

## 1Q25 earnings: inline

30 April 2025



<b>BBNI IJ</b>	<b>BUY</b>
Sector	Banks
Price at 30 April 2025 (IDR)	4,140
Price target (IDR)	5,920
Upside/Downside (%)	43.0

### Stock Information

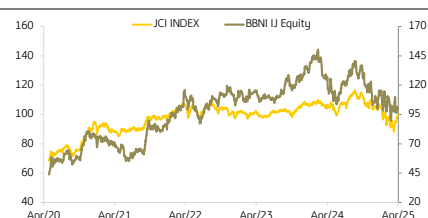
PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	154,411
Shares outstanding (mn)	37,297
52-week range (IDR)	3,610-5,850
3M average daily vol. ('000)	88,324
3M average daily val. (IDR mn)	373,941

### Shareholders (%)

Republic of Indonesia	60.0
Public	45.1

### Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(2.4)	(13.2)	(21.1)

BBNI's 1Q25 came inline with street and our '25F for BBNI at a run rate of 23.2%/23.4% compared to 23.8%, while on quarterly basis the 1Q25 net income of IDR 5.38tn (4.4% qoq), was inline vs consensus expectation of IDR 5.24tn and beating our 1Q25F for BBNI net profit of IDR 5.21tn. BBNI demonstrated robust loan growth, surpassing industry, our '25F loan growth for BBNI and around 10bps above BBNI '25F high range guidance of 10.0% yoy. Ongoing liquidity constraints resulted in a plateau in total third-party funds (5.0% yoy). Yet we like the TPF driver growth which came from solid saving account of 10.25% yoy. We expect a much higher NIM in the upcoming quarter (1Q25 flattish NIM still very closed with guidance). We believe key risk metrics will continue to stay low (1Q25 at 0.9%, beating management guidance and our '25F for BBNI. Maintain Buy, GGM TP of IDR6,300 (1.3x '25F P/B), currently trades at 0.9x '25F P/B, at its -1SD.

### 1Q25 earnings: inline

BBNI's FY24 earnings growth was a modest 1.0% yoy, primarily driven by mild interest income (5.3% yoy) and 6.1% yoy higher funding cost, bringing net interest income growth at only 4.7% yoy. Flattish Non-IT and increasing opex (4.3% yoy) has push PPOp grew by 1.6% yoy. Worth to note, despite the flat growth, 1Q25 PATMI of IDR5.38tn came in line with street and our '25F for BBNI at a run rate of 23.2%/23.4% compared to 23.8%. Additionally, on quarterly basis BBNI reported a much better quarterly result driven by a sharp drop in provisions (36.5% qoq). 1Q25 net income stood at IDR 5.38tn (4.4% qoq), inline vs consensus expectation of IDR 5.24tn and beating our 1Q25F for BBNI net profit of IDR 5.21tn.

### Robust loan continues (10.1% yoy)

Total loan grew by 10.1% yoy slightly above management guidance of 8.0%-10.0% and 2.12% above our loan growth expectation for BBNI and exceeding both industry trends (9.16% yoy). The 1Q25 loan growth was propelled by the corporate segment, which saw a resurgence in demand, expanding 16.0% yoy, primarily driven by a 17.0% yoy increase in private and institutional portfolios. The consumer segment also contributed significantly, with 13.0% yoy growth, fuelled by robust expansion in mortgages (12.5% yoy) and personal loans (13.7% yoy).

### Solid SA growth of 10.2% yoy, amid continuing challenging deposit growth

Persistent liquidity pressures remain. Yet, we still like the overall total TPF growth of 5.0% yoy, which mainly driven by saving account segment of 10.2% yoy and significantly outpacing high funding cost (time deposit) growth of just 2.1% yoy. On quarterly basis, TD was declined by 0.2% qoq and main driver for total TPF growth was came from current account segment (4.7% qoq). CASA grew by 6.3% yoy, 2.6% qoq bringing the total portion to 70.5% and around 80bps higher vs 69.7% in 1Q24

