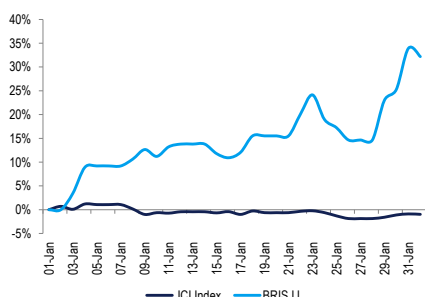


Stock Data

Target price	Rp2,600
Prior TP	Rp2,600
Current price	Rp2,640
Upside/downside	-1.5%
Shares outstanding (mn)	46,129
Market cap (Rp bn)	121,781
Free float	33%
Avg. 6m daily T/O (Rp bn)	109

Price Performance

	3M	6M	12M
Absolute	23.4%	74.8%	52.6%
Relative to JCI	22.3%	67.4%	48.0%
52w low/high (Rp)	1,460 – 2,850		



Major Shareholders

PT Bank Mandiri Tbk	51.5%
PT Bank Negara Indonesia Tbk	23.2%
PT Bank Rakyat Indonesia Tbk	15.4%

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1Q24 results: in-line amid benign CoC; NII/PPOP also posted decent growth

- BRIS' 1Q24 net profit of Rp1.7tr (+17% yoy) was in-line driven by lower-than-expected provision. NII/PPOP growth came at +3/4% yoy.
- NIM contracted by -60bp yoy to 5.4% amid steep increase in CoF and below its guidance of 5.5-5.9%.
- Loan growth was in-line at +15% yoy while LAR improved to 8.7% (vs. 11.8/9.2% in 1Q23/4Q23). Maintain Buy.

1Q24 results: in-line results on lower provision

BRIS posted 1Q24 net profit of Rp1.7tr (+17% yoy), in-line with ours/consensus FY24F estimates at 26%. PPOP growth was decent (+4% yoy) on the back of decent NII growth (+3% yoy) and robust non-II growth (+22% yoy) but offset with higher opex (+9% yoy). Provisions dropped -28% yoy, resulted in CoC of 0.9% in 1Q24 (vs. 1.4/1.1% in 1Q23/FY23) lower than its FY24F guidance of 1-1.3%.

NIM was slightly below on steep increase in CoF

NIM fell to 5.4% in 1Q24 vs. 6/5.8% in 1Q23/FY23, below its FY24F target of 5.5-5.9% largely due to steep increase in CoF. However, this was offset with higher LDR ratio of 83% in 1Q24 (vs. 79/82% in 1Q23/4Q23). Deposit rose +10% yoy (+1% qoq) supported by both TD (+12% yoy/flat qoq) and CASA (+9% yoy/+2% qoq).

In-line loan growth with stellar improvement in asset quality

Loan growth was robust at +15% yoy (+3% qoq) and came in-line with FY24F its target of c.15%. Concurrently, NPL stood at 2% in 1Q24 vs. 2.4/2.1% in 1Q23/4Q23 while LAR significantly improved by -310bp yoy/-50bp qoq to 8.7% with LAR coverage at 46% vs. 38/44% in 1Q23/4Q23.

Maintain Buy with unchanged TP

We maintain our Buy rating and TP unchanged as we await more disclosure from upcoming earnings call. BRIS is currently trading at 2.8x FY24F P/B (vs. 3Y average of 2.2x) and 18.2x FY24F P/E (vs. 3Y average of 16.1x). Risk is weak loan growth and NIM compression from tight liquidity.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net interest income	15,591	16,174	18,172	19,980	21,573
Non-interest income	3,701	4,160	4,595	5,005	5,457
Total revenue	19,292	20,334	22,767	24,985	27,030
PPOP	9,396	10,214	12,148	13,339	14,259
Provision charges	(3,749)	(2,622)	(3,334)	(3,490)	(3,566)
Net profit	4,260	5,704	6,654	7,436	8,073
Net profit growth	41%	34%	17%	12%	9%
FD EPS (Rp)	92	124	144	161	175
P/BV (x)	3.6	3.1	2.8	2.4	2.2
Dividend yield	0.6%	0.3%	1.2%	1.4%	1.5%
ROAE	14.6%	15.8%	16.1%	15.9%	15.3%
IPS vs. consensus			100%	95%	87%

