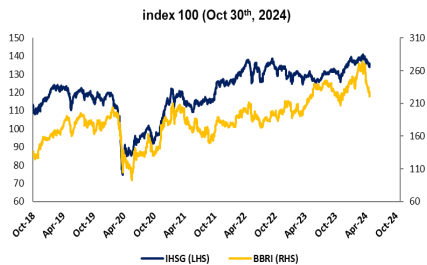


Buy

Price (Oct 30 th , 24)	4710
Target Price	5925
Potential Upside	25.79%
Market Cap	706.7 T
Number of Share	150.04 B
52w Lo/Hi	4530 / 5525

Source : IDX | Phintraco Sekuritas Research
| as of Oct 30th, 2024

IHSG vs BBRI



Source : IDX

Shareholder	%
Negara Republik Indonesia	53.19
Public <5%	46.26
Treasury Stock	0.52

Source : Company | as of fin. statement 3Q24

EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	373	399	-6.52
2025F	432	442	-2.26

Source : *marketscreener | as of Oct 30th, 2024

Research Analyst

Nurwachidah

+62 21 255 6138 Ext. 8302

nurwachidah@phintracosekuritas.com

PT Bank Rakyat Indonesia (Persero) Tbk

(BBRI.JK / BBRI.IJ)

Asset Quality Back to Management Guideline

BBRI recorded a net profit of IDR45.36 trillion, growing 2.6% yoy in 9M24. This result grew in line with our FY24F estimate (73%). Interest Income grew 12.8% yoy, followed by Net Interest Income, which rose 4.5% yoy to IDR105.76 trillion in 9M24, although followed by an increase in provision expense of 28.2% yoy or 40.9% qoq in 9M24, which suppressed BBRI's net profit growth. On the other hand, BBRI managed to maintain operating expenses of IDR35.75 trillion (+3.3% qoq or +10.6% yoy).

BBRI's Non-Performing Loan (NPL) is back to management's target. Gross NPL fell 170 bps yoy to 2.90% in 9M24 and lower than 2.95% in FY23. This achievement is also in line with management's guidelines in 2024F (<3%). In addition, the Allowance for Impairment Losses (CKPN) has declined since 6M24. CKPN fell 3.87% yoy to IDR84.50 trillion in 9M24. This decline aligns with the quarterly decrease in BBRI's non-performing loans and BBRI's various efforts to improve its asset quality. So that the provision can cover 215.44% of BBRI's total non-performing loans. Historically, when interest rates and inflation increase, it impacts the rise in BBRI's non-performing loans, but in 3M24, the amount of CKPN was lower than in the previous increase period (table 1).

BBRI's credit grew 8.2% yoy to IDR1.353 trillion in 9M24. This growth was supported by corporate loans (+17% yoy) and consumer loans (+10% yoy), which contributed 18% and 15% to BBRI's revenue, respectively. This result was accompanied by more moderate growth in microloans (+6.27% yoy), although this segment is still the main contributor to BBRI's revenue (46.4%) in 9M24. BBRI also managed to maintain the credit growth trend over the past five years (figure 5). For FY24F, BBRI targets credit growth of 10%-12%, which aligns with BBRI's efforts to improve asset quality and remain within management targets. Regarding customer deposits, the Current Account Saving Account (CASA) grew by 6.5% in 9M24. BBRI recorded total third-party funds of IDR1.362 trillion (+5.6% yoy) in 9M24. Meanwhile, BBRI's CASA was recorded at IDR874 trillion (+6.5% yoy) with a CASA ratio of 64.17% in 9M24, an increase compared to 63.64% in 9M23.

Using the Discounted Cash Flow method with a Required Return of 9.72% and Terminal Growth of 4.72%, we estimate BBRI's fair value at 5,925 (14.31x expected P/E FY24F). Considering BBRI's fair price, we maintain our buy rating for BBRI with a lower target than before and a potential upside of 25.79%.

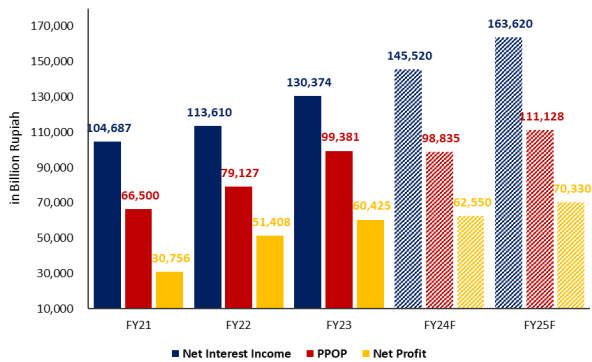
Performance Highlight

Table 1. Provision Performance (Bank Only)

PT Bank Rakyat Indonesia (Persero)									
(in Trillion Rupiah)	9M22	FY22	3M23	6M23	9M23	FY23	3M24	6M24	9M24
Loan (SML-Bad)	61.87	53.27	71.75	74.11	79.20	74.33	88.29	86.94	86.15
Write off	16.07	22.06	4.53	16.94	25.21	33.88	9.68	19.56	30.60
Provision	87.20	93.10	95.20	88.20	87.90	85.50	87.10	86.40	84.50
Coverage	275.90%	305.73%	282.49%	248.54%	228.65%	229.09%	214.26%	211.60%	215.44%

