Bank Negara Indonesia

Bloomberg: BBNI.IJ | Reuters: BBNI.JK

Banking Sector

01 November 2023

SAMUEL SEKURITAS INDONESIA
Your Lifelong Investment Partner

JCI Index: 6,752

BUY (Maintain)

Target Price (IDR)	**5,750**
Potential Upside (%)	**20.0**

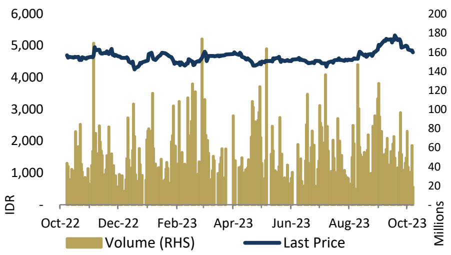
Price Comparison	
Cons. Target Price (IDR)	5,754
SSI vs. Cons. (%)	111.8

Stock Information	
Last Price (IDR)	4,790
Shares Issued (Mn)	37,729
Market Cap. (IDR Bn)	180,519
52-Weeks High/Low (IDR)	5,425/4,213
3M Avg. Daily Value (IDR Bn)	282.5
Free Float (%)	40.0
Shareholder Structure:	
Negara Republik Indonesia (%)	60.0
Public (%)	40.0

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	4.9	(6.2)	11.6	3.0
JCI Return	(2.6)	(3.9)	(3.1)	(5.4)
Relative	7.5	(2.4)	14.7	8.4

Stock Price & Volumes, 12M



Focusing on quality-based growth

Kinerja sesuai ekspektasi. BBNI membukukan laba bersih sebesar IDR 5.6tn pada 3Q23 (+10.0% QoQ dan +14.3% YoY), dengan laba bersih 9M23 sebesar IDR 15.9tn (+16% YoY), sesuai dengan ekspektasi kami (76.7% dari estimasi full-year SSI) dan konsensus (75.6%). Rendahnya biaya provisi pada 3Q23 (IDR 2.2tn; -6.8% QoQ, -12.8% YoY) dan annualized CoC di 9M23 sebesar 1.4% (lebih rendah dari guidance yang sebesar 1.5%-1.6%) menjadi kontributor utama solidnya kinerja BBNI. NII-nya mengalami pertumbuhan secara QoQ, didukung terutama oleh peningkatan imbal hasil kredit (+10bps QoQ) dan pertumbuhan kredit yang naik menjadi 7.8% pada September-23, didukung oleh segmen korporasi swasta (+19.2% YoY). Meskipun ada kenaikan CoF di 3Q23, BBNI berhasil membukukan NIM yang lebih tinggi sebesar 4.78% di 3Q23 dibandingkan 4.48% pada kuartal sebelumnya. Terkait kualitas aset, rasio LAR BBNI turun menjadi 14.4% di Sep-23, dari 19.3% di Sep-22 dan 16.1% di Juni-23, sementara rasio coverage LAR naik menjadi 51.1% vs. 42.3% di periode yang sama tahun lalu dan 47,1% pada Juni-23. Peningkatan rasio LAR terutama disebabkan oleh sektor korporasi, khususnya industri jalan tol, perdagangan, dan perhotelan.

Guidance 2023F. Dalam analyst meetingnya, BBNI menyatakan akan mempertahankan proyeksi pertumbuhan kredit 2023F sebesar 7.0%-9.0%, dengan segmen korporasi swasta tier 1 sebagai pendorong utama, karena kualitas masih akan menjadi fokus utama BBNI di masa mendatang. Mengenai NIM-nya, BBNI menyatakan keyakinannya untuk mempertahankan NIM-nya pada level saat ini, meskipun tekanan dari CoF mungkin akan terus berlanjut di 4Q23 (terutama karena kenaikan suku bunga BI sebesar 25bps), karena BBNI masih memiliki banyak ruang untuk meningkatkan imbal hasil kredit. CoC BBNI diperkirakan akan semakin turun (<1.5% vs. 1.9% pada tahun 2022), berkat perbaikan kualitas aset.

BUY dengan TP IDR 5,750/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 5,750/saham, menyiratkan PBV 2024F sebesar 1,2x. Risiko downside: CoC yang lebih tinggi dari perkiraan dan kenaikan CoF, yang akan kembali menekan NIM.

Company Background

PT Bank Negara Indonesia Tbk is the fourth largest bank among BUKU 4 banks in terms of asset value (third among state-owned banks). BBNI's loan composition is mostly dominated by corporate loans (private and SOEs), followed by SME loans.

