

BUY (Maintain)

Target Price (IDR) **6,400**

Potential Upside (%) **14.3**

Price Comparison

Cons. Target Price (IDR) 6,078

SSI vs. Cons. (%) 105.3

Stock Information

Last Price (IDR) 5,600

Shares Issued (Mn) 151,559

Market Cap. (IDR Bn) 844,491

52-Weeks High/Low (IDR) 5,750/4,240

3M Avg. Daily Value (IDR Bn) 626.1

Free Float (%) 46.8

Shareholder Structure:

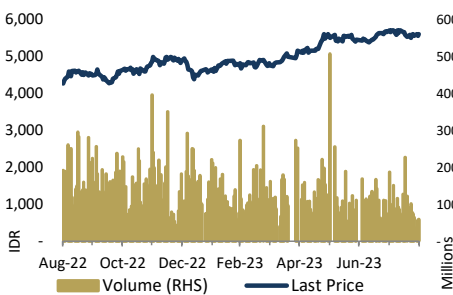
Negara Republik Indonesia (%) 53.2

Public (%) 46.8

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	12.9	(2.2)	1.4	30.9
JCI Return	1.8	1.1	5.1	(2.6)
Relative	11.0	(3.3)	(3.7)	33.4

Stock Price & Volumes, 12M



Company Background

PT Bank Rakyat Indonesia Tbk (BBRI) mulai melantai di BEI pada tahun 2003 dan kini menjadi emiten dengan kapitalisasi pasar terbesar kedua di BEI. Segmen andalan BBRI adalah kredit mikro, dan pertumbuhannya yang pesat menjadikan BBRI sebagai bank dengan aset terbesar di Indonesia.

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Grow together with Kupedes

Review kinerja 2Q23

BBRI melaporkan laba bersih konsolidasi sebesar IDR 13.9tn di 2Q23 (-10.2% QoQ dan +10.3% YoY), dengan laba bersih konsolidasi 6M23 sebesar IDR 29.4tn (+18.7% YoY), sedikit di atas estimasi kami (52.0% dari perkiraan full-year kami) dan sejalan dengan konsensus (50.2%). Pertumbuhan laba bersih BBRI turut didorong oleh turunnya biaya provisi dan kenaikan pendapatan non-bunga, terutama dari penerimaan kembali aset yang telah dihapusbukukan (+37.5% YoY dan +26.1% QoQ). Namun, NII BBRI turun tipis pada 6M23, yang diakibatkan kenaikan beban bunga seiring dengan kenaikan CoF (Juni-23: 2.79%, akhir 2022: 2.06%). Meski demikian, BBRI berhasil mencatatkan NIM yang lebih baik di 2Q23 dibandingkan kuartal sebelumnya, didukung oleh perubahan bauran portofolio pinjamannya (ada kenaikan aset berimbang hasil lebih tinggi [Kupedes]), yang turut mendongkrak imbal hasil konsolidasi BBRI di 1H23. Kredit bank-only tumbuh sebesar +8.5% YoY, didukung oleh segmen mikro (+10.4% YoY), meskipun rasio NPL sedikit meningkat menjadi 3.1% pada akhir 1H23 vs. 3.02% pada 1Q23.

Fokus BBRI ke depan

BBRI akan terus menggenjot pertumbuhan Kupedes dan kredit ultra mikro lainnya (PNM dan Pegadaian) yang memberikan imbal hasil lebih tinggi. Saat ini, Kupedes menyumbang 39% dari kredit mikro BBRI, naik dari 30% pada periode yang sama tahun lalu, sementara kredit ultra mikro (PNM & Pegadaian) menyumbang 9% dari total kredit BBRI, yang turut membantu meningkatkan rasio kredit mikro terhadap total kredit BBRI menjadi 48.1%, naik dari 47.0% di periode yang sama tahun lalu, dan BBRI memperkirakan angka tersebut akan melampaui 50% pada tahun 2025.

