Strong 1Q26 PATMI, beat-driven growth across the board

22 April 2026

Sector	
Price at 22 April 2026 (IDR)	4,750
Price target (IDR)	5,660
Upside/Downside (%)	19.2

Stock Information

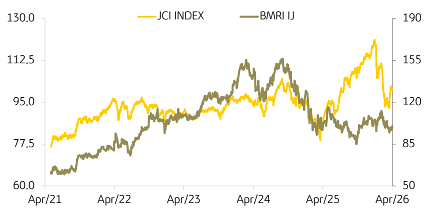
PT Bank Mandiri (Persero) Tbk (Persero) Tbk is a state-owned bank offering a range of banking products and services to its customers from individuals and SMEs to corporations. The bank is formed by a merger of four state-owned banks.

Market cap (IDR bn)	438,667
Shares outstanding (mn)	93,333
52-week range (IDR)	4,010-5,575
3M average daily vol. ('000)	184,138
3M average daily val. (IDR mn)	891,725

Shareholders (%)

Republic of Indonesia	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	0.6	(4.4)	0.8

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Sturdy 1Q26 earnings (16.6% YoY) driven by strong growth from top to bottom came in above our and consensus forecasts (27.3%/26.9%). Robust loan continued, buoyed by solid corporate segment growth (29.2% YoY). Ample liquidity remains (TPF: 21.0% YoY), strongly supported by CASA growth of 13.0% YoY. Key ratios perform well, with healthier risk metrics and credit costs staying at a low level of 0.58% vs. 0.83% in 1Q25. A flattish NIM amid the ongoing declining loan yield trend sounds acceptable. RoE expansion should be translated as a strong argument to support BMRI valuation. The bottom line is we expect steady stronger lending growth tied with continuing milder funding costs to support better '26F NIM. Cost discipline and managing CoC to stay soft will become a vital '26F earnings cushion. Maintain BUY GGM-based TP of IDR5,660 (1.8x '26F P/B), currently (1.5x) at slightly above -1SD of 1.4x '26F P/B.

Strong 1Q26 earnings; above

BMRI's 1Q26 earnings' sturdy growth (16.6% YoY) was driven by solid performance from top to bottom. NII still grew healthy from IDR22.5 tn to IDR25.0 tn in 1Q26 (11.3% YoY) due to BMRI's successful effort to maintain loan demand side amid the ongoing declining trend of funding cost and loan yield. With the help from steady non-II healthy growth and significant cost-to-income improvement, PPoP has positively impacted IDR22.6 tn, or a significant increase of 10.4% YoY vs. IDR20.5 tn in the same period of last year. Moreover, we like BMRI's ability to maintain its provisions to stay at a low level. This has brought PATMI growth 560 bps stronger than the top line to IDR15.4 tn (16.6% YoY). In all, BMRI 1Q26 earnings came in above our and consensus expectations at a run rate of 27.3% and 26.9%, respectively.

Robust loan growth beats industry, guidance, and our '26F.

Robust lending remains intact, with total consolidated loans continuing their trajectory, reaching IDR1.614 tn (16.2% YoY), beating industry growth figures, and surpassing BMRI's guidance as well as our '26F loan growth for the bank. As expected, auto financing and SMEs continue to record poor growth. The corporate segment is still picking up strongly (29.2% YoY) and will continue to play a vital role in underpinning '26F total loan growth, in our view. On the liabilities side, the ample liquidity environment trend is still intact. The bank posted 21.0% YoY growth of total deposits to IDR1,430 tn (1Q26), supported by solid CASA portion double-digit growth of 13.0% YoY to IDR1,215 tn, outperforming industry growth of 13.2% YoY.

Continuing well-managed key performance metrics

Well-managed key performance ratios remain undamaged, with RoE expanded (150 bps) to 20.4%. On the margin side, a flattish NIM (4.75% vs. 4.70% in 1Q26) sounds acceptable amid a softening loan yield trend (-53 bps) to 7.11% vs. 7.64% in the same period last year. As expected, resilient asset quality stayed at a soft level, with NPL standing at a much better number of 1.02% vs. 1.13% in FY25 and also noted an improvement at the bank-only level to 0.98% vs. 1.01% in 1Q25. The bank's discipline in underwriting, careful portfolio management, and other initiatives' strategies have made consolidated LAR stand still at 6.02% vs. 7.21% (1Q25), or around 119 bps healthier, confirming a softer potential risk in the upcoming quarter. Credit cost arrives below '26F lower range guidance (0.6-0.8%), a substantial improvement by 25 bps from 0.83% (1Q25) to 0.58% in 1Q26 and beating our '26F credit cost for the bank of 0.81%.

