

# Bank Mandiri (BMRI IJ)

## FUNDAMENTAL VIEW <sup>1</sup>

As of 27 Mar 2025

- Bank Mandiri (Mandiri) is the largest state-owned bank in Indonesia with 60% government ownership. We therefore expect a very high likelihood of government support in times of need.
- Mandiri's strength had been its large corporate loan portfolio, which has allowed the bank to book lower credit costs compared to its peers over the pandemic. Mandiri is well capitalised, in line with the other Indonesian banks that have relatively high CET1 ratios in the region.

## RISKS & CATALYSTS

As of 27 Mar 2025

- The liquidity environment has tightened again since Q4 which puts strain NIMs and loan growth. The LDR has reached a tight level (98%), and the outlook remains challenging given the high USDIDR volatility and seasonally tight liquidity in the first half.
- While Indonesia's growth is projected at a reasonable ~5% in 2025 and could pickup over the medium term under the Prabowo administration, current weak investor sentiment towards Indonesia macro over growth slowdown, weak state finances, and policy uncertainty under the Prabowo administration will weigh on spreads. We are cautious of higher dividend payouts under the new government to fund its more aggressive fiscal policies.
- There is asset quality stress in the mass retail segment. Asset quality however has trended better than peers due to its loan book and growth focus being predominantly on large corporates, and capital is solid with a >19% CET1 ratio.

## CREDIT QUALITY SCORE (CQS) <sup>2</sup>

As of 03 Jun 2025

### CURRENT CQS

57

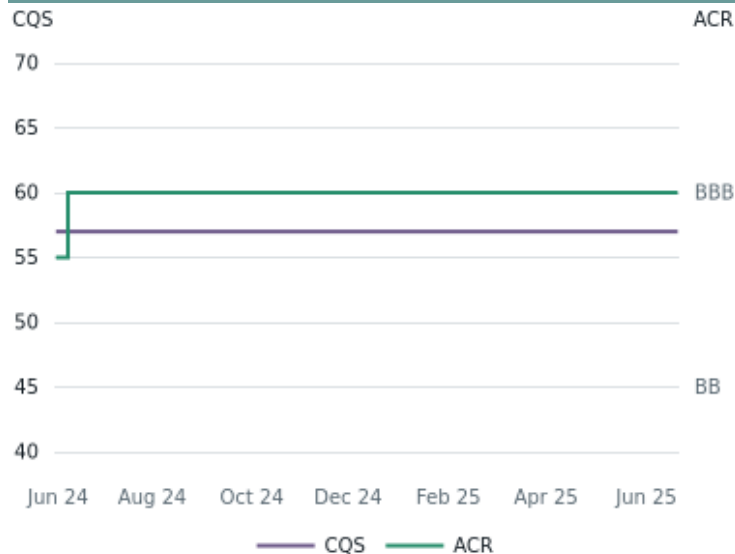
### CQS OUTLOOK <sup>3</sup>

NEGATIVE

STABLE

POSITIVE

### HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) <sup>4</sup> VS CQS



## KEY METRICS

As of 27 Mar 2025

IDR BN	FY20	FY21	FY22	FY23	FY24
PPP ROA	3.4%	3.5%	3.9%	4.1%	3.8%
ROA	1.2%	1.7%	2.2%	2.6%	2.4%
ROE	8.5%	14.2%	19.0%	22.4%	20.5%
Equity/Assets	12.3%	11.9%	11.5%	12.0%	11.7%
CET1 Ratio	18.4%	18.4%	18.6%	20.8%	19.6%
NPL Ratio	3.09%	2.72%	1.92%	1.19%	1.12%
Provisions/Average Loans	2.73%	1.98%	1.41%	0.79%	0.77%
LDR	83%	81%	80%	87%	98%

## BUSINESS DESCRIPTION

As of 27 Mar 2025

- Bank Mandiri was established as a result of the mergers of four state-owned banks, Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia, and Bank Pembangunan Indonesia, in the late 1990s. The bank was first listed in Indonesia Stock Exchange in 2003.
- The Indonesian government holds a 60% stake in the bank. Foreign investors have a 34% shareholding while domestic investors have another 6% as of December 2024.
- Corporates accounted for 37% of total loans, consumer for 7%, micro for 11%, SME for 5%, commercial for 18% and subsidiaries 22% at end-December 2024.

## GLOSSARY

<sup>1</sup> The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

<sup>2</sup> The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

<sup>3</sup> The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

<sup>4</sup> The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

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