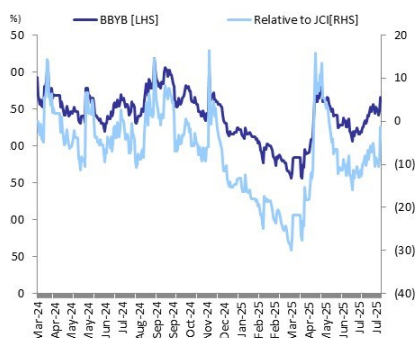


Buy

(Maintained)

Last Price (Rp)	260
Target Price (Rp)	400
Previous Target Price (Rp)	400
Upside/Downside	+53.8%
No. of Shares (mn)	13,350
Mkt Cap (Rpbn/US\$mn)	2,450/150
Avg, Daily T/O (Rpbn/US\$mn)	8.6/0.5
Free Float (%)	60.0
Major Shareholder (%)	
AKULAKU SIVRR INDONESIA	27.3
GOZCO CAPITAL	8.9
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	28.2 38.8 44.4
Consensus	n.a n.a n.a
BRIDS/Cons (%)	n.a n.a n.a

BBYB relative to JCI Index



Source: Bloomberg

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Bank Neo Commerce (BBYB IJ)

2Q25 Earnings Beat Supported by Lower Provisions but Cautious on 2H25 Outlook

- BBYB booked net profit of Rp276bn in 1H25, reaching 102% of our FY25F ests., a sharp turnaround from a Rp6bn net loss in 1H24.
- Mgmt guides outstanding loans to reach Rp8.5-8.6tr, NIM to be around 15-16% and CoC to stay below 20% for FY25F.
- We revised our FY25/26F NP by +39.7/-1.6% and maintained our Buy rating with an unchanged TP of Rp400, based on 3-stage DDM.

1H25: Earnings Recovery Driven by Lower Provisions

BBYB reported net profit of Rp276bn in 1H25, a reverse from a Rp6bn net loss in 1H24 and reaching 102% of our FY25F, thanks to substantially lower provisions. CoC dropped to 16.9% (-922bps yoy), while PPOP declined 22% yoy to Rp988bn due to a 16% yoy drop in NII. NIM contracted to 15.5% (-178bps yoy) as lower yields offset the 38bps CoF decline to 5.8%. CIR rose 212bps yoy to 29.9% despite a 13% opex reduction, driven by weaker NII and fee income. Write-offs improved, with the ratio to total loans falling to 18.2% from 28.3% in 1H24, indicating better credit quality.

2Q25: Profitability Held Despite Lower NIM and Loan Contraction

BBYB posted net profit of Rp116bn in 2Q25 (-27% qoq), a sharp turnaround from a Rp20bn net loss in 2Q24. NIM dropped to 15.2% (-97bps qoq, -57bps yoy) due to a 5% qoq decline in the loan book, driving LDR down to 60.6%. CoC rose slightly qoq to 17.5% (vs. 16.3% in 1Q25), but remained well below 2Q24's 26.6%. Asset quality improved, with NPL and LaR falling to 3.1% and 10.9%, and coverage increasing to 222% and 63%, respectively. Loan book contraction continued, with total loans at Rp8.1tr (-5% qoq, -10% yoy) with room to grow pending OJK approval.

FY25F Guidance: Stable NIM, Cautious CoC Outlook

Management targets FY25F year-end loan book of Rp8.5–8.6tr, primarily driven by growth in consumer segments outside AkuLaku. NIM is guided to remain within the 15–16% range for FY25F. CoC is expected to stay below 20%, although still higher than the 16.9% recorded in 1H25. This reflects mgmt's cautious stance amid softening consumer confidence and retail sales.

Maintain Buy with an unchanged TP of Rp400

We maintain our Buy rating with an unchanged TP of Rp400 based on 3-stage DDM. We revised our 25/26/27F estimates by +39.7/-1.6/+2.9%, incorporating lower-than-expected loan growth, lower NIM, but lower CoC. The risks to our view are higher delinquency risk, especially in the wholesale segment, and delayed approval to grow its loan book.

Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
PPOP (Rpbn)	2,187	2,352	1,904	1,813	2,093
Net profit (Rpbn)	(573)	20	376	519	593
EPS (Rp)	(47.6)	1.5	28.2	38.8	44.4
EPS growth (%)	(43.2)	(103.1)	1,793.3	37.7	14.4
BVPS (Rp)	276.0	266.8	295.0	333.8	378.3
PER (x)	(5.5)	174.6	9.2	6.7	5.9
PBV (x)	0.9	1.0	0.9	0.8	0.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
ROAE (%)	(16.2)	0.6	10.0	12.4	12.5

Source: BBYB, BRIDS Estimates

Exhibit 1. BBYB's 2Q25 earnings summary

BBYB - Financials (Rpbn)	2Q24	1Q25	2Q25	qoq, %	yoy, %	1H24	1H25	yoy, %	FY25F	A/F
Interest income	890	810	789	-3%	-11%	1,879	1,599	-15%	3,410	47%
Interest expense	228	193	197	2%	-14%	444	390	-12%	758	51%
Net interest income	662	617	592	-4%	-11%	1,434	1,209	-16%	2,652	46%
Other operating income	157	104	97	-7%	-38%	317	201	-37%	590	34%
Operating expenses	226	210	213	1%	-6%	487	422	-13%	956	44%
PPOP	593	511	477	-7%	-20%	1,264	988	-22%	2,285	43%
Provision	613	352	363	3%	-41%	1,270	715	-44%	1,930	37%
Operating Profit	(20)	160	114	-29%	n/a	(6)	273	n/a	355	77%
Net profit	(20)	160	116	-27%	n/a	(6)	276	n/a	269	102%
Loans	9,017	8,496	8,087	-5%	-10%	9,017	8,087	-10%	9,099	89%
Customer deposits	14,759	13,695	13,334	-3%	-10%	14,759	13,334	-10%	12,249	109%
				qoq, bps	yoy, bps			yoy, bps		
Loan yield (%)	33.4	32.1	32.2	⬆️ 17	⬇️ (120)	34.2	32.2	⬇️ (200)		
Cost of fund (%)	6.3	5.8	5.8	➡️ 4	⬆️ (44)	6.2	5.8	⬆️ (38)		
NIM (%)	15.8	16.2	15.2	⬇️ (97)	⬇️ (57)	17.3	15.5	⬇️ (178)		
CIR (%)	27.6	29.1	30.8	⬇️ 173	⬇️ 320	27.8	29.9	⬇️ 212		
Cost of credit (%)	26.6	16.3	17.5	⬇️ 126	⬆️ (913)	26.1	16.9	⬆️ (922)		
Write offs/loan (%)	6.4	4.4	4.3	➡️ (7)	⬇️ (212)	28.3	18.2	⬇️ (1,002)		
ROE (%) - ann	(2.3)	17.5	12.2	⬇️ (536)	⬆️ 1,445	(0.4)	14.8	⬆️ 1,516		
CASA ratio (%)	29.7	30.2	30.1	⬇️ (11)	⬆️ 34					
LDR (%)	61.1	62.0	60.6	⬆️ (139)	⬆️ (45)					
NPL (%)	3.9	3.2	3.1	➡️ (8)	⬆️ (79)					
LaR (%)	13.8	11.4	10.9	⬆️ (56)	⬆️ (292)					
NPL coverage (%)	139.0	210.8	221.9							
LaR coverage (%)	39.2	58.7	63.3							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBYB Forecast Revision Summary

