

Bank Negara Indonesia

BUY (upgrade)

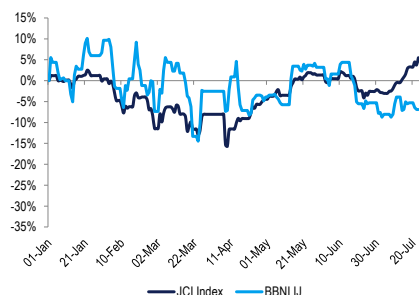
Company Update | Banks | BBNI IJ | 23 July 2025

Stock Data

Target price	Rp4,800
Prior TP	Rp4,500
Current price	Rp4,100
Upside/downside	17%
Shares outstanding (mn)	37,297
Market cap (Rp bn)	152,919
Free float	40%
Avg. 6m daily T/O (Rp bn)	309

Price Performance

	3M	6M	12M
Absolute	1.0%	-14.6%	-19.8%
Relative to JCI	-13.2%	-18.6%	-21.9%
52w low/high (Rp)	3720 - 5825		



Major Shareholders

Republic of Indonesia	52%
Indonesia Investment Authority	8%

Jovent Muliadi

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

Axel Azriel

PT Indo Premier Sekuritas
axel.azriel@ipc.co.id
 +62 21 5088 7168 ext. 717

Gabriella Alyssa

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

Potentially weak 2Q25 but funding turnaround is imminent; U/G to Buy

- We expect BBNI's 2Q results to be weak (flat to low single digit -ve) and this shall missed consensus as it still expects 3% FY25 earnings growth.
- However, with weakness in banking sector (-12% in YTD), we think weak earnings have partly priced-in (reflected in the 5M results).
- Post our meeting with the CEO, we came back more positive especially on the funding front. Along with attractive valuation, we upgrade to Buy.

We expect weak 2Q25 results but this has been reflected in the 5M

We expect BBNI to report flat to low single digit negative yoy earnings in 1H25 and this shall miss consensus estimate at +3% yoy for FY25 earnings, although in-line with ours as we expect flat yoy earnings growth for FY25. The miss will primarily come from NIM as 5M NIM has trended lower at 3.7% (3.9% in 1Q25 vs. FY25 guidance of 4-4.2%) amid elevated CoF – note that liquidity has only started to improve in mid Jun which shall not be reflected in the 2Q25 results. We expect a downward revision on NIM as current guidance of 4-4.2% for the full-year is unachievable. Lastly, multifinance subsidiary was also having asset quality issue which may result in NP drag.

Funding turnaround is imminent

Post our meeting with the CEO, we came back more upbeat with the future outlook. This stems from his current focus to fix low cost funding franchise in BBNI which has been ineffective in the past amid centralized focus (corporate driven with all the process is centralized in head office). Currently, the new CEO adopted decentralized approach and empower regional branch to be more aggressive in both lending and funding; with all the regional head will directly report to the CEO – this is more or less similar to BMRI's approach. Along with strong traction with Wondr (its super app), he mentioned that this has shown some results in the 2Q25 results with exceptional growth in CASA (indeed savings already grew at 8% yoy in 5M) and will result in major improvement in overall liquidity position. This will also impact the loan mix as better liquidity and bigger regional's authority may result in growth recovery for enterprise and commercial segment (combined at -3.3% yoy). Cost management will also is another priority as current CIR of 43-45% can be optimized further (BBCA/BMRI/BBRI CIR at 34/41/41% in 1Q25).

Earnings risk has been partly priced-in; upgrade to Buy

Overall banking sector dropped -12% in YTD with BBNI dropped at -6% during the same period, suggesting that some of the earnings risks have been priced-in. That being said, BBNI currently trades at 0.9/0.8x FY25/26F P/BV which is really attractive vs. 10Y average of 1.1x and peers average of 2.3x P/BV currently. This and funding improvement underpin our upgrade to Buy with new TP of Rp4,800 (0.9x P/B with lower Rf of 6.75%).

