

Bank Mandiri Tbk (BMRI)

Fokus pada Pemulihan NIM dan Kualitas Aset

Sepanjang tahun 2020, BMRI membukukan penurunan laba bersih sebesar -37,7% yoy; menjadi Rp 17,1 Triliun (vs Rp 27,5 Tn di FY19). Di sisi top-line, performa baik dihasilkan dari pendapatan non-bunga yang masih mampu tumbuh sebesar 4,9%. Menghadapi tahun 2021, manajemen berfokus pada pemulihan *Net Interest Margin* (NIM) serta kualitas aset, dengan target pertumbuhan kredit single digit.

Pendapatan non-Bunga Tumbuh, PPOP Relatif Solid

- BMRI mencatatkan pendapatan bunga bersih sebesar Rp 56,5 Triliun (vs Rp 59,4 Triliun pada FY19). Namun, kinerja baik berhasil diraih dari sisi pendapatan non-bunga yang masih tumbuh 4,9% menjadi Rp 28,7 Triliun (vs Rp 27,3 Tn di FY19)
- Pre-Provision Operating Profit* (PPOP) turun 5.1% menjadi Rp 46,1 Triliun. Namun, kenaikan beban provisi yang tak terhindarkan sebesar 89,7% menyebabkan laba bersih anjlok ke angka Rp 17,1 Triliun (-37,7% yoy). Sementara itu, NIM terpankaskan 91 bps ke level 4,65%.

NPL Tertekan Segmen Komersil

- Sektor korporasi masih menjadi penyumbang kredit terbesar bagi portofolio Bank Mandiri dengan outstanding sebesar Rp 344,3 Triliun atau sebesar 38,6% dari total kredit.
- Tingkat NPL berada di level 3,1% (vs 2,3% di FY19). Segmen komersil mencatatkan jumlah NPL tertinggi senilai Rp 17,4 Triliun atau menyumbang pembentukan NPL sebesar 4,47%. Namun kenaikan ini juga diiringi dengan meningkatnya *NPL Coverage* yang tercatat di level 229,1% pada FY20, dibandingkan dengan posisi akhir tahun 2019 sebesar 144,3%.

DPK Tumbuh Dua Digit, Porsi CASA Naik

- DPK Bank Mandiri tumbuh sebesar 12,2% sepanjang 2020; yang ditopang pertumbuhan current account sebesar 21,9% menjadi Rp 305,3 Triliun. Porsi dana murah juga berhasil tumbuh tipis dengan rasio CASA pada FY20 tercatat 66,5% (vs 65,3% di FY19)
- Secara likuiditas, posisi BMRI masih melimpah yang ditandai dengan tingkat LCR sebesar 207,8% (vs 177,7% FY19) dan tingkat NSFR sebesar 125,2% (vs 116,6% FY19).
- Strategi transformasi digital membuahkan hasil yang baik; dengan pertumbuhan nilai transaksi via *Mandiri Online* sebesar 43% sepanjang tahun 2020.

Mempertahankan Rating BUY dengan TP di Rp 7.900

- Kami mempertahankan rating BUY untuk saham BMRI dengan menaikkan target harga menjadi Rp 7.900/ lembar. TP kami mengimplikasikan forward PBV sebesar 1,7x.
- Faktor-faktor yang menjadi pertimbangan kami, antara lain: 1) Tingkat suku bunga rendah mendukung pertumbuhan kredit pada level *high single digit*; 2) Fokus pemulihan NIM dan kualitas aset di 2021 akan berimbas pada turunnya beban provisi; 3) Peningkatan layanan *digital banking* sebagai kunci pertumbuhan *fee based income*.

