Intact 5M26 Earnings; Sell-Off Hit Stress Test Floor

25 June 2026

BBTN IJ	BUY
Sector	Banks
Price at 25 June 2026 (IDR)	1,125
Price target (IDR)	1,530
Upside/Downside (%)	36.0

Stock Information

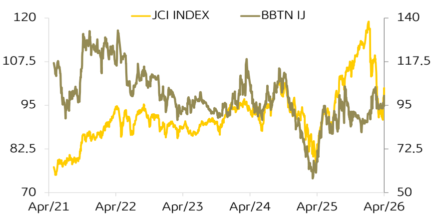
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking. It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market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

Market cap (IDR bn)	16,701
Shares outstanding (mn)	14,034
52-week range (IDR)	1,050 - 1,500
3M average daily vol. ('000)	24,111
3M average daily val. (IDR mn)	32,034

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(10.5)	(9.4)	3.1

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In 5M26, BBTN's bank-only earnings jumped +23.6% YoY, capturing 40.6% (KBVS/above) / 39.5% (consensus/inline) of '26 forecasts vs. 5YR historical average run rate of 37.3%. Total loans grew +8.1% YoY, edging past management's 8% floor, while total TPF expanded +8.3% YoY (BBTN's '26F: 7–9% YoY), driven largely by +10.4% YoY surge in low-cost CASA. NIM came flat at 3.5%, while CoC improved sharply, dropping -56bps YoY and -58bps YTD to 0.79%, outperforming '26F guidance floor of 1.0%-1.2%. To model a fundamental 'worst-case' scenario, we ran a GGM stress test by hiking the Rf by 100 bps and the (ERP) by 240 bps. This established a structural baseline floor of IDR 1,070. On valuation, the massive disconnect offers an eye-catching entry point against our TP of IDR 1,530 (0.6x '26F P/B), as BBTN currently trades at 0.4x 26F P/B, at its -1 SD of 0.4x 26F P/B. Maintain BUY.

5M26: Earnings surge on plunging provisions

Bank-only net income grew +23.6% YoY, reaching IDR1.48 tn in 5M26 (up from IDR1.19 tn in 5M25). This was primarily fueled by a steep decline in provisions, which fell from IDR1.79 tn to IDR1.10 tn. In all, 5M26 earnings exceeded our '26F expectations (40.6%) and inline vs consensus (39.5%). In May '26 alone, net income spiked +71.1% YoY to IDR322 bn, again catalyzed by plummeting provisions. Furthermore, May26 demonstrated healthy momentum on a MoM basis. Net interest income rose +21.2% YoY to IDR1.31 tn, supported by solid +12.9% YoY top-line growth and manageable blended funding costs (+4.8% YoY). A steady, well-managed CIR (+5.4% YoY) allowed PPoP to book strong double-digit growth of +33.5% YoY to IDR659 bn.

Loan growth beats '26F floor; TPF meets guidance

At the bank-only level, total loans increased +8.1% YoY to IDR344.7 tn (up from IDR318.9 tn), slightly surpassing the lower bound of management's 8%-10% '26F guidance. On the liability side, total TPF grew +8.3% YoY to IDR372.9 tn, landing within the targeted 7%-9% range. Low-cost funding (CASA) advanced +10.4% YoY to IDR181.3 tn, bolstered by robust demand deposit growth (+12.5% YoY).

Run-rate could surpass 1H26 forecasts

BBTN's solid 5M26 bank-only run rate should support the upcoming 1H26 results. Assuming Jun26 earnings mirror recent trends, implying a May-June aggregate of IDR921 bn, it would still beat our 2Q26F net income forecast of IDR807 bn. Cumulatively, this suggests 1H26 bank-only earnings could reach IDR2.03 tn (+18.9% YoY), ceteris paribus. It is also worth noting that consolidated growth could be significantly higher due to the BSN consolidation.

Flattish NIM; plunging credit costs to anchor earnings.

The 5M26 bank-only NIM came flat at 3.5%. Year-to-date, NIM has been well-managed, softening by just -19 bps from 3.74% in Jan26. Effective transmission to funding costs reduced deposit expenses by -90 bps YoY, dropping from 4.18% to 3.12% in 5M26 (also better than Jan26 3.16%). A slightly higher CIR is acceptable, and it did not disrupt YTD or 1Q26 consolidated earnings. On the risk front, stable asset quality drove significant credit cost improvements; CoC dropped -56bps YoY and -58bps YTD to 0.79%, easily beating the company's '26F guidance range of 1.0%-1.2.

