Bank Rakyat Indonesia (BBRI)

Portfolio Shift Pays Off: +17.5% YoY 1H26 Earnings, In Line

2 September 2026

BBRI IJ	BUY
Sector	Banking
Price at 2 Sept 2026	3,390
Price target (IDR)	4,010
Upside/Downside (%)	18.3

Stock Information

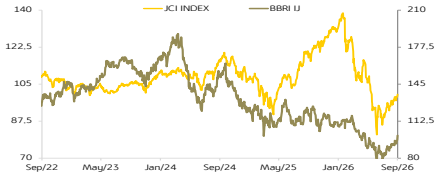
PT Bank Rakyat Indonesia (BBRI) established in 1895 is the oldest bank in Indonesia. BBRI plays an important role in developing grass root economy of Indonesia, focusing in Micro, Small and Medium Enterprises (MSMEs) segments.

Market cap (IDR bn)	512,269
Shares outstanding (mn)	151,559
52-week range (IDR)	2,540-4,270
3M average daily vol. ('000)	289,278
3M average daily val. (IDR mn)	847,182

Shareholders (%)

Danantara Asset	52.7
Public	47.3

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	10.9	9.9	(14.9)

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1H26 net income grew +17.5% YoY (+21.5% QoQ) driven by stronger net interest income, manageable operation expenses and prudent provisions, came in line with our/street '26F expectations at run-rate of 51.9%/51.3% (historical run rate of 50.8%). Total loans expanded +16.2% YoY, led by rapid growth in corporate (+47.1% YoY) and commercial (+58.1% YoY) segments as BBRI actively adjusted its portfolio to strengthened asset quality. On the funding side, total deposits grew +6.7% YoY, powered by strong CASA growth (+10.1% YoY) that lifted CASA ratio to 67.6%. TD remained near-flat (+0.2% YoY), while cost to income declined to 39.2% (-270 bps YoY), gross NPL eased to 2.9%, CoC fell to 3.1%, and ROE expanded +220 bps YoY to 18.8%. Maintain BUY with a TP of IDR4,010 (1.8x '26F P/B); the stock currently trades at 1.6x '26F P/B, or above its -2SD at 1.3x '26F P/B.

1H26 PATMI surge +17.5% YoY, +21.5% QoQ; In line

BBRI reported 1H26 net income of IDR30.86 tn (+17.5% YoY/+21.5% QoQ), in line with our/street '26F expectations at run-rate of 51.9%/51.3% (vs. historical run rate of 50.8%). The growth was underpinned by higher net interest income, tight cost control, and prudent provisioning. Net interest income was up +9.9% YoY to IDR80.53 tn, buoyed by strong loan growth and a -5.9% YoY decline in total interest expenses. Operating profit before provisions (PPOP) rose +12.8% YoY to IDR65.71 tn thanks to tight control over operating expenses, which increased by only +0.7% YoY. Provisioning expenses rose +9.9% YoY to IDR25.53 tn. In 2Q26 alone, BBRI's net profit reached IDR15.37 tn, slightly above our estimate of IDR14.94 tn.

Corporate and commercial segments drive +16.2% YoY loan growth

Total loans grew +16.2% YoY to IDR1,645.5 tn, reflecting stellar momentum across BBRI's major lending segments. Corporate loans rose +47.1% YoY to IDR410.1tn, increasing the segment's share of total loans by +520bps YoY to 24.9%. Commercial loans delivered the fastest growth rate +58.1% YoY to IDR72.2 tn, which lifted their contribution to 4.4% of the total loan portfolio. Meanwhile, micro loans (+6.4% YoY to IDR714.1 tn) saw their share declined -400bps YoY to 43.4%. The changes in portfolio mix reflects BBRI's strategy to expand corporate and commercial loans, supporting improved asset quality.

CASA-led funding growth supports the deposit mix

Solid deposit mix remained intact with TPF grew +6.7% YoY to IDR1,580.7 tn. Growth was driven by low-cost CASA deposits that increased +10.1% YoY and lifted overall CASA ratio by +210bps YoY to 67.6%. Savings account grew the fastest by +11.3% YoY, while demand deposit grew +8.5% YoY to IDR449.6 tn. Time deposits were virtually flat, growing only +0.2% YoY to IDR512.0tn, which demonstrates successful restraint in high-cost funding.

