

Indonesian Banks are Bound to Recover Sooner Than Later

BI to Maintain the Tight Monetary Policy Bias

BI has decided to keep the key rate unchanged at 7.5%. Though the government had suggested to lower or cut the BI rate gradually to boost the economic growth, BI sees the possible inflation ahead due to seasonality and decides to maintain the rate for the time being to stay ahead of the curve, and cutting BI rate right now will make the Rupiah depreciates even more.

Easing Macro Prudential Policies to Boost Growth

While keeping the rate unchanged, BI plans to boost the economic growth through macro prudential policies. BI has stated that it will review the LTV ratio for housing as well as motorcycles' down payment rule. As we are getting closer to Islamic Festivities (Ramadhan) where increasing activities tend to come from consumer sectors, we see the new LTV regulation will have an immediate impact as it will attract the demand for consumer loans.

Indonesian Banks Rally to Lower the Rates

After the pricing war on the deposit collection which occurred in 2H14 and the overwhelming TD growth since then, many big banks are lowering the rate starting from early this year, followed by the same act towards lending rate. Seeing the 1Q15 result, CoF's soared and trimmed the bank's profitability. Given in 1Q15 demands for loan is still weak, banks have abundant liquidity to cut the rates and improve on their margins.

Weak Economic Conditions Hurt Banks' NPL

Rupiah depreciation, oil prices volatility, low commodity prices, and slow government spending realization on infrastructure has held back the domestic economic growth in 1Q15. Whereas banks are having a rough time to expand the loans disbursement, asset quality were dented as an impact from weaker purchasing power.

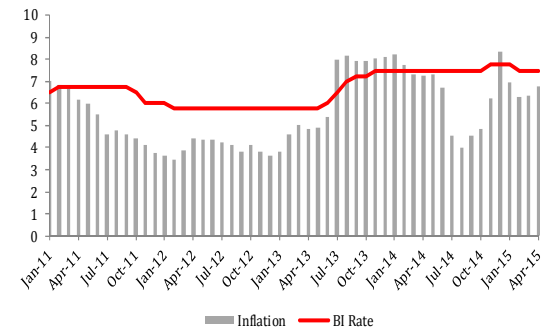
Banks are Bound to Recover Sooner than Later

Despite the fact Q1 was recorded slow, we view that Indonesian Banks are bound to recover sooner than later. With consumer activities surge as Ramadhan draws near, escalating government spending in 2Q15 if not 3Q15, and LTV easing on housing and motorcycles possibly starting on June, we see an opportunity for Indonesian Banks to accelerate from all the speedbumps that were previously encountered. Combined with the downtrend TD rate in 1Q15, banks are expected to have margin expansion possibly starting in 3Q15—resulted from lower CoF's and stronger loan growth.

Top Picks: BBNI, BTPN, BJTM

Given certain events and circumstances that are happening or are bound to happen, our top picks for Banking Sector are BBNI, BTPN, and BJTM.

Inflation VS BI Rate



Source: Sinarmas Investment Research

Central Bank Rates

Country	Reference Rate
Brazil	13.25%
Russia	12.50%
Turkey	7.50%
India	7.50%
Indonesia	7.50%
Vietnam	6.50%
China	5.10%
Philippine	4.00%
Malaysia	3.25%

Source: Sinarmas Investment Research

Banks Covered in this Report:

BMRI, BBRI, BBCA, BBNI, BTPN, BJTM, BBTN

May 25, 2015

PT Bank Mandiri (Persero) Tbk

Company Update

Neutral

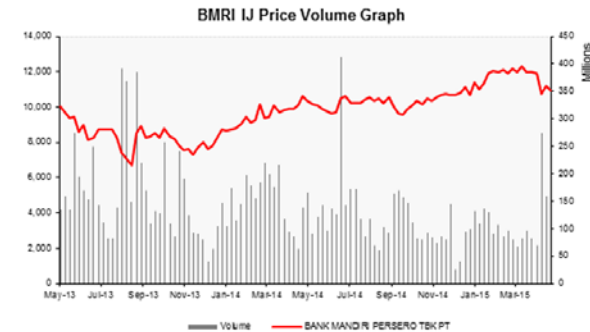
- The company reported Net Profit of IDR 5,138 bn as of 1Q15 (dn 5.2% QoQ, up 4.3% YoY). With the economy slowdown in the first quarter, NPL deteriorated along with an increase in provision (27.3% YoY).
- Impacted from TD rate war that occurred in 2014, CoF went up by 10 bps QoQ and 110 bps YoY, and took 50 bps off of NIM QoQ and YoY.
- Though CASA composition has been shrinking in the customer deposit collection, quarterly speaking, the bank has managed to deliver higher lending than deposit.
- NPL worsened across the board for all sectors but Corporate., with the biggest changes felt in Small and Micro.
- Projecting for the second and third quarter, we view that NIM will pick up, supported by increasing activities and needs due to the Islamic Festivities (Ramadhan) in July this year. The bank plans to focus on consumer loans through mortgages during this period.
- Projecting for 2H15, we view escalating government spending in the second semester will expand BMRI's corporate portfolio and be good for the bank's overall NPL.

Exhibit 1: BMRI Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	5.9	5.7	5.8	5.9	5.4	-0.5	-0.5
Net Profit (IDR Bn)	4,925	4,661	4,868	5,418	5,138	-5.2%	4.3%
Total Assets (IDR Bn)	729,483	764,938	798,161	855,040	868,348	1.6%	19.0%
Total Loans (IDR Bn)	470,423	485,844	506,456	529,974	532,824	0.5%	13.3%
Total Deposits (IDR Bn)	531,611	555,920	590,890	636,382	628,712	-1.2%	18.3%
CASA Ratio	63.0	62.2	61.2	59.8	59.2	-0.6	-3.8
Cost of Fund	2.8	3.3	3.9	3.8	3.9	0.1	1.1
LDR	88.0	87.0	85.3	82.9	84.4	1.5	-3.6
NPL Ratio (gross)	2.1	2.2	2.2	2.2	2.3	0.1	0.2
NPL Ratio (net)	0.7	0.8	0.8	0.8	0.9	0.1	0.2

Source: Bloomberg, Sinarmas Investment Research

Exhibit 2: BMRI Stock's Price VS Volume



Current Price: IDR 11,300

52-Week Target Price: IDR 12,930

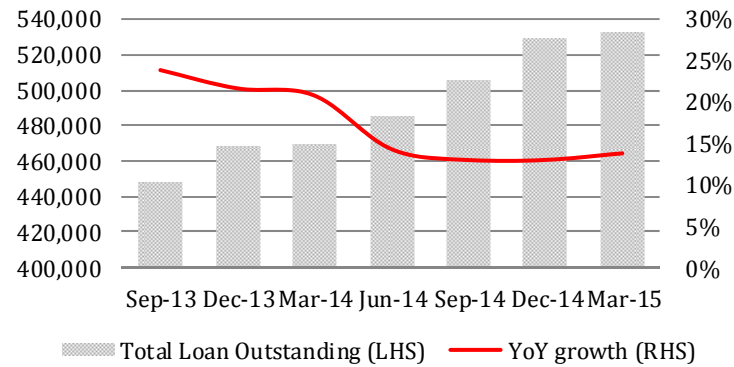
Downside Risks:

While the bank has been trying to boost its exposure in the Maritime sector, we see a downside risk in the asset quality since NPL for maritime sector is still recorded at 4% as of February 2015. Nevertheless, new bookings should pick up in the following quarter, aided by "Buku Jaring" which has been released in the late April by OJK (Financial Services Authority).

