

Bank Rakyat Indonesia Tbk (BBRI)

Segmen Mikro Memimpin Ekspansi Kredit

BBRI mencatatkan laba bersih senilai Rp 3,8 triliun periode 3Q20. Angka ini tumbuh signifikan dibanding kuartal sebelumnya yang senilai Rp 1,9 triliun, didukung pendapatan bunga yang tumbuh 17,6%. BBRI tetap mampu catat kenaikan laba bersih, ditengah biaya provisi yang naik lebih dari 200%. Di sisi lain, kredit mikro yang kembali ekspansif dengan CoF yang menurun, membuat BBRI mampu menjaga NIM berada di level 5,76%.

Pertumbuhan Kredit Mikro Menopang NIM

Net Interest Margin (NIM) BBRI terjaga di level 5,76% 9M20, naik 4 bps dibanding 1H20 di level 5,72%. Hal ini tercapai dengan ditopang pertumbuhan kredit segmen mikro dan komersial kecil. Kredit BBRI tumbuh 3,2% YoY, dengan kredit mikro sebagai segmen terbesar tumbuh hampir 9% YoY. Kemudian diikuti, segmen komersial kecil dan consumer yang masing-masing tumbuh 4,6% YoY dan 3,8% YoY. Pertumbuhan kredit mikro BBRI, didorong program Pemulihan Ekonomi Nasional (PEN) pemerintah yang fokus pada segmen Usaha Mikro Kecil Menengah (UMKM). Selain itu, terjaganya NIM juga sebagai keberhasilan BBRI meningkatkan rasio CASA ditengah tren suku bunga rendah.

Pertumbuhan DPK Lampau Industri

Current Account Saving Account (CASA) masih mendominasi dana pihak ketiga (DPK) BBRI, mencapai nilai Rp 639 triliun atau lebih dari 60% dari total DPK. Sementara itu, DPK BBRI hingga 9M20 senilai Rp 1.062 triliun atau naik 16,3% YoY atau melampaui pertumbuhan industri. Pertumbuhan DPK ini juga mendorong likuiditas LDR BBRI ke level 82,6%, dibanding periode sama tahun lalu 93,0%. Likuiditas yang longgar ini, sekaligus memberikan ruang bagi BBRI untuk kembali menekan Cost of Fund (CoF), yang saat ini tengah turun 9 bps secara kuartalan.

Rekomendasi Overweight dengan Target Harga Rp 4.500

NHKS Research merevisi rekomendasi dari Buy menjadi Overweight, dengan target price Rp 4.500 untuk periode 12 bulan ke depan. Kami menggunakan asumsi P/B sebesar 2,4x, dengan target pertumbuhan kredit 5% YoY. Kredit mikro yang kembali ekspansif sekaligus CoF yang turun, berpotensi mendongkrak LDR ke level 85%.

Bank Rakyat Indonesia Tbk | Summary (IDR bn)

	2019/12A	2020/12E	2021/12E	2022/12E
Interest Income	121,756	118,207	124,162	139,325
<i>Interest Income growth</i>	9.1%	-2.9%	5.0%	12.2%
Operating Revenue	111,157	108,853	110,739	127,625
Net profit	34,455	24,671	24,762	27,122
EPS (IDR)	279	200	201	220
<i>EPS growth</i>	6.5%	-23.7%	0.4%	9.5%
BVPS (IDR)	1,693	1,640	1,696	1,796
Net Interest Margin	6.6%	6.2%	5.9%	6.2%
Loan/Deposits	88.9%	91.2%	90.5%	88.6%
NPL	2.7%	2.9%	2.5%	2.5%
ROE	17.5%	12.0%	12.0%	12.6%
ROA	2.5%	1.7%	1.7%	1.7%
Non-Int. Inc. /Op. Rev	26.5%	29.4%	26.7%	28.1%
P/E	13.1x	20.0x	19.9x	18.2x
P/BV	2.2x	2.4x	2.4x	2.2x
DPS (IDR)	167	120	120	132
<i>Dividend yield</i>	4.6%	3.0%	3.0%	3.3%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia



Company Report | Nov. 27, 2020

Overweight

Target Price (IDR)	4,500
Consensus Price (IDR)	4,394
TP to Consensus Price	+2.4%
vs. Last Price	+5.4%

