

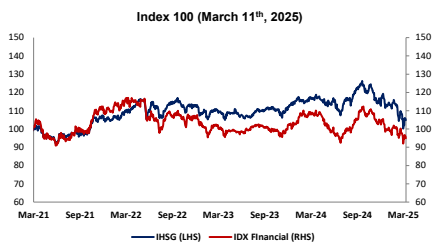


Overweight

Index (Mar 11 th , 25)	1338
Number of companies	107
Market Cap	3,349 T
52w Lo/Hi	1290/1479
6 Months Changes	-11.30%
YTD Changes	-3.92%

Source : IDX | Phintraco Sekuritas Research
as of Mar 11th, 2025

IHSG vs IDX Financial



Source : IDX

Stock	Fair Value	Potential Upside
BBCA	11,600	+29.97%
BBNI	6,150	+38.20%
BBRI	5,325	+40.50%
BBTN	1,250	+47.93%
BDMN	2,810	+13.31%
BMRI	6,325	+33.44%
BNGA	2,040	+22.52%
BRIS	3,580	+42.63%
BTPS	1,225	+29.63%

as of March 11th, 2025

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Financial Sector: Banking

Liquidity Tightening versus Macroprudential Incentives

The banking sector is experiencing liquidity tightening in FY24. Indonesia's banking sector's loan-to-deposit ratio (LDR) increased by 474 bps YoY or 123 bps MoM to 88.57% in December 2024. All the banks under our coverage also saw increased LDR in FY24. The high interest rates have caused a decrease in the amount of loans disbursed by banks, while the cost of fund has also increased. SPI loan growth was 10.27% in December 2024, lower than 10.40% in December 2023 and 10.39% in November 2024. For example, BMRI experienced the second-highest liquidity tightening after BBNI in FY24, which aligns with BMRI's management efforts to reduce the amount of expensive funds (deposits), resulting in BMRI's LDR increasing by 9.3% YoY in FY24. In response to the banking sector's liquidity tightening, Bank Indonesia (BI) will increase macroprudential policy incentives (KLM) to 5% in April 2025, up from 4% in the previous period.

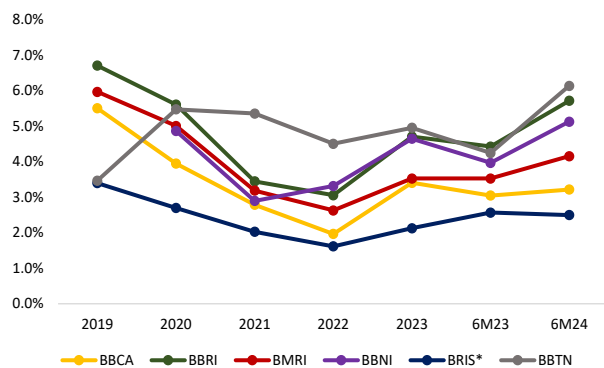
Bank support for the three million Houses program vs. Export Proceeds Policy (DHE). The government will ask several state-owned and private banks to support the three million houses program. This request could potentially reduce bank liquidity, but additional BI's macroprudential incentives and the DHE policy are expected to mitigate the negative impact. The DHE policy for natural resources will take effect on March 1, 2025. Exporters in the mining sector (excluding oil and gas), plantations, forestry, and fisheries must deposit 100% of their export proceeds (DHE) from natural resources into the national financial system. These deposits must be placed in special accounts at national banks for at least twelve months. This regulation is expected to increase bank liquidity.

Asset quality improvement is expected to continue in 2025F. SPI's non-performing loan (NPL) decreased by 10 bps YoY or 22 bps MoM to 2.04% in December 2024. This achievement occurred despite the implementation of tight monetary policies. Furthermore, NPLs in the Indonesian banking sector have continued downward since their peak of 3.38% in May 2021. Similar to SPI, most NPLs for the banks under our coverage also improved in FY24 (**Figure 1**).

The banks under our coverage have shown mixed performances. BRIS booked results above our expectations, with loan growth (+14.2% YoY), net profit (+22.83% YoY), and ROE (+89 bps) in FY24. This was followed by BBCA, which booked loan growth (+13.8% YoY), gross NPL (-10 bps), and net profit (+12.7% YoY) in FY24. Meanwhile, BBRI and BBTN posted FY24 results below our expectations. BBTN booked a 14.1% YoY decline in net profit to Rp3.01 trillion in FY24. BBRI followed with a net profit growth of only 0.1% YoY, reaching Rp60.1 trillion in FY24.