Bank Mandiri Tbk | Summary (IDR bn)

in IDR bn	2019/12A	2020/12A	2021/12F	2022/12F
Interest Income	91,525	87,321	97,416	103,448
<i>Interest Income growth</i>	13.0%	-4.6%	11.6%	6.2%
Operating Revenue	88,600	86,718	91,581	97,018
Net profit	27,482	17,119	23,671	29,771
EPS (IDR)	589	367	507	638
<i>EPS growth</i>	9.1%	-37.7%	38.3%	25.8%
BVPS (IDR)	4,479	4,153	4,517	4,927
Net Interest Margin	5.2%	4.5%	4.5%	4.4%
Loan/Deposits	95.8%	84.7%	86.1%	86.5%
NPL	2.3%	3.1%	2.8%	2.7%
ROE	14.0%	8.5%	11.7%	13.5%
ROA	2.2%	1.2%	1.6%	1.8%
P/E	13.0x	17.2x	15.6x	12.4x
P/BV	1.7x	1.5x	1.7x	1.6x
P/Op. Revenue	4.0x	3.4x	4.0x	3.8x
DPS (IDR)	353	220	304	383
<i>Dividend yield</i>	4.6%	3.5%	3.9%	4.8%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

BUY

Target Price (IDR)

7,900

Consensus Price (IDR)	7,996
TP to Consensus Price	-1.2%
vs. Last Price	+17.5%

Shares data

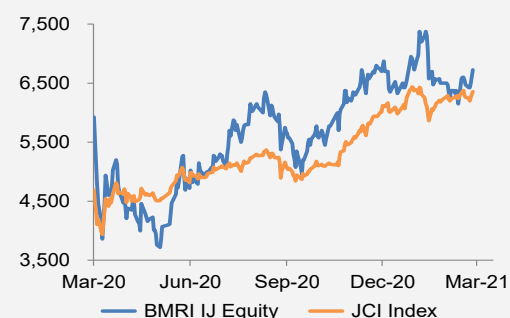
Last Price (IDR)	6,725
Price date as of	Mar. 12, 2021
52 wk range (Hi/Lo)	7,450 / 3,660
Free float (%)	37.9
Outstanding sh.(mn)	46,667
Market Cap (IDR bn)	310,695
Market Cap (USD mn)	21,802
Avg. Trd Vol - 3M (mn)	60.91
Avg. Trd Val - 3M (bn)	406.0
Foreign Ownership	26.9%

Financial Services

Banking

Bloomberg	BMRI IJ
Reuters	BMRI.JK

Share Price Performance



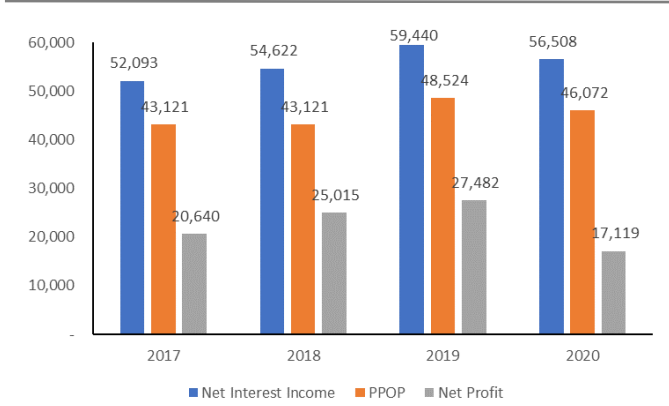
	YTD	1M	3M	12M
Abs. Ret.	6.3%	3.5%	-0.7%	4.7%
Rel. Ret.	0.0%	1.3%	-7.8%	-25.2%

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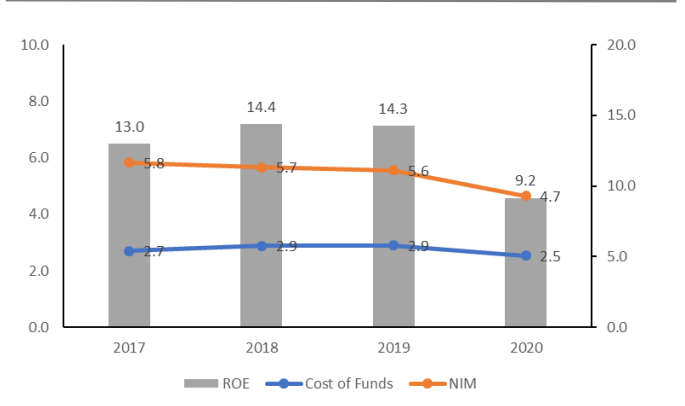
Performance Highlights

