BINA ARTHA SEKURITAS

Equity Research

PT Bank CIMB Niaga Tbk

CIMB NIAGA

BUY

March 17th, 2025
Banking, Equity

Price	**IDR 1,665**
Target Price	**IDR 1,955**
JKSE Index	**IDR 6,471.95**



Stock Code	
Bloomberg code	**BNGA IJ**
Market Cap (IDR Bn)	**41,443.2**
52-Week High (IDR)	**2,220**
52-Week Low (IDR)	**1,600**
Float Shares (%)	**7.52**

Major Shareholders	
CIMB Group	**91.445%**
PT Commerce Kapital	**1.016%**
Public (inc. BOD and BOC)	**7.539%**

USD/IDR-YE (JISDOR)	
2024A	**16,201**
2025F	**16,292**

Key Indicators		
Non-Performing Loan	**(%)**	**1.53**
Net Interest Margin	**(%)**	**4.07**

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Investment Considerations

BNGA's Earnings Rose at a Slower Pace

In 2024, BNGA recorded profit attributable to the parent entity (PATMI) of IDR 6.83 trillion, reflecting 5.43% YoY growth, slightly improving from 4.72% YoY growth in 9M-2024. This moderate growth was primarily due to a 22.42% YoY increase in interest expenses, which offset 8.61% YoY growth in interest income, leading to a Net Interest Margin (NIM) decline of 31 bps to 4.09%.. However, strong foreign exchange gains, which surged 333.95% YoY, helped sustain profitability beyond 9M-2024 levels. Additionally, provision expenses declined by 10.03% YoY, providing further support to earnings. We forecast BNGA's PATMI to reach IDR 7.59 trillion by the end of 2025, reflecting 11.26% YoY growth, with NIM stabilizing at 4.07%.

BNGA Strengthens ESG Efforts Amid Slower Loan Growth

As of December 2024, BNGA's consolidated loan portfolio grew by 6.86% YoY, slightly below the 8.52% growth in 2023. While some segments saw slower expansion, all segments recorded positive growth, led by SME Banking at 9.10% YoY. BNGA reinforced its ESG commitments, allocating 25.9% of total financing to sustainable finance, supporting climate action and sustainable development. This amounted to IDR 59.1 trillion, up 6.56% YoY, with 46% (IDR 26.99 trillion) channeled to MSMEs. Looking ahead, we forecast BNGA's consolidated loan portfolio to grow by 7.84% YoY in 2025.

BNGA Strengthens Liquidity with CASA Growth

BNGA maintained strong liquidity in 2024. Third-party deposits increased by 10.51% YoY, driven by a 25.39% YoY increase in current accounts, leading to a 215-bps YoY rise in the CASA ratio. This growth was supported by BNGA's strategy to expand sticky CASA in retail and non-retail segments through digital partnerships and physical expansion. Savings accounts grew by 3.68% YoY, while time deposits increased by 3.92% YoY. We expect third-party deposits to grow by 7.97% YoY by the end of 2025, with the CASA ratio rising to 67.02%.

BNGA's Asset Quality Strengthens with Lower NPLs

BNGA continued to improve asset quality, with the consolidated gross NPL ratio declining by 20 bps YoY to 1.76% in December 2024. The bank-only NPL ratio also improved to 1.79%, down from 1.99% in 2023, reflecting prudent risk management. We forecast BNGA's consolidated NPL ratio to decline further to 1.53% by the end of 2025, while the bank-only NPL ratio is expected to improve to 1.46%.

Valuation: 17.42% Upside, Buy.

