

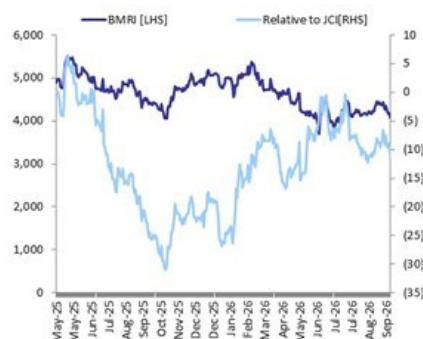
Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	3,900
Target Price (Rp)	6,400
Previous TP (Rp)	6,200
Upside/Downside	+64.1%
No. of Shares (mn)	93,333
Mkt Cap (Rpbn/US\$m)	364,000/20,158
Avg, Daily T/O (Rpbn/US\$m)	789.3/43.7
Free Float (%)	39.8
Major Shareholder (%)	
Government of Indonesia	52.0
INA	8.0
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	638.0 675.3 730.2
Consensus	615.1 646.4 738.3
BRIDS/Cons (%)	3.7 4.5 (1.1)

BMRI relative to JCI Index



Source: Bloomberg

Bank Mandiri (BMRI IJ)

3Q26 Earnings: Beat; Non-Interest Income and Cost Efficiency Offset NIM Pressure

- BMRI posted 3Q26 net profit of Rp15.1tr (+1% qoq, +14% yoy), bringing its 9M26 NP to Rp45.5tr (+21% yoy), above ours and cons.
- Non-II growth and lower opex offset NIM compression, while LaR rose to 6.8% on SOE construction restructuring.
- Management raised loan growth guidance to 9-11% and lowered CIR to 37-39%. Maintain Buy rating with a higher TP of Rp6,400

Earnings beat driven by non-interest income and cost efficiency

BMRI reported a net profit of Rp15.1tr in 3Q26 (+1% qoq, +14% yoy), bringing its 9M26 NP to Rp45.5tr (+21% yoy), above expectations at 79% of our FY26F and 80% of consensus. NII fell 4% qoq (+3% yoy) to Rp22tr, as bank-only NIM compressed 34bps qoq to 3.9%. The 30bps qoq rise in CoF to 2.3% outpaced the 12bps qoq increase in loan yield to 7.0%. This was offset by non-interest income (+10% qoq, +13% yoy), led by treasury income (+28% qoq, +40% yoy) and recurring fees (+8% qoq, +13% yoy). 9M26 opex declined 2% yoy, bringing CIR down to 38.0% (-580bps yoy).

Better loan mix, with LaR rising on SOE construction restructuring

Loans grew 1% qoq/ 15% yoy to Rp1,694tr. Related-party loans declined 4% qoq after peaking in 2Q26, while SME (+6.6% qoq) and commercial (+2.5% qoq) loans grew. NPL was stable at 1.0%, but LaR rose to 6.8% (+74bps qoq), as restructured loans increased by Rp16.3tr qoq, mainly from Rp13-14tr of SOE construction and logistics exposure. CoC edged up to 0.7% in 3Q26, while LaR coverage fell to 35.1% (2Q26: 40.5%).

Guidance raised on loan growth and CIR; we lift our FY26-28F forecasts

Management raised its FY26 loan growth guidance to 9-11% (from 7-9%), backed by a visible pipeline, better pricing and an improving related/ non-related party mix. CIR guidance was lowered to 37-39% (from 39-41%), on flat opex in FY26 and low single-digit opex growth in FY27. NIM guidance of 4.3-4.5% was maintained, as new loans are priced 100-200bps above the existing book. CoC guidance of 0.6-0.8% already incorporates 10-15% provisioning for the Rp13-14tr SOE construction and logistics exposure. Hence, we raise our FY26-27F net profit estimates by 2-4% to reflect stronger loan growth and better cost efficiency.

Maintain Buy rating with higher TP of Rp6,400

We maintain our Buy rating with a higher TP of Rp6,400 (vs. Rp6,200 prev.), to reflect our higher earnings projection. Our TP is based on 5-year inverse CoE of 11.6% and TG of 3%, implying an FV PBV of 1.9x.

