

**PT Sinar Mas Multiartha Tbk and
Its Subsidiaries**

Consolidated Financial Statements -
With Consolidating Information
For the Years Ended December 31, 2009 and 2008

And Independent Auditors' Report

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A Copy of the Directors' Statement on the Consolidated Financial Statements of PT Sinar Mas Multiartha Tbk and Its Subsidiaries for the Years Ended December 31, 2009 and 2008	

Registered Public Accountants
Business License No. 676/KMK.01/2006
Inland Tower, 7th Floor
Jl. Jenderal Sudirman, Kav 32
Jakarta - 10220
INDONESIA

Tel : 62-21-570 8111
Fax : 62-21-572 2737

Independent Auditors' Report

No. 1658310SA

**The Stockholders, Boards of Commissioners and Directors
PT Sinar Mas Multiartha Tbk**

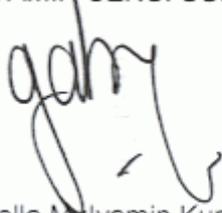
We have audited the consolidated balance sheets of PT Sinar Mas Multiartha Tbk and its subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain subsidiaries, which statements reflect total assets of 52.55% and 53.76% of the total consolidated assets as of December 31, 2009 and 2008, respectively, and income from operations of 82.29% and 78.99% of the total consolidated income from operations for the years ended December 31, 2009 and 2008, respectively. We also did not audit the financial statements of certain associates, the investments in which are reflected in the accompanying consolidated financial statements using the equity method of accounting. The investments in these associates represent 0.76% and 0.68% of the total consolidated assets as of December 31, 2009 and 2008, respectively, and the equity in net income of these associates represents 6.15% and 1.03% of the consolidated net income for the years ended December 31, 2009 and 2008, respectively. Those financial statements were audited by other independent auditors whose unqualified reports, have been furnished to us, and our opinion, insofar as they relate to the amounts included for those companies, are based solely on the reports of the other independent auditors.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PT Sinar Mas Multiartha Tbk and its subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Indonesia.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information (i.e. the Parent Company financial statements) were presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, changes in equity and cash flows of the Parent Company as a separate entity, and are not required part of the basic consolidated financial statements prepared in accordance with accounting principles generally accepted in Indonesia. The consolidating information are the responsibility of the Company's management. Such information have been subjected to auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

MULYAMIN SENSI SURYANTO



Gabriella Mulyamin Kurniawan
Certified Public Accountant License No. 02.1.0825

March 31, 2010

The accompanying consolidated financial statements are not intended to present the financial position and the results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in Indonesia.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Balance Sheets with Consolidating Supplementary Information - Parent Company Balance Sheets
December 31, 2009 and 2008

	Notes	Consolidated		Parent Company	
		2009	2008	2009	2008
		Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
ASSETS					
Cash and Cash Equivalents					
Related parties	2c,2d,2f,3,52,53	435	636	1,003	91
Third parties		1,753,792	823,862	329	114
Net		1,754,227	824,498	1,332	205
Short-term Investments					
Related parties	2c,2d,2g,2p,4,52,53	460,811	1,201,994	21,336	694
Third parties		5,909,418	5,776,812	-	-
Total		6,370,229	6,978,806	21,336	694
Securities Purchased Under Agreements to Resell - Net					
	2h,5,53	36,591	-	-	-
Consumer Financing Receivables					
Related parties	2d,2j,6,31,52	337	318	-	-
Third parties		489,665	481,560	-	-
Unearned income		(95,642)	(97,160)	-	-
Allowance for doubtful accounts	2p	(493)	(374)	-	-
Net		393,867	384,344	-	-
Net Investments in Finance Lease					
Related parties	2c,2d,2k,7,31,52,53	110,454	57,873	-	-
Third parties		47,664	37,741	-	-
Guaranteed residual value		24,773	10,079	-	-
Unearned lease income		(44,612)	(28,508)	-	-
Security deposits		(24,773)	(10,079)	-	-
Allowance for doubtful accounts	2p	(5,639)	(2,819)	-	-
Net		107,867	64,287	-	-
Factoring Receivables					
Related parties	2c,2d,2l,8,52,53	21,144	22,174	-	-
Third parties		56,134	52,584	-	-
Deffered factoring income		(814)	-	-	-
Allowance for doubtful accounts	2p	(5,967)	(2,157)	-	-
Net		70,497	72,601	-	-
Segregated Funds Net Assets - Unit Link					
	2c,2d,2m,9,52,53	3,154,085	512,676	-	-
Segregated Funds Net Assets - Sharia					
	2n,10	36,713	21,834	-	-
Premiums and Reinsurance Receivables					
Related parties	2c,2d,2p,2ad,11,52,53	151,260	109,987	-	-
Third parties		283,569	336,746	-	-
Total		434,829	446,733	-	-
Loans					
Related parties	2c,2d,2o,12,52,53	741,895	83,408	-	-
Third parties		4,671,969	4,168,075	-	-
Total		5,413,864	4,251,483	-	-
Allowance for possible losses	2p	(90,889)	(52,703)	-	-
Net		5,322,975	4,198,780	-	-
Securities Agent Receivables					
	2p,13	70,197	115,441	-	-
Other Accounts Receivable					
Related parties	2c,2d,2p,14,52,53	5,455	4,236	376	594
Third parties		538,121	645,798	424	330
Total		543,576	650,034	800	924
Long-term Investments and Other Investments					
	2q,15	372,261	321,203	3,485,902	2,608,277
Investment Properties					
Cost	2r,16	91,921	115,286	-	-
Accumulated depreciation		(4,110)	(820)	-	-
Net Book Value		87,811	114,466	-	-
Property and Equipment					
Cost	2d,2s,2z,17,52,58	845,681	669,122	238	1,543
Accumulated depreciation		(210,232)	(169,414)	(175)	(937)
Net Book Value		635,449	499,708	63	606
Property Under Build, Operate and Transfer Agreement					
Cost	2u,18	77,988	57,527	77,988	57,527
Accumulated depreciation		(3,899)	-	(3,899)	-
Net Book Value		74,089	57,527	74,089	57,527
Assets for Lease					
Cost	2d,2t,2z,19,52	59,066	49,489	-	-
Accumulated depreciation		(33,110)	(18,388)	-	-
Net Book Value		25,956	31,101	-	-
Foreclosed Properties					
Allowance for decline in value	2x,2z,20	70,069	79,708	-	-
Net Book Value	2p	(4,775)	(5,415)	-	-
		65,294	74,293	-	-
Deferred Tax Assets					
	2ah,50	16,811	4,411	1,053	1,081
Other Assets					
Related parties	2c,2d,2v,2z,21,52,53	11,912	46,496	115	131
Third parties		115,101	117,982	28,387	3,621
Total		127,013	164,478	28,502	3,752
TOTAL ASSETS		19,700,337	15,537,221	3,613,077	2,673,066

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Balance Sheets with Consolidating Supplementary Information - Parent Company Balance Sheets
December 31, 2009 and 2008 (Continued)

	Notes	Consolidated		Parent Company	
		2009	2008	2009	2008
		Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
LIABILITIES AND EQUITY					
Liabilities					
Deposits and Deposits from Other Banks					
Related parties	2c,2d,2aa,12,22,52,53	2,621,010	1,193,326	-	-
Third parties		4,069,712	3,665,795	-	-
Total		6,690,722	4,859,121	-	-
Securities Sold Under Agreements to Repurchase - Net					
	2h,23	284,755	169,759	-	-
Accounts Payable					
Related parties	2c,2d,24,52,53,58	8,704	9,014	-	-
Third parties		266,335	222,788	-	73
Total		275,039	231,802	-	73
Premiums Received in Advance					
	2c,2ad,25,53	561,648	455,938	-	-
Liability for Future Policy Benefits					
	2c,2ab,26,53,58	3,372,899	5,119,479	-	-
Segregated Funds Contract Liabilities - Unit Link					
	2c,2m,53,58	3,365,818	522,192	-	-
Segregated Funds Contract Liabilities - Sharia					
	2n	15,465	10,559	-	-
Unearned Premiums and Estimated Own Retention Claims					
Related parties	2c,2d,2ad,27,52,53	116,523	107,561	-	-
Third parties		378,083	349,319	-	-
Total		494,606	456,880	-	-
Securities Agent Payables					
	28	101,085	63,639	-	-
Taxes Payable					
	2c,2ah,29,53	31,244	32,490	61	102
Accrued Expenses					
	2c,2d,30,52,53	35,614	33,300	75	144
Loan Received					
	31	348,907	302,805	-	-
Convertible Bonds Payable					
	32	63,783	63,783	-	-
Deferred Tax Liabilities					
	2ah,50	33,466	23,332	-	-
Defined-benefit Post-employment Reserve					
	2ag,47	38,979	27,051	168	130
Mudharabah Reserve					
	2ae	864	653	-	-
Other Liabilities					
Related parties	2b,2c,2d,2i,2p,33,52,53,58	1,841	672	14,114	14,750
Third parties		386,081	396,686	1,268	3,910
Total		387,922	397,358	15,382	18,660
Total Liabilities					
		16,102,816	12,770,141	15,686	19,109
Minority Interest in Net Assets of the Subsidiaries					
	2b,34	130	113,123	-	-
Equity					
Capital Stock - Rp 5,000 par value per Series A share and Rp 100 par value per Series B share					
Authorized - 142,474,368 Series A shares and 21,371,155,200 Series B shares					
Issued and paid-up - 142,474,368 Series A shares and 5,645,191,047 Series B shares in 2009, and 142,474,368 Series A shares and 4,679,581,047 Series B shares in 2008	35,39	1,316,150	1,276,891	1,316,150	1,276,891
Additional Paid-in Capital - Net					
	2w,36,39	787,598	631,179	787,598	631,179
Difference Due to Change in Equity of the Subsidiaries and Associated Companies					
	2q,4,37	(45,936)	(93,601)	(45,936)	(93,601)
Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control					
	2b,38	93,486	93,493	93,486	93,493
Retained Earnings					
		1,446,093	745,995	1,446,093	745,995
Total Equity					
		3,597,391	2,653,957	3,597,391	2,653,957
TOTAL LIABILITIES AND EQUITY					
		19,700,337	15,537,221	3,613,077	2,673,066

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Statements of Income with Consolidating Supplementary Information - Parent Company Statements of Income
For the Years Ended December 31, 2009 and 2008

	Notes	Consolidated		Parent Company	
		2009	2008	2009	2008
		Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
OPERATING INCOME					
Insurance underwriting income	2ad,40,58	8,210,691	5,964,720	-	-
Gain from investments in units of mutual funds	2g,4	1,195,893	722,014	3,487	885
Interest income	2ac,41	864,498	625,353	33	197
Unrealized gain on increase in fair value of securities	2g,4	189,909	-	-	-
Sales	2ac,42	154,489	37,256	286	298
Consumer financing income	2d,2j,52	119,976	84,063	-	-
Administration fee and commissions	2ac,58	108,842	100,064	-	-
Gain on sale of short-term investments - net	2g,4	51,607	53,249	-	-
Factoring income	2d,2l,52	46,019	28,855	-	-
Equity in net income of the subsidiaries and associated companies - net	2q,15	41,920	-	699,217	264,550
Stock brokerage and underwriting income	2af	31,546	91,728	-	-
Investment management income	2af	26,346	34,285	-	-
Finance lease income	2d,2k,52	23,401	12,917	-	-
Shares administration fee	2af	1,999	3,292	-	-
Gain on foreign exchange - net	2c	-	223,222	-	-
Others	2ac,43,58	30,710	40,451	392	255
Total Operating Income		<u>11,097,846</u>	<u>8,021,469</u>	<u>703,415</u>	<u>266,185</u>
OPERATING EXPENSES					
Insurance underwriting expenses	2ad,44	8,758,811	6,381,282	-	-
Interest expense	2ac,45	496,710	450,386	-	195
General and administrative expenses	2ac,2ag,46	262,172	239,291	820	741
Salaries and employee benefits	1d,2ac	250,735	220,975	798	803
Loss on foreign exchange - net	2c	193,477	-	845	99
Cost of good sold	2ac,42	154,147	37,169	257	271
Depreciation and amortization	2b,2r,2s,2t,2u,15,16,17,18,19,33	72,210	59,826	3,964	102
Provision for possible losses on earning and non-earning assets	2p	64,527	10,580	-	-
Provision for doubtful accounts	2p	8,640	9,995	-	-
Investment management expenses	2af	3,721	6,771	-	-
Stock brokerage and underwriting expenses	2af	2,470	37,244	-	-
Other financial charges	2ac	1,479	2,024	-	-
Mudharabah for participants	2ae	249	309	-	-
Unrealized loss on decrease in fair value of securities		-	175,882	-	-
Equity in net loss of the subsidiaries and associated companies - net	2q,15	-	5,667	-	-
Others	2y,2ac,48,58	61,233	47,898	231	168
Total Operating Expenses		<u>10,330,581</u>	<u>7,685,299</u>	<u>6,915</u>	<u>2,379</u>
INCOME FROM OPERATIONS - NET		<u>767,265</u>	<u>336,170</u>	<u>696,500</u>	<u>263,806</u>
NON-OPERATING INCOME (EXPENSES)					
Non-operating income	2ac,49	18,639	13,890	4,446	364
Non-operating expenses	2ac,49	(6,320)	(884)	(820)	(410)
Non-Operating Income (Expenses) - net		<u>12,319</u>	<u>13,006</u>	<u>3,626</u>	<u>(46)</u>
INCOME BEFORE TAX AND MINORITY INTEREST IN NET INCOME OF THE SUBSIDIARIES		<u>779,584</u>	<u>349,176</u>	<u>700,126</u>	<u>263,760</u>
TAX EXPENSE (BENEFIT)					
Current	2ah,50	48,124	34,588	-	-
Deferred		(2,266)	23,695	28	206
Total		<u>45,858</u>	<u>58,283</u>	<u>28</u>	<u>206</u>
INCOME MINORITY INTEREST IN NET INCOME OF THE SUBSIDIARIES		<u>733,726</u>	<u>290,893</u>	<u>700,098</u>	<u>263,554</u>
MINORITY INTEREST IN NET INCOME OF THE SUBSIDIARIES					
	2b,34	<u>(33,628)</u>	<u>(27,339)</u>	<u>-</u>	<u>-</u>
NET INCOME		<u>700,098</u>	<u>263,554</u>	<u>700,098</u>	<u>263,554</u>
Earnings per Share					
(in full Rupiah)	2ai,51				
Basic		114	46	114	46
Diluted		105	46	105	46

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity with Consolidating Supplementary Information - Parent Company Statements of Changes in Equity
For the Years Ended December 31, 2009 and 2008

	Notes	Consolidated		Parent Company	
		2009	2008	2009	2008
		Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Capital Stock					
Balance at beginning of the year	35,39	1,276,891	1,180,330	1,276,891	1,180,330
Additional capital stock from conversion of Series II warrants		-	65	-	65
Additional capital stock from conversion of Series III warrants		883	43	883	43
Additional capital stock from conversion of Series IV warrants		38,376	-	38,376	-
Additional capital stock from Limited Public Offering IV		-	96,453	-	96,453
Balance at end of the year		<u>1,316,150</u>	<u>1,276,891</u>	<u>1,316,150</u>	<u>1,276,891</u>
Additional Paid-in Capital					
Balance at beginning of the year	2w,36,39	631,179	632,182	631,179	632,182
Additional paid-in capital from the conversion of Series III warrants		2,913	170	2,913	170
Additional paid-in capital from the conversion of Series IV warrants		153,506	-	153,506	-
Stock issuance costs from Limited Public Offering IV		-	(1,173)	-	(1,173)
Balance at end of the year		<u>787,598</u>	<u>631,179</u>	<u>787,598</u>	<u>631,179</u>
Difference Due to Change in Equity of the Subsidiaries and Associated Companies					
Balance at beginning of the year	2q,4,15,37	(93,601)	(12,618)	(93,601)	(12,618)
Deduction (addition) during the year		47,665	(80,983)	47,665	(80,983)
Balance at end of the year		<u>(45,936)</u>	<u>(93,601)</u>	<u>(45,936)</u>	<u>(93,601)</u>
Difference in Value Arising from Restructuring Transactions between Entities Under Common Control					
Balance at beginning of the year	38	93,493	93,503	93,493	93,503
Deduction during the year		(7)	(10)	(7)	(10)
Balance at end of the year		<u>93,486</u>	<u>93,493</u>	<u>93,486</u>	<u>93,493</u>
Retained Earnings					
Balance at beginning of the year		745,995	482,441	745,995	482,441
Net income during the year		700,098	263,554	700,098	263,554
Balance at end of the year		<u>1,446,093</u>	<u>745,995</u>	<u>1,446,093</u>	<u>745,995</u>
Total Equity		<u>3,597,391</u>	<u>2,653,957</u>	<u>3,597,391</u>	<u>2,653,957</u>

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows with Consolidating Supplementary Information - Parent Company Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
CASH FLOWS FROM OPERATING ACTIVITIES				
Insurance underwriting income received	8,218,603	5,931,890	-	-
Interest income received	853,275	606,995	33	541
Income received from financing activities	187,207	142,681	-	-
Stock brokerage, underwriting and investment management income received	57,087	127,193	-	-
Shares administration fee received	2,113	3,043	-	-
Other operating income received	309,938	189,753	5,077	870
Insurance underwriting expenses paid	(7,577,122)	(5,671,381)	-	-
Operating expenses paid	(717,733)	(542,562)	(2,615)	(2,517)
Interest paid	(454,160)	(418,764)	-	-
Stock brokerage, underwriting and investment management expenses paid	(6,191)	(44,015)	-	-
Gain (loss) on foreign exchange - net	(168,781)	210,181	(845)	(99)
Operating cash flows before changes in operating assets and liabilities	704,236	535,014	1,650	(1,205)
Decrease (increase) in operating assets:				
Short-term investments	2,091,296	1,107,207	(17,155)	3,840
Securities purchased under agreements to resell	(26,574)	87,797	-	-
Consumer financing receivables	(10,683)	(207,866)	-	-
Net investments in finance lease	(47,156)	(28,875)	-	-
Factoring receivables	(1,778)	(27,775)	-	-
Segregated funds net assets - Unit Link	(2,641,409)	(223,023)	-	-
Segregated funds net assets - Sharia	(14,872)	(14,598)	-	-
Loans	(1,162,381)	(1,200,636)	-	-
Securities agent receivables	46,049	326,276	-	-
Other accounts receivable	115,181	(231,264)	124	5,616
Foreclosed properties	(1,908)	79	-	-
Other assets	55,909	(23,139)	(5,151)	(1,801)
Increase (decrease) in operating liabilities:				
Deposits and deposits from other banks	1,831,601	(54,100)	-	-
Securities sold under agreements to repurchase	26,327	169,759	-	-
Accounts payable	(685)	(4,588)	(73)	(23)
Premiums received in advance	105,710	191,820	-	-
Securities agent payable	37,446	(516,112)	-	-
Taxes payable	(7,711)	5,584	(41)	(41)
Accrued expenses	5,726	4,432	(69)	144
Mudharabah Reserve	(38)	-	-	-
Other liabilities	(142,005)	239,149	(710)	14,972
Net Cash Generated from (Used in) Operations before Income Tax	962,281	135,141	(21,425)	21,502
Income tax paid	(41,659)	(29,241)	-	-
Net Cash Provided by (Used in) Operating Activities	920,622	105,900	(21,425)	21,502
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of long-term investments and other investments	(9,021)	(3,682)	(130,749)	(160,044)
Acquisition of minority interest of a subsidiary	(8,749)	-	-	-
Additions to property under build, operate and transfer	(22,982)	(31,575)	(22,982)	(31,575)
Increase in securities purchased under agreements to resell	(10,017)	-	-	-
Advances for investment	(19,600)	-	(19,600)	-
Proceeds from sale of property and equipment	5,211	6,514	274	-
Acquisitions of property and equipment	(155,109)	(175,318)	(69)	(235)
Dividends received	-	-	-	75,000
Acquisitions of investment properties	(1,319)	(18,331)	-	-
Proceeds from sale of assets for lease	-	985	-	-
Acquisitions of assets for lease	(9,577)	(20,654)	-	-
Net Cash Used in Investing Activities	(231,163)	(242,061)	(173,126)	(116,854)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loan received	46,102	184,552	-	-
Payment of interest on loan received	(45,962)	(24,960)	-	(184)
Payment of lease payable	-	(384)	-	(195)
Increase in securities sold under agreements to repurchase	88,669	-	-	-
Proceeds from issuance of convertible bonds payable	-	14,417	-	-
Proceeds from additional issuances of capital stock from conversion of Series II warrants	-	65	-	65
Proceeds from additional issuances of capital stock from conversion of Series III warrants	3,796	213	3,796	213
Proceeds from additional issuances of capital stock from conversion of Series IV warrants	191,882	-	191,882	-
Proceeds from additional issuances of capital stock from Limited Public Offering IV	-	96,453	-	96,453
Payment of stock issuance costs from Limited Public Offering IV	-	(1,173)	-	(1,173)
Net Cash Provided by Financing Activities	284,487	269,183	195,678	95,179
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	973,946	133,022	1,127	(173)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	825,610	677,760	205	378
Effect of foreign exchange rate changes	(44,443)	14,828	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,755,113	825,610	1,332	205

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows with Consolidating Supplementary Information - Parent Company Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008 (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
SUPPLEMENTAL DISCLOSURES				
Cash and cash equivalents consist of:				
Cash on hand	200,653	142,541	5	10
Cash in banks	127,670	168,655	1,327	195
Demand deposits with Bank Indonesia	854,850	365,516	-	-
Time deposits	571,936	148,872	-	-
Funds placed in securities companies	4	26	-	-
Total Cash and Cash Equivalents	1,755,113	825,610	1,332	205
Noncash investing activities:				
Liability arising from acquisition of property and equipment	-	1,715	-	-
Reclassification from other assets to property and equipment	1,355	-	-	34
Reclassification from property and equipment to other assets	-	67	-	-
Reclassification from investment properties to property and equipment	24,424	42,698	-	-
Reclassification from foreclosed properties to property and equipment	10,898	-	-	-
Reclassification from property and equipment - net to Segregated Funds Net Assets - Sharia	8	28	-	-
Liability arising from construction of property under build, operate and transfer	-	1,569	-	1,569

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General

a. Establishment and General Information

PT Sinar Mas Multiartha Tbk (the Company or the Parent Company) which was formerly named PT Internas Arta Leasing Company or PT Internas Arta Finance Company, was established by virtue of Notarial Deed No. 60 dated October 21, 1982 of Benny Kristianto, S.H., notary public in Jakarta, which was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6537.HT.01.01.Th.83 dated September 30, 1983, under the name of PT Internas Arta Leasing Company. The Articles of Association of the Company were registered in the Court of Justice of West Jakarta on May 17, 1984 under registration number 489/1984.

On May 1, 1989, the stockholders held an Extraordinary Stockholders' Meeting and agreed to change the Company's name from PT Internas Arta Leasing Company to PT Internas Arta Finance Company, and to increase the authorized and paid-up capital stock from Rp 1,000 million to Rp 5,000 million. These decisions were documented in Notarial Deed No. 15 dated May 1, 1989 of Benny Kristianto, S.H., notary public in Jakarta, and were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6968.HT.01.04.Th.89 dated August 2, 1989. This Notarial Deed was registered in the Court of Justice of West Jakarta on August 16, 1989 under registration number 1109/1989.

On February 25, 1995, the stockholders held an Extraordinary Stockholders' Meeting and agreed to change the Parent Company's name to PT Sinar Mas Multiartha and to change the par value per share from Rp 1,000 to Rp 500. These decisions were documented in Notarial Deed No. 218 dated February 25, 1995 of Veronica Lily Dharma, S.H., notary public in Jakarta, and were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-5573.HT.01.04.Th.95 dated May 5, 1995.

