

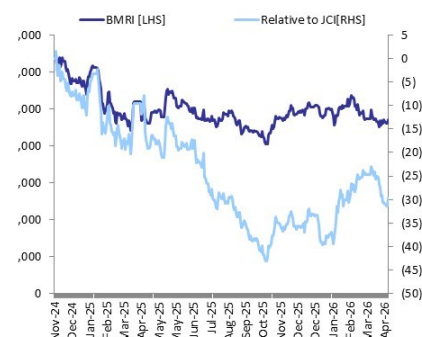
Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	4,700		
Target Price (Rp)	6,200		
Previous TP (Rp)	6,200		
Upside/Downside	+31.9%		
No. of Shares (mn)	93,333		
Mkt Cap (Rpbn/US\$mn)	471,333/27,946		
Avg, Daily T/O (Rpbn/US\$mn)	771.9/45.8		
Free Float (%)	39.2		
Major Shareholder (%)			
Government of Indonesia	52.0		
INA	8.0		
EPS Consensus (Rp)			
	2026F	2027F	2028F
BRIDS	614.7	656.6	699.7
Consensus	614.2	660.1	722.0
BRIDS/Cons (%)	0.1	(0.5)	(3.1)

BMRI relative to JCI Index



Source: Bloomberg

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Bank Mandiri (BMRI IJ)

1Q26 Results: Robust Earnings Growth Driven by Loan Expansion and Resilient Asset Quality

- **BMRI posted a net profit of Rp15.4tr in 1Q26, (-17% qoq, +17% yoy) forming 27% of our and consensus' FY26 estimates, i.e., above.**
- **Solid top line and lower CoC were driven by the expansion of related-party loan which grew 56% while retail loans remain weak.**
- **Maintain Buy rating with an unchanged TP of Rp6,200 implying a fair value PBV of 1.8x and 8.3% dividend yield.**

Loan expansion and resilient asset quality drove earnings growth

BMRI posted a net profit of Rp15.4tr in 1Q26, down 17% qoq from 4Q25's high base but up 17% yoy, forming 27% of our and consensus' FY26 estimates, i.e., slightly above expectations. The strong earnings were driven by robust loan growth (+16% yoy), resulting in 10% PPOP growth alongside lower CoC (-25bps). Consolidated NIM remained relatively stable at 4.70% (-5bps yoy). Management indicated that yield pressure in the wholesale segment is beginning to stabilize, although NIM guidance was revised down by 10bps to 4.5–4.7%, reflecting macro uncertainties.

Related-party loan supporting growth and asset quality

Despite 16% loan growth, provision expenses declined 20%, resulting in a CoC of 58bps (below guidance of 60–80bps). Management expects CoC to normalize toward guided level amid macro pressures, particularly in retail and lower wholesale segments. Consolidated NPL improved slightly to 0.98% (from 1.01% in 1Q25), supported by lower write-offs and fewer downgrades, alongside a skew toward related-party wholesale lending. Corporate loans grew 29% yoy, driving wholesale growth to 24% (commercial +13%). Related-party loans surged 56% yoy (35% excluding Agrinas), while non-related loans only grew 7%. Retail loans were muted at +2% yoy, with contractions in auto, payroll, and SME segments.

Revising down NIM target by 10bps, maintaining loan and CoC

The bank maintains its loan growth target of 7–9% and CoC of 0.6–0.8% for FY26F while revised down its NIM to 4.5–4.7% (from 4.6–4.8%) reflecting BRIS deconsolidation and macro uncertainties. In the event of severe macro stress (e.g., oil at US\$130–150/bbl, Rp19k/USD, fiscal deficit >3%), management estimates loan growth could slow to low single digits, NIM could compress by ~100bps, NPL could rise above 3%, CoC increase to 2–3%, and CAR decline to 16–17%, excluding potential regulatory or government support.