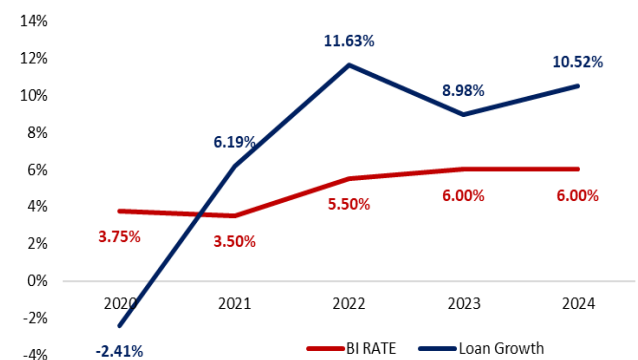
With the various catalysts mentioned above, along with the performance of each banks in the banking sector, **our top picks are BRIS** with a fair value potential of Rp3,580 ([full report](#)), **BBCA** with a fair value potential of Rp11,600 ([full report](#)), and **BMRI** with a fair value potential of Rp6,325 ([full report](#)).

Figure 1. Banks Under Our Coverage NPL



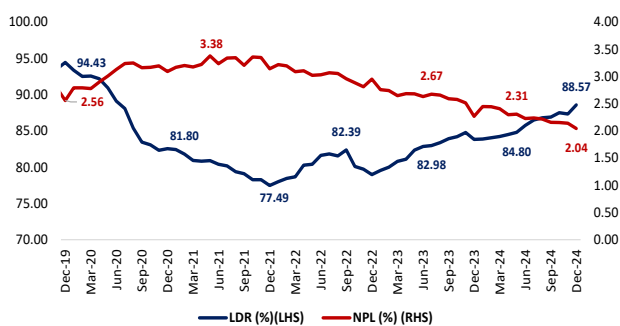
Source : Company | Phintraco Sekuritas Research

Figure 2. Bank Loan Growth Vs. BI rate



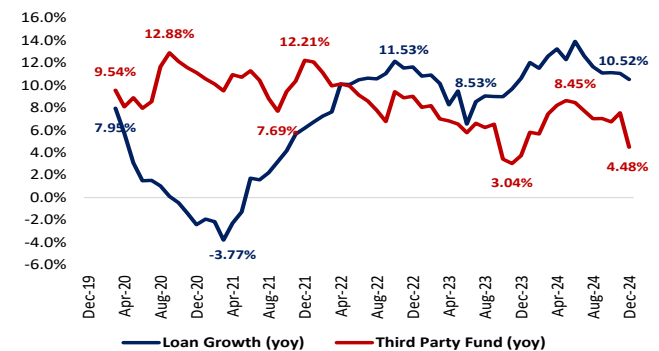
Source : Company | Phintraco Sekuritas Research

Figure 3. SPI LDR & NPL



Source : OJK | Phintraco Sekuritas Research

Figure 4. Loan & Third Party Fund Growth



Source : OJK | Phintraco Sekuritas Research

The Macroprudential Liquidity Policy (KLM) has the potential to increase banking liquidity in 2025

Bank Indonesia (BI) will increase macroprudential liquidity policy (KLM) by 1% to 5% in April 2025, compared to the previous 4%. The increase in KLM incentives is partly aimed at the housing sector, including affordable housing. BI will gradually increase the incentive value for the housing sector from Rp23 trillion to Rp80 trillion to support the three million houses program. New sectors that will receive KLM incentives starting in early 2025 include: 1. the agricultural, trade, and manufacturing sectors; 2. the transportation, warehousing, tourism, and creative economy sectors; and 3. the construction, real estate, and affordable housing sectors. KLM incentives are provided as a reduction in banks' reserve requirements at BI to fulfill the mandatory minimum reserve ratio (GWM) that banks must meet. With this incentive, banks will receive additional liquidity and have more flexibility to provide loan to customers. This KLM incentive is also part of BI's efforts to encourage loan distribution in sectors that support job creation, thereby driving economic growth.