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
Net profit growth	14%	3%	0%	9%	9%
P/BV (x)	1.0	0.9	0.8	0.8	0.7
Dividend yield	4.8%	6.8%	5.6%	5.6%	6.1%
ROAE	14.6%	13.7%	12.7%	12.8%	12.9%
IPS vs. consensus			93%	93%	92%

Source: Company, Indo Premier

Share price closing as of: 23 July 2025

Fig. 1: BBNI's bank-only 5M25 results summary – NIM continued to be under pressure

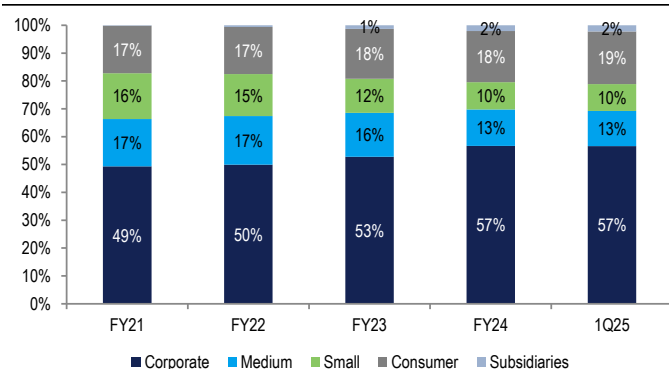
Income Statement (Rp bn)	5M25	5M24	YoY%	May-25	May-24	YoY%	Apr-25	MoM%	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest Income	26,974	26,091	3%	5,397	5,330	1%	5,346	1%	69,710	39%		
Interest Expense	(11,238)	(10,809)	4%	(2,295)	(2,255)	2%	(2,281)	1%	(27,496)	41%		
Net Interest Income	15,736	15,282	3%	3,102	3,075	1%	3,065	1%	42,213	37%		
Non Interest Income	6,749	6,850	-1%	1,330	1,324	0%	1,308	2%	22,902	29%		
Gains (Loss) on Fin Inst.	1,572	1,351	16%	367	386	-5%	375	-2%				
Total Income	24,057	23,483	2%	4,800	4,785	0%	4,747	1%	65,115	37%		
Operating Expense	(11,026)	(10,450)	6%	(2,294)	(2,179)	5%	(2,207)	4%	(29,717)	37%		
PPOP	13,030	13,032	0%	2,505	2,606	-4%	2,540	-1%	35,398	37%		
Provisions	(2,853)	(2,807)	2%	(607)	(579)	5%	(737)	-18%	(8,928)	32%		
Operating Income	10,178	10,225	0%	1,898	2,026	-6%	1,803	5%	26,471	38%	28,398	36%
Non Operating Inc. (Exp.)	10	53	-82%	8	4	105%	(1)	-796%	(35)	-27%		
Tax Expense	(1,734)	(1,708)	1%	(325)	(325)	0%	(308)	5%	(4,972)	35%		
Net Income	8,454	8,569	-1%	1,582	1,705	-7%	1,494	6%	21,463	39%	22,285	38%

Balance Sheet (Rp bn)	May-25	May-24	YoY%	Apr-25	MoM%
Loan	755,446	708,899	7%	757,579	0%
Deposit	799,261	788,695	1%	811,872	-2%
CASA	573,302	559,348	2%	584,372	-2%
CA	319,883	323,678	-1%	329,057	-3%
SA	253,419	235,670	8%	255,316	-1%
TD	225,959	229,347	-1%	227,500	-1%

Key Ratios	5M25	5M24	YoY (bp)	4M25	Chg (bp)	May-25	May-24	YoY (bp)	Apr-25	MoM (bp)
LDR	94.5%	89.9%	464	93.3%	121	94.5%	89.9%	464	93.3%	121
Credit Costs	0.9%	1.0%	(7)	0.9%	1	1.0%	1.0%	(4)	1.2%	(22)
Asset Yield	6.4%	6.5%	(14)	6.3%	10	6.4%	6.7%	(28)	6.2%	16
CoF	3.0%	3.1%	(6)	2.9%	7	3.1%	3.2%	(13)	3.0%	8
Net Interest Margin	3.7%	3.8%	(10)	3.7%	4	3.7%	3.8%	(17)	3.6%	10
CASA Ratio	71.7%	70.9%	81	72.0%	(25)	71.7%	70.9%	81	72.0%	(25)

