

## Another solid monthly earnings; above

8 September 2025



<b>BBTN IJ</b>	<b>BUY</b>
Sector	Banks
Price at 5 Sept 2025 (IDR)	1,280
Price target (IDR)	1,530
Upside/Downside (%)	19.5

### Stock Information

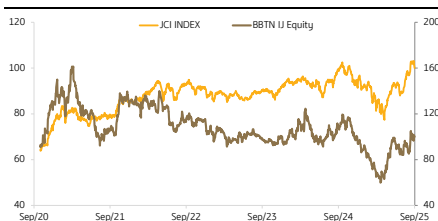
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking). It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market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

Market cap (IDR bn)	18,245
Shares outstanding (mn)	14,034
52-week range (IDR)	755 – 1,545
3M average daily vol. ('000)	29,347
3M average daily val. (IDR mn)	37,564

### Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

### Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	14.8	11.8	(8.9)

BBTN's remarkable bank-only earnings growth is driven by a strong top line and lower blended interest expenses coupled with well-managed CIR and non-IL growth. This solid performance has led to a significant beat in 7M25 earnings (+12.2% yoy), surpassing both our '25F and consensus expectations. Total loans and deposits grew by 6.0% yoy and 7.0% yoy, respectively. A strategic move towards lower-cost funding is evident. Despite an anticipated healthy stock price correction, the bank's strong earnings growth is expected to continue, supporting stock appreciation toward the fair intrinsic value. Key drivers of this growth include sooner-than-expected moderation in funding cost, steady manageable cost-to-income and Non-IL to underpin PPoP growth, as well as controllable provision expenses. Maintain BUY with GGM-based TP of IDR1,530 (0.5x '25F P/B), while it is currently trading at its -1SD of 0.4x '25F P/B.

### Robust 7M25 earnings on strong growth across the boards; above

BBTN reported a strong performance in the first seven months of 2025 (7M25), with its net income increasing by 12.2% yoy to IDR 1.79 trillion. This growth was driven by a robust 15.5% yoy increase in the top line to IDR 19.9 trillion, fueled by healthy loan growth. A key highlight was the 35.2% yoy surge in net interest income to IDR 9.21 trillion, while funding costs only saw a modest 2.3% rise. The bank also managed its expenses effectively, with the growth of operating expenses slowing dramatically from 18.0% yoy in 7M24 to just 5.0% yoy in 7M25. This led to a 67.5% yoy increase in pre-provision operating profit (PPoP) to IDR 5.29 trillion. This strong PPoP growth was able to offset higher provisions, allowing net income to achieve double-digit growth. Overall, BBTN's 7M25 results surpassed our '25F and consensus expectations.

### Healthy loan growth remains

The bank's total loan portfolio expanded by a healthy 6.0% yoy, a figure that aligns with management's 2025 guidance range of 7% to 9% (KBVS 2025 forecast: 7.9%). While the subsidized loan book remains a foundational pillar of growth, a notable trend is the anticipated acceleration in the non-subsidized mortgage portfolio. We also project continued robust demand across other housing loan segments and within the non-housing segment, which is expected to provide a strong counterpoint to the overall growth of the total loan portfolio.

### Expect strategic shift to low-cost funding drives to continue

The bank's total third-party funds grew by 7.0% yoy to reach IDR 400.8 billion. This was largely driven by a strong 7.3% yoy increase in the current and savings account (CASA) segment, which now totals IDR 199.6bn. A key highlight is the strategic shift toward lower-cost funding. Savings accounts, in particular, saw a near-double-digit growth of 9.5% yoy, a significant rebound from a 0.9% yoy decline earlier in the year. Meanwhile, high-cost time deposits (TD) saw their growth slow dramatically to 7.3% yoy, down from 25.7% yoy in the same period last year. This optimization of the deposit mix is expected to boost the bank's profitability and strengthen its financial standing.

### Softer funding cost and manageable CoC played a crucial role

The key driver of our 2025 earnings has been a sooner-than-anticipated softening in funding costs. This has fueled a notable turnaround in BBTN's net interest income (NII), which has seen three consecutive periods of robust growth. This NII expansion was also supported by a steady better growth in interest income, growing from 7.0% yoy in the first three month of 2025 to 10.3% in the 5M25, and accelerating further to 15.5% in the 7M25. We anticipate this positive trend will continue. Looking ahead, we anticipate a potential rise in provisions expenses. However, we believe that a manageable CoC, cost-to-income ratio and consistent growth in non-interest income will be critical to keeping BBTN's PPoP and PATMI on solid growth path.

