1H26 Beat on Solid PPoP and Resilient Asset Quality

27 July 2026

Sector	
Price at 24 July 2026 (IDR)	4,130
Price target (IDR)	5,660
Upside/Downside (%)	37.0

Stock Information

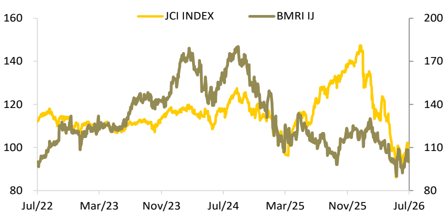
PT Bank Mandiri (Persero) Tbk (Persero) Tbk is a state-owned bank offering a range of banking products and services to its customers from individuals and SMEs to corporations. The bank is formed by a merger of four state-owned banks.

Market cap (IDR bn)	408,800
Shares outstanding (mn)	93,333
52-week range (IDR)	3,650-5,375
3M average daily vol. ('000)	231,665
3M average daily val. (IDR mn)	974,043

Shareholders (%)

Republic of Indonesia	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	3.5	(6.1)	(11.9)

Analyst

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1H26 PATMI surged +24.4%. YoY, beating our (53.8%) and street forecast (53.1%), driven by robust PPoP (+19.9% YoY) and a 12.5% YoY drop in provisions. Loan growth expanded +18.8% YoY (led by corporate and commercial). Total TPF grew strong at +17.1% YoY (CASA +5.69% YoY). NIM at 4.56% (-25bps YoY), came in line with '26F guidance (4.3%-4.5%). Resilient AQ remains intact (NPL 1.01% vs. 1.10%), bringing the CoC of 0.61% also in line (0.6%-0.8%). Robust non-II, solid CIR, and sustained resilient AQ will overall safeguard '26F earnings growth. In all, the stock is still offering an attractive entry point at a closing price of IDR4,130 (24 July 2026). Maintain a BUY GGM-based TP of IDR5,660 (1.8x '26F P/B), currently (1.3x) at slightly above -2SD of 1.2x '26F P/B.

1H26 PATMI (+24.4% YoY) came above ours and street forecast

BMRI 1H26 net income grew by +24.4% YoY to IDR30.41 tn, mainly driven by robust PPoP at +19.9% YoY to IDR44.18 tn (1H26) coupled with a sharp drop in provisions expenses (-12.5% YoY) to IDR5.12 tn. Net interest income still saw healthy growth at +8.05% YoY to IDR47.83 tn, amid soft interest income growth (+4.67% YoY), which was affected by a lower loan yield of 6.91% vs. 7.75% in 1H25. Non-interest income was solid at 17.0% YoY, thanks to strong recurring fee income from E-channel growth of 31.8% YoY (Livin App: +46.5% YoY). Total Opex recorded an improvement to IDR26.92 tn on well-managed efficiency and cost management. In all, BMRI's 1H26 net profit beat ours (53.8%) and street expectations (53.1%).

Loan surge beats guidance amid softer CASA

Robust loans remain intact, growing by +18.8% YoY to IDR1,677 tn vs IDR1,41163 tn, beating industry growth figures and surpassing BMRI's guidance (7-9% YoY) as well as our '26F loan growth for the bank. The corporate segment is still picking up strongly (33.6% YoY), followed by the commercial segment (+15.1% YoY), forming 50.1% and 20.5% of total loans in 1H26. On the liabilities side, total third-party funds reached IDR1,763.16tn (+17.1 YoY). Low-cost funding (SA) still grows significantly by +7.99% YoY to IDR583,353 tn, amid softer CASA growth to 69.2%, compared to the previous quarter of 70.2% in 1Q26.

NIM hits '26F expectation, RoE sparkling, risk metrics inline

Well-managed key performance ratios remain intact, with RoE expanded (+286 bps) to 20.9% from 18.0% in 1H25. On the margin side, the ongoing NIM pressure sounds acceptable (4.56% vs. 4.81% in 1H25) amid softening loan yield. Despite struggling, 1H26 NIM was surpassing BMRI's 1H26 guidance of 4.3%-4.5%. Asset quality continues to be resilient, with an improving NPL ratio to 1.01% vs. 1.10% in 1H25. Credit cost saw an improvement from 0.66% to 0.61%, coming in within the '26F guidance of 0.6%-0.8%.

