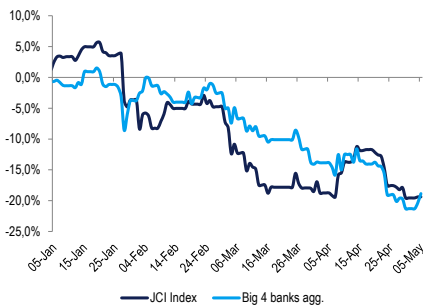


Sector Update | 05 May 2026

Sector Index Performance

	3M	6M	12M
Absolute	-16.7%	-22.4%	-23.2%
Relative to JCI	-4.7%	-6.6%	-25.3%



Summary Valuation Metrics

P/E (x)	2026F	2027F	2028F
BBCA IJ	12.1	11.1	10.2
BBRI IJ	8.0	7.2	6.6
BBNI IJ	6.9	6.3	5.7
P/BV (x)	2026F	2027F	2028F
BBCA IJ	2.5	2.3	2.1
BBRI IJ	1.4	1.4	1.3
BBNI IJ	0.8	0.7	0.7
Div. Yield	2026F	2027F	2028F
BBCA IJ	5.6%	6.0%	6.5%
BBRI IJ	10.9%	11.5%	12.7%
BBNI IJ	8.9%	9.5%	10.3%

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1Q26 recap: in-line; decent PPOP growth was led by BBNI and BMRI

- Big 4 banks' net profit of Rp51.2tr in 1Q26 (+11% yoy) came in-line. PPOP grew +8% yoy, primarily led by BBNI/BMRI at +12/10% yoy.
- All banks recorded lower NIM except for BBRI (+20bp yoy), dragged by lower loan yield but was offset by improving CoF (-10bp to -65bp yoy).
- Asset quality was broadly stable but weakness in consumer was observed across banks. We maintain OW with BBNI and BMRI as our top picks.

In-line 1Q26 results across big 4 banks; BBNI/BMRI led the PPOP growth

Aggregate big 4 banks net profit of Rp51.2tr in 1Q26 (+11% yoy) was in-line at 25/26% of ours/cons, sourced from BMRI (+17% yoy) and BBRI (+14% yoy, due to low base effect in 1Q25 at -14% yoy). PPOP rose +8% yoy, led by BBNI (+12% yoy) and BMRI (+10% yoy). This was driven by decent NII (+9% yoy, with all SOE banks posted double-digit NII growth (11-12%) while BBKA came flattish yoy. Opex remained manageable at +8% yoy. Provision came flat amid drop in BMRI at -20% yoy and BBRI at -1% yoy, though BBKA and BBNI rose higher at +20/37% yoy amid their precautionary stances.

Overall NIM was dragged down by lower loan yield; but was partly offset by improving CoF

Most banks recorded NIM compression in 1Q26, led by BBKA (-40bp yoy), BBNI (-30bp yoy), and BMRI (-5bp yoy), except for BBRI which expanded by +20bp yoy. This was mostly dragged by lower loan yield (-30bp to -50bp yoy across big 4 banks), mainly due to lower reference rate within corporate segment and Agrinas loan for the SOEs. In terms of CoF, all big 4 banks already posted notable improvement, led by BBRI (-65bp yoy) and BMRI (-42bp yoy). All banks maintained their FY26F NIM guidance except for BMRI (from 4.6-4.8% to 4.5-4.7%) amid BSI deconsolidation & lower loan yield.

Robust loan expansion within SOE banks from Agrinas loans

Aggregate big 4 loans grew +14% yoy, with SOE banks posted robust growth of +14% to +20% yoy from Agrinas loan disbursement while BBKA was slower at +6% yoy. On the funding front, deposits grew solid by +17% yoy with balanced growth across TD (+22% yoy) and CASA (+15% yoy – contributed primarily by CA at +23% yoy vs. SA of +8% yoy as Agrinas hasn't fully disbursed the loan).

Slight qoq LAR increase from consumer though overall NPL came stable

Overall asset quality was relatively stable for the big 4 banks. BMRI posted the qoq improvement in LAR (-48bp qoq), while slight hiccups were seen in BBRI (+7bp qoq), BBNI (+10bp qoq), and BBKA (+30bp qoq), sourced mostly from downgrade within the consumer and SME segments. In terms of NPL, only BBKA rose by +10bp qoq while BBNI came flat, BBRI down by -7bp qoq, and BMRI improved by -11bp qoq. CoC for all banks were still in-line with their guidance except for BBKA (higher at 60bp vs. guidance of 40-50bp).