The government spending in infrastructure might take longer than what we had expected before due to the fasting month just before the Ramadhan. Though the possibility for delay still exists, we view it will be happening in 3Q15 the latest.

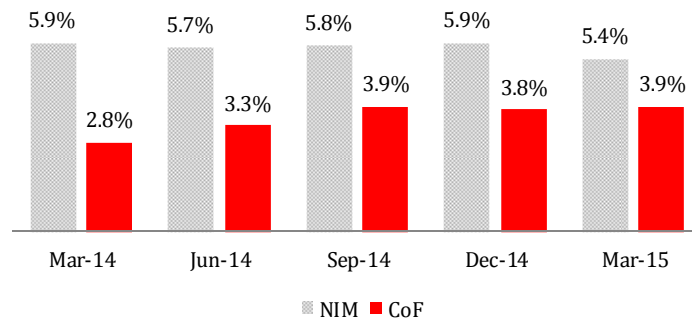
May 25, 2015

Exhibit 3: BMRI Total Loan VS YoY Growth



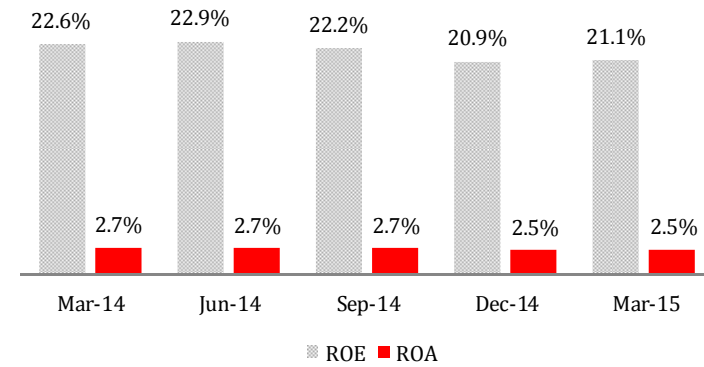
Source: Sinarmas Investment Research

Exhibit 5: BMRI NIM VS CoF



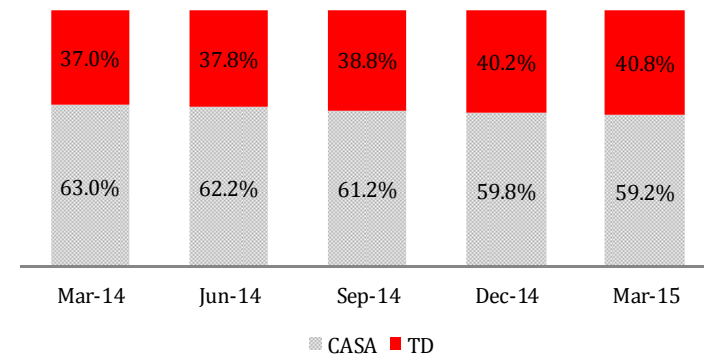
Source: Sinarmas Investment Research

Exhibit 4: BMRI ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 6: BMRI Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Rakyat Indonesia (Persero) Tbk

Company Update

Neutral

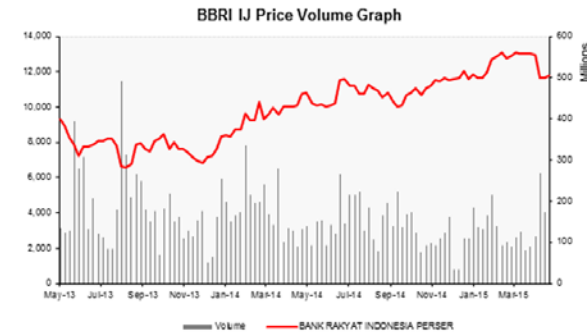
- Despite the deterioration in lending growth and accelerated TD in the deposit collection, BBRI managed to book a Net Profit of IDR 6,101 bn (up 0.5% QoQ, 3.4% YoY).
- While an upside in Net Profit was achieved, the bank's margin has been shrinking by 90 bps QoQ and 150 bps YoY; mainly impacted from sharp fall in CASA (dn 170 bps QoQ, dn 570 bps YoY), left alone the loosening in liquidity from 92% in 1Q14 to 80.5% in 1Q15.
- Like other BUKU IV Banks, the economy slowdown in 1Q15 has cost the bank its asset quality—increasing NPL along with reduced recovery rate.
- NPL deteriorated in almost all sectors; micro, small, medium, and corporate. While gross NPL increased by 48 bps QoQ, special mention was recorded at 7.13% (up 83 bps QoQ, dn 58 bps YoY).
- We view that BBRI has an upside potential regardless the deterioration in NIM and NPL. With its new product that was launched early 2015, Kupedes Rakyat, and its progress in adding more portion to its fee based income, we believe Bank Rakyat has rock solid fundamentals moving onwards. The addition of BRI satellite will also bring a positive contribution to the bank as well, possibly starting 3Q15.

Exhibit 7: BBRI Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	9.1	8.9	8.8	8.5	7.6	-0.9	-1.5
Net Profit (IDR Bn)	5,902	5,823	6,399	6,073	6,101	0.5%	3.4%
Total Assets (IDR Bn)	595,741	621,978	683,212	778,018	781,181	0.4%	31.1%
Total Loans (IDR Bn)	432,436	459,121	464,182	490,403	472,915	-3.6%	9.4%
Total Deposits (IDR Bn)	470,017	488,451	544,272	600,404	587,727	-2.1%	25.0%
CASA Ratio	56.4	56.0	52.2	52.5	50.7	-1.7	-5.7
Cost of Fund	3.9	4.1	4.3	4.4	4.5	0.1	0.6
LDR	92.0	94.0	85.3	81.7	80.5	-1.2	-11.5
NPL Ratio (gross)	1.8	2.0	1.9	1.7	2.2	0.5	0.4
NPL Ratio (net)	0.5	0.6	0.5	0.4	0.6	0.2	0.1

Source: Bloomberg, Sinarmas Investment Research

Exhibit 8: BBRI Stock's Price VS Volume



Current Price: IDR 12,450

52-Week Target Price: IDR 13,950

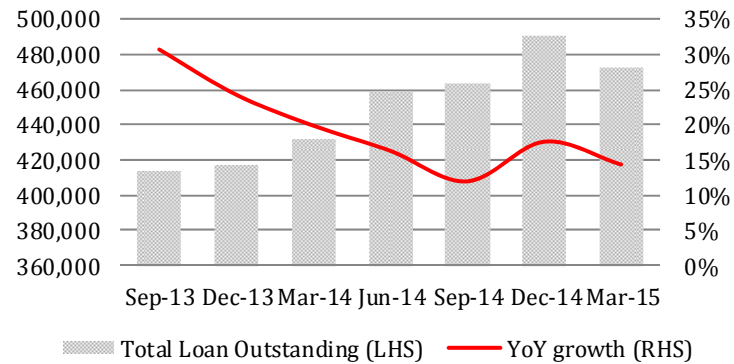
Downside Risks:

During economy slowdown, it is hard to maintain the asset quality stability at micro, small, and medium level. The central bank has projected that inflation might rise up in the near future. Though it is still uncertain, there is a possibility that purchasing power will decline further. It will all depend on the government spending that has been put on hold until now.

