

BUY (Maintained)

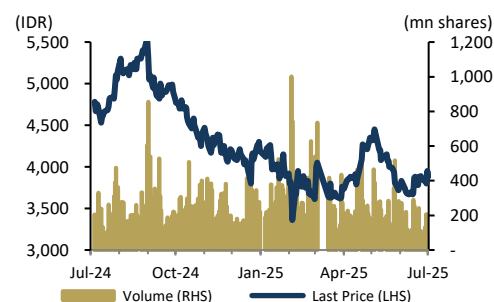
Target Price (IDR) **4,400**
Potential Downside (%) **12.5**

Company Data	
Cons. Target Price (IDR)	4,694
SSI vs. Cons (%)	93.7

Stock Information	
Last Price (IDR)	3,910
Market Cap. (IDR bn)	589.6
52-Weeks High/Low (IDR)	5,575/3,360
3M Avg. Daily Value (IDR bn)	819.5
Free Float (%)	46.8
Shareholders (%):	
Government	53.2
Public & Others	46.8

Stock Performance					
(%)	YTD	1M	3M	12M	
Absolute	(4.7)	4.0	1.0	(16.7)	
JCI Return	7.5	9.8	12.4	5.1	
Relative	(12.1)	(5.8)	(11.4)	(21.8)	

Stock Price & Volumes, 12M



Company Background

BBRI, Indonesia's second largest bank by assets (IDR 1,993 trillion in FY24), maintains strong focus on MSME financing and financial inclusion. Through its Ultra Micro Holding—alongside Pegadaian & PNM—and supported by over 1 million BRILink agents and 31.6 million BRImo users, BBRI achieves extensive national reach and plays vital role in promoting inclusive economic growth at grassroot level.

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3Q25 Results: Simply in-line

Resilient NIM supported by stable loan yield of 13%. In 3Q25, BBRI posted consolidated net profit of IDR 14.9tn (+19.9% QoQ; -4.5% YoY), bringing 9M25 earnings to IDR 41.2tn (-9.1% YoY), in line with our (76.1%) and consensus estimates(73.0%). NII experienced solid growth to IDR 37.7tn (+5.3% YoY), supported by resilient lending yields (~13%) and higher contribution from Pegadaian and PNM, which accounted for 25% of BBRI's 9M25 consolidated earnings (vs. 21% in previous quarter). NIM moderated slightly to 7.7% (flat QoQ; -20bps YoY), consistent with management's upper-end guidance. PPOP came in softer at IDR 23.5tn (-6.8% YoY), weighed down by muted fee and recovery income (+0.4% YoY) and higher operating expenses. Loan growth reached +6.3% YoY (+1.5% QoQ) to IDR 1,428tn, with consumer (+9.7% YoY) and corporate (+16% YoY) segments outpacing micro, as BBRI maintained disciplined approach to portfolio clean-up and prudent underwriting. Asset yields remained strong, particularly in micro loans (18.1%), while digital momentum continued to accelerate (BRImo users climbed to 44.4mn (+19.4% YoY) and QRIS transaction volumes surged 133% YoY).

Focusing on funding and credit quality management. BBRI's new management is sharpening its focus on funding by driving CASA growth through emerging mass-affluent customers, revitalizing merchant partnerships, and enhancing digital engagement via revamped BRImo platform. The initiative aims to improve user experience and accelerate low-cost deposit mobilization to reduce CoF. Loan growth is expected to be led by consumer and corporate segments, particularly in agriculture and trading, while micro lending, including Kupedes, may remain subdued. On assets quality, management is maintaining a cautious stance with CoC projected at 3.2–3.3% amid pressures from micro and restructured loans. To support this strategy, the bank plans to implement stricter monitoring, disciplined execution, and front-loaded write-offs to strengthen non-performing loan (NPL) management.

2025 guidance remains unchanged. Management maintained its FY25 loan growth guidance at 7–9% with loan mix expected to remain tilted toward consumer, corporate, and gold-backed lending (Pegadaian and PNM currently contribute 25% of consolidated micro exposure). Kupedes and overall micro loan growth may stay muted in near term as BRI prioritizes portfolio clean-up and tighter underwriting, but are projected to recover modestly (~+1% YoY) in 2026F and normalize to 9–10% p.a. over the longer term. NIM is expected to remain stable within 7.3–7.7%, supported by >65% CASA ratio and more selective loan repricing strategy. Meanwhile, CoC is now projected to reach the upper end of BBRI's guidance at 3.2–3.3% (from 3.0–3.2%), reflecting elevated write-offs and lingering micro pressure, though it is expected to ease to 2.9–3.2% in FY26 as legacy exposures wind down.

Retain BUY with limited upside of 12.5% given ongoing micro clean-up. We maintain our BUY rating on BBRI with TP of IDR 4,400/share, implying 2026F PBV of 2.0x and 12.5% potential upside, although near-term earnings are constrained by ongoing micro clean-up, subdued non-interest income, and higher credit costs. Nevertheless, our positive view is backed by BBRI's superior funding franchise, digital leadership, and capital flexibility, providing strong support for core returns and brand value. Key downside risks: slower-than-expected economic recovery, rising credit costs, higher operating expenses, and weaker NIM/loan growth.

