Buy

(Maintained)

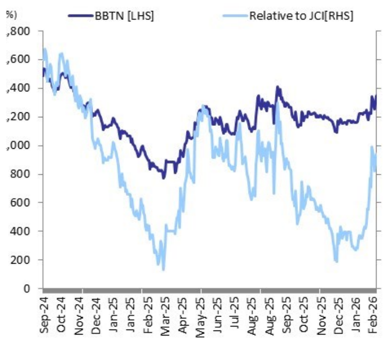
Tactical (3M): OW

Last Price (Rp)	**1,345**
Target Price (Rp)	**1,500**
Previous Target Price (Rp)	▲ ***1,300***
Upside/Downside	**+11.5%**
No. of Shares (mn)	**14,034**
Mkt Cap (Rpbn/US$mn)	**14,244/849**
Avg, Daily T/O (Rpbn/US$mn)	**51.9/3.1**
Free Float (%)	**39.8**
Major Shareholder (%)	
Government of Indonesia	**60.0**

EPS Consensus (Rp)

	2026F	2027F	2028F
BRIDS	251.5	259.7	304.1
Consensus	255.2	270.0	315.9
BRIDS/Cons (%)	**(1.5)**	**(3.8)**	**(3.7)**

BBTN relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Victor Stefano
(62-21) 5091 4100 ext. 3503
victor.stefano@brids.co.id

Naura Reyhan Muchlis
(62-21) 5091 4100 ext. 3507
naura.muchlis@brids.co.id

Bank Tabungan Negara (BBTN IJ)

FY25 Results: Beating estimates on strong NIM amid EIR adjustments and improving CoF

- **BBTN booked NP of Rp1.2tr in 4Q25 (doubled qoq, +30% yoy) resulting in FY25 NP of Rp3.5tr (+16% yoy), beating our and consensus' FY25F.**
- **NIM was robust at 4.2% in 4Q25 as EA yield increased supported by EIR adjustment and CoF improvement, offsetting higher CoC.**
- **Maintain a Buy rating with a higher TP of Rp1,500 as we adjusted FY26/27F earnings by +9/+3%.**

Strong earnings growth on higher NIM offsetting higher opex and CoC

BBTN posted net profit of Rp3.5tr in FY25 (+16% yoy), beating our and consensus (113%/ 109% of FY25F) estimates. The strong performance was driven by a sharp 130bps expansion in NIM to 4.0%, supported by a 105bps improvement in EA yield (partly from EIR adjustments) and a 32bps decline in CoF as the bank reduced reliance on high-cost deposits. PPOP jumped 81% yoy, while CIR improved significantly to 52.8% (from 63.9%) despite 15% opex growth and 10% lower other operating income. Provision expenses rose 212% yoy, lifting CoC to 1.6% (vs. 0.6% in FY24), while overall NPL improved slightly to 3.1%, supported by better non-housing loan quality. Coverage strengthened to 124% amid higher provisioning and improved asset quality trends in 2H25.

Record high earnings on strong NIM

BBTN delivered a five-year record high quarterly net profit of Rp1.2tr in 4Q25 (doubled qoq, +30% yoy), driven by a spike in EA yield and strong NII growth. NIM surged to 4.8% as EA yield climbed to 8.3%, while CoF improved to 3.5% on better liquidity and CASA revamp, with cost of deposit declining to 2.9% in Dec25 (vs. 3.2% in Nov25 and 4.1% in Dec24). Despite higher opex (+13% qoq, +24% yoy) and provisions (+108% qoq, +151% yoy), profitability remained strong. Asset quality improved, with NPL declining to 3.1% from 3.4% in Sep25, driven by improvements in both housing and non-housing loans.

