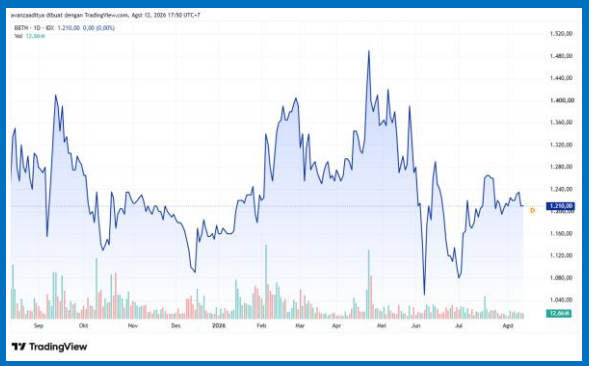
BINA ARTHA SEKURITAS

Berizin dan Diawasi oleh **Otoritas Jasa Keuangan**

August 12, 2026
Bank, Financials

Current Price	**IDR 1,210**
Target Price	**IDR 1,400**
JKSE Index	**6,373.85**



Stock Information

Bloomberg Code	BBTN IJ
Market Cap (IDR Tn)	16.98
52-Week High (IDR)	1,505
52-Week Low (IDR)	1,040
Free Float Ratio	39.86%

Major Shareholders

BP BUMN RI	0.60%
Danantara	59.40%
Others	40.00%

USD/IDR-YE (JISDOR)

2025	16,720
2026F	17,801

Analyst:
Avanza Bagus Aditya
avanza.aditya@binaartha.com

Equity Research

PT Bank Tabungan Negara (Persero) Tbk

BUY

Investment Considerations

Net Profit Improves Despite Pressure on Net Interest Income

BBTN recorded net profit of IDR2.40 trillion in 1H26, increasing 40.78% YoY from IDR1.71 trillion in the same period last year. Earnings growth was primarily supported by a significant 61.32% YoY decline in provision expenses. However, net interest and sharia income declined 8.00% YoY, in line with an 11.72% YoY decrease in interest and sharia income. NIM stood at 3.65%, improving 27 bps YoY but declining 43 bps QoQ. Looking ahead, we expect BBTN's net profit to grow 7.95% YoY in FY2026, supported by lower provision expenses. However, net interest and sharia income is expected to remain under pressure amid tight liquidity conditions, which could keep the company's cost of funds elevated.

Loan Growth Supported by Inorganic Expansion

As of 2Q26, BBTN's total gross loans reached IDR418.11 trillion, increasing 11.17% YoY from IDR376.11 trillion in the same period last year. The housing loan segment remained the largest contributor, with outstanding loans of IDR332.89 trillion, up 4.76% YoY from IDR317.77 trillion. Within this segment, mortgage loans continued to serve as the key growth driver, increasing 8.12% YoY to IDR196.97 trillion. Meanwhile, the non-housing loan segment recorded significantly stronger growth, rising 46.08% YoY to IDR85.23 trillion from IDR58.34 trillion. Loan growth was supported by BBTN's inorganic expansion strategy, including the first phase of its acquisition of a pension loan portfolio managed by PT Bank SMBC Indonesia Tbk, valued at IDR12.6 trillion. Looking ahead, we expect BBTN's loan portfolio to grow 9.82% YoY by end-2026, supported by continued organic expansion and the planned second phase of the pension loan portfolio acquisition in August, with an estimated value of around IDR7.3 trillion.

Asset Quality Continues to Improve

BBTN's asset quality improved further in 2Q26, with the gross NPL ratio declining 36 bps YoY to 2.97%. The improvement reduced the need for credit loss provisioning, with cost of credit declining 29 bps YoY to 1.01%. Despite lower provisioning expenses, the NPL coverage ratio remained healthy at 122.49%, providing an adequate buffer against potential deterioration in credit quality. Looking ahead, we expect BBTN's gross NPL ratio to improve slightly further to around 2.94% by end-2026, supporting a more favorable credit-cost environment and earnings outlook.

