

Proven resilience; testing '26F stage for re-rating

23 December 2025



BBTN IJ	BUY
Sector	Banks
Price at 22 Dec 2025 (IDR)	1,155
Price target (IDR)	1,530
Upside/Downside (%)	32.5

Stock Information

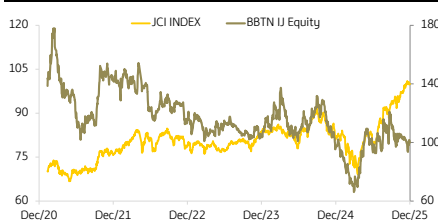
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking). It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market share stand out among its competitor.

Market cap (IDR bn)	16,420
Shares outstanding (mn)	14,034
52-week range (IDR)	755 – 1,450
3M average daily vol. ('000)	36,643
3M average daily val. (IDR mn)	44,049

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(1.7)	(10.7)	3.6

BBTN's 11M25 performance was a standout, significantly beating consensus and our forecast through high-interest-rate environment resilience and manageable blended interest expense growth. The bank is the primary beneficiary of the government's 3mn unit housing program and the continued FLPP scheme. Expanded salary caps for subsidized segments have significantly broadened the addressable market. The transition of the UUS into a standalone entity is expected to unlock latent market valuation and capture high-growth Islamic financing demand. We like BBTN's bullish '26F guidance. The bank expects 10–12% loan growth and double-digit earnings growth—targets that are notably higher than our '26F conservative estimates for BBTN. Maintain BUY GGM FV of IDR 1,530 (0.4x 2026F P/B), while the stock currently trades at an attractive below –1SD.

Vigorous NII growth and unrivaled '25F achievement

BBTN delivered a robust performance through the Jan–Nov 2025 (11M25), characterized by a 21.1% yoy increase in net income, reaching IDR 2.91tn, beating BBTN's 25F, consensus and our '25F PATMI for the bank. Despite a backdrop of prolonged sector uncertainty, the bank's core operations showed significant resilience. Net Interest Income (NII) Surged by 46.3% yoy to IDR 15.79tn and noted as the highest yoy monthly growth in YTD25. This was driven by a powerful 19.2% yoy growth in top line combined with disciplined funding costs of only +1.3% yoy or consistently hundreds of bps softer since in the middle of this year. A well-managed CIR supported robust PPOP, allowing the bank to absorb the latest spike in provisions (+295.3% yoy in 1H25 and +243.0% yoy in 9M25) while maintaining bottom-line growth. BBTN's 11M25 bank-only came in above both our 11M25F for BBTN and consensus expectation at a run-rate of 99%/97%.

Loan velocity outpaces industry; more solid funding mix

BBTN reported a notable acceleration in both lending and deposit growth. This momentum is highlighted by the well-managed bank's funding mix. Total loans reached IDR 386.47tn (8.7% yoy). This marks a 48bps improvement over YTD growth rate of 8.3% and around 72bps higher vs Oct25 period. Notably, Nov25 loan growth is significantly beating domestic banking sector growth figure by 99.6bps. Total TPF grew 15.8 yoy to IDR 423.96tn. This is an acceleration (207bps) from the 13.7% yoy growth recorded in the previous month (10M25). The most significant highlight is the robust 6.8% yoy growth in CASA (+164bps higher vs 10M25 of 5.2% yoy), which reflects a strategic move toward cost-effective funding. We expect BBTN's ongoing deposit mix initiatives to continue increasing the proportion of low-cost funding, providing a solid foundation for enhanced net interest margins and long-term profitability.

Strategic de-risking and structural margin expansion

BBTN's 11M25 key risk metrics recorded an improvement from top to bottom. NIM expansion consistently recorded at a significant figure. An inched up 11M25 NIM to around 3.55% (10M25: 3.49%) should deserved an applauded amid the uncertainty year, especially comparing to year-on-year basis (FY24 2.9%, 9M24: 2.9% vs 9M25: 3.9%). CIR continue well-managed and pointedly improving vs its highest level at 57.3% in 5M25. Credit cost also continuously stood at low level (1.73% vs 1.79% in 10M25) and meaningfully better vs its highest in YTD25 of 2.23% in 6M25. RoE saw another improvement figure from 8.6% in the previous month to 9.0% in 11M25. Notably, the 9M25 consolidated Tier-1 ROE rose 40bps to 10.5%, significantly outperforming the normalized ROE assumptions used in our GGM (Gordon Growth Model) valuation models for BBTN.

