

Bank Tabungan Negara

BUY (unchanged)

Company Update | Banks | BBTN IJ | 24 April 2025

Stock Data

Target price	Rp1,450
Prior TP	Rp1,450
Current price	Rp1,015
Upside/downside	+42.9%
Shares outstanding (mn)	14,034
Market cap (Rp bn)	14,245
Free float	40%
Avg. 6m daily T/O (Rp bn)	38

Price Performance

	3M	6M	12M
Absolute	-6.5%	-31.4%	-26.2%
Relative to JCI	2.4%	-16.3%	-18.4%
52w low/high (Rp)	770 – 1,535		



Major Shareholders

Republic of Indonesia	60%
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1Q25 results: beat from strong NII growth; valuation remains attractive

- 1Q25 net profit of Rp904bn (+5% yoy), beating expectations on strong NII and PPOP growth (+17% yoy) with manageable opex (+11% yoy).
- NIM rose to 3.6% (+30bp yoy) due to lower CoF and a change in interest income accounting for non-subsidized mortgages.
- Loan growth was soft at +5% yoy, while LAR stayed at 20% with plans to boost LAR coverage to 19% with 1.0-1.1% CoC. Maintain Buy

1Q25 results: strong rebound from weak Feb25 performance

BBTN reported a net profit of Rp904bn in 1Q25 (+5% yoy), a sharp rebound from the weak -55% yoy result in 2M25 and came above our/consensus estimates at 28%/29% of FY25F. This was driven by strong NII and PPOP growth (both +17% yoy), while opex rose at +11% yoy. Provisions increased by +49% yoy, resulting in CoC of 1.1%, in-line with guidance.

NIM improved on accounting changes and lower CoF

Overall NIM improved by +30bp yoy (+70bp qoq) to 3.6%, above the bank's guidance of 3.2-3.4%. This was largely driven by change in accounting treatment for interest income recognition for non-subsidized mortgage (to effective interest rate) which added of Rp600-700bn in 1Q25 (Rp2-3tr in FY25); and also lower CoF which fell by -15bp yoy/-4bp qoq as BBTN reduce reliance on institutional deposit, shifting towards mid-size or retail deposit. LDR remained stable at 94% in 1Q25 (vs. 96/94% in 1Q24/4Q24). Deposit grew by +8% yoy (+1% qoq), primarily supported by growth in CASA - CA (+12% yoy/-6% qoq), SA (+5% yoy/-1% qoq) while TD grew at +5% yoy/+7% qoq. BBTN maintains its NIM guidance for FY25F.

Slower than expected loan growth

Loan growth came in at +5% yoy (+1% qoq), below the FY25F target of 7-8%. The growth was supported by mortgage at +8% yoy/+2% qoq and corporate at +7% yoy/+8% qoq but offset with construction and commercial loan, which fell by -14% yoy/-5% qoq and -14% yoy /17% qoq, respectively.

Stable LAR with coverage expected to improve

NPL/SML slightly increased qoq to 3.3/10.4% in 1Q25 from 3.2/9.5% in 4Q24 respectively; while overall LAR stable at 20% in 1Q25 vs. 22/20% in 1Q24/4Q24 with LAR coverage of 17% in 1Q25 vs. 21/19% in 1Q24/4Q24. It aims to increase NPL/LAR coverage to c.135/19% by year end with another Rp1.0-1.1tr bulk asset sale.

Maintain Buy as valuation remains attractive

We maintain our Buy rating with unchanged EPS/TP amid strong set of results. BBTN as it trades at 0.4x FY25F P/B and 4.4x P/E (vs. 10Y avg. of 0.8x and 6.9x). Risk is slower than expected loan growth.

Financial summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	13,430	11,730	13,593	15,361	16,830
Total revenue	17,316	16,342	18,391	20,509	22,362
PPOP	8,304	5,902	7,768	8,855	10,082
Provision charges	(3,764)	(2,051)	(3,723)	(4,423)	(5,211)
Net profit	3,501	3,007	3,236	3,546	3,897
P/BV (x)	0.5	0.4	0.4	0.4	0.3
Dividend yield	4.3%	4.9%	4.2%	4.5%	5.0%
ROAE	13.0%	9.7%	9.5%	9.7%	9.8%
IPS vs. consensus			104%	99%	106%

