

Bank Rakyat Indonesia Tbk (BBRI)

Naiknya Kontribusi Segmen Mikro

BBRI membukukan penurunan laba bersih sebesar Rp 18,6 Triliun (-45,8% yoy) sepanjang tahun 2020. Pendapatan bunga bersih (*NIM*) tertekan 3,1% yoy dan berimbas pada turunnya *PPOP* menjadi Rp 59,6 Triliun (-9,9% yoy). Selain itu, BBRI juga mencatat kenaikan beban provisi yang signifikan sebesar 44,3% yoy. Dukungan pemerintah dalam memulihkan sektor UMKM serta biaya dana yang murah akan menjadi faktor pendukung kinerja BBRI di 2021.

Pandemi memukul UMKM, PPOP Tertekan

- Sektor UMKM yang sangat terdampak dari pandemi Covid-19 berimbas pada kinerja BBRI sepanjang tahun 2020 lalu. Segmen Mikro dan Kecil menjadi kontributor terbesar dalam program restrukturisasi kredit dengan masing-masing sebesar 43% dan 44%.
- Net Interest Income* turun 3,1% yoy dan berimbas pada anjloknya *Pre-provision operating profit (PPOP)* sebesar 9,9% menjadi Rp 59,6 Triliun (vs Rp 66 Tn pada FY 19).
- Dari sisi *bottom line*, kenaikan beban provisi sebesar 44,3% yoy telah menggerus Laba bersih menjadi Rp 18,6 Trilyun (-45,8% yoy).

Kontribusi Kredit Mikro Naik, NPL Terkendali

- Segmen kredit mikro mencatatkan *outstanding* sebesar Rp 351,3 triliun pada FY20 dengan kontribusi mencapai 40% dari total kredit BBRI. Kontribusi ini naik dari FY19 yang sebesar 35,8%.
- Tingkat *NPL* relatif terkendali di level 2,94% (vs 2,62% FY19). Segmen korporasi mencatatkan tingkat *NPL* tertinggi sebesar 12,58%; naik signifikan dari 8,75% di tahun sebelumnya.

Biaya Dana Turun, didukung naiknya porsi CASA

- DPK BBRI naik sebesar 8,6% yoy, didukung kenaikan segmen Tabungan sebesar 13,5% yoy; disusul oleh segmen *Current Account* yang naik 9,1%. Hal ini berdampak pada turunnya biaya dana (*cost of fund*) sebesar 36 bps ke level 3,22%.
- Secara keseluruhan porsi CASA naik menjadi sebesar 61% pada FY20. Dari sisi likuiditas, tingkat *LDR* turun ke level 83,66% (vs 88,64% di FY19).

Mempertahankan rating *Overweight*, dengan menaikkan TP ke Rp 5.100

- Kami mempertahankan rekomendasi *Overweight* dengan menaikkan target harga menjadi Rp 5.100. TP kami mengimplikasikan *forward P/B* sebesar 2,9x.
- Faktor-faktor yang menjadi pertimbangan kami antara lain: 1) Dukungan pemerintah Indonesia dalam pemulihan sektor UMKM; 2) Rendahnya biaya dana yang akan berimbas pada perbaikan *NIM*; 3) Rencana pembentukan holding untuk segmen Ultramikro yang melibatkan BBRI, Pegadaian dan Permodalan Nasional Madani; 4) Penurunan suku bunga kredit serta likuiditas BBRI yang melimpah menjadi modal untuk ekspansi kredit di 2021.
- Manajemen BBRI menargetkan pertumbuhan kredit konservatif di angka 6%-7% untuk tahun ini, dengan tingkat *NPL* dijaga pada kisaran 3%. Dari sisi profitabilitas, *NIM* dipatok naik ke level 6,3%.

