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BBRI: Strong 1H26 Earnings With Early Micro Recovery

1H26 PATMI rose 17.5% YoY, supported by 12.8% PPOP growth and 16.2% loan expansion, while lower funding costs and improving asset quality helped offset NIM pressure.

STOCK RATING

BUY

REITERATED

TP 12M (IDR)	**4,000**
vs. Last Price	**+20.85%**
Previous TP	*IDR 4,620*

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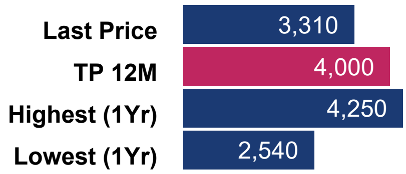
Ticker	**BBRI**
Sub-Sector	**Banks**
Last Price (IDR)	**3,310**
Market Cap (IDR Tn)	**498.76**
Shares Issued (Bn)	**151.56**
AVG 3M Turnover (IDR bn)	**663.53**



PERFORMANCE OVERVIEW

Earnings momentum improved in 1H26, supported by stronger NII growth and improving asset quality. PATMI reached IDR 31.2tn (+17.5% YoY), while PPOP increased 12.8% YoY to IDR 65.7tn, supported by NII growth of 9.9% YoY to IDR 80.5tn. NIM remained resilient at 7.7%, only 5bps lower YoY, as lower funding costs helped offset pressure on asset yields. Meanwhile, CoC improved to 3.1% from 3.4% in 1H25, while CIR remained relatively efficient at 39.2%. This helped lift ROE to 18.8% from 16.6% in the same period last year.

Loan growth stayed strong, although the mix continued to shift toward Corporate and Commercial lending. Total loans reached IDR 1,645.5tn (+16.2% YoY), with Corporate loans rising 47.1% YoY to IDR 410.1tn and Commercial loans increasing 58.1% YoY to IDR 72.2tn. Micro remained BBRI's largest segment at IDR 714.1tn, although growth was more moderate at 6.4% YoY, while Consumer loans increased 8.9% YoY to IDR 236.9tn. On the funding side, deposits grew 6.7% YoY, while CASA increased faster at 10.1%, supported by stronger non-wholesale CASA growth of 13.4% YoY.

Asset quality also showed further improvement, with early signs of recovery becoming more visible in the Micro segment. Consolidated gross NPL declined to 2.90% from 3.04% in 1H25, while LAR improved to 9.1% from 10.8%, helping bring consolidated CoC down to 3.1%. Management highlighted better Micro vintages and improving collection trends, with Micro NPL formation falling to 4.5% from 5.9% and Micro CoC declining to 3.8% from 4.6%. Looking ahead, management raised its FY26 loan-growth guidance to 8–10%, while maintaining NIM guidance at 7.4–7.8% and CoC at 2.9–3.2%.

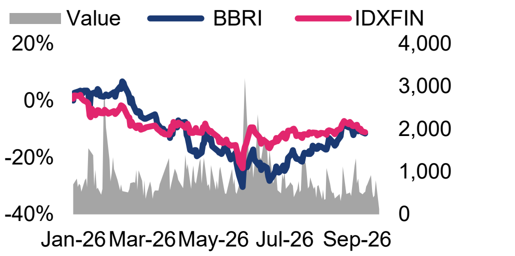
KEY TAKEAWAYS

- **1H26 Earnings Growth Accelerated.** BBRI booked PATMI of IDR 31.2tn (+17.5% YoY), supported by 12.8% PPOP growth and 9.9% NII growth, while lower funding costs helped contain NIM pressure and CoC improved to 3.1%.
- **Corporate and Commercial Led Loan Growth.** Total loans rose 16.2% YoY to IDR 1,645.5tn, led by Corporate (+47.1%) and Commercial (+58.1%), while Micro remained the largest segment at IDR 714.1tn and showed early sequential recovery.
- **Micro Asset Quality Showed Early Improvement.** Consolidated gross NPL declined to 2.90% and LAR improved to 9.1%, while Micro NPL formation fell to 4.5% and Micro CoC to 3.8%. Management also raised FY26 loan-growth guidance to 8–10%.

