

Navigating modest growth; inline 5M25 earnings

1 July 2025



BBNI IJ	BUY
Sector	Banks
Price at 30 June 2025 (IDR)	4,100
Price target (IDR)	5,920
Upside/Downside (%)	44.4

Stock Information

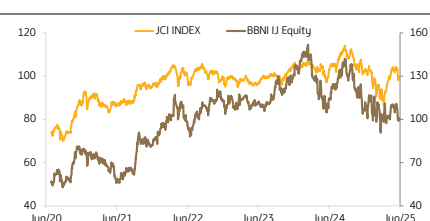
PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	153,664
Shares outstanding (mn)	37,297
52-week range (IDR)	3,610–5,850
3M average daily vol. ('000)	80,874
3M average daily val. (IDR mn)	343,775

Shareholders (%)

Republic of Indonesia	60.0
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(8.7)	(3.3)	(12.0)

Analyst

Akhmad Nurcahyadi
akhmad.nurcahyadi@kbvalbury.com

BBNI saw a marginal 1.3% yoy dip in 5M25 bank-only earnings, yet remains inline with '25F run-rate (36.8% KBVs / 36.5% cons. vs. 39%). This resilience comes despite moderate loan growth of 6.6% yoy, predominantly fueled by the corporate and consumer segments. Total TPF edged up a slight 1.3% yoy, underscoring tighter liquidity and intensified deposit competition. Critically, the SA segment emerged as the key growth driver, boosting CASA by 2.5% yoy. Assuming another flat growth in 1H25, earnings at consolidated level to remain inline achieving a run-rate of 46.3% vs. 49.1%. We maintain conviction that BBNI's '25F lower range NIM aspiration is possible, underpinned by manageable loan demand, robust yields, and meticulously managed CoF, primarily driven by sustained strong savings deposit growth. Maintain BUY with GGM-based TP of IDR 5,920 (1.2x '25F P/B), while currently at 0.9x '25F P/B or at its -1SD of 0.9x.

Flattish 5M25 earnings; inline

BBNI's bank-only results for 5M25 showed modest single-digit growth across the board, leading to a slight 1.3% yoy dip in earnings to IDR 8.45tn. While funding costs continued to soften, only increasing by 4.0% yoy, a subdued 3.4% yoy topline growth meant net interest income inched up by just 3.0% yoy. Higher opex (5.7% yoy), combined with a lack of strong Non-IL, resulted in flat PPoP at IDR 13.03 trillion. The primary driver behind the 1.3% lower earnings was a marginal increase in provisions. The standalone May25 results painted a more positive picture, with a 5.9% mom growth in earnings to IDR 1.58tn, largely propelled by a lower CoC. In all, 5M25 PATMI are still in line '25F, achieving a run-rate of 36.8% (KBVs) / 36.5% (cons) vs. 39%.

Moderate loan growth amidst tight liquidity, CASA shines

Total loans expanded moderately by 6.6% yoy, reflecting persistent market uncertainty. Growth was predominantly fueled by the corporate and consumer segments. Meanwhile, total TPF edged up a mere 1.3% yoy (IDR 799tn), constrained by ongoing liquidity tightness and intense deposit competition. Notwithstanding muted TPF growth, a notable trend emerged: high-cost funding consistently declined. This was supported by a robust 7.5% yoy growth in savings deposits, propelling the CASA portion 2.5% higher yoy to IDR 573.1tn. This shift towards cheaper funding sources bodes well for future profitability amidst challenging conditions.

