

# Banking Sector

## Sectoral Report

4 September 2023

JCI Index: 6.697

## Overweight

### 7M23 Bank-Only Results

#### Bank-only net profit rose +18.7% YoY in 7M23

Some of the banks we closely monitor have posted their bank-only 7M23 results, with a combined net profit of IDR 105.6tn (+18.7% YoY). The positive bottom line growth was mainly driven by the drop in provision expense to IDR 26.8tn (-22.5% YoY). The average net interest income (NII) went up +6.5% YoY, supported by loan growth, which reached 9.7% in Jul-23, while NIM remained flattish at 5.06%. Those banks posted a combined loan figure of IDR 4.0tn (+0.9% MoM, +9.7% YoY) as of Jul-23. It is worth noting that banking liquidity remained ample, with a combined LDR of 83.5% in Jul-23 (Jun-23: 82.4%, Jul-22: 82.2%), as the combined deposits of the banks reached IDR 4.8tn (-0.5% MoM, +8.0% YoY). It is important to note that we saw a MoM pick-up in BBNI performance after its rather weak 2Q23 results on the back of strong NII expansion (+14.0% MoM and +3.8% YoY), which led to NIM expansion (+19bps MoM) in Jul-23. Among the Big-4 banks, BBRI booked the biggest MoM drop in earnings (-25.1% MoM) due to the decline in non-interest income, and a recovery from provisioning in the previous month.

#### Another decline in digital banks' NIM

Digital banks under our coverage posted mixed results in 7M23; ARTO and AGRO booked more positive earnings, while BBYB and BANK still posted negative results. Regarding their income, those banks managed to post substantial net interest income (NII) growth of +104.8% YoY, supported by loan growth, which reached 94.5% as of Jul-23; however, their NIM fell further by -262bps MoM to 10.2% as of Jul-23, as the impact of rate hikes is more severe on them than on larger banks. Those banks' provision expense MoM trend was quite mixed, though they posted higher cumulative provision expense in 7M23 (+174.5% YoY).

#### OVERWEIGHT on the sector, with BMRI and BBNI as our top picks

We maintain our Overweight rating for the sector due to its robust performance, particularly in comparison to other sectors. System liquidity remains adequate, and we may see an increase in fiscal expenditure in 2H23, leading to a rise in M2 and, ultimately, in loan growth in 2H23. We also believe that the banks under our coverage can absorb the potential risks of higher NPLs, and NIM could still improve in 2023F, especially for the big banks in the middle of an elevated interest rate environment, paving the way for an earnings growth of +14.8% in 2023F. Our pecking order is as follows: BMRI (IDR 7,000/share), BBNI (IDR 11,500/share), BBRI (IDR 6,400/share), and BBCA (IDR 10,500/share). We chose BMRI as our top pick, mainly due to 1) Adequate coverage, 2) strong loan growth and continuous improvement in asset quality, and 3) NIM expansion due to strong CASA. Downside risks: slower economic growth than anticipated, weaker NIM and loan growth than expected, and higher cost of credit.

**Table 1. Peers valuation**

Ticker	Rating	CP IDR	TP IDR	Upside (%)	P/B (x)	Net Profit (IDR Tn)	EPS Growth (%)	ROE (%)	ROA (%)	
		23F	23F	24F	23F	24F	23F	24F	23F	24F
BBCA	BUY	9,175	10,500	14.4	4.0	51.7	56.5	9.1	9.2	20.3
BBRI	BUY	5,550	6,400	15.3	2.4	62.9	70.3	11.3	11.7	19.3
BMRI	BUY	6,025	7,000	16.2	2.0	55.1	59.6	12.8	8.2	20.6
BBNI	BUY	9,200	11,500	25.0	1.0	23.6	26.0	13.9	10.2	15.2
BBTN	BUY	1,255	1,350	7.6	0.4	3.5	3.9	12.5	12.9	11.6
Sector					196.8	216.2	10.8	9.8	19.7	19.8
									3.0	3.0

Source: Companies, SSI research

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Table 1. Digital banks coverage 7M23 results summary

