# Bank Mandiri Tbk (BMRI)

## Perbaikan Kualitas Aset dan Biaya Dana Menurun

NH KORINDO SEKURITAS INDONESIA

Company Report | 23 November 2021

**Bank Mandiri Tbk (BMRI) berhasil membukukan laba bersih sebesar IDR 19,3 triliun pada 9M21, atau naik 37,1% YoY. Kenaikan ini didukung oleh pertumbuhan solid pada Pendapatan Bunga Bersih serta Pendapatan non-Bunga. Perseroan masih optimis penyaluran kredit dapat meningkat dua digit hingga akhir 2021, dengan tingkat NIM sesuai estimasi.**

### Kualitas Aset Imbangi Pertumbuhan Kredit

- BMRI mencatatkan pertumbuhan kredit konsolidasi hingga 16,93% YoY menjadi senilai IDR 1.021,6 triliun hingga 3Q21. Pertumbuhan ini, jug diimbangi dengan kualitas aset, dengan menekan Non-Performing Loan (NPL) 37 bps di level 2,96% YoY.
- Di sisi lain, BMRI tetap menjaga rasio pencadangan di level 230,01% YoY. Angka ini naik 24,86 Bps dari sebelumnya 205,15%. Pertumbuhan kredit BMRI, juga didukung dana murah. Rasio CASA BMRI naik ke level 74,57%.
- BMRI berhasil menjaga likuiditas, dengan catatkan pertumbuhan Dana Pihak Ketiga (DPK) sebesar 18,5% YoY menjadi senilai IDR 1.214 triliun.

### CASA Jaga CoF Turun 108 Bps

- Namun, pertumbuhan signifikan likuiditas ini, diimbangi dengan Cost of Fund (CoF) yang terjaga pada level 1,62%.
- Sementara itu, pertumbuhan likuiditas dan penyaluran kredit mendorong kenaikan aset BMRI konsolidasi untuk tumbuh 16,44% YoY menjadi senilai IDR 1.637,9 triliun.
- BMRI fokus pada transformasi digital; meluncurkan aplikasi digital Livin 2.0 yang diluncurkan pada 2 Oktober 2021, dan telah mengantongi 1,5 juta unduhan.
- Aplikasi e-commerce ini bertujuan untuk meningkatkan penetrasi produk ritel BMRI. Di sisi lain, BMRI juga meluncurkan platform Kopra, menyasar pasar wholesale banking.

### Mempertahankan Buy dengan TP IDR 8.600

- Kami mempertahankan rating Buy dengan menaikkan target harga menjadi IDR 8.600/ lembar. Target harga kami mencerminkan forward PBV FY21/22 pada level 1,6x/1,5x.
- Di sisi lain, terdapat sejumlah risiko seperti restrukturisasi kredit yang masih berjalan, dan persaingan mendapatkan dana murah di tengah tren suku bunga rendah.

**Bank Mandiri Tbk** | Summary (IDR bn)

| in IDR bn | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| Interest Income | 87,321 | 92,776 | 106,949 | 120,418 |
| *Interest Income growth* | *-4.6%* | *6.2%* | *15.3%* | *12.6%* |
| Operating Revenue | 86,718 | 93,739 | 104,782 | 121,667 |
| Net profit | 17,119 | 25,650 | 32,856 | 40,786 |
| EPS (IDR) | 367 | 550 | 704 | 874 |
| *EPS growth* | *-37.7%* | *49.8%* | *28.1%* | *24.1%* |
| BVPS (IDR) | 4,153 | 4,640 | 5,287 | 5,970 |
| Net Interest Margin | *4.5%* | *4.4%* | *4.4%* | *4.9%* |
| Loan/Deposits | *84.7%* | *84.6%* | *85.5%* | *86.8%* |
| NPL | *3.1%* | *2.8%* | *2.4%* | *2.4%* |
| ROE | *8.5%* | *12.5%* | *14.2%* | *15.5%* |
| ROA | *1.2%* | *1.6%* | *1.9%* | *2.2%* |
| P/E | 19.1x | 15.6x | 12.2x | 9.8x |
| P/BV | 1.7x | 1.9x | 1.6x | 1.4x |
| P/Op. Revenue | 3.8x | 4.3x | 3.8x | 3.3x |
| DPS (IDR) | 220 | 220 | 422 | 458 |
| *Dividend yield* | *3.1%* | *2.6%* | *4.9%* | *5.3%* |

