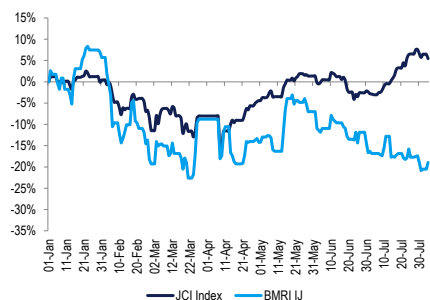


Stock Data

|                           |         |
|---------------------------|---------|
| Target price              | Rp7,100 |
| Prior TP                  | Rp7,100 |
| Current price             | Rp4,620 |
| Upside/downside           | +54%    |
| Shares outstanding (mn)   | 93,333  |
| Market cap (Rp bn)        | 431.200 |
| Free float                | 39%     |
| Avg. 6m daily T/O (Rp bn) | 790     |

Price Performance

|                   | 3M          | 6M     | 12M    |
|-------------------|-------------|--------|--------|
| Absolute          | -6.9%       | -23.3% | -32.1% |
| Relative to JCI   | -16.4%      | -28.3% | -34.2% |
| 52w low/high (Rp) | 4410 - 7450 |        |        |



Major Shareholders

|                                |     |
|--------------------------------|-----|
| Republic of Indonesia          | 52% |
| Indonesia Investment Authority | 8%  |

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## EGM shall have limited impact; weak 2Q and BRIS divestment are the risks

- BMRI just concluded its EGM with changes in its BoD and BoC. Notably there is a change in the CEO to Riduan from Darmawan Junaidi.
- In hindsight, there shouldn't be major change in the strategy given the replacement came from internal; also limiting the risk of kitchen sinking.
- This shall clear the change in management overhang; weak 2Q results and divestment of BRIS are the biggest imminent risks for the stock.

### EGM conclusion with Riduan replacing Darmawan Junaidi

BMRI just concluded its EGM today with sole agenda of change in the management. Its current CEO (Darmawan Junaidi) is being replaced by Riduan (previously the vice CEO). It also appointed Henry Panjaitan as the new vice CEO (previously director in Jamkrindo) and reshuffle of Timothy Utama to become operations director from IT director. We view the change to be neutral for the bank given the CEO replacement came from internal instead of external as it will imply consistency in strategy and guidance.

### Living and turnaround in asset quality were the big positives

We applaud the previous CEO decision to be the 1<sup>st</sup> mover in the super app space through Livin (launched in 2021) instead of buying/developing digital bank i.e. BBRI through Bank Raya and BBNI through HiBank. Livin itself has contributed significantly in two aspects: 1) exponential savings growth (11% FY21-24 CAGR vs. other 3 banks of 3.0-5.2%) and 2) sizable fee income (BMRI's Livin income accounts for 6.2%/1.8% of non-int income/total income vs. BRI's BRIMO of 5.4%/1.5%) Concurrently, he also refocused BMRI focus on wholesale banking with commercial/SME through value chain ecosystem; and this was reflected in low CoC of 0.8-1.4% and LAR of 6.8-11.9% in 2022-2024 vs. other SOE peers CoC of 1.1-3.2% and LAR of 10.3-16.5%.

### Consistently above industry loan growth may eventually backfire

While those are the positives, we are worried with the previous CEO decision to grow its loan book above industry/other big 3 banks – BMRI loan grew at 16.7% FY21-24 CAGR vs. 10.7/10.5% for industry/other big 3 banks. This, in our view, may eventually translate to higher CoC and worsening asset quality during period of slower economy.

