

Another solid 8M25 earnings; above

6 October 2025



BBTN IJ	BUY
Sector	Banks
Price at 3 Oct 2025 (IDR)	1,215
Price target (IDR)	1,530
Upside/Downside (%)	25.9

Stock Information

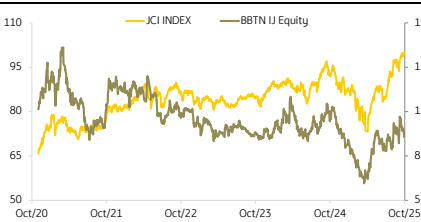
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking). It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market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

Market cap (IDR bn)	17,754
Shares outstanding (mn)	14,034
52-week range (IDR)	755 – 1,525
3M average daily vol. ('000)	32,967
3M average daily val. (IDR mn)	42,049

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(5.1)	12.0	(11.0)

BBTN delivered a solid 8M25 performance, with bank-only PATMI growing 10.5% yoy to IDR 1.99tn, significantly exceeding both our and consensus full-year expectations (68.3%/65.1% run-rate). Loan growth accelerated to 5.7% yoy (IDR 375.38tn). Total TPF grew 7.2% yoy. CASA strengthened to 50.7% (+228bps yoy), signaling effective deposit mix enhancement and bolstering future profitability. NIM expanded 22bps to 3.8%, and CIR improved 164bps to 52.4%. The CoC at 1.89% remains within guidance. Softer TPF competition and the new subsidy housing salary eligibility are expected to be key drivers for the upcoming earnings and loan demand. Foreign ownership also remains resilient. The stock has been a market champion, delivering the only positive ytd return (+6.6%) among covered banks and a +30.6% gain since our first report in 2025. Our GGM fair value IDR 1,530 is pegged at 0.4x 2025F P/B, while the stock currently trades at an attractive -1SD.

BBTN delivers strong 8M25 earnings, exceeding forecasts

BBTN recorded another solid performance in 8M25, with net income growing 10.5% yoy to IDR 1.99tn. Interest Income saw strong double-digit growth (18.6% yoy) despite prolonged uncertainty. Funding expenses grew steadily at a small single digit and significantly softened to 2.5% yoy (1.0% avg. Jan-Aug25 growth). This translated into very strong NII growth of 43.0% yoy to IDR 11.25tn. Robust PPOp, supported by well-managed CIR, helped maintain strong net income growth despite a spike in provisions. Overall, BBTN's 8M25 bank-only PATMI exceeded both our '25F and consensus expectations, achieving a high run-rate of 68.3% / 65.1%.

Healthy loan and funding growth; CASA mix improves

BBTN demonstrated an acceleration in both loan and funding growth in the latest period. Total loans grew 5.7% yoy to IDR 375.38tn, a 51bps better compared to the ytd growth of 5.2%. Total TPF showed healthy 7.2% yoy growth, reaching IDR 401.45tn, a 40bps increase from the previous period (7M25: 7.0% yoy). A key highlight is the robust 12.4% yoy growth in CASA, driven by solid increases in both demand deposits (+12.6% yoy) and saving accounts (+11.9% yoy). This growth trajectory underscores a strategic and favorable shift toward more stable and cost-effective funding sources. We anticipate BBTN's deposit mix initiatives will continue to drive a higher proportion of low-cost funding, bolstering future profitability.

BBTN: Improving Profitability and Strategic Asset Quality

BBTN's financial performance underscores significant improvements in profitability and well-managed asset quality through the 8M25. The bank achieved a notable +22bps in its NIM to 3.8%. Operational efficiency also improved, with the cost-to-income ratio improving (+164bps) to 52.4%. On funding mix, a key strength is the substantial 228bps yoy improvement in the CASA ratio, strengthening to 50.7%. This improvement, which also saw an 89bps mom gain, signals effective and proven deposit mix enhancement, contributing to lower funding costs. While the cost of credit increased to 1.89%, it remains within the bank's 2025 guidance of >1.5%. On an equity stakeholder perspective, return on equity edged up to 8.7%. Notably, the latest consolidated (1H25) Tier-1 RoE saw a 67bps increase from 11.1% to 11.7%, a figure meaningfully higher than our '25F normalized RoE assumption used in our GGM intrinsic value for BBTN valuation.

