

Inline 1Q26 earnings: QoQ spike, on provision sharp drop

6 May 2026



<b>BBNI IJ</b>	<b>BUY</b>
Sector	Banks
Price at 5 May 2026 (IDR)	3,920
Price target (IDR)	4,720
Upside/Downside (%)	20.4

**Stock Information**

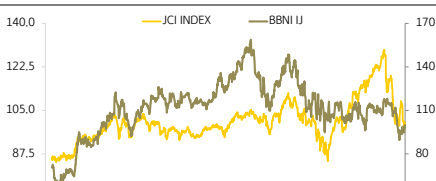
PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	143,222
Shares outstanding (mn)	37,297
52-week range (IDR)	3,510-4,730
3M average daily vol. ('000)	66,156
3M average daily val. (IDR mn)	272,083

**Shareholders (%)**

Republic of Indonesia	60.0
Public	45.1

**Stock Performance**



Source: Bloomberg

	1M	3M	12M
Performance	5.9	(14.2)	(6.9)

**Analyst**

Akhmad Nurcahyadi  
akhmad.nurcahyadi@kbvalbury.com

Amid the prolonged uncertainty, BBNI delivered a solid 1Q26 result, with earnings growing +5.2% YoY (IDR5.66 tn). A massive +14.9% QoQ rebound was catalysed by a sharp drop in provisioning costs, placing the bank's '26F run-rate aligned with our and consensus expectations at 26.2%/26.6%. Loan growth surged +20.1% YoY (IDR 919.32 tn), crushing the industry March '26F growth of +9.5% YoY. Momentum was led by Middle-segment (+37.9% YoY) and Corporate (+23.5% YoY) lending. Total TPF grew by +34.3% YoY, fueled by a +26.6% YoY jump in CASA despite a competitive environment. NIM remained resilient at 3.6%, comfortably within the 3.5%-3.8% '26F BBNI's guidance. BBNI continues to fortify its balance sheet, making its reserves stronger and more resilient. LAR improved to 8.6% (vs. 10.9% in 1Q25, while NPL Gross is very well-managed at 1.9%. CoC dropped to 1.1%, hitting the sweet spot of management's 1.0%-1.2% guidance. Maintain BUY, GGM-TP of IDR4,720 (1.0x '26F P/B), while currently attractively traded at its -2SD '26F P/B.

**Solid bottom line; stronger resilience**

Amid the prolonged challenging on the sector, BBNI 1Q26 earnings still grew healthy by 5.2% YoY to IDR5.66 tn supported by strong growth from top to bottom, while a sharp +14.9% QoQ rebound was fueled by a significant drop in provisioning costs. On top line level, interest income came in at IDR18.99 tn grew 13.7% YoY backed by robust loan growth of 20.1% YoY, reaching IDR919.32 tn in the same period. With the help from non-interest income growth of IDR12.6% YoY and manageable cost to income, the bank still saw a double-digit growth of 12.2% YoY at PPOp level, from IDR8.311 tn to IDR9.32 tn. We like BBNI's strategic moves by build-up provision around +IDR2.4 tn, bringing the loan provision reaching IDR35.8 tn and made reserves getting stronger and more resilient. In all, BBNI's 1Q26 PATMI arrives in line with our and consensus '26F expectation at a run-rate of 26.6%/26.2%.

**A growth machine fueled by corporate dominance and CASA spikes**

BBNI's total loans surged by 20.1% yoy from IDR765.46 tn to IDR919.32 tn, far exceeding the broader banking sector's 9.49% YoY growth, the bank '26F guidance as well as our '26F loan growth forecast for BBNI. Corporate dominance remains, grew by 23.5% YoY to IDR525.9 tn, accounted 57.2% of the total loan portfolio, a substantial increased from 55.7% in 1Q25. The highest growth was recorded from middle segment loan which grew by 37.9% YoY, thanks to robust growth in enterprise and commercial sub segment of 47.4% YoY and 26.4% YoY, respectively. Two thumbs up for the consumer segment, which saw a growth (9.1% YoY) that almost doubled comparing to banking industry (consumer) loan growth of 5.88% YoY. On the liabilities front, CASA deposits spiked by +26.6% YoY despite intensifying competition to IDR731.57 tn, thanks to current account spike growth of 39.7% YoY, bringing total third-party fund noted a superb growth of +34.3% YoY to IDR1,100.58 tn from IDR1,040.83 th in the same period of last year.

