

### Investment Consideration Stronger Net Profit

In 1Q21, Net Profit increased significantly by 40% YoY. Good cost control can be seen in the operating expenses which increased by only 3% YoY. NIM was stable at 15% on an annual basis, helped by a lower cost of funds (CoF) which fell to a record low of 4.4% in 1Q21.

### Financing growth

In 1Q21, Financing grew 22% YoY, with growth driven by expansion to new customers in businesses related to basic needs and to existing customers requiring higher loan sizes. BTPS sees that loan demand in the field has returned, but they are relatively conservative in distributing new loans, and still see competitive pressure in the ultra-micro market. Seeing that financing growth recovering with the economy, our estimate is that financing will grow by 12,3% YoY in 2021F

### Loan Restructured

As of March 21, 2021, BTPS has carried out a credit restructuring of IDR 7.3 trillion or 75% of total loans. Half of the restructured loans have begun to pay again while the other half are still in the process of a pending payment scheme. BTPS expects about 10% of pending payments to risk going into NPLs. BTPS also cleaned up its portfolio with write-offs of IDR 200 billion or 2.2% of the total financing in 1Q21

### Valuation: 21% Upside, Buy.

Based on our DDM Valuation, we have a target price within one year of IDR 4,030, or trading at 3.9x PBV which gives 21% potential upside, Buy.

Income Statement (Idr bn)	2018	2019	2020	2021F	2022F	2023F
Interest Income	3.447	4.457	4.037	3.668	4.229	5.175
Interest Expense	-368	-524	-498	-410	-506	-628
<b>Net Interest Income</b>	<b>3.815</b>	<b>4.981</b>	<b>4.535</b>	<b>4.078</b>	<b>4.736</b>	<b>5.803</b>
Net Operating Income	13	18	22	27	33	41
Operating Expense	1.517	1.747	1.585	2.062	2.446	3.107
<b>PPOP</b>	<b>1.576</b>	<b>2.204</b>	<b>1.977</b>	<b>1.223</b>	<b>1.310</b>	<b>1.480</b>
Provision Expense	274	323	857	32	28	77
<b>Operating Profit</b>	<b>1.850</b>	<b>2.527</b>	<b>2.834</b>	<b>1.255</b>	<b>1.338</b>	<b>1.558</b>
Profit Before Tax	1.299	1.878	1.124	1.195	1.287	1.408
Tax Expense	334	479	270	296	313	346
<b>Net Profit</b>	<b>965</b>	<b>1.400</b>	<b>855</b>	<b>900</b>	<b>973</b>	<b>1.062</b>
<b>EPS (Rp/Share)</b>	<b>129,82</b>	<b>181,70</b>	<b>110,95</b>	<b>116,78</b>	<b>126,34</b>	<b>137,87</b>

4 May 2021  
Banking, Equity

Price IDR. 3330  
Target Price IDR. 4030  
JKSE Index 5952.60



Stock Information  
Bloomberg code **BTPS IJ**  
Market cap (IDR bn) **26,577.8B**  
52-Week High (IDR) **5,125**  
52-Week Low (IDR) **1,790**  
6-m Avg Daily. Val (IDR) **3,128**

Major Shareholders (%)  
BTPN **70.00%**  
Public **29.97%**  
Treasury **0.03%**