Source: Company, Indo Premier

Share price closing as of: 30 April 2024

Fig. 1: BRIS 1Q24 results summary

BRIS 1Q24 result (Rp bn)	1Q24	1Q23	%YoY	4Q23	%QoQ	IPS FY24F	% of IPS	Cons FY24F	% of Cons
Interest income	6,107	5,396	13%	5,754	6%	24,651	25%		
Interest expense	(1,927)	(1,325)	45%	(1,696)	14%	(6,479)	30%		
Net interest income	4,180	4,071	3%	4,058	3%	18,172	23%		
Non-interest income	1,205	986	22%	1,131	7%	4,595	26%		
Total income	5,384	5,057	6%	5,189	4%	22,767	24%		
Overhead expenses	(2,570)	(2,356)	9%	(2,892)	-11%	(10,618)	24%		
PPOP	2,815	2,700	4%	2,297	23%	12,149	23%		
Provisions	(549)	(762)	-28%	(290)	90%	(3,334)	16%		
Pre-tax profit	2,266	1,939	17%	2,008	13%	8,814	26%	8,758	26%
Tax	(559)	(480)	16%	(504)	11%	(2,159)	26%		
Net income	1,707	1,458	17%	1,504	14%	6,655	26%	6,661	26%

Source: Company, Indo Premier

Fig. 2: BRIS 1Q24 balance sheet summary

Balance sheet (Rp bn)	1Q24	1Q23	%YoY	4Q23	%QoQ
Gross loan	244,256	212,109	15%	238,126	3%
Other assets	113,647	101,144	12%	115,498	-2%
Total assets	357,904	313,253	14%	353,624	1%
CASA	181,428	166,095	9%	178,571	2%
CA	55,788	50,479	11%	53,265	5%
SA	125,640	115,616	9%	125,307	0%
TD	116,488	103,900	12%	115,985	0%
Customer deposits	297,916	269,995	10%	294,556	1%
Other liabilities	19,433	8,266	135%	20,329	-4%
Total liabilities	317,349	278,261	14%	314,885	1%
Total equity	40,555	34,992	16%	38,739	5%

Source: Company, Indo Premier

Fig. 3: BRIS 1Q24 key ratios

Key ratios	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
NIM	6.0	6.2	6.2	6.3	6.0	6.0	5.9	5.8	5.4
FDR	74	78	81	79	79	88	88	82	83
CASA	58	59	61	62	62	60	60	61	61
CoC	1.8	2.0	1.8	2.0	1.4	1.6	1.3	1.1	0.9
NPF gross	2.9	2.8	2.7	2.4	2.4	2.3	2.2	2.1	2.0
NPF coverage	150	158	162	183	188	189	190	194	197
FAR	17.1	15.4	14.0	12.5	11.8	11.1	10.6	9.2	8.7
FAR coverage	26	29	31	36	38	39	39	44	46
CAR	17.2	17.3	17.2	20.3	20.4	20.3	20.7	21.0	21.3
CIR	50	49	50	51	47	46	48	50	48

Source: Company, Indo Premier

Fig. 4: BRIS' P/BV – now trading at 2.8x FY24F P/BV vs. 3-year average of 2.2x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 5: BRIS' P/E – now trading at 18.2x FY24F P/E vs. 3-year average of 16.1x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 6: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY24F	FY25F	10Y Avg	FY24F	FY25F	10Y Avg
BBCA	9,800	10,400	4.7	6%	Buy	22.1	20.0	20.9	4.7	4.3	3.8
BBRI	4,940	5,600	2.5	13%	Buy	12.6	11.5	14.8	2.3	2.2	2.4
BMRI	6,900	7,800	2.4	13%	Buy	11.4	10.2	11.9	2.1	1.9	1.6
BBNI	5,250	5,600	1.1	7%	Hold	9.3	8.5	10.7	1.2	1.1	1.1
BBTN	1,320	1,750	0.7	33%	Buy	4.8	4.4	7.0	0.6	0.5	0.8
BRIS*	2,640	2,600	2.4	-2%	Buy	18.2	16.4	16.0	2.8	2.4	2.2

