



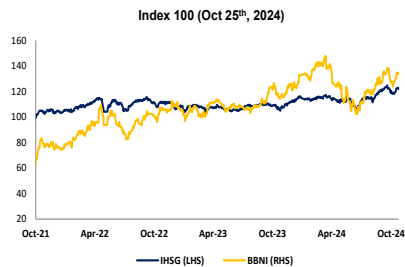
Tuesday, October 29th, 2024

Buy

Price (Oct 28 th , 24)	5500
Target Price	6350
Potential Upside	15.42%
Market Cap	205.85 T
Number of Share	36.92 B
52w Lo/Hi	4950 / 5825

Source : IDX | Phintraco Sekuritas Research
| as of Oct 28th, 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 3Q24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	360	592	-39.19%
2025F	393	677	-41.95%

Source : *marketscreener | as of Oct 28th, 2024

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PT Bank Negara Indonesia (Persero) Tbk

(BBNI.JK / BBNI.IJ)

Digital Initiative to Boost Revenue

Net profit grew 3.5% yoy to Rp16.31 trillion in 9M24. This increase was in line with the increase in Interest income by 7.3% yoy to Rp48.84 trillion, with provision expenses decreasing by 19.7% yoy to Rp5.39 trillion in 9M24. Along with the rise in net profit, interest expense only increased by 7.3% yoy, and operating expense increased by 7.4% yoy.

Total loans reached IDR735 trillion in 9M24, growing 9.5% yoy and 1.1% qoq. Corporate loans grew 15.1% yoy to IDR409.2 trillion, contributing 56% of total loans in 9M24. In addition, consumer loans also recorded high growth of (14.6% yoy). Mortgage (+13%) and Personal Loan (+15.7%) supported this growth. Regarding customer deposits, BBNI targets the CASA ratio to remain above 70% for the next few years by encouraging transactional portfolio growth. BBNI's CASA ratio was recorded at 70.3% in 9M24 +170 bps yoy compared to 68.6 in 9M23.

Declining trend of Loan at Risk (LAR). BBNI targets LAR in 2024F to reach below 10%. BBNI's LAR was recorded at 11.8% ytd, down 360 bps yoy from 14.4% ytd in 9M23 and 12.9% ytd in FY23. In addition, BBNI can also maintain its asset quality. BBNI's NPL-gross fell 30 bps yoy to 2.0% from 2.3% in 9M24 and remained the same quarterly (0% qoq).

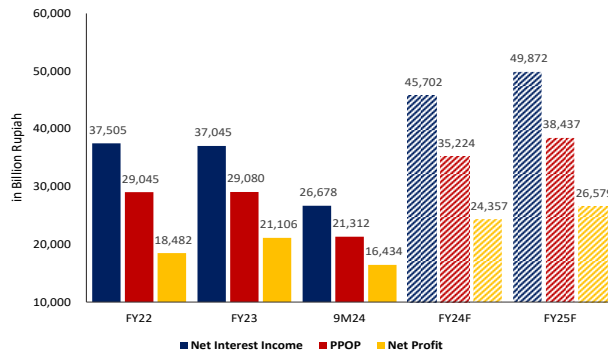
Realization of the performance of a new growth engine for BBNI. BBNI acquired Hibank in 2Q23 (63.92%). Hibank became the subsidiary with the highest profit growth. In the future, Hibank targets the portion of MSME credit in 2024F to reach 45% from the previous 19% in FY23. The total credit distributed by Hibank reached IDR9.7 trillion (+78% yoy), with deposits growing 31% yoy to IDR12.3 trillion in 9M24.

Wondr by BNI and BNI direct drive BBNI CASA growth. BNI launched Wondr on July 5, 2024. Wondr is BNI's mobile banking that focuses on three financial dimensions (transactions, insights, and growth). As of 9M24, Wondr has acquired 225 thousand new users, with around 70% of BNI's retail savings coming from Wondr. In addition, BNI also launched BNI direct for the corporate segment by using single access for more customers to transact according to their needs. Like Wondr, around 90% of BNI's current accounts come from BNI direct. In line with the development of the two applications, BNI mobile banking continues to record growth (+26.2% yoy number of transactions in 9M24).

Using the Discounted Cash Flow method with a Required Return of 11.05% and Terminal Growth of 4.65%, we estimate BBNI's fair value at 6,350 (19.24x expected P/E). Therefore, we maintain a buy rating with a lower fair value and potential upside of 15.42%.