### Flattish NIM still very closed with guidance, CoC beating '25F guidance

Despite flattish NIM of 3.9% vs 4.0% in 1Q24, it still came in very close to BBNI's 25F guidance for NIM of 4.0%-4.2% (KBVS '25F NIM for BBNI: 4.0%). Cost of fund were motionless at 2.8% vs 2.8% in 1Q24 and we expect to remain at low level to support the overall profitability improvement in the upcoming quarter. On key risk metrics, we like the well managed gross non-performing loan at 2.0% vs 2.0% in 1Q24. Loan at risk continue its downward trend, declining by 240bps to 10.9% vs 13.3% and improves by 60bps from 10.3% in 4Q24. Cost of credit stood at 0.9%, beating management guidance of  $\pm 1.0\%$  (KBVS '25F CoC for BBNI: 1.0%).

### '25F aspiration sound achievable; 1H25 numbers will be pivotal

The bank expects loan growth to hover within the range of 8.0%-10.0% yoy this year (1Q25 = 10.1% yoy). On profitability side, net interest margin is forecasted to arrive between 4.0%-4.2% yoy (1Q25 = 3.94%), while key risk metrics (cost of credit) is expected to came in at around  $\pm 1.0\%$ . In all, we believe '25F guidance sound achievable driven by manageable asset quality, stable loan growth and softer funding cost. Our main concern remains in continuing stiffer deposit competition which could disrupt the potential lower funding cost in the banking system. Additionally, we believe the 1H25 earnings will serve as a crucial barometer for the global trade war's true cost. Moreover, the erosion of buying power and the struggles of the middle class cast a significant shadow over our 2025 earnings projections.

### Maintain BUY, GGM TP of IDR5,920

Maintain BUY. We adjusting our risk free and MRP by 75bps and 18bps to accommodate the previous banking stock massive sell-off. Our new GGM-based TP of IDR 5,920 is pegged at 1.2x '25F P/B (previously 1.3x '25F P/B). The stock is currently attractively trading at its -1SD historical mean of 0.9x '25F P/B. Key downside risks to our target price include: 1) deteriorating NIM and AQ; 3) worsening NPL; 4) lower-than-anticipated interest income coupled with rising funding costs; 5) a slowdown in economic activity; 6) persistently attractive SRBI yields; 7) a prolonged "higher for longer"; 8) a strengthening US dollar (DXY); and 9) sustained market uncertainty.

### Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	41,276	40,480	42,477	44,792	47,408
Non int. Income	21,472	24,035	26,042	28,353	30,817
Operating income	62,747	64,515	68,519	73,145	78,224
Pre-provision operating profit	34,970	34,826	36,907	39,421	42,225
Net income	20,909	21,464	22,988	24,847	27,049
EPS (IDR)	561	575	616	666	725
EPS growth (%)	14.2	2.7	7.1	8.1	8.9
PER (x)	7.4	7.2	6.7	6.2	5.7
PBV (x)	1.0	1.0	0.9	0.8	0.8
Div. Yield (%)	4.7	6.8	7.0	7.4	8.0
RoE (%)	14.6	14.6	13.7	14.1	14.4

Source: Company, KBVS Research

### Analyst

Akhmad Nurcahyadi

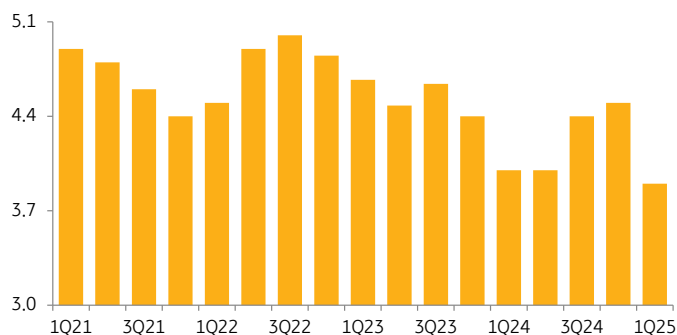
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**Exhibit 2: BBNI 1Q25 results – selected P&L, BS and key ratios**

