KSI Research

BMRI Equity Update

PT Bank Mandiri Tbk

Solid FY25 Growth with Strong 4Q25 Earnings Acceleration

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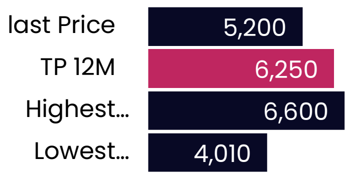
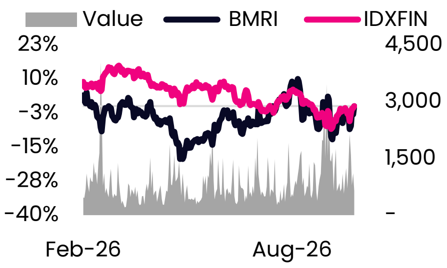
Stock Rate	**Buy**
Industry	Neutral
Fair Value	**IDR 6,250**
vs. Last Price	20..19%
Stock Data	
Ticker Code	BMRI
Sub Sector	Banks
Sector	Financial
Market Cap (IDR.Tn)	490.00
Shares Issued (Bn)	93.33
AVG 3M Turnover (IDR Bn)	873.65

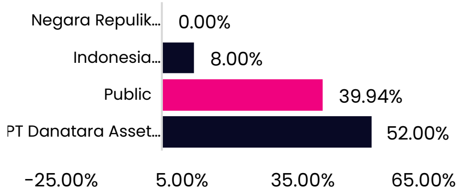
Price (IDR)



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



Shareholders Composition



ESG Rating	**6.21**
Environmental	4.95
Social	7.49
Governance	5.50

Source: Bloomberg

FY25: Solid Core Earnings Despite Margin Compression

PT Bank Mandiri Tbk (BMRI) recorded FY25 net profit of IDR 56.3 trillion (+1% YoY), supported by resilient core earnings despite margin normalization. In 4Q25, profit jumped to IDR 18.6 trillion (+40% QoQ, +35% YoY) on stronger operating income and sharply lower provisioning.
Interest Income grew +9% YoY to IDR 164.4 trillion, backed by +13% loan growth, though higher funding costs (+18% YoY) compressed FY25 NIM to 4.90% (vs. 5.48%). Quarterly NIM stabilized at 4.60% in 4Q25 as interest expenses declined -5% QoQ.
Non-interest income rose +9% YoY, while provision expenses fell -5% YoY and plunged -72% QoQ in 4Q25, supporting the earnings rebound.

Strong Loan & Funding Expansion with Improved Liquidity

Loans grew +13% YoY to IDR 1,895 trillion, while TPF surged +24% YoY to IDR 2,106 trillion, reflecting strong funding momentum. CASA rose +13% YoY to IDR 1,431 trillion, with CASA ratio normalizing to 68.0%. In 4Q25, loans and TPF continued to expand QoQ, supporting stable LDR at 87.6% (vs. 95.1% in FY24), indicating improved liquidity. Equity increased +4% YoY to IDR 327 trillion, and total assets rose +17% YoY to IDR 2,830 trillion, backed by solid loan and funding growth.

Asset quality remained well-managed throughout FY25.

Gross NPL improved to 1.13% in FY25 (vs. 1.19% in FY24) and further declined to 1.10% in 4Q25. LAR decreased to 6.05%, while credit cost improved to 0.58% and fell sharply to 0.20% in 4Q25. Overall, stronger asset quality and lower provisioning provide a solid buffer entering 2026.

Key Takeaways

FY25 Highlights

- Net profit reached IDR 56.3 trillion (+1% YoY), reflecting resilient earnings amid margin normalization.
- NII rose +9% YoY, supported by +13% loan growth, though NIM moderated to 4.90% due to higher funding costs.
- Asset quality improved, with credit cost at 0.58% and gross NPL declining to 1.13%.
- TPF grew +24% YoY to IDR 2,106 trillion, with LDR at 87.6%.

4Q25 Highlights

- Net profit climbed to IDR 18.6 trillion (+40% QoQ, +35% YoY).
- NII and fee income increased QoQ, while provision expenses plunged -72% QoQ.
- NIM remained stable at 4.60%, with credit cost improving to 0.20%.

