Stock Research Report

July 28, 2025

ajaib RESEARCH
PT Ajaib Sekuritas Asia

BTPS
PT Bank BTPN Syariah Tbk

Profit Rebound on Lower Provisions

- Cohort-based lending cuts delinquency to 0.20%, backed by tighter underwriting and stronger group discipline.
- Disbursement shift to Sumatra, Sulawesi, and Kalimantan (~50%) improves repayment quality and reduces risk.
- 1H25 profit rose +17% YoY, driven by falling provisioning and high efficiency, with ROE nearing 16%.
- At 1.1x PB, BTPS is undervalued given its improving ROE, strong capital, and cleaner loan pipeline.

Structural Asset Quality Gains from Cohort-Based Lending

BTPS continues to see tangible improvements in loan quality as its post-pandemic cohort-based lending model matures. Loans disbursed in 2025 exhibited a sharp decline in MOB3 delinquency to 0.20% (vs 0.79% in 2023), indicating higher underwriting discipline and better borrower selection. This improvement is supported by enhanced behavioral scoring and stricter group lending filters. Weekly group attendance, a critical early warning indicator, rose to 88.4% in 2Q25 (vs. 53.9% YoY), showing improved repayment culture. Despite a mild increase in gross NPF to 2.74% (+6 bps QoQ), this was largely driven by pre-2022 legacy loans. Provisioning coverage improved to 248% (vs. 223% in 1Q25), while total financing contracted to Rp10.2tn (-3% YoY), reflecting management's continued prioritization of asset quality over headline growth.

Strategic Regional Diversification Drives Portfolio Resilience

BTPS is actively rebalancing its geographic exposure, gradually reducing disbursement in Java, where borrower income recovery remains sluggish, and scaling up in Sumatra, Sulawesi, and Kalimantan. As of 2Q25, outer-island disbursements contributed ~50% of new originations, a structural shift from ~30% pre-COVID. These regions have shown stronger early-stage repayment behavior and lower volatility. Disbursement volume remained stable at Rp1.1–1.2tn per quarter, supported by an improving operational base. Total active customers reached 3.82 million on 2Q25 (vs 3.81 in 1Q25), and staff attrition fell to 7.1% YTD (vs. 9.5% last year), boosting productivity and institutional knowledge retention, key for BTPS's high-touch group lending model. Management sees outer-island regions as key growth contributors, though Java still accounts for a large share of total loans.

Profit Recovery Supported by Provisioning Decline and Efficiency

BTPS booked Rp333bn net income in 2Q25 (+7.1% QoQ), bringing 1H25 earnings to Rp644bn (+17.0% YoY), driven largely by a sharp drop in credit costs, with net financing losses down to Rp392bn (-43.4% YoY). Interest income moderated slightly to Rp2,6tn (-4.9% YoY) due to flat loan growth to Rp10.1tn (-2.9% YoY), but cost of funds remained low at 4.4%, helping protect net interest margin. Efficiency stayed high, with cost-to-income at 48%, supported by controlled expansion and digitized collection processes. ROA and ROE improved to 7.9% (vs 6.6% in 1H24) and 14.2% (vs 13.4% in 1H24), respectively, with FY26F ROE projected to reach 14.5%. Capital adequacy remains highly conservative at 55.4%, far above the regulatory minimum and peers, giving BTPS ample flexibility for dividend payout, digital initiatives, or potential share buybacks.

Re-rating Potential on Valuation Compression and Cleaner Book

Despite signs of fundamental improvement, BTPS trades at only 1.1x 2025F PB, well below its 3-year average (1.6x) and peers with similar profitability metrics. FY26F earnings are forecast at Rp1.54tn (+17% YoY), implying attractive upside given its improving ROE and clean credit pipeline. We recommend a **BUY** call with a **Rp2,100 TP**, based on 1.5x PB applied to FY26F BVPS. The stock offers a rare combination of high ROA, strong provisioning buffer, and visible margin recovery. **Key risks:** potential deterioration in new cohort performance, execution challenges in outer-island expansion, constrained earnings from weak loan growth, and delayed re-rating if Java recovery lags.

