

Bank Rakyat Indonesia Tbk (BBRI)

Kinerja Stabil di 1Q20

BBRI berhasil mencatatkan laba bersih senilai Rp 8,17 triliun periode 1Q20, atau relatif sama dibanding 1Q19 yang senilai Rp 8,19 triliun. Laba konsolidasi BBRI ini dipengaruhi oleh kondisi pasar, terutama terkait investasi entitas anak usaha, seperti BRILife, dan BRI Agro. Sementara itu, laba bersih BBRI secara individual senilai Rp 8,30 triliun atau bertumbuh 3,25% YoY. Secara individual juga, laba BBRI ditopang pendapatan bunga bersih yang tumbuh 7,11% YoY menjadi senilai Rp 20,02 triliun.

Tekanan NIM

BBRI secara individual mencatatkan NIM di level 6,66% periode 1Q20 dibandingkan periode 1Q19 sebesar 6,89%. Tekanan NIM tersebut terjadi ditengah BBRI yang menjaga Cost of Fund 3,65% periode 1Q20, dari sebelumnya 3,68% periode 1Q19. Kami melihat, NIM BBRI periode 2Q20 kembali dipengaruhi oleh tren penurunan suku bunga acuan BI 7-DRRR. Seiring penurunan BI 7-DRRR berpeluang menopang rasio CASA BBRI, yang saat ini berada di level 56,86% periode 1Q20. Adapun, restrukturisasi pinjaman terdampak wabah virus corona, juga akan mempengaruhi NIM BBRI periode 2Q20.

Kredit Bertumbuh di Semua Segmen

BBRI membukukan kredit konsolidasi senilai Rp 930,73 triliun atau bertumbuh 10,05% YoY. Pertumbuhan yang didukung segmen mikro, usaha kecil dan menengah (UKM) ini, membuat komposisi kredit UMKM BBRI meningkat menjadi 78,31% dari total portofolio. Adapun, kredit segmen mikro senilai Rp 320,24 triliun atau tumbuh 12,72% YoY; UKM senilai Rp 197,7 triliun atau tumbuh 9,45% YoY; consumer senilai Rp 142,7 triliun atau tumbuh 6,97%; serta korporasi dan BUMN senilai Rp 203,3 triliun atau tumbuh 6,21%.

NPL Mikro Meningkat

Pembatasan aktivitas akibat penerapan PSBB, mengurangi kegiatan ekonomi yang turut membuat kemampuan membayar pinjaman segmen mikro terganggu. BBRI mencatatkan NPL mikro konsolidasi sebesar 3,00%. Angka tersebut meningkat dari periode sama tahun sebelumnya 2,42%. Kenaikan NPL tersebut membuat BBRI menyiapkan rasio pencadangan NPL hingga 223,6%.

Rekomendasi Hold dengan Target Harga Rp 3.010

NHKS memproyeksikan BBRI dengan target harga di level Rp 3.010 dengan target PBV 1,8x. Target ini didukung kemampuan BBRI menjaga rasio CASA, dan kondisi terkini ditengah tren penurunan BI 7-DRRR. Sementara itu, kredit mikro dan UKM masih akan menjadi fokus utama BBRI.

Bank Rakyat Indonesia Tbk | Summary (IDR bn)

	2019/12A	2020/12E	2021/12E	2022/12E
Interest Income	121,756	119,329	125,385	140,460
<i>Interest Income growth</i>	9.1%	-2.0%	5.1%	12.0%
Operating Revenue	111,157	109,399	111,998	128,645
Net profit	34,373	22,998	25,262	27,206
EPS (IDR)	279	186	205	221
<i>EPS growth</i>	6.3%	-28.9%	9.8%	7.7%
BVPS (IDR)	1,693	1,575	1,678	1,776
Net Interest Margin	6.5%	6.2%	6.0%	6.2%
Loan/Deposits	88.9%	92.0%	91.2%	89.2%
NPL	2.6%	2.9%	2.5%	2.5%
ROE	17.4%	11.4%	12.6%	12.8%
ROA	2.5%	1.6%	1.7%	1.7%
Non-Int. Inc. /Op. Rev	26.5%	29.3%	26.6%	28.0%
P/E	13.1x	16.1x	14.7x	13.6x
P/BV	2.2x	1.9x	1.8x	1.7x
DPS (IDR)	167	111	123	132
<i>Dividend yield</i>	4.6%	3.7%	4.1%	4.4%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Hold

