Buy
(Initiated)

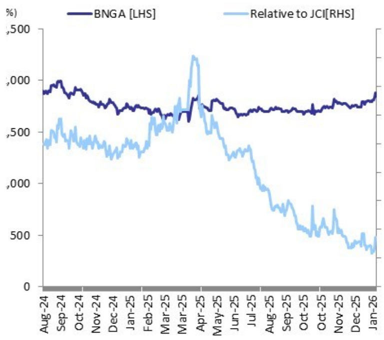
Tactical (3M): N

Last Price (Rp)	**1,850**
Target Price (Rp)	**2,300**
Previous Target Price (Rp)	***n/a***
Upside/Downside	**+24.3%**
No. of Shares (mn)	**25,129**
Mkt Cap (Rpbn/US$mn)	**46,488/2,770**
Avg, Daily T/O (Rpbn/US$mn)	**6.9/0.4**
Free Float (%)	**6.6**
Major Shareholder (%)	
CIMB Group SDN BHD	**91.5**

EPS Consensus (Rp)

	2025F	2026F	2027F
BRIDS	275.9	293.4	326.7
Consensus	280.1	303.5	329.2
BRIDS/Cons (%)	**(1.5)**	**(3.3)**	**(0.8)**

BNGA relative to JCI Index



Source: Bloomberg

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Bank CIMB Niaga (BNGA IJ)

Portfolio Rebalancing and Income Diversification Drives Structural ROE Recovery; Initiate with Buy

- **We expect BNGA's portfolio shift toward consumer and midsize SME to support yield, benefiting from its scale and differentiated positioning.**
- **We forecast net profit growth of 6.4-11.3% in FY26-27F and higher ROE of 12.8-13.4%, supported by stable margins and income diversification.**
- **Initiate coverage with a Buy rating and a GGM-based TP of Rp2,300, with improving ROE as potential catalyst for re-rerating.**

Portfolio rebalancing to support earnings resilience

BNGA has been reshaping its loan portfolio by accelerating growth in higher risk-adjusted return segments, particularly consumer and medium-sized SME loans. Consumer lending, especially four-wheeler auto loans, has gained traction and we expect it to support earnings resilience in a lower BI rate environment. While NIM has trended down, we expect portfolio mix shifts and gradually easing funding costs to help stabilize margins relative to peers, whose NIM we estimate will decline by ~20 bps yoy due to their heavy focus on corporate loan segments. Asset quality remains well managed, with declining NPLs and a low CoC, although we expect a gradual normalization in CoC to 1.0-1.1% in FY26-27F as exposure to higher-yield segments increases.

Earnings and ROE recovery underpinned by stable margins

We expect FY25/26F net profit growth of +1.6/+6.4%, reflecting a short-term earnings normalization in FY25F followed by a recovery from FY26F onward. We forecast NIM to remain broadly stable in FY26F, as a gradual decline in CoF offsets corporate loan repricing while EA yields to be supported by an ongoing shift toward higher-yielding consumer loan segments. We expect earnings recovery to be supported by income diversification, with a rising contribution from non-interest income reducing reliance on margin expansion alone. We expect this to translate into an improvement in ROE to 12.8-13.4% in FY26-27. Importantly, we view this ROE recovery to be structural rather than cyclical, as it is increasingly underpinned by a more balanced income mix rather than reliance on margin expansion alone.

Initiate coverage with a Buy rating and TP of Rp2,300

We initiate our coverage on BNGA with a Buy rating and a TP of Rp2,300, which is based on a 10-year inverse CoE GGM model with a CoE of 13.2%, LTG of 3%, and FY26F RoE of 12.8%, implying a fair value PBV of 1.0x. We believe BNGA offers attractive exposure to a large private bank, with improving earnings and ROE outlook. We expect potential catalysts from resilient NIM to drive a valuation re-rating. Risks to our call include a slower-than-expected decline in CoF and asset quality risks from higher-yielding, riskier segments. **Tactical (3M) view: N.** While we expect NIM to remain broadly stable in FY26F, we see potential for near-term margin pressure in 1Q26, as the benefits of portfolio rebalancing are unlikely to be fully reflected at that stage.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	10,364	10,534	11,037	11,857	13,274
Net profit (Rpbn)	6,474	6,826	6,933	7,374	8,209
EPS (Rp)	257.6	271.6	275.9	293.4	326.7
EPS growth (%)	28.4	5.4	1.6	6.4	11.3
BVPS (Rp)	1,957.6	2,109.1	2,229.3	2,364.6	2,523.0
PER (x)	7.2	6.8	6.7	6.3	5.7
PBV (x)	0.9	0.9	0.8	0.8	0.7
Dividend yield (%)	6.6	8.4	8.6	9.1	10.1
ROAE (%)	13.7	13.4	12.7	12.8	13.4

Source: BNGA, BRIDS Estimates

Portfolio Rebalancing and Income Diversification Drives Structural ROE Recovery; Initiate with Buy

Forecast summary

We view BNGA as entering a short-term earnings normalization phase in FY25F, which we expect to be followed by a recovery from FY26F onward. We expect net profit growth to moderate to +1.6% in FY25F as NIM troughs at 3.8%, reflecting the higher CoF due to liquidity tightening throughout most of the year. We anticipate CoF to decline to 3.6% in FY26F while EA yields remain stable as the banks shift towards higher-yielding consumer loan segment to balance corporate loan repricing.

From FY26-27F, we project earnings growth to re-accelerate to 6.4%/11.3%, supported by improving funding mix, stable asset quality, increased contribution of non-interest income and controlled credit costs despite a higher riskier consumer loan contribution. Balance sheet growth remains prudent, with LDR trending toward the low-80% range, while ROAE recovers to 13.4% by FY27F, indicating collective earnings-led rather than margin-driven recovery.

Unlike several peers with a focus on large corporate lending, we expect BNGA's EA yields to remain broadly stable, supported by continued portfolio rebalancing toward consumer segments and mid-size SMEs with higher returns. This portfolio composition allows BNGA to better offset loan repricing pressures in a lower-rate environment as well as heavy competition in corporate loans among large banks. In turn, our CoC assumptions reflect a controlled and gradual normalization, as discussed in the Asset Quality section (Ex.8), rather than a sharp deterioration, given the bank's disciplined underwriting and reduced exposure to historically more volatile commercial segments.

Exhibit 1. BNGA's Forecasts

BNGA	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	10,364	10,534	11,037	11,857	13,274
Net profit (Rpbn)	6,474	6,826	6,933	7,374	8,209
NP Growth (%)	28.4%	5.4%	1.6%	6.4%	11.3%
ROAE (%)	13.7	13.4	12.7	12.8	13.4
Loan Growth	8.5%	6.9%	5.1%	5.7%	6.6%
Deposit Growth	3.5%	12.2%	7.2%	6.3%	5.7%
LDR	90.5%	87.5%	85.6%	85.2%	85.9%
EA yield	7.3%	7.3%	7.1%	7.1%	7.1%
CoF	3.5%	3.9%	3.7%	3.6%	3.6%
NIM	4.4%	4.0%	3.8%	3.8%	3.8%
CIR	44.8%	44.3%	44.6%	44.7%	43.8%
CoC	1.0%	0.8%	0.9%	1.0%	1.1%

