

# Bank Negara Indonesia Tbk (BBNI)

## Pertumbuhan Kinerja Solid, Provisi Masih Naik

BBNI mencetak pemulihan kinerja yang solid pada 1H21, dengan kenaikan *top-line* baik pendapatan bunga maupun non-bunga. Hal ini berdampak pada pertumbuhan *Pre-provision Operating Profit (PPOP)* menjadi sebesar Rp 16,1 Triliun (naik 24,4% yoy). Tingkat NPL *gross* juga mengalami perbaikan secara kuartalan, meski masih terhitung cukup tinggi di level 3,9%; mengakibatkan kenaikan beban provisi yang signifikan.

### PPOP Tumbuh Solid, Beban Provisi masih Tinggi

- BBNI mencatatkan pertumbuhan kinerja *top-line* yang solid sepanjang 1H21, dengan pendapatan bunga dan non-bunga masing-masing naik 18,2% dan 19,2% secara yoy.
- Pertumbuhan pendapatan berhasil diiringi dengan beban operasional yang terjaga. Hal ini menghasilkan kenaikan signifikan pada *Pre-provision Operating Profit (PPOP)* menjadi sebesar Rp 16,1 Triliun (+24,4% yoy vs Rp 12,9 triliun di 1H20).
- Di sisi lain, beban provisi masih naik cukup signifikan sebesar 36,2% yoy. Sehingga, laba bersih 1H21 tercatat sebesar Rp 5,02 Triliun (+12,8% yoy) dan telah mencapai 54,2% dari estimasi FY21 kami.

### CASA Naik, Biaya Dana Turun Signifikan

- Dana pihak ketiga berupa Current Account dan Savings Account masing-masing naik sebesar 11,7% dan 11,4% secara yoy. Hal ini berimbas pada naiknya rasio CASA menjadi 69,6% yang merupakan level tertinggi dalam 10 tahun terakhir.
- Naiknya porsi dana murah berhasil berkontribusi pada turunnya biaya dana (*cost of funds*) menjadi 1,6%; yang melanjutkan trend penurunan dari posisi 2,9% pada 1H20.

### Rencana Memperkuat Permodalan

- Manajemen BBNI telah mengungkapkan pentingnya untuk memperkuat modal inti perseroan (*tier-1 capital*). Selain untuk mengantisipasi dampak ketidakpastian akibat pandemi, penambahan modal juga diperlukan untuk menghindari potensi kenaikan *Cost of Funds*. Pada 1H21, posisi *tier-1 CAR* BBNI berada pada level 15,99% atau lebih rendah dibandingkan bank-bank besar lainnya.
- Pada September 2021, DPR-RI telah menyetujui tambahan PMN sebesar Rp 3,5 triliun untuk BBNI yang tertuang pada cadangan pembiayaan investasi tahun anggaran 2021.

### Mempertahankan BUY dengan TP Lebih Rendah

- Kami mempertahankan rekomendasi BUY untuk saham BBNI dengan target harga Rp 6.050/lembar. Target harga kami mengimplikasikan FY22 P/BV sebesar 0,8x (-1 std dari rata-rata 3-tahun), dengan potensi kenaikan sebesar 17,5% dari harga terakhir.
- Faktor-faktor risiko atas target harga kami, antara lain: 1) Pembatasan aktivitas ekonomi yang berpotensi berimbas pada penurunan kualitas kredit; 2) Beban provisi yang terus meningkat; 3) Kinerja keuangan yang lebih rendah dibandingkan bank-bank besar lain.

### Bank Negara Indonesia Tbk | Summary (IDR bn)

in IDR bn	2019	2020	2021F	2022F
Interest Income	58,532	56,173	64,026	68,080
<i>Interest Income growth</i>	8.1%	-4.0%	14.0%	6.3%
Operating Revenue	52,012	52,036	61,818	63,747
Net profit	15,384	3,280	9,259	14,863
EPS (IDR)	825	176	496	797
<i>EPS growth</i>	5.1%	-78.7%	182.3%	60.5%
BVPS (IDR)	6,703	6,053	6,425	7,134
Net Interest Margin	4.1%	4.2%	5.0%	4.7%
Loan/Deposits	88.9%	85.1%	82.5%	82.9%
NPL	2.3%	4.2%	3.7%	3.7%
ROE	13.1%	2.8%	8.0%	11.8%
ROA	1.9%	0.4%	1.0%	1.5%
P/E	9.5x	35.1x	12.2x	7.6x
P/BV	1.2x	1.0x	0.9x	0.8x
P/Op. Revenue	2.8x	2.2x	1.8x	1.8x
DPS (IDR)	206	50	140	225
<i>Dividend yield</i>	2.6%	0.8%	2.3%	3.7%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer



Company Report | 23 September 2021

## BUY

<b>Target Price (IDR)</b>	<b>6,050</b>
Consensus Price (IDR)	7,180
TP to Consensus Price	-15.7%
Potential Upside	+17.5%

### Shares data

Last Price (IDR)	5,150
Price date as of	Sep 22, 2021
52 wk range (Hi/Lo)	6,750 / 4,310
Free float (%)	40.0
Outstanding sh.(mn)	18,649
Market Cap (IDR bn)	96,507
Market Cap (USD mn)	6,777
Avg. Trd Vol - 3M (mn)	24.7
Avg. Trd Val - 3M (bn)	123.9
Foreign Ownership	14.4%

### Financial Services

#### Banking

Bloomberg	BBNI IJ
Reuters	BBNI.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-17.0%	-5.5%	3.1%	11.7%
Rel. Ret.	-18.4%	-6.0%	2.0%	-9.6%

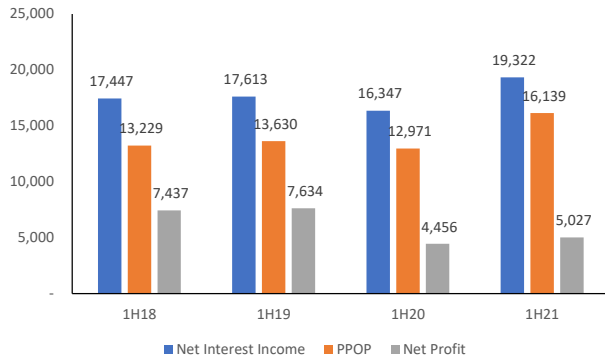
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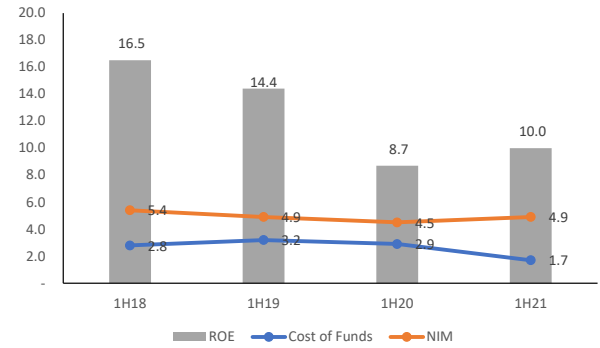
## Performance Highlights