Tactical transformation and policy tailwinds; solidifying growth driver

The bank is currently navigating a transformative period where operational discipline is converging with a favorable potential macroeconomic shift. The bank has demonstrated its ability to grow its earnings and optimize its funding structure even before the full benefit of anticipated rate cuts takes effect. BBTN's market leadership is further solidified by robust government backing and favorable policy shifts of: (1) housing initiatives: the continuation of the FLPP scheme and the ambitious 3mn unit housing program provide a predictable, long-term tailwind for asset growth and (2) increased salary caps for subsidized housing segments expand the bank's addressable market, ensuring steady demand in its captive mortgage business. The anticipated success of BSN following the UUS spin-off represents a major strategic milestone. This move is expected to: (1) unlock latent value: transition the Sharia business into a standalone entity to realize its full market valuation and (2) new growth avenues: create a dedicated platform for high-growth Islamic fund mobilization and financing, tapping into a rapidly expanding demographic.

Maintain BUY, TP of IDR1,530

The bank expects '26F loan growth within the range of 10%–12% yoy, with total TPF to reach higher vs '25F and a double-digit net income growth. All the three '26F guidance were higher than our '26F conservative numbers for the bank. Our GGM approach for BBTN's fair value pegged at '26F P/B of 0.4x while currently it is trading at below its –1SD of 0.5x. Key downside risks to our target price include: a) lower-than expected loan growth; b) NIM stagnation c) higher-than expected CoF and CoC; d) deteriorating asset quality; e) prolonged uncertainty, mild economic activity and motionless wait & see stance; f) steady weakening purchasing power and household loan confidence; g) weakening IDR/USD.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	13,430	11,493	12,948	13,563	14,791
Non interest income	3,891	4,576	4,862	5,217	5,628
Operating income	17,321	16,069	17,810	18,781	20,419
Pre provisions operating profit	8,304	5,806	6,885	7,218	8,033
Net income	3,501	3,007	2,921	3,239	3,470
EPS (IDR)	319	274	266	295	316
EPS growth (%)	15.0	(14.1)	(2.9)	10.9	7.1
PER (x)	3.7	4.3	4.4	4.0	3.7
PBV (x)	0.4	0.4	0.4	0.3	0.3
Div. Yield (%)	4.7	5.4	4.7	4.5	5.0
RoE (%)	12.4	9.5	8.7	8.9	9.0

Source: Company, KBVS Research

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Exhibit 2: BBTN 11M25 bank only results – selected profit and loss

Selected P&L (IDRbn)	11M24	11M25	YoY (%)	Nov-24	Nov-25	YoY (%)	Oct-25	Nov-25	MoM (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons
Interest income	27,139	32,353	19.2	2,342	2,896	23.7	2,899	2,896	(0.1)				
Interest expense	(16,347)	(16,562)	1.3	(1,417)	(1,294)	(8.7)	(1,450)	(1,294)	(10.8)				
Net interest income	10,792	15,791	46.3	924	1,602	73.3	1,448	1,602	10.7				
Non Int Inc & others	3,757	3,668	(2.4)	618	288	(53.4)	274	288	5.3				
Total Income	14,549	19,459	33.7	1,543	1,891	22.6	1,722	1,891	9.8				
Opex	(9,290)	(10,504)	13.1	(825)	(1,066)	29.2	(971)	(1,066)	9.8				
PPOP	5,259	8,955	70.3	718	825	14.9	751	825	9.9				
Provision	(2,206)	(5,283)	139.5	(464)	(305)	(34.4)	(502)	(305)	(39.4)				
Net Profit	2,403	2,911	21.1	203	408	101.2	199	408	104.9	2,921	99.6	2,991	97.3

Source: Company, KBVS Research

Exhibit 3: BBTN 11M25 bank only results – selected profit and loss (monthly stand-alone)

