BINA ARTHA SEKURITAS

Equity Research

PT Bank Mandiri (Persero),Tbk

BUY

February 25th, 2025
Banking, Equity

Price	**IDR.**	**4,870**
Target Price	**IDR.**	**6,000**
JKSE Index	**IDR.**	**6,587.09**



Stock Information	
Bloomberg code	**BMRI IJ**
Market Cap (IDR Bn)	**454,533.3**
52-Week High (IDR)	**7,550**
52-Week Low (IDR)	**4,750**
Free Float Ratio (%)	**39.07**

Major Shareholders	**(%)**
Government	**52.00**
INA	**8.00**
Others	**40.00**

USD/IDR-YE (JISDOR)	
2024A	**16,157**
2025F	**16,228**

Key Indicators (%)	
NPL Ratio	**1.05**
Net Interest Margin	**5.01**

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Investment Considerations

Relatively Stagnant PATMI Growth

In 2024, BMRI's Profit After Tax and Minority Interest (PATMI) saw minimal growth, increasing 1.31% YoY to IDR 55.78 trillion. This stagnation was primarily due to a 37.07% YoY increase in interest expenses, leading to a 33-bps YoY decline in the Net Interest Margin (NIM) to 5.15%, despite 12.51% YoY growth in interest income, which remained within the bank's target range. Additionally, operating expenses rose 8.80% YoY, but income from FVTPL and gains on the sale of securities and government bonds (net) helped offset further declines, growing 29.06% YoY and 19.95% YoY, respectively. Without these gains, PATMI growth could have turned negative. We project BMRI's PATMI to reach IDR 61.20 trillion by year-end 2025, reflecting a 9.72% YoY growth, with the NIM expected to decline slightly to 5.01%, aligning with internal targets.

Strong Loan Growth Surpassing Internal Targets, Driven by ESG Commitments

BMRI once again exceeded on its internal consolidated loan growth target, recording a 19.49% YoY increase (target: 16%-18%), reaching IDR 1,670.55 trillion. Corporate loans surged 26.53% YoY, with the Land Transportation segment posting the highest growth at 81% YoY. In absolute terms, Financial Services led loan expansion, adding IDR 16 trillion in new loans. Sustainable financing grew 10.8% YoY, with Sustainable Agriculture contributing 8.5% and Renewable Energy 0.9% of total loans. These figures reinforce BMRI's strong ESG commitment, integrating sustainability into its lending practices. By year-end 2025, we forecast BMRI's loan portfolio to grow 11.14% YoY to IDR 1,856.62 trillion, aligning with internal targets, supported by a focus on CASA growth.

Improved Asset Quality

As of December 2024, BMRI's consolidated gross non-performing loan (NPL) ratio improved to 1.12%, marking a 7-bps YoY improvement. The corporate segment remained the healthiest, with a gross NPL ratio of 0.36%, down 3 bps QoQ, although it was 5 bps higher YoY. The commercial segment showed the most significant improvement, with its NPL ratio declining by 150 bps YoY to 1.10%. However, the micro segment deteriorated, with its NPL ratio rising by 57 bps YoY to 1.94%. We forecast further improvement in asset quality, expecting the consolidated gross NPL ratio to decline to 1.05% by year-end 2025.

Robust Liquidity Driven by Digital Innovation

BMRI maintained strong liquidity, supported by the digital transformation, leading to a 7.73% YoY increase in customer deposits. Current Accounts grew 3.60% YoY. Savings Accounts surged 13.37% YoY. Time Deposits increased 5.54% YoY. This resulted in a 50-bps YoY increase in BMRI's CASA ratio to 74.80%. Notably, bank-only savings accounts grew 13.4% YoY, outperforming the industry average, largely due to the success of Livin' Mandiri. Livin' Mandiri registered accounts rose 29.1% YoY, reaching 29 million users. We forecast customer deposits to grow 10.11% by December 2025, with the CASA ratio increasing to 75.24%.

Valuation: 23.20% Upside, Buy

Based on FY-2024 performance and a Multi-Stage Dividend Discount Model (DDM), we revise our target price to IDR 6,000, implying a 1.63x PBV valuation and 23.20% upside potential. We maintain our Buy recommendation.

