AMAR
PT Bank Amar Indonesia Tbk.
Digital Lending Scale-Up

- **AMAR's digital ecosystem continues to scale, with >25 million Tunaiku downloads, Rp17tn cumulative loans since 2014, and a loan book dominated by productive, high-yield segments that keep NIM among the highest in the industry.**
- **SBI Holdings' 5.63% entry strengthens governance and global partnerships, while AMAR expands into film financing as a new high-margin vertical within its MSME ecosystem.**
- **Strong 9M25 performance: interest income +18.8% YoY, non-interest income +39.7% YoY, PPOP +33.9% YoY, and deposits +124.4% YoY, alongside healthier NPL at 1.35%.**
- **BUY rating wih target price of Rp300, supported by superior NIM (>24%), rising operating leverage, improving asset quality, and expanding MSME digital originations.**

Digital-First Growth with Scalable Lending & Ecosystem Strength
PT Bank Amar Indonesia (AMAR), majority-owned by Tolaram Group, has evolved into a leading digital lender with >25 million Tunaiku app downloads and over Rp17 trillion cumulative disbursements, serving 400,000+ MSMEs and retail borrowers nationwide. Its digital bank app continues to scale, with downloads rising +32.5% YoY on Google Play and +92.8% YoY on iOS, supported by competitive savings products (Brankas 4.25%, Celengan 5.75%, Deposito up to 9% p.a.) and growing adoption of Depo Instan. AMAR's loan book reached Rp3.16tn in 9M25 (+11% YoY), anchored by productive loans at 83% of total—including micro (54%), corporate (24%), retail (16%), and SME (6%)—and dominated by 82% working capital loans, sustaining one of the industry's highest NIM profiles (>13%). The bank's embedded finance partnerships (Sahara, Koltiva, CoshleZ, JULO, Tokban) further enhance low-cost acquisition and diversify fee income, reinforcing its position as a scalable digital banking ecosystem targeting Indonesia's mass-market and underbanked segments.

Shareholder Upgrade & New Growth Vertical
Amar Bank's shareholder base strengthened with SBI Holdings acquiring a 5.63% stake (effective 9 Oct 2025), becoming the third-largest institutional owner after Tolaram (75.25%) and Jagat Raya Imajinasi (6.59%). SBI's entry replaces Investree—previously linked to reputational issues—and brings stronger governance credibility, global fintech expertise, and broader partnership optionality for Amar's retail and MSME growth roadmap. In parallel, Amar entered the creative-economy financing space by launching up to Rp5bn digital-based film funding, addressing long-standing financing gaps for producers facing high upfront costs and irregular cash flows. Supported by Amar's MSME digital infrastructure and data-driven underwriting, film financing offers a high-margin, first-mover opportunity that diversifies Amar's productive-loan mix and builds a scalable ecosystem foothold in Indonesia's fast-growing creative sector.

Strengthening Earnings with a More Resilient Balance Sheet
AMAR posted strong 9M25 performance with interest income up to R1.05tn (+18.8% YoY) and NII rising to Rp987bn (+17.6% YoY), supported by a higher micro-loan mix (54% of loans) and surging non-interest income of Rp477bn (+39.7% YoY). This lifted PPOP to Rp982bn (+33.9% YoY) and net profit to Rp175bn (+14.7% YoY), while 3Q25 results also improved across interest revenue, NII, and earnings. The balance sheet strengthened as total assets reached Rp5.47tn (+16.0% YoY) and deposits jumped to Rp3.74tn (+124.4% YoY), enabling moderate loan growth to Rp3.16tn (+11.0% YoY). Asset quality improved with NPL declining to 1.35%, costs remained controlled despite higher provisions, and capital and liquidity stayed solid with equity at Rp3.41tn and LDR at 190.4%.

High Yields, Improving Efficiency
We initiate coverage on AMAR with a **BUY** and a **Rp300 TP**, implying 1.2x 2026F PBV. Our constructive view is driven by AMAR's superior NIM, shift toward short-duration productive loans, and improving operating leverage as CIR normalizes. Earnings should strengthen on double-digit loan growth, better asset quality from enhanced underwriting and analytics-based risk scoring, and rising MSME digital originations. **Key risks:** slower mass-market loan growth, tighter liquidity, and execution challenges in tech and risk-infrastructure upgrades.

Key Financial Highlights

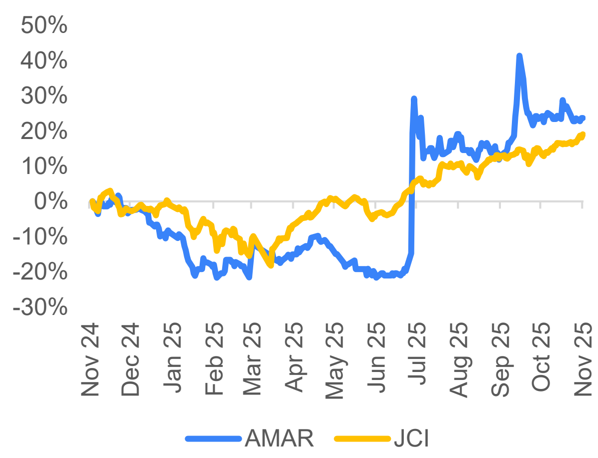
Key Metrics (Rp bn)	2023	2024	2025F	2026F	2027F
Net Interest Income	921	1,161	1,312	1,551	1,735
Pre-provision profit	844	1,108	1,239	1,442	1,637
Net Profit	178	215	239	325	397
EPS Growth	28.1%	21.9%	11.0%	36.1%	22.3%
PE (x)	32.7	16.0	17.1	16.6	13.6
PB (x)	1.8	1.0	1.2	1.5	1.4

BUY

Stock Information (as of December 5, 2025)

Last Price (Rp)	240
Target Price (Rp)	300
Potential Upside	25.0%
Market Cap (Rp tn)	4.4
52 Week Range (Rp)	302 - 150
Free Float	12.5%
Share Out. (bn)	18.2
Beta	1.1

1-Year Stock Performance Comparison vs JCI



Shareholders

AMAR's Shareholders	%
Tolaram Pte. Ltd.	75.25
SBI Holdings	5.63
PT Jagat Raya Imajinasi	6.59
Public	12.53

Company Description

AMAR's Company Profile

PT Bank Amar Indonesia Tbk (the Bank) is an Indonesia-based digital bank. Its products and services include Conventional Funding, Digital Funding, Amar Payroll Service, and Digital Fund Distribution.

Analyst

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BUSINESS DESCRIPTION

From Legacy Bank to Digital Innovator
PT Bank Amar Indonesia Tbk (AMAR) is a digitally driven bank majority-owned by Singapore's Tolaram Group (75.25%), which has transformed from its roots as PT Anglomas International Bank (est. 1991) into one of Indonesia's most innovative financial institutions. Following its rebranding in 2014, Amar launched Tunaiku, the nation's pioneering digital lending platform, which has disbursed over Rp17 trillion in cumulative loans as of 9M25. The bank accelerated its transformation with the 2020 debut of Amar Bank Digital, Indonesia's first cloud-based, mobile-only intelligent bank, supported by capital increases to Rp3 trillion by 2022 (2019: Rp1 trillion). Integration of Tunaiku and Amar Bank Digital in 2021 created a unified digital ecosystem capable of serving retail borrowers and depositors nationwide through offices in Jakarta, Surabaya, Bandung, Yogyakarta, and Makassar. In 2024, Amar became the first Indonesian digital bank to declare and distribute dividends, signaling a shift toward sustainable profitability. Backed by Tolaram's multinational network across Asia, Africa, and Europe, Amar Bank is strategically positioned to leverage AI, data analytics, and open banking to expand its reach among Indonesia's mass retail and underbanked population, driving long-term digital banking growth.

