

Shareholding Composition

	Dec-15	Dec-16
Bank Danamon Indonesia	95.0%	92.1%
Public (≤ 5%)	5.0%	7.9%

Credit Ratings (PEFINDO)

	Rating/Outlook
Corporate	idAAA/Stable
Bonds	idAAA
Mudharabah Bonds	idAAA _(sy)

Contacts

Perry B. Slangor	perry.slangor@adira.co.id
Yanti	yanti.yanti@adira.co.id
Investor Relations	af.investor.relation@adira.co.id

Adira Finance

Corporate Secretary & Investor Relation

The Landmark I, 26th-31st 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

Highlights

FY16 Results

- **We ended 2016 by recording new financing disbursement of Rp30.9 trillion or equivalent to 1.7 million new contracts.** Motorcycle contributed 56% of total financing disbursement, equivalent to Rp17.2 trillion, while car was 42% or equivalent to Rp13.0 trillion. The remaining was durables with 2% contribution, equivalent to Rp705 billion.
- **We saw solid growth in Sharia-based new disbursement, which almost doubled to Rp8.4 trillion from Rp4.5 trillion a year earlier.** Motorcycles remained as the leading contributor, providing 75% contribution, while the remaining 25% from cars.
- **Managed receivables, including joint-financing, closed at Rp44.4 trillion at the end of the year.** Our self-funded portion stood at 60%, while the remaining was joint-financing with our parent company. The contribution between motorcycle and car financing receivables stood at 48%:51%, respectively, and the remaining 1% was contributed by durables.
- **Our net income (after tax) boosted to Rp1,009 billion for FY16, a strong growth from Rp665 billion in FY15.**
- **Equity was closed at Rp5.0 trillion as of 31 December 2016, rose by 14% as compared to end of 2015 which stood at Rp4.4 trillion.** External funding amounted to Rp20.2 trillion. As such, our gearing ratio stood at only 4.1 times, well below the regulated level.

Rp billion; %	FY15	FY16	Δ%	1Q16	2Q16	3Q16	4Q16
Total New Financing	30,528	30,885	1%	6,950	7,925	7,198	8,813
Total Managed Assets ¹	46,421	44,448	-4%	45,039	44,601	43,761	44,448
Financing Receivables ²	26,026	26,557	2%	25,064	25,999	25,697	26,557
Total Asset	27,744	27,643	0%	26,458	27,426	27,012	27,643
Total Borrowings	21,308	20,243	-5%	20,024	20,904	20,210	20,243
Total Equity	4,361	4,977	14%	4,598	4,579	4,878	4,977
Net Profit after Tax ⁵	665	1,009	52%	286	307	311	106
ROAA ^{3,5}	2.3%	3.7%	1.4%	4.0%	4.4%	4.5%	1.5%
ROAE ⁵	16.1%	21.6%	5.5%	27.1%	28.5%	27.4%	9.0%
NPL ⁴	1.72%	1.56%	-0.15%	1.78%	1.86%	1.76%	1.78%

Note:

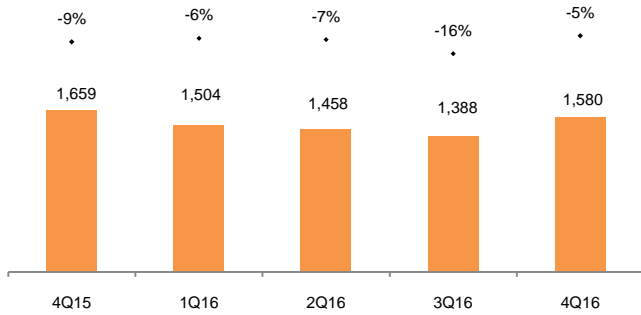
1. Including transaction costs of Rp1,138 billion and Rp1,653 billion in December 2016 and 2015, respectively;
2. Financing receivables from Adira Finance's self-funding before provision for losses;
3. As percentage of Reported Assets;
4. Including Joint-Financing Portion; and
5. 4Q16: Including one-time tax expense adjustment.

