

Solid 1H25 earnings; inline

26 September 2025



BRIS IJ	
Sector	Banking
Price at 26 Sept 2025 (IDR)	2,660
Price target (IDR)	3,670
Upside/Downside (%)	38.0

Stock Information

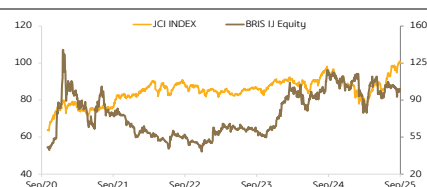
PT Bank Syariah Indonesia, Tbk. is Indonesia's largest Islamic bank. BRIS is formed by a merger of BRI syariah, BNI Syariah and Bank Syariah Mandiri. The bank offers financing in a segment of commercial, corporate, SME, Micro, consumer, pawning, and others. The bank also offers services such as credit and debit cards, phone banking, fund transfer and many more.

Market cap (IDR bn)	124,088
Shares outstanding (mn)	46,129
52-week range (IDR)	2,000 - 3,140
3M average daily vol. ('000)	20,084
3M average daily val. (IDR mn)	54,085

Shareholders (%)

PT Bank Mandiri	51.5
PT Bank Negara Indonesia	23.2
PT Bank Rakyat Indonesia	15.4
Public	9.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(3.3)	3.5	(13.9)

Analyst

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BRIS reported a robust 10.4% yoy earnings growth in 1H25, aligning with our '25F and cons. expectation (47.2%/47.8%). Total financing expanded by a robust 13.9% yoy, outpacing the broader industry and most peers. The Consumer segment was the primary engine. The gold business was a standout, growing 88.3% yoy. Total Third-Party Funds (TPF) expanded by a healthy 8.83% yoy, driven by stable CASA (Current Account Savings Account) growth of 8.35% yoy. Net Interest Margin (NIM) increased by 22 basis points (bps) to 5.7% in 1H25 (vs. 5.5% in 1H24), falling within the management's '25G expectation range of 5.5%-5.9%. Gross NPF consistently narrowed. Cost of Credit remains exceptionally contained at 0.95% in 2Q25 (and 0.99% in 2Q24), perfectly aligning with the stringent FY25 guidance of less than 1%. Maintain BUY GGM-based TP of IDR 3,670 (3.3x '25F P/B), currently trades at 2.4x '25F P/B or slightly above its avg. hist. mean.

Robust earnings growth continues; inline 1H25

Amidst the prolonged uncertainty, BRIS has defied gravity, reporting a robust 10.4% yoy earnings growth in 1H25. This stellar performance was fueled by double-digit expansion across its entire profit and loss. The bank's net margin income, while still growing at a respectable 22.2% yoy, was somewhat constrained by a significant 18.7% yoy increase in funding costs, which swelled to IDR 2.29tn. However, this headwind was more than offset by an impressive 12.5% yoy increase in PPOP. The key catalyst for PPOP's ascent was a 18.5% yoy boost in other operating income. In all, BRIS's 1H25 net income came inline with our '25F and cons. expectation (47.8%/47.2%), underscoring its resilience in a challenging macro environment.

Shatters industry pace: 13.9% yoy financing growth

BRIS's financing growth continues to impress, expanding by a robust 13.9% yoy, outpaces the broader industry and its peers' results. The primary growth engine was the consumer segment, surging 16.2% yoy. A standout performer was the gold business, which demonstrated extraordinary 88.3% yoy growth (high yield of 13.2%). Crucially, the payroll-based financing segment, representing 21.6% of total financing, contributed strong 14.1% yoy growth at a commendable 10.1% yield. In the institutional sphere, wholesale financing rose 11.9% yoy, driven by an impressive 20.1% yoy expansion in the commercial portfolio. The SME and micro segments also maintained double-digit trajectories, with SME increasing 11.5% yoy. This diversified strength, particularly the success in high-yield segments, underscores a bullish outlook for the bank's financial trajectory.

Defies tight liquidity: strategic CASA growth anchors '25F low funding costs

Harnessing resilience amidst prevailing tight liquidity and a fiercely competitive banking landscape, BRIS has consistently noted a healthy TPF expansion (8.83% yoy) driven by stable CASA growth (8.35% yoy). The linchpin of this commendable performance remains the SA segment, which continued its assertive dominance with a 9.71% yoy. This accretion was powered by the vigorous advancement in double digit Wadiah saving accounts of 13.65% yoy as well as its steady Mudharabah (7.21% yoy) funding categories. Crucially, the substantial growth in CASA deposits strategically anchors BRIS, conferring a distinct advantage in its pursuit of maintaining optimized, low funding costs throughout the 2025 fiscal period.