On February 18, 2003, in the Extraordinary Stockholders' Meeting held by the stockholders, it was agreed to increase the Company's authorized capital stock from Rp 1,125,000 million to Rp 2,849,487 million and approved the reverse stock split from Rp 500 per share to Rp 5,000 per share, and at the same time added series of shares from 1 series to 2 series, consisting of Series A shares with a par value of Rp 5,000 per share and Series B shares with a par value of Rp 100 per share. These decisions were documented in Notarial Deed No. 40 dated February 18, 2003 of Aulia Taufani, S.H., substitute notary of Sutjipto, S.H., notary public in Jakarta, and was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-04209.HT.01.04.TH.2003 dated February 27, 2003.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 72 dated July 9, 2008 of Sutjipto, S.H., notary public in Jakarta, based on the Extraordinary Stockholders' Meeting held on the same date, in relation to revisions in the Company's Articles of Association to be in accordance with the provisions of the Republic of Indonesia Law No. 40/2007 and Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) regulation, including the change in the members of the Company's Boards of Commissioners and Directors and approval of Limited Public Offering IV. These amendments have been approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-27024.AH.01.02.TH 2009 dated June 18, 2009.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

a. Establishment and General Information (Continued)

Changes in the Main Business Activities

The Parent Company started its commercial operations in 1983, engaging in finance leasing, factoring and consumer financing. The Company obtained an approval to operate as a multifinance company from the Minister of Finance of the Republic of Indonesia in his Decision Letter No. 300/KMK.013/1990 dated March 3, 1990.

On May 30, 1996, the stockholders of the Parent Company held an Extraordinary Stockholders' Meeting and agreed on significant matters including change in the main business activities of the Parent Company from financing activities and treasury management to trading, manufacturing, transportation, real estate and services; and changing the entire Articles of Association to comply with Corporate Law No. 1 of 1995, concerning Limited Liability Companies, including changing the name of the Company to PT Sinar Mas Multiartha Tbk.

The minutes of this meeting were documented in Notarial Deed Nos. 143 and 144 dated May 30, 1996 and Deed of Amendment No. 69 dated August 23, 1996 of Sutjipto, S.H., notary public in Jakarta. These Notarial Deeds were approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-8689.HT.01.04.Th.96 dated August 30, 1996.

The Company is part of the Sinar Mas Group of Companies.

The Company is domiciled in Jakarta. The Company's head office is located at BII Plaza, Tower III, Jl. M.H. Thamrin No. 51, Jakarta, Indonesia.

b. Public Offering of the Company's Shares

On June 14, 1995, the Company received the Notice of Effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently the Capital Market and Financial Institutions Supervisory Agency or Bapepam-LK) in his Decision Letter No. S-759/PM/1995 for the offering of 60,000,000 shares with a par value of Rp 500 per share to the public at an offering price of Rp 1,800 per share. On July 5, 1995, the Company's shares were listed in the Jakarta Stock Exchange and the Surabaya Stock Exchange which have merged in December 2007 and became the Indonesia Stock Exchange.

On November 8, 1996, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of additional 663,000,000 shares with a par value of Rp 500 per share through Limited Public Offering I at an exercise price of Rp 750 per share, with 99,450,000 Series I warrants attached to such shares, free of charge. The Series I warrants issued by the Company could be exercised starting May 28, 1997 to November 28, 2001. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 40 dated November 8, 1996 of Sutjipto, S.H., notary public in Jakarta.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

b. Public Offering of the Company's Shares (Continued)

The Limited Public Offering I took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1811/PM/1996 dated November 8, 1996. The proceeds from this Limited Public Offering I amounting to Rp 497,250 million were received by the Company in January 1997. This Limited Public Offering I increased the Company's paid-up capital stock from Rp 331,500 million to Rp 663,000 million and additional paid-in capital from Rp 1,500 million to Rp 167,250 million.

On June 24, 2003, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 2,137,115,520 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 100 per share, with 4 Series II warrants attached to every 15 Series B shares, free of charge. The Series II warrants issued by the Company totaling to 569,897,472 warrants can be exercised into shares during the period from January 23, 2004 to July 23, 2008. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 153 dated June 24, 2003 of Aulia Taufani, S.H., substitute notary of Sutjipto, notary public in Jakarta.

The Limited Public Offering II took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1485/PM/2003 dated June 23, 2003. The proceeds from this Limited Public Offering II amounting to Rp 213,711 million were received by the Company in July 2003. This Limited Public Offering II increased the Company's paid-up capital stock from Rp 712,372 million to Rp 926,083 million.

The funds from the Limited Public Offering II were used by the Parent Company for additional investments in subsidiaries and to settle its obligations or loans received in order to increase its working capital ratio.

On June 28, 2005, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 991,621,601 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 125 per share, with 991,621,601 Series III warrants attached to such shares, free of charge. The Series III warrants issued by the Company can be exercised into shares during the period from January 12, 2006 to July 13, 2010. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 274 dated June 28, 2005 of Aulia Taufani, S.H., substitute notary of Sutjipto, S.H., notary public in Jakarta.

The Limited Public Offering III took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-1691/PM/2005 dated June 27, 2005. The Limited Public Offering III resulted to issuance of additional 991,325,341 Series B shares with 991,325,341 Series III warrants attached. The proceeds received from this Limited Public Offering III amounted to Rp 123,916 million.

The proceeds received from the Limited Public Offering III were used by the Parent Company for additional investments in subsidiaries and to increase its working capital.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

b. Public Offering of the Company's Shares (Continued)

On June 17, 2008, the stockholders held an Extraordinary Stockholders' Meeting to ratify the plan of the Company on the issuance of pre-emptive rights to buy 966,427,608 Series B shares with a par value of Rp 100 per share at an exercise price of Rp 100 per share, with 1,449,641,412 Series IV warrants attached to such shares, free of charge. The Series IV warrants issued by the Company can be converted into shares during the period from January 6, 2009 to July 9, 2013. The minutes of this Extraordinary Stockholders' Meeting were documented in Notarial Deed No. 141 dated June 17, 2008 of Sutjipto, S.H., notary public in Jakarta.

The Limited Public Offering IV took effect upon receipt from the Chairman of Bapepam (currently Bapepam-LK) of the Notice of Effectivity in his Decision Letter No. S-3859/BL/2008 dated June 16, 2008. The Limited Public Offering IV resulted to issuance of additional 964,528,953 Series B shares with 1,446,793,426 Series IV warrants attached. The proceeds received from this Limited Public Offering IV amounted to Rp 96,453 million.

The funds from the Limited Public Offering IV were used by the Parent Company for additional investments in subsidiaries and to settle its obligations or loans received in order to increase its working capital ratio.

c. Consolidated Subsidiaries

As of December 31, 2009 and 2008, the subsidiaries which were consolidated, including the respective percentages of ownership held by the Parent Company, are as follows:

Subsidiary	Domicile	Nature of Business	Year of Operation/ Establishment	Percentage of Ownership		Total Assets (before elimination)	
				2009	2008	2009	2008
						Rp '000,000	Rp '000,000
Direct Acquisitions							
PT Bank Sinarmas	Jakarta	Banking	1989	90.26%	87.97%	8,036,015	6,057,106
PT Asuransi Jiwa Sinarmas	Jakarta	Life insurance	1984	99.99%	83.33%	7,840,837	6,650,568
PT Asuransi Sinar Mas	Jakarta	Loss insurance	1986	99.99%	99.99%	2,118,793	1,727,544
PT Sinar Mas Multifinance	Jakarta	Multifinance	1996	99.99%	99.99%	701,771	648,100
PT Sinarmas Sekuritas	Jakarta	Securities	1992	99.99%	99.99%	659,237	389,303
PT AB Sinar Mas Multifinance	Jakarta	Multifinance	1995	99.99%	99.99%	137,378	120,874
PT Panji Ratu Jakarta	Jakarta	Development, trading & services	1998	99.53%	99.53%	81,498	81,132
PT Shinta Utama	Jakarta	General trading	1991	99.00%	99.00%	55,650	49,587
PT Jakarta Teknologi Utama Motor	Jakarta	Workshop	1999	99.86%	99.67%	33,373	13,227
PT Sinarutama Gunita	Jakarta	Shares registrar	1992	99.80%	99.80%	16,255	15,566
PT Simas Money Changer	Jakarta	Money changer	2003	99.90%	99.65%	3,217	882
PT Wapindo Jasaartha	Jakarta	Trading & services	2000	99.90%	99.90%	1,121	1,018
PT Balai Lelang Sinarmas	Jakarta	Auction house	2008	99.90%	99.90%	1,117	1,023
PT Arthamas Konsulindo	Jakarta	Insurance agency	2000	99.99%	99.99%	754	696
PT Arthamas Solusindo	Jakarta	Information services	2000	99.60%	99.60%	270	278
PT Komuniindo Arga Digital	Jakarta	Trading & services	2000	95.00%	95.00%	55	43
PT Sinar Artha Solusindo	Jakarta	Trading & services	2000	99.60%	99.60%	53	51
PT Arthamas Informatika	Jakarta	Trading & services	2000	99.60%	99.60%	46	26
PT Artha Bina Usaha	Jakarta	Trading & services	2008	92.00%	92.00%	21	4
PT Sinar Artha Inforindo	Jakarta	Information services	2000	99.60%	99.60%	14	11
PT Sinar Artha Konsulindo	Jakarta	Insurance agency	2000	99.75%	99.75%	4	14
PT Sinar Artha Trading	Jakarta	General trading	2008	92.00%	92.00%	3	4
Indirect Acquisition							
PT Bank Sinarmas (through PT Shinta Utama)	Jakarta	Banking	1989	9.64%	12.03%	8,036,015	6,057,106
PT Autopro Utama Perkasa (through PT Jakarta Teknologi Utama Motor)	Jakarta	Workshop	2006	99.85%	99.65%	7,941	7,746
PT Sinarmas Futures (through PT Sinarmas Sekuritas)	Jakarta	Commodity trading	2004	99.98%	99.74%	25,548	4,452

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

c. Consolidated Subsidiaries (Continued)

In 2009 and 2008, the Parent Company increased its investment in PT Bank Sinarmas (BS), thus, increased its direct ownership interest in BS.

In June 2009, the Parent Company and PT Shinta Utama purchase shares of PT Asuransi Jiwa Sinarmas (AJS) from the previous shareholder, thus, increased its direct ownership interest in AJS.

In December 2009, February 2009 and June 2008, the Parent Company increased its investment in PT Jakarta Teknologi Utama Motor (JTUM), thus, increased its direct ownership interest in JTUM.

In May 2009, the Parent Company increased its investment in PT Simas Money Changer (SMC), thus, increased its direct ownership interest in SMC.

In July 2008, the Parent Company and PT Shinta Utama established three (3) new companies, namely: PT Balai Lelang Sinarmas, PT Artha Bina Usaha and PT Sinar Artha Trading.

In May 2008, the Parent Company and PT Shinta Utama purchased shares of PT Wapindo Jasaartha (WJ). Since May 2008, WJ had changed its main business activities from information service to trading and services. In July 2008, the Parent Company increased its investment in WJ, thus, increased its ownership interest in WJ.

In September 2008, the Parent Company increased its investment in PT Arthamas Solusindo and PT Sinar Artha Inforindo, thus, increased its direct ownership interests in these subsidiaries.

Eight (8) subsidiaries which were established in 2000 did not engage in business activities in 2009 and 2008.

In October 2006, JTUM purchased shares of PT Autopro Utama Perkasa (AUP), which main business activity is to engage in car repairs and maintenance. In April 2008, JTUM purchased shares of AUP from the previous shareholders, thus, increased JTUM direct ownership interest in AUP. JTUM's ownership interest in AUP as of December 31, 2009 and 2008 is 99.98%.

In October 2004, PT Sinarmas Sekuritas (SMS) and PT Sinar Mas Multifinance established PT Sinarmas Futures (SF) which engages in commodity trading. In June 2009, SMS increased its investment in SF, thus, increased its direct ownership interest in SF. SMS's ownership interest in SF as of December 31, 2009 and 2008 are 99.95% and 99.75%, respectively.

Acquisitions of subsidiaries by the Parent Company and JTUM were recorded using the purchase method, except for acquisition by the Parent Company of JTUM from ASM which was recorded using the pooling of interest method based on PSAK No. 38. The above transactions have been disclosed in Note 15 to consolidated financial statements.

PT Bank Sinarmas (BS) obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in general banking business in his Decision Letter No. KEP-156/KMK.013/1990 dated February 16, 1990. Pursuant to Bank Indonesia's Decree No. 27/156/KEP/DIR dated March 22, 1995, BS was authorized to operate as a Foreign Exchange Bank. BS obtained an approval from the Bank Indonesia to open a branch which was based on Syariah principles in his Decision Letter Deputy Governor of Bank Indonesia No. 11/13/KEP.DpG/2009 dated October 27, 2009.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

c. Consolidated Subsidiaries (Continued)

PT Asuransi Jiwa Sinarmas obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in life insurance business based on its Decision Letter No. KEP-107/KM.13/1989 dated August 5, 1989.

PT Asuransi Sinar Mas (ASM) obtained an approval from the Minister of Finance of the Republic of Indonesia through the Directorate General of Domestic Monetary Affairs to engage in loss insurance under Decree No KEP-2562/MD/1986 dated April 21, 1986. ASM obtained an approval from the Minister of Finance of the Republic of Indonesia to open a branch which was based on Syariah principles in his Decision Letter No. 253/KM.6/2004 dated June 25, 2004.

PT Sinar Mas Multifinance obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in finance leasing, factoring and consumer financing in his Decision Letter No. 441/KMK.017/1996 dated June 21, 1996.

PT Sinarmas Sekuritas obtained an approval from the Capital Market Supervisory Agency Bapepam-LK to engage in stock brokerage, stock underwriting and as an investment manager in its Decision Letters No. Kep-82/PM/1992 dated February 29, 1992, No. Kep 83/PM/1992 dated February 29, 1992 and No. Kep-02/PM/MI/2000 dated May 15, 2000, respectively.

PT AB Sinar Mas Multifinance obtained an approval from the Minister of Finance of the Republic of Indonesia to engage in finance leasing, factoring and consumer financing in his Decision Letter No. 525/KMK.017/1995 dated November 17, 1995.

PT Sinartama Gunita obtained an approval from Bapepam (currently Bapepam-LK) to engage in business activities as shares registrar in its Decision Letter No. Kep-82/PM/1991 dated September 30, 1991.

PT Sinarmas Futures obtained an approval from Commodity Measurement Trading Supervisory Agency to engage in business activity as measurement broker in its Decision Letter No. 889/BAPPEBTI/SI/3/2006 dated March 27, 2006.

d. Employees, Directors and Commissioners

The Company's management at December 31, 2009 based on Notarial Deed No. 17 dated June 22, 2009 of Wahyu Nurani, S.H., notary public in Jakarta, consists of the following :

President Commissioner	:	Indra Widjaja
Independent Commissioners	:	Sunarto Agustinus Antonius
President Director	:	Doddy Susanto
Operational Director	:	Howen Widjaja
Accounting and Finance Director	:	Kurniawan Udjaja

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

1. General (Continued)

d. Employees, Directors and Commissioners (Continued)

The Company's management at December 31, 2008 based on Notarial Deed No. 79 dated June 10, 2008 of Sutjipto, S.H., notary public in Jakarta, consists of the following :

President Commissioner	:	Indra Widjaja
Commissioner	:	Fuganto Widjaja
Independent Commissioners	:	Sunarto Agustinus Antonius
President Director	:	Edward Herawan Hadidjaja
Operational Director	:	Doddy Susanto
Accounting and Finance Director	:	Kurniawan Udjaja

As of December 31, 2009 and 2008, the Company's Audit Committee based on Notarial Deed No. 141 dated June 17, 2008 of Sutjipto, S.H., notary public in Jakarta, consists of the following:

Chairman	:	Sunarto
Members	:	Rusli Prakarsa Pande Putu Raka

The form of the Company's Audit Committee agreed with Regulation No. IX.1.5 concerning the "Form and Orientation of the Audit Committee Working Implementation".

As of December 31, 2009 and 2008, the Parent Company has a total number of (unaudited) 8 employees and 20 employees, respectively. As of December 31, 2009 and 2008, the Parent Company and its subsidiaries have a total number of (unaudited) 4,817 employees and 4,198 employees, respectively.

The aggregate salaries and benefits paid by the Parent Company and its subsidiaries to all commissioners and directors amounted to Rp 21,900 million in 2009 (2008: Rp 30,865 million).

The Board of Directors had completed the consolidated financial statements of PT Sinar Mas Multiartha Tbk and its subsidiaries on March 31, 2010 and was responsible for the consolidated financial statements.

2. Summary of Significant Accounting and Financial Reporting Policies

a. Consolidated Financial Statement Preparation and Measurement

The consolidated financial statements have been prepared using accounting principles and reporting practices generally accepted in Indonesia such as the Statements of Financial Accounting Standards (PSAK) and the regulations of the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No.VIII.G.7. Supplementary of Chairman Decision of Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No. KEP-06/PM/2000 dated March 13, 2000 about Guidelines on Financial Statement Presentation and Circular Letter from Chairman of Capital Market and Financial Institutions Supervisory Agency No. SE-02/PM/2002 dated December 27, 2002 regarding Presentation and Disclosure of Financial Statements of Investment and Publicly Listed Companies. Such consolidated financial statements are an English translation of the Company and its subsidiaries' statutory report in Indonesia, and are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
Notes to Consolidated Financial Statements with Consolidating Information -
Parent Company Notes to Financial Statements
December 31, 2009 and 2008 and For the Years then Ended

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

a. Consolidated Financial Statement Preparation and Measurement (Continued)

The measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies. The consolidated financial statements are prepared under the accrual basis of accounting, except for the consolidated statements of cash flows and interest income from loans classified as non-performing and from receivables which are overdue for more than 90 days.

The consolidated financial statements presented unclassified consolidated balance sheets and single-step consolidated statements of income after considering the line of business of the Company and its subsidiaries.

The consolidated statements of cash flows are prepared using the direct method for investing and financing activities and direct method with modification for operating activities.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (Rupiah). Unless otherwise stated, all figures presented in the consolidated financial statements are stated in millions of Rupiah.

b. Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, wherein the Company has direct or indirect ownership interest of more than 50% of the voting rights of the subsidiary's capital stock or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. A subsidiary is excluded from consolidation when the control in such subsidiary is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future or when the subsidiary operates under long-term restrictions which significantly impair its ability to transfer funds to the Parent Company.

When an entity either began or ceased to be controlled during the year, the results of operations of that entity are included in the consolidated financial statements only from the date that the control commenced up to the date that the control ceased.

Intercompany balances and transactions, including unrealized gains or losses on intercompany transactions, are eliminated to reflect the financial position and the results of operations of the Company and its subsidiaries as one business entity.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances. If a subsidiary's financial statements are prepared using accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to its financial statements.

Minority interest represents the minority stockholders' proportionate share in the net income and equity of the subsidiaries which are not wholly owned, which is presented based on the percentage of ownership of the minority stockholders in the subsidiaries.

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

b. Principles of Consolidation (Continued)

The losses applicable to the minority stockholders in a consolidated subsidiary may exceed the minority stockholders' interest in the net assets of the subsidiaries. The excess, and any further losses applicable to the minority are charged against the majority interest, except to the extent that the minority has a binding obligation to, and is able to, absorb such losses and the minority stockholders can settle their obligations. If the subsidiary subsequently reported profits, such profits are allocated to the majority stockholders up to the amount of the minority stockholders' share in losses previously absorbed by the majority which have been recovered.

The excess of acquisition cost over the Company's interest in the fair value of the net identifiable assets of the subsidiaries is recorded as positive goodwill while the remaining excess of the Company's interest in the fair value of the net identifiable assets of the subsidiaries, after reducing proportionately the fair value of non-monetary assets, over the acquisition cost is recorded as negative goodwill. Positive goodwill is amortized over 5 years, while negative goodwill is amortized over 20 years. At balance sheet date, the Parent Company evaluates the carrying value of the goodwill. The negative goodwill is presented in the consolidated balance sheets under "Other Liabilities" account.

Restructuring Transactions Among Entities Under Common Control

Restructuring transactions among entities under common control in the form of transfer of assets, liabilities, shares or other instruments of ownership carried out within the framework of reorganizing the entities under the same business segment do not constitute a change of ownership within the meaning of economic substance, so that such transactions do not result in a gain or loss to the group or to the individual entity within the same group.

Since a restructuring transaction among entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares or other instruments of ownership, which are exchanged, the assets or liabilities transferred (in their legal forms) are recorded at book values.

Any difference among the transfer price and the book value of each restructuring transaction among entities under common control is not considered a goodwill and is recorded in the account "Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control", which is presented as a component of equity.

The balances of "Difference in Value Arising from Restructuring Transactions Among Entities Under Common Control" account will be taken to the consolidated statements of income as a realized gain or loss as a result of (1) lost of under common control substance, and (2) transfer of the assets, liabilities, equity or other ownership instruments to another party who is not under common control. On the other hand, when there are reciprocal transactions among entities under common control, the existing balance is set-off with the new transaction, hence, creating a new balance for this account.

c. Foreign Currency Transactions and Balances

The books of accounts of the Company and its subsidiaries are maintained in Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted using the Bank Indonesia's middle rates of exchange prevailing at that date. The resulting gains or losses are credited in or charged to current operations.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

c. Foreign Currency Transactions and Balances (Continued)

At balance sheet dates, foreign currency denominated monetary assets and liabilities of PT Bank Sinarmas, a subsidiary which is engaged in banking industry, are adjusted using the Reuters spot rate at 16:00 WIB.

d. Transactions with Related Parties

Related parties consist of the following:

- 1) Companies that, through one or more intermediaries, control, or are controlled by, or are under common control with, the Company (including holding companies, subsidiaries, and fellow subsidiaries);
- 2) Associated companies;
- 3) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close family members of such individuals (close family members are those who can influence or can be influenced by such individuals in their transactions with the Company);
- 4) Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including commissioners, directors and managers of the Company and close family members of such individuals; and
- 5) Companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4), or over which such person is able to exercise significant influence. These include companies owned by commissioners, directors or major stockholders of the Company, and companies that have a common member of key management with that of the Company.

All transactions with related parties, whether or not done under similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

Transactions with related parties which were not done with similar price, terms and conditions as those done with third parties are loan and mortgage loan to employees and loans which are secured by cash collateral.

e. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

f. Cash and Cash Equivalents

Cash consists of cash on hand, cash in banks, demand deposits with Bank Indonesia and demand deposits with other banks with maturity of three months or less from the date of placement and not used as collateral and funds placed in securities companies. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of placements, and which are not used as collateral and are not restricted.

g. Short-term Investments

(1) Time deposits

Time deposits with maturities of three months or less from the date of placement which are used as collateral or are restricted, and time deposits with maturities of more than three months from the date of placement, are presented as "Short-term investments". Time deposits are stated at nominal value.

(2) Placements with other banks

Placements with other banks are stated at the outstanding balances of the placements, less allowance for possible losses, which is determined based on evaluation by management of the realizability of each placement.

(3) Investments in securities for which fair value is readily available

Investments in securities for which fair value is readily available consist of debt and equity securities, which are classified based on management's intention at acquisition as follows:

a) Trading

Investments in securities for trading consist of securities purchased and owned for resale in the near future. Securities for trading usually show a very high frequency of purchases and sales. These securities are owned with the objective of obtaining profit from short-term price differences. Investments in securities for trading are stated at fair values. Unrealized gains or losses from the increase or decrease in fair values are recognized in the current operations.

b) Held-to-maturity

Investments in debt securities which are held-to-maturity are stated at cost, adjusted for the unamortized premium or discount.

c) Available-for-sale

Investments in securities which are not classified under either the "trading" or "held-to-maturity" categories are classified as "available-for-sale", and are stated at fair values. Unrealized gains or losses from the increase or decrease in fair values are recognized as a component of equity, and are not recognized as a gain or loss until realized.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

g. Short-term Investments (Continued)

Transfer of securities from trading category to held-to-maturity category is recorded at fair value at the time of transfer of securities, which is considered as the cost of the securities.

Transfer of securities from available-for-sale category to held-to-maturity category is recorded at fair value at the time of transfer of the securities. Unrealized gain or loss on the transfer is recorded as part of equity and is amortized using the straight-line method over the remaining life of the securities.

If there is a permanent decline in fair value, the cost basis of the individual security is written-down to its fair value as a new cost basis, and the amount of write-down is recognized in the current operations.

For the computation of realized gains or losses, the cost of equity securities is determined using the weighted average method, while the cost of debt securities which are held-to-maturity is determined using the specific identification method.

