



## Making Investment Decisions on Shares of Bank Syarī'ah Indonesia Company with Price to Book Value (PBV) Approach

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### Abstract

This research was conducted to determine the fundamental condition of Bank *Syarī'ah* Indonesia company in making investment decisions in Bank *Syarī'ah* Indonesia company (issuer code: BRIS). This research uses a quantitative method with a Price Book Value (Pbv) approach. The data used in this study is secondary data obtained from the Indopremier Securities, Stockbit Securities, and RTI Business applications, which originate from the annual reports of Bank *Syarī'ah* Indonesia companies for the 2018-2022 period, to be precise in the 3rd Quarter of 2022. The fundamental analysis forms by looking at the profile and the company's prospects, then analyzing the company's performance through the company's financial statements from 2018 to 2022. Fundamental analysis is also carried out by comparing the performance of Bank *Syarī'ah* Indonesia company with competitors in shares of the *Syarī'ah* financial sector, namely BTPN *Syarī'ah* (issuer code: BTPS) and Bank Aladin *Syarī'ah* (issuer code: BANK). Activities are carried out by calculating the intrinsic value or fair price of Bank *Syarī'ah* Indonesia shares using the PBV approach and completing investment decisions. The study found that Bank *Syarī'ah* Indonesia's corporate performance is good. The company's fundamental condition is also good, and its stock valuation is undervalued; based on these two analyses, Bank *Syarī'ah* Indonesia's shares are worth buying.

**Keywords:** Bank *Syarī'ah* Indonesia, investment decision, Price to Book Value

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## Introduction

A capital market exists for purchasing and dealing with long-term obligations or long-term capital as monetary instruments that indicate the capital market is different from the market in general; what distinguishes it is the dealing object, namely "obligation/capital" (Permata & Ghoni, 2019). The capital market in Indonesia began in 1912 when the Dutch colonized Indonesia. At that time, the Netherlands traded financial instruments in the form of shares and bonds of Dutch government plantation companies operating in Indonesia (Malkan et al., 2021). However, capital market activities in Indonesia were stopped due to World War II. They were reactivated in 1950 after Indonesia's independence, primarily based on the Indonesian Decree of the Minister of Finance Number 289737/UU dated November 1, 1951 (Susilo, 2016).

In contrast, on July 3, 1997, The Islamic capital market in Indonesia started administering Islamic Mutual finances through Danareksa Investment Management Company turned into accompanied by the launch of the Jakarta Islamic Index (JII) in the year of 2000 (Permata & Ghoni, 2019). Jakarta Islamic Index is the foremost Indonesian Islamic shares index, consisting of 30 considerable liquid Indonesian Islamic shares. The Islamic capital market is distinct from the capital market in general or conventional capital market because the Islamic capital market is implemented and established on two primary legal sources, namely the Qur'an and the Hadith of the Prophet Muhammad SAW. According to the rules of Fiqh, "Basically the transactions activities are permissible as long as there is no argument against it" (Heradhyaska & Pamesti, 2021). Therefore, conducting transactions inside the Islamic Capital market is permissible as long as it no longer contradicts the Qur'an and the Hadith of the Prophet Muhammad Saw.

The securities traded on the Islamic capital market are Islamic mutual funds, Sukuk (Islamic Bonds), and Islamic stocks (Widiyanti & Sari, 2019). Founded on UU Number 8 of 1995 regarding the capital market (UUPM), what is meant by securities are "something worthwhile traded on the capital market." These securities may include deficit acknowledgments, commercial documents, shares, bonds, debt evidence, participation units in collective investment contracts, futures contracts on securities, and securities products (OJK, 2016). Islamic stocks are an investment instrument that is quite attractive to investors because stocks provide a higher return than mutual funds and Sukuk. Investors can get capital gains and dividends that they cannot get in other investment instruments if investing in stocks. Shares are securities issued by companies or what is commonly called issuers as a sign of equity participation in the company (Munica & Yunita, 2020).

