

Inline 7M25 PATMI, yet below consensus'

3 September 2025



<b>BBNI IJ</b>	<b>BUY</b>
Sector	Banks
Price at 2 Sept 2025 (IDR)	4,310
Price target (IDR)	5,110
Upside/Downside (%)	18.6

Stock Information

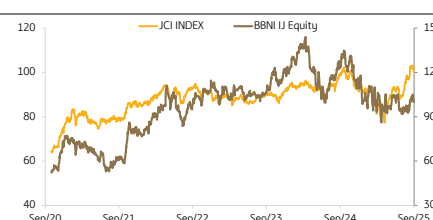
PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	163,362
Shares outstanding (mn)	37,297
52-week range (IDR)	3,610-5,850
3M average daily vol. ('000)	48,700
3M average daily val. (IDR mn)	205,914

Shareholders (%)

Republic of Indonesia	60.0
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	7.7	(3.8)	(19.3)

BBNI's 7M25 bank only results presented a mixed picture, showing both challenges and signs of resilience. The primary headwind was a challenging top-line environment, which impacted profitability, while the bank also demonstrated healthy loan growth and proven low-cost funding strategy. In all, BBNI 7M25 bank-only earnings arrive in line with our expectation (57.7% vs 58.3%), yet below consensus at a run-rate of only 53.8%. The stock has shown notable momentum, delivering a 5.8% capital gain since a recent report and a strong 7.7% month-over-month return, which was the second-highest among its peers. The outlook anticipates continued NIM consistency, supported by steady and softer funding costs. Credit costs are seen as a crucial factor that will drive stronger earnings growth in the latter half of 2025. Maintain BUY, GGM-based TP of IDR 5,110 (1.1x '25F P/B), while currently at 0.9x '25F P/B or at its -1SD of 0.9x.

7M25 bank only earnings in line with KBVs, yet below consensus'

BBNI reported a challenging 7M25, with net income declining 5.2% yoy yet grew positive on monthly stand-alone, inched up by 2.6% yoy. The challenge was primarily driven by a combination of factors such as tepid top-line growth. Net interest income saw only small single-digit growth due to a challenging top line (+3.6% yoy) and a 8.8% yoy increase in funding costs, despite the growth rate significantly moderating from the 31.4% YoY seen last year. Non-interest income was only +2.5% yoy higher, which, coupled with flattish NII, resulted in a -2.7% YoY PPOP of IDR 18.40tn. Provisions were 5.6% yoy higher (still softer than previous period), impacted by an additional IDR542.6bn in Jul25, further weighing on the bottom line. However, despite the continuing earnings pressure, BBNI 7M25 bank-only PATMI arrive in line with our '25F net income for BBNI at 57.7% vs 58.3% and below consensus expectation at a run-rate of only 53.8%.

Healthy loan growth; proven low-cost funding strategy

Amid persistent market concern and prolonged uncertainty, BBNI's total loans still experienced a healthy growth of 6.3% yoy, driven mainly by corporate and institutional as well as consumer segment of payroll and mortgage. The 7M25 loan growth came in aligned with our '25F loan growth expectation for BBNI of 7.0%. We like BBNI deposit composition. The bank's funding strategy to build strong CASA transactional is proving successful, as evidenced by a substantial total TOF 19.4% yoy. Robust demand deposit and solid SA has brought total CASA grew by 19.4% yoy to IDR625.72bn. On year-to-date basis, the bank saw high-funding cost segment (TDs) grew (12.5% yoy) far below its demand deposit growth of 20.7% ytd and around 175bps lower compared CASA growth of 14.3% ytd. Worth to note that its low-funding cost (SA) fund has been consistently on the uptrend in three consecutive months from 7.5% to 10.6% and 11.9% yoy in Jul25.

Resilient AQ; NIM pressure continue, yet inline

BBNI continues to face NIM compression, just like other banks and banking industry as a whole. Nevertheless, 7M25 bank only NIM still arrive within management '25F NIM aspirations and our expectation (BBNI: ≥ 3.8%, KBVS: 3.7%). Cost of deposits consistently declining, while blended interest expenses has been improving to 8.8% yoy in 7M25 and far below 7M24 growth of 31.4% yoy. On key risk metric, credit cost also remains within '25F guidance and our forecast of ±1.0% and 1.2%, respectively. The bank also still demonstrated a solid earnings asset composition, with loan-to-asset at 65.4% and higher marketable sec to total asset. LDR stood at a much healthier position from 97.4% to 86.7% in 7M25.

