

PT Bank Mandiri Tbk

Maintains Strong Fundamentals Despite Profit Moderation in 9M25

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Stock Rate
 Industry

Overweight
 Neutral

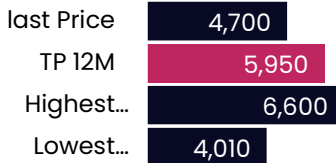
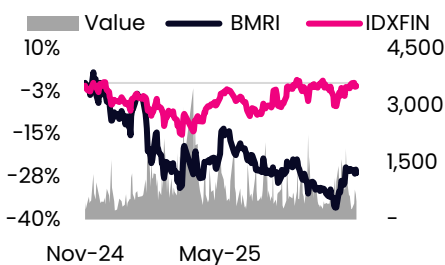
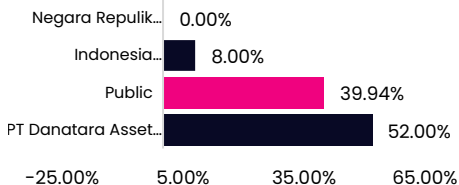
Fair Value
 vs. Last Price

IDR 5.950
 26.60%

Stock Data

 Ticker Code BMRI
 Sub Sector Banks
 Sector Financial

 Market Cap (IDR.Tn) 437.73
 Shares Issued (Bn) 93.33
 AVG 3M Turnover (IDR Bn) 703.28

Price (IDR)

Price Performance, 1Y (%) Turnover (Bn)

Shareholders Composition

ESG Rating

 Environmental 6.20
 Social 4.95
 Governance 7.47
 5.51

Source: Bloomberg

9M25: Solid Core Earnings Amid Margin Compression

PT Bank Mandiri Tbk (BMRI) recorded a net profit of IDR 37.7 trillion in 9M25, down -10% YoY, reflecting margin compression and higher funding costs. In 3Q25, the bank booked a quarterly net profit of IDR 13.3 trillion (+18% QoQ), indicating a recovery after margin pressure in the previous quarter.

Net Interest Income (NII) rose +5% YoY to IDR 78.3 trillion, supported by an +11% YoY increase in interest income to IDR 122.3 trillion. However, interest expenses grew +22% YoY to IDR 44 trillion, squeezing the Net Interest Margin (NIM) to 4.8% in 3Q25 (from 5.1% in 9M24).

Non-interest income increased +5% YoY to IDR 33.5 trillion, driven by stronger fee-based income from wholesale banking and digital services. Meanwhile, Pre-Provision Operating Profit (PPOP) rose +7% QoQ, reflecting cost efficiency and solid non-interest revenue growth.

Stronger Balance Sheet and Improved Liquidity Position

Third-Party Funds (TPF) increased +13% YoY to IDR 1,884 trillion, mainly from current and savings accounts (CASA), which grew +6% YoY. CASA ratio stood at 69.3% in 3Q25, reflecting effective funding strategy and continued digital ecosystem expansion. The Loan-to-Deposit Ratio (LDR) improved slightly to 91.0% (vs. 92.1% in 3Q24), signaling strong liquidity management. Equity rose +4% YoY to IDR 314 trillion, supported by retained earnings and solid core capital.

Asset Quality Remains Stable with Controlled NPLs

Asset quality remained stable with gross NPL at 1.2%, and Loan-at-Risk (LAR) declining to 6.5% from 7.3% a year earlier, reflecting improved credit quality.

Credit cost stayed very low at 0.06%, highlighting prudent risk management. The bank also maintained a high NPL coverage ratio, providing a solid buffer against potential macro volatility in 2026.

Key Takeaways
9M25 Highlights

- Net profit reached Rp37.7 trillion, down -10% YoY, reflecting margin compression and higher funding costs.
- Net Interest Income (NII) rose +5% YoY to Rp78.3 trillion, supported by solid loan growth and higher yields.
- Credit cost remained low at 0.07%, while NIM was steady at 5.10%.
- Gross NPL was well-controlled at 1.1%, and LAR improved to 7.3%.
- NIM eased slightly to 4.8%, reflecting higher funding costs.
- Third-Party Funds (TPF) grew +13% YoY to Rp1,884 trillion, with a CASA ratio of 69.3%.

2026 Outlook

BMRI is expected to maintain **loan growth of 9–10% YoY**, supported by corporate, infrastructure, and MSME financing. The bank will continue focusing on **reducing the Cost of Funds (CoF)**, strengthening **CASA growth**, and expanding **digital monetization through Livin' and Kopra Mandiri**. Margins are expected to remain moderate within **4.8–5.0%**, reflecting a defensive stance amid high interest rate conditions.

