

July 2018

## Shareholding Composition

	June-18
Bank Danamon Indonesia	92.1%
Public (≤ 5%)	7.9%

## Credit Ratings (PEFINDO)

	Rating/Outlook
Corporate	idAAA/Stable
Bonds	idAAA
Mudharabah Bonds	idAAA <sub>(sy)</sub>

## Contacts

Perry B. Slangor	<a href="mailto:perry.slangor@adira.co.id">perry.slangor@adira.co.id</a>
Yanti	<a href="mailto:yanti.yanti@adira.co.id">yanti.yanti@adira.co.id</a>
Investor Relations	<a href="mailto:af.investor.relation@adira.co.id">af.investor.relation@adira.co.id</a>

## Adira Finance

### Corporate Secretary & Investor Relation

The Landmark I, 26<sup>th</sup>-31<sup>st</sup> Floor

Jl. Jenderal Sudirman No. 1

Jakarta 12190

Phone : +62-21 5296-3232, 5296-3322 (hunting)

Fax : +62-21 5296-3354

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

## Highlights

### 1H18 Results

- **Financing disbursement rose 17% to Rp18.4 trillion in 1H18** from Rp15.7 trillion in 1H17. There were 850 new contracts underwritten for the first semester in 2018. Car financing grew 26% to Rp8.0 trillion, while motorcycle financing rose 14% to Rp9.1 trillion. The remaining was non-automotive amounted to Rp1.2 trillion.
- With new motorcycle financed amounted to 359 thousand units and new car financed amounted 27 thousand units, **market share for new motorcycle reached at 11.9%, whereby new car was at 4.8% at the end of 1H18**. As such, the market share rose 40 bps and 70 bps, respectively.
- Along with the growth in new disbursement, **managed receivables arrived at Rp48.1 trillion at the end of June 2018, an increase of 8% year-on-year**. The composition between self-financing and joint-financing portion was 58%:42%.
- **Other sources of funding, bank borrowings and bonds issued, amounted to Rp21.3 trillion**, increased 2% year-on-year as new disbursement growth significantly.
- **Net income (after tax) in the first semester of 2018 reached at Rp874 billion**, increased by 28% from Rp681 billion in 1H17. Return on reported assets stood at 6.0% for the semester.
- **Equity stood at Rp6.0 trillion as of 30 June 2018**, rose by 18% from the same period last year with increase in net income net-off dividend distribution from FY17 net income. As such, return on equity was 30.8% in 1H18.

Rp billion; %	1H17	1H18	Δ%	3Q17	4Q17	1Q18	2Q18
Total New Financing	15,679	18,361	17%	8,099	8,966	8,690	9,671
Total Managed Assets <sup>1</sup>	44,550	48,071	8%	44,382	45,232	46,076	48,071
Financing Receivables <sup>2</sup>	27,158	28,023	3%	27,111	27,246	27,030	28,023
Total Asset	28,447	29,754	5%	28,256	29,493	29,788	29,754
Total Borrowings	20,999	21,324	2%	20,518	21,006	21,075	21,324
Total Equity	5,078	5,980	18%	5,488	5,745	6,199	5,980
Net Profit after Tax	681	874	28%	410	317	443	431
ROAA <sup>3</sup>	4.9%	6.0%	1.1%	5.8%	4.4%	6.2%	5.9%
ROAE	27.6%	30.8%	3.2%	31.7%	23.7%	32.0%	30.3%

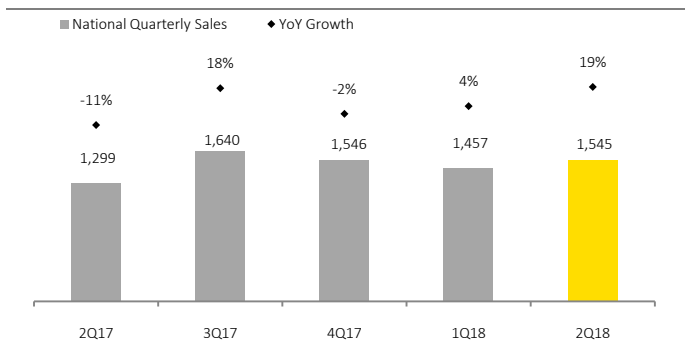
#### Note:

1. Including transaction costs of Rp312 billion and Rp705 billion in June 2018 and 2017, respectively;
2. Financing receivables from Adira Finance's self-funding before provision for losses;
3. As percentage of Reported Assets.