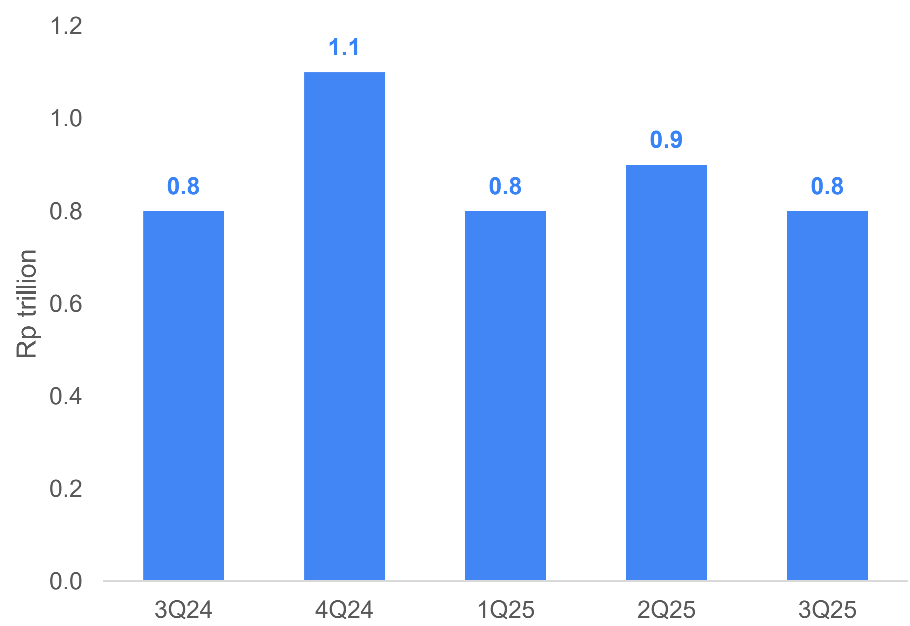
Figure 1. AMAR's Operational Area

Source: Company

Tunaiku as Amar's Digital Lending Growth Engine
AMAR's flagship digital lending platform, Tunaiku, stands as a core growth driver and the cornerstone of its financial inclusion strategy. Designed to serve Indonesia's underbanked and unbanked population as well as micro and small businesses, Tunaiku provides unsecured online loans ranging from Rp2 million to Rp30 million with flexible tenors of 6 to 30 months through a fully digital, paperless process. Leveraging its intuitive mobile interface and embedded features such as Tunaiku Express, Amar Bank widget integration, e-commerce payment capabilities, real-time disbursement, and AI-driven onboarding, the platform has surpassed 25 million downloads and disbursed over Rp17 trillion in cumulative loans. To date, Tunaiku has supported more than 400,000 MSMEs and individual borrowers across key cities including Jakarta, Surabaya, Bandung, Semarang, and Medan, positioning Amar Bank as a market leader in the unsecured digital lending space.

Building a Scalable Digital Banking & Embedded Finance Ecosystem
The Amar Bank Digital app achieved a solid +32.5% YoY increase in downloads on Google Play Store and an impressive +92.8% YoY on the App Store, supported by high user ratings (4.7 and 4.4), reflecting sustained user engagement and product stickiness. The bank's core product mix targets both yield-seeking and liquidity-driven customers through Brankas (4.25% p.a.), Celengan (5.75% p.a.), and Deposito with rates up to 9% p.a. and tenors up to 36 months, complemented by Depo Instan offering cashback incentives and flexible terms—indicating a strategic focus on balancing retention and new deposit growth. Beyond retail banking, Amar Bank leverages its Embedded Banking & Financing (EBF) platform to deepen ecosystem integration and diversify fee-based income by embedding financial services across key verticals through partnerships with Sahara, Koltiva, CoshleZ, JULO, and Tokban. This model enables low-cost customer acquisition while strengthening the bank's exposure to MSME, agritech, and commerce sectors.

Figure 2. Tunaiku Loan Disbursment Quarterly



Source: Tunaiku

Figure 3. AMAR's Key Digital Product Overview

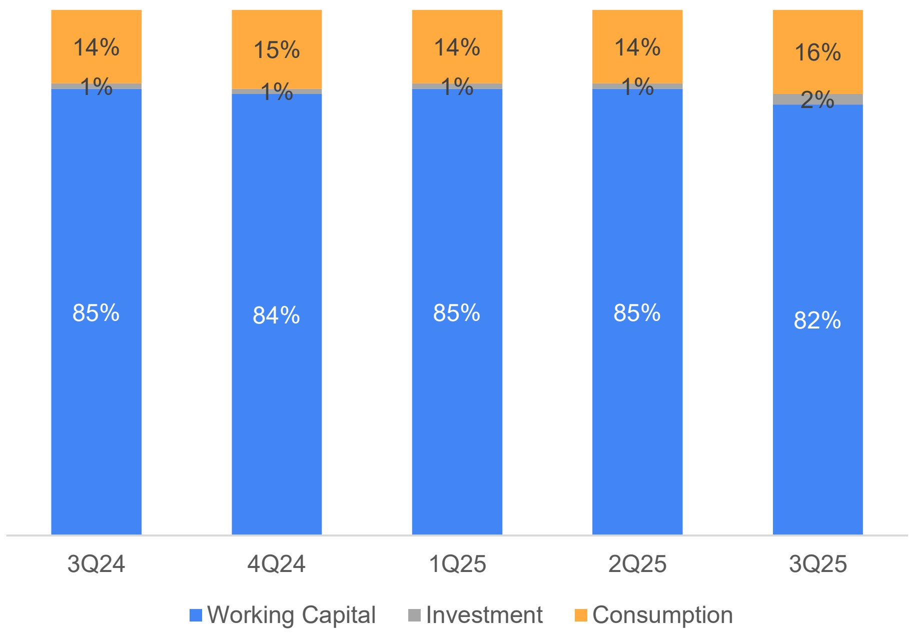
Digital Product	Description / Key Features
Tunaiku (Digital Lending Platform)	Unsecured consumer loans up to ~Rp30 million with 6–30 month tenors; fully digital onboarding; strong underwriting built on AI/ML and alternative data.
Amar Digital Bank / Mobile Banking App	All-in-one banking app offering online account opening (no initial deposit), fund transfers, bill payments, QRIS payments, e-wallet top-ups, and real-time balance tracking.
Brankas (Secure Savings Account)	High-security savings product with enhanced verification (KYC video call) and daily interest of ~4.5% p.a.; ideal for conservative digital savers.
Celengan (Goal-Based Savings)	Flexible goal-oriented savings with ~5.5% p.a interest; customers can set saving targets and withdraw anytime without penalties.
Amar Deposito	Fully digital time deposit product with highly competitive interest rates (up to ~9% p.a) and tenors up to 36 months; opened directly via app.
Depo Instan	Quick-access deposit option with accelerated liquidity or upfront incentives (varies by campaign); designed for users seeking faster returns.
Embedded Banking Solutions	Banking-as-a-Service (BaaS) capabilities enabling partners (fintechs, platforms, e-commerce players) to integrate savings, transfers, QRIS payments, and embedded credit within their apps.

Source: Company, Ajaib Research

Strong Micro-Led Growth, High-Yield Focus

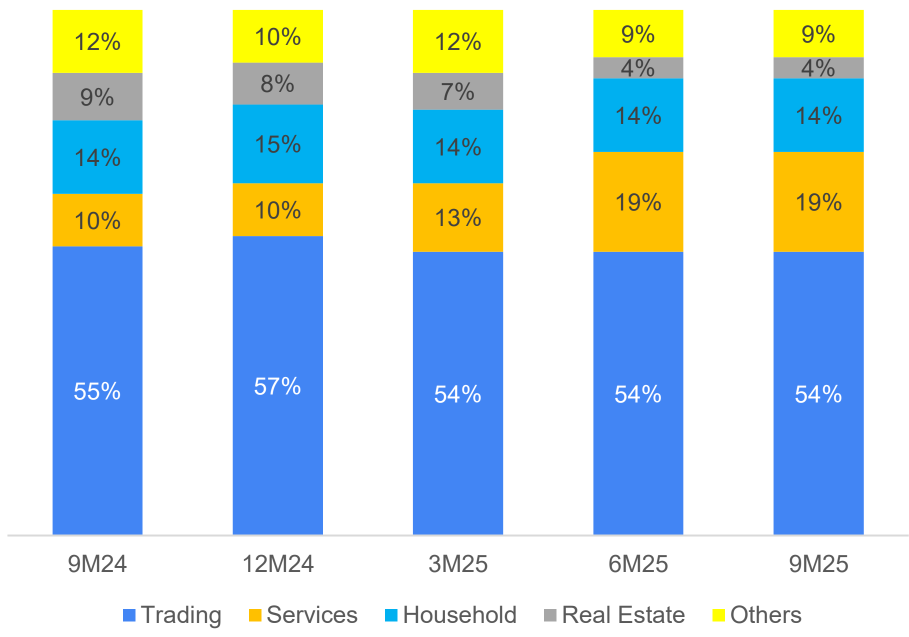
AMAR's loan portfolio expanded to Rp3.16 trillion as of 9M25 (+11% YoY), supported by sustained credit expansion in productive segments, which accounted for 83% of total loans, while consumptive lending remained contained at 17%. The micro segment continues to anchor portfolio growth, contributing 54%, followed by corporate (24%), retail (16%), and SME (6%), demonstrating AMAR's strategic tilt toward mass-market and cashflow-driven borrowers. Sectorally, the bank's exposure is well diversified across trading (54%), services (19%), households (14%), and real estate (4%), highlighting a focus on sectors with strong transaction velocity and resilient cash generation. Product-wise, working capital loans dominate at 82%, reflecting the bank's preference for short-duration, high-yield lending that optimizes liquidity and limits duration mismatch, allowing Amar to sustain a NIM above 13%—among the highest in the digital banking space. Going forward, management is likely to maintain this loan structure to balance margin protection with manageable credit risk, as tighter funding conditions and elevated system liquidity premiums persist into 2026.