Bank Rakyat Indonesia Tbk | Summary (IDR bn)

	2019/12A	2020/12A	2021/12E	2022/12E
Interest Income	121,756	116,933	124,753	139,848
<i>Interest Income growth</i>	9.1%	-4.0%	6.7%	12.1%
Operating Revenue	111,157	109,555	119,754	139,664
Net profit	34,373	18,655	28,565	37,324
EPS (IDR)	279	151	232	303
<i>EPS growth</i>	6.3%	-45.7%	53.1%	30.7%
BVPS (IDR)	1,693	1,621	1,737	1,901
Net Interest Margin	6.6%	5.8%	6.0%	6.5%
Loan/Deposits	88.9%	84.0%	85.3%	85.4%
NPL	2.7%	2.7%	2.6%	2.6%
ROE	17.4%	9.1%	13.8%	16.6%
ROA	2.5%	1.3%	1.8%	2.3%
Non-Int. Inc. /Op. Rev	26.5%	27.7%	26.1%	26.9%
P/E	13.1x	27.6x	22.0x	16.9x
P/BV	2.2x	2.6x	2.9x	2.7x
DPS (IDR)	167	91	139	182
<i>Dividend yield</i>	4.6%	2.2%	2.7%	3.6%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Overweight

Target Price (IDR)	5,100
Consensus Price (IDR)	5,135
TP to Consensus Price	-0.7%
vs. Last Price	+7.1%

Shares data

Last Price (IDR)	4,760
Price date as of	Mar 4, 2021
52 wk range (Hi/Lo)	4,950/ 2,160
Free float (%)	43.2
Outstanding sh. (mn)	123,324
Market Cap (IDR bn)	587,026
Market Cap (USD mn)	41,128
Avg. Trd Vol - 3M (mn)	153.70
Avg. Trd Val - 3M (bn)	692/60
Foreign Ownership	24.6%

Financial Services

Banking	BBRI IJ
Bloomberg	BBRI JK
Reuters	

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	14.1%	6.0%	10.7%	12.8%
Rel. Ret.	8.9%	3.0%	2.4%	1.5%

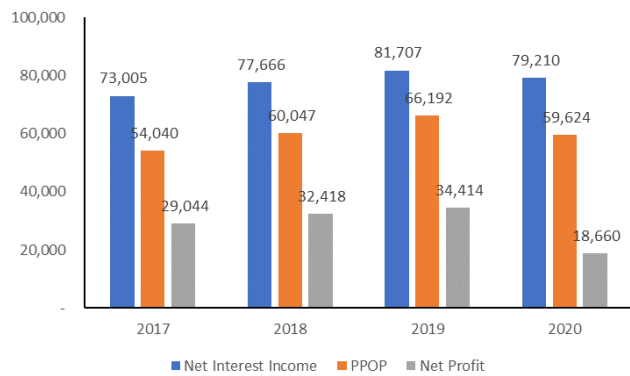
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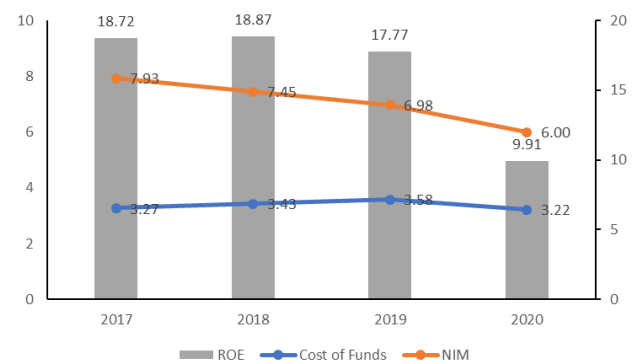
Performance Highlights

Financial Performance (IDR Billion)



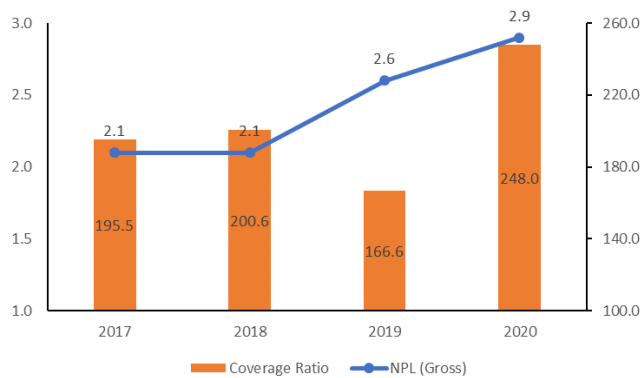
Source: Company, NHKSI Research

Profitability Ratios (%)



