

Bank Rakyat Indonesia Tbk (BBRI)

Soft Landing Strategy Jaga Kualitas Aset

Strategi BBRI meningkatkan alokasi pencadangan, mengantisipasi tidak berlanjutnya Relaksasi Restrukturisasi OJK yang akan berakhir Maret 2023. Perseroan menaikkan NPL Coverage 1H22 265,15% (Vs. 1H21 258,41%); dan LAR Coverage 1H22 42,39% (Vs. 1H21 30,96%). Adapun, NPL Gross 1H22 3,32% (Vs. 1H21 3,27%), dan NHKSI Research memproyeksikan BBRI mampu menjaga NPL Gross maksimal di level 3% FY22, di tengah fokus Perseroan pada High Yield Loan segmen UMKM yang memiliki risiko relatif tinggi.

High Yield Growth Asset dengan Manageable NPL

- BBRI fokus pada segmen UMKM mengingat tantangan kenaikan NPL di segmen tersebut, di tengah pemulihan ekonomi domestik. Segmen Medium catatan kenaikan NPL Gross 1H22 tertinggi hingga +84 Bps menjadi 3,83%; Micro dan Small masing-masing naik +68 Bps menjadi 2,21% dan +57 Bps menjadi 4,71%.
- NHKSI Research melihat total NPL Gross 3,32%, relatif manageable, atau mendekati Guidance BBRI 2,8%-3,0% FY22, seiring Perseroan masih memperpanjang restrukturisasi debitur terdampak Covid-19. Di sisi lain, NPL Gross segmen Corporate membaik ke level 5,25%; atau turun 181 Bps secara tahunan.

LAR Coverage Antisipasi Relaksasi OJK

- Walaupun LAR dalam tren menurun ke level 20,78% di 1H22 (Vs. 1H21 27,29%), BBRI tetap meningkatkan LAR Coverage sebesar lebih dari 2x LAR atau menjadi 42,39% 1H22. Perseroan mengantisipasi kemungkinan kebijakan Relaksasi Restrukturisasi kredit UMKM OJK tidak berlanjut.
- Adapun, LAR menurun seiring turunnya jumlah kredit maupun debitur restrukturisasi. Tercatat, per Juni 2022, nilai restrukturisasi kredit terdampak Covid-19 BBRI senilai IDR 129,6 triliun atau turun lebih dari 26% YoY. Hal serupa terjadi pada debitur restrukturisasi yang turun 36% menjadi 1,6 juta debitur dalam periode yang sama, seiring berlanjutnya tren pemulihan ekonomi domestik.

Rekomendasi Buy dengan TP di Level IDR 5.500

- NHKSI Research menaikkan rekomendasi menjadi Buy untuk BBRI, dengan target harga IDR 5.500. TP kami mencerminkan 22F P/BV sebesar 2,7x, atau diatas rata-rata 3-tahun 2,4x.
- Rekomendasi kami didukung oleh Loan Growth sektor UMKM, namun dengan CoF rendah dan kualitas aset yang baik. Di sisi lain, kami melihat inflasi yang merangkak naik memiliki dampak jangka pendek pada pemulihan ekonomi domestik.

Bank Rakyat Indonesia Tbk | Summary (IDR bn)

	2021/12A	2022/12E	2023/12E	2024/12E
Interest Income	143,523	144,526	157,479	162,887
Interest Income growth	22.7%	0.7%	9.0%	3.4%
Operating Revenue	156,353	157,627	174,075	180,819
Net profit	32,846	34,216	40,291	43,219
EPS (IDR)	217	226	266	286
EPS growth	76.1%	4.2%	17.8%	7.3%
BVPS (IDR)	1,929	2,027	2,149	2,266
Net Interest Margin	7.6%	7.0%	7.4%	7.3%
Loan/Deposits	91.6%	91.2%	91.7%	91.2%
NPL	3.1%	3.0%	3.0%	3.0%
ROE	13.4%	11.4%	12.8%	12.9%
ROA	2.1%	2.0%	2.2%	2.3%
Non-Int. Inc. /Op. Rev	27.0%	28.4%	27.7%	28.0%
P/E	18.7x	24.3x	24.3x	24.3x
P/BV	2.1x	2.7x	3.0x	3.1x
DPS (IDR)	80	128	144	168
Dividend yield	2.0%	2.3%	2.2%	2.4%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Report | Aug. 3, 2022

Buy

Target Price (IDR)	5,500
Consensus Price (IDR)	5,379
TP to Consensus Price	+2.2%
Potential Upside	+25.0%

Shares data

Last Price (IDR)	4,400
Price date as of	Aug. 2, 2022
52 wk range (Hi/Lo)	4,980 / 3,500
Free float (%)	46.8
Outstanding sh.(mn)	151,559
Market Cap (IDR bn)	660,797
Market Cap (USD mn)	44,465
Avg. Trd Vol - 3M (mn)	173.18
Avg. Trd Val - 3M (bn)	752.93
Foreign Ownership	25.5%

