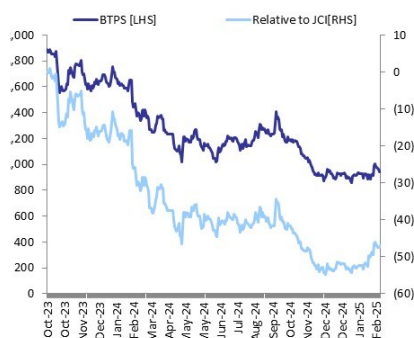


Buy

(Maintained)

Last Price (Rp)	950
Target Price (Rp)	1,200
Previous Target Price (Rp)	1,200
Upside/Downside	+26.3%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US\$mn)	7,319/447
Avg, Daily T/O (Rpbn/US\$mn)	12.7/0.8
Free Float (%)	30.0
Major Shareholder (%)	
PT. BTPN Tbk.	70.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	141.3 158.2 170.6
Consensus	157.4 183.6 200.9
BRIDS/Cons (%)	(10.2) (13.8) (15.1)

BTPS relative to JCI Index



Source: Bloomberg

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Bank BTPN Syariah (BTPS IJ)

Robust start in FY25 and a more positive tone regarding asset quality improvement

- BTPS booked a net profit of Rp110bn in Jan25 (-12% mom, +47% yoy), reaching 10% of our FY25F and 9% of consensus, i.e., above.
- Despite a weak ultra-micro segment, the improvement in asset quality is driven by an improving business model and is expected to continue.
- Maintain Buy rating with an unchanged TP of Rp1,200. Key risk to our call includes changes in asset quality trend.

Robust Jan25 profits on lower provision expenses

BTPS recorded a net profit of Rp110bn in Jan25, down 12% from Dec24's high base but up a solid 47% yoy, thanks to a halved provision expense. Jan25 NP accounted for 10% of our FY25 estimate and 9% of the consensus, above expectations. While PPOP remained weak (-3% mom, -12% yoy) due to elevated opex and contracting loan growth, BTPS reported a CoC of 9.0% in Jan25, up from 7.5% in Dec24 but significantly lower than 16.0% in Jan24. In Jan25, a positive sign was also shown in net write-offs, which stood at Rp97bn, below last year's monthly average of Rp137bn.

More optimistic regarding asset quality but remains prudent on growth

Based on our discussion with management, the positive trend during 4Q24 continued with a slight improvement in x-days, employee turnover, on-time payment, and the NPF ratio in Jan25, which they attributed to internal improvements rather than the ultra-micro condition. They also mentioned that the provisions booked in Jan25 were higher than needed for conservative purposes while waiting for further improvement over the next few months.

BTPS shares turnover drops amid lower liquidity

BTPS' turnover has significantly declined from its pre-COVID peak, with liquidity remaining subdued despite occasional spikes. The downturn began after 2Q20, aligning with the pandemic's impact and a sustained drop in share price. Foreign mutual funds have reduced their holdings from 0.15% in early Jan24 to 0.08% in Jan25, while BTPS's weight in the JCI has also fallen from 0.13% to 0.07%. However, the stock has recorded Rp18bn in foreign inflows YTD (as of 21 Feb25), contrasting with the Rp579bn outflows in FY24. We expect improvement/ROE in fundamental trigger more fund, liquidity, and re rating.

Maintain Buy with an unchanged TP of Rp1,200

We believe the bank's business model is recovering and the cheap valuation of 0.7x PBV is unjustified. We maintain our -1SD two-year avg. inverse CoE of 11.8%, reflecting concerns regarding asset growth, arriving at an FV PBV of 0.9x. Risks, in our view, include the deteriorating asset quality of newly disbursed loans.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	3,277	2,710	2,471	2,654	2,803
Net profit (Rpbn)	1,081	1,061	1,088	1,219	1,314
EPS (Rp)	140.3	137.7	141.3	158.2	170.6
EPS growth (%)	(39.3)	(1.8)	2.6	12.0	7.9
BVPS (Rp)	1,138.9	1,209.0	1,301.3	1,404.2	1,515.2
PER (x)	6.8	6.9	6.7	6.0	5.6
PBV (x)	0.8	0.8	0.7	0.7	0.6
Dividend yield (%)	7.4	7.3	7.4	8.3	9.0
ROAE (%)	12.6	11.7	11.3	11.7	11.7

