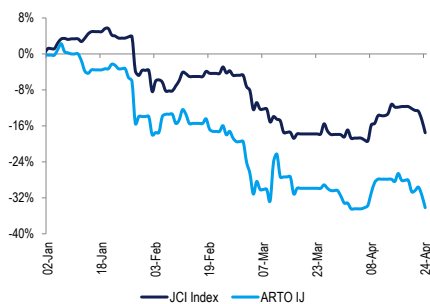


Stock Data

Target price	Rp2,300
Prior TP	Rp2,300
Current price	Rp1,300
Upside/downside	+76.9%
Shares outstanding (mn)	13,861
Market cap (Rp bn)	18,020
Free float	37%
Avg. 6m daily T/O (Rp bn)	8

Price Performance

	3M	6M	12M
Absolute	-32.5%	-37.5%	-27.0%
Relative to JCI	-11.8%	-23.7%	-34.8%
52w low/high (Rp)	1,295 – 2,360		



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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1Q26 results: in-line on the back of robust PPOP

- 1Q26 net profit of Rp86bn (+42% yoy) was in-line with ours/below cons (at 26/18%). PPOP grew +28% yoy from strong NII/non-II at +23/39% yoy.
- NIM fell -20bp yoy but improved +10bp qoq in 1Q26 from both higher loan yield and lower CoF. Loan grew +24% yoy while deposits rose +23% yoy.
- NPL/LAR rose to 0.8/7.5% in 1Q26 from higher direct lending contribution. Maintain Buy from stronger than peers' earnings growth.

1Q26 results: solid PPOP from higher NII/non-II

ARTO recorded net profit of Rp86bn in 1Q26 (+42% yoy/+12% qoq), in-line with ours but below consensus FY26F at 26/18%. PPOP grew robust by +28% yoy from solid NII at +23% yoy and non-II at +39% yoy. Opex grew +23% yoy, but CIR remained manageable at 56% (vs. 58%/56% in 4Q25/1Q25). Provision rose by +22% yoy (+11% qoq), bringing CoC to 4.4% (-20bp yoy/+40bp qoq). This was in-line with FY26F guidance of 4.4-4.6% as it plans to expand towards shorter tenor loans portfolio especially direct digital lending.

Higher NIM on qoq basis from loan yield and CoF improvement

1Q26 NIM down by -20bp yoy but improved +10bp qoq to 8.6% and was driven by lending yield which declined -40bp yoy but rose +10bp qoq amid higher contribution from BNPL & direct lending. Moreover, CoF also improved by -50bp yoy (-30bp qoq). LDR stood at 95% in 1Q26 vs. 94% in 4Q25/1Q25. Deposit grew robust at +23% yoy, underpinned from both TD (+26% yoy) and CASA (+21% yoy).

Robust loan growth driven by direct lending while LAR/NPL rose slightly

Loan was robust at +24% yoy (+3% qoq), tracking slightly behind FY26F guidance of 25-30% and was supported primarily by partnership & ecosystem lending (96% of ARTO portfolio), including direct digital lending. The proportion of direct lending to total book has gradually rose to 5% in 1Q26 (vs. <1% in 1Q25), with a plan to double the portion to 10% by year-end. Meanwhile, LAR rose to 7.5% in 1Q26 vs. 6.6% in 4Q25 (5.1% in 1Q25), along higher NPL at 0.8% vs. 0.6% in 4Q25 (0.3% in 1Q25), attributed to higher loan growth and portfolio mix shift toward direct lending.

Maintain Buy on continued improvement in funding franchise

We maintain our Buy rating on ARTO, underpinned by improvement on its funding franchise and stronger than peer's earnings growth. As the same time, it aims to increase its fee-based income contribution to 20% of total revenue within three years (from 16% in 1Q26), amid continued feature expansion on the Bank Jago digital banking app (FX pocket, debit card, direct lending, etc.). Risk is and deteriorating asset quality.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net interest income	1,553	2,466	3,034	3,775	4,669
Non-interest income	291	455	637	771	932
PPOP	485	1,222	1,659	2,168	2,779
Provision charges	(304)	(870)	(1,232)	(1,564)	(1,895)
Net profit	129	276	336	475	696
P/BV (x)	2.1	2.0	2.0	1.9	1.7
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
ROAE	1.5%	3.2%	3.7%	5.1%	7.0%
IPS vs. consensus			72%	58%	62%

Source: Company, Indo Premier

Share price closing as of: 24 April 2026

Fig. 1: ARTO 1Q26 results summary

ARTO 1Q26 result (in Rp bn)	1Q26	1Q25	%YoY	4Q25	%QoQ	IPS FY26F	% of IPS	Cons. FY26F	% of Cons.
Interest income	987	789	25%	947	4%	4,138	24%		
Interest expense	(260)	(197)	32%	(258)	1%	(1,036)	25%		
Net interest income	727	591	23%	689	6%	3,103	23%		
Non-interest income	136	98	39%	133	2%	584	23%		
Total Income	863	689	25%	822	5%	3,687	23%		
Overhead expenses	(478)	(388)	23%	(479)	0%	(2,182)	22%		
Pre-provision profit	385	301	28%	343	12%	1,505	26%		
Loan loss provision	(274)	(224)	22%	(247)	11%	(1,035)	26%		
Non Operating	(1)	0	N/A	0	N/A	(1)	N/A		
Pretax profit	110	77	42%	96	15%	468	23%	590	19%
Tax	(24)	(17)	41%	(19)	26%	(132)	18%		
Net Profit	86	60	42%	77	12%	336	26%	469	18%

