Buy

(Maintained)

Tactical (3M): **OW**

Last Price (Rp)	1,005
Target Price (Rp)	1,400
Previous TP (Rp)	*1,400*
Upside/Downside	+39.3%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US$mn)	7,858/439
Avg, Daily T/O (Rpbn/US$mn)	6.6/0.4
Free Float (%)	30
Major Shareholder (%)	
Government of Indonesia	**70.0**
INA	**1,065**

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	175.6	189.7	204.7
Consensus	174.9	199.6	223.3
BRIDS/Cons (%)	**0.4**	**(5.0)**	**(7.9)**

BTPS relative to JCI Index

Source: Bloomberg

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Bank BTPS Syariah (BTPS IJ)

2Q26 Earnings: Inline; Supported by Loan Growth Expansion and Solid Asset Quality

- **BTPS booked 2Q26 net profit of Rp336bn (+5% qoq, +1% yoy), bringing its 1H26 NP to Rp655bn (+2%yoy), inline vs. ours and cons**
- **Management raised FY26F earnings expectations to double-digit growth post 1H26 achievements.**
- **We keep our FY26-28 forecasts and valuation unchanged resulting in an unchanged TP of Rp1,400, implying fair value PBV of 1.0x.**

Robust earnings supported by both top line and provisions

BTPS reported a net profit of Rp336bn in 2Q26 (+5% qoq, +1% yoy), bringing its 1H26 NP to Rp655bn (+2% yoy), relatively inline at 48% of our FY26F estimate and 49% of consensus. The 2Q26 earnings was supported by a sequential recovery in NII and lower CoC qoq. However, operating expenses remained elevated, increasing 3% qoq and 7% yoy, resulting in a CIR of 52.0%, broadly stable qoq but 406bps higher yoy.

Improving asset quality as disaster-related portfolio stabilized

Asset quality remained solid, with the NPL ratio stable at 2.3%, while the LaR ratio improved to 5.0% (-118bps qoq; -22bps yoy). In addition, on-time payment remained healthy at 95.2%, supporting the continued decline in CoC during the quarter. Management also noted that the disaster-related restructuring portfolio is nearing resolution, with total flagged restructured loans declining to Rp171bn (vs. Rp282bn in Mar-26), of which Rp155bn is related to the Sumatra disaster, while around two-thirds of affected borrowers have resumed normal repayments.

More optimism for 2H26

Looking ahead, management remains constructive on earnings despite expecting only marginal further improvement in CoC as it continues to maintain prudent provisioning. The impact of the recent BI rate hike is expected to be broadly neutral, as higher funding costs should be largely offset by increased treasury income from the repricing of Rp11.9tr of short-tenor liquid assets. In addition, management raised its FY26 net profit growth guidance from high-single-digit to double-digit, reflecting stronger confidence following the 1H26 achievements, while newer initiatives such as Individual Financing, Wealth Management, and NBFI financing are expected to provide small contribution in the near term.

Maintain BUY with an unchanged TP pf Rp1,400

We keep our forecast and valuation unchanged, hence maintain our TP at Rp1,400 and Buy rating for BTPS. Our TP is based on 2-year avg. CoE of 12.9% and FY26F RoE of 13.2%, implying an FV PBV of 1.0x **Tactical (3M) view: OW.** We upgrade from N previously as we see clearer asset quality direction in the disaster-related loan portfolio.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	2,741	2,443	2,443	2,593	2,753
Net profit (Rpbn)	1,061	1,201	1,353	1,461	1,577
EPS (Rp)	137.7	155.9	175.6	189.7	204.7
EPS growth (%)	(1.8)	13.2	12.7	8.0	7.9
BVPS (Rp)	1,209.0	1,292.8	1,374.8	1,459.2	1,550.2
PER (x)	7.3	6.4	5.7	5.3	4.9
PBV (x)	0.8	0.8	0.7	0.7	0.6
Dividend yield (%)	3.4	9.3	10.5	11.3	12.2
ROAE (%)	11.7	12.5	13.2	13.4	13.6

