BINA ARTHA SEKURITAS

Equity Research

PT Bank Negara Indonesia (Persero),Tbk

BNI Melayani Negeri, Kebanggaan Bangsa

BUY

February 13th, 2025
Banking, Equity

Price	**IDR**	**4,250**
Target Price	**IDR**	**4,925**
JKSE Index	**IDR**	**6,613.57**

Stock Code	
Bloomberg code	**BBNI IJ**
Market Cap (IDR Bn)	**158,513.6**
52-Week High (IDR)	**6,250**
52-Week Low (IDR)	**4,050**
Free Float (%)	**39.94**

Major Shareholders (%)	
RI Government	**60.00**
Public inc. BOD and BOC	**40.00**

USD/IDR-YE (JISDOR)	
2024A	**16,157**
2025F	**16,228**

Key Indicators	
Non-Performing Loan(%)	**1.88**
Net Interest Margin(%)	**4.10**

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Investment Consideration

Profit Growth Stagnates Amid Higher Interest Expenses

In 2024, BBNI's Profit After Tax and Minority Interest (PATMI) saw limited growth, rising just 2.67% YoY to IDR 21.46 trillion. The slowdown was primarily driven by a 29.25% YoY surge in interest expenses, which largely offset the 8.32% YoY growth in interest income. However, other operating income provided support, increasing 11.94% YoY, fueled by a 96.54% YoY rise in unrealized gains on FVTPL changes and a 49.97% increase in trading transaction revenue. From a financial ratios perspective (bank-only), NIM declined to 4.2% from 4.6%, while ROAE fell to 14.2% from 15.2%. Looking ahead, we forecast BBNI's PATMI to grow 7.22% YoY in 2025, with a NIM of 4.10% and ROAE of 14.45%.

Loan Portfolio Expands Significantly, Meeting Projections

As of December 2024, BBNI's consolidated loan portfolio grew 11.62% YoY, aligning with its FY24 internal target. Growth was primarily driven by the Corporate segment, up 17.63% YoY, while Small and Medium segments declined by 10.93% YoY and 1.18% YoY, respectively. This shift reflects BBNI's strategy to optimize its portfolio by focusing on higher risk-adjusted return segments. For sustainability loans (bank-only), growth reached 5.19% YoY, with Socioeconomic Advancement & Empowerment contributing 61.42%. Looking ahead, we expect BBNI's loan portfolio to expand by another 9.98% by December 2025, in line with its 8–10% YoY internal target.

BBNI Strengthens Asset Quality, Targeting Lower NPL in 2025

BBNI improved asset quality in 2024, with its gross NPL ratio declining 0.1 percentage points YoY to 2.0%. The Medium segment saw the biggest improvement, down 30 bps to 5.70%, though it remained the weakest. The Corporate segment, the strongest, improved by 20 bps to 0.70%, while the Small segment deteriorated, rising 1.00 percentage point to 4.50%.By the end of 2025, we anticipate BBNI's NPL ratio to decline further to 1.88%, driven by its continued focus on higher risk-adjusted return segments.

Strong CASA Ratio Supported by 'wondr'

BBNI's digital banking initiatives continue to drive customer engagement, reflected in a 50.9% YoY increase in transaction frequency. Since its launch on July 5, 2024, "wondr" has processed 1.5 billion transactions worth IDR 191 trillion. Meanwhile, mobile banking transactions have overtaken ATM transactions, reaching IDR 391 trillion in Q4-2024, compared to IDR 130 trillion via ATMs.This digital shift has strengthened BBNI's CASA ratio to 69.9%, with 70% of retail savings now originating from "wondr".

Valuation: 16% Upside, Buy.

Applying a multi-stage Dividend Discount Model (DDM), we revise our one-year target price to IDR 4,925, reflecting a PBV multiple of 1.02x and offering 16% upside potential. Accordingly, we maintain a Buy recommendation.