Financial Highlight	2022A	2023A	2024A	2025 F
PATMI (IDR Bn)	41,171	55,060	55,783	61,204
EPS (IDR)	441.26	589.93	597.67	655.75
NIM (%)	5.47%	5.48%	5.15%	5.01%
ROE (%)	19.70%	23.20%	21.20%	19.54%
Gross NPL	1.92%	1.19%	1.12%	1.05%

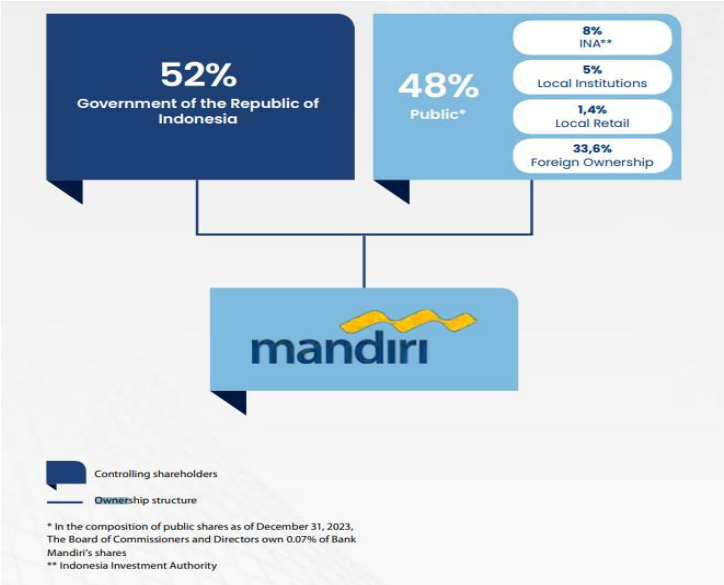
Company Profile

PT Bank Mandiri (Persero) Tbk. was established on October 2, 1998, under Notarial Deed No. 10 by Sutjipto, S.H., pursuant to Government Regulation No. 75 of 1998 (dated October 1, 1998). The Ministry of Justice of Indonesia approved its establishment through Decision Letter No. C2-16561.HT.01.01.TH.98 (October 2, 1998), published in Supplement No. 6859 of State Gazette No. 97 (December 4, 1998).
Bank Mandiri was formed through the merger of:

- PT Bank Bumi Daya (Persero)
- PT Bank Dagang Negara (Persero)
- PT Bank Ekspor Impor Indonesia (Persero)
- PT Bank Pembangunan Indonesia (Persero)

The Bank commenced operations on August 1, 1999, under applicable banking regulations.

Company Ownership Structure and List of Subsidiaries



SUBSIDIARIES:

Indonesia
1. PT Bank Syariah Indonesia Tbk ("BSI")
2. PT Bank Mandiri Taspen ("Bank Mantap")
3. PT Mandiri Tunas Finance ("MTF")
4. PT Mandiri Utama Finance ("MUF")
5. PT AXA Mandiri Financial Services ("AXA Mandiri")
6. PT Asuransi Jiwa Inhealth Indonesia ("Mandiri Inhealth")
7. PT Mandiri Capital Indonesia ("MCI")
8. PT Mandiri Sekuritas ("Mansek")

Malaysia
9. Mandiri Remittance Sdn. Bhd. ("MIR")

London, UK
10. Bank Mandiri (Europe) Ltd ("BMEL")

SECOND-TIER SUBSIDIARIES:

Indonesia
1. PT Mandiri Manajemen Investasi ("MMI")
2. PT Mitra Transaksi Indonesia ("MTI")
3. PT FitAja Digital Nusantara

Singapore
4. Mandiri Securities Pte. Ltd. ("MSPL")
5. Mandiri Investment Management Pte. Ltd. ("MIMS")

