Equity Report

PT Bank Amar Indonesia Tbk (AMAR)

Digital Banks - Financials

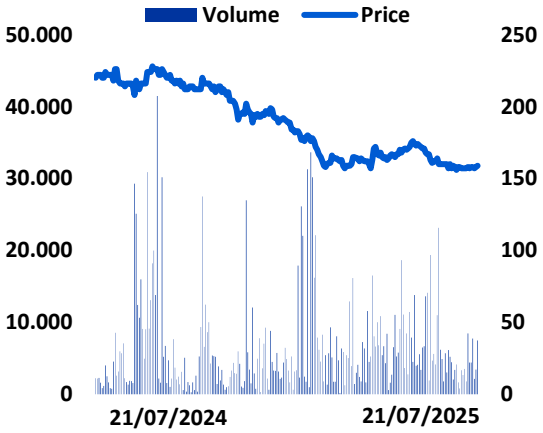
Overview

Stock Rate	BUY
Target Price (IDR)	270
Last (21 Juli 2025)	165
Potential Upside (%)	64
IHSG	7,398

Stock Information	
Current Price (IDR)	165
Issued Shares (Bn)	18.38
Market Cap. (IDR Tn)	3.03
52-Weeks High/Low (IDR)	190/150
Shareholder Structure:	
Tolaram Pte., Ltd. (%)	75.25
PT Jagat Raya Imajinasi	6.587
Investree Singapore Pte. Ltd. (%)	5.635
Saham Treasury	1.999
Masyarakat	10.528

Stock Performance			
YTD (%)	1W (%)	1M (%)	3M %)
(13.6)	5.1	3.1	(0.6)

Stock Price & Volume, 12 Month



Company Quick Profile

PT Bank Amar Indonesia Tbk (AMAR) was established in 1991 in Surabaya under the name PT Anglomas International Bank (Amin Bank), which was subsequently acquired by the Tolaram Group in 2014. **AMAR** went public on the Indonesia Stock Exchange in 2020, adopting a digital-first approach with a limited number of physical branches. The bank's core strategy focuses on serving individual customers, micro, small, and medium enterprises (MSMEs), corporations, and digital business operators through strategic partnerships with various platforms within the digital ecosystem.

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Q1-2025 Performance Highlight

AMAR recorded performance growth, as reflected in Interest Income increasing by 19.7% year-over-year (Q1-2025) to IDR 340 billion, up from IDR 284 billion (Q1-2024). In line with this, the company's Net Profit also rose by 36.7% year-over-year (Q1-2025), reaching IDR 67 billion from IDR 49 billion (Q1-2024). The primary revenue driver came from the Online segment, which contributed 81.2% year-over-year (Q1-2025) with a performance growth of 29% and realized revenue amounting to IDR 423 billion.

Financial Report (Bn) (Quarterly)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q1-2025 YoY (%)
Interest Income	284	289	315	339	340	19.7
Oper. Profit	63	63	71	78	88	38.8
Net Profit	49	49	54	63	67	36.7

Source: Company, FAC Research

The digital economy of Indonesia is projected to reach 360 trillion Indonesian by 2030

Indonesia's digital economy growth over the coming years will be supported by e-commerce. The Indonesian digital economy was valued at approximately US$82 billion in 2023 and is projected to reach US$109 billion in 2025, with an estimated range of US$210 to US$360 billion by 2030, with e-commerce as its primary driver.

Unbanked Potential in Indonesia Banking Sector

Based on research conducted by Google, Temasek, and Bain & Company, approximately 81% of the Indonesian population had not accessed conventional financial services as of 2022. This is attributed to the low levels of financial literacy and banking inclusion in Indonesia. The government has set medium-term targets for financial inclusion and literacy in the RPJMN 2025-2029, aiming for a financial inclusion rate of 95% and a financial literacy rate of 66%.

