

FY25 earnings above; expect CoF to stay low

20 February 2026



BBTN IJ	BUY
Sector	Banks
Price at 19 Feb 2026 (IDR)	1,360
Price target (IDR)	1,530
Upside/Downside (%)	12.5

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)	19,157
Shares outstanding (mn)	14,034
52-week range (IDR)	755 - 1,450
3M average daily vol. ('000)	39,336
3M average daily val. (IDR mn)	48,268

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance

Source: Bloomberg

	1M	3M	12M
Performance (%)	11.5	13.3	41.7

Analyst

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BBTN reported a solid beat in FY25 results from top to bottom. FY25 PATMI arriving above our and cons. '25F forecast. Total loan and TPF surpassing '25F, while CoC and gross NPL came in line. '26F guidance sound acceptable, in our view. The bank is positioned for sustained growth, driven by an expected uptick in both subsidized and non-subsidized mortgage. NIM expansion is likely to persist, supported by more materialized rate cuts transmission to funding cost. Well managed risk metrics also potentially remain intact. We will revisit our BBTN '26F numbers to justify the FY25 audited numbers and better-than-expected FY25 earnings. Maintain BUY, CGM-based TP of IDR1,530 (0.4x '26F P/B), currently trades at below -1SD of 0.5x 26F P/B.

FY25 earnings above our and cons. expectation

BBTN saw a robust FY25 performance from top to bottom with solid top line and bottom-line growth coupled with strengthened asset quality anticipation. Net interest income grew strong by 57.5% yoy to IDR 18,42tn on the back of double-digit loan and softer funding cost. Sturdy PPOP growth of 81.6% yoy to IDR 10,66tn was driven by a sufficient non-interest income and manageable higher operating expenses. We like BBTN's continuous discipline to maintain its risk metrics. Despite the provisions build made, net profit remain came at a high-teens growth (16.4% yoy) to IDR 3.50tn vs IDR 3.00tn last year. The surprising FY25 earnings result came in far above our and consensus '25F expectation at 120% and 114%, respectively.

Earnings spike on significant softer funding cost

4Q25 earnings spike has become the reason on better-than-expected FY25 PATMI growth. NII grew doubled by 101.5% yoy and very strong on QoQ basis (65.8%), as the bank enjoyed a sharp fall in funding cost (interest expenses -6.3% yoy, -12.2% qoq) driven by more materialized rate cuts transmission to CoF tied with solid total loan and financing growth. PPOP also saw a stunning growth at 76.9% yoy (111.2% qoq), thanks to an acceptable and well manage CIR. This solid top to bottom performance has overall brought 4Q25 bottom line grew by 29.6% yoy (101.0% qoq) to IDR 1.19tn compared to the same period of last year of IDR 925bn.

Robust loan remains; expect stronger '26F CASA

Robust loan reported a 11.9% yoy (5.1% qoq) to IDR 400.57bn, largely driven by a 7.5% yoy higher in the housing segment. Subsidized loans continue to be the bank's backbone, making up 47.7% of the total book and growing at a double-digit rate of 10.0% yoy, while non-subsidized mortgages growth of 6.7% qoq was accounted around 28.2% to the total loan portfolio. We like the prolonged non-housing mix segment. The real standout was recorded in the corporate book. It surged an impressive 70.7% yoy and 29.5% qoq to IDR 50.06tn and now for 12.5% of the total portfolio, a significant jump from the 8.2% share we saw in FY24. Going forward, we expect the non-housing steady stronger growth to continue. Within the past half decade, the non-housing segment composition reported a very strong expansion (+710bps) to 18.0% from only 10.9%. On the funding side, total third-party funds (TPF) showed great results, climbing 14.6% yoy to reach IDR 437.39tn, supported by a 3.3% yoy and 5.1% qoq increase in CASA to IDR 213.12tn. This year, we expect to witness a softer high funding cost (TD) growth coupled with higher CASA portion.

NIM expanded +133bps; well-managed various metrics

Amid the prolonged pressure in the FY25 challenging year, BBTN delivered a solid key performance metrics. The company's NIM remains robust, stood at 4.2% in FY25 or climbing 133bps yoy compared to the same period of last year of 2.9% in FY24. Meanwhile, funding costs recorded a consistent softening trend as expected. Following the high interest environment, cost of fund has been recorded higher from 2.6% in FY22 to its peak of 4.1% in FY24 and start to decline on the back of benchmark rate cuts transmission to 3.9% last year. On monthly basis, cost of deposits showed a significant drop from 4.2% in Mar25 to 2.9% in Dec25, and we expect will remain at low level this year. We expect the broader industry shift toward a lower-interest-rate environment to gain momentum, which should further support BBTN's '26F margins. Credit costs showed a significant increase, stood at 1.6%, yet comfortably aligned with the FY25 guidance of >1.5%. Asset quality remains stable, with gross NPLs staying manageable and continue improving (-8bps) from 3.2% to 3.1% in FY25, arriving inline with BBTN's '25F of < 3.1% and inline with our '25F NPL for the bank of 3.1%.

