

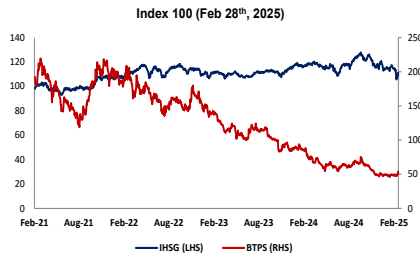


Buy

| | |
|-----------------------------------|------------|
| Price (Feb 28 th , 25) | 875 |
| Target Price | 1225 |
| Potential Upside | 40.00% |
| Market Cap | 7.66 T |
| Number of Share | 7.62 B |
| 52w Lo/Hi | 860 / 1055 |

Source : IDX | Phintraco Sekuritas Research

IHSG vs BTPS



Source : IDX

| | |
|--------------|-------|
| Shareholder | % |
| PT Bank SMBC | 70.00 |
| Public <5% | 29.99 |

Source : Company | as of fin. statement FY24

EPS Consensus vs Forecast

| | AT | Consensus* | %Diff |
|-------|-----|------------|-------|
| 2025F | 141 | 149 | -5% |
| 2026F | 151 | 168 | -4% |

Source : *Bloomberg | as of Feb 28th, 2025

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PT Bank BTPN Syariah Tbk

(BTPS.JK / BTPS.IJ)

Potential for continued asset quality improvements

BTPS's net profit decrease 2% YoY to IDR1.06 trillion in FY24. This aligns with BTPS's more conservative strategy in distributing financing in 2024 to maintain BTPS's asset quality. For information, BTPS's financing amount fell 11% to IDR10.2 trillion in FY24, with a lower margin income (6% YoY) to IDR5.4 trillion in FY24. Despite the decline in profit, BTPS maintained its performance in FY24. Third-party funds increased 3% to IDR11.7 trillion in FY24 with a maintained cost of funds. Margin expense only increased 4% YoY to IDR504 billion in FY24 amidst high BI rate conditions. Meanwhile, BTPS's cost of funds only increased 9 bps YoY to 2.79% in FY24 from 2.70% in FY23.

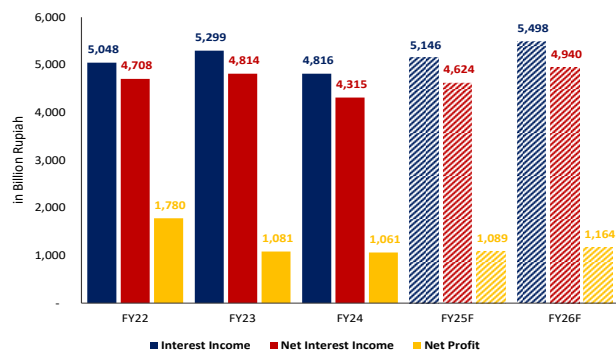
BTPS asset quality improvement continues. BTPS Net Non-Performing Financing (NPF), which was 0.0% in FY24, was lower than 0.3% in FY23, with financing loss provision (CKPN) down 28% YoY in FY24. BTPS began to reduce CKPN to IDR1.3 trillion in FY24 from IDR1.8 trillion in FY23, although the FY24 CKPN value is still much higher than CKPN in the last five years (IDR945 billion, IDR728 billion, IDR850 billion, and IDR309 billion). The decrease in the financing loss provision value aligns with management's optimism regarding BTPS' asset quality. Management continues to make various efforts to improve BTPS' asset quality, such as portfolio monitoring by making adjustments per problematic region. BTPS focuses on reducing cycle one financing (new customers) to enhance asset quality. For information, the number of cycle one customers was 23% in FY24, lower than 29% in FY23 and 32% in FY22.

Consumer empowerment to increase consumer loyalty. BTPS has a lower-class market segmentation, even to the point of being classified as unbankable, so it has an advantage in terms of minimal competition in this segment, with potential customers of around 45 million people as of FY24. BTPS has an empowerment program called "bestee" to increase the capacity of its customers as entrepreneurs by providing them access to knowledge or assistance from contributors through an integrated digital platform. The number of customers is 268.7 thousand communities, with a total of 3.81 million active customers in FY24 compared to 257.7 thousand communities in FY23. With the potential of Islamic banking in Indonesia, asset quality and development, and improvement of BTPS service quality, We estimate BTPS's net profit can grow ~3% in FY25F.

