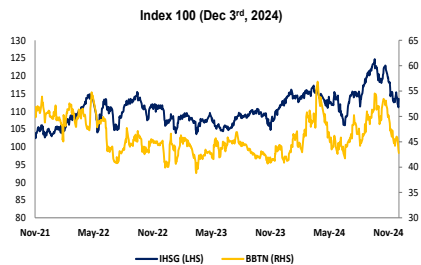


Buy

Price (Dec 3 rd , 24)	1205
Target Price	1,460
Potential Upside	+20.91%
Market Cap	17.29 T
Number of Share	13.89 B
52w Lo/Hi	1245 / 1535

Source : IDX | Phintraco Sekuritas Research
as of Dec 3rd, 2024

IHSG vs BBTN



Source : IDX

Shareholder	%
Negara Republik Indonesia	60
Public <5%	40

Source : Company | as of fin. statement 9M24

EPS Consensus vs Forecast			
	AT	Consensus*	%Diff
2024F	252	239	+5.44%
2025F	306	281	+8.81%

Source : *marketscreener | as of Dec 3rd, 2024

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PT Bank Tabungan Negara (Persero) Tbk

(BBTN.JK / BBTN.IJ)

Growth property sector will optimize BBTN profitability

BBTN recorded an Interest Income of IDR22.37 trillion, growing 7.4% YoY in 9M24. Meanwhile, Interest Expense increased 26.0% YoY to IDR13.47 trillion, with an Operating Profit Before Provision (PPOP) of IDR4.02 trillion (-32% YoY) in 9M24. Thus, BBTN's net profit reached IDR2.08 trillion (-10% YoY) in 9M24. This aligns with BBTN, which tends to be sensitive to interest rate movements (figure 6). However, in line with the prospect of a cut in the benchmark interest rate, we assess that BBTN's performance can be more optimal in FY25F.

BBTN's loan & financing grew 11.9% YoY to IDR356 trillion in 9M24. This growth was supported by housing loan growth, which rose 10.4% YoY in 9M24. Where housing loans still dominate BBTN's credit distribution (figure 5). Regarding asset quality, BBTN's gross Non-Performing Loan (NPL) fell 30 bps to 3.2% in 9M24. The gross NPL is still higher than BBTN's FY24 guideline, but we assess that BBTN can achieve the guideline in FY24.

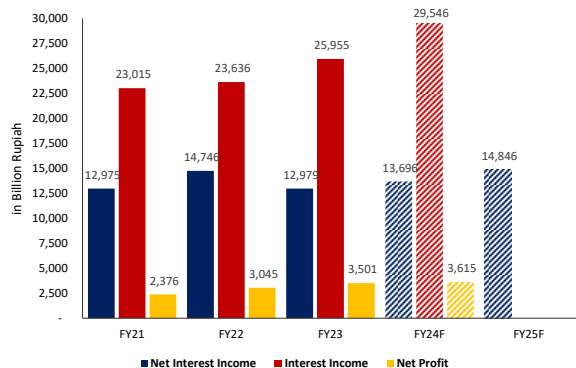
The current Account Saving Account (CASA) ratio grew 150 bps YoY in 9M24. BBTN recorded total Third Party Funds of IDR371 trillion (+14.5% YoY) in 9M24. Meanwhile, BBTN's CASA was recorded at IDR189 trillion (+17.9% YoY) and deposits at IDR182 trillion (+11.1% YoY), resulting in a CASA ratio of 51% (+150 bps) in 9M24. This growth has tended to be maintained in the last three years (2021: 44.3%; 2022: 48.5%; 2023: 53.7%).

BBTN will continue its efforts to develop high-yield loans in FY25F, where in 9M24, Home Collateral Loans (KAR), People's Business Loans (KUR), and SoftLoans (KRING) successfully led growth with a loan yield of 8.12% and outstanding growth of 20.1% YoY to IDR15.4 trillion in 9M24. In addition, with the inauguration of new Sales Centers (Pantai Indah Kapuk, Pondok Indah, and Cibubur) that reach the middle to upper segment, an average mortgage distribution of IDR641 billion was achieved in 3Q24 compared to IDR179 billion in 3Q23. BBTN targets 15 Sales Centers in FY25, compared to 6 Sales Centers in 9M24. Management targets the contribution to non-subsidized mortgages to increase by >20% in FY25. With various potential stimuli for the property sector (three million homes, property tax elimination) and more conducive macroeconomic conditions in FY25F, we estimate BBTN's interest income and net profit can grow 8% YoY in FY25F.

