Solid 7M26 Earnings Reinforce a Stronger 9M26 Outlook

1 September 2026

BRIS IJ	BUY
Sector	Banking
Price at 31 Aug 2026	1,775
Price target (IDR)	2,430
Upside/Downside (%)	36.9

Stock Information

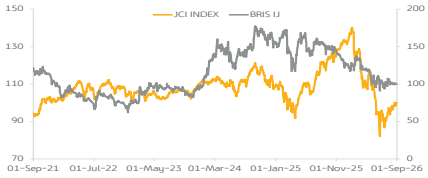
PT Bank Syariah Indonesia, Tbk. is Indonesia's largest Islamic bank. BRIS is formed by a merger of BRI syariah, BNI Syariah and Bank Syariah Mandiri. The bank offers financing in a segment of commercial, corporate, SME, Micro, consumer, pawning, and others. The bank also offers services such as credit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

Market cap (IDR bn)	82,341
Shares outstanding (mn)	46,129
52-week range (IDR)	1,565 - 2,750
3M average daily vol. ('000)	15,341
3M average daily val. (IDR mn)	27,781

Shareholders (%)

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

Stock Performance



	1M	3M	12M
Performance	(2.2)	(10.1)	(34.3)

Akhmad Nurcahyadi
Analyst
akhmad.nurcahyadi@kbvalbury.com

BRIS delivered a strong 7M26 bank-only net profit of IDR 4.69 tn (+13.2% YoY), tracking in line with our '26F and street estimates (55.3%/54.0% vs. 56.0%) on the back of outsized financing growth (+16.1% YoY) that comfortably outpaced the sector (+13.6% YoY). Bottom-line momentum was further fueled by robust Non-II (+15.9% YoY), lower provision expenses (-17.3% YoY), and improved asset quality, with credit cost dropping -51bps YoY to 0.63% (well within <1% guidance). Despite mild NIM compression to 5.27%, a 51bps drop in blended funding costs (2.24%) and expanding ROE (+88bps to 15.7%) underscore structural efficiency—setting up a solid foundation for 9M26 earnings even against our conservative projections (+8.9% YoY vs. street's +10.3%). Maintain BUY with TP of IDR2,430 (2.0x '26F P/B); the stock currently attractively trades at 1.4x '26F P/B, slightly above its -2SD at 1.3x '26F P/B.

Broad-based growth drives 13.2% YoY earnings growth; 7M26 broadly in line
BRIS reported 7M26 bank-only net profit of IDR4.69 tn, up +13.2% YoY and represents 55.3%/54.0% of ours/consensus '26F estimates (vs. 5Y historical run rate of 56.0%). Top-line growth remained solid (+6.9% YoY) despite a -41bps YoY decline in financing yield to 7.5%, as robust financing growth of 16.1% YoY continued to support the top line. Meanwhile, the -3.7% YoY decline in share of third-party funds in the funding mix helped drive a +12.0% YoY increase in net interest income (NII) to IDR12.56 tn. Earnings were further supported by a +15.9% YoY rise in non-II and a -17.3% YoY decline in provisioning expenses. Overall, 7M26 bank-only net profit came in slightly above our estimate of IDR4.60 tn.

Strong Jul '26 earnings support 3Q26F net profit growth
Jul '26 standalone bank-only net profit rose +32.2% YoY to IDR543 bn, exceeding our estimate of IDR526 bn by 3.16%. The stronger result was driven primarily by a +28.3% YoY increase in pre-provision operating profit (PPOP) to IDR924 bn, which more than offset a +21.6% YoY increase in provision expenses to IDR207bn. The July beat strengthens the outlook for 3Q26F, and we now see scope for BRIS's 3Q26F net profit to grow +8.9% YoY, ~90bps above our previous forecast of 8.0% YoY prior to the release of the 7M26 results.

Financing growth remains robust and exceeds sector growth
BRIS continued to post strong financing growth, with total receivables, financing, and leasing reaching IDR342.39 tn in Jul '26 (+16.1% YoY), outpacing industry figures of +13.6% YoY and and slightly above '26F management guidance of 14% - 16%. Receivables and Qardh funds remained the largest component of the portfolio, accounting for 51.6% of total financing and rising +9.4% YoY to IDR176.82 tn. Total financing grew +25.0% YoY to IDR162.25 tn, increasing its contribution in the portfolio to 47.4% from 44.0% in 7M25 due to strong growth in Mudharabah and Musyarakah segments.

