Inline 7M25 bank only earnings

27 August 2025

BANK BRI
Melayani Dengan Setulus Hati

BBRI IJ	BUY
Sector	Banks
Price at 27 August 2025 (IDR)	4,130
Price target (IDR)	4,470
Upside/Downside (%)	8.2

Stock Information

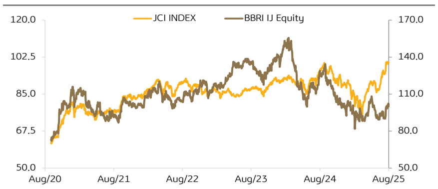
PT Bank Rakyat Indonesia (BBRI) established in 1895 is the oldest bank in Indonesia. BBRI plays an important role in developing grass root economy of Indonesia, focusing in Micro, Small and Medium Enterprises (MSMEs) segments.

Market cap (IDR bn)	632,001
Shares outstanding (mn)	151,559
52-week range (IDR)	3,360-5,575
3M average daily vol. ('000)	191,117
3M average daily val. (IDR mn)	754,988

Shareholders (%)

Republic of Indonesia	54.9
Public	45.1

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	5.9	(5.9)	(20.6)

Analyst
Akhmad Nurcahyadi
akhmad.nurcahyadi@kbvalbury.com

Pressure on BBRI's earnings continues, with a 9% yoy decline in 7M25 due to flat top-line growth. However, YTD net income is on track (KBVS: 49.9% / Cons: 48.9%). Total loans grew 5.3% yoy. Total TPF rose 5.3% yoy, driven by CASA (9.3% yoy). While net interest margin is under pressure, it remains manageable above 6%. Credit cost at 3.3% is better than our '25F CoC for BBRI, but slightly still above management's 3.0-3.2% target. Despite '25F earnings concern, the bank's strong fundamentals create a significant dislocation between price and its intrinsic value, making it an attractive investment opportunity. The stock has provided 10.4% capital gain since our latest report (1 Aug 25). Maintain BUY BBRI GGM-based TP IDR4,470 (2.1x '25F P/B), currently (1.9x) slightly below -1SD of 2.0x '25F P/B.

Overall inline 7M25 PATMI

BBRI's bank-only earnings continue to face pressure, with 7M25 net income down 9.0% yoy to IDR28.58tn. This decline is largely due to a flat top line, which grew only 1.6% yoy to IDR65.36tn. July 2025's monthly PATMI saw a sharp 38.3% mom drop to IDR3.79tn, though it did show positive yoy growth due to a significant decrease in provisions. Operating expenses climbed 7.9% yoy to IDR35.35tn, and neither non-interest income nor the cost-to-income ratio provided much relief, resulting in negative pre-provision operating profit growth. Overall, the 7M25 bank-only net income is in line with our 2025 forecast for BBRI and consensus expectation, yet still suggesting a challenging path ahead for top-line growth.

Loan growth trajectory strengthens

BBRI's loan book continues to expand, reaching IDR1,267.12tn in 7M25, a 5.3% yoy increase. YTD growth also considerably marks an acceptable growth standing at 4.8% yoy. The improving year-on-year loan growth trend, evident since the beginning of the year, is a key positive indicator. The 7M25 growth rate is now approaching the management's 2025 guidance of 7-9% yoy. This momentum suggests the bank is potentially in a well-positioned to meet its full-year targets, diverging from our more conservative 5.8% yoy forecast.

Strong deposit growth and favorable funding mix

BBRI's deposit base remains robust, with total customer deposits growing 5.3% yoy to IDR1,457.0tn despite a tight liquidity environment. The bank is also effectively managing its funding costs, as seen by the consistent drop in its higher-cost funding (time deposit segment). This is complemented by strong growth in low-cost funding sources: (1) savings accounts more than doubled their growth to 6.9% yoy, reaching IDR554.44tn, (2) Demand deposits saw double-digit growth, hitting IDR 403.48tn. This favorable shift in funding mix, combined with steady loan growth and stable asset yields, suggests the potential for improved NII in 2H25.

