

Bank Negara Indonesia (BBNI): IDR 5,525 — BUY, SSI TP: IDR 6,150; Cons. TP: IDR 6,161



7M24 Results: 27 August 2024

(IDRbn)	Jul-24	MoM (%)	YoY (%)	7M24		YoY (%)	7M24/2024F	7M24/cons
				7M23	7M24			
Net Interest Income	3,534	5.1	(7.3)	24,137	22,178	(8.1)	-	-
Non-interest income	1,945	6.7	31.0	11,441	12,520	9.4	-	-
Total operating income	5,479	5.7	3.4	35,578	34,698	(2.5)	51.6	53.9
Provisions	549	9.3	(31.7)	5,318	3,859	(27.4)	-	-
Operating profit	2,392	(2.1)	3.1	14,888	15,060	1.2	-	-
Net profit	1,944	(3.0)	3.3	12,124	12,518	3.2	56.2	56.9
Key ratios (%)								
Assets yield (annualized)	-	-	-	7.0	6.9	-	-	-
Cost of funds (annualized)	-	-	-	2.5	3.1	-	-	-
NIM (annualized)	-	-	-	4.7	4.1	-	-	-
Credit Costs (annualized)	-	-	-	1.0	0.7	-	-	-
LDR	-	-	-	89.8	97.4	-	-	-
ROE (annualized)	-	-	-	15.2	14.5	-	-	-

SWOT Analysis of the Results (In-line)

Strength

Positive NIM growth from 3.9% in 6M24 to 4.1% in 7M24, supported by higher loan yield of 9.3%; robust 7M24 loan growth of 11.1% with relatively low CoC of 0.7%

Weakness

7M24 LDR of 97.4%, up from 94.0% in 6M24; 9.4% MoM increase in operating expenses led to higher CIR of 45.5% (+20bps MoM)

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 and allow for continued outperformance

Threat

BBNI's NPL (2.0% in 2Q24) could rise if the bank disburses SME loans without prudent risk management

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	1,267	5,705	10,325	11,500	BUY	11.9	5.7	9.2	4.8	20.9
BBRI	792	(15,945)	5,300	5,500	HOLD	4.8	7.7	3.6	2.4	19.6
BMRI	653	2,449	7,050	8,000	BUY	14.3	5.2	0.1	2.3	20.3
BBNI	205	(1,162)	5,525	6,150	BUY	11.8	4.3	6.6	1.2	14.3
BRIS	125	1,406	2,730	2,400	HOLD	(11.8)	5.5	15.6	2.6	16.9
ARTO	40	593	2,890	2,800	HOLD	(3.1)	7.9	53.7	4.7	1.3
BBTN	20	258	1,435	1,300	HOLD	(9.1)	3.6	7.4	0.4	11.7
Sector	3,063	(1,236)			Overweight	9.3	6.0	6.5	3.3	19.5

Relative YTD Performance vs JCI (%)

