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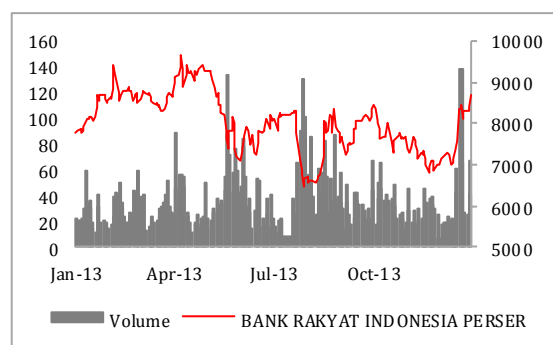
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PT Bank Rakyat Indonesia (Persero) Tbk provides commercial banking activities and its related services. The Bank also provides banking activities based on shariah principles.

BBRI IJ

Price: 8,450

Price Target: IDR 9,550


Price Performance

| | |
|----------------|-------|
| Price | 8,450 |
| 52 Week High | 9,950 |
| 52 Week Low | 6,200 |
| 52 Week Beta | 1.48 |
| 1M Return | 24% |
| 6M Return | 6% |
| 52 Week Return | 14% |
| YTD Return | 17% |

Source: Bloomberg

Stock Information

| | |
|----------------------------|--------|
| Outstanding Shares (M) | 24,669 |
| Floating | 43% |
| Ownership (Institutional) | 73% |
| Ownership (Retail & Other) | 27% |

Source: Bloomberg

Top Holder

| | |
|-----------------------|-------|
| REPUBLIC OF INDONESIA | 56.8% |
| DANAREKSA INVESTMENT | 14.7% |
| FIL LIMITED | 2.1% |
| JPMORGAN CHASE & CO | 1.5% |
| FRANKLIN RESOURCES | 1.5% |

Source: Bloomberg

Company Update
BANK RAKYAT INDONESIA
LENDING GROWTH IS STILL EXPECTED TO BE ROBUST AMID LIQUIDITY CRUNCH
Pertumbuhan laba BRI mencapai 14,2%

Di akhir tahun 2013, sesuai dengan prediksi kami, BRI berhasil membukukan kenaikan laba bersih sebesar 14,2% yoy menjadi Rp 21,16 triliun, didukung oleh pertumbuhan kredit sebesar 23,7% yoy menjadi Rp 431 triliun serta kenaikan NIM dari 8,42% di 2012 menjadi 8,55% di 2013. Meskipun terjadi pertumbuhan kredit yang cukup tinggi, kinerja NPL tetap mengalami perbaikan dari 1,78% di 2012 menjadi 1,55% di akhir 2013. Pertumbuhan dana pihak ketiga yang dapat mendukung pertumbuhan kredit juga sesuai dengan estimasi kami yang bertumbuh 11,5% yoy menjadi Rp 486 triliun.

2014 target pertumbuhan kredit diatas rata-rata industri

Tahun 2014 BRI menargetkan pertumbuhan kredit sebesar 20-22% diatas rata-rata industri perbankan nasional yang diprediksi BI. Salah satu langkah strategis BRI dalam upaya memenuhi target pertumbuhan tersebut, salah satunya adalah dengan menguasai seluruh pasar basah di Indonesia. Saat ini di Indonesia terdapat sekitar 12.700 pasar basah. Target terdekat BRI saat ini akan menguasai 6.000 pasar basah. Disamping itu manajemen meyakini perkotaan menguasai mayoritas perputaran uang, untuk itu BRI membuat produk yang disesuaikan dengan masyarakat kota, dengan tujuan turut mengambil pangsa pasar dari masyarakat kota tersebut. BRI juga terus mengembangkan teknologi untuk mendukung peningkatan transaksi harian serta akan turut meningkatkan *fee based income*.

