

Buy

(Maintained)

Tactical (3M): **OW**

Last Price (Rp)	1,000
Target Price (Rp)	1,400
Previous TP (Rp)	1,400
Upside/Downside	+40.0%
No. of Shares (mn)	7,704
Mkt Cap (Rpbn/US\$mn)	7,704/427
Avg, Daily T/O (Rpbn/US\$mn)	5.4/0.3
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	172.0 197.0 217.7
BRIDS/Cons (%)	2.1 (3.7) (6.0)

BTPS relative to JCI Index



Source: Bloomberg

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Bank BTPS Syariah (BTPS IJ)

3Q26 Earnings: Inline; NIM Recovery and Cleaner Asset Quality Drive a Solid Result

- BTPS booked 3Q26 net profit of Rp356bn (+6% qoq, +18% yoy), bringing its 9M26 NP to Rp1tr (+7% yoy), inline with ours and cons.
- CoC fell to 3.8% (-129bps qoq, -469bps yoy) in 3Q26 on improving asset quality, offsetting weaker PPOP.
- Management maintains double-digit FY26 NPAT growth. Maintain Buy rating with an unchanged TP of Rp1,400.

Provision-led earnings, inline with upside bias

BTPS reported a net profit of Rp356bn in 3Q26 (+6% qoq, +18% yoy), bringing its 9M26 NP to Rp1.0tr (+7% yoy), inline at 75% of our FY26F and 77% of consensus. NIM improved 47bps qoq to 22.1% as financing yield rose 69bps qoq to 42.4%, outpacing the higher CoF of 4.0% (+16bps qoq). However, opex rose 6% qoq and 10% yoy, lifting CIR to 54.2% and pushing PPOP down to Rp554bn (-3% qoq, -9% yoy). The bottom line was mainly supported by lower provisions (-24% qoq, -51% yoy), which brought CoC down to 3.8% (-129bps qoq, -469bps yoy).

Asset quality continued to improve; loan growth paused qoq

NPL ratio eased to 2.2% (-19bps qoq, -75bps yoy) and LaR fell to 4.1% (-94bps qoq, -86bps yoy) in 3Q26, while LaR coverage rose to 178.9% (+2,184bps qoq). Management indicated that lower CoC was helped by lower X-days and reversals from improving restructured loans. Loans were flat qoq (+12% yoy) at Rp11.1tr, while customer deposits grew 2% qoq/6% yoy to Rp12.4tr, bringing LDR down to 89.9% (-149bps qoq, +481bps yoy).

On track for double-digit NPAT growth

Management maintained its double-digit FY26 NPAT growth target. CoC of 4.8-5.0% is seen as the new normal (c.5% in 3Q26 excluding reversals), with 4Q26 CoC expected below 5% amid the continued recovery in Sumatra. Group lending disbursement is running at Rp1.3-1.4tr per month, and management expects group financing to grow in 4Q26. Individual financing has also reached Rp102bn (avg. ticket c.Rp14.6mn) with a 97.7% repayment rate, already hitting the Rp100bn guidance.

Maintain Buy rating with TP of Rp1,400

We maintain our Buy rating with an unchanged forecast and TP of Rp1,400, based on a 2-year inverse CoE of 12.9% and FY26F ROE of 13.2%, implying an FV PBV of 1.0x. Risks to our view are CoC trend reversal, a continued rise in CoF, and slower-than-expected group lending growth. **Tactical (3M) view: OW**, improving asset quality to support earnings and massive buyback program.

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 3Q26 Results

BTPS - Financials (Rpbn)	3Q25	2Q26	3Q26	qoq, %	yoy, %	9M25	9M26	yoy, %	FY26F	FY26C	A/F	A/C
Interest income	1,320	1,294	1,322	2%	0%	3,924	3,863	-2%	5,331	5,386	72%	72%
Interest expense	123	117	122	4%	0%	367	353	-4%	486		73%	n/a
Net interest income	1,197	1,177	1,199	2%	0%	3,557	3,510	-1%	4,846	4,881	72%	72%
Other operating income	8	7	10	41%	33%	36	24	-33%	46		52%	n/a
Operating expenses	596	615	655	6%	10%	1,745	1,868	7%	2,449	2,456	76%	76%
PPOP	609	569	554	-3%	-9%	1,848	1,667	-10%	2,443		68%	n/a
Provision	213	138	105	-24%	-51%	631	381	-40%	708	731	54%	52%
Operating Profit	396	431	450	4%	14%	1,217	1,285	6%	1,734	1,711	74%	75%
Net profit	302	336	356	6%	18%	945	1,012	7%	1,353	1,315	75%	77%
Loans	9,899	11,126	11,109	0%	12%	9,899	11,109	12%	11,084	11,240	100%	99%
Customer deposits	11,640	12,180	12,363	2%	6%	11,640	12,363	6%	12,820	13,362	96%	93%
Key Ratio												
				qoq, bps	yoy, bps			yoy, bps				
Financing yield (%) - ann	46.1	41.7	42.4	↑ 69	↓ (367)	45.2	41.9	↓ (335)				
Cost of fund (%) - ann	4.2	3.8	4.0	↓ 16	↑ (26)	4.2	3.8	↑ (39)				
NIM (%)	24.1	21.7	22.1	↑ 47	↓ (192)	23.9	21.9	↓ (206)				
CIR (%) - ann	49.5	52.0	54.2	↓ 221	↓ 470	48.6	52.8	↓ 428				
Cost of credit (%) - ann	8.5	5.1	3.8	↑ (129)	↑ (469)	8.2	4.7	↑ (356)				
ROE (%) - ann	12.3	13.1	13.7	↑ 57	↑ 140	13.1	13.1	↔ 7				
CASA ratio (%)	27.6	31.6	30.5	↓ (113)	↑ 285							
LDR (%)	85.0	91.3	89.9	↑ (149)	↓ 481							
NPL ratio (%)	2.9	2.3	2.2	↑ (19)	↑ (75)							
NPL coverage (%)	299.7	338.1	341.5	↑ 346	↑ 4,178							
LaR ratio (%)	5.0	5.0	4.1	↑ (94)	↑ (86)							
LaR coverage (%)	175.0	157.1	178.9	↑ 2,184	↑ 390							