Key Financial Highlights

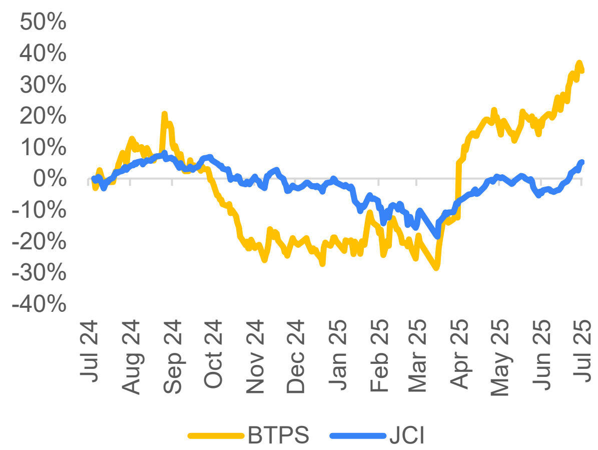
Key Metrics	2023	2024	2025F	2026F	2027F
Net Interest Income (Rp bn)	5,260	4,894	4,840	5,082	5,336
PPOP (Rp bn)	3,277	2,710	2,628	2,831	3,030
Net Profit (Rp bn)	1,081	1,061	1,307	1,540	1,762
NIM (%)	26.3	23.4	23.1	23.1	23.1
CAR (%)	56.6	48.6	45.6	45.1	44.5
Loan Growth (%)	-1.0	-11.1	-1.0	-1.0	-1.0
PB (x)	2.5	1.5	0.8	1.5	1.5

BUY

Stock Information (as of July 25 2025)

Last Price (Rp)	1,500
Target Price (Rp)	2,100
Potential Upside	40.0%
Market Cap (Rp tn)	11.4
52 Week Range (Rp)	1,630 - 800
Free Float	30.0%
Share Out. (bn)	7.6
Beta	1.7

Stock Performance Comparison vs JCI



Shareholders

BTPS's Shareholders	%
PT Bank SMBC Indonesia Tbk	55.4
Public	30.0

Company Description

BTPS's Company Profile

PT Bank BTPN Syariah Tbk is an Indonesia-based company, which is engaged in the sharia banking. The Company operates their business in one segment, which is financing using murabahah contract. The Company is focused on serving underprivileged families. Its products include funding and financing.

