

BRIS posts solid 1Q26 earnings, backed by financing growth and lower CoF

18 May 2026



<b>BRIS IJ</b>	
Sector	Banking
Price at 13 May 2026 (IDR)	1,830
Price target (IDR)	2,430
Upside/Downside (%)	32.8

**Stock Information**

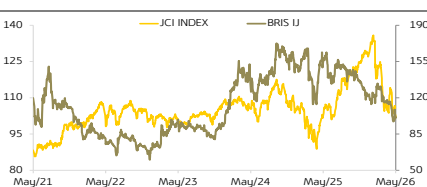
PT Bank Syariah Indonesia, Tbk. is Indonesia's largest Islamic bank. BRIS is formed by a merger of BRI syariah, BNI Syariah and Bank Syariah Mandiri. The bank offers financing in a segment of commercial, corporate, SME, Micro, consumer, pawning, and others. The bank also offers services such as credit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

Market cap (IDR bn)	97,332
Shares outstanding (mn)	46,129
52-week range (IDR)	1,790 - 3,030
3M average daily vol. ('000)	24,249
3M average daily val. (IDR mn)	54,892

**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

	<b>1M</b>	<b>3M</b>	<b>12M</b>
Performance	(12.0)	(22.1)	(36.2)

**Analyst**

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BRIS delivered a robust 1Q26 performance, with PATMI rising +17.1% YoY to IDR2.20 tn, primarily driven by solid financing growth of +14.4% YoY and a significant -56 bps decline in CoF to 2.12% (1Q25: 2.68%). Despite ongoing industry-wide margin pressures, the bank successfully expanded its NIM to 5.59%, supported by resilient growth across key segments, including consumer financing (+17.6% YoY), payroll financing (+14.5% YoY), and wholesale financing (+12.6% YoY). Meanwhile, its high-yield gold business recorded an exceptional +101.2% YoY increase. On the funding side, growth remained solid, underpinned by a +21.4% YoY increase in low-cost CASA deposits. Asset quality also continued to improve, supported by disciplined risk management, as reflected in lower gross NPF of 1.80% (Prev: 1.88%) and a -20 bps decline in CoC to 0.73%. Looking ahead, BRIS's favorable product mix and optimized funding structure should continue to support profitability and enable the bank to achieve its FY26F guidance. We maintain our BUY recommendation with a GGM-based target price of IDR2,430 (2.0x FY26F P/B). The stock is currently trading at an attractive 1.5x FY26F P/B, equivalent to its -1SD valuation level.

**Inline 1Q26 earnings**

BRIS posted solid 1Q26 results with in-line PATMI of IDR2.20 tn (+17.1% YoY), accounting for 25.9%/25.3% of our/consensus estimates (vs. historical average of 24.9%). Although a lower interest rate environment softened yields, net margin income grew by +15.1% YoY to IDR7.01 tn, driven largely by steady financing growth and a 56bps decrease in blended funding costs, which led to an -11.2% YoY decline in total profit-sharing expenses. Resilient fee-based income (+22.3% YoY) effectively offset the +19.6% YoY increase in overhead costs, maintaining PPOP growth at +11.9% YoY to IDR3.51 tn (up from IDR3.13 tn in 1Q25). Furthermore, ongoing improvements in asset quality resulted in -6.8% YoY drop in provisioning expenses, supporting bottom-line growth.

**Financing surge outpaces industry; consumer remains the core**

Total financing grew +14.4% YoY to IDR328.54 tn, exceeding the industry average (+9.5% YoY) and aligning with management's 2026 guidance of 14-16% YoY. The consumer segment remains the foundation of the financing portfolio, growing +17.6% YoY to IDR184.28 tn and representing 56.1% of the total mix (+153bps YoY from 54.6% in 1Q25). Within this segment, payroll-based financing increased by +14.5% YoY to IDR70.48 tn (21.5% of the total portfolio). The wholesale segment maintained steady growth at +12.6% YoY, supported by corporate lending driven by demand in the health services, telecommunications, and trading sectors. Despite broader sector headwinds, SME loans expanded +16.9% YoY. Notably, the gold business was a standout contributor, with revenue expansion of +101.2% YoY to IDR28.84 tn. Consequently, the portfolio mix shifted favorably, with gold's contribution rising +379bps to 8.8% (vs. 5.0% in 1Q25).

