

BUY (Maintained)

Target Price (IDR) **2,800**
Potential Upside (%) **19.1**

Company Data

Cons. Target Price (IDR) **3,164**
SSI vs. Cons (%) **88.5**

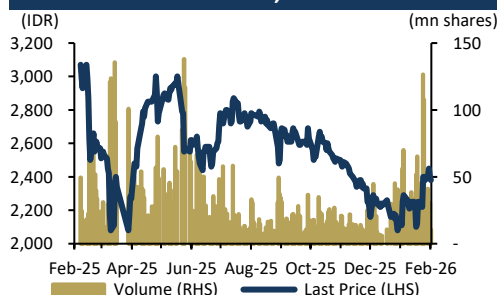
Stock Information

Last Price (IDR) 2,350
Market Cap. (IDR bn) 108,865
52-Weeks High/Low (IDR) 3,130/1,790
3M Avg. Daily Value (IDR bn) 59.0
Free Float (%) 9.9
Shareholders (%):
Bank Mandiri 51.5
Bank Negara Indonesia 23.2
Bank Rakyat Indonesia 15.4
Public 9.9

Stock Performance

(%)	YTD	1M	3M	12M
Absolute	5.8	3.1	(4.5)	(23.1)
JCI Return	(4.1)	(8.6)	(0.8)	20.6
Relative	9.9	11.7	(3.6)	(43.7)

Stock Price & Volumes, 12M



Company Background

Established in 2009 and listed on 9 May 2018, PT Bank Syariah Indonesia Tbk (BRIS) is the largest Islamic bank in Indonesia by assets, offering various financing solutions across multiple sectors, including corporate, commercial, SME, micro, consumer, and pawnbroking segments.

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Funding Mix & Fees: Continued Improvements

Retain BUY with TP of IDR 2,800 (2.2x 2026F PBV) on strong Sharia franchise. BRIS' management continues to execute well on its consumer-led financing strategy, CASA expansion, and fee income diversification, underpinning resilient earnings growth despite margin normalization. Looking ahead, management guides for FY26F financing growth of 14–16%, NIM above 5.5%, and credit cost below 1.0%, versus FY25 financing growth of 14.5% YoY, NIM at 5.6%, and credit cost at 84 bps. While near-term risks include asset-yield normalization and elevated opex from expansion initiatives, these are mitigated by improving funding mix, strong gold-related momentum, and scalable fee incomes. Thus, we maintain BUY on BRIS with TP of IDR 2,800, implying 2.2x 2026F PBV, supported by sustainable ROE in the mid-teens and improving earnings quality.

1Q26 results expectations: Net profit +9.4% QoQ, +5.3% YoY. Looking ahead, we expect BRIS to book 1Q26 net profit of IDR 2.0tn (+0.7% QoQ, +7.1% YoY), 23.9% of FY26. In 4Q25, BRIS posted attributable net profit of IDR 2.0 tn (+9.4% QoQ, +5.3% YoY), bringing FY25 earnings to IDR 7.6 tn (+8.0% YoY), in line with our estimate (101.5%) and consensus (99.8%). Sequential improvement was driven mainly by strong non-interest incomes, while FY25 NII rose 11.9% YoY and PPOP increased 10.6% YoY, both reaching record quarterly levels in 4Q25. 4Q25 NIM declined 10 bps QoQ to 5.4%, reflecting asset yield normalization, while non-interest incomes surged 19% QoQ to IDR 1.7 tn, driven by gold-related fees and transaction growth.

Liquidity improving with CASA traction and lower funding costs. We expect FY26F liquidity (FDR: 88.7%) to remain comfortable, supported by continued CASA expansion and stable funding conditions. In FY25, customer deposits grew 16.2% YoY to IDR 380 tn, with CASA rising 19.0% YoY and lifting the CASA ratio to 61.6%. Financing grew 14.5% YoY (+6.0% QoQ) to IDR 318 tn, led by consumer and wholesale segments, with the gold business expanding nearly 80% YoY. Lower reliance on time deposits translated to declining cost of funds, reinforcing margin resilience despite asset-yield normalization.

Assets quality manageable with adequate buffers to support future growth. Going forward, we expect assets quality to remain broadly stable in FY26 (FY26F NPF: 1.8%). In 4Q25, gross NPF improved to 1.8%, while credit costs remained contained at 84 bps, within management's guidance of below 1.0%, despite higher provisioning related to Sumatra flood-affected portfolios. Looking ahead, capital buffers remain solid, with CAR at 22.0%, providing sufficient headroom to support growth in FY26.

