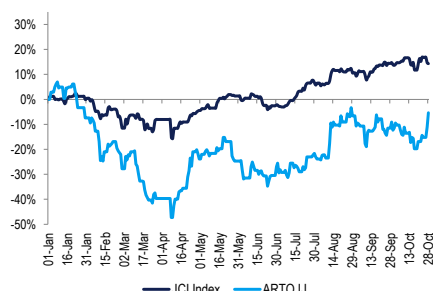


Stock Data

Target price	Rp2,300
Prior TP	Rp2,300
Current price	Rp2,300
Upside/downside	+0%
Shares outstanding (mn)	13,861
Market cap (Rp bn)	31,881
Free float	37%
Avg. 6m daily T/O (Rp bn)	28

Price Performance

	3M	6M	12M
Absolute	23.0%	18.6%	-20.7%
Relative to JCI	16.7%	-1.8%	-26.7%
52w low/high (Rp)	1,280 – 2,900		



Major Shareholders

PT Metamorfosis Ekosistem Indonesia	29.8%
PT Dompot Karya Anak Bangsa	21.4%
Wealth Track Tech Limited	11.7%

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3Q25 results: in-line from strong NII/non-II; loan growth remained robust

- 9M25 net profit of Rp199bn (+131% yoy) was in-line. PPOP grew +212% yoy from strong NII (+65% yoy).
- NIM was relatively stable at 8.3% in 9M25 (8.4% in 1H25) despite higher CoF (+30bp qoq) and lower loan yield (-30bp qoq).
- Loan grew robust (+36% yoy) though LAR rose to 5.9% vs. 5.2% in 2Q25 from insurance scheme change. Maintain Buy.

3Q25 results: in-line on the back of robust NII and non-II

ARTO posted 9M25 net profit of Rp199bn (+131% yoy/+8% qoq in 3Q25), in-line with ours/consensus FY25F at 78%/73%. PPOP grew at +212% yoy (+13% qoq) from solid NII at +65% yoy (+6% qoq) and non-II at +53% yoy (+13% qoq). Opex grew +21% yoy (+4% qoq) from IT related cost to support higher customer and volume transaction, though CIR was stable qoq at 58%, aligned with its guidance of <60%. Provision surged +266% yoy (+16% qoq), with cumulative CoC eased to 3.9% vs. 4.0% in 1H25.

Relatively stable NIM despite higher CoF and lower loan yield

Cumulative NIM was relatively stable at 8.3% in 9M25 (8.4%/7.1% in 1H25/9M24), despite higher CoF at +30bp qoq (+100bp yoy) and lower loan yield at -30bp qoq (+180bp yoy). The management emphasized that CoF shall peaked in 3Q, with MTD CoF already showing slight improvement by -5bp mom to 4.36% in Sep25 from 4.41% in Aug25. LDR stood at 98% in 3Q25 vs. 96% in 2Q25. Deposit grew strong at +41% yoy (+7% qoq) on the back of robust TD at 69% yoy (+13% qoq) and solid CASA at +20% yoy (+1% qoq)

Loan growth remained robust but with a notable increase in LAR

Loan grew at +36% yoy (+9% qoq), tracking slightly above its FY25F guidance of 30-35% and was supported by partnership & ecosystem lending, including direct lending. The proportion of direct lending to total book has gradually rose to 4-5% (from <1% in 1Q25), with a plan to increase the portion to 30-35% within the next 4-5 years. LAR rose to 5.9% (vs. 5.2%/3.5% in 2Q25/3Q24), along with a slight uptick in NPL at 0.4% (0.3%/0.2% in 2Q25/3Q24), though this was attributed to change in insurance scheme (from 100% to 75%).