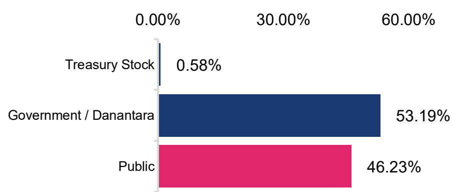
RECOMMENDATION "Buy"

We maintain our **"BUY"** recommendation on BBRI. Our valuation is based on a blended approach combining DDM and P/BV. We set a 12-month **target price of IDR 4,000**, implying **20.85% upside** from the last closing price of **IDR 3,310 as of 18 September 2026.** At our target price, BBRI would trade at a **2026F P/BV of 1.8x**, below its 3-year average of **2.06x**. *Downside risks include prolonged NIM pressure, tighter liquidity, weaker-than-expected loan growth, higher credit costs, and a slower recovery in Micro asset quality.*

PRICE PERFORMANCE, YTD (%) TURNOVER (Bn)



SHAREHOLDER STRUCTURE



ESG Rating	**4.58**
Environmental	3.07
Social	5.54
Governance	4.66

Source: Bloomberg

FINANCIAL HIGHLIGHTS

Source: Company, KSI Research, Based on Company Consolidated Financial Statements

End Dec (IDR Bn)	2023A	2024A	2025A	2026F	2027F	2028F
Net Interest Income	135,183	142,057	150,498	160,454	172,135	184,246
Non-interest Income	48,107	57,811	57,378	55,036	59,301	63,381
PPOP	**106,508**	**116,752**	**119,430**	**127,139**	**135,390**	**144,862**
Earnings Before Tax	76,430	77,599	72,793	78,826	84,619	92,712
Net Income	**60,100**	**60,155**	**56,652**	**61,327**	**65,833**	**72,130**
EPS (IDR)	399	399	376	407	437	479
DPS (IDR)	289	319	344	285	284	287
BVPS (IDR)	2,067	2,106	2,152	2,277	2,434	2,629
Dividend Yield (%)	5.0%	7.8%	9.4%	7.1%	6.6%	6.2%
ROE (%)	19.7%	19.1%	17.7%	18.4%	18.6%	18.9%
PBV (x)	2.8x	1.9x	1.7x	1.8x	1.8x	1.8x
PER (x)	14.3x	10.2x	9.7x	9.8x	9.8x	9.6x

PERFORMANCE OVERVIEW

BBRI Financial Exhibit – 2Q26

FINANCIAL STATEMENT & RATIOS - EXHIBIT

Expressed in IDR Bn, Based on Consolidated Company Financial Statements

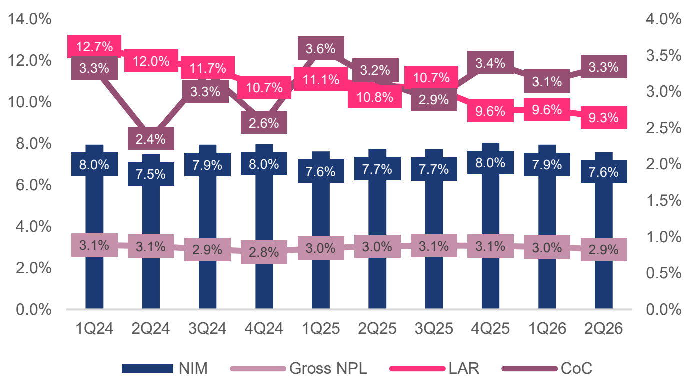
Balance Sheet	2Q25	1Q26	2Q26	YoY	QoQ
Net Loan	1,335,262	1,478,201	1,559,612	16.8%	5.5%
Cash & Placement in Banks	213,861	182,394	193,377	-9.6%	6.0%
Investments	348,765	387,980	388,778	11.5%	0.2%
Total Assets	**2,106,371**	**2,249,834**	**2,352,381**	11.7%	4.6%
Third Party Funds	1,482,120	1,555,124	1,580,682	6.7%	1.6%
Total Liabilities	**1,784,299**	**1,904,772**	**2,023,706**	13.4%	6.2%
Total Equity	**322,072**	**345,062**	**328,675**	2.1%	-4.7%
BVPS	2,095	2,246	2,138	2.0%	-4.8%

