

9M25 earnings: in line with our forecast, yet below consensus

3 November 2025



Melayani Dengan Setulus Hati

BBRI IJ	BUY
Sector	Banks
Price at 31 October 2025 (IDR)	3,980
Price target (IDR)	4,470
Upside/Downside (%)	12.3

Stock Information

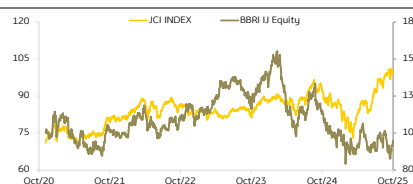
PT Bank Rakyat Indonesia (BBRI) established in 1895 is the oldest bank in Indonesia. BBRI plays an important role in developing grass root economy of Indonesia, focusing in Micro, Small and Medium Enterprises (MSMEs) segments.

Market cap (IDR bn)	592,596
Shares outstanding (mn)	151,559
52-week range (IDR)	3,360-4,870
3M average daily vol. ('000)	210,799
3M average daily val. (IDR mn)	819,666

Shareholders (%)

Republic of Indonesia	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	2.3	7.5	(16.9)

9M25 earnings came in line with our '25F PATMI for BBRI and slightly below cons. forecast (71.1%/69.8%). Total loan (+6.3% yoy) beating our expectation, while TPF mainly supported by robust CASA. NIM hitting '25F management upper range guidance of 7.3%-7.7% and 50bps surpassing our '25F NIM for BBRI. Gross NPL well-managed. CoC saw a superb improvement, arriving better than management guidance of 3.0%-3.2% and beating our '25F CoC for the bank. We are rolling over BBRI's valuation to '26F. Stronger loan growth becoming the primary engine to counteract the anticipated softening in loan yield. The forthcoming environment expectation, characterized by milder liquidity competition and a low-interest rate backdrop, is set to favorably impact BBRI's NIM. We anticipate '26F will be better, or at minimum present fewer headwinds, compared to the challenges in FY24 and FY25. This improved operating landscape is projected to enable the bank to maintain its key risk metrics at a healthier level, underscoring resilience in credit quality. Maintain BUY BBRI, GGM-based TP of IDR4,470 (2.1x '25F P/B) while currently slightly below its -1SD of 2.0x '25F P/B.

Inline 9M25 earnings; below consensus

Weak earnings growth continues amid the ongoing banking sector pressure. However, the bank still reported a much better earnings result compared to the previous period on a yoy basis growth. Top line grew 3.0% yoy to IDR155.16tn, while NII inched up by 2.9% yoy to IDR 110.9tn. Operating expenses continue to be well-managed, coming in at 5.1% yoy higher to IDR64.9tn. PPOp grew flat to IDR 86.6tn. We like the bank's ability to achieve a much better provisioning position, growing by only 14.0% yoy and almost half of the last period's growth of 25.8% yoy. In all, BBRI's 9M25 earnings came in line with our '25F PATMI for the bank and below consensus expectation (71.1%/69.8%).

A turnaround 3Q25 earnings (+15.1% qoq)

BBRI executed a meaningful operational pivot in the third quarter of 2025. The sequential growth trajectory was substantially augmented by a significant, albeit technical, improvement in provisions for credit losses, which contracted by a robust -6.1% qoq. At the core operational level, NII registered positive growth, successfully offsetting a static top-line performance. This resilience was underpinned by a softer funding cost environment, which sequentially declined by -0.3 qoq. Further complementing the income statement was a solid +5.0% qoq expansion in Non-IL. However, the aggregate operating leverage was somewhat contained. The positive momentum from NII and Non-IL was insufficient to lift PPOp, which was subsequently pressured by a -6.0% qoq increase in Opex. In all, 4Q25 earnings of IDR 14.50tn arrived marginally light of the cons. forecast, but successfully outpaced our 4Q25F net income for BBRI.

Healthy loan growth with solid CASA

Total loan book expanded by 6.3% yoy. Critically, this growth lags the broader sector's loan expansion in Sept25 and remains 70bps below the '25F management guidance (7%-9% yoy). Worth to note that the growth surpassing our '25F loan growth for the bank. The corporate saw a substantial growth of 16.0% yoy. In contrast, the micro segment remained nearly flat at a mere 0.8% yoy, reflecting persistent pressure and protracted economic uncertainty in that consumer tier. Total TPF growth accelerated to 8.2% yoy, underpinned by a robust increase in CASA (+14.1% yoy). We view the concomitant decline in the growth of the high-funding cost (TD) favorably, indicating positive trends in the bank's CoF and funding quality mix.

