

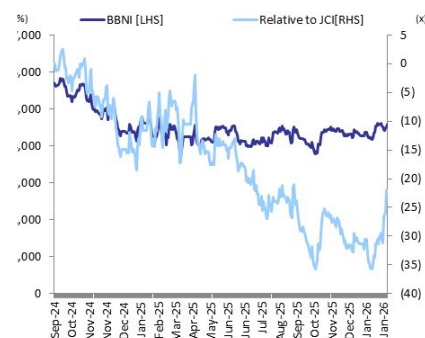
Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	4,590	
Target Price (Rp)	4,700	
Previous Target Price (Rp)	4,700	
Upside/Downside	+2.4%	
No. of Shares (mn)	37,297	
Mkt Cap (Rpbn/US\$mn)	171,195/10,214	
Avg, Daily T/O (Rpbn/US\$mn)	246.2/14.7	
Free Float (%)	39.8	
Major Shareholder (%)	Government of Indonesia 60.0	
EPS Consensus (Rp)	2026F	2027F 2028F
BRIDS	555.7	642.5 692.7
Consensus	599.0	667.1 767.0
BRIDS/Cons (%)	(7.2)	(3.7) (9.7)

BBNI relative to JCI Index



Source: Bloomberg

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Bank Negara Indonesia (BBNI IJ)

FY25 Results: In-line; Robust NIM Allowing Proactive Provisioning in 4Q25

- BBNI booked FY25 net profit of Rp20.0tr (-7% yoy), meeting our (100%) estimate but slightly below (98%) consensus as CoC spiked in 4Q25.
- CoF and NIM improved materially in 4Q25 but management expects a conservative NIM for FY26F at 3.5-3.8% vs FY25's 3.8%.
- Maintain BUY with a TP of Rp4,700 based on FV PBV of 1.0x with potential c. 8% dividend yield.

NIM compression and higher CoC push FY25 earnings lower

BBNI booked FY25 net profit of Rp20.0tr (-7% yoy), meeting our (100%) estimate but slightly below (98%) consensus. Despite strong loan growth of 16% yoy, NII was flat as NIM compressed to 3.8% from 4.2% in FY24, driven by a 49bps drop in loan yields while CoF stayed steady at 2.9%. CIR rose 189bps yoy to 47.5% as opex grew 6% against only 2% income growth. Credit cost increased above guidance, with CoC rising to 1.2%, while NPL remained stable at 1.9% and LaR improved to 8.4%. Coverage declined as write-offs reached Rp15.4tr, exceeding provision charges.

CoC spike offsetting the qoq NIM improvement in 4Q25

In 4Q25, BBNI reported net profit of Rp4.9tr (-2% qoq, -4% yoy), mainly due to a spike in CoC to 1.7% as management applied additional overlays to Sumatera, retail, and commodity-related exposures. That said, earnings quality improved qoq, with NIM rebounding to 3.9% (+32bps qoq) on a 44bps reduction in CoF, while PPOP rose 11% qoq driven by stronger NII and recovery income. Loans and deposits both grew 11% qoq, keeping LDR stable at ~86%, while consumer asset quality showed qoq improvement.

FY26: conservative NIM and asset quality outlook

Management guided for a more conservative FY26 outlook, with loan growth of 8-10%, NIM of 3.5-3.8%, and CoC of 1.0-1.2% amid continued funding competition in 1H26. While margin pressure may persist due to lower benchmark rates and competition, the meaningful improvement in CoF, better consumer asset quality, and stronger liquidity position provide a more constructive earnings setup into FY26, notwithstanding risks from the middle segment and 1H26 funding costs.

Maintain Buy with an unchanged TP of Rp4,700

We maintain our BUY rating and unchanged TP of Rp4,700. Despite the bank's share price appreciation by 10% since our FY26 outlook report, we maintain our BUY call on c. 2% upside and 8% dividend yield. Our TP is derived from GGM with a 5-year avg. 12.0% CoE and FY26F ROE of 11.8%, which implies an FV PBV of 1.0. **Tactical (3M) view: N.** We see potential tight liquidity, asset quality, and NIM compression in 1Q26.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	34,783	34,120	36,031	41,212	44,605
Net profit (Rpbn)	21,464	20,041	20,726	23,964	25,835
EPS (Rp)	575.5	537.3	555.7	642.5	692.7
EPS growth (%)	2.7	(6.6)	3.4	15.6	7.8
BVPS (Rp)	4,345.4	4,604.4	4,798.0	5,066.5	5,328.7
PER (x)	8.0	8.5	8.3	7.1	6.6
PBV (x)	1.1	1.0	1.0	0.9	0.9
Dividend yield (%)	8.1	7.6	7.9	9.1	9.8
ROAE (%)	13.7	12.0	11.8	13.0	13.3