BBYB - Forecast Changes	2025F (Prev)	2025F (Curr)	Δ%	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%
Net Interest Income (Rpbn)	2,652	2,320	(12.5)	2,532	2,235	(11.7)	2,859	2,540	(11.2)
PPOP (Rpbn)	2,285	1,904	(16.7)	2,192	1,813	(17.3)	2,497	2,093	(16.2)
Net profit (Rpbn)	269	376	39.7	527	519	(1.6)	554	593	7.0
BVPS (Rp)	287	295	2.8	326	334	2.3	408	378	(7.3)
Gross Loans (Rpbn)	9,099	8,513	(6.4)	10,061	9,411	(6.5)	12,386	11,583	(6.5)
Customer Deposits (Rpbn)	12,249	12,995	6.1	12,899	13,682	6.1	15,123	16,038	6.0
Ratios (%)	2025F (Prev)	2025F (Curr)	Δ bps	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps
Net Interest Margin	17.4	15.5	(188)	16.8	15.5	(134)	17.3	16.1	(122)
Gross NPL Ratio	3.0	3.0	-	3.0	3.0	-	3.0	3.0	(0)
Cost/Income Ratio	29.5	30.2	69	29.8	30.6	77	28.3	29.0	70
Cost of Credit	21.5	17.6	(392)	15.7	12.8	(291)	15.8	12.7	(314)
ROAE	7.3	10.0	275	12.9	12.4	(51)	12.0	12.5	52

Source: Company, BRIDS Estimates

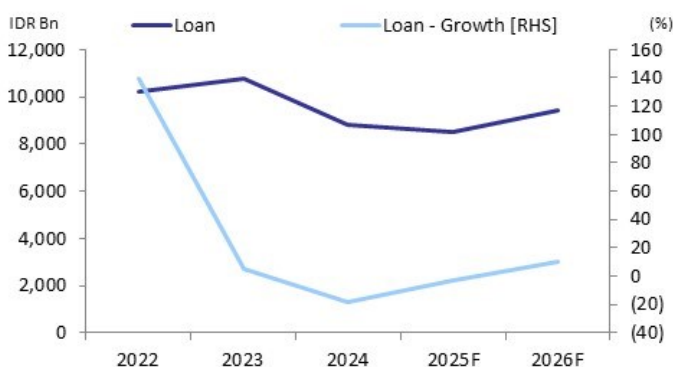
Exhibit 3. BBYB's Valuation

Phase	High-growth	Transitory	Mature
Risk free rate (Rf)	7.0%	6.5%	6.0%
Market return rate (Rm)	13.6%	11.8%	10.0%
Beta (β)	1.50	1.25	1.00
Risk premium (Rm-Rf)	6.6%	5.3%	4.0%
Ke = Rf+β(Rm-Rf)	16.8%	13.1%	10.0%
Return on equity		18.2%	20.8%
Growth rate	n/a	24.1%	8.0%
Expected dividend payout ratio	0.0%	35.9%	61.5%

Forecast year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Equity book value/share	307	397	276	267	295	334	378	442	504	576	648	717	780
Return on equity	-34.1%	-21.1%	-17.2%	0.6%	9.6%	11.6%	11.7%	16.0%	15.5%	18.2%	18.8%	19.7%	20.8%
Earnings per share	-104.7	-83.8	-47.6	1.5	28.2	38.8	44.4	70.7	78.3	104.6	121.9	141.3	162.1
growth		-20%	-43%	-103%	1793%	38%	14%	59%	11%	34%	16%	16%	15%
Payout ratio	0%	0%	0%	0%	0%	0%	0%	10.3%	20.5%	30.8%	41.0%	51.3%	62%
Dividend per share	-	-	-	-	-	-	-	7.3	16.1	32.2	50.0	72.4	99.7
Cost of equity		16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	15.7%	14.6%	13.4%	12.3%	11.1%	10.0%
Cumulative cost of equity				1.000	0.856	0.733	0.627	0.542	0.473	0.417	0.371	0.334	0.304
Present value	-	-	-	-	-	-	-	3.93	7.59	13.42	18.57	24.21	30.29
TP	IDR 400												