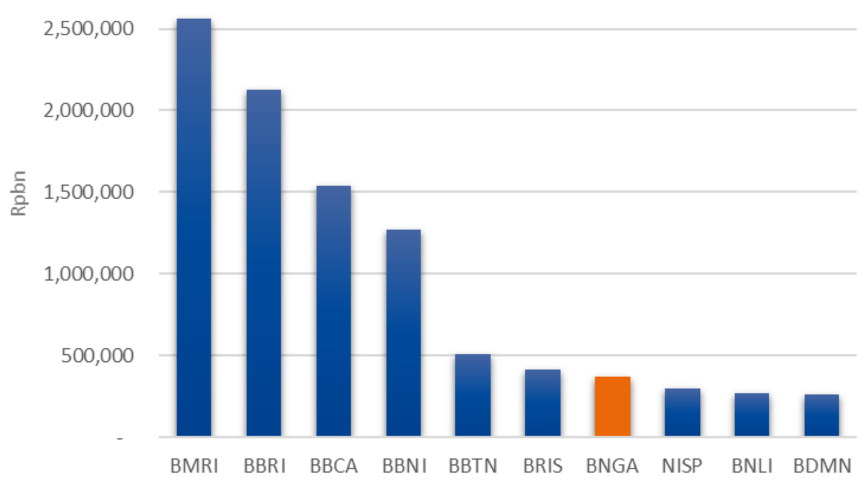
Source: Company, BRIDS Estimates

Competitive Footing as 2nd Largest Private Bank in Indonesia

BNGA stands as one of the largest private banks in Indonesia, ranking second only to BBCA in terms of total assets. This scale provides BNGA with a strong competitive footing in the domestic market, while its status as a foreign-owned bank further enhances its strategic positioning. Leveraging the extensive international network of its parent group, particularly across ASEAN, BNGA is uniquely placed to capture cross-border opportunities and facilitate regional integration. At the same time, the bank's continuous development of its digital channels has significantly strengthened connectivity, enabling seamless transactions and enhancing the customer experience across both retail and corporate segments. This combination of scale, international connectivity, and digital capability further differentiates BNGA within Indonesia's highly competitive banking landscape.

These advantages could serve as a compelling reason for customers to place a larger share of their funds with the bank, thereby strengthening its transactional banking franchise and enhancing customer stickiness. Over time, this should improve funding quality and provide greater flexibility to reduce deposit rates without risking significant funding outflows, especially as system liquidity improves following rate cuts and government fund placements.

Exhibit 2. Indonesian banks by total assets (9M25)



Source: Company, Bloomberg, BRIDS

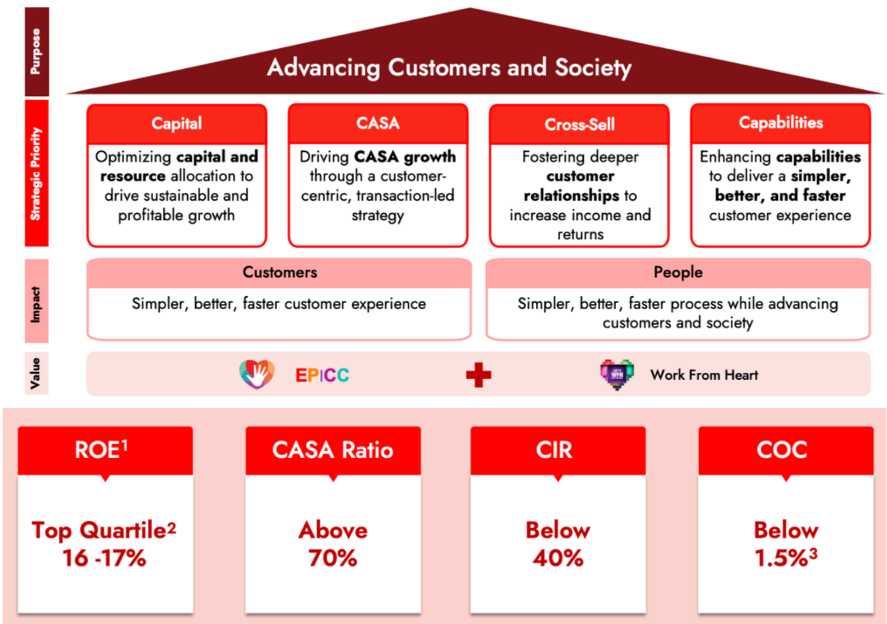
Long Term Plan: Forward 30 (F30)

BNGA's previous F23+ strategy delivered strong results over 2019-2024, marked by an increase in retail loan share from 39% to 45%, an improvement in CASA ratio from 55% to 66%, a decline in CIR from 49% to 44%, a halving of CoC to 0.8%, and a sharp rise in digital penetration from 24% to 71%. These achievements positioned BNGA among the top-performing KBMI 3 banks.

Building on this momentum, management has launched a new strategic roadmap, forward 30 (2025-2030), anchored on four pillars ("Four Cs"): Capital, CASA, Cross-sell, and Capabilities. The strategy focuses on optimizing capital allocation, deepening transaction-led customer relationships, expanding cross-selling opportunities, and strengthening people, processes, and digital platforms to deliver simpler, better, and faster customer experience.

Over the long term, the bank targets an ROE of 16-17%, a stable CASA ratio above 70%, CIR below 40% through digitalization and process simplification, and CoC below 1.5%, underpinned by a continued emphasis on retail and midsize SME segments.

Exhibit 3. BNGA's Forward30 Aspirations



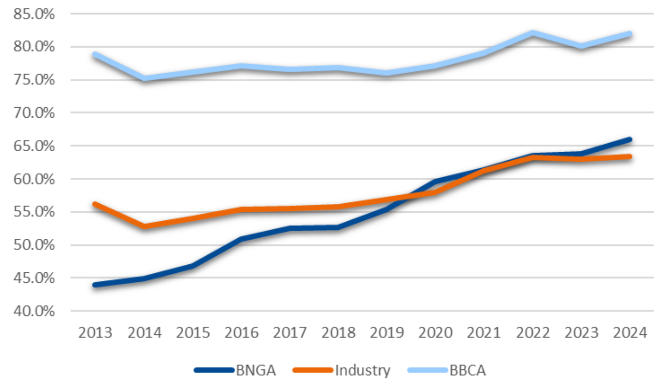
Source: Company

Funding mix improving, margin relief remains gradual
As shown in Exhibit 4, BNGA's CASA ratio has trended steadily higher over the past several years and now sits above the industry average, although it remains below BBCA's structurally stronger level. We view this improvement as a key positive for funding sustainability, particularly as system liquidity conditions continue to ease.

BNGA has also experienced a visible moderation in its bank-only CoF over the past year. Among KBMI 3 banks, its CoF has remained relatively stable and on the lower end, with a 13bps qoq decline recorded in 3Q25. Nevertheless, risks to funding cost volatility persist given ongoing competition for deposits.

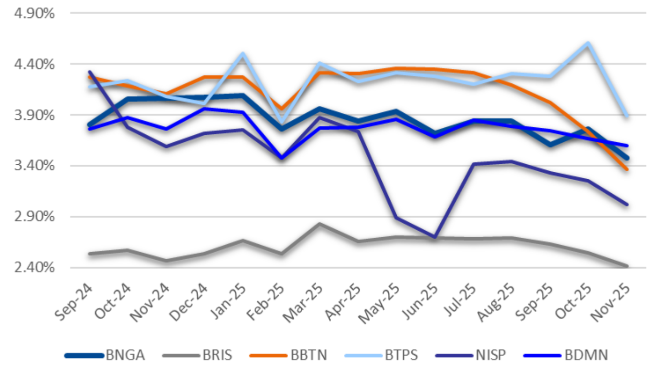
While BI's policy rate cuts have started to transmit into funding costs, loan repricing is occurring at a quicker pace. As a result, near-term margin pressure remains, in our view. That said, the recent stabilization in CoF could signal the early stages of funding normalization, although competitive dynamics in deposits remain a structural constraint.