Figure 4. AMAR's Loans Composition Trend



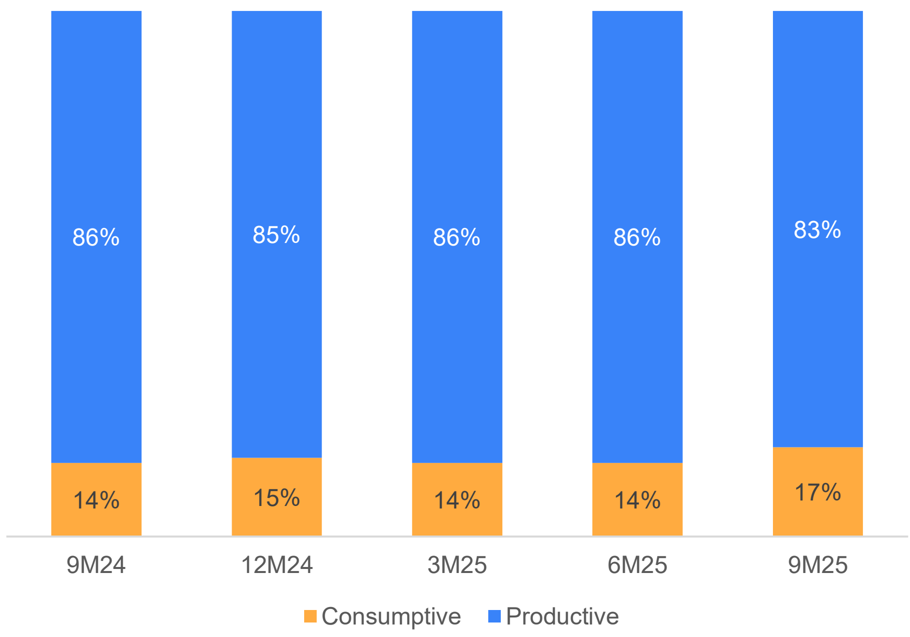
Source: Company, Ajaib Research

Figure 5. AMAR's Loans by Sector



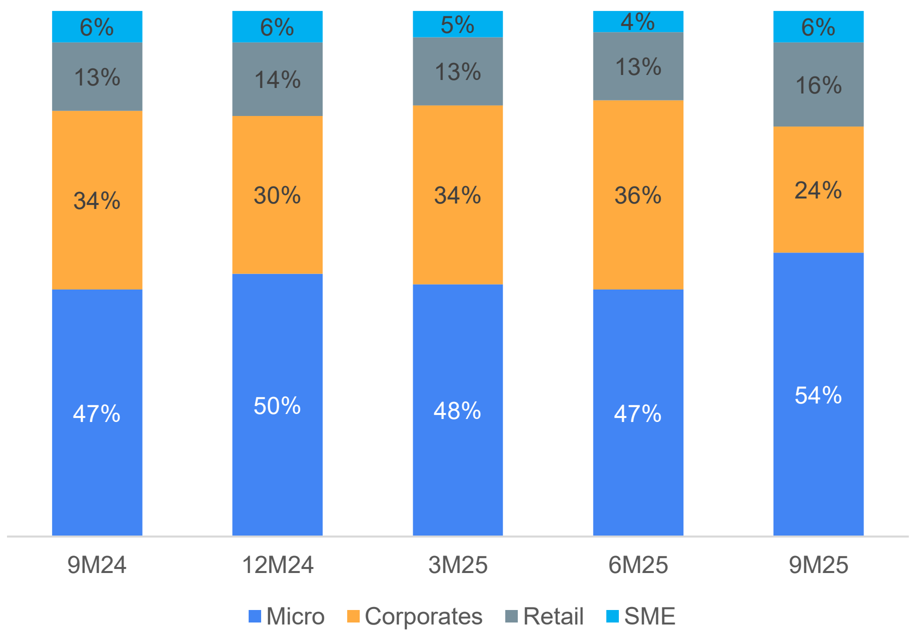
Source: Company, Ajaib Research

Figure 6. AMAR's Productive Loans Portion



Source: Company, Ajaib Research

Figure 7. AMAR's Loans by Segment



Source: Company, Ajaib Research

Figure 8. AMAR's BoC & BoD Profiles

Name	Position	Background & Notable Roles	Years of Experience
Board of Commissioners			
 Navin Nahata (49)	President Commissioner	He has served as President Commissioner of Amar Bank since March 12, 2019, backed by extensive experience at ICICI Ltd in India and senior roles within the Tolaram Group, including CFO/COO positions in Nigeria and Singapore, Commissioner at PT Lotus Indah Textile Industries, CEO of the Lekki Port Project, and Executive Director at Tolaram Group Inc.	26
 Ir. Zainal Abidin Hasni, MA (74)	Indepndent Commissioner	He holds an engineering degree from ITB (1977) and an MA from the University of Nebraska–Lincoln (1985), and has been an Independent Commissioner since 28 August 2017, with earlier roles at Widya Pertiwi, Indonesia Republic Motor, and a long tenure at Bank Indonesia (1979–2009) culminating as Palembang Regional Director, followed by positions at Universitas Bina Darma and Bank DKI.	48
 Ratna Heimawaty Zain (71)	Independent Commissioner	She has served as Independent Commissioner since 14 November 2019, holds an MBA from La Trobe University (2000), and previously built her career at YDPTHT-BI (1992–1993), Bank Indonesia through PCPM XVI progressing to Bank Supervisor (1993–2010), and later as a member of Bank DKI's Audit Committee (2010–2016).	33
Board of Directors			
 Vishal Tulsian (53)	President Director	He holds an MBA from the University of Liverpool and completed Harvard Business School's Executive Management Program in 2015. He served as Amar Bank Director (2015–2019) before becoming President Director in July 2019, following earlier roles at AV Birla Group, Standard & Poor's India, and over a decade of executive experience with the Tolaram Group across multiple countries. He is also a Chartered Accountant and Cost & Work Accountant.	29
 Thio Sucy (56)	Compliance Director	She holds a bachelor's degree in banking and finance from the University of Technology Sydney and has served as Compliance Director since 24 October 2024. With 30 years of banking experience, she previously held key compliance, audit, and risk roles at Citibank, Barclays Indonesia, ANZ, Bank Commonwealth—where she became Chief of Compliance and later Compliance Director—and most recently led the Compliance Division at LPEI until early 2024.	31
 Abraham Cristho Lumban Batu (36)	Retail Banking Director	He earned a bachelor's degree in Economics from the University of Indonesia in 2012 and was appointed Director of Retail Banking in September 2025. His career began as a Business Analyst at ConocoPhillips (2012–2014), followed by a role as Head of Financial Services at Tokopedia (2016–2017), before joining Amar Bank as Senior Vice President of Retail Banking (2017–2025).	13
 Kevin Kane Wardhana (32)	Director of Information Technology & Operations	He holds a Bachelor of Computer Science from Bina Nusantara University (2014) and was appointed Director of Information Technology & Operations in September 2025. He began his career at Qraved (2013–2015), then joined Amar Bank as an IT Officer in 2015, rising to Head of Technology (2016–2022) and Senior Vice President of Technology (2022–2025).	12