Using the Discounted Cash Flow method with a Required Return of 8.74% and Terminal Growth of 2.08%, **we estimate BTPS' fair value at 1,225 (8.68x expected P/E). Considering BTPS' fair price and relative valuation below 1.7x -1 standard deviation of 5-year P/B, we maintain our buy rating for BTPS with a potential upside of 40.00%.**

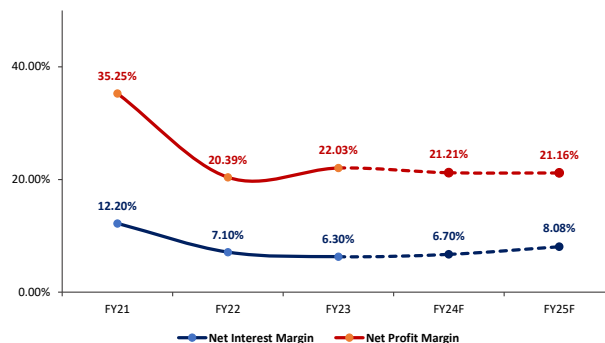
Performance Highlight

Figure 1. Financial Performance



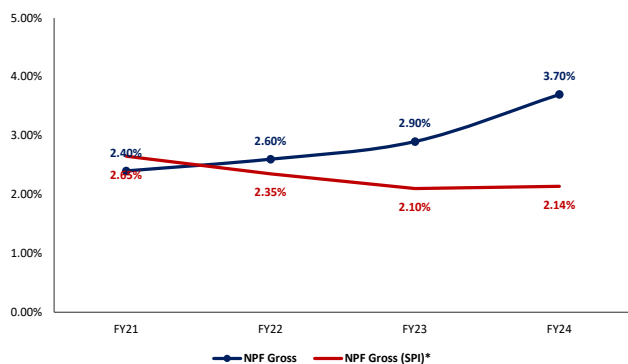
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratio



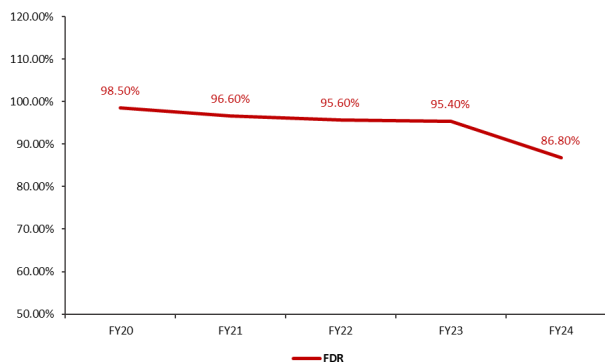
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality Ratio



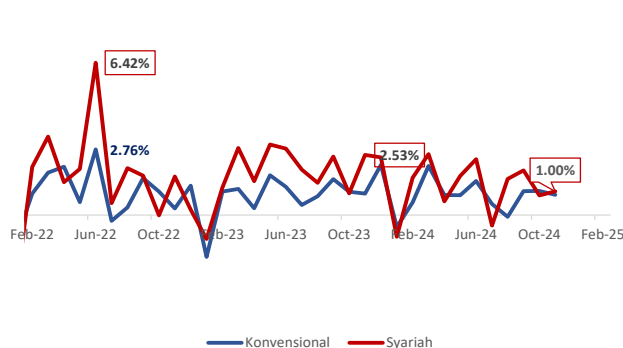
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratio



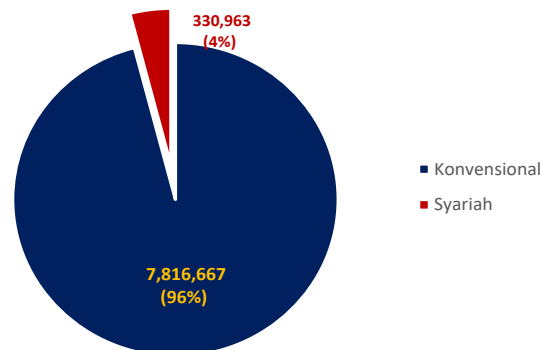
Source : Company | Phintraco Sekuritas Research