Selected P&L monthly stand-alone (IDRbn)	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Nov-24	Oct-25	Nov-25	YoY (%)	MoM (%)	Jan-25	Nov-25	YTD (%)
Interest income	1,466	3,586	3,009	2,899	2,896	2,342	2,899	2,896	23.7	(0.1)	2,361	2,896	22.7
Interest expense	(1,595)	(1,543)	(1,526)	(1,450)	(1,294)	(1,417)	(1,450)	(1,294)	(8.7)	(10.8)	(1,507)	(1,294)	(14.2)
Net interest income	(128)	2,043	1,484	1,448	1,602	924	1,448	1,602	73.3	10.7	854	1,602	87.7
Non Int Inc & others	421	351	429	274	288	618	274	288	(53.4)	5.3	344	288	(16.2)
Total Income	293	2,393	1,913	1,722	1,891	1,543	1,722	1,891	22.6	9.8	1,198	1,891	57.8
Opex	(818)	(1,066)	(1,160)	(971)	(1,066)	(825)	(971)	(1,066)	29.2	9.8	(747)	(1,066)	42.8
PPOP	(525)	1,327	753	751	825	718	751	825	14.9	9.9	451	825	82.8
Provision	619	(1,070)	(368)	(502)	(305)	(464)	(502)	(305)	(34.4)	(39.4)	(326)	(305)	(6.4)
Net Profit	92	197	308	199	408	203	199	408	101.2	104.9	102	408	301.8

Source: Company, KBVS Research

Exhibit 4: BBTN 11M25 bank only results – selected balance sheet

Selected BS (IDRbn)	5M25	6M25	7M25	8M25	9M25	10M25	11M25	11M24	11M25	YoY (%)	1M25	11M25	YTD (%)
Total Loan	366,517	376,110	376,891	375,377	381,030	385,595	386,470	355,421	386,470	8.7	356,992	386,470	8.3
Total Assets	475,794	484,803	481,003	481,847	510,850	503,487	503,999	449,358	503,999	12.2	454,026	503,999	11.0
Total Liability	442,603	450,877	446,945	447,438	476,168	468,491	468,747	417,362	468,747	12.3	421,249	468,747	11.3
Total Equity	33,190	33,926	34,058	34,409	34,682	34,997	35,252	31,997	35,252	10.2	32,777	35,252	7.5
Total deposits	397,783	406,382	400,824	401,450	429,924	423,082	423,960	366,220	423,960	15.8	374,467	423,960	13.2
Demand deposits	152,041	155,287	155,457	159,219	160,072	160,709	162,235	148,432	162,235	9.3	152,697	162,235	6.2
Savings deposits	43,112	44,437	44,141	44,255	42,754	41,160	40,310	41,207	40,310	-2.2	41,989	40,310	-4.0
Time Deposits	202,631	206,658	201,226	197,975	227,098	221,213	221,415	176,581	221,415	25.4	179,781	221,415	23.2
CASA	195,153	199,724	199,598	203,475	202,826	201,869	202,545	189,639	202,545	6.8	194,686	202,545	4.0

Source: Company, KBVS Research

Exhibit 5: Banking stock under our coverage foreign ownership (%)

Ticker	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	YTD 2024	YTD 2025	Incr / (Decr)	Oct-24	Nov-24	Oct-25	Nov-25	YoY (chg)	MoM (chg)
BBCA IJ	34.5%	34.3%	33.2%	33.3%	33.5%	0.1%	-2.4%	-2.5%	36.5%	36.2%	33.3%	33.5%	-2.7%	0.2%
BBRI IJ	30.1%	30.6%	30.9%	30.0%	29.9%	-4.6%	-1.1%	3.5%	32.9%	32.1%	30.0%	29.9%	-2.1%	-0.1%
BMRI IJ	30.7%	30.8%	29.6%	29.3%	30.0%	-0.1%	-3.5%	-3.4%	34.1%	33.8%	29.3%	30.0%	-3.8%	0.7%
BBNI IJ	24.0%	23.9%	23.5%	22.7%	23.2%	-0.5%	-2.8%	-2.3%	27.1%	26.6%	22.7%	23.2%	-3.4%	0.5%
BBTN IJ	9.9%	10.1%	10.2%	10.0%	10.2%	0.8%	-0.5%	-1.3%	11.3%	10.9%	10.0%	10.2%	-0.7%	0.1%
BRIS IJ	5.8%	5.9%	5.9%	6.1%	6.0%	1.2%	1.4%	0.1%	4.8%	4.7%	6.1%	6.0%	1.3%	-0.1%
Average	22.5%	22.6%	22.2%	21.9%	22.1%	0.0%	-0.1%	-0.1%	24.5%	24.0%	21.9%	22.1%	-0.2%	0.0%