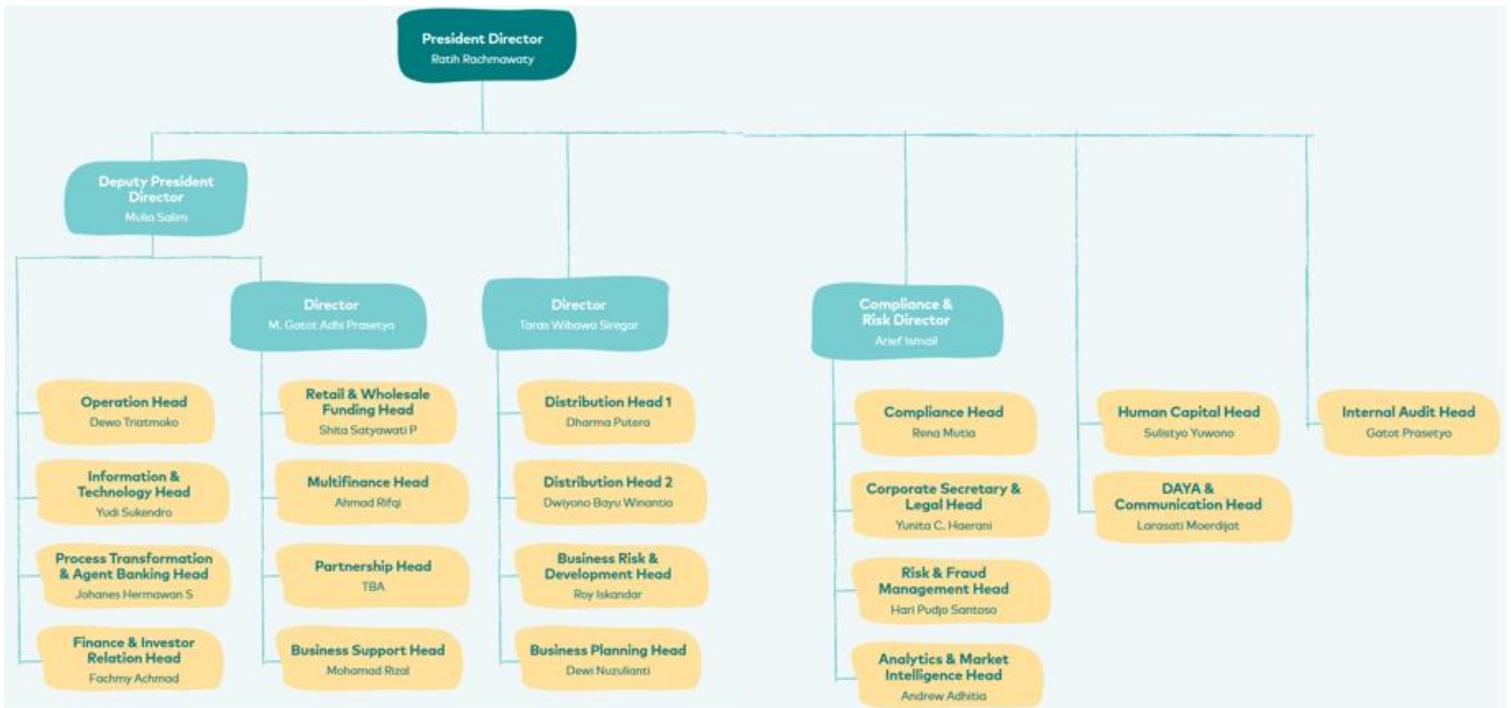
USD/IDR-YE (IDR)  
2020A **14,050**  
2021F (6M Avg) **14,228**