We believe that Q2 performance will be very crucial to the bank. Given that deposit collection outperformed loan disbursement (25% YoY VS 9.4% YoY), the bank's CoF squeezed the margin by 150 bps YoY.

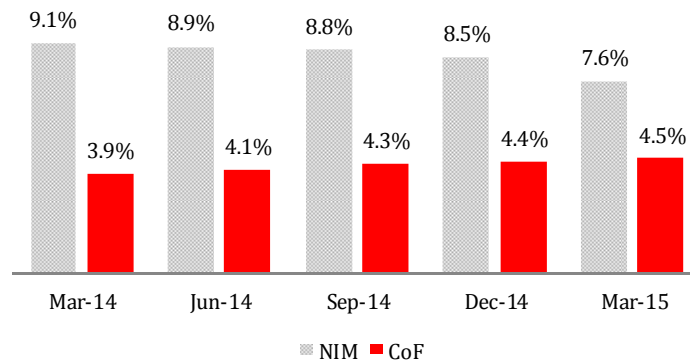
May 25, 2015

Exhibit 9: BBRI Total Loan VS YoY Growth



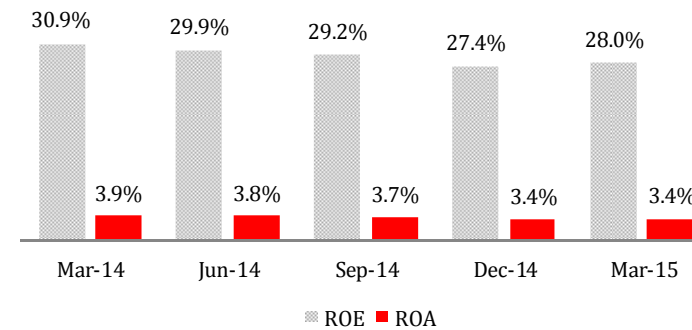
Source: Sinarmas Investment Research

Exhibit 11: BBRI NIM VS CoF



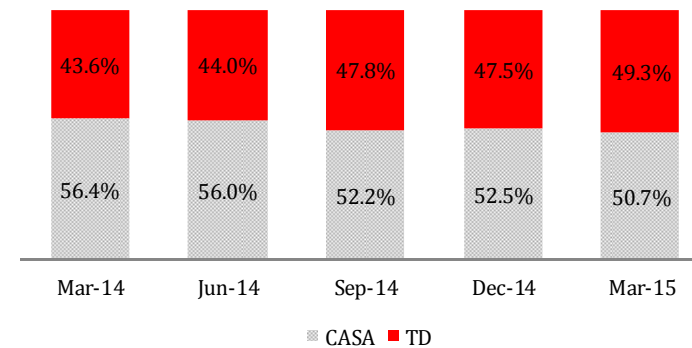
Source: Sinarmas Investment Research

Exhibit 10: BBRI ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 12: BBRI Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Central Asia Tbk

Company Update

Neutral

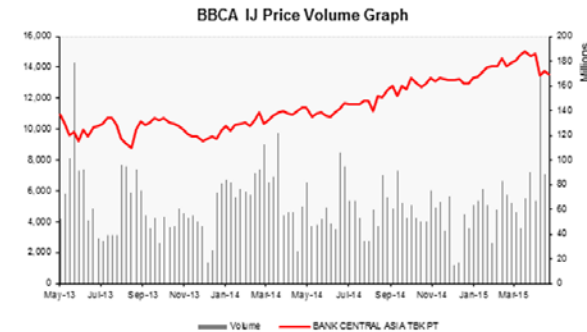
- Proven to be one of the most resilient banks, BBCA managed to maintain its NIM at 6.5 %, relatively the same QoQ and YoY. Net Profit was booked at IDR 4,057 bn as of 1Q15 (dn 5.5% QoQ, up 10.7% YoY).
- We view that the downgrade in Net Profit is not a major concern, due to seasonality, where BBCA tends to deliver superb performance in the fourth quarter. However, there is a deterioration in asset quality, led by credit to two wheelers (150 bps YoY).
- Looking at the CASA ratio, the bank managed to maintain high CASA (75.3% as of 1Q15) despite lackluster nationwide CASA growth.
- Having stable CASA ratio, the bank successfully kept its CoF steady at 2.6% level (<20 bps QoQ and YoY).
- Getting closer to Ramadhan, the bank plans to boost its credit to mortgages and is ready to offer lower rates. With the BI's plan to loosen LTV starting on June, it's the perfect timing for BBCA to expand its portfolio.
- With current trend where deposit collection exceeds loan disbursement, BBCA has ample liquidity; LDR of 74.9%. Though it is relatively low compared to its peers, we do not see this as a problem given the backbone of the company is its fee-based income.

Exhibit 13: BBCA Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	6.5	6.5	6.5	6.5	6.5	-	0.1
Net Profit (IDR Bn)	3,665	4,187	4,343	4,291	4,057	-5.5%	10.7%
Total Assets (IDR Bn)	502,779	523,352	537,895	553,156	557,439	0.8%	10.9%
Total Loans (IDR Bn)	317,191	321,284	330,677	346,563	335,576	-3.2%	5.8%
Total Deposits (IDR Bn)	406,799	421,190	431,984	447,906	445,091	-0.6%	9.4%
CASA Ratio	77.6	77.2	76.3	75.2	75.3	0.1	-2.3
Cost of Fund	2.5	2.5	2.6	2.6	2.6	0.1	0.2
LDR	77.1	75.5	75.9	76.8	74.9	-1.9	-2.2
NPL Ratio (gross)	0.5	0.5	0.7	0.6	0.7	0.1	0.2
NPL Ratio (net)	0.2	0.2	0.3	0.2	0.2	-	-

Source: Bloomberg, Sinarmas Investment Research

Exhibit 14: BBCA Stock's Price VS Volume



Current Price: IDR 13,875

52-Week Target Price: IDR 14,550

Downside Risks:

