Buy

(Maintained)

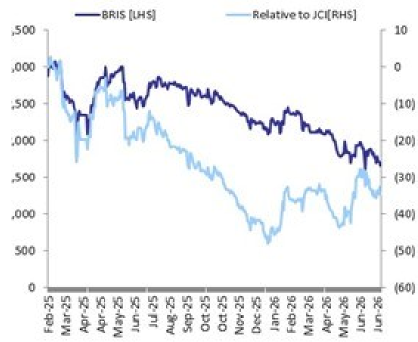
Tactical (3M): **N**

Last Price (Rp)	**1,805**
Target Price (Rp)	**3,100**
Previous TP (Rp)	***3,100***
Upside/Downside	**+71.7%**
No. of Shares (mn)	**46,129**
Mkt Cap (Rpbn/US$mn)	**83,263/4,706**
Avg, Daily T/O (Rpbn/US$mn)	**32.3/1.8**
Free Float (%)	**9.9**
Major Shareholder (%)	
PT. Bank Mandiri Tbk	**51.5**
PT. Bank Negara Indonesia Tbk	**23.2**

EPS Consensus (Rp)

	2026F	**2027F**	**2028F**
BRIDS	182.0	202.7	227.4
Consensus	186.4	217.1	253.6
BRIDS/Cons (%)	**(2.4)**	**(6.6)**	**(10.3)**

BRIS relative to JCI Index



Source: Bloomberg

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Bank Syariah Indonesia (BRIS IJ)

2Q26 Earnings: In line; Lower Provisions and Loan Growth Support Bottom Line

- **BRIS posted 2Q26 net profit of Rp2.0tr (-11%qoq, +5%yoy), bringing 1H26 NP to Rp4.2tr (+11% yoy), in line with ours and cons.**
- **Lower CoC on a corporate loan upgrade offsets NIM pressure, with stable NPF supported by improving corporate & MSME segments.**
- **We maintain Buy rating with an unchanged TP of Rp3,100, as we keep our FY26F estimates and valuation unchanged.**

Resilient yoy bottom line, but softened qoq driven by NIM compression
BRIS booked a 2Q26 net profit of Rp2.0tr (-11% qoq, +5% yoy), supported by lower provisions, offsetting the decline in NII and PPOP amid continued margin pressure and higher opex. 2Q26 NIM declined (-40bps qoq, -106bps yoy) to 4.8%, as financing yield fell to 8.2% (-29bps qoq, -144bps yoy), while CoF climbed +18bps qoq to 2.3%. PPOP dropped to Rp3.0tr (-14% qoq, -5% yoy), as opex rose 3% qoq/16% yoy, partly due to the completion of its core banking system upgrade in May26 which more than offset the 59% yoy growth in fee-based income and pushed CIR up to 54.9% (+441bps qoq, +483bps yoy).

Lower provisions and wholesale loan recoveries support earnings
Provision fell to Rp447bn (-26% qoq, -36% yoy), pulling CoC down to 0.6%, mainly on the back of an SOE name upgrade to Kol-1 in the corporate loan, alongside a broader mix shift toward lower-risk segments. Loans grew to Rp340tr (+4% qoq, +16% yoy), led by corporate (+21 yoy), consumer (+17% yoy), and MSME (+13 yoy), while the gold business grew 81% yoy. Deposit growth continued to outpace loans, bringing FDR to 86.2% (+28bps qoq, -334bps qoq), though CASA softened to 60.6% (-210bps qoq, -120bps yoy) on stronger TD growth. NPF was broadly stable at 1.8%, supported by one SOE name upgrade and improved MSME asset quality, offsetting higher consumer NPF.

1H26 bottom line growth intact, with an unchanged FY26 guidance
BRIS delivered 1H26 net profit of Rp4.2tr (+11% yoy), tracking 50% of our FY26F and 48% of consensus estimates, broadly in line. NII grew 2% yoy to Rp9.7tr despite NIM contraction to 5% (-51bps yoy), while lower provisions (-22% yoy) brought CoC down to 0.7% (-32bps yoy), supporting bottom line. Management kept FY26 guidance unchanged, with the gold business and its newly launched Kartu Kredit Indonesia (KKI) credit card seen as a tailwind for NIM recovery in 2H26.

Maintain BUY with an unchanged TP of Rp3,100
We keep our forecasts and TP unchanged, maintaining our Buy rating and TP of Rp3,100. Key risk to our call is asset quality deterioration should high growth in consumer and MSME segments persist amid softening macro conditions in 2H26.