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**Company Profile**

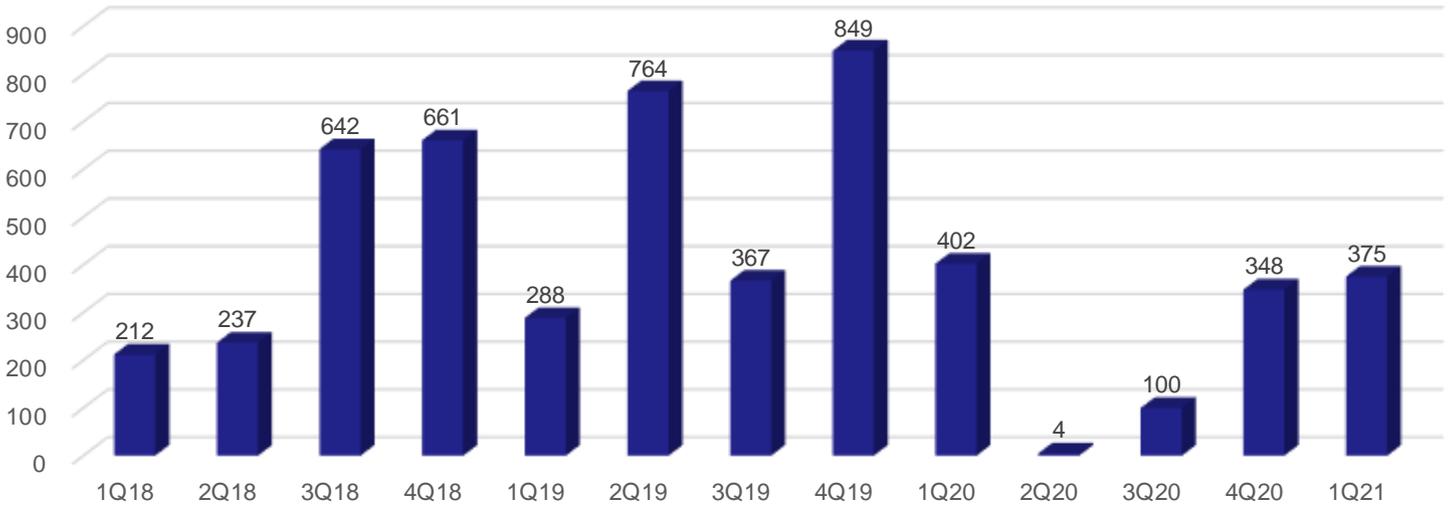
PT National Pension Savings Bank Syariah was established under the name of PT Bank Purba Danarta, based on Notarial Deed No. 10 dated 7 March 1991 which was amended by the Notarial Deed No. 39 dated May 25, 1992, and Notarial Deed No. 25 dated 11 July 1992. All the Notarial Deeds were made before Haji Abu Jusuf, S.H., notary in Jakarta and approved by the Minister of Justice of the Republic of Indonesia whose name was amended several times and became the Minister of Law and Human Rights ("Menkumham"), in its decree No. C2.5839.HT.01.01-TH.92 dated 21 July 1992, and registered in the court registry office in Semarang on 30 July 1992, No. 206A / 1992 / II and published in State Gazette of the Republic of Indonesia No. 81 dated 9 October 1992, supplement to No. 5020 with license to perform business activities as a Commercial Bank under the Decision Letter of Minister of Finance No. 1060 / KMK.017 / 1992 dated 14 October 1992.