Allowance for possible losses and decline in fair value are recognized as a deduction from securities value.

h. Securities Purchased Under Agreements to Resell/Securities Sold Under Agreements to Repurchase

Securities purchased with a promise to be resold (reverse repo) are recognized as a receivable in the amount of the resale price of the related securities, less unearned interest income. The difference between the purchase price and the selling price is treated as unearned interest income and is recognized as income in accordance with the period since the securities were purchased until they are resold. The securities received are not recorded as assets on the balance sheet because the ownership of the securities remains with the seller.

Securities sold with a promise to be repurchased (repo) are recognized as a liability in the amount of the purchase price agreed with the customer, less interest expense (difference between the selling price and the repurchase price) which has not been realized. The difference between the selling and the repurchase price is treated as prepaid interest and is recognized as an expense in accordance with the period since the securities were sold until they are repurchased. The securities sold are recorded as assets in the consolidated balance sheets because the ownership of the securities remains with the seller.

i. Derivative Assets and Liabilities

All derivative instruments (including forward foreign currencies transactions for funding and trading) are recognized in the consolidated balance sheet at fair value. Fair value is determined based on market value, pricing models or quoted prices of other instruments with similar characteristics. Derivative assets and liabilities are presented at the amount of unrealized gains or losses on derivative contracts, which are accounted for based on the purpose the Company or its subsidiaries have designated upon acquisition as trading, cash flow hedge, fair value hedge, and a hedge of net investment in foreign operation.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

i. Derivative Assets and Liabilities (Continued)

Gain or loss on derivative contracts is accounted for as follows:

1. Gain or loss on a derivative contract not designated as a hedging instrument (or derivative contract that does not qualify as a hedging instrument) or the ineffective portion of a derivative contract designated as hedging instrument is recognized immediately in the consolidated statements of income;
2. The effective portion of the gain or loss on a derivative contract designated and qualifying as a cash flow hedging instrument is reported as a component of other comprehensive income under equity and reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. The effect of the hedge ineffectiveness is recognized immediately in the consolidated statements of income;
3. Gain or loss on the hedging derivative instrument in a hedge of a net investment in a foreign operation is reported in other comprehensive income as part of the cumulative translation adjustment under equity to the extent it is effective as a hedge; and
4. Gain or loss on a derivative contract designated and qualifying as a fair value hedging instrument as well as the offsetting gain or loss on the hedged assets or liabilities attributable to the hedged risk is recognized immediately in earnings in the same accounting period. Any difference that arises representing the effect of hedge ineffectiveness is recognized immediately in the consolidated statements of income.

j. Accounting for Consumer Financing Transactions

Consumer financing receivables are stated at the sum of total installments, less the portion of receivable financed by other parties in relation to the joint consumer financing transaction and channeling of consumer financing receivables with other parties, unearned income and allowance for doubtful accounts.

Unearned income on consumer financing represents the difference between the total installments to be received and the principal amount financed. Unearned income on consumer financing is amortized and recognized as income over the term of the consumer financing agreement using the effective interest rate method. Early terminations are treated as cancellations of the existing consumer financing contracts and the resulting gains or losses are credited in or charged to current operations. The subsidiaries do not recognize interest income from consumer financing receivables which are overdue for more than 90 days. Such interest income is recognized only when received.

In relation to joint consumer financing transactions and channeling of consumer financing receivables with other parties, the subsidiaries' responsibility is to collect and administer the transferred consumer financing receivables. The difference between the interest charged to the customers by the subsidiaries and the interest charged by the investors is recognized as income by the subsidiaries and directly credited to the "Consumer financing income" account in the consolidated statements of income.

In joint financing and credit channeling transactions on a with recourse basis, the subsidiaries recognize assets or liabilities in its books. In joint financing and credit channeling transactions on a without recourse basis, the assets are presented at net amounts in the consolidated balance sheets.

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

k. Accounting for Lease Transactions

Accounting Treatment as a Lessee

Leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest in the remaining balance of the liability. Finance charges are charged directly against consolidated statements of income.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

Accounting Treatment as a Lessor

Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

l. Accounting for Factoring Transactions

Factoring receivable is stated at nominal value, less retention (if any) and allowance for doubtful accounts. Factoring income is calculated based on the outstanding balance of the factoring receivable on a monthly basis. The subsidiaries do not recognize interest income from factoring receivables which are overdue for more than 90 days. Such interest income is recognized only when received.

In transfer of factoring receivable transactions, the subsidiaries transfer its factoring receivables in the amount of funds received from the investors. The subsidiaries' responsibility is to collect and administer the transferred factoring receivables. The difference between the interest charged to the customers by the subsidiaries and the interest charged by the investors is recognized as income by the subsidiaries and directly credited to the "Factoring income" account in the consolidated statements of income.

In transfer of factoring receivable transactions on a with recourse basis, the subsidiaries recognized assets and liabilities in its books. In transfer of factoring receivable transactions on a without recourse basis, the assets are presented at net amounts in the consolidated balance sheets.

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

m. Segregated Funds Net Assets and Segregated Funds Contract Liabilities – Unit Link

Unit link is an investment and self-protection insurance product of PT Asuransi Jiwa Sinarmas (AJS), a subsidiary, wherein the policyholders have the opportunity to manage their funds together with other investors to maximize the benefit from the amount invested. AJS issues a contract where the amount of benefit is directly linked to the market value of the investments held in the Unit link holders' fund. Although the underlying investments are registered in the name of AJS and the Unit link holders have no direct access to the specific assets, the contractual arrangements are such that the Unit link holders bear the risks and rewards of the fund's investment performance.

Unit link holders' fund is invested in time deposits, bonds, mutual fund and shares. Such investments are stated at fair values, except for time deposits which are stated at nominal value.

Payable to Unit link holders will be increased or decreased following the placement or withdrawal of Unit link holders' fund and the current net asset value of the related investments.

AJS derives income from Unit link transactions, which is presented under "Other income" in the consolidated statements of income.

n. Segregated Fund Net Asset and Segregated Fund Contract Liabilities – Sharia

Sharia is an investment product of PT Asuransi Jiwa Sinarmas (AJS), a subsidiary, which is based on mudharabah for participant (profit sharing).

Fund management in investment product of sharia is based on sharia principles.

o. Loans

Loans are stated at the gross amount of its outstanding balance, less allowance for possible losses which are provided based on evaluation of the collectibility of loans.

Loans granted under a syndication agreement or a credit channeling agreement are recognized in the amount of the portion of loans, the risk on which is borne by the subsidiary.

p. Allowance for Doubtful Accounts, Allowance for Possible Losses on Assets and Estimated Losses on Commitments and Contingencies

Company is engaged in banking business

Allowance for possible losses on earnings assets

Earnings assets consist of demand deposits with other banks, placements with other banks, securities, securities purchased under agreements to resell, loans, acceptance receivables, including commitments and contingencies reflected in the administrative accounts.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

p. Allowance for Doubtful Accounts, Allowance for Possible Losses on Assets and Estimated Losses on Commitments and Contingencies (Continued)

Commitments and contingencies for off-balance sheet transactions, include but are not limited to guarantees issued, letter of credit, standby letters of credit and unused loan facilities.

Allowance for possible losses on earning assets and estimated losses on commitments and contingencies are determined based on evaluation of the quality of each earning asset and commitments and contingencies, in accordance with the regulation of Bank Indonesia.

Allowance for possible losses are not required for earning assets, consisting of placements at Bank Indonesia, Government Bonds (including Recapitalization Bonds) and other earning assets secured by cash collateral, according to the regulation of Bank Indonesia.

The determination of the quality and allowance for possible losses on earning assets as of December 31, 2009 and 2008 is based on the Decree of Bank Indonesia No. 7/2/PBI/2005 dated January 20, 2005, Bank Indonesia Circular Letter No. 7/3/DPNP dated January 31, 2005 regarding "Assessment of Asset Quality of Public Banks" with the latest change through Decree of Bank Indonesia No. 11/2/PBI/2009 dated January 29, 2009, which classifies earning assets into five (5) categories, with percentages of allowance for possible losses as follows:

Classification	Percentage of Allowance for Possible Losses	
Current	Minimum	1.00%
Special mention	Minimum	5.00%
Substandard	Minimum	15.00%
Doubtful	Minimum	50.00%
Loss		100.00%

Percentages are applied to the outstanding balances of the earning assets, less the collateral value in accordance with the Bank Indonesia Regulation, except for earning assets and commitments and contingencies classified as current where the rates are applied directly to the outstanding balance of earning assets and commitments and contingencies.

Allowance for possible losses on commitments and contingencies (except on acceptances) is presented under "Other Liabilities" account.

The outstanding balances of earning assets are written-off against the respective allowance for possible losses when management believes that the earning assets should be written-off because operationally, the debtor cannot afford to repay and/or the earning assets are difficult to be realized or collected. Recovery of earning assets previously written-off is recorded as an addition to the allowance for possible losses on earning assets during the period of recovery. If the recovery exceeds the principal amount, the excess is recognized as interest income.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

p. Allowance for Doubtful Accounts, Allowance for Possible Losses on Assets and Estimated Losses on Commitments and Contingencies (Continued)

Allowance for Possible Losses on Non-Earning Assets

Non-earning assets which qualities should be evaluated consist of foreclosed properties, abandoned properties, inter-branch accounts and suspense accounts according to the regulation of Bank Indonesia.

Allowance for possible losses on non-earning assets are determined based on evaluation of the quality of each non-earning asset in accordance with the regulation of Bank Indonesia.

The determination of the quality of non-earning assets is based on the Decree of Bank Indonesia No. 7/2/PBI/2005 dated January 20, 2005 and Circular Letter of Bank Indonesia No. 7/3/DPNP dated January 31, 2005, with the latest change through Decree of Bank Indonesia No. 11/2/PBI/2009 dated January 29, 2009, which classifies non-earning assets into four (4) categories based on the length of time of ownership on those assets, with percentages of allowance for possible losses as follows:

Classification	Percentage of Allowance for Possible Losses	
Current	Minimum	1.00%
Substandard	Minimum	15.00%
Doubtful	Minimum	50.00%
Loss		100.00%

Company is engaged in non-banking business

An allowance for doubtful accounts is provided based on management's evaluation of the collectibility of the individual receivable account (short-term investments, securities purchased under agreements to resell, consumer financing receivables, finance lease receivables, factoring receivables, premiums and reinsurance receivables and other accounts receivable) at the end of the year.

The outstanding balance of receivables is written-off when management believes that such receivables is determined to be definitely uncollectible or unrealizable. The collections or recovery from receivables written-off is recorded as an addition to or recovery of allowance for doubtful accounts at the time of collection or recovery.

q. Long-term Investments and Other Investments

Long-term investments in shares of stock for which fair value is not readily available

Investments in Shares of Stock

Investments in shares of stock with ownership interest of less than 20% are accounted for using the cost method.

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

q. Long-term Investments and Other Investments (Continued)

Long-term investments in shares of stock for which fair value is not readily available
(Continued)

Investments in Shares of Stock (Continued)

Under the cost method, an investor records its investment in the investee at cost. The investor recognizes income only to the extent that it receives profit distribution (dividends, except stock dividends) from the accumulated net profits of the investee arising subsequent to the date of acquisition by the investor. Dividends received in excess of such profits are considered as a recovery of investment and are recorded as a reduction from the cost of the investment.

Investments in shares of stock with ownership interest of 20% to 50%, directly or indirectly owned, are accounted for using the equity method whereby the investor's proportionate share in the income or loss of the associated company after the date of acquisition is added to or deducted from, and the dividends received are deducted from, the acquisition cost of the investments. Equity in net income or losses is adjusted for the straight-line amortization of goodwill. Positive goodwill is amortized over 5 years, while negative goodwill is amortized over 20 years.

When there is a permanent decline in value of investments, the carrying amount of the investments is written-down to recognize a permanent decline in value of the individual investments, and the amount of write-down is charged directly to current operations.

Changes in Equity of the Subsidiaries and Associated Companies

The changes in value of investments due to changes in equity of the subsidiaries or associated companies which do not arise from capital transactions between the investor company and such subsidiaries or associated companies are recognized as "Difference Due to Change in Equity of the Subsidiaries and Associated Companies", as a component of equity. At the time the investment is disposed of, the difference resulting from changes in equity of the subsidiaries or associated companies is recognized as income or expense in the same period in which the related gain or loss on disposal is recognized.

r. Investment Properties

Investment properties, except land, are measured at cost, including transaction costs, less accumulated depreciation and any impairment loss. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties, except land, is depreciated over its estimated useful life of twenty (20) years using the straight-line method.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

r. Investment Properties (Continued)

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

s. Property and Equipment

Direct Acquisitions

Property and equipment, except land, are carried at cost, excluding day-to day servicing, less accumulated depreciation and any impairment in value. Land is not depreciated and is stated at cost less any impairment in value (if any).

The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations , such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

All property and equipment, except for land and buildings, are depreciated over their estimated useful lives using the double-declining-balance method. Buildings are depreciated over their estimated useful lives using the straight-line method. The depreciation rates are as follows:

	<u>Rate</u>
Buildings:	
• Permanent	5%
• Non-permanent	10%
Property and equipment other than buildings:	
Class I : Assets with useful lives of less than 4 years	50%
Class II : Assets with useful lives of between 4 to 8 years	25%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major inspection is capitalized and amortized over the next major inspection activity.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

s. Property and Equipment (Continued)

Direct Acquisitions (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. When assets are sold or retired, the cost and related accumulated depreciation and any impairment loss are eliminated from the accounts. Any gains or loss arising from derecognition of property and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the consolidated statement of income in the year the item is derecognized.

The asset's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end.

Construction in Progress

Construction in progress represents property and equipment under construction which is stated at cost and is not depreciated. The accumulated costs will be reclassified to the respective property and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

t. Assets for Lease

Assets for lease are stated at cost, less accumulated depreciation and any impairment in value. Depreciation is computed using the same method and estimated useful lives used for directly acquired property and equipment. Rental income is presented under "Operating lease income" account in the consolidated statements of income.

u. Property under Build, Operate and Transfer

Property under build, operate and transfer is an asset, the development of which, was funded by the Company until the asset is ready for operation and then managed by the Company until such time the asset will be transferred to asset holders at the end of concession period.

Property under build, operate and transfer in progress is stated at cost and not depreciated. Accumulated costs will be transferred to property under build, operate and transfer account and will be depreciated when the asset is ready for use.

v. Prepaid Expenses

Prepaid expenses are amortized over their beneficial or contract periods, using the straight-line method.

w. Stock Issuance Costs

Stock issuance costs are deducted from the additional paid-in capital portion of the related proceeds from issuance of shares and are not amortized.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

x. Foreclosed Properties

Foreclosed properties in relation to the settlement of financing facilities and loan are recorded at net realizable value. The excess of the carrying value of the receivable over the net realizable value of the foreclosed properties is charged to allowance for doubtful accounts or allowance for possible losses. If the net realizable value of the foreclosed property is more than the carrying value of the receivable or loan, the foreclosed property is recorded at the amount of the receivable or loan.

The difference between the carrying value of the foreclosed properties and the proceeds from sale of such properties is recorded as a gain or loss in the period the properties are sold.

Expenses for maintaining foreclosed properties are charged to operations as incurred.

The carrying value of the asset is written-down to recognize a permanent decline in value of the foreclosed property. Any such write-down is charged to current operations.

y. Deferred Acquisition Costs

Expenses incurred relating to new insurance contracts acquired, including commission, incentives and certain selling expenses, are deferred and are amortized based on actuarial calculation of the liability for future policy benefits as determined using the Net Level Premium Method.

z. Impairment of Assets

An assessment by management of the asset value is made at each balance sheet date to determine whether there is any indication of impairment of any asset and possible write-down to its recoverable amount whenever events or changes in circumstances indicate that the asset value is impaired.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is computed as the higher of the asset's value in use and its net selling price. On the other hand, a reversal of an impairment loss is recognized whenever there is an indication that the asset is not impaired anymore.

The amount of impairment loss (reversal of impairment loss) is charged to (credited in) current year's operations.

aa. Deposits and Deposits from Other Banks

Deposits are liabilities to customers in the form of demand deposits, savings deposits and time deposits.

Demand deposits represent deposits of customers which may be used as instruments of payment, and which may be withdrawn at any time by cheque, or other orders of payment or transfers. Demand deposits are stated at the amount due to the demand deposit account holders.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

aa. Deposits and Deposits from Other Banks (Continued)

Savings deposits represent deposits of customers which may only be withdrawn when certain agreed conditions at the account opening are met. These deposits may not be withdrawn by cheque or other equivalent instruments, except by using specific withdrawal slip which can only be validated at the depository bank. Savings deposits are stated at the amount due to the savings account holders.

Time deposits represent deposits of customers which may only be withdrawn after a certain time in accordance with the agreement with the customers at the time of placement, or the customers will be fined or penalized if withdrawals are made before maturity. Time deposits are stated at the nominal amount due to the time deposit account holders.

Deposits from other banks are liabilities to customers in the form of demand deposits and time deposits. Deposits from other banks are stated at the amount due to such depository bank.

ab. Liability for Future Policy Benefits

Liability for future policy benefits represents the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders, recognized consistently with the recognition of premium income. Liability for future policy benefits is stated in the consolidated balance sheets in accordance with actuarial calculation. The increase (decrease) in liability for future policy benefits is recognized as an expense (income) in the current year.

ac. Recognition of Revenues and Expenses

Commissions and fees in excess of Rp 500 million in 2009 and Rp 200 million in 2008, directly or indirectly related to financing activities, credits or loan periods are recorded as deferred revenues or expenses and systematically amortized within the periods of the respective financing receivables, loan and borrowings. If the financing receivables have been collected and the loans and borrowings have been settled before their maturity dates, the related deferred revenues and expenses on commissions and fees are recognized as income or expense on consolidated statement of income upon collection of financing receivables and settlement of loans and borrowings. Commissions and fees which are less than or equal to Rp 500 million in 2009 and Rp 200 million in 2008 are directly recognized as income or expense when cash is received or paid.

Commissions and fees not related to financing and loan activities and loan periods are recognized as revenues and expenses at the time the transactions are made.

Interest income and expenses are recognized on accrual basis. Interest income from consumer financing receivables, finance lease receivables, factoring receivables and securities which are overdue for more than 90 days, and loans and other earning assets that are classified as non-performing are recognized only when received.

Other income (expenses) are recognized when earned (incurred) or in accordance with their beneficial periods (accrual basis).

2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

ad. Recognition of Underwriting Income and Expenses

Underwriting Income

Premiums on insurance and reinsurance contracts are recognized as revenue over the policy contract period in proportion to the insurance coverage provided. Premiums from co-insurance are recognized as income based on the subsidiary's proportionate share in the premium. Premium due to the reinsurance company is recognized as reinsurance premium during the period of reinsurance contract in proportion to the insurance coverage received.

Unearned premiums for each type of coverage are calculated in aggregate using a certain percentage in accordance with Decree of the Minister of Finance of the Republic of Indonesia No. 424/KMK.06/2003, dated September 30, 2003.

The increase or decrease in unearned premiums represents the difference between the balances of unearned premiums in the current year and the prior year, and is charged to or credited in the consolidated statement of income of the current year.

The subsidiary reinsured part of its total accepted risk to other insurance and reinsurance companies. The amount of premium paid or part of premium for prospective reinsurance transactions is recognized as reinsurance premiums within the reinsurance contract period, in proportion to the insurance coverage provided. Payment or obligation for retrospective reinsurance transactions is recognized as reinsurance receivable in an amount equivalent to the recorded liability in connection with the reinsurance contract.

Underwriting Expenses

Claims and benefits consist of settled claims, claims in process, including claims incurred but not yet reported, and claims settlement expenses. Claims are recognized as expense when the obligation to settle the claims are incurred. Parts of claims recovered from reinsurers are recorded and recognized as deduction from claims expenses in the same period when claims expenses are recognized. Subrogation rights are recognized as deduction from claims expenses when realized.

Claims in process (estimated own retention claims) are computed based on estimated loss from own retention claims that are in process at balance sheet date, including claims incurred but not yet reported. The changes in estimated own retention claims are recognized in the consolidated statements of income at the time of change. The increase or decrease in estimated own retention claims represents the difference between the estimated own retention claims for the current year and the prior year. Estimated claims liability for death insurance, health and personal accident insurance are provided based on actuary computations.

Commissions due to insurance brokers, agents and other insurance companies in connection with the insurance coverage are recorded as commission expense, whereas commissions obtained from reinsurance transactions are recorded as deduction from commission expense, and are recognized in the consolidated statements of income when incurred. If commission income is more than the total commission expense, the difference is presented as commission income in the consolidated statement of income of the current year.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

ae. Accounting for Insurance under Sharia Principles

In the insurance accounting system of branch using Sharia principles, a subsidiary separates the funds belonging to the stockholders from those to "Takaful" participants.

The reporting of the "takaful" participants' fund reflects the financial position, result of operations and the participants' surplus or deficit.

The allocation of profit sharing (mudharabah) on the underwriting surplus and investment income is distributed to participants who never make any claims during the insurance period and recorded as "Mudharabah reserve" in the consolidated balance sheets, while the related expenses are recorded as "Mudharabah for participants" in the current year's consolidated statement of income.

af. Recognition of Shares Administration, Underwriting and Stock Brokerage Fees and Investment Management Income

Shares administration fees, stock brokerage fees and underwriting fees are recognized as income when the services for trading of securities in the stock exchange and underwriting activities are performed.

Investment management income is recognized based on agreed conditions as stated in the "Collective Investment Contract".

ag. Employee Benefits

Short-term employee benefits

Short-term employee benefits are in the form of wages, salaries and social security (Jamsostek) contribution and bonuses. Short-term employee benefits are recognized at its undiscounted amount as a liability, after deducting any amount already paid, in the consolidated balance sheets, and as an expense in the consolidated statements of income.

Post-employment benefits

Post-employment benefits are an unfunded defined-benefit plans which amounts are determined based on years of service and salaries of the employees at the time of pension. The actuarial valuation method used to determine the present value of defined-benefit reserve, related current service costs and past service costs is the Projected Unit Credit. Current service costs, interest costs, vested past service costs and effects of curtailments and settlements (if any) are charged directly to current operations. Past service costs which are not yet vested and actuarial gains or losses for working (active) employees are amortized during the employees' average remaining years of service, until the benefits become vested.

ah. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

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2. Summary of Significant Accounting and Financial Reporting Policies (Continued)

ah. Income Tax (Continued)

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at balance sheet date. Deferred tax is charged to or credited in the consolidated statements of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged to or credited directly in equity.

Deferred tax assets and liabilities are offset in the consolidated balance sheets, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company, when the result of the appeal is determined.

ai. Earnings Per Share

Earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year.

Diluted earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the year as adjusted for the effects of all potentially dilutive ordinary shares.

aj. Segment Information

Segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements. The primary segment information is based on business segments, while secondary segment information is based on geographical segments.

A business segment is a distinguishable component of the Parent Company and its subsidiaries that is engaged in providing an individual service or a group of related services and that is subject to risks and returns that are different from the other business segments.

