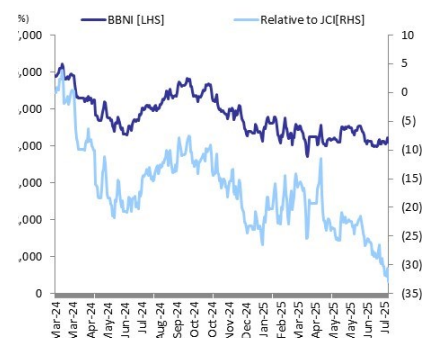


Buy

(Maintained)

Last Price (Rp)	4,090
Target Price (Rp)	4,800
Previous Target Price (Rp)	5,100
Upside/Downside	+17.4%
No. of Shares (mn)	37,297
Mkt Cap (Rpbn/US\$mn)	152,546/9,350
Avg, Daily T/O (Rpbn/US\$mn)	305.5/18.7
Free Float (%)	39.8
Major Shareholder (%)	
Government of Indonesia	60.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	546.0 570.2 612.0
Consensus	592.7 650.1 721.3
BRIDS/Cons (%)	(7.9) (12.3) (15.2)

BBNI relative to JCI Index



Source: Bloomberg

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Bank Negara Indonesia (BBNI IJ)

2Q25 Earnings Missed; NIM Pressure Triggers Guidance Revision and Forecast Cut

- BBNI's 2Q25 net profit fell -12% qoq/yoy, bringing 1H25 NP to Rp10.1tr (-6% yoy), below our/cons est. at 46% of FY25F, due to compressed NIM.
- Mgmt cut FY25 NIM guidance to 3.8% (prev. 4.0-4.2%) on CoF pressure; We revised our forecasts accordingly to account for lower NIM.
- Maintain Buy rating with a lower TP of Rp4,800 based on our revised forecasts, implying an FV PBV of 1.1x.

1H25: Weak Earnings and Margin Compression

BBNI recorded a net profit of Rp10.1tr in 1H25, down 6% yoy, reaching just 46% of our and cons FY25F estimates. NIM declined to 3.8%, pressured by a 15bps drop in loan yield and persistently high CoF at 3.0%, driven by tight deposit competition. The elevated funding cost stemmed from high TD (5.1%) and SA (1.06%) rates. CIR rose to 46.4%, impacted by weak fee income, delayed cash recoveries, IFRS 17 effects, and rising opex. Despite this, asset quality held firm, with stable CoC at 1.0% and NPL at 1.9%, though consumer NPL climbed to 2.1% due to emerging stress in mortgages and auto loans.

2Q25: Profit Downturn Amid Margin Pressure

BBNI reported Rp4.7tr (-12% qoq/yoy) net profit in 2Q25, mainly due to a sharper NIM contraction. NIM fell to 3.7% amid steady CoF and a drop in LDR to 86.5%, as deposit growth outpaced loans. While indicators such as lower SRBI yields point to potential easing ahead, we believe meaningful relief in funding costs may still depend on broader macroeconomic support. Loan growth was moderate at 2% qoq / 7% yoy, with SME non-KUR portfolio expanding while KUR contracted from stricter underwriting. BBNI continues to prioritize sustainable lending aligned with current economic conditions.

Revised FY25F NIM Guidance; Lowering our FY25-27F forecast

BBNI lowered its FY25 NIM guidance to 3.8% (from 4.0-4.2%) to reflect sustained funding cost pressures. However, it maintained FY25F guidance for loan growth at 8-10% and CoC at around 1%. Following these results, we trimmed our FY25/26/27F forecasts by 7.6/7.5/3.5% to incorporate higher CoF assumption, which resulted in lower NIM projections at 3.9%.