Recommendation "BUY"

We revise the valuation of PT Bank Mandiri (Persero) Tbk, setting a new **target price of IDR 6,250 per share** (previous target price: IDR 5,950 per share), based on the DDM and PBV valuation methods. This reflects a 2026F PER of 8.03x and a 2027F PER of 7.74x. In terms of PBV, the stock is valued at 1.51x for 2026F and 1.30x for 2027F. At the latest closing price of IDR 5,200, the stock is trading at a PER of 8.03x and a PBV of 1.51x, which remain below its 5-year average of 11.2x PER and 1.8x PBV.

Financial Highlight

End Dec (IDR Bn)	2023	2024	2025	2026F	2027F	2028F
Operating Income	126,366	137,401	145,357	151,421	155,590	167,108
PPOP	74,642	76,060	76,561	75,186	78,034	84,646
Profit Before Tax	74,676	76,401	76,666	75,428	78,283	84,914
Net Income	55,060	55,783	56,294	60,385	62,669	67,977
EPS (IDR Full)	590	598	604	648	672	729
DPS (IDR Full)	265	353	466	391	406	440
BVPS (IDR Full)	2,795	3,041	3,150	3,455	3,721	4,010
Dividend Yield (%)	4.4%	6.2%	9.1%	7.5%	7.8%	8.5%
ROE (%)	19%	18%	17%	17%	16%	16%
PBV (x) *	2.16x	1.87x	1.62x	1.51x	1.40x	1.30x
PER (x) *	10.26x	9.54x	8.45x	8.03x	7.74x	7.13x

Source: Company and KSI Research

BMRI Financial Exhibits

Result FY25 (IDR Tn)

Balance Sheet	FY24	FY25	YoY	4Q24	3Q25	4Q25	QoQ	YoY
Loans and Financing (gross)	**1,671**	**1,895**	**13%**	**1,671**	**1,764**	**1,895**	**7%**	**13%**
Current Account	*606*	*710*	*17%*	*606*	*624*	*710*	*14%*	*17%*
Saving Account	*665*	*721*	*8%*	*665*	*681*	*721*	*6%*	*8%*
Time Deposits	*428*	*674*	*57%*	*428*	*579*	*674*	*16%*	*57%*
CASA	1,271	1,431	13%	1,271	1,305	1,431	10%	13%
Third Party Fund	**1,699**	**2,106**	**24%**	**1,699**	**1,884**	**2,106**	**12%**	**24%**
liability	2,114	2,503	**18%**	2,114	2,250	2,503	11%	18%
Equity	313	327	**4%**	313	314	327	4%	4%
Asset	2,427	2,830	**17%**	2,427	2,563	2,830	10%	17%
BVPS (Full IDR)	3,041	3,147	4%	3,041	3,017	3,147	4%	4%

Income Statements	FY24	FY25	YoY	4Q24	3Q25	4Q25	QoQ	YoY
Interest Income	151.2	164.4	9%	40.6	40.7	42.1	**3%**	**4%**
Interest Expense	49.5	58.2	18%	13.4	14.8	14.2	-5%	5%
Net Interest Income	**101.8**	**106.2**	**4%**	**27.2**	**25.9**	**28**	**8%**	**3%**
Non-Interest Income*	44.8	49	9%	12.7	12.6	15.5	23%	22%
Operating Expenses	58.6	67.6	15%	18.8	17.3	17.7	2%	-6%
PPOP	88	87.6	0%	21.1	21.2	25.7	21%	22%
Provision	11.9	11.3	-5%	2.4	3.2	0.9	-72%	-63%
Profit After Tax & Minority Interest (PATMI)	**55.8**	**56.3**	**1%**	**13.8**	**13.3**	**18.6**	**40%**	**35%**
EPS (Full IDR)	*597.67*	*603.15*	*1%*	*147.49*	*142.23*	*198.9*	*40%*	*35%*

Source: Company and KSI Research

Ratio (Consolidated)

