



Fundamental Analysis of PT Bank Mandiri (Persero) Tbk Stock Performance and Valuation, 2020–2024

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Submitted: 01-08-2026 || Review 10-08-2026 || Revision 12-08-2026 || Accepted 14-08-2026

Abstrak

Penelitian ini bertujuan untuk mendeskripsikan kondisi fundamental PT Bank Mandiri (Persero) Tbk periode 2020–2024 melalui indikator profitabilitas (ROA, ROE, NIM, BOPO), kualitas aset (NPL), permodalan (CAR), likuiditas (LDR), serta rasio pasar (EPS, PER, PBV). Penelitian bersifat deskriptif kuantitatif dengan desain studi kasus longitudinal pada satu emiten, menggunakan data sekunder dari laporan keuangan audited resmi Bank Mandiri, Bursa Efek Indonesia, dan Otoritas Jasa Keuangan periode 2020–2024. Hasil menunjukkan bahwa ROA meningkat dari 1,64% menjadi 4,03% (2023) sebelum melandai ke 3,59% (2024), ROE meningkat dari 9,36% menjadi 27,31% (2023) sebelum melandai ke 24,19% (2024), rasio NPL gross menurun konsisten dari 3,29% menjadi 0,97%, sementara CAR tetap jauh di atas ambang minimum OJK sepanjang periode. Rasio pasar (PER) BMRI tercatat 12,63 kali pada harga tertinggi sepanjang masa (September 2024) dan 7,11 kali pada Agustus 2026, berada pada kisaran yang secara relatif lebih rendah dibandingkan rata-rata industri perbankan (9–12 kali) pada titik kedua tersebut, meskipun hal ini belum dapat disimpulkan sebagai bukti undervaluation tanpa model valuasi intrinsik. Penelitian ini bersifat deskriptif dan tidak menguji hipotesis statistik maupun hubungan kausal antarvariabel.

Kata kunci: analisis fundamental, rasio keuangan, valuasi saham, kinerja perbankan, PT Bank Mandiri

Abstract

This study aims to descriptively examine the fundamental condition of PT Bank Mandiri (Persero) Tbk for the 2020–2024 period through profitability (ROA, ROE, NIM, BOPO), asset quality (NPL), capital adequacy (CAR), liquidity (LDR), and market ratios (EPS, PER, PBV). The research adopts a descriptive quantitative, single-issuer longitudinal case design, using secondary data from Bank Mandiri's officially published audited financial statements, the Indonesia Stock Exchange, and the Financial Services Authority for 2020–2024. The results show that ROA rose from 1.64% to a peak of 4.03% (2023) before easing to 3.59% (2024); ROE rose from 9.36% to 27.31% (2023) before easing to 24.19% (2024); the gross NPL ratio consistently declined from 3.29% to 0.97%; and CAR remained well above the OJK regulatory minimum throughout the period. BMRI's price-to-earnings ratio (PER) stood at 12.63 times at its all-time-high price (September 2024) and 7.11 times as of August 2026, a level that is relatively lower than the banking industry average (9–12 times) at the latter point in time, although this alone cannot be interpreted as conclusive evidence of undervaluation without an intrinsic valuation model. This study is descriptive in nature and does not test statistical hypotheses or causal relationships between variables.

Keywords: fundamental analysis, financial ratios, stock valuation, banking performance, PT Bank Mandiri

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1. INTRODUCTION

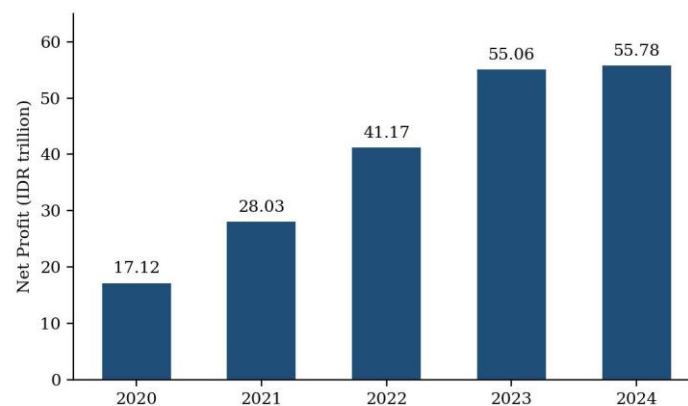
Bank Mandiri is Indonesia's largest bank by total assets and one of the primary bellwethers of the state-owned banking sector. Following the disruption caused by the Covid-19 pandemic in 2020, the bank recorded a strong multi-year recovery in profitability alongside a continued improvement in asset quality, culminating in a stock split with a ratio of 1:2 in April 2023 that altered the nominal value and number of outstanding shares. This combination of a post-pandemic recovery cycle and a corporate action affecting share count makes Bank Mandiri an analytically relevant single-issuer case for examining how fundamental indicators evolve over a five-year window and how comparability issues, such as those introduced by a stock split, should be handled when reporting earnings-per-share (EPS) and price-based valuation ratios.