### Anticipate healthy correction; better earnings to confirm intrinsic price

Foreign ownership of BBTN stock rose to 10.1% in Aug25, up from 9.9% in Jul25. The stock's one-month return was 16.9%, significantly outperforming the 5.1% average return for other banks. Despite this strong performance (several banks under our coverage have now moved from their previous -2SD levels closer to their average and -1SD), a market correction is anticipated due to a cautious 2H25 outlook and a historical trend of lower September returns. However, solid earnings growth is expected in 3Q25, which could support the stock's continued appreciation towards its target price.

### Maintain BUY, TP of IDR1,530

Our GGM approach for BBTN's fair value pegged at '25F P/B of 0.5x while currently it is trading at 0.4x '25F P/B, or at its -1SD. Key downside risks to our target price include: a) lower-than-expected loan growth; b) prolonged tight liquidity and higher SRBI high; c) NIM stagnation d) higher-than expected CoF and CoC; f) deteriorating asset quality; g) prolonged trade war uncertainty, mild economic activity, motionless wait & see stance, steady weakening purchasing power and household loan confidence. 10) 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)	4.0	4.7	4.8	4.3	4.1
PBV (x)	0.5	0.4	0.4	0.4	0.4
Div. Yield (%)	4.3	5.0	4.3	4.2	4.6
RoE (%)	12.4	9.5	8.7	8.9	9.0

Source: Company, KBVS Research

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Exhibit 2: BBTN 7M25 bank only results – selected profit and loss

Selected P&L (IDRbn)	7M24	7M25	YoY (%)	Jul-24	May-25	Jun-25	Jul-25	YoY (%)	MoM (%)	KBVS '25F % to KBVS Cons. '25F % to Cons
Interest income	17,279	19,963	15.5	2,305	2,827	4,755	1,466	(36.4)	(69.2)	
Interest expense	(10,463)	(10,748)	2.7	(1,513)	(1,577)	(1,601)	(1,595)	5.4	(0.4)	
Net interest income	6,817	9,214	35.2	792	1,249	3,154	(128)	(116.2)	(104.1)	
Non Int Inc & others	2,294	2,326	1.4	343	(236)	356	421	22.8	18.5	
Total Income	9,111	11,541	26.7	1,135	1,013	3,510	293	(74.2)	(91.6)	
Opex	(5,947)	(6,241)	5.0	(823)	(1,012)	(991)	(818)	(0.6)	(17.4)	
PPOP	3,164	5,299	67.5	312	1	2,519	(525)	(268.5)	(120.8)	
Provision	(1,123)	(3,038)	170.5	(198)	239	(1,858)	619	(412.7)	(133.3)	
Net Profit	1,603	1,798	12.2	101	188	508	92	(9.1)	(82)	2,921 61.5 3,062 58.7

Source: Company, KBVS Research

Exhibit 3: BBTN 7M25 bank only results – selected profit and loss (monthly stand-alone)

Selected P&L monthly stand-alone (IDRbn)	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Jul-24	Jul-25	YoY (%)	MoM (%)	Jan-25	Jul-25	YtD (%)
Interest income	2,436	3,413	2,704	2,827	4,755	1,466	2,305	1,466	(36.4)	(69.2)	2,361	1,466	(37.9)
Interest expense	(1,389)	(1,536)	(1,543)	(1,577)	(1,601)	(1,595)	(1,513)	(1,595)	5.4	(0.4)	(1,507)	(1,595)	5.8
Net interest income	1,047	1,877	1,161	1,249	3,154	(128)	792	(128)	(116.2)	(104.1)	854	(128)	(115.0)
Non Int Inc & others	331	885	225	(236)	356	421	343	421	22.8	18.5	344	421	22.5
Total Income	1,378	2,762	1,386	1,013	3,510	293	1,135	293	(74.2)	(91.6)	1,198	293	(75.5)
Opex	(907)	(1,018)	(749)	(1,012)	(991)	(818)	(823)	(818)	(0.6)	(17.4)	(747)	(818)	9.6
PPOP	471	1,745	637	1	2,519	(525)	312	(525)	(268.5)	(120.8)	451	(525)	(216.3)
Provision	(278)	(918)	(517)	239	(1,858)	619	(198)	619	(412.7)	(133.3)	(326)	619	(290.1)
Net Profit	150	652	107	188	508	92	101	92	(9.1)	(82.0)	102	92	(10.0)

