Stock Research Report

August 1, 2025

ajaib RESEARCH
PT Ajaib Sekuritas Asia

BBRI
PT Bank Rakyat Indonesia (Persero) Tbk

Solid NIM, Soft Earnings

- NIM held at 7.8% in 2Q25 despite weaker micro loans, supported by CASA growth and higher earning asset share.
- VMOs rollout improved execution and funding mix, with strong BRImo and retail CASA momentum.
- Loan growth seen accelerating to 8–9% in FY25, driven by safer, scalable segments like payroll and commercial.
- Reiterate BUY with Rp4,600 TP; long-term value intact despite near-term cost headwinds.

Earnings Hold Up as BBRI Rebalances Its Loan Mix

Despite a decline in bank-only micro loans to Rp479.8tn (-3.3% YoY), BBRI maintained its NIM at 7.8% in 2Q25 (1Q25: 7.7%; 2Q24: 7.6%), supported by a stronger CASA base and a higher share of earning assets, which rose to 93.7% of total assets (vs. 1H24: 92.5%). Total loans grew to Rp1,416tn (+3.1% QoQ; +6.0% YoY), driven by Pegadaian at Rp101.5tn (+31.8% YoY) and subsidized payroll and mortgage loans (+16.8% YoY), offsetting weaker demand in informal micro. Net interest income rose to Rp84.7tn (+2.8% YoY), in line with our estimate (Ajaib Research: 48.2%), while PPOP increased to Rp64.1tn (+2.2% YoY) despite OPEX rising to Rp42.1tn (+5.7% YoY). Net profit declined to Rp27.4tn (-11.2% YoY), below our forecast (Ajaib Research: 44.1%) due to a high base from a Rp4.2tn SOE debt recovery gain in 1H24. NPL ratio stood at 3.04% (-2bps QoQ), SML improved to 5.15% (-26bps YoY), and provisioning stayed high at Rp81.4tn, or 5.7% of loans, maintaining NPL coverage at 188.8%. Net cost of credit eased to 3.4% (-27bps QoQ), supported by stronger recoveries.

Structural Shift Gains Traction Through VMO Execution

In 1H25, BRI began executing a major structural transformation under new leadership, shifting from a micro-heavy model to a more balanced, consumer- and commercial-driven franchise. The rollout of five Value Management Offices (VMOs) has streamlined operations, micro units now focus solely on disbursement and collection, while regional offices handle funding and retail products, improving execution, particularly in affluent retail and payroll segments. Digital momentum remained strong, with BRImo users reaching 42.7mn (+21.2% YoY) and MAUs climbing to 19.3mn (+24% YoY). Retail CASA rose to Rp774.7tn (+10.6% YoY), lifting the CASA ratio to 65.5% (vs. 63.2% in 1H24), driven by deeper ecosystem monetization and affluent deposit growth in urban areas like Jakarta and Bandung. While merchant users declined to 306.4k (-21.7% YoY), average sales per merchant surged to Rp688.8mn (+62.5% YoY), indicating improving quality.

Stronger Outlook Backed by Scalable Growth and Margin Stability

Looking ahead, BRI is intensifying its shift toward lower-risk, more scalable segments such as payroll loans (BRIGuna), subsidized mortgages, and commercial loans in resilient sectors like healthcare and education. With working-day normalization and stronger SOE recovery expected in 2H25, loan growth should accelerate to 8–9% YoY for FY25, with consumer and commercial segments accounting for the bulk of new disbursements. Margins may gradually normalize to ~7.6% by year-end, while CoC should ease as micro asset quality stabilizes. We forecast FY25 net profit to slightly decline to Rp59.5tn (-1% YoY), before rising to Rp64.0tn in FY26F (+7.6% YoY), with ROE improving to 18.5% in FY25 and rising further to 19.1% in FY26F.

BUY: Valuation Reset Offers Re-rating Opportunity

We maintain our **BUY** recommendation on BBRI with a lower target price of **Rp4,600/share**, implying 2.1x FY26F P/BV. While short-term earnings may stay under pressure from elevated credit costs, we believe BBRI's long-term value remains intact, supported by its dominant micro-to-retail ecosystem, consistent capital returns, and its strategic pivot toward more resilient, scalable segments like consumer and commercial loans. The integration of VMOs and continued growth in low-cost funding should gradually enhance operating leverage and drive earnings normalization by FY26. **Key risks:** prolonged stress in micro asset quality, delays in transformation execution, and macro headwinds such as tighter monetary policy or regulatory changes in UMKM lending.