**NIM within guidance; healthier risk metrics**

BBNI's saw its 1Q26 key performance metrics meets the target across the board. The acceptable NIM pressure (-0.3% YoY to 3.6%) amid the prolonged uncertainty still came in within '26F management guidance of 3.5-3.8%. As expected, the ongoing low interest environment made funding cost drop by -0.26% YoY to 2.46%. We like BBNI's cost to income significant improvement (-3.7% QoQ) to 43.5% from 47.2% in 4Q25. These two ratios will continue to play vital role for BBNI's earnings growth in the remaining quarter of '26F. On asset quality side, all metrics ratio is also making a significant performance from top to bottom. LAR consistently moving to a healthier figure, stood at -2.3% better from 10.9% to 8.6% in 1Q26. NPL gross is well managed on quarterly basis at 1.9% and improves by -0.1% YoY from 2.0% in 1Q25. Meanwhile, credit cost (1.1%) also reaching to a stronger position from 1.5% in the previous quarter to 1.1% (-0.4% QoQ) in 1Q26 and successfully arrive within '26F guidance of 1.0-1.2%.

**Sound achievable '26F guidance**

Amid the continuing global headwinds which impacted to domestic prolonged uncertainty, we believe BBNI 1Q26 earnings result should be categorized as a top-notch. With yields continue to soften, BBNI's path to earnings growth now hinges on managing healthy loan growth. A historically proven of a well-managed funding mix will crucially help the upcoming profitability standstill, resulting to a NIM ratio that steadily within '26F guidance. Stable double-digit non-interest income coupled with manageable cost to income and handy credit cost is also become another solid '26F earnings growth cushion. That said, we believe '26F is achievable, ceteris paribus. BBNI forecasted loan growth to hover within 8-10% yoy with net interest margin at a range of 3.5-3.8% and CoC at 1.0-1.2%.

**Maintain BUY**

Maintain BUY, GGM-TP of IDR4,720 (1.0x '26F P/B), while currently (0.8x) attractively traded at its -2SD '26F P/B. Key downside risks to our target price include a) lower-than-expected loan growth on a wait-and-see stance, b) slower-than-anticipated benchmark rate transmission to CoF due to having priced in c) NIM stagnation triggered by a declining loan yield trend and mild loan growth, d) higher-than-expected CIR and higher CoC due to front loan needs, g) sustained boiling global geopolitical tension uncertainty, and h) weakening IDR/USD. Potential catalyst: a) higher-than-expected loan growth tied with softer loan yield pressure resulting in strong NIM expansion, b) softer-than-anticipated CoC on steady AQ improvement, c) calmer domestic and global uncertainty leading to a consumer and business confidence spike.

**Exhibit 1: Key Statistics**

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net Interest income	40,480	40,333	42,883	48,196	54,098
Non int. Income	24,035	24,643	26,122	28,449	31,025
Operating income	64,515	64,976	69,006	76,645	85,123
Pre-provision operating profit	34,826	34,120	36,563	41,122	45,867
Net income	21,464	20,041	21,265	23,265	25,793
EPS (IDR)	575	537	570	624	692
EPS growth (%)	2.7	(6.6)	6.1	9.4	10.9
PER (x)	7.7	8.2	7.7	7.1	6.4
PBV (x)	1.0	1.0	0.9	0.9	0.9
Div. Yield (%)	6.4	6.5	9.1	9.7	10.6
RoE (%)	14.6	13.7	12.0	12.1	12.8

Source: Company, KBVS Research

Exhibit 2: 1Q26 selected profit and loss, balance sheet and key ratios

Income Statement (IDRbn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)	KBVS '26F	% to '26F	Cons' '26F	% to '26F
Interest income	16,713	18,999	13.7	16,713	18,999	13.7	18,227	4.2				
Interest expenses	(6,879)	(7,973)	15.9	(6,879)	(7,973)	15.9	(7,147)	11.6				
Net interest income	9,834	11,026	12.1	9,834	11,026	12.1	11,080	(0.5)				
Non-interest income	5,131	5,776	12.6	5,131	5,776	12.6	7,391	(21.9)				
Operating expenses	(6,654)	(7,479)	12.4	(6,654)	(7,479)	12.4	(9,025)	(17.1)				
Pre-provision operating profit	8,311	9,323	12.2	8,311	9,323	12.2	9,447	(1.3)				
Provision expenses	(1,760)	(2,418)	37.4	(1,760)	(2,418)	37.4	(3,604)	(32.9)				
Net profit	5,380	5,661	5.2	5,380	5,661	5.2	4,926	14.9	21,265	26.6	21,593	26.2

