PT Bank Negara Indonesia Tbk. (BBNI)

1H26 | 2Q26: Strong Wholesale Growth Supports Core Profitability Despite Rising NIM Pressure and Funding Costs

BBNI recorded 1H26 net profit of IDR 10.76T (+6.6% YoY), with 2Q26 net profit reaching IDR 5.10T (+8.1% YoY, -10.0% QoQ), equivalent to 52.1% of our FY26F estimate of IDR 20.66T. Core performance remained solid, supported by strong loan growth and expansion in non-interest income, which helped partially mitigate the decline in loan yields. 1H26 Net Interest Income (NII) grew 14.2% YoY to IDR 22.29T, while PPOP increased 14.5% YoY to IDR 18.50T. However, margin pressure is becoming a key concern, with blended loan yield declining to 6.9% in 1H26 from 7.3% in 1H25, primarily driven by weaker yields in the corporate and middle segments. On the funding side, interest expense increased 5.0% QoQ to IDR 8.37T in 2Q26, amid higher cost of funds and a shift in the funding mix toward time deposits, limiting NII growth despite a 3.3% QoQ increase in interest income. Meanwhile, OPEX increased 12.6% YoY to IDR 15.54T and provisioning rose 42.1% YoY to IDR 5.38T in 1H26, with credit cost increasing to 1.2% in 2Q26 from 1.1% in 1Q26. Therefore, while profitability remains resilient and loan growth momentum remains strong, pressure on loan yields, funding costs, and provisioning expenses remain the key factors to monitor going forward.

Lending Side: Strong Loan Growth – Wholesale Remains the Key Growth Driver

- **Loan growth remains a key highlight for BBNI.** Consolidated loans increased 24.4% YoY and 5.4% QoQ to IDR 968.5T in 1H26, primarily driven by the wholesale segment. Corporate loans grew 24.5% YoY to IDR 542.7T, while middle-market loans increased 62.0% YoY to IDR 170.0T. Overall, business banking accounted for approximately 82% of total consolidated loans, highlighting the continued strength of BBNI's wholesale-led loan expansion.

- **Corporate remains the core growth engine, particularly through SOE exposure, while middle-market lending delivered strong QoQ momentum.** Corporate loans increased 3.2% QoQ to IDR 542.7T, with SOE corporate loans growing 6.7% QoQ and 63.2% YoY to IDR 197.8T. Meanwhile, middle-market loans increased 19.4% QoQ and 62.0% YoY to IDR 170.0T, primarily driven by enterprise loans, which grew 33.9% QoQ and more than doubled YoY to IDR 111.4T. This highlights the increasing diversification of BBNI's wholesale franchise beyond its traditional corporate banking base.

- **The consumer segment remains relatively resilient versus industry trends.** Consumer loans increased to IDR 160.8T (+9.4% YoY, +1.8% QoQ), with mortgage, personal loans, and credit cards growing 9.9%, 9.2%, and 9.4% YoY, respectively. While consumer loan growth remained below that of the wholesale segment, BBNI continued to maintain relatively stable momentum amid softer retail lending trends across several major banks.

- **However, loan yields remain under structural pressure.** Blended loan yield declined to 6.9% in 1H26 from 7.3% in 1H25, with the most pronounced pressure coming from the corporate and middle-market segments. Corporate and middle-market loan yields declined to 6.2% and 7.2%, respectively, from 6.5% and 8.0% in 1H25, while consumer loan yield also declined to 7.8% from 8.3%. The decline in loan yields was a key factor behind management's revision of FY26 NIM guidance to 3.3–3.5% from 3.5–3.8%.

Funding Side: Funding Mix Shifts as CASA Comes Under Pressure from Higher Cost of Funds

- **Third-party funds remained strong YoY, but the funding mix began shifting from CASA toward time deposits**. Total deposits reached IDR 1,100.2T in 1H26 (+22.3% YoY), although they were relatively flat QoQ. CASA declined 1.6% QoQ to IDR 720.0T, primarily due to a 4.1% QoQ decline in current accounts to IDR 428.6T. Meanwhile, time deposits increased 3.0% QoQ and 50.7% YoY to IDR 380.2T, bringing the CASA ratio down to 65.4% from 66.5% in 1Q26 and 72.0% in 2Q25.

