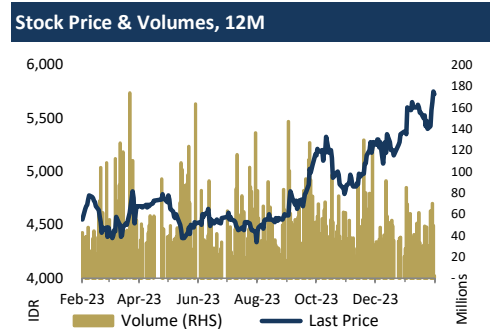


## BUY (Maintain)

Target Price (IDR)	6,600
Potential Upside (%)	14.3
Price Comparison	
Cons. Target Price (IDR)	6,282
SSI vs. Cons. (%)	105.07

Stock Information	
Last Price (IDR)	5,775
Shares Issued (Mn)	37,297
Market Cap. (IDR Bn)	215,392
52-Weeks High/Low (IDR)	5,800/4,313
3M Avg. Daily Value (IDR Bn)	258.3
Free Float (%)	39.8
Shareholder Structure:	
Negara Republik Indonesia (%)	60.0
Public (%)	40.0

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	7.9	7.9	19.1	27.5
JCI Return	(0.7)	(1.3)	7.0	4.9
Relative	8.6	9.3	12.1	22.6



**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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## Fundamental improvement in risk profile

**Pertumbuhan sehat didukung segmen risiko rendah.** BBNI membukukan pertumbuhan kredit kuartalan yang solid di 4Q23, didorong oleh klien-klien level atas. Didukung pertumbuhan tersebut, BBNI mampu mencatatkan pertumbuhan kredit sebesar +7.6% YoY di FY23, dengan kenaikan kredit korporasi swasta sebesar +14.3% YoY. Kami memperkirakan angka kredit BBNI akan kembali meningkat pada FY24, mengingat progres 'pembenahan' segmen BUMN dan komersial yang cukup menggembirakan. BBNI memproyeksikan pertumbuhan kredit di FY24 akan mencapai +9-10% YoY, didukung oleh segmen komersial dan konsumen.

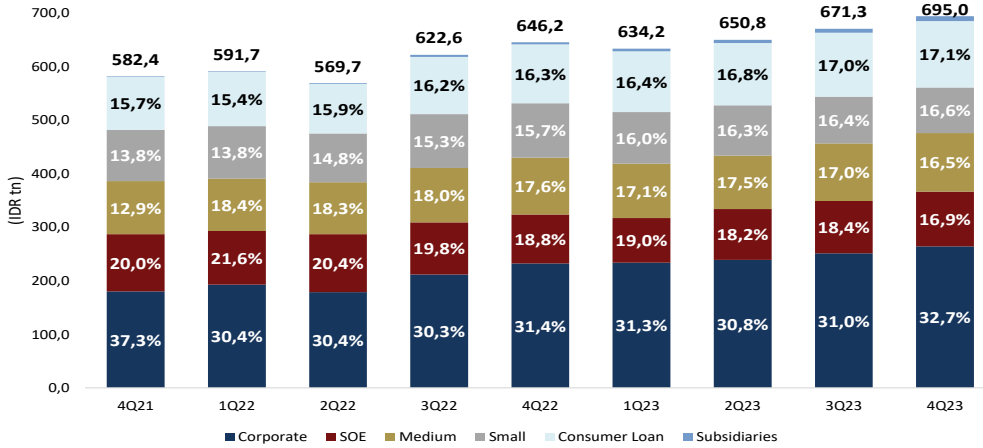
**Pengetatan likuiditas menekan NIM di 4Q23.** BBNI mencatatkan NIM bank-only sebesar 4.4% di 4Q23 (-40bps QoQ), dengan NIM FY23 sebesar 4.6% (-20bps YoY). Penurunan risiko portofolio kredit dan kenaikan suku bunga TD menjadi penyebab utama penurunan NIM di tengah pengetatan likuiditas pada 4Q23. BBNI memperkirakan NIM-nya di FY24 akan berkisar antara 4.5%-4.6% (SSI: 4.5%), meskipun CoF mungkin akan tetap tinggi di 1H24, karena kami yakin bahwa kenaikan CoF akan diimbangi oleh kenaikan imbal hasil kredit seiring dengan lebih banyaknya kredit yang diberikan kepada debitur komersial, meskipun penyalurannya akan dilakukan dengan lebih hati-hati seiring dengan membaiknya sistem manajemen risiko BBNI. Patut digarisbawahi bahwa reformasi segmen komersial BBNI telah berjalan selama tiga tahun, dan kami berharap dapat melihat peningkatan nyata dalam penyaluran kredit di segmen tersebut dalam 2-3 tahun ke depan.