Analyst

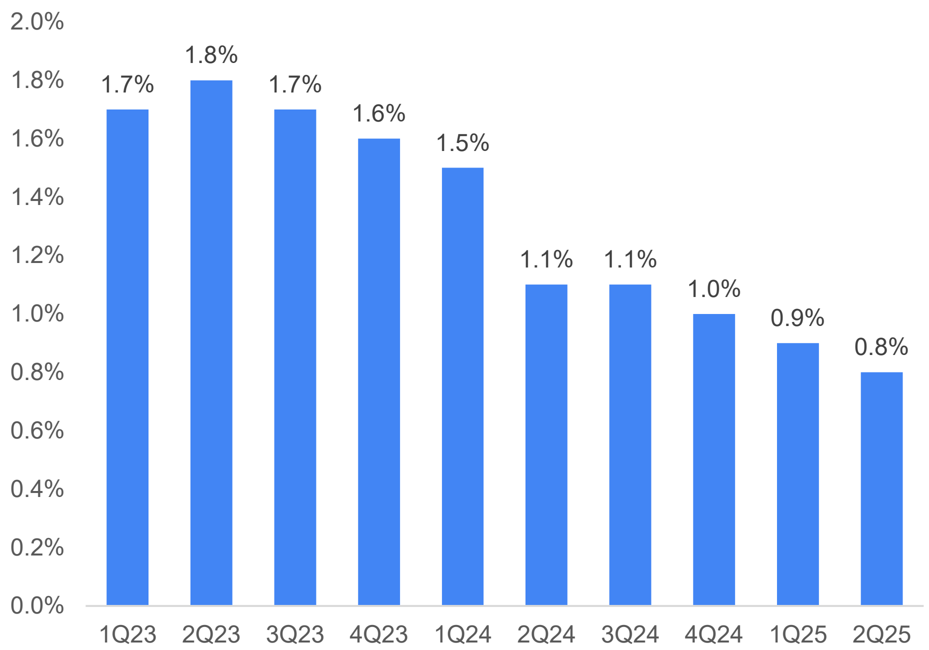
Rizal Rafly
rizal.rafly@ajaib.co.id

Figure 1. BTPS's 1H25 Financial Results

Key Metrics (Rp bn)	1H25	1H24	YoY	2Q25	1Q25	QoQ	2Q24	YoY
Interest Income	2,604	2,737	*-4.9%*	1,307	1,297	*0.8%*	1,364	*-4.2%*
Net Interest Income	2,359	2,481	*-4.9%*	1,185	1,174	*0.9%*	1,234	*-4.0%*
PPOP	1,213	1,394	*-13.0%*	611	602	*1.5%*	692	*-11.7%*
Net Profit	644	552	*16.7%*	333	311	*7.1%*	288	*15.6%*
Return on Equity	*14.2%*	*13.4%*		*14.6%*	*13.8%*		*14.0%*	
Cost of Fund	*4.4%*	*4.3%*		*4.4%*	*4.4%*		*4.3%*	
Capital Adequacy Ratio	*54.5%*	*50.1%*		*54.5%*	*53.5%*		*47.6%*	

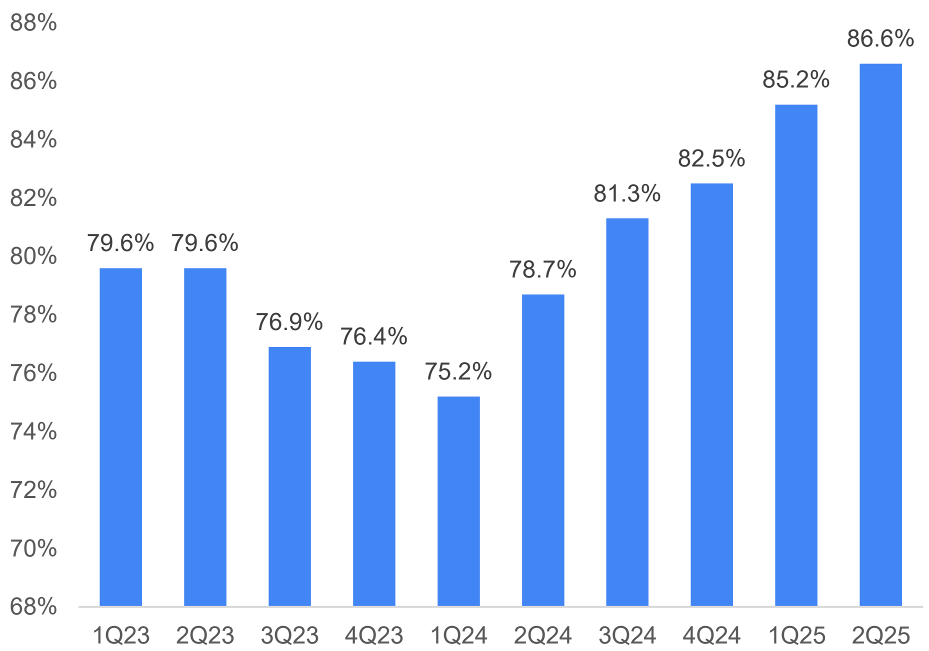
Source: Company, Ajaib Research

Figure 2. Trend of x-days (1-30 days past due)



