

BUY (Maintained)
Target Price (IDR) 5,300 (from 4,900)
Potential Upside (%) 14.5

Cons. Target Price (IDR) 5,031
SSI vs. Cons (%) 105.3

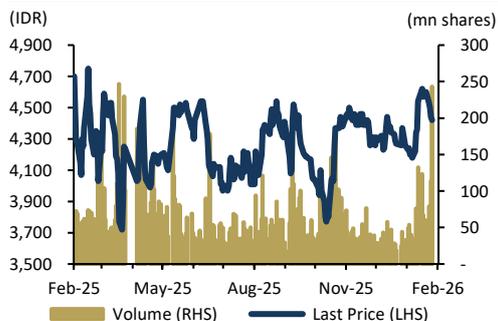
Stock Information

Last Price (IDR) 4,630
Market Cap. (IDR tn) 172.3
52-Weeks High/Low (IDR) 4,780/3,610
3M Avg. Daily Value (IDR bn) 222.9
Free Float (%) 40.0
Shareholders (%):
Government 60.0
Public 40.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	5.7	8.5	3.8	(1.7)
JCI Return	(6.4)	(7.5)	(1.8)	14.4
Relative	12.1	15.9	5.6	(16.1)

Stock Price & Volumes, 12M



Company Background

As the third-largest state-owned bank in Indonesia by total assets, BBNI maintains strong emphasis on corporate banking. The bank's extensive international presence allows efficient support toward cross-border business transactions, including serving Indonesian diaspora.

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In Focus: Digital, Funding & Risk Discipline

Maintain BUY with raised TP to IDR 5,300 (1.1x 2026F PBV) on solid loan growth. In our view, BBNI's management continues to execute well on its digital and funding strategy, value-chain lending, and SME franchise, laying the groundwork for earnings recovery as CoF trends lower and loan growth remains solid. In 2026F, management guides for loan growth of 8–10%, NIM ranging 3.5–3.8%, and CoC between 1.0–1.2%. While persistent NIM pressure and consumer asset-quality risks could pose some downside to earnings, these are balanced by upside from faster CASA accumulation, robust digital traction, and a solid risk buffer. Thus, we retain BUY rating on BBNI with higher TP of IDR 5,300, implying 1.1x 2026F PBV, 52% discount to the sector (Figure 3).

1Q26 result expectations: Net profit +1.1% QoQ, -7.5% YoY; NIM down to 3.8%. Looking ahead, we expect BBNI to book 1Q26 net profit of IDR 4.9tn (+1.1% QoQ, -7.5% YoY) on the back of low base provision in 1Q25. In 4Q25, BBNI posted consolidated net profit of IDR 4.9tn (-1.9% QoQ, -4.5% YoY), bringing FY25 bottom line to IDR 20.0tn (-6.6% YoY), broadly in line with our estimate (98.7% of FY25F) and consensus (98.4%). Quarterly performance was impacted by a sharp increase in provisioning (+54% QoQ), with CoC reaching 1.5% (1Q26: 1.1%, FY26: 1.0%) in 4Q25 (up from 1.1% in 3Q25), mainly due to overlays for Sumatra's flood and continued caution in the retail segment. Net interest income rebounded +13.8% QoQ, supported by strong growth in loans and deposits, while NIM improved slightly to 3.9%, +30bps QoQ (FY26 NIM: 3.6%, -20bps YoY) but remained below 2024's 4.2%. 4Q25 non-interest income also strengthened, +11.2% QoQ to IDR 7.3tn (1Q26: IDR 6.4tn, -13.4% QoQ) on higher fee-based income and recoveries, though FY25 PPOP slipped -1.9% YoY (FY26: +3.4% YoY).

