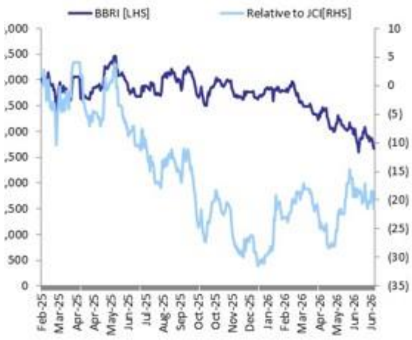
Not Rated

Last Price (Rp)	**3,250**
Target Price (Rp)	**n/a**
Previous TP (Rp)	***n/a***
Upside/Downside	**n/a**
No. of Shares (mn)	**151,559**
Mkt Cap (Rpbn/US$mn)	**492,567/27,797**
Avg, Daily T/O (Rpbn/US$mn)	**839.7/47.4**
Free Float (%)	**46.3**
Major Shareholder (%)	
Danantara Asset Management	**53.2**

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	n/a	n/a	n/a
Consensus	389.2	415.8	460.4
BRIDS/Cons (%)	n/a	n/a	n/a

BBRI relative to JCI Index



Source: Bloomberg

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Bank Rakyat Indonesia (BBRI IJ)

2Q26 Earnings: Beat; Robust Loan Growth and Lower Opex Amid Higher Provisions

- **BBRI posted net profit of Rp15.3tr in 2Q26 (–1% qoq, +21% yoy), bringing 1H26 to Rp30.9tr (+17% yoy), forming 53% of cons FY26F.**
- **PPOP grew 4% qoq/18% yoy on solid loan growth and lower opex. Provisions rose due to the non-loan with loan CoC improving to 3%.**
- **BBRI currently trades at 1.5x FY26C PBV, at -1.7SD of its 5-year mean, reflecting the challenging macro-economic concern.**

Solid PPOP growth partly offset by higher non-loan provisions

BBRI booked 2Q26 net profit of Rp15.3tr (-1% qoq, +21% yoy), bringing its 1H26 to Rp30.9tr (+17% yoy) and forming 53% of FY26F, slightly above expectations. NII grew 1% qoq/8% yoy to Rp40.4tr on 16% yoy loan growth, though NIM eased to 7.5% as EA yield fell to 10.3% on lower benchmark rates and a smaller Kupedes contribution, while CoF rose 25bps. PPOP was supported by a 9% qoq/yoy opex decline despite a 5% qoq decline in other operating income. Provision rose 11% qoq/22% yoy on higher non-loan provisions from increased coverage for SOE construction, though CoC on loan still improved to 3.0%, with micro CoC easing to 3.8%, indicating better quality from newer Kupedes vintages.

Broad-based loan growth with improving asset quality

Loans grew 5% qoq/16% yoy to Rp1,645tr, led by corporate (+47% yoy) and commercial (+58% yoy), with micro (+6% yoy) supported by Pegadaian and KUR offsetting a 20% yoy Kupedes decline. Deposits grew 2% qoq/7% yoy to Rp1,581tr, keeping CASA at 67.6% while LDR rose to 90.8% (+358bps yoy). NPL improved 11bps qoq to 2.9% on better corporate and SME asset quality, partly offset by higher NPLs at subsidiaries and commercial (mainly legacy loans). Kupedes disbursement rose to Rp15.6tr in 2Q26 from Rp15.0tr in 1Q26 as the bank finalized its 2023-2024 vintage loans.

Loan growth guidance raised, with key repayments due in Sept-26

Management raised FY26F loan growth guidance to 8-10% (from 7-9%), while keeping NIM, CIR, and CoC unchanged. Of the Rp52.4tr in SOE loans disbursed in 2Q26, ~Rp22.8tr went to Pertamina Patra Niaga and is due in Sep26, which will weigh on 2H26 loan growth. Coverage on the Agrinas loan was raised to 1.3% from 0.8%, with repayment (~Rp9tr principal, Rp2tr interest) still expected in Sep26. If repayment fails and the loan moves to SML, management estimate this could add ~Rp10tr in provisions (~70bps of bank-only CoC) and reduce CAR by 100bps.

Valuation below mean despite resilient fundamentals

BBRI's current PBV stands at 1.5x, -1.7SD below its 5-year average, reflecting challenging macro conditions. Management remains optimistic, with strong CASA and improving asset quality. Key watchpoints in our view include the pace of CoC normalization and the Agrinas repayment.

