

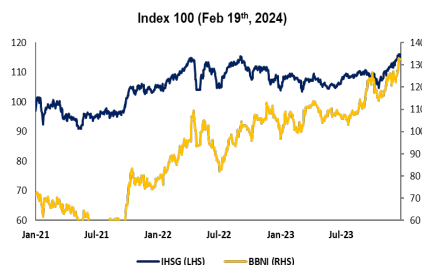
Monday, February 26<sup>th</sup>, 2024

## Buy

Price (Feb 19 <sup>th</sup> , 24)	5875
Target Price	6800
Potential Upside	15.74%
Market Cap	221.54 T
Number of Share	36.92 B
52w Lo/Hi	5074 / 6025

 Source : IDX | Phintraco Sekuritas Research  
 | as of Feb 19<sup>th</sup>, 2024

### IHSG vs BBNI



Source : IDX

Shareholder	%
Negara Republik Indonesia	60.00
Public	39.84
Saham Treasury	0.12

Source : Company | as of fin. Statement FY23

### EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	360	643.75	-44.08%
2025F	393	716.93	-45.18%

 Source : \*marketscreener | as of Feb 19<sup>th</sup>, 2024

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## PT Bank Negara Indonesia (Persero) Tbk

(BBNI.JK / BBNI.IJ)

### BBNI the Most API Services Compared by Peers

**Net profit grew 14.2% yoy to 20.91 trillion in FY23.** This increase is in line with an increase in pre-provision operating profit (PPOP) of 1.6% yoy to 34.97 trillion, with provision expenses falling 20.1% yoy to 9.2 trillion in FY23. Along with the increase in net profit, operating costs only increased by 2.7% yoy. Meanwhile, Net Interest Income was recorded at 41.28 trillion (-0.1% yoy).

**Total Loans reached IDR 695,085 billion in FY23, growing 7.6% yoy and 3.5% qoq.** Corporate loan grew 14% yoy to IDR 367 trillion, contributing 81% of total FY23 loan. Corporate Private and SOE (Stated Owned Enterprise) loan grew 14.3% yoy and 11.8% yoy, respectively, in FY23. Apart from that, the consumer segment also recorded high growth, namely (13.6% yoy). Mortgage (+9.3%) and Personal Loans (+17.4%) supported this growth.

**Loan at Risk (LAR) decreasing trend.** BBNI targets LAR in 2024F to reach below 10%. Meanwhile, in FY23, LAR was recorded at 12.9% ytd, down 31 bps yoy from 16% ytd in FY22 and 23.3% ytd in FY21. In addition, BBNI can also maintain its NPL below the banking industry average. In FY23, NPL fell 0.7% yoy to 2.1% from 2.8% in FY22.

**Maintain CASA ratio above 70% by encouraging transactional portfolio growth.** BBNI targets the CASA ratio to remain above 70% over the next few years. To achieve this target, management is making three primary efforts: strengthening its cash management platform, designing a specific organizational structure to ensure debtors are active in transactions, and building human capital. For information, the CASA ratio in 4Q23 was recorded at 71.2%, an increase of 2.6% qoq from the previous 68.6 in 3Q23.

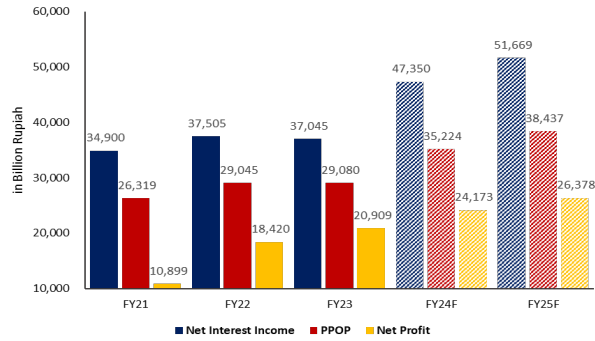
**BNI has the most Application Programming Interface (API) Services compared to its peers.** As of FY23, BBNI has 280 API services that the OJK has licensed with more than 4,000++ partners. In 2024F, BBNI plans to complete API services to serve supply chain financing transactions, bank guarantees, remittances, BI Fast, cardless withdrawals, and transaction creation in BNI cash management (BNIDirect).