Fundamental analysis evaluates a company's intrinsic financial condition, typically through profitability, asset quality, capital adequacy, liquidity, and market-based ratios, as a complement to price-based (technical) analysis (Tandelilin, 2017). For banking institutions in particular, regulators such as Indonesia's Financial Services Authority (Otoritas Jasa Keuangan/OJK) mandate the disclosure of specific prudential ratios – including the Non-Performing Loan (NPL) ratio, the Capital Adequacy Ratio (CAR), and the Loan-to-Deposit Ratio (LDR) – precisely because a bank's balance sheet structure, dominated by customer deposits rather than long-term debt, differs fundamentally from that of a non-financial firm. Consequently, generic leverage measures such as the debt-to-equity ratio (DER) are of limited analytical value for banks and are not used as a primary risk indicator in this study; asset-quality and capital-adequacy ratios are used instead, consistent with prevailing banking-sector analytical practice (Kasmir, 2019).

Prior single-issuer studies on Bank Mandiri have each examined only a fragment of its fundamental profile: earlier work covering 2009–2011 focused narrowly on liquidity and profitability ratios (Ramadaniar et al., 2013); a subsequent study covering 2020–2022 combined liquidity, capital, and profitability ratios but stopped short of the post-split period and did not incorporate market-based valuation ratios (Jurnal Manajemen dan Bisnis Ekonomi [JMBE], 2024); and a study covering 2021–2023 concentrated on liquidity, solvency, and profitability without extending into 2024 or linking the results to share-price valuation (Tompoh et al., 2023). None of these single-issuer studies integrates profitability, asset quality, capital adequacy, liquidity, and market valuation into a single analytical framework, nor do they explicitly address how the 2023 stock split affects the comparability of EPS and price-earnings ratio (PER) across the observation period. This integration – combining internal financial-performance ratios with post-split-adjusted market valuation ratios within a single five-year case – constitutes the specific analytical gap this study addresses, rather than novelty derived merely from studying a different object or period.

Accordingly, this study is guided by the following research questions: (1) How did Bank Mandiri's profitability and efficiency ratios (ROA, ROE, NIM, BOPO) develop over 2020–2024? (2) How did its asset-quality ratio (NPL) and capital-adequacy ratio (CAR) develop over the same period? (3) How did its liquidity ratio (LDR) develop? (4) How did its market valuation ratios (EPS, PER, PBV) develop, and how do they compare with Bank Mandiri's own historical range and the banking industry average? (5) What are the implications of these fundamental indicators for investors and analysts evaluating BMRI shares?

In direct correspondence with these research questions, the objectives of this study are: (1) to describe the development of Bank Mandiri's profitability and efficiency ratios (ROA, ROE, NIM, BOPO) over 2020–2024; (2) to describe the development of its asset-quality ratio (NPL) and capital-adequacy ratio (CAR); (3) to describe the development of its liquidity ratio (LDR); (4) to describe the development of its market valuation ratios (EPS, PER, PBV) and compare them against Bank Mandiri's own historical range and the banking-industry average; and (5) to discuss the descriptive implications of these fundamental indicators for investors and analysts evaluating BMRI shares. Each objective is formulated as a descriptive aim – to describe, compare, and interpret levels and trends – rather than as an aim to test the effect, influence, or relationship of one variable on another. This wording is intentional and is what determines the remainder of the study's design: because none of the five objectives requires testing a relationship between two or more variables, no statistical hypothesis is formulated, and the study accordingly adopts a descriptive quantitative design (Section 3.1) rather than an explanatory or hypothesis-testing design. This alignment between objectives, the absence of hypotheses, and the descriptive design is maintained consistently throughout the study: it does not test statistical hypotheses, does not estimate causal or predictive relationships between variables, and does not observe actual investor decision-making behaviour empirically. Any implications drawn for investment consideration (Section 4.4.2) are therefore descriptive and comparative, not prescriptive investment recommendations.



Source: Bank Mandiri Consolidated Financial Statements, 2020–2024 (bankmandiri.co.id, 2022, 2023, 2024); Databoks/Katadata (2025)

Figure 1. Net profit of PT Bank Mandiri (Persero) Tbk, 2020–2024

As shown in Figure 1, net profit contracted sharply during the pandemic year of 2020 before recovering strongly through 2023, then growing only marginally in 2024 – a pattern that motivates the more detailed ratio-based decomposition presented in Section 4.

2. LITERATURE REVIEW

This section presents the theoretical foundation used to interpret the fundamental ratios examined in this study, reviews prior empirical studies to establish the research position, and clarifies why the study does not formulate statistical hypotheses.

2.1 Grand Theory: Signaling Theory

Signalling theory (Spence, 1973) explains why a firm's published financial

information can function as a signal to external stakeholders operating under conditions of information asymmetry: strong or improving ratios convey favourable, credible information about a firm's underlying condition, while weak or deteriorating ratios convey unfavourable information. In this study, signalling theory is used only as the *theoretical rationale for why the ratios examined are informative to capital-market participants* – that is, why fundamental disclosures are worth analysing at all – and not as an analytical framework that is directly tested. The study does not measure market reactions, abnormal returns, or price responses to specific disclosures, and no claim is made that a particular ratio “caused” a particular market outcome. This positioning avoids treating signalling theory as a decorative label and instead confines its role to motivating the choice of indicators analysed.