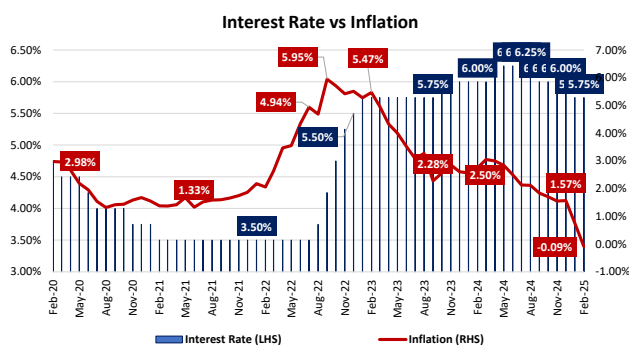
Sector Coverage	Maximum Incentive
Specific Sector Financing:	
1. Agriculture, trade and manufacturing sectors	
2. Transportation, warehousing, tourism and creative economy sector	2.20%
3. Construction, real estate and public housing sectors	
Inclusive Financing	1.00%
Ultra Micro Financing	0.30%
Environmentally Conscious Financing	0.50%

Source: BI

BI rate maintained at 5.75% amid the weakening rupiah exchange rate

Bank Indonesia has maintained the BI rate at 5.75%, with a Deposit Facility Rate of 5.00% and a Lending Facility Rate of 6.50% in the RDG-BI on February 19, 2025. This decision follows a previous rate cut in the RDG-BI in January. Currently, Bank Indonesia is focusing on exchange rate stability to support economic growth amid global uncertainties through open market operations. BI assesses that it has successfully maintained the exchange rate at levels comparable to the currencies of peer countries such as China, Korea, Malaysia, and Singapore.

Figure 5. Interest Rate Vs Inflation



Source : BI | Phintraco Sekuritas Research

There is still room for a BI rate cut in 2025, considering Indonesia's relatively solid macroeconomic conditions. Indonesia's economic growth remained at 5.03% YoY in 4Q24, with inflation aligning with BI's assumption (2.5%±1%) in 2025. Furthermore, despite a slowdown, banking loan growth is expected to grow in low double digits through December 2025. Banking loan grew by 10.27% in December 2024.

The depreciation of the Rupiah is still on par with its peers

Rupiah depreciated by 2.84% YoY or 1.24% YtD to IDR 16,290/USD on March 7, 2025. On average, from the beginning of 2025 until March 7, 2025, the rupiah's exchange rate was IDR 16,290/USD, higher than IDR 15,665/USD in the previous period. This result is still far from the 2025 State Budget (APBN) assumption, which is IDR 15,000/USD. Several factors caused the depreciation: 1. Persistent high inflation in the United States, forcing the Federal Reserve (The Fed) to maintain high interest rates for extended periods; 2. The tariff policy that Donald Trump plans to implement is feared to cause even higher inflation; 3. Indonesia's shrinking trade balance surplus has impacted the decline in US dollar income.

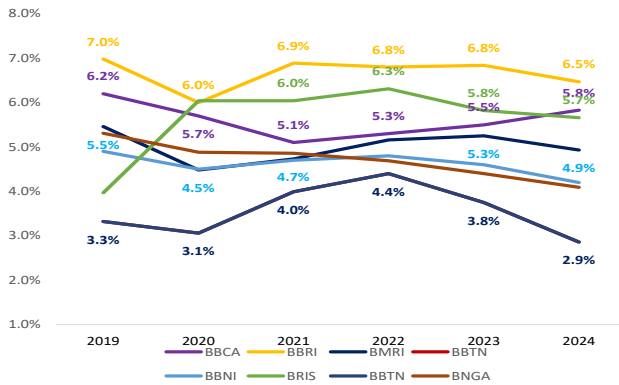
Figure 6. USD/IDR



Source : Trading View | Phintraco Sekuritas Research

On the other hand, Bank Indonesia, in the RDG-BI on February 19, 2025, assessed that it has successfully maintained the exchange rate at levels comparable to the currencies of peer countries such as China, Korea, Malaysia, and Singapore. The CNY depreciated by 3.63% YoY, the MXR depreciated by 10.92% YoY, and the Singapore Dollar depreciated by 4.71% YoY as of March 7, 2025.

