

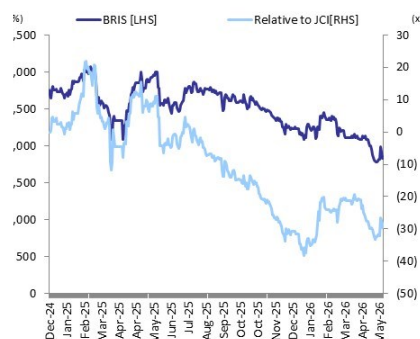
Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	1,700		
Target Price (Rp)	3,100		
Previous TP (Rp)	3,100		
Upside/Downside	+82.4%		
No. of Shares (mn)	93,333		
Mkt Cap (Rpbn/US\$mn)	85,570/4,890		
Avg, Daily T/O (Rpbn/US\$mn)	47.1/2.7		
Free Float (%)	39.2		
Major Shareholder (%)			
Government of Indonesia	52.0		
INA	8.0		
EPS Consensus (Rp)			
	2026F	2027F	2028F
BRIDS	182.0	202.7	227.4
Consensus	185.2	213.0	246.2
BRIDS/Cons (%)	(1.7)	(4.8)	(7.6)

BRIS relative to JCI Index



Source: Bloomberg

Bank Syariah Indonesia (BRIS IJ)

1Q26 Earnings: In-line; Solid Gold Financing and Lower Cost of Fund Drove Higher Profitability

- BRIS delivered a strong 1Q26 NP of Rp2.2tr (+10% qoq, +17% yoy), in line with ours and consensus est. at 26% of FY26F.
- Gold financing doubled yoy (+26% qoq) reaching 8.8% of total portfolio, enhancing yield, fee-based income, and lowering CoC.
- We maintain BUY rating with an unchanged TP of Rp3,100. Current valuation implies 1.4x FY26F PBV (close to -2SD) and 12.1% CoE.

Solid profits driven by lower cost of funds and contained credit costs
BRIS delivered a strong 1Q26 net profit of Rp2.2tr (+10% qoq, +17% yoy), in line with ours and consensus at 26% of FY26F. ROE reached a new high, partly elevated by new accounting standards. NIM declined slightly by 10bps qoq to 5.7% (+18bps yoy), as lower asset yields were partly offset by lower CoF and supported by high-yield gold products. Despite a 9% qoq decline due to seasonality, opex remained elevated at Rp3.6tr (+20% yoy), driving CIR higher to 50.5% (+189bps yoy), while PPOP growth (+12% yoy) remained supported by higher loan growth and strong fee-based income.

Sound asset quality and higher gold financing drove CoC down

Provision expenses came in lower at Rp602bn (-9% yoy), bringing CoC down to 0.7% (-20bps yoy), below guidance, driven by improvements in wholesale, SME, and auto segments. Asset quality remained robust with NPL stable at 1.80% (-8bps yoy) and strong coverage at 254%, partly supported by accounting changes. Segment-wise, wholesale entered provision release (notably from Angkasa Pura), while gold financing maintained ultra-low risk (CoC ~0.01%). However, retail and consumer segments saw an increase in LaR, mainly due to the Sumatra disasters.

Gold business drove loan and deposit growth

On the balance sheet, loans grew 14% yoy in line with guidance (14–16%), with consumer financing remaining the backbone at 56% of total loans. The gold segment continued to expand rapidly, reaching 8.8% of the portfolio (vs 2.7% in Mar25), with gold financing growing 101% yoy and 26% qoq. Funding also improved, with CASA ratio rising to 62.7% (from 61.0%), supported by strong growth in both CA (+24% yoy) and SA (+20% yoy). Liquidity became more comfortable with FDR at 87.1% (vs 89.9%), while CoF declined significantly to 2.1% (-57bps yoy), supporting margin resilience.

Maintain BUY with an unchanged TP of Rp3,100

We maintain our Buy rating with an unchanged TP of Rp3,100 to reflect our FY26F ROE of 15.3%, still based on a 7.9% CoE, implying an FV PBV of 2.5x. Key risks to our call include slower gold financing growth and income, and weaker asset quality. **Tactical (3M) view:** N. Despite the in-line 1Q26, macro and global uncertainties may drive volatilities.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	11,172	12,365	14,339	16,016	17,945
Net profit (Rpbn)	7,006	7,568	8,394	9,352	10,492
EPS (Rp)	151.9	164.1	182.0	202.7	227.4
EPS growth (%)	22.8	8.0	10.9	11.4	12.2
BVPS (Rp)	976.4	1,126.2	1,254.9	1,402.6	1,562.3
PER (x)	11.2	10.4	9.3	8.4	7.5
PBV (x)	1.7	1.5	1.4	1.2	1.1
Dividend yield (%)	1.3	2.2	2.6	3.2	4.0
ROAE (%)	16.7	15.6	15.3	15.3	15.3