Strong Performance Growth of Indonesia MSME's as Economic Backbone

Micro, Small, and Medium Enterprises (MSMEs) are a significant contributor to Indonesia's economic growth, representing 99% of all business units. In 2023, the number of MSME businesses is estimated to reach approximately 66 million. MSMEs contribute 61% to Indonesia's Gross Domestic Product (GDP). The Indonesian government has set a target for bank credit allocation to MSMEs of 30% by 2024. Currently, bank credit to MSMEs in Indonesia stands at 21%, which is relatively low. This presents a challenge for MSME growth in Indonesia. Digital banking offers a potential solution to increase bank lending to MSMEs by providing greater convenience.

Company Financial Performances

Credit disbursement in Q1-2025 increased by 15.83% year-over-year to IDR 3.2 trillion compared to the position in Q1-2024. The credit allocation was prudently focused on productive sectors, particularly the MSME segment, which accounts for more than 50% of the total portfolio. This is also reflected in Tunaiku's digital loan product, which has disbursed over IDR 15 trillion since 2014 and served more than 400,000 MSME customers across Indonesia. Furthermore, Amar Bank's gross non-performing loan (NPL) ratio rose slightly to 10.89% from the previous 10.26%. The net NPL increased from 0.84% to 1.48%. Concurrently, Amar Bank's third-party funds (deposits) grew by 42.14% year-over-year to IDR 1.35 trillion in Q1-2025 from IDR 951.25 billion in Q1-2024.

Valuation and Recommendation

PT Bank Amar Indonesia Tbk (AMAR) is currently traded at a Price-to-Book Value (PBV) of 0.9x, which is lower than its annual average PBV of 1.45x, indicating that the stock remains undervalued. We recommend a **Buy** rating for **AMAR** with a target price of IDR 270 per share (equivalent to a PBV of 1.45x), reflecting a potential upside of **64%.** However, several challenges should be considered regarding **AMAR**'s stock, including: (1) a slowdown in global and domestic economic growth, (2) weakening purchasing power, (3) credit risk, (4) regulatory changes, and (5) low stock liquidity.

Financial Report	2022	2023	2024	2025 (F)	2026 (F)
Revenue	922	1,317	1,672	1,848	2,032
Operating expense	1,124	1,125	1,396	1,527	1,688
Operating profit	-202	193	276	321	343
Income before tax	-203	220	275	312	342
Tax expenses	47	-42	-60	-69	-75
Net Income	-155	178	215	243	266

Source: Company, FAC Research

Fundamental, Corporate Action, & Key Ratio

Balance Sheet (In Bn)	2021	2022	2023	2024	Q1 2024	Q1 2025
Cash	5	7	6	4	6	4
Placement	1,779	1,451	1,223	965	1,328	1,007
Securities	678	720	587	1,123	763	1,079
Loan	2,406	2,259	2,666	2,929	2,749	3,184
Total Asset	5,203	4,505	4,379	4,867	4,738	5,147
Deposits	3,180	1,006	709	1,084	951	1,352
Total Liabilities	4,136	1,329	1,084	1,528	1,413	1,738
Total Equity	1,067	3,176	3,295	3,339	3,324	3,408

Source: Company, FAC Research

Key Ratio (%)	2021	2022	2023	2024	Q1 2024	Q1 2025
NIM	11.8	15.9	20.2	24.4	22.7	24.9
BOPO	99.8	119.4	86.1	84.1	83.8	81.8
LDR	74.7	220.3	373.6	267.6	284.6	235.0
NPL	1.7	1.67	1.29	1.1	0.8	1.5
CAR	29.9	82.5	119.2	126.3	119.2	121.6
NFSR	126.9	157.2	153.9	169.3	151.3	163.3
LCR	1,906	2,784	2,342	4,367	2,497	3,860
ROA	0.02	(4.8)	4.8	5.9	5.4	6.9
ROE	0.40	(8.4)	5.6	6.6	5.9	8.1

Source: Company, FAC Research

Income Statement (In Bn)	2021	2022	2023	2024	Q1 2024	Q1 2025
Interest Income	702	775	987	1,226	284	340
Interest Expenses	(220)	(119)	(65)	(65)	(15)	(19)
Net Interest Income	482	656	921	1,161	269	320
Income From Operations	7	(202)	193	276	63	88
Net Profit (Loss) for the year	4	(155)	178	215	49	67
Earnings (Loss) per Share	0.51	(11)	10	12	3	4

