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YOUR LIFELONG INVESTMENT PARTNER

COMPANY CORNER | Thu, 6 August 2026

BBTN IJ

Bank Tabungan Negara (Persero) Tbk

2H26: Worse, but priced in

SSI SUMMARY - We expect 2H26 earnings to slow as credit cost normalises from just 0.70% in 1H26 toward the 1.0-1.2% guide, but that looks priced in: at 0.3x 26F P/BV BBTN is the cheapest name in our coverage (sector: 1.8x). Its pivot into pension and payroll loans, taking non-housing to c.22% of the book and 30% by 2030, should add c.20bps to 2H26 assets yield and cushion rising CoF, while 20.0% CAR supports further loan growth.

SSI RATING

BUY

TARGET PRICE: **IDR 1,450** (Based on 0.4x 2026F P/B)

UPSIDE: ▲ 18.9%

Cons. TP (IDR)	1,564
Last Price (IDR)	1,220
52-Week High/Low (IDR)	1,505/1,040
3M avg daily value (IDRbn)	24.1
Market cap (IDRtn)	17.0
Danantara Asset Management (%)	59.4
Public (%)	40.6

2Q26 Top-line

2Q26 operating income was flat QoQ at IDR5.2tn (-19.0% YoY) as NII rose just 1.4% QoQ to IDR4.3tn against the FY25 effective-interest-rate accounting high base, while non-interest income slipped 7% QoQ. NIM eased to c.3.3% as CoF rose 20bps QoQ.

2Q26 Bottom-line

2Q26 net profit rose 16.8% QoQ and 61.3% YoY to a record IDR1.3tn with 1H26 level of IDR2.4tn (+40.8% YoY) came above (SSI:67.6%; Cons: 70.1%), as provisions fell 43.3% QoQ (-80.9% YoY) to IDR0.5tn (CoC eased to c.50bps).

Operational Data

Loans grew 11.2% YoY/4.4% QoQ to IDR418tn, led by non-housing (+46% YoY) after the IDR12tn pension-loan acquisition; non-housing is now 20% of loans (2025: 18%). NPL improved to 3.0% (coverage 139%) and CAR reached 20.0%, but LDR rose to 96.6%.

3Q26/26F Preview

Management reiterated FY26 guidance of 8-10% loan growth, 3.5-3.8% NIM and 1.0-1.2% credit cost, flagging CoC at the lower end. 2H26 asset yield should rise c.20bps as the second pension tranche (c.IDR7tn) lands, against CoF guided up to 3.1-3.3%.

Positive Catalysts

Pension loans yield c.13% and lift non-housing to c.22% of the book once tranche two completes. Benign asset quality (NPL 3.0%, coverage 139%) keeps credit cost at the guided low end.

Negative Sentiments

LDR of 96.6% now sits above the 94-96% target, forcing more aggressive funding just as CoF is guided up to 3.1-3.3%. Operating leverage is negative (opex +9.4% vs revenue -7.3%).

Share-Price Relative

Stock Performance

(%)	YTD	1M	3M	6M
Absolute	3.8	4.7	(10.0)	8.0
JCI Return	(26.6)	7.4	(10.5)	(15.4)
Relative	30.4	(2.6)	0.5	23.3

Company Background

Indonesia's dominant mortgage lender and the main channel for the state's subsidised-housing programme, BBTN is 60%-owned by the government via Danantara and is now building pension and payroll loans as its second and third consumer pillars.

SOURCES BBCA 2Q26 results & company filings; SSI Research. Analysts: Prasetya Gunadi

Figure 1. BBTN's 2Q26 Results

(IDRbn)	2Q26	QoQ (%)	YoY (%)	6M25	6M26	YoY (%)	6M26/ SSI(%)	6M26/ Cons. (%)
Interest Income	8,311	3.8	(19.2)	18,501	16,315	(11.8)	-	-
Net interest income	4,327	1.4	(22.3)	9,347	8,595	(8.0)	-	-
Total operating income	**5,212**	**(0.2)**	**(19.0)**	**11,250**	**10,434**	**(7.3)**	**47.1**	**46.6**
Provisions	512	(43.3)	(80.9)	3,657	1,415	(61.3)	-	-
Operating profit	1,648	14.9	61.4	2,167	3,082	42.2	-	-
Net profit	**1,294**	**16.8**	**61.3**	**1,706**	**2,402**	**40.8**	**67.6**	**62.7**
Key Ratios (%)								
NIM	-	-	-	*4.4*	*3.5*	-	-	-
LDR	-	-	-	*92.6*	*82.8*	-	-	-
Capital adequacy	-	-	-	*17.5*	*17.9*	-	-	-
Gross NPL	-	-	-	*3.3*	*3.0*	-	-	-
ROE	-	-	-	*10.5*	*13.4*	-	-	-

Sources: Company, SSI Research

Figure 2. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2026F NIM (%)	2026F EPS Growth (%)	2026F PBV (x)	2026F ROE (%)	2026F Div. Yield (%)
BBCA	BUY	795	6,450	7,150	(31,094)	10.9	5.3	1.2	2.6	19.7	3.9
BBRI	BUY	458	3,020	3,500	(13,750)	15.9	7.5	2.1	1.4	17.6	11.2
BMRI	BUY	394	4,220	5,800	(12,934)	37.4	4.5	3.0	1.2	19.0	8.8
BBNI	BUY	135	3,630	4,700	(3,181)	29.5	3.2	(0.5)	0.7	11.3	7.4
BRIS	BUY	83	1,800	2,200	(862)	22.2	4.9	2.8	1.4	15.5	1.9
ARTO	BUY	19	1,340	2,700	(101)	101.5	2.0	81.8	2.1	2.0	48.4
BBTN	**BUY**	**17**	**1,220**	**1,450**	**472**	**18.9**	**3.6**	**1.4**	**0.3**	**9.4**	**5.5**
	NEUTRAL	**1,901**			**(61,451)**	**20.4**	**5.4**	**2.5**	**1.8**	**18.0**	**7.3**

Sources: Company, SSI Research