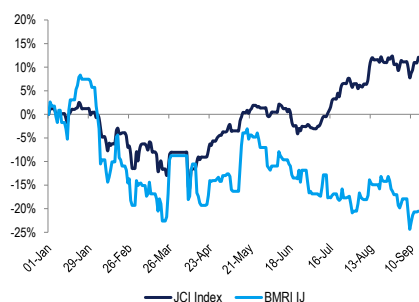


Stock Data

Target price	Rp6,000
Prior TP	Rp7,100
Current price	4.530
Upside/downside	32.5%
Shares outstanding (mn)	93.333
Market cap (Rp bn)	421.867
Free float	39%
Avg. 6m daily T/O (Rp bn)	787

Price Performance

	3M	6M	12M
Absolute	-12,0%	-4,4%	-37,7%
Relative to JCI	-22,8%	-26,2%	-39,3%
52w low/high (Rp)	4,310 – 7,450		



Major Shareholders

Republic of Indonesia	52%
Indonesia Investment Authority	8%

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Inevitable EPS cut from NIM and opex pressure; maintain Buy with lower TP

- We cut BMRI's earnings by 13% as we revised down our NIM and opex. Our FY25F EPS now -7% below consensus.
- We expect NIM to be flattish until year-end given the pressure on CoF while opex will remain elevated amid rising personnel cost.
- Despite our FY25-27F earning revision of 1-13%, we maintain our Buy rating with lower TP of Rp6k (now based on 1.7x P/B).

7M25 bank-only results was a miss from elevated opex; CoC also remained below guidance

Despite the absence of 1H25 results, BMRI recorded bank-only net profit of Rp27.5tr in 7M25 (-6% yoy); on consol basis it was a miss at 53%/56% of IPS/consensus. PPOP declined -7% yoy as opex jumped +27% yoy, offsetting modest growth in NII (+2% yoy) and non-II (+6% yoy). Provision fell -8% yoy, bringing CoC down to 0.7% (-17bp yoy) which below its guidance of 1-1.2%. Loans/deposits grew +10% yoy, with TD climbed 21% yoy vs. CASA of +7% yoy. This kept LDR stable at 93.9% (+12bp yoy).

Inevitable revision on NIM and opex

Initially, we expect BMRI to record positive earnings growth of +5% yoy in FY25F, our assumption is based on: 1) spike in 1Q opex (+16% yoy) to be an one-off event but instead it continued until 7M; as such, we revise our CIR assumption to 45% from 41% initially. 2) We also initially expect CoF to normalize in 2H, however, CoF remained elevated despite multiple BI rate cut this year (4x totalling 100bps). This was due limited growth in money supply (+6.5% yoy in Jul25) as government is quite conservative on the spending side. We project NIM to be at 4.8% for FY25F vs. 5.0% initially, lower than its guidance of 5-5.2%.

CoC is expected to slowly creep-up

We think current BMRI's CoC of 70bp (bank-only) in 7M25 is not sufficient amid current slow economic condition. We expect CoC to slowly catch-up in 2H25 and may increase in FY26F given BMRI has consistently booked higher loan growth vs. its peers (BMRI's FY21-24 CAGR loan growth at 16.7% vs. 10.7/10.5% for industry/other big 3 banks. We expect this year CoC to be at 1.1% and c.1.1-1.3% next year, still low vs. its 10Y average CoC of 2.0%.

Maintain Buy with lower TP as valuation remains attractive

Given the aforementioned factors, we cut our FY25-27F EPS by 1-13%, now our FY25F EPS is 7% below consensus. We also cut our TP to Rp6k now based on 1.7x P/B (16.5% ROAE, 13.8% CoE) but maintain our Buy rating as we think current valuation of 8.3x P/E and 1.3x P/B is attractive (vs. 10Y average of 11.7x P/E and 1.6x P/B). Risks are worsening loan quality and NIM.

Financial summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	95,887	101,757	107,506	120,981	134,739
PPOP	84,790	87,988	85,734	100,556	113,702
Provision charges	(10,149)	(11,929)	(19,262)	(23,229)	(23,650)
Net profit	55,060	55,783	51,246	60,168	70,607
Net profit growth	34%	1%	-8%	17%	17%
P/BV (x)	1.5	1.4	1.3	1.3	1.2
Dividend yield	5.8%	7.8%	10.3%	7.3%	8.5%
ROAE	22.4%	20.5%	17.8%	19.6%	20.9%
IPS vs. consensus			93%	103%	114%

