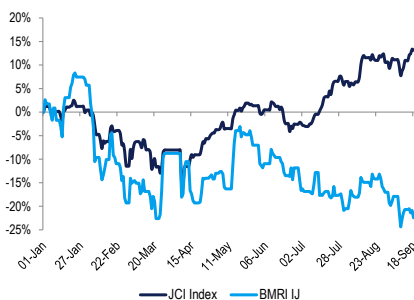


Stock Data

Target price	Rp6,000
Prior TP	Rp6,000
Current price	Rp4,380
Upside/downside	37.0%
Shares outstanding (mn)	93,333
Market cap (Rp bn)	408,800
Free float	39%
Avg. 6m daily T/O (Rp bn)	814

Price Performance

	3M	6M	12M
Absolute	-11.9%	-5.2%	-40.8%
Relative to JCI	-27.4%	-31.4%	-42.7%
52w low/high (Rp)	4,310 – 7,450		



Major Shareholders

Republic of Indonesia	52%
Indonesia Investment Authority	8%

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2Q25 results: miss from elevated opex; guidance downgrade was inevitable

- 1H25 net profit of Rp24.5tr (-8% yoy) was in-line with ours but below consensus at 48/44%. PPOP fell -6% yoy from spike in opex (+25% yoy).
- NIM improved to 4.9% in 1H25 (4.8% in 1Q25) as loan yield rose +22bp qoq/+11bp yoy from one-off interest income adjustment in mortgage.
- NPL and LAR were relatively stable but NPL coverage continued to drop to 246%. It also revised down the loan growth/NIM guidance.

2Q25 results: miss from spike in opex post audit adjustment

BMRI net profit of Rp24.5tr in 1H25 (-8% yoy/-15% qoq in 2Q25) was in-line with ours but below consensus FY25F estimates at 48%/44%. PPOP fell -6% yoy (-15% qoq) amid spike in opex (+25% yoy/+15% qoq) from post audit adjustment (10-12% contribution to FY25F opex) - we have highlighted this risk in our downgrade note (link). This translates to higher CIR of 44.5% in 1H25 and will remain at 45-46% for FY25F before normalizing to 40-42% in FY26F. Provision rose by +5% yoy but down -13% qoq, bringing CoC lower at 0.8% (guidance also being revised to 0.8-1% from 1-1.2%) which we think is too low vs. its 5Y/10Y average CoC of 1.6/2.0%.

Higher NIM from one-off interest income adjustment

Consolidated NIM rose to 4.9% in 1H25 (vs. 4.8%/5.1% in 1Q25/1H24) attributed to rise in loan yield by +22bp qoq/+11bp yoy in 2Q25 amid one-off interest income adjustment in mortgage segment (similar to BBTN). This is despite higher CoF at 2.8% in 2Q25 (vs. 2.7%/2.5% in 1Q25/2Q24) and lower LDR at 90.1% (vs. 92.5% in 1Q25). Deposit grew +11% yoy (+5% qoq), reflecting stronger growth in TD (+15% yoy) vs. CASA at +9% yoy. BMRI revised FY25F NIM guidance to 4.8-5.0% (VS. 5.0-5.2% previously).

Normalizing loan growth with commercial remain as a key driver

Loan growth moderated to +11% yoy (+2% qoq). Concurrently, BMRI lower its FY25F loan growth guidance to 8-10% (from 10-12%) as it prioritizes keeping LDR at the ~90% level. Commercial led the growth at +18% yoy, followed by micro & payroll at +12% yoy.

Improving LAR while NPL coverage continued to drop

LAR improved -29bp qoq to 6.9% in 2Q25 (vs. 7.2% in 1Q25), while NPL/SML were stable at 1.2/3.2%. LAR coverage was at 45% in 2Q25 (43% in 1Q25) but NPL coverage dropped to 246% in 2Q25 vs. 265% in 1Q25. Moreover, recovery/write-off ratio reached 110% - write-off at Rp2.8tr in 1H25 vs. Rp7.4tr in 1H24, total FY25F target at Rp6-8tr.

