

Buy

(Maintained)

Bank Syariah Indonesia (BRIS IJ)

FY26 Outlook: Earnings Supported by Gold Business Amid Intensifying Competition in Wholesale

Last Price (Rp)	2,250
Target Price (Rp)	3,200
Previous Target Price (Rp)	2,900
Upside/Downside	+42.2%

No. of Shares (mn)	46,129
Mkt Cap (Rpbn/US\$mn)	103,791/6,221
Avg. Daily T/O (Rpbn/US\$mn)	53.6/3.2
Free Float (%)	9.8

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

EPS Consensus (Rp)	2025F	2026F	2027F
BRIDS	164.5	183.5	205.4
Consensus	169.9	197.6	232.6
BRIDS/Cons (%)	(3.2)	(7.1)	(11.7)

- We forecast FY26F net profit of Rp8.5tr (+11.5% yoy), supported by robust loan growth (+14% yoy) and resilient NIM (+13bps).
- While wholesale loan yield could weigh on NIM, the robust consumer loan, supported by gold business, will provide buffer for NIM.
- Maintain Buy rating with a higher TP of Rp3,200. Risks to our view include slower gold financing growth and deteriorating asset quality.

Expect a solid double-digit loan and bottom line growth

In FY26F, we expect loan growth to remain stable at 14.3% (vs. 14.2% in FY25F), with the LDR rising to 88.7%, supporting a firmer NIM. We project a 13bps higher NIM in FY26F, driven by an 11bps lower CoF and a 7bps increase in EA yield as we expect the gold business prospect to remain robust in FY26F. We estimate CoC at 1.0% in FY26F and consequently expect FY26F net profit to reach Rp8.5tr (+11.5% yoy). As a result, we project ROE to remain steady at 15.7%.

Consumer-driven growth while maintaining its wholesale loans

In the gold ecosystem, BRIS continues to anchor all buy-sell activity within its platform, sourcing from ANTM when supply is stable but retaining flexibility to purchase from customers when issues arise. The digital gold business is supported by roughly 50kg of inventory. However, while gold-financing could rise, wholesale volume may moderate. We expect gold to drive consumer loan growth (+16% yoy), offsetting the lower growth of wholesale (+9% yoy). Moreover, gold-related businesses would continue to provide robust fee-based income as customer base widens, and transaction frequency increased.

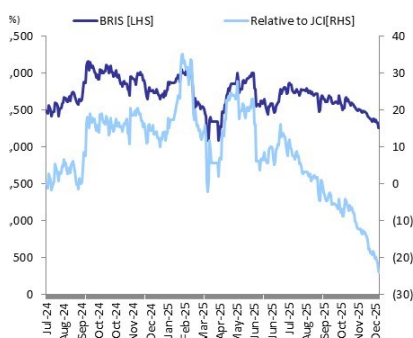
Stronger profitability anchored by robust loan growth and better NIM

Management guides FY26F financing growth of 14-16%, broadly in line with FY25F, though gold business expansion is contingent upon supply availability. CoC is projected to hold stable, while funding costs should ease on the back of improved system liquidity. Overall, NIM should remain robust, anchored by solid financing expansion, favorable LDR level, and steady yield in gold business. On the flip side, potential lower yield amid intensified competition in wholesale segment in FY26F could weigh on NIM.

Maintain Buy rating with a higher TP of Rp3,200

We revised FY25/26F earnings by -1.4%/-2.0% to reflect lower NIM assumptions. We maintain our Buy rating with a higher TP of Rp3,200 after rolling forward our valuation to FY26F, which includes a higher BVPS. Our TP is derived using GGM, based on a 7.9% CoE and a 15.7% FY26F ROE, implying an FV PBV of 2.6x. Key risks to our call include slower gold financing growth, softer fee-based income, and weaker 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	12,612	14,576	16,410
Net profit (Rpbn)	5,704	7,006	7,590	8,466	9,475
EPS (Rp)	123.6	151.9	164.5	183.5	205.4
EPS growth (%)	33.9	22.8	8.3	11.5	11.9
BVPS (Rp)	839.8	976.4	1,103.0	1,241.7	1,391.3
PER (x)	18.2	14.8	13.7	12.3	11.0
PBV (x)	2.7	2.3	2.0	1.8	1.6
Dividend yield (%)	0.8	1.0	1.6	2.0	2.5
ROAE (%)	15.8	16.7	15.8	15.7	15.6

