

PT Bank Mandiri Tbk. (BMRI)

Banking Sector

Benefit from recovery momentum

19 September 2022

Recommendations : BUY

Stock

Price on 16/09/2022 (Rp)	9,100
12M target price (Rp)	10,750
Capital gain potential	18%

Stock Data

Outstanding shares	46,666,666,666
Market cap (Rp)	429,333,333,318,000
Weight VS IHSG (%)	6.04

Shareholders (%)

Government of Indonesia	52.00%
Indonesia Investment Authority	8.00%
Board of Directors	0.03%
Public	39.97%
Outstanding Shares (unit)	46,666,666,666

Price Performance

52-week high/low	Rp9,500/Rp5,900
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Capital gain/(loss) (in %)

1M	3M	6M	1Y	YTD
8.24	13.93	16.09	52.07	30.96

Summary of Financial Performance

In IDR bn	2021A	2022E	2023F
Interest Income	98,066	101,476	103,840
Net Interest Income	73,379	75,608	77,052
Net Revenue	101,277	104,647	106,742
Operating Income	38,440	49,949	56,637
OPM	37.96%	47.73%	53.06%
Net Income	28,028	37,741	42,667
Net Income Margin	5.09%	5.46%	5.97%
EPS (Rp)	601	809	915
PER (x)	11.69	11.24	9.95
PBV (x)	1.53	2.01	1.81
Loans to Deposits	80.80	84.56	85.35
Loans to Assets	62.47	65.91	65.77

*) based on market price (16/09/2022) at Rp9,100

Sources :Company, Bloomberg and KB Valbury Sekuritas

Laba bersih BMRI naik 61,7% YoY pada 1H22 menjadi Rp20,2 triliun. Pertumbuhan kredit BMRI direvisi mencapai 11% pada tahun ini. Rekomendasi "BUY" dengan target harga Rp10.750 per saham.

Penurunan provisi membantu perolehan laba bersih

BMRI mencatatkan pertumbuhan laba bersih 61,7% YoY pada 1H22 menjadi Rp20,2 triliun. Pertumbuhan laba bersih ini didorong oleh kenaikan net interest income 19,0% YoY pada 1H22 menjadi Rp41,8 triliun ditengah penurunan provisi 30,4% YoY. Juga, terbantu oleh kenaikan interest income 10,0% YoY pada 1H22 yang diikuti oleh penurunan interest expense 14,3% YoY. Hal ini terefleksi dari NIM yang meningkat dari 5,05% pada 1H21 menjadi 5,4% pada 1H22. Di sisi lain, non-interest income stagnan +1,0% pada 1H22 menjadi Rp16,1 triliun, utamanya dari pertumbuhan dari remitansi dan deposit. Adapun, beban operasional naik terkendali 3,9% pada 1H22 karena kenaikan beban personel. Sehingga, CIR turun dari 44,3% pada 1H21 menjadi 40,3% pada 1H22. PPOP meningkat 22,0% YoY pada 1H22 menjadi Rp35,4 triliun.

Aset solid dan pertumbuhan kredit lebih tinggi dibanding ekspektasi

Pertumbuhan kredit BMRI pada 1H22 mencapai 12,2% YoY menjadi Rp1.138triliun, terutama ditopang oleh kredit dark anak usaha, segmen korporasi dan segmen komersial. Dari segi kualitas aset, NPL turun cukup signifikan secara YoY 3,1% pada 1H21 menjadi 2,4% pada 1H22 dan dari 2,5% pada 1Q22, dengan coverage yang meningkat dari 222% menjadi 253%. Peningkatan kualitas aset juga tercermin dari restrukturisasi kredit yang mencapai hanya 6,6% pada 1H22 dibandingkan 11,9% pada tahun sebelumnya. Di sisi lain, CASA naik juga meningkat dari 68,5% pada 1H21 menjadi 70,8% pada 1H22. Kemudian, LDR cenderung melonggar YoY dari 86,0% pada 1H21 menjadi 85,1% pada 1H22 ditengah suku bunga yang cenderung rendah. Dari segi permodalan, CAR sedikit turun dari 19,0% pada 1H21 menjadi 18,2% pada 1H22.