A complementary rationale is provided by the semi-strong form of the Efficient Market Hypothesis (Fama, 1970), which holds that publicly available information, including financial statement data, is reflected in security prices with a lag as it is analysed and incorporated by market participants. This provides the conceptual justification for why a fundamentals-based, rather than a purely price-based, approach is relevant for investors evaluating a stock over a multi-year horizon, and why price movements in the short run should not automatically be read as directly proportional to underlying fundamental change (a distinction revisited in Section 4.2 when discussing BMRI's post-2024 valuation decline).

The substantive analytical framework of this study is financial ratio analysis (Kasmir, 2019; Brigham & Houston, 2019), applied specifically to a banking-sector context. Five ratio categories are used: (1) profitability and efficiency – Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), and the operating-expense-to-operating-income ratio (BOPO); (2) asset quality – the Non-Performing Loan (NPL) ratio; (3) capital adequacy – the Capital Adequacy Ratio (CAR); (4) liquidity – the Loan-to-Deposit Ratio (LDR); and (5) market valuation – Earnings per Share (EPS), the Price-Earnings Ratio (PER), and the Price-to-Book-Value ratio (PBV). As explained in Section 1, generic leverage ratios such as DER are deliberately excluded as a primary indicator because a bank's liabilities are structurally dominated by customer deposits rather than interest-bearing debt in the sense relevant to non-financial firms, making DER a potentially misleading proxy for financial risk in a banking context.

2.2 Previous Studies

Table 1 summarises ten prior studies relevant to this research, drawn from both single-issuer Bank Mandiri studies and broader studies linking fundamental ratios to investment-related outcomes across Indonesian banking stocks.

Table 1. Summary of previous studies

No	Author(s) (Year)	Focus / Method	Key finding relevant to this study
1	Ramadaniar et al. (2013)	Liquidity and profitability ratios, Bank Mandiri, 2009–2011	Bank Mandiri's liquidity and profitability performance was healthy and improving; study did not cover asset quality, capital, or market ratios.

No	Author(s) (Year)	Focus / Method	Key finding relevant to this study
2	Untari et al. (2020)	Multiple regression; ROA, ROE, PBV on share price, 25 banking firms, 2016–2019	ROA, ROE, and PBV positively affected share price across banks, but the study was cross-sectional/multi-company and did not isolate a single-issuer longitudinal pattern.
3	Tompoh et al. (2023)	Descriptive; LDR, CAR, ROA, ROE, Bank Mandiri, 2021–2023 (through Q3)	Liquidity and profitability were healthy; solvency relatively stable; did not extend into FY2024 or incorporate EPS/PER/PBV.
4	JMBE (2024)	Descriptive; current ratio, quick ratio, DER, ROA, ROI, Piotroski F-Score, Bank Mandiri, 2020–2022	Liquidity ratios were below conventional industry benchmarks even as profitability (F-Score) remained positive; DER treated only as a supplementary, not primary, indicator.
5	Jurnal Ilmiah Mahasiswa FEB, Universitas Brawijaya (2022)	Excess Return Model & Dividend Discount Model; BBRI, BBKA, BMRI, BBNI, 2017–2020	Under the Excess Return Model, BBRI, BMRI, and BBNI were assessed as undervalued using a defined valuation benchmark; under the DDM, BMRI was also assessed as undervalued using an explicit dividend-based model – illustrating that undervaluation claims require a stated valuation benchmark.
6	Ekopedia: Jurnal Ilmiah Ekonomi (2026)	Technical and fundamental indicators (ROA, ROE, EPS, volume, volatility) on share price, state-owned banks, 2019–2024	Both fundamental and technical indicators were associated with price movement of state-owned bank shares, supporting the relevance of combining ratio categories rather than relying on a single indicator.
7	Vokasi News, Universitas Airlangga (2025)	Effect of EPS, ROA, and debt ratios on share price, state-owned banks, 2021–2025	EPS showed a significant positive association with share price, while ROA's association was not significant in the post-pandemic low-rate credit-expansion period – indicating that individual ratio-price relationships can shift across sub-periods.
8	Jurnal Akuntansi, Ekonomi, dan Perpajakan/JEAP (2025)	Descriptive fair-value assessment, state-owned banking issuers, 2019–2023	Fundamental-analysis-derived fair value can inform a buy/hold/sell framing, but results varied materially across issuers, underscoring that valuation conclusions are issuer- and period-specific.

No	Author(s) (Year)	Focus / Method	Key finding relevant to this study
9	Nugroho & Kusuma (2024)	Technical and fundamental indicators (PBV, PER, DER, NPM) on purchase feasibility, BBNI	Combining technical and fundamental analysis provided a more complete feasibility picture than either approach alone.
10	Journal of Economics and Management Sciences/JEMS (2025)	Path analysis; share return and dividend on investment decision via share price, 43 banking-sector firms, 2023	Share return and dividend affected investment decision both directly and through share price, supporting the analytical relevance of market ratios alongside internal financial ratios.

