

## Bank Negara Indonesia

HOLD (unchanged)

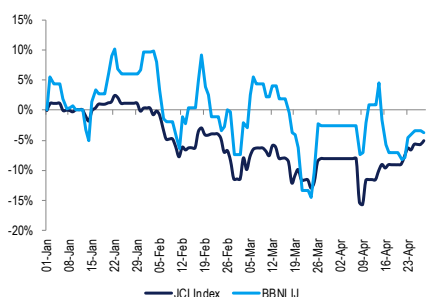
Company Update | Banks | BBNI IJ | 28 April 2025

## Stock Data

Target price	Rp4,500
Prior TP	Rp5,000
Current price	Rp4,190
Upside/downside	+7.4%
Shares outstanding (mn)	37,297
Market cap (Rp bn)	156,276
Free float	40%
Avg. 6m daily T/O (Rp bn)	378

## Price Performance

	3M	6M	12M
Absolute	-9.1%	-25.8%	-18.6%
Relative to JCI	-2.9%	-13.2%	-14.2%
52w low/high (Rp)	3,720 – 5,825		



## Major Shareholders

Republic of Indonesia	60%
-----------------------	-----

## Jovent Muliadi

PT Indo Premier Sekuritas  
jovent.muliadi@ipc.co.id  
+62 21 5088 7168 ext. 710

## Anthony

PT Indo Premier Sekuritas  
anthony@ipc.co.id  
+62 21 5088 7168 ext. 715

## 1Q25 results: in-line; maintain Hold with lower TP from tepid PPOP/low CoC

- 1Q25 net profit of Rp5.4tr (+1% yoy), in-line with our/cons at 25/23%, PPOP was tepid at +2% yoy with stable CoC at 0.9%.
- NIM compressed -7bp yoy/-55bp qoq to 3.9% due to pressure on loan yield which we think due to slight deterioration in asset quality.
- New management confirmed no kitchen sinking, in-line with our expectation ([link](#)). Maintain Hold due to PPOP/low CoC.

## 1Q25 results: in-line with ours but lower provision remains a concern

BBNI reported net profit growth of +1% yoy to Rp5.4tr in 1Q25, in-line with our/consensus expectations at 25/23% of FY25F forecasts. PPOP was tepid at +2% qoq as NII growth of +5% was offset by opex growth of +4% yoy. Provision increased by +1% yoy, resulting in overall CoC of 0.9% in 1Q25. It maintains its CoC guidance of  $\pm 1.0\%$  in FY25F.

## NIM compression from lower loan yield from competition/asset quality

NIM contracted by -7bp yoy/-55bp qoq to 3.9% in 1Q25, driven by a -10bp yoy/-30bp qoq decline in loan yield amid tighter lending competition and deterioration in asset quality. Meanwhile, CoF remained stable at 2.8% (-4bp yoy/+6bp qoq). LDR stood at 93% (vs. 89/96% in 1Q24/4Q24). It maintains NIM guidance of 4.0-4.2% in FY25F (>4.5% long-term target) and aims to keep LDR below 95%. Deposit grew +5% yoy/+2% qoq, with CA +3% yoy/+5% qoq, SA +10% yoy/flat qoq, and TD +2% yoy/flat qoq.

## Expected loan growth from lower risk segment

Loan rose by +10% yoy (-1% qoq) in 1Q25, driven by lower risk segment. The growth was led by corporate segment at +16% yoy/-1% qoq and consumer at +13% yoy/+2% qoq. It retains guidance of 8-10% in FY25F.

## Worsening LAR/SML on qoq basis but still improving on yoy basis

Overall asset quality was worsening on qoq basis with LAR at 10.9% in 1Q25 vs. 10.3% in 4Q24 (13.3% in 1Q24); and SML at 4.5% in 1Q25 vs. 3.8% in 4Q24 (5.5% in 1Q24). Notably, NPL formation declined by -22% yoy, leading to a -30% yoy drop in write-off to Rp2.8tr. NPL/LAR coverage stood at 263/47%, compared to vs. 330/50% in 1Q24 and 256/49% in 4Q24.