BBRI's fundamentals strengthen: NIM expands and risk metrics improve

The bank's NIM demonstrated exceptional resilience, coming in at 7.7%. This figure represents only a marginal 10bps contraction from 2Q25's 7.8% and, more importantly, meets the upper band of management's demanding '25F NIM guidance of 7.3%-7.7% (surpasses our '25F NIM for BBRI by a significant 50 bps), affirming the bank's superior asset yield and funding cost management. The gross NPL ratio showed zero quarterly change (0.0% QoQ), holding firm at 3.1%. While marginally above the '25F guidance target of <3.0%, the stability is a testament to consistent risk management practices. Credit cost saw a meaningful improvement, falling from 3.3% in 2Q25 to a strong 2.9% in 3Q25. This result comfortably lands better than management's guidance range of 3.0%-3.2% and comprehensively beats our '25F CoC forecast for the bank of 3.4%. On 9M25, the trend is also positive, with CoC improving to 3.2% in 9M25 from 3.4% in 9M24.

Reaffirmed guidance and a compelling valuation

We start to rolled over BBRI valuation to '26F. Stronger loan growth will become the main key growth to offset the potential softer loan yield on the back of benchmark rate cut transmission to the sector. The upcoming milder liquidity competition and low-interest rate environment could overall help NIM to arrive at a higher figure, especially when benchmark rate cut transmission has fully materialized impacting to funding cost. On the flip of coin, we expect a much better year in '26F or at least a lesser challenge compared to FY24 and FY25 could overall help the bank to maintain key risk metrics remain at its healthy level.

Maintain BUY GGM-TP of IDR4,470.

Our GGM-based TP for BBRI of IDR4,470 pegged at 2.1x '25F P/B while currently trading at slightly below its -1SD of 2.0x '25F P/B. Key downside risks to our target price include: a) lower-than-expected loan growth; b) faster than expected loan yield adjustment, c) NIM stagnation, d) softer-than anticipated BI rate cut transmission, higher than expected CoC, f) prolonged wait and see stance, g) stagnation and weakening debtor confidenc, h) weakening IDR/USD.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net Interest income	137,402	142,057	145,916	153,285	166,255
Non int. income	45,888	57,811	69,582	82,742	96,214
Operating income	183,290	199,869	215,498	236,027	262,469
Pre-provision operating profit	106,508	116,752	124,935	136,111	149,597
Net income (IDR bn)	60,100	60,155	57,337	63,958	69,309
EPS (IDR)	397	397	378	422	457
EPS growth (%)	17.5	0.1	(4.7)	11.5	8.4
PER (x)	10.0	10.0	10.5	9.4	8.7
PBV (x)	1.9	1.9	1.9	1.7	1.7
Div. Yield (%)	7.9	9.2	7.0	7.6	8.5
RoE (%)	19.7	19.1	17.9	19.1	19.5

Source: Company, KBVS Research

Analyst

Akhmad Nurcahyadi

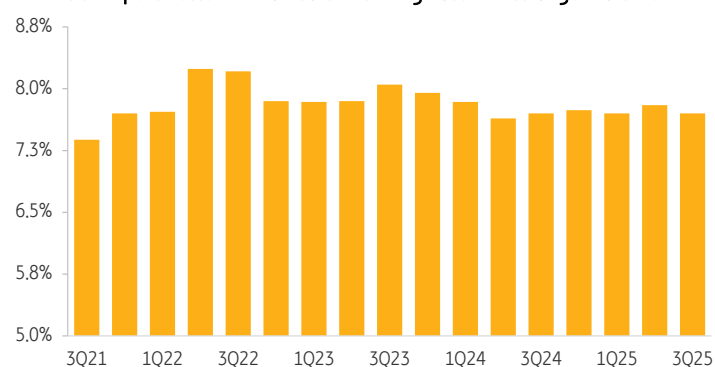
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Exhibit 2: BBRI 9M25 result – Selected Profit & Loss, Balance Sheet and Key Ratios