**Company Structure**

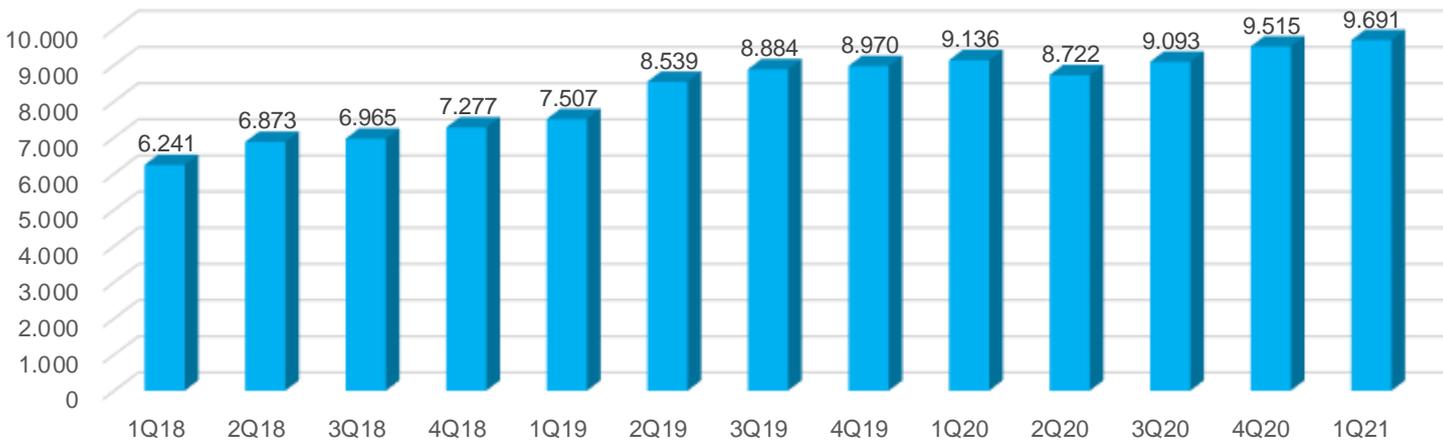


Source: Company

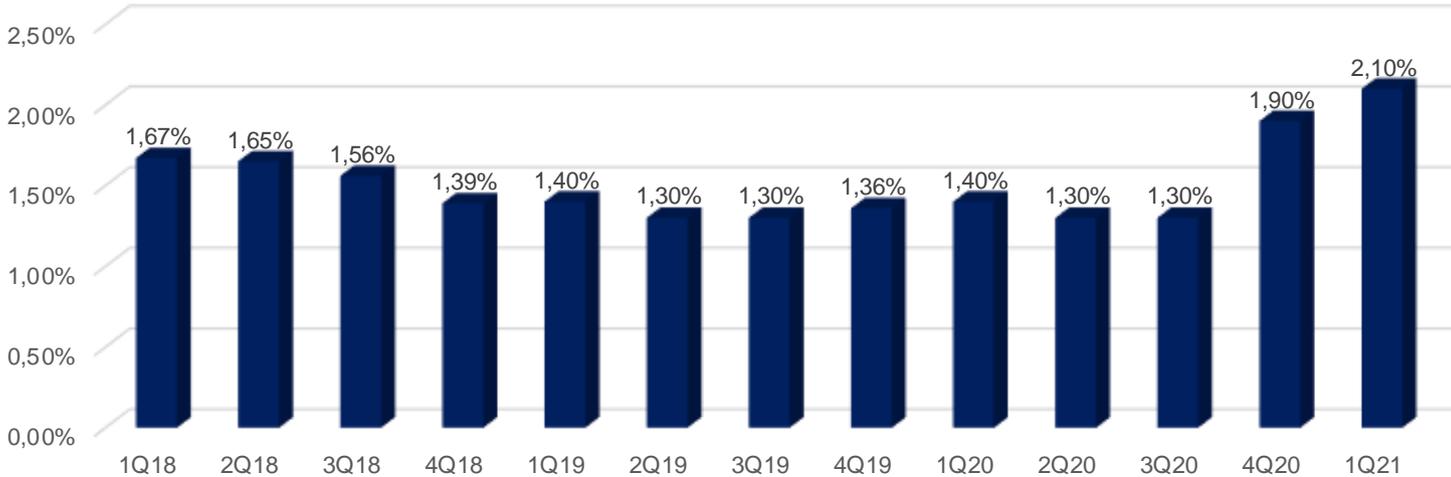
**Chart: Net Income (x) QoQ**



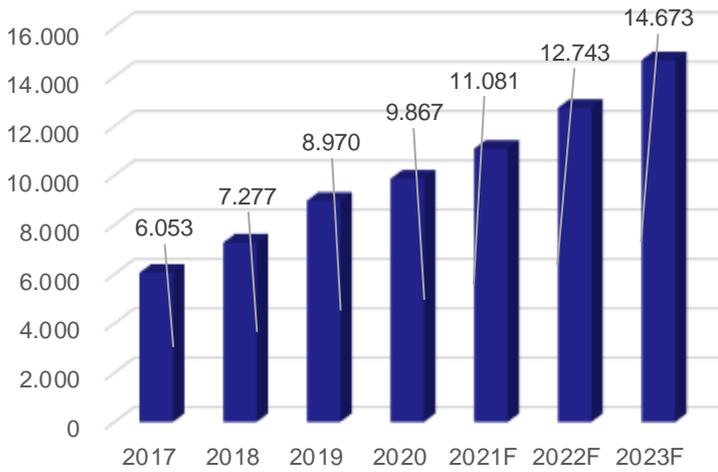
**Chart: Gross Loan (x) QoQ**



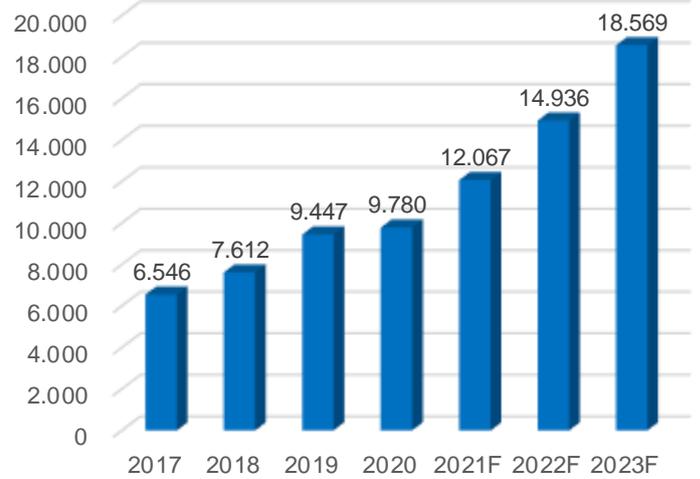
**Chart: Non Performing Loan (x) QoQ**



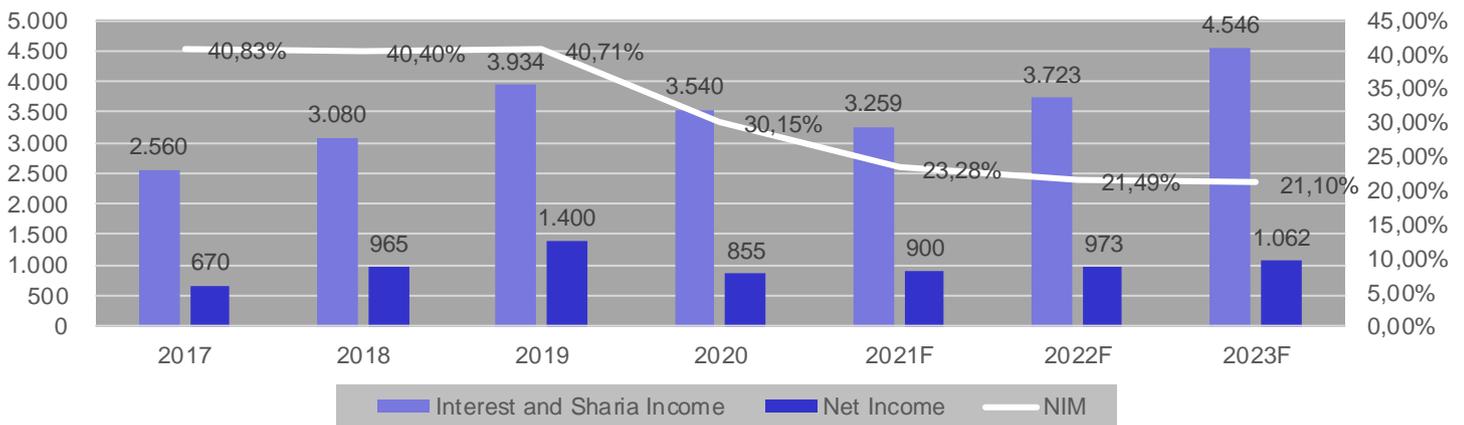
**Chart: Gross Loan (x) YoY**



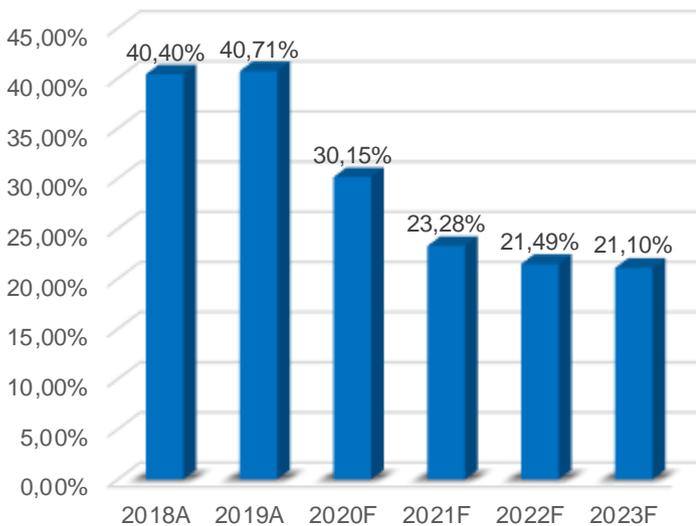
**Chart: Customer Deposit (x) YoY**



**Chart: Profitability (x) YoY**



**Chart: Net Interest Margin (x) YoY**



**Chart: Loan to Deposit Ratio (x) YoY**



**Balance Sheet (IDR.bn)**

Balance sheet (ldr bn)	2018	2019	2020	2021F	2022F	2023F