Improved risk metrics: RoE expanded +220bps

BBRI's NIM declined slightly to 7.7% (-10 bps YoY) on softening loan yields (-83 bps YoY). Cost-to-income declined by -2.7% YoY to 39.2%. On key risk metrics front, solid asset quality remained apparent; gross NPLs dropped -10 bps YoY to 2.9% and credit costs improved -30 bps to 3.1%. Overall profitability picked up as well, ROE jumped +220 bps YoY to 18.8% in 1H26 and to 19.2% in 2Q26 vs 18.4% in 1Q26.

FY26F PATMI supported by deposit mix and selective repricing

Considering moderation in loan yield as credit allocation shifts away from high-yielding micro toward corporate and retail segments, we expect CASA optimization to be an important buffer. In addition, selective loan repricing in 2H26 should offer further support to FY26F earnings. We expect '9M26F net income to hit IDR43.94 tn (+7.8% YoY), -234 bps lower than street expectations at +10.1% YoY.

Maintain BUY

We maintain our BUY rating on BBRI, with a GGM-based TP of IDR4,010, pegged at 1.8x FY26F P/B, while currently trades at 1.6x '26F P/B, or above its -2SD at 1.3x '26F P/B. Upside catalyst: a) higher-than-expected loan growth tied with significant loan repricing resulting to a stronger NIM, b) steady manageable opex, c) softer-than-anticipated CoC on steady AQ improvement. Downside risks: a) lower-than-expected loan growth, b) slower-than-anticipated benchmark rate transmission to loan yield, c) higher-than-expected CIR and higher CoC on front loads, g) foreign outflow and domestic uncertainty, h) IDR/USD depreciation.

Exhibit 1: Key statistics

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net interest income	142,057	150,498	159,313	169,486	181,381
Non-interest income	57,811	57,378	64,572	73,100	81,927
Operating income	199,869	207,877	223,885	242,585	263,309
PPOP	116,752	119,430	129,189	140,870	154,212
Net income	60,155	56,652	59,426	63,434	68,542
EPS (IDR)	397	374	392	419	452
EPS growth (%)	0.1	(5.8)	4.9	6.7	8.1
PER (x)	8.5	9.1	8.6	8.1	7.5
PBV (x)	1.6	1.6	1.6	1.5	1.4
Div. Yield (%)	10.9	10.9	8.8	9.3	9.9
ROE (%)	19.1	17.7	18.2	18.7	19.1

Sources: Company, KBVS Research

Exhibit 2: BBRI 1H26 selected profit and loss

Income Statements (IDR bn)	6M25	6M26	YoY (%)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)	KBVS '26F	% to KBVS	Cons' '26F	% to Cons
Interest income	102,376	107,923	5.4	52,506	55,085	4.9	52,838	4.3				
Interest expenses	(29,102)	(27,393)	(5.9)	(15,115)	(14,710)	(2.7)	(12,683)	16.0				
Net interest income	73,274	80,530	9.9	37,390	40,375	8.0	40,155	0.5				
Non-interest income	27,104	27,568	1.7	13,163	13,404	1.8	14,163	(5.4)				
Total opr. income	100,378	108,098	7.7	50,553	53,779	6.4	54,318	(1.0)				
Total opex	(42,100)	(42,387)	0.7	(22,169)	(20,251)	(8.7)	(22,135)	(8.5)				
PPoP	58,278	65,711	12.8	28,384	33,528	18.1	32,183	4.2				
Provisions	(23,273)	(25,532)	9.7	(10,998)	(13,408)	21.9	(12,123)	10.6				
Profit from operations	35,005	40,179	14.8	17,386	20,120	15.7	20,060	0.3				
Non-operating income	(261)	(179)	(31.4)	(22)	(104)	372.7	(74)	40.5				
Profit before tax	34,744	40,000	15.1	17,364	20,016	15.3	19,986	0.2				
Net profit	26,277	30,865	17.5	12,655	15,373	21.5	15,493	(0.8)	59,426	51.9	60,179	51.3