Stock sell-off hit GGM Floor: the plunge unlocks attractive entry point

BBTN's recent aggressive sell-off has dragged its stock return to -3.0% YTD and -5.8% MTD, plunging -29.5% from its YTD peak. This deep correction stems entirely from souring foreign investor appetite and domestic macroeconomic noise, rather than fundamental deterioration. To quantify the absolute downside support, we modeled an GGM-based valuation stress test: hiking the risk-free rate (Rf) by 100 bps and adding a hefty 240 bps to the equity risk premium (ERP). This highly defensive scenario yields a structural floor of IDR1,070 (30.1% below our GGM-based TP of IDR1,530). The stock's brief dip below our absolute valuation floor suggests that selling pressure has exhausted itself. With fundamentals fully intact, this steep disconnect offers a highly compelling entry point into deep-value territory.

Maintain BUY

Based on our GGM approach, BBTN's fair value of IDR1,530 is pegged at 0.6x '26F P/B. To note, the stock currently trades at a deep discount of 0.4x '26F P/B, sitting at -1SD. Potential upside catalysts are: (i) faster-than-expected switch to low-cost CASA, driven by successful institutional migration, (ii) lower-than-expected CoC resulting from improved loan reclassifications, (iii) steady asset quality improvement backed by government interest rate support, and (iv) stronger-than-expected impact from the 3 million housing program through accelerated loan approvals and softer T&C of FLPP. Key downside risks include (i) weaker-than-expected loan growth due to weakening FLPP demand, (ii) higher-than-anticipated CoF due to limited repricing yield and higher CoC on NPL mortgages, (iii) concerns over NPL mortgages, (iv) persistently flat NIM caused by loan pricing pressure and softer yields, and (v) weaker IDR/USD exchange rate.

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)	5.2	4.5	4.3	4.1	3.5
PBV (x)	0.5	0.4	0.4	0.4	0.4
Div. Yield (%)	4.5	3.8	4.5	4.6	4.9
RoE (%)	9.5	10.2	9.8	9.9	10.4

Source: Company, KBVS Research

Exhibit 2: BBTN 5M26 result, selected Profit and Loss

Selected P&L (IDRbn)	5M25	5M26	YoY (%)	May-25	May-26	YoY (%)	Apr-26	May-26	MoM (%)	KBVS '26F	% to KBVS	Cons. '26F	% to Cons.
Interest income	13,741	11,543	(16.0)	2,827	2,464	(12.8)	2,182	2,464	12.9				
Interest expense	(7,553)	(5,560)	(26.4)	(1,577)	(1,150)	(27.1)	(1,097)	(1,150)	4.8				
Net interest income	6,188	5,983	(3.3)	1,249	1,315	5.2	1,085	1,315	21.2				
Non Int Inc & others	1,549	1,458	(5.8)	(236)	297	(225.9)	313	297	(4.9)				
Total Income	7,737	7,442	(3.8)	1,013	1,612	59.1	1,398	1,612	15.3				
Opex	(4,432)	(4,433)	0.0	(1,012)	(953)	(5.8)	(904)	(953)	5.4				
PPOP	3,305	3,009	(9.0)	1	659	62,732.7	494	659	33.5				
Provision	(1,799)	(1,106)	(38.5)	239	(242)	(200.9)	(146)	(242)	65.3				
Net Profit	1,199	1,482	23.6	188	322	71.1	277	322	16.2	3,646	40.6	3,747	39.5

Source: Company, KBVS Research

Exhibit 3: BBTN 5M26 result, selected Balance Sheet

Selected BS (IDRbn)	1M26	2M26	3M26	4M26	5M26	5M25	5M26	YoY (%)	1M26	5M26
Total Loan	341,458	341,155	344,125	344,074	344,733	318,927	344,733	8.1	341,458	344,733
Total Assets	448,347	459,290	448,450	445,703	459,784	417,032	459,784	10.3	448,347	459,784
Total Liability	411,841	422,601	411,685	408,673	422,514	442,603	422,514	(4.5)	411,841	422,514
Total Equity	36,506	36,689	36,765	37,030	37,271	33,190	37,271	12.3	36,506	37,271
Total deposits	362,770	375,276	364,061	357,826	372,884	344,460	372,884	8.3	362,770	372,884
Demand deposits	136,445	134,270	139,721	143,664	145,498	129,381	145,498	12.5	136,445	145,498
Savings deposits	32,024	32,907	35,625	35,235	35,757	34,781	35,757	2.8	32,024	35,757
Time Deposits	194,301	208,099	188,716	178,927	191,629	180,298	191,629	6.3	194,301	191,629
CASA	168,469	167,176	175,346	178,899	181,255	164,162	181,255	10.4	168,469	181,255