Strong TPF traction led by CASA (+21.9% YoY)
Total third-party funds (TPF) surged +26.8% YoY on the back of solid +21.9% YoY expansion in CASA to IDR243.92 tn. Wadiah accounts rose +16.9% YoY, driven by equally strong inflows into demand deposit (+15.4% YoY) and saving deposits (+17.4% YoY) accounts. Meanwhile, time deposits recorded softer growth at +13.5% YoY to IDR144.84 tn. Despite this increase, the banks' blended funding cost continued its downward trend (-51bps YoY) and remained well-managed at 2.24 (-5bps YTD).

Modest NIM compression, but asset quality and profitability improve
NIM declined modestly by -5bps YoY to 5.27%, mainly reflecting lower financing yields. However, risk metrics continued to improve; credit cost declined by -25bps YoY to 0.63% in Jul '26, from 0.88% in Jul '25, and fell -50bps from 1.13% in Jan '26. This remains comfortably within BRIS's FY26F credit-cost guidance of below 1.0% and is better than our FY26F assumption of 0.74%. Balance-sheet intermediation also improved, with LDR remaining healthy at 88.1%. Financing-to-total-assets ratio increased by +103bps YTD to 74.05% in Jul '26, from 73.01% at end-25, and return on equity improved to 15.7%, from 14.8% in the same period.

7M26 provides a solid tailwind for 3Q26F
Supported by potential loan repricing, sustained momentum in gold-related products, and an improving deposit mix, we expect BRIS to maintain healthy earnings growth over the next few quarters. Even if Aug and Sep '26 net profit were to merely match the respective monthly earnings achieved in Aug and Sep '25, BRIS's 3Q26F net profit would still increase +7.2% YoY to IDR1.96 tn. On a consolidated basis, we estimate 9M26F net income of IDR5.92 tn (+8.9% YoY). This implies a 9M26F run rate of 71.4% of our FY26F forecast, slightly below the three-year historical average of 73.4%. We therefore view our forecast as conservative, particularly given that our 9M26F earnings-growth estimate of +8.9% YoY remains below the Street's expectation of 10.3% YoY.

Maintain BUY
We maintain our BUY rating on BRIS with TP of IDR2,430 (2.0x '26F P/B); the stock currently trades at 1.4x '26F P/B, slightly above its -2SD of 1.3x '26F P/B, implying an attractive risk-reward profile with stronger upside potential relative to downside risks. Key upside catalysts: a) stronger-than-expected growth in financing and gold-related businesses, b) stable funding costs on solid deposit mix, c) faster normalization in CoC and NPF leading to stable provisioning expenses, d) continued acceleration in fee-based income generation. Downside risks to our call: a) softer-than-expected financing growth, b) stagnant funding costs, c) lower-than-expected financing yields leading to mild NIM recovery, d) higher-than-expected CoC, f) higher-than-expected CIR, g) higher CoC due to front load anticipation, h) persistent IDR depreciation against 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
EPS growth (%)	22.8	8.0	12.3	15.0	17.2
PER (x)	11.8	10.8	9.6	8.4	7.2
PBV (x)	1.8	1.6	1.4	1.3	1.1
Div. Yield (%)	1.0	1.3	1.8	2.1	2.4
ROE (%)	17.8	16.9	16.4	18.1	18.9

Sources: Company, KBVS Research

Exhibit 2: BRIS 7M26 bank-only selected profit and loss

Selected P&L (IDRbn)	7M25	7M26	YoY (%)	Jul-25	Jul-26	YoY (%)	Jun-26	Jul-26	MoM (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons
Interest income	16,597	17,744	6.9	1,696	2,559	50.9	2,695	2,559	(5.1)				
Interest expense	(5,378)	(5,181)	(3.7)	(764)	(867)	13.5	(772)	(867)	12.4				
Net interest income	11,219	12,563	12.0	932	1,692	81.5	1,924	1,692	(12.1)				
Non Int Inc & others	3,000	3,477	15.9	828	577	(30.3)	422	577	36.8				
Total Income	14,219	16,040	12.8	1,760	2,268	28.9	2,345	2,268	(3.3)				
Opex	(7,199)	(8,587)	19.3	(1,040)	(1,344)	29.3	(1,266)	(1,344)	6.2				
PPOP	7,020	7,453	6.2	720	924	28.3	1,079	924	(14.4)				
Provision	(1,519)	(1,256)	(17.3)	(170)	(207)	21.6	(75)	(207)	177.0				
Net Profit	4,152	4,699	13.2	411	543	32.2	762	543	(28.7)	8,498	55.3	8,694	54.0