Maintain Buy with an unchanged TP of Rp6,200

We maintain our Buy rating with an unchanged forecast and TP of Rp6,200 based on 5-year inverse CoE of 11.6% and LTG of 3%. Our TP implies an FV PBV of 1.8x. Risks to our view are prolonged war affecting NIM and asset quality. **Tactical (3M) view: N.** Despite robust results, the stock might see high volatility driven by macro and global uncertainties.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	87,989	87,642	93,079	104,587	111,809
Net profit (Rpbn)	55,783	56,294	57,374	61,281	65,308
EPS (Rp)	597.7	603.1	614.7	656.6	699.7
EPS growth (%)	1.3	0.9	1.9	6.8	6.6
BVPS (Rp)	3,040.7	3,147.3	3,393.2	3,655.8	3,935.7
PER (x)	7.9	7.8	7.6	7.2	6.7
PBV (x)	1.5	1.5	1.4	1.3	1.2
Dividend yield (%)	7.6	7.7	7.8	8.4	8.9
ROAE (%)	20.5	19.5	18.8	18.6	18.4

Source: BMRI, BRIDS Estimates

See important disclosure at the back of this report

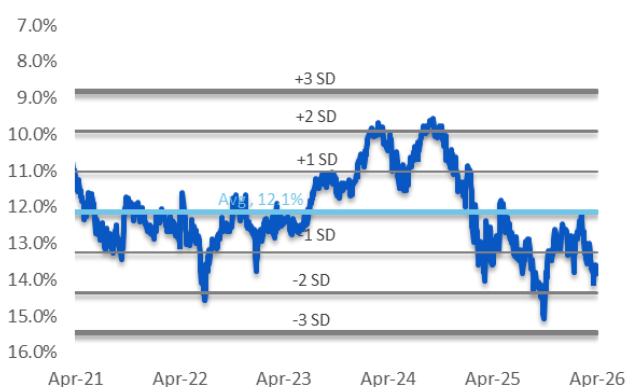
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Exhibit 1. BMRI 1Q26 Results

Financial (Rpbn) - Presentation	1Q25	4Q25	1Q26	qoq, %	yoy, %	1Q25	1Q26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	35,092		37,375	n/a	7%	35,092	37,375	7%	172,006		22%	n/a
Interest expense	12,582		12,325	n/a	-2%	12,582	12,325	-2%	61,679		20%	n/a
Net interest income	22,510		25,050	n/a	11%	22,510	25,050	11%	110,326	114,225	23%	22%
Other operating income	11,052		11,555	n/a	5%	11,052	11,555	5%	44,148	51,367	26%	22%
Operating expenses	13,079		13,992	n/a	7%	13,079	13,992	7%	68,291		20%	n/a
PPOP	20,483		22,613	n/a	10%	20,483	22,613	10%	93,079		24%	n/a
Provision	3,368		2,691	n/a	-20%	3,368	2,691	-20%	15,179	16,584	18%	16%
Operating Profit	17,115		19,922	n/a	16%	17,115	19,922	16%	77,899	77,745	26%	26%
Net profit	13,197	18,564	15,384	-17%	17%	13,197	15,384	17%	57,374	57,284	27%	27%
Loans	1,388,753		1,614,150	n/a	16%	1,388,753	1,614,150	16%	1,996,929	2,045,183	81%	79%
Customer deposits	1,429,911		1,730,303	n/a	21%	1,429,911	1,730,303	21%	2,169,381	2,231,975	80%	78%
Key Ratio												
Loan yield (%) - bank only	7.6	7.2	7.1	↓ (13)	↓ (53)	7.6	7.1	↓ (53)				
Cof deposit (%) - bank only	2.4	2.2	2.0	↑ (18)	↑ (40)	2.4	2.0	↑ (40)				
NIM (%) - bank only	4.6	4.5	4.5	→ 5	→ (10)	4.6	4.5	→ (10)				
Ratio (Consolidated)												
CIR (%) - ann	39.0		38.2	↓ 3,820	↑ (80)	39.0	38.2	↑ (80)				
Cost of credit (%) - ann	0.8		0.6	↓ 58	↑ (25)	0.8	0.6	↑ (25)				
ROE (%) - ann	18.9		20.4	↑ 2,040	↑ 150	18.9	20.4	↑ 150				
CASA ratio (%)	75.2		70.2	↑ 7,020	↓ (500)	75.2	70.2	↓ (500)				
LDR (%) - bank entity	93.2		90.4	↓ 9,040	↑ (280)	93.2	90.4	↑ (280)				
NPL ratio (%)	1.0		1.0	↓ 102	→ -	1.0	1.0	→ -				
LaR ratio (%)	7.2		6.0	↓ 602	↑ (119)	7.2	6.0	↑ (119)				

