

BUY (Maintained)

Target Price (IDR) **4,400**
Potential Upside (%) **19.2**

Company Data

Cons. Target Price (IDR) **4,470**
SSI vs. Cons (%) **98.4**

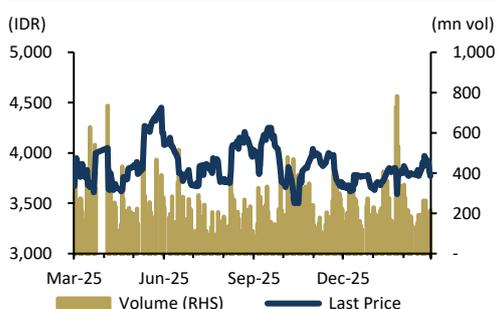
Stock Information

Last Price (IDR) 3,690
Market Cap. (IDR bn) 559.3
52-Weeks High/Low (IDR) 4,450/3,290
3M Avg. Daily Value (IDR bn) 878.4
Free Float (%) 46.8
Shareholders (%):
Government 53.2
Public & Others 46.8

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	0.8	(4.7)	-	0.5
JCI Return	(12.4)	(7.0)	(12.3)	18.8
Relative	13.2	2.3	12.3	(18.2)

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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Improved Funding Mix on Asset Quality Stabilization

Maintain BUY with TP of IDR 4,400 (2.0x 2026F PBV) on resilient micro franchise.

Strengthening funding mix, expansion of transaction-led ecosystems, and improving assets quality across all segments backed by well executed management strategy have us maintaining BUY on BBRI given attractive 2026F PBV of 1.6x, trading at 19% discount to the sector's PBV of 2.1x. Our TP of IDR 4,400 implies a rerating close to the sector with 2026F PBV of 2.0x, warranted on the back of sustainable ROE around high-teens levels going forward. On the operating front, management guides for 2026F loan growth of 7–9% (FY25: 12.3%), NIM of 7.4–7.8% (FY25: 7.8%), and credit cost of 2.9–3.2% (FY25: 3.3%). While slower loan growth and potential margin pressure from higher KUR insurance premiums may pose near-term risks, these are offset by improving cost of funds, better CASA mix, and ongoing assets quality normalization.

1Q26 result expectations: Net profit -6.7% QoQ, +4.2% YoY. Looking ahead, we expect BBRI to book 1Q26 net profit of IDR 14.4tn (-6.7% QoQ, +4.2% YoY), supported by lower cost of credit. In 4Q25, BBRI posted attributable net profit of IDR 15.9 tn (+9.5% QoQ, +6.7% YoY), bringing FY25 earnings to IDR 56.7 tn (-5.5% YoY), broadly in line with our number (100%) and consensus (101%). Quarterly performance improved sequentially, helped by stronger operating income and non-interest income momentum. 4Q25 NII rose 4.7% QoQ and 13.5% YoY to IDR 39.5 tn, while PPOP increased 15.1% QoQ and 13.3% YoY to IDR 32.7 tn. Meanwhile, FY25 NIM stood at 7.8%, slightly above management's guidance range, driven by declining cost of funds and favorable asset mix.

Solid funding mix improvement supports liquidity profile in FY26. Propelled mainly by stronger current account growth and ongoing customer acquisition across mass and merchant ecosystems, BBRI managed to grow its deposits 7.4% YoY to IDR 1,467 tn in FY25, while CASA expanded 13% YoY, lifting the CASA ratio to 70.6% (FY24: 67.3%). This improving mix helped push cost of funds lower into year-end, providing additional buffer against potential margin normalization in 2026. On the assets side, loan growth remained robust at 12.4% YoY to IDR 1,535 tn, supported by outsized expansions in commercial (+57% YoY) and corporate (+40% YoY), while consumer loans still grew +9% YoY on payroll-linked lending and secured products. Meanwhile, micro lending growth stayed modest as BBRI continued to prioritize underwriting discipline and portfolio clean-up, particularly within Kupedes, which should support healthier growth quality and better risk-adjusted returns into FY26.

Gradual improvement in assets quality despite higher provisioning. Looking forward, we expect assets quality to stabilize in 2026 (FY26F NPL: 3.0%) due to improvement in micro asset quality. In 4Q25, gross NPLs stood at 3.1%, broadly stable sequentially but slightly higher YoY due to downgrades in several portfolios. Encouragingly, Loan-at-Risk (LAR) improved to 9.6% from 10.7% in 3Q25, while SML declined to 3.8%, reflecting ongoing balance sheet clean-up and improved risk management. Provisioning increased 21% YoY, bringing FY25 credit cost to 3.3%, slightly above guidance but still within manageable levels as BBRI continues to strengthen risk buffers and accelerate legacy portfolio resolution.