Managing NIM, credit cost key to '25F earnings

Despite sustained NIM pressure, BBRI's 7M25 net interest margin remains manageable, holding above 6%. While this is below the bank's 2025 guidance of 7.3-7.7%, a sooner-than-anticipated moderation in funding costs, coupled with stable loan growth and earning asset yields, is crucial for supporting full-year NIM. What's more, we believe that the primary driver for improved net income growth this year is the bank's credit cost. We are encouraged by the 7M25 cost of credit (CoC) achievement of 3.3%. This figure, while still slightly above BBRI's 2025 target range of 3.0-3.2%, has already surpassed our own more conservative forecast of 3.4%. This better-than-expected CoC performance is a key factor supporting the bottom line amid top-line headwinds.

A quite compelling entry point

Following a period of significant earnings recovery and a compelling entry point, foreign ownership of BBRI has shown a marginal improvement to -0.84% YTD25 (vs YTD24 of around -2.62%). This comes despite the bank remaining the least-owned on a yoy basis, with a -3.9% change compared to the peer average of -1.7%. The management, however, has maintained a steadfast outlook, reaffirming its 2025 guidance for a 7-9% year-over-year loan growth and a non-performing loan ratio held below 3%. The bank's credit risk management also remains on target, with the cost of credit expected to be within the 3.0-3.2% range. The slim YTD capital gain has created a notable divergence between the stock's intrinsic value and its current trading price. Consequently, even after a recent short-term rally, BBRI presents a highly attractive proposition for value-oriented investors.

Maintain BUY GGM-TP of IDR 4,470.

Maintain BUY BBRI GGM-based TP of IDR 4,470 (2.1x 25F P/B), currently (1.9x) trading slightly below -1SD of 2.0x '25F P/B. Key downside risks: a) lower-than-expected loan growth; b) prolonged tight liquidity and higher SRBI high; c) NIM stagnation d) higher-than expected CoF and CoC; f) deteriorating asset quality; g) prolonged trade war uncertainty, mild economic activity, motionless wait & see stance, steady weakening purchasing power and household loan confidence. 10) 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
Total operating income	183,290	199,869	215,498	236,027	262,469
Pre-provision profit	106,508	116,752	124,935	136,111	149,597
Net income	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)	10.4	10.4	10.9	9.8	9.0
PBV (x)	2.0	2.0	1.9	1.8	1.7
Div. Yield (%)	7.6	8.9	6.7	7.3	8.2
RoE (%)	19.7	19.1	17.9	19.1	19.5

Source: Company, KBVS Research

Exhibit 2: BBRI 7M25 bank only results – selected profit and loss

Selected P&L (IDRbn)	6M24	6M25	YoY (%)	7M24	7M25	YoY (%)	Jul-24	Jul-25	YoY (%)	MoM (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons
Interest income	81,025	81,849	1.0	94,608	95,580	1.0	13,582	13,731	1.1	-8.7				
Interest expense	-25,937	-25,690	-1.0	-30,237	-30,211	-0.1	-4,301	-4,522	5.1	3.7				
Net interest income	55,089	56,160	1.9	64,370	65,369	1.6	9,282	9,209	-0.8	-13.7				
Non Int Inc & others	26,301	26,384	0.3	30,888	29,897	-3.2	4,587	3,512	-23.4	-47.1				
Total Income	81,390	82,544	1.4	95,258	95,265	0.0	13,868	12,722	-8.3	-26.5				
Opex	-26,535	-30,212	13.9	-32,755	-35,357	7.9	-6,220	-5,145	-17.3	-17.9				
PPOP	54,855	52,331	-4.6	62,503	59,909	-4.2	7,648	7,577	-0.9	-31.4				
Provision	-19,261	-21,081	9.5	-23,023	-24,042	4.4	-3,762	-2,961	-21.3	-11.6				
Net Profit	28,247	24,795	-12.2	31,419	28,588	-9.0	3,171	3,793	19.6	-38.3	57,337	49.9	58,423	48.9