Tactical (3M) view: N. Risks to our view are higher funding costs, asset quality deterioration, macro uncertainties, and foreign outflow.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (IDRbn)	87,989	87,642	97,433	107,590	115,614
Net profit (IDRbn)	55,783	56,294	59,542	63,032	68,151
EPS (IDR)	597.7	603.1	638.0	675.3	730.2
EPS growth (%)	1.3	0.9	5.8	5.9	8.1
BVPS (IDR)	3,040.7	3,147.3	3,306.8	3,488.3	3,697.9
PER (x)	8.4	8.4	7.9	7.5	6.9
PBV (x)	1.7	1.6	1.5	1.4	1.4
Dividend yield (%)	7.1	7.2	7.6	8.0	8.7
ROAE (%)	20.5	19.5	19.8	19.9	20.3

Source: BMRI, BRIDS Estimates

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3505

victor.stefano@brids.co.id

Nataniella Eva Kezia

(62-21) 5091 4100 ext. 3507

nataniella.kezia@brids.co.id

Exhibit 1. BMRI 3Q26 Results

Financial (Rpbn) - Presentation	3Q25	2Q26	3Q26	qoq, %	yoy, %	9M25	9M26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	33,822	35,520	37,337	5%	10%	103,464	110,232	7%	141,304	156,779	78%	70%
Interest expense	12,572	12,731	15,364	21%	22%	37,939	40,420	7%	52,279	56,579	77%	71%
Net interest income	21,250	22,789	21,973	-4%	3%	65,525	69,812	7%	89,025	102,494	78%	68%
Other operating income	11,418	11,716	12,884	10%	13%	31,305	36,155	15%	44,148	48,857	82%	74%
Operating expenses	13,657	12,934	13,387	4%	-2%	40,970	40,313	-2%	52,887		76%	n/a
PPOP	19,011	21,571	21,470	0%	13%	55,860	65,654	18%	78,740		83%	n/a
Provision	2,438	2,430	2,685	10%	10%	8,290	7,806	-6%	11,940	12,745	65%	61%
Operating Profit	16,573	19,141	18,785	-2%	13%	47,570	57,848	22%	77,899	75,546	74%	77%
Net profit	13,275	15,028	15,122	1%	14%	37,730	45,534	21%	57,374	57,176	79%	80%
Loans	1,467,403	1,677,449	1,693,632	1%	15%	1,467,403	1,693,632	15%	1,996,929	1,795,871	85%	94%
Customer deposits	1,536,280	1,763,167	1,804,610	2%	17%	1,536,280	1,804,610	17%	2,169,381	1,921,249	83%	94%
Key Ratio - Est.												
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - bank only	7.5	6.9	7.0	↑ 12	↓ (48)	7.7	7.0	↓ (65)				
CoF deposit (%) - bank only	2.3	2.0	2.3	↑ 30	↓ 2	2.4	2.1	↑ (28)				
NIM (%) - bank only	4.5	4.2	3.9	↓ (34)	↓ (61)	4.6	4.2	↓ (39)				
Ratio (Consolidated) - Est.												
CIR (%) - ann	41.8	37.5	38.4	↓ 92	↑ (340)	43.8	38.0	↑ (580)				
Cost of credit (%) - ann	0.5	0.6	0.7	↓ 9	↓ 13	0.6	0.6	↓ 1				
ROE (%) - ann	19.2	20.4	20.6	↑ 20	↑ 140	18.4	20.8	↑ 240				
CASA ratio (%)	71.5	70.2	70.6	↑ 40	↓ (90)							
LDR (%) - bank entity	92.2	90.4	90.8	↓ 40	↑ (140)							
NPL ratio (%)	1.1	1.0	1.0	↓ -	↓ (4)							
LaR ratio (%)	6.4	6.0	6.8	↓ 74	↓ 37							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BMRI Changes in Forecast

BMRI - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn)	110,327	111,673	1.22	121,843	121,746	(0.08)	129,391	129,848	0.35
PPOP (Rpbn)	93,079	97,433	4.68	104,588	107,590	2.87	111,809	115,614	3.40
Net profit (Rpbn)	57,374	59,542	3.78	61,282	63,032	2.86	65,308	68,151	4.35
BVPS (Rp)	3,393	3,307	(2.55)	3,656	3,488	(4.58)	3,936	3,698	(6.04)
Gross Loans (Rpbn)	1,996,929	2,046,171	2.47	2,144,806	2,211,573	3.11	2,277,700	2,335,719	2.55
Customer Deposits (Rpbn)	2,169,381	2,211,644	1.95	2,360,131	2,406,627	1.97	2,569,651	2,569,651	-
Ratios (%)	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps	2028F (Prev)	2028F (Curr)	Δ bps
Net Interest Margin	4.3	4.3	1	4.5	4.4	(10)	4.5	4.4	(8)
Gross NPL Ratio	1.2	1.2	-	1.1	1.1	0	1.1	1.1	-
Cost/Income Ratio	42.3	41.3	(100)	41.1	40.4	(69)	40.6	39.8	(77)
Cost of Credit	0.8	0.9	7	1.0	1.0	1	1.0	1.0	(2)
ROAE	18.8	19.8	97	18.6	19.9	125	18.4	20.3	189