Exhibit 4. BNGA's vs. Industry's & BBCA's CASA ratio



Source: OJK, Company, BRIDS

Exhibit 5. Banks' bank-only Monthly CoF (excl. big 4 banks)



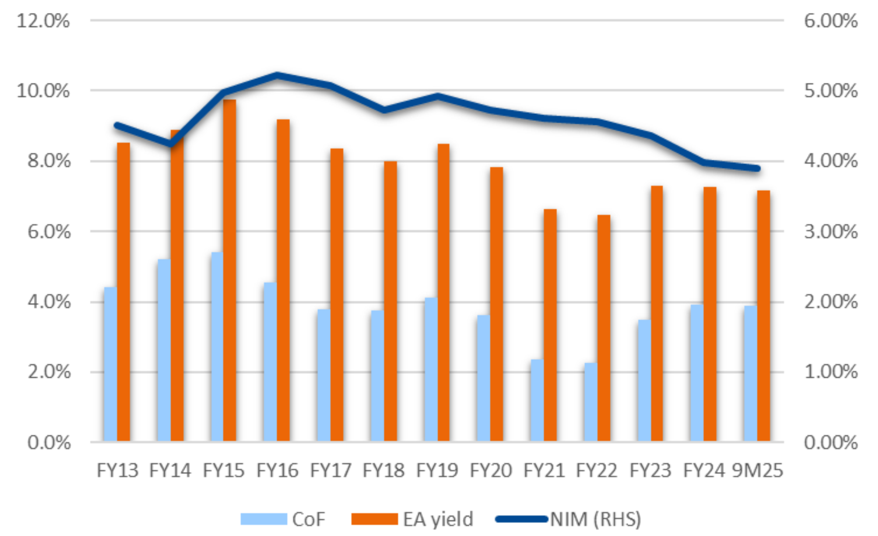
Source: Company, BRIDS

NIM pressure shifts from yield-driven to funding-driven

BNGA's NIM has been on a downward trend over the past five years, although the underlying drivers have shifted. From FY19 to FY22, NIM compression was driven mainly by EA yield declines during the pandemic, despite lower system-wide funding costs. Since FY23, EA yields have rebounded, but this has been offset by higher CoF amid tighter liquidity conditions, resulting in continued NIM pressure.

Due to multiple rate cuts in FY25, in FY26F, we forecast CoF to decline to 3.6%, while EA yields remain broadly stable, supported by portfolio rebalancing toward higher-yielding consumer segments such as auto loans. This should help stabilize margins over the medium term, following near-term volatility.

Exhibit 6. BNGA's NIM, CoF, and EA yield



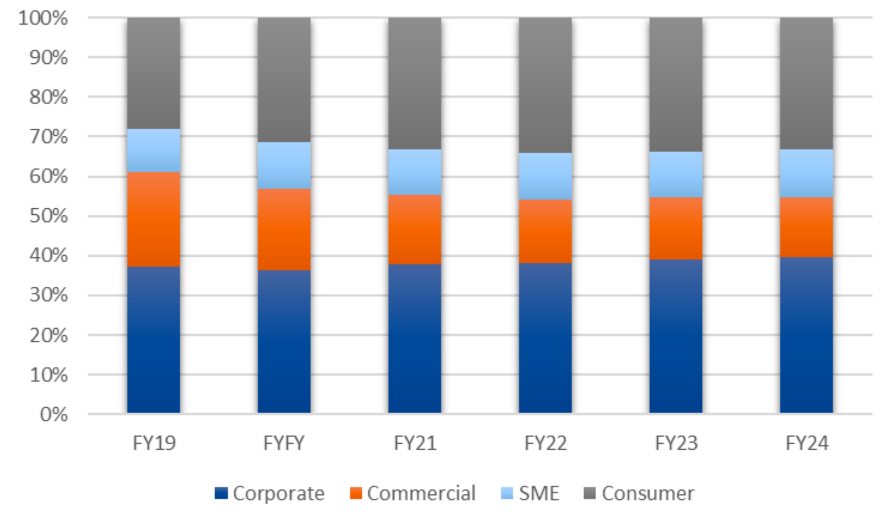
Source: Company, BRIDS

Loan portfolio shift: decline in commercial, rise in consumer loans
Historically, BNGA's loan portfolio was dominated by corporate lending. Over the past few years, the bank has deliberately reduced exposure to commercial loans, which historically carried higher risk due to elevated leverage and capital expenditure intensity among borrowers. This de-risking effort began in 2018, with selective growth resuming only in FY23 and focusing on smaller ticket sizes.

In contrast, consumer loans contribution has increased. BNGA is prioritizing segments with higher risk-adjusted returns, stronger growth potential, and more stable earnings, particularly within consumer banking. For SME, the bank is focusing on medium-sized enterprises, leveraging expansion in second-tier cities to grow loans, deposits, and transaction-related income.

Within consumer banking, growth is driven primarily by auto loans and unsecured lending. BNGA focuses exclusively on four-wheelers, with exposure split across new vehicles, used cars, and refinancing. While new car financing volumes have been largely flattish, used cars and refinancing have shown stronger growth, with refinancing offering the highest return on capital. Overall, BNGA aims to raise the retail loan share from 45.7% in 3Q25 to the high-40% range.

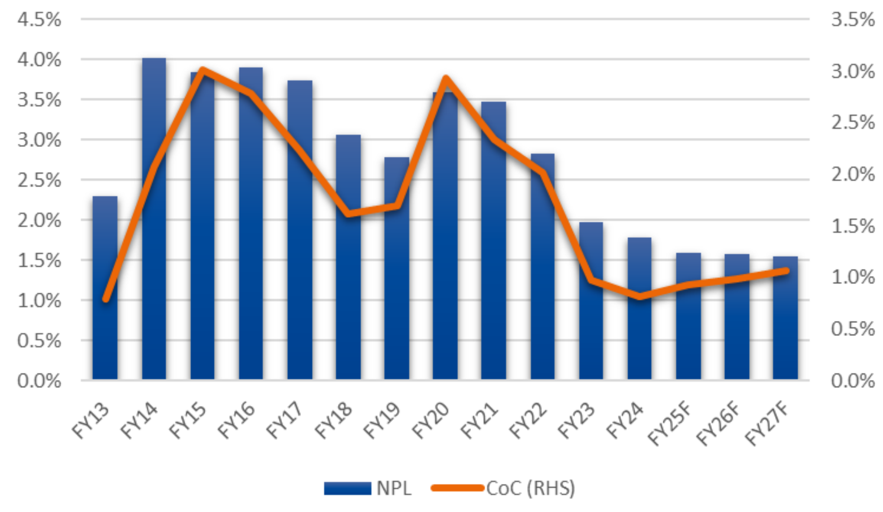
Exhibit 7. BNGA's loan breakdown



Source: Company, BRIDS

Disciplined asset quality with gradual CoC normalization
In recent years, BNGA has maintained a disciplined approach to asset quality, reflected in a consistent decline in both NPLs and CoC since the pandemic, to levels below pre-COVID levels. NPLs improved significantly from 2.8% in FY19 to 2.0% in 9M25, reflecting the bank's reduced exposure to higher-risk commercial loans. As the bank shifts further toward higher-yield segments such as auto loans, unsecured loans, and SME lending, some normalization in credit costs is expected. We forecast CoC to gradually rise to 1.0-1.1% in FY26-27F, reflecting a balanced trade-off between yield enhancement and risk management.