## Maintain Hold with lower TP; turnaround in PPOP and stabilizing asset quality are imperatives for us to turn more positive

Despite the new management's assurance that there will be no kitchen sinking or major strategic shifts, we maintain our Hold rating (with lower TP of Rp4,500 based on 13% ROAE vs. 13.4% previously) as we have a concern on level of provisioning vs. asset quality; despite valuation appears attractive at 0.9x FY25F P/B and 7.2x P/E (vs. 10yr avg. of 1.1x P/B and 10.6x P/E). Risk is persistent worsening in asset quality.

Financial summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	41,276	40,480	42,213	46,946	51,249
PPOP	34,970	34,826	35,398	39,413	42,083
Provision charges	(9,196)	(8,211)	(8,928)	(10,637)	(10,649)
Net profit	20,909	21,464	21,463	23,333	25,495
P/BV (x)	1.1	1.0	0.9	0.9	0.8
Dividend yield	1.7%	4.7%	6.7%	5.5%	5.5%
ROAE	14.1%	14.6%	13.7%	12.7%	12.8%
IPS vs. consensus			93%	93%	92%

Source: Company, Indo Premier

Share price closing as of: 28 April 2025

Fig. 1: BBNI 1Q25 results summary

BBNI 1Q25 results summary (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest Income	16,713	15,875	5%	17,747	-6%	69,710	24%		
Interest expenses	(6,879)	(6,485)	6%	(6,705)	3%	(27,496)	25%		
<b>Net interest income</b>	<b>9,834</b>	<b>9,390</b>	<b>5%</b>	<b>11,042</b>	<b>-11%</b>	<b>42,213</b>	<b>23%</b>		
Fee based income	4,014	3,913	3%	4,532	-11%				
Insurance Income	334	373	-10%	509	-34%				
Recovery	1,067	1,154	-8%	2,157	-51%				
<b>Non-interest income</b>	<b>5,415</b>	<b>5,440</b>	<b>0%</b>	<b>7,198</b>	<b>-25%</b>	<b>22,902</b>	<b>24%</b>		
<b>Total Income</b>	<b>15,249</b>	<b>14,830</b>	<b>3%</b>	<b>18,240</b>	<b>-16%</b>	<b>65,115</b>	<b>23%</b>		
Overhead Expenses	(6,937)	(6,649)	4%	(8,699)	-20%	(29,717)	23%		
<b>Pre-provision profit</b>	<b>8,312</b>	<b>8,181</b>	<b>2%</b>	<b>9,541</b>	<b>-13%</b>	<b>35,398</b>	<b>23%</b>		
Loan loss provision	(1,760)	(1,744)	1%	(2,822)	-38%	(8,928)	20%		
Other income (exp)	(33)	0	#DIV/0!	(7)	NA	(35)	93%		
<b>Pretax Profit</b>	<b>6,519</b>	<b>6,437</b>	<b>1%</b>	<b>6,712</b>	<b>-3%</b>	<b>26,435</b>	<b>25%</b>	<b>28,580</b>	<b>23%</b>
Tax	(1,107)	(1,085)	2%	(1,475)	-25%	(4,765)	23%		
Minority interests	(32)	(26)	24%	(81)	-60%	(208)	16%		
<b>Net Profit</b>	<b>5,380</b>	<b>5,326</b>	<b>1%</b>	<b>5,156</b>	<b>4%</b>	<b>21,463</b>	<b>25%</b>	<b>23,155</b>	<b>23%</b>