*Source: Company Data, Bloomberg, NHKSI Research*

**Please consider the rating criteria & important disclaimer**

# BUY

| Target Price (IDR) | 8,600 |
|---|---|
| Consensus Price (IDR) | 8,314 |
| TP to Consensus Price | +3.4% |
| Potential Upside | +18.6% |

| Shares data | |
|---|---|
| Last Price (IDR) | 7,250 |
| Price date as of | Nov. 19, 2021 |
| 52 wk range (Hi/Lo) | 7,450 / 5,600 |
| Free float (%) | 37.9 |
| Outstanding sh.(mn) | 46,667 |
| Market Cap (IDR bn) | 333,833 |
| Market Cap (USD mn) | 23,540 |
| Avg. Trd Vol - 3M (mn) | 45.85 |
| Avg. Trd Val - 3M (bn) | 303.32 |
| Foreign Ownership | 26.8% |

| Financial Services | |
|---|---|
| Banking | |
| Bloomberg | **BMRI IJ** |
| Reuters | **BMRI.JK** |

**Share Price Performance**


| | YTD | 1M | 3M | 12M |
|---|---|---|---|---|
| Abs. Ret. | 12.3% | 10.5% | 17.4% | 18.8% |
| Rel. Ret. | 2.2% | 13.7% | 11.3% | -6.3% |


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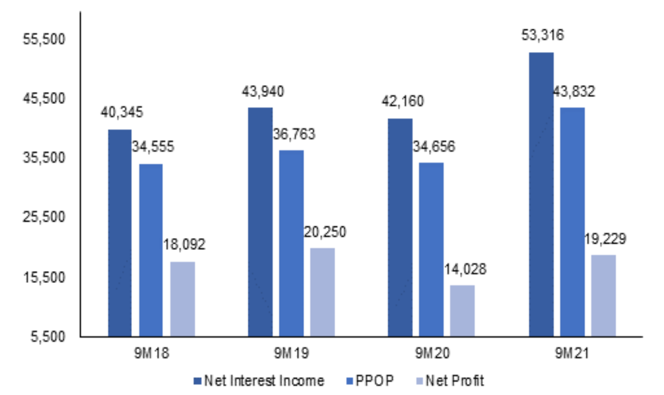
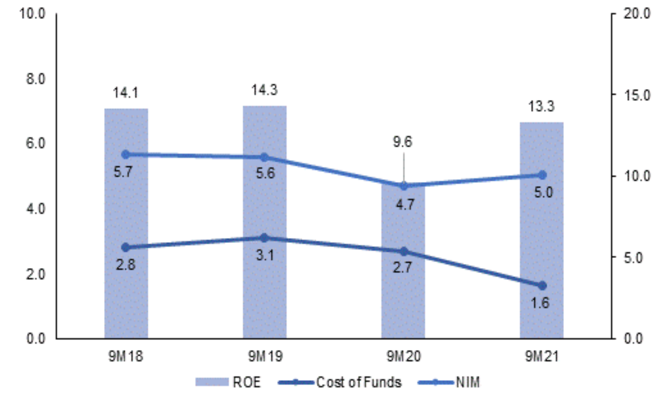
# Performance Highlights

