

STOCK VALUATION OF PT BANK SYARIAH INDONESIA, TBK

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ABSTRACT

Indonesia is the country with the second largest Muslim population in the world. According to the State of the Global Islamic Economy (SGIE) Report, Indonesia's Islamic market will be the third largest globally by 2023, behind Malaysia and Saudi Arabia. Therefore, to accelerate the halal ecosystem's growth, the government, through the Ministry of State-Owned Enterprises (BUMN), is establishing PT Bank Syariah Indonesia Tbk (BSI). The government through the Ministry of SOEs is encouraging BSI to expand overseas. After opening a branch in Dubai, United Arab Emirates, BSI plans to open a branch in Saudi Arabia soon. Strategic investors are needed for BSI to be able to access the Middle East financial market, especially Saudi Arabia. Investors need information and analysis regarding the potential benefits that will be obtained before deciding to invest in BSI. This study uses qualitative and quantitative methods. The first objective of this study is to compare BSI's performance with the banking industry using the competitor analysis matrix method. Second, to analyze macroenvironmental aspects using the PESTLE and Porter's Five Forces methods. Third, to evaluate BSI shares using the excess return valuation method, asset-based valuation to determine the intrinsic value and relative valuation using the PER and PBV comparison. The results of the competitor analysis matrix study, BSI got a score of 4.61 which means BSI's performance is above the industry average. The intrinsic value of BRIS in the best scenario was IDR 2.949, the moderate was IDR 2.435, and the worst was IDR 2.101. Based on the calculation of intrinsic value using the asset-based model, the resulting intrinsic value is IDR 2.616 per share. The next analysis is relative valuation using the Price-to-earning (P/E) Ratio and price-to-book value (PBV) of PT Bank Syariah Indonesia compared to the industry average. Based on the results of the Monte Carlo simulation, the peak point was obtained at around 2.000–2.500, indicating that most simulation results predict stock prices in this range. The mean value of all simulation results is IDR 2.718. This is the central estimate of the most likely stock valuation in the average scenario. If the current market price is close to this value, the stock can be considered fairly valued. Share price BRIS per 11 Nov 2024 of IDR 2.820 per share, based on simulation upside probability 35%.

Keywords : Competitors Analysis, Stock Valuation, Excess Return valuation, Asset Based Valuation, Relative Valuation

ABSTRAK

Indonesia adalah negara dengan populasi Muslim terbesar kedua di dunia. Menurut laporan State of the Global Islamic Economy (SGIE), pasar syariah Indonesia akan menjadi yang terbesar ketiga di dunia pada tahun 2023, setelah Malaysia dan Arab Saudi. Oleh karena itu, untuk mempercepat pertumbuhan ekosistem halal, pemerintah melalui Kementerian Badan Usaha Milik Negara (BUMN) mendirikan PT Bank Syariah Indonesia Tbk (BSI). Pemerintah melalui Kementerian BUMN mendorong BSI untuk berekspansi ke luar negeri. Setelah membuka cabang di Dubai, Uni Emirat Arab, BSI berencana membuka cabang di Arab Saudi dalam waktu dekat.

Investor strategis dibutuhkan agar BSI dapat mengakses pasar keuangan Timur Tengah, khususnya Arab Saudi. Investor membutuhkan informasi dan analisis terkait potensi keuntungan yang akan diperoleh sebelum memutuskan untuk berinvestasi di BSI. Penelitian ini menggunakan metode kualitatif dan kuantitatif. Tujuan pertama dari penelitian ini adalah untuk membandingkan kinerja BSI dengan industri perbankan dengan menggunakan metode matriks analisis pesaing. Kedua, menganalisis aspek lingkungan makro dengan menggunakan metode PESTLE dan Porter's Five Forces. Ketiga, melakukan penilaian saham BSI dengan menggunakan metode penilaian excess return, penilaian berbasis aset untuk mengetahui nilai intrinsik dan penilaian relatif dengan menggunakan perbandingan PER dan PBV. Hasil dari penelitian matriks analisis kompetitor, BSI mendapatkan skor 4.61 yang berarti kinerja BSI berada di atas rata-rata industri. Nilai intrinsik BRIS pada skenario terbaik adalah Rp 2.949, skenario moderat Rp 2.435, dan skenario terburuk Rp 2.101. Berdasarkan perhitungan nilai intrinsik dengan menggunakan model berbasis aset, nilai intrinsik yang dihasilkan adalah Rp 2.616 per saham. Analisis selanjutnya adalah valuasi relatif dengan menggunakan Price to earning (P/E) Ratio dan price to book value (PBV) PT Bank Syariah Indonesia dibandingkan dengan rata-rata industri. Berdasarkan hasil simulasi Monte Carlo, diperoleh titik puncak pada kisaran 2.000-2.500, yang mengindikasikan bahwa sebagian besar hasil simulasi memprediksi harga saham pada kisaran tersebut. Nilai rata-rata dari seluruh hasil simulasi adalah Rp 2.718. Ini adalah estimasi tengah dari valuasi saham yang paling mungkin terjadi dalam skenario rata-rata. Jika harga pasar saat ini mendekati nilai ini, maka saham tersebut dapat dianggap cukup bernilai. Harga saham BRIS per 11 November 2024 sebesar Rp 2.820 per saham, berdasarkan simulasi probabilitas kenaikan 35%.