Guidance 2023F

Dalam analyst meetingnya, BBRI menyebutkan guidancenya untuk pertumbuhan pinjaman mikro di 2023F sebesar 11-13% (didorong oleh Kupedes), yang menjadikan segmen ini sebagai pendorong utama pertumbuhan kredit BBRI (guidance: 10-12%). BBRI memproyeksikan biaya kredit (CoC) akan mencapai 2.2%-2.4% di 2023F, turun dari 2.55% di 2022. NIM diperkirakan akan cenderung flat di angka 7.7%-7.9% pada 2023F. Di samping itu, BBRI juga mengisyaratkan pertumbuhan kreditnya dapat meningkat ke 11-12% tahun depan (2024F) bahkan dengan kuota KUR yang lebih rendah.

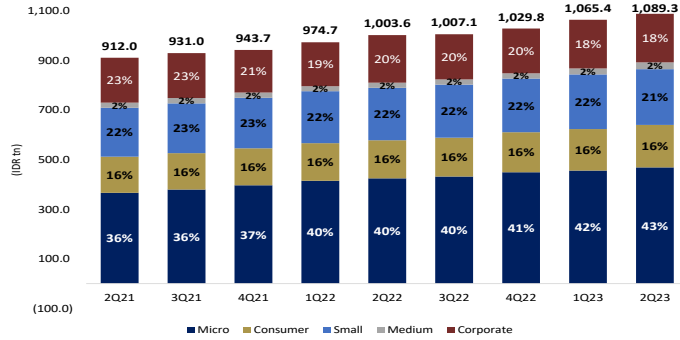
BUY, TP IDR 6,400

Kami mempertahankan rating BUY untuk BBRI dan TP kami di IDR 6,400/saham (2.8x PBV 2023F), didukung prospek 2023F-nya yang solid. Kami yakin BBRI akan terus membukukan pertumbuhan kredit sebesar dua digit hingga 2024F, dibantu oleh program Kupedes, yang akan menghasilkan NIM yang lebih tinggi meskipun ada tekanan dari CoF. Selain itu, BBRI memiliki struktur permodalan yang solid, dengan CAR sebesar 26.65% di 6M23, di atas rata-rata industri. Risiko: pemulihan ekonomi yang lebih lambat dari perkiraan, pertumbuhan kredit dan NIM yang lebih rendah dari perkiraan, kenaikan biaya kredit, dan kenaikan opex.

Forecast and Valuation (at closing price IDR 5,600 per share)

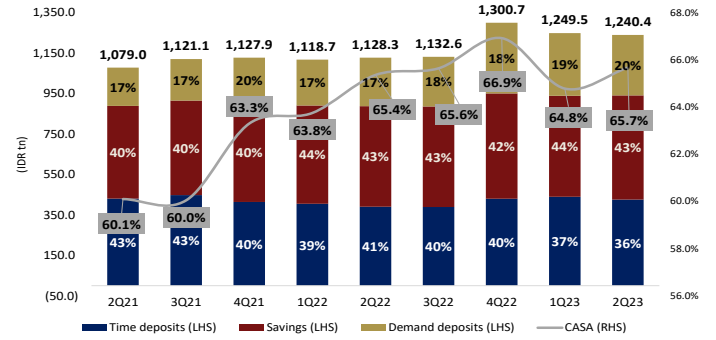
Y/E Dec (IDR Bn)	19A	20A	21A	22A	23F
Net Interest Income (IDR Bn)	81,707	79,210	114,094	124,597	135,762
Pre Provision Profit (IDR Bn)	65,001	57,402	76,987	91,694	102,842
Operating Profit (IDR Bn)	43,445	26,784	41,180	64,309	73,959
Net Profit (IDR Bn)	34,373	18,655	31,067	51,170	56,540
EPS (IDR)	279	151	238	338	417
EPS Growth (%)	6.2	(45.7)	57.5	41.7	10.5
P/E Ratio (x)	17.2	31.7	20.1	16.6	11.5
BVPS (IDR)	1,673	1,600	1,905	2,002	2,078
P/BV Ratio (x)	2.9	3.0	2.5	2.8	2.3
DPS (IDR)	167	98	203	302	313
Dividend Yield (%)	3.5	2.1	4.2	6.3	6.5