Maintain Buy on solid loan growth momentum

We maintain our Buy rating on ARTO, underpinned by strong loan growth and solid execution in expanding its feature to generate more diversified income (FX pocket, debit card, direct lending, etc). Risks are NIM compression from higher CoF and worsening asset quality problem.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net interest income	1,565	1,553	2,549	3,103	3,874
Non-interest income	197	291	464	584	708
Total revenue	1,762	1,844	3,013	3,687	4,583
PPOP	488	485	1,176	1,505	1,937
Provision charges	(401)	(304)	(820)	(1,035)	(1,274)
Net profit	72	129	255	336	475
Net profit growth	355%	78%	98%	32%	41%
P/BV (x)	3.8	3.7	3.6	3.5	3.3
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
ROAE	0.9%	1.5%	2.9%	3.8%	5.1%
IPS vs. consensus			93%	60%	47%

Source: Company, Indo Premier

Share price closing as of: 28 October 2025

Fig. 1: ARTO 3Q25 results summary

ARTO 3Q25 result (in Rp bn)	9M25	9M24	yoy%	3Q25	3Q24	%YoY	2Q25	%QoQ	IPS FY25F	% of IPS	Cons FY25F	% of Cons.
Interest income	2,467	1,412	75%	874	500	75%	804	9%	3,400	73%		
Interest expense	(690)	(335)	106%	(263)	(131)	100%	(230)	15%	(852)	81%		
Net interest income	1,777	1,077	65%	611	369	66%	575	6%	2,549	70%		
Non-interest income	322	211	53%	119	78	52%	105	13%	464	69%		
Total Income	2,099	1,288	63%	730	447	63%	680	7%	3,013	70%		
Overhead expenses	(1,221)	(1,007)	21%	(424)	(346)	22%	(409)	4%	(1,837)	66%		
Pre-provision profit	878	281	212%	306	101	203%	271	13%	1,176	75%		
Loan loss provision	(623)	(170)	266%	(214)	(55)	289%	(185)	16%	(820)	76%		
Non Operating	0	(1)	N/A	0	(0)	N/A	0	N/A	(1)	0%		
Pretax profit	255	110	132%	92	46	100%	86	8%	355	72%	353	72%
Tax	(56)	(24)	133%	(20)	(10)	102%	(19)	5%	(100)	56%		
Net Profit	199	86	131%	72	36	100%	67	8%	255	78%	274	73%

Source: Company, Indo Premier

Fig. 2: ARTO 3Q25 balance sheet summary

Balance sheet	3Q25	3Q24	%YoY	2Q25	%QoQ
Cash & BI	1,567	1,595	-2%	1,552	1%
Placement & SBI	6,916	5,651	22%	6,883	0%
Gross Loan	23,465	17,256	36%	21,434	9%
Provision	(471)	(180)	162%	(410)	15%
Other assets	3,020	2,527	20%	2,970	2%
Total Assets	34,497	26,849	28%	32,429	6%
CASA	11,519	9,600	20%	11,444	1%
Time Deposits (TD)	12,374	7,343	69%	10,987	13%
Total Deposits	23,893	16,943	41%	22,431	7%
Other liabilities	1,861	1,438	29%	1,334	40%
Total liabilities	25,754	18,381	40%	23,765	8%
Equity	8,743	8,468	3%	8,664	1%

Source: Company, Indo Premier

Fig. 3: ARTO 3Q25 key ratios

Key ratios	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Loan yield (Q) - reported	13.8	12.2	11.0	9.2	8.1	7.7	7.0	8.9	10.4	9.1	9.0
Loan yield (C) - reported	13.8	13.0	12.3	11.7	8.1	8.0	7.6	8.0	10.4	9.7	9.4
CoF (Q) - reported	3.2	3.6	2.9	3.0	3.1	3.1	3.4	3.7	4.0	4.1	4.4
CoF (C) - reported	3.2	3.6	2.9	3.1	3.1	3.1	3.4	3.7	4.0	4.1	4.4
NIM (Q) - reported	11.0	10.0	9.0	8.0	7.5	7.2	6.7	8.0	8.8	8.1	8.1
NIM (C) - reported	11.0	10.5	10.0	9.5	7.5	7.3	7.1	7.3	8.8	8.4	8.3
CIR	67	67	69	72	80	79	77	74	56	58	58
LDR	117	111	105	108	108	106	102	94	94	96	98
Gross NPL	1.5	1.2	1.2	0.8	0.6	0.4	0.2	0.2	0.3	0.3	0.4
LAR	7.3	8.6	8.5	5.5	4.0	3.3	3.5	3.8	5.1	5.2	5.9
Credit Costs (Quarterly, reported)	5.2	4.7	3.2	1.7	1.5	1.6	1.3	3.0	4.6	3.5	3.8
Credit Costs (Cumulative, reported)	5.2	4.9	4.4	3.6	1.5	1.6	1.5	1.9	4.6	4.0	3.9
CASA	63.8	71.4	73.2	65.3	62.7	61.2	56.7	53.0	53.7	51.0	48.2
CAR	78.7	72.8	71.3	61.8	55.0	50.3	45.6	44.4	36.4	35.9	32.9

