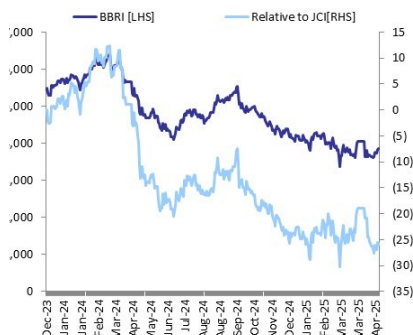


Not Rated

Last Price (Rp)	3,850
Target Price (Rp)	n/a
Previous Target Price (Rp)	n/a
Upside/Downside	n/a
No. of Shares (mn)	151,559
Mkt Cap (Rpbn/US\$mn)	583,502/35,149
Avg, Daily T/O (Rpbn/US\$mn)	1,149.0/69.2
Free Float (%)	46.3
Major Shareholder (%)	
Government of Indonesia	53.2
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	n/a n/a n/a
Consensus	403.0 390.9 432.3
BRIDS/Cons (%)	n/a n/a n/a

BBRI relative to JCI Index



Source: Bloomberg

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Bank Rakyat Indonesia (BBRI IJ)

1Q25 Earnings: Elevated CoC Pressuring Bottom Line

- BBRI reported 1Q25 net profit of Rp13.7tr (-9% qoq, -14% yoy), dragged by CoC of 3.5%, but still relatively in line with consensus' (23% of FY25F).
- Mgmt is confident that CoC has peaked in 1Q25 and will gradually improve towards FY25F to the upper range of the guidance of 3.0-3.2%.
- BBRI currently trades at 1.8x FY25C PBV, near -1SD of its 5-year mean, with an implied CoE of 11.9% (-2.5SD of its 5-year mean).

Lower net profits caused by elevated CoC in 1Q25

BBRI reported net profit of Rp13.7tr in 1Q25 (-9% qoq, -14% yoy), reaching 23% of consensus FY25F. NII was relatively in line at 25%, but CoC remained high at 3.5%, above the FY25 target of 3.0–3.2%. Mgmt. expects peak CoC in 1Q25 and gradual improvement toward the higher end of the FY25 guidance in FY25F. NPL improved from 3.1% in 1Q24 to 3.0% in 1Q25 (within guidance of <3.0%), as declines in the corporate, small, and consumer segments offset increases in the micro and medium segments. NPL coverage declined to 200% from 215% in 4Q24. Mgmt is looking at 190-200% NPL coverage in FY25F, as it will have a larger portion of corporate loans. Write-offs remained high at Rp11.4tr in 1Q25, which prompted mgmt to raise the budget to around Rp45tr (from Rp38–39tr).

Higher NIM, expect loan mix to drive loan yield amid micro slowdowns

NIM increased to 7.7% from 7.5% in 4Q24, supported by a lower CoF of 3.5% (vs. 3.6% in 4Q24) as the bank boosted its retail funding. CIR stood at 41% (+330bps yoy), with opex rising 12% yoy, driven by an 11% increase in personnel expenses caused by the shifting of holiday allowance. Mgmt hinted at modification losses of Rp1tr for 2Q25, affecting loan yield by 7-10bps. As loan repricing might be hard to pursue, the bank is targeting more payroll loans from private and SOE companies to boost yield.

Muted micro growth, focused on asset quality and corporate loans

Overall loan growth was 5% yoy, below the FY25 target of 7–9%. Growth was driven by corporate (+13%), medium (+21%), and consumer (+9%), while micro and SME grew by 1.5% and 0.8%, respectively. Micro loan growth was led by Pegadaian (+30%), due to strong gold prices, and PNM (+4.5%), though bank-only micro loans declined 3% yoy. Mgmt maintains their loan growth target and notes that there is limited impact from the US tariffs on their borrowers.

Attractive valuation but micro business remained challenging

BBRI's share price has declined by 5.6% YTD, bringing its PBV valuation down to 1.8x (vs. 2.8x a year ago), which is at -1.0SD from its 5-year avg. Despite the attractive valuation, there are still downside risks to earnings from persistent tight liquidity and higher MSME delinquency risk.