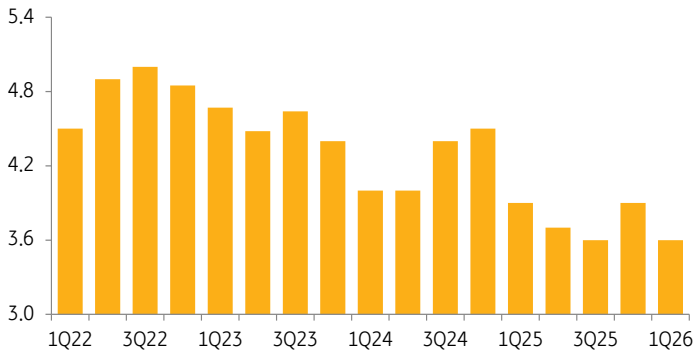
Balance Sheets (IDRbn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
Gross loans	765,469	919,320	20.1	765,469	919,320	20.1	899,531	2.2
Total Deposits	819,581	1,100,582	34.3	819,581	1,100,582	34.3	1,040,834	5.7
Current account	319,983	446,882	39.7	319,983	446,882	39.7	439,499	1.7
Saving account	257,824	284,689	10.4	257,824	284,689	10.4	286,460	(0.6)
Time deposits	241,774	369,011	52.6	241,774	369,011	52.6	314,875	17.2
CASA	577,807	731,571	26.6	577,807	731,571	26.6	725,959	0.8
Total equity	173,014	165,911	(4.1)	173,014	165,911	(4.1)	176,339	(5.9)

Selected Key Performance (%)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
CASA	70.5	66.5	(4.0)	70.5	66.5	(4.0)	69.7	(3.2)
CoF	2.8	2.5	(0.3)	2.8	2.5	(0.3)	2.5	0.0
NIM	3.9	3.6	(0.3)	3.9	3.6	(0.3)	3.9	(0.3)
ROAE	13.3	13.6	0.3	13.3	13.6	0.3	12.5	1.1
ROAA	2.4	2.0	(0.4)	2.4	2.0	(0.4)	2.0	0.0
CIR	43.5	43.5	0.0	43.5	43.5	0.0	47.2	(3.7)
LAR	10.9	8.6	(2.3)	10.9	8.6	(2.3)	8.5	0.1
NPL gross	2.0	1.9	(0.1)	2.0	1.9	(0.1)	1.9	0.0
Credit Cost	0.9	1.1	0.2	0.9	1.1	0.2	1.5	(0.4)
LAR coverage	47.3	45.9	(1.4)	47.3	45.9	(1.4)	46.9	(1.0)
NPL coverage	263.1	204.7	(58.4)	263.1	204.7	(58.4)	205.5	(0.8)
LDR	93.1	83.5	(9.6)	93.1	83.5	(9.6)	86.4	(2.9)
LCR	150.9	149.9	6.9	150.9	149.9	6.9	160.5	(10.6)
NSFR	137.8	136.5	(1.3)	137.8	136.5	(1.3)	141.9	(5.4)
Tier-1 CAR	20.9	17.4	(3.5)	20.9	17.4	(3.5)	19.4	(2.0)