Shares data

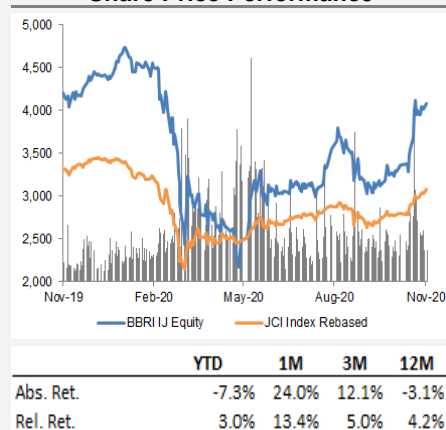
Last Price (IDR)	4,270
Price date as of	Nov. 27, 2020
52 wk range (Hi/Lo)	4,760 / 2,160
Free float (%)	27.1
Outstanding sh.(mn)	123,346
Market Cap (IDR bn)	410,742
Market Cap (USD mn)	27,713
Avg. Trd Vol - 3M (mn)	175.59
Avg. Trd Val - 3M (bn)	568.84
Foreign Ownership	20.8%

Finance

Bank

Bloomberg	BBRI IJ
Reuters	BBRI.JK

Share Price Performance

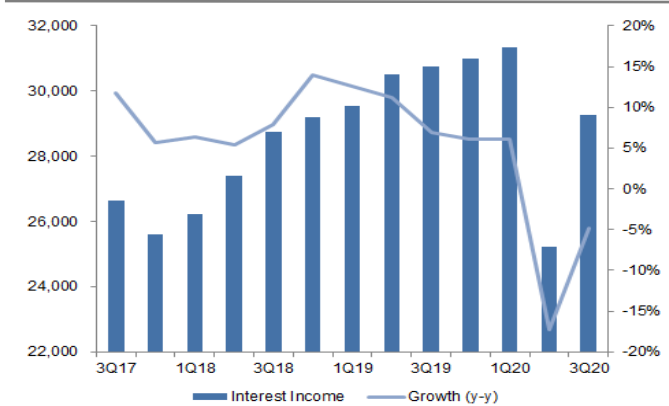


Arief Machrus

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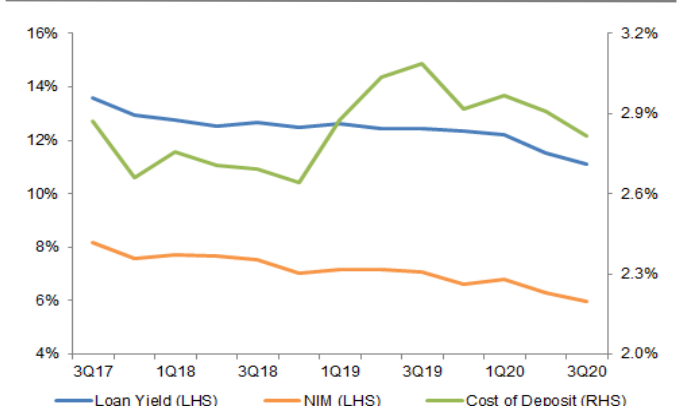
Performance Highlights

Interest Income (IDR bn) | 3Q17 - 3Q20



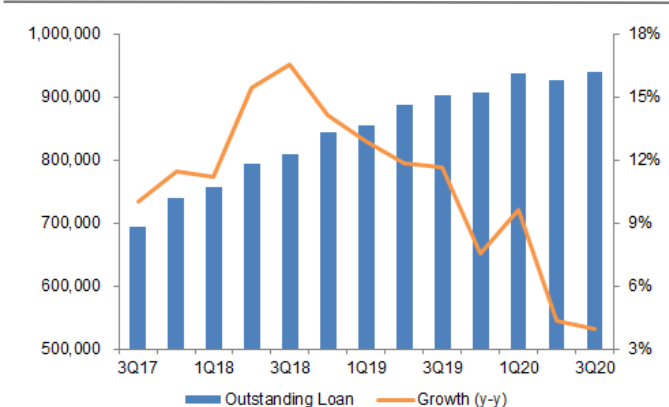
Source: Company, NHKSI Research

Loan Yield, Cost of Deposit, Net Interest Margin (NIM)



