

4Q25 earnings spike; FY25 earnings came above

6 February 2026

	
BMRI JJ	BUY
Sector	Banks
Price at 5 February 2025 (IDR)	5,050
Price target (IDR)	5,660
Upside/Downside (%)	12.1

Stock Information

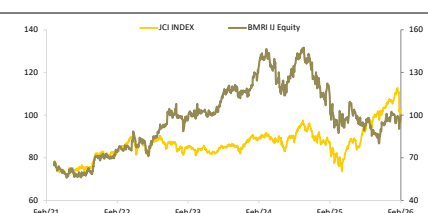
PT Bank Mandiri (Persero) Tbk (Persero) Tbk is a state-owned bank offering a range of banking products and services to its customers from individuals and SMEs to corporations. The bank is formed by a merger of four state-owned banks.

Market cap (IDR bn)	466,667
Shares outstanding (mn)	93,333
52-week range (IDR)	4,010-5,600
3M average daily vol. ('000)	154,086
3M average daily val. (IDR mn)	745,241

Shareholders (%)

Republic of Indonesia	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	-	5.9	(8.6)

4Q25 earnings spike (+34.9% yoy, +39.8% qoq) on the back of a sharp drop in operating expenses by -5.84% yoy (3Q25: +25.4% yoy) and provisions tanking (-63.8% yoy, -72.8% qoq) has made FY25 PATMI (+0.92% yoy) significantly surpass both our and cons. '25F by 109.9% and 109.7%, respectively. '26F guidance: (1) loan growth (7-9% yoy), (2) NIM: 4.6-4.8%, and (3) CoC (0.6-0.8%). We anticipate 2 main growth drivers in '26F: (1) opex normalization and (2) coc to remain at a low level. Crucial challenges are (1) loan yield compression could jeopardize NIM with the absence of healthy loan demand and (2) prolonged strong time deposit growth. Maintain BUY with GGM-based TP IDR5,660 (1.6x '26F P/B), while currently trading at its -1SD of 1.4x '26F P/B.

FY25 earnings above; 4Q25 earnings spike

BMRI FY25 earnings surpassed our and the consensus forecast (109.9% and 109.7%). The soaring FY25 achievement was mainly driven by the 4Q25 earnings spike. Throughout 2025, net interest income grew by 4.38% yoy, backed by an 8.71% increase in interest income. PPoP grew flat (-0.39% yoy) on the back of rising operating expenses (+15.3% yoy). The 0.92% yoy growth of PATMI to IDR 56.29tn is mainly driven by a sharp drop in provisions (-5.01% yoy) to IDR 11.33tn. On a quarterly basis, 4Q25 earnings are telling a totally different story. Net interest income grew stronger, benefiting from declining interest expenses by -4.59% qoq. Robust PPoP to IDR 25.74tn (21.8% yoy, +21.6% qoq) is mainly supported by the impact of operating expenses normalization, which decreased by -5.84% yoy to IDR 17.67tn, compared to a sharp growth of +25.4% yoy in the previous quarter. Provision expenses tanked 63.8% yoy and 72.8% qoq, bringing PATMI in 4Q25 of IDR 18.56tn, a frog leap of 34.9% yoy and 39.8% qoq.

Robust loan growth beats industry, guidance, and our '25F.

BMRI total loan growth of +13.4% yoy (7.41% qoq), exceeding BMRI's '25F upper limit guidance (8-10% yoy) and outpacing the broader banking sector (9.7% yoy) as well as our '25F loan growth for BMRI of 10.4% yoy. The corporate segment continues as the main driver, surging 23.1% yoy, followed by the commercial segment (+12.1% yoy). On the liabilities side, total third-party funds grew very strong (+23.9% yoy, 11.8% qoq). Despite the high funding cost (TD) solid growth, CASA remained growing by double digits (12.6% yoy, 9.69% qoq), supported by strong current account growth (17.2% yoy, 13.9% qoq). This year, we expect a stronger CASA portion growth and a softer TD segment to support better NII and NIM.

NIM on target, CoC surpasses guidance and our estimate

On the margin side, FY25 consolidated NIM remains under pressure (-26 bps), from 5.15% to 4.89%. Yet, it still arrives within '25F guidance of 4.8-5.0% (KBVs '25F: 5%) and mark a slight improvement from 4.83% in the previous quarter. On the bank-only level, NIM was also slightly improving to 4.49%. Credit cost came in at 0.58%, sharply improving (-21 bps) from 0.79%, beating the '25F guidance range of 0.8-1.0% and our '25F CoC for the bank of 1.0%. Gross NPL stood at 1.13% in FY25, landed better than our '25F gross NPL for BMRI of 1.18%. Worth noting, gross NPL improves to 0.96% vs 1.03% in 3Q25 at bank-only level.