Source: Company, FAC Research

Interest Revenue Breakdown (IDR Bn)				
Operations	Q1 2024	Q1 2025	Q1-2025 Growth (%)	Q1-2025 Contribution (%)
Online	328	423	29.0	81.2
Brick & Mortar	65	66	1.5	12.7
Head Office	31	32	3.2	6.1
Elimination	(32)	(38)	-	-
Total	393	483	22.9	100.00

Source: Company, FAC Research

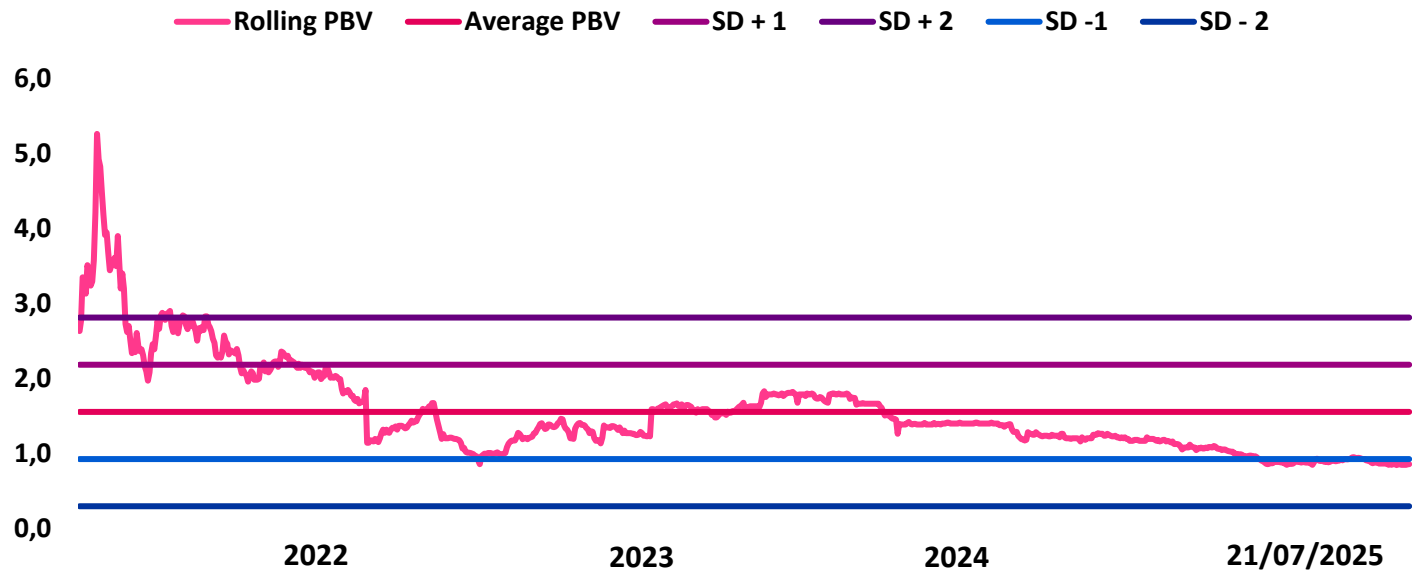
Loans by Sectors Breakdown (IDR Bn)				
Operations	Q1 2024	Q1 2025	Q1-2025 Growth (%)	Q1-2025 Contribution (%)
Wholesale & Retail	1,749	1,978	13.1	62.1
Household	422	433	2.6	13.6
Manufacturing	178	333	87.1	10.5
Financial & Insurance	180	200	11.1	6.3
Construction	26	117	350.0	3.7
Real Estate	59	97	64.4	3.1
Telecom	28	26	(7.1)	0.8
Others	107	-	-	-
Total	2,749	3,185	15.9	100.00

