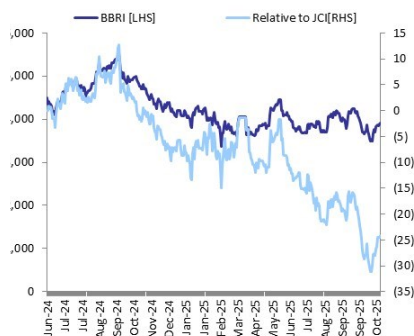


Not Rated

Last Price (Rp)	3,980
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)	603,205/35,613
Avg, Daily T/O (Rpbn/US\$mn)	821.3/49.4
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	373.0 411.9 234.9
BRIDS/Cons (%)	n/a n/a n/a

BBRI relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3503

victor.stefano@brids.co.id

Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

naura.muchlis@brids.co.id

Bank Rakyat Indonesia (BBRI IJ)

3Q25 Earnings Miss: A Soft Quarter Dragged by Higher Opex and Lower Recovery Income

- BBRI booked 3Q25 net profit of Rp14.5tr (+15% qoq, -6% yoy) on higher CIR, resulting in 9M25 NP of Rp40.1tr (-10% yoy), below cons FY25F.
- Mgmt indicates FY26F CoC to be at max 3.2%, supported by better micro outlook, and expects loan growth to rebound to 9-10% in FY26F.
- BBRI currently trades at 1.8x FY25C PBV, at -1SD of its 5-year mean, reflecting the challenging micro business conditions.

9M25: Missing consensus est. on lower other operating income realization

In 9M25, BBRI booked Rp40.1tr net profit (-10% yoy), tracking below consensus at 72% of FY25F. PPOP fell 1% yoy due to 6% higher opex and 6% lower other income, lifting CIR to 43% (vs. 41% in 9M24). CoC remained controlled at 3.2%. NIM contracted 24bps yoy to 7.7% as lower loan yields offset CoF improvement. Loan growth stood at 6% yoy, driven by corporate and consumer loans, while micro loans remained soft amid subdued demand.

3Q25: Weaker recovery income and higher opex weigh in on earnings

BBRI delivered a soft 3Q25 results, with net profit of Rp14.5tr (+15% qoq, -6% yoy), weighed down by higher opex and weaker recovery income. NIM slipped slightly qoq to 7.6%, though excluding a one-off write-off in 2Q25, NIM would have been slightly higher qoq. Other operating income dropped 17% yoy as recovery income moderated, reflecting a tougher environment. Subsidiary opex surged 27% qoq and 38% yoy, driving group opex up 6% qoq. CoC improved 26bps qoq to 2.9%, though NPL rose 18bps yoy to 3.08%, mainly from consumer and mortgage segments.

Better growth and asset quality in the micro segment for FY26F

Management maintains FY25F CoC guidance at 3.2-3.3%, easing to 2.9-3.2% in FY26F as exposure from the 2023 Kupedes vintage declines. Micro loan growth is indicated to stay muted this year, but mgmt expects overall loan growth to rebound to 9-10% in FY26F if conditions improve. CoF marginally improved from 3.12% in Aug25 to ~2.8% in Sep25, forming a better base for FY26F. Mgmt indicates that BBRI may channel ~Rp55tr of total KDMP first phase loans, mainly for cooperative capex, before funding the operations in later phases.

Below mean valuation amid challenging micro condition

BBRI's current PBV valuation stands at 1.8x, which is at -1.0SD below its 5-year avg, driven by the challenging business conditions and uncertainties in government's program. Management remained optimistic in resolving the vintage loan but is cautious on the current economic conditions.

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)	23.3	18.0	11.8	10.0	10.0
PBV (x)	2.2	2.1	2.0	1.9	1.9
Dividend yield (%)	2.4	4.4	7.2	8.0	8.6
ROAE (%)	9.7	13.0	17.4	19.7	19.1

