

Bank Negara Indonesia (BBNI): IDR 5,250 — BUY, SSI TP: IDR 6,000; Cons. TP: IDR 6,045



2Q24 Results: 22 August 2024

(IDRbn)	2Q24	QoQ (%)	YoY (%)	6M23	6M24	YoY (%)	6M24/ SSI	6M24/ Cons.
Net interest income	9,681	3.1	(5.1)	20,602	19,072	(7.4)	-	-
Non-interest income	5,484	0.8	15.7	9,490	10,924	15.1	-	-
Total operating income	15,165	2.3	1.5	30,092	29,996	(0.3)	44.6	46.4
Provisions	1,656	(4.0)	(29.8)	4,528	3,383	(25.3)	-	-
Operating profit	6,494	0.9	3.3	12,789	12,931	1.1	-	-
Net profit	5,365	0.7	5.6	10,302	10,692	3.8	48.0	48.6
Key ratios (%)								
Net interest margin (%)	-	-	-	4.6	4.0	-	-	-
Loan/deposit (%)	-	-	-	85.1	94.1	-	-	-
Capital adequacy (%)	-	-	-	21.6	20.7	-	-	-
Gross NPL (%)	-	-	-	2.5	2.0	-	-	-
ROAE (%)	-	-	-	15.4	15.1	-	-	-

SWOT Analysis of the Results (In-line)

Strength

In 2Q24, loan growth remained robust at 11.7% YoY, driven by wholesale segment (+18.7% YoY); stable 2Q24 NIM of 4.0% (+3bps QoQ), as CoF fell -7bps QoQ to 2.7% partly due to RRR incentives

Weakness

2Q24 LDR rose to 94.0% vs. 89% in the previous quarter, while CIR slightly increased to 44.3% vs. 43.2% in 1Q24

Opportunity

BBNI plans to disburse more loans to commercial and SME segments; as those segments offer higher yields, the strategy could help offset NIM pressure

Threat

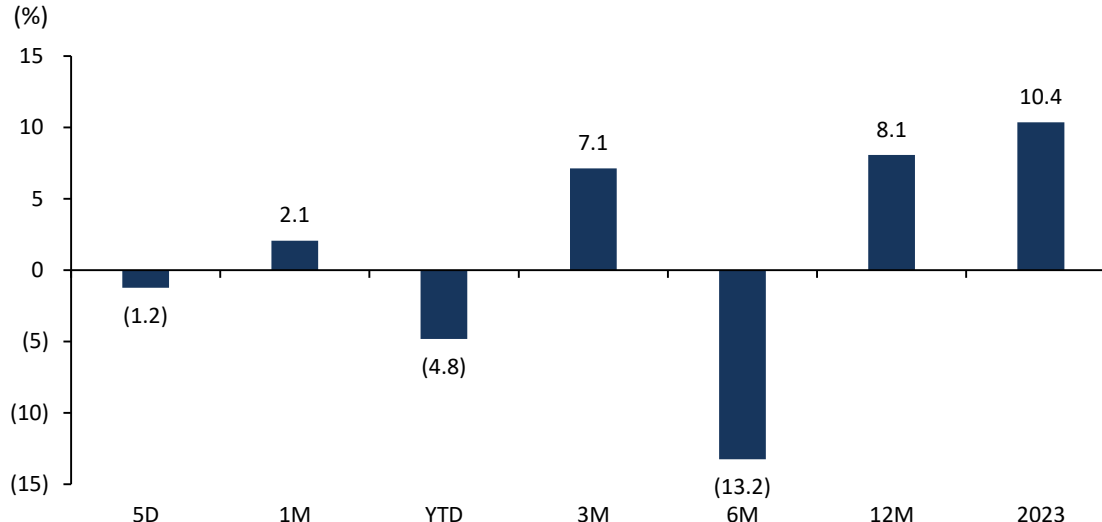
BBNI's NPL (2.0% in 2Q24) could rise if the bank disburses SME loans without prudent risk management; this could result in continued YTD market underperformance

