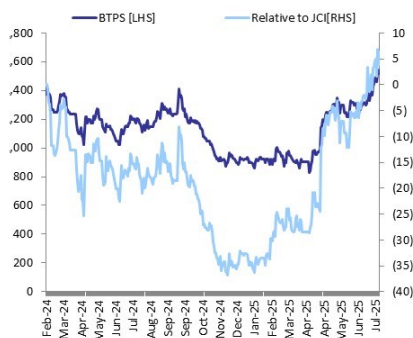


# Hold

(Downgraded)

Last Price (Rp)	1,520
Target Price (Rp)	1,500
Previous Target Price (Rp)	1,500
Upside/Downside	-1.3%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US\$mn)	11,710/719
Avg, Daily T/O (Rpbn/US\$mn)	14.5/0.9
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	159.5 188.1 209.4
BRIDS/Cons (%)	(2.6) (8.3) (11.5)

## BTPS relative to JCI Index



Source: Bloomberg

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# Bank BTPN Syariah (BTPS IJ)

## 2Q25 Earnings: Solid Profit Growth on Robust Asset Quality; Downgrade to Hold on Valuation

- BTPS booked a net profit of Rp644bn in 1H25 (+17% yoy), outperforming our/cons ests. at 54/53%, driven by a lower CoC at 8.1%.
- Mgmt remains cautious on loan growth, monitoring macro conditions, and expects NIM to stay stable in the coming quarters.
- We downgrade our rating to Hold with a TP of Rp1,500. Key risk to our call is potential shift in asset quality.

### 1H25 Results: Resilience Driven by Lower CoC

BTPS posted a solid 1H25 net profit of Rp644bn (+17% yoy), outperforming both our (54%) and consensus (53%) FY25F estimates. This strong bottom line was underpinned by a 42% yoy drop in provisions, which offset a 13% yoy decline in PPOP. The PPOP contraction stemmed from a lower NIM of 23.9%, due to weaker EA yield, and a 5% yoy rise in opex. Despite margin compression, the bank managed to deliver earnings growth thanks to improved asset quality. CoC dropped significantly to 8.1% (vs. 13.1% in 1H24), supporting the overall performance.

### 2Q25 Performance: Margin Rebound and Asset Quality Gains

BTPS recorded Rp333bn in 2Q25 NP (+7% qoq, +16% yoy), mainly driven by further provision cuts. NIM rose slightly qoq to 24.0%, supported by higher financing yields and a stable CoF, though still down 75bps yoy. CIR fell 43bps qoq but rose 421bps yoy on the back of lower NII and other operating income. CoC improved to 7.7%, backed by better NPL and LaR ratios and stronger coverage. Loans and deposits declined slightly qoq and yoy, reflecting a deliberate focus on quality amid macro uncertainties.

### Outlook: Focus on Asset Quality Remains

BTPS remains cautious on loan expansion, as seen in the 1% qoq contraction, and may maintain this stance if conditions remain weak. The bank expects further CoC improvement in 2H25, helped by favorable vintage trends. NIM is expected to stay broadly stable, anchored by current yield and funding dynamics. Write-offs are on a downward trajectory, with the Rp209bn in 2Q expected to decline further in 2H25. Overall, BTPS is positioned defensively, with growth readiness contingent on improved market visibility.

### Downgrade rating to Hold with a TP of Rp1,500

We maintain FY25-27F estimates as we expect CoC to normalize in the coming quarters, and keep our TP unchanged at Rp1,500, reflecting a FY25F ROE of 12.3%. We downgraded our rating to Hold as we see the stock has reached its fair valuation. This valuation is based on a 2-year avg. CoE of 11.1%. The key risk to our view is resilient asset quality.

### Key Financials

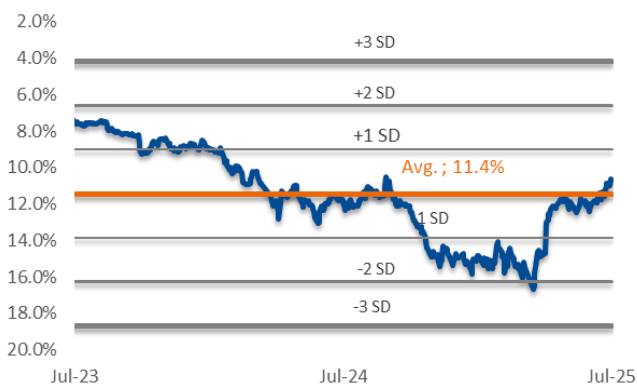
Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	3,277	2,710	2,471	2,654	2,803
Net profit (Rpbn)	1,081	1,061	1,197	1,329	1,427
EPS (Rp)	140.3	137.7	155.4	172.5	185.3
EPS growth (%)	(39.3)	(1.8)	12.8	11.0	7.4
BVPS (Rp)	1,138.9	1,209.0	1,310.5	1,422.6	1,543.2
PER (x)	10.8	11.0	9.8	8.8	8.2
PBV (x)	1.3	1.3	1.2	1.1	1.0
Dividend yield (%)	4.6	2.3	2.6	2.8	3.1
ROAE (%)	12.6	11.7	12.3	12.6	12.5