Source: Bloomberg, Company, Indo Premier
*3Y avg

Share price closing as of: 30 April 2024

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Interest income	19,623	22,169	24,651	26,839	28,970
Interest expense	(4,032)	(5,995)	(6,479)	(6,858)	(7,397)
Net interest income	15,591	16,174	18,172	19,980	21,573
Non-interest income	3,701	4,160	4,595	5,005	5,457
Total operating income	19,292	20,334	22,767	24,985	27,030
Opex	(9,895)	(10,119)	(10,619)	(11,646)	(12,771)
PPOP	9,396	10,214	12,148	13,339	14,259
Provisions	(3,749)	(2,622)	(3,334)	(3,490)	(3,566)
Operating profit	5,648	7,592	8,813	9,848	10,693
Non-operating profit	(133)	(190)	(220)	(246)	(267)
Pre-tax profit	5,515	7,403	8,593	9,602	10,425
Income tax	(1,255)	(1,699)	(1,939)	(2,167)	(2,352)
Minority interest	0	0	0	0	0
Net profit	4,260	5,704	6,654	7,436	8,073

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash + CA with BI	25,065	28,188	30,445	33,008	35,371
Secondary reserves	71,982	75,243	69,976	69,976	72,075
Gross loans	206,220	238,597	274,386	307,313	341,117
Loan provisions	(9,198)	(9,787)	(10,789)	(11,569)	(12,079)
Other assets	11,658	11,182	11,182	11,182	11,182
Total Assets	305,727	343,423	375,200	409,910	447,667
Total deposits	262,569	294,987	321,535	350,474	382,016
Securities and borrowings	4,710	4,710	4,710	4,710	4,710
Other liabilities	4,943	4,943	4,943	4,943	4,943
Total liabilities	272,222	304,640	331,189	360,127	391,669
Shareholders' equity	33,506	38,783	44,011	49,783	55,998
Total liabilities & equity	305,727	343,423	375,200	409,910	447,667

Growth YoY	2022A	2023A	2024F	2025F	2026F
Gross loans	21.0%	15.7%	15.0%	12.0%	11.0%
Total assets	15.2%	12.3%	9.3%	9.3%	9.2%
Total deposits	12.0%	12.3%	9.0%	9.0%	9.0%
Net interest income	16.1%	3.7%	12.4%	10.0%	8.0%
Non-interest income	22.9%	12.4%	10.5%	8.9%	9.0%
Total operating income	37.5%	34.4%	16.1%	11.7%	8.6%
Operating expense	12.7%	2.3%	4.9%	9.7%	9.7%
PPOP	22.7%	8.7%	18.9%	9.8%	6.9%
Net profit	40.7%	33.9%	16.7%	11.7%	8.6%

Key Ratios	2022A	2023A	2024F	2025F	2026F
ROAA	1.5%	1.8%	1.9%	1.9%	1.9%
ROAE	14.6%	15.8%	16.1%	15.9%	15.3%
NIM	6.2%	5.7%	5.8%	5.8%	5.7%
Credit cost	2.0%	1.2%	1.3%	1.2%	1.1%
Cost/income	51.3%	49.8%	46.6%	46.6%	47.2%
LDR	78.5%	80.9%	85.3%	87.7%	89.3%
CAR	20.3%	21.0%	21.7%	22.5%	23.2%
NPL ratio	2.4%	2.1%	1.9%	2.0%	1.9%
Provisions/NPL	185.1%	195.3%	203.2%	192.1%	185.9%

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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