Source: Company

Chart: Gross Loan (IDR Bn) YoY

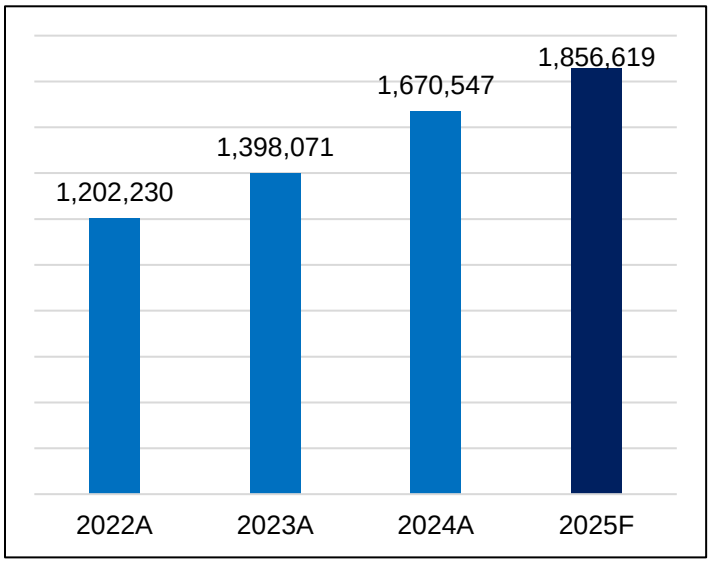


Chart: NPL Ratio (%) YoY

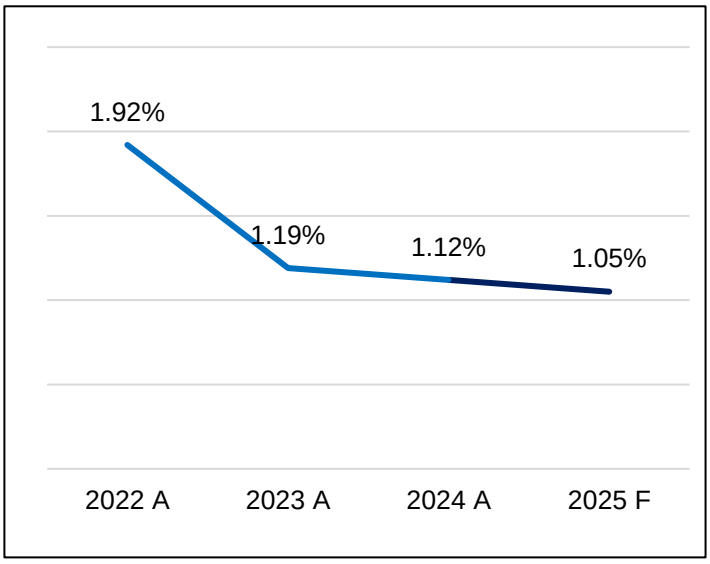


