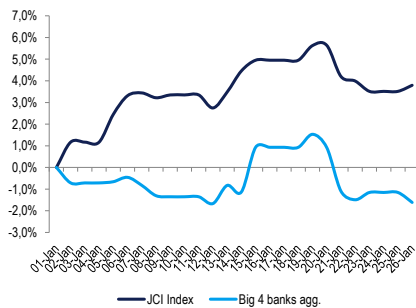


Sector Update | 26 January 2026

Sector Index Performance

| | 3M | 6M | 12M |
|-----------------|--------|--------|--------|
| Absolute | -1.7% | -3.0% | -14.9% |
| Relative to JCI | -10.2% | -22.0% | -40.2% |



Summary Valuation Metrics

| P/E (x) | 2025F | 2026F | 2027F |
|------------|-------|-------|-------|
| BMRI IJ | 8.3 | 7.8 | 7.0 |
| BBRI IJ | 10.3 | 9.8 | 9.0 |
| BBNI IJ | 8.2 | 7.8 | 7.2 |
| P/BV (x) | 2025F | 2026F | 2027F |
| BMRI IJ | 1.4 | 1.3 | 1.2 |
| BBRI IJ | 1.8 | 1.8 | 1.7 |
| BBNI IJ | 0.9 | 0.9 | 0.8 |
| Div. Yield | 2025F | 2026F | 2027F |
| BMRI IJ | 9.5% | 7.3% | 7.7% |
| BBRI IJ | 8.8% | 8.3% | 8.6% |
| BBNI IJ | 5.1% | 4.9% | 5.1% |

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2026 outlook: inflection point on earnings; maintain OW

- We expect banks' loan growth to recover to high single digit to low double digit amid rebound in M2 growth and Government program i.e. KDMP.
- At the same time, falling benchmark rate (SoFR/IndoNIA) and sticky CoF may adversely impact margin. CoC is expected to be relatively flattish.
- As such, we expect big 4 to post around 5-6% earnings growth for FY26F, an inflection point post -ve earnings growth in FY25F. Maintain OW.

Loan recovery in 2026 to be supported by public sector

We expect big banks under our coverage to book c.9-11% loan growth in FY26F. This was due to rebound in M2 growth (8.3% in Nov25 and average of 6.6% in FY25), strong demand from government program i.e. village cooperative (KDMP) – that will require Rp240tr or additional 6/3% of loan from big 3 SOE banks/industry total loan. However, this may be offset by tepid CPI growth (2.9% in Dec25/2.8% in FY26F), resulting in minimal working capital loan growth (2.5% in Nov25); and drop in capex (lower investment loan) as companies under our coverage may allocate Rp226.5tr in capex in FY26F (vs. 274.3tr/231.7tr in FY25F/24; strong capex in 2025 has reflected in robust investment loan at +18% yoy in Nov25).

Margin outlook may be challenging from falling benchmark rate

BI/Fed has cut its benchmark rate by 125/75bp in FY25, and Fed is projected to deliver another 50bp cut in FY26F; however we expect BI to maintain the benchmark rate amid weakening Rupiah. We expect both IndoNIA and SoFR to continue to trend down – IndoNIA/SoFR have dropped by -205/-62bp in FY25 (+30/-89bp in FY24). This shall adversely impact banks margin especially those with low fixed rate loan proportion i.e. BMRI/BBNI at c.31/25%; however, we also remain cautious on BBRI's fixed rate loan portfolio especially on micro segment shall there any adverse changes on KUR subsidy/insurance rate. At the same time, we foresee CoF to remain elevated from tighter liquidity condition. In sum, we project NIM to contract by 10-20bp in FY26F across big banks.

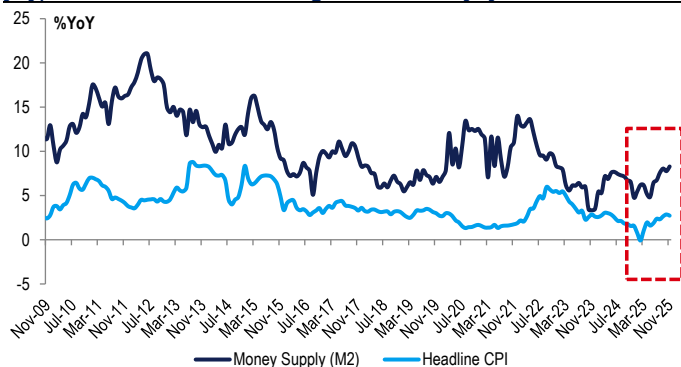
CoC is expected to remain flattish; corporate asset quality is more resilient than consumer/MSME

We expect CoC to be relatively flattish in FY26F except for Mandiri i.e. consol CoC stood at 60bp in 11M25 (vs. its FY25F target of 80-100bp). We are more confident with corporate asset quality, given that as of 3Q25 BBNI/BMRI/BBCA % corporate NPL stood much lower at 1.2/0.3/1.5% vs. small/micro of 3.6%/2.3%/2.7% and consumer of 2.6/2.6/2.2%. However, we remain concerned on low-end loan segment amid slow recovery in purchasing power i.e. Kupedes's 2024 vintage hasn't showed meaningful recovery vs. 2023 despite all the improvement in underwriting and monitoring since 2024 (fig. 16).

