

Bank Rakyat Indonesia Tbk (BBRI)

Kinerja Membaik Akibat Performa yang Pulih

BBRI membubuhkan Net Profit di 9M23 sebesar IDR 43.993T, meningkat 12.4% secara YoY (1H22 : IDR 39.156T dan QoQ +4.7% 2Q23: IDR 13.920T). Kenaikan Net Profit ini didukung oleh adanya kenaikan Net Interest Income (NII) sejumlah +4.9% YoY (9M22: IDR 96.507T) dan +8.8% QoQ (1Q23 : IDR 35.656T) menjadi IDR 101.197T. Walaupun Pendapatan Bunga YoY menanjak 14.4% YoY, namun Beban Bunga di tahun ini meningkat yang diakibatkan kondisi suku bunga yang naik cukup signifikan ke posisi +63.8% YoY yang disebabkan peningkatan High Cost Fund (9M22: IDR 18.744T, 9M23: IDR 30.696T). PPOP juga meningkat +8.6% QoQ (2Q23: IDR 25.905T) dan +6.2% YoY (9M22 : IDR 71.403T) menjadi IDR 79.180T di 9M23.

Company Report | Oktober 31, 2023

Buy

Target Price (IDR)	6,300
Consensus Price (IDR)	6,287
TP to Consensus Price	+0.21%
Potential Upside	+26.25%

Shares data

Last Price (IDR)	4,990
Price date as of	30 October 2023
52 wk range (Hi/Lo)	5,750 / 4,360
Free float (%)	46.8
Outstanding sh. (mn)	151,559
Market Cap (IDR bn)	822,208
Market Cap (USD mn)	53,512
Avg. Trd Vol - 3M (mn)	106.70
Avg. Trd Val - 3M (bn)	591.35
Foreign Ownership	26.52%

Finance

Bank

Bloomberg	BBRI IJ
Reuters	BBRI.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	6.6%	-4.5%	-11.7%	7.8%
Rel. Ret.	8.3%	-1.8%	-9.6%	12.1%

Leonardo Lijuwardi

(021) 5088 9127

Leonardo.lijuwardi@nhsec.co.id

Penyaluran Kredit Mikro Tetap Kuat

- Jumlah kredit yang disalurkan oleh BBRI (Konsolidasi) per 9M-2023 bertumbuh +12.5% YoY dan +4% QoQ menjadi IDR 1,250.7T (9M22: IDR 1,111.5T dan 6M23: IDR 1,202.1T). Dari segmen lending, pertumbuhan kredit BBRI masih bertumbuh di semua segmen, terutama dengan segmen Mikro sebagai segmen penyumbang utama porsi terbesar penyaluran kredit tumbuh hingga +11.6% YoY dan +2.2% QoQ. Berdasarkan paparan manajemen untuk FY23, Guidance Loan Growth masih akan diindikasikan berada di level pertumbuhan 10-12% (9M23 Growth: +12.5% YoY).
- Adapun untuk kualitas portfolio kredit BBRI di periode ini, NPL secara YoY turun -2 Bps dan naik +12 Bps QoQ menjadi 3.07% di 9M23. Salah satu faktor yang mempengaruhi kenaikan dari NPL adalah Level Cost of Credit (CoC) turun -58 Bps YoY namun mengalami kenaikan +18 Bps QoQ menjadi 2.44% (9M22 3.02%; 1H23: 2.26%). Untuk Guidance terbaru dari manajemen di FY23 level CoC diindikasikan berada masih di range 2.2-2.4% dan untuk NPL FY2023 diindikasikan berada di range 2.8-3.0%.
- Fokus BBRI lebih memfokuskan pertumbuhan penyaluran kredit di produk Kupedes dan pertumbuhan kuat di Consumer Credit cukup menolong beban Cost of Fund (CoF) yang mengalami penanjakan. Penyaluran Kupedes bertumbuh +57.5% YoY & +10.2% QoQ. Produk kredit mikro BRI KUR pertumbuhannya mulai relatif stagnan dan flat (-9.1% YoY & -3.1% QoQ). Saat ini, kontribusi dari kredit Kupedes terhadap total kredit mikro keseluruhan adalah 42% di periode 9M23 (9M22: 29.6%, 1H23: 38.9%), sementara KUR relatif flat cenderung turun di periode ini, yaitu 44.38% di 9M23 (1H22: 54.2%, 1H23: 46.8%).

