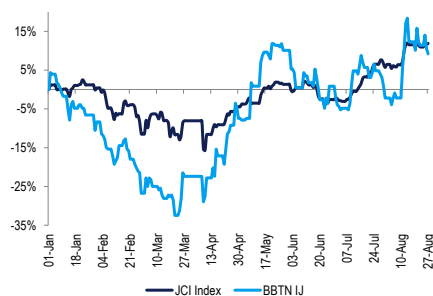


Stock Data

Target price	Rp1,450
Prior TP	Rp1,450
Current price	Rp1,245
Upside/downside	+16.5%
Shares outstanding (mn)	14,034
Market cap (Rp bn)	17,473
Free float	40%
Avg. 6m daily T/O (Rp bn)	31

Price Performance

	3M	6M	12M
Absolute	-2,4%	36,8%	-11,1%
Relative to JCI	-12,6%	16,3%	-15,5%
52w low/high (Rp)	770 – 1,535		



Major Shareholders

Republic of Indonesia	60%
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2Q25 results: beat from qoq expansion in NIM; ample catalysts ahead

- BBTN's 1H25 net profit of Rp1.7tr (+14% yoy) was above on strong NII/PPOP (+55%/+101% yoy) but offset by provision (+275% yoy).
- NIM improved to 4.4% (+140bp yoy) amid higher asset yield from change in accounting treatment for non-subsidized mortgage and stable CoF.
- Loan up by +7% yoy driven by non-housing, while NPL/LAR coverage improved to 115/19%. It remains our top pick given ample catalysts in 2H.

2Q25 results: beat from strong interest income

BBTN posted net profit of Rp1.7tr in 1H25 (+14% yoy/-11% qoq in 2Q25), ahead at 53% of ours/consensus FY25F. PPOP was very robust at +101% yoy (+74% qoq) underpinned by solid NII of +55% yoy due to the shift in accounting treatment for interest income recognition of non-subsidized mortgages since 1Q25 (to effective interest rate). Provision surged +275% yoy (+174% qoq) as it plans to bring back NPL coverage to 120%, bringing CoC to 2.0% (+145bp yoy/+94bp qoq). It revised FY25F CoC guidance to >1.5% (from 1.0-1.1%).

Improving NIM amid higher asset yield and stable CoF

Overall NIM improved +140bp yoy (+80bp qoq) to 4.4% in 1H25, above its FY25F guidance of 3.2-3.4%, amid asset yield which rose +104bp yoy (+84bp qoq) from the change in accounting treatment. At the same time, CoF was stable at +3bp yoy (+8bp qoq). LDR fell to 92.6% (94.4%/96.4% in 1Q25/2Q24) from strong deposit growth of +11% yoy (+6% qoq), sourced primarily from TD (+17% yoy/+10% qoq) while CASA was modest at +6% yoy (+2% qoq).

Loan growth was driven by non-housing

Loan growth came at +7% yoy (+4% qoq), led by non-housing at +10.5% yoy (+12.9% qoq) mainly from corporate (+18.4% yoy). Housing loan was tepid at +6.2% yoy (+2.0% qoq) from non-subsidized mortgage (+8.8% yoy/+3.7% qoq) and subsidized mortgage (+6.5% yoy/+1.4% qoq). BBTN upgrades its FY25F loan growth guidance to 7-9% (previously 7-8%).

Slight qoq uptick in SML but coverage is expected to improve

NPL was flat qoq at 3.3% in 2Q25 (3.1% in 2Q24) while SML inched up to 10.6% (10.4%/9.4% in 1Q25/2Q24) – mostly due to non-subsidized mortgage in the Rp350-500mn segment. Overall LAR remained stable at 20.2% (20.3%/21.2% in 1Q25/2Q24). Meanwhile, both NPL/LAR coverage improved on qoq basis to 115%/19% (105%/17% in 1Q25).

Maintain Buy amid attractive valuation and ample catalysts

We maintain our Buy rating amid attractive valuation (0.5x FY25F P/B and 5.4x P/E vs. 10Y avg. of 0.8x/6.9x) and ample catalysts (lower CoF, higher FLPP rate and KUR housing rate – [link](#)). Risk is deteriorating asset quality and 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)	0.6	0.5	0.5	0.5	0.4
Dividend yield	3.5%	4.0%	3.4%	3.7%	4.1%
ROAE	13.0%	9.7%	9.5%	9.7%	9.8%
IPS vs. consensus			100%	99%	102%

Source: Company, Indo Premier

Share price closing as of: 27 August 2025

Fig. 1: BBTN 2Q25 results summary

BBTN 2Q25 result (in Rp bn)	1H25	1H24	%YoY	2Q25	2Q24	%YoY	1Q25	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons
Interest income	18,501	14,975	24%	10,291	7,303	41%	8,210	25%	32,669	57%		
Interest expenses	(9,154)	(8,949)	2%	(4,722)	(4,504)	5%	(4,432)	7%	(19,076)	48%		
Net interest income	9,347	6,026	55%	5,569	2,799	99%	3,778	47%	13,593	69%		
Non-interest income	1,903	2,009	-5%	864	1,004	-14%	1,039	-17%	4,798	40%		
Total Income	11,250	8,035	40%	6,433	3,803	69%	4,817	34%	18,391	61%		
Overhead expenses	(5,426)	(5,131)	6%	(2,734)	(2,710)	1%	(2,692)	2%	(10,623)	51%		
Pre-provision profit	5,824	2,904	101%	3,699	1,093	238%	2,125	74%	7,768	75%		
Loan loss provision	(3,657)	(976)	275%	(2,678)	(319)	739%	(979)	174%	(3,723)	98%		
Pretax profit	2,167	1,928	12%	1,021	774	32%	1,146	-11%	4,045	54%	4,108	53%
Non Operating	(37)	(50)	-26%	(23)	(26)	-12%	(14)	64%				
Tax	(424)	(376)	13%	(196)	(106)	85%	(228)	-14%	(809)	52%		
Net Profit	1,706	1,502	14%	802	642	25%	904	-11%	3,236	53%	3,237	53%