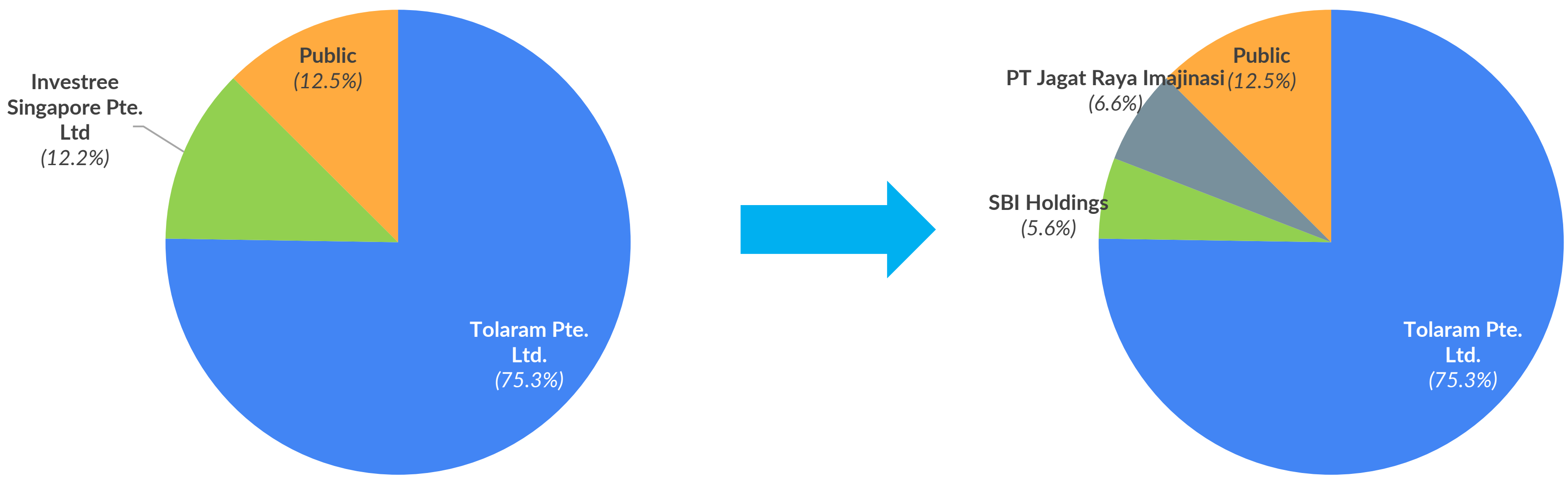
Source: Company, Ajaib Research

COMPANY UPDATE

SBI's Strategic Entry Strengthens Governance and Long-Term Growth

The entry of SBI Holdings Inc. as a new shareholder of Amar Bank, following Investree's full divestment effective October 9, 2025, marks a significant shift in the bank's ownership structure and strategic direction. SBI Holdings — a leading Japanese financial conglomerate with extensive expertise in fintech and digital banking across Asia — now holds 5.63% of Amar Bank's shares, becoming the third-largest institutional shareholder after Tolaram Pte Ltd (75.25%) and PT Jagat Raya Imajinasi (6.59%). This transition is viewed positively in terms of governance and reputation, especially as Investree had been associated with a default case that posed reputational risks for Amar. SBI's arrival instead brings strong global validation for Amar's long-term strategy, enhancing its access to international networks, fintech capabilities, and potential cross-border collaborations. As Tolaram reaffirmed its commitment, the partnership with SBI is expected to accelerate Amar's growth roadmap in the retail and MSME segments, reinforcing its position as a locally rooted digital bank with global backing. With a more credible shareholder structure, Amar Bank is poised to enter a more sustainable growth phase, supported by stronger capital, improved governance, and a sharper focus on expanding quality lending and advancing digital innovation.

Figure 9. AMAR's Shares Ownership



Source: Company, Ajaib Research

Entering Film Financing as a High-Margin, First-Mover Growth Vertical

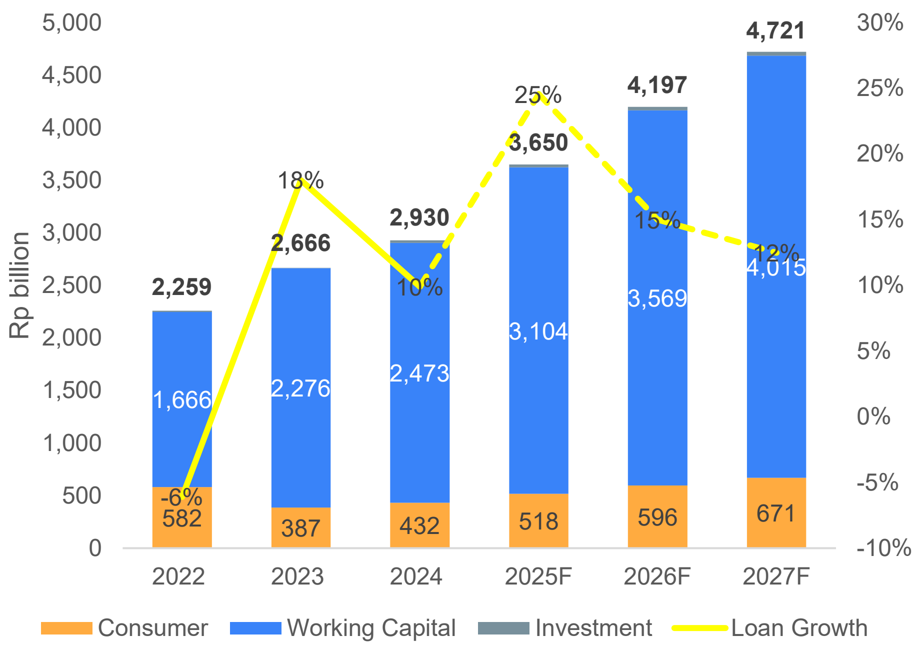
AMAR's move to provide up to Rp5 billion in digital-based financing for film and creative industry players marks a strategic push into a sector with strong growth potential but long-standing funding inefficiencies, positioning the bank as a first mover in creative-economy lending. The initiative—introduced through its role as main sponsor of JAFF Market 2025—targets a structural gap where film producers face fragmented funding sources, high upfront pre-production costs, and long, uncertain cash-flow cycles that often deter traditional lenders. By leveraging Amar's MSME-focused digital infrastructure, the bank aims to become not just a capital provider but an end-to-end financial partner, enabling filmmakers to manage budgeting, cash-flow forecasting, and expense tracking with data-driven tools that strengthen risk assessment and investor confidence. This approach aligns with broader industry trends where financing is expanding—from private investors and brand sponsorships to crowdfunding and state grants—yet still requires professionalized financial management to ensure project viability and distribution efficiency. Strategically, entry into film financing allows AMAR to diversify its productive-loan portfolio into a high-margin niche segment, deepen ecosystem engagement in Indonesia's creative economy, and build a scalable, credit-underwriting model based on behavioral and transactional data from creative entrepreneurs—potentially unlocking a new, defensible growth vertical within its MSME franchise.

