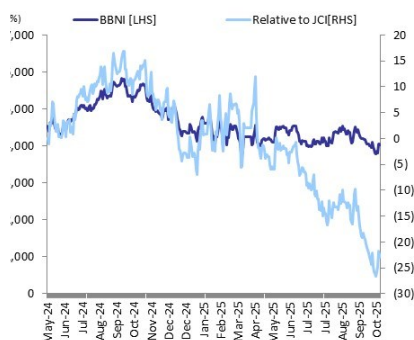


Buy

(Maintained)

Last Price (Rp)	4,220
Target Price (Rp)	4,800
Previous Target Price (Rp)	4,800
Upside/Downside	+13.7%
No. of Shares (mn)	37,297
Mkt Cap (Rpbn/US\$mn)	157,395/9,462
Avg, Daily T/O (Rpbn/US\$mn)	245.9/14.8
Free Float (%)	39.8
Major Shareholder (%)	
Government of Indonesia	60.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	545.2 576.8 612.2
Consensus	556.3 612.0 673.5
BRIDS/Cons (%)	(2.0) (5.8) (9.1)

BBNI relative to JCI Index



Source: Bloomberg

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Bank Negara Indonesia (BBNI IJ)

3Q25 Earnings: In line; Utilizing the leeway to front-load opex and credit costs

- BBNI booked 3Q25 net profit of Rp5.0tr, due to higher opex and CoC. 9M25 NP reached Rp20.4tr (-7% yoy), in line with ours and below cons.
- Mgmt cuts FY25 NIM guidance to 3.7% (prev. 3.8%), expects stronger loan growth in FY26, lower CoF, but lending yield pressure to continue.
- Maintain Buy rating with an unchanged TP of Rp4,800 based on GGM with 11.8% 5-year mean CoE, implying an FV PBV of 1.1x.

9M25: Soft earnings amid NIM pressure and higher provisions

In 9M25, BBNI booked Rp20.4tr net profit, down 7% yoy but in line with our estimate (74% of FY25F) and slightly below consensus (73% of FY25F). PPOP was soft as NII slipped 1% yoy while opex rose 4% yoy, offset by a 10% gain in other operating income. NIM contracted to 3.7% (-42bps yoy) amid lower EA yield and higher CoF of 3.0%. Provisions increased 14% yoy, keeping CoC at 1.0%, in line with guidance. Liquidity remained ample, with deposits up 21% yoy, driven by Rp55tr in SAL placement. The deposit growth outpaced the 10% yoy loan growth, lowering LDR to 86.9%.

3Q25: Sequential rebound but NIM and asset quality remained soft

BBNI reported a net profit of Rp5.0tr in 3Q25, rebounding 7% qoq but still declining 11% yoy, as higher opex and CoC offset strong other operating income. NIM fell 9bps qoq to 3.6% due to lower EA yield, though improved liquidity helped ease CoD to 2.8% in Sep25 from 3.1% in Aug25. Opex rose 12% qoq to Rp7.9tr, pushing CIR to 48.0% as management booked early accruals for employee remuneration. Other operating income surged 28% qoq to Rp6.7tr, supported by robust consumer and business banking activities. Meanwhile, NPL increased to 2.0% with coverage ratio down to 223%, still sufficient but the lowest since FY21.

Outlook: Lower FY25 NIM guidance to 3.7%

Management maintained FY25 loan growth guidance of 8–10% and CoC target of ~1%, while revising NIM guidance down to ~3.7% (vs. 3.8% prev.). Management expects CoF to ease in 4Q25 as special-rate deposit declined and a 15bps SA counter rate cut in Sep25 but also lower lending yield. Management anticipates slightly stronger loan growth in FY26, though it sees lending yields to stay pressured in a lower-rate and competitive environment.