Source: compiled by the author from national and international peer-reviewed journal articles (2013–2026), accessed via Google Scholar and open-access journal repositories.

Two patterns emerge from Table 1 that define the position of the present study. First, single-issuer studies on Bank Mandiri (rows 1, 3, and 4) each cover only a subset of ratio categories and stop short of FY2024, and none integrates market valuation ratios. Second, studies that do incorporate market valuation and link it to investment-relevant outcomes (rows 2, 5–10) are predominantly cross-sectional, multi-company designs; where an explicit undervaluation claim is made (row 5), it rests on a clearly defined valuation model (the Excess Return Model or the Dividend Discount Model) rather than a price-earnings ratio read in isolation. This distinction is directly relevant to how this study frames its own PER/PBV findings in Section 4: without applying a comparable intrinsic valuation model, this study reports PER/PBV levels *relative to* Bank Mandiri's own historical range and the industry average as descriptive comparisons, rather than asserting undervaluation. The specific contribution of this study is therefore the integration of profitability, asset-quality, capital-adequacy, liquidity, and market-valuation ratios within a single five-year, post-split-adjusted case analysis of Bank Mandiri extending through FY2024, a combination not present in any of the studies reviewed.

2.3 Conceptual Framework

As this study adopts a descriptive quantitative, single-case design without inferential statistical testing, no statistical hypotheses (e.g., regression-style H1–H4 propositions of the form “X affects Y”) are formulated, and no claim of a statistically tested effect, positive or negative, is made anywhere in this study. This follows directly from the research objectives stated in Section 1: since each objective is descriptive (to describe, compare, and interpret ratio levels and trends) rather than relational (to test whether one variable affects another), there is no objective in this study that a hypothesis could correspond to, and formulating one would misrepresent the study's design. Instead, the study is guided by the five research questions and matching objectives stated in Section 1. Conceptually, the analysis proceeds in four layers: (1) profitability and efficiency ratios and (2) asset-quality and capital-adequacy ratios together describe the bank's underlying operating and risk condition; (3) the liquidity ratio describes its funding and intermediation position; and (4) market valuation ratios describe how these conditions are, at specific points in time, reflected in the share price relative to the bank's own history and industry peers. These four layers are treated as complementary descriptive lenses on a single object of analysis — not as an independent-

variable/dependent-variable model to be statistically estimated – consistent with the descriptive research questions and objectives above.

3. RESEARCH METHOD

3.1 Research Design

This study employs a descriptive quantitative research design implemented as a longitudinal, single-case (single-issuer) analysis. The design is descriptive rather than explanatory: it summarises and interprets how each fundamental ratio changed over time and how it compares against regulatory thresholds and industry averages, without estimating statistical relationships between variables or testing causal effects. This design follows directly from, and is the only design consistent with, the five descriptive research objectives stated in Section 1: because each objective asks the study to describe, compare, or interpret – not to test a relationship between variables – an explanatory or hypothesis-testing design would not match what the objectives actually require, which is also why no statistical hypothesis is formulated (Section 2.3). The objectives, the absence of hypotheses, and the descriptive design are therefore mutually consistent by construction, not merely by post hoc description.

3.2 Research Object and Observation Period

The object of this research is PT Bank Mandiri (Persero) Tbk (IDX ticker: BMRI), selected purposively as Indonesia's largest bank by total assets and a representative bellwether of the state-owned banking segment. Because the study analyses a single company rather than drawing a sample from a population of firms, the terms “population,” “sample,” and “sampling technique” do not apply in their conventional statistical sense; the appropriate description is the research object and its observation period. The observation period covers five annual reporting periods, fiscal years 2020 through 2024. This is explicitly acknowledged as a limited number of time points: with five annual observations, the study can describe a trajectory but cannot support formal statistical trend inference (e.g., regression-based trend testing), and findings should be read as a longitudinal descriptive case analysis rather than as generalisable statistical evidence (see Section 5.2).

3.3 Research Location and Period

The research object is a public company listed on the Indonesia Stock Exchange (IDX); no physical research location was involved, as all data are secondary and were obtained from officially published sources. Data collection and analysis were conducted between January and August 2026, covering financial statement data for fiscal years 2020–2024 and share-price data up to August 2026.

3.4 Data Analysis Technique

Data were analysed using three techniques applied consistently across the five fundamental ratio categories described in Section 2.1: (1) ratio calculation, using each ratio's standard formula (Table 2) applied to figures taken directly from Bank Mandiri's officially published audited consolidated financial statements; (2) trend analysis, describing the year-on-year direction and magnitude of change for each ratio across 2020–2024; and (3) comparative analysis, benchmarking each ratio against the relevant OJK regulatory threshold and, where data were available, the banking-industry average. No inferential statistical procedure (e.g., regression, correlation testing, or analysis of variance) is applied, consistent with the descriptive design and the limited number of

annual observations (Section 3.2); accordingly, no statistical significance is claimed for any pattern reported in Section 4.