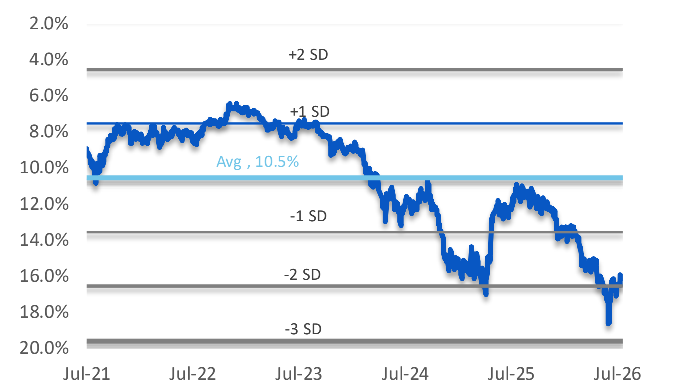
Source: BTPS, BRIDS Estimates

Exhibit 1. BTPS 2Q26 Results

BTPS - Financials (Rpbn)	2Q25	1Q26	2Q26	qoq, %	yoy, %	1H25	1H26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	1,307	1,247	1,294	*4%*	*-1%*	2,604	2,542	*-2%*	5,331	5,480	*48%*	*46%*
Interest expense	122	113	117	*4%*	*-4%*	245	230	*-6%*	486	486	*47%*	*47%*
Net interest income	1,185	1,134	1,177	*4%*	*-1%*	2,359	2,311	*-2%*	4,846	4,994	*48%*	*46%*
Other operating income	13	6	7	*27%*	*-43%*	28	13	*-52%*	46		*29%*	*n/a*
Operating expenses	574	597	615	*3%*	*7%*	1,149	1,212	*6%*	2,449	2,503	*50%*	*48%*
PPOP	624	543	569	*5%*	*-9%*	1,239	1,112	*-10%*	2,443		*46%*	*n/a*
Provision	200	138	138	*0%*	*-31%*	418	276	*-34%*	708	771	*39%*	*36%*
Operating Profit	425	405	431	*6%*	*1%*	821	836	*2%*	1,734	1,734	*48%*	*48%*
Net profit	333	319	336	*5%*	*1%*	644	655	*2%*	1,353	1,347	*48%*	*49%*
Loans	10,254	10,720	11,126	*4%*	*9%*	10,254	11,126	*9%*	11,084	11,231	*100%*	*99%*
Customer deposits	11,461	12,318	12,180	*-1%*	*6%*	11,461	12,180	*6%*	12,820	13,175	*95%*	*92%*
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	44.8	41.2	41.7 ↑	54 ↓	(305)	44.6	41.4 ↓	(323)				
Cost of fund (%) - ann	4.2	3.7	3.8 ↓	14 ↑	(40)	4.2	3.8 ↑	(45)				
NIM (%)	24.0	21.5	21.7 ↑	18 ↓	(228)	23.9	21.6 ↓	(232)				
CIR (%) - ann	47.9	52.4	52.0 ↑	(40) ↓	406	48.1	52.2 ↓	404				
Cost of credit (%) - ann	7.7	5.2	5.1 ↑	(15) ↑	(268)	8.1	5.1 ↑	(298)				
ROE (%) - ann	13.8	12.6	13.1 ↑	46 ↓	(70)	13.5	12.9 ↓	(60)				
CASA ratio (%)	26.5	26.8	31.6 ↑	481 ↑	515							
LDR (%)	89.5	87.0	91.3 ↓	432 ↓	187							
NPL ratio (%)	3.1	2.5	2.3 ↑	(19) ↑	(77)							
NPL coverage (%)	276.7	319.2	333.5 ↑	1,430 ↑	5,678							
LaR ratio (%)	5.3	6.2	5.0 ↑	(118) ↑	(22)							
LaR coverage (%)	163.4	129.7	154.9 ↑	2,519 ↓	(850)							

