

BUY (Maintained)

Target Price (IDR) **5,700**
Potential Upside (%) **29.5**

Company Data

Cons. Target Price (IDR) **5,786**
SSI vs. Cons (%) **98.5**

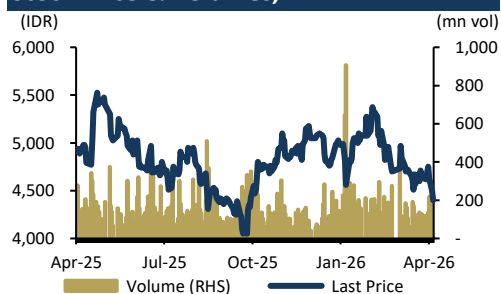
Stock Information

Last Price (IDR) 4,400
Market Cap. (IDR bn) 413,467
52-Weeks High/Low (IDR) 5,575/4,010
3M Avg. Daily Value (IDR bn) 785.1
Free Float (%) 40.0
Shareholders (%):
Government 52.0
INA 8.0
Public & Others 40.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(13.1)	(6.9)	(2.9)	(10.0)
JCI Return	(18.1)	(0.2)	(14.9)	5.4
Relative	4.9	(6.7)	12.0	(15.3)

Stock Price & Volumes, 12M



Company Background

Established in 1998 and listed in 2003, PT Bank Mandiri Tbk is Indonesia's largest bank by consolidated assets value of IDR 2,829.9tn (USD 169.4bn) in 2025. Its loan portfolio is primarily composed of corporate loans (40.3%), followed by commercial (17.3%), microloans (16.5%), consumer & others (25.5%).

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Not Without Risks

BUY with IDR 5,700 TP (1.7x 2026F PBV) on lower CoC and high dividend yield.

While we maintain our relatively positive view on BMRI, there are various investment risks given current macroeconomic condition. At the operating level, management has revised FY26F guidance post-BSI deconsolidation: lower NIM of 4.5-4.7% (from 4.6-4.8%), LDR of 92-93% (from 95%), while loan growth is unchanged at 7-9% with CIR of 40% (improved from 42-43%), and credit cost guidance of 60-80bp (unchanged). Looking forward, present economic challenges could see disappearance of lower provisioning and solid loan growth which provided support for the bank's delivery of higher-than-expected 1Q26 earnings. For now, BMRI is a BUY with TP of IDR 5,700, implying 1.7x 2026F PBV, supported by high dividend yield of 8.5% in 26F (due to Danantara).

2Q26 results expectations: Net profit -0.2% QoQ, +36.4% YoY. We expect BMRI to book 2Q26 net profit of IDR15.3 tn (-0.2% QoQ, +36.4% YoY) on slightly lower NIM. In 1Q26, BMRI posted consolidated net profit of IDR 15.4tn (+16.6% YoY, -17.1% QoQ), 26.5% of our FY26F and 26.9% of consensus, driven mainly by lower provisioning (-20% yoy) and solid NII growth (+11% yoy). In 1Q26, NIM eased to 4.7%, as declining loan yields were largely offset by improving cost of funds (-42bp yoy), while non-interest income grew modestly at +5% yoy, weighed down by lower recoveries (-40% yoy). PPOP grew a solid +10% yoy, and provision charges declined -20% yoy, translating to CoC of 58bp -- at the lower end of FY26F guidance of 60-80bp.

Liquidity remains manageable into FY26 despite CASA normalization.

Supported by Mandiri's broad funding franchise, 2026F liquidity conditions should remain adequate (LDR: 89.6%). In 1Q26, total deposits expanded +21% yoy to IDR 1,730tn, driven mainly by time deposits (+45% yoy), while CASA grew +13% yoy, bringing the CASA ratio to 70%. Loan growth remained strong at +16% yoy (+2% qoq), led by corporate (+29% yoy, driven by Agrinas loans) and commercial (+13% yoy), while retail lending stayed selective. LDR stood at 91% (vs. 94% in 1Q25). Despite some CASA ratio moderation, funding costs improved materially, with current account CoF declining to 1.8% (-40bps qoq), returning to c. 2022 levels and suggesting easing competition on special rates.

Assets quality remains healthy, with ample buffers.

Going forward, we expect 2026F asset quality to remain broadly stable (FY26F NPL: 0.8%). In 1Q26, BMRI's NPL ratio stood at 1.0% (flat yoy), while LAR improved to 6.0% (vs. 7.2% in 1Q25), supported by effective risk management and disciplined write-offs of Rp1.3tr (-20% yoy). NPL coverage stood at 237%, providing a solid buffer. Recovery/write-off ratio reached 80% in 1Q26 (vs. 104% in 1Q25), suggesting continuous improvement in asset quality. Looking ahead, capital remains solid, with total CAR at 19.7%, providing sufficient headroom to support growth.