- **Funding pressure became more evident in 2Q26**. Cost of Third-Party Funds (CoF) increased to 2.63% in 2Q26 from 2.49% in 1Q26, while interest expense rose 5.0% QoQ to IDR 8.37T. As a result, despite interest income growing 3.3% QoQ to IDR 19.63T, higher funding costs began to constrain NII pass-through. This was one of the key factors behind management's decision to lower FY26 NIM guidance to 3.3–3.5%, reflecting a more prudent approach amid the evolving funding environment.

BBNI Asset Quality: Asset Quality Remains Stable, While Provisioning Turns More Conservative

- **Asset quality remained relatively healthy. LAR improved to 8.1% in 1H26 from 11.0% in 1H25, while NPL remained stable at 1.9%**. LAR coverage improved to 47.4%, providing a stronger buffer against potential asset quality downside. However, provisioning increased alongside strong loan growth and a more prudent risk management approach. Provisioning charges rose 42.1% YoY to IDR 5.38T in 1H26, with 2Q26 reaching IDR 2.96T (+22.6% QoQ). Credit cost increased to 1.2% in 2Q26 from 1.1% in 1Q26, although it remained within the FY26 guidance range of 1.0–1.2%.

FY26 Outlook: NIM Guidance Cut, While Loan Growth & Credit Cost Targets Remain Unchanged

- **Management lowered FY26 NIM guidance to 3.3–3.5% from 3.5–3.8%, primarily reflecting intensifying funding competition and the impact of the higher-rate environment on cost of funds.** Meanwhile, loan growth guidance of 8–10% and credit cost guidance of 1.0–1.2% were maintained. With 1H26 loan growth reaching 24.4% YoY and credit cost at 1.12%, BBNI has significantly outpaced its loan growth target while remaining within its stated risk appetite.

- **We raise our FY26 net profit estimate to IDR 21.62T from IDR 20.66T (+4.6%).** Our revisions also include interest income to IDR 74.83T (+4.7%) and NII to IDR 42.69T (+3.8%). Despite the lower NIM guidance, we believe strong loan growth, resilient fee income, and solid core profitability should partially offset margin pressure. With 1H26 net profit of IDR 10.76T, BBNI has achieved approximately 49.8% of our revised FY26F estimate.

"Overweight" Recommendation with Target Price Levelat IDR 4,100 / Share (Potential Upside +14.5%)

- **NHKSI Research gives an "Overweight" recommendation with a target price of IDR 4,100/share, implying a valuation of -1 SD to the 3-year historical forward P/BV average.** While we lower our FY26 NIM expectations due to pressure on loan yields and funding costs, our FY26 net profit estimate remains upgraded to IDR 21.62T, supported by strong loan growth, particularly across corporate and middle-market banking, resilient fee-based income, and stable asset quality. Key upside catalysts include sustained loan growth momentum, faster-than-expected recovery in loan yields/NIM, and stronger monetization of BBNI's wholesale relationships through fee-based income. Downside risks include macroeconomic and political uncertainties, intensifying competition within the banking industry, and weaker-than-expected loan growth and NIM performance.