Focus Charts

Domestic New Motorcycle Sales

Thousand Units and %

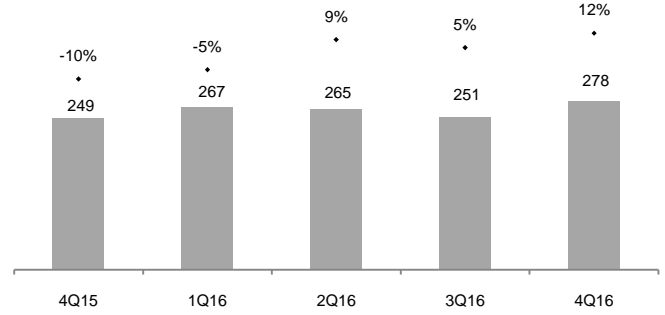
■ National Quarterly Sales • YoY Growth



Domestic New Car Sales

Thousand Units and %

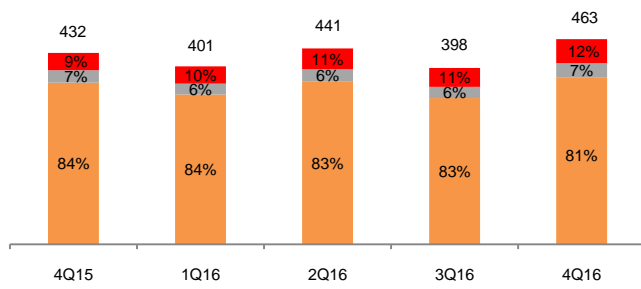
■ National Quarterly Sales • YoY Growth



New Financing

Thousand Units

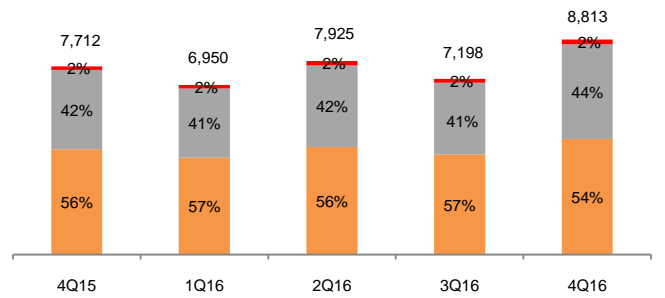
■ Motorcycle ■ Car ■ Durables



New Financing

Rp billion

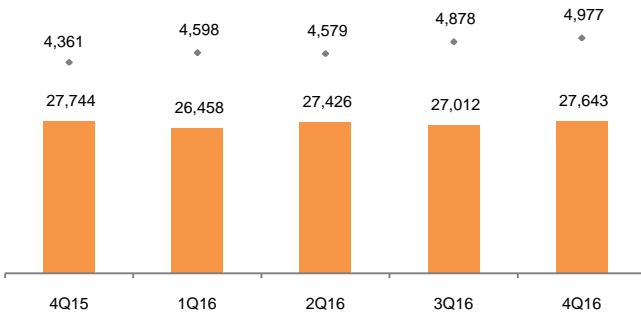
■ Motorcycle ■ Car ■ Durables



Total Assets & Total Equity

Rp billion

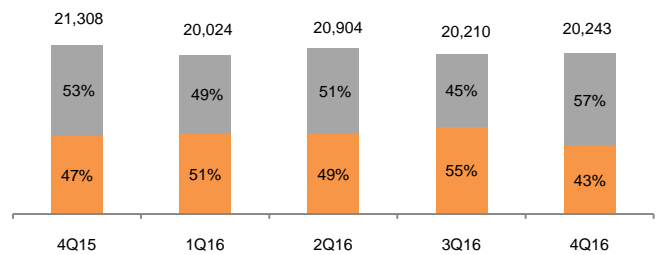
■ Total Assets • Total Equity



Total Borrowings

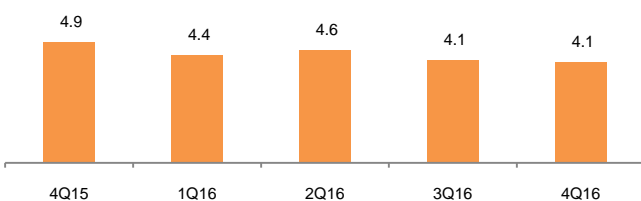
Rp billion; and Times

■ Bonds ■ Bank Loans



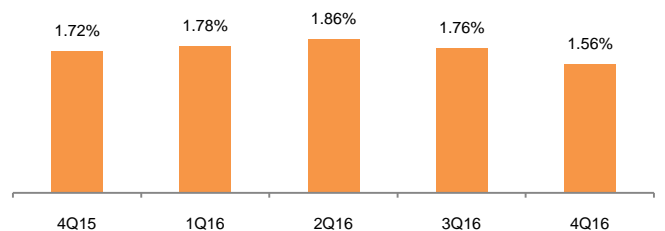
Gearing Ratio

Times



Consolidated Non-Performing Loan

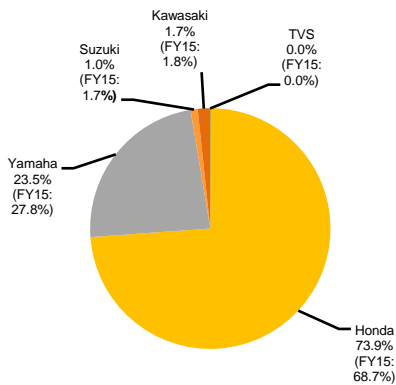
% of Receivables



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 FY 2016



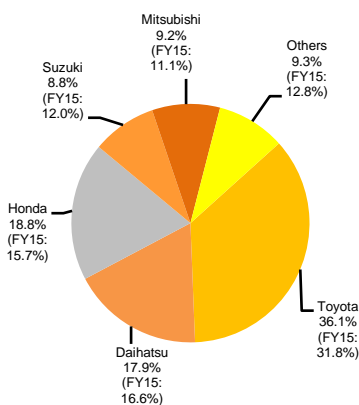
At the end of 2016, macroeconomic indicators showed encouraging movement. GDP growth managed to reach the level slightly above 5%, inflation went down by over 30 bps to 3.02%. The central bank had revised down the benchmark rate many times in order to help spur credit growth, until end of the year, the BI 7-Day Repo Rate stood at 4.75%.

Nevertheless, these conditions have not fully impacted the domestic vehicle sales, particularly motorcycle sales which were the proxy of the purchasing power of middle-low income segment in the country. As published by the association, new motorcycle domestic wholesales closed the year still in contraction. The sales for 1H2016 and 2H2016 were flat at 2,963 thousand units and 2,968 thousand units, respectively. Even Lebaran season did not provide much boost to the annual sales.