Source: Company, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Interest income	1,875	2,053	3,400	4,138	5,138
Interest expense	(309)	(499)	(852)	(1,036)	(1,264)
Net interest income	1,565	1,553	2,549	3,103	3,874
Non-interest income	197	291	464	584	708
Total operating income	1,762	1,844	3,013	3,687	4,583
Opex	(1,274)	(1,360)	(1,837)	(2,182)	(2,645)
PPOP	488	485	1,176	1,505	1,937
Provisions	(401)	(304)	(820)	(1,035)	(1,274)
Operating profit	87	181	356	470	663
Non-operating profit	7	(1)	(1)	(1)	(1)
Pre-tax profit	94	179	355	468	662
Income tax	(21)	(51)	(100)	(132)	(187)
Minority interest	-	-	-	-	-
Net profit	72	129	255	336	475

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash + CA with BI	1,188	1,022	2,222	2,789	3,328
Secondary reserves	5,254	7,474	7,212	7,212	6,563
Gross loans	13,020	17,701	23,290	29,811	37,264
Loan provisions	(242)	(289)	(809)	(1,446)	(2,218)
Other assets	2,076	2,634	2,634	2,634	2,634
Total Assets	21,296	28,543	34,549	41,000	47,572
Total deposits	12,067	18,806	24,557	30,672	36,769
Securities and borrowings	0	0	0	0	0
Other liabilities	872	1,218	1,218	1,218	1,218
Total liabilities	12,939	20,024	25,775	31,890	37,987
Shareholders' equity	8,357	8,519	8,774	9,110	9,585
Total liabilities & equity	21,296	28,543	34,549	41,000	47,572

Growth YoY	2023A	2024A	2025F	2026F	2027F
Gross loans	38.1%	36.0%	31.6%	28.0%	25.0%
Total assets	25.5%	34.0%	21.0%	18.7%	16.0%
Total deposits	45.8%	55.8%	30.6%	24.9%	19.9%
Net interest income	15.7%	-0.8%	64.1%	21.7%	24.9%
Non-interest income	152.5%	47.7%	59.6%	25.8%	21.2%
Total operating income	582.4%	108.1%	97.4%	31.7%	41.1%
Operating expense	24.3%	6.7%	35.1%	18.8%	21.2%
PPOP	20.4%	-0.7%	142.7%	28.0%	28.7%
Net profit	354.7%	77.6%	98.3%	31.9%	41.3%

Key Ratios	2023A	2024A	2025F	2026F	2027F
ROAA	0.4%	0.5%	0.8%	0.9%	1.1%
ROAE	0.9%	1.5%	2.9%	3.8%	5.1%
NIM	8.9%	6.8%	8.7%	8.6%	8.9%
Credit cost	3.6%	2.0%	4.0%	3.9%	3.8%
Cost/income	72.3%	73.7%	61.0%	59.2%	57.7%
LDR	107.9%	94.1%	94.8%	97.2%	101.3%
CAR	61.8%	44.4%	36.4%	31.4%	28.1%
NPL ratio	0.8%	0.2%	0.8%	1.1%	1.3%
Provisions/NPL	221.4%	996.8%	419.4%	444.1%	449.5%

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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