Forecasts and Valuation (at closing price IDR 3,910 per share)

Y/E Dec	23A	24A	25F	26F	27F
Net Interest Income (IDRbn)	135,183	142,057	154,473	168,052	183,554
Pre-prov op. Profit (IDRbn)	76,835	78,581	72,594	80,062	87,367
Net Profit (IDR bn)	60,100	60,155	54,174	59,738	65,140
EPS (IDR)	430	422	380	419	457
EPS Growth (%)	14.1	(2.0)	(9.9)	10.3	9.0
P/E Ratio (x)	8.8	9.0	10.5	9.5	8.7
BVPS (IDR)	2,054	2,092	2,112	2,203	2,297
P/BV Ratio (x)	1.8	1.8	1.9	1.8	1.7
DPS (IDR)	366	358	323	356	388
Dividend Yield (%)	9.7	9.5	8.1	8.9	9.7
ROE (%)	19.7	19.1	17.0	18.3	19.1

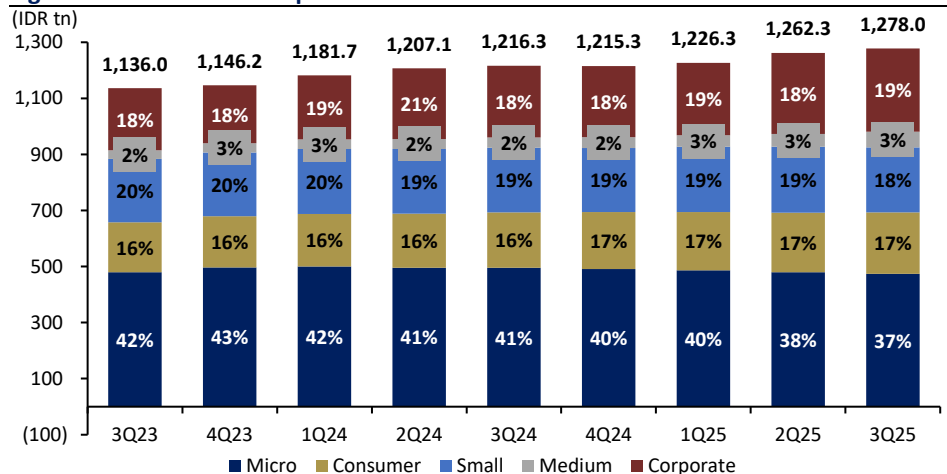
Figure 1. BBRI's 3Q25 Results

(IDRbn)	3Q25	QoQ (%)	YoY (%)	9M24	9M25	YoY (%)	9M25/ SSI	9M25/ Cons.
Net interest income	37,717	0.8	5.3	105,756	110,991	4.9	-	-
Non-interest income	27,235	(3.8)	25.8	54,453	80,715	48.2	-	-
Total operating income	64,951	(1.2)	13.0	160,209	191,706	19.7	72.9	93.0
Provisions	10,317	(6.2)	(7.1)	32,455	33,589	3.5	-	-
Operating profit	18,083	4.0	(7.3)	58,048	53,084	(8.6)	-	-
Net profit	14,956	19.9	(4.5)	45,362	41,232	(9.1)	76.1	73.0
Key ratios								
Net interest margin (%)	-	-	-	6.5	6.5	-	-	-
Loan/deposit (%)	-	-	-	99.3	97.5	-	-	-
Capital adequacy (%)	-	-	-	25.0	23.0	-	-	-
Gross NPL (%)	-	-	-	3.0	3.3	-	-	-
ROE	-	-	-	19.5	16.5	-	-	-

Sources: Company, SSI Research

3Q25 NII rose 5.3% YoY to IDR 37.7tn, supported by resilient loan yields (~13%) and higher contributions from Pegadaian and PNM

Figure 2. BBRI's Loan Composition



Sources: Company, SSI Research

BBRI's focus on microloans strenghtens its earnings resilience by leveraging fragmented borrower base, reducing concentration risk, and capturing higher lending yields

Figure 3. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	NIM (%)	EPS Growth (%)	2026F PBV (x)	ROE (%)
BBCA	BUY	1,060	8,600	9,600	(32,386)	11.6	6.0	9.4	3.7	20.5
BBRI	BUY	590	3,910	4,400	(4,177)	12.5	7.7	10.7	1.8	19.9
BMRI	BUY	434	4,650	5,100	(18,587)	9.7	5.3	7.8	1.4	19.9
BBNI	BUY	166	4,440	4,900	(4,723)	10.4	3.9	10.2	0.9	13.0
BNLI	SPEC-BUY	122	5,350	6,200	(5)	15.9	4.2	12.2	4.2	7.9
BRIS	BUY	120	2,580	3,100	1,601	20.2	5.2	10.7	2.0	16.5
PNBN	BUY	33	1,010	1,700	(453)	68.3	4.5	10.6	0.5	8.5
ARTO	BUY	33	2,360	2,700	82	14.4	2.0	81.8	3.6	2.0
BBTN	BUY	17	1,235	1,600	(164)	29.6	3.8	18.4	0.3	10.9
BINA	SPEC-BUY	17	4,490	7,000	(2)	55.9	2.9	107.6	7.1	6.7
BCIC	SPEC-BUY	17	142	270	(1)	90.1	2.4	13.1	0.6	7.9
Sector	NEUTRAL	2,608			(17,075)	13.8	5.9	11.4	2.6	18.2

