

BUY

(Maintained)

Target Price (IDR) **5,100**
Potential Upside (%) **14.1**

Company Data

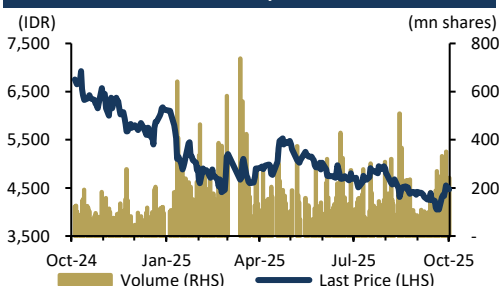
Cons. Target Price (IDR) **5,437**
SSI vs. Cons (%) **93.8**

Stock Information

Last Price (IDR) 4,470
Market Cap. (IDR bn) 417,200
52-Weeks High/Low (IDR) 7,075/4,010
3M Avg. Daily Value (IDR bn) 756.3
Free Float (%) 40.0
Shareholders (%):
Government 52.0
INA 8.0
Public & Others 40.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(21.6)	1.1	(4.7)	(36.6)
JCI Return	14.7	0.2	7.6	5.5
Relative	(36.2)	0.9	(12.3)	(42.1)

Stock Price & Volumes, 12M**Company Background**

Established in 1998, PT Bank Mandiri Tbk is Indonesia's largest bank by consolidated assets value of IDR 2,563.4tn (USD 153.5bn) in 9M25. Its loan portfolio is primarily composed of corporate loans (37.8%), followed by microloans (18.1%) and commercial (17.8%).

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YoY profit still down; NIM under pressure at 4.89% on intense competition. In 3Q25, BMRI booked consolidated net profit of IDR 13.3tn (+17.9% QoQ, -14.2% YoY), bringing 9M25 earnings to IDR 37.7tn (-10.2% YoY), broadly in line with our forecast (74.8% of FY25F) and consensus (74.8%). Operating expenses rose 25.3% YoY in 9M25, mainly driven by higher personnel and G&A costs, with one-off post-audit adjustments (~10–12% of total opex) continuing to push CIR up to 44.6%. Despite cost pressures, NII grew +4.9% YoY, supported by +11% YoY loan growth, primarily from wholesale segment, while retail growth was intentionally moderated. Deposit costs came in at 2.43% in 9M25 (Sep MTD: 2.33%), alongside +5.97% YoY CASA growth and +13.0% YoY total deposit expansion. However, with loan yields easing to 7.67% (-8bps QoQ) amid intensifying competition, 3Q25 NIM slipped slightly to 4.89% (2Q25: 4.92%).

Prioritizing 'safe' sectors and ecosystem-driven value chain growth. BMRI continues to focus on low-risk sectors and ecosystem/value-chain lending, emphasizing growth in corporate (+8.2% QoQ) and commercial (+1.9% QoQ), with added exposure to energy, downstream, and telecommunications. Retail disbursement remained muted by design, with micro KUR (+2.9% QoQ) and mortgages (+0.8% QoQ) offsetting declines in auto, SME, and payroll loans. Management aims to further strengthen transactional CASA through these initiatives, while "loan-solo-deposit" strategy has helped align loan and deposit growth, supporting liquidity (LDR 91%) and ongoing CoF improvement.

2025F guidance: loan growth 8–10%, NIM 4.8–5.0%, CoC 80–100bps. Management maintained its FY25 loan growth target at 8–10%, with 3Q25 trends remaining on track, and continues to guide for NIM at 4.8–5.0%, as lower deposit costs are expected to offset loan-yield pressure. Assets quality stayed manageable, with CoC improving to 73bps (vs. 77bps in 1H25), LAR declining to 6.48%, and consolidated LAR coverage at 44.7%. FY25 CIR is projected at around 45% (due to one-off cost adjustments) but is expected to normalize to ~42% by FY26, as expense growth moderates to low single digits. The dividend payout ratio is expected to remain at ~60%, with IDR 1.2tn buyback authorization in place through March 2026.

Maintain BUY rating with TP of IDR 5,100 on potential NIM recovery ahead. At this stage of the market cycle, we retain our BUY rating on BMRI with TP of IDR 5,100/share (PBV 26F: 1.46x), offering 14.1% upside, particularly given YTD underperformance. Post-3Q25 results, we leave our net profit estimate unchanged and expect NIM to recover next quarter as lower CoF and strong coverage ratios cushion asset quality risks. Key downside risks include weaker economic recovery (raising NPL risk), further NIM compression, and slower loan growth and/or higher credit costs.