Maintain OW from gradual CoF improvement and resilient asset quality

We maintain our OW stance on banks on the back of strong 1Q earnings and attractive valuation. The sector is currently trading at attractive valuation of 1.5x FY26F P/B and 8.2x P/E vs. 10Y avg of 2.2x and 14.4x. Our top picks are BBNI and BMRI. Key risk is prolonged geopolitical tensions which could lead to slower-than-expected loan growth and deterioration in asset quality.

Fig. 1: Big 4 banks 1Q26 results summary

Big 4 banks 1Q26 result summary (Rp bn)	1Q26	1Q25	%YoY	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest income	133,852	126,071	6%	582,216	23%		
Interest expenses	(36,465)	(36,695)	-1%	(172,998)	21%		
Net interest income	97,387	89,375	9%	409,218	24%		
Non interest income	38,216	35,944	6%	169,805	23%		
Total income	135,603	125,320	8%	579,023	23%		
Opex	(52,120)	(48,162)	8%	(240,656)	22%		
PPOP	83,483	77,157	8%	338,367	25%		
Provisions	(18,464)	(18,434)	0%	(83,502)	22%		
Non-operating	18,059	17,227	5%	76,946	23%		
Pre-tax profit	46,760	41,097	14%	181,857	26%	181,336	26%
Tax	(12,669)	(10,702)	18%	(50,643)	25%		
Minority interests	(1,001)	(1,486)	-33%	(4,661)	21%		
Net profit	51,222	46,345	11%	201,531	25%	199,342	26%

Source: Company, Indo Premier

Fig. 2: BBKA 1Q26 results summary

BBKA 1Q26 result summary (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest income	24,640	24,395	1%	24,990	-1%	104,938	23%		
Interest expenses	(3,484)	(3,248)	7%	(3,325)	5%	(14,588)	24%		
Net interest income	21,156	21,146	0%	21,664	-2%	90,350	23%		
Non interest income	6,722	5,819	16%	4,348	55%	29,204	23%		
Total Income	27,878	26,966	3%	26,012	7%	119,554	23%		
Overhead Expenses	(8,514)	(8,498)	0%	(7,839)	9%	(40,493)	21%		
Pre-provision profit	19,364	18,467	5%	18,174	7%	79,061	24%		
Loan loss provision	(1,232)	(1,031)	20%	(488)	152%	(4,084)	30%		
Pretax Profit	18,132	17,436	4%	17,685	3%	74,977	24%	75,417	24%
Non operating	(55)	19	-381%	(191)	-71%				
Tax	(3,387)	(3,309)	2%	(3,344)	1%	(14,246)	24%		
Minority interests	(6)	(1)	561%	(10)	-42%	(28)	21%		
Net Profit	14,684	14,146	4%	14,140	4%	60,704	24%	60,728	24%

Source: Company, Indo Premier

Fig. 3: BBRI 1Q26 results summary

BBRI 1Q26 result summary (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest income	52,838	49,871	6%	52,623	0%	224,086	24%		
Interest expenses	(12,683)	(13,986)	-9%	(13,116)	-3%	(60,984)	21%		
Net interest income	40,155	35,885	12%	39,507	2%	163,102	25%		
Non interest income	14,163	13,941	2%	16,741	-15%	60,044	24%		
Total income	54,318	49,826	9%	56,248	-3%	223,146	24%		
Opex	(22,135)	(19,931)	11%	(23,486)	-6%	(95,798)	23%		
PPOP	32,183	29,895	8%	32,762	-2%	127,348	25%		
Provisions	(12,123)	(12,275)	-1%	(12,585)	-4%	(50,612)	24%		
Non-operating	(74)	(239)	-69%	(248)	-70%	(497)	15%		
Pre-tax profit	19,986	17,381	15%	19,929	0%	76,240	26%	76,859	26%
Tax	(4,352)	(3,639)	20%	(4,029)	8%	(16,115)	27%		
Minority interests	(141)	(120)	18%	(27)	422%	(515)	27%		
Net profit	15,493	13,622	14%	15,873	-2%	59,610	26%	59,784	26%