### Financial Performance (IDR Billion)



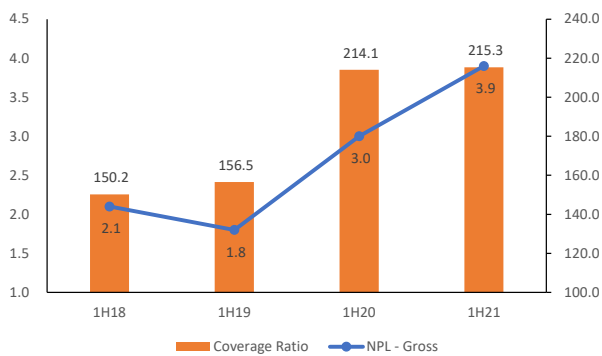
Source: Company, NHKSI Research

### Profitability Ratios (%)



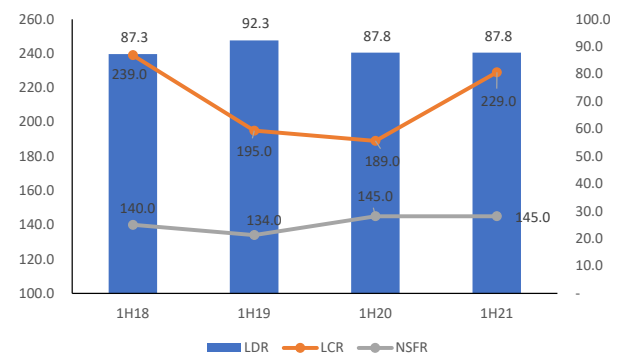
Source: Company, NHKSI Research

### Asset Quality (%)



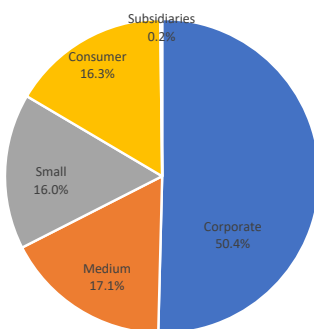
Source: Company, NHKSI Research

### Liquidity (%)



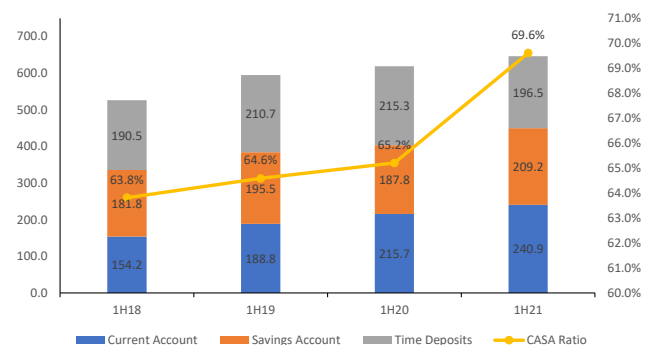
Source: Company, NHKSI Research

### Loan Composition by Segment (%)



Source: Company, NHKSI Research

### Third Party Funds Composition (IDR Tn)



Source: Company, NHKSI Research

## Company Overview



PT. Bank Negara Indonesia (Persero), Tbk didirikan pada tanggal 5 Juli 1946 sebagai Bank sentral dengan nama "Bank Negara Indonesia" berdasarkan Peraturan Pemerintah Pengganti Undang-Undang No. 2 tahun 1946. BBNi merupakan Bank BUMN (Badan Usaha Milik Negara) pertama yang menjadi perusahaan publik setelah mencatatkan sahamnya di Bursa Efek Jakarta dan Bursa Efek Surabaya pada tahun 1996.

Sebanyak 60% saham BBNi dimiliki oleh Pemerintah Republik Indonesia, sedangkan 40% sisanya dimiliki oleh masyarakat, baik individu maupun institusi, domestik dan asing. Perseroan memiliki beberapa anak perusahaan yang memberikan layanan finansial secara terpadu, yakni Bank BNI Syariah, BNI Multifinance, BNI Sekuritas, BNI Life Insurance, dan BNI Remittance.

BBNi menawarkan layanan penyimpanan dana maupun fasilitas pinjaman baik pada segmen korporasi, menengah, maupun kecil. Saat ini, BBNi merupakan salah satu bank terbesar di Indonesia yang termasuk pada kategori bank BUKU IV (memiliki modal inti di atas Rp 30 Trilyun).

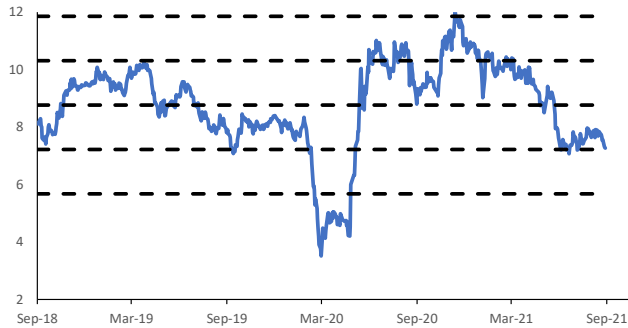
### ASEAN Banking Peers

Company	Ticker	Market Cap (USD Mn)	Total Assets (USD Mn)	Net Income LTM (USD Mn)	ROE (%)	P/E (x)	P/B (x)	Dividend Yield LTM (%)
<b>INDONESIA</b>								
BANK NEGARA INDONESIA PERSER	BBNI IJ	6,742	60,122	267	3.4	24.9	0.8	0.9
BANK CENTRAL ASIA TBK PT	BBCA IJ	56,939	77,597	2,036	16.5	27.6	4.3	1.6
BANK RAKYAT INDONESIA PERSER	BBRI IJ	35,879	99,678	1,451	10.9	21.6	2.3	2.7
BANK MANDIRI PERSERO TBK PT	BMRI IJ	19,737	108,583	1,341	10.5	14.5	1.5	3.7
<b>SINGAPORE</b>								
DBS GROUP HOLDINGS LTD	DBS SP	55,750	499,287	4,515	11.0	12.4	1.3	3.0
UNITED OVERSEAS BANK LTD	UOB SP	31,448	331,827	2,256	7.6	12.9	1.1	3.9
OVERSEA-CHINESE BANKING CORP	OCBC SP	37,951	387,285	3,492	9.4	10.6	1.0	3.6
<b>MALAYSIA</b>								
CIMB GROUP HOLDINGS BHD	CIMB MK	11,434	147,580	736	5.3	12.0	0.8	1.0
<b>THAILAND</b>								
BANGKOK BANK PUBLIC CO LTD	BBL TB	6,502	128,646	618	4.2	11.1	0.5	3.1
SIAM COMMERCIAL BANK PUB CO	SCB TB	10,908	99,935	930	7.0	12.8	0.9	3.5