Forecasts and Valuation (at closing price IDR 3,690 per share)

Y/E Dec	24A	25A	26F	27F	28F
Net Interest Income (IDRbn)	142,057	150,498	159,759	174,448	190,192
Pre-prov op. Profit (IDRbn)	78,581	73,267	79,625	86,733	95,990
Net Profit (IDR bn)	60,155	56,652	59,947	65,231	72,122
EPS (IDR)	422	391	414	450	498
EPS Growth (%)	(2.0)	(7.3)	5.8	8.8	10.6
P/E Ratio (x)	8.8	9.5	9.0	8.2	7.5
BVPS (IDR)	2,092	2,138	2,216	2,310	2,420
P/BV Ratio (x)	1.8	1.7	1.7	1.6	1.5
DPS (IDR)	358	332	352	383	423
Dividend Yield (%)	9.7	9.0	9.5	10.3	11.4
ROE (%)	19.1	17.7	18.2	19.0	20.1

Figure 1. BBRI's 4Q25 Results

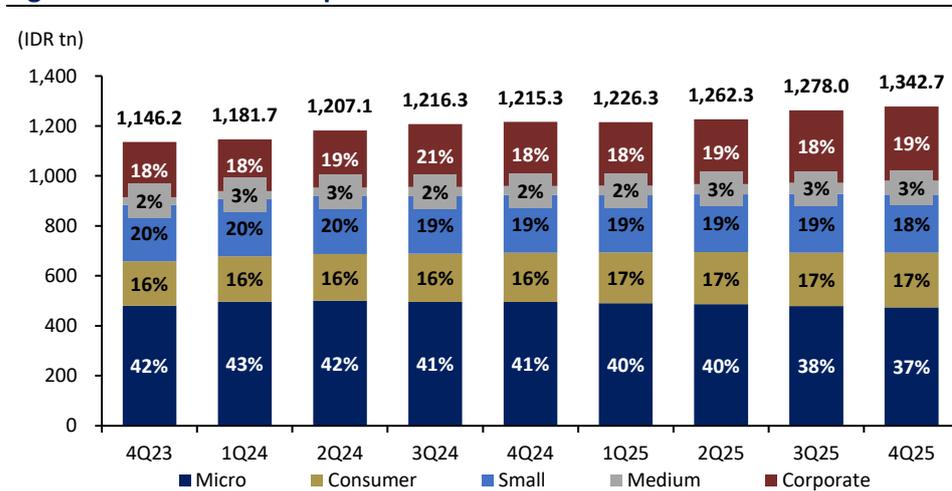
(IDRbn)	4Q25	QoQ (%)	YoY (%)	12M24	12M25	YoY (%)	12M25/ SSI	12M25/ Cons.
Net interest income	39,507	4.7	8.8	142,057	150,498	5.9	-	-
Non-interest income	35,858	31.7	73.7	75,100	116,573	55.2	-	-
Total operating income	75,365	16.0	32.3	217,157	267,071	23.0	99.6	104.9
Provisions	12,511	21.3	34.5	41,758	46,100	10.4	-	-
Operating profit	20,183	11.6	(1.7)	78,581	73,267	(6.8)	-	-
Net profit	15,420	3.1	4.2	60,155	56,652	(5.8)	100.0	100.7

Key ratios (%)								
Net interest margin	-	-	-	6.5	6.5	-	-	-
Loan/deposit	-	-	-	99.2	103.7	-	-	-
Capital adequacy	-	-	-	24.4	21.1	-	-	-
Gross NPL	-	-	-	2.9	3.3	-	-	-
ROE	-	-	-	18.5	17.3	-	-	-

Sources: Company, SSI Research

4Q25 NII rose 5.9% YoY to IDR 39.5tn, 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 strengthens its earnings resilience by leveraging fragmented borrower base, reducing concentration risk, and capturing higher lending yields