Kata kunci : Analisis Pesaing, Penilaian Saham, Penilaian Pengembalian Berlebih, Penilaian Berbasis Aset, Penilaian Relatif

INTRODUCTION

The State of the Global Islamic Economy (SGIE) Report claims that Indonesia's Islamic market will be the third largest in the world by 2023, behind Malaysia and Saudi Arabia. There is immense potential for the development of the halal ecosystem in Indonesia, including in areas such as halal food, travel, cosmetics, fashion, finance, and pharmaceuticals. To ensure the improvement of the halal ecosystem in Indonesia, the government through the Ministry of State-Owned Enterprises (BUMN) has established the largest Islamic bank in Indonesia. PT Bank Syariah Indonesia Tbk or BSI was established due to the merger of PT Bank BRI Syariah Tbk, PT Bank Syariah Mandiri, and PT Bank BNI Syariah. OJK has given official approval for the merger of the three Islamic banks on January 27, 2021.

The Ministry of SOEs encourages BSI to look for strategic partners, namely by looking for investors from the Middle East to increase value creation and in accordance with BSI's vision to become a top ten global Islamic bank. Strategic investors are

needed for BSI to be able to access the Middle East financial market, especially Saudi Arabia. For example, if BSI gets a strategic investor, it will be easier to open a branch representative office to get access to Hajj and Umrah ecosystem transactions which have enormous potential, export and import transactions, and remittance business for Indonesian workers in the Middle East. Investors need to conduct an in-depth analysis if they want to acquire a company, especially if the company to be acquired is in a different country. Acquirers need to know if they are paying too much for mergers and acquisitions (M&A). Therefore, we recommend that target business valuations be carefully determined based on fair and reasonable judgments, not because the acquirers can afford to pay higher M&A premiums (Hossain Sawkat, 2021). Therefore, investors need to analyze what the appropriate share price is when determining investment by considering the potential business to be achieved. This is very important so that what investors expect either dividend or capital gains on the shares to be purchased can be achieved.

Based on the background that has been presented above, this study is divided into three objectives. First, to conduct a comparative analysis of BSI's financial performance with several banks using the competitor analysis metric method. Second, to conduct a macroenvironmental analysis using the PESTLE method and Porter's Five Forces to see the extent to which macroenvironmental factors affect BSI's business. Third, to conduct a valuation of BSI shares to determine the intrinsic value and relative value. Intrinsic value is calculated using the excess return method and asset-based valuation. While relative valuation is calculated using the Price to equity ratio (P/E) ratio and Price to Book Value approach. After that, an analysis simulation is carried out using the Monte Carlo method to provide an overview of the probability of share prices.