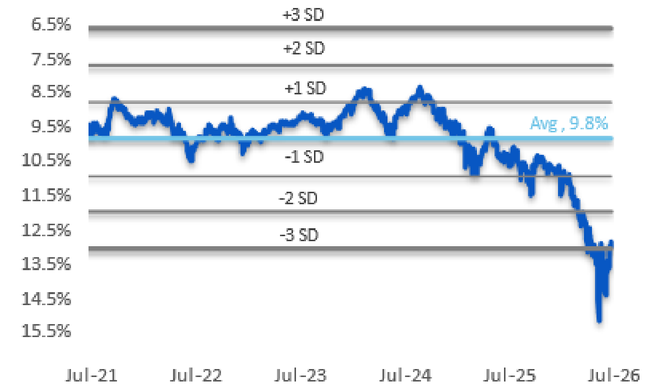
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BTPS's Cost of Equity Band Chart (2-year)



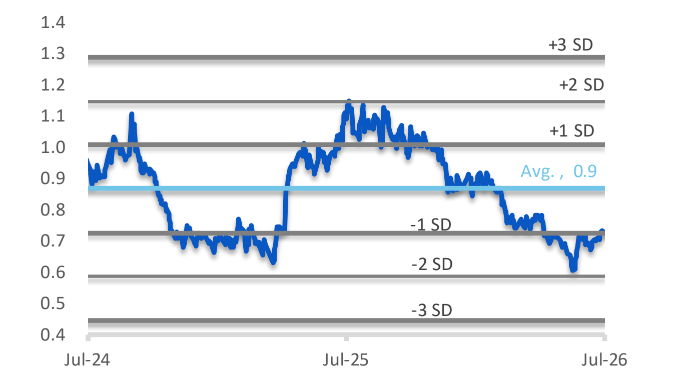
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 3. Sector's Cost of Equity Band Chart (5-year)



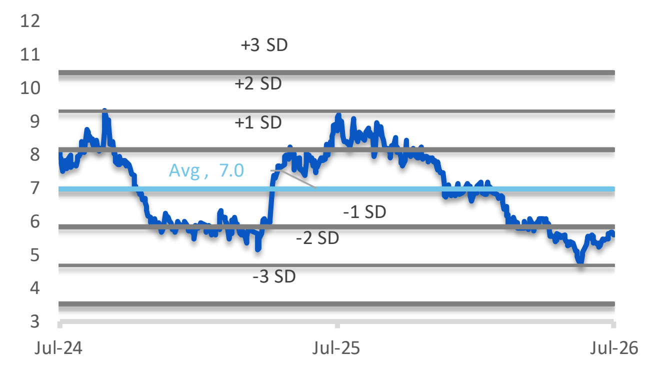
Source: Company, Bloomberg, BRIDS Estimates

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)	2024A	2025A	2026F	2027F	2028F
Interest Income	5,398	5,219	5,331	5,691	6,075
Interest Expense	(504)	(489)	(486)	(510)	(535)
Net Interest Income	**4,894**	**4,730**	**4,846**	**5,181**	**5,539**
Non-Interest Income (NII)	75	42	46	50	55
Oper. Income	**4,969**	**4,772**	**4,892**	**5,231**	**5,595**
Oper. Expenses	(2,228)	(2,329)	(2,449)	(2,638)	(2,841)
Pre-provisions profit	**2,741**	**2,443**	**2,443**	**2,593**	**2,753**
Provisions & Allowances	(1,360)	(877)	(708)	(720)	(732)
Operating Profits	**1,382**	**1,566**	**1,734**	**1,873**	**2,021**
Non-Operating Income	(28)	0	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	**1,353**	**1,566**	**1,734**	**1,873**	**2,021**
Income Tax	(292)	(366)	(382)	(412)	(445)
Minorities	0	0	0	0	0
Net Profit	**1,061**	**1,201**	**1,353**	**1,461**	**1,577**