Customer Deposits Growth Moderates

On the funding side, BBTN's customer deposits increased 6.56% YoY to IDR432.95 trillion in 2Q26, from IDR406.30 trillion in the same period last year. However, growth moderated from 9.92% YoY in 1Q26, reflecting tighter banking system liquidity and increased competition for funding. Looking ahead, we expect BBTN's customer deposits to grow 8.75% YoY by end-2026. Maintaining deposit growth will remain important in supporting loan expansion while managing funding costs and protecting margins.

Valuation: Maintain BUY, TP IDR1,400 (+15.70% Upside)

We maintain our BUY recommendation on BBTN with a revised 12-month target price of IDR1,400, implying 15.70% upside. Our valuation is based on a multi-stage Dividend Discount Model (DDM) incorporating 2Q26 performance and forward-looking macroeconomic assumptions, resulting in an implied PBV of 0.49x. We believe BBTN's improving asset quality, lower provisioning requirements, and continued loan expansion provide support for earnings growth, although funding costs and pressure on net interest income remain key factors to monitor.

FINANCIAL HIGHLIGHTS	2024	2025	2026F	2027F
Net Profit Growth (YoY)	-14.10%	16.42%	7.95%	10.59%
NIM	2.75%	4.02%	3.44%	3.56%
ROE	9.54%	10.18%	10.06%	10.32%
Gross NPL Ratio	3.14%	3.06%	2.94%	2.95%
CAR	18.50%	20.92%	19.79%	19.77%

Company Profile

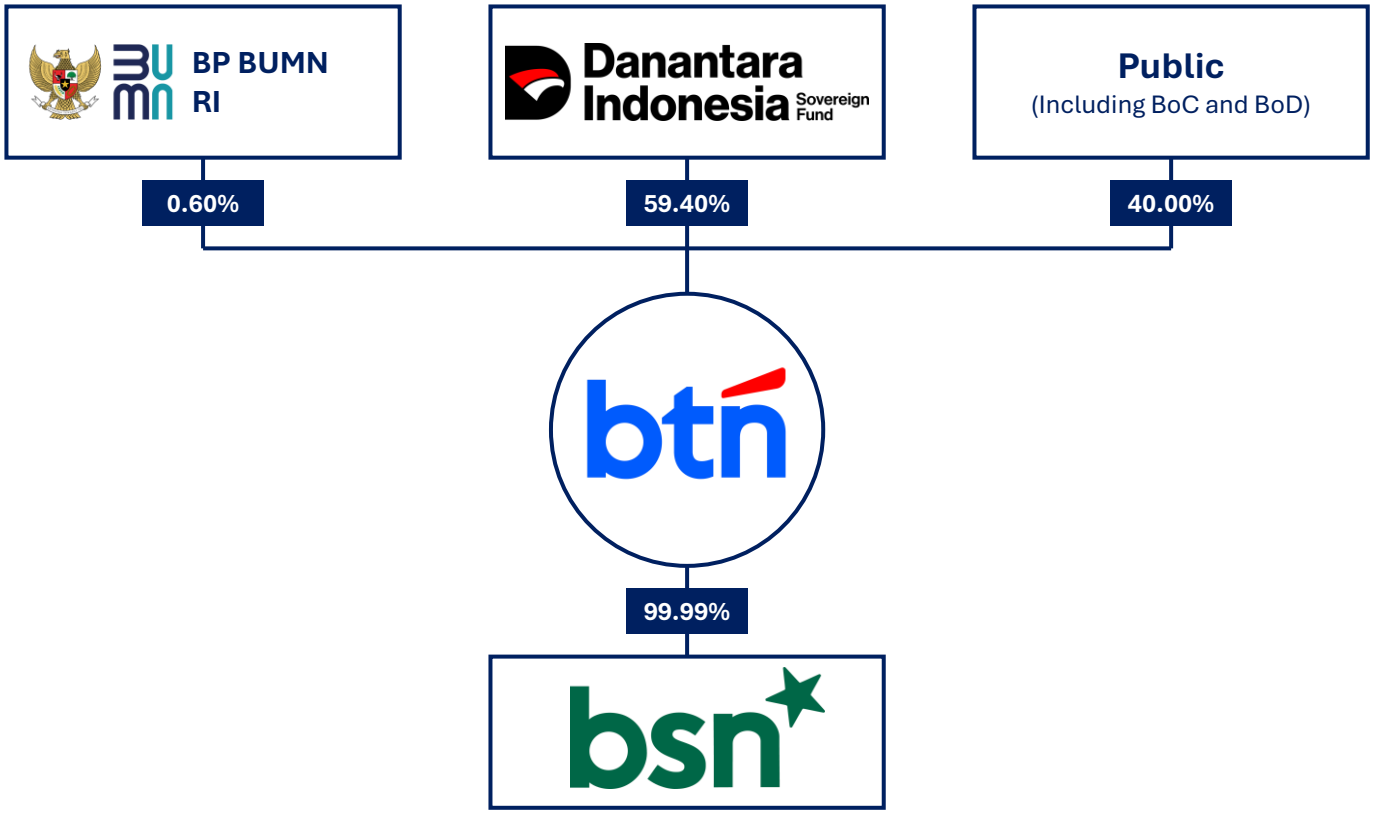
PT Bank Tabungan Negara (Persero) Tbk (BBTN) was established in 1950 as a state-owned bank under the name Bank Tabungan Pos. The company was renamed Bank Tabungan Negara in 1963 and obtained the status of a state-owned commercial bank in 1989. In 1992, BBTN's legal status was changed to a state-owned limited liability company, or Persero. In 2004, BBTN received approval from Bank Indonesia to conduct banking activities based on sharia principles, with operations commencing in 2005. The company subsequently conducted its initial public offering in 2009. Today, BBTN remains a key player in Indonesia's housing finance ecosystem and continues to play a central role in supporting national home ownership programs.