Source: Company, KBVS Research

Exhibit 3: BRIS monthly bank-only selected profit and loss

Selected P&L monthly stand-alone (IDRbn)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	YoY (%)	MoM (%)	KBVS 'Jul26F	vs. est.	KBVS '7M26F	vs. est.
Interest income	2,451	2,406	2,730	2,441	2,462	2,695	2,559	50.89	(5.1)				
Interest expense	(702)	(645)	(712)	(734)	(749)	(772)	(867)	13.50	12.4				
Net interest income	1,749	1,761	2,018	1,707	1,712	1,924	1,692	81.54	(12.1)				
Non Int Inc & others	661	464	419	482	452	422	577	(30.34)	36.8				
Total Income	2,410	2,225	2,437	2,189	2,164	2,345	2,268	28.90	(3.3)				
Opex	(1,197)	(1,207)	(1,163)	(1,238)	(1,171)	(1,266)	(1,344)	29.31	6.2				
PPOP	1,213	1,018	1,275	951	994	1,079	924	28.31	(14.4)				
Provision	(303)	(136)	(163)	(155)	(218)	(75)	(207)	21.60	177.0				
Net Profit	690	667	843	605	589	762	543	32.20	(28.7)	526	(3.2)	4,604	(2.1)

Source: Company, KBVS Research

Exhibit 4: BRIS 7M26 bank-only selected balance sheet

Selected BS (IDRbn)	1M26	2M26	3M26	4M26	5M26	6M26	7M26	7M25	7M26	YoY (%)	1M26	7M26	YTD (%)
Total Loan	322,174	322,459	327,840	331,671	334,015	339,502	342,398	294,929	342,398	16.1	322,174	342,398	6.3
Total Assets	441,247	439,629	460,131	451,726	443,967	464,508	462,416	395,736	462,416	16.8	441,247	462,416	4.8
Total Liability	388,798	386,513	409,362	400,368	393,580	413,467	410,822	347,452	410,822	18.2	388,798	410,822	5.7
Total Equity	52,449	53,116	50,769	51,358	50,387	51,041	51,594	48,284	51,594	6.9	52,449	51,594	(1.6)
Total deposits	369,837	366,083	376,798	381,940	372,167	393,343	388,771	327,708	388,771	18.6	369,837	388,771	5.1
Demand deposits	74,326	73,580	71,724	77,230	69,866	65,485	73,189	57,741	73,189	26.8	74,326	73,189	(1.5)
Savings deposits	155,109	154,594	164,519	165,239	165,183	172,812	170,741	142,332	170,741	20.0	155,109	170,741	10.1
Time Deposits	140,402	137,909	140,555	139,471	137,118	155,046	144,841	127,636	144,841	13.5	140,402	144,841	3.2
CASA	229,436	228,174	236,243	242,469	235,049	238,297	243,929	200,072	243,929	21.9	229,436	243,929	6.3