Anticipate slight correction; better earnings to validate intrinsic price

Although foreign ownership of BBNI stock hasn't grown as much as its peers, the stock has shown notable momentum. Since our report on July 29, 2025, BBNI has delivered a 5.5% 1-month capital gain, and its month-over-month return of 7.5% was the second highest among its peers (average: 4.0%). Despite a recent rally in banking stocks, we anticipate a healthy market correction. Many stocks have now moved from their previous -2SD levels closer to their average and -1SD. We expect the net interest margin to stay consistent with management guidance, helped by steady softer funding costs. We believe that credit costs will be a crucial factor in driving stronger earnings growth in the third and fourth quarters of 2025.

Maintain BUY, GGM TP of IDR5,110

Maintain BUY with GGM-based TP of IDR 5,110 (1.1x '25F P/B), while currently trading at 0.9x '25F P/B or at its -1SD of 0.9x. Key downside risks to our target price include: a) lower-than-expected loan growth; b) prolonged tight liquidity environment and stable attractive SRBI high yield; c) NIM stagnation d) higher-than-expected CoF and CoC; f) deteriorating asset quality; g) prolonged trade war uncertainty, mild economic activity, motionless wait & see stance, steady weakening purchasing power and household loan confidence.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	41,276	40,480	39,419	40,944	42,897
Non int. Income	21,472	24,035	26,042	28,353	30,817
Operating income	62,747	64,515	65,461	69,297	73,714
Pre-provision operating profit	34,970	34,826	33,849	35,574	37,715
Net income	20,909	21,464	20,566	21,800	23,471
EPS (IDR)	561	575	551	584	629
EPS growth (%)	14.2	2.7	(4.2)	6.0	7.7
PER (x)	7.7	7.5	7.8	7.4	6.8
PBV (x)	1.1	1.0	0.9	0.9	0.8
Div. Yield (%)	4.6	6.5	6.7	6.4	6.8
RoE (%)	14.6	13.7	12.3	12.2	12.2

Source: Company, KBVS Research

Analyst

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**Exhibit 2: BBNI 7M25 bank only results – selected profit and loss**

Selected P&L (IDRbn)	7M24	7M25	YoY (%)	Jul-24	Jul-25	YoY (%)	MoM (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons
Interest income	37,057	38,389	3.6	5,589	5,782	3.5	2.6				
Interest expense	(14,879)	(16,194)	8.8	(2,055)	(2,543)	23.7	5.4				
Net interest income	22,178	22,195	0.1	3,534	3,239	-8.3	0.6				
Non Int Inc & others	11,763	12,055	2.5	1,805	2,029	12.4	19.0				
Opex	(15,022)	(15,845)	5.5	(2,398)	(2,626)	9.5	19.8				
PPOP	18,919	18,405	(2.7)	2,941	2,642	-10.2	-3.3				
Provision	(3,859)	(4,076)	5.6	(549)	(543)	-1.2	-20.3				
Net Profit	12,518	11,870	(5.2)	1,944	1,730	-11.0	2.6	20,566	57.7	22,079	53.8

Source: Company, KBVS Research

**Exhibit 3: BBNI 7M25 bank only results – selected profit and loss (monthly stand-alone)**

Selected P&L monthly stand-alone (IDRbn)	Apr-25	May-25	Jun-25	Jul-25	MoM (%)	Jul-24	Jul-25	YoY (%)	Jan-25	Jul-25	YTD (%)
Interest income	5,346	5,397	5,633	5,782	2.6	5,589	5,782	3.5	5,477	5,782	5.6
Interest expense	(2,281)	(2,295)	(2,413)	(2,543)	5.4	(2,055)	(2,543)	23.7	(2,303)	(2,543)	10.4
Net interest income	3,065	3,102	3,220	3,239	0.6	3,534	3,239	(8.3)	3,174	3,239	2.1
Non Int Inc & others	1,683	1,698	1,706	2,029	19.0	1,805	2,029	12.4	1,567	2,029	29.5
Opex	(2,207)	(2,295)	(2,193)	(2,626)	19.8	(2,398)	(2,626)	9.5	(2,266)	(2,626)	15.9
PPOP	2,540	2,505	2,732	2,642	(3.3)	2,941	2,642	(10.2)	2,474	2,642	6.8
Provision	(737)	(607)	(681)	(543)	(20.3)	(549)	(543)	(1.2)	(514)	(543)	5.5
Net Profit	1,494	1,582	1,686	1,730	2.6	1,944	1,730	(11.0)	1,630	1,730	6.2