Financial Highlight	2022A	2023A	2024A	2025A
Net Income (IDR Bn)	18,312	20,909	21,464	23,012
NIM	4.81%	4.58%	4.24%	4.10%
Pre-Tax ROAA	2.50%	2.60%	2.50%	2.50%
EPS	982.49	561.23	575.59	617.17
Gross NPL	2.80%	2.10%	2.00%	1.88%
CAR (Consolidated)	20.57%	23.22%	21.67%	21.85%

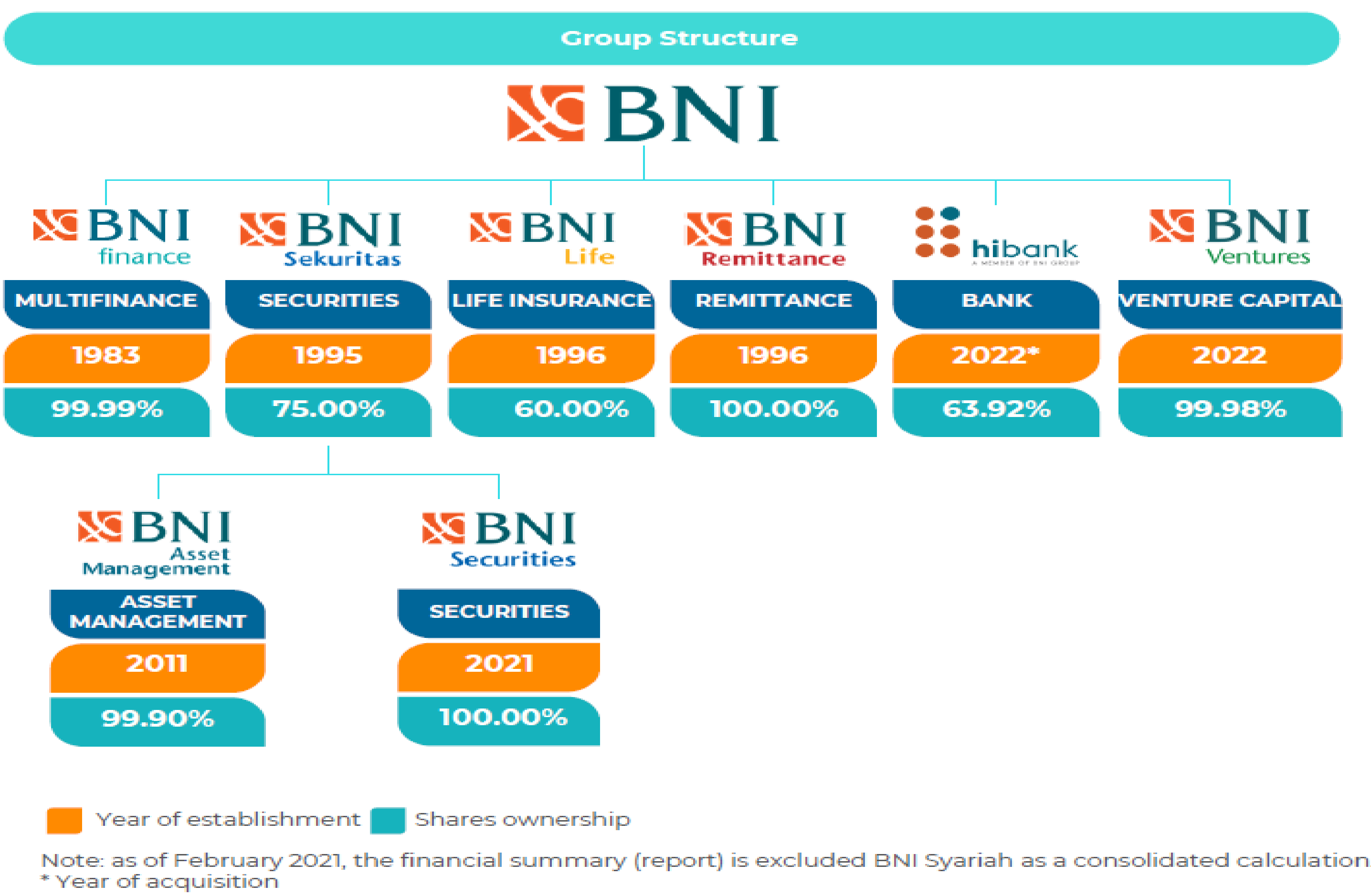
Company Profile

PT Bank Negara Indonesia (Persero), Tbk (BNI) was founded in 1946 as Indonesia's first central bank before transitioning into a state-owned commercial bank in 1968. In 1992, it became a limited liability company (Persero) and, by 1996, became the first state-owned enterprise to go public. Over the years, BNI has undergone significant transformations, including recapitalization and share divestments. Regulatory updates in 2008 and 2015 led to changes in its Articles of Association. Currently, the Indonesian government holds a 60% stake, with 40% publicly owned. As Indonesia's fourth-largest bank, BNI offers a broad range of financial services through its subsidiaries, including:

