

FY24 earnings: inline vs street and above our forecast

10 February 2025



BRIS IJ	
Sector	Banking
Price at 10 February 2025 (IDR)	3,050
Price target (IDR)	3,670
Upside/Downside (%)	20.3

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)	139,310
Shares outstanding (mn)	46,129
52-week range (IDR)	2,090 - 3,350
3M average daily vol. ('000)	20,461
3M average daily val. (IDR mn)	58,350

Shareholders (%)

PT Bank Mandiri	51.47
PT Bank Negara Indonesia	23.24
PT Bank Rakyat Indonesia	15.38
Public	9.91

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	12.6	6.3	28.8

Analyst

Akhmad Nurcahyadi
akhmad.nurcahyadi@kbvalbury.com

BRIS delivered strong FY24 earnings growth (22.8% yoy, 10.9% qoq), driven by a sharp decline in 4Q24 provisions (-76.0% QoQ). Earnings exceeded our forecast and met market expectations (105.9%/102.6%). Financing growth surged to 15.9% yoy (4.3% QoQ), outpacing industry and BRIS's guidance of ± 15% yoy (KBVS '24F: 14.7% yoy). Despite liquidity constraints, TPF grew impressively at 11.5% yoy (8.7% qoq), fuelled by a 17.6% yoy surge in wadiah deposits. Key profitability metrics improved consistently, while risk metrics remained healthy. BRIS's FY25F guidance outlines the following key targets: (1) Financing growth range of 14.0%-16.0% yoy, (KBVS '25F: 14.9% yoy); (2) NIM range of 5.5%-5.9% (KBVS '25F: 5.7%) and (3) CoC at below 1.0% (KBVS '25F: 0.80%). Maintain BUY, GGM-based TP of IDR3,670 (3.3x '25F PB), while currently trading at 2.7x '25F PB or above its average historical mean of 2.4x.

Strong FY24 earnings: inline and above vs street and our forecast

BRIS demonstrated robust financial performance in FY24, achieving a 22.8% yoy (10.9% qoq) surge in earnings growth. This impressive result was primarily attributed to a significant decline in provisions in 4Q24 (76.0% qoq). Revenue expanded considerably, reaching IDR 25.21tn (13.8% yoy, 7.4% qoq). Net interest income exhibited healthy growth of 7.1% yoy (9.1% qoq), despite the prevailing high-interest rate environment. Notably, the CoF has been steadily decreasing, having peaked at 45.43% yoy in 1Q24. PPOP reached IDR 11.17tn, reflecting a 9.4% yoy, helped by strong growth in fee-based income, which surged 32.6% yoy (8.4% qoq). In all, BRIS's FY24 net income aligned with market expectations and exceeded our '24F net income for the bank (102.6%/105.9%).

Robust financing remains intact

Shifting our attention to the balance sheet, we see robust financing demand remains intact with total Financing growth recorded 15.9% yoy, 90 bps higher than BRIS '24F guidance (± 15% yoy) and beating industry growth as well as our '24F financing growth for BRIS of 14.7% yoy. Consumer financing continue play its significant role, contributed around 54.5% of the total financing and recorded a growth of 16.34% yoy. Gold business remain showed a stronger demand, noted 78.17% yoy of growth underpinned by gold instalment (177.45% yoy). We believe this segment will play higher role to the total financing in the upcoming years, especially when the bank has officially become a bullion bank. Additionally, the remaining segment still booked a stable double-digit growth of 14.38 yoy in Wholesale and 16.86% yoy in SME-Micro segment.

Solid TPF growth supported by CASA, thanks to wadiah segment

Total TPF demonstrated robust growth of 11.46% yoy, surpassing both peer performance and industry. This exceptional growth trajectory was primarily attributable to a remarkable 17.6% yoy expansion in wadiah deposits. Furthermore, CASA growth achieved 10.65% yoy, driven by a substantial 17.55% yoy surge in wadiah savings, complemented by a 14.94% yoy increase in Mudharabah ca. Looking ahead, we anticipate that wadiah deposits will continue to serve as a key driver of TPF growth, thereby positioning the bank favorably to maintain a competitive CoF within the anticipated environment of lower deposit costs.