Table 1. BBTN Controlling Shareholder

No	Shareholder	Number of Shares	%
1	BP Badan Usaha Milik Negara Republik Indonesia	84,206,666	0.60%
2	PT Danantara Asset Management (Persero)	8,336,459,982	59.40%
3	Board of Directors	19,370,635	0.14%
4	Public	5,594,407,130	39.86%
Total		**14,034,444,413**	**100.00%**

Note: Data are presented as of June 30, 2026.

Figure 1. BBTN Ownership and Subsidiary



Sources: Company and Indonesia Stock Exchange

Chart 1. Loans and Deposits QoQ

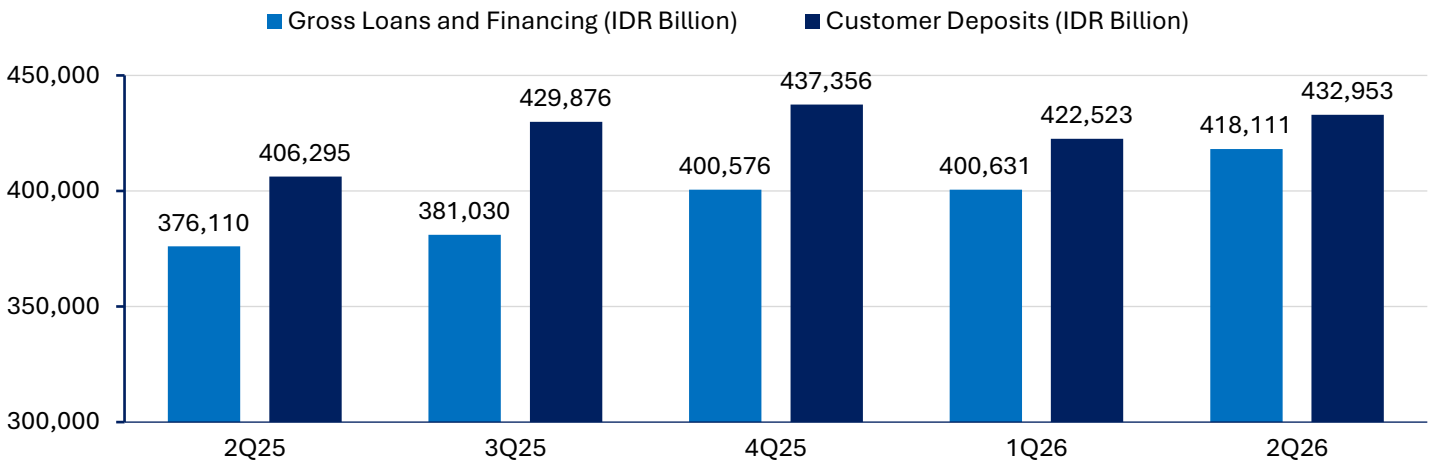


Chart 2. NIM QoQ

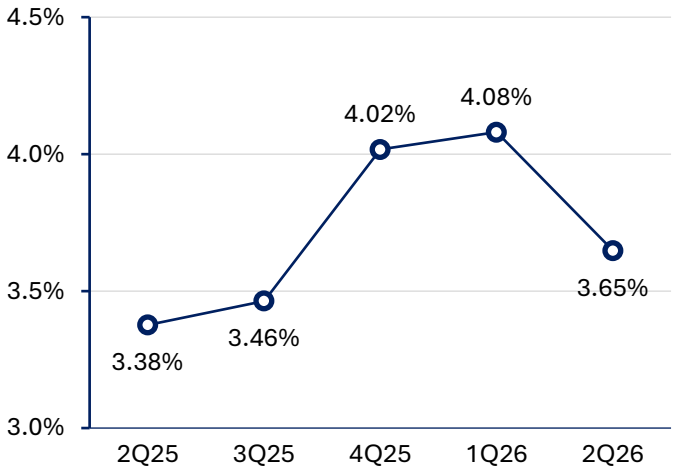


Chart 3. CAR QoQ

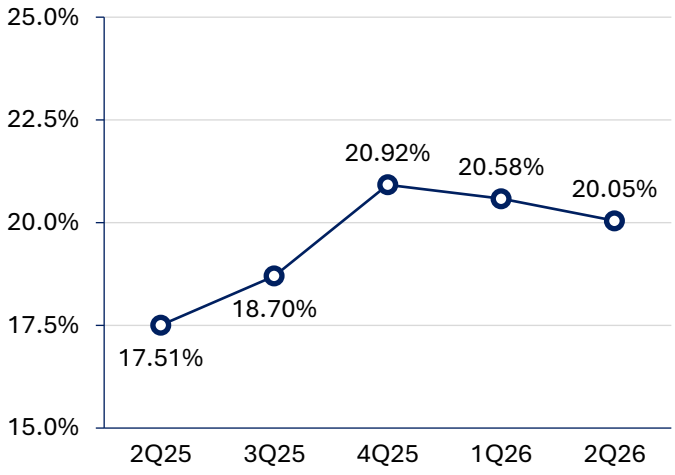
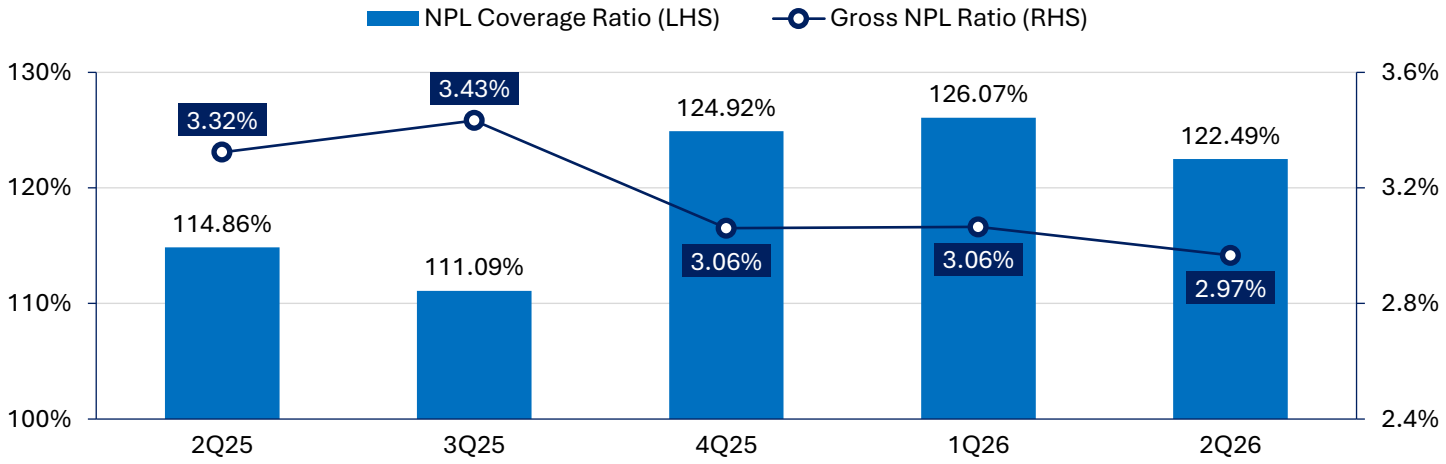