FINANCIAL ANALYSIS

Strengthening Growth Through Embedded Banking & MSME Digitalization

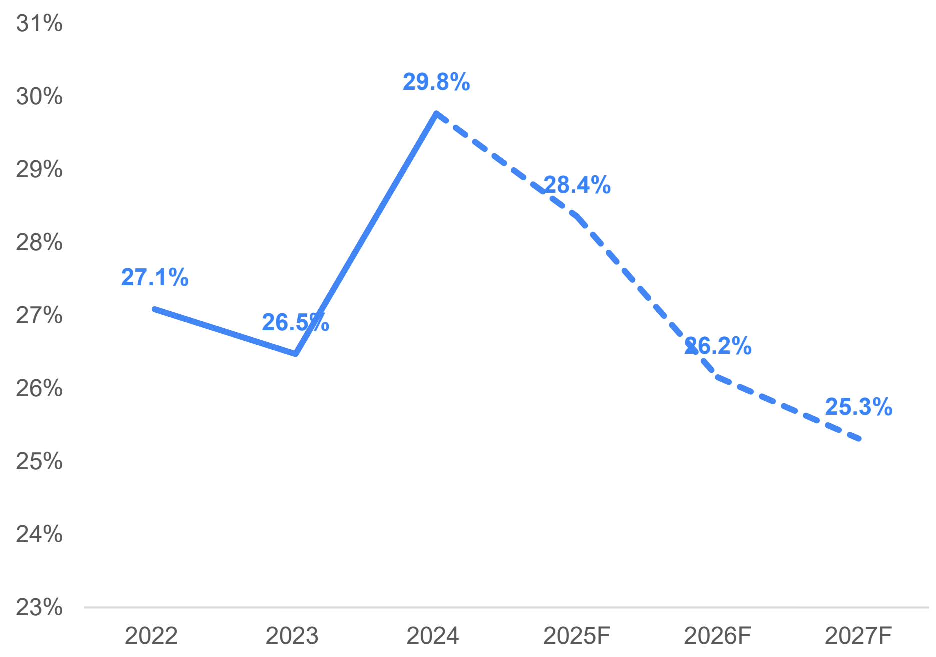
AMAR's growth strategy remains firmly anchored in its Embedded Banking & Financing (EBF) model, which integrates proprietary data analytics, real-time behavioral scoring, and ecosystem partnerships (Tunaiku, Koltiva, CoshleZ) to efficiently penetrate underbanked micro and MSME segments at structurally lower acquisition costs. This embedded approach strengthens cross-sell potential while improving asset quality by linking credit to actual ecosystem transaction flows. We project total loans to rise to Rp4.2 trillion in 2026 and Rp4.7 trillion in 2027 (17% CAGR), with micro and service-based MSME lending contributing over 60% of incremental expansion. As the portfolio shifts further toward high-yield productive loans, we expect credit costs to stabilize at 25–26% on improved underwriting precision and portfolio seasoning. Supported by accelerating MSME digitalization, deepening embedded-finance channels, and a constructive regulatory backdrop, AMAR is well-positioned to sustain double-digit loan growth, preserve industry-leading NIM, and deliver steady ROE expansion through 2027.

Figure 10. AMAR's Loans Projections



Source: Company, Ajaib Research

Figure 11. AMAR's Cost of Credit Projections

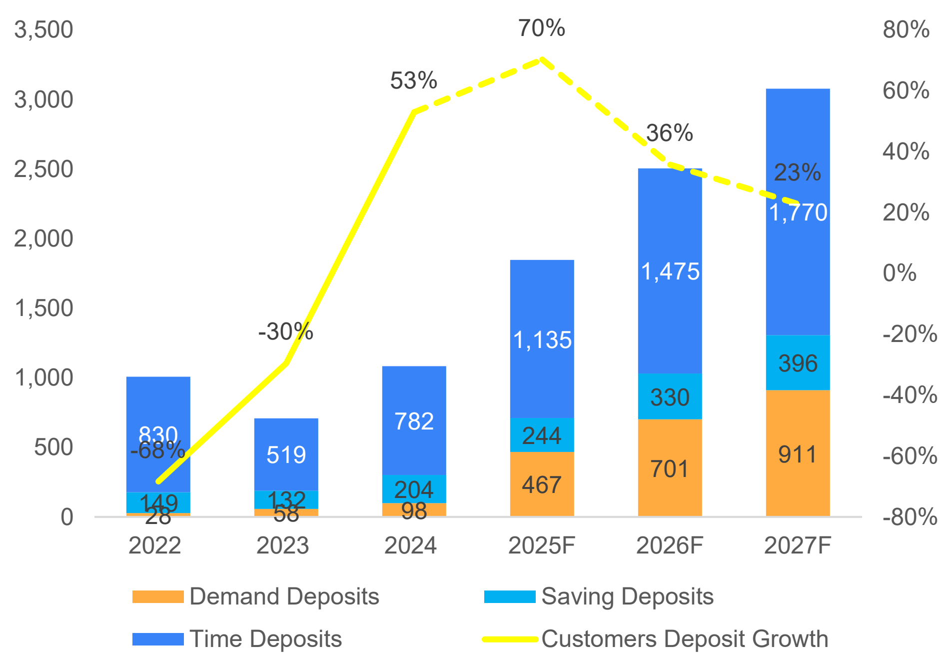


Source: Company, Ajaib Research

Strengthened Balance Sheet and Improved Funding Stability

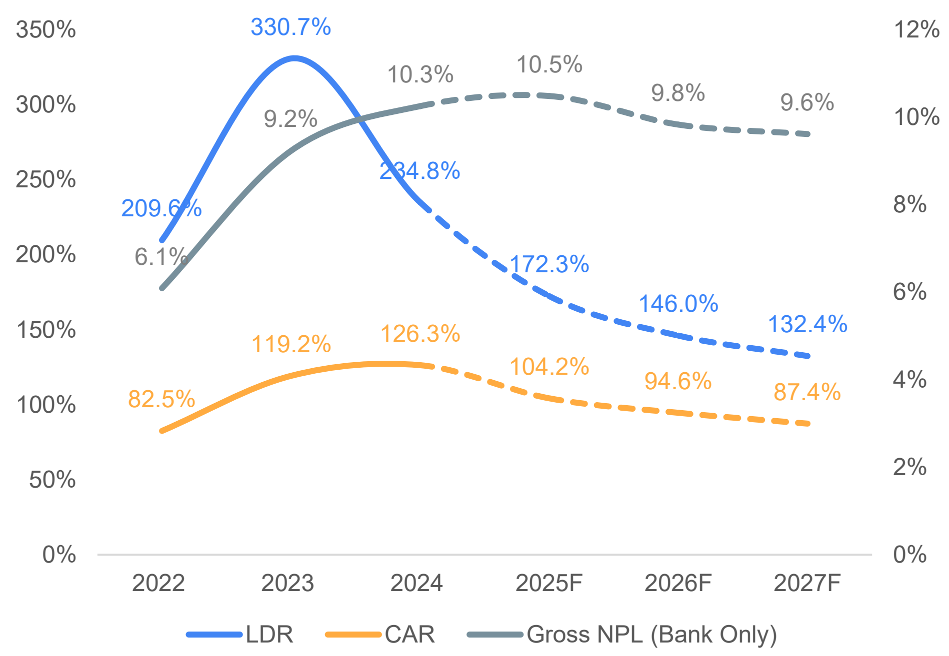
AMAR's 9M25 balance sheet improvements reflect a structural turnaround supported by tighter liquidity management and disciplined risk controls. Total assets rose to Rp5.47 trillion (+17.4% YoY) on the back of stronger loan disbursement and improving funding momentum, with time deposits expanding to 82% of total funding (2Q25: 61%)—indicating renewed depositor confidence following the Investree exit and SBI Holdings' entry. Liquidity metrics strengthened materially, with LDR improving to 190% in 3Q25 from 329% in 3Q24, while CAR stayed robust at 118.75% and NPL ratio eased to 1.35% (2Q25: 1.64%), underscoring effective underwriting and tighter portfolio monitoring. Over 2026–2027, customer deposits are expected to grow 20–30% annually as AMAR pivots toward SME and payroll-linked lending, supported by deeper integration with the Tolaram ecosystem. LDR is projected to normalize to 130–170% and CAR to moderate toward 80–90%, with gross NPLs remaining below 10%, setting the stage for sustained ROE recovery and a transition from balance-sheet stabilization to scalable, technology-led profitability.