Anticipated softening TPF competition; various catalyst in the remaining '25F

The primary driver for BBTN's strong 2025 earnings is the anticipated much softer TPF competition in the remaining months of the year. The bank's proactive strategy is already yielding results, evidenced by the total blended interest expenses dropping by 245bps yoy to 2.5%. Addressing a previous industry concern, BBTN's undisbursed loan figure showed a significant decline to 3.4% as of 8M25, an improvement of 91bps from 4.3% in the prior period and a notable YTD improvement from 4.6% in Jan25. We believe the new regulations raising the upper-range salary for subsidy housing eligibility will be crucial for boosting both loan demand and NPL figures in upcoming periods. Amidst banking sector headwinds, BBTN demonstrates notable resilience in foreign ownership. This stability serves as a key catalyst for the stock, affirming long-term conviction. Latest Aug25 data shows foreign ownership +17bps mom to 10.1%, positioning it as the second highest among peers.

Maintain BUY, TP of IDR1,530

The stock has delivered a robust +30.6% gain since our initial report this year. Despite a softer return in Sept25 compared to the previous month, BBTN remains the champion in capital gains. Furthermore, its +6.6% year-to-date (YTD) return stands alone as the only positive capital gain among all banks under our current coverage, underscoring its significant market outperformance. Our GGM approach for BBTN's fair value pegged at '25F P/B of 0.4x while currently it is trading at its -1SD. 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)	3.8	4.4	4.6	4.1	3.8
PBV (x)	0.4	0.4	0.4	0.4	0.3
Div. Yield (%)	4.6	5.2	4.5	4.4	4.9
RoE (%)	12.4	9.5	8.7	8.9	9.0

Source: Company, KBVS Research

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Exhibit 2: BBTN 8M25 bank only results – selected profit and loss

Selected P&L (IDRbn)	8M24	8M25	YoY (%)	Aug-24	Aug-25	YoY (%)	Jul-25	MoM (%)	KBVS '25F	% to KBVS	Cons. '25F	% to Cons
Interest income	19,858	23,549	18.6	2,578	3,586	39	1,466	145				
Interest expense	(11,987)	(12,292)	2.5	(1,524)	(1,543)	1.2	(1,595)	(3)				
Net interest income	7,871	11,257	43.0	1,054	2,043	93.8	(128)	(1,693)				
Non Int Inc & others	2,587	2,677	3.5	293	351	19.5	421	(17)				
Total Income	10,458	13,934	33.2	1,347	2,393	77.6	293	716				
Opex	(6,849)	(7,307)	6.7	(902)	(1,066)	18.2	(818)	30				
PPOP	3,609	6,627	83.6	445	1,327	198.1	(525)	(353)				
Provision	(1,311)	(4,109)	213.4	(188)	(1,070)	469.3	619	(273)				
Net Profit	1,806	1,995	10.5	203	197	(3.0)	92	115	2,921	68.3	3,062	65.1

Source: Company, KBVS Research

Exhibit 3: BBTN 8M25 bank only results – selected profit and loss (monthly stand-alone)

Selected P&L monthly stand-alone (IDRbn)	May-25	Jun-25	Jul-25	Aug-25	Aug-24	Aug-25	Aug-25	YoY (%)	MoM (%)	Jan-25	Aug-25	YTD (%)
Interest income	2,827	4,755	1,466	3,586	2,578	3,586	3,586	39.1	144.6	2,361	3,586	51.9
Interest expense	(1,577)	(1,601)	(1,595)	(1,543)	(1,524)	(1,543)	(1,543)	1.2	(3.2)	(1,507)	(1,543)	2.4
Net interest income	1,249	3,154	(128)	2,043	1,054	2,043	2,043	93.8	(1,693.1)	854	2,043	139.3
Non Int Inc & others	(236)	356	421	351	293	351	351	19.5	(16.8)	344	351	1.9
Total Income	1,013	3,510	293	2,393	1,347	2,393	2,393	77.6	716.3	1,198	2,393	99.8
Opex	(1,012)	(991)	(818)	(1,066)	(902)	(1,066)	(1,066)	18.2	30.3	(747)	(1,066)	42.8
PPOP	1	2,519	(525)	1,327	445	1,327	1,327	198.1	(352.7)	451	1,327	194.0
Provision	239	(1,858)	619	(1,070)	(188)	(1,070)	(1,070)	469.3	(273.0)	(326)	(1,070)	228.8
Net Profit	188	508	92	197	203	197	197	(3.0)	115.2	102	197	93.7

