Not Rated

Bank Rakyat Indonesia (BBRI IJ)

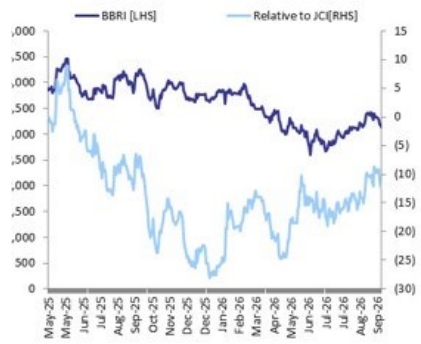
3Q26 Earnings: Beat; Lower Provisions and Higher Non-II Offset Sharp NIM Compression

Last Price (Rp)	**2,820**
Target Price (Rp)	**n/a**
Previous TP (Rp)	***n/a***
Upside/Downside	**n/a**
No. of Shares (mn)	**151,559**
Mkt Cap (Rpbn/US$mn)	**427,396/23,633**
Avg, Daily T/O (Rpbn/US$mn)	**814.1/45.0**
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	392.4	418.4	461.1
BRIDS/Cons (%)	n/a	n/a	n/a

BBRI relative to JCI Index



Source: Bloomberg

- **BBRI booked net profit of Rp16.8tr in 3Q26 (+9% qoq, +16% yoy), bringing 9M26 to Rp47.7tr (+17% yoy), i.e., above (80% of cons).**
- **Lower provisions (-31% qoq) offset sharp NIM compression to 6.8% (-74bps qoq), while micro returned to positive growth.**
- **BBRI trades at 1.3x FY26C PBV, -2.0SD below its 5-year mean, despite 3Q26 ROE of 20.5%, the highest since 2Q24.**

Lower provisions offset sharp NIM compression

BBRI reported NP of Rp16.8tr in 3Q26 (+9% qoq, +16% yoy), bringing 9M26 NP to Rp47.7tr (+17% yoy), above 80% of cons FY26F. NIM compressed 74bps qoq to 6.8% on a 53bps qoq jump in CoF to 3.7%, driven by delayed BI rate hike transmission, shift toward lower-yielding wholesale loans and deposit front-loading, bringing NII down 8% qoq/1% yoy. Non-II rose 10% qoq on treasury income, but PPOP fell 9% qoq (+7% yoy). Lower provisions (-31% qoq) supported earnings, bringing CoC to 2.3% (-108bps qoq), lifting ROE to 20.5%.

Micro returned to growth, with ample liquidity

Loans were flat qoq (+15% yoy) at Rp1,647tr in 3Q26, led by commercial (+51% yoy) and corporate (+38% yoy), while bank-only micro returned to growth (+1.2% qoq, +0.3% yoy) for the first time since Dec-24 on stronger KUR disbursement (+20% qoq). Mgmt. remains cautious on Kupedes, with disbursements expected to fall c.40% yoy in FY26 before outstanding returns to growth in FY27. Deposits grew 4% qoq, lifting CASA ratio to 70% (+240bps qoq) and bringing LDR down to 87.8% (92.7% excluding Rp79tr of SAL in Sep-26).

LaR rose on Pegadaian, but management sees it as a timing issue

NPL was stable at 2.9%, with micro NPL improving to 3.9% (-18bps qoq), driving the lower CoC in 3Q26. However, LaR rose to 10.0% (+82bps qoq), as Pegadaian's gold pawn SML jumped to Rp19tr (from Rp5.7tr) after gold prices fell c.16% from their Jan26 peak. This has since eased to Rp11.6tr in Oct26 after a Rp9.4tr collateral auction, and mgmt. views it as a timing issue given a maximum 80% LTV and LGD of ~8%. On El Niño, ~Rp10tr of the Rp61tr agri micro book in dry areas, potentially adding ~Rp1tr to LaR.

Improving business, but valuation remains a key challenge

BBRI currently trades at 1.3x FY26C PBV, -2.0SD below its 5-year mean. FY26 guidance was maintained, with NIM expected at the low end of 7.4-7.8%, supported by loan repricing (+25-70bps in corporate, commercial and SME) and the BI RR cut (+7-8bps to NIM). Mgmt. targets CAR of 20% (currently 23%), with payout ratio normalising gradually while aiming to keep DPS like last year. Key watchouts are NIM recovery from 6.8% in 3Q26, Pegadaian SML resolution, and El Niño impact.

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

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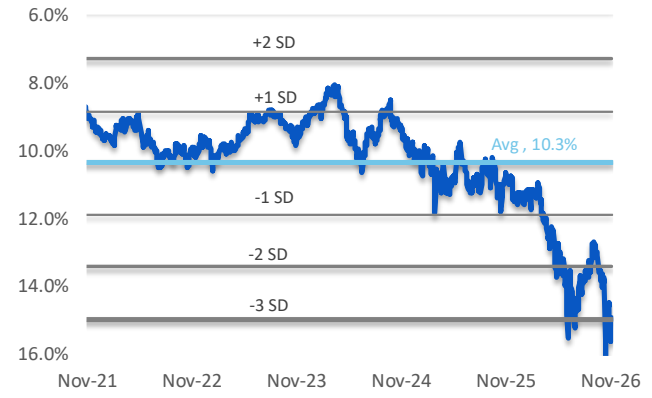
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Exhibit 1. BBRI 3Q26 Results

