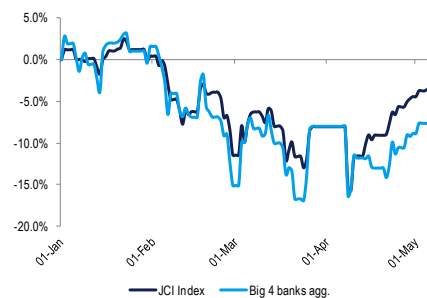


Sector Index Performance

	3M	6M	12M
Absolute	-9.1%	-17.7%	-14.0%
Relative to JCI	-5.2%	-8.8%	-9.7%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
BBCA IJ	19.3	17.8	16.3
BBRI IJ	10.3	9.2	8.5
BMRI IJ	7.9	7.3	6.5

P/BV (x)	2025F	2026F	2027F
BBCA IJ	3.9	3.6	3.4
BBRI IJ	1.8	1.7	1.7
BMRI IJ	1.4	1.3	1.2

Div. Yield	2025F	2026F	2027F
BBCA IJ	3.5%	3.6%	3.9%
BBRI IJ	8.8%	8.3%	9.3%
BMRI IJ	9.4%	7.6%	8.3%

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1Q25 recap: in-line; expect sequential recovery in CoF and CIR onwards

- Big 4 banks 1Q25 net profit of Rp46.4tr (-1% yoy) was in-line. BBKA led the earnings growth at +10% yoy, followed by BMRI at +4% yoy.
- All banks except BCA experienced NIM contraction on yoy basis (BMRI was the steepest) but NIM may be bottoming in 1Q.
- Maintain OW with BMRI and BBRI as our picks. Key risk is asset quality.

Tepid results but 1Q always marked the slowest quarter

Big 4 banks posted Rp46.4tr of profit or at -1% yoy in 1Q25 as this was dragged down by BBRI (-14% yoy); but in-line at 24/23% of our/consensus FY25F. PPOP rose by 2% yoy on strong non-II (+11%), though NII growth was soft at +3% amid margin pressure. BMRI and BBRI saw higher opex growth of +16% and +12% yoy from frontloading activity for the former along with seasonality of Eid expense (THR). BBKA led the earnings growth at +10% yoy, followed by BMRI (+4% yoy) and BBNI (+1% yoy). BBRI at -14% yoy but much improved vs. 2M25/1M25 of -18/-58% yoy.

Weaker than expected NIM for most banks; BBKA and BBRI held up

Most banks posted yoy NIM contraction in 1Q25 (-7bp to -40bp) with BMRI experienced the steepest contraction which was expected given its high exposure of corporate loan based on benchmark rate (at c.40% in 1Q25); and higher CoF across banks given the concurrent timing between dividend and Eid. Only BBKA posted NIM expansion on yoy basis at +20bp; even it was able to cut its TD rate by -25bp in 1Q. We believe 1Q shall be the bottom for margin which also coincided with MoF decision to frontload its bond issuance (+172% yoy) which marked the highest issuance in 5 years.

Loan growth remained at double digit; savings was the bright spot

Aggregate loan growth remained healthy at +11% yoy, led by BMRI at +17% (BBKA/BBNI at +13/10%). BBRI lagged at +5% which was expected as it currently focusing on asset quality. On funding, almost all banks posted decent CASA growth at 6-9% yoy with the bright spot was in savings at 5-12% yoy (BMRI posted the highest savings growth followed by BBNI). TD grew at +2% yoy (+7% qoq) driven by BMRI at +19% yoy (+12% qoq) which we expect to normalize in coming quarters post dividend/Eid period. Overall LDR stood at 92% in 1Q25 (vs. 87/94% in 1Q/4Q24).

Qoq increase on LAR was driven by one nickel debtor

Overall LAR rose to 8.6% in 1Q25 from 8.1% in 4Q24 (10.1% in 1Q24) or +7% qoq in absolute terms. This was driven by restructuring on one nickel debtor in all big 4 banks (except for BBRI), however this shall conclude in 2Q or 3Q this year and shall not fall into NPL. At the same time, based on our channel check, this event seems to be an isolated case (mismanagement) instead of industry wide trend. Some banks also reported some slight hiccup in consumer loans i.e. auto/payroll but may be due to seasonality of Eid.