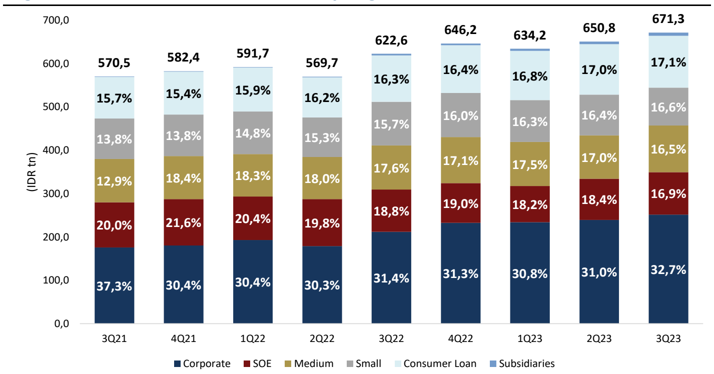
Prasetya Gunadi
+62 21 2854 8320
prasetya.gunadi@samuel.co.id

Brandon Boedhiman
+62 21 2854 8100
brandon.boedhiman@samuel.co.id

Forecast and Valuation (at closing price IDR 4,790 per share)

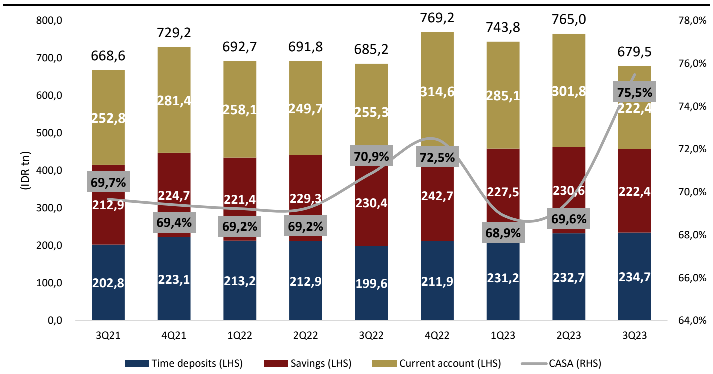
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Net Interest Income (IDR Bn)	38,247	41,321	43,343	48,058	52,737
Pre Provision Profit (IDR Bn)	31,064	34,413	35,412	39,093	42,641
Operating Profit (IDR Bn)	12,767	22,899	25,894	29,480	32,491
Net Profit (IDR Bn)	10,899	18,312	20,715	23,593	26,000
EPS (IDR)	584	982	1,111	1,265	1,394
EPS Growth (%)	232.2	68.0	13.1	0.0	0.0
P/E Ratio (x)	15.5	4.9	8.1	7.2	6.5
BVPS (IDR)	6,635	7,518	7,971	8,648	9,372
P/BV Ratio (x)	1.4	0.6	1.1	1.0	1.0
DPS (IDR)	44	146	393	555	633
Dividend Yield (%)	0.5	1.6	4.3	6.1	7.0