Maintain Buy with a lower TP of Rp4,800

We maintain Buy rating with a lower TP of Rp4,800 to reflect our revised forecasts. Our TP is derived from GGM with a 11.8% 5-year mean CoE and 12.3% FY25F ROE (from 13.2% prev.), implying an FV PBV of 1.1. Risks to our view include continued NIM compression and asset quality deterioration.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	34,970	34,826	35,194	36,979	40,320
Net profit (Rpbn)	20,909	21,464	20,363	21,266	22,824
EPS (Rp)	560.6	575.5	546.0	570.2	612.0
EPS growth (%)	14.2	2.7	(5.1)	4.4	7.3
BVPS (Rp)	4,025.3	4,355.7	4,539.1	4,765.8	5,018.6
PER (x)	7.3	7.1	7.5	7.2	6.7
PBV (x)	1.0	0.9	0.9	0.9	0.8
Dividend yield (%)	6.9	9.1	8.7	9.1	9.7
ROAE (%)	14.6	13.7	12.3	12.3	12.5

Source: BBNI, BRIDS Estimates

Exhibit 1. BBNI's 2Q25 earnings summary

BBNI - Financials (Rpbn)	2Q24	1Q25	2Q25	qoq, %	yoy, %	1H24	1H25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	16,298	16,713	16,901	1%	4%	32,173	33,614	4%	69,919	70,326	48%	48%
Interest expense	6,617	6,879	7,220	5%	9%	13,102	14,098	8%	27,433	27,515	51%	51%
Net interest income	9,681	9,834	9,681	-2%	0%	19,072	19,516	2%	42,486	42,284	46%	46%
Non-interest Income	5,485	5,414	5,192	-4%	-5%	10,924	10,607	-3%	23,970	25,047	44%	42%
Operating expenses	6,905	6,937	7,028	1%	2%	13,554	13,964	3%	31,172	31,478	45%	44%
PPOP	8,261	8,312	7,846	-6%	-5%	16,442	16,158	-2%	37,251	36,846	43%	44%
Provision	1,767	1,760	2,027	15%	15%	3,511	3,787	8%	9,868	8,411	38%	45%
Operating Profit	6,494	6,552	5,819	-11%	-10%	12,931	12,371	-4%	27,383	28,435	45%	44%
Net profit	5,365	5,380	4,714	-12%	-12%	10,692	10,094	-6%	22,029	22,079	46%	46%
Loans	726,977	765,469	778,681	2%	7%	726,977	778,681	7%	836,906	840,943	93%	93%
Customer deposits	772,319	819,580	899,865	10%	17%	772,319	899,865	17%	906,653	877,408	99%	103%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.6	7.3	7.4	⇒ 2	↓ (20)	7.5	7.3	↓ (15)				
Cost of fund (%) - ann	3.0	3.0	3.0	⇒ 3	⇒ (5)	3.0	3.0	⇒ (2)				
NIM (%) - ann	4.1	3.9	3.7	↓ (22)	↓ (43)	4.0	3.8	↓ (27)				
CIR (%) - ann	45.5	45.5	47.2	↓ 176	↓ 172	45.2	46.4	↓ 117				
Cost of credit (%) - ann	1.0	0.9	1.0	↓ 14	⇒ 6	1.0	1.0	⇒ (1)				
ROE (%) - ann	14.6	13.0	11.5	↓ (154)	↓ (310)	14.4	12.3	↓ (209)				
CASA ratio (%)	70.7	70.5	72.0	↑ 146	↑ 131							
LDR (%)	94.1	93.4	86.5	↑ (686)	↑ (760)							
NPL ratio (%)	2.0	2.0	1.9	⇒ (1)	⇒ (2)							
LaR ratio (%)	12.2	10.8	10.3	↑ (51)	↑ (195)							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBNI's Changes in Forecast