Maintain OW with BMRI and BBRI as our top picks.

We believe 1Q25 shall be the weakest quarter for banks (NIM and loan) and expect both BMRI and BBRI to post earnings recovery in subsequent quarters on the back of NIM improvement for the former and better CoC for the latter. Current valuation of 2.1x P/B and 11.9x P/E vs. 10Y average of 2.3x and 14.7x, suggesting undemanding valuation along with revision on earnings growth (-3% YTD). Key risk is deterioration in asset quality.

Fig. 1: Big 4 banks 1Q25 results summary

Big 4 banks 1Q25 result (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	130,572	125,003	4%	131,591	-1%	536,638	24%		
Interest expenses	(38,235)	(35,157)	9%	(37,501)	2%	(149,565)	26%		
Net interest income	92,336	89,846	3%	94,090	-2%	387,074	24%		
Non interest income	38,484	34,516	11%	42,432	-9%	165,578	23%		
Total income	130,821	124,362	5%	136,522	-4%	552,651	24%		
Opex	(52,136)	(47,439)	10%	(59,450)	-12%	(233,459)	22%		
PPOP	78,685	76,924	2%	77,072	2%	319,192	25%		
Provisions	(18,961)	(16,939)	12%	(13,595)	39%	(73,314)	26%		
Non-operating	(189)	(106)	78%	(724)	-74%	1,016	-19%		
Pre-tax profit	59,536	59,878	-1%	62,753	-5%	246,894	24%	255,418	23%
Tax	(11,642)	(11,543)	1%	(13,389)	-13%	(47,940)	24%		
Minority interests	(1,497)	(1,541)	-3%	(1,589)	-6%	(4,744)	32%		
Net profit	46,396	46,793	-1%	47,774	-3%	194,210	24%	197,853	23%

Source: Company, Indo Premier

Fig. 2: BBKA 1Q25 results summary

BBKA 1Q25 result (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	24,395	22,986	6%	24,615	-1%	100,843	24%		
Interest expenses	(3,248)	(3,200)	2%	(3,177)	2%	(13,586)	24%		
Net interest income	21,146	19,786	7%	21,438	-1%	87,258	24%		
Non interest income	6,806	6,298	8%	6,155	11%	27,227	25%		
Total income	27,953	26,084	7%	27,593	1%	114,485	24%		
Opex	(9,486)	(9,289)	2%	(10,434)	-9%	(40,549)	23%		
PPOP	18,467	16,796	10%	17,159	8%	73,936	25%		
Provisions	(1,031)	(886)	16%	333	-410%	(3,304)	31%		
Non-operating	19	6	226%	(120)	-116%				
Pre-tax profit	17,456	15,915	10%	17,372	0%	70,632	25%	72,299	24%
Tax	(3,309)	(3,037)	9%	(3,608)	-8%	(13,420)	25%		
Minority interests	(1)	1	-188%	(1)	-9%	(16)	5%		
Net profit	14,146	12,879	10%	13,762	3%	57,196	25%	58,296	24%

Source: Company, Indo Premier

Fig. 3: BBRI 1Q25 results summary

BBRI 1Q25 result (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	49,838	50,607	-2%	48,629	2%	203,437	24%		
Interest expenses	(13,987)	(14,123)	-1%	(14,173)	-1%	(58,519)	24%		
Net interest income	35,851	36,484	-2%	34,456	4%	144,919	25%		
Non interest income	14,590	12,651	15%	16,330	-11%	66,980	22%		
Total income	50,441	49,135	3%	50,786	-1%	211,899	24%		
Opex	(20,544)	(18,389)	12%	(21,543)	-5%	(97,091)	21%		
PPOP	29,897	30,746	-3%	29,243	2%	114,807	26%		
Provisions	(12,275)	(10,713)	15%	(8,710)	41%	(41,820)	29%		
Non-operating	(240)	(109)	120%	(922)	-74%	(1,068)	22%		
Pre-tax profit	17,382	19,924	-13%	19,611	-11%	71,919	24%	75,379	23%
Tax	(3,578)	(3,941)	-9%	(4,330)	-17%	(14,598)	25%		
Minority interests	(131)	(97)	35%	(191)	-31%	(477)	27%		
Net profit	13,673	15,886	-14%	15,090	-9%	56,845	24%	58,979	23%