### Post EGM, biggest overhang for BMRI shall be the divestment of BRIS

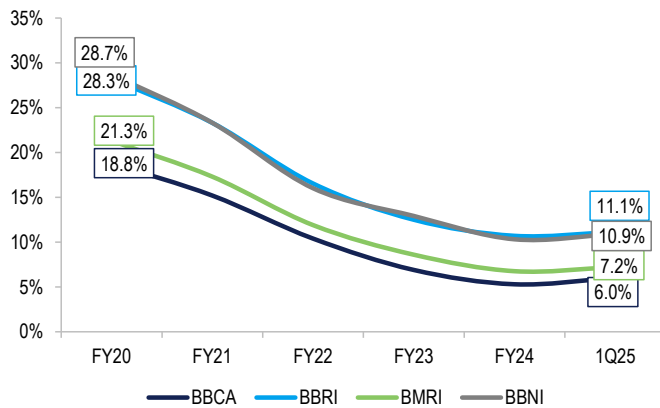
During his tenure, the P/BV premium to BBNI has widened from 48.5% (average 2019-2020) to 64.7% (average 2021-2024) while its discount to BBRI has narrowed to 25.5% from 38.8% during the same period which was an indication of investors' trust previous CEO's strategy. Indeed, foreign ownership has risen by +Rp42.2tr since end FY20, the highest among SOE banks (+Rp6.6tr/+Rp11.8tr for BBRI/BBNI). Fundamentally, we expect its 2Q result to remain soft from NIM compression ([link to our 5M results](#)).

| Financial Summary (Rp bn) | 2023A    | 2024A    | 2025F    | 2026F    | 2027F    |
|---------------------------|----------|----------|----------|----------|----------|
| Net interest income       | 95,887   | 101,757  | 112,684  | 121,981  | 135,887  |
| PPOP                      | 84,790   | 87,989   | 95,050   | 103,420  | 115,060  |
| Provision charges         | (10,149) | (11,929) | (19,262) | (21,292) | (23,650) |
| Net profit                | 55,060   | 55,783   | 58,706   | 64,010   | 71,680   |
| Net profit growth         | 34%      | 1%       | 5%       | 9%       | 12%      |
| P/BV (x)                  | 1.5      | 1.4      | 1.3      | 1.3      | 1.2      |
| Dividend yield            | 5.7%     | 7.7%     | 10.1%    | 8.2%     | 8.9%     |
| ROAE                      | 22.4%    | 20.5%    | 20.1%    | 20.4%    | 20.8%    |
| IPS vs. consensus         |          |          | 105%     | 107%     | 111%     |

Source: Company, Indo Premier

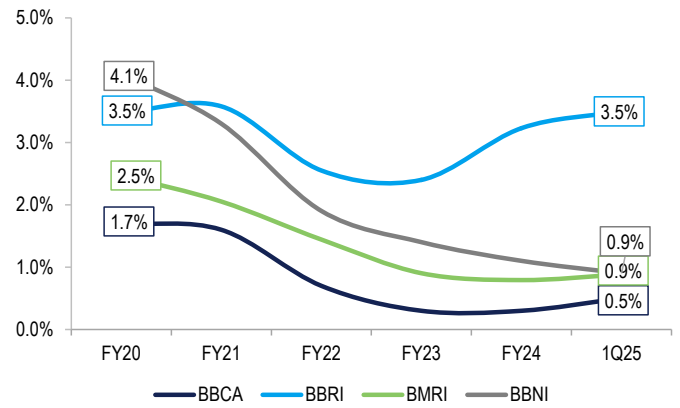
Share price closing as of: 04 August 2025

