

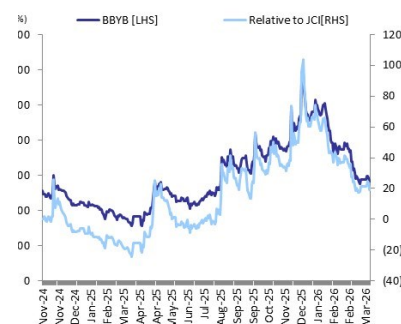
Buy

(Upgraded)

Tactical (3M): N

Last Price (Rp)	282
Target Price (Rp)	400
Previous TP (Rp)	400
Upside/Downside	+41.8%
No. of Shares (mn)	13,350
Mkt Cap (Rpbn/US\$mn)	2,657/156
Avg, Daily T/O (Rpbn/US\$mn)	70.5/4.2
Free Float (%)	55.1
Major Shareholder (%)	
AKULAKU SIVRR INDONESIA	34.4
GOZCO CAPITAL	10.5
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	42.7 85.6 72.8
Consensus	51.7 64.3 75.9
BRIDS/Cons (%)	(17.3) 33.2 (4.1)

BBYB relative to JCI Index



Source: Bloomberg

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Bank Neo Commerce (BBYB IJ)

FY25 Earnings: Below; Higher CoC Alongside Deteriorating Asset Quality Metric

- BBYB booked NP of Rp102bn in 4Q25 (-46% qoq) bringing its FY25 NP to Rp566bn (vs Rp20bn in FY24), below ours and consensus.
- CoC rose to 19.8% in 4Q25 alongside higher write-off ratio, increasing NPL and LaR ratio, and lower NPL and LaR coverages.
- Despite soft results, we upgrade our rating to Buy (from Hold) as we maintain our TP at Rp400 but share price has declined by 28%.

Softer 4Q25 bottom line due to elevated CoC

BBYB recorded a net profit of Rp102bn in 4Q25, down 46% qoq but still sixfold higher yoy from a low base, mainly dragged by elevated CoC. NIM declined 77bps qoq to 13.3% as LDR fell from 55% to 51%, with loans continuing to contract by 4% qoq while deposits grew 3% qoq. Income remained muted, with NII down 2% qoq and 22% yoy and other income falling 5% qoq and 18% yoy; however, opex efficiencies (-15% qoq, -18% yoy) helped improve CIR to 31%. Asset quality deteriorated toward year-end, reflected in higher NPL and LaR ratios, alongside a spike in CoC to 19.8% (+651bps qoq) and write-off ratio to 18.0% (from 13.3% in 3Q25).

Boosted earnings but asset quality deteriorated

BBYB booked Rp566bn net profit in FY25, a strong turnaround from Rp20bn in FY24, although 4Q25 weakness led to slightly below our (92% of FY25F) and consensus (94%) expectations. The earnings improvement was primarily driven by lower CoC at 16.7% (-791bps yoy), while PPOP remained under pressure at Rp1.9tr (-19% yoy) due to a 14% decline in NII and a 30% drop in other income, partly offset by 11% lower opex. NIM compressed to 14.6% (-212bps yoy) as LDR declined from 67% to 51% due to a 19% contraction in loans. Asset quality also weakened, with NPL and LaR ratios rising and coverage ratios declining to 200% and 54.7%, respectively, while LDR continued to bottom at 51%.

Soft earning expectations due to asset quality

We revised FY26/27F earnings by -20/+16%. We expect flat FY26F earnings growth driven by higher CoC (+422bps) which offsets the positive PPOP growth (+13%), driven by loan book expansion (+9%) and higher NIM (+77bps). The loan expansion and higher NIM will still depend on OJK approval.

Upgrade to BUY based on valuation

We maintain our 3-stage DDM based TP of Rp400 implying 1.1x FY26F PBV but we upgrade our rating from HOLD to BUY as share price has declined 28% since our downgrade. Risks to our view are delayed OJK approval and worse-than-anticipated asset quality. **Tactical (3M) view: N.** Potential asset quality issue deterioration in the short-term and uncertainties in growing loan book could bring negative sentiment.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	2,352	1,897	2,135	2,450	2,806
Net profit (Rpbn)	20	566	570	1,143	972
EPS (Rp)	1.5	42.4	42.7	85.6	72.8
EPS growth (%)	(103.1)	2,744.8	0.7	100.6	(15.0)
BVPS (Rp)	266.8	316.9	359.6	445.2	511.4
PER (x)	189.3	6.7	6.6	3.3	3.9
PBV (x)	1.1	0.9	0.8	0.6	0.6
Dividend yield (%)	0.0	0.0	0.0	0.0	2.3
ROAE (%)	0.6	14.5	12.6	21.3	15.2