Maintain Buy with a TP of Rp4,800

We have slightly adjusted our net profit forecasts by -0.1%/+1.2%/+0.0% for FY25F/26F/27F. We maintain Buy rating with an unchanged TP of Rp4,800, derived from GGM with a 11.8% 5-year mean CoE and 12.4% FY25F ROE, 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	35,019	37,373	40,263
Net profit (Rpbn)	20,909	21,464	20,336	21,514	22,832
EPS (Rp)	560.6	575.5	545.2	576.8	612.2
EPS growth (%)	14.2	2.7	(5.3)	5.8	6.1
BVPS (Rp)	4,025.3	4,355.7	4,542.7	4,778.1	5,028.4
PER (x)	7.5	7.3	7.7	7.3	6.8
PBV (x)	1.1	1.0	0.9	0.9	0.8
Dividend yield (%)	6.6	8.9	8.5	9.0	9.5
ROAE (%)	14.6	13.7	12.3	12.4	12.5

Source: BBNI, BRIDS Estimates

Revised earnings estimates

We have adjusted our net profit forecasts by -0.1%/+1.2%/+0.0% for FY25F/26F/27F. The revisions reflect a flattish CoC estimate of 1.2% and a lower NIM of 3.8% (vs. 3.9% prev.) for FY25F/26F/27F, despite lower CoF estimates, as we expect lending yield to decline more sharply. We also assume loan growth of +10.2%/+11.6%/+8.9% (vs. +7.9%/+9.6%/+13.3% prev.), supported by SAL placement, and TPF growth of +16.7%/+4.8%/+9.2% (vs. +12.3%/+8.9%/+9.2% prev.).

Exhibit 1. BBNI's 3Q25 earnings summary

BBNI - Financials (Rpbn)	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	16,663	16,901	17,553	4%	5%	48,836	51,167	5%	69,227	69,201	74%	74%
Interest expense	6,296	7,220	7,815	8%	24%	19,398	21,914	13%	28,837	27,979	76%	78%
Net interest income	10,367	9,681	9,737	1%	-6%	29,439	29,253	-1%	40,389	41,049	72%	71%
Other operating income	5,484	5,193	6,646	28%	21%	15,622	17,253	10%	22,939	24,895	75%	69%
Operating expenses	7,434	7,028	7,867	12%	6%	20,989	21,832	4%	30,101	31,236	73%	70%
PPOP	8,845	7,846	8,515	9%	-4%	25,287	24,673	-2%	35,194	35,231	70%	70%
Provision	1,878	2,027	2,333	15%	24%	5,389	6,121	14%	9,868	8,540	62%	72%
Operating Profit	6,967	5,819	6,182	6%	-11%	19,898	18,553	-7%	25,326	26,692	73%	70%
Net profit	5,617	4,714	5,021	7%	-11%	16,308	15,115	-7%	20,363	20,708	74%	73%
Loans	735,018	778,681	812,195	4%	10%	735,018	812,195	10%	836,906		97%	n/a
Customer deposits	769,739	899,865	934,326	4%	21%	769,739	934,326	21%	906,653	894,326	103%	104%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%) - ann	7.7	7.4	7.2	↓ (18)	↓ (54)	7.6	7.3	↓ (32)				
Cost of fund (%) - ann	2.9	3.0	3.0	↔ 6	↓ 16	2.9	3.0	↔ 4				
NIM (%) - ann	4.4	3.7	3.6	↓ (9)	↓ (79)	4.1	3.7	↓ (42)				
CIR (%) - ann	45.7	47.2	48.0	↓ 77	↓ 235	45.4	46.9	↓ 159				
Cost of credit (%) - ann	1.0	1.0	1.2	↓ 12	↓ 15	1.0	1.0	↔ 4				
ROE (%) - ann	14.6	11.5	12.3	↑ 81	↓ (236)	14.4	12.3	↓ (219)				
CASA ratio (%)	70.3	72.0	65.6	↓ (631)	↓ (466)							
LDR (%)	95.5	86.5	86.9	↓ 40	↑ (856)							
NPL ratio (%)	2.0	1.9	2.0	↔ 1	↔ (1)							
LaR ratio (%)	11.7	10.3	10.3	↔ 5	↑ (137)							

