

Buy

(Maintained)

Bank Syariah Indonesia (BRIS IJ)

3Q25 Earnings Miss: Robust fee-based income but Offset by Lower NIM and Higher Opex

Last Price (Rp)	2,600
Target Price (Rp)	2,900
Previous Target Price (Rp)	2,900
Upside/Downside	+11.5%

No. of Shares (mn)	46,129
Mkt Cap (Rpbn/US\$mn)	119,936/7,217
Avg, Daily T/O (Rpbn/US\$mn)	74.8/4.5
Free Float (%)	9.8

Major Shareholder (%)	
PT. Bank Mandiri	51.5
PT. Bank Negara Indonesia	23.2

EPS Consensus (Rp)			
	2025F	2026F	2027F
BRIDS	166.8	187.3	214.1
Consensus	170.6	200.2	237.7
BRIDS/Cons (%)	(2.5)	(6.9)	(11.0)

- BRIS booked NP of Rp1.8tr in 3Q25 (-2% qoq, +7% yoy) bringing its 9M25 NP to Rp5.6tr (+9% yoy), falling short of ours and consensus' FY25F.
- Driven by its gold business, fee-based income rose to Rp1.8tr (+48% qoq, +25% yoy). Despite this, the higher opex brought CIR up to 54.5%.
- We maintain our BUY rating with an unchanged TP of Rp2,900. Risks to our view include deteriorating asset quality and normalized fee income.

9M25: Pressured by higher CoF and opex

BRIS recorded Rp5.6tr net profit in 9M25 (+9% yoy), reaching 71% of our FY25F and 72% of consensus. NIM rose 8bps yoy to 5.3%, lifted by a 17bps increase in financing yield from accounting changes in 2Q25. CoF reached 2.8% (vs 2.6% in 9M24) despite recent monthly improvements. Opex growth of 20% outpaced NII, lifting CIR by 246bps to 51.2%. Asset quality improved with NPF down to 1.84% (9M24: 1.97%), though coverage slightly fell to 191% (9M24: 195%).

3Q25: Robust fee-based income offsetting normalized NIM and high opex

BRIS booked net profit of Rp1.8tr in 3Q25, down 2% qoq from a high 2Q25 base due to a one-off yield adjustment, but up 7% yoy on lower provisioning. NIM normalized to 5.1% in 3Q25 from 5.8% in 2Q25 following the absence of the 2Q25 one-off in yield. CoF improved to 2.7% (-13bps qoq) supported by stronger liquidity and SAL placements. Other operating income surged to Rp1.8tr (+48% qoq, +25% yoy), driven by the gold-related business. However, opex rose 11% qoq and 19% yoy to Rp3.5tr, mainly from higher personnel and G&A expenses.

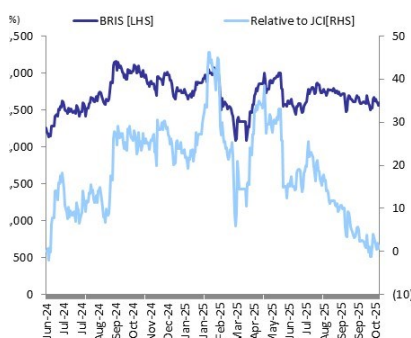
Better margin and profitability driven by gold business

Management expects FY26F financing growth of 14–16%, similar to FY25F's pace, with gold business expansion constrained by supply limitations. CoC is projected to remain steady or improve below 1%, supported by continued asset quality gains. CoF is expected to trend lower on stronger liquidity. NIM should stay healthy, underpinned by the gold business contribution.

Maintain Buy rating with a TP of Rp2,900

We revised FY25/26F earnings by -1.2%/-4.4% to account for higher-than-expected CoF and opex. We maintain Buy rating with an unchanged TP of Rp2,900 as the ROE impact was minimal. We derived our TP from GGM with an 8.0% CoE and a 16.0% FY25F ROE (from 16.2% prev.), implying FV PBV of 2.6x. Risks to our view include slowing gold loan growth, lower fee-based income, and deteriorating asset quality.