Forecasts and Valuations (at closing price IDR 4,400 per share)

Y/E Dec	24A	25A	26F	27F	28F
Net Interest Income (IDRbn)	101,757	106,210	113,609	124,424	138,181
Pre-prov op. Profit (IDRbn)	87,838	86,411	94,837	106,737	121,749
Net Profit (IDR bn)	55,783	56,294	58,001	62,521	69,248
EPS (IDR)	598	603	621	670	742
EPS Growth (%)	1.3	0.9	3.0	7.8	10.8
P/E Ratio (x)	7.4	7.3	7.1	6.6	5.9
BVPS (IDR)	3,041	3,147	3,407	3,704	4,044
P/BV Ratio (x)	1.4	1.4	1.3	1.2	1.1
DPS (IDR)	359	362	373	402	445
Dividend Yield (%)	8.2	8.2	8.5	9.1	10.1
ROE (%)	20.5	19.5	19.0	18.8	19.2

Figure 1. BMRI's 1Q26 Results

(IDRbn)	1Q26	QoQ (%)	YoY (%)	3M25	3M26	y-y (%)	3M26/ 2026F	3M26/ cons
Net interest income	25,050	(10.4)	(1.8)	25,505	25,050	-1.8	-	-
Non-interest income	11,693	(24.9)	(0.3)	11,724	11,693	-0.3	-	-
Total operating income	36,743	(15.6)	(1.3)	37,229	36,743	-1.3	21.9	22.3
Provisions	2,567	176.6	(29.4)	3,637	2,567	(29.4)	-	-
Operating profit	19,922	(19.9)	10.0	18,114	19,922	10.0	-	-
Net profit	15,384	(17.1)	16.6	13,197	15,384	16.6	26.5	26.9
Key ratios (%)								
Net interest margin	-	-	-	4.6	4.5	-	-	-
Loan/deposit	-	-	-	95.3	109.4	-	-	-
Capital adequacy	-	-	-	17.3	19.7	-	-	-
Gross NPL	-	-	-	1.0	1.0	-	-	-
ROAE	-	-	-	21.3	22.0	-	-	-

Sources: Company, SSI Research

Due to lower provisioning, bottom line was slightly above expectations with lower CoC of 0.58% (1Q25: 0.83%) and CoF of 1.97% (1Q25: 2.37%)

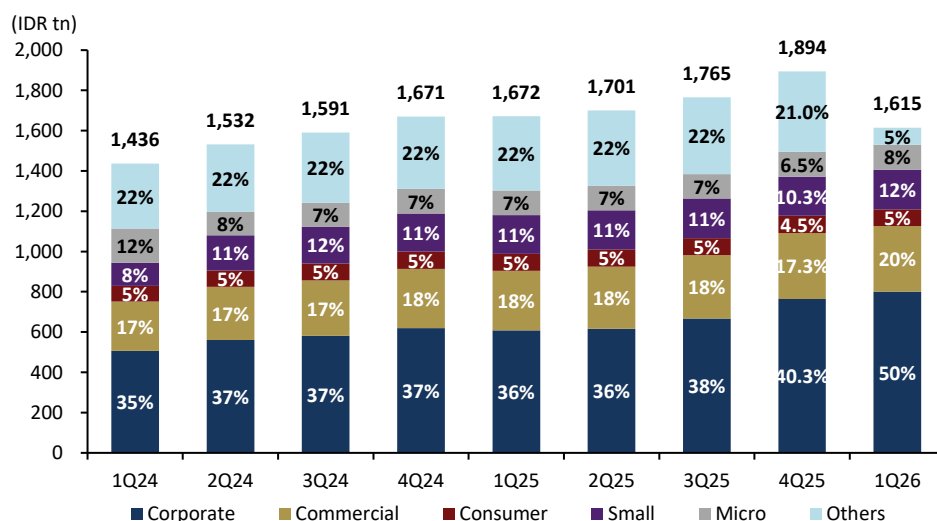
Figure 2. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	NIM (%)	EPS Growth (%)	2026F PBV (x)	ROE (%)
BBCA	BUY	737	5,975	8,600	(25,115)	43.9	5.6	7.4	2.4	20.8
BBRI	BUY	462	3,050	4,400	(6,972)	44.3	7.5	5.8	1.4	18.2
BMRI	BUY	411	4,400	5,700	(6,332)	29.5	4.5	3.0	1.3	19.0
BBNI	BUY	139	3,720	5,300	(2,480)	42.5	3.9	3.5	0.8	11.7
BNLI	Spec. BUY	118	3,250	6,200	(0)	90.8	4.2	12.2	2.5	7.9
BRIS	BUY	85	1,840	2,800	(518)	52.2	5.0	10.8	1.4	16.6
BINA	Spec. BUY	25	4,140	7,000	0	69.1	2.9	107.6	6.5	6.7
PNBN	BUY	25	1,020	1,700	(93)	66.7	4.5	10.6	0.5	8.5
BBTN	BUY	19	1,380	1,600	371	15.9	3.6	1.4	0.4	9.4
ARTO	BUY	18	1,290	2,700	(25)	109.3	2.0	81.8	2.0	2.0
BBKP	Spec. BUY	12	62	100	9	61.3	2.4	13.1	0.3	7.9
BCIC	Spec. BUY	2	130	270	0	107.7	2.4	13.1	0.6	7.9
Sector	OVERWEIGHT	2,052			(41,155)	45.1	5.5	8.2	1.8	17.6

