

Bank Rakyat Indonesia

HOLD (unchanged)

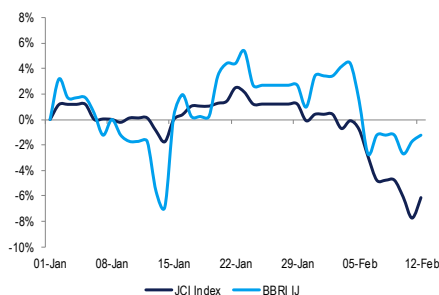
Company Update | Banks | BBRI IJ | 12 February 2025

Stock Data

Target price	Rp4,700
Prior TP	Rp4,700
Current price	Rp4,030
Upside/downside	+16.6%
Shares outstanding (mn)	151,559
Market cap (Rp bn)	610,783
Free float	46%
Avg. 6m daily T/O (Rp bn)	1,063

Price Performance

	3M	6M	12M
Absolute	-10.4%	-14.6%	-32.8%
Relative to JCI	-1.2%	-5.0%	-25.0%
52w low/high (Rp)	3,800 – 6,400		



Major Shareholders

Republic of Indonesia	53.2%
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4Q24 results: in-line despite CoC was higher than expected; maintain Hold

- FY24 net profit of Rp60.2tr (flat yoy) was in-line at 100/99% of estimates. PPOP/NII also in-line with ours (101/103%).
- CoC of 3.2% in FY24 was higher than guidance of 3% but partly due to lower than expected loan growth of 7% (vs. target of 10-12%).
- We fine-tune our FY25/26F EPS by +1/+3%. We maintain our Hold rating amid challenging 1Q25 results and risk of earnings downgrade.

4Q24 results: in-line despite CoC was higher than expected

BBRI posted FY24 net profit of Rp60.2tr (flat yoy/-2% qoq), which came in-line at 100/99% of our/consensus FY24F estimates. PPOP growth remains strong (+10% yoy/-4% qoq) supported by robust non-II (+20% yoy/-13% qoq and this was driven by recovery) and NII (+5% yoy/qoq) but offset with rising opex (+11% yoy/+3% qoq). It expects for recovery to remain elevated above Rp20tr in FY25F (vs. Rp24.2tr in FY24) amid all-time high write-off (Rp45.4tr) in FY24. Provision rose by +29% yoy/-21% qoq translating to overall CoC of 3.2% in FY24 (2.8% in 4Q24), higher than guidance of 3.0%. Worth noting, it also booked c.Rp4.8tr of reversal in non-loan provision in FY24.

Weaker NIM outlook on slower micro loan growth

Consolidated NIM contracted by -30bp yoy (-50bp qoq) to 7.7% in FY24, in-line with management's FY24F target of 7.6-8% mainly due to rising CoF (+70bp yoy) but offset by higher earning asset yield (+40bp yoy) amid higher LDR (+500bp yoy to 89% in 4Q24). It guides for lower NIM of 7.3-7.7% in FY25F as future loan growth will be driven by corporate instead of micro while prolonged tight liquidity environment may result in elevated CoF. Deposit grew by +1% yoy/flat qoq supported by CASA (+5% yoy/ qoq) while TD declined (-8% yoy/-9% qoq).

Corporate may remain the driver for FY25F loan growth

Overall loan growth of +7% yoy in 4Q24 was below its target of 10-12% largely due to slower micro growth (+3% yoy) as Kupedes saw negative growth (-6% yoy) amid the focus on improving asset quality. The growth was driven by corporate (+24% yoy), medium (+21% yoy), and consumer (+10% yoy). It guides for 7-9% of loan in FY25F driven by corporate at 6-10% while micro including PNM and Pegadaian is expected to grow by 3-5% (flat KUR and 7-10% for Kupedes). Note that, management intend to kept corporate portion below 20% of total portfolio (18% in 4Q24).

FY25 shall be the last year of cleanup

Overall asset quality slightly improved with NPL/SML stood at 2.8/4.8% in 4Q24 from 2.9/5.6% in 3Q24 while LAR reached 10.7% in 4Q24 from 11.7% in 3Q24 with higher LAR coverage of 56% (vs. 54% in 3Q24). However, 2024's Kupedes vintage has showed some improvement and management believed that 2023's Kupedes problem will be fully resolved this year. Hence, it guides for similar CoC of 3.0-3.2% in FY25F with front loading strategy and expect its CoC to peak in 1Q.

Maintain Hold with unchanged TP

We fine-tune our FY25/26F EPS by +1/+3% but maintaining our TP unchanged. We maintain our Hold rating as we think 1Q25 results will remain challenging which may prompt consensus earnings downgrade. BBRI trades at 1.9x FY25F P/B and 10.7x P/E (vs. 10y avg. of 2.4x P/B and 14.6x P/E). Upside risk is better asset quality and dividend.