Source: Company, KBVS Research

**Exhibit 4: BBNI 7M25 bank only results – selected balance sheet**

Selected BS (IDRbn)	4M25	5M25	6M25	7M25	7M24	7M25	YoY (%)	1M25	7M25	YTD (%)
Total Loan	757,579	755,446	763,257	763,655	718,663	763,655	6.3	749,824	763,655	1.8
Total Equity	160,154	162,349	164,245	152,458	147,793	158,373	7.2	160,154	158,373	(1.1)
Total deposits	774,280	774,928	805,642	811,640	737,509	880,668	19.4	774,280	880,668	13.7
Demand deposits	297,051	298,626	315,526	328,824	285,126	358,421	25.7	297,051	358,421	20.7
Savings deposits	250,615	251,102	257,009	255,316	238,803	267,297	11.9	250,615	267,297	6.7
Time Deposits	226,614	225,201	233,107	227,500	213,580	254,951	19.4	226,614	254,951	12.5
CASA	547,667	549,728	572,535	584,140	523,929	625,717	19.4	547,667	625,717	14.3

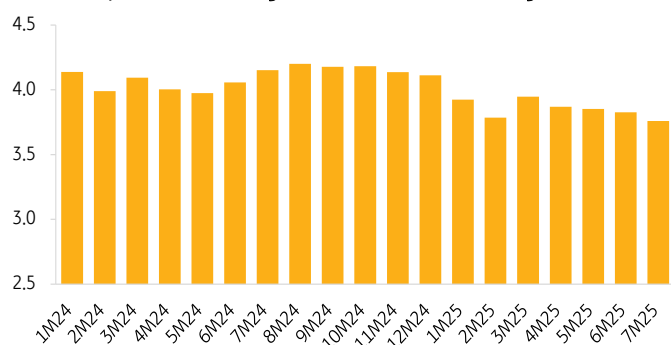
Source: Company, KBVS Research

**Exhibit 5: Banking stock under our coverage foreign ownership (%)**

Ticker	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	35.9%	35.5%	35.0%	35.0%	35.3%	34.9%	34.5%	34.3%	0.31%	-1.59%	-1.90%	36.4%	34.5%	34.3%	-2.2%	-0.2%
BBRI IJ	31.0%	30.7%	30.3%	30.0%	30.4%	30.1%	30.1%	30.6%	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.6%	-3.5%	0.5%
BMRI IJ	33.5%	32.7%	32.0%	31.4%	31.6%	31.3%	30.7%	30.8%	0.27%	-2.75%	-3.03%	34.2%	30.7%	30.8%	-3.4%	0.1%
BBNI IJ	26.1%	25.9%	24.5%	24.0%	24.0%	24.1%	24.0%	23.9%	-1.04%	-2.13%	-1.09%	26.1%	24.0%	23.9%	-2.2%	-0.1%
BBTN IJ	10.7%	10.0%	10.5%	10.0%	10.1%	10.1%	9.9%	10.1%	0.65%	-0.62%	-1.26%	10.8%	9.9%	10.1%	-0.7%	0.2%
BRIS IJ	4.6%	4.9%	4.7%	4.8%	5.3%	5.4%	5.8%	5.9%	0.89%	1.32%	0.44%	4.3%	5.8%	5.9%	1.6%	0.1%
Average	23.6%	23.3%	22.8%	22.5%	22.8%	22.7%	22.5%	22.6%	-0.2%	-1.0%	-0.8%	24.3%	22.5%	22.6%	-1.7%	0.1%

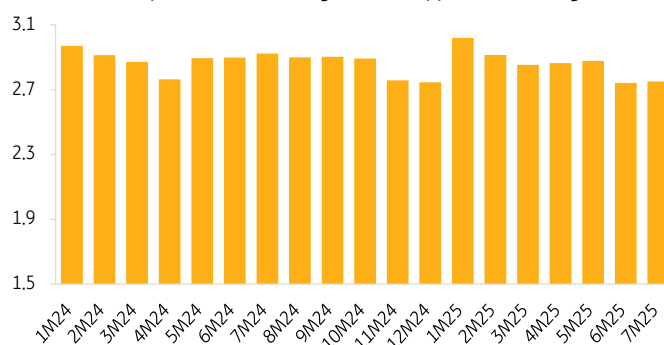
Source: KSEI, KBVS Research

Exhibit 6: Expect NIM to steady and continue arrive within guidance (%)