Income Statement	2Q25	1Q26	2Q26	YoY	QoQ
Net Interest Income	**37,423**	**40,155**	**40,375**	7.9%	0.5%
Non-interest Income	**12,515**	**14,163**	**13,404**	7.1%	-5.4%
Operating Expenses	21,556	22,135	20,251	-6.1%	-8.5%
PPOP	**28,381**	**32,183**	**33,528**	18.1%	4.2%
Provisions for Impairment	10,998	12,123	13,408	21.9%	10.6%
Net Income	**12,603**	**15,493**	**15,373**	22.0%	-0.8%
EPS	84	103	102	22.0%	-0.8%

Ratios	2Q25	1Q26	2Q26	YoY (ppt)	QoQ (ppt)
NIM	7.7%	7.9%	7.6%	(0.1 ppt)	(0.4 ppt)
Credit Cost	3.15%	3.14%	3.34%	0.2 ppt	0.2 ppt
LDR	95.6%	100.5%	104.1%	8.5 ppt	3.6 ppt
CASA Ratio	65.5%	68.1%	67.6%	2.1 ppt	(0.5 ppt)
Gross NPL	3.0%	3.0%	2.9%	(0.1 ppt)	(0.1 ppt)
LAR	10.8%	9.6%	9.3%	(1.5 ppt)	(0.4 ppt)

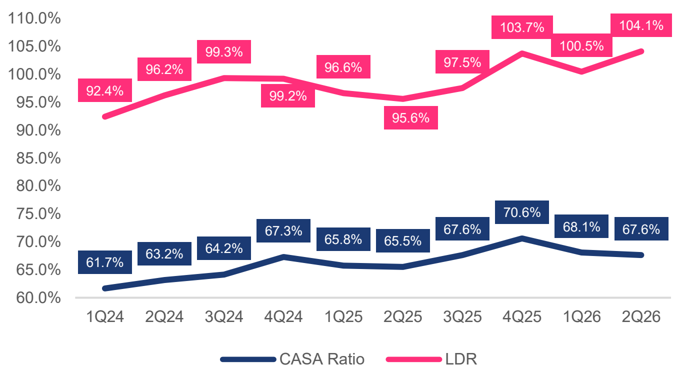
Source: Company, KSI Research, based on company financial statements and KSI calculations

Profitability & Asset Quality



Source: Company, KSI Research

Funding Mix & Liquidity



Source: Company, KSI Research

VALUATION

TP Updated to IDR 4,000 (from IDR 4,620); Reiterated BUY

BUY TP 12M: IDR 4,000

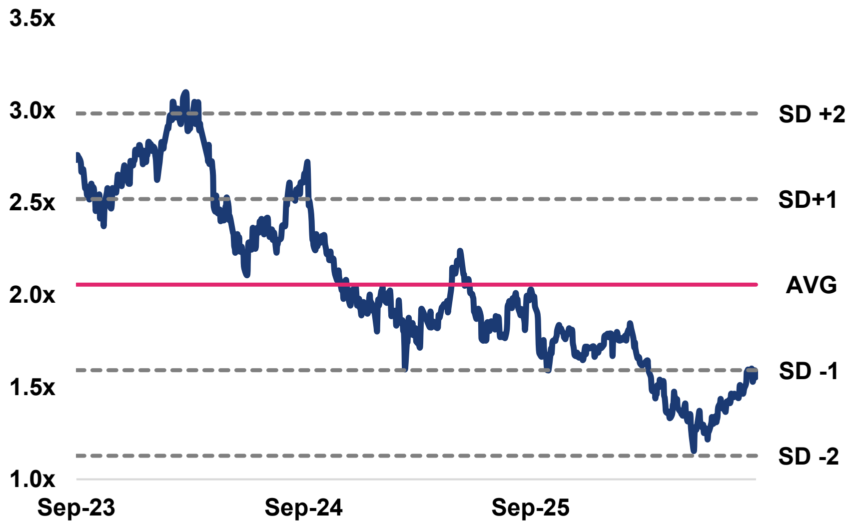
vs. Last Price (IDR 3,310, 18 Sep 2026): +20.85% upside | Previous TP: IDR 4,620

We maintain our **"BUY"** rating for BBRI. We derive our fair value estimate using a blended valuation approach, **assigning 60% weight to DDM and 40% weight to P/BV.** From this approach, we set BBRI's 12-month target price at **IDR 4,000**, offering a potential upside of **20.85%** from its last closing price of **IDR 3,310 as of 18 September 2026**.