**Terus membaiknya NIM.** Dari sisi kualitas aset, LAR BBNI tercatat di 12.9% pada Des-23 vs. 14.4% pada 3Q23 dan 16.0% pada Des-22, dan BBNI memperkirakan LAR-nya akan terus menurun hingga kurang dari 10% (SSI: 9% ) dan rasio NPL turun di bawah 1.8% (SSI: 1.8%) di FY24. Sejalan dengan membaiknya rasio LAR, BBNI berhasil menurunkan biaya kredit (CoC) menjadi 1.4% di FY23 vs. 1.9% di FY22, dan memproyeksikan CoC akan turun di bawah 1.4% di FY24 (SSI: 1.3%). Rasio LAR coverage BBNI mencapai 52.7% di 4Q23 vs. 48.8% di 4Q22, sementara rasio NPL coverage naik menjadi 319% di 4Q23 vs. 278% di 4Q22.

**BUY, TP IDR 6,600 (1.5x PBV).** Saat ini, kami tetap yakin bahwa manajemen akan terus memperkuat sistem manajemen risiko BBNI, khususnya untuk sektor Wholesale dan UKM; Oleh karena itu, NIM BBNI kemungkinan akan meningkat dalam 2-3 tahun ke depan, didukung dengan naiknya penyaluran kredit ke sektor UKM. Kami mempertahankan rating BUY dengan TP IDR 6,600/saham untuk BBNI, menyiratkan PBV 2024F sebesar 1.5x (Sektor: 2.9x). Risiko: CoC yang lebih tinggi dari perkiraan, kenaikan CoF (yang mungkin akan semakin menekan NIM).

Forecast and Valuation (at closing price IDR 5,775 per share)					
Y/E Dec (IDR Bn)	21A	22A	23A	24F	25F
Net Interest Income (IDR Bn)	38,247	41,321	41,276	45,828	50,571
Pre Provision Profit (IDR Bn)	31,064	34,413	34,970	38,786	42,628
Operating Profit (IDR Bn)	12,767	22,899	25,773	29,233	32,536
Net Profit (IDR Bn)	10,899	18,312	20,909	23,725	26,407
EPS (IDR)	293	492	561	637	709
EPS Growth (%)	66.3	68.0	14.2	13.5	11.3
P/E Ratio (x)	19.6	11.6	10.2	9.0	8.1
BVPS (IDR)	3,321	3,645	4,034	4,374	4,745
P/BV Ratio (x)	1.7	1.6	1.4	1.3	1.2
DPS (IDR)	22	73	197	281	318
Dividend Yield (%)	0.4	1.3	3.4	4.9	5.6

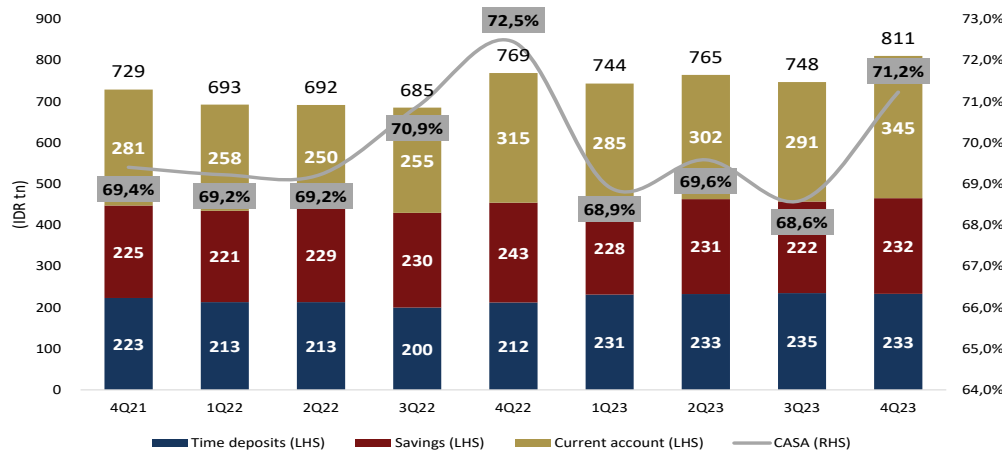
Figure 1. BBNI's loan breakdown by segment