NIM pressure persists, capital and AQ remain resilient

BBNI continues to face NIM compression, with the 5M25 NIM settling at 3.85%, a modest 2bps lower vs. 3.87% and down 7bps yoy from 3.92% in 5M24. Despite the NIM pressure, the bank successfully maintained its LDR below 95% and significantly bolstered its capital position by 230 bps ytd from 96.8%. Further reinforcing BBNI's outlook, CASA ratio notably improved by 81 bps yoy and 99 bps ytd to 71.7% in 5M25, signaling a favorable shift in funding mix. On the risk front, BBNI continues to exhibit robust asset quality management. The NPL ratio remains well-controlled at 2.0% (KBVs '25F NPL: 1.9%), with no significant shock downgrades. Adequate provisioning without threatening credit costs underscores a consistently well-managed and solid asset quality. Notably, the 5M25 Cost of Credit (CoC) at 1.0% aligns impeccably with BBNI's '25F aspirations (KBVs '25F CoC: 1.0%).

1H25 possible stay inline; '25F guidance still looks achievable

Assuming stable Jun25 growth metrics and flat earnings, our scenario analysis projects BBNI's bank-only 1H25 PATMI at IDR 10.56tn (-0.1% YoY) is still arrive in line with a 49.0% run-rate (vs. 49.4% expectation). On a consolidated basis, our 1H25F forecast of IDR 10.64tn represents a 46.3% run-rate, also in line vs 49.1%. While consensus 1H25 run-rates of around 45.8% might fall short due to higher FY25 expectations. Additionally, we expect no adjustment to BBNI's '25F guidance in the coming months. We believe the bank can achieve the lower end of its '25 NIM guidance (4.0%-4.2%), supported by improving loan growth, manageable yields, and controlled interest expenses driven by stronger SA growth outpacing high funding costs. Furthermore, we expect the bank to prudently manage its CoC at approximately 1.0% for '25F, consistent with its guidance.

Maintain BUY, GGM TP of IDR5,920

Maintain BUY with GGM-based TP of IDR 5,920 (1.2x '25F P/B), while currently at 0.9x '25F P/B or at its -1SD of 0.9x. Key downside risks to our target price include: 1) slower loan growth; 2) worsening NIM and AQ; 3) higher than expected CoC, CoF, and NPL. 4) mild economic activity, 5) uninterrupted weakening rupiah currency, 7) worsening Middle East tension; and 8) prolonged uncertainty to jeopardize growth confidence.

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)	7.3	7.1	6.7	6.2	5.7
PBV (x)	1.0	0.9	0.9	0.8	0.7
Div. Yield (%)	4.8	6.8	7.0	7.5	8.1
RoE (%)	14.6	13.7	14.1	14.4	14.5

Source: Company, KBVS Research

Exhibit 2: Cumulative and monthly stand-alone bank only selected profit and loss

Selected P&L (IDRbn)	5M24	5M25	YoY (%)	May-24	May-25	YoY (%)	MoM (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons
Interest income	26,091	26,974	3.4	5,330	5,397	1.3	1.0				
Interest expense	(10,809)	(11,238)	4.0	(2,255)	(2,295)	1.8	0.6				
Net interest income	15,282	15,736	3.0	3,075	3,102	0.9	1.2				
Non Int Inc & others	8,182	8,320	1.7	1,700	1,698	(0.1)	0.9				
Opex	(10,432)	(11,026)	5.7	(2,169)	(2,295)	5.8	3.9				
PPOP	13,032	13,030	(0.0)	2,606	2,505	(3.9)	(1.4)				
Provision	(2,807)	(2,853)	1.6	(579)	(607)	4.8	(17.6)				
Net Profit	8,569	8,454	(1.3)	1,705	1,582	(7.2)	5.9	22,988	36.8	23,166	36.5