7M23	ARTO	BBYB	BANK	AGRO	Digital Banks
<b>Net interest income (IDRbn)</b>	<b>963.7</b>	<b>1,660.0</b>	<b>116.2</b>	<b>276.1</b>	<b>3,016.1</b>
Cummulative Chg (% YoY)	28.5	136.3	480.9	-32.5	104.8
Monthly Chg (% MoM)	-0.7	24.8	-12.6	-5.0	13.9
Monthly Chg (% YoY)	20.3	80.8	198.1	N/A	33.2
<b>PPOP (IDRbn)</b>	<b>349.6</b>	<b>930.1</b>	<b>-112.2</b>	<b>133.1</b>	<b>1,300.6</b>
Cummulative Chg (% YoY)	47.8	N/A	12.8	-22.2	N/A
Monthly Chg (% MoM)	-7.4	-31.4	13.5	-95.2	-28.1
Monthly Chg (% YoY)	28.8	-35.1	-18.8	-99.1	-20.6
<b>Provisions (IDRbn)</b>	<b>298.7</b>	<b>1,367.1</b>	<b>1.2</b>	<b>0.0</b>	<b>1,667.0</b>
Cummulative Chg (% YoY)	51.9	234.8	-46.8	N/A	174.5
Monthly Chg (% MoM)	9.6	-18.8	N/A	N/A	-13.6
Monthly Chg (% YoY)	27.5	71.0	24.8	N/A	46.8
<b>Operating profit (IDRbn)</b>	<b>50.9</b>	<b>-437.0</b>	<b>-113.5</b>	<b>133.1</b>	<b>-366.4</b>
Cummulative Chg (% YoY)	27.8	-27.6	11.5	51.9	-45.0
Monthly Chg (% MoM)	-51.6	-8.0	59.9	-96.6	2.9
Monthly Chg (% YoY)	37.0	N/A	-18.1	N/A	348.4
<b>Net profit (IDRbn)</b>	<b>43.2</b>	<b>-436.9</b>	<b>-113.5</b>	<b>10.6</b>	<b>-496.6</b>
Cummulative Chg (% YoY)	31.7	-27.2	11.4	-50.8	-25.8
Monthly Chg (% MoM)	-73.9	-8.1	60.0	-7.5	3.6
Monthly Chg (% YoY)	-30.9	N/A	-18.3	N/A	1,322.0
7M23	ARTO	BBYB	BANK	AGRO	Digital Banks
<b>Gross loans (IDRbn)</b>	<b>10,815</b>	<b>10,458</b>	<b>1,889</b>	<b>5,726</b>	<b>28,888</b>
Chg (% MoM)	-3.3	3.4	5.8	-5.3	25.2
Chg (% YoY)	51.3	39.6	807.0	-35.6	94.5
<b>Total deposits (IDRbn)</b>	<b>10,448</b>	<b>15,137</b>	<b>1,456</b>	<b>7,051</b>	<b>34,091</b>
Chg (% MoM)	3.5	-0.6	11.3	-14.0	28.0
Chg (% YoY)	46.0	30.4	192.1	-29.9	77.0
7M23	ARTO	BBYB	BANK	AGRO	Digital Banks
<b>LDR (%)</b>	<b>91.2</b>	<b>69.1</b>	<b>129.7</b>	<b>81.2</b>	<b>84.7</b>
Chg (% MoM)	-4.8	2.7	-6.8	7.4	-1.9
Chg (% YoY)	23.2	4.6	88.0	-7.2	7.6
<b>ROA (%)</b>	<b>0.4</b>	<b>-4.4</b>	<b>-5.2</b>	<b>0.2</b>	<b>-2.2</b>
Chg (% MoM)	-0.1	-0.5	-0.3	0.0	0.5
Chg (% YoY)	0.0	5.0	4.1	-0.1	3.8
<b>ROE (%)</b>	<b>0.9</b>	<b>-26.9</b>	<b>-7.7</b>	<b>0.6</b>	<b>-8.3</b>
Chg (% MoM)	-0.1	-3.7	-0.1	0.0	1.7
Chg (% YoY)	0.2	34.2	3.4	-0.9	15.6
7M23	ARTO	BBYB	BANK	AGRO	Digital Banks
<b>NIM (%)</b>	<b>10.23</b>	<b>18.27</b>	<b>8.31</b>	<b>3.87</b>	<b>10.17</b>
Chg (% MoM)	-0.55	-0.15	-0.86	0.44	-2.62
Chg (% YoY)	-0.37	5.37	6.13	0.20	1.61
<b>CASA (%)</b>	<b>73.58</b>	<b>23.46</b>	<b>18.31</b>	<b>27.31</b>	<b>35.66</b>
Chg (% MoM)	2.19	-1.47	-0.48	3.28	-2.70
Chg (% YoY)	5.16	-5.18	7.56	-13.60	-0.27

