

## Shareholding Composition

	1H15	1H16
Bank Danamon Indonesia	95.0%	92.1%
Public (≤ 5%)	5.0%	7.9%

## Credit Ratings (PEFINDO)

	Rating/Outlook
Corporate	idAAA/Stable
Bonds	idAAA
MudharabahBonds	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

### 1H16 Results

- We booked relatively stable new financing disbursement of Rp14.9 trillion or equivalent to 843 thousand new contracts in 1H16. Motorcycle contributed 56% of total financing disbursement, equivalent to Rp8.4 trillion, while car was 42% or equivalent to Rp6.2 trillion. The remaining was durables with 2% contribution, equivalent to Rp335 billion.
- Sharia-based new disbursement recorded a robust growth to Rp3.8 trillion, doubled from Rp1.8 trillion a year earlier. Majority of the disbursement was for new motorcycle financing, growing from Rp1.2 trillion in 1H15 to almost Rp2.5 trillion in 1H16. Receivables of the sharia-based financing stood at Rp7.5 trillion at the end of 1H16, 80% growth from a year earlier.
- Managed receivables, including joint-financing, reached Rp44.6 trillion at the end of June 2016, of which 58% was self-funded, while the remaining was *joint-financing*. The contribution between motorcycle and car financing receivables stood at 48%:51%, respectively, and the remaining 1% was contributed by durables of Rp343 billion.
- We recorded net income of Rp593 billion for the first half of 2016, a robust growth from Rp198 billion in 1H15. We see growing operating income as well as savings in interest expenses and operating expenses fueled such growth.
- Equity stood at Rp4.6 trillion as of 30 June 2016, rose by 17% as compared to the same period in 2015 which stood at Rp3.9 trillion. We have external funding amounting to Rp20.9 trillion, thus gearing ratio was maintained well below regulated level at 4.6 times, went down from 6.1 times a year earlier.

Rp billion; %	1H15	1H16	Δ%	3Q15	4Q15	1Q16	2Q16
Total New Financing	15,008	14,875	-1%	7,809	7,712	6,950	7,925
Total Managed Assets <sup>1</sup>	47,850	44,601	-7%	47,266	46,421	45,039	44,601
Financing Receivables <sup>2</sup>	27,778	25,999	-6%	26,795	26,026	25,064	25,999
Total Asset	29,856	27,426	-8%	29,488	27,744	26,458	27,426
Total Borrowings	23,709	20,904	-12%	23,179	21,308	20,024	20,904
Total Equity	3,912	4,579	17%	4,204	4,361	4,598	4,579
Net Profit after Tax	198	593	199%	225	242	286	307
ROAA <sup>3</sup>	1.3%	4.2%	2.9%	2.9%	3.3%	4.0%	4.4%
ROAE	10.0%	27.4%	17.4%	22.1%	23.2%	27.0%	28.4%
NPL <sup>4</sup>	1.75%	1.86%	0.11%	1.74%	1.72%	1.77%	1.86%

#### Note:

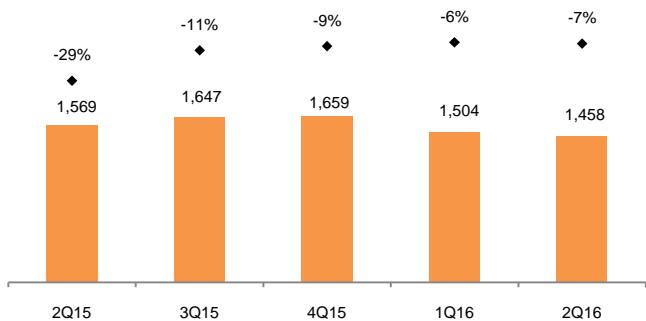
1. Including transaction costs of Rp1,302 billion and Rp2,033 billion in 1H16 and 1H15, respectively;
2. Financing receivables from Adira Finance's self-funding before loss provision;
3. As percentage of Reported Assets; and
4. Including Joint-Financing Portion.