Income Statements (IDR bn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons' '25F	% to Cons
Interest income	150,637	155,160	3.0	50,847	52,784	3.8	52,538	0.5				
Interest expenses	(42,776)	(44,169)	3.3	(14,264)	(15,067)	5.6	(15,115)	(0.3)				
Net interest income	107,861	110,991	2.9	36,583	37,717	3.1	37,423	0.8				
Non-interest income	41,482	40,637	(2.0)	15,877	13,533	(14.8)	12,885	5.0				
Total opr. income	149,343	151,628	1.5	52,460	51,250	(2.3)	50,308	1.9				
Total opex	(61,834)	(64,961)	5.1	(21,994)	(22,861)	3.9	(21,556)	6.1				
PPoP	87,509	86,667	(1.0)	30,466	28,390	(6.8)	28,381	0.0				
Loan loss provisions	(29,464)	(33,597)	14.0	(10,967)	(10,324)	(5.9)	(10,998)	(6.1)				
Net profit	45,065	40,779	(9.5)	15,363	14,502	(5.6)	12,603	15.1	57,337	71.1%	58,423	69.8%
Balance Sheet (IDR bn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)				
Gross loans	1,353,356	1,438,109	6.3	1,353,356	1,438,109	6.3	1,416,619	1.5				
Current account	349,490	435,071	24.5	349,490	435,071	24.5	414,483	5.0				
Saving account	524,741	562,551	7.2	524,741	562,551	7.2	556,463	1.1				
Time deposits	488,188	477,161	(2.3)	488,188	477,161	(2.3)	511,174	(6.7)				
Total Deposits	1,362,419	1,474,783	8.2	1,362,419	1,474,783	8.2	1,482,120	(0.5)				
CASA	874,231	997,622	14.1	874,231	997,622	14.1	970,946	2.7				
Total equity	329,473	337,898	2.6	329,473	337,898	2.6	322,072	4.9				
Key Metrics (%)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)				
NIM	7.9	7.7	(0.2)	8.1	7.7	(0.4)	7.8	(0.1)				
Total CAR	26.8	25.4	(1.4)	26.8	25.4	(1.4)	25.0	0.4				
CASA Ratio	64.2	67.6	3.4	64.2	67.6	3.4	65.5	2.1				
CIR	41.4	42.8	1.4	41.9	44.6	2.7	43.2	1.4				
NPL gross	2.9	3.1	0.2	2.9	3.1	0.2	3.0	0.1				
Cost of Credit	3.4	3.2	(0.2)	3.2	2.9	(0.3)	3.3	(0.4)				
ROA	3.1	2.7	(0.4)	3.1	2.8	(0.3)	2.5	0.3				
ROE – Tier 1	19.2	17.0	(2.2)	19.2	17.7	(1.5)	16.1	1.6				
Cost of Fund	3.0	2.8	(0.2)	3.0	2.8	(0.2)	3.1	(0.3)				
LDR	99.3	97.5	(1.8)	99.3	97.5	(1.8)	95.6	1.9				
Loan yield – BO	13.3	13.0	(0.3)	13.3	13.0	(0.3)	13.0	0.0				