3.5 Research Instruments and Measurement

As this is a documentation-based study using secondary data, no questionnaire or interview instrument was used. Data were collected through documentation study of officially published financial reports. Table 2 presents the operational definition and measurement formula of each ratio used.

Table 2. Operational definition and measurement of variables

Ratio	Formula	Regulatory / reference benchmark
ROA	Profit before tax ÷ Total assets	≥ 1.5% (OJK)
ROE	Net income ÷ Total equity	≥ 12% (OJK)
NIM	Net interest income ÷ Average earning assets	≥ 3% (OJK)
BOPO	Operating expenses ÷ Operating income	≤ 94% (OJK)
NPL (gross)	Non-performing loans ÷ Total loans	≤ 5% (OJK)
CAR	Capital ÷ Risk-weighted assets	≥ 8% (OJK, Basel III)
LDR	Total loans ÷ Total deposits	78%–92% (indicative)
EPS	Net income ÷ Weighted-average shares outstanding	Higher is generally favourable
PER	Share price ÷ EPS	Benchmarked to historical range / industry average
PBV	Share price ÷ Book value per share	Benchmarked to historical range / industry average

Source: Kasmir (2019); Otoritas Jasa Keuangan (2019); Brigham & Houston (2019).

It should be noted that, for EPS specifically, this study uses Bank Mandiri's *officially reported/restated EPS* figures for each fiscal year, rather than an EPS recalculated by the author from end-of-period shares outstanding. This choice directly follows the standard EPS convention, which uses the weighted-average number of ordinary shares outstanding during the period rather than the period-end share count; officially reported EPS already incorporates this weighting (and, for FY2023, the restatement required by the April 2023 stock split), and adopting the company's own reported figures avoids the comparability distortion that a period-end-share recalculation would introduce.

3.6 Ethical Considerations

This study relies exclusively on secondary, publicly available data (audited financial statements, stock exchange disclosures, and regulatory publications) and does not involve human participants; accordingly, informed consent and participant confidentiality procedures are not applicable.

4. RESULTS AND DISCUSSION

4.1 Overview of PT Bank Mandiri (Persero) Tbk

PT Bank Mandiri (Persero) Tbk was established on 2 October 1998 as part of the Indonesian government's bank restructuring programme, through the merger of four

state-owned banks: Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia, and Bank Pembangunan Indonesia. The company has been listed on the Indonesia Stock Exchange since 2003 under the ticker BMRI and is currently classified as a BUKU IV bank (core capital above IDR 30 trillion), with business lines spanning corporate, commercial, retail/consumer, and micro banking, alongside digital banking services.

4.2 Fundamental Ratio Results

Table 3. Profitability and efficiency ratios of PT Bank Mandiri (Persero) Tbk, 2020–2024 (bank-only, audited)

Ratio	2020	2021	2022	2023	2024	OJK benchmark
ROA	1.64%	2.53%	3.30%	4.03%	3.59%	≥ 1.5%
ROE	9.36%	16.24%	22.62%	27.31%	24.19%	≥ 12%
NIM	4.48%	4.73%	5.16%	5.25%	4.93%	≥ 3%
BOPO	80.03%	67.26%	57.35%	51.88%	56.46%	≤ 94%

Source: data processed by author (2026).

Table 4. Asset quality, capital adequacy, and liquidity ratios, 2020–2024 (bank-only, audited)

Ratio	2020	2021	2022	2023	2024	OJK benchmark
NPL (gross)	3.29%	2.81%	1.88%	1.02%	0.97%	≤ 5%
NPL (net)	0.43%	0.41%	0.31%	0.32%	0.33%	–
CAR	19.90%	19.60%	19.52%*	19.01%*	20.10%	≥ 8%
LDR	82.95%	80.04%	77.61%	86.75%	98.04%	78%–92%

Source: data processed by author (2026).

Table 5. Earnings per share and market valuation ratios, 2020–2024

Year	Net income (IDR trillion)	Shares outstanding	EPS (IDR, officially reported)
2020	17.12	46,666,666,666	360.18
2021	28.03	46,666,666,666	601.06
2022	41.17	46,666,666,666	882.52
2023	55.06	93,333,333,332	590.00 (restated post-split)
2024	55.78	93,333,333,332	597.67

Source: data processed by author (2026).

Table 6. Price-earnings ratio (PER) and price-to-book-value ratio (PBV) at two confirmed price points

Price point	Share price	PER	PBV	Banking-industry average (PER / PBV)
All-time-high price (19 September 2024)	IDR 7,550	12.63x	2.25x	9x–12x / 1.5x–2.0x

Price point	Share price	PER	PBV	Banking-industry average (PER / PBV)
August 2026 price	IDR 4,250	7.11x	1.27x	9x-12x / 1.5x-2.0x

Source: data processed by author (2026).