Livin' to continue bring many benefits

The Livin' Apps platform is accelerating, with its user base continuing to surge and noting a 13% YoY transaction frequency amounting to 1,242 mn and transaction value of 1,241 tn (16% YoY). The app made a strong contribution to digital recurring fee income (32%) and CASA balances by 1.7 times in 1Q26. With a massive, untapped digital transaction and ecosystem still continuing to be leveraged, Livin' Apps is positioned as the bank's essential growth driver for 2026 and beyond, in our view.

Guidance sound achievable; key catalysts will maintain '26F performance

We believe '26F guidance in loan growth, NIM, and CoC sounds acceptable. We view steady and stronger lending demand as the key growth to manage the top line amid the potential ongoing softening of loan yields. Moreover, we expect to witness continuing solid deposit mix strategy and Livin' by Mandiri's boundless performance support to remain crucial to underpinning BMRI's funding cost growth to stay at a low level and hence result in a steady healthy NIM. Lastly, cost to income and steady mild provisions will play their critical role to succeed in solid '26F earnings growth.

Maintain BUY GGM TP of IDR5,660.

Our GGM-based TP of IDR 5,660 is pegged at 1.8x '26F P/B, while currently at 1.5x '26F P/B, slightly above -1SD. Key downside risks to our target price include a) lower-than-expected loan growth on a wait-and-see stance, b) slower-than-anticipated benchmark rate transmission to CoF due to having priced in c) NIM stagnation triggered by a declining loan yield trend and mild loan growth, d) higher-than-expected CIR and higher CoC due to front loan needs, g) sustained boiling global geopolitical tension uncertainty, and h) weakening IDR/USD. Potential catalyst: a) higher-than-expected loan growth tied with softer loan yield pressure resulting in strong NIM expansion, b) softer-than-anticipated CoC on steady AQ improvement, c) calmer domestic and global uncertainty leading to a consumer and business confidence spike.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net Interest income	101,757	106,210	112,823	121,266	133,660
Non int. income	44,842	49,016	54,513	60,969	68,548
Income from operations	146,599	155,226	167,336	182,235	202,207
Pre-provision profit	87,988	87,642	93,655	99,787	109,263
Net income (IDR bn)	55,782	56,294	56,441	60,256	67,585
EPS (IDR)	598	603	605	646	724
EPS growth (%)	1.3	0.9	0.3	6.8	12.2
PER (x)	8.3	8.2	8.2	7.7	6.8
PBV (x)	1.6	1.6	1.6	1.5	1.4
Div. Yield (%)	7.2	9.4	9.5	7.1	9.1
RoE (%)	23.2	21.2	20.3	20.5	20.9

Source: Company, KBVS Research

Exhibit 2: BMRI 1Q26 consolidated results – selected P&L

Income Statements (IDR tn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons.
Net Interest Income	22.5	25.0	11.3	22.5	25.0	11.3	28.0	(10.6)				
Non-interest income	10.6	11.3	6.1	10.6	11.3	6.1	15.5	(27.0)				
Total operating income	33.1	36.3	9.1	33.1	36.3	9.1	43.4	(16.4)				
Total operating expenses	(13.1)	(14.0)	7.0	(13.1)	(14.0)	7.0	(17.7)	(20.8)				
PPoP	20.5	22.6	10.4	20.5	22.6	10.4	25.7	(12.2)				
Loan loss provisions	(3.4)	(2.7)	(20.1)	(3.4)	(2.7)	(20.1)	(0.9)	210.3				
Net profit	13.2	15.4	16.6	13.2	15.4	16.6	18.6	(17.0)	56.4	27.3	57.3	26.9

Source: Company, KBVS Research

Exhibit 3: BMRI 1Q26 consolidated results – selected balance sheet

Balance Sheet (IDR tn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
Gross loans	1,389.0	1,614.0	16.2	1,389.0	1,614.0	16.2	1,580.0	2.2
Total deposits	1,430.0	1,730.0	21.0	1,430.0	1,730.0	21.0	1,675.0	3.3
CASA deposits	1,075.0	1,215.0	13.0	1,075.0	1,215.0	13.0	1,186.0	2.4
Total equity	285.2	305.0	6.9	285.2	305.0	6.9	293.8	3.8

