BINA ARTHA SEKURITAS

Equity Research

mandiri

PT Bank Mandiri (Persero),Tbk

BUY

May 19th, 2025
Banking, Equity

Price	**IDR.**	**5,525**
Target Price	**IDR.**	**6,300**
JKSE Index	**IDR.**	**7,141.09**



Stock Information	
Bloomberg code	**BMRI IJ**
Market Cap (IDR Bn)	**515,666.7**
52-Week High (IDR)	**7,550**
52-Week Low (IDR)	**4,250**
Free Float Ratio (%)	**39.03**

Major Shareholders	**(%)**
BKI	**52.00**
INA	**8.00**
Government	**0.00**
Others	**40.00**

USD/IDR-YE (JISDOR)	
2024A	**16,157**
2025F	**16,228**

Key Indicators (%)	
NPL Ratio	**1.20**
Net Interest Margin	**4.87**

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Investment Considerations

Modest PATMI Growth Amid Rising Interest Expenses

In March 2025, BMRI's Profit After Tax and Minority Interest (PATMI) grew 3.90% YoY to IDR 55.78 trillion, although it declined 4.13% QoQ. This modest growth was largely due to a 22.42% YoY increase in interest expenses, which partially offset the 11.51% YoY growth in interest income. As a result, Net Interest Margin (NIM) declined to 4.80%, down from 5.27% in Q4 2024 and 5.07% in Q1 2024. In addition, net premium income dropped -21.10% YoY, though this was partially offset by a 34.57% YoY increase in FVTPL income, helping support profitability. We forecast PATMI to rise 5.60% YoY in 2025 to IDR 58.91 trillion, supported by a projected 10.33% YoY increase in Net Interest Income, with NIM expected to improve to 4.87%.

Strong Loan Growth Driven by ESG Commitment

BMRI once again exceeded its internal target for consolidated loan growth, which rose 16.51% YoY to IDR 1,672.43 trillion (target: 10%–12%). The Commercial segment led with +21.31% YoY growth, followed by the Corporate segment at +19.92% YoY, mainly driven by infrastructure and construction loans, which rose by IDR 13.39 trillion. ESG loan portfolio expanded 11.1% YoY, underscoring BMRI's commitment to sustainable finance. Sustainable agriculture loans reached IDR 109.3 trillion, contributing 8.4% of the total loan book. We project consolidated loans to grow 11.19% YoY in 2025, in line with management's internal target.

Asset Quality Remains Manageable

As of March 2025, BMRI's Gross Consolidated NPL ratio remained stable at 1.17%, unchanged from Q1 2024 and only 5 bps higher QoQ, primarily due to a 23 bps increase in the Micro segment. Meanwhile, the Special Mention Loan (SML) ratio improved significantly to 3.23%, down 21 bps QoQ and 79 bps YoY, signaling improved asset monitoring and early warning systems. We forecast the Gross NPL ratio to decline slightly to 1.15% by year-end 2025, with the SML ratio improving further to 3.03%.

Ample Liquidity with CASA recovery in Sight

BMRI maintained ample liquidity in Q1 2025, underpinned by strong digital user growth:

- New account openings rose 8.70% YoY
- Livin' users surged 26.2% YoY

As a result, third-party funds rose 11.25% YoY, led by:

- Time deposits: +18.87% YoY
- Current accounts: +5.02% YoY
- Savings accounts: +11.96% YoY

However, the higher reliance on time deposits reduced the CASA ratio by 180 bps YoY to 72.60%. The bank-only LDR stood at 93.45%, within the target range. We project third-party funds to grow 13.49% YoY in 2025, with the CASA ratio recovering to 74.35% and the bank-only LDR easing to 93.16%.

Valuation: BUY, TP IDR 6,300 (+14%)

Based on Q1 2025 results and a multi-stage Dividend Discount Model (DDM), we revise our target price to IDR 6,300, reflecting a 1.94x PBV and 14% upside potential. We maintain our Buy recommendation, supported by sustained loan growth, manageable asset quality, and improving profitability.

