

Inline 1Q26 earnings

16 April 2026



BBTN IJ	BUY
Sector	Banks
Price at 15 April 2026 (IDR)	1,345
Price target (IDR)	1,530
Upside/Downside (%)	13.8

Stock Information

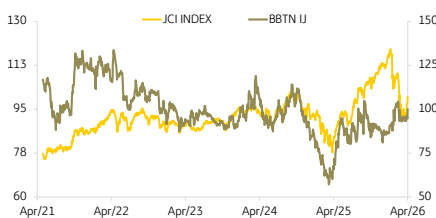
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking). It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market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

Market cap (IDR bn)	17,894
Shares outstanding (mn)	14,034
52-week range (IDR)	865 – 1,450
3M average daily vol. ('000)	39,735
3M average daily val. (IDR mn)	50,857

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	6.7	12.1	47.8

Analyst

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BBTN's 1Q26 earnings arrive in line with our and the street's expectations (30.4%/29.6% vs. 27.4%). The robust growth (22.6% YoY) was triggered by a sharp drop in funding cost and provisions that stayed at a low level. Total loan growth (10.9% YoY) came in around 30 bps higher than '26F guidance, while total TPF grew by 9.9% YoY and CASA noted 7.8% YoY higher. 1Q26 NIM was flattish, yet risk metrics saw a significant improvement. Bale by BTN will play a vital role in low-cost funding growth. A funding switch coupled with loan processes and an origination enhancement strategy will become a solid cushion and meaningful support for '26F earnings growth. **Maintain BUY**, GGM-based TP of IDR1,530 (0.6x '26F P/B), currently 0.5x 26F P/B, slightly above -1SD of 0.4x 26F P/B.

As expected, an inline 1Q26 earnings

BBTN saw a healthy top-line growth of 13.0% YoY to IDR4.26 tn in 1Q26, mainly driven by a sharp drop in blended funding cost from IDR4.43 tn to IDR3.73 tn (-15.7% YoY). Non-interest income booked around IDR954 bn, and despite the 7.1% YoY higher operating expenses, PPop growth still noted double-digit (10.0% YoY) to IDR2.33 tn. Steady asset quality improvement has brought the provision amount to remain soft, or declined by 7.7% YoY to IDR903 bn, bringing the net profit after tax in the same period to increase by 22.6% YoY to IDR1.10 tn. In all, BBTN's 1Q26 earnings came in line with our and consensus expectations at a run rate of 30.4%/29.6% vs. 27.4%.

Robust loan remains

Total loans grew by 10.3% yoy to IDR400.63 tn, coming in around 30 bps above BBTN '26F loan growth upper guidance of 10% yoy. Subsidized loans account for 48.3% of the total portfolio, much stronger compared to 47.7% in the previous quarter. Meanwhile, non-subsidized mortgages showed an acceptable growth of 5.4% YoY and were still recorded as the second largest chunk of the total loan portfolio. We are particularly encouraged by the strategic shift in the non-housing mix. This segment saw a robust growth of 36.8% yoy to IDR 70.69 tn, accounting for around 17.6% and significantly higher than 14.2% in the same period last year. The main trigger was the corporate loan segment spike (51.9% yoy) with the help of double-digit loan growth from the consumer and commercial segments, which grew by 14.4% YoY and 12.3% YoY, respectively.

Stronger CASA could continue.

Total TPF outperformed '26F upper guidance by 90 bps, climbing 9.9% YoY to IDR422.63 tn. The CASA portion still noted a healthy growth of 7.8% YoY to IDR212,112 tn on higher CA to IDR168.80 tn (+11.3% yoy), accounting for 50.2% of total deposits, an increase vs. 48.7% at the end of last year. Initiatives' consistent monitoring of CASA low cost and CASA high cost has noted positive results, increasing by 16.8% YoY for low cost and declining 23.3% YoY for high cost. This has support for year-to-date costs and should overall help the ongoing BBTN's funding cost. Cumulative CoD saw a drop to 3.0% in Mar '26 vs. 2.9% in Dec '25 and 4.2% in Mar '25. We anticipate the flat trend to continue and help the overall funding cost to stay on its declining path.