Figure 12. AMAR's Customers Deposits Projections



Source: Company, Ajaib Research

Figure 13. AMAR's LDR, CAR, and Gross NPL Projections

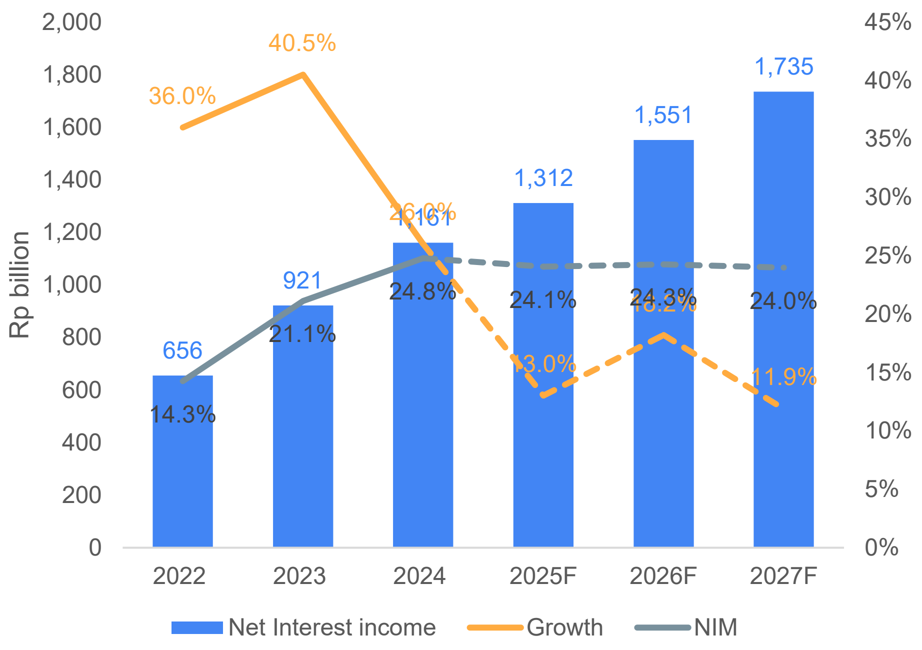


Source: Company, Ajaib Research

Margin Outlook Supported by Stable Yields and Improving Funding Costs

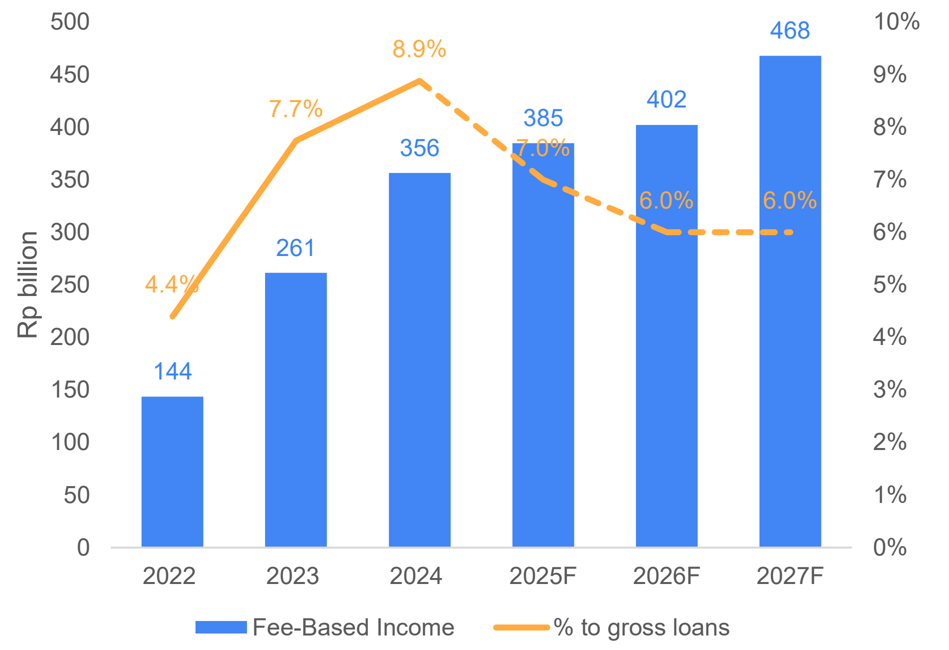
AMAR's margin profile remains structurally strong, as reflected in the steady NIM trajectory shown in the first chart series. Net interest income is projected to rise to Rp1.74 trillion (+12% YoY) in 2027F, supported by resilient loan yields hovering around 39% while the cost of funds gradually declines from 6.9% in 2024 to 5.5% by 2027F. The loan yield–CoF spread remains wide, reinforcing AMAR's position as one of the highest-margin digital lenders in Indonesia. Meanwhile, fee-based income is also expected to expand from Rp385 billion in 2025F to Rp468 billion in 2027F, though its contribution to gross loans moderates as lending scales. These trends underscore the bank's ability to sustain strong revenue generation even as growth normalizes and funding competition persists.

Figure 14. AMAR's NII and NIM Projections



Source: Company, Ajaib Research

Figure 15. AMAR's Fee Based Income Projections

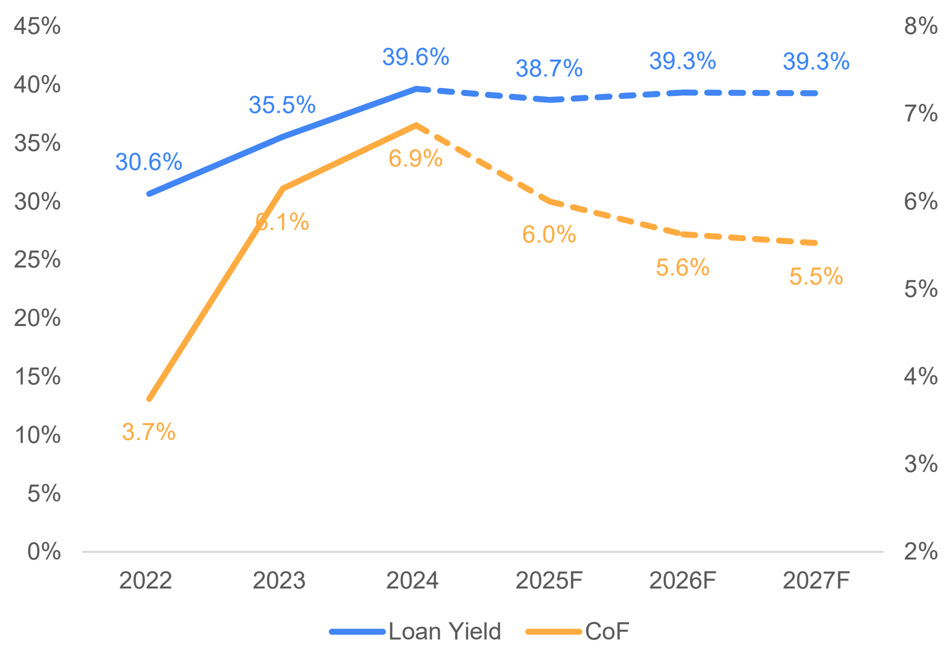


Source: Company, Ajaib Research

Strengthening Bottom Line Through Efficiency and Scale

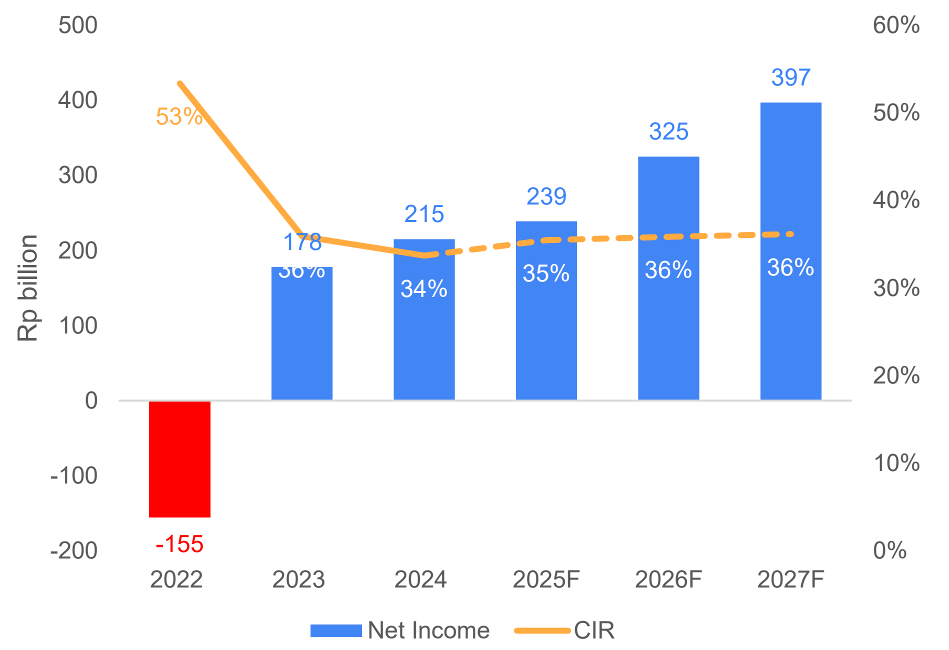
AMAR's profitability trajectory points to a multi-year earnings uplift, with net income projected to increase from Rp215 billion in 2024 to Rp397 billion in 2027F as the bank benefits from expanding high-yield loan volumes and disciplined cost management. Operating efficiency remains a core pillar of this turnaround, with the cost-to-income ratio expected to hold at a lean 36% through 2026–2027F, far below the 53% level recorded in 2022. This efficiency gain reflects improving operating leverage, where larger contributions from productive lending and ecosystem-driven originations help scale income faster than overhead. Supported by a more balanced funding profile and moderating credit costs, AMAR is increasingly well-positioned to deliver consistent earnings growth anchored by margin resilience and operational discipline.