Income Statement (IDRbn)	1Q24	1Q25	YoY (%)	3M24	3M25	YoY (%)	4Q24	QoQ (%)	KBVS '25F	% to '25F KBVS	Cons' '25F	% to '25F Cons
Interest income	15,875	16,713	5.3	15,875	16,713	5.3	17,747	(5.8)				
Interest expenses	(6,485)	(6,879)	6.1	(6,485)	(6,879)	6.1	(6,705)	2.6				
Net interest income	9,390	9,834	4.7	9,390	9,834	4.7	11,042	(10.9)				
Non-interest income	5,440	5,415	(0.5)	5,440	5,415	(0.5)	7,198	(24.8)				
Total operating income	14,830	15,249	2.8	14,830	15,249	2.8	18,240	(16.4)				
Operating expenses	(6,649)	(6,937)	4.3	(6,649)	(6,937)	4.3	(8,700)	(20.3)				
Pre-provision operating profit	8,181	8,312	1.6	8,181	8,312	1.6	9,540	(12.9)				
Provision expenses	(1,744)	(1,793)	2.8	(1,744)	(1,793)	2.8	(2,824)	(36.5)				
Net profit	5,326	5,380	1.0	5,326	5,380	1.0	5,155	4.4	22,988	23.4	23,166	23.2
Balance Sheets (IDRbn)	1Q24	1Q25	YoY (%)	3M24	3M25	YoY (%)	4Q24	QoQ (%)				
Gross loans	695,162	765,469	10.1	695,162	765,469	10.1	775,872	(1.3)				
Current account	309,546	319,983	3.4	309,546	319,983	3.4	305,734	4.7				
Saving account	233,958	257,824	10.2	233,958	257,824	10.2	257,544	0.1				
Time deposits	236,726	241,774	2.1	236,726	241,774	2.1	242,233	(0.2)				
Total Deposits	780,230	819,581	5.0	780,230	819,581	5.0	805,511	1.7				
CASA	543,504	577,807	6.3	543,504	577,807	6.3	563,278	2.6				
Total equity	149,702	173,014	15.6	149,702	173,014	15.6	167,187	3.5				
Selected Key Performance (%)	1Q24	1Q25	YoY (%)	3M24	3M25	YoY (%)	4Q24	QoQ (%)				
NIM	4.0	3.9	-0.1	4.0	3.9	-0.1	4.5	(0.6)				
CASA	69.7	70.5	0.800	69.7	70.5	0.8	69.9	0.6				
CIR	43.2	43.8	0.6	43.2	43.8	0.6	46.6	(2.8)				
CoF	2.8	2.8	0.0	2.8	2.8	0.0	2.7	0.1				
ROAE	14.5	13.3	-1.2	14.5	13.3	-1.2	12.9	0.4				
ROA (Pre-tax)	2.5	2.4	-0.1	2.5	2.4	-0.1	2.4	0.0				
LDR	89.0	93.1	4.1	89.0	93.1	4.1	96.1	(3.0)				
Loan yield	7.5	7.4	-0.1	7.5	7.4	-0.1	7.7	(0.3)				
NPL gross	2.0	2.0	0.0	2.0	2.0	0.0	2.0	0.0				
NPL coverage	330.2	263.1	-67.1	330.2	263.1	-67.1	255.8	7.3				
CoC	1.0	0.9	-0.1	1.0	0.9	-0.1	1.5	(0.6)				
LAR	13.3	10.9	-2.40	13.3	10.9	-2.4	10.3	0.60				