Source: Company, Indo Premier

Fig. 2: ARTO 1Q26 balance sheet summary

Balance sheet	1Q26	1Q25	%YoY	4Q25	%QoQ
Cash & BI	2,860	1,703	68%	1,495	91%
Placement & SBI	8,777	8,018	9%	8,002	10%
Gross Loan	25,195	20,258	24%	24,347	3%
Provision	(646)	(455)	42%	(553)	17%
Other assets	3,348	2,939	14%	3,216	4%
Total Assets	39,534	32,463	22%	36,507	8%
CASA	13,893	11,507	21%	12,847	8%
Time Deposits (TD)	12,550	9,934	26%	13,051	-4%
Total Deposits	26,443	21,441	23%	25,898	2%
Other liabilities	4,173	2,431	72%	1,783	134%
Total liabilities	30,616	23,872	28%	27,681	11%
Equity	8,918	8,591	4%	8,826	1%

Source: Company, Indo Premier

Fig. 3: ARTO 1Q26 key ratios

Key ratios	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
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	9.9	10.0
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	9.5	10.0
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	3.8	3.5
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	3.8	3.5
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	8.5	8.6
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	8.4	8.6
CIR	67	67	69	72	80	79	77	74	56	58	58	58	56
LDR	117	111	105	108	108	106	102	94	94	96	98	94	95
Gross NPL	1.5	1.2	1.2	0.8	0.6	0.4	0.2	0.2	0.3	0.3	0.4	0.6	0.8
LAR	7.3	8.6	8.5	5.5	4.0	3.3	3.5	3.8	5.1	5.2	5.9	6.6	7.5
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	4.1	4.4
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	4.0	4.4
CASA	63.8	71.4	73.2	65.3	62.7	61.2	56.7	53.0	53.7	51.0	49.6	49.6	52.5
CAR	78.7	72.8	71.3	61.8	55.0	50.3	45.6	44.4	36.4	35.9	32.9	31.6	29.9

Source: Company, Indo Premier

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Interest income	2,053	3,414	4,190	5,187	6,362
Interest expense	(499)	(948)	(1,156)	(1,412)	(1,692)
Net interest income	1,553	2,466	3,034	3,775	4,669
Non-interest income	291	455	637	771	932
Total operating income	1,844	2,921	3,671	4,545	5,601
Opex	(1,360)	(1,700)	(2,011)	(2,377)	(2,822)
PPOP	485	1,222	1,659	2,168	2,779
Provisions	(304)	(870)	(1,232)	(1,564)	(1,895)
Operating profit	181	351	428	604	885
Non-operating profit	(1)	(0)	(0)	(0)	(0)
Pre-tax profit	179	351	428	604	884
Income tax	(51)	(75)	(91)	(129)	(189)
Minority interest	-	-	-	-	-
Net profit	129	276	336	475	696

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash + CA with BI	1,022	1,495	1,971	2,359	2,825
Secondary reserves	7,474	8,002	8,598	8,443	7,987
Gross loans	17,701	24,347	31,009	38,731	48,384
Loan provisions	(289)	(552)	(1,387)	(2,427)	(3,669)
Other assets	2,634	3,216	3,216	3,216	3,216
Total Assets	28,543	36,507	43,407	50,322	58,744
Total deposits	18,806	25,898	32,462	38,901	46,627
Securities and borrowings	0	-	-	-	-
Other liabilities	1,218	1,783	1,783	1,783	1,783
Total liabilities	20,024	27,681	34,245	40,684	48,410
Shareholders' equity	8,519	8,826	9,162	9,638	10,334
Total liabilities & equity	28,543	36,507	43,407	50,322	58,744

Growth YoY	2024A	2025A	2026F	2027F	2028F
Gross loans	36.0%	37.5%	27.4%	24.9%	24.9%
Total assets	34.0%	27.9%	18.9%	15.9%	16.7%
Total deposits	55.8%	37.7%	25.3%	19.8%	19.9%
Net interest income	-0.8%	58.7%	23.0%	24.4%	23.7%
Non-interest income	47.7%	56.5%	39.8%	21.0%	20.9%
Total operating income	108.1%	94.5%	21.8%	41.3%	46.4%
Operating expense	6.7%	25.0%	18.3%	18.2%	18.7%
PPOP	-0.7%	152.0%	35.9%	30.6%	28.2%
Net profit	77.6%	114.9%	21.8%	41.3%	46.4%

Key Ratios	2024A	2025A	2026F	2027F	2028F
ROAA	0.5%	0.8%	0.8%	1.0%	1.3%
ROAE	1.5%	3.2%	3.7%	5.1%	7.0%
NIM	6.8%	8.2%	8.1%	8.3%	8.6%
Credit cost	2.0%	4.1%	4.5%	4.5%	4.3%
Cost/income	73.7%	58.2%	54.8%	52.3%	50.4%
LDR	94.1%	94.0%	95.5%	99.6%	103.8%
CAR	44.4%	31.7%	27.1%	24.3%	22.2%
NPL ratio	0.2%	0.6%	1.1%	1.3%	1.5%
Provisions/NPL	996.8%	374.6%	404.5%	480.2%	514.2%

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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