

## FINANCIAL RESULTS FOR YEAR 2009

### Highlights for the Year:

- **Adira Finance posted net income of Rp 1,212 billion for year 2009.** This net income is higher compared to the same period of last year net income of Rp 1,020 billion, reflected an increase by 18.8%.
- Total new bookings for motorcycle increased by 1.1% to Rp 10,738 billion, while total new bookings for car increased by 12.5% to Rp 3,803 billion.
- Managed consumer financing receivables increased by 12.5% from Rp 16,862 billion to Rp 18,977 billion.
- Net interest margin was maintained at 15.2% in 2009.
- NPL from the total of managed financing receivables was also maintained at 0.9% as of December 31, 2009.

### Financial Highlights

In Billion Rp	2008	2009	Var
<b>BALANCE SHEETS</b>			
Total assets	3,592	4,330	20.5%
Total consumer financing receivables managed	16,862	18,977	12.5%
Consumer financing receivables - net	1,821	2,562	40.7%
Total liabilities	1,642	1,677	-2.1%
Borrowings and bonds	845	902	-6.7%
Total equity	1,950	2,652	36.0%
<b>STATEMENTS OF INCOME</b>			
Total income	3,379	3,941	16.6%
Gross consumer financing income	4,307	5,086	18.1%
Consumer financing income	2,331	2,778	19.2%
Fees and others income	1,048	1,163	11.0%
Interest and financing charges	143	124	13.3%
Operating expenses	986	1,083	-9.9%
Acquisition and marketing costs	793	1,000	-26.2%
Net income	1,020	1,212	18.8%
Basic earnings per share (full amount)	1,020	1,212	18.8%
<b>KEY FINANCIAL RATIOS (%)</b>			
Net interest margin	14.5%	15.2%	0.8%
Gross profit margin	71.6%	70.8%	-0.8%
Net profit margin	30.9%	31.5%	0.6%
Cost to income	41.7%	39.7%	2.0%
Return on Average Assets	31.3%	31.1%	-0.2%
Return on Average Equity	68.6%	54.8%	-13.8%
Interest bearing debts/equity	0.4	0.3	21.5%

### Corporate Information

<b>Board of Commissioners</b>	
President Commissioner	Theodore Permadi Rachmat
Vice President Commissioner	J. E. Sebastian Paredes M.
Commissioner (Independent)	Djoko Sudyatmiko
Commissioner (Independent)	Marwoto Hadi Soesastro
Commissioner	Sng Eng Chua
Commissioner	Eng Heng Nee Philip

<b>Board of Directors</b>	
President Director	Stanley Setia Atmadja
Director	Erida Gunawan
Director	Marwoto Soebiakno
Director	Hafid Hadeli
Director	Ho Lioeng Min

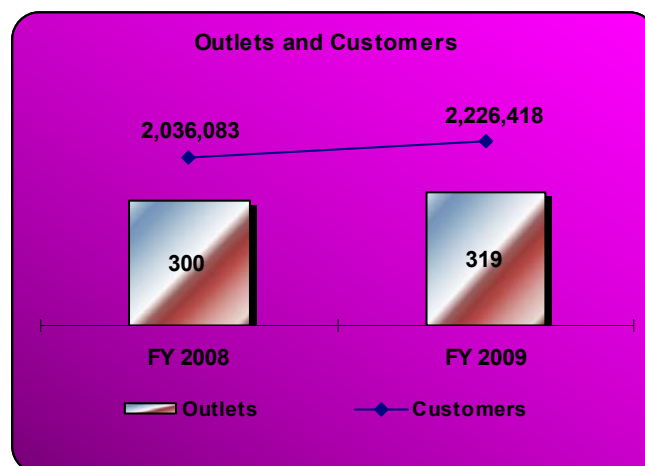
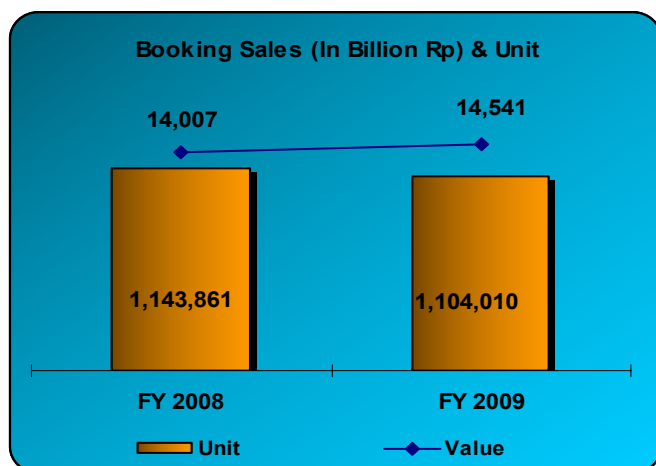
Shareholders	31 December	
	2008	2009
PT Bank Danamon Indonesia Tbk	75.0%	95.0%
Mega Value Profits Limited, BVI	17.4%	-
PT Asuransi Adira Dinamika	0.4%	0.4%
Public (< 5%)	7.2%	4.6%