Flattish NIM, yet risk metrics are improving.

From the key metrics update, NIM came at 3.6%, flattish vs. 1Q25 of 3.6%. Yet, the bank still records a consistent AQ improvement, with gross NPL standing at 3.1% (BBTN '26F: <3.0%), a 17 bps better compared to last year's 3.3% (1Q25), thanks to the housing loan segment NPL improvement to 3.5% vs. 3.6% in the same period. Meanwhile, CoC is also beating BBTN guidance of 1.0-1.2% vs 0.9%, +15 bps yoy better vs 1.1% (1Q25).

The Bale effect, funding shift, and loan enhancement to support earnings

Robust registered users remain intact with a stunning growth of 67.5% YoY, reaching 4.0 mn users, while the total savings balance of users reached IDR23.9 tn vs. IDR20.3 tn last year (March '25). Going forward, we expect Bale By BTN mounting transaction value growth of 48.2% YoY to IDR33.1 tn (1Q26) and a solid # of transactions (531.9 mn of transactions) to continue and benefit BBTN's low-cost funding growth. We also like BTN's year-to-date achievement in stabilizing large institution funding source dependency, resulting in a spike in middle institution portion by 790 bps to 36.1% in March '26. Last but not least, we might witness BTN's strategy to enhance loan processes and loan origination will yield significant impact for '26F earnings growth.

Maintain BUY, TP of IDR1,530

Our GGM approach for BBTN's fair value pegged at '26F P/B of 0.6x currently trades at 0.5x 26F P/B, or slightly above -1SD of 0.4x 26F P/B, currently trading at below its -1SD level. Key downside risks include (i) weaker-than-expected loan growth on weakening FLPP demand, (ii) higher-than-anticipated CoF due to limited repricing yield and higher CoC on NPL mortgage continuing concern, (iii) faster-than-expected loan yields following softer CoF, (iv) flattish NIM on loan pressure tied with softer loan yield, and (v) strengthening USD/IDR. Potential upside catalysts: (i) (i) faster-than-expected switching to low-cost CASA on successful high institution migration, (ii) better-than-expected CoC on performing loan better reclassification, (iii) steady AQ improvement on government interest rate support, and (iv) stronger-than-expected impact from the 3 million housing program through various loan approvals and softer T&C of FLPP.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net interest income	11,493	18,219	19,550	20,805	23,030
Non interest income	4,576	4,108	6,184	6,663	7,366
Operating income	16,069	22,327	25,734	27,468	30,396
Pre provisions operating profit	5,806	10,532	13,258	14,105	16,147
Net income	3,007	3,501	3,646	3,876	4,434
EPS (IDR)	214	249	260	276	316
EPS growth (%)	(14.1)	16.4	4.1	6.3	14.4
PER (x)	6.3	5.4	5.2	4.9	4.3
PBV (x)	0.6	0.5	0.5	0.5	0.4
Div. Yield (%)	3.7	3.2	3.7	3.9	4.1
RoE (%)	9.5	10.2	9.8	9.9	10.4

Source: Company, KBVS Research

Exhibit 2: BBTN 1Q26 result, selected Profit and Loss

Income statements (IDRbn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)	KBVS '26F	% to KBVS.	Cons. '26F	% to Cons.
Interest Income	8,210	8,004	(2.5)	8,210	8,004	(2.5)	9,760	(18.0)				
Interest Expenses	(4,432)	(3,736)	(15.7)	(4,432)	(3,736)	(15.7)	(4,096)	(8.8)				
Net interest income	3,778	4,268	13.0	3,778	4,268	13.0	5,664	(24.6)				
Non-interest income	1,039	954	(8.2)	1,039	954	(8.2)	1,027	(7.1)				
Total operating income	4,817	5,222	8.4	4,817	5,222	8.4	6,691	(22.0)				
Other Opex (Excl. Provision)	(2,692)	(2,884)	7.1	(2,692)	(2,884)	7.1	(3,402)	(15.2)				
PPoP	2,125	2,338	10.0	2,125	2,338	10.0	3,289	(28.9)				
Provision expenses	(979)	(903)	(7.8)	(979)	(903)	(7.8)	(1,694)	(46.7)				
Operating income	1,146	1,435	25.2	1,146	1,435	25.2	1,595	(10.0)				
Non opex	(14)	(47)	49.3	(14)	(47)	49.3	(74)	(36.5)				
Pretax	1,132	1,388	22.6	1,132	1,388	22.6	1,521	(8.7)				
Net profit	904	1,108	22.6	904	1,108	22.6	1,198	(7.5)	3,646	30.4	3,747	29.6

