

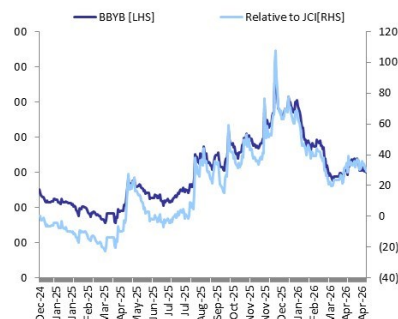
# Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	322
Target Price (Rp)	400
Previous TP (Rp)	400
Upside/Downside	+24.2%
No. of Shares (mn)	13,350
Mkt Cap (Rpbn/US\$mn)	2,827/163
Avg, Daily T/O (Rpbn/US\$mn)	58.0/3.3
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	47.9 66.1 70.8
BRIDS/Cons (%)	(10.9) 29.5 2.9

## BBYB relative to JCI Index



Source: Bloomberg

## Bank Neo Commerce (BBYB IJ)

### 1Q26 Earnings: In Line; Loan Book Contraction Weighs on NIM and Earnings

- BBYB posted 1Q26 net profit of Rp137bn (+35% qoq, -14% yoy), forming 24% of our FY25F (in line) and 21% of consensus (below).
- Loans declined to Rp7.0tr (-2% qoq, -17% yoy) with management lowering loan target to Rp8.0tr by year end driven by digital loans.
- We keep our forecast and valuation unchanged, hence maintaining our Buy rating with an unchanged TP of Rp400.

#### 1Q26: In line with ours but below consensus as loan balance declined

BBYB posted a net profit of Rp137bn in 1Q26 (+35% qoq, -14% yoy), forming 24% of our FY25F (in line) and 21% of consensus (below). The yoy decline was mainly driven by weaker PPOP performance amid pressure on the top line due to loan book contraction. NII declined 3% qoq and 11% yoy to Rp548bn, in line with weaker loan growth and lower LDR, while other operating income also fell 5% qoq and 7% yoy on lower loan-related fee. NIM declined to 13.2% (-9bps qoq, -294bps yoy) as the higher loan yield was offset by a lower LDR due to continued loan contraction, despite some improvement in CoF. Management expects NIM to improve to around 14% supported by higher loan balance, driven by consumers.

#### Slight increases in opex while revenue remained under pressure

On the cost side, opex increased 5% qoq (+1% yoy) to Rp212bn, pushing CIR higher to 32.9% (+244bps qoq, +383bps yoy). However, lower provisions helped support earnings, with provision expenses declining 18% qoq and 16% yoy, bringing CoC down to 16.7% (-310bps qoq, +41bps yoy). Overall, weaker revenue and higher cost pressures continued to weigh on PPOP, partially cushioned by lower credit costs.

#### Digital loan to drive responsible growth in FY26F

Loan contraction persisted, with loans down 2% qoq and 17% yoy to Rp7.0tr, lower balance in commercial loans. Meanwhile, deposits also declined 4% qoq and 2% yoy. Asset quality was mixed, with NPL improving to 3.1% (-43bps qoq, flat yoy) but LaR rising to 13.4% (+31bps qoq, +201bps yoy), indicating lingering pressure. Management expects loan balance of Rp8tr by FY26-end (down from Rp9tr prev. and vs. our forecast of Rp7.8tr), driven by digital loans, while it maintains CoC and NPL ratio at around 16% and 3%. Mgmt sees commercial loans as less of a growth priority this year.

#### Maintain Buy with an unchanged TP of Rp400

We maintain our Buy rating and 3-stage DDM based TP of Rp400 implying 1.1x FY26F PBV. Risks to our view are delayed OJK approval and worse-than-anticipated asset quality. **Tactical (3M) view: N.** Potential asset quality issue deterioration and uncertainties in loan book growth amid current macro backdrops.

