

Bank Mandiri recorded a strong performance in IQ26, posting net profit of IDR 15.4T (+16.6% YoY), supported by solid PPOP growth to IDR 22.6T (+10.4% YoY), in line with robust NII expansion of +11.3% YoY to IDR 25.1T — driven by 16.2% YoY loan growth and lower deposit CoF at 1.97% (IQ25: 2.37%), which helped stabilize consolidated NIM at 4.70% (IQ25: 4.75%), still within management's guidance range of 4.5%–4.7%. Non-interest income increased 6.06% YoY to IDR 11.3T, with recurring income growing strongly by 18.8% YoY. Operational efficiency remained well-managed, with opex growth limited to +6.98% YoY, below total operating income growth of +9.07% YoY, resulting in an improved CIR of 38.2% from 39.0% in IQ25, reflecting consistent cost discipline. Provisioning expenses declined significantly by 20.1% YoY to IDR 2.7T in line with healthy asset quality, with CoC at 0.58%, below management's guidance floor of 0.6%–0.8% — reinforcing BMRI's earnings quality and its capacity to sustain high profitability levels.

FY26 Earnings Outlook: NIM Guidance Revised Lower Following BSI (BRIS) Deconsolidation & Softer Loan Demand

FY26 Guidance – NIM Revised Lower. Management revised FY26 NIM guidance for BMRI to 4.5%–4.7%, from the previous 4.6%–4.8%, reflecting the deconsolidation of Bank Syariah Indonesia (BRIS) and potential pressure on asset yields amid intensifying competition and weaker loan demand, although still supported by manageable CoF. Meanwhile, loan growth and CoC guidance were maintained at 7%–9% and 0.6%–0.8%, respectively. In addition, management targets NPL coverage at around 240% as a comfortable forward buffer. We maintain our forecast, with BMRI having achieved 26.1% of our FY26 estimate as of IQ26 (NHKSI FY26 Estimate: IDR 58.9T).

Lending Side: Loan Disbursement Remained Resilient in IQ26 – Supported by High Base Effect from 4Q25

- BMRI's loan disbursement remained solid in IQ26**, with total loans growing +16.2% YoY and +2.16% QoQ to IDR 1,614T (FY25: IDR 1,580T | IQ25: IDR 1,389T), supported by continued growth in the business banking segment, particularly corporate and commercial loans on a quarterly basis. On an annual basis, growth remained significantly strong due to the high base effect from 4Q25.
- Corporate Loans Continued to Be the Main Growth Driver.** BMRI's loan growth in IQ26 was still dominated by the business segment, particularly corporate loans, which increased +1.78% QoQ and +29.2% YoY to IDR 801T (FY25: IDR 772T | IQ25: IDR 620T), while commercial loans grew +0.84% QoQ and +13.4% YoY to IDR 325T (FY25: IDR 322T | IQ25: IDR 287T). Meanwhile, SME loans remained relatively limited, growing +1.36% QoQ and +13.4% YoY to IDR 83T.
- Weakness in Retail Loans – In Line with Softer Consumer Purchasing Power.** On the retail side, micro & payroll loans grew moderately by +1.17% QoQ and +2.85% YoY to IDR 198T (FY25: IDR 195T | IQ25: IDR 192T), while consumer loans posted marginal growth of -0.27% QoQ and +1.78% YoY to IDR 124T (FY25: IDR 122T | IQ25: IDR 122T), in line with BMRI's continued selective and prudent stance toward retail lending amid weaker consumer purchasing power and tighter underwriting processes.

