INDOPREMIER

Bank Negara Indonesia

BUY *(unchanged)*

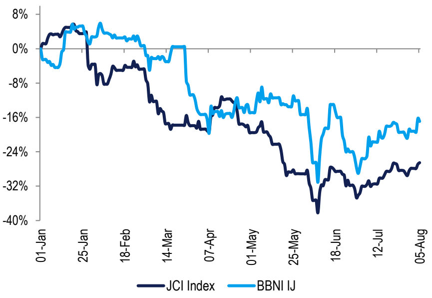
Company Update | Banks | BBNI IJ | 5 August 2026

Stock Data

Target price	**Rp5,200**
Prior TP	*Rp5,200*
Current price	Rp3,630
Upside/downside	*+43.3%*
Shares outstanding (mn)	37,297
Market cap (Rp bn)	135,389
Free float	40%
Avg. 6m daily T/O (Rp bn)	222

Price Performance

	3M	6M	12M
Absolute	-7.4%	-20.9%	-14.0%
Relative to JCI	2.6%	0.9%	1.5%
52w low/high (Rp)		3,010 – 4,630	



Major Shareholders

Republic of Indonesia	60%

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2Q26: in-line; solid PPOP growth while CoC remained conservative

- BBNI 1H26 net profit of Rp10.8tr (+7% yoy) came in-line. PPOP was robust (+14% yoy) from solid NII/non-II. CoC stood at 1.1% (+10bp yoy).
- NIM fell -20bp yoy to 3.6% in 1H26 on lower loan yield. However, qoq NIM stood flat despite increase in CoF by +14bp qoq.
- Asset quality was improving with decline in LAR at 8.1% vs. 8.6% in 2Q25, along with lower write-offs (-44% yoy). BBNI remains one of our top picks.

2Q26 results: in-line as robust PPOP was offset by CoC

BBNI posted net profit of Rp10.8tr in 1H26 (+7% yoy/-10% qoq in 2Q26), in-line with our/consensus FY26F at 51%. PPOP came solid at +14% yoy on robust NII (+14% yoy) and non-II (+12% yoy). Opex came higher at +13% yoy amid deliberate front-loading of personnel expenses (FY26F opex growth still kept at 7-8% yoy). Provision grew +42% yoy (+23% qoq), leading to CoC of 1.1% (+10bp yoy/qoq), in-line with FY26F guidance of 1.0-1.2%.

Flat NIM on qoq basis though FY guidance was revised down

Overall NIM fell by -20bp yoy to 3.6% in 1H26, driven by lower loan yield at -40bp yoy though CoF has improved by -22bp yoy. On qoq basis, NIM stood flat in 2Q26 as loan yield remained steady qoq despite higher CoF of +14bp qoq. Nevertheless, BBNI revised its FY26F NIM guidance to 3.3-3.5% (from 3.5-3.8%) as it expects funding cost to remain elevated in 2H. Deposit grew +22% yoy, underpinned by TD growth of +51% yoy vs. CASA of +11% yoy with CA grew +12% yoy vs. SA of +10% yoy.

Solid loan growth across segments

Loan growth reached +24% yoy in 2Q26 (+5% qoq) – 17% yoy ex Agrinas, exceeding FY26F guidance of 8-10%. Growth was strong across segments, led by middle at +62% yoy, followed by corporate at +25% yoy from Agrinas-related loans, and SME non-KUR (+16% yoy). Meanwhile, consumer loan grew more modest at +9% yoy, weighed down by lingering asset quality issues.

Asset quality improved along with lower write-offs

LAR improved to 8.1% in 2Q26 vs. 8.6% in 1Q26 (11% in 2Q25), along with stable qoq/yoy NPL at 1.9%. LAR coverage was broadly stable at 47% in 2Q26 vs. 46%/43% in 1Q26/2Q25. In addition, write-offs fell by -44% yoy to Rp4.5tr in 1H26 (vs. Rp7.9tr in 1H25), while the recovery/write-off ratio improved to 56% (vs. 29% in 1H25). This indicates that the higher CoC was mainly a precautionary move rather than being driven by deteriorating asset quality.