Figure 5. Banking Credit Growth in Indonesia



Source : OJK | Phintraco Sekuritas Research

Figure 6. Portion of Banking Credit Indonesia Feb 2025 (Bn)



Source : OJK | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)

| INCOME STATEMENT | FY21 | FY22 | FY23 | FY24 | FY25F | FY26F |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Interest Income | 4,408 | 5,048 | 5,299 | 4,816 | 5,146 | 5,498 |
| Interest Expense | (394) | (340) | (485) | (501) | (522) | (558) |
| Net Interest Income | 4,013 | 4,708 | 4,814 | 4,315 | 4,624 | 4,940 |
| <i>NIM</i> | <i>91.05%</i> | <i>93.26%</i> | <i>90.85%</i> | <i>89.59%</i> | <i>89.85%</i> | <i>89.85%</i> |
| PPOP | 2,320 | 2,839 | 2,771 | 2,088 | 2,291 | 2,448 |
| Provision | (728) | (945) | (1,898) | (1,360) | (1,039) | (1,111) |
| Profit Before Tax | 1,877 | 2,282 | 1,380 | 1,353 | 1,393 | 1,488 |
| <i>EBT Margin</i> | <i>42.60%</i> | <i>45.21%</i> | <i>26.04%</i> | <i>28.10%</i> | <i>27.07%</i> | <i>27.07%</i> |
| Net Profit After Tax | 1,465 | 1,780 | 1,081 | 1,061 | 1,089 | 1,164 |
| <i>NPM</i> | <i>33.24%</i> | <i>35.25%</i> | <i>20.39%</i> | <i>22.03%</i> | <i>21.16%</i> | <i>21.16%</i> |

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)

| BALANCE SHEET | FY21 | FY22 | FY23 | FY24 | FY25F | FY26F |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Asset | | | | | | |
| Cash & Marketable Secur | 3,604 | 5,916 | 6,162 | 6,395 | 6,608 | 6,970 |
| Loans | 10 | 60 | 19 | 531 | 573 | 619 |
| Current Accounts | 1,082 | 743 | 771 | 1,674 | 1,757 | 1,827 |
| Total Current Assets | 14,716 | 18,065 | 17,819 | 17,911 | 19,279 | 20,228 |
| Fixed Assets | 377 | 379 | 376 | 335 | 399 | 426 |
| Investments | 3,281 | 2,494 | 2,981 | 3,247 | 2,785 | 2,976 |
| Total Non Current Assets | 3,828 | 3,097 | 3,616 | 3,837 | 3,468 | 3,705 |
| Total Asset | 18,544 | 21,162 | 21,435 | 21,748 | 22,747 | 23,934 |
| Liabilities | | | | | | |
| Portion of Long Term Det | - | - | - | - | - | - |
| Deposits | 2,068 | 2,205 | 2,222 | 2,125 | 2,258 | 2,399 |
| Total Current Liabilities | 2,289 | 2,557 | 2,454 | 2,357 | 2,613 | 2,778 |
| Long-Term Debt | - | - | - | - | - | - |
| Total Non Current Liabilities | 254 | 353 | 283 | 474 | 328 | 351 |
| Total Liabilities | 2,543 | 2,911 | 2,737 | 2,832 | 2,941 | 3,129 |
| Equity | 7,095 | 8,408 | 8,777 | 9,317 | 10,239 | 11,237 |