Source: Companies, SSI research

# Banking Sector

Table 2. Conventional banks coverage 7M23 results summary (bank-only)

7M23	BBCA	BBRI	BMRI	BBNI	Big4	BBTN	BNGA	BDMN	Non-big4	Total
<b>Net interest income (IDRtn)</b>	<b>40.5</b>	<b>62.2</b>	<b>41.4</b>	<b>24.1</b>	<b>168.2</b>	<b>7.6</b>	<b>7.5</b>	<b>5.0</b>	<b>20.1</b>	<b>188.3</b>
Cummulative Chg (% YoY)	23.0	-1.6	13.9	3.8	8.0	-14.1	2.3	3.4	-4.4	6.5
Monthly Chg (% MoM)	-1.6	-4.9	4.3	14.3	0.7	-3.1	-13.0	4.7	-5.1	0.1
Monthly Chg (% YoY)	15.7	-3.9	17.3	10.8	7.4	1.2	-6.5	4.4	-0.9	6.5
<b>PPOP (IDRtn)</b>	<b>36.1</b>	<b>53.1</b>	<b>39.0</b>	<b>20.2</b>	<b>148.4</b>	<b>4.5</b>	<b>5.7</b>	<b>3.6</b>	<b>13.8</b>	<b>162.2</b>
Cummulative Chg (% YoY)	30.9	0.1	17.8	5.4	11.6	2.6	-1.6	1.9	0.6	10.6
Monthly Chg (% MoM)	-14.3	7.1	-5.6	-3.1	-3.5	-23.8	0.7	18.4	-3.7	-3.5
Monthly Chg (% YoY)	5.8	-3.4	16.7	6.4	5.1	42.3	17.0	4.2	18.6	6.1
<b>Provisions (IDRtn)</b>	<b>1.6</b>	<b>14.5</b>	<b>5.4</b>	<b>5.3</b>	<b>26.8</b>	<b>2.3</b>	<b>1.4</b>	<b>1.4</b>	<b>5.1</b>	<b>31.9</b>
Cummulative Chg (% YoY)	-53.8	-18.0	-13.5	-26.4	-22.5	3.9	-31.4	30.8	-4.3	-20.1
Monthly Chg (% MoM)	N/A	N/A	-33.0	-19.4	131.0	7.1	-94.9	-90.0	-30.8	65.4
Monthly Chg (% YoY)	n.a	10.2	-60.2	-2.3	-17.7	169.2	-90.9	-94.7	24.3	-12.7
<b>Operating profit (IDRtn)</b>	<b>34.5</b>	<b>38.6</b>	<b>33.6</b>	<b>14.9</b>	<b>121.6</b>	<b>2.2</b>	<b>4.3</b>	<b>2.2</b>	<b>8.7</b>	<b>130.3</b>
Cummulative Chg (% YoY)	42.9	9.1	25.0	24.6	23.6	1.3	14.6	-11.0	3.7	22.1
Monthly Chg (% MoM)	-4.9	-26.9	-2.3	4.2	-11.4	-47.7	48.5	47.7	15.6	-10.0
Monthly Chg (% YoY)	7.2	-6.9	39.2	9.8	9.8	-18.5	46.2	-2.8	16.3	10.2
<b>Net profit (IDRtn)</b>	<b>27.9</b>	<b>30.9</b>	<b>27.4</b>	<b>12.1</b>	<b>98.4</b>	<b>1.7</b>	<b>3.7</b>	<b>1.8</b>	<b>7.2</b>	<b>105.6</b>
Cummulative Chg (% YoY)	31.3	7.2	26.5	13.9	19.4	0.3	31.2	-10.4	10.3	18.7
Monthly Chg (% MoM)	-4.0	-25.1	-2.6	4.6	-10.4	-28.2	23.0	42.9	10.9	-9.2
Monthly Chg (% YoY)	10.5	-7.3	57.5	20.5	15.1	1.1	37.1	-7.8	13.5	15.0
