Company Update

May 13, 2026

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PT Ajaib Sekuritas Asia

AMAR

PT Bank Amar Indonesia Tbk.

Lending Momentum Continues

- **Outstanding loans grew strongly to Rp4.16 trillion in 1Q26 (+30.6% YoY), driven by Tunaiku, with productive loans still dominating 86% of the portfolio.**
- **Asset quality remained healthy with gross NPL below 1% at 0.86%, while liquidity improved as LDR declined to 142.56% alongside exceptionally strong CAR of 99.17%.**
- **OJK's KBMI reform and potential industry consolidation could become structural catalysts for AMAR, supported by its scalable digital banking infrastructure and resilient profitability.**
- **Maintain BUY with TP Rp300 (1.4x 2026F PBV), backed by strong growth visibility and solid fundamentals, although low free float remains a medium-term overhang risk.**

Productive Lending Growth Remains Strong

AMAR delivered another solid quarter in 1Q26, supported by continued expansion in productive lending, improving balance sheet quality, and resilient profitability. Outstanding loans rose to Rp4.16 trillion (+4.6% QoQ; +30.6% YoY), significantly outpacing broader industry growth, mainly driven by the continued scaling of Tunaiku and strengthened collaboration with digital ecosystem partners through embedded banking initiatives. Management also emphasized that the bank's AI- and data analytics-driven lending model has enabled faster and more efficient credit disbursement while maintaining prudent risk management. The loan portfolio remained heavily skewed toward productive financing, with working capital loans accounting for 80% of total loans in 1Q26, although lower than the 85–87% range recorded during 2Q25–4Q25 as consumption loans gradually increased to 14% from 12% in 2Q25. Meanwhile, investment loans expanded to 6% from historically around 1%, reflecting improving portfolio diversification while preserving the bank's core focus on MSME and business-oriented lending.

Asset Quality and Liquidity Continue to Improve

Total assets rose to Rp6.93 trillion (+2.5% QoQ; +34.7% YoY), supported by sustained business expansion and disciplined balance sheet management. Asset quality remained robust, with net NPL maintained below 1% at 0.86% (+3bps QoQ; -62bps YoY), significantly improving from 1.48% in 1Q25 despite a slight increase from 0.83% in the previous quarter. Liquidity conditions also improved materially as LDR declined to 142.56% (-2.7% QoQ; -39.4% YoY), reflecting stronger deposit mobilization and a more balanced funding structure dominated by time deposits. Meanwhile, CAR remained exceptionally strong at 99.17% (+0.7% QoQ; -18.4% YoY), providing ample capacity to support future lending expansion. Profitability stayed resilient, with Net Interest Income reaching a record Rp370.2 billion (+15.2% QoQ; +37.6% YoY), although NIM moderated to 20.73% (-246bps QoQ; -420bps YoY), mainly due to higher funding costs and a gradual shift in loan mix toward lower-yield but more diversified lending segments. Nevertheless, net profit remained solid at Rp71 billion (+46% YoY; +13% QoQ), reflecting the bank's ability to sustain strong earnings growth despite margin normalization.

KBMI Reform as Structural Catalyst

The recent OJK initiative to phase out the KBMI 1 category and encourage smaller banks to move up to KBMI 2 or pursue consolidation could become a positive structural catalyst for AMAR over the medium term. Compared with many KBMI 1 peers that still rely on capital injections or speculative corporate actions, AMAR appears better positioned given its strong profitability, high-margin digital lending model, solid loan growth, sub-1% NPL, and exceptionally strong capital base in 1Q26. We believe tighter regulatory standards and potential industry consolidation are likely to favor fundamentally stronger digital banks with scalable infrastructure and established MSME ecosystems. However, AMAR's current free float of 7.59% remains below the new BEI minimum free float requirement of 15%, which may require future corporate actions such as share divestment or equity placement over the medium term. While this could create temporary overhang risk from additional share supply, improved liquidity and broader investor participation could ultimately support AMAR's long-term market positioning.