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)	40,389	40,215	(0.43)	42,147	42,278	0.31	45,385	45,078	(0.68)
PPOP (Rpbn)	35,194	35,019	(0.50)	36,979	37,373	1.06	40,320	40,263	(0.14)
Net profit (Rpbn)	20,363	20,336	(0.13)	21,266	21,514	1.16	22,824	22,832	0.03
BVPS (Rp)	4,539	4,538	(0.02)	4,766	4,772	0.13	5,019	5,021	0.05
Gross Loans (Rpbn)	836,906	854,967	2.16	917,117	954,049	4.03	1,038,691	1,038,691	-
Customer Deposits (Rpbn)	906,653	942,691	3.97	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	3.9	3.8	(5)	3.9	3.8	(9)	3.9	3.8	(9)
CoF	2.9	2.9	(5)	2.8	2.5	(28)	2.8	2.5	(26)
Cost/Income Ratio	46.1	47.0	95	46.1	46.6	49	45.6	46.2	64
Cost of Credit	1.2	1.2	(3)	1.2	1.2	(3)	1.2	1.2	(3)
ROAE	12.3	12.3	(2)	12.3	12.4	14	12.5	12.5	(1)

Source: Company, BRIDS Estimates

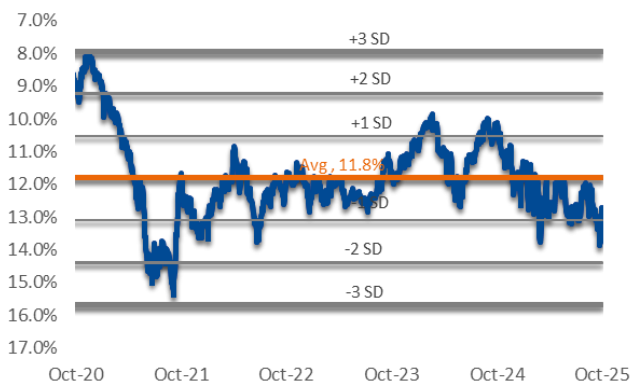
Exhibit 3. BBNI's Valuation

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)	4,538 FY25F Book value per share
Fair value (IDR)	4,800 Fair value P/BV multiple x BVPS

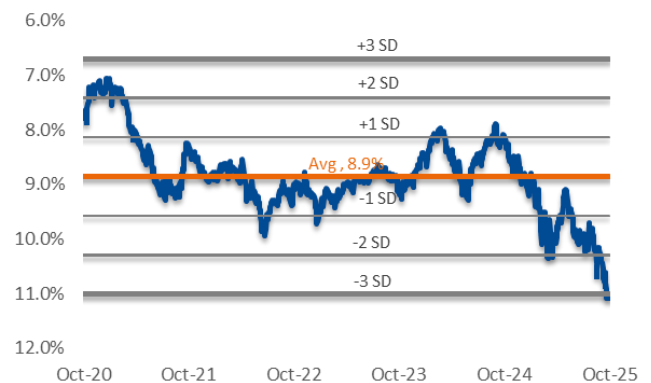
Source: Company, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