Exhibit 8. BNGA'S CoC and NPL



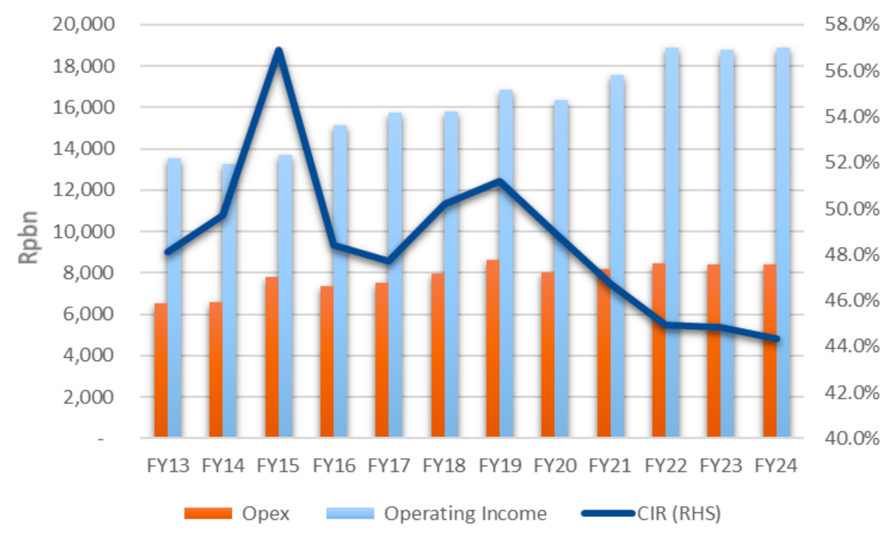
Source: Company, BRIDS Estimates

Revenue to drive further CIR upside

For BNGA, the improvement in CIR has been meaningful (51% in FY19 to 44% in FY24), but further compression faces structural limits from "hard" costs that are less amenable to digitalization. One aspect of cost is IT-related, particularly ongoing investments in core banking systems, reliance on expensive third-party vendors (including for sharia infrastructure), and the need to continuously upgrade technology as systems evolve rapidly. IT expenses have risen, reflecting the unavoidable nature of these investments. In contrast, personnel costs are relatively more flexible.

As such, we believe achieving a sub-40% CIR is unlikely to be driven by cost discipline alone and will be increasingly dependent on revenue expansion, especially NII growth. Management's aspiration appears closer to the BBCA playbook, where structurally strong and stable NIMs underpin operating leverage, complemented by a growing fee-based and advisory-driven business. A recovery and eventual expansion in margins would materially support CIR improvement, but without stronger income momentum, further gains below the current level could be incremental rather than transformative.

Exhibit 9. BNGA'S historical CIR and component breakdown

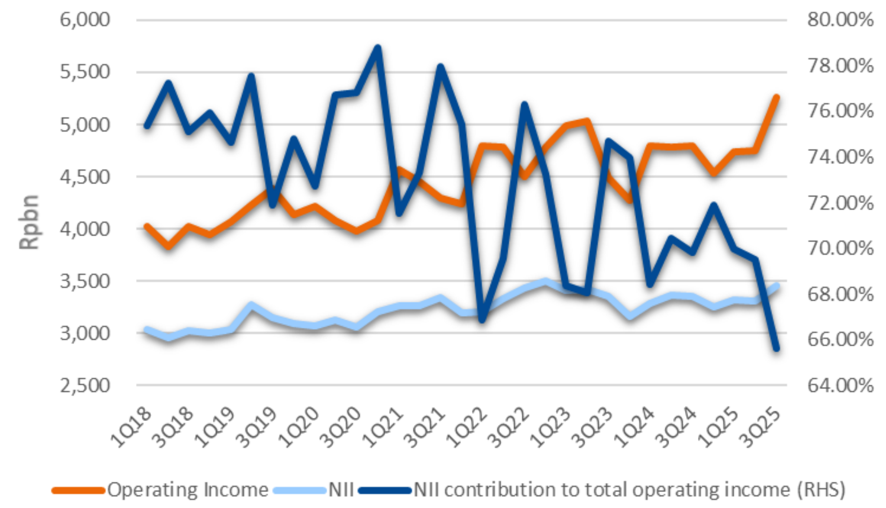


Source: Company, BRIDS

Structural decline in NII reliance changes the earnings playbook
BNGA is structurally reducing its dependence on NII as a driver of earnings. While NII has continued to grow in absolute terms, its contribution to total operating income has compressed decisively, falling from the high-70% range pre-pandemic to the 65% range by 3Q25, as shown in Exhibit 10. This reflects not only margin pressure in a tighter rate environment but, more importantly, sustained growth in non-interest operating income, which has increasingly driven earnings delivery.

This shift marks a fundamental change in BNGA's earnings profile. Incremental growth is no longer purely balance-sheet or NIM-driven, possibly reducing sensitivity to margin volatility across rate cycles. In our view, further CIR improvement and earnings scalability will not be achieved through a NIM-led recovery alone. Instead, consistent growth in non-interest operating income is now a crucial lever in supporting operating leverage.

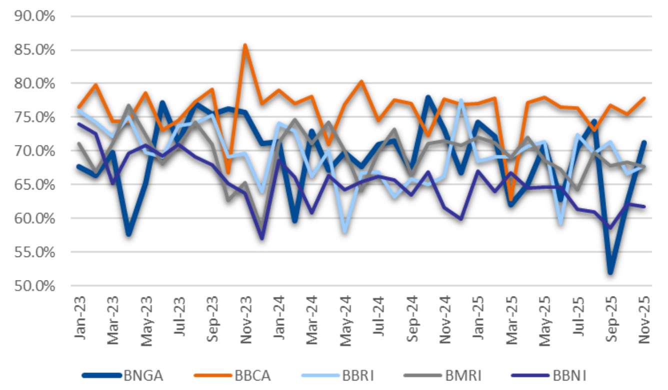
Exhibit 10. **BNGA'S NII contribution to operating income**



Source: Company, BRIDS

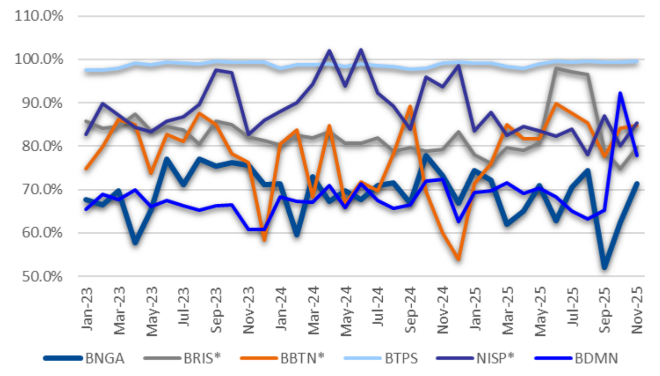
Earnings differentiation shifts beyond NIM
Exhibits 11 and 12 place BNGA's declining NII reliance into a broader peer context and highlight BNGA's relative positioning. Compared to the big 4 banks, BNGA's NII contribution has converged meaningfully toward peer averages, moving away from BBCA's structurally higher NII-to-total-operating-income ratio and closer to BBRI, BMRI, and BBNI. Relative to non-big 4 banks, the contrast is even more obvious. BNGA's NII ratio is less volatile and structurally lower than that of highly NII-dependent banks, while remaining below players with outsized NII dominance. This positioning underscores that future earnings differentiation will increasingly depend on scaling fee-based and transaction-driven income streams rather than NIM expansion alone.