Inflection point on earnings; maintain OW with BBNI/BMRI as our picks

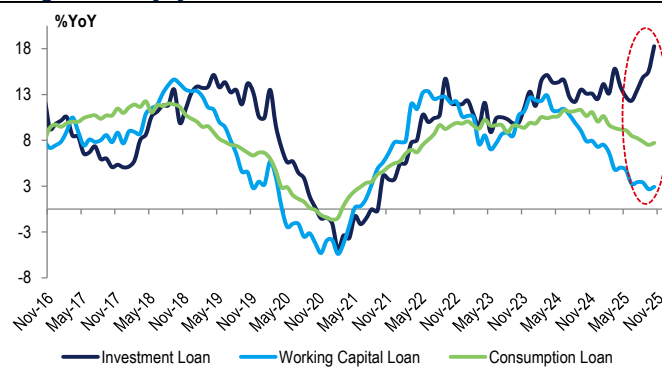
In sum, we project big banks under our coverage to book c.5-6% earnings growth for FY26F, tad lower vs. consensus of 7-10%, suggesting minimal earnings revision. At the same time, the sector currently trades at 1.9x P/B and 10.9x P/E or at -1 S.D. from its 10Y mean of 2.2x P/B and 14.5x P/E. Our top picks are BBNI and BMRI. Main risk is Rupiah depreciation which may result in higher benchmark rate/bond yield.

Fig. 1: M2 has rebounded to 8.3% yoy in Nov25 (FY25 average at 6.6% yoy) while CPI remained manageable at 2.9% yoy in Dec25



Source: Bank Indonesia, Indo Premier

Fig. 2: Soft working capital loan growth at 2.5% yoy in Nov25 vs. 10Y average of 6.8% yoy



Source: Bank Indonesia, Indo Premier

Loan recovery in 2026 to be supported by public sector

We expect big banks under our coverage to book c.9–11% loan growth in FY26F, led by BMRI at 11.3% and BBNI at 10%, while BBKA/BBRI stood at 9%. We base this on several reasons:

- 1) Rebound in M2 growth, which grew at 8.3% in Nov25 (vs. 7.7% in Oct25 and 6.5% in Nov24), translating to 6.6% average M2 growth in FY25 (vs. 6.7%/5.7 in FY24/FY23).
- 2) Strong demand from government program i.e. village cooperative (KDMP) – that will require Rp240tr or additional 6/3% of loan from big 3 SOE banks/industry total loan.

However, downside risk to loan growth may appear due to:

- 1) Tepid CPI growth at 2.9% yoy in Dec25. We expect CPI to remain stable at 2.8% in FY26F, underpinned by normalizing food supply conditions and more moderate upside from gold prices. This shall result in soft working capital loan growth at 2.5% yoy in Nov25 (vs. 10Y average of 6.8%).
- 2) Drop in capex (lower investment loan) - companies under our coverage may allocate Rp226.5tr in capex in FY26F (vs. 274.3tr/231.7tr in FY25F/24 – strong capex in 2025 has reflected in robust investment loan at +18% yoy in Nov25). Most of the decline in capex were coming from telco (Rp 64.3tr in FY26F from Rp83.4tr in FY25F), auto/ASII (Rp22.2tr in FY26F from Rp35.9tr in FY25F), and staples (Rp8.6tr in FY26F from Rp14.5tr in FY25F).

Fig. 3: Companies under our coverage may allocate lower capex at Rp226.5tr in FY26F vs. Rp274.3tr in FY25F – mostly from telco, auto, and staples

| Capex of companies under IPS coverage | FY24 | FY25F | FY26F | 9M25 | % of FY25F |
|---------------------------------------|----------------|----------------|----------------|----------------|--------------|
| Staples | 9,745 | 14,522 | 8,630 | 9,697 | 66.8% |
| % yoy growth | | 49.0% | -40.6% | | |
| Retailers | 11,903 | 12,085 | 12,883 | 8,301 | 68.7% |
| % yoy growth | | 1.5% | 6.6% | | |
| Poultry | 2,752 | 3,160 | 3,160 | 2,845 | 90.1% |
| % yoy growth | | 14.8% | 0.0% | | |
| Tobacco | 2,957 | 2,460 | 2,482 | 1,796 | 73.0% |
| % yoy growth | | -16.8% | 0.9% | | |
| Health Care | 6,096 | 4,500 | 4,800 | 3,509 | 78.0% |
| % yoy growth | | -26.2% | 6.7% | | |
| Coal | 33,957 | 33,210 | 31,013 | 31,831 | 95.8% |
| % yoy growth | | -2.2% | -6.6% | | |
| Metals | 43,069 | 52,862 | 46,727 | 39,644 | 75.0% |
| % yoy growth | | 22.7% | -11.6% | | |
| Oil & Gas | 15,565 | 19,149 | 15,725 | 16,682 | 87.1% |
| % yoy growth | | 23.0% | -17.9% | | |
| Telco | 63,512 | 83,404 | 64,323 | 62,450 | 74.9% |
| % yoy growth | | 31.3% | -22.9% | | |
| Towers | 19,719 | 10,176 | 11,181 | 7,603 | 74.7% |
| % yoy growth | | -48.4% | 9.9% | | |
| Auto | 19,492 | 35,939 | 22,204 | 21,354 | 59.4% |
| % yoy growth | | 84.4% | -38.2% | | |
| Plantation | 2,890 | 2,841 | 3,302 | 2,004 | 70.5% |
| % yoy growth | | -1.7% | 16.2% | | |
| Total Capex (Rp bn) | 231,656 | 274,310 | 226,429 | 207,717 | 75.7% |
| % yoy growth | | 18.4% | -17.5% | | |