Financial Summary

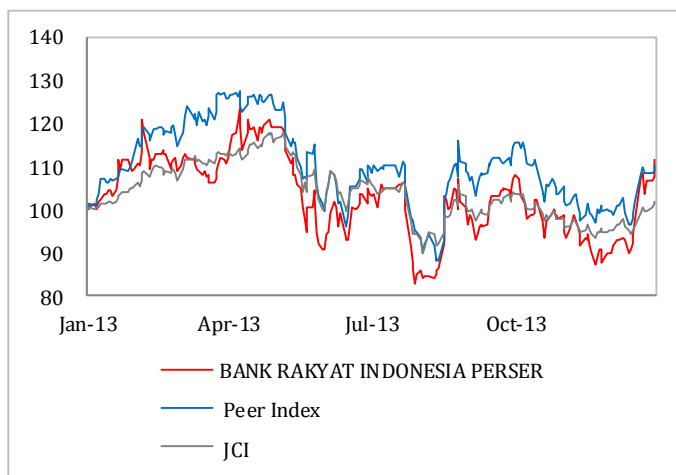
| IDR in bn | 12/09 | 12/10 | 12/11 | 12/12 | 12/13 |
|----------------|--------|--------|--------|--------|--------|
| Revenue | 38,636 | 50,159 | 53,942 | 58,000 | 67,797 |
| Net Profit | 7,308 | 11,472 | 15,083 | 18,520 | 21,160 |
| EPS Adjusted | 305 | 478 | 629 | 772 | 882 |
| DPS | 89 | 82 | 122 | 225 | |
| Revenue Growth | 27% | 30% | 8% | 8% | 17% |
| EPS Growth | 23% | 57% | 31% | 23% | 14% |
| ROCE | 29 | 36 | 35 | 33 | 30 |
| ROE | 19 | 22 | 25 | 25 | 24 |
| P/E (x) | 13 | 11 | 11 | 9 | 8 |
| P/BV (x) | 3 | 4 | 3 | 3 | 2 |
| EV/EBITDA (x) | | | | | |
| Dividend Yield | 2 | 2 | 2 | 3 | |

Source: Bloomberg, Sinarmas Investment Research

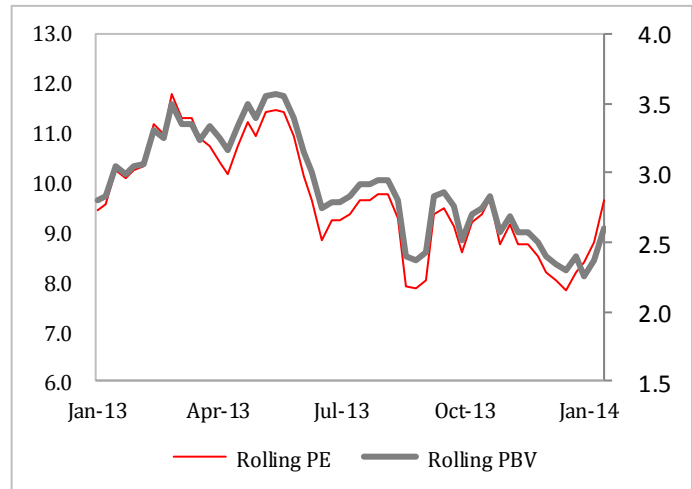
Sector Comparisons

| Ticker | Mkt Cap (B) | P/E Ratio | PBV | CAR | LDR | T12M NIM | NPL | YTD Return |
|---------|-------------|-----------|-----|------|-----|----------|-----|------------|
| BBRI IJ | 209,071 | 9.8 | 2.6 | 17.1 | 88 | 8.5 | 1.6 | 17% |
| BBCA IJ | 252,097 | 18.2 | 4.1 | 0.5 | 71 | 6.6 | 0.4 | 7% |
| BMRI IJ | 203,000 | 11.8 | 2.5 | 0.1 | 82 | 5.4 | 2.2 | 11% |
| BDMN IJ | 41,885 | 10.4 | 1.4 | 0.0 | 129 | 9.4 | 2.3 | 16% |
| BBNI IJ | 79,257 | 9 | 2 | 0.0 | 79 | 6.1 | 2.8 | 8% |

Source: Bloomberg, Sinarmas Investment Research

Stock Price versus Peers and Benchmark


Source: Bloomberg

YTD Rolling PE and PBV


Source: Bloomberg

Kinerja Keuangan FY2013 (IDR bn)