Source: Company, Indo Premier

Fig. 4: BMRI 1Q26 results summary

BMRI 1Q26 result summary (Rp bn)	1Q26*	1Q25*	%YoY	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest Income	37,375	35,092	7%	178,285	21%		
Interest Expenses	(12,325)	(12,582)	-2%	(65,488)	19%		
Net interest income	25,050	22,510	11%	112,797	22%		
Non interest income	11,555	11,052	5%	54,944	21%		
Total Income	36,605	33,562	9%	167,741	22%		
Overhead Expenses	(13,992)	(13,079)	7%	(72,401)	19%		
Pre-provision profit	22,613	20,483	10%	95,340	24%		
Loan loss provision	(2,691)	(3,368)	-20%	(18,416)	15%		
Non Operating	22	63	-65%	2,464	1%		
Pretax Profit	19,944	17,178	16%	79,388	25%	77,961	26%
Taxes	(3,731)	(2,648)	41%	(15,385)	24%		
Minority interest	(829)	(1,333)	-38%	(4,044)	21%		
Net Profit	15,384	13,197	17%	59,960	26%	57,284	27%

*1Q26 and 1Q25 exclude Bank Syariah Indonesia (BSI)

Source: Company, Indo Premier

Fig. 5: BBNI 1Q26 results summary

BBNI 1Q26 results summary (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest income	18,999	16,713	14%	18,227	4%	74,907	25%		
Interest expenses	(7,973)	(6,879)	16%	(7,147)	12%	(31,938)	25%		
Net interest income	11,026	9,834	12%	11,080	0%	42,969	26%		
Non interest income	5,776	5,132	13%	7,391	-22%	25,612	23%		
Total income	16,802	14,966	12%	18,471	-9%	68,582	24%		
Opex	(7,479)	(6,654)	12%	(9,024)	-17%	(31,964)	23%		
PPOP	9,323	8,312	12%	9,447	-1%	36,618	25%		
Provisions	(2,418)	(1,760)	37%	(3,603)	-33%	(10,390)	23%		
Pre-tax profit	6,885	6,519	6%	5,960	16%	26,230	26%	26,516	26%
Tax	(1,199)	(1,107)	8%	(1,220)	-2%	(4,898)	24%		
Minority interests	(25)	(32)	-23%	186	-113%	(74)	34%		
Net profit	5,661	5,380	5%	4,926	15%	21,257	27%	21,546	26%

Source: Company, Indo Premier

Fig. 6: NII summary

NII (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS
BBCA	21,156	21,146	0%	21,664	-2%	90,350	23%
BBRI	40,155	35,885	12%	39,507	2%	163,102	25%
BMRI	25,050	22,510	11%	N/A	N/A	112,797	22%
BBNI	11,026	9,834	12%	11,080	0%	42,969	26%
Total	97,387	89,375	9%			409,218	24%

Source: Company, Indo Premier

Fig. 7: Opex summary

Opex (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS
BBCA	(8,514)	(8,498)	0%	(7,839)	9%	(40,493)	21%
BBRI	(22,135)	(19,931)	11%	(23,486)	-6%	(95,798)	23%
BMRI	(13,992)	(13,079)	7%	N/A	N/A	(72,401)	19%
BBNI	(7,479)	(6,654)	12%	(9,024)	-17%	(31,964)	23%
Total	(52,120)	(48,162)	8%			(240,656)	22%

Source: Company, Indo Premier

Fig. 8: PPOP summary

PPOP (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS
BBCA	19,364	18,467	5%	18,174	7%	79,061	24%
BBRI	32,183	29,895	8%	32,762	-2%	127,348	25%
BMRI	22,613	20,483	10%	N/A	N/A	95,340	24%
BBNI	9,323	8,312	12%	9,447	-1%	36,618	25%
Total	83,483	77,157	8%			338,367	25%

Source: Company, Indo Premier

Fig. 9: Provision summary

Provisions (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS
BBCA	(1,232)	(1,031)	20%	(488)	152%	(4,084)	30%
BBRI	(12,123)	(12,275)	-1%	(12,585)	-4%	(50,612)	24%
BMRI	(2,691)	(3,368)	-20%	N/A	N/A	(18,416)	15%
BBNI	(2,418)	(1,760)	37%	(3,603)	-33%	(10,390)	23%
Total	(18,464)	(18,434)	0%			(83,502)	22%

Source: Company, Indo Premier

Fig. 10: Net profit summary

Net profit (Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of IPS
BBCA	14,684	14,146	4%	14,140	4%	60,704	24%	60,728	24%
BBRI	15,493	13,622	14%	15,873	-2%	59,610	26%	59,784	26%
BMRI	15,384	13,197	17%	N/A	N/A	59,960	26%	57,284	27%
BBNI	5,661	5,380	5%	4,926	15%	21,257	27%	21,546	26%
Total	51,222	46,345	11%			201,531	25%	199,342	26%