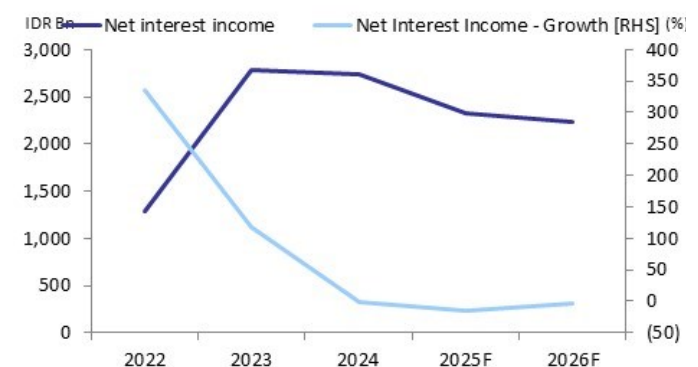
Source: Company, BRIDS Estimates

Exhibit 4. Loans and Growth



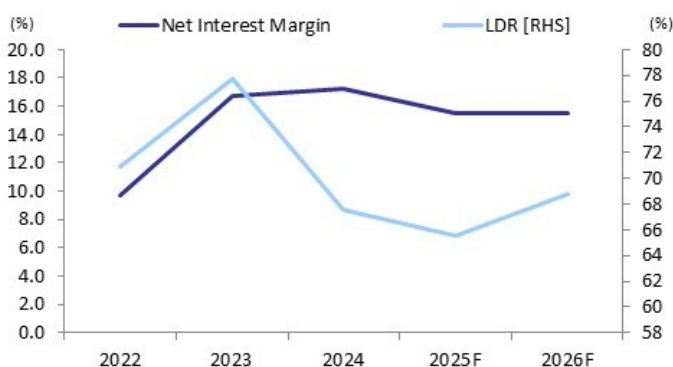
Source: Company, BRIDS Estimates

Exhibit 5. Net Interest Income and Growth



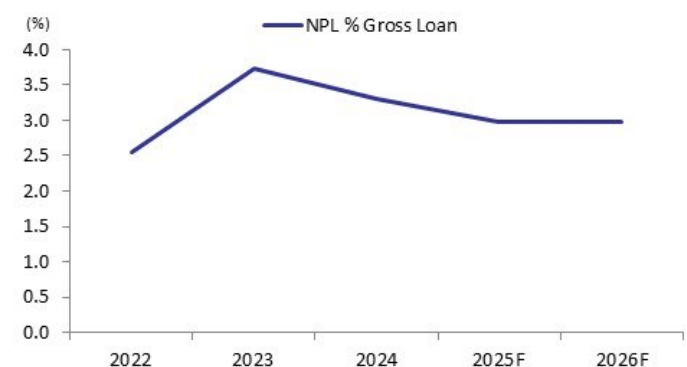
Source: Company, BRIDS Estimates

Exhibit 6. NIM and LDR



Source: Company, BRIDS Estimates

Exhibit 7. NPLs



Source: Company, BRIDS Estimates

Exhibit 8. Income Statement

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Interest Income	3,721	3,607	3,101	3,015	3,387
Interest Expense	(945)	(871)	(780)	(780)	(848)
Net Interest Income	2,777	2,736	2,320	2,235	2,540
Non-Interest Income (NII)	763	586	407	378	408
Oper. Income	3,540	3,322	2,727	2,613	2,948
Oper. Expenses	(1,353)	(970)	(823)	(799)	(855)
Pre-provisions profit	2,187	2,352	1,904	1,813	2,093
Provisions & Allowances	(2,762)	(2,323)	(1,527)	(1,149)	(1,332)
Operating Profits	(575)	28	376	665	761
Non-Operating Income	1	(10)	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	(574)	19	376	665	761
Income Tax	1	1	0	(146)	(167)
Minorities	0	0	0	0	0
Net Profit	(573)	20	376	519	593