Shares listed on the Indonesia Stock Exchange are classified into nine sectors (Wastam Wahyu Hidayat, 2020), including the agricultural sector (agriculture), covering the business fields of oil palm plantations, animal husbandry, and fisheries. Second, the mining sector covers the business sector of coal, oil, gas, and rocks. Third,

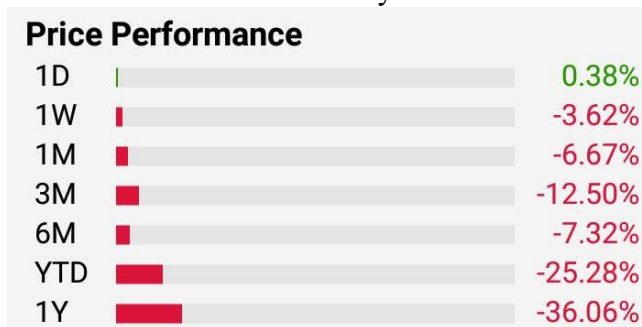
the primary industry and chemical sector, covering the business sectors of cement, ceramics, porcelain, glass, chemicals, plastics, packaging, animal feed, wood, and its processing, pulp, paper, and processed food manufacturers. Fourth, the miscellaneous industry sector covers the fields of automotive, spare parts, textiles, garments, footwear, cables, electronics, and tires. Fifth is the consumer goods industry sector, which covers the business sector consumption of basic and household goods, cigarettes, pharmaceuticals, and cosmetics. Sixth, the property, real estate, and building construction sector includes the business sectors of contractors, real estate developers, and property. Seventh, infrastructure, utilities, and the transportation sector cover energy, toll roads, ports, airports, telecommunications, transportation, non-building construction, shipping, and utilities (gas, water, electricity). Eighth, The trade, service, and investment sector, covering wholesale and retail trade, restaurants, hotels, tourism, advertising, printing, media, health, computer services, computer equipment, investment companies, internet, supermarkets, and heavy equipment. Ninth, the financial sector (finance) covers the business sector of the Bank, financing, securities, and insurance.

Today, IDX Channel releases the five best stock sectors, one of which is Financial Sector Stocks. Since 2009, financial sector stocks have grown by 349.42%, becoming the best stock sector that has outperformed the Jakarta Composite Index (IHSG) in the last ten years (Nurhaliza, 2022). According to Utami, banking, a sub-sector of Financial Stocks, is the key to strengthening and developing the economy, which can influence the Jakarta Composite Index (IHSG) movement. If the average stock price of the banking sub-sector increases, it will affect the movement of the Jakarta Composite Index (IHSG) in a positive direction, and vice versa; a decrease in the average banking stock price can affect the direction of the Jakarta Composite Index movement in a negative direction (Utami & Kartika, 2020). So, it is common for investors to choose financial sector stocks as an alternative investment activity.

BRIS is one of the *Syarī'ah* shares Financial Sector administered by Bank *Syarī'ah* Indonesia company. Bank *Syarī'ah* Indonesia company is the result of a merger of three Islamic banks in Indonesia, namely BRI *Syarī'ah*, BNI *Syarī'ah*, and Bank Mandiri *Syarī'ah*. Behind officially taking the floor on the shares exchange on May 9, 2018, the shares price of Bank *Syarī'ah* Indonesia continued to soar and even felt a price of Rp. 3.760 per share (2021). The possibility for Bank *Syarī'ah* Indonesia company to extend and evolve part of the most prominent Islamic Banks at the global and international stations is comprehensively open. Especially given that Indonesia has an enormous Muslim population around the globe, it has increasingly opened up opportunities for Indonesian *Syarī'ah* Banks to achieve this ideal.

However, in the 3rd quarter of 2022, the Bank *Syarī'ah* Indonesia's share Price Performance with the BRIS issuer code decreased by only IDR. 1.355 per share. Based on the author's data from RTI Business, there has been a reduction in the Price Performance of Bank *Syarī'ah* Indonesia in the past year. The reduction in the share price was 36.06%. So, is the decline in share prices a reflection of the declining performance of Bank *Syarī'ah* Indonesia companies? Looking at the decline in Price Performance, is this stock still worth buying and investing? To answer the question, it is necessary to conduct a fundamental analysis of Bank *Syarī'ah* Indonesia before deciding whether to invest in these stocks.