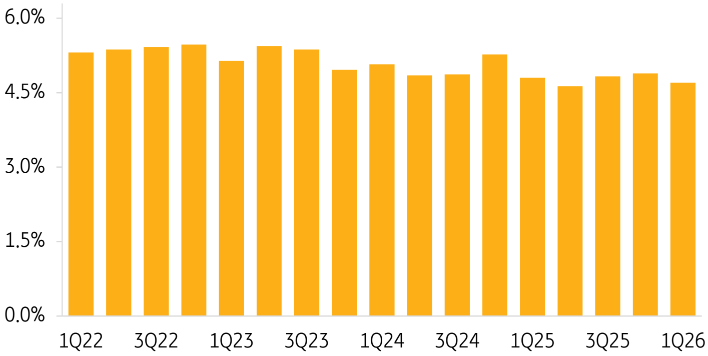
Source: Company, KBVS Research

Exhibit 4: BMRI 1Q26 consolidated results – selected P&L key ratios

Selected key ratios	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
NIM	4.8	4.7	(0.0)	4.8	4.7	(0.0)	4.9	(0.2)
CoC	0.8	0.6	(0.3)	0.8	0.6	(0.3)	0.6	0.0
Cost of Fund	2.4	2.0	(0.4)	2.4	2.0	(0.4)	2.2	(0.2)
NPL Gross	1.010	0.980	(0.0)	1.0	1.0	(0.0)	1.1	(0.2)
NPL Coverage	299.0	245.0	(54.0)	299.0	245.0	(54.0)	231.0	14.0
CIR	39.0	38.2	(0.8)	39.0	38.2	(0.8)	43.5	(5.3)
Tier 1 CAR	16.1	18.5	2.4	16.1	18.5	2.4	19.3	(0.8)
ROAA	2.3	2.3	0.0	2.3	2.3	0.0	2.1	0.2
ROAE	18.9	20.4	1.5	18.9	20.4	1.5	20.3	0.1
LDR	93.5	90.9	(2.6)	93.5	90.9	(2.6)	87.6	3.3
Loan yield	7.6	7.1	(0.5)	7.6	7.1	(0.5)	7.2	(0.1)