Source: Company, Indo Premier

Fig. 2: BBNI 1Q25 balance sheet summary

Balance sheet (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ
Placement with banks/BI	26,516	29,921	-11%	17,076	55%
Marketable securities	43,169	41,238	5%	51,669	-16%
Government bonds	134,026	131,033	2%	132,072	1%
<b>Gross Loan</b>	<b>765,469</b>	<b>695,612</b>	<b>10%</b>	<b>775,872</b>	<b>-1%</b>
Other assets	177,403	168,911	5%	153,117	16%
<b>Total Assets</b>	<b>1,146,583</b>	<b>1,066,715</b>	<b>7%</b>	<b>1,129,806</b>	<b>1%</b>
Demand Deposits	319,983	309,546	3%	305,734	5%
Saving deposits	257,824	233,958	10%	257,544	0%
<b>CASA</b>	<b>577,807</b>	<b>543,504</b>	<b>6%</b>	<b>563,278</b>	<b>3%</b>
Time Deposits & CD	241,774	236,726	2%	242,233	0%
<b>Customer deposits</b>	<b>819,581</b>	<b>780,230</b>	<b>5%</b>	<b>805,511</b>	<b>2%</b>
Deposit from other banks	14,007	12,825	9%	18,548	-24%
Securities issued	31,435	22,348	41%	30,674	2%
Borrowings	38,846	31,256	24%	42,931	-10%
Other liabilities&accrued	69,700	70,354	-1%	64,955	7%
<b>Total Liabilities</b>	<b>973,569</b>	<b>917,013</b>	<b>6%</b>	<b>962,619</b>	<b>1%</b>
<b>Equity</b>	<b>173,014</b>	<b>149,702</b>	<b>16%</b>	<b>167,187</b>	<b>3%</b>

Source: Company, Indo Premier

Fig. 3: BBNI 1Q25 key ratios

Key Ratios (in %)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Loan Yield - reported (Q)	7.7	7.7	7.9	7.8	7.5	7.4	7.7	7.7	7.4
Cost of funds - reported (C)	1.9	2.0	2.3	2.5	2.8	2.8	2.7	2.7	2.8
NIM (C)	4.7	4.6	4.6	4.6	4.0	4.0	4.2	4.2	3.9
CAR	21.6	21.6	21.9	22.0	20.5	20.7	21.8	21.4	22.3
LDR	85	85	90	86	89	94	95	96	93
Gross NPL	2.8	2.5	2.3	2.1	2.0	2.0	2.0	2.0	2.0
Special Mention	4.4	4.4	4.5	4.9	5.5	4.9	4.8	3.8	4.5
Loan-at-risk (incl. Covid)	16.3	16.1	14.4	12.9	13.3	12.3	11.8	10.3	10.9
Credit Costs (Q)	1.4	1.5	1.3	1.4	1.0	1.0	1.0	1.5	0.9
Credit Costs (C)	1.4	1.4	1.4	1.4	1.0	1.0	1.0	1.1	0.9
Coverage Ratio	287	309	325	319	330	298	284	256	263
CASA Ratio	69	70	69	71	70	71	70	70	71
CIR	42	41	41	43	43	44	44	45	44
LAR coverage	49	47	51	53	50	48	47	49	47

Source: Company, Indo Premier

**Fig. 4: BBNI's forward P/BV – now trading at 0.9x FY25F P/BV vs. 10-year average of 1.1x P/BV**



Source: Bloomberg, Company, Indo Premier

**Fig. 5: BBNI's forward P/E – now trading at 7.3x FY25F P/E vs. 10-year average 10.4x P/E**



Source: Bloomberg, Company, Indo Premier

**Fig. 6: Peer comparison table**

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY25F	FY26F	10Y Avg	FY25F	FY26F	10Y Avg
BBCA	8,775	10,400	4.3	19%	Buy	18.9	17.4	21.2	3.8	3.6	3.8
BBRI	3,840	4,700	2.1	22%	Buy	10.2	9.1	14.6	1.8	1.7	2.4
BMRI	4,920	7,100	2.0	44%	Buy	7.8	7.2	11.8	1.4	1.3	1.7
BBNI	4,190	4,500	0.9	7%	Hold	7.3	6.7	10.4	0.9	0.8	1.1
BBTN	1,100	1,450	0.6	32%	Buy	4.8	4.4	6.9	0.4	0.4	0.8
BRIS*	2,850	3,500	2.7	23%	Buy	16.2	14.3	16.0	2.5	2.2	2.2