Maintain Buy as valuation remains attractive

We maintain our Buy rating as we think earning risk has been priced in. BMRI currently trades at an attractive valuation of 1.3x P/B and 8.0x P/E (vs. 10Y avg. of 1.6x P/B and 11.7x P/E). Risks are NIM and higher CoC.

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
P/BV (x)	1.5	1.3	1.3	1.2	1.1
Dividend yield	6.0%	8.0%	10.6%	7.5%	8.8%
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: 19 September 2025

Fig. 1: BMRI 2Q25 results summary

BMRI 2Q25 result (Rp bn)	1H25	1H24	%YoY	2Q25	2Q24	%YoY	1Q25	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons.
Interest Income	81,577	72,224	13%	41,951	36,689	14%	39,626	6%	160,694	51%		
Interest Expenses	(29,193)	(23,143)	26%	(15,072)	(11,794)	28%	(14,121)	7%	(53,188)	55%		
Net interest income	52,384	49,081	7%	26,879	24,895	8%	25,505	5%	107,506	49%		
Non interest income	20,993	20,515	2%	9,320	10,388	-10%	11,673	-20%	48,402	43%		
Total Income	73,377	69,596	5%	36,199	35,283	3%	37,178	-3%	155,908	47%		
Overhead Expenses	(32,655)	(26,077)	25%	(17,486)	(12,965)	35%	(15,169)	15%	(70,174)	47%		
Pre-provision profit	40,722	43,519	-6%	18,713	22,318	-16%	22,009	-15%	85,734	47%		
Loan loss provision	(7,279)	(6,913)	5%	(3,384)	(3,317)	2%	(3,895)	-13%	(19,262)	38%		
Non Operating	80	(1)	-8100%	15	2	650%	65	-77%	2,112	4%		
Pretax Profit	33,523	36,605	-8%	15,344	19,003	-19%	18,179	-16%	68,584	49%	75,439	44%
Taxes	(6,673)	(7,334)	-9%	(3,024)	(3,853)	-22%	(3,649)	-17%	(13,294)	50%		
Minority interest	(2,395)	(2,720)	-12%	(1,062)	(1,301)	-18%	(1,333)	-20%	(4,044)	59%		
Net Profit	24,455	26,551	-8%	11,258	13,849	-19%	13,197	-15%	51,246	48%	55,049	44%

Source: Company, Indo Premier

Fig. 2: BMRI 2Q25 balance sheet summary

Balance Sheet (Rp bn)	2Q25	2Q24	%YoY	1Q25	%QoQ
Cash + CA with BI	276,276	208,814	32%	255,192	8%
Secondary Reserves	413,389	399,511	3%	403,673	2%
Gross Loan	1,701,214	1,532,354	11%	1,672,429	2%
Loan loss provisions	(51,296)	(51,755)	-1%	(51,439)	0%
Other assets	175,101	168,877	4%	183,804	-5%
Total Assets	2,514,684	2,257,801	11%	2,463,659	2%
Demand Deposits	672,166	612,071	10%	590,295	14%
Saving deposits	681,484	626,379	9%	679,417	0%
CASA	1,353,650	1,238,450	9%	1,269,712	7%
Time Deposits & CD	474,007	412,575	15%	479,007	-1%
Deposit from Customers	1,827,657	1,651,025	11%	1,748,719	5%
Wholesale funding	289,757	230,997	25%	282,375	3%
Other liabilities&accrued	98,529	93,447	5%	147,387	-33%
Total Liabilities	2,216,767	1,975,469	12%	2,178,481	2%
Equity	297,917	282,332	6%	285,178	4%

