

9M25 earnings: inline

27 October 2025



BBNI IJ	BUY
Sector	Banks
Price at 24 October 2025 (IDR)	4,370
Price target (IDR)	5,110
Upside/Downside (%)	16.9

Stock Information

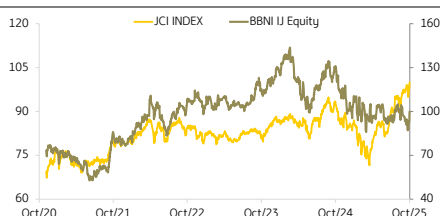
PT Bank Negara Indonesia (Persero) Tbk is a state-owned offering commercial and consumer banking services. The bank is positioned as one of 3 big SoE banks in Indonesia. Through its subsidiaries, the bank is also offering businesses in sharia banking, insurance, consumer financing and securities.

Market cap (IDR bn)	158,141
Shares outstanding (mn)	37,297
52-week range (IDR)	3,610-5,700
3M average daily vol. ('000)	57,479
3M average daily val. (IDR mn)	241,106

Shareholders (%)

Republic of Indonesia	60.0
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	3.3	2.6	(23.0)

Analyst

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9M25 earnings came in line with our and cons. expectation (run-rate: 73.5%/72.9%). The bank delivered healthy 6.5% qoq earnings growth in 3Q25 (IDR 5.02tn), reversing the -12.4% qoq drop in the prior quarter. Total loans grew 10.5% yoy, outperforming the banking sector by 300bps and exceeding management's high-end guidance (corporate: +12.4% yoy, medium segment: +14.3% yoy). Despite the strong loan volume, NII was flattish at (-0.6% yoy) driven by softer yields and led to milder NIM (3.6% vs 3.7% in 2Q25). Credit Cost remains perfectly aligned at 1.0% (KBVS '25F: 1.0%) with the bank's aspiration. Gross NPL is also well-managed at 2.0%. The impact of benchmark rate transmission on funding costs is expected to materialize in 4Q25, which should pointedly lift NIM for 4Q25 and '26F. The 3Q25 turnaround earnings momentum is expected to sustain in 4Q25, resulting in an inline '25F earnings result. A stronger quarterly RoE in 3Q25 and a higher cumulative RoE suggest an unchanged and fair stock intrinsic value. 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.

Inline 9M25 earnings

BBNI interest income grew by +4.8% yoy to IDR 51.16tn, noted a much higher growth compared to the previous period. Non-interest income inched up 2.5% yoy to IDR 17.25tn resulting to a positive operating income to IDR 46.50tn. PPOP remain under pressure (-2.4 yoy) on flat NII growth of -0.6% yoy, while net income -7.3% lower yoy on a 13.6% yoy increase in provisions expenses. Despite the pressure, BBNI's 9M25 net income still arrive aligned with our '25F forecast and consensus expectation at a run-rate of 73.5%/72.9%. The bank continues to note a consistent quarterly improvement, with 3Q25 earnings grew by 6.5% qoq to IDR 5.02tn, or a superb turnaround performance from -12.4% qoq in the previous quarter. Non-Il came in at sturdy growth (23.3% qoq) and noted far above 2Q25 small single digit growth of 3.3% qoq. Steady well-managed cost to income and provisions has also help the overall performance and brought 3Q25 net income came in above our and cons '25F net profit forecast for BBNI (1%/2%).

Robust loan continues (+10.5% yoy); solid TPF growth with healthy CASA (+13.3% yoy)

Total loans grew by 10.5% yoy, or surpassing banking sector Sept25 growth, 50bps stronger than the '25F management high range guidance of 10% yoy (KBVS '25F: 7.0% yoy) and stronger than the previous quarter of 7.1% yoy. Corporate loan grew by 12.4% yoy, stronger than the previous quarter growth of 10.4%. Of the total portfolio, medium segment saw the highest growth (14.3% yoy). Meanwhile, small segment also recorded a better growth compared to the previous quarter. Total consumer loan portfolio was recorded 50bps stronger, inched up to 2.2% qoq vs 1.5% qoq in 2Q25 due to an improvement across the segment bords of mortgage, personal loan and credit cards. The bank kept its '25F loan growth unchanged. BBNI's ample liquidity remains, with total TPF grew by 21.4% yoy with a healthy CASA growth of 13.3% yoy.

NIM arrive above guidance and our forecast; well-managed key risk metrics

BBNI continues to face NIM compression, with the 9M25 NIM settling at 3.8%, a modest 40bps lower vs. 4.2% and down to 3.6% vs 3.7% in 2Q25 on quarterly basis (-10bps qoq). Nevertheless, this figure was coming slightly above '25F guidance of $\geq 3.7\%$ and around 10bps higher than our '25F NIM for BBNI of 3.7%. On risk key performance metrics, credit cost continues manageable at 1.0%, also aligned with BBNI's '25F aspiration of $\pm 1.0\%$ (KBVS '25F: 1.0%). Gross npl also well-managed at 2.0% in 9M25. Despite inched higher from 1.90% in 2Q25, both 3Q25 (2.0%) and 9M25 numbers still surpassing our '25F gross NPL for the bank at 1.85%.