Source: BRIS, BRIDS Estimates

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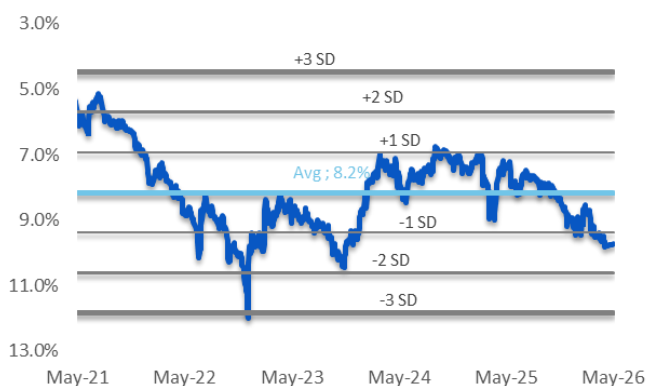
Exhibit 1. BRIS 1Q26 Results

BRIS - Financial (Rpbn)	1Q25	4Q25	1Q26	qoq, %	yoy, %	1Q25	1Q26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	6,728	7,221	7,032	-3%	5%	6,728	7,032	5%	30,702	32,020	23%	22%
Interest expense	2,318	2,239	2,057	-8%	-11%	2,318	2,057	-11%	9,401	10,033	22%	21%
Net interest income	4,410	4,982	4,975	0%	13%	4,410	4,975	13%	21,301	21,987	23%	23%
Other operating income	1,712	2,156	2,101	-3%	23%	1,712	2,101	23%	8,441		25%	n/a
Operating expenses	2,992	4,014	3,572	-11%	19%	2,992	3,572	19%	15,404	15,182	23%	24%
PPOP	3,130	3,124	3,505	12%	12%	3,130	3,505	12%	14,339		24%	n/a
Provision	646	484	602	24%	-7%	646	602	-7%	3,239	3,114	19%	19%
Operating Profit	2,484	2,640	2,903	10%	17%	2,484	2,903	17%	11,099		26%	n/a
Net profit	1,879	1,999	2,200	10%	17%	1,879	2,200	17%	8,394	8,544	26%	26%
Loans	287,218	318,844	328,542	3%	14%	287,218	328,542	14%	365,111		90%	n/a
Customer deposits	319,920	381,242	377,328	-1%	18%	319,920	377,328	18%	420,804		90%	n/a

Key Ratio				qoq, bps	yoy, bps				yoy, bps
EA yield (%) - ann	7.9	7.8	7.3	↓ (42)	↓ (52)	7.9	7.3	↓ (52)	
Financing yield (%) - ann	8.8	8.7	8.5	↓ (20)	↓ (28)	8.8	8.5	↓ (28)	
Cost of fund (%) - ann	2.8	2.4	2.1	↑ (29)	↑ (69)	2.8	2.1	↑ (69)	
NIM (%)	5.2	5.4	5.2	↓ (16)	→ 4	5.2	5.2	→ 4	
CIR (%) - ann	48.9	56.2	50.5	↑ (575)	↓ 160	48.9	50.5	↓ 160	
Cost of credit (%) - ann	1.0	0.7	0.8	↓ 13	↑ (17)	1.0	0.8	↑ (17)	
ROE (%) - ann	16.3	15.7	17.1	↑ 143	↑ 79	16.3	17.1	↑ 79	
CASA ratio (%)	61.0	61.7	62.7	↑ 106	↑ 173				
FDR (%)	89.0	82.5	85.9	↓ 345	↑ (310)				
NPF ratio (%)	1.9	1.8	1.8	→ (1)	→ (8)				

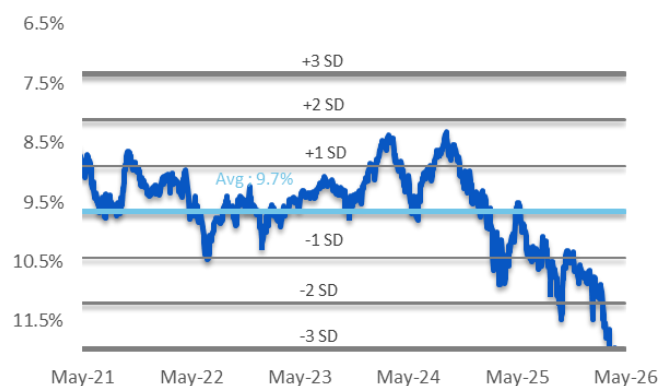
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BRIS's Cost of Equity Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's Cost of Equity Band Chart (5-year)