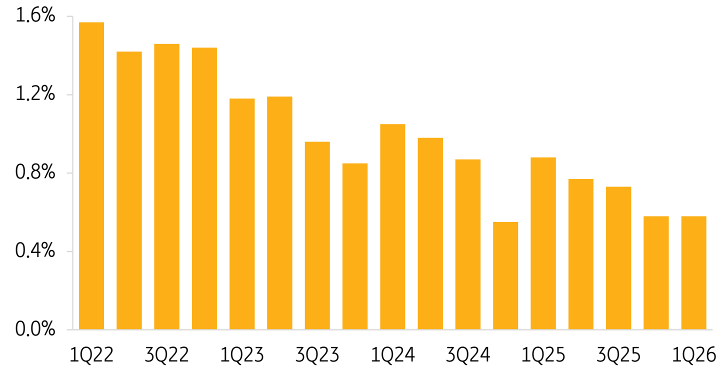
Source: Company, KBVS Research

Exhibit 5: Flattish NIM sounds acceptable amid declining loan yield trend



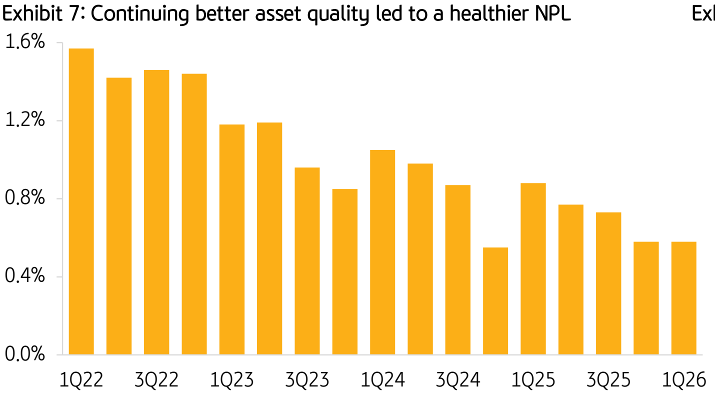
Source: Company, KBVS Research

Exhibit 6: COC to remain at low level, play vital role to '26F earnings growth



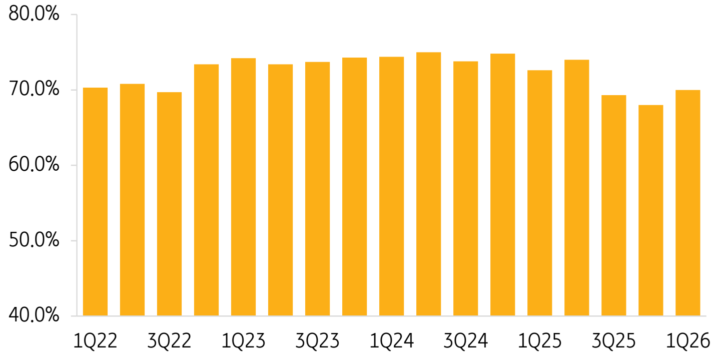
Source: Company, KBVS Research

Exhibit 7: Continuing better asset quality led to a healthier NPL



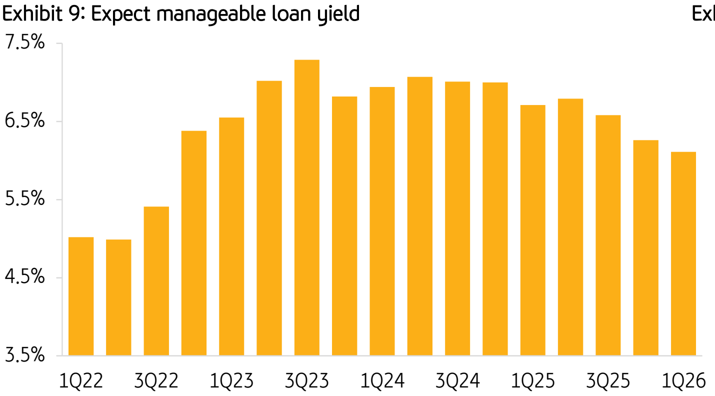
Source: Company, KBVS Research

Exhibit 8: Solid CASA to remain intact supporting milder funding cost



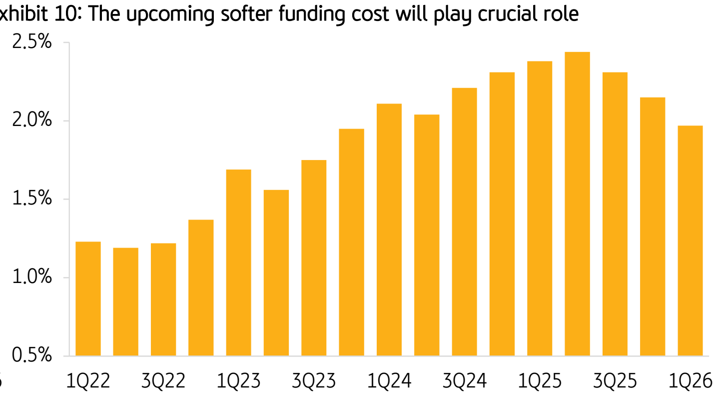
Source: Company, KBVS Research

Exhibit 9: Expect manageable loan yield



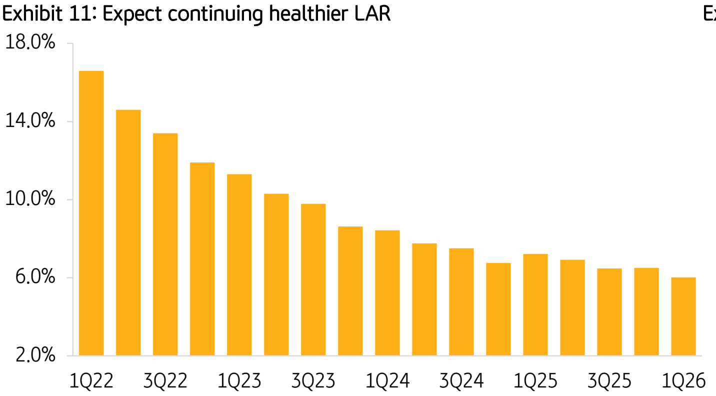
Source: Company, KBVS Research

Exhibit 10: The upcoming softer funding cost will play crucial role



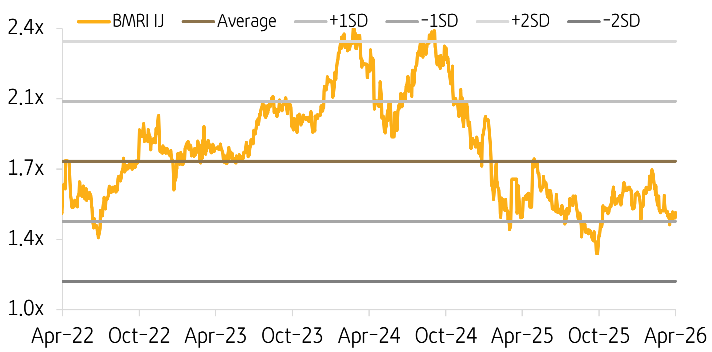
Source: Company, KBVS Research

Exhibit 11: Expect continuing healthier LAR



Source: Bloomberg, KBVS Research

Exhibit 12: Currently traded at 1.5x '26F P/B, slightly above -1SD of 1.4x



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES

Exhibit 13: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Interest income	151,236	164,412	177,592	189,848	207,801
Interest expenses	(49,479)	(58,202)	(64,769)	(68,583)	(74,142)
Net interest income	**101,757**	**106,210**	**112,823**	**121,266**	**133,660**
Non-interest income	44,842	49,016	54,513	60,969	68,548
Operating expenses	(58,611)	(67,584)	(73,680)	(82,448)	(92,944)
Pre-provision operating profit	**87,988**	**87,642**	**93,655**	**99,787**	**109,263**
Loan loss provision	**(11,929)**	**(11,331)**	**(16,937)**	**(17,780)**	**(17,424)**
Pretax Profit	76,403	76,418	76,825	82,114	91,946
Income Tax Expenses	(15,238)	(15,071)	(15,175)	(16,264)	(18,169)
Net profit	**55,782**	**56,294**	**56,441**	**60,256**	**67,585**