Expect inline 4Q25; Softer CoF and stronger volume are key '26F

Expectations point to better NIM in 4Q25 and '26F driven by the full impact of benchmark rate transmission to funding costs in the next quarter. Improving 3Q25 quarterly earnings could sustain in 4Q25, leading to an in-line '25F earnings result. This is supported by manageable credit cost and cost-to-income ratios. The primary story for 2026 will be a softer interest rate environment. Loan growth volume will be the second crucial key in 2026 as loan yield catches up to lower cost of funds. Provisions are expected to be lower and well-managed due to continuous improvement expectation in the economic environment and sector activity. A stronger qoq RoE in 3Q25 is anticipated to boost market confidence. The cumulative BBNI RoE being higher than the RoE used in the GGM-based valuation supports a fair and unchanged stock intrinsic value.

Maintain BUY, GGM TP of IDR5,110

We will revisit our model and start to rolled over valuation to 2026. 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. Key downside risks to our target price include: a) lower-than-expected loan growth; b) faster than expected loan yield adjustment, c) NIM stagnation, d) softer-than anticipated BI rate cut transmission, higher than expected CoC, f) prolonged wait and see stance, g) stagnation and weakening debtor confidence, h) weakening IDR/USD.

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)	7.8	7.6	7.9	7.5	6.9
PBV (x)	1.1	1.0	0.9	0.9	0.8
Div. Yield (%)	4.5	6.4	6.6	6.3	6.7
RoE (%)	14.6	13.7	12.3	12.2	12.2

Source: Company, KBVS Research

Exhibit 2: 9M25 selected profit and loss, balance sheet and key ratios

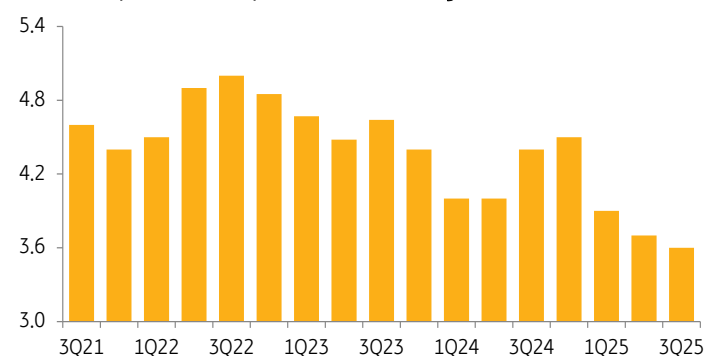
Income Statement (IDRbn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)	KBVS '25F	% to '25F	Cons' '25F	% to '25F
Interest income	48,836	51,167	4.8	16,663	17,553	5.3	16,901	3.9				
Interest expenses	(19,398)	(21,914)	13.0	(6,296)	(7,815)	24.1	(7,220)	8.2				
Net interest income	29,438	29,253	(0.6)	10,367	9,738	(6.1)	9,681	0.6				
Non-interest income	16,837	17,252	2.5	5,913	6,645	12.4	5,390	23.3				
Total operating income	46,275	46,505	0.5	16,280	16,383	0.6	15,071	8.7				
Operating expenses	(20,989)	(21,832)	4.0	(7,434)	(7,867)	5.8	(7,225)	8.9				
Pre-provision operating profit	25,286	24,673	(2.4)	8,846	8,516	(3.7)	7,846	8.5				
Provision expenses	(5,389)	(6,121)	13.6	(1,878)	(2,333)	24.2	(2,027)	15.1				
Net profit	16,308	15,115	(7.3)	5,617	5,021	(10.6)	4,714	6.5	20,566	73.5	20,720	72.9

Balance Sheets (IDRbn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)
Gross loans	735,018	812,195	10.5	735,018	812,195	10.5	778,681	4.3
Total Deposits	769,739	934,326	21.4	769,739	934,326	21.4	899,865	3.8
Current account	302,260	344,455	14.0	302,260	344,455	14.0	381,639	(9.7)
Saving account	238,934	268,928	12.6	238,934	268,928	12.6	265,915	1.1
Time deposits	228,545	320,943	40.4	228,545	320,943	40.4	252,311	27.2
CASA	541,194	613,383	13.3	541,194	613,383	13.3	647,554	(5.3)
Total equity	162,170	171,610	5.8	162,170	171,610	5.8	165,188	3.9

