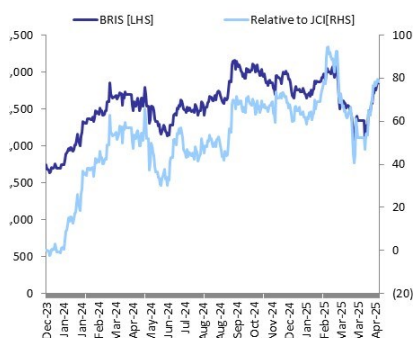


Hold

(Downgraded)

Last Price (Rp)	2,850
Target Price (Rp)	2,900
Previous Target Price (Rp)	2,900
Upside/Downside	+1.8%
No. of Shares (mn)	46,129
Mkt Cap (Rpbn/US\$mn)	131,468/7,919
Avg, Daily T/O (Rpbn/US\$mn)	79.1/4.8
Free Float (%)	33.1
Major Shareholder (%)	
PT. Bank Mandiri	51.5
PT. Bank Negara Indonesia	23.2
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	170.3 192.2 218.2
Consensus	179.0 212.1 250.4
BRIDS/Cons (%)	(4.8) (9.4) (12.8)

BRIS relative to JCI Index



Source: Bloomberg

Bank Syariah Indonesia (BRIS IJ)

In Line 1Q25 Results: Solid Earnings Supported by Gold Business; Lowered Rating on Valuation

- BRIS posted net profit of Rp1.9tr in 1Q25 (-1% qoq, +10% yoy), forming 24%/23% of our/cons. FY25F i.e., in line.
- Loan grew 16% supported by all business segments, driving LDR to 90%. Gold business portion rose, contributing to higher yield and low CoC.
- Downgrade rating to Hold on BRIS with an unchanged TP of Rp2,900, as the stock trades at its fair value after rising 31% in a month.

Positive earnings momentum continues supported by high loan growth

BRIS posted a net profit of Rp1.9tr in 1Q25 (-1% qoq, +10% yoy), reaching 24% of our and 23% of consensus FY25F, i.e., in line. The bank booked robust PPOP of Rp2.9tr (+16% yoy) in 1Q25, supported by 16% loan growth that drove a 9% increase in NII, and strong fee-based income growth of 36%, both offsetting a 16% increase in opex. The rising opex is mainly due to higher promotional and other expenses. As a result, CIR increased to 49% in 1Q25 from 48% in 1Q24.

Gold business drove asset yield higher while maintaining CoC

NIM declined to 5.5% in 1Q25 (-57bps qoq, -3bps yoy), driven by higher CoF at 2.6% (+21bps qoq, +17bps yoy), despite improved EA yield yoy, partly due to the higher portion of gold business. The gold business also drove BRIS to book solid fee-income growth (+36% yoy) and resilient CoC at below 1.0%. Despite higher provisioning, monthly CoC declined to 0.7% in Mar25, bringing 1Q25 CoC to 0.9%, higher than 4Q24's low base but relatively stable yoy.

LDR reached 90% as loans grew across business segments

Loans grew +3% qoq / +16% yoy, while deposits declined 1% qoq but still rose +7% yoy, pushing LDR up to 90% in 1Q25 from 85% in 4Q24. Loans grew across all segments, i.e., consumer, SME, and wholesale grew 16%, 15%, and 17% yoy, respectively. The consumer loan growth was driven by auto (+26% yoy), payroll (+15% yoy), and gold business (+82% yoy), of which the latter was supported by the soaring gold prices.

Downgrade to HOLD on valuation, unchanged TP at Rp2,900

Since our rating upgrade at the end of Mar25, share price has risen 31%. Despite the robust performance, resilient outlook, and attractive business model, we downgrade our rating from Buy to Hold, as the stock is now trading at its fair value, in our view. We maintain our TP at Rp2,900, based on a CoE of 8.0% (inverse CoE since the merger), LTG of 3%, and FY25F ROE of 16.5%, resulting in an FV PBV of 2.8x. Risks to our view are improving CoF and higher-than-expected earnings growth.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	10,214	11,172	12,867	14,632	16,630
Net profit (Rpbn)	5,704	7,006	7,858	8,866	10,067
EPS (Rp)	123.6	151.9	170.3	192.2	218.2
EPS growth (%)	33.9	22.8	12.2	12.8	13.5
BVPS (Rp)	839.8	976.4	1,088.4	1,184.0	1,269.8
PER (x)	23.0	18.8	16.7	14.8	13.1
PBV (x)	3.4	2.9	2.6	2.4	2.2
Dividend yield (%)	0.7	1.2	2.0	3.4	4.6
ROAE (%)	15.8	16.7	16.5	16.9	17.8