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As the global economic condition was recovering, domestic automotive market grew stronger as well, which was evidenced from increasing quarterly sales in 2009. When comparing the national sales in Q4 2008 with Q4 2009, there was an increase of 7,921 units or 5.6% for car and 297,352 units or 21.0% for motorcycle, despite the fact that in Q4 2008 was the starting period of global economy crisis impact in Indonesia. Furthermore, total sales in 2009 decreased both for car and motorcycle, however, this achievement was still higher than expected.

A quarterly industry sales comparison are as follow:

Description (in Units)	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Car	135,608	156,991	174,479	140,582	100,260	109,996	127,297	148,503
Motorcycle	1,426,590	1,628,720	1,749,410	1,414,659	1,218,204	1,328,655	1,592,671	1,712,011

Year on year industry sales comparison:

Description (in Units)	FY 2008	FY 2009	Δ %
Car	607,660	486,056	-20.0%
Motorcycle	6,219,379	5,851,541	-5.9%

As for the important economic indicators, i.e. liquidity, bank interest rate, US Dollar and Japanese Yen exchange rates against Indonesian Rupiah, as well as domestic economic growth, in Q4 2009 all the indicators have shown a degree of stabilization.

Description	As of Dec 2009
Bank Indonesia rate	6.5%
Bank Indonesia middle rate (31 Dec 2009)	1 US\$ = Rp 9,400 100 ¥ = Rp 10,171
Bank Indonesia predicted economic growth	4.3%-4.4%

The global financial crisis has driven domestic automotive industry to be more creative in developing the market. The door is still wide opened, since areas outside Java and Bali have been lately growing steadily. All the automotive industry needs is prudent steps to make a daring breakthrough. Association of Indonesia Automotive Industries (GAIKINDO) and Indonesian Motorcycles Industry Association (AIS) identify some potential sale outside Java and Bali, especially in Sumatera and Kalimantan.

Indonesia's economic growth nowadays is very likely to take place outside Java and Bali. Agriculture, plantation and mining sectors still have potentials to develop considerably in some areas outside Java and Bali. This helps to boost the increasing demands for automotive.

Below is the table of Adira Finance's new booking in Java and Bali as well as outside Java and Bali:

Description (In Units)	FY 2008			FY 2009		
	Java and Bali	Outside Java and Bali	Total	Java and Bali	Outside Java and Bali	Total
Motorcycle	748,397	355,429	1,103,826	749,952	313,219	1,063,171
Car	19,436	20,599	40,035	19,495	21,344	40,839
<b>Total</b>	<b>767,833</b>	<b>376,028</b>	<b>1,143,861</b>	<b>769,447</b>	<b>334,563</b>	<b>1,104,010</b>

Description (In Rp Bio)	FY 2008			FY 2009		
	Java and Bali	Outside Java and Bali	Total	Java and Bali	Outside Java and Bali	Total
Motorcycle	7,148	3,479	10,626	7,504	3,234	10,738
Car	1,518	1,863	3,381	1,659	2,145	3,803
<b>Total</b>	<b>8,666</b>	<b>5,341</b>	<b>14,007</b>	<b>9,162</b>	<b>5,379</b>	<b>14,541</b>

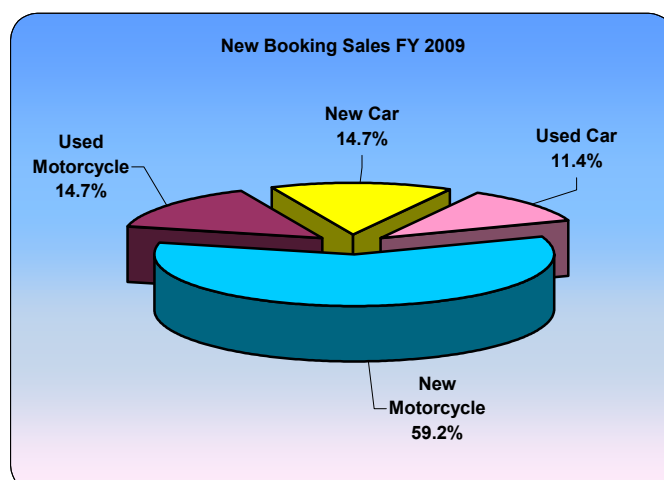
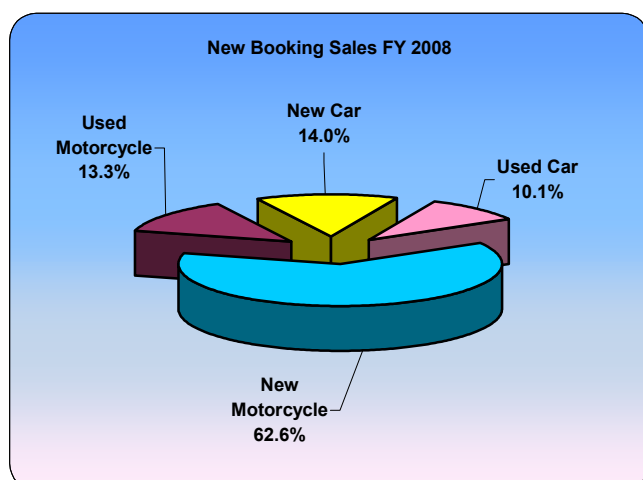
In 2009, Adira Finance managed to achieve its record high performance in terms of net income and new bookings. Net income increased by 18.8% from Rp 1,020 billion in 2008 to Rp 1,212 billion in 2009. As for total of new bookings, for motorcycle increased by 1.1% to Rp 10,738 billion and for car was increased by 12.5% to Rp 3,803 billion, leading to the total of Rp 14,541 billion, the highest new bookings in Adira Finance's history thus far.