Source: Company, KBVS Research

Exhibit 4: BBTN 8M25 bank only results – selected balance sheet

Selected BS (IDRbn)	4M25	5M25	6M25	7M25	8M25	8M24	7M25	8M25	YoY (%)	1M25	8M25	YTD (%)
Total Loan	363,120	366,517	376,110	376,891	375,377	355,267	19,963	375,377	5.7	356,992	375,377	5.2
Total Assets	470,078	475,794	484,803	481,003	481,847	456,373	481,003	481,847	5.6	454,026	481,847	6.1
Total Liability	437,120	442,603	450,877	446,945	447,438	424,699	446,945	447,438	5.4	421,249	447,438	6.2
Total Equity	32,958	33,190	33,926	34,058	34,409	31,674	34,058	34,409	8.6	32,777	34,409	5.0
Total deposits	389,154	397,783	406,382	400,824	401,450	373,884	400,824	401,450	7.4	374,467	401,450	7.2
Demand deposits	156,801	152,041	155,287	155,457	159,219	141,439	155,457	159,219	12.6	152,697	159,219	4.3
Savings deposits	42,856	43,112	44,437	44,141	44,255	39,545	44,141	44,255	11.9	41,989	44,255	5.4
Time Deposits	189,498	202,631	206,658	201,226	197,975	192,900	201,226	197,975	2.6	179,781	197,975	10.1
CASA	199,657	195,153	199,724	199,598	203,475	180,984	199,598	203,475	12.4	194,686	203,475	4.5

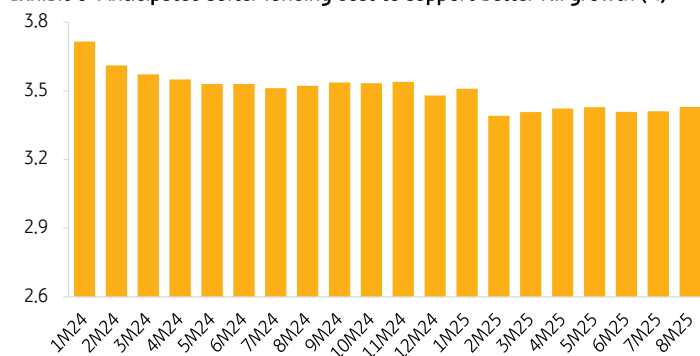
Source: Company, KBVS Research

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

Ticker	Apr-25	May-25	Jun-25	Jul-25	Aug-25	YTD 2024	YTD 2025	Incr / (Decr)	Aug-24	May-25	Jun-25	Jul-25	Aug-25	YoY (chg)	MoM (chg)
BBCA IJ	35.0%	35.3%	34.9%	34.5%	34.3%	0.31%	-1.59%	-1.90%	36.4%	35.3%	34.9%	34.5%	34.3%	-2.18%	-0.21%
BBRI IJ	30.0%	30.4%	30.1%	30.1%	30.6%	-2.51%	-0.36%	2.16%	34.2%	30.4%	30.1%	30.1%	30.6%	-3.54%	0.48%
BMRI IJ	31.4%	31.6%	31.3%	30.7%	30.8%	0.27%	-2.75%	-3.03%	34.2%	31.6%	31.3%	30.7%	30.8%	-3.39%	0.08%
BBNI IJ	24.0%	24.0%	24.1%	24.0%	23.9%	-1.04%	-2.13%	-1.09%	26.1%	24.0%	24.1%	24.0%	23.9%	-2.19%	-0.11%
BBTN IJ	10.0%	10.1%	10.1%	9.9%	10.1%	0.65%	-0.62%	-1.26%	10.8%	10.1%	10.1%	9.9%	10.1%	-0.73%	0.17%
BRIS IJ	4.8%	5.3%	5.4%	5.8%	5.9%	0.89%	1.32%	0.44%	4.3%	5.3%	5.4%	5.8%	5.9%	1.58%	0.07%
Average	22.5%	22.8%	22.7%	22.5%	22.6%	-0.2%	-1.0%	-0.8%	24.3%	22.8%	22.7%	22.5%	22.6%	-1.74%	0.08%

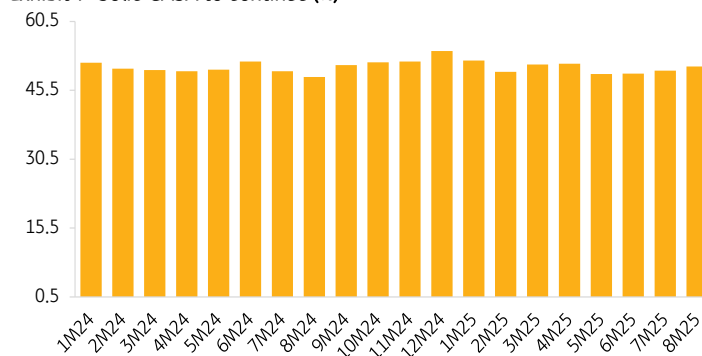
Source: KSEI, KBVS Research

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



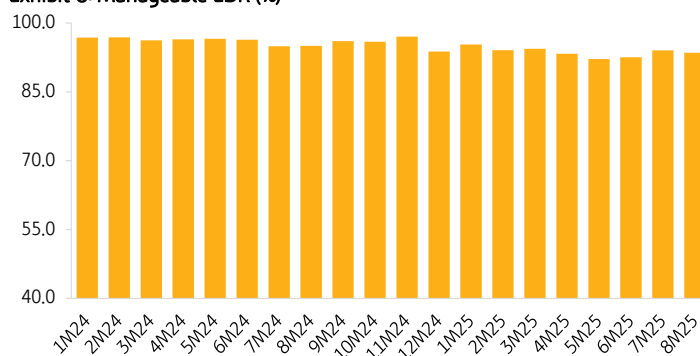
Source: Company, KBVS Research

Exhibit 7: Solid CASA to continue (%)