Profitability recovered sharply after the pandemic-driven trough of 2020: ROA rose from 1.64% to a peak of 4.03% in 2023, and ROE rose from 9.36% to 27.31% over the same window, both easing slightly in 2024 (to 3.59% and 24.19%, respectively). This recovery was driven by a combination of higher net interest income (NIM rising from 4.48% to a peak of 5.25%), sharply improved cost efficiency (BOPO falling from 80.03% to 51.88%), and a normalisation of provisioning expense as credit quality improved (Table 4), rather than any single factor in isolation. Asset quality improved consistently and materially: the gross NPL ratio declined from 3.29% in 2020 to 0.97% in 2024, a trend that plausibly explains part of the profitability recovery, since a lower non-performing loan balance both reduces provisioning expense (supporting ROA/ROE) and reflects lower realised credit risk. Capital adequacy remained comfortably above the 8% regulatory minimum throughout, moving from 19.90% (2020) to 20.10% (2024), indicating that the profitability recovery was not achieved by drawing down the bank's capital buffer. Liquidity, measured by LDR, rose from 82.95% (2020) to 98.04% (2024), indicating a shift toward a much higher proportion of deposits being channelled into loans; while this is consistent with an intermediation function operating close to full capacity, an LDR approaching or exceeding 100% also warrants monitoring from a short-term funding-management perspective, since it leaves comparatively less buffer against unexpected deposit withdrawals.

On market valuation, BMRI's PER stood at 12.63x at its all-time-high price of IDR 7,550 (19 September 2024) – modestly above the banking-industry average range of 9x-12x – and fell to 7.11x by August 2026 at a share price of IDR 4,250, a level below the industry average range (Table 6). This decline in PER indicates that BMRI's shares were trading at relatively lower earnings *multiple* in August 2026 compared both to its own level in September 2024 and to the industry average at that time. Consistent with the position established in Sections 2.1 and 2.2, this pattern is reported here only as a descriptive, relative comparison; it does not, by itself, constitute evidence that BMRI shares were undervalued in an absolute sense. Establishing undervaluation would require an explicit intrinsic-valuation benchmark – such as a dividend discount model, a discounted cash flow model, a residual income model, or a peer-relative multiple comparison controlling for growth and risk differences – none of which is estimated in this descriptive study (see Section 5.2 and 5.3). A lower PER can equally reflect lower expected growth, higher perceived risk, or shifting market expectations rather than mispricing.

4.3 Discussion

Rather than restating the results above, this subsection interprets what occurred, why it occurred, and what it implies, organised in two parts.

4.3.1 Interpretation of the Findings

What happened: Bank Mandiri's fundamental profile improved on nearly every dimension examined – profitability, efficiency, asset quality, and capital adequacy – between the pandemic trough of 2020 and 2023, with a mild easing in 2024, while

liquidity utilisation (LDR) rose steadily throughout.

Why it happened: The improvement is attributable to the interaction of at least three factors rather than to profitability growth alone: (1) declining provisioning expense as the gross NPL ratio fell from 3.29% to 0.97%, directly reducing a major cost line and supporting both ROA and ROE; (2) improved cost efficiency, reflected in BOPO's decline from 80.03% to 51.88% by 2023, consistent with post-pandemic normalisation of operating costs and digital-channel efficiency gains; and (3) continued credit expansion – total loans grew from IDR 942.07 trillion (2020) to IDR 1,670.00 trillion (2024) – which, combined with a broadly stable-to-improving NIM, supported net interest income growth. The 2024 easing in ROA/ROE/BOPO/NIM relative to 2023, despite a still-improving NPL ratio, suggests that the bank had already captured most of the readily available efficiency and provisioning gains by 2023, with 2024 profit growth (+1.3% year-on-year) driven comparatively more by balance-sheet growth (loans, deposits, assets) than by further margin or efficiency expansion.

So, what: For an investor or analyst, this pattern implies that the sharpest phase of fundamental improvement at Bank Mandiri (2020–2023) may already be behind it, and that future profitability growth is more likely to track balance-sheet growth and macroeconomic conditions (loan growth, interest-rate environment) than continued efficiency or asset-quality gains of the same magnitude – a consideration relevant to how the 2024–2026 valuation multiples in Table 6 should be read.

4.3.2 Relationship to Theory and Previous Literature

Consistent with signalling theory (Section 2.1), the sustained multi-year improvement in profitability, asset quality, and capital adequacy constitutes a credible positive signal to the market about Bank Mandiri's underlying condition; this is consistent with – though not a direct test of – the semi-strong EMH proposition that such information is progressively incorporated into price. The finding that BMRI's PER declined below the industry average by August 2026, despite fundamentals remaining solid through the observation period (Section 4.2), is a useful illustration of the EMH-consistent but distinct point that price and fundamentals need not move in lockstep over shorter horizons, since price also reflects sentiment, macroeconomic conditions, and capital flows.

These findings are broadly consistent with Ramadaniar et al. (2013), Tompoh et al. (2023), and JMBE (2024), each of which reported healthy or improving liquidity and profitability for Bank Mandiri within their respective (earlier, shorter) windows, and this study extends that pattern through FY2024 while adding the asset-quality, capital, and market-valuation dimensions those studies did not jointly cover. Regarding market-ratio studies (Untari et al., 2020; Ekopedia, 2026; Vokasi News, 2025), this study's descriptive PER/PBV comparison is consistent with their general finding that market ratios move together with fundamental indicators, but this study deliberately stops short of Jurnal Ilmiah Mahasiswa FEB UB's (2022) explicit undervaluation conclusion, because that conclusion was reached using a defined valuation model (Excess Return Model / Dividend Discount Model) that lies outside the descriptive scope adopted here (Section 2.2).