7M23	BBCA	BBRI	BMRI	BBNI	Big4	BBTN	BNGA	BDMN	Non-big4	Total
<b>Gross loans (IDRtn)</b>	<b>727</b>	<b>1,109</b>	<b>985</b>	<b>647</b>	<b>3,468</b>	<b>311</b>	<b>144</b>	<b>121</b>	<b>577</b>	<b>4,044</b>
Chg (% MoM)	1.7	1.8	0.1	0.2	1.0	1.1	-1.5	-0.3	0.1	0.9
Chg (% YoY)	10.4	11.2	10.2	6.9	9.9	9.1	3.2	13.2	8.4	9.7
<b>Total deposits (IDRtn)</b>	<b>1,061</b>	<b>1,229</b>	<b>1,147</b>	<b>720</b>	<b>4,158</b>	<b>319</b>	<b>239</b>	<b>130</b>	<b>687</b>	<b>4,845</b>
Chg (% MoM)	0.8	-0.9	0.5	-5.0	-0.8	1.8	1.0	3.0	1.7	-0.5
Chg (% YoY)	5.3	9.2	13.2	5.5	8.6	4.1	3.2	6.7	4.2	8.0
7M23	BBCA	BBRI	BMRI	BBNI	Big4	BBTN	BNGA	BDMN	Non-big4	Total
<b>LDR (%)</b>	<b>68.5</b>	<b>90.2</b>	<b>85.9</b>	<b>89.8</b>	<b>83.4</b>	<b>86.7</b>	<b>60.5</b>	<b>93.5</b>	<b>83.9</b>	<b>83.5</b>
Chg (% MoM)	0.6	2.4	-0.4	4.6	1.5	-0.7	-1.6	-3.1	-1.4	1.1
Chg (% YoY)	3.2	1.6	-2.4	1.2	1.0	3.4	0.0	5.4	3.2	1.3
<b>ROA (%)</b>	<b>3.7</b>	<b>3.3</b>	<b>3.2</b>	<b>2.2</b>	<b>3.1</b>	<b>0.7</b>	<b>2.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.4</b>
Chg (% MoM)	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Chg (% YoY)	0.6	0.0	0.4	0.2	0.3	0.0	0.4	-0.3	0.0	0.2
<b>ROE (%)</b>	<b>23.0</b>	<b>18.5</b>	<b>23.2</b>	<b>16.0</b>	<b>20.2</b>	<b>11.6</b>	<b>14.5</b>	<b>6.7</b>	<b>11.0</b>	<b>16.2</b>
Chg (% MoM)	-0.2	-0.2	0.0	0.0	-0.1	-0.3	0.0	0.2	0.0	-0.1
Chg (% YoY)	3.8	-2.1	3.0	0.6	1.3	-2.3	2.9	-1.1	-0.1	0.7
7M23	BBCA	BBRI	BMRI	BBNI	Big4	BBTN	BNGA	BDMN	Non-big4	Total
<b>NIM (%)</b>	<b>5.62</b>	<b>6.96</b>	<b>5.22</b>	<b>4.74</b>	<b>5.63</b>	<b>3.40</b>	<b>4.29</b>	<b>5.17</b>	<b>4.28</b>	<b>5.06</b>
Chg (% MoM)	-0.06	0.04	0.07	0.19	0.06	0.00	-0.06	-0.01	-0.02	0.02
Chg (% YoY)	0.67	-0.52	0.17	-0.09	0.06	-0.80	-0.17	-0.12	-0.36	-0.12
<b>CASA (%)</b>	<b>81.16</b>	<b>64.66</b>	<b>78.32</b>	<b>71.23</b>	<b>73.84</b>	<b>52.89</b>	<b>65.47</b>	<b>51.58</b>	<b>56.65</b>	<b>66.47</b>
Chg (% MoM)	-0.34	-1.01	0.10	1.22	-0.01	-1.44	1.09	-4.18	-1.51	-0.65
Chg (% YoY)	-0.41	-0.44	2.51	2.48	1.03	7.19	-0.95	-13.40	-2.39	-0.43