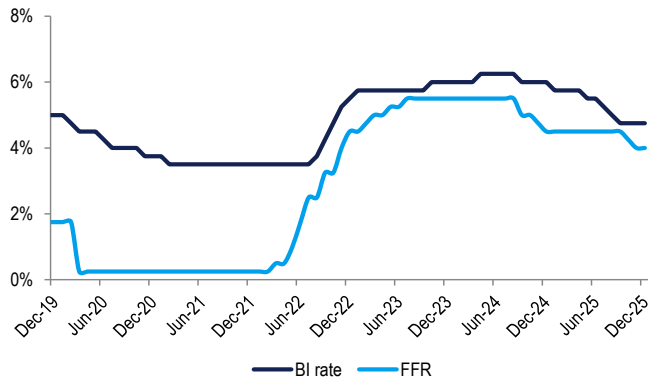
Source: Bank Indonesia, Indo Premier

Margin outlook may be challenging from falling benchmark rate

With BI/Fed having lowered policy rates by 125/75bp in FY25 and the Fed is projected to deliver another 50bp cut in FY26F, though we expect BI to maintain the benchmark rate amid weakening Rupiah. We expect both IndoNIA and SoFR to remain on a downward trajectory – with IndoNIA/SoFR already declining by -205/-62bp in FY25 (+30/-89bp in FY24, see fig. 4).

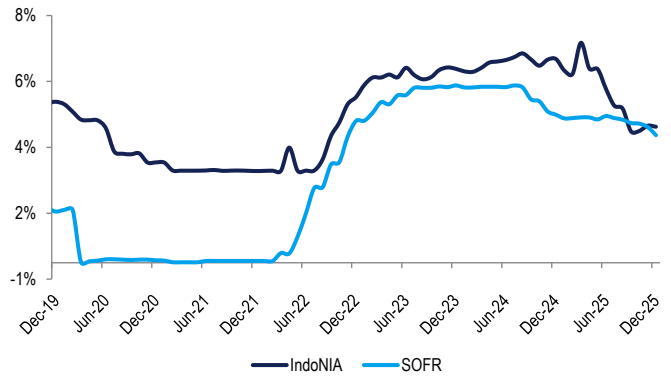
This shall adversely impact banks with low fixed rate loan proportion i.e. BMRI/BBNI at c.31/25% vs. BBKA/BBRI level of c.49%/56% (see fig. 6). Nevertheless, we also remain cautious on BBRI's fixed rate loan portfolio, particularly in the micro segment, shall there any adverse changes on KUR subsidy/insurance rate.

Fig. 4: Both BI/Fed has cut its benchmark rate by 125/75bp in FY25; we expect the Fed to deliver another 50bp cut in FY26F



Source: Bank Indonesia, Indo Premier

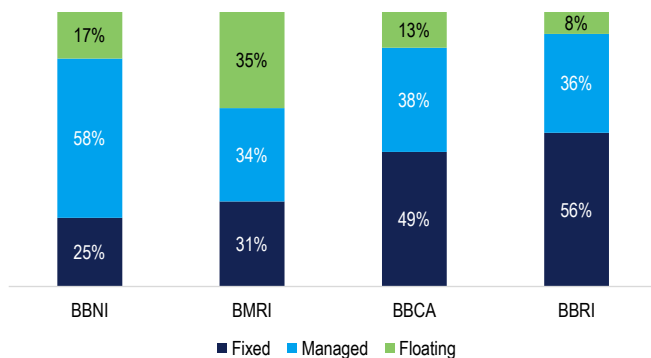
Fig. 5: Concurrently, IndoNIA/SOFR have dropped by -205/-62bp in FY25; we expect continuous decline onwards in FY26F



Source: Bloomberg, Indo Premier

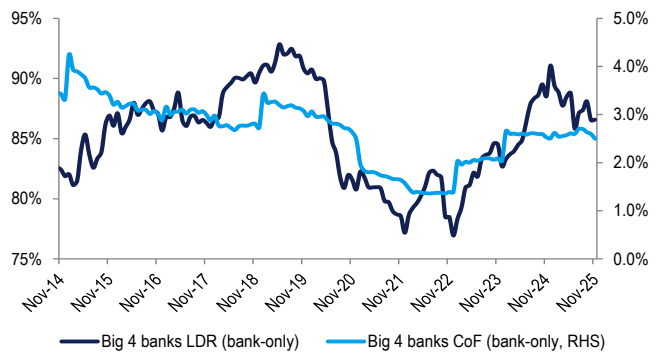
Meanwhile, we expect CoF to stay elevated amid tighter liquidity conditions from pick-up in loan growth. In 11M25, cumulative CoF (bank-only) for the big 4 banks showed only a marginal improvement of -3bp yoy, while asset yields fell more sharply by -34bp yoy. CoF improvement was mainly driven by BBRI (-21bp yoy) and BBNI (-5bp yoy), while BBKA was flat and BMRI still increased by +12bp yoy. As such, we project NIM to contract by 10-20bp in FY26F across big 4 banks.

Fig. 6: Loan proportion as of 3Q25 – BBNI and BMRI has the lowest fixed rate share at 25%/31% vs. BBKA/BBRI of 49%/56%



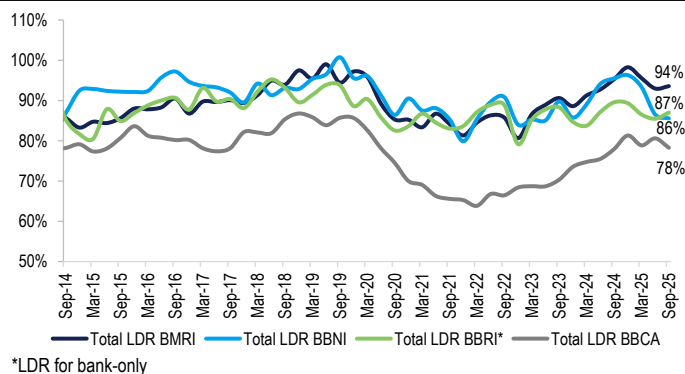
Source: Company, Indo Premier

Fig. 7: Big 4 banks CoF stood at 2.5% (-3bp yoy) in 11M25; we expect CoF to remain elevated amid tighter liquidity