BRIS relative to JCI Index



Source: Bloomberg

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Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	10,214	11,172	12,767	14,697	16,844
Net profit (Rpbn)	5,704	7,006	7,697	8,639	9,876
EPS (Rp)	123.6	151.9	166.8	187.3	214.1
EPS growth (%)	33.9	22.8	9.9	12.2	14.3
BVPS (Rp)	839.8	976.4	1,104.8	1,229.5	1,356.9
PER (x)	21.0	17.1	15.6	13.9	12.1
PBV (x)	3.1	2.7	2.4	2.1	1.9
Dividend yield (%)	0.7	0.9	1.4	2.4	3.3
ROAE (%)	15.8	16.7	16.0	16.0	16.6

Source: BRIS, BRIDS Estimates

Exhibit 1. BRIS's 3Q25 earnings summary

BRIS - Financial (Rpbn)	3Q24	2Q25	3Q25	qoq, %	yoy, %	9M24	9M25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	6,352	7,407	6,909	-7%	9%	18,468	21,044	14%	29,004	29,135	73%	72%
Interest expense	1,975	2,296	2,283	-1%	16%	5,836	6,897	18%	9,104	8,917	76%	77%
Net interest income	4,377	5,111	4,626	-9%	6%	12,631	14,147	12%	19,900	20,218	71%	70%
Other operating income	1,464	1,237	1,832	48%	25%	3,981	4,781	20%	6,239		77%	n/a
Operating expenses	2,954	3,178	3,517	11%	19%	8,094	9,687	20%	13,249	13,062	73%	74%
PPOP	2,887	3,170	2,941	-7%	2%	8,519	9,241	8%	12,891		72%	n/a
Provision	617	703	524	-25%	-15%	1,746	1,873	7%	2,574	2,886	73%	65%
Operating Profit	2,270	2,467	2,417	-2%	6%	6,773	7,368	9%	10,317	10,258	71%	72%
Net profit	1,713	1,862	1,828	-2%	7%	5,107	5,569	9%	7,790	7,765	71%	72%
Loans	267,067	293,237	300,851	3%	13%	267,067	300,851	13%	321,395		94%	n/a
Customer deposits	301,888	323,494	349,050	8%	16%	301,888	349,050	16%	373,511		93%	n/a
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	8.3	9.0	8.2	↓ (87)	↓ (14)	8.3	8.5	↑ 17				
Cost of fund (%) - ann	2.6	2.8	2.7	↑ (13)	↓ 7	2.6	2.8	↓ 16				
NIM (%)	5.3	5.8	5.1	↓ (71)	↓ (26)	5.2	5.3	↓ 8				
CIR (%) - ann	50.6	50.1	54.5	↓ 440	↓ 389	48.7	51.2	↓ 246				
Cost of credit (%) - ann	0.9	1.0	0.7	↑ (26)	↑ (24)	0.9	0.9	↔ (6)				
ROE (%) - ann	16.1	15.7	15.0	↓ (76)	↓ (112)	16.6	15.7	↓ (90)				
CASA ratio (%)	61.7	61.8	59.5	↓ (235)	↓ (228)							
FDR (%)	88.0	89.5	86.2	↑ (336)	↑ (184)							
NPF ratio (%)	2.0	1.9	1.8	↔ (3)	↑ (13)							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BRIS's Changes in Forecast

BRIS - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%
Net Interest Income (Rpbn)	19,900	19,587	(1.57)	23,153	22,626	(2.28)	26,266	25,662	(2.30)
PPOP (Rpbn)	12,891	12,767	(0.96)	15,001	14,697	(2.02)	17,211	16,844	(2.13)
Net profit (Rpbn)	7,790	7,697	(1.20)	9,035	8,639	(4.39)	10,373	9,876	(4.79)
BVPS (Rp)	1,106	1,105	(0.14)	1,237	1,229	(0.59)	1,371	1,357	(1.00)
Gross Loans (Rpbn)	321,395	321,395	-	368,510	368,510	-	419,857	419,857	-
Customer Deposits (Rpbn)	373,511	373,511	-	408,837	409,766	0.23	448,380	450,447	0.46
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps
Net Interest Margin	5.5	5.4	(9)	5.8	5.7	(13)	6.1	5.9	(14)
Gross NPL Ratio	1.8	1.8	-	1.8	1.8	-	1.8	1.8	-
Cost/Income Ratio	50.7	51.3	57	50.4	50.6	21	49.9	50.2	25
Cost of Credit	0.9	0.9	-	0.9	0.9	6	0.9	1.0	7
ROAE	16.2	16.0	(18)	16.7	16.0	(67)	17.2	16.6	(69)