Source: Company, Indo Premier

Fig. 4: BMRI 1Q25 results summary

BMRI 1Q25 result (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	39,626	35,535	12%	40,600	-2%	162,648	24%		
Interest expenses	(14,121)	(11,349)	24%	(13,446)	5%	(49,964)	28%		
Net interest income	25,505	24,186	5%	27,154	-6%	112,684	23%		
Non interest income	11,673	10,127	15%	12,749	-8%	48,469	24%		
Total income	37,178	34,313	8%	39,903	-7%	161,152	23%		
Opex	(15,169)	(13,112)	16%	(18,774)	-19%	(66,102)	23%		
PPOP	22,009	21,201	4%	21,129	4%	95,050	23%		
Provisions	(3,895)	(3,596)	8%	(2,396)	63%	(19,262)	20%		
Non-operating	65	(3)	NA	325	-80%	2,119	3%		
Pre-tax profit	18,179	17,602	3%	19,058	-5%	77,907	23%	79,160	23%
Tax	(3,649)	(3,481)	5%	(3,976)	-8%	(15,158)	24%		
Minority interests	(1,333)	(1,419)	-6%	(1,316)	1%	(4,044)	33%		
Net profit	13,197	12,702	4%	13,766	-4%	58,706	22%	57,423	23%

Source: Company, Indo Premier

Fig. 5: BBNI 1Q25 results summary

BBNI 1Q25 results (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%		
Net interest income	9,834	9,390	5%	11,042	-11%	42,213	23%		
Non interest income	5,415	5,440	0%	7,198	-25%	22,902	24%		
Total income	15,249	14,830	3%	18,240	-16%	65,115	23%		
Opex	(6,937)	(6,649)	4%	(8,699)	-20%	(29,717)	23%		
PPOP	8,312	8,181	2%	9,541	-13%	35,398	23%		
Provisions	(1,760)	(1,744)	1%	(2,822)	-38%	(8,928)	20%		
Non-operating	(33)	0	NA	(7)	371%	(35)	93%		
Pre-tax profit	6,519	6,437	1%	6,712	-3%	26,435	25%	28,580	23%
Tax	(1,107)	(1,085)	2%	(1,475)	-25%	(4,765)	23%		
Minority interests	(32)	(26)	24%	(81)	-60%	(208)	16%		
Net profit	5,380	5,326	1%	5,156	4%	21,463	25%	23,155	23%

Source: Company, Indo Premier

Fig. 6: NII summary

NII (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS
BBCA	21,146	19,786	7%	21,438	-1%	87,258	24%
BBRI	35,851	36,484	-2%	34,456	4%	144,919	25%
BMRI	25,505	24,186	5%	27,154	-6%	112,684	23%
BBNI	9,834	9,390	5%	11,042	-11%	42,213	23%
Total	92,336	89,846	3%	94,090	-2%	387,074	24%

Source: Company, Indo Premier

Fig. 7: Opex summary

Opex (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	(9,486)	(9,289)	2%	(10,434)	-9%
BBRI	(20,544)	(18,389)	12%	(21,543)	-5%
BMRI	(15,169)	(13,112)	16%	(18,774)	-19%
BBNI	(6,937)	(6,649)	4%	(8,699)	-20%
Total	(52,136)	(47,439)	10%	(59,450)	-12%

Source: Company, Indo Premier

Fig. 8: Opex – G&A summary

G&A (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	(4,605)	(4,313)	7%	(6,176)	-25%
BBRI	(7,235)	(6,917)	5%	(7,823)	-8%
BMRI	(6,064)	(5,335)	14%	(9,839)	-38%
BBNI*	(2,095)	(2,069)	1%	(2,788)	-25%
Total	(19,999)	(18,634)	7%	(26,626)	-25%

Source: Company, Indo Premier

*Incl. digitalization & transactional expenses

Fig. 9: Opex - personnel summary

Personnel (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	(4,881)	(4,976)	-2%	(4,258)	15%
BBRI	(10,834)	(9,764)	11%	(8,283)	31%
BMRI	(7,178)	(6,046)	19%	(5,840)	23%
BBNI	(3,274)	(3,159)	4%	(4,184)	-22%
Total	(26,167)	(23,945)	9%	(22,565)	16%