Sound acceptable '26F guidance

We're expecting loan growth to remain arrive at solid growth rate, largely fueled by steady mortgage demand and a stronger push into the non-subsidized segment. The bank expects '26F loan growth to hover within the range of 8-10% yoy (FY25 loan growth = 11.9% yoy). Meanwhile total deposits are anticipated to came in at a softer range between 7-9% yoy. NIM is expected to keep expanding or at least will arrive at the same figures with FY25 on the conservative scenario. Between the shift toward a lower interest rate environment and a noticeable cooling down in liquidity competition, the math starts to look much better for them, in our view. We might also witness risk metrics are on track to hit healthier levels, which should ease some of the skepticism around asset quality. BBTN forecast CoC to continue improving to 1.0-1.2%, while gross NPL projected to also came at a healthier level of <3.0%.

Maintain BUY, TP of IDR1,530

Our CGM approach for BBTN's fair value pegged at '26F P/B of 0.4x which currently trading at below its -1SD level. Key downside risks include: (i) weaker-than-expected loan growth, particularly driven by higher-than-anticipated CoC and a prolonged cautious domestic business outlook; (ii) slower-than-expected easing in CoF; (iii) faster-than-expected downward adjustment in loan yields; (iv) stagnant NIM; and (v) potential IDR depreciation against the USD amid heightened global geopolitical uncertainty. Potential upside catalysts comprise: (i) a faster transmission of BI rate cuts into lower funding costs and CoC, alongside expectations of further BI rate reductions; and (ii) the government's 3mn housing program, which could support mortgage demand and loan growth.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2023A	2024F	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)	4.3	5.0	5.1	4.6	4.3
PBV (x)	0.5	0.5	0.4	0.4	0.4
Div. Yield (%)	4.1	4.7	4.0	3.9	4.3
RoE (%)	12.4	9.5	8.7	8.9	9.0

Source: Company, KBVS Research

Exhibit 2: BBTN FY25 result, selected Profit and Loss

Income statements (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)	KBVS '25F	% to KBVS.	Cons. '25F	% to Cons.
Interest Income	29,550	36,339	23.0	7,184	9,760	35.9	8,079	20.8	31,388	116		
Interest Expenses	(17,848)	(17,914)	0.4	(4,373)	(4,096)	(6.3)	(4,664)	(12.2)	(18,440)	97		
Net interest income	11,702	18,425	57.5	2,811	5,664	101.5	3,415	65.9				
Non-interest income	4,612	4,174	(9.5)	1,846	1,027	(44.4)	1,244	(17.4)				
Total operating income	16,314	22,599	38.5	4,657	6,691	43.7	4,659	43.6				
Operating expenses	(10,440)	(11,930)	14.3	(2,798)	(3,402)	21.6	(3,102)	9.7				
PPop	5,874	10,669	81.6	1,859	3,289	76.9	1,557	111.2				
Provision expenses	(2,023)	(6,170)	205.0	(668)	(1,694)	153.6	(819)	106.8				
Operating income	3,851	4,499	16.8	1,191	1,595	33.9	738	116.1				
Net profit	3,007	3,501	16.4	925	1,198	29.5	596	101.0	2,921	120	3,062	114

Source: Company, KBVS Research
Exhibit 3: BBTN FY25 result, selected Balance Sheet

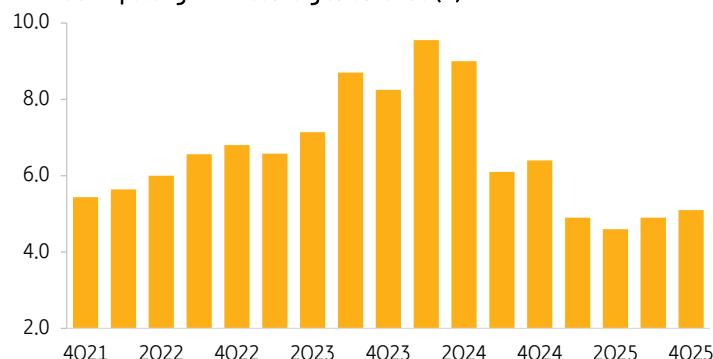
Balance Sheets (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
Loans	357,973	400,576	11.9	357,973	400,576	11.9	381,030	5.1
Current accounts	160,848	169,242	5.2	160,848	169,242	5.2	160,072	5.7
Saving deposits	45,510	43,884	(3.6)	45,510	43,884	(3.6)	42,755	2.6
Time deposits	175,309	224,271	27.9	175,309	224,271	27.9	227,099	(1.2)
Total TPF	381,667	437,397	14.6	381,667	437,397	14.6	429,926	1.7
CASA	206,358	213,126	3.3	206,358	213,126	3.3	202,827	5.1
Total equity	32,572	36,210	11.2	32,572	36,210	11.2	34,683	4.4