PT Bank Negara Indonesia Tbk. | Summary (IDR Billions)

In IDR Bn	2025 A	2026 F	2027 F	2028 F
Interest Income	69,394	74,825	82,651	92,629
Interest Income Growth	*4.2%*	*7.8%*	*10.5%*	*12.1%*
Operating Revenue	64,976	68,045	71,678	78,546
Net Profit	20,041	21,617	23,826	27,129
EPS (IDR)	537	580	639	727
Growth	*-6.6%*	*7.9%*	*10.2%*	*13.9%*
BVPS (IDR)	4,728	4,839	5,048	5,288
Net Interest Margin	*3.5%*	*3.3%*	*3.4%*	*3.4%*
Loan / Deposits	*85.5%*	*82.4%*	*88.6%*	*92.6%*
NPL	*1.9%*	*2.1%*	*2.0%*	*1.9%*
ROE	*11.7%*	*12.1%*	*12.9%*	*14.1%*
ROA	*1.6%*	*1.5%*	*1.5%*	*1.7%*
Non.Int. Inc. / Op. Rev	*37.9%*	*37.3%*	*38.0%*	*38.4%*
P/E	6.7x	7.1x	7.1x	7.0x
P/BV	0.8x	0.8x	0.9x	1.0x
DPS (IDR)	370	430	470	540
Dividend yield	10.3%	10.5%	10.4%	10.5%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 13th August 2026

Overweight

Target Price (IDR)	**4,100**
Consensus Price	4,393
TP to Consensus Price	-6.7%
Potential Upside	+14.5%

Shares Data

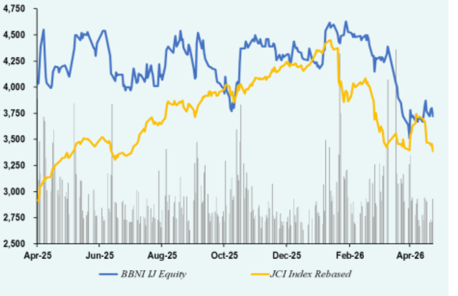
Last Price (IDR)	3,580
Price date as of	12th August 2026
52 wk range (Hi/Lo)	4,730 / 3,510
Free Float (%)	35.0
Outstanding sh (mn)	37,297
Market Cap (IDR bn)	133,524
Market Cap (USD mn)	7,554
Avg. Trd Vol – 3M (mn)	61.28
Avg. Trd Val – 3M (IDR Bn)	215.05
Foreign Ownership	21.2%

Sector
Financial

Sub-Sector
Bank

Bloomberg	BBNI IJ Equity
Reuters	BBNI JK

Shares Price Performance

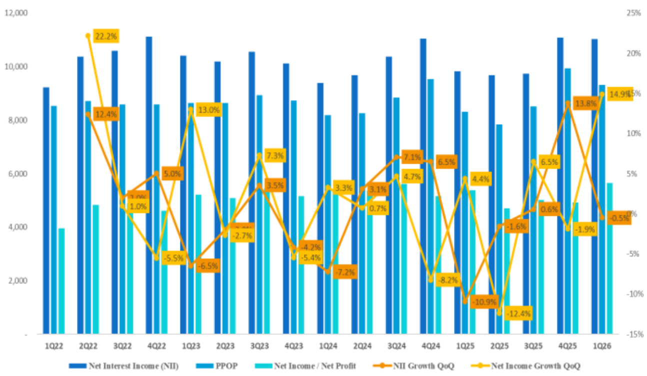


	YTD	1M	3M	12M
Abs.Ret	-16.0%	+1.4%	-8.4%	-17.9%
Rel.Ret	+11.2%	-4.1%	-1.4%	+0.3%

Leonardo Lijuwardi
leonardo.lijuwardi@nhsec.co.id

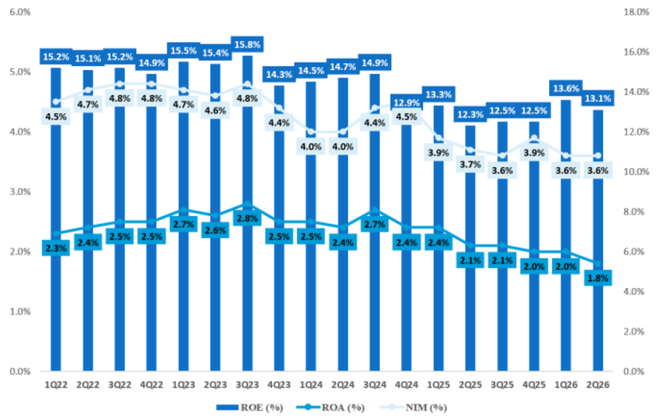
Performance Highlight For BBNI

Exhibit 1. BBNI Quarterly Financial Performance (In IDR Billion)