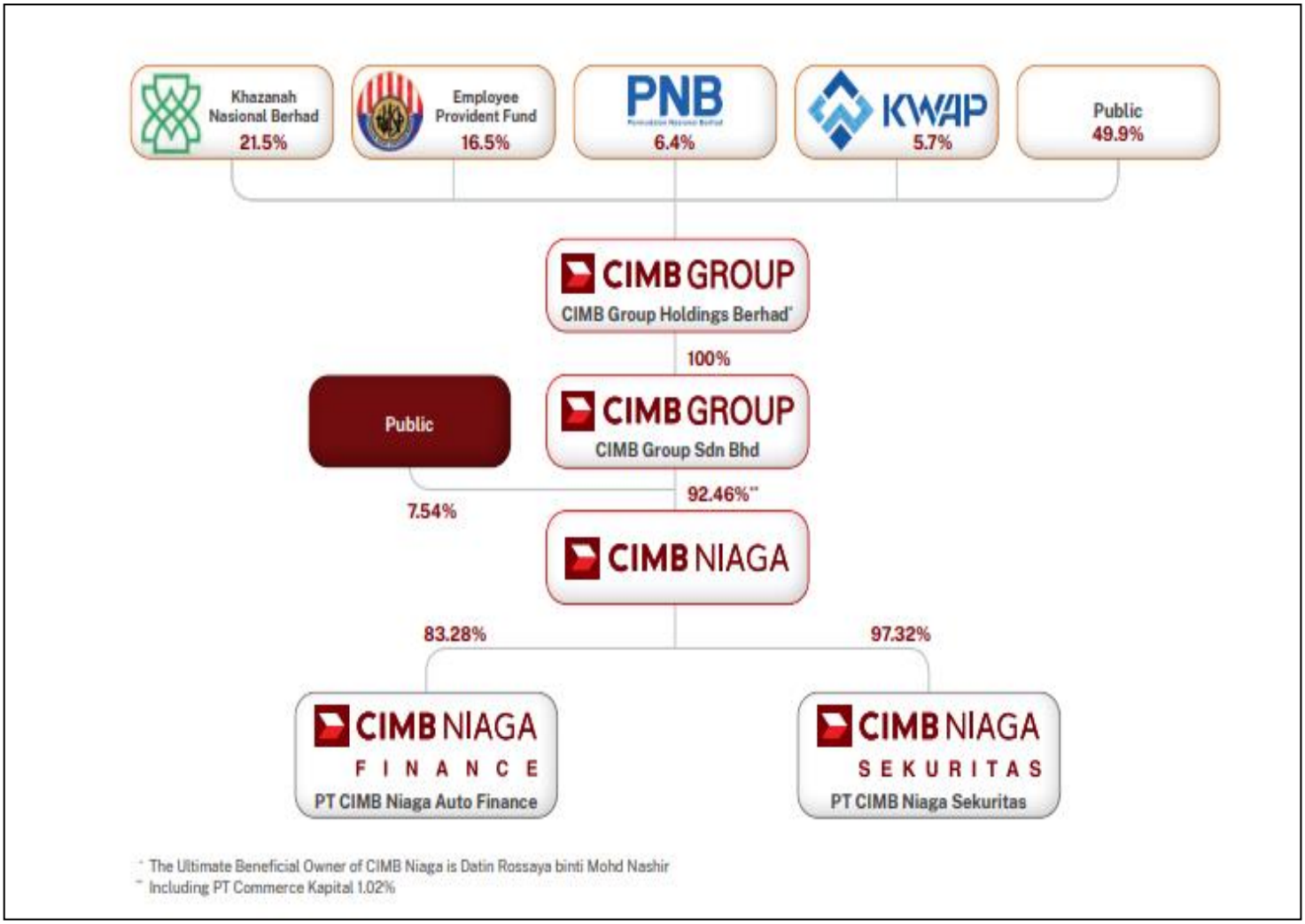
Using a dividend discount model (DDM) multi-stage valuation, we adjust BNGA's target price to IDR 1,955, slightly down from the previous IDR 1,965. This implies a 0.84x price-to-book value (PBV) and offers a 17.42% upside potential. We maintain our Buy recommendation for BNGA.

Financial Highlight	2021 A	2022 A	2023 A	2024 A	2025 F
Net Interest Income (IDR Bn)	13,089	13,476	13,352	13,267	14,040
Net Income (IDR Bn)	4,100	5,042	6,474	6,826	7,594
EPS (IDR)	164.48	202.21	259.45	271.59	304.85
NIM (%)	4.86%	4.69%	4.40%	4.09%	4.07%
Cost of Credit (%)	2.42%	1.85%	1.03%	0.84%	0.54%
Gross NPL (%)	3.46%	2.80%	1.96%	1.76%	1.53%
CAR (%)	22.68%	22.19%	24.02%	23.34%	24.23%

Company Profile

PT Bank CIMB Niaga Tbk (“Bank CIMB Niaga” or the “Bank”) was established under Indonesian law through Notarial Deed No. 90 by Raden Meester Soewandi on September 26, 1955. In accordance with Article 3 of its Articles of Association, the bank provides general banking services while complying with prevailing regulations and engaging in Sharia-compliant banking activities. CIMB Niaga officially launched Sharia banking operations on September 27, 2004.