Moderating growth but CoC normalization will drive profitability

Management guides for more normalized growth in FY26, targeting 8–10% loan growth and 7–9% deposit growth, with LDR at 94–97%. CoC is expected to decline to 1.0–1.2%, NPL to fall below 3%, and coverage to stay above 125%. Net profit will be supported by continued improvement in funding costs and housing loan asset quality, positioning the bank for stronger profitability despite moderating balance sheet expansion.

Maintain Buy with a higher TP of Rp1,500

We revised our FY26/27F earnings forecasts by +9/+3% to factor in a slightly lower NIM but offset by lower CoC. Hence, we raised our TP to Rp1,500 with a GGM approach, using a 14.9% 5-year avg. CoE and an FY26F ROE of 9.4%, which yields an implied FV PBV of 0.5x. Key risks to our call include weaker asset quality in the wholesale segment and a rise in CoF. **Tactical (3M): OW**. We believe CoF and asset quality trends remain favorable in the short-term.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	5,806	10,532	8,789	9,688	10,928
Net profit (Rpbn)	3,007	3,501	3,530	3,645	4,268
EPS (Rp)	214.3	249.5	251.5	259.7	304.1
EPS growth (%)	(24.6)	16.4	0.8	3.3	17.1
BVPS (Rp)	2,320.9	2,580.1	2,768.8	2,963.5	3,191.7
PER (x)	6.3	5.4	5.3	5.2	4.4
PBV (x)	0.6	0.5	0.5	0.5	0.4
Dividend yield (%)	4.0	4.6	4.7	4.8	5.7
ROAE (%)	9.5	10.2	9.4	9.1	9.9

Source: BBTN, BRIDS Estimates

Exhibit 1. BBTN FY25 results

BBTN - Financial (Rpbn)	4Q24	3Q25	4Q25	qoq, %	yoy, %	2024	2025	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	7,178	8,089	9,751	21%	36%	29,542	36,341	23%	34,629		105%	n/a
Interest expense	4,411	4,729	4,141	-12%	-6%	18,049	18,122	0%	18,288		99%	n/a
Net interest income	2,766	3,360	5,610	67%	103%	11,493	18,219	59%	16,340	16,093	111%	113%
Other operating income	1,852	1,124	1,125	0%	-39%	4,576	4,108	-10%	4,677	4,478	88%	92%
Operating expenses	2,763	3,022	3,420	13%	24%	10,263	11,795	15%	11,479		103%	n/a
PPOP	1,855	1,462	3,316	127%	79%	5,806	10,532	81%	9,539		110%	n/a
Provision	676	819	1,699	108%	151%	1,981	6,176	212%	5,795	5,064	107%	122%
Operating Profit	1,179	643	1,616	151%	37%	3,825	4,356	14%	3,743	4,045	116%	108%
Net profit	925	596	1,198	101%	30%	3,007	3,501	16%	3,105	3,199	113%	109%
Loans	357,973	381,030	400,576	5%	12%	357,973	400,576	12%	386,062		104%	n/a
Customer deposits	381,654	429,876	437,356	2%	15%	381,654	437,356	15%	418,499	413,975	105%	106%
Key Ratio				qoq, bps	yoy, bps			yoy, bps				
EA yield yield (%) - ann	6.7	7.1	8.3	122	165	7.0	8.1	105				
Cost of fund (%) - ann	4.2	4.1	3.5	(67)	(69)	4.3	4.0	(32)				
NIM (%) - ann	2.6	3.0	4.8	184	222	2.7	4.0	131				
CIR (%) - ann	59.8	67.4	50.8	(1,663)	(905)	63.9	52.8	(1,104)				
Cost of credit (%) - ann	0.8	0.9	1.7	87	98	0.6	1.6	108				
ROE (%) - ann	11.5	7.0	13.5	657	207	9.6	10.2	64				
CASA ratio (%)	54.1	47.2	46.9	(30)	(720)							
LDR (%)	93.8	88.6	91.6	295	(220)							
NPL ratio (%)	3.2	3.4	3.1	(36)	(8)							
LaR ratio (%)	18.2	19.8	18.9	(87)	71							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBTN's earnings revision summary