Figure 16. AMAR's Loan Yield and CoF Projections



Source: Company, Ajaib Research

Figure 17. AMAR's Net Income and CIR Projections



Source: Company, Ajaib Research

Strong Revenue Momentum Supported by Balanced Income Growth

AMAR delivered solid top-line performance through 9M25, supported by broad-based income growth and improving portfolio mix. Interest revenue reached Rp1.05tn (+18.8% YoY), bolstered by a stronger contribution from micro loans—now 54% of total loans (9M24: 47%)—which lifted asset yields and drove NII to Rp987bn (+17.6% YoY). Non-interest income further reinforced earnings, with Other Operating Income rising sharply to Rp477bn (+39.7% YoY) on higher transaction fees and ecosystem-driven services. This revenue momentum translated into stronger profitability, with PPOP increasing to Rp982bn (+33.9% YoY) and net profit reaching Rp175bn (+14.7% YoY). Sequentially, performance remained resilient, supported by higher lending activity: 3Q25 interest income rose to Rp372bn (+18.3% QoQ; +18.3% YoY), NII improved to Rp348bn (+8.9% QoQ; +16.5% YoY), and net profit climbed to Rp57bn (+13.6% QoQ; +5.3% YoY), underscoring continued recovery in core income and fee generation.

Improving Balance Sheet Scale, Liquidity, and Asset Quality

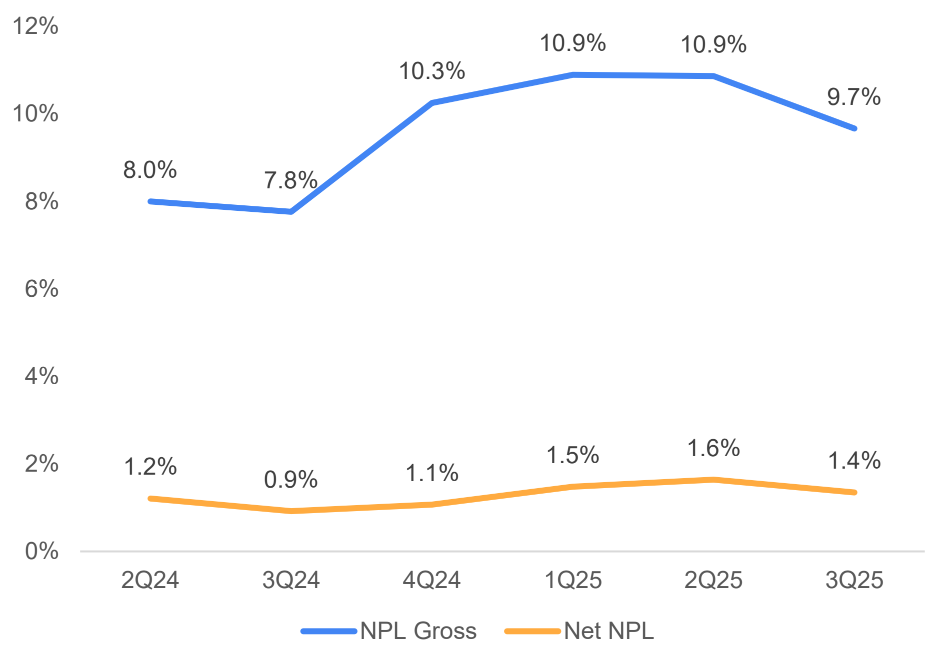
AMAR's balance sheet expanded in a disciplined and well-funded manner, with total assets rising to Rp5.47tn (+16.0% YoY) driven by a sharp rebound in funding as customer deposits surged to Rp3.74tn (+124.4% YoY) following renewed market confidence post–shareholder restructuring. Lending grew moderately in line with the bank's prudent risk stance, with total loans reaching Rp2.89tn (+11.0% YoY), while asset quality strengthened as NPL fell to 1.35% in 9M25 (6M25: 1.64%) on better collection performance. Operating discipline remained intact, reflected in contained operating expenses at Rp483bn (+7.9% YoY) despite elevated provisions of Rp753bn (+40.6% YoY), and the bank maintained robust capitalization with equity of Rp3.41tn (+2.2% YoY) and stronger liquidity, as evidenced by an improved LDR of 190.4%.

Figure 18. AMAR's 9M25 Financials Performance

Key Metrics (Rp bn)	9M25	9M24	YoY	3Q25	2Q25	QoQ	3Q24	YoY
Interest Income	1,054	888	*18.8%*	372	342	*8.8%*	315	*18.3%*
Net Interest Income	987	840	*17.6%*	348	319	*8.9%*	299	*16.5%*
PPOP	982	733	*33.9%*	363	316	*14.8%*	266	*36.4%*
Net Profit	175	152	*14.7%*	57	51	*13.6%*	54	*5.3%*
CASA	290	250	*16.0%*					
Time Deposits	1,365	608	*124.4%*					
Total Loans	3,162	2,849	*11.0%*					
NIM (%)	*24.3*	*23.8*	*2.4%*	*24.3*	*23.6*	*3.1%*		
ROAE (%)	*7.0*	*6.2*	*11.9%*	*7.0*	*7.1*	*-1.1%*		
BOPO (%)	*85.1*	*84.0*	*1.4%*	*85.1*	*84.3*	*0.9%*		
LDR (%)	*190.4*	*329.3*	*-42.2%*	*190.4*	*200.4*	*-5.0%*		
NPL (%)	*1.35*	*0.92*	*46.7%*	*1.35*	*1.64*	*-17.7%*		
CAR (%)	*118.8*	*123.0*	*-3.4%*	*118.8*	*119.5*	*-0.6%*		