LITERATURE REVIEW

Macroenvironmental analysis is very important to identify external factors that can affect the company. The analysis can help decision-makers in the company to understand what factors affect the business, both opportunities and risks that will be faced. The external environment for a business and an economic sector is referred to as the macroenvironment. While it continuously exerts its impact, a corporation has very little control over this environment. Through a number of components, including

demographic, economic, political, legal, sociocultural, technical, global, and legal, the macroenvironment has an impact. It is crucial that decision-makers continuously monitor and assess the macroenvironmental conditions because each of these segments can present both opportunities and risks to an organization's plans and development (Hitt et al., 2018)

Stock valuation is a technique in stock appraisal, which seeks to estimate the value of a stock. In understanding the intrinsic value of the stock an investor is in a position to decide whether the stock of the company in question is overpriced or underpriced at the existing market price. In finance, the meaning of the word value is firm value which includes fundamental value and shareholder value. They are calculated with the help of Expected free cash flows because fundamental value is depended on the present value of these flows. Shareholder value is the value of a firm reduced by the value of debt to be paid out to shareholders. Firm value can be given from book value or market value. This definition is derived from the capability of stocks of a given company to perform on the market. In other words, market value is formed from supply and demand. Measuring and managing shareholder value can be done based on stock appreciation and dividends with the most popular practical measurement being the Total Shareholder Return. Organizations realize value through the appropriation of capital at a higher rate of return than the cost of capital. High returns and high-growth companies are those that receive the attention of the stock market more than any other. (Kumar, 2015). According to Damodaran (2006), For valuation, there are three methods on how it can be done. The first is the discounted cash flow valuation approach which relates the value of an asset to the expected cash flows of a given asset. The second method of estimating the value of an asset is Relative Valuation where an attempt is made to value the asset based on the price of similar assets that have been valued using common factors such as income, cash flows, Book Value or Sales. The third, conditional claim valuation, involves using option pricing techniques to evaluate assets with option-like characteristics. The main strength of the DCF model is that it lacks any form of qualitative analysis with respect to dividend yield. As such, it attracts those companies whose dividends are uncertain or undetermined.

Assessment frameworks are critically important in the analysis of mergers and acquisitions particularly valuation. There is a value to acquire that the target firm in

many cases is a crucial step in M&A due diligence. The bidding firm has to set a fair value of the target firm when it announces the bid while the target firm has to set a reasonable value for an offer. The post-bid value from the bidder's perspective is the sum of the bid stand-alone value of the target and the amount of value the bidder expects to create for the target's assets. The incremental value may be in the operation of the target or a combination of both companies. Because valuing the target must be based on valuing all of the additional cash flows and earnings (Kumar, 2015).

RESEARCH METHODOLOGY

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020:229). This research begins with a business issue owned by BSI for expansion plans to the global market, especially in the Middle East market by its vision of BSI becoming a global Islamic bank. Based on the business issue, the researcher wants to provide a comprehensive analysis of the fair value of shares if there are investors who will acquire BSI shares. Therefore, the conceptual framework is designed to be able to solve business issues through methods/models/theory to answer research questions. Data collection is needed as material to answer research questions through the methods described in the literature review and conceptual framework shown in Figure 1.

The analysis will be conducted using two methods, qualitative and quantitative. The qualitative method uses PESTLE Analysis and Porter's five forces. The quantitative method uses the Discounted cash flow (DCF) method with the excess return model and asset-based valuation approach for intrinsic value and the P/E multiple, PBV method for relative value. After that, the results are discussed in depth, by determining the fair price of BSI shares compared to the market price whether overvalued or undervalued. In the final stage, conclusions and recommendations are given for the company, investors, and future research.

RESEARCH RESULT AND DISCUSSION

BSI's financial performance after the merger in 2021 showed impressive growth in terms of assets, financing, and third-party funds compared to National Banks and Sharia Banks. Based on the performance of Q2 2024, in terms of assets, BSI grew 14.08% YoY, higher than Sharia banks at 9.31% and national banks at 8.91%. In terms of

loans/financing, BSI grew 14.17% higher than Sharia banks at 11.95% and national banks at 12.4%. In terms of third-party fund collection, BSI grew 15.4% higher than Sharia banks at 11.16% and national banks at 7.72%. This is shown in Figure 2 customer trust in BSI as a new Sharia bank resulting from the merger.