Financial Performance (IDR Billion)



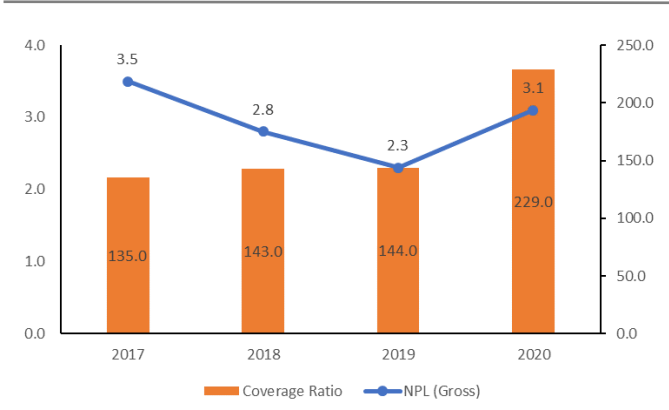
Source: Company, NHKSI Research

Profitability Ratios (%)



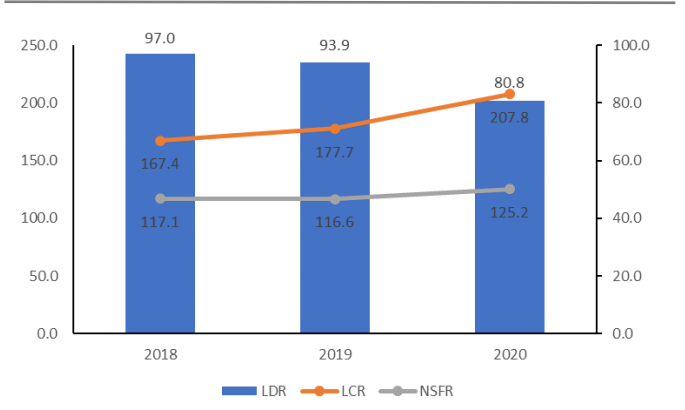
Source: Company, NHKSI Research

Asset Quality (%)



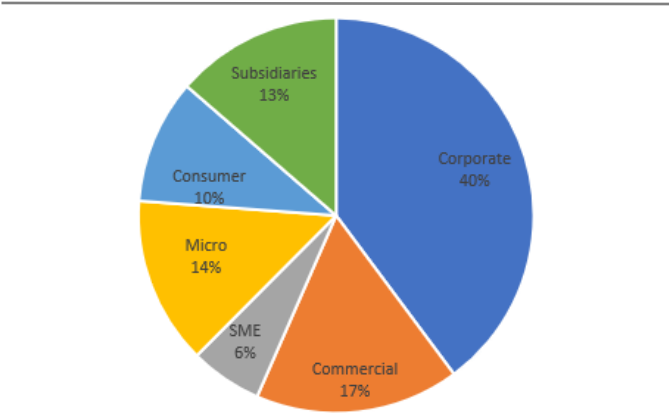
Source: Company, NHKSI Research

Liquidity (%)