**Substantial TPF growth anchored by strong low-cost CASA**

BRIS demonstrated strong deposit-gathering capabilities. Total TPF grew +18.0% YoY, primarily supported by +21.4% YoY increase in total CASA to IDR236.24 tn. The CASA ratio expanded by +174bps to 62.7% (vs. 61.0% in 1Q25), aided by +20.2% YoY increase in savings accounts to IDR164.51 tn and +24.2% YoY growth in current accounts to IDR71.72 tn. The bank's Wadiah strategy continues to yield positive results, with margin relief largely driven by this zero-to-low-reward segment. Within CASA, Wadiah current accounts increased +34.8% YoY to IDR25.64 tn, while Wadiah savings accounts grew +13.3% YoY to IDR63.36 tn.

**Margin expansion and CoF optimization**

BRIS effectively navigated industry margin pressures through CoF optimization and disciplined asset quality control. Despite broader margin compression in the banking sector, BRIS achieved NIM expansion of +28bps to 5.59%, 9bps above its FY26F guidance of >5.50%. The Cost of Funds (CoF) declined -56bps to 2.12% from 2.68% in 1Q25. Asset quality also improved, with gross NPF declining -8 bps to 1.80%. Accordingly, the Cost of Credit decreased to 0.73% (down -20bps from 0.93% in 1Q25), sitting comfortably 27bps below the FY26F guidance of <1.00%.

**Balanced product mix provides a stable buffer**

In our view, BRIS's balanced product mix positions it well to navigate potential rate cuts while sustaining profitability and asset quality. Despite possible pressures from a lower-interest-rate environment, the high-yield gold segment, steady payroll-based financing, and wholesale book are expected to provide a reliable buffer. Key drivers for earnings in the upcoming quarters include: a) a continued reduction in funding costs, b) stable growth in fee-based income, and c) consistently well-managed risk metrics. The bank expects to maintain loan growth between 14.0% and 16.0% YoY, a NIM above 5.50%, and CoC below 1.00%.

**Maintain BUY, GGM TP of IDR2,430**

Our GGM-based TP of IDR2,430 is derived from 2.0x '26F P/B, while the stock is currently trading at only 1.5x '26F P/B, or near its -1SD level, implying an attractive risk-reward profile with stronger upside potential relative to downside risks. Key upside catalysts include: a) stronger-than-expected growth in financing and gold-related businesses, b) lower funding costs supported by improving CASA mix, c) faster normalization in CoC and NPF leading to lower provisioning expenses, and d) continued acceleration in fee-based income generation. While several downside risks remain, we believe their impact is comparatively more limited, including: a) softer-than-expected financing growth, b) stagnant funding costs, c) weaker financing yields and NIM trajectory, d) higher-than-expected CoC, e) prolonged cautious domestic business activity, f) escalating global geopolitical tensions, g) weaker debtor and market confidence, and h) IDR depreciation against the USD.