Key Financial Highlights

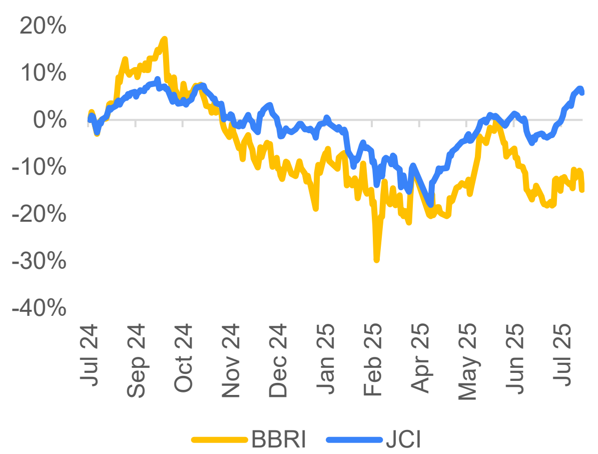
Key Metrics	2022	2023	2024	2025F	2026F
Net Interest Income (Rp bn)	124,597	135,183	142,057	151,962	163,922
PPOP (Rp bn)	91,694	106,358	120,339	126,226	136,126
Net Profit (Rp bn)	51,170	60,100	60,155	59,528	64,080
NIM (%)	7.8	7.9	7.6	7.6	7.6
CAR (%)	25.5	27.1	26.6	24.6	25.2
Loan Growth (%)	9.5	11.2	7.0	8.6	7.5
Dividend Yield (%)	5.8	5.6	8.4	7.6	8.0

BUY

Stock Information (as of July 31 2025)

Last Price (Rp)	3,710
Target Price (Rp)	4,600
Potential Upside	24.0%
Previous TP (Rp)	5,000
Market Cap (Rp tn)	567.2
52 Week Range (Rp)	5,575 – 3,360
Free Float	46.2%
Share Out. (bn)	150.0

Stock Performance Comparison vs JCI



Shareholders

BBRI's Shareholders	%
PT Danantara Asset Management (Persero)	53.19
Public	46.15
Treasury Shares	0.66

Company Description

BBRI's Company Profile

PT Bank Rakyat Indonesia (Persero) Tbk operates in the banking sector. It collects funds from the public in the form of savings and other liabilities and provides loans to borrowers to help to finance business expansion. Its segments include Micro, Retail Business, Corporate, Others and Subsidiaries.