Target Price (IDR)	3,010
Consensus Price (IDR)	3,180
TP to Consensus Price	-5.3%
vs. Last Price	-2.9%

Shares data

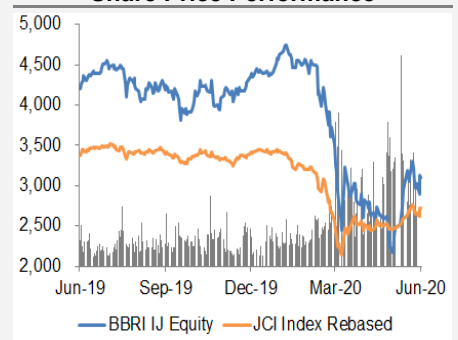
Last Price (IDR)	3,100
Price date as of	Jun. 17, 2020
52 wk range (Hi/Lo)	4,760 / 2,160
Free float (%)	43.2
Outstanding sh.(mn)	123,346
Market Cap (IDR bn)	376,205
Market Cap (USD mn)	26,469
Avg. Trd Vol - 3M (mn)	331.46
Avg. Trd Val - 3M (bn)	928.65
Foreign Ownership	24.4%

Finance

Bank

Bloomberg	BBRI IJ
Reuters	BBRI.IK

Share Price Performance



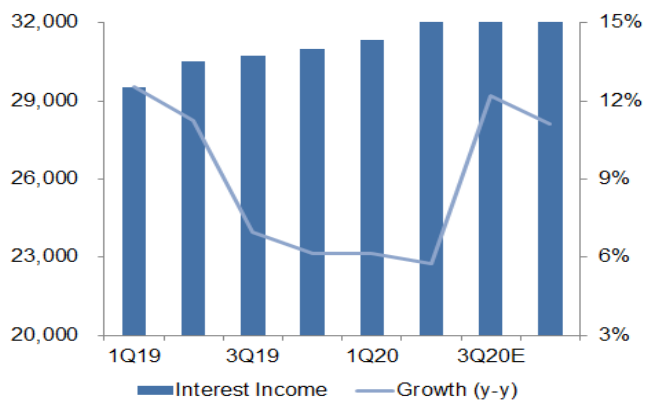
	YTD	1M	3M	12M
Abs. Ret.	-29.5%	38.4%	-4.9%	-26.2%
Rel. Ret.	-8.7%	27.7%	-16.8%	-6.8%