Source: BTPS, BRIDS Estimates

Exhibit 1. BTPS's Jan25 earnings summary

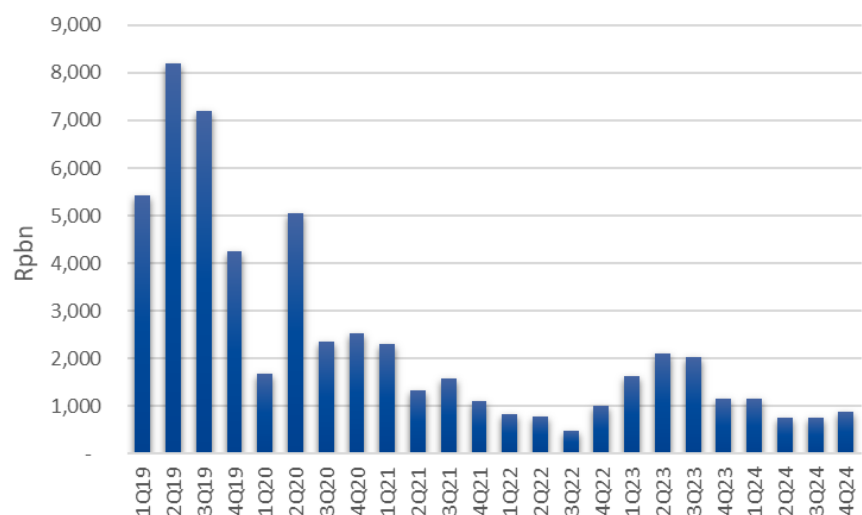
BTPS - Bank Only (Rpbn)	Jan-24	Dec-24	Jan-25	mom, %	yoy, %	1M24	1M25	yoy, %	FY24	1M24/FY24	FY25F	1M25/FY25F	FY25C	1M25/FY25C
Interest income	463	448	445	-1%	-4%	463	445	-4%	5,386	9%	5,186	9%	5,469	8%
Interest expense	(43)	(40)	(44)	10%	2%	(43)	(44)	2%	(504)	9%	(473)	9%	(490)	9%
Net interest income	420	408	401	-2%	-4%	420	401	-4%	4,882	9%	4,713	9%	4,979	8%
Other operating income	9	3	3	23%	-60%	9	3	-60%	71	12%	48	7%		
Operating expenses	(182)	(188)	(188)	0%	3%	(182)	(188)	3%	(2,225)	8%	(2,290)	8%	(2,405)	8%
PPOP	246	224	216	-3%	-12%	246	216	-12%	2,728	9%	2,471	9%		
Provision	(150)	(64)	(76)	18%	-50%	(150)	(76)	-50%	(1,360)	11%	(1,077)	7%	(1,067)	7%
Pre-tax profit	96	160	141	-12%	47%	96	141	47%	1,371	7%	1,395	10%	1,545	9%
Net profit	75	125	110	-12%	47%	75	110	47%	1,073	7%	1,088	10%	1,212	9%
										YTD, %				
Financing	11,093	10,172	10,022	-1%	-10%	11,093	10,022	-10%	10,172	-1%	10,566	95%	10,912	92%
Customer deposits	12,080	11,725	11,387	-3%	-6%	12,080	11,387	-6%	11,725	-3%	11,959	95%		
Key Ratio				mom, bps	yoy, bps			yoy, bps		1M25 vs FY24, bps		vs FY25F, bps		
Earning Asset yield (%) - ann	27.9	28.0	28.3	34	49	27.9	28.3	49	27.8	55	26.0	235		
Cost of fund (%) - ann	4.3	4.0	4.5	50	28	4.3	4.5	28	4.2	32	4.0	59		
NIM (%) - ann	25.3	25.5	25.6	3	30	25.3	25.6	30	25.2	36	23.6	193		
CIR (%) - ann	42.6	45.6	46.5	91	391	42.6	46.5	391	44.9	161	48.1	(157)		
Cost of credit (%) - ann	16.0	7.5	9.0	147	(705)	16.0	9.0	(705)	12.8	(384)	10.3	(135)		
CASA Ratio (%)	23.5	26.5	25.3	(120)	177	23.5	25.3	177	26.5	(120)	26.5	(120)		
LDR (%)	91.8	86.8	88.0	126	(382)	91.8	88.0	(382)	86.8	126	88.4	(34)		