Sources: Company, SSI Research

At current levels, BMRI provides 29.5% share price upside potential, supported by 2026F forward P/BV of 1.3x, reflecting 27% discount relative to the sector

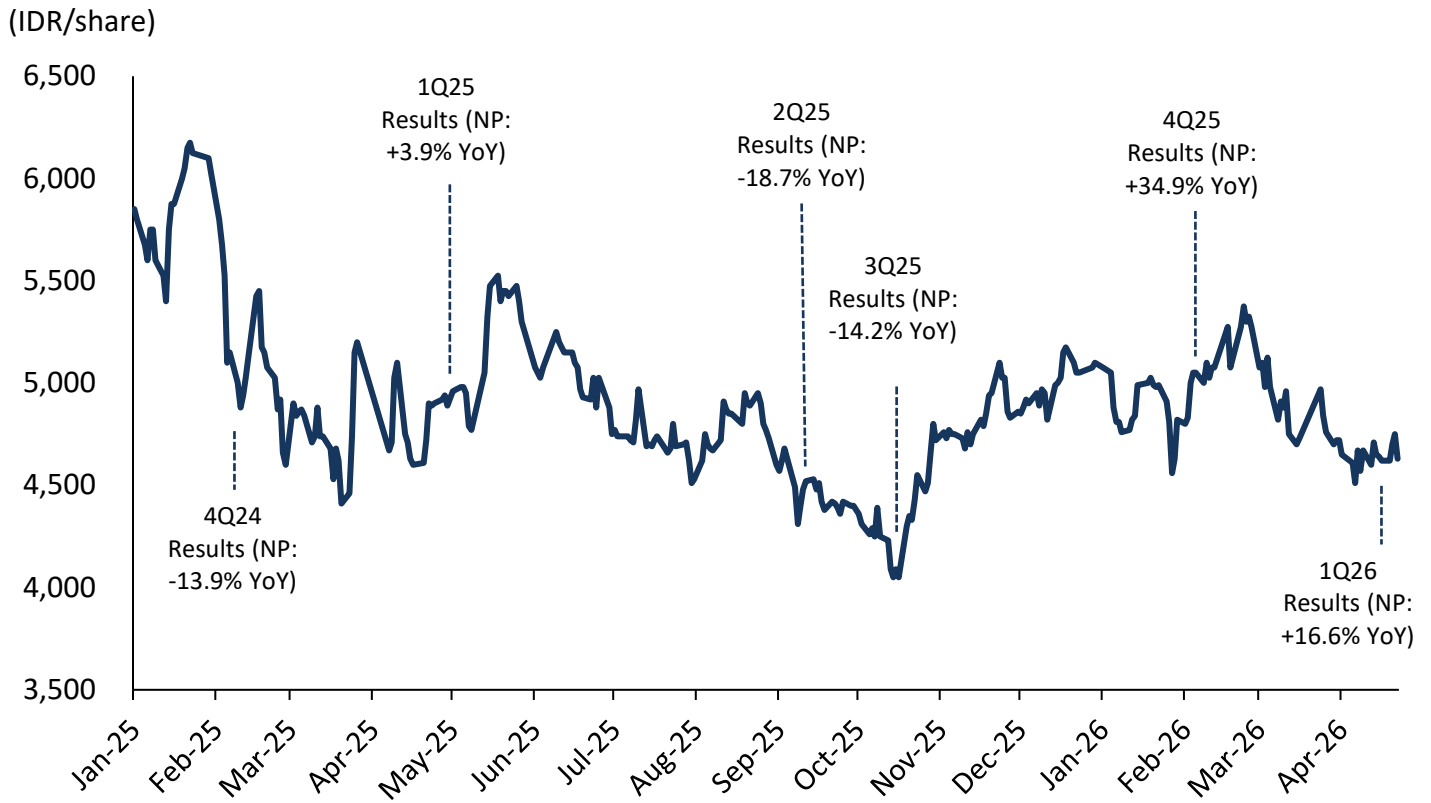
Figure 3. BMRI's Loan Composition



Sources: Company, SSI Research

Loan declined due to BRIS deconsolidation; excluding this effect, 1Q26 loan growth increased 16.2% YoY and 2.2% QoQ

Figure 4. BMRI's Share Price and Result Releases



Sources: Bloomberg, Company, SSI Research

Financial Highlights

Profit and Loss					
Y/E (IDRbn)	24A	25A	26F	27F	28F
Interest income	151,236	164,412	172,949	188,215	206,778
Interest expense	49,479	58,202	59,340	63,791	68,596
Net interest income	101,757	106,210	113,609	124,424	138,181
Non-interest income	44,929	49,323	53,854	58,812	64,238
Total operating income	146,686	155,533	167,463	183,236	202,420
Operating expenses	58,849	69,122	72,626	76,499	80,671
Loan loss provisions	11,778	10,100	13,762	19,344	24,953
Operating profit	76,060	76,311	81,076	87,393	96,796
Non-operating inc./ (exp.)	344	107	118	129	142
Pre-tax profit	76,403	76,418	81,193	87,522	96,938
Corporate tax	(15,238)	(15,071)	(17,457)	(18,817)	(20,842)
Minorities	(5,382)	(5,052)	(5,736)	(6,183)	(6,849)
Net profit	55,783	56,294	58,001	62,521	69,248

2026F NII is expected to grow 7.0% driven by the shift toward higher-yielding loan disbursement

Balance Sheet					
Y/E (IDRbn)	24A	25A	26F	27F	28F
Placement with other banks	60,324	71,227	78,354	86,195	94,820
Loans	1,664,790	1,891,085	2,041,015	2,257,911	2,495,195
Government bonds	287,273	292,818	289,818	286,818	283,818
Other interest-bearing assets	274,358	421,353	460,321	511,656	570,262
