

BUY (Maintain)

Target Price (IDR) **12,700**

Potential Upside (%) **40.7**

Price Comparison

Cons. Target Price (IDR)	11,364
SSI vs. Cons. (%)	111.8

Stock Information

Last Price (IDR)	9,025
Shares Issued (Mn)	18,649
Market Cap. (IDR Bn)	168,304
52-Weeks High/Low (IDR)	9,950/7,600
3M Avg. Daily Value (IDR Bn)	243.4
Free Float (%)	40.0

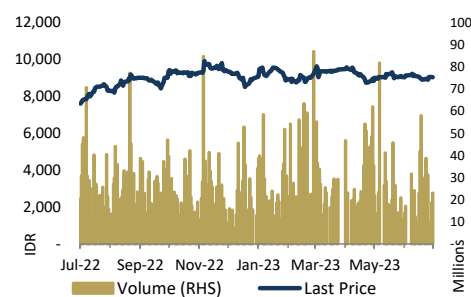
Shareholder Structure:

Negara Republik Indonesia (%)	60.0
Public (%)	40.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	(2.2)	-	(4.7)	18.8
JCI Return	1.0	4.2	1.4	0.9
Relative	(3.1)	(4.2)	(6.2)	17.9

Stock Price & Volumes, 12M



Company Background

PT Bank Negara Indonesia Tbk merupakan bank terbesar keempat di antara bank-bank BUKU 4 dalam hal nilai aset (ketiga di antara bank BUMN). Komposisi kredit BBNI sebagian besar didominasi oleh kredit korporasi (swasta dan BUMN), diikuti oleh kredit UKM.

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Focusing on quality-focused growth

Sesuai ekspektasi dan konsensus. BBNI melaporkan laba bersih sebesar IDR 5.1tn di 2Q23 (-2.7% QoQ dan +5.0% YoY), dengan angka kumulatif 6M23 sebesar IDR 10.3tn (+17% YoY), sejalan dengan ekspektasi kami (47.1% dari proyeksi full-year kami) dan konsensus (47.9%). Biaya provisi yang rendah di 2Q23 (IDR 2.4tn; +8.9% QoQ, -15.0% YoY) dan CoC (annualized) 1H23 sebesar 1.4% (1H22: 2.2%) merupakan beberapa pendorong utama kinerja BBNI. NII BBNI sedikit menurun menjadi IDR 10.2tn di 2Q23 (-2.0% QoQ dan -1.7% YoY), karena bank BUMN tersebut terus fokus pada peningkatan kualitas aset dan menyalurkan kredit hanya ke segmen berisiko rendah, yang menghasilkan angka pertumbuhan kredit yang cenderung kurang signifikan sebesar 4.9% di Jun-23, didorong oleh segmen korporasi swasta (+16.6% YoY) dan kredit payroll (+20.0% YoY). Terkait kualitas aset, rasio LAR BBNI turun menjadi 16.1% pada Jun-23, dari 19.6% pada Jun-22, sementara rasio coverage LAR meningkat menjadi 47.1% vs 42.3% pada periode yang sama tahun lalu.

Proyeksi 2023F. Dalam anlyt meetingnya, BBNI menyatakan akan mempertahankan proyeksi pertumbuhan kredit untuk 2023F sebesar 7.0%-9.0%, sedikit lebih rendah dari tahun 2022 (10.9%), dengan segmen korporasi swasta tier 1 sebagai penggerak utama. Terkait NIM, BBNI merevisi proyeksi 2023F menjadi >4.6%, turun dari target awal >4.7%, sedangkan CoC diproyeksikan turun lebih jauh (<1.5%, vs. 1.9% di 2022), didukung perbaikan kualitas aset. BBNI juga mengindikasikan akan mampu mempertahankan rasio pembayaran dividen sebesar 40-50% di tahun-tahun mendatang.