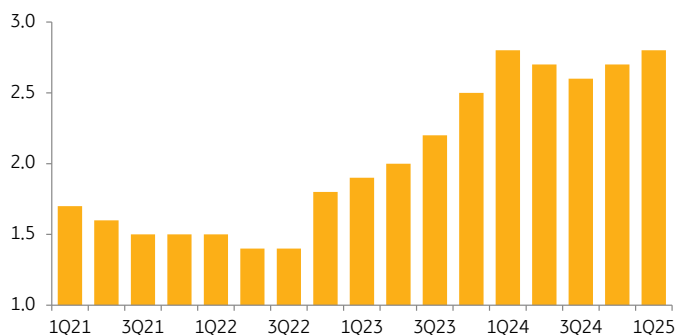
Source : Company, KB Valbury Sekuritas

Exhibit 3: Expect manageable NIM to continue



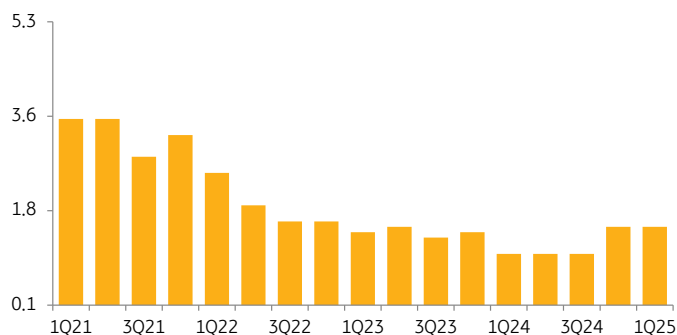
Source: Company, KBVS Research

Exhibit 4: Expect better deposit mix and stronger impact from wondr



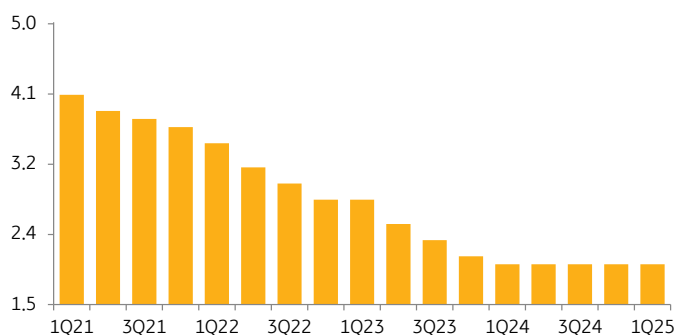
Source: Company, KBVS Research

Exhibit 5: 1Q25 CoC beating management guidance of  $\pm 1.0\%$



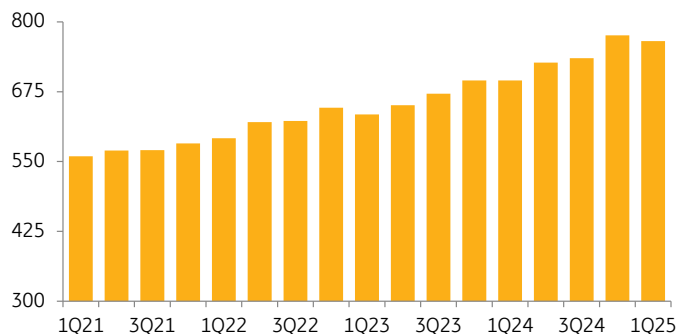
Source: Company, KBVS Research

Exhibit 6: Healthier risk metrics (gross NPL) remain intact



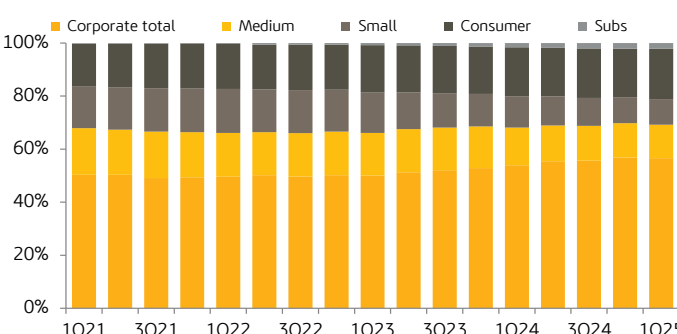
Source: Company, KBVS Research

Exhibit 7: Robust loan growth remains intact (%)