## Focus Charts

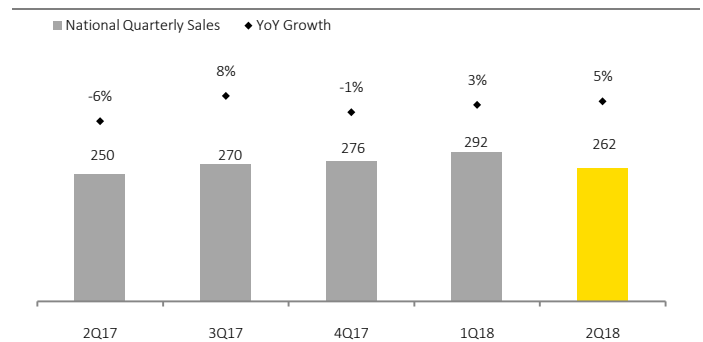
### Domestic New Motorcycle Sales

Thousand units and %



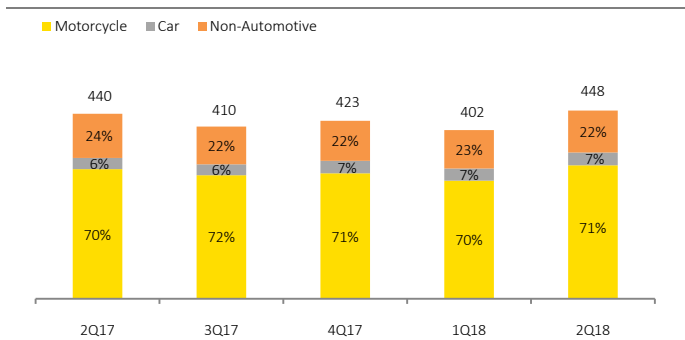
### Domestic New Car Sales

Thousand units and %



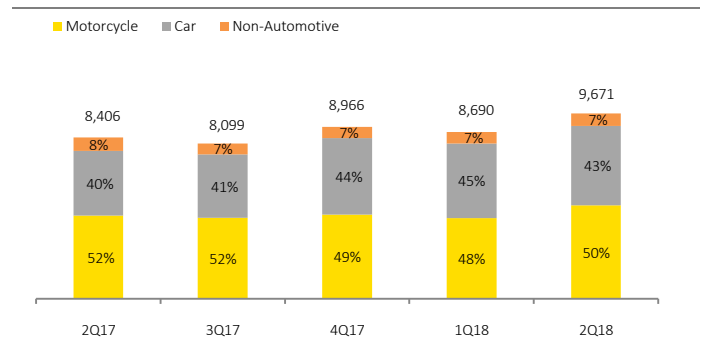
### New Financing

Thousand units and %



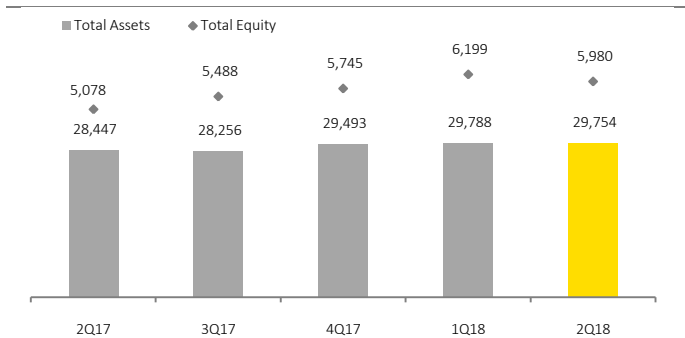
### New Financing

Rp billion and %



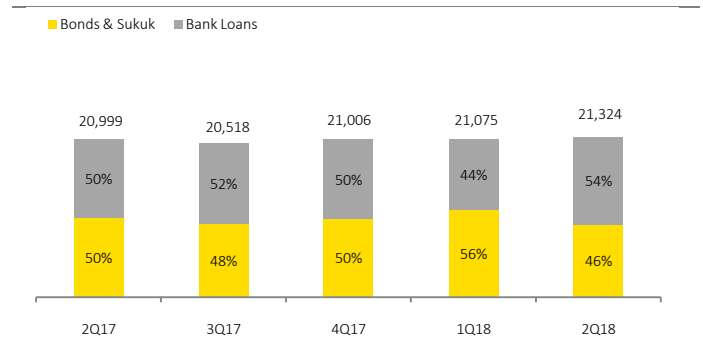
### Total Assets & Total Equity

Rp billion



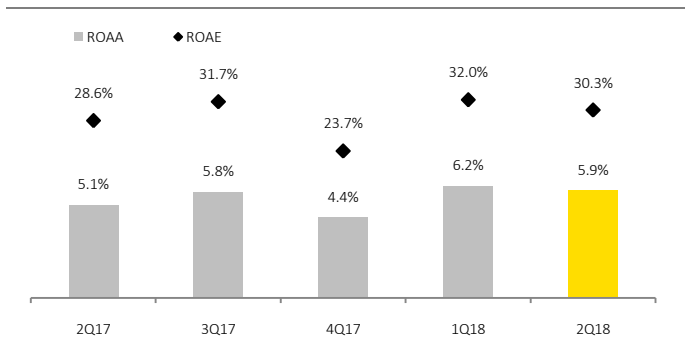
### Total Borrowings

Rp billion and %



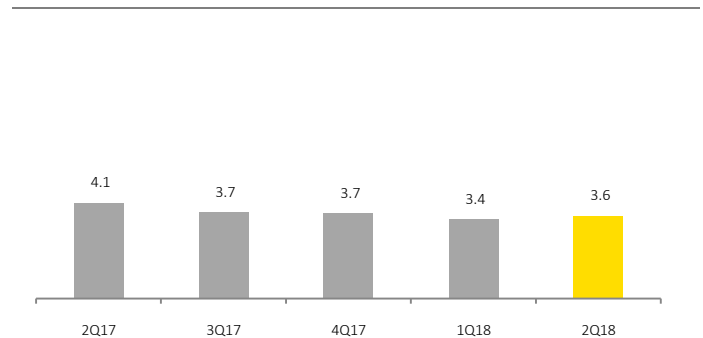
### Returns on Assets and Equity

% of Reported Assets and Equity



### Gearing Ratio

Times