Source: Company, KBVS Research
Exhibit 4: BBTN FY25 result, selected key performance metrics

Key Ratio (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
NIM	2.9	4.2	1.3	2.9	4.2	1.3	3.9	0.3
CIR	57.1	49.3	(7.8)	57.1	49.3	(7.8)	47.8	1.5
ROE	10.8	11.7	0.9	10.8	11.7	0.9	10.5	1.2
RoRWA	1.8	1.9	0.1	1.8	1.9	0.1	1.7	0.2
ROA	0.8	0.9	0.1	0.8	0.9	0.1	0.8	0.1
NPL gross	3.2	3.1	(0.1)	3.2	3.1	(0.1)	3.4	(0.3)
LAR	19.7	19.4	(0.3)	19.7	19.4	(0.3)	20.7	(1.3)
NPL coverage	115.4	123.9	8.5	115.4	123.9	8.5	110.5	13.4
CoC	0.6	1.6	1.0	0.6	1.6	1.0	1.6	0.0
LDR	93.8	91.6	(2.2)	93.8	91.6	(2.2)	88.6	3.0
LFR	83.2	82.5	(0.7)	83.2	82.5	(0.7)	81.5	1.0
CASA	54.1	48.7	(5.4)	54.1	48.7	(5.4)	47.2	1.5

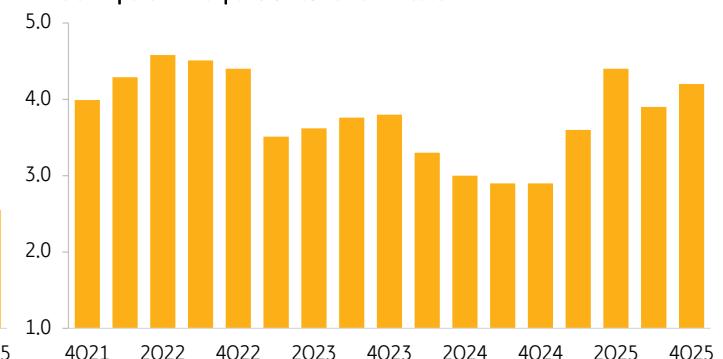
Source: Company, KBVS Research

Exhibit 5: Expecting NHPI recovery to continue (%)



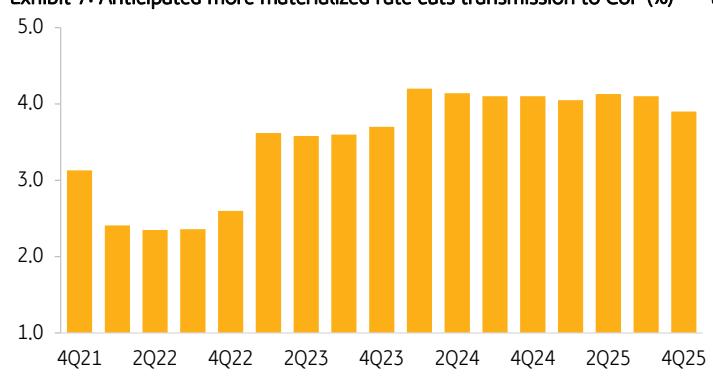
Source: Company, KBVS Research

Exhibit 6: Expect NIM expansion to remain intact



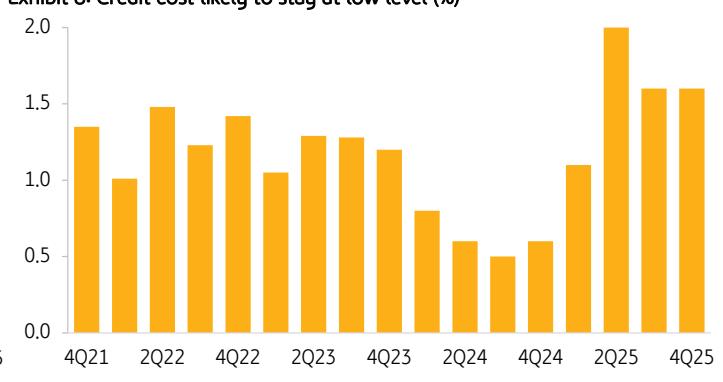
Source: Company, KBVS Research

Exhibit 7: Anticipated more materialized rate cuts transmission to CoF (%)