Funding Side: Remained Strong in IQ26 – CoF Continued to Decline Alongside the Interest Rate Easing Cycle

- CASA Continued to Serve as the Backbone of Funding.** CASA grew +13.0% YoY and +1.28% QoQ to IDR 1,215T (FY25: IDR 1,186T | IQ25: IDR 1,075T), supported by strong current account growth of +20.5% YoY and +0.29% QoQ to IDR 642T, while savings accounts grew more moderately by +5.65% YoY and +2.43% QoQ to IDR 573T. The solid CASA growth reflects the success of BMRI's digital ecosystem strategy in acquiring and retaining transactional customers.
- Time Deposits Grew Solidly.** Time deposits recorded strong growth of +45.3% YoY to IDR 515T (FY25: IDR 489T | IQ25: IDR 355T), structurally pressuring the CASA ratio to 70.2%, down from 75.2% in IQ25. Overall, total Third-Party Funds (DPK) still posted solid growth, reaching IDR 1.73T (+21% YoY).
- Cost of Fund (CoF) Continued to Decline.** Despite the increasing portion of time deposits, deposit CoF was successfully reduced to 1.97%, supported by the ongoing interest rate easing cycle and the still-dominant CASA funding mix — serving as a key factor supporting NIM stability at 4.70% amid continued pressure on loan yields in IQ26.

BMRI Asset Quality: Resilient Asset Quality – Healthy and Stable

- BMRI's asset quality in IQ26 remained well-maintained**, as reflected by stable consolidated NPL ratio at 1.02%, while LAR improved to 6.02% from 7.21% in IQ25, driven by lower restructuring category 1 loans and SML exposure, alongside more disciplined underwriting quality. On the coverage side, NPL coverage normalized to 237% (IQ25: 292%) and LAR coverage to 39.9% (IQ25: 43%). CoC stood at 0.58% (IQ25: 0.83%), below the guidance range of 0.6%–0.8%, in line with the 20.1% YoY decline in provisioning expenses to IDR 2.7T — reinforcing BMRI's earnings quality amid potential normalization of problematic loans within the retail segment.

“Buy” Recommendation with Target Price of IDR 5,600 (Potential Upside +32.1%)

- NHKSI Research gives “Buy” recommendation on BMRI with an unchanged target price of IDR 5,600, implying FY26F P/BV of 1.4x (-1 STD below the 3-year average). Positive catalysts that could justify BMRI's valuation include stronger loan disbursement growth and more expansive profitability metrics such as NIM and others. Although NIM is expected to gradually contract in line with declining interest rates, operational performance — particularly supported by stronger non-interest income growth — is expected to further support BMRI's overall earnings performance. Key risks to our recommendation include uncertain macroeconomic and political conditions, intensifying competition within the banking industry, and weaker-than-expected loan growth and NIM contraction trajectory.

PT Bank Mandiri Tbk. | Summary (IDR Billions)

| In IDR Bn | 2025 A | 2026 F | 2027 F | 2028 F |
|--------------------------------|---------|---------|---------|---------|
| Interest Income | 164,412 | 179,178 | 195,258 | 207,410 |
| Interest Income Growth | 8.7% | 9.0% | 9.0% | 6.2% |
| Operating Revenue | 155,226 | 163,864 | 173,478 | 178,456 |
| Net Profit | 56,294 | 58,890 | 63,174 | 69,271 |
| EPS (IDR) | 602 | 630 | 675 | 741 |
| Growth | 0.9% | 4.6% | 7.3% | 9.7% |
| BVPS (IDR) | 3,141 | 3,295 | 3,491 | 3,703 |
| Net Interest Margin | 4.9% | 4.6% | 4.3% | 4.0% |
| Loan / Deposits | 89.1% | 87.2% | 88.2% | 89.8% |
| NPL | 1.1% | 1.2% | 1.3% | 1.4% |
| ROE | 17.6% | 17.5% | 17.7% | 18.3% |
| ROA | 2.1% | 2.0% | 1.9% | 1.9% |
| Non-Int. Inc. / Op. Rev | 31.6% | 31.9% | 32.3% | 33.4% |
| P/E | 7.0x | 8.9x | 8.9x | 8.8x |
| P/BV | 1.4x | 1.7x | 1.7x | 1.8x |
| DPS (IDR) | 465 | 481 | 504 | 540 |
| Dividend yield | 11.0% | 8.6% | 8.4% | 8.2% |