Cash and CA with BI	3.056	3.820	4.089	4.805	4.662	2.893
Interbank Placement	317	38	28	277	435	652
Marketable Securities	1.031	2.072	2.803	3.042	4.779	7.160
Gross Loan	7.277	8.970	9.515	11.081	12.743	14.673
Allowance for Loans	100	145	196	226	250	324
Loans-net	7.377	9.115	9.711	11.307	12.994	14.997
Other Earning Asset	1.255	1.978	2.228	2.919	4.585	6.870
Non Earning Asset	351	470	407	490	606	754
<b>Total Asset</b>	<b>12.039</b>	<b>15.383</b>	<b>16.435</b>	<b>19.521</b>	<b>22.847</b>	<b>25.514</b>
Deposit:						
Current Account	100	25	51	103	208	419
Saving Account	1.633	1.976	1.973	2.269	2.610	3.001
Time Deposits	5.878	7.446	7.756	9.695	12.119	15.149
Other Interest Bearing Liabilities	0	0	0	0	0	0
Non Interest Bearing Liabilities	430	543	776	837	904	975
<b>Total Liabilities</b>	<b>8.042</b>	<b>9.990</b>	<b>10.556</b>	<b>12.905</b>	<b>15.840</b>	<b>19.544</b>
<b>Total Shareholder's Equity</b>	<b>3.997</b>	<b>5.393</b>	<b>5.879</b>	<b>6.617</b>	<b>7.007</b>	<b>5.970</b>

**Income Statement (IDR.bn)**

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Net Operating Income	13	18	22	27	33	41
Operating Expense	1.517	1.747	1.585	2.062	2.446	3.107
<b>Pre Provision Operating Profit</b>	<b>1.576</b>	<b>2.204</b>	<b>1.977</b>	<b>1.223</b>	<b>1.310</b>	<b>1.480</b>
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**Ratio Highlights**