Livin' powers ahead: the undisputed Non-II engine

Livin's solid performance trajectory continues, noting a +24% YoY registered users as of 1H26 to 41mn users. Transaction frequency grew by +19.6% YoY to 5,181mn, with transaction value noted as +14.4% YoY higher to IDR4,833 tn. Livin's contribution to fee-based income is steadily improving, recording a growth of +46.5% YoY to IDR2.03 tn and accounting for around 9.1% of total Non-II (2Q26), higher compared to 8.70% in 1Q26 and +131bps YoY stronger from 7.8% in 2Q25 (+192 bps YoY from 7.0% in 1H25 to 8.9% in 1H26). With a massive, untapped digital transaction and ecosystem still continuing to be leveraged, Livin' Apps is positioned as the bank's essential Non-II growth driver for '26F and beyond.

Maintain BUY GGM

Our GGM-based TP of IDR 5,660 is pegged at 1.8x '26F P/B, while currently at 1.3x '26F P/B, slightly above -2SD of 1.2x '26F P/B. Worth noting that we still maintain our '26F Rf and ERP assumption (see our 15 June 2026 report). Potential catalyst: a) higher-than-expected loan growth tied to carefully selected loan yield repricing, resulting in a stronger NIM, b) softer-than-anticipated latest BI rate hike transmission to CoF, and c) steady AQ improvement. Key downside risks: a) lower-than-expected loan growth, b) slower-than-anticipated loan yield repricing, c) higher-than-expected CoF on stiffer TPOF competition, bringing stronger pressure to '26F NIM, d) higher-than-expected CIR, e) higher-than-anticipated CoC caused by aggressive front loads, g) sustained boiling global geopolitical tension uncertainty, and h) weakening IDR/USD.

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)	6.9	6.8	6.8	6.4	5.7
PBV (x)	1.4	1.3	1.3	1.3	1.2
Div. Yield (%)	8.6	11.3	11.4	8.7	10.9
RoE (%)	21.2	20.3	20.5	20.9	22.4

Source: Company, KBVS Research

Exhibit 2: BMRI 1H26 consolidated results – selected P&L

Income Statements (IDR tn)	6M25	6M26	YoY (%)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons.
Interest income	69,642	72,895	4.7	34,550	35,520	2.8	37,375	(5.0)				
Interest expenses	(25,367)	(25,056)	(1.2)	(12,785)	(12,731)	(0.4)	(12,325)	3.3				
Net Interest Income	44,275	47,839	8.0	21,765	22,789	4.7	25,050	(9.0)				
Non-interest income	19,887	23,271	17.0	8,835	11,716	32.6	11,555	1.4				
Total operating income	64,162	71,110	10.8	30,600	34,505	12.8	36,605	(5.7)				
Total operating expenses	(27,313)	(26,926)	(1.4)	(14,234)	(12,934)	(9.1)	(13,992)	(7.6)				
PPoP	36,849	44,184	19.9	16,366	21,571	31.8	22,613	(4.6)				
Loan loss provisions	(5,852)	(5,121)	(12.5)	(2,484)	(2,430)	(2.2)	(2,691)	(9.7)				
Net profit	24,455	30,412	24.4	11,258	15,028	33.5	15,384	(2.3)	56,441	53.88	57,284	53.09

Source: Company, KBVS Research

Exhibit 3: BMRI 1H26 consolidated results – selected balance sheet

Balance Sheet (IDR tn)	6M25	6M26	YoY (%)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)
Gross loans	1,411,630	1,677,499	18.8	1,411,630	1,677,499	18.8	1,614,150	3.9
Current account	614,037	636,554	3.7	614,037	636,554	3.7	641,824	(0.8)
Saving account	540,208	583,353	8.0	540,208	583,353	8.0	573,148	1.8
Time deposits	351,875	543,261	54.4	351,875	543,261	54.4	515,330	5.4
Total deposits	1,506,120	1,763,168	17.1	1,506,120	1,763,168	17.1	1,730,302	1.9
CASA deposits	1,154,245	1,219,907	5.7	1,154,245	1,219,907	5.7	1,214,972	0.4
Total equity	275,014	293,023	6.5	275,014	293,023	6.5	313,952	(6.7)