Menjaga CASA Ratio yang Stabil

- Untuk kinerja di 9M23 ini, CASA BBRI secara YoY naik 10.1% dan 0.7% QoQ menjadi IDR 821.1T (9M22: IDR 745.7T), di mana kenaikan ini ditunjang oleh peningkatan simpanan Current Account yang cukup signifikan dan Saving Account masing-masing sebesar 28.1% dan 1.3% secara YoY dan +5.5% dan -2.1% secara QoQ. Sementara itu, jenis simpanan deposito naik 19.1%YoY dan 9.2%QoQ, sehingga Rasio CASA berada sedikit menurun ke angka 63.64% akibat adanya peningkatan High Cost Fund yang signifikan (9M22: 65.43% & 1H23: 65.49%). Secara keseluruhan, DPK dari BRI masih bertumbuh 13.2% secara YoY dan 3.6% QoQ menjadi IDR 1,290T (9M22: IDR 1,140T & 1H23: IDR 1,245T).
- Perkiraan mengenai kenaikan suku bunga yang lebih tinggi sudah diantisipasi dan terefleksikan dari kenaikan CoF BBRI. Untuk periode ini, angka CoF mengalami kenaikan cukup tinggi dengan peningkatan 88 Bps YoY dan 11 Bps QoQ menjadi 2.84%. (9M22: % & 1H23: 2.79%). Walaupun CoF mengalami kenaikan di periode ini, saat ini level CoF BBRI di 9M23 (2.84%) berada 16% dibawah rata-rata 10 tahun (2013-2022) yang berada di level 3.41%. Selain itu, level CASA Ratio masih terjaga di range 60-an%.

Rekomendasi Buy dengan TP di Level IDR 6,300 (+26.25% Upside)

- NHKS Research merekomendasikan Buy untuk BBRI dengan TP IDR 6,300 (+26.25% Upside) di mana mencerminkan F/P/BV sebesar 3.0x FY23F. Adapun katalis yang bisa menjustifikasi harga BBRI ini adalah dengan eksekusi performa yang lebih baik di 2023 (Loan bertumbuh terutama Kupedes & kontribusi segmen ultra mikro sebagai high yield-loan, serta CoC dan CoF yang bisa lebih ditekan). Adapun yang menjadi risiko dalam potensial downside-nya BBRI ini antara lain situasi makro yang tidak kondusif, serta ekspektasi growth loan dan kinerja yang tidak bertumbuh sesuai harapan.

Bank Rakyat Indonesia Tbk | Summary (IDR Bn)