Analyst

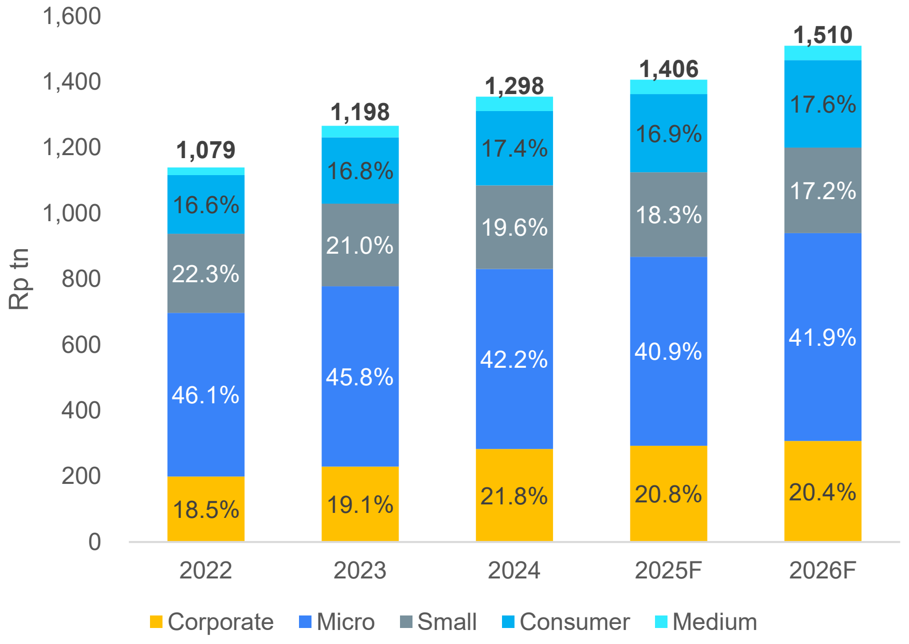
Rizal Rafly
rizal.rafly@ajaib.co.id

Figure 1. BBRI's 1H25 Financial Results

Key Metrics (Rp bn)	1H25	1H24	YoY	2Q25	1Q25	QoQ	2Q24	YoY	2025F	% to Est
Interest Income	102,376	99,790	*2.6%*	52,538	49,838	*5.4%*	49,183	*6.8%*	212,762	*48.1%*
Net Interest Income	73,275	71,278	*2.8%*	37,423	35,852	*4.4%*	34,781	*7.6%*	151,962	*48.2%*
Operating Profit	35,005	38,751	*-9.7%*	17,753	17,622	*0.7%*	18,511	*-4.1%*	79,593	*44.0%*
Net Profit	26,277	29,702	*-11.5%*	12,603	13,673	*-7.8%*	13,816	*-8.8%*	59,528	*44.1%*
NIM (%)	*6.6*	*6.8*		*7.8*	*7.7*		*7.6*			
ROAE (%)	*17.0*	*19.4*		*16.1*	*17.2*		*18.2*			
COF (%)	*3.6*	*3.6*		*3.6*	*3.5*		*3.7*			
Capital Adequacy Ratio (%)	*25.0*	*25.1*		*25.0*	*24.0*		*25.1*			

Source: Company, Ajaib Research

Figure 2. BBRI's loan breakdown by segment

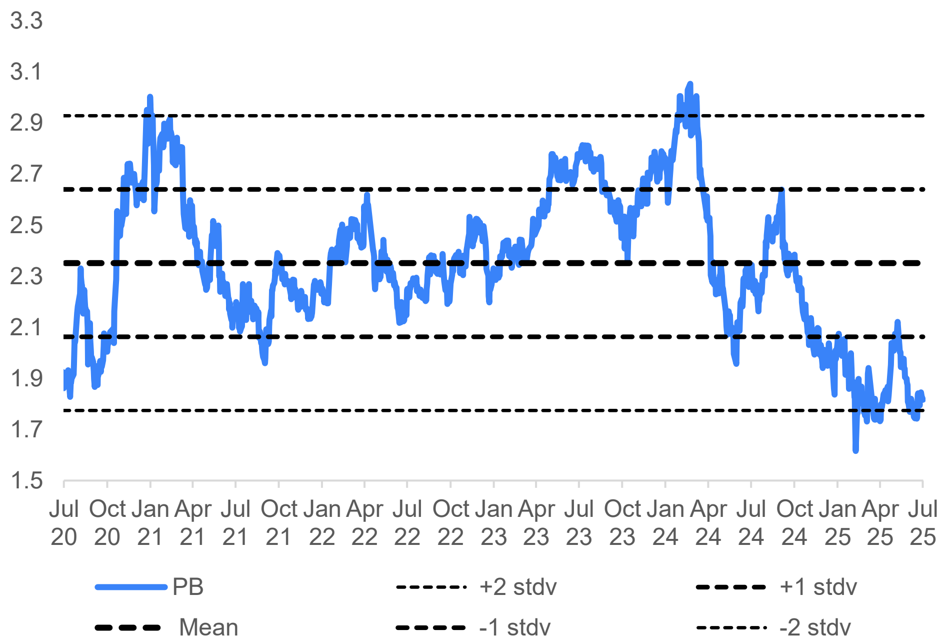


Source: Company, Ajaib Research

Figure 3. BBRI's cumulative foreign flow

Source: Bloomberg, Ajaib Research

Figure 4. BBRI's PB band 5-year historical



Source: Bloomberg, Ajaib Research

Figure 5. Historical valuation

Key Metrics	Value
Target PB (x)	2.1
Book Value 2026F (Rp bn)	10,597
Shares Outstanding (bn)	150.0
BVPS 2026F (Rp)	2,265
Target Price (Rp)	**4,600**
Current Price	3,710
Potential Upside	24.0%

Source: Bloomberg, Ajaib Research

Figure 6. Peers comparison

Ticker	Market Cap (Rp tn)	PB (x)	PE (x)	ROE (%)	Div. Yield (%)
BBRI	582.2	1.6	8.5	19.4	10.0
BBNI	151.0	0.9	5.8	15.6	11.2
BBCA	1,031.3	3.5	16.8	21.4	3.9
BMRI	433.4	1.4	7.1	20.1	8.5
Sector Average		**1.9**	**9.6**	**19.1**	**8.4**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement	2022	2023	2024	2025F	2026F
Interest Income	151,875	178,996	199,266	212,762	225,500
Interest Expense	-27,278	-43,813	-57,209	-60,800	-61,578
Net Interest Income	**124,597**	**135,183**	**142,057**	**151,962**	**163,922**
Non-Interest Income	50,440	53,297	72,937	78,143	83,040
Operating Income	175,037	188,481	214,994	230,105	246,962
Operating Expenses	-83,343	-82,122	-94,655	-103,878	-110,836
PPOP	**91,694**	**106,358**	**120,339**	**126,226**	**136,126**
Provisions & Allowances	-27,385	-29,523	-41,758	-46,633	-50,387
Operating Profit	**64,309**	**76,835**	**78,581**	**79,593**	**85,739**
Non-Operating Income	287	-405	-982	-980	-975
Pre-tax Profit	**64,597**	**76,430**	**77,599**	**78,613**	**84,764**
Income Tax	-13,188	-16,005	-16,955	-18,474	-19,919
Minority Interest	-238	-325	-489	-611	-764
Net Profit	**51,170**	**60,100**	**60,155**	**59,528**	**64,080**