Financial Highlight

End Dec (IDR Bn)	2022	2023	2024	2025F	2026F	2027F
Operating Income	117,527	126,366	137,401	142,247	151,537	164,514
PPOP	56,075	74,642	76,060	68,320	73,540	80,659
Profit Before Tax	56,381	74,676	76,401	68,516	73,749	80,886
Net Income	41,171	55,060	55,783	55,091	59,297	65,036
EPS (IDR Full)	882	590	598	590	635	697
BVPS (IDR Full)	4,922	2,795	3,041	3,278	3,494	3,732
Dividend Yield (%)	5.3%	5.8%	8.2%	8.3%	8.9%	9.8%
ROE (%)	16%	19%	18%	16%	16%	17%
PBV (x) *	1.01x	2.16x	1.87x	1.43x	1.34x	1.26x
PER (x) *	5.62x	10.26x	9.54x	7.96x	7.40x	6.74x

Source: Company and KSI Research



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BMRI Financial Exhibits

Result 9M2025 (IDR Tn)

Balance Sheet	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY
Loans and Financing	1,590	1,764	11%	1,590	1,701	1,764	4%	11%
<i>Current Account</i>	596	624	5%	596	672	624	-7%	5%
<i>Saving Account</i>	635	681	7%	635	681	681	0%	7%
<i>Time Deposits</i>	436	579	33%	436	475	579	22%	33%
CASA	1,231	1,305	6%	1,231	1,354	1,305	-4%	6%
Third Party Fund liability	1,667	1,884	13%	1,667	1,828	1,884	3%	13%
Equity Asset	301	314	4%	301	298	314	5%	4%
BVPS (Full IDR)	2,324	2,563	10%	2,324	2,515	2,563	2%	10%
	2,916	3,017	3%	2,916	2,859	3,017	6%	3%

Income Statements	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY
Interest Income	110.6	122.3	11%	38.4	42	40.7	-3%	6%
Interest Expense	36	44	22%	12.9	15.1	14.8	-2%	15%
Net Interest Income	74.6	78.3	5%	25.5	26.9	25.9	-4%	1%
Non-Interest Income*	32.1	33.5	5%	11.6	9.3	12.6	35%	8%
Operating Expenses	39.8	49.9	25%	13.8	17.5	17.3	-1%	25%
PPOP	66.9	61.9	-7%	23.3	18.7	21.2	13%	-9%
Provision	9.5	10.5	10%	2.6	3.4	3.2	-6%	22%
Net Profit	42	37.7	-10%	15.5	11.3	13.3	18%	-14%
<i>EPS (Full IDR)</i>	<i>450.19</i>	<i>404.25</i>	<i>-10%</i>	<i>165.71</i>	<i>120.62</i>	<i>142.23</i>	<i>18%</i>	<i>-14%</i>

Source: Company and KSI Research

Ratio (Consolidated)

Ratios	9M24	9M25	YoY	3Q24	2Q25	3Q25	QoQ	YoY
NIM				5.10%	5.00%	4.80%		
Credit Cost				0.70%	0.60%	0.70%		
LDR - Bank Only				92.10%	90.10%	91.00%		
CASA Ratio				73.60%	74.00%	69.30%		
NPL - Gross				1.10%	1.20%	1.20%		
LAR				7.30%	6.90%	6.50%		

Source: Company and KSI Research



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Valuation for BMRI "Overweight"

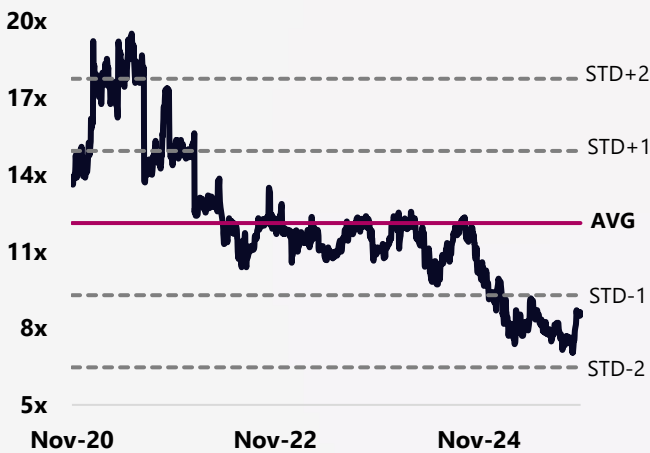
We revise the valuation of PT Bank Mandiri (Persero) Tbk, setting a new **target price of IDR 5,950 per share** (previous target price: IDR 6,300 per share), based on the DDM and PBV valuation methods. This reflects a 2025F PER of 7.96x and a 2026F PER of 7.40x. In terms of PBV, the stock is valued at 1.43x for 2025F and 1.34x for 2026F. At the latest closing price of IDR 4,700, the stock is trading at a PER of 8.72x and a PBV of 1.56x, which remain below its 5-year average of 12.3x PER and 2.00x PBV.