Source: Company, KBVS Research

Exhibit 3: Cumulative and monthly stand-alone bank only selected profit and loss

Selected P&L (IDRbn) monthly stand-alone	Jan-25	Feb-25	Mar-25	Apr-25	May-25	May-24	May-25	YoY (%)	MoM (%)
Interest income	5,477	5,008	5,746	5,346	5,397	5,330	5,397	1.3	1.0
Interest expense	(2,303)	(2,089)	(2,270)	(2,281)	(2,295)	(2,255)	(2,295)	1.8	0.6
Net interest income	3,174	2,920	3,476	3,065	3,102	3,075	3,102	0.9	1.2
Non Int Inc & others	1,567	1,647	1,727	1,683	1,698	1,700	1,698	(0.1)	0.9
Opex	(2,266)	(2,133)	(2,125)	(2,207)	(2,295)	(2,169)	(2,295)	5.8	3.9
PPOP	2,474	2,434	3,078	2,540	2,505	2,606	2,505	(3.9)	(1.4)
Provision	(514)	(455)	(540)	(737)	(607)	(579)	(607)	4.8	(17.6)
Net Profit	1,630	1,664	2,084	1,494	1,582	1,705	1,582	(7.2)	5.9

Source: Company, KBVS Research

Exhibit 4: Cumulative and monthly stand-alone selected balance sheet

Selected Balance Sheet (IDRbn)	5M24	5M25	YoY (%)	May-24	May-25	YoY (%)	Jan-25	May-25	Ytd (%)
Total Loan	708,899	755,446	6.6	708,899	755,446	6.6	749,824	755,446	0.7
Total deposits	788,458	799,022	1.3	788,458	799,022	1.3	774,280	799,022	3.2
Demand deposits	323,441	319,644	(1.2)	323,441	319,644	(1.2)	297,051	319,644	7.6
Savings deposits	235,670	253,419	7.5	235,670	253,419	7.5	250,615	253,419	1.1
Time Deposits	229,347	225,959	(1.5)	229,347	225,959	(1.5)	226,614	225,959	(0.3)
CASA	559,111	573,063	2.5	559,111	573,063	2.5	547,667	573,063	4.6

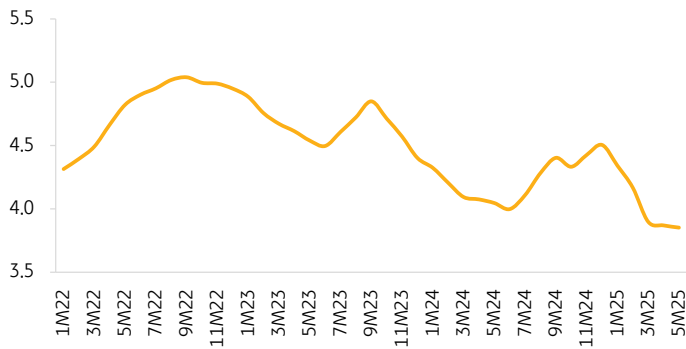
Source: Company, KBVS Research

Exhibit 5: Cumulative selected key ratio

Selected key ratios	1M25	2M25	3M25	4M25	5M25	5M24	5M25	YoY (%)	Ytd (%)
NIM	4.3	4.2	3.9	3.9	3.9	4.0	3.9	(0.2)	(0.5)
Loan yield	7.6	7.4	7.4	7.3	7.3	7.4	7.3	(0.1)	(0.3)
Cost of Deposit	2.7	2.7	2.7	2.8	2.7	2.7	2.7	0.0	0.1
Cost of credit	1.0	1.0	0.9	1.0	1.0	1.0	1.0	0.0	0.0
CASA	70.7	70.9	71.1	72.0	71.7	70.9	71.7	0.8	1.0
Loan to deposits	96.8	95.7	93.1	93.3	94.5	89.9	94.5	4.6	(2.3)
Cost to income	47.8	47.3	45.0	45.3	45.8	44.5	45.8	1.4	(2.0)
RoE	12.3	12.3	13.2	13.0	13.2	14.4	13.2	(1.2)	0.9