As a finance company with segmentation of retail consumer, Adira Finance continuously expanded its business networks in 2009. Currently, the Company has established 121 branches, 101 representative offices, 84 points of service, 7 kiosks and 6 dealer outlets spread throughout the regions in Indonesia, with area proportion in Java and Bali of 49.8% and 50.2% outside Java and Bali.

As per December 31, 2009, Adira Finance has net additional 19 business networks, totaling to 319 business networks. This strategy has helped in reaching and delivering the best services to consumers as well as getting much closer to the consumers and business partners. Furthermore, additional 19 business networks consisted of 11 business networks are outside Java and Bali, while 8 business networks are in Java and Bali.

Description	Networks	
	FY 2008	FY 2009
Java and Bali	151	159
Outside Java and Bali	149	160
<b>Total</b>	<b>300</b>	<b>319</b>

The expansion of business networks has strengthened Adira Finance's position to become a finance company of choice by prospective consumers for its products and services quality. The confidence of public is reflected in the number of consumers' growth of 9.3% from 2,036,083 consumers in 2008 to 2,226,418 consumers in 2009.



As the Indonesian economic conditions is improving in each quarter, it leads to stronger purchasing power of the public. Stable bank interest rates helped in spurring business growth through borrowings. All these contributed to the growth in automotive industry as well, as public see that they now could afford to have a motor vehicle, be it motorcycle or car.

As for Adira Finance itself, if segmented by portfolio of new motorcycle, used motorcycle, new car and used car, then the result as seen in the table below:

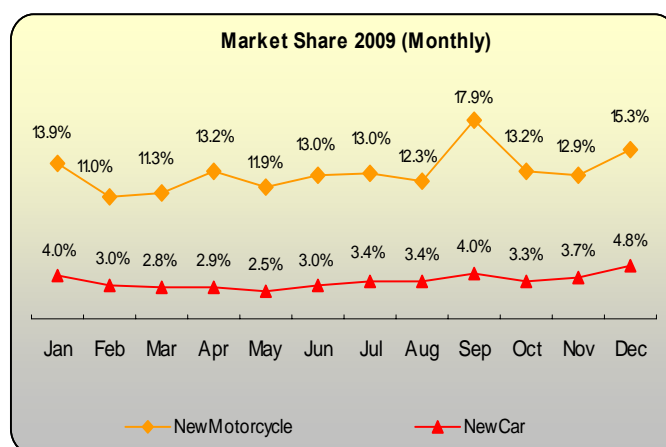
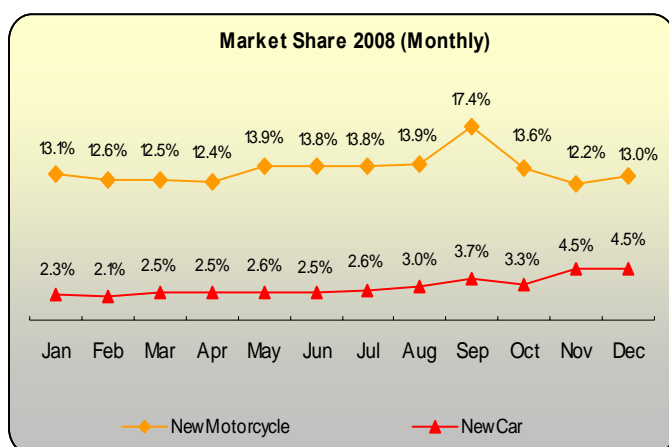
Description	FY 2008	FY 2009	Δ Y-O-Y
<b>(In Billion Rp)</b>			
New Motorcycle	8,763	8,605	-1.8%
Used Motorcycle	1,864	2,133	14.5%
New Car	1,965	2,140	8.9%
Used Car	1,416	1,663	17.4%
<b>Total Volume</b>	<b>14,007</b>	<b>14,541</b>	<b>3.8%</b>
<b>(In Units)</b>			
New Motorcycle	844,207	773,395	-8.4%
Used Motorcycle	259,619	289,776	11.6%
New Car	18,121	16,651	-8.1%
Used Car	21,914	24,188	10.4%
<b>Total Volume</b>	<b>1,143,861</b>	<b>1,104,010</b>	<b>-3.5%</b>