Figure 1. BBRI's loan breakdown by segment



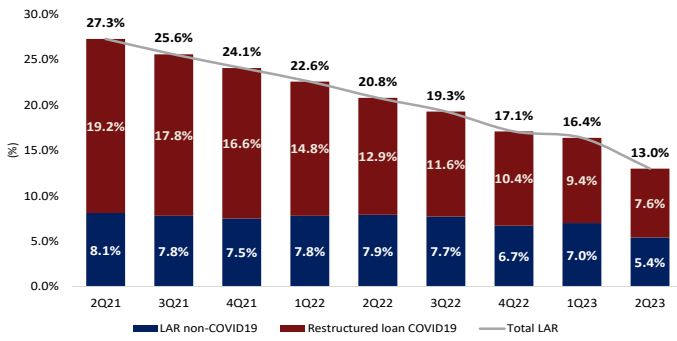
Source: Company, SSI research

Figure 2. BBRI's TPF breakdown



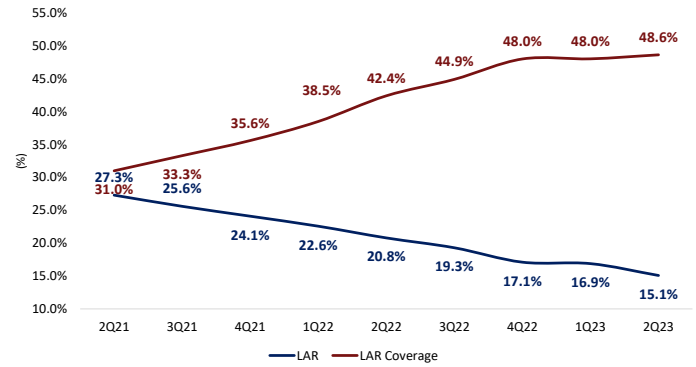
Source: Company, SSI research

Figure 3. BBRI's restructured loan



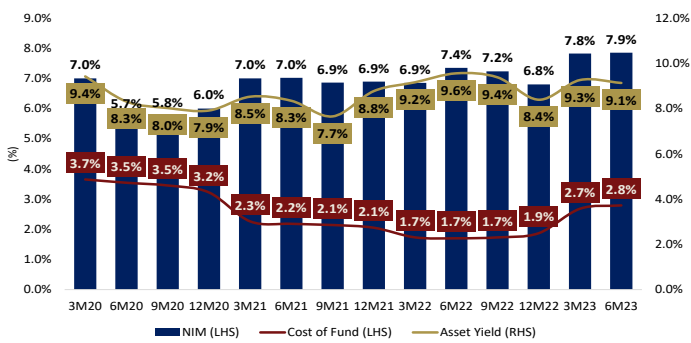
Source: Company, SSI research

Figure 4. BBRI's LAR and LAR coverage



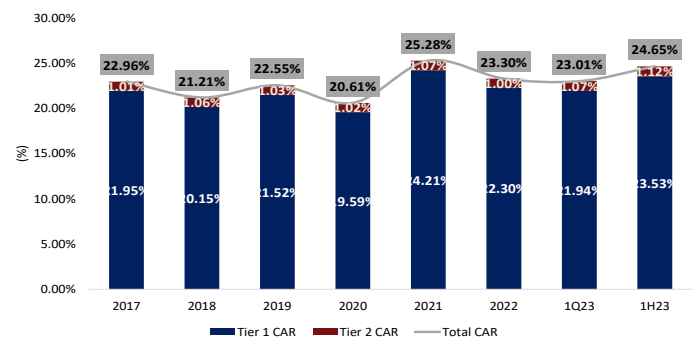
Source: Company, SSI research

Figure 5. BBRI's NIM and CoF



Source: Company, SSI research

Figure 6. BBRI's CAR



Source: Company, SSI research

Figure 9. BBRI 2Q23 results

BBRI 2Q23 Result (IDRbn)	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	6M 22	6M 23	YoY (%)	6M 23/ SSI	6M 23/ Cons.
Interest Income	40,129	42,460	43,130	16	7.5	76,861	85,591	114		
Interest expense	5,923	9,681	10,369	7.1	75.1	12,247	20,050	63.7		
Net interest income	34,207	32,779	32,761	(0.1)	(4.2)	64,614	65,540	1.4		
Non-interest income	10,931	12,263	14,953	219	36.8	21,683	27,216	25.5		
Total operating income	45,138	45,042	47,714	5.9	5.7	86,297	92,756	7.5	49.2	49.7
Operating expense	19,737	18,392	23,106	25.6	17.1	37,649	41,498	10.2		
Impairment of fin. assets	9,571	7,093	6,924	(2.4)	(27.7)	17,493	14,018	(19.9)		
Operating profit	15,830	19,556	17,684	(9.6)	11.7	31,154	37,241	19.5		
Pretax profit	15,864	19,597	17,603	(10.2)	11.0	31,224	37,200	19.1		
Net profit	12,619	15,502	13,920	(10.2)	10.3	24,786	29,422	18.7	52.0	50.2