Source: Company, KBVS Research

Exhibit 3: BBRI 7M25 bank only results – selected profit and loss (monthly stand-alone)

Selected P&L monthly stand-alone (IDRbn)	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Jul-24	Jul-25	YoY (%)	MoM (%)	Jan-25	Jul-25	YTD (%)
Interest income	12,995	13,218	13,706	13,535	13,361	15,035	13,731	13,582	13,731	1.1	-8.7	12,995	13,731	5.7
Interest expense	-4,074	-3,880	-4,421	-4,445	-4,510	-4,360	-4,522	-4,301	-4,522	5.1	3.7	-4,074	-4,522	11.0
Net interest income	8,921	9,339	9,285	9,089	8,851	10,675	9,209	9,282	9,209	-0.8	-13.7	8,921	9,209	3.2
Non Int Inc & others	4,105	4,179	2,553	5,351	3,561	6,634	3,512	4,587	3,512	-23.4	-47.1	4,105	3,512	-14.4
Total Income	13,026	13,518	11,838	14,441	12,412	17,309	12,722	13,868	12,722	-8.3	-26.5	13,026	12,722	-2.3
Opex	-4,779	-4,321	-5,247	-5,106	-4,490	-6,269	-5,145	-6,220	-5,145	-17.3	-17.9	-4,779	-5,145	7.7
PPOP	8,248	9,197	6,591	9,335	7,922	11,039	7,577	7,648	7,577	-0.9	-31.4	8,248	7,577	-8.1
Provision	-5,627	-3,323	-1,038	-4,366	-3,377	-3,351	-2,961	-3,762	-2,961	-21.3	-11.6	-5,627	-2,961	-47.4
Net Profit	2,009	4,600	4,482	3,918	3,637	6,149	3,793	3,171	3,793	19.6	-38.3	2,009	3,793	88.8

Source: Company, KBVS Research

Exhibit 4: BBRI 7M25 bank only results – selected balance sheet

Selected BS (IDRbn)	12M24	1M25	2M25	3M25	4M25	5M25	6M25	7M25	7M24	7M25	YoY (%)	1M25	7M25	YTD (%)
Total Loan	1,215,847	1,209,516	1,218,399	1,226,282	1,240,325	1,262,720	1,262,330	1,267,123	1,203,851	1,267,123	5.3	1,209,516	1,267,123	4.8
Total Assets	1,840,395	1,826,724	1,862,759	1,932,395	1,861,208	1,893,379	1,933,724	1,914,121	1,825,411	1,914,121	4.9	1,826,724	1,914,121	4.8
Total Liability	1,541,022	1,524,758	1,555,758	1,653,106	1,577,084	1,605,871	1,638,121	1,614,186	1,529,657	1,614,186	5.5	1,524,758	1,614,186	5.9
Total Equity	299,373	301,966	307,000	279,289	284,124	287,508	295,603	299,935	295,754	299,935	1.4	301,966	299,935	-0.7
Total deposits	1,360,134	1,360,169	1,380,917	1,416,331	1,400,495	1,423,875	1,476,030	1,457,000	1,383,057	1,457,000	5.3	1,360,169	1,457,000	7.1
Demand deposits	375,906	366,816	368,216	393,247	371,401	387,216	415,281	403,488	357,767	403,488	12.8	366,816	403,488	10.0
Savings deposits	542,667	531,847	527,364	541,565	536,615	538,563	554,658	554,444	518,648	554,444	6.9	531,847	554,444	4.2
Time Deposits	441,561	461,507	485,337	481,519	492,478	498,096	506,091	499,067	506,642	499,067	-1.5	461,507	499,067	8.1
CASA	918,573	898,663	895,580	934,812	908,016	925,778	969,939	957,932	876,415	957,932	9.3	898,663	957,932	6.6

