

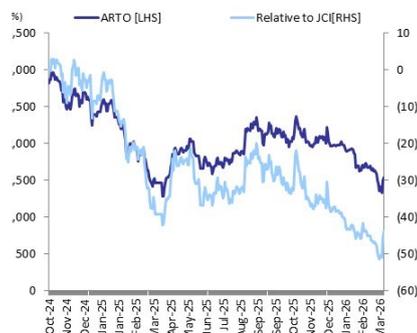
Buy

(Maintained)

Tactical (3M): N

Last Price (Rp)	1,435
Target Price (Rp)	3,000
Previous TP (Rp)	3,100
Upside/Downside	+109.1%
No. of Shares (mn)	13,861
Mkt Cap (Rpbn/US\$mn)	21,269/1,261
Avg, Daily T/O (Rpbn/US\$mn)	21.2/1.3
Free Float (%)	20.3
Major Shareholder (%)	
Metamorfosis Ekosistem	29.8
Dompet Karya Anak Bangsa	21.4
EPS Consensus (Rp)	
	2026F 2027F 2028F
BRIDS	29.2 42.9 69.6
Consensus	36.3 63.9 93.1
BRIDS/Cons (%)	(19.4) (33.0) (25.2)

ARTO relative to JCI Index



Source: Bloomberg

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

Bank Jago (ARTO IJ)

FY25 Earnings: In line; Solid Growth with NIM Improvement offsetting higher CoC

- ARTO booked NP of Rp77bn in 4Q25 (+7% qoq, +81% yoy), bringing its FY25 to Rp276bn (+115% yoy), in line with ours but above cons.
- Mgmt. is looking at moderating loan growth, steady NIM, and higher CoC for FY26 and funding diversification from term loans.
- We trim our FY26/27F NP by 11/23% as we revised down NIM and inched up CoC assumption; maintain Buy with a lower TP of Rp3k.

In line with ours but slightly ahead consensus' FY25F

ARTO's FY25 net profit reached Rp276bn (+115% yoy), in line with our estimate (99% of FY25F) and slightly above consensus (103% of FY25F). NIM expanded to 8.5% (+121bps yoy), offsetting a higher CoC of 4.1% (+211bps yoy) as the bank pursued higher-risk growth. CASA improved to 50% (from 48% in 3Q25) as liquidity conditions improved in 4Q25. CIR declined to 58% (-1,500bps yoy) on stronger NIM, lower insurance costs, and higher fee income despite rising opex. However, asset quality weakened with NPL and LaR increasing to 0.6% and 6.6%, respectively.

Improving NIM on both higher loan yield and lower CoF

In 4Q25, ARTO booked a net profit of Rp77bn (+7% qoq, +81% yoy). NIM expanded 46bps qoq to 8.8%, supported by a 39bps decline in CoF amid improved market liquidity and a 54bps increase in loan yield following a shift in loan composition. Loans grew 4% qoq while deposits rose 8% qoq, bringing LDR down to 94%. GOTO-related loans contributed 21-22% of total loans, while direct lending remained below 5% of the portfolio. Meanwhile, other operating income rose 11% qoq and 66% yoy on stronger transactional fees, although this also contributed to higher opex.

FY26 Outlook: maintaining cautious view on asset quality

Management guides loan growth of 25-30% for FY26F (FY25: 38%) with NIM expected to remain around ~8.5%. CoC is projected to rise to 4.1-4.6% for FY26F (FY25: 4.1%). CIR is targeted to decline toward ~45% or lower over the next 2-3 years. Direct lending contribution is expected to increase from ~5% to ~10%. Comfortable NPL is guided at ~1% and LaR at 8-9%, and we remain cautious on asset quality given the recent rise in credit costs and uptrend in NPL and LaR ratio.

Maintain Buy rating with a lower TP of Rp3,000

We maintain our Buy rating with a lower TP of Rp3,000 based on a 3-stage DDM as we adjusted our FY26/27F NP by -11/-23%. Risks to our view are deteriorating asset quality and the street's earnings downgrade. **Tactical (3M) view: N.** Despite a solid growth trajectory, uncertainty in macro conditions, Eid seasonality, and high street estimates could lead to ST negative sentiment.