Source: Company, BRIDS Estimates, Bloomberg

BTPS shares turnover plunges post-COVID

The historical turnover of BTPS stock shows a significant decline from its pre-COVID peak to recent periods. Before the pandemic, turnover was exceptionally high, especially in early 2019, reaching its peak in 2Q19 and maintaining elevated levels through 2019 and early 2020. However, a sharp drop occurred after 2Q20, coinciding with the onset of COVID-19, followed by consistently lower turnover levels. While there have been occasional spikes, recent quarters show relatively muted activity compared to pre-pandemic levels. This decline in liquidity aligns with the share price plummeting.

Exhibit 2. BTPS's historical quarterly turnover

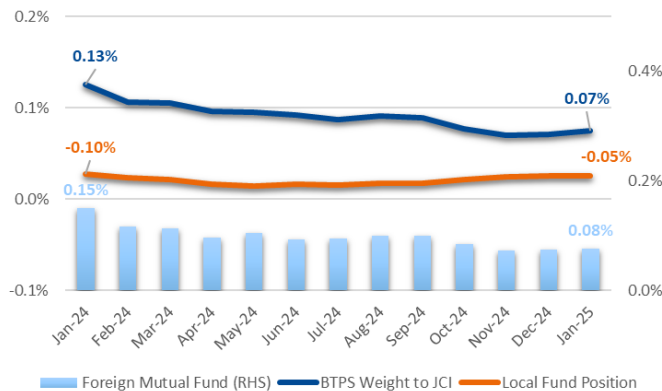


Source: Bloomberg

Trimmed fund positions

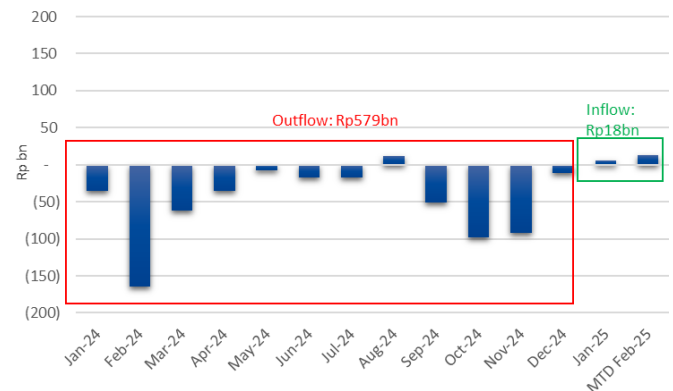
Foreign mutual funds have been trimming their position from 0.15% in early Jan24 to a mere 0.08% in Jan25. BTPS's weight to JCI has declined from 0.13% to 0.07% in the same period. Meanwhile, BTPS has recorded foreign inflows of Rp18bn YTD (as of 21 Feb25) compared to the Rp579bn foreign outflows recorded in FY24.

Exhibit 3. BTPS's weighting and fund position



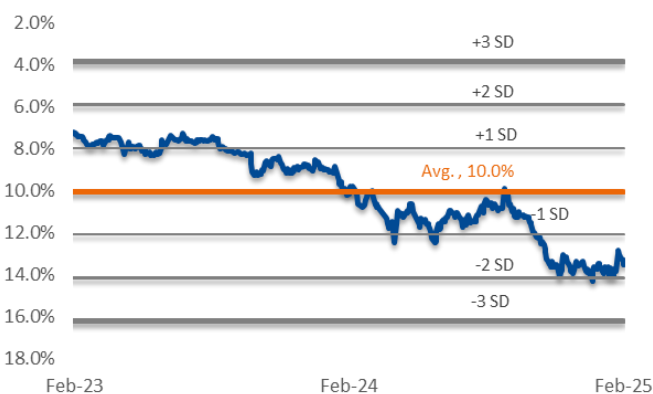
Source: KSEI, BRIDS

Exhibit 4. BTPS's historical foreign flows (as of 21 Feb25)