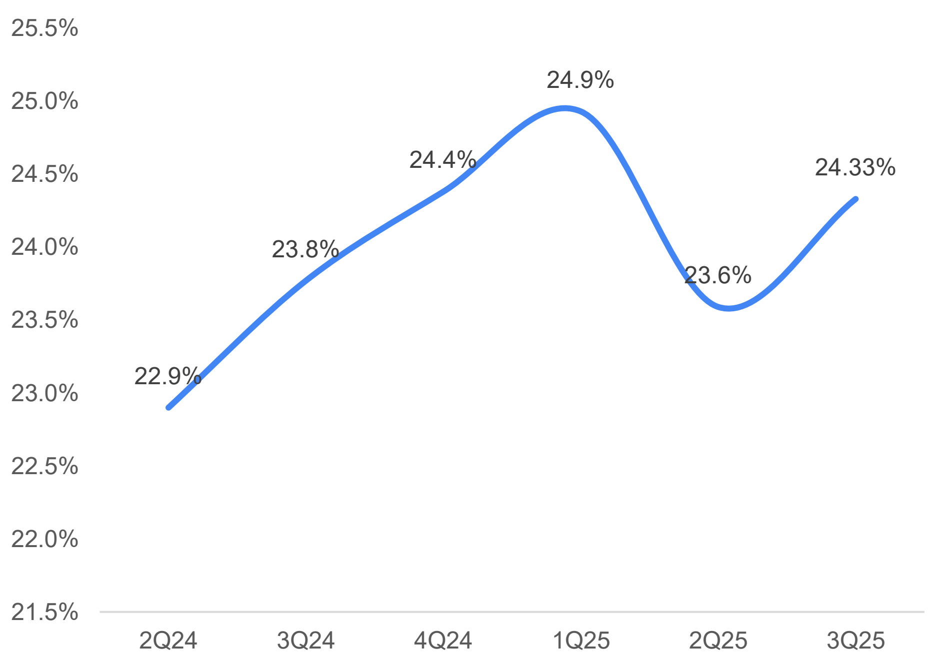
Source: Company, Ajaib Research

Figure 19. AMAR's Quarterly NPLs



Source: Company, Ajaib Research

Figure 20. AMAR's Quarterly NIM



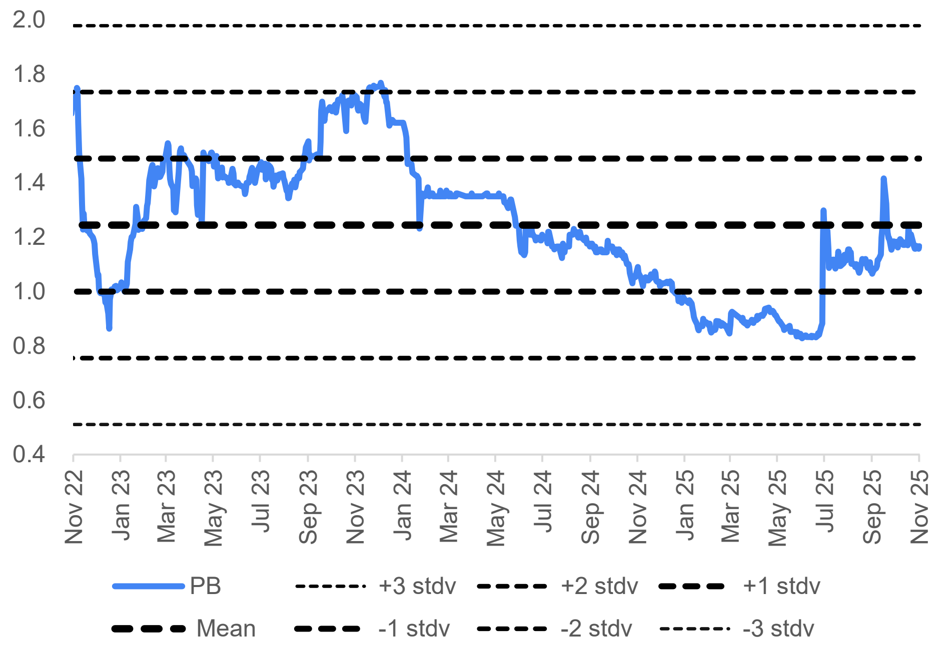
Source: Company, Ajaib Research

VALUATION

Margin Engine, Growth Mode

We initiate coverage on AMAR with a **BUY** rating and a target price of **Rp300**, implying 1.2x 2026F PBV, in line with its 3-year historical average. Our positive stance reflects AMAR's structurally superior NIM (>24%), ongoing pivot toward short-duration productive lending, and rising operating leverage as CIR normalizes through 2026–2027. Earnings momentum should strengthen, supported by sustained double-digit loan growth, better asset quality driven by enhanced underwriting and analytics-based risk scoring, and increasing contribution from digitally originated MSME loans. Valuation also screens attractive versus domestic digital-bank peers given AMAR's established profitability, high-yielding loan mix, and stable funding anchored by granular retail deposits. **Key risks:** slower mass-market loan disbursement, tighter liquidity that pressures funding costs, and execution challenges related to ongoing technology and risk-infrastructure upgrades.

Figure 21. AMAR's Forward PB Band



Source: Bloomberg, Ajaib Research

Figure 22. PB Multiple Valuation

Key Metrics	Value
Target PB (x)	1.2
Book Value 2026F (Rp bn)	3,640
Shares Outstanding (bn)	18.2
BVPS 2026F (Rp)	202
Target Price (Rp)	**300**
Current Price	226
Potential Upside	32.7%

Source: Ajaib Research

Figure 23. AMAR's Peers Comparison

Ticker	Mkt Cap (Rp tn)	PE		ROE		PB	PE Growth	EPS Growth	Div Yield
		2025F	2026F	2025F	2026F	2026F	2026F	2026F	2025F
AMAR IJ	**4.3**	**15.9**	**13.4**	**7.7**	**8.7**	**1.2**	**-15.4**	**1.3**	**5.1**
BANK IJ	14.0	6.9	10.9	9.6	5.8	4.7	58.6	1.4	N.A
BBKP IJ	13.9	92.7	77.8	5.2	13.1	2.1	-16.1	5.3	N.A
BTPS IJ	10.4	7.9	7.1	13.4	14.0	1.0	-10.8	0.9	5.4
BBYB IJ	5.7	9.0	7.8	16.0	15.9	1.4	-13.7	1.2	N.A
ARTO IJ	28.1	107.0	56.4	3.0	5.5	3.2	-47.3	0.9	0.2
Mean		**39.9**	**28.9**	**9.2**	**10.5**	**2.3**	**-7.5**	**1.8**	**3.6**
Median		**12.4**	**12.2**	**8.6**	**10.9**	**1.7**	**-14.6**	**1.2**	**5.1**

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2023	2024	2025F	2026F	2027F
Interest Income	987	1,226	1,403	1,676	1,892
Interest Expense	65	65	91	125	157
Net Interest Income	**921**	**1,161**	**1,312**	**1,551**	**1,735**
Fee-Other Operating Income	396	511	607	697	829
Gross Operating Income	**1,317**	**1,672**	**1,919**	**2,248**	**2,564**
Operating Expenses	473	563	681	806	927
Pre Provision Operating Profit	**844**	**1,108**	**1,239**	**1,442**	**1,637**
Provision	652	833	933	1,026	1,129
Net Operating Income	**193**	**276**	**306**	**416**	**509**
Non-Operating Net	-27	1	1	1	1
EBT	**220**	**275**	**305**	**416**	**508**
Net Profit	**178**	**215**	**239**	**325**	**397**

Growth Ratios	2023	2024	2025F	2026F	2027F
Loan Growth	18.0%	9.9%	24.6%	15.0%	12.5%
Deposit Growth	-29.6%	53.0%	70.2%	35.7%	22.8%
Earning Asset Growth	2.6%	12.3%	20.2%	14.8%	11.7%
Total Asset Growth	-2.8%	11.1%	20.2%	14.3%	11.3%
Shreholder's Equity Growth	3.8%	1.3%	5.3%	3.5%	3.4%
NPL Growth	78.9%	22.0%	27.4%	7.8%	10.0%
Interest Income Growth	27.3%	24.3%	14.4%	19.5%	12.9%
Fee-Based Income Growth	82.0%	36.4%	7.9%	4.5%	16.3%
PPOP Growth	96.3%	31.3%	11.8%	16.4%	13.5%
Provision Growth	3.2%	27.8%	12.0%	10.0%	10.0%
Net Income Growth	-214.5%	20.8%	11.0%	36.1%	22.3%

Balance Sheet (Rp bn)	2023	2024	2025F	2026F	2027F
Cash & Cash Equivalents	73	67	85	117	142
Net Loans	1,891	1,624	2,243	2,110	2,345
Other Earnings Asset	1,747	2,024	2,302	2,638	2,916
Non-Earning Asset	215	230	283	273	305
Total Asset	**4,379**	**4,868**	**5,851**	**6,687**	**7,440**
Customer Deposits	709	1,084	1,846	2,506	3,077
Other Interest-Bearing Liabilities	218	261	287	330	363
Non-Interest-Bearing Liabilities	157	183	201	211	238
Total Liability	**1,084**	**1,528**	**2,334**	**3,047**	**3,678**
Total Equity	3,295	3,339	3,517	3,640	3,762
Total Liability & Equity	**4,379**	**4,868**	**5,851**	**6,687**	**7,440**

Financial Ratios	2023	2024	2025F	2026F	2027F
CAR Total	119.2%	126.3%	104.2%	94.6%	87.4%
Cost-to-Income Ratio	35.9%	33.7%	35.5%	35.8%	36.2%
Gross NPL	9.2%	10.3%	10.5%	9.8%	9.6%
Net NPL	1.3%	1.1%	1.5%	1.2%	1.1%
Provision Coverage	130.6%	127.7%	122.3%	130.3%	142.2%
LDR	376%	270%	198%	167%	153%
LFR	287.6%	217.8%	171.1%	148.0%	137.2%
CASA	3.6%	35.9%	38.5%	41.1%	42.5%
NIM	20.3%	24.4%	23.1%	23.3%	23.0%
ROE	5.5%	6.5%	7.0%	9.1%	10.7%
ROA	4.0%	4.6%	4.5%	5.2%	5.6%
DPR	0.0%	71.9%	77.5%	85.0%	85.0%

Source: Company, Ajaib Research

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Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:
Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.
Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.
Sell : The stock is expected to give total return of < 0% over the next 12 months.
Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”
Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:
The lead analyst(s) who prepared this equity research report confirm that the opinions stated herein genuinely represent their personal perspectives regarding all the securities or issuers discussed. Additionally, the analyst(s) assert that their remuneration was not, is not, and will not be tied, either directly or indirectly, to any specific recommendations or viewpoints presented in this report.

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