Pertumbuhan kredit mencapai +7.6%, didorong oleh pertumbuhan kredit korporasi dan konsumsi

Source: Company, SSI Research

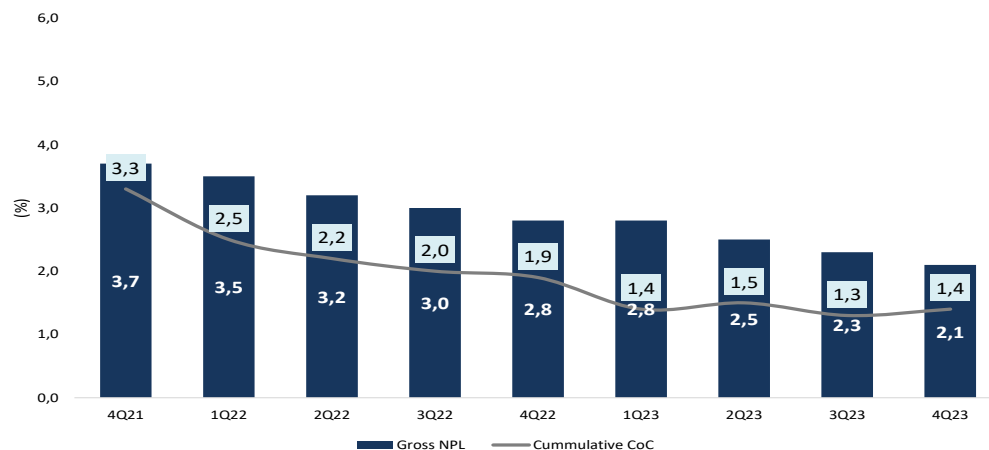
Figure 2. BBNI's TPF breakdown



CASA BBNI membaik pada 4Q23 berkat kontribusi signifikan dari Mobile Banking dan Cash Management

Source: Company, SSI Research

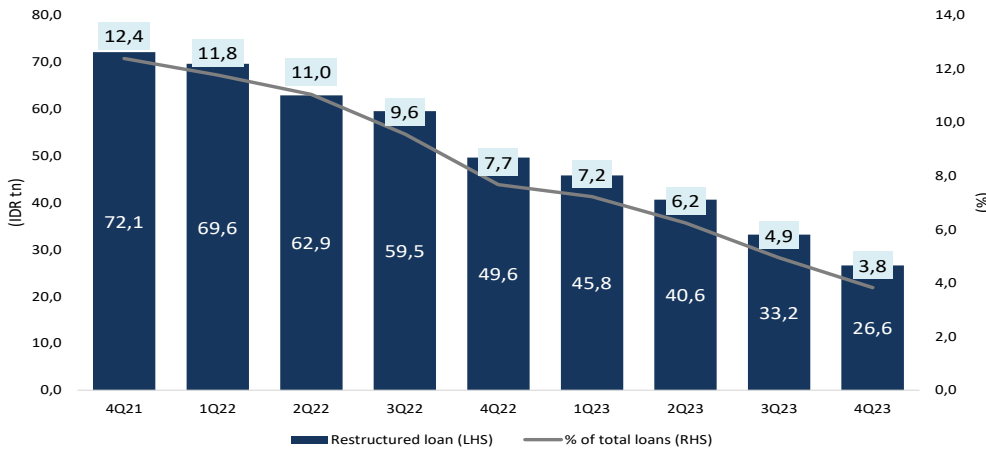
Figure 3. BBNI's asset quality & CoC



Membairnya kualitas aset menyebabkan penurunan CoC sebesar -50bps YoY (FY23: 1.9, FY22: 1.4)