Source: BRIS, BRIDS Estimates

BRI Danareksa Sekuritas Analysts

Victor Stefano

(62-21) 5091 4100 ext. 3503

victor.stefano@brids.co.id

Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

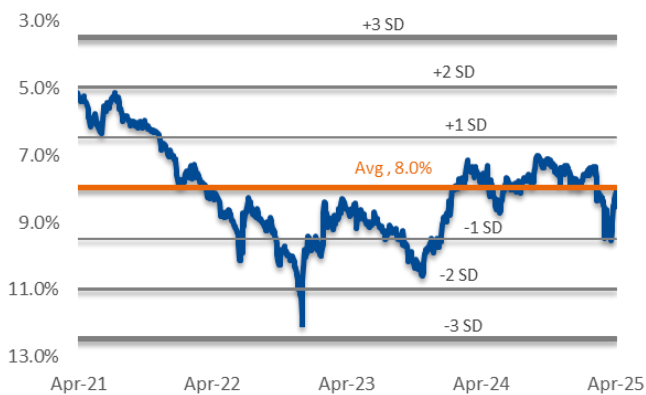
naura.muchlis@brids.co.id

Exhibit 1. BRIS's 1Q25 earnings summary

BRIS - Financial (Rpbn)	1Q24	4Q24	1Q25	qoq, %	yoy, %	1Q24	1Q25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	6,107	6,830	6,728	-1%	10%	6,107	6,728	10%	28,562	29,242	24%	23%
Interest expense	1,927	2,053	2,318	13%	20%	1,927	2,318	20%	9,172	9,101	25%	25%
Net interest income	4,180	4,778	4,410	-8%	6%	4,180	4,410	6%	19,390	20,140	23%	22%
Other operating income	1,205	1,576	1,712	9%	42%	1,205	1,712	42%	6,239	6,596	27%	26%
Operating expenses	2,570	3,700	2,992	-19%	16%	2,570	2,992	16%	12,763	13,036	23%	23%
PPOP	2,815	2,653	3,130	18%	11%	2,815	3,130	11%	12,867	13,591	24%	23%
Provision	549	148	646	337%	18%	549	646	18%	2,460	2,707	26%	24%
Operating Profit	2,266	2,506	2,484	-1%	10%	2,266	2,484	10%	10,407	10,892	24%	23%
Net profit	1,707	1,899	1,879	-1%	10%	1,707	1,879	10%	7,858	8,235	24%	23%
Loans	247,163	278,481	287,218	3%	16%	247,163	287,218	16%	320,301		90%	n/a
Customer deposits	297,916	328,132	319,920	-3%	7%	297,916	319,920	7%	376,386	363,934	85%	88%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	8.4	8.5	8.2	↓ (27)	↓ (18)	8.4	8.2	↓ (18)				
Cost of fund (%) - ann	2.6	2.6	2.8	↓ (25)	↓ 24	2.6	2.8	↓ 24				
NIM (%)	5.3	5.7	5.1	↓ (58)	↓ (19)	5.3	5.1	↓ (19)				
CIR (%) - ann	47.7	58.2	48.9	↑ (936)	↓ 115	47.7	48.9	↓ 115				
Cost of credit (%) - ann	0.9	0.2	0.9	↓ 70	→ 1	0.9	0.9	→ 1				
ROE (%) - ann	17.2	17.2	16.3	↓ (81)	↓ (88)	17.2	16.3	↓ (88)				
CASA ratio (%)	60.9	60.2	61.0	↑ 82	→ 10							
FDR (%)	82.5	83.8	89.0	↓ 520	↓ 650							
NPF ratio (%)	2.0	1.9	1.9	→ (2)	↑ (13)							

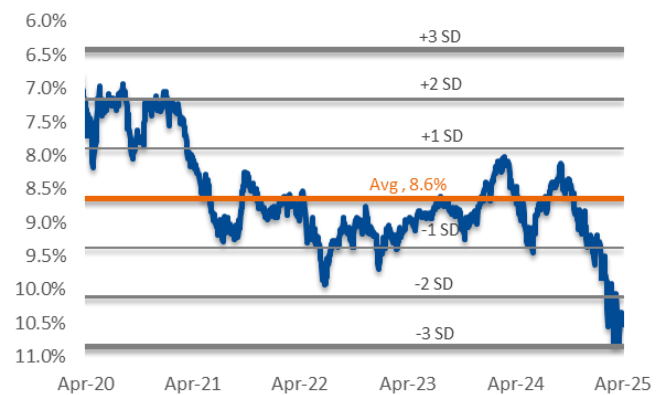
Source: Company, BRIS Estimates, Bloomberg

Exhibit 2. BRIS's cost of equity band chart (since merger)



Source: Company, Bloomberg, BRIS Estimates

Exhibit 3. Sector's cost of equity band chart (5-year)



Source: Company, Bloomberg, BRIS Estimates

Exhibit 4. BRIS's P/BV band chart (since merger)