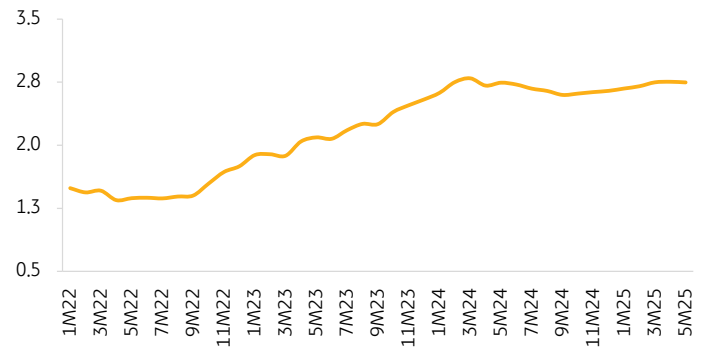
Source: Company, KBVS Research

Exhibit 6: Expect better NIM on more solid deposit mix and



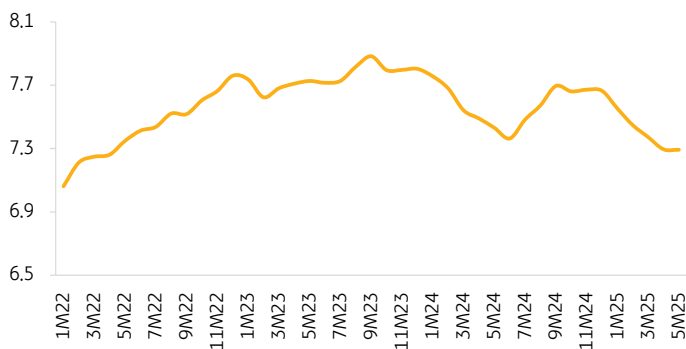
Source: Company, KBVS Research

Exhibit 7: Softening funding cost to continue



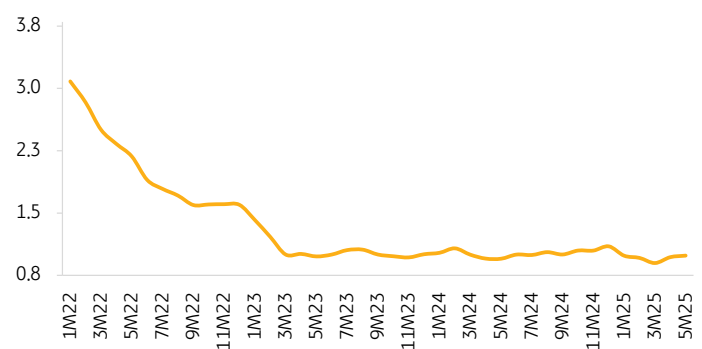
Source: Company, KBVS Research

Exhibit 8: Limited room for loan yield, as expected



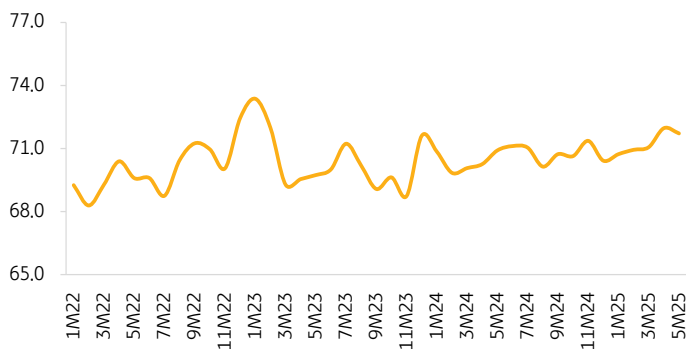
Source: Company, KBVS Research

Exhibit 9: CoC to continue at low level, supporting the upcoming month earnings



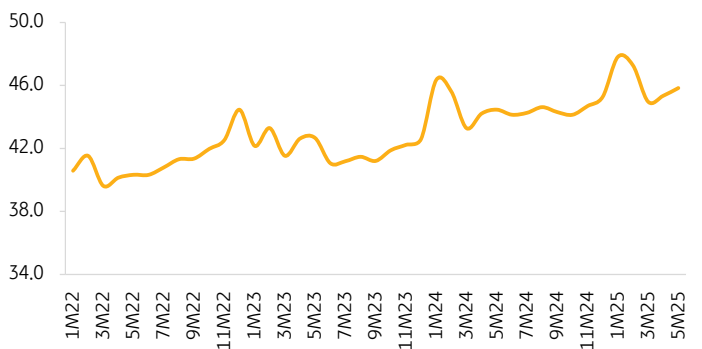
Source: Company, KBVS Research

Exhibit 10: Stable CASA to underpinned net interest income growth



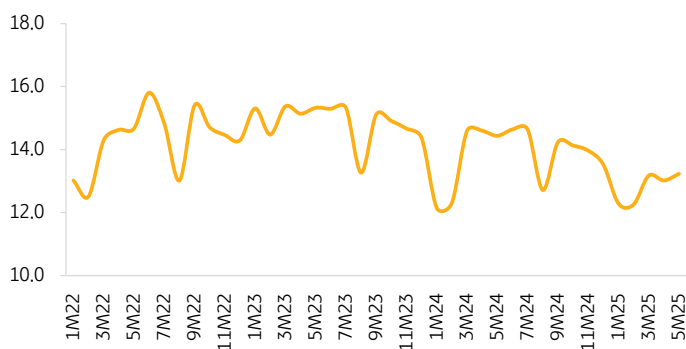
Source: Company, KBVS Research

Exhibit 11: Expect improving cost to income



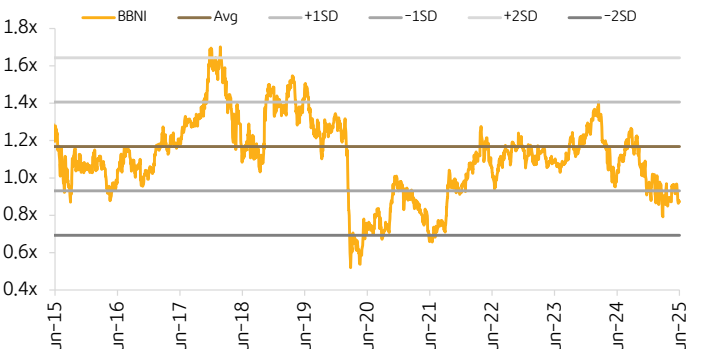
Source: Company, KBVS Research

Exhibit 12: Steady RoE to underpinned valuation



Source: Company, KBVS Research

Exhibit 13: Currently trading at 0.9x '25F P/B, at its -1SD of 0.9x.



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
Assets					
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
Total Asset	1,086,663	1,129,806	1,209,261	1,307,385	1,430,523
Liabilities					
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
Total liabilities	931,931	962,619	1,029,115	1,112,482	1,220,804
Equity					
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
Total Equity	154,733	167,187	180,147	194,903	209,719

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)	7.3	7.1	6.7	6.2	5.7
PBV (x)	1.0	0.9	0.9	0.8	0.7
Div. Yield	4.8	6.8	7.0	7.5	8.1

Source: Company, KBVS Research

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will be related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.

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. +62 21 – 250 98 300
F. +62 21 – 255 33 778

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta Utara 11620
T. (021) 29451577

Jakarta – Puri Indah

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

Jakarta – Pluit

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

Bandung

Jl. HOS Cokroaminoto No. 82
Bandung 40171
T. (022) 87255800

Malang

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

Banjarmasin

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

Pekanbaru

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

Palembang

Komplek PTC Mall Blok I No. 7
Jl. R. Sukanto
Palembang 30114
T. (0711) 5700281

Surabaya

Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 2955788

Padang

Jl. Kampung Nias II No. 10,
Padang 25211
T. (0751) 8955747

Yogyakarta

Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 623111

Semarang

Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T. (024) 8501122

Makassar

Komplek RUKO Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0241) 16000818

Medan

Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T. (061) 88816222

Denpasar

Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 522392181

Semarang

Jl. MT Haryono 637
Semarang 50242
T. (024) 8415195

Salatiga

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

Solo

Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 6726306