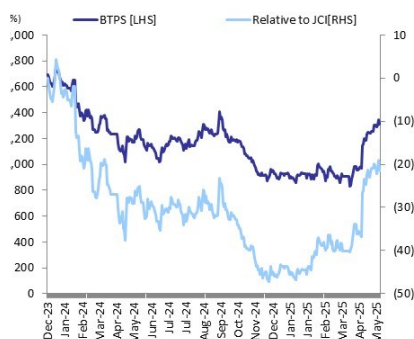


# Buy

(Maintained)

Last Price (Rp)	1,315
Target Price (Rp)	1,500
Previous Target Price (Rp)	1,300
Upside/Downside	+14.1%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US\$mn)	10,130/624
Avg, Daily T/O (Rpbn/US\$mn)	12.0/0.7
Free Float (%)	30.0
Major Shareholder (%)	
PT. BTPN Tbk.	70.0
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	155.4 172.5 185.3
Consensus	157.3 182.9 210.6
BRIDS/Cons (%)	(1.2) (5.7) (12.0)

## BTPS relative to JCI Index



Source: Bloomberg

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# Bank BTPN Syariah (BTPS IJ)

## Emerging from the Final Leg of Credit Cycle Pain

- BTPS booked a net profit of Rp422bn in 4M25 (+17% yoy), driven by a lower CoC of 8.5% (-483bps yoy).
- Loan contraction (flat mom) showed signs of bottoming out, indicating that new disbursements are catching up with maturing loans.
- Maintain Buy rating with a higher TP of Rp1,500. Key risk to our call is potential shift in asset quality.

### 4M25 earnings bolstered by reduced CoC

BTPS posted a net profit of Rp422bn in 4M25 (+17% yoy), slightly above our FY25F (37%) and consensus (35%). The robust bottom line was primarily supported by a significantly lower CoC of 8.5% (-483bps yoy), which helped offset a 13% yoy drop in PPOP, driven by a 5% yoy decline in loan balance and a 71bps fall in NIM. Opex rose 4% yoy, pushing the CIR up to 48% (+444bps yoy), due to continued focus on collection efforts.

### Lower NIM, but easing loan contraction

In Apr25 alone, BTPS posted a net profit of Rp112bn (-2% mom, +12% yoy). CoC increased slightly to 8.4% from Mar25's 7.8%, yet remained well below Apr24's 11.7%. NIM fell to 24.5%, down 95bps mom and 113bps yoy, due to a lower EA yield outweighing the benefit of a lower CoF. Opex declined 6% mom from a high Mar25 base but remained 4% higher yoy. Net write-offs reached Rp75bn, up from Mar25's low base but still below the FY24 average of Rp137bn. Furthermore, loan contraction showed signs of bottoming out, with a flattish mom loan book despite still being down 5% yoy, indicating that new disbursements are catching up with maturing loans.

### CoC outperforms our expectation, but we anticipate a sequential downtrend

In 4M25, BTPS's CoC stood at 8.5% (vs. 13.3% in 4M24), better than our prev. FY25 estimate of 9.7%. We slightly lower our CoC est. to 9.2% to reflect the lower CoC in 4M25, but still expect a sequentially higher CoC ahead, as challenging macro conditions are likely to persist and may impact BTPS's CoC going forward.

### Maintain Buy rating with a higher TP of Rp1,500

While BTPS has rallied by 50% since our upgrade, we maintain our Buy rating as the 4M25 numbers reaffirmed our view of bottoming out asset quality issue. We raise our TP to Rp1,500 (from Rp1,300 prev.), reflecting a higher FY25F ROE of 12.3% (vs. prev. 11.7%). This valuation is based on a 2-year avg. CoE of 11.1% (prev. -1SD 2-year avg. of 11.8%). The key risk is a reverse trend in asset quality.