Maintain BUY, TP Unchanged

We maintain our **BUY** recommendation on AMAR with a target price of **Rp300**, implying 1.4x 2026F PBV, supported by strong loan growth, a scalable digital banking ecosystem, resilient profitability, sub-1% NPL, and an exceptionally strong capital position. We also see AMAR as a potential beneficiary of industry consolidation following OJK's plan to phase out the KBMI 1 category, which could favor fundamentally stronger digital banks. **Key risks:** weaker loan growth, asset quality deterioration, higher funding costs, and potential overhang risk from future corporate actions as AMAR's current free float remains below the new BEI minimum requirement of 15%.

Key Financial Highlights

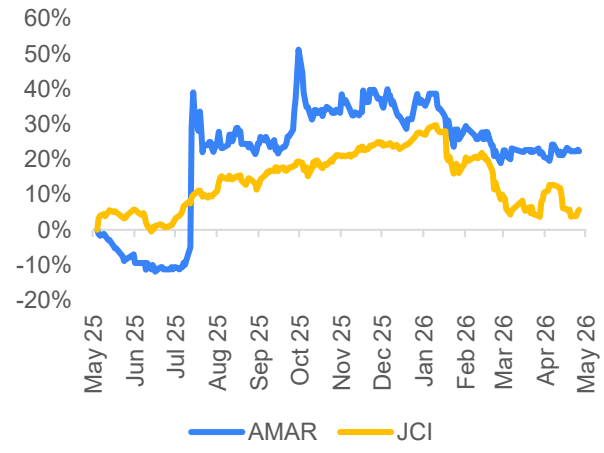
Key Metrics (Rp bn)	2023	2024	2025	2026F	2027F
Net Interest Income	921	1,161	1,332	1,638	1,781
Pre-provision profit	844	1,108	1,376	1,575	1,851
Net Profit	178	215	250	324	451
EPS Growth (%)	28.1	21.9	16.1	29.8	39.1
PE (x)	32.7	16.0	16.3	16.7	12.0
PB (x)	1.8	1.0	1.2	1.5	1.4

BUY

Stock Information (as of May 12, 2026)

Last Price (Rp)	195
Target Price (Rp)	300
Potential Upside	53.8%
Market Cap (Rp tn)	3.5
52 Week Range (Rp)	302 - 155
Free Float	7.6%
Share Out. (bn)	18.2
Beta	1.0

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	7.59
Others	4.94

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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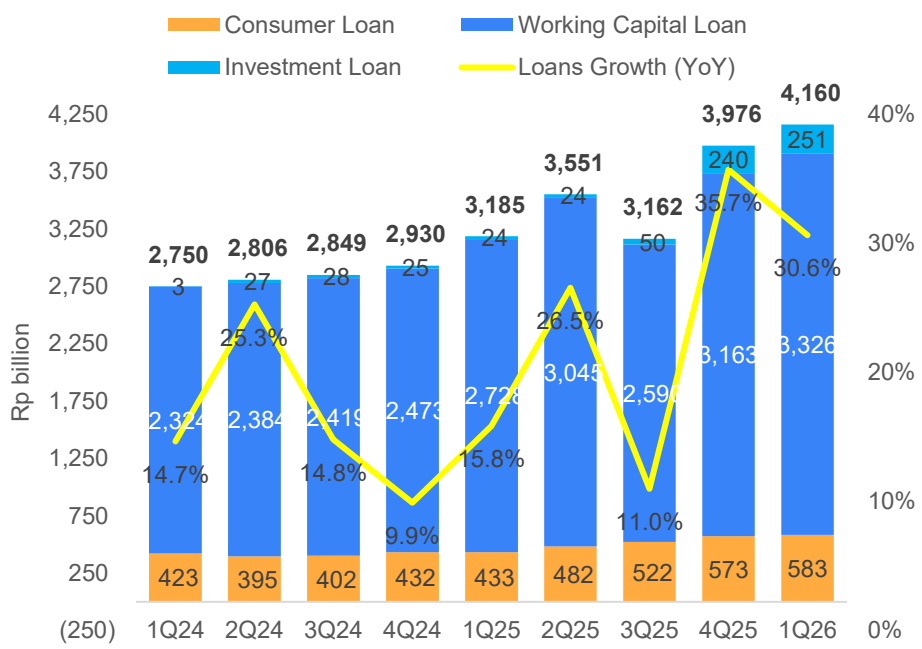
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Figure 1. AMAR's 3M26 Financials Performance