Arief Machrus

arief.machrus@nhsec.co.id

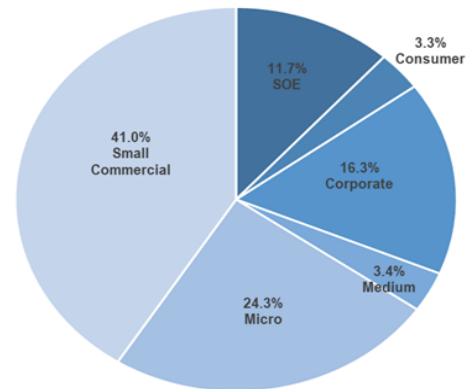
Performance Highlights

Interest Income (IDR bn) | 1Q19 - 4Q20



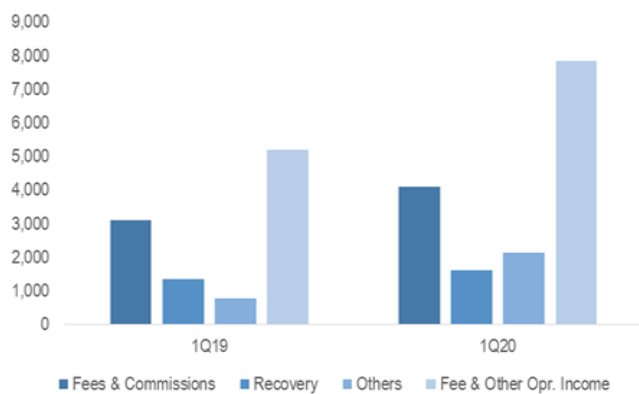
Source: Company, NHKSI Research

BBRI's Loan by Segment



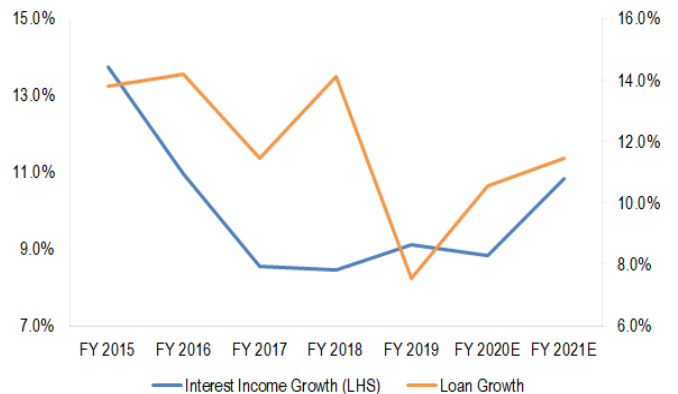
Source: Company, NHKSI Research

BBRI's Other Operating Income



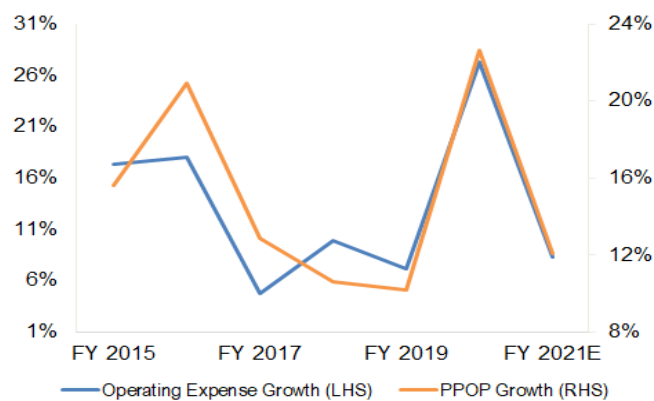
Source: Company, NHKSI Research

Interest Income Growth, Loan Growth



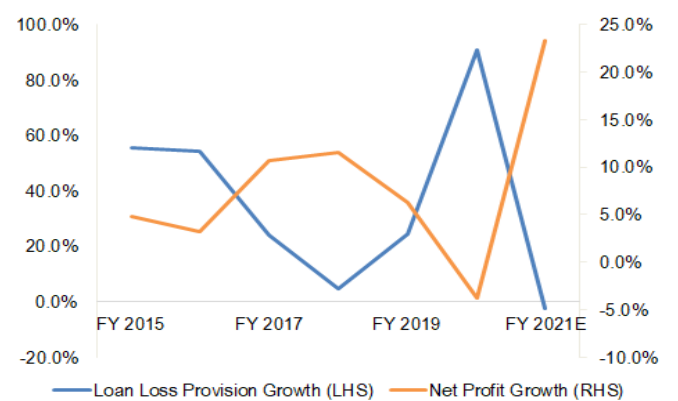
Source: Company, NHKSI Research

Operating Expense Growth



Source: Company, NHKSI Research

Loan Loss Provision Growth, Net Profit Growth



Source: Company, NHKSI Research

1Q20 Review (IDR Bn)

