



# BBRI Equity Update

PT Bank Rakyat Indonesia (Persero) Tbk

## Strong NII and Asset Growth Offset by Higher Costs, Leading to 2Q25 Earnings Contraction.

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**Stock Rate**

Industry

**Overweight**

Neutral

**Fair Value**

vs. Last Price

**IDR 4,720**

26.55%

**Stock Data**

Ticker Code

BBRI

Sub Sector

Banks

Sector

Financial

Market Cap (IDR.Tn)

565.31

Shares Issued (Bn)

151.56

AVG 3M Turnover (IDR Bn)

1,203

**Price (IDR)**

last Price

3,730

TP 12M

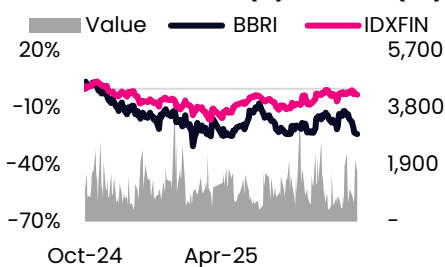
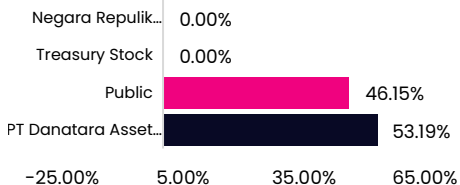
4,720

Highest...

4,450

Lowest...

3,450

**Price Performance, 1Y (%) Turnover (Bn)****Shareholders Composition****ESG Rating**Environmental  
Social  
Governance**73.49**

6

9

4

Source: Bloomberg

**Net Income Under Pressure Despite Solid Revenue and NII Growth in 2Q25**

In 2Q25, BBRI recorded Total Revenue of IDR 44.775 billion, a slight decrease of -1.4% QoQ but demonstrating strong growth of +6.9% YoY. Net Interest Income (NII) saw a significant increase to IDR 37.423 billion, rising +4.4% QoQ and surging +10.1% YoY. This NII increase was driven by a higher rise in Total Interest Income (+5.4% QoQ and +8.2% YoY) compared to the increase in Total Interest Expense (+8.1% QoQ and +3.6% YoY). However, at the bottom line, BBRI's Net Income in 2Q25 stood at IDR 12.603 billion. This figure represents a decline of -7.8% QoQ and -8.8% YoY, primarily due to a substantial increase in Tax Expenses by +29.5% QoQ, as well as operational cost pressure. Operating Profit also slightly decreased by -1.4% QoQ.

**Strong Growth in Total Assets and Third-Party**

Funds BBRI's Net Loans at the end of 2Q25 amounted to IDR 1,392.528 trillion, down -2.3% QoQ from 1Q25 but still marking a +5.0% YoY growth, indicating sustained credit expansion. Total Assets continued to grow to IDR 2,106.371 trillion, up +0.4% QoQ and registering +6.5% YoY growth. Total Deposits (Third-Party Funds/TPF) reached IDR 1,482.200 trillion, an increase of +4.3% QoQ and +6.7% YoY. This TPF growth was supported by strong increases in Demand Deposits (+5.8% QoQ and +16.1% YoY) and Saving Deposits (+2.4% QoQ and +6.8% YoY). Meanwhile, Total Equity strengthened to IDR 322.072 trillion (+5.3% QoQ; +3.3% YoY).

**Profitability and Efficiency Ratios Experience Fluctuations**

BBRI's Net Interest Margin (NIM) improved to 7.80% in 2Q25 (from 7.70% in 1Q25). This improvement occurred amidst a rise in the Cost of Funds (CoF), which stabilized at 3.60% (up from 3.50% in 1Q25). Operational efficiency faced pressure, with the Cost-to-Income Ratio (CIR) increasing to 43.20% in 2Q25 (a significant rise from 40.70% in 1Q25), indicating increased quarterly operational cost pressure.

In terms of asset quality and liquidity:

The Loan-to-Deposit Ratio (LDR) rose to 89.47% in 2Q25 (from 86.00% in 1Q25). Non-Performing Loans (NPL) slightly increased to 3.04% (from 2.97% in 1Q25). The CASA Ratio slightly decreased to 65.50% (from 65.80% in 1Q25).