Chart 4. Asset Quality Ratios QoQ



Sources: Company and Binaartha Research

Table 2. Consolidated Statements of Financial Position QoQ

FINANCIAL POSITION (IDR Bn)	2Q25	3Q25	4Q25	1Q26	2Q26	ΔQoQ	ΔYoY
Gross Loans and Financing	**376,110**	**381,030**	**400,576**	**400,631**	**418,111**	**4.36%**	**11.17%**
Allowance for Impairment Losses	(14,357)	(14,533)	(15,314)	(15,480)	(15,194)	-1.85%	5.83%
Consolidated NPL	12,500	13,082	12,259	12,279	12,404	1.02%	-0.77%
Customer Deposits	**406,295**	**429,876**	**437,356**	**422,523**	**432,953**	**2.47%**	**6.56%**
Current Account	155,287	160,072	169,242	168,808	166,954	-1.10%	7.51%
Saving Account	44,438	42,755	43,884	43,304	45,833	5.84%	3.14%
Time Deposits	206,571	227,050	224,229	210,411	220,166	4.64%	6.58%
TOTAL ASSET	**484,807**	**510,857**	**527,793**	**517,543**	**545,161**	**5.34%**	**12.45%**
TOTAL EQUITY	**33,926**	**34,683**	**36,210**	**36,769**	**37,558**	**2.15%**	**10.70%**

Table 3. Consolidated Statements of Profit or Loss QoQ

PROFIT OR LOSS (IDR Bn)	2Q25	1Q26	2Q26	ΔQoQ	ΔYoY	1H25	1H26	ΔYoY
Interest and Sharia Income	10,290	8,013	8,319	3.82%	-19.16%	18,501	16,332	-11.72%
Interest and Sharia Expense	(4,819)	(3,772)	(4,050)	7.37%	-15.96%	(9,253)	(7,823)	-15.45%
Net Interest and Sharia Income	**5,471**	**4,240**	**4,268**	0.67%	-21.98%	**9,248**	**8,509**	-8.00%
Other Operating Income	936	912	942	3.24%	0.62%	1,859	1,854	-0.29%
Gross Operating Income	**6,407**	**5,152**	**5,210**	1.12%	-18.68%	**11,107**	**10,362**	-6.71%
Operating Expense	(2,675)	(2,924)	(3,096)	5.90%	15.74%	(5,353)	(6,019)	12.46%
PPOP	**3,732**	**2,229**	**2,114**	-5.14%	-43.35%	**5,754**	**4,343**	-24.53%
Provision Expense	(2,687)	(846)	(569)	-32.73%	-78.83%	(3,657)	(1,415)	-61.32%
Operating Profit	**1,045**	**1,383**	**1,545**	11.73%	47.87%	**2,097**	**2,928**	39.63%
Non-Operating Income – net	(47)	4	67	1381.77%	-242.58%	33	71	112.95%
Profit Before Tax	**998**	**1,387**	**1,612**	16.17%	61.47%	**2,130**	**2,999**	40.78%
Tax Expense	(196)	(279)	(318)	13.66%	62.42%	(424)	(597)	40.80%
Net Profit	**803**	**1,108**	**1,294**	16.81%	61.24%	**1,706**	**2,402**	40.78%
EPS (IDR/Share)	**57**	**79**	**92**	16.81%	61.24%	**122**	**171**	40.78%