Figure 1  
Price Performance of Bank Syarī'ah Indonesia



(Source: RTI Business 2022)

Fundamental analysis is the basis of analysis in investment movements. Through this fundamental analysis, potential investors will discover the issuer's business performance, growth, quality, and possibilities (Nurhadiman & Septariani, 2020). This fundamental analysis is carried out by investors for long-term investment activities, from one year to ten years. According to Warrant Buffet, long-term investing is not just buying shares but buying a business (corporation), "buying a business does not share," so an in-depth (fundamental) analysis of the company is needed (Susilo, 2016). *Munfaridah* additionally stated in Pandaya (2020) that fundamental analysis is a computation based on a business's fundamentals economics, concentrating on the business's financial ratios to determine the corporation's intrinsic value (Pandaya et al., 2020). The financial ratios used include EPS, ROE, DER, PER, and PBV to determine if the shares are feasible or not to be purchased.

## Method

The sort of research employed is quantitative research to define fundamental shares ratios as investment decision-making. The object of this study is to Bank Syarī'ah Indonesia company, using fundamental analysis through secondary data on the monetary statements of Bank Syarī'ah Indonesia for the period 2018-2022, obtained from the Indopremier Securities, Stockbit Securities, and RTI Business as a share's analysis application. Apart from looking at the historical financial reports from year to year, the company's fundamental assessment is also carried out by comparing the financial ratios of Bank Syarī'ah Indonesia company with issuers of similar sectors, namely Bank Aladin Syarī'ah, and BTPN Syarī'ah, which are financial sector issuers that involve Syarī'ah regulations in their company's operations. Then, calculate the fair price of Bank Syarī'ah Indonesia shares using the price-to-book value (PBV) approach (Mukrimatin & Khabibah, 2021). The financial ratios used include:

EPS (Earning Per Share)

$$EPS = \frac{\text{net income}}{\text{shares out}}$$

ROE (Return On Equity)

$$ROE = \frac{\text{net income}}{\text{total equity}} 100\%$$

DER (Debt Equity Ratio/ Solvability Ratio)

$$DER = \frac{\text{total liability}}{\text{total equity}} 100\%$$

PER (Price Earnings Ratio)

$$PER = \frac{\text{share price}}{EPS}$$

PBV (Price Book Value)

$$PBV = \frac{\text{share price}}{BVPS}$$

BVPS (Book Value per Share)

$$BVPS = \frac{\text{total Equity}}{\text{shareout}}$$

Calculating the fair price of shares:

Fair Price of Shares = BVPS x Mean PBV

## Result and Discussion

### Company Profile and Prospects

Before deciding to invest, a potential investor must know the company to be invested. Through the company profile, potential investors can discover the company's vision, mission, and objectives, the board of directors and commissioners, the company's business model, and the company's track record. So, it becomes a must for potential investors to look at the company profile because investing in a company that is not well known is closely related to the risk of failure.

The history of Bank Syarī'ah Indonesia began on February 1, 2021, when BRI Syarī'ah Company merged with BNI Syarī'ah Company and Bank Syarī'ah Mandiri to become one entity which was later referred to as Bank Syarī'ah Indonesia (BSI) company. The merger of the three banking companies uses a business license from BRI Syarī'ah Company. Establishing Bank Syarī'ah Indonesia Company is an effort by the Government of Indonesia to expand its reach to accelerate the growth of Islamic banking and the Islamic economy in Indonesia (Sultoni & Mardiana, 2021).

Previously, on May 9, 2018, BRI Syarī'ah Company decided to go public by conducting an Initial Public Offering (IPO) to investors worth Rp. 510 per share with the issuer code BRIS (BSI, 2021). The BRIS issuer code is still used today but with a name change from BRI Syarī'ah shares to Bank Syarī'ah Indonesia shares. Currently, 1.244 BSI Branch Offices and Sub-Branch Offices are spread throughout Indonesia. Throughout 2021, BSI has won 73 National and International Awards, such as The World's Best Banks 2021 version of Forbes, Best Bank in the Syarī'ah Bank Sector version of Business Indonesia Awards 2021, The Best GCG 2020 version of Infobank Syarī'ah Awards 2021, Best Islamic Wealth Management Bank Alpha version South East Asia, and more. An award is a form of appreciation for the company's performance at Bank Syarī'ah Indonesia. The total assets that BSI has recorded in the 2021 financial year are IDR 265.3 trillion, placing BSI as the seventh largest bank in Indonesia based on its assets. The current composition of BRIS shareholders consists of Bank Mandiri company at 50.83%, Bank Negara Indonesia company at 24.85%, Bank Rakyat Indonesia company at 17.25%, and stock investors each at below 5% (Bank Syarī'ah Indonesia, 2021).

