

Winning Combination: Robust 5M26 Earnings and Attractive Valuation

15 June 2026



Sector	
Price at 15 June 2026 (IDR)	4,500
Price target (IDR)	5,660
Upside/Downside (%)	25.8

Stock Information

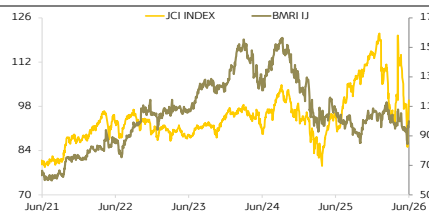
PT Bank Mandiri (Persero) Tbk (Persero) Tbk is a state-owned bank offering a range of banking products and services to its customers from individuals and SMEs to corporations. The bank is formed by a merger of four state-owned banks.

Market cap (IDR bn)	410,667
Shares outstanding (mn)	93,333
52-week range (IDR)	3,650-5,375
3M average daily vol. ('000)	216,072
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	5.0	(6.1)	(13.4)

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BMRI delivered a robust set of result in 5M26, with bank-only earnings rising by +18.6% YoY. At the same time, May26 standalone earnings grew by +17.9% YoY and +17.6% MoM, tracking at 41.3% and 40.7% of our and consensus' 26F forecasts and surpassing the 5-year historical average run-rate of 35%. Total loans grew +20.6% YoY, while total customer deposits climbed +22.0% YoY and CASA increased +11.9% YoY. The CoC improved +20 bps YoY to 0.5%, the CIR declined to 35.9%, and annualized RoE reached a solid 22.8%. BMRI maintained a highly stable balance sheet, with loans at 68.5% of total assets and marketable securities at 13.2% (vs. 13.3% in 1M26), despite a continuing YTD uptrend in yields. On the flip side, the legacy low-interest-rate environment compressed 5M26 NIM by 30 bps YoY to 4.4%. However, BI's recent 75 bps rate hike should help alleviate this pressure, paving the way for BMRI to meet or potentially exceed its '26F NIM guidance of 4.5%-4.7%. After its noise-driven plunge (-11.3% YTD, -31.0% YTD26 high-low), the stock recently touched its lowest level at IDR 3,710, or around 9.95% below our GGM stress-test value of IDR 4,120. At 1.4x 26F P/B, just above -2SD of 1.2x, the stock trades at a 25.8% discount to our GGM-based TP of IDR 5,660 (1.8x 26F P/B). Maintain BUY.

Beating expectations: 5M26 bank-only earnings up +18.6% YoY

BMRI delivered a stellar performance in 5M26. Bank-only net profit jumped +18.6% YoY to IDR23.31 tn, from IDR19.65 tn in 5M25. This bottom-line strength was driven by a +10.0% YoY increase in net interest income to IDR34.85 tn, robust PPOp growth of +14.1% YoY to IDR31.85 tn, and significantly lower provisions, which fell -15.8% YoY to IDR3.21 tn. On a monthly standalone basis, May '26 was an exceptionally strong month for BMRI. Monthly earnings rose +17.6% MoM (+17.9% YoY) to IDR5.26 tn, supported by a sharp +31.7% MoM spike in non-interest income, flattish provisions, and a well-controlled CIR. Overall, the solid 5M26 earnings already account for around 41% of both our and consensus 26F forecasts, ahead of the 5-year historical average run-rate of 35%.

Robust loan growth, strong TPF, and resilient asset structure

Total loans surged +20.6% YoY to IDR1,579.94 tn (from IDR1,309.68 tn in 5M25). Total third-party funds increased +22.0% YoY to IDR1,716.31 tn, on the back of healthy +11.9% YoY growth in low-cost funding (CASA) to IDR1,222.52 tn. This strong deposit base kept the LDR at a comfortable 92.1% (vs. 93.1% in 5M25). Notably, amid a higher-yield environment that could incentivize higher marketable securities exposure, BMRI has kept its loan-to-asset ratio steady at 68.5% (vs. 68.1% in 5M25), demonstrating a resilient asset structure. This balance sheet discipline positions BMRI well to sustain loan growth through the remainder of 2026, despite ongoing market uncertainty.

Solid KPIs across the board, yet NIM still under pressure

BMRI delivered further improvements in risk management and profitability in 5M26, successfully protecting its balance sheet profile despite a challenging margin backdrop. CoC improved by 20 bps YoY to just 0.5% (from 0.7% in 5M25), while the CIR ratio strengthened to 35.9% (down from 37.8% in 5M25). Annualized RoE reached 22.8%. The asset mix remains resilient, with loans steady at 68.5% of total assets (vs. 68.1% in 5M25) and marketable securities at 13.2%, despite rising yields. The only drag comes from the prior low-interest-rate environment, which compressed NIM by -30 bps YoY to 4.4% (from 4.7% in 5M25).