A geographical segment is a distinguishable component of the Parent Company and its subsidiaries that is engaged in providing services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

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3. Cash and Cash Equivalents

This account consists of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Cash on Hand				
Rupiah	181,894	128,341	5	10
Foreign Currency (Note 53)	18,759	14,200	-	-
Total - Cash on Hand	<u>200,653</u>	<u>142,541</u>	<u>5</u>	<u>10</u>
Cash in Banks				
Related Parties (Note 52)				
Rupiah				
PT Bank Sinarmas	-	-	1,003	91
Foreign Currency (Note 53)				
Bank International Ningbo, China	<u>435</u>	<u>636</u>	<u>-</u>	<u>-</u>
Third Parties				
Rupiah				
PT Bank Central Asia Tbk	17,687	4,073	-	-
PT Bank Internasional Indonesia Tbk	14,426	7,090	67	11
PT Bank CIMB Niaga Tbk	4,768	1,609	-	-
PT BPR Modern Express	947	1,879	-	-
PT Bank Negara Indonesia (Persero) Tbk	835	2,890	-	-
PT Bank Mandiri (Persero) Tbk	700	1,946	-	-
Deutsche Bank, Jakarta	469	992	-	-
PT Bank OCBC NISP Tbk	371	1,004	-	-
PT BPR Palu Masohi	364	675	-	-
PT Bank Mega Tbk	243	536	-	-
PT BPR Central Mitra Bawana	206	630	-	-
PT Bank ICB Bumiputera Tbk (formerly PT Bank Bumiputera Indonesia Tbk)	180	8,030	-	-
PT BPR Irian Sentosa Pusat	164	765	-	-
PT Bank Bukopin	158	960	-	-
PT Bank Permata Tbk	122	2,369	-	-
PT BPR Palu Lokadana	16	1,168	-	-
PT Bank UOB Indonesia	2	752	-	-
Others (below Rp 500 million each)	5,365	4,291	-	-
Total	<u>47,023</u>	<u>41,659</u>	<u>67</u>	<u>11</u>

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3. Cash and Cash Equivalents (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Cash in Banks (Continued)				
Third Parties (Continued)				
Foreign Currency (Note 53)				
PT Bank Central Asia Tbk	24,511	44,430	-	-
Standard Chartered Bank	20,881	10,991	-	-
PT Bank Mandiri (Persero) Tbk	9,209	47,576	-	-
Sumitomo Mitsui Banking Corporation, Indonesia	6,955	804	-	-
ANZ Banking Group Ltd., Indonesia	6,647	1,084	-	-
Wachovia Bank, National Association, New York, USA	4,297	2,121	-	-
PT Bank UOB Indonesia	3,016	417	-	-
PT Bank Internasional Indonesia Tbk	2,274	15,167	257	93
OCBC, Singapore	883	752	-	-
PT Bank Internasional Indonesia Tbk - Syariah Division	299	864	-	-
UBS AG Singapore	-	1,340	-	-
Others (below Rp 500 million each)	1,240	814	-	-
Total	80,212	126,360	257	93
Total - Cash in banks	127,670	168,655	1,327	195
Allowance for possible losses	(886)	(1,112)	-	-
Net	126,784	167,543	1,327	195
Demand Deposits with Bank Indonesia				
Rupiah	266,465	225,511	-	-
Foreign Currency (Note 53)	588,385	140,005	-	-
Total - Demand deposit with Bank Indonesia	854,850	365,516	-	-
Time Deposits				
Third Parties				
Rupiah				
PT Bank Internasional Indonesia Tbk	286,828	67,962	-	-
PT Bank Rakyat Indonesia (Persero) Tbk	102,000	2,775	-	-
PT Bank Artha Graha Internasional Tbk	33,300	-	-	-
PT Bank Nusantara Parahyangan Tbk	25,000	-	-	-
PT Bank ICBC Indonesia	20,000	-	-	-
PT Bank Permata Tbk	10,500	400	-	-
PT Bank CIMB Niaga Tbk	9,050	4,950	-	-
PT Bank Syariah Mandiri	7,000	2,650	-	-
PT Bank Negara Indonesia (Persero) Tbk	6,000	8,500	-	-
PT Bank Mandiri (Persero) Tbk	3,954	6,902	-	-
PT Bank OCBC NISP Tbk	1,900	1,900	-	-
PT Bank Rakyat Indonesia (Persero) Tbk - Syariah Division	1,900	800	-	-
PT Bank Muamalat Indonesia Tbk	1,550	1,850	-	-
PT Bank Permata Tbk - Syariah Division	1,500	500	-	-
PT Bank Negara Indonesia (Persero) Tbk - Syariah Division	1,450	1,150	-	-
PT Bank Tabungan Negara - Syariah Division	1,150	200	-	-
PT Bank CIMB Niaga Tbk - Syariah Division	1,000	500	-	-
PT Bank ICB Bumiputera Tbk (formerly PT Bank Bumiputera Indonesia Tbk)	-	4,100	-	-
PT Bank Internasional Indonesia Tbk - Syariah Division	-	1,800	-	-
Others (below Rp 1,000 million each)	3,023	2,719	-	-
Total	517,105	109,658	-	-

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3. Cash and Cash Equivalents (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Time Deposits (Continued)				
Third Parties (Continued)				
Foreign Currency (Note 53)				
PT Bank Internasional Indonesia Tbk	52,560	36,530	-	-
PT Bank Mandiri (Persero) Tbk	2,215	1,797	-	-
Others (below Rp 1,000 million each)	56	887	-	-
Total	<u>54,831</u>	<u>39,214</u>	-	-
Total - Time deposits	<u>571,936</u>	<u>148,872</u>	-	-
Funds placed in securities companies				
Foreign Currency (Note 53)				
Credit Suisse First Boston, Singapore	4	5	-	-
Solomon Smith Barney, Singapore	-	2	-	-
Citigroup Consulting Group Account	-	18	-	-
DBS Vickers Securities, Singapore	-	1	-	-
Total	<u>4</u>	<u>26</u>	-	-
Total	<u>1,754,227</u>	<u>824,498</u>	<u>1,332</u>	<u>205</u>

According to the regulation of Bank Indonesia, each bank in Indonesia is required to maintain a minimum liquidity reserve of a certain percentage of third party funds both in Rupiah and foreign currencies. As of December 31, 2009 and 2008, the balance of primary minimum liquidity reserves of PT Bank Sinarmas (BS), a subsidiary, in Rupiah, amounted to Rp 264,481 million and Rp 223,991 million, respectively, while the minimum liquidity reserves in foreign currencies amounted to Rp 24,391 million and Rp 8,939 million, respectively. As of December 31, 2009, secondary minimum liquidity reserves of BS, in Rupiah, amounted to Rp 132,241 million. The minimum liquidity reserves as of December 31, 2009 and 2008 were determined in accordance with Bank Indonesia Circular Letter No. 7/29/PBI/2005 dated September 6, 2005 with latest change through Bank Indonesia Circular Letter No. 10/25/PBI/2008 dated October 23, 2008.

Funds placed in securities companies were used to purchase and sell marketable securities based on PT Asuransi Jiwa Sinarmas's command, a subsidiary, that are being managed by securities companies. Funds could be settled any time without limitation and interest rates in 2009 and 2008 were 0% per annum and 1.5% per annum for foreign currency, respectively.

As of December 31, 2009 and 2008, the balance of cash and cash equivalents in foreign currency amounted to US\$ 79,041,684 (equivalent to Rp 742,626 million) and US\$ 29,374,413 (equivalent to Rp 320,441 million), respectively (Note 53).

The interest rates per annum on bank and time deposits are as follows:

	2009	2008
Time deposits		
Rupiah	6.80% - 11.00%	6.50% - 14.00%
Foreign currency	0.23% - 2.75%	0.65% - 3.50%

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3. Cash and Cash Equivalents (Continued)

All transactions with related parties were done under similar terms and conditions as those done with third parties.

4. Short-term Investments

The Company and its subsidiaries' short-term investments consist of the following:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Time deposits	10,679	172,186	-	-
Placements with other banks - net	273,277	84,998	-	-
Securities - net	6,086,273	6,721,622	21,336	694
Total - net	6,370,229	6,978,806	21,336	694

a. Time deposits

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Third parties				
Rupiah				
Banks				
PT Bank Internasional Indonesia Tbk	7,081	76,155	-	-
PT Bank Permata Tbk	-	53,300	-	-
PT Bank UOB Indonesia	-	27,000	-	-
PT Bank OCBC NISP Tbk	-	11,200	-	-
PT Bank Artha Graha Internasional Tbk	-	2,150	-	-
Others (Below Rp 1 billion each)	-	450	-	-
Total	7,081	170,255	-	-
PT Kliring Penjaminan Efek Indonesia	830	774	-	-
PT Kliring Berjangka Indonesia	2,768	1,157	-	-
Total	10,679	172,186	-	-

The interest rates per annum on time deposits are as follows:

	2009	2008
Rupiah	7,50%	5.28% - 20.23%

This account consists of time deposits with maturities of more than three months and time deposits of PT Sinarmas Sekuritas and PT Sinarmas Futures, subsidiaries, placed with PT Kliring Penjaminan Efek Indonesia and PT Kliring Berjangka Indonesia, respectively. (2008: include guarantee fund of PT Asuransi Jiwa Sinarmas, a subsidiary, in compliance with the regulation of the Minister of Finance of the Republic of Indonesia under the name of the Minister of Finance on behalf of the subsidiary).

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4. Short-term Investments (Continued)

b. Placements with other banks

Placements with other banks as of December 31, 2009 and 2008, represent placements by PT Bank Sinarmas, a subsidiary, with details as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
Time deposits - syariah	91,535	-	-	-
Others	97	292	-	-
Total	91,632	292	-	-
U.S. Dollar (Note 53)				
Call money	145,153	85,565	-	-
Time deposits	37,580	-	-	-
Deposits on Call	1,672	-	-	-
Total	184,405	85,565	-	-
Total	276,037	85,857	-	-
Allowance for possible losses	(2,760)	(859)	-	-
Total - net	273,277	84,998	-	-

The interest rates per annum on placements with other banks are as follows:

	2009	2008
Rupiah	6.00% - 7.07%	6.00%
U.S. Dollar	0.05% - 2.05%	0.05%

As of December 31, 2009, the details of Rupiah time deposits – Syariah are as follows:

Name of Banks	2009
	Rp '000,000
PT Bank Rakyat Indonesia (Persero) Tbk	48,000
PT Bank Jabar	30,000
PT Bank Internasional Indonesia Tbk	10,535
PT Bank Mega Tbk	3,000
	91,535

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4. Short-term Investments (Continued)

b. Placements with other banks (Continued)

As of December 31, 2009 and 2008, details of call money, time deposits and deposits on call in foreign currency are as follows:

Name of Banks	2009	2008
	Rp '000,000	Rp '000,000
Wachovia Bank, National Association, New York, USA	145,153	85,565
PT Bank Internasional Indonesia Tbk	37,580	-
UBS AG	1,672	-
	<u>184,405</u>	<u>85,565</u>

The changes in allowance for possible losses on placements with other banks are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	859	4,422	-	-
Provision (deduction) during the year	2,137	(3,445)	-	-
Exchange rate difference	(236)	(118)	-	-
Balance at end of the year	<u>2,760</u>	<u>859</u>	<u>-</u>	<u>-</u>

Management believes that the allowance for possible losses on placements with other banks is adequate to cover the possible losses which might arise from uncollectible placements with other banks.

c. Securities

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Held-to-Maturity				
Third parties				
Rupiah				
Bank Indonesia Intervention	2,000	24,500	-	-
Unamortized Interest	(1)	(25)	-	-
Net	<u>1,999</u>	<u>24,475</u>	<u>-</u>	<u>-</u>

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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Held-to-Maturity (Continued)				
Third parties (Continued)				
Rupiah (Continued)				
Bonds				
Government Bonds FR0028	80,000	80,000	-	-
Republic of Indonesia Bonds 4 (ORI 4)	75,000	75,000	-	-
Government Bonds FR0026	70,000	70,000	-	-
Government Bonds FR0038	50,000	50,000	-	-
Government Bonds Year 2007 FR0046	48,982	7,708	-	-
Government Bonds Year 2006 FR0040	45,013	-	-	-
Government Bonds FR0027	40,000	40,000	-	-
Government Bonds Year 2005 FR0031	39,070	-	-	-
Government Bonds FR0043	30,000	30,000	-	-
Government Bonds FR0042	30,000	30,000	-	-
Government Bonds FR0031	30,000	30,000	-	-
Government Bonds FR0020	30,000	30,000	-	-
Government Bonds Year 2006 FR0033	27,193	26,319	-	-
Excelcom II	26,000	-	-	-
Government Bonds Year 2007 FR0043	25,788	8,257	-	-
Government Bonds FR0045	20,000	20,000	-	-
Government Bonds FR0036	20,000	20,000	-	-
Government Bonds FR0034	20,000	20,000	-	-
Government Bonds FR0033	20,000	20,000	-	-
Government Bonds FR0023	20,000	20,000	-	-
Government Bonds FR0017	20,000	20,000	-	-
Indomobil III C	20,000	-	-	-
Government Bonds Year 2006 FR0034	18,976	-	-	-
Government Bonds Year 2006 FR0036	16,864	16,540	-	-
Government Bonds Year 2007 FR0047	16,716	-	-	-
Government Bonds Year 2005 FR0027	13,489	13,029	-	-
Government Bonds IFR001	13,390	13,104	-	-
Government Bonds Year 2007 ZC0003	12,648	10,112	-	-
Government Bonds Year 2005 FR0030	12,497	12,299	-	-
Republic of Indonesia Bonds 3 (ORI 3)	10,000	10,000	-	-
Government Bonds FR0040	10,000	10,000	-	-
Government Bonds FR0018	10,000	10,000	-	-
Government Bonds Year 2006 FR0038	9,657	-	-	-
Government Bonds Year 2007 FR0048	8,087	7,868	-	-
Government Bonds Year 2007 FR0044	6,654	6,426	-	-
Government Bonds ZC0005	6,142	5,108	-	-
Others (below Rp 5,000 million each)	2,000	5,436	-	-
Unamortized premium	2,606	12,840	-	-
Net	<u>956,772</u>	<u>730,045</u>	<u>-</u>	<u>-</u>
Total - Rupiah	<u>958,771</u>	<u>754,520</u>	<u>-</u>	<u>-</u>

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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Held-to-Maturity (Continued)				
Third parties (Continued)				
Foreign Currency (Note 53)				
Bonds				
Republic of Indonesia 37 (ROI 37)	56,370	60,636	-	-
Republic of Indonesia 2014 (ROI 2014)	46,975	-	-	-
Republic of Indonesia 15 (ROI 15)	37,580	-	-	-
Mei Euro Finance Ltd Puttable	32,944	39,762	-	-
Republic of Indonesia 2014 (ROI 2014) - SUKUK	28,185	-	-	-
PT Bank Internasional Indonesia Tbk	28,185	-	-	-
PT Bank CIMB Niaga Tbk	28,185	-	-	-
UBS - 5YR Fixed Rate Note	18,753	21,736	-	-
Merlion Capital Funding	15,490	18,205	-	-
Republic of Indonesia 17 (ROI 17)	9,395	11,382	-	-
Helium Capital Funding	7,292	8,991	-	-
Longstreet CDO ABS 2006 1XP	-	25,426	-	-
Branta Mulia I/2004	-	10,000	-	-
Arpeni Pratama Ocean Line I Callable	-	16,368	-	-
Others (below Rp 5,000 million each)	4,433	-	-	-
Unamortized discount	(12,788)	(4,289)	-	-
Net	300,999	208,217	-	-
Credit Linked Note	65,765	76,300	-	-
Export Note	889	-	-	-
Total - Foreign currency	367,653	284,517	-	-
Total - Held-to-maturity	1,326,424	1,039,037	-	-
Available-for-sale				
Related party (Note 52)				
Rupiah				
Share of stock				
PT Pabrik Kertas Tjiwi Kimia Tbk	1	1	-	-
Third parties				
Rupiah				
Shares of stock				
PT Bank Tabungan Negara (Persero) Tbk	9,660	-	-	-
PT Bank Mandiri (Persero) Tbk	8,526	-	-	-
PT Telekomunikasi Indonesia Tbk	473	26,531	-	-
PT Perusahaan Gas Negara (Persero) Tbk	390	25,324	-	-
PT Indosat Tbk	-	27,022	-	-
PT Tambang Batubara Bukit Asam Tbk	-	3,529	-	-
PT Adaro Energi Tbk	-	3,492	-	-
PT Timah Tbk	-	2,492	-	-
PT Bank Central Asia Tbk	-	1,760	-	-
PT Gudang Garam Tbk	-	629	-	-
PT Jasa Marga (Persero) Tbk	-	598	-	-
Others (below Rp 500 million each)	195	104	-	-
Total	19,244	91,481	-	-

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Available-for-sale (Continued)				
Third parties (Continued)				
Foreign currency				
Shares of stock	-	628	-	-
Total - Third parties	19,244	92,109	-	-
Total - Available-for-sale	19,245	92,110	-	-
Trading				
Related parties (Note 52)				
Rupiah				
Shares of stock				
PT Bumi Serpong Damai Tbk	19,227	2,075	-	-
PT Sinar Mas Multiartha Tbk	4,037	683	-	-
PT Dian Satwika Sentosa Tbk	1,344	-	-	-
Others (below Rp 500 million each)	182	72	-	-
Total	24,790	2,830	-	-
Warrant				
PT Sinar Mas Multiartha Tbk	638	90	-	-
Mutual Fund				
Fixed Income				
Danamas Stabil	42,534	3,656	20,743	-
Simas Danamas Instrumen Negara	26,827	20,881	-	-
Simas Danamas Mantap Plus	24,524	37,886	322	289
Money Market				
Riau Liquid Fund	11,685	11,149	-	-
Danamas Rupiah Plus	357	1,703	271	405
Danamas Rupiah	-	14	-	-
Mixed				
Simas Satu	51,428	10,198	-	-
Danamas Fleksi	15,059	7,024	-	-
Equity				
Simas Danamas Saham	33,463	5,650	-	-
Others				
Sinar Dana Tumbuh	195,009	120,783	-	-
Sinar Prima Reksa	34,496	529,623	-	-
Sinar Dana Super	-	159,730	-	-
Sinar Century	-	7,446	-	-
Total - Rupiah	435,382	915,743	21,336	694

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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Trading (Continued)				
Related parties (Note 52) (Continued)				
Foreign currency				
Mutual Fund				
Fixed Income				
Danamas Dollar	-	251	-	-
Other				
Sinar Dolar Prima	-	283,079	-	-
Total - Foreign currency	-	283,330	21,336	694
Total - Related parties	460,810	1,201,993	21,336	694
Third parties				
Rupiah				
Shares				
PT Bumi Resources Tbk	795,653	4,727	-	-
PT Jasa Marga (Persero) Tbk	43,893	3,920	-	-
PT Delta Dunia Makmur Tbk	41,532	-	-	-
PT Bakrie & Brothers Tbk	32,641	344	-	-
PT Gajah Tunggal Tbk	10,646	5,010	-	-
PT Indosat Tbk	10,028	8,768	-	-
PT Tambang Batubara Bukit Asam Tbk	7,530	-	-	-
PT International Nickel Indonesia Tbk	7,296	933	-	-
PT Timah (Persero) Tbk	6,500	65	-	-
PT Kawasan Industri Jababeka Tbk	5,707	1,891	-	-
PT Adaro Energi Tbk	4,548	9,132	-	-
PT Multistrada Arah Sarana Tbk	3,515	2,401	-	-
PT Aneka Tambang (Persero) Tbk	3,081	7,707	-	-
PT Bakrie Sumatra Plantation Tbk	2,755	13,990	-	-
PT Telekomunikasi Indonesia Tbk	1,890	8,670	-	-
PT Wijaya Karya (Persero) Tbk	1,788	179	-	-
PT Bank Mandiri (Persero) Tbk	1,532	5,579	-	-
PT Budi Acid Jaya Tbk	1,462	864	-	-
PT Bank Rakyat Indonesia Tbk	1,408	387	-	-
PT Darma Henwa Tbk	1,391	11	-	-
PT Bank Negara Indonesia (Persero) Tbk	1,372	3,379	-	-
PT Tunas Baru Lampung Tbk	1,148	641	-	-
PT Energi Mega Persada Tbk	965	-	-	-
PT Perusahaan Gas Negara Tbk	585	1,468	-	-
PT Indofood Sukses Makmur Tbk	373	2,790	-	-
PT Astra International Tbk	254	13,456	-	-
LQ45	-	18,091	-	-
PT Medco Energi International Tbk	-	3,680	-	-
PT Bakrieland Development Tbk	-	2,081	-	-
PT Bank Capital Indonesia Tbk	-	727	-	-
Others (below Rp 500 million each)	1,462	2,260	-	-
Total	990,955	123,151	-	-

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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Trading (Continued)				
Third parties (Continued)				
Rupiah (Continued)				
Warrant				
PT Darma Henwa Tbk	28	28	-	-
PT Budi Acid Jaya Tbk	90	34	-	-
Others	3	1	-	-
Total	<u>121</u>	<u>63</u>	<u>-</u>	<u>-</u>
Bonds				
SUN FR0043	9,804	6,143	-	-
SUN FR0027	7,127	8,950	-	-
Indofood Sukses Makmur IV Year 2007	5,054	4,540	-	-
Others (below Rp 5,000 million each)	2,114	10,649	-	-
Total	<u>24,099</u>	<u>30,282</u>	<u>-</u>	<u>-</u>
Mutual Fund				
Fixed Income				
Si Dana Batavia Optimal	229,098	-	-	-
Star High Yield Fund	170,040	-	-	-
Terbatas HPAM Maestro Fleksi II	88,898	-	-	-
Star Cemerlang Tetap	19,571	-	-	-
Star Fixed Income	15,342	9,298	-	-
Si Dana Obligasi Prima	-	28,837	-	-
Others (below Rp 500 million each)	-	138	-	-
Money Market				
Seruni Pasar Uang	-	-	-	-
Others (below Rp 500 million each)	-	-	-	-
Mixed				
HPAM Maestro	798,011	-	-	-
Star Balanced	10,106	6,231	-	-
Nusadana Kombinasi Maxima	1,218	923	-	-
Dhanawibawa Progresif	-	10,688	-	-
Others (below Rp 500 million each)	99	54	-	-
Protected				
Si Dana Batavia VI	56,530	-	-	-
NISIP Proteksi Dinamis	1,170	1,057	-	-
Shares of Stock				
Syailendra Equity Opportunity Fund	8,284	4,292	-	-
Si Danasaham	3,493	1,635	-	-
Platinum Saham	2,498	1,052	-	-
Danareksa Mawar	906	466	-	-
BNI Dana Berkembang	-	94	-	-

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4. Short-term Investments (Continued)

c. Securities (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Trading (Continued)				
Third parties (Continued)				
Rupiah (Continued)				
Mutual Fund (Continued)				
Others				
RD Gani Penyertaan Terbatas PT 1	796,766	-	-	-
Pasific Dana Tumbuh	272,951	200,883	-	-
Pasific Stable Fund	-	947,558	-	-
Millenium Nilai Optima	-	945,153	-	-
Star Dana Stabil	-	421,820	-	-
Arjuna Rupiah Stabil	-	394,589	-	-
Star Cemerlang Tetap	-	205,338	-	-
Si Dana Batavia Terbatas II	-	162,714	-	-
Star High Yield Fund	-	123,433	-	-
Star Capital Protected Fund	-	34,227	-	-
Total	<u>2,474,981</u>	<u>3,500,480</u>	<u>-</u>	<u>-</u>
Total - Rupiah	<u>3,490,156</u>	<u>3,653,976</u>	<u>-</u>	<u>-</u>
Foreign currency (Note 53)				
Bonds				
Matahari Finance BV	61,462	-	-	-
Majapahit Holding BV (PLN) 2017	47,823	-	-	-
Republic of Indonesia 2019 (ROI 2019)	40,044	-	-	-
Majapahit Holding BV (PLN) 2016	19,740	-	-	-
Istana High Grade 2	19,671	22,915	-	-
PT Bank International Indonesia Tbk	9,466	-	-	-
Majapahit Holding BV (PLN) 2037	9,212	-	-	-
Arpeni Pratama Ocean Line I Callable	7,367	-	-	-
Total	<u>214,785</u>	<u>22,915</u>	<u>-</u>	<u>-</u>
Mutual Fund				
Mixed				
Corfina Bima Berimbang Dollar	521,776	-	-	-
Others				
Adenium Lestari Dolar Fund	54,184	34,518	-	-
Arjuna Dollar Stabil	-	459,703	-	-
Star Dollar Tetap	-	206,409	-	-
Arjuna Dollar Mantap	-	11,106	-	-
Total	<u>575,960</u>	<u>711,736</u>	<u>-</u>	<u>-</u>
Total - Foreign currency	<u>790,745</u>	<u>734,651</u>	<u>-</u>	<u>-</u>
Total - Third parties	<u>4,280,901</u>	<u>4,388,627</u>	<u>-</u>	<u>-</u>
Total - Trading	<u>4,741,711</u>	<u>5,590,620</u>	<u>21,336</u>	<u>694</u>
Allowance for possible losses	<u>(1,107)</u>	<u>(145)</u>	<u>-</u>	<u>-</u>
Total	<u>6,086,273</u>	<u>6,721,622</u>	<u>21,336</u>	<u>694</u>

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4. Short-term Investments (Continued)

c. Securities (Continued)

The details of securities by investor as of December 31, 2009 and 2008 are as follows:

	2009	2008
	Rp '000,000	Rp '000,000
PT Asuransi Jiwa Sinarmas	3,522,507	4,877,893
PT Asuransi Sinar Mas	1,148,361	891,138
PT Bank Sinarmas	941,637	782,910
PT Sinarmas Sekuritas	439,931	157,903
Parent Company	21,337	694
Other Subsidiaries	12,500	11,084
Total	<u>6,086,273</u>	<u>6,721,622</u>

The details of held-to-maturity securities as of December 31, 2009 based on its maturity are as follows:

	1 month or less	More than 1-3 months	More than 3-12 months	More than 1-2 years	More than 2-5 years	More than 5 years	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Bank Indonesia Intervention	1,999	-	-	-	-	-	1,999
Bonds	-	-	32,944	28,766	474,277	721,784	1,257,771
Credit linked note	-	-	-	18,970	46,795	-	65,765
Export note	889	-	-	-	-	-	889
Total	<u>2,888</u>	<u>-</u>	<u>32,944</u>	<u>47,736</u>	<u>521,072</u>	<u>721,784</u>	<u>1,326,424</u>

The details of held-to-maturity securities as of December 31, 2008 based on its maturity are as follows:

	1 month or less	More than 1-3 months	More than 3-12 months	More than 1-2 years	More than 2-5 years	More than 5 years	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Bank Indonesia Intervention	24,475	-	-	-	-	-	24,475
Bonds	-	-	10,512	39,762	235,705	652,283	938,262
Credit linked note	-	-	-	-	76,300	-	76,300
Total	<u>24,475</u>	<u>-</u>	<u>10,512</u>	<u>39,762</u>	<u>312,005</u>	<u>652,283</u>	<u>1,039,037</u>

In 2008, PT Bank Sinarmas, a subsidiary, changed its investment intention in Government Bonds and Republic of Indonesia – ROI Loans with nominal value of Rp 661,300 million by transferring from “Available-for-sale” into “Held-to-maturity” categories which based on Bank Indonesia Circular Letter No. 10/177/DpG/DPNP dated October 9, 2008, banks are allowed to transfer “Surat Utang Negara” (SUN) and other long-term domestic debt securities from “Trading” and “Available-for-sale” categories to “Held-to-maturity” categories until PSAK No. 55 (Revised 2006) Financial Instruments: Recognition and Measurement, become effective.