# Focus Charts

## Domestic New Motorcycle Sales

Thousand Units and %

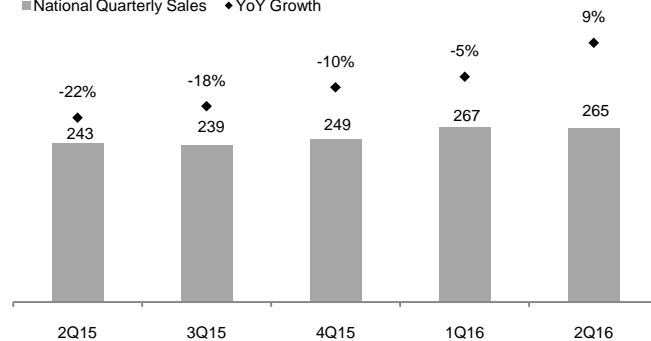
■ National Quarterly Sales ◆ YoY Growth



## Domestic New Car Sales

Thousand Units and %

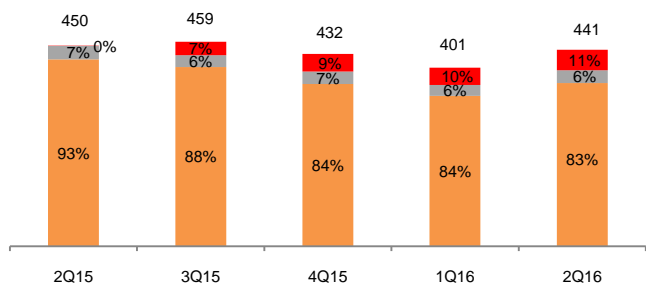
■ National Quarterly Sales ◆ YoY Growth



## New Financing

Thousand Units

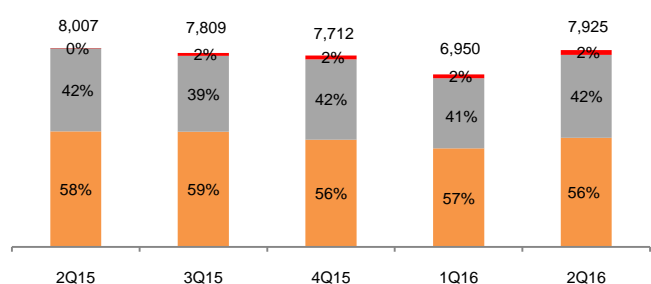
■ Motorcycle ■ Car ■ Durables



## New Financing

Rp billion

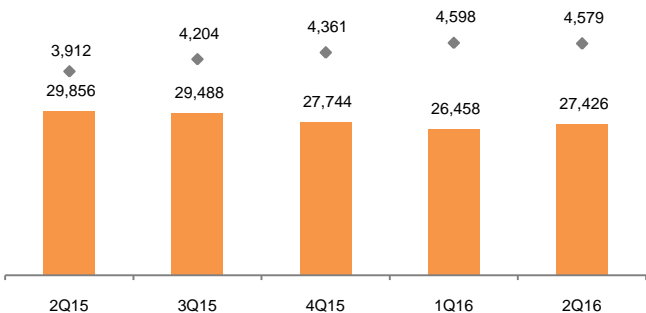
■ Motorcycle ■ Car ■ Durables



## Total Assets & Total Equity

Rp billion

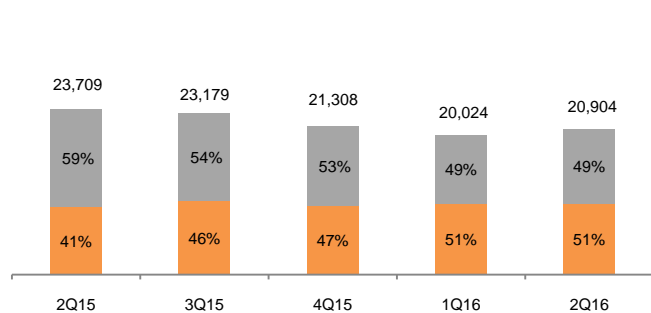
■ Total Assets ◆ Total Equity



## Total Borrowings

Rp billion; and Times

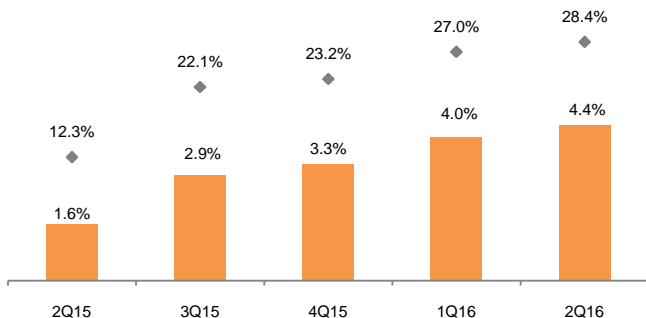
■ Bonds ■ Bank Loans



## ROAA & ROAE

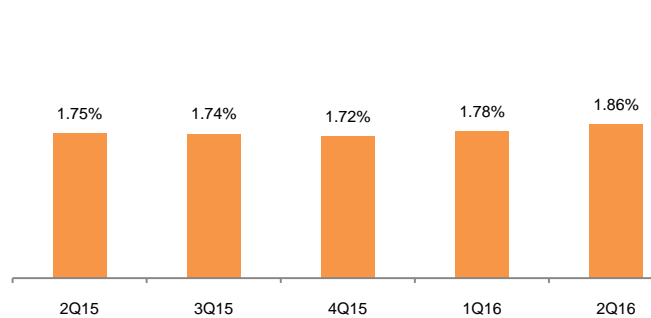
% of Average Total Assets and Equity

■ ROAA ◆ ROAE



## Consolidated Non-Performing Loan

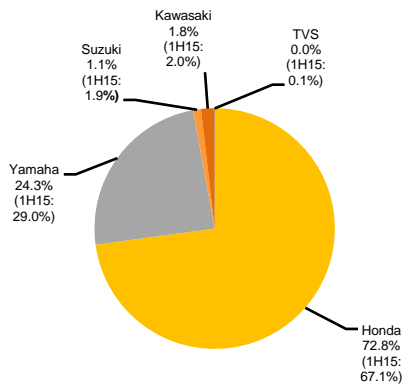
% of Receivables



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**  
1H 2016