## 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	1,197	1,329	1,427
EPS (Rp)	140.3	137.7	155.4	172.5	185.3
EPS growth (%)	(39.3)	(1.8)	12.8	11.0	7.4
BVPS (Rp)	1,138.9	1,209.0	1,310.5	1,422.6	1,543.2
PER (x)	9.4	9.5	8.5	7.6	7.1
PBV (x)	1.2	1.1	1.0	0.9	0.9
Dividend yield (%)	5.3	2.6	3.0	3.3	3.5
ROAE (%)	12.6	11.7	12.3	12.6	12.5

Source: BTPS, BRIDS Estimates

### Exhibit 1. BTPS's 4M25 earnings summary

BTPS - Bank Only (Rpbn)	Apr-24	Mar-25	Apr-25	mom, %	yoy, %	4M24	4M25	yoy, %	FY24	4M24/FY24	FY25F	4M25/FY25F	FY25C	4M25/FY25C
Interest income	455	450	438	-3%	-4%	1,824	1,732	-5%	5,386	34%	5,186	33%	5,417	32%
Interest expense	(43)	(42)	(41)	-4%	-5%	(169)	(163)	-3%	(504)	33%	(473)	34%	(475)	34%
<b>Net interest income</b>	<b>412</b>	<b>408</b>	<b>397</b>	<b>-3%</b>	<b>-4%</b>	<b>1,656</b>	<b>1,569</b>	<b>-5%</b>	<b>4,882</b>	<b>34%</b>	<b>4,713</b>	<b>33%</b>	<b>4,943</b>	<b>32%</b>
Other operating income	5	7	8	26%	85%	23	22	-6%	71	33%	48	45%		
Operating expenses	(182)	(202)	(189)	-6%	4%	(731)	(763)	4%	(2,225)	33%	(2,290)	33%	(2,386)	32%
<b>PPOP</b>	<b>234</b>	<b>212</b>	<b>216</b>	<b>2%</b>	<b>-7%</b>	<b>948</b>	<b>827</b>	<b>-13%</b>	<b>2,728</b>	<b>35%</b>	<b>2,471</b>	<b>33%</b>		
Provision	(105)	(66)	(72)	8%	-32%	(489)	(287)	-41%	(1,360)	36%	(1,013)	28%	(1,054)	27%
Pre-tax profit	128	146	145	-1%	13%	460	540	17%	1,371	34%	1,459	37%	1,513	36%
<b>Net profit</b>	<b>100</b>	<b>114</b>	<b>112</b>	<b>-2%</b>	<b>12%</b>	<b>360</b>	<b>422</b>	<b>17%</b>	<b>1,073</b>	<b>34%</b>	<b>1,138</b>	<b>37%</b>	<b>1,212</b>	<b>35%</b>
										YTD, %				
Financing	10,752	10,251	10,206	0%	-5%	10,752	10,206	-5%	10,172	0%	10,566	97%	10,566	97%
Customer deposits	12,246	11,643	11,368	-2%	-7%	12,246	11,368	-7%	11,725	-3%	11,959	95%	12,166	93%
<b>Key Ratio</b>				mom, bps	yoy, bps			yoy, bps		4M25 vs FY24, bps		vs FY25F, bps		
Earning Asset yield (%) - ann	28.3	28.1	27.0	↓ (109)	↓ (130)	27.9	27.2	↓ (72)	27.8	↓ (64)	26.0	↑ 116		
Cost of fund (%) - ann	4.3	4.4	4.2	↑ (18)	↓ (6)	4.2	4.2	→ 4	4.2	→ 2	4.0	↓ 28		
NIM (%) - ann	25.7	25.5	24.5	↓ (95)	↓ (113)	25.3	24.6	↓ (71)	25.2	↓ (60)	23.6	↑ 97		
CIR (%) - ann	43.8	48.7	46.6	↓ (211)	↓ 281	43.5	48.0	↓ 444	44.9	↓ 305	48.1	↓ (13)		
Cost of credit (%) - ann	11.7	7.8	8.4	↓ 56	↑ (330)	13.3	8.5	↑ (483)	12.8	↑ (434)	9.7	↑ (123)		
CASA Ratio (%)	24.2	25.3	27.4	↑ 214	↑ 322	24.2	27.4	↑ 322	26.5	↑ 96	26.5	↑ 96		
LDR (%)	87.8	88.0	89.8	↓ 174	↓ 197	87.8	89.8	↓ 197	86.8	↓ 302	88.4	↓ 142		