BBNI - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%
Net Interest Income (Rpbn)	42,486	40,389	(4.93)	44,316	42,147	(4.89)	46,499	45,385	(2.40)
PPOP (Rpbn)	37,251	35,194	(5.52)	39,120	36,979	(5.47)	41,339	40,320	(2.47)
Net profit (Rpbn)	22,029	20,363	(7.56)	23,000	21,266	(7.54)	23,649	22,824	(3.49)
BVPS (Rp)	4,584	4,539	(0.97)	4,828	4,766	(1.29)	5,073	5,019	(1.06)
Gross Loans (Rpbn)	836,906	836,906	-	917,117	917,117	-	1,038,691	1,038,691	-
Customer Deposits (Rpbn)	906,653	906,653	-	988,793	988,793	-	1,081,017	1,081,017	-
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps
Net Interest Margin	4.1	3.9	(20)	4.1	3.9	(20)	4.0	3.9	(10)
CoF	2.8	2.9	14	2.7	2.8	13	2.7	2.8	2
Cost/Income Ratio	45.6	46.1	54	45.6	46.1	54	45.5	45.6	14
Cost of Credit	1.2	1.2	-	1.2	1.2	-	1.2	1.2	-
ROAE	13.2	12.3	(94)	13.1	12.3	(85)	12.8	12.5	(30)

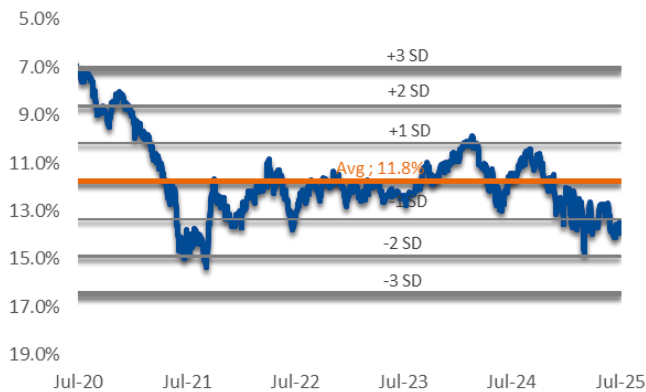
Source: Company, BRIDS Estimates

Exhibit 3. BBNI's Valuation

Gordon Growth Valuation with Inverse Cost of Equity	
Parameters:	Remarks
Cost of equity (%) - Mean	11.8 5-Year average
Cost of equity (%) - SD	1.6 5-Year average
SD used	
Cost of equity (%) used	11.8
Long-term growth (%)	3.0 Long-term nominal GDP growth
Forward ROE (%)	12.3 FY25F ROAE
Fair value P/BV (x)	1.1 (ROAE - g) / (COC - g)
BV/share (IDR)	4,539 FY25F Book value per share
Fair value (IDR)	4,800 Fair value P/BV multiple x BVPS

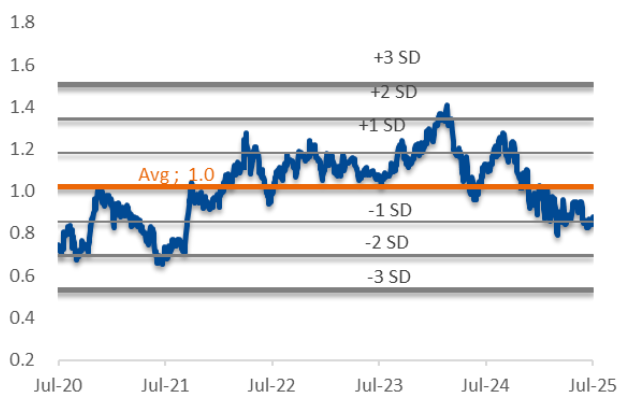
Source: Company, BRIDS Estimates

Exhibit 4. BBNI's cost of equity band chart (5-year)



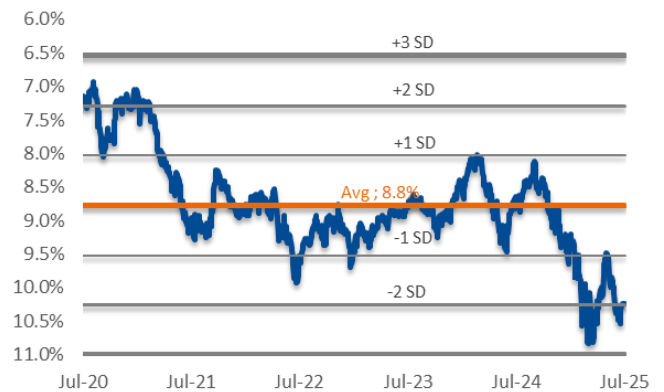
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BBNI's P/BV band chart (5-year)