Figure 7. Net Interest Margin

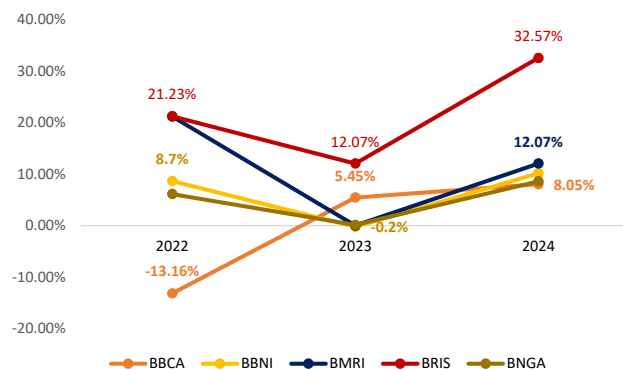


Source : Company | Phintraco Sekuritas Research

Net Interest Margin is decreased but remains high

Most banks under our coverage booked a decline in NIM in FY24. Only BBCA saw an increase in NIM in FY24. BBCA's NIM grew by 3bps YoY to 5.8% in FY24. Meanwhile, BBTN and BDMN led the decline, each reporting a decrease in NIM of 9bps to 2.9% and 7.9% in FY24, respectively. This decline is even lower than during the Covid-19 pandemic (FY20). The high BI rate also increased the banks' Cost of Capital (CoC), raising interest expenses and compressing NIM. On the other hand, despite the NIM decline, some banks under our coverage, such as BBRI, BMRI, and BTPS, still have much higher NIM compared to the Covid-19 pandemic period. For example, BBRI's NIM was 6.5% in FY24 compared to 6% in FY20.

Figure 8. Fee based income growth

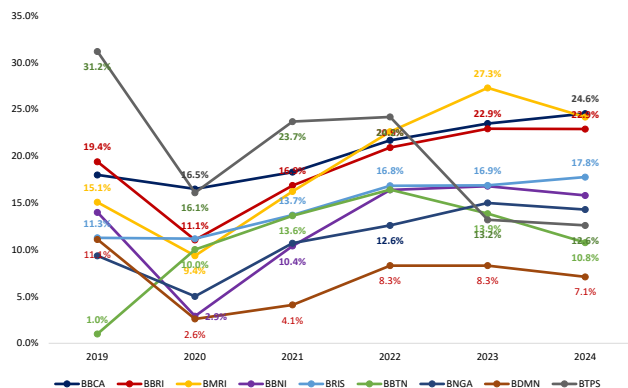


Source : Company | Phintraco Sekuritas Research

Mobile banking development increases fee based income

The banks under our coverage are actively developing their mobile banking platforms. For example, BMRI with Livin' and Kopra, BBNI with Wondr and BNI Direct, BRIS with Byond, BBCA with BCA Mobile and my BCA, and BNGA with Octo Mobile. All five banks recorded growth in fee-based income and non-interest income in FY24. BRIS recorded the highest growth in fee-based income, growing by 32.57% YoY, followed by BMRI with a 12.07% YoY increase and BBNI with a 10.2% YoY growth in FY24. However, it is worth noting that in BRIS's fee-based income growth, there was also a contribution from BRIS, which received approval for its Electronic Data Capture (EDC) machines in December 2023. In line with the growth in fee-based income, non-interest income also saw growth in FY24. For example, BBNI's non-interest income grew by 11.94% YoY to Rp24.04 trillion.

Figure 9. Return on Equity



Source : Company | Phintraco Sekuritas Research

Return on Equity (ROE) growth in the last 5 years

BBCA and BRIS have consistently recorded growth in Return on Equity (ROE) over the past five years. BBCA and BRIS have had an average ROE growth of 1.3% over the last five years. The sustained increase in the loan disbursed and net profits of BBCA and BRIS have supported their ROE growth. BBCA's ROE grew by 1.1% YoY to 24.6% in FY24, while BRIS's ROE grew by 0.9% YoY to 17.8% in FY24. Meanwhile, the highest ROE in FY24 is still held by BBCA, with an ROE of 24.6%, followed by BMRI, 24.2%, and BBRI, 22.9%.