Exhibit 11. BNGA's NII to operating income vs. big 4 banks (monthly)



Source: Company, BRIDS

Exhibit 12. BNGA's NII to operating income vs. non big 4 banks (monthly)



*BRIS & BBTN: normalised monthly (Jul25), NISP: ex. equity methogain/loss duetocommonwealthds (Jul-Sep24) one-offs

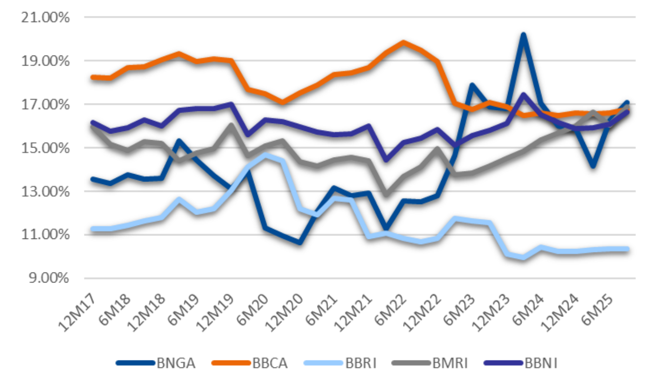
Source: Company, BRIDS

Fee income scales to peer-leading levels at peak

Over FY17-FY21, BNGA's fee income to total operating income ratio generally remained in the low-teens, well below BBCA, which consistently recorded high-teen levels supported by its strong payments, transaction banking, and wealth management franchises. However, this gap narrowed meaningfully in the post-pandemic period. From FY22 onwards, BNGA's fee income contribution trended higher and by FY23-FY24 had risen sharply, at one point catching up with and briefly surpassing BBCA, with the ratio peaking near 21% in 3M24. This marked a clear improvement in BNGA's income mix and highlighted the bank's ability to scale up fee-based income during favourable operating conditions.

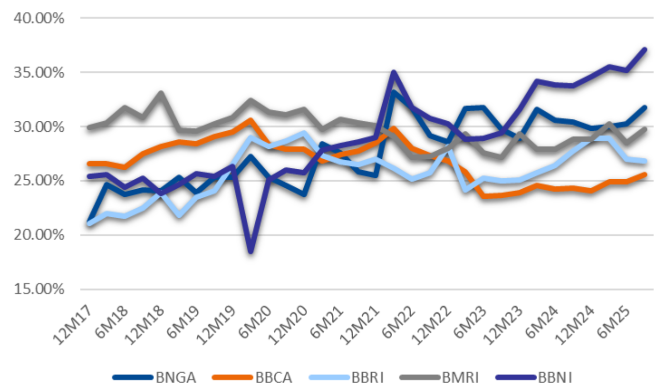
That said, BNGA's fee income ratio subsequently moderated back to the mid-teens by late FY24 to 9M25, where it reported fee income ratios similar to big 4 banks ex. BBRI. Overall, the trajectory indicates that BNGA has evolved from a structurally low fee income bank into one that is increasingly capable of matching peer levels, including BBCA, albeit intermittently. Going forward, the key challenge lies in translating this progress into a more consistent and recurring fee base through deeper penetration in transaction banking, wealth management, and consumer-related fee streams, which would help structurally rebalance its operating income mix away from NII dependence. In a structurally pressured margin environment, growth in other operating income will be increasingly important in sustaining profitability.

Exhibit 13. BNGA's vs. Big 4 Banks' Fee income/ total operating income



Source: Company, BRIDS

Exhibit 14. BNGA's vs. Big 4 Banks' Other operating income/ total operating income



Source: Company, BRIDS

Sharia Spin Off

The bank is in the process of spinning off its sharia business unit to adhere to government regulation, as the sharia unit's total assets have exceeded Rp50bn. The sharia business unit spin-off is expected in either Q2 or Q4 of FY26. The new entity will have its own governance structure, including a Board of Directors, Commissioners, and Sharia Supervisory Board, while continuing to leverage the parent's back-office functions such as IT, operations, and accounting. Physical branches will be separate, but customers will benefit from an integrated digital platform enabling access to both Islamic and conventional accounts. Post spin-off, the Islamic bank will focus on SME and consumer lending. However, large corporates such as PLN and Pertamina will transition to the conventional bank due to lending-limit (BMPK) constraints, though joint financing is being considered as a solution. While the Islamic business faces slightly higher funding costs, overall yields remain higher due to its portfolio composition.

Exhibit 15. Niaga Sharia Current Offerings

Source: Company

The upcoming BUS will adopt a retail and retail SME-oriented business model, emphasizing core Islamic ecosystem segments such as education, healthcare, and tour/travel (including Hajj/Umrah). The funding strategy centers on lowering CoF through wadiah savings and leveraging Hajj/Umrah savings ecosystems to enhance sticky, low-cost deposits. On the margins side, the bank targets higher NIM through a shift toward retail and SME financing while maintaining CoF at or below current Sharia levels. The market opportunity remains significant, with ~55% of the current Sharia book held by non-Muslim customers and a large addressable market that is currently dominated by BSI. The strategic pivot aims to strengthen Sharia-first engagement and capture the underserved Islamic segment.

Latest Financials Performance (3Q25)

9M25: Efficiency Gains from Sustained Income Growth
BNGA's 9M25 net profit of Rp5.3tr (+3% yoy) was in line with consensus at 74% achievement. CIR continued to improve, falling below 45% for 9M25 on the back of sustained income growth and disciplined cost control. NIM for 9M25 stood at 3.9% versus 4.1% in 9M24, weighed by lower loan yield (-28bps yoy to 8.0%) while CoF stayed flat at 3.9%.

3Q25: Strong Quarterly Performance
BNGA delivered record-high quarterly net profit of Rp1.8tr (+10% qoq, +5% yoy) in 3Q25, driven by robust NII growth and higher other operating income. CIR improved to 42.2% from 45.0% in 2Q25, supported by stronger NII (+5% qoq) from a 4% qoq decline in interest expense and a 25% qoq jump in other operating income from forex gains and securities sales. NIM rose to 4.0% (+19bps qoq, +2bps yoy) as CoF declined to 3.8% (-13bps qoq, -21bps yoy) following reduced reliance on high-cost funding such as repo and interbank borrowings. Loan growth remained stable yoy at 5%, though slightly down qoq due to selective exposure in lower-return segments. Deposit momentum stayed solid with customer deposits up 9% yoy (+6% qoq), though CASA ratio eased to 67.9% on higher TD growth. NPL rose qoq to 2.0% (+9bps qoq, -6bps yoy), reflecting pressure in the consumer portfolio, particularly mortgages and autos. CoC increased to 1.3% from 0.7% in 2Q25 and 0.9% in 3Q24, mirroring the broader consumer segment weakness.