4.4 Research Implications

The findings of this study carry both theoretical and practical implications. From a **theoretical perspective**, this study contributes to the literature by integrating five

fundamental categories of financial ratios, namely profitability, asset quality, capital adequacy, liquidity, and market valuation, into a single analytical framework. Applying these categories to one large state-owned bank over the post-pandemic to post-stock-split period provides a more comprehensive view of the bank's fundamental development than studies that examine individual ratios or isolated aspects of bank performance. In this respect, the framework helps address the fragmentation identified in previous single-issuer studies, as summarized in Table 1.

Beyond the integration of financial indicators, the study also provides several methodological considerations for future bank-specific fundamental analyses. One important issue concerns the use of leverage measures. Although generic ratios such as the Debt-to-Equity Ratio (DER) are widely used in conventional corporate analysis, their interpretation can be less informative in the banking sector because banks operate with a fundamentally different balance-sheet structure and business model. For this reason, sector-specific indicators such as the Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL) ratio, and Loan-to-Deposit Ratio (LDR) provide a more meaningful basis for assessing financial resilience, asset quality, and intermediation capacity. Another methodological consideration relates to earnings per share (EPS), particularly when a stock split occurs during the observation period. In such circumstances, the use of officially reported or restated EPS is preferable to recalculating EPS solely on the basis of shares outstanding at the end of the period, as the latter may distort comparability across periods.

The findings also reinforce an important distinction between descriptive valuation analysis and a formal claim of undervaluation. Changes in the Price-to-Earnings Ratio (PER) and Price-to-Book Value (PBV) can provide useful information about how the market values a bank relative to its earnings and book value. However, a relatively low PER or PBV does not, by itself, establish that a stock is undervalued. A defensible claim of mispricing requires an assessment of intrinsic value using an appropriate valuation model and consideration of the broader market and economic context. Thus, the present study positions fundamental ratios as important diagnostic indicators rather than as standalone evidence of market mispricing.

From a **practical perspective**, the five-category framework can serve as a structured analytical tool for investors and analysts monitoring BMRI. Rather than relying on a single financial indicator, investors can use the framework to track changes in profitability, asset quality, capital strength, liquidity, and market valuation over time. Such an approach can help identify whether improvements in market valuation are supported by corresponding improvements in the bank's underlying fundamentals. Nevertheless, the ratio framework should be viewed as a complement to, rather than a substitute for, intrinsic valuation techniques, macroeconomic assessment, and broader market analysis.

The findings concerning the post-2023 period also have implications for how analysts interpret the bank's future performance. As discussed in Section 4.3.1, the gains in efficiency and asset quality appear to have become less pronounced after 2023. This suggests that the factors supporting profitability may gradually shift away from the strong efficiency and asset-quality improvements observed during 2020–2023. In the near term, greater attention may therefore need to be given to the pace of loan and deposit growth, funding conditions, and the prevailing interest-rate environment. In other words, analysts should be cautious about assuming that the efficiency-driven

improvement observed in the earlier period will automatically generate a similar re-rating in subsequent years.

For bank management, the LDR trend approaching 98% in 2024 provides an additional point of strategic attention. Although a higher LDR may reflect strong intermediation activity and effective deployment of funding into loans, a sustained increase also places greater importance on funding diversification and the maintenance of adequate liquidity buffers. Management therefore needs to balance the pursuit of loan growth with prudent liquidity and funding management. Maintaining this balance will be particularly important in an environment where changes in interest rates, deposit competition, and credit demand can quickly affect the bank's funding structure and profitability.

5. CONCLUSION

5.1 Summary of Key Findings

In relation to the five research questions posed in Section 1: (1) Bank Mandiri's profitability and efficiency ratios improved substantially from 2020 to a peak in 2023 before easing modestly in 2024; (2) its asset-quality ratio (NPL) improved consistently throughout, while its capital-adequacy ratio (CAR) remained well above the regulatory minimum in every year observed; (3) its liquidity ratio (LDR) rose steadily, reaching a level close to full loan-to-deposit utilisation by 2024; (4) its market valuation ratios (EPS, PER, PBV) rose alongside fundamentals through 2024 but showed a marked PER/PBV decline by August 2026, falling below the industry average at that later point; and (5) taken together, these patterns indicate a bank whose internal fundamental condition strengthened materially over the observation period, while its market valuation multiples became comparatively more attractive by one specific later point in time — a descriptive observation, not an investment recommendation, since no intrinsic valuation model was applied. As this study does not formulate statistical hypotheses, no hypothesis-support conclusion is stated; the findings are presented strictly as descriptive answers to the research questions above.