Sources: Company, Bloomberg, SSI Research

Peer Comparables

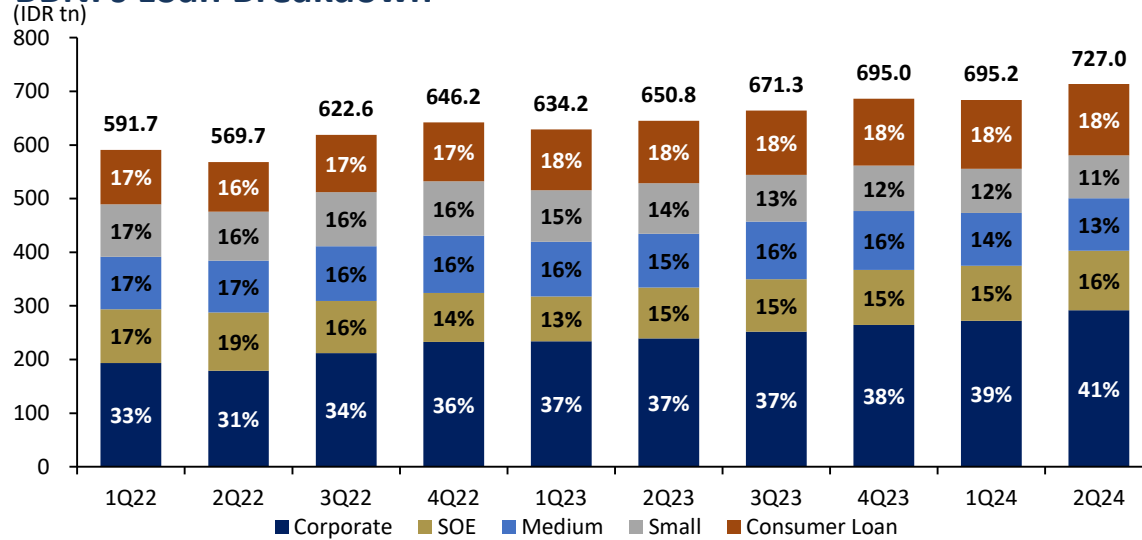
Company Ticker	Market Cap. (IDR tn)	YTD Net Buy/(Sell) (IDR bn)	Last Price (IDR)	TP (IDR)	Rating	Upside Potential (%)	2024F			
							NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	1,273	4,946	10,225	11,500	BUY	12.5	5.7	9.2	4.8	20.9
BBRI	765	(18,738)	4,830	5,000	HOLD	3.5	7.7	3.6	2.4	19.6
BMRI	658	1,972	7,025	8,000	BUY	13.9	5.2	0.1	2.3	20.3
BBNI	197	(1,524)	5,250	6,000	BUY	14.3	4.3	6.6	1.2	14.3
BRIS	121	1,394	2,480	2,400	HOLD	(3.2)	5.5	15.6	2.6	16.9
ARTO	40	539	2,670	2,800	HOLD	4.9	7.9	53.7	4.7	1.3
BBTN	19	228	1,310	1,300	HOLD	(0.8)	3.6	7.4	0.4	11.7
Sector	3,032	(2,231)			Overweight	9.9	6.0	6.5	3.3	19.6

Relative YTD Performance vs JCI (%)

