

## Buy

Price (Nov 1 <sup>st</sup> , 24)	2950
Target Price	3300
Potential Upside	11.89%
Market Cap	134.72 T
Number of Share	45.66 B
52w Lo/Hi	2460 / 3160

Source : IDX | Phintraco Sekuritas Research  
| as of Nov 1<sup>st</sup>, 2024

### IHSG vs BRIS



Source : IDX

Shareholder	%
Bank Mandiri (Persero) Tbk	51.47
Bank Negara Indonesia (Persero) Tbk	23.24
Bank Rakyat Indonesia (Persero) Tbk	15.38
Public	9.90

Source : Company | as of fin. Statement 3Q24

### EPS Consensus vs Forecast

	AT	Consensus*	%Diff
2024F	155	145	+7%
2025F	173	179	-3%

Source : \*marketscreener | as of Nov 1<sup>st</sup>, 2024

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## PT Bank Syariah Indonesia Tbk

(BRIS.JK / BRIS.IJ)

### Innovation Maintains BRIS Profits Growth

**BRIS' net profit grew 21.6% yoy to IDR5.1 trillion in 9M24.** Net Margin Income of IDR12.6 trillion grew 3.5% yoy in 9M24. Pre Provision Operating Profit (PPOP) rose 7.6% yoy to IDR8.5 trillion in the same period. In addition, provision expenses of 9M24 were recorded at IDR1.7 trillion, which decreased 25.2% from IDR2.3 trillion in 9M23. So that BRIS can optimize net profit in 9M24 and consistently record double-digit profit growth in the last four years.

### BRIS recorded financing growth of 8.09% yoy to IDR318.5 trillion in 9M24.

Consumer financing growth (+16.27% yoy) supported this growth, which contributed 54.57% to BRIS' total 9M24 financing. Regarding liquidity, the Financing to Deposit Ratio (FDR) reached 88.58% in 9M24 and consistently recorded an increase throughout the year (2021-2023). Improvements in asset quality also accompanied the financing growth. Gross Non-Performing Financing (NPF) fell 240 bps yoy to 1.97% in 9M24 from 2.21% in 9M23. The gross NPF of 1.97% was also the lowest gross NPF value compared to peers.

### Tier 1 ROE increased significantly (+740 bps yoy) in 9M24.

BRIS recorded an ROE of 17.59% in 9M24, higher than 16.85% in 9M23 and 16.88% in FY23. Like ROE, ROA recorded an increase of 130 bps yoy to 2.47% in 9M24, higher than 2.34% in 9M23 and 2.35% in FY23. Along with this, the Cost of Capital also decreased to 0.97% in 9M24 (starting to be below 1% since early 2024).

### The gold business could be a booster for BRIS' performance.

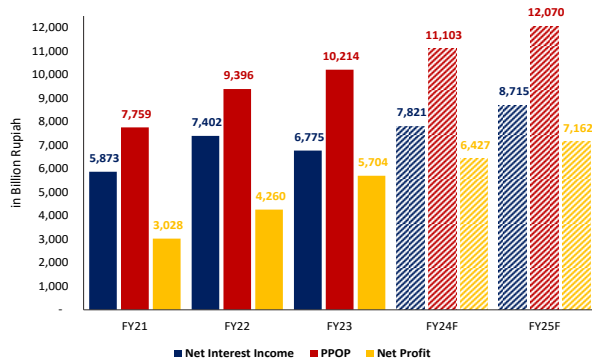
BRIS focuses on increasing its gold business in 2024. BRIS provides a gold transaction platform (buy, sell, and print) with attractive administration fees through mobile banking. Down payment is also adjusted to customer segments (0% for payroll, priority & hajj customers, and 20% for walk-in customers). In addition, as a Sharia bank, BRIS offers gold as an investment for hajj customers. For information, the portion of gold equivalent for the initial payment of hajj costs is IDR 25 million (18 grams of gold), and for the remainder, IDR 31.05 million (22 grams of gold). In 1997, the portion of gold equivalent was 296 grams of gold (IDR 27,000/gr). So BRIS' gold business was able to record significant growth of +60.53% yoy to IDR 15.7 trillion in 9M24 with a contribution of 4.07% of total revenue.

### Using the Discounted Cash Flow method with a Required Return of 9.85% and

**Terminal Growth of 7.83%, we estimate the fair value of BRIS at 3,300** (23.69x expected P/E). Considering BRIS's fair price and relative valuation of around 2.4x 5-year Mean P/E, we give a buy rating for BRIS with a potential upside of 11.89%.