Source: Company, Indo Premier

Share price closing as of: 15 September 2025

Fig. 1: BMRI 7M25 results summary

Income Statement (Rp bn)	7M25	7M24	YoY%	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest Income	70,195	63,049	11%	162,648	43%		
Interest Expense	(26,263)	(19,908)	32%	(49,964)	53%		
Net Interest Income	43,932	43,141	2%	112,684	39%		
Non Interest Income	16,895	15,949	6%	48,469	35%		
Gains (Loss) on Fin Inst.	3,034	2,055	48%				
Total Income	63,861	61,145	4%	161,152	40%		
Operating Expense	(25,206)	(19,802)	27%	(66,102)	38%		
PPOP	38,655	41,343	-7%	95,050	41%		
Provisions	(5,008)	(5,438)	-8%	(19,262)	26%		
Operating Income	33,647	35,905	-6%	75,788	44%	78,005	43%
Non Operating Inc. (Exp.)	81	48	69%	2,119	4%		
Tax Expense	(6,196)	(6,725)	-8%	(19,201)	32%		
Net Income	27,533	29,228	-6%	58,706	47%	55,832	49%

Balance Sheet (Rp bn)	Jul-25	Jul-24	YoY%
Loan	1,335,953	1,215,875	10%
Deposit	1,423,483	1,297,204	10%
CASA	1,113,717	1,041,571	7%
CA	604,198	549,581	10%
SA	509,518	491,989	4%
TD	309,766	255,633	21%

Key Ratios	7M25	7M24	YoY (bp)
LDR	93.9%	93.7%	12
Credit Costs	0.7%	0.8%	(17)
Asset Yield	7.0%	7.0%	(6)
CoF	2.9%	2.5%	40
Net Interest Margin	4.4%	4.8%	(45)
CASA Ratio	78.2%	80.3%	(205)
Cost to Income	41.4%	33.5%	793

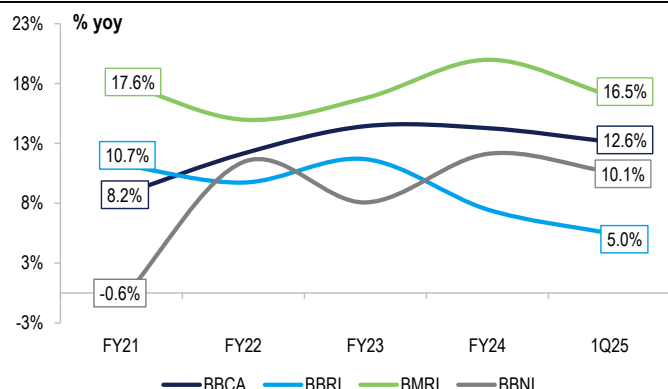
Source: Company, Indo Premier

Fig. 2: Forecast changes summary

Income Statement (Rp bn)	New			Previous			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Interest income	160,694	175,170	194,306	162,648	175,965	194,981	-1%	0%	0%
Interest expense	(53,188)	(54,189)	(59,566)	(49,964)	(53,983)	(59,094)	6%	0%	1%
Net interest income	107,506	120,981	134,739	112,684	121,981	135,887	-5%	-1%	-1%
Non-interest income	48,402	54,791	62,110	48,469	54,764	61,873	0%	0%	0%
Total operating income	155,908	175,772	196,849	161,152	176,745	197,761	-3%	-1%	0%
Opex	(70,174)	(75,216)	(83,147)	(66,102)	(73,326)	(82,700)	6%	3%	1%
PPOP	85,734	100,556	113,702	95,050	103,420	115,060	-10%	-3%	-1%
Provisions	(19,262)	(23,229)	(23,650)	(19,262)	(21,292)	(23,650)	0%	9%	0%
Operating profit	66,472	77,327	90,052	75,788	82,127	91,410	-12%	-6%	-1%
Non-operating profit	2,112	2,350	2,609	2,119	2,352	2,595	0%	0%	1%
Pre-tax profit	68,584	79,677	92,661	77,907	84,479	94,005	-12%	-6%	-1%
Income tax	(13,294)	(15,465)	(18,010)	(15,158)	(16,425)	(18,282)	-12%	-6%	-1%
Minority interests	(4,044)	(4,044)	(4,044)	(4,044)	(4,044)	(4,044)	0%	0%	0%
Net profit	51,246	60,168	70,607	58,706	64,010	71,680	-13%	-6%	-1%

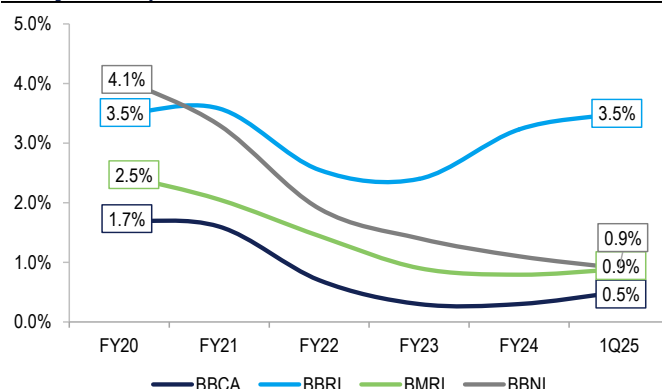
Source: Indo Premier

Fig. 3: BMRI FY21-FY24 CAGR loan growth was at 16.7% vs. other big 3 banks of 10.5%