- BNI Multifinance
- BNI Sekuritas
- BNI Life Insurance
- BNI Ventures
- BNI Remittance
- hibank

BNI serves customers across all life stages, from childhood through retirement, reinforcing its role as a key player in Indonesia's financial sector.

BNI Group Structure and Subsidiaries Companies



Source: Company

Chart: Gross Loan YoY

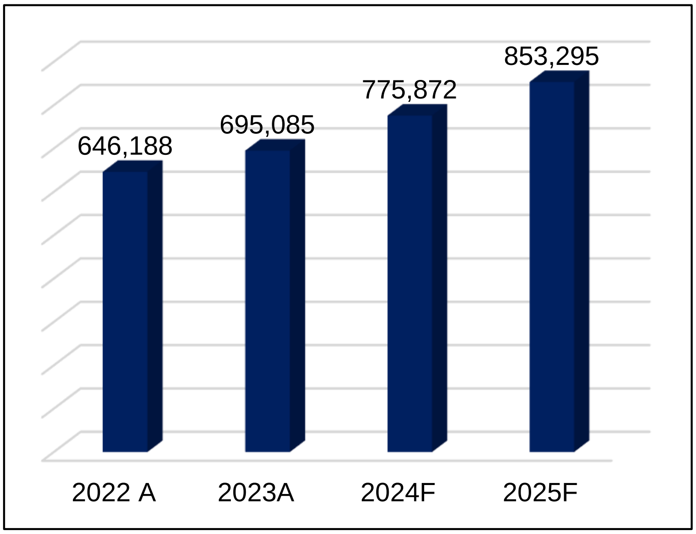


Chart: NPL Ratio (%) YoY

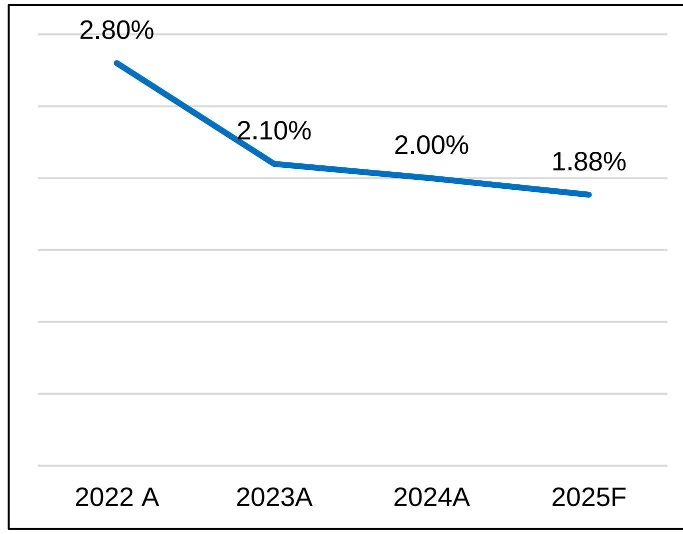


Chart: Profitability YoY

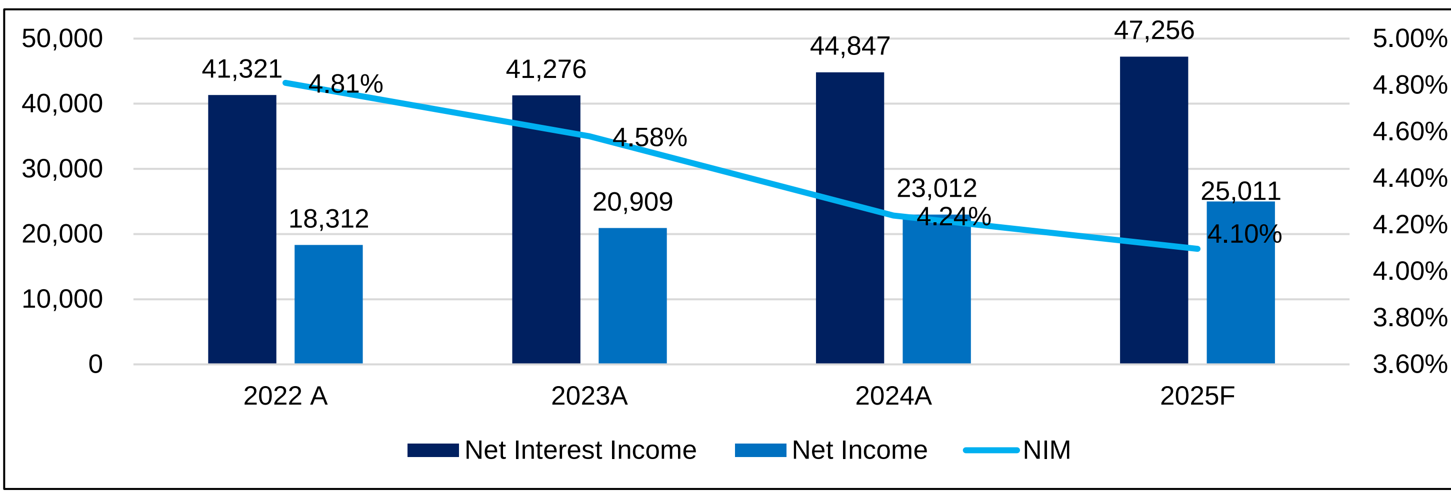


Chart: CASA Ratio (%) YoY

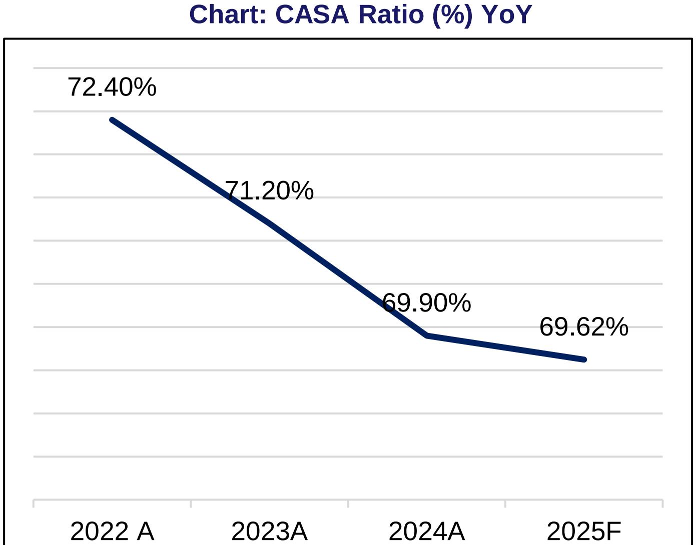


Chart: CAR (%) YoY

