Bank Jago (ARTO IJ)

Banking Sector
30 October 2025

SAMUEL SEKURITAS INDONESIA

JCI Index 8,166

BUY (Maintained)

Target Price (IDR)	**2,700**
Potential Upside (%)	**14.4**

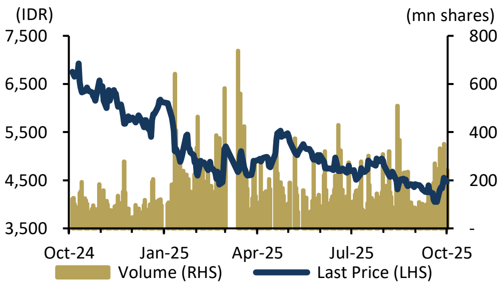
Company Data	
Cons. Target Price (IDR)	**2,619**
SSI vs. Cons (%)	**103.1**

Stock Information	
Last Price (IDR)	2,360
Market Cap. (IDR bn)	32,574
52-Weeks High/Low (IDR)	2,950/1,225
3M Avg. Daily Value (IDR bn)	28.5
Free Float (%)	27.7
Shareholders (%):	
PT Metamorfosis Ekosistem.	29.8
Public	27.7
PT Dompet Karya Anak Bang.	21.4
Others	21.1

Stock Performance

(%)	**YTD**	**1M**	**3M**	**12M**
Absolute	(3.3)	6.3	24.3	(18.7)
JCI Return	14.6	(0.1)	6.5	6.7
Relative	(17.9)	6.4	(17.8)	(25.4)

Stock Price & Volumes, 12M



Company Background

Founded in 1992, PT Bank Jago Tbk (ARTO) is Indonesia's second-largest digital bank with total consolidated assets of IDR 34.5 trillion (USD 2.1 billion) as of 9M25. Its loan portfolio stood at IDR 23.5 trillion, mainly composed of partnership and ecosystem lending (72%), followed by financial institution lending (27%) and Sharia financing (1%).

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3Q25 Results: Growth Momentum Intact

YoY profit up strongly, but NIM softens on funding normalization. In 3Q25, ARTO posted net profit of IDR 72bn (+7.9% QoQ, +100.9% YoY), lifting 9M25 earnings to IDR 199bn (+132% YoY), broadly in line with our estimate (73.8% of FY25F) and consensus (72.8%). 9M25 NII surged 65% YoY, supported by robust loan growth of 36% YoY to IDR 23.5tn. Deposits also expanded 41% YoY as ARTO's customer base reached 18.6mn (+22% YoY). Nevertheless, NIM stayed flat at 8.1% in 3Q25 (2Q25: 8.1%; 1Q25: 8.8%), pressured by higher CoF of 4.4% (vs. 4.1% in 2Q25). Assets quality remained healthy with NPL stable at 0.4% and CoC at 3.8%, although LAR went up to 5.9% (vs. 5.2% in 2Q25) following revision in insurance coverage from 100% to 75%, requiring delinquent accounts to remain on the books for 90 days prior to write-offs.

Ecosystem-led strategy with product innovations driving fee growth. ARTO continued to strengthen its ecosystem and value-chain lending strategy, as reflected in the stable GoTo-linked exposure (~21% of total loans). The bank maintained its focus on risk-adjusted lending, supported by several new product launches in 3Q25, including Visa Digital Pro Card for digital entrepreneurs, Jago Dana Cepat (digital cash loan), and the pilot of Consolidated Asset View, KSEI-linked investment dashboard designed to enhance cross-selling and engagement across key customer segments. Further upside is expected from upcoming gold investment, wealth management, and insurance-linked digital lending products, which should broaden ARTO's non-interest income base and strengthen ecosystem monetization.

2025F guidance: loan growth 35–40%, NIM >8%, CIR ≤60%. Management reiterated its FY25 loan growth guidance of 35–40%, reflecting balanced approach to growth and risk. Risk-adjusted NIM is expected to remain above 8%, supported by lower CoF in 4Q25 and ongoing loan repricing, while the bank maintains its disciplined risk appetite. CIR is guided at ≤60% for FY25 (vs. >70% in FY24), and is expected to trend toward <40% over the medium term as ARTO benefits from scale and more moderate opex growth (high-teens in 2026, mid-teens in the following years). Steady-state LAR is projected at ~6–7% with NPL <1% and CoC at ~4–5%, as provisioning and write-off policies now fully reflect updated insurance mechanics.

Maintain BUY rating with TP of IDR 2,700. We reiterate our BUY call on ARTO with TP of IDR 2,700/share (implying 2026F PBV of 4.2x), supported by its sustained above-industry loan growth and increasing platform monetization. With easing funding costs, expanding fee income streams, and disciplined provisioning, ARTO is well-positioned for margin recovery and sustainable growth through 2026. Key downside risks include asset quality management control amid direct lending expansions, slower-than-expected cost-to-income ratio improvement, and broader macroeconomic challenges.