Source: Companies, SSI research

# Banking Sector

## Sectoral Report

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Table 3. Valuation metrics for conventional banks under our coverage (part-1)

Ticker	BBCA	BBRI	BMRI	BBNI	BBTN	Sector	Big-4	Non big-4
Rating	BUY	BUY	BUY	BUY	HOLD		OVERWEIGHT	
Target price	(IDR)	10,500	6,400	7,000	11,500	1,350		
Target PBV	(x)	4.6	2.8	2.3	1.2	0.5	3.4	3.4
Share price	(IDR)	9,175	5,550	6,025	9,200	1,255		
Up(down)side	(%)	14.4	15.3	16.2	25.0	7.6		
Total mkt cap.	(IDRtn)	1,054	680	440	167	16	2,357	2,342
BVPS (IDR)	2024F	2,314	2,301	2,995	9,439	2,952	20,001	17,049
EPS (IDR)	2024F	419	464	590	1,265	328	3,066	2,738
DPS (IDR)	2024F	151	301	354	84	66	956	890
PBV (x)	2024F	4.0	2.4	2.0	1.0	0.4	2.9	2.9
PE (x)	2024F	21.9	12.0	10.2	7.3	3.8	15.7	15.8
Yield (%)	2024F	1.7	5.4	5.9	0.9	5.2	3.5	3.5
PPOP	2021	48.6	77.0	57.7	31.1	6.7	221.0	214.3
(IDRtn)	2022	52.6	91.7	72.0	34.4	7.8	258.6	250.7
	2023F	63.1	102.8	84.3	35.4	8.0	293.7	285.7
	2024F	69.2	111.8	93.7	39.1	8.7	322.5	313.8
	2025F	75.8	123.6	102.0	42.6	9.4	353.5	344.1
Net profit	2021	31.4	31.1	28.0	10.9	2.4	103.8	101.4
(IDRtn)	2022	40.7	51.2	41.2	18.3	3.0	154.4	151.4
	2023F	47.4	56.5	48.8	20.7	3.1	176.6	173.5
	2024F	51.7	62.9	55.1	23.6	3.5	196.8	193.3
	2025F	56.5	70.3	59.6	26.0	3.9	216.2	212.3
PPOP growth	2021	12.9	34.1	26.1	11.7	45.0	21.6	21.5
(%)	2022	8.4	19.1	24.8	10.8	17.6	14.8	14.8
	2023F	20.0	12.2	17.1	2.9	1.9	15.8	15.9
	2024F	9.5	8.7	11.2	10.4	8.4	9.7	9.7
	2025F	9.6	10.5	8.8	9.1	9.1	9.7	9.1
Net profit growth	2021	15.8	66.5	63.7	232.2	48.3	55.0	55.0
(%)	2022	29.6	64.7	46.9	68.0	28.1	45.7	45.8
	2023F	16.4	10.5	18.6	13.1	1.4	14.8	14.9
	2024F	9.1	11.3	12.8	13.9	12.5	10.8	10.7
	2025F	9.2	11.7	8.2	10.2	12.9	9.8	9.8
Loan growth	2021	8.2	10.6	17.6	(0.6)	5.7	10.0	5.7
(%)	2022	11.7	9.5	14.4	11.0	8.5	11.5	8.5
	2023F	11.1	11.3	11.0	8.3	9.3	11.0	9.3
	2024F	12.0	11.6	12.1	9.9	9.4	11.7	9.4
	2025F	12.1	12.7	12.0	10.0	9.4	12.1	9.4
Deposit growth	2021	16.1	1.6	23.4	7.3	6.0	12.6	6.0
(%)	2022	6.5	14.9	15.5	5.5	8.8	10.6	8.8
	2023F	8.2	8.6	7.9	6.9	8.7	8.2	8.7
	2024F	8.1	9.3	8.4	7.9	9.7	8.5	8.5
	2025F	8.3	9.4	8.4	7.9	9.9	8.6	9.9
LDR	2021	65.2	91.3	81.0	78.3	92.9	76.8	76.7
(%)	2022	68.3	87.1	80.2	82.4	92.7	77.1	77.0
	2023F	70.2	89.3	82.5	83.4	93.2	79.1	79.0
	2024F	72.7	91.1	85.3	85.0	92.9	81.4	81.3
	2025F	75.2	93.9	88.2	86.7	92.5	83.9	83.9
NIM	2021	5.1	7.7	5.1	4.7	4.0	5.8	5.8
(%)	2022	5.3	7.8	5.5	4.8	4.3	6.0	6.0
	2023F	5.6	7.9	5.4	4.6	3.8	6.2	6.2
	2024F	5.6	8.0	5.5	4.7	4.0	6.2	4.0
	2025F	5.6	8.1	5.6	4.8	4.0	6.3	4.0
Non-int inc. growth	2021	15.2	42.5	13.0	18.4	(1.2)	22.8	23.0
(%)	2022	1.7	20.1	10.5	14.4	(15.8)	9.5	9.6
	2023F	10.1	4.7	9.1	6.1	49.1	8.3	8.1
	2024F	6.7	5.9	9.1	6.2	(4.2)	6.8	6.9
	2025F	6.7	6.2	9.1	6.3	5.7	7.0	5.7