Source: Company, BRIDS Estimates, Bloomberg

### Exhibit 2. BTPS's Changes in Forecast

BTPS - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2025F (Prev)	2026F (Curr)	Δ%
Net Interest Income (Rpbn)	4,713	4,713	-	5,029	5,029	-
PPOP (Rpbn)	2,471	2,471	-	2,654	2,654	-
Net profit (Rpbn)	1,138	1,197	5.21	1,219	1,329	9.04
BVPS (Rp)	1,306	1,311	0.38	1,404	1,423	1.32
Gross Loans (Rpbn)	10,566	10,566	-	11,068	11,068	-
Customer Deposits (Rpbn)	11,959	11,959	-	12,557	12,557	-
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2025F (Prev)	2026F (Curr)	Δ bps
Net Interest Margin	23.6	23.6	-	24.2	24.2	-
Gross NPL Ratio	3.6	3.6	-	3.4	3.4	-
Cost/Income Ratio	48.1	48.1	-	47.8	47.8	-
Cost of Credit	9.7	9.0	(73)	10.1	8.8	(131)
ROAE	11.7	12.3	59	11.7	12.6	93

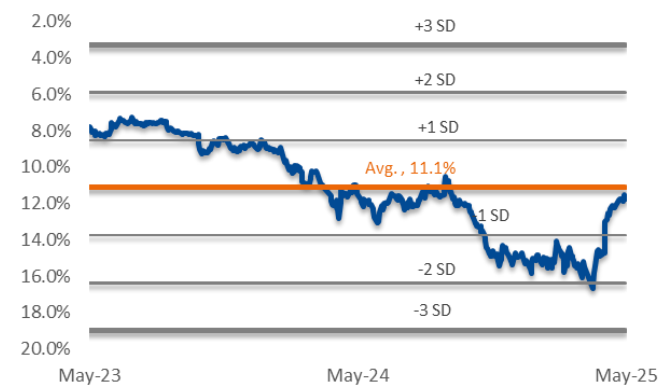
Source: Company, BRIDS Estimates

### Exhibit 3. BTPS's Valuation

Gordon Growth Valuation with Inverse Cost of Equity	
<b>Parameters:</b>	<b>Remarks:</b>
Cost of equity (%) - Mean	11.1 2-year avg
Cost of equity (%) - SD	2.6
SD used	
Cost of equity (%) used	11.1
Long-term growth (%)	3.0 Long-term GDP growth
Forward ROE (%)	12.3 FY25F ROAE
Fair value P/BV (x)	1.1 (ROAE - g) / (COC - g)
BV/share (IDR)	1,311 FY25F Book value per share
Fair value (IDR)	1,500 Fair value P/BV multiple x BVPS

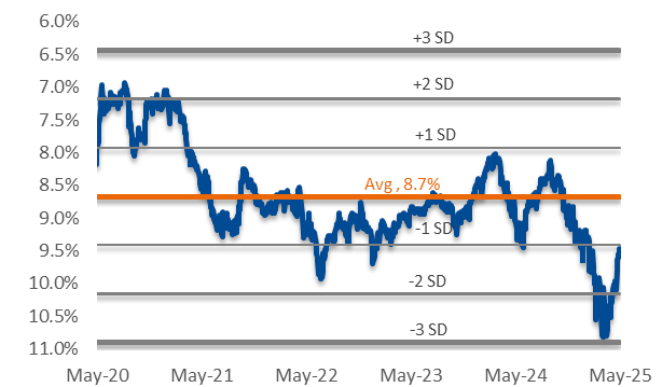
Source: Company, BRIDS Estimates

**Exhibit 4. BTPS's cost of equity band chart (2-year)**



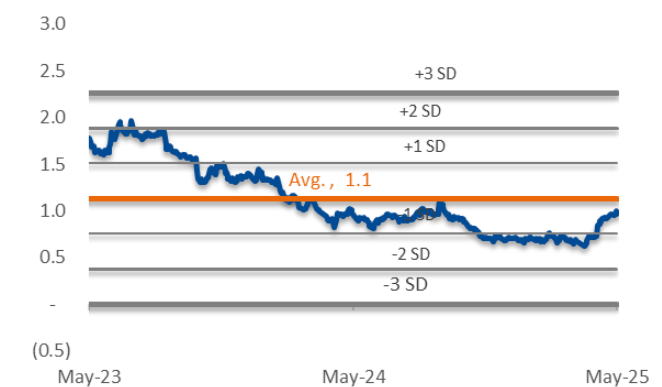
Source: Company, Bloomberg, BRIDS Estimates