Source: BRIS, BRIDS Estimates

Exhibit 1. 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)	19,587	19,293	(1.50)	22,626	21,518	(4.90)	25,662	23,851	(7.06)
PPOP (Rpbn)	12,767	12,612	(1.22)	14,697	14,576	(0.83)	16,844	16,410	(2.58)
Net profit (Rpbn)	7,697	7,590	(1.39)	8,639	8,466	(2.00)	9,876	9,475	(4.06)
BVPS (Rp)	1,105	1,103	(0.16)	1,229	1,242	1.00	1,357	1,391	2.53
Gross Loans (Rpbn)	321,395	318,115	(1.02)	368,510	363,661	(1.32)	419,857	410,048	(2.34)
Customer Deposits (Rpbn)	373,511	373,511	-	409,766	409,766	-	450,447	450,447	-
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps
Net Interest Margin	5.4	5.3	(6)	5.7	5.5	(22)	5.9	5.6	(32)
Gross NPL Ratio	1.8	1.8	(0)	1.8	1.8	(0)	1.8	1.8	(0)
Cost/Income Ratio	51.3	51.3	5	50.6	50.7	3	50.2	50.3	11
Cost of Credit	0.9	0.9	(0)	0.9	1.0	4	1.0	1.0	4
ROAE	16.0	15.8	(21)	16.0	15.7	(39)	16.6	15.6	(95)

Source: Company, BRIDS Estimates

Exhibit 2. BRIS's Valuation

Gordon Growth Valuation

Parameters:

Cost of equity (%) - Mean
 Cost of equity (%) - SD
 SD used
 Cost of equity (%) used
 Long-term growth (%)
 Forward ROE (%)
 Fair value P/BV (x)
 BV/share (IDR)
 Fair value (IDR)

Remarks:

7.9 Since merger
 1.4 Since merger
 -
 7.9
 3.0 Long-term GDP growth
 15.7 FY26F ROAE
 2.6
 1,242 BF FY26F Book value per share
 3,200 Fair value P/BV multiple x BVPS

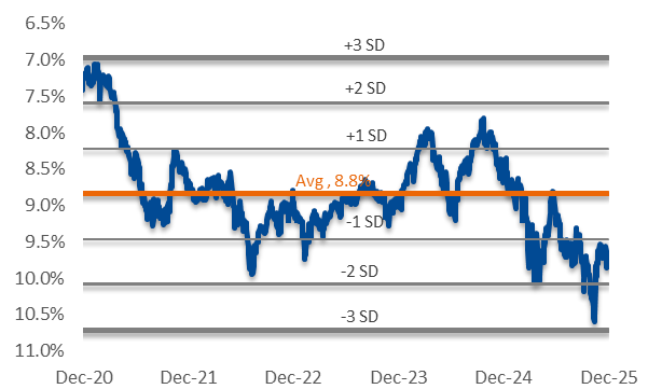
Source: Company, BRIDS Estimates

Exhibit 3. BRIS's cost of equity band chart (since merger)



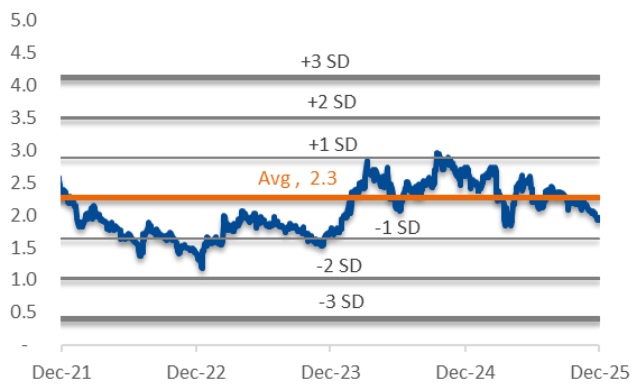
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. Sector's cost of equity band chart (5-year)