Source: Bloomberg, companies, SSI research

# Banking Sector

**Table 4. Valuation metrics for conventional banks under our coverage (part-2)**

Ticker	BBCA	BBRI	BMRI	BBNI	BBTN	Sector	Big-4	Non-big4
Rating	BUY	BUY	BUY	BUY	HOLD	OVERWEIGHT		
Target price (IDR)	10,500	6,400	7,000	11,500	1,350			
Target PBV (x)	4.6	2.8	2.3	1.2	0.5			
Share price (IDR)	9,175	5,550	6,025	9,200	1,255			
Up(down)side (%)	14.4	15.3	16.2	25.0	7.6			
Total mkt cap. (IDRtn)	1,054	680	440	167	16	2,357	2,342	16
BVPS (IDR)	2024F	2,314	2,301	2,995	9,439	2,952	20,001	17,049
EPS (IDR)	2024F	419	464	590	1,265	328	3,066	2,738
DPS (IDR)	2024F	151	301	354	84	66	956	890
PBV (x)	2024F	4.0	2.4	2.0	1.0	0.4	2.9	2.9
PE (x)	2024F	21.9	12.0	10.2	7.3	3.8	15.7	15.8
Yield (%)	2024F	1.7	5.4	5.9	0.9	5.2	3.5	5.2
Non-int inc. to tot (%)	2021	27.6	26.9	31.9	31.5	15.8	28.4	28.5
	2022	25.4	28.8	30.1	32.8	12.1	27.7	27.8
	2023F	24.5	28.0	29.5	33.0	17.9	27.0	27.0
	2024F	24.0	27.5	28.9	32.1	15.8	26.5	26.5
	2025F	23.6	26.9	28.5	31.4	15.3	25.9	26.0
Cost to income (%)	2021	55.2	77.8	70.9	81.1	89.3	66.7	66.5
	2022	49.0	68.2	62.6	69.4	86.4	58.8	58.6
	2023F	46.7	67.1	60.4	68.8	87.8	57.0	56.8
	2024F	46.3	66.3	59.4	67.1	87.2	56.3	56.1
	2025F	45.9	65.4	60.1	66.4	86.8	55.9	55.7
Credit cost (%)	2021	1.5	3.4	1.8	3.4	1.3	2.2	2.3
	2022	0.6	2.4	1.3	1.9	1.3	1.4	1.4
	2023F	0.6	2.3	1.2	1.5	1.3	1.3	1.3
	2024F	0.6	2.1	1.1	1.3	1.2	1.2	1.2
	2025F	0.6	2.0	1.1	1.3	1.1	1.1	1.1
NPL ratio (%)	2021	2.2	3.1	2.8	3.7	3.7	2.7	3.7
	2022	1.7	3.1	1.9	2.8	3.4	2.2	2.2
	2023F	1.4	3.2	2.4	2.5	3.6	2.2	3.6
	2024F	1.4	3.2	2.4	2.4	3.6	2.2	3.6
	2025F	1.4	3.2	2.4	2.3	3.6	2.2	3.6
ROA (%)	2021	2.7	1.9	1.8	1.2	0.6	2.2	0.6
	2022	3.2	2.9	2.2	1.8	0.8	2.8	0.8
	2023F	3.4	3.0	2.3	1.9	0.7	3.0	0.7
	2024F	3.4	3.2	2.4	2.1	0.8	3.0	0.8
	2025F	3.4	3.2	2.3	2.1	0.8	3.0	0.8
ROE (%)	2021	16.2	12.8	14.2	9.3	11.1	14.3	14.4
	2022	19.2	17.4	19.0	14.1	11.8	18.2	18.3
	2023F	20.5	18.4	20.2	14.6	11.4	19.3	19.4
	2024F	20.3	19.3	20.6	15.2	11.6	19.7	19.7
	2025F	20.1	20.3	20.3	15.5	11.9	19.8	19.9
CAR (%)	2021	23.0	21.2	19.5	15.3	19.3	21.2	21.2
	2022	22.9	27.2	19.6	17.1	19.1	23.1	23.1
	2023F	23.0	25.5	19.6	17.1	21.0	22.7	22.7
	2024F	29.7	25.0	21.2	23.2	21.5	26.2	26.3
	2025F	30.1	24.1	21.9	23.1	21.7	26.3	26.3
Tier 1 (%)	2021	22.1	26.2	18.4	16.0	13.8	22.1	22.1
	2022	22.1	24.5	18.6	16.0	17.0	21.7	21.7
	2023F	28.6	24.1	21.0	21.1	18.3	25.3	25.3
	2024F	29.0	23.2	22.5	21.2	18.6	25.5	25.5
	2025F	29.3	22.7	23.9	21.2	19.0	25.7	25.8