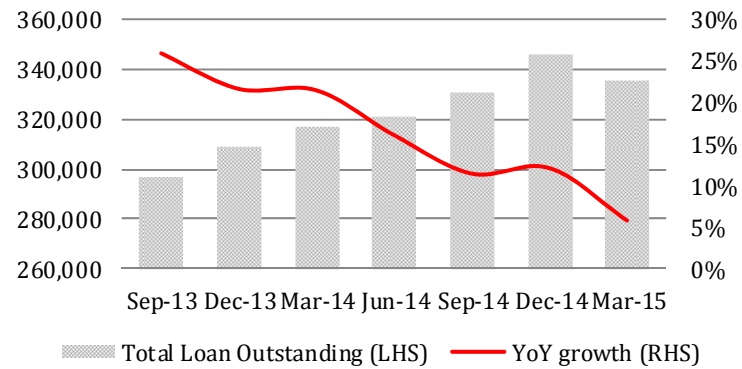
While Bank Indonesia plans to loosen LTV starting on June, with current NPL in motorcycles, it could be risky to expand the portfolio. Weak economic condition, inclining trend of inflation, and Rupiah depreciation might affect customers' purchasing power.

Whether the bank is going to acquire a BUKU I Bank this year is still a big question mark, given limited budget of IDR 1.5 tn and political uncertainties ahead.

Demanding valuation for the bank. Being valued at P/BV of 4.47x, BBCA's stock price can be considered expensive. Thus, we rated BBCA "NEUTRAL".

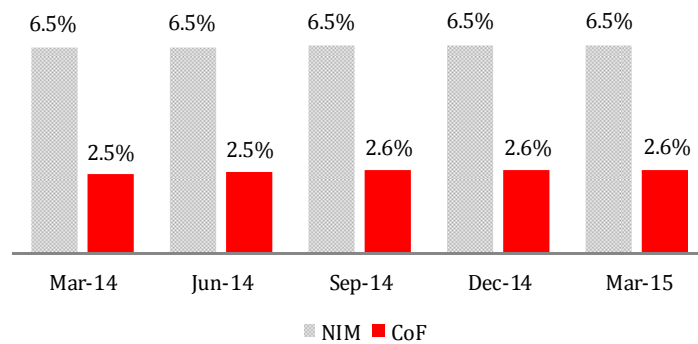
May 25, 2015

Exhibit 15: BBKA Total Loan VS YoY Growth



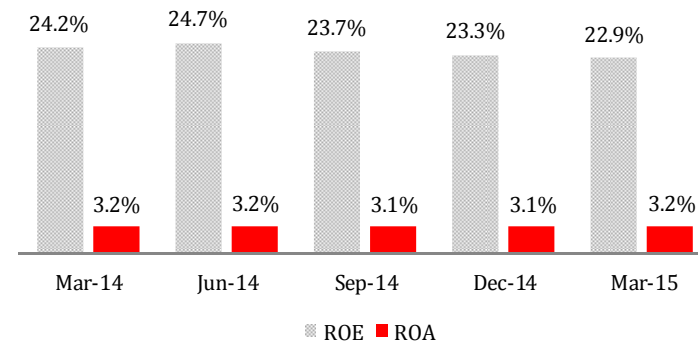
Source: Sinarmas Investment Research

Exhibit 17: BBKA NIM VS CoF



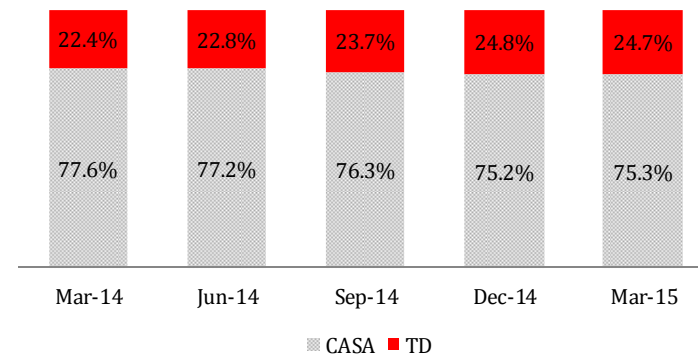
Source: Sinarmas Investment Research

Exhibit 16: BBKA ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 18: BBKA Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Negara Indonesia (Persero) Tbk

Company Update

BUY

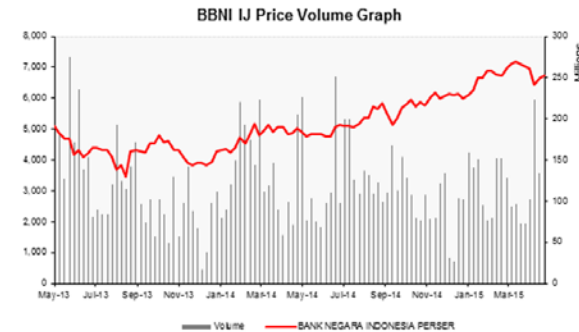
- As of 1Q15, BBNI reported a Net Profit of IDR 2,817 bn (up 17.7% YoY), the highest among its peers in BUKU IV.
- Looking at its customer deposit portfolio, CASA ratio has shifted to 63.1% (dn 140 bps QoQ, dn 220 bps YoY). With TD rate cut, CoF is relatively the same as last quarter's, which was registered at 3.2%.
- Despite the downtrend in NIM's for most Indonesian Banks, BBNI gained 30 bps QoQ and 40 bps YoY (6.5% as of 1Q15), due to the increased average yield on from 10.2% in 1Q14 and 10.9% in 4Q14 to 11.2% in 1Q15.
- While NPL only moved by a hair, significant changes occurred in special mention loans, led by Medium sector from 2.9% in 1Q14 to 6.5% in 1Q15, followed by Consumer and Corporate sectors.
- Meanwhile, we expect demand for loans will pick up in 2Q15, given the likelihood of consumer loans rising as it is getting near to Ramadhan, and in 3Q15, with the government spending in infrastructure.
- We view escalating government spending in the second semester will be a game changer for the bank's profitability.

