

Inline 9M25 earnings, expect 26F to continue

24 October 2025



BBTN IJ	BUY
Sector	Banks
Price at 23 October 2025 (IDR)	1,195
Price target (IDR)	1,530
Upside/Downside (%)	28.0

Stock Information

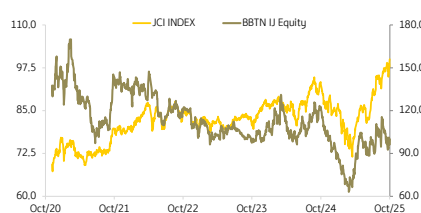
PT Bank Tabungan Negara (Persero) Tbk is a state-owned enterprise bank providing banking services (consumer banking, commercial and sharia banking). It has a strong business presence in subsidized mortgage. The bank has the continuing support from government in channeling housing subsidy which make market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

Market cap (IDR bn)	16,771
Shares outstanding (mn)	14,034
52-week range (IDR)	755 - 1,505
3M average daily vol. ('000)	42,216
3M average daily val. (IDR mn)	53,195

Shareholders (%)

Republic of Indonesia	55.0
Public	45.0

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(4.3)	0.4	(18.4)

Analyst

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BBTN delivered a strong beat in 9M25 amid the uncertainty sector environment, net income (+10.6% yoy), arriving inline with our '25F forecast and cons. expectation (78.8%/75.2%) and above (3.22%) our 3Q25F earnings for BBTN. Loan growth hit a healthy 7.0% ('25F guidance of 7-9% yoy), while total TPF grew strong, with solid CASA growth of 7.3% yoy. NIM expanding 101bps to a solid 3.9% vs 2.9%. AQ continue manageable, with gross NPL at 3.4% vs 3.3% and improving CoC to 1.6% in 9M25 vs 2.0% in the 6M25. RoE came in 40bps yoy higher. BBTN continue recorded a digital leap key performance, with financial transactions witnessed a massive 96.0% yoy surge, jumping to 1,535.3 of transaction, with 19.6% yoy transaction value to IDR 71.9tn. We start rolled over our valuation to '26F. The bank is poised for continued growth, anticipating better overall loan growth from subsidized and non-subsidized mortgages. NIM expansion is expected to continue, buoyed by a lower interest rate environment, which should pointedly lift BBTN's valuation and market confidence. Maintain BUY, GGM-based TP of IDR1,530 (0.5x '25F P/B), while currently trades at its -1SD of 0.4x 25F P/B.

Inline 9M25 run-rate, with 3Q25 beating our forecast

BBTN delivered solid 9M25 results, with net income increasing 10.6% yoy to IDR2.30tn, fueled by strong top-to-bottom performance. Amid the prolonged uncertainty, top line income expanded 18.8% yoy to IDR 26.6tn, supported by healthy loan growth (+7.0% yoy) and crucially, robust net interest income growth of +43.5% yoy to IDR 12.8tn—stemming from a moderated increase in funding cost (+2.5% yoy)—doubled PPOp to IDR7.38tn (+83.8% yoy). Overall, BBTN's 9M25 earnings pointedly beat our '25F expectations and in line with consensus at a run-rate of 78.8% and 75.2%. On quarterly and cumulative basis 3Q25 and 9M25 earnings also came in line at IDR 596.0bn and IDR 2.30tn vs our '25F earnings for BBTN of IDR 590.5bn and IDR2.298tn, respectively.

Healthy loan growth and CASA

BBTN's total loan portfolio expanded 7.0% yoy, primarily underpinned by the housing loan segment's 6.4% yoy growth. The subsidized loan book remains a foundational pillar with 49.0% of total portfolio enjoying 8.0% yoy, while non-subsidized mortgage grew by 7.3% yoy in 9M25. We also like the non-housing loan mix which held stable, yet a deep dive into the corporate book reveals superb growth, surging 27.5% yoy and a healthy 8.5% qoq, around 10.1% of the total portfolio, or a solid of 140bps stronger vs 8.7% (3M25). TPF demonstrated remarkable resilience, achieving robust 16.0% yoy growth to IDR429.93bn. This was supported by a healthy 7.3% yoy expansion in CASA to IDR202,826bn, a higher yoy growth compared to 6M25 period of 5.6% yoy.