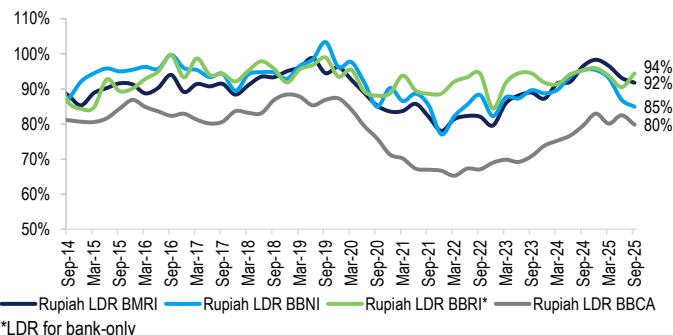
Source: Company, Indo Premier

Fig. 8: Big 4 banks calculated LDR – BBKA/BBNI have the lowest LDR overall at 78%/86%



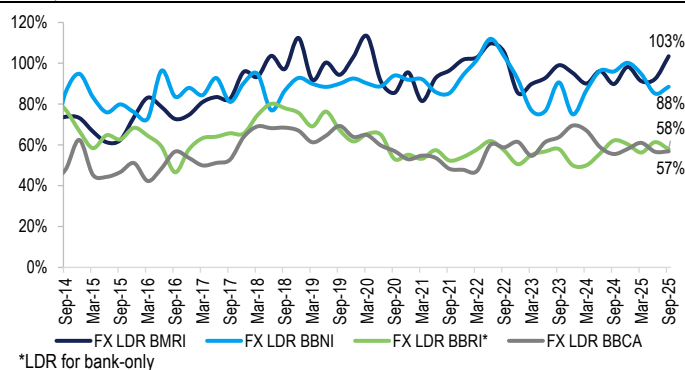
Source: Company, Indo Premier

Fig. 9: Big 4 banks calculated Rupiah LDR – accordingly, BBKA/BBNI have the lowest Rupiah LDR at 80%/85%



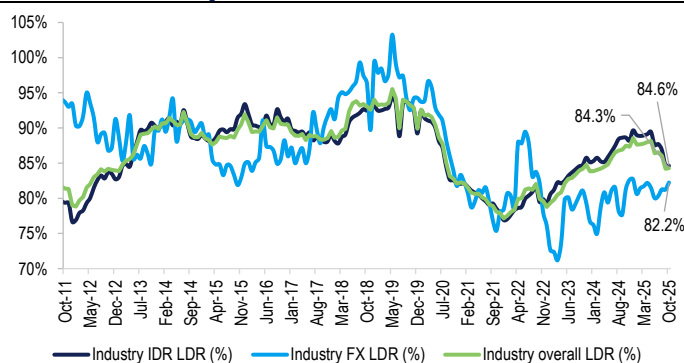
Source: Company, Indo Premier

Fig. 10: Big 4 banks calculated FX LDR – BMRI FX LDR has reached 103%, while BBKA was the lowest at 57%



Source: Company, Indo Premier

Fig. 11: Industry IDR LDR stands at 84.6% vs. FX LDR of 82.2%, this led to overall industry LDR of 84.3%

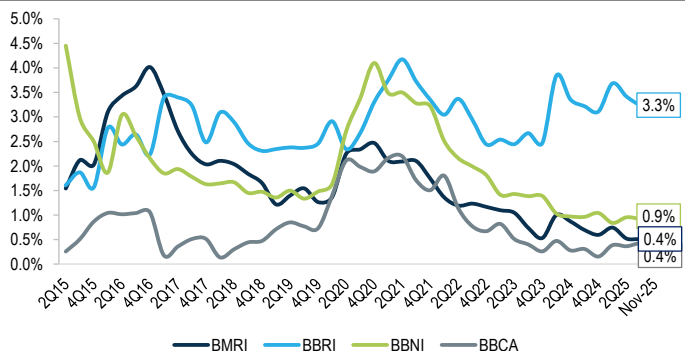


Source: OJK, Indo Premier

CoC is expected to remain flattish; corporate asset quality is more resilient than consumer/MSME

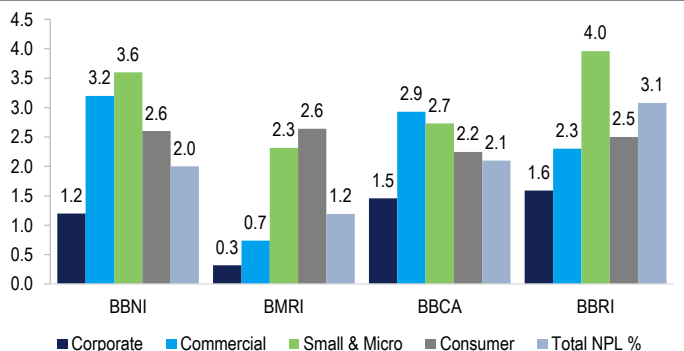
We expect CoC to be relatively flattish in FY26F across all big 4 banks, except for Mandiri, i.e. consol CoC stood at 60bp in 11M25 (vs. its FY25F target of 80-100bp). We are more confident with corporate asset quality, given that as of 3Q25, BBNI/BMRI/BBKA corporate NPL stood much lower at 1.2/0.3/1.5% vs. small/micro of 3.6%/2.3%/2.7% and consumer of 2.6%/2.6%/2.2%.

