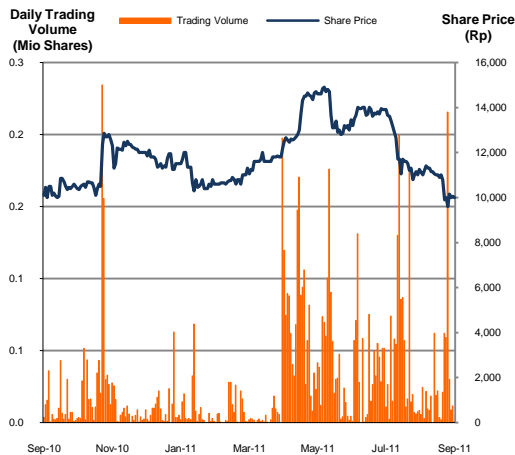


# Investor Newsletter

## Share Performance



## Credit Ratings

Pefindo	Rating/Outlook
Corporate	idAA+/Stable
Bonds	idAA+/Stable

## Shareholding Composition

	9M 2010	9M 2011
PT Bank Danamon Indonesia Tbk	95.0%	95.0%
Public (≤ 5%)	5.0%	5.0%

## Contacts

I Dewa Made Susila [dewa.susila@adira.co.id](mailto:dewa.susila@adira.co.id)  
 Jefry [jefry.jefry@adira.co.id](mailto:jefry.jefry@adira.co.id)

### Adira Finance

Corporate Secretary/Investor Relations

Graha Adira 10-12th Floor

Menteng Raya No. 21

Jakarta 10340

Phone : +62 21 3148005, 3918686,  
 +62 21 3924825 (hunting)

Fax : +62-21 392-4827

Website : [www.adira.co.id](http://www.adira.co.id)

## Highlights of 9M 2011 Results

- New financing volume rose 29% to Rp24.1 trillion
- Managed receivables increased 27% to Rp38.9 trillion
- Operating income grew 33% to Rp3,263 billion
- NPAT rose 14% to Rp1,234 billion
- NIM stood at 7.7%
- ROAA and ROAE were 16.0% and 43.1%, respectively

## Financial Highlight

In Rp billion, unless otherwise stated

STATEMENTS OF FINANCIAL POSITION	FY 2010	9M 2011	ΔYTD%
Managed receivables <sup>1</sup>	30,656	38,872	26.8%
Consumer financing receivables <sup>2</sup>	6,544	10,598	62.0%
Total assets	7,600	12,588	66.1%
Borrowings and bonds	2,585	7,237	179.9%
Total liabilities	3,805	8,517	123.8%
Total equity	3,795	4,072	7.3%

STATEMENTS OF COMPREHENSIVE INCOME	9M 2010	9M 2011	ΔY-o-Y%
Net interest income	1,459	1,892	29.6%
Operating income	2,459	3,263	32.7%
Operating expense	1,063	1,405	32.1%
Cost of credit	(39)	190	-584.5%
Income before tax	1,420	1,646	16.0%
Net income	1,083	1,234	13.9%

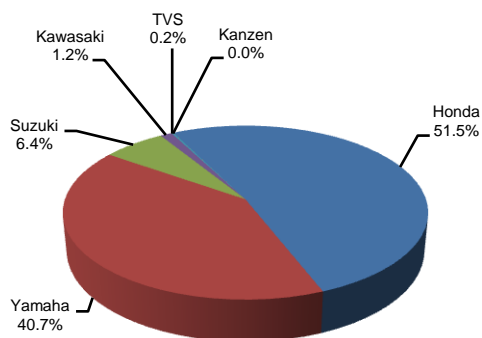
KEY RATIOS (%)	9M 2010	9M 2011	ΔY-o-Y%
Net interest margin	8.8%	7.7%	-1.1%
Net profit margin	39.7%	32.1%	-7.6%
Cost to income	43.2%	43.0%	-0.2%
Return on average assets	30.2%	16.0%	-14.2%
Return on average equity	48.2%	43.1%	-5.1%
Debt to equity	20.3%	177.7%	157.4%

NEW FINANCING	9M 2010	9M 2011	ΔY-o-Y%
New financing units	1,252,367	1,512,706	20.8%
New financing volume	18,613	24,055	29.2%

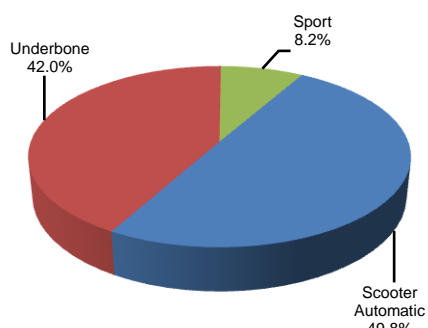
<sup>1</sup> Include receivables financed by the Parent Company under joint financing scheme.

