Banking: 10M24 Results Round-up



10M24 Performance

- □ The Big 4 banks' 10M24 net profits were in-line with ours and cons, totalling IDR 153.1tn (+8.2% YoY). These banks booked 10M24 aggregate loan growth of 13.1% YoY, leading to 3.3% YoY increase in NII. NIM remained stable MoM, with BBNI showing the most notable improvement. However, aggregate provision expenses rose +18.4% YoY as BBRI booked relatively high CoC of 3.2%, exceeding its FY24 guidance of 3.0%.
- □ Potential rate cuts and lower statutory reserve requirement from BI are expected to improve liquidity and reduce CoF, supporting NIM growth. CoC is likely to remain stable in 2025 as banks already operate at highly efficient credit cost levels. We forecast loan growth of 11-13% in 2025F, compared to 10-12% in 2024F, driven primarily by MSME loans, as fiscal spending shifts focus toward growth and household consumption.
- At the moment, we continue to favor banks with higher assets quality, as they will continue to book higher loan growth from high-yielding assets. In addition, these banks are likely to maintain low CoC in current environment. Our top picks for the sector are BMRI (BUY, TP IDR 8,500) and BBCA (BUY, TP IDR 12,500). Risks to our call: 1) slower-than-expected loan growth amid sluggish GDP expansion 2) higher CoC due to deteriorating asset quality and 3) delays in rate cuts.

Peer Comparables

Company	Market	Last	TD	YTD	Upside	2025F				(%)
Rating	Cap. (IDR tn)	Price (IDR)	(IDR)	Net Buy/(Sell) (IDR bn)	Potential (%)	NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)	80
BUY	1,233	10,200	12,500	2,201	22.5	5.8	8.7	4.3	21.1	60
BUY	644	4,350	5,500	(33,142)	26.4	7.6	9.5	2.0	20.4	
BUY	581	6,375	8,500	(207)	33.3	5.3	10.1	1.9	20.9	40
BUY	177	4,950	6,500	(354)	31.3	4.5	12.1	1.1	14.9	20
BUY	135	3,000	3,400	1,878	13.3	5.5	12.8	2.7	17.0	
BUY	35	1,900	2,200	159	15.8	4.5	10.8	0.9	8.5	0
HOLD	35	2,580	2,800	749	8.5	7.8	49.0	4.1	2.0	(20)
SELL	17	1,220	1,100	270	(9.8)	3.6	15.4	0.4	11.1	(40)
Overweight	2,857			(6,484)	25.3	6.0	10.2	2.9	19.9	(40)
	BUY BUY BUY BUY BUY HOLD SELL	Rating Cap. (IDR tn) BUY 1,233 BUY 644 BUY 581 BUY 177 BUY 135 BUY 35 HOLD 35 SELL 17	Rating Cap. (IDR tn) Price (IDR) BUY 1,233 10,200 BUY 644 4,350 BUY 581 6,375 BUY 1777 4,950 BUY 1355 3,000 BUY 35 1,900 HOLD 35 2,580 SELL 17 1,220	Cap. (IDR tn) Price (IDR) TP (IDR) BUY 1,233 10,200 12,500 BUY 644 4,350 5,500 BUY 644 4,350 5,500 BUY 581 6,375 8,500 BUY 177 4,950 6,500 BUY 135 3,000 3,400 BUY 35 1,900 2,200 HOLD 35 2,580 2,800 SELL 17 1,220 1,100	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) (IDR bn) BUY 1,233 10,200 12,500 2,201 BUY 644 4,350 5,500 (33,142) BUY 581 6,375 8,500 (207) BUY 177 4,950 6,500 (354) BUY 135 3,000 3,400 1,878 BUY 35 1,900 2,200 159 HOLD 35 2,580 2,800 749 SELL 17 1,220 1,100 270	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) Potential (%) BUY 1,233 10,200 12,500 2,201 22.5 BUY 644 4,350 5,500 (33,142) 26.4 BUY 581 6,375 8,500 (207) 33.3 BUY 177 4,950 6,500 (354) 31.3 BUY 135 3,000 3,400 1,878 13.3 BUY 35 1,900 2,200 159 15.8 HOLD 35 2,580 2,800 749 8.5 SELL 17 1,220 1,100 270 (9.8)	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) Potential (%) NIM (%) BUY 1,233 10,200 12,500 2,201 22.5 5.8 BUY 644 4,350 5,500 (33,142) 26.4 7.6 BUY 581 6,375 8,500 (207) 33.3 5.3 BUY 177 4,950 6,500 (354) 31.3 4.5 BUY 135 3,000 3,400 1,878 13.3 5.5 BUY 35 1,900 2,200 159 15.8 4.5 BUY 35 2,580 2,800 749 8.5 7.8 SELL 17 1,220 1,100 270 (9.8) 3.6	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) Potential (IDR bn) NIM (%) EPS Growth (%) BUY 1,233 10,200 12,500 2,201 22.5 5.8 8.7 BUY 644 4,350 5,500 (33,142) 26.4 7.6 9.5 BUY 644 4,350 5,500 (33,142) 26.4 7.6 9.5 BUY 644 4,350 5,500 (207) 33.3 5.3 10.1 BUY 581 6,375 8,500 (207) 31.3 4.5 12.1 BUY 177 4,950 6,500 (354) 31.3 4.5 12.1 BUY 135 3,000 3,400 1,878 13.3 5.5 12.8 BUY 35 1,900 2,200 159 15.8 4.5 10.8 HOLD 35 2,580 2,800 749 8.5 7.8 49.0 SELL 17	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) Potential (IDR bn) NIM (%) EPS Growth (%) PBV (%) BUY 1,233 10,200 12,500 2,201 22.5 5.8 8.77 4.3 BUY 644 4,350 5,500 (33,142) 26.4 7.6 9.5 2.0 BUY 581 6,375 8,500 (207) 33.3 5.3 10.1 1.9 BUY 581 6,375 8,500 (207) 31.3 4.5 12.1 1.1 BUY 177 4,950 6,500 (354) 31.3 4.5 12.1 1.1 BUY 135 3,000 3,400 1,878 13.3 5.5 12.8 2.7 BUY 35 1,900 2,200 159 15.8 4.5 10.8 0.9 HOLD 35 2,580 2,800 749 8.5 7.8 49.0 4.1 SELL 17	Rating Cap. (IDR tn) Price (IDR) TP (IDR) Net Buy/(Sell) Potential (IDR bn) NIM (%) EPS Growth (%) PBV (%) ROE (%) BUY 1,233 10,200 12,500 2,201 22.5 5.8 8.77 4.3 21.1 BUY 644 4,350 5,500 (33,142) 26.4 7.6 9.5 2.0 20.4 BUY 581 6,375 8,500 (207) 33.3 5.3 10.1 1.9 20.9 BUY 135 6,300 3,400 1,878 31.3 4.5 12.1 1.1 14.9 BUY 135 3,000 3,400 1,878 13.3 5.5 12.8 2.7 17.0 BUY 35 1,900 2,200 159 15.8 4.5 10.8 0.9 8.5 HOLD 35 2,580 2,800 749 8.5 7.8 49.0 4.1 2.0 SELL 17 1,220 1,100 </td