Maintain Buy from robust PPOP and attractive valuation

We maintain Buy for BBNI and it remains one of our top pick for the sector as we think its robust PPOP and conservative CoC remains underappreciated by the market. BBNI currently trades at an attractive valuation of 0.7x FY26F P/B and 6.4x P/E (vs. 10Y avg of 1.1x and 10.1x). Risk is worsening asset quality.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net interest income	40,480	40,333	42,969	47,625	52,404
PPOP	34,783	34,120	36,618	39,002	42,863
Provision charges	(8,211)	(9,724)	(10,390)	(10,390)	(11,429)
Net profit	21,464	20,041	21,257	23,186	25,473
P/BV (x)	0.8	0.8	0.7	0.7	0.7
Dividend yield	7.7%	10.3%	9.6%	10.2%	11.1%
ROAE	13.7%	12.0%	11.9%	12.1%	12.3%
IPS vs. consensus			100%	101%	100%

Source: Company, Indo Premier *Share price closing as of: 05 August 2026*

Fig. 1: BBNI 2Q26 results summary

BBNI 2Q26 results summary (Rp bn)	1H26	1H25	%YoY	2Q26	2Q25	%YoY	1Q26	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest Income	38,630	33,614	15%	19,631	16,901	16%	18,999	3%	74,907	52%		
Interest expenses	(16,345)	(14,098)	16%	(8,372)	(7,219)	16%	(7,973)	5%	(31,938)	51%		
Net interest income	**22,285**	**19,516**	**14%**	**11,259**	**9,682**	**16%**	**11,026**	**2%**	**42,969**	**52%**		
Fee based income	9,028	7,904	14%	4,578	3,976	15%	4,450	3%				
Insurance Income	322	343	-6%	206	206	0%	116	78%				
Recovery	2,404	2,204	9%	1,194	1,137	5%	1,210	-1%				
Non-interest income	**11,754**	**10,451**	**12%**	**5,978**	**5,319**	**12%**	**5,776**	**3%**	**25,612**	**46%**		
Total Income	**34,039**	**29,967**	**14%**	**17,237**	**15,001**	**15%**	**16,802**	**3%**	**68,582**	**50%**		
Overhead Expenses	(15,543)	(13,809)	13%	(8,064)	(7,155)	13%	(7,479)	8%	(31,964)	49%		
Pre-provision profit	**18,496**	**16,158**	**14%**	**9,173**	**7,846**	**17%**	**9,323**	**-2%**	**36,618**	**51%**		
Loan loss provision	(5,382)	(3,787)	42%	(2,964)	(2,027)	46%	(2,418)	23%	(10,390)	52%		
Other income (exp)	(44)	(54)	-19%	(24)	(21)	13%	(20)	17%	2	N/A		
Pretax Profit	**13,070**	**12,317**	**6%**	**6,185**	**5,798**	**7%**	**6,885**	**-10%**	**26,230**	**50%**	**26,168**	**50%**
Tax	(2,260)	(2,151)	5%	(1,062)	(1,044)	2%	(1,199)	-11%	(4,898)	46%		
Minority interests	(54)	(72)	-25%	(29)	(40)	-27%	(25)	15%	(74)	72%		
Net Profit	**10,756**	**10,094**	**7%**	**5,095**	**4,714**	**8%**	**5,661**	**-10%**	**21,257**	**51%**	**21,265**	**51%**

Source: Company, Indo Premier

Fig. 2: BBNI 2Q26 balance sheet summary

Balance sheet (Rp bn)	2Q26	2Q25	%YoY	1Q26	%QoQ
Placement with banks/BI	70,166	69,744	1%	46,703	50%
Marketable securities	58,022	52,412	11%	65,408	-11%
Government bonds	147,377	135,127	9%	155,240	-5%
Gross Loan	**968,538**	**778,681**	**24%**	**919,320**	**5%**
Other assets	216,898	165,689	31%	240,087	-10%
Total Assets	**1,461,001**	**1,201,653**	**22%**	**1,426,758**	**2%**
Demand Deposits	428,642	381,639	12%	446,882	-4%
Saving deposits	291,326	265,915	10%	284,689	2%
CASA	**719,968**	**647,554**	**11%**	**731,571**	**-2%**
Time Deposits & CD	380,221	252,311	51%	369,011	3%
Customer deposits	**1,100,189**	**899,865**	**22%**	**1,100,582**	**0%**
Deposit from other banks	14,439	11,456	26%	12,643	14%
Securities issued	27,896	26,964	3%	24,595	13%
Borrowings	53,076	39,436	35%	40,513	31%
Other liabilities&accrued	97,170	58,744	65%	82,514	18%
Total Liabilities	**1,292,770**	**1,036,465**	**25%**	**1,260,847**	**3%**
Equity	**168,231**	**165,188**	**2%**	**165,911**	**1%**