**Exhibit 1: Key Statistics**

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net margin income	17,409	19,129	21,885	24,415	27,140
Non int. income	5,556	6,937	7,630	8,393	9,233
Operating income	22,966	26,066	29,515	32,808	36,373
PPOP	11,172	12,365	14,251	16,179	18,662
Net income	7,006	7,568	8,498	9,776	11,458
EPS (IDR)	152	164	184	212	248
PER (x)	12.0	11.2	9.9	8.6	7.4
PBV (x)	1.9	1.6	1.5	1.3	1.1
Div. Yield (%)	1.0	1.2	1.8	2.0	2.3
RoE (%)	17.8	16.9	16.4	18.1	18.9

Source: Company, KBVS Research

Exhibit 2: BRIS 1Q26 selected key profit & loss, balance sheet

Profit & Loss (IDR bn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)	KBVS '26F	% to KBVS.	Cons. '26F	% to Cons.
Margin income	6,698	7,011	4.7	6,698	7,011	4.7	7,204	(2.7)				
Profit sharing expenses	(2,318)	(2,059)	(11.2)	(2,318)	(2,059)	(11.2)	(2,240)	(8.1)				
Net margin income	4,380	4,952	13.1	4,380	4,952	13.1	4,964	(0.2)				
Fee based income	1,711	2,092	22.3	1,711	2,092	22.3	2,139	(2.2)				
Operating income	6,091	7,044	15.6	6,091	7,044	15.6	7,103	(0.8)				
Overhead cost	(2,960)	(3,540)	19.6	(2,960)	(3,540)	19.6	(3,979)	(11.0)				
PPOP	3,131	3,504	11.9	3,131	3,504	11.9	3,124	12.2				
Provisions	(646)	(602)	(6.8)	(646)	(602)	(6.8)	(484)	24.4				
Net profit	1,879	2,200	17.1	1,879	2,200	17.1	1,999	10.1	8497.793	25.9	8694	25.3

Balance Sheet (IDR bn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
Financing	287,218	328,542	14.4	287,218	328,542	14.4	318,844	3.0
Current accounts	57,762	71,724	24.2	57,762	71,724	24.2	71,828	(0.1)
Saving accounts	136,898	164,519	20.2	136,898	164,519	20.2	162,628	1.2
Time deposits	124,684	140,555	12.7	124,684	140,555	12.7	146,033	(3.8)
TPF (IDRbn)	319,344	376,798	18.0	319,344	376,798	18.0	380,489	(1.0)
CASA (IDRbn)	194,660	236,243	21.4	194,660	236,243	21.4	234,456	0.8
Total equity	46,917	50,769	8.2	46,917	50,769	8.2	51,953	(2.3)

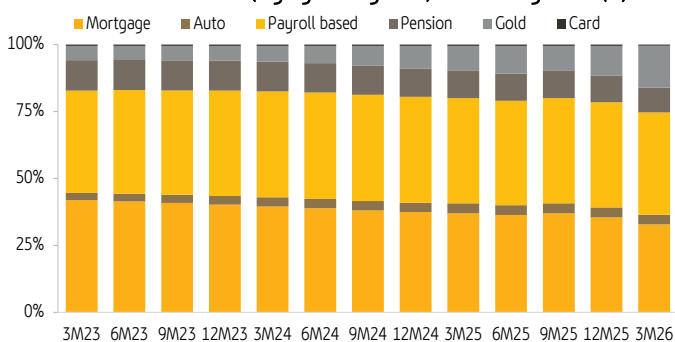
Source: Company, KBVS Research

Exhibit 3: BRIS 1Q26 selected key ratio metrics

Key metrics	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
ROA	2.4	2.5	0.1	2.4	2.5	0.1	2.4	0.2
RoE	17.6	19.4	1.8	17.6	19.4	1.8	16.9	2.5
NI	5.3	5.6	0.3	5.3	5.6	0.3	5.6	0.0
CIR	48.6	50.5	1.9	48.6	50.5	1.9	52.1	(1.6)
Fee Based	20.3	23.0	2.6	20.3	23.0	2.6	19.7	3.3
Loan yield	8.9	8.7	(0.2)	8.9	8.7	(0.2)	9.1	(0.4)
Cost of Fund (CoF)	2.7	2.1	(0.6)	2.7	2.1	(0.6)	2.6	(0.5)
NPF gross	1.9	1.8	(0.1)	1.9	1.8	(0.1)	1.8	0.0
NPF coverage ratio	194.7	254.0	59.3	194.7	254.0	59.3	190.9	63.1
Far Coverage	50.8	53.9	3.1	50.8	53.9	3.1	37.5	16.4
CoC	0.9	0.7	(0.2)	0.9	0.7	(0.2)	0.8	(0.1)
Cost of Fund (CoF)	2.7	2.1	(0.6)	2.7	2.1	(0.6)	2.6	(0.5)
FDR	89.9	87.1	(2.7)	89.9	87.1	(2.7)	83.7	3.4
CASA	61.0	62.7	1.7	61.0	62.7	1.7	61.6	1.1