Expect Livin' to continue play meaningful role

The Livin' Apps platform continues to see impressive momentum, now supporting 37 million users, a 27% increase yoy. This expanding user base has pushed transaction frequency up by nearly 20.9% yoy, reaching 4,689 million transactions with a total value of IDR 4,401 trillion (+9.32% yoy). The app made a meaningful contribution to non-interest income by generating IDR 948bn in the final quarter of 2025 alone, marking strong growth both annually (23.8% yoy) and compared to the previous quarter (18.3% qoq). Moving forward, we expect to witness the platform play a pivotal role for the bank's growth, as the untapped potential within its transaction banking ecosystem remains massive.

2026 guidance sound achievable

BMRI targets '26F loan growth to hover within the range of 7-9% yoy, driven by balanced growth across segments. In line with our expectation (see our latest sector report), the bank expects to see the compression on loan yields sustain lending competition, which will put continuing pressure on NIM ('26F: 4.6-4.8%). Lastly, CoC is forecasted to enter a normalization with '26F range guidance within 0.6-0.8%.

Maintain BUY GGM TP of IDR5,660.

Our GGM-based TP of IDR 5,660 is pegged at 1.6x '26F P/B while currently trading at its -1SD of 1.4x '26F P/B. Key downside risks to our target price include: a) lower-than-expected loan growth; b) slower-than-anticipated benchmark rate transmission to CoF; c) significant loan yield compression, d) NIM stagnation, e) higher than expected opex and CoC, f) prolonged domestic cautious business activity outlook, g) sustained boiling global geopolitical tension uncertainty, h) weakening debtor confidence and market stance, and i) weakening IDR/USD.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	95,887	101,757	106,865	117,136	128,650
Non int. income	42,771	44,842	51,277	54,479	59,374
Income from operations	138,658	146,599	158,142	171,615	188,025
Pre-provision profit	84,790	87,988	86,962	92,071	99,209
Net income (IDR bn)	55,060	55,782	51,218	54,144	58,910
EPS (IDR)	590	598	549	580	631
EPS growth (%)	33.7	1.3	(8.2)	5.7	8.8
PER (x)	8.4	8.3	9.0	8.5	7.8
PBV (x)	1.8	1.6	1.5	1.4	1.3
Div. Yield (%)	5.3	7.2	6.0	5.5	5.5
RoE (%)	23.2	21.2	17.3	17.9	18.8

Source: Company, KBVS Research

Analyst

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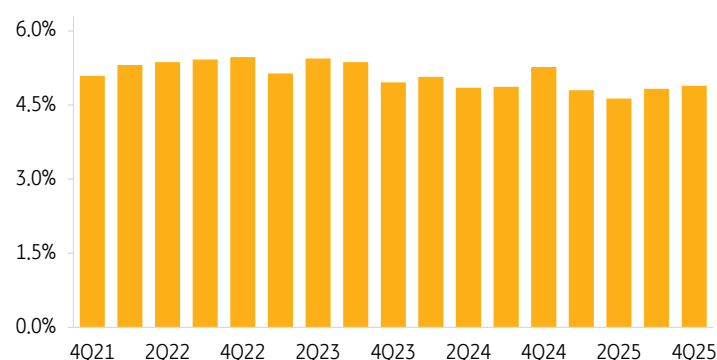
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Exhibit 2: BMRI 12M25 consolidated results – selected P&L, balance sheet and key ratios