Source: Company, KBVS Research

Exhibit 4: BBRI 1H26 selected balance sheet

Balance Sheet (IDR bn)	6M25	6M26	YoY (%)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)
Gross loans	1,416,619	1,645,533	16.2	1,416,619	1,645,533	16.2	1,562,451	5.3
Current account	414,483	449,566	8.5	414,483	449,566	8.5	452,866	(0.7)
Saving account	556,463	619,100	11.3	556,463	619,100	11.3	605,752	2.2
Time deposits	511,174	512,016	0.2	511,174	512,016	0.2	496,506	3.1
Total Deposits	1,482,120	1,580,682	6.7	1,482,120	1,580,682	6.7	1,555,124	1.6
CASA	970,946	1,068,666	10.1	970,946	1,068,666	10.1	1,058,618	0.9
Total equity	322,072	328,675	2.1	322,072	328,675	2.1	345,062	(4.7)

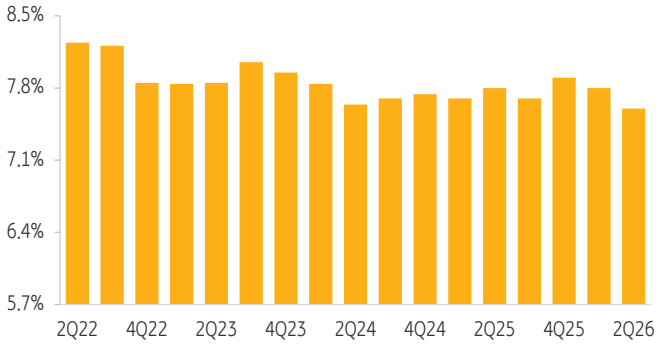
Source: Company, KBVS Research

Exhibit 5: BBRI 1H26 selected key ratios

Key Metrics (%)	6M25	6M26	YoY (%)	2Q25	2Q26	YoY (%)	1Q26	QoQ (%)
NIM	7.8	7.7	(0.1)	7.8	7.5	(0.3)	7.9	(0.4)
Total CAR	24.6	21.5	(3.1)	25.0	21.5	(3.5)	22.9	(1.4)
CASA Ratio	65.5	67.6	2.1	65.5	67.6	2.1	68.1	(0.5)
CIR	41.9	39.2	(2.7)	43.2	37.7	(5.5)	40.8	(3.1)
NPL gross	3.0	2.9	(0.1)	3.0	2.9	(0.1)	3.0	(0.1)
Cost of Credit	3.4	3.1	(0.3)	3.3	3.0	(0.3)	3.2	(0.2)
ROA	2.6	2.7	0.1	2.5	2.7	0.2	2.8	(0.1)
ROE	16.6	18.8	2.20	16.1	19.2	3.1	18.4	0.8
Leverage	6.5	7.2	0.7	6.5	7.2	0.7	6.5	0.7
Cost of Fund	3.0	2.4	(0.6)	3.6	2.4	(1.2)	2.3	0.1
LDR	85.0	90.8	5.8	85.0	90.8	5.8	87.2	3.6
Loan yield - BO	13.0	12.2	(0.8)	13.0	12.2	(0.8)	12.2	0.0