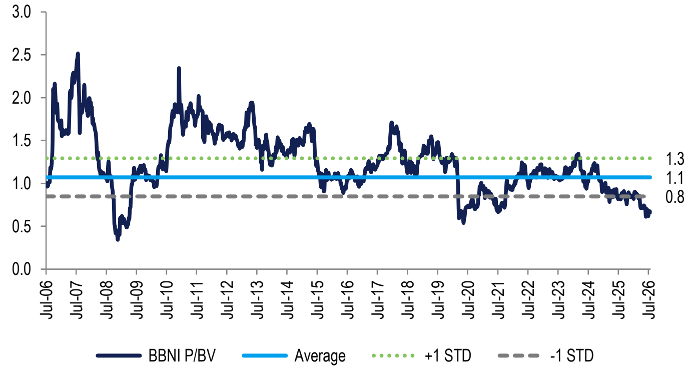
Source: Company, Indo Premier

Fig. 3: BBNI 2Q26 key ratios

Key Ratios (in %)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Loan Yield - reported (C)	7.7	7.7	7.9	7.8	7.5	7.5	7.6	7.7	7.4	7.3	7.3	7.2	6.9	6.9
Cost of funds - reported (C)	1.9	2.0	2.3	2.5	2.8	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.5	2.6
NIM (C)	4.7	4.6	4.6	4.6	4.0	4.0	4.2	4.2	3.9	3.8	3.8	3.8	3.6	3.6
CAR	21.6	21.6	21.9	22.0	20.5	20.7	21.8	21.4	22.3	21.1	21.1	20.7	18.5	18.1
LDR	85	85	90	86	89	94	95	96	93	86	83.5	86	84	87.7
Gross NPL	2.8	2.5	2.3	2.1	2.0	2.0	2.0	2.0	2.0	1.9	2.0	1.9	1.9	1.9
Special Mention	4.4	4.4	4.5	4.9	5.5	4.9	4.8	3.8	4.5	4.0	3.6	2.5	3.0	2.9
Loan-at-risk (incl. Covid)	16.3	16.1	14.4	12.9	13.3	12.3	11.8	10.3	10.9	11.0	10.4	8.5	8.6	8.1
Credit Costs (Q)	1.4	1.5	1.3	1.4	1.0	1.0	1.0	1.5	0.9	1.0	1.1	1.5	1.1	1.2
Credit Costs (C)	1.4	1.4	1.4	1.4	1.0	1.0	1.0	1.1	0.9	1.0	1.0	1.2	1.1	1.1
Coverage Ratio	287	309	325	319	330	298	284	256	263	243	223	206	205	198
CASA Ratio	69	70	69	71	70	71	70	70	71	72	66	70	67	65
CIR	42	41	41	43	43	44	44	45	44	46	46	47	44	45
LAR coverage	49	47	51	53	50	48	47	49	47	43	42	47	46	47

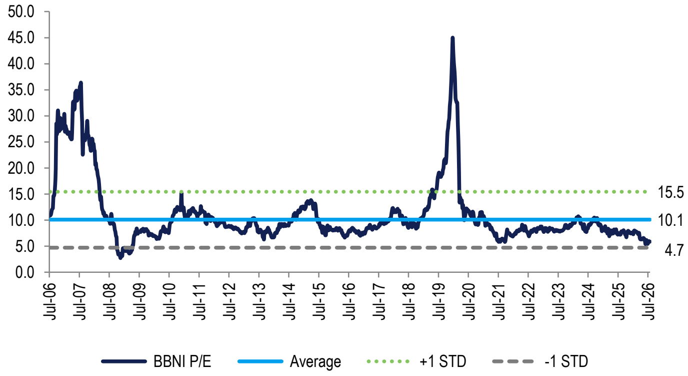
Source: Company, Indo Premier

Fig. 4: BBNI's forward P/BV – now trading at 0.7x FY26F P/BV vs. 10-year average of 1.1x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 5: BBNI's forward P/E – now trading at 6.4x FY26F P/E vs. 10-year average 10.1x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 6: 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	6,450	8,700	3.7	35%	Buy	13.1	12.0	20.6	2.7	2.5	3.7
BBRI	3,020	5,000	2.3	66%	Buy	7.7	6.9	14.3	1.4	1.3	2.3
BMRI	4,220	6,400	1.7	52%	Buy	6.6	5.9	11.2	1.1	1.0	1.6
BBNI	3,630	5,200	1.0	43%	Buy	6.4	5.8	10.1	0.7	0.7	1.1
BBTN	1,220	1,900	0.7	56%	Buy	4.2	3.7	6.6	0.4	0.4	0.8
BRIS*	1,800	2,900	2.2	61%	Buy	9.6	8.3	15.6	1.4	1.2	2.2