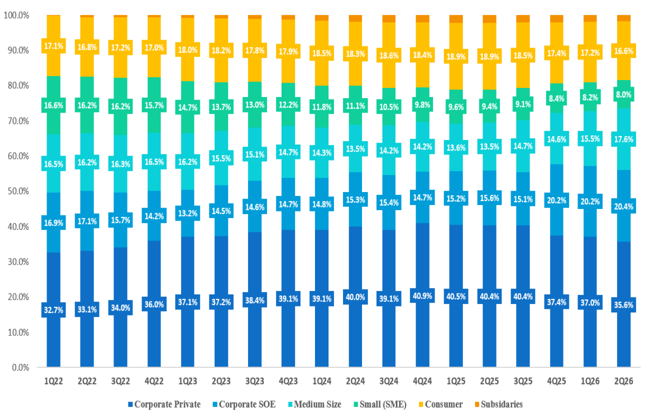
Source : BBNI, NHKSI Research

Exhibit 2. BBNI Profitability Ratio (In %)



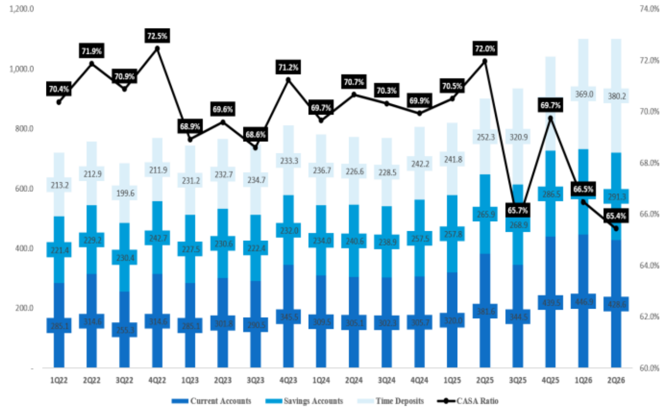
Source : BBNI, NHKSI Research

Exhibit 3. BBNI Loan Segmentation Breakdown



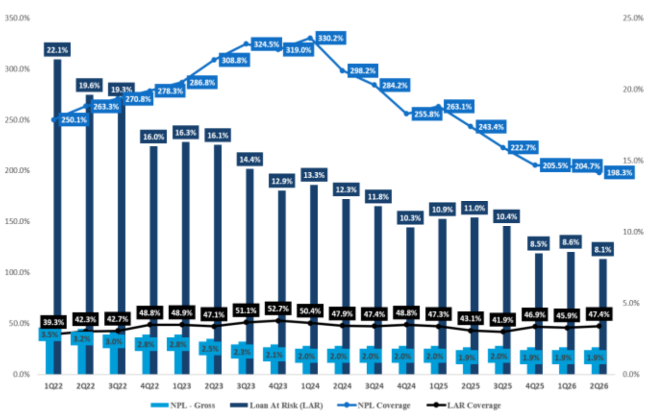
Source : BBNI, NHKSI Research

Exhibit 4. BBNI Third Party Fund Composition (IDR Tn) & CASA Ratio (In %)



Source : BBNI, NHKSI Research

Exhibit 5. BBNI Asset Quality (In %)