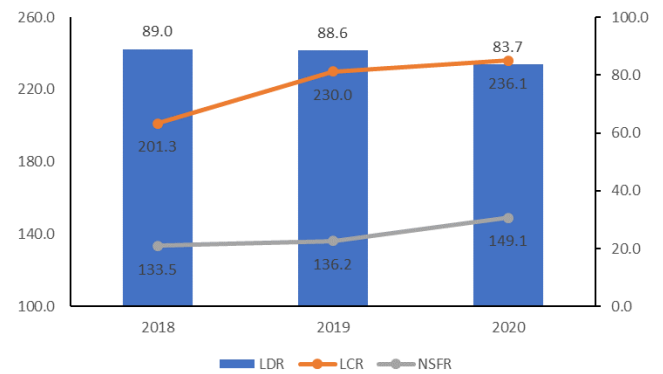
Source: Company, NHKSI Research

Asset Quality (%)



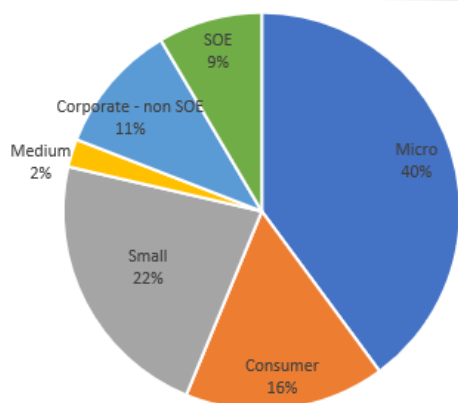
Source: Company, NHKSI Research

Liquidity (%)



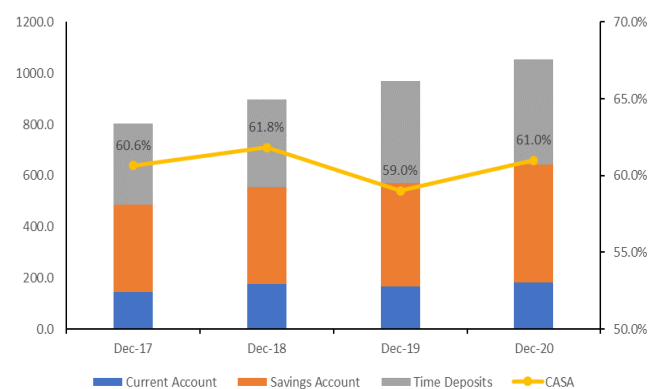
Source: Company, NHKSI Research

Loan Composition by Segment



Source: Company, NHKSI Research

Third Party Funds Composition (IDR Trillion)



Source: Company, NHKSI Research

Company Overview



PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) merupakan bank komersil tertua di Indonesia, yang didirikan pada tanggal 16 Desember 1895 di Purwokerto—Jawa Tengah. Fokus bisnis perusahaan adalah layanan perbankan bagi sektor Usaha Mikro, Kecil, dan Menengah (UMKM); dimana perusahaan merupakan pionir pada segmen pinjaman mikro. Saat ini, BBRI juga telah memiliki kantor perwakilan di luar negeri, antara lain di Hong Kong dan New York

Di tahun 2003, perseroan resmi menjadi perusahaan terbuka setelah melaksanakan penawaran saham perdana (IPO) dengan melepas 30% saham ke publik. BBRI merupakan bank BUMN dengan kapitalisasi pasar terbesar dengan kepemilikan pemerintah Indonesia sebesar 57%. Perseroan juga memiliki beberapa anak perusahaan yang bergerak di bidang layanan keuangan, seperti: BRI Agro (perbankan); BRI Life (Asuransi); BRI Finance (Multifinance); BRI Remittance (Layanan Pengiriman Uang); dan BRI –Danareksa Sekuritas (Pasar Modal).

