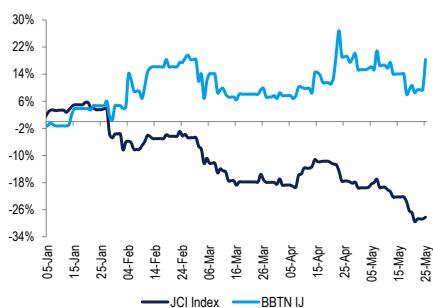


Stock Data

Target price	Rp1,900
Prior TP	Rp1,900
Current price	Rp1,390
Upside/downside	+36.7%
Shares outstanding (mn)	14,034
Market cap (Rp bn)	19,508
Free float	40%
Avg. 6m daily T/O (Rp bn)	37

Price Performance

	3M	6M	12M
Absolute	1.8%	17.3%	9.4%
Relative to JCI	26.8%	43.5%	23.4%
52w low/high (Rp)	1,080 – 1,490		



Major Shareholders

Republic of Indonesia	60%
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Accretive pension loan acquisition

- BBTN just announced that it has acquired Rp19.9tr of pension credit portfolio from BTPN.
- We think this shall be accretive for BBTN as the estimated loan yield stands at c.14-15% vs. current BBTN’s blended asset yield of 7.5-8%.
- Overall, we project the transaction to increase BBTN’s NIM by 15-17bp and FY26F EPS by 14-16% (half year impact). Risk is slow integration.

BBTN is acquiring Rp20tr of BTPN’s pension loan portfolio

BBTN just announced that it has acquired Rp19.9tr of pension loan from BTPN (5% of BBTN’s 1Q26 total loan book). As the transaction value stands at 54.1% of BBTN’s equity, it requires AGM approval which they already had since 23rd April 2026. The takeover will be fully funded by third-party funds and it plans to increase the pension loan portfolio to Rp35-40tr eventually.

An accretive diversification strategy

Overall, the move is broadly in line with BBTN’s diversification strategy to raise the portion of non-housing exposure to 30% over the next five years. We view that pension loan is pretty well insulated against competition as not many banks are playing on this field, unlike payroll loan. Note that BBTN’s exposure to consumer (payroll) loan segment is very minimal at Rp8.5tr (2.1% of the total portfolio), and the acquisition shall increase consumer share to 7% of the total book.

Pension carries an attractive yield with resilient asset quality

We think that this transaction shall be accretive for BBTN as based on our channel check, the estimated loan yield of the acquired portfolio stands at c.14-15% vs. BBTN’s blended asset yield of 7.5-8% - we use the comparable of Bank Mandiri Taspen’s pension loan yield of 13.6%. At the same time, it also has a very low CoC of <1% as pension’s loan NPL usually hovers around 40-60bp. This is much lower than BBTN’s current CoC/NPL of 0.9/3.1% in 1Q26.

Maintain Buy as we expect positive impact to NIM/EPS

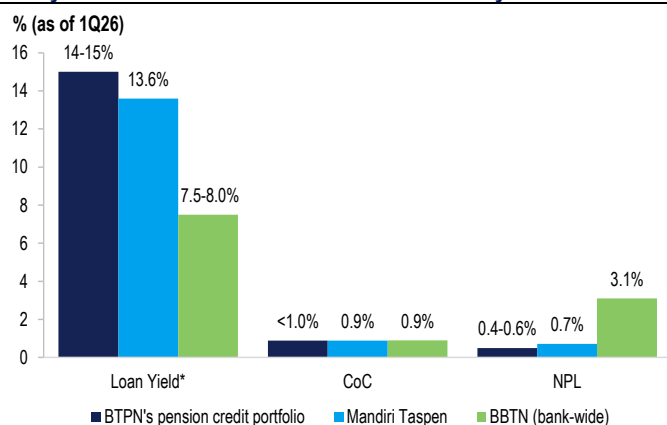
We project overall NIM to increase by c.15-17bp – under the assumption of half year impact, which translate to additional earnings of c.14-16% from our base FY26F case, all else being equal; 2027 impact will be bigger as it will have FY impact. Overall, we maintain Buy on BBTN amid better margin and asset quality outlook, as well as its strategic move to diversify its portfolio. It currently trades at an attractive valuation of 0.5x FY26F P/B and 4.8x P/E, compared to the 10Y average of 0.8x and 6.7x. Risk is slow operational integration.