Forecasts and Valuations (at closing price IDR 2,360 per share)

Y/E Dec	**23A**	**24A**	**25F**	**26F**	**27F**
Net Interest Income (IDRbn)	1,565	1,553	2,350	2,987	3,636
Pre-prov op. Profit (IDRbn)	488	485	1,178	1,557	1,996
Net Profit (IDR bn)	72	129	270	491	794
EPS (IDR)	5	9	19	35	57
EPS Growth (%)	354.7	77.6	110.0	81.8	61.9
P/E Ratio (x)	451.9	254.4	121.1	66.6	41.2
BVPS (IDR)	603	615	636	649	706
P/BV Ratio (x)	3.9	3.8	3.7	3.6	3.3
DPS (IDR)	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield (%)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	0.9	1.5	3.1	5.5	8.1

Figure 1. ARTO's 3Q25 Results

(IDRbn)	3Q25	QoQ (%)	YoY (%)	9M24	9M25	YoY (%)	9M25/ 2024F	9M25/ Cons.
Interest Income	874	8.6	74.6	1,412	2,467	74.7	-	-
Net interest income	611	6.3	65.5	1,077	1,777	65.0	-	-
Total operating income	**759**	**16.5**	**69.6**	**1,288**	**2,089**	**62.2**	**75.3**	**76.3**
Provisions	215	16.2	292.8	170	623	267.5	-	-
Operating profit	92	7.5	100.7	111	256	130.1	-	-
Net profit	**72**	**7.9**	**100.9**	**86**	**199**	**132.0**	**73.8**	**72.8**
Key ratios (%)								
NIM	-	-	-	*7.1*	*8.3*	-	-	-
LDR	-	-	-	*101.8*	*98.2*	-	-	-
Capital Adequacy	-	-	-	*45.6*	*32.9*	-	-	-
Gross NPL	-	-	-	*0.2*	*0.4*	-	-	-
ROE	-	-	-	*1.4*	*3.1*	-	-	-

Sources: Company, SSI Research

9M25 interest income rose 74.6% YoY to IDR 874bn, supported by strong loan growth (+35.8% YoY) and improved funding mix, while fee-based income gained traction from card, QR, and FX transactions following new product launches

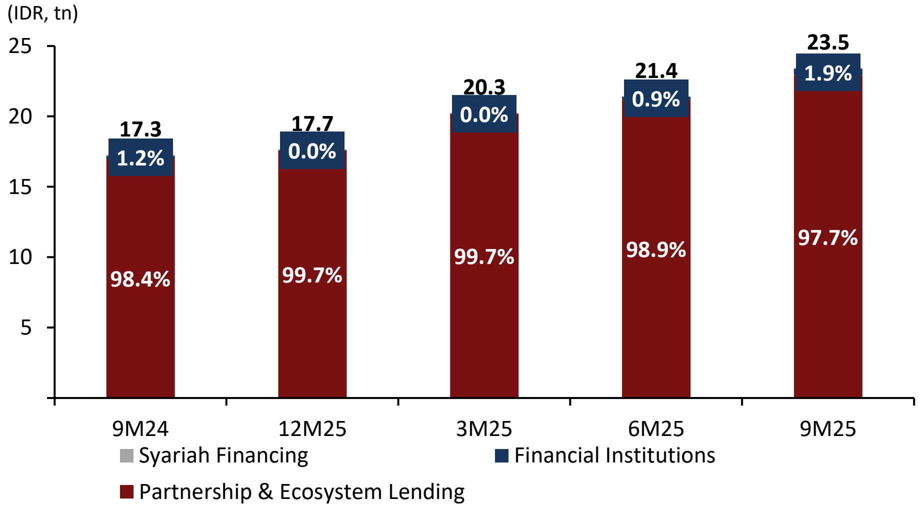
Figure 2. Peer Comparables

Company Ticker	Rating	Market Cap. (IDR tn)	Last Price (IDR)	TP (IDR)	YTD Net Buy/(Sell) (IDR bn)	Upside Potential (%)	2026F NIM (%)	2026F EPS Growth (%)	2026F PBV (x)	2026F ROE (%)
BBCA	BUY	1,060	8,600	9,600	(32,386)	11.6	6.0	9.4	3.7	20.5
BBRI	BUY	590	3,890	4,400	(4,177)	13.1	7.7	10.7	1.8	19.9
BMRI	BUY	434	4,650	5,100	(18,587)	9.7	5.3	7.8	1.4	19.9
BBNI	BUY	166	4,440	4,900	(4,723)	10.4	3.9	10.2	0.9	13.0
BNLI	SPEC-BUY	122	5,350	6,200	(5)	15.9	4.2	12.2	4.2	7.9
BRIS	BUY	120	2,600	3,100	1,601	19.2	5.4	15.8	2.0	18.2
PNBN	BUY	33	1,010	1,700	(453)	68.3	4.5	10.6	0.5	8.5
ARTO	**BUY**	**33**	**2,360**	**2,700**	**82**	**14.4**	**2.0**	**81.8**	**3.6**	**2.0**
BBTN	BUY	17	1,235	1,600	(164)	29.6	3.8	18.4	0.3	10.9
BINA	SPEC-BUY	17	4,490	7,000	(2)	55.9	2.9	107.6	7.1	6.7
BCIC	SPEC-BUY	17	142	270	(1)	90.1	2.4	13.1	0.6	7.9
Sector	**NEUTRAL**	**2,608**			**(17,075)**	**13.9**	**5.9**	**11.7**	**2.6**	**18.3**