Blended Valuation	Base Amount	Target Multiple	Value (IDR Bn)	Weight (%)	Weighted Equity Value
P/BV	342,952	2.06x	705,430	40%	282,172
DDM	537,287		537,287	60%	322,372

Total Value (Bn)	**604,544**
Share (Bn)	150.68
Intrinsic Value (IDR)	4,012
Target Price (IDR)	**4,000**
Last Price (18 Sep 26)	IDR 3,310
Potential Upside (%)	**20.85%**

HISTORICAL P/BV – 3Y



Source: Company, KSI Research

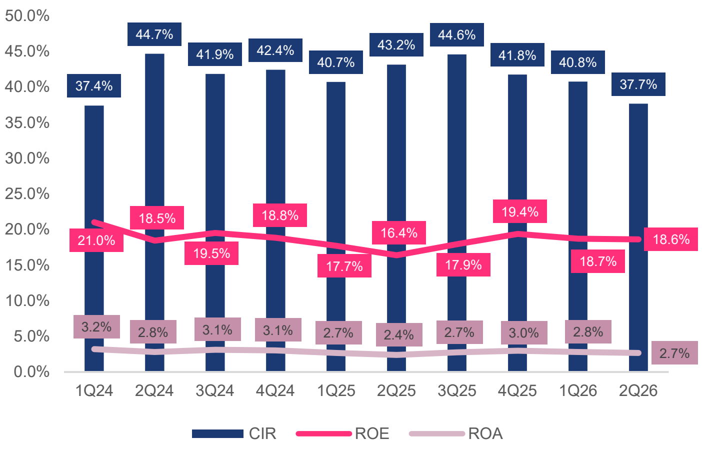
DDM ASSUMPTIONS

Beta (x)	**0.982**
Risk-Free Rate (%)	**6.80**
Equity Risk Premium (%)	**6.56**
Terminal Growth (%)	**4.00**
Cost of Equity (%)	**13.24**