Source: Company, Indo Premier

Share price closing as of: 24 April 2025

Fig. 1: BBTN 1Q25 results summary

BBTN 1Q25 result (in Rp bn)	1Q25	1Q24	%YoY	4Q24	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest income	8,210	7,672	7%	7,184	14%	32,669	25%		
Interest expenses	(4,432)	(4,445)	0%	(4,373)	1%	(19,076)	23%		
Net interest income	3,778	3,227	17%	2,811	34%	13,593	28%		
Non-interest income	1,039	1,005	3%	1,846	-44%	4,798	22%		
Total Income	4,817	4,232	14%	4,657	3%	18,391	26%		
Overhead expenses	(2,692)	(2,421)	11%	(2,798)	-4%	(10,623)	25%		
Pre-provision profit	2,125	1,811	17%	1,859	14%	7,768	27%		
Loan loss provision	(979)	(657)	49%	(668)	47%	(3,723)	26%		
Pretax profit	1,146	1,154	-1%	1,191	-4%	4,045	28%	3,746	31%
Non Operating	(14)	(24)	-42%	(35)	-60%				
Tax	(228)	(270)	-16%	(231)	-1%	(809)	28%		
Net Profit	904	860	5%	925	-2%	3,236	28%	3,119	29%

Source: Company, Indo Premier

Fig. 2: BBTN 1Q25 balance sheet summary

Balance sheet	1Q25	1Q24	%YoY	4Q24	%QoQ
Secondary reserves	71,162	66,852	6%	70,822	0%
Loans & financing	363,112	344,244	5%	357,973	1%
Provision	(12,491)	(15,796)	-21%	(13,063)	-4%
Other assets	46,748	58,719	-20%	53,883	-13%
Total Assets	468,531	454,019	3%	469,615	0%
Current Account (CA)	151,671	135,765	12%	160,848	-6%
Savings Account (SA)	45,008	42,842	5%	45,510	-1%
CASA	196,679	178,607	10%	206,358	-5%
Time Deposits (TD)	188,024	179,134	5%	175,309	7%
Total Deposits	384,703	357,741	8%	381,667	1%
Deposit from other banks	111	5,358	-98%	105	6%
Securities issued	5,405	6,810	-21%	5,445	-1%
Borrowings	34,754	42,763	-19%	39,813	-13%
Other liabilities	10,020	10,780	-7%	10,013	0%
Total liabilities	434,993	423,452	3%	437,043	0%
Equity	33,538	30,567	10%	32,572	3%

Source: Company, Indo Premier

Fig. 3: BBTN 1Q25 key ratios summary

Key ratios	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Asset yield	8.0	7.7	7.8	7.7	8.2	7.8	7.5	7.3	7.9
Cost of funds (reported)	3.6	3.6	3.6	3.7	4.2	4.1	4.1	4.1	4.1
NIM (C)	3.5	3.6	3.8	3.8	3.3	3.0	2.9	2.9	3.6
CIR	47.4	47.8	46.7	45.3	54.6	58.8	60.2	57.1	53.6
Credit Costs (C)	104	131	129	119	77	56	52	57	111
Credit Costs (Q)	104	161	131	105	77	38	45	78	111
LDR	93.8	98.2	98.3	95.4	96.2	96.4	96.0	93.8	94.4
CASA ratio	52.2	54.4	49.5	53.8	50.0	51.9	51.0	54.1	51.1
SML	8.8	9.5	9.4	7.9	9.1	9.4	9.7	9.5	10.4
NPL	3.5	3.7	3.5	3.0	3.0	3.1	3.2	3.2	3.3
Coverage ratio	145.9	139.1	142.0	155.2	152.8	135.7	126.5	115.4	104.6
LAR	24.2	23.2	22.8	21.1	21.6	21.2	20.8	19.7	20.3
LAR coverage	21.3	22.0	22.1	22.1	21.3	20.1	19.6	18.6	17.0
CAR	21.2	20.4	19.6	20.1	19.0	16.6	18.7	18.5	17.7

