

## BMRI 2Q26: Fee Income and Lower Opex Offset NIM Pressure as Net Profit Rises +33% YoY

2Q26 (Consolidated): NII IDR 23Tn (-9.0% QoQ, +4.7% YoY) | PPOP IDR 22Tn (-4.6% QoQ, +32% YoY) | Net Profit IDR 15Tn (-2.3% QoQ, +33% YoY) | Annualised NIM 4.1% | Credit Cost 0.6%

|                                                              |                                                        |                                                        |                                                                 |
|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|
| Net Profit (2Q26)<br><b>IDR 15Tn</b><br>-2.3% QoQ   +33% YoY | PPOP (2Q26)<br><b>IDR 22Tn</b><br>-4.6% QoQ   +32% YoY | NII (2Q26)<br><b>IDR 23Tn</b><br>-9.0% QoQ   +4.7% YoY | Total Loans (eop)<br><b>IDR 1,592Tn</b><br>+4.0% QoQ   +20% YoY |
|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|

### KEY TAKEAWAYS

- Net Profit reached IDR 15Tn in 2Q26, -2.3% QoQ but +33% YoY**, as stronger non-interest income and lower operating expenses offset NIM compression. 1H26 cumulative net profit stands at IDR 30Tn, +24% YoY, tracking 53.0% of FY26F consensus (broadly in-line).
- NII eased -9.0% QoQ to IDR 23Tn (+4.7% YoY) as funding cost pressure weighed on margins, but Non-Interest Income rose +1.4% QoQ to IDR 12Tn (+33% YoY), led by fee income (+29% YoY).** Operating Expenses fell -7.6% QoQ, keeping PPOP at IDR 22Tn (-4.6% QoQ, +32% YoY) despite the softer top-line pace.
- Total Loans (eop) grew +4.0% QoQ to IDR 1,592Tn (+20% YoY); CASA ratio eased to 70.5%.** LDR ticked up to 93.1% as time deposits kept outpacing CASA growth, consistent with management's 2026 guidance of loan growth following deposit growth (7-9% FY26 loan growth guidance, revised up from 4.5-4.7%).
- Provisions fell -9.7% QoQ to IDR 2.4Tn, keeping annualised Credit Cost at 0.6%, within the FY26 guidance band of 0.6% to 0.8%.** NPL and Loan-at-Risk ratios continued to improve YoY on a consolidated basis, with NPL coverage still comfortably above 230%. *Key watch: NIM trajectory as BI holds the policy rate at 5.75% (RDG 21-22 Jul 2026) amid elevated time-deposit competition for funding, CASA ratio stabilisation, and whether the FY26 NIM guidance of 4.3-4.5% (revised down from 4.5-4.7%) is achieved.*