FINANCIAL EXHIBITS - CHARTS

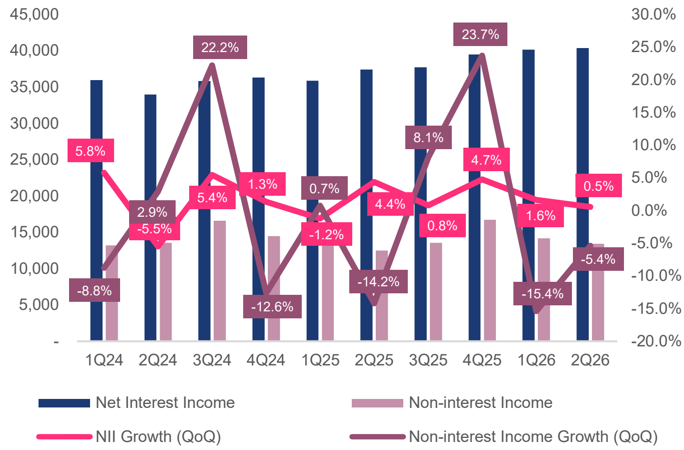
BBRI 2Q26 – Performance Highlights

Profitability & Efficiency



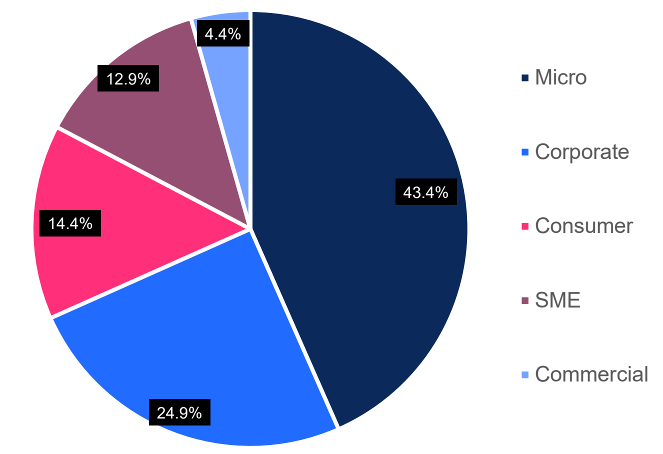
Source: Company, KSI Research

Net-Interest & Non-Interest Income



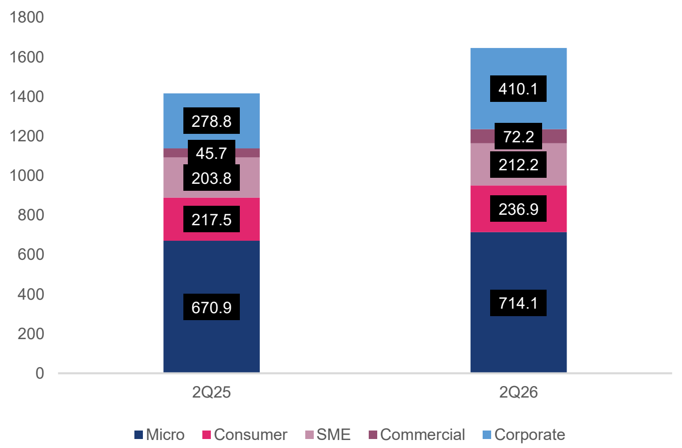
Source: Company, KSI Research

2Q26 Loan Breakdown



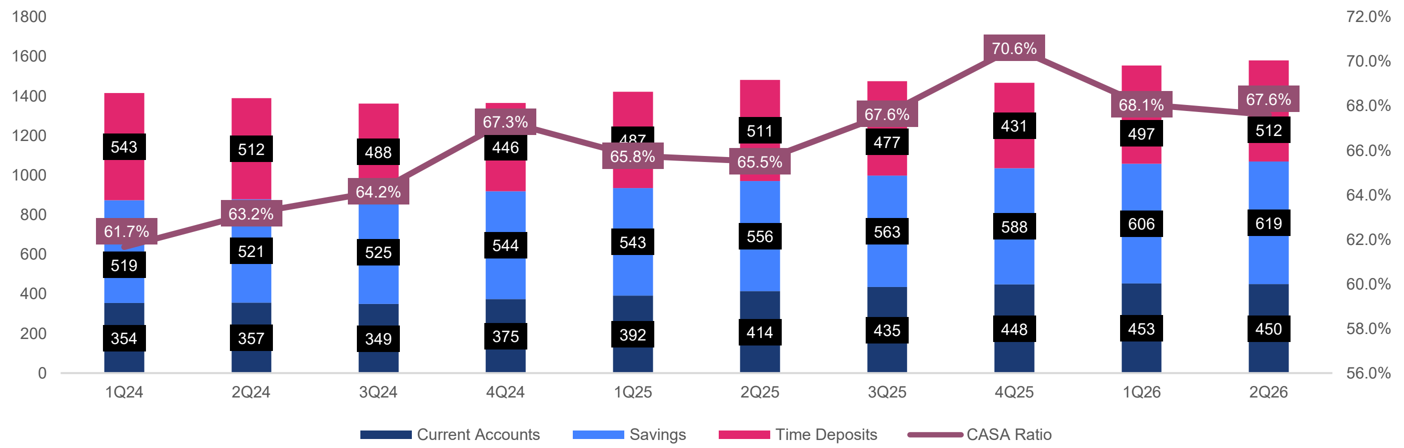
Source: Company, KSI Research

2Q26 vs 2Q25 Loan Comparison



Source: Company, KSI Research

Third-Party Funds Breakdown in IDR tn



Source: Company, KSI Research

FINANCIAL HIGHLIGHTS (IDR Bn)

