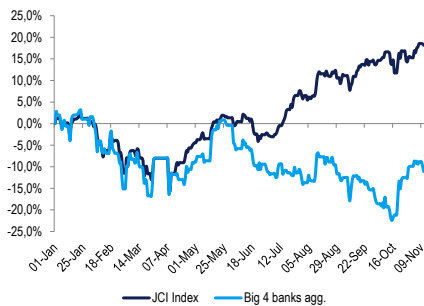


Sector Update | 11 November 2025

Sector Index Performance

	3M	6M	12M
Absolute	-0.1%	-2.7%	-17.3%
Relative to JCI	-10.1%	-25.2%	-32.5%



Summary Valuation Metrics

P/E (x)	2025F	2026F	2027F
BBCA IJ	18.1	16.6	15.3
BBRI IJ	10.4	9.2	8.5
BBNI IJ	8.0	7.3	6.7
P/BV (x)	2025F	2026F	2027F
BBCA IJ	3.8	3.5	3.2
BBRI IJ	1.8	1.8	1.7
BBNI IJ	0.9	0.9	0.8
Div. Yield	2025F	2026F	2027F
BBCA IJ	3.7%	3.9%	4.2%
BBRI IJ	8.7%	8.2%	9.2%
BBNI IJ	5.2%	5.0%	5.4%

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3Q25 recap: qoq improvement across SOE; CoF pressure may ease in 4Q

- Big 4 banks net profit of Rp137tr in 9M25 (-5% yoy/+9% qoq in 3Q25) came in-line. On qoq basis, all SOE banks posted significant improvement.
- NIM was broadly stable across all banks amid peaking CoF, while asset quality improved with LAR declined by -10bp to -60bp qoq, led by BBNI.
- We maintained our OW stance for the sector from limited downside in valuation and easing funding cost. BBNI and BBRI are our top picks.

In-line big 4 banks results but qoq numbers have started to improve

Aggregate big 4 banks net profit of Rp137tr in 9M25 (-5% yoy/+9% qoq in 3Q25) was relatively in-line at 74% of ours/cons. However, all SOE banks posted decent qoq improvement at +7% to 18%. PPOP was lacklustre at -1% yoy (+5% qoq) amid tepid NII/non-II at +4%/+3% yoy from persistent margin pressure. Opex grew +10% yoy (+4% qoq) though this was mostly dragged by BMRI (+25% yoy) while others remained manageable at +4% to +5% yoy. Provision grew +15% yoy (flat qoq) mainly from BBKA (+49% yoy) as it prefers to remain cautious on the asset quality outlook.

Relatively stable NIM with CoF showing early signs of improvement

All banks showed steady NIM in 3Q25 (-20bp qoq for BMRI while -10bp qoq for the remaining three). In terms of loan yield, BBKA/BBRI/BMRI dropped by c.-20bp qoq while BBNI fared better at -10bp qoq. For CoF, a slight improvement was already seen in BMRI (-12bp qoq), BBRI (-9bp qoq), and BBKA (-8bp qoq), though BBNI still increased by +12bp qoq. We expect this gradual improvement in CoF to carry towards 4Q25F, as most banks already reported lower MTD CoF in Sep25 which shall ease pressure on NIM.

Robust deposit growth amid MOF liquidity injection

Overall loan grew +9% yoy (+2% qoq) with BMRI/BBNI posted the strongest growth of +11% yoy (+4% qoq), followed by BBKA at +8% yoy (-2% qoq) and BBRI of +6% yoy (+2% qoq). On the funding front, deposit grew quite robust at +12% yoy (+2% qoq), driven by TD (+16% yoy/+9% qoq) from MoF's liquidity injection though CASA remained healthy at +10% yoy (-1% qoq). BBRI and BBNI led CASA growth at +14% yoy (+3% qoq) and +13% yoy (-5% qoq).

Gradual improvement in asset quality especially LAR

Asset quality was improving across the big 4. In 3Q25, BBNI experienced the biggest qoq improvement in LAR at -60bp qoq to 10.4%, followed by BMRI which dropped to 6.5% (-44bp qoq), BBKA to 5.5% (-20bp qoq), and BBRI which down to 10.7% (-10bp qoq). CoC for all banks were still in-line with their guidance except for BMRI (0.7% vs. guidance of 0.8-1.0%) which may suggest a pick-up in 4Q, in our view.