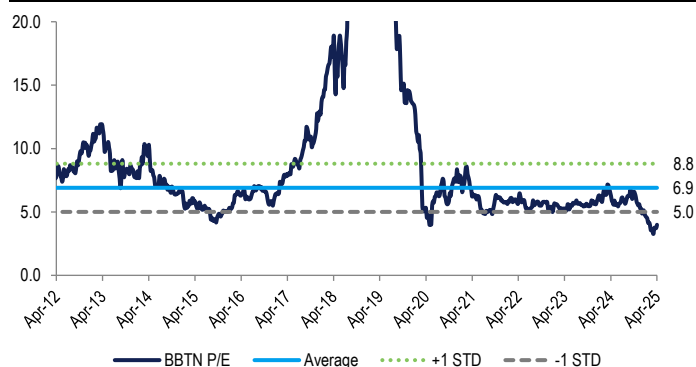
Source: Company, Indo Premier

Fig. 4: BBTN's P/BV – now trading at 0.4x FY25F P/BV vs. 10 year average of 0.8x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 5: BBTN's P/E – now trading at 4.4x FY25F P/E vs. 10 year average of 6.9x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 6: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY25F	FY26F	10Y Avg	FY25F	FY26F	10Y Avg
BBCA	8,475	10,400	4.3	23%	Buy	18.3	16.8	21.2	3.7	3.4	3.8
BBRI	3,730	4,700	2.1	26%	Buy	9.9	8.9	14.6	1.8	1.7	2.4
BMRI	4,890	7,100	2.0	45%	Buy	7.8	7.1	11.8	1.4	1.3	1.7
BBNI	4,170	5,000	1.0	20%	Hold	7.2	6.7	10.6	0.9	0.8	1.1
BBTN	1,015	1,450	0.6	43%	Buy	4.4	4.0	6.9	0.4	0.4	0.8
BRIS*	2,760	3,500	2.7	27%	Buy	15.7	13.9	16.0	2.4	2.1	2.2

Source: Bloomberg, Company, Indo Premier
*4Y avg

Share price closing as of: 24 April 2025

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	28,281	29,578	32,669	36,012	38,883
Interest expense	(14,851)	(17,848)	(19,076)	(20,651)	(22,053)
Net interest income	13,430	11,730	13,593	15,361	16,830
Non-interest income	3,885	4,612	4,798	5,148	5,532
Total operating income	17,316	16,342	18,391	20,509	22,362
Opex	(9,012)	(10,440)	(10,623)	(11,654)	(12,280)
PPOP	8,304	5,902	7,768	8,855	10,082
Provisions	(3,764)	(2,051)	(3,723)	(4,423)	(5,211)
Operating profit	4,540	3,851	4,045	4,433	4,871
Non-operating profit	(160)	(78)	-	-	-
Pre-tax profit	4,380	3,773	4,045	4,433	4,871
Income tax	(879)	(766)	(809)	(887)	(974)
Minority interest	-	-	-	-	-
Net profit	3,501	3,007	3,236	3,546	3,897

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	20,273	22,382	23,986	25,594	27,468
Secondary reserves	73,940	76,107	80,293	85,512	91,498
Gross loans	333,698	357,973	386,611	417,540	450,943
Loan provisions	(15,592)	(13,063)	(14,323)	(16,504)	(19,310)
Other assets	26,431	26,431	26,431	26,431	26,431
Total Assets	438,750	469,829	502,997	538,573	577,030
Total deposits	349,699	381,667	412,200	444,877	480,147
Securities and borrowings	8,920	6,197	6,197	6,197	6,197
Other liabilities	49,652	49,179	49,179	49,179	49,179
Total liabilities	408,271	437,043	467,576	500,253	535,523
Shareholders' equity	30,479	32,786	35,421	38,319	41,507
Total liabilities & equity	438,750	469,829	502,997	538,573	577,030

Growth YoY	2023A	2024A	2025F	2026F	2027F
Gross loans	11.9%	7.3%	8.0%	8.0%	8.0%
Total assets	9.1%	7.1%	7.1%	7.1%	7.1%
Total deposits	8.6%	9.1%	8.0%	7.9%	7.9%
Net interest income	-10.4%	-12.7%	15.9%	13.0%	9.6%
Non-interest income	127.3%	18.7%	4.0%	7.3%	7.5%
Total operating income	3.6%	-5.6%	12.5%	11.5%	9.0%
Operating expense	1.6%	15.8%	1.8%	9.7%	5.4%
PPOP	6.0%	-28.9%	31.6%	14.0%	13.8%
Net profit	15.0%	-14.1%	7.6%	9.6%	9.9%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	0.8%	0.7%	0.7%	0.7%	0.7%
ROAE	12.4%	9.5%	9.5%	9.6%	9.8%
NIM	3.6%	2.9%	3.1%	3.3%	3.3%
Credit cost	1.2%	0.6%	1.0%	1.1%	1.2%
Cost/income	52.0%	63.9%	57.8%	56.8%	54.9%
LDR	95.4%	93.8%	93.8%	93.9%	93.9%
CAR	20.1%	18.5%	18.6%	18.7%	18.8%
NPL ratio	3.0%	3.2%	2.9%	2.9%	2.8%
Provisions/NPL	155.2%	115.4%	126.9%	137.9%	152.0%

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

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