Momentum dari pemulihan ekonomi

Kami merevisi keatas proyeksi kami atas pertumbuhan kredit BMRI dari 8% menjadi 11% tahun ini, yang utamanya diperkuat oleh segmen korporat dan anak usaha juga komersial. Ditengah pemulihan ekonomi yang solid, kami memperkirakan kualitas aset akan semakin terjaga seiring dengan penurunan restrukturisasi, sehingga CoC akan mengalami penurunan dan NIM dapat dipertahankan di level 5,4-5,5% tahun ini. Di sisi lain, kenaikan suku bunga BI sebesar 25bps masih belum bertransmisi terhadap deposit dan kredit BMRI karena likuiditas yang masih cukup longgar, CoF yang terjaga mengingat porsi CASA yang cukup besar. CoF diperkirakan dapat meningkat 10bps pada akhir tahun ini. Kemudian, kompetisi dan kualitas kredit masih menjadi pertimbangan management dalam menyesuaikan suku bunga kredit. Adapun, BMRI akan terus melanjutkan digitalisasi melalui aplikasi Livin' untuk retail dan Kopra untuk korporasi untuk memperluas value-chain financing.

Rekomendasi "BUY" ditopang oleh kredit yang lebih tinggi

Kami mempertahankan rekomendasi BUY untuk saham BMRI dengan target Rp10,750 per saham, yang merefleksikan valuasi PE2022E dan PE2023 sebesar 2,01x dan 1,81x. Pertimbangan atas rekomendasi kami yakni 1) kualitas aset yang membaik; 2) fundamental yang solid yang terefleksi dari rasio LDR dan CAR yang cukup sehat; 3) kualitas aset yang cukup manageable atau lebih baik dibandingkan kompetitor; 4) digitalisasi yang mendorong pertumbuhan CASA, fee-based income dan operasional yang efisien dan 5) management resiko yang membaik. Namun, kami juga melihat risiko atas rekomendasi kami 1) ketidakpastian ekonomi yang tinggi berdampak pada pertumbuhan kredit yang lebih lamban dibandingkan proyeksi dan penurunan aset; 2) penurunan NIM akibat banyak persaingan yang tinggi; 3) kenaikan suku bunga lebih tinggi dibandingkan dengan ekspektasi.

Analyst(s)

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PT Bank Mandiri Tbk. (BMRI)

Banking Sector

FINANCIAL OVERVIEW

Income Statement (Rp bn)	1H2021	1H2022	YoY Change	1Q2022	2Q2022	QoQ Change
Interest Income	48,113	52,934	10.0%	25,901	27,033	4.4%
Interest Expenses	(12,956)	(11,102)	(14.3%)	(5,423)	(5,678)	4.7%
Net Interest Income	35,157	41,833	19.0%	20,478	21,355	4.3%
Non-Interest Income	15,943	16,103	1.0%	8,646	7,457	(13.8%)
Total operating income	52,041	59,310	14.0%	29,712	29,599	(0.4%)
Total operating expenses	(23,028)	(23,928)	3.9%	(12,013)	(11,915)	(0.8%)
PPOP	29,013	35,382	22.0%	17,699	17,684	(0.1%)
Provision expenses	(11,000)	(7,655)	(30.4%)	(4,002)	(3,653)	(8.7%)
Operating Income	18,013	27,728	53.9%	13,726	14,031	2.4%
Income before Tax Expenses	17,928	27,828	55.2%	13,706	14,052	2.5%
Net Income	12,501	20,209	61.7%	10,032	10,178	1.5%
EPS (IDR)	268	433	61.6%	215	218	1.5%
NPL Gross (%)	3.08	2.42	(0.66)	2.66	2.42	(0.24)
CAR (%)	19.0	18.2	(0.74)	18.0	18.2	0.2
NIM (%)	5.05	5.37	0.32	5.30	5.37	0.07
ROA (%) after tax	1.6	2.3	0.7	1.6	2.3	0.7
ROE (%) after tax	12.42	18.38	5.96	11.86	18.11	6.25
LDR (%)	85.9	85.7	(0.2)	83.7	85.1	1.4
CASA (%)	68.5	70.8	2.3	70.3	70.8	0.5
Interest Income	48,113	52,934	10.0%	25,901	27,033	4.4%