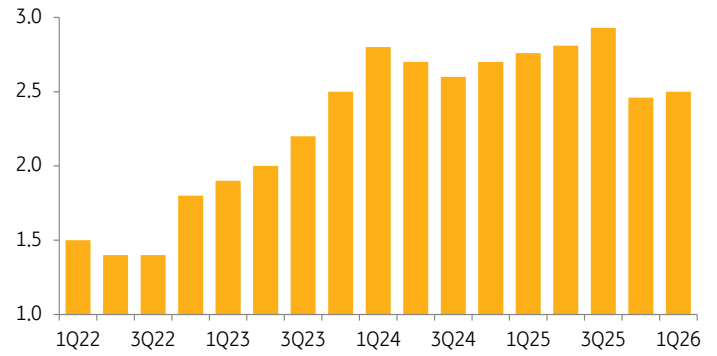
Source: Company, KBVS Research

Exhibit 3: Expect much higher NIM, despite still inline with '26F guidance



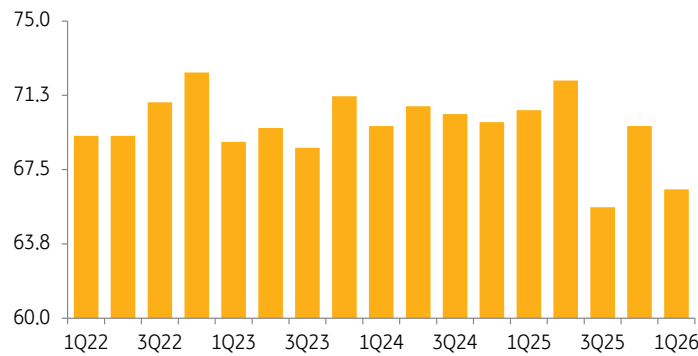
Source: Company, KBVS Research

Exhibit 4: Declining CoF could sustain, benefiting the upcoming margin



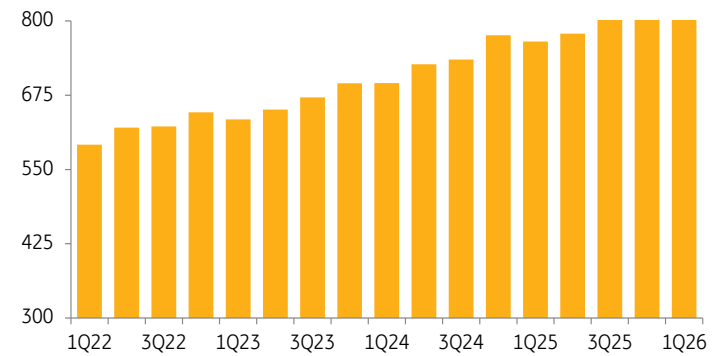
Source: Company, KBVS Research

Exhibit 5: Anticipate stronger CASA portion



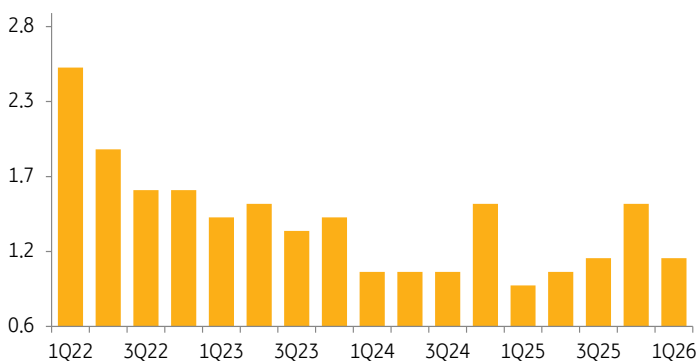
Source: Company, KBVS Research

Exhibit 6: Steady loan growth to offset softening loan yield



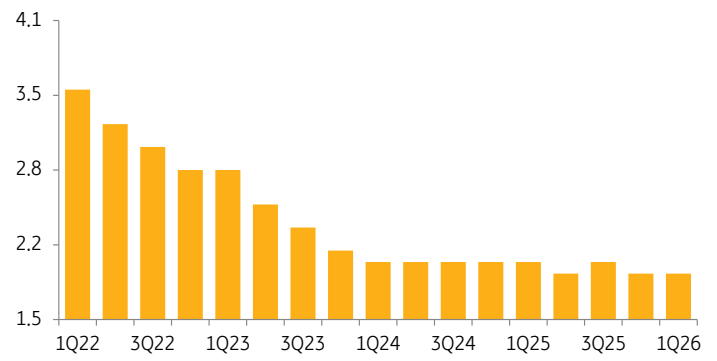
Source: Company, KBVS Research

Exhibit 7: Well managed CoC to continue, with stronger resilient reserves



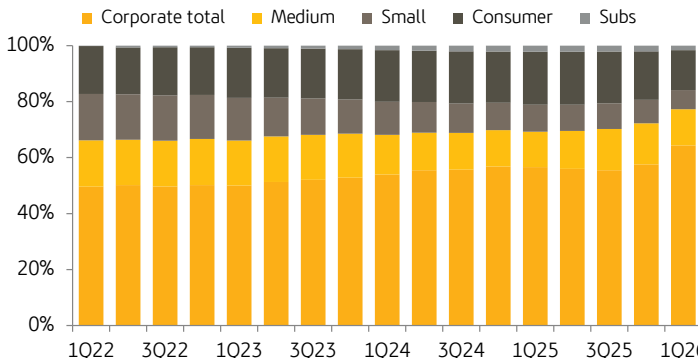
Source: Company, KBVS Research

Exhibit 8: Expect NPL to remain stay low



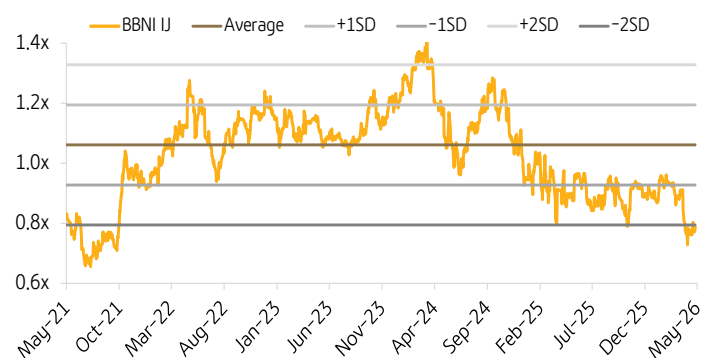
Source: Company, KBVS Research

Exhibit 9: Corporate segment remains intact (%)



Source: Company, KBVS Research

Exhibit 10: Currently attractively traded at 0.8x '26F P/E, at its -2SD



Source: Company, KBVS Research

**FINANCIAL TABLES**
**Exhibit 11: Profit & Loss**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Interest income	66,583	69,394	73,936	83,288	94,073
Interest expenses	(26,103)	(29,061)	(31,053)	(35,092)	(39,975)
Net interest income	40,480	40,333	42,883	48,196	54,098
Non-interest income	24,035	24,643	26,122	28,449	31,025
Total operating income	64,515	64,976	69,006	76,645	85,123
Operating expenses	(29,688)	(30,856)	(32,442)	(35,524)	(39,256)
Pre-provision operating profit	34,826	34,120	36,563	41,122	45,867
Loan loss provision	(8,211)	(9,724)	(9,506)	(11,245)	(12,621)
Pretax profit	26,580	24,397	26,807	29,807	33,046
Net profit	21,464	20,041	21,265	23,265	25,793