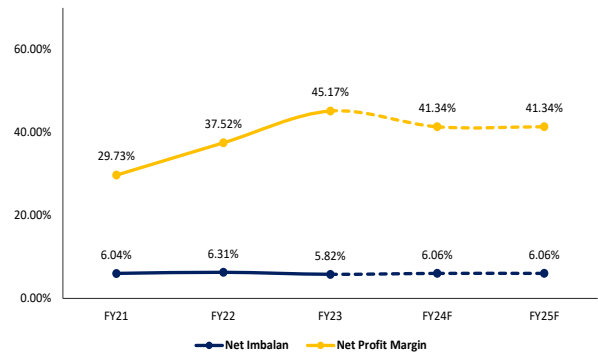
# Performance Highlight

Figure 1. Financial Performance



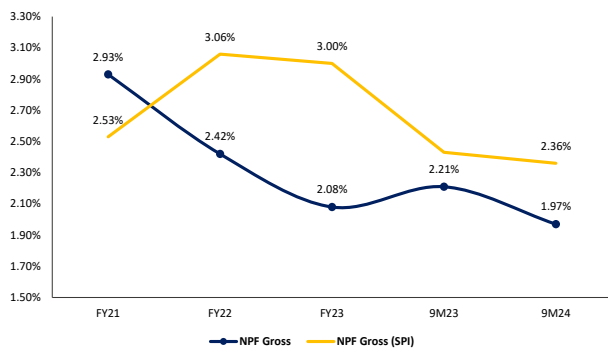
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



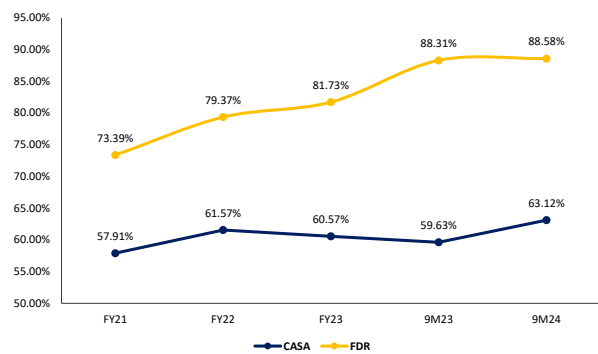
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



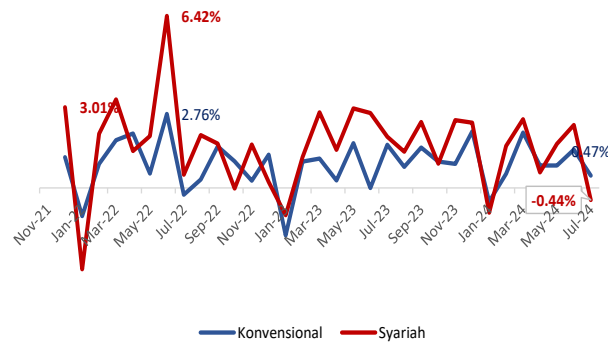
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



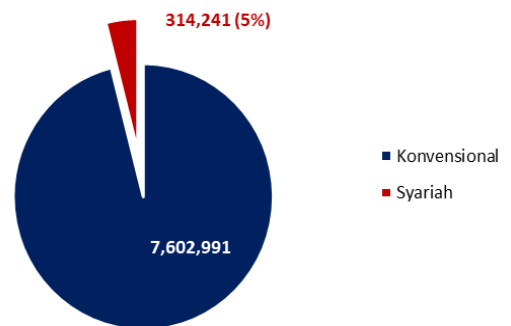
Source : Company | Phintraco Sekuritas Research

Figure 5. Banking Credit Growth in Indonesia



Source : OJK | Phintraco Sekuritas Research

Figure 6. Portion of Banking Credit Distribution 6M24 (Bn)



Source : OJK | Phintraco Sekuritas Research

## Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	2023	9M24	FY24E	FY25F
Interest Income	10,184	11,355	12,628	9,877	14,071	15,680
Interest Expense	(4,311)	(3,953)	(5,853)	(5,690)	(6,251)	(6,965)
<b>Net Interest Income</b>	<b>5,873</b>	<b>7,402</b>	<b>6,775</b>	<b>4,187</b>	<b>7,821</b>	<b>8,715</b>
<i>NIM</i>	57.67%	65.19%	53.65%	42.39%	55.58%	55.58%
PPOP	7,759	9,396	10,214	10,214	11,103	12,070
Provision	(3,639)	(3,749)	(2,622)	(2,622)	(1,833)	(1,282)
<b>Profit Before Tax</b>	<b>3,961</b>	<b>5,515</b>	<b>7,399</b>	<b>6,763</b>	<b>8,238</b>	<b>9,180</b>
<i>EBT Margin</i>	38.89%	48.57%	58.60%	68.48%	58.55%	58.55%
<b>Net Profit After Tax</b>	<b>3,028</b>	<b>4,260</b>	<b>5,704</b>	<b>5,107</b>	<b>6,427</b>	<b>7,162</b>
<i>NPM</i>	29.73%	37.52%	45.17%	51.71%	37.62%	37.62%