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 13th May 2026

Buy

| | |
|-----------------------|--------|
| Target Price (IDR) | 5,600 |
| Consensus Price | 5,808 |
| TP to Consensus Price | -3.6% |
| Potential Upside | +32.1% |

Shares Data

| | |
|----------------------------|---------------------------|
| Last Price (IDR) | 4,240 |
| Price date as of | 12 th May 2026 |
| 52 wk range (Hi/Lo) | 5,575 / 4,010 |
| Free Float (%) | 40.35 |
| Outstanding sh (mn) | 93,333 |
| Market Cap (IDR bn) | 395,733 |
| Market Cap (USD mn) | 22,428 |
| Avg. Trd Vol – 3M (mn) | 168.1 |
| Avg. Trd Val – 3M (IDR Bn) | 798.1 |
| Foreign Ownership | 28.7% |

Sector

Financial

Sub-Sector

Bank

Bloomberg

BMRI IJ Equity

Reuters

BMRI JK

Shares Price Performance



| | YTD | 1M | 3M | 12M |
|---------|--------|-------|--------|--------|
| Abs.Ret | -16.5% | -7.8% | -16.5% | -16.0% |
| Rel.Ret | +5.1% | +0.7% | +0.6% | -14.3% |

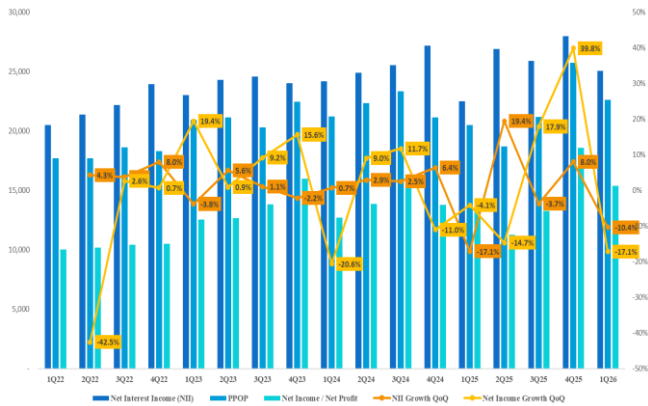
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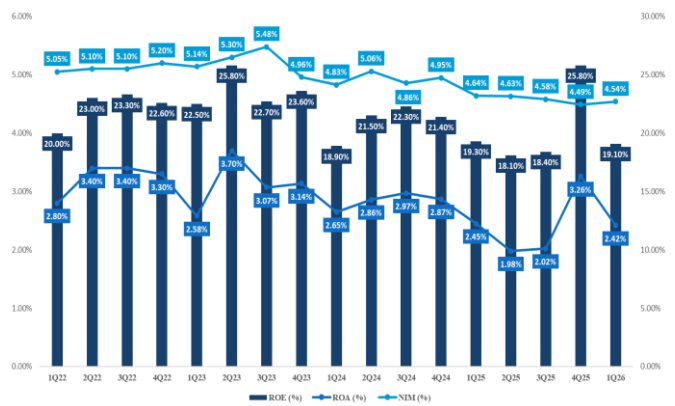
Performance Highlight For BMRI

Exhibit 1. BMRI Quarterly Financial Performance (In IDR Billion)



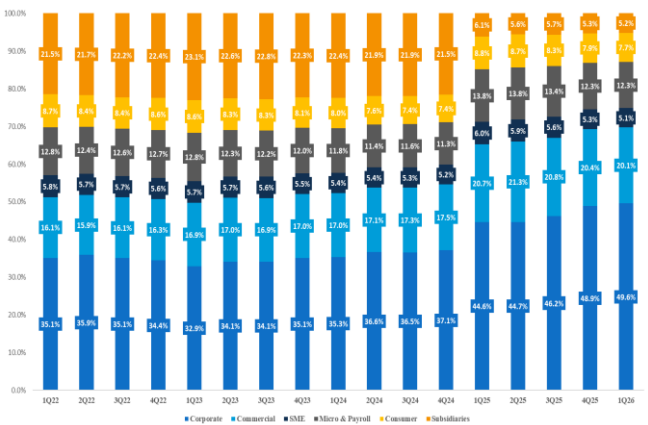
Source : BMRI, NHKSI Research

Exhibit 2. BMRI Profitability Ratio (In % - Bank Only)