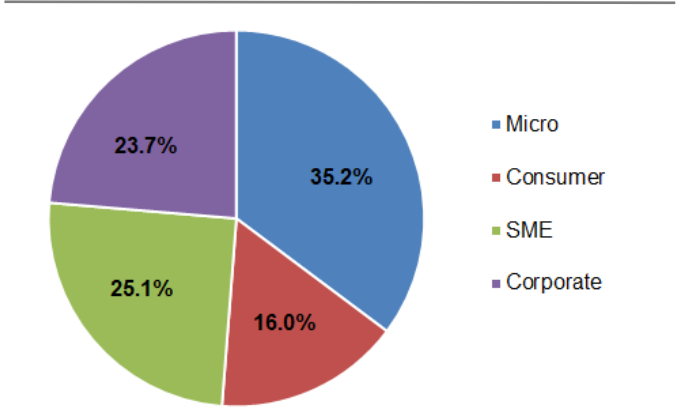
Source: Company, NHKSI Research

Outstanding Loan (IDR Bn) | 3Q17 - 3Q20



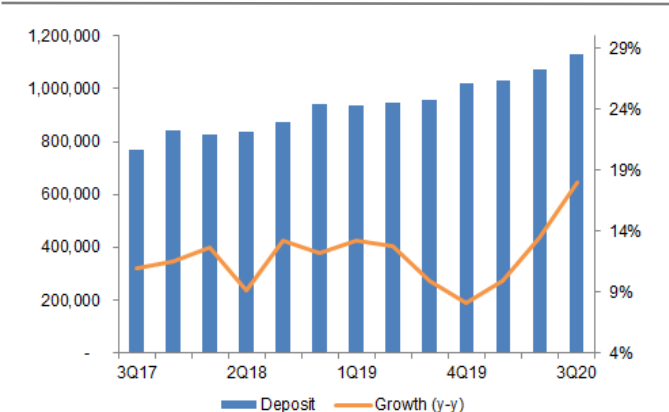
Source: Company, NHKSI Research

Loan Composition



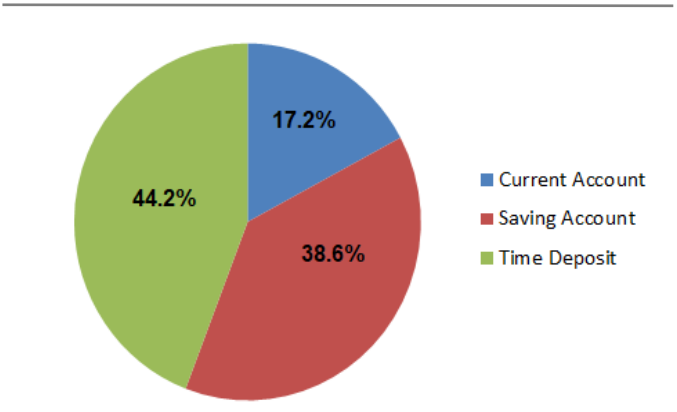
Source: Company, NHKSI Research

Deposit (IDR bn) | 3Q17 - 3Q20



Source: Company, NHKSI Research

Deposit Composition



Source: Company, NHKSI Research

3Q20 Review (IDR Bn)

	3Q19	4Q19	1Q20	2Q20	3Q20					4Q20E
					Actual	Estimate	y-y	q-q	Surprise	
Interest Income	30,754	30,977	31,343	25,235	29,280		-4.8%	16.0%		33,963
Interest Expense	(10,100)	(9,848)	(10,376)	(9,700)	(9,733)		-3.6%	0.3%		(11,076)
Net Interest Income	20,654	21,128	20,967	15,535	19,547		-5.4%	25.8%		22,887
Operating Revenue	27,579	31,422	29,516	21,306	27,740		0.6%	30.2%		33,775
Pre-Provisioning Operating Profit (PPOP)	16,560	19,128	16,715	8,642	14,515		-12.3%	68.0%		17,953
Loan loss provisions	(5,382)	(6,776)	(6,588)	(3,256)	(9,594)		78.3%	194.7%		(10,576)
Net Profit	8,619	9,592	8,163	2,015	3,938		-54.3%	95.4%		5,934

Source: Bloomberg, NHKSI Research

Earnings Revision (IDR Bn)

		2020E	2021F	2022F
Interest Income	Revised Previous Change	118,207	124,162	139,325
Interest Expenses	Revised Previous Change	(41,367)	(42,952)	(47,517)
Net Interest Income	Revised Previous Change	76,840	81,210	91,808
Operating Revenue	Revised Previous Change	108,853	110,739	127,625
Pre-Provisioning OP	Revised Previous Change	60,431	63,807	71,194
Loan Loss Provision	Revised Previous Change	(26,364)	(31,044)	(35,548)
Net Profit	Revised Previous Change	24,671	24,762	27,122

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.