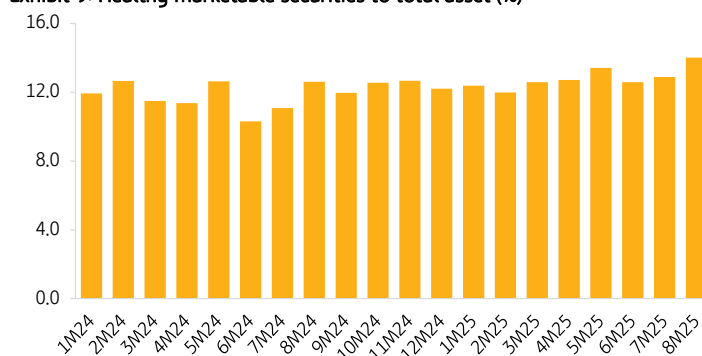
Source: Company, KBVS Research

Exhibit 8: Manageable LDR (%)



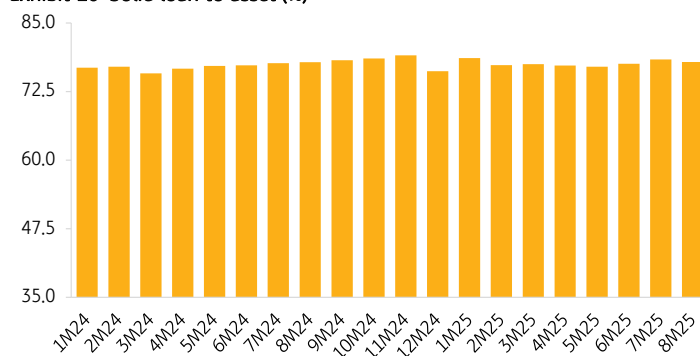
Source: Company, KBVS Research

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



Source: Company, KBVS Research

Exhibit 10: Solid loan to asset (%)



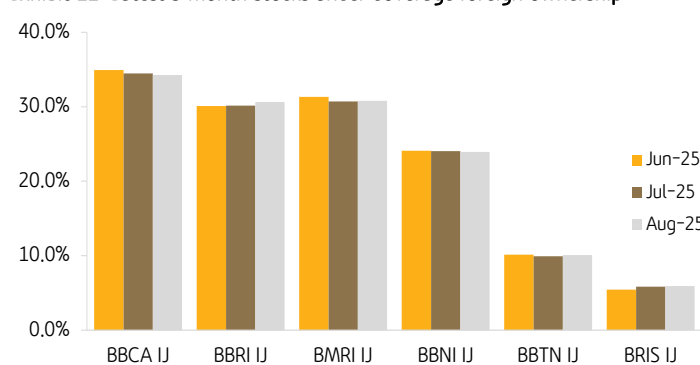
Source: Company, KBVS Research

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%	-2.18%	-0.21%
BBRI IJ	-2.51%	-0.36%	2.16%	34.2%	30.1%	30.6%	-3.54%	0.48%
BMRI IJ	0.27%	-2.75%	-3.03%	34.2%	30.7%	30.8%	-3.39%	0.08%
BBNI IJ	-1.04%	-2.13%	-1.09%	26.1%	24.0%	23.9%	-2.19%	-0.11%
BBTN IJ	0.65%	-0.62%	-1.26%	10.8%	9.9%	10.1%	-0.73%	0.17%
BRIS IJ	0.89%	1.32%	0.44%	4.3%	5.8%	5.9%	1.58%	0.07%
Average	-0.2%	-1.0%	-0.8%	24.3%	22.5%	22.6%	-1.74%	0.08%

Source: Company, KBVS Research

Exhibit 12: Latest 3 month stocks under coverage foreign ownership



Source: KSE, KBVS Research

Exhibit 13: Currently (0.9x '25F P/B) attractively 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)
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)	3.8	4.4	4.6	4.1	3.8
PBV (x)	0.4	0.4	0.4	0.4	0.3
Div. Yield (%)	4.6	5.2	4.5	4.4	4.9

Source: Company, KBVS Research

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