Financial Highlight	2022A	2023A	2024A	2025 F
PATMI (IDR Bn)	41,171	55,060	55,783	58,906
EPS (IDR)	441.26	589.93	597.67	631.15
NIM (%)	5.47%	5.48%	5.15%	4.87%
ROE (%)	19.70%	23.20%	21.20%	19.41%
Gross NPL	1.92%	1.19%	1.12%	1.20%

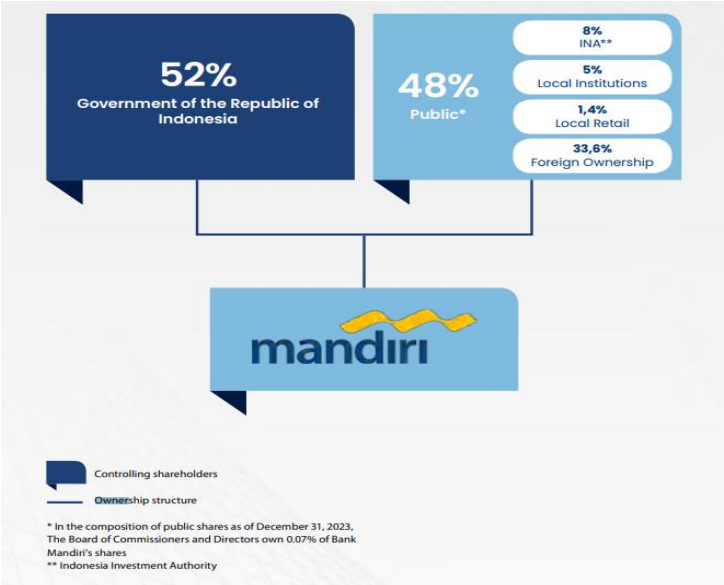
Company Profile

PT Bank Mandiri (Persero) Tbk was established on October 2, 1998, through Notarial Deed No. 10 by Sutjipto, S.H., under Government Regulation No. 75/1998. The bank was formed through the merger of:

- PT Bank Bumi Daya (Persero)
- PT Bank Dagang Negara (Persero)
- PT Bank Ekspor Impor Indonesia (Persero)
- PT Bank Pembangunan Indonesia (Persero)

Mandiri began operations on August 1, 1999, and has since grown into one of Indonesia's largest banks, offering comprehensive banking services under prevailing financial regulations.

Company Ownership Structure and List of Subsidiaries



SUBSIDIARIES:

Indonesia
1. PT Bank Syariah Indonesia Tbk ("BSI")
2. PT Bank Mandiri Taspen ("Bank Mantap")
3. PT Mandiri Tunas Finance ("MTF")
4. PT Mandiri Utama Finance ("MUF")
5. PT AXA Mandiri Financial Services ("AXA Mandiri")
6. PT Asuransi Jiwa Inhealth Indonesia ("Mandiri Inhealth")
7. PT Mandiri Capital Indonesia ("MCI")
8. PT Mandiri Sekuritas ("Mansek")

Malaysia
9. Mandiri Remittance Sdn. Bhd. ("MIR")

London, UK
10. Bank Mandiri (Europe) Ltd ("BMEL")

SECOND-TIER SUBSIDIARIES:

Indonesia
1. PT Mandiri Manajemen Investasi ("MMI")
2. PT Mitra Transaksi Indonesia ("MTI")
3. PT FitAja Digital Nusantara

Singapore
4. Mandiri Securities Pte. Ltd. ("MSPL")
5. Mandiri Investment Management Pte. Ltd. ("MIMS")