Source: Company, KBVS Research

Exhibit 3: BBTN 1Q26 result, selected Balance Sheet

Balance Sheets (IDRbn)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
Loans	363,112	400,631	10.3	363,112	400,631	10.3	400,576	0.0
Current accounts	151,671	168,808	11.3	151,671	168,808	11.3	169,242	(0.3)
Saving deposits	45,008	43,304	(3.8)	45,008	43,304	(3.8)	43,884	(1.3)
Time deposits	188,024	210,520	12.0	188,024	210,520	12.0	224,271	(6.1)
Total TPF	384,703	422,632	9.9	384,703	422,632	9.9	437,397	(3.4)
CASA	196,679	212,112	7.8	196,679	212,112	7.8	213,126	(0.5)
Total equity	33,537	36,769	9.6	33,537	36,769	9.6	36,210	1.5

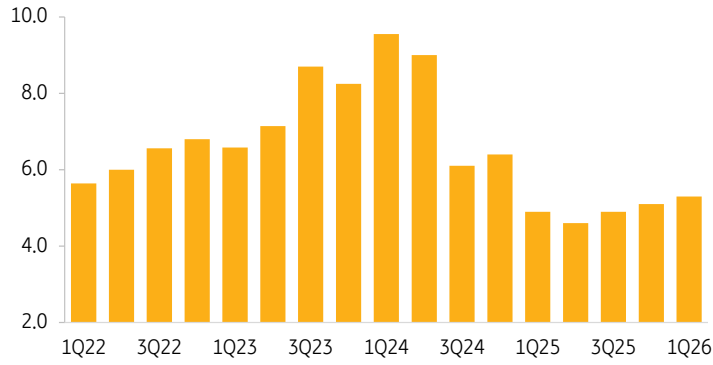
Source: Company, KBVS Research

Exhibit 4: BBTN 1Q26 result, selected key performance metrics

Key Ratio (%)	3M25	3M26	YoY (%)	1Q25	1Q26	YoY (%)	4Q25	QoQ (%)
NIM	3.6	3.6	(0.0)	3.6	3.6	(0.0)	4.2	(0.6)
CIR	53.6	49.9	(3.7)	53.6	49.9	(3.7)	49.3	0.6
ROE	12.5	12.4	(0.1)	12.5	12.4	(0.1)	11.7	0.7
RoRWA	2.1	2.3	0.2	2.1	2.3	0.2	1.9	0.4
ROA	1.0	1.1	0.1	1.0	1.1	0.1	0.9	0.2
NPL gross	3.3	3.1	(0.2)	3.3	3.1	(0.2)	3.1	0.0
LAR	20.3	19.6	(0.7)	20.3	19.6	(0.7)	19.4	0.2
NPL coverage	104.6	124.0	19.4	104.6	124.0	19.4	123.9	0.1
CoC	1.1	0.9	(0.2)	1.1	0.9	(0.2)	1.6	(0.7)
LDR	94.4	94.8	0.4	94.4	94.8	0.4	91.6	3.2
LFR	84.9	85.8	0.9	84.9	85.8	0.9	82.5	3.3
CASA	51.1	50.2	(0.9)	51.1	50.2	(0.9)	48.7	1.5
Tier-1 CAR	16.4	18.4	2.0	16.4	18.4	2.0	18.7	(0.3)
CAR	17.7	20.6	2.8	17.7	20.6	2.8	20.9	(0.3)