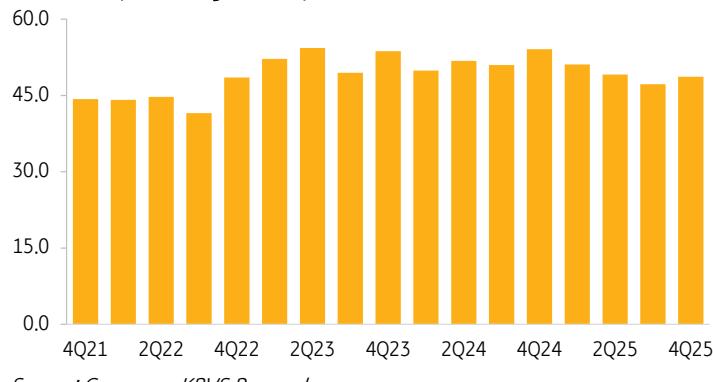
Source: Company, KBVS Research

Exhibit 8: Credit cost likely to stay at low level (%)



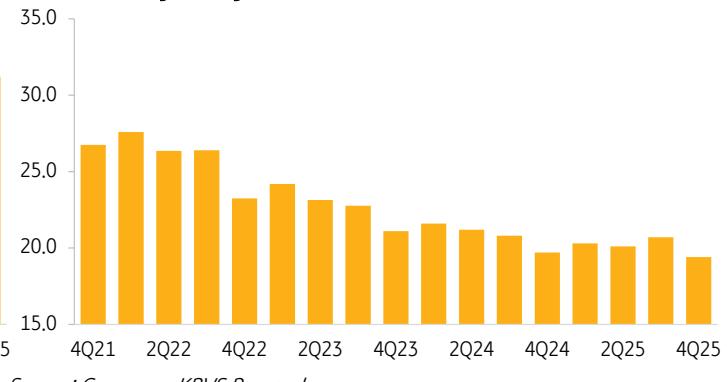
Source: Company, KBVS Research

Exhibit 9: Expect stronger CASA portion in '26F (%)



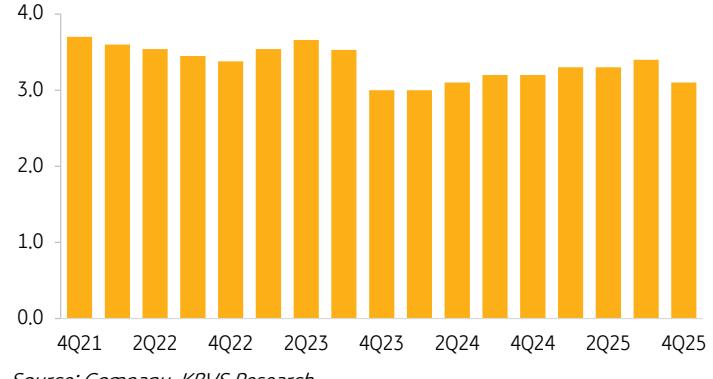
Source: Company, KBVS Research

Exhibit 10: Steady healthy LAR to total loan (IDR tn)



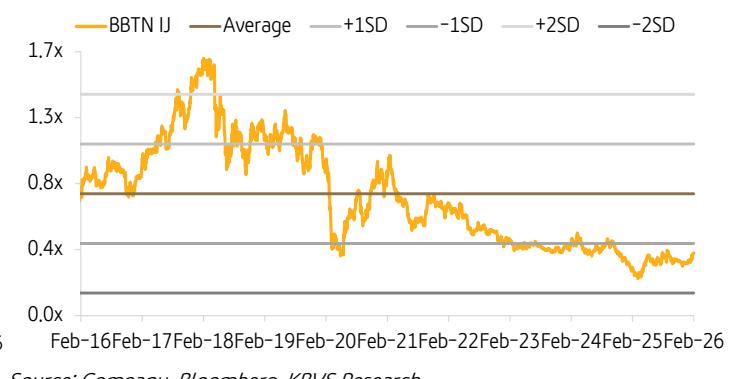
Source: Company, KBVS Research

Exhibit 11: Expect gross NPL improvement to sustain (%)



Source: Company, KBVS Research

Exhibit 12: Currently trades at 0.4x '26F P/B or slightly below its -1SD



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 13: Profit & Loss

Year End Dec (IDR bn)	2023A	2024F	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 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024F	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 15: Key performance metrics

Year End Dec (IDR bn)	2023A	2024F	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)	4.3	5.0	5.1	4.6	4.3
PBV (x)	0.5	0.5	0.4	0.4	0.4
Div. Yield (%)	4.1	4.7	4.0	3.9	4.3

Source: Company, KBVS Research

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