Source: Company, KBVS Research

Exhibit 4: BBTN 7M25 bank only results – selected balance sheet

Selected BS (IDRbn)	1M25	2M25	3M25	4M25	5M25	6M25	7M25	7M24	7M25	YoY (%)	1M25	7M25	YTD (%)
Total Loan	356,992	359,352	363,112	363,120	366,517	376,110	376,891	355,678	376,891	6.0	356,992	376,891	5.6
Total Assets	454,026	464,719	468,531	470,078	475,794	484,803	481,003	457,865	481,003	5.1	454,026	481,003	5.9
Total Liability	421,249	431,755	434,993	437,120	442,603	450,877	446,945	426,646	446,945	4.8	421,249	446,945	6.1
Total Equity	32,777	32,963	33,537	32,958	33,190	33,926	34,058	31,219	34,058	9.1	32,777	34,058	3.9
Total deposits	374,467	382,031	384,703	389,154	397,783	406,382	400,824	360,783	397,783	10.3	374,467	400,824	7.0
Demand deposits	152,697	147,761	151,671	156,801	152,041	155,287	155,457	140,297	152,041	8.4	152,697	155,457	1.8
Savings deposits	41,989	41,427	45,008	42,856	43,112	44,437	44,141	40,060	43,112	7.6	41,989	44,141	5.1
Time Deposits	179,781	192,842	188,024	189,498	202,631	206,658	201,226	180,427	202,631	12.3	179,781	201,226	11.9
CASA	194,686	189,188	196,679	199,657	195,153	199,724	199,598	180,356	195,153	8.2	194,686	199,598	2.5

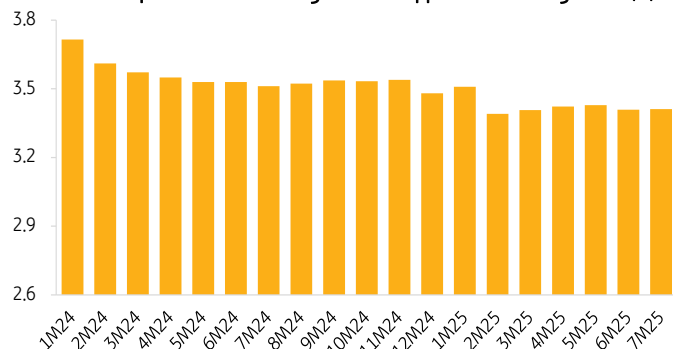
Source: Company, KBVS Research

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

Ticker	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	35.9%	35.5%	35.0%	35.0%	35.3%	34.9%	34.5%	34.3%	0.31%	-1.59%	-1.90%	36.4%	34.5%	34.3%	-2.2%	-0.2%
BBRI IJ	31.0%	30.7%	30.3%	30.0%	30.4%	30.1%	30.1%	30.6%	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.6%	-3.5%	0.5%
BMRI IJ	33.5%	32.7%	32.0%	31.4%	31.6%	31.3%	30.7%	30.8%	0.27%	-2.75%	-3.03%	34.2%	30.7%	30.8%	-3.4%	0.1%
BBNI IJ	26.1%	25.9%	24.5%	24.0%	24.0%	24.1%	24.0%	23.9%	-1.04%	-2.13%	-1.09%	26.1%	24.0%	23.9%	-2.2%	-0.1%
BBTN IJ	10.7%	10.0%	10.5%	10.0%	10.1%	10.1%	9.9%	10.1%	0.65%	-0.62%	-1.26%	10.8%	9.9%	10.1%	-0.7%	0.2%
BRIS IJ	4.6%	4.9%	4.7%	4.8%	5.3%	5.4%	5.8%	5.9%	0.89%	1.32%	0.44%	4.3%	5.8%	5.9%	1.6%	0.1%
Average	23.6%	23.3%	22.8%	22.5%	22.8%	22.7%	22.5%	22.6%	-0.2%	-1.0%	-0.8%	24.3%	22.5%	22.6%	-1.7%	0.1%