Ratios	FY24	FY25	YoY	4Q24	3Q25	4Q25	QoQ	YoY
NIM	5.48%	4.90%		5.20%	4.60%	4.60%		
Credit Cost	0.79%	0.58%		0.60%	0.70%	0.20%		
LDR - Bank Only	95.10%	87.60%		95.10%	91.00%	87.60%		
CASA Ratio	74.30%	68.00%		74.80%	69.30%	68.00%		
NPL - Gross	1.19%	1.13%		1.10%	1.20%	1.10%		
LAR	6.81%	6.05%		6.80%	6.50%	6.50%		

Source: Company and KSI Research

Valuation for BMRI "BUY"

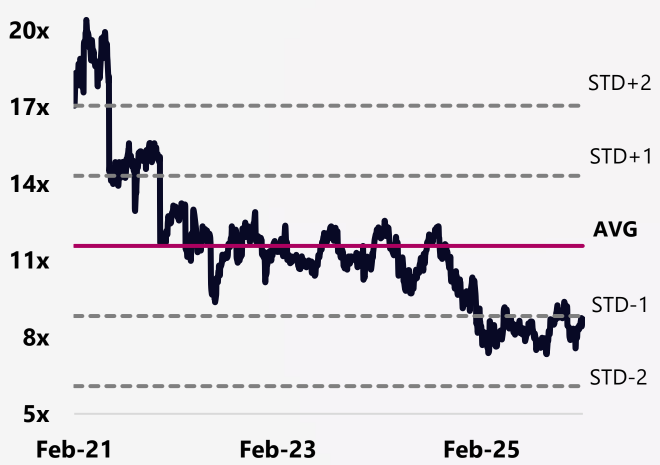
We revise the valuation of PT Bank Mandiri (Persero) Tbk, setting a new **target price of IDR 6,250 per share** (previous target price: IDR 5,950 per share), based on the DDM and PBV valuation methods. This reflects a 2026F PER of 8.03x and a 2027F PER of 7.74x. In terms of PBV, the stock is valued at 1.51x for 2026F and 1.30x for 2027F. At the latest closing price of IDR 5,200, the stock is trading at a PER of 8.03x and a PBV of 1.51x, which remain below its 5-year average of 11.2x PER and 1.8x PBV.

DDM (IDR Bn)	2025	2026F	2027F	2028F	2029F	2030F
Dividend Per Share (Rp)	466.18	391.01	405.80	440.17	507.47	541.97
Perpetuity value (Rp)						8,559.15
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	296.49	267.94	253.08	254.08	3,967.96

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
DDM	507,787	1.0	507,787	40%	203,115
PBV	322,167	1.8	589,565	30%	176,870
PE	60,385	11.2	676,313	30%	202,894
			Total Value (Bn)		582,878
			Share (Bn)		93
			Target Price (IDR)		**6,250**
			Current Price		*5,200*
			Potential Upside (%)		20.19%

Source: Company and KSI Research

Historical PE – 5Y



Source: Company and KSI Research

Historical PBV – 5Y

Source: Company and KSI Research

Financial Highlight (IDR Bn)