**New growth and future engine for BBNI.** In 2Q23, BNI acquired 63.92% of Bank Mayora shares and rebranded it with Hibank. Hibank is the first digital bank to focus on MSMEs. In FY23, Hibank posted a net profit of 130.9 million (+59.3% yoy), with total credit distribution reaching 6 trillion (+90% yoy). Apart from that, Hibank is also the subsidiary with the highest profit growth. In the future, Hibank targets the portion of MSME credit in 2024F to reach 45% from the previous 19% in FY23.

**Using the Discounted Cash Flow method with a Required Return of 10.76% and Terminal Growth of 4.58%,** we estimate the fair value of BBNI at 6,800 (20.61x expected P/E). Considering BBNI's fair value, we give BBNI a buy rating with a potential upside of 15.74%.

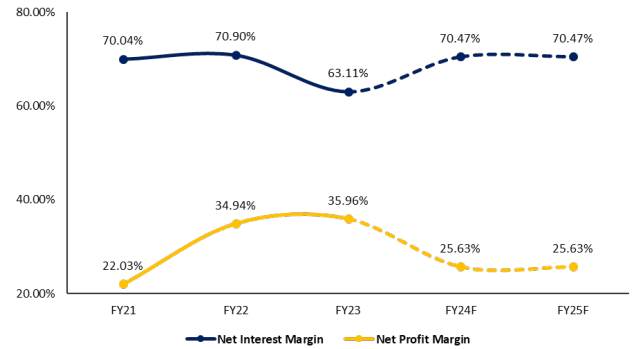
## Performance Highlight

Figure 1. Financial Performance



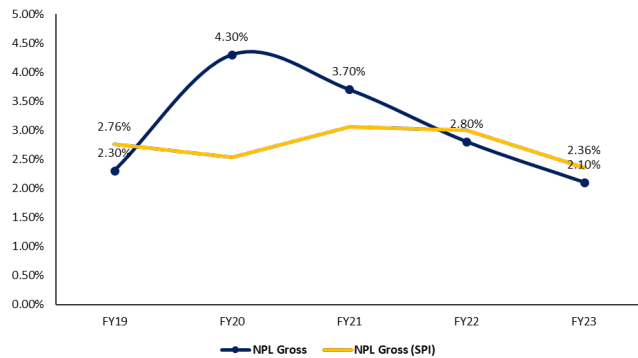
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



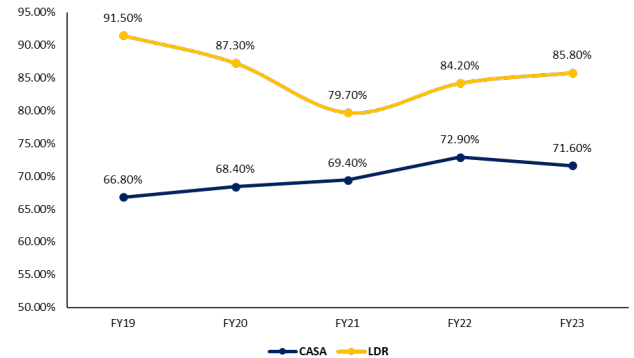
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



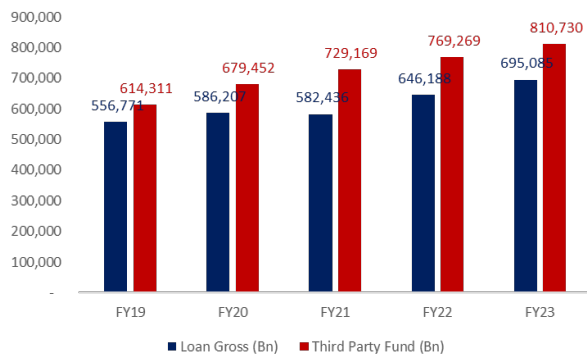
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



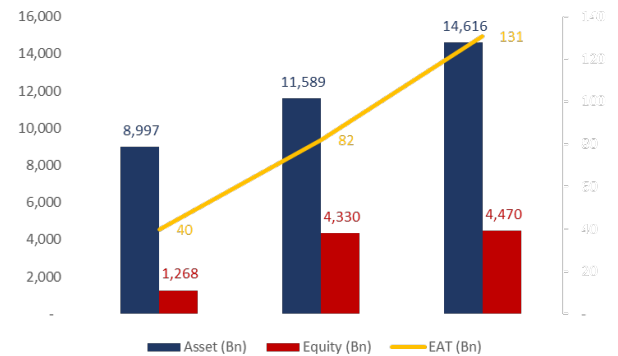
Source : Company | Phintraco Sekuritas Research