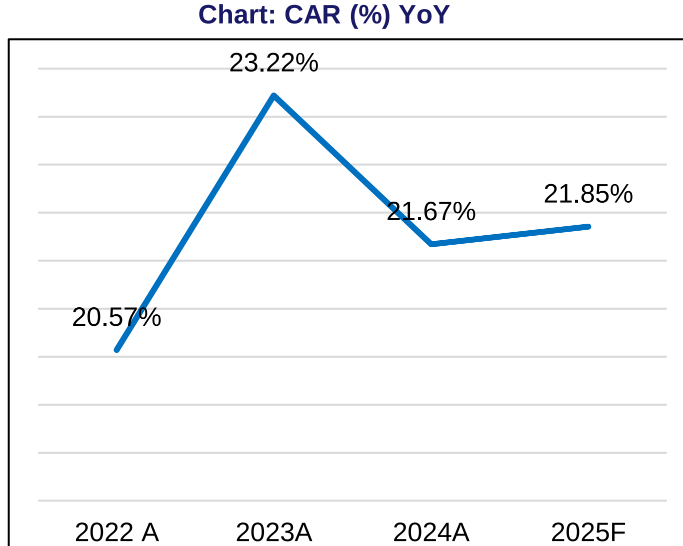


Chart: Net Income (IDR Bn) QoQ

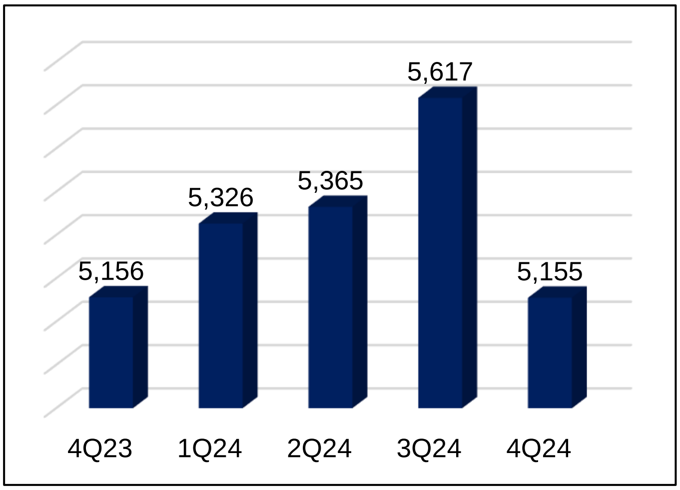


Chart: Gross Loan (IDR Bn) QoQ

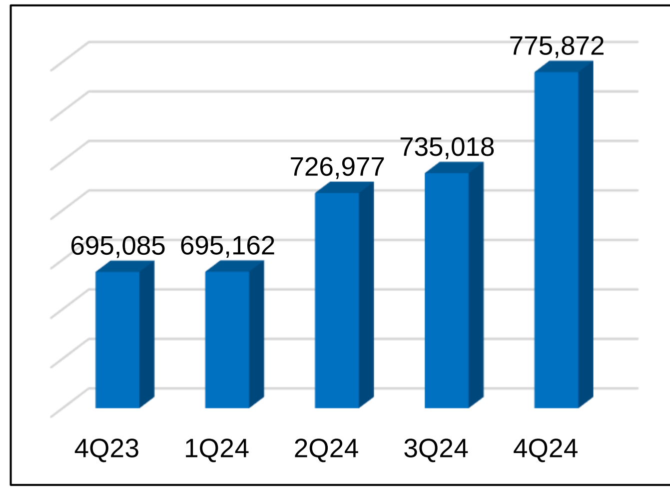


Chart: NPL Ratio (%) QoQ

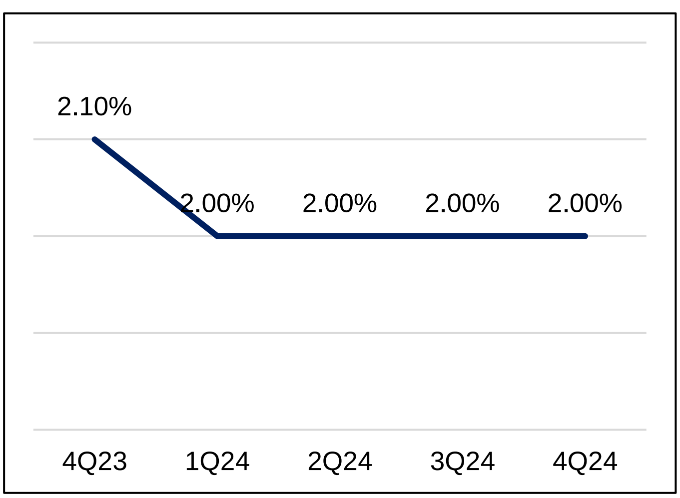
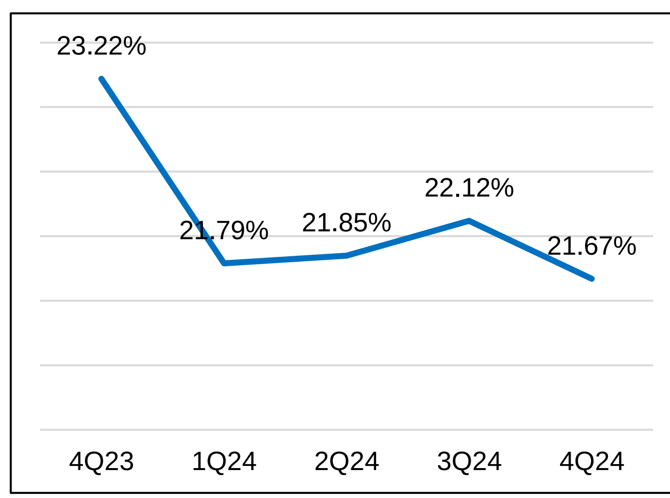