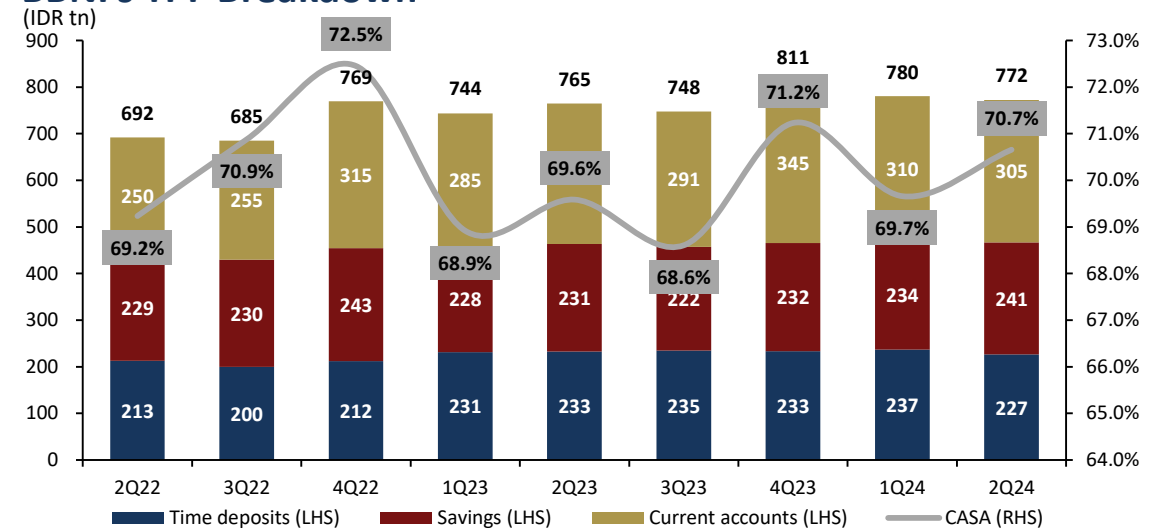


Analysts: Prasetya Gunadi, Brandon Boedhiman

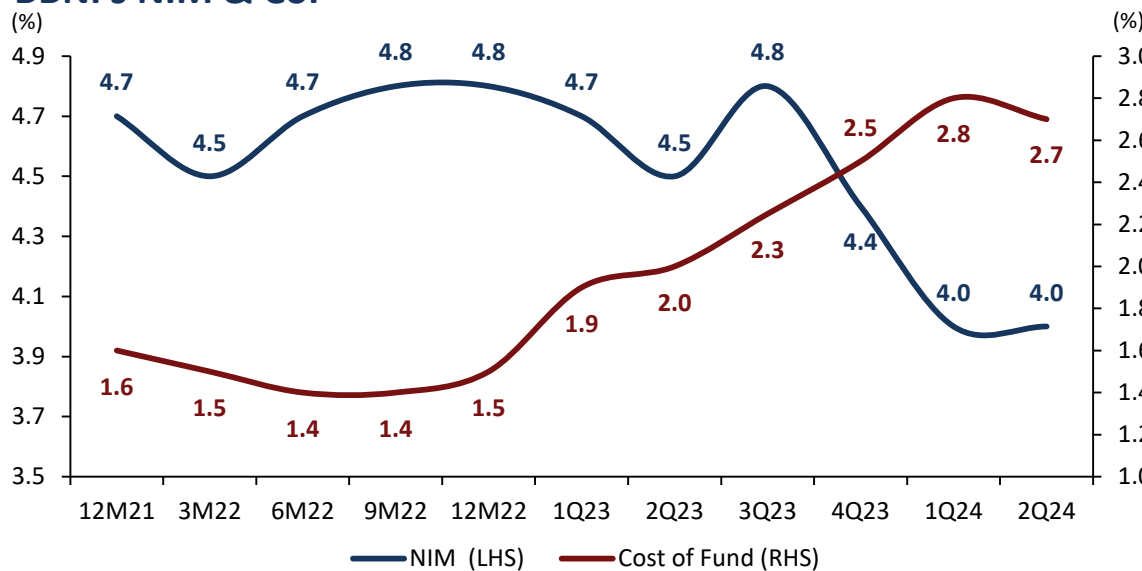
BBNI's Loan Breakdown



BBNI's TPF Breakdown



BBNI's NIM & CoF



BBNI's NPL & CoC