| INCOME STATEMENT · IDR Tn, Consolidated · Quarterly |             |             |             |              |              |             |             |              |
|-----------------------------------------------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|--------------|
| (IDR Tn)                                            | 2Q25        | 1Q26        | 2Q26        | QoQ %        | YoY %        | 1H25        | 1H26        | YTD YoY      |
| Interest Income                                     | 34.5        | 37.4        | 35.5        | -5.0%        | +2.8%        | 69.6        | 72.9        | +4.7%        |
| Interest Expense                                    | -12.8       | -12.3       | -12.7       | +3.3%        | -0.4%        | -25.4       | -25.1       | -1.2%        |
| <b>Net Interest Income</b>                          | <b>21.8</b> | <b>25.1</b> | <b>22.8</b> | <b>-9.0%</b> | <b>+4.7%</b> | <b>44.3</b> | <b>47.8</b> | <b>+8.0%</b> |
| Non-Interest Income                                 | 8.8         | 11.6        | 11.7        | +1.4%        | +33%         | 19.9        | 23.3        | +17%         |
| — Fee Income                                        | 4.4         | 5.4         | 5.7         | +7.0%        | +29%         | 8.9         | 11.1        | +24%         |
| — Trading & Market Inc.                             | 1.5         | 1.8         | 2.1         | +16%         | +35%         | 3.2         | 3.9         | +23%         |
| — Other Operating Inc.                              | 3.2         | 4.1         | 3.7         | -10%         | +14%         | 7.7         | 7.8         | +1.0%        |
| <b>Total Revenue</b>                                | <b>30.6</b> | <b>36.6</b> | <b>34.5</b> | <b>-5.7%</b> | <b>+13%</b>  | <b>64.2</b> | <b>71.1</b> | <b>+11%</b>  |
| Operating Expenses                                  | -14.2       | -14.0       | -12.9       | -7.6%        | -9.1%        | -27.3       | -26.9       | -1.4%        |
| — Personnel Expense                                 | -4.6        | -6.0        | -5.2        | -14%         | +14%         | -10.9       | -11.2       | +2.5%        |
| — G&A and Others                                    | -9.7        | -8.0        | -7.7        | -3.1%        | -20%         | -16.4       | -15.7       | -4.0%        |
| <b>PPOP</b>                                         | <b>16.4</b> | <b>22.6</b> | <b>21.6</b> | <b>-4.6%</b> | <b>+32%</b>  | <b>36.8</b> | <b>44.2</b> | <b>+20%</b>  |
| Provision for Loan Losses                           | -2.5        | -2.7        | -2.4        | -9.7%        | -2.2%        | -5.9        | -5.1        | -12%         |
| <b>Operating Profit</b>                             | <b>13.9</b> | <b>19.9</b> | <b>19.1</b> | <b>-3.9%</b> | <b>+38%</b>  | <b>31.0</b> | <b>39.1</b> | <b>+26%</b>  |
| Non-Operating Income                                | 0.0         | 0.0         | -0.0        | -300%        | n.m          | 0.1         | -0.0        | n.m          |
| <b>Pre-tax Profit</b>                               | <b>13.9</b> | <b>19.9</b> | <b>19.1</b> | <b>-4.2%</b> | <b>+37%</b>  | <b>31.1</b> | <b>39.0</b> | <b>+26%</b>  |
| Income Tax                                          | 2.6         | 4.6         | 4.1         | -11%         | +54%         | 6.6         | 8.6         | +30%         |
| <b>Net Profit</b>                                   | <b>11.3</b> | <b>15.4</b> | <b>15.0</b> | <b>-2.3%</b> | <b>+33%</b>  | <b>24.5</b> | <b>30.4</b> | <b>+24%</b>  |

BMRI maintained earnings resilience in 2Q26 despite NIM pressure, with NII down 9.0% QoQ as tight liquidity and time-deposit competition weighed on funding costs. This was offset by Non-II growth of 33% YoY, driven by recurring fee income from Livin' digital activity, transaction banking, and treasury, while recurring fees rose 24% YoY in 1H26.

Opex fell 9.1% YoY, supported by tighter promotional and discretionary spending, while lower NPL formation kept credit cost at 0.6%. Net profit rose 33% YoY. We view the mix positively, with fee income and cost discipline cushioning NIM pressure; NIM stabilisation and funding costs remain key watchpoints.

| BALANCE SHEET · IDR Tn, Consolidated · End of Period |              |              |              |              |              |
|------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| (IDR Tn)                                             | 2Q25         | 1Q26         | 2Q26         | QoQ %        | YoY %        |
| <b>Total Loans</b>                                   | <b>1,328</b> | <b>1,530</b> | <b>1,592</b> | <b>+4.0%</b> | <b>+20%</b>  |
| Securities Portfolio                                 | 332          | 376          | 395          | +5.0%        | +19%         |
| Placement with BI                                    | 232          | 249          | 259          | +4.0%        | +11%         |
| Other Earnings Assets                                | 0.0          | 0.0          | 0.0          | 0.0%         | 0.0%         |
| <b>Total Earnings Assets</b>                         | <b>1,892</b> | <b>2,155</b> | <b>2,245</b> | <b>+4.2%</b> | <b>+19%</b>  |
| Current Account                                      | 615          | 642          | 637          | -0.7%        | +3.5%        |
| Saving Account                                       | 530          | 560          | 569          | +1.6%        | +7.3%        |
| <b>CASA</b>                                          | <b>1,145</b> | <b>1,201</b> | <b>1,205</b> | <b>+0.4%</b> | <b>+5.3%</b> |
| Time Deposits                                        | 315          | 474          | 505          | +6.4%        | +60%         |
| <b>Total Deposits</b>                                | <b>1,460</b> | <b>1,675</b> | <b>1,710</b> | <b>+2.1%</b> | <b>+17%</b>  |
| <b>Total Equity</b>                                  | <b>238</b>   | <b>273</b>   | <b>253</b>   | <b>-7.4%</b> | <b>+6.1%</b> |