Based on several important indicators in the Analysis of a bank's financial performance such as Asset Growth, Loan/Financing, Third-Party Fund, Net Income, ROE, ROA, cost of fund, and NPL/NPF. Furthermore, competitor analysis is carried out using industry matrix tools to understand BSI's position among competitors. This matrix can help identify BSI's relative strengths and weaknesses against competitors. Company rating among competitors for example assigns a rating to each indicator from 5 (outstanding) to 1 (poor) based on the company's current response to the particular indicator. Each rating is a judgment regarding how well that company deals with each key indicator. Based on the competitors matrix shown in Table 1, it can be concluded that Bank Mandiri got the highest score of 5.04 which means its financial performance is the best of its competitors. BSI is in second place with a score of 4.61 which means BSI's performance is above the industry average. BTN is in the lowest ranking with a score of 2.25 because its performance is the lowest in five indicators Net Income growth, ROE, ROA, cost of funds, and NPL.

The government strongly supports the growth of Islamic banking in Indonesia. The government also established the National Committee for Sharia Economics and Finance (KNEKS) on February 10, 2020, based on Presidential Regulation No. 28 of 2020. The purpose of establishing KNEKS is to improve and accelerate the development of the Islamic financial sector. Currently, regional KNEKS representatives have been established in 30 provinces. Most recently, on September 17, 2024, President Jokowi inaugurated the Indonesia Islamic Financial Center at Menara Danareksa. This area will later become the headquarters of BSI. The Indonesia Islamic Financial Center area is expected to support the development of the Islamic economy and support various halal industry sectors, including Muslim fashion, halal tourism, halal food and beverage industry. The government is targeting Indonesia's economic growth of 5.2%, higher than the 2024 projection of 5.1%. The global economy is still expected to be relatively stagnant with reliance on domestic demand. Therefore, controlling inflation, creating jobs, and distributing social assistance and subsidies are still the main focus. From the

banking side, the issue of liquidity competition is still a concern due to global economic conditions. Until the first semester of 2024, the number of customers of Bank Syariah Indonesia (BSI) was recorded at 20.5 million, with an average growth of around 2 million customers per year. This means that BSI penetration has only reached 9% of the total Muslim population in Indonesia. This indicates that the acquisition potential is still very large. One of BSI's competitive advantages over conventional banks is its Hajj savings product, which acts as a recruiter product. Competition in the digital banking industry encourages BSI to continue to innovate in mobile banking and fintech services. The launch of BYOND, the latest super app from Bank Syariah Indonesia (BSI), demonstrates the company's commitment to responding to technological developments in the banking sector.

Legal aspects are critical to the operations of Bank Syariah Indonesia (BSI), where compliance with Bank Indonesia (BI) and the Financial Services Authority (OJK) laws is the primary foundation for operating Islamic banking services. Banks are highly regulated business institutions. BI legislation on monetary and macroprudential policies, as well as the OJK's oversight of financial sector stability, provide a framework to ensure that banking practices adhere to prudential principles. BSI has the opportunity to promote green financing, such as issuing Sustainability Mudharabah Sukuk and developing time deposit-linked waqf in accordance with Islamic values.

The Threat of New Entrants in the banking industry, including for Bank Syariah Indonesia (BSI), is moderate due to significant barriers to entry. Strict regulations from the Financial Services Authority (OJK), such as the minimum core capital requirement of IDR3 trillion to establish a commercial bank, are a major barrier for new players. The main substitute products come from fintech, such as peer-to-peer lending platforms that offer financing with a faster and more flexible process without going through conventional banking procedures. In addition, the presence of digital banks, investment applications, and crowdfunding is starting to replace the role of banks, especially in daily transactions. The Bargaining Power of Buyers in the context of banks is at a high level, mainly due to the large number of financial service options in the market which gives customers more control in determining their preferences. As buyers, debtors for financing such as mortgages, personal loans, and commercial financing have significant negotiating power due to the intense competition between BSI and other major banks

such as BRI, Mandiri, BNI, and BCA that offer similar products with competitive interest rates and greater flexibility.

Bargaining Power of Suppliers in the context of banking refers to customers who keep their funds in the bank, which has an important position in supporting bank liquidity. Intense competition in the banking industry, especially with large banks such as BRI, Mandiri, BNI, and BCA, and even smaller banks increases the bargaining power of customers, who are often influenced by competitive deposit interest rates, serviceability, and facilities offered. Rivalry Among Existing Competitors in the banking industry is very high. In a situation where banking products and services are relatively homogenous, the quality of service to customers is a key differentiator.