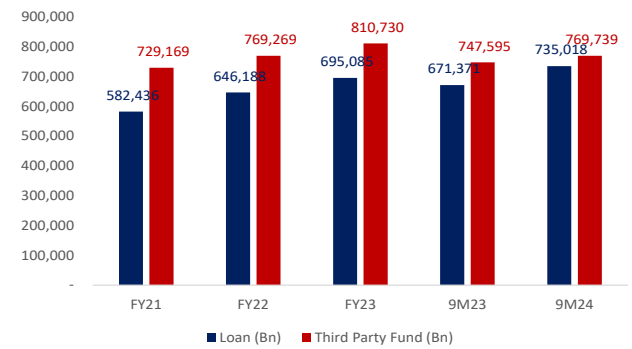
Performance Highlight

Figure 1. Financial Performance



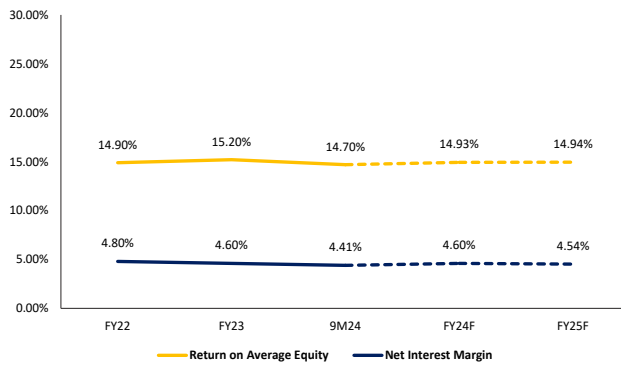
Source : Company | Phintraco Sekuritas Research

Figure 2. Loan and Third Party Fund



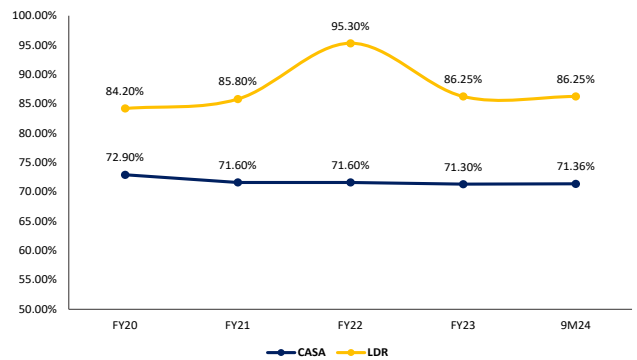
Source : Company | Phintraco Sekuritas Research

Figure 3. Profitability Ratios



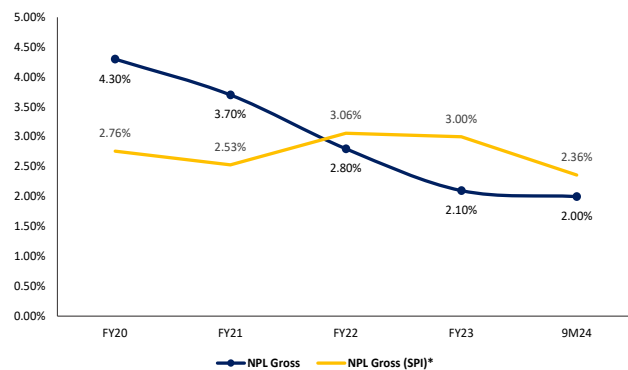
Source : Company | Phintraco Sekuritas Research

Figure 4. CASA and LDR



Source : Company | Phintraco Sekuritas Research

Figure 5. Asset Quality



Source : Company | Phintraco Sekuritas Research

Figure 6. Cost of Fund



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24E	FY25F
Interest Income	49,828	52,901	58,697	46,580	67,193	73,322
Interest Expense	(14,928)	(15,396)	(21,651)	(19,902)	(21,490)	(23,451)
Net Interest Income	34,900	37,505	37,045	26,678	45,702	49,872
<i>NIM</i>	<i>70.04%</i>	<i>70.90%</i>	<i>63.11%</i>	<i>57.27%</i>	<i>68.02%</i>	<i>68.02%</i>
PPOP	26,319	29,045	29,080	21,312	35,224	38,437
Provision	(18,297)	(11,514)	(9,196)	(5,389)	(10,001)	(10,913)
EBITDA	9,377	19,786	21,600	15,923	24,929	27,204
<i>EBITDA Margin</i>	<i>18.82%</i>	<i>37.40%</i>	<i>36.80%</i>	<i>34.18%</i>	<i>37.10%</i>	<i>37.10%</i>
EBIT	8,022	17,531	19,884	15,923	25,223	27,524
<i>EBIT Margin</i>	<i>16.10%</i>	<i>33.14%</i>	<i>33.88%</i>	<i>34.18%</i>	<i>28.62%</i>	<i>28.62%</i>
Profit Before Tax	12,551	22,687	25,640	19,866	29,083	31,737
<i>EBT Margin</i>	<i>25.19%</i>	<i>42.89%</i>	<i>43.68%</i>	<i>42.65%</i>	<i>43.28%</i>	<i>43.28%</i>
Net Profit After Tax	10,977	18,482	21,106	16,434	24,357	26,579
<i>NPM</i>	<i>22.03%</i>	<i>34.94%</i>	<i>35.96%</i>	<i>35.28%</i>	<i>25.63%</i>	<i>25.63%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY22	FY22	FY23	9M24	FY24E	FY25F
Asset						
Cash & Marketable Securities	39,487	42,004	48,372	52,361	52,834	52,453
Loans	532,141	595,854	647,927	694,198	706,240	769,802
Current Accounts	160,542	150,413	144,073	86,631	129,621	141,446
Total Current Assets	924,289	987,991	1,042,921	1,022,313	1,129,714	1,226,708
Fixed Assets	26,883	26,549	27,765	27,929	35,695	38,952
Investments	-	-	-	-	-	-
Total Non Current Assets	40,548	41,846	43,743	45,767	48,766	53,215
Total Asset	964,838	1,029,837	1,086,664	1,068,080	1,178,481	1,279,923
Liabilities						
Portion of Long Term Debt	1,829	2,885	6,891	9,012	7,090	7,737
Deposits	743,546	784,514	822,624	783,616	893,015	969,430
Total Current Liabilities	787,109	831,875	879,160	841,771	981,835	1,066,352
Long-Term Debt	51,209	57,764	52,772	64,139	55,738	60,823
Total Non Current Liabilities	51,209	57,764	52,772	64,139	55,738	60,823
Total Liabilities	838,318	889,639	931,931	905,910	1,037,572	1,127,174
Equity	126,520	140,198	154,733	162,170	137,637	149,179