**Fig. 1: BMRI vs. other banks' loan at risk trend**



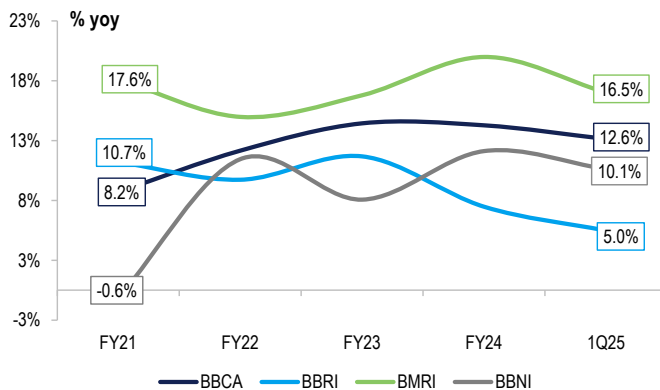
Source: Company, Indo Premier

**Fig. 2: BMRI vs. other banks' cost of credit trend**



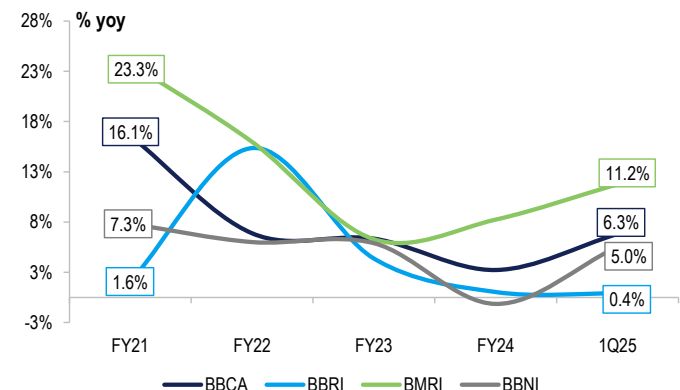
Source: Company, Indo Premier

**Fig. 3: BMRI vs. other banks' loan growth trend**



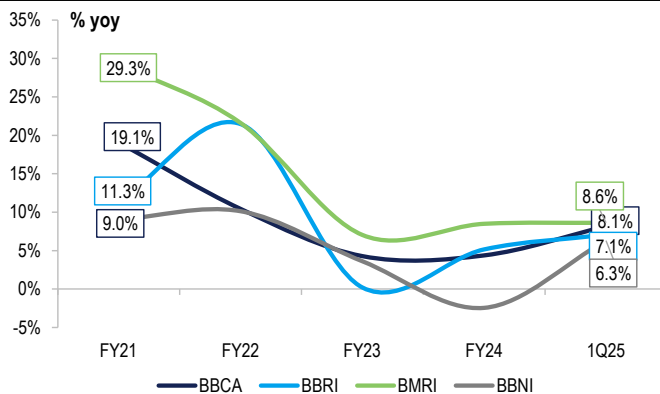
Source: Company, Indo Premier

**Fig. 4: BMRI vs. other banks' deposit growth trend**



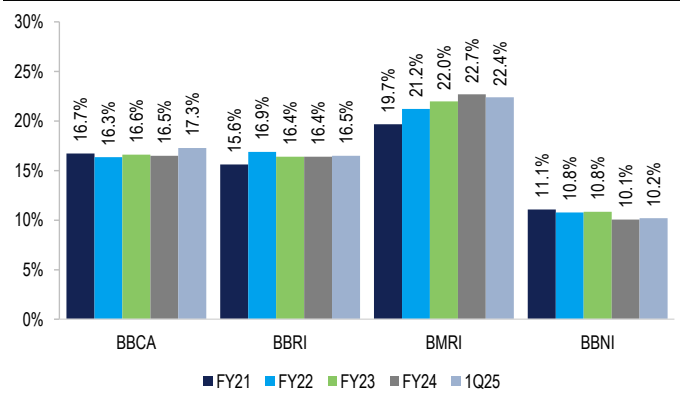