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

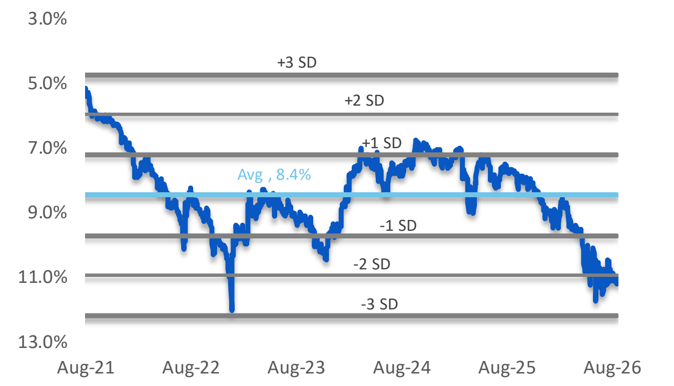
Source: BRIS, BRIDS Estimates

Exhibit 1. BRIS 2Q26 Results

BRIS - Financial (Rpbn)	2Q25	1Q26	2Q26	qoq, %	yoy, %	1H25	1H26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	7,407	7,032	6,987	-1%	-6%	14,135	14,019	-1%	30,702	29,300	46%	48%
Interest expense	2,296	2,057	2,254	10%	-2%	4,614	4,311	-7%	9,401	7,216	46%	60%
Net interest income	5,111	4,975	4,733	-5%	-7%	9,521	9,708	2%	21,301	22,084	46%	44%
Other operating income	1,237	2,101	1,971	-6%	59%	2,948	4,073	38%	8,441		48%	n/a
Operating expenses	3,178	3,572	3,680	3%	16%	6,170	7,252	18%	15,404	15,261	47%	48%
PPOP	3,170	3,505	3,024	-14%	-5%	6,300	6,529	4%	14,339		46%	n/a
Provision	703	602	447	-26%	-36%	1,349	1,049	-22%	3,239	3,009	32%	35%
Operating Profit	2,467	2,903	2,577	-11%	4%	4,951	5,480	11%	11,099	11,181	49%	49%
Net profit	1,862	2,200	1,956	-11%	5%	3,741	4,156	11%	8,394	8,593	50%	48%
Loans	293,237	328,542	340,092	4%	16%	293,237	340,092	16%	365,111	366,718	93%	93%
Customer deposits	323,494	377,328	393,916	4%	22%	323,494	393,916	22%	420,804	424,135	94%	93%
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
EA yield (%) - ann	8.5	7.3	7.1	(26)	(141)	8.2	7.2	(96)				
Financing yield (%) - ann	9.7	8.5	8.2	(29)	(144)	9.2	8.4	(88)				
Cost of fund (%) - ann	2.8	2.1	2.3	18	(50)	2.8	2.2	(60)				
NIM (%)	5.9	5.2	4.8	(40)	(106)	5.5	5.0	(51)				
CIR (%) - ann	50.1	50.5	54.9	441	483	49.5	52.6	315				
Cost of credit (%) - ann	1.0	0.8	0.6	(22)	(46)	1.0	0.7	(32)				
ROE (%) - ann	15.7	17.1	15.4	(177)	(36)	16.1	16.2	16				
CASA ratio (%)	61.8	62.7	60.6	(210)	(120)							
FDR (%)	89.5	85.9	86.2	28	(334)							
NPF ratio (%)	1.9	1.8	1.8	-	(7)							

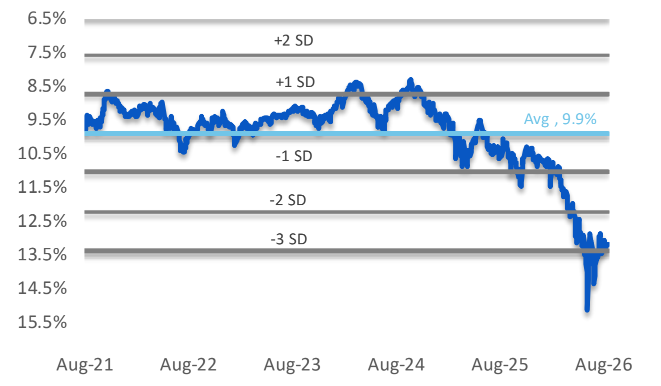
Source: Company, BRIDS Estimates, Bloomberg

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



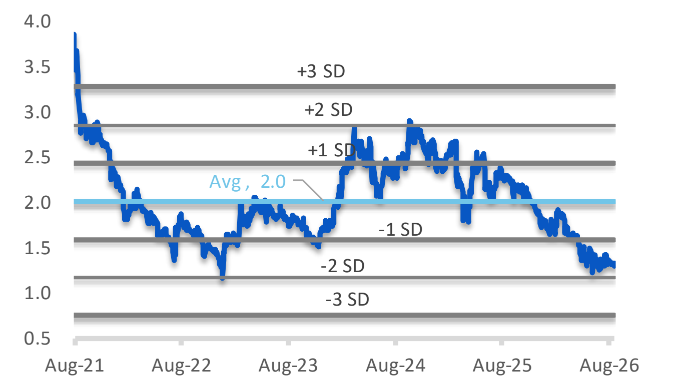
Source: Company, Bloomberg, BRIDS Estimates

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



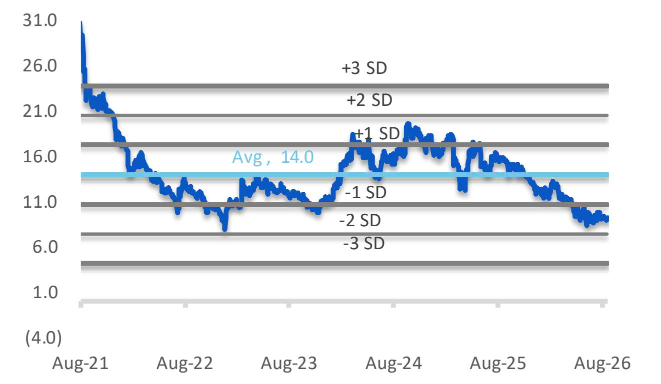
Source: Company, Bloomberg, BRIDS Estimates

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

Equity Research – Company Update

Monday, 24 August 2026

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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