Key Financials

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
PPOP (Rpbn)	485	1,222	1,698	2,305	3,304
Net profit (Rpbn)	129	276	405	594	965
EPS (Rp)	9.3	19.9	29.2	42.9	69.6
EPS growth (%)	77.6	114.9	46.6	46.7	62.5
BVPS (Rp)	614.8	637.0	666.2	709.0	771.8
PER (x)	154.7	72.0	49.1	33.5	20.6
PBV (x)	2.3	2.3	2.1	2.0	1.9
Dividend yield (%)	0.0	0.0	0.0	0.0	0.5
ROAE (%)	1.5	3.2	4.5	6.2	9.4

Source: ARTO, BRIDS Estimates

Exhibit 1. ARTO's FY25 Results

ARTO - Financial (Rpbn)	4Q24	3Q25	4Q25	qoq, %	yoy, %	2024	2025	yoy, %	FY25F	FY25C	A/F	A/C
Interest income	641	874	947	8%	48%	2,053	3,414	66%	3,305	3,200	103%	107%
Interest expense	164	263	258	-2%	57%	499	948	90%	843	769	112%	123%
Net interest income	476	611	689	13%	45%	1,553	2,466	59%	2,441	2,431	101%	101%
Other operating income	80	120	133	11%	66%	291	455	57%	462		99%	n/a
Operating expenses	352	424	479	13%	36%	1,360	1,700	25%	1,649		103%	n/a
PPOP	204	307	343	12%	68%	485	1,222	152%	1,253	1,125	97%	109%
Provision	134	215	247	15%	84%	304	870	186%	895	753	97%	116%
Operating Profits	70	92	96	4%	38%	181	351	95%	358	349	98%	101%
Net profits	43	72	77	7%	81%	129	276	115%	278	269	99%	103%
Loans	17,701	23,465	24,347	4%	38%	17,701	24,347	38%	24,155		101%	n/a
Customer deposits	18,806	23,893	25,898	8%	38%	18,806	25,898	38%	25,677		101%	n/a
				qoq, bps	yoy, bps			yoy, bps				
Loan yield (%)	12.8	13.8	14.3	↑ 54	↑ 155	11.3	14.1	↑ 281				
Cost of fund (%)	3.7	4.5	4.1	↓ (39)	↓ 47	3.3	4.2	↓ 92				
NIM (%)	7.9	8.3	8.8	↑ 46	↑ 86	7.3	8.5	↑ 121				
CIR (%)	63.3	58.0	58.3	↓ 31	↓ (504)	73.7	58.2	↓ (1,554)				
Cost of credit (%)	3.1	3.8	4.1	↓ 31	↓ 106	2.0	4.1	↓ 211				
ROE (%) - ann	2.0	3.3	3.5	↑ 20	↑ 150	1.5	3.2	↑ 166				
CASA ratio (%)	53.0	48.2	49.6	↑ 140	↓ (334)							
LDR (%)	94.1	98.2	94.0	↑ (420)	↑ (12)							
NPL ratio (%)	0.2	0.4	0.6	↓ 22	↓ 44							
LaR ratio (%)	3.8	5.9	6.6	↓ 63	↓ 276							

Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. ARTO's Changes in Forecast