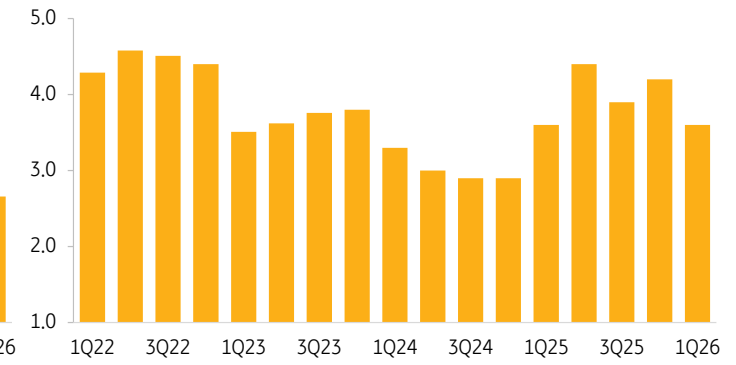
Source: Company, KBVS Research

Exhibit 5: Expecting NHPI recovery to continue (%)



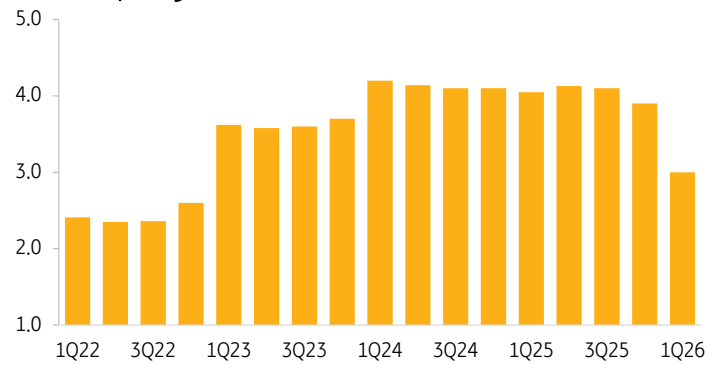
Source: Company, KBVS Research

Exhibit 6: Expect stronger NIM on softer funding cost and manageable EA



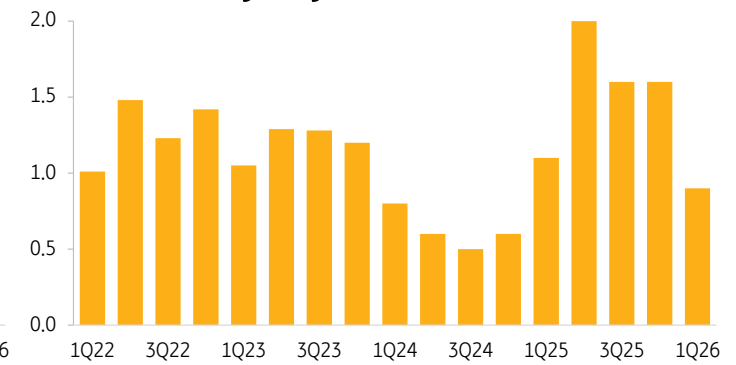
Source: Company, KBVS Research

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



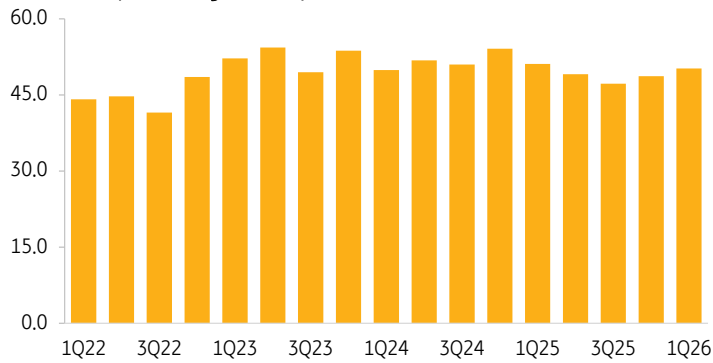
Source: Company, KBVS Research

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



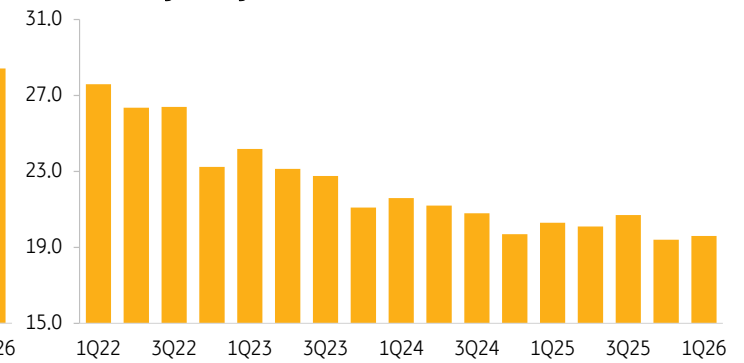
Source: Company, KBVS Research

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



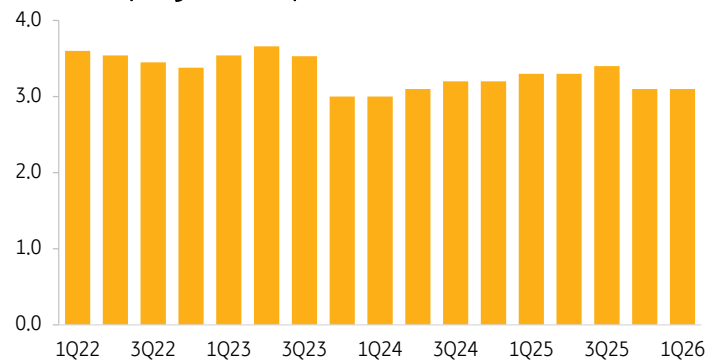
Source: Company, KBVS Research

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 0.5x '26F P/B or slightly above -1SD of 0.4x



Source: Company, Bloomberg, KBVS Research

FINANCIAL TABLES
Exhibit 13: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Interest income	29,542	36,341	39,039	41,151	44,525
Interest expense	(18,049)	(18,122)	(19,489)	(20,346)	(21,494)
Net interest income	11,493	18,219	19,550	20,805	23,030
Non-interest income	4,576	4,108	6,184	6,663	7,366
Operating expenses	(10,263)	(11,795)	(12,476)	(13,363)	(14,249)
Pre-provision operating profit	5,806	10,532	13,258	14,105	16,147
Loan loss provision	(1,981)	(6,176)	(8,423)	(8,963)	(10,261)
Pretax profit	3,773	4,382	4,861	5,168	5,912
Net profit	3,007	3,501	3,646	3,876	4,434