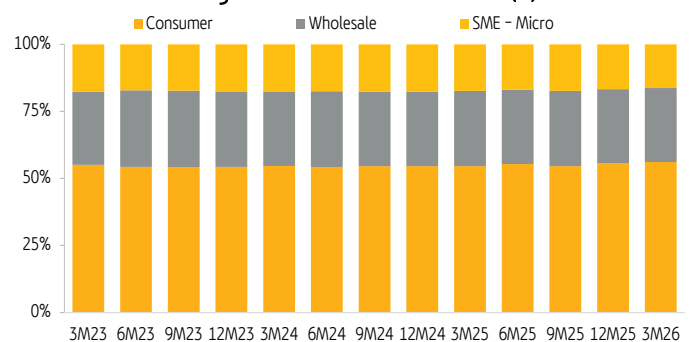
Source: Company, KBVS Research

Exhibit 4: Consumer finance (high yield segment) to benefit growth (%)



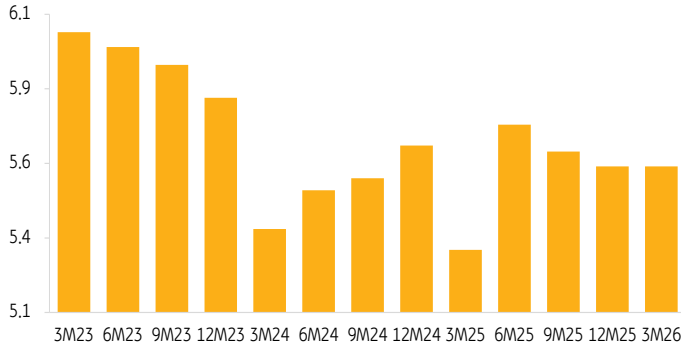
Source: Company, KBVS Research

Exhibit 5: Consumer segment remains as the backbone (%)



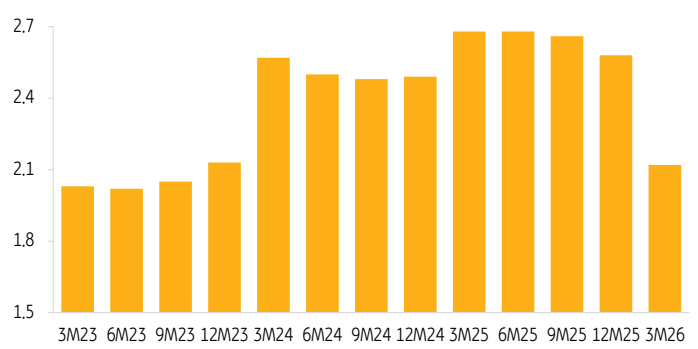
Source: Company, KBVS Research

Exhibit 6: NIM trajectory likely to continue (%)...