Source: Company, SSI Research

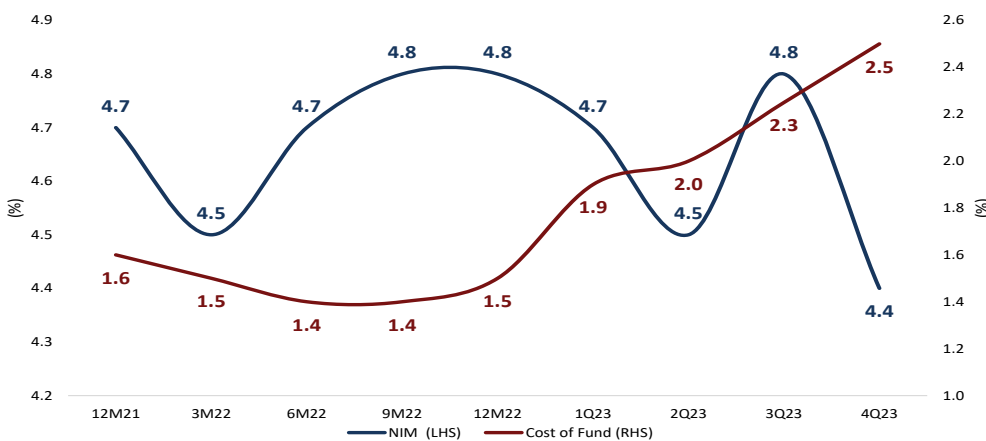
**Figure 4. BBNI's restructured loans & total loans**



Kredit tumbuh moderat (+7.6% YoY), karena BBNI memilih untuk memprioritaskan restrukturisasi portofolio kredit

Source: Company, SSI Research

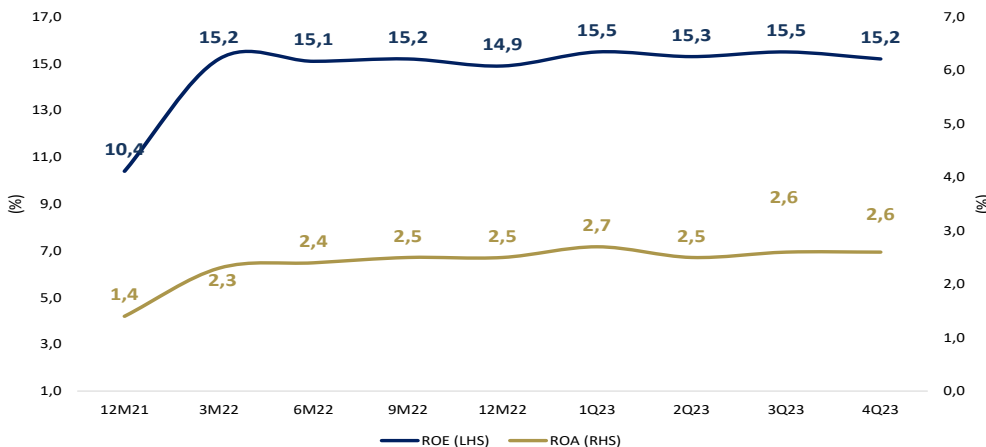
**Figure 5. BBNI's NIM and COF**



Di tengah pengetatan likuiditas, CoF naik +100bps YoY menjadi 2.5%, yang menyebabkan penurunan NIM sebesar -40bps menjadi 4.4% pada 2023

Source: Company, SSI Research

**Figure 6. BBNI's ROE and ROA**



ROAE tetap relatif stabil, didukung oleh perbaikan struktural pada fee-based income, rasio efisiensi, dan kualitas aset