Source: Company, Indo Premier

Fig. 11: Loan summary

Gross loan (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	994	941	6%	993	0%
BBRI	1,562	1,374	14%	1,521	3%
BMRI	1,614	1,389	16%	N/A	N/A
BBNI	919	765	20%	900	2%
Total	5,090	4,469	14%		

Source: Company, Indo Premier

Fig. 12: Deposit summary

Deposits (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	1,292	1,194	8%	1,249	3%
BBRI	1,555	1,422	9%	1,467	6%
BMRI	1,730	1,430	21%	N/A	N/A
BBNI	1,101	820	34%	1,041	6%
Total	5,678	4,865	17%		

Source: Company, Indo Premier

Fig. 13: CA summary

CA (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	452	383	18%	434	4%
BBRI	453	392	16%	448	1%
BMRI	642	533	20%	N/A	N/A
BBNI	447	320	40%	439	2%
Total	1,994	1,627	23%		

Source: Company, Indo Premier

Fig. 14: SA summary

SA (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	637	597	7%	611	4%
BBRI	606	543	11%	588	3%
BMRI	573	543	6%	N/A	N/A
BBNI	285	258	10%	286	-1%
Total	2,101	1,941	8%		

Source: Company, Indo Premier

Fig. 15: CASA summary

CASA (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	1,089	980	11%	1,045	4%
BBRI	1,059	935	13%	1,036	2%
BMRI	1,215	1,075	13%	N/A	N/A
BBNI	732	578	27%	726	1%
Total	4,094	3,568	15%		

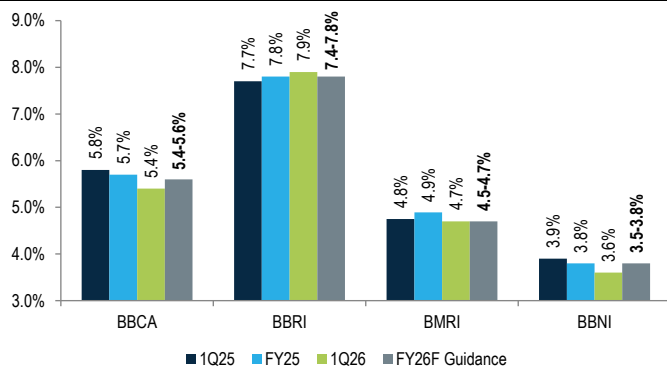
Source: Company, Indo Premier

Fig. 16: TD summary

TD (Rp tr)	1Q26	1Q25	%YoY	4Q25	%QoQ
BBCA	203	214	-5%	204	0%
BBRI	497	487	2%	431	15%
BMRI	515	355	45%	N/A	N/A
BBNI	369	242	53%	315	17%
Total	1,584	1,297	22%		