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24E	FY25F
Cash Flow from Operating						
Net Income	10,899	18,420	20,909	16,308	24,173	26,378
Depreciation & Amortization	1,356	2,255	1,716	1,141	(7,132)	893
Working Capital	34,218	(5,074)	(801)	(12,863)	26,004	(1,606)
Others	(17,893)	(12,399)	(4,483)	(2,050)	(5,860)	(11,898)
Net-CFFO	28,580	3,201	17,342	2,537	37,186	13,768
Cash Flow from Investing						
CAPEX	(876)	(1,921)	(2,932)	(1,305)	(798)	(4,150)
Others	-	-	-	-	-	-
Net-CFFI	(9,872)	(3,553)	(3,613)	(3,165)	2,109	(5,342)
Cash Flow from Financing						
Ch. in Lt liab.	3,248	7,612	(987)	13,488	3,165	5,732
Ch. in other non-current liab.	-	-	-	-	-	-
Equity	2,749	(4,742)	(6,375)	(8,871)	(41,269)	(14,836)
Net-CFFF	(26,232)	2,869	(7,361)	4,617	(34,833)	(8,806)
NET CASH FLOW	(7,524)	2,518	6,368	3,989	4,462	(381)

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24E	FY25F
Profitability Ratio (%)						
<i>NIM</i>	7.00%	7.09%	6.31%	5.73%	6.80%	6.80%
<i>OPM (EBITDA Margin)</i>	18.82%	37.40%	36.80%	34.18%	37.10%	37.10%
<i>NPM</i>	22.03%	34.94%	35.96%	35.28%	25.63%	25.63%
<i>ROA</i>	1.14%	1.79%	2.59%	1.54%	2.07%	2.08%
<i>ROE</i>	8.68%	13.18%	18.19%	10.13%	17.70%	17.82%
Banking Ratio						
<i>CASA to Third Party Funds</i>	69.40%	72.90%	71.60%	71.60%	71.30%	71.36%
<i>BOPO</i>	81.20%	68.60%	68.40%	68.40%	72.73%	71.87%
<i>LDR</i>	79.70%	84.20%	85.80%	95.30%	83.23%	85.65%
<i>CAR</i>	24.27%	23.00%	20.20%	20.30%	22.49%	22.05%
<i>NPL Gross</i>	3.70%	2.80%	2.10%	2.10%	2.87%	2.71%
Price Ratio						
<i>Share Price (IDR)</i>	3,177	4,422	5,375	5,350	6,350	6,350
<i>Average Share Price (IDR)</i>	2,769	4,034	4,672	5,350	6,350	6,350
<i>Outstanding Shares (in Billion)</i>	74	74	74	74	74	74
<i>EPS (IDR)</i>	149	250	286	223	360	393
<i>BVPS (IDR)</i>	1,713	1,899	2,096	2,196	2,020	2,191
<i>RPS (IDR)</i>	675	716	795	631	993	1,084
<i>PER(X)</i>	21.37	17.67	18.80	24.04	17.64	16.17
<i>PBV(X)</i>	1.85	2.33	2.57	2.44	3.14	2.90
<i>P/R(X)</i>	4.71	6.17	6.76	8.48	6.39	5.86
<i>EV/EBITDA</i>	148.66	250.29	285.84	222.56	359.95	392.79
Dividends						
<i>DPS</i>	73	196	281	-	-	-
<i>DPR</i>	49.21%	78.46%	98.13%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	2.54%	6.18%	6.34%	0.00%	0.00%	0.00%

Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

CAR	>8%
LDR	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

BBNI P/B Band (5 Years)



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 & Amortization</i>
EBIT	: <i>Earning Before Interes & 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>



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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"

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Kantor Cabang & Mitra GI BEI



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