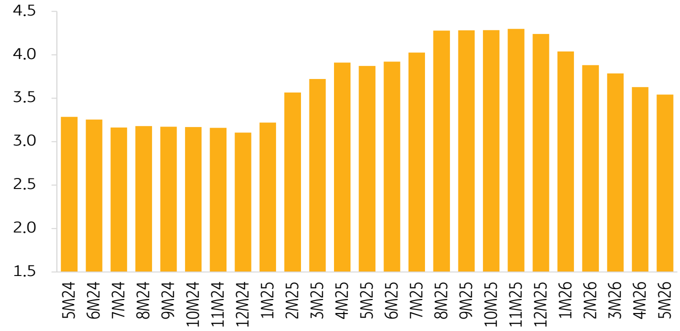
Source: Company, KBVS Research

Exhibit 4: BBTN 5M26 result, selected key performance metrics

Selected key ratios	1M26	2M26	3M26	4M26	5M26	5M25	5M26	YoY (%)	1M26	5M26	YoY (%)
NIM	3.7	3.6	3.6	3.5	3.5	3.9	3.5	(0.3)	3.7	3.5	(0.2)
Cost of credit	1.4	1.2	0.8	0.8	0.8	1.4	0.8	(0.6)	1.4	0.8	(0.6)
CASA (IDRbn)	203,473	201,737	212,170	216,017	219,316	195,153	219,316	24,164	203,473	219,316	15,844
CASA	48.4	46.8	50.2	51.6	50.5	49.1	50.5	1.5	48.4	50.5	2.1
Loan to deposits	94.4	92.1	94.8	95.9	92.9	92.1	92.9	0.7	94.4	92.9	(1.5)
Cost to income	54.1	56.5	58.1	59.7	59.6	57.3	59.6	2.3	54.1	59.6	5.5
Mkt sec to total asset	12.7	12.6	12.9	13.4	13.1	13.4	13.1	(0.3)	12.7	13.1	0.4
Loan to asset	76.3	74.7	76.4	76.8	74.9	77.0	74.9	(2.1)	76.3	74.9	(1.3)

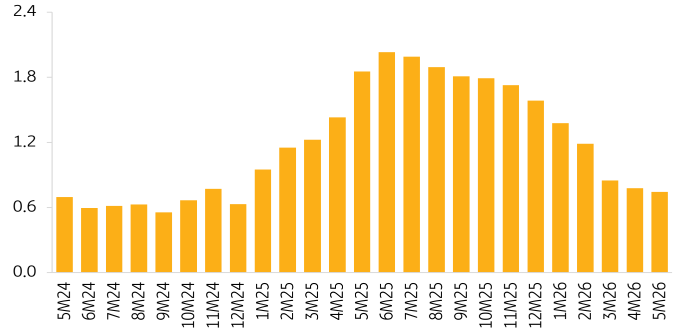
Source: Company, KBVS Research

Exhibit 5: Expect manageable NIM amid softer loan yield and loan pressure



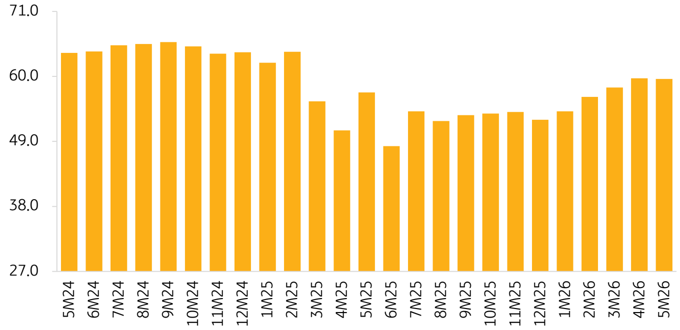
Source: Company, KBVS Research

Exhibit 6: Improving CoC to continue



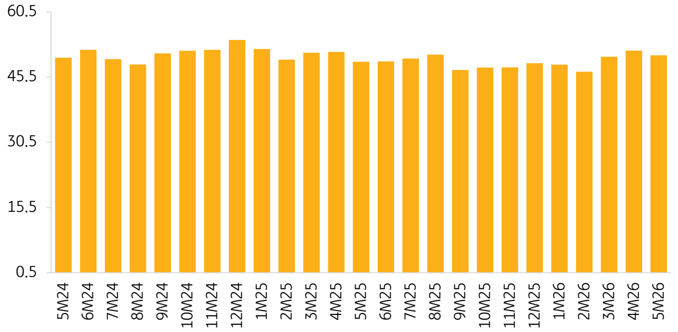
Source: Company, KBVS Research

Exhibit 7: Cost to income will continue to play vital role (%)