Using the Discounted Cash Flow method with a Required Return of 10.67% and Terminal Growth of 7.59%, we estimate BBTN's fair value at 1,460 (5.60x expected P/E). Considering BBTN's fair price and relative valuation, below its 0.73 5-year average P/B, we maintain a buy rating for with a potential upside of 20.91%.

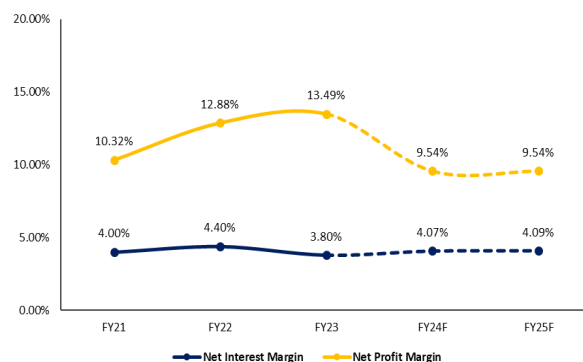
Performance Highlight

Figure 1. Financial Performance



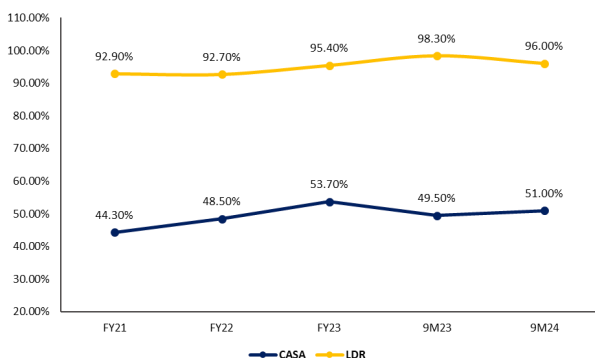
Source : Company | Phintraco Sekuritas Research

Figure 2. Profitability Ratios



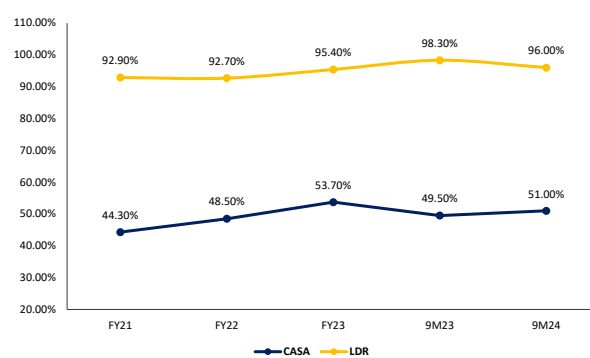
Source : Company | Phintraco Sekuritas Research

Figure 3. Asset Quality



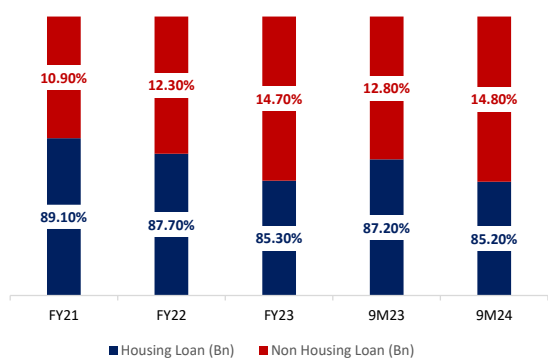
Source : Company | Phintraco Sekuritas Research

Figure 4. Liquidity Ratios



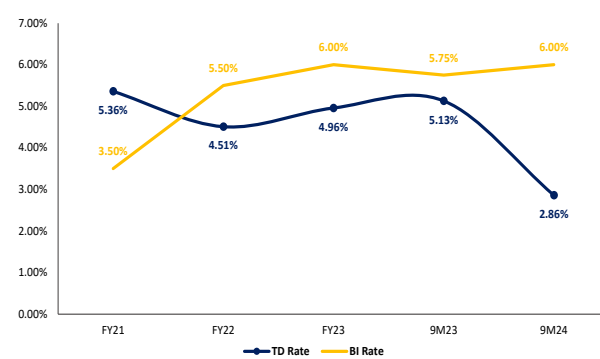
Source : Company | Phintraco Sekuritas Research

Figure 5. Housing & Non Housing Composition (In Rp trillion)