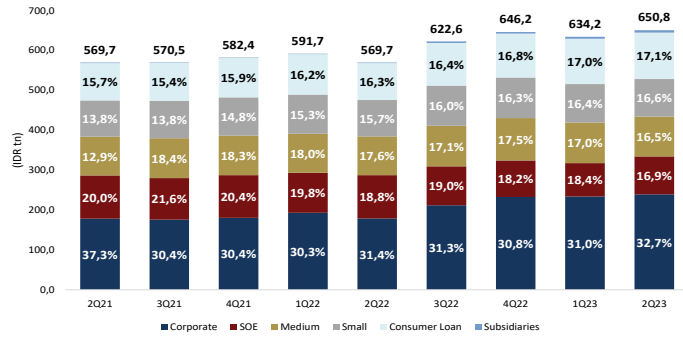
Coverage yang memadai untuk debitur konstruksi. BBNI telah meningkatkan cadangan provisi untuk debitur BUMN konstruksi pada 2Q23, dengan total cakupan provisi sebesar 53.5% per Jun-23 (60% untuk WSKT dan 30% untuk WIKA) dibanding 46.6% pada Des-22, yang kami yakini sudah memadai. BBNI memperkirakan LAR-nya akan terus menurun hingga kurang dari 13% hingga akhir tahun, dengan rasio coverage LAR melebihi 50%

BUY dengan TP IDR 12,700/saham. Pada saat ini, kami yakin manajemen BBNI akan terus meningkatkan kualitas sistem manajemen risikonya, terutama untuk sektor wholesale dan UKM. Berbeda dengan kompetitor terdekatnya (BMRI), BBNI akan terus fokus pada peningkatan kualitas aset di 2023F. Kami mempertahankan rating BUY kami untuk BBNI dengan TP IDR 12,700/saham, menyiratkan PBV 2023F sebesar 1,3x. Risiko downside: CoC yang lebih tinggi dari perkiraan dan kenaikan CoF, yang akan menekan NIM-nya lebih jauh lagi.

Forecast and Valuation (at closing price IDR 9,025 per share)

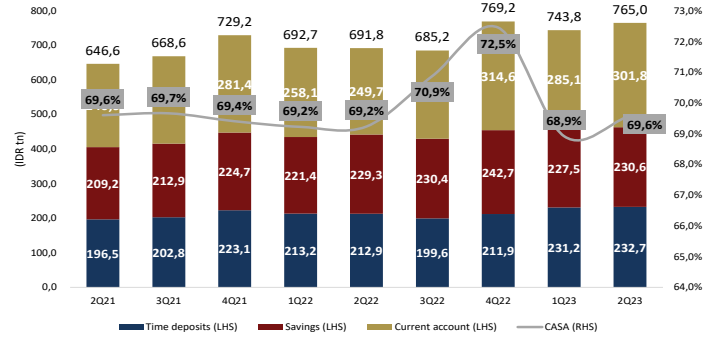
Y/E Dec (IDR Bn)	19A	20A	21A	22A	23F
Net Interest Income (IDR Bn)	36.602	37.152	38.247	41.321	44.758
Pre Provision Profit (IDR Bn)	28.325	27.822	31.064	34.413	36.828
Operating Profit (IDR Bn)	19.487	5.231	12.767	22.899	27.310
Net Profit (IDR Bn)	15.384	3.280	10.899	18.312	21.868
EPS (IDR)	825	176	584	982	1.173
EPS Growth (%)	2,5	-78,7	232,2	68,0	19,4
P/E Ratio (x)	11,0	51,4	15,5	9,2	7,7
BVPS (IDR)	6.570	5.909	6.635	7.518	8.352
P/BV Ratio (x)	1,4	1,5	1,4	1,2	1,1
DPS (IDR)	201	206	44	44	74
Dividend Yield (%)	2,2	2,3	0,5	0,5	0,8