NIM climbs to 5.7%, NPF narrowing and CoC stays below '25F guidance

Key performance indicators remain firmly under control. While the industry and its peers suffering to record NIM expansion, BRIS NIM in 1H25 was 22bps higher to 5.7% vs 55% in the same period last year, came in within '25G management expectation range of 5.5%-5.9% and 3bps higher vs our '25F NIM for BRIS of 5.70%. Encouragingly, the trajectory of risk metrics continues its positive inclination. The gross NPF has consistently narrowed (following the noteworthy yoy improvement in 1Q25) to 1.87%, compared to 1.99% in Jun24 and noted a notable improvement from 1.90% in 4Q24. Furthermore, the cost of credit remains exceptionally contained, registering between 0.95% (2Q25) and 0.99% in 2Q24, perfectly aligning with the stringent '25F.

Foreign ownership outshines banking peers; 9M25 earnings in focus

BRIS solidifies its position as a top-performer, leading the pack as the most-owned stock by foreign investors. YTD, foreign ownership has surged to 5.9% from 4.6%. BRIS is the sole outlier, achieving a +1.6% YoY positive surge in foreign ownership, dramatically exceeding peers and blowing past the -1.7% average of covered banks. Notably, the stock continues to show a positive trajectory in price appreciation, exceeding the average capital gain month-to-date in Sept '25 (though MTD Aug '25 was seasonally higher). Despite broader sector pressure and mixed nuances in Aug25 foreign ownership (MoM change up, except BBKA and BBNI; YTD '25 only BRIS higher), we anticipate the stock's current valuation remains justified by its steady 1H '25 and July25 bank-only earnings. An inline 9M25 earnings result will be crucial to sustain confidence amidst ongoing market noise and potential trust disruption in banking stocks throughout the remainder of the year.

Maintain BUY, GGM TP of IDR3,670

Our GGM-based TP of IDR3,670 is pegged at 3.3x '25F P/B, while currently the stock is trades at 2.4x '25F P/B, slightly above its historical average mean. Key downside risks to our target price include: a) lower-than-expected loan growth; b) prolonged tight liquidity and higher SRBI high; c) NIM stagnation d) higher-than-expected CoF and CoC; f) deteriorating asset quality; g) prolonged trade war uncertainty, mild economic activity, motionless wait & see stance, steady weakening purchasing power and household loan confidence. 10) weakening IDR/USD.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net margin income	16,259	17,409	20,002	23,584	26,676
Non int. income	4,204	5,556	6,251	6,876	7,564
Operating income	20,463	22,966	26,253	30,460	34,239
PPOP	10,214	11,172	13,136	15,527	18,152
Net income	5,704	7,006	7,819	9,389	11,054
EPS (IDR)	124	152	170	204	240
EPS growth (%)	20.6	22.8	11.6	20.1	17.7
PER (x)	21.5	17.5	15.7	13.1	11.1
PBV (x)	3.2	2.7	2.4	2.1	1.8
Div. Yield (%)	0.3	0.7	0.6	0.6	0.8
RoE (%)	16.9	17.5	16.2	16.8	18.1

Source: Company, KBVS Research

Exhibit 2: BRIS 1H25 selected key financial and key ratio metrics

Profit & Loss (IDR bn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)	KBVS '25F	% to KBVS.	Cons. '25F	% to Cons.
Margin income	12,082	14,090	16.6	6,049	7,392	22.2	6,698	10.4				
Profit sharing expenses	(3,861)	(4,614)	19.5	(1,934)	(2,296)	18.7	(2,318)	(0.9)				
Net margin income	8,221	9,476	15.3	4,115	5,096	23.8	4,380	16.3				
Overhead cost	(5,074)	(6,116)	20.5	(2,555)	(3,156)	23.5	(2,960)	6.6				
PPOP	5,632	6,300	11.9	2,817	3,170	12.5	3,130	1.3				
Provisions	(1,129)	(1,349)	19.5	(580)	(703)	21.2	(646)	8.8				
Net profit	3,394	3,741	10.2	1,687	1,862	10.4	1,879	(0.9)	7,819	47.8	7,922	47.2