Fig. 1: Financial summary

In Rp bn	2023A	2024A	2025F	2026F	2027F
Net interest income	136,376	141,139	144,919	155,718	166,412
PPOP	106,508	116,752	114,807	124,284	135,166
Provision charges	(29,679)	(38,174)	(41,820)	(42,332)	(46,570)
Net profit	60,100	60,155	56,845	63,885	69,058
Net profit growth	17%	0%	-6%	12%	8%
P/BV (x)	2.0	1.9	1.9	1.8	1.7
Dividend yield	7.8%	9.1%	8.4%	7.9%	8.9%
ROAE	19.8%	19.3%	17.9%	19.5%	20.1%
IPS vs. consensus			87%	89%	81%

Source: Company, Indo Premier

Share price closing as of: 12 February 2025

Fig. 2: BBRI 4Q24 results summary

BBRI 4Q24 results (Rp bn)	FY24	FY23	yoy%	4Q24	4Q23	yoy%	3Q24	qoq%	IPS FY24F	% of IPS	Cons FY24F	% of Cons
Interest income	199,266	178,996	11%	50,474	47,103	7%	50,145	1%	184,901	108%		
Interest expenses	(57,209)	(43,813)	31%	(14,173)	(13,117)	8%	(14,318)	-1%	(47,158)	121%		
NII	142,057	135,183	5%	36,301	33,986	7%	35,827	1%	137,744	103%		
Non-interest income	57,811	48,107	20%	14,484	14,450	0%	16,579	-13%	64,555	90%		
Total income	199,868	183,290	9%	50,785	48,436	5%	52,406	-3%	202,299	99%		
Opex	(83,116)	(76,782)	8%	(21,542)	(21,109)	2%	(21,939)	-2%	(86,768)	96%		
PPOP	116,752	106,508	10%	29,243	27,327	7%	30,467	-4%	115,531	101%		
Provisions	(38,174)	(29,679)	29%	(8,710)	(6,700)	30%	(10,967)	-21%	(39,495)	97%		
Operating profit	78,578	76,829	2%	20,533	20,627	0%	19,500	5%	76,036	103%		
Non-operating	(979)	(399)	145%	(922)	84	-1198%	39	-2464%	(435)	225%		
Pre-tax profit	77,599	76,430	2%	19,611	20,711	-5%	19,539	0%	75,600	103%	77,522	100%
Tax	(16,955)	(16,005)	6%	(4,329)	(4,500)	-4%	(4,073)	6%	(15,207)	111%		
Minority interest	(489)	(325)	50%	(192)	(104)	84%	(103)	86%	(345)	142%		
Net profit	60,155	60,100	0%	15,090	16,107	-6%	15,363	-2%	60,049	100%	61,057	99%

Source: Company, Indo Premier

Fig. 3: BBRI 4Q24 balance sheet summary

Balance Sheet (Rp bn)	4Q24	4Q23	yoy%	3Q24	qoq%
Gross loan	1,354,641	1,266,429	7%	1,353,356	0%
Provision	(81,064)	(85,502)	-5%	(84,504)	-4%
Other IEA	486,764	524,576	-7%	476,273	2%
Other assets	232,642	259,503	-10%	216,791	7%
Total assets	1,992,983	1,965,007	1%	1,961,916	2%
Demand deposits	374,554	346,124	8%	349,490	7%
Saving deposits	544,427	527,946	3%	524,741	4%
CASA	918,981	874,070	5%	874,231	5%
Time deposits	446,469	484,259	-8%	488,188	-9%
Deposit from customer	1,365,450	1,358,329	1%	1,362,419	0%
Other IBL	200,597	180,023	11%	179,105	12%
Other liabilities	103,747	110,184	-6%	90,920	14%
Total liabilities	1,669,794	1,648,535	1%	1,632,443	2%
Equity	323,189	316,472	2%	329,473	-2%