Source: Company

Chart: Gross Loan (IDR Bn) YoY

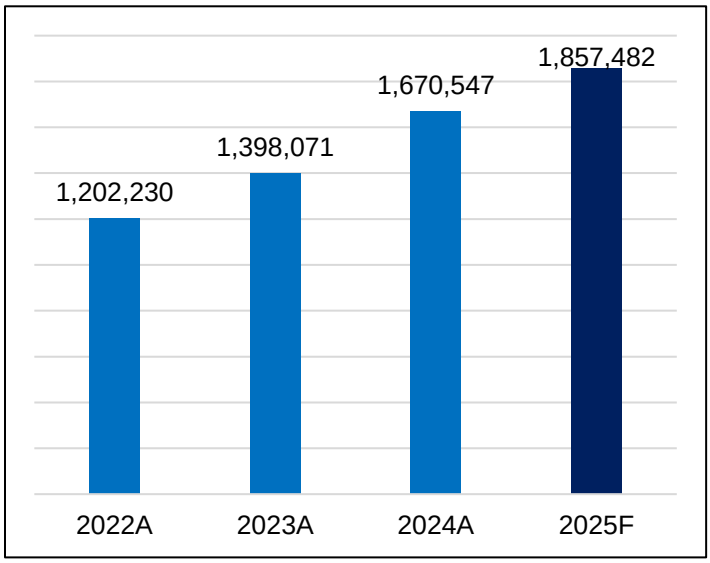


Chart: NPL Ratio (%) YoY

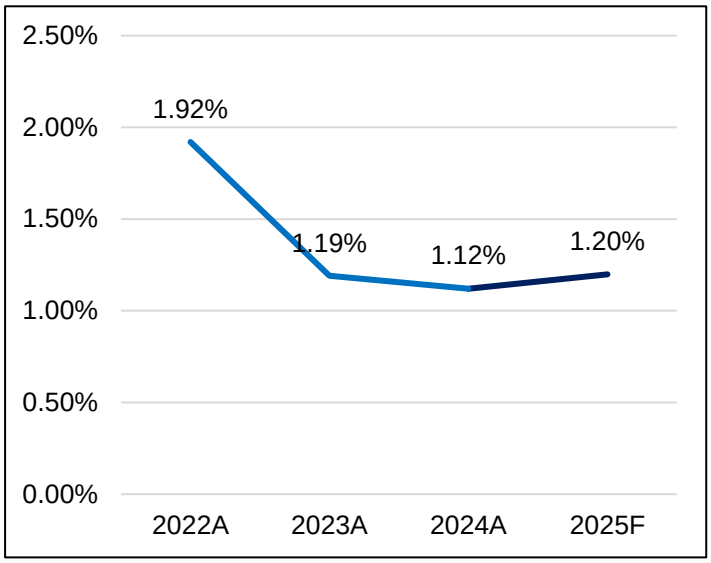