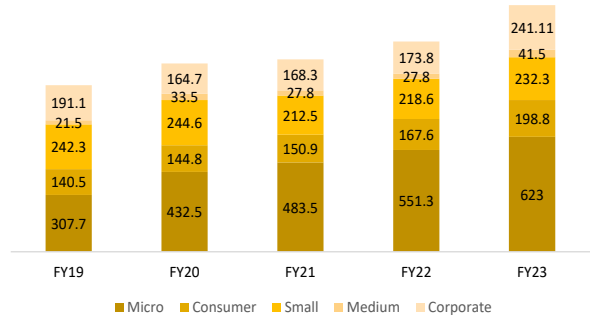
Source : Company | Phintraco Sekuritas Research

Figure 1. Financial Performance



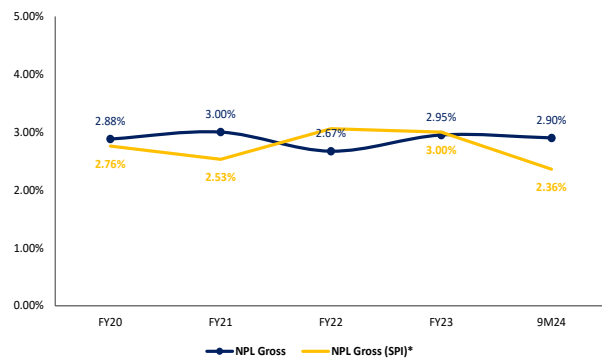
Source : Company | Phintraco Sekuritas Research

Figure 2. Loan Portfolio (In Rp trillion)



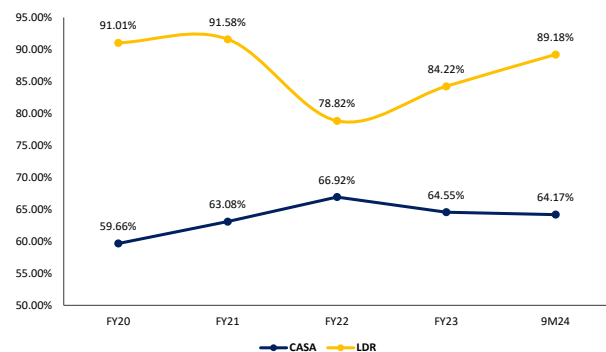
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24E	FY25F
Interest Income	130,013	138,195	168,313	134,012	186,476	209,670
Interest Expense	(25,327)	(24,585)	(37,939)	(36,644)	(40,956)	(46,050)
Net Interest Income	104,687	113,610	130,374	97,368	145,520	163,620
<i>NIM</i>	<i>80.52%</i>	<i>82.21%</i>	<i>77.46%</i>	<i>72.66%</i>	<i>78.04%</i>	<i>78.04%</i>
PPOP	66,500	79,127	99,381	80,117	98,835	111,128
Provision	(35,806)	(27,385)	(29,523)	(32,455)	(36,456)	(40,991)
EBITDA	30,584	53,409	72,908	48,463	72,492	81,509
<i>EBITDA Margin</i>	<i>23.52%</i>	<i>38.65%</i>	<i>43.32%</i>	<i>36.16%</i>	<i>38.87%</i>	<i>38.87%</i>
EBIT	30,693	51,742	69,858	47,662	62,378	70,137
<i>EBIT Margin</i>	<i>23.61%</i>	<i>37.44%</i>	<i>41.50%</i>	<i>35.57%</i>	<i>37.33%</i>	<i>37.33%</i>
Profit Before Tax	38,591	64,597	76,430	57,988	80,192	90,166
<i>EBT Margin</i>	<i>29.68%</i>	<i>46.74%</i>	<i>45.41%</i>	<i>43.27%</i>	<i>43.00%</i>	<i>43.00%</i>
Net Profit After Tax	30,756	51,408	60,425	45,362	62,500	70,330
<i>NPM</i>	<i>23.66%</i>	<i>37.20%</i>	<i>35.90%</i>	<i>33.85%</i>	<i>33.68%</i>	<i>33.68%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24E	FY25F
Asset						
Cash & Marketable Securities	275,604	233,851	253,285	317,724	286,550	258,905
Loans	954,988	1,045,989	1,180,927	1,268,852	1,306,499	1,445,422
Current Accounts	129,439	242,805	189,454	177,156	239,392	269,168
Total Current Assets	1,501,733	1,680,118	1,788,694	1,893,848	2,011,337	2,174,643
Fixed Assets	47,860	55,216	59,678	60,353	59,568	66,977
Investments	128,505	130,305	116,635	7,715	126,943	142,732
Total Non Current Assets	176,365	185,521	176,313	68,068	186,511	209,709
Total Asset	1,678,098	1,865,639	1,965,007	1,961,916	2,197,847	2,384,351
Liabilities						
Portion of Long Term Debt	71,221	58,016	88,158	133,255	89,671	100,824
Deposits	1,152,073	1,317,219	1,370,287	1,369,434	1,578,216	1,693,419
Total Current Liabilities	1,303,857	1,466,777	1,568,628	1,593,609	1,767,294	1,906,014
Long-Term Debt	82,454	95,467	79,907	38,835	106,106	119,303
Total Non Current Liabilities	82,454	95,467	79,907	38,835	106,106	119,303
Total Liabilities	1,386,311	1,562,244	1,648,535	1,632,443	1,873,399	2,025,317
Equity	291,787	303,395	316,472	329,473	324,114	351,047