Exhibit 19: BBNI Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	6.1	6.0	6.1	6.2	6.5	0.3	0.4
Net Profit (IDR Bn)	2,393	2,543	2,675	3,172	2,817	-11.2%	17.7%
Total Assets (IDR Bn)	371,461	407,817	408,047	416,574	407,215	-2.2%	9.6%
Total Loans (IDR Bn)	247,120	257,529	267,942	277,622	269,513	-2.9%	9.1%
Total Deposits (IDR Bn)	273,966	314,196	308,327	313,893	305,150	-2.8%	11.4%
CASA Ratio	65.3	61.1	62.0	64.5	63.1	-1.4	-2.2
Cost of Fund	2.8	2.9	3.2	3.2	3.2	-	0.4
LDR	88.4	80.3	85.7	87.8	87.8	-	-0.6
NPL Ratio (gross)	2.3	2.2	2.2	2.0	2.1	0.1	-0.2
NPL Ratio (net)	0.6	0.6	0.5	0.4	0.5	0.1	-0.1

Source: Bloomberg, Sinarmas Investment Research

Exhibit 20: BBNI Stock's Price VS Volume



Current Price: IDR 6,800

52-Week Target Price: IDR 7,830

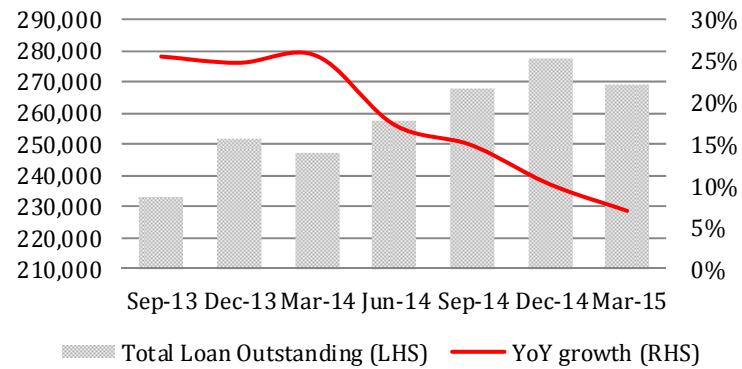
Downside Risks:

While the bank has been trying to boost its exposure in the Maritime sector, we see a downside risk in the asset quality since NPL for maritime sector is still recorded at 4% as of February 2015. Nevertheless, new bookings should pick up in the following quarter, aided by "Buku Jaring" which has been released in the late April by OJK (Financial Services Authority).

Be that as it may, while the current NPL is relatively the same as it was in 4Q14 and better than 1Q15's NPL, the growing pattern in special mention loans could threaten the bank's asset quality in the following quarters.

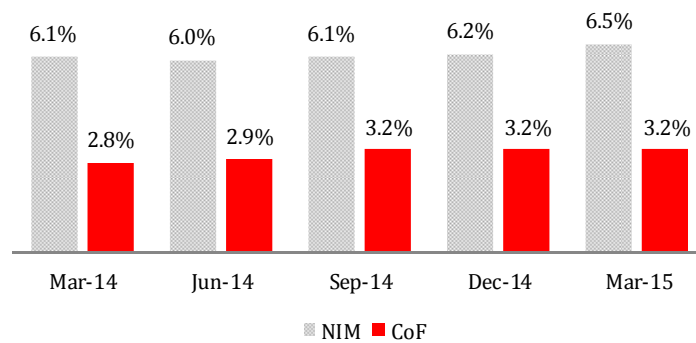
May 25, 2015

Exhibit 21: BBNI Total Loan VS YoY Growth



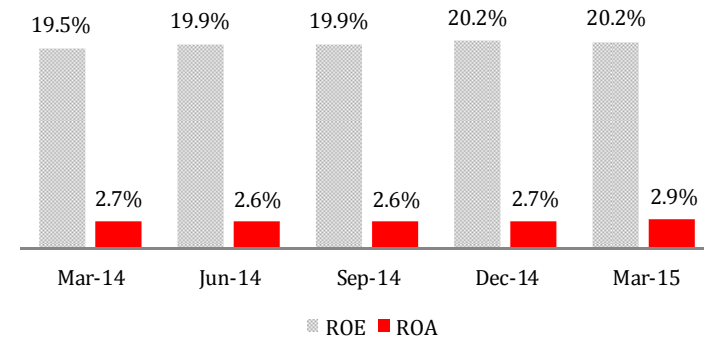
Source: Sinarmas Investment Research

Exhibit 23: BBNI NIM VS CoF



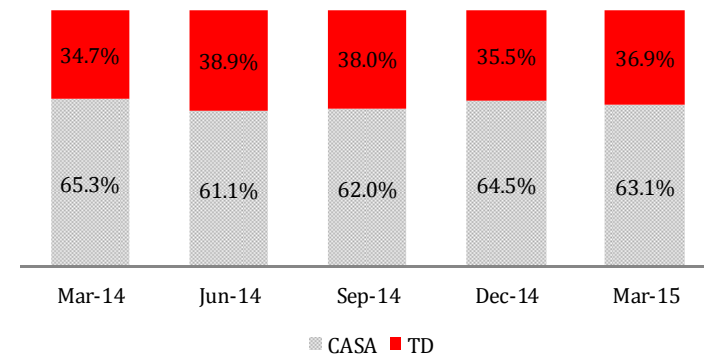
Source: Sinarmas Investment Research

Exhibit 22: BBNI ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 24: BBNI Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Tabungan Pensiunan Nasional Tbk

Company Update

BUY

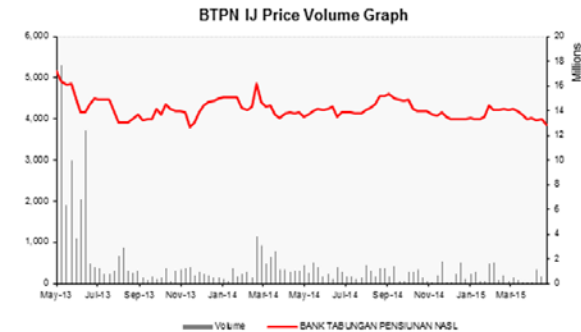
- The company reported a moderate Net Profit of IDR 481 bn as of 1Q15 (up 10.3% QoQ, dn 2.4% YoY). Though quarterly growth was reported negative, with deposit composition tilting towards TD, the bank managed to maintain stable NIM of 11.3%.
- While CASA ratio had dropped significantly, the new bookings in TD has been moving in the direction of lower rate and longer tenors segment, which can be seen from the improvement in CoF.
- Blended NPL worsened due to penetration to Micro and Shariah, while Pension loans still remain resilient.
- While the bank's liquidity has tightened (98.2% as of 1Q15) due to faster growth in loans than in deposits, the bank's LFR is at 85%; 71% if includes equity.
- With the possibility of BI rate to be cut gradually, BTPN is the main beneficiary of such condition as it will lower the bank's CoF. With CASA ratio of only 14.2%, BI rate cut will impact the bank greatly.
- Projecting for the rest of 2015, we view that BTPN has an opportunity to expand its margin, given lower TD rates of new booking and the possibility of BI rate to be cut gradually in the following quarter or semester.