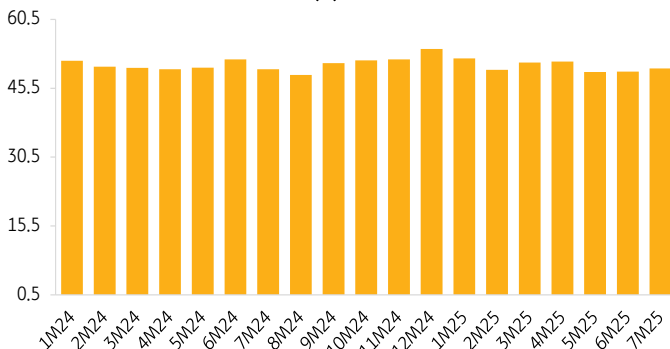
Source: KSEI, KBVS Research

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



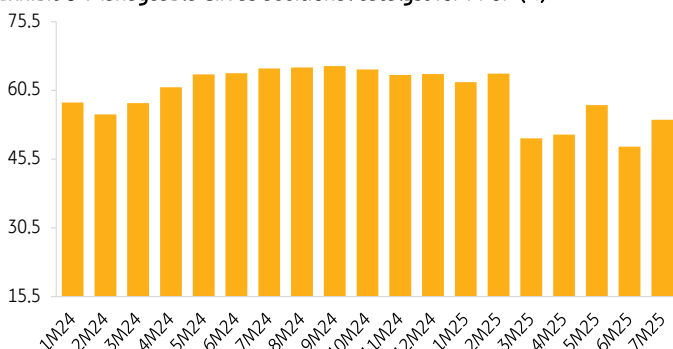
Source: Company, KBVS Research

Exhibit 7: Solid CASA to continue (%)



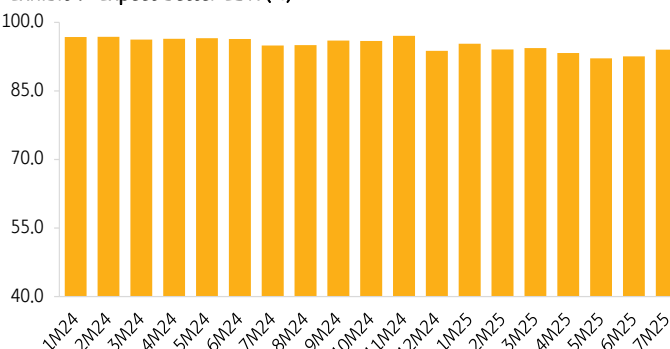
Source: Company, KBVS Research

Exhibit 8: Manageable CIR as additional catalyst for PPOP (%)



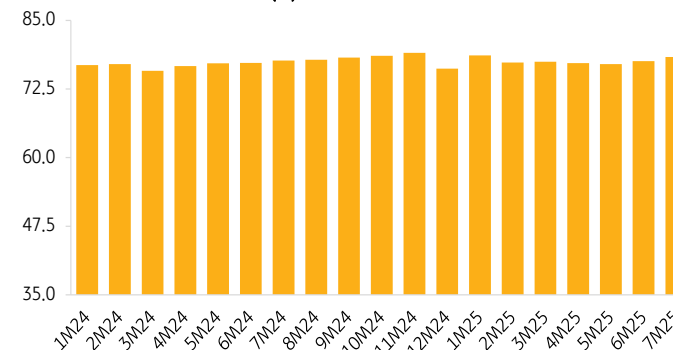
Source: Company, KBVS Research

Exhibit 9: Expect better LDR (%)



Source: Company, KBVS Research

Exhibit 10: Solid loan to asset (%)



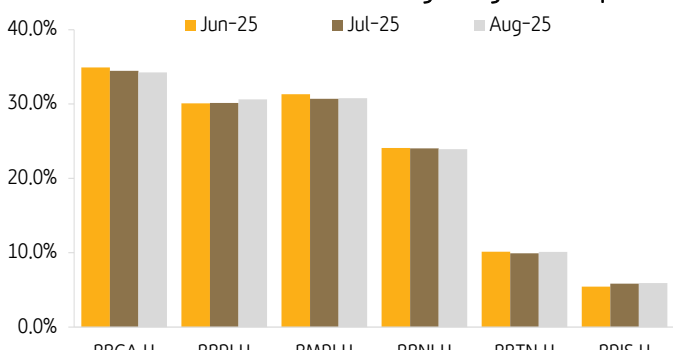
Source: Company, KBVS Research

Exhibit 11: Stocks under coverage foreign ownership

Ticker	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	0.31%	-1.59%	-1.90%	36.4%	34.5%	34.3%	-2.2%	-0.2%
BBRI IJ	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.6%	-3.5%	0.5%
BMRI IJ	0.27%	-2.75%	-3.03%	34.2%	30.7%	30.8%	-3.4%	0.1%
BBNI IJ	-1.04%	-2.13%	-1.09%	26.1%	24.0%	23.9%	-2.2%	-0.1%
BBTN IJ	0.65%	-0.62%	-1.26%	10.8%	9.9%	10.1%	-0.7%	0.2%
BRIS IJ	0.89%	1.32%	0.44%	4.3%	5.8%	5.9%	1.6%	0.1%
Average	-0.2%	-1.0%	-0.8%	24.3%	22.5%	22.6%	-1.7%	0.1%