Management of BS believes that BS has the ability to hold the Government Bonds and ROI Loans until maturity. The fair value of the Government Bonds and ROI Loans upon transfer amounted to Rp 658,397 million. The unrealized loss on decrease in fair value of securities amounting to Rp 51,238 million, which will be amortized until its maturity date, was presented as part of “Difference Due to Change in Equity of the Subsidiaries and Associated Companies” (Note 37).

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4. Short-term Investments (Continued)

c. Securities (Continued)

The balance of unrealized losses on available for sale securities (including the securities which were reclassified from held to maturity category) as of December 31, 2009 and 2008 amounted to Rp 42,198 million and Rp 89,430 million, respectively. The share of the Parent Company in the unrealized losses amounted to Rp 41,978 million and Rp 88,702 million, respectively, which is recorded as a part of "Difference Due to Change in Equity of the Subsidiaries and Associated Companies" account in equity (Note 37).

As of December 31, 2009 and 2008, the balance of bonds are included in guarantee fund of PT Asuransi Jiwa Sinarmas and PT Asuransi Sinar Mas, a subsidiaries, in compliance with the regulation of Minister of Finance of Republic Indonesia No. 424/KMK.06/2003 with the last changes through regulation of Minister of Finance No. 154/PNK.010/2008 dated October 28, 2008 under the name of Minister of Finance on behalf of the subsidiary.

The changes in allowance for possible losses on securities are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	145	1,179	-	-
Provision (reversal) during the year	1,059	(1,034)	-	-
Exchange rate difference	(97)	-	-	-
Balance at the end of the year	<u>1,107</u>	<u>145</u>	<u>-</u>	<u>-</u>

Management believes that the allowance for possible losses on securities is adequate to cover the losses which might arise from these securities.

As of December 31, 2009 and 2008, there are no securities classified as loss.

Bonds

The bonds' rating from PT Pemeringkat Efek Indonesia (PT Pefindo) as reported by Bursa Efek Indonesia and the maturity date of the bonds with nominal value of over Rp 5 billion each, as of December 31, 2009, are as follows:

	Rating	Maturity Date
Mei Euro Finance Ltd Putable	AA-	May 22, 2010
Republic of Indonesia Bonds 3 (ORI 3)	-	September 12, 2011
UBS - 5YR Fixed Rate Note	A	September 20, 2011
Government Bonds FR0017	-	January 15, 2012
Republic of Indonesia Bonds 4 (ORI 4)	-	March 12, 2012
Excelcom II Year 2007	A+	April 26, 2012
Indomobil Finance Indonesia III Year 2009 Seri C	A-	April 30, 2012
Government Bonds FR0018	-	July 15, 2012
Government Bonds Year 2007 FR0046	-	November 15, 2012
Government Bonds Year 2007 ZC0003	-	November 20, 2012
Government Bonds FR0023	-	December 15, 2012
Government Bonds ZC0005	-	February 20, 2013

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4. Short-term Investments (Continued)

c. Securities (Continued)

Bonds

	<u>Rating</u>	<u>Maturity Date</u>
Government Bonds Year 2006 FR0033	-	March 15, 2013
Government Bonds FR0033	-	March 15, 2013
Arpeni Pratama Ocean Line I Callable	A-	May 3, 2013
Government Bonds FR0020	-	December 15, 2013
Republic of Indonesia 14 (ROI 14) - Sukuk	-	April 23, 2014
Republic of Indonesia 2014 (ROI 2014)	-	May 4, 2014
Government Bonds FR0026	-	October 15, 2014
Istana High Grade 2	AAA	December 5, 2014
Republic of Indonesia 15 (ROI 15)	-	April 20, 2015
PT Bank Internasional Indonesia Tbk	Ba1	April 28, 2015
Government Bonds Year 2005 FR0027	-	June 15, 2015
Government Bonds FR0027	-	June 15, 2015
SUN FR0027	-	June 15, 2015
Government Bonds IFR001	-	August 15, 2015
Government Bonds Year 2005 FR0030	-	May 15, 2016
Matahari Finance BV	A+	October 6, 2016
Majapahit Holding BV (PLN) 2016	AA-	October 16, 2016
PT Bank CIMB Niaga Tbk	Ba1	November 22, 2016
Republic of Indonesia 17 (ROI 17)	-	March 9, 2017
Majapahit Holding BV (PLN) 2017	AA-	June 28, 2017
Government Bonds FR0028	-	July 15, 2017
Government Bonds Year 2006 FR0038	-	August 15, 2018
Government Bonds FR0038	-	August 15, 2018
Government Bonds Year 2007 FR0048	-	September 15, 2018
Government Bonds Year 2006 FR0036	-	September 15, 2019
Government Bonds FR0036	-	September 15, 2019
Republic of Indonesia 2019	-	September 15, 2019
Government Bonds Year 2005 FR0031	-	November 15, 2020
Government Bonds FR0031	-	November 15, 2020
Government Bonds Year 2006 FR0034	-	June 15, 2021
Government Bonds FR0034	-	June 15, 2021
Helium Capital Funding	AAA	February 22, 2022
Government Bonds Year 2007 FR0043	-	July 15, 2022
Government Bonds FR0043	-	July 15, 2022
SUN FR0043	-	July 15, 2022
Merlion Capital Funding	AAA	September 9, 2022
Government Bonds Year 2007 FR0044	-	September 15, 2024
Government Bonds Year 2007 FR0040	-	September 15, 2025
Government Bonds FR0040	-	September 15, 2025
Government Bonds FR0042	-	July 15, 2027
Government Bonds Year 2007 FR0047	-	February 15, 2028
Republic of Indonesia 37 (ROI 37)	-	February 17, 2037
Government Bonds FR0045	-	May 15, 2037
Majapahit Holding BV (PLN) 2037	AA-	June 28, 2037

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4. Short-term Investments (Continued)

c. Securities (Continued)

Bonds (Continued)

The bonds' rating from PT Pemeringkat Efek Indonesia (PT Pefindo) as reported by Bursa Efek Indonesia and the maturity date of the bonds with nominal value of over Rp 5 billion each, as of December 31, 2008, are as follows:

	Rating	Maturity Date
Branta Mulia Series I	A-	April 19, 2009
Republic of Indonesia Bonds 3 (ORI 3)	-	September 12, 2011
UBS - 5YR Fixed Rate Note	A	September 20, 2011
Government Bonds FR0017	-	January 15, 2012
Republic of Indonesia Bonds 4 (ORI 4)	-	March 12, 2012
Government Bonds FR0018	-	July 15, 2012
Government Bonds Year 2007 FR0046	-	November 15, 2012
Government Bonds Year 2007 ZC0003	-	November 20, 2012
Government Bonds FR0023	-	December 15, 2012
Government Bonds ZC0005	-	February 20, 2013
Government Bonds Year 2006 FR0033	-	March 15, 2013
Government Bonds FR0033	-	March 15, 2013
Arpeni Pratama Ocean Line I Callable	A-	May 3, 2013
Longstreet CDO ABS 2006 1XP	AAA	August 6, 2013
Government Bonds FR0020	-	December 15, 2013
Government Bonds FR0026	-	October 15, 2014
Istana High Grade 2	AAA	December 5, 2014
Government Bonds Year 2005 FR0027	-	June 15, 2015
SUN FR0027	-	June 15, 2015
Government Bonds FR0027	-	June 15, 2015
Government Bonds IFR001	-	August 15, 2015
Government Bonds Year 2005 FR0030	-	May 15, 2016
Republic of Indonesia 17 (ROI 17)	-	March 9, 2017
Government Bonds FR0028	-	July 15, 2017
Government Bonds FR0038	-	August 15, 2018
Government Bonds Year 2007 FR0048	-	September 15, 2018
Government Bonds Year 2006 FR0036	-	September 15, 2019
Government Bonds FR0036	-	September 15, 2019
Government Bonds FR0031	-	November 15, 2020
Government Bonds FR0034	-	June 15, 2021
Helium Capital Funding	AAA	February 22, 2022
SUN FR0043	-	July 15, 2022
Government Bonds FR0043	-	July 15, 2022
Merlion Capital Funding	AAA	September 9, 2022
Government Bonds Year 2007 FR0044	-	September 15, 2024
Government Bonds FR0040	-	September 15, 2025
Government Bonds FR0042	-	July 15, 2027
Republic of Indonesia 37 (ROI 37)	-	February 17, 2037
Government Bonds FR0045	-	May 15, 2037

As of December 31, 2009, the average interest rates on bonds denominated in Rupiah ranged from 9.40% to 19.89% per annum (2008: 9.50% to 15.00% per annum).

As of December 31, 2009, the average interest rates on bonds denominated in U.S. Dollar ranged from 2.24% to 12.17% per annum (2008: 2.24% to 7.72% per annum).

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4. Short-term Investments (Continued)

c. Securities (Continued)

Units of Mutual Fund

Equity securities in units of mutual fund of a related party which are held for trading were arranged by PT Sinarmas Sekuritas, a subsidiary, as the investment manager (Note 52).

The Parent Company and its subsidiaries invested in various types of units of mutual fund such as fixed income mutual funds, money market mutual funds, mixed mutual funds and shares mutual funds.

In 2009, return of investment per year ranged from 3.96% to 10.44% (for fixed income and money market mutual funds), from 8.04% to 59.75% (for mixed mutual funds), from 19.08% to 110.06% (for shares mutual funds), 8.21% to 8.28% (for protected mutual funds).

In 2008, return of investment per year ranged from (0.38%) to 0.89% (for fixed income and money market mutual funds), from (0.47%) to 0.73% (for mixed mutual funds), from (3.82%) to (2.63)% (for shares mutual funds), 0.24% (for protected mutual funds).

Transactions with related parties were done under similar terms and conditions as those done with third parties.

5. Securities Purchased Under Agreements to Resell

As of December 31, 2009, investment in securities purchased under agreements to resell were done by PT Bank Sinarmas and PT Sinarmas Sekuritas, subsidiaries, consisting of:

Type	Term	Due date	2009 Carrying value Rp '000,000
Rupiah - PT Tiga Pilar Sekuritas			
Shares of stock			
PT Tiga Pilar Sejahtera Food Tbk	31 days	January 29, 2010	26,574
Foreign currency - AAA Securities (Note 53)			
Bond			
ROI 2014	30 days	January 22, 2010	10,017
Total			36,591

As of December 31, 2008, there are no securities purchased under agreements to resell.

No allowance for doubtful account was provided on securities purchased under agreement to resell as management believes that all such securities purchased under agreement to resell are collectible.

PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES
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6. Consumer Financing Receivables

- a. This account consists of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)	337	318	-	-
Third parties				
Consumer financing - gross	504,404	556,362	-	-
Amount financed by other parties	(14,739)	(74,802)	-	-
Net	489,665	481,560	-	-
Total consumer financing receivables	490,002	481,878	-	-
Unearned consumer financing income - net	(95,642)	(97,160)	-	-
Total	394,360	384,718	-	-
Allowance for doubtful accounts	(493)	(374)	-	-
Net	393,867	384,344	-	-
			2009	2008
Interest rates per annum Rupiah			12.0% - 28.0%	15.0% - 21.0%

During 2009 and 2008, consumer financing receivables which are part of amount financed by other parties were done on a without recourse basis.

- b. PT Sinar Mas Multifinance (SMF) and PT AB Sinar Mas Multifinance (ABSM), subsidiaries, grant consumer financing for vehicles with terms ranging from one (1) to five (5) years.
- c. Management believes that there are no significant concentration of credit risk in consumer financing rceivables from third parties.
- The consumer financing receivables are secured with the related certificates of ownership (BPKB) of the vehicles financed by SMF and ABSM.
- d. As of December 31, 2009 and 2008, there are consumer financing receivables which are pledged as collateral (Note 31).
- e. The details of consolidated consumer financing receivables based on its remaining period until maturity are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Less than or equal to 1 year				
Related parties	59	91	-	-
Third parties	282,206	270,383	-	-
More than 1 year until 2 years				
Related parties	43	45	-	-
Third parties	152,177	153,448	-	-
More than 2 years				
Related parties	235	182	-	-
Third parties	55,282	57,729	-	-
Total	490,002	481,878	-	-

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6. Consumer Financing Receivables (Continued)

f. Cooperation Transactions

1. On March 26, 2003, SMF entered into a Cooperation Agreement on Joint Consumer Financing Facility with PT Bank Mutiara Tbk (formerly PT Bank Century Tbk) (Bank Mutiara) to finance the purchases of four-wheeled private vehicles. In relation to this joint financing facility, Bank Mutiara required SMF to charge the customers a certain rate. SMF has the right to adjust the minimum interest rate charged to the customers.

The availability of the facility and the maximum portion financed by Bank Mutiara has been amended several times, the latest was on December 17, 2007, wherein the maximum portion financed by Bank Mutiara was increased to Rp 150,000 million, whereas the portion financed by SMF and Bank Mutiara were changed to 5% and 95%, respectively, and the availability of the facility was extended up to June 17, 2008.

SMF's duties and responsibilities in accordance with the aforementioned agreements include administration and collection of receivables.

In November 2008, consumer financing receivables financed by Bank Mutiara were fully transferred to PT Bank Sinarmas, a subsidiary.

2. On August 20, 2004, SMF entered into a Joint Financing Agreement of Mega Oto Joint Financing (MOJF) and Agreement on Transfer of Consumer Financing Portfolio and Appointment as Facility Agent as well as Security Agent (MOPP) with PT Bank Mega Tbk (Bank Mega) to finance the purchases of four-wheeled private vehicles. The maximum portion financed by Bank Mega for MOJF and MOPP facilities amounted to Rp 25,000 million and Rp 100,000 million, respectively. SMF and Bank Mega's maximum shares were 10% and 90%, respectively, and the agreement is valid for a period of 12 months and can be extended upon agreement of both parties. The latest extension on the period of drawdown of MOPP facility was up to February 15, 2008 and was not extended anymore. In relation to this joint financing facility, Bank Mega required SMF to charge fixed interest rate to the customers. SMF's duties and responsibilities in accordance with this agreement include administration and collection of receivables.
3. During 2008, SMF engaged in transfer of consumer financing receivables transactions on a without recourse basis to a third party, with PT Sinarmas Sekuritas, a subsidiary, as the investment manager. The collections of receivables transferred is being done by SMF.
4. On November 13, 2007, SMF entered into Channeling Credit Transfer Agreement with PT Bank Sinarmas (BS), with maximum facility amounting to Rp 100,000 million. The agreement is valid for a period of 12 months. Based on the agreement, SMF acts as cooperation agent, collateral agent and custodian.

On December 13, 2009 maximum facility increased to Rp 1,500,000 million and the agreement was extended until January 13, 2010.

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6. Consumer Financing Receivables (Continued)

f. Cooperation Transactions (Continued)

5. On November 29, 2006, SMF entered into a Joint Financing Agreement with PT Bank ICB Bumiputera Tbk (formerly PT Bank Bumiputera Indonesia Tbk) (Bank ICB Bumiputera) to finance the purchases of new and used four-wheeled vehicles. SMF and Bank ICB Bumiputera maximum shares are 10% and 90%, respectively, whereas the maximum portion financed by Bank ICB Bumiputera amounted to Rp 15,000 million or other amount agreed by both parties on liquidation basis or non-revolving. The joint consumer joint financing agreement is valid for a period of 12 months. In relation to this joint financing facility, Bank ICB Bumiputera required SMF to charge fixed interest rate to customers. SMF's duties and responsibilities in accordance with this agreement include administration and collection of receivables.

On June 28, 2007, the maximum portion financed by Bank ICB Bumiputera was increased to Rp 45,000 million and the availability of the facility was extended up to June 28, 2008. Afterwards, this was not extended anymore.

All financing transactions are done on a without recourse basis.

As of December 31, 2009 and 2008, the transfer of consumer financing receivables in relation to joint financing transactions and the transferred consumer financing receivables on a without recourse basis amounted to Rp 514,782 million and Rp 493,014 million, respectively.

- g. The changes in allowance for doubtful accounts are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	374	236	-	-
Provisions during the year	1,160	5,743	-	-
Write-off during the year	(1,041)	(5,605)	-	-
Balance at end of the year	<u>493</u>	<u>374</u>	<u>-</u>	<u>-</u>

Management believes that the allowance for doubtful accounts is adequate to cover the possible losses which might arise from uncollectible consumer financing receivables.

All transactions with related parties were done under similar terms and conditions as those done with third parties.

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7. Net Investments in Finance Lease

- a. This account consists of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Rupiah	110,266	55,871	-	-
U.S. Dollar (Note 53)	188	2,002	-	-
Total	110,454	57,873	-	-
Third parties - Rupiah	47,664	37,741	-	-
Total	158,118	95,614	-	-
Guaranteed residual value	24,773	10,079	-	-
Unearned lease income	(44,612)	(28,508)	-	-
Security deposits	(24,773)	(10,079)	-	-
Total	113,506	67,106	-	-
Allowance for doubtful accounts	(5,639)	(2,819)	-	-
Net	107,867	64,287	-	-
			2009	2008
Interest rates per annum				
Rupiah			13.0% - 22.0%	12.5% - 25.0%
U.S. Dollar			9.0%	9.0%

- b. PT Sinar Mas Multifinance (SMF) and PT AB Sinar Mas Multifinance (ABSM), subsidiaries, grant lease financing for heavy equipment, industrial machinery and transportation equipment.
- c. The details of consolidated finance lease receivables based on its remaining period until maturity are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Less than or equal to 1 year	64,240	43,533	-	-
More than 1 year but less than 2 years	45,063	26,495	-	-
More than 2 years	48,815	25,586	-	-
Total	158,118	95,614	-	-

- d. As of December 31, 2009 and 2008, there are finance lease receivables which are pledged as collateral to PT Bank Victoria International Tbk in relation to loan received (Note 31).

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7. Net Investments in Finance Lease (Continued)

- e. The changes in allowance for doubtful accounts are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	2,819	1,300	-	-
Provisions during the year	3,576	1,519	-	-
Write-off during the year	(756)	-	-	-
Balance at end of the year	<u>5,639</u>	<u>2,819</u>	<u>-</u>	<u>-</u>

Management believes that the allowance for doubtful accounts is adequate to cover the losses which might arise from uncollectible finance lease receivables.

- f. During 2009 and 2008, SMF and ABSM engaged in transfer of finance lease receivables transactions on a without recourse basis to a third party, with PT Sinarmas Sekuritas, a subsidiary, as the investment manager. The collection of receivables transferred is being done by SMF and ABSM.
- g. Transactions with related parties were done under terms and conditions similar to those done with third parties.

8. Factoring Receivables

- a. This account consists of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Rupiah	14,094	16,699	-	-
U.S. Dollar (Note 53)	7,050	5,475	-	-
Total	21,144	22,174	-	-
Third Parties	56,134	52,584	-	-
Total	77,278	74,758	-	-
Deferred factoring income	(814)	-	-	-
Allowance for doubtful accounts	(5,967)	(2,157)	-	-
Net	<u>70,497</u>	<u>72,601</u>	<u>-</u>	<u>-</u>
			2009	2008
Interest rates per annum				
Rupiah			15.0% - 21.0%	11.8% - 25.0%
U.S. Dollar			9.0% - 12.0%	8.0% - 9.5%

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8. Factoring Receivables (Continued)

- b. There are no factoring receivables which are pledged as collateral.
- c. The changes in allowance for doubtful accounts are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	2,157	568	-	-
Provisions during the year	3,882	2,716	-	-
Write-off during the year	(72)	(1,127)	-	-
Balance at end of the year	<u>5,967</u>	<u>2,157</u>	<u>-</u>	<u>-</u>

Management believes that the allowance for doubtful accounts is adequate to cover the losses which might arise from uncollectible factoring receivables.

- d. During 2009 and 2008, PT Sinar Mas Multifinance (SMF) and PT AB Sinar Mas Multifinance (ABSM), subsidiaries, engaged in transfer of factoring receivables transactions on a without recourse basis to a third party, with PT Sinarmas Sekuritas (SMS), a subsidiary, as the investment manager. The collection of receivables transferred is being done by SMF and ABSM.
- e. Transactions with related parties were done under terms and conditions similar to those done with third parties.

