

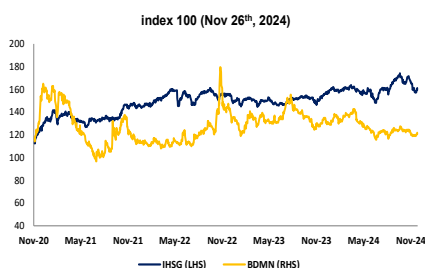
Monday, December 2<sup>nd</sup>, 2024

## Buy

Price (Nov 29 <sup>th</sup> , 24)	2,520
Target Price	2,920
Potential Upside	+16.13%
Market Cap	47.04 T
Number of Share	24.89 B
52w Lo/Hi	1635 / 1995

Source : IDX | Phintraco Sekuritas Research  
| as of Nov 29<sup>th</sup>, 2024

### IHSG vs BDMN



Source : IDX

Shareholder	%
MUFG Bank Ltd	92.47%
Public (<5%)	7.50%

Source : Company | as of fin. statement Q3-24

### Research Analyst

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## PT Bank Danamon Indonesia Tbk

(BDMN.JK / BDMN.IJ)

### Credit Growth Maintained with Good Asset Quality

**BDMN recorded a net profit growth of 41% QoQ to IDR2.32 trillion in 9M24.** Net Interest Income grew 4% YoY to IDR11.7 trillion in 9M24. In line with this growth, Pre Provision Operating Profit (PPOP) also increased to IDR6.28 trillion (+5% YoY) in 9M24. However, this growth was accompanied by an increase in Cost of Credit on an annual basis (+26% YoY). This increase was due to high interest rates until August 2024, so the Cost of Credit experienced a quarterly decline (-21% QoQ) to IDR962 billion in 3Q24.

**Credit grew 12% YoY, with a Gross NPL of 2.0% (-30 bps YoY) in 9M24.** BDMN distributed total credit, reaching IDR186 billion (+12% YoY) in 9M24. The wholesales segment contributed the most to total credit, which was IDR109.8 trillion (59% of total credit). In terms of asset quality, Gross NPL fell to 2.0% (-30 bps YoY). This value is among the lowest gross NPL values compared to peers. Gross NPL has been on a downward trend since 2020.

**Loan at Risk (LaR) has tended to decline in the last 5 years.** BDMN continues to improve in terms of disbursed credit. The LaR ratio fell 80 bps YoY to 11.5% in 9M24. This achievement also continues the downward trend in LaR in the last 5 years. In sequence, BDMN's LaR in FY20-FY23 (24.1%.16.0%, 12.6% and 11.6%). In terms of liquidity, BDMN's Loan to Deposit Ratio (LDR) tends to be high, but BDMN continues to strive to maintain its liquidity. BDMN's LDR was recorded to have fallen 160 bps YoY to 98.5 in 9M24.

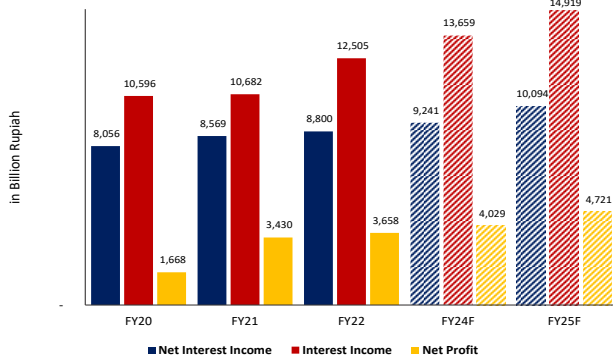
**Adira Finance's contribution to total credit is maintained at around 30%.** Adira Finance is the second highest contributing segment after wholesales to BDMN's total credit (figure 5). Credit from Adira Finance grew 7% YoY to IDR57 trillion in 9M24. This achievement is also much higher than pre-covid (2019), IDR55 trillion. With a diversified portfolio, BDMN can maintain its credit growth.

**Interest Income is estimated to grow 9% to IDR13.7 trillion in FY24.** Management targets BDMN's credit growth 2024 of 9% to 10%. Corporate credit is targeted to grow double digits, with credit for the green energy sector reaching 25% of total credit in FY24. Regarding consumer credit, BDMN focuses on specific ecosystems, namely the automotive, hajj, and education ecosystems. For information, the funding balance for education increased by 6% YoY, and the number of hajj pilgrim accounts increased by 171% QoQ in 9M24. So we estimate that net profit can reach IDR3.8 trillion in 2024F and % in 2025F.

**Using the Discounted Cash Flow method with a Required Return of 8.5% and Terminal Growth of 1.6%, we estimate BDMN's fair value at 2,920** (11.44x expected P/E). So, we give BDMN a buy rating with a potential upside of 16.13%.