Finance

Bank

Bloomberg	BBRI.IJ
Reuters	BBRI.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	6.1%	4.3%	-10.5%	18.5%
Rel. Ret.	0.5%	4.2%	-6.6%	5.0%

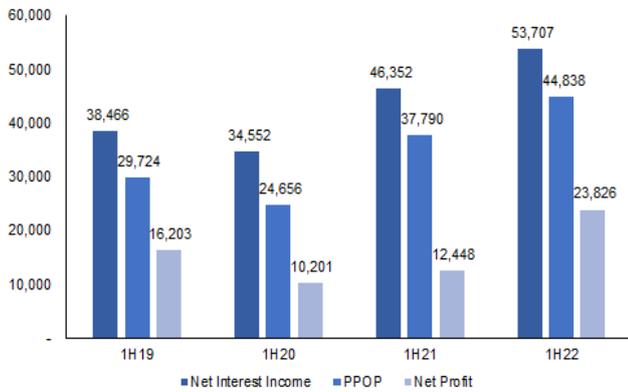
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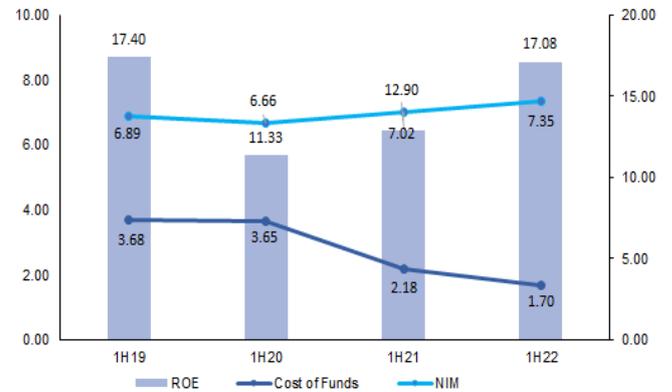
Performance Highlights

Financial Performance (IDR Bn)



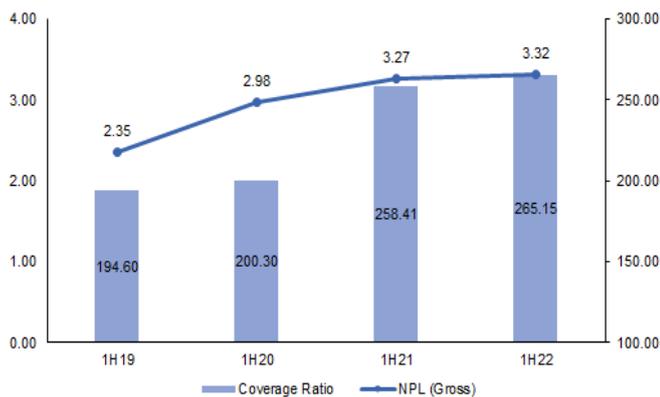
Source: Company, NHKSI Research

Profitability Ratios (%)



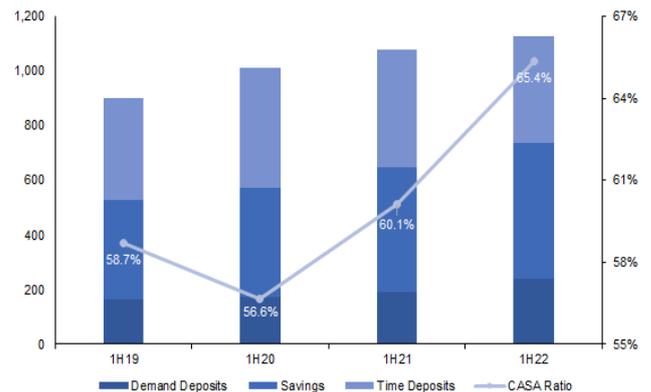
Source: Company, NHKSI Research

Asset Quality (%)



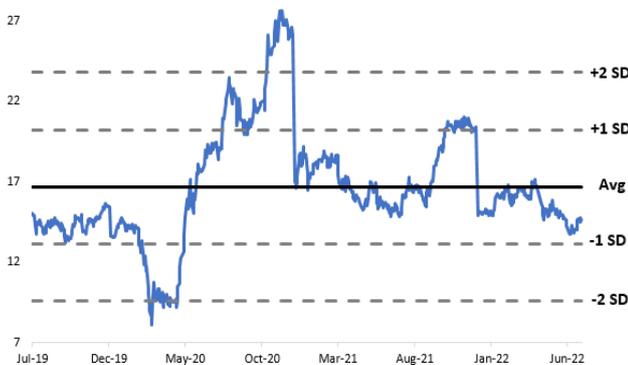
Source: Company, NHKSI Research

Third Party Funds Composition (IDR Trn)