In 2016, new motorcycle domestic wholesales only reached 5.9 million units, down by 8% as compared to the sales for 2015 which was at 6.5 million units. Honda remained strategically aggressive and maintained its sales whereby experiencing contraction of only by 2% y-o-y with sales of 4.4 million units nationwide. As such, Honda controls 73.9% market share in Indonesia, up by 5.1% compared to last year. Yamaha sold 1.4 thousand units and secured 23.5% of the domestic market share. In the 3rd place was Kawasaki with its sport segment by selling 98 thousand units, an equivalent to 1.7% of the market share. Suzuki's sales reached 57 thousand units of new motorcycle with 1.0% of the market share. Geographical wise, the national wholesales' deeper contraction took place outside Java by 11%, while in Java the contraction was slightly under the national sales at 7%. Java as the backbone of national economy could still provide major contribution for the motorcycle industry.

Auto-scooters continued its standing as the best seller in the country, recording only 4% contraction, not as deep as the national sales. Until end of 2016, the segment controlled 79% of the Indonesian new motorcycle domestic wholesales, followed by Sports with stable contribution of 11% and the remaining was underbone. As for 2017, the association predicted that the sales for motorcycle could recover, at least by being relatively stable or flat in its annual sales. Although estimated GDP growth is not significant, around 5.2% according to the government, however, purchasing power is expected to be stronger.