Exhibit 25: BTPN Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	11.7	11.8	10.8	11.3	11.3	-	-0.4
Net Profit (IDR Bn)	493	502	421	436	481	10.3%	-2.4%
Total Assets (IDR Bn)	67,349	71,411	71,698	75,015	76,566	2.1%	13.7%
Total Loans (IDR Bn)	47,037	50,013	51,135	51,994	53,377	2.7%	13.5%
Total Deposits (IDR Bn)	49,263	52,696	52,550	53,335	54,367	1.9%	10.4%
CASA Ratio	15.4	15.2	14.4	21.1	14.2	-6.9	-1.2
Cost of Fund	9.2	9.4	9.7	9.0	8.9	-0.1	-0.3
LDR	95.5	94.9	97.3	97.5	98.2	0.7	2.7
NPL Ratio (gross)	0.7	0.6	0.7	0.7	0.8	0.1	0.0
NPL Ratio (net)	0.7	0.5	0.7	0.7	0.8	0.1	0.1

Source: Bloomberg, Sinarmas Investment Research

Exhibit 26: BTPN Stock's Price VS Volume



Current Price: IDR 3,925

52-Week Target Price: IDR 4,850

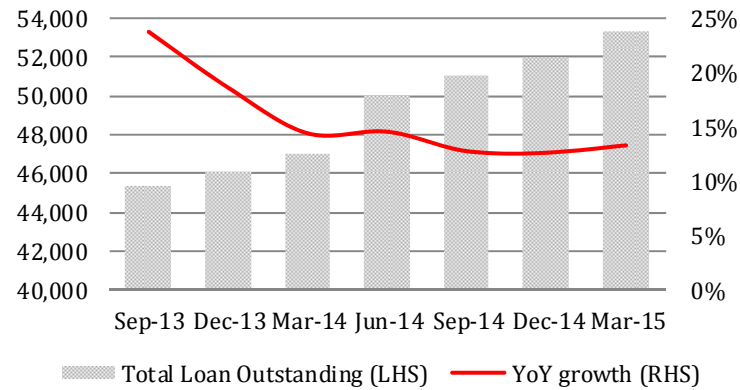
Downside Risks:

While average loan yield from "Tunas Usaha Rakyat" is attractive, the uptrend in NPL cannot be hindered, given the weak economy condition. Shariah's NPL weakened by 30 bps QoQ and was recorded at 1.2% as of 1Q15.

Our valuation was actually higher than our 52-Week TP, however, due to liquidity issue, we discounted our 52-Week TP to IDR 4,850.

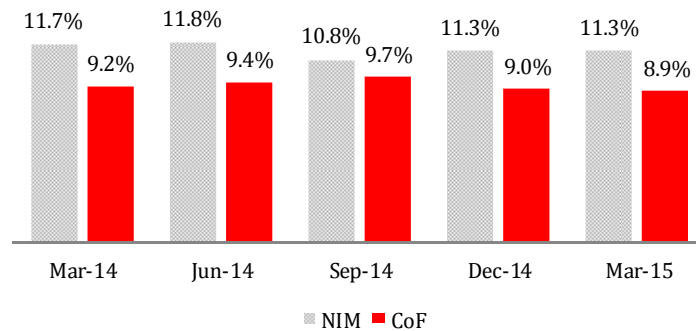
May 25, 2015

Exhibit 27: BTPN Total Loan VS YoY Growth



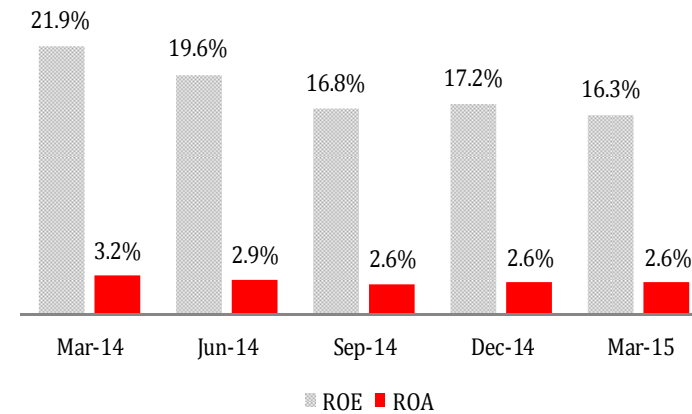
Source: Sinarmas Investment Research

Exhibit 29: BTPN NIM VS CoF



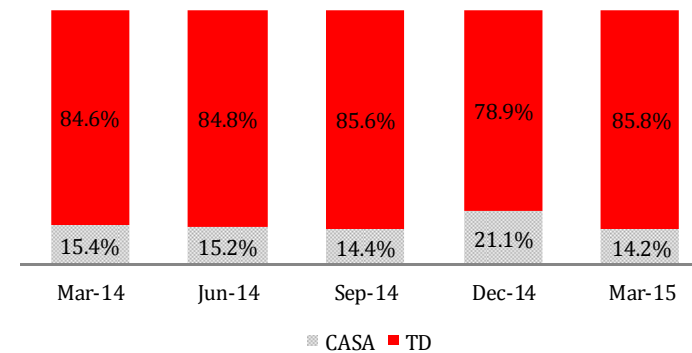
Source: Sinarmas Investment Research

Exhibit 28: BTPN ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 30: BTPN Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Pembangunan Daerah Jawa Timur Tbk

Company Update

BUY

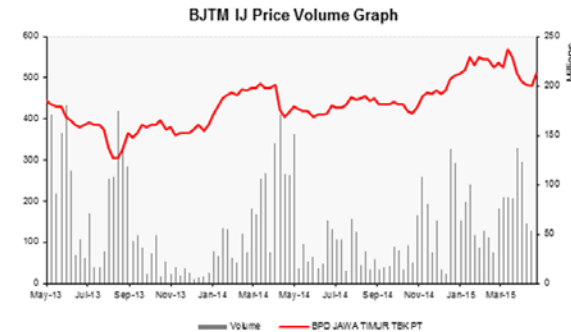
- As of 1Q15, the bank had reported a Net Income of IDR 257 bn (dn 17.5% YoY). Though top line experienced an upside (Interest Income went up by 12.7% YoY), a weakening can be seen from the operating performance (Operational Profit went down by 23.4% YoY).
- Loan growth still recorded at a healthy level of 17.1% YoY. However, liquidity has loosened to 70.0% as of 1Q15 due to government's placement of funds.
- During the current economic condition, BJTM also suffers from the deterioration in asset quality, 60 bps QoQ and 20 bps YoY.
- The deterioration in asset quality was led by Commercial loans that inclined by 390 bps QoQ. All other segments only contributed a small factor to the increase in NPL.
- Though the 1Q15 results were weak, we are still bullish on the bank that it will deliver sustainable performances for FY15, given better economic growth in the East of Java compared to its peers.
- We view that BJTM has plenty room of growth this year and has the ability to achieve its management target of 20% loan growth, considering government spending will most likely to escalate in the following quarters.