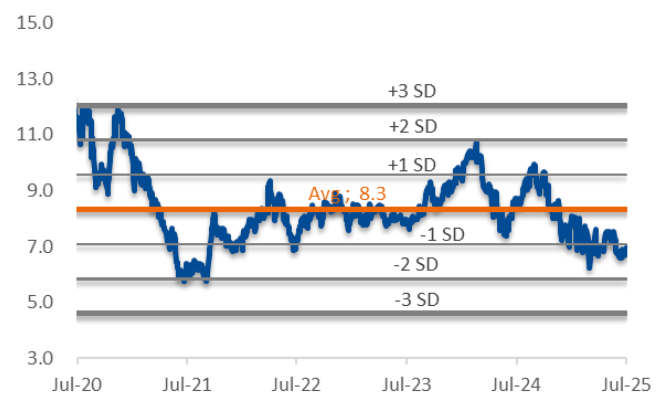
Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BBNI's P/E band chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	61,472	66,583	69,227	72,913	78,721
Interest Expense	(20,196)	(26,103)	(28,837)	(30,766)	(33,336)
Net Interest Income	41,276	40,480	40,389	42,147	45,385
Non-Interest Income (NII)	20,218	22,121	22,939	24,462	26,612
Oper. Income	61,494	62,601	63,328	66,609	71,997
Oper. Expenses	(27,778)	(29,688)	(30,101)	(31,688)	(33,792)
Pre-provisions profit	34,970	34,826	35,194	36,979	40,320
Provisions & Allowances	(9,196)	(8,211)	(9,868)	(10,558)	(11,951)
Operating Profits	25,773	26,616	25,326	26,422	28,369
Non-Operating Income	(134)	(35)	(89)	(65)	(81)
Exceptionals	0	0	0	0	0
Pre-tax Profit	25,640	26,580	25,238	26,356	28,288
Income Tax	(4,534)	(4,911)	(4,669)	(4,876)	(5,233)
Minorities	(197)	(206)	(205)	(214)	(231)
Net Profit	20,909	21,464	20,363	21,266	22,824

Exhibit 9. 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	1,250,720	1,363,464	1,493,773
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	125,502	133,958	143,386
Shareholders' Funds	150,131	162,458	169,296	177,752	187,180
Minority interests	4,602	4,729	4,934	5,149	5,379
Total Equity & Liabilities	1,086,664	1,129,806	1,250,720	1,363,464	1,493,773

Exhibit 10. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	6.4	6.6	6.6	6.7	6.7
Cost of funds	2.3	2.9	2.9	2.8	2.8
Interest Spread	4.1	3.7	3.7	3.9	4.0
Net Interest Margin	4.3	4.0	3.9	3.9	3.9
Cost/Income Ratio	44.3	46.0	46.1	46.1	45.6
Oper. Exp./Oper. Gross Inc.	68.9	70.6	73.1	73.4	73.6
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	12.3	12.3	12.5
ROAA	2.0	1.9	1.7	1.6	1.6
CAR	19.3	19.1	18.5	17.6	16.3

Exhibit 11. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.4	2.4	2.1	2.0	2.0
Tax Retention rate	82.3	81.5	81.5	81.5	81.5
Post-Tax ROAA	2.0	2.0	1.7	1.6	1.6
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	7.4	7.1	7.2	7.5	7.8
ROAE	14.6	13.7	12.3	12.3	12.5
Growth (%)					
Interest income	12.5	8.3	4.0	5.3	8.0
Net Interest Income	(0.1)	(1.9)	(0.2)	4.4	7.7
Other Oper. Expenses	2.7	6.9	1.4	5.3	6.6
Fee Based Income	3.9	1.3	4.8	4.4	7.7
Pre-Provision Oper. Profit	1.6	(0.4)	1.1	5.1	9.0
Net Profit	14.2	2.7	(5.1)	4.4	7.3
Shareholders' Equity	10.5	8.2	4.2	5.0	5.3
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	10.7	9.0	9.6

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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