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



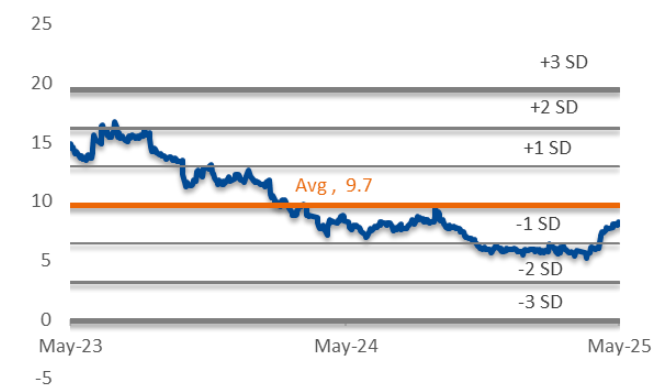
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 6. BTPS's P/BV band chart (2-year)**



Source: Company, Bloomberg, BRIDS Estimates

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



Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 8. 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)
<b>Net Interest Income</b>	<b>5,260</b>	<b>4,894</b>	<b>4,713</b>	<b>5,029</b>	<b>5,281</b>
Non-Interest Income (NII)	61	44	48	53	58
<b>Oper. Income</b>	<b>5,321</b>	<b>4,938</b>	<b>4,761</b>	<b>5,082</b>	<b>5,339</b>
Oper. Expenses	(2,044)	(2,228)	(2,290)	(2,429)	(2,536)
<b>Pre-provisions profit</b>	<b>3,277</b>	<b>2,710</b>	<b>2,471</b>	<b>2,654</b>	<b>2,803</b>
Provisions & Allowances	(1,898)	(1,360)	(937)	(951)	(973)
<b>Operating Profits</b>	<b>1,379</b>	<b>1,351</b>	<b>1,534</b>	<b>1,703</b>	<b>1,830</b>
Non-Operating Income	1	3	1	1	0
Exceptionals	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>1,380</b>	<b>1,353</b>	<b>1,535</b>	<b>1,704</b>	<b>1,830</b>
Income Tax	(299)	(292)	(338)	(375)	(403)
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>1,081</b>	<b>1,061</b>	<b>1,197</b>	<b>1,329</b>	<b>1,427</b>

**Exhibit 9. 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)
<b>Net Loans</b>	<b>10,339</b>	<b>9,350</b>	<b>9,682</b>	<b>10,204</b>	<b>10,749</b>
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
<b>Total Earnings Assets</b>	<b>20,444</b>	<b>19,575</b>	<b>20,320</b>	<b>21,298</b>	<b>22,324</b>
Fixed Assets	1,082	1,109	1,188	1,274	1,357
Non-Earnings Assets	294	273	379	436	543
<b>Total Assets</b>	<b>21,435</b>	<b>21,748</b>	<b>22,544</b>	<b>24,032</b>	<b>25,615</b>
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
<b>Total Liabilities</b>	<b>12,658</b>	<b>12,431</b>	<b>12,448</b>	<b>13,073</b>	<b>13,729</b>
Share capital & Reserves	1,638	1,647	1,651	1,651	1,652
Retained Earnings	7,136	7,667	8,445	9,309	10,236
<b>Shareholders' Funds</b>	<b>8,774</b>	<b>9,314</b>	<b>10,096</b>	<b>10,960</b>	<b>11,888</b>
Minority interests	3	3	0	0	0
<b>Total Equity &amp; Liabilities</b>	<b>21,435</b>	<b>21,748</b>	<b>22,544</b>	<b>24,032</b>	<b>25,617</b>

**Exhibit 10. 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	70.7	69.4	68.7
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	9.0	8.8	8.6
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	12.3	12.6	12.5
ROAA	5.1	4.9	5.4	5.7	5.7
CAR	56.6	48.6	43.2	44.5	45.8

**Exhibit 11. Dupont and Growth**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Dupont</b>					
Pre-Tax ROAA	6.5	6.3	6.9	7.3	7.4
Tax Retention rate	78.3	78.4	78.0	78.0	78.0
Post-Tax ROAA	5.1	4.9	5.4	5.7	5.7
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	12.3	12.6	12.5
<b>Growth (%)</b>					
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)	12.8	11.0	7.4
Shareholders' Equity	4.4	6.1	8.4	8.6	8.5
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	3.7	6.6	6.6

Source: BTPS, BRIDS Estimates

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**INVESTMENT RATING**

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

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