Forecasts and Valuations (at closing price IDR 4,470 per share)

Y/E Dec	23A	24A	25F	26F	27F
Net Interest Income (IDRbn)	95,887	101,757	107,840	118,621	131,875
Pre-prov op. Profit (IDRbn)	84,876	87,838	89,009	98,880	110,738
Net Profit (IDR bn)	55,060	55,783	50,449	54,373	60,049
EPS (IDR)	590	598	541	583	643
EPS Growth (%)	(33.1)	1.3	(9.6)	7.8	10.4
P/E Ratio (x)	7.5	7.4	8.1	7.6	6.8
BVPS (IDR)	2,795	3,041	3,223	3,481	3,775
P/BV Ratio (x)	1.6	1.4	1.4	1.3	1.2
DPS (IDR)	354	359	324	350	386
Dividend Yield (%)	8.0	8.2	7.4	7.9	8.8
ROE (%)	22.4	20.5	17.3	17.4	17.7

Figure 1. BMRI's 3Q25 Results

(IDRbn)	3Q25	QoQ (%)	YoY (%)	9M24	9M25	y-y (%)	9M25/ 2025F	9M25/ cons
Net interest income	25,875	(3.7)	1.4	74,603	78,259	4.9	-	-
Non-interest income	12,628	34.2	8.8	32,152	33,762	5.0	-	-
Total operating income	38,503	6.1	3.7	106,755	112,021	4.9	73.0	72.4
Provisions	2,891	9.3	13.8	9,452	9,172	(3.0)	-	-
Operating profit	17,991	17.4	(13.2)	57,326	51,434	(10.3)	-	-
Net profit	13,275	17.9	(14.2)	42,017	37,730	(10.2)	74.8	74.8
Key ratios (%)								
Net interest margin	-	-	-	5.1	4.9	-	-	-
Loan/deposit	-	-	-	95.0	93.4	-	-	-
Capital adequacy	-	-	-	20.1	19.0	-	-	-
Gross NPL	-	-	-	1.0	1.0	-	-	-
ROAE	-	-	-	21.7	18.2	-	-	-

Sources: Company, SSI Research

3Q25 non-interest income grew 8.8% YoY, supported by 56.8% YoY jump in treasury transactions

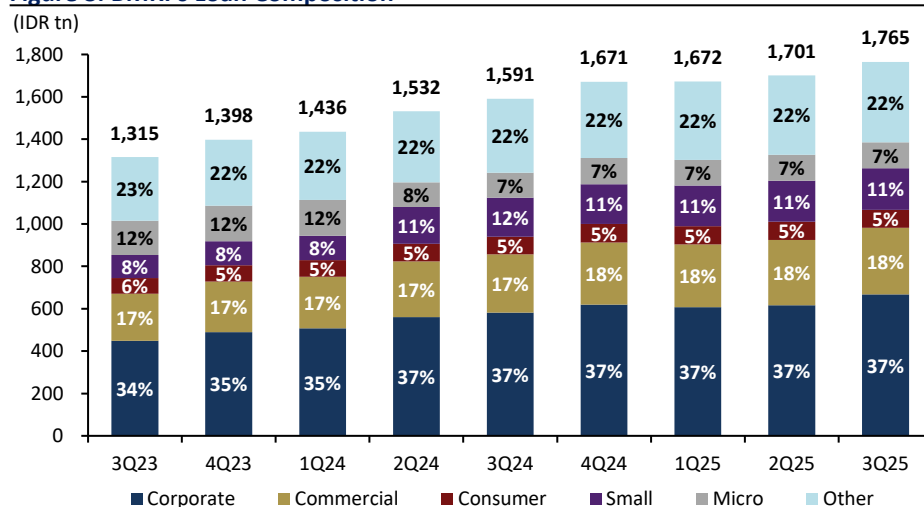
Figure 2. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	1,029	8,350	9,600	(32,386)	15.0	6.0	9.4	3.6	20.5
BBRI	BUY	585	3,860	4,400	(4,177)	14.0	7.7	10.7	1.8	19.9
BMRI	BUY	417	4,470	5,100	(18,587)	14.1	5.3	7.8	1.4	19.9
BBNI	BUY	163	4,370	4,900	(4,723)	12.1	3.9	10.2	0.9	13.0
BNLI	SPEC-BUY	122	5,450	6,200	(5)	13.8	4.2	12.2	4.3	7.9
BRIS	BUY	120	2,600	3,100	1,601	19.2	5.4	15.8	2.0	18.2
PNBN	BUY	30	1,005	1,700	(453)	69.2	4.5	10.6	0.5	8.5
BBTN	BUY	17	1,205	1,600	(164)	32.8	3.8	18.4	0.3	10.9
BINA	SPEC-BUY	17	4,490	7,000	(2)	55.9	2.9	107.6	7.1	6.7
BCIC	SPEC-BUY	17	152	270	(1)	77.6	2.4	13.1	0.6	7.9
Sector	NEUTRAL	2,547			(16,937)	15.8	6.0	11.3	2.6	18.3