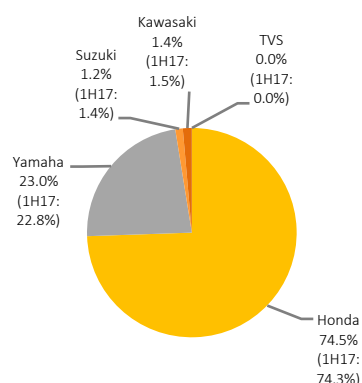


Note: Industry data sources from Indonesian Motorcycles Industry Association (AISI) and Association of Indonesian Automotive Industries (Gaikindo).

## Indonesian Automotive Sector Update

### New Motorcycle Sales by Brand

1H2018



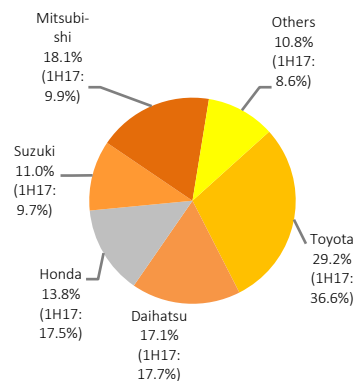
In the first semester of 2018, Indonesia's economy closed the semester with resilience. Along with a manageable inflation at 3.12% in June 2018, the government is also optimistic that the GDP growth in 2Q18 could be stronger than 1Q18 at around 5.2%. This is reflected in the wholesales of both new motorcycle and new cars for the 6 months of 2018.