Improving profitability with healthier risk metrics remain unbroken

Despite persistent pressure on CoF throughout 2024, the bank maintained a consistent trajectory of profitability. While NIM declined slightly to 5.66% from 5.82%, it demonstrated a steady qoq improvement, rising from a low of 5.38% in the 1Q24. This FY NIM outcome closely aligned with our forecast and fell comfortably within the bank's management guidance range of 5.50% to 5.86%. Key risk metrics continued to exhibit a favorable trend. Gross NPLs improved significantly, decreasing to 1.90% vs 2.08% in the prior year, representing a yoy reduction of 0.18% and a qoq decline of 0.07% (9M24: 1.97%). This outcome met the bank's internal target of < 2.0% and closely aligned with our NPL forecast of 1.98%. Credit costs also demonstrated a similar positive trend, declining to 0.83% from 0.97% in the previous quarter (1.14% in FY23).

Achievable 2025 guidelines

For FY25, the bank anticipates total financing growth to remain within a healthy range of 14.0% to 16.0% yoy (KBVS '25F: 14.9% yoy). Concurrently, the bank expects to further enhance its NIM, with projections ranging from 5.50% to 5.90% (KBVS '25F: 5.7%). Credit costs are expected to remain at a low level, below 1.0% (KBVS '25F: 0.80%). Driven by sustained financing demand and the anticipated decline in the blended cost of deposits, we believe BRIS could maintain robust earnings growth. This positive trajectory will be further supported by steady growth in fee-based income (FBI) and the continued containment of credit costs. Despite planned increases in capital expenditure to support ongoing business expansion, we anticipate that earnings will remain within the double-digit growth range.

Maintain BUY, GGM TP of IDR3,670.

Our GGM TP of IDR3,670/share, pegged at 3.3x '25F PB, while currently, the stock is trading at 2.7x '25F P/B, or slightly above its average historical mean of 2.4x. Downside risks to our call are: 1) slower than expected financing growth; 2) higher-than-expected loan yield adjustment; 3) lower-than-expected TPF / wadiah growth; 4) longer than anticipated blended funding cost transmission; 5) higher than expected CoC; and 6) weakening shariah banking product penetration; 7) AQ deterioration and 8) prolonged uncertainty.

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
Total operating income	20,463	22,966	26,253	30,460	34,239
PPOP	10,214	11,172	13,136	16,012	18,317
Net income	5,704	7,006	7,819	9,743	11,176
EPS (IDR)	124	152	170	211	242
EPS growth (%)	20.6	22.8	11.6	24.6	14.7
PER (x)	24.4	19.9	17.8	14.3	12.5
PBV (x)	3.6	3.1	2.7	2.3	2.0
Div. Yield (%)	0.3	0.6	0.5	0.6	0.7
RoE (%)	16.9	17.5	16.2	17.4	18.1