Financial Summary

(in Billion Rupiah)

Financial Performance		FY21	FY22	FY23	FY24	FY25F	FY26F
Interest Income	BBCA	43,730	46,838	54,999	63,898	71,760	78,218
	BBNI	49,828	52,901	58,697	63,555	67,193	73,322
	BBRI	130,013	138,195	168,313	181,994	186,476	209,670
	BBTN	23,015	23,636	25,955	27,264	29,602	32,085
	BDMN	10,596	10,682	12,505	14,756	15,636	16,568
	BMRI	91,660	100,200	116,854	134,800	144,416	152,079
	BNGA	13,786	13,539	15,643	16,439	19,028	22,026
	BRIS	10,184	11,355	12,628	13,404	15,750	18,507
BTPS	4,408	5,048	5,299	4,816	5,146	5,498	
Interest Expense	BBCA	(7,623)	(6,065)	(9,897)	(9,982)	(13,330)	(14,530)
	BBNI	(14,928)	(15,396)	(21,651)	(26,293)	(23,067)	(25,172)
	BBRI	(25,327)	(24,585)	(37,939)	(48,575)	(40,956)	(46,050)
	BBTN	(10,040)	(8,889)	(12,975)	(16,103)	(17,484)	(18,951)
	BDMN	(2,540)	(2,113)	(3,705)	(5,357)	(5,392)	(5,713)
	BMRI	(33,256)	(30,579)	(41,146)	(51,690)	(55,638)	(58,590)
	BNGA	(4,125)	(3,575)	(1,851)	(1,805)	(1,828)	(2,410)
	BRIS	(4,311)	(3,953)	(5,853)	(7,688)	(9,312)	(10,942)
BTPS	(394)	(340)	(485)	(501)	(522)	(558)	
Provision Expense	BBCA	(9,324)	(4,527)	(2,263)	(2,034)	(4,817)	(5,250)
	BBNI	(18,297)	(11,514)	(9,196)	(8,211)	(10,001)	(10,913)
	BBRI	(35,806)	(27,385)	(29,523)	(41,758)	(35,982)	(40,457)
	BBTN	(3,627)	(4,017)	(3,765)	(1,981)	(3,892)	(4,219)
	BDMN	(312)	(309)	(457)	(387)	(470)	(498)
	BMRI	(278)	(282)	(11,153)	(11,812)	(8,948)	(9,423)
	BNGA	(5,543)	(5,277)	(7,899)	(9,450)	(10,939)	(12,662)
	BRIS	(3,639)	(3,749)	(2,622)	(2,622)	(1,833)	(1,282)
BTPS	(728)	(945)	(1,898)	(1,360)	(1,039)	(1,111)	
Net Income	BBCA	31,440	40,756	48,658	54,851	59,637	65,005
	BBNI	10,977	18,482	21,106	21,669	24,357	26,579
	BBRI	30,756	51,408	60,425	60,937	62,321	70,072
	BBTN	2,376	3,045	3,501	3,048	3,622	3,926
	BDMN	1,668	3,430	3,658	3,291	3,730	3,952
	BMRI	28,028	41,171	55,060	55,783	56,936	59,957
	BNGA	4,099	5,097	6,551	6,899	7,169	8,015
	BRIS	3,028	4,260	5,704	7,006	7,909	9,377
BTPS	1,465	1,780	1,081	1,061	1,089	1,164	
Loan	BBCA	597,670	669,204	767,601	878,122	923,649	1,013,194
	BBNI	532,141	595,854	647,927	737,187	706,240	769,802
	BBRI	954,988	1,045,989	1,180,927	1,273,577	1,306,499	1,445,422
	BBTN	260,400	282,607	318,106	344,916	368,624	393,963
	BDMN	120,205	136,755	163,959	176,684	184,661	192,998
	BMRI	976,269	1,131,135	1,338,770	1,614,501	1,808,241	2,025,230
	BNGA	168,478	183,414	201,322	217,350	230,429	244,296
	BRIS	55,495	67,453	85,588	111,886	127,550	145,407
BTPS	10	60	19	531	573	619	
Third Party Fund	BBCA	978,624	1,038,388	1,100,838	1,124,270	1,296,080	1,406,326
	BBNI	743,546	784,514	822,624	824,059	893,015	969,430
	BBRI	1,152,073	1,317,219	1,370,287	1,380,130	1,578,216	1,696,897
	BBTN	284,500	308,745	330,017	359,127	383,227	405,300
	BDMN	123,354	127,355	141,444	154,774	161,991	169,544
	BMRI	1,304,987	1,506,626	1,595,415	1,726,618	1,895,927	2,081,838
	BNGA	244,408	229,695	237,622	266,598	277,333	288,499
	BRIS	57,364	68,231	69,635	78,578	97,540	111,196
BTPS	2,068	2,205	2,222	2,125	2,258	2,399	