Chart: Profitability (IDR Bn and %) YoY

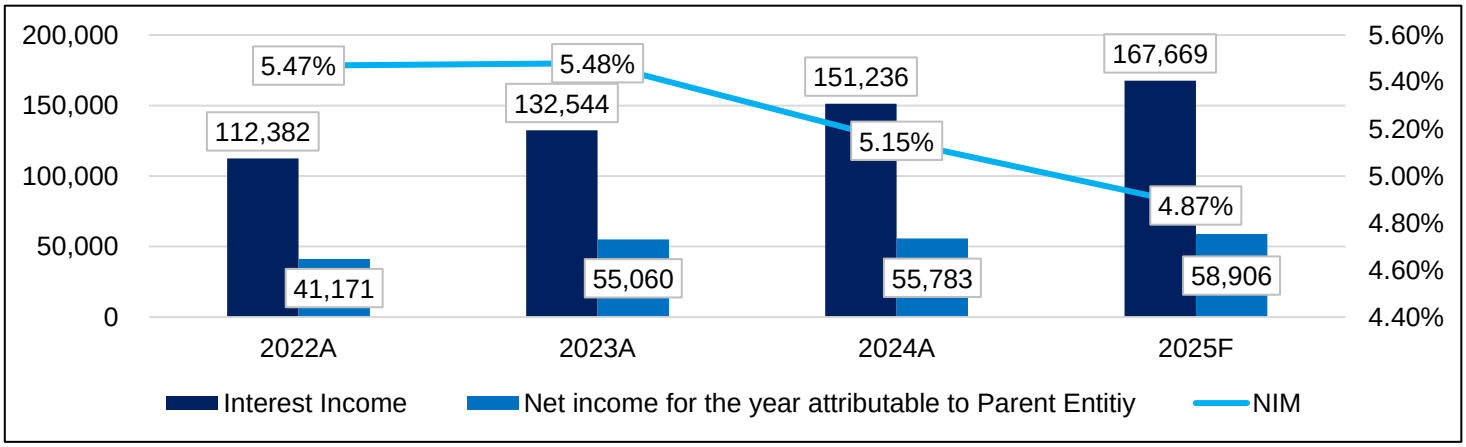


Chart: Liquidity (%) YoY

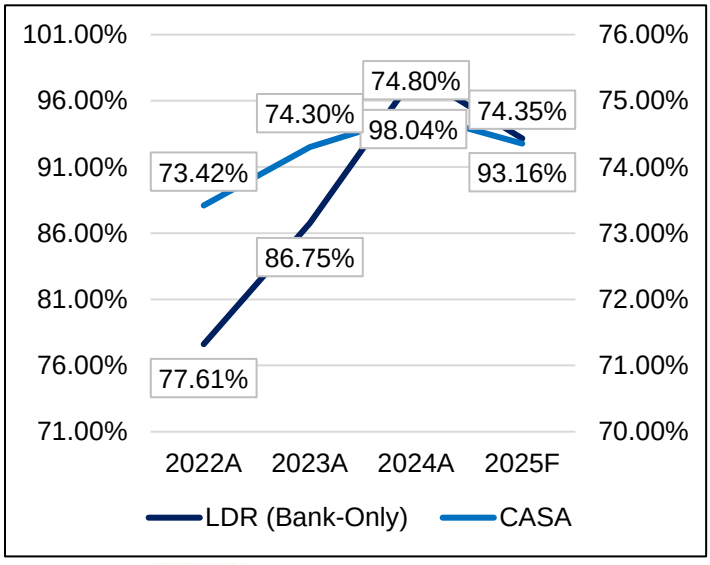
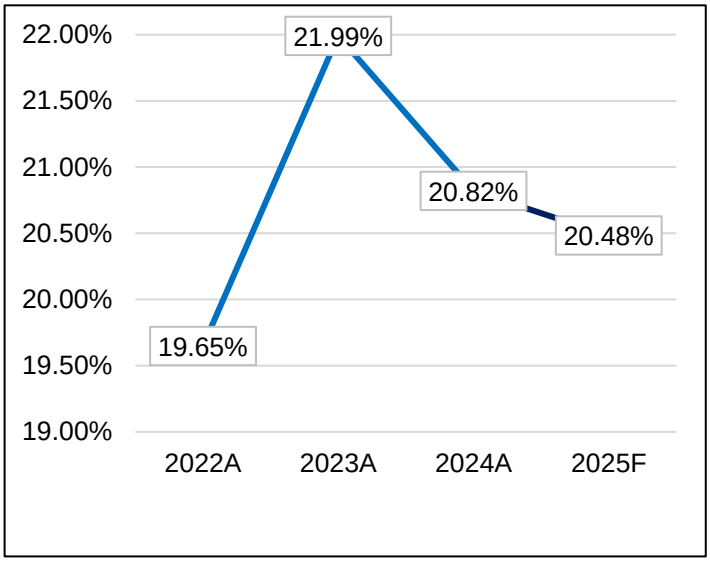