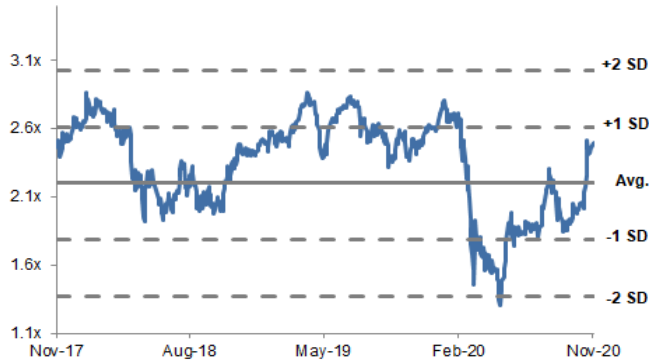
ASEAN Banking Sector

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	28,075	102,315	7,576	1,982	-15.6%	15.2%	14.6	2.2
BBCA	48,978	66,367	3,976	1,951	2.4%	17.0%	26.0	4.3
BMRI	17,912	95,201	5,725	1,693	-8.1%	13.3%	11.0	1.5
BBNI	6,254	61,068	3,720	852	-19.8%	10.9%	7.6	0.8
Singapore								
OCBC	27,704	365,678	8,122	2,779	-16.9%	8.2%	9.9	0.8
Malaysia								
CIMB	7,687	140,141	4,710	629	-47.1%	4.8%	11.9	0.6
Malayan Banking (Malaysia)	20,083	203,988	4,086	1,769	-7.4%	9.2%	11.2	1.0
Hong Leong	3,815	59,191	1,206	442	-3.2%	9.3%	8.4	0.7
Thailand								
Bangkok Bank	6,294	108,104	3,273	909	-20.6%	6.5%	7.0	0.4
Bank of Ayudhya	4,828	79,298	3,565	856	-17.2%	9.9%	5.7	0.5
Philippine								
BDO Unibank (Philippine)	8,161	62,894	2,854	555	-28.7%	7.9%	14.0	1.1
Metropolitan Bank	3,333	48,338	1,893	474	0.5%	7.8%	7.2	0.5
Philippine Island Bank	5,995	43,490	1,734	524	3.7%	9.9%	10.8	1.0

Source: Bloomberg

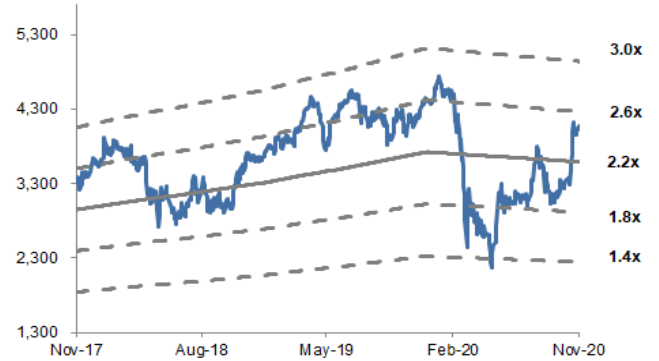
Multiple Valuation

Forward P/B Band | Last 3 years



Source: NHKSI Research, Bloomberg

Dynamic Forward P/B Band | Last 3 years



Source: NHKSI Research, Bloomberg

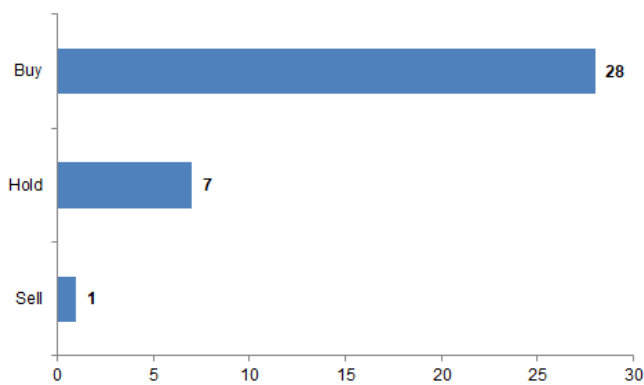
Rating and Target Price Update

Target Price Revision

Date	Rating	Target Price	Last Price	Consensus	vs Last Price	vs Consensus
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%
09/11/2020	Buy	4,000 (12 Month)	3,250	3,838	+23.0%	+4.2%
11/27/2020	Overweight	4,500 (12 Month)	4,270	4,394	+5.4%	+2.4%