Source: Company, NHKSI Research

PER | Last 3 Years



Source: Company, NHKSI Research

PBV | Last 3 Years



Source: Company, NHKSI Research

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
Interest Income	143,523	144,526	157,479	162,887	ROE	13.4%	11.4%	12.8%	12.9%
<i>Growth (% y/y)</i>	22.7%	0.7%	9.0%	3.4%	ROA	2.1%	2.0%	2.2%	2.3%
Interest Expenses	(29,429)	(31,618)	(31,632)	(32,768)	Non-Int. Inc. /Op. Rev	27.0%	28.4%	27.7%	28.0%
Net Interest Income	114,094	112,908	125,847	130,119	Cost/Income	48.7%	47.2%	47.9%	47.5%
<i>Net Interest Margin</i>	7.6%	7.0%	7.4%	7.3%	Cash Dividend (IDR bn)	12,126	19,417	21,813	25,434
Net Fee Income	17,062	19,221	20,121	21,477	Dividend Yield (%)	2.0%	2.3%	2.2%	2.4%
Trading Income	5,286	5,795	6,145	6,516	Payout Ratio (%)	36.9%	56.7%	54.1%	58.8%
Other Operating Income	19,910	19,703	21,961	22,707	Loan/Deposits	91.6%	91.2%	91.7%	91.2%
Operating Revenue	156,353	157,627	174,075	180,819	Loan/Assets	62.1%	63.0%	62.7%	62.7%
Operating Expenses	(76,081)	(74,325)	(83,393)	(85,942)	NPL	3.1%	3.0%	3.0%	3.0%
Pre-provisioning OP	80,272	83,302	90,682	94,877	Loan Loss Res./Loan	8.4%	9.3%	10.7%	11.9%
Provision for Impairment	(39,128)	(39,467)	(39,657)	(39,837)	CASA/Deposits	63.1%	65.6%	68.5%	71.0%
EBT	40,992	43,722	50,877	54,898	Time Deposits/Deposits	36.9%	34.4%	31.5%	29.0%
Income Tax	(7,836)	(9,182)	(10,205)	(11,270)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	(311)	(324)	(381)	(409)	Total Shares (mn)	151,277	151,277	151,277	151,277
Net Profit	32,846	34,216	40,291	43,219	Share Price (IDR)	4,068	5,500	6,476	6,947
<i>Growth (% y/y)</i>	76.1%	4.2%	17.8%	7.3%	Market Cap (IDR tn)	615.4	832.0	979.7	1,050.9

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F		2021/12A	2022/12F	2023/12F	2024/12F
Cash	26,300	34,956	45,455	56,344	Price /Earnings	18.7x	24.3x	24.3x	24.3x
Placement in Banks	129,439	142,806	147,069	156,569	Price /Book Value	2.1x	2.7x	3.0x	3.1x
Net Loans	955,038	993,174	1,029,809	1,070,374	Price/Op. Revenue	3.9x	5.3x	5.6x	5.8x
Investment	432,725	432,735	458,068	480,491	PE/EPS Growth	0.2x	5.8x	1.4x	3.3x
Fixed Asset	47,970	60,140	75,299	88,388	EV/Operating Revenue	4.9x	6.1x	6.4x	6.5x
Other Assets	86,626	86,521	93,665	97,262	EV/PPOP	9.5x	11.6x	12.3x	12.5x
Total Assets	1,678,098	1,750,331	1,849,364	1,949,428	EV (IDR bn)	759,151	962,257	1,114,801	1,181,391
Deposits	1,138,743	1,209,376	1,264,350	1,339,154	Op. Rev. CAGR (3-Yr)	19.1%	15.6%	16.1%	18.2%
Debt	167,005	162,137	177,467	183,751	EPS CAGR (3-Yr)	4.2%	1.9%	5.4%	32.3%
Other liabilities	80,563	72,231	82,482	83,672	Basic EPS (IDR)	217	226	266	286
Total Liabilities	1,386,311	1,443,745	1,524,299	1,606,578	Diluted EPS (IDR)	217	226	266	286
Capital Stock & APIC	83,821	83,821	83,821	83,821	BVPS (IDR)	1,929	2,027	2,149	2,266
Retained Earnings	185,009	199,809	218,287	236,072	Op. Revenue PS (IDR)	1,034	1,042	1,151	1,195
Shareholders' Equity	291,787	306,587	325,065	342,850	DPS (IDR)	80	128	144	168

CASH FLOW STATEMENT					OWNERSHIP			
(IDR bn)	2021/12A	2022/12F	2023/12F	2024/12F	By Geography	% Shareholders	%	
Operating Cash Flow	67,742	33,184	60,503	54,209	Indonesia	74.5	Republic of Indonesia	53.2
Investing Cash Flow	(115,614)	(70,876)	(98,493)	(98,973)	United States	11.8	JP Morgan Chase	2.2
Financing Cash Flow	30,009	46,349	48,491	55,655	Luxembourg	4.6	Vanguard Group	1.7
Net Changes in Cash	(17,863)	8,657	10,500	10,891	Others	9.1	Others	43.0

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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