Source: Company, Indo Premier

**Fig. 5: BMRI vs. other banks' CASA growth trend**



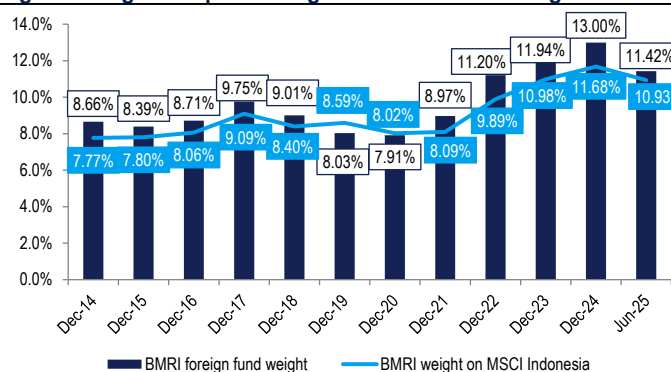
Source: Company, Indo Premier

**Fig. 6: BMRI vs. other banks' CASA market share**



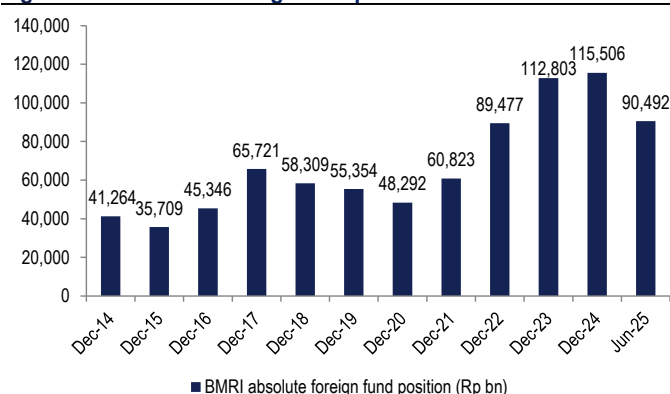
Source: Company, Indo Premier

**Fig. 7: Foreign fund positioning on BMRI vs. BMRI weight on MSCI**



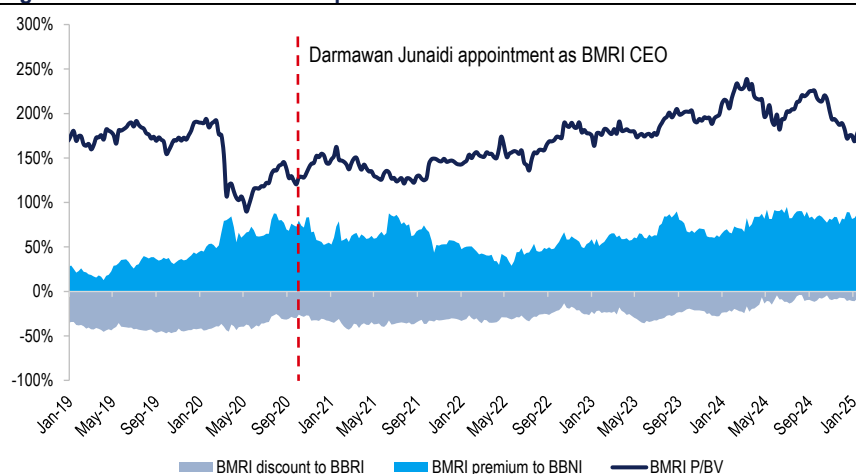
Source: Bloomberg, KSEI, MSCI, Indo Premier