According to the World Population Review, Indonesia has the most extensive Muslim population in the world. Two hundred twenty-nine million people embrace Islam, the equivalent of 87.20% of Indonesia's population (World Population Review, 2023). This fact makes Bank Syariah Indonesia's presence very important in encouraging *Syari'ah*-based economic activities, which are *Syari'ah* financial resolutions for the people of Indonesia. Specifically, today, public awareness of halal products is increasing (halal matters), which is a unique opportunity for the expansion of the Indonesian halal industry, especially for the Islamic finance industry (Saputri, 2020).

However, the issue of an economic recession in 2023 that will hit the world will make people worry a lot, especially investors (Afifah & Fauziyyah, 2023). According to Bank Indonesia, "Indonesia's monetary growth in 2023 remains strong in the range of 4.5-5.3% and will continue to increase to 4.7-5.5% in 2024 supported by private consumption, investment, and continued buoyant performance exports in the midst of slowing global economic growth." Bank Indonesia additionally stated that inflation would return to  $3.0 \pm 1\%$  and Indonesia's external stability would be maintained. Bank Indonesia is optimistic that the Indonesian economy can recover through collaboration and innovation (Haryono, 2022). Thus, the risk of a 2023 recession will not have a significant effect on Indonesia (Parmitasari et al., 2022). However, it would be best to continue increasing awareness of the current global economic uncertainty.

### Description of the Company's Fundamental Performance

Table 1

Fundamental Ratios of Bank Syariah Indonesia Company

	2018	2019	2020	2021	9M 2022	Mean	Sources:
<b>Last Price</b>	525	330	2250	1780	1355		Indopre mier
<b>Share Out</b>	9.6 B	9.6 B	9.8 B	40.7 B	40.7 B		Sekurita s (2022)
<b>Market cap</b>	5.0 T	3.1 T	22.0 T	72.4 T	55.1 T		
<b>Revenue</b>	1.9 T	3.3 T	16.9 T	17.8 T	14.2 T	10.82 T	
<b>Net Profit</b>	106.6 B	74 B	2.1 T	3.0 T	3.2 T		In the
<b>Total Equity</b>	5.0 T	5.0 T	21.7 T	25 T	27.5 T		capital
<b>EPS (Rp)</b>	11.10	7.71	223.23	74.40	78.75		market,
<b>ROE</b>	2.12%	1.45%	10.06%	12.11%	11.64%	7.476%	share
<b>DER</b>	6.54%	7.48%	10.02%	9.61%	9.17%	8.56%	prices
<b>PER</b>	47.30 x	42.80 x	10.08 x	23.92 x	17.21 x	28,26 x	fluctuat
<b>PBV</b>	1 x	0.62 x	1.01 x	2.9 x	2 x	1,506	

e. Share price changes can occur quickly, along with the demand and supply of these shares. The last price listed in the Table 1 displays the shares' last price on that day. On the last day of 2021, BRIS's share price was Rp. 1780. This price is undoubtedly considerably more elevated compared to the last price in 2018 until 2019 and decreased in the third quarter of 2022. However, the stock prices listed on the capital market do not fully reflect the company's performance because the power of demand and supply influences the stock prices on the capital market. The more individuals want these shares (demand), the higher the share price. Conversely, the more investors who want to release these shares (offer), the stock price will undoubtedly decrease (Putri, 2021).