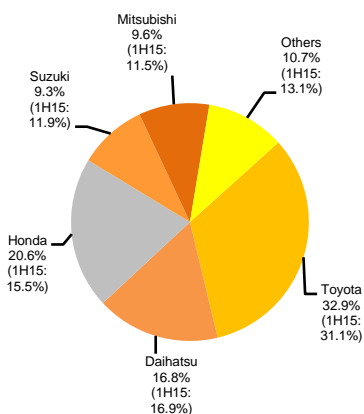
Thus far, GDP growth was slightly lower in 1Q2016 at 4.92% when compared to 4Q2015 at 5.04%, the central bank expected that it will be more or less at the 5% level. This was attributable to the sluggish export growth amid pressure on the global economy, and investment level that has not reached significant growth. However, household consumption with the Lebaran month (Muslim's holy month) is expected to boost the growth. Nevertheless, the government's efforts to maintain the stability was obvious, as seen through inflation which was well maintained at 3.45% in June 2016, despite of coinciding with the fasting month which would normally drive inflation wildly, particularly due to food inflation. This level was much lower when compared to the same period in 2015, whereby inflation stood at 7.26%. Furthermore, BI had revised its benchmark rate to 25 bps lower in order to boost credit growth. Thus, BI rate currently settled at 6.50%, currently the lowest level since 2H2013.