Source : BBNI, NHKSI Research

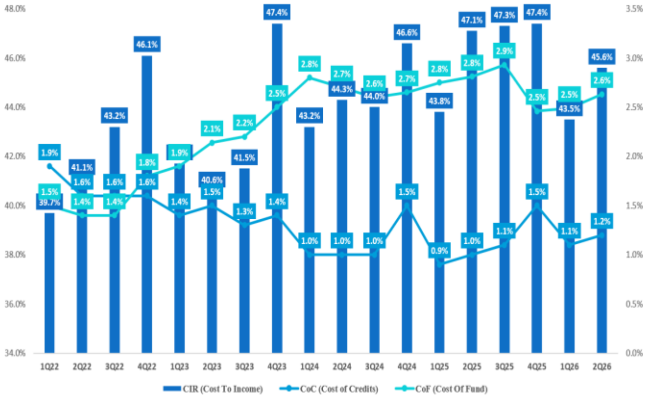
Exhibit 6. CASA Ratio vs Loan to Deposit Ratio (LDR) (In % & Bank Only)

Source : BBNI, NHKSI Research

Please consider the rating criteria & important disclaimer

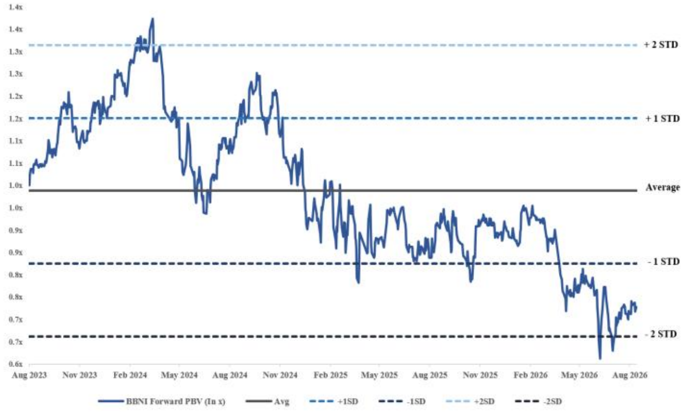
Performance Highlight For BBNI

Exhibit 7. BBNI CIR, CoC and CoF



Source : BBNI, NHKSI Research

Exhibit 8. BBNI Forward PBV | (In x – Last 3 Years)



Source : BBNI, NHKSI Research

Please consider the rating criteria & important disclaimer

Summary of BBNI's Financials & Forecast

INCOME STATEMENT

(IDR Billions)	2025/12A	2026/12F	2027/12F	2028/12F
Interest Income	**69,394**	**74,825**	**82,651**	**92,629**
Growth (% y/y)	*4.2%*	*7.8%*	*10.5%*	*12.1%*
Interest Expenses	(29,061)	(32,137)	(38,196)	(44,266)
Net Interest Income (NII)	**40,333**	**42,688**	**44,456**	**48,363**
Net Interest Margin (NIM)	*3.5%*	*3.3%*	*3.4%*	*3.4%*
Net Fee Income	11,168	12,379	13,003	14,388
Trading Income	4,065	3,415	3,779	4,256
Other Operating Income	9,411	9,563	10,441	11,538
Operating Revenue	**64,976**	**68,045**	**71,678**	**78,546**
Operating Expenses	(30,856)	(30,620)	(33,330)	(37,702)
Pre-Provisioning O.P (PPOP)	**34,120**	**37,425**	**38,348**	**40,844**
Provision for Impairment	(9,724)	(10,730)	(9,017)	(7,460)
EBT	**24,397**	**26,593**	**29,259**	**33,327**
Income Tax	(4,286)	(4,804)	(5,251)	(6,004)
Non Controlling Interest	(70)	(172)	(181)	(194)
Net Profit	**20,041**	**21,617**	**23,826**	**27,129**
Growth (% y/y)	*-6.6%*	*7.9%*	*10.2%*	*13.9%*