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	10,274	10,435	11,084	11,778	12,521
Provisions	(924)	(881)	(635)	(635)	(636)
Net Loans	**9,350**	**9,553**	**10,449**	**11,143**	**11,885**
Govt. Bonds	0	0	0	0	0
Securities	9,049	10,029	10,531	11,057	11,610
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	**19,575**	**20,728**	**21,879**	**23,101**	**24,397**
Fixed Assets	1,109	1,183	1,275	1,363	1,444
Non-Earnings Assets	273	248	351	404	508
Total Assets	**21,748**	**22,751**	**23,986**	**25,308**	**26,715**
Customer Deposits	11,724	12,209	12,820	13,461	14,134
Banks Deposits	0	0	0	0	0
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	**12,431**	**12,790**	**13,395**	**14,069**	**14,776**
Share capital & Reserves	1,647	1,647	1,647	1,648	1,649
Retained Earnings	7,667	8,312	8,944	9,593	10,293
Shareholders' Funds	**9,314**	**9,959**	**10,591**	**11,242**	**11,942**
Minority interests	3	3	0	0	0
Total Equity & Liabilities	**21,748**	**22,751**	**23,986**	**25,310**	**26,719**

Exhibit 8. Key Ratios

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	27.0	25.9	25.0	25.3	25.6
Cost of funds	4.2	4.0	3.9	3.9	3.9
Interest Spread	22.8	21.9	21.1	21.4	21.7
Net Interest Margin	24.5	23.5	22.7	23.0	23.3
Cost/Income Ratio	44.8	48.8	50.1	50.4	50.8
Oper. Exp./Oper. Gross Inc.	74.8	70.2	67.7	67.4	67.0
Gross NPL Ratio	3.9	2.9	2.7	2.5	2.4
LLP/Gross NPL	242.3	328.5	236.8	236.5	235.6
Cost of Credit	12.5	8.5	6.6	6.3	6.0
Loan to Deposit Ratio	87.6	85.5	86.5	87.5	88.6
Loan to Funding Ratio	86.2	85.5	86.5	87.5	88.6
CASA Mix	26.5	25.9	25.9	25.9	25.9
ROAE	11.7	12.5	13.2	13.4	13.6
ROAA	4.9	5.4	5.8	5.9	6.1
CAR	48.6	42.7	38.2	38.8	38.9

Exhibit 9. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	6.3	7.0	7.4	7.6	7.8
Tax Retention rate	78.4	76.7	78.0	78.0	78.0
Post-Tax ROAA	4.9	5.4	5.8	5.9	6.1
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	2.4	2.3	2.3	2.3	2.2
ROAE	11.7	12.5	13.2	13.4	13.6
Growth (%)					
Interest income	(6.1)	(3.3)	2.1	6.7	6.7
Net Interest Income	(6.9)	(3.4)	2.4	6.9	6.9
Other Oper. Expenses	9.0	4.5	5.2	7.7	7.7
Fee Based Income	0.0	0.0	0.0	0.0	0.0
Pre-Provision Oper. Profit	(16.4)	(10.9)	0.0	6.2	6.2
Net Profit	(1.8)	13.2	12.7	8.0	7.9
Shareholders' Equity	6.1	6.9	6.3	6.1	6.2
Loan	(11.1)	1.6	6.2	6.3	6.3
Earnings Asset	(4.3)	5.9	5.6	5.6	5.6
Deposit	(3.4)	4.1	5.0	5.0	5.0
Int. Bearing Liab.	(1.8)	2.3	4.9	5.0	5.0
CASA	(0.3)	2.1	5.0	5.0	5.0
Total Asset	1.5	4.6	5.4	5.5	5.6

Source: BTPS, BRIDS Estimates

Equity Research – Company Update

Monday, 27 July 2026

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INVESTMENT RATING	
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