### Financial Performance (IDR Billion)



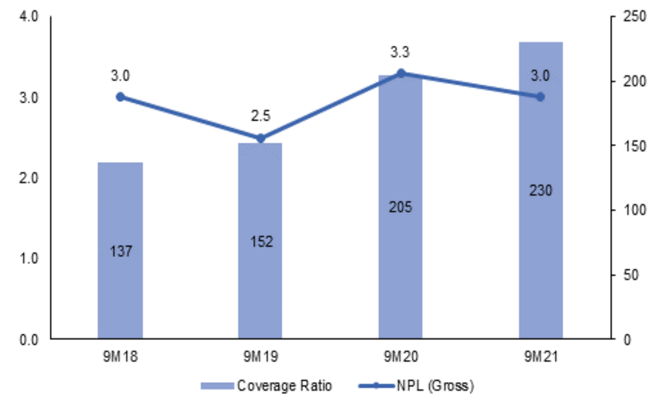

*Source: Company, NHKSI Research*

### Profitability Ratios (%)



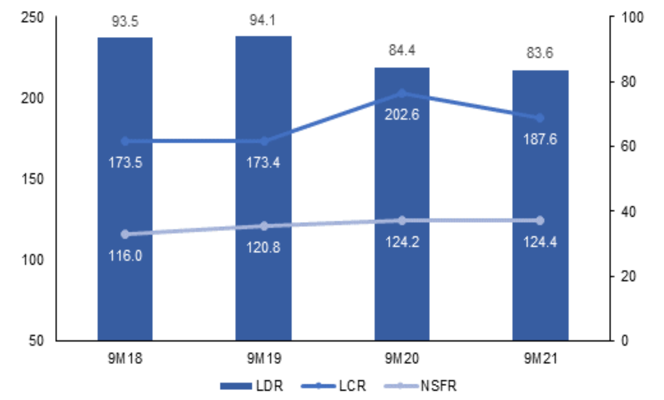

*Source: Company, NHKSI Research*

### Asset Quality (%)



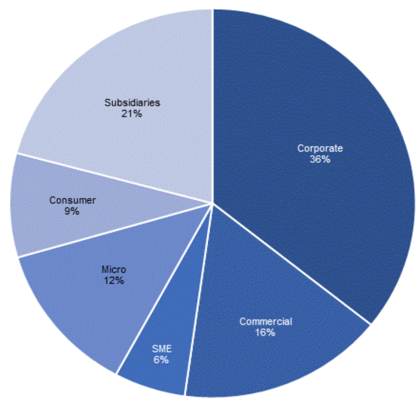

*Source: Company, NHKSI Research*

### Liquidity (%)



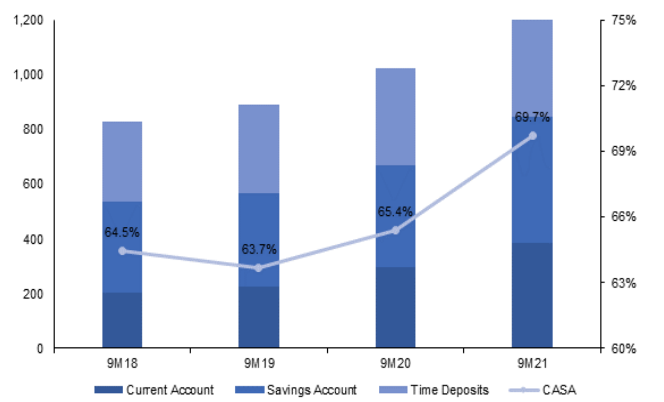

*Source: Company, NHKSI Research*

### 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 perusahan 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 menyandang 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).