Source: Company, BRIDS Estimates

Exhibit 3. BRIS's Valuation

Gordon Growth Valuation	
Parameters:	Remarks:
Cost of equity (%) - Mean	8.0 Since merger
Cost of equity (%) - SD	1.4 Since merger
SD used	-
Cost of equity (%) used	8.0
Long-term growth (%)	3.0 Long-term GDP growth
Forward ROE (%)	16.0 FY25F ROAE
Fair value P/BV (x)	2.6
BV/share (IDR)	1,105 BF FY25F Book value per share
Fair value (IDR)	2,900 Fair value P/BV multiple x BVPS

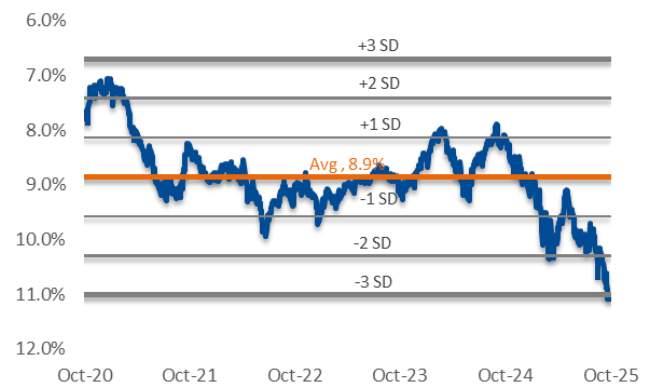
Source: Company, BRIDS Estimates

Exhibit 4. BRIS’s cost of equity band chart (since merger)



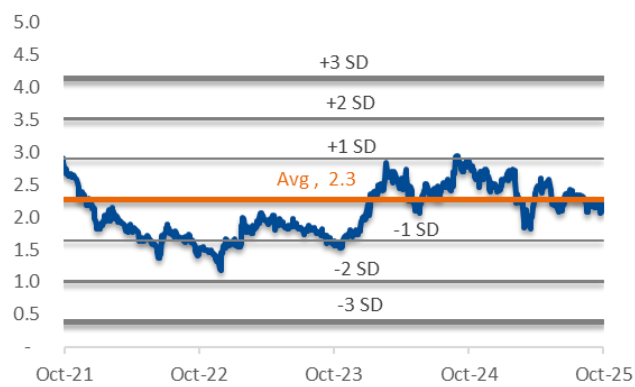
Source: Company, Bloomberg, BRIDS Estimates

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



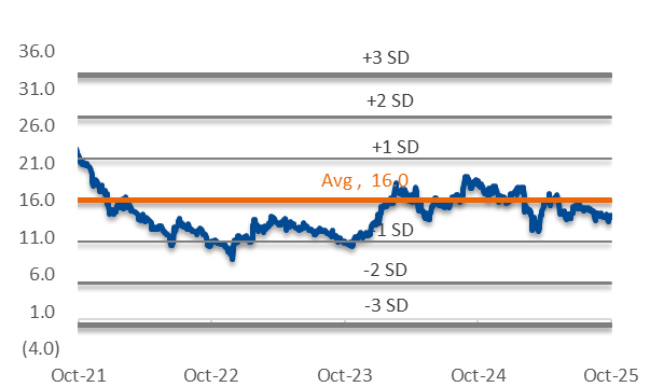
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BRIS’s P/BV band chart (since merger)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BRIS’s P/E band chart (since merger)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	22,252	25,298	29,004	32,676	36,572
Interest Expense	(5,993)	(7,889)	(9,417)	(10,050)	(10,909)
Net Interest Income	16,259	17,409	19,587	22,626	25,662
Non-Interest Income (NII)	4,204	5,556	6,603	7,154	8,153
Oper. Income	20,463	22,966	26,190	29,780	33,816
Oper. Expenses	(10,249)	(11,794)	(13,423)	(15,083)	(16,972)
Pre-provisions profit	10,214	11,172	12,767	14,697	16,844
Provisions & Allowances	(2,622)	(1,894)	(2,574)	(3,258)	(3,762)
Operating Profits	7,591	9,278	10,193	11,439	13,082
Non-Operating Income	(2)	4	4	6	3
Exceptionals	0	0	0	0	0
Pre-tax Profit	7,589	9,282	10,197	11,446	13,085
Income Tax	(1,885)	(2,277)	(2,501)	(2,807)	(3,209)
Minorities	0	0	0	0	0
Net Profit	5,704	7,006	7,697	8,639	9,876

