



CORPORATE RATING 2024

Rating Agency	Ratings	Validity
Moody's (19 February 2024)		
Outlook	STABLE	1 year
LT Counterparty Risk Rating	Baa1	
LT Debt	Baa2	
LT Deposit	Baa2	
Pefindo (15 February 2024)		
Corporate Rating	STABLE	1 year
LT General Obligation	idAAA	
MSCI (29 May 2024)		
ESG Rating	BBB	1 year
Fitch Rating (21 May 2024)		
Outlook	STABLE	1 year
International LT Rating	BBB	
International ST Rating	F2	
National LT Rating	AAA(idn)	
National ST Rating	F1+(idn)	
Viability Rating	bbb-	
Government Support	bbb	
Standard & Poor (1 October 2024)		
Issuer Credit Rating	BBB/STABLE/A-2	1 year

ANALYST REPORT

No.	Securities	Recommendations	Target	Resume	Date
1.	Indo Premier	BUY	8,000	<p>FY23 net profit reached Rp55.1 trillion (+34% YoY / +16% QoQ), exceeding our consensus estimates at 110/107%, the strongest among the top four banks. Loan growth stood at 16% YoY, while CASA (Current Account/Savings Account) grew by 7% YoY (savings by 6% YoY), marking the highest growth in the industry. This validates our re-rating thesis. Cost of Credit was recorded at 0.9% (still twice that of BCA), as Loan at Risk declined to 8.6% compared to BCA's 7%. We maintain a BUY rating with a higher Target Price of 8,000, based on a P/B multiple of 2.4x.</p> <p>We have raised our FY24/25F EPS estimates by +12%/+14%, reflecting a higher Target Price of Rp8,000 based on a P/B multiple of 2.4x. The stock is currently trading at 2.0x FY24F P/B (vs. the 10-year average of 1.6x) and 9.9x FY24F P/E (vs. the 10-year average of 11.9x), supporting a re-rating driven by strong loan and CASA growth. The key risks include weaker loan growth and further NIM compression due to tight liquidity conditions.</p>	31 January 2024

ANALYST REPORT

No.	Securities	Recommendations	Target	Resume	Date
2.	DBS Vickers	BUY	7,500	<p>BMRI's ongoing efforts to enhance Livin' and Kopra to drive retail and wholesale banking performance continue to support growth across various segments. We also expect BMRI to sustain yield improvements through changes in its loan mix, re-pricing strategies, contributions from BSI, and the ongoing economic recovery, which should help improve its NIM by 23 bps to 5.9% in 2024F. Additionally, BMRI is working to lower its CLR as various digital initiatives continue to drive efficiency, with a long-term target of approximately 36%.</p> <p>With digitalization, BMRI has recorded a higher CASA ratio, which has also led to an increase in deposit levels. This enables the bank to sustain stable and strong loan growth. Based on our estimates, Mandiri is expected to achieve 11% YoY loan growth in FY24F while maintaining its Loan-to-Deposit Ratio (LDR) at 85%.</p> <p>We believe BMRI will continue to improve its ROE by optimizing its asset mix and yields while gaining market share through value chain growth strategies and digital innovation, all while working to reduce structural costs. With these factors in play, we estimate Mandiri's ROE to reach 23% in 2024F.</p> <p>Our target price (TP) of Rp7,500 implies a 2.5x FY24F P/BV, slightly below +2SD of the 10-year average P/BV. The TP assumes an ROE of approximately 23% (previously 21%), a growth rate of 9%, and a cost of equity of 15% (previously 14%).</p>	31 January 2024
3.	CLSA	OUTPERFORM	6,700	<p>Mandiri posted a 15.6% QoQ profit growth in 4Q23, driven by 6% loan growth and a 34% decline in provision expenses, despite a margin contraction of 11 bps. Its FY23 results exceeded our estimates and Bloomberg consensus by 10% and 7%, respectively. This year, the focus will be on maintaining margins amid continued tight liquidity in 1H24 while driving low-to-mid loan growth. Credit costs are also expected to normalize.</p> <p>Overall, this is another strong performance from Mandiri, alongside lower Cost of Credit (CoC). Key guidance items for 2024 align with our 24CL estimates, except for loan growth. We factor in approximately 11% growth, considering this is an election year. If Mandiri achieves its loan growth target, there could be a 1.5%–2.5% upside to our 24CL earnings estimates.</p>	1 February 2024



ANALYST REPORT

No.	Securities	Recommendations	Target	Resume	Date
4.	J.P. Morgan	Neutral	8,000	<p>We are downgrading BMRI to Neutral from OW. Incremental liquidity in Indonesia is tightening, with US/ID 10Y yields up by 58/31bps from Sept-lows, SRBI yields up by 20bps, IDR weakening by 3.6%, and a slight decline in M2 gr to 7.3% in Aug-24. This may result in slower deposit and loan growth at BMRI. Our recent discussions suggest that CASA growth at BMRI could slow (see takeaways from our financials forum), as evidenced by slower CASA growth of 13.8% in Aug vs. 16.1% avg growth over May-July. This does not deter our medium to long-term optimism for BMRI, but we expect the 17/18% PE/PB re-rating in the last 4 months to stall in the near term. We have lowered our 2024 loan and deposit gr forecasts to reflect incremental liquidity tightness, but maintain ~15% loan gr over 2025/26E. Our 2024 EPS estimate is 3% below Street, while 2025/26 EPS estimates are 4/10% above Street. We lower our Dec-25 PT to Rp7.5k (prev: Rp8k).</p>	25 October 2024
5.	HSBC Global Research	BUY	7,700	<ul style="list-style-type: none"> Loans growth was strong on broad-based drivers, while credit costs were much lower across various segments NIM was weak and could be a swing factor in 2025 given the strong base in 2024 set up by other areas Maintain Buy rating; tweak our estimates and increase TP to IDR7,700 (from IDR7,500) <p>BMRI has many broad-based drivers that can help the bank perform well, as was seen in the 3Q24 results, where strong loans growth & low credit costs offset weak NIM. Thus, we are positive on BMRI which we think can navigate any macro uncertainties well to an extent. However, with loans growth and credit costs forming a high base in 2024, we think NIM becomes a swing factor for 2025 and would watch liquidity conditions closely. 3Q24 results were 30%/28% of HSBC/Visible Alpha consensus FY forecasts.</p>	31 October 2024

ANALYST REPORT

No.	Securities	Recommendations	Target	Resume	Date
6.	UOB Kay Hian	BUY	8,120	Net profit for 3Q24 grew by 11.7% QoQ, driven by: a) strong loan growth; b) a 9.7% QoQ increase in e-channel income; and c) a 21% QoQ decline in provision expenses. This resulted in a 20.9% ROE and a 7.6% YoY net profit growth for 9M24. BMRI lowered its CoC guidance to below 1%, even though its LLR stood at 3.1% in September 2024, supported by manageable NPL formation and robust coverage. Livin and KOPRA contributed to boosting CASA and increasing recurring income from e-channels. We upgrade to BUY with a target price of Rp8,120.	4 November 2024