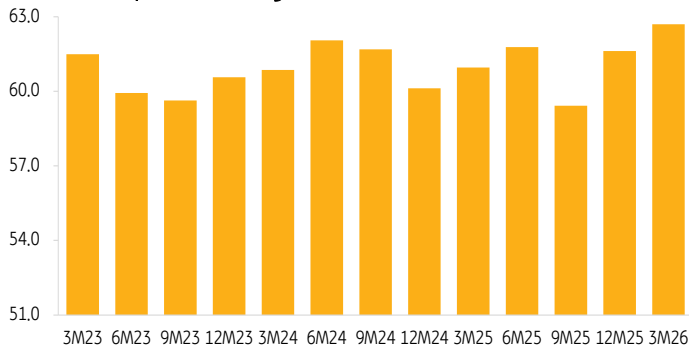
Source: Company, KBVS Research

Exhibit 7: ..supported by steady low funding cost (%)...



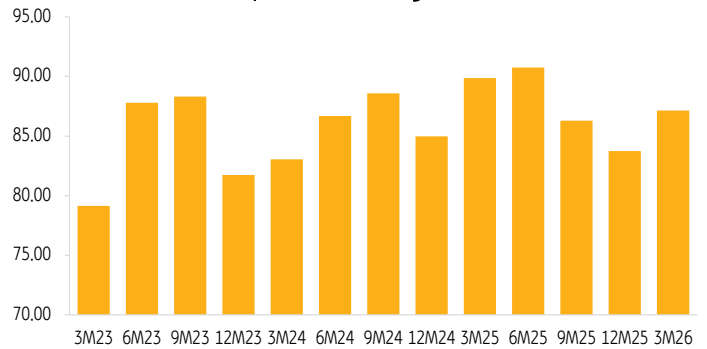
Source: Company, KBVS Research

Exhibit 8: ..coupled with steady solid CASA (%)...



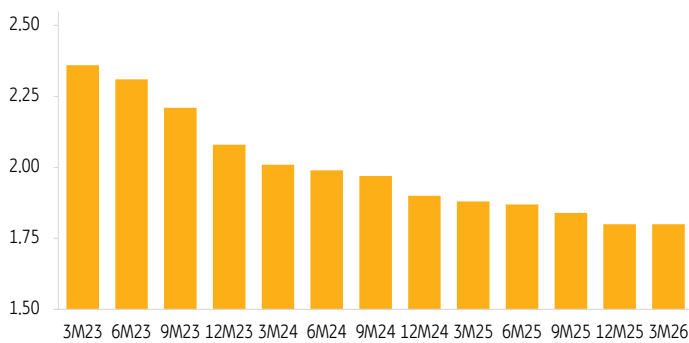
Source: Company, KBVS Research

Exhibit 9: ..and with the help from well managed FDR (%)



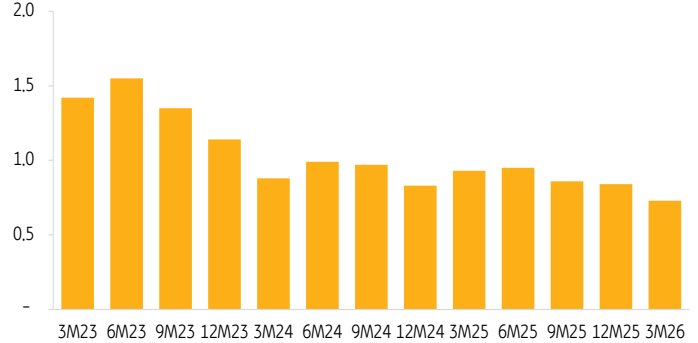
Source: Company, KBVS Research

Exhibit 10: NPF continuing improvement (%)



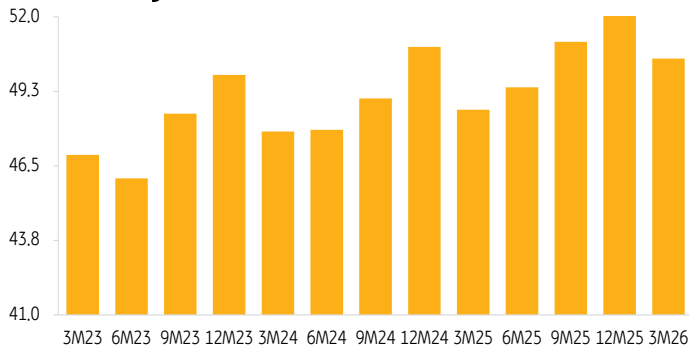
Source: Company, KBVS Research

Exhibit 11: CoC remain at low level (%)