Key Metrics (Rp bn)	3M26	3M25	YoY	1Q26	4Q25	QoQ	2026F	% to Est
Interest Income	417	340	*22%*	417	386	*8%*	1,816	*23%*
Net Interest Income	370	269	*38%*	370	321	*15%*		
Operating Profit	92	63	*46%*	92	78	*19%*		
Net Profit	71	49	*46%*	71	63	*13%*	324	*22%*
Key Ratios (%)								
NIM	20.7	24.9	*-17%*	20.7	23.2	*-11%*		
LDR	142.6	235.0	*-39%*	142.6	138.8	*3%*		
NPL	0.9	1.5	*-42%*	0.9	0.8	*4%*		
CAR	99.2	121.6	*-18%*	99.2	98.5	*1%*		
ROA	5.3	6.9	*-24%*	5.3	5.6	*-6%*		
ROE	8.3	8.1	*3%*	8.3	7.5	*12%*		

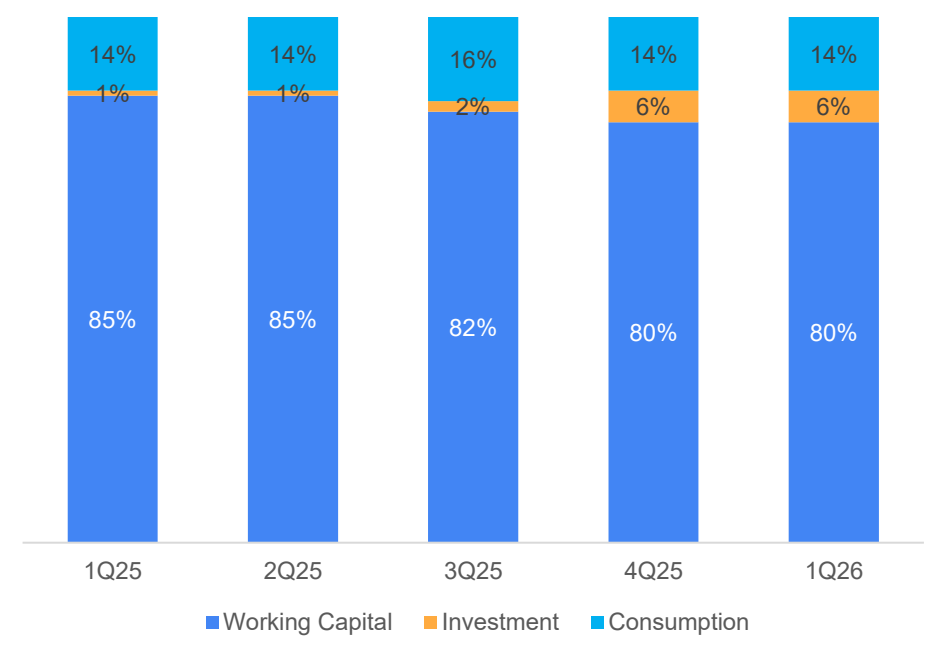
Source: Company, Ajaib Research

Figure 2. AMAR's Quarterly Loan Trend



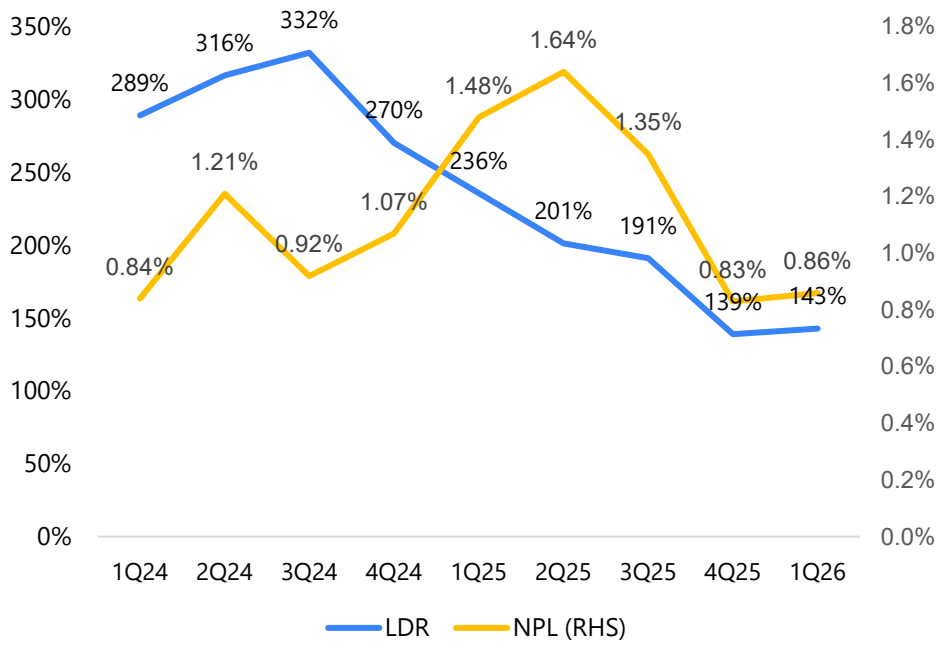
Source: Company, Ajaib Research

Figure 3. AMAR's Quarterly Loan Portion



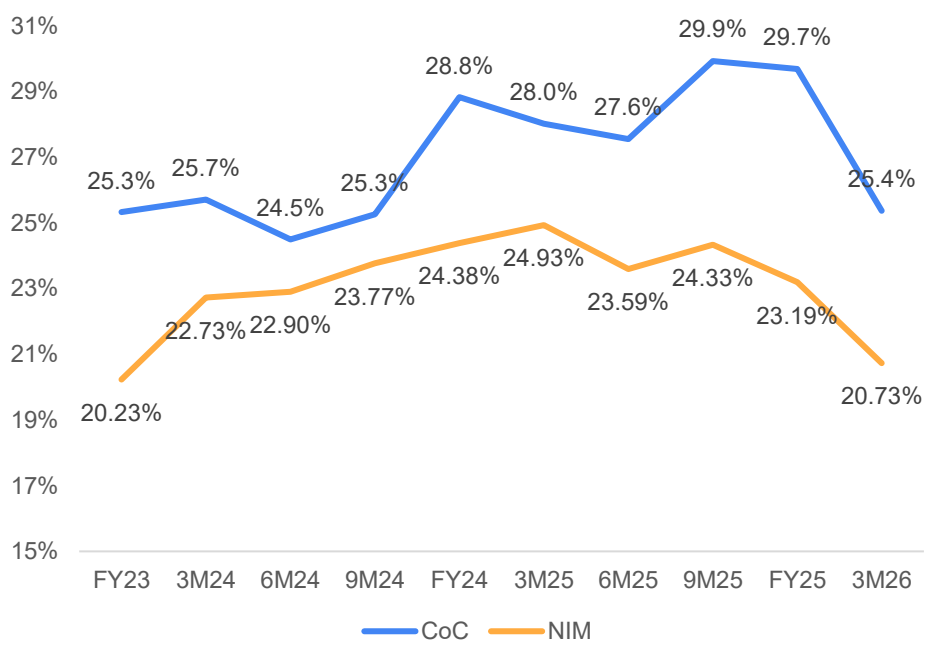
Source: Company, Ajaib Research

Figure 4. AMAR's Quarterly LDR & NPL



Source: Company, Ajaib Research

Figure 5. AMAR's Quarterly NIM & CoC



Source: Company, Ajaib Research

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Financial Statement

Income Statement (Rp bn)	2023	2024	2025	2026F	2027F
Interest Income	987	1,226	1,440	1,816	2,002
Interest Expense	65	65	108	179	221