Units financed for new motorcycle decreased by 8.4% (amount financed decreased by 1.8%) as compared to 2008, i.e. down to 773,395 units or equivalent to Rp 8,605 billion in amount and market share also decreased to 13.2%.

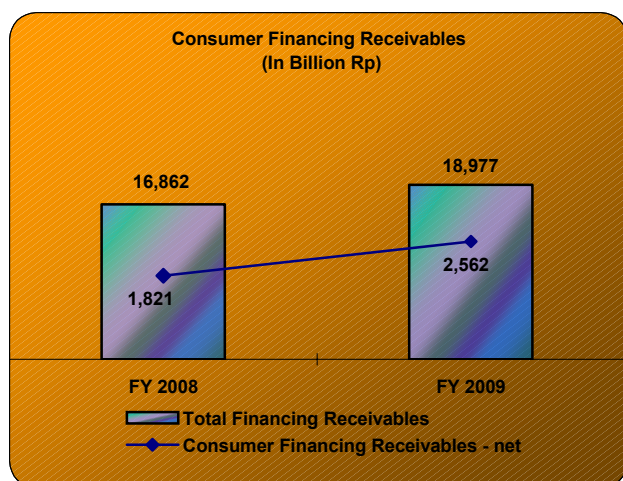
On the other hand, bookings for new car have increased by 8.9% in terms of amount financed (although decreased by 8.1% in terms of units) as compared to 2008, i.e. reaching 16,651 units or equivalent to Rp 2,140 billion. However, this new bookings have led an increased market share to 3.4%.

Market Share	FY 2008	FY 2009
New Motorcycle	13.6%	13.2%
New Car	3.0%	3.4%

Whereby for used motorcycle portfolio, the amount bookings increased significantly from Rp 1,864 billion to Rp 2,133 billion or rose by 14.5 % (also recorded an increase in unit by 11.6% from 259,619 units in 2008 to 289,776 units in 2009). Same thing happened as well as to used car portfolio, which escalated by 17.4% from Rp 1,416 billion in 2008 to Rp 1,663 billion in 2009 (or in terms of units, increased by 10.4% from 21,914 units in 2008 to 24,188 units in 2009).



Good implementation of risk management has supported the Company's performance, therefore Adira Finance maintained the implementation of prudent Risk Management. The company's strategy in prioritizing on assets quality has affected the monthly market share of Adira Finance for new motorcycle and new car.



Adira Finance continues to utilize the joint financing facility as it provides the Company with considerable advantages. Currently, the total of managed consumer financing receivables escalated by 12.5% to Rp 18,977 billion, mainly accounted by new bookings that were financed under joint financing scheme with its Parent Company, PT Bank Danamon Indonesia Tbk (Bank Danamon), as well as Adira Finance Bonds III issuance in 2009 amounted Rp 500 billion. Under the joint financing arrangement, Adira Finance only retained 1% of the receivables on its book while the 99% receivables are financed by Bank Danamon. This has led to small on-balance sheet financing receivables of Rp 2,562 billion in 2009. This arrangement helped in increasing the revenue, while on-balance sheet assets are relatively constant.

Consumer financing receivables - net are stated net-off joint financing portion, unearned consumer financing income and allowance for possible losses. While total financing receivables managed includes the joint financing portion with its Parent Company.

The increase of 40.7% for consumer financing receivables - net from Rp 1,821 billion in 2008 to Rp 2,562 billion in 2009 was due to the strong performance of the Company in Q4 2009, supported by high cash liquidity in the Company with full support from Parent Company and the issuance of Adira Finance Bonds III in May 2009. The purpose of bonds issuance for the Company to explore ways for diversifying sources of funds as well as to maintain good relationship with obligation investors.