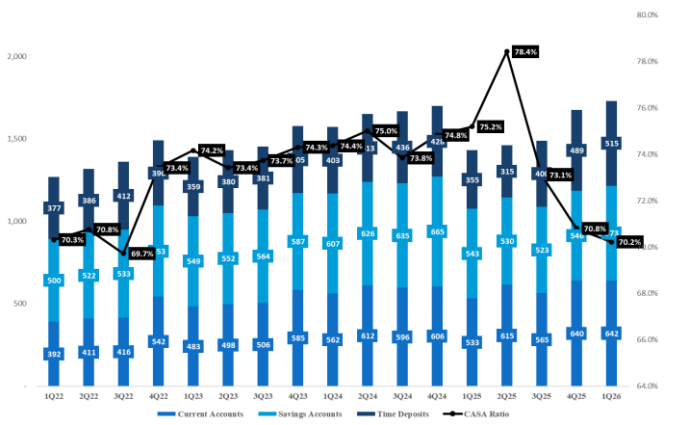
Source : BMRI, NHKSI Research

Exhibit 3. BMRI Loan Segmentation Breakdown



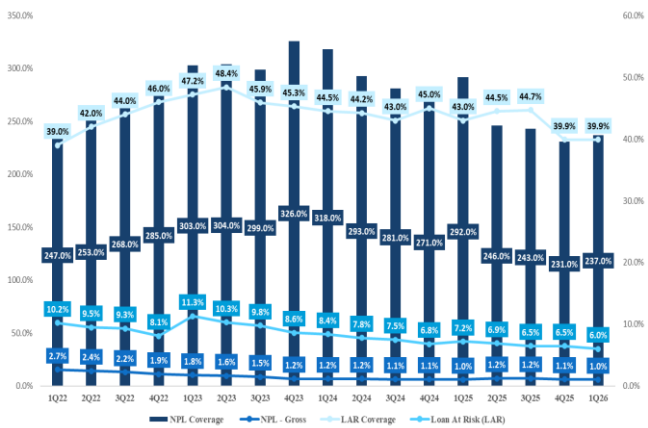
Source : BMRI, NHKSI Research

Exhibit 4. BMRI Third Party Fund Composition (IDR Tn) & CASA Ratio (In %)



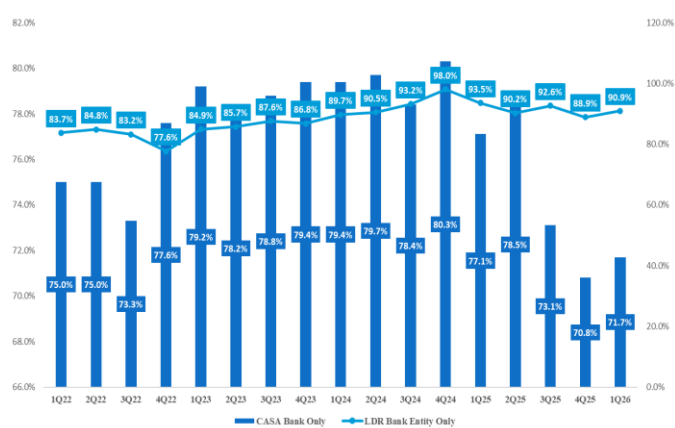
Source : BMRI, NHKSI Research

Exhibit 5. BMRI Asset Quality (In %)



Source : BMRI, NHKSI Research

Exhibit 6. CASA Ratio vs Loan to Deposit Ratio (LDR) (In % - Bank Only)