**Key Takeaways:**

- Loan Growth: Aiming for 7–9% year-over-year (YoY) increase, focusing on consumer segments (e.g., payroll and mortgage) and small to medium enterprises (SMEs) with ticket sizes between Rp5–500 billion.
- Net Interest Margin (NIM): Projected to be within the 7.3% to 7.9% range, contingent on further interest rate cuts this year.
  - 2025F projections focus on financing portfolio optimization and digital efficiency to maintain margin at around 8.00%.
- Non-Performing Loans (NPL): Targeted to remain below 3%, reflecting a commitment to maintaining asset quality.
- Cost-to-Income Ratio (CIR): Aimed to be maintained within the 41%–42% range, indicating operational efficiency.

**Recommendation "Overweight"**

Based on a Multiple Valuation Methods approach (DDM, P/E & PBV) and amid projected bottom-line declines, we revise down our 12-month target price for BBRI to IDR 4,720 per share. *Downside risks: credit risk, liquidity risk, operational risk, and government policy (interest rate)*

**Financial Highlight**

(IDR Bn)	2022	2023	2024	2025F	2026F	2027F
Op. Income	161,652	166,476	174,388	184,128	193,206	199,365
PPOP	64,306	76,829	78,578	74,793	79,446	82,976
Profit bfr Tax	64,355	76,305	77,511	73,940	78,551	82,052
Net Income	51,408	60,425	60,644	58,475	62,075	64,842
EPS (IDR Full)	339	399	400	386	410	428
DPS (IDR Full)	287	319	343	322	342	357
BVPS (IDR Full)	1,975	2,054	2,092	2,212	2,279	2,350
Dvnd Yield (%)	5.8%	5.6%	8.4%	8.8%	9.3%	9.7%
ROE (%)	17%	19%	19%	17%	18%	18%
PBV (x)	2.50x	2.79x	1.95x	1.69x	1.64x	1.59x
PER (x)	14.56x	14.36x	10.20x	9.67x	9.11x	8.72x