Key Financials

Year to 31 Dec	2021A	2022A	2023A	2024A	2025A
PPOP (Rpbn)	80,435	91,285	106,508	116,377	119,430
Net profit (Rpbn)	33,467	51,170	60,100	59,945	56,652
EPS (Rp)	220.8	337.6	396.5	395.5	373.8
EPS growth (%)	29.5	52.9	17.5	(0.3)	(5.5)
BVPS (Rp)	1,905.1	1,974.8	2,054.4	2,091.8	2,138.0
PER (x)	13.5	8.9	7.5	7.6	8.0
PBV (x)	1.6	1.5	1.5	1.4	1.4
Dividend yield (%)	5.8	9.6	10.7	11.5	11.5
ROAE (%)	13.0	17.4	19.7	19.1	17.7

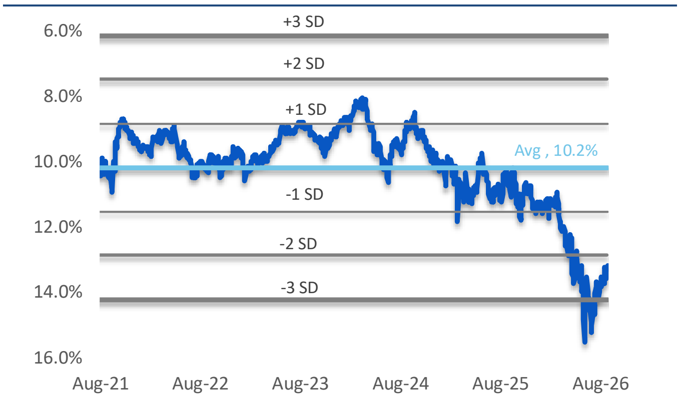
Source: BBRI, BRIDS Estimates

Exhibit 1. BBRI 2Q26 Results

BBRI Financial (Rpbn) - Presentation	2Q25	1Q26	2Q26	qoq, %	yoy, %	1H25	1H26	yoy, %	FY26C	A/C
Interest income	52,538	52,838	55,085	4%	5%	102,376	107,923	5%	213,772	50%
Interest expense	15,115	12,683	14,710	16%	-3%	29,102	27,393	-6%	56,770	48%
Net interest income	37,423	40,155	40,375	1%	8%	73,275	80,530	10%	157,993	51%
Other operating income	13,772	14,163	13,404	-5%	-3%	27,104	27,568	2%	59,881	46%
Operating expenses	21,556	22,135	20,251	-9%	-6%	42,100	42,387	1%	92,702	46%
PPOP	28,381	32,183	33,528	4%	18%	58,278	65,711	13%	124,064	53%
Provision	10,998	12,123	13,408	11%	22%	23,273	25,532	10%	48,605	53%
Operating Profit	17,383	20,060	20,120	0%	16%	35,005	40,180	15%	75,459	53%
Net profit	12,603	15,493	15,373	-1%	22%	26,277	30,865	17%	58,742	53%
Loans	1,416,619	1,562,451	1,645,533	5%	16%	1,416,619	1,645,533	16%	1,632,051	101%
Customer deposits	1,482,120	1,555,124	1,580,682	2%	7%	1,482,120	1,580,682	7%	1,601,756	99%
Key Ratio								yoy, bps		
EA Yield (%) - ann	10.7	10.1	10.3	22	(47)	10.7	10.2	(49)		
Cost of fund (%) - ann	3.6	2.8	3.2	35	(45)	3.6	3.0	(53)		
NIM (%) - ann	7.7	7.8	7.5	(24)	(12)	7.7	7.6	(4)		
CIR (%) - ann	42.1	40.8	37.7	(309)	(445)	41.9	39.2	(273)		
Cost of credit (%) - ann	3.2	3.1	3.3	24	19	3.4	3.2	(13)		
Cost of credit on loan (%) - ann	3.3	3.2	3.0	(24)	(32)	3.4	3.1	(32)		
ROE (%) - ann	16.6	18.4	18.3	(15)	165	16.6	18.8	220		
CASA ratio (%)	65.5	68.1	67.6	(50)	210					
LDR consol - bank entity (%)	85.0	87.2	90.8	358	580					
NPL ratio (%)	3.0	3.0	2.9	(11)	(10)					
NPL coverage (%)	188.8	179.5	180.3	80	(855)					
LaR ratio (%)	10.8	9.7	9.2	(52)	(165)					
NPL by segment composition (%)										
Micro (Inc. KUR Small)	3.8	4.2	4.1	(4)	34					
Consumer	2.3	2.4	2.5	5	21					
SME	5.4	5.6	5.2	(37)	(24)					
Commercial	2.5	3.9	4.4	45	183					
Corporate	1.6	1.3	1.2	(18)	(46)					
Subsidiary	1.4	1.0	1.1	16	(26)					
NPL (bank-only)	***3.2***	***3.3***	***3.2***	*(16)*	*(8)*					
NPL consolidated	***3.0***	***3.0***	***2.9***	***(11)***	***(14)***					
Pegadaian	0.8	0.5	0.7	20	(7)					
PNM	2.2	1.7	1.9	20	(34)					