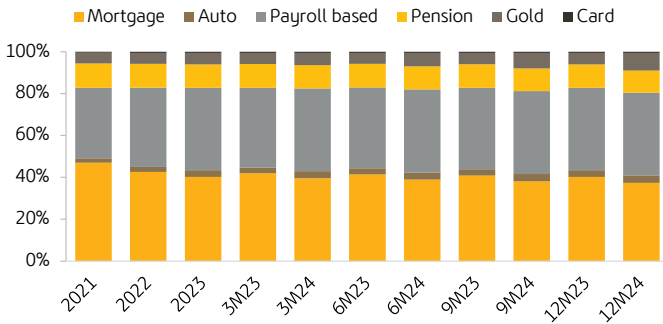
Source: Company, KBVS Research

Exhibit 2: BRIS FY24 selected key financial and key ratio metrics

Income Statements (IDR bn)	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)	KBVS '24F	% to KBVS.	Cons. '24F	% to Cons.
Margin income	22,169	25,216	13.7	5,725	6,802	18.8	6,332	7.4				
Profit sharing expenses	(5,995)	(7,896)	31.7	(1,697)	(2,056)	21.2	(1,979)	3.9				
Net margin income	16,174	17,320	7.1	4,028	4,747	17.9	4,353	9.1				
Other operating income	4,160	5,515	32.6	1,134	1,576	39.0	1,454	8.4				
Operating income	20,334	22,835	12.3	5,162	6,323	22.5	5,841	8.3				
Overhead cost	(10,121)	(11,663)	15.2	(2,866)	(3,669)	28.0	(2,920)	25.7				
PPOP	10,213	11,172	9.4	2,296	2,653	15.5	2,887	(8.1)				
Provisions	(2,622)	(1,894)	(27.8)	(289)	(148)	(48.8)	(617)	(76.0)				
Net profit	5,704	7,006	22.8	1,504	1,899	26.3	1,713	10.8	6,615	105.9	6,828	102.6
Balance Sheet (IDR bn)	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)				
Financing	240,316	278,481	15.9	240,316	278,481	15.9	267,067	4.3				
Current accounts	53,201	56,336	5.9	53,201	56,336	5.9	55,642	1.2				
Saving accounts	124,726	140,534	12.7	124,726	140,534	12.7	130,185	7.9				
Time deposits	115,848	130,584	12.7	115,848	130,584	12.7	115,394	13.2				
TPF (IDRbn)	293,776	327,454	11.5	293,776	327,454	11.5	301,221	8.7				
CASA (IDRbn)	177,928	196,870	10.6	177,928	196,870	10.6	185,827	5.9				
Total equity	38,739	45,042	16.3	38,739	45,042	16.3	43,491	3.6				
Key metrics	12M23	12M24	YoY (%)	4Q23	4Q24	YoY (%)	3Q24	QoQ (%)				
NIM	5.8	5.7	(0.2)	5.8	5.7	(0.2)	5.6	0.1				
CIR	49.9	50.9	1.0	49.9	50.9	1.0	49.0	1.9				
Loan yield	8.9	9.0	0.0	8.9	9.0	0.0	8.9	0.1				
Cost of Fund (CoF)	2.1	2.5	0.4	2.1	2.5	0.4	2.5	0.0				
ROA	2.4	2.5	0.1	2.4	2.5	0.1	2.5	0.0				
RoE	16.9	17.8	0.9	16.9	17.8	0.9	17.6	0.2				
NPF gross	2.1	1.9	(0.2)	2.1	1.9	(0.2)	2.0	(0.1)				
NPF coverage ratio	194.4	195.0	0.7	194.4	195.0	0.7	195.0	(0.0)				
CoC	1.1	0.8	(0.3)	1.1	0.8	(0.3)	1.0	(0.1)				
Tier 1 - CAR	19.9	20.4	0.5	19.9	20.4	0.5	20.3	0.1				
CASA	60.6	60.1	(0.5)	60.6	60.1	(0.5)	61.7	(1.6)				
FDR	81.7	85.0	3.2	81.7	85.0	3.2	88.6	(3.6)				

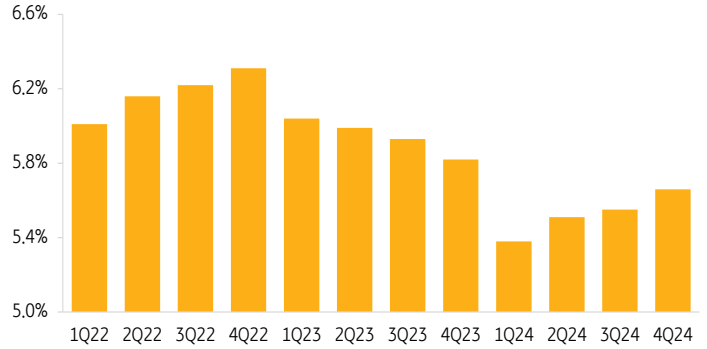
Source : Company, KBVS Research

Exhibit 3: Continuing consumer finance focus to benefit growth (%)



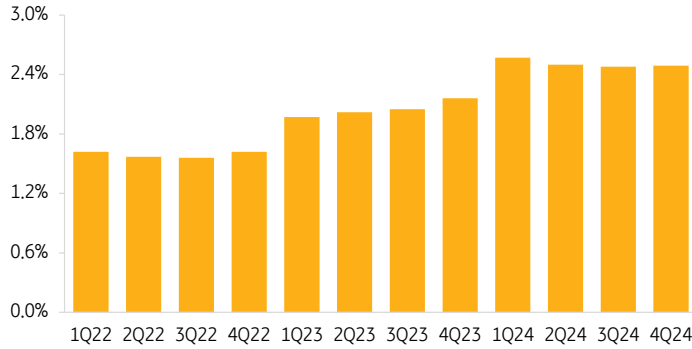
Source: Company, KBVS Research

Exhibit 4: Expect another better NIM in the remaining quarters (%)