DDM (IDR Bn)	2024A	2025F	2026F	2027F	2028F	2029F
Dividend Per Share (Rp)	466.18	389.24	418.96	459.51	533.12	575.93
Perpetuity value (Rp)						6,506.44
Discount rate	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%
Year	1.00	2.00	3.00	4.00	5.00	6.00
Discount factor	0.87	0.76	0.66	0.57	0.50	0.44
PV of Dividend & Terminal Value, Rp	405.94	295.15	276.63	264.20	266.92	3,087.82

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	Value of firm
DDM	429,023	1.0	429,023	40%	171,609
PBV	305,957	2.0	605,795	30%	181,738
PE	55,091	12.3	674,869	30%	202,461
Total Value (Bn)					555,808
Share (Bn)					93
Target Price (IDR)					5,950
Current Price					4,700
Potential Upside (%)					26.60%

Source: Company and KSI Research

Historical PE – 5Y



Source: Company and KSI Research

Historical PBV – 5Y



Source: Company and KSI Research



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Financial Highlight (IDR Bn)

Income Statement	2022	2023	2024	2025F	2026F	2027F
Revenue	117,527	126,366	137,401	142,247	151,537	164,514
Total Interest Income	113,036	133,480	152,125	162,326	165,563	182,119
Total Interest Expense	24,479	36,658	49,479	52,200	47,752	53,019
Net Interest Income	88,558	96,822	102,646	110,125	117,810	129,100
Operating profit	56,075	74,642	76,060	68,320	73,540	80,659
Income before tax	56,381	74,676	76,401	68,516	73,749	80,886
Tax expenses	11,425	14,633	15,238	13,426	14,451	15,850
Net income	41,171	55,060	55,783	55,091	59,297	65,036
EPS (Full IDR)	882	590	597.7	590.3	635	697
Balance Sheet	2022	2023	2024	2025F	2026F	2027F
Cash & Cash Equivalents	134,562	135,037	136,811	145,471	166,393	178,542
Interbanking Assets	154,816	133,154	118,156	119,338	120,531	121,736
ST And LT Investments	414,654	405,556	384,731	405,891	426,186	447,495
Net Loans	1,169,057	1,368,739	1,648,706	1,761,330	1,937,462	2,253,269
Net Fixed Assets	56,541	57,978	63,031	65,254	69,516	75,468
Total Intangible Assets	5,094	5,875	7,045	6,953	7,407	8,041
Other Assets	43,478	55,706	52,192	140,692	150,058	81,276
Total Assets	1,992,545	2,174,219	2,427,223	2,644,928	2,877,553	3,165,827
Demand Deposits	541,801	584,713	605,765	654,226	713,106	805,810
Interest Bearing Deposits	949,044	992,237	1,093,132	1,202,066	1,321,855	1,453,581
Saving Deposits	552,752	586,992	665,446	714,334	785,520	863,799
Time Deposits	396,291	405,245	427,686	487,732	536,335	589,783
Total Deposits	1,490,845	1,576,950	1,698,897	1,856,292	2,034,961	2,259,391
ST Borrowings & Repos	73,297	127,941	228,036	236,078	251,497	273,033
LT Debt	76,926	74,028	81,018	93,370	99,882	107,031
Other Liabilities	99,232	107,806	105,797	120,450	128,850	138,073
Total Liabilities	1,740,299	1,886,724	2,113,749	2,306,189	2,515,190	2,777,528
Share Capital & APIC	29,310	29,310	29,762	29,762	29,762	29,762
Common Stock	11,667	11,667	11,667	11,667	11,667	11,667
Additional Paid in Capital	17,643	17,643	18,095	18,095	18,095	18,095
Retained Earnings	166,995	197,304	220,050	238,813	259,007	281,156
Equity before Minority Interest	229,679	260,853	283,796	305,957	326,153	348,303
Total Equity	252,245	287,495	313,475	338,739	362,363	388,300
Total Liabilities & Equity	1,992,545	2,174,219	2,427,223	2,644,928	2,877,553	3,165,827
BVPS (Full IDR)	4,922	2,795	3,041	3,278	3,494	3,732
Key Ratios	2022	2023	2024	2025F	2026F	2027F
Revenue growth (%)	16.0%	7.5%	8.7%	3.5%	6.5%	8.6%
Operating profit growth (%)	45.6%	33.1%	1.9%	-10.2%	7.6%	9.7%
Income before tax growth (%)	46.5%	32.5%	2.3%	-10.3%	7.6%	9.7%
Net income growth (%)	46.9%	33.7%	1.3%	-1.2%	7.6%	9.7%
Asset growth (%)	15.5%	9.1%	11.6%	9.0%	8.8%	10.0%
Equity growth (%)	13.6%	14.0%	9.0%	8.1%	7.0%	7.2%
NIM	5.47%	5.48%	5.15%	4.89%	5.19%	5.23%
NPL	1.92%	1.19%	1.12%	1.19%	1.23%	1.17%
CAR	19.70%	22.00%	20.80%	20.10%	20.12%	20.80%
CASA (%)	73.40%	74.30%	74.80%	71.93%	74.80%	74.30%
LDR	78.30%	85.80%	95.10%	91.00%	96.30%	94.63%
CIR	42.40%	38.80%	40.00%	44.60%	43.20%	44.00%
CoC	1.44%	0.85%	0.79%	0.73%	0.70%	1.00%
ROA	2.07%	2.53%	2.30%	2.08%	2.06%	2.05%
ROE	16.32%	19.15%	17.79%	16.26%	16.36%	16.75%

Source: Company and KSI Research



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