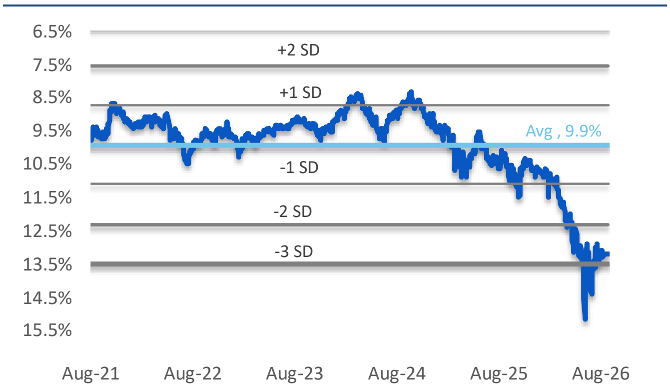
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBRI's Cost of Equity Band Chart (5-year)



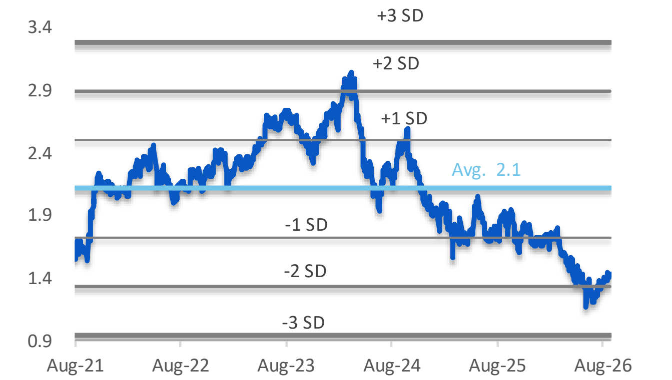
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's Cost of Equity Band Chart (5-year)



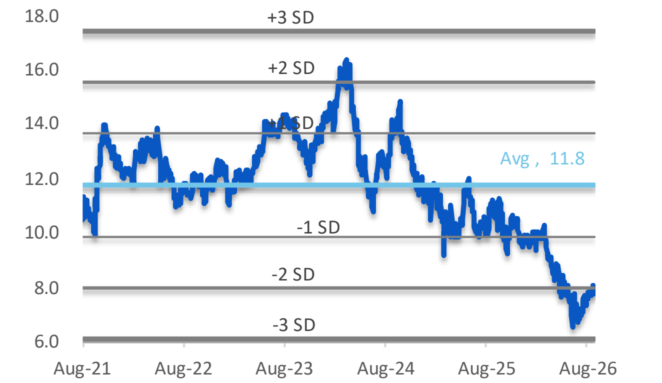
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BBRI's P/BV Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BBRI's P/E Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	2024A	2025A
Interest Income	143,523	151,875	181,215	199,266	207,783
Interest Expense	(29,429)	(27,278)	(43,813)	(56,608)	(57,285)
Net Interest Income	**114,094**	**124,597**	**137,402**	**142,659**	**150,498**
Non-Interest Income (NII)	38,686	47,216	43,775	53,609	53,845
Oper. Income	**152,780**	**171,813**	**181,177**	**196,268**	**204,344**
Oper. Expenses	(75,918)	(82,192)	(76,782)	(81,897)	(88,447)
Pre-provisions profit	**80,435**	**91,285**	**106,508**	**116,377**	**119,430**
Provisions & Allowances	(39,291)	(26,979)	(29,679)	(38,161)	(46,182)
Operating Profits	**41,144**	**64,306**	**76,829**	**78,216**	**73,248**
Non-Operating Income	(152)	291	(399)	(964)	(455)
Exceptionals	0	0	0	0	0
Pre-tax Profit	**40,992**	**64,597**	**76,430**	**77,252**	**72,793**
Income Tax	(7,836)	(13,188)	(16,005)	(16,946)	(15,660)
Minorities	311	(238)	(325)	(362)	(480)
Net Profit	**33,467**	**51,170**	**60,100**	**59,945**	**56,652**