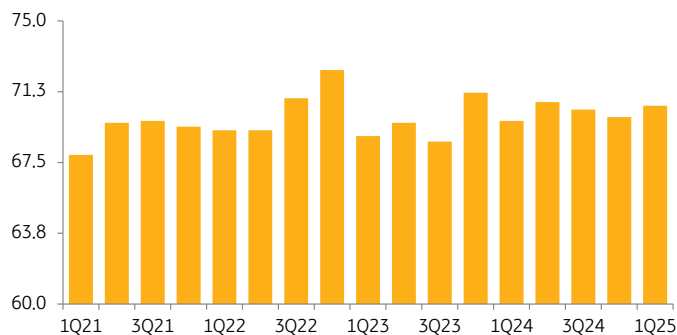
Source: Company, KBVS Research

Exhibit 8: Corporate and consumer segment to continue play crucial role (%)



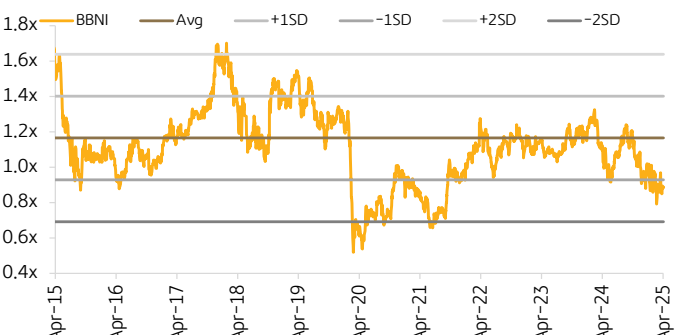
Source: Company, KBVS Research

Exhibit 9: Expect stronger CASA improvement



Source: Company, KBVS Research

Exhibit 10: Attractively trades at its -1SD his. Mean of 0.9x '25F P/B



Source: Company, Bloomberg, KBVS Research

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

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	61,472	66,583	70,713	75,251	80,263
Interest expenses	(20,196)	(26,103)	(28,236)	(30,459)	(32,856)
Net interest income	41,276	40,480	42,477	44,792	47,408
Non-interest income	21,472	24,035	26,042	28,353	30,817
Total operating income	62,747	64,515	68,519	73,145	78,224
Operating expenses	(27,778)	(29,688)	(31,612)	(33,723)	(35,999)
Pre-provision operating profit	34,970	34,826	36,907	39,421	42,225
Loan loss provision	(9,196)	(8,211)	(7,631)	(7,799)	(8,062)
Pretax profit	25,640	26,580	29,026	31,373	34,093
Net profit	20,909	21,464	22,988	24,847	27,049

**Exhibit 12: Balance sheet**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Assets</b>					
Cash	11,207	13,710	14,379	15,499	16,683
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	801,378	871,131	949,556
Fixed Assets	27,765	30,408	33,613	37,095	40,206
Other assets	91,426	77,079	83,269	90,312	96,554
<b>Total Asset</b>	<b>1,086,663</b>	<b>1,129,806</b>	<b>1,209,261</b>	<b>1,307,385</b>	<b>1,430,523</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	73,413	85,937	100,264
<b>Total liabilities</b>	<b>931,931</b>	<b>962,619</b>	<b>1,029,115</b>	<b>1,112,482</b>	<b>1,220,804</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	130,501	144,078	155,701
Other Equity	16,830	17,729	18,615	19,546	22,478
Shareholder's Equity	150,131	162,458	175,181	189,689	204,244
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>180,147</b>	<b>194,903</b>	<b>209,719</b>

**Exhibit 13: Key performance metrics**

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM	4.6	4.2	4.0	4.1	4.2
LDR	85.7	96.3	97.3	98.0	97.7
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	14.1	14.4	14.5
ROAA	2.0	1.9	2.0	2.0	2.0
CAR	18.8	19.5	19.7	18.2	18.2
BVPS (IDR)	4,025	4,356	4,697	5,086	5,476
PER (x)	7.4	7.2	6.7	6.2	5.7
PBV (x)	1.0	1.0	0.9	0.8	0.8
Div. Yield	4.7	6.8	7.0	7.4	8.0

Source: Company, KBVS Research

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