Source: Company, Indo Premier

Fig. 10: Opex - others summary

Other exp. (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	-	-	NA	-	NA
BBRI	(2,476)	(1,708)	45%	(5,437)	-54%
BMRI	(1,927)	(1,731)	11%	(3,095)	-38%
BBNI*	(1,568)	(1,421)	10%	(1,728)	-9%
Total	(5,971)	(4,860)	23%	(10,260)	-42%

Source: Company, Indo Premier

*Incl. subsidiaries expense

Fig. 11: PPOP summary

PPOP (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS
BBCA	18,467	16,796	10%	17,159	8%	73,936	25%
BBRI	29,897	30,746	-3%	29,243	2%	114,807	26%
BMRI	22,009	21,201	4%	21,129	4%	95,050	23%
BBNI	8,312	8,181	2%	9,541	-13%	35,398	23%
Total	78,685	76,924	2%	77,072	2%	319,192	25%

Source: Company, Indo Premier

Fig. 12: Provision summary

Provisions (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS
BBCA	(1,031)	(886)	16%	333	-410%	(3,304)	31%
BBRI	(12,275)	(10,713)	15%	(8,710)	41%	(41,820)	29%
BMRI	(3,895)	(3,596)	8%	(2,396)	63%	(19,262)	20%
BBNI	(1,760)	(1,744)	1%	(2,822)	-38%	(8,928)	20%
Total	(18,961)	(16,939)	12%	(13,595)	39%	(73,314)	26%

Source: Company, Indo Premier

Fig. 13: Net profit summary

Net profit (Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
BBCA	14,146	12,879	10%	13,762	3%	57,196	25%	58,296	24%
BBRI	13,673	15,886	-14%	15,090	-9%	56,845	24%	58,979	23%
BMRI	13,197	12,702	4%	13,766	-4%	58,706	22%	57,423	23%
BBNI	5,380	5,326	1%	5,156	4%	21,463	25%	23,155	23%
Total	46,396	46,793	-1%	47,774	-3%	194,210	24%	197,853	23%

Source: Company, Indo Premier

Fig. 14: Loan summary

Gross loan (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	941	836	13%	922	2%
BBRI	1,374	1,309	5%	1,355	1%
BMRI	1,672	1,435	17%	1,671	0%
BBNI	765	696	10%	776	-1%
Total	4,753	4,275	11%	4,723	1%

Source: Company, Indo Premier

Fig. 15: Deposit summary

Deposits (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	1,194	1,121	7%	1,134	5%
BBRI	1,422	1,416	0%	1,365	4%
BMRI	1,749	1,572	11%	1,699	3%
BBNI	820	780	5%	806	2%
Total	5,184	4,889	6%	5,004	4%

Source: Company, Indo Premier

Fig. 16: CA summary

CA (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	383	349	10%	362	6%
BBRI	392	354	11%	375	5%
BMRI	590	562	5%	606	-3%
BBNI	320	310	3%	306	5%
Total	1,685	1,575	7%	1,648	2%

Source: Company, Indo Premier

Fig. 17: SA summary

SA (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	597	555	8%	562	6%
BBRI	543	519	5%	544	0%
BMRI	679	607	12%	665	2%
BBNI	258	234	10%	258	0%
Total	2,078	1,915	8%	2,029	2%

Source: Company, Indo Premier

Fig. 18: CASA summary

CASA (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	980	905	8%	924	6%
BBRI	935	873	7%	919	2%
BMRI	1,270	1,169	9%	1,271	0%
BBNI	578	544	6%	563	3%
Total	3,762	3,490	8%	3,677	2%