Sources: Company and Binaartha Research

Table 4. Financial Ratio Highlights QoQ

FINANCIAL RATIOS	2Q25	3Q25	4Q25	1Q26	2Q26	ΔQoQ	ΔYoY
PROFITABILITY & EFFICIENCY							
NIM (TTM)	3.38%	3.46%	4.02%	4.08%	3.65%	-43 bps	27 bps
ROE (TTM)	9.89%	9.68%	10.18%	10.54%	11.74%	120 bps	185 bps
ROA (TTM)	0.68%	0.67%	0.70%	0.75%	0.81%	6 bps	13 bps
Cost of Credit (TTM)	1.29%	1.40%	1.63%	1.61%	1.01%	-60 bps	-29 bps
Cost-to-Income Ratio (TTM)	54.81%	55.11%	52.83%	52.86%	57.74%	488 bps	293 bps
LIQUIDITY							
LDR	92.57%	88.64%	91.59%	94.82%	96.57%	175 bps	400 bps
CASA	49.16%	47.18%	48.73%	50.20%	49.15%	-105 bps	-1 bps
ASSETS QUALITY							
Gross NPL Ratio	3.32%	3.43%	3.06%	3.06%	2.97%	-10 bps	-36 bps
NPL Coverage Ratio	114.86%	111.09%	124.92%	126.07%	122.49%	-358 bps	764 bps
CAPITAL							
CAR	17.51%	18.70%	20.92%	20.58%	20.05%	-54 bps	254 bps