Source: Company and KSI Research



## Financial Exhibits

### Result 6M2025

IDR Bn	FY23	FY24	yoy	2Q24	Quarters		qoq	yoy
					1Q25	2Q25		
<b>Revenue</b>	<b>166,476</b>	<b>174,388</b>	<b>4.8%</b>	<b>41,885</b>	<b>45,388</b>	<b>44,775</b>	<b>-1.4%</b>	<b>6.9%</b>
Total Interest Income	178,996	199,266	11.3%	48,572	49,838	52,538	5.4%	8.2%
Total Interest Expense	43,813	57,209	30.6%	14,596	13,987	15,115	8.1%	3.6%
<b>Net Interest Income</b>	<b>135,184</b>	<b>142,057</b>	<b>5.1%</b>	<b>33,977</b>	<b>35,852</b>	<b>37,423</b>	<b>4.4%</b>	<b>10.1%</b>
<b>Operating profit</b>	<b>76,829</b>	<b>78,578</b>	<b>2.3%</b>	<b>18,511</b>	<b>17,622</b>	<b>17,383</b>	<b>-1.4%</b>	<b>-6.1%</b>
<b>Income before tax</b>	<b>76,305</b>	<b>77,511</b>	<b>1.6%</b>	<b>18,518</b>	<b>17,383</b>	<b>17,342</b>	<b>-0.2%</b>	<b>-6.4%</b>
<b>Tax expenses</b>	<b>16,005</b>	<b>16,955</b>	<b>5.9%</b>	<b>4,611</b>	<b>3,578</b>	<b>4,633</b>	<b>29.5%</b>	<b>0.5%</b>
<b>Net income</b>	<b>60,100</b>	<b>60,155</b>	<b>0.1%</b>	<b>13,816</b>	<b>13,673</b>	<b>12,603</b>	<b>-7.8%</b>	<b>-8.8%</b>
EPS (Full IDR)	398.69	400.13	0.4%	91.62	91.00	83.69	-8.0%	-8.7%
<b>Net Loans</b>	<b>1,232,499</b>	<b>1,313,159</b>	<b>6.5%</b>	<b>1,325,823</b>	<b>1,425,001</b>	<b>1,392,528</b>	<b>-2.3%</b>	<b>5.0%</b>
<b>Assets</b>	<b>1,965,007</b>	<b>1,992,983</b>	<b>1.4%</b>	<b>1,977,371</b>	<b>2,098,229</b>	<b>2,106,371</b>	<b>0.4%</b>	<b>6.5%</b>
Demand Deposits	346,124	374,554	8.2%	356,855	<b>391,613</b>	<b>414,483</b>	5.8%	16.1%
Interest Bearing Depo.	1,012,204	990,896	-2.1%	1,032,807	1,029,987	1,067,637	3.7%	3.4%
<i>Saving Deposits</i>	527,946	544,427	3.1%	521,041	543,337	556,463	2.4%	6.8%
<i>Time Deposits</i>	484,259	446,469	-7.8%	511,767	486,650	511,174	5.0%	-0.1%
<b>Total Deposits</b>	<b>1,358,329</b>	<b>1,365,450</b>	<b>0.5%</b>	<b>1,389,662</b>	<b>1,421,600</b>	<b>1,482,200</b>	<b>4.3%</b>	<b>6.7%</b>
<b>Total Liabilities</b>	<b>1,648,535</b>	<b>1,669,794</b>	<b>1.3%</b>	<b>1,665,941</b>	<b>1,792,375</b>	<b>1,784,299</b>	<b>-0.5%</b>	<b>7.1%</b>
<b>Total Equity</b>	<b>316,472</b>	<b>323,189</b>	<b>2.1%</b>	<b>311,731</b>	<b>305,854</b>	<b>322,072</b>	<b>5.3%</b>	<b>3.3%</b>
BVPS (Full IDR)	2,054.41	2,092.21	1.8%	2,028.84	1,988.70	2,095.12	5.4%	3.3%

Source: Company and KSI Research

### Ratio (Consolidated)

IDR Bn	FY23	FY24	yoy	2Q24	Quarters		qoq	yoy
					1Q25	2Q25		
Nim (%)	8.15%	7.74%		7.64%	7.70%	7.80%		
LDR (%)	93.23%	99.21%		86.59%	86.00%	89.47%		
NPL (%)	2.95%	2.78%		3.05%	2.97%	3.04%		
CIR (%)	43.02%	41.22%		44.90%	40.70%	43.20%		
CASA (%)	64.35%	67.30%		63.17%	65.80%	65.50%		
CoF (%)	2.91%	3.56%		3.60%	3.50%	3.60%		

Source: Company and KSI Research



## Valuation for BBRI

We calculate the valuation of PT Bank Rakyat Indonesia Tbk (BBRI) with a target price of IDR 4,720 per share (based on valuation method b with DDM & PBV, which reflects a PE of 9.67x in 2025F and a PE of 9.11x in 2026F. Meanwhile, in terms of PBV, the stock reflects a PBV of 1.69x at 2025F and 1.64x at 2026F. The last price (3,730) was trading at a PE of 9.97x and PBV of 1.79x, still below the 5y avg PE & PBV (at PE 16.9x & PBV 2.4x).

DDM (IDR Bn)	2024	2025F	2026F	2027F	2028F	2029F
Dividend Per Share (Rp)	343	322	342	357	370	384
Perpetuity value (Rp)						3,755
Discount rate	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
Year	1	2	3	4	5	6
Discount factor	0.86	0.73	0.63	0.54	0.46	0.39
PV of Dividend & Terminal Value, Rp	294	236	214	192	170	1,626

Multiple Valuation	Base Amount	Target Multiple	Value	Weight (%)	The Value of the firm
DDM	413,975	1.0	413,975	40%	165,590
PBV	335,181	2.5	821,193	30%	246,358
PE	58,475	17.3	1,011,619	30%	303,486
<b>Total Value (Bn)</b>					<b>715,434</b>
Share (Bn)					152
<b>Target Price (IDR)</b>					<b>4,720.5</b>
Current Price (10-Oct-25)					3,730
<b>Potential Upside (%)</b>					<b>26.55%</b>