#### 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)	216.2	7.6	7.5	3.8	4.5
PBV (x)	1.2	1.0	0.9	0.7	0.6
Dividend yield (%)	0.0	0.0	0.0	0.0	2.2
ROAE (%)	0.6	14.5	12.6	21.3	15.2

Source: BBYB, BRIDS Estimates

#### BRI Danareksa Sekuritas Analysts

##### Victor Stefano

(62-21) 5091 4100 ext. 3505

victor.stefano@brids.co.id

##### Naura Reyhan Muchlis

(62-21) 5091 4100 ext. 3507

naura.muchlis@brids.co.id

## Exhibit 1. BBYB's 1Q26 Results

BBYB - Financials (Rpbn)	1Q25	4Q25	1Q26	qoq, %	yoy, %	1Q25	1Q26	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	810	768	739	-4%	-9%	810	739	-9%	3,414		22%	n/a
Interest expense	193	204	191	-6%	-1%	193	191	-1%	787		24%	n/a
Net interest income	617	564	548	-3%	-11%	617	548	-11%	2,627		21%	n/a
Other operating income	104	102	97	-5%	-7%	104	97	-7%	404		24%	n/a
Operating expenses	210	203	212	5%	1%	210	212	1%	896		24%	n/a
PPOP	511	463	433	-7%	-15%	511	433	-15%	2,135		20%	n/a
Provision	352	362	296	-18%	-16%	352	296	-16%	1,567		19%	n/a
Operating Profit	160	101	137	35%	-14%	160	137	-14%	568	614	24%	22%
Net profit	160	102	137	35%	-14%	160	137	-14%	570	637	24%	21%
Loans	8,496	7,183	7,031	-2%	-17%	8,496	7,031	-17%	7,807		90%	
Customer deposits	13,695	14,026	13,424	-4%	-2%	13,695	13,424	-2%	13,859		97%	
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%)	32.1	34.8	34.8	↓ (5)	↑ 273	32.1	34.8	↑ 273				
Cost of fund (%)	5.8	5.9	5.6	↑ (33)	↑ (22)	5.7	5.5	↑ (20)				
NIM (%)	16.2	13.3	13.2	↓ (9)	↓ (294)	16.2	13.2	↓ (294)				
CIR (%)	29.1	30.5	32.9	↓ 244	↓ 383	29.1	32.9	↓ 383				
Cost of credit (%)	16.3	19.8	16.7	↑ (310)	↓ 41	16.3	16.7	↓ 41				
Write offs/loan (%)	17.6	18.0	16.5	↓ (157)	↓ (111)	18.2	17.7	↓ (52)				
ROE (%) - ann	17.5	9.7	12.8	↑ 311	↓ (470)	17.5	12.8	↓ (470)				
CASA ratio (%)	30.2	29.7	30.3	↑ 61	↑ 14							
LDR (%)	62.0	51.2	52.4	↓ 117	↑ (966)							
NPL (%)	3.2	3.6	3.1	↑ (43)	⇒ (3)							
LaR (%)	11.4	13.1	13.4	↓ 31	↓ 201							
NPL coverage (%)	210.8	200.3	224.6									
LaR coverage (%)	58.7	54.7	52.6									

Source: Company, BRIDS Estimates, Bloomberg

**Exhibit 2. 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)
<b>Net Interest Income</b>	<b>2,736</b>	<b>2,353</b>	<b>2,627</b>	<b>2,998</b>	<b>3,423</b>
Non-Interest Income (NII)	586	410	404	399	456
<b>Oper. Income</b>	<b>3,322</b>	<b>2,763</b>	<b>3,031</b>	<b>3,397</b>	<b>3,879</b>
Oper. Expenses	(970)	(866)	(896)	(946)	(1,073)
<b>Pre-provisions profit</b>	<b>2,352</b>	<b>1,897</b>	<b>2,135</b>	<b>2,450</b>	<b>2,806</b>
Provisions & Allowances	(2,323)	(1,335)	(1,567)	(1,309)	(1,562)
<b>Operating Profits</b>	<b>28</b>	<b>562</b>	<b>568</b>	<b>1,142</b>	<b>1,244</b>
Non-Operating Income	(10)	2	2	2	2
Exceptionals	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>19</b>	<b>564</b>	<b>570</b>	<b>1,143</b>	<b>1,246</b>
Income Tax	1	2	0	0	(274)
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>20</b>	<b>566</b>	<b>570</b>	<b>1,143</b>	<b>972</b>