Source: Bloomberg

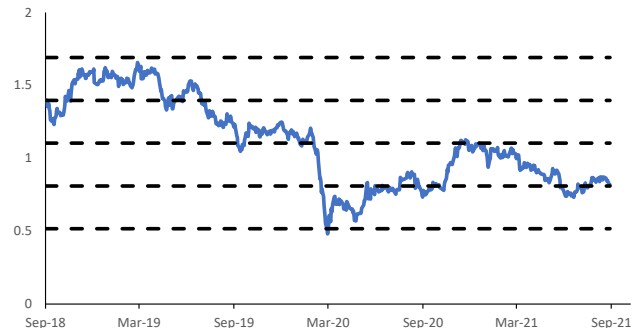
## Multiple Valuation

Blended Forward P/E Band | Last 3 years



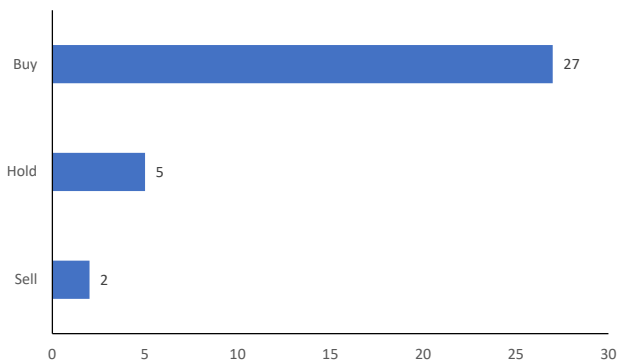
Source: NHKSI Research

P/BV Band | Last 3 years



Source: NHKSI Research

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research

## Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	Potential Upside	vs Consensus
31/01/2020	Buy	6,000	5,075	5,509	+18.2%	+8.9%
13/11/2020	Overweight	6,000	5,650	5,732	+6.2%	+4.7%
10/02/2021	Buy	7,950	6,225	7,112	+27.2%	+11.8%
23/09/2021	Buy	6,050	5,150	7,180	+17.5%	-15.7%

Source: NHKSI Research, Bloomberg

## Summary of Financials

### INCOME STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
<b>Interest Income</b>	<b>58,532</b>	<b>56,173</b>	<b>64,026</b>	<b>68,080</b>
<i>Growth (% y/y)</i>	8.1%	-4.0%	14.0%	6.3%
Interest Expenses	(21,930)	(19,021)	(19,498)	(22,365)
<b>Net Interest Income</b>	<b>36,602</b>	<b>37,152</b>	<b>44,528</b>	<b>45,715</b>
<i>Net Interest Margin</i>	4.1%	4.2%	5.0%	4.7%
Net Fee Income	8,851	8,309	9,959	10,224
Trading Income	1,604	2,544	2,501	2,849
Other Operating Income	4,954	4,031	4,831	4,960
<b>Operating Revenue</b>	<b>52,012</b>	<b>52,036</b>	<b>61,818</b>	<b>63,747</b>
Operating Expenses	(23,687)	(24,214)	(26,582)	(27,411)
<b>Pre-provisioning OP</b>	<b>28,325</b>	<b>27,822</b>	<b>35,236</b>	<b>36,336</b>
Provision for Impairment	(8,838)	(22,590)	(22,767)	(16,893)
<b>EBT</b>	<b>19,369</b>	<b>5,112</b>	<b>12,318</b>	<b>19,287</b>
Income Tax	(3,861)	(1,791)	(2,956)	(4,243)
Non-controlling Interest	(124)	(41)	(103)	(181)
<b>Net Profit</b>	<b>15,384</b>	<b>3,280</b>	<b>9,259</b>	<b>14,863</b>
<i>Growth (% y/y)</i>	5.1%	-78.7%	182.3%	60.5%