Sources : Company and KB Valbury Sekuritas

FINANCIAL TABLES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Interest Income	95,943	98,066	101,476	103,840	110,810
Interest Expense	33,095	24,687	25,869	26,788	28,909
Net Interest Income	62,848	73,379	75,608	77,052	81,901
Other Income	26,015	27,898	29,040	29,690	30,746
Net Revenue	88,863	101,277	104,647	106,742	112,648
Provisions for Loan Losses	19,934	13,345	13,789	14,248	14,722
Net Revenue After Provisions	68,929	87,933	90,859	92,495	97,926
Non-Interest Expenses	44,816	49,419	40,910	35,857	35,593
Operating Income	24,255	38,440	49,949	56,637	62,333
Net Non-Operating (Losses)/Gains	(280)	156	156	156	(320)
Pretax Income	24,392	38,358	49,793	56,481	62,653
Income Tax Expenses	5,993	7,807	10,201	11,673	13,057
Income for The Year	18,399	30,551	39,592	44,808	49,596
Minority Interests	1,599	2,523	1,852	2,141	2,433
Net Income	16,800	28,028	37,741	42,667	47,163
EPS (IDR)	360	601	809	915	1,011
Dividends Per Share (IDR)	220	361	419	508	542

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT Bank Mandiri Tbk. (BMRI)

Banking Sector

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Assets					
Cash & Near Cash Items	78,464	122,972	90,505	91,132	109,959
Interbanking Assets	163,912	100,518	71,703	71,634	72,573
ST And LT Investments	271,498	389,539	430,774	503,956	587,324
Total Commercial Loans	675,589	721,284	792,917	874,962	959,097
Total Consumer Loans	263,482	283,040	314,863	359,466	407,946
Other Loans	53,965	73,650	89,122	96,902	109,261
Total Loans	993,036	1,077,974	1,196,902	1,331,330	1,476,304
Reserve for Losses on Loans	65,504	69,194	82,328	87,214	92,904
Net Loans	927,532	1,008,781	1,114,573	1,244,116	1,383,400
Net Fixed Assets	48,307	49,145	52,081	53,654	55,196
Total Intangible Assets	4,545	5,112	5,186	5,521	5,877
Investments in Associates	66	52	64	83	111
Total Deferred Tax Assets	8,096	10,355	10,446	11,509	11,693
Total Derivative Assets	2,579	1,670	2,185	3,015	4,018
Other Assets	36,966	37,468	38,376	39,639	42,112
Total Assets	1,541,965	1,725,611	1,815,895	2,024,260	2,272,263
Demand Deposits	319,745	413,073	460,560	519,613	594,930
Saving Deposits	431,507	486,853	535,583	585,375	635,904
Time Deposits	393,387	391,251	419,310	454,804	494,647
Total Deposits	1,144,640	1,291,176	1,415,454	1,559,792	1,725,481
ST Borrowings & Repos	40,069	58,719	78,860	87,705	101,363
LT Debt	62,845	58,740	67,963	72,080	82,387
Pension Liabilities	8,319	11,206	12,433	13,992	15,644
Total Derivative Liabilities	1,571	1,019	1,222	1,550	1,879
Total Liabilities	1,337,265	1,503,500	1,575,932	1,735,120	1,926,753
Share Capital & APIC	28,983	29,310	29,310	29,310	29,310
Retained Earnings	119,557	142,588	160,778	179,779	201,691
Other Equity	40,990	32,940	20,819	25,676	31,568
Equity before Minority Interest	189,378	204,687	210,906	234,765	262,569
Minority/Non Controlling Interest	15,321	17,425	29,056	54,375	82,941
Total Equity	204,700	222,111	239,963	289,140	345,510
Total Liabilities & Equity	1,541,965	1,725,611	1,815,895	2,024,260	2,272,263
Book Value Per Share (IDR)	4,061	4,389	4,523	5,034	5,631