Source: Company, BRIDS Estimates, Bloomberg

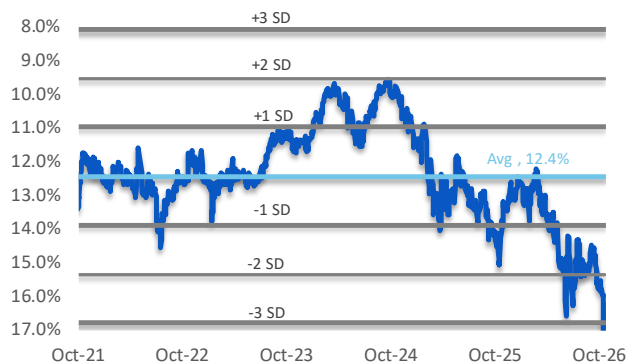
Exhibit 3. BRMI's Valuation

Gordon Growth Valuation with Inverse Cost of Equity

Parameters:	Comment:
Cost of equity (%)	11.6 5-Year average
Cost of equity (%) - SD	1.2 5-Year average
SD used	
Cost of equity (%) used	11.6
Long-term growth (%)	3.0 Long-term nominal GDP growth
Forward ROE (%)	19.8 FY26F ROAE
Fair value P/BV (x)	1.9 (ROAE - g) / (COC - g)
BV/share (IDR)	3,307 FY26F Book value per share
Fair value (IDR)	6,400 Fair value P/BV multiple x BVPS

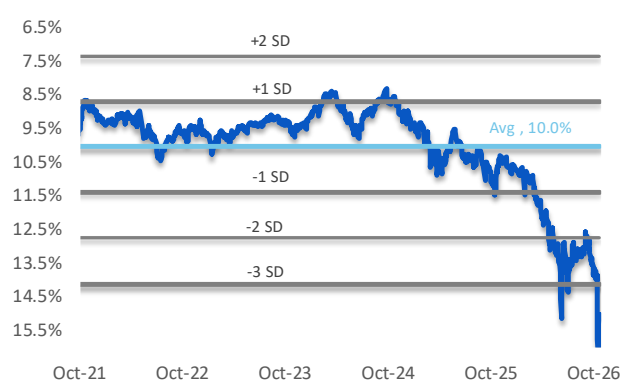
Source: Company, BRIDS Estimates

Exhibit 4. BMRI's Cost of Equity Band Chart (5-year)



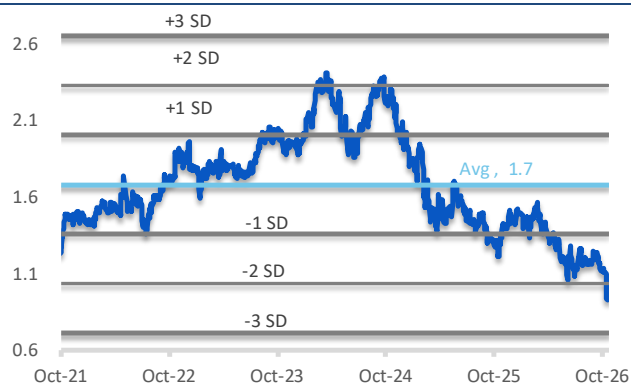
Source: Company, Bloomberg, BRIDS Estimates