Source: Company, SSI Research

Figure 7. BBNI's 4Q23 results

(IDRbn)	4Q22	3Q23	4Q23	Q-Q [%]	Y-Y [%]	12M22	12M23	Y-Y [%]	12M23/ 2023F	12M23/ cons
Interest Income	15,389	15,924	15,253	(4.2)	(0.9)	54,659	61,472	12.5		
Interest expense	4,267	5,389	5,114	(5.1)	19.8	13,338	20,196	51.4		
<b>Net interest income</b>	<b>11,122</b>	<b>10,535</b>	<b>10,139</b>	<b>(3.8)</b>	<b>(8.8)</b>	<b>41,321</b>	<b>41,276</b>	<b>(0.1)</b>		
Non-interest income	5,159	5,161	6,821	32.2	32.2	20,152	21,472	6.6		
<b>Total operating income</b>	<b>16,281</b>	<b>15,696</b>	<b>16,960</b>	<b>8.1</b>	<b>4.2</b>	<b>61,473</b>	<b>62,748</b>	<b>2.1</b>	<b>97.0</b>	<b>98.4</b>
Operating expense	7,698	6,750	8,085	19.8	5.0	27,059	27,611	2.0		
Impairment of fin. assets	2,586	2,201	2,635	19.7	1.9	11,514	9,363	(18.7)		
<b>Operating profit</b>	<b>5,997</b>	<b>6,745</b>	<b>6,240</b>	<b>(7.5)</b>	<b>4.1</b>	<b>22,900</b>	<b>25,774</b>	<b>12.6</b>		
<b>Pretax profit</b>	<b>5,903</b>	<b>6,672</b>	<b>6,263</b>	<b>(6.1)</b>	<b>6.1</b>	<b>22,687</b>	<b>25,640</b>	<b>13.0</b>		
<b>Net profit</b>	<b>4,620</b>	<b>5,452</b>	<b>5,156</b>	<b>(5.4)</b>	<b>11.6</b>	<b>18,312</b>	<b>20,909</b>	<b>14.2</b>	<b>100.9</b>	<b>98.9</b>
<b>BS &amp; ratio analysis</b>	<b>4Q22</b>	<b>3Q23</b>	<b>4Q23</b>			<b>12M22</b>	<b>12M23</b>			
Gross loans (IDRbn)	646,188	671,371	695,085	3.5	7.6	646,188	695,085			
Third party funding (IDRbn)	769,269	747,595	810,730	8.4	5.4	769,269	810,730			
<b>Key ratios</b>										
Net interest margin (%)	4.8	4.6	4.6			4.8	4.6			
Cost efficiency (%)	47.3	43.0	47.7			44.0	44.0			
Cost to income (%)	70.8	68.0	71.7			69.4	68.9			
Loan/deposit (%)	84.0	89.8	85.7			84.0	85.7			
Loan/funding (%)	78.1	84.4	80.5			78.1	80.5			
Capital adequacy (%)	19.3	21.9	22.0			19.3	22.0			
Gross NPL (%)	2.8	2.3	2.1			2.8	2.1			
LLP/NPL (%)	286.6	324.5	359.7			286.6	359.7			
ROAE (%)	14.5	15.9	14.9			14.4	14.9			

NII turun tipis ke IDR 10.1tn (-3.8% QoQ, -8.8% YoY) di 4Q23, yang disebabkan oleh peningkatan CoF menjadi 2.54% di 4Q23 vs. 2.25% di 3Q23; karenanya, NIM 4Q23 turun menjadi 4.4% vs. 4.8% di 3Q23

Source: Company, SSI Research, Bloomberg

## Key Financial Figures

Income Statement					
Y/E (IDRbn)	21A	22A	23A	24F	25F
Interest income	50,026	54,659	61,472	68,908	74,506
Interest expense	-11,779	-13,338	-20,196	-23,080	-23,935
<b>Net interest income</b>	<b>38,247</b>	<b>41,321</b>	<b>41,276</b>	<b>45,828</b>	<b>50,571</b>
Non-interest income	17,619	20,151	21,472	22,782	24,193
<b>Total operating income</b>	<b>55,865</b>	<b>61,472</b>	<b>62,747</b>	<b>68,610</b>	<b>74,764</b>
Operating expenses	-24,801	-27,059	-27,778	-29,824	-32,136
<b>Pre-prov. op. profit</b>	<b>31,064</b>	<b>34,413</b>	<b>34,970</b>	<b>38,786</b>	<b>42,628</b>
Provisions expense	-18,297	-11,514	-9,196	-9,553	-10,092
<b>Operating profit</b>	<b>12,767</b>	<b>22,899</b>	<b>25,773</b>	<b>29,233</b>	<b>32,536</b>
Non-op. inc./(exp.)	-216	-212	-134	-150	-168
<b>Pre-tax profit</b>	<b>12,551</b>	<b>22,687</b>	<b>25,640</b>	<b>29,084</b>	<b>32,368</b>
Corporate tax	-1,574	-4,205	-4,534	-5,142	-5,723
Minorities	-79	-170	-197	-216	-238
<b>Net profit</b>	<b>10,899</b>	<b>18,312</b>	<b>20,909</b>	<b>23,725</b>	<b>26,407</b>
<b>EPS (IDR)</b>	<b>293</b>	<b>492</b>	<b>561</b>	<b>637</b>	<b>709</b>