Sources: Company and Binaartha Research

Chart 5. Loans and Deposits YoY

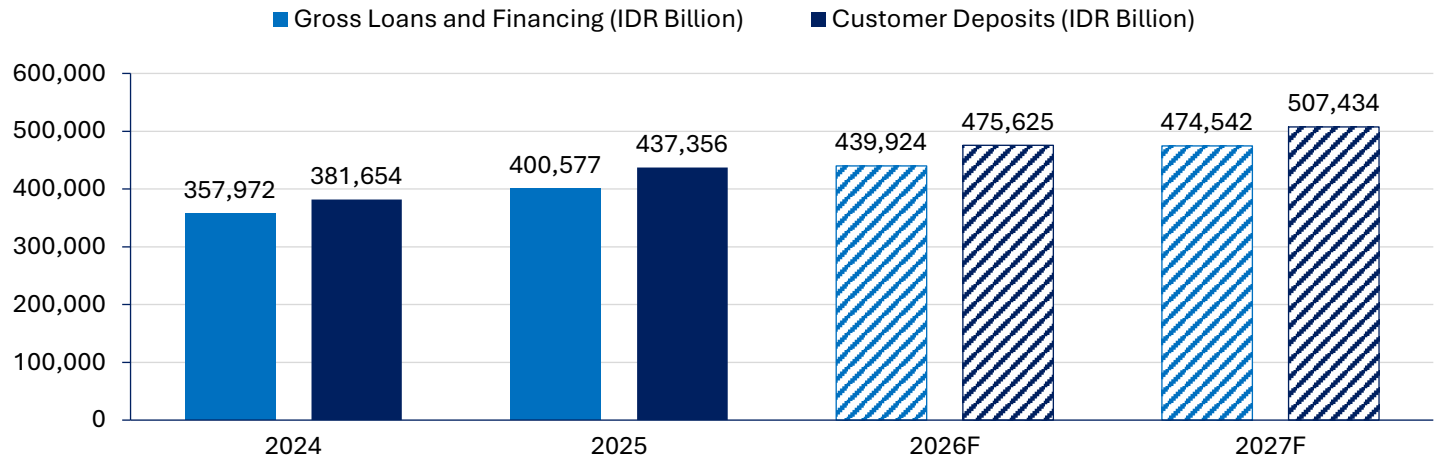


Chart 6. Liquidity Ratios YoY

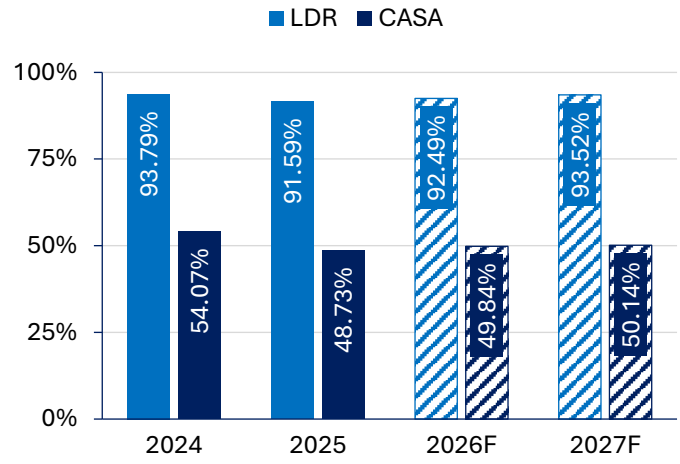


Chart 7. Asset Quality Ratios YoY

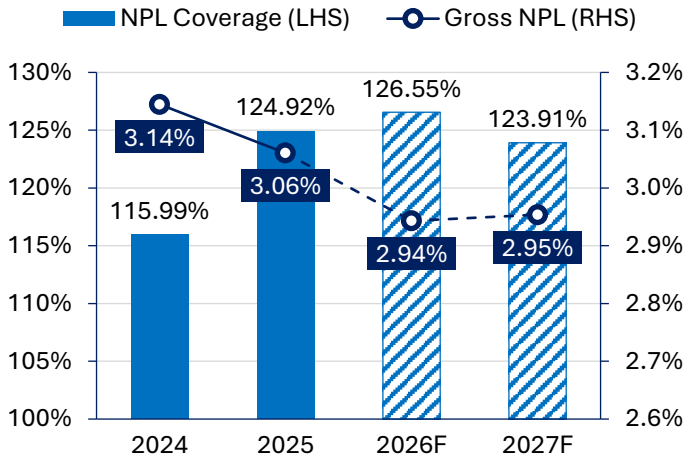
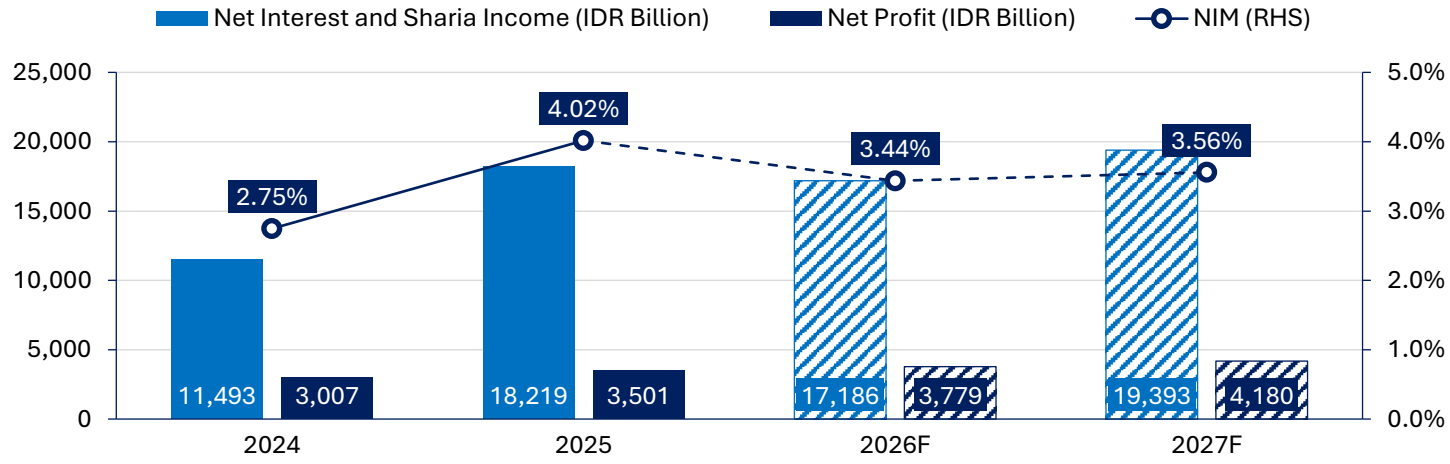