NIM expanded +101bps; well-managed various metrics

NIM robust continue +101bps higher from 2.9% to 3.9%. Funding cost at 4.10%, slightly softer from 4.13% in previous quarters and around 10bps below the beginning of last year. We anticipated the industry cost of fund shifting trend to low interest environment will become more significant and benefited BBTN's margin. From key risk metrics perspective, credit cost saw meaningful improvement to 1.6% from 2.0% in 1H25 ('25F guidance: > 1.5%), while gross npl remain manageable at 3.4% from 3.3% in the same quarters. RoE recorded a stronger figure to 9.10% vs 9.0% last year, while tier-1 RoE recorded a 40bps improvement from 10.1% to 10.5%.

BBTN's digital push: a catalyst for transactional banking growth

On BBTN's UUS sharia spin-off update, BBTN has officially introduced new BSN (Bank Syariah Nasional) corporate identity and logo in Oct25. Next month, the BSN EGMS will be held and expected to officially spin-off the business unit in the same month with an estimation stand-alone as new subsidiary of the bank in Dec25. We believe this corporate action will bring more benefit to the bank. As of 9M25, the sharia business unit performance noted a steady remarkable performance with robust asset growth (+18.4% yoy) and steady financing expansion (+19.7% yoy) and resilient deposits growth by 19.3% yoy. Profitability also saw healthy profitability with earnings growth at 8.4% yoy and stable gross npf at 2.8% vs 2.8% last year as well as robust CASA growth from 54% (9M24) to 58.2% in 9M25.

Digital transformation drives massive 96.0% surge in transactions

BTN's digital strategy is yielding significant results, accelerating transactional growth and reinforcing operational efficiency. Mobile financial transactions witnessed a massive 96.0% yoy surge, jumping from IDR 783.5mn in 9M24 to 1,535.3 of transaction in the same period. This robust digital activity generated a transaction value of IDR 71.9tn.

Expect much stronger '26F performance

We start to roll over to '26F period. Despite BBTN management has not officially announced '26F guidance, we believe steady mortgage demand coupled with higher non-subsidized mortgage segment growth will overall drive loan growth to arrive stronger than this year. NIM expansion likely to continue supported by the upcoming lower interest rate environment and much softer liquidity competition. Risk metrics anticipated to arrive at a healthier level, while stable better RoE figure could lift BBTN's valuation and market confidence.

Maintain BUY, TP of IDR1,530

Our GGM approach for BBTN's fair value pegged at '25F P/B of 0.5x while currently at its -1SD. Key downside risks to our call include: a) lower-than-expected loan growth; b) faster than expected loan yield adjustment, c) NIM stagnation, d) softer-than anticipated BI rate cut transmission, higher than expected CoC, f) prolonged wait and see stance, g) stagnation and weakening debtor confidence, h) weakening IDR/USD.

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)	3.7	4.4	4.5	4.1	3.8
PBV (x)	0.4	0.4	0.4	0.3	0.3
Div. Yield (%)	4.6	5.3	4.6	4.5	4.9
RoE (%)	12.4	9.5	8.7	8.9	9.0