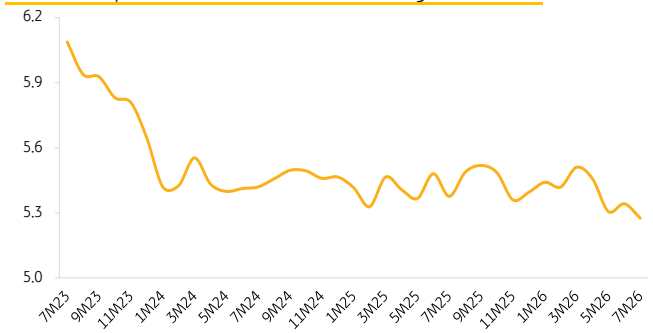
Source: Company, KBVS Research

Exhibit 5: BRIS 7M26 bank-only selected key ratios calculations

Selected key ratios	1M26	2M26	3M26	4M26	5M26	6M26	7M26	7M25	7M26	YoY (%)	1M26	7M26	YTD (%)
NIM	5.4	5.4	5.7	5.5	5.3	5.3	5.3	5.3	5.3	(0.1)	5.4	5.3	(0.2)
CoF	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.2	(0.5)	2.2	2.2	0.0
Cost of credit	1.1	0.8	0.7	0.7	0.7	0.6	0.6	0.9	0.6	(0.3)	1.1	0.6	(0.5)
CASA	62.0	62.3	62.7	63.5	63.2	60.6	62.7	61.1	62.7	1.7	62.0	62.7	0.7
Loan to deposits	87.1	88.1	87.0	86.8	89.7	86.3	88.1	90.0	88.1	(1.9)	87.1	88.1	1.0
Cost to income	49.7	51.9	50.4	51.9	52.3	52.6	53.5	50.6	53.5	2.9	49.7	53.5	3.9
RoE	15.9	15.4	16.9	16.5	16.0	16.4	15.7	14.8	15.7	0.9	15.9	15.7	(0.2)
Mkt sec to total asset	14.1	14.3	13.3	14.9	14.2	14.0	13.2	16.8	13.2	(3.6)	14.1	13.2	(0.9)
Loan to asset	73.0	73.3	71.2	73.4	75.2	73.1	74.0	74.5	74.0	(0.5)	73.0	74.0	1.0

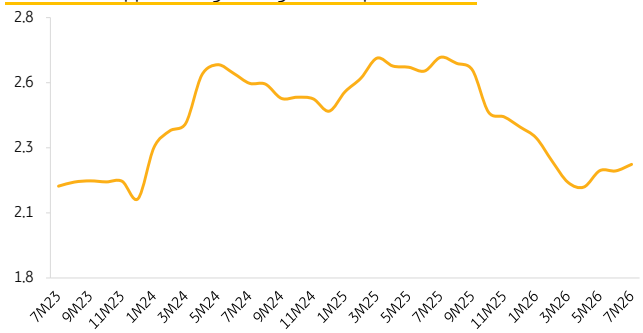
Source: Company, KBVS Research

Exhibit 6: Expect NIM to at least arrive within guidance (%)...



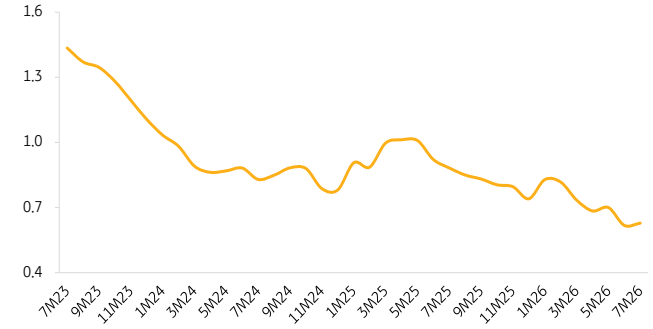
Source: Company, KBVS Research

Exhibit 7: ..supported by steady solid deposit mix (%)



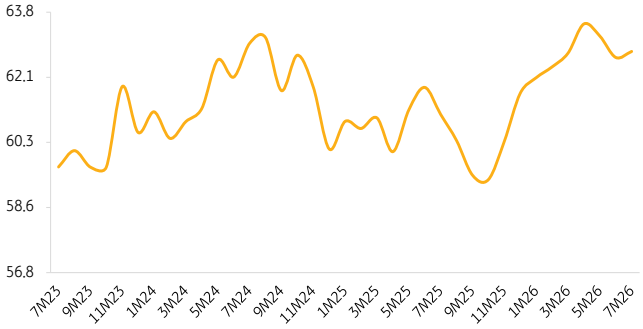
Source: Company, KBVS Research

Exhibit 8: CoC trajectory remain intact (%)



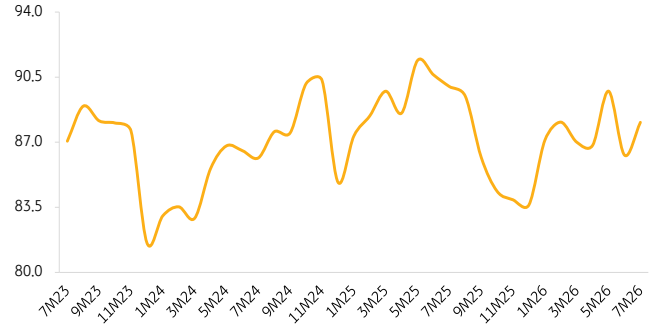
Source: Company, KBVS Research

Exhibit 9: Strong CASA portion growth to continue (%)