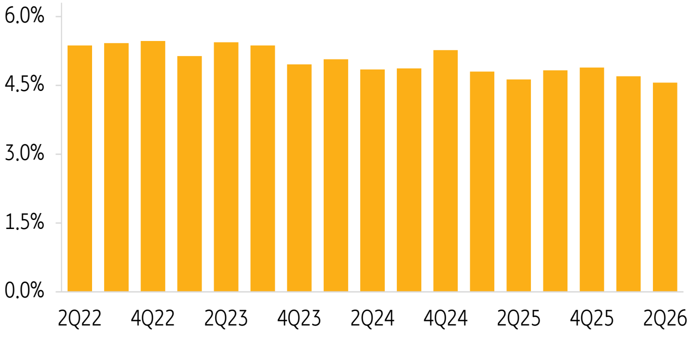
Source: Company, KBVS Research

Exhibit 4: BMRI 1H26 consolidated results – selected key ratios

Selected key ratios	6M25	6M26	YoY (bps)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)
NIM	4.81	4.56	(0.3)	4.81	4.56	(0.3)	4.54	0.0
CIR	44.2	37.9	(6.3)	44.2	37.9	(6.3)	37	0.9
CoC	0.66	0.61	(0.1)	0.66	0.61	(0.1)	0.48	0.1
RoA	2.14	2.27	0.1	2.14	2.27	0.1	2.42	(0.2)
RoE	18	20.9	2.9	18	20.9	2.9	19.1	1.8
CASA	76.6	69.2	(7.4)	76.6	69.2	(7.4)	71.7	(2.5)
LDR	90.1	92.3	2.2	90.1	92.3	2.2	90.9	1.4
LFR	79.6	79.2	(0.4)	79.6	79.2	(0.4)	89.1	(9.9)
Tier 1 CAR	18.3	16.7	(1.6)	18.3	16.7	(1.6)	18.5	(1.8)
NPL Gross	1.1	1.01	(0.09)	1.1	1.01	(0.1)	0.98	0.0
LAR	6.92	5.83	(1.1)	6.92	5.83	(1.1)	6.13	(0.3)
NPL Coverage	265	235	(30.0)	265	235	(30.0)	245	(10.0)
LAR Coverage	44.5	40.5	(4.0)	44.5	40.5	(4.0)	39.3	1.2
CoF (total CoD)	2.38	2.04	(0.3)	2.38	2.04	(0.3)	1.97	0.1
Loan yield	7.64	6.91	(0.7)	7.64	6.91	(0.7)	7.11	(0.2)