<sup>2</sup> Include net off of receivables financed by the Parent Company and allowance for possible losses.

**New Motorcycle Sales by Brands**  
9M 2011, % of total



**New Motorcycle Sales by Types**  
9M 2011, % of total



The domestic sales of new motorcycle reached 6.2 million units for 9M 2011.  
Source: AISI

**Indonesian Automotive Market Update**

The Indonesian automotive industry continues to show a stable growth during 2011. In 9M 2011, the domestic sales of new motorcycles and cars sales increased 13% and 19%, respectively, from the same period last year. Strong economy growth, favorable interest rate and availability of credit financing, have supported growth in the domestic sales of motorcycles and cars.

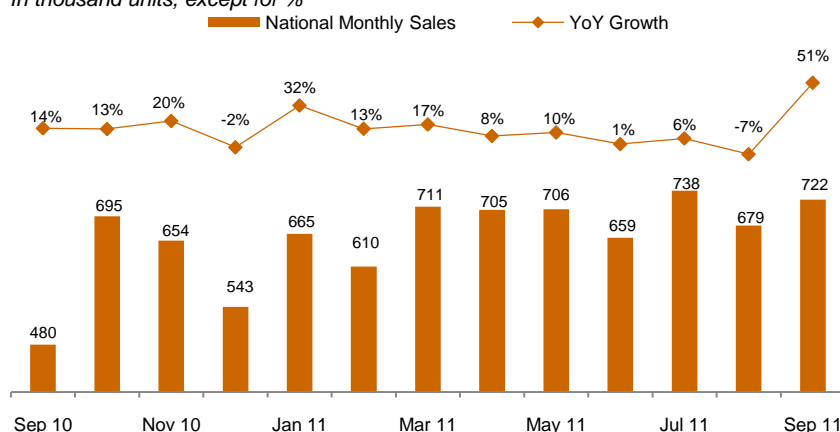
**Domestic new motorcycle sales**

The domestic sales of new motorcycle has reached over 6 million units in 9M 2011, representing a 13% growth from the same period last year sales of 5.5 million units, which is in line with AISI's projection. If the industry could maintain the growth at this rate, the domestic sales might exceed AISI's target by end of 2011. The players are optimistic on the prospect of Indonesian motorcycle market in the near term and medium term on the back of low penetration rate, growing purchasing power of customers supported by high economy growth as well as commodity prices. In addition, the current income level has allowed most of the customers can afford to buy the motorcycle with credit. Further, the lacking of public transportation facilities also pushes customers to have their own vehicles.

Honda and Yamaha continue to dominate the Indonesian motorcycle market with a combined market share of 92% in 9M 2011. Thus far, Honda has sold over 3 million units and hence took up 51.5% of the market share. While Yamaha sold 2.5 million units and managed to maintain its market share of at 40.7%. Suzuki sold 398 thousand units, which made it the third largest player with 6.4% of domestic market share. Kawasaki sold 74 thousand units and acquired 1.2% of domestic market share.

**National New Motorcycles Sales**

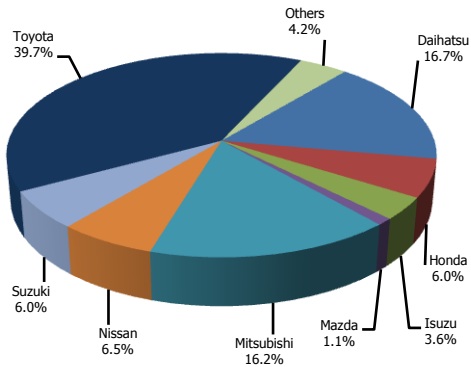
In thousand units, except for %



Source: Indonesian Motorcycles Industry Association (AISI)

**New Car Sales by Brands**

9M 2011, % of total



The domestic sales of new cars increased to 660 thousand units for 9M 2011.  
Source: Gaikindo