Chart: CAR (%) YoY



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Source: Binaartha & Company

Chart: Gross Loan (IDR Bn) QoQ

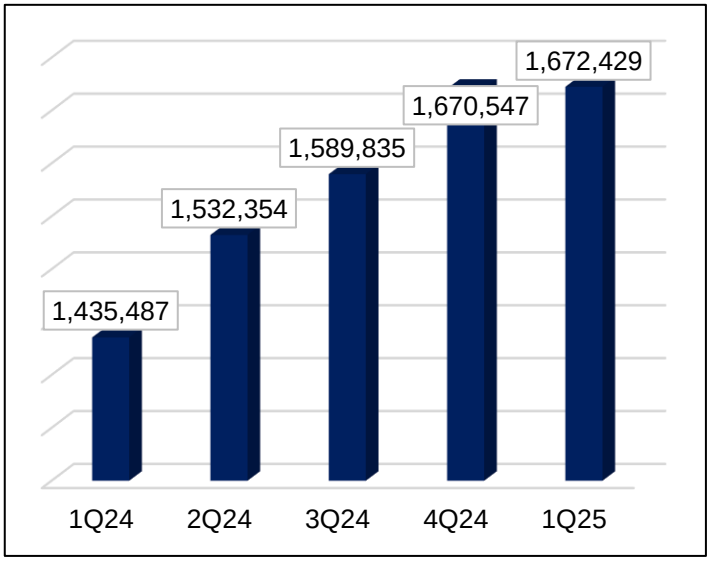


Chart: Customer Deposit (IDR Bn) QoQ

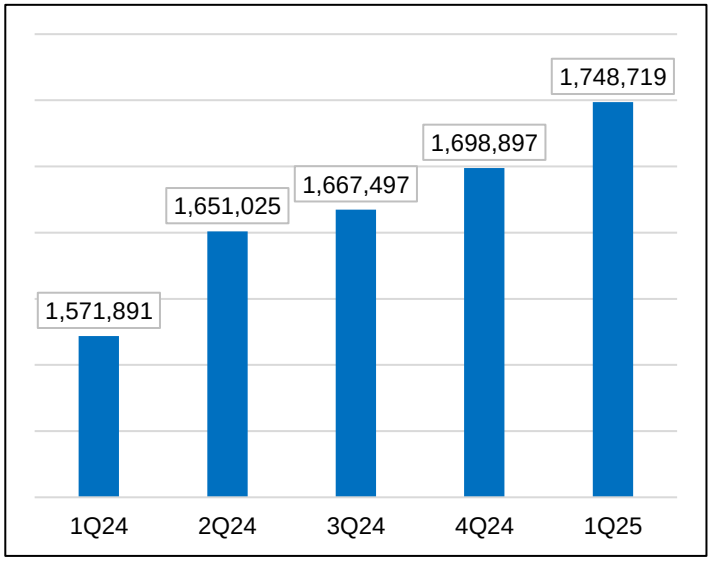


Chart: NIM Ratio (%) QoQ

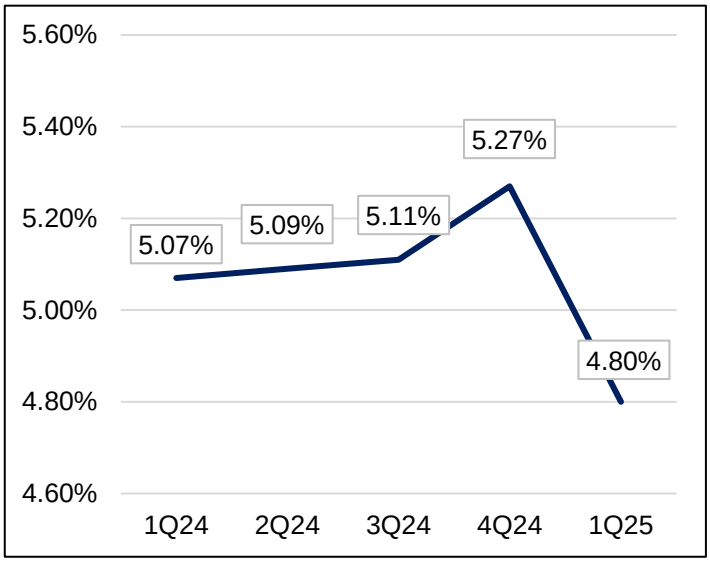
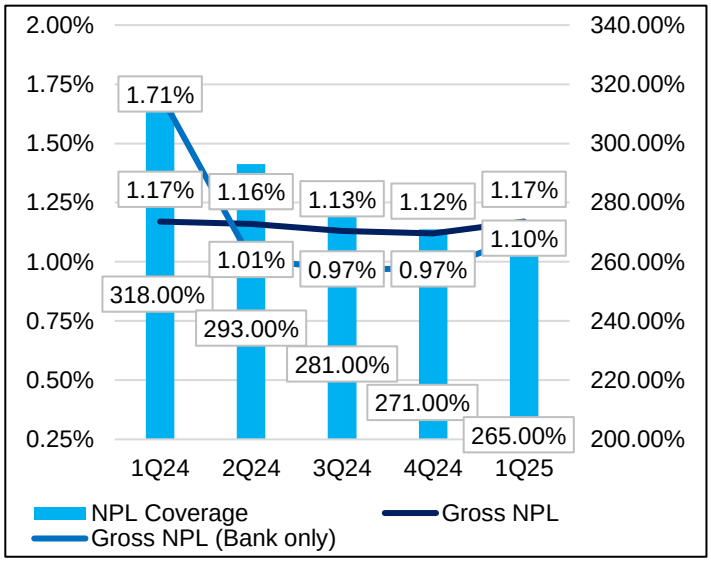