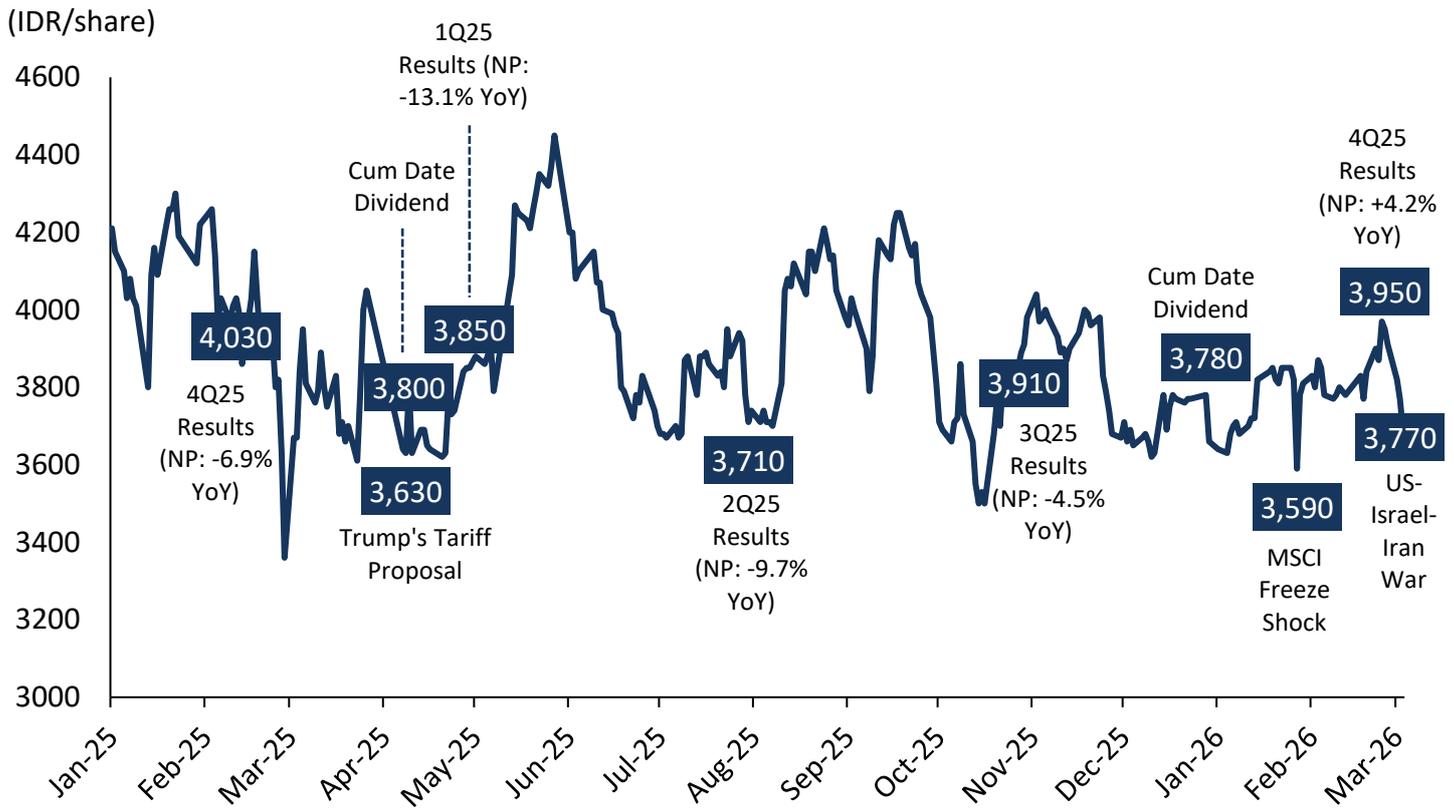
Figure 3. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2026F			
							NIM (%)	EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	869	6,875	8,600	(17,445)	25.1	5.6	7.4	2.7	20.8
BBRI	BUY	571	3,690	4,400	1,504	19.2	7.5	5.8	1.7	18.2
BMRI	BUY	474	4,980	5,700	(1,450)	14.5	4.5	3.0	1.5	19.0
BBNI	BUY	159	4,150	5,300	(1,658)	27.7	3.9	3.5	0.9	11.7
BNLI	SPEC-BUY	122	3,560	6,200	0	74.2	4.2	12.2	2.8	7.9
BRIS	BUY	102	2,350	2,800	(399)	19.1	5.0	10.8	1.7	16.6
BINA	SPEC-BUY	29	4,650	7,000	0	50.5	2.9	107.6	7.3	6.7
ARTO	BUY	26	1,360	2,700	(7)	98.5	2.0	81.8	2.1	2.0
PNBN	BUY	24	1,015	1,700	(78)	67.5	4.5	10.6	0.5	8.5
BBTN	BUY	18	1,255	1,600	472	27.5	3.6	1.4	0.3	9.4
BBKP	SPEC-BUY	12	65	100	3	53.8	2.6	154.4	1.7	8.1
BCIC	SPEC-BUY	3	140	270	0	92.9	2.4	13.1	0.6	7.9
Sector	OVERWEIGHT	2,409			(6,376)	26.0	5.6	8.8	2.1	17.8