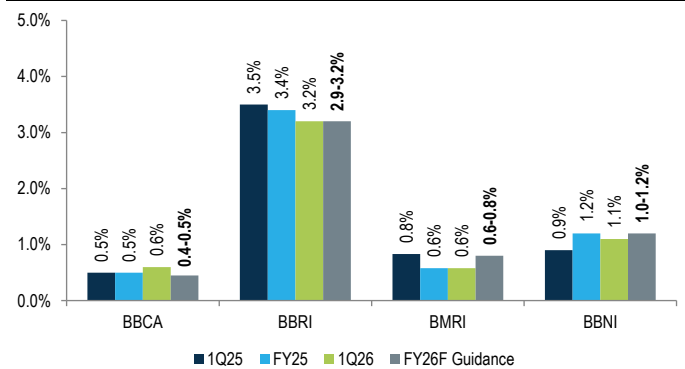
Source: Company, Indo Premier

Fig. 17: NIM summary – reported



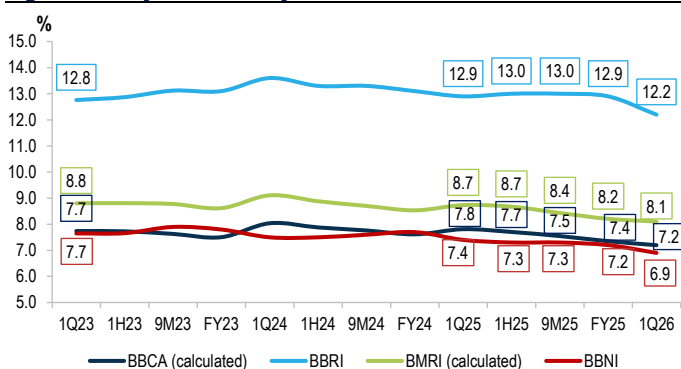
Source: Company, Indo Premier

Fig. 18: CoC summary – reported



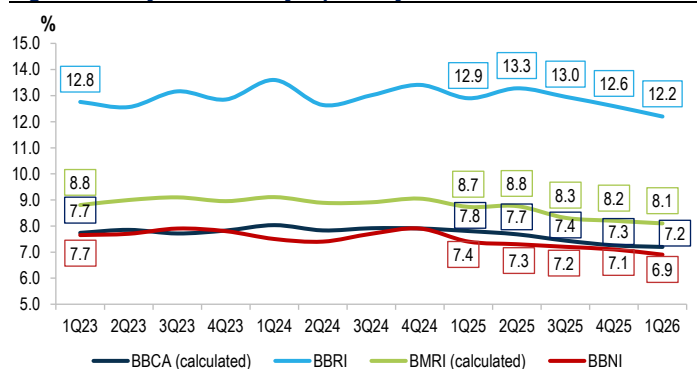
Source: Company, Indo Premier

Fig. 19: Loan yield summary – cumulative



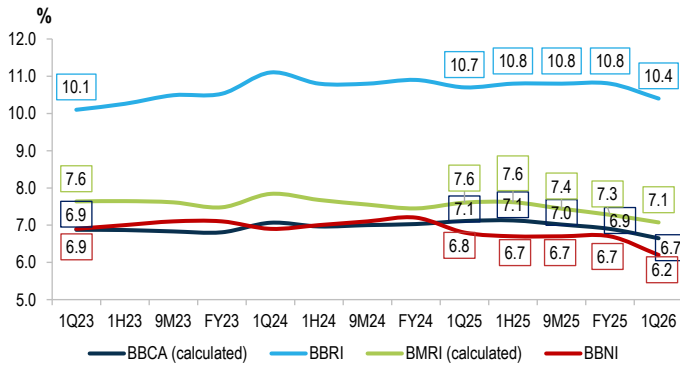
Source: Company, Indo Premier

Fig. 20: Loan yield summary - quarterly



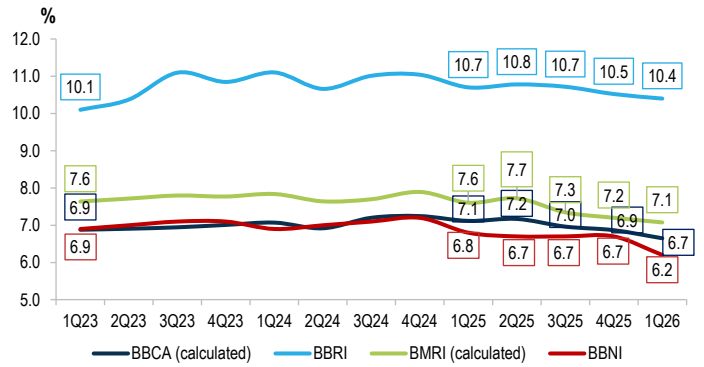
Source: Company, Indo Premier

Fig. 21: Asset yield summary – cumulative



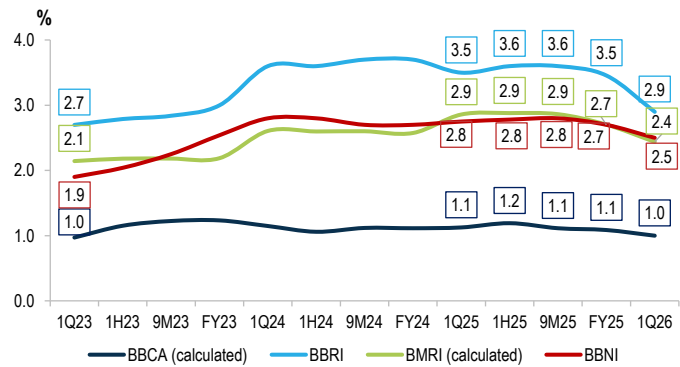
Source: Company, Indo Premier

Fig. 22: Asset yield summary – quarterly



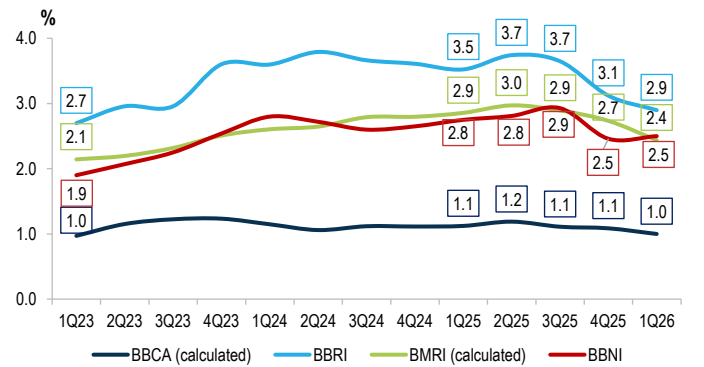
Source: Company, Indo Premier

Fig. 23: CoF summary – cumulative