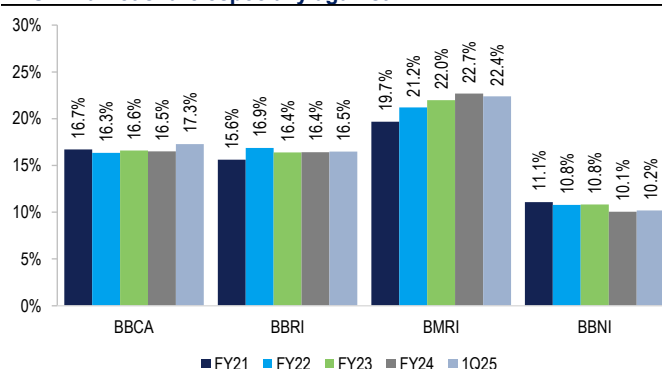
Source: Company, Indo Premier

Fig. 2: BBNI loan mix – corporate rose significantly in the past 3 years



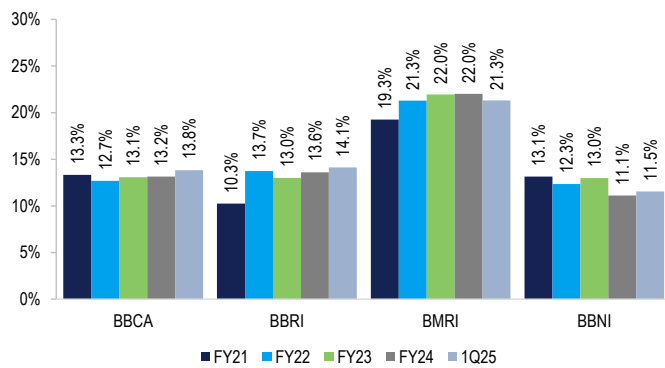
Source: Company, Indo Premier

Fig. 3: BBNI CASA market share vs. peers – significant decline in the CASA market share especially against BMRI