Source: BBNI, BRIDS Estimates

Exhibit 1. BBNI FY25 results

BBNI - Financials (Rpbn)	4Q24	3Q25	4Q25	qoq, %	yoy, %	2024	2025	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	17,747	17,553	18,227	4%	3%	66,583	69,394	4%	68,420		101%	n/a
Interest expense	6,705	7,815	7,147	-9%	7%	26,103	29,061	11%	29,045		100%	n/a
Net interest income	11,042	9,737	11,080	14%	0%	40,480	40,333	0%	39,375		102%	n/a
Other operating income	7,795	6,646	7,392	11%	-5%	23,417	24,645	5%	21,269	24,126	116%	102%
Operating expenses	8,124	7,867	9,025	15%	11%	29,112	30,856	6%	30,478	31,540	101%	98%
PPOP	9,497	8,515	9,447	11%	-1%	34,783	34,120	-2%	32,965	33,606	104%	102%
Provision	2,822	2,333	3,604	54%	28%	8,211	9,724	18%	8,115	8,300	120%	117%
Operating Profit	6,675	6,182	5,843	-5%	-12%	26,573	24,396	-8%	24,849	25,306	98%	96%
Net profit	5,155	5,021	4,926	-2%	-4%	21,464	20,041	-7%	19,980	20,374	100%	98%
Loans	775,872	812,195	899,531	11%	16%	775,872	899,531	16%	854,967		105%	n/a
Customer deposits	805,511	934,326	1,040,834	11%	29%	805,511	1,040,834	29%	942,691	923,134	110%	113%
Key Ratio				qoq, bps		yoy, bps		yoy, bps				
Loan yield (%) - ann	8.0	7.2	7.1	👇 (6)	👇 (86)	7.7	7.2	👇 (49)				
Cost of fund (%) - ann	3.0	3.0	2.6	👆 (44)	👆 (40)	2.9	2.9	👉 (7)				
NIM (%) - ann	4.5	3.6	3.9	👆 32	👇 (63)	4.2	3.8	👇 (42)				
CIR (%) - ann	46.1	48.0	48.9	👇 84	👇 275	45.6	47.5	👇 193				
Cost of credit (%) - ann	1.5	1.2	1.7	👇 50	👇 19	1.1	1.2	👉 8				
ROE (%) - ann	12.9	12.3	11.6	👇 (64)	👇 (127)	14.0	12.1	👇 (196)				
CASA ratio (%)	69.9	65.6	69.7	👆 410	👇 (18)							
LDR (%)	96.3	86.9	86.4	👆 (50)	👆 (990)							
NPL ratio (%)	2.0	2.0	1.9	👉 (3)	👉 (3)							
LaR ratio (%)	10.2	10.3	8.4	👆 (191)	👆 (181)							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBNI's Changes in Forecast

BBNI - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn)	40,491	41,517	2.53	46,131	46,447	0.69	49,514	49,723	0.42
PPOP (Rpbn)	35,262	36,031	2.18	41,703	41,212	(1.18)	45,267	44,605	(1.46)
Net profit (Rpbn)	20,349	20,726	1.85	23,567	23,964	1.68	24,062	25,835	7.37
BVPS (Rp)	4,738	4,798	1.27	5,026	5,066	0.80	5,272	5,329	1.07
Gross Loans (Rpbn)	954,049	988,776	3.64	1,038,691	1,090,215	4.96	1,154,075	1,160,995	0.60
Customer Deposits (Rpbn)	1,022,963	1,132,056	10.66	1,118,780	1,221,351	9.17	1,216,236	1,312,872	7.95
Ratios (%)	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps	2028F (Prev)	2028F (Curr)	Δ bps
Net Interest Margin	3.4	3.4	(2)	3.6	3.6	1	3.6	3.6	3
CoF	2.7	2.5	(22)	2.6	2.4	(15)	2.5	2.4	(15)
EA yield	5.9	5.7	(15)	6.0	6.0	(1)	6.0	6.0	(0)
Cost/Income Ratio	47.6	47.2	(41)	46.0	46.0	(1)	45.5	45.5	(2)
Cost of Credit	1.1	1.1	1	1.2	1.1	(12)	1.4	1.1	(26)
ROAE	11.8	11.8	4	12.9	13.0	8	12.5	13.3	80