Figure 1. BBNI's loan breakdown by segment



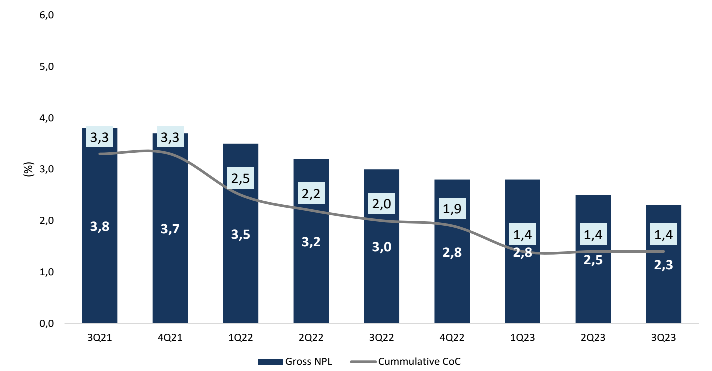
Source: Company, SSI research

Figure 2. BBNI's TPF breakdown



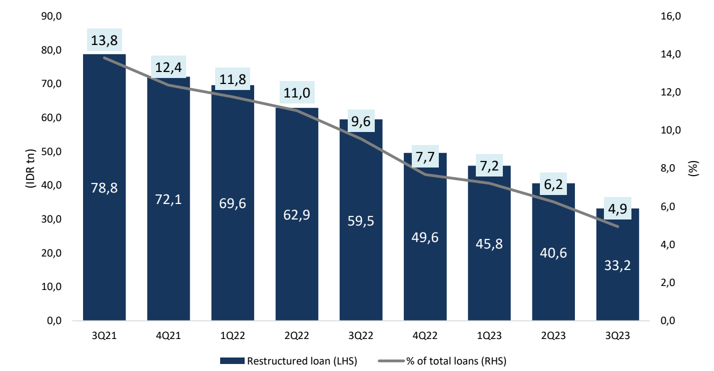
Source: Company, SSI research

Figure 3. BBNI's asset quality & COC



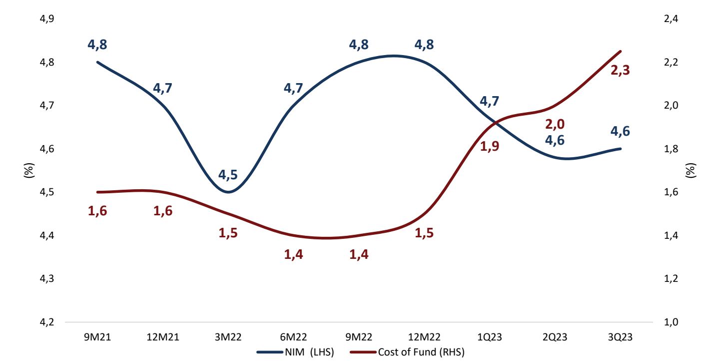
Source: Company, SSI research

Figure 4. BBNI's restructured loans & total loans



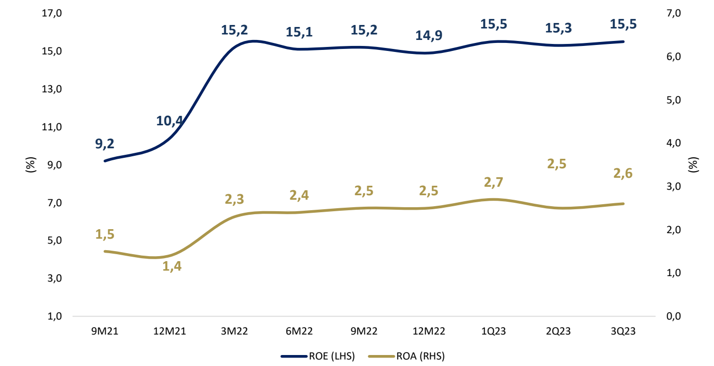
Source: Company, SSI research

Figure 5. BBNI's NIM and COF



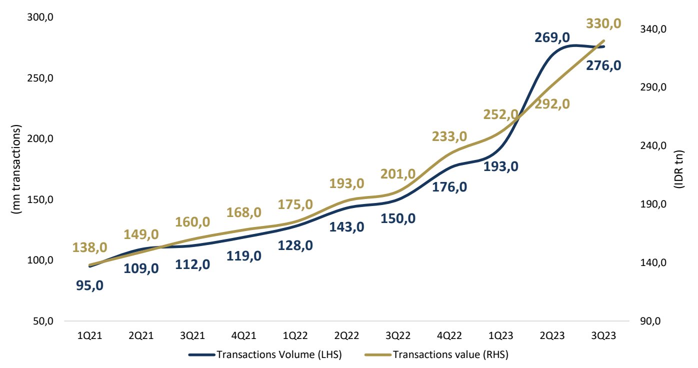
Source: Company, SSI research

Figure 6. BBNI's ROE and ROA



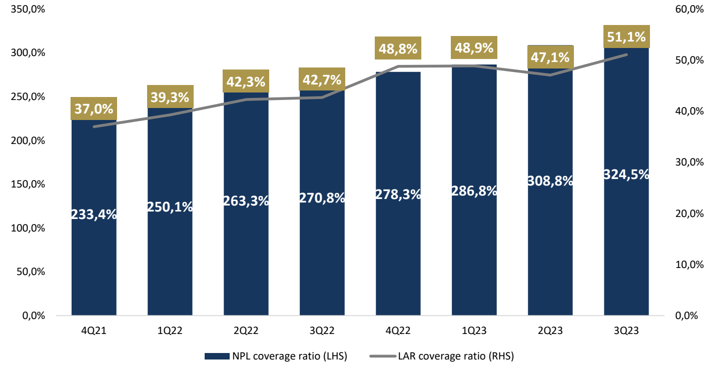
Source: Company, SSI research

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 3Q23 results

BBNI 3Q23 Result (IDRbn)	3Q22	2Q23	3Q23	q-q (%)	y-y (%)	9M22	9M23	y-y (%)	9M23/ 2023F	9M23/ cons
Interest Income	13.739	15.275	15.924	4,2	15,9	39.270	46.218	17,7		
Interest expense	3.150	5.078	5.389	6,1	71,1	9.071	15.082	66,3		
Net interest income	**10.589**	**10.197**	**10.535**	**3,3**	**(0,5)**	**30.199**	**31.136**	**3,1**		
Non-interest income	4.827	4.739	5.161	8,9	6,9	14.993	14.651	(2,3)		
Total operating income	**15.416**	**14.936**	**15.696**	**5,1**	**1,8**	**45.192**	**45.787**	**1,3**	**70,7**	**71,2**
Operating expense	6.829	6.291	6.769	7,6	(0,9)	19.361	19.544	0,9		
Impairment of fin. assets	2.525	2.360	2.201	(6,8)	(12,8)	8.928	6.728	(24,6)		
Operating profit	**6.062**	**6.285**	**6.726**	**7,0**	**11,0**	**16.903**	**19.515**	**15,5**		
Pretax profit	**5.965**	**6.247**	**6.672**	**6,8**	**11,8**	**16.784**	**19.376**	**15,4**		
Net profit	**4.889**	**5.081**	**5.587**	**10,0**	**14,3**	**13.692**	**15.889**	**16,0**	**76,7**	**75,6**
BS & ratio analysis	**3Q22**	**2Q23**	**3Q23**			**9M22**	**9M23**			
Gross loans (IDRbn)	622.607	650.770	671371	3,2	7,8	622.607	671371			
Third party funding (IDRbn)	685.235	765.010	747.595	(2,3)	9,1	685.235	747.595			