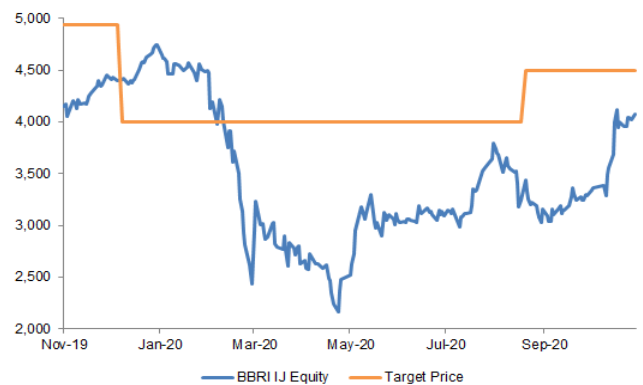
Source: NHKSI Research, Bloomberg

Analyst Coverage Rating



Source: Bloomberg

Closing and Target Price



Source: NHKSI Research, Bloomberg

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	118,207	124,162	139,325	ROE	17.5%	12.0%	12.0%	12.6%
<i>Growth (% y/y)</i>	9.1%	-2.9%	5.0%	12.2%	ROA	2.5%	1.7%	1.7%	1.7%
Interest Expenses	(40,049)	(41,367)	(42,952)	(47,517)	Non-Int. Inc. /Op. Rev	26.5%	29.4%	26.7%	28.1%
Net Interest Income	81,707	76,840	81,210	91,808	Cost/Income	41.0%	44.5%	42.4%	43.4%
<i>Net Interest Margin</i>	6.6%	6.2%	5.9%	6.2%	Cash Dividend (IDR bn)	20,624	14,775	14,857	16,273
Net Fee Income	14,506	17,770	15,255	19,239	Dividend Yield (%)	4.6%	3.0%	3.0%	3.3%
Trading Income	2,074	2,825	2,318	2,998	Payout Ratio (%)	59.9%	59.9%	60.0%	60.0%
Other Operating Income	12,870	11,419	11,956	13,580	Loan/Deposits	88.9%	91.2%	90.5%	88.6%
Operating Revenue	111,157	108,853	110,739	127,625	Loan/Assets	64.0%	68.5%	68.7%	67.5%
Operating Expenses	(45,561)	(48,422)	(46,932)	(55,431)	NPL	2.7%	2.9%	2.5%	2.5%
Pre-provisioning OP	65,597	60,431	63,807	72,194	Loan Loss Res./Loan	4.3%	6.3%	6.8%	7.3%
Provision for Impairment	(22,165)	(26,364)	(31,044)	(35,548)	CASA/Deposits	57.7%	57.6%	57.6%	56.8%
EBT	43,364	34,139	32,776	36,696	Time Deposits/Deposits	42.3%	42.4%	42.4%	43.2%
Income Tax	(8,950)	(9,539)	(8,030)	(9,622)	Par Value (IDR)	250	250	250	250
Non-controlling Interest	41	71	16	48	Total Shares (mn)	123,346	123,346	123,346	123,346
Net Profit	34,455	24,671	24,762	27,122	Share Price (IDR)	3,660	4,000	4,000	4,000
<i>Growth (% y/y)</i>	6.5%	-23.7%	0.4%	9.5%	Market Cap (IDR tn)	451.4	493.4	493.4	493.4

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	29,779	36,150	42,573	Price /Earnings	13.1x	20.0x	19.9x	18.2x
Placement in Banks	198,509	131,403	163,767	197,725	Price /Book Value	2.2x	2.4x	2.4x	2.2x
Net Loans	868,192	906,433	983,119	1,044,334	Price/Op. Revenue	4.1x	4.5x	4.5x	3.9x
Investment	218,029	227,112	227,969	249,419	PE/EPS Growth	2.0x	-0.8x	53.6x	1.9x
Fixed Asset	31,433	33,986	36,730	39,559	EV/Operating Revenue	5.1x	5.2x	5.1x	4.4x
Other Assets	70,377	81,858	87,858	93,807	EV/PPOP	8.6x	9.3x	8.8x	7.9x
Total Assets	1,416,759	1,410,573	1,535,592	1,667,418	EV (IDR bn)	562,569	563,950	564,598	567,635
Deposits	1,021,197	1,059,650	1,165,616	1,270,688	Op. Rev. CAGR (3-Yr)	18.9%	15.5%	9.4%	11.3%
Debt	138,881	97,929	104,947	114,408	EPS CAGR (3-Yr)	10.1%	-1.0%	-1.9%	-2.2%
Other liabilities	47,897	50,711	55,782	60,811	Basic EPS (IDR)	279	200	201	220
Total Liabilities	1,207,975	1,208,290	1,326,345	1,445,906	Diluted EPS (IDR)	279	200	201	220
Capital Stock & APIC	9,068	9,579	10,672	10,672	BVPS (IDR)	1,693	1,640	1,696	1,796
Retained Earnings	181,327	172,943	178,814	191,079	Op. Revenue PS (IDR)	901	883	898	1,035
Shareholders' Equity	208,784	202,283	209,247	221,512	DPS (IDR)	167	120	120	132

Source: NHKSI Research, Bloomberg

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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