New Car Sales by Brand FY 2016



The domestic new car wholesales has recovered since April 2016. After a contraction in the first two months, the industry sales have consistently registered positive growth of minimum at 4% y-o-y every month, with the exception only in September 2016, but only down by 1%. As such, its annual sales in 2016 grew by 5% to 1.1 million units sales. The main driver for the growth was LCGC.

Toyota sold 383 thousand units or equivalent to 36.1% market share nationwide. The brand recorded sales growth of 19% y-o-y, thanks to its newly launched 7-seaters LCGC in 2016. Daihatsu sold 190 thousand units and thus hold in 17.9% market share. When combined, the two brands gave 53.9% market share for the Astra Group, up from 48.4% last year.

Honda continued its strong growth by recording sales growth of 25% with sales of 199 thousand units of new cars in 2016. With this performance, Honda currently controls 18.8% Indonesia's market share. Mitsubishi sold 98 thousand units with 9.2% market share and Suzuki's sales amounted to 93 thousand units, thus its market share stood at 8.8%.

Commercial segment still recorded negative growth. Until end 2016, the segment's sales were corrected by 28% y-o-y to 205 thousand units. In contrary, passenger segment car sales rose by 18% y-o-y to 857 thousand units.

As such, the composition of car sales by segments consisted of 81%:19% for passenger and commercial cars, a significant difference from 72%:28% a year earlier. The main drivers for sales in passenger segment were MPV and LCGC. Furthermore, LCGC has now contributed 22% for the national sales. Despite an encouraging performance in 2016, the association remains cautious with the surrounding market condition. Thus, 2017 domestic sales is expected to grow by 5% y-o-y.

New Financing

Throughout 2016, Adira Finance financed 1.7 million new contracts. Motorcycle contributed the most in terms of units, i.e. 83% of total new contracts, whereby cars contributed 6% and durables contributed 11%. New motorcycle financing reached 728 thousand units, thus Adira Finance market share reached 12.3% in FY16, rose slightly when compared to 2015 at 12,0%. However, on quarterly basis, Adira Finance's new motorcycle market share grew steadily, from only 10.9% in 1Q16 to 12.5% in 2Q16, rose further to 12.9% in 3Q16 and remained stable at 12.8% in 4Q16.

New car financing stood at 48 thousand units, hence resulting Adira Finance to secure market share of 4.3% in the domestic new car sales, maintained from 4.2% in 9M16. In response to the downturn of commercial car sales in Indonesia for the past couple of years, Adira Finance shifted focus to financing for passenger cars which has sturdy growth in contrast to commercial segment. There was an improvement on a quarterly basis as well, from 3.7% in 1Q16 to 4.3% in 2Q16, grew further to 4.5% in 3Q16 and rose to 5.4% in 4Q16.

In terms of amount financing, Adira Finance had disbursed a total of Rp30.9 trillion in FY16, relatively stable or flat as compared to FY15 at Rp30.5 trillion. Nevertheless, the Company has come out from contraction in 2015. Around 56% of new financing disbursement was derived from motorcycles portfolio, 42% from cars portfolio and the remaining 2% from durables financing. Thus, the amount of financing were Rp17.2 trillion for motorcycle, Rp13.0 trillion for car and Rp705 billion for durables.

Furthermore in the overall car financing activity, Adira Finance shifted its financing more to passenger cars in response to the weakened commercial car market. As a result, the Company recorded a significant contribution shifting between the two segments. If in FY15 the composition for total amount of car financing was 47%:53% for passenger and commercial segments, the composition has shifted to 58%:42%, currently.

Sharia financing continued to show sturdy growth. The financing disbursement rose from Rp4.5 trillion in FY15 to Rp8.4 trillion in 2016. The composition between motorcycle and car financing for sharia financing was 75% and 25%, respectively.

Balance Sheet

At the end of 2016, our total managed financing receivables closed at Rp44.4 trillion, whereby the joint-financing portion was 40% or equivalent to Rp17.9 trillion. The stand-alone financing receivables before provision for losses, stood at Rp26.0 trillion at the end of 2016, rose by 2% from 2015 at Rp26.6 trillion. Motorcycle portfolio now contributed 48% of the Company's managed receivables, while car portfolio contributed around 51% and the remaining was durables.