Chart: CAR (%) QoQ



Statements of Financial Position (IDR Bn)

Balance sheet (IDR Bn)	2022A	2023A	2024A	2025F
Cash and CA with BI	96,370	76,464	65,379	62,600
Interbank Placement	51,569	43,794	17,076	16,716
Marketable Securities	28,556	37,165	48,534	42,121
Gross Loan	646,188	695,085	775,872	853,295
Allowance for Loans	(50,334)	(47,158)	(38,685)	(38,422)
Loans-net	595,854	647,927	737,187	814,873
Other Earning Asset	284,953	305,965	272,071	288,126
Non-Earning Asset	52,659	56,309	55,168	65,611
Total Asset	**1,029,837**	**1,086,664**	**1,129,806**	**1,231,210**
Deposit:				
Current Account	314,625	345,496	305,734	315,421
Saving Account	242,695	231,981	257,544	282,142
Time Deposits	211,949	233,253	242,233	260,722
Other Interest-Bearing Liabilities	70,254	76,614	94,372	109,701
Non-Interest-Bearing Liabilities	50,116	44,587	62,736	83,470
Total Liabilities	**889,639**	**931,931**	**962,619**	**1,051,456**
Total Shareholder's Equity	**140,198**	**154,733**	**167,187**	**179,754**

Statements of Profit or Loss (IDR Bn)

Income Statement (IDR Bn)	2020A	2021A	2024A	2025F
Interest Income	56,173	50,026	66,583	72,832
Interest Expense	(19,021)	(11,779)	(26,103)	(27,985)
Net Interest Income	**37,152**	**38,247**	**40,480**	**44,847**
Other Operating Income	14,884	17,619	24,035	27,381
Operating Income	**52,036**	**55,865**	**64,515**	**72,228**
Operating Expense	(24,214)	(24,801)	(29,688)	(33,025)
PPOP	**27,822**	**31,064**	**34,826**	**39,203**
Provision Expense	(22,590)	(18,297)	(8,211)	(9,751)
Operating Profit	**5,231**	**12,767**	**26,616**	**29,452**
Non-Operating Income	(119)	(216)	(35)	54
Profit Before Tax	**5,112**	**12,551**	**26,580**	**29,505**
Tax Expense	(1,791)	(1,574)	(4,911)	(6,134)
Earning After Tax	**3,321**	**10,977**	**21,669**	**23,371**
Income for The Year Attributable to - NCI	**41**	**79**	**206**	**359**
Net Income	**3,280**	**10,899**	**21,464**	**23,012**
EPS (Rp/Share)	**176.06**	**585.31**	**575.59**	**617.17**

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Source: Binaartha & Company

Ratio Highlights

Ratio Analysis	2022A	2023A	2024A	2025F
Profitability & Efficiency				
NIM	4.81%	4.58%	4.24%	4.10%
Cost-to-Income Ratio	42.60%	42.90%	44.60%	45.72%
ROAE	14.90%	15.20%	14.20%	13.64%
Pre-Tax ROAA	2.50%	2.60%	2.50%	2.50%
BOPO	68.60%	68.40%	70,05%	70.61%
Cost of Credit	1.90%	1.40%	1.10%	1.14%
Liquidity				
LDR	84.20%	85.80%	96.10%	96.78%
CASA (Consolidated)	72.40%	71.20%	69.90%	69.62%
Asset Quality				
Gross NPL	2.80%	2.10%	2.00%	1.88%
Provision Coverage	278.30%	319.00%	255.80%	236.47%
Capital				
CAR (Consolidated)	20.57%	23.22%	21.67%	21.85%
Growth				
Consolidated Loan Growth	10.95%	7.57%	11.62%	9.98%
Deposit Growth	5.50%	5.39%	-0.64%	6.55%
Net Income Growth	68.02%	14.18%	2.65%	7.22%