Selected Key Performance (%)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)
CASA	70.3	65.6	(4.7)	70.3	65.6	(4.7)	72.0	(6.4)
CoF	2.7	2.8	0.1	2.6	2.9	0.3	2.8	0.1
NIM	4.2	3.8	(0.4)	4.4	3.6	(0.8)	3.7	(0.1)
ROAE	14.7	12.7	(2.0)	14.9	12.5	(2.4)	12.3	0.2
ROAA	2.5	2.2	(0.3)	2.7	2.1	(0.6)	2.1	0.0
CIR	43.8	46.1	2.3	44.0	47.3	3.3	47.1	0.2
LAR	11.8	10.4	(1.4)	11.8	10.4	(1.4)	11.0	(0.6)
NPL gross	2.0	2.0	0.0	2.0	2.0	0.0	1.9	0.1
Credit Cost	1.0	1.0	0.0	1.0	1.1	0.1	1.0	0.1
LAR coverage	47.4	41.9	(5.5)	47.4	41.9	(5.5)	43.1	(1.2)
NPL coverage	284.2	222.7	(61.5)	284.2	222.7	(61.5)	243.4	(20.7)
LDR	95.3	86.9	(8.4)	95.3	86.9	(8.4)	86.2	0.7
LCR	160.4	167.4	6.9	160.4	167.4	6.9	144.2	23.2
NSFR	136.6	142.1	5.5	136.6	142.1	5.5	143.0	(0.9)
Tier-1 CAR	20.3	19.8	(0.5)	20.3	19.8	(0.5)	19.7	0.1
Total CAR	21.8	21.1	(0.7)	21.8	21.1	(0.7)	21.1	0.0
Loan yield - bank only	7.6	7.3	(0.3)	7.6	7.3	(0.3)	7.3	0.0