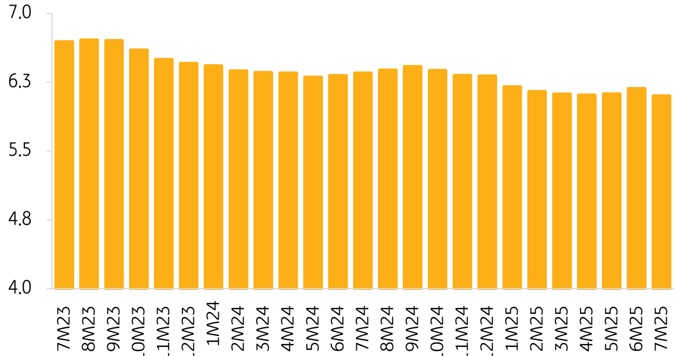
Source: Company, KBVS Research

Exhibit 5: Banking stock under our coverage foreign ownership (%)

Ticker	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	YTD 2024	YTD 2025	Incr / (Decr)	Jul-24	May-25	Jun-25	Jul-25	YoY (chg)	MoM (chg)
BBCA IJ	35.9%	35.5%	35.0%	35.0%	35.3%	34.9%	34.5%	0.13%	-1.39%	-1.52%	36.3%	35.3%	34.9%	34.5%	-1.8%	-0.4%
BBRI IJ	31.0%	30.7%	30.3%	30.0%	30.4%	30.1%	30.1%	-2.62%	-0.84%	1.78%	34.1%	30.4%	30.1%	30.1%	-3.9%	0.0%
BMRI IJ	33.5%	32.7%	32.0%	31.4%	31.6%	31.3%	30.7%	-0.29%	-2.83%	-2.54%	33.6%	31.6%	31.3%	30.7%	-2.9%	-0.6%
BBNI IJ	26.1%	25.9%	24.5%	24.0%	24.0%	24.1%	24.0%	-1.13%	-2.02%	-0.89%	26.0%	24.0%	24.1%	24.0%	-2.0%	-0.1%
BBTN IJ	10.7%	10.0%	10.5%	10.0%	10.1%	10.1%	9.9%	0.72%	-0.78%	-1.50%	10.9%	10.1%	10.1%	9.9%	-1.0%	-0.2%
BRIS IJ	4.6%	4.9%	4.7%	4.8%	5.3%	5.4%	5.8%	0.79%	1.25%	0.45%	4.2%	5.3%	5.4%	5.8%	1.6%	0.4%
Average	23.6%	23.3%	22.8%	22.5%	22.8%	22.7%	22.5%	-0.4%	-1.1%	-0.7%	24.2%	22.8%	22.7%	22.5%	-1.7%	-0.2%