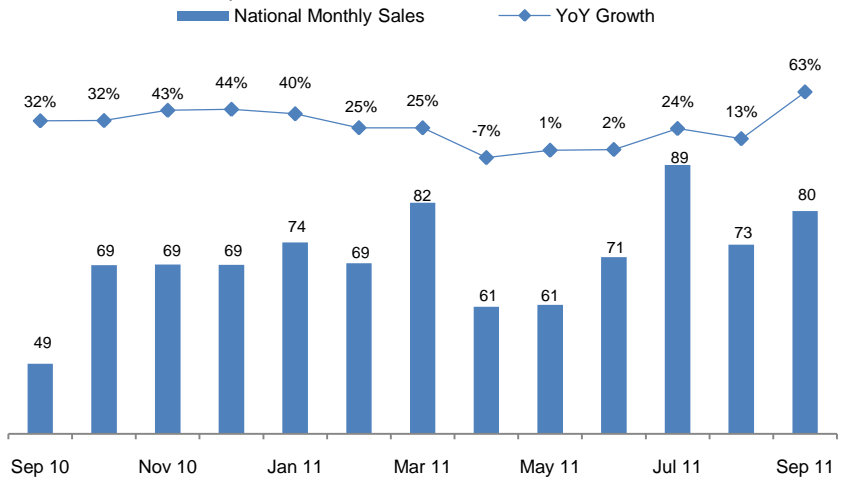
**Domestic new car sales**

After Japan earthquake, which led to shortage of supply to Japanese cars worldwide, the Indonesian car sales peaked up again, evidenced by a strong 19% growth in new car sales for 9M 2011. Until September 2011, around 660 thousand units of cars have been sold nationwide. Nevertheless, the domestic industry remains cautious considering the flood disaster in Thailand, which might once again impact the car supply in Indonesia as the country still imports both spare parts and cars from Thailand.

In terms of market share, Toyota continues to lead the market with 39.7% of market share for 9M 2011. Daihatsu comes at the second position with 16.7%, followed closely by Mitsubishi with 16.2% of market share. At the fourth position was Nissan, which managed to acquire 6.5% of the market share, while Honda and Suzuki compete closely with market share of 6.0%.

**National New Cars Sales**

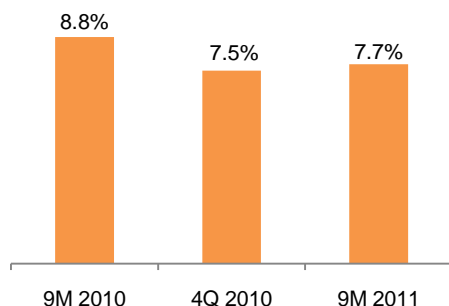
In thousand units, except for %



Source: Association of Indonesian Automotive Industries (GAIKINDO)

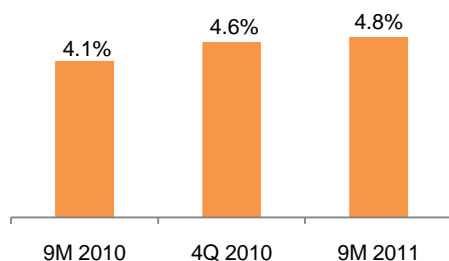
**Net Interest Margin (NIM)**

% of average managed receivables



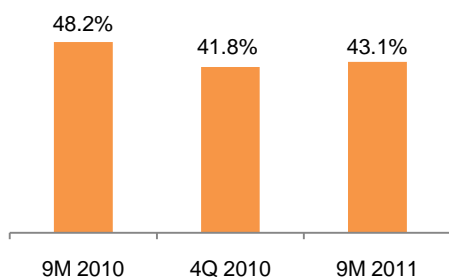
**Consolidated Cost of Credit**

% of average managed receivables



**ROAE**

% annualized



**Income Statements**

Net interest income was Rp1,892 billion in 9M 2011 as compared to Rp1,459 billion in the same period last year on the back of the growing managed receivables. New financing increased 29% to Rp24.05 trillion in 9M 2011 from the same period last year of Rp18.6 trillion. As such, managed receivables rose 40% to Rp38.9 trillion at the end of September 2011 from Rp27.8 trillion a year earlier.

The increase in cost of credit was also partly due to growing receivables booked by the Company (as opposed to joint financing with Bank Danamon), which increased 62.0% to Rp10,598 billion.