ARTO - Forecast Changes	2026F (Prev)	2026F (Curr)	Δ%	2027F (Prev)	2027F (Curr)	Δ%	2028F (Prev)	2028F (Curr)	Δ%
Net Interest Income (Rpbn)	3,089	3,109	0.6	4,115	3,969	(3.5)	5,566	5,408	(2.9)
PPOP (Rpbn)	1,725	1,698	(1.6)	2,478	2,305	(7.0)	3,509	3,304	(5.8)
Net profit (Rpbn)	456	405	(11.2)	776	594	(23.5)	1,198	965	(19.5)
BVPS (Rp)	668	666	(0.2)	724	709	(2.0)	801	772	(3.7)
Gross Loans (Rpbn)	31,348	31,441	0.3	40,683	40,804	0.3	52,799	52,955	0.3
Customer Deposits (Rpbn)	33,746	33,016	(2.2)	43,705	42,615	(2.5)	57,212	54,796	(4.2)
Ratios (%)	2026F (Prev)	2026F (Curr)	Δ bps	2027F (Prev)	2027F (Curr)	Δ bps	2028F (Prev)	2028F (Curr)	Δ bps
Net Interest Margin	8.9	8.5	(47)	9.3	8.6	(71)	9.8	9.5	(32)
Cost of Funds	4.0	3.8	(24)	3.9	3.6	(36)	3.8	3.4	(37)
Gross NPL Ratio	0.2	0.6	45	0.2	0.6	46	0.2	0.6	46
Cost/Income Ratio	53.1	53.9	84	49.5	51.1	158	47.2	48.6	138
ROAE	5.1	4.5	(57)	8.0	6.2	(182)	11.3	9.4	(194)

Source: Company, BRIDS Estimates

Exhibit 3. ARTO'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 (β)	1.50	1.25	1.00							
Risk premium (Rm-Rf)	6.6%	5.3%	4.0%							
Ke = Rf+β(Rm-Rf)	15.8%	12.6%	10.0%							
Return on equity (average)	4.5%	15.5%	19.7%							
Growth rate (CAGR)	31.4%	16.3%	8.0%							
Expected dividend payout ratio (average)	0.0%	34.6%	59.4%							
	0	1	2	3	4	5	6	7	8	
Forecast year	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Equity book value/share	637	666	709	772	854	960	1075	1187	1290	
<i>Return on equity</i>	<i>3.1%</i>	<i>4.4%</i>	<i>6.0%</i>	<i>9.0%</i>	<i>12.0%</i>	<i>15.7%</i>	<i>17.7%</i>	<i>18.6%</i>	<i>19.7%</i>	
Earnings per share	19.9	29.2	42.8	69.6	102.7	151.1	190.0	220.4	254.0	
<i>growth</i>	<i>115%</i>	<i>47%</i>	<i>47%</i>	<i>63%</i>	<i>47%</i>	<i>47%</i>	<i>26%</i>	<i>16%</i>	<i>15%</i>	
Payout ratio	0%	0%	0%	9.9%	19.8%	29.7%	39.6%	49.5%	59%	
Dividend per share	-	-	-	6.9	20.3	44.8	75.2	109.1	150.8	
Cost of equity	0.0%	15.8%	15.8%	15.8%	14.9%	13.9%	12.9%	11.9%	10.0%	
Cumulative cost of equity	1.000	0.863	0.745	0.643	0.560	0.492	0.435	0.389	0.354	
Present value	-	-	-	4.43	11.38	22.05	32.74	42.42	53.32	
TP	IDR 3,000									

Source: Company, BRIDS Estimates

Exhibit 4. Income Statement

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Interest Income	2,053	3,414	4,322	5,447	7,190
Interest Expense	(499)	(948)	(1,213)	(1,478)	(1,782)
Net Interest Income	1,553	2,466	3,109	3,969	5,408
Non-Interest Income (NII)	291	455	578	744	1,021
Oper. Income	1,844	2,921	3,687	4,713	6,429
Oper. Expenses	(1,360)	(1,700)	(1,989)	(2,409)	(3,126)
Pre-provisions profit	485	1,222	1,698	2,305	3,304
Provisions & Allowances	(304)	(870)	(1,179)	(1,543)	(2,066)
Operating Profits	181	351	519	761	1,237
Non-Operating Income	(1)	0	0	0	0
Exceptionals	0	0	0	0	0
Pre-tax Profit	179	351	519	761	1,237
Income Tax	(51)	(75)	(114)	(167)	(272)
Minorities	0	0	0	0	0
Net Profit	129	276	405	594	965