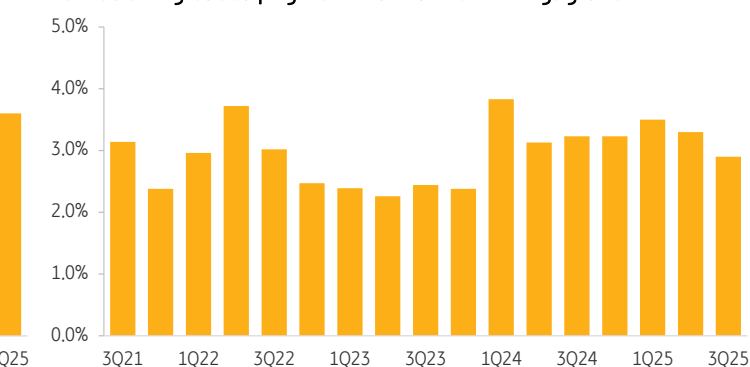
Source: Company, KBVS Research

Exhibit 3: Expect better NIM on softer funding cost and stronger volume



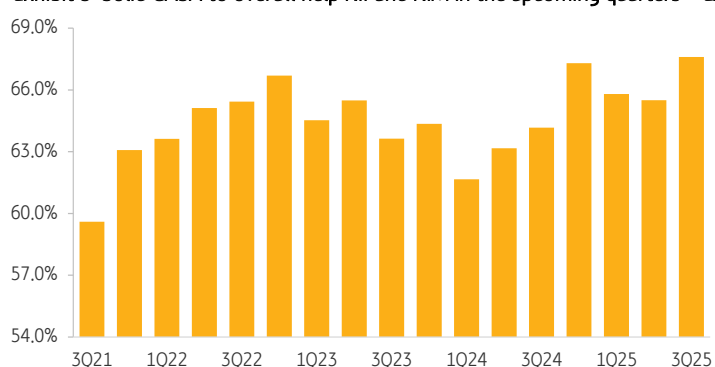
Source: Company, KBVS Research

Exhibit 4: Softening CoC to play crucial role for '26F earnings growth



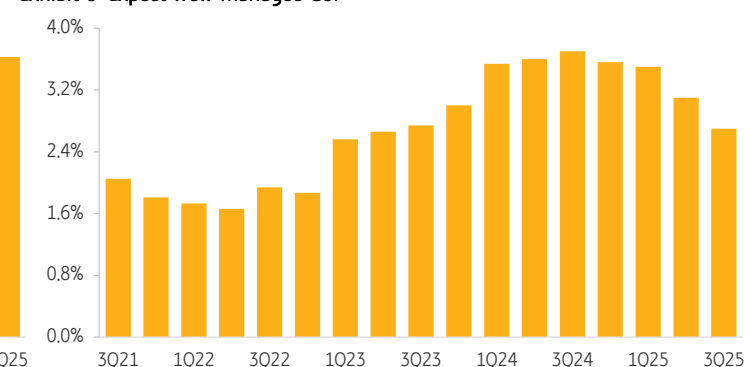
Source: Company, KBVS Research

Exhibit 5: Solid CASA to overall help NII and NIM in the upcoming quarters



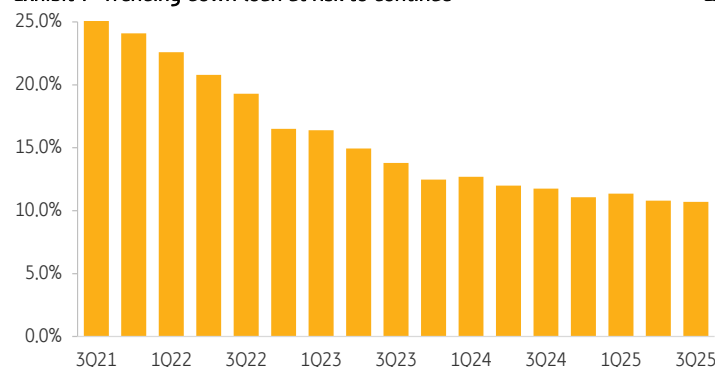
Source: Company, KBVS Research

Exhibit 6: Expect well-managed CoF



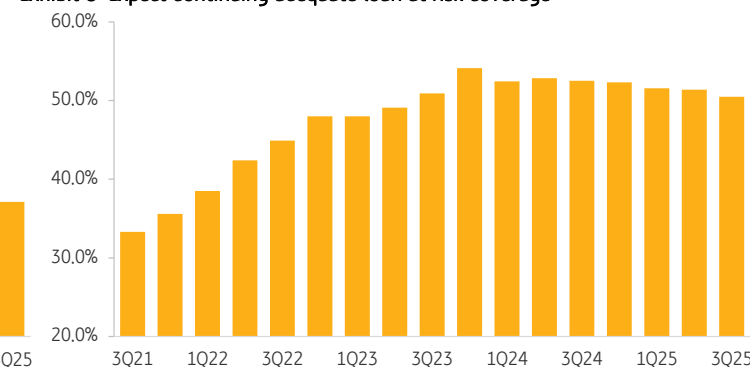
Source: Company, KBVS Research

Exhibit 7: Trending down loan at risk to continue



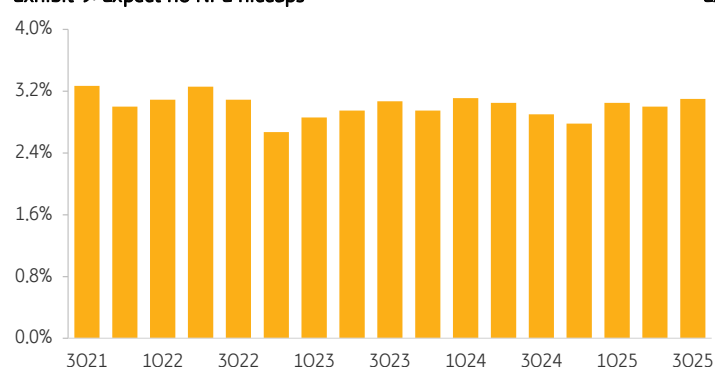
Source: Company, KBVS Research

Exhibit 8: Expect continuing adequate loan at risk coverage



Source: Company, KBVS Research

Exhibit 9: Expect no NPL hiccups



Source: Company, KBVS Research

Exhibit 10: Currently trading at 1.9x '25F P/B, slightly below -1SD of 2.0x '25F P/B



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 13: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	181,215	199,266	215,258	235,711	259,621
Interest expenses	(43,813)	(57,209)	(69,342)	(82,426)	(93,366)
Net interest income	137,402	142,057	145,916	153,285	166,255
Non-interest income	45,888	57,811	69,582	82,742	96,214
Total operating income	183,290	199,869	215,498	236,027	262,469
Operating expenses	(76,782)	(83,116)	(90,563)	(99,916)	(112,872)
Pre-provision operating profit	106,508	116,752	124,935	136,111	149,597
Loan loss provision	(29,679)	(38,174)	(46,396)	(48,673)	(54,966)
Pretax profit	76,430	77,599	77,071	85,970	93,163
Net profit	60,100	60,155	57,337	63,958	69,309