Margin pressure could ease as rate hikes kick in

With 5M26 earnings beating expectations, BMRI's upcoming 1H26 results are on track to meet or exceed our and consensus '26F projections. Bank Indonesia's recent 75 bps rate hike to 5.5% provides timely relief for the bank's compressed margins. Although policy rate hikes typically take three to six months to fully filter through, selective and early loan repricing should start to lift asset yields by 4Q26. Consequently, BMRI's full-year NIM guidance of 4.5%-4.7% looks highly achievable, with a good chance of beating the upper end if market conditions remain stable.

Stress-testing BMRI's valuation

It has been a difficult year for BMRI's stocks: year-to-date, the stock has fallen -11.3% and is down -31.0% from its YTD26 high-low. The pullback largely reflects weaker foreign investor risk appetite and lingering domestic uncertainty. However, the sell-off has pushed the stock into value territory. To gauge downside resilience, we ran a conservative GGM-based sensitivity test, raising the risk-free rate assumption by 75 bps (to reflect BI's rate hikes) and adding 240 bps to the ERP. This "worst-case" scenario yields a fair value of IDR4,120, around 27.2% below our GGM-based TP of IDR 5,660. Importantly, the market traded below this stress-test floor: on 8 Jun '26, BMRI touched IDR3,710, effectively testing our rock-bottom valuation before rebounding.

Maintain BUY

Our GGM-based TP of IDR 5,660 is based on 1.8x 26F P/B. At the current 1.4x 26F P/B, just above -2SD of 1.2x, the stock trades at roughly a 20.5% discount to our TP. Key upside catalysts include sustained strong loan growth, disciplined repricing of loan yields, and the ability to keep funding costs low while further improving CoC. Key downside risks include slower-than-expected loan growth, weaker loan yields, and a potential spike in credit costs that could erode margins and cap earnings growth. Maintain BUY

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)	7.5	7.5	7.4	7.0	6.2
PBV (x)	1.5	1.4	1.4	1.4	1.3
Div. Yield (%)	7.9	10.4	10.5	7.9	10.0
RoE (%)	21.2	20.3	20.5	20.9	22.4

Source: Company, KBVS Research

Exhibit 2: BMRI 5M26 consolidated results – selected P&L

Selected P&L (IDRbn)	5M25	5M26 YoY (%)	May-25	May-26 YoY (%)	Apr-26	May-26	MoM (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons.		
Interest income	49,895	52,774	5.8	10,305	10,812	4.9	10,318	10,812	4.8				
Interest expense	(18,198)	(17,917)	(1.5)	(4,024)	(3,870)	(3.8)	(3,579)	(3,870)	8.1				
Net interest income	31,698	34,857	10.0	6,281	6,942	10.5	6,739	6,942	3.0				
Non Int Inc & others	13,232	14,844	12.2	2,878	3,749	30.3	2,847	3,749	31.7				
Total Income	44,929	49,701	10.6	9,159	10,690	16.7	9,585	10,690	11.5				
Opex	(16,998)	(17,844)	5.0	(2,982)	(3,590)	20.4	(3,356)	(3,590)	7.0				
PPOP	27,931	31,857	14.1	6,177	7,100	15.0	6,229	7,100	14.0				
Provision	(3,816)	(3,212)	(15.8)	(799)	(710)	(11.1)	(710)	(710)	(0.0)				
Net Profit	19,655	23,318	18.6	4,465	5,266	17.9	4,476	5,266	17.6	56,441	41.3	57,284	40.7

Source: Company, KBVS Research

Exhibit 3: BMRI 5M26 consolidated results – selected balance sheet

Selected BS (IDRbn)	5M25	5M26 YoY (%)	May-25	May-26 YoY (%)	Apr-26	May-26	MoM (%)		
Total Loan	1,309,682	1,579,944	20.6	1,309,682	1,579,944	20.6	1,550,179	1,579,944	1.9
Total Assets	1,922,574	2,306,267	20.0	1,922,574	2,306,267	20.0	2,245,101	2,306,267	2.7
Total Equity	234,912	247,741	5.5	234,912	247,741	5.5	242,693	247,741	2.1
Total deposits	1,406,802	1,716,317	22.0	1,406,802	1,716,317	22.0	1,649,965	1,716,317	4.0
Demand deposits	580,626	663,770	14.3	580,626	663,770	14.3	620,509	663,770	7.0
Savings deposits	511,673	558,750	9.2	511,673	558,750	9.2	554,517	558,750	0.8
Time Deposits	314,502	493,797	57.0	314,502	493,797	57.0	474,939	493,797	4.0
CASA	1,092,300	1,222,520	11.9	1,092,300	1,222,520	11.9	1,175,026	1,222,520	4.0