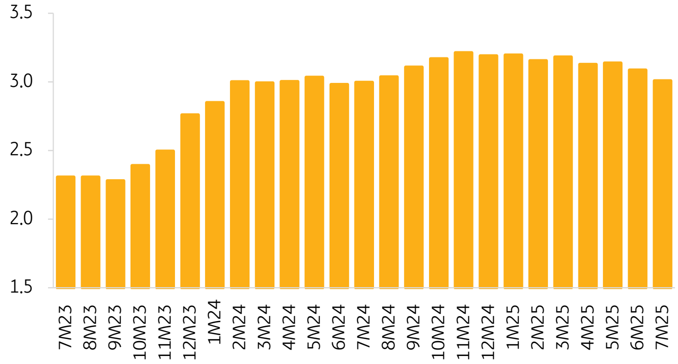
Source: KSEI, KBVS Research

Exhibit 6: Expecting well managed NIM amid the prolonged uncertainty



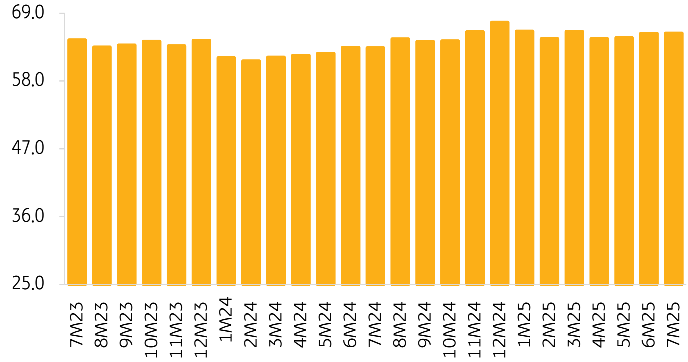
Source: Company, KBVS Research

Exhibit 7: Expect sooner-than-expected softer CoF



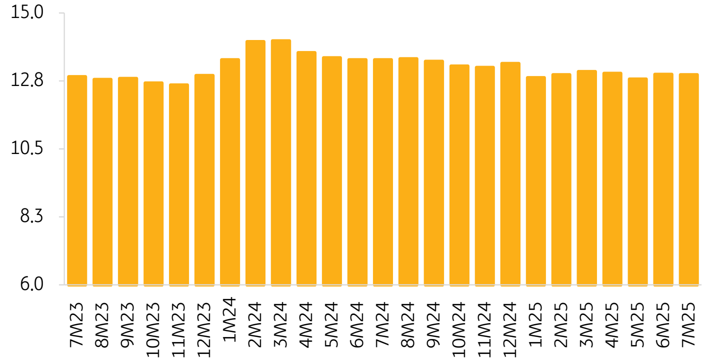
Source: Company, KBVS Research

Exhibit 8: Solid CASA remains



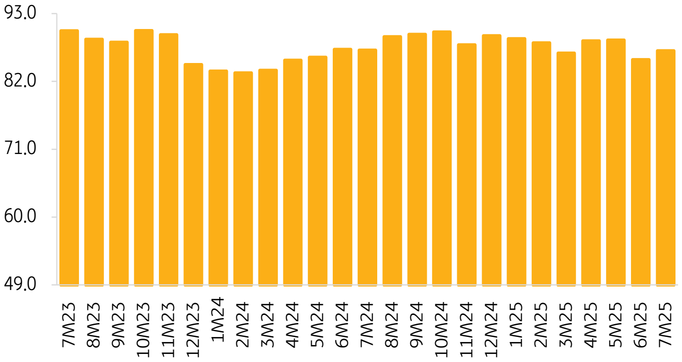
Source: Company, KBVS Research

Exhibit 9: Expect manageable loan yield



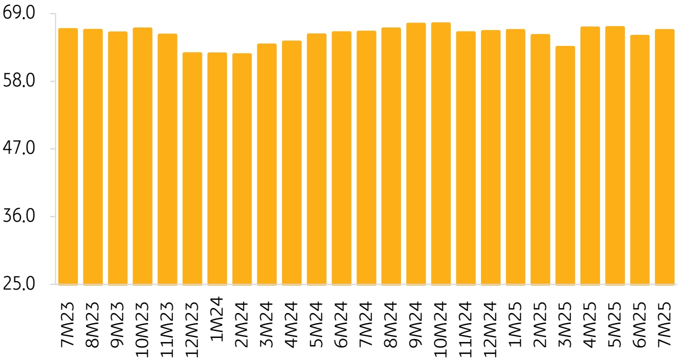
Source: Company, KBVS Research

Exhibit 10: Solid Loan to Deposit



Source: Company, KBVS Research

Exhibit 11: Strong marketable securities to asset



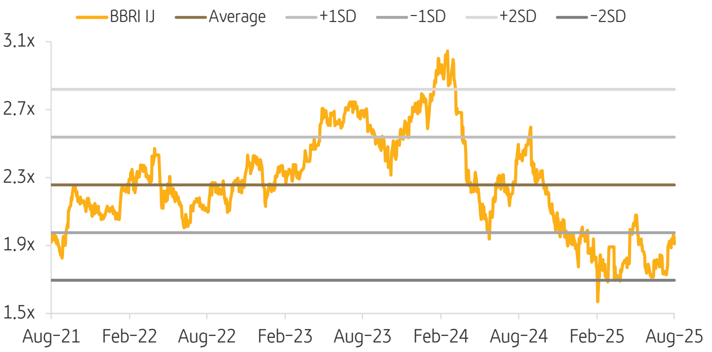
Source: Company, KBVS Research

Exhibit 12: BBRI foreign ownership holding

Ticker	YTD 2024	YTD 2025	Incr / (Decr)	Jul-24	May-25	Jun-25	Jul-25	YoY (chg)	MoM (chg)
BBCA IJ	0.13%	-1.39%	-1.52%	36.3%	35.3%	34.9%	34.5%	-1.8%	-0.4%
BBRI IJ	-2.62%	-0.84%	1.78%	34.1%	30.4%	30.1%	30.1%	-3.9%	0.0%
BMRI IJ	-0.29%	-2.83%	-2.54%	33.6%	31.6%	31.3%	30.7%	-2.9%	-0.6%
BBNI IJ	-1.13%	-2.02%	-0.89%	26.0%	24.0%	24.1%	24.0%	-2.0%	-0.1%
BBTN IJ	0.72%	-0.78%	-1.50%	10.9%	10.1%	10.1%	9.9%	-1.0%	-0.2%
BRIS IJ	0.79%	1.25%	0.45%	4.2%	5.3%	5.4%	5.8%	1.6%	0.4%
Average	-0.4%	-1.1%	-0.7%	24.2%	22.8%	22.7%	22.5%	-1.7%	-0.2%

Source: Company, KBVS Research

Exhibit 13: Currently (1.9x '25F P/B), trading slightly below -1SD of 2.0x '25F P/B



Source: Company, Bloomberg, KBVS Research

Exhibit 14: 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 15: 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 16: Key performance metrics

Year End Dec (%)	2023A	2024A	2025F	2026F	2027F
NIM	8.2	7.7	7.16	7.1	7.3
CASA	64.3	67.3	68.61	70.1	70.8
NPL	3.0	2.8	2.73	2.7	2.6
ROAE	19.7	19.1	17.87	19.1	19.5
ROAA	3.1	3.0	2.82	3.0	3.2
CAR	25.2	24.4	24.09	24.9	25.1
BVPS (IDR)	2,054	2,092	2,141.45	2,286	2,393