**Exhibit 12: Balance sheet**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
<b>Assets</b>					
Cash	13,710	13,352	13,606	14,165	15,151
Current Account at BI	51,669	79,989	108,767	123,582	132,066
Interbank Loans	39,150	59,718	101,217	118,975	113,027
Govt Treas Bills & Sec	132,069	163,513	206,736	234,567	266,633
Investment Securities	48,534	63,017	73,228	87,817	99,008
Loans	737,187	863,670	922,404	996,520	1,080,590
Fixed Assets	30,408	31,113	32,406	34,218	35,692
Other assets	77,079	87,683	129,246	151,330	199,782
<b>Total Asset</b>	<b>1,129,806</b>	<b>1,362,055</b>	<b>1,587,610</b>	<b>1,761,176</b>	<b>1,941,950</b>
<b>Liabilities</b>					
Interbank Deposit	18,548	11,563	6,580	7,466	(849)
Customer Deposit	805,511	1,040,834	1,315,969	1,493,128	1,697,240
Debts Sec and Subordinates	73,605	71,644	42,769	45,540	30,550
Other Liabilities	64,955	61,675	37,747	25,124	18,259
<b>Total liabilities</b>	<b>962,619</b>	<b>1,185,715</b>	<b>1,403,065</b>	<b>1,571,258</b>	<b>1,745,201</b>
<b>Equity</b>					
Capital Stock	9,055	9,055	9,055	9,055	9,055
Additional Paid-in Capital	17,010	17,010	17,010	17,010	17,010
Retained Earnings	118,664	123,855	134,011	141,104	149,449
Other Equity	17,729	21,810	19,629	17,666	15,900
Shareholder's Equity	162,458	171,730	179,706	184,835	191,413
Non-controlling Interest	4,729	4,609	4,840	5,082	5,336
<b>Total Equity</b>	<b>167,187</b>	<b>176,339</b>	<b>184,545</b>	<b>189,917</b>	<b>196,749</b>

**Exhibit 13: Key performance metrics**

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
NIM	4.2	3.8	3.6	3.8	4.0
LDR	95.9	86.1	73.1	69.6	66.6
CASA	69.9	72.5	75.1	74.7	74.3
NPL	2.0	1.9	1.8	1.7	1.5
ROAE	13.7	12.0	12.1	12.8	13.7
ROAA	1.9	1.6	1.4	1.4	1.4
CAR	19.5	17.1	18.2	18.2	18.2
BVPS (IDR)	4,356	4,604	4,818	4,956	5,132
PER (x)	7.7	8.2	7.7	7.1	6.4
PBV (x)	1.0	1.0	0.9	0.9	0.9
Div. Yield	6.4	6.5	9.1	9.7	10.6