Forecast and Valuation (at closing price IDR 2,350 per share)

Y/E Dec	23A	24A	25A	26F	27F
Net Interest Income (IDRbn)	17,160	18,578	20,795	23,238	26,353
Pre-prov op. Profit (IDRbn)	10,243	11,261	12,453	14,569	17,035
Net Profit (IDR bn)	5,704	7,006	7,568	8,383	9,354
EPS (IDR)	124	152	164	182	203
EPS Growth (%)	33.9	22.8	8.0	10.8	11.6
P/E Ratio (x)	19.0	15.5	14.3	12.9	11.6
BVPS (IDR)	840	976	1,126	1,281	1,448
P/BV Ratio (x)	2.8	2.4	2.1	1.8	1.6
DPS (IDR)	-	-	-	36	41
Dividend Yield (%)	-	-	-	1.5	1.7
ROE (%)	16.9	17.9	16.7	16.6	16.3

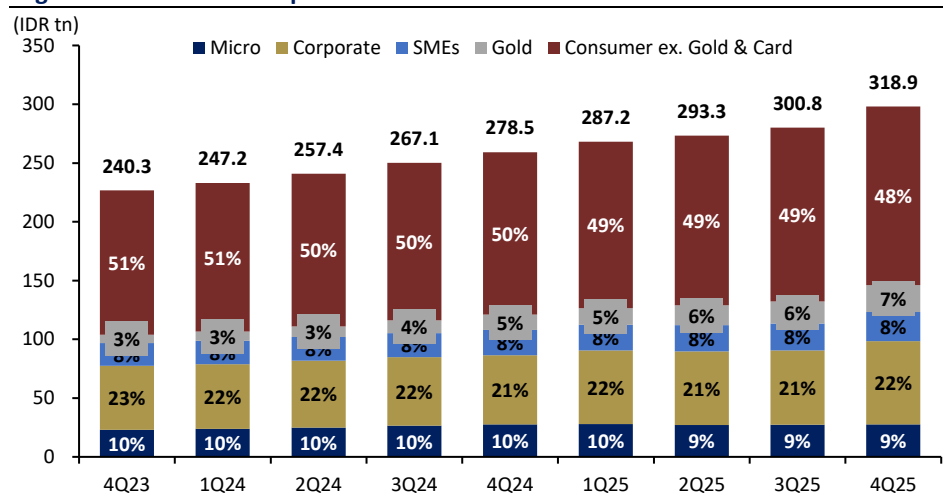
Figure 1. BRIS' 3Q25 Results

(IDRbn)	4Q25	QoQ (%)	YoY (%)	12M24	12M25	YoY (%)	12M25/ SSI	12M25/ Cons.
Net interest income	5,456	8.0	6.5	18,578	20,795	11.9	-	-
Non-interest income	1,686	22.4	36.7	4,375	5,245	19.9	-	-
Total operating income	7,142	11.1	12.4	22,953	26,040	13.5	103.2	101.0
Provisions	576	9.2	94.6	1,996	2,466	23.6	-	-
Operating profit	2,648	10.8	5.7	9,266	9,987	7.8	-	-
Net profit	1,999	9.4	5.3	7,006	7,568	8.0	101.5	99.8
Key ratios (%)								
Net interest margin (%)	-	-	-	5.7	5.6	-	-	-
Loan/deposit (%)	-	-	-	84.9	83.6	-	-	-
Capital adequacy (%)	-	-	-	21.4	22.0	-	-	-
Gross NPL (%)	-	-	-	1.9	1.8	-	-	-
ROAE (%)	-	-	-	16.7	15.6	-	-	-

Sources: Company, SSI Research

Operating income growth remained solid (+13.5% YoY), supported by strong non-interest income, mainly from digital gold-related fees, with total fee-based income rising +25.1% YoY to IDR 6.9tn in 12M25

Figure 2. BRIS' Loan Composition



Sources: Company, SSI Research

BRIS booked 4Q25 financing growth of 14.5% YoY and 6.0% QoQ, supported by strong demand for payroll-based financing

Figure 3. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	NIM (%)	2026F EPS Growth (%)	PBV (x)	ROE (%)
BBCA	BUY	897	7,275	8,600	(13,359)	18.2	6.0	8.9	2.9	21.0
BBRI	BUY	577	3,810	4,400	109	15.5	7.7	10.7	1.8	19.9
BMRI	BUY	483	5,175	5,700	(3,181)	10.1	4.5	3.0	1.5	19.0
BBNI	BUY	168	4,510	5,300	(1,044)	17.5	3.9	3.5	0.9	13.0
BNLI	SPEC-BUY	122	4,060	6,200	(0)	52.7	4.2	12.2	3.2	7.9
BRIS	BUY	109	2,350	2,800	(373)	19.1	5.2	10.8	1.9	16.6
BINA	SPEC-BUY	28	4,690	7,000	0	49.3	2.9	107.6	7.4	6.7
ARTO	BUY	26	1,690	2,700	8	59.8	2.0	81.8	2.6	2.0
PNBN	BUY	24	1,095	1,700	(68)	55.3	4.5	10.6	0.5	8.5
BBTN	BUY	19	1,390	1,600	300	15.1	3.8	18.4	0.4	19.1
BBKP	SPEC-BUY	14	75	100	17	33.3	2.6	154.4	1.7	8.1
BCIC	SPEC-BUY	3	154	270	1	75.3	2.4	13.1	0.7	7.9
Sector	OVERWEIGHT	2,471			(5,508)	19.5	5.7	10.8	2.2	18.4