Net interest margin stood at 7.7% for 9M 2011 as compared to 8.8% in 9M 2010 in part due to lower lending rates on the back of stable interest rate environment as well tightening competition in automotive financing industry. In addition, our car financing with lower lending rates continues to grow faster than motorcycle financing. As a result, car financing portfolio accounted for 36% of our managed receivables in September 2011 as compared to 30% a year ago.

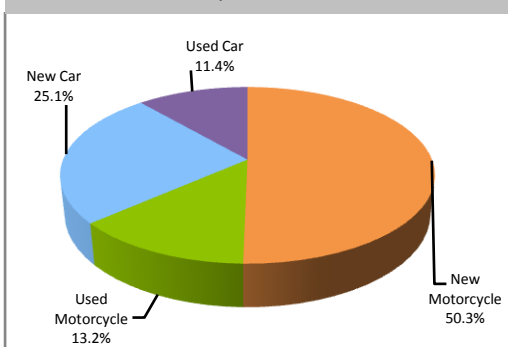
**Overall, our operating income rose 33% to Rp3,263 billion in 9M 2011 from Rp2,459 billion in 9M 2010 driven by a strong growth in financing receivables.**

Operating expenses were Rp1,405 billion, an increase of 32% from Rp1,063 billion in the same period last year mainly due to business networks expansion as one of the corporate strategy to further penetrate into various regions nationwide, particularly to regions outside Java as well as to provide better quality service to dealers and consumers. In 9M 2011, our networks expanded 36% to 623 business networks (including branches, representative offices (RO), kiosks and dealer outlets) from 458 networks in 9M 2010. We added 4,632 employees during the year. As such, our employees reached 29,024 employees in September 2011. Despite of this expansion, we managed our cost to income ratio stable at 43.0%.

Taken all together, **Adira Finance recorded a Net Profit after Tax of Rp1,234 billion in 9M 2011, an increase of 14% from Rp1,083 billion in the same period last year.** Hence, ROAA and ROAE stood at 16.0% and 43.1%, respectively, as compared to 30.2% and 48.2% in the same period last year. A decrease in ROAA were mainly due to significant increase in our receivables, which grew 62.0% to Rp10,598 billion as nearly all our incremental receivables growth was funded with borrowings, bonds and equity as opposed to joint financing with Bank Danamon.

### Outstanding Managed Receivables

% of total, as at 30 September 2011



### Balance Sheets

Our businesses, both motorcycle and car financing, continue to post a strong growth in 9M 2011 supported by a robust growth in domestic automotive sales as well as market share gain. New financing volume amounted to Rp24.1 trillion, with motorcycle financing remains as the major contributor of the financing growth reaching Rp15,251 billion, representing 63% of new financing. Furthermore, car financing also grew strongly at 46% to Rp8,804 billion and accounted for the remaining 37% of new financing.

In term of unit, we financed over 1.5 million units of motorcycles and cars in 9M 2011, representing an increase of 21% compared to 1.3 million units in the same period last year. Car financing units increased 37% to 73 thousand units for 9M 2011. As such, **our market share in new car financing rose significantly to 6.3% from 5.0% in the same period last year.** This growth indicates that Adira Finance's strategy in building public awareness in car financing has been effective. Meanwhile, our motorcycle financing business also showed a constant growth during the period. **Total financing unit of motorcycle rose 20% to over 1.4 million units in 9M 2011.** Hence, Adira Finance's market share in new motorcycle financing was stable at 15.4%. Moreover, the origination of new financing for 9M 2011 remains equally shared between Java and outside Java areas.

Our net receivables, excluding receivables managed under joint financing scheme, increased 62% to Rp10,598 billion in September 2011 from Rp6,544 billion at the end of 2010. In addition, Total Assets expanded 66% to Rp12,588 billion as of September 2011 from Rp7,600 billion at the end of 2010.