Source: Bloomberg, Company, Indo Premier  
\*4Y avg

Share price closing as of: 28 April 2025

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	61,472	66,583	69,710	75,341	81,632
Interest expense	(20,196)	(26,103)	(27,496)	(28,395)	(30,382)
<b>Net interest income</b>	<b>41,276</b>	<b>40,480</b>	<b>42,213</b>	<b>46,946</b>	<b>51,249</b>
Non-interest income	21,472	24,035	22,902	24,451	25,943
<b>Total operating income</b>	<b>62,747</b>	<b>64,515</b>	<b>65,115</b>	<b>71,398</b>	<b>77,192</b>
Opex	(27,778)	(29,688)	(29,717)	(31,985)	(35,109)
<b>PPOP</b>	<b>34,970</b>	<b>34,826</b>	<b>35,398</b>	<b>39,413</b>	<b>42,083</b>
Provisions	(9,196)	(8,211)	(8,928)	(10,637)	(10,649)
<b>Operating profit</b>	<b>25,773</b>	<b>26,616</b>	<b>26,471</b>	<b>28,776</b>	<b>31,435</b>
Non-operating profit	(134)	(35)	(35)	(35)	(35)
<b>Pre-tax profit</b>	<b>25,640</b>	<b>26,580</b>	<b>26,435</b>	<b>28,741</b>	<b>31,399</b>
Income tax	(4,534)	(4,911)	(4,765)	(5,180)	(5,658)
Minority interest	(197)	(206)	(208)	(228)	(246)
<b>Net profit</b>	<b>20,909</b>	<b>21,464</b>	<b>21,463</b>	<b>23,333</b>	<b>25,495</b>

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	76,464	65,379	67,094	70,710	75,650
Secondary reserves	257,032	227,724	223,173	223,173	220,941
Gross loans	695,085	775,872	847,343	925,411	1,010,686
Loan provisions	(47,158)	(38,685)	(33,004)	(28,572)	(22,764)
Other assets	105,242	99,515	102,256	107,093	112,265
<b>Total Assets</b>	<b>1,086,664</b>	<b>1,129,806</b>	<b>1,206,862</b>	<b>1,297,815</b>	<b>1,396,778</b>
Total deposits	822,624	824,059	888,238	964,443	1,047,244
Securities and borrowings	42,734	71,797	71,797	71,797	71,797
Other liabilities	66,573	66,763	66,763	66,763	66,763
<b>Total liabilities</b>	<b>931,931</b>	<b>962,619</b>	<b>1,026,798</b>	<b>1,103,003</b>	<b>1,185,804</b>
<b>Shareholders' equity</b>	<b>154,733</b>	<b>167,187</b>	<b>180,064</b>	<b>194,812</b>	<b>210,974</b>
<b>Total liabilities &amp; equity</b>	<b>1,086,664</b>	<b>1,129,806</b>	<b>1,206,862</b>	<b>1,297,815</b>	<b>1,396,778</b>

Growth YoY	2023A	2024A	2025F	2026F	2027F
Gross loans	7.6%	11.6%	9.2%	9.2%	9.2%
Total assets	5.5%	4.0%	6.8%	7.5%	7.6%
Total deposits	4.9%	0.2%	7.8%	8.6%	8.6%
Net interest income	-0.1%	-1.9%	4.3%	11.2%	9.2%
Non-interest income	6.6%	11.9%	-4.7%	6.8%	6.1%
Total operating income	2.1%	2.8%	0.9%	9.6%	8.1%
Operating expense	2.7%	6.9%	0.1%	7.6%	9.8%
PPOP	1.6%	-0.4%	1.6%	11.3%	6.8%
Net profit	14.2%	2.7%	0.0%	8.7%	9.3%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	2.0%	1.9%	1.8%	1.9%	1.9%
ROAE	14.6%	13.7%	12.7%	12.8%	12.9%
NIM	4.6%	4.2%	4.1%	4.2%	4.3%
Credit cost	1.4%	1.1%	1.1%	1.2%	1.1%
Cost/income	44.3%	46.0%	45.6%	44.8%	45.5%
LDR	84.5%	94.2%	95.4%	96.0%	96.5%
CAR	23.2%	21.7%	20.0%	20.0%	20.2%
NPL ratio	2.1%	2.0%	2.0%	2.0%	1.8%
Provisions/NPL	317.9%	253.6%	193.2%	155.2%	125.4%

Source: Company, Indo Premier

**INVESTMENT RATINGS**

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

**ANALYSTS CERTIFICATION**

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

**DISCLAIMERS**

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.