Chart: Profitability (IDR Bn and %) YoY

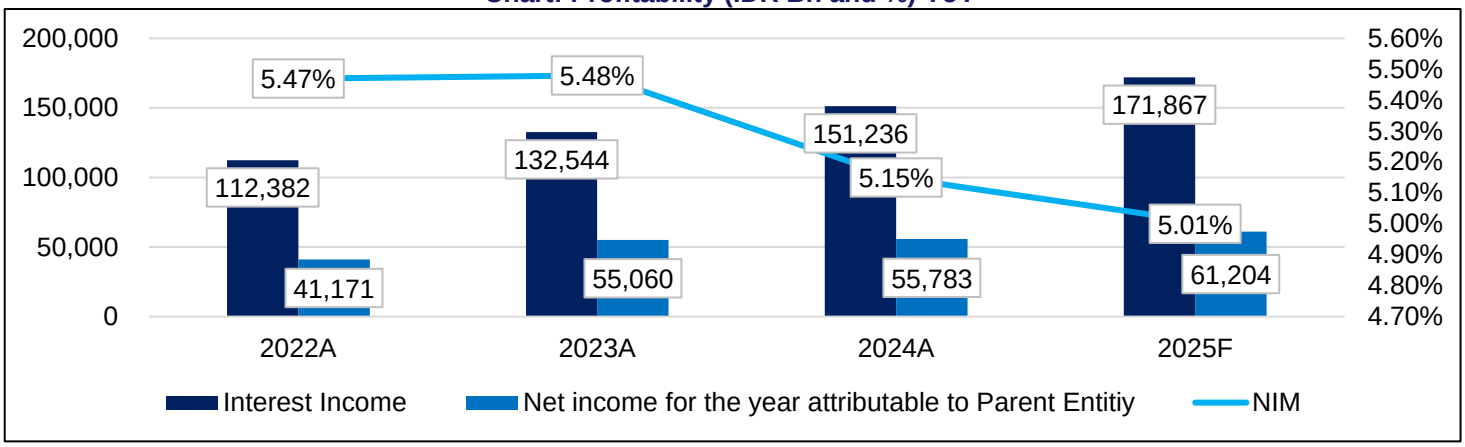


Chart: Liquidity (%) YoY

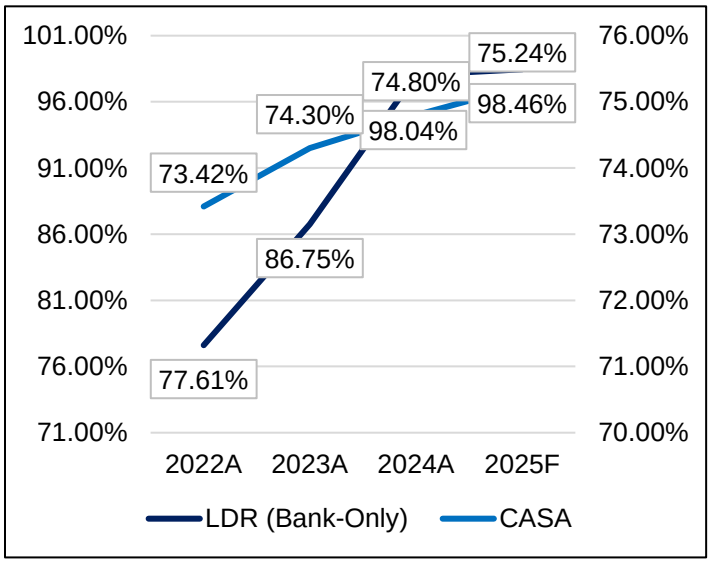
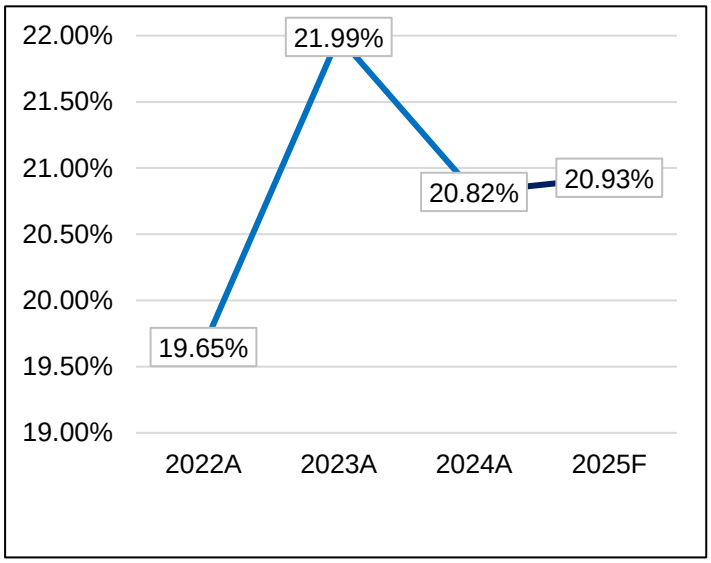