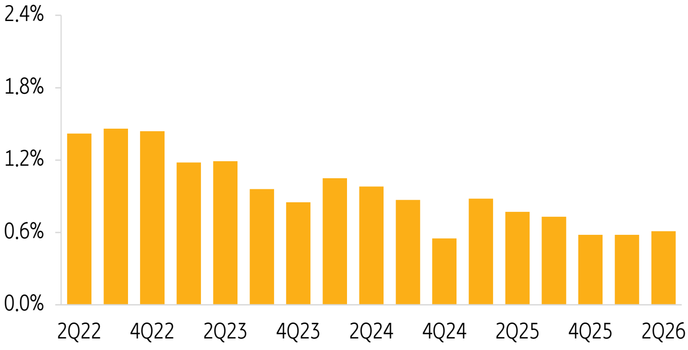
Source: Company, KBVS Research

Exhibit 5: Expect stronger NIM pressure on BI rate hike transmission to CoF



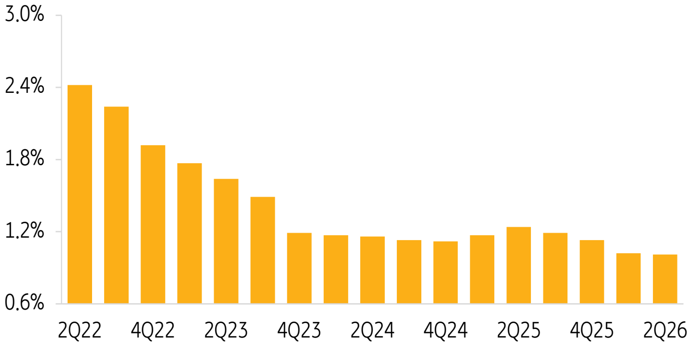
Source: Company, KBVS Research

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



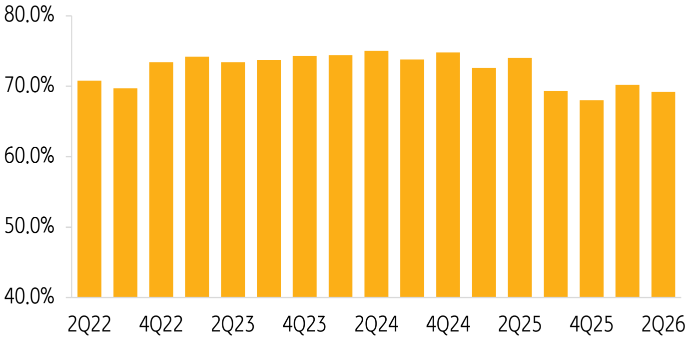
Source: Company, KBVS Research

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



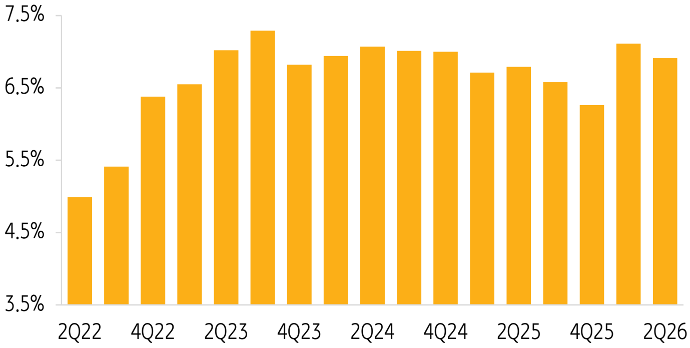
Source: Company, KBVS Research

Exhibit 8: Expect steady CASA portion amid stiffer liquidity competition



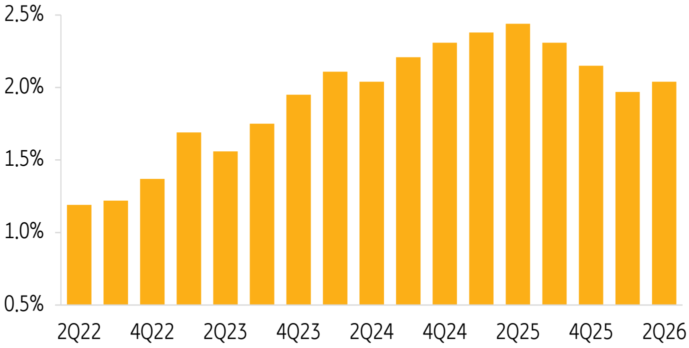
Source: Company, KBVS Research

Exhibit 9: Expect loan yield repricing



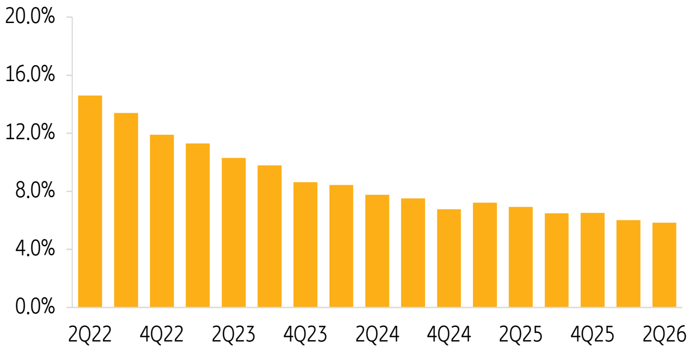
Source: Company, KBVS Research

Exhibit 10: Expect slower BI rate hike transmission to CoF



Source: Company, KBVS Research

Exhibit 11: LAR to continue healthier



Source: Bloomberg, KBVS Research

Exhibit 12: Currently traded at 1.3x '26F P/B, slightly above -2SD of 1.2x

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	1.8
CAR (%)	20.1	17.6	15.8	14.5	14.2
BVPS (IDR)	3,041	3,147	3,169	3,231	3,450
PER (x)	6.9	6.8	6.8	6.4	5.7
PBV (x)	1.4	1.3	1.3	1.3	1.2
Div. Yield (%)	8.6	11.3	11.4	8.7	10.9

Source: Company, KBVS Research

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