Kami memperkirakan BBNI akan membukukan pertumbuhan EPS sebesar 13.5% YoY di FY24, didukung oleh rencananya untuk meningkatkan pertumbuhan kredit dengan kisaran target pertumbuhan antara 9-11% YoY

Balance Sheet					
Y/E (IDRbn)	21A	22A	23A	24F	25F
Placement with other banks	92,290	51,569	43,794	45,108	46,461
Loans	582,436	646,188	695,085	764,229	841,001
Government bonds	111,428	121,291	127,099	127,749	128,796
Other int-earning assets	109,651	102,957	124,224	127,383	131,111
Financial assets impairment	-51,962	-51,856	-48,157	-43,430	-40,039
<b>Net earning assets</b>	<b>843,844</b>	<b>870,150</b>	<b>942,044</b>	<b>1,021,039</b>	<b>1,107,330</b>
Cash	12,933	11,165	9,062	33,964	38,429
Fixed assets	27,633	28,832	30,090	31,412	32,801
Other assets	80,427	119,690	105,648	106,390	112,423
<b>Total assets</b>	<b>964,838</b>	<b>1,029,837</b>	<b>1,086,844</b>	<b>1,192,805</b>	<b>1,290,984</b>
Customer deposits	729,169	769,269	810,730	883,792	963,227
Deposits from other banks	14,377	15,245	11,894	19,358	20,326
Borrowing and sub-debts	34,287	38,539	37,841	44,299	46,169
Other liabilities	60,486	66,586	71,466	78,017	80,328
<b>Total liabilities</b>	<b>838,318</b>	<b>889,639</b>	<b>931,931</b>	<b>1,025,466</b>	<b>1,110,050</b>
Minorities	2,782	4,382	4,602	4,385	4,147
Equity	123,738	135,816	150,311	162,954	176,787
<b>Total liabilities and equity</b>	<b>964,838</b>	<b>1,029,837</b>	<b>1,086,844</b>	<b>1,192,805</b>	<b>1,290,984</b>
<b>BVPS (IDR)</b>	<b>6,635</b>	<b>7,283</b>	<b>8,060</b>	<b>8,738</b>	<b>9,480</b>

Keputusan BBNI untuk memprioritaskan kualitas aset menyebabkan pertumbuhan kredit yang cukup moderat di FY23, sebesar +7.6% YoY

Ratios & assumptions					
Y/E (%)	21A	22A	23A	24F	25F
NIM	4.7	4.8	4.6	4.5	4.6
Loan-to-deposit ratio	78.3	82.4	84.5	84.6	85.5
Cost-to-income ratio	44.4	44.0	44.3	43.5	43.0
Credit cost	3.4	1.9	1.4	1.3	1.3
Gross NPL	3.7	2.8	2.1	2.4	2.3
NPL coverage	246.3	280.4	304.3	227.0	198.5
Tier-1 CAR	16.0	16.0	21.4	21.4	21.5
ROA	1.2	1.8	2.0	2.1	2.1
ROE	9.3	14.1	14.6	15.1	15.5
Average asset yield	5.8	6.0	6.4	6.7	6.7
Average funding cost	1.5	1.6	2.4	2.5	2.4
Average loan yield	7.4	7.5	7.6	8.1	8.1
Average deposit cost	1.5	1.4	2.1	2.1	2.1
Loan growth	(0.6)	11.0	7.6	10.0	10.0
Deposit growth	7.3	5.5	6.5	7.8	9.0
EPS growth	232.2	68.0	14.2	13.5	11.3

Bank membukukan kenaikan CoC tipis di 4Q23 (1.4%), sehingga rasio LAR coverage naik ke 52.7%, dibandingkan 51.1% di 3Q23

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