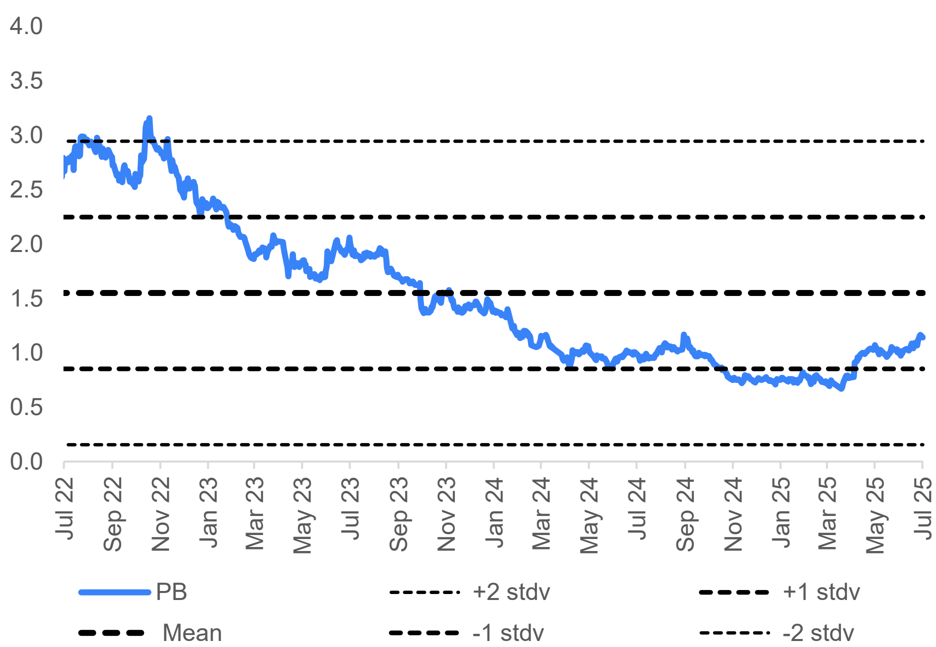
Source: Company, Ajaib Research

Figure 3. Trend on time payment at the customer meeting



Source: Company, Ajaib Research

Figure 4. BTPS's PB band 3-year historical



Source: Company, Ajaib Research

Figure 5. Historical valuation

Key Metrics	Value
Target PB (x)	1.5
Book Value 2026F (Rp bn)	10,597
Shares Outstanding (bn)	7.6
BVPS 2026F (Rp)	1,390
Target Price (Rp)	**2,100**
Current Price	1,500
Potential Upside	40.0%

Source: Company, Ajaib Research

Figure 6. Peers comparison

Ticker	Market Cap (Rp tn)	PB (x)	PE (x)	ROE (%)	Div. Yield (%)
BTPS	11.4	1.5	6.9	14.5	6.1
BRIS	131.1	2.0	12.0	17.7	1.4
BBRI	582.2	1.6	8.5	19.4	10.0
BMRI	433.4	1.4	7.1	20.1	8.5
Sector Average		**1.6**	**8.6**	**17.9**	**6.5**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2023	2024	2025F	2026F	2027F
Interest Income	5,746	5,398	5,370	5,638	5,920
Interest Expense	-486	-504	-529	-556	-583
Net Interest Income	**5,260**	**4,894**	**4,840**	**5,082**	**5,336**
Non-Interest Income	61	44	60.5	66.5	58
Operating Income	5,321	4,938	4,901	5,149	5,394
Operating Expenses	-2,044	-2,228	-2,273	-2,318	-2,364
PPOP	**3,277**	**2,710**	**2,628**	**2,831**	**3,030**
Provisions & Allowances	-1,898	-1,360	-952	-857	-771
Operating Profit	**1,379**	**1,351**	**1,676**	**1,974**	**2,259**
Non-Operating Income	1	0	0	0	0
Pre-tax Profit	**1,380**	**1,352**	**1,676**	**1,974**	**2,259**
Income Tax	-299	-292	-369	-434	-497
Net Profit	**1,081**	**1,061**	**1,307**	**1,540**	**1,762**