Chart: Asset Quality (%) QoQ



BINAARTHA SEKURITAS

Source: Binaartha & Company

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)	2022A	2023A	2024A	2025F
Cash and CA with BI	134,562	135,037	136,811	173,270
Interbank Placement	95,324	73,888	63,230	80,953
Marketable Securities	82,841	94,696	95,530	110,261
Gross Loans	**1,202,230**	**1,398,071**	**1,670,547**	**1,857,482**
Provision	(65,362)	(53,882)	(50,392)	(46,979)
Net Loan	1,136,868	1,344,189	1,620,155	1,810,503
Other Earning Assets	615,677	579,927	548,919	552,484
Non-Earning Asset	105,438	115,066	121,339	145,001
TOTAL ASSETS	**1,992,545**	**2,174,219**	**2,427,223**	**2,681,258**
Deposit:				
Current Account	541,801	584,713	605,765	692,486
Saving Account	552,752	586,992	665,446	741,080
Time Deposit	396,291	405,245	427,686	494,443
Total Customer Deposit	**1,490,845**	**1,576,950**	**1,698,897**	**1,928,009**
Other Interest-Bearing Liabilities	123,071	144,897	212,202	206,120
Non-Interest-Bearing Liabilities	126,383	164,878	202,650	214,083
TOTAL LIABILITIES	**1,740,299**	**1,886,724**	**2,113,749**	**2,348,211**
TOTAL EQUITY	**252,245**	**287,495**	**313,475**	**333,046**
TOTAL LIABILITIES AND EQUITY	**1,992,545**	**2,174,219**	**2,427,223**	**2,681,258**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR Bn)

STATEMENTS OF PROFIT OR LOSS (In IDR Bn)	2021A	2022A	2024A	2025F
Interest Income	97,749	112,382	151,236	167,669
Interest Expense	(24,687)	(24,479)	(49,479)	(55,401)
Net Interest Income	**73,062**	**87,903**	**101,757**	**112,268**
Fee Other Operating Income	34,061	37,648	44,842	50,133
Gross Operating Income	**107,124**	**125,551**	**146,599**	**162,401**
Operating Expense	(49,140)	(53,260)	(58,610)	(64,933)
PPOP	**57,984**	**72,291**	**87,989**	**97,468**
Provision Expense	(19,543)	(16,123)	(11,929)	(14,458)
Operating Profit	**38,440**	**56,168**	**76,060**	**83,009**
Non-Operating Income - net	(82)	210	344	273
Profit Before Tax	**38,358**	**56,378**	**76,403**	**83,282**
Tax Expense	(7,807)	(11,425)	(15,238)	(16,582)
Earning After Tax	**30,551**	**44,952**	**61,165**	**66,701**
Income for The Year Attributable to - Non-controlling interest	2,523	3,782	5,382	7,795
Net income for the year attributable to Parent Entity	**28,028**	**41,171**	**55,783**	**58,906**
EPS (Rp/Share)	**601.06**	**441.26**	**597.67**	**631.15**

Source: Binaartha & Company

Ratio Highlights

Ratio Analysis (Consolidated)	2022A	2023A	2024A	2025F
Profitability & Efficiency				
NIM	5.47%	5.48%	5.15%	4.87%
Cost-to-Income Ratio	42.40%	38.80%	40.00%	39.98%
ROE	19.00%	23.20%	21.20%	19.41%
ROA	2.21%	2.64%	2.42%	2.20%
Cost of Credit	1.44%	0.85%	0.79%	0.78%
Liquidity				
LDR-Bank Only	77.60%	86.75%	98.04%	93.16%
CASA	73.42%	74.30%	74.80%	74.35%
Asset Quality				
Gross NPL	1.88%	1.02%	1.12%	1.20%
Gross NPL (Bank-Only)	1.92%	1.19%	0.97%	1.06%
NPL Coverage	285.00%	326.00%	271.00%	211.05%
Capital				
CAR	19.65%	21.99%	20.82%	20.48%
Growth				
Loan Growth	14.48%	16.29%	19.49%	11.19%
Deposit Growth	15.46%	5.78%	7.73%	13.49%
Net income for the year attributable to Parent Entity	46.89%	33.74%	1.31%	5.60%

Source: Binaartha & Company

QoQ Result

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR Bn)	1Q24	2Q24	3Q24	4Q24	1Q25	%QoQ	%YoY
Loan	1,435,487	1,532,354	1,589,835	1,670,547	1,672,429	0.11%	16.51%
Loan Loss Reserves	(53,018)	(51,755)	(50,357)	(50,392)	(51,439)	2.08%	-2.98%
NPL Consolidated	16,795	17,775	17,965	18,710	19,567	4.58%	16.51%
Deposit							
Demand	562,103	612,071	596,388	605,765	590,295	-2.55%	5.02%
Savings	606,832	626,379	634,981	665,446	679,416	2.10%	11.96%
Time Deposit	402,956	412,575	436,128	427,686	479,008	12.00%	18.87%
Total Asset	2,163,785	2,257,801	2,323,991	2,427,223	2,463,659	1.50%	13.86%
Shareholder Equity	240,687	254,353	272,119	283,796	254,164	-10.44%	5.60%