Corporate Group Structure (As of December 31st, 2024)



Source: Company

Chart: Gross Loan (IDR Bn) YoY

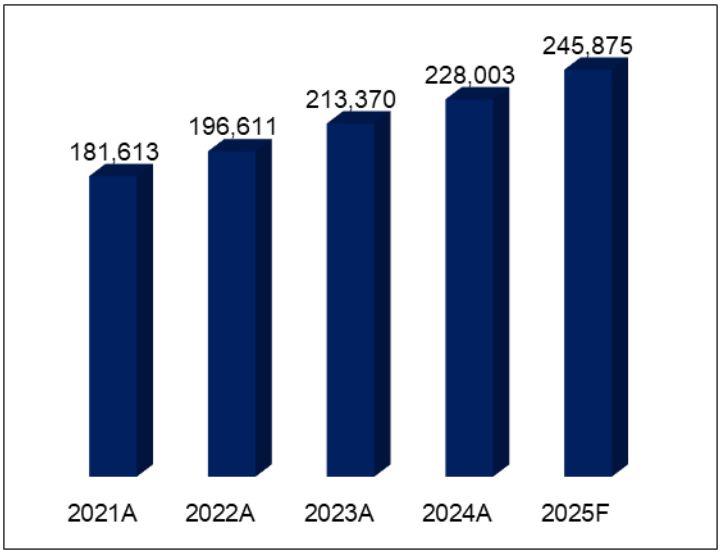


Chart: Customer Deposit (IDR Bn) YoY