Source : Company | Phintraco Sekuritas Research

Figure 6. Non-Subsidized Mortgage Disbursement



Source : Company | Phintraco Sekuritas Research

Key Financial Figures

(in Billion Rupiah)						
INCOME STATEMENT	FY21	FY22	FY23	9M24	FY24E	FY25F
Interest Income	23,015	23,636	25,955	20,609	29,546	32,026
Interest Expense	(10,040)	(8,889)	(12,975)	(12,152)	(15,850)	(17,180)
Net Interest Income	12,975	14,746	12,979	8,457	13,696	14,846
<i>NIM</i>	<i>56.37%</i>	<i>62.39%</i>	<i>50.01%</i>	<i>41.03%</i>	<i>49.81%</i>	<i>49.81%</i>
PPOP	6,648	7,581	7,854	3,684	8,518	9,233
Provision	(3,627)	(4,017)	(3,765)	(1,308)	(3,885)	(4,211)
EBITDA	3,517	4,078	4,679	1,993	6,013	6,517
<i>EBITDA Margin</i>	<i>15.28%</i>	<i>17.25%</i>	<i>18.03%</i>	<i>9.67%</i>	<i>20.35%</i>	<i>20.35%</i>
EBIT	3,020	3,564	4,089	2,376	4,633	5,022
<i>EBIT Margin</i>	<i>13.12%</i>	<i>15.08%</i>	<i>15.75%</i>	<i>11.53%</i>	<i>14.11%</i>	<i>14.11%</i>
Profit Before Tax	2,993	3,876	4,380	2,616	4,634	5,023
<i>EBT Margin</i>	<i>13.01%</i>	<i>16.40%</i>	<i>16.88%</i>	<i>12.70%</i>	<i>15.69%</i>	<i>15.69%</i>
Net Profit After Tax	2,376	3,045	3,501	2,082	3,615	3,918
<i>NPM</i>	<i>10.32%</i>	<i>12.88%</i>	<i>13.49%</i>	<i>10.10%</i>	<i>9.54%</i>	<i>9.54%</i>

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
BALANCE SHEET	FY21	FY22	FY23	9M24	FY24E	FY25F
Asset						
Cash & Marketable Securities	3,770	3,382	7,410	22,199	26,617	24,343
Loans	260,400	282,607	318,106	341,490	346,736	377,942
Current Accounts	39,689	39,863	50,908	26,412	36,730	39,812
Total Current Assets	356,958	385,044	419,105	434,653	460,808	497,079
Fixed Assets	5,737	6,354	8,118	8,660	8,867	9,611
Investments	-	-	-	-	-	-
Total Non Current Assets	14,910	17,104	19,644	20,454	21,162	22,937
Total Asset	371,868	402,148	438,750	455,107	481,970	520,016
Liabilities						
Portion of Long Term Debt	-	-	-	-	1,266	1,372
Deposits	273,255	297,236	322,592	341,937	347,042	373,345
Total Current Liabilities	284,500	308,745	330,017	349,041	356,726	383,841
Long-Term Debt	43,194	42,631	51,147	44,215	59,936	64,965
Total Non Current Liabilities	43,194	42,631	51,147	45,149	59,936	64,965
Total Liabilities	327,694	351,377	381,164	394,190	416,662	448,806
Equity	21,407	25,909	30,479	32,008	36,111	39,760

Source : Company | Phintraco Sekuritas Research

(in Billion Rupiah)						
CASH FLOW	FY21	FY22	FY23	9M24	FY24E	FY25F
Cash Flow from Operating						
Net Income	2,376	3,045	3,501	2,082	3,615	3,918
Depreciation & Amortization	497	514	590	(100)	408	440
Working Capital	(6,809)	1,988	(23,867)	19,429	9,738	(7,430)
Others	11,028	(6,217)	15,106	(1,166)	(6,793)	(4,105)
Net-CFFO	7,093	(670)	(4,670)	20,245	6,968	(7,177)
Cash Flow from Investing						
CAPEX	(415)	(1,131)	(2,354)	(442)	(1,157)	(1,184)
Others	-	-	-	-	-	-
Net-CFFI	(3,303)	(2,708)	(3,130)	(709)	(1,925)	(2,216)
Cash Flow from Financing						
Ch. in Lt liab.	(6,618)	(562)	8,516	(6,932)	10,055	5,135
Ch. in other non-current liab.	-	-	-	934	-	-
Equity	(957)	1,458	1,069	(554)	2,017	(269)
Net-CFFF	(4,652)	2,990	11,828	(4,748)	14,163	7,119
NET CASH FLOW	(863)	(388)	4,028	14,788	19,206	(2,274)