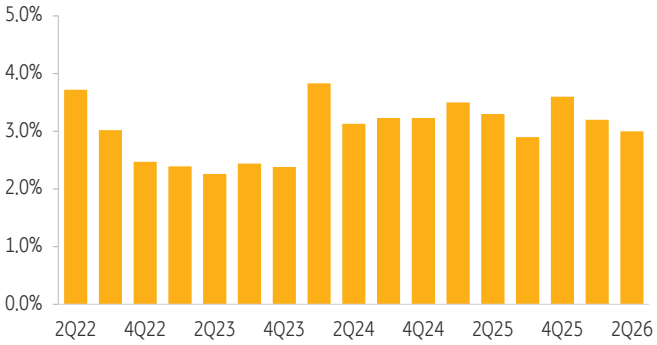
Source: Company, KBVS Research

Exhibit 5: Expect better NIM on softer funding cost and stronger volume



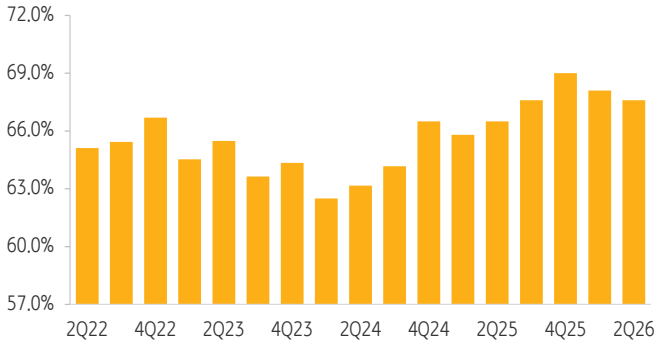
Source: Company, KBVS Research

Exhibit 6: Softening CoC to play crucial role for '26F earnings growth



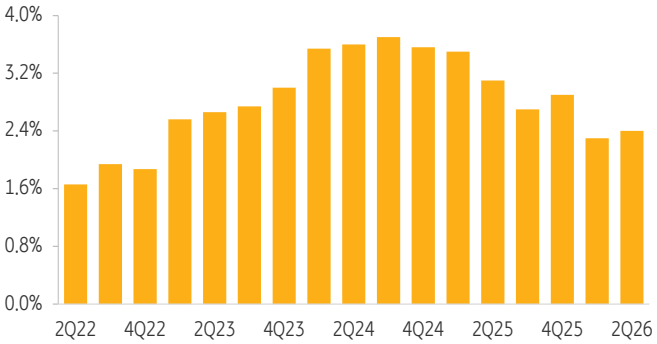
Source: Company, KBVS Research

Exhibit 7: Solid CASA to overall help NII and NIM in the upcoming quarters



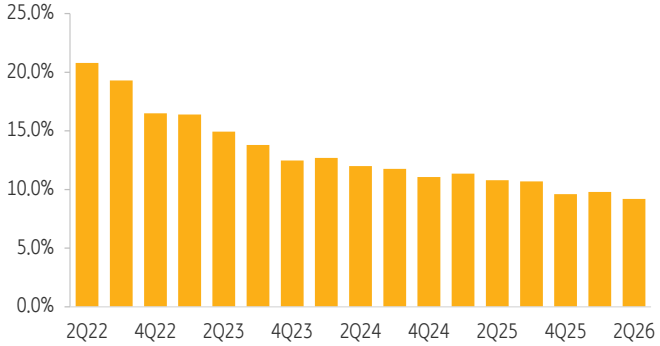
Source: Company, KBVS Research

Exhibit 8: Expect well-managed CoF



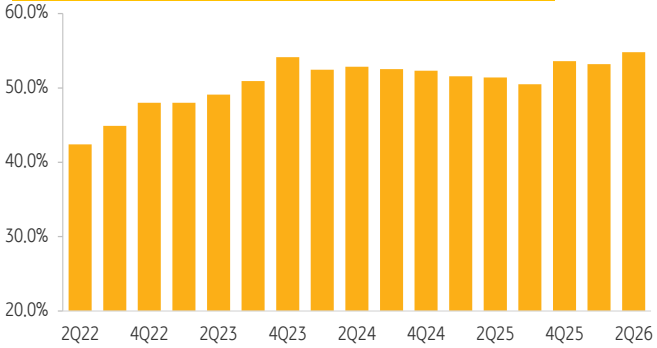
Source: Company, KBVS Research

Exhibit 9: Trending down loan at risk to continue



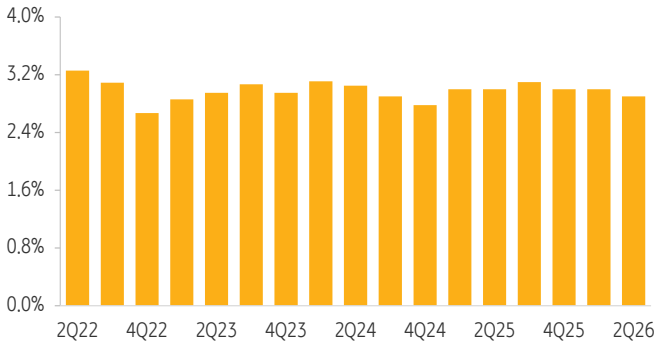
Source: Company, KBVS Research

Exhibit 10: Expect continuing adequate loan at risk coverage



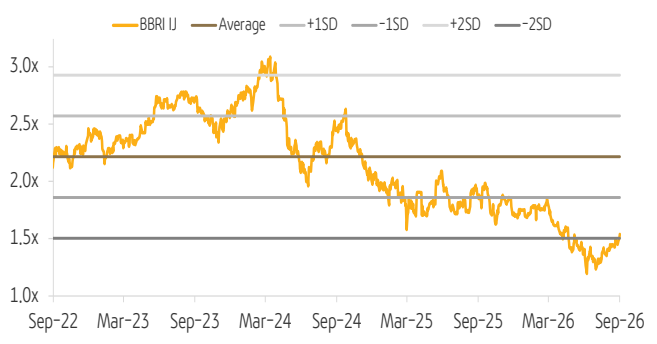
Source: Company, KBVS Research

Exhibit 11: Expect well-managed NPL



Source: Company, KBVS Research

Exhibit 12: Currently at 1.6x, or above -2SD of 1.3x '26F P/B



Source: Company, KBVS Research

Financial Tables

Exhibit 13: Profit and Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Interest income	199,266	207,783	219,596	231,467	245,392
Interest expenses	(57,209)	(57,285)	(60,283)	(61,981)	(64,011)
Net interest income	**142,057**	**150,498**	**159,313**	**169,486**	**181,381**
Non-interest income	57,811	57,378	64,572	73,100	81,927
Operating expenses	(83,116)	(88,447)	(94,696)	(101,716)	(109,096)
Pre-provision operating profit	**116,752**	**119,430**	**129,189**	**140,870**	**154,212**
Loan loss provision	(38,174)	(46,182)	(48,856)	(55,148)	(64,018)
Net profit	**60,155**	**56,652**	**59,426**	**63,434**	**68,542**

Source: Company, KBVS Research