Total assets recorded at Rp27.6 trillion at the end of 2016. Stand alone financing receivables contributed 92% to our total assets, thus, more than twice than the regulated financing to assets ratio at 40%.

At the end of 2016, the external funding amounted to Rp20.2 trillion, went down by 5% from last year of Rp21.3 trillion. The movement of external funding was primarily based on the financing activities and funding needs. Bank borrowings amounted to Rp11.6 trillion, whereby Rp7.6 trillion was on-shore borrowings and the remaining off-shore. Furthermore, there were bonds and *mudharabah* bonds amounted to Rp8.6 trillion. The composition between bank borrowings and bonds were almost equal, standing at 57% and 43%, respectively.

As such, the reported equity for the period was Rp5.0 trillion, rose by 14% from last year at Rp4.4 trillion, driven by the increase in net income, 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 2016, the gearing ratio stood at 4.1 times, far below from the regulated level of 10 times.

Income Statement

Throughout 2016, Adira Finance recorded interest income of Rp9.1 trillion. Furthermore, the Company's interest expenses were reduced by 12% to Rp4.6 trillion, mainly a result of a more favorable interest environment in Indonesia and the Company's diversified competitive sources of funding. The central bank has been working to provide a more conducive environment for credit to grow in Indonesia in recent years by lowering the benchmark rate. Strong credit ratings of *id*AAA as well as group support have also enabled the Company to obtain competitive cost of funds, indicating the high confidence of investors and lenders towards the Company. The average cost of fund stood at 10.8%, down from last year at 11.5%.

After taking into account the cost of funds, net interest income was posted at Rp4.5 trillion in FY16, or equivalent to net interest margin of 10.6%. Given the fee income of Rp1.4 trillion, operating income was booked at Rp5.9 trillion in FY16. The operating expenses went up to Rp2.8 trillion in FY16, while operating expenses ratio stood at 6.5%. However, the Company's Cost to Income ratio improved to 47.3% in 2016 from 50.2% a year ago.

Furthermore, stand-alone cost of credit went down to Rp1.4 trillion in FY16. With the economy still under pressure currently, one of the Company's priorities is to maintain asset quality at a manageable level. Hence, net income after tax went up to Rp1,0 trillion in FY16 from Rp665 billion in FY15. ROAA (as percentage of average total assets) for FY16 increased to 3.7% while ROAE (as percentage of average equity) also rose to 21.6%. In 2016, Adira Finance along with the parent company participated in the Tax Amnesty Program, resulted in one-time tax expense adjustment. Excluding the adjustment, the Company's net income stood at Rp1.2 trillion.

Corporate Updates

Settlement of Matured Bonds and *Mudharabah* Bonds

In 4Q16, we have settled our matured bonds and *mudharabah* bonds amounting to Rp2.4 trillion. As such throughout 2016, we have settled-off matured bonds and *mudharabah* bonds amounting to Rp4.2 trillion. The details are as follow:

Bonds	Nominal Value	Coupon Rate p.a./Sharing Revenue Ratio	Maturity Date
Adira Finance Continuing Bonds II Phase I Year 2013 Series C	Rp553 bio	7.85%	1 March 2016
Adira Finance Continuing <i>Mudharabah</i> Bonds I Phase I Year 2013 Series C	Rp286 bio	65.417% (equivalent to 7.85% per year)	1 March 2016
Adira Finance Continuing <i>Mudharabah</i> Bonds II Phase I Year 2015 Series A	Rp441 bio	72.917% (equivalent to 8.75% per year)	10 July 2016
Adira Finance Continuing Bonds III Phase II Series A	Rp492 bio	8.75%	5 September 2016
Adira Finance Continuing Bonds II Phase II Year 2013 Series B	Rp880 bio	10.50%	24 October 2016
Adira Finance Continuing Bonds I Phase I Year 2011 Series C	Rp1,533 bio	9.00%	16 December 2016
Total	Rp4,185 bio		