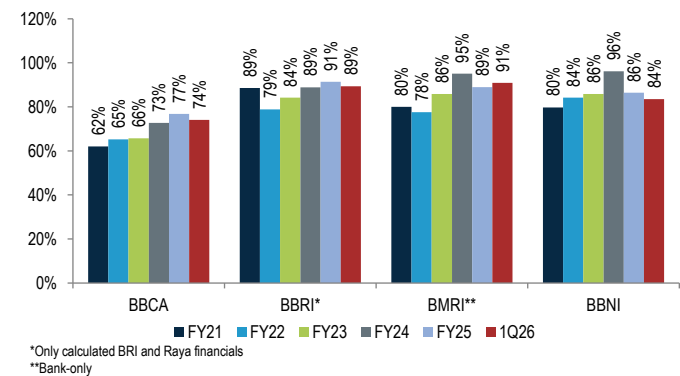
Source: Company, Indo Premier

Fig. 24: CoF summary - quarterly



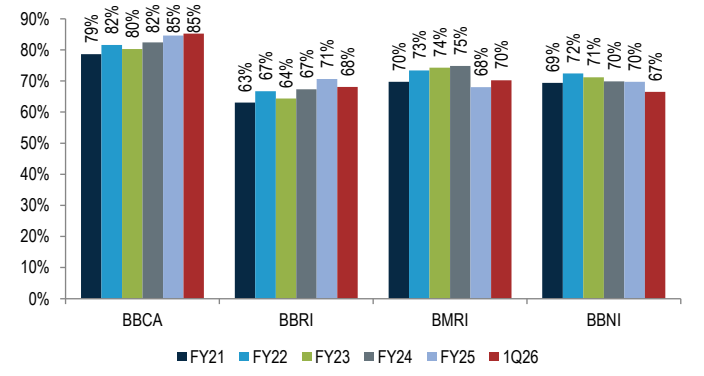
Source: Company, Indo Premier

Fig. 25: Loan-to-deposit (LDR) summary - reported



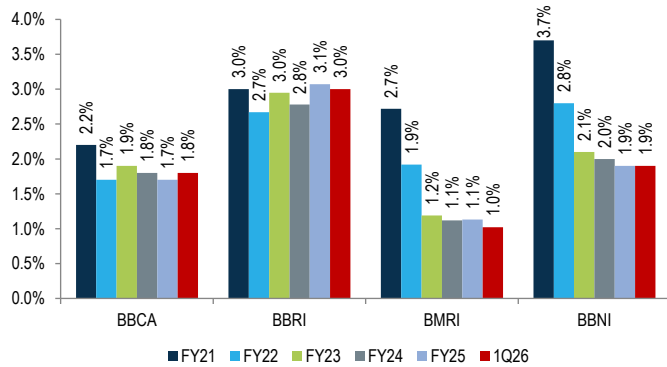
Source: Company, Indo Premier

Fig. 26: CASA ratio summary - reported



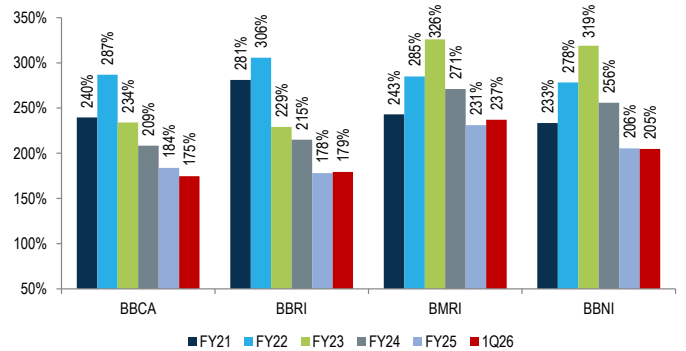
Source: Company, Indo Premier

Fig. 27: NPL summary - reported



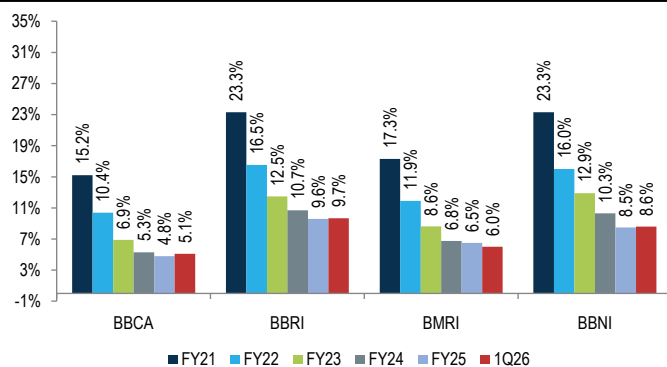
Source: Company, Indo Premier

Fig. 28: NPL coverage summary - reported



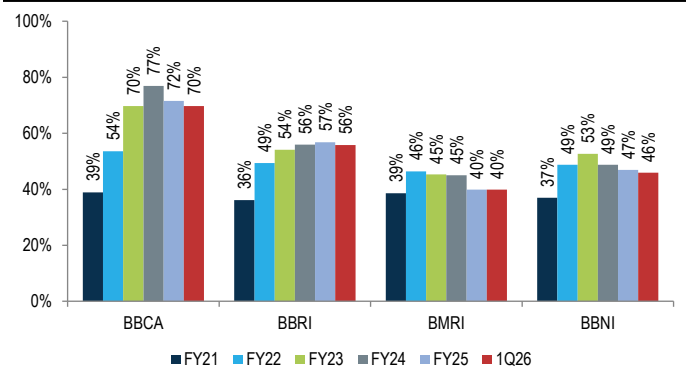
Source: Company, Indo Premier

Fig. 29: Loan at risk (incl. Covid) summary - reported



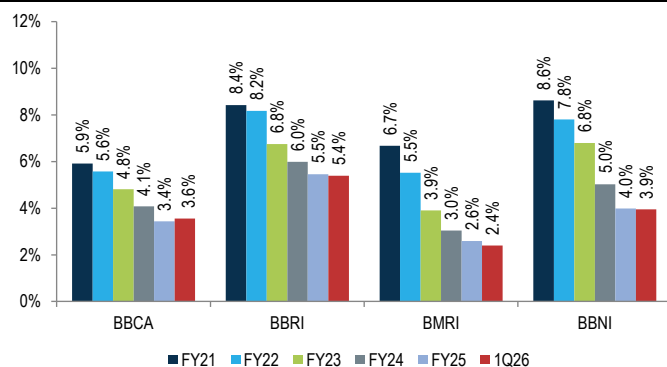
Source: Company, Indo Premier