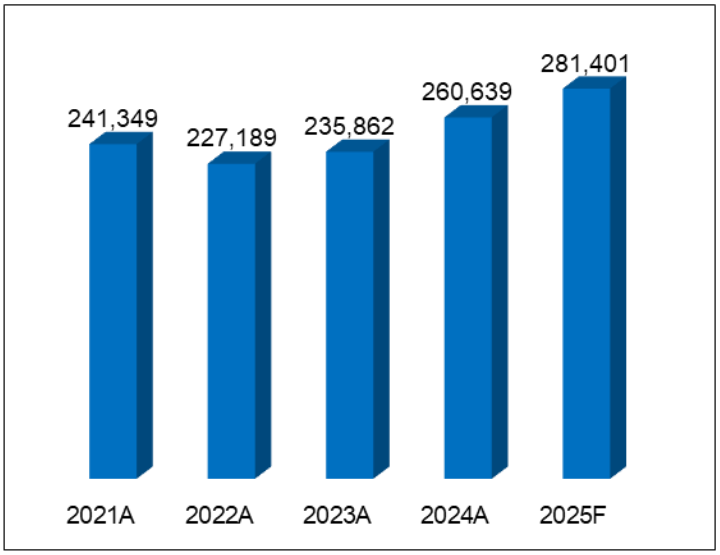


Chart: Profitability YoY

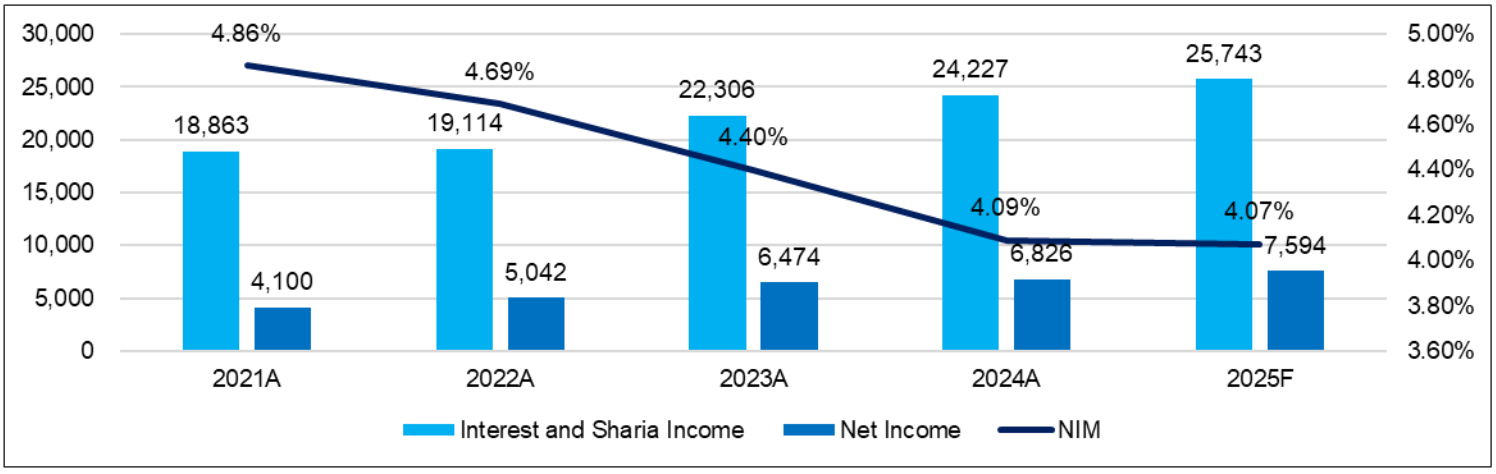


Chart: CAR (%) YoY

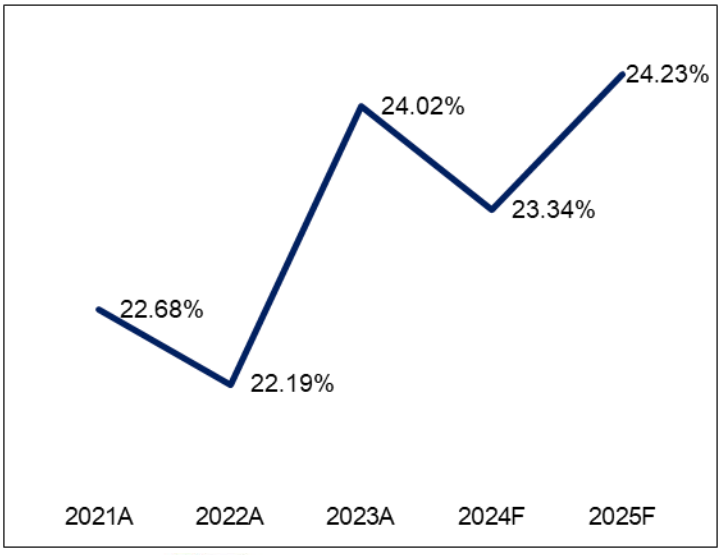
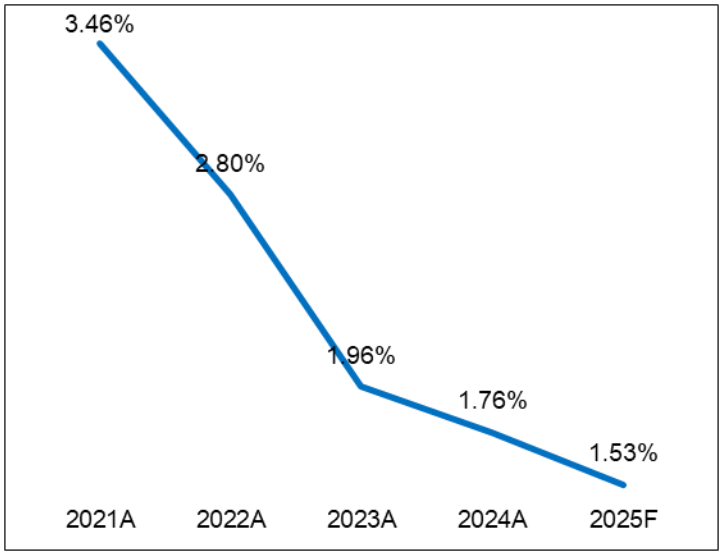