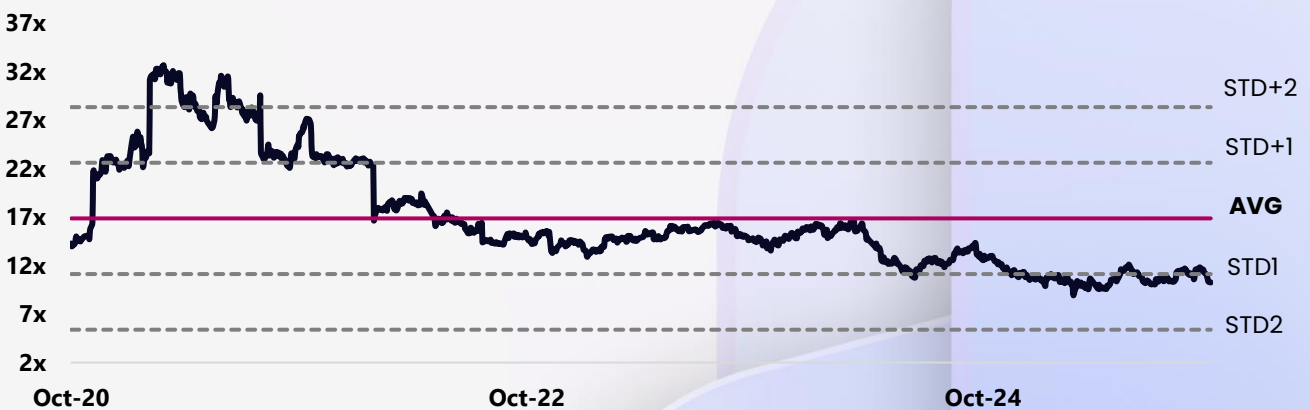
Source: Company and KSI Research

### Historical PBV – 5Y



Source : Bloomberg & KSI Research

### Historical PE – 5Y



Source : Bloomberg & KSI Research



## Financial Highlight (IDR Bn)

<b>Income Statement</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
<b>Revenue</b>	<b>161,652</b>	<b>166,476</b>	<b>174,388</b>	<b>184,128</b>	<b>193,206</b>	<b>199,365</b>
Total Interest Income	151,875	178,996	199,266	210,027	202,897	209,389
Total Interest Expense	27,278	43,813	57,209	60,642	46,171	48,329
<b>Net Interest Income</b>	<b>124,597</b>	<b>135,184</b>	<b>142,057</b>	<b>149,385</b>	<b>156,726</b>	<b>161,061</b>
<b>Operating profit</b>	<b>64,306</b>	<b>76,829</b>	<b>78,578</b>	<b>74,793</b>	<b>79,446</b>	<b>82,976</b>
<b>Income before tax</b>	<b>64,355</b>	<b>76,305</b>	<b>77,511</b>	<b>73,940</b>	<b>78,551</b>	<b>82,052</b>
Tax expenses	13,189	16,005	16,955	15,509	16,476	17,210
<b>Net income</b>	<b>51,408</b>	<b>60,425</b>	<b>60,644</b>	<b>58,475</b>	<b>62,075</b>	<b>64,842</b>
<b>EPS (Full IDR)</b>	<b>339</b>	<b>399</b>	<b>400.1</b>	<b>385.8</b>	<b>410</b>	<b>428</b>
<b>Balance Sheet</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Cash & Cash Equivalents	178,343	133,513	118,663	100,824	129,215	169,661
Interbanking Assets	142,885	121,141	100,294	101,297	102,310	103,333
ST And LT Investments	336,749	338,515	334,751	354,836	372,578	391,207
Net Loans	1,083,418	1,232,499	1,313,159	1,339,289	1,382,146	1,430,521
Net Fixed Assets	55,216	59,678	62,478	65,968	69,220	71,427
Total Intangible Assets	-	-	-	-	-	-
Other Assets	49,405	63,145	49,685	138,279	134,622	115,486
<b>Total Assets</b>	<b>1,865,639</b>	<b>1,965,007</b>	<b>1,992,983</b>	<b>2,100,492</b>	<b>2,190,091</b>	<b>2,281,634</b>
<b>Demand Deposits</b>	<b>349,756</b>	<b>346,124</b>	<b>374,554</b>	<b>404,519</b>	<b>436,880</b>	<b>471,831</b>
<b>Interest Bearing Deposits</b>	<b>958,128</b>	<b>1,012,204</b>	<b>990,896</b>	<b>1,023,575</b>	<b>1,057,332</b>	<b>1,092,202</b>
Saving Deposits	522,648	527,946	544,427	551,535	569,725	588,514
Time Deposits	435,481	484,259	446,469	472,039	487,607	503,688