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Assets					
Cash	2,106	2,155	-3,090	6,380	5,065
Current Account BI	22,740	33,798	28,652	30,551	33,636
Interbank	10,610	15,444	11,243	12,317	14,123
Gov Bond	25,363	22,053	32,158	34,836	35,942
Marketable Securities	35,476	38,107	35,983	36,957	43,932
Loan	344,916	385,262	411,734	442,222	488,794
Fixed assets	9,176	10,509	8,930	9,492	10,024
Other assets	19,157	20,467	22,164	23,842	24,080
Total Asset	469,543	527,794	547,773	596,597	655,597
Liabilities					
Interbank Deposit	101	123	50	36	24
Deposit from customer	381,654	437,356	449,789	492,761	544,613
Debts Sec and Subordinates	45,258	47,469	47,091	48,731	49,878
Other Liabilities	10,029	6,635	12,976	14,415	16,605
Total liabilities	437,043	491,583	509,906	555,943	611,122
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	19,146	21,895	24,992	28,139	31,797
Other Equity	1,990	2,879	1,439	1,080	1,241
Total Equity	32,572	36,210	37,867	40,654	44,475

Exhibit 15: Key performance metrics

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
NIM (%)	2.9	4.2	4.3	4.4	4.5
LDR (%)	93.8	97.3	95.9	94.7	95.2
CASA (%)	54.1	56.6	58.7	60.5	62.3
NPL (%)	3.2	3.1	3.0	2.9	2.8
ROE (%)	9.5	10.2	9.8	9.9	10.4
ROA (%)	0.7	0.7	0.7	0.7	0.7
CAR (%)	20.0	19.2	20.0	19.7	16.1
BVPS (IDR)	2,321	2,580	2,698	2,897	3,169
PER (x)	6.3	5.4	5.2	4.9	4.3
PBV (x)	0.6	0.5	0.5	0.5	0.4
Div. Yield (%)	3.7	3.2	3.7	3.9	4.1

Source: Company, KBVS Research

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