Source: Company, BRIDS Estimates, Bloomberg

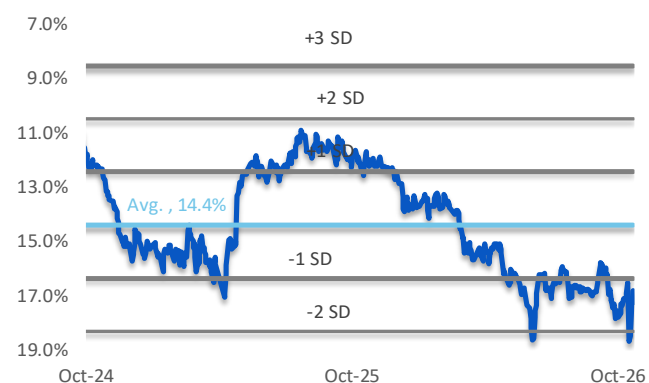
Exhibit 2. BTPS's Valuation

Gordon Growth Valuation with Inverse Cost of Equity

Parameters:	Remarks:
Cost of equity (%) - Mean	12.9 2-year avg
Cost of equity (%) - SD	1.8
SD used	
Cost of equity (%) used	12.9
Long-term growth (%)	3.0 Long-term GDP growth
Forward ROE (%)	13.2 FY26F ROAE
Fair value P/BV (x)	1.0 (ROAE - g) / (COC - g)
BV/share (IDR)	1,375 FY26F Book value per share
Fair value (IDR)	1,400 Fair value P/BV multiple x

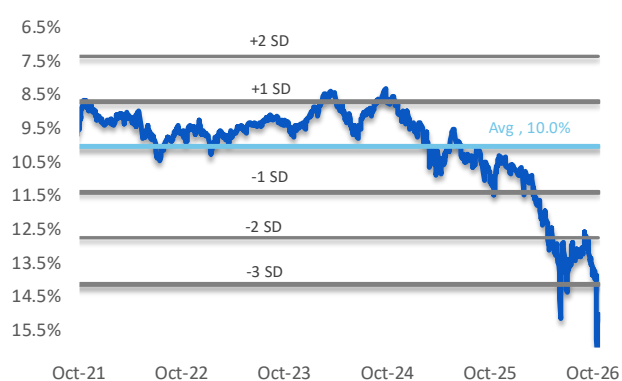
Source: Company, BRIDS Estimates

Exhibit 3. BTPS's Cost of Equity Band Chart (2-year)



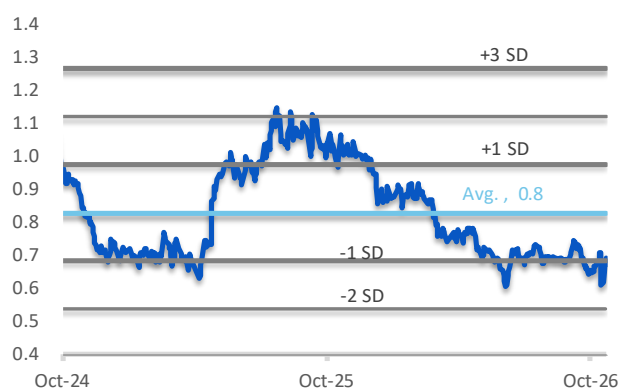
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 4. Sector's Cost of Equity Band Chart (5-year)



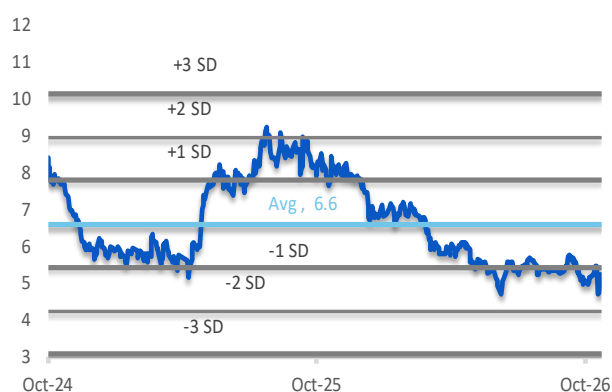
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. BTPS's P/BV Band Chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BTPS's P/E Band Chart (2-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. 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 8. 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 9. 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 10. 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, 26 October 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

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