Maintain OW from bottoming valuation and easing liquidity condition

We maintained our OW stance on banks, given the valuation downside is limited (link to [note](#)), along with sequential improvement in CoF that shall positively affect margin. The sector currently trades at of 2.0x P/B and 11.1x P/E (vs. 10Y avg of 2.2x and 14.6x). Our top picks are: BBNI given the funding turnaround and BBRI amid improving CoC and better loan/funding growth outlook. Risk is worsening economic condition which may result in slower loan growth and asset quality deterioration.

Fig. 1: Big 4 banks 3Q25 results summary

Big 4 banks 3Q25 result (Rp bn)	9M25	9M24	%YoY	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	402,754	380,545	6%	135,815	130,231	4%	136,368	0%	534,646	75%		
Interest expenses	(120,160)	(107,562)	12%	(41,038)	(36,623)	12%	(40,887)	0%	(154,977)	78%		
Net interest income	282,593	272,983	4%	94,776	93,608	1%	95,481	-1%	379,669	74%		
Non interest income	112,795	109,410	3%	40,342	39,929	1%	33,968	19%	165,493	68%		
Total income	395,388	382,393	3%	135,118	133,537	1%	129,449	4%	545,162	73%		
Opex	(164,687)	(149,497)	10%	(57,336)	(52,229)	10%	(55,216)	4%	(237,517)	69%		
PPOP	230,701	232,896	-1%	77,782	81,308	-4%	74,234	5%	307,645	75%		
Provisions	(53,705)	(46,753)	15%	(17,354)	(16,426)	6%	(17,389)	0%	(72,096)	74%		
Non-operating	53,732	50,809	6%	18,219	17,727	3%	18,285	0%	71,640	75%		
Pre-tax profit	122,675	135,173	-9%	42,044	47,145	-11%	38,531	9%	165,925	74%	168,235	73%
Tax	(35,366)	(37,082)	-5%	(11,560)	(12,684)	-9%	(12,164)	-5%	(45,894)	77%		
Minority interests	(4,227)	(4,502)	-6%	(1,498)	(1,514)	-1%	(1,233)	22%	(4,737)	89%		
Net profit	137,021	144,464	-5%	47,179	50,643	-7%	43,446	9%	185,925	74%	185,425	74%

Source: Company, Indo Premier

Fig. 2: BBKA 3Q25 results summary

BBKA 3Q25 result (Rp bn)	9M25	9M24	%YoY	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	74,130	70,436	5%	24,758	24,309	2%	24,978	-1%	100,843	74%		
Interest expenses	(10,039)	(9,355)	7%	(3,310)	(3,173)	4%	(3,481)	-5%	(13,586)	74%		
Net interest income	64,090	61,081	5%	21,447	21,136	1%	21,497	0%	87,258	73%		
Non interest income	21,361	18,998	12%	7,612	6,561	16%	6,942	10%	27,227	78%		
Total Income	85,451	80,079	7%	29,059	27,697	5%	28,439	2%	114,485	75%		
Overhead Expenses	(27,988)	(26,837)	4%	(9,356)	(9,040)	3%	(9,147)	2%	(40,549)	69%		
Pre-provision profit	57,463	53,242	8%	19,703	18,657	6%	19,293	2%	73,936	78%		
Loan loss provision	(3,523)	(2,367)	49%	(1,511)	(961)	57%	(980)	54%	(3,304)	107%		
Pretax Profit	53,940	50,875	6%	18,192	17,696	3%	18,312	-1%	70,632	76%	71,752	75%
Non operating	(173)	(29)	506%	(219)	(72)	204%	26	-944%				
Tax	(10,353)	(9,758)	6%	(3,583)	(3,413)	5%	(3,462)	3%	(13,420)	77%		
Minority interests	(16)	(14)	14%	(9)	(13)	-25%	(6)	67%	(16)	101%		
Net Profit	43,397	41,074	6%	14,381	14,198	1%	14,870	-3%	57,196	76%	57,775	75%