Exhibit 16. BNGA's 3Q25 Results Summary

BNGA - Financial (Rpbn)	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %	FY25C	A/C
Interest income	6,173	6,157	6,206	1%	1%	18,023	18,597	3%		n/a
Interest expense	2,820	2,852	2,751	-4%	-2%	8,015	8,518	6%		n/a
Net interest income	3,352	3,305	3,455	5%	3%	10,008	10,078	1%		n/a
Other operating income	1,448	1,449	1,810	25%	25%	4,376	4,682	7%		n/a
Operating expenses	2,066	2,141	2,220	4%	7%	6,275	6,544	4%		n/a
PPOP	2,734	2,613	3,044	16%	11%	8,109	8,216	1%		n/a
Provision	492	422	735	74%	49%	1,475	1,473	0%		n/a
Operating Profit	2,241	2,191	2,310	5%	3%	6,634	6,744	2%		n/a
Net profit	1,726	1,650	1,814	10%	5%	5,133	5,269	3%	7,088	74%
Loans	218,580	231,840	228,652	-1%	5%	218,580	228,652	5%		n/a
Customer deposits	255,971	261,892	278,013	6%	9%	255,971	278,013	9%		n/a
Key Ratio				qoq, bps	yoy, bps			yoy, bps		
Loan yield (%) - ann	8.3	8.0	8.0	6	(26)	8.3	8.0	(28)		
EA yield	7.4	7.1	7.2	8	(15)	7.4	7.2	(18)		
Cost of fund (%) - ann	4.0	3.9	3.8	(13)	(21)	3.9	3.9	(2)		
NIM (%) - ann	4.0	3.8	4.0	19	2	4.1	3.9	(19)		
CIR (%) - ann	43.0	45.0	42.2	(286)	(87)	43.6	44.3	71		
Cost of credit (%) - ann	0.9	0.7	1.3	55	37	0.9	0.9	(6)		
ROE (%) - ann	13.6	12.1	13.2	111	(36)	13.6	12.9	(66)		
CASA ratio (%)	66.7	69.0	67.9	(107)	121					
LDR (%)	85.4	88.5	82.2	(628)	(315)					
NPL ratio (%)	2.0	1.9	2.0	9	(6)					

Source: Company, Bloomberg

Initiate coverage with a Buy rating and TP of Rp2,300

We initiate our coverage on BNGA with a Buy rating and a TP of Rp2,300, which is based on a 10-year inverse CoE GGM model with a CoE of 13.2%, LTG of 3%, and FY26F RoE of 12.8%, implying a fair value PBV of 1.0x. Risks to our call include a slower-than-expected decline in CoF and asset quality risks from higher-yielding, riskier segments. **Tactical (3M) view: N.** While we expect NIM to remain broadly stable in FY26F, we see potential for near-term margin pressure in 1Q26, as the benefits of portfolio rebalancing are unlikely to be fully reflected at that stage.

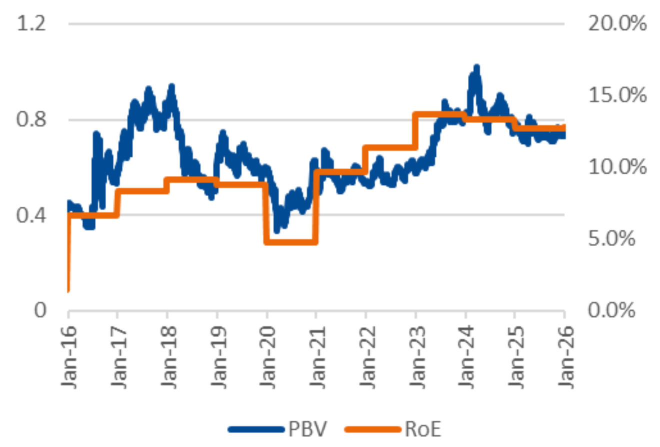
Exhibit 17. BNGA's valuation

Gordon Growth Valuation with Inverse Cost of Equity		
Parameters:		**Remarks:**
Cost of equity (%) - Mean	13.2	10-Year average
Cost of equity (%) - SD	3.3	10-Year average
SD used		
Cost of equity (%) used	13.2	
Long-term growth (%)	3.0	Long-term GDP growth
Forward ROE (%)	12.8	FY26F ROAE
Fair value P/BV (x)	1.0	**(ROAE - g) / (COC - g)**
BV/share (IDR)	2,365	FY26F Book value per share
Fair value (IDR)	**2,300**	Fair value P/BV multiple x BVPS

Source: BRIDS Estimates

Exhibit 18 shows that BNGA's PBV remained broadly range-bound (at 0.4-1.0) despite RoE swings, suggesting that the market still priced BNGA on a normalized, through-the-cycle basis. We apply a 10-year average cost of equity in our inverse CoE GGM valuation to reflect BNGA's through-the-cycle equity risk profile, given that recent profitability volatility has been driven largely by cyclical funding and credit conditions rather than a structural shift in the bank's risk franchise. As discussed in the Forecast and Funding sections, FY25F earnings are shaped by liquidity-driven funding cost pressure, with a normalization phase expected as policy easing transmits into CoF from FY26F. Meanwhile, asset quality has remained disciplined post-pandemic, with our forecasts incorporating a measured normalization in CoC to 1.0-1.1% in FY26-27F as the bank increases exposure to higher-yielding consumer and SME segments.

Exhibit 18. BNGA's 10-year historical RoE vs. PBV



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 19. Peers Avg. CoE

Stock	Avg. CoE (5-year) mean	StDev
BBCA	6.8	0.4
BBRI*	9.6	0.9
BMRI	11.6	1.2
BBNI	11.9	1.1
BRIS*	7.9	1.4
BBTN	14.9	1.9
BTPS*	12.7	1.9
BNGA*	13.2	3.3

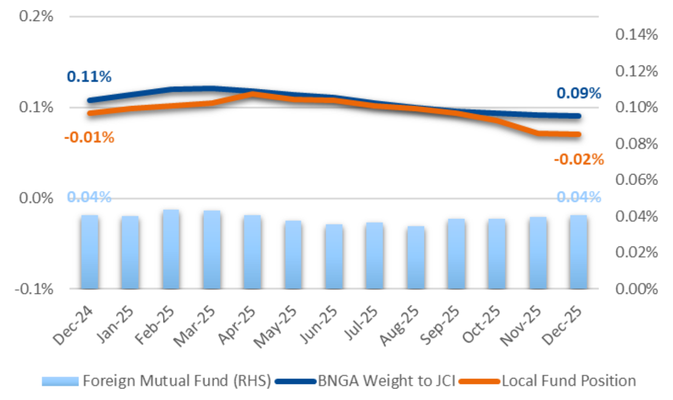
*Note: BBRI: cons numbers, BRIS: avg. since merger, BTPS: avg. 2-year, BNGA: avg. 10-year

Source: Company, Bloomberg, BRIDS Estimates

Foreign flow and fund positioning

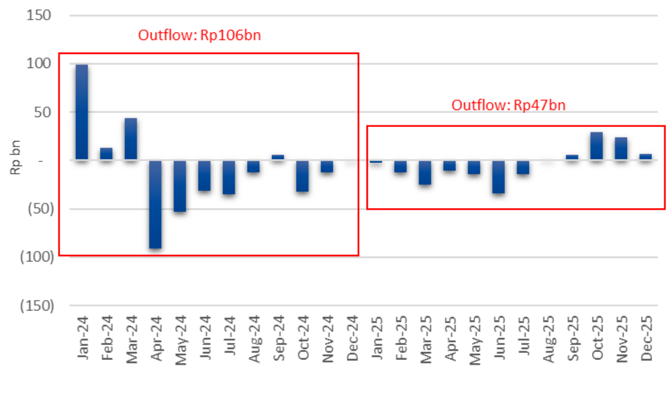
Exhibits 20 and 21 suggest that BNGA remains lightly owned by foreign investors, with cumulative net foreign outflows of ~Rp106bn during 2024, followed by continued, albeit smaller, outflows of ~Rp47bn in 2025. In terms of domestic funds, on average since 2023, BNGA has been in an underweight position, which is in contrast to its large-cap peers such as BBRI, BMRI, and BBNI, which on average has been in an overweight position. We believe this positioning reflects a market still anchoring BNGA's valuation to its past ROE volatility and margin pressure, rather than fully pricing in the expected earnings and ROE recovery from FY26F onward.