9. Segregated Funds Net Assets – Unit Link

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Investments				
Bonds				
Related parties (Note 52)				
Rupiah				
Bumi Serpong Damai II/2006	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

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9. Segregated Funds Net Assets – Unit Link (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Investments (Continued)				
Bonds (Continued)				
Third parties				
Rupiah				
5Year PPN USD BPPI	23,779	-	-	-
Government Bonds RI FR23	5,843	5,807	-	-
Government Bonds RI FR27	4,355	4,268	-	-
Others (below Rp 1,000 million each)	-	758	-	-
Subtotal	<u>33,977</u>	<u>10,833</u>	-	-
Foreign currency (Note 53)				
USD Fortis	-	9,044	-	-
USD Merrill Lynch	-	9,155	-	-
Subtotal	<u>-</u>	<u>18,199</u>	<u>-</u>	<u>-</u>
Total - Third parties	<u>33,977</u>	<u>29,032</u>	<u>-</u>	<u>-</u>
Total - Bonds	<u>36,977</u>	<u>32,032</u>	<u>-</u>	<u>-</u>
Shares				
Third parties				
Rupiah				
PT United Tractors Tbk	5,192	1,474	-	-
PT Bank Mandiri (Persero) Tbk	4,489	1,934	-	-
PT Bank Pan Indonesia Tbk	2,949	1,876	-	-
PT Telekomunikasi Indonesia Tbk	2,471	1,804	-	-
PT Perusahaan Gas Negara (Persero) Tbk	2,135	1,018	-	-
PT Astra Internasional Tbk	2,117	644	-	-
PT Bank Central Asia Tbk	1,688	1,131	-	-
PT Tambang Batubara Bukit Asam Tbk	1,389	555	-	-
PT Bank Rakyat Indonesia (Persero) Tbk	1,281	766	-	-
Others (below Rp 1,000 million each)	2,832	1,462	-	-
Total - Shares	<u>26,543</u>	<u>12,664</u>	<u>-</u>	<u>-</u>
Mutual Funds				
Related parties (Note 52)				
Rupiah				
Sinar Dana Super	587,537	197,712	-	-
Sinar Prima Reksa	223,654	-	-	-
Danamas Stabil	29,614	68,913	-	-
Simas Satu	-	34	-	-
Danamas Rupiah Plus	-	2	-	-
Subtotal - Rupiah	<u>840,805</u>	<u>266,661</u>	<u>-</u>	<u>-</u>
Foreign currency (Note 53)				
Sinar Dollar Prima	208,494	28,490	-	-
Danamas Dollar	21,754	7,971	-	-
Subtotal - Foreign currency	<u>230,248</u>	<u>36,461</u>	<u>-</u>	<u>-</u>
Total	<u>1,071,053</u>	<u>303,122</u>	<u>-</u>	<u>-</u>

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9. Segregated Funds Net Assets – Unit Link (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Investments (Continued)				
Mutual Funds (Continued)				
Third parties				
Rupiah				
Milenium Nilai Optima	742,820	-	-	-
Star Cemerlang Tetap	409,608	-	-	-
Star Danastabil	352,487	-	-	-
Schroder Dana Terpadu II	229,987	20,881	-	-
RD Gani Pendapatan Tetap	97,827	-	-	-
Schroder Dana Prestasi Plus	68,049	68,771	-	-
Fortis Ekuitas	48,624	25,722	-	-
Schroder Syariah Balanced Fund	35,805	-	-	-
Schroder Dana Istimewa	9,296	-	-	-
PT Henan Putihrai Asset Management				
Maestro Flexi	8,013	-	-	-
Schroder Dana Mantap Plus II	3,905	19,626	-	-
TRIM Kapital	-	6,293	-	-
Others (below Rp 1,000 million each)	1,024	1,562	-	-
Subtotal - Third parties	<u>2,007,445</u>	<u>142,855</u>	-	-
Total - Mutual funds	<u>3,078,498</u>	<u>445,977</u>	-	-
Total - Investments	<u>3,142,018</u>	<u>490,673</u>	-	-
Cash in Banks				
Third parties				
Rupiah				
PT Bank CIMB Niaga Tbk	6,918	17,316	-	-
PT Bank Internasional Indonesia Tbk	435	7	-	-
Subtotal - Rupiah	<u>7,353</u>	<u>17,323</u>	-	-
Foreign currency (Note 53)				
PT Bank Internasional Indonesia Tbk	2,374	2,405	-	-
PT Bank CIMB Niaga Tbk	155	92	-	-
Subtotal - Foreign currency	<u>2,529</u>	<u>2,497</u>	-	-
Total - Cash in Banks	<u>9,882</u>	<u>19,820</u>	-	-
Investment receivable	<u>2,185</u>	<u>2,183</u>	-	-
Total	<u>3,154,085</u>	<u>512,676</u>	-	-

Transaction with related parties were done under similar terms and conditions as those done with third parties.

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10. Segregated Funds Net Assets - Sharia

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Investments				
Time deposits - Third parties				
Rupiah				
PT Bank Permata Tbk - Syariah Division	4,750	500	-	-
PT Bank Muamalat Indonesia - Syariah Division	2,250	-	-	-
Total	7,000	500	-	-
Bonds				
Rupiah				
Surat Berharga Syariah Negara IFR001 2008	7,281	7,154	-	-
Sukuk Ijarah Indosat III	2,541	2,402	-	-
Sukuk Ijarah I Summarecon 2008	2,100	-	-	-
Syariah Ijarah Perusahaan Listrik Negara I 2006	1,043	-	-	-
Total	12,965	9,556	-	-
Mutual fund - Third parties				
Rupiah				
PNM Amanah Syariah Fixed Income	2,689	1,927	-	-
PNM Syariah	4,468	-	-	-
Schroder Syariah Balance Fund	2,102	-	-	-
I-Hajj Syariah Fund	1,122	1,021	-	-
PNM Ekuitas Syariah	2,989	570	-	-
PNM Syariah Fund Mixed	-	1,801	-	-
Fixed Income	-	1,007	-	-
PNM Ekuitas Syariah Fund Equity	-	957	-	-
BNI Dana Syariah	-	977	-	-
Total	13,370	8,260	-	-
Total - Investments	33,335	18,316	-	-
Cash in Bank - Third parties				
Rupiah				
PT Bank CIMB Niaga Tbk - Syariah Division	1,598	1,247	-	-
PT Bank Internasional Indonesia Tbk - Syariah Division	659	377	-	-
PT Bank Muamalat Indonesia Tbk	415	387	-	-
PT Bank Syariah Mandiri	75	33	-	-
PT Bank Tabungan Negara - Syariah Division	30	1	-	-
PT Bank Permata Tbk - Syariah Division	1	145	-	-
PT Bank Syariah Mega Indonesia	1	1	-	-
Total - Rupiah	2,779	2,191	-	-
Premiums receivable	191	842	-	-
Reinsurance receivables	2	22	-	-
Investment receivables	372	436	-	-
Property and Equipment - net	34	27	-	-
Total	36,713	21,834	-	-

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11. Premiums and Reinsurance Receivables

- a. This account consists of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Related parties (Note 52)				
Premiums Receivable	149,395	109,114	-	-
Reinsurance Receivables	1,865	873	-	-
Subtotal	<u>151,260</u>	<u>109,987</u>	<u>-</u>	<u>-</u>
Third parties				
Premiums Receivable	206,254	227,101	-	-
Reinsurance Receivables	77,315	109,645	-	-
Subtotal	<u>283,569</u>	<u>336,746</u>	<u>-</u>	<u>-</u>
Total	<u>434,829</u>	<u>446,733</u>	<u>-</u>	<u>-</u>

- b. Transactions with related parties were done under similar terms and conditions as those done with third parties.
- c. The details of consolidated premiums and reinsurance receivables classified based on currency are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
Premiums receivable	267,625	265,735	-	-
Reinsurance receivables	19,234	22,876	-	-
Subtotal	<u>286,859</u>	<u>288,611</u>	<u>-</u>	<u>-</u>
U.S. Dollar (Note 53)				
Premiums receivable	88,024	70,480	-	-
Reinsurance receivables	59,946	87,642	-	-
Subtotal	<u>147,970</u>	<u>158,122</u>	<u>-</u>	<u>-</u>
Total	<u>434,829</u>	<u>446,733</u>	<u>-</u>	<u>-</u>

- d. The details of consolidated reinsurance receivables classified based on domicile of the reinsurer are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Local	9,408	4,253	-	-
Foreign	69,772	106,265	-	-
Total	<u>79,180</u>	<u>110,518</u>	<u>-</u>	<u>-</u>

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11. Premiums and Reinsurance Receivables (Continued)

- e. The details of consolidated premiums receivable based on its remaining period until maturity are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Due within 1 - 60 days				
Related parties	149,385	106,264	-	-
Third parties	189,345	203,228	-	-
Due within over 60 days				
Related parties	10	2,850	-	-
Third parties	16,909	23,873	-	-
Total	355,649	336,215	-	-

- f. Management did not provide allowance for doubtful accounts on consolidated premiums and reinsurance receivables because they believe that all such receivables are collectible.

12. Loans

This account represents loans given by PT Bank Sinarmas, a subsidiary.

- a. By Type of Loans

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related Parties (Note 52)				
Rupiah				
Fixed Loans	163,500	80,831	-	-
Consumer Loans	332	1,398	-	-
Installment Loans	116	539	-	-
Loans to employees	154	640	-	-
Subtotal - Rupiah	164,102	83,408	-	-
U.S. Dollar (Note 53)	577,793	-	-	-
Total - Related parties	741,895	83,408	-	-
Third Parties				
Rupiah				
Consumer Loans	2,046,713	1,803,203	-	-
Fixed Loans	989,202	1,216,868	-	-
Installment Loans	608,357	484,658	-	-
Factoring Loans	463,237	220,701	-	-
Investment Loans	235,665	62,752	-	-
Overdraft	122,284	92,765	-	-
Loans to employees	5,812	3,396	-	-
Subtotal	4,471,270	3,884,343	-	-
U.S. Dollar (Note 53)				
Fixed Loans	141,486	237,201	-	-
Installment Loans	59,213	46,530	-	-
Overdraft	-	1	-	-
Subtotal	200,699	283,732	-	-
Subtotal	4,671,969	4,168,075	-	-
Total	5,413,864	4,251,483	-	-
Allowance for possible losses	(90,889)	(52,703)	-	-
Net	5,322,975	4,198,780	-	-

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12. Loans (Continued)

b. By Economic Sectors

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Services	876,497	946,863	-	-
Manufacturing	826,364	303,684	-	-
Trading, restaurant and hotel	416,563	418,152	-	-
Construction	262,377	361,310	-	-
Transportation, warehousing and communication	237,407	80,723	-	-
Coal and mining	91,057	113,784	-	-
Agriculture, hunting and agriculture facilities	39,644	40,495	-	-
Social and public services	35,033	38,548	-	-
Others	2,628,922	1,947,924	-	-
Total	5,413,864	4,251,483	-	-
Allowance for possible losses	(90,889)	(52,703)	-	-
Net	5,322,975	4,198,780	-	-

c. By Maturity

The classifications of loans based on its credit period, as stated in the loan agreements, and based on its remaining period until maturity are as follows:

Based on credit periods:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
1 year or less	1,156,108	967,174	-	-
More than 1 year until 2 years	593,686	659,795	-	-
More than 2 years until 5 years	2,044,654	1,585,036	-	-
More than 5 years	840,924	755,746	-	-
Subtotal	4,635,372	3,967,751	-	-
U.S. Dollar (Note 53)				
1 year or less	677,594	208,931	-	-
More than 1 year until 2 years	7,693	26,745	-	-
More than 5 years	93,205	48,056	-	-
Subtotal	778,492	283,732	-	-
Total	5,413,864	4,251,483	-	-
Allowance for possible losses	(90,889)	(52,703)	-	-
Net	5,322,975	4,198,780	-	-

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12. Loans (Continued)

c. By Maturity (Continued)

Based on remaining period until maturity:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
1 month or less	581,810	93,857	-	-
More than 1 month until 3 months	199,716	214,618	-	-
More than 3 months until 12 months	1,038,624	1,185,629	-	-
More than 1 year until 2 years	582,591	394,734	-	-
More than 2 years until 5 years	1,476,659	1,346,005	-	-
More than 5 years	755,972	732,908	-	-
Subtotal	<u>4,635,372</u>	<u>3,967,751</u>	-	-
Foreign currency (Note 53)				
1 month or less	24,701	31,825	-	-
More than 1 month until 3 months	37,604	1,238	-	-
More than 3 months until 12 months	656,973	209,125	-	-
More than 1 year until 2 years	8,978	-	-	-
More than 2 years until 5 years	50,236	41,544	-	-
Subtotal	<u>778,492</u>	<u>283,732</u>	-	-
Total	5,413,864	4,251,483	-	-
Allowance for possible losses	<u>(90,889)</u>	<u>(52,703)</u>	-	-
Net	<u><u>5,322,975</u></u>	<u><u>4,198,780</u></u>	-	-

d. Average interest rates per annum on loans are as follows:

	2009	2008
Rupiah	6.00% - 21.00%	9.00% - 21.00%
U.S. Dollar	4.65% - 10.00%	8.00% - 9.00%

e. The changes in allowance for possible losses on loans are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	52,703	33,968	-	-
Provisions during the year	73,360	17,301	-	-
Write-off during the year	(15,981)	-	-	-
Exchange rate differences	(19,193)	1,434	-	-
Balance at end of the year	<u><u>90,889</u></u>	<u><u>52,703</u></u>	-	-

Management believes that the allowance for possible losses on loans is adequate to cover the possible losses which might arise from uncollectible loans.

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12. Loans (Continued)

- f. As of December 31, 2009 and 2008, syndicated loans amounted to Rp nil million and Rp 6,512 million, respectively. BS, as a member of the syndicated lenders, has 4.09% participation in such syndicated loan amount in 2008.
- g. As of December 31, 2009 and 2008, the outstanding balance of BS' channeling amounted to Rp 1,905,849 million and Rp 1,570,207 million, respectively, of which Rp 480,261 million and Rp 366,154 million, respectively, were transferred through related parties (Note 52).
- h. Loans granted to related parties, except for granted loans to employees, were granted under normal terms and conditions similar to those granted to third parties. Loans granted to employees represent loans for purchases of cars, houses and other necessities with interest rates of 0% for loans with term below 1 year and 6% for loans with terms ranging between 1 to 10 years.
- i. During 2009 and 2008, BS has restructured loans amounting to Rp 23,791 million and Rp 25,723 million with allowance for possible losses of Rp 5,768 million and Rp 147 million, respectively. BS extended the term of the loans and reduced the interest rate. As of December 31, 2009 and 2008, there is no loan which is still in the process of restructuring. There were no revenues recognized on cash basis in 2009 and 2008 since the troubled loan was restructured.
- j. As of December 31, 2009 and 2008, the total non-performing loans amounted to Rp 117,546 million and Rp 85,254 million, respectively. All of the non-performing loans are in the process of recovery by BS.
- k. As of December 31, 2009 and 2008, there is no loan to related and third parties which has exceeded the Company's Legal Lending Limit (LLL).
- l. Management believes that the value of the collaterals on loans is adequate to cover the possible losses which might arise from uncollectible loans.

13. Securities Agent Receivables

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Receivables from PT KPEI	44,147	40,995	-	-
Receivables from customers	23,144	72,346	-	-
Commissions receivable	2,906	2,100	-	-
Total	<u>70,197</u>	<u>115,441</u>	<u>-</u>	<u>-</u>

Receivables from PT Kliring Penjaminan Efek Indonesia (KPEI) and customers pertain to receivables in relation to purchases and sales of shares and other securities (net) which have not yet been received as of consolidated balance sheet dates.

Management did not provide allowance for doubtful accounts on securities agent receivables because they believe that all such receivables are collectible.

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14. Other Accounts Receivable

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Policy loans	424,677	534,886	-	-
Interest receivables	65,137	51,725	-	-
Mortgage receivables	24,128	25,901	-	-
Claims receivable - net	3,412	9,459	-	-
Loans to employees and marketing agents	3,283	2,617	255	81
Loans to associated companies	376	438	376	438
Others	22,563	25,008	169	405
Total	543,576	650,034	800	924

Policy loans represent policy cash value provided in the form of loans to the policyholders. As of December 31, 2009, policy loans bear interest rates of 8.50% to 18.00% for Rupiah and 5.10% to 10.00% for U.S. Dollar.

Interest receivables consist of interest from time deposits and short-term investments.

Mortgage receivables represent loans cash value provided by PT Asuransi Sinar Mas and PT Asuransi Jiwa Sinarmas, subsidiaries, to their employees and third parties for purchase of land or building. Mortgage loans granted to employees bear special interest rate while those granted to third parties bear prevailing market interest rate. Payments are made through monthly installment. These receivables are collateralized with land or building's certificate of ownership.

Claims receivable represent receivables from policyholders in relation to payment of claims by subsidiaries in excess of the insurance limit of policyholders.

As of December 31, 2009 and 2008, loans to associated companies represent unsecured loans given to PT JobStreet Indonesia amounting to US\$ 40,000 and has no definite repayment term.

As of December 31, 2009 and 2008, the consolidated balance of other accounts receivable from related parties amounted to Rp 5,455 million and Rp 4,236 million, respectively (Note 52).

Transactions with related parties were done under similar terms and conditions as those done with third parties.

As of December 31, 2009 and 2008, the consolidated balance of other accounts receivable denominated in foreign currency amounted to US\$ 3,954,719 (equivalent to Rp 37,172 million) and US\$ 6,017,392 (equivalent to Rp 65,879 million), respectively (Note 53).

Management did not provide allowance for doubtful accounts on other accounts receivable since they believe that all such receivables are collectible.

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15. Long-term Investments and Other Investments

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Investment in shares of stock by the Parent Company				
Equity method				
Subsidiaries	-	-	3,140,905	2,306,141
Associated companies	167,419	124,558	167,419	124,558
Subtotal	167,419	124,558	3,308,324	2,430,699
Cost method	177,578	177,578	177,578	177,578
Total	344,997	302,136	3,485,902	2,608,277
Investments in shares of stock by the subsidiaries				
Equity method	16,117	15,999	-	-
Cost method	11,147	3,068	-	-
Total	27,264	19,067	-	-
Total	372,261	321,203	3,485,902	2,608,277

a. Investments in shares of stock by the Parent Company

	Percentage of ownership %	Beginning balance of investment Rp '000,000	Changes during 2009					Ending balance of investment Rp '000,000
			Additional investment Rp '000,000	Dividends paid Rp '000,000	Equity in net income (loss) Rp '000,000	Difference in value due to changes in equity of subsidiaries and associated companies Rp '000,000	Difference arising from restructuring transactions among entities under common control Rp '000,000	
Equity Method								
Subsidiaries								
PT Asuransi Sinar Mas	99.99	598,598	-	-	143,933	39,099	-	781,630
PT Asuransi Jiwa Sinarmas	99.99	565,965	8,749	-	201,733	2,626	-	779,073
PT Bank Sinarmas	90.26	368,450	100,000	-	44,032	4,513	-	516,995
PT Sinarmas Sekuritas	99.99	318,149	-	-	197,893	-	-	516,042
PT Sinar Mas Multifinance	99.99	299,825	-	-	27,673	-	-	327,498
PT AB Sinar Mas Multifinance	99.99	60,892	-	-	34,306	-	-	95,198
PT Shinta Utama	99.00	47,234	-	-	4,794	487	-	52,515
PT Jakarta Teknologi Utama Moto	99.86	11,074	20,000	-	1,072	-	(7)	32,139
PT Panji Ratu Jakarta	99.53	17,901	-	-	126	-	-	18,027
PT Sinar Artha Gunita	99.80	14,097	-	-	1,169	-	-	15,266
PT Simas Money Changer	99.90	837	2,000	-	278	-	-	3,115
PT Wapindo Jasaartha	99.90	1,020	-	-	101	-	-	1,121
PT Balai Lelang Sinarmas	99.90	1,022	-	-	94	-	-	1,116
PT Arthamas Konsulindo	99.99	696	-	-	58	-	-	754
PT Arthamas Solusindo	99.60	253	-	-	(8)	-	-	245
PT Komunindo Arga Digital	95.00	33	-	-	20	-	-	53
PT Sinar Artha Solusindo	99.60	47	-	-	2	-	-	49
PT Arthamas Informatika	99.60	18	-	-	20	-	-	38
PT Artha Bina Usaha	92.00	4	-	-	13	-	-	17
PT Sinar Artha Inforindo	99.60	10	-	-	(1)	-	-	9
PT Sinar Artha Konsulindo	99.75	12	-	-	(9)	-	-	3
PT Sinar Artha Trading	92.00	4	-	-	(2)	-	-	2
Total		2,306,141	130,749	-	657,297	46,725	(7)	3,140,905
Associated Companies								
PT Asuransi Jiwa Mega Life	50.00	107,294	-	-	43,340	-	-	150,634
PT Certis CISCO	49.00	8,475	-	-	(1,294)	-	-	7,181
PT Super Wahana Tehno	35.19	8,789	-	-	(126)	941	-	9,604
PT JobStreet Indonesia	40.00	-	-	-	-	-	-	-
Total		124,558	-	-	41,920	941	-	167,419
Cost Method								
PT Oto Multiartha	16.14	176,309	-	-	-	-	-	176,309
PT Summit Oto Finance	0.28	1,269	-	-	-	-	-	1,269
Total		177,578	-	-	-	-	-	177,578

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15 Long-term Investments and Other Investments (Continued)

a. Investments in shares of stock by the Parent Company (Continued)

	Percentage of ownership %	Beginning balance of investment Rp '000,000	Changes during 2008					Ending balance of investment Rp '000,000
			Additional investment Rp '000,000	Dividends paid Rp '000,000	Equity in net income (loss) Rp '000,000	Difference in value due to changes in equity of subsidiaries and associated companies Rp '000,000	Difference arising from restructuring transactions among entities under common control Rp '000,000	
Equity Method								
Subsidiaries								
PT Asuransi Sinar Mas	99.99	587,519	-	-	75,736	(64,657)	598,598	
PT Asuransi Jiwa Sinarmas	83.33	431,801	-	-	136,177	(2,013)	565,965	
PT Bank Sinarmas	87.97	219,096	150,000	-	10,858	(11,504)	368,450	
PT Sinarmas Sekuritas	99.99	392,034	-	(75,001)	1,116	-	318,149	
PT Sinar Mas Multifinance	99.99	280,352	-	-	19,473	-	299,825	
PT AB Sinar Mas Multifinance	99.99	37,493	-	-	23,399	-	60,892	
PT Shinta Utama	99.00	48,009	-	-	2,034	(2,809)	47,234	
PT Panji Ratu Jakarta	99.53	17,301	-	-	600	-	17,901	
PT Sinartama Gunita	99.80	12,472	-	-	1,625	-	14,097	
PT Jakarta Teknologi Utama Motor	99.67	4,004	8,000	-	(920)	-	11,074	
PT Balai Lelang Sinarmas	99.90	-	999	-	23	-	1,022	
PT Wapindo Jasaartha	99.90	-	1,007	-	13	-	1,020	
PT Simas Money Changer	99.65	784	-	-	53	-	837	
PT Arthamas Konsulindo	99.99	640	-	-	56	-	696	
PT Arthamas Solusindo	99.60	294	8	-	(49)	-	253	
PT Sinar Artha Solusindo	99.60	32	-	-	15	-	47	
PT Komunindo Arga Digital	95.00	17	-	-	16	-	33	
PT Arthamas Informatika	99.60	10	-	-	8	-	18	
PT Sinar Artha Konsulindo	99.75	12	-	-	-	-	12	
PT Sinar Artha Inforindo	99.60	2	8	-	-	-	10	
PT Artha Bina Usaha	92.00	-	12	-	(8)	-	4	
PT Sinar Artha Trading	92.00	-	12	-	(8)	-	4	
Total		2,031,872	160,046	(75,001)	270,217	(80,983)	(10)	2,306,141
Associated Companies								
PT Asuransi Jiwa Mega Life	50.00	103,440	-	-	3,854	-	107,294	
PT Certis CISCO	49.00	16,939	-	-	(8,464)	-	8,475	
PT Super Wahana Tehno	46.44	9,846	-	-	(1,057)	-	8,789	
PT JobStreet Indonesia	40.00	-	-	-	-	-	-	
Total		130,225	-	-	(5,667)	-	-	124,558
Cost Method								
PT Oto Multiartha	16.14	176,309	-	-	-	-	176,309	
PT Summit Oto Finance	0.28	1,269	-	-	-	-	1,269	
Total		177,578	-	-	-	-	-	177,578

PT Asuransi Jiwa Sinarmas (AJS)

In June 2009, the Parent Company and PT Shinta Utama have purchased shares of AJS from previous shareholders totaling to Rp 8,749 shares and 1 share, respectively, at nominal value of Rp 8,749 million and Rp 1 million, respectively. Ownership interest acquired has book value of Rp 147,123 million, thus, resulted to negative goodwill amounting to Rp 138,373 million and amortization in 2009 amounted to Rp 3,459 million (Note 34). This purchase increased the ownership interest of the Parent Company in AJS to 99.99%.

PT Sinarmas Sekuritas (SMS)

In May 2008, SMS declared dividends for 2007 to Parent Company and ASM amounting to Rp 75,000 million and Rp 1 million, respectively.

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15 Long-term Investments and Other Investments (Continued)

a. Investments in shares of stock by the Parent Company (Continued)

PT Bank Sinarmas (BS)

The Parent Company increased its investments in shares of BS by Rp 100,000 million and Rp 150,000 million in 2009 and 2008. The additional investments had increased the direct ownership interest of the Parent Company in BS to 90.26% in 2009 and 87.97% in 2008.