Internal and external factors also caused the decline and increase in stock prices. Internal factors are fundamental factors originating from the company itself, such as



company management problems, financial problems, and company performance. At the same time, external factors come from outside the company, generally related to government policies, the country's socio-political conditions, the global economy, or rumors that were developing at that time (PA & Marbun, 2016). So, it can be understood that the decline in BRIS's Price Performance of 36.06% in the past year cannot be used as a benchmark for Bank Syarī'ah Indonesia's company performance because market prices do not reflect the actual share value. According to Munawir, a company's performance can be determined by conducting fundamental analysis through company financial ratios such as ROE, PER, and PBV (PA & Marbun, 2016). Through fundamental analysis, potential investors can find a stock's intrinsic or actual value, which can then be used as material for determining investment decisions (Lutfiana et al., 2019).

Shareout shows the number of shares issued by the company. In this case, BSI issued 40.7 billion shares to the public in the 3rd quarter of 2022. The number of outstanding shares has increased by 315.31% compared to 2020. Market cap or market capitalization means capacity. The market cap is the total price of a company when calculated from its current share price. Generally, the market cap is used by investors to measure the quality of a company, including to prevent investors from "immoral shares." Companies with large market cap values tend to be more durable financially, so it is not uncommon for investors to look for shares with large market caps for their long-term investments. They multiplied the company's share price by the total shares issued and obtained market cap value (Taslim & Wijayanto, 2016). Investors generally diverge shares into three types based on their Market Cap (Kurniawan & Hidayati, 2022). First-liner stocks are shares with a market capacity of over 10T. These types of stocks are commonly known as Blue Chip issuers and are identical to issuers included in the LQ45 Index set by the IDX. Second-liner stocks, or mid-caps stocks, are second-tier stocks of medium-large companies with a market cap value of 500M-10T. Third-liner stocks, commonly called small-cap stocks, are small companies that tend to experience price fluctuations, so they are at high risk for investors. These third-liner shares are stocks with a market cap below 500 billion.

Based on Table 1, it can be seen that Bank Syarī'ah Indonesia has a Market Cap of 55.1 trillion. So, it is classified as a first-liner stock with a market capacity of over 10 trillion. Apart from being influenced by market prices, the increase in the value of BRIS's Market Cap is also affected by the increase in the number of shares outstanding in 2021.

Then, to find out the performance of the company Bank *Syarī'ah* Indonesia, a comparison of historical revenue, net profit, EPS, DER, and ROE of Bank Syarī'ah Indonesia was carried out from 2018 to the 3rd Quarter of 2022. From 2020 to 2022, Bank Syarī'ah Indonesia's revenue fluctuated relatively but was still above average. Meanwhile, net profit will continue to increase until the third quarter of 2022. Earning per Share (EPS) is the profit obtained from each share. EPS is a reference for the performance of a company while at the same time showing how much profit will be obtained by shareholders (Dandanggula & Sulistyowati, 2022). The higher the EPS value, the higher the return that will be given. So, with a high EPS value, it is expected to increase shareholders' welfare (Lutfiana et al., 2019). Based on the EPS (Earning Per Share) ratio, the earnings per share of Bank *Syarī'ah* Indonesia increased by 6% in the third quarter of 2022 compared to the previous year.

ROE (Return on Equity) is a ratio to estimate a company's triumph in developing shareholder returns. This ratio is the company's profitability ratio. This ratio is also a consideration for investors because investors expect profit or opportunity (Rinati, 2016). Based on historical data, Bank *Syarī'ah* Indonesia's ROE continues to increase yearly. However, it experienced a slight decrease in the 3rd quarter of 2022, but the quarterly report does not terminate the 2022 final report. In addition, the ROE value in the third quarter of 2022 is 11.64%. It's still above the average value BRIS Return On Equity average.

DER (Debt to Equity Ratio) is a ratio to estimate a company's deficit level (PA & Marbun, 2016). This ratio is called the Solvability/Leverage Ratio, which describes a company's ability to fulfill all its obligations/debt. This ratio is significant because the company's debt is part of the risk that the shareholders or investors bear. Companies with good fundamentals have a  $DER < 1$ , but this does not apply to the banking sector because their business model is savings and loans. In this sector, customers' funds are counted as debts. It is natural for a banking company's DER to be high because the more extensive the customer's deposits at the bank, the higher the DER value. The profit potential is also improving (Gustian & Bidayati, 2011). Table 1 shows that the DER value of Bank *Syarī'ah* Indonesia is 9.17% in the third quarter of 2022. This DER value is still above the average DER value of 8.56%, and it will be better when comparing its value with competitors. By comparing BRIS's Equity Ratio with competitors, potential investors can discover the extent of BRIS's ability to attract customers to save or borrow money. A comparison of Debt to debt-to-equity ratio values will be carried out at a later stage.