Source: Company, Indo Premier

Fig. 3: BBRI 3Q25 results summary

BBRI 3Q25 result (Rp bn)	9M25	9M24	%YoY	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons. FY25F	% of Cons.
Interest income	155,160	150,637	3%	52,784	50,847	4%	52,538	0%	203,437	76%		
Interest expenses	(44,169)	(42,776)	3%	(15,067)	(14,264)	6%	(15,115)	0%	(58,519)	75%		
Net interest income	110,991	107,861	3%	37,717	36,583	3%	37,423	1%	144,919	77%		
Non interest income	40,637	41,482	-2%	13,533	15,877	-15%	12,514	8%	66,980	61%		
Total income	151,628	149,343	2%	51,250	52,460	-2%	49,937	3%	211,899	72%		
Opex	(64,961)	(61,834)	5%	(22,861)	(21,994)	4%	(21,556)	6%	(97,091)	67%		
PPOP	86,667	87,509	-1%	28,389	30,466	-7%	28,381	0%	114,807	75%		
Provisions	(33,597)	(29,464)	14%	(10,324)	(10,967)	-6%	(10,998)	-6%	(41,820)	80%		
Non-operating	(207)	(57)	263%	54	39	38%	(21)	-357%	(1,068)	19%		
Pre-tax profit	52,863	57,988	-9%	18,119	19,538	-7%	17,362	4%	71,919	74%	72,565	73%
Tax	(11,631)	(12,626)	-8%	(3,420)	(4,072)	-16%	(4,633)	-26%	(14,598)	80%		
Minority interests	(453)	(297)	53%	(197)	(103)	91%	(125)	58%	(477)	95%		
Net profit	40,779	45,065	-10%	14,502	15,363	-6%	12,604	15%	56,845	72%	56,477	72%

Source: Company, Indo Premier

Fig. 4: BMRI 3Q25 results summary

BMRI 3Q25 result (Rp bn)	9M25	9M24	%YoY	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons.
Interest income	122,297	110,636	11%	40,720	38,412	6%	41,951	-3%	160,694	76%		
Interest expenses	(44,038)	(36,033)	22%	(14,845)	(12,890)	15%	(15,072)	-2%	(53,188)	83%		
Net interest income	78,259	74,603	5%	25,875	25,522	1%	26,879	-4%	107,506	73%		
Non interest income	33,545	32,093	5%	12,552	11,578	8%	9,320	35%	48,402	69%		
Total income	111,804	106,696	5%	38,427	37,100	4%	36,199	6%	155,908	72%		
Opex	(49,906)	(39,837)	25%	(17,251)	(13,760)	25%	(17,486)	-1%	(70,174)	71%		
PPOP	61,898	66,859	-7%	21,176	23,340	-9%	18,713	13%	85,734	72%		
Provisions	(10,464)	(9,533)	10%	(3,185)	(2,620)	22%	(3,384)	-6%	(19,262)	54%		
Non-operating	113	19	495%	33	20	65%	15	120%	2,112	5%		
Pre-tax profit	51,547	57,345	-10%	18,024	20,740	-13%	15,344	17%	68,584	75%	69,871	74%
Tax	(10,174)	(11,262)	-10%	(3,501)	(3,928)	-11%	(3,024)	16%	(13,294)	77%		
Minority interests	(3,643)	(4,066)	-10%	(1,248)	(1,346)	-7%	(1,062)	17%	(4,044)	90%		
Net profit	37,730	42,017	-10%	13,275	15,466	-14%	11,258	18%	51,246	74%	50,466	75%

Source: Company, Indo Premier

Fig. 5: BBNI 3Q25 results summary

BBNI 3Q25 results (Rp bn)	9M25	9M24	%YoY	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest income	51,167	48,836	5%	17,553	16,663	5%	16,901	4%	69,671	73%		
Interest expenses	(21,914)	(19,398)	13%	(7,816)	(6,296)	24%	(7,219)	8%	(29,684)	74%		
Net interest income	29,253	29,438	-1%	9,737	10,367	-6%	9,682	1%	39,986	73%		
Non interest income	17,252	16,837	2%	6,645	5,913	12%	5,192	28%	22,883	75%		
Total income	46,505	46,275	0%	16,382	16,280	1%	14,874	10%	62,870	74%		
Opex	(21,832)	(20,989)	4%	(7,868)	(7,435)	6%	(7,027)	12%	(29,702)	74%		
PPOP	24,673	25,286	-2%	8,514	8,845	-4%	7,847	9%	33,167	74%		
Provisions	(6,121)	(5,389)	14%	(2,334)	(1,878)	24%	(2,027)	15%	(7,710)	79%		
Non-operating	(114)	(28)	307%	(60)	(28)	115%	(21)	186%	(35)	322%		
Pre-tax profit	18,438	19,869	-7%	6,120	6,939	-12%	5,799	6%	25,422	73%	25,799	71%
Tax	(3,207)	(3,436)	-7%	(1,055)	(1,270)	-17%	(1,045)	1%	(4,582)	70%		
Minority interests	(116)	(125)	-8%	(44)	(53)	-18%	(40)	10%	(201)	58%		
Net profit	15,115	16,308	-7%	5,021	5,616	-11%	4,714	7%	20,639	73%	20,707	73%