Balance Sheet	2022	2023	2024	2025F	2026F
Cash	27,407	31,604	29,784	32,762	36,038
Placement with Other Banks	36,701	38,638	48,422	21,901	22,483
Net Liquid Investment	634,585	580,508	519,141	600,582	635,565
Loans	1,139,077	1,266,429	1,354,641	1,471,616	1,582,157
Others	27,869	47,828	40,996	25,119	8,775
Total Asset	**1,865,639**	**1,965,007**	**1,992,983**	**2,151,981**	**2,285,018**
CASA	872,404	874,070	918,981	963,609	1,010,509
Time Deposit	435,481	484,259	446,469	460,756	479,656
Other liabilities	254,360	290,206	304,344	393,450	444,543
Total liabilities	**1,562,244**	**1,648,535**	**1,669,794**	**1,817,816**	**1,934,708**
Minorities	4,101	5,109	6,095	6,523	7,058
Equity	295,193	306,255	310,999	321,119	336,195
Shareholder equity	**299,294**	**311,364**	**317,094**	**327,642**	**343,253**
Total liabilities & Equity	**1,865,639**	**1,965,007**	**1,992,983**	**2,151,981**	**2,285,018**

Metric	2022	2023	2024	2025F	2026F
Interest Income	5.8	17.9	11.3	6.8	6.0
PPOP	19.1	16.0	13.1	4.9	7.8
Net Profit	52.9	17.5	0.1	-1.0	7.6
Total Loans	9.5	11.2	7.0	8.6	7.5
CASA	21.5	0.2	5.1	4.9	4.9
Deposit	3.6	11.2	-7.8	3.2	4.1
Earnings Asset	10.6	4.2	1.9	8.9	7.0
Shareholders' Equity	3.7	4.0	1.8	3.3	4.8
Dividend	65.4	10.7	7.6	-1.0	5.8

Metric	2022	2023	2024	2025F	2026F
CAR	25.5	27.1	26.6	24.6	25.2
Net Interest Margin	7.8	7.9	7.6	7.6	7.6
Cost to Income Ratio	69.0	67.9	72.3	72.6	72.2
Cost of Fund	2.0	1.8	2.8	3.5	3.5
Gross NPL	3.1	3.1	2.9	3.2	3.2
ROAA	2.9	3.1	3.0	2.9	2.9
ROAE	17.4	19.7	19.1	18.5	19.1
CASA Mix	66.7	64.3	67.3	67.7	67.8
Dividend Yield	5.8	5.6	8.4	7.6	8.0

Source: Company, Ajaib Research

PT Ajaib Sekuritas Asia
Neo Soho @Podomoro City Lt. 30,
Jl. Letjen S. Parman No.28,
Jakarta Barat
Email: support.saham@ajaib.co.id
Phone: 021-30003606

Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

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 ≤ +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”

Analyst Certification:
The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

PREPARED BY AJAIB RESEARCH TEAM

DISCLAIMER
This research report is published by PT Ajaib Sekuritas Asia and is based on information from sources that we believe to be reliable but have not been independently verified. We have taken all reasonable care to ensure that information contained herein is not untrue or misleading at the time of publication, however PT Ajaib Sekuritas Asia makes no representation as to its accuracy or completeness and it should not be solely relied upon. This research report is provided for the Investors of PT Ajaib Sekuritas Asia. Research reports which contain opinions may change anytime without any obligation for PT Ajaib Sekuritas Asia to notify any party. This research report is not intended for media publication. The media is not allowed to quote this research report in any article whether in full or in parts without permission from PT Ajaib Sekuritas Asia. For further information, the media can contact PT Ajaib Sekuritas Asia if they wish to refer to this research report.

This research report was prepared, approved, published and distributed by PT Ajaib Sekuritas Asia. This research report is not a recommendation, invitation, or order to make any investment decisions, including but not limited to, buy or sell certain investment products. Any investment decision made by the Investor will be the sole responsibility of the Investor, and PT Ajaib Sekuritas Asia nor any officer or employee of PT Ajaib Sekuritas Asia are not responsible for any losses that may occur due to the Investor’s investment decision.