Source: BBYB, BRIDS Estimates

See important disclosure at the back of this report

Exhibit 1. BBYB's FY25 Results

BBYB - Financials (Rpbn)	4Q24	3Q25	4Q25	qoq, %	yoy, %	2024	2025	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	926	777	768	-1%	-17%	3,607	3,145	-13%	3,137		100%	n/a
Interest expense	204	199	204	2%	0%	871	792	-9%	780		102%	n/a
Net interest income	723	579	564	-2%	-22%	2,736	2,353	-14%	2,356		100%	n/a
Other operating income	125	107	102	-5%	-18%	586	410	-30%	426		96%	n/a
Operating expenses	248	240	203	-15%	-18%	970	866	-11%	886		98%	n/a
PPOP	599	446	463	4%	-23%	2,352	1,897	-19%	1,896		100%	n/a
Provision	574	258	362	40%	-37%	2,323	1,335	-43%	1,281		104%	n/a
Operating Profit	25	188	101	-46%	311%	28	562	1877%	615		91%	n/a
Net profit	16	188	102	-46%	543%	20	566	2745%	615	604	92%	94%
Loans	8,822	7,490	7,183	-4%	-19%	8,822	7,183	-19%	7,460		96%	
Customer deposits	13,064	13,619	14,026	3%	7%	13,064	14,026	7%	12,995		108%	
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%)	35.6	33.3	34.8	↑ 155	↓ (73)	33.3	33.1	↓ (21)				
Cost of fund (%)	6.0	5.9	5.9	→ (1)	↑ (10)	6.2	5.8	↑ (36)				
NIM (%)	18.0	14.1	13.3	↓ (77)	↓ (467)	16.7	14.6	↓ (212)				
CIR (%)	29.3	35.0	30.5	↓ (449)	↓ 118	29.2	31.3	↓ 212				
Cost of credit (%)	25.4	13.2	19.8	↓ 651	↑ (565)	24.6	16.7	↑ (791)				
Write offs/loan (%)	19.4	13.3	18.0	↑ 469	↓ (137)	23.6	17.6	↓ (592)				
ROE (%) - ann	1.8	18.7	9.7	↓ (901)	↑ 797	0.6	14.5	↑ 1,391				
CASA ratio (%)	27.6	28.4	29.7	↑ 132	↑ 208							
LDR (%)	67.5	55.0	51.2	↑ (378)	↑ (1,632)							
NPL (%)	3.3	2.9	3.6	↓ 66	↓ 28							
LaR (%)	12.8	11.5	13.1	↓ 161	↓ 34							
NPL coverage (%)	218.1	237.4	200.3									
LaR coverage (%)	56.4	60.3	54.7									

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. BBYB's Changes in Forecast

BBYB - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn)	2,528	2,627	3.9	3,024	2,998	(0.9)	3,373	3,423	1.5
PPOP (Rpbn)	2,059	2,135	3.7	2,518	2,450	(2.7)	2,808	2,806	(0.1)
Net profit (Rpbn)	712	570	(20.0)	982	1,143	16.4	1,014	972	(4.2)
BVPS (Rp)	366	360	(1.8)	440	445	1.2	509	511	0.6
Gross Loans (Rpbn)	8,359	7,807	(6.6)	9,763	9,039	(7.4)	10,270	10,471	2.0
Customer Deposits (Rpbn)	12,663	13,859	9.4	14,086	15,282	8.5	14,111	16,861	19.5
Ratios (%)	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps	2028F (Prev)	2028F (Curr)	Δ bps
Net Interest Margin	15.4	15.1	(37)	16.8	16.4	(32)	17.2	17.4	14
Gross NPL Ratio	3.0	3.6	61	3.0	3.6	61	3.0	3.6	61
Cost/Income Ratio	31.6	29.6	(205)	29.6	27.9	(171)	29.2	27.7	(155)
Cost of Credit	17.0	20.9	388	16.9	15.5	(140)	15.1	16.0	95
ROAE	15.7	12.6	(309)	18.3	21.3	302	16.0	15.2	(80)

Source: Company, BRIDS Estimates

Exhibit 3. BBYB's Valuation

Phase	High-growth	Transitory	Mature										
Risk free rate (Rf)	6.0%	6.0%	6.0%										
Market return rate (Rm)	12.6%	11.3%	10.0%										
Beta (B)	1.50	1.25	1.00										
Risk premium (Rm-Rf)	6.6%	5.3%	4.0%										
Ke = Rf+B(Rm-Rf)	15.8%	12.6%	10.0%										
Return on equity		15.3%	17.4%										
Growth rate	n/a	9.7%	8.0%										
Expected dividend payout ratio	0.0%	31.6%	54.1%										

Forecast year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Equity book value/share	307	397	276	267	317	360	445	511	577	646	717	788	856
Return on equity	-34.1%	-21.1%	-17.2%	0.6%	13.4%	11.9%	19.2%	14.2%	13.9%	14.6%	15.5%	16.4%	17.4%
Earnings per share	-104.7	-83.8	-47.6	1.5	42.4	42.7	85.6	72.8	80.1	94.6	110.9	129.2	149.4
growth		-20%	-43%	-103%	2745%	1%	101%	-15%	10%	18%	17%	17%	16%
Payout ratio	0%	0%	0%	0%	0%	0%	0%	9.0%	18.0%	27.1%	36.1%	45.1%	54%
Dividend per share	-	-	-	-	-	-	-	6.6	14.5	25.6	40.0	58.3	80.9
Cost of equity		15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	14.9%	13.9%	12.9%	11.9%	11.0%	10.0%
Cumulative cost of equity				1.000	0.863	0.745	0.643	0.560	0.492	0.435	0.389	0.351	0.319
Present value	-	-	-	-	-	-	-	3.68	7.11	11.15	15.57	20.43	25.78
TP	IDR 400												