Chart: NPL (%) YoY



Source: Binaartha & Company

Chart: Gross Loan (IDR Bn) QoQ

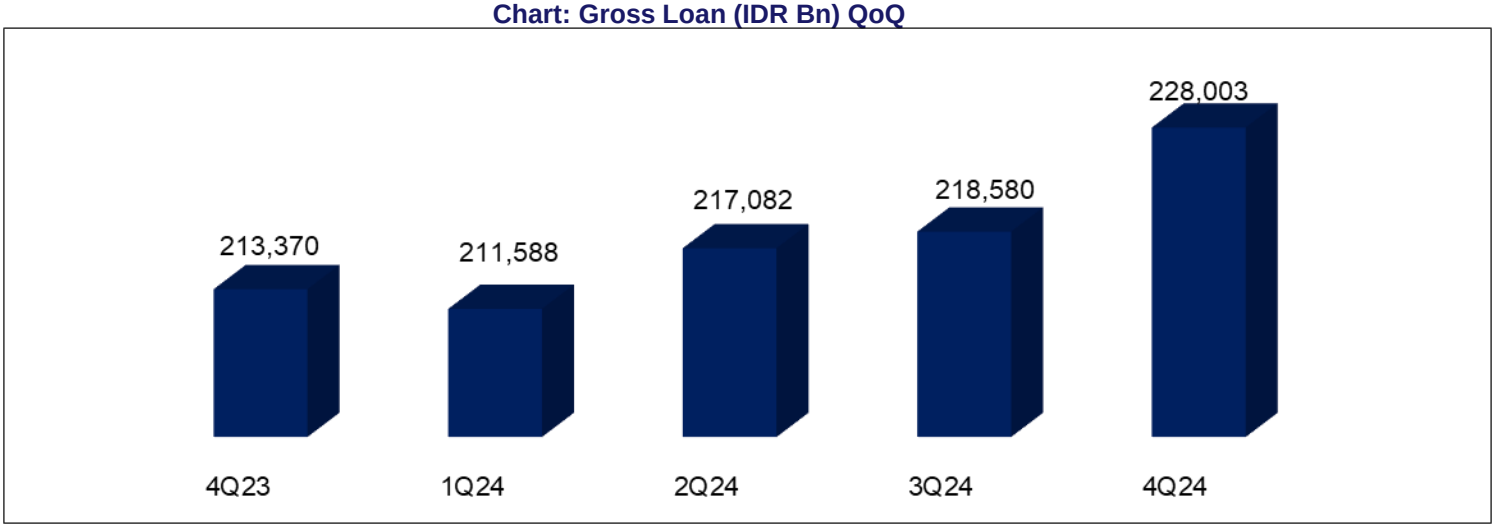