Source: Company, Bloomberg, KBVS Research

Exhibit 12: Handy cost to income



Source: Company, KBVS Research

Exhibit 13: Attractively trade at 1.5x '26F P/B, or at its -1SD



Source: Company, KBVS Research

**FINANCIAL TABLES**
**Exhibit 14: Profit & Loss**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Margin income	25,298	28,265	29,766	32,932	36,406
Profit sharing expense	(7,889)	(9,136)	(7,881)	(8,517)	(9,266)
<b>Net margin income</b>	<b>17,409</b>	<b>19,129</b>	<b>21,885</b>	<b>24,415</b>	<b>27,140</b>
Non-interest income	5,556	6,937	7,630	8,393	9,233
Operating expenses	(11,794)	(13,701)	(15,264)	(16,630)	(17,711)
<b>Pre-provision operating profit</b>	<b>11,172</b>	<b>12,365</b>	<b>14,251</b>	<b>16,179</b>	<b>18,662</b>
Loan loss provision	(1,894)	(2,357)	(2,534)	(2,698)	(2,861)
Pretax profit	9,282	10,012	11,721	13,484	15,805
<b>Net profit</b>	<b>7,006</b>	<b>7,568</b>	<b>8,498</b>	<b>9,776</b>	<b>11,458</b>

**Exhibit 15: Balance sheet**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
<b>Assets</b>					
Cash	8,081	8,691	8,171	9,099	9,656
Current Account at BI	49,966	51,603	43,334	49,786	44,752
Interbank Loans	3,866	4,551	5,589	7,151	9,512
Marketable securities	62,217	59,650	60,638	36,582	41,986
Loan (Consolidated)	268,190	307,861	356,854	417,810	493,390
Fixed Assets	7,724	11,421	15,989	23,984	25,183
Other assets	8,570	12,415	15,203	24,698	26,585
<b>Total Asset</b>	<b>408,613</b>	<b>456,193</b>	<b>505,779</b>	<b>569,110</b>	<b>651,063</b>
<b>Liabilities</b>					
Interbank Deposit	785	2,800	2,908	3,061	3,266
Customer Deposit	327,454	380,462	433,336	488,103	560,100
Other Liabilities	34,655	20,198	11,453	12,066	12,718
<b>Total liabilities &amp; syirkah funds</b>	<b>363,572</b>	<b>404,240</b>	<b>448,443</b>	<b>503,965</b>	<b>576,837</b>
<b>Equity</b>					
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	25,062	31,578	37,159	44,870	53,999
Other Equity	844	1,239	1,042	1,140	1,091
Shareholder's Equity	<b>45,042</b>	<b>51,953</b>	<b>57,336</b>	<b>65,145</b>	<b>74,226</b>

**Exhibit 16: Key performance metrics**

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
NIM	5.7	5.6	5.6	5.7	5.8
FDR	85.0	83.8	85.0	88.1	90.4
CASA	60.1	61.6	62.9	63.5	64.6
Cost/income	51.4	52.6	51.7	50.7	48.7
NPF	1.91	1.8	1.7	1.6	1.5
ROE – tier 1	17.77	16.9	16.4	18.2	18.9
ROA	2.5	2.4	2.3	2.6	2.7
CAR	19.6	19.8	20.1	20.2	20.2
BVPS (IDR)	976	1,126	1,243	1,412	1,609
PER (x)	12.0	11.2	9.9	8.6	7.4
PBV (x)	1.9	1.6	1.5	1.3	1.1
Div. Yield	1.0	1.2	1.8	2.0	2.3

Source: Company, KBVS Research

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