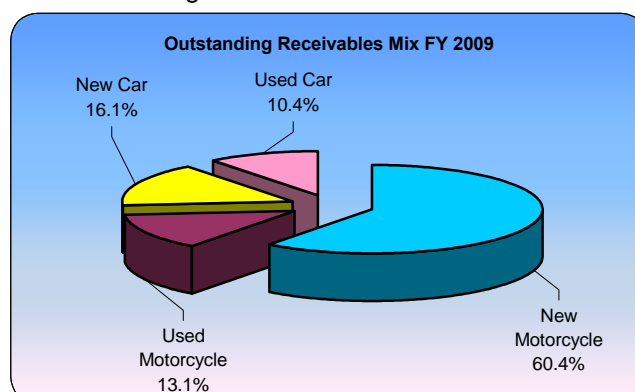
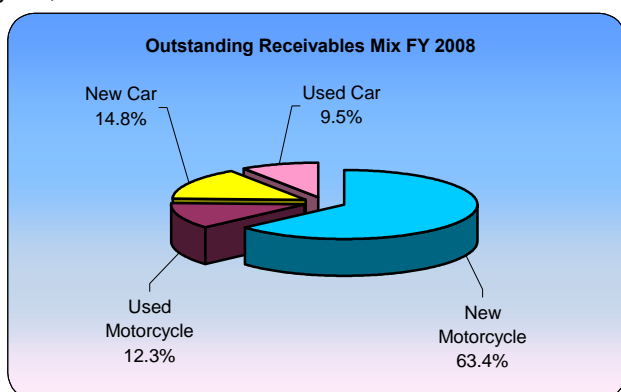
2009 new booking of Adira Finance in unit:

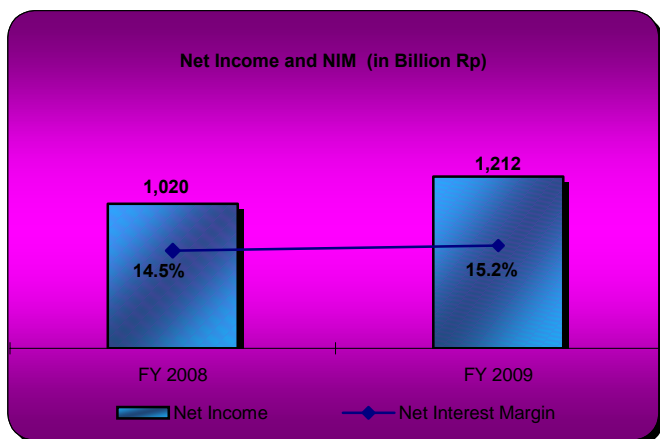
Description	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Motorcycle	238,849	285,430	339,585	239,962	206,490	235,366	303,216	318,099
Car	8,174	9,201	11,436	11,224	8,767	8,896	10,710	12,466

2009 new booking of Adira Finance in amount:

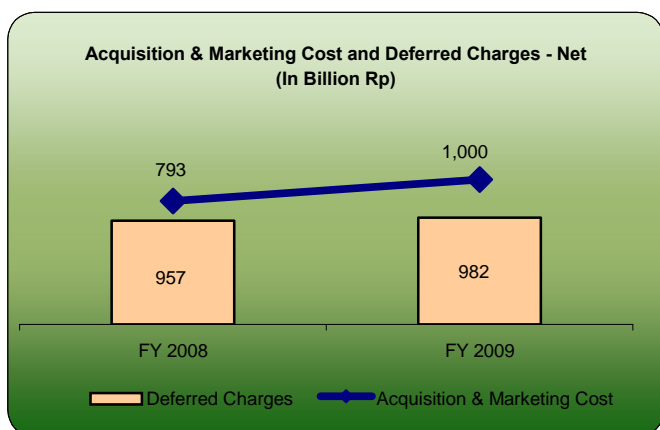
Description	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Motorcycle	2,245	2,764	3,289	2,328	2,038	2,353	3,072	3,275
Car	633	746	996	1,006	741	776	1,028	1,258

The contribution from motorcycle financing segment remained dominant at 73.5%, however has decreased from last year, i.e. at 75.7%. While contribution from car financing has increased during 2009 to 26.5% from 24.3% in 2008.