Fig. 12: Cumulative bank-only CoC trend – we expect big banks CoC to be flattish except for BMRI



Source: Company, Indo Premier

Fig. 13: NPL % by loan segments – across all big 4 banks, corporate NPL stood lower compared to small/micro and consumer segments

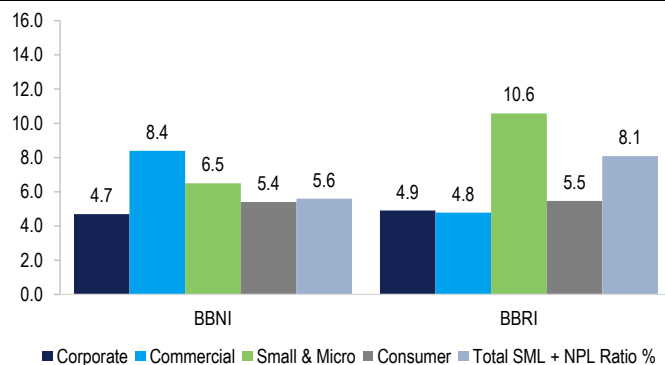


Source: Company, Indo Premier

However, we remain concerned on low-end loan segment amid slow recovery in purchasing power. For example, for BBRI, Kupedes's 2024 vintage hasn't showed meaningful recovery vs. 2023 despite all the improvement in underwriting and monitoring that was done in 2024 (fig. 16).

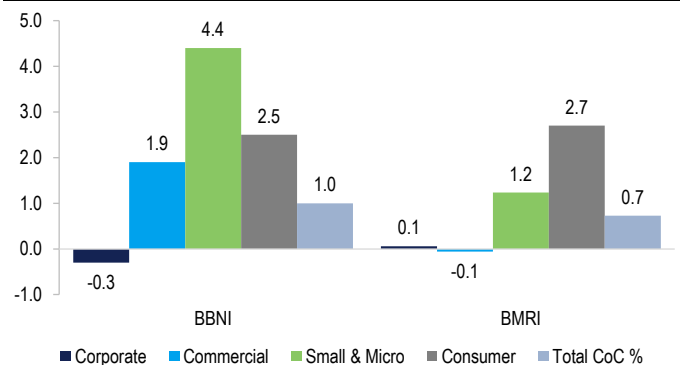
Kupedes that was being disbursed in 2024's NPL rose to 6.7% in 3Q25 from 1.6% in 1Q25 and currently accounts for 4.1/9.3% of total BBRI/micro loans. Meanwhile, the rise in 2023 Kupedes NPL has been inevitable at 12.9% in 3Q25 vs. 8.8% in 1Q25, but current loan outstanding representing 3.1/7% of total BBRI/micro loans.

Fig. 14: LAR % by loan segments (excluding restructured) – corporate LAR remained relatively lower vs. other segments



Source: Company, Indo Premier

Fig. 15: CoC % by loan segments – accordingly, corporate CoC stood much lower vs. small/micro and consumer segments



Source: Company, Indo Premier

Fig. 16: 2024 Kupedes NPL rose to 6.7% in 3Q25 vs. 1.6% in 1Q25, whereas 2023 Kupedes NPL stood at 12.9% in 3Q25 vs. 8.8% in 1Q25

| 2023 Kupedes Vintage Trend | 1Q25 | 2Q25 | 3Q25 |
|---|-------|-------|-------|
| SML % to 2023 Kupedes OS | 18.2% | 18.9% | 19.9% |
| NPL % to 2023 Kupedes OS | 8.8% | 11.6% | 12.9% |
| Restructured % to 2023 Kupedes OS* | 13.7% | 16.7% | 19.8% |
| 2023 Kupedes OS as % to BBRI gross loan | 4.7% | 3.8% | 3.1% |
| 2024 Kupedes Vintage Trend | 1Q25 | 2Q25 | 3Q25 |
| SML % to 2024 Kupedes OS | 7.3% | 10.7% | 13.4% |
| NPL % to 2024 Kupedes OS | 1.6% | 4.0% | 6.7% |
| Restructured % to 2024 Kupedes OS* | 2.0% | 4.1% | 7.6% |
| 2024 Kupedes OS as % to BBRI gross loan | 6.1% | 5.0% | 4.1% |

*include Current, SML, & NPL under restructured

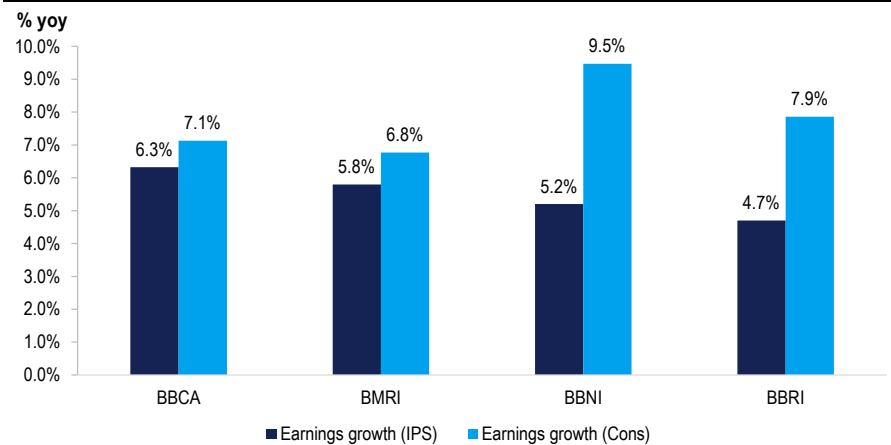
Source: Company, Indo Premier

Inflection point in earnings; maintain OW with BBNI/BMRI as our picks

In sum, we project big banks under our coverage to book c.5-6% earnings growth for FY26F, tad lower vs. consensus of 7-10%, suggesting minimal earnings revision. This was led by BBKA at 6.3%, while we project BMRI/BBNI/BBRI earnings at 5.8/5.2/4.7% in FY26F (see fig. 17). Accordingly, we maintained our Buy call for the big 4 banks while raised our target price: 1) BBNI to Rp5,200 (from Rp4,800); 2) BMRI to Rp6,400 (from Rp6,000, published previously on 14 January 2026, [link to report](#); 3) BBRI to Rp5,000 (from Rp4,700); and 4) BBKA to Rp10,600 (from Rp10,400).