Chart: Net Income (IDR Bn) QoQ

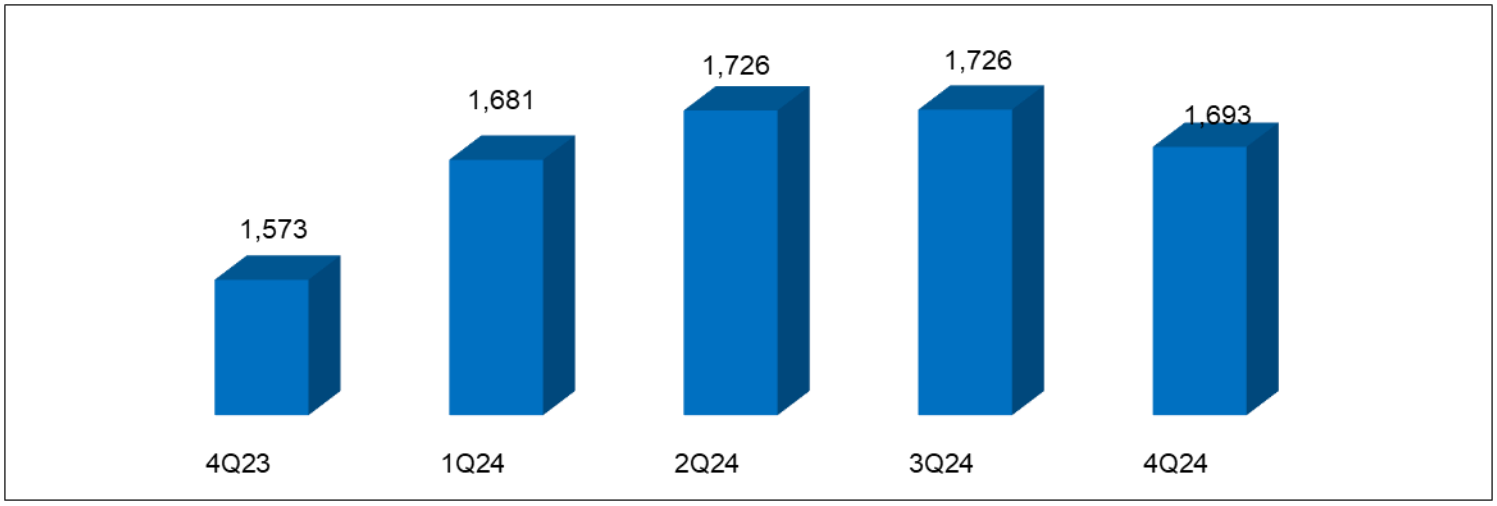
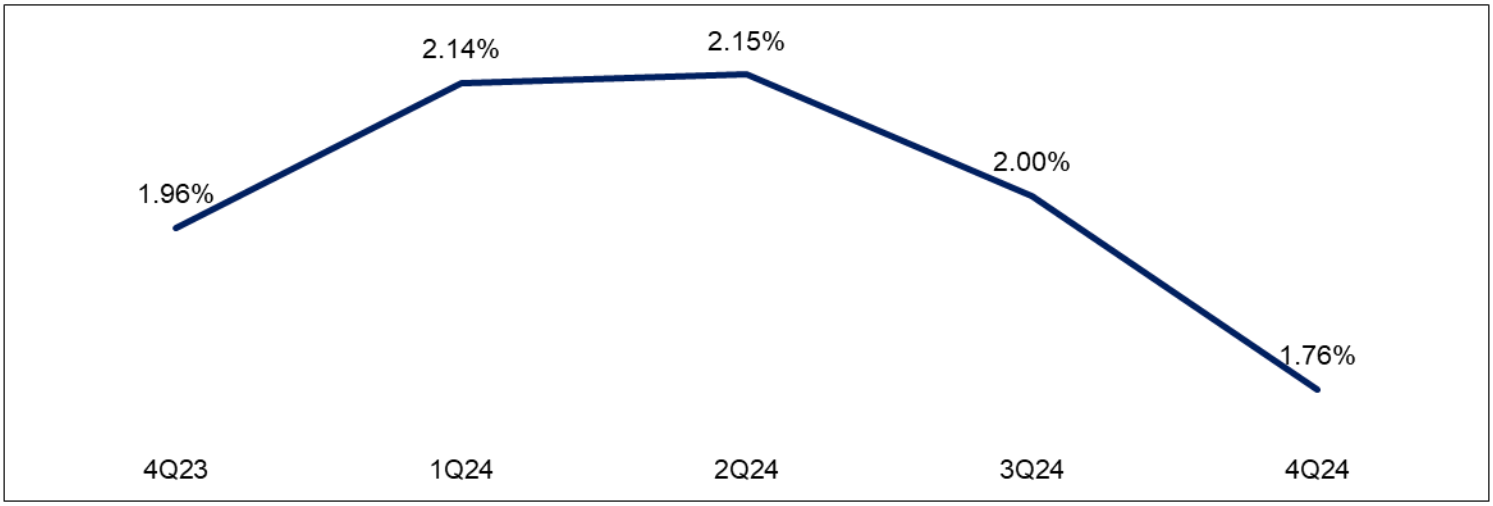