Source: Bloomberg, companies, SSI research

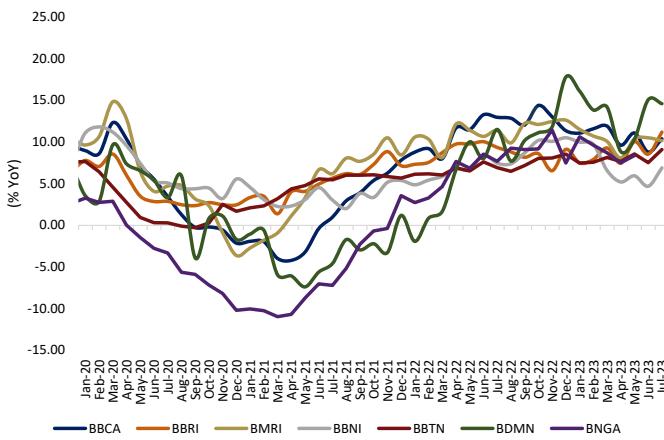
# Banking Sector

## Sectoral Report

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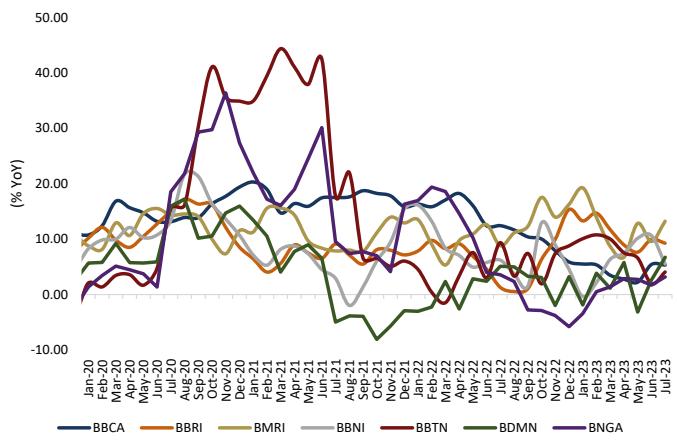
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**Figure 2. Conventional banks' loan growth**