Manageable liquidity in FY26 on acceleration of CASA and loan growth. We anticipate liquidity to remain manageable in 2026F (LDR: 86.5%, +100bps YoY), supported by continued deposit granularity and digital acquisition. Liquidity franchise was solidified in 4Q25, with consolidated CASA up +28.9% YoY (to IDR 726tn) and third-party funds rising +29.2% YoY, comfortably funding robust loan growth of +15.9% YoY (+10.8% QoQ). Growth was broad-based, led by strong expansions in the corporate (+20% YoY) and SME (+20% YoY) segments, alongside healthy gains in SME non-KUR (+15% YoY). Digital initiatives remained a key driver, as BNI Direct and Wondr continued to post double-digit user growth and transaction frequency (+36% YoY), supporting stable CASA ratio at 69.7% despite temporary fluctuations from gov't liquidity placements.

Assets quality resilient; coverage buffers strengthened amid higher overlays. We forecast asset quality to remain stable in 2026 (FY26 NPL: 2.0%), amid steady underlying credit trends. Assets quality further improved, with gross NPLs declining to 1.9% (from 2.0% in 3Q25), LAR dropping sharply to 8.5% (from 10.4%), and LAR coverage rising to 47%. Management maintained a prudent stance, front-loading provisions for external shocks (notably flood-related overlays) and keeping NPL coverage robust at 205.5%. Write-offs moderated (-18% YoY), while the recovery-to-write-off ratio improved to 36.5%, reflecting successful clean-up of legacy exposures and disciplined risk management. FY25 CoC stood at 1.2%, slightly above guidance, with 2026F at 1.0–1.2% as BBNI expects more normalized credit cost amid improving macro conditions.

Forecasts and Valuations (at closing price IDR 4,630 per share)

Y/E Dec	23A	24A	25A	26F	27F
Net Interest Income (IDRbn)	41,276	40,480	40,333	41,678	45,702
Pre-prov op. Profit (IDRbn)	34,970	34,826	34,120	35,264	38,965
Net Profit (IDR bn)	20,909	21,464	20,041	20,744	22,287
EPS (IDR)	561	576	538	557	598
EPS Growth (%)	14.2	2.7	(6.6)	3.5	7.4
P/E Ratio (x)	8.2	8.0	8.6	8.3	7.7
BVPS (IDR)	4,034	4,360	4,609	4,881	5,184
P/BV Ratio (x)	1.1	1.1	1.0	0.9	0.9
DPS (IDR)	197	281	374	269	278
Dividend Yield (%)	4.2	6.1	8.1	5.8	6.0
ROAE (%)	14.6	13.7	12.0	11.7	11.9