Figure 5. BBNi Loan and Third Party Fund



Source : Company | Phintraco Sekuritas Research

Figure 6. Hibank Financial Performance



Source : Company | Phintraco Sekuritas Research

## Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY22	FY23	FY24E	FY25F
Interest Income	55,182	49,828	52,901	58,697	67,193	73,322
Interest Expense	(20,930)	(14,928)	(15,396)	(21,651)	(19,843)	(21,653)
<b>Net Interest Income</b>	<b>34,252</b>	<b>34,900</b>	<b>37,505</b>	<b>37,045</b>	<b>47,350</b>	<b>51,669</b>
<i>NIM</i>	<i>62.07%</i>	<i>70.04%</i>	<i>70.90%</i>	<i>63.11%</i>	<i>70.47%</i>	<i>70.47%</i>
<b>PPOP</b>	<b>23,451</b>	<b>26,319</b>	<b>29,045</b>	<b>29,080</b>	<b>35,224</b>	<b>38,437</b>
Provision	(22,590)	(18,297)	(11,514)	(9,196)	(10,001)	(10,913)
<b>EBITDA</b>	<b>3,319</b>	<b>9,377</b>	<b>19,786</b>	<b>21,600</b>	<b>24,929</b>	<b>27,204</b>
<i>EBITDA Margin</i>	<i>6.02%</i>	<i>18.82%</i>	<i>37.40%</i>	<i>36.80%</i>	<i>37.10%</i>	<i>37.10%</i>
EBIT	860	8,022	17,531	19,884	25,223	27,524
<i>EBIT Margin</i>	<i>1.56%</i>	<i>16.10%</i>	<i>33.14%</i>	<i>33.88%</i>	<i>28.62%</i>	<i>28.62%</i>
Profit Before Tax	5,112	12,551	22,687	25,640	29,083	31,737
<i>EBT Margin</i>	<i>9.26%</i>	<i>25.19%</i>	<i>42.89%</i>	<i>43.68%</i>	<i>43.28%</i>	<i>43.28%</i>
<b>Net Profit After Tax</b>	<b>3,321</b>	<b>10,977</b>	<b>18,482</b>	<b>21,106</b>	<b>24,357</b>	<b>26,579</b>
<i>NPM</i>	<i>6.02%</i>	<i>22.03%</i>	<i>34.94%</i>	<i>35.96%</i>	<i>25.63%</i>	<i>25.63%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY22	FY23	FY24E	FY25F
<b>Asset</b>						
Cash & Marketable Securities	47,011	39,487	42,004	48,372	72,174	75,936
Loans	541,979	532,141	595,854	647,927	706,240	769,802
Current Accounts	112,503	160,542	150,413	144,073	119,684	130,602
Total Current Assets	859,305	924,289	987,991	1,042,921	1,124,749	1,223,668
Fixed Assets	27,362	26,883	26,549	27,765	32,959	35,965
Investments	-	-	-	-	-	-
Total Non Current Assets	32,032	40,548	41,846	43,743	45,028	49,135
<b>Total Asset</b>	<b>891,337</b>	<b>964,838</b>	<b>1,029,837</b>	<b>1,086,664</b>	<b>1,169,777</b>	<b>1,272,804</b>
<b>Liabilities</b>						
Portion of Long Term Debt	2,590	1,829	2,885	6,891	6,546	7,143
Deposits	656,595	743,546	784,514	822,624	893,015	969,430
Total Current Liabilities	699,036	787,109	831,875	879,160	975,025	1,058,921
Long-Term Debt	47,199	51,209	57,764	52,772	51,465	56,160
Total Non Current Liabilities	47,199	51,209	57,764	52,772	51,465	56,160
<b>Total Liabilities</b>	<b>746,236</b>	<b>838,318</b>	<b>889,639</b>	<b>931,931</b>	<b>1,026,490</b>	<b>1,115,081</b>
<b>Equity</b>	<b>112,872</b>	<b>126,520</b>	<b>140,198</b>	<b>154,733</b>	<b>140,016</b>	<b>154,153</b>