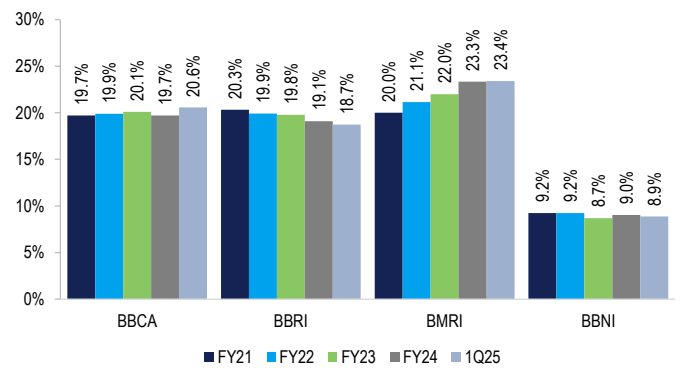
Source: Company, Indo Premier

Fig. 4: BBNI CA market share vs. peers



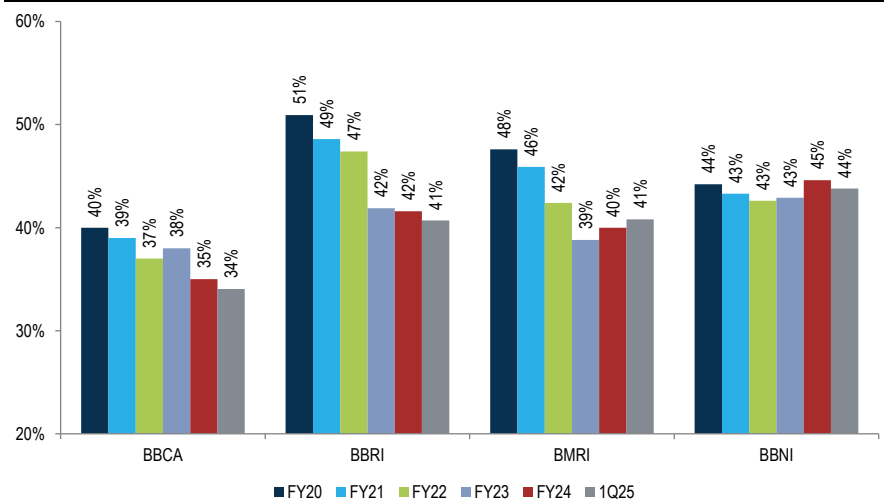
Source: Company, Indo Premier

Fig. 5: BBNI SA market share vs. peers



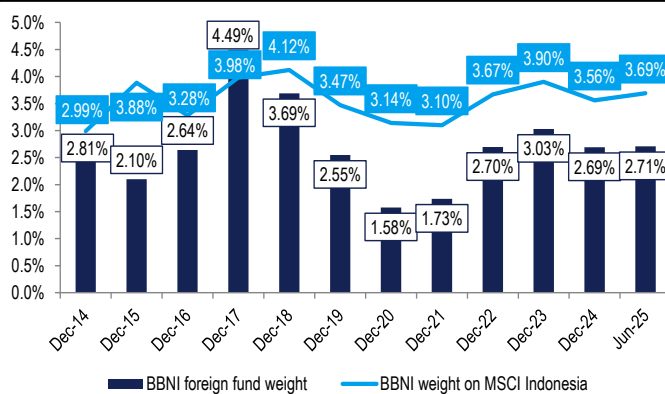
Source: Company, Indo Premier

Fig. 6: CIR summary – BBNI's CIR is still well above its peers



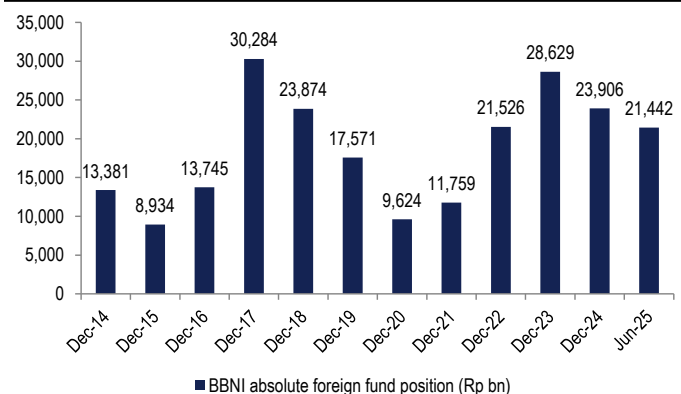
Source: Company, Indo Premier

Fig. 7: Foreign fund positioning on BBNI vs. BBNI weight on MSCI



Source: Bloomberg, KSEI, MSCI, Indo Premier

Fig. 8: BBNI absolute foreign fund position



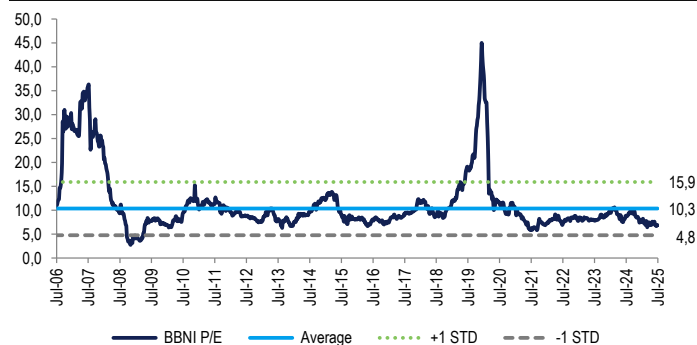
Source: Bloomberg, KSEI, MSCI, Indo Premier

Fig. 9: 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. 10: BBNI's forward P/E – now trading at 6.9x FY25F P/E vs. 10-year average 10.3x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 11: 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	8.425	10.400	4,3	23%	Buy	17,8	16,5	21,2	3,6	3,4	3,8
BBRI	3.800	4.700	2,1	24%	Buy	9,8	8,9	14,7	1,8	1,7	2,4
BMRI	4.680	7.100	2,0	52%	Buy	7,9	7,3	11,6	1,5	1,3	1,7
BBNI	4.100	4.800	0,9	17%	Buy	6,9	6,3	10,3	0,9	0,8	1,1
BBTN	1.190	1.450	0,6	22%	Buy	5,0	4,5	6,9	0,5	0,4	0,8
BRIS*	2.730	3.500	2,7	28%	Buy	15,6	13,1	15,9	2,4	2,1	2,2

Source: Bloomberg, Company, Indo Premier

*4Y avg

Share price closing as of: 23 July 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)
Net interest income	41,276	40,480	42,213	46,946	51,249
Non-interest income	21,472	24,035	22,902	24,451	25,943
Total operating income	62,747	64,515	65,115	71,398	77,192
Opex	(27,778)	(29,688)	(29,717)	(31,985)	(35,109)
PPOP	34,970	34,826	35,398	39,413	42,083
Provisions	(9,196)	(8,211)	(8,928)	(10,637)	(10,649)
Operating profit	25,773	26,616	26,471	28,776	31,435
Non-operating profit	(134)	(35)	(35)	(35)	(35)
Pre-tax profit	25,640	26,580	26,435	28,741	31,399
Income tax	(4,534)	(4,911)	(4,765)	(5,180)	(5,658)
Minority interest	(197)	(206)	(208)	(228)	(246)
Net profit	20,909	21,464	21,463	23,333	25,495

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
Total Assets	1,086,664	1,129,806	1,206,862	1,297,815	1,396,778
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
Total liabilities	931,931	962,619	1,026,798	1,103,003	1,185,804
Shareholders' equity	154,733	167,187	180,064	194,812	210,974
Total liabilities & equity	1,086,664	1,129,806	1,206,862	1,297,815	1,396,778

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.