Balance Sheet (IDR bn)	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
Financing	257,388	293,237	13.9	257,388	293,237	13.9	287,218	2.1
Current accounts	55,338	58,204	5.2	55,338	58,204	5.2	57,762	0.8
Saving accounts	128,776	141,276	9.7	128,776	141,276	9.7	136,898	3.2
Time deposits	112,583	123,425	9.6	112,583	123,425	9.6	124,684	(1.0)
TPF (IDRbn)	296,697	322,905	8.8	296,697	322,905	8.8	319,344	1.1
CASA (IDRbn)	184,114	199,480	8.3	184,114	199,480	8.3	194,660	2.5
Total equity	41,671	47,823	14.8	41,671	47,823	14.8	46,917	1.9

Key metrics	6M24	6M25	YoY (%)	2Q24	2Q25	YoY (%)	1Q25	QoQ (%)
ROA	2.5	2.4	(0.1)	2.5	2.4	(0.1)	2.4	0.0
RoE	17.9	17.3	(0.7)	17.9	17.3	(0.7)	17.6	(0.3)
NIM	5.5	5.7	0.22	5.5	5.7	0.2	5.3	0.4
CIR	47.8	49.4	1.6	47.8	49.4	1.6	48.6	0.8
Loan yield	8.9	9.3	0.4	8.9	9.3	0.4	8.9	0.4
Cost of Fund (CoF)	2.5	2.7	0.2	2.5	2.7	0.2	2.7	0.0
NPF gross	2.0	1.9	(0.1)	2.0	1.9	(0.1)	1.9	(0.0)
CoC	1.0	1.0	(0.0)	1.0	1.0	(0.0)	0.9	0.0
FDR	86.7	90.8	4.1	86.7	90.8	4.1	89.9	0.9

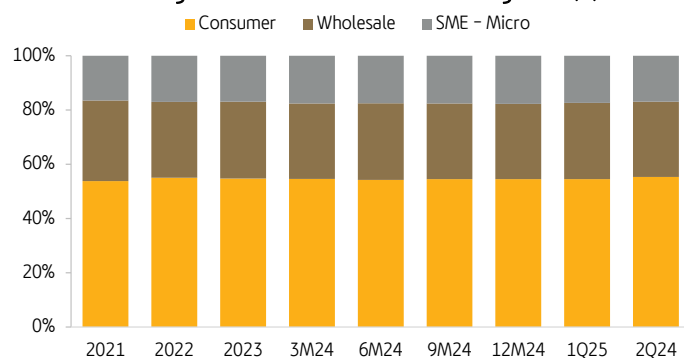
Source: Company, KBVS Research

Exhibit 3: Banking stock under our coverage foreign ownership (%)

Ticker	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	Jun-25	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	35.9%	35.5%	35.0%	35.0%	35.3%	34.9%	34.5%	34.3%	0.31%	-1.59%	-1.90%	36.4%	34.9%	34.5%	34.3%	-2.2%	-0.2%
BBRI IJ	31.0%	30.7%	30.3%	30.0%	30.4%	30.1%	30.1%	30.6%	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.1%	30.6%	-3.5%	0.5%
BMRI IJ	33.5%	32.7%	32.0%	31.4%	31.6%	31.3%	30.7%	30.8%	0.27%	-2.75%	-3.03%	34.2%	31.3%	30.7%	30.8%	-3.4%	0.1%
BBNI IJ	26.1%	25.9%	24.5%	24.0%	24.0%	24.1%	24.0%	23.9%	-1.04%	-2.13%	-1.09%	26.1%	24.1%	24.0%	23.9%	-2.2%	-0.1%
BBTN IJ	10.7%	10.0%	10.5%	10.0%	10.1%	10.1%	9.9%	10.1%	0.65%	-0.62%	-1.26%	10.8%	10.1%	9.9%	10.1%	-0.7%	0.2%
BRIS IJ	4.6%	4.9%	4.7%	4.8%	5.3%	5.4%	5.8%	5.9%	0.89%	1.32%	0.44%	4.3%	5.4%	5.8%	5.9%	1.6%	0.1%
Average	23.6%	23.3%	22.8%	22.5%	22.8%	22.7%	22.5%	22.6%	-0.2%	-1.0%	-0.8%	24.3%	22.7%	22.5%	22.6%	-1.7%	0.1%

