

Bank Mandiri Persero (BMRI): IDR 7,050 BUY — SSI TP: IDR 8,500; Cons. TP: IDR 7,879



8M24 Bank-only Results: 30 September 2024

(IDRbn)	Aug-24	MoM (%)	YoY (%)	8M23	8M24	YoY (%)	8M24/2024F	8M24/cons
Net Interest Income	6,374	(1.3)	2.7	47,650	49,515	3.9	-	-
Non-interest income	2,334	(15.9)	10.2	19,097	20,338	6.5	-	-
Total operating income	8,708	(5.7)	4.6	66,748	69,853	4.7	46.7	47.2
Provisions	608	(13.2)	59.2	5,732	6,046	5.5	-	-
Operating profit	5,369	(3.5)	6.2	38,675	41,274	6.7	-	-
Net profit	4,331	(5.4)	6.4	31,512	33,559	6.5	60.9	59.6

Key ratios (%)

Assets yield (annualized)	-	-	-	7.0	7.1	-	-	-
Cost of funds (annualized)	-	-	-	2.0	2.5	-	-	-
NIM (annualized)	-	-	-	5.2	4.9	-	-	-
Credit Costs (annualized)	-	-	-	0.9	0.8	-	-	-
LDR	-	-	-	87.6	93.8	-	-	-
ROE (annualized)	-	-	-	21.6	20.9	-	-	-

SWOT Analysis of the Results (In-line)

Strength

Despite robust 8M24 loan growth of +22.6% YoY (2024 guidance: 16-18%), CoC remained flattish -3bps MoM at 82bps (2024 guidance: 100-120bps)

Weakness

LDR remained high in Aug-24 (93.8%), potentially affecting future loan disbursements; CASA dropped 220bps MoM since TD grew 11.9% MoM, which may increase CoF going forward

Opportunity

BMRI plans to disburse more commercial loans, and in the current quarter, the bank still has room to adjust its loan yield, which could offset NIM pressure ahead; recent market underperformance allows buying opportunities

Threat

BMRI's NPL (1.2% in 2Q24) could rise on commercial loans disbursement without prudent risk management; furthermore, recent profit taking may ensue on strong market outperformance YTD

Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2024F			
							NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	1,344	10,650	12,000	7,234	12.7	5.7	9.2	5.0	20.9
BBRI	HOLD	830	5,100	5,500	(18,212)	7.8	7.7	3.6	2.5	19.6
BMRI	BUY	688	7,050	8,500	3,435	20.6	5.2	0.1	2.4	20.3
BBNI	BUY	218	5,450	6,500	127	19.3	4.3	6.6	1.3	14.3
BRIS	HOLD	143	3,060	2,900	2,228	(5.2)	5.5	15.6	2.7	16.9
ARTO	HOLD	43	3,160	3,000	791	(5.1)	7.9	53.7	5.2	1.3
BBTN	HOLD	22	1,460	1,400	384	(4.1)	3.6	7.4	0.5	11.7
Sector	Overweight	3,288			(802)	12.4	6.0	6.6	3.5	19.5

Relative YTD Performance vs JCI (%)