Exhibit 20. BNGA's fund positioning



Source: KSEI, BRIDS

Exhibit 21. BNGA's foreign flow (as of 30 Dec25)



Source: IDX, BRIDS

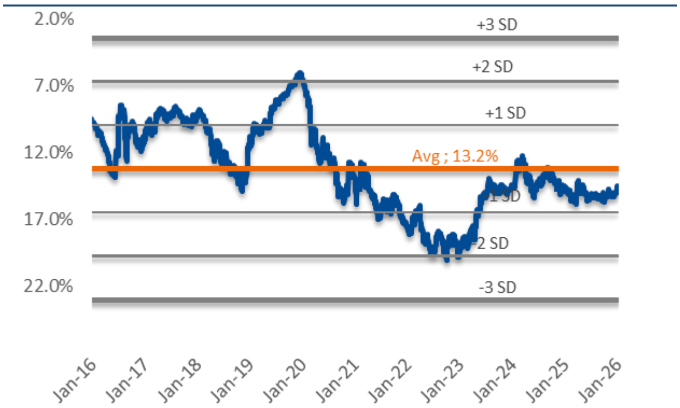
Exhibit 22. Peers comparables

Ticker	Rec.	Target Price (Rp)	Market Cap (Rpbn)	P/E (x) FY25F	P/E (x) FY26F	P/E (x) FY27F	P/BV (x) FY25F	P/BV (x) FY26F	P/BV (x) FY27F	ROE FY25F	ROE FY26F	ROE FY27F
BBCA IJ	BUY	10,800	943,054.5	16.7	16.4	15.4	3.3	3.1	3.0	20.7	19.8	19.8
BBRI IJ*	NR	n/a	583,502.2	10.4	9.6	8.8	1.8	1.7	1.7	17.5	18.3	19.4
BMRI IJ	BUY	5,500	458,266.7	9.2	8.8	8.2	1.5	1.4	1.3	16.9	16.7	16.6
BBNI IJ	BUY	4,700	168,956.8	8.5	8.3	7.2	1.0	1.0	0.9	12.1	11.8	12.9
BRIS IJ	BUY	3,200	103,790.8	13.7	12.3	11.0	2.0	1.8	1.6	15.8	15.7	15.6
BBTN IJ	BUY	1,300	17,262.4	5.6	5.3	4.9	0.5	0.5	0.4	9.2	8.9	9.1
BTPS IJ	BUY	1,600	9,783.7	7.7	7.1	6.7	1.0	0.9	0.8	13.0	13.0	12.7
BNGA IJ	BUY	2,300	46,487.8	6.7	6.3	5.7	0.8	0.8	0.7	12.7	12.8	13.4

*cons estimates

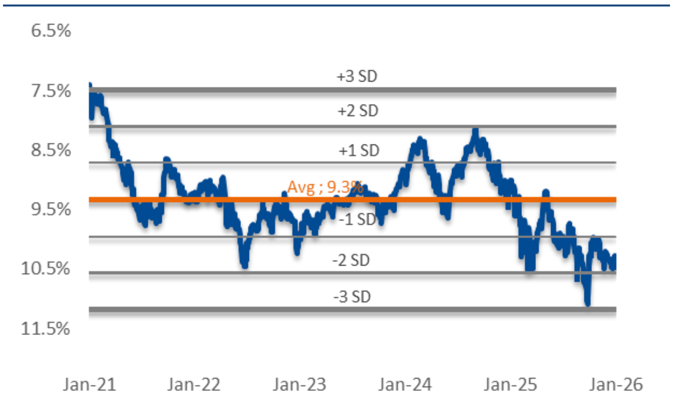
Source: BRIDS Estimates, Bloomberg

Exhibit 23. BNGA's cost of equity band chart (10-year)



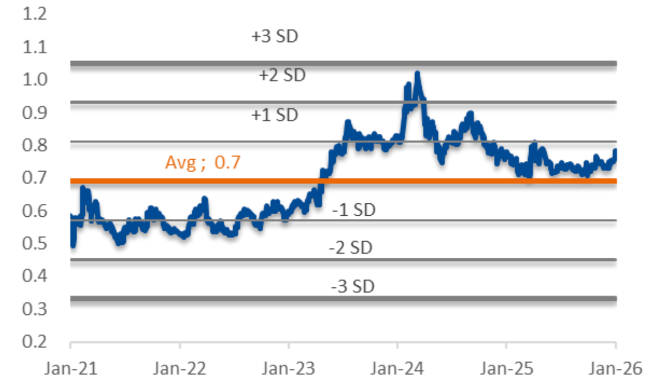
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 24. Sector's cost of equity band chart (5-year)



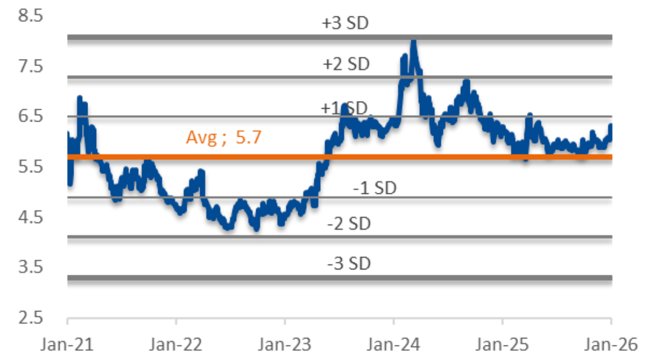
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 25. BNGA's PBV band chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 26. BNGA's PE band chart (5-year)