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24E	FY25F
Cash Flow from Operating						
Net Income	31,067	51,170	60,100	45,065	62,513	70,289
Depreciation & Amortization	110	1,557	3,051	3,118	191	2,733
Working Capital	5,781	(35,352)	(17,825)	(62,117)	5,273	(59,991)
Others	(2,490)	(8,661)	391	1,286	2,502	(3,392)
Net-CFFO	34,468	8,714	45,716	(12,649)	70,479	9,639
Cash Flow from Investing						
CAPEX	(4,154)	(8,913)	(7,513)	(3,793)	(80)	(10,142)
Others	(31,198)	(1,801)	13,671	108,919	(10,308)	(15,789)
Net-CFFI	(35,352)	(10,713)	6,158	105,127	(10,388)	(25,932)
Cash Flow from Financing						
Ch. in Lt liab.	(18,190)	(193)	14,582	4,025	27,712	24,351
Ch. in other non-current liab.	-	-	-	-	-	-
Equity	31,253	(39,562)	(47,023)	(32,064)	(54,872)	(43,355)
Net-CFFF	13,063	(39,754)	(32,441)	(28,039)	(27,160)	(19,005)
NET CASH FLOW	12,179	(41,753)	19,434	64,439	32,931	(35,297)

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24E	FY25F
Profitability Ratio (%)						
<i>NIM</i>	80.52%	82.21%	77.46%	72.66%	78.04%	78.04%
<i>OPM (EBITDA Margin)</i>	23.52%	38.65%	43.32%	36.16%	38.87%	38.87%
<i>NPM</i>	23.66%	37.20%	35.90%	33.85%	33.68%	33.68%
<i>ROA</i>	1.83%	2.76%	3.08%	3.08%	2.85%	2.95%
<i>ROE</i>	10.54%	16.94%	19.09%	18.36%	19.30%	20.03%
Banking Ratio						
<i>CASA to Third Party Funds</i>	63.10%	66.70%	64.30%	64.30%	64.60%	64.60%
<i>BOPO</i>	74.30%	64.20%	64.35%	64.35%	66.80%	66.80%
<i>LDR</i>	88.50%	78.80%	84.20%	184.20%	108.93%	108.93%
<i>CAR</i>	27.16%	25.51%	27.27%	127.27%	51.80%	51.80%
<i>NPL Gross</i>	3.08%	2.82%	2.95%	2.95%	2.95%	2.95%
Price Ratio						
<i>Share Price (IDR)</i>	4,110	4,490	5,434	5,434	5,837	5,837
<i>Average Share Price (IDR)</i>	3,859	4,458	4,878	4,878	6,272	6,272
<i>Outstanding Shares (in Billion)</i>	152	151	151	151	151	151
<i>EPS (IDR)</i>	203	340	400	300	466	523
<i>BVPS (IDR)</i>	1,925	2,008	2,095	2,181	2,324	2,524
<i>RPS (IDR)</i>	858	915	1,114	887	1,388	1,561
<i>PER(X)</i>	20.25	13.19	13.59	18.10	12.54	11.15
<i>PBV(X)</i>	2.13	2.24	2.59	2.49	2.51	2.31
<i>P/R(X)</i>	4.79	4.91	4.88	6.13	4.21	3.74
<i>EV/EBITDA</i>	202.95	340.29	399.98	300.27	465.54	523.45

Dividends						
<i>DPS</i>	174	231	319	-	-	-
<i>DPR</i>	85.86%	67.95%	79.75%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	4.18%	5.63%	7.10%	0.00%	0.00%	0.00%

Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

<i>CAR</i>	>8%
<i>LDR</i>	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

BBRI P/B Band (5 Years)



Source : IDX | Company | Phintraco Sekuritas Research

Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBIT	: <i>Earning Before Interes & Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



PHINTRACO SEKURITAS

Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

PHINTRACO SEKURITAS
Kantor Cabang & Mitra GI BEI



DISCLAIMER : The information on this document is provided for information purpose only, It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any trading or investment strategy, nor does it constitute any prediction of likely future movement in prices, Users of this document should seek advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to on this document and should understand that statements regarding future prospects may not be realized, Opinion, Projections and estimates are subject to change without notice, Phintraco Sekuritas is not an investment adviser, and is not purporting to provide you with investment advice, Phintraco Sekuritas accepts no liability whatsoever for any direct or consequential loss arising from the use of this report or its contents, This report may not be reproduced, distributed or published by any recipient for any purpose.