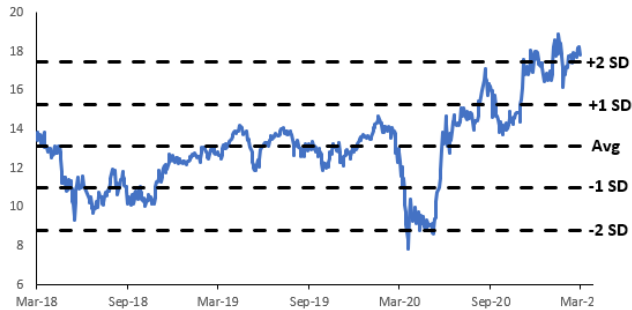
ASEAN Banking Peers (as of 4 March 2021)

Company	Ticker	Market Cap (USD Mn)	Total Assets (USD Mn)	Net Income LTM (USD Mn)	ROE (%)	P/E (x)	P/B (x)	Dividend Yield LTM (%)
INDONESIA								
BANK RAKYAT INDONESIA PERSER	BBRI IJ	41,013	108,568	1,280	9.2	31.2	3.0	3.5
BANK CENTRAL ASIA TBK PT	BBCA IJ	59,122	77,240	1,865	15.1	31.1	4.6	1.6
BANK MANDIRI PERSERO TBK PT	BMRI IJ	21,482	102,645	1,176	8.7	17.9	1.6	5.4
BANK NEGARA INDONESIA PERSER	BBNI IJ	7,867	64,010	225	2.8	33.8	1.0	3.4
SINGAPORE								
DBS GROUP HOLDINGS LTD	DBS SP	53,434	491,893	3,448	9.0	15.0	1.3	3.7
UNITED OVERSEAS BANK LTD	UOB SP	31,954	326,810	1,682	6.7	14.6	1.4	4.5
OVERSEA-CHINESE BANKING CORP	OCBC SP	38,068	394,608	2,412	6.9	14.6	1.0	3.9
MALAYSIA								
CIMB GROUP HOLDINGS BHD	CIMB MK	10,569	149,821	281	2.1	35.9	0.8	2.8
THAILAND								
BANGKOK BANK PUBLIC CO LTD	BBL TB	7,795	127,453	543	3.9	13.8	0.5	4.0
SIAM COMMERCIAL BANK PUB CO	SCB TB	12,133	109,298	877	6.8	13.6	0.9	3.7

Source: Bloomberg

Multiple Valuation

Blended Forward P/E | Last 3 years



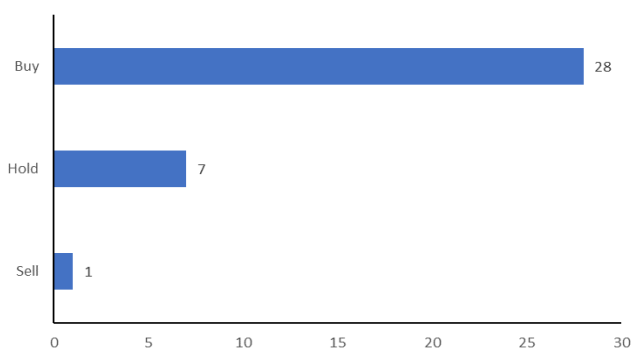
Source: NHKSI Research, Bloomberg

Blended Forward P/B | Last 3 years



Source: NHKSI Research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research, Bloomberg

Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
19/06/2020	Hold	3,010	3,100	3,180	-2.9%	-5.3%
11/09/2020	Buy	4,000	3,250	3,838	+23.0%	+4.2%
27/11/2020	Overweight	4,500	4,270	4,394	+5.4%	+2.4%
05/03/2021	Overweight	5,100	4,760	5,135	+7.1%	-0.7%