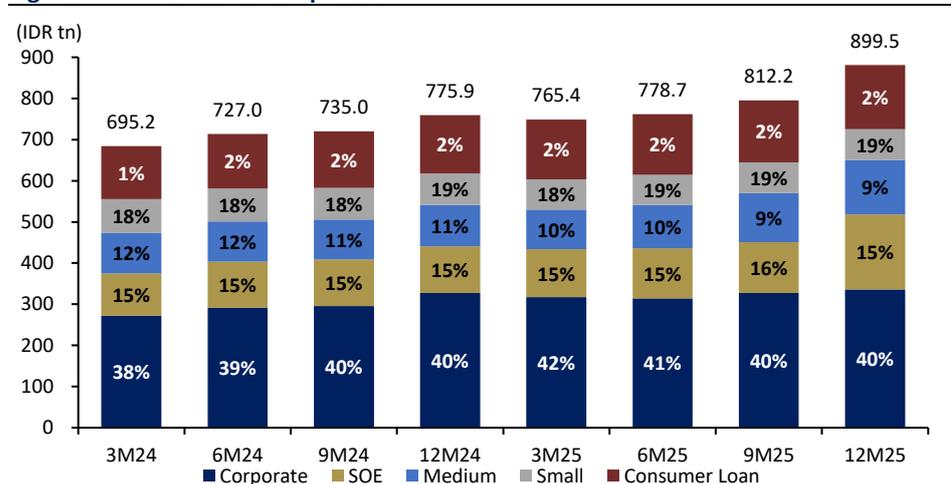
Figure 1. BBNI's 4Q25 Results

(IDRbn)	4Q25	QoQ (%)	YoY (%)	12M24	12M25	YoY (%)	12M25/ SSI	12M25/ Cons.
Net interest income	11,080	13.8	0.3	40,480	40,333	(0.4)	-	-
Non-interest income	7,391	11.2	2.7	24,035	24,643	2.5	-	-
Total operating income	18,471	12.8	1.3	64,515	64,976	0.7	101.2	100.2
Provisions	4,375	137.8	67.1	7,787	9,930	27.5	-	-
Operating profit	5,843	(4.8)	(13.0)	26,616	24,395	(8.3)	-	-
Net profit	4,926	(1.9)	(4.5)	21,464	20,041	(6.6)	98.7	98.4
Key ratios (%)								
Net interest margin (%)	-	-	-	4.2	3.8	-	-	-
Loan/deposit (%)	-	-	-	96.3	86.4	-	-	-
Capital adequacy (%)	-	-	-	21.4	20.7	-	-	-
Gross NPL (%)	-	-	-	2.0	1.9	-	-	-
ROAE (%)	-	-	-	13.9	12.2	-	-	-

Sources: Company, SSI Research

4Q25 earnings were impacted by sharp increases in provisionings (+137.8% QoQ), mainly driven by overlays for Sumatra floods and continued caution in retail segment

Figure 2. BBNI's Loans Composition



Sources: Company, SSI Research

Loan growth was led by strong expansions in corporate (+20% YoY) and medium/SME segments (+20% YoY), alongside healthy growth in SME non-KUR (+15% YoY)

Figure 3. BBNI's Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2026F			
							NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	968	7,850	9,600	(11,655)	22.3	6.0	9.4	3.3	20.5
BBRI	BUY	590	3,890	4,400	1,363	13.1	7.7	10.7	1.8	19.9
BMRI	BUY	469	5,025	5,700	(4,600)	13.4	5.3	7.8	1.5	19.9
BBNI	BUY	174	4,660	5,300	(902)	13.7	3.9	3.5	1.0	13.0
BNLI	SPEC-BUY	122	4,150	6,200	(0)	49.4	4.2	12.2	3.2	7.9
BRIS	BUY	111	2,400	3,100	(275)	29.2	5.2	10.7	1.9	16.5
BINA	SPEC-BUY	29	4,690	7,000	0	49.3	2.9	107.6	7.4	6.7
ARTO	BUY	26	1,640	2,700	866	64.6	2.0	81.8	2.5	2.0
PNBN	BUY	26	1,065	1,700	(55)	59.6	4.5	10.6	0.5	8.5
BBTN	BUY	19	1,320	1,600	216	21.2	3.8	18.4	0.4	19.1
BBKP	SPEC-BUY	14	75	100	20	33.3	2.6	154.4	1.7	8.1
BCIC	SPEC-BUY	3	150	270	0	80.0	2.4	13.1	0.6	7.9
Sector	OVERWEIGHT	2,548			(4,998)	21.2	5.9	11.9	2.4	18.4

Source: SSI Research

At current levels, BBNI provides 13.7% share price upside potential, supported by 2026F forward P/BV of 1.0x, reflecting 58% discount relative to the sector