Source: Company, Indo Premier

Fig. 4: BBRI 4Q24 key ratios

Key Ratios (%)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Asset yield (C)*	9.4	9.9	9.9	9.6	10.1	10.3	10.5	10.5	11.1	10.8	10.8	10.9
CoF (C) - Consol	2.0	1.9	1.9	2.1	2.7	2.8	2.8	3.0	3.6	3.6	3.7	3.7
NIM (C) - Bank only	6.9	7.4	7.2	6.8	6.7	6.8	7.0	6.8	6.6	6.4	6.5	6.5
NIM (C) - Consol	7.7	8.2	8.2	7.9	7.8	7.9	8.1	8.0	7.8	7.6	7.7	7.7
CAR	24.6	25.1	26.1	25.5	25.0	26.7	27.5	27.3	24.0	25.1	26.8	26.6
LDR**	87	89	89	79	85	87	88	84	83	87	89	89
Gross NPL - Bank only	3.2	3.3	3.1	2.8	3.0	3.1	3.2	3.1	3.3	3.2	3.0	2.9
Gross NPL - Consol	3.1	3.3	3.1	2.7	2.9	3.0	3.1	3.0	3.1	3.1	2.9	2.8
Special mention	5.0	5.4	5.1	3.9	5.2	5.8	5.7	4.9	5.7	5.4	5.6	4.8
Loan at risk (incl Covid)	22.6	20.8	19.3	16.5	16.4	14.9	13.8	12.5	12.7	12.0	11.7	10.7
LAR coverage	38.5	42.4	44.9	49.4	49.2	49.1	50.9	54.1	52.5	53.9	53.6	55.9
CASA ratio	64	65	65	67	65	65	64	64	62	63	64	67
Coverage ratio	286	266	279	306	282	249	229	229	214	212	215	215
Credit costs (C) - Consol	2.8	3.1	3.0	2.6	2.4	2.3	2.4	2.4	3.8	3.5	3.4	3.2
CIR	42	44	45	47	42	42	41	42	37	41	41	42

*Reported numbers starting 4Q22

**Only calculated BRI and Raya financial numbers starting 3Q21

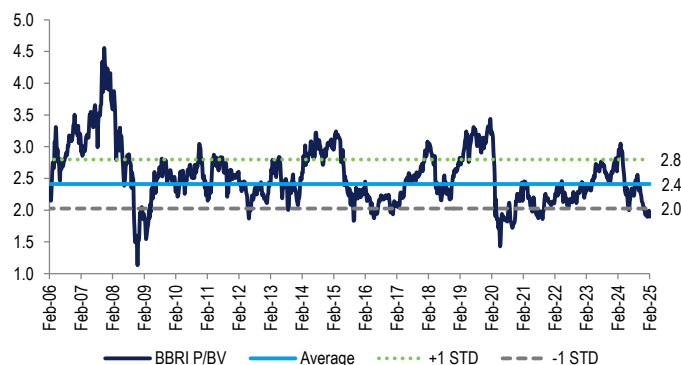
Source: Company, Indo Premier

Fig. 5: Forecast changes summary

Income statement (Rp bn)	New			Previous			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2025F	2026F	2027F
Interest income	203,437	217,259	231,624	193,536	203,687	NA	5%	7%	NA
Interest expense	(58,519)	(61,541)	(65,212)	(48,865)	(50,504)	NA	20%	22%	NA
Net interest income	144,919	155,718	166,412	144,670	153,183	NA	0%	2%	NA
Non-interest income	66,980	71,407	76,407	58,501	62,620	NA	14%	14%	NA
Total operating income	211,899	227,125	242,818	203,172	215,803	NA	4%	5%	NA
Opex	(97,091)	(102,841)	(107,653)	(91,587)	(96,257)	NA	6%	7%	NA
PPOP	114,807	124,284	135,166	111,585	119,546	NA	3%	4%	NA
Provisions	(41,820)	(42,332)	(46,570)	(40,213)	(40,711)	NA	4%	4%	NA
Operating profit	72,988	81,953	88,596	71,372	78,835	NA	2%	4%	NA
Non-operating profit	(1,068)	(1,166)	(1,272)	(475)	(519)	NA	125%	125%	NA
Pre-tax profit	71,920	80,787	87,324	70,896	78,316	NA	1%	3%	NA
Income tax	(14,598)	(16,391)	(17,719)	(14,274)	(15,767)	NA	2%	4%	NA
Minority interests	(477)	(511)	(547)	(346)	(368)	NA	38%	39%	NA
Net profit	56,845	63,885	69,058	56,276	62,182	NA	1%	3%	NA