**Exhibit 3. 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)
<b>Net Loans</b>	<b>8,187</b>	<b>6,668</b>	<b>6,992</b>	<b>8,024</b>	<b>9,205</b>
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
<b>Total Earnings Assets</b>	<b>15,619</b>	<b>17,319</b>	<b>17,595</b>	<b>18,869</b>	<b>20,570</b>
Fixed Assets	271	285	285	284	283
Non-Earnings Assets	911	802	865	904	959
<b>Total Assets</b>	<b>17,409</b>	<b>18,974</b>	<b>19,367</b>	<b>21,943</b>	<b>24,430</b>
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
<b>Total Liabilities</b>	<b>13,847</b>	<b>14,743</b>	<b>14,566</b>	<b>15,999</b>	<b>17,602</b>
Share capital & Reserves	5,838	5,939	5,939	5,939	5,939
Retained Earnings	(2,276)	(1,708)	(1,138)	5	889
<b>Shareholders' Funds</b>	<b>3,562</b>	<b>4,231</b>	<b>4,801</b>	<b>5,944</b>	<b>6,828</b>
Minority interests	0	0	0	0	0
<b>Total Equity &amp; Liabilities</b>	<b>17,409</b>	<b>18,974</b>	<b>19,367</b>	<b>21,943</b>	<b>24,430</b>

**Exhibit 4. 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 5. Key Ratio**

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
<b>Dupont</b>					
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
<b>Growth (%)</b>					
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

Friday, 08 May 2026

## BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of EQR, Strategy, Automotive, Coal	<a href="mailto:erindra.krisnawan@brids.co.id">erindra.krisnawan@brids.co.id</a>
Victor Stefano	Banks, Poultry	<a href="mailto:victor.stefano@brids.co.id">victor.stefano@brids.co.id</a>
Christy Halim	Consumer, Retailers	<a href="mailto:christy.halim@brids.co.id">christy.halim@brids.co.id</a>
Andhika Audrey Eko Nugroho	Metal Mining, Oil & Gas	<a href="mailto:andhika.nugroho@brids.co.id">andhika.nugroho@brids.co.id</a>
Kafi Ananta Azhari	Telco, Technology	<a href="mailto:kafi.azhari@brids.co.id">kafi.azhari@brids.co.id</a>
Ni Putu Wilastita Muthia Sofi	Research Associate	<a href="mailto:wilastita.sofi@brids.co.id">wilastita.sofi@brids.co.id</a>
Naura Reyhan Muchlis	Research Associate	<a href="mailto:naura.muchlis@brids.co.id">naura.muchlis@brids.co.id</a>
Sabela Nur Amalina	Research Associate	<a href="mailto:sabela.amalina@brids.co.id">sabela.amalina@brids.co.id</a>

## BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	<a href="mailto:helmy.kristanto@brids.co.id">helmy.kristanto@brids.co.id</a>
Relindya Yuriswari S.	Economist	<a href="mailto:relindya.salehaningtyas@brids.co.id">relindya.salehaningtyas@brids.co.id</a>
Ebenezer Mesotuhu Harefa	Junior Economist	<a href="mailto:ebenezer.harefa@brids.co.id">ebenezer.harefa@brids.co.id</a>

## BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	<a href="mailto:novrita.putrianti@brids.co.id">novrita.putrianti@brids.co.id</a>
Ehrlich SuhBBYBno	Institutional Sales Associate	<a href="mailto:ehrlich@brids.co.id">ehrlich@brids.co.id</a>
Adeline Solaiman	Institutional Sales Associate	<a href="mailto:adeline.solaiman@brids.co.id">adeline.solaiman@brids.co.id</a>
Andreas Kenny	Institutional Sales Associate	<a href="mailto:andreas.kenny@brids.co.id">andreas.kenny@brids.co.id</a>
Jason Joseph	Institutional Sales Associate	<a href="mailto:jason.joseph@brids.co.id">jason.joseph@brids.co.id</a>

## BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	<a href="mailto:mitcha.sondakh@brids.co.id">mitcha.sondakh@brids.co.id</a>
Suryanti Salim	Sales Trader	<a href="mailto:suryanti.salim@brids.co.id">suryanti.salim@brids.co.id</a>

## INVESTMENT RATING

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

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