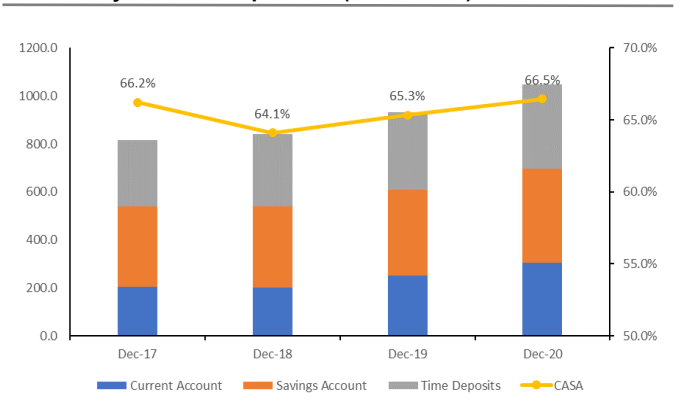
Source: Company, NHKSI Research

Loan Composition by Segment



Source: Company, NHKSI Research

Third Party Funds Composition (IDR Trillion)



Source: Company, NHKSI Research

Company Overview



PT. Bank Mandiri (Persero) Tbk (BMRI) merupakan sebuah perusahaan milik negara yang berdiri pada tanggal 2 Oktober 1998. Pendirian bank ini merupakan bagian dari program restrukturisasi perbankan, dengan menggabungkan 4 bank milik pemerintah, yaitu: Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia dan Bank Pembangunan Indonesia. Produk dan layanan Bank Mandiri mencakup: Wholesale Banking, export and import advisory dan retail banking. Perseroan memiliki layanan jaringan yang tersebar di seluruh Indonesia dengan jumlah cabang 2.312, jumlah ATM 15.444 dan jumlah ATM link 47.323. Selain itu, perseroan juga memiliki 8 kantor cabang luar negeri/perwakilan.

Pada tahun 2003, perseroan resmi menyanggah status sebagai perusahaan terbuka setelah melaksanakan penawaran umum saham perdana (IPO) sebesar 20% atau setara dengan 4 miliar lembar saham. Pemerintah Republik Indonesia masih merupakan pemegang saham terbesar di BMRI dengan porsi kepemilikan sebesar 60%. Perseroan juga memiliki sejumlah anak usaha yang bergerak di bidang jasa keuangan, antara lain: Bank Syariah Indonesia (Perbankan Syariah); Bank Mandiri Taspen (Perbankan); Mandiri Sekuritas (Investment Banking); AXA Mandiri dan Mandiri InHealth (Asuransi); Mandiri Tunas Finance dan Mandiri Utama Finance (Pembiayaan).

ASEAN Banking Peers (as of 10 March 2021)

Company	Ticker	Market Cap (USD Mn)	Total Assets (USD Mn)	Net Income LTM (USD Mn)	ROE (%)	P/E (x)	P/B (x)	Dividend Yield LTM (%)
INDONESIA								
BANK MANDIRI PERSERO TBK PT	BMRI IJ	20,959	102,645	1,176	8.7	17.7	1.6	5.5
BANK CENTRAL ASIA TBK PT	BBCA IJ	58,145	77,240	1,865	15.1	30.9	4.5	1.6
BANK RAKYAT INDONESIA PERSER	BBRI IJ	40,803	108,568	1,280	9.2	31.3	3.0	3.5
BANK NEGARA INDONESIA PERSER	BBNI IJ	7,761	64,010	225	2.8	33.6	1.0	3.4
SINGAPORE								
DBS GROUP HOLDINGS LTD	DBS SP	52,723	491,893	3,448	9.0	14.9	1.3	3.7
UNITED OVERSEAS BANK LTD	UOB SP	31,712	326,810	1,682	6.7	14.6	1.4	4.5
OVERSEA-CHINESE BANKING CORP	OCBC SP	38,300	394,608	2,412	6.9	14.8	1.0	3.8
MALAYSIA								
CIMB GROUP HOLDINGS BHD	CIMB MK	10,942	149,821	281	2.1	37.3	0.8	2.7
THAILAND								
BANGKOK BANK PUBLIC CO LTD	BBL TB	7,909	127,453	543	3.9	14.1	0.5	4.0
SIAM COMMERCIAL BANK PUB CO	SCB TB	12,401	109,298	877	6.8	13.9	0.9	3.6