**Fig. 8: BMRI absolute foreign fund position**



Source: Bloomberg, KSEI, MSCI, Indo Premier

**Fig. 9: BMRI's P/BV and discount/premium to BBRI/BBNI**



Source: Bloomberg, Indo Premier

**Fig. 10: Summary of changes to BMRI's Board of Directors**

| Board of Directors                           | Name                   | Board of Directors                           | Name                   | Background   |
|--|------------------------|--|------------------------|--|
| President Director                           | Darmawan Junaidi       | President Director                           | Riduan                 | 2025: Vice President Director of Bank Mandiri<br>2024 - 2025: Director of Corporate Banking of Bank Mandiri<br>2019 - 2024: Director of Commercial Banking of Bank Mandiri   |
| Vice President Director                      | Riduan                 | Vice President Director                      | Henry Panjaitan        | 2022 - 2025: Director of Assurance Business of PT JAMKRINDO<br>2020 - 2022: Director of Treasury and International of Bank Negara Indonesia<br>2019 - 2020: Head of Regional of Bank Negara Indonesia                  |
| Director of Operations                       | Toni EB. Subari        | Director of Operations                       | Timothy Utama          | 2021 - 2025: Director of IT of Bank Mandiri<br>2016 - 2021: Managing Director, Treasury and Trade Solutions of Citibank<br>2012 - 2016: Chief Operations and Technology Officer of Singapore                           |
| Director of Information Technology           | Timothy Utama          | Director of Information Technology           | Sunarto                | 2023 - 2025: SEVP Digital Banking of Bank Mandiri<br>2018 - 2023: SVP Digital Banking of Bank Mandiri<br>2016 - 2018: VP Wholesale Transaction Banking of Bank Mandiri   |
| Director of Corporate Banking                | Mochamad Rizaldi       | Director of Corporate Banking                | Mochamad Rizaldi       | 2024 - 2025: Commissioner of Mandiri Sekuritas<br>2024: SEVP Corporate Banking of Bank Mandiri<br>2021 - 2024: SEVP Special Asset Management of Bank Mandiri   |
| Director of Commercial Banking               | Totok Priyambodo       | Director of Commercial Banking               | Totok Priyambodo       | 2024 - present: Director of Commercial Banking of Bank Mandiri<br>2020 - 2023: SEVP Commercial Banking of Bank Mandiri<br>2018 - 2020: Group Head Commercial Banking of Bank Mandiri                                   |
| Director of Treasury & International Banking | Azi Rizaldi            | Director of Treasury & International Banking | Azi Rizaldi            | 2024 - 2025: Director of Treasury and International Banking of Bank Syariah Indonesia<br>2019 - 2024: Group Head of Treasury of Bank Mandiri<br>2015 - 2019: Department Head of Strategic Banking Book of Bank Mandiri |
| Director of Network & Retail Transaction     | Jan Winston Tambunan   | Director of Network & Retail Transaction     | Jan Winston Tambunan   | n.a. - 2025: Regional CEO IV Jakarta of Bank Mandiri<br>n.a.: Priority Banking Manager of Bank Mandiri<br>1999 - n.a.: General Manager of Bank Mandiri   |
| Director of Consumer Banking                 | Saptari                | Director of Consumer Banking                 | Saptari                | 2024 - 2025: Commissioner of Mandiri Tunas Finance<br>2024 - 2025: SEVP Micro & Consumer Finance of Bank Mandiri<br>2022 - 2024: Group Head Commercial Banking of Bank Mandiri   |
| Director of Finance & Strategy               | Novita Widya Anggraini | Director of Finance & Strategy               | Novita Widya Anggraini | 2020 - 2025: Director of Finance of Bank Negara Indonesia<br>2020: SVP Strategy Performance Management of Bank Mandiri<br>2017 - 2020: SVP Accounting of Bank Mandiri  |
| Director of Human Capital                    | Eka Fitria             | Director of Human Capital                    | Eka Fitria             | 2023 - 2025: Director of Treasury & International Banking of Bank Mandiri<br>2021 - 2022: Group Head International Banking & Financial Institution of Bank Mandiri   |
| Director of Risk Management                  | Danis Subyantoro       | Director of Risk Management                  | Danis Subyantoro       | 2024 - present: Director of Risk Management of Bank Mandiri<br>2021 - 2023: SEVP Internal Audit of Bank Mandiri<br>2020 - 2021: SEVP Wholesale Risk of Bank Mandiri  |
| New management                               |                        |  |                        |  |

Source: Company, Indo Premier

**Fig. 11: Summary of changes to BMRI's Board of Commissioners**

| Board of Commissioners        | Name                | Board of Commissioners        | Name                | Background   |
|-------------------------------|---------------------|-------------------------------|---------------------|--|
| President Commissioner        | Kuswiyoto           | President Commissioner        | Kuswiyoto           | 2019 - 2025: President Director of Pegadaian<br>2017 - 2019: Director of Corporate Banking of Bank Rakyat Indonesia<br>2017: Director of Risk Management at Bank Rakyat Indonesia                              |
| Deputy President Commissioner | Zainudin Amali      | Deputy President Commissioner | Zainudin Amali      | 2023 - Present: Deputy President Commissioner of Bank Mandiri<br>2019 - 2023: Minister of Youth and Sports<br>2014 - 2019: Chairman of Commission II DPR   |
| Commissioner                  | Yuliot Tanjung      | Commissioner                  | Yuliot Tanjung      | 2024 - Present: Deputy Minister of Energy and Mineral Resources<br>2024: Deputy Minister of Investment   |
| Commissioner                  | Luky Alfirman       | Commissioner                  | Luky Alfirman       | 2024: Director General - Directorate General of Fiscal Balance, Ministry of Finance<br>2019 - n.a.: Board of Commissioners at Indonesia Deposit Insurance  |
| Commissioner                  | Muhammad Yusuf Ateh | Commissioner                  | Muhammad Yusuf Ateh | 2021 - Present: Commissioner of Bank Mandiri<br>2020: Head of Financial and Development Supervisory Agency<br>2013 - 2020: Deputy for Bureaucratic Reform - Ministry of Administrative and Bureaucratic Reform |
| Independent Commissioner      | Mia Amiati          | Independent Commissioner      | Mia Amiati          | 2022 - 2025: Former Chief Prosecutor of East Java High Prosecutor's Office   |
|                               |                     | Independent Commissioner      | Zulkifli Zaini      | 2021 - 2025: President Director of Perkebunan Nusantara III<br>2019 - 2021: President Director of PLN<br>2017 - 2020: Independent Commissioner of Bank Permata   |
| New commissioner              |                     |                               |                     |  |