<b>Ratio Analysis</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
<b>Profitability &amp; Efficiency</b>						
NIM	40,40%	40,71%	30,15%	23,28%	21,49%	21,10%
Cost-to-Income Ratio	-49,04%	-44,22%	44,51%	62,77%	65,13%	67,73%
Cost of Credit	3,76%	3,60%	9,01%	0,29%	0,22%	0,53%
ROE	24,15%	25,95%	14,54%	13,60%	13,89%	17,79%
ROA	8,02%	9,10%	5,20%	4,61%	4,26%	4,16%
ROAE	26,94%	25,05%	20,24%	14,07%	13,74%	15,84%
BOPO	62,36%	57,97%	72,42%	67,78%	69,92%	73,11%
<b>Liquidity</b>						
FDR	95,60%	94,96%	97,28%	91,83%	85,32%	79,02%
CASA	22,77%	21,18%	20,70%	19,66%	18,86%	18,42%
<b>Asset Quality</b>						
Gross NPF	1,39%	1,36%	1,90%	1,90%	1,78%	2,00%
Provision Coverage	328,00%	238,00%	467,00%	315,00%	337,00%	337,00%
<b>Capital</b>						
CAR	40,90%	44,60%	49,40%	44,97%	46,32%	46,90%
<b>Growth</b>						
Loan Growth	20,22%	23,27%	10,00%	12,30%	15,00%	15,14%
Deposit Growth	16,29%	24,10%	3,53%	23,38%	23,77%	24,32%
Net Income Growth	44,04%	44,99%	-38,94%	5,26%	8,18%	9,13%

**QoQ Result**

Balance Sheet	1Q20	4Q20	1Q21	%QoQ	%YoY
Loan	8.970	9.093	9.515	4,63%	6,07%
Loan Loss Reserves	145	0	196	#DIV/0!	35,62%
NPL	122	118	181	52,93%	48,18%
Deposit					
Demand	25	25	51	103,67%	101,81%
Savings	1.976	1.952	1.973	1,08%	-0,10%
Time Deposit	7.446	7.267	7.756	6,73%	4,17%
<b>Total Asset</b>	<b>15.383</b>	<b>15.469</b>	<b>16.435</b>	<b>6,24%</b>	<b>6,84%</b>
<b>Shareholder Equity</b>	<b>5.393</b>	<b>5.539</b>	<b>5.879</b>	<b>6,13%</b>	<b>9,00%</b>

Income Statement	1Q20	4Q20	1Q21	%QoQ	%YoY
Interest Income	1.230	1.000	1.102	10,19%	-10,40%
Interest Expense	139	119	115	-3,28%	-17,24%
<b>Net Interest Income</b>	<b>1.091</b>	<b>881</b>	<b>987</b>	<b>12,01%</b>	<b>-9,53%</b>
Net Operating Income	3	4	4	16,35%	32,20%
Operating Expense	97	756	545	-27,87%	460,18%
<b>PPOP</b>	<b>997</b>	<b>129</b>	<b>446</b>	<b>245,82%</b>	<b>-55,25%</b>
Operating Profit	-1	2	0	-86,18%	-114,69%
Profit Before Tax	996	131	446	241,99%	-55,16%
Tax Expense	147	31	98	220,49%	-32,91%
<b>Net Profit</b>	<b>849</b>	<b>100</b>	<b>348</b>	<b>248,60%</b>	<b>-59,00%</b>

Ratio	1Q20	4Q20	1Q21	%QoQ	%YoY
<b>Profitability &amp; Efficiency</b>					
NIM	12,28%	7,68%	14,97%	7,29	2,69
Cost-to-Income Ratio	40,00%	45,00%	42,00%	(3,00)	2,00
ROE	29,80%	16,10%	25,80%	9,70	(4,00)
ROA	13,60%	7,20%	11,40%	4,20	(2,20)
BOPO	54,80%	72,42%	57,20%	(15,22)	2,40
Cost of Fund	5,60%	5,20%	4,40%	(0,80)	(1,20)
<b>Liquidity</b>					
FDR	92,16%	97,28%	94,69%	(2,59)	2,53
<b>Asset Quality</b>					
Gross NPF	1,40%	1,90%	2,10%	0,20	0,70
Loan Provision Coverage	230,00%	467,00%	372,00%	(95,00)	142,00
<b>Capital</b>					
CAR	42,40%	49,40%	50,70%	1,30	8,30

**Stock Ratings:**

Buy: a recommendation to purchase the security with upside potential of 20% or greater

Hold: a recommendation to neither buy nor sell a security with upside potential of 0-19%.

Sell: a recommendation to close out a long position in a security with upside potential below 0% or negative.

**RESEARCH TEAM  
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