Balance sheet & ratio analysis	2Q22	1Q23	2Q23	QoQ (%)	YoY (%)	6M 22	6M 23			
Gross loans (IDRb)	1,101,122	1,180,121	1,202,129	19	9.2	1,101,122	1,202,129			
Third party funding (IDRb)	1,136,982	1,255,453	1,245,115	(0.8)	9.5	1,136,982	1,245,115			
Key ratios										
Net interest margin (%)	7.4	6.7	6.8			7.4	6.8			
Cost efficiency (%)	43.7	40.8	48.4			43.7	44.7			
Cost to income (%)	69.0	64.3	69.6			69.0	67.0			
Loan/deposit (%)	96.8	94.0	96.5			96.8	96.5			
Loan/funding (%)	85.4	82.7	84.1			85.4	84.1			
Capital adequacy (%)	22.4	23.0	24.7			22.4	24.7			
Gross NPL (%)	3.2	3.0	3.1			3.2	3.1			
LLP/NPL (%)	2713	272.8	243.8			2713	243.8			
ROAE (%)	20.9	22.1	19.0			20.9	20.1			

Source: Company, Bloomberg, SSI Research

Table 1. Valuation highlights

Ticker	Recommendation	CP IDR	TP IDR	Upside (%)	P/B 23F	Net Profit		EPS Growth		ROE (%)		ROA (%)	
						23F	24F	23F	24F	23F	24F	23F	24F
BBCA	BUY	9,250	10,500	13.5	4.0	51.7	56.5	9.1	9.2	20.3	20.1	3.4	3.4
BBRI	BUY	5,600	6,400	14.3	2.4	62.9	70.3	11.3	11.7	19.3	20.3	3.2	3.2
BMRI	BUY	5,950	7,000	17.6	2.0	55.1	59.6	12.8	8.2	20.6	20.3	2.4	2.3
BBNI	BUY	9,150	11,500	25.7	1.0	23.6	26.0	13.9	10.2	15.2	15.5	2.1	2.1
BBTN	BUY	1,270	1,350	6.3	0.4	3.5	3.9	12.5	12.9	11.6	11.9	0.8	0.8
Sector						196.8	216.2	10.8	9.8	19.7	19.8	3.0	3.0

Source: Companies, SSI Research

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