BBTN - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn)	16,339	16,911	3.5	17,847	18,575	4.1	19,442	20,597	5.9
PPOP (Rpbn)	8,971	8,789	(2.0)	9,883	9,688	(2.0)	10,836	10,928	0.8
Net profit (Rpbn)	3,228	3,530	9.4	3,530	3,645	3.3	3,821	4,268	11.7
BVPS (Rp)	2,659	2,769	4.1	2,848	2,964	4.1	3,052	3,192	4.6
Gross Loans (Rpbn)	423,824	436,356	3.0	463,173	470,938	1.7	507,840	507,546	(0.1)
Customer Deposits (Rpbn)	456,193	459,764	0.8	498,136	486,698	(2.3)	542,973	519,384	(4.3)
Ratios (%)	**2026F (Prev)**	**2026F (Curr)**	**Δ bps**	**2027F (Prev)**	**2027F (Curr)**	**Δ bps**	**2028F (Prev)**	**2028F (Curr)**	**Δ bps**
Net Interest Margin	3.5	3.4	(9)	3.5	3.5	(6)	3.6	3.6	3
Gross NPL Ratio	3.3	3.0	(26)	3.3	3.0	(26)	3.4	3.1	(26)
Cost/Income Ratio	57.8	58.7	88	56.8	58.0	125	56.2	56.9	75
Cost of Credit	1.2	1.1	(19)	1.3	1.1	(12)	1.3	1.1	(12)
ROAE	8.9	9.4	47	9.1	9.1	(7)	9.2	9.9	65

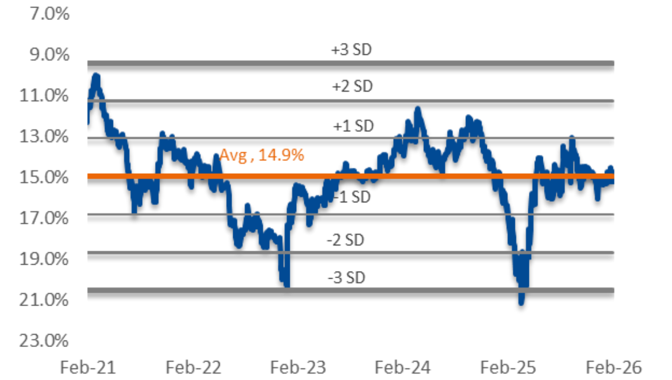
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 3. BBTN's Valuation

Gordon Growth Valuation with Inverse Cost of Equity		
Parameters:		**Remarks:**
Cost of equity (%) - Mean	14.9	5-Year average
Cost of equity (%) - SD	1.9	5-Year average
SD used		
Cost of equity (%) used	14.9	
Long-term growth (%)	3.0	Long-term GDP growth
Forward ROE (%)	9.4	FY26F ROAE
Fair value P/BV (x)	0.5	**(ROAE - g) / (COC - g)**
BV/share (IDR)	2,769	FY26F Book value per share
Fair value (IDR)	**1,500**	Fair value P/BV multiple x BVPS

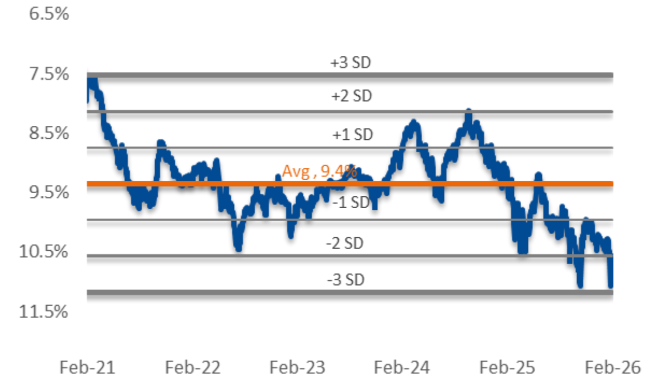
Source: Company, BRIDS Estimates

Exhibit 4. BBTN's cost of equity band chart (5-year)