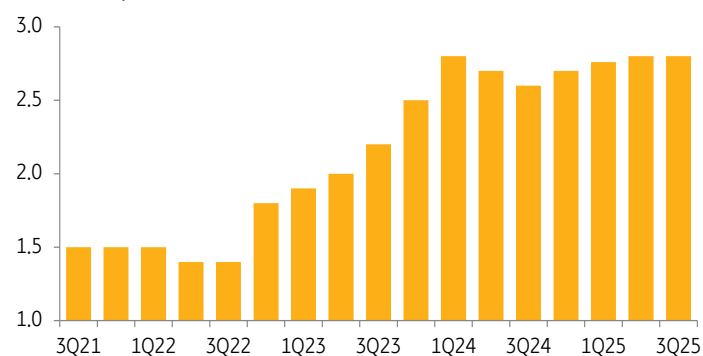
Source: Company, KBVS Research

Exhibit 3: Expect NIM to improve on slacken margin



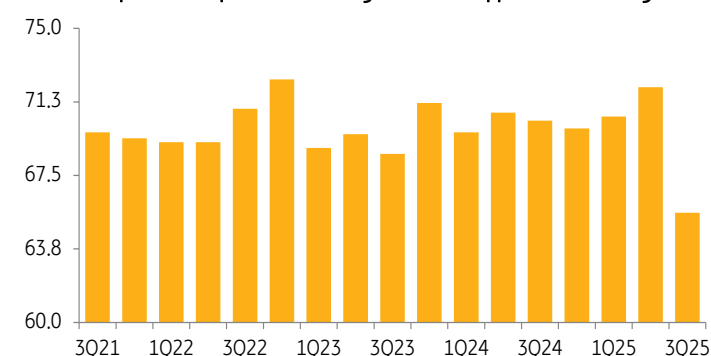
Source: Company, KBVS Research

Exhibit 4: Expect benchmark rate cut transmission to CoF to materialized



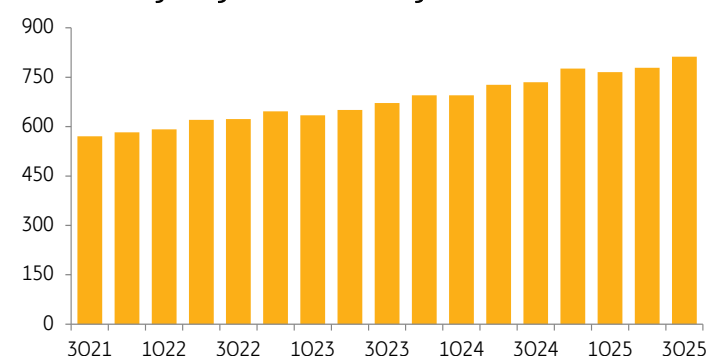
Source: Company, KBVS Research

Exhibit 5: Expect CASA portion to strengthened to support '26F funding cost



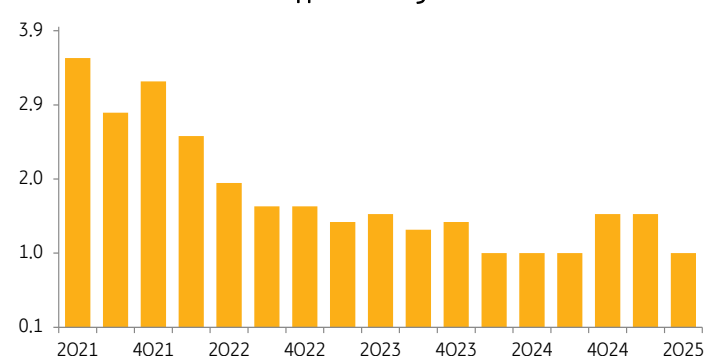
Source: Company, KBVS Research

Exhibit 6: Steady loan growth to offset loan yield dilemma



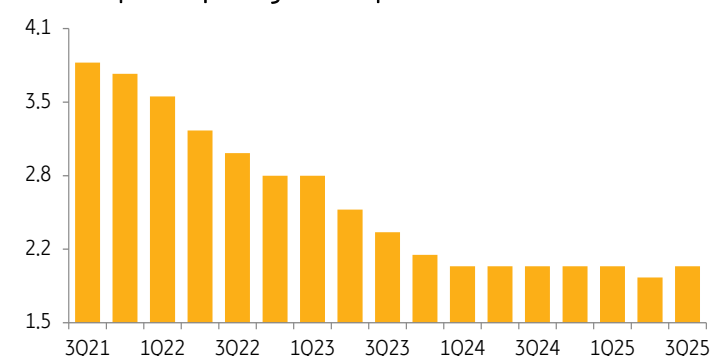
Source: Company, KBVS Research

Exhibit 7: Stable solid CoC to support PATMI growth



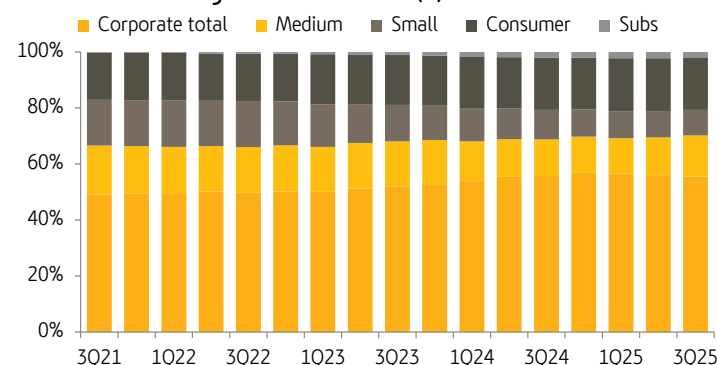
Source: Company, KBVS Research

Exhibit 8: Expect no upcoming NPL pickup



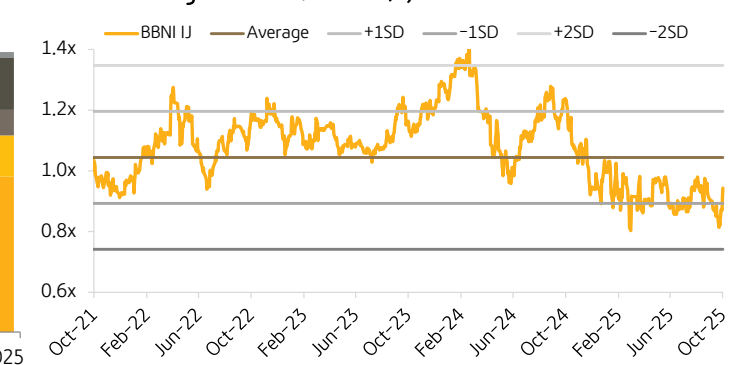
Source: Company, KBVS Research

Exhibit 9: Robust loan growth remains intact (%)



Source: Company, KBVS Research

Exhibit 10: Currently traded at 0.9x '25F P/E, at its -1SD



Source: Company, KBVS Research

FINANCIAL TABLES
Exhibit 11: 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)
Net interest income	41,276	40,480	39,419	40,944	42,897
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
Operating expenses	(27,778)	(29,688)	(31,612)	(33,723)	(35,999)
Pre-provision operating profit	34,970	34,826	33,849	35,574	37,715
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
Net profit	20,909	21,464	20,566	21,800	23,471

Exhibit 12: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
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
Total Asset	1,086,663	1,129,806	1,201,783	1,292,687	1,411,559
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	68,357	75,498	87,613
Total liabilities	931,931	962,619	1,024,058	1,102,043	1,208,153
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	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
Total Equity	154,733	167,187	177,725	190,644	203,405

Exhibit 13: 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)	7.8	7.6	7.9	7.5	6.9
PBV (x)	1.1	1.0	0.9	0.9	0.8
Div. Yield	4.5	6.4	6.6	6.3	6.7

Source: Company, KBVS Research

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