The Excess Equity Return model is used in the discounted cash flow approach to determine the intrinsic value of BSI. This method uses the same level of discounting as the cost of equity to determine the excess equity return. To assess the intrinsic value, the following actions must be taken. First, determine the financial projection. Second, calculating beta and cost of equity. Third, calculating excess equity return is shown in Table 2. Net income is derived from financial projections that have been made with several assumptions. The book value of equity each year is added to the portion of profit that is not paid out as dividends. Equity cost is obtained by multiplying the book value of equity by the cost of equity. Excess equity return is obtained from the difference between net income and equity cost. After that, the excess equity return is calculated in present value. The value of equity shown in Table 3-7 can be calculated by adding three components, namely, the current book value, the total present value of excess equity return, and the present value of terminal value. Based on the calculation of intrinsic value using the excess return model method, the resulting value of BRIS in the best scenario was IDR 2.949, the moderate was IDR 2.435, and the worst was IDR 2.101. When compared to the market price on November 11, 2024, of Rp 2,820 per share, the current BSI share price is considered overvalued.

The next method to calculate the estimated value of a Company shown in Table 8 is the asset-based valuation approach. One approach is to estimate the selling price of a financing portfolio sold to another financial services company. Consider, for example, the financing portfolio of BSI in 9M24 amounted to IDR 266.461.616 million with revenue from fund management of 19.295.656, resulting in a yield of financing of 8,8%.

Assumed average financing tenor of 10 years because 54,23% of BSI's financing is consumer segment. Based on the calculation of intrinsic value using the asset-based model, the resulting intrinsic value is IDR 2,616 per share.

The next analysis is the Price-to-earning (P/E) Ratio of PT Bank Syariah Indonesia compared to the industry average. As for the comparison companies, ten banks with the largest assets as of October 30, 2024, were selected. As for the market price based on the share price on November 8, 2024. Based on Table 9, the average price-to-earnings ratio between the ten largest banks is 11.08. The P/E ratio of BRIS is the second highest after BBCA. If we multiply BSI's earning price per share by the average industry P/E, we get an estimated price of IDR 1,635. Therefore, through P/E ratio analysis, it can be considered that the share price of PT Bank Syariah Indonesia is overvalued. This indicates that investors are paying more for each rupiah of PT Bank Syariah Indonesia's earnings than its peers.

The next analysis of relative valuation is the Price-to-book value (PBV) ratio method. Based on Table 10, the average Price-to-book value (PBV) ratio between the ten largest banks is 1,76. The PBV ratio of BRIS is the second highest after BBCA. If we multiply BSI's book value per share by the average industry PBV, we get an estimated price of IDR 1,656. Therefore, through PBV ratio analysis, it can be considered that the share price of PT Bank Syariah Indonesia is overvalued.

Monte Carlo simulation is used in stock price valuation to address the uncertainty of variables such as Growth Net Income and Cost of Equity. In this simulation, probability distributions are used to model these variables, such as the normal distribution for the growth rate of net income based on historical data. Meanwhile, the Cost of Equity is calculated using models such as the CAPM (Capital Asset Pricing Model), which can be modified with probability distributions to reflect volatility in beta, equity risk premium, or risk-free rate. Through one thousand iterations, the simulation produces a distribution of stock valuations, helping investors understand the risks and opportunities under various market conditions. Through Monte Carlo analysis, it provides a probabilistic view, not just a single number, thus guiding more informed and measured investment decision-making. Based on Figure 3 shows the distribution of stock price results from the Monte Carlo simulation. The distribution tends to be positively skewed (skewed to the right), with the majority of results concentrated in the lower price range and a few

results in the high price range. The peak point is around 2.000–2.500, indicating that most simulation results predict stock prices in this range. The majority of 69,4% of the 1.000 iterations of the results are in the range of 1.500 to 2.500, indicating that a fair stock price is likely to be around this range. The mean value of all simulation results is 2,718. This is the central estimate of the most likely stock valuation in the average scenario. If the current market price is close to this value, the stock can be considered fairly valued. The simulation results show that the stock valuation range from 1.727 to 3.924 covers 80% of the possible simulation results. The high standard deviation reflects a significant level of uncertainty, so investors need to consider the risks and pessimistic and optimistic scenarios when making investment decisions. Share price BRIS per 11 Nov 2024 of IDR 2.820 per share, based on simulation upside probability 35%.