Source: Company, KBVS Research

Exhibit 2: BBTN 9M25 result and key performance metrics results

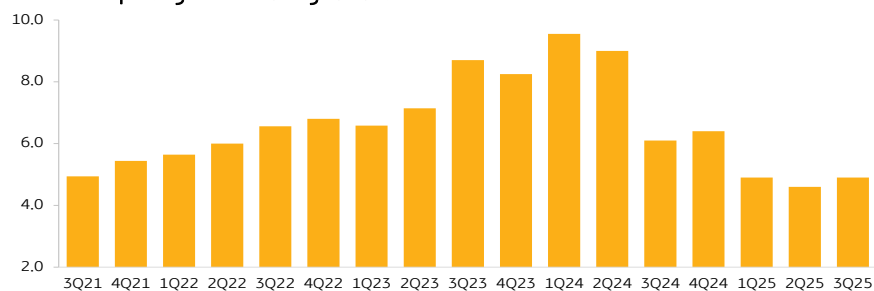
Income statements (IDRbn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)	KBVS '25F	% to '25F	Cons. '25F	% to Cons.
Interest Income	22,366	26,579	18.8	7,391	8,079	9.3	10,290	-21.5				
Interest Expenses	-13,475	-13,817	2.5	-4,526	-4,664	3.0	-4,721	-1.2				
Net interest income	8,891	12,762	43.5	2,865	3,415	19.2	5,569	-38.7				
Non-interest income	2,767	3,147	13.8	758	1,244	64.2	864	44.0				
Total operating income	11,658	15,909	36.5	3,623	4,659	28.6	6,433	-27.6				
Operating expenses	-7,642	-8,528	11.6	-2,511	-3,102	23.6	-2,734	13.5				
PPoP	4,016	7,381	83.8	1,112	1,557	40.0	3,699	-57.9				
Provision expenses	-1,355	-4,476	230.3	-379	-819	116.1	-2,678	-69.4				
Net profit	2,082	2,303	10.6	581	596	2.7	803	-25.8	2,921	78.8	3,062	75.2

Balance Sheets (IDRbn)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)
Loans	356,064	381,030	7.0	356,064	381,030	7.0	376,110	1.3
Current accounts	148,645	160,072	7.7	148,645	160,072	7.7	155,287	3.1
Saving deposits	40,344	42,755	6.0	40,344	42,755	6.0	44,438	-3.8
Time deposits	181,763	227,099	24.9	181,763	227,099	24.9	206,658	9.9
Total TPF	370,752	429,926	16.0	370,752	429,926	16.0	406,383	5.8
CASA	188,989	202,827	7.3	188,989	202,827	7.3	199,725	1.6
Total equity	32,008	34,683	8.4	32,008	34,683	8.4	33,926	2.2

Key Ratio (%)	9M24	9M25	YoY (%)	3Q24	3Q25	YoY (%)	2Q25	QoQ (%)
NIM	2.9	3.9	1.0	2.9	3.9	1.0	4.4	(0.5)
CIR	59.9	47.8	(12.1)	59.9	47.8	(12.1)	43.8	4.0
ROE	10.1	10.5	0.4	10.1	10.5	0.4	11.7	(1.2)
ROA	0.8	0.8	0.0	0.8	0.8	0.0	0.9	(0.1)
NPL gross	3.2	3.4	0.2	3.2	3.4	0.2	3.3	0.1
LAR	20.8	20.7	(0.1)	20.8	20.7	(0.1)	20.2	0.5
NPL coverage	126.5	110.5	(16.0)	126.5	110.5	(16.0)	115.0	(4.5)
CoC	0.5	1.6	1.1	0.5	1.6	1.1	2.0	(0.4)
LDR	96.0	88.6	(7.4)	96.0	88.6	(7.4)	92.6	(4.0)
CASA	51.0	47.2	(3.8)	51.0	47.2	(3.8)	49.1	(1.9)
Cost of Fund	4.1	4.1	0.0	4.1	4.1	0.0	4.1	(0.0)
Tier-1 CAR	17.0	17.3	0.3	17.0	17.3	0.3	16.2	1.1
CAR	18.7	18.6	(0.1)	18.7	18.6	(0.1)	17.5	1.1