In the first half of 2016, new motorcycle domestic wholesales that normally reflected the purchasing power of the Indonesians, was contracted by 7% to 3.0 million units, as compared to the sales for 1H2015 which was 3.2 million units. Of all the AISI members, Honda was the only brand that maintained its sales by selling 2.2 million units nationwide. With this, the brand continued to strengthen its market domination by capturing 72.8% market share.

Yamaha sold 719 thousand units and secured 24.3% of the domestic market share. In the 3<sup>rd</sup> place was Kawasaki that only focuses on sport segment with 53 thousand units sold, or equivalent to 1.8% of the market share. Suzuki sold 31 thousand units of new motorcycle with 1.1% of the market share.

A very stringent competition has been taking place in the market, in view that Indonesia is also the largest new motorcycle market in South East Asia, with the highest annual sales achievement of 8 million units in 2011. We see constant shaping of the market as well, whereby a decade ago, underbone motorcycle was the best selling segment in Indonesia, contributing over 80% of domestic sales, while scootic only has over 8% of the market sales. However, competition has changed the landscape whereby until 1H2016, scootic has been the leading segment with contribution of 77.6% to the market. On the other hand, sport segment has its own steady growth with 11.5% market until today. Honda has been the market leader for scootic and underbone segments, and the brand is making its way to become the leader in sport segment as well.

**New Car Sales by Brand**  
1H 2016



In contrary to the motorcycle sales, the domestic new car wholesales has started to record growth since contracting from 2014. In 1H2016, new car sold nationwide has reached 532 thousand units, up by 1% as compared to the same period last year with 525 thousand units sold. Since January 2016, new cars' monthly sales have been consistently above 80 thousand units. Highest selling point took place in March and June 2016 with 94 thousand units and 91 thousand units sold, respectively.

Overall, the Astra Group still manages 50% of the domestic wholesales of new cars. The group's main brands, Toyota recorded increased sales of 7% y-o-y to 175 thousand units, while Daihatsu sold 90 thousand units, a slight increase of 1% y-o-y. These sales secured 32.9% and 16.8% of market share for Toyota and Daihatsu. Honda which has been aggressive in launching its products recorded fantastic sales with 35% y-o-y growth by selling 110 thousand units new cars, and thus, acquired market share of 20.6% and became the second bestselling brand in the country.

Mitsubishi and Suzuki with commercial segment cars experienced contractions in sales. Both brands sold 51 thousand units and 50 units, respectively. Thus, Mitsubishi has 9.6% of market share, while Suzuki with 9.3% for the first half of 2016.

A significant contraction in commercial segment is unavoidable as commodity sectors have not recovered. Until end of June 2016, the segment's sales were corrected by 30% y-o-y became 105 thousand units. However, passenger segment car sales picked up by 14% y-o-y to 427 thousand units. As such, the current composition of car sales by segments was 80%:20% for passenger and commercial cars. LCGC remained robust in sales.

Given the many government and central bank's efforts to further spur the economic growth, among others are tax amnesty, cabinet reshuffle, lower BI benchmark rate, raising the floor of Loan to Financing Ratio based Reserve Requirement, business players tend to have more positive outlook for the second half this year. When credit and consumption pick up, the automotive industry is expected to grow stronger as well.

## New Financing

---

In 1H2016, Adira Finance financed a total of 843 thousand new contracts. Motorcycle remains as the main contributor, i.e. 84% of total new contracts, whereby cars contributed 6% and durables contributed 10%. Durables financing was newly started in May 2015. It focuses more on existing motor vehicles consumers.

