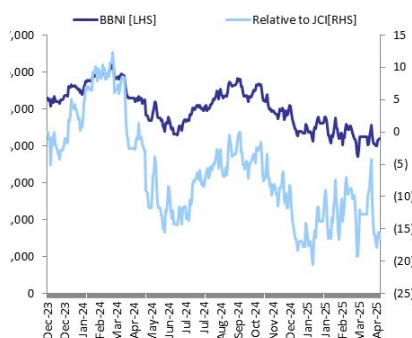


Buy

(Maintained)

Last Price (Rp)	4,190
Target Price (Rp)	5,100
Previous Target Price (Rp)	5,100
Upside/Downside	+21.7%
No. of Shares (mn)	37,297
Mkt Cap (Rpbn/US\$mn)	156,276/9,272
Avg, Daily T/O (Rpbn/US\$mn)	309.4/18.4
Free Float (%)	39.8
Major Shareholder (%)	
Government of Indonesia	60.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	590.6 616.7 634.1
Consensus	619.0 674.3 782.2
BRIDS/Cons (%)	(4.6) (8.5) (18.9)

BBNI relative to JCI Index



Source: Bloomberg

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Bank Negara Indonesia (BBNI IJ)

In line 1Q25 Earnings: NIM Contraction Offset by Lower CoC on Resilient Asset Quality

- BBNI reported a NP of Rp5.4tr in 1Q25 (+4% qoq, +1% yoy) with a lower CoC of 0.9% (-8bps yoy) offsetting the lower NIM of 3.8% (-6bps yoy).
- Mgmt is confident in asset quality with improving NPL formation but expects to raise CoC in the subsequent quarter to build buffers.
- Maintain Buy rating for BBNI with an unchanged TP of Rp5,100 based on -0.5SD 5-year inverse CoE GGM, implying FV PBV of 1.1x.

In line net profits despite NIM contraction

BBNI booked a net profit of Rp5.4tr in 1Q25 (+4% qoq, +1% yoy), relatively in line with our (24%) and consensus' (23%) FY25F estimates. 1Q25 earnings was supported by a low CoC of 0.9% (-8bps yoy), which offset the lower NIM of 3.8% (-6bps yoy). Bank-only NIM stood at 3.9%, below the 4.0–4.2% guidance, mainly due to lower yields in the corporate and medium segments. Mgmt. expects liquidity to stay challenging amid global tightening, with BI likely prioritizing IDR stability. Management does not anticipate a meaningful liquidity boost from the new DHE regulation. LDR improved to 93% in 1Q25 from 96% in 4Q24, as loans contracted 1% qoq while deposits grew 2% qoq.

Better CoC but normalization expected

CoC improved to 0.9% in 1Q25, outperforming the 1% target, but management expects a normalization towards guidance to build additional buffers. The lower CoC in 1Q25 was supported by a -30% yoy decline in write-offs to Rp2.8tr. Management is comfortable with reducing write-offs as NPL formation improved to Rp2.5tr (-22% yoy), with two-thirds of the formation stemming from pre-2022 vintages. Consumer NPL ratio rose to 2.0% in 1Q25 (vs. 1.8% in 1Q24), mainly attributable to credit card (2.5%) and auto (1.7%) loans.

Maintain FY25F guidance with possible change post 2Q25

Loan grew 10% yoy in 1Q25 led by the corporate (+16%) and consumer (+13%) segments. Management maintained its FY25F of 8-10% loan growth, 4.0-4.2% NIM, and around 1% CoC for now while planning to revisit them post 2Q25. Currently, only NIM falls below the FY25 target.

Maintain Buy with an unchanged TP of Rp5,100

We maintain Buy rating with an unchanged TP of Rp5,100 as we maintain our FY25F and valuation matrix unchanged. Our TP is derived from GGM with a 12.2%, -0.5SD, CoE (from 12.1% prev.) and 13.1% FY25F ROE, implying an FV PBV of 1.1x. Risks to our view include continuing NIM compression and asset quality deterioration.