STATEMENTS OF PROFIT OR LOSS (In IDR Bn)	1Q24	2Q24	3Q24	4Q24	1Q25	%QoQ	%YoY
Interest Income	35,535	36,689	38,413	40,600	39,626	-2.40%	11.51%
Interest Expense	(11,349)	(11,793)	(12,891)	(13,446)	(14,121)	5.03%	24.42%
Net Interest Income	**24,186**	**24,895**	**25,522**	**27,154**	**25,505**	**-6.07%**	**5.45%**
Fee Other Operating Income	10,127	10,387	11,579	12,748	11,673	-8.43%	15.26%
Gross Operating Income	**34,313**	**35,283**	**37,101**	**39,902**	**37,178**	**-6.83%**	**8.35%**
Operating Expense	(13,112)	(12,964)	(13,761)	(18,773)	(15,169)	-19.20%	15.68%
PPOP	**21,201**	**22,318**	**23,341**	**21,129**	**22,009**	**4.16%**	**3.81%**
Provision Expense	(3,596)	(3,318)	(2,621)	(2,395)	(3,895)	62.61%	8.33%
Operating Profit	**17,605**	**19,000**	**20,720**	**18,734**	**18,114**	**-3.31%**	**2.89%**
Non-Operating Income – net	(3)	2	19	325	65	-80.07%	-2545.87%
Profit Before Tax	**17,603**	**19,003**	**20,739**	**19,059**	**18,179**	**-4.62%**	**3.27%**
Tax Expense	(3,481)	(3,853)	(3,927)	(3,977)	(3,649)	-8.26%	4.81%
Earning After Tax	**14,121**	**15,149**	**16,813**	**15,082**	**14,530**	**-3.66%**	**2.89%**
Income for The Year Attributable to - Non-controlling interest	1,419	1,301	1,346	1,316	1,333	1.25%	-6.09%
Net Income	**12,702**	**13,848**	**15,467**	**13,765**	**13,197**	**-4.13%**	**3.90%**
EPS (Rp/Share)	**136.09**	**148.38**	**165.71**	**147.49**	**141.40**	**-4.13%**	**3.90%**

Financia Ratios	1Q24	2Q24	3Q24	4Q24	1Q25	%QoQ	%YoY
Profitability & Efficiency							
NIM	**5.07%**	**5.09%**	**5.11%**	**5.15%**	**4.80%**	**(0.47)**	**(0.27)**
Cost-to-Income Ratio	**38.20%**	**37.50%**	**37.30%**	**40.00%**	**40.80%**	**(7.10)**	**2.60**
ROE	**19.70%**	**20.90%**	**21.70%**	**21.20%**	**18.90%**	**(0.60)**	**(0.80)**
ROA	**2.34%**	**2.40%**	**2.49%**	**2.42%**	**2.16%**	**(0.07)**	**(0.18)**
Cost of Credit	**1.05%**	**0.98%**	**0.87%**	**0.79%**	**0.88%**	**0.33**	**(0.17)**
Liquidity							
LDR	**89.70%**	**90.48%**	**93.15%**	**98.04%**	**93.45%**	**(4.59)**	**3.79**
CASA	**74.40%**	**75.00%**	**73.80%**	**74.80%**	**72.60%**	**(2.20)**	**(1.80)**
Assets Quality							
Gross NPL	**1.17%**	**1.16%**	**1.13%**	**1.12%**	**1.17%**	**0.05**	**-**
Gross NPL (Bank only)	**1.71%**	**1.01%**	**0.97%**	**0.97%**	**1.10%**	**0.13**	**(0.61)**
NPL Coverage	**318.00%**	**293.00%**	**281.00%**	**271.00%**	**265.00%**	**(6.00)**	**(53.00)**
Capital							
CAR	**19.90%**	**20.10%**	**20.70%**	**20.80%**	**18.50%**	**(2.30)**	**(1.40)**

Source: Binaartha & Company

Stock Ratings:
Buy: a recommendation to purchase the security with upside potential of 11.50% or greater
Hold: a recommendation to neither buy nor sell a security with upside potential of 5.75%-11.49%.
Sell: a recommendation to close out a long position in a security with upside potential below 5.75% or negative.

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