CONCLUSION

Based on the results of the competitor matrix analysis between BSI and Bank Mandiri, BRI, BCA, BNI, BTN, and CIMB Niaga by comparing several key financial indicators such as growth assets, financing, third party funds, ROE, ROA, cost of funds, NPL/NPF. BSI is in second place with a score of 4.61 which means BSI's performance is above the industry average.

Based on the calculation of intrinsic value using the excess return model method, the resulting intrinsic value is IDR 2,435 per share. Based on the calculation of intrinsic value using the asset-based model, the resulting intrinsic value is IDR 2,266 per share. The next analysis is relative valuation using the Price-to-earning (P/E) Ratio and price-to-book value (PBV) of PT Bank Syariah Indonesia compared to the industry average. As for the comparison companies, ten banks with the largest assets as of October 30, 2024, were selected. As for the market price based on the share price on November 8, 2024. The average price-to-earnings ratio between the ten largest banks is 11.08 and the average Price-to-book value (PBV) ratio between the ten largest banks is 1,76. When compared to the market price on November 11, 2024, of Rp 2,820 per share, the current BSI share price is considered overvalued either using intrinsic value or relative value. Based on the results of the Monte Carlo simulation, it was obtained the peak point is around 2.000–2.500, indicating that most simulation results predict stock prices in this range and based on a simulation upside probability of 35%.

Based on the results of the analysis in terms of financial performance, macroenvironmental, and stock value analysis, researchers recommend buying BSI shares because they have very healthy financial fundamentals and prospects for the development of the halal industry which will continue to grow both locally and globally. Finally, the suggestion for further research is to conduct an analysis of value creation if a foreign strategic investor acquires some of BSI's shares.