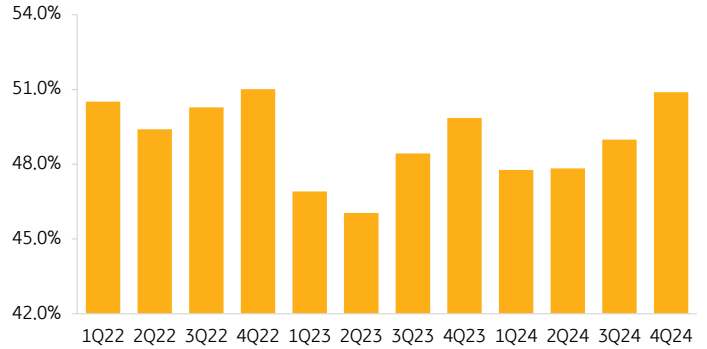
Source: Company, KBVS Research

Exhibit 5: Expect softer funding cost to continue (%)



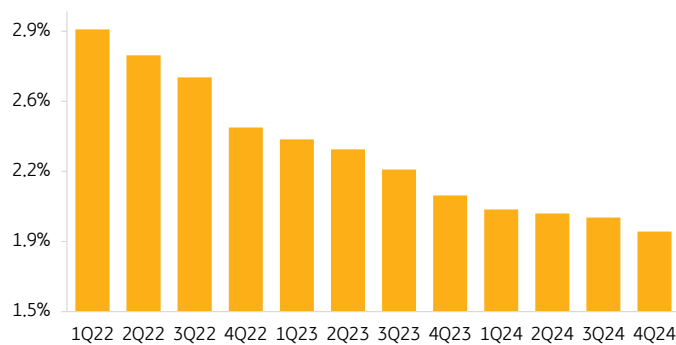
Source: Company, KBVS Research

Exhibit 6: CIR improvement as the additional earnings growth (%)



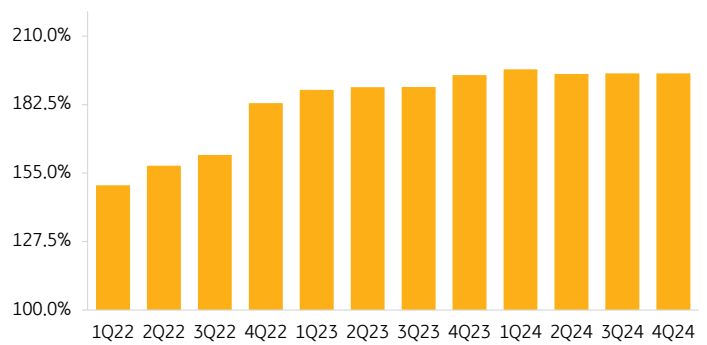
Source: Company, KBVS Research

Exhibit 7: NPF continuing improvement (%)...



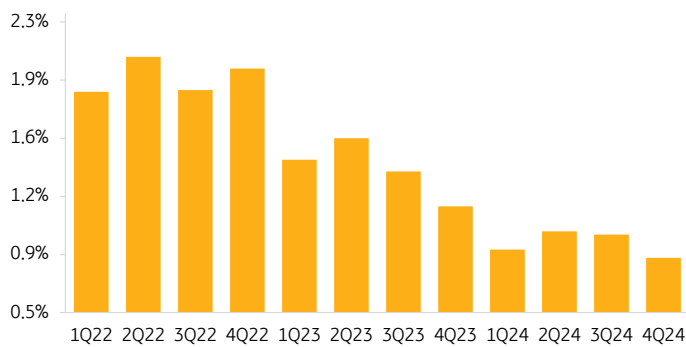
Source: Company, KBVS Research

Exhibit 8: ..coupled with steady sturdy coverage (%)



Source: Company, KBVS Research

Exhibit 9: CoC continue within its improvement track (%)



Source: Company, KBVS Research

Exhibit 10: Traded at 2.7x '25F P/B, slightly above its avg. hit. mean of 2.4x



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 11: 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)	(14,448)	(15,923)
Pre-provision operating profit	10,214	11,172	13,136	16,012	18,317
Loan loss provision	(2,622)	(1,894)	(2,355)	(2,577)	(2,906)
Operating profit	7,591	9,278	10,781	13,435	15,411
Pretax profit	7,589	9,282	10,785	13,439	15,415
Net profit	5,704	7,006	7,819	9,743	11,176

Exhibit 12: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	5,256	8,081	9,111	10,370	11,501
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	507,034	563,907
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	40,215	50,159
Other Equity	692	844	768	806	787
Shareholder's Equity	38,739	45,042	51,466	60,157	70,082
Total Equity	38,739	45,042	51,466	60,157	70,082