Financial Highlights

<i>In Billion Rupiah</i>	Dec-15	Dec-16	Δ%	Mar-16	Jun-16	Sep-16	Dec-16
STATEMENTS OF FINANCIAL POSITION							
Assets							
Cash and cash equivalents	1,060	941	-11%	931	1,100	1,055	941
Financing receivables - net of allowance of impairment	24,919	25,321	2%	23,988	24,885	24,549	25,321
Fixed assets - net of accumulated depreciation	243	225	-8%	235	229	229	225
Intangible assets - net	74	80	9%	75	71	70	80
Others	1,448	1,076	-26%	1,229	1,141	1,109	1,076
Total assets	27,744	27,643	0%	26,458	27,426	27,012	27,643
Liabilities							
Borrowings	11,388	11,620	2%	9,844	10,722	9,177	11,620
Bonds payables - net & <i>mudharabah</i> bonds	9,919	8,623	-13%	10,180	10,182	11,033	8,623
Others	2,076	2,423	17%	1,837	1,943	1,924	2,423
Total liabilities	23,383	22,666	-3%	21,860	22,847	22,134	22,666
Equity	4,361	4,977	14%	4,598	4,579	4,878	4,977
Total liabilities and equity	27,744	27,643	0%	26,458	27,426	27,012	27,643

<i>In Billion Rupiah</i>	FY15	FY16	Δ%	1Q16	2Q16	3Q16	4Q16
INCOME STATEMENT							
Interest income	9,033	9,136	1%	2,284	2,258	2,279	2,315
Interest expense	(5,209)	(4,595)	-12%	(1,223)	(1,147)	(1,127)	(1,100)
Net interest income	3,824	4,541	19%	1,062	1,112	1,152	1,215
Fee income	1,436	1,359	-5%	316	354	327	362
Operating income	5,259	5,899	12%	1,378	1,466	1,479	1,577
Operating expense	(2,638)	(2,792)	6%	(690)	(691)	(696)	(714)
Net operating expense	2,621	3,107	19%	687	774	782	863
Cost of credit	(1,584)	(1,448)	-9%	(318)	(381)	(369)	(381)
Other income/(expense)	(137)	57	-142%	16	11	14	17
Income before income tax	901	1,716	91%	386	405	426	499
Net income for the period	665	1,009	52%	286	307	311	106

Note: Several accounts have been reclassified to follow the presentation in the financial statements as of 31 December 2016.

Financial Highlights

KEY RATIOS	FY15	FY16	Δ%	1Q16	2Q16	3Q16	4Q16
Profitability and Efficiency (%)							
Return to average total assets ²	2.3%	3.7%	1.4%	4.0%	4.4%	4.5%	1.5%
Return to average equity ²	16.1%	21.6%	5.5%	27.1%	28.5%	27.4%	9.0%
Net income to total income ²	8.2%	12.0%	3.8%	14.1%	14.7%	14.7%	4.8%
Cost to income	50.2%	47.3%	-2.8%	50.1%	47.2%	47.1%	45.3%
Leverage and Liquidity (X)							
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	4.9	4.1	-0.8	4.4	4.6	4.1	4.1
Assets Quality (%)							
Non-performing loan to managed receivables ¹	1.72%	1.56%	-0.15%	1.78%	1.86%	1.76%	1.78%

NEW FINANCING	FY15	FY16	Δ%	1Q16	2Q16	3Q16	4Q16
In Thousand Units							
Motorcycle	1,554	1,410	-9%	338	366	330	377
Car	111	109	-1%	24	29	25	32
Durables	70	183	160%	39	47	43	55
Total Financed Unit	1,735	1,703	-2%	401	441	398	463
In Billion Rupiah							
Motorcycle	17,599	17,196	-2%	3,969	4,400	4,101	4,726
Car	12,659	12,985	3%	2,829	3,342	2,932	3,882
Durables	270	705	161%	152	183	165	205
Total Financed Amount	30,528	30,885	1%	6,950	7,925	7,198	8,813

Note:

1. Including Joint-Financing Portion; and
2. 4Q16: Including one-time tax expense adjustment.

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.