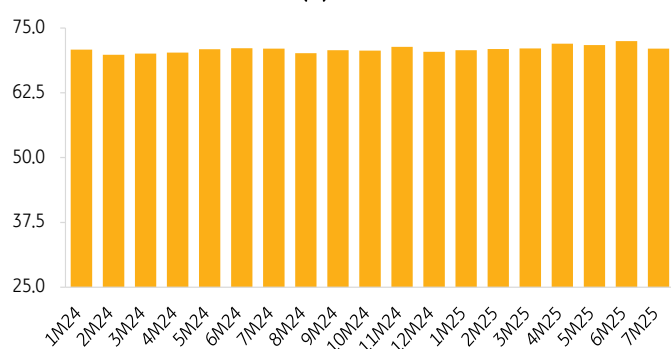
Source: Company, KBVS Research

Exhibit 7: Anticipated softer funding cost to support better NII growth (%)



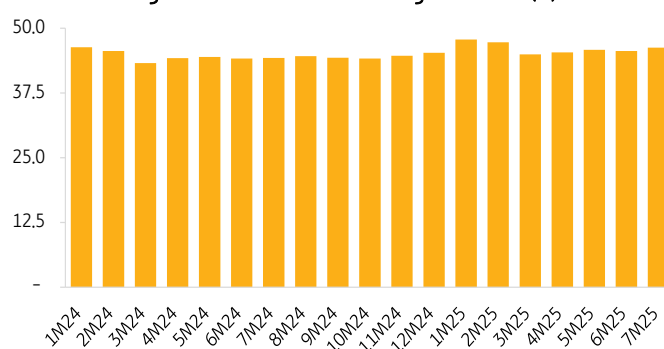
Source: Company, KBVS Research

Exhibit 8: Solid CASA to continue (%)



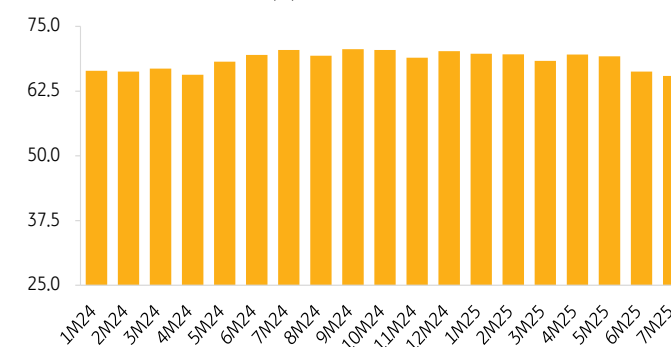
Source: Company, KBVS Research

Exhibit 9: Manageable CIR as additional catalyst for PPOp (%)



Source: Company, KBVS Research

Exhibit 10: Solid loan to asset (%)



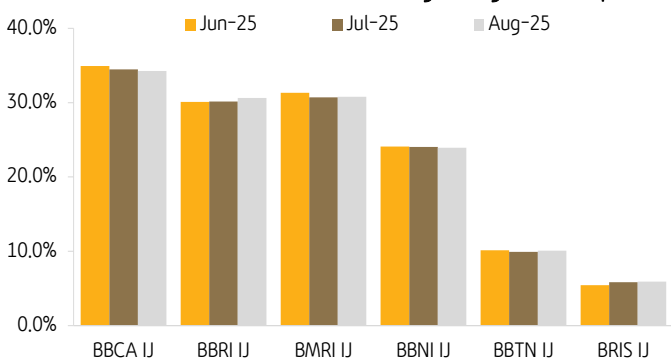
Source: Company, KBVS Research

Exhibit11: Stocks under coverage foreign ownership

Ticker	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	0.31%	-1.59%	-1.90%	36.4%	34.5%	34.3%	-2.2%	-0.2%
BBRI IJ	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.6%	-3.5%	0.5%
BMRI IJ	0.27%	-2.75%	-3.03%	34.2%	30.7%	30.8%	-3.4%	0.1%
BBNI IJ	-1.04%	-2.13%	-1.09%	26.1%	24.0%	23.9%	-2.2%	-0.1%
BBTN IJ	0.65%	-0.62%	-1.26%	10.8%	9.9%	10.1%	-0.7%	0.2%
BRIS IJ	0.89%	1.32%	0.44%	4.3%	5.8%	5.9%	1.6%	0.1%
Average	-0.2%	-1.0%	-0.8%	24.3%	22.5%	22.6%	-1.7%	0.1%