Sources: Bloomberg, SSI Research

At current levels, BBRI offers 13% upside potential, supported by 2026F forward P/BV of 2.0x, reflecting 23% discount to sector average

Financial Highlights

Profit and Loss						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Interest income	151,875	178,996	199,266	215,004	230,270	249,368
Interest expense	(27,278)	(43,813)	(57,209)	(60,531)	(62,218)	(65,814)
Net interest income	124,597	135,183	142,057	154,473	168,052	183,554
Non interest income	50,440	53,297	72,937	108,617	115,038	122,070
Total operating income	175,037	188,481	214,994	263,089	283,090	305,624
Operating expenses	(83,343)	(82,122)	(94,655)	(142,296)	(151,943)	(162,471)
Loan loss provisions	(27,385)	(29,523)	(41,758)	(48,199)	(51,084)	(55,785)
Operating profit	64,309	76,835	78,581	72,594	80,062	87,367
Non-operating inc./ (exp.)	287	(405)	(982)	(980)	(975)	(969)
Pre-tax profit	64,597	76,430	77,599	71,615	79,087	86,399
Corporate tax	(13,188)	(16,005)	(16,955)	(16,829)	(18,585)	(20,304)
Minorities	(238)	(325)	(489)	(611)	(764)	(955)
Net profit	51,170	60,100	60,155	54,174	59,738	65,140

Net Interest Income (NII) is projected to grow 7.9% in 2025F, supported by strategic shift toward higher-yielding Kupedes products

Balance Sheet						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Placement with other banks	36,701	38,638	48,422	21,901	22,483	23,082
Loans	1,139,077	1,266,429	1,354,641	1,480,583	1,615,424	1,765,473
Other int-earning assets	634,585	580,508	519,141	600,582	635,565	677,852
Financial assets impairment	(94,968)	(88,383)	(82,715)	(117,914)	(155,998)	(198,783)
Net earning assets	1,715,395	1,797,192	1,839,489	1,985,153	2,117,473	2,267,624
Cash	27,407	31,604	29,784	32,762	36,038	39,642
Fixed assets	55,216	59,678	62,478	76,274	93,023	113,348
Other assets	67,621	76,533	61,233	65,194	69,488	74,151
Total assets	1,865,639	1,965,007	1,992,983	2,159,382	2,316,023	2,494,765
Customer deposits	1,308,340	1,358,847	1,366,014	1,424,957	1,490,786	1,559,790
Deposits from other banks	9,335	11,958	14,679	16,094	17,645	19,348
Borrowing and sub-debts	143,469	148,969	160,858	145,645	158,030	171,574
Other liabilities	101,100	128,760	128,242	246,027	308,677	388,138
Total liabilities	1,562,244	1,648,535	1,669,794	1,832,723	1,975,139	2,138,849
Minorities	4,101	5,109	6,095	6,523	7,058	7,726
Equity	299,294	311,364	317,094	320,136	333,826	348,189
Total liabilities and equity	1,865,639	1,965,007	1,992,983	2,159,382	2,316,023	2,494,765

BBRI's 2025F loan growth is projected to improve to 9.3% (1H25: 6.0%), supported by retail-focused initiatives, BRImo enhancements, payroll acquisitions, and stronger integration between business segments and subsidiaries

Key Ratios (%)						
	22A	23A	24A	25F	26F	27F
ROA	2.9	3.1	3.0	2.6	2.7	2.7
ROE	17.4	19.7	19.1	17.0	18.3	19.1
NIM	7.8	7.9	7.6	7.7	7.7	7.7
Loan to deposit ratio	87.1	93.2	99.2	103.9	108.4	113.2
Loan to funding ratio	75.5	80.4	84.9	88.0	91.2	94.6
Cost efficiency ratio	48.1	44.2	44.9	54.1	53.7	53.2
CIR	69.0	67.9	72.3	77.6	76.8	76.5
Gross NPL	3.1	3.1	2.9	3.2	3.2	3.2
NPL coverage	255.4	205.0	203.1	245.0	298.3	348.6
LLR to total loans	2.5	2.5	3.2	3.4	3.3	3.3
CAR-total	25.5	27.1	26.6	24.2	24.1	23.4
CAR-tier I	24.5	26.0	25.5	23.2	23.2	22.5

We expect 2025F Cost-to-Income Ratio (CIR) to edge up, in line with BBRI's plans to revamp its recruitment and talent development strategy

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