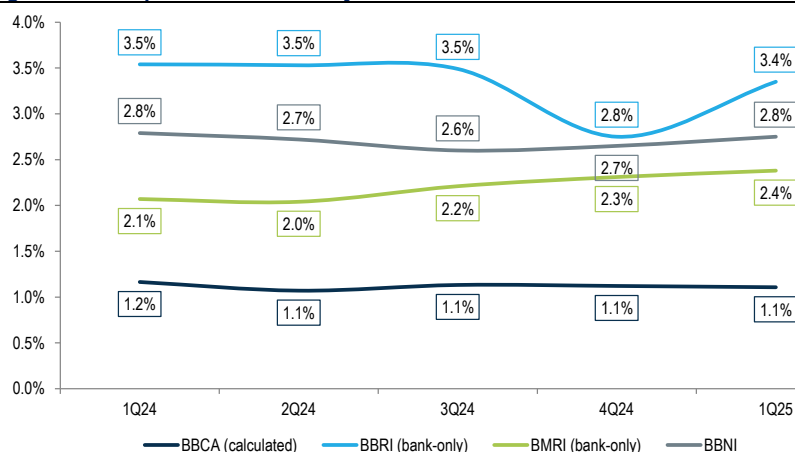
Source: Company, Indo Premier

Fig. 19: TD summary

TD (Rp tr)	1Q25	1Q24	%YoY	4Q24	%QoQ
BBCA	214	216	-1%	210	2%
BBRI	487	543	-10%	446	9%
BMRI	479	403	19%	428	12%
BBNI	242	237	2%	242	0%
Total	1,421	1,399	2%	1,326	7%