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Assets					
Cash	31,665	33,857	35,177	36,767	38,320
Current Account at BI	105,146	238,289	285,892	345,477	377,816
Interbank Loans	109,866	111,395	131,169	176,884	166,239
Govt Treas Bills & Sec	287,273	292,818	344,795	384,323	453,379
Investment Securities	95,478	124,728	147,262	102,540	92,845
Loans	1,620,155	1,845,767	2,001,185	2,194,217	2,422,055
Fixed Assets	63,031	72,062	77,236	83,656	90,531
Other assets	114,610	111,032	148,903	138,266	144,413
Total Asset	**2,427,223**	**2,829,948**	**3,171,619**	**3,462,130**	**3,785,597**
Liabilities					
Interbank Deposit	27,721	21,509	31,607	36,186	45,338
Customer Deposit	1,698,897	2,105,764	2,479,552	2,763,817	3,022,526
Debts Sec and Subordinates	41,141	62,205	74,387	77,163	90,676
Other Liabilities	345,990	313,067	253,281	242,974	258,074
Total liabilities	**2,113,749**	**2,502,546**	**2,838,826**	**3,120,140**	**3,416,614**
Equity					
Capital Stock	11,667	11,667	11,667	11,667	11,667
Additional Paid-in Capital	18,095	18,095	18,095	18,095	18,095
Retained Earnings	220,050	223,510	236,041	256,789	282,194
Other Equity	33,984	40,479	30,000	15,000	10,000
Shareholder's Equity	283,796	293,751	295,803	301,551	321,956
Non-controlling Interest	29,678	33,651	36,991	40,440	47,027
Total Equity	**313,475**	**327,402**	**332,793**	**341,991**	**368,983**

Exhibit 15: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
NIM (%)	5.2	4.9	4.6	4.5	4.59
LDR (%)	98.4	84.9	69.8	64.1	82.7
CASA (%)	74.8	68.0	64.2	62.6	61.8
NPL (%)	1.2	1.1	1.0	1.0	1.03
ROAE (%)	21.2	20.3	20.5	20.9	21.68
ROAA (%)	2.4	2.1	1.9	1.8	1.86
CAR (%)	20.1	17.6	15.8	14.5	14.18
BVPS (IDR)	3,041	3,147	3,169	3,231	3,449.54
PER (x)	8.3	8.2	8.2	7.7	6.84
PBV (x)	1.6	1.6	1.6	1.5	1.43
Div. Yield (%)	7.2	9.4	9.5	7.1	9.13

Source: Company, KBVS Research

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