Strong loan growth was accompanied by increasing funding pressure, with loans rising 20% YoY to IDR 1,592tn and prompting management to raise FY26 loan growth guidance to 7–9% from 4.5–4.7%, reflecting stronger wholesale lending momentum. However, liquidity remained tight, as the LDR rose to 93.1% as loan growth continued to outpace deposit growth.

Funding costs also faced pressure as time deposits surged 60% YoY, while CASA grew only 5.3%, dragging CASA ratio to 70.5% as customers shifted toward higher-yield deposits amid elevated rates. We view loan growth positively, but funding mix and NIM remain key constraints, with selective retail lending supporting asset quality.

| KEY RATIOS · Quarterly          |       |       |       |        |          |
|---------------------------------|-------|-------|-------|--------|----------|
| Metric                          | 2Q25  | 1Q26  | 2Q26  | QoQ pp | YoY (pp) |
| NIM (annualised)                | 4.6%  | 4.6%  | 4.1%  | -0.6pp | -0.5pp   |
| Non-Int. Income / Total Revenue | 28.9% | 31.6% | 34.0% | +2.4pp | +5.1pp   |
| Cost-to-Income Ratio (CIR)      | 46.5% | 38.2% | 37.5% | -0.7pp | -9.0pp   |
| Net Profit Margin               | 36.8% | 42.0% | 43.6% | +1.5pp | +6.8pp   |
| LDR (%)                         | 90.9% | 91.3% | 93.1% | +1.7pp | +2.1pp   |
| CASA Ratio (%)                  | 78.4% | 71.7% | 70.5% | -1.2pp | -7.9pp   |
| Credit Cost (annualised)        | 0.7%  | 0.7%  | 0.6%  | -0.1pp | -0.1pp   |

BMRI's key ratios highlighted continued NIM pressure alongside improving operating efficiency and asset quality. Annualised NIM declined to 4.1% in 2Q26 as loan repricing and higher funding costs weighed on margins, with management cutting FY26 NIM guidance to 4.3–4.5% from 4.5–4.7%. Funding pressure was also reflected in the CASA ratio falling to 70.5% from 78.4% a year earlier and LDR rising to 93.1%, as time deposits grew 60% YoY versus 5.3% growth in CASA.

Stronger cost discipline drove CIR down to 37.5%, while NPL improved to 1.01% and credit cost remained low at 0.6%, supported by limited new NPL formation and NPL coverage above 230%. We view BMRI's strategy as increasingly reliant on fee-based income and cost efficiency to cushion NIM pressure, while healthy asset quality provides room to sustain selective loan growth.

### 1H26 ACTUAL vs. BLOOMBERG CONSENSUS (FY26F IMPLIED @ 50%)

| Metric (IDR Bn)        | 1H26   | FY26F Cons. | % of FY26F | # Est. | Beat / Miss |
|------------------------|--------|-------------|------------|--------|-------------|
| Revenue (NII + Non-II) | 71,110 | 155,974     | 45.6%      | 19     | Miss        |
| Pre-tax Profit         | 39,041 | 77,334      | 50.5%      | 22     | In-Line     |
| Net Profit             | 30,412 | 57,382      | 53.0%      | 24     | In-Line     |