	1Q19	2Q19	3Q19	4Q19	1Q20					4Q20E
					Actual	Estimate	y-y	q-q	Surprise	
Interest Income	29,524	30,501	30,754	30,977	31,343	-	6.2%	1.2%	-	33,621
Interest Expense	(10,114)	(9,987)	(10,100)	(9,848)	(10,376)	-	2.6%	5.4%	-	(10,604)
Net Interest Income	19,411	20,514	20,654	21,128	20,967	-	8.0%	-0.8%	-	23,017
Operating Revenue	24,970	27,186	27,579	31,422	29,516	-	18.2%	-6.1%	-	33,491
Pre-Provisioning Operating Profit (PPOP)	14,707	15,201	16,560	19,128	16,908	-	15.0%	-11.6%	-	19,846
Loan loss provisions	(4,549)	(5,458)	(5,382)	(6,776)	(6,588)	-	44.8%	-2.8%	-	(11,375)
Net Profit	8,164	8,000	8,616	9,592	8,356	-	2.3%	-12.9%	-	6,625

Source: Bloomberg, NHKSI Research

Earnings Revision (IDR Bn)

		2020E	2020F	2021F
Interest Income	Revised	132,523	146,861	159,618
	Previous	-	-	-
	Change	-	-	-
Interest Expenses	Revised	(42,402)	(43,706)	(48,438)
	Previous	-	-	-
	Change	-	-	-
Net Interest Income	Revised	90,121	103,154	111,180
	Previous	-	-	-
	Change	-	-	-
Operating Revenue	Revised	127,146	140,464	154,125
	Previous	-	-	-
	Change	-	-	-
Pre-Provisioning OP	Revised	73,000	81,823	89,135
	Previous	-	-	-
	Change	-	-	-
Loan Loss Provision	Revised	(33,981)	(33,164)	(40,203)
	Previous	-	-	-
	Change	-	-	-
Net Profit	Revised	31,108	38,339	38,782
	Previous	-	-	-
	Change	-	-	-

Source: NHKSI Research

A Glance at BBRI

Perbankan Indonesia dengan karakteristik tawaran tingkat bunga kredit yang lebih tinggi dibanding kompetitornya menjadikan industri tersebut investasi memikat di negara kawasan ASEAN. Meski dihadang tantangan suku bunga acuan 4,25% sebagian besar bank di Indonesia cukup tangguh mempertahankan NIM dibandingkan kompetitornya.

Kapitalisasi Pasar Besar di ASEAN

BBRI sebagai bank komersial milik pemerintah dengan aset terbesar di Indonesia berfokus pada kredit UMKM dan mendistribusikan sekitar 15% dari total kredit di Indonesia. Sementara itu, BBRI melalui segmen UMKM mendistribusikan hampir 32% dari total kredit nasional. Besarnya jumlah total kredit yang didistribusikan oleh BBRI menjadikannya bank dengan kapitalisasi pasar domestik dan ASEAN yang relatif besar. Pada Kamis (17/06/2020) BBRI ditutup di level IDR 3.100 setelah sebelumnya sempat menyentuh level tertinggi IDR 4.760 pada akhir Januari 2020. Pencapaian ini mendorong kapitalisasi pasar BBRI, di skala nasional, lampau BMRI sedangkan di skala ASEAN sukses lampau OCBC Singapura. Sebagai catatan, BBRI mencatatkan penurunan 29,5% sejak awal 2020.

ASEAN Banking Sector

Company	Market Cap (USD mn)	Asset (USD mn)	Int. Income LTM (USD mn)	Net Profit LTM (USD mn)	Net Profit Growth LTM	ROE LTM	P/E LTM	P/BV
Indonesia								
BBRI	27,111	102,315	8,049	2,428	3.8%	18.6%	11.0	2.1
BBCA	49,197	66,367	4,074	2,054	10.1%	17.6%	24.2	4.1
BMRI	16,240	95,201	6,063	1,989	6.7%	15.5%	8.1	1.3
BBNI	5,991	61,068	3,839	1,099	0.8%	14.1%	5.5	0.8
Singapore								
OCBC	29,142	365,678	6,625	3,162	-6.0%	9.5%	6.3	0.8
Malaysia								
CIMB	8,634	140,141	4,826	931	-29.1%	7.2%	9.4	0.7
Malayan Banking (Malaysia)	20,298	203,988	4,360	2,027	4.8%	10.8%	10.3	1.1
Hong Leong	3,814	57,497	1,275	433	-5.5%	9.2%	9.0	0.8
Thailand								
Bangkok Bank	7,120		3,307	1,114	-2.5%	8.2%	6.4	0.5
Bank of Ayudhya	5,795	79,298	3,573	874	-13.7%	10.3%	6.7	0.7
Philippine								
BDO Unibank (Philippine)	8,748	62,894	2,840	840	18.0%	12.3%	10.2	1.2
Metropolitan Bank	3,429	48,338	1,893	534	19.7%	9.2%	6.7	0.6
Philippine Island Bank	6,661	43,490	1,732	554	20.9%	10.7%	11.7	1.2