Chart: CAR (%) YoY



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Source: Binaartha & Company

Chart: Gross Loan (IDR Bn) QoQ

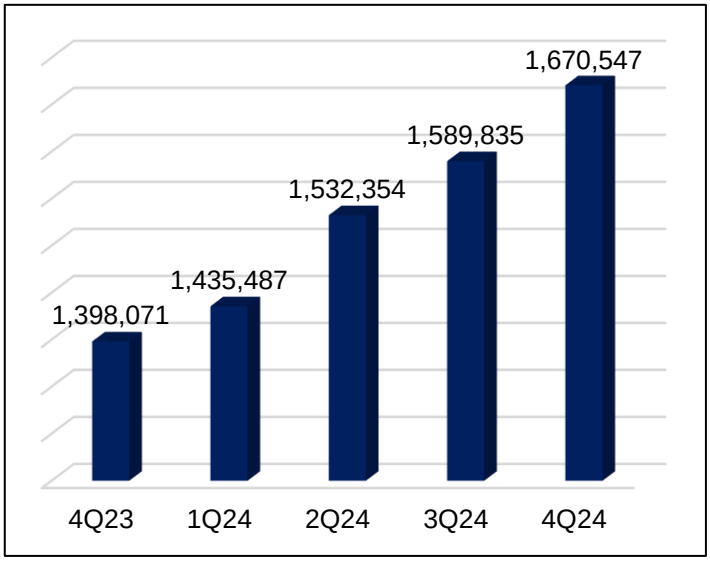


Chart: Customer Deposit (IDR Bn) QoQ

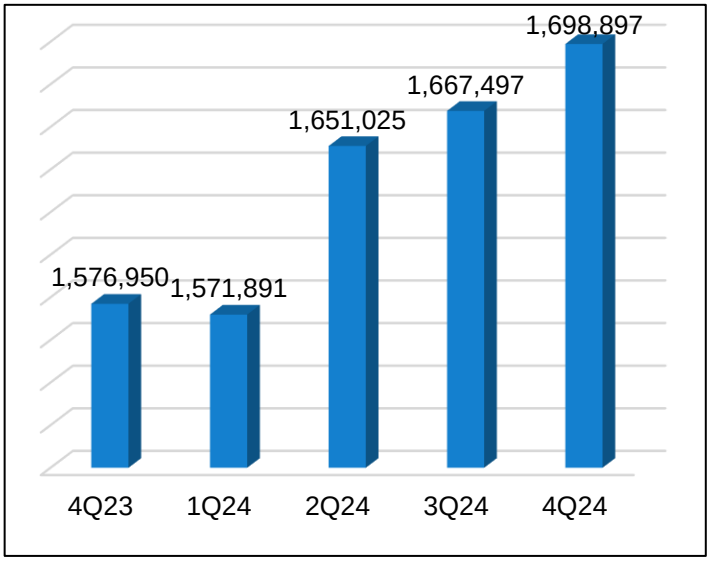


Chart: NIM Ratio (%) QoQ

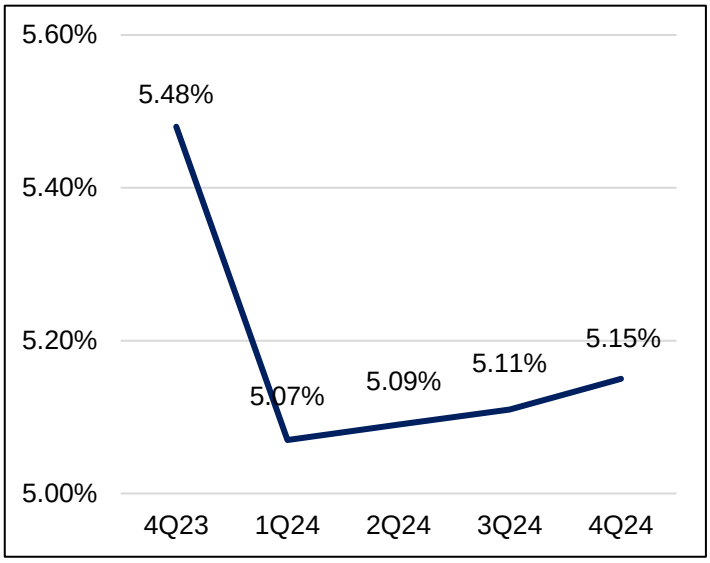
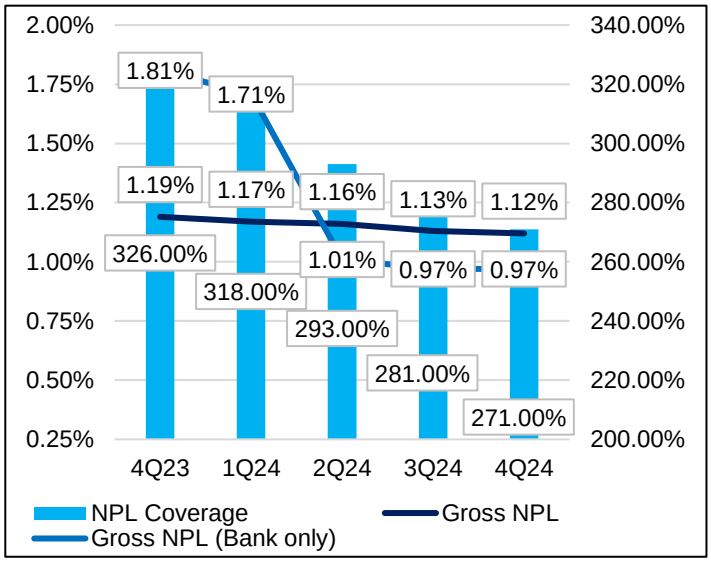