Income Statement	***2023***	***2024***	***2025***	***2026F***	***2027F***	***2028F***
Revenue	**126,366**	**137,401**	**145,357**	**151,421**	**155,590**	**167,108**
Total Interest Income	*133,480*	*152,125*	*165,246*	*178,271*	*178,842*	*196,727*
Total Interest Expense	*36,658*	*49,479*	*58,202*	*62,859*	*61,061*	*69,318*
Net Interest Income	*96,822*	*102,646*	*107,044*	*115,412*	*117,781*	*127,408*
Operating profit	**74,642**	**76,060**	**76,561**	**75,186**	**78,034**	**84,646**
Income before tax	**74,676**	**76,401**	**76,666**	**75,428**	**78,283**	**84,914**
Tax expenses	14,633	15,238	15,322	15,044	15,614	16,936
Net income	**55,060**	**55,783**	**56,294**	**60,385**	**62,669**	**67,977**
EPS (Full IDR)	**590**	**598**	**603.7**	**647.6**	**672**	**729**
Balance Sheet	***2023***	***2024***	***2025***	***2026F***	***2027F***	***2028F***
Interbanking Assets	133,154	118,156	115,299	116,452	117,616	118,793
ST And LT Investments	405,556	384,731	419,481	453,039	475,691	499,476
Net Loans	1,368,739	1,648,706	1,876,406	2,015,140	2,216,654	2,577,969
Net Fixed Assets	57,978	63,031	72,062	75,069	77,136	82,846
Total Intangible Assets	5,875	7,045	7,519	7,798	8,013	8,606
Other Assets	55,706	52,192	54,691	271,978	316,115	299,634
Total Assets	**2,174,219**	**2,427,223**	**2,829,948**	**3,110,557**	**3,449,880**	**3,871,691**
Demand Deposits	*584,713*	*605,765*	*710,147*	*766,959*	*835,985*	*944,663*
Interest Bearing Deposits	*992,237*	*1,093,132*	*1,395,617*	*1,587,710*	*1,806,243*	*2,054,854*
Saving Deposits	*586,992*	*665,446*	*721,232*	*908,762*	*1,033,844*	*1,176,143*
Time Deposits	*405,245*	*427,686*	*674,386*	*678,948*	*772,398*	*878,711*
Total Deposits	**1,576,950**	**1,698,897**	**2,105,764**	**2,354,669**	**2,642,228**	**2,999,517**
ST Borrowings & Repos	127,941	228,036	169,718	176,798	181,666	195,114
LT Debt	74,028	81,018	113,044	98,420	106,390	115,070
Other Liabilities	107,806	105,797	114,020	120,997	130,796	141,467
Total Liabilities	**1,886,724**	**2,113,749**	**2,502,546**	**2,750,884**	**3,061,079**	**3,451,169**
Share Capital & APIC	**29,310**	**29,762**	**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*	*18,095*	*18,095*	*18,095*	*18,095*	*18,095*
Retained Earnings	197,304	220,050	223,510	247,434	272,263	299,195
Equity before Minority Interest	260,853	283,796	293,751	322,167	346,997	373,931
Total Equity	**287,495**	**313,475**	**327,402**	**359,673**	**388,800**	**420,522**
Total Liabilities & Equity	**2,174,219**	**2,427,223**	**2,829,948**	**3,110,557**	**3,449,880**	**3,871,691**
BVPS (Full IDR)	**2,795**	**3,041**	**3,150**	**3,455**	**3,721**	**4,010**
Key Ratios	***2023***	***2024***	***2025***	***2026F***	***2027F***	***2028F***
Revenue growth (%)	7.5%	8.7%	5.8%	4.2%	2.8%	7.4%
Operating profit growth (%)	33.1%	1.9%	0.7%	-1.8%	3.8%	8.5%
Income before tax growth (%)	32.5%	2.3%	0.3%	-1.6%	3.8%	8.5%
Net income growth (%)	33.7%	1.3%	0.9%	7.3%	3.8%	8.5%
Asset growth (%)	9.1%	11.6%	16.6%	9.9%	10.9%	12.2%
Equity growth (%)	14.0%	9.0%	4.4%	9.9%	8.1%	8.2%
NIM	*5.47%*	*5.48%*	*4.90%*	*4.89%*	*4.92%*	*5.23%*
NPL	1.92%	1.19%	1.13%	1.19%	1.20%	1.17%
CAR	*22.00%*	*20.80%*	*20.40%*	*20.10%*	*20.12%*	*20.80%*
CASA (%)	*73.40%*	*74.30%*	*68.00%*	*71.93%*	*72.00%*	*74.30%*
LDR	*85.80%*	*95.10%*	*87.60%*	*91.00%*	*94.35%*	*94.63%*
CIR	*38.80%*	*40.00%*	*43.50%*	*44.60%*	*43.20%*	*44.00%*
CoC	*0.85%*	*0.79%*	*0.58%*	*0.73%*	*0.70%*	*1.00%*
ROA	*2.53%*	*2.30%*	*1.99%*	*1.94%*	*1.82%*	*1.76%*
ROE	*19.15%*	*17.79%*	*17.19%*	*16.79%*	*16.12%*	*16.16%*

Source: Company and KSI Research

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