Source: Company, Indo Premier

**Fig. 12: BMRI's P/BV – now trading at 1.3x FY25F P/BV vs. 10-year average of 1.6x P/BV**



Source: Bloomberg, Company, Indo Premier

**Fig. 13: BMRI's P/E – now trading at 7.3x FY25F P/E vs. 10-year average of 11.6x P/E**



Source: Bloomberg, Company, Indo Premier

**Fig. 14: Peer comparison table**

| Ticker | Closing Price | Target Price | P/BV multiple target (x) | Upside | Recommendation | P/E (x) |       |         | P/BV (x) |       |         |
|--------|---------------|--------------|--------------------------|--------|----------------|---------|-------|---------|----------|-------|---------|
|        |               |              |                          |        |                | FY25F   | FY26F | 10Y Avg | FY25F    | FY26F | 10Y Avg |
| BBCA   | 8.275         | 10.400       | 4,3                      | 26%    | Buy            | 17,8    | 16,4  | 21,3    | 3,7      | 3,4   | 3,8     |
| BBRI   | 3.710         | 4.700        | 2,1                      | 27%    | Buy            | 9,9     | 8,8   | 14,7    | 1,8      | 1,7   | 2,4     |
| BMRI   | 4.620         | 7.100        | 2,0                      | 54%    | Buy            | 7,3     | 6,7   | 11,6    | 1,3      | 1,3   | 1,6     |
| BBNI   | 4.010         | 4.800        | 0,9                      | 20%    | Buy            | 7,2     | 6,7   | 10,4    | 0,8      | 0,8   | 1,1     |
| BBTN   | 1.095         | 1.450        | 0,6                      | 32%    | Buy            | 4,7     | 4,3   | 6,9     | 0,4      | 0,4   | 0,8     |
| BRIS*  | 2.750         | 3.500        | 2,7                      | 27%    | Buy            | 15,6    | 13,8  | 15,9    | 2,4      | 2,1   | 2,2     |

Source: Bloomberg, Company, Indo Premier  
\*4Y avg

Share price closing as of: 4 August 2025

| Income Statement (Rp bn)      | 2023A          | 2024A          | 2025F          | 2026F          | 2027F          |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Interest income               | 132,544        | 151,236        | 162,648        | 175,965        | 194,981        |
| Interest expense              | (36,658)       | (49,479)       | (49,964)       | (53,983)       | (59,094)       |
| <b>Net interest income</b>    | <b>95,887</b>  | <b>101,757</b> | <b>112,684</b> | <b>121,981</b> | <b>135,887</b> |
| Non-interest income           | 42,771         | 44,842         | 48,469         | 54,764         | 61,873         |
| <b>Total operating income</b> | <b>138,658</b> | <b>146,599</b> | <b>161,152</b> | <b>176,745</b> | <b>197,761</b> |
| Opex                          | (53,867)       | (58,610)       | (66,102)       | (73,326)       | (82,700)       |
| <b>PPOP</b>                   | <b>84,790</b>  | <b>87,989</b>  | <b>95,050</b>  | <b>103,420</b> | <b>115,060</b> |
| Provisions                    | (10,149)       | (11,929)       | (19,262)       | (21,292)       | (23,650)       |
| <b>Operating profit</b>       | <b>74,642</b>  | <b>76,060</b>  | <b>75,788</b>  | <b>82,127</b>  | <b>91,410</b>  |
| Non-operating profit          | 43             | 344            | 2,119          | 2,352          | 2,595          |
| <b>Pre-tax profit</b>         | <b>74,685</b>  | <b>76,403</b>  | <b>77,907</b>  | <b>84,479</b>  | <b>94,005</b>  |
| Income tax                    | (14,633)       | (15,238)       | (15,158)       | (16,425)       | (18,282)       |
| Minority interest             | (4,992)        | (5,382)        | (4,044)        | (4,044)        | (4,044)        |
| <b>Net profit</b>             | <b>55,060</b>  | <b>55,783</b>  | <b>58,706</b>  | <b>64,010</b>  | <b>71,680</b>  |