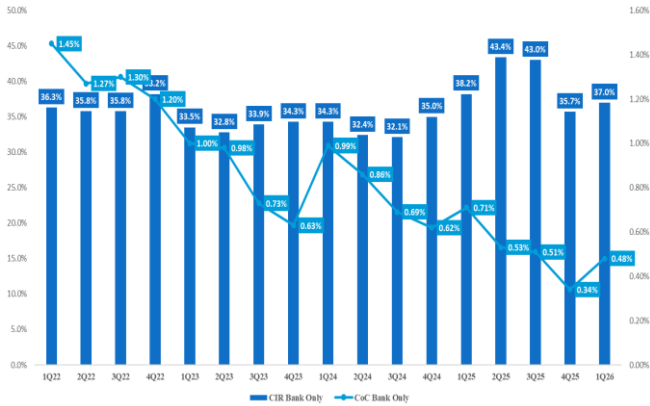


Source : BMRI, NHKSI Research

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Performance Highlight For BMRI

Exhibit 7. BMRI CIR & CoC (In % - Bank Only)



Source : BMRI, NHKSI Research

Exhibit 8. BMRI Forward PBV | (In x - Last 3 Years)



Source : BMRI, NHKSI Research

Please consider the rating criteria & important disclaimer

Summary of BMRI's Financials & Forecast

INCOME STATEMENT

| (IDR Billions) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|------------------------------------|----------------|----------------|----------------|----------------|
| Interest Income | 164,412 | 179,178 | 195,258 | 207,410 |
| Growth (% y/y) | 8.7% | 9.0% | 9.0% | 6.2% |
| Interest Expenses | (58,202) | (67,516) | (77,845) | (88,637) |
| Net Interest Income (NII) | 106,210 | 111,662 | 117,413 | 118,773 |
| Net Interest Margin (NIM) | 4.9% | 4.6% | 4.3% | 4.0% |
| Net Fee Income | 28,143 | 30,707 | 32,582 | 34,147 |
| Trading Income | 6,807 | 7,537 | 8,219 | 8,611 |
| Other Operating Income | 14,066 | 13,958 | 15,264 | 16,925 |
| Operating Revenue | 155,226 | 163,864 | 173,478 | 178,456 |
| Operating Expenses | (67,584) | (72,100) | (76,330) | (71,382) |
| Pre-Provisioning O.P (PPOP) | 87,642 | 91,764 | 97,147 | 107,074 |
| Provision for Impairment | (11,331) | (11,801) | (11,245) | (13,080) |
| EBT | 76,418 | 80,159 | 86,091 | 94,240 |
| Income Tax | (15,071) | (15,834) | (17,052) | (18,623) |
| Non Controlling Interest | (5,052) | (5,435) | (5,865) | (6,347) |
| Net Profit | 56,294 | 58,890 | 63,174 | 69,271 |
| Growth (% y/y) | 0.9% | 4.6% | 7.3% | 9.7% |

PROFITABILITY & STABILITY

| | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|--------------------------|----------|----------|----------|----------|
| ROE | 17.6% | 17.5% | 17.7% | 18.3% |
| ROA | 2.1% | 2.0% | 1.9% | 1.9% |
| Non-Int. Inc/ Op. Rev. | 31.6% | 31.9% | 32.3% | 33.4% |
| Cost / Income | 43.5% | 44.0% | 44.0% | 40.0% |
| Cash Dividend (IDR Bn) | 43,511 | 45,035 | 47,112 | 50,540 |
| Dividend Yield | 10.97% | 8.60% | 8.39% | 8.25% |
| Dividend Payout Ratio | 78.0% | 80.0% | 80.0% | 80.0% |
| Loan / Deposits | 89.1% | 87.2% | 88.2% | 89.8% |
| Loan / Assets | 67.0% | 64.9% | 65.7% | 67.6% |
| NPL | 1.12% | 1.20% | 1.29% | 1.38% |
| Loan Loss Res. / Loan | 2.6% | 2.6% | 2.7% | 2.8% |
| CASA / Deposits | 68.0% | 68.6% | 69.3% | 70.0% |
| Time Deposits / Deposits | 32.0% | 31.4% | 30.7% | 30.0% |
| Par Value (IDR) | 250 | 250 | 250 | 250 |
| Total Shares (mn) | 93,533 | 93,533 | 93,533 | 93,533 |
| Share Price (IDR) | 4,240 | 5,600 | 6,000 | 6,550 |
| Market Cap (IDR tn) | 396.6 | 523.8 | 561.2 | 612.6 |