*Actual = consolidated (excl. BSI, pro forma); consensus = consolidated FY26F.*

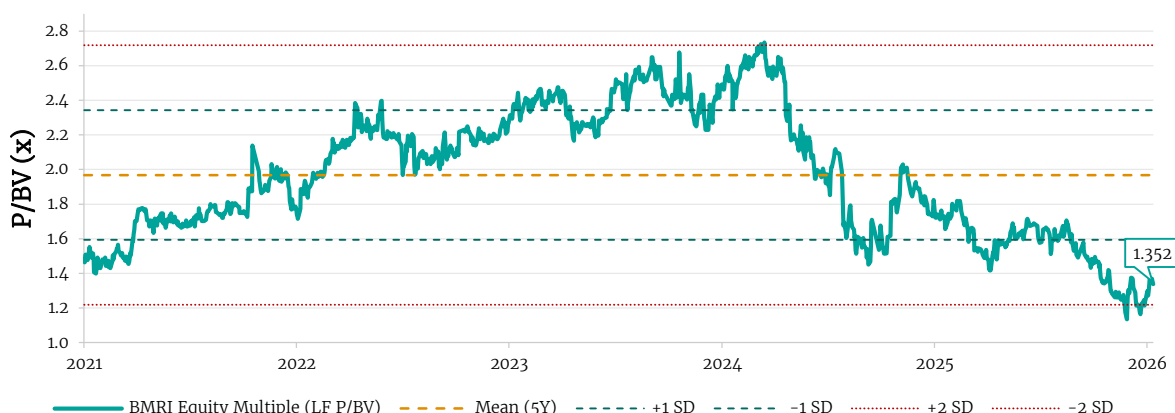
Source: PT Bank Mandiri (Persero) Tbk Financial Statements, Bloomberg Consensus (FY26F), Bank Mandiri Corporate Presentation.

1H26 revenue, comprising NII and Non-II, reached 45.6% of FY26F Bloomberg consensus, below the 50% run-rate amid ongoing NIM pressure. However, pre-tax profit and net profit reached 50.5% and 53.0% of consensus, respectively, supported by strong Non-II growth and cost discipline.

Opex fell 9.1% YoY, aided by tighter promotional and discretionary spending as well as greater efficiency in digital customer acquisition, while provisions declined 12% in 1H26, keeping credit cost at 0.6%. We view this as constructive, as BMRI's ability to control costs and maintain asset quality is cushioning weaker revenue growth and keeping earnings broadly on track.

### VALUATION · BMRI 5-YEAR P/BV BAND

#### BMRI 5-Year P/BV Band (LF P/BV vs. Mean $\pm$ 1/2 SD)



Current P/BV 1.352x as of 23 Jul 2026 vs. 5-year mean 1.968x (+1 SD 2.343x / -1 SD 1.594x / +2 SD 2.718x / -2 SD 1.218x). Source: Bloomberg.

At 1.35x LF P/BV, BMRI trades below its 5-year mean of 1.97x and -1 SD level of 1.59x, suggesting that the stock has already priced in part of the ongoing macro and earnings concerns. The discount is understandable given NIM compression, tighter liquidity, rising funding costs, and lower FY26 NIM guidance, while the weaker CASA mix remains a key near-term headwind.

Resilient loan growth, improving asset quality, low credit costs, and stronger fee-based income provide fundamental buffers. With 1H26 net profit already at 53% of FY26F consensus, we see scope for a re-rating if NIM stabilises and funding pressure eases, although sustained deposit competition remains the key risk.

Looking ahead, BI's decision to hold the BI-Rate at 5.75% while relying on non-rate measures to support the Rupiah and liquidity provides some relief from further funding-cost pressure, although it does not yet signal an immediate NIM recovery. For BMRI, the key upside would come from improving domestic liquidity and eventual deposit repricing, which could ease funding costs and support margin stabilisation. Combined with resilient loan growth, strong fee income, and healthy asset quality, we see scope for earnings to remain resilient and potentially support a re-rating from BMRI's current sub-1 SD P/BV valuation. However, sustained deposit competition and elevated liquidity pressure remain the key risks to monitor.



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