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FIGURE AND TABLES

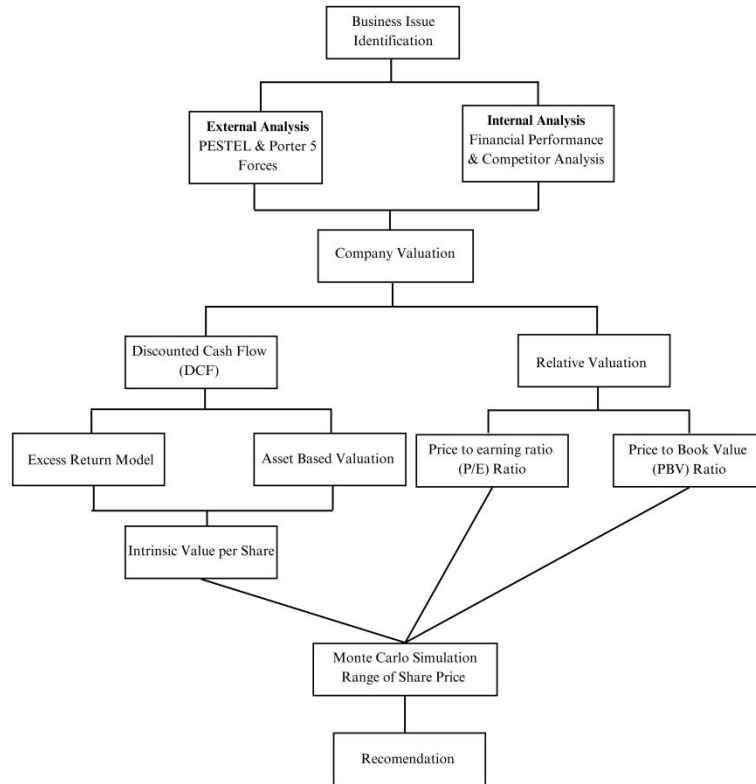


Figure 1. Conceptual Framework

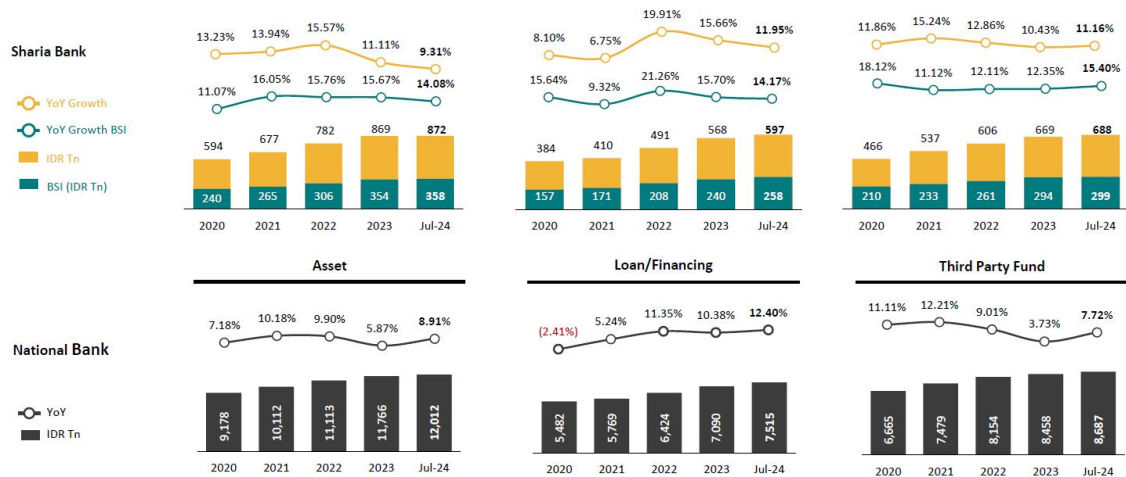


Figure 2. Comparison of BSI with Industry in Assets, Financing, and Third Party Funds
 Source: Company Presentation

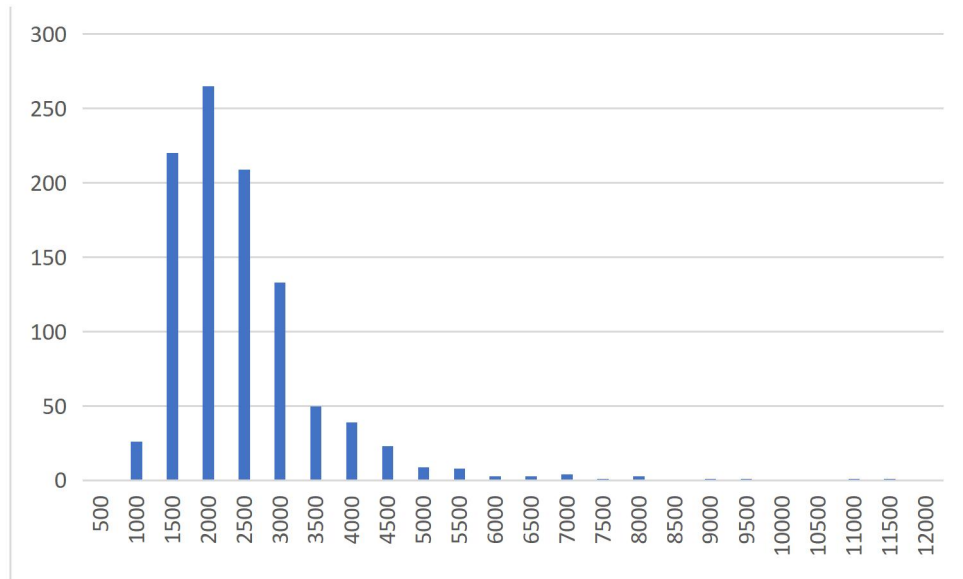


Figure 3. Simulation Probability Share Price Using Monte Carlo Approach

Table 1. Compeors Matrix Analysis

Key Indicators	Weight	BSI		Mandiri		BRI		BCA		BNI		BTN		CIMB Niaga	
		Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score	Rating	Score
Asset Growth	0,150	5,00	0,75	4,29	0,64	2,14	0,32	0,71	0,11	1,43	0,21	3,57	0,54	2,86	0,43
Financing Growth	0,100	4,29	0,64	5,00	0,75	1,43	0,21	3,57	0,54	2,14	0,32	2,86	0,43	0,71	0,11
Third Party Fund Growth	0,100	4,29	0,64	3,57	0,54	2,14	0,32	1,43	0,21	0,71	0,11	5,00	0,75	2,86	0,43
Net Income Growth	0,125	5,00	0,75	3,57	0,54	1,43	0,21	4,29	0,64	2,14	0,32	0,71	0,11	2,86	0,43
ROE	0,125	2,86	0,43	4,29	0,64	3,57	0,54	5,00	0,75	2,14	0,32	0,71	0,11	1,43	0,21
ROA	0,125	1,43	0,21	3,57	0,54	4,29	0,64	5,00	0,75	2,86	0,43	0,71	0,11	2,14	0,32
Cost of Fund	0,125	3,57	0,54	4,29	0,64	1,43	0,21	5,00	0,75	2,86	0,43	0,71	0,11	2,14	0,32
NPL/NPF	0,150	4,29	0,64	5,00	0,75	1,43	0,21	2,14	0,32	3,57	0,54	0,71	0,11	2,86	0,43
Total Score	1,000		4,61		5,04		2,68		4,07		2,68		2,25		2,68