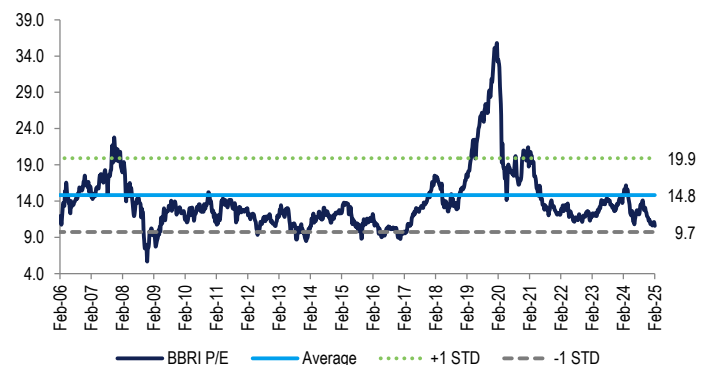
Source: Indo Premier

Fig. 6: BBRI's P/BV – now trading at 1.9x FY25F P/BV vs. 10-year average of 2.4x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 7: BBRI's P/E – now trading at 10.7x FY25F P/E vs. 10-year average of 14.6x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 8: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY25F	FY26F	10Y Avg	FY25F	FY26F	10Y Avg
BBCA	9,150	10,400	4.3	14%	Hold	19.7	18.1	21.2	4.0	3.7	3.8
BBRI	4,030	4,700	2.1	17%	Hold	10.7	9.6	14.6	1.9	1.8	2.4
BMRI	4,940	7,100	2.0	44%	Buy	7.9	7.2	11.8	1.4	1.3	1.7
BBNI	4,300	5,000	1.0	16%	Hold	7.5	6.9	10.6	0.9	0.8	1.1
BBTN	930	1,450	0.6	56%	Buy	4.0	3.7	6.9	0.4	0.3	0.8
BRIS*	3,000	3,500	2.7	17%	Buy	17.1	15.1	16.0	2.7	2.3	2.2

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

Share price closing as of: 12 February 2025

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	180,188	198,348	203,437	217,259	231,624
Interest expense	(43,813)	(57,209)	(58,519)	(61,541)	(65,212)
Net interest income	136,376	141,139	144,919	155,718	166,412
Non-interest income	54,578	76,016	66,980	71,407	76,407
Total operating income	190,954	217,155	211,899	227,125	242,818
Opex	(84,446)	(100,402)	(97,091)	(102,841)	(107,653)
PPOP	106,508	116,752	114,807	124,284	135,166
Provisions	(29,679)	(38,174)	(41,820)	(42,332)	(46,570)
Operating profit	76,829	78,578	72,988	81,953	88,596
Non-operating profit	(399)	(979)	(1,068)	(1,166)	(1,272)
Pre-tax profit	76,430	77,599	71,920	80,787	87,324
Income tax	(16,005)	(16,955)	(14,598)	(16,391)	(17,719)
Minority interest	(325)	(489)	(477)	(511)	(547)
Net profit	60,100	60,155	56,845	63,885	69,058

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	133,513	118,663	125,986	133,639	142,856
Secondary reserves	452,150	426,771	418,302	397,387	369,570
Gross loans	1,258,516	1,348,207	1,439,774	1,583,914	1,742,483
Loan provisions	(85,287)	(80,898)	(78,276)	(84,830)	(92,039)
Other assets	206,115	180,241	189,381	208,319	229,151
Total Assets	1,965,007	1,992,983	2,095,167	2,238,429	2,392,020
Total deposits	1,367,444	1,371,332	1,467,325	1,594,508	1,732,797
Securities and borrowings	151,332	169,180	169,180	169,180	169,180
Other liabilities	129,759	129,283	129,283	129,283	129,283
Total liabilities	1,648,535	1,669,794	1,765,788	1,892,971	2,031,260
Shareholders' equity	316,472	323,189	329,379	345,458	360,760
Total liabilities & equity	1,965,007	1,992,983	2,095,167	2,238,429	2,392,020

Growth YoY	2023A	2024A	2025F	2026F	2027F
Gross loans	11.2%	7.1%	6.8%	10.0%	10.0%
Total assets	5.3%	1.4%	5.1%	6.8%	6.9%
Total deposits	4.1%	0.3%	7.0%	8.7%	8.7%
Net interest income	8.1%	3.5%	2.7%	7.5%	6.9%
Non-interest income	15.2%	39.3%	-11.9%	6.6%	7.0%
Total operating income	10.1%	13.7%	-2.4%	7.2%	6.9%
Operating expense	2.7%	18.9%	-3.3%	5.9%	4.7%
PPOP	16.7%	9.6%	-1.7%	8.3%	8.8%
Net profit	17.5%	0.1%	-5.5%	12.4%	8.1%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	3.1%	3.0%	2.8%	2.9%	3.0%
ROAE	19.5%	19.1%	17.7%	19.3%	19.9%
NIM	8.4%	8.2%	8.1%	8.2%	8.2%
Credit cost	2.5%	2.9%	3.0%	2.8%	2.8%
Cost/income	44.2%	46.2%	45.8%	45.3%	44.3%
LDR	92.0%	98.3%	98.1%	99.3%	100.6%
CAR	27.3%	26.6%	25.0%	24.6%	24.0%
NPL ratio	2.7%	2.4%	2.3%	2.2%	2.2%
Provisions/NPL	254.4%	254.4%	237.0%	238.4%	239.7%

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

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