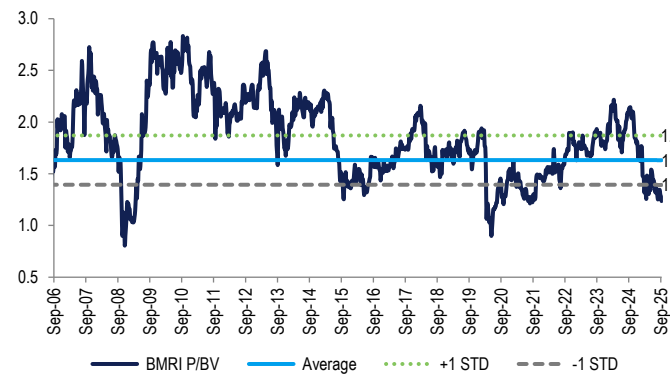
Source: Company, Indo Premier

Fig. 3: BMRI 2Q25 key ratios

Key Ratios (%)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Loan yield (Q) - reported, bank only	7.7	7.9	8.1	7.7	7.7	7.8	7.7	7.9	7.6	7.9
CoF (Q) - reported, bank only	2.0	2.0	2.1	2.3	2.5	2.5	2.6	2.7	2.7	2.8
NIM (Q) - reported, bank-only	5.1	5.4	5.5	5.0	4.8	5.1	4.9	5.0	4.6	4.9
NIM (C) - reported	5.4	5.6	5.6	5.5	5.1	5.1	5.1	5.2	4.8	4.9
Credit costs (C) - reported	1.2	1.2	1.0	0.9	1.1	1.0	0.9	0.8	0.9	0.8
Cost to income ratio	37.0	36.8	38.1	38.8	38.2	37.5	37.3	40.0	40.8	44.5
CASA ratio	74	73	74	74	74	75	74	75	73	74
LDR	86	86	88	86	88	90	92	95	93	90
CAR	20.3	20.7	21.3	22.0	19.9	20.1	20.7	20.9	18.5	19.5
Gross NPL	1.8	1.6	1.5	1.2	1.2	1.2	1.1	1.1	1.2	1.2
Special mention	4.1	4.4	4.3	3.9	4.0	3.6	3.4	3.2	3.2	3.2
Loan at risk (incl. Covid)	11.3	10.3	9.8	8.6	8.4	7.8	7.5	6.8	7.2	6.9
Coverage ratio	303	304	299	326	318	293	281	271	265	246
LAR coverage	47	48	46	45	45	44	43	45	43	45

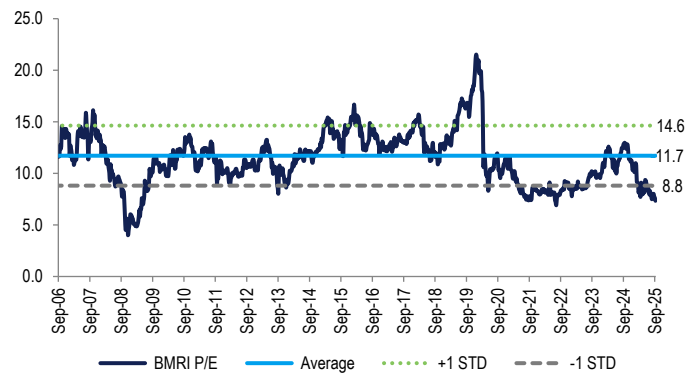
Source: Company, Indo Premier

Fig. 4: 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. 5: BMRI's P/E – now trading at 8.0x FY25F P/E vs. 10-year average of 11.7x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 6: 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	7.800	10.400	4,3	33%	Buy	16,8	15,4	21,3	3,5	3,2	3,8
BBRI	4.250	4.700	2,1	11%	Buy	11,3	10,1	14,7	2,0	1,9	2,4
BMRI	4.380	6.000	1,7	37%	Buy	8,0	6,8	11,7	1,3	1,2	1,6
BBNI	4.270	4.800	0,9	12%	Buy	7,7	7,1	10,4	0,9	0,8	1,1
BBTN	1.335	1.450	0,6	9%	Buy	5,8	5,3	6,9	0,5	0,5	0,8
BRIS*	2.610	3.500	2,7	34%	Buy	14,8	13,1	15,9	2,3	2,0	2,2

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

Share price closing as of: 19 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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