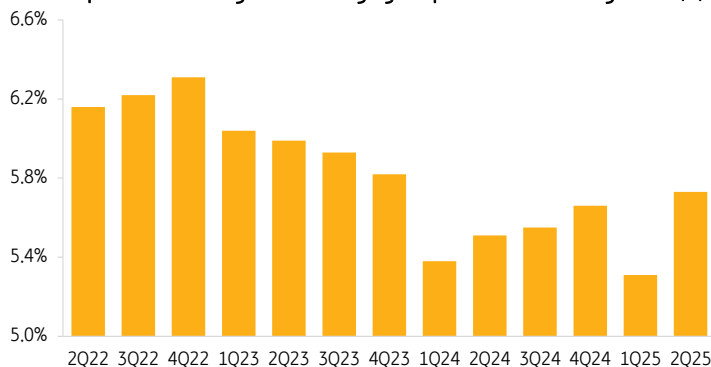
Source: KSEI, KBVS Research

Exhibit 4: Continuing consumer finance focus to benefit growth (%)



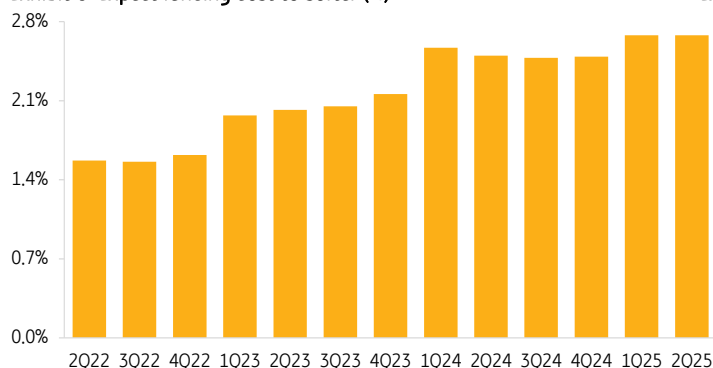
Source: Company, KBVS Research

Exhibit 5: Expect much stronger NIM on high yield portfolio and steady CASA (%)



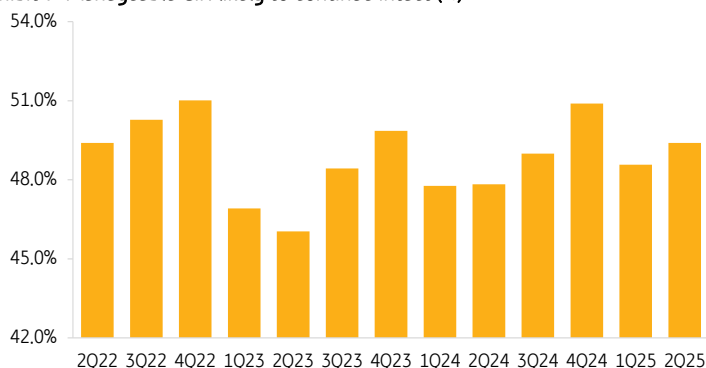
Source: Company, KBVS Research

Exhibit 6: Expect funding cost to softer (%)



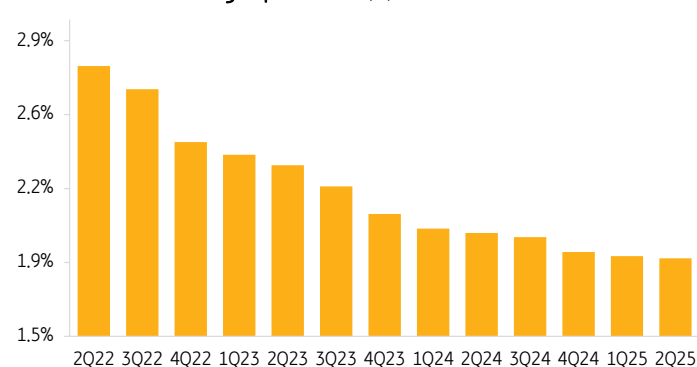
Source: Company, KBVS Research

Exhibit 7: Manageable CIR likely to continue intact (%)



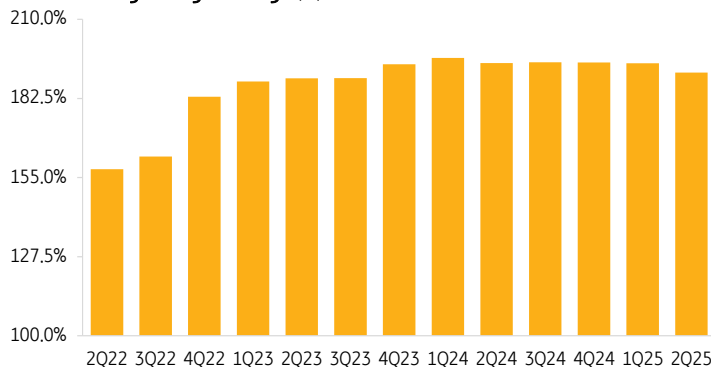
Source: Company, KBVS Research

Exhibit 8: NPF continuing improvement (%)