Source: Bloomberg, NHKSI Research

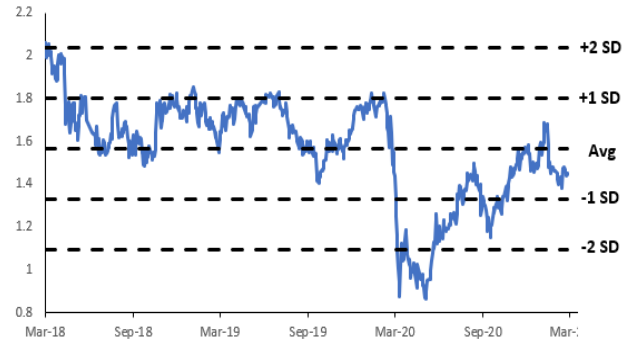
Multiple Valuation

Blended Forward P/E | Last 3 years



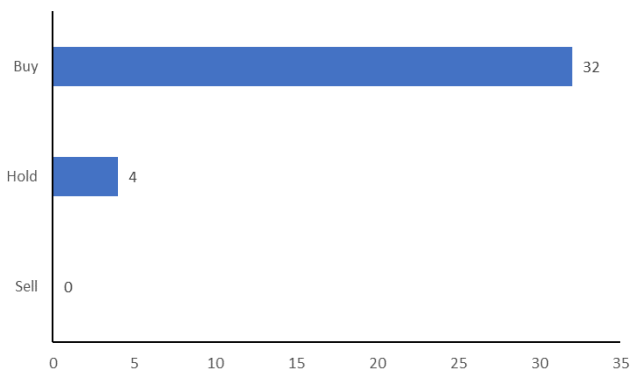
Source: NHKSI research

Blended Forward P/BV | 3 years



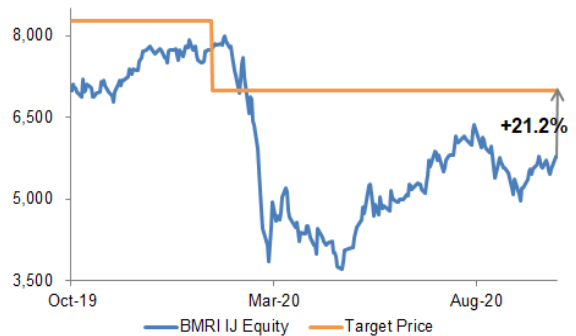
Source: NHKSI research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI research

Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
07/24/2020	Buy	6,400	5,275	6,000	+21.3%	+6.7%
09/22/2020	Buy	7,000	5,575	6,790	+25.6%	+3.1%
11/06/2020	Buy	7,000	5,775	6,992	+21.2%	+0.1%
15/03/2020	Buy	7,900	6,725	7,996	+17.5%	-1.2%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F		2019/12A	2020/12E	2021/12F	2022/12F
Interest Income	91,525	87,321	97,416	103,448	ROE	14.0%	8.5%	11.7%	13.5%
Growth (% y/y)	13.0%	-4.6%	11.6%	6.2%	ROA	2.2%	1.2%	1.6%	1.8%
Interest Expenses	(32,085)	(30,812)	(35,074)	(37,404)	Non-Int. Inc. /Op. Rev	32.9%	34.8%	31.9%	31.9%
Net Interest Income	59,440	56,509	62,342	66,044	Cost/Income	45.2%	46.9%	44.2%	44.5%
Net Interest Margin	5.2%	4.5%	4.5%	4.4%	Cash Dividend (IDR bn)	16,489	10,272	14,203	17,862
Net Fee Income	16,066	14,495	17,456	18,492	Dividend Yield (%)	4.6%	3.5%	3.9%	4.8%
Trading Income	4,734	6,541	6,546	6,935	Payout Ratio (%)	60.0%	60.0%	60.0%	60.0%
Other Operating Income	8,361	9,173	5,237	5,548	Loan/Deposits	95.8%	84.7%	86.1%	86.5%
Operating Revenue	88,600	86,718	91,581	97,018	Loan/Assets	68.8%	62.5%	65.0%	65.7%
Operating Expenses	(40,076)	(40,646)	(40,520)	(43,155)	NPL	2.3%	3.1%	2.8%	2.7%
Pre-provisioning OP	48,524	46,072	51,061	53,864	Loan Loss Res./Loan	3.3%	7.0%	5.0%	4.9%
Provision for Impairment	(12,072)	(22,896)	(18,664)	(13,092)	CASA/Deposits	65.3%	66.5%	66.6%	67.0%
EBT	36,441	23,298	32,531	40,914	Time Deposits/Deposits	34.7%	33.5%	33.4%	33.0%
Income Tax	(7,986)	(5,652)	(8,133)	(10,228)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	(973)	(526)	(727)	(915)	Total Shares (mn)	46,667	46,667	46,667	46,667
Net Profit	27,482	17,119	23,671	29,771	Share Price (IDR)	7,675	6,325	7,900	7,900
Growth (% y/y)	9.1%	-37.7%	38.3%	25.8%	Market Cap (IDR tn)	358.2	295.2	368.7	368.7