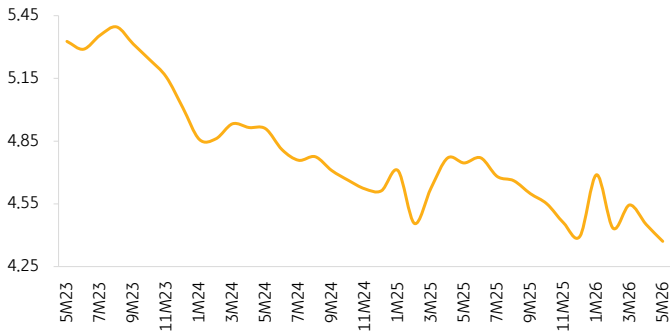
Source: Company, KBVS Research

Exhibit 4: BMRI 5M26 consolidated results – selected P&L key ratios

Selected key ratios	5M25	5M26 YoY (%)	May-25	May-26 YoY (%)	Apr-26	May-26	MoM (%)		
NIM	4.7	4.4	(0.4)	4.7	4.4	(7.9)	4.5	4.4	(1.8)
Cost of credit	0.7	0.5	(0.2)	0.7	0.5	(30.2)	0.5	0.5	0.8
CASA (IDRbn)	1,092,300	1,222,520	11.9	1,092,300	1,222,520	11.9	1,175,026	1,222,520	4.0
CASA	77.6	71.2	(6.4)	77.6	71.2	(8.3)	71.2	71.2	0.0
Loan to deposits	93.1	92.1	(1.0)	93.1	92.1	(1.1)	94.0	92.1	(2.0)
Cost to income	37.8	35.9	(1.9)	37.8	35.9	(5.1)	36.5	35.9	(1.7)
RoE	20.3	22.8	2.5	20.3	22.8	12.5	21.0	22.8	8.7
Mkt sec to total asset	11.7	13.2	1.5	11.7	13.2	12.6	13.5	13.2	(2.8)
Loan to asset	68.1	68.5	0.4	68.1	68.5	0.6	69.0	68.5	(0.8)