Source: Bloomberg

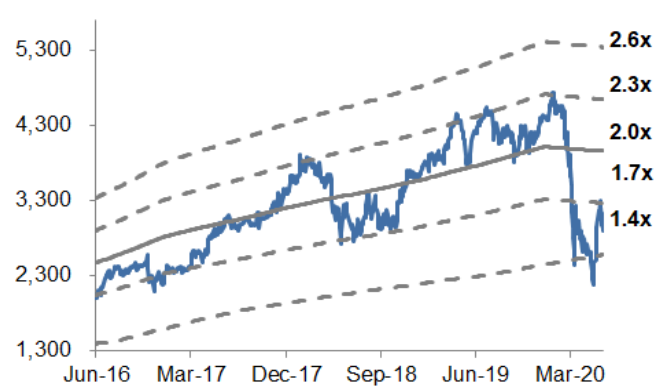
Multiple Valuation

Forward P/B Band | Last 4 years



Source: NHKSI Research, Bloomberg

Dynamic Forward P/B Band | Last 4 years



Source: NHKSI Research, Bloomberg

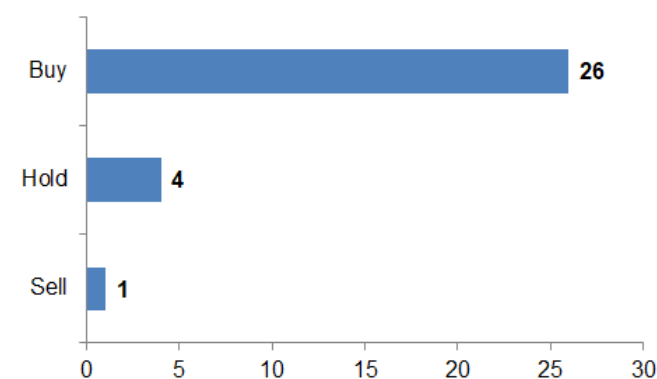
Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
08/15/2018	Buy	3,930 (Dec 2018)	3,140	3,728	+25.2%	+5.4%
11/13/2018	Buy	4,370 (Dec 2019)	3,280	3,787	+33.2%	+15.4%
06/28/2019	Buy	4,950 (Dec 2019)	4,360	4,566	+13.5%	+8.4%
11/15/2019	Buy	4,950 (Dec 2020)	4,090	4,686	+21.0%	+5.6%
06/19/2020	Hold	3,010 (Dec 2020)	3,100	3,180	-2.9%	-5.3%

Source: NHKSI Research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research, Bloomberg

NH Korindo Sekuritas Indonesia (NHKS) stock ratings

1. Period: End of year target price
2. Rating system based on a stock's absolute return from the date of publication
 - Buy : Greater than +15%
 - Hold : -15% to +15%
 - Sell : Less than -15%