Source: NHKSI Research, Bloomberg

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F	2019/12A	2020/12A	2021/12F	2022/12F	2022/12F
Interest Income	121,756	116,933	124,753	139,848	ROE	17.4%	9.1%	13.8%	16.6%
<i>Growth (% y/y)</i>	9.1%	-4.0%	6.7%	12.1%	ROA	2.5%	1.3%	1.8%	2.3%
Interest Expenses	(40,049)	(37,723)	(36,206)	(37,737)	Non-Int. Inc. /Op. Rev	26.5%	27.7%	26.1%	26.9%
Net Interest Income	81,707	79,210	88,547	102,111	Cost/Income	41.0%	45.6%	42.8%	44.2%
<i>Net Interest Margin</i>	6.6%	5.8%	6.0%	6.5%	Cash Dividend (IDR bn)	20,624	11,193	17,139	22,395
Net Fee Income	14,506	15,123	15,443	18,652	Dividend Yield (%)	4.6%	2.2%	2.7%	3.6%
Trading Income	2,074	4,461	3,105	4,666	Payout Ratio (%)	60.0%	60.0%	60.0%	60.0%
Other Operating Income	12,870	10,762	12,660	14,236	Loan/Deposits	88.9%	84.0%	85.3%	85.4%
Operating Revenue	111,157	109,555	119,754	139,664	Loan/Assets	64.0%	62.3%	63.2%	63.0%
Operating Expenses	(45,561)	(50,007)	(51,216)	(61,741)	NPL	2.7%	2.7%	2.6%	2.6%
Pre-provisioning OP	65,597	59,549	68,538	77,924	Loan Loss Res./Loan	4.3%	7.1%	6.7%	6.2%
Provision for Impairment	(22,165)	(32,775)	(30,626)	(26,468)	CASA/Deposits	57.7%	59.7%	58.8%	57.9%
EBT	43,364	26,725	37,880	51,406	Time Deposits/Deposits	42.3%	40.3%	41.2%	42.1%
Income Tax	(8,950)	(8,064)	(9,281)	(14,053)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	(41)	(6)	(34)	(28)	Total Shares (mn)	123,346	123,346	123,346	123,346
Net Profit	34,373	18,655	28,565	37,324	Share Price (IDR)	3,660	4,170	5,100	5,100
<i>Growth (% y/y)</i>	6.3%	-45.7%	53.1%	30.7%	Market Cap (IDR tn)	451.4	514.4	629.1	629.1

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F	2019/12A	2020/12A	2021/12F	2022/12F	2022/12F
Cash	30,219	32,162	26,550	28,965	Price /Earnings	13.1x	27.6x	22.0x	16.9x
Placement in Banks	198,509	127,113	136,433	144,458	Price /Book Value	2.2x	2.6x	2.9x	2.7x
Net Loans	868,192	875,166	943,000	1,004,358	Price/Op. Revenue	4.1x	4.7x	5.3x	4.5x
Investment	218,029	375,575	387,141	409,825	PE/EPS Growth	2.1x	-0.6x	0.4x	0.5x
Fixed Asset	31,433	32,185	33,014	33,883	EV/Operating Revenue	5.1x	5.7x	6.3x	5.4x
Other Assets	70,377	69,604	74,707	79,102	EV/PPOP	8.6x	10.4x	10.9x	9.7x
Total Assets	1,416,759	1,511,805	1,600,845	1,700,590	EV (IDR bn)	562,569	620,913	748,990	754,835
Deposits	1,021,197	1,121,102	1,184,930	1,252,919	Op. Rev. CAGR (3-Yr)	18.9%	15.7%	12.3%	14.7%
Debt	138,881	136,188	143,942	152,201	EPS CAGR (3-Yr)	10.1%	-9.8%	2.9%	8.8%
Other liabilities	47,897	54,603	57,712	61,023	Basic EPS (IDR)	279	151	232	303
Total Liabilities	1,207,975	1,311,893	1,386,584	1,466,143	Diluted EPS (IDR)	279	151	232	303
Capital Stock & APIC	9,068	9,579	10,672	10,672	BVPS (IDR)	1,693	1,621	1,737	1,901
Retained Earnings	181,327	166,972	180,229	200,414	Op. Revenue PS (IDR)	901	888	971	1,132
Shareholders' Equity	208,784	199,911	214,261	234,446	DPS (IDR)	167	91	139	182

CASH FLOW STATEMENT					OWNERSHIP			
(IDR bn)	2019/12A	2020/12A	2021/12F	2022/12F	By Geography	% Shareholders	%	
Operating Cash Flow	46,381	2,492	17,601	28,599	Indonesia	75.4	Republic of Indonesia	56.8
Investing Cash Flow	(92,753)	(157,533)	(83,596)	(85,292)	United States	12.3	JP Morgan Chase	1.9
Financing Cash Flow	67,681	85,740	60,389	59,109	Luxembourg	4.0	Vanguard Group	1.5
Net Changes in Cash	21,310	(69,300)	(5,606)	2,415	Others	8.3	FMR LLC	1.4

Source: NHKSI Research, Bloomberg

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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