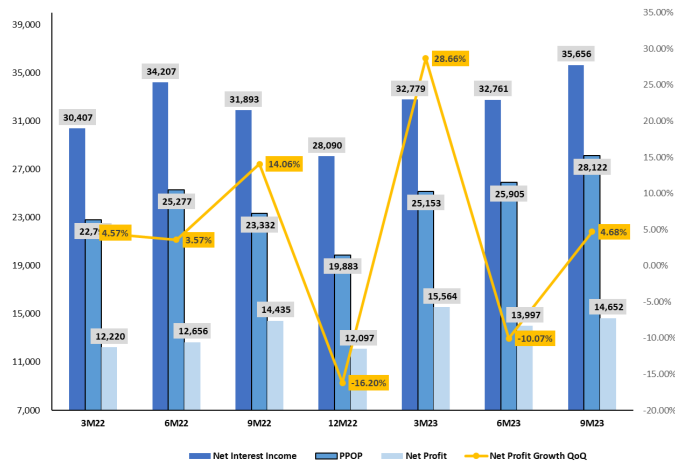
	2022/12A	2023/12F	2024/12F	2025/12F
Interest Income	151,875	171,761	192,801	216,266
<i>Interest Income growth</i>	5.8%	13.1%	12.2%	12.2%
Operating Revenue	173,477	188,765	213,695	236,048
Net profit	51,171	56,663	63,838	71,768
EPS (IDR)	338	374	421	474
<i>EPS growth</i>	55.8%	10.7%	12.7%	12.4%
BVPS (IDR)	2,002	2,063	2,121	2,313
Net Interest Margin	7.8%	7.9%	7.9%	8.0%
Loan/Deposits	87.1%	89.8%	87.6%	82.2%
NPL	2.7%	2.7%	2.7%	2.7%
ROE	17.2%	18.4%	20.1%	21.4%
ROA	2.9%	2.9%	3.0%	3.0%
Non-Int. Inc. /Op. Rev	28.2%	27.6%	27.9%	27.8%
P/E	14.8x	16.9x	16.9x	16.9x
P/BV	2.5x	3.1x	3.3x	3.5x
DPS (IDR)	288	316	322	332
<i>Dividend yield</i>	5.77%	5.01%	4.54%	4.16%

Source: Company Data, Bloomberg, NHKS Research

Please consider the rating criteria & important disclaimer

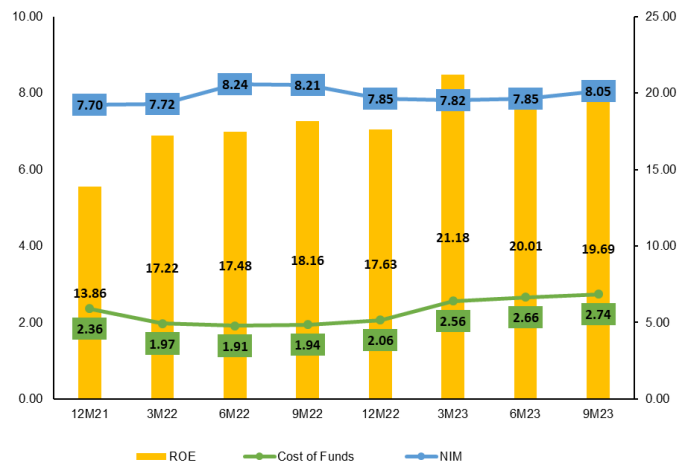
Performance Highlights

Quarterly Financial Performance (IDR Bn)



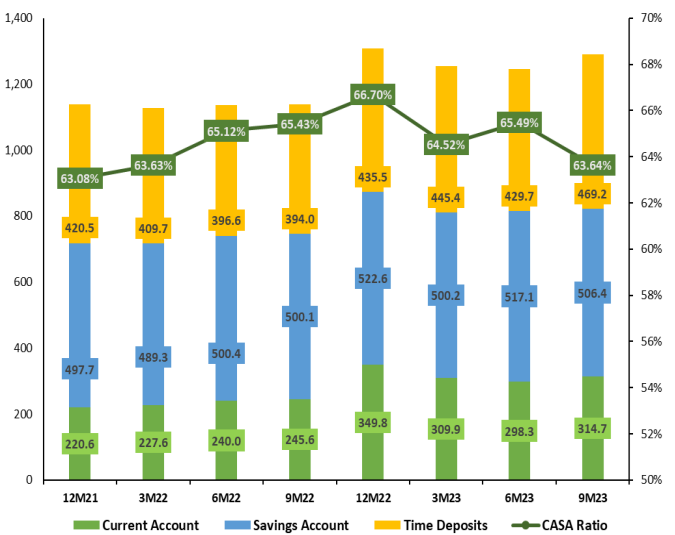
Source: Company, NHKSI Research

Profitability Ratios (In %)