Source: Company, Indo Premier

Fig. 6: NII summary

NII (Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS
BBCA	64,090	61,081	5%	21,447	21,136	1%	21,497	0%	87,258	73%
BBRI	110,991	107,861	3%	37,717	36,583	3%	37,423	1%	144,919	77%
BMRI	78,259	74,603	5%	25,875	25,522	1%	26,879	-4%	107,506	73%
BBNI	29,253	29,438	-1%	9,737	10,367	-6%	9,682	1%	39,986	73%
Total	282,593	272,983	4%	94,776	93,608	1%	95,481	-1%	379,669	74%

Source: Company, Indo Premier

Fig. 7: Opex summary

Opex (Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS
BBCA	(27,988)	(26,837)	4%	(9,356)	(9,040)	3%	(9,147)	2%	(40,549)	69%
BBRI	(64,961)	(61,834)	5%	(22,861)	(21,994)	4%	(21,556)	6%	(97,091)	67%
BMRI	(49,906)	(39,837)	25%	(17,251)	(13,760)	25%	(17,486)	-1%	(70,174)	71%
BBNI	(21,832)	(20,989)	4%	(7,868)	(7,435)	6%	(7,027)	12%	(29,702)	74%
Total	(164,687)	(149,497)	10%	(57,336)	(52,229)	10%	(55,216)	4%	(237,517)	69%

Source: Company, Indo Premier

Fig. 8: PPOP summary

PPOP (Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS
BBCA	57,463	53,242	8%	19,703	18,657	6%	19,293	2%	73,936	78%
BBRI	86,667	87,509	-1%	28,389	30,466	-7%	28,381	0%	114,807	75%
BMRI	61,898	66,859	-7%	21,176	23,340	-9%	18,713	13%	85,734	72%
BBNI	24,673	25,286	-2%	8,514	8,845	-4%	7,847	9%	33,167	74%
Total	230,701	232,896	-1%	77,782	81,308	-4%	74,234	5%	307,645	75%

Source: Company, Indo Premier

Fig. 9: Provision summary

Provisions (Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS
BBCA	(3,523)	(2,367)	49%	(1,511)	(961)	57%	(980)	54%	(3,304)	107%
BBRI	(33,597)	(29,464)	14%	(10,324)	(10,967)	-6%	(10,998)	-6%	(41,820)	80%
BMRI	(10,464)	(9,533)	10%	(3,185)	(2,620)	22%	(3,384)	-6%	(19,262)	54%
BBNI	(6,121)	(5,389)	14%	(2,334)	(1,878)	24%	(2,027)	15%	(7,710)	79%
Total	(53,705)	(46,753)	15%	(17,354)	(16,426)	6%	(17,389)	0%	(72,096)	74%

Source: Company, Indo Premier

Fig. 10: Net profit summary

Net profit (Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS
BBCA	43,397	41,074	6%	14,381	14,198	1%	14,870	-3%	57,196	76%
BBRI	40,779	45,065	-10%	14,502	15,363	-6%	12,604	15%	56,845	72%
BMRI	37,730	42,017	-10%	13,275	15,466	-14%	11,258	18%	51,246	74%
BBNI	15,115	16,308	-7%	5,021	5,616	-11%	4,714	7%	20,639	73%
Total	137,021	144,464	-5%	47,179	50,643	-7%	43,446	9%	185,925	74%

Source: Company, Indo Premier

Fig. 11: Loan summary

Gross loan (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	944	877	8%	959	-2%
BBRI	1,438	1,353	6%	1,417	2%
BMRI	1,764	1,590	11%	1,701	4%
BBNI	812	735	11%	779	4%
Total	4,959	4,555	9%	4,856	2%

Source: Company, Indo Premier

Fig. 12: Deposit summary

Deposits (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	1,205	1,125	7%	1,190	1%
BBRI	1,475	1,362	8%	1,482	0%
BMRI	1,884	1,667	13%	1,828	3%
BBNI	934	770	21%	900	4%
Total	5,498	4,925	12%	5,400	2%