Chart 8. Profitability Ratios YoY



Sources: Company and Binaartha Research

Table 5. Consolidated Statements of Financial Position YoY

STATEMENTS OF FINANCIAL POSITION (IDR Bn)	2024	2025	2026F	2027F
Cash and Current Accounts with Bank Indonesia	24,846	35,953	34,667	29,282
Interbank Placement - net	4,661	12,930	12,778	13,232
Gross Loans and Financing	**357,972**	**400,577**	**439,924**	**474,542**
Allowance for Impairment Losses	(13,057)	(15,314)	(16,385)	(17,368)
Securities and Government Bonds - net	60,838	60,160	65,109	71,096
Other Financial Assets	20,469	17,823	22,624	24,826
Fixed Assets - net	9,176	10,509	11,249	12,448
Other Non-Financial Asset	4,710	5,156	5,570	6,107
TOTAL ASSETS	**469,615**	**527,793**	**575,536**	**614,165**
Customer Deposits	**381,654**	**437,356**	**475,625**	**507,434**
Current Account	160,848	169,242	186,627	200,273
Saving Account	45,510	43,884	50,404	54,165
Time Deposits	175,296	224,229	238,595	252,996
Wholesale Funding	48,667	47,818	53,397	56,609
Other Financial Liabilities	864	3,372	3,802	3,980
Non-Financial Liabilities	5,857	3,037	3,782	4,035
TOTAL LIABILITIES	**437,043**	**491,583**	**536,606**	**572,059**
TOTAL EQUITY	**32,572**	**36,210**	**38,930**	**42,107**

Table 6. Consolidated Statements of Profit or Loss YoY

STATEMENTS OF PROFIT OR LOSS (IDR Bn)	2024	2025	2026F	2027F
Interest and Sharia Income	29,542	36,341	35,393	38,871
Interest and Sharia Expense	(18,049)	(18,122)	(18,208)	(19,479)
Net Interest and Sharia Income	**11,493**	**18,219**	**17,186**	**19,393**
Other Operating Income	4,576	4,108	4,127	4,629
Gross Operating Income	**16,069**	**22,327**	**21,313**	**24,022**
Operating Expense	(10,263)	(11,795)	(12,242)	(13,905)
PPOP	**5,806**	**10,532**	**9,071**	**10,117**
Provision Expense	(1,981)	(6,176)	(4,396)	(4,833)
Operating Profit	**3,825**	**4,356**	**4,675**	**5,284**
Non-Operating Income - net	(52)	26	52	(48)
Profit Before Tax	**3,773**	**4,382**	**4,727**	**5,236**
Tax Expense	(766)	(881)	(947)	(1,056)
Net Profit	**3,007**	**3,501**	**3,779**	**4,180**
EPS (IDR/Share)	**214**	**249**	**269**	**298**

Sources: Company and Binaartha Research

Table 7. Financial Ratio Highlights YoY

FINANCIAL RATIOS	2024	2025	2026F	2027F
PROFITABILITY & EFFICIENCY				
NIM	2.75%	4.02%	3.44%	3.56%
ROE	9.54%	10.18%	10.06%	10.32%
ROA	0.66%	0.70%	0.69%	0.70%
Cost of Credit	0.58%	1.63%	1.06%	1.06%
Cost-to-Income Ratio	63.87%	52.83%	57.44%	57.88%
LIQUIDITY				
LDR	93.79%	91.59%	92.49%	93.52%
CASA Ratio	54.07%	48.73%	49.84%	50.14%
ASSETS QUALITY				
Gross NPL Ratio	3.14%	3.06%	2.94%	2.95%
NPL Coverage Ratio	115.99%	124.92%	126.55%	123.91%
CAPITAL				
CAR	18.50%	20.92%	19.79%	19.77%
GROWTH				
Loans and Financing	7.27%	11.90%	9.82%	7.87%
Customer Deposits	9.17%	14.59%	8.75%	6.69%
Net Profit	-14.10%	16.42%	7.95%	10.59%

Sources: Company and Binaartha Research

Stock Ratings:
Buy : a recommendation to purchase the security with upside potential of 11.50% or greater
Hold: a recommendation to neither buy nor sell a security with upside potential of 5.75%-11.49%.
Sell : a recommendation to close out a long position in a security with upside potential below 5.75% or negative.

RESEARCH TEAM
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