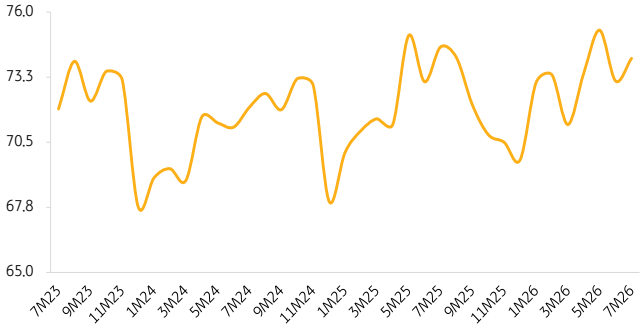
Source: Company, KBVS Research

Exhibit 10: Sustained healthy LDR (%)...



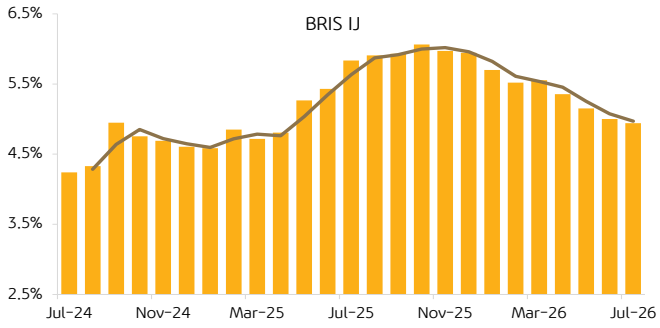
Source: Company, KBVS Research

Exhibit 11: ..coupled with an improvement in Loan to toal asset (%)



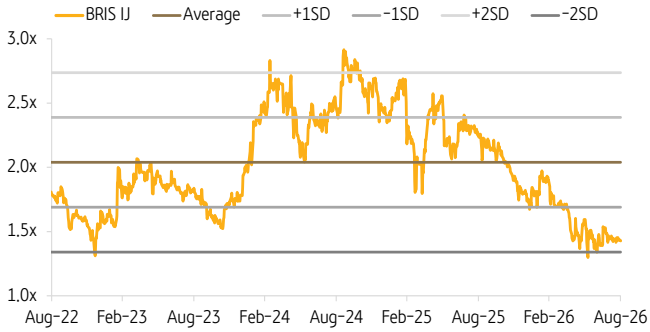
Source: Company, KBVS Research

Exhibit 12: BRIS Foreign stock ownership (%)



Source: Company, KBVS Research

Exhibit 13: Currently at 1.4x, or slightly above -2SD of 1.3x '26F P/B



Source: Company, KBVS Research

Financial Tables

Exhibit 14: Profit and 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)
Net margin income	**17,409**	**19,129**	**21,885**	**24,415**	**27,140**
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)
Pre-provision operating profit	11,172	12,365	14,251	16,179	18,662
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
Net profit	**7,006**	**7,568**	**8,498**	**9,776**	**11,458**

Source: Company, KBVS Research

Exhibit 15: Balance Sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
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
Total Asset	**408,613**	**456,193**	**505,779**	**569,110**	**651,063**
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
Total liabilities & syirkah funds	**363,572**	**404,240**	**448,443**	**503,965**	**576,837**
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	25,062	31,578	37,159	44,870	53,999
Other Equity	844	1,239	1,042	1,140	1,091
Total Equity	**45,042**	**51,953**	**57,336**	**65,145**	**74,226**

Source: Company, KBVS Research

Exhibit 16: Key performance metrics

Year End Dec (IDR Bn)	2024A	2025A	2026F	2027F	2028F
NI	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
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
BVPS (IDR)	976	1,126	1,243	1,412	1,609
PER (x)	11.8	10.9	9.7	8.4	7.1
PBV (x)	1.8	1.6	1.4	1.3	1.1
Div. Yield	1.0	1.3	1.8	2.1	2.4