Table 2. Calculation of Excess Equity Return

(IDR Million)	2024	2025	2026	2027	2028	2029	2030
Net Income	6.769.063	8.158.348	9.746.814	11.560.185	13.627.371	16.760.188	21.867.979
- Equity Cost	4.761.689	5.488.052	6.323.861	7.270.549	8.331.336	9.579.217	11.052.038
Excess Equity Return	2.007.373	2.670.296	3.422.953	4.289.636	5.296.035	7.180.971	10.815.940
Present Value	1.787.778	2.118.022	2.418.007	2.698.749	2.967.416	3.583.409	4.806.877
Beginning Book Value of Equity	38.766.121	44.679.623	51.484.158	59.191.385	67.827.526	77.986.842	89.977.450
Cost of Equity	12,28%	12,28%	12,28%	12,28%	12,28%	12,28%	12,28%
Equity Cost	4.761.689	5.488.052	6.323.861	7.270.549	8.331.336	9.579.217	11.052.038
Return on Equity	17,46%	18,26%	18,93%	19,53%	20,09%	21,49%	21,63%
Net Income	6.769.063	8.158.348	9.746.814	11.560.185	13.627.371	16.760.188	21.867.979
Dividen Payout Ratio	20%	25%	30%	30%	35%	35%	35%
Dividen Paid	1.353.813	2.039.587	2.924.044	3.468.056	4.769.580	5.866.066	7.653.793
Retained Earning	5.415.250	6.118.761	6.822.770	8.092.130	8.857.791	10.894.122	14.214.186

Table 3. Calculation of Value per share based on excess return model

	IDR (million)
The book value of Equity Invested currently	38,766,121
PV of Equity Excess Return until 2030	20,380,259
PV of the terminal value of excess returns	53,187,023
Value of Equity	112,333,403
Number of shares	46,129,260,138
Value per share	2,435

Table 4. Calculation of Value per Share based asset of financing

	IDR (million)
Outstanding of financing 2023	238,125,937
Revenue 2023	22,251,743
Non-Performing Financing (NPF)	2,08%
Good Asset	233,172,918
Margin rate	9,34%
Average Tenor of financing	10 years
PV of Good Asset	95,434,971
PV revenue	9,107,380
Value of financing	104,542,352
Number of shares	46,129,260,138
Value per share	2,266

Table 5. Price to Earning Ratio Comparison Between
The Ten Banks with The Largest Assets

Company	Market Price (IDR)	Earning per share (IDR)	Price to earning ratio
BMRI	6.400	600,25	10,66
BBRI	4.600	396,46	11,60
BBCA	10.175	444,25	22,90
BBNI	5.025	583,00	8,62
BBTN	1.340	214,03	6,26
BRIS	2.880	147,62	19,51
CIMB	1.815	272,21	6,67
NISP	1.350	221,87	6,08
BNLI	1.080	102,65	10,52
BDMN	2.520	318,08	7,92
Average Price to earning ratio			11,08

Table 6. Price to Book - Value Calculation

Company	Market Price (IDR)	Book Value per share (IDR)	Price to Book Value Ratio
BMRI	6.400	3.080	2,08
BBRI	4.600	2.088	2,20
BBCA	10.175	1.967	5,17
BBNI	5.025	4.149	1,21
BBTN	1.340	2.172	0,62
BRIS	2.880	943	3,05
CIMB	1.815	1.962	0,92
NISP	1.350	1.626	0,83
BNLI	1.080	1.105	0,98
BDMN	2.520	5.112	0,49
Average Price to Book Value ratio			1,76