Sources: Bloomberg, SSI Research

At current levels, BBRI offers 19% upside potential, supported by 2026F forward P/BV of 2.0x, reflecting 19% discount to sector average

Figure 4. What Drives BBRI's Share Price



Sources: Bloomberg, Company, SSI Research

Financial Highlights

Profit and Loss					
Y/E (IDRbn)	24A	25A	26F	27F	28F
Interest income	199,266	207,783	217,778	236,013	254,514
Interest expense	(57,209)	(57,285)	(58,018)	(61,565)	(64,321)
Net interest income	142,057	150,498	159,759	174,448	190,192
Non interest income	72,937	117,737	126,850	134,519	142,906
Total operating income	214,994	268,236	286,609	308,966	333,099
Operating expenses	(94,655)	(148,869)	(159,359)	(170,363)	(182,396)
Operating profit	78,581	73,267	79,625	86,733	95,990
Non-operating inc./ (exp.)	(982)	(474)	(478)	(483)	(487)
Pre-tax profit	77,599	72,793	79,147	86,250	95,503
Corporate tax	(16,955)	(15,660)	(18,599)	(20,269)	(22,443)
Minorities	(489)	(480)	(600)	(750)	(937)
Net profit	60,155	56,652	59,947	65,231	72,122

2026F Net Interest Income (NII) is projected to grow 6.2%, supported by strategic shift toward higher-yielding Kupedes products

Balance Sheet					
Y/E (IDRbn)	24A	25A	26F	27F	28F
Placement with other banks	48,422	55,169	56,581	58,030	59,517
Loans	1,354,641	1,521,486	1,653,518	1,804,505	1,968,820
Other int-earning assets	519,141	475,509	495,136	523,157	553,779
Financial assets impairment	(82,715)	(83,843)	(118,468)	(157,339)	(199,052)
Net earning assets	1,839,489	1,968,320	2,086,766	2,228,353	2,383,064
Cash	29,784	32,044	35,249	38,774	42,651
Fixed assets	62,478	63,294	77,491	94,757	115,742
Other assets	61,233	71,712	76,273	81,207	86,557
Total assets	1,992,983	2,135,371	2,275,778	2,443,091	2,628,014
Customer deposits	1,366,014	1,467,458	1,535,985	1,607,857	1,683,248
Deposits from other banks	14,679	17,601	19,279	21,118	23,135
Borrowing and sub-debts	160,858	170,559	160,718	175,656	192,067
Other liabilities	128,242	148,811	216,642	280,504	354,277
Total liabilities	1,669,794	1,804,430	1,932,624	2,085,136	2,252,727
Minorities	6,095	6,908	7,328	7,853	8,509
Equity	317,094	324,034	335,827	350,103	366,778
Total liabilities and equity	1,992,983	2,135,371	2,275,778	2,443,091	2,628,014

BBRI's 2026F loan growth is projected to improve to 8.7%, supported by retail-focused initiatives, BRImo enhancements, payroll acquisitions, and stronger integration between business segments and subsidiaries

Key Ratios (%)					
	24A	25A	26F	27F	28F
ROA	3.0	2.7	2.7	2.8	2.8
ROE	19.1	17.7	18.2	19.0	20.1
NIM	7.6	7.6	7.5	7.6	7.7
Loan to deposit ratio	99.2	103.7	107.7	112.2	117.0
Loan to funding ratio	84.9	88.5	91.2	94.5	97.8
Cost efficiency ratio	44.9	55.7	55.6	55.1	54.8
CIR	72.3	77.9	76.9	76.6	75.8
Gross NPL	2.9	3.3	3.2	3.0	2.9
NPL coverage	203.1	165.6	222.1	288.9	347.0
LLR to total loans	3.2	3.2	3.0	3.0	2.9
CAR-total	26.6	23.5	23.7	23.1	21.8
CAR-tier I	25.5	22.4	22.7	22.1	20.9

Sustainable ROE around high-teens levels going forward

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