Sources: Company, SSI Research

At current levels, BMRI provides 14% share price upside potential, supported by 2026F forward P/BV of 1.5x, reflecting 42% discount relative to the sector

Figure 3. BMRI's Loan Composition



Sources: Company, SSI Research

Retail loan growth was modest at +0.14% QoQ, dragged by declines in Auto (-2.98% QoQ), SME (-1.65% QoQ), and Payroll (-0.48% QoQ) segments, with recovery expected in 4Q25 on seasonal demand

Financial Highlights

Profit and Loss						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Interest income	112,382	132,544	151,236	165,517	179,893	196,684
Interest expense	24,479	36,658	49,479	57,676	61,272	64,809
Net interest income	87,903	95,887	101,757	107,840	118,621	131,875
Non-interest income	37,779	42,879	44,929	45,693	49,835	54,363
Total operating income	125,682	138,765	146,686	153,533	168,456	186,238
Operating expenses	53,673	53,889	58,849	64,524	69,576	75,500
Loan loss provisions	15,841	10,234	11,778	18,765	23,180	27,135
Operating profit	56,168	74,642	76,060	70,244	75,699	83,603
Non-operating inc./ (exp.)	210	43	344	378	416	458
Pre-tax profit	56,378	74,685	76,403	70,622	76,115	84,061
Corporate tax	(11,425)	(14,633)	(15,238)	(15,184)	(16,365)	(18,073)
Minorities	(3,782)	(4,992)	(5,382)	(4,989)	(5,378)	(5,939)
Net profit	41,171	55,060	55,783	50,449	54,373	60,049

NII is expected to grow 6.0% in 2025F, driven by the shift toward higher-yielding loan disbursement

Balance Sheet						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Placement with other banks	66,552	53,872	60,324	66,374	73,031	80,355
Loans	1,196,358	1,392,582	1,664,790	1,810,473	1,989,751	2,185,050
Government bonds	329,212	309,183	287,273	284,273	281,273	278,273
Other interest-bearing assets	291,672	298,694	274,358	293,823	324,978	361,486
Impairment	(67,163)	(55,716)	(51,932)	(58,862)	(71,404)	(88,018)
Net earnings assets	1,816,631	1,998,615	2,234,813	2,396,081	2,597,628	2,817,146
Cash on hand	27,213	26,432	31,665	36,415	41,877	48,159
Fixed assets	56,541	57,978	63,031	72,485	83,358	95,862
Other assets	92,160	91,195	97,714	120,163	147,926	182,288
Total assets	1,992,545	2,174,219	2,427,223	2,625,144	2,870,789	3,143,455
Customer deposits	1,492,599	1,578,818	1,700,876	1,838,380	1,987,411	2,148,955
Deposits from other banks	15,781	18,464	27,720	31,878	36,660	42,159
Borrowings & bonds	148,385	200,710	297,497	343,878	376,715	414,322
Total liabilities	1,740,299	1,886,724	2,113,749	2,291,696	2,510,011	2,751,689
Minorities	22,567	26,642	29,678	32,672	35,898	39,462
Equity	229,679	260,853	283,796	300,776	324,879	352,304
Total liabilities and equity	1,992,545	2,174,219	2,427,223	2,625,144	2,870,789	3,143,455

BMRI's 2025F loan growth is expected to moderate to 8.8% (9M25: 10.9%) amid continued intense competition coupled with weakness in auto, SME, and payroll segments

Key Ratios (%)						
	22A	23A	24A	25F	26F	27F
ROA	2.2	2.6	2.4	2.0	2.0	2.0
ROE	19.0	22.4	20.5	17.3	17.4	17.7
NIM	5.5	5.5	5.3	5.0	5.1	5.2
Loan to deposit ratio	80.2	88.3	98.0	98.5	100.1	101.7
Loan to funding ratio	72.2	77.5	82.2	81.8	82.9	83.9
Loan growth	14.4	16.4	19.5	8.8	9.9	9.8
Cost efficiency ratio	42.7	38.8	40.1	42.0	41.3	40.5
CIR	62.6	57.5	61.2	66.7	67.0	66.7
Gross NPL	1.9	1.0	1.0	0.8	0.8	0.8
NPL coverage	290.6	379.3	312.1	372.5	411.2	461.6
LLR to total loans	1.4	0.8	0.8	1.1	1.2	1.3
CAR-total	19.6	21.9	18.3	17.0	18.1	19.0
CAR-tier I	18.6	20.7	17.5	17.4	18.6	19.6

In 2025F, consolidated NIM is projected to decline to 5.0% (2024: 5.3%), pressured by rising funding costs despite some improvement in liquidity

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