Exhibit 31: BJTM Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	7.7	7.0	7.1	6.9	6.9	-	-0.8
Net Profit (IDR Bn)	312	231	200	196	257	31.2%	-17.5%
Total Assets (IDR Bn)	35,464	42,147	42,694	37,998	45,825	20.6%	29.2%
Total Loans (IDR Bn)	22,684	24,821	26,087	26,195	26,568	1.4%	17.1%
Total Deposits (IDR Bn)	28,205	35,480	35,704	30,270	37,974	25.4%	34.6%
CASA Ratio	70.8	69.5	68.3	74.8	72.3	-2.5	1.5
Cost of Fund	3.3	3.8	3.7	2.7	3.5	0.8	0.2
LDR	80.4	70.0	73.1	86.5	70.0	-16.6	-10.4
NPL Ratio (gross)	3.6	3.5	3.3	3.3	3.9	0.6	0.2
NPL Ratio (net)	1.3	1.1	2.5	1.1	1.1	-	-0.2

Source: Bloomberg, Sinarmas Investment Research

Exhibit 32: BJTM Stock's Price VS Volume



Current Price: IDR 510

52-Weeks Target Price: IDR 595

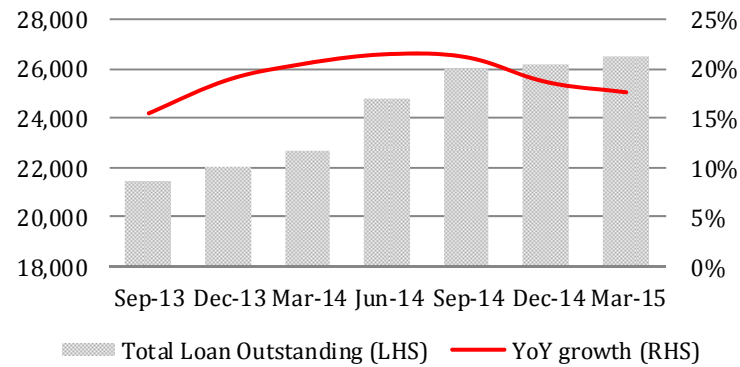
Downside Risks:

While the bank plans to enlarge its portfolio by 20% this year, we view that it will be hard for the bank to suppress the number of bad debts, given the economy is still weak as it is. However, we are optimistic once government spending starts to take effect, it will get better undoubtedly.

The government spending in infrastructure might take longer than what we had expected before due to the fasting month just before the Ramadhan. Though the possibility for delay still exists, we view it will be happening in 3Q15 the latest.

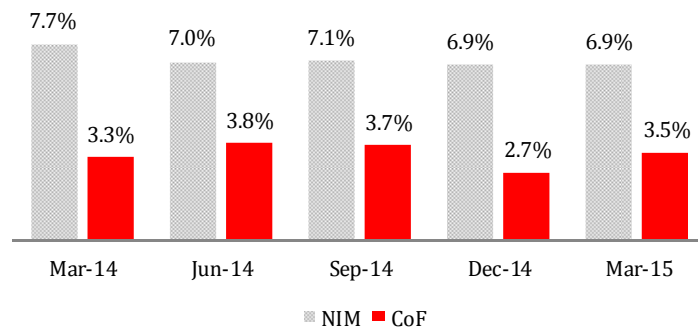
May 25, 2015

Exhibit 33: BJTM Total Loan VS YoY Growth



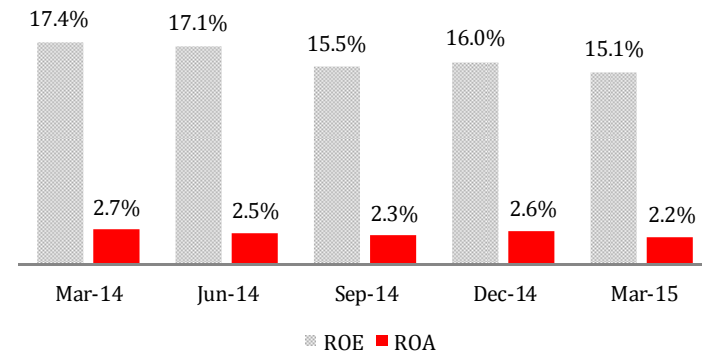
Source: Sinarmas Investment Research

Exhibit 35: BJTM NIM VS CoF



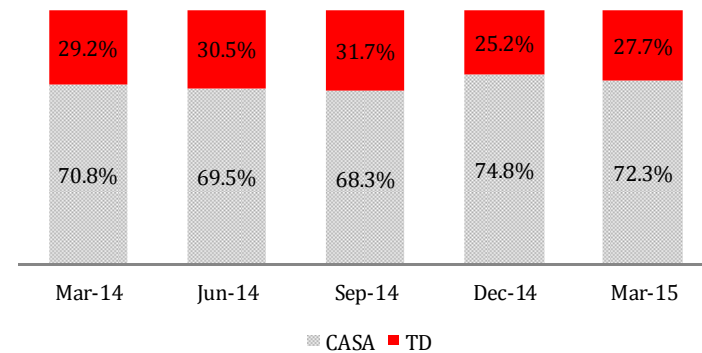
Source: Sinarmas Investment Research

Exhibit 34: BJTM ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 36: BJTM Customer Deposits Composition



Source: Sinarmas Investment Research

May 25, 2015

PT Bank Tabungan Negara (Persero) Tbk

Company Update

Not Rated

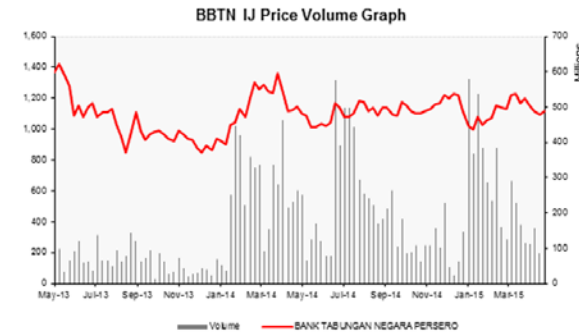
- While big banks were going through a slow-down in profitability, BBTN booked Net Profit of IDR 402 bn as of 1Q15 (up 11.4% QoQ, up 17.9% YoY), with NIM that is kept steady in between 4.5-5.0%.
- With YoY loan growth recorded at 16.9%, we view the bank will be able to achieve its target of FY15 loan growth of 17-19% (FY15E deposit growth 18-20%), apart from the ongoing government's one million housing program.
- Due to its exposure long tenor mortgages (10-20 years), LDR is still above 100% as of 1Q15. Nonetheless, LFR is marked at 91.7%.
- The government housing program, "Program Sejuta Rumah", plans to diversify one million housing into three subsets; 150,000 rental houses for non-bankable applicants, 460,000 subsidized houses, and 390,000 non-subsidized houses. On which, Bank Tabungan Negara plans to double or even triple its achievement in subsidized and non-subsidized in 2014—92,000 units and 58,000 units respectively.
- We view the bank's profitability will improve significantly, despite the 225 bps rate cut on subsidized mortgages that will hurt NIM, we expect significant leap on the top and bottom line of the bank.