Financial summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net interest income	11,493	18,219	19,595	21,798	24,238
PPOP	5,806	10,532	10,572	11,685	12,797
Provision charges	(1,981)	(6,176)	(5,468)	(5,830)	(6,107)
Net profit	3,007	3,501	4,083	4,684	5,352
P/BV (x)	0.6	0.5	0.5	0.4	0.4
Dividend yield	3.6%	3.9%	3.6%	4.2%	4.8%
ROAE	9.7%	10.1%	10.8%	11.3%	11.7%
IPS vs. consensus			107%	115%	123%

Source: Company, Indo Premier

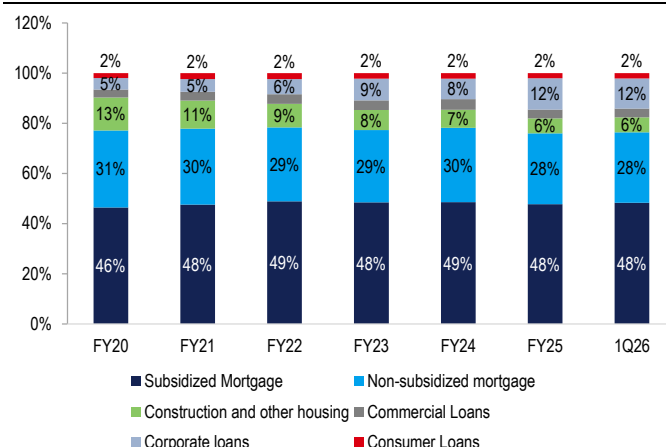
Share price closing as of: 25 May 2026

Fig. 1: BTPN's pension loan portfolio is estimated to carry a higher loan yield of c.14-15% vs. BBTN's blended asset yield of 7.5-8%



Source: Company, Indo Premier

Fig. 2: BBTN's exposure to consumer segment remained minimal at 2% of total book – the transaction could increase the share to 7%



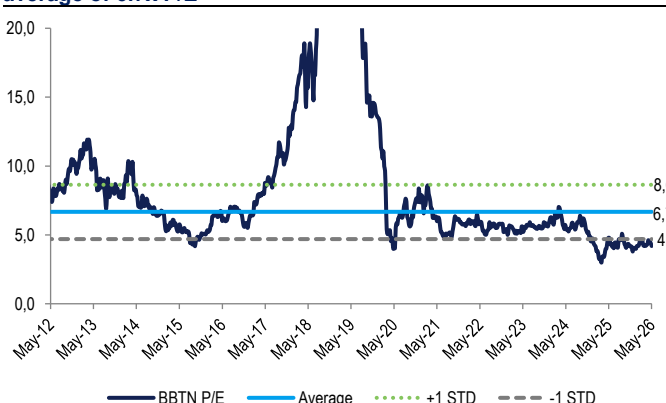
Source: Company, Indo Premier

Fig. 3: BBTN's P/BV – now trading at 0.5x FY26F P/BV vs. 10 year average of 0.8x P/BV



Source: Bloomberg, Company, Indo Premier

Fig. 4: BBTN's P/E – now trading at 4.8x FY26F P/E vs. 10 year average of 6.7x P/E