Exhibit 14: Balance Sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash	29,784	32,044	34,118	36,869	38,472
Current Account at BI	88,879	31,930	33,096	31,195	32,564
Interbank Loans	83,448	63,488	71,458	46,949	40,705
Govt Treas Bills & Sec	228,825	246,095	210,612	185,612	179,100
Investment Securities	114,497	126,572	127,872	129,461	105,832
Loans	1,273,577	1,438,427	1,548,179	1,663,241	1,803,339
Fixed Assets	62,478	63,294	65,192	66,170	67,163
Other assets	111,495	133,520	167,002	169,508	172,050
Total Asset	**1,992,983**	**2,135,371**	**2,257,530**	**2,329,005**	**2,439,225**
Interbank Deposit	14,679	17,601	22,566	23,397	24,423
Customer Deposit	1,365,450	1,466,844	1,504,372	1,559,768	1,628,185
Debts Sec and Subordinates	32,502	40,902	54,157	42,114	29,307
Other Liabilities	257,162	279,083	340,132	347,030	380,819
Total liabilities	**1,669,794**	**1,804,430**	**1,921,227**	**1,972,309**	**2,062,734**
Capital Stock	7,578	7,578	7,578	7,578	7,578
Additional Paid-in Capital	75,880	75,946	75,946	75,946	75,946
Retained Earnings	218,093	222,663	233,025	248,918	266,713
Other Equity	15,552	17,855	12,855	17,355	19,355
Shareholder's Equity	317,103	324,043	329,404	349,797	369,592
Non-controlling Interest	6,095	6,899	6,899	6,899	6,899
Total Equity	**323,189**	**330,941**	**336,303**	**356,696**	**376,491**

Source: Company, KBVS Research

Exhibit 15: Key performance metrics

Year End Dec (IDR Bn)	2024A	2025A	2026F	2027F	2028F
NIM (%)	7.9	7.8	7.3	7.5	7.9
CASA (%)	67.3	70.6	72.1	72.8	73.5
NPL (%)	2.8	2.7	2.7	2.6	2.6
ROAE (%)	19.1	17.7	18.2	18.7	19.1
CAR (%)	24.4	23.4	22.1	22.9	23.4
BVPS (IDR)	2,092	2,138	2,173	2,308	2,439
PER (x)	8.5	9.1	8.6	8.1	7.5
PBV (x)	1.6	1.6	1.6	1.5	1.4
Div. Yield (%)	10.9	10.9	8.8	9.3	9.9

Source: Company, KBVS Research

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