The domestic new motorcycle sales recorded double digit growth 11% year-on-year in 1H18, closed at 3.0 million units, as compared to 2.7 million units in 1H17. Honda booked 11% sales increase to 2.2 million units nationwide in 1H18, with market shares sustained at 74.5%. Yamaha has sales increase of 12% to 691 thousand units; hence its market share stood at 23.0%. Kawasaki followed with sales of 41 thousand units and market share at 1.4% level. Suzuki has contracted sales, closing at 35 thousand units of sales, thus settled at 1.2% market share.

Automatic scooters have become the most common segment of motorcycle in Indonesia. The segment contributed 84% to the total national motorcycle market, taking away more and more share from underbone segment which only has 8% of market share currently. Sport motorcycle has its own market, stable at 8% contribution to the national sales.

### New Car Sales by Brand

1H2018



In 1H18, domestic new car wholesales volume closed at 554 thousand units; an increase of 4% from 1H17. Toyota is still leading the industry sales. The brand sold 161 thousand units in 1H18 and thus controlling 29.2% of market share. In the 2<sup>nd</sup> place, Mitsubishi shot up in sales by almost double to 100 thousand units with market share of 18.1%. Its low MPV, Xpander, was the ace of the brand. Mitsubishi Xpander's sales were almost 40 thousand units, which was also the best selling low MPV in the first semester of 2018. Toyota Avanza came second with 39.6 thousand units of sales.

Following in the 3<sup>rd</sup> position was Daihatsu with 17.1% after selling 95 thousand units. Honda settled at the 4<sup>th</sup> best-selling brand in country with 13.8% market share and 77 thousand units of sales.

Commercial segment has continued its growth trend, recorded 17% increase to 130 thousand units, a baseline effect. On the other hand, passenger cars sales were almost flat with 424 thousand units of sales. As such, the composition of passenger and commercial segments changed slightly to 77%:23%.

## New Financing

In 1H18, Adira Finance disbursed new financing for 850 thousand new contracts, grew 3% from 826 thousand of new contracts for the same period last year. Around 70% of the new contracts was motorcycle financing, 7% was car financing and the remaining was non-automotive. The growth contributor for our financing has been car portfolio, whereby there was an increase of 14% in new contracts, in line with Adira Finance's strategy to strengthen its footing in the 4-wheelers industry.

With new motorcycle financed amounted to 359 thousand units and new car financed amounted 27 thousand units, market share for new motorcycle reached at 11.9%, whereby new car at 4.8% at the end of 1H18. As such, the market share rose 40 bps and 70 bps, respectively.

In terms of amount, we have booked Rp18.4 trillion of new financing in 1H18, which was a growth of 17% year-on-year from the disbursement achievement in 1H17 at Rp15.7 trillion.

Motorcycle financing grew at 14% year-on-year, reached Rp9.1 trillion for 1H18. New motorcycle disbursement continued to be the growth driver for our 2-wheelers portfolio, reached Rp6.6 trillion of new disbursement, contributed 72% of the total motorcycle financing, and the remaining Rp2.5 trillion was used motorcycle.

Car financing increased by 26% year-on-year to Rp8.0 trillion. The main driver for car financing was also new vehicle, whereby it grew by 33% to Rp4.8 trillion. Used car financing amounted to Rp3.3 trillion in 1H18, rose by 18% year-on-year. The remaining was non-automotive financing, mainly consist of durables and multi-purpose loans for services, amounted to Rp1.2 trillion for the semester.

## Balance Sheet

At the end of first semester of 2018, total managed financing receivables stood at Rp48.1 trillion. Of the total, joint-financing portion was at 42% or equivalent to Rp20.1 trillion. Stand-alone financing receivables before provision for losses, stood at Rp28.0 trillion. With the strong growth in financing activities, managed financing receivables rose 8% year-on-year from 1H17.

Car portfolio grew 9% to Rp24.8 trillion at the end of 1H18 from around Rp22.7 trillion in 1H17. This represented 52% of the entire managed financing receivables. Motorcycle financing contributed 44% or equivalent to Rp21.3 trillion, while non-automotive amounted to Rp1.9 trillion at the end of the semester.