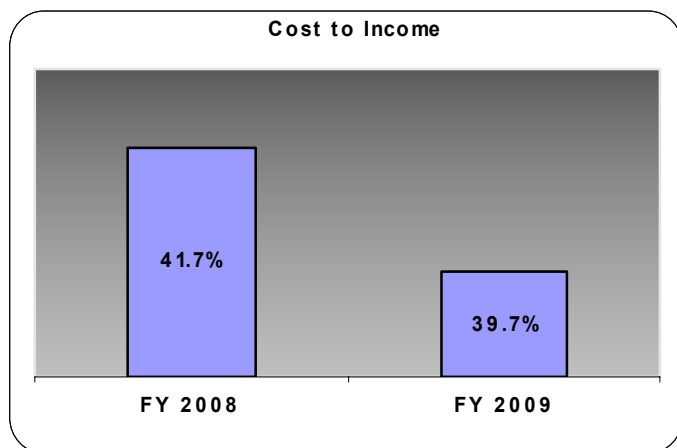




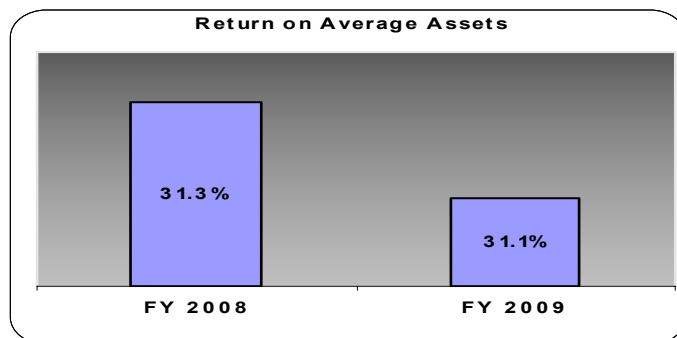
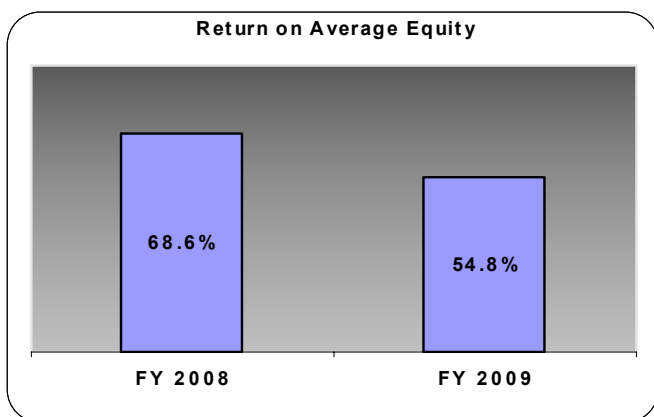
As per December 31, 2009, Adira Finance's net interest margin rose by 21.3% to Rp 2,654 billion as compared to last year i.e. amounted to Rp 2,188 billion. The gross interest income from consumer financing grew by 18.1% to Rp 5,086 billion, mainly came from substantial expansion in the financing assets. The net interest margin as the percentage of average of managed financing receivables increased from 14.5% to 15.2% as a result of higher lending rate. Net income in 2009 increased to Rp 1,212 billion or rose by 18.8% compared to last year's performance.



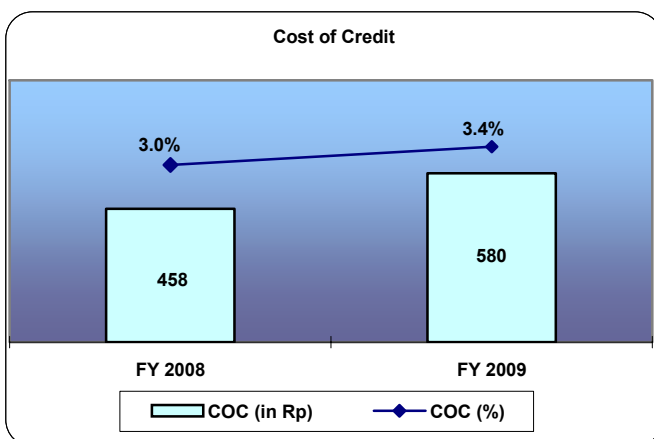
The acquisition and marketing costs in the statement of income rose significantly from Rp 793 billion to Rp 1,000 billion. While, fees and others income increased to Rp 1,163 billion. The increase of acquisition cost was compensated with the increase of fees and others income, which grew by 11.0%. Adira Finance adopted accounting policy to recognize the acquisition costs (commission, tour and point reward to dealers, discount to customers and internal incentive to employees) over the contract life based on effective yield, however charged directly to expense for the unamortized costs when contracts become inactive. The unamortized acquisition costs were recorded in the balance sheets as deferred charges - net.



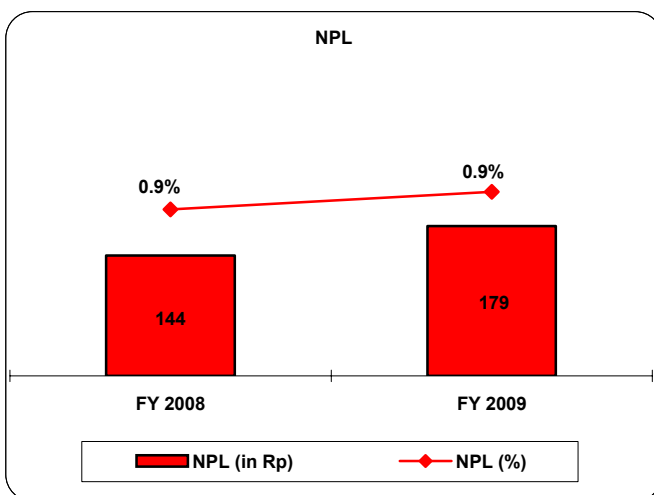
On the expenses side, the operating costs to income ratio decreased to 39.7% from last year's at 41.7% following the significant increment of operating income. Nevertheless, the inflation and continuous network expansion to support the business growth still could increase the operating cost to income ratio. Furthermore, the management intends to perform the "cost efficiency" program continuously as well as creating more values added in every process.