For the first half of 2016, new motorcycle financing reached 347 thousand units. The bookings were weaker in 1Q2016, as reflected by still contracted market of motorcycle domestic sales with stringent competition among finance companies; nevertheless, it grew in the second quarter by almost 11% (q-o-q), from 164 thousand units to 182 thousand units. As such, our market share for new motorcycles financing grew from 10.9% in 1Q2016 to 12.5% in 2Q2016. Hence, overall new motorcycle market share in 1H2016 stood at 11.7%. In car financing; we recorded a total disbursement for 53 thousand units, consisted of 21 thousand units of new cars and 32 thousand of used cars. As such, market share for new cars stood at 4.0% when compared with the domestic wholesales for new cars.

In terms of amount financing, around 56% of new financing disbursement was derived from motorcycles portfolio, 42% from cars portfolio and the remaining 2% from durables financing. Overall, new motorcycle remained as the main contributor to Adira Finance's financing business, whereby 37% or equivalent to Rp5.5 trillion of its business was derived from this product. Secondly was new car portfolio with 22% contribution, an equivalent of Rp3.3 trillion until the first half of 2016. As such, new vehicles financing contributed to 59% of new disbursement for 1H2016, while the remaining were used vehicles and durables.

We see growing interest on sharia-based financing, whereby our sharia-based financing recorded double growth in 1H2016 from Rp1.8 trillion in 1H2015 to Rp3.8 trillion currently. The growth driver mainly stemmed from motorcycle portfolio, which made up 71% of the new financing disbursement in 1H2016, and car portfolio the remaining.

## Balance Sheet

---

As of 30 June 2016, our total managed financing receivables amounted Rp44.6 trillion, whereby the joint-financing portion was 42% or equivalent to Rp18.6 trillion. This position was lower by 7% y-o-y from Rp47.8 trillion for the same period in 2015. The contraction was mainly driven by the limited growth in financing disbursement, constrained by the slowdown in the automotive market, particularly new motorcycles, as well as the intense competition landscape. On the other hand, historically, majority of our receivables comprised of motorcycle portfolio with shorter tenor of 2.5 years on average.

Our stand-alone financing receivables before provision for losses, stood at Rp26.0 trillion at the same position at the year end of 2015. As we shifted bookings more to cars in anticipation of slower motorcycle market, the composition between motorcycle and car portfolios had changed as well. Until end of June 2016, car portfolio contributed 51% of the entire managed financing receivables, a significant increase when compared to 5 years ago at 38%.

As such, total assets was recorded at Rp27.4 trillion at the end of 1H2016, contracted by 8% y-o-y, mainly driven by the contraction in financing receivables. When compared on yearly basis, our self-funded financing receivables, net-off provision for losses, stood at Rp24.9 trillion as compared to RpRp26.6 trillion a year ago. Stand alone financing receivables contributed 91% to our total assets, thus, much higher than the regulated financing to assets ratio at 40%.

At the end of 1H2016, the external funding amounted to Rp20.9 trillion, went down by 12% from the same period last year of Rp23.7 trillion. The movement of external funding is shifted based on the financing activities as well as the diversification strategy. The bank borrowings amounted to Rp10.7 trillion, consisted of Rp7.8 trillion of on-shore borrowings and Rp2.9 trillion from off-shore, while bonds and sukuk *mudharabah* amounted to Rp10.2 trillion. As such, the composition between bank borrowings and bonds were almost equal, standing at 51% and 49%, respectively.

We closed the 1H2016 by recording equity of Rp4.6 trillion, up by 17% from the same period last year at Rp3.9 trillion. The increase was mainly driven by the increase in the recognition of net income which had strengthened since 2H2015, net off with dividend payment after the resolution to distribute 50% of 2015 net income. We have distributed the dividend in June 2016, amounted to Rp332.5 billion. As such, at the end of 1H2016, our gearing ratio stood at 4.6 times, far below from the regulated level of 10 times.