Exhibit 9. Balance Sheet

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Gross Loans	10,783	8,822	8,513	9,411	11,583
Provisions	(625)	(635)	(960)	(1,133)	(1,491)
Net Loans	10,158	8,187	7,552	8,278	10,091
Govt. Bonds	0	0	0	0	0
Securities	3,348	4,682	4,729	4,776	4,824
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	16,199	15,619	14,230	14,649	16,869
Fixed Assets	306	271	285	287	295
Non-Earnings Assets	1,203	911	960	1,012	1,066
Total Assets	18,170	17,409	17,744	18,963	21,937
Customer Deposits	13,872	13,064	12,995	13,682	16,038
Banks Deposits	25	129	142	149	157
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	14,847	13,847	13,805	14,506	16,887
Share capital & Reserves	5,619	5,838	5,838	5,838	5,838
Retained Earnings	(2,296)	(2,276)	(1,899)	(1,381)	(787)
Shareholders' Funds	3,323	3,562	3,938	4,457	5,050
Minority interests	0	0	0	0	0
Total Equity & Liabilities	18,170	17,409	17,744	18,963	21,937

Exhibit 10. Key Ratios

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Yield on Earning Assets	22.5	22.7	20.8	20.9	21.5
Cost of funds	6.5	6.4	5.9	5.8	5.6
Interest Spread	16.0	16.2	14.8	15.1	15.8
Net Interest Margin	16.8	17.2	15.5	15.5	16.1
Cost/Income Ratio	38.2	29.2	30.2	30.6	29.0
Oper. Exp./Oper. Gross Inc.	112.8	99.3	89.3	80.4	80.0
Gross NPL Ratio	3.7	3.3	3.0	3.0	3.0
LLP/Gross NPL	155.4	218.1	379.6	405.2	433.3
Cost of Credit	26.3	23.7	17.6	12.8	12.7
Loan to Deposit Ratio	77.7	67.5	65.5	68.8	72.2
Loan to Funding Ratio	77.7	67.5	65.5	68.8	72.2
CASA Mix	28.7	27.4	27.0	27.8	28.9
ROAE	(16.2)	0.6	10.0	12.4	12.5
ROAA	(3.0)	0.1	2.1	2.8	2.9
CAR	110.0	38.0	38.7	43.1	51.3

Exhibit 11. Dupont and Growth

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Dupont					
Pre-Tax ROAA	(3.0)	0.1	2.1	3.6	3.7
Tax Retention rate	99.9	106.4	100.0	78.0	78.0
Post-Tax ROAA	(3.0)	0.1	2.1	2.8	2.9
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	5.4	5.2	4.7	4.4	4.3
ROAE	(16.2)	0.6	10.0	12.4	12.5
Growth (%)					
Interest income	86.6	(3.1)	(14.0)	(2.8)	12.3
Net Interest Income	116.7	(1.5)	(15.2)	(3.7)	13.7
Other Oper. Expenses	(16.3)	(28.3)	(15.2)	(2.9)	7.0
Fee Based Income	(25.0)	(95.7)	(3.5)	10.6	23.1
Pre-Provision Oper. Profit	660.2	7.5	(19.0)	(4.8)	15.4
Net Profit	(27.4)	(103.5)	1,793.3	37.7	14.4
Shareholders' Equity	(11.3)	7.2	10.6	13.2	13.3
Loan	5.3	(18.2)	(3.5)	10.6	23.1
Earnings Asset	(4.4)	(3.6)	(8.9)	2.9	15.2
Deposit	(5.7)	(5.1)	(0.4)	5.3	17.1
Int. Bearing Liab.	(9.3)	(5.1)	(0.4)	5.3	17.1
CASA	(3.2)	(9.6)	(1.6)	8.4	21.6
Total Asset	(7.7)	(4.2)	1.9	6.9	15.7

Source: BBYB, BRIDS Estimates

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INVESTMENT RATING

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

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