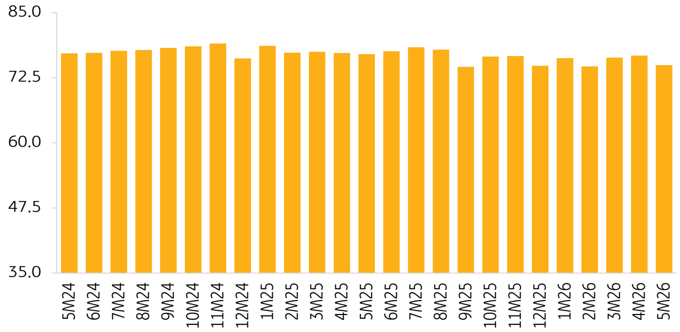
Source: Company, KBVS Research

Exhibit 8: Healthy CASA will remain intacat



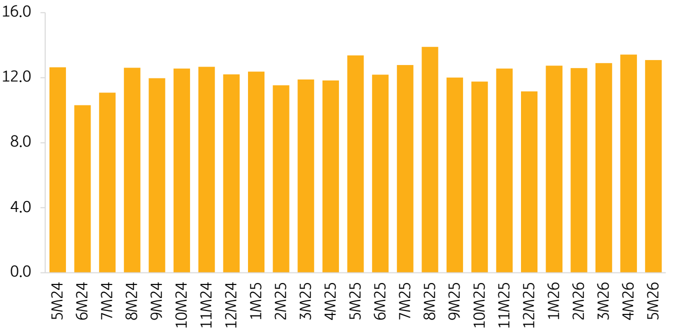
Source: Company, KBVS Research

Exhibit 9: Loan to asset will stay solid (%)



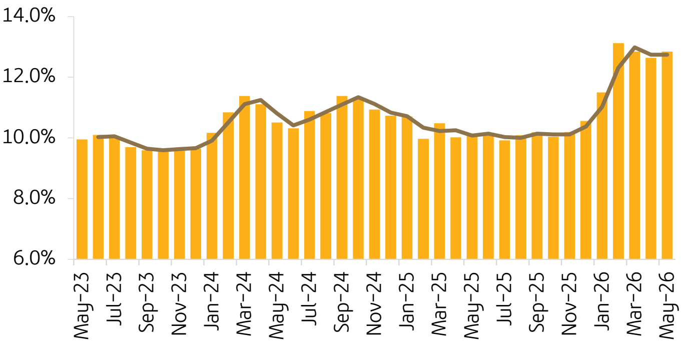
Source: Company, KBVS Research

Exhibit 10: Slightly increasing marketable securities sound acceptable (%)



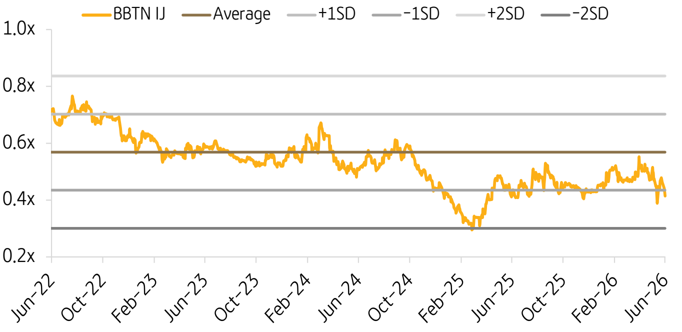
Source: Company, KBVS Research

Exhibit 11: Expect foreign ownership to remain high (%)



Source: Company, KBVS Research

Exhibit 12: Currently trades at 0.4x '26F P/B, at its -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	2,169	2,592	2,634
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	19,229	20,467	16,905	27,047	24,343
Total Asset	469,615	527,793	547,773	596,015	653,428
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	13,833	14,437
Total liabilities	437,043	491,583	509,906	555,361	608,953
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)	5.2	4.5	4.3	4.1	3.5
PBV (x)	0.5	0.4	0.4	0.4	0.4
Div. Yield (%)	4.5	3.8	4.5	4.6	4.9

Source: Company, KBVS Research

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