<b>Total Deposits</b>	<b>1,307,884</b>	<b>1,358,329</b>	<b>1,365,450</b>	<b>1,428,093</b>	<b>1,494,212</b>	<b>1,564,032</b>
ST Borrowings & Repos	89,460	129,997	147,174	155,394	163,055	168,253
LT Debt	73,357	50,678	53,671	73,664	75,918	78,273
Other Liabilities	91,543	109,532	103,499	108,160	111,469	114,926
<b>Total Liabilities</b>	<b>1,562,244</b>	<b>1,648,535</b>	<b>1,669,794</b>	<b>1,765,311</b>	<b>1,844,654</b>	<b>1,925,484</b>
<b>Share Capital &amp; APIC</b>	<b>83,231</b>	<b>83,486</b>	<b>83,772</b>	<b>83,458</b>	<b>83,458</b>	<b>83,458</b>
Common Stock	7,578	7,578	7,578	7,578	7,578	7,578
Additional Paid in Capital	75,637	75,853	75,880	75,880	75,880	75,880
Retained Earnings	201,170	213,711	218,093	227,753	238,008	248,720
Equity before Minority Interest	299,294	311,364	317,094	335,181	345,437	356,150
<b>Total Equity</b>	<b>303,395</b>	<b>316,472</b>	<b>323,189</b>	<b>335,181</b>	<b>345,437</b>	<b>356,150</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,865,639</b>	<b>1,965,007</b>	<b>1,992,983</b>	<b>2,100,492</b>	<b>2,190,091</b>	<b>2,281,634</b>
<b>BVPS (Full IDR)</b>	<b>1,975</b>	<b>2,054</b>	<b>2,092</b>	<b>2,212</b>	<b>2,279</b>	<b>2,350</b>
<b>Key Ratios</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Revenue growth (%)	9.4%	3.0%	4.8%	5.6%	4.9%	3.2%
Operat profit growth (%)	56.3%	19.5%	2.3%	-4.8%	6.2%	4.4%
Income b tax growth (%)	57.2%	18.6%	1.6%	-4.6%	6.2%	4.5%
Net income growth (%)	55.0%	17.5%	0.4%	-3.6%	6.2%	4.5%
Asset growth (%)	11.2%	5.3%	1.4%	5.4%	4.3%	4.2%
Equity growth (%)	4.0%	4.3%	2.1%	3.7%	3.1%	3.1%
NIM	7.9%	8.2%	7.7%	8.0%	8.0%	8.2%
BOPO	69.1%	68.2%	71.9%	69.2%	71.2%	70.6%
NPL (Gross)	2.7%	3.0%	2.8%	2.8%	2.9%	3.0%
Loan to Asset Ratio	63.1%	67.1%	70.0%	68.4%	67.7%	67.2%
CASA (%)	66.7%	64.3%	67.3%	66.9%	67.4%	67.8%
LAR (%)	16.6%	12.5%	10.7%	11.0%	10.5%	10.6%
LDR	87.1%	93.2%	99.2%	100.6%	99.2%	98.1%
CIR	41.9%	37.7%	37.2%	37.2%	37.7%	37.2%
CoF	3.1%	2.9%	3.6%	3.1%	2.9%	3.6%
ROA	2.8%	3.1%	3.0%	2.8%	2.8%	2.8%

Source: Company and KSI Research



# BBRI Equity Update

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**KIWOOM**  
SEKURITAS INDONESIA



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