At the same time, the sector currently trades at an attractive valuation of 1.9x P/B and 10.9x P/E are already at -1 S.D. from its 10Y mean of 2.2x P/B and 14.5x P/E. Our top picks are BBNI and BMRI. Main risk is Rupiah depreciation which may result in higher benchmark rate/bond yield.

Fig. 17: We expect c.5-6% earnings growth for FY26F, only a tad lower vs. consensus of 7-10% which suggests limited earnings revision



Source: Company, Indo Premier

Fig. 18: BBKA forecast changes summary

| Income Statement (Rp bn) | New | | | Previous | | | Changes | | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|--------------|------------|
| | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F |
| Interest income | 99,489 | 104,804 | 115,444 | 100,843 | 108,835 | 117,662 | -1% | -4% | -2% |
| Interest expense | (13,586) | (14,632) | (15,762) | (13,586) | (14,454) | (15,584) | 0% | 1% | 1% |
| Net interest income | 85,903 | 90,172 | 99,683 | 87,258 | 94,381 | 102,078 | -2% | -4% | -2% |
| % NII growth YoY | 4.4% | 5.0% | 10.5% | 6.1% | 8.2% | 8.2% | (168) | (323) | 235 |
| Non-interest income | 27,948 | 30,079 | 32,419 | 27,227 | 29,127 | 31,201 | 3% | 3% | 4% |
| Total operating income | 113,852 | 120,250 | 132,102 | 114,485 | 123,508 | 133,279 | -1% | -3% | -1% |
| Opex | (39,171) | (40,280) | (45,217) | (40,549) | (42,601) | (45,264) | -3% | -5% | 0% |
| PPOP | 74,680 | 79,970 | 86,885 | 73,936 | 80,906 | 88,015 | 1% | -1% | -1% |
| % PPOP growth YoY | 6.3% | 7.1% | 8.6% | 5.2% | 9.4% | 8.8% | 110 | (232) | (15) |
| Provisions | (3,304) | (4,079) | (4,446) | (3,304) | (4,079) | (4,446) | 0% | 0% | 0% |
| Operating profit | 71,377 | 75,891 | 82,438 | 70,632 | 76,827 | 83,569 | 1% | -1% | -1% |
| Pre-tax profit | 71,377 | 75,891 | 82,438 | 70,632 | 76,827 | 83,569 | 1% | -1% | -1% |
| Income tax | (13,562) | (14,419) | (15,663) | (13,420) | (14,597) | (15,878) | 1% | -1% | -1% |
| Minority interests | (16) | (17) | (18) | (16) | (17) | (18) | -1% | -3% | -1% |
| Net profit | 57,799 | 61,455 | 66,757 | 57,196 | 62,213 | 67,673 | 1% | -1.2% | -1% |
| % Net profit growth YoY | 5.4% | 6.3% | 8.6% | 4.3% | 8.8% | 8.8% | 110 | (247) | (17) |

Source: Company, Indo Premier

Fig. 19: BMRI forecast changes summary (already published on 14 Jan 2026, [link to report](#))

| Income Statement (Rp bn) | New | | | Previous | | | Changes | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|--------------|
| | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F |
| Interest income | 160,653 | 173,088 | 189,360 | 160,694 | 175,170 | 194,306 | 0% | -1% | -3% |
| Interest expense | (53,188) | (58,711) | (63,247) | (53,188) | (54,189) | (59,566) | 0% | 8% | 6% |
| Net interest income | 107,466 | 114,378 | 126,113 | 107,506 | 120,981 | 134,739 | 0% | -5% | -6% |
| <i>% NII growth YoY</i> | <i>5.6%</i> | <i>6.4%</i> | <i>10.3%</i> | <i>5.7%</i> | <i>12.5%</i> | <i>11.4%</i> | <i>(4)</i> | <i>(610)</i> | <i>(111)</i> |
| Non-interest income | 47,948 | 52,999 | 57,734 | 48,402 | 54,791 | 62,110 | -1% | -3% | -7% |
| Total operating income | 155,414 | 167,377 | 183,847 | 155,908 | 175,772 | 196,849 | 0% | -5% | -7% |
| Opex | (71,365) | (73,832) | (78,866) | (70,174) | (75,216) | (83,147) | 2% | -2% | -5% |
| PPOP | 84,048 | 93,545 | 104,981 | 85,734 | 100,556 | 113,702 | -2% | -7% | -8% |
| <i>% PPOP growth YoY</i> | <i>-4.5%</i> | <i>11.3%</i> | <i>12.2%</i> | <i>-2.6%</i> | <i>17.3%</i> | <i>13.1%</i> | <i>(192)</i> | <i>(599)</i> | <i>(85)</i> |
| Provisions | (12,259) | (18,002) | (21,500) | (19,262) | (23,229) | (23,650) | -36% | -23% | -9% |
| Operating profit | 71,790 | 75,542 | 83,481 | 66,472 | 77,327 | 90,052 | 8% | -2% | -7% |
| Non-operating profit | 2,114 | 2,345 | 2,592 | 2,112 | 2,350 | 2,609 | 0% | 0% | -1% |
| Pre-tax profit | 73,904 | 77,887 | 86,073 | 68,584 | 79,677 | 92,661 | 8% | -2% | -7% |
| Income tax | (14,358) | (15,108) | (16,696) | (13,294) | (15,465) | (18,010) | 8% | -2% | -7% |
| Minority interests | (4,044) | (4,044) | (4,044) | (4,044) | (4,044) | (4,044) | 0% | 0% | 0% |
| Net profit | 55,502 | 58,735 | 65,333 | 51,246 | 60,168 | 70,607 | 8% | -2% | -7% |
| <i>% Net profit growth YoY</i> | <i>-0.5%</i> | <i>5.8%</i> | <i>11.2%</i> | <i>-8.1%</i> | <i>17.4%</i> | <i>17.4%</i> | <i>763</i> | <i>(1,159)</i> | <i>(612)</i> |