Net Interest Income	**921**	**1,161**	**1,332**	**1,638**	**1,781**
Fee-Other Operating Income	396	511	639	777	1,035
Gross Operating Income	**1,317**	**1,672**	**1,971**	**2,415**	**2,816**
Operating Expenses	473	563	595	840	965
Pre Provision Operating Profit	**844**	**1,108**	**1,376**	**1,575**	**1,851**
Provision	652	833	1,059	1,165	1,282
Net Operating Income	**193**	**276**	**316**	**410**	**569**
Non-Operating Net	-27	1	3	3	3
EBT	**220**	**275**	**314**	**407**	**567**
Tax	-42	-60	-64	-83	-116
Net Profit	**178**	**215**	**250**	**324**	**451**

Balance Sheet (Rp bn)	2023	2024	2025	2026F	2027F
Cash & Cash Equivalents	73	67	145	-1,565	-1,567
Net Loans	1,891	1,624	2,243	2,110	2,345
Other Earnings Asset	1,747	2,024	2,871	5,517	5,979
Non-Earning Asset	215	230	285	396	436
Total Asset	**4,379**	**4,868**	**6,764**	**7,918**	**8,920**
Customer Deposits	709	1,084	2,862	3,756	4,524
Other Interest-Bearing Liabilities	218	261	303	348	383
Non-Interest-Bearing Liabilities	157	183	177	185	209
Total Liability	**1,084**	**1,528**	**3,342**	**4,290**	**5,115**
Total Equity	3,295	3,339	3,422	3,628	3,805
Total Liability & Equity	**4,379**	**4,868**	**6,764**	**7,918**	**8,920**

