

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

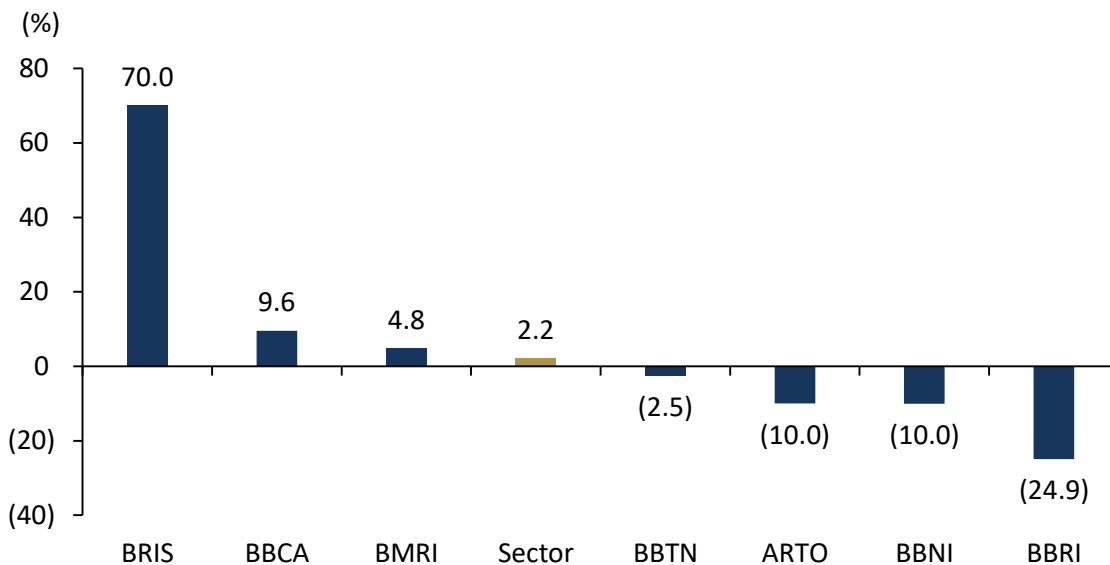
Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2025F			
							NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	1,233	10,200	12,500	2,201	22.5	5.8	8.7	4.3	21.1
BBRI	BUY	644	4,350	5,500	(33,142)	26.4	7.6	9.5	2.0	20.4
BMRI	BUY	581	6,375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

Sources: Company, Bloomberg, SSI Research

10M24 SSI Coverage Results

(IDR tn)	Above							Below	
	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
PPOP	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	

YTD Relative Performance vs JCI (%)



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