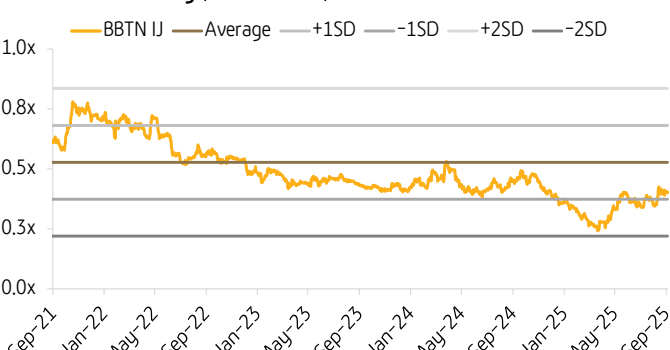
Source: Company, KBVS Research

Exhibit 12: Latest 3 month stocks under coverage foreign ownership



Source: KSE, KBVS Research

Exhibit 13: Currently (0.4x '25F P/B) trades at 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)
<b>Net interest income</b>	<b>13,430</b>	<b>11,493</b>	<b>12,948</b>	<b>13,563</b>	<b>14,791</b>
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)
<b>Pre-provision operating profit</b>	<b>8,304</b>	<b>5,806</b>	<b>6,885</b>	<b>7,218</b>	<b>8,033</b>
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
<b>Net profit</b>	<b>3,501</b>	<b>3,007</b>	<b>2,921</b>	<b>3,239</b>	<b>3,470</b>

**Exhibit 15: Balance sheet**

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
<b>Assets</b>					
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
<b>Total Asset</b>	<b>438,750</b>	<b>469,614</b>	<b>504,460</b>	<b>548,871</b>	<b>596,357</b>
<b>Liabilities</b>					
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
<b>Total liabilities</b>	<b>408,271</b>	<b>437,043</b>	<b>469,546</b>	<b>511,001</b>	<b>556,978</b>
<b>Equity</b>					
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
<b>Total Equity</b>	<b>30,479</b>	<b>32,572</b>	<b>34,913</b>	<b>37,870</b>	<b>39,379</b>

**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)	4.0	4.7	4.8	4.3	4.1
PBV (x)	0.5	0.4	0.4	0.4	0.4
Div. Yield (%)	4.3	5.0	4.3	4.2	4.6

Source: Company, KBVS Research

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Jl. Magelang KM 5,5 No. 75  
Yogyakarta 55000  
T. (0274) 8099090

#### Semarang

Jl. Gajahmada 25A,  
Kecamatan Semarang Tengah,  
Kelurahan Kembang Sari 50241  
T. (024) 40098080

#### Makassar

Komplek Ruko Citraland City Losari  
Business Park, Blok B2 No. 09  
Jl. Citraland Boulevard Makassar 90111  
T. (0411) 6000818

#### Medan

Komplek Golden Trade Center  
Jl. Jenderal Gatot Subroto No. 18-19  
Medan 20112  
T. (061) 50339090

#### Denpasar

Jl. Teuku Umar No. 177  
Komplek Ibis Styles Hotel  
Denpasar Bali 80114  
T. (0361) 225229

#### Pontianak

Jl. Prof. M Yamin No. 14  
Kotabaru, Pontianek Selatan  
Kalimantan Barat 78116  
T. (0561) 8069000

### Investment Gallery

#### Jakarta

Citra Garden 6 Ruko Sixth Avenue  
Blok J1 A/18, Cengkareng  
Jakarta Barat 11820  
T. (021) 52392181

#### Tangerang

Ruko Aniva Junction Blok D No. 32  
Gading Serpong, Tangerang,  
Banten 15334  
T. (021) 35293147

#### Semarang

Jl. Jati Raya No. D6,  
Srandol Wetan, Banyumanik,  
Semarang 50263  
T. (024) 84151195

#### Salatiga

Jl. Diponegoro No. 68  
Salatiga 50711  
T. (0298) 315007

#### Solo

Jl. Ronggowarsito No. 34  
Surakarta 57118  
T. (0271) 3199090

#### Jambi

Jl. Orang Kayo Hitam No. 48 B  
Jambi Timur 36123  
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