Source: Bloomberg, Company, Indo Premier

Fig. 5: Peer comparison table

Ticker	Closing Price	Target Price	P/BV multiple target (x)	Upside	Recommendation	P/E (x)			P/BV (x)		
						FY26F	FY27F	10Y Avg	FY26F	FY27F	10Y Avg
BBCA	6.100	10.600	4,4	74%	Buy	12,4	11,3	20,9	2,5	2,4	3,8
BBRI	3.170	5.000	2,3	58%	Buy	8,1	7,3	14,3	1,4	1,4	2,3
BMRI	4.220	6.400	1,7	52%	Buy	6,6	5,9	11,3	1,1	1,0	1,6
BBNI	3.890	5.200	1,0	34%	Buy	6,8	6,3	10,2	0,8	0,7	1,1
BBTN	1.390	1.900	0,7	37%	Buy	4,8	4,2	6,7	0,5	0,4	0,8
BRIS*	1.935	2.900	2,2	50%	Buy	10,3	8,9	15,6	1,5	1,3	2,2

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

Share price closing as of: 25 May 2026

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Interest income	29,542	36,341	38,705	42,369	46,382
Interest expense	(18,049)	(18,122)	(19,110)	(20,571)	(22,144)
Net interest income	11,493	18,219	19,595	21,798	24,238
Non-interest income	4,535	4,101	4,404	4,493	4,545
Total operating income	16,028	22,320	23,999	26,291	28,783
Opex	(10,222)	(11,788)	(13,427)	(14,606)	(15,986)
PPOP	5,806	10,532	10,572	11,685	12,797
Provisions	(1,981)	(6,176)	(5,468)	(5,830)	(6,107)
Operating profit	3,825	4,356	5,104	5,855	6,690
Non-operating profit	(52)	26	-	-	-
Pre-tax profit	3,773	4,382	5,104	5,855	6,690
Income tax	(766)	(881)	(1,021)	(1,171)	(1,338)
Minority interest	-	-	-	-	-
Net profit	3,007	3,501	4,083	4,684	5,352

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash + CA with BI	24,846	35,953	37,325	41,078	44,759
Secondary reserves	71,624	77,287	75,591	77,102	78,606
Gross loans	357,973	400,576	440,634	484,697	533,167
Loan provisions	(13,057)	(15,314)	(16,843)	(20,174)	(23,518)
Other assets	28,229	29,292	29,292	29,292	29,292
Total Assets	469,615	527,793	565,998	611,995	662,305
Total deposits	381,756	437,479	472,301	514,430	560,325
Securities and borrowings	6,103	4,483	4,483	4,483	4,483
Other liabilities	49,184	49,621	49,621	49,621	49,621
Total liabilities	437,043	491,583	526,405	568,535	614,430
Shareholders' equity	32,572	36,210	39,593	43,461	47,876
Total liabilities & equity	469,615	527,793	565,998	611,995	662,305

Growth YoY	2024A	2025A	2026F	2027F	2028F
Gross loans	7.3%	11.9%	10.0%	10.0%	10.0%
Total assets	7.0%	12.4%	7.2%	8.1%	8.2%
Total deposits	9.2%	14.6%	8.0%	8.9%	8.9%
Net interest income	-14.4%	58.5%	7.6%	11.2%	11.2%
Non-interest income	16.7%	-9.6%	7.4%	2.0%	1.2%
Total operating income	-7.4%	39.3%	7.5%	9.5%	9.5%
Operating expense	13.4%	15.3%	13.9%	8.8%	9.4%
PPOP	-30.1%	81.4%	0.4%	10.5%	9.5%
Net profit	-14.1%	16.4%	16.6%	14.7%	14.3%

Key Ratios	2024A	2025A	2026F	2027F	2028F
ROAA	0.7%	0.7%	0.7%	0.8%	0.8%
ROAE	9.5%	10.2%	10.8%	11.3%	11.7%
NIM	2.8%	4.1%	4.1%	4.2%	4.3%
Credit cost	0.6%	1.6%	1.3%	1.3%	1.2%
Cost/income	63.8%	52.8%	55.9%	55.6%	55.5%
LDR	93.8%	91.6%	93.3%	94.2%	95.2%
CAR	18.5%	20.9%	21.1%	21.2%	21.4%
NPL ratio	2.9%	2.8%	2.7%	2.7%	2.7%
Provisions/NPL	126.4%	138.9%	141.6%	154.2%	163.4%

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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