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



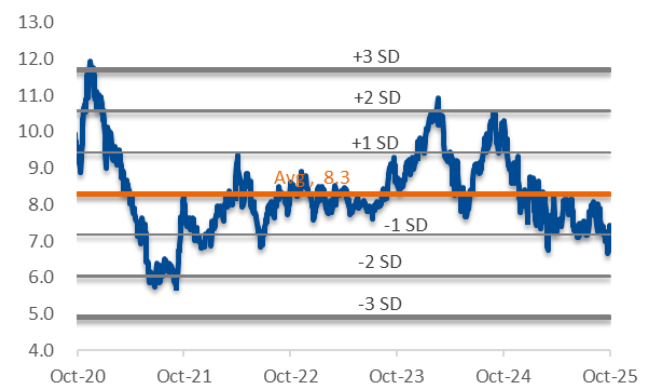
Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 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	69,108	70,508	75,231
Interest Expense	(20,196)	(26,103)	(28,893)	(28,231)	(30,154)
Net Interest Income	41,276	40,480	40,215	42,278	45,078
Non-Interest Income (NII)	20,218	22,121	23,294	25,015	26,990
Oper. Income	61,494	62,601	63,509	67,293	72,068
Oper. Expenses	(27,778)	(29,688)	(31,112)	(32,665)	(34,629)
Pre-provisions profit	34,970	34,826	35,019	37,373	40,263
Provisions & Allowances	(9,196)	(8,211)	(9,727)	(10,647)	(11,886)
Operating Profits	25,773	26,616	25,292	26,726	28,377
Non-Operating Income	(134)	(35)	(89)	(65)	(81)
Exceptionals	0	0	0	0	0
Pre-tax Profit	25,640	26,580	25,203	26,661	28,296
Income Tax	(4,534)	(4,911)	(4,663)	(4,932)	(5,235)
Minorities	(197)	(206)	(204)	(215)	(229)
Net Profit	20,909	21,464	20,336	21,514	22,832

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	695,085	775,872	854,967	954,049	1,038,691
Provisions	(47,158)	(38,685)	(37,957)	(37,427)	(36,313)
Net Loans	647,927	737,187	817,011	916,623	1,002,378
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	1,079,078	1,155,425	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	1,287,041	1,363,801	1,493,854
Customer Deposits	810,730	805,511	942,691	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	1,112,839	1,180,662	1,301,212
Share capital & Reserves	42,896	43,794	43,794	43,794	43,794
Retained Earnings	107,236	118,664	125,475	134,196	143,470
Shareholders' Funds	150,131	162,458	169,269	177,990	187,264
Minority interests	4,602	4,729	4,933	5,148	5,378
Total Equity & Liabilities	1,086,664	1,129,806	1,287,041	1,363,801	1,493,854

Exhibit 10. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	6.4	6.6	6.5	6.3	6.3
Cost of funds	2.3	2.9	2.9	2.5	2.5
Interest Spread	4.1	3.7	3.6	3.8	3.8
Net Interest Margin	4.3	4.0	3.8	3.8	3.8
Cost/Income Ratio	44.3	46.0	47.0	46.6	46.2
Oper. Exp./Oper. Gross Inc.	68.9	70.6	73.4	72.8	73.0
Gross NPL Ratio	2.1	2.0	2.0	2.0	2.1
LLP/Gross NPL	317.9	253.6	220.8	192.5	165.9
Cost of Credit	1.4	1.1	1.2	1.2	1.2
Loan to Deposit Ratio	85.7	96.3	90.7	96.5	96.1
Loan to Funding Ratio	85.2	94.8	88.8	94.6	94.4
CASA Mix	70.2	68.4	66.0	71.3	70.8
ROAE	14.6	13.7	12.3	12.4	12.5
ROAA	2.0	1.9	1.7	1.6	1.6
CAR	19.3	19.1	18.1	16.9	16.2

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	7.3	7.6	7.8
ROAE	14.6	13.7	12.3	12.4	12.5
Growth (%)					
Interest income	12.5	8.3	3.8	2.0	6.7
Net Interest Income	(0.1)	(1.9)	(0.7)	5.1	6.6
Other Oper. Expenses	2.7	6.9	4.8	5.0	6.0
Fee Based Income	3.9	1.3	4.3	5.1	6.6
Pre-Provision Oper. Profit	1.6	(0.4)	0.6	6.7	7.7
Net Profit	14.2	2.7	(5.3)	5.8	6.1
Shareholders' Equity	10.5	8.2	4.2	5.2	5.2
Loan	7.6	11.6	10.2	11.6	8.9
Earnings Asset	7.5	4.6	4.3	7.1	5.7
Deposit	4.9	0.2	16.7	4.8	9.2
Int. Bearing Liab.	4.5	3.4	16.2	6.3	10.5
CASA	3.6	(2.5)	12.7	13.2	8.3
Total Asset	5.5	4.0	13.9	6.0	9.5

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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