Exhibit 5. Balance Sheet

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Gross Loans	17,644	24,226	31,441	40,804	52,955
Provisions	(289)	(552)	(744)	(1,007)	(1,373)
Net Loans	17,355	23,674	30,697	39,797	51,583
Govt. Bonds	0	0	0	0	0
Securities	4,166	4,067	5,287	5,446	5,609
Other Earnings Assets	0	0	0	0	0
Total Earnings Assets	25,175	32,348	41,179	50,735	63,102
Fixed Assets	227	244	257	267	282
Non-Earnings Assets	2,516	3,107	2,952	3,181	3,220
Total Assets	28,543	36,507	46,147	56,707	70,114
Customer Deposits	18,598	25,597	33,016	42,615	54,796
Banks Deposits	0	0	0	0	0
Int. Bearing Liab. - Others	207	301	309	316	324
Total Liabilities	20,024	27,681	36,916	46,883	59,420
Share capital & Reserves	8,555	8,586	8,586	8,586	8,586
Retained Earnings	(36)	240	645	1,239	2,108
Shareholders' Funds	8,519	8,826	9,231	9,825	10,694
Minority interests	0	0	0	0	0
Total Equity & Liabilities	28,543	36,507	46,147	56,707	70,114

Exhibit 6. Key Ratios

Year to 31 Dec (Rpbn)	2024A	2025A	2026F	2027F	2028F
Yield on Earning Assets	9.4	11.9	11.8	11.9	12.6
Cost of funds	3.1	4.0	3.8	3.6	3.4
Interest Spread	6.4	7.8	8.0	8.3	9.3
Net Interest Margin	7.2	8.6	8.5	8.6	9.5
Cost/Income Ratio	73.7	58.2	53.9	51.1	48.6
Oper. Exp./Oper. Gross Inc.	92.3	90.9	89.4	87.7	84.9
Gross NPL Ratio	0.2	0.6	0.6	0.6	0.6
LLP/Gross NPL	1,016.4	374.6	384.6	397.3	413.2
Cost of Credit	2.0	4.2	4.2	4.3	4.4
Loan to Deposit Ratio	94.9	94.6	95.2	95.8	96.6
Loan to Funding Ratio	94.9	94.6	95.2	95.8	96.6
CASA Mix	53.5	50.2	49.5	49.7	50.4
ROAE	1.5	3.2	4.5	6.2	9.4
ROAA	0.5	0.8	1.0	1.2	1.5
CAR	42.4	32.4	22.5	18.7	15.8

Exhibit 7. Key Ratio

Year to 31 Dec	2024A	2025A	2026F	2027F	2028F
Dupont					
Pre-Tax ROAA	0.7	1.1	1.3	1.5	2.0
Tax Retention rate	71.7	78.7	78.0	78.0	78.0
Post-Tax ROAA	0.5	0.8	1.0	1.2	1.5
Goodwil, Assoc& Min	0.0	0.0	0.0	0.0	0.0
Leverage	3.0	3.8	4.6	5.4	6.2
ROAE	1.5	3.2	4.5	6.2	9.4
Growth (%)					
Interest income	9.5	66.3	26.6	26.0	32.0
Net Interest Income	(0.8)	58.7	26.1	27.7	36.2
Other Oper. Expenses	6.7	25.0	17.0	21.1	29.8
Fee Based Income	47.7	20.1	27.3	29.0	37.6
Pre-Provision Oper. Profit	(0.7)	152.0	39.0	35.7	43.3
Net Profit	77.6	114.9	46.6	46.7	62.5
Shareholders' Equity	1.9	3.6	4.6	6.4	8.8
Loan	40.1	37.3	29.8	29.8	29.8
Earnings Asset	37.8	28.5	27.3	23.2	24.4
Deposit	56.4	37.6	29.0	29.1	28.6
Int. Bearing Liab.	54.6	38.1	33.9	27.3	27.0
CASA	26.4	29.0	27.3	29.5	30.3
Total Asset	34.0	27.9	26.4	22.9	23.6

Source: ARTO, BRIDS Estimates

Equity Research – Company Update

Friday, 13 March 2026



BRI Danareksa Equity Research Team

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

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Relindya Yurisyari S.	Economist	relindya.salehaningtyas@brids.co.id
Ebenezer Mesotuhu Harefa	Junior Economist	ebenezer.harefa@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrlich@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

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

Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.