BALANCE SHEET

| (IDR Billions) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|-----------------------------|------------------|------------------|------------------|------------------|
| Cash | 33,857 | 34,149 | 44,924 | 42,082 |
| Placement In Banks | 349,685 | 370,250 | 327,049 | 349,726 |
| Net Loans | 1,845,767 | 1,976,987 | 2,194,911 | 2,463,987 |
| Investment | 423,796 | 539,811 | 642,345 | 666,010 |
| Fixed Asset | 72,062 | 78,033 | 86,025 | 95,527 |
| Other Assets | 104,782 | 127,450 | 135,884 | 131,011 |
| Total Assets | 2,829,948 | 3,126,680 | 3,431,138 | 3,748,343 |
| Deposits | 2,127,274 | 2,328,749 | 2,556,812 | 2,821,818 |
| Debt | 217,267 | 235,582 | 266,783 | 289,367 |
| Other Liabilities | 158,005 | 217,138 | 240,342 | 245,986 |
| Total Liabilities | 2,502,546 | 2,781,470 | 3,063,938 | 3,357,171 |
| Capital Stock + APIC | 29,762 | 29,762 | 29,762 | 29,762 |
| Retained Earnings | 223,510 | 233,905 | 249,968 | 268,699 |
| Shareholders' Equity | 327,402 | 345,210 | 367,200 | 391,172 |

VALUATION INDEX

| | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|------------------------|----------|----------|----------|----------|
| Price / Earnings | 7.0x | 8.9x | 8.9x | 8.8x |
| Price / Book Value | 1.4x | 1.7x | 1.7x | 1.8x |
| Price / Op. Revenue | 2.6x | 3.2x | 3.2x | 3.4x |
| PE / EPS Growth | 7.7x | 1.9x | 1.2x | 0.9x |
| EV / Operating Revenue | 4.0x | 4.7x | 4.7x | 5.1x |
| EV / PPOP | 7.0x | 8.3x | 8.5x | 8.4x |
| EV (IDR Billions) | 613,643 | 762,237 | 823,777 | 904,718 |
| Op. Rev. CAGS (3-Yr) | 7.3% | 5.7% | 5.8% | 4.8% |
| EPS CAGR (3-Yr) | 11.0% | 2.3% | 4.2% | 7.2% |
| Basic EPS (IDR) | 602 | 630 | 675 | 741 |
| Dilluted EPS (IDR) | 602 | 630 | 675 | 741 |
| BVPS (IDR) | 3,141 | 3,295 | 3,491 | 3,703 |
| Op. Rev. PS (IDR) | 1,660 | 1,752 | 1,855 | 1,908 |
| DPS (IDR) | 465 | 481 | 504 | 540 |

CASH FLOW STATEMENT

| (IDR Billions) | 2025/12A | 2026/12F | 2027/12F | 2028/12F |
|----------------------------|---------------|------------|---------------|----------------|
| Operating Cash Flow | 31,450 | 39,040 | 49,910 | 63,432 |
| Investing Cash Flow | (246,725) | (290,255) | (302,215) | (318,565) |
| Financing Cash Flow | 302,973 | 251,506 | 263,080 | 252,291 |
| Net Changes in Cash | 87,698 | 292 | 10,775 | (2,842) |

OWNERSHIP

| By Geography | % Shareholders | % |
|----------------|----------------------------|-------|
| Indonesia | 71.32 Danantara Indonesia | 51.48 |
| United States | 10.06 INA (Indonesian SWF) | 8.00 |
| United Kingdom | 2.91 BPJS Ketenagakerjaan | 1.33 |
| Others | 15.71 Others | 39.19 |

Source : BMRI, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%



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