Price Earnings Ratio (PER) and Price to Book Value (PBV) are ratios used to measure shares valuation or the fair price of shares. Are these shares relatively cheap or, on the contrary, pricey? PER is obtained by comparing price and earnings per Share (EPS). Meanwhile, by comparing share prices and BVpS (Book Value Per Share), PBV is obtained. The higher the PER and PBV values, the more increased the shares price. There needs to be a precise value of good PER and PBV numbers.

For this reason, company historical comparisons or comparisons with competitors are needed to determine these shares' valuation (Natalia, 2021). Based on historical data, the PER of Bank *Syarī'ah* Indonesia in the 3rd Quarter of 2022 was 17.21x. This value is smaller than the average PER of the last 5 (five) years. Meanwhile, the PBV value of Bank *Syarī'ah* Indonesia in the 3rd Quarter of 2022 is 2x, which is more significant than the average PBV value.

In addition to looking at the company's historical data, comparing data with competitors also carried out the fundamental analysis, scilicet the financial sector. This activity determines the performance comparison between Bank *Syarī'ah* Indonesia and its competitors, whether it is better or vice versa. Several comparisons of the financial ratios of Bank *Syarī'ah* Indonesia with similar banking institutions also use *Syarī'ah* principles.

*Table 2*  
3rd Quarter 2022 Financial Reports of *Syarī'ah*-Based Banking

	<b>BANK</b>	<b>BTPS</b>	<b>BRIS</b>
<b>Last Price</b>	1.525	3.090	1.355



<b>Market Cap</b>	20.8 T	23.5 T	55.1 T
<b>Revenue</b>	58.3 B	3.9 T	14.2 T
<b>Net Profit</b>	-146.4 B	1.3 T	3.2 T
<b>EPS(Rp)</b>	-14.25	174.69	78.75
<b>DER</b>	0.29%	1.59%	9.17%
<b>ROE</b>	-7.26%	16.70%	11.64%
<b>PER</b>	-142.66 x	17.69 x	17.21 x
<b>PBV</b>	10.34 x	2.96 x	2 x

Source: Indopremier Sekuritas (2022)

Information:

BANK = Bank Aladin Syarī'ah  
 BTPS = BTPN Syarī'ah  
 BRIS = Bank Syarī'ah Indonesia

Table 2 shows the fundamental ratios of banking companies BANK, BTPS, and BRIS. Based on the last price, BTPS's share price is the most expensive, namely Rp. 3,090 per share. While BRIS shares are the cheapest at Rp. 1,355 per share. Table 2 shows that BRI Syarī'ah's Market Cap is twice as large as Bank Aladin Syarī'ah's (BANK) and BTPN Syarī'ah's (BTPS) market cap, even though the three issuers are included in the first-liner category based on their Market Cap.

Regarding revenue and net profit, BRIS is superior, while BTPS has the highest EPS (Earning Per Share). Based on the Return On Equity (ROE) ratio, BTPS is superior, with a value of 16.70%. It means that BTPS can generate greater returns than BRIS and BANK. At the same time, the negative net profit value indicates that the company does not generate net sales profit or suffers a loss. Because the net profit value is negative, the EPS and ROE values are also harmful because net profit significantly affects stock returns (Mursalin, 2019).

Table 2. shows that BRIS has a Debt Equity Ratio (DER) of 9.17%, implying that BRIS has managed to increase more client funds than the other two issuers. Meanwhile, the Price Earning Ratio and price-to-book value of BTPS shares are the highest based on the valuation value. The higher the valuation value, the higher the stock price. The high valuation value also shows investors' optimism about the prospects of BTPS. However, in practice, investors tend to choose stocks with low valuation because the lower the valuation, the closer to the fair price the shares can even be undervalued (Inayah, 2020). Table 2 shows that the PER of the BANK value is negative, which indicates that the company's fundamentals are not good. While the PER and PBV values of BRIS shares are lower (undervalued) when compared to BTPS and BANK, this is also a supporting factor for investing in BRIS due to its affordable valuation.