### PROFITABILITY & STABILITY

	2019/12A	2020/12A	2021/12F	2022/12F
ROE	13.1%	2.8%	8.0%	11.8%
ROA	1.9%	0.4%	1.0%	1.5%
Non-Int. Inc. /Op. Rev	29.6%	28.6%	28.0%	28.3%
Cost/Income	45.5%	46.5%	43.0%	43.0%
Cash Dividend (IDR bn)	3,846	927	2,615	4,198
Dividend Yield (%)	2.6%	0.8%	2.3%	3.7%
Payout Ratio (%)	25.0%	28.2%	28.2%	28.2%
Loan/Deposits	88.9%	85.1%	82.5%	82.9%
Loan/Assets	65.8%	65.8%	63.6%	63.8%
NPL	2.3%	4.2%	3.7%	3.7%
Loan Loss Res./Loan	3.0%	7.5%	6.5%	6.7%
CASA/Deposits	66.6%	68.3%	70.1%	70.6%
Time Deposits/Deposits	33.4%	31.7%	29.9%	29.4%
Par Value (IDR)	375	375	375	375
Total Shares (mn)	18,649	18,649	18,649	18,649
Share Price (IDR)	7,850	6,175	6,050	6,050
Market Cap (IDR tn)	146.4	115.2	112.8	112.8

### BALANCE SHEET

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
Cash	15,362	17,324	25,066	28,233
Placement in Banks	99,844	112,503	137,092	130,411
Net Loans	539,862	541,979	588,348	623,251
Investment	109,125	129,825	145,651	168,783
Fixed Asset	26,525	27,362	28,216	29,040
Other Assets	54,888	62,344	65,965	67,271
<b>Total Assets</b>	<b>845,605</b>	<b>891,337</b>	<b>990,338</b>	<b>1,046,989</b>
Deposits	626,237	688,824	763,341	805,043
Debt	60,321	47,199	62,916	60,758
Other liabilities	34,044	42,442	44,265	48,143
<b>Total Liabilities</b>	<b>720,601</b>	<b>778,465</b>	<b>870,522</b>	<b>913,943</b>
Capital Stock & APIC	23,623	23,623	23,623	23,623
Retained Earnings	82,464	66,981	75,313	87,561
<b>Shareholders' Equity</b>	<b>125,004</b>	<b>112,872</b>	<b>119,816</b>	<b>133,045</b>

### VALUATION INDEX

	2019/12A	2020/12A	2021/12F	2022/12F
Price /Earnings	9.5x	35.1x	12.2x	7.6x
Price /Book Value	1.2x	1.0x	0.9x	0.8x
Price/Op. Revenue	2.8x	2.2x	1.8x	1.8x
PE/EPS Growth	1.9x	-0.4x	0.1x	0.1x
EV/Operating Revenue	3.7x	2.8x	2.5x	2.3x
EV/PPOP	6.8x	5.3x	4.4x	4.1x
EV (IDR bn)	193,839	147,710	153,545	148,412
Op. Rev. CAGR (3-Yr)	12.5%	13.9%	14.4%	12.1%
EPS CAGR (3-Yr)	8.1%	-28.7%	-6.5%	3.0%
Basic EPS (IDR)	825	176	496	797
Diluted EPS (IDR)	825	176	496	797
BVPS (IDR)	6,703	6,053	6,425	7,134
Op. Revenue PS (IDR)	2,789	2,790	3,315	3,418
DPS (IDR)	206	50	140	225

### CASH FLOW STATEMENT

(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F
Operating Cash Flow	(1,222)	49,825	(18,439)	14,367
Investing Cash Flow	(31,135)	(50,341)	(61,737)	(64,110)
Financing Cash Flow	14,738	45,639	87,918	52,909
<b>Net Changes in Cash</b>	<b>(17,618)</b>	<b>45,123</b>	<b>7,742</b>	<b>3,166</b>

### OWNERSHIP

By Geography	% Shareholders	%
Indonesia	85.6	Republic of Indonesia 60.0
United States	4.8	Government Pension F 1.4
Luxembourg	3.2	Vanguard Group 1.3
Norway	2.0	Prudential PLC 1.2

Source: Company Data, Bloomberg, NHKSI Research

## NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
  - Sell : Less than -15%

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