Sources: Company, SSI Research

At current levels, ARTO provides nearly 14% share price upside potential, supported by 2026F forward P/BV of 4.2x, reflecting 62% premium relative to the sector

Figure 3. ARTO's Loan Composition



Sources: Company, SSI Research

Loan growth reached 35.8% YoY in 9M25 (Guidance: 35–40%), composed of partnership and ecosystem lending (72%) and stable GoTo-linked exposure (~20%), with margins supported by lower CoF and steady risk-adjusted NIM (~5%)

Financial Highlights

Profit and Loss						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Interest income	1,500	1,875	2,053	3,433	4,445	5,556
Interest expense	147	309	499	1,082	1,458	1,920
Net interest income	**1,353**	**1,565**	**1,553**	**2,350**	**2,987**	**3,636**
Non-interest income	78	197	291	423	452	564
Total operating income	**1,431**	**1,762**	**1,844**	**2,773**	**3,439**	**4,200**
Operating expenses	1,026	1,274	1,360	1,594	1,882	2,205
Loan loss provisions	**405**	**488**	**485**	**1,178**	**1,557**	**1,996**
Operating profit	393	401	304	847	950	1,009
Non-operating inc./(exp.)	**13**	**87**	**181**	**331**	**607**	**987**
Pre-tax profit	8	7	(1)	6	6	6
Corporate tax	**20**	**94**	**179**	**337**	**613**	**993**
Minorities	5	21	51	67	123	199
Net profit	3	4	5	6	6	6

NII is expected to grow 27.1% in 2025F, driven by lower cost of funds and stable loan yields, alongside gradual shift toward higher-yielding loan disbursements

Balance Sheet						
Y/E (IDRbn)	22A	23A	24A	25F	26F	27F
Placement with other banks	182	533	272	327	376	432
Loans	7,225	12,592	17,644	23,858	31,661	40,353
Marketable securities	2,862	2,805	3,763	3,989	4,228	4,482
Other interest-bearing assets	3,221	2,944	4,041	4,810	5,508	6,314
Impairment	271	242	289	436	486	195
Net earnings assets	**13,220**	**18,631**	**25,432**	**32,548**	**41,287**	**51,386**
Fixed assets	200	204	227	272	327	392
Other assets	273	292	265	291	320	352
Total assets	**16,965**	**21,296**	**28,543**	**40,828**	**52,058**	**64,697**
Customer deposits	8,274	12,067	18,806	27,864	36,633	48,462
Deposits from other banks	0	0	0	0	0	0
Borrowings & bonds	-	-	-	-	-	-
Total liabilities	**8,702**	**12,939**	**20,024**	**32,021**	**43,060**	**54,910**
Minorities	-	-	-	-	-	-
Equity	8,264	8,357	8,519	8,807	8,998	9,787
Total liabilities and equity	**16,965**	**21,296**	**28,543**	**40,828**	**52,058**	**64,697**

ARTO's 2025F loan growth is expected to reach 35.2% (9M25: 35.8%), supported by ecosystem and partnership lending, with continuous expansion in direct lending as funding costs decline and liquidity conditions improve

Key Ratios (%)						
	22A	23A	24A	25F	26F	27F
NIM	10.0	8.3	6.0	7.1	7.2	7.0
Loan-to-deposit ratio	87.3	104.3	93.8	85.6	86.4	83.3
Cost-to-income ratio	99.1	95.1	90.2	88.0	82.3	76.5
Credit cost	5.4	3.2	1.7	3.6	3.0	2.5
Gross NPL	1.8	0.8	0.2	0.3	0.3	0.3
NPL coverage	205.7	229.0	1,024.5	609.4	511.7	160.9
CAR	82.8	61.8	56.2	53.7	0.0	0.0
ROA	0.1	0.3	0.5	0.7	0.9	1.2
ROE	0.2	0.9	1.5	3.1	5.5	8.1
Average assets yield	11.1	9.9	8.0	10.4	10.6	10.8
Average funding cost	1.8	2.6	2.7	3.9	4.0	4.0
Loan growth	117.6	74.3	40.1	35.2	32.7	27.5
Deposit growth	125.0	45.8	55.8	48.2	31.5	32.3

Assets yield is expected to rise to 10.4% in 2025F (2024: 8.0%), supported by larger share of higher-yielding direct lending, stable loan pricing across ecosystem partners, and improving funding costs that enable selective repricing and margin expansion

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