

Bank Mandiri (BMRI IJ)

FUNDAMENTAL VIEW ¹

As of 17 Jun 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, though we expect this to be reduced by higher dividend payouts over time.

RISKS & CATALYSTS

As of 17 Jun 2025

- Funding cost pressure from the tight liquidity environment remains a headwind, so NIM and loan growth will hence be a challenge this year.
- While Indonesia's growth is projected at a reasonable ~5% in 2025 and could pickup over the medium term under the Prabowo administration, shifting macro sentiment towards Indonesia over growth slowdown, weak state finances and policy uncertainty under the Prabowo administration could weigh on spreads.
- We see governance risks as increased with the move of SOE banks including Mandiri to Danantara; we expect the payout of higher dividends to fund policies of the current administration. However, we are comfortable with the CET1 ratio dropping over time to the 14-16% range of other APAC banks.
- Asset quality has trended better than peers due to its loan book and growth focus being predominantly on large corporates. We see the probability of more state directed lending to projects that may not be the most commercially viable, but the effects would take a few years to play out.

CREDIT QUALITY SCORE (CQS) ²

As of 11 Jul 2025

CURRENT CQS

57

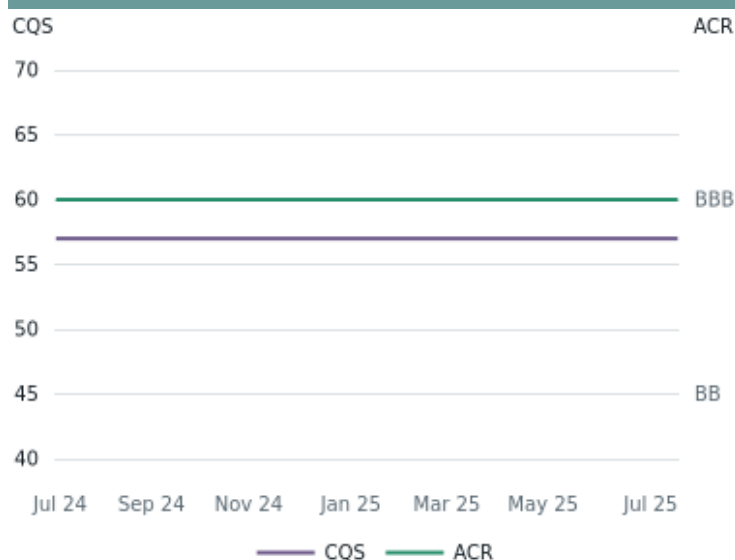
CQS OUTLOOK ³

NEGATIVE

STABLE

POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 17 Jun 2025

IDR BN	FY21	FY22	FY23	FY24	1Q25
PPP ROA	3.5%	3.9%	4.1%	3.8%	3.6%
ROA	1.7%	2.2%	2.6%	2.4%	2.2%
ROE	14.2%	19.0%	22.4%	20.5%	19.6%
Equity/Assets	11.9%	11.5%	12.0%	11.7%	10.3%
CET1 Ratio	18.4%	18.6%	20.8%	19.6%	17.3%
NPL Ratio	2.72%	1.92%	1.19%	1.12%	1.17%
Provisions/Average Loans	1.98%	1.41%	0.79%	0.77%	0.87%
LDR	81%	81%	89%	98%	96%

BUSINESS DESCRIPTION

As of 17 Jun 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 32% shareholding while domestic investors have another 8%.
- Corporates accounted for 36% of total loans, consumer for 7%, micro & payroll for 12%, SME for 5%, commercial for 18% and subsidiaries 22% at March 2025.

GLOSSARY

¹ 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.

² 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.

³ 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.

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

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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