Source: Bloomberg, Company, Indo Premier *Share price closing as of: 05 August 2026*
**3Y avg*

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Interest income	66,583	69,394	74,907	81,636	88,900
Interest expense	(26,103)	(29,061)	(31,938)	(34,011)	(36,496)
Net interest income	**40,480**	**40,333**	**42,969**	**47,625**	**52,404**
Non-interest income	23,415	24,643	25,612	27,539	29,551
Total operating income	**63,896**	**64,976**	**68,582**	**75,164**	**81,955**
Opex	(29,112)	(30,856)	(31,964)	(36,162)	(39,092)
PPOP	**34,783**	**34,120**	**36,618**	**39,002**	**42,863**
Provisions	(8,211)	(9,724)	(10,390)	(10,390)	(11,429)
Operating profit	**26,573**	**24,396**	**26,228**	**28,613**	**31,434**
Non-operating profit	(4)	2	2	2	2
Pre-tax profit	**26,569**	**24,397**	**26,230**	**28,614**	**31,436**
Income tax	(4,900)	(4,286)	(4,898)	(5,347)	(5,875)
Minority interest	(206)	(70)	(74)	(81)	(89)
Net profit	**21,464**	**20,041**	**21,257**	**23,186**	**25,473**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash + CA with BI	65,379	93,341	102,606	108,270	116,681
Secondary reserves	227,724	293,155	296,090	299,051	299,051
Gross loans	775,872	899,531	989,484	1,088,432	1,197,275
Loan provisions	(38,685)	(35,861)	(33,028)	(31,989)	(30,846)
Other assets	99,838	111,888	111,068	115,981	121,237
Total Assets	**1,130,129**	**1,362,055**	**1,466,220**	**1,579,745**	**1,703,397**
Total deposits	824,059	1,052,397	1,143,322	1,242,164	1,349,618
Securities and borrowings	71,797	60,545	60,545	60,545	60,545
Other liabilities	67,086	72,773	72,773	72,773	72,773
Total liabilities	**962,942**	**1,185,715**	**1,276,640**	**1,375,482**	**1,482,936**
Shareholders' equity	**167,187**	**176,339**	**189,580**	**204,263**	**220,461**
Total liabilities & equity	**1,130,129**	**1,362,055**	**1,466,220**	**1,579,745**	**1,703,397**

Growth YoY	2024A	2025A	2026F	2027F	2028F
Gross loans	11.6%	15.9%	10.0%	10.0%	10.0%
Total assets	4.0%	20.5%	7.6%	7.7%	7.8%
Total deposits	0.2%	27.7%	8.6%	8.6%	8.7%
Net interest income	-1.9%	-0.4%	6.5%	10.8%	10.0%
Non-interest income	9.1%	5.2%	3.9%	7.5%	7.3%
Total operating income	1.8%	1.7%	5.5%	9.6%	9.0%
Operating expense	4.8%	6.0%	3.6%	13.1%	8.1%
PPOP	-0.5%	-1.9%	7.3%	6.5%	9.9%
Net profit	2.7%	-6.6%	6.1%	9.1%	9.9%

Key Ratios	2024A	2025A	2026F	2027F	2028F
ROAA	1.9%	1.6%	1.5%	1.5%	1.6%
ROAE	13.7%	12.0%	11.9%	12.1%	12.3%
NIM	4.2%	3.7%	3.5%	3.6%	3.6%
Credit cost	1.1%	1.2%	1.1%	1.0%	1.0%
Cost/income	45.6%	47.5%	46.6%	48.1%	47.7%
LDR	94.2%	85.5%	86.5%	87.6%	88.7%
CAR	21.7%	21.7%	20.4%	20.5%	20.6%
NPL ratio	2.0%	1.9%	1.8%	1.8%	1.6%
Provisions/NPL	253.6%	206.4%	187.2%	167.7%	157.6%

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

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