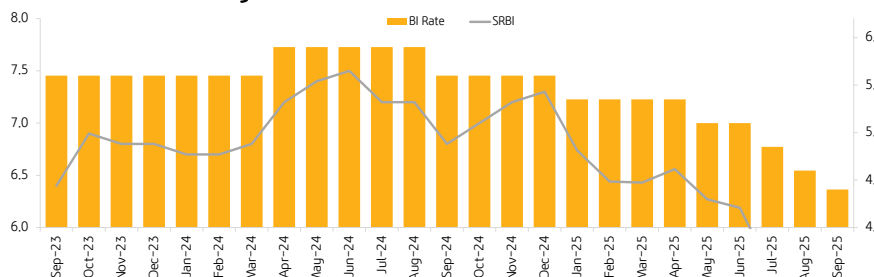
Source: Company, KBVS Research

Exhibit 3: Expecting NHPI recovery to continue



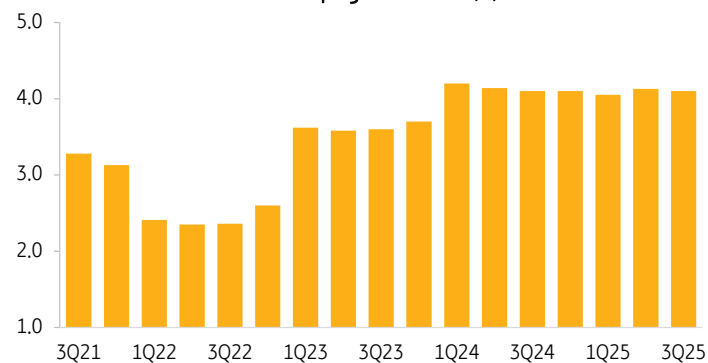
Source: Company, KBVS Research

Exhibit 4: Softer SRBI likely to continue



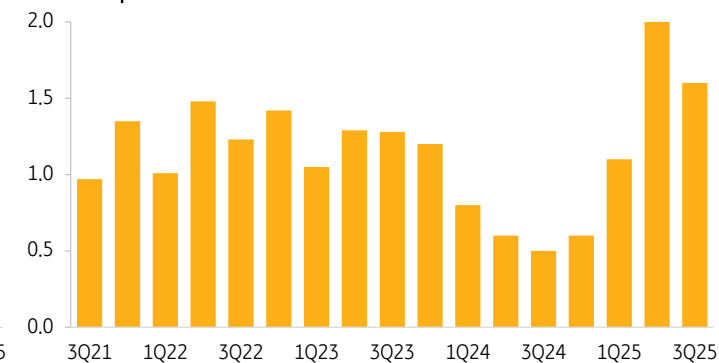
Source: Company, KBVS Research

Exhibit 5: Softened cost of fund to play crucial role (%)



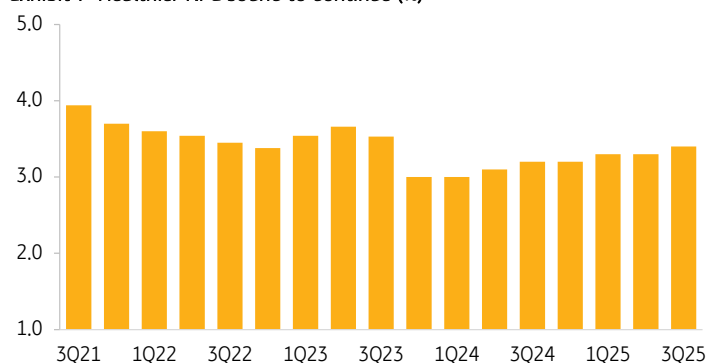
Source: Company, KBVS Research

Exhibit 6: Expect softer CoC to continue



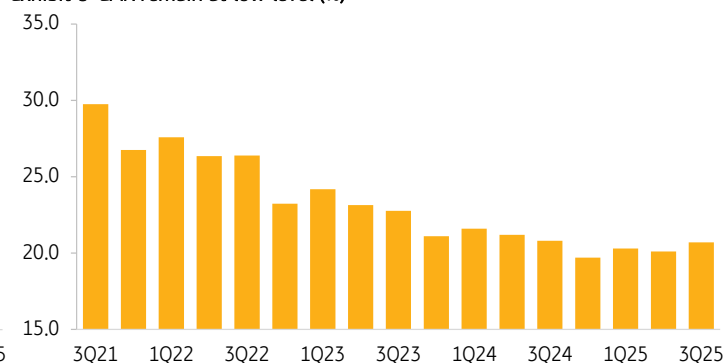
Source: Company, KBVS Research

Exhibit 7: Healthier NPL sound to continue (%)