Source: BTPS, BRIDS Estimates

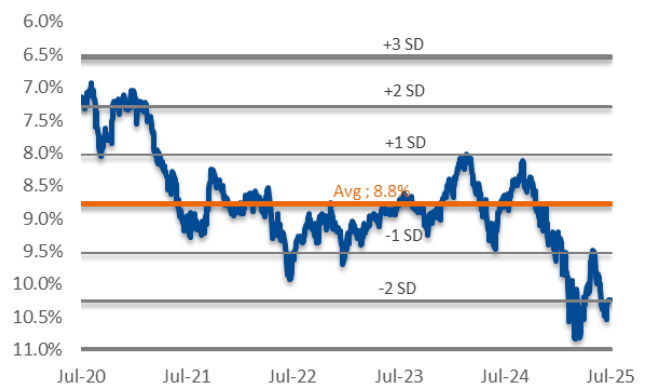
**Exhibit 1. BTPS's 2Q25 earnings summary**

BTPS - Financials (Rpbn)	2Q24	1Q25	2Q25	qoq, %	yoy, %	1H24	1H25	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	1,364	1,297	1,307	1%	-4%	2,737	2,604	-5%	5,186	5,447	50%	48%
Interest expense	130	123	122	0%	-6%	256	245	-4%	473	408	52%	60%
Net interest income	1,234	1,174	1,185	1%	-4%	2,481	2,359	-5%	4,713	5,039	50%	47%
Other operating income	19	15	13	-11%	-31%	40	28	-30%	48		58%	n/a
Operating expenses	547	575	574	0%	5%	1,096	1,149	5%	2,290	2,392	50%	48%
PPOP	705	614	624	2%	-12%	1,424	1,239	-13%	2,471		50%	n/a
Provision	338	218	200	-8%	-41%	723	418	-42%	937	999	45%	42%
Operating Profit	367	396	425	7%	16%	702	821	17%	1,534	1,539	54%	53%
Net profit	288	311	333	7%	16%	552	644	17%	1,197	1,224	54%	53%
Loans	10,582	10,367	10,254	-1%	-3%	10,582	10,254	-3%	10,566	10,566	97%	97%
Customer deposits	11,760	11,643	11,461	-2%	-3%	11,760	11,461	-3%	11,959	12,384	96%	93%
<b>Key Ratio</b>												
				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	45.2	44.4	44.8	41	(47)	44.5	44.6	12				
Cost of fund (%) - ann	4.4	4.2	4.2	4	(20)	4.3	4.2	(9)				
NIM (%)	24.7	23.8	24.0	12	(75)	24.6	23.9	(71)				
CIR (%) - ann	43.7	48.3	47.9	(43)	421	43.5	48.1	462				
Cost of credit (%) - ann	12.5	8.5	7.7	(71)	(478)	13.1	8.1	(496)				
ROE (%) - ann	13.3	13.1	13.8	66	46	12.7	13.5	78				
CASA ratio (%)	27.3	25.3	26.5	118	(84)							
LDR (%)	90.0	89.0	89.5	44	(51)							
NPL ratio (%)	3.0	3.3	3.1	(21)	10							
NPL coverage (%)	290.9	259.6	290.0	3,037	(94)							
LaR ratio (%)	8.9	5.8	5.3	(56)	(360)							
LaR coverage (%)	98.8	148.2	171.3	2,311	7,251							

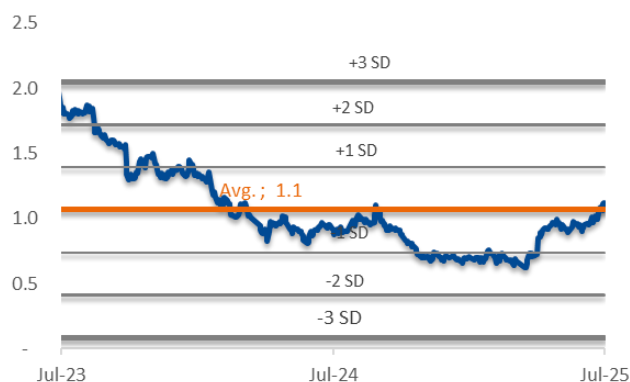
Source: Company, BRIDS Estimates, Bloomberg

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


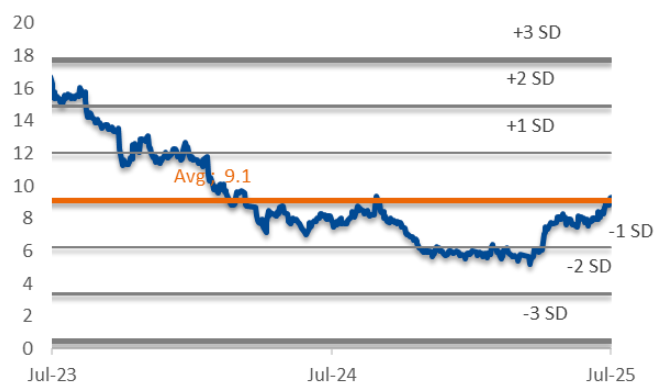
Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 3. Sector's cost of equity band chart (5-year)**


Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 4. BTPS's P/BV band chart (2-year)**


Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 5. BTPS's P/E band chart (2-year)**


Source: Company, Bloomberg, BRIDS Estimates

**Exhibit 6. 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 7. 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 8. 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 9. 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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<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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