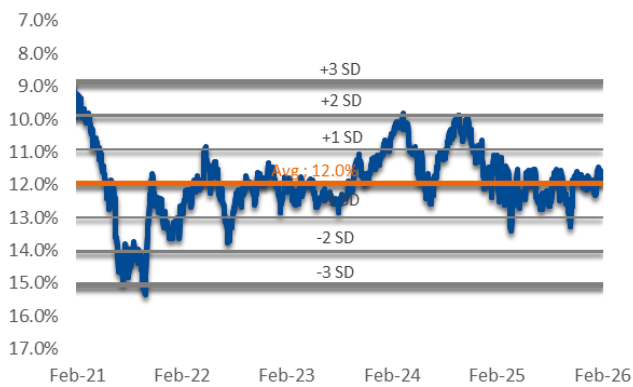
Source: Company, BRIDS Estimates

Exhibit 3. BBNI's Valuation

Gordon Growth Valuation with Inverse Cost of Equity	
Parameters:	Remarks
Cost of equity (%) - Mean	12.0 5-Year average
Cost of equity (%) - SD	1.1 5-Year average
SD used	
Cost of equity (%) used	12.0
Long-term growth (%)	3.0 Long-term nominal GDP growth
Forward ROE (%)	11.8 FY26F ROAE
Fair value P/BV (x)	1.0 (ROAE - g) / (COC - g)
BV/share (IDR)	4,798 FY26F Book value per share
Fair value (IDR)	4,700 Fair value P/BV multiple x BVPS

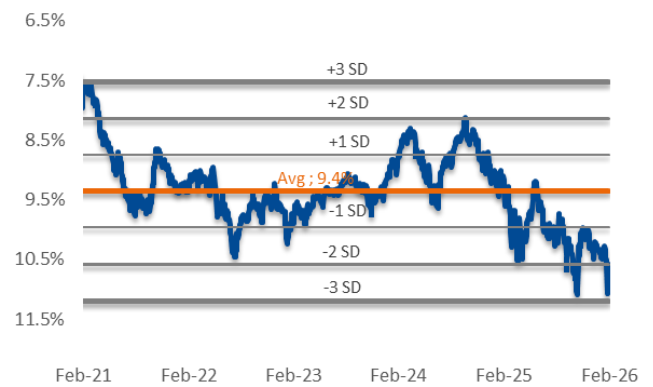
Source: Company, BRIDS Estimates

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



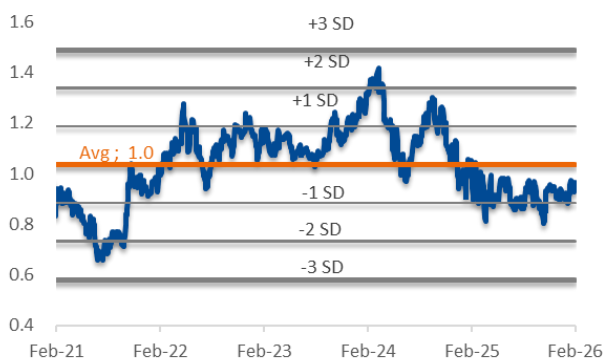
Source: Company, Bloomberg, BRIDS Estimates

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



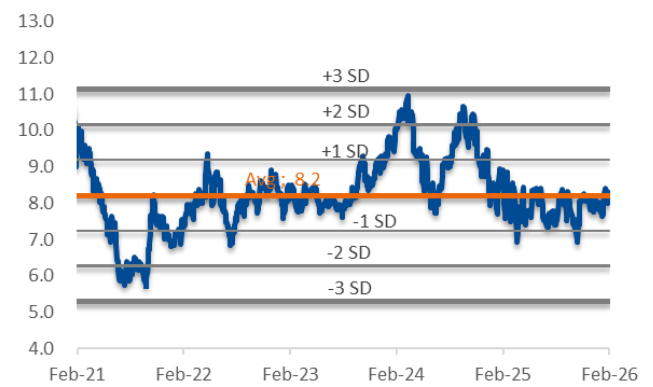
Source: Company, Bloomberg, BRIDS Estimates