Source: Company, Indo Premier

Fig. 13: CA summary

CA (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	403	352	14%	385	5%
BBRI	435	349	24%	414	5%
BMRI	624	596	5%	672	-7%
BBNI	344	302	14%	382	-10%
Total	1,806	1,600	13%	1,853	-3%

Source: Company, Indo Premier

Fig. 14: SA summary

SA (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	596	563	6%	597	0%
BBRI	563	525	7%	556	1%
BMRI	681	635	7%	681	0%
BBNI	269	239	13%	266	1%
Total	2,109	1,962	7%	2,101	0%

Source: Company, Indo Premier

Fig. 15: CASA summary

CASA (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	999	915	9%	982	2%
BBRI	998	874	14%	971	3%
BMRI	1,305	1,231	6%	1,354	-4%
BBNI	613	541	13%	648	-5%
Total	3,915	3,562	10%	3,954	-1%

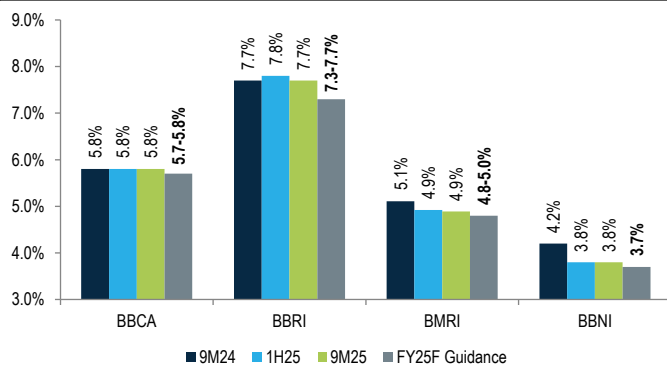
Source: Company, Indo Premier

Fig. 16: TD summary

TD (Rp tr)	3Q25	3Q24	%YoY	2Q25	%QoQ
BBCA	206	210	-2%	208	-1%
BBRI	477	488	-2%	511	-7%
BMRI	579	436	33%	475	22%
BBNI	321	229	40%	252	27%
Total	1,583	1,363	16%	1,446	9%