Key Financials

Year to 31 Dec	2020A	2021A	2022A	2023A	2024A
PPOP (Rpbn)	65,059	80,435	91,285	106,508	116,752
Net profit (Rpbn)	21,036	33,467	51,170	60,100	60,155
EPS (Rp)	170.5	220.8	337.6	396.5	396.9
EPS growth (%)	(38.8)	29.5	52.9	17.5	0.1
BVPS (Rp)	1,839.7	1,905.1	1,974.8	2,054.4	2,092.2
PER (x)	22.6	17.4	11.4	9.7	10.2
PBV (x)	2.1	2.0	2.0	1.9	1.8
Dividend yield (%)	2.5	4.5	7.5	8.3	8.9
ROAE (%)	9.7	13.0	17.4	19.7	19.1

Source: BBRI, BRIDS

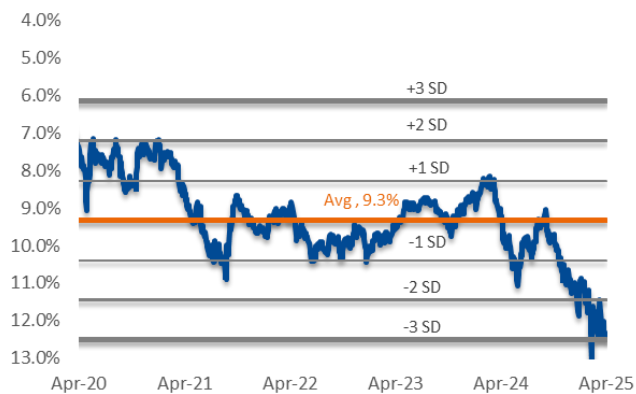
Exhibit 1. BBRI's 1Q25 earnings summary

BBRI - Financial (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	1Q24	1Q25	yoy, %	FY25C	A/C
Interest income	50,607	50,474	49,838	-1%	-2%	50,607	49,838	-2%	206,879	24%
Interest expense	14,111	14,173	13,987	-1%	-1%	14,111	13,987	-1%	61,168	23%
Net interest income	36,496	36,301	35,852	-1%	-2%	36,496	35,852	-2%	145,711	25%
Other operating income	12,651	14,484	14,589	1%	15%	12,651	14,589	15%	61,843	24%
Operating expenses	18,401	21,543	20,544	-5%	12%	18,401	20,544	12%		n/a
PPOP	30,747	29,243	29,897	2%	-3%	30,747	29,897	-3%		n/a
Provision	10,713	8,710	12,275	41%	15%	10,713	12,275	15%	43,418	28%
Operating Profit	20,034	20,533	17,622	-14%	-12%	20,034	17,622	-12%	75,040	23%
Net profit	15,886	15,090	13,673	-9%	-14%	15,886	13,673	-14%	58,979	23%
Loans	1,308,651	1,354,641	1,373,661	1%	5%	1,308,651	1,373,661	5%	1,399,550	98%
Customer deposits	1,416,213	1,365,450	1,421,600	4%	0%	1,416,213	1,421,600	0%	1,468,730	97%

