

FITCH AFFIRMS 4 INDONESIAN BIG BANKS AT “BBB”, OUTLOOK NEGATIVE

Published on 23 April 2026

MACRO & SYSTEM VIEW

- The outlook for the Indonesian banking sector has changed to Negative, in line with Indonesia's sovereign outlook, primarily due to increased uncertainty in fiscal policy and external positions.
- Economic fundamentals remain strong, with Gross Domestic Product (GDP) projections of 5.1% in 2026 and 5.0% in 2027, well above the median for similarly rated countries.
- External risks are rising, particularly geopolitical conflicts that drive up energy prices and potentially pressure the repayment capacity of debtors.

BIG 4 BANKS — COMMON THEMES

- Indonesia's large banks remain at the investment grade level, with an Issuer Default Rating (IDR) at BBB, but with a negative outlook following the sovereign.
- Fundamentals are still strong, supported by: adequate capitalization, sufficient credit provisioning, and solid liquidity.
- Main risks ahead: rising non-performing loan ratios, net interest margin pressure, and a decline in capital buffers due to high dividend payouts.

BBNI — “Growth vs Capital Pressure”

- Strong credit growth at 15.9% in 2025, mainly from the corporate segment.
- Non-Performing Loan (NPL) ratio stable at 1.9%, but has the potential to rise in 2026.
- Tier 1 Capital Ratio fell to 18.4% due to credit expansion and high dividends.
- Exposure to government programs at around 5.2% remains within safe limits.

Insight:

BBNI is in an expansion phase, but is beginning to face pressure on the capitalization side.

BBRI — “High Yield, Higher Risk”

- Main strength comes from the micro segment which provides high yields.
- However: non-performing loan ratios and loans at risk are above the industry average; customers are more vulnerable to economic pressure.
- Common Equity Tier 1 (CET1) ratio fell to 22.4%, but remains relatively strong compared to other state-owned banks.

Insight:

BBRI offers high profitability, but with a risk profile that is more sensitive to the economic cycle.

BMRI — “Balanced and Stable”

- The largest bank with a credit market share of approximately 22% and third-party funds of 21%.
- Excellent asset quality: NPL at 1.1%, Loan at Risk (LaR) ratio fell to 6.5%.
- Profitability remains solid, although interest margins could potentially be pressured & credit costs increase as a normalization.

Insight:

Mandiri reflects the most balanced bank profile between growth, risk, and profitability.

BBCA — “Best-in-Class Franchise”

- Very strong funding structure: low-cost funds (Current Account Saving Account / CASA) at 84.6%.
- Very high liquidity: Liquidity Coverage Ratio (LCR) 311%, Net Stable Funding Ratio (NSFR) 159%.
- Best asset quality: NPL 1.7%, provisioning coverage 184%.
- Very strong capitalization: CET1 29.2%.

Insight:

BCA remains the highest quality bank in Indonesia, with advantages in liquidity, efficiency, and risk management.

CONCLUSION:

- Negative outlook is driven by macro (sovereign) factors, not fundamental bank weaknesses.
- The Indonesian banking system is still in a solid and resilient condition.
- Main risks ahead stem from: external pressures (energy prices, geopolitics) and domestic policy directions.
- Bank differentiation is becoming clearer: BBCA excels in quality and liquidity, BMRI is the most balanced, BBRI excels in yield but is riskier, and BBNI is in an expansion phase with capital pressure.

KIWOOM INSIGHT:

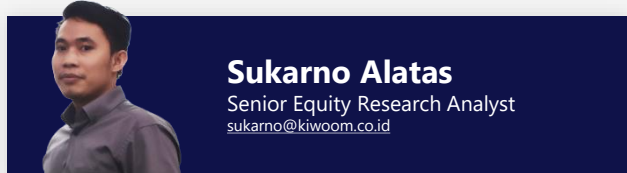
BBCA, BBRI, BMRI, and BBNI have indeed been the main targets of foreign selling over the last 3 months, with the accumulated Foreign Net Sell for each stock being:

- BBCA: IDR 22.2T (PER: 13.82x, PBV: 2.82x).
- BBRI: IDR 5.4T (PER: 8.67x, PBV: 1.52x).
- BMRI: IDR 3.6T (PER: 7.88x, PBV: 1.51x).
- BBNI: IDR 2.7T (PER: 7.13x, PBV: 0.83x).

The “bad news” is out, and their valuations are interestingly cheap; is it time to accumulate again?

Our concerns: weak Rupiah, difficult for the BI rate to go down, and banks will struggle for NII growth this year.

Kiwoom Research Team



HEAD OFFICE

Treasury Tower 27th Floor Unit A, District 8 Kawasan SCBD Lot 28,
Jl.Jend.Sudirman Kav 52-53, Jakarta Selatan 12190

Tel : (021) 5010 5800
Fax : (021) 5010 5820
Email : cs@kiwoom.co.id

PT Kiwoom Sekuritas Indonesia is licensed and supervised by the Financial Services Authority (OJK)

OTHER DISCLOSURES

All Kiwoom's research reports made available to clients are simultaneously available on our own website <http://www.kiwoom.co.id/>. Not all research content is redistributed, e-mailed or made available to third-party aggregators. For all research reports available on a particular stock, please contact your sales representative. Any data discrepancies in this report could be the result of different calculations and/or adjustments.

DISCLAIMER

This report has been prepared and issued by PT Kiwoom Sekuritas Indonesia. Information has been obtained from sources believed to be reliable but Kiwoom Securities do not warrant its completeness or accuracy. Forward-looking information or statements in this report contain information that is based on forecast of future results, estimates of amounts not yet determinable, assumptions, and therefore involve known and unknown risks and uncertainties which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. To the fullest extent allowed by law, PT Kiwoom Sekuritas Indonesia shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by any person or organization arising from reliance on or use of any information contained on this report. The information that we provide should not be construed in any manner whatsoever as, personalized advice. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. This report is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.