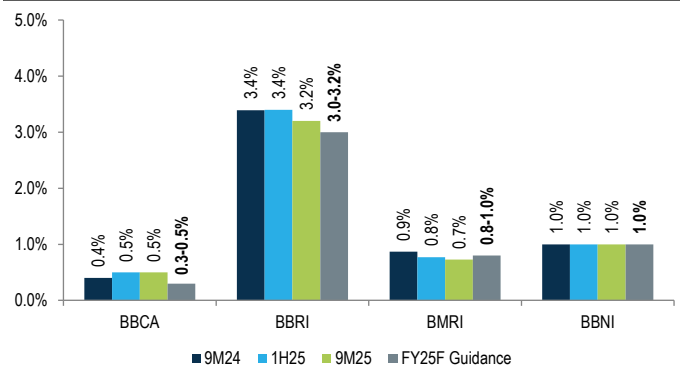
Source: Company, Indo Premier

Fig. 17: NIM summary – cumulative, reported



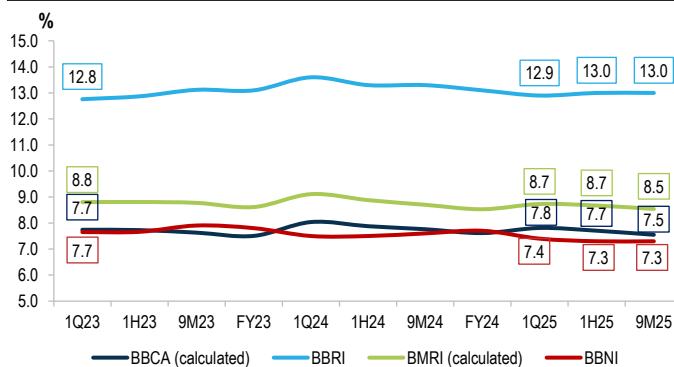
Source: Company, Indo Premier

Fig. 18: CoC summary – cumulative, reported



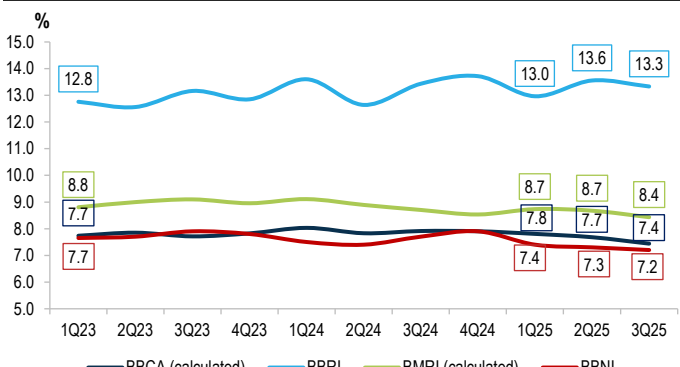
Source: Company, Indo Premier

Fig. 19: Loan yield summary – cumulative



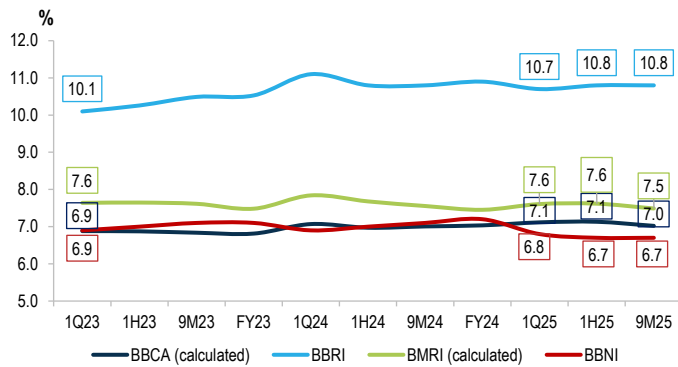
Source: Company, Indo Premier

Fig. 20: Loan yield summary - quarterly



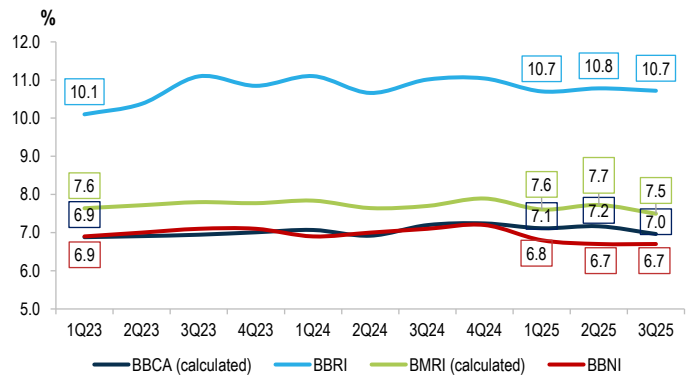
Source: Company, Indo Premier

Fig. 21: Asset yield summary – cumulative



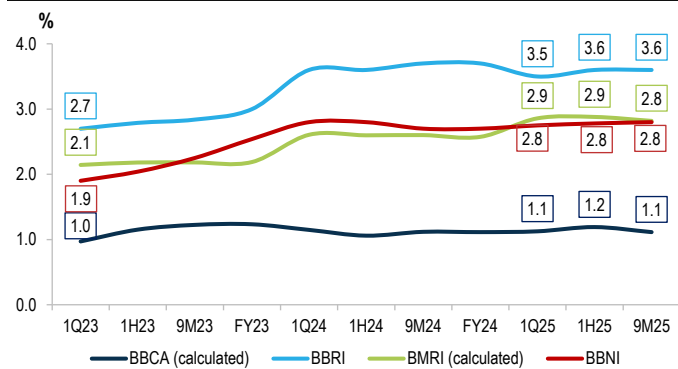
Source: Company, Indo Premier

Fig. 22: Asset yield summary – quarterly



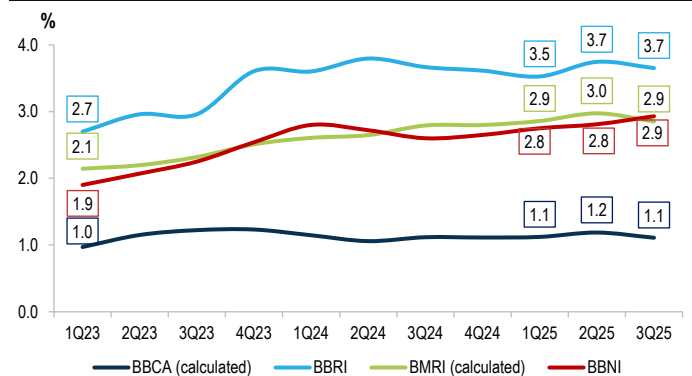
Source: Company, Indo Premier

Fig. 23: CoF summary – cumulative



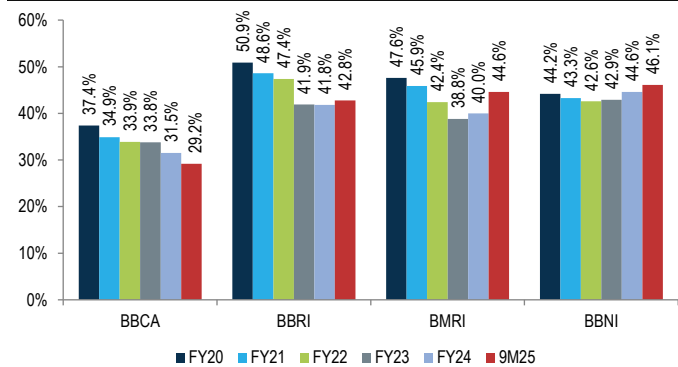
Source: Company, Indo Premier