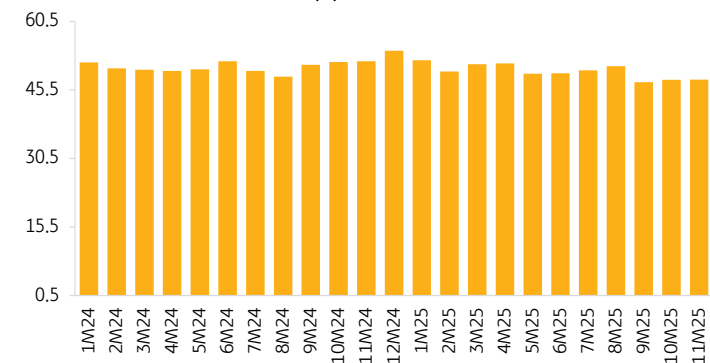
Source: KSEI, KBVS Research

Exhibit 6: Anticipated softer funding cost to support better NII growth (%)



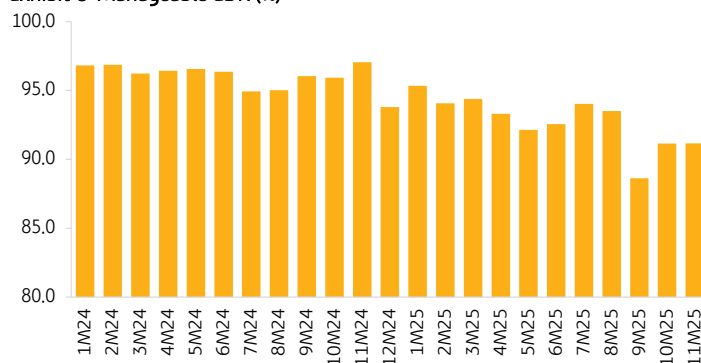
Source: Company, KBVS Research

Exhibit 7: Solid CASA to continue (%)



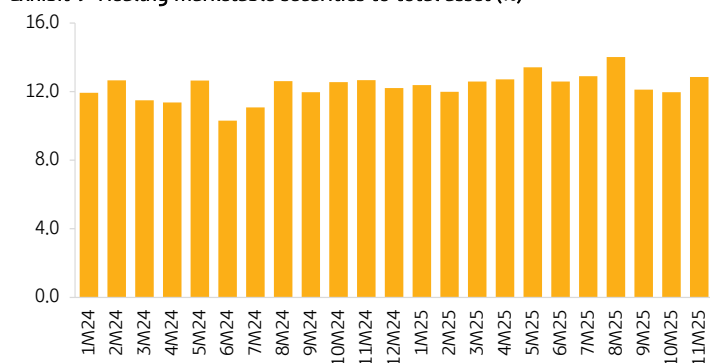
Source: Company, KBVS Research

Exhibit 8: Manageable LDR (%)



Source: Company, KBVS Research

Exhibit 9: Healthy marketable securities to total asset (%)



Source: Company, KBVS Research

Exhibit 10: Solid loan to asset (%)