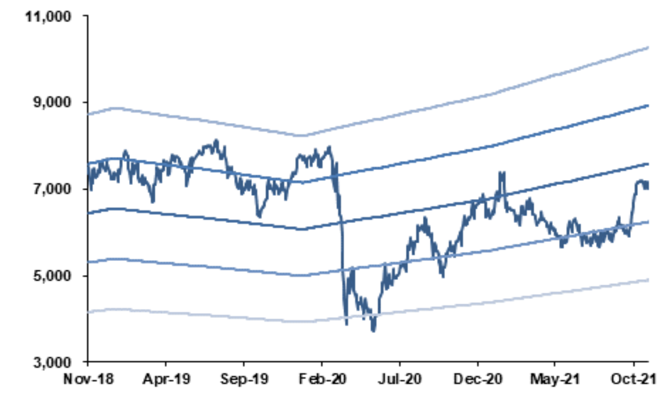
## ASEAN Banking Peers

| Company | Ticker | Market Cap (USD Mn) | Total Assets (USD Mn) | Net Interest Margin (LTM) (%) | ROE (%) | P/E (x) | P/B (x) | Dividend Yield LTM (%) |
|---|---|---|---|---|---|---|---|---|
| **INDONESIA** | | | | | | | | |
| Bank Mandiri Tbk | BMRI IJ | 23,479 | 102,645 | 5.1 | 10.5 | 17.3 | 1.8 | 3.1 |
| Bank Negara Indonesia Tbk | BBNI IJ | 9,284 | 64,010 | 5.5 | 5.8 | 19.6 | 1.1 | 0.6 |
| Bank Central Asia Tbk | BBCA IJ | 64,626 | 77,240 | 5.4 | 16.4 | 30.3 | 4.6 | 1.4 |
| Bank Rakyat Indonesia Tbk | BBRI IJ | 45,667 | 108,568 | 5.7 | 10.1 | 22.5 | 1.9 | 2.2 |
| **SINGAPORE** | | | | | | | | |
| DBS Group Holdings Ltd | DBS SP | 60,426 | 491,893 | 1.4 | 10.8 | 13.4 | 1.4 | 2.7 |
| United Overseas Bank Ltd | UOB SP | 33,295 | 326,810 | 1.6 | 8.5 | 13.7 | 1.1 | 3.7 |
| Oversea-Chinese Banking Corp. | OCBC SP | 39,917 | 394,608 | 1.6 | 8.7 | 12.4 | 1.0 | 3.4 |
| **MALAYSIA** | | | | | | | | |
| CIMB Group Holdings Bhd | CIMB MK | 12,729 | 149,821 | 2.2 | 6.9 | 13.3 | 0.9 | 2.9 |
| **THAILAND** | | | | | | | | |
| Bangkok Bank Public Co. Ltd | BBL TB | 7,038 | 127,453 | 1.6 | 4.9 | 10.4 | 0.5 | 2.8 |
| Siam Commercial Bank Pub Co. | SCB TB | 12,519 | 109,298 | 2.7 | 7.9 | 12.8 | 1.0 | 3.0 |