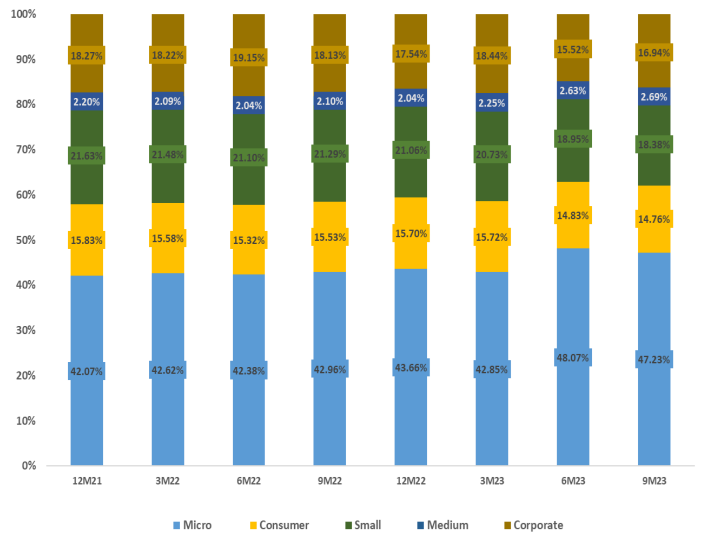
Source: Company, NHKSI Research

Third Party Funds Composition (IDR Trillion)



Source: Company, NHKSI Research

Loan Composition Breakdown (In %)



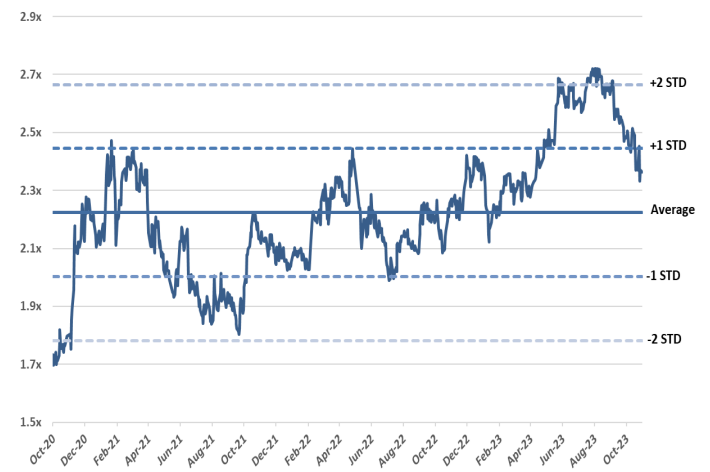
Source: Company, NHKSI Research

Kupedes and KUR Comparison (IDR Trillion)