Chart: Non-Performing Loan (%) QoQ



BINAARTHA SEKURITAS

Source: Binaartha & Company

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IDR Bn)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IDR Bn)	2021A	2022A	2023A	2024A	2025F
Cash and CA with BI	13,839	14,425	17,109	13,641	19,183
Interbank Placement	30,346	14,870	4,533	5,048	6,445
Marketable Securities	10,176	5,810	9,364	23,455	27,434
Gross Loan	181,613	198,749	213,370	228,003	245,875
Allowance for Loans	(13,136)	(13,197)	(12,047)	(10,653)	(8,774)
Loans-net	168,478	185,551	201,322	217,350	237,101
Other Earning Asset	111,878	89,121	97,716	109,967	115,650
Non-Earning Asset	16,592	17,658	18,222	19,263	17,630
Total Asset	**310,787**	**306,754**	**334,369**	**360,221**	**389,563**
Deposit:					
Current Account	75,477	70,340	73,202	91,788	106,591
Saving Account	72,565	74,086	77,431	80,279	81,999
Time Deposits	93,306	82,763	85,229	88,572	92,811
Other-Interest Bearing Liabilities	15,373	17,260	36,153	35,641	38,519
Non-Interest-Bearing Liabilities	10,677	17,030	13,017	10,745	11,386
Total Liabilities	**267,399**	**261,478**	**285,032**	**307,024**	**331,306**
Total Shareholder's Equity	**43,388**	**45,276**	**49,337**	**53,196**	**58,257**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (IDR Bn)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (IDR Bn)	2021A	2022A	2023A	2024A	2025F
Interest Income	18,863	19,114	22,306	24,227	25,743
Interest Expense	(5,774)	(5,638)	(8,954)	(10,961)	(11,703)
Net Interest Income	**13,089**	**13,476**	**13,352**	**13,267**	**14,040**
Fee Other Income	4,479	5,390	5,433	5,651	5,981
Gross Operating Income	**17,568**	**18,866**	**18,786**	**18,918**	**20,021**
Operating Expense	(8,279)	(8,484)	(8,584)	(8,749)	(9,075)
PPOP	**9,288**	**10,382**	**10,202**	**10,168**	**10,946**
Provision Expense	(4,170)	(3,814)	(2,007)	(1,805)	(1,328)
Operating Profit	**5,118**	**6,568**	**8,195**	**8,363**	**9,618**
Non-Operating Income – Net	73	11	162	366	119
Profit Before Tax	**5,191**	**6,579**	**8,357**	**8,729**	**9,737**
Tax Expense	(1,092)	(1,483)	(1,806)	(1,830)	(2,046)
Earning After Tax	**4,099**	**5,097**	**6,551**	**6,899**	**7,691**
Income for The Year Attributable to NCI	(2)	55	77	**73**	**97**
Net Income	**4,100**	**5,042**	**6,474**	**6,826**	**7,594**
EPS (Rp/Share)	**164.48**	**202.21**	**259.45**	**271.59**	**304.85**

Source: Binaartha & Company

Ratio Highlights

Ratio Analysis (Consolidated)	2021A	2022A	2023A	2024A	2025F
Profitability & Efficiency					
NIM	4.86%	4.69%	4.40%	4.09%	4.07%
ROE	10.21%	11.71%	14.03%	13.54%	13.67%
ROA	1.88%	2.16%	2.59%	2.53%	2.03%
BOPO	78.37%	74.10%	71.47%	74.02%	69.68%
Cost of Credit	2.42%	1.85%	1.03%	0.84%	0.54%
Liquidity					
LDR	74.35%	85.63%	89.30%	86.30%	87.38%
CASA	61.34%	63.57%	63.86%	66.02%	67.02%
Asset Quality					
Gross NPL	3.46%	2.80%	1.96%	1.76%	1.53%
Loan Loss Coverage	212.10%	242.70%	292.10%	270.00%	233.02%
Capital					
CAR	22.68%	22.19%	24.02%	23.34%	24.23%
Growth					
Loan Growth	3.92%	8.26%	8.52%	6.86%	7.84%
Deposit Growth	16.30%	-5.87%	3.82%	10.51%	7.97%
Net Income Growth	103.75%	22.96%	28.41%	5.43%	11.26%