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2019/12A	2020/12E	2021/12F	2022/12F		2019/12A	2020/12E	2021/12F	2022/12F
Interest Income	121,756	119,329	125,385	140,460	ROE	17.4%	11.4%	12.6%	12.8%
<i>Growth (% y/y)</i>	9.1%	-2.0%	5.1%	12.0%	ROA	2.5%	1.6%	1.7%	1.7%
Interest Expenses	(40,049)	(41,975)	(43,204)	(47,812)	Non-Int. Inc. /Op. Rev	26.5%	29.3%	26.6%	28.0%
Net Interest Income	81,707	77,355	82,181	92,648	Cost/Income	41.0%	42.3%	41.6%	41.9%
<i>Net Interest Margin</i>	6.5%	6.2%	6.0%	6.2%	Cash Dividend (IDR bn)	20,624	13,683	15,157	16,323
Net Fee Income	14,506	16,900	15,087	18,625	Dividend Yield (%)	4.6%	3.7%	4.1%	4.4%
Trading Income	2,074	3,293	2,505	3,384	Payout Ratio (%)	60.0%	59.5%	60.0%	60.0%
Other Operating Income	12,870	11,851	12,225	13,988	Loan/Deposits	88.9%	92.0%	91.2%	89.2%
Operating Revenue	111,157	109,399	111,998	128,645	Loan/Assets	64.0%	69.5%	69.3%	68.1%
Operating Expenses	(45,561)	(46,231)	(46,635)	(53,965)	NPL	2.6%	2.9%	2.5%	2.5%
Pre-provisioning OP	65,597	63,168	65,363	74,680	Loan Loss Res./Loan	4.3%	7.0%	7.1%	7.6%
Provision for Impairment	(22,165)	(34,115)	(33,223)	(40,190)	CASA/Deposits	57.7%	57.6%	57.6%	56.9%
EBT	43,364	29,127	32,153	34,542	Time Deposits/Deposits	42.3%	42.4%	42.4%	43.1%
Income Tax	(8,950)	(6,137)	(6,867)	(7,327)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	(41)	8	(25)	(9)	Total Shares (mn)	123,346	123,346	123,346	123,346
Net Profit	34,373	22,998	25,262	27,206	Share Price (IDR)	3,660	3,010	3,010	3,010
<i>Growth (% y/y)</i>	6.3%	-28.9%	9.8%	7.7%	Market Cap (IDR tn)	451.4	371.3	371.3	371.3

BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2019/12A	2020/12E	2021/12F	2022/12F		2019/12A	2020/12E	2021/12F	2022/12F
Cash	30,219	21,739	22,093	26,602	Price /Earnings	13.1x	16.1x	14.7x	13.6x
Placement in Banks	198,509	130,052	168,373	202,355	Price /Book Value	2.2x	1.9x	1.8x	1.7x
Net Loans	868,192	906,089	987,264	1,048,337	Price/Op. Revenue	4.1x	3.4x	3.3x	2.9x
Investment	218,029	225,936	224,986	246,953	PE/EPS Growth	2.1x	-0.6x	1.5x	1.8x
Fixed Asset	31,433	35,170	39,157	43,268	EV/Operating Revenue	5.1x	4.1x	4.1x	3.6x
Other Assets	70,377	84,119	91,720	97,875	EV/PPOP	8.6x	7.1x	7.0x	6.2x
Total Assets	1,416,759	1,403,105	1,533,593	1,665,390	EV (IDR bn)	562,569	450,952	457,437	462,487
Deposits	1,021,197	1,059,911	1,165,903	1,271,142	Op. Rev. CAGR (3-Yr)	18.9%	15.7%	9.8%	11.6%
Debt	138,881	99,044	105,884	115,441	EPS CAGR (3-Yr)	10.1%	-3.3%	-1.2%	-2.1%
Other liabilities	47,897	49,868	54,855	59,806	Basic EPS (IDR)	279	186	205	221
Total Liabilities	1,207,975	1,208,823	1,326,641	1,446,389	Diluted EPS (IDR)	279	186	205	221
Capital Stock & APIC	9,068	9,580	10,672	10,672	BVPS (IDR)	1,693	1,575	1,678	1,776
Retained Earnings	181,327	169,095	180,674	192,723	Op. Revenue PS (IDR)	901	887	908	1,043
Shareholders' Equity	208,784	194,282	206,952	219,001	DPS (IDR)	167	111	123	132

Source: NHKSI Research, Bloomberg

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entity of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not suitable for all investors. Although the information here is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, respective employees, and agents disclaim any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents liable for errors, omissions, misstatements, negligence, inaccuracy arising herefrom.

All rights reserved by PT NH Korindo Securities Indonesia