Source : Company | Phintraco Sekuritas Research

| RATIOS | FY21 | FY22 | FY23 | FY24 | FY25F | FY26F |
|----------------------------------------|--------|--------|--------|--------|--------|--------|
| Profitability Ratio (%) | | | | | | |
| <i>OPM (EBITDA Margin)</i> | 38.42% | 40.06% | 16.33% | 15.08% | 15.71% | 15.39% |
| <i>NPM</i> | 33.24% | 35.25% | 20.39% | 22.03% | 21.21% | 21.16% |
| <i>ROA</i> | 7.90% | 8.41% | 5.04% | 4.88% | 4.77% | 4.82% |
| <i>ROE</i> | 20.65% | 21.17% | 12.31% | 11.39% | 10.64% | 10.35% |
| Banking Ratio | | | | | | |
| <i>BOPO</i> | 59.97% | 58.12% | 76.24% | 75.40% | 67.43% | 73.02% |
| <i>LFR</i> | 95.17% | 95.68% | 93.78% | 86.50% | 94.88% | 93.20% |
| <i>CAR</i> | 58.27% | 53.66% | 51.60% | 53.20% | 54.18% | 54.18% |
| <i>NPF Gross</i> | 2.40% | 2.60% | 2.90% | 3.70% | 2.63% | 2.85% |
| Price Ratio | | | | | | |
| <i>Share Price (IDR)</i> | 3,580 | 2,790 | 1,690 | 985 | 1,227 | 1,288 |
| <i>Average Share Price (IDR)</i> | 3,321 | 3,079 | 2,072 | 1,219 | 1,227 | 1,288 |
| <i>Outstanding Shares (in Billion)</i> | 8 | 8 | 8 | 8 | 8 | 8 |
| <i>EPS (IDR)</i> | 190 | 231 | 140 | 138 | 141 | 151 |
| <i>BVPS (IDR)</i> | 921 | 1,091 | 1,139 | 1,209 | 1,329 | 1,459 |
| <i>RPS (IDR)</i> | 572 | 655 | 688 | 625 | 668 | 714 |
| <i>PER(X)</i> | 18.83 | 12.08 | 12.05 | 7.15 | 8.68 | 8.53 |
| <i>PBV(X)</i> | 3.89 | 2.56 | 1.48 | 0.81 | 0.92 | 0.88 |
| <i>P/R(X)</i> | 6.26 | 4.26 | 2.46 | 1.58 | 1.84 | 1.81 |
| <i>EV/EBITDA</i> | 190.17 | 231.00 | 140.27 | 137.75 | 141.36 | 151.04 |
| Dividends | | | | | | |
| <i>DPS</i> | 23 | 37 | 41 | - | - | - |
| <i>DPR</i> | 11.89% | 16.20% | 29.52% | - | - | - |
| <i>Div. Yield</i> | 0.60% | 1.05% | 1.48% | - | - | - |

Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

| | |
|------------|---------|
| <i>CAR</i> | >8% |
| <i>LDR</i> | 78%~92% |

Source : Company | Phintraco Sekuritas Research

BTPS P/B Band (5 Years)



Source : Company | Phintraco Sekuritas Research

Glossarium

| | |
|--------|------------------------------------------------------------------------|
| CFFO | : <i>Cash Flow from Operating</i> |
| CFFI | : <i>Cash Flow from Investing</i> |
| CFFF | : <i>Cash Flow from Financing</i> |
| EBITDA | : <i>Earning Before Interest, Tax, Depreciation & Amortization</i> |
| EBIT | : <i>Earning Before Interes & Tax</i> |
| EBT | : <i>Earning Before Tax</i> |
| OPM | : <i>Operating Profit Margin</i> |
| NPM | : <i>Net Profit Margin</i> |
| ROA | : <i>Return on Asset</i> |
| ROE | : <i>Return on Equity</i> |
| EPS | : <i>Earning per Share</i> |
| BVPS | : <i>Book Value per Share</i> |
| RPS | : <i>Revenue per Share</i> |
| PER | : <i>Price to Earning Ratio</i> |
| PBV | : <i>Price to Book Value</i> |
| P / R | : <i>Price to Revenue Ratio</i> |
| DPS | : <i>Dividend per Share</i> |
| DPR | : <i>Dividend Payout Ratio</i> |
| EV | : <i>Enterprise Value</i> |
| OJK | : <i>Otoritas Jasa Keuangan</i> |
| COF | : <i>Cost of Fund</i> |
| BOPO | : <i>Biaya Operasi Pendapatan Operasi</i> |
| DPK | : <i>Dana Pihak Ketiga</i> |
| CAR | : <i>Capital Adequacy Ratio</i> |
| CASA | : <i>Current Account Saving Account</i> |
| LDR | : <i>Loan to Deposit Ratio</i> |
| LFR | : <i>Loan to Financing Ratio</i> |
| NIM | : <i>Net Interest Margin</i> |
| NPL | : <i>Non Performing Loan</i> |
| PPOP | : <i>Pre-Provision Operating Profit</i> |



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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