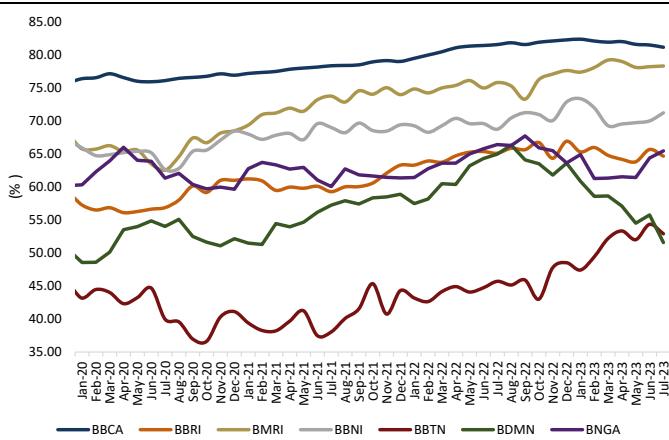
Source: Companies, SSI research

**Figure 3. Conventional banks' deposit growth**



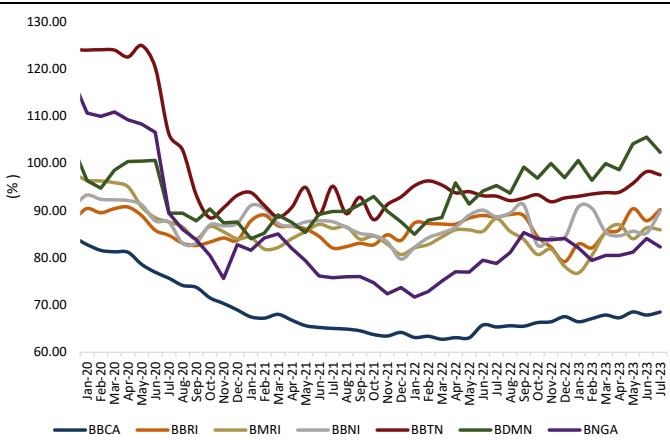
Source: Companies, SSI research

**Figure 4. Conventional banks' CASA %**



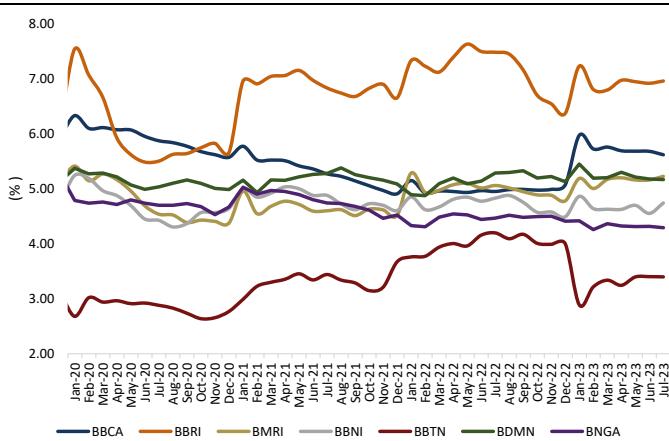
Source: Companies, SSI research

**Figure 5. Conventional banks' LDR %**



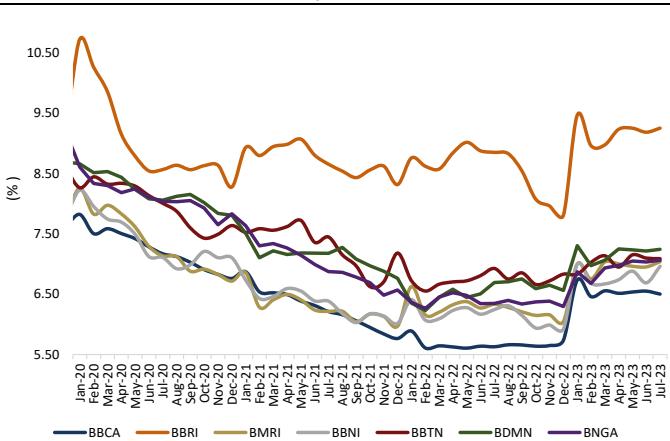
Source: Companies, SSI research

**Figure 6. Conventional banks' NIM %**



Source: Companies, SSI research

**Figure 7. Conventional banks' asset yield %**



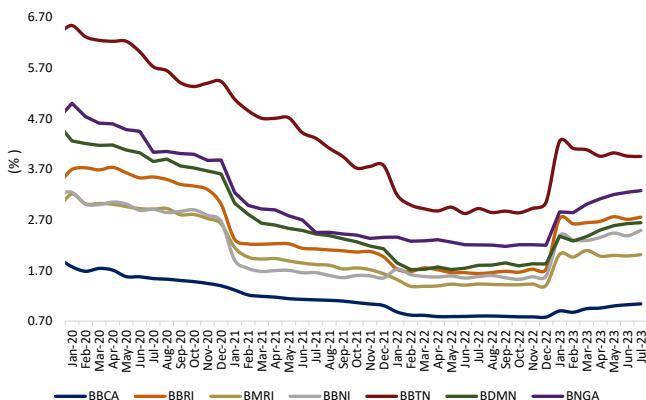
Source: Companies, SSI research

# Banking Sector

## Sectoral Report

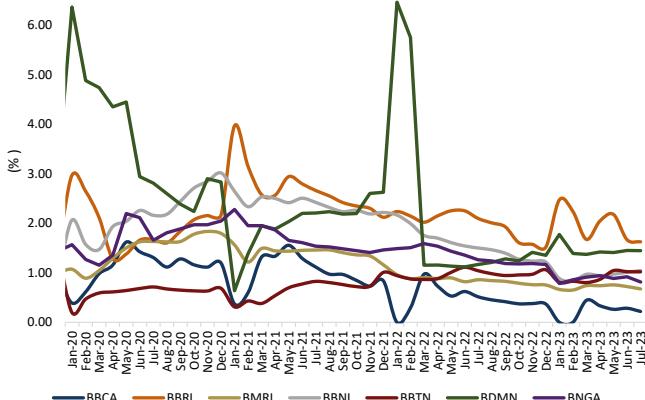
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Figure 8. Conventional banks' CoF



Source: Companies, SSI research

Figure 9. Conventional banks' CoC



Source: Companies, SSI research

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