Source: Company, KBVS Research

Our Analysts

Fikri C Permana
Head of Equity Research
Strategy and Economics
fikri.permana
@kbvalbury.com

Adolf R B Setiadi
Equity Analyst
Coal, Renewables, Plantation, Pulp
adolf.setiadi
@kbvalbury.com

Akhmad Nurcahyadi
Senior Equity Analyst
Banks, Consumer, Cigarettes, Auto
akhmad.nurcahyadi
@kbvalbury.com

Andre Suntono
Senior Equity Analyst
Retail, Poultry, Healthcare
andre.suntono
@kbvalbury.com

Ashalia Fitri Yuliana
Equity Analyst
Metal Mining, H-Equipment, Cement, Media, Chemicals
ashalia.yuliana
@kbvalbury.com

Atikah Tri Adriyanti
Equity Analyst
Small-Mid Caps
atikah.adriyanti
@kbvalbury.com

Steven Gunawan
Senior Equity Analyst
Telco, Tower, Property
steven.gunawan
@kbvalbury.com

Khairunnisa N Syahfiraputri
Associate Economist
khairunnisa.syahfiraputri
@kbvalbury.com

Michael Handisurya
Technical Analyst
michael.handisurya
@kbvalbury.com

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KB Valbury Sekuritas
Head

Sahid Sudirman Center 41st Floor Unit A-C
Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
T. (021) 25098300
F. (021) 25098400

Branch Office

Jakarta - Kelapa Gading
Rukan Plaza Pasifik
Jl. Boulevard Barat Raya Blok A1 No. 10
Jakarta Utara 14240
T. (021) 29451577

Jakarta - Puri Indah
Rukan Grand Aries Niaga Blok E1 No. IV
Jl. Taman Aries, Kembangan
Jakarta Barat 11620
T. (021) 22542390

Jakarta – Pluit
Jl. Pluit Putra Raya No. 2
Jakarta Utara 14450
T. (021) 6692119

Denpasar
Jl. Teuku Umar No. 177
Komplek Ibis Styles Hotel
Denpasar Bali 80114
T. (0361) 3338080

Bandung
Jl. Abdul Rivai No. 1A,
Kel. Pasirkaliki, Kec. Cicendo
Bandung 40171
T. (022) 3003133

Malang
Jl. Pahlawan Trip No. 7
Malang 65112
T. (0341) 585888

Palembang
Komplek PTC Mall Blok I No. 7
Jl. R. Sukamto
Palembang 30114
T. (0711) 2005050

Yogyakarta
Jl. Magelang KM 5.5 No. 75
Yogyakarta 55000
T. (0274) 8099090

Banjarmasin
Jl. Gatot Subroto No. 33
Banjarmasin 70235
T. (0511) 3265918

Semarang
Jl. Gajahmada 23A,
Kecamatan Semarang Tengah,
Kelurahan Kembang Sari 50241
T. (024) 40098080

Surabaya
Pakuwon Center Lt 21
Jl. Embong Malang No.1
Surabaya 60261
T. (031) 21008080

Padang
Jl. Proklamasi No. 60A
Padang Timur 25121
T. (0751) 8688080

Pontianak
Jl. Prof. M Yamin No. 14
Kotabaru, Pontianak Selatan
Kalimantan Barat 78116
T. (0561) 8069000

Makassar
Komplek Ruko Citraland City Losari
Business Park, Blok B2 No. 09
Jl. Citraland Boulevard Makassar 90111
T. (0411) 6000818

Medan
Komplek Golden Trade Center
Jl. Jenderal Gatot Subroto No. 18-19
Medan 20112
T. (061) 50339090

Pekanbaru
Jl. Tuanku Tambusai, Komplek CNN
Blok A No. 3 Pekanbaru 28291
T. (0761) 839393

Investment

Jakarta
Citra Garden 6 Ruko Sixth Avenue
Blok J.1 A/18, Cengkareng
Jakarta Barat 11820
T. (021) 52392181

Semarang
Jl. Jati Raya No. D6,
Srondol Wetan, Banyumanik,
Semarang 50263
T. (024) 8415195

Salatiga
Jl. Diponegoro No. 68
Salatiga 50711
T. (0298) 313007

Jambi
Jl. Orang Kayo Hitam
No. 48 B
Jambi Timur 36123
T. (0741) 3068533