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F		2019/12A	2020/12E	2021/12F	2022/12F
Cash	28,094	24,683	22,289	18,785	Price /Earnings	13.0x	17.2x	15.6x	12.4x
Placement in Banks	96,618	153,383	148,050	142,712	Price /Book Value	1.7x	1.5x	1.7x	1.6x
Net Loans	877,105	830,047	957,527	1,043,902	Price/Op. Revenue	4.0x	3.4x	4.0x	3.8x
Investment	202,825	296,935	301,944	340,090	PE/EPS Growth	1.4x	-0.5x	0.4x	0.5x
Fixed Asset	44,612	46,728	48,238	50,501	EV/Operating Revenue	4.8x	4.2x	4.9x	4.6x
Other Assets	68,992	77,558	72,499	74,573	EV/PPOP	8.7x	8.0x	8.7x	8.2x
Total Assets	1,318,246	1,429,334	1,550,547	1,670,562	EV (IDR bn)	421,544	366,710	444,860	443,825
Deposits	946,968	1,054,533	1,170,110	1,269,293	Op. Rev. CAGR (3-Yr)	15.9%	8.9%	7.1%	7.5%
Debt	87,038	91,573	93,609	88,851	EPS CAGR (3-Yr)	11.4%	-5.6%	19.7%	13.0%
Other liabilities	75,205	89,431	76,057	82,504	Basic EPS (IDR)	589	367	507	638
Total Liabilities	1,109,211	1,235,538	1,339,775	1,440,648	Diluted EPS (IDR)	589	367	507	638
Capital Stock & APIC	29,143	28,983	28,983	28,983	BVPS (IDR)	4,479	4,153	4,517	4,927
Retained Earnings	143,310	124,656	138,056	153,624	Op. Revenue PS (IDR)	1,899	1,858	1,962	2,079
Shareholders' Equity	209,035	193,796	210,772	229,915	DPS (IDR)	353	220	304	383

CASH FLOW STATEMENT					OWNERSHIP			
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F	By Geography	% Shareholders	%	
Operating Cash Flow	27,295	28,238	6,105	41,708	Indonesia	73.1	Republic of Indonesia	60.0
Investing Cash Flow	(116,959)	2,168	(119,958)	(129,009)	United States	8.9	BlackRock Inc	1.9
Financing Cash Flow	90,508	52,921	110,917	83,797	Luxembourg	3.0	DJS Ketengakerjaan	1.8
Net Changes in Cash	844	83,326	(2,936)	(3,504)	Others	15.0	Vanguard Group	1.4

Source: NHKSI research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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