Chart: Asset Quality (%) QoQ



Source: Binaartha & Company

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)	2022A	2023A	2024A	2025F
Cash and CA with BI	134,562	135,037	136,811	187,127
Interbank Placement	95,324	73,888	63,230	52,978
Marketable Securities	82,841	94,696	95,530	74,339
Gross Loans	**1,202,230**	**1,398,071**	**1,670,547**	**1,856,619**
Provision	(65,362)	(53,882)	(50,392)	(50,790)
Net Loan	1,136,868	1,344,189	1,620,155	1,805,830
Other Earning Assets	615,677	579,927	548,919	474,170
Non-Earning Asset	105,438	115,066	121,339	145,093
TOTAL ASSETS	**1,992,545**	**2,174,219**	**2,427,223**	**2,612,220**
Deposit:				
Current Account	541,801	584,713	605,765	656,974
Saving Account	552,752	586,992	665,446	750,503
Time Deposit	396,291	405,245	427,686	463,261
Total Customer Deposit	**1,490,845**	**1,576,950**	**1,698,897**	**1,870,737**
Other Interest-Bearing Liabilities	123,071	144,897	212,202	197,857
Non-Interest-Bearing Liabilities	126,383	164,878	202,650	199,482
TOTAL LIABILITIES	**1,740,299**	**1,886,724**	**2,113,749**	**2,268,077**
TOTAL EQUITY	**252,245**	**287,495**	**313,475**	**344,143**
TOTAL LIABILITIES AND EQUITY	**1,992,545**	**2,174,219**	**2,427,223**	**2,612,220**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR Bn)

STATEMENTS OF PROFIT OR LOSS (In IDR Bn)	2021A	2022A	2024A	2025F
Interest Income	97,749	112,382	151,236	171,867
Interest Expense	(24,687)	(24,479)	(49,479)	(59,039)
Net Interest Income	**73,062**	**87,903**	**101,757**	**112,828**
Fee Other Operating Income	34,061	37,648	44,842	50,932
Gross Operating Income	**107,124**	**125,551**	**146,599**	**163,760**
Operating Expense	(49,140)	(53,260)	(58,610)	(64,693)
PPOP	**57,984**	**72,291**	**87,989**	**99,066**
Provision Expense	(19,543)	(16,123)	(11,929)	(13,821)
Operating Profit	**38,440**	**56,168**	**76,060**	**85,245**
Non-Operating Income - net	(82)	210	344	124
Profit Before Tax	**38,358**	**56,378**	**76,403**	**85,369**
Tax Expense	(7,807)	(11,425)	(15,238)	(17,862)
Earning After Tax	**30,551**	**44,952**	**61,165**	**67,507**
Income for The Year Attributable to - Non-controlling interest	2,523	3,782	5,382	6,303
Net income for the year attributable to Parent Entitiy	**28,028**	**41,171**	**55,783**	**61,204**
EPS (Rp/Share)	**601.06**	**441.26**	**597.67**	**655.75**

Source: Binaartha & Company

Ratio Highlights

Ratio Analysis (Consolidated)	2022A	2023A	2024A	2025F
Profitability & Efficiency				
NIM	5.47%	5.48%	5.15%	5.01%
Cost-to-Income Ratio	42.40%	38.80%	40.00%	39.50%
ROE	19.00%	23.20%	21.20%	19.54%
ROA	2.21%	2.64%	2.42%	2.34%
Cost of Credit	1.44%	0.85%	0.79%	0.74%
Liquidity				
LDR-Bank Only	77.60%	86.75%	98.04%	98.46%
CASA	73.42%	74.30%	74.80%	75.24%
Asset Quality				
Gross NPL	1.88%	1.02%	1.12%	1.05%
Gross NPL (Bank-Only)	1.92%	1.19%	0.97%	0.96%
NPL Coverage	285.00%	326.00%	271.00%	261.08%
Capital				
CAR	19.65%	21.99%	20.82%	20.93%
Growth				
Loan Growth	14.48%	16.29%	19.49%	11.14%
Deposit Growth	15.46%	5.78%	7.73%	10.11%
Net income for the year attributable to Parent Entity	46.89%	33.74%	1.31%	9.72%

Source: Binaartha & Company

QoQ Result

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Loan	1,398,071	1,435,487	1,532,354	1,589,835	1,670,547	5.08%	19.49%
Loan Loss Reserves	(53,882)	(53,018)	(51,755)	(50,357)	(50,392)	0.07%	-6.48%
NPL Consolidated	16,637	16,795	17,775	17,965	18,710	4.15%	12.46%
Deposit							
Demand	584,713	562,103	612,071	596,388	605,765	1.57%	3.60%
Savings	586,992	606,832	626,379	634,981	665,446	4.80%	13.37%
Time Deposit	405,245	402,956	412,575	436,128	427,686	-1.94%	5.54%
Total Asset	2,174,219	2,163,785	2,257,801	2,323,991	2,427,223	4.44%	11.64%
Shareholder Equity	260,853	240,687	254,353	272,119	283,796	4.29%	8.80%