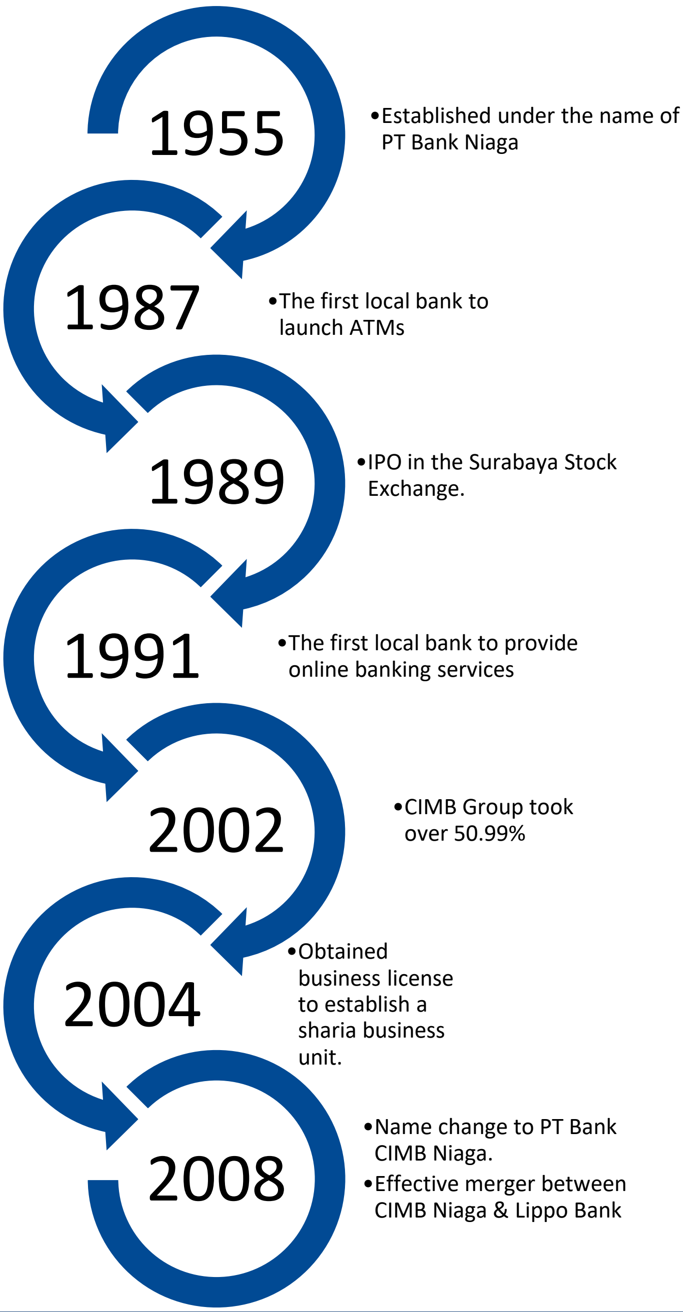


Source: Company, Bloomberg, BRIDS Estimates

Bank CIMB Niaga (BNGA IJ) Company Background

PT Bank CIMB Niaga Tbk was established in 1955 under the name Bank Niaga. Headquartered in Jakarta, it is currently a subsidiary of Malaysia's CIMB Group Holdings Berhad, which holds 91% of its shares. Over the decades, CIMB Niaga has built a strong reputation for innovation, becoming the first Indonesian bank to introduce ATMs and online banking in 1987 and 1991, respectively. Listed on the Indonesia Stock Exchange since 1989, CIMB Niaga gained further prominence in 2008 when it merged with Bank Lippo, rebranding under the CIMB Niaga name. Today, it ranks 7th among Indonesia's banks by total assets and is one of the leaders in digital transactions, consistently focusing on technological innovation and customer-centric services to maintain its competitive edge.

Exhibit 27. BNGA's history



Source: Company, BRIDS

Exhibit 28. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	22,306	24,227	24,848	25,696	26,933
Interest Expense	(8,954)	(10,961)	(11,434)	(11,960)	(12,394)
Net Interest Income	**13,352**	**13,267**	**13,414**	**13,736**	**14,539**
Non-Interest Income (NII)	3,810	4,699	4,039	5,683	6,849
Oper. Income	**17,163**	**17,965**	**17,452**	**19,419**	**21,388**
Oper. Expenses	(8,422)	(8,383)	(8,877)	(9,579)	(10,338)
Pre-provisions profit	**10,364**	**10,534**	**11,037**	**11,857**	**13,274**
Provisions & Allowances	(2,007)	(1,805)	(2,172)	(2,428)	(2,781)
Operating Profits	**8,357**	**8,729**	**8,865**	**9,429**	**10,493**
Non-Operating Income	0	0	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	**8,357**	**8,729**	**8,865**	**9,429**	**10,493**
Income Tax	(1,806)	(1,830)	(1,858)	(1,977)	(2,200)
Minorities	(77)	(73)	(73)	(79)	(85)
Net Profit	**6,474**	**6,826**	**6,933**	**7,374**	**8,209**

Exhibit 29. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	213,370	228,003	239,592	253,364	269,986
Provisions	(12,047)	(10,653)	(9,080)	(7,574)	(6,183)
Net Loans	**201,322**	**217,350**	**230,513**	**245,789**	**263,804**
Govt. Bonds	70,597	70,355	75,011	77,493	80,058
Securities	9,364	23,455	17,122	17,750	18,291
Other Earnings Assets	13,180	9,991	9,911	9,746	9,526
Total Earnings Assets	**320,849**	**344,910**	**354,785**	**371,859**	**391,574**
Fixed Assets	9,563	9,413	9,199	9,035	8,885
Non-Earnings Assets	13,484	15,369	14,381	14,462	14,737
Total Assets	**334,369**	**360,221**	**390,829**	**413,738**	**441,064**
Customer Deposits	235,862	260,639	279,805	297,500	314,433
Banks Deposits	1,760	5,959	6,019	6,320	6,636
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	**285,032**	**307,024**	**334,612**	**354,123**	**377,467**
Share capital & Reserves	11,949	12,011	12,011	12,011	12,011
Retained Earnings	37,244	40,988	44,008	47,407	51,389
Shareholders' Funds	**49,193**	**52,999**	**56,019**	**59,418**	**63,400**
Minority interests	145	197	197	197	197
Total Equity & Liabilities	**334,369**	**360,221**	**390,829**	**413,738**	**441,064**

Exhibit 30. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	7.3	7.3	7.1	7.1	7.1
Cost of funds	3.5	3.9	3.7	3.6	3.6
Interest Spread	3.8	3.4	3.4	3.4	3.5
Net Interest Margin	4.4	4.0	3.8	3.8	3.8
Cost/Income Ratio	44.8	44.3	44.6	44.7	43.8
Oper. Exp./Oper. Gross Inc.	69.9	70.8	71.7	71.8	70.9
Gross NPL Ratio	2.0	1.8	1.6	1.6	1.6
LLP/Gross NPL	295.5	273.5	248.5	198.5	154.1
Cost of Credit	1.0	0.8	0.9	1.0	1.1
Loan to Deposit Ratio	90.5	87.5	85.6	85.2	85.9
Loan to Funding Ratio	89.6	86.9	85.1	84.7	85.4
CASA Mix	63.4	64.5	66.4	66.7	67.1
ROAE	13.7	13.4	12.7	12.8	13.4
ROAA	2.0	2.0	1.8	1.8	1.9
CAR	27.6	26.3	28.9	29.5	29.3

Exhibit 31. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.6	2.5	2.4	2.3	2.5
Tax Retention rate	78.4	79.0	79.0	79.0	79.0
Post-Tax ROAA	2.0	2.0	1.9	1.9	1.9
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	6.8	6.8	6.9	7.0	7.0
ROAE	13.7	13.4	12.7	12.8	13.4
Growth (%)					
Interest income	16.7	8.6	2.6	3.4	4.8
Net Interest Income	(0.9)	(0.6)	1.1	2.4	5.8
Other Oper. Expenses	(0.6)	(0.5)	5.9	7.9	7.9
Fee Based Income	30.7	(4.8)	13.0	19.0	15.2
Pre-Provision Oper. Profit	(0.3)	1.6	4.8	7.4	12.0
Net Profit	28.4	5.4	1.6	6.4	11.3
Shareholders' Equity	8.9	7.7	5.7	6.1	6.7
Loan	8.5	6.9	5.1	5.7	6.6
Earnings Asset	10.0	7.5	2.9	4.8	5.3
Deposit	3.5	12.2	7.2	6.3	5.7
Int. Bearing Liab.	10.0	8.7	9.1	6.0	6.5
CASA	4.3	14.2	10.2	6.9	6.3
Total Asset	9.0	7.7	8.5	5.9	6.6

Source: BNGA, 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