Growth (%)	2023	2024	2025F	2026F	2027F
Interest Income	6.9	-6.1	-0.5	5.0	5.0
PPOP	1.6	-27.3	-3.0	7.7	7.0
Net Profit	-39.3	-1.8	23.2	17.8	14.4
Total Loans	-1	-11.1	-1.0	-1.0	-1.0
CASA	4.8	-0.3	-5.0	5.0	5.0
Deposit	0.8	-3.4	-1.0	5.0	5.0
Earnings Asset	4.4	-4.3	4.4	4.7	5.0
Shareholders' Equity	4.4	6.1	10.7	2.8	2.8

Balance Sheet (Rp bn)	2023	2024	2025F	2026F	2027F
Cash	497	593	623	654	686
Reserve Requirement	663	669	636	604	574
Net Liquid Investment	8,916	10,154	11,169	12,286	13,515
Loans	10,174	9,248	9,156	9,064	8,973
Others	1,185	1,084	1,035	915	715
Total Asset	**21,435**	**21,748**	**22,618**	**23,523**	**24,464**
CASA	3,112	3,102	2,947	3,094	3,249
Time Deposit	9,031	8,623	8,537	8,964	9,412
Other liabilities	518	709	826	867	911
Total liabilities	**12,661**	**12,434**	**12,310**	**12,925**	**13,571**
Shareholder equity	8,774	9,314	10,308	10,597	10,892
Total liabilities & Equity	**21,435**	**22,020**	**22,618**	**23,523**	**24,464**

Ratio (%)	2023	2024	2025F	2026F	2027F
CAR	56.6	48.6	45.6	45.1	44.5
Net Interest Margin (NIM)	26.3	23.4	23.1	23.1	23.1
Cost to Income Ratio	38.4	45.1	46.4	45.0	43.8
Cost of Fund	4.0	4.2	4.0	4.0	4.0
Gross NPL	2.9	2.9	2.6	2.5	2.4
ROAA	5.1	4.9	5.8	6.5	7.2
ROAE	12.6	11.7	12.7	14.5	16.2
CASA Mix	25.6	26.0	25.7	25.7	25.7
Yield on Earnings Asset	28.7	27.0	25.6	25.7	25.7

Source: Company, Ajaib Research

PT Ajaib Sekuritas Asia
Neo Soho @Podomoro City Lt. 30,
Jl. Letjen S. Parman No.28,
Jakarta Barat
Email: support.saham@ajaib.co.id
Phone: 021-30003606

Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

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 ≤ +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”

Analyst Certification:
The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

PREPARED BY AJAIB RESEARCH TEAM

DISCLAIMER
This research report is published by PT Ajaib Sekuritas Asia and is based on information from sources that we believe to be reliable but have not been independently verified. We have taken all reasonable care to ensure that information contained herein is not untrue or misleading at the time of publication, however PT Ajaib Sekuritas Asia makes no representation as to its accuracy or completeness and it should not be solely relied upon. This research report is provided for the Investors of PT Ajaib Sekuritas Asia. Research reports which contain opinions may change anytime without any obligation for PT Ajaib Sekuritas Asia to notify any party. This research report is not intended for media publication. The media is not allowed to quote this research report in any article whether in full or in parts without permission from PT Ajaib Sekuritas Asia. For further information, the media can contact PT Ajaib Sekuritas Asia if they wish to refer to this research report.

This research report was prepared, approved, published and distributed by PT Ajaib Sekuritas Asia. This research report is not a recommendation, invitation, or order to make any investment decisions, including but not limited to, buy or sell certain investment products. Any investment decision made by the Investor will be the sole responsibility of the Investor, and PT Ajaib Sekuritas Asia nor any officer or employee of PT Ajaib Sekuritas Asia are not responsible for any losses that may occur due to the Investor’s investment decision.