*Source: Bloomberg, NHKSI Research*

# Multiple Valuation

**Blended Forward P/E** | Last 3 years

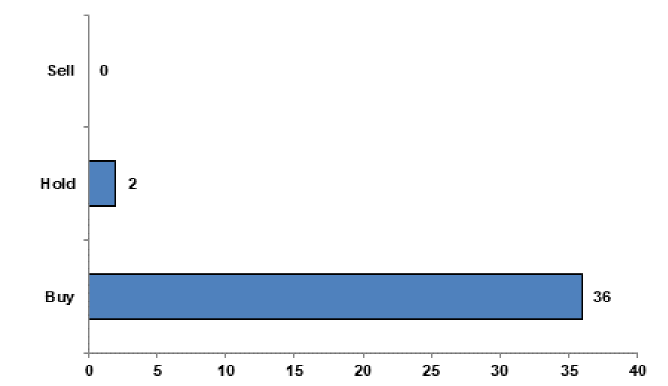



*Source: NHKSI research*

**P/BV Ratio**| Last 3 years

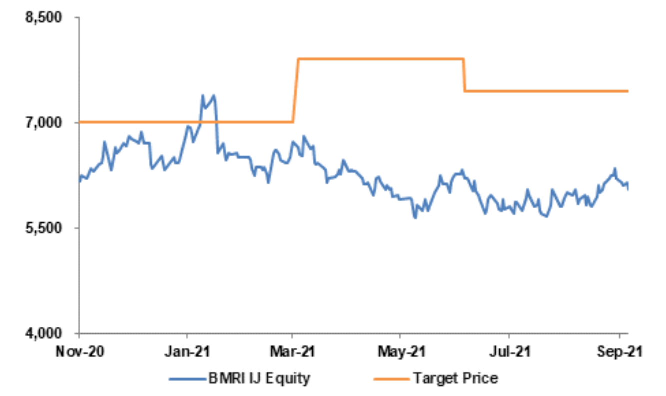

*Source: NHKSI research*

**Analyst Coverage Rating**




*Source: Bloomberg*

**Closing and Target Price**




*Source: NHKSI research*

# Rating and Target Price Update

| Date | Rating | Target Price | Last Price | Consensus | Potential Upside | vs Consensus |
|---|---|---|---|---|---|---|
| 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% |
| 15/03/2021 | Buy | 7,900 | 6,725 | 7,996 | +17.5% | -1.2% |
| 18/08/2021 | Buy | 7,450 | 5,975 | 7,902 | +24.7% | -5.7% |
| 22/11/2021 | Buy | 8,600 | 7,250 | 8,314 | +18.6% | +3.4% |

*Source: NHKSI Research, Bloomberg*

# Summary of Financials

## INCOME STATEMENT

| (IDR bn) | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| **Interest Income** | **87,321** | **92,776** | **106,949** | **120,418** |
| *Growth (% y/y)* | *-4.6%* | *6.2%* | *15.3%* | *12.6%* |
| Interest Expenses | (30,812) | (28,577) | (34,717) | (35,769) |
| **Net Interest Income** | **56,509** | **64,199** | **72,232** | **84,649** |
| *Net Interest Margin* | *4.5%* | *4.4%* | *4.4%* | *4.9%* |
| Net Fee Income | 14,495 | 15,362 | 17,906 | 20,620 |
| Trading Income | 6,541 | 6,642 | 7,917 | 9,018 |
| Other Operating Income | 9,173 | 7,536 | 6,727 | 7,380 |
| **Operating Revenue** | **86,718** | **93,739** | **104,782** | **121,667** |
| Operating Expenses | (40,646) | (41,315) | (41,913) | (51,145) |
| **Pre-provisioning OP** | **46,072** | **52,424** | **62,869** | **70,522** |
| Provision for Impairment | (22,896) | (21,915) | (21,197) | (20,424) |
| **EBT** | **23,298** | **30,586** | **41,801** | **50,221** |
| Income Tax | (5,652) | (6,516) | (9,523) | (11,070) |
| Non-controlling Interest | (526) | 1,579 | 578 | 1,634 |
| **Net Profit** | **17,119** | **25,650** | **32,856** | **40,786** |
| *Growth (% y/y)* | *-37.7%* | *49.8%* | *28.1%* | *24.1%* |

## PROFITABILITY & STABILITY

| | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| ROE | 8.5% | 12.5% | 14.2% | 15.5% |
| ROA | 1.2% | 1.6% | 1.9% | 2.2% |
| Non-Int. Inc. /Op. Rev | 34.8% | 31.5% | 31.1% | 30.4% |
| Cost/Income | 46.9% | 44.1% | 40.0% | 42.0% |
| Cash Dividend (IDR bn) | 10,272 | 10,272 | 19,713 | 21,350 |
| Dividend Yield (%) | 3.1% | 2.6% | 4.9% | 5.3% |
| Payout Ratio (%) | 60.0% | 40.0% | 60.0% | 52.3% |
| Loan/Deposits | 84.7% | 84.6% | 85.5% | 86.8% |
| Loan/Assets | 62.5% | 63.6% | 63.8% | 64.0% |
| NPL | 3.1% | 2.8% | 2.4% | 2.4% |
| Loan Loss Res./Loan | 7.0% | 6.4% | 5.5% | 5.5% |
| CASA/Deposits | 66.5% | 71.0% | 71.2% | 70.9% |
| Time Deposits/Deposits | 33.5% | 29.0% | 28.8% | 29.1% |
| Par Value (IDR) | 250 | 250 | 250 | 250 |
| Total Shares (mn) | 46,667 | 46,667 | 46,667 | 46,667 |
| Share Price (IDR) | 7,000 | 8,600 | 8,600 | 8,600 |
| Market Cap (IDR tn) | 326.7 | 401.3 | 401.3 | 401.3 |