Source: IDX, BRIDS

Exhibit 5. BTPS's cost of equity band chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. Sector's cost of equity band chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BTPS's P/BV band chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. BTPS's P/E band chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 9. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	5,746	5,398	5,186	5,519	5,795
Interest Expense	(486)	(504)	(473)	(490)	(514)
Net Interest Income	5,260	4,894	4,713	5,029	5,281
Non-Interest Income (NII)	61	44	48	53	58
Oper. Income	5,321	4,938	4,761	5,082	5,339
Oper. Expenses	(2,044)	(2,228)	(2,290)	(2,429)	(2,536)
Pre-provisions profit	3,277	2,710	2,471	2,654	2,803
Provisions & Allowances	(1,898)	(1,360)	(1,077)	(1,092)	(1,118)
Operating Profits	1,379	1,351	1,394	1,562	1,685
Non-Operating Income	1	3	1	1	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	1,380	1,353	1,395	1,562	1,685
Income Tax	(299)	(292)	(307)	(344)	(371)
Minorities	0	0	0	0	0
Net Profit	1,081	1,061	1,088	1,219	1,314

Exhibit 10. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	11,553	10,274	10,566	11,068	11,595
Provisions	(1,214)	(924)	(884)	(864)	(846)
Net Loans	10,339	9,350	9,682	10,204	10,749
Govt. Bonds	0	0	0	0	0
Securities	8,647	9,049	9,502	9,977	10,476
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	20,444	19,575	20,320	21,298	22,324
Fixed Assets	1,082	1,109	1,188	1,274	1,357
Non-Earnings Assets	294	273	379	436	543
Total Assets	21,435	21,748	22,474	23,890	25,400
Customer Deposits	12,143	11,724	11,959	12,557	13,185
Banks Deposits	0	0	0	0	0
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	12,658	12,431	12,448	13,073	13,729
Share capital & Reserves	1,638	1,647	1,651	1,651	1,652
Retained Earnings	7,136	7,667	8,374	9,166	10,021
Shareholders' Funds	8,774	9,314	10,025	10,817	11,673
Minority interests	3	3	0	0	0
Total Equity & Liabilities	21,435	21,748	22,474	23,890	25,402

Exhibit 11. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	28.7	27.0	26.0	26.5	26.6
Cost of funds	4.0	4.2	4.0	4.0	4.0
Interest Spread	24.7	22.8	22.0	22.5	22.6
Net Interest Margin	26.3	24.5	23.6	24.2	24.2
Cost/Income Ratio	38.4	45.1	48.1	47.8	47.5
Oper. Exp./Oper. Gross Inc.	76.3	75.2	73.4	72.0	71.2
Gross NPL Ratio	2.9	3.9	3.6	3.4	3.2
LLP/Gross NPL	363.2	242.3	242.2	242.1	242.1
Cost of Credit	16.3	12.5	10.3	10.1	9.9
Loan to Deposit Ratio	95.1	87.6	88.4	88.1	87.9
Loan to Funding Ratio	95.1	86.2	88.4	88.1	87.9
CASA Mix	25.6	26.5	26.5	26.5	26.5
ROAE	12.6	11.7	11.3	11.7	11.7
ROAA	5.1	4.9	4.9	5.3	5.3
CAR	56.6	48.6	43.1	44.0	45.1

Exhibit 12. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	6.5	6.3	6.3	6.7	6.8
Tax Retention rate	78.3	78.4	78.0	78.0	78.0
Post-Tax ROAA	5.1	4.9	4.9	5.3	5.3
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	2.5	2.4	2.3	2.2	2.2
ROAE	12.6	11.7	11.3	11.7	11.7
Growth (%)					
Interest income	6.9	(6.1)	(3.9)	6.4	5.0
Net Interest Income	4.6	(6.9)	(3.7)	6.7	5.0
Other Oper. Expenses	9.3	9.0	2.8	6.1	4.4
Fee Based Income	0.0	0.0	0.0	0.0	0.0
Pre-Provision Oper. Profit	1.6	(17.3)	(8.8)	7.4	5.6
Net Profit	(39.3)	(1.8)	2.6	12.0	7.9
Shareholders' Equity	4.4	6.1	7.6	7.9	7.9
Loan	(1.0)	(11.1)	2.8	4.7	4.8
Earnings Asset	4.4	(4.3)	3.8	4.8	4.8
Deposit	0.8	(3.4)	2.0	5.0	5.0
Int. Bearing Liab.	(0.1)	(1.8)	0.1	5.0	5.0
CASA	4.8	(0.3)	2.0	5.0	5.0
Total Asset	1.3	1.5	3.3	6.3	6.3

Source : BTPS, BRIDS Estimates

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BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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