Source: Company, Indo Premier

Fig. 20: BBRI forecast changes summary

| Income Statement (Rp bn) | New | | | Previous | | | Changes | | |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|--------------|------------|
| | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F |
| Interest income | 203,950 | 213,563 | 228,116 | 203,437 | 217,259 | 231,624 | 0% | -2% | -2% |
| Interest expense | (58,903) | (63,744) | (66,665) | (58,519) | (61,541) | (65,212) | 1% | 4% | 2% |
| Net interest income | 145,047 | 149,819 | 161,451 | 144,919 | 155,718 | 166,412 | 0% | -4% | -3% |
| <i>% NII growth YoY</i> | <i>2.8%</i> | <i>3.3%</i> | <i>7.8%</i> | <i>2.7%</i> | <i>7.5%</i> | <i>6.9%</i> | <i>9</i> | <i>(416)</i> | <i>90</i> |
| Non-interest income | 67,350 | 72,041 | 76,841 | 66,980 | 71,407 | 76,407 | 1% | 1% | 1% |
| Total operating income | 212,397 | 221,860 | 238,292 | 211,899 | 227,125 | 242,818 | 0% | -2% | -2% |
| Opex | (97,783) | (101,997) | (107,073) | (97,091) | (102,841) | (107,653) | 1% | -1% | -1% |
| PPOP | 114,614 | 119,863 | 131,219 | 114,807 | 124,284 | 135,166 | 0% | -4% | -3% |
| <i>% PPOP growth YoY</i> | <i>-1.8%</i> | <i>4.6%</i> | <i>9.5%</i> | <i>-1.7%</i> | <i>8.3%</i> | <i>8.8%</i> | <i>(17)</i> | <i>(367)</i> | <i>72</i> |
| Provisions | (41,820) | (43,611) | (47,515) | (41,820) | (42,332) | (46,570) | 0% | 3% | 2% |
| Operating profit | 72,794 | 76,252 | 83,704 | 72,988 | 81,953 | 88,596 | 0% | -7% | -6% |
| Non-operating profit | (1,068) | (1,166) | (1,272) | (1,068) | (1,166) | (1,272) | 0% | 0% | 0% |
| Pre-tax profit | 71,726 | 75,086 | 82,432 | 71,920 | 80,787 | 87,324 | 0% | -7% | -6% |
| Income tax | (14,559) | (15,250) | (16,741) | (14,598) | (16,391) | (17,719) | 0% | -7% | -6% |
| Minority interests | (478) | (500) | (537) | (477) | (511) | (547) | 0% | -2% | -2% |
| Net profit | 56,689 | 59,337 | 65,155 | 56,845 | 63,885 | 69,058 | 0% | -7% | -6% |
| <i>% Net profit growth YoY</i> | <i>-5.8%</i> | <i>4.7%</i> | <i>9.8%</i> | <i>-5.5%</i> | <i>12.4%</i> | <i>8.1%</i> | <i>(26)</i> | <i>(771)</i> | <i>171</i> |

Source: Company, Indo Premier

Fig. 21: BBNI forecast changes summary

| Income Statement (Rp bn) | New | | | Previous | | | Changes | | |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------|------------|
| | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F | 2025F | 2026F | 2027F |
| Interest income | 69,671 | 73,700 | 81,072 | 69,671 | 75,226 | 82,430 | 0% | -2% | -2% |
| Interest expense | (29,684) | (32,576) | (33,400) | (29,684) | (30,247) | (32,394) | 0% | 8% | 3% |
| Net interest income | 39,986 | 41,124 | 47,672 | 39,986 | 44,979 | 50,036 | 0% | -9% | -5% |
| <i>% NII growth YoY</i> | <i>-1.2%</i> | <i>2.8%</i> | <i>15.9%</i> | <i>-1.2%</i> | <i>12.5%</i> | <i>11.2%</i> | <i>0</i> | <i>(964)</i> | <i>468</i> |
| Non-interest income | 25,171 | 25,445 | 27,111 | 22,883 | 24,395 | 25,873 | 10% | 4% | 5% |
| Total operating income | 65,157 | 66,569 | 74,783 | 62,870 | 69,374 | 75,909 | 4% | -4% | -1% |
| Opex | (32,102) | (31,921) | (35,858) | (29,702) | (31,938) | (35,044) | 8% | 0% | 2% |
| PPOP | 33,055 | 34,648 | 38,925 | 33,167 | 37,436 | 40,865 | 0% | -7% | -5% |
| <i>% PPOP growth YoY</i> | <i>-5.1%</i> | <i>4.8%</i> | <i>12.3%</i> | <i>-4.8%</i> | <i>12.9%</i> | <i>9.2%</i> | <i>(32)</i> | <i>(805)</i> | <i>319</i> |
| Provisions | (7,710) | (8,007) | (9,787) | (7,710) | (9,750) | (10,649) | 0% | -18% | -8% |
| Operating profit | 25,345 | 26,640 | 29,138 | 25,457 | 27,686 | 30,216 | 0% | -4% | -4% |
| Non-operating profit | (35) | (35) | (35) | (35) | (35) | (35) | 0% | 0% | 0% |
| Pre-tax profit | 25,309 | 26,605 | 29,103 | 25,422 | 27,650 | 30,181 | 0% | -4% | -4% |
| Income tax | (4,562) | (4,795) | (5,245) | (4,582) | (4,983) | (5,439) | 0% | -4% | -4% |
| Minority interests | (208) | (212) | (239) | (201) | (221) | (242) | 4% | -4% | -1% |
| Net profit | 20,539 | 21,597 | 23,619 | 20,639 | 22,445 | 24,500 | 0% | -4% | -4% |
| <i>% Net profit growth YoY</i> | <i>-4.3%</i> | <i>5.2%</i> | <i>9.4%</i> | <i>-3.8%</i> | <i>8.8%</i> | <i>9.2%</i> | <i>(46)</i> | <i>(360)</i> | <i>21</i> |