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	31,604	29,784	30,734	31,779	33,603
Current Account at BI	101,909	88,879	90,257	92,377	88,167
Interbank Loans	87,545	83,448	84,742	79,636	73,472
Govt Treas Bills & Sec	238,102	228,825	194,128	182,366	174,864
Investment Securities	126,503	114,497	133,393	114,103	103,816
Loans	1,180,927	1,273,577	1,354,940	1,460,273	1,581,546
Fixed Assets	59,678	62,478	69,975	74,174	77,883
Other assets	138,738	111,495	109,334	99,253	87,629
Total Asset	1,965,007	1,992,983	2,067,504	2,133,960	2,220,979
Liabilities					
Interbank Deposit	11,958	14,679	20,799	21,288	22,042
Customer Deposit	1,358,329	1,365,450	1,386,627	1,419,191	1,469,444
Debts Sec and Subordinates	49,638	32,502	50,612	45,414	44,083
Other Liabilities	228,610	257,162	278,815	295,440	316,585
Total liabilities	1,648,535	1,669,794	1,736,854	1,781,334	1,852,154
Equity					
Capital Stock	7,578	7,578	7,578	7,578	7,578
Additional Paid-in Capital	75,853	75,880	75,880	75,880	75,880
Retained Earnings	213,711	218,093	233,321	251,409	269,552
Other Equity	14,220	15,552	7,776	11,664	9,720
Shareholder's Equity	311,363	317,103	324,555	346,531	362,730
Non-controlling Interest	5,109	6,095	6,095	6,095	6,095
Total Equity	316,472	323,189	330,651	352,627	368,825

Exhibit 15: Key performance metrics

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM	8.2	7.7	7.2	7.2	7.3
CASA	64.3	67.3	68.6	70.1	70.8
NPL	3.0	2.8	2.7	2.7	2.6
ROAE	19.7	19.1	17.8	19.1	19.5
ROAA	3.1	3.0	2.8	3.0	3.2
CAR	25.2	24.4	24.0	24.9	25.1
BVPS (IDR)	2,054	2,092	2,141	2,286	2,393
PER (x)	10.0	10.0	10.5	9.4	8.7
PBV (x)	1.9	1.9	1.8	1.7	1.7
Div. Yield	7.9	9.2	6.9	7.6	8.5

Source: Company, KBVS Research

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