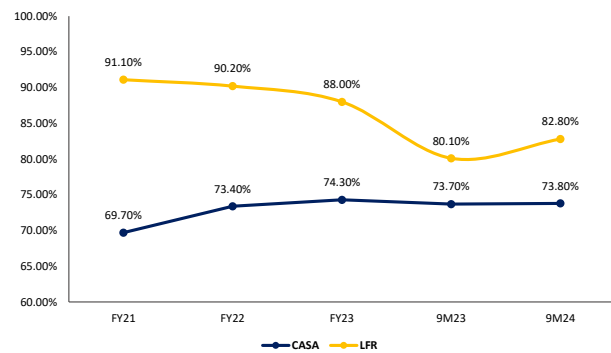
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



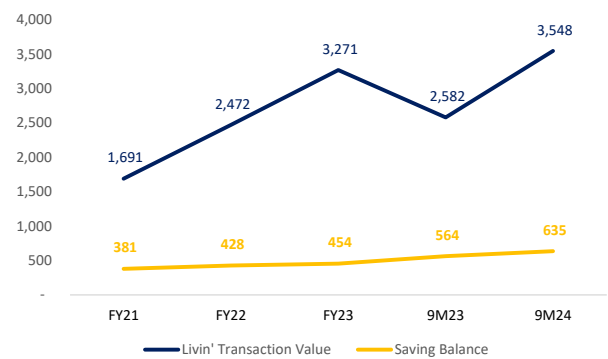
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



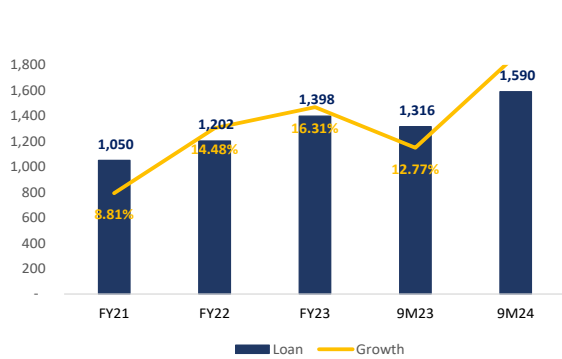
Source : Company | Phintraco Sekuritas Research

Figure 5. Livin' VS Saving Account (In Rp trillion)



Source : OJK | Phintraco Sekuritas Research

Figure 6. Loan Growth (In Rp trillion)



Source : OJK | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24E	FY25F
Interest Income	91,660	100,200	116,854	96,790	141,001	151,060
Interest Expense	(33,256)	(30,579)	(41,146)	(36,678)	(52,483)	(56,227)
Net Interest Income	58,404	69,621	75,708	60,112	88,518	94,833
<i>NIM</i>	<i>63.72%</i>	<i>69.48%</i>	<i>64.79%</i>	<i>62.11%</i>	<i>62.78%</i>	<i>62.78%</i>
PPOP	22,271	35,700	63,493	51,069	67,808	75,772
Provision	(278)	(282)	(11,153)	(9,536)	(2,488)	(2,666)
EBITDA	25,074	38,489	53,737	40,800	53,386	57,194
<i>EBITDA Margin</i>	<i>27.36%</i>	<i>38.41%</i>	<i>45.99%</i>	<i>42.15%</i>	<i>37.86%</i>	<i>37.86%</i>
EBIT	21,994	35,418	52,340	41,533	65,320	73,106
<i>EBIT Margin</i>	<i>23.99%</i>	<i>35.35%</i>	<i>44.79%</i>	<i>42.91%</i>	<i>30.14%</i>	<i>30.14%</i>
Profit Before Tax	38,358	56,378	74,685	57,345	76,153	81,586
<i>EBT Margin</i>	<i>41.85%</i>	<i>56.27%</i>	<i>63.91%</i>	<i>59.25%</i>	<i>54.01%</i>	<i>54.01%</i>
Net Profit After Tax	28,028	41,171	55,060	42,017	56,159	60,165
<i>NPM</i>	<i>33.33%</i>	<i>44.86%</i>	<i>51.39%</i>	<i>47.61%</i>	<i>40.39%</i>	<i>40.39%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24E	FY25F
Asset						
Cash & Marketable Securities	98,442	80,118	94,377	91,795	90,331	108,477
Loans	976,269	1,131,135	1,338,770	1,533,766	1,512,810	1,709,476
Current Accounts	172,225	250,459	219,066	186,666	182,331	195,338
Total Current Assets	1,353,309	1,563,200	1,794,417	1,945,807	1,916,429	2,141,486
Fixed Assets	49,145	56,541	57,978	59,863	60,897	65,241
Investments	309,808	358,916	307,375	300,881	311,113	333,306
Total Non Current Assets	372,302	429,344	379,803	378,183	382,365	409,641
Total Asset	1,725,611	1,992,545	2,174,219	2,323,991	2,298,794	2,551,126
Liabilities						
Portion of Long Term Debt	35,782	39,951	39,877	51,822	49,144	52,650
Deposits	1,304,987	1,506,626	1,595,415	1,692,050	1,705,358	1,905,678
Total Current Liabilities	1,429,739	1,639,860	1,739,008	1,853,489	1,873,617	2,085,939
Long-Term Debt	66,820	93,622	142,631	166,431	93,430	100,094
Total Non Current Liabilities	73,761	100,439	147,717	169,164	102,889	110,228
Total Liabilities	1,503,500	1,740,299	1,886,724	2,022,653	1,976,505	2,196,168
Equity	222,111	252,245	287,495	301,337	322,288	354,958