Reported total assets increased by 5% to Rp29.7 trillion for the period. Stand-alone financing receivables, which made up 89% of total assets at Rp26.6 trillion, rose by 3% year-on-year as the result of significant growth in new disbursement. The contribution of the financing receivables is much higher than the regulated minimum of 40% of total assets, which reflected the Company's strong growth.

At the end of June 2018, Adira Finance's external funding amounted to Rp21.3 trillion, rose 2% from 1H17 at Rp21.0 trillion. 54% of the external funding was bank borrowings, of which foreign currency loans amounted to 36% of the borrowings. Adira Finance implemented a policy to fully-hedged its borrowings in foreign currency including both its loan principal and interest rates. The remaining 46% of the external funding was from domestic capital market through bonds and sukuk mudharabah issuance, which in total amounted to Rp9.7 trillion.

Reported equity for the year stood at Rp6.0 trillion, rose by 18% from June 2017 at Rp5.1 trillion with the strong contribution of our net income after tax, net-off dividend distribution from FY17 net income amounted Rp704 billion. As such, at the end of first semester of 2018, the gearing ratio stood at 3.6 times as compared to 4.1 times in the same period last year, providing us ample room for future growth.

## Income Statement

In the first semester of 2018, interest income increased by 12% to Rp5.2 trillion as we recorded strong financing disbursement performance for the period. In addition, a strategic decision in a more diversified funding sources provides savings in cost of funds, as reflected by interest expenses that went down by 3% to Rp2.0 trillion. As such, net interest income rose 23% to Rp3.2 trillion in 1H18. This resulted in net interest margin of 14.6% for the period.

Operating expenses rose 13% to Rp1.7 trillion, with the main driver being the increase in manpower cost due to minimum wages increase and annual salary adjustment which take place every year, as well as in general and administration expenses to support the financing activities. Stand alone cost of credit rose to Rp734 billion due to higher new disbursement in this period. As a result, net income recorded growth of 28% to Rp874 billion.

Hence, ROAA (as percentage of average total assets) in 1H18 increased to 6.0% from 4.9% in 1H17 and ROAE (as percentage of average equity) increased to 30.8% from 27.6% a year earlier.

## Corporate Updates

### Matured Bonds and Mudharabah Bonds

In 2Q18, the Company paid off a number of matured bonds and mudharabah bonds with a total of Rp1,987 billion, namely:

Description	Serials	Nominal Value	Maturity Date
Adira Finance Continuing Bonds III Phase V	A	Rp913 bn	2 April 2018
Adira Finance Continuing Mudharabah Bonds II Phase III	A	Rp274 bn	2 April 2018
Adira Finance Continuing Bonds III Phase I	A	Rp741 bn	30 June 2018
Adira Finance Continuing Mudharabah Bonds II Phase I	B	Rp59 bn	30 June 2018

## Financial Highlights

<i>In Billion Rupiah</i>	Jun-17	Jun-18	Δ%	Sep-17	Dec-17	Mar-18	Jun-18
<b>STATEMENTS OF FINANCIAL POSITION</b>							
<b>Assets</b>							
Cash on hand and in banks	1,240	1,536	24%	1,176	2,222	1,463	1,536
Financing receivables - net of allowance for impairment	25,853	26,605	3%	25,792	25,899	25,654	26,605
Fixed assets - net of accumulated depreciation	217	228	5%	208	208	219	228
Intangible assets - net	93	112	20%	96	106	109	112
Others	1,044	1,273	22%	984	1,058	2,343	1,273
<b>Total assets</b>	<b>28,447</b>	<b>29,754</b>	<b>5%</b>	<b>28,256</b>	<b>29,493</b>	<b>29,788</b>	<b>29,754</b>
<b>Liabilities</b>							
Borrowings	10,413	11,579	11%	10,701	10,544	9,346	11,579
Bonds payables - net & mudharabah bonds	10,586	9,745	-8%	9,817	10,462	11,729	9,745
Others	2,369	2,450	3%	2,250	2,741	2,514	2,450
<b>Total liabilities</b>	<b>23,369</b>	<b>23,774</b>	<b>2%</b>	<b>22,768</b>	<b>23,748</b>	<b>23,589</b>	<b>23,774</b>
<b>Equity</b>	<b>5,078</b>	<b>5,980</b>	<b>18%</b>	<b>5,488</b>	<b>5,745</b>	<b>6,199</b>	<b>5,980</b>
<b>Total liabilities and equity</b>	<b>28,447</b>	<b>29,754</b>	<b>5%</b>	<b>28,256</b>	<b>29,493</b>	<b>29,788</b>	<b>29,754</b>