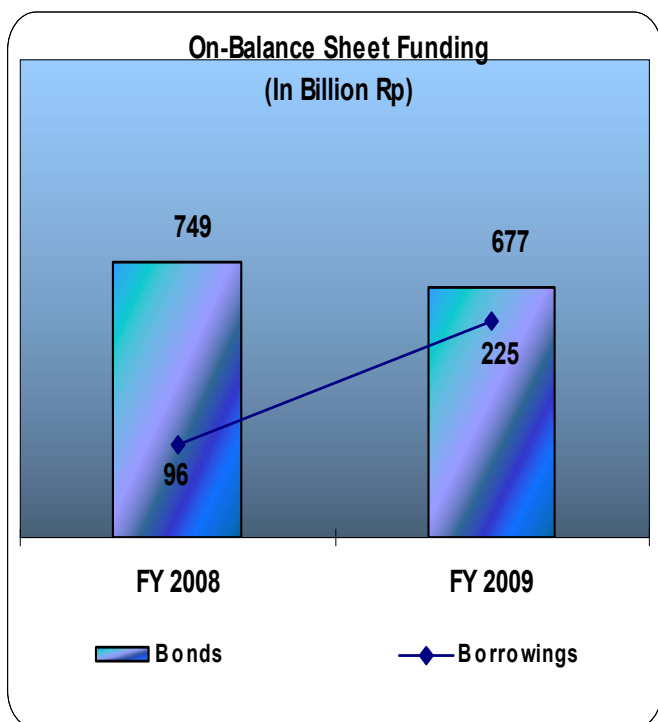
The ROAA for 2009 YTD decreased slightly to 31.1% due to significant increase of consumer financing receivables - net by 40.7%. While higher percentage of increase in equity as compared to the percentage increase of net income has led to a decrease as well in ROAE.



Global economic crisis has increased Adira Finance cost of credit from 3.0% in 2008 to 3.4% in 2009. Nevertheless, Adira Finance continued to maintain its prudent lending practices to preserve the asset quality.



The quality of the Company's total of managed financing receivables (including joint financing receivables belong to Parent Company) remained sound as the result of the prudent risk management implemented by the Company (e.g. stringent consumer selection process and minimum down payment requirement). Nevertheless, the Company still managed to maintain its NPL at 0.9%, even in the midst of economic crisis.



Given the strength of Parent Company's source of fund through joint financing scheme, Adira Finance will be able to grow continuously without fear any of constraints. Moreover, Adira Finance will also look to the markets for medium term financing to fund the Company's growth, as well as maintain the Company's profile in the domestic bonds market, however at the same time will continue to explore this avenue in 2010.

Under joint financing scheme, Adira Finance retained 1% of the total financing receivables and passed the remaining 99% of the assets' benefits and risks to Bank Danamon. This arrangement explained the low provisioning in the balance sheet and low capital requirement in Adira Finance. Therefore, the on-balance sheet funding remained low as compared to the value of financing disbursed. On-balance sheet funding from bonds has decreased to Rp 677 billion as there was net-off between settlement of Adira Dinamika Multi Finance Bonds II Series A amounted Rp 570 billion in June 2009 and bonds issued in May 2009 amounted Rp 500 billion, while the bank borrowing increased significantly from Rp 96 billion to Rp 225 billion in 2009, however equities grew as well with strong internally generated capital, the leverage ratio decreased from 0.4 times to 0.3 times.

## **UPDATES**

### □ **Dealers Gathering**

On December 5 until December 7, 2009, in celebration of the Company's 19<sup>th</sup> anniversary, Adira Finance held a Dealer Gathering attended by representatives from principals in automotive industry, dealers with significant contribution to the Company, representatives from Adira Finance's colleagues or other finance companies, representatives from Indonesia Financial Service Association (IFSA) and other business partners. This Dealer Gathering's theme was "Adira Cinta Indonesia".

### □ **Awards**

In Q4 2009, the Company received awards for its performance, i.e.:

On October 7, 2009, the Company was awarded as "the Best Finance Company Year 2009 under category of assets above Rp 500 billion" in the event of Malam Penghargaan Anugerah Asosiasi Perusahaan Pembiayaan Indonesia (APPI) 2009.