Exhibit 37: BBTN Highlights

Financial Highlights	1Q14	2Q14	3Q14	4Q14	1Q15	QoQ	YoY
NIM	5.0	4.5	4.4	4.5	4.7	0.2	-0.3
Net Profit (IDR Bn)	341	198	216	361	402	11.4%	17.9%
Total Assets (IDR Bn)	136,964	135,623	142,428	144,576	149,289	3.3%	9.0%
Total Loans (IDR Bn)	102,820	106,584	110,538	115,916	120,158	3.7%	16.9%
Total Deposits (IDR Bn)	102,278	101,345	101,842	106,479	109,519	2.9%	7.1%
CASA Ratio	41.2	44.5	45.8	46.6	44.7	-1.9	3.4
Cost of Fund	1.7	1.8	1.8	1.7	1.6	-0.1	-0.1
LDR	100.5	105.2	108.5	108.9	109.7	0.8	9.2
NPL Ratio (gross)	4.7	5.0	4.9	4.0	4.8	0.8	0.0
NPL Ratio (net)	3.6	3.8	3.6	2.8	3.5	0.7	-0.1

Source: Bloomberg, Sinarmas Investment Research

Exhibit 38: BBTN Stock's Price VS Volume



Current Price: IDR 1,180

52-Weeks Target Price: N/A

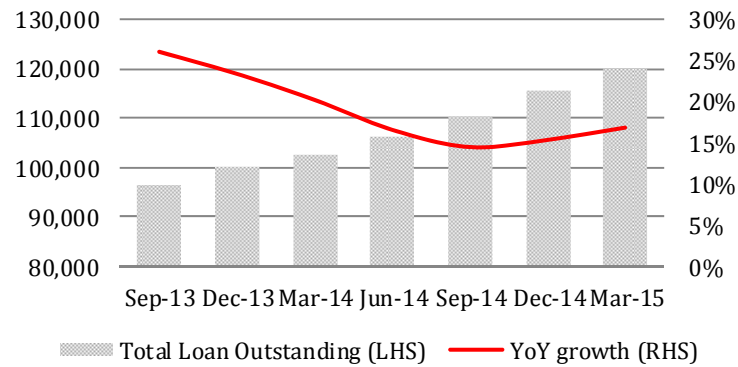
Downside Risks:

Though the government housing program may sound attractive, there are still uncertainties in the budget allocation. According to our data, the government has allocated IDR 5.1 tn, which is still not sufficient to finance the program.

The volatility of NPL coming from current mortgage products which adopts ballooning interest rate has become a concern for many. Nonetheless, the new FLPP scheme is expected to have smaller to none NPL's, given the 5.0% flat interest rate throughout the whole period and some contribution from the government to ease debtors' burdens.

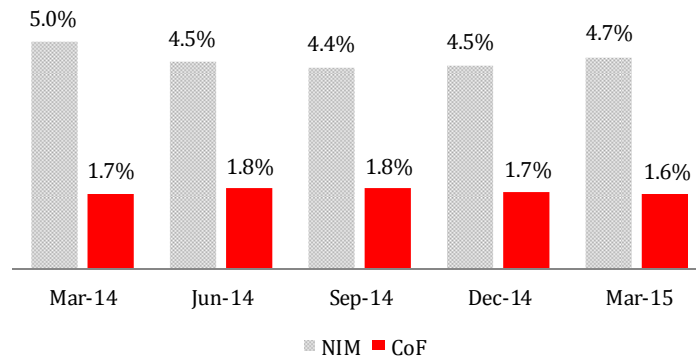
May 25, 2015

Exhibit 39: BBTN Total Loan VS YoY Growth



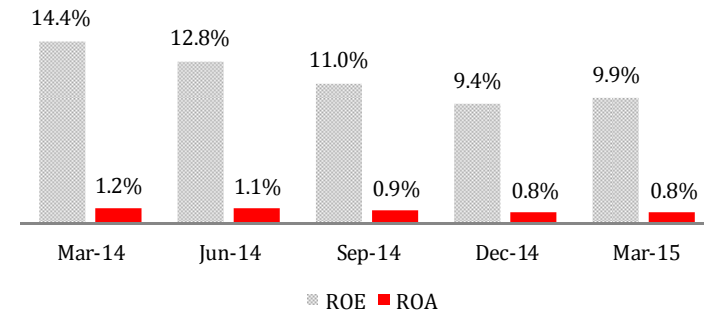
Source: Sinarmas Investment Research

Exhibit 41: BBTN NIM VS CoF



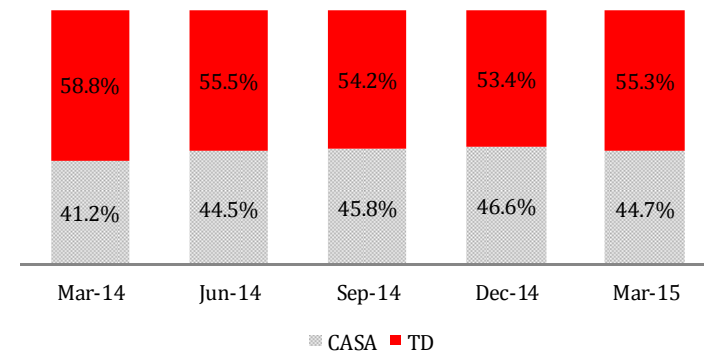
Source: Sinarmas Investment Research

Exhibit 40: BBTN ROE VS ROA



Source: Sinarmas Investment Research

Exhibit 42: BBTN Customer Deposits Composition



Source: Sinarmas Investment Research

DISCLAIMER

This report has been prepared by PT SinarMas Sekuritas, an affiliate of SinarMas Group.

This material is: (i) created based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such; (ii) for your private information, and we are not soliciting any action based upon it; (iii) not to be construed as an offer to sell or a solicitation of an offer to buy any security.

Opinions expressed are current opinions as of original publication date appearing on this material and the information, including the opinions contained herein, is subjected to change without notice. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this publication may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, integrating and interpreting market information. Research will initiate, update and cease coverage solely at the discretion of SinarMas Research department. If and as applicable, SinarMas Sekuritas' investment banking relationships, investment banking and non-investment banking compensation and securities ownership, if any, are specified in disclaimers and related disclosures in this report. In addition, other members of SinarMas Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from companies under our research coverage. Further, the SinarMas Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, to the extent permitted by law and/or regulation, have long or short positions in, and buy or sell, the securities (including ownership by SinarMas Group), or derivatives (including options) thereof, of companies under our coverage, or related securities or derivatives. In addition, the SinarMas Group, including SinarMas Sekuritas, may act as market maker and principal, willing to buy and sell certain of the securities of companies under our coverage. Further, the SinarMas Group may buy and sell certain of the securities of companies under our coverage, as agent for its clients.

Investors should consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Recipients should not regard this report as substitute for exercise of their own judgment. Past performance is not necessarily a guide to future performance. The value of any investments may go down as well as up and you may not get back the full amount invested.

SinarMas Sekuritas specifically prohibits the redistribution of this material in whole or in part without the written permission of SinarMas Sekuritas and SinarMas Sekuritas accepts no liability whatsoever for the actions of third parties in this respect. If publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Additional information is available upon request.

Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual properties.

©SinarMas Sekuritas(2015). All rights reserved.