## Income Statement

---

In 1H16, we recorded interest income of Rp4.5 trillion, rose 3% largely due to the portfolio mix that we have currently, whereby used vehicles portion grew over the period, from initially 29% in 1H15 to 31%. Furthermore, there were savings from interest expenses which stood at Rp2.4 trillion, down by 10% as a result of a more favorable interest environment in Indonesia. Additionally, the central bank thus far has lower benchmark rate by 100 bps since end of last year, hence standing at 6.5% at the end of 1H16. The Government together with the central bank have been working hand-in-hand to ensure sufficient liquidity for the businesses and individuals in order to drive the targeted economic growth.

As a result, our average cost of fund stood at 10.8%, down from last year at 11.5%. After taking into account our cost of fund, net interest income was posted at Rp2.2 trillion in 1H16, or equivalent to net interest margin of 9.9%. Given our fee income of Rp670 billion, operating income was booked at Rp2.8 trillion in 1H16.

Continuing in cost discipline, our operating expenses went down by 6% to Rp1.4 trillion in 1H16 from Rp1.5 trillion in 1H15, with operating expenses ratio stood at a stable 6.3% in 1H16. Furthermore, stand-alone cost of credit improved to Rp698 billion in 1H16. With the economy still under pressure currently, one of the Company's priority is to maintain asset quality at a manageable level. As a result, net income after tax went up to Rp593 billion in 1H16 from Rp198 billion in 1H15. ROAA (as percentage of average total assets) for 1H16 posted at 4.2% while ROAE (as percentage of average equity) at 27.4%.

## Corporate Updates

### Issuance of Continuing Bonds III Phase IV and Continuing *Mudharabah* Bonds II Phase II

On 26 July 2016, Adira Finance has listed its latest bonds and *mudharabah* bonds issuance in the IDX with the following details:

Bonds/Mudharabah Bonds Serials	Nominal Value (Rp Billion)	Coupon Rate p.a./ Sharing Revenue Ratio	Tenor
Continuing Bonds III Phase IV			
- Serial A	835	7.90%	370 days
- Serial B	434	8.75%	36 months
- Serial C	431	9.25%	60 months
<b>Total</b>	<b>1,700</b>		
Continuing Mudharabah Bonds II Phase II			
- Serial A	30	7.90%	370 days
- Serial B	42	8.75%	36 months
- Serial C	14	9.25%	60 months
<b>Total</b>	<b>86</b>		

With this exercise, we have issued a total of Rp2,887 billion of bonds and *mudharabah* bonds until July 2016 as part of our funding strategy.

## Financial Highlights

<i>In Billion Rupiah</i>	Jun-15	Jun-16	Δ%	Sep-15	Dec-15	Mar-16	Jun-16
<b>STATEMENTS OF FINANCIAL POSITION</b>							
<b>Assets</b>							
Cash and cash equivalents	1,241	1,100	-11%	1,322	1,060	931	1,100
Financing receivables - net of allowance of impairment	26,641	24,885	-7%	25,673	24,919	23,988	24,885
Fixed assets - net of accumulated depreciation	272	229	-16%	255	243	235	229
Intangible assets - net	65	71	9%	63	74	75	71
Others	1,638	1,141	-30%	2,175	1,448	1,229	1,141
<b>Total assets</b>	<b>29,856</b>	<b>27,426</b>	<b>-8%</b>	<b>29,488</b>	<b>27,744</b>	<b>26,458</b>	<b>27,426</b>
<b>Liabilities</b>							
Borrowings	13,958	10,722	-23%	12,568	11,388	9,844	10,722
Bonds payables - net & <i>mudharabah</i> bonds	9,751	10,182	4%	10,611	9,919	10,180	10,182
Others	2,236	1,943	-13%	2,105	2,076	1,837	1,943
<b>Total liabilities</b>	<b>25,945</b>	<b>22,847</b>	<b>-12%</b>	<b>25,284</b>	<b>23,383</b>	<b>21,860</b>	<b>22,847</b>
<b>Equity</b>	<b>3,912</b>	<b>4,579</b>	<b>17%</b>	<b>4,204</b>	<b>4,361</b>	<b>4,598</b>	<b>4,579</b>
<b>Total liabilities and equity</b>	<b>29,856</b>	<b>27,426</b>	<b>-8%</b>	<b>29,488</b>	<b>27,744</b>	<b>26,458</b>	<b>27,426</b>