Fig. 24: CoF summary – quarterly



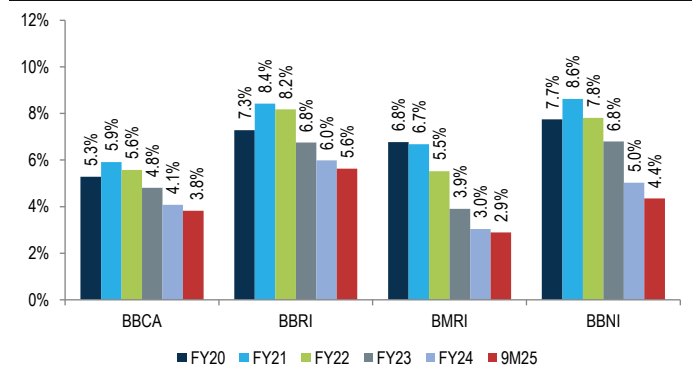
Source: Company, Indo Premier

Fig. 25: Cost to income (CIR) summary - reported



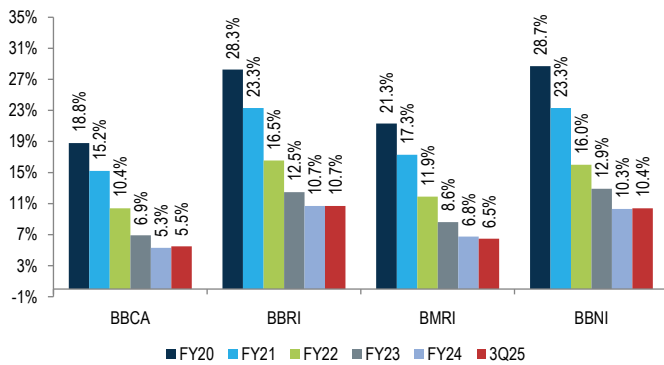
Source: Company, Indo Premier

Fig. 26: Loan loss reserve (LLR) summary



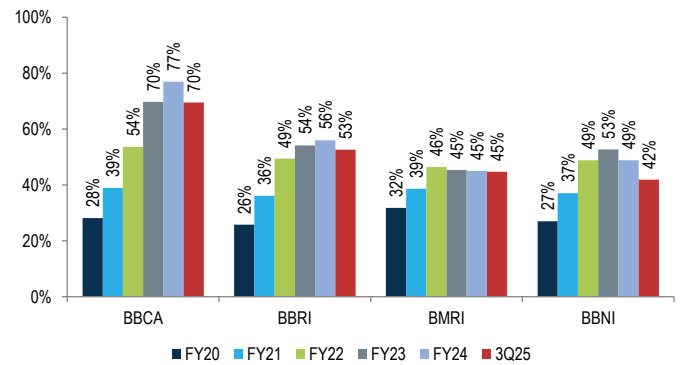
Source: Company, Indo Premier

Fig. 27: Loan at risk (incl. Covid) summary



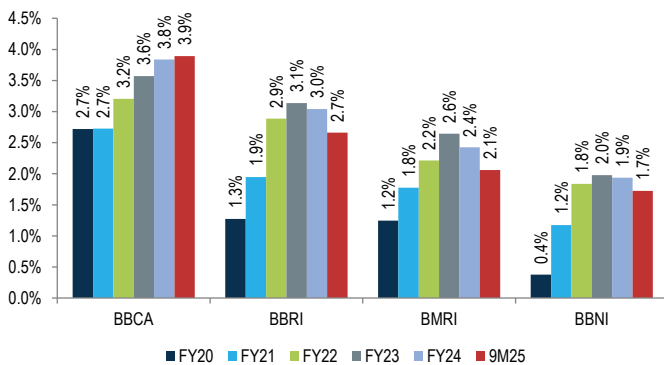
Source: Company, Indo Premier

Fig. 28: Loan at risk coverage (incl. Covid) summary



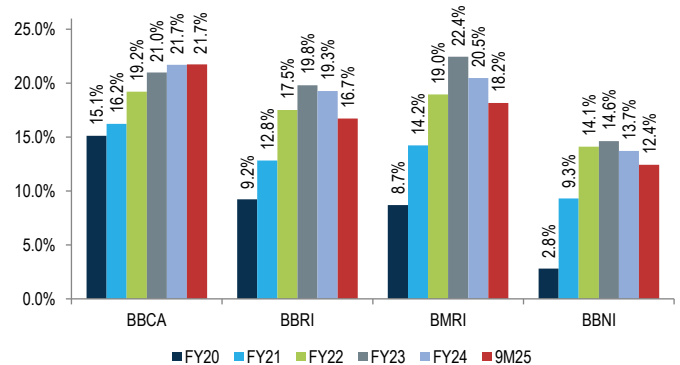
Source: Company, Indo Premier

Fig. 29: ROA – calculated



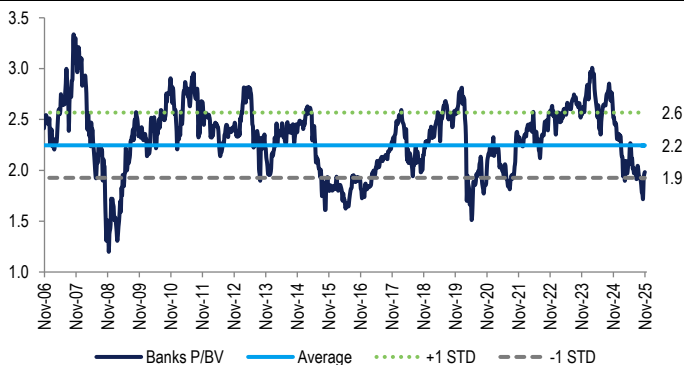
Source: Company, Indo Premier

Fig. 30: ROE – calculated



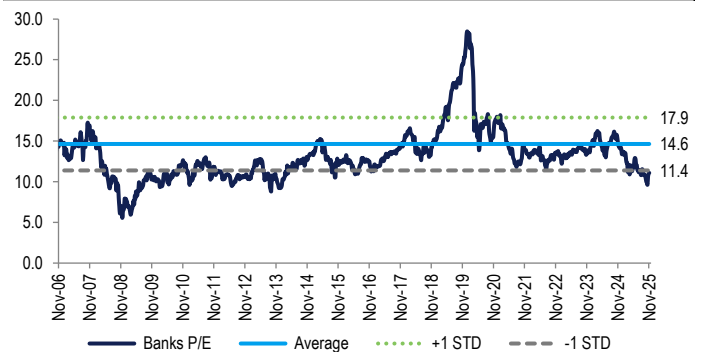
Source: Company, Indo Premier

Fig. 31: Banks' forward P/BV – now trading at 2.0x FY25F P/BV vs. 10-year average of 2.2x P/B



Source: Bloomberg, Company, Indo Premier

Fig. 32: Banks' forward P/E – now trading at 11.1x FY25F P/E vs. 10-year average of 14.6x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 33: 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	8,400	10,400	4.3	24%	Buy	18.1	16.6	21.3	3.8	3.5	3.8
BBRI	3,890	4,700	2.1	21%	Buy	10.4	9.2	14.7	1.8	1.8	2.4
BMRI	4,680	6,000	1.7	28%	Buy	8.5	7.3	11.7	1.4	1.2	1.6
BBNI	4,420	4,800	0.9	9%	Buy	8.0	7.3	10.4	0.9	0.9	1.1
BBTN	1,200	1,450	0.6	21%	Buy	5.2	4.7	6.9	0.5	0.4	0.8
BRIS*	2,500	2,700	2.1	8%	Buy	15.4	13.6	16.0	2.2	2.0	2.2

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

Share price closing as of: 11 November 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

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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.

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