PT Jakarta Teknologi Utama Motor (JTUM)

In 2009 and 2008, The Parent Company increased its investments in shares of JTUM by Rp 20,000 million and Rp 8,000 million, respectively. The additional investments had increased the ownership interest of the Parent Company in JTUM to 99.86% in 2009 and 99.67% in 2008.

PT Simas Money Changer (SMC)

In May 2009, the Parent Company increased its investments in shares of SMC by Rp 2,000 million. The additional investments had increased the ownership interest of the Parent Company in SMC to 99.90%

PT Wapindo Jasaartha (WJ)

In May 2008, the Parent Company and SU have purchased shares of WJ from previous shareholders, totaling to 7,000 shares and 1,000 shares, respectively, which amounted to Rp 7 million. It increased ownership interest of the Parent Company in WJ from 60% to 95%.

In July 2008, the Parent Company increased its investment in shares in WJ by Rp 1,000 million. The ownership interest of the Parent Company increased to 99.90%.

PT Balai Lelang Sinarmas (BLS)

In July 2008, the Parent Company and SU established BLS by investing Rp 999 million and Rp 1 million, respectively.

PT Arthamas Solusindo (AS) and PT Sinar Artha Inforindo (SAI)

In September 2008, the Parent Company increased its investments in shares of AS and SAI by Rp 8 million each. The increase in investments resulted to an increase in ownership interest of the Parent Company in AS and SAS from 99.00% to 99.60%.

PT Artha Bina Usaha (ABU) and PT Sinar Artha Trading (SAT)

In July 2008, the Parent Company and SU established ABU and SAT, by investing Rp 12 million and Rp 1 million, respectively.

PT Certis CISCO (CISCO)

CISCO, domiciled in Jakarta, is engaged in security services. The investment in shares of CISCO was acquired by the Parent Company since April 1997. On June 26, 2009, the Parent Company placed advanced investment in shares by Rp 19,600 million as additional investment (Note 21).

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15 Long-term Investments and Other Investments (Continued)

a. Investments in shares of stock by the Parent Company (Continued)

PT Super Wahana Tehno (SWT)

SWT, domiciled in Jakarta, is engaged in trading and packed drinking water industry.

In September 2009, Nihon Trim Co. Ltd., increased its investment in shares of SWT by Rp 8,640 million, which resulted in decrease in Parent Company's ownership interest in SWT from 46.44% to 35.19%.

PT Oto Multiartha (OM)

OM, domiciled in Jakarta, is engaged in multifinance business. The investment in OM was acquired by the Parent Company since May 1996.

On January 2, 2008, the shareholders of OM, agreed to the conversion of OM's share, removal of share classification, restructuring and allocation of OM's shares to each shareholder. Those transactions had decreased the ownership interest of the Parent Company in OM from 21.59% to 19.70%. Since those transactions, investment in OM has been accounted for using the cost method instead of equity method.

On December 23, 2008, the majority shareholders of OM increased its investments in shares of OM. The increase in investments resulted to a decrease in ownership interest of Parent Company in OM from 19.70% to 16.14%.

b. Investments in shares of stock by subsidiaries

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Equity method				
PT LIG Insurance Indonesia	16,117	15,999	-	-
Cost method				
PT Bursa Komoditi dan Derivatif Indonesia	6,000	-	-	-
PT Tugu Reasuransi Indonesia	2,000	-	-	-
PT Asuransi MAIPARK Indonesia	1,801	1,722	-	-
PT Kliring Penjaminan Efek Indonesia	600	600	-	-
PT Pemeringkat Efek Indonesia	350	350	-	-
PT Bursa Efek Indonesia	135	135	-	-
PT Damai Indah Padang Golf	140	140	-	-
PT Sedana Golf	101	101	-	-
PT Menara Proteksi Indonesia	20	20	-	-
Total	11,147	3,068	-	-
Total	27,264	19,067	-	-

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15 Long-term Investments and Other Investments (Continued)

b. Investments in shares of stock by subsidiaries (Continued)

In August 2009, PT Asuransi Sinar Mas (ASM) purchased shares of stock of PT Tugu Reasuransi Indonesia, which engages in reinsurance business, amounting to Rp 2,000 million.

In July 2009, PT Sinarmas Future (SF) purchased shares of stock of PT Bursa Komoditi dan Derivatif Indonesia, which engages in commodity trading, amounting to Rp 6,000 million.

In 2009, ASM increased its investments in shares of PT Asuransi MAIPARK Indonesia (AMI) by Rp 79 million or 3.96% ownership interest in AMI.

In April 2008, JTUM purchased shares of PT Autopro Utama Perkasa (AUP) totaling to 7,348 shares which amounted to Rp 3,674 million. It increased the ownership interest of JTUM in AUP from 51.00% to 99.98%.

Investment by SMS in SF and investment by JTUM in AUP have been eliminated on consolidated financial statements.

ASM established PT LIG Insurance Indonesia as a joint venture with LG Korea. ASM has 30% ownership interest in PT LIG Insurance Indonesia.

16. Investment Properties

As of December 31, 2009 and 2008, this account represent investments in land and building of PT Asuransi Sinar Mas, PT Asuransi Jiwa Sinar Mas, PT AB Sinar Mas Multifinance and PT Panji Ratu Jakarta, subsidiaries.

Following are the balances and changes in the investment properties and accumulated depreciation:

	January 1,	Changes during 2009			December 31 ,
	2009	Additions	Deductions	Reclassification	2009
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
At Cost					
Land	97,714	1,319	-	(19,482)	79,551
Building	17,572	-	-	(5,202)	12,370
Total	<u>115,286</u>	<u>1,319</u>	<u>-</u>	<u>(24,684)</u>	<u>91,921</u>
Accumulated Depreciation					
Building	820	3,550	-	(260)	4,110
Net Book Value	<u>114,466</u>				<u>87,811</u>

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16. Investment Properties (Continued)

	January 1,	Changes during 2008			December 31,
	2008	Addition	Deduction	Reclassification	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
At Cost					
Land	90,784	14,408	-	(7,478)	97,714
Building	48,869	3,923	-	(35,220)	17,572
Total	<u>139,653</u>	<u>18,331</u>	<u>-</u>	<u>(42,698)</u>	<u>115,286</u>
Accumulated Depreciation					
Building	-	820	-	-	820
Book Value	<u>139,653</u>				<u>114,466</u>

Consolidated depreciation charged to operations for the years ended December 31, 2009 and 2008 amounted to Rp 3,550 million and Rp 820 million, respectively.

Reclassification of investment properties to property and equipment in 2009 and 2008 represents reclassification made by PT Asuransi Sinar Mas, a subsidiary (Note 17).

As of December 31, 2009 and 2008, investment properties, except land, are insured with PT Axa Indonesia and other insurance companies for US\$ 1,237,112. Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Management believes that there is no impairment in value of the aforementioned assets as of December 31, 2009 and 2008.

17. Property and Equipment

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
At cost				
Direct acquisitions				
Land	154,398	114,812	-	-
Buildings	328,407	240,272	-	-
Office equipment	256,758	201,297	230	162
Motor vehicles	75,939	69,401	8	8
Furniture and fixtures	15,942	12,862	-	-
Machineries and equipment	2,262	2,595	-	648
Leased assets				
Motor vehicles	-	725	-	725
Construction in progress	11,975	27,158	-	-
Total	<u>845,681</u>	<u>669,122</u>	<u>238</u>	<u>1,543</u>

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17. Property and Equipment (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
Accumulated depreciation				
Direct acquisitions				
Building	56,018	41,328	-	-
Office equipment	100,031	76,065	168	140
Motor vehicles	42,299	41,278	7	7
Furniture and fixtures	10,450	8,690	-	-
Machineries and equipment	1,434	1,608	-	346
Leased assets				
Motor vehicles	-	445	-	444
Total	210,232	169,414	175	937
Net Book Value	635,449	499,708	63	606

Following are the balances and changes in the consolidated cost of property and equipment and accumulated depreciation:

	January 1,	Changes during 2009			December 31,
	2009	Additions	Deductions	Reclassifications	2009
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Direct acquisitions					
Land	114,812	19,893	(43)	19,736	154,398
Buildings	240,272	54,000	(17)	34,152	328,407
Office equipment	201,297	57,198	(1,719)	(18)	256,758
Motor vehicles	69,401	18,770	(12,957)	725	75,939
Furniture and fixtures	12,862	3,165	(85)	-	15,942
Machineries and equipment	2,595	315	(648)	-	2,262
Leased assets					
Motor vehicles	725	-	-	(725)	-
Construction in progress	27,158	1,768	-	(16,951)	11,975
Total	669,122	155,109	(15,469)	36,919	845,681
Accumulated depreciation					
Direct acquisitions					
Buildings	41,328	14,433	(3)	260	56,018
Office equipment	76,065	25,621	(1,645)	(10)	100,031
Motor vehicles	41,278	11,108	(10,532)	445	42,299
Furniture and fixtures	8,690	1,845	(85)	-	10,450
Machineries and equipment	1,608	310	(484)	-	1,434
Leased assets					
Motor vehicles	445	-	-	(445)	-
Total	169,414	53,317	(12,749)	250	210,232
Net Book Value	499,708				635,449

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17. Property and Equipment (Continued)

	January 1,	Changes during 2008			December 31,
	2008	Additions	Deductions	Reclassifications	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost					
Direct acquisitions					
Land	69,936	37,399	-	7,477	114,812
Buildings	156,236	36,811	(208)	47,433	240,272
Office equipment	145,853	63,028	(7,522)	(62)	201,297
Motor vehicles	70,511	9,235	(12,289)	1,944	69,401
Furniture and fixtures	10,040	2,822	-	-	12,862
Machineries and equipment	2,119	476	-	-	2,595
Leased assets					
Motor vehicles	2,669	-	-	(1,944)	725
Construction in progress	13,840	25,547	-	(12,229)	27,158
Total	471,204	175,318	(20,019)	42,619	669,122
Accumulated depreciation					
Direct acquisitions					
Buildings	30,548	10,843	(65)	2	41,328
Office equipment	62,742	20,715	(7,374)	(18)	76,065
Motor vehicles	37,240	10,781	(7,981)	1,238	41,278
Furniture and fixtures	6,928	1,762	-	-	8,690
Machineries and equipment	1,315	293	-	-	1,608
Leased assets					
Motor vehicles	1,549	134	-	(1,238)	445
Total	140,322	44,528	(15,420)	(16)	169,414
Net Book Value	330,882				499,708

Reclassification of property and equipment in 2009 includes reclassification of investment property – land and building (Note 16) to property and equipment by PT Asuransi Sinarmas (ASM), amounting to Rp 24,424 million, other assets (Note 21) to property and equipment by PT Bank Sinarmas, amounting to Rp 255 million, foreclosed properties (Note 20) to property and equipment by PT Sinar Mas Multifinance, amounting to Rp 10,898 million, property and equipment to segregated fund net asset – sharia (Note 9) by PT Asuransi Jiwa Sinarmas, amounting to Rp 8 million, other assets (Note 21) to property and equipment by ASM, amounting to Rp 1,100 million.

Reclassification of property and equipment in 2008 includes reclassification of investment property – land and building (Note 16) to property and equipment by ASM, amounting to Rp 42,698 million, property and equipment to segregated fund net asset – sharia (Note 9) by PT Asuransi Jiwa Sinarmas, amounting to Rp 28 million, property and equipment to other assets (Note 21) by ASM, amounting to Rp 67 million.

Consolidated depreciation charged to operations for the years ended December 31, 2009 and 2008 amounted to Rp 53,317 million and Rp 44,528 million, respectively.

Consolidated depreciation which were included in direct cost of service center and cost of goods sold for the years ended December 31, 2009 and 2008 amounted to Rp 366 million and Rp 285 million, respectively.

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17. Property and Equipment (Continued)

Deductions in property and equipment pertain to the sale of certain property and equipment with details as follows:

	Consolidated	
	2009	2008
	Rp '000,000	Rp '000,000
Selling price	5,211	6,514
Net book value	<u>2,720</u>	<u>4,599</u>
Gain on sale of property and equipment (Note 49)	<u><u>2,491</u></u>	<u><u>1,915</u></u>

As of December 31, 2009 and 2008, property and equipment are insured with ASM, a subsidiary, and other insurance companies for Rp 517,093 million and US\$ 4,783,703, respectively, (2008: Rp 254,632 million and US\$ 4,783,703). Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Transactions with related parties were done under similar terms and conditions as those done with third parties.

Management believes that there is no impairment in value of the aforementioned assets as of December 31, 2009 and 2008.

18. Property Under Build, Operate and Transfer Agreement

Building under build, operate and transfer agreement pertains to subject of cooperation agreement between the Parent Company and PT Asuransi Sinar Mas (ASM), a subsidiary, with details as follows:

	January 1, 2009	Changes during 2009			December 31, 2009
	Rp '000.000	Addition Rp '000.000	Deduction Rp '000.000	Reclassification Rp '000.000	Rp '000.000
At cost					
Building	-	-	-	77,988	77,988
Building under construction	57,527	20,461	-	(77,988)	-
Total	<u>57,527</u>	<u>20,461</u>	<u>-</u>	<u>-</u>	<u>77,988</u>
Accumulated depreciation					
Building	-	3,899	-	-	3,899
Net Book Value	<u><u>57,527</u></u>				<u><u>74,089</u></u>

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18. Property Under Build, Operate and Transfer Agreement (Continued)

	January 1,	Changes during 2008			December 31,
	2008	Addition	Deduction	Reclassification	2008
	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000	Rp '000.000
At cost					
Building under construction	24,383	33,144	-	-	57,527
Accumulated depreciation					
Building	-	-	-	-	-
Net Book Value	<u>24,383</u>				<u>57,527</u>

Building under construction represents the accumulated costs of building construction under the Cooperation Agreement of Build, Operate and Transfer, for Plaza Simas office building which is located at Jl. Fachrudin, Central Jakarta. The Cooperation period is 99 years which will commence at the time of start of operations of the building. The ownership of the building will be transferred to ASM at the end of the Cooperation Agreement. As of December 31, 2009, percentage of completion of building under construction is 99% and the estimated completion is in June 2010.

As of December 31, 2009 and 2008, based on the Company management, there is no impairment in value of property under build, operate and transfer agreement.

19. Assets for Lease

This account represents assets for lease owned by PT AB Sinar Mas Multifinance and PT Sinar Mas Multifinance, subsidiaries, with details as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost				
Motor vehicles	18,846	13,630	-	-
Office equipment	22,110	17,749	-	-
Machineries and equipment	18,110	18,110	-	-
Total	<u>59,066</u>	<u>49,489</u>	<u>-</u>	<u>-</u>
Accumulated depreciation				
Motor vehicles	6,735	3,669	-	-
Office equipment	14,027	8,134	-	-
Machineries and equipment	12,348	6,585	-	-
Total	<u>33,110</u>	<u>18,388</u>	<u>-</u>	<u>-</u>
Net Book Value	<u>25,956</u>	<u>31,101</u>	<u>-</u>	<u>-</u>

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19. Assets for Lease (Continued)

Following are the balances and changes in the cost of assets for lease and accumulated depreciation:

	January 1,	Changes during 2009		December 31,
	2009	Additions	Deductions	2009
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost				
Motor vehicles	13,630	5,216	-	18,846
Office equipment	17,749	4,361	-	22,110
Machineries and equipment	18,110	-	-	18,110
Total	49,489	9,577	-	59,066
Accumulated depreciation				
Motor vehicles	3,669	3,066	-	6,735
Office equipment	8,134	5,893	-	14,027
Machineries and equipment	6,585	5,763	-	12,348
Total	18,388	14,722	-	33,110
Net Book Value	31,101			25,956
	January 1,	Changes during 2008		December 31,
	2008	Additions	Deductions	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
At cost				
Motor vehicles	13,086	5,701	(5,157)	13,630
Office equipment	7,997	9,752	-	17,749
Machineries and equipment	11,194	6,916	-	18,110
Total	32,277	22,369	(5,157)	49,489
Accumulated depreciation				
Motor vehicles	4,002	2,909	(3,242)	3,669
Office equipment	2,028	6,106	-	8,134
Machineries and equipment	1,399	5,186	-	6,585
Total	7,429	14,201	(3,242)	18,388
Net Book Value	24,848			31,101

Deductions in assets for lease represent the sale of certain assets for lease with details as follows:

	2008
	Rp '000,000
Selling price	985
Net book value	1,915
Loss on sale of assets for lease (Note 49)	<u>(930)</u>

As of December 31, 2009 and 2008, assets for lease are insured with PT Asuransi Sinar Mas, a subsidiary, for Rp 35,449 million and Rp 32,065 million, respectively. Management believes that the insurance coverages are adequate to cover any possible losses that might arise from the assets insured.

Management believes that there is no impairment in value of the aforementioned assets for lease as of December 31, 2009 and 2008.

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20. Foreclosed Properties

Foreclosed properties consist of land, houses and apartments amounting to Rp 67,089 million as of December 31, 2009 and Rp 78,911 million as of December 31, 2008, motor vehicles amounting to Rp 2,188 million as of December 31, 2009 and Rp 797 million December 31, 2008, and heavy equipment amounting to Rp 792 million per December 31, 2009 and 2008, which were obtained by PT Sinar Mas Mutifinance (SMF) and PT Bank Sinarmas (BS) subsidiaries, from settlement of their receivables from and loans to customers. SMF's ownership on the foreclosed properties is supported by Letter of Transfer of Rights to SMF and Power of Attorney to Sell. These foreclosed properties are not insured.

At this point in time, SMF and BS are still in the process of selling the foreclosed properties, i.e. by cooperating with property agents to sell the land, houses and apartment units.

As of December 31, 2009 and 2008, management believes that the allowance for possible losses amounting to Rp 4,775 million and Rp 5,415 million, respectively, is adequate to cover the possible losses which might arise from the decline in values of the foreclosed properties.

21. Other Assets

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Prepaid expenses	44,662	38,175	1	13
Advances for investment (Note 15)	19,600	-	19,600	-
Advanced payment for buildings renovation	18,833	29,362	-	-
Advanced payment for purchase of property and equipment	14,966	17,172	-	-
Security deposits	11,703	7,634	3,544	131
Prepaid taxes	8,825	7,701	5,357	3,602
Inventories	3,819	4,480	-	5
Others	4,605	59,954	-	1
Total	127,013	164,478	28,502	3,752

Prepaid expenses include prepayments of office rental, shares administration charges, stamp duties and insurance premiums.

As of December 31, 2009 and 2008, the consolidated balances of other assets from related parties amounted to Rp 11,912 million and Rp 46,496 million, respectively (Note 52).

Transactions with related parties were done under similar terms and conditions as those done with third parties.

As of December 31, 2009 and 2008, the consolidated balances of other assets denominated in foreign currency amounted to US\$ 537,295 (equivalent to Rp 5,050 million) and US\$ 139,869 (equivalent to Rp 1,531 million), respectively (Note 53).

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22. Deposits and Deposits from Other Banks

This account represents deposits and deposits from other banks placed in PT Bank Sinarmas, a subsidiary.

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Demand deposits	1,072,107	645,021	-	-
Savings deposits	970,389	594,076	-	-
Time deposits	4,409,600	3,539,979	-	-
Deposits from other banks	238,626	80,045	-	-
Total	6,690,722	4,859,121	-	-

a. Demand deposits consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Rupiah	257,699	53,342	-	-
U.S. Dollar (Note 53)	212,374	129,775	-	-
Subtotal	470,073	183,117	-	-
Third parties				
Rupiah	297,804	273,817	-	-
U.S. Dollar (Note 53)	304,230	188,087	-	-
Subtotal	602,034	461,904	-	-
Total	1,072,107	645,021	-	-

Average interest rates per annum on demand deposits are as follows:

	2009	2008
Rupiah	1.50% - 5.00%	3.00% - 5.00%
U.S. Dollar	0.15% - 1.25%	0.50% - 1.50%

b. Savings deposits consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
Related parties (Note 52)	4,164	16,863	-	-
Third parties	966,225	577,213	-	-
Total	970,389	594,076	-	-

Average interest rates per annum on savings deposits are as follows:

	2009	2008
Rupiah	2.50% - 8.00%	4.00% - 9.00%

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23. Deposits and Deposits from Other Banks (Continued)

c. Time deposits consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Rupiah	935,967	771,455	-	-
U.S. Dollar (Note 53)	1,194,415	221,891	-	-
Subtotal	<u>2,130,382</u>	<u>993,346</u>	<u>-</u>	<u>-</u>
Third parties				
Rupiah	2,165,809	2,389,978	-	-
U.S. Dollar (Note 53)	113,409	156,655	-	-
Subtotal	<u>2,279,218</u>	<u>2,546,633</u>	<u>-</u>	<u>-</u>
Total	<u>4,409,600</u>	<u>3,539,979</u>	<u>-</u>	<u>-</u>

Interest rates per annum on time deposits are as follows:

	2009	2008
Rupiah	6.75% - 8.75%	7.75% - 13.00%
U.S. Dollar	2.50% - 3.00%	3.00% - 6.00%

Total time deposits which were blocked and used as collateral for credit guarantees, letters of credit and bank guarantees as of December 31, 2009 and 2008 amounted to Rp 878,472 million and Rp 250,943 million, respectively, (Note 12).

d. Deposits from other banks consist of:

1. Demand deposits consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
U.S. Dollar (Note 53)	14,891	-	-	-
Third parties				
Rupiah	<u>63,786</u>	<u>45</u>	<u>-</u>	<u>-</u>
Total	<u>78,677</u>	<u>45</u>	<u>-</u>	<u>-</u>

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23. Deposits and Deposits from Other Banks (Continued)

d. Deposits from other banks consist of: (Continued)

2. *Call Money* consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Third parties Rupiah	110,000	80,000	-	-

3. Time deposits consist of:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Third parties Rupiah	49,949	-	-	-

Interest rates for deposits from other banks per annum are as follows:

	2009	2008
Time deposits	5.50% - 10.50%	-
Call money	6.30% - 9.00%	10.00% - 10.25%

Transactions with related parties were done under similar terms and conditions as those done with third parties.

23. Securities Sold Under Agreements to Repurchase

As of December 31, 2009, investments in securities sold under agreement to repurchase was done by PT Bank Sinarmas and PT Sinarmas Sekuritas, subsidiaries, consisting of :

Type of Investment	Term	Maturity Date	Net carrying value Rp'000.000
Rupiah			
Government Bonds - Bank Indonesia			
FR0028	14 days	January 14, 2010	81,777
FR0026	14 days	January 12, 2010	73,508
FR0038	14 days	January 14, 2010	54,722
FR0020	14 days	January 12, 2010	34,064
FR0023	14 days	January 14, 2010	14,357
Share - Sinar Prima Reksa			
PT Tiga Pilar Sejahtera Food Tbk	31 days	January 29, 2010	26,327
Total			284,755

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23. Securities Sold Under Agreements to Repurchase (Continued)

As of December 31, 2008, investments in securities sold under agreement to repurchase was done by PT Bank Sinarmas, a subsidiary, consisting of :

Type of Investment	Term	Maturity Date	Net carrying value
			Rp '000,000
Rupiah - Bank Indonesia			
Government Bonds			
FR0028	8 days	January 7, 2009	71,738
ORI004	8 days	January 7, 2009	49,336
FR0038	8 days	January 7, 2009	48,685
Total			169,759

24. Accounts Payable

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Reinsurance payable	4,304	2,330	-	-
Commissions payable	2,153	4,912	-	-
Insurance claims payable	2,247	1,772	-	-
Premiums payable	-	-	-	-
Total	8,704	9,014	-	-
Third parties				
Reinsurance payable	132,134	171,738	-	-
Insurance claims payable	56,148	26,963	-	-
Commissions payable	20,439	8,364	-	-
Premiums payable	56,028	13,452	-	-
Others	1,586	2,271	-	73
Total	266,335	222,788	-	73
Total	275,039	231,802	-	73

The details of accounts payable based on currency:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Rupiah				
Insurance claims payable	42,009	18,500	-	-
Reinsurance payable	35,249	15,607	-	-
Commissions payable	19,582	7,984	-	-
Premiums payable	3,024	7,048	-	-
Others	1,586	2,271	-	73
Total	101,450	51,410	-	73

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24. Accounts Payable (Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Foreign currency (Note 53)				
Reinsurance payable	101,189	158,461	-	-
Premiums payable	53,004	6,404	-	-
Insurance claims payable	16,386	10,235	-	-
Commissions payable	3,010	5,292	-	-
Total	<u>173,589</u>	<u>180,392</u>	<u>-</u>	<u>-</u>
Total	<u>275,039</u>	<u>231,802</u>	<u>-</u>	<u>73</u>

Reinsurance payables represent insurance premiums due to the reinsurance companies based on the reinsurance contract (treaty) for certain amount of insurance policies.