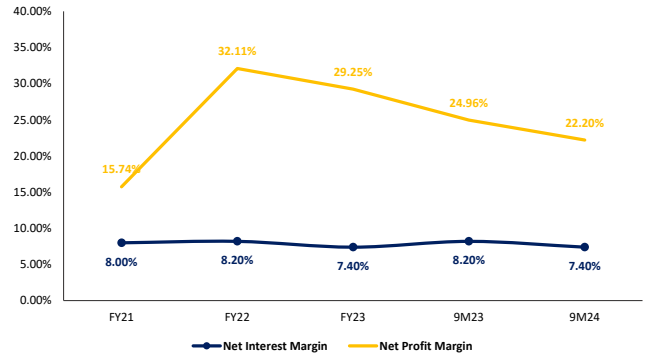
# Performance Highlight

Figure 1. Financial Performance



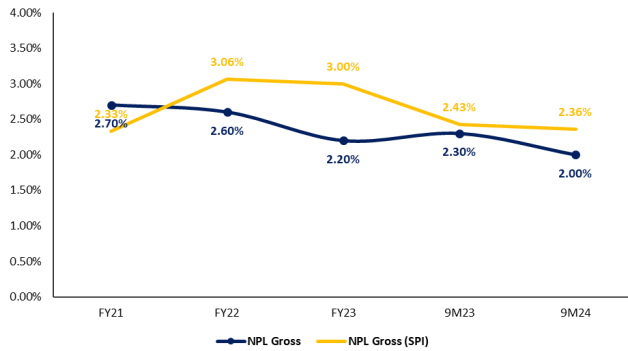
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



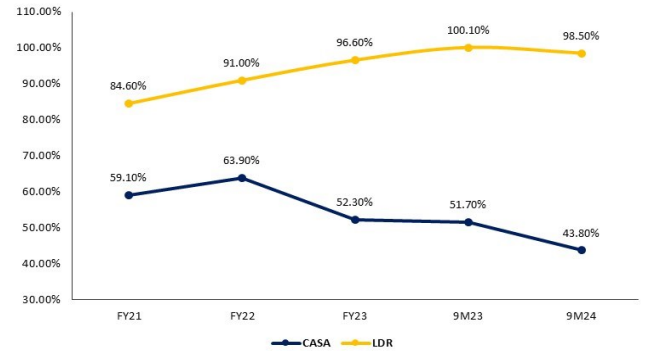
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



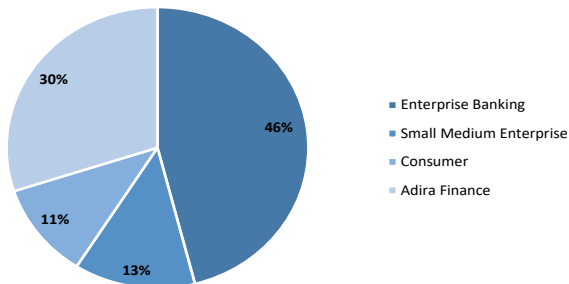
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