Source : Company | Phintraco Sekuritas Research

Financial Ratio

Financial Ratio		FY21	FY22	FY23	FY24
Tier-1 CAR	BBCA	25.70%	25.80%	29.40%	29.36%
	BBNI	17.71%	17.46%	20.24%	19.96%
	BBRI	24.27%	22.30%	24.06%	23.28%
	BBTN	13.80%	16.13%	17.45%	17.10%
	BDMN	26.70%	26.30%	27.50%	26.20%
	BMRI	18.36%	18.51%	20.29%	18.92%
	BNGA	22.70%	22.20%	24.00%	23.30%
	BRIS	20.37%	19.14%	19.93%	20.30%
BTPS	58.30%	53.70%	51.60%	53.20%	
NIM	BBCA	5.10%	5.30%	5.50%	5.83%
	BBNI	6.89%	6.80%	6.84%	6.47%
	BBRI	4.73%	5.16%	5.25%	4.93%
	BBTN	4.70%	4.80%	4.60%	4.20%
	BDMN	6.04%	6.31%	5.82%	5.66%
	BMRI	3.99%	4.40%	3.75%	2.86%
	BNGA	4.86%	4.69%	4.40%	4.09%
	BRIS	7.70%	8.00%	8.20%	7.30%
BTPS	11.60%	12.20%	7.10%	6.30%	
ROE	BBCA	18.30%	21.70%	23.50%	24.56%
	BBNI	10.40%	16.40%	16.80%	15.81%
	BBRI	16.87%	20.93%	22.94%	22.91%
	BBTN	13.64%	16.42%	13.86%	10.76%
	BDMN	4.10%	8.30%	8.30%	7.10%
	BMRI	16.24%	22.62%	27.31%	24.19%
	BNGA	10.70%	12.60%	15.00%	14.30%
	BRIS	13.71%	16.84%	16.88%	17.77%
BTPS	23.70%	24.20%	13.20%	12.60%	
LDR	BBCA	62.00%	65.20%	70.20%	78.40%
	BBNI	79.70%	84.20%	85.80%	96.10%
	BBRI	88.51%	78.82%	84.22%	88.85%
	BBTN	92.90%	92.70%	95.40%	93.80%
	BDMN	84.60%	91.00%	96.60%	96.50%
	BMRI	79.00%	78.30%	85.80%	95.10%
	BNGA	74.40%	85.60%	89.30%	86.30%
	BRIS	73.39%	79.37%	81.73%	84.97%
BTPS	96.60%	95.60%	95.40%	86.80%	
NPL Gross	BBCA	2.20%	1.80%	1.90%	1.80%
	BBNI	3.70%	2.80%	2.10%	2.00%
	BBRI	3.00%	2.67%	2.95%	2.78%
	BBTN	3.70%	3.40%	3.00%	3.20%
	BDMN	2.70%	2.60%	1.90%	2.20%
	BMRI	1.02%	1.88%	2.81%	3.29%
	BNGA	3.50%	2.80%	2.00%	1.80%
	BRIS	2.93%	2.42%	2.08%	1.90%
BTPS	2.40%	2.60%	2.90%	3.70%	
CASA	BBCA	78.60%	82.30%	81.10%	82.40%
	BBNI	69.40%	72.40%	71.20%	69.90%
	BBRI	63.30%	66.92%	64.35%	67.30%
	BBTN	44.30%	48.50%	53.70%	5.41%
	BDMN	59.10%	63.90%	52.30%	41.70%
	BMRI	9.86%	73.40%	74.30%	74.80%
	BNGA	61.30%	63.60%	63.90%	66.00%
	BRIS	57.91%	61.57%	60.57%	60.12%
BTPS	25.56%	24.64%	26.46%	25.63%	

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 Sectors :

Overweight : The sector is expected to do better than the market.

Equal Weight : The sector is expected to do an average performance compared to the market.

Underweight : The sector is expected to do worse than the market.

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Kantor Cabang & Mitra GI BEI



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