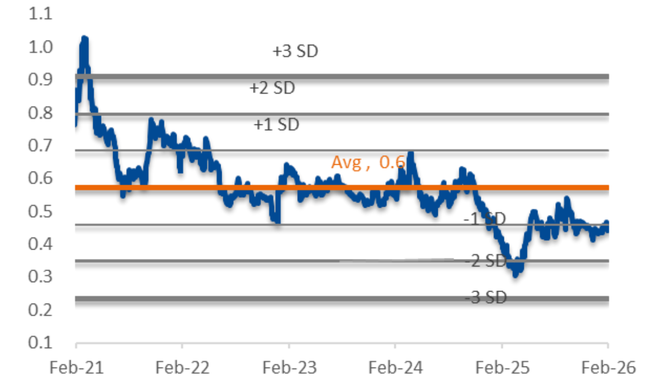
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 5. Sector's cost of equity band chart (5-year)



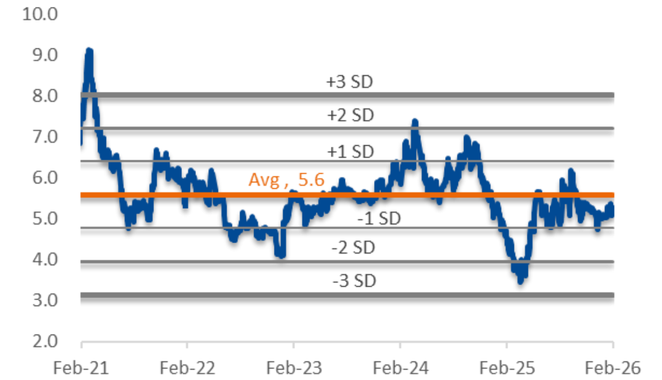
Source: Company, Bloomberg, BRIDS Estimates

Exhibit 6. BBTN's P/BV band chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 7. BBTN's P/E band chart (5-year)



Source: Company, Bloomberg, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	29,542	36,341	33,421	35,779	38,517
Interest Expense	(18,049)	(18,122)	(16,510)	(17,204)	(17,919)
Net Interest Income	**11,493**	**18,219**	**16,911**	**18,575**	**20,597**
Non-Interest Income (NII)	3,564	2,764	2,945	3,038	3,225
Oper. Income	**15,056**	**20,982**	**19,855**	**21,612**	**23,822**
Oper. Expenses	(10,222)	(11,788)	(12,475)	(13,402)	(14,443)
Pre-provisions profit	**5,806**	**10,532**	**8,789**	**9,688**	**10,928**
Provisions & Allowances	(1,981)	(6,176)	(4,397)	(5,152)	(5,611)
Operating Profits	**3,825**	**4,356**	**4,392**	**4,536**	**5,316**
Non-Operating Income	(52)	26	26	26	26
Exceptionals	0	0	0	0	0
Pre-tax Profit	**3,773**	**4,382**	**4,418**	**4,562**	**5,342**
Income Tax	(766)	(881)	(888)	(917)	(1,074)
Minorities	0	0	0	0	0
Net Profit	**3,007**	**3,501**	**3,530**	**3,645**	**4,268**