### **Calculating the Fair Price of Shares with the PBV Approach**

The share price can be divided into 2, namely, the market price (market value) and the fair price (intrinsic value). Market prices fluctuate along with the strength of supply

and demand, and stock prices do not fully reflect the condition of a company (Masruri Zaimsyah, 2019). The fair price of shares, commonly referred to as the intrinsic value of shares, is the value of shares that shows a company's interpretation. To determine the fair price of shares, it is necessary to calculate the stock valuation. Stock valuation is an activity carried out to determine the fairness of the share price, cheap or expensive. The calculation of stock valuation can be done using two methods, namely the PER and PBV methods. For the financial sector, which includes banking, securities companies, finance, and insurance companies, the approach used is the PBV (Price to Book Value) approach because most of the company's assets in the financial sector are not in the form of fixed assets, but in the form of financial assets: bills, credit, and investment (Nurhadiman & Septariani, 2020).

Figure 2

Bank Syari'ah Indonesia's PBV



(Source: Stockbit Securities)

To calculate the fair price of BRIS shares, we use the formula:  
 fair price of shares =  $BVPS \times mean\ PBV$

BVPS (Book Value Per Share) is part of calculating Price to Book Value (PBV), so BVPS is part of fundamental stock analysis. The BVPS value is obtained by comparing total equity and the number of shares outstanding (Jefri et al., 2020).

$$BVPS = \frac{total\ Equity}{shareout}$$

$$BVPS = \frac{27.5\ T}{40.7\ B}$$

$$BVPS = 675.67\ per\ share$$

The BVPS (Book Value Per Share) value of Bank Syari'ah Indonesia is Rp. 675.67

Based on Figure 2, the average PBV of Bank Syari'ah Indonesia in the last five years was 2.1 times with the Current PBV of 2.04 times. So:

$$fair\ share\ price = BVPS \times mean\ PBV$$

$$fair\ share\ price = 675.67 \times 2.1$$

$$fair\ share\ price = 1418$$

So, the current fair price for Bank Syari'ah Indonesia's shares is IDR. 1.418,-

### Investment Decisions

After examining the company profile, determining the historical calculation of the fundamental ratios of Bank Syarī'ah Indonesia shares, comparing the fundamental ratios with similar issuers, and calculating the fair price of Bank Syarī'ah Indonesia's shares through the PBV method, the next step is to make investment decisions.

Table 3

Making Investment Decisions

No.	Categories	Status
1.	Comparison of financial ratios with competitors	Able to compete
2.	Fair price or intrinsic value of shares	IDR 1.418
3.	Market price	IDR 1.355 (undervalued)
4.	Shares Valuation	Undervalued
5.	Investation decision	Buying shares

### Conclusion

Based on the research analysis, the company's condition of Bank Syarī'ah Indonesia company based on financial ratios for 2018-2022 is generally reasonable. The comparison results with the financial ratios of competitors also show that BRIS is a preference. Then, based on the fair value calculation using the PBV approach, Bank Syarī'ah Indonesia's shares in the 3rd Quarter of 2022 were undervalued (cheap), meaning that the intrinsic value of Bank Syarī'ah Indonesia's shares was more significant than the market price. A drop in the stock price indicates that the stock is on discount and is a good time to invest, so the decision to invest in Bank Syarī'ah Indonesia company is appropriate.

Changes in market prices occur due to supply and demand factors, not always reflecting a company's good or bad performance. If the number of requests increases, the stock price will rise, whereas if the number of offers increases, the stock price will decrease. A decline in stock prices can occur due to "panic selling," namely the act of selling shares without knowing the fundamental condition of the company well. During the Covid 19 Pandemic, many investors decided to withdraw their investment funds due to rumors circulating, which caused investors to worry about capital market uncertainty. The conflict in Eastern Europe between Ukraine and Russia has also evolved as a concern for some investors. It causes a decrease in the share price. Through fundamental analysis, an investor can find out the actual condition of a company. This fundamental analysis activity is not enough to do just once. However, it must be carried out continuously to keep abreast of company performance developments because, for investors, buying shares is buying a business.

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