Source: Company, FAC Research

Loans Composition Breakdown (IDR Bn)				
Operations	Q1 2024	Q1 2025	Q1-2025 Growth (%)	Q1-2025 Contribution (%)
Related Parties				
Consumer	14	13	(6.1)	0.4
Third Parties				
Working Capital	2,323	2,727	17.4	85.7
Consumer	409	420	2.6	13.2
Investasi	2	24	790.2	0.8
Total	2,749	3,184	15.8	100.00

Source: Company, FAC Research

AMAR Historical PBV Band



Source: FAC Research

Stock Comparison: Digital Banks

Ticker	Market Cap (IDR Tn)	YTD Change (%)	NIM (%)	LDR (%)	NPL (%)	ROE (%)	ROA (%)	CAR (%)	PBV (%)
AMAR	3.03	(13.6)	24.9	235	1.5	8.1	6.9	121.6	0.9
BBYB	3.36	15.6	15.8	62.0	3.2	10.5	3.6	35.8	0.9
ARTO	24.60	(26.9)	8.8	94	0.3	3.8	1.0	36.4	2.9
DNAR	1.96	1.7	5.6	132.3	2.5	1.4	0.6	47.9	0.5
Average Industrials			13.8	130.8	1.9	6.0	3.0	60.4	2.5

Source: FAC Research

PT Bank Amar Indonesia Tbk (AMAR) demonstrates superior financial ratios compared to its peers and the average of the digital banking industry. In terms of Net Interest Margin (NIM), **AMAR** ranks first with 24.9%, exceeding the industry average, indicating increasing efficiency in fund management. Conversely, **AMAR**'s Loan-to-Deposit Ratio (LDR) is substantially high at 235%, surpassing the healthy LDR limits set by Bank Indonesia. However, despite the elevated LDR, **AMAR**'s strong Capital Adequacy Ratio (CAR) of 121.6% effectively mitigates the associated risks. The Non-Performing Loan (NPL) ratio stands at 1.5%, better than the industry average of 1.9%, reflecting prudent lending practices. Additionally, **AMAR**'s Price-to-Book Value (PBV) ratio is lower than the industry average, indicating that **AMAR** shares are undervalued and present a potentially attractive investment opportunity.

Financial Highlight (IDR Billion)

Income Statement	***2022A***	***2023A***	***2024A***	***2025F***	***2026F***
Revenue	922	1,317	1,672	1,848	2,032
Operating expense	1,124	1,125	1,396	1,527	1,688
Operating profit	**-202**	**193**	**276**	**321**	**343**
Income before tax	**-203**	**220**	**275**	**312**	**342**
Tax expenses	47	-42	-60	-69	-75
Net Income	**-155**	**178**	**215**	**243**	**266**
Balance Sheet	***2022A***	***2023A***	***2024A***	***2025F***	***2026F***
Cash & Cash Equivalents	134	73	67	94	121
Inter-banking Assets	1,324	1,006	900	912	923
ST And LT Investments	720	587	1,124	1,203	1,263
Securities purchased under agreement to resale	0	154	0	0	0
Net Loans	2,110	2,345	2,546	2,793	2,993
Fixed Assets	21	16	14	7	6
Intangible assets other than goodwill	3	3	1	0	0
Other Assets	194	196	215	224	233
Total Assets	**4,505**	**4,379**	**4,868**	**5,233**	**5,540**
Deposits	1,006	709	1,084	1,095	1,128
Deposits from other banks	259	218	261	264	266
Taxes payable	3	27	8	8	8
Accruals and other liabilities	47	113	154	159	164
Other Liabilities	14	17	21	21	21
Total Liabilities	**1,329**	**1,084**	**1,528**	**1,547**	**1,588**
Capital stock	1,382	1,838	1,838	1,838	1,838
Additional Paid in Capital	643	1,459	1,459	1,459	1,459
Treasury stock	0	-62	-104	0	0
Capital deposit fund	1,273	0	0	0	0
Other comprehensive income/(loss)	-3	2	-2	0	0
Retained earnings	-119	59	146	389	655
Total Equity	**3,176**	**3,295**	**3,337**	**3,686**	**3,952**
Total Liabilities & Equity	**4,505**	**4,379**	**4,865**	**5,233**	**5,540**

Source: Company, FAC Research

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