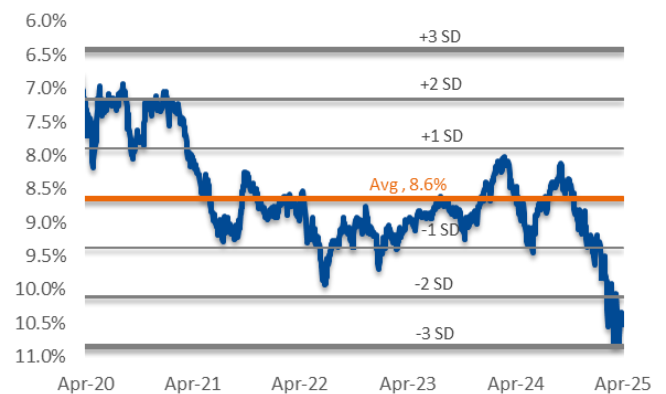
Key Ratio

				qoq, bps	yoy, bps				yoy, bps
Loan yield (%) - ann	13.6	12.5	12.9	36	(74)	13.6	12.9	(74)	(74)
Cost of fund (%) - ann	3.6	3.6	3.4	(19)	(14)	3.6	3.4	(14)	(14)
NIM (%) - ann	8.1	7.5	7.6	14	(47)	8.1	7.6	(47)	(47)
CIR (%) - ann	37.4	42.4	40.7	(169)	329	37.4	40.7	329	329
Cost of credit (%) - ann	3.3	2.6	3.6	103	27	3.3	3.6	27	27
Cost of credit on loan (%) - ann	3.8	2.8	3.5	71	(31)	3.8	3.5	(31)	(31)
ROE (%) - ann	21.0	18.8	17.7	(111)	(329)	21.0	17.7	(329)	(329)
CASA ratio (%)	61.7	67.3	65.8	(154)	410				
LDR (%)	92.4	99.2	96.6	(258)	422				
NPL ratio (%)	3.1	2.8	3.0	19	(14)				
LaR ratio (%)	12.7	10.7	11.1	42	(156)				

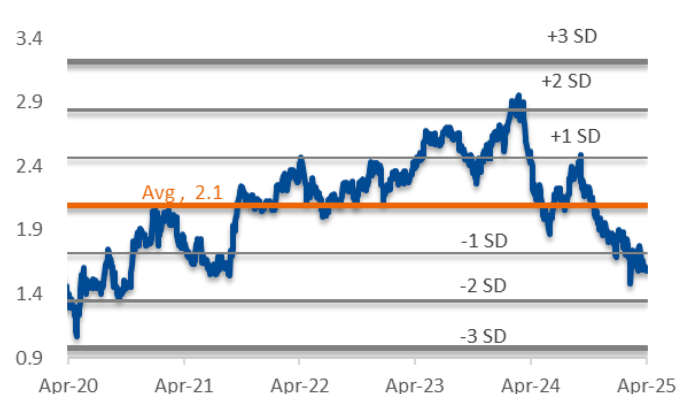
Source: Company, BRIDS, Bloomberg

Exhibit 2. BBRI's cost of equity band chart (5-year)


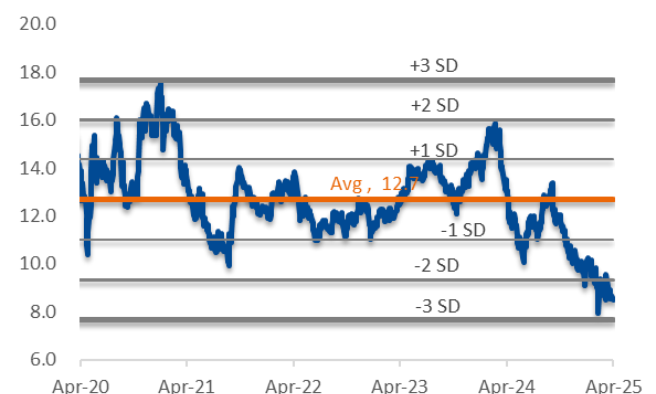
Source: Company, Bloomberg, BRIDS

Exhibit 3. Sector's cost of equity band chart (5-year)


Source: Company, Bloomberg, BRIDS

Exhibit 4. BBRI's P/BV band chart (5-year)


Source: Company, Bloomberg, BRIDS

Exhibit 5. BBRI's P/E band chart (5-year)


Source: Company, Bloomberg, BRIDS

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2020A	2021A	2022A	2023A	2024A
Interest Income	135,765	143,523	151,875	181,215	199,266
Interest Expense	(42,180)	(29,429)	(27,278)	(43,813)	(57,209)
Net Interest Income	93,584	114,094	124,597	137,402	142,057
Non-Interest Income (NII)	35,765	38,686	47,216	43,775	55,602
Oper. Income	129,349	152,780	171,813	181,177	197,659
Oper. Expenses	(67,504)	(75,918)	(82,192)	(76,782)	(82,913)
Pre-provisions profit	65,059	80,435	91,285	106,508	116,752
Provisions & Allowances	(35,280)	(39,291)	(26,979)	(29,679)	(38,174)
Operating Profits	29,779	41,144	64,306	76,829	78,578
Non-Operating Income	215	(152)	291	(399)	(979)
Exceptionals	0	0	0	0	0
Pre-tax Profit	29,993	40,992	64,597	76,430	77,599
Income Tax	(8,952)	(7,836)	(13,188)	(16,005)	(16,955)
Minorities	(6)	311	(238)	(325)	(489)
Net Profit	21,036	33,467	51,170	60,100	60,155