Key ratios										
Net interest margin (%)	4,8	4,6	4,6			4,8	4,6			
Cost efficiency (%)	44,3	42,1	43,1			42,8	42,7			
Cost to income (%)	67,3	68,6	68,1			68,8	67,9			
Loan/deposit (%)	90,9	85,1	89,8			90,9	89,8			
Loan/funding (%)	81,9	80,1	84,4			81,9	84,4			
Capital adequacy (%)	18,9	21,6	21,9			18,9	21,9			
Gross NPL (%)	3,0	2,5	2,3			3,0	2,3			
LLP/NPL (%)	270,8	308,8	324,5			270,8	324,5			
ROAE (%)	15,3	15,2	15,4			14,2	15,4			

Source: Company, Bloomberg, SSI Research

Table 1. Valuation highlights

Ticker	Recommendation	CP IDR	TP IDR	Upside (%)	P/B 23F	Net Profit 23F	Net Profit 24F	EPS Growth 23F	EPS Growth 24F	ROE (%) 23F	ROE (%) 24F	ROA (%) 23F	ROA (%) 24F
BBCA	BUY	8,625	10,500	21.7	3.9	51.7	56.5	9.1	9.2	20.3	20.1	3.4	3.4
BBRI	BUY	4,870	6,400	31.4	2.3	62.9	70.3	11.3	11.7	19.3	20.3	3.2	3.2
BMRI	BUY	5,625	7,000	24.4	2.0	55.1	59.6	12.8	8.2	20.6	20.3	2.4	2.3
BBNI	BUY	4,890	5,750	17.6	0.5	23.6	26.0	13.9	10.2	15.2	15.5	2.1	2.1
BBTN	HOLD	1,200	1,350	12.5	0.4	3.5	3.9	12.5	12.9	11.6	11.9	0.8	0.8
Sector						**196,8**	**216,2**	**10,8**	**9,8**	**19,7**	**19,8**	**3,0**	**3,0**

Source: Companies, SSI Research

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
Yosua Zisokhi	Cement , Cigarette, Paper, Plantation,Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392
Haikal Putra Samsul	Research Associate	haikal.putra@samuel.co.id	+6221 2854 8353

Equity Institutional Team			
Widya Meidrianto	Head of Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Director of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Anthony Yunus	Head of Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Denzel Obaja	Equity Sales	denzel.obaja@samuel.co.id	+6221 2854 8342
Wahyudi Budiyono	Dealer	wahyudi.budiyono@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 28548104
Saldy Achmad Yanuar	Fixed Income Sales	saldy.achmad@samuel.co.id	+6221 28548384
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305