| LAPORAN LABA RUGI | 12M2012 | 12M2013 | Y-o-Y | 4Q2012 | 4Q2013 | Y-o-Y | 3Q2013 | 4Q2013 | Q-o-Q |
|--------------------------------------|---------|---------|-------|--------|--------|-------|--------|--------|-------|
| Penempatan Bunga - Bersih | 35,461 | 42,906 | 21% | 9,481 | 12,601 | 33% | 10,845 | 12,601 | 16% |
| Total pendapatan operasional lainnya | 8,166 | 8,165 | 0% | 2,901 | 2,836 | -2% | 1,736 | 2,836 | 63% |
| Total beban operasional | -18,602 | -21,284 | 14% | -5,056 | -5,580 | 10% | -5,685 | -5,580 | -2% |
| Penyisihan | -2,555 | -3,916 | 53% | -417 | -1,618 | 288% | -841 | -1,618 | 92% |
| Laba Operasional | 22,470 | 25,872 | 15% | 6,909 | 8,239 | 19% | 6,055 | 8,239 | 36% |
| Laba Bersih | 18,521 | 21,160 | 14% | 5,507 | 5,932 | 8% | 5,216 | 5,932 | 14% |

| NERACA | 12M2012 | 12M2013 | Y-o-Y | 4Q2012 | 4Q2013 | Y-o-Y | 3Q2013 | 4Q2013 | Q-o-Q |
|------------------------|---------|---------|-------|---------|---------|-------|---------|---------|-------|
| Kredit | 348,227 | 430,618 | 23.7% | 348,227 | 430,618 | 24% | 413,263 | 430,618 | 4% |
| CASA | 60% | 59% | -1% | 60% | 59% | -1% | 58% | 59% | 1% |
| Giro | 18% | 16% | -2% | 18% | 16% | -2% | 17% | 16% | -1% |
| Tabungan | 42% | 43% | 1% | 42% | 43% | 1% | 41% | 43% | 2% |
| Deposito | 40% | 41% | 1% | 40% | 41% | 1% | 42% | 41% | -1% |
| Total Simpanan Nasabah | 436,098 | 486,366 | 12% | 436,098 | 486,366 | 12% | 454,730 | 486,366 | 7% |
| Ekuitas | 64,637 | 78,870 | 22% | 64,637 | 78,870 | 22% | 73,214 | 78,870 | 8% |

| RASIO KEUANGAN | 12M2012 | 12M2013 | Y-o-Y | 4Q2012 | 4Q2013 | Y-o-Y | 3Q2013 | 4Q2013 | Q-o-Q |
|------------------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| CAR | 17.00% | 16.99% | -0.01% | 17.00% | 16.99% | -0.01% | 17.10% | 16.99% | -0.11% |
| LDR | 79.90% | 88.54% | 8.64% | 79.90% | 88.54% | 8.64% | 90.90% | 88.54% | -2.36% |
| NIM | 8.40% | 8.55% | 0.15% | 8.40% | 8.55% | 0.15% | 8.30% | 8.55% | 0.25% |
| NPL (Gross) | 1.80% | 1.55% | -0.25% | 1.80% | 1.55% | -0.25% | 1.80% | 1.55% | -0.25% |
| ROE | 38.70% | 34.11% | -4.59% | 38.70% | 34.11% | -4.59% | 33.20% | 34.11% | 0.91% |
| BOPO | 59.90% | 60.58% | 0.68% | 59.90% | 60.58% | 0.68% | 61.50% | 60.58% | -0.92% |
| Biaya/pendapatan | 43.10% | 42.13% | -0.97% | 43.10% | 42.13% | -0.97% | 44.30% | 42.13% | -2.17% |