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	240,316	278,481	321,395	368,510	419,857
Provisions	(9,688)	(10,292)	(11,702)	(13,483)	(15,060)
Net Loans	230,628	268,190	309,693	355,027	404,797
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	381,679	413,591	450,936
Fixed Assets	6,481	9,826	14,716	19,514	25,222
Non-Earnings Assets	3,253	4,228	4,863	5,909	7,002
Total Assets	353,624	408,613	459,926	503,551	551,926
Customer Deposits	294,556	328,132	373,511	409,766	450,447
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	408,961	446,835	489,332
Share capital & Reserves	19,828	19,980	19,939	19,966	19,968
Retained Earnings	18,911	25,062	31,027	36,750	42,626
Shareholders' Funds	38,739	45,042	50,965	56,716	62,594
Minority interests	0	0	0	0	0
Total Equity & Liabilities	353,624	408,613	459,926	503,551	551,926

Exhibit 10. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	7.6	7.7	8.0	8.2	8.5
Cost of funds	2.1	2.5	2.6	2.5	2.5
Interest Spread	5.5	5.2	5.4	5.7	6.0
Net Interest Margin	5.6	5.3	5.4	5.7	5.9
Cost/Income Ratio	50.1	51.4	51.3	50.6	50.2
Oper. Exp./Oper. Gross Inc.	71.3	69.9	71.4	71.3	70.8
Gross NPL Ratio	2.1	1.9	1.8	1.8	1.8
LLP/Gross NPL	193.8	194.5	198.5	203.5	203.5
Cost of Credit	1.2	0.7	0.9	0.9	1.0
Loan to Deposit Ratio	81.6	84.9	86.0	89.9	93.2
Loan to Funding Ratio	81.5	84.0	85.3	89.2	92.5
CASA Mix	60.3	59.4	59.6	60.0	60.3
ROAE	15.8	16.7	16.0	16.0	16.6
ROAA	1.7	1.8	1.8	1.8	1.9
CAR	17.3	19.8	19.7	19.7	19.9

Exhibit 11. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.3	2.4	2.3	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	9.0	8.9	8.8
ROAE	15.8	16.7	16.0	16.0	16.6
Growth (%)					
Interest income	13.4	13.7	14.6	12.7	11.9
Net Interest Income	4.3	7.1	12.5	15.5	13.4
Other Oper. Expenses	3.6	15.1	13.8	12.4	12.5
Fee Based Income	11.0	28.1	20.0	10.0	15.0
Pre-Provision Oper. Profit	8.7	9.4	14.3	15.1	14.6
Net Profit	33.9	22.8	9.9	12.2	14.3
Shareholders' Equity	15.6	16.3	13.2	11.3	10.4
Loan	15.7	15.9	15.4	14.7	13.9
Earnings Asset	17.0	9.7	10.7	8.4	9.0
Deposit	12.0	12.1	13.8	9.8	10.0
Int. Bearing Liab.	11.5	12.9	13.2	9.7	9.9
CASA	10.5	10.6	14.2	10.5	10.6
Total Asset	15.7	15.6	12.6	9.5	9.6

Source: BRIS, BRIDS Estimates

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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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