Income Statements (IDR bn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons.
Interest income	151,236	164,412	8.7	40,600	42,115	3.7	40,720	3.4				
Interest expenses	(49,479)	(58,202)	17.6	(13,446)	(14,164)	5.3	(14,845)	(4.6)				
Net Interest Income	101,757	106,210	4.4	27,154	27,951	2.9	25,875	8.0				
Non-interest income	44,842	49,016	9.3	12,749	15,471	21.4	12,552	23.3				
Total operating income	146,599	155,226	5.9	39,903	43,422	8.8	38,427	13.0				
Total operating expenses	(58,611)	(67,584)	15.3	(18,774)	(17,678)	(5.8)	(17,251)	2.5				
PPoP	87,988	87,642	(0.4)	21,129	25,744	21.8	21,176	21.6				
Loan loss provisions	(11,929)	(11,331)	(5.0)	(2,396)	(867)	(63.8)	(3,185)	(72.8)				
Net profit	55,783	56,295	0.9	13,766	18,565	34.9	13,275	39.8	51,218	109.9	51,300	109.7
Balance Sheet (IDR bn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
Gross loans	1,670,547	1,894,985	13.4	1,670,547	1,894,985	13.4	1,764,328	7.4				
Current account	605,765	710,147	17.2	605,765	710,147	17.2	623,725	13.9				
Saving account	665,446	721,232	8.4	665,446	721,232	8.4	681,213	5.9				
Time deposits	427,686	674,386	57.7	427,686	674,386	57.7	579,252	16.4				
TPF (IDRbn)	1,698,897	2,105,765	23.9	1,698,897	2,105,765	23.9	1,884,190	11.8				
CASA (IDRbn)	1,271,211	1,431,379	12.6	1,271,211	1,431,379	12.6	1,304,938	9.7				
Total equity	313,474	327,402	4.4	313,474	327,402	4.4	313,838	4.3				
Selected key ratios	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)				
NIM	5.2	4.9	(0.3)	5.3	4.9	(0.4)	4.9	0.0				
CoC	0.8	0.6	(0.2)	0.6	0.6	0.0	0.7	(0.2)				
Cost of Fund	2.2	2.3	0.2	2.3	2.2	(0.2)	2.3	(0.2)				
NPL Gross	1.1	1.1	0.0	1.1	1.1	0.0	1.2	(0.1)				
NPL Coverage	271.0	231.0	(40.0)	271.0	231.0	(40.0)	243.0	(12.0)				
CIR	40.0	43.5	3.5	47.9	43.5	(4.4)	44.6	(1.1)				
Tier 1 CAR	19.6	19.3	(0.3)	0.0	19.3	19.3	18.9	0.4				
ROAA	2.4	2.1	(0.3)	2.2	2.1	(0.1)	2.0	0.1				
ROAE	21.2	20.3	(0.9)	19.5	20.3	0.8	18.4	1.9				
CASA Ratio	74.8	68.0	(6.8)	74.8	68.0	(6.8)	69.3	(1.3)				
LDR	95.1	87.6	(7.5)	95.1	87.6	(7.5)	91.0	(3.4)				
Loan yield	7.8	7.6	(0.2)	7.9	7.2	(0.6)	7.5	(0.3)				
LAR	6.8	6.5	(0.3)	6.8	6.5	(0.3)	6.5	0.0				
Tier-1 CAR	19.6	19.3	(0.3)	19.6	19.3	(0.3)	0.0	19.3				