On December 4, 2009, the Company was in the top-10 list of the "Perusahaan Idaman 2009" according to Warta Ekonomi Magazine's version. The reasons are due to the better remuneration facilities offered for its employees, higher salary standard as compared with other companies, a well-known company and have good Management. This achievement showed that Adira Finance also has competitive advantage when compared with other companies in Indonesia. While Stanley Setia Atmadja, was awarded the "CEO Idaman 2009" and Special Achievement for Business Execution according to Warta Ekonomi Magazine's version.

On December 22, 2009, the Company received award for Employee Engagement on Financial Industry and Human Capital Management System category in 2009 Indonesian Human Capital Study, which was organized by Human Capital Magazine and Dunamis Consulting.

### □ **Resignation of Adira Finance's Vice President Commissioner**

Juan Eugenio Sebastian Paredes Muirragui as the Vice President Commissioner of Adira Finance has expressed his intention to resign from Adira Finance through his formal resignation letter dated January 22, 2010. His resignation shall take effect on Adira Finance's 2010 Annual GMS. Mr. Paredes has served as the Vice President Commissioner of Adira Finance since February 2007.

During his service, Mr. Paredes has carried out the supervisory role within his capacity as the Company's Commissioner. Furthermore, he has been providing valuable advises concerning operations and business developments, Good Corporate Governance implementation in financial sector for Management of the Company, as well as nomination and remuneration policy for both BOC and BOD. Finally, the BOC and BOD of Adira Finance would like to express the highest appreciation for his contributions to the Company during his period of service.

**PT ADIRA DINAMIKA MULTI FINANCE Tbk**  
**BALANCE SHEETS (AUDITED)**  
**31 DECEMBER 2009 AND 2008**

(Expressed in millions of Rupiah, unless otherwise stated)

Description	2008	2009
<b>ASSETS</b>		
Cash and cash equivalents		
Cash on hand	29,943	26,295
Cash in banks and cash equivalents		
Third parties	196,077	183,426
Related party	248,175	277,286
Consumer financing receivables - net		
Third parties	1,816,195	2,561,914
Related party	5,259	-
Prepaid expenses	81,684	74,655
Deferred charges - net		
Third parties	949,017	976,006
Related parties	7,553	6,274
Other receivables - net		
Third parties	11,148	14,902
Related parties	4,392	2,297
Investments in shares	0	650
Fixed assets - net book value	201,006	188,514
Other assets	41,575	17,330
<b>TOTAL ASSETS</b>	<b>3,592,024</b>	<b>4,329,549</b>
<b>LIABILITIES</b>		
Borrowings	95,833	225,000
Accrued expenses		
Third parties	298,747	351,450
Related party	138	2,402
Bonds payable		
Third parties	734,043	550,854
Related party	15,000	126,000
Other payables		
Third parties	26,206	109,075
Related parties	39,124	42,377
Taxes payable	224,863	51,004
Deferred tax liabilities - net	208,067	218,984
<b>TOTAL LIABILITIES</b>	<b>1,642,021</b>	<b>1,677,146</b>
<b>EQUITY</b>		
Share capital - par value Rp 100 (full amount) per share	100,000	100,000
Authorized capital 4,000,000,000 shares		
Issued and fully paid 1,000,000,000 shares		
Retained earnings		
Appropriated	22,608	32,810
Unappropriated	1,827,395	2,519,593
<b>TOTAL EQUITY</b>	<b>1,950,003</b>	<b>2,652,403</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,592,024</b>	<b>4,329,549</b>

**PT ADIRA DINAMIKA MULTI FINANCE Tbk**  
**STATEMENTS OF INCOME (AUDITED)**  
**YEARS ENDED 31 DECEMBER 2009 AND 2008**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

Description	2008	2009
<b>INCOME</b>		
Consumer financing	2,330,757	2,777,866
Others	1,047,946	1,163,296
<b>TOTAL INCOME</b>	<b>3,378,703</b>	<b>3,941,162</b>
<b>EXPENSES</b>		
Acquisition cost of consumer financing	(788,492)	(949,821)
Salaries and benefits	(654,911)	(732,102)
General and administrative	(330,737)	(351,020)
Interest expense and financing charges	(142,548)	(123,624)
Marketing	(4,480)	(50,528)
Allowance for possible losses	(26,002)	(32,679)
Others	(12,211)	(43,041)
<b>TOTAL EXPENSES</b>	<b>(1,959,381)</b>	<b>(2,282,815)</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>1,419,322</b>	<b>1,658,347</b>
<b>INCOME TAX EXPENSES</b>		
Current	(382,255)	(435,030)
Deferred	(16,834)	(10,917)
<b>INCOME TAX EXPENSES</b>	<b>(399,089)</b>	<b>(445,947)</b>
<b>NET INCOME</b>	<b>1,020,233</b>	<b>1,212,400</b>
<b>EARNINGS PER SHARE - BASIC (expressed in full amount of Rupiah)</b>	<b>1,020</b>	<b>1,212</b>

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