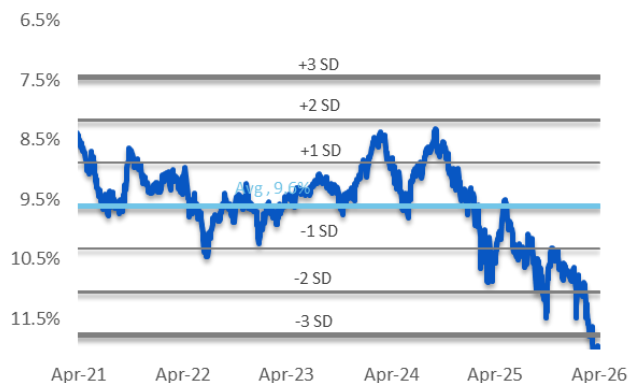
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BMRI's Cost of Equity Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's Cost of Equity Band Chart (5-year)



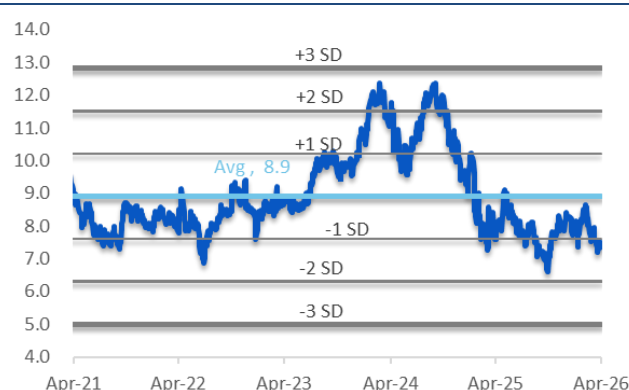
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BMRI's P/BV Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BMRI's P/E Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	151,236	164,412	172,006	183,019	194,826
Interest Expense	(49,479)	(58,202)	(61,679)	(61,177)	(65,436)
Net Interest Income	101,757	106,210	110,326	121,842	129,390
Non-Interest Income (NII)	40,209	42,209	44,148	47,950	50,735
Oper. Income	141,965	148,419	154,474	169,793	180,126
Oper. Expenses	(58,610)	(67,584)	(68,291)	(72,868)	(76,391)
Pre-provisions profit	87,989	87,642	93,079	104,587	111,809
Provisions & Allowances	(11,929)	(11,331)	(15,179)	(21,138)	(22,896)
Operating Profits	76,060	76,311	77,899	83,449	88,912
Non-Operating Income	344	107	107	107	107
Exceptionals	0	0	0	0	0
Pre-tax Profit	76,403	76,418	78,006	83,556	89,019
Income Tax	(15,238)	(15,071)	(15,385)	(16,479)	(17,557)
Minorities	(5,382)	(5,052)	(5,248)	(5,796)	(6,155)
Net Profit	55,783	56,294	57,374	61,281	65,308