Source: Company, Indo Premier

Fig. 4: BMRI vs other banks' cost of credit trend – we expect CoC to slowly catch-up in 2H25F



Source: Company, Indo Premier

Fig. 5: 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. 6: BMRI's P/E – now trading at 8.3x FY25F P/E vs. 10-year average of 11.7x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 7: 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	8,025	10,400	4.3	30%	Buy	17.3	15.9	21.3	3.6	3.3	3.8
BBRI	4,140	4,700	2.1	14%	Buy	11.0	9.8	14.7	2.0	1.9	2.4
BMRI	4,530	6,000	1.7	32%	Buy	8.3	7.0	11.7	1.3	1.2	1.6
BBNI	4,410	4,800	0.9	9%	Buy	8.0	7.3	10.4	0.9	0.9	1.1
BBTN	1,390	1,450	0.6	4%	Buy	6.0	5.5	6.9	0.6	0.5	0.8
BRIS*	2,680	3,500	2.7	31%	Buy	15.2	13.5	15.9	2.4	2.1	2.2

Source: Bloomberg, Company, Indo Premier

*4Y avg

Share price closing as of: 15 September 2025

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	132,544	151,236	160,694	175,170	194,306
Interest expense	(36,658)	(49,479)	(53,188)	(54,189)	(59,566)
Net interest income	95,887	101,757	107,506	120,981	134,739
Non-interest income	42,771	44,842	48,402	54,791	62,110
Total operating income	138,658	146,599	155,908	175,772	196,849
Opex	(53,867)	(58,611)	(70,174)	(75,216)	(83,147)
PPOP	84,790	87,988	85,734	100,556	113,702
Provisions	(10,149)	(11,929)	(19,262)	(23,229)	(23,650)
Operating profit	74,642	76,059	66,472	77,327	90,052
Non-operating profit	43	344	2,112	2,350	2,609
Pre-tax profit	74,685	76,403	68,584	79,677	92,661
Income tax	(14,633)	(15,238)	(13,294)	(15,465)	(18,010)
Minority interest	(4,992)	(5,382)	(4,044)	(4,044)	(4,044)
Net profit	55,060	55,783	51,246	60,168	70,607

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	135,037	148,721	147,474	161,352	179,528
Secondary reserves	536,883	489,637	556,007	622,727	685,000
Gross loans	1,398,071	1,670,695	1,831,894	2,039,567	2,260,436
Loan provisions	(53,099)	(49,533)	(54,501)	(63,490)	(69,004)
Other assets	157,327	167,702	180,978	194,908	210,241
Total Assets	2,174,219	2,427,223	2,661,851	2,955,065	3,266,201
Total deposits	1,588,133	1,710,908	1,935,850	2,191,664	2,460,006
Securities and borrowings	189,575	280,306	289,275	289,275	289,275
Other liabilities	109,017	122,535	115,517	123,496	131,784
Total liabilities	1,886,724	2,113,749	2,340,642	2,604,435	2,881,065
Shareholders' equity	287,495	313,474	321,210	350,630	385,136
Total liabilities & equity	2,174,219	2,427,223	2,661,851	2,955,065	3,266,201

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%	9.7%	11.0%	10.5%
Total deposits	5.7%	7.7%	12.8%	13.2%	12.2%
Net interest income	9.1%	6.1%	5.7%	12.5%	11.4%
Non-interest income	13.6%	4.8%	7.9%	13.2%	13.4%
Total operating income	10.4%	5.7%	6.4%	12.7%	12.0%
Operating expense	1.1%	8.8%	19.7%	7.2%	10.5%
PPOP	17.3%	3.8%	-2.6%	17.3%	13.1%
Net profit	33.7%	1.3%	-8.1%	17.4%	17.4%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	2.6%	2.4%	1.9%	2.1%	2.2%
ROAE	22.4%	20.5%	17.8%	19.6%	20.9%
NIM	5.3%	5.1%	4.8%	4.9%	4.9%
Credit cost	0.8%	0.8%	1.1%	1.2%	1.1%
Cost/income	38.8%	40.0%	45.0%	42.8%	42.2%
LDR	88.0%	97.6%	94.6%	93.1%	91.9%
CAR	22.0%	20.8%	19.3%	18.9%	18.8%
NPL ratio	1.2%	1.1%	1.3%	1.5%	1.6%
Provisions/NPL	329.1%	265.1%	231.7%	205.6%	192.6%

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

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