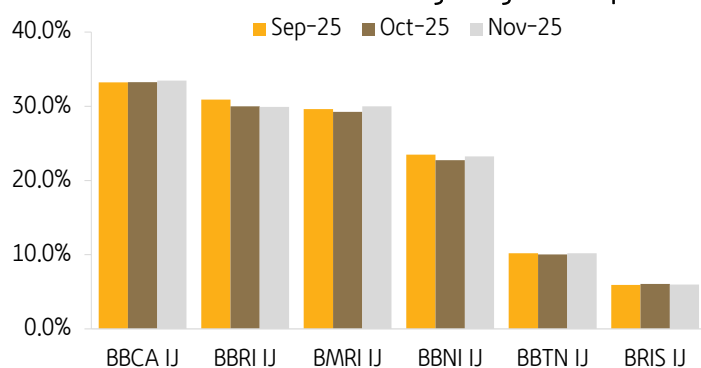
Source: Company, KBVS Research

Exhibit11: Stocks under coverage foreign ownership

Ticker	YTD 2024	YTD 2025	Incr / (Decr)	Nov-24	Oct-25	Nov-25	YoY (chg)	MoM (chg)
BBCA IJ	0.1%	-2.4%	-2.5%	36.2%	33.3%	33.5%	-2.7%	0.2%
BBRI IJ	-4.6%	-1.1%	3.5%	32.1%	30.0%	29.9%	-2.1%	-0.1%
BMRI IJ	-0.1%	-3.5%	-3.4%	33.8%	29.3%	30.0%	-3.8%	0.7%
BBNI IJ	-0.5%	-2.8%	-2.3%	26.6%	22.7%	23.2%	-3.4%	0.5%
BBTN IJ	0.8%	-0.5%	-1.3%	10.9%	10.0%	10.2%	-0.7%	0.1%
BRIS IJ	1.2%	1.4%	0.1%	4.7%	6.1%	6.0%	1.3%	-0.1%
Average	0.0%	-0.1%	-0.1%	24.0%	21.9%	22.1%	-0.2%	0.0%

Source: Company, KBVS Research

Exhibit 12: Latest 3 month stocks under coverage foreign ownership



Source: KSE, KBVS Research

Exhibit 13: Currently (0.4x '26F P/B) attractively trades at below its -1SD



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 14: Profit & Loss

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Interest income	28,281	29,542	31,388	33,180	35,266
Interest expense	(14,851)	(18,049)	(18,440)	(19,617)	(20,475)
Net interest income	13,430	11,493	12,948	13,563	14,791
Non-interest income	3,891	4,576	4,862	5,217	5,628
Operating expenses	(9,017)	(10,263)	(10,925)	(11,563)	(12,387)
Pre-provision operating profit	8,304	5,806	6,885	7,218	8,033
Loan loss provision	(3,764)	(1,981)	(2,938)	(2,847)	(3,354)
Pretax profit	4,380	3,773	3,895	4,319	4,627
Net profit	3,501	3,007	2,921	3,239	3,470

Exhibit 15: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Assets					
Cash	2,127	2,106	2,296	2,504	3,839
Current Account BI	18,146	22,740	24,528	28,652	30,551
Interbank	32,763	10,610	11,445	11,243	12,317
Gov Bond	5,283	25,363	26,344	32,158	34,836
Marketable Securities	35,894	35,476	35,815	35,983	36,957
Loan	318,106	344,916	373,725	406,124	443,325
Fixed assets	8,118	9,176	8,338	8,930	9,492
Other assets	18,313	19,229	21,968	23,277	25,040
Total Asset	438,750	469,614	504,460	548,871	596,357
Liabilities					
Interbank Deposit	115	101	71	50	36
Deposit from customer	349,584	381,654	411,661	449,789	492,761
Debts Sec and Subordinates	51,147	45,258	45,986	47,091	48,731
Other Liabilities	7,425	10,029	11,828	14,071	15,450
Total liabilities	408,271	437,043	469,546	511,001	556,978
Equity					
Capital Stock	7,017	7,017	7,017	7,017	7,017
Additional Paid-in Capital	4,419	4,419	4,419	4,419	4,419
Retained Earnings	16,839	19,146	21,466	24,121	26,943
Other Equity	2,204	1,990	2,012	2,313	1,000
Total Equity	30,479	32,572	34,913	37,870	39,379

Exhibit 16: Key performance metrics

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
NIM (%)	3.8	3.1	3.2	3.1	3.1
LDR (%)	95.5	93.8	93.8	92.8	92.1
CASA (%)	53.8	54.1	56.6	58.7	60.5
NPL (%)	3.0	3.2	3.1	3.0	2.9
ROE (%)	12.4	9.5	8.7	8.9	9.0
ROA (%)	0.8	0.7	0.6	0.6	0.6
CAR (%)	20.1	20.0	19.9	19.5	19.2
BVPS (IDR)	2,775	2,966	3,179	3,448	3,585
PER (x)	3.7	4.3	4.4	4.0	3.7
PBV (x)	0.4	0.4	0.4	0.3	0.3
Div. Yield (%)	4.7	5.4	4.7	4.5	5.0

Source: Company, KBVS Research

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