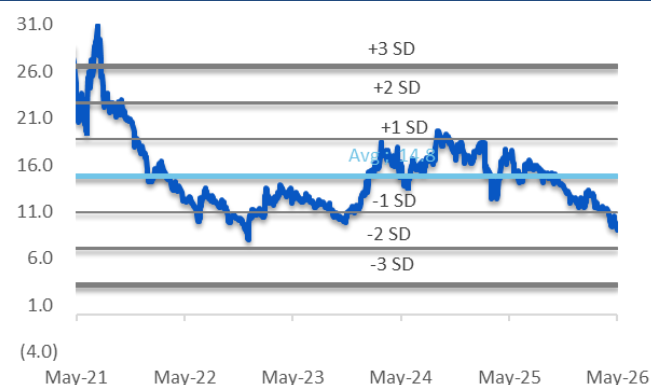
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. BRIS's P/BV Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BRIS's P/E Band Chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	25,298	28,265	30,702	33,768	37,431
Interest Expense	(7,889)	(9,136)	(9,401)	(10,160)	(11,206)
Net Interest Income	17,409	19,129	21,301	23,608	26,226
Non-Interest Income (NII)	5,556	6,937	8,441	9,602	10,932
Oper. Income	22,966	26,066	29,743	33,210	37,158
Oper. Expenses	(11,794)	(13,701)	(15,404)	(17,194)	(19,213)
Pre-provisions profit	11,172	12,365	14,339	16,016	17,945
Provisions & Allowances	(1,894)	(2,357)	(3,239)	(3,647)	(4,066)
Operating Profits	9,278	10,008	11,099	12,369	13,879
Non-Operating Income	4	4	6	3	1
Exceptionals	0	0	0	0	0
Pre-tax Profit	9,282	10,012	11,105	12,372	13,881
Income Tax	(2,277)	(2,444)	(2,711)	(3,020)	(3,389)
Minorities	0	0	0	0	0
Net Profit	7,006	7,568	8,394	9,352	10,492

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	278,481	318,844	365,111	412,318	462,990
Provisions	(10,292)	(10,982)	(12,639)	(13,992)	(15,401)
Net Loans	268,190	307,861	352,472	398,326	447,589
Govt. Bonds	0	0	0	0	0
Securities	62,217	59,650	43,270	28,125	19,688
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	344,747	383,731	413,864	446,166	488,652
Fixed Assets	9,826	13,857	14,310	16,543	18,964
Non-Earnings Assets	4,228	7,418	7,570	9,742	11,252
Total Assets	408,613	456,193	502,710	556,464	617,276
Customer Deposits	328,132	381,242	420,804	465,701	516,857
Banks Deposits	4,151	5,445	6,167	7,125	8,234
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	363,572	404,240	444,823	491,763	545,208
Share capital & Reserves	19,980	20,374	19,992	20,000	20,018
Retained Earnings	25,062	31,578	37,895	44,701	52,051
Shareholders' Funds	45,042	51,953	57,887	64,701	72,068
Minority interests	0	0	0	0	0
Total Equity & Liabilities	408,613	456,193	502,710	556,464	617,276

Exhibit 8. Key Ratios

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	7.7	7.8	7.7	7.9	8.0
Cost of funds	2.5	2.5	2.3	2.2	2.2
Interest Spread	5.2	5.3	5.4	5.6	5.8
Net Interest Margin	5.3	5.3	5.3	5.5	5.6
Cost/Income Ratio	51.4	52.6	51.8	51.8	51.7
Oper. Exp./Oper. Gross Inc.	69.9	71.6	71.6	71.5	71.3
Gross NPL Ratio	1.9	1.8	1.8	1.7	1.7
LLP/Gross NPL	194.5	190.3	196.1	196.1	196.1
Cost of Credit	0.7	0.8	0.9	0.9	0.9
Loan to Deposit Ratio	84.9	83.6	86.8	88.5	89.6
Loan to Funding Ratio	84.0	82.2	85.4	87.3	88.5
CASA Mix	59.4	60.8	60.8	60.8	60.6
ROAE	16.7	15.6	15.3	15.3	15.3
ROAA	1.8	1.8	1.8	1.8	1.8
CAR	19.8	20.9	21.5	22.2	23.8

Exhibit 9. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	2.4	2.3	2.3	2.3	2.4
Tax Retention rate	75.5	75.6	75.6	75.6	75.6
Post-Tax ROAA	1.8	1.8	1.8	1.8	1.8
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	9.1	8.9	8.7	8.6	8.6
ROAE	16.7	15.6	15.3	15.3	15.3
Growth (%)					
Interest income	13.7	11.7	8.6	10.0	10.8
Net Interest Income	7.1	9.9	11.4	10.8	11.1
Other Oper. Expenses	15.1	16.2	12.4	11.6	11.7
Fee Based Income	28.1	25.9	30.0	15.0	15.0
Pre-Provision Oper. Profit	9.4	10.7	16.0	11.7	12.0
Net Profit	22.8	8.0	10.9	11.4	12.2
Shareholders' Equity	16.3	15.3	11.4	11.8	11.4
Loan	15.9	14.5	14.5	12.9	12.3
Earnings Asset	9.7	11.3	7.9	7.8	9.5
Deposit	12.1	16.4	10.4	10.7	11.1
Int. Bearing Liab.	12.9	16.9	10.0	10.6	10.9
CASA	10.6	19.1	10.5	10.6	10.8
Total Asset	15.6	11.6	10.2	10.7	10.9

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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