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	2024A	2025A
Gross Loans	994,417	1,079,275	1,212,578	1,298,318	1,460,729
Provisions	(84,834)	(88,324)	(81,924)	(76,903)	(79,329)
Net Loans	**909,583**	**990,951**	**1,130,654**	**1,221,415**	**1,381,401**
Govt. Bonds	0	0	0	0	0
Securities	371,738	330,242	331,010	326,477	372,643
Other Earnings Assets	45,455	55,038	50,274	52,162	57,026
Total Earnings Assets	**1,577,855**	**1,652,810**	**1,777,688**	**1,827,703**	**2,015,912**
Fixed Assets	65,038	73,951	81,464	88,480	94,045
Non-Earnings Assets	32,023	42,374	53,142	39,369	54,555
Total Assets	**1,678,098**	**1,865,639**	**1,965,007**	**1,992,187**	**2,135,371**
Customer Deposits	1,138,743	1,307,884	1,358,329	1,365,450	1,466,844
Banks Deposits	13,329	9,335	11,958	14,679	17,601
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	**1,386,311**	**1,562,244**	**1,648,535**	**1,668,872**	**1,804,430**
Share capital & Reserves	101,967	98,124	97,652	98,996	101,370
Retained Earnings	186,768	201,170	213,711	218,032	222,663
Shareholders' Funds	**288,735**	**299,294**	**311,364**	**317,028**	**324,034**
Minority interests	3,052	4,101	5,109	6,287	6,908
Total Equity & Liabilities	**1,678,098**	**1,865,639**	**1,965,007**	**1,992,187**	**2,135,371**

Exhibit 8. Key Ratios

Year to 31 Dec (Rpbn)	2021A	2022A	2023A	2024A	2025A
Yield on Earning Assets	9.3	9.4	10.6	11.1	10.8
Cost of funds	2.2	1.9	2.8	3.5	3.4
Interest Spread	7.1	7.5	7.7	7.5	7.4
Net Interest Margin	7.4	7.7	8.0	7.9	7.8
Cost/Income Ratio	48.6	47.4	41.9	41.3	42.5
Oper. Exp./Oper. Gross Inc.	77.9	68.0	66.2	69.3	72.4
Gross NPL Ratio	3.1	2.7	3.0	2.8	3.1
LLP/Gross NPL	277.0	306.5	223.6	208.9	172.9
Cost of Credit	4.1	2.6	2.6	3.0	3.3
Loan to Deposit Ratio	87.3	82.5	89.3	95.1	99.6
Loan to Funding Ratio	83.3	78.7	86.1	92.9	96.9
CASA Mix	62.3	66.2	63.8	66.6	69.8
ROAE	13.0	17.4	19.7	19.1	17.7
ROAA	2.0	2.9	3.1	3.0	2.7
CAR	25.3	23.3	20.2	18.3	16.8

Exhibit 9. Key Ratio

Year to 31 Dec	2021A	2022A	2023A	2024A	2025A
Dupont					
Pre-Tax ROAA	2.5	3.6	4.0	3.9	3.5
Tax Retention rate	80.9	79.6	79.1	78.1	78.5
Post-Tax ROAA	2.0	2.9	3.2	3.0	2.8
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	6.4	6.0	6.3	6.3	6.4
ROAE	13.0	17.4	19.7	19.1	17.7
Growth (%)					
Interest income	5.7	5.8	19.3	10.0	4.3
Net Interest Income	21.9	9.2	10.3	3.8	5.5
Other Oper. Expenses	12.5	8.3	(6.6)	6.7	8.0
Fee Based Income	5.4	10.2	(1.5)	10.1	5.2
Pre-Provision Oper. Profit	23.6	13.5	16.7	9.3	2.6
Net Profit	59.1	52.9	17.5	(0.3)	(5.5)
Shareholders' Equity	27.2	3.7	4.0	1.8	2.2
Loan	5.4	8.5	12.4	7.1	12.5
Earnings Asset	4.9	4.8	7.6	2.8	10.3
Deposit	5.1	14.3	4.0	0.7	7.6
Int. Bearing Liab.	(0.4)	12.7	5.1	2.2	7.6
CASA	11.3	21.5	0.2	5.1	12.7
Total Asset	4.2	11.2	5.3	1.4	7.2

Source: BBRI, BRIDS Estimates

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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