Fig. 30: Loan at risk coverage (incl. Covid) summary - reported



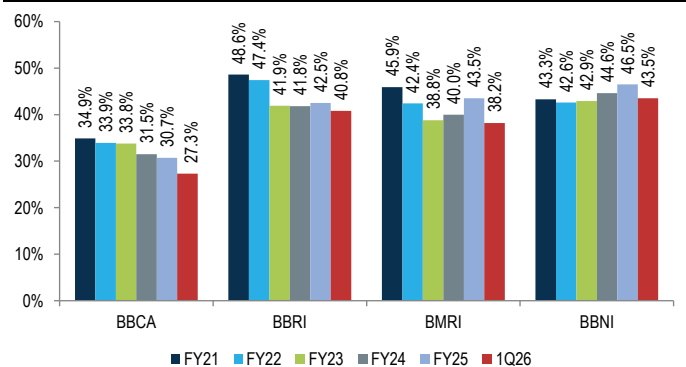
Source: Company, Indo Premier

Fig. 31: Loan loss reserve (LLR) summary



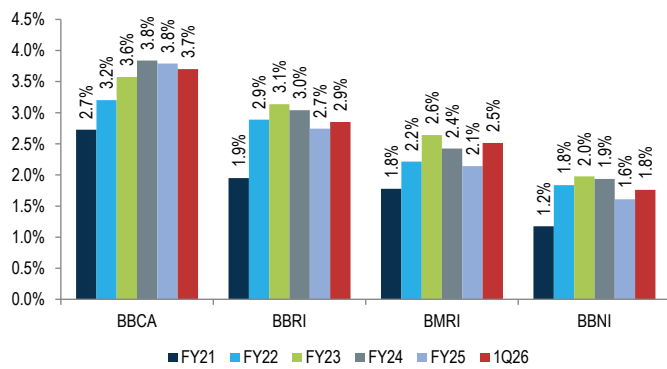
Source: Company, Indo Premier

Fig. 32: Cost-to-income (CIR) summary - reported



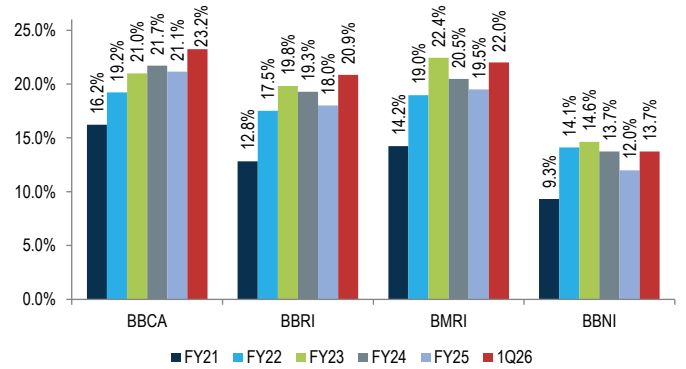
Source: Company, Indo Premier

Fig. 33: ROA - calculated



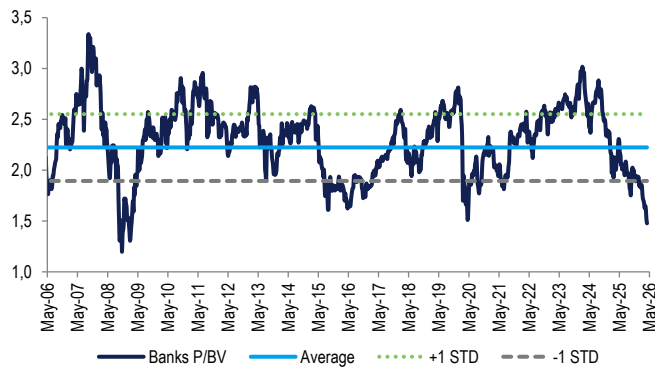
Source: Company, Indo Premier

Fig. 34: ROE - calculated



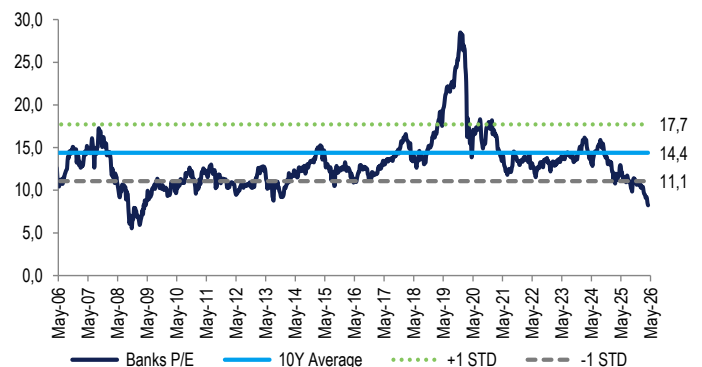
Source: Company, Indo Premier

Fig. 35: Banks' forward P/BV – now trading at 1.5x FY26F P/BV vs. 10-year average of 2.2x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 36: Banks' forward P/E – now trading at 8.2x FY26F P/E vs. 10-year average of 14.4x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 37: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY26F	FY27F	10Y Avg	FY26F	FY27F	10Y Avg
BBCA	5.950	10.600	4,4	78%	Buy	12,1	11,1	20,9	2,5	2,3	3,8
BBRI	3.150	5.000	2,3	59%	Buy	8,0	7,2	14,3	1,4	1,4	2,3
BMRI	4.490	6.400	1,7	43%	Buy	7,0	6,3	11,3	1,2	1,1	1,6
BBNI	3.920	5.200	1,0	33%	Buy	6,9	6,3	10,2	0,8	0,7	1,1
BBTN	1.365	1.900	0,7	39%	Buy	4,7	4,1	6,7	0,5	0,4	0,8
BRIS*	1.820	2.900	2,2	59%	Buy	9,7	8,4	15,6	1,4	1,2	2,2

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

Share price closing as of: 05 May 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

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.

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