<i>In Billion Rupiah</i>	1H15	1H16	Δ%	3Q15	4Q15	1Q16	2Q16
<b>INCOME STATEMENT</b>							
Interest income	4,431	4,543	3%	2,287	2,315	2,284	2,258
Interest expense	(2,629)	(2,369)	-10%	(1,299)	(1,281)	(1,223)	(1,147)
<b>Net interest income</b>	<b>1,802</b>	<b>2,173</b>	<b>21%</b>	<b>988</b>	<b>1,034</b>	<b>1,062</b>	<b>1,112</b>
Fee income	724	670	-7%	371	341	316	354
<b>Operating income</b>	<b>2,526</b>	<b>2,843</b>	<b>13%</b>	<b>1,359</b>	<b>1,375</b>	<b>1,378</b>	<b>1,466</b>
Operating expense	(1,462)	(1,382)	-6%	(655)	(520)	(690)	(691)
<b>Net operating expense</b>	<b>1,064</b>	<b>1,462</b>	<b>37%</b>	<b>703</b>	<b>854</b>	<b>687</b>	<b>774</b>
Cost of credit	(837)	(698)	-17%	(425)	(322)	(318)	(381)
Other income/(expense)	41	27	-34%	29	(207)	16	11
<b>Income before income tax</b>	<b>268</b>	<b>791</b>	<b>195%</b>	<b>307</b>	<b>326</b>	<b>386</b>	<b>405</b>
<b>Net income for the period</b>	<b>198</b>	<b>593</b>	<b>199%</b>	<b>225</b>	<b>242</b>	<b>286</b>	<b>307</b>

## Financial Highlights

KEY RATIOS	1H15	1H16	Δ%	3Q15	4Q15	1Q16	2Q16
<b>Profitability and Efficiency (%)</b>							
Return to average total assets	1.3%	4.2%	2.9%	2.9%	3.3%	4.0%	4.4%
Return to average equity	10.0%	27.4%	17.4%	22.1%	23.2%	27.0%	28.4%
Net income to total income	5.0%	14.4%	9.4%	10.9%	11.7%	14.1%	14.7%
Cost to income	57.9%	48.6%	-9.3%	48.2%	37.9%	50.1%	47.2%
<b>Leverage and Liquidity (X)</b>							
Total assets to total liabilities	1.2	1.2	0.0	1.2	1.2	1.2	1.2
Total equity to total liabilities	0.2	0.2	0.0	0.2	0.2	0.2	0.2
Gearing ratio	6.1	4.6	-1.5	5.5	4.9	4.4	4.6
<b>Assets Quality (%)</b>							
Non-performing loan to managed receivables	1.75%	1.86%	0.11%	1.74%	1.72%	1.77%	1.86%

NEW FINANCING	1H15	1H16	Δ%	3Q15	4Q15	1Q16	2Q16
<b><i>In Thousand Units</i></b>							
Motorcycle	788	704	-11%	402	364	338	366
Car	56	53	-5%	27	28	24	29
Durables	1	86	n/a	30	40	39	47
<b>Total Financed Unit</b>	<b>844</b>	<b>843</b>	<b>0%</b>	<b>459</b>	<b>432</b>	<b>401</b>	<b>441</b>
<b><i>In Billion Rupiah</i></b>							
Motorcycle	8,641	8,369	-3%	4,642	4,316	3,969	4,400
Car	6,365	6,171	-3%	3,050	3,245	2,829	3,342
Durables	2	335	n/a	117	151	152	183
<b>Total Financed Amount</b>	<b>15,008</b>	<b>14,875</b>	<b>-1%</b>	<b>7,809</b>	<b>7,712</b>	<b>6,950</b>	<b>7,925</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.