Source : Company | AT Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY22	FY23	FY24E	FY25F
<b>Cash Flow from Operating</b>						
Net Income	3,280	10,899	18,420	20,909	24,173	26,378
Depreciation & Amortization	2,459	1,356	2,255	1,716	(7,883)	825
Working Capital	41,619	34,218	(5,074)	(801)	34,045	(872)
Others	(11,078)	(17,893)	(12,399)	(4,483)	4,139	(10,986)
<b>Net-CFFO</b>	<b>36,280</b>	<b>28,580</b>	<b>3,201</b>	<b>17,342</b>	<b>54,475</b>	<b>15,345</b>
<b>Cash Flow from Investing</b>						
CAPEX	(3,296)	(876)	(1,921)	(2,932)	2,689	(3,831)
Others	-	-	-	-	-	-
<b>Net-CFFI</b>	<b>(3,784)</b>	<b>(9,872)</b>	<b>(3,553)</b>	<b>(3,613)</b>	<b>6,598</b>	<b>(4,933)</b>
<b>Cash Flow from Financing</b>						
Ch. in Lt liab.	(12,714)	3,248	7,612	(987)	(1,652)	5,292
Ch. in other non-current liab.	-	-	-	-	-	-
Equity	(15,412)	2,749	(4,742)	(6,375)	(38,890)	(12,241)
<b>Net-CFFF</b>	<b>(28,009)</b>	<b>(26,232)</b>	<b>2,869</b>	<b>(7,361)</b>	<b>(37,271)</b>	<b>(6,650)</b>
<b>NET CASH FLOW</b>	<b>4,487</b>	<b>(7,524)</b>	<b>2,518</b>	<b>6,368</b>	<b>23,802</b>	<b>3,762</b>

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY22	FY23	FY24E	FY25F
<b>Profitability Ratio (%)</b>						
<i>NIM</i>	62.07%	70.04%	70.90%	63.11%	70.47%	70.47%
<i>OPM (EBITDA Margin)</i>	6.02%	18.82%	37.40%	36.80%	37.10%	37.10%
<i>NPM</i>	6.02%	22.03%	34.94%	35.96%	25.63%	25.63%
<i>ROA</i>	0.37%	1.14%	1.79%	2.59%	2.08%	2.09%
<i>ROE</i>	2.94%	8.68%	13.18%	18.19%	17.40%	17.24%
<b>Banking Ratio</b>						
<i>CASA to Third Party Funds</i>	68.40%	69.40%	72.90%	71.60%	70.58%	70.58%
<i>BOPO</i>	93.30%	81.20%	68.60%	68.40%	77.88%	77.88%
<i>LDR</i>	87.30%	79.70%	84.20%	85.80%	84.25%	84.25%
<i>CAR</i>	19.59%	24.27%	23.00%	123.00%	47.47%	47.47%
<i>NPL Gross</i>	4.30%	3.70%	2.80%	2.10%	3.23%	3.23%
<b>Price Ratio</b>						
<i>Share Price (IDR)</i>	2,884	3,177	4,422	5,375	5,375	5,375
<i>Average Share Price (IDR)</i>	2,457	2,769	4,034	4,672	4,672	4,672
<i>Outstanding Shares (in Billion)</i>	74	74	74	74	74	74
<i>EPS (IDR)</i>	45	149	250	286	360	393
<i>BVPS (IDR)</i>	1,529	1,713	1,899	2,096	2,088	2,297
<i>RPS (IDR)</i>	747	675	716	795	993	1,084
<i>PER(X)</i>	64.12	21.37	17.67	18.80	14.93	13.68
<i>PBV(X)</i>	1.89	1.85	2.33	2.57	2.57	2.34
<i>P/R(X)</i>	3.86	4.71	6.17	6.76	5.41	4.96
<i>EV/EBITDA</i>	44.98	148.66	250.29	285.84	359.95	392.79
<b>Dividends</b>						
<i>DPS</i>	22	73	196	-	-	-
<i>DPR</i>	48.93%	49.21%	78.46%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	0.62%	2.54%	6.18%	0.00%	0.00%	0.00%

Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE	
<i>CAR</i>	>8%
<i>LDR</i>	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research



Source : Company | Phintraco Sekuritas Research

## Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation &amp; Amortization</i>
EBIT	: <i>Earning Before Interes &amp; Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.
- Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.
- Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**PHINTRACO SEKURITAS**

**Kantor Cabang & Mitra GI BEI**



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