Figure 1. BBNI's loan breakdown by segment



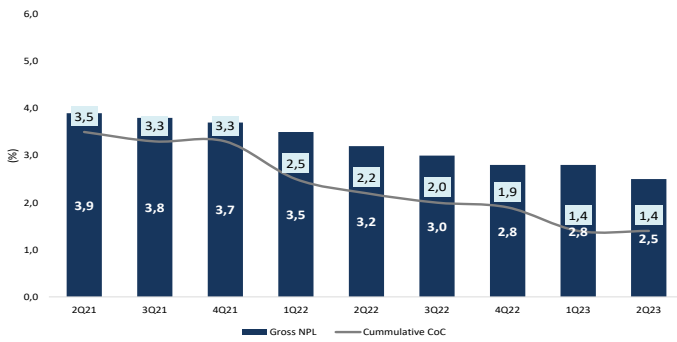
Source: Company, SSI research

Figure 2. BBNI's TPF breakdown



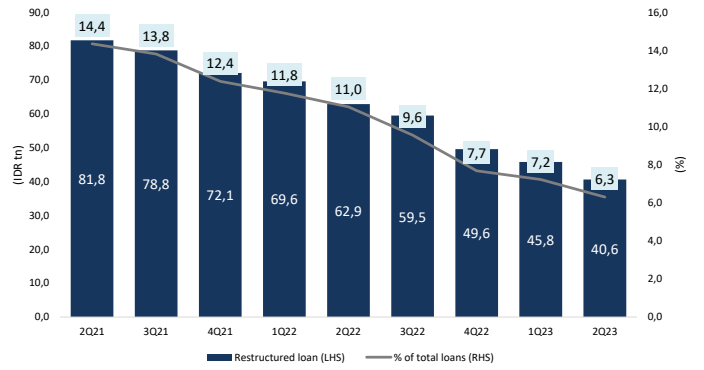
Source: Company, SSI research

Figure 3. BBNI's asset quality & COC



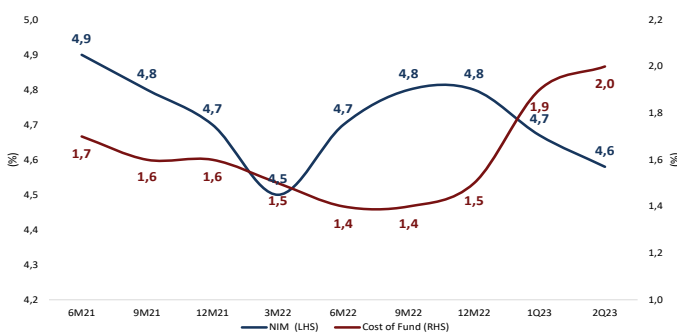
Source: Company, SSI research

Figure 4. BBNI's restructured loans & total loans



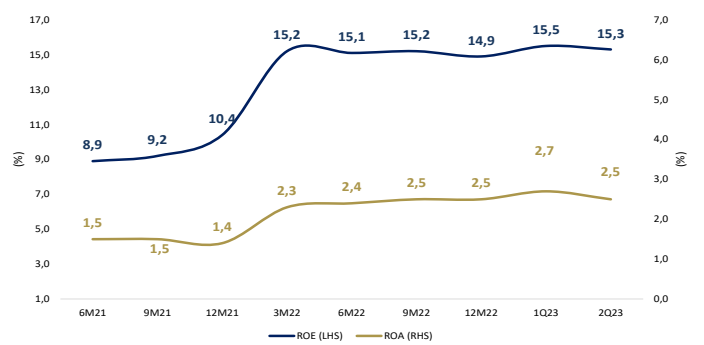
Source: Company, SSI research

Figure 5. BBNI's NIM and COF



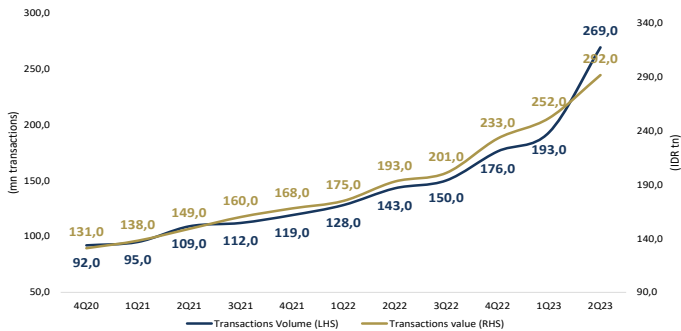
Source: Company, SSI research

Figure 6. BBNI's ROE and ROA



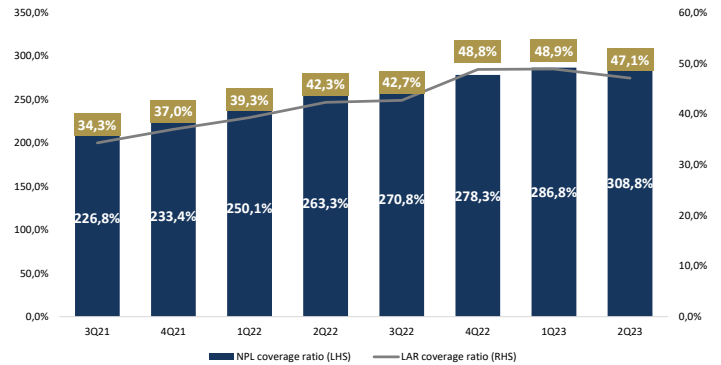
Source: Company, SSI research

Figure 7. BBNI's digital transaction



Source: Company, SSI research

Figure 8. BBNI's LAR and NPL coverage ratio



Source: Company, SSI research

Figure 9. BBNI 2Q23 results

BBNI 2Q23 Result (IDRbn)	2Q22	1Q23	2Q23	q-q (%)	y-y (%)	6M 22	6M 23	y-y (%)	6M 23/2023F	6M 23/cons
Interest Income	13,356	15,019	15,275	1.7	14.4	25,531	30,295	18.7		
Interest expense	2,978	4,615	5,078	10.0	70.5	5,921	9,693	63.7		
Net interest income	10,378	10,404	10,197	(2.0)	(1.7)	19,610	20,602	5.1		
Non-interest income	4,717	4,751	4,739	(0.3)	0.5	10,166	9,490	(6.6)		
Total operating income	15,095	15,155	14,936	(1.4)	(1.1)	29,776	30,092	1.1	45.5	45.8
Operating expense	6,387	6,484	6,291	(3.0)	(15)	12,532	12,775	19		
Impairment of fin. assets	2,803	2,167	2,360	8.9	(15.8)	6,403	4,528	(29.3)		
Operating profit	5,905	6,504	6,285	(3.4)	6.4	10,841	12,789	18.0		