Source: Company, BRIDS Estimates

Exhibit 4. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	3,607	3,145	3,414	3,798	4,284
Interest Expense	(871)	(792)	(787)	(800)	(861)
Net Interest Income	2,736	2,353	2,627	2,998	3,423
Non-Interest Income (NII)	586	410	404	399	456
Oper. Income	3,322	2,763	3,031	3,397	3,879
Oper. Expenses	(970)	(866)	(896)	(946)	(1,073)
Pre-provisions profit	2,352	1,897	2,135	2,450	2,806
Provisions & Allowances	(2,323)	(1,335)	(1,567)	(1,309)	(1,562)
Operating Profits	28	562	568	1,142	1,244
Non-Operating Income	(10)	2	2	2	2
Exceptionals	0	0	0	0	0
Pre-tax Profit	19	564	570	1,143	1,246
Income Tax	1	2	0	0	(274)
Minorities	0	0	0	0	0
Net Profit	20	566	570	1,143	972

Exhibit 5. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	8,822	7,183	7,807	9,039	10,471
Provisions	(635)	(515)	(815)	(1,015)	(1,266)
Net Loans	8,187	6,668	6,992	8,024	9,205
Govt. Bonds	0	0	0	0	0
Securities	4,682	7,567	7,188	7,188	7,404
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	15,619	17,319	17,595	18,869	20,570
Fixed Assets	271	285	285	284	283
Non-Earnings Assets	911	802	865	904	959
Total Assets	17,409	18,974	19,367	21,943	24,430
Customer Deposits	13,064	14,026	13,859	15,282	16,861
Banks Deposits	129	72	75	79	83
Int. Bearing Liab. - Others	0	0	0	0	0
Total Liabilities	13,847	14,743	14,566	15,999	17,602
Share capital & Reserves	5,838	5,939	5,939	5,939	5,939
Retained Earnings	(2,276)	(1,708)	(1,138)	5	889
Shareholders' Funds	3,562	4,231	4,801	5,944	6,828
Minority interests	0	0	0	0	0
Total Equity & Liabilities	17,409	18,974	19,367	21,943	24,430

Exhibit 6. Key Ratios

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	22.7	19.1	19.6	20.8	21.7
Cost of funds	6.4	5.8	5.6	5.5	5.3
Interest Spread	16.2	13.3	13.9	15.4	16.4
Net Interest Margin	17.2	14.3	15.1	16.4	17.4
Cost/Income Ratio	29.2	31.3	29.6	27.9	27.7
Oper. Exp./Oper. Gross Inc.	99.3	84.2	85.1	72.8	73.8
Gross NPL Ratio	3.3	3.6	3.6	3.6	3.6
LLP/Gross NPL	218.1	200.3	291.6	313.6	337.9
Cost of Credit	23.7	16.7	20.9	15.5	16.0
Loan to Deposit Ratio	67.5	51.2	56.3	59.1	62.1
Loan to Funding Ratio	67.5	51.2	56.3	59.1	62.1
CASA Mix	27.4	29.6	30.9	31.6	32.4
ROAE	0.6	14.5	12.6	21.3	15.2
ROAA	0.1	3.1	3.0	5.5	4.2
CAR	38.0	31.0	35.3	43.0	50.1

Exhibit 7. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	0.1	3.1	3.0	5.5	5.4
Tax Retention rate	106.4	100.3	100.0	100.0	78.0
Post-Tax ROAA	0.1	3.1	3.0	5.5	4.2
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	5.2	4.7	4.2	3.8	3.6
ROAE	0.6	14.5	12.6	21.3	15.2
Growth (%)					
Interest income	(3.1)	(12.8)	8.6	11.2	12.8
Net Interest Income	(1.5)	(14.0)	11.7	14.1	14.2
Other Oper. Expenses	(28.3)	(10.8)	3.5	5.6	13.4
Fee Based Income	(95.7)	(93.5)	8.7	15.8	15.8
Pre-Provision Oper. Profit	7.5	(19.3)	12.5	14.8	14.5
Net Profit	(103.5)	2,744.8	0.7	100.6	(15.0)
Shareholders' Equity	7.2	18.8	13.5	23.8	14.9
Loan	(18.2)	(18.6)	8.7	15.8	15.8
Earnings Asset	(3.6)	10.9	1.6	7.2	9.0
Deposit	(5.1)	6.9	(1.2)	10.2	10.3
Int. Bearing Liab.	(5.1)	6.9	(1.2)	10.2	10.3
CASA	(9.6)	15.5	3.4	12.7	12.8
Total Asset	(4.2)	9.0	2.1	13.3	11.3

Source: BBYB, BRIDS Estimates

Equity Research – Company Update

Wednesday, 01 April 2026

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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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