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2020A	2021A	2022A	2023A	2024A
Gross Loans	943,788	994,417	1,079,275	1,212,578	1,298,318
Provisions	(66,810)	(84,834)	(88,324)	(81,924)	(76,903)
Net Loans	876,977	909,583	990,951	1,130,654	1,221,415
Govt. Bonds	0	0	0	0	0
Securities	326,957	371,738	330,242	331,010	326,477
Other Earnings Assets	72,821	45,455	55,038	50,274	52,162
Total Earnings Assets	1,504,484	1,577,855	1,652,810	1,777,688	1,827,703
Fixed Assets	60,885	65,038	73,951	81,464	88,480
Non-Earnings Assets	33,492	32,023	42,374	53,142	40,099
Total Assets	1,610,065	1,678,098	1,865,639	1,965,007	1,992,983
Customer Deposits	1,071,919	1,138,743	1,307,884	1,358,329	1,365,450
Banks Deposits	23,786	13,329	9,335	11,958	14,679
Int. Bearing Liab. - Others	49,003	0	0	0	0
Total Liabilities	1,380,598	1,386,311	1,562,244	1,648,535	1,669,794
Share capital & Reserves	58,642	101,967	98,124	97,652	99,001
Retained Earnings	168,274	186,768	201,170	213,711	218,093
Shareholders' Funds	226,916	288,735	299,294	311,364	317,094
Minority interests	2,551	3,052	4,101	5,109	6,095
Total Equity & Liabilities	1,610,065	1,678,098	1,865,639	1,965,007	1,992,983

Exhibit 8. Key Ratios

Year to 31 Dec	2020A	2021A	2022A	2023A	2024A
Yield on Earning Assets	9.7	9.3	9.4	10.6	11.1
Cost of funds	3.4	2.2	1.9	2.8	3.6
Interest Spread	6.3	7.1	7.5	7.7	7.5
Net Interest Margin	6.7	7.4	7.7	8.0	7.9
Cost/Income Ratio	50.9	48.6	47.4	41.9	41.5
Oper. Exp./Oper. Gross Inc.	83.0	77.9	68.0	66.2	69.4
Gross NPL Ratio	3.0	3.1	2.7	3.0	2.8
LLP/Gross NPL	236.8	277.0	306.5	223.6	208.9
Cost of Credit	3.9	4.1	2.6	2.6	3.0
Loan to Deposit Ratio	88.0	87.3	82.5	89.3	95.1
Loan to Funding Ratio	83.5	83.3	78.7	86.1	92.9
CASA Mix	58.9	62.3	66.2	63.8	66.6
ROAE	9.7	13.0	17.4	19.7	19.1
ROAA	1.4	2.0	2.9	3.1	3.0
CAR	19.3	25.3	23.3	20.2	18.3

Exhibit 9. Dupont and Growth

Year to 31 Dec	2020A	2021A	2022A	2023A	2024A
Dupont					
Pre-Tax ROAA	2.0	2.5	3.6	4.0	3.9
Tax Retention rate	70.2	80.9	79.6	79.1	78.2
Post-Tax ROAA	1.4	2.0	2.9	3.2	3.1
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	7.0	6.4	6.0	6.3	6.3
ROAE	9.7	13.0	17.4	19.7	19.1
Growth (%)					
Interest income	11.5	5.7	5.8	19.3	10.0
Net Interest Income	14.5	21.9	9.2	10.3	3.4
Other Oper. Expenses	50.1	12.5	8.3	(6.6)	8.0
Fee Based Income	11.5	5.4	10.2	(1.5)	10.6
Pre-Provision Oper. Profit	(1.7)	23.6	13.5	16.7	9.6
Net Profit	(38.8)	59.1	52.9	17.5	0.1
Shareholders' Equity	10.0	27.2	3.7	4.0	1.8
Loan	7.6	5.4	8.5	12.4	7.1
Earnings Asset	16.0	4.9	4.8	7.6	2.8
Deposit	9.0	5.1	14.3	4.0	0.7
Int. Bearing Liab.	13.8	(0.4)	12.7	5.1	2.2
CASA	12.4	11.3	21.5	0.2	5.1
Total Asset	13.6	4.2	11.2	5.3	1.4

Source: BBRI, BRIDS

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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