Pretax profit	5,947	6,457	6,247	(3.3)	5.0	10,819	12,704	17.4		
Net profit	4,841	5,221	5,081	(2.7)	5.0	8,803	10,302	17.0	47.1	47.9
BS & ratio analysis	2Q22	1Q23	2Q23			6M 22	6M 23			
Gross loans (IDRbn)	620,423	634,326	650,770	2.6	4.9	620,423	650,770			
Third party funding (IDRbn)	691,837	743,729	765,010	2.9	10.6	691,837	765,010			
Key ratios										
Net interest margin (%)	4.7	4.7	4.6			4.7	4.6			
Cost efficiency (%)	42.3	42.8	42.1			42.1	42.5			
Cost to income (%)	67.3	67.1	68.6			69.6	67.9			
Loan/deposit (%)	89.7	85.3	85.1			89.7	85.1			
Loan/funding (%)	80.8	79.3	80.1			80.8	80.1			
Capital adequacy (%)	18.4	21.6	21.6			18.4	21.6			
Gross NPL (%)	3.2	2.8	2.5			3.2	2.5			
LLP/NPL (%)	263.3	289.2	308.8			263.3	308.8			
ROAE (%)	15.5	15.6	15.4			14.1	15.4			

Source: Company, Bloomberg, SSI Research

Table 1. Valuation highlights

Ticker	Recommendation	CP IDR	TP IDR	Upside (%)	P/B 23F	Net Profit		EPS Growth		ROE (%)		ROA (%)	
						23F	24F	23F	24F	23F	24F	23F	24F
BBCA	BUY	9,150	10,300	12.6	4.5	45.7	50.0	12.3	9.3	19.4	18.8	3.3	3.3
BBRI	BUY	5,650	6,200	9.7	2.6	56.5	62.9	10.5	11.3	18.2	18.7	3.0	3.2
BMRI	BUY	5,550	6,600	18.9	1.0	46.6	51.6	13.3	10.6	19.4	19.6	2.2	2.2
BBNI	BUY	9,025	12,700	40.7	1.1	21.9	24.1	19.4	10.1	15.0	14.5	2.1	2.1
BBTN	BUY	1,310	1,500	14.5	0.5	3.4	3.8	10.8	11.4	12.4	12.4	0.8	0.9
Sector						174.2	192.3	12.4	10.2	18.7	18.6	2.9	3.0

Source: Companies, SSI Research

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