PER (x)	10.4	10.4	10.92	9.8	9.0
PBV (x)	2.0	2.0	1.93	1.8	1.7
Div. Yield	7.6	8.9	6.73	7.3	8.2

Source: Company, KBVS Research

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KB Valbury Sekuritas
Head Office

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. +62 21 – 250 98 300
F. +62 21 – 255 33 778

Branch Office

Jakarta – Sudirman
Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Karet Tengsin,
Tanah Abang, Jakarta Pusat 10220
T. (021) 25098300/301

Jakarta - Kelapa Gading
Rukan Plaza Pasifik
Jl. Raya Boulevard Barat Blok A1 No. 10
Jakarta Utara 11620
T. (021) 29451577

Jakarta - Puri Indah
Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit
Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Bandung
Jl. HOS Cokroaminoto No. 82
Bandung 40171
T. (022) 87255800

Malang
Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Banjarmasin
Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) - 3265918

Pekanbaru
Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Palembang
Komplek PTC Mall Blok I No. 7
Jl. R. Sukamto
Palembang 30114
T. (0711) 5700281

Surabaya
Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 2955788

Padang
Jl. Kampung Nias II No. 10,
Padang 25211
T. (0751) 8955747

Yogyakarta
Jl. Magelang KM 5,5 No. 75
Yogyakarta 55000
T. (0274) 623111

Semarang
Candi Plaza Building Lt. Dasar
Jl. Sultan Agung No. 90-90A
Semarang 50252
T. (024) 8501122

Makassar
Komplek RUKO Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0241) 16000818

Medan
Komplek Jati Junction No. P5-5A
Jl. Perintis Kemerdekaan
Medan 20218
T. (061) 88816222

Denpasar
Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 225229

Investment Gallery

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 522392181

Semarang
Jl. MT Haryono 637
Semarang 50242
T. (024) 8415195

Salatiga
Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Solo
Jl. Ronggowarsito No. 34
Surakarta 57118
T. (0271) 6726306