Source : Company | Phintraco Sekuritas Research

RATIOS	FY21	FY22	FY23	9M24	FY24E	FY25F
Profitability Ratio (%)						
<i>NIM</i>	56.37%	62.39%	50.01%	41.03%	49.81%	49.81%
<i>OPM (EBITDA Margin)</i>	15.28%	17.25%	18.03%	9.67%	20.35%	20.35%
<i>NPM</i>	10.32%	12.88%	13.49%	10.10%	9.54%	9.54%
<i>ROA</i>	0.64%	0.76%	0.80%	0.61%	0.75%	0.75%
<i>ROE</i>	11.10%	11.75%	11.49%	8.67%	10.01%	9.85%
Banking Ratio						
<i>CASA to Third Party Funds</i>	44.30%	48.50%	53.70%	53.70%	48.83%	49.81%
<i>BOPO</i>	89.28%	86.00%	86.10%	86.10%	87.13%	86.92%
<i>LDR</i>	92.86%	92.65%	95.40%	195.40%	93.64%	113.99%
<i>CAR</i>	24.27%	23.00%	123.00%	223.00%	56.76%	90.01%
<i>NPL Gross</i>	3.70%	3.38%	3.00%	3.00%	3.36%	3.29%
Price Ratio						
<i>Share Price (IDR)</i>	1,411	1,256	1,204	1,204	1,420	1,590
<i>Average Share Price (IDR)</i>	1,337	1,304	1,217	1,217	1,420	1,590
<i>Outstanding Shares (in Billion)</i>	14	14	14	14	14	14
<i>EPS (IDR)</i>	171	219	252	150	282	306
<i>BVPS (IDR)</i>	1,541	1,865	2,194	2,304	2,863	3,147
<i>RPS (IDR)</i>	1,657	1,702	1,869	1,484	2,306	2,499
<i>PER(X)</i>	8.25	5.73	4.78	8.03	5.03	5.20
<i>PBV(X)</i>	0.92	0.67	0.55	0.52	0.50	0.51
<i>P/R(X)</i>	0.85	0.74	0.64	0.81	0.62	0.64
<i>EV/EBITDA</i>	171.07	219.23	252.05	149.92	282.09	305.76
Dividends						
<i>DPS</i>	20	43	50	-	-	-
<i>DPR</i>	11.65%	19.79%	19.79%	0.00%	0.00%	0.00%
<i>Div. Yield</i>	1.42%	3.08%	3.97%	0.00%	0.00%	0.00%

Source : Company | Phintraco Sekuritas Research

BANKING RATIOS GUIDANCE

CAR	>8%
LDR	78%~92%

Source : Bank Indonesia | Phintraco Sekuritas Research

BBTN P/B Band (5 Years)



Source : Company | Phintraco Sekuritas Research

Glossarium

CFFO	: <i>Cash Flow from Operating</i>
CFFI	: <i>Cash Flow from Investing</i>
CFFF	: <i>Cash Flow from Financing</i>
EBITDA	: <i>Earning Before Interest, Tax, Depreciation & Amortization</i>
EBIT	: <i>Earning Before Interes & Tax</i>
EBT	: <i>Earning Before Tax</i>
OPM	: <i>Operating Profit Margin</i>
NPM	: <i>Net Profit Margin</i>
ROA	: <i>Return on Asset</i>
ROE	: <i>Return on Equity</i>
EPS	: <i>Earning per Share</i>
BVPS	: <i>Book Value per Share</i>
RPS	: <i>Revenue per Share</i>
PER	: <i>Price to Earning Ratio</i>
PBV	: <i>Price to Book Value</i>
P / R	: <i>Price to Revenue Ratio</i>
DPS	: <i>Dividend per Share</i>
DPR	: <i>Dividend Payout Ratio</i>
EV	: <i>Enterprise Value</i>
OJK	: <i>Otoritas Jasa Keuangan</i>
COF	: <i>Cost of Fund</i>
BOPO	: <i>Biaya Operasi Pendapatan Operasi</i>
DPK	: <i>Dana Pihak Ketiga</i>
CAR	: <i>Capital Adequacy Ratio</i>
CASA	: <i>Current Account Saving Account</i>
LDR	: <i>Loan to Deposit Ratio</i>
LFR	: <i>Loan to Financing Ratio</i>
NIM	: <i>Net Interest Margin</i>
NPL	: <i>Non Performing Loan</i>
PPOP	: <i>Pre-Provision Operating Profit</i>



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Rating for Stocks :

- Buy : The stock is expected to give total return (price appreciation + dividend yield) of $> +10\%$ over the next 12 months.
- Hold : The stock is expected to give total return of $> 0\%$ to $\leq +10\%$ over the next 12 months.
- Sell : The stock is expected to give total return of $< 0\%$ over the next 12 months.
- Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
- Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

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Kantor Cabang & Mitra GI BEI



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