Source: Binaartha & Company

QoQ Result

Balance Sheet	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Loan	695,085	695,162	726,977	735,018	775,872	5.56%	11.62%
Loan Loss Reserves	(47,158)	(46,336)	(42,503)	(40,820)	(38,685)	-5.23%	-17.97%
NPL	14,529	14,048	14,302	14,042	14,928	6.31%	2.49%
Deposit							
Demand	345,496	309,546	305,133	302,260	305,734	1.15%	-11.51%
Savings	231,981	233,958	240,558	238,934	257,544	7.79%	11.02%
Time Deposit	233,253	236,726	226,628	228,545	242,233	5.99%	3.85%
Total Asset	1,086,664	1,066,715	1,072,454	1,068,080	1,129,806	5.78%	3.97%
Shareholder Equity	150,131	145,085	149,470	157,396	162,458	3.22%	8.21%

Income Statement	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Interest Income	15,253	15,875	16,298	16,663	17,747	6.50%	16.35%
Interest Expense	(5,114)	(6,485)	(6,617)	(6,296)	(6,705)	6.49%	31.12%
Net Interest Income	**10,139**	**9,390**	**9,681**	**10,367**	**11,042**	**6.51%**	**8.90%**
Other Operating Income	6,822	5,440	5,485	5,913	7,198	21.74%	5.51%
Operating Expense	(8,233)	(6,649)	(6,905)	(7,434)	(8,700)	17.02%	5.67%
PPOP	**8,728**	**8,181**	**8,261**	**8,845**	**9,540**	**7.86%**	**9.30%**
Provision Expense	(2,486)	(1,744)	(1,767)	(1,878)	(2,822)	50.27%	13.49%
Operating Profit	**6,241**	**6,437**	**6,494**	**6,967**	**6,718**	**-3.58%**	**7.63%**
Non-Operating Income	22	0	(0)	(33)	(3)	-91.71%	-112.36%
Profit Before Tax	**6,263**	**6,437**	**6,494**	**6,934**	**6,715**	**-3.16%**	**7.21%**
Tax Expense	(1,046)	(1,085)	(1,083)	(1,264)	(1,479)	16.99%	41.38%
Earning After Tax	5,217	5,353	5,411	5,670	5,236	-7.65%	0.36%
Income for The Year Attributable to - NCI	61	26	46	53	81	52.34%	31.96%
Net Income	**5,156**	**5,326**	**5,365**	**5,617**	**5,155**	**-8.22%**	**-0.02%**
EPS (Rp/Share)	**138**	**143**	**144**	**151**	**138**	**-8.22%**	**-0.11%**

Ratio	4Q23	1Q24	2Q24	3Q24	4Q24	%QoQ	%YoY
Profitability & Efficiency							
NIM	**4.40%**	**4.00%**	**4.00%**	**4.40%**	**4.50%**	**0.10**	**0.10**
Cost of Funds	**2.50%**	**2.80%**	**2.70%**	**2.60%**	**2.70%**	**0.10**	**0.20**
Pre-Tax ROAA	**2.50%**	**2.50%**	**2.40%**	**2.70%**	**2.40%**	**(0.30)**	**(0.10)**
ROE	**14.30%**	**14.50%**	**14.70%**	**14.90%**	**12.90%**	**(2.00)**	**(1.40)**
Liquidity							
LDR	**85.80%**	**89.00%**	**94.00%**	**95.30%**	**96.10%**	**0.80**	**10.30**
CASA (Consolidated)	**71.20%**	**69.70%**	**70.70%**	**70.30%**	**69.90%**	**(0.40)**	**(1.30)**
Asset Quality							
Gross NPL	**2.10%**	**2.00%**	**2.00%**	**2.00%**	**2.00%**	**-**	**(0.10)**
Coverage Ratio	**319.00%**	**330.20%**	**298.20%**	**284.20%**	**255.80%**	**(28.40)**	**(63.20)**
Capital							
CAR (Consolidated)	**23.22%**	**21.79%**	**21.85%**	**22.12%**	**21.67%**	**(0.45)**	**(1.55)**

Source: Binaartha & Company

Stock Ratings:
Buy: a recommendation to purchase the security with upside potential of 12.5% or greater
Hold: a recommendation to neither buy nor sell a security with upside potential of 6.25%-12.49%.
Sell: a recommendation to close out a long position in a security with upside potential below 6.25% or negative.

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