Impairment	(51,932)	(50,749)	(52,376)	(60,974)	(43)
Net earnings assets	2,234,813	2,625,734	2,817,132	3,081,606	3,444,051
Cash on hand	31,665	33,857	38,936	44,776	51,493
Fixed assets	63,031	72,062	82,872	95,302	109,598
Other assets	97,714	98,294	121,344	149,929	185,396
Total assets	2,427,223	2,829,948	3,060,284	3,371,613	3,790,537
Customer deposits	1,700,876	2,107,984	2,278,759	2,463,843	2,664,456
Deposits from other banks	27,720	21,509	24,735	28,445	32,712
Borrowings & bonds	297,497	273,077	292,920	316,126	342,425
Total liabilities	2,113,749	2,502,546	2,705,216	2,985,114	3,368,195
Minorities	29,678	33,651	37,093	40,803	44,912
Equity	283,796	293,751	317,975	345,696	377,431
Total liabilities and equity	2,427,223	2,829,948	3,060,284	3,371,613	3,790,537

BMRI's 2026F loan growth is expected to moderate to 7.9% (12M25: 13.4%) amid continued intense competition coupled with weakness in auto, SME, and payroll segments

Key Ratios (%)					
	24A	25A	26F	27F	28F
ROA	2.4	2.1	2.0	1.9	1.9
ROE	20.5	19.5	19.0	18.8	19.2
NIM	5.3	4.7	4.5	4.6	4.6
Loan to deposit ratio	98.0	89.8	89.6	91.6	93.6
Loan to funding ratio	82.2	78.7	78.6	80.4	82.1
Loan growth	19.5	13.6	7.9	10.6	10.5
Cost efficiency ratio	40.1	44.4	43.4	41.7	39.9
CIR	61.2	64.3	64.3	64.6	64.3
Gross NPL	1.0	1.0	0.8	0.8	0.8
NPL coverage	312.1	271.1	309.1	325.3	363.9
LLR to total loans	0.8	0.6	0.7	0.9	1.1
CAR-total	18.3	18.6	16.4	17.7	18.8
CAR-tier I	17.5	17.4	16.8	18.1	19.3

In 2026F, consolidated NIM is projected to decline to 4.5% (2025: 4.7%) pressured by rising funding costs despite some liquidity improvement

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