Source: Company, NHKSI Research

F-PBV | Last 3 Years



Source: Company, NHKSI Research

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2022/12A	2023/12F	2024/12F	2025/12F		2022/12A	2023/12F	2024/12F	2025/12F
Interest Income	151,875	171,761	192,801	216,266	ROE	17.2%	18.4%	20.1%	21.4%
Growth (% y/y)	5.8%	13.1%	12.2%	12.2%	ROA	2.9%	2.9%	3.0%	3.0%
Interest Expenses	(27,278)	(35,108)	(38,712)	(45,721)	Non-Int. Inc. /Op. Rev	28.2%	27.6%	27.9%	27.8%
Net Interest Income	124,597	136,653	154,089	170,545	Cost/Income	47.4%	48.1%	47.8%	47.9%
Net Interest Margin	7.85%	7.90%	7.95%	7.98%	Cash Dividend (IDR bn)	43,654	47,871	48,831	50,303
Net Fee Income	18,795	20,525	23,194	25,643	Dividend Yield (%)	5.77%	5.01%	4.54%	4.16%
Trading Income	2,796	4,699	4,378	5,355	Payout Ratio (%)	85.3%	84.5%	76.5%	70.1%
Other Operating Income	27,289	26,888	32,034	34,506	Loan/Deposits	87.1%	89.8%	87.6%	82.2%
Operating Revenue	173,477	188,765	213,695	236,048	Loan/Assets	61.1%	63.0%	62.6%	59.1%
Operating Expenses	(82,192)	(90,719)	(102,058)	(113,088)	NPL	2.67%	2.71%	2.68%	2.65%
Pre-provisioning OP	91,285	98,046	111,637	122,960	Loan Loss Res./Loan	8.2%	8.6%	9.0%	9.7%
Provision for Impairment	(26,979)	(27,320)	(31,872)	(33,331)	CASA/Deposits	66.7%	69.9%	73.3%	76.9%
EBT	64,597	70,789	79,979	89,787	Time Deposits/Deposits	33.3%	30.1%	26.7%	23.1%
Income Tax	(13,188)	(13,992)	(16,069)	(17,893)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	238	(135)	(72)	(126)	Total Shares (mn)	151,559	151,559	151,559	151,559
Net Profit	51,171	56,663	63,838	71,768	Share Price (IDR)	4,990	6,300	7,098	7,979
Growth (% y/y)	55.8%	10.7%	12.7%	12.4%	Market Cap (IDR tn)	756.3	954.8	1,075.7	1,209.4

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2022/12A	2023/12F	2024/12F	2025/12F		2022/12A	2023/12F	2024/12F	2025/12F
Cash	27,407	5,983	28,075	185,504	Price /Earnings	14.78x	16.85x	16.85x	16.85x
Placement in Banks	242,807	215,397	270,383	275,364	Price /Book Value	2.49x	3.05x	3.35x	3.45x
Net Loans	1,045,989	1,161,704	1,282,592	1,377,343	Price/Op. Revenue	4.36x	5.06x	5.03x	5.12x
Investment	387,764	454,965	476,518	529,587	PE/EPS Growth	0.26x	1.57x	1.33x	1.36x
Fixed Asset	55,216	60,953	72,041	85,226	EV/Operating Revenue	5.16x	6.08x	5.92x	5.43x
Other Assets	106,458	112,734	128,692	137,187	EV/PPPOP	9.81x	11.70x	11.34x	10.43x
Total Assets	1,865,639	2,027,177	2,261,740	2,593,650	EV (IDR bn)	895,790	1,147,329	1,265,898	1,282,720
Deposits	1,307,884	1,421,733	1,616,555	1,864,506	Op. Rev. CAGR (3-Yr)	16.0%	19.9%	11.0%	10.8%
Debt	162,817	192,748	210,202	247,610	EPS CAGR (3-Yr)	14.2%	44.8%	24.8%	11.9%
Other liabilities	91,543	100,048	113,452	131,030	Basic EPS (IDR)	337.6	373.9	421.2	473.5
Total Liabilities	1,562,244	1,714,529	1,940,210	2,243,146	Diluted EPS (IDR)	338	374	421	474
Capital Stock & APIC	83,215	83,215	83,215	83,215	BVPS (IDR)	2,002	2,063	2,121	2,313
Retained Earnings	201,170	205,801	208,808	230,273	Op. Revenue PS (IDR)	1,145	1,245	1,410	1,557
Shareholders' Equity	303,395	312,648	321,530	350,505	DPS (IDR)	288	316	322	332

CASH FLOW STATEMENT					OWNERSHIP			
(IDR bn)	2022/12A	2023/12F	2024/12F	2025/12F	By Geography	% Shareholders	%	
Operating Cash Flow	60,177	107,708	27,912	100,847	Indonesia	73.48	Republic of Indonesia	53.19
Investing Cash Flow	(100,589)	(221,529)	(175,141)	(185,982)	United States	12.38	JP Morgan Chase	2.02
Financing Cash Flow	154,710	92,398	169,320	242,565	United Kingdom	3.64	Vanguard Group	1.95
Net Changes in Cash	114,298	(21,423)	22,091	157,430	Others	10.50	Others	42.84

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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