PROFITABILITY & STABILITY

	2025/12A	2026/12F	2027/12F	2028/12F
ROE	11.7%	12.1%	12.9%	14.1%
ROA	1.6%	1.5%	1.5%	1.7%
Non-Int. Inc/ Op. Rev.	37.9%	37.3%	38.0%	38.4%
Cost / Income	47.5%	45.0%	46.5%	48.0%
Cash Dividend (IDR Bn)	13,951	16,213	17,870	20,347
Dividend Yield	10.34%	10.49%	10.42%	10.54%
Dividend Payout Ratio	69.6%	75.0%	75.0%	75.0%
Loan / Deposits	85.5%	82.4%	88.6%	92.6%
Loan / Assets	66.0%	63.6%	68.1%	71.7%
NPL	1.9%	2.1%	2.0%	1.9%
Loan Loss Res. / Loan	4.7%	3.3%	2.4%	1.9%
CASA / Deposits	69.7%	70.9%	69.0%	67.6%
Time Deposits / Deposits	30.3%	29.1%	31.0%	32.4%
Par Value (IDR)	375	375	375	375
Total Shares (mn)	37,297	37,297	37,297	37,297
Share Price (IDR)	3,580	4,100	4,510	5,125
Market Cap (IDR tn)	133.5	152.9	168.2	191.1

BALANCE SHEET

(IDR Billions)	2025/12A	2026/12F	2027/12F	2028/12F
Cash	13,352	15,937	15,425	17,142
Placement In Banks	139,707	182,300	104,271	83,897
Net Loans	863,670	945,049	1,051,523	1,162,049
Investment	234,090	265,610	272,401	228,035
Fixed Asset	31,113	31,470	34,060	36,984
Other Assets	80,123	96,060	103,871	123,848
Total Assets	**1,362,055**	**1,536,424**	**1,581,551**	**1,651,955**
Deposits	1,052,397	1,186,755	1,215,999	1,277,940
Debt	71,634	87,637	93,726	93,286
Other Liabilities	61,685	81,555	83,562	83,515
Total Liabilities	**1,185,715**	**1,355,946**	**1,393,287**	**1,454,741**
Capital Stock + APIC	26,065	26,065	26,065	26,065
Retained Earnings	123,855	129,679	135,635	142,418
Shareholders' Equity	**176,339**	**180,478**	**188,264**	**197,214**

VALUATION INDEX

	2025/12A	2026/12F	2027/12F	2028/12F
Price / Earnings	6.7x	7.1x	7.1x	7.0x
Price / Book Value	0.8x	0.8x	0.9x	1.0x
Price / Op. Revenue	2.1x	2.2x	2.3x	2.4x
PE / EPS Growth	-1.0x	0.9x	0.7x	0.5x
EV / Operating Revenue	3.0x	3.4x	3.6x	3.5x
EV / PPOP	5.8x	6.2x	6.6x	6.8x
EV (IDR Billions)	196,415	231,056	255,004	277,839
Op. Rev. CAGS (3-Yr)	1.9%	2.7%	3.6%	6.5%
EPS CAGR (3-Yr)	3.1%	1.1%	3.5%	10.6%
Basic EPS (IDR)	537	580	639	727
Dilluted EPS (IDR)	537	580	639	727
BVPS (IDR)	4,728	4,839	5,048	5,288
Op. Rev. PS (IDR)	1,742	1,824	1,922	2,106
DPS (IDR)	370	430	470	540

CASH FLOW STATEMENT

(IDR Billions)	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	(4,980)	(8,757)	(1,748)	(4,577)
Investing Cash Flow	(166,147)	(141,960)	(118,057)	(142,027)
Financing Cash Flow	200,782	153,301	119,293	148,322
Net Changes in Cash	**29,655**	**2,585**	**(512)**	**1,718**

OWNERSHIP

By Geography	%	Shareholders	%
Indonesia	78.83	Danantara Indonesia	59.40
United States	7.80	BPJS Ketenagakerjaan	3.51
Luxembourg	2.40	Employees Provident Fund Br	1.47
Others	10.97	Others	35.62

Source : BBNI, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication
2. Rating system based on a stock's potential upside from the date of publication

- Buy : Greater than 15%
- Overweight : +5% to 15%
- Hold : -5% to +5%
- Underweight : -5% to -15%
- Sell : Less than -15%

Disclaimer