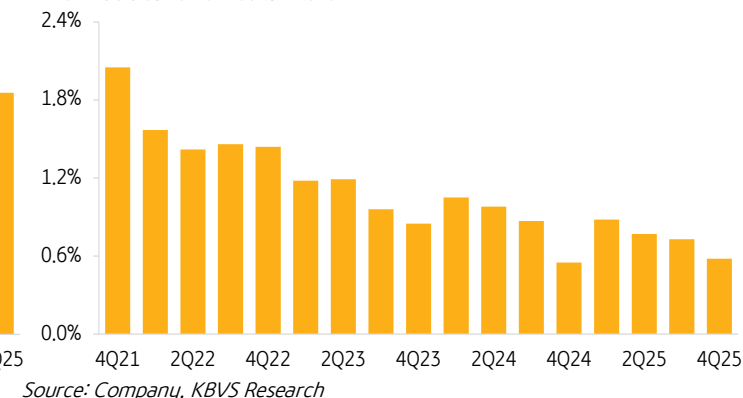
Source : Company, KBVS Research

Exhibit 3: Expect NIM pressure to continue on loan yield compression



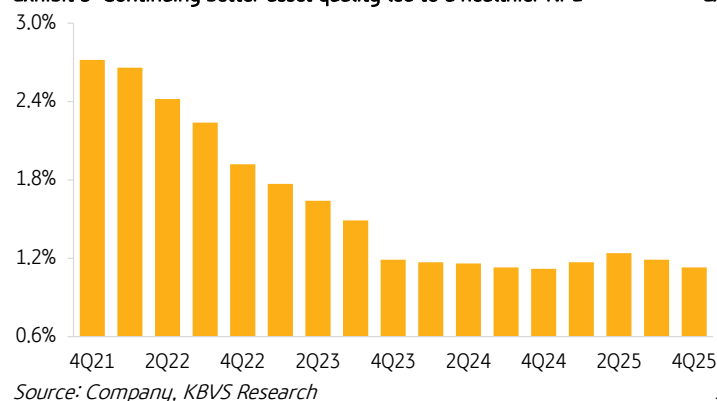
Source: Company, KBVS Research

Exhibit 4: COC to remain at low level



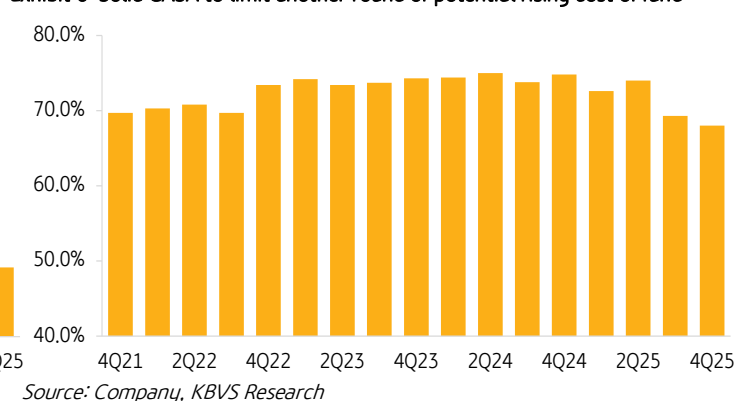
Source: Company, KBVS Research

Exhibit 5: Continuing better asset quality led to a healthier NPL



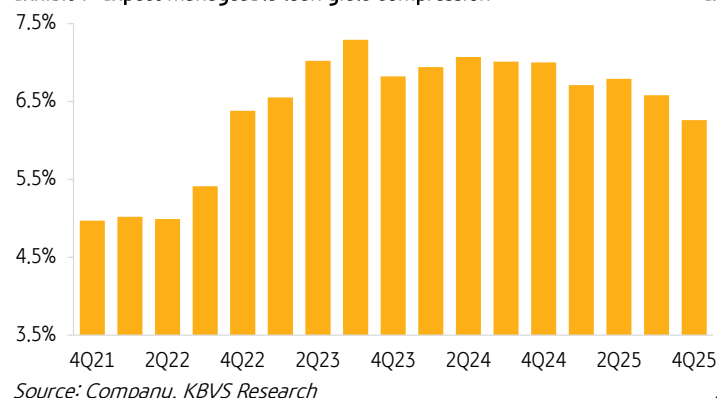
Source: Company, KBVS Research

Exhibit 6: Solid CASA to limit another round of potential rising cost of fund



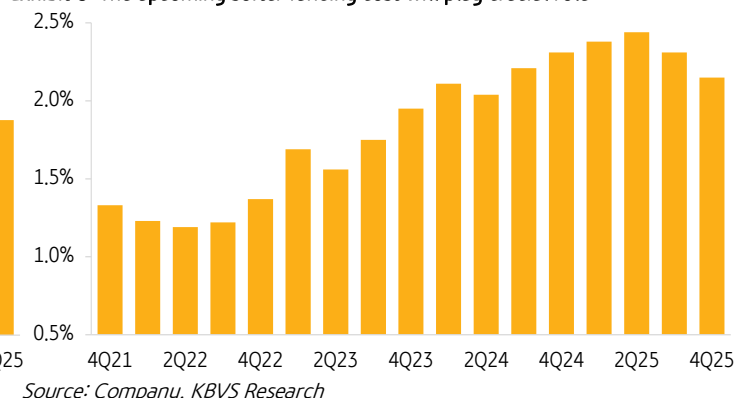
Source: Company, KBVS Research

Exhibit 7: Expect manageable loan yield compression



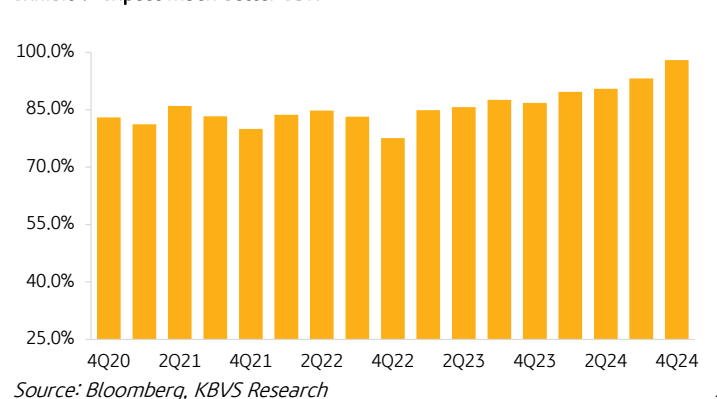
Source: Company, KBVS Research

Exhibit 8: The upcoming softer funding cost will play crucial role



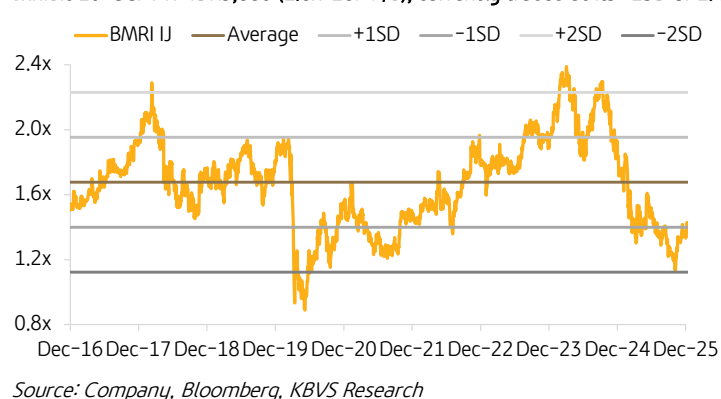
Source: Company, KBVS Research

Exhibit 9: Expect much better LDR



Source: Bloomberg, KBVS Research

Exhibit 10: GGM TP IDR5,660 (1.6x '26F P/B), currently traded at its -1SD of 1.4x



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES

Exhibit 11: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	132,544	151,236	166,809	184,328	201,290
Interest expenses	(36,658)	(49,479)	(59,944)	(67,192)	(72,639)
Net interest income	95,887	101,757	106,865	117,136	128,650
Non-interest income	42,771	44,842	51,277	54,479	59,374
Operating expenses	(53,867)	(58,611)	(71,180)	(79,543)	(88,815)
Pre-provision operating profit	84,790	87,988	86,962	92,071	99,209
Loan loss provision	(10,149)	(11,929)	(16,660)	(17,597)	(18,785)
Pretax Profit	74,685	76,403	70,646	74,818	80,768
Income Tax Expenses	(14,633)	(15,238)	(14,482)	(14,913)	(15,639)
Net profit	55,060	55,782	51,218	54,144	58,910