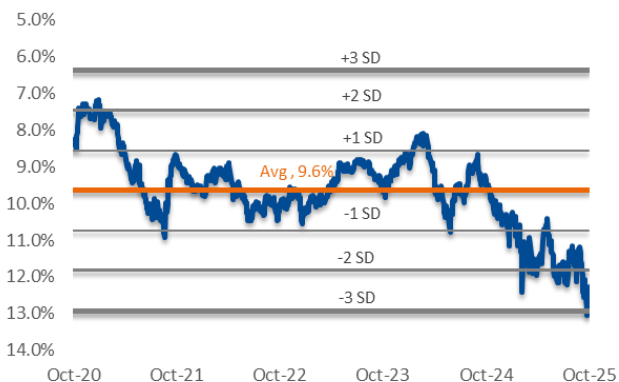
Source: BBRI, BRIDS

Exhibit 1. BBRI's 3Q25 earnings summary

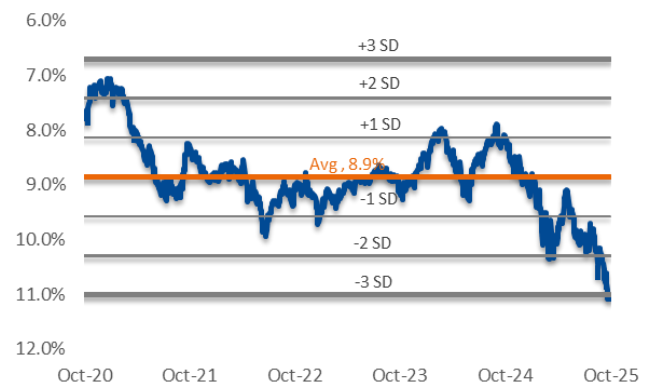
BBRI - Financial (Rpbn)	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %	FY25C	A/C
Interest income	50,847	52,538	52,784	0%	4%	150,637	155,160	3%	206,381	75%
Interest expense	14,263	15,115	15,068	0%	6%	42,776	44,169	3%	60,148	73%
Net interest income	36,583	37,423	37,717	1%	3%	107,861	110,991	3%	146,233	76%
Other operating income	15,877	12,515	13,533	8%	-15%	41,482	40,637	-2%	64,931	63%
Operating expenses	21,993	21,556	22,860	6%	4%	61,834	64,961	5%	91,805	71%
PPOP	30,467	28,381	28,390	0%	-7%	87,510	86,668	-1%	119,360	73%
Provision	10,967	10,998	10,324	-6%	-6%	29,464	33,597	14%	45,734	73%
Operating Profit	19,500	17,383	18,066	4%	-7%	58,045	53,071	-9%	73,626	72%
Net profit	15,363	12,603	14,502	15%	-6%	45,065	40,779	-10%	56,552	72%
Loans	1,353,356	1,416,619	1,438,109	2%	6%	1,353,356	1,438,109	6%	1,390,855	103%
Customer deposits	1,362,419	1,482,120	1,474,783	0%	8%	1,362,419	1,474,783	8%	1,471,290	100%

Key Ratio				qoq, bps	yoy, bps				yoy, bps
Loan yield (%) - ann	13.3	13.3	13.0	↓ (33)	↓ (34)	13.4	13.1	↓ (30)	
Cost of fund (%) - ann	3.6	3.6	3.5	→ (3)	→ (9)	3.6	3.5	→ (8)	
NIM (%) - ann	8.0	7.7	7.6	→ (2)	→ (36)	7.9	7.7	→ (24)	
CIR (%) - ann	41.9	43.2	44.6	↓ 144	↓ 268	41.4	42.8	↓ 144	
Cost of credit (%) - ann	3.3	3.2	2.9	↑ (26)	↑ (37)	3.0	3.2	↓ 22	
Cost of credit on loan (%) - ann	3.2	3.3	2.9	↑ (43)	↑ (32)	3.4	3.2	↑ (15)	
ROE (%) - ann	19.5	16.4	17.9	↑ 155	↓ (159)	19.5	17.2	↓ (227)	
CASA ratio (%)	64.2	65.5	67.6	↑ 213	↑ 348				
LDR (%)	99.3	95.6	97.5	↓ 193	↑ (182)				
NPL ratio (%)	2.9	3.0	3.1	→ 4	↓ 18				
LaR ratio (%)	11.7	10.8	10.7	↑ (10)	↑ (96)				

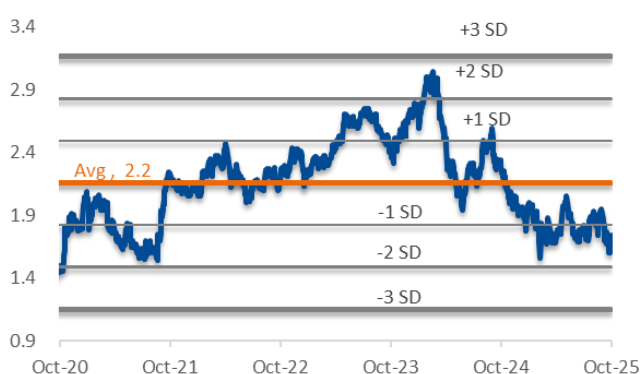
Source: Company, BRIDS, Bloomberg

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


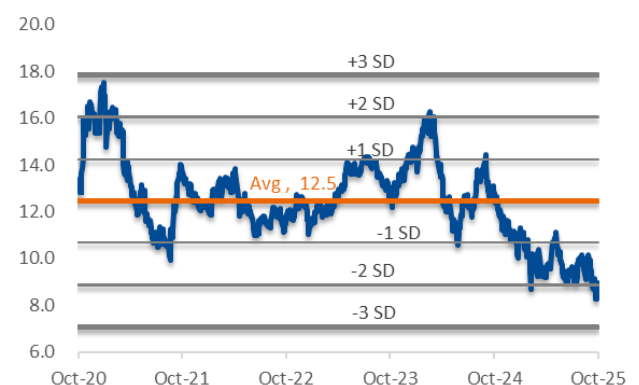
Source: Company, Bloomberg, BRIDS

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

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Telco, Technology	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Cement, Tollroad	ismail.suweleh@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Nahsrullah Putra Sulaeman	Automotive	nashrullah.sulaeman@brids.co.id
Kafi Ananta Azhari	Research Associate, Co-coverage (Telco, Technology)	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	telisa.falianty@brids.co.id
Ebenezer Mesotuh Harefa	Junior Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlicch Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.