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	2023	9M24	FY24E	FY25F
<b>Asset</b>						
Cash & Marketable Securities	60,704	25,414	39,558	23,473	27,214	30,108
Loans	55,495	67,453	85,588	104,769	110,369	134,150
Current Accounts	22,405	34,254	34,745	32,414	35,634	39,708
<b>Total Current Assets</b>	<b>249,336</b>	<b>261,209</b>	<b>308,086</b>	<b>320,140</b>	<b>329,918</b>	<b>364,213</b>
Fixed Assets	4,056	5,655	5,353	6,565	6,846	7,628
Investments	10,995	37,379	36,867	39,679	38,140	42,500
<b>Total Non Current Assets</b>	<b>15,953</b>	<b>44,518</b>	<b>45,538</b>	<b>50,582</b>	<b>47,162</b>	<b>52,553</b>
<b>Total Asset</b>	<b>265,289</b>	<b>305,727</b>	<b>353,624</b>	<b>370,722</b>	<b>377,080</b>	<b>416,766</b>
<b>Liabilities</b>						
Portion of Long Term Debt	-	-	-	-	-	-
Deposits	57,364	68,231	69,635	72,264	82,399	93,053
<b>Total Current Liabilities</b>	<b>61,886</b>	<b>73,656</b>	<b>87,223</b>	<b>91,012</b>	<b>99,020</b>	<b>109,184</b>
Long-Term Debt	1,375	1,375	200	200	1,530	1,705
<b>Total Non Current Liabilities</b>	<b>1,375</b>	<b>1,375</b>	<b>200</b>	<b>609</b>	<b>1,530</b>	<b>1,705</b>
<b>Total Liabilities</b>	<b>63,261</b>	<b>75,031</b>	<b>87,423</b>	<b>91,621</b>	<b>100,550</b>	<b>110,889</b>
<b>Equity</b>	<b>25,014</b>	<b>33,506</b>	<b>38,739</b>	<b>43,491</b>	<b>40,920</b>	<b>43,410</b>

Source : Company | Phintraco Sekuritas Research

RATIOS	FY20	FY21	FY22	2023	9M24	FY24E	FY25F
<b>Profitability Ratio (%)</b>							
<i>NIM</i>	45.81%	57.67%	65.19%	53.65%	42.39%	55.58%	55.58%
<i>NPM</i>	23.97%	29.73%	37.52%	45.17%	51.71%	37.62%	37.62%
<i>ROA</i>	0.91%	1.14%	1.39%	1.61%	1.84%	1.70%	1.72%
<i>ROE</i>	10.06%	12.11%	12.71%	14.72%	15.66%	15.71%	16.50%
<b>Banking Ratio</b>							
<i>BOPO</i>	84.61%	80.46%	75.88%	71.27%	0.00%	78.06%	65.05%
<i>LFR</i>	80.99%	73.39%	79.37%	81.73%	0.00%	78.87%	65.73%
<i>CAR</i>	33.67%	22.09%	20.29%	21.04%	0.00%	24.27%	20.23%
<i>NPF Gross</i>	2.51%	2.93%	2.42%	2.08%	0.00%	2.49%	2.07%
<b>Price Ratio</b>							
<i>Share Price (IDR)</i>	2,211	1,749	1,283	1,740	1,740	1,740	1,740
<i>Average Share Price (IDR)</i>	643	2,265	1,470	1,605	1,606	1,606	1,606
<i>Outstanding Shares (in Billion)</i>	46	46	46	46	46	46	46
<i>EPS (IDR)</i>	47	66	92	124	111	155	173
<i>BVPS (IDR)</i>	471	542	726	840	943	941	1,001
<i>RPS (IDR)</i>	198	221	246	274	214	340	379
<i>PER(X)</i>	46.61	26.64	13.89	14.07	15.72	11.21	10.06
<i>PBV(X)</i>	4.69	3.23	1.77	2.07	1.85	1.85	1.74
<i>P/R(X)</i>	11.17	7.92	5.21	6.36	8.13	5.12	4.59
<i>EV/EBITDA</i>	47.42	65.65	92.35	123.65	110.72	155.26	173.01
<b>Dividends</b>							
<i>DPS</i>	-	18	9	19	-	-	-
<i>DPR</i>	0.00%	28.04%	10.00%	15.00%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	0.00%	0.83%	0.53%	1.45%	0.00%	0.00%	0.00%

Source : Company | Phintraco Sekuritas Research

## BANKING RATIOS GUIDANCE

<i>CAR</i>	>8%
<i>LDR</i>	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

## BRIS P/B Band (5 Years)



Source : Company | Phintraco Sekuritas Research

## Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation &amp; Amortization</i>
EBIT	: <i>Earning Before Interes &amp; Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



# PHINTRACO SEKURITAS

## Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of  $> +10\%$  over the next 12 months.
- Hold : The stock is expected to give total return of  $> 0\%$  to  $\leq +10\%$  over the next 12 months.
- Sell : The stock is expected to give total return of  $< 0\%$  over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

**PHINTRACO SEKURITAS**  
Kantor Cabang & Mitra GI BEI



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