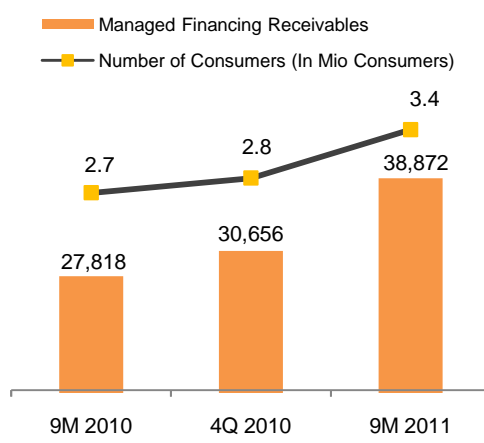
We continue to apply prudent lending practices to maintain asset quality as one of the key success factors in consumer financing business. The quality of our managed financing receivables (including joint financing receivables) remained in check as shown by manageable non-performing loan (NPL) ratio. Our NPL ratio stood at 1.4% of managed receivables as of September 2011 as compared to 1.2% at the end of 2010, which was an acceptable increase due to a significant growth in the managed receivables.

On the funding side, our interest-bearing liabilities increased 178% to Rp7,237 billion as compared to Rp2,585 billion at the end of 2010. To support the business growth as well as to diversify our funding, we undertake a number of funding initiatives, including bond issuance, borrowing and other funding initiatives. During the nine months of 2011, we managed to obtain some borrowing facilities from banks as well as to issue senior bonds.

Total equity increased 7% to Rp4,072 billion as of September 2011 from Rp3,795 billion at the end of 2010 due to an increase in retained earnings as well as payment of dividend in June 2011 of 65% from 2010 Net Income. Hence, our debt to equity ratio stood at a low 178% in September 2011, providing ample room for growth in the future.

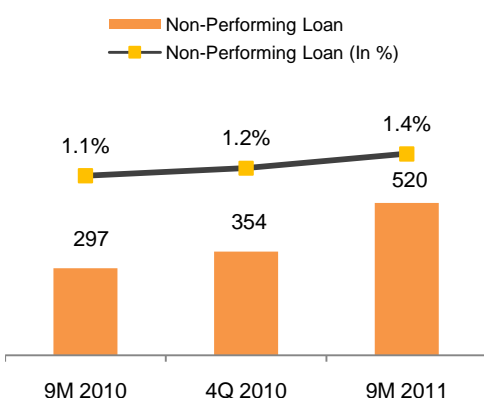
### Managed Financing Receivables

In Rp billion



### Consolidated Non-Performing Loan

In Rp billion



## Corporate Updates

### ■ Issuance of Adira Finance Continuous Bond I Phase I With Fixed Coupon Rate

The Company is in the progress to issue Adira Finance Continuous Bond I Phase I With Fixed Coupon Rate, with issuance target of Rp1.5 trillion to Rp2.0 trillion. The Company has engaged with PT CIMB Securities Indonesia, PT Indo Premier Securities, PT Mandiri Sekuritas and PT Standard Chartered Indonesia as the underwriters, as well as PT Bank Negara Indonesia (Persero) Tbk as the trustee.

The bond is planned to consist of 3 serials with tenor from 370 days to 36 months. The issuance proceeds will be used to fund the new financing in order to reach the targeted new financing for 2011 of Rp30.7 trillion.

### ■ 2010 Annual Report Award

On 14 September 2011, Adira Finance was awarded the 2<sup>nd</sup> position in 2010 Annual Report Award for Financial Private Listed Category and 6<sup>th</sup> position for General Category. The Company's recent track records in ARA participation is as follows:

Year	Event	Achievement
2011	2010 ARA	2 <sup>nd</sup> Position - Financial Private Listed Category
2010	2009 ARA	1 <sup>st</sup> Position - Financial Private Listed Category
2009	2008 ARA	3 <sup>rd</sup> Position - Financial Private Listed Category
2008	2007 ARA	8 <sup>th</sup> Position - Financial Private Listed Category
2007	2006 ARA	5 <sup>th</sup> Position - Financial Private Listed Category

### ■ Extra-Ordinary General Meeting of Shareholders

On the back of funding requirement to support business growth, on 22 September 2011, Adira Finance held an extra-ordinary general meeting of shareholders with a single agenda: to seek approval from shareholders to pledge as debt collateral of the Company's assets, which are more than 50% (fifty percent) of the Company's net of total assets.

The shareholders have approved the Company's proposal to pledge as debt collateral the Company's receivables of over 50% but not more than 150% of the Company's net of total assets, for the purpose as debt collateral for settlement of bonds issued as well as other borrowings, provided that the joint financing assets with Bank Danamon are not included in the pledged assets.