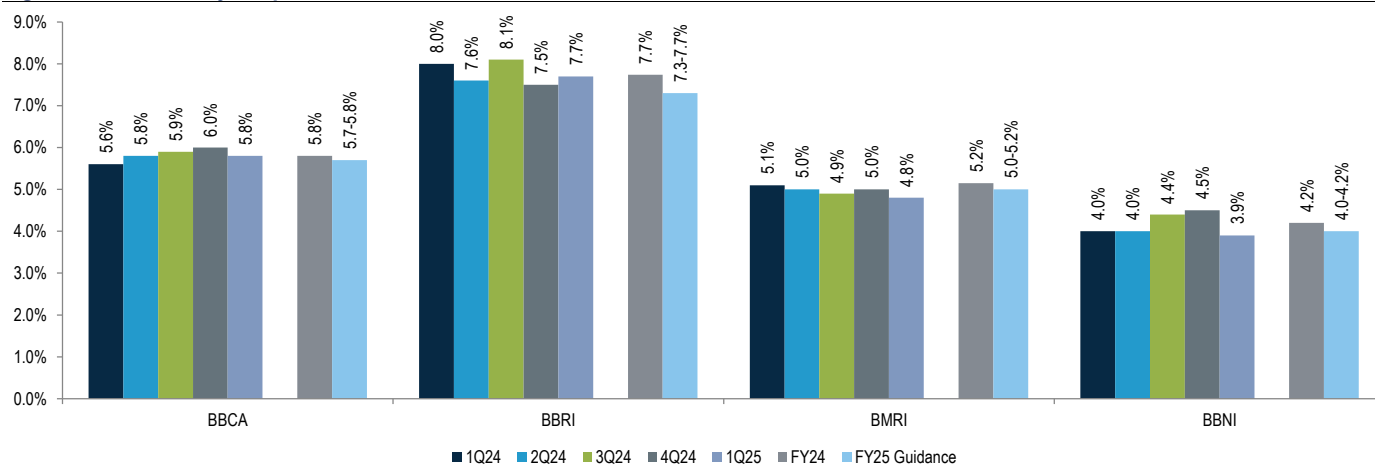
Source: Company, Indo Premier

Fig. 20: QTD deposits CoF summary



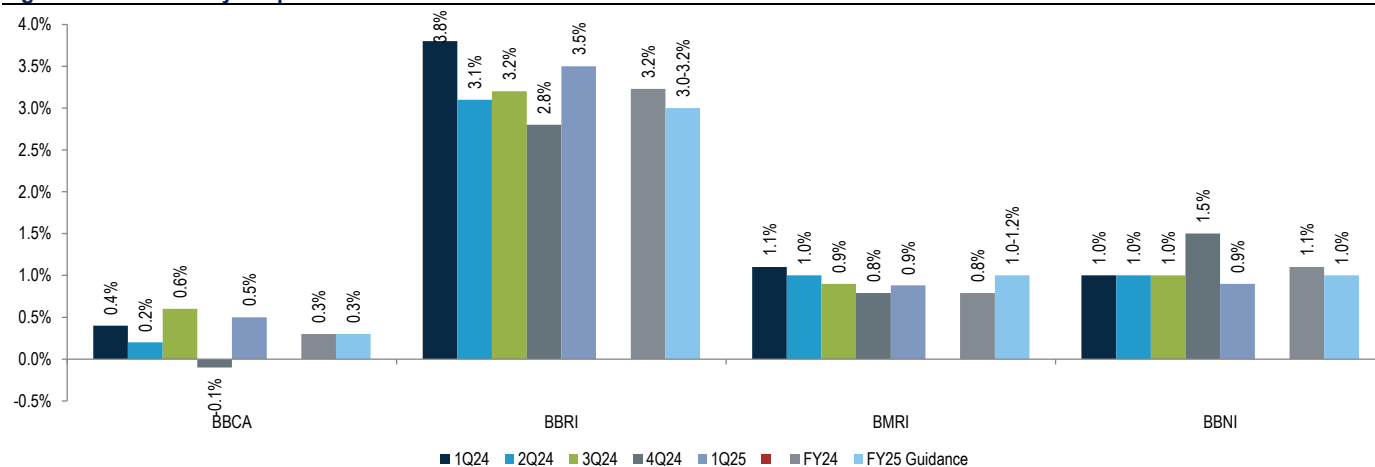
Source: Company, Indo Premier

Fig. 21: NIM summary – reported



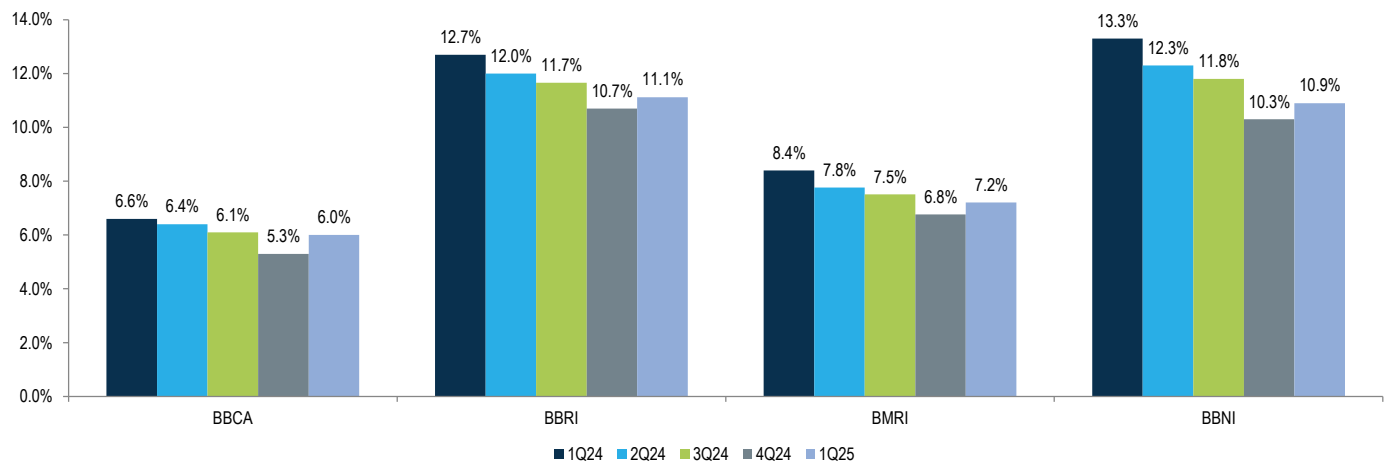
Source: Company, Indo Premier

Fig. 22: CoC summary – reported



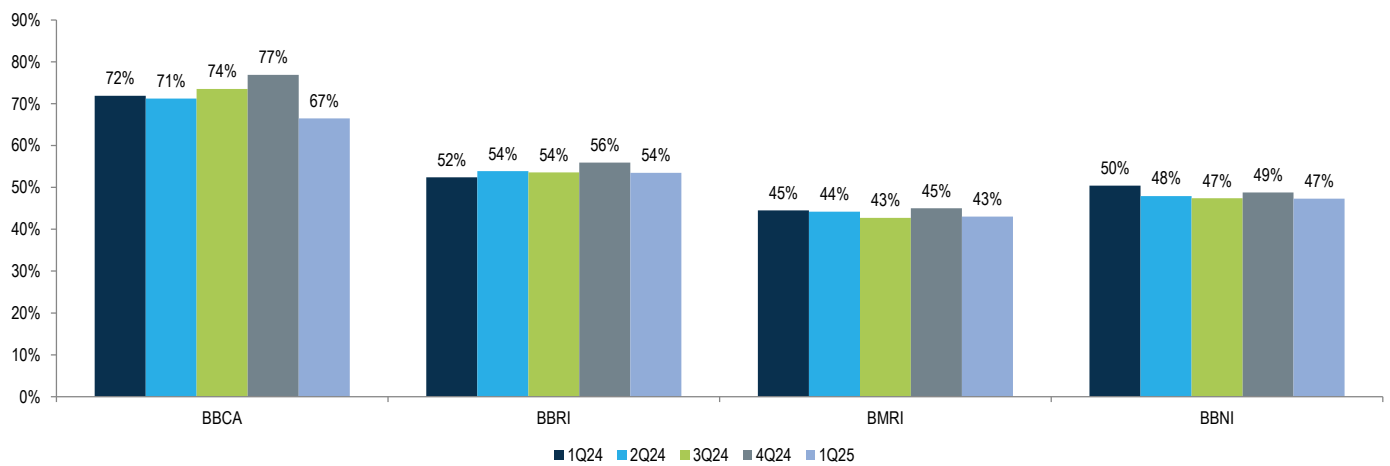
Source: Company, Indo Premier

Fig. 23: Loan at risk summary – reported



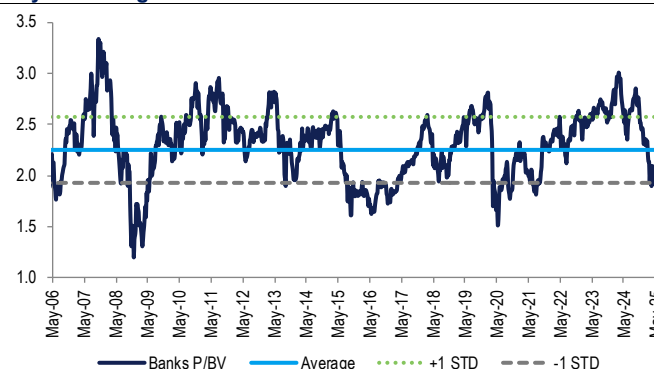
Source: Company, Indo Premier

Fig. 24: Loan at risk coverage summary – reported



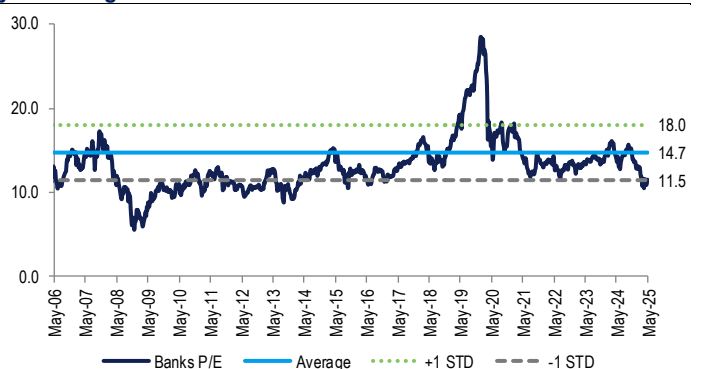
Source: Company, Indo Premier

Fig. 25: Banks' forward P/BV – now trading at 2.1x FY25F P/BV vs. 10-year average of 2.3x P/B



Source: Bloomberg, Company, Indo Premier

Fig. 26: Banks' forward P/E – now trading at 11.9x FY25F P/E vs. 10-year average of 14.7x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 27: 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	8,975	10,400	4.3	16%	Buy	19.3	17.8	21.2	3.9	3.6	3.8
BBRI	3,860	4,700	2.1	22%	Buy	10.3	9.2	14.8	1.8	1.7	2.4
BMRI	4,980	7,100	2.0	43%	Buy	7.9	7.3	11.8	1.4	1.3	1.7
BBNI	4,210	4,500	0.9	7%	Hold	7.3	6.7	10.4	0.9	0.8	1.1
BBTN	1,055	1,450	0.6	37%	Buy	4.6	4.2	6.9	0.4	0.4	0.8
BRIS*	2,890	3,500	2.7	21%	Buy	16.4	14.5	15.9	2.6	2.2	2.2

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

Share price closing as of: 05 May 2025

SECTOR RATINGS

- OVERWEIGHT : An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
- NEUTRAL : A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
- UNDERWEIGHT : An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY 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

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