## BALANCE SHEET

| (IDR bn) | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| Cash | 24,683 | 24,780 | 35,114 | 37,153 |
| Placement in Banks | 153,383 | 147,764 | 155,252 | 163,343 |
| Net Loans | 830,047 | 1,010,931 | 1,072,581 | 1,128,478 |
| Investment | 296,935 | 383,636 | 377,441 | 397,111 |
| Fixed Asset | 46,728 | 48,029 | 50,021 | 52,074 |
| Other Assets | 77,558 | 83,200 | 87,479 | 88,124 |
| **Total Assets** | **1,429,334** | **1,698,339** | **1,777,887** | **1,866,284** |
| Deposits | 1,054,533 | 1,276,709 | 1,327,165 | 1,376,190 |
| Debt | 91,573 | 101,542 | 96,347 | 99,906 |
| Other liabilities | 89,431 | 103,541 | 107,633 | 111,609 |
| **Total Liabilities** | **1,235,537** | **1,481,792** | **1,531,146** | **1,587,705** |
| Capital Stock & APIC | 28,983 | 29,241 | 29,241 | 29,241 |
| Retained Earnings | 124,656 | 136,385 | 155,814 | 176,886 |
| **Shareholders' Equity** | **193,797** | **216,547** | **246,741** | **278,579** |

## VALUATION INDEX

| | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| Price /Earnings | 19.1x | 15.6x | 12.2x | 9.8x |
| Price /Book Value | 1.7x | 1.9x | 1.6x | 1.4x |
| Price/Op. Revenue | 3.8x | 4.3x | 3.8x | 3.3x |
| PE/EPS Growth | -0.5x | 0.3x | 0.4x | 0.4x |
| EV/Operating Revenue | 4.6x | 5.3x | 4.7x | 4.2x |
| EV/PPOP | 8.6x | 9.4x | 7.8x | 7.2x |
| EV (IDR bn) | 398,210 | 495,388 | 492,497 | 506,655 |
| Op. Rev. CAGR (3-Yr) | 15.1% | 11.8% | 12.0% | 15.9% |
| EPS CAGR (3-Yr) | -6.0% | 0.6% | 6.1% | 33.6% |
| Basic EPS (IDR) | 367 | 550 | 704 | 874 |
| Diluted EPS (IDR) | 367 | 550 | 704 | 874 |
| BVPS (IDR) | 4,153 | 4,640 | 5,287 | 5,970 |
| Op. Revenue PS (IDR) | 1,858 | 2,009 | 2,245 | 2,607 |
| DPS (IDR) | 220 | 220 | 422 | 458 |

## CASH FLOW STATEMENT

| (IDR bn) | 2020/12A | 2021/12F | 2022/12F | 2023/12F |
|---|---|---|---|---|
| Operating Cash Flow | (12,206) | 82,649 | 28,332 | 50,095 |
| Investing Cash Flow | (26,176) | (316,182) | (60,598) | (91,692) |
| Financing Cash Flow | 90,661 | 230,157 | 42,600 | 43,636 |
| **Net Changes in Cash** | **52,279** | **(3,377)** | **10,334** | **2,039** |

## OWNERSHIP

| **By Geography** | **%** | **Shareholders** | **%** |
|---|---|---|---|
| Indonesia | 73.2 | Republic of Indonesia | 60.0 |
| United States | 9.1 | DJS Ketenagakerjaan | 1.8 |
| Luxembourg | 3.7 | Vanguard Group | 1.6 |
| Others | 14.0 | Others | 36.6 |

*Source: Bloomberg, 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%

## DISCLAIMER