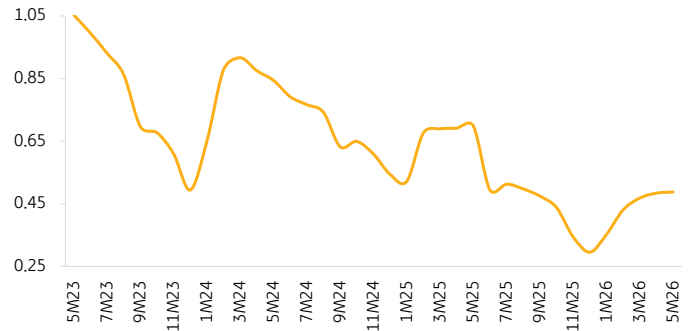
Source: Company, KBVS Research

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



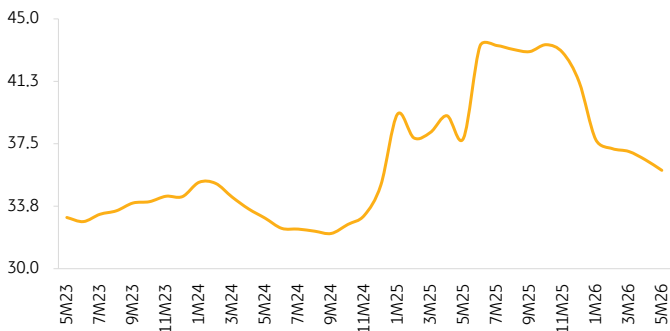
Source: Company, KBVS Research

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



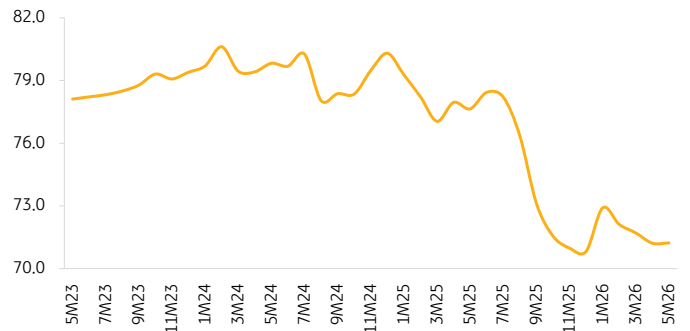
Source: Company, KBVS Research

Exhibit 7: Continuing manageable CIR at low level to support PPOp



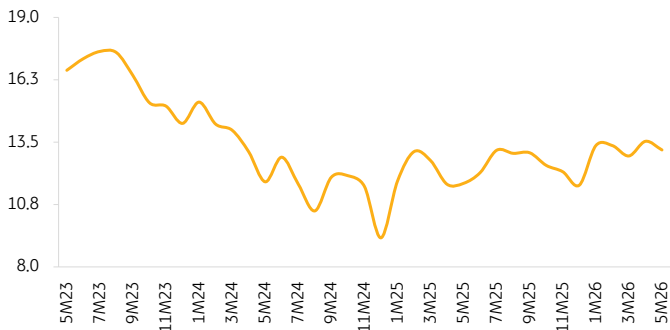
Source: Company, KBVS Research

Exhibit 8: Expect steady CASA to remain intact supporting milder funding cost



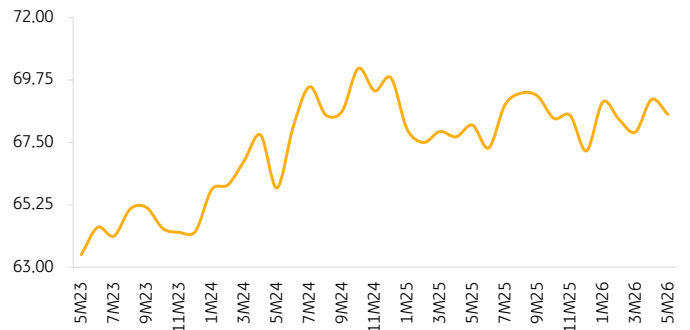
Source: Company, KBVS Research

Exhibit 9: Resilient asset mix, steady mkt sec amid increasing yield trend



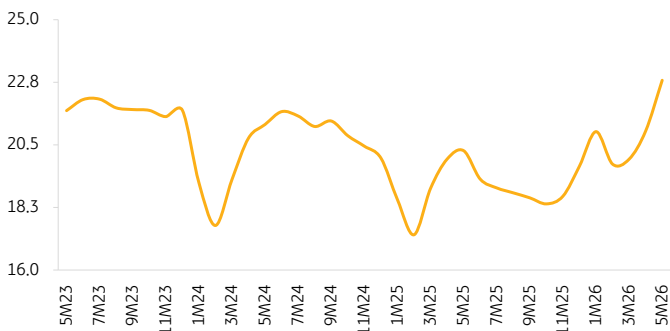
Source: Company, KBVS Research

Exhibit 10: Solid asset structural, loan to asset continue firm



Source: Company, KBVS Research

Exhibit 11: RoE level remain above our GGM valuation assumption



Source: Bloomberg, KBVS Research

Exhibit 12: Currently trade at 1.4x '26F P/B, slightly above -2SD of 1.2x '26F P/B



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)
<b>Net interest income</b>	<b>101,757</b>	<b>106,210</b>	<b>112,823</b>	<b>121,266</b>	<b>133,660</b>
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)
<b>Pre-provision operating profit</b>	<b>87,988</b>	<b>87,642</b>	<b>93,655</b>	<b>99,787</b>	<b>109,263</b>
<b>Loan loss provision</b>	<b>(11,929)</b>	<b>(11,331)</b>	<b>(16,937)</b>	<b>(17,780)</b>	<b>(17,424)</b>
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)
<b>Net profit</b>	<b>55,782</b>	<b>56,294</b>	<b>56,441</b>	<b>60,256</b>	<b>67,585</b>

**Exhibit 14: Balance sheet**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
<b>Assets</b>					
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
<b>Total Asset</b>	<b>2,427,223</b>	<b>2,829,948</b>	<b>3,171,619</b>	<b>3,462,130</b>	<b>3,785,597</b>
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>2,113,749</b>	<b>2,502,546</b>	<b>2,838,826</b>	<b>3,120,140</b>	<b>3,416,614</b>
<b>Equity</b>					
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
<b>Total Equity</b>	<b>313,475</b>	<b>327,402</b>	<b>332,793</b>	<b>341,991</b>	<b>368,983</b>

**Exhibit 15: Key performance metrics**

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
NIM (%)	5.2	4.9	4.6	4.5	4.5
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	1.0
ROAE (%)	21.2	20.3	20.5	20.9	21.6
ROAA (%)	2.4	2.1	1.9	1.8	1.8
CAR (%)	20.1	17.6	15.8	14.5	14.1
BVPS (IDR)	3,041	3,147	3,169	3,231	3,449.5
PER (x)	7.5	7.5	7.4	7.0	6.2
PBV (x)	1.5	1.4	1.4	1.4	1.3
Div. Yield (%)	7.9	10.4	10.5	7.9	10.0

Source: Company, KBVS Research

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