Exhibit 13: 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	47.4	46.5
NPF	2.11	2.00	1.8	1.5	1.3
ROE	16.9	17.5	16.2	17.4	14.4
ROA	2.3	2.4	2.5	2.8	2.9
CAR	21.0	19.6	20.4	21.2	22.2
BVPS (IDR)	840	976	1,116	1,304	1,519
PER (x)	24.4	19.9	17.8	14.3	12.5
PBV (x)	3.6	3.1	2.7	2.3	2.0
Div. Yield	0.3	0.6	0.5	0.6	0.7

Source: Company, KBVS Research

Disclaimer

This report is prepared by PT KB Valbury Sekuritas, a member of the Indonesia Stock Exchange, or its subsidiaries or its affiliates ("KBVS"). All the material presented in this report is under copyright to KBVS. None of the parts of this material, nor its contents, may be copied, photocopied, or duplicated in any form or by any means or altered in any way, or transmitted to, or distributed to any other party without the prior written consent of KBVS.

The research presented in this report is based on the information obtained by KBVS from sources believed to be reliable, however KBVS do not make representations as to their accuracy, completeness or correctness. KBVS accepts no liability for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from the use of the material presented in this report and further communication given or relied in relation to this document. The material in this report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. This report is not to be relied upon in substitution for the exercise of independent judgement. Past performance and no representation or warranty, express or implied, is made regarding future performance. Information, valuations, opinions, forecasts and estimates contained in this report reflects a judgement at its original date of publication by KBVS and are subject to change without notice, its accuracy is not guaranteed or it may be incomplete.

The Research Analyst(s) primarily responsible for the content of this research report, in part or as a whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The Analyst also certifies that no part of his/her compensation was, is or will related to specific recommendation views expressed in this report. It also certifies that the views and recommendations expressed in this report do not and will not take into account client circumstances, objectives, needs and no intentions involved as a use for recommendations for sale or buy any securities or financial instruments.



Sahid Sudirman Center 41st Floor Unit A-C
 Jalan Jenderal Sudirman No. 86 Kelurahan Karet Tengsin,
 Kecamatan Tanah Abang, Jakarta Pusat 10220, Indonesia
 T. +62 21 – 250 98 300
 F. +62 21 – 255 33 778

Branch Office

Jakarta – Sudirman

Sahid Sudirman Center 41st Floor Unit A-C
 Jalan Jenderal Sudirman No. 86 Karet Tengsin,
 Tanah Abang, Jakarta Pusat 10220
 T. (021) 25098300/301

Jakarta – Kelapa Gading

Rukan Plaza Pasifik
 Jl. Raya Boulevard Barat Blok A1 No. 10
 Jakarta Utara 11620
 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

Bandung

Jl. HOS Cokroaminoto No. 82
 Bandung 40171
 T. (022) 87255800

Malang

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

Banjarmasin

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

Pekanbaru

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

Palembang

Komplek PTC Mall Blok I No. 7
 Jl. R. Sukamto
 Palembang 30114
 T. (0711) 5700281

Surabaya

Pakuwon Center Lt 21
 Jl. Embong Malang No.1
 Surabaya 60261
 T. (031) 2955788

Padang

Jl. Kampung Nias II No. 10,
 Padang 25211
 T. (0751) 8955747

Yogyakarta

Jl. Magelang KM 5.5 No. 75
 Yogyakarta 55000
 T. (0274) 623111

Semarang

Candi Plaza Building Lt. Dasar
 Jl. Sultan Agung No. 90-90A
 Semarang 50252
 T. (024) 8501122

Makassar

Komplek RUKO Citraland City Losari
 Business Park, Blok B2 No. 09
 Jl. Citraland Boulevard Makassar 90111
 T. (0241) 16000818

Medan

Komplek Jati Junction No. P5-5A
 Jl. Perintis Kemerdekaan
 Medan 20218
 T. (061) 88816222

Denpasar

Jl. Teuku Umar No. 177
 Komplek Ibis Styles Hotel
 Denpasar Bali 80114
 T. (0361) 225229

Investment Gallery

Jakarta

Citra Garden 6 Ruko Sixth Avenue
 Blok J.1 A/18, Cengkareng
 Jakarta Barat 11820
 T. (021) 522392181

Semarang

Jl. MT Haryono 637
 Semarang 50242
 T. (024) 8415195

Salatiga

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

Solo

Jl. Ronggowarsito No. 34
 Surakarta 57118
 T. (0271) 6726306