Growth Ratios	2023	2024	2025	2026F	2027F
Loan Growth	18.0%	9.9%	35.7%	10.0%	12.3%
Deposit Growth	-29.6%	53.0%	164.0%	31.2%	20.4%
Earning Asset Growth	2.6%	12.3%	38.2%	44.5%	10.1%
Total Asset Growth	-2.8%	11.1%	38.9%	17.1%	12.7%
Shreholder's Equity Growth	3.8%	1.3%	2.5%	6.0%	4.9%
NPL Growth	78.9%	22.0%	16.6%	43.4%	-27.4%
Interest Income Growth	27.3%	24.3%	17.4%	26.1%	10.2%
Fee-Based Income Growth	82.0%	36.4%	13.4%	20.7%	16.1%
PPOP Growth	96.3%	31.3%	24.1%	14.5%	17.5%
Provision Growth	3.2%	27.8%	27.2%	10.0%	10.0%
Net Income Growth	-214.5%	20.8%	16.1%	29.8%	39.1%

Financial Ratios	2023	2024	2025	2026F	2027F
CAR Total	119.2%	126.3%	93.7%	90.9%	85.2%
Cost-to-Income Ratio	35.9%	33.7%	30.2%	34.8%	34.3%
Gross NPL	9.2%	10.3%	8.8%	11.5%	7.4%
Net NPL	1.3%	1.1%	1.3%	-0.9%	-3.3%
Cost of Credit	26.5%	29.8%	30.7%	27.9%	27.6%
Provision Coverage	130.6%	127.7%	146.6%	159.9%	230.9%
LDR	376%	270%	139%	116%	109%
LFR	287.6%	217.8%	125.6%	106.6%	100.1%
CASA	3.6%	35.9%	12.9%	13.7%	14.0%
NIM	20.3%	24.4%	23.2%	20.2%	17.8%
ROE	5.5%	6.5%	7.4%	9.2%	12.1%
ROA	4.0%	4.6%	4.3%	4.4%	5.4%
DPR	0.0%	71.9%	84.1%	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”

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