Source: Bloomberg, Company data, Sinarmas Sekuritas Research

Kinerja laporan keuangan & Forecast

| Income Statement | 2010 | 2011 | 2013 | 2013 | 2014 F | 2015 F |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating Income and Expenses | | | | | | |
| Interest Income | 44,615 | 48,164 | 59,461 | 59,461 | 71,571 | 80,301 |
| Interest expense | (11,727) | (13,737) | -15,355 | -15,355 | -19,541 | -23,497 |
| Net interest income | 32,889 | 34,427 | 44,106 | 44,106 | 52,029 | 56,804 |
| Fee and other operating income | 2,813 | 3,369 | 4,862 | 4,862 | 5,106 | 5,872 |
| Net fee and comission income | 35,701 | 37,796 | 48,968 | 48,968 | 57,136 | 62,676 |
| Foreign Exchange Gain (Loss) | 773 | 36 | 478 | 478 | 617 | 741 |
| Trading Gains (Losses) | 153 | 132 | 78.252 | 78.252 | 61 | 74 |
| Unrealized Gain (Loss) From Sale Of Secs- Oper | 3 | 14 | - | - | 19 | 23 |
| Other operating income | 1,803 | 2,226 | 2,930 | 2,930 | 5,724 | 6,869 |
| Total operating expenses | 2,732 | 2,407 | 3,486 | 3,486 | 6,423 | 7,707 |
| Total income from operation | 38,433 | 40,203 | 52,454 | 52,454 | 63,559 | 70,383 |
| <i>Growth</i> | 46% | 5% | 21% | 17% | 21% | 11% |
| Operating expenses | | | | | | |
| Impairment loss on financial assets | (7,881) | (5,792) | -3,948 | -3,948 | -8,190 | -9,836 |
| Reversal (allowance) or provision for losses on non-productive assets | 8 | 94 | - | - | - | - |
| Other operating expenses | (2,772) | (2,541) | -2,629 | -2,629 | -5,146 | -6,175 |
| General and administrative | (8,676) | (8,701) | -12,232 | -12,232 | -11,623 | -12,785 |
| Salaries and benefit to management and employee | (4,711) | (5,679) | -7,519 | -7,519 | -7,676 | -8,827 |
| Total expense from operation | (24,031) | (22,619) | -26,327 | -26,327 | -32,635 | -37,623 |
| Operating Income | 14,402 | 17,584 | 26,127 | 26,127 | 30,924 | 32,760 |
| <i>Growth</i> | 68% | 22% | 12% | 15% | 18% | 6% |
| Non-operating income - net | 506 | 1,172 | 1,782 | 1,782 | 1,695 | 2,034 |
| Income before tax | 14,908 | 18,756 | 27,910 | 27,910 | 32,619 | 34,794 |
| Tax expense | (3,436) | (3,668) | -6,556 | -6,556 | -6,524 | -6,959 |
| Net Income | 11,472 | 15,088 | 21,354 | 21,354 | 26,095 | 27,835 |
| <i>Growth</i> | 57% | 32% | 15% | 14% | 22% | 7% |
| EPS | 478 | 629 | 866 | 866 | 1,056 | 1,126 |
| PER | 11.0 | 10.7 | 2.3 | 2.3 | 9.04 | 8.48 |
| PBV | 3.53 | 3.34 | 2.89 | 2.89 | 2.29 | 1.89 |

Kinerja laporan keuangan & Forecast

| Balance Sheet | 2010 | 2011 | 2012 | 2013 | 2014 F | 2015 F |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cash | 9,976 | 10,526 | 13,895 | 19,172 | 21,671 | 24,462 |
| Placement with BI and other banks | 108,920 | 112,170 | 113,609 | 86,370 | 113,863 | 126,842 |
| Government Bonds | 13,626 | 8,996 | 4,316 | 4,511 | 4,985 | 5,483 |
| Loans | 232,973 | 269,455 | 336,081 | 419,145 | 477,907 | 561,541 |
| Premises and equipment | 1,569 | 1,853 | 2,804 | 3,973 | 4,078 | 4,894 |
| Others | 37,222 | 66,900 | 80,631 | 93,012 | 97,952 | 114,007 |
| Total Assets | 404,286 | 469,899 | 551,337 | 626,183 | 720,456 | 837,228 |
| Demand deposits | 77,364 | 76,779 | 80,075 | 79,337 | 97,711 | 118,978 |
| Savings | 125,990 | 154,133 | 184,365 | 212,997 | 212,666 | 237,956 |
| Time deposits | 130,298 | 153,353 | 185,726 | 211,948 | 264,395 | 304,055 |
| Deposits from other banks | 5,160 | 4,024 | 2,779 | 3,691 | 2,716 | 3,124 |
| Borrowings | 9,455 | 13,098 | 10,889 | 9,085 | 9,473 | 11,368 |
| Others | 19,345 | 18,693 | 22,621 | 29,798 | 30,729 | 36,926 |
| Total liabilities | 367,612 | 420,079 | 486,455 | 546,856 | 617,690 | 712,406 |
| Total equity | 36,673 | 49,820 | 64,882 | 79,327 | 102,766 | 124,822 |
| FINANCIAL RATIOS | 2010 | 2011 | 2012 | 2013 | 2014 F | 2015 F |
| NIM | 10.77% | 9.58% | 8.42% | 8.55% | 8.70% | 8.20% |
| CASA | 60.95% | 60.09% | 58.74% | 57.97% | 54.00% | 54.00% |
| LDR | 75.17% | 76.20% | 79.85% | 88.54% | 90.00% | 92.00% |
| NPL | 2.78% | 2.30% | 1.78% | 1.55% | 1.90% | 1.90% |

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