Financial Highlights

Profit and Loss						
Y/E (IDRbn)	22A	23A	24A	25A	26F	27F
Interest income	54,659	61,472	66,583	69,394	74,148	81,363
Interest expense	(13,338)	(20,196)	(26,103)	(29,061)	(32,470)	(35,662)
Net interest income	41,321	41,276	40,480	40,333	41,678	45,702
Non-interest income	20,151	21,472	24,035	24,643	26,671	28,877
Total operating income	61,472	62,747	64,515	64,976	68,349	74,578
Operating expenses	(27,059)	(27,778)	(29,688)	(30,856)	(33,085)	(35,613)
Loan loss provisions	(11,514)	(9,196)	(8,211)	(9,724)	(10,007)	(11,827)
Operating profit	22,899	25,773	26,616	24,396	25,257	27,138
Non-operating inc./(exp.)	(212)	(134)	(35)	2	2	2
Pre-tax profit	22,687	25,640	26,580	24,397	25,259	27,141
Corporate tax	(4,205)	(4,534)	(4,911)	(4,286)	(4,438)	(4,768)
Minorities	(170)	(197)	(206)	(70)	(77)	(85)
Net profit	18,312	20,909	21,464	20,041	20,744	22,287

We retain a cautious stance on BBNI with 2026F earnings growth projected at 3.5%, as NIM compression from loan mix dilution and competitive wholesale pricing is likely to offset solid loan growth amid lingering liquidity uncertainty

Balance Sheet						
Y/E (IDRbn)	22A	23A	24A	25A	26F	27F
Placement with other banks	51,569	43,794	17,075	33,780	34,793	35,837
Loans	646,188	695,085	775,872	899,531	981,127	1,075,183
Government bonds	121,291	127,099	132,072	163,513	163,545	164,016
Other interest-bearing assets	102,957	124,224	109,688	134,391	143,945	154,726
Impairment	(51,856)	(48,157)	(38,831)	(36,063)	(24,416)	(15,855)
Net earnings assets	870,150	942,044	995,876	1,195,152	1,298,994	1,413,907
Cash on hand	11,165	9,062	12,703	11,664	12,802	12,823
Fixed assets	28,832	30,090	31,412	32,801	34,261	35,796
Other assets	119,690	105,648	89,814	122,438	116,775	122,819
Total assets	1,029,837	1,086,844	1,129,806	1,362,055	1,462,832	1,585,345
Customer deposits	769,269	810,730	805,511	1,040,834	1,122,199	1,210,090
Deposits from other banks	15,245	11,894	18,548	11,563	12,141	12,748
Borrowings & bonds	38,539	37,841	58,822	46,292	48,244	50,293
Total liabilities	889,639	931,931	962,619	1,185,715	1,276,448	1,387,753
Minorities	4,382	4,602	4,729	4,609	4,532	4,447
Equity	135,816	150,311	162,458	171,730	181,852	193,145
Total liabilities and equity	1,029,837	1,086,844	1,129,806	1,362,055	1,462,832	1,585,345

We expect 2026F loan growth to remain stable at 10.8%, supported by the bank's ongoing efforts to strengthen CASA ratio, which should enable higher allocation to high-yielding assets in the coming quarters

Key Ratios						
Y/E (%)	22A	23A	24A	25A	26F	27F
ROA	1.8	2.0	1.9	1.6	1.5	1.5
ROE	14.1	14.6	13.7	12.0	11.7	11.9
NIM	4.8	4.6	4.2	3.6	3.3	3.3
Loan to deposit ratio	82.4	84.5	94.2	85.5	86.5	87.9
Loan to funding ratio	77.1	79.3	85.7	80.2	81.4	82.9
Cost efficiency ratio	62.7	58.9	58.7	62.5	63.0	63.6
CIR	44.0	44.3	46.0	47.5	48.4	47.8
Gross NPL	2.8	2.1	2.0	1.9	2.0	1.9
NPL coverage	280.4	304.3	240.2	188.9	125.2	74.6
LLR to total loans	1.9	1.4	1.1	1.1	1.0	1.1
CAR-total	17.1	23.5	23.5	21.2	21.0	20.6
CAR-tier I	16.0	21.4	21.5	19.3	19.1	18.8

Gross NPLs are expected to remain stable at 2.0% in 2026F–27F, while lower NPL coverage reflects buffer normalization rather than weakening assets quality

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