BBRI Financial (Rpbn) - Presentation	3Q25	2Q26	3Q26	qoq, %	yoy, %	9M25	9M26	yoy, %	FY26C	A/C
Interest income	52,784	55,085	54,871	0%	4%	155,160	162,794	5%	215,769	75%
Interest expense	15,068	14,710	17,546	19%	16%	44,169	44,939	2%	57,423	78%
Net interest income	37,717	40,375	37,324	-8%	-1%	110,991	117,855	6%	159,197	74%
Other operating income	13,533	13,404	14,767	10%	9%	40,637	42,334	4%	57,231	74%
Operating expenses	22,860	20,251	21,690	7%	-5%	64,961	64,077	-1%	91,735	70%
PPOP	28,390	33,528	30,401	-9%	7%	86,669	96,113	11%	124,446	77%
Provision	10,324	13,408	9,302	-31%	-10%	33,597	34,834	4%	48,272	72%
Operating Profit	18,066	20,120	21,099	5%	17%	53,071	61,279	15%	76,174	80%
Net profit	14,502	15,373	16,824	9%	16%	40,779	47,689	17%	59,340	80%
Loans	1,438,109	1,645,533	1,647,123	0%	15%	1,438,109	1,647,123	15%	1,632,051	101%
Customer deposits	1,474,783	1,580,682	1,651,317	4%	12%	1,474,783	1,651,317	12%	1,601,756	103%
Key Ratio								yoy, bps		
EA Yield (%) - ann	10.7	10.3	10.0	(28)	(70)	10.8	10.2	(59)		
Cost of fund (%) - ann	3.6	3.2	3.7	53	11	3.6	3.4	(27)		
NIM (%) - ann	7.6	7.5	6.8	(74)	(84)	7.8	7.4	(33)		
CIR (%) - ann	44.6	37.7	41.6	398	(297)	42.8	40.0	(284)		
Cost of credit (%) - ann	2.9	3.3	2.3	(108)	(63)	3.2	2.9	(28)		
Cost of credit on loan (%) - ann	2.9	3.0	2.4	(61)	(56)	3.3	2.9	(37)		
ROE (%) - ann	17.7	18.3	20.5	222	277	17.0	19.2	220		
CASA ratio (%)	67.6	67.6	70.0	240	240					
LDR consol - bank entity (%)	86.5	90.8	87.8	(299)	129					
NPL ratio (%)	3.1	2.9	2.9	(5)	(23)					
NPL coverage (%)	183.1	180.3	184.3	402	118					
LaR ratio (%)	10.7	9.2	10.0	82	(73)					
NPL by segment composition (%)										
Micro (Inc. KUR Small)	4.0	4.1	3.9	(18)	(3)					
Consumer	2.5	2.5	2.6	11	7					
SME	5.0	5.2	4.8	(38)	(23)					
Commercial	2.3	4.4	4.0	(33)	174					
Corporate	1.6	1.2	1.2	4	(40)					
Subsidiary	1.3	1.1	1.2	4	(11)					
NPL (bank-only)	***3.3***	***3.2***	***3.1***	*(8)*	*(22)*					
NPL consolidated	***3.1***	***2.9***	***2.9***	***(5)***	***(23)***					

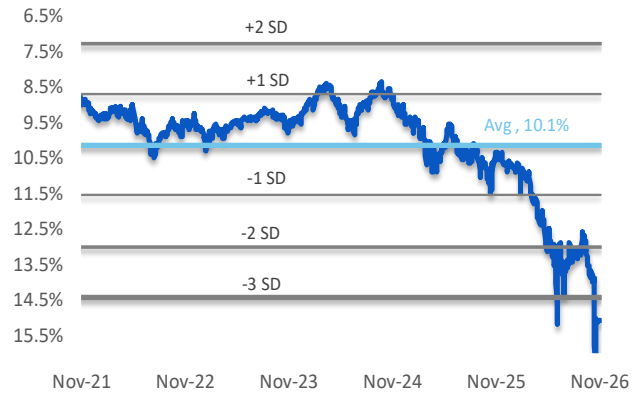
Source: Company, BRIDS Estimates, Bloomberg

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



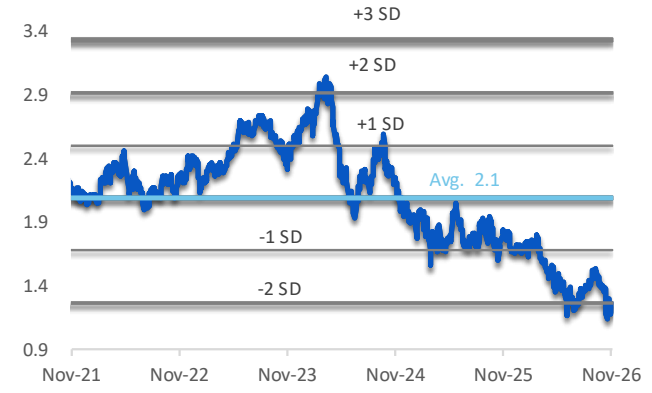
Source: Company, Bloomberg, BRIDS Estimates

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



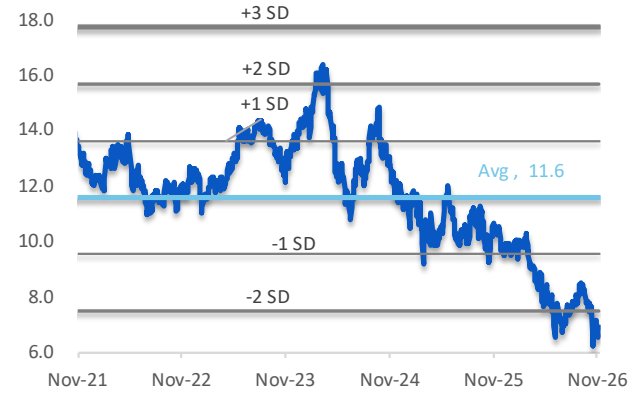
Source: Company, Bloomberg, BRIDS Estimates

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

Equity Research – Company Update

Tuesday, 10 November 2026

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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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