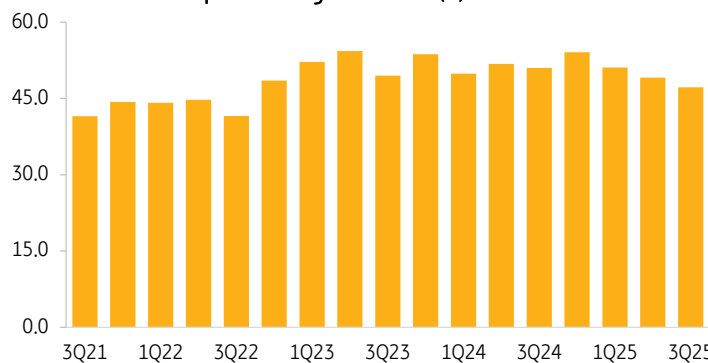
Source: Company, KBVS Research

Exhibit 8: LAR remain at low level (%)



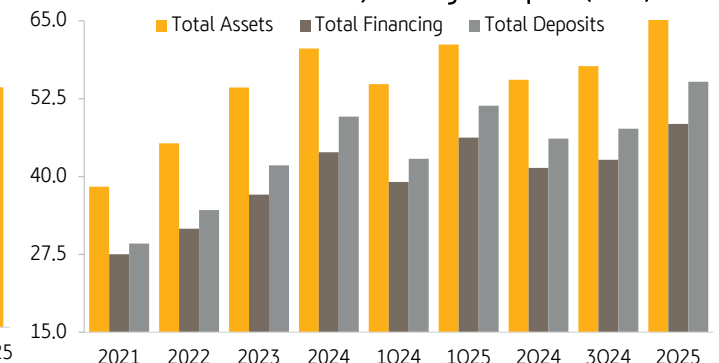
Source: Company, KBVS Research

Exhibit 9: Solid CASA portion likely to continue (%)



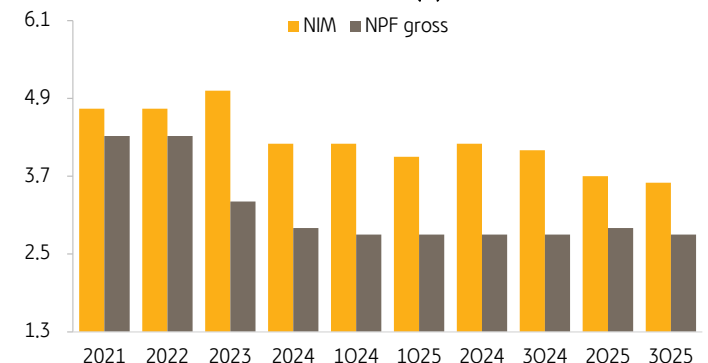
Source: Company, KBVS Research

Exhibit 10: Sharia business units Assets, Financing and Deposits (IDR tn)



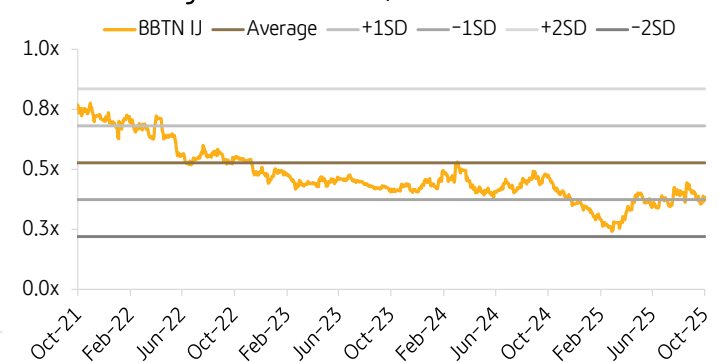
Source: Company, KBVS Research

Exhibit 11: Sharia business unit NIM and NPF (%)



Source: Company, KBVS Research

Exhibit 12: Currently trades at 0.4x '25F P/B or at 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)	3.7	4.4	4.5	4.1	3.8
PBV (x)	0.4	0.4	0.4	0.3	0.3
Div. Yield (%)	4.6	5.3	4.6	4.5	4.9

Source: Company, KBVS Research

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