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



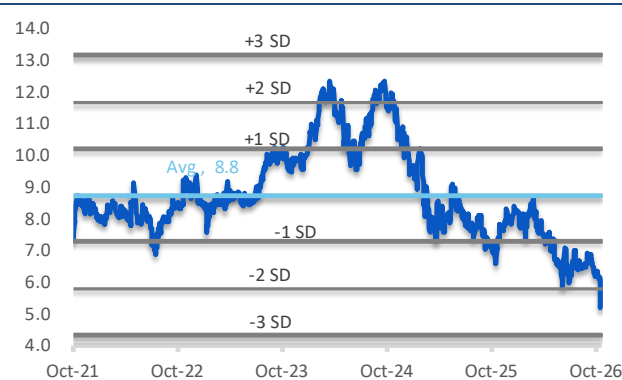
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BMRI's P/BV Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BMRI's P/E Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	151,236	164,412	173,821	187,258	199,338
Interest Expense	(49,479)	(58,202)	(62,148)	(65,512)	(69,489)
Net Interest Income	101,757	106,210	111,673	121,746	129,848
Non-Interest Income (NII)	40,209	42,209	47,384	51,034	54,161
Oper. Income	141,965	148,419	159,057	172,780	184,009
Oper. Expenses	(58,610)	(67,584)	(68,600)	(72,846)	(76,496)
Pre-provisions profit	87,989	87,642	97,433	107,590	115,614
Provisions & Allowances	(11,929)	(11,331)	(16,753)	(21,966)	(23,133)
Operating Profits	76,060	76,311	80,681	85,625	92,481
Non-Operating Income	344	107	107	107	107
Exceptionals	0	0	0	0	0
Pre-tax Profit	76,403	76,418	80,788	85,731	92,588
Income Tax	(15,238)	(15,071)	(15,933)	(16,908)	(18,261)
Minorities	(5,382)	(5,052)	(5,312)	(5,791)	(6,177)
Net Profit	55,783	56,294	59,542	63,032	68,151

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	1,623,217	1,849,968	2,046,171	2,211,573	2,335,719
Provisions	(49,355)	(48,034)	(45,974)	(48,187)	(50,806)
Net Loans	1,573,862	1,801,934	2,000,197	2,163,386	2,284,913
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	51,171	54,371	59,019
Total Earnings Assets	2,216,011	2,472,625	2,699,956	2,887,398	3,039,252
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	3,115,720	3,331,079	3,538,760
Customer Deposits	1,699,575	2,106,518	2,211,644	2,406,627	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	2,768,120	2,960,748	3,142,691
Share capital & Reserves	63,746	70,241	70,241	70,241	70,241
Retained Earnings	220,050	223,510	238,395	255,335	274,896
Shareholders' Funds	283,796	293,751	308,636	325,576	345,137
Minority interests	29,678	33,651	38,963	44,755	50,931
Total Equity & Liabilities	2,427,223	2,829,948	3,115,720	3,331,079	3,538,760

Exhibit 10. 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	2.4	2.4	2.4
Interest Spread	4.6	4.4	4.3	4.3	4.4
Net Interest Margin	4.9	4.5	4.3	4.4	4.4
Cost/Income Ratio	40.0	43.5	41.3	40.4	39.8
Oper. Exp./Oper. Gross Inc.	61.2	64.2	64.6	65.2	64.6
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	0.9	1.0	1.0
Loan to Deposit Ratio	95.5	87.8	92.5	91.9	90.9
Loan to Funding Ratio	93.2	85.3	85.2	85.2	84.7
CASA Mix	66.5	60.5	63.9	63.6	62.5
ROAE	20.5	19.5	19.8	19.9	20.3
ROAA	2.4	2.1	2.0	2.0	2.0
CAR	17.2	16.1	14.8	0.0	0.0

Exhibit 11. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	3.3	2.9	2.7	2.7	2.7
Tax Retention rate	80.1	80.3	80.3	80.3	80.3
Post-Tax ROAA	2.7	2.3	2.2	2.1	2.2
Goodwil, Assoc& Min	0.2	0.2	0.2	0.2	0.2
Leverage	8.4	9.1	9.9	10.2	10.2
ROAE	20.5	19.5	19.8	19.9	20.3
Growth (%)					
Interest income	14.1	8.7	5.7	7.7	6.5
Net Interest Income	6.1	4.4	5.1	9.0	6.7
Other Oper. Expenses	8.8	15.3	1.5	6.2	5.0
Fee Based Income	16.6	8.2	13.4	9.0	6.7
Pre-Provision Oper. Profit	3.8	(0.4)	11.2	10.4	7.5
Net Profit	1.3	0.9	5.8	5.9	8.1
Shareholders' Equity	8.8	3.5	5.1	5.5	6.0
Loan	19.4	14.0	10.6	8.1	5.6
Earnings Asset	12.2	11.6	9.2	6.9	5.3
Deposit	8.2	23.2	5.0	8.8	6.8
Int. Bearing Liab.	12.7	18.5	11.2	7.2	6.2
CASA	8.2	12.1	10.8	8.3	5.0
Total Asset	11.6	16.6	10.1	6.9	6.2

Source: BMRI, BRIDS Estimates

Equity Research – Company Update

Monday, 26 October 2026

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Nataniella Eva Kezia	Research Associate	nataniella.kezia@brids.co.id
Taufan Fadhillah	Research Associate	taufan.fadhillah@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicheh Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.