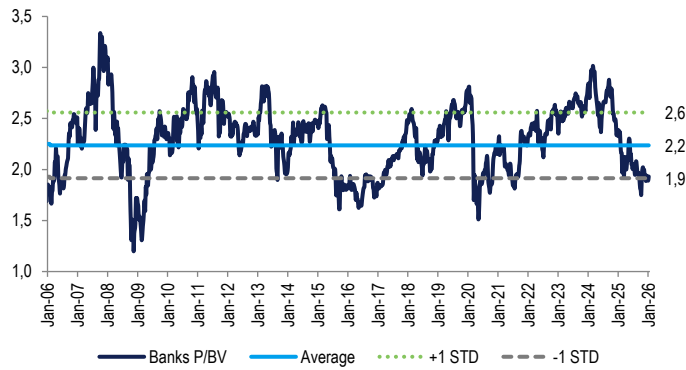
Source: Company, Indo Premier

Fig. 22: Big 4 banks target price and valuation change

| BBCA | | Before | After |
|---------------------|--|---------------|---------------|
| Target Price | | 10,400 | 10,600 |
| Implied P/BV | | 4.3 | 4.4 |
| Risk-free rate (Rf) | | 7.0% | 6.5% |
| Cost of equity (Ke) | | 13.1% | 12.6% |
| Sustainable ROAE | | 23.1% | 21.3% |
| BMRI | | Before | After |
| Target Price | | 6,000 | 6,400 |
| Implied P/BV | | 1.7 | 1.7 |
| Risk-free rate (Rf) | | 7.0% | 7.0% |
| Cost of equity (Ke) | | 13.8% | 13.8% |
| Sustainable ROAE | | 16.5% | 16.5% |
| BBRI | | Before | After |
| Target Price | | 4,700 | 5,000 |
| Implied P/BV | | 2.1 | 2.3 |
| Risk-free rate (Rf) | | 7.0% | 6.5% |
| Cost of equity (Ke) | | 13.8% | 13.5% |
| Sustainable ROAE | | 18.0% | 18.0% |
| BBNI | | Before | After |
| Target Price | | 4,800 | 5,200 |
| Implied P/BV | | 0.9 | 1.0 |
| Risk-free rate (Rf) | | 6.8% | 6.5% |
| Cost of equity (Ke) | | 13.3% | 13.0% |
| Sustainable ROAE | | 13.0% | 13.0% |

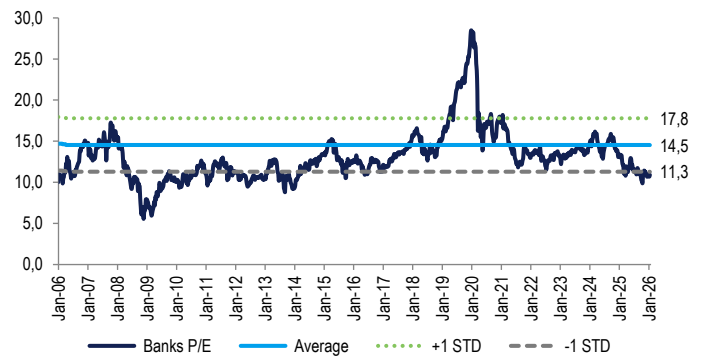
Source: Company, Indo Premier

Fig. 23: Banks' forward P/BV – now trading at 1.9x FY25F P/BV vs. 10-year average of 2.2x P/B



Source: Bloomberg, Company, Indo Premier

Fig. 24: Banks' forward P/E – now trading at 10.9x FY25F P/E vs. 10-year average of 14.5x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 25: 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 | 7.650 | 10.600 | 4,4 | 39% | Buy | 16,3 | 15,3 | 21,3 | 3,4 | 3,2 | 3,8 |
| BBRI | 3.850 | 5.000 | 2,3 | 30% | Buy | 10,3 | 9,8 | 14,7 | 1,8 | 1,8 | 2,4 |
| BMRI | 4.910 | 6.400 | 1,7 | 30% | Buy | 8,3 | 7,8 | 11,7 | 1,4 | 1,3 | 1,6 |
| BBNI | 4.530 | 5.200 | 1,0 | 15% | Buy | 8,2 | 7,8 | 10,4 | 0,9 | 0,9 | 1,1 |
| BBTN | 1.230 | 1.450 | 0,6 | 18% | Buy | 5,3 | 4,9 | 6,9 | 0,5 | 0,5 | 0,8 |
| BRIS* | 2.250 | 2.700 | 2,1 | 20% | Buy | 13,8 | 12,3 | 16,0 | 2,0 | 1,8 | 2,2 |

Source: Bloomberg, Company, Indo Premier
*3Y avg

Share price closing as of: 26 January 2026

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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