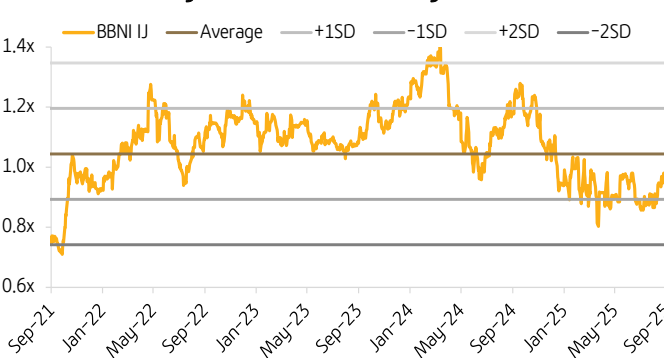
Source: Company, KBVS Research

Exhibit 12: Latest 3 month stocks under coverage foreign ownership



Source: KSE, KBVS Research

Exhibit 13: Currently (0.9x '25F P/B) attractively trades at its -1SD



Source: Company, Bloomberg, KBVS Research

**FINANCIAL TABLES**
**Exhibit 14: Profit & Loss**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	61,472	66,583	66,413	70,074	74,312
Interest expenses	(20,196)	(26,103)	(26,994)	(29,130)	(31,415)
<b>Net interest income</b>	<b>41,276</b>	<b>40,480</b>	<b>39,419</b>	<b>40,944</b>	<b>42,897</b>
Non-interest income	21,472	24,035	26,042	28,353	30,817
Total operating income	62,747	64,515	65,461	69,297	73,714
<b>Operating expenses</b>	<b>(27,778)</b>	<b>(29,688)</b>	<b>(31,612)</b>	<b>(33,723)</b>	<b>(35,999)</b>
<b>Pre-provision operating profit</b>	<b>34,970</b>	<b>34,826</b>	<b>33,849</b>	<b>35,574</b>	<b>37,715</b>
Loan loss provision	(9,196)	(8,211)	(7,631)	(7,799)	(8,062)
Pretax profit	25,640	26,580	25,967	27,525	29,583
<b>Net profit</b>	<b>20,909</b>	<b>21,464</b>	<b>20,566</b>	<b>21,800</b>	<b>23,471</b>

**Exhibit 15: Balance sheet**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Assets</b>					
Cash	11,207	13,710	13,575	14,721	15,286
Current Account at BI	65,256	51,669	68,455	68,510	82,312
Interbank Loans	78,817	39,150	80,961	84,947	90,876
Govt Treas Bills & Sec	127,100	132,069	86,122	92,527	100,908
Investment Securities	37,165	48,534	41,084	47,363	53,428
Loans	647,927	737,187	793,766	855,466	930,112
Fixed Assets	27,765	30,408	33,613	37,095	40,206
Other assets	91,426	77,079	84,206	92,058	98,431
<b>Total Asset</b>	<b>1,086,663</b>	<b>1,129,806</b>	<b>1,201,783</b>	<b>1,292,687</b>	<b>1,411,559</b>
<b>Liabilities</b>					
Interbank Deposit	11,894	18,548	15,095	17,605	20,713
Customer Deposit	810,730	805,511	861,222	925,270	1,009,083
Debts Sec and Subordinates	52,772	73,605	79,385	83,669	90,744
Other Liabilities	56,535	64,955	68,357	75,498	87,613
<b>Total liabilities</b>	<b>931,931</b>	<b>962,619</b>	<b>1,024,058</b>	<b>1,102,043</b>	<b>1,208,153</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	107,236	118,664	128,079	139,819	149,388
Other Equity	16,830	17,729	18,615	19,546	22,478
Shareholder's Equity	150,131	162,458	172,759	185,431	197,931
Non-controlling Interest	4,602	4,729	4,965	5,214	5,474
<b>Total Equity</b>	<b>154,733</b>	<b>167,187</b>	<b>177,725</b>	<b>190,644</b>	<b>203,405</b>

**Exhibit 16: Key performance metrics**

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM	4.6	4.2	3.7	3.8	3.8
LDR	85.7	96.3	96.4	96.4	95.7
CASA	71.2	69.9	69.8	69.6	69.8
NPL	2.1	2.0	1.9	1.8	1.7
ROAE	14.6	13.7	12.3	12.2	12.2
ROAA	2.0	1.9	1.8	1.7	1.7
CAR	18.8	19.5	19.5	18.2	18.2
BVPS (IDR)	4,025	4,356	4,632	4,972	5,307
PER (x)	7.7	7.5	7.8	7.4	6.8
PBV (x)	1.1	1.0	0.9	0.9	0.8
Div. Yield	4.6	6.5	6.7	6.4	6.8

Source: Company, KBVS Research

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## Investment Gallery

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