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)	2024A	2025A	2026F	2027F	2028F
Interest Income	66,583	69,394	70,781	77,408	82,157
Interest Expense	(26,103)	(29,061)	(29,265)	(30,960)	(32,434)
Net Interest Income	40,480	40,333	41,517	46,447	49,723
Non-Interest Income (NII)	21,502	21,616	23,382	26,423	28,636
Oper. Income	61,982	61,949	64,899	72,870	78,359
Oper. Expenses	(29,112)	(30,856)	(32,184)	(35,069)	(37,264)
Pre-provisions profit	34,783	34,120	36,031	41,212	44,605
Provisions & Allowances	(8,211)	(9,724)	(10,511)	(11,709)	(12,798)
Operating Profits	26,573	24,396	25,520	29,503	31,806
Non-Operating Income	(4)	2	(1)	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	26,569	24,397	25,519	29,503	31,806
Income Tax	(4,900)	(4,286)	(4,721)	(5,458)	(5,884)
Minorities	(206)	(70)	(72)	(81)	(87)
Net Profit	21,464	20,041	20,726	23,964	25,835

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	775,872	899,531	988,776	1,090,215	1,160,995
Provisions	(38,685)	(35,861)	(33,893)	(33,887)	(35,815)
Net Loans	737,187	863,670	954,883	1,056,328	1,125,180
Govt. Bonds	132,069	163,510	81,814	81,814	73,633
Securities	48,534	63,017	75,389	71,781	68,192
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	1,034,557	1,231,010	1,245,635	1,341,718	1,397,338
Fixed Assets	48,816	50,731	54,630	58,885	63,159
Non-Earnings Assets	18,771	25,781	21,162	22,298	20,644
Total Assets	1,130,129	1,362,055	1,462,415	1,556,011	1,655,044
Customer Deposits	805,511	1,040,834	1,132,056	1,221,351	1,312,872
Banks Deposits	18,548	11,563	11,612	11,661	11,711
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	963,581	1,185,715	1,278,783	1,362,283	1,451,449
Share capital & Reserves	43,827	47,875	47,875	47,875	47,875
Retained Earnings	118,244	123,855	131,076	141,090	150,870
Shareholders' Funds	162,071	171,730	178,951	188,965	198,745
Minority interests	4,477	4,609	4,682	4,763	4,849
Total Equity & Liabilities	1,130,129	1,362,055	1,462,415	1,556,011	1,655,044

Exhibit 10. Key Ratios

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	6.6	6.1	5.7	6.0	6.0
Cost of funds	2.9	2.8	2.5	2.4	2.4
Interest Spread	3.7	3.3	3.3	3.6	3.6
Net Interest Margin	4.0	3.8	3.4	3.6	3.6
Cost/Income Ratio	45.6	47.5	47.2	46.0	45.5
Oper. Exp./Oper. Gross Inc.	70.5	74.1	73.8	72.5	72.2
Gross NPL Ratio	2.0	1.9	1.7	1.7	1.8
LLP/Gross NPL	253.6	206.4	197.0	185.1	175.4
Cost of Credit	1.1	1.2	1.1	1.1	1.1
Loan to Deposit Ratio	96.3	86.4	87.3	89.3	88.4
Loan to Funding Ratio	94.8	85.3	85.9	87.9	87.1
CASA Mix	68.4	69.0	70.1	69.9	69.6
ROAE	13.7	12.0	11.8	13.0	13.3
ROAA	1.9	1.6	1.5	1.6	1.6
CAR	19.0	17.2	16.3	15.5	0.0

Exhibit 11. Dupont and Growth

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	2.4	2.0	1.8	2.0	2.0
Tax Retention rate	81.6	82.4	81.5	81.5	81.5
Post-Tax ROAA	2.0	1.6	1.5	1.6	1.6
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	7.1	7.5	8.1	8.2	8.3
ROAE	13.7	12.0	11.8	13.0	13.3
Growth (%)					
Interest income	8.3	4.2	2.0	9.4	6.1
Net Interest Income	(1.9)	(0.4)	2.9	11.9	7.1
Other Oper. Expenses	4.8	6.0	4.3	9.0	6.3
Fee Based Income	4.7	5.4	8.1	11.9	7.1
Pre-Provision Oper. Profit	(0.5)	(1.9)	5.6	14.4	8.2
Net Profit	2.7	(6.6)	3.4	15.6	7.8
Shareholders' Equity	8.0	6.0	4.2	5.6	5.2
Loan	11.6	15.9	9.9	10.3	6.5
Earnings Asset	4.6	19.0	1.2	7.7	4.1
Deposit	0.2	27.7	8.7	7.8	7.4
Int. Bearing Liab.	3.4	23.8	8.1	6.7	6.7
CASA	(2.5)	28.9	10.4	7.5	7.1
Total Asset	4.0	20.5	7.4	6.4	6.4

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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