10M24 SSI Coverage Results

YTD Relative Performance vs JCI

	<u>Above</u>				Below					
(IDR tn)	BBCA	BRIS	ARTO	BBNI	BMRI	BBRI	BBTN	Total	YoY (%)	
Net interest income	63.7	15.0	1.2	32.3	62.2	92.0	9.9	276.3	2.7	
РРОР	58.1	9.3	0.3	27.6	59.5	89.5	4.5	248.8	8.7	
Provisions	1.5	1.9	0.2	5.7	6.8	31.6	1.7	49.5	8.7	
Operating profit	56.6	7.5	0.1	21.9	52.6	57.9	2.8	199.4	8.1	
Net profit	46.2	5.6	0.1	18.1	43.1	45.7	2.2	161.0	8.3	
Forecast (%)								Average		
Net Profit/SSI 2024F	87.0	85.5	84.0	81.1	78.1	73.4	58.5	78.2		
Net Profit/Cons. 2024F	85.0	82.1	81.9	81.8	75.9	74.6	65.7	78.1		
Key ratios (%)								Average		
LDR	78.0	86.0	99.7	96.1	95.1	90.0	84.2	89.9		
ROA	4.0	1.9	0.5	2.2	3.0	3.1	0.6	2.2		
ROE	23.1	17.3	1.4	14.8	21.8	18.0	8.7	15.0		
NIM	5.8	5.4	6.9	4.1	4.7	6.6	2.8	5.2		
CASA	82.1	63.0	54.0	70.6	78.4	64.5	51.6	66.3		