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24E	FY25F
Cash Flow from Operating						
Net Income	28,028	41,171	55,060	42,017	56,159	60,165
Depreciation & Amortization	2,343	3,071	2,908	2,103	2,160	1,890
Working Capital	94,604	(20,921)	(92,227)	(55,501)	(15,954)	3,545
Others	5,523	(1,343)	(25,509)	4,065	15,239	(1,638)
Net-CFFO	130,498	21,978	(59,768)	(7,315)	57,604	63,962
Cash Flow from Investing						
CAPEX	(3,181)	(10,467)	(4,345)	(3,989)	(5,079)	(6,234)
Others	(118,611)	(49,109)	51,541	6,494	(3,738)	(22,193)
Net-CFFI	(123,268)	(60,113)	46,633	(484)	(4,722)	(29,166)
Cash Flow from Financing						
Ch. in Lt liab.	8,699	30,971	48,935	35,744	(39,935)	10,170
Ch. in other non-current liab.	646	(123)	(1,732)	(2,352)	4,374	675
Equity	(10,617)	(11,036)	(19,811)	(28,175)	(21,366)	(27,495)
Net-CFFF	(1,272)	19,811	27,393	5,217	(56,927)	(16,650)
NET CASH FLOW	5,959	(18,324)	14,259	(2,582)	(4,045)	18,146

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24E	FY25F
Profitability Ratio (%)						
<i>OPM (EBITDA Margin)</i>	27.36%	38.41%	45.99%	42.15%	37.86%	37.86%
<i>NPM</i>	33.33%	44.86%	51.39%	47.61%	40.39%	40.39%
<i>ROA</i>	1.77%	2.26%	2.76%	2.64%	2.59%	2.50%
<i>ROE</i>	13.75%	17.82%	20.89%	20.39%	18.49%	17.98%
Banking Ratio						
<i>CASA to Third Party Funds</i>	69.70%	73.40%	74.30%	73.80%	72.47%	72.73%
<i>BOPO</i>	67.26%	57.35%	51.88%	-	58.83%	58.83%
<i>LDR</i>	86.50%	87.70%	89.10%	92.10%	87.77%	88.63%
<i>CAR</i>	18.40%	18.00%	20.80%	20.70%	19.07%	19.39%
<i>NPL Gross</i>	2.81%	1.88%	1.02%	1.13%	1.90%	1.75%
Price Ratio						
<i>Share Price (IDR)</i>	3,190	4,722	6,050	6,050	6,958	8,001
<i>Average Share Price (IDR)</i>	2,903	4,033	5,402	5,402	6,958	8,001
<i>Outstanding Shares (in Billion)</i>	93	93	93	93	93	93
<i>EPS (IDR)</i>	327	482	643	494	638	684
<i>BVPS (IDR)</i>	2,380	2,703	3,080	3,229	3,453	3,803
<i>RPS (IDR)</i>	982	1,074	1,252	1,037	1,511	1,618
<i>PER(X)</i>	9.74	9.80	9.40	12.25	10.90	11.70
<i>PBV(X)</i>	1.34	1.75	1.96	1.87	2.01	2.10
<i>P/R(X)</i>	3.25	4.40	4.83	5.83	4.61	4.94
<i>EV/EBITDA</i>	327.33	481.63	643.41	493.75	638.42	683.96
Dividends						
<i>DPS</i>	180	265	354	-	-	-
<i>DPR</i>	55.09%	54.95%	55.01%	-	-	-
<i>Div. Yield</i>	6.49%	8.30%	7.50%	-	-	-

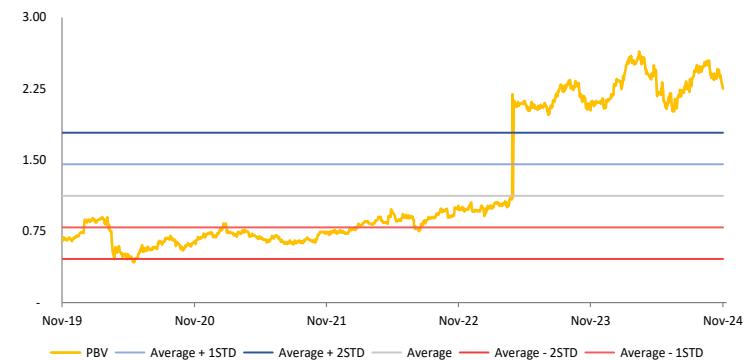
Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

<i>CAR</i>	>8%
<i>LDR</i>	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

BMRI P/B Band (5 Years)



Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBIT	: <i>Earning Before Interes & Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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