Source : Company | Phintraco Sekuritas Research

Figure 5. Loan Portfolio 9M24



Source : Company | Phintraco Sekuritas Research

Figure 6. P/B Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

## Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24F	FY25F
Interest Income	10,596	10,682	12,505	10,899	13,659	14,919
Interest Expense	(2,540)	(2,113)	(3,705)	(3,936)	(4,418)	(4,825)
<b>Net Interest Income</b>	<b>8,056</b>	<b>8,569</b>	<b>8,800</b>	<b>6,963</b>	<b>9,241</b>	<b>10,094</b>
<i>NIM</i>	<i>76.03%</i>	<i>80.22%</i>	<i>70.37%</i>	<i>63.89%</i>	<i>67.66%</i>	<i>67.66%</i>
<b>PPOP</b>	<b>(4,218)</b>	<b>(1,936)</b>	<b>(2,596)</b>	<b>(2,452)</b>	<b>(2,403)</b>	<b>(2,625)</b>
<i>Provision</i>	<i>(312)</i>	<i>(309)</i>	<i>(457)</i>	<i>(278)</i>	<i>(411)</i>	<i>(449)</i>
<b>EBITDA</b>	<b>(4,664)</b>	<b>(2,224)</b>	<b>(3,208)</b>	<b>(2,446)</b>	<b>(2,814)</b>	<b>(3,073)</b>
<i>EBITDA Margin</i>	<i>-44.02%</i>	<i>-20.82%</i>	<i>-25.65%</i>	<i>-22.44%</i>	<i>-20.60%</i>	<i>-20.60%</i>
<b>EBIT</b>	<b>(4,530)</b>	<b>(2,244)</b>	<b>(3,053)</b>	<b>(2,730)</b>	<b>(2,666)</b>	<b>(2,912)</b>
<i>EBIT Margin</i>	<i>-42.75%</i>	<i>-21.01%</i>	<i>-24.42%</i>	<i>-25.05%</i>	<i>-19.52%</i>	<i>-19.52%</i>
Profit Before Tax	2,281	4,405	4,694	3,076	5,165	6,053
<i>EBT Margin</i>	<i>21.52%</i>	<i>41.23%</i>	<i>37.53%</i>	<i>28.22%</i>	<i>37.82%</i>	<i>40.57%</i>
<b>Net Profit After Tax</b>	<b>1,668</b>	<b>3,430</b>	<b>3,658</b>	<b>2,420</b>	<b>4,029</b>	<b>4,721</b>
<i>NPM</i>	<i>15.74%</i>	<i>32.11%</i>	<i>29.25%</i>	<i>22.20%</i>	<i>29.50%</i>	<i>31.65%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24F	FY25F
<b>Asset</b>						
Cash & Marketable Securities	8,304	5,687	5,623	16,782	18,388	18,032
Loans	120,205	136,755	163,959	174,225	172,633	181,767
Current Accounts	15,926	16,901	16,200	11,274	13,359	14,591
Total Current Assets	186,750	191,948	211,141	224,058	232,733	249,162
Fixed Assets	1,895	1,926	2,161	2,277	2,665	2,911
Investments	1,264	1,227	4,628	10,258	4,245	4,637
Total Non Current Assets	5,458	5,781	10,164	16,326	10,627	11,607
<b>Total Asset</b>	<b>192,207</b>	<b>197,730</b>	<b>221,305</b>	<b>240,384</b>	<b>243,360</b>	<b>260,769</b>
<b>Liabilities</b>						
Portion of Long Term Debt	8,747	7,637	12,485	20,186	13,728	11,303
Deposits	123,354	127,355	141,444	153,507	156,655	173,502
Total Current Liabilities	144,707	148,055	168,790	187,419	189,766	205,792
Long-Term Debt	2,304	2,197	2,555	1,725	2,352	2,368
Total Non Current Liabilities	2,304	2,197	2,555	1,725	2,352	2,368
<b>Total Liabilities</b>	<b>147,010</b>	<b>150,251</b>	<b>171,345</b>	<b>189,144</b>	<b>192,118</b>	<b>208,160</b>
<b>Equity</b>	<b>45,197</b>	<b>47,478</b>	<b>49,959</b>	<b>51,240</b>	<b>51,242</b>	<b>52,610</b>

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24F	FY25F
<b>Profitability Ratio (%)</b>						
<i>NIM</i>	76.03%	80.22%	70.37%	63.89%	67.66%	67.66%
<i>OPM (EBITDA Margin)</i>	44.02%	20.82%	25.65%	22.44%	20.60%	20.60%
<i>NPM</i>	15.74%	32.11%	29.25%	22.20%	29.50%	31.65%
<i>ROA</i>	0.87%	1.73%	1.65%	1.01%	1.65%	1.79%
<i>ROE</i>	3.69%	7.22%	7.32%	4.72%	7.64%	8.46%
<b>Banking Ratio</b>						
<i>CASA to Third Party Funds</i>	59.10%	63.90%	52.30%	43.80%	58.43%	53.33%
<i>BOPO</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>LDR</i>	84.60%	91.00%	96.60%	0.00%	90.73%	62.53%
<i>CAR</i>	20.80%	21.61%	22.19%	122.19%	21.53%	55.33%
<i>NPL Gross</i>	2.70%	2.60%	2.20%	2.00%	2.50%	2.27%
<b>Price Ratio</b>						
<i>Share Price (IDR)</i>	1,350	2,730	2,780	2,550	2,920	2,920
<i>Average Share Price (IDR)</i>	2,631	2,596	2,833	2,680	2,920	2,920
<i>Outstanding Shares (in Billion)</i>	10	10	10	10	10	10
<i>EPS (IDR)</i>	172	355	378	250	488	548
<i>BVPS (IDR)</i>	4,674	4,910	5,166	5,299	5,772	6,130
<i>RPS (IDR)</i>	1,096	1,105	1,293	1,127	1,543	1,685
<i>PER(X)</i>	7.83	7.70	7.35	10.19	5.98	5.33
<i>PBV(X)</i>	0.29	0.56	0.54	0.48	0.51	0.48
<i>P/R(X)</i>	1.23	2.47	2.15	2.26	1.89	1.73
<b>Dividends</b>						
<i>DPS</i>	56	118	125	-	-	-
<i>DPR</i>	32.66%	33.34%	33.17%	-	-	-
<i>Div. Yield</i>	1.79%	8.76%	4.60%	-	-	-

Source : Company | Phintraco Sekuritas Research

## BANKING RATIOS GUIDANCE

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

Source : Bank Indonesia | Phintraco Sekuritas Research

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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 &amp; Amortization</i>
EBIT	: <i>Earning Before Interes &amp; 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>



# PHINTRACO SEKURITAS

## 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"

**PHINTRACO SEKURITAS**  
Kantor Cabang & Mitra GI BEI



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