

**Hold**

## Bank Syariah Indonesia (BRIS IJ)

### Nov24 bank-only results: Robust profitability on sound asset quality

Last Price (Rp)	2,750
Target Price (Rp)	3,000
Upside/Downside	+9.1%
No. of Shares (mn)	46,129
Mkt Cap (Rpbn/US\$mn)	126,855/7,833
Avg, Daily T/O (Rpbn/US\$mn)	95.1/5.9

- BRIS's Nov24 net profit reached Rp561bn (+5% mom), supported by a resilient NIM and record-low CoC, offsetting the higher opex.
- In 11M24, BRIS achieved a net profit growth of 22% yoy, i.e., in line, driven by higher PPOP, lower CoC, and solid loan growth expansion.
- In our view, BRIS delivered solid results, with robust loan growth and stable asset quality. However, operating expenses continued to rise.

#### Key Financials:

	2024F	2025F	2026F
EPS (Rp)	148.0	170.6	195.7
PER (x)	18.6	16.1	14.1
PBV (x)	2.9	2.6	2.4
CoE (x)	7.7	8.4	9.2
Dividend yield (%)	1.2	2.1	3.6
ROAE (%)	16.5	16.9	17.5

#### 11M24 Insights:

- **Net profit increased 22% yoy:** BRIS achieved a net profit of Rp6.2tr, up 22% yoy (compared to +21% in 10M24), in line with our FY24F and consensus projections at 91%.
- **Higher PPOP and lower CoC drove net profit growth:** PPOP rose by 9% yoy, supported by robust loan growth (+17%) and a 37% increase in other operating income. Provision expenses dropped by 24% yoy, reducing CoC to 0.8% (from 1.3% in 11M23).
- **NIM declined due to rising CoF:** CoF increased by 35bps to 2.5% in 11M24, resulting in a lower NIM of 5.6% (-42bps yoy).
- **Strong growth in loans and deposits:** Loans grew by 17% yoy, and deposits rose 13% yoy, which supported NII growth of 6% despite the lower NIM.

#### Nov24 Insights:

- **Net profit rose mom on low CoC:** BRIS posted a net profit of Rp561bn in Nov24 (+5% mom, +26% yoy), supported by a resilient NIM and a record-low CoC of 0.3%, partially offset by higher operating expenses.
- **NIM remained stable:** NIM stood at 5.7% (+14bps yoy), largely unchanged mom as a slight decline in EA yield was offset by a lower CoF.
- **Rising opex persisted:** Operating expenses reached Rp1.2tr (+6% mom, +32% yoy), pushing the CIR to 59.3% in Nov24 (+353bps mom, +517bps yoy).
- **Lowest monthly CoC YTD:** CoC reached its lowest level of the year at 0.3% (-47bps mom, -48bps yoy), reflecting strong asset quality, with provisions remaining robust at Rp10.4tr.
- **Continued growth in loans and deposits:** Both loans and deposits increased by 1% mom, keeping the LDR relatively stable at approximately 90%.

#### Summary:

- **Overall performance:** BRIS delivered solid results in Nov24, with strong loan growth and stable asset quality. However, LDR reached a historical high, and operating expenses continued to rise.
- We currently have a **Hold** rating on BRIS with a TP of Rp3,000 (based on a 3-year inverse cost of equity GGM).

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**Exhibit 1. BRIS Nov24 bank-only results**

BRIS - Bank Only (Rpbn)	Nov-23	Oct-24	Nov-24	mom, %	yoy, %	11M23	11M24	yoy, %	FY23	11M23/FY23	FY24F	11M24/FY24F	FY24C	11M24/FY24C
Interest income	1,906	2,254	2,242	-1%	18%	20,992	23,792	13%	23,153	91%	25,048	95%	25,375	94%
Interest expense	(542)	(681)	(658)	-3%	22%	(5,374)	(7,178)	34%	(5,993)	90%	(7,571)	95%	(7,397)	97%
<b>Net interest income</b>	<b>1,365</b>	<b>1,573</b>	<b>1,584</b>	<b>1%</b>	<b>16%</b>	<b>15,618</b>	<b>16,614</b>	<b>6%</b>	<b>17,160</b>	<b>91%</b>	<b>17,477</b>	<b>95%</b>	<b>17,978</b>	<b>92%</b>
Other operating income	296	422	413	-2%	40%	2,916	3,988	37%	3,271	89%	5,403	74%		
Operating expenses	(898)	(1,112)	(1,184)	6%	32%	(9,195)	(10,432)	13%	(10,188)	90%	(11,342)	92%	10,997	-95%
<b>PPOP</b>	<b>762</b>	<b>883</b>	<b>813</b>	<b>-8%</b>	<b>7%</b>	<b>9,339</b>	<b>10,169</b>	<b>9%</b>	<b>10,243</b>	<b>91%</b>	<b>11,538</b>	<b>88%</b>		
Provision	(157)	(179)	(75)	-58%	-52%	(2,566)	(1,954)	-24%	(2,652)	97%	(2,453)	80%	(2,608)	75%
Pre-tax profit	590	687	725	5%	23%	6,610	8,006	21%	7,399	89%	9,082	88%	8,931	90%
<b>Net profit</b>	<b>446</b>	<b>532</b>	<b>561</b>	<b>5%</b>	<b>26%</b>	<b>5,101</b>	<b>6,200</b>	<b>22%</b>	<b>5,704</b>	<b>89%</b>	<b>6,826</b>	<b>91%</b>	<b>6,845</b>	<b>91%</b>
										YTD, %				
Financing	234,397	270,238	273,796	1%	17%	234,397	273,796	17%	239,693	14%	276,028	99%		
Customer deposits	267,549	299,745	303,109	1%	13%	267,549	303,109	13%	293,776	3%	318,038	95%		
<b>Key Ratio</b>				mom, bps	yoy, bps			yoy, bps		11M24 vs FY23, bps		vs FY24F, bps		
Earning Asset yield (%) - ann	7.8	8.2	8.1	↓ (13)	↑ 31	8.1	8.1	↔ (7)	8.1	↓ (9)	7.6	↑ 44		
Cost of fund (%) - ann	2.5	2.7	2.6	↔ (10)	↓ 17	2.2	2.5	↓ 35	2.2	↓ 33	2.4	↓ 11		
NIM (%) - ann	5.6	5.7	5.7	↔ (2)	↑ 14	6.0	5.6	↓ (42)	6.0	↓ (41)	5.3	↑ 31		
CIR (%) - ann	54.1	55.7	59.3	↓ 353	↓ 517	49.6	50.6	↓ 103	49.9	↓ 77	49.6	↓ 107		
Cost of credit (%) - ann	0.8	0.8	0.3	↑ (47)	↑ (48)	1.3	0.8	↑ (44)	1.2	↑ (36)	1.0	↑ (11)		
CASA Ratio (%)	61.8	62.6	61.8	↓ (85)	↔ (1)	61.8	61.8	↔ (1)	60.6	↑ 122	62.3	↓ (49)		
LDR (%)	87.6	90.2	90.3	↓ 17	↓ 272	87.6	90.3	↓ 272	81.6	↓ 874	86.8	↓ 354		

Source: Company, BRIDS Estimates, Bloomberg

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**INVESTMENT RATING**

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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