Exhibit 12: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	26,432	31,665	30,645	28,749	27,355
Current Account at BI	108,605	105,146	113,979	129,176	137,948
Interbank Loans	110,461	109,866	73,535	80,109	87,869
Govt Treas Bills & Sec	309,183	287,273	193,029	200,273	202,100
Investment Securities	94,546	95,478	92,228	80,591	80,836
Loans	1,344,189	1,620,155	1,802,210	2,022,557	2,297,049
Fixed Assets	57,978	63,031	63,731	64,431	66,582
Other assets	122,825	114,610	124,350	116,932	113,705
Total Asset	2,174,219	2,427,223	2,493,707	2,722,819	3,013,444
Liabilities					
Interbank Deposit	18,465	27,721	23,661	27,302	31,355
Customer Deposit	1,576,950	1,698,897	1,838,373	2,002,731	2,196,735
Debts Sec and Subordinates	50,518	41,141	55,151	60,082	61,667
Other Liabilities	240,792	345,990	233,721	256,796	316,903
Total liabilities	1,886,724	2,113,749	2,150,906	2,346,910	2,606,660
Equity					
Capital Stock	11,667	11,667	11,667	11,667	11,667
Additional Paid-in Capital	17,643	18,095	18,095	18,095	18,095
Retained Earnings	197,304	220,050	243,378	271,912	298,336
Other Equity	34,239	33,984	36,366	37,363	38,404
Shareholder's Equity	260,853	283,796	309,505	339,037	366,502
Non-controlling Interest	26,642	29,678	33,296	36,872	40,282
Total Equity	287,495	313,475	342,801	375,909	406,784

Exhibit 13: Key performance metrics

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM (%)	5.5	5.2	5.0	5.1	5.5
LDR (%)	88.6	98.4	95.3	90.1	89.2
CASA (%)	74.3	74.8	75.4	76.2	77.1
NPL (%)	1.2	1.2	1.2	1.0	0.9
ROAE (%)	23.2	21.2	17.3	17.9	18.8
ROAA (%)	2.6	2.4	2.1	2.1	2.1
CAR (%)	21.5	20.1	21.5	21.9	21.1
BVPS (IDR)	2,795	3,041	3,316	3,633	3,927
PER (x)	8.4	8.3	9.0	8.5	7.8
PBV (x)	1.8	1.6	1.5	1.4	1.3
Div. Yield (%)	5.3	7.2	6.0	5.5	5.5

Source: Company, KBVS Research

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