

Buy

Tactical (3M): N

Last Price (Rp)	1,425
Target Price (Rp)	3,100
Previous TP (Rp)	3,100
Upside/Downside	+117.5%
No. of Shares (mn)	46,128
Mkt Cap (Rpbn/US\$mn)	65,734/3,662
Avg, Daily T/O (Rpbn/US\$mn)	33.7/1.9

Key Financials:

	2026F	2027F	2028F
EPS (Rp)	182.0	202.7	227.4
PER (x)	7.8	7.0	6.3
PBV (x)	1.1	1.0	0.9
Div. yield (%)	3.2	3.9	4.8
ROAE (%)	15.3	15.3	15.3

Source: BRIDS Estimates

Bank Syariah Indonesia (BRIS IJ)

Second Rights Issue Plan to Support Capital and Lift Free Float

- BRIS plans a rights issue of up to 6.8bn shares; we estimate proceeds of ~Rp10.4tr (~Rp1,524/share, 1.2x FY26F P/BV).
- At full issuance, its free float could rise to up to 21.5%, with parent take-up as the key swing factor.
- Post rights, FY27F EPS and ROE would temporarily decline by ~13% and ~200bps, respectively, while BRIS trades at 1.1x FY26F P/BV.

Rights issue of up to 6.8bn shares to strengthen capital and free float

BRIS plans a rights issue (PMHMETD II) of up to 6.8bn new Series B shares (14.7% of current shares outstanding, max dilution of 12.85%). The EGM is scheduled for 6 Nov26, with completion expected in 1Q27, while the exercise price and final number of shares will be disclosed in the prospectus. The rights issue aims to raise free float toward the 15% minimum requirement (currently 9.9%) while supporting financing expansion, with management projecting capital to rise from Rp51.1tr (2026) to Rp64.4tr (2027), lifting CAR by +293bps to 23.31%. At full issuance, free float could rise to up to 21.5% if BMRI, BBNI, and BBRI do not exercise their rights.

Estimated proceeds of ~Rp10.4tr

Based on management's capital projection, and after deducting our FY26F retained earnings for dividend (assuming 15% payout), we estimate proceeds of ~Rp10.4tr. At full issuance of 6.8bn shares, this implies an exercise price of ~Rp1,524/share (1.2x FY26F P/BV), higher than Rp1,107/share at 1.0x 1H26 P/BV which we assume as the minimum price for SOE. Assuming full issuance and before the proceeds are deployed, our FY27F EPS would decline by 13% and ROE by 200bps to 12.5%, while BVPS would rise by 1%.

Parent take-up is key to free float with immaterial NP impact to parents

To reach a 15% free float, BMRI, BBNI, and BBRI can exercise at most 56% of their combined rights (3.4bn of 6.1bn). If only BMRI fully exercises (up to Rp5.3tr), free float would only rise to 14.87%, slightly below the 15% requirement, implying BMRI would need to exercise slightly less (98%) of its rights (note that BMRI has deconsolidated BRIS since 27 Jan26). If the rights are not exercised, the dilution would reduce FY27F net profit by 0.9% for BMRI, 1.1% for BBNI, and 0.3% for BBRI, which we view as immaterial.

Undemanding valuation; exercise price is the key swing factor

BRIS trades at 1.1x FY26F P/BV, implying a cost of equity of 13.8%, well below its 5-year mean of 8.6%. Key catalysts, in our view, are the final exercise price, parent take-up commitments, and a potential standby buyer. On the risk side, a deep discount on the exercise price would lead to larger EPS and BVPS dilution, while pricing at or above the market price (our estimate of ~Rp1,524 vs. last price of Rp1,425) would discourage public take-up, potentially leaving the 15% free float requirement unmet and proceeds below management's projection. Other risks include limited parent participation without a standby buyer and slower-than-expected deployment of the proceeds, delaying ROE recovery.

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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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