Annual Financial Statements & Key Ratios

FINANCIAL STATEMENT & RATIOS - OVERVIEW

Expressed in IDR Bn, Based on Company Consolidated Financial Statements

Income Statement	2023A	2024A	2025A	2026F	2027F	2028F
Total Interest Income	**178,996**	**199,266**	**207,783**	**221,359**	**232,182**	**243,753**
Total Interest Expense	43,813	57,209	57,285	60,905	60,047	59,507
Net Interest Income	**135,183**	**142,057**	**150,498**	**160,454**	**172,135**	**184,246**
Operating Revenue	**183,290**	**199,869**	**207,877**	**215,490**	**231,436**	**247,627**
Operating Expense	76,782	83,116	88,447	88,351	96,046	102,765
PPOP	106,508	116,752	119,430	127,139	135,390	144,862
Provisions for Impairment	29,679	38,174	46,182	48,313	50,771	52,150
Earnings Before Tax	76,430	77,599	72,793	78,826	84,619	92,712
Tax Expenses	16,005	16,955	15,660	16,948	18,193	19,933
Non-controlling Interest	325	489	480	552	592	649
Net Income	**60,100**	**60,155**	**56,652**	**61,327**	**65,833**	**72,130**
EPS (IDR)	**399**	**399**	**376**	**407**	**437**	**479**
Balance Sheet	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**	**2028F**
Cash	31,604	29,784	32,044	35,744	35,609	35,054
Placement in Banks	189,454	172,327	95,418	112,424	108,597	113,249
Net Loan	1,180,927	1,273,577	1,438,427	1,575,595	1,706,780	1,851,374
Investments	331,010	326,477	372,643	399,728	430,767	421,483
Fixed Assets	59,678	62,478	63,294	65,927	68,700	71,108
Total Assets	**1,965,007**	**1,992,983**	**2,135,371**	**2,344,535**	**2,480,248**	**2,634,207**
Deposits	1,370,287	1,380,130	1,484,445	1,608,052	1,732,856	1,865,521
Debt	168,065	185,918	198,507	265,329	242,600	223,862
Other Liabilities	110,183	103,747	121,477	120,604	129,964	139,914
Total Liabilities	**1,648,535**	**1,669,794**	**1,804,430**	**1,993,985**	**2,105,420**	**2,229,297**
Capital Stock + APIC	83,431	83,458	83,524	83,509	83,509	83,509
Retained Earnings	213,711	218,093	222,663	241,061	264,103	292,955
Other Equity	14,221	15,543	17,846	18,382	18,933	19,501
Total Equity	**316,472**	**323,189**	**330,941**	**350,550**	**374,827**	**404,910**
Key Ratios	**2023A**	**2024A**	**2025A**	**2026F**	**2027F**	**2028F**
Profitability & Efficiency						
NII Growth	8.5%	5.1%	5.9%	6.6%	7.3%	7.0%
NIM	7.7%	7.8%	7.9%	7.8%	7.7%	7.7%
CIR	41.9%	41.6%	42.5%	41.0%	41.5%	41.5%
ROE	19.7%	19.1%	17.7%	18.4%	18.6%	18.9%
ROA	3.1%	3.0%	2.7%	2.7%	2.7%	2.8%
Liquidity & Capital						
CASA	64.3%	67.3%	70.6%	68.0%	69.0%	70.0%
LDR	93.2%	99.2%	103.7%	104.8%	105.6%	106.7%
Equity / Assets	16.1%	16.2%	15.5%	15.0%	15.1%	15.4%
BVPS	2,067	2,106	2,152	2,277	2,434	2,629
Asset Quality & Valuation						
Gross NPL	2.3%	2.8%	3.1%	3.0%	3.0%	3.0%
LAR	10.7%	10.7%	9.6%	9.1%	8.7%	8.5%
Credit Cost	2.5%	2.9%	3.2%	3.0%	2.9%	2.8%
NPL Coverage	298.0%	215.0%	178.1%	180.0%	190.0%	200.0%
Share Price	5,725	4,080	3,660	4,000	4,280	4,620
PBV	2.8x	1.9x	1.7x	1.8x	1.8x	1.8x
PER	14.3x	10.2x	9.7x	9.8x	9.8x	9.6x
Dividend Yield	5.0%	7.8%	9.4%	7.1%	6.6%	6.2%
DPR	85.0%	80.0%	86.2%	70.0%	65.0%	60.0%

Source: Company, KSI Research

DISCLOSURES

Rating Guide, Disclaimer & Contact

KIWOOM SEKURITAS GUIDE TO SECTOR / STOCK RATINGS

SECTOR / INDUSTRY

OVERWEIGHT	Sector & Industry outlook has potential and good condition
NEUTRAL	Sector & Industry outlook stable or tends to be stagnant
UNDERWEIGHT	Sector & Industry outlook has challenges and bad condition

STOCK

BUY	Performance > +15% over the next 12 months (ex-dividend)
TRADING BUY	Performance +5% to +15%, minor to medium term
HOLD	Performance -10% to +15% over the next 12 months (ex-dividend)
SELL	Performance < -15% over the next 12 months (ex-dividend)
TRADING SELL	Performance -5% to -15%, minor to medium term
NOT RATED	Stock not within regular research coverage

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