**PT ADIRA DINAMIKA MULTI FINANCE Tbk**  
**STATEMENTS OF FINANCIAL POSITION**  
**31 DECEMBER 2010 (AUDITED) AND 30 SEPTEMBER 2011 (UNAUDITED)**

(Expressed in millions of Rupiah, unless otherwise stated)

Description	31 December 2010	30 September 2011
<b>ASSETS</b>		
Cash and cash equivalents		
Cash on hand	40,692	71,151
Cash in banks and cash equivalents		
Third parties	228,766	291,560
Related party	349,071	843,624
Consumer financing receivables - net <sup>1</sup>		
Third parties	6,543,673	10,597,626
Related party	153	461
Prepaid expenses	135,744	210,908
Other receivables - net		
Third parties	29,826	103,916
Related party	1,574	5,270
Derivative assets held for risk management	-	4,141
Investment in shares, related party	650	650
Fixed assets - net	191,360	238,023
Intangible assets - net	34,843	27,785
Other assets - net	43,263	193,246
<b>TOTAL ASSETS</b>	<b>7,599,615</b>	<b>12,588,361</b>
<b>LIABILITIES</b>		
Borrowings	50,000	2,346,936
Accrued expenses		
Third parties	614,391	572,864
Related party	3,895	10,383
Bonds payable - net		
Third parties	2,314,232	4,368,301
Related parties	221,000	522,000
Other payables		
Third parties	163,335	123,985
Related parties	81,722	110,443
Taxes payable	53,479	58,609
Deferred tax liabilities - net	302,802	403,050
<b>TOTAL LIABILITIES</b>	<b>3,804,856</b>	<b>8,516,571</b>
<b>EQUITY</b>		
Share capital - par value Rp100 (full amount) per share		
Authorized capital 4,000,000,000 shares		
Issued and fully paid 1,000,000,000 shares	100,000	100,000
Retained earnings		
Appropriated	44,934	59,613
Unappropriated	3,649,825	3,915,037
Cumulative losses on derivative instrument for cash flow hedges - net	-	(2,860)
<b>TOTAL EQUITY</b>	<b>3,794,759</b>	<b>4,071,790</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,599,615</b>	<b>12,588,361</b>

**PT ADIRA DINAMIKA MULTI FINANCE Tbk**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2010 AND 2011 (UNAUDITED)**  
*(Expressed in millions of Rupiah, unless otherwise stated)*

Description	30 September 2010	30 September 2011
<b>INCOME</b>		
Consumer financing	1,539,657	2,224,623
Others	1,263,344	1,651,791
<b>TOTAL INCOME</b>	<b>2,803,001</b>	<b>3,876,414</b>
<b>EXPENSES</b>		
Salaries and benefits	(745,519)	(958,409)
General and administrative	(317,695)	(446,185)
Interest expense and financing charges	(81,441)	(341,518)
Allowance for impairment losses on consumer financing receivables	(94,089)	(277,564)
Marketing	(112,509)	(111,122)
Others	(31,859)	(95,233)
<b>TOTAL EXPENSES</b>	<b>(1,383,112)</b>	<b>(2,230,031)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,419,889</b>	<b>1,646,383</b>
<b>INCOME TAX EXPENSE</b>	<b>(336,392)</b>	<b>(412,352)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>1,083,497</b>	<b>1,234,031</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Cumulative losses on derivative instrument for cash flows hedges - net	-	(2,860)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,083,497</b>	<b>1,231,171</b>
<b>EARNINGS PER SHARE - BASIC (expressed in full amount of Rupiah)</b>	<b>1,083</b>	<b>1,234</b>

Disclaimer: This report has been prepared by PT Adira Dinamika Multi Finance Tbk independently and is circulated for the purpose of general information only. It is not intended to the specific person who may receive this report. The information in this report has been obtained from sources we deem reliable. No warranty (expressed or implied) is made to the accuracy or completeness of the information.

All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without prior notice.

We disclaim any responsibility or liability (expressed or implied) of PT Adira Dinamika Multi Finance Tbk and/or its affiliated companies and/or their respective employees and/or agents whatsoever and howsoever arising which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither PT Adira Dinamika Multi Finance Tbk and/or its affiliated companies and/or their respective employees and/or agents accepts liability for any errors, omissions or miss-statements, negligent or otherwise, in this report and any inaccuracy herein or omission here from which might otherwise arise.