STATEMENTS OF PROFIT OR LOSS (In IDR Bn)	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Interest Income	34,536	35,535	36,689	38,413	40,600	5.69%	17.56%
Interest Expense	(10,513)	(11,349)	(11,793)	(12,891)	(13,446)	4.31%	27.90%
Net Interest Income	**24,023**	**24,186**	**24,895**	**25,522**	**27,154**	**6.39%**	**13.03%**
Fee Other Operating Income	13,828	10,127	10,387	11,579	12,748	10.09%	-7.81%
Gross Operating Income	**37,851**	**34,313**	**35,283**	**37,101**	**39,902**	**7.55%**	**5.42%**
Operating Expense	(15,415)	(13,112)	(12,964)	(13,761)	(18,773)	36.43%	21.79%
PPOP	**22,436**	**21,201**	**22,318**	**23,341**	**21,129**	**-9.48%**	**-5.83%**
Provision Expense	(996)	(3,596)	(3,318)	(2,621)	(2,395)	-8.60%	140.48%
Operating Profit	**21,440**	**17,605**	**19,000**	**20,720**	**18,734**	**-9.59%**	**-12.62%**
Non-Operating Income - net	33	(3)	2	19	325	1594.92%	884.09%
Profit Before Tax	**21,473**	**17,603**	**19,003**	**20,739**	**19,059**	**-8.10%**	**-11.24%**
Tax Expense	(4,192)	(3,481)	(3,853)	(3,927)	(3,977)	1.28%	-5.13%
Earning After Tax	**17,281**	**14,121**	**15,149**	**16,813**	**15,082**	**-10.29%**	**-12.73%**
Income for The Year Attributable to - Non-controlling interest	1,284	1,419	1,301	1,346	1,316	-2.18%	2.50%
Net Income	**15,997**	**12,702**	**13,848**	**15,467**	**13,765**	**-11.00%**	**-13.95%**
EPS (Rp/Share)	**171.39**	**136.09**	**148.38**	**165.71**	**147.49**	**-11.00%**	**-13.95%**

Financia Ratios	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Profitability & Efficiency							
NIM	**5.48%**	**5.07%**	**5.09%**	**5.11%**	**5.15%**	**0.04**	**(0.33)**
Cost-to-Income Ratio	**38.80%**	**38.20%**	**37.50%**	**37.30%**	**40.00%**	**2.70**	**1.20**
ROE	**23.20%**	**19.70%**	**20.90%**	**21.70%**	**21.20%**	**(0.50)**	**(2.00)**
ROA	**2.64%**	**2.34%**	**2.40%**	**2.49%**	**2.42%**	**(0.07)**	**(0.22)**
Cost of Credit	**0.85%**	**1.05%**	**0.98%**	**0.87%**	**0.79%**	**(0.08)**	**(0.06)**
Liquidity							
LDR	**86.75%**	**89.70%**	**90.48%**	**93.15%**	**98.04%**	**4.89**	**11.29**
CASA	**74.30%**	**74.40%**	**75.00%**	**73.80%**	**74.80%**	**1.00**	**0.50**
Assets Quality							
Gross NPL	**1.19%**	**1.17%**	**1.16%**	**1.13%**	**1.12%**	**(0.01)**	**(0.07)**
Gross NPL (Bank only)	**1.81%**	**1.71%**	**1.01%**	**0.97%**	**0.97%**	**-**	**(0.84)**
NPL Coverage	**326.00%**	**318.00%**	**293.00%**	**281.00%**	**271.00%**	**(10.00)**	**(55.00)**
Capital							
CAR	**21.99%**	**19.90%**	**20.10%**	**20.70%**	**20.80%**	**0.10**	**(1.19)**

Stock Ratings:
Buy: a recommendation to purchase the security with upside potential of 11.5% or greater
Hold: a recommendation to neither buy nor sell a security with upside potential of 5.75%-11.49%.
Sell: a recommendation to close out a long position in a security with upside potential below 5.75% or negative.

RESEARCH TEAM
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