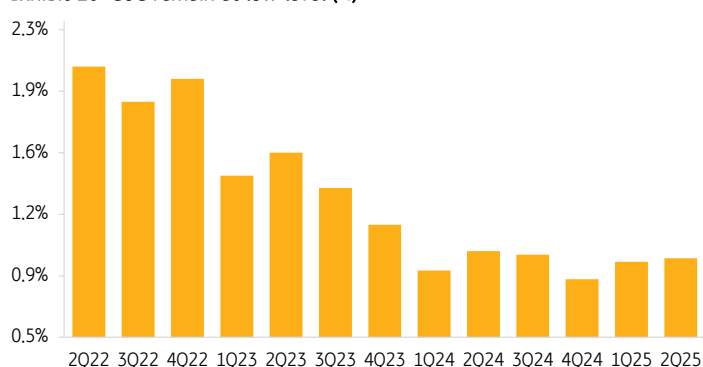
Source: Company, KBVS Research

Exhibit 9: Steady sturdy coverage (%)



Source: Company, KBVS Research

Exhibit 10: CoC remain at low level (%)



Source: Company, KBVS Research

Exhibit 11: Traded at 2.4x '25F P/B, above its avg hist. average mean.



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 12: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Margin income	22,252	25,298	28,683	32,277	36,316
Profit sharing expense	(5,993)	(7,889)	(8,680)	(8,693)	(9,640)
Net margin income	16,259	17,409	20,002	23,584	26,676
Non-interest income	4,204	5,556	6,251	6,876	7,564
Operating expenses	(10,249)	(11,794)	(13,117)	(14,933)	(16,088)
Pre-provision operating profit	10,214	11,172	13,136	15,527	18,152
Loan loss provision	(2,622)	(1,894)	(2,355)	(2,577)	(2,906)
Pretax profit	7,589	9,282	10,785	12,951	15,247
Net profit	5,704	7,006	7,819	9,389	11,054

Exhibit 13: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	5,256	8,081	9,111	10,016	11,060
Current Account at BI	32,441	49,966	47,452	53,747	59,828
Interbank Loans	2,304	3,866	4,064	4,271	4,486
Marketable securities	71,169	62,217	62,217	57,202	45,489
Loan (Consolidated)	240,316	278,481	320,118	369,836	428,586
Fixed Assets	5,353	7,724	9,655	12,551	14,434
Other assets	6,473	8,570	8,348	10,859	12,491
Total Asset	353,624	408,613	450,041	506,680	563,466
Liabilities					
Interbank Deposit	1,761	4,151	4,420	4,727	5,084
Customer Deposit	293,776	327,454	360,827	408,697	454,939
Other Liabilities	18,568	31,288	33,328	33,453	33,802
Total liabilities & syirkah funds	314,885	363,572	398,575	446,877	493,825
Equity					
Capital Stock	23,065	23,065	23,065	23,065	23,065
Additional Paid-in Capital	(3,929)	(3,929)	(3,929)	(3,929)	(3,929)
Retained Earnings	18,911	25,062	31,562	39,861	49,719
Other Equity	692	844	768	806	787
Shareholder's Equity	38,739	45,042	51,466	59,803	69,641
Total Equity	38,739	45,042	51,466	59,803	69,641

Exhibit 14: Key performance metrics

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
NIM	5.8	5.5	5.7	6.0	6.1
FDR	81.8	85.0	88.7	90.5	94.2
CASA	60.6	60.1	61.3	62.5	62.7
Cost/income	50.1	51.4	50.0	49.0	47.0
NPF	2.11	2.00	1.8	1.5	1.3
ROE	16.9	17.5	16.2	16.8	14.3
ROA	2.3	2.4	2.5	2.7	2.8
CAR	21.0	19.6	20.4	21.0	22.0
BVPS (IDR)	840	976	1,116	1,296	1,510
PER (x)	21.5	17.5	15.7	13.1	11.1
PBV (x)	3.2	2.7	2.4	2.1	1.8
Div. Yield	0.3	0.7	0.6	0.6	0.8

Source: Company, KBVS Research

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