Source: Binaartha & Company

QoQ Result

PT Bank CIMB Niaga Tbk
Key Ratios

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IDR Bn)	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Loan	213,370	211,588	217,082	218,580	228,003	4.31%	6.86%
Loan Loss Reserves	(12,047)	(11,465)	(11,635)	(11,192)	(10,653)	-4.81%	-11.57%
NPL	4,267	4,443	4,558	4,372	4,013	-8.21%	-4.05%
Deposit							
Demand	73,202	79,084	83,011	88,700	91,788	3.48%	25.39%
Savings	77,431	81,027	79,874	82,032	80,279	-2.14%	3.68%
Time Deposit	85,229	87,918	86,959	85,239	88,572	3.91%	3.92%
Total Asset	334,369	332,994	346,694	354,296	360,221	1.67%	7.73%
Shareholder Equity	49,193	51,215	49,568	52,037	52,999	1.85%	7.74%

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (IDR Bn)	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Interest Income	5,592	5,845	6,006	6,173	6,204	0.51%	10.95%
Interest Expense	(2,427)	(2,560)	(2,635)	(2,820)	(2,946)	4.44%	21.37%
Net Interest Income	**3,165**	**3,285**	**3,371**	**3,352**	**3,259**	**-2.79%**	**2.96%**
Fee Other Income	1,114	1,882	1,375	1,120	1,275	13.84%	14.46%
Gross Operating Income	**4,279**	**5,167**	**4,745**	**4,472**	**4,533**	**1.37%**	**5.96%**
Operating Expense	(2,054)	(2,524)	(2,045)	(1,930)	(2,251)	16.62%	9.58%
PPOP	**2,225**	**2,643**	**2,700**	**2,542**	**2,283**	**-10.20%**	**2.61%**
Provision Expense	(228)	(490)	(492)	(492)	(330)	-32.99%	44.92%
Operating Profit	**1,997**	**2,153**	**2,208**	**2,050**	**1,953**	**-4.73%**	**-2.22%**
Non-Operating Income – Net	47	21	10	192	142	-25.78%	204.82%
Profit Before Tax	**2,044**	**2,174**	**2,218**	**2,241**	**2,095**	**-6.53%**	**2.51%**
Tax Expense	(447)	(479)	(468)	(505)	(378)	-25.07%	-15.39%
Earning After Tax	**1,597**	**1,695**	**1,750**	**1,736**	**1,717**	**-1.13%**	**7.53%**
Income for The Year Attributable to NCI	24	14	25	10	24	139.11%	-0.18%
Net Income	**1,573**	**1,681**	**1,726**	**1,726**	**1,693**	**-1.95%**	**7.64%**

Ratio Consolidated	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Profitability & Efficiency							
NIM	**4.05%**	**4.20%**	**4.22%**	**4.07%**	**3.88%**	**(0.19)**	**(0.17)**
Cost-to-Income Ratio	**46.90%**	**44.50%**	**43.30%**	**43.00%**	**46.50%**	**3.50**	**(0.40)**
ROE	**13.90%**	**14.40%**	**15.20%**	**14.30%**	**13.60%**	**(0.70)**	**(0.30)**
ROA	**2.50%**	**2.60%**	**2.60%**	**2.60%**	**2.30%**	**(0.30)**	**(0.20)**
Liquidity							
LDR	**89.30%**	**84.20%**	**85.70%**	**84.30%**	**86.30%**	**2.00**	**(3.00)**
CASA	**63.90%**	**64.60%**	**65.20%**	**66.70%**	**66.00%**	**(0.70)**	**2.10**
Asset Quality							
Gross NPL	**2.00%**	**2.10%**	**2.10%**	**2.00%**	**1.80%**	**(0.20)**	**(0.20)**
Loan Loss Coverage	**292.10%**	**257.40%**	**253.10%**	**260.10%**	**270.00%**	**9.90**	**(22.10)**
Cost of Credit	**0.54%**	**0.82%**	**0.96%**	**0.99%**	**0.80%**	**(0.19)**	**0.26**
Capital							
CAR	**24.02%**	**24.46%**	**22.70%**	**23.44%**	**23.34%**	**(0.10)**	**(0.68)**

Source: Binaartha & Company

Stock Ratings:
Buy: a recommendation to purchase the security with upside potential of 11.50% or greater
Hold: a recommendation to neither buy nor sell a security with upside potential of 5.75%-11.49%.
Sell: a recommendation to close out a long position in a security with upside potential below 5.75% or negative

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