

7M24 Results: 27 August 2024

| (IDRbn) | Jul-24 | MoM (%) | YoY (%) | YoY | | 7M24/ | | 7M24/ cons |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|
| | | | | 7M23 | 7M24 | (%) | 2024F | |
| Net Interest Income | 9,282 | 0.4 | 1.9 | 62,151 | 64,370 | 3.6 | - | - |
| Non-interest income | 4,985 | (2.5) | 60.0 | 24,583 | 33,068 | 34.5 | - | - |
| Total operating income | 14,267 | (0.6) | 16.7 | 86,734 | 97,439 | 12.3 | 47.6 | 49.0 |
| Provisions | 3,762 | 174.4 | 116.8 | 14,521 | 23,023 | 58.5 | - | - |
| Operating profit | 3,886 | (52.5) | (31.4) | 38,553 | 39,480 | 2.4 | - | - |
| Net profit | 3,171 | (50.0) | (31.1) | 30,867 | 31,419 | 1.8 | 50.5 | 51.8 |
| Key ratios (%) | | | | | | | | |
| Assets yield (annualized) | - | - | - | 9.3 | 9.8 | - | - | - |
| Cost of funds (annualized) | - | - | - | 2.8 | 3.7 | - | - | - |
| NIM (annualized) | - | - | - | 7.0 | 6.7 | - | - | - |
| Credit Costs (annualized) | - | - | - | 1.6 | 2.4 | - | - | - |
| LDR | - | - | - | 90.2 | 87.0 | - | - | - |
| ROE (annualized) | - | - | - | 18.3 | 18.2 | - | - | - |

SWOT Analysis of the Results (Slightly Below)

Strength

Strong recovery income growth of 39% YoY supported 7M24 PPOP growth of 17.8% YoY; BBRI booked higher loan yield in 7M24 of 9.8% vs. 9.3% in 7M23 as the bank continued to disburse Kupedes loans

Weakness

7M24 CoC remained relatively high at 3.5% (FY24 guidance: 3.0%), as BBRI continued to front-load provisions for micro-and-small business loans; CoF increased 10bps MoM to 3.7% in 7M24

Opportunity

BBRI still has ample room to grow its Kupedes products, which offers higher yields of up to ~20%, offsetting the increase in 7M CoF (which rose to 3.7%)

Threat

NPL (3.05% in 2Q24) pressure may persist as the bank plans to restructure up to IDR 15-20tn of microloans, which could later be reclassified as NPLs, potentially raising CoC further; relatively weak result may result further market underperformance

Peer Comparables

| Company Ticker | Market Cap. (IDR tn) | YTD Net Buy/(Sell) (IDR bn) | Last Price (IDR) | TP (IDR) | Rating | Upside Potential (%) | 2024F | | | |
|----------------|----------------------|-----------------------------|------------------|--------------|-------------------|----------------------|------------|----------------|------------|-------------|
| | | | | | | | NIM (%) | EPS Growth (%) | PBV (x) | ROE (%) |
| BBCA | 1,267 | 5,705 | 10,325 | 11,500 | BUY | 11.9 | 5.7 | 9.2 | 4.8 | 20.9 |
| BBRI | 792 | (15,945) | 5,300 | 5,500 | HOLD | 4.8 | 7.7 | 3.6 | 2.4 | 19.6 |
| BMRI | 653 | 2,449 | 7,050 | 8,000 | BUY | 14.3 | 5.2 | 0.1 | 2.3 | 20.3 |
| BBNI | 205 | (1,162) | 5,525 | 6,150 | BUY | 11.8 | 4.3 | 6.6 | 1.2 | 14.3 |
| BRIS | 125 | 1,406 | 2,730 | 2,400 | HOLD | (11.8) | 5.5 | 15.6 | 2.6 | 16.9 |
| ARTO | 40 | 593 | 2,890 | 2,800 | HOLD | (3.1) | 7.9 | 53.7 | 4.7 | 1.3 |
| BBTN | 20 | 258 | 1,435 | 1,300 | HOLD | (9.1) | 3.6 | 7.4 | 0.4 | 11.7 |
| Sector | 3,063 | (1,236) | | | Overweight | 9.3 | 6.0 | 6.5 | 3.3 | 19.5 |

Relative YTD Performance vs JCI (%)