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	1,623,217	1,849,968	1,996,929	2,144,806	2,277,700
Provisions	(49,355)	(48,034)	(44,868)	(46,732)	(49,544)
Net Loans	1,573,862	1,801,934	1,952,061	2,098,074	2,228,155
Govt. Bonds	287,273	292,818	304,464	316,702	329,562
Securities	95,478	124,728	129,988	135,491	141,249
Other Earnings Assets	46,293	43,832	50,079	54,371	59,019
Total Earnings Assets	2,216,011	2,472,625	2,648,592	2,819,234	2,980,019
Fixed Assets	90,459	103,150	109,048	115,311	121,906
Non-Earnings Assets	49,954	54,148	49,341	50,671	51,386
Total Assets	2,427,223	2,829,948	3,081,091	3,299,703	3,560,627
Customer Deposits	1,699,575	2,106,518	2,169,381	2,360,131	2,569,651
Banks Deposits	27,043	20,756	22,208	23,763	25,426
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	2,113,749	2,502,546	2,725,492	2,913,795	3,142,442
Share capital & Reserves	63,746	70,241	70,241	70,241	70,241
Retained Earnings	220,050	223,510	246,459	270,972	297,095
Shareholders' Funds	283,796	293,751	316,700	341,212	367,336
Minority interests	29,678	33,651	38,899	44,695	50,850
Total Equity & Liabilities	2,427,223	2,829,948	3,081,091	3,299,703	3,560,627

Exhibit 8. Key Ratios

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	7.2	7.0	6.7	6.7	6.7
Cost of funds	2.6	2.6	2.5	2.2	2.2
Interest Spread	4.6	4.4	4.3	4.4	4.5
Net Interest Margin	4.9	4.5	4.3	4.5	4.5
Cost/Income Ratio	40.0	43.5	42.3	41.1	40.6
Oper. Exp./Oper. Gross Inc.	61.2	64.2	65.1	65.0	64.9
Gross NPL Ratio	1.1	1.1	1.2	1.1	1.1
LLP/Gross NPL	273.7	235.3	188.8	192.0	190.1
Cost of Credit	0.8	0.7	0.8	1.0	1.0
Loan to Deposit Ratio	95.5	87.8	92.1	90.9	88.6
Loan to Funding Ratio	93.2	85.3	84.7	84.2	82.6
CASA Mix	66.5	60.5	63.2	62.9	62.5
ROAE	20.5	19.5	18.8	18.6	18.4
ROAA	2.4	2.1	1.9	1.9	1.9
CAR	17.2	16.1	15.5	15.0	15.0

Exhibit 9. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	3.3	2.9	2.6	2.6	2.6
Tax Retention rate	80.1	80.3	80.3	80.3	80.3
Post-Tax ROAA	2.7	2.3	2.1	2.1	2.1
Goodwil, Assoc& Min	0.2	0.2	0.2	0.2	0.2
Leverage	8.4	9.1	9.7	9.7	9.7
ROAE	20.5	19.5	18.8	18.6	18.4
Growth (%)					
Interest income	14.1	8.7	4.6	6.4	6.5
Net Interest Income	6.1	4.4	3.9	10.4	6.2
Other Oper. Expenses	8.8	15.3	1.0	6.7	4.8
Fee Based Income	16.6	8.2	4.4	10.4	6.2
Pre-Provision Oper. Profit	3.8	(0.4)	6.2	12.4	6.9
Net Profit	1.3	0.9	1.9	6.8	6.6
Shareholders' Equity	8.8	3.5	7.8	7.7	7.7
Loan	19.4	14.0	7.9	7.4	6.2
Earnings Asset	12.2	11.6	7.1	6.4	5.7
Deposit	8.2	23.2	3.0	8.8	8.9
Int. Bearing Liab.	12.7	18.5	9.4	7.1	8.0
CASA	8.2	12.1	7.5	8.2	8.3
Total Asset	11.6	16.6	8.9	7.1	7.9

Source: BMRI, BRIDS Estimates

Equity Research – Company Update

Wednesday, 22 April 2026

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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