Sources: Bloomberg, SSI Research

At current levels, BRIS provides 19% share price upside potential, supported by 2026F forward P/BV of 1.9x, reflecting 13.6% discount relative to the sector

Financial Highlights

Profit and Loss						
Y/E (IDRbn)	22A	23A	24A	25A	26F	27F
Interest income	20,467	23,153	26,473	29,932	33,145	37,511
Interest expense	4,032	5,993	7,895	9,137	9,908	11,158
Net interest income	16,435	17,160	18,578	20,795	23,238	26,353
Non-interest income	2,950	3,271	4,375	5,245	6,023	6,572
Total operating income	19,384	20,431	22,953	26,040	29,261	32,925
Operating expenses	13,736	12,839	13,687	16,053	17,810	20,153
Loan loss provisions	3,788	2,652	1,996	2,466	3,118	4,263
Operating profit	5,648	7,591	9,266	9,987	11,450	12,772
Non-operating inc./(exp.)	(133)	(192)	(215)	(226)	(273)	(300)
Pre-tax profit	5,515	7,399	9,050	9,761	11,178	12,472
Corporate tax	1,255	1,696	2,045	2,194	2,794	3,118
Minorities	-	-	-	-	-	-
Net profit	4,260	5,704	7,006	7,568	8,383	9,354

2026F NII is projected to grow 12% YoY, supported by strategic shift toward higher-yielding loan disbursement and easing cost of funds

Balance Sheet						
Y/E (IDRbn)	22A	23A	24A	25A	26F	27F
Placement with other banks	867	2,074	1,481	2,718	2,773	2,828
Loans	207,116	239,693	277,861	318,221	366,131	425,441
Government bonds	59,476	71,552	64,652	61,533	64,609	67,840
Other interest-bearing assets	31,778	32,441	49,966	51,603	55,731	60,190
Impairment	(9,229)	(9,846)	(10,344)	(11,039)	(10,524)	(12,787)
Net earnings assets	308,468	355,605	404,304	445,114	499,768	569,086
Cash on hand	4,951	5,256	8,081	8,691	12,198	12,823
Fixed assets	4,861	4,525	5,921	9,838	10,330	10,847
Other assets	5,145	6,820	9,914	12,258	12,503	12,753
Total assets	305,727	353,624	408,613	456,193	516,005	582,201
Customer deposits	261,491	293,776	327,454	380,488	412,814	446,324
Deposits from other banks	867	2,074	1,481	2,718	2,773	2,828
Borrowings & bonds	1,203	1,087	864	860	868	877
Total liabilities	272,222	314,885	363,572	404,240	456,907	515,426
Minorities	-	-	-	-	-	-
Equity	33,506	38,739	45,042	51,953	59,097	66,774
Total liabilities and equity	305,727	353,624	408,613	456,193	516,005	582,201

We project continued expansions in gold lending, which is expected to account for around 10% of total financing by end-2026F

Key Ratios (%)						
	22A	23A	24A	25A	26F	27F
ROA	1.4	2.4	1.7	1.7	1.7	1.7
ROE	16.0	16.9	17.9	16.7	16.6	16.3
NIM	5.9	5.3	5.0	5.0	5.2	5.3
Financing-to-deposit ratio	79.2	81.6	84.9	83.6	88.7	95.3
Cost-to-income ratio	50.6	50.0	51.4	52.6	50.5	48.5
Credit cost	1.8	1.5	0.7	0.8	0.9	1.0
Gross NPL	2.4	2.1	1.9	1.8	1.8	1.8
NPL coverage	184.1	197.5	195.9	191.7	159.7	167.0
CAR	20.3	21.0	21.4	22.0	22.7	23.3
Average assets yield	9.9	9.7	9.5	9.4	9.1	8.8
Loan growth	21.3	15.7	15.9	14.5	15.1	16.2
Deposit growth	12.1	12.1	8.7	9.2	8.5	8.1

In 2026F, consolidated NIM is expected to improve to 5.2% (2025: 5.0%), supported by sustained growth in high-yielding gold lending

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