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT Bank Mandiri Tbk. (BMRI)

Banking Sector

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year End Dec (Rp bn)	2020A	2021A	2022E	2023F	2024F
Net Income	16,800	28,028	37,741	42,667	47,163
+ Depreciation & Amortization	3,934	3,558	3,760	3,626	3,523
+ Provision for Loan Losses	19,934	13,345	13,789	14,248	14,722
+ Non-Cash Items	19,771	7,538	7,728	11,468	9,564
+ Net Ch in Operating Capital	(66,831)	31,332	23,087	(28,895)	(61,849)
Cash From Operating Activities	(6,393)	83,801	86,104	43,114	13,123
+ Net Change in Fixed Assets	565	0	0	0	0
+ Net Change in Investments	(5,075)	(3,240)	(3,244)	(3,536)	(3,756)
+ Change in Investments	(63,445)	(127,281)	(127,235)	(53,182)	(66,513)
+ Other Investing Activities	(14,318)	(103,545)	(98,927)	(112,671)	(144,975)
Cash From Investing Activities	(52,528)	(234,066)	(229,407)	(169,388)	(215,243)
+ Dividends Paid	(16,566)	(10,272)	(19,551)	(23,666)	(25,252)
+ Cash From (Repayment) Debt	2,132	6,836	7,235	8,182	83,368
+ Cash (Repurchase) of Equity	(151)	0	0	0	0
+ Net Change In Deposits	127,257	147,681	124,278	144,338	165,689
Cash From Financing Activities	114,277	143,976	111,962	128,854	223,805
Net Changes in Cash (IDR)	3,879	44,508	(32,467)	627	18,827

Sources: Company, Bloomberg and KB Valbury Sekuritas

RATIO ANALYSIS

Year End Dec	2020A	2021A	2022E	2023F	2024F
Valuation Ratios					
Price Earnings	17.56	11.69	11.24	9.95	9.00
EV to EBIT	10.52	6.87	9.62	8.70	7.99
Price to Sales	4.33	4.26	5.61	5.51	5.18
Price to Book	1.44	1.53	2.01	1.81	1.62
Dividend Yield	3.77%	5.38%	4.61%	5.58%	5.95%
Profitability Ratios					
Operating Margin	27.30%	37.96%	47.73%	53.06%	55.33%
Net Interest Margin	5.10%	5.09%	5.46%	5.97%	6.87%
Return on Assets	1.09%	1.62%	2.08%	2.11%	2.08%
Return on Common Equity	11.31%	16.31%	19.85%	20.41%	20.42%
Return on Capital	8.24%	11.30%	12.66%	12.15%	11.36%
Operating Income/Total Cap.	11.89%	15.50%	16.76%	16.13%	15.01%
Coverage Ratios					
Total Loans/Total Deposits	83.40	80.80	84.56	85.35	85.56
Total Loans/Total Assets	64.40	62.47	65.91	65.77	64.97
Total Deposits/Total Assets	74.23	74.82	77.95	77.05	75.94
CASA (%)	65.63	69.70	70.38	70.84	71.33
Equity/Assets	12.28	11.86	11.61	11.60	11.56
Capital Adequacy Ratio (%)	18.62	19.55	16.41	17.35	18.28
NPL - Gross (%)	3.10	2.72	2.27	2.25	2.22
Leverage Ratios					
LT Debt/Common Equity	0.42	0.34	0.36	0.34	0.36
LT Debt/Total Assets	4.08	3.40	3.74	3.56	3.63
Total Debt/Total Equity	69.28	68.33	77.24	76.42	79.55
Total Debt/Total Assets	6.67	6.81	8.09	7.89	8.09

*) based on market price (16/09/2022) at Rp9,100

Sources: Company, Bloomberg and KB Valbury Sekuritas

PT Bank Mandiri Tbk. (BMRI)

Banking Sector

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