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	357,973	400,576	436,356	470,938	507,546
Provisions	(13,057)	(15,314)	(17,610)	(20,206)	(23,343)
Net Loans	**344,916**	**385,262**	**418,746**	**450,732**	**484,203**
Govt. Bonds	35,476	38,107	40,933	43,969	47,230
Securities	25,363	22,053	20,834	21,090	21,512
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	**430,640**	**478,438**	**516,117**	**553,830**	**593,864**
Fixed Assets	14,060	15,951	17,836	19,771	21,759
Non-Earnings Assets	15,724	16,885	18,131	19,469	20,906
Total Assets	**469,615**	**527,793**	**566,297**	**602,292**	**645,390**
Customer Deposits	381,654	437,356	459,764	486,698	519,384
Banks Deposits	101	123	149	181	220
Int. Bearing Liab. - Others	3	0	0	0	0
Total Liabilities	**437,043**	**491,583**	**527,439**	**560,700**	**600,597**
Share capital & Reserves	13,426	14,315	14,315	14,315	14,315
Retained Earnings	19,146	21,895	24,543	27,277	30,478
Shareholders' Funds	**32,572**	**36,210**	**38,858**	**41,592**	**44,793**
Minority interests	0	0	0	0	0
Total Equity & Liabilities	**469,615**	**527,793**	**566,297**	**602,292**	**645,390**

Exhibit 10. Key Ratios

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	7.0	8.0	6.7	6.7	6.7
Cost of funds	4.3	3.9	3.3	3.2	3.1
Interest Spread	2.7	4.1	3.5	3.5	3.6
Net Interest Margin	2.7	4.0	3.4	3.5	3.6
Cost/Income Ratio	63.8	52.8	58.7	58.0	56.9
Oper. Exp./Oper. Gross Inc.	88.8	89.2	88.4	88.7	87.7
Gross NPL Ratio	3.2	3.1	3.0	3.0	3.1
LLP/Gross NPL	115.4	123.9	132.6	140.8	148.7
Cost of Credit	0.6	1.6	1.1	1.1	1.1
Loan to Deposit Ratio	93.8	91.6	94.9	96.8	97.7
Loan to Funding Ratio	92.5	90.8	93.2	95.1	96.2
CASA Mix	54.1	48.7	49.8	50.9	51.2
ROAE	9.5	10.2	9.4	9.1	9.9
ROAA	0.7	0.7	0.6	0.6	0.7
CAR	17.7	16.4	16.1	0.0	0.0

Exhibit 11. Dupont and Growth

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	0.8	0.9	0.8	0.8	0.9
Tax Retention rate	79.7	79.9	79.9	79.9	79.9
Post-Tax ROAA	0.7	0.7	0.6	0.6	0.7
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	14.4	14.5	14.6	14.5	14.4
ROAE	9.5	10.2	9.4	9.1	9.9
Growth (%)					
Interest income	4.5	23.0	(8.0)	7.1	7.7
Net Interest Income	(14.4)	58.5	(7.2)	9.8	10.9
Other Oper. Expenses	13.4	15.3	5.8	7.4	7.8
Fee Based Income	(2.2)	0.7	8.9	7.9	7.8
Pre-Provision Oper. Profit	(30.1)	81.4	(16.5)	10.2	12.8
Net Profit	(14.1)	16.4	0.8	3.3	17.1
Shareholders' Equity	6.9	11.2	7.3	7.0	7.7
Loan	7.3	11.9	8.9	7.9	7.8
Earnings Asset	5.5	11.1	7.9	7.3	7.2
Deposit	9.2	14.6	5.1	5.9	6.7
Int. Bearing Liab.	7.2	12.5	7.4	6.3	7.1
CASA	9.8	3.3	7.5	8.2	7.3
Total Asset	7.0	12.4	7.3	6.4	7.2

Source: BBTN, BRIDS Estimates

BRI Danareksa Equity Research Team		
Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	erindra.krisnawan@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Christy Halim	Consumer, Retailers	christy.halim@brids.co.id
Andhika Audrey	Metal Mining, Oil & Gas	andhika.nugroho@brids.co.id
Kafi Ananta Azhari	Telco, Technology	kafi.azhari@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id

BRI Danareksa Economic Research Team		
Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yuriswari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuho Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team		
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrliech Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	Jason.joseph@brids.co.id

BRI Danareksa Sales Traders		
Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING	
BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period