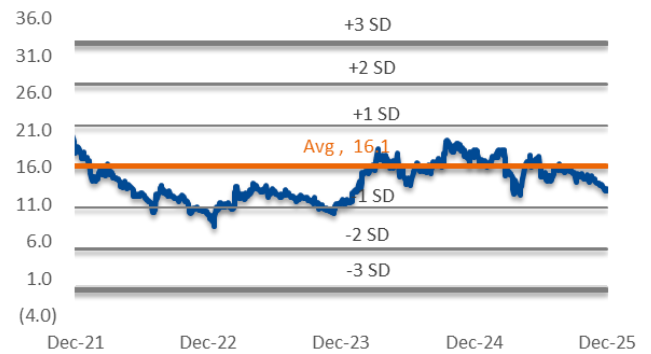
Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BRIS's P/E band chart (since merger)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	22,252	25,298	28,565	31,364	34,540
Interest Expense	(5,993)	(7,889)	(9,272)	(9,847)	(10,689)
Net Interest Income	16,259	17,409	19,293	21,518	23,851
Non-Interest Income (NII)	4,204	5,556	6,603	8,037	9,168
Oper. Income	20,463	22,966	25,896	29,554	33,020
Oper. Expenses	(10,249)	(11,794)	(13,285)	(14,979)	(16,610)
Pre-provisions profit	10,214	11,172	12,612	14,576	16,410
Provisions & Allowances	(2,622)	(1,894)	(2,560)	(3,366)	(3,859)
Operating Profits	7,591	9,278	10,052	11,210	12,551
Non-Operating Income	(2)	4	4	6	3
Exceptionals	0	0	0	0	0
Pre-tax Profit	7,589	9,282	10,056	11,217	12,554
Income Tax	(1,885)	(2,277)	(2,466)	(2,751)	(3,079)
Minorities	0	0	0	0	0
Net Profit	5,704	7,006	7,590	8,466	9,475

Exhibit 8. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	240,316	278,481	318,115	363,661	410,048
Provisions	(9,688)	(10,292)	(11,581)	(13,304)	(14,705)
Net Loans	230,628	268,190	306,534	350,357	395,343
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	378,400	408,743	441,127
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	459,843	504,115	553,510
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	30,944	37,315	44,210
Shareholders' Funds	38,739	45,042	50,883	57,280	64,178
Minority interests	0	0	0	0	0
Total Equity & Liabilities	353,624	408,613	459,843	504,115	553,510

Exhibit 9. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	7.6	7.7	7.9	8.0	8.1
Cost of funds	2.1	2.5	2.6	2.5	2.4
Interest Spread	5.5	5.2	5.3	5.5	5.7
Net Interest Margin	5.6	5.3	5.3	5.5	5.6
Cost/Income Ratio	50.1	51.4	51.3	50.7	50.3
Oper. Exp./Oper. Gross Inc.	71.3	69.9	71.4	71.5	71.3
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	1.0	1.0
Loan to Deposit Ratio	81.6	84.9	85.2	88.7	91.0
Loan to Funding Ratio	81.5	84.0	84.4	88.1	90.4
CASA Mix	60.3	59.4	59.6	60.0	60.3
ROAE	15.8	16.7	15.8	15.7	15.6
ROAA	1.7	1.8	1.7	1.8	1.8
CAR	17.3	19.8	19.8	20.1	20.7

Exhibit 10. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	2.3	2.4	2.3	2.3	2.4
Tax Retention rate	75.2	75.5	75.5	75.5	75.5
Post-Tax ROAA	1.7	1.8	1.7	1.8	1.8
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	9.1	9.1	9.1	8.9	8.7
ROAE	15.8	16.7	15.8	15.7	15.6
Growth (%)					
Interest income	13.4	13.7	12.9	9.8	10.1
Net Interest Income	4.3	7.1	10.8	11.5	10.8
Other Oper. Expenses	3.6	15.1	12.6	12.8	10.9
Fee Based Income	11.0	28.1	20.0	30.0	15.0
Pre-Provision Oper. Profit	8.7	9.4	12.9	15.6	12.6
Net Profit	33.9	22.8	8.3	11.5	11.9
Shareholders' Equity	15.6	16.3	13.0	12.6	12.0
Loan	15.7	15.9	14.2	14.3	12.8
Earnings Asset	17.0	9.7	9.8	8.0	7.9
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	12.5	9.6	9.8

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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