<i>In Billion Rupiah</i>	1H17	1H18	Δ%	3Q17	4Q17	1Q18	2Q18
<b>INCOME STATEMENT</b>							
Interest income	4,708	5,253	12%	2,454	2,505	2,595	2,658
Interest expense	(2,083)	(2,021)	-3%	(1,006)	(999)	(1,014)	(1,007)
<b>Net interest income</b>	<b>2,625</b>	<b>3,232</b>	<b>23%</b>	<b>1,448</b>	<b>1,506</b>	<b>1,581</b>	<b>1,651</b>
Fee income	531	410	-23%	311	245	216	194
<b>Operating income</b>	<b>3,156</b>	<b>3,642</b>	<b>15%</b>	<b>1,759</b>	<b>1,751</b>	<b>1,797</b>	<b>1,845</b>
Operating expense	(1,489)	(1,684)	13%	(754)	(755)	(836)	(848)
<b>Net operating expense</b>	<b>1,667</b>	<b>1,958</b>	<b>17%</b>	<b>1,004</b>	<b>996</b>	<b>961</b>	<b>997</b>
Cost of credit	(652)	(734)	13%	(394)	(429)	(355)	(379)
Other income/(expense)	(4)	(2)	-55%	6	(73)	(1)	(1)
<b>Income before income tax</b>	<b>1,012</b>	<b>1,222</b>	<b>21%</b>	<b>616</b>	<b>494</b>	<b>605</b>	<b>617</b>
<b>Net income for the period</b>	<b>681</b>	<b>874</b>	<b>28%</b>	<b>410</b>	<b>317</b>	<b>443</b>	<b>431</b>

## Financial Highlights

KEY RATIOS	1H17	1H18	Δ%	3Q17	4Q17	1Q18	2Q18
<b>Profitability and Efficiency (%)</b>							
Return to average total assets	4.9%	6.0%	1.1%	5.8%	4.4%	6.2%	5.9%
Return to average equity	27.6%	30.8%	3.2%	31.7%	23.7%	32.0%	30.3%
Net income to total income	15.5%	17.7%	2.2%	17.4%	13.2%	18.1%	17.4%
Cost to income	47.2%	46.2%	-0.9%	42.9%	43.1%	46.5%	46.0%
<b>Leverage and Liquidity (X)</b>							
Total assets to total liabilities	1.2	1.3	0.1	1.2	1.2	1.3	1.3
Total equity to total liabilities	0.2	0.3	0.1	0.2	0.2	0.3	0.3
Gearing ratio	4.1	3.6	-0.6	3.7	3.7	3.4	3.6

NEW FINANCING	1H17	1H18	Δ%	3Q17	4Q17	1Q18	2Q18
<b>In Thousand Units</b>							
Motorcycle	572	599	5%	295	299	281	318
Car	52	59	14%	26	29	29	31
Non-automotive	202	192	-5%	89	95	92	100
<b>Total Financed Unit</b>	<b>826</b>	<b>850</b>	<b>3%</b>	<b>410</b>	<b>423</b>	<b>402</b>	<b>448</b>
<b>In Billion Rupiah</b>							
Motorcycle	7,947	9,069	14%	4,220	4,397	4,198	4,871
Car	6,375	8,046	26%	3,315	3,981	3,903	4,143
Non-automotive	1,357	1,246	-8%	565	588	588	658
<b>Total Financed Amount</b>	<b>15,679</b>	<b>18,361</b>	<b>17%</b>	<b>8,099</b>	<b>8,966</b>	<b>8,690</b>	<b>9,671</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.