Source: Company, KBVS Research

## Our Analysts

**Fikri C Permana**  
Head of Equity Research  
Strategy and Economics  
fikri.permana  
@kbvalbury.com

**Akhmad Nurcahyadi**  
Senior Equity Analyst  
Banks, Consumer, Cigarettes, Auto  
akhmad.nurcahyadi  
@kbvalbury.com

**Andre Suntono**  
Senior Equity Analyst  
Retail, Poultry, Healthcare  
andre.suntono  
@kbvalbury.com

**Steven Gunawan**  
Senior Equity Analyst  
Telco, Tower, Property  
steven.gunawan  
@kbvalbury.com

**Michael Handisurya**  
Technical Analyst  
michael.handisurya  
@kbvalbury.com

**Khairunnisa Nadhifah**  
Associate Economist  
khairunnisa.nadhifah  
@kbvalbury.com

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## KB Valbury Sekuritas Head Office

Sahid Sudirman Center 41st Floor Unit A-C  
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,  
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia  
T. (021) 25098300  
F. (021) 25098400

## Branch Office

### Jakarta - Kelapa Gading

Rukan Plaza Pasifik  
Jl. Boulevard Barat Raya Blok A1 No. 10  
Jakarta Utara 14240  
T. (021) 29451577

### Denpasar

Jl. Teuku Umar No. 177  
Komplek Ibis Styles Hotel  
Denpasar Bali 80114  
T. (0361) 3338080

### Palembang

Komplek PTC Mall Blok I No. 7  
Jl. R. Sukanto  
Palembang 30114  
T. (0711) 2005050

### Semarang

Jl. Gajahmada 23A,  
Kecamatan Semarang Tengah,  
Kelurahan Kembang Sari 50241  
T. (024) 40098080

### Pontianak

Jl. Prof. M Yamin No. 14  
Kotabaru, Pontianak Selatan  
Kalimantan Barat 78116  
T. (0561) 8069000

### Pekanbaru

Jl. Tuanku Tambusai, Komplek CNN  
Blok A No. 3 Pekanbaru 28291  
T. (0761) 839393

### Jakarta - Puri Indah

Rukan Grand Aries Niaga Blok E1 No. IV  
Jl. Taman Aries, Kembangan  
Jakarta Barat 11620  
T. (021) 22542390

### Bandung

Jl. Abdul Rivai No. 1A,  
Kel. Pasirkaliki, Kec. Cicendo  
Bandung 40171  
T. (022) 3005153

### Yogyakarta

Jl. Magelang KM 5.5 No. 75  
Yogyakarta 55000  
T. (0274) 8099090

### Surabaya

Pakuwon Center Lt 21  
Jl. Embong Malang No.1  
Surabaya 60261  
T. (031) 21008080

### Makassar

Komplek Ruko Citraland City Losari  
Business Park, Blok B2 No. 09  
Jl. Citraland Boulevard Makassar 90111  
T. (0411) 6000818

### Jakarta - Pluit

Jl. Pluit Putra Raya No. 2  
Jakarta Utara 14450  
T. (021) 6692119

### Malang

Jl. Pahlawan Trip No. 7  
Malang 65112  
T. (0341) 585888

### Banjarmasin

Jl. Gatot Subroto No. 33  
Banjarmasin 70235  
T. (0511) 3265918

### Padang

Jl. Proklamasi No. 60A  
Padang Timur 25121  
T. (0751) 8688080

### Medan

Komplek Golden Trade Center  
Jl. Jenderal Gatot Subroto No. 18-19  
Medan 20112  
T. (061) 50339090

## Investment Gallery

### Jakarta

Citra Garden 6 Ruko Sixth Avenue  
Blok J.1 A/18, Cengkareng  
Jakarta Barat 11820  
T. (021) 52392181

### Semarang

Jl. Jati Raya No. D6,  
Sronдол Wetan, Banyumanik,  
Semarang 50263  
T. (024) 8415195

### Salatiga

Jl. Diponegoro No. 68  
Salatiga 50711  
T. (0298) 313007

### Jambi

Jl. Orang Kayo Hitam  
No. 48 B  
Jambi Timur 36123  
T. (0741) 3068533