Source: Company, Indo Premier

Fig. 2: BBTN 2Q25 balance sheet summary

Balance sheet (Rp bn)	2Q25	2Q24	%YoY	1Q25	%QoQ
Secondary reserves	74,330	64,863	15%	71,162	4%
Loans & financing	376,110	352,066	7%	363,112	4%
Provision	(14,359)	(14,964)	-4%	(12,491)	15%
Other assets	48,881	53,636	-9%	46,748	5%
Total Assets	484,962	455,601	6%	468,531	4%
Current Account (CA)	155,287	147,504	5%	151,671	2%
Savings Account (SA)	44,437	41,713	7%	45,008	-1%
CASA	199,724	189,217	6%	196,679	2%
Time Deposits (TD)	206,658	176,165	17%	188,024	10%
Total Deposits	406,382	365,382	11%	384,703	6%
Deposit from other banks	95	3,153	-97%	111	-14%
Securities issued	4,766	5,768	-17%	5,405	-12%
Borrowings	33,642	38,769	-13%	34,754	-3%
Other liabilities	6,151	11,496	-46%	10,020	-39%
Total liabilities	451,036	424,568	6%	434,993	4%
Equity	33,926	31,033	9%	33,538	1%

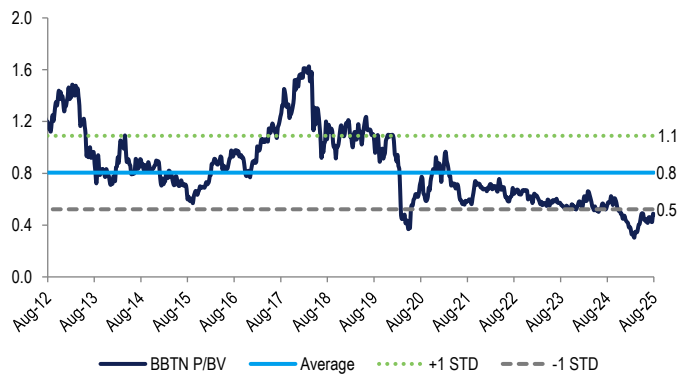
Source: Company, Indo Premier

Fig. 3: BBTN 2Q25 key ratios summary

Key ratios	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Asset yield	8.0	7.7	7.8	7.7	8.2	7.8	7.5	7.3	8.0	8.8
Cost of funds (reported)	3.6	3.6	3.6	3.7	4.2	4.1	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	4.4
CIR	47.4	47.8	46.7	45.3	54.6	58.8	60.2	57.1	53.6	43.8
Credit Costs (C)	104	131	129	119	77	56	52	57	106	201
Credit Costs (Q)	104	161	131	105	77	38	45	78	106	298
LDR	93.8	98.2	98.3	95.4	96.2	96.4	96.0	93.8	94.4	92.6
CASA ratio	52.2	54.4	49.5	53.8	50.0	51.9	51.0	54.1	51.2	49.1
SML	8.8	9.5	9.4	7.9	9.1	9.4	9.7	9.5	10.4	10.6
NPL	3.5	3.7	3.5	3.0	3.0	3.1	3.2	3.2	3.3	3.3
Coverage ratio	145.9	139.1	142.0	155.2	152.8	135.7	126.5	115.4	104.6	115.0
LAR	24.2	23.2	22.8	21.1	21.6	21.2	20.8	19.7	20.3	20.2
LAR coverage	21.3	22.0	22.1	22.1	21.3	20.1	19.6	18.6	17.0	19.0
CAR	21.2	20.4	19.6	20.1	19.0	16.6	18.7	18.5	17.7	17.5

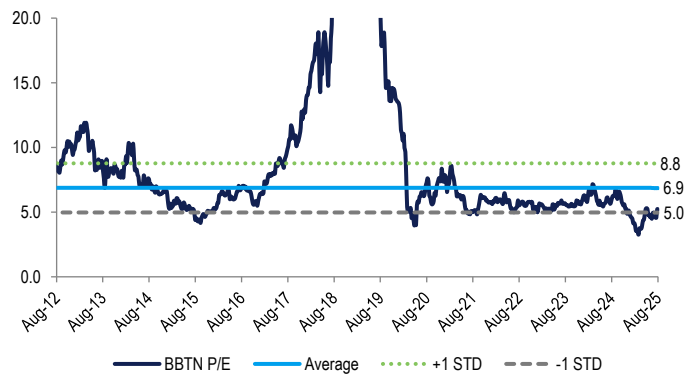
Source: Company, Indo Premier

Fig. 4: BBTN's P/BV – now trading at 0.5x 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 5.4x 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	8.300	10.400	4,3	25%	Buy	17,9	16,4	21,3	3,7	3,4	3,8
BBRI	4.090	4.700	2,1	15%	Buy	10,9	9,7	14,7	1,9	1,8	2,4
BMRI	4.810	7.100	2,0	48%	Buy	7,6	7,0	11,6	1,4	1,3	1,6
BBNI	4.460	4.800	0,9	8%	Buy	8,1	7,4	10,4	0,9	0,9	1,1
BBTN	1.245	1.450	0,6	16%	Buy	5,4	4,9	6,9	0,5	0,5	0,8
BRIS*	2.720	3.500	2,7	29%	Buy	15,5	13,7	15,9	2,4	2,1	2,2

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

Share price closing as of: 27 August 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

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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