Source: Company, Bloomberg, BRIS Estimates

Exhibit 5. BRIS's P/E band chart (since merger)



Source: Company, Bloomberg, BRIS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	22,252	25,298	28,562	32,240	35,962
Interest Expense	(5,993)	(7,889)	(9,172)	(9,902)	(10,845)
Net Interest Income	16,259	17,409	19,390	22,337	25,117
Non-Interest Income (NII)	4,204	5,556	6,239	7,114	8,116
Oper. Income	20,463	22,966	25,630	29,451	33,233
Oper. Expenses	(10,249)	(11,794)	(12,763)	(14,819)	(16,603)
Pre-provisions profit	10,214	11,172	12,867	14,632	16,630
Provisions & Allowances	(2,622)	(1,894)	(2,460)	(2,892)	(3,295)
Operating Profits	7,591	9,278	10,407	11,740	13,335
Non-Operating Income	(2)	4	4	6	3
Exceptionals	0	0	0	0	0
Pre-tax Profit	7,589	9,282	10,411	11,747	13,338
Income Tax	(1,885)	(2,277)	(2,553)	(2,881)	(3,271)
Minorities	0	0	0	0	0
Net Profit	5,704	7,006	7,858	8,866	10,067

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	240,316	278,481	320,301	366,061	415,768
Provisions	(9,688)	(10,292)	(11,661)	(13,393)	(14,912)
Net Loans	230,628	268,190	308,640	352,668	400,856
Govt. Bonds	0	0	0	0	0
Securities	71,169	62,217	56,027	40,619	26,403
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	314,216	344,747	380,586	411,142	446,846
Fixed Assets	6,481	9,826	14,203	19,296	26,192
Non-Earnings Assets	3,253	4,228	4,863	5,909	7,002
Total Assets	353,624	408,613	462,044	506,087	553,723
Customer Deposits	294,556	328,132	376,386	414,401	456,262
Banks Deposits	1,761	4,151	4,617	5,375	6,259
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	314,885	363,572	411,836	451,470	495,147
Share capital & Reserves	19,828	19,980	19,939	19,966	19,968
Retained Earnings	18,911	25,062	30,270	34,652	38,609
Shareholders' Funds	38,739	45,042	50,209	54,617	58,576
Minority interests	0	0	0	0	0
Total Equity & Liabilities	353,624	408,613	462,044	506,087	553,723

Exhibit 8. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	7.6	7.7	7.9	8.1	8.4
Cost of funds	2.1	2.5	2.5	2.4	2.4
Interest Spread	5.5	5.2	5.3	5.7	5.9
Net Interest Margin	5.6	5.3	5.3	5.6	5.9
Cost/Income Ratio	50.1	51.4	49.8	50.3	50.0
Oper. Exp./Oper. Gross Inc.	71.3	69.9	70.1	70.2	69.7
Gross NPL Ratio	2.1	0.0	1.8	1.8	1.8
LLP/Gross NPL	193.8	0.0	198.5	203.5	203.5
Cost of Credit	1.2	0.7	0.8	0.8	0.8
Loan to Deposit Ratio	81.6	84.9	85.1	88.3	91.1
Loan to Funding Ratio	81.5	84.0	84.4	87.7	90.5
CASA Mix	60.3	59.4	59.2	59.1	59.0
ROAE	15.8	16.7	16.5	16.9	17.8
ROAA	1.7	1.8	1.8	1.8	1.9
CAR	17.3	19.8	19.4	19.1	18.7

Exhibit 9. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.3	2.4	2.4	2.4	2.5
Tax Retention rate	75.2	75.5	75.5	75.5	75.5
Post-Tax ROAA	1.7	1.8	1.8	1.8	1.9
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	9.1	9.1	9.1	9.2	9.4
ROAE	15.8	16.7	16.5	16.9	17.8
Growth (%)					
Interest income	13.4	13.7	12.9	12.9	11.5
Net Interest Income	4.3	7.1	11.4	15.2	12.4
Other Oper. Expenses	3.6	15.1	8.2	16.1	12.0
Fee Based Income	11.0	28.1	12.5	15.0	15.0
Pre-Provision Oper. Profit	8.7	9.4	15.2	13.7	13.7
Net Profit	33.9	22.8	12.2	12.8	13.5
Shareholders' Equity	15.6	16.3	11.5	8.8	7.2
Loan	15.7	15.9	15.0	14.3	13.6
Earnings Asset	17.0	9.7	10.4	8.0	8.7
Deposit	12.0	12.1	14.7	10.2	10.2
Int. Bearing Liab.	11.5	12.9	14.1	10.1	10.1
CASA	10.5	10.6	14.2	10.0	10.0
Total Asset	15.7	15.6	13.1	9.5	9.4

Source: BRIS, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Kafi Ananta Azhari	Research Associate	kafi.azhari@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

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

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