

# ANALYST REPORT

No.	Sekuritas	Rekomendasi	Target	Resume	Tanggal
1.	Indo Premier	BUY	8,000	<p>FY23 net profit of Rp55.1 trillion (+34% YoY/+16% QoQ) came ahead at 110/107% of ours/consensus, the strongest among big 4. Loan grew 16% YoY while CASA (Current Account/Saving Account) grew by 7% YoY (savings at 6% YoY) – all are the strongest in the industry. This proves our re-rating thesis. Cost of Credit stood at 0.9% (still 2x of BCA) as Loan At Risk dropped to 8.6% vs. BCA's 7%. Maintain BUY with higher Target Price of 8,000 based on 2.4x P/B multiple.</p> <p>We increase our FY24/25F EPS by +12/+14% this also resulted in higher Target Price of Rp8,000 based on 2.4x P/B multiple. It is currently trading at 2.0x FY24F P/B (vs. 10Y average of 1.6x) and 9.9x FY24F P/E (vs. 10Y average of 11.9x), we think the strong loan/CASA growth warrants a re-rating. Risk is weak loan growth and further NIM compression from tight liquidity.</p>	31 January 2024
2.	DBS Vickers	BUY	7,500	<p>BMRI's ongoing efforts to enhance Livin' and Kopra in order to drive retail and wholesale banking outcomes continue to power growth across various segments. We also expect BMRI to show continuous yield improvement due to changes in loan mix and re-ricing strategy, BSI contribution, and ongoing economy recovery to support the company's NIM by expanding 23bps in 2024F to 5.9%. BMRI is also working to drive CIR down as various digital initiatives continue to drive efficiency, with a longer term target of ~36%.</p> <p>With digitalization, BMRI gathered a higher CASA level which also led to an increased deposit level. Therefore, they can disburse steady and high loan growth. In our forecast, Mandiri will deliver a 11% YoY loan growth in FY24F while maintaining LDR at 85%.</p> <p>We believe BMRI will be able to continue delivering ROE improvement as it tweaked its asset and yield mix and gained market share through the ecosystem's value chain growth strategy and digital innovations, all while working to bring structural costs down. With these factors, we forecast Mandiri will have an ROE of 23% in 2024F.</p> <p>Our TP of Rp7,500 implies a 2.5x FY24F P/BV, slightly below +2SD of its 10- year average P/BV. Our TP assumes a ROE of c.23% (prev: 21%), a growth rate of 9%, and cost of equity of 15% (prev: 14%).</p>	31 January 2024
3.	CLSA	OUTPERFORM	6,700	<p>Mandiri booked 15.6% QoQ earnings growth in 4Q23 driven by 6% loan growth and a 34% decline in provision expenses, albeit its margin corrected 11bps. Its FY23 results beat our estimate and Bloomberg consensus by 10% and 7%. This year is about sustaining its margin in the midst of continuing tight liquidity in 1H24, while pushing for low to mid-teen loan growth. Credit costs are also expected to normalise.</p> <p>Overall, this was another strong result from Mandiri on the back of the lower CoC. Key guidance items for 2024 were in-line with our 24CL estimates, except for loan growth. We factor in a c.11% growth given it is an election year. If Mandiri could grow loans as targeted, there is 1.5%-2.5% upside to our 24CL earnings estimates.</p>	1 February 2024