Key Financials

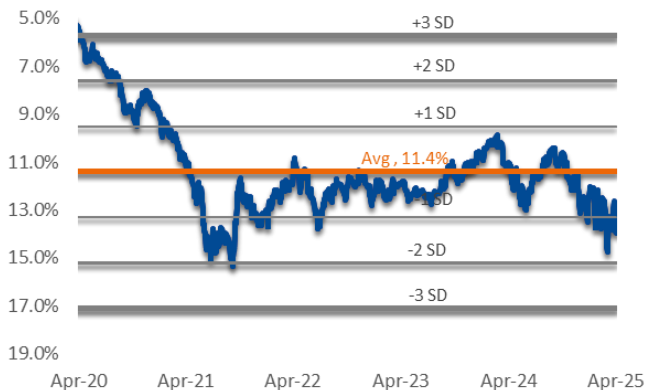
Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	34,970	34,826	37,251	39,120	41,339
Net profit (Rpbn)	20,909	21,464	22,029	23,000	23,649
EPS (Rp)	560.6	575.5	590.6	616.7	634.1
EPS growth (%)	14.2	2.7	2.6	4.4	2.8
BVPS (Rp)	4,025.3	4,355.7	4,641.3	4,944.5	5,250.8
PER (x)	7.5	7.3	7.1	6.8	6.6
PBV (x)	1.0	1.0	0.9	0.8	0.8
Dividend yield (%)	6.7	7.6	7.8	8.1	8.3
ROAE (%)	14.6	13.7	13.1	12.9	12.4

Source: BBNI, BRIDS Estimates

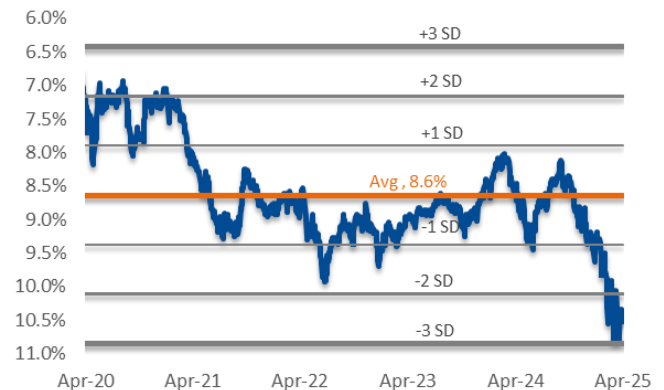
Exhibit 1. BBNI's 1Q25 earnings summary

BBNI - Financials (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	1Q24	1Q25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	15,875	17,747	16,713	-6%	5%	15,875	16,713	5%	69,919		24%	n/a
Interest expense	6,485	6,705	6,879	3%	6%	6,485	6,879	6%	27,433		25%	n/a
Net interest income	9,390	11,042	9,834	-11%	5%	9,390	9,834	5%	42,486		23%	n/a
Other operating income	5,067	6,689	5,415	-19%	7%	5,067	5,415	7%	23,970	25,268	23%	21%
Operating expenses	6,649	8,700	6,937	-20%	4%	6,649	6,937	4%	31,172	31,745	22%	22%
PPOP	8,181	9,540	8,312	-13%	2%	8,181	8,312	2%	37,251	37,391	22%	22%
Provision	1,744	2,822	1,760	-38%	1%	1,744	1,760	1%	9,868	8,307	18%	21%
Operating Profit	6,437	6,718	6,552	-2%	2%	6,437	6,552	2%	27,383	29,083	24%	23%
Net profit	5,326	5,155	5,380	4%	1%	5,326	5,380	1%	22,029	23,155	24%	23%
Loans	695,162	775,872	765,469	-1%	10%	695,162	765,469	10%	836,906		91%	n/a
Customer deposits	780,230	805,511	819,580	2%	5%	780,230	819,580	5%	906,653	876,377	90%	94%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.5	8.0	7.3	↓ (65)	↓ (13)	7.5	7.3	↓ (13)				
Cost of fund (%) - ann	2.9	3.0	3.0	→ (4)	→ 1	2.9	3.0	→ 1				
NIM (%) - ann	3.9	4.5	3.8	↓ (61)	↓ (6)	3.9	3.8	↓ (6)				
CIR (%) - ann	44.8	47.7	45.5	↓ (221)	↓ 65	44.8	45.5	↓ 65				
Cost of credit (%) - ann	1.0	1.5	0.9	↓ (57)	↓ (8)	1.0	0.9	↓ (8)				
ROE (%) - ann	14.4	12.9	13.0	↓ 12	↓ (142)	14.4	13.0	↓ (142)				
CASA ratio (%)	69.7	69.9	70.5	↑ 57	↑ 84							
LDR (%)	89.1	96.3	93.4	↓ (292)	↓ 430							
NPL ratio (%)	2.0	2.0	2.0	→ (1)	→ (7)							
LaR ratio (%)	13.2	10.2	10.8	↓ 61	↓ (235)							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBNI's cost of equity band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's cost of equity band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BBNI's P/BV band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BBNI's P/E band chart (5-year)


Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	61,472	66,583	69,919	73,667	79,564
Interest Expense	(20,196)	(26,103)	(27,433)	(29,351)	(33,065)
Net Interest Income	41,276	40,480	42,486	44,316	46,499
Non-Interest Income (NII)	20,218	22,121	23,970	25,554	27,181
Oper. Income	61,494	62,601	66,456	69,870	73,680
Oper. Expenses	(27,778)	(29,688)	(31,172)	(32,808)	(34,456)
Pre-provisions profit	34,970	34,826	37,251	39,120	41,339
Provisions & Allowances	(9,196)	(8,211)	(9,868)	(10,558)	(11,951)
Operating Profits	25,773	26,616	27,383	28,562	29,388
Non-Operating Income	(134)	(35)	(89)	(65)	(81)
Exceptionals	0	0	0	0	0
Pre-tax Profit	25,640	26,580	27,294	28,497	29,307
Income Tax	(4,534)	(4,911)	(5,049)	(5,272)	(5,422)
Minorities	(197)	(206)	(216)	(225)	(236)
Net Profit	20,909	21,464	22,029	23,000	23,649

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	695,085	775,872	836,906	917,117	1,038,691
Provisions	(47,158)	(38,685)	(38,351)	(38,225)	(37,176)
Net Loans	647,927	737,187	798,555	878,892	1,001,515
Govt. Bonds	127,099	132,069	101,685	81,352	65,086
Securities	37,165	48,534	46,269	44,126	42,098
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	989,203	1,034,557	1,060,431	1,117,436	1,221,205
Fixed Assets	44,688	48,816	52,629	56,871	61,597
Non-Earnings Assets	21,667	18,448	19,055	17,814	17,512
Total Assets	1,086,664	1,129,806	1,254,542	1,370,151	1,502,463
Customer Deposits	810,730	805,511	906,653	988,793	1,081,017
Banks Deposits	11,894	18,548	18,627	18,706	18,786
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	931,931	962,619	1,076,489	1,180,563	1,301,214
Share capital & Reserves	42,896	43,794	43,794	43,794	43,794
Retained Earnings	107,236	118,664	129,313	140,623	152,049
Shareholders' Funds	150,131	162,458	173,107	184,417	195,842
Minority interests	4,602	4,729	4,945	5,170	5,407
Total Equity & Liabilities	1,086,664	1,129,806	1,254,542	1,370,151	1,502,463

Exhibit 8. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	6.4	6.6	6.7	6.8	6.8
Cost of funds	2.3	2.9	2.8	2.7	2.7
Interest Spread	4.1	3.7	3.9	4.1	4.1
Net Interest Margin	4.3	4.0	4.1	4.1	4.0
Cost/Income Ratio	44.3	46.0	45.6	45.6	45.5
Oper. Exp./Oper. Gross Inc.	68.9	70.6	71.4	71.8	73.0
Gross NPL Ratio	2.1	2.0	2.1	2.1	2.1
LLP/Gross NPL	317.9	253.6	223.1	196.6	170.1
Cost of Credit	1.4	1.1	1.2	1.2	1.2
Loan to Deposit Ratio	85.7	96.3	92.3	92.8	96.1
Loan to Funding Ratio	85.2	94.8	90.4	90.9	94.4
CASA Mix	70.2	68.4	67.4	71.3	70.8
ROAE	14.6	13.7	13.1	12.9	12.4
ROAA	2.0	1.9	1.8	1.8	1.6
CAR	19.3	18.7	18.4	18.1	16.9

Exhibit 9. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.4	2.4	2.3	2.2	2.0
Tax Retention rate	82.3	81.5	81.5	81.5	81.5
Post-Tax ROAA	2.0	2.0	1.9	1.8	1.7
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	7.4	7.1	7.1	7.3	7.6
ROAE	14.6	13.7	13.1	12.9	12.4
Growth (%)					
Interest income	12.5	8.3	5.0	5.4	8.0
Net Interest Income	(0.1)	(1.9)	5.0	4.3	4.9
Other Oper. Expenses	2.7	6.9	5.0	5.2	5.0
Fee Based Income	3.9	1.3	10.2	4.3	4.9
Pre-Provision Oper. Profit	1.6	(0.4)	7.0	5.0	5.7
Net Profit	14.2	2.7	2.6	4.4	2.8
Shareholders' Equity	10.5	8.2	6.6	6.5	6.2
Loan	7.6	11.6	7.9	9.6	13.3
Earnings Asset	7.5	4.6	2.5	5.4	9.3
Deposit	4.9	0.2	12.3	8.9	9.2
Int. Bearing Liab.	4.5	3.4	12.3	10.0	10.5
CASA	3.6	(2.5)	10.7	15.2	8.3
Total Asset	5.5	4.0	11.0	9.2	9.7

Source: BBNI, BRIDS Estimates

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INVESTMENT RATING

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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