5.2 Research Limitations

This study should be interpreted within several important limitations. First, the analysis is designed as a single-issuer case study focusing on Bank Mandiri. The findings therefore provide a detailed picture of the bank's own fundamental trajectory, but they are not intended to be statistically generalisable to other banks or to the Indonesian banking sector as a whole. Differences in business models, balance-sheet structures, risk profiles, and strategic priorities mean that the patterns observed in Bank Mandiri may not necessarily be replicated by other institutions.

The relatively small number of observations also places a clear boundary on the type of conclusions that can be drawn. The study covers only five annual observations, which is sufficient to describe the direction and evolution of selected financial indicators but not enough to support formal statistical inference about long-term trends. Accordingly, the movements discussed throughout the analysis should be understood as a descriptive trajectory rather than as statistically tested trends. This distinction is important because an observed increase or decrease across the five-year period does not, by itself, establish a persistent or statistically significant trend.

A further limitation concerns the Capital Adequacy Ratio (CAR) data. For year-end 2022 and 2023, the analysis uses the closest confirmed quarterly figures, namely 31

March 2023 and 31 March 2024, respectively, rather than the exact 31 December positions. This approach was adopted because the precise year-end figures could not be directly obtained by the author. Although the quarterly proxies provide a reasonable indication of the bank's capital position around the relevant periods, they should not be interpreted as exact year-end observations. This limitation is explicitly reflected in Table 4.

The study also takes a deliberate approach to leverage measurement. Generic indicators such as the Debt-to-Equity Ratio (DER) are not used as primary measures of banking risk, consistent with the conceptual and methodological rationale discussed in Sections 1 and 2.1. This reflects the distinctive balance-sheet structure of banks, where conventional corporate leverage measures can provide a less meaningful picture of financial risk. As a result, readers interested specifically in a leverage-based assessment should recognise that this dimension falls outside the primary analytical scope of the study.

The valuation analysis has a similarly defined scope. The conclusions regarding Bank Mandiri's valuation are descriptive and comparative, focusing on the bank's historical valuation range and its position relative to the industry average. The study does not estimate intrinsic value using formal valuation approaches such as the Dividend Discount Model, Discounted Cash Flow, or Residual Income Model. Consequently, the observed PER and PBV levels are used to assess relative valuation rather than to make a definitive judgment that the stock is overvalued or undervalued. This distinction is intentional and avoids treating a relatively low or high valuation multiple as conclusive evidence of market mispricing without an underlying intrinsic-value estimate.

Finally, the study relies primarily on authoritative sources, particularly Bank Mandiri's official audited financial statements, data from the Indonesia Stock Exchange, and information published by the Financial Services Authority. A limited number of supplementary market-price and contextual data points are obtained from secondary financial-data aggregators, including Databoks/Katadata, Kepoinsaham.com, and TradingView. These secondary sources are used only to provide additional context on share-price movements and market conditions, while the primary financial-statement figures remain grounded in official sources. This source hierarchy is intended to preserve the reliability of the core financial analysis while allowing the study to incorporate relevant market information where necessary.

5.3 Recommendations for Future Research

Future research could build on the present findings by moving beyond the single-issuer perspective and adopting a comparative multi-bank design. Examining Bank Mandiri alongside major peers such as Bank Rakyat Indonesia (BBRI), Bank Negara Indonesia (BBNI), and Bank Central Asia (BBCA) would provide a stronger basis for assessing whether the fundamental trajectory observed in BMRI reflects bank-specific developments or broader movements within the Indonesian banking industry. A like-for-like comparison across profitability, asset quality, capital adequacy, liquidity, and market valuation would also make it possible to identify the areas in which Bank Mandiri outperforms or falls behind its closest peers.

Another promising direction would be to complement the descriptive valuation analysis with an explicit intrinsic valuation model. Future studies could apply approaches such as the Dividend Discount Model, Discounted Cash Flow, or Residual Income Model

to estimate BMRI's intrinsic value at specific points in time. This would allow researchers to move beyond the observation of PER and PBV movements and more directly assess whether the market price reflected a potential overvaluation or undervaluation. Such an approach would also provide a stronger empirical foundation for evaluating the relationship between Bank Mandiri's fundamentals and its market valuation.

The scope of statistical analysis could likewise be expanded once a sufficiently large multi-bank; multi-year dataset becomes available. With a broader panel, researchers could employ inferential methods such as panel regression to formally examine whether changes in fundamental ratios are associated with share prices or stock returns, while controlling for bank-specific and macroeconomic factors. This would address an important limitation of the present study, which is deliberately descriptive and based on a single issuer with only five annual observations. A larger panel dataset would therefore offer greater statistical power and a more rigorous basis for identifying systematic relationships.

Finally, the April 2023 stock split presents a particularly relevant opportunity for future research. An event-study design could examine the market's response to the stock split more directly by analysing abnormal returns around the announcement and implementation dates. This approach would provide stronger empirical evidence regarding whether the corporate action generated a statistically meaningful market reaction. It would also allow future research to test more directly the signalling theory and semi-strong form of the Efficient Market Hypothesis discussed in Section 2.1. Rather than simply describing changes in BMRI's share price around the stock split, an event study could determine whether those changes were unusual relative to the market and therefore potentially attributable to the information conveyed by the corporate action.

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