| Balance Sheet (Rp bn)                 | 2023A            | 2024A            | 2025F            | 2026F            | 2027F            |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash + CA with BI                     | 135,037          | 136,811          | 139,418          | 157,213          | 174,843          |
| Secondary reserves                    | 536,883          | 500,907          | 561,016          | 589,067          | 636,192          |
| Gross loans                           | 1,398,071        | 1,670,547        | 1,831,894        | 2,039,567        | 2,260,436        |
| Loan provisions                       | (53,099)         | (49,355)         | (43,993)         | (41,263)         | (38,178)         |
| Other assets                          | 157,327          | 168,313          | 180,978          | 194,908          | 210,241          |
| <b>Total Assets</b>                   | <b>2,174,219</b> | <b>2,427,223</b> | <b>2,669,312</b> | <b>2,939,491</b> | <b>3,243,533</b> |
| Total deposits                        | 1,588,133        | 1,716,656        | 1,935,850        | 2,169,264        | 2,431,745        |
| Securities and borrowings             | 189,575          | 289,275          | 289,275          | 289,275          | 289,275          |
| Other liabilities                     | 109,017          | 107,817          | 115,517          | 123,496          | 131,784          |
| <b>Total liabilities</b>              | <b>1,886,724</b> | <b>2,113,749</b> | <b>2,340,642</b> | <b>2,582,035</b> | <b>2,852,803</b> |
| <b>Shareholders' equity</b>           | <b>287,495</b>   | <b>313,475</b>   | <b>328,670</b>   | <b>357,456</b>   | <b>390,730</b>   |
| <b>Total liabilities &amp; equity</b> | <b>2,174,219</b> | <b>2,427,223</b> | <b>2,669,312</b> | <b>2,939,491</b> | <b>3,243,533</b> |

| Growth YoY             | 2023A | 2024A | 2025F | 2026F | 2027F |
|------------------------|-------|-------|-------|-------|-------|
| Gross loans            | 16.3% | 19.5% | 9.7%  | 11.3% | 10.8% |
| Total assets           | 9.1%  | 11.6% | 10.0% | 10.1% | 10.3% |
| Total deposits         | 5.7%  | 8.1%  | 12.8% | 12.1% | 12.1% |
| Net interest income    | 9.1%  | 6.1%  | 10.7% | 8.3%  | 11.4% |
| Non-interest income    | 13.6% | 4.8%  | 8.1%  | 13.0% | 13.0% |
| Total operating income | 10.4% | 5.7%  | 9.9%  | 9.7%  | 11.9% |
| Operating expense      | 1.1%  | 8.8%  | 12.8% | 10.9% | 12.8% |
| PPOP                   | 17.3% | 3.8%  | 8.0%  | 8.8%  | 11.3% |
| Net profit             | 33.7% | 1.3%  | 5.2%  | 9.0%  | 12.0% |

| Key Ratios     | 2023A  | 2024A  | 2025F  | 2026F  | 2027F  |
|----------------|--------|--------|--------|--------|--------|
| ROAA           | 2.6%   | 2.4%   | 2.2%   | 2.2%   | 2.2%   |
| ROAE           | 22.4%  | 20.5%  | 20.1%  | 20.4%  | 20.8%  |
| NIM            | 5.3%   | 5.1%   | 5.0%   | 4.9%   | 5.0%   |
| Credit cost    | 0.8%   | 0.8%   | 1.1%   | 1.1%   | 1.1%   |
| Cost/income    | 38.8%  | 40.0%  | 41.0%  | 41.5%  | 41.8%  |
| LDR            | 88.0%  | 97.3%  | 94.6%  | 94.0%  | 93.0%  |
| CAR            | 22.0%  | 20.8%  | 19.6%  | 19.4%  | 19.2%  |
| NPL ratio      | 1.2%   | 1.1%   | 0.7%   | 0.5%   | 0.3%   |
| Provisions/NPL | 329.1% | 273.7% | 338.1% | 386.0% | 542.5% |

Source: Company, Indo Premier

## INVESTMENT RATINGS

|      |   |
|------|---|
| BUY  | : Expected total return of 10% or more within a 12-month period       |
| HOLD | : Expected total return between -10% and 10% within a 12-month period |
| SELL | : Expected total return of -10% or worse within a 12-month period     |

## ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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