Commissions payable represent commissions due to brokers and insurance agencies while insurance claims payable represent liabilities to policyholders in relation to claims which have been approved but the payments of which are still in process.

Premiums payable represent co-insurance premium payable to co-insurance member arising from life insurance transaction.

Transactions with related parties were done under similar terms and conditions as those done with third parties.

25. Premiums Received in Advance

This account represents premiums received in advance by PT Asuransi Sinar Mas, a subsidiary, in relation to insurance policies issued with coverage period of more than one (1) year.

26. Liability for Future Policy Benefits

a. Liability for future policy benefits represents the amount set aside to provide the benefits promised to policyholders under the terms of life insurance policies in force, which are stated in the policies and determined in accordance with the actuarial calculation.

b. The details of liability for future policy benefits based on type of coverage are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Individual:				
Combined endowment	3,054,140	4,803,675	-	-
Whole life	207,429	206,364	-	-
Endowment	7,878	7,317	-	-
Non-Traditional	4,317	3,256	-	-
Death	520	473	-	-
Subtotal	<u>3,274,284</u>	<u>5,021,085</u>	<u>-</u>	<u>-</u>

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26. Liability for Future Policy Benefits (Continued)

- b. The details of liability for future policy benefits based on type of coverage are as follows:
(Continued)

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Group:				
Death	98,574	98,357	-	-
Endowment	41	37	-	-
Subtotal	98,615	98,394	-	-
Total	3,372,899	5,119,479	-	-

- c. As of December 31, 2009 and 2008, balance of liability for future policy benefits in foreign currency amounted to US\$ 74,270,326 (equivalent to Rp 698,141 million) and US\$ 105,935,109 (equivalent to Rp 1,159,989 million) (Note 53).
- d. In 2009 and 2008, PT Asuransi Jiwa Sinarmas's (AJS), a subsidiary, liability for future policy benefits is recorded by AJS based on actuarial calculation of Hamid Hamzah, FSAI. The assumptions used in the computation are as follows:

For the insurance policies issued since 1994:

Type of Insurance	Mortality Table	Actuarial Interest	Method of Reserve Computation
a. <u>Individual:</u>			
Death	CSO 1958	4%, 8%	Net level premium
	TMII 1993	2%, 8%	Net level premium
Endowment	CSO 1958	5%	Net level premium
	TMI 1993	8%	Net level premium
	Reinsurance	9%	Net level premium
Combined endowment	CSO 1958	4%, 5%, 8%	Net level premium
	TMII 1993	2%, 3%, 4%, 5%, 7%, 8%	Net level premium
	CSO 1980	7%	Net level premium
	TMII 1999	8%, 5%	Net level premium
Whole life	CSO 1958	4%, 7%, 8%	Net level premium
	TMII 1993	5%, 8%, 9%	Net level premium
b. <u>Group:</u>			
Death	CSO 1958	4%, 8%	Net level premium

For the insurance policies issued before 1994:

Type of Insurance	Mortality Table	Actuarial Interest	Method of Reserve Computation
a. <u>Individual:</u>			
Endowment	CSO 1958	8%	Zilmer
Combine Endowment	CSO 1958	4%, 6%, 7%	Zilmer
Whole life	CSO 1958	6%	Zilmer
b. <u>Group:</u>			
Death	CSO 1958	6%	Zilmer

The above liability for future policy benefits are prospective with linear interpolation.

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26. Liability for Future Policy Benefits (Continued)

e. The changes in liability for future policy benefits are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	5,119,479	4,674,164	-	-
Increase (decrease) in liability for future benefits (Note 44)	(1,746,580)	445,315	-	-
Balance at the end of year	<u>3,372,899</u>	<u>5,119,479</u>	<u>-</u>	<u>-</u>

27. Unearned Premiums and Estimated Own Retention Claims

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Unearned premiums	357,697	333,980	-	-
Estimated own retention claims	136,909	122,900	-	-
Total	<u>494,606</u>	<u>456,880</u>	<u>-</u>	<u>-</u>

a. Unearned premiums

Unearned premiums by type of insurance are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Motor Vehicles	203,967	168,781	-	-
Health	95,532	111,362	-	-
Fire	31,724	26,816	-	-
Miscellaneous	14,930	15,105	-	-
Marine Cargo	6,658	6,826	-	-
Marine Hull	2,547	2,211	-	-
Accident	1,256	1,286	-	-
Engineering	869	1,142	-	-
Death	214	451	-	-
Total	<u>357,697</u>	<u>333,980</u>	<u>-</u>	<u>-</u>

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27. Unearned Premiums and Estimated Own Retention Claims (Continued)

a. Unearned premiums (Continued)

The changes in unearned premiums are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	333,980	249,923	-	-
Increase (decrease) in unearned premiums (Note 40)	23,717	84,057	-	-
Balance at the end of year	357,697	333,980	-	-

Calculation method for Premium Reserve was based on regulation of KMK No. 424/KMK.06/2003 Article 28 about Calculation of Unearned Premiums.

b. Estimated own retention claims

The details of estimated own retention claims by type of insurance are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Motor Vehicles	57,040	37,507	-	-
Fire	27,667	19,971	-	-
Health	20,644	38,608	-	-
Miscellaneous	12,981	10,271	-	-
Marine Cargo	7,951	7,758	-	-
Death	4,310	4,121	-	-
Engineering	3,208	3,109	-	-
Marine Hull	3,108	1,555	-	-
Total	136,909	122,900	-	-

The changes in estimated own retention claims are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Balance at beginning of the year	122,900	113,390	-	-
Increase in estimated own retention claims (Note 44)	14,009	9,510	-	-
Balance at the end of year	136,909	122,900	-	-

Calculation method for Premium Reserve was based on regulation of KMK No. 424/KMK.06 2003 Article 29 about Calculation of Unearned Premiums.

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27. Unearned Premiums and Estimated Own Retention Claims (Continued)

As of December 31, 2009 and 2008, the balance of unearned premiums and estimated own retention claims to related parties amounted to Rp 116,523 million and Rp 107,561 million, respectively (Note 52).

Transactions with related parties were done under similar terms and conditions as those done with third parties.

As of December 31, 2009 and 2008, the balance of unearned premiums and estimated own retention claims denominated in foreign currency amounted to US\$ 2,209,052 (equivalent to Rp 20,765 million) and US\$ 1,836,131 (equivalent to Rp 21,106 million), respectively (Note 53).

28. Securities Agent Payable

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Payable to customer	78,113	43,477	-	-
Payable to PT KPEI	22,972	20,162	-	-
Total	<u>101,085</u>	<u>63,639</u>	<u>-</u>	<u>-</u>

Payable to customer and PT Kliring Penjaminan Efek Indonesia (KPEI) are liabilities of PT Sinarmas Sekuritas, a subsidiary, in relation with purchase and sale transactions of customer's shares and purchase and sale transactions of shares among securities companies.

29. Taxes Payable

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Corporate Income Tax				
Articles 25 and 29	18,841	12,376	-	-
Income Taxes				
Article 4 (2)	8,670	10,180	12	22
Article 21	2,605	8,285	43	48
Articles 23 and 26	587	1,430	6	32
Value Added Tax	541	219	-	-
Total	<u>31,244</u>	<u>32,490</u>	<u>61</u>	<u>102</u>

The filing of tax returns is based on the Company and its subsidiaries' own calculation of tax liabilities (self-assessment). The tax authorities may conduct a tax audit on the Company and its subsidiaries within a certain period based on Law of General Provision and Administration of Taxation.

On December 31, 2009 and 2008, balances of taxes payable in foreign currency amounted to US\$ 99,645 (equivalent to Rp 936 million) and US\$ 113,958 (equivalent to Rp 1,242 million) (Note 53).

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30. Accrued Expenses

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Accrued interest	18,308	21,720	-	-
Others	17,306	11,580	75	144
Total	35,614	33,300	75	144

Others represent accruals of certain operating expenses.

As of December 31, 2009 and 2008, the balance of accrued interest to related parties amounted to Rp 3,758 million and Rp 4,199 million, respectively (Note 52).

Transactions with related parties were done under similar terms and conditions as those done with third parties.

As of December 31, 2009 and 2008, the consolidated balance of accrued expenses denominated in foreign currency amounted to US\$ 138,579 (equivalent to Rp 1,302 million) and US\$ 47,916 (equivalent to Rp 522 million), respectively (Note 53).

31. Loans Received

As of December 31, 2009 and 2008, this account represents loans of PT Sinar Mas Multifinance (SMF) and PT AB Sinar Mas Multifinance (ABSM), subsidiaries, which were obtained from:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Third Parties				
PT Bank Negara Indonesia (Persero) Tbk (a)	257,952	262,824	-	-
PT Bank CIMB Niaga Tbk (b)	50,000	-	-	-
PT Bank Victoria International Tbk (c)	27,413	5,606	-	-
PT Bank Pan Indonesia Tbk (d)	13,542	34,375	-	-
Total	348,907	302,805	-	-

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31. Loans Received (Continued)

- a. On August 9, 2007, SMF obtained a revolving Working Capital Credit facility from PT Bank Negara Indonesia (Persero) Tbk (BNI) with maximum facility of Rp 100,000 million (facility I). The availability of the facility is for 12 months, which will be due on August 8, 2008 and with interest rates ranging from 13.00% to 13.75% per annum.

On June 24, 2008, SMF obtained a loan facility from BNI with maximum facility of Rp 250,000 million (facility II) and loan facility arising from non-revolving loan installment. The availability of the facility is for 12 months, which will be due on June 23, 2009, with interest rates ranging from 13.00 % to 18.00 % per annum.

The facility is fiduciary secured by motor vehicles consumer financing receivables equivalent to a maximum of 115% (for facility I) and 105% (for facility 2) of the total credit facility (Note 6), promissory notes and assignment (with retro cessie) in the form of transfer of motor vehicles consumer financing receivables equivalent to 100% of receivables if the installments are already overdue.

- b. On August 11, 2009, SMF obtained a revolving loan facility from PT Bank CIMB Niaga Tbk (CIMB-Niaga) with a maximum facility of Rp 50,000 million. The availability of the facility is for 1 year, which will be due on August 11, 2010 and with interest rate is 13.00% per annum.

The facility is fiduciary secured by consumer financing receivables amounting to Rp 62,948 million (Note 6).

- c. In 2008, ABSM obtained loan facility from PT Bank Victoria International Tbk with maximum facility of Rp 35,000 million. Interest rate on this loan is 18% per annum. The availability of the facility is for 12 months.

The facility is fiduciary secured by net investment in finance lease (Note 7).

- d. On March 13, 2008, SMF obtained a non-revolving loan facility from PT Bank Pan Indonesia Tbk (Bank Panin) with a maximum facility of Rp 50,000 million. The availability of the facility is for 3 months. Interest rate assignment from the loan is 10.5% per annum for the first year and Certificate of Bank Indonesia interest rate plus 3% per annum for the second year and third year.

The facility is fiduciary secured by consumer financing receivables amounting to Rp 52,500 million (Note 6).

The loans obtained by the Parent Company and its subsidiaries from BNI, CIMB-Niaga, Victoria and Panin include requirements that limit the rights of the Parent Company and its subsidiaries, among others, to conduct merger, acquisition, reorganization, change of business or change their legal status or liquidate the Company and its subsidiaries, files a petition for bankruptcy or delaying payment of their debts, withdraw or reduce the paid up capital and to guarantee or mortgage shares.

32. Convertible Bonds Payable

On July 5, 2005, PT Panji Ratu Jakarta (PRJ), a subsidiary, issued a non-interest bearing convertible bonds to Trade United Investments Limited (British Virgin Island) amounting to Rp 49,366 million which will mature on July 5, 2009. On July 3, 2009, PRJ has extended the convertible bonds up to July 5, 2013.

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32. Convertible Bonds Payable (Continued)

On May 13, 2008, PRJ issued a non-interest bearing convertible bonds amounting to Rp 14,417 million to Great Vanguard International Limited (British Virgin Island), which will be due on May 13, 2013.

These bonds can be converted into PRJ's shares at any time based on option of the convertible bondholders. The bondholders can transfer, sell or assign the convertible bonds to other parties only upon approval of PRJ.

These bonds have no ranking and are not listed in the stock exchange.

33. Other Liabilities

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Related parties (Note 52)				
Premiums received still in identification process	1,740	266	-	-
Unearned revenues	101	96	13,750	14,750
Others	-	310	364	-
Total	<u>1,841</u>	<u>672</u>	<u>14,114</u>	<u>14,750</u>
Third parties				
Negative goodwill - net	135,948	535	-	-
Premiums received still in identification process	80,541	196,192	-	-
Immediate liabilities	62,287	58,837	-	-
Deposits payable	21,002	16,942	-	-
Policyholders' deposits	11,427	40,764	-	-
Unearned revenues	6,958	9,993	-	-
Estimated losses on commitments and contingencies	6,763	2,561	-	-
Payable to policyholders	5,499	4,586	-	-
Traveller's checks	2,626	5,431	-	-
Payable to contractors	725	3,246	725	3,246
Tithe payable	73	25	-	-
Others	52,232	57,574	543	664
Total	<u>386,081</u>	<u>396,686</u>	<u>1,268</u>	<u>3,910</u>
Total	<u>387,922</u>	<u>397,358</u>	<u>15,382</u>	<u>18,660</u>

As of December 31, 2009, the balance of others include liability of PT Sinar Mas Multifinance, a subsidiary, to third parties amounting to Rp 30,000 million in connection with loan transferred from PT Bank Sinarmas. The liability has been repaid in January 2010.

Transactions with related parties were done under similar terms and conditions as those done with third parties.

As of December 31, 2009 and 2008, the consolidated balance of other liabilities denominated in foreign currency amounted to US\$ 4,841,953 (equivalent to Rp 45,502 million) and US\$ 4,477,875 (equivalent to Rp 48,820 million), respectively (Note 53).

As of December 31 2009, the balance of negative goodwill include negative goodwill arising from purchase of share at nominal price by the Parent Company and PT Shinta Utama, a subsidiary (Note 15).

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34. Minority Interest in Net Assets and Net Income (Loss) of the Subsidiaries

a. Minority Interest in Net Assets of the Subsidiaries

	Consolidated	
	2009	2008
	Rp '000,000	Rp '000,000
PT Panji Ratu Jakarta	82	81
PT Jakarta Teknologi Utama Motor	46	37
PT Autopro Utama Perkasa	2	15
PT Asuransi Jiwa Sinarmas	-	112,990
Total	130	113,123

b. Minority Interest in Net Income (Loss) of the Subsidiaries

	Consolidated	
	2009	2008
	Rp '000,000	Rp '000,000
PT Jakarta Teknologi Utama Motor	2	(6)
PT Panji Ratu Jakarta	1	4
PT Asuransi Jiwa Sinarmas	33,625	27,341
Total	33,628	27,339

35. Capital Stock

The share ownership in the Company based on the records of PT Sinartama Gunita, share registrar, a subsidiary, is as follows:

By Series of Shares:

Shares	2009				2008			
	%	Number of Shares	Nominal Value per Share Rp	Total Paid up Capital Stock Rp '000,000	%	Number of Shares	Nominal Value per Share Rp	Total Paid up Capital Stock Rp '000,000
Series A	2.31	142,474,368	5,000	712,372	2.46	142,474,368	5,000	712,372
Series B	97.69	6,037,783,827	100	603,778	97.54	5,645,191,047	100	564,519
Total	100.00	6,180,258,195		1,316,150	100.00	5,787,665,415		1,276,891

By Ownership of Interest:

Name of Stockholder	2009		2008	
	%	Number of Shares	%	Number of Shares
JBC International Finance (MAU) Limited	57.07	3,526,810,828	64.94	3,758,189,828
Indra Widjaja	0.02	1,315,364	0.14	8,243,664
Kurniawan Udjaja	0.00	32,000	0.00	32,000
Public (below 5% each)	42.91	2,652,100,003	34.92	2,021,199,923
Total	100.00	6,180,258,195	100.00	5,787,665,415

All capital stock issued by the Company (Series A and Series B shares) are common stock.

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35. Capital Stock (Continued)

The changes in capital stock of the Company from January 1, 2008 up to December 31, 2009 are as follows:

	<u>Number of Shares</u>	<u>Paid-up Capital Stock Rp '000,000</u>
Balance as of January 1, 2008	4,822,055,415	1,180,330
Additional issuance of capital stock from the conversion of Series II warrants (Note 39)	655,569	65
Additional issuance of capital stock from the conversion of Series III warrants (Note 39)	425,478	43
Additional issuance of capital stock from Limited Public Offering IV (Note 1.b)	<u>964,528,953</u>	<u>96,453</u>
Balance as of December 31, 2008	5,787,665,415	1,276,891
Additional issuance of capital stock from the conversion of Series III warrants (Note 39)	8,828,686	883
Additional issuance of capital stock from the conversion of Series IV warrants (Note 39)	<u>383,764,094</u>	<u>38,376</u>
Balance as of December 31, 2009	<u><u>6,180,258,195</u></u>	<u><u>1,316,150</u></u>

36. Additional Paid-in Capital - Net

This account consists of additional paid-in capital and equity stock issuance cost, the details are as follows:

	<u>Consolidated</u>		<u>Parent Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Additional paid-in capital	790,735	634,316	790,735	634,316
Equity stock issuance cost	<u>(3,137)</u>	<u>(3,137)</u>	<u>(3,137)</u>	<u>(3,137)</u>
	<u><u>787,598</u></u>	<u><u>631,179</u></u>	<u><u>787,598</u></u>	<u><u>631,179</u></u>

Additional paid-in capital consist of:

	<u>Consolidated</u>		<u>Parent Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Initial public offering	78,000	78,000	78,000	78,000
Limited public offering I	165,750	165,750	165,750	165,750
Limited public offering III	24,783	24,783	24,783	24,783
Conversion of Series I warrants	49,372	49,372	49,372	49,372
Conversion of Series III warrants	395,824	392,911	395,824	392,911
Conversion of Series IV warrants	153,506	-	153,506	-
Conversion to capital stock	<u>(76,500)</u>	<u>(76,500)</u>	<u>(76,500)</u>	<u>(76,500)</u>
	<u><u>790,735</u></u>	<u><u>634,316</u></u>	<u><u>790,735</u></u>	<u><u>634,316</u></u>

Equity stock issuance cost incurred on Limited Public Offering II, III and IV, amounted to Rp 904 million, Rp 1,060 million, and Rp 1,173 million, respectively.

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36. Additional Paid-in Capital (Continued)

The changes in additional paid-in capital account from January 1, 2008 up to December 31, 2009 are as follows:

	Total Rp '000,000
Balance as of January 1, 2008	632,182
Additional paid-in capital from the conversion of Series III warrants (Note 39)	170
Equity stock issuance cost from Limited Public Offering IV (Note 39)	<u>(1,173)</u>
Balance as of December 31, 2008	631,179
Additional paid-in capital from the conversion of Series III warrants (Note 39)	2,913
Additional paid-in capital from the conversion of Series IV warrants	<u>153,506</u>
Balance as of December 31, 2009	<u><u>787,598</u></u>

37. Difference Due to Change in Equity of the Subsidiaries and Associated Companies

This account represents changes in value of investments of the Parent Company due to changes in equity of the subsidiaries and associated companies which resulted from the change in the Parent Company's ownership interest in PT Certis CISCO and PT Super Wahana Tehno, unrealized loss on decrease in value of securities of PT Asuransi Sinar Mas, PT Asuransi Jiwa Sinarmas and PT Bank Sinarmas and changes in fair values of derivative instruments of PT Oto Multiartha.

	Consolidated		Parent Company	
	2009 Rp '000,000	2008 Rp '000,000	2009 Rp '000,000	2008 Rp '000,000
Unrealized loss on decrease in value of securities (Note 4)	(41,978)	(88,702)	(41,978)	(88,702)
Effects of transactions of subsidiary and associated company with other investors	5,141	4,200	5,141	4,200
Changes in fair values of derivative instruments	(9,037)	(9,037)	(9,037)	(9,037)
Others	<u>(62)</u>	<u>(62)</u>	<u>(62)</u>	<u>(62)</u>
Total	<u><u>(45,936)</u></u>	<u><u>(93,601)</u></u>	<u><u>(45,936)</u></u>	<u><u>(93,601)</u></u>

38. Difference in Value Arising from Restructuring Transaction Among Entities Under Common Control

In December 2006, the Parent Company increased its investment in PT Asuransi Jiwa Sinarmas (AJS) amounting to Rp 15,000 million. The increase in investment resulted to an increase in ownership interest of the Parent Company in AJS from 50.00% to 73.08%, since the other stockholders, namely: PT Sinarindo Gerbangmas (SG) and PT Sinar Mas Tunggal (SMT) (both are companies owned by Sinar Mas Group) did not increase their investments. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to Rp 46,028 million was recorded in the account "Difference in Value Arising from Restructuring Transaction Among Entities Under Common Control" as part of equity in the consolidated financial statements.

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38. Difference in Value Arising from Restructuring Transaction Among Entities Under Common Control (Continued)

In December 2007, the Parent Company increased its investment in PT Asuransi Jiwa Sinarmas (AJS) amounting to Rp 20,000 million. The increase in investment resulted to an increase in ownership interest of the Parent Company in AJS from 73.08% to 83.33%, since SG and SMT did not increase their investments. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to Rp 47,475 million was recorded in the account "Difference in Value Arising from Restructuring Transaction Among Entities Under Common Control" as part of equity in the consolidated financial statements.

In 2009 and 2008, the Parent Company increased its investment in PT Jakarta Teknologi Utama Motor (JTUM) amounting to Rp 20,000 million and Rp 8,000 million, respectively. The increase in investment resulted to an increase in ownership interest of the Parent Company in JTUM to 99.86% in 2009 and 99.67% in 2008, since the other stockholders, PT Kalibesar Raya Utama, a company owned by Sinar Mas Group, did not increase its investment. Difference between the transfer price and book value of restructuring transactions among entities under common control amounting to (Rp 7) million and (Rp 10) million, respectively, were recorded in "Difference in Value Arising from Restructuring Transaction Among Entities Under Common Control" as part of equity in the consolidated financial statements

The balance of this account as of December 31, 2009 and 2008 amounted to Rp 93,486 million and Rp 93,493 million, respectively.

39. Warrants

In July 2003, the Parent Company issued 569,897,472 Series II warrants (detachable warrants), free of charge. These warrants can be exercised during the period from January 23, 2004 to July 23, 2008. Every holder of a Series II warrant has a right to buy one Series B share at an exercise price of Rp 100 per share. In 2008, 655,569 (after adjustment – see paragraph 3), have been converted to Series B shares.

In July 2005, the Parent Company issued 991,325,341 Series III warrants (detachable warrants), free of charge. These warrants can be exercised during the period from January 12, 2006 to July 13, 2010. Every holder of a Series III warrant has a right to buy one Series B share at an exercise price of Rp 500 per share. In 2009 and 2008, 8,828,686 and 425,478 (after adjustment – see paragraph 3) Series III warrants have been converted to Series B shares, respectively.

As of June 30, 2008, the price and total of Series II and Series III warrants have been adjusted in relation to Limited Public Offering IV. The new exercise price became Rp 100 and Rp 430, respectively, and the new total warrants became 518,401 and 10,516,070 warrants, respectively.

In July 2008, the Parent Company issued 1,446,793,426 Series IV warrants (detachable warrants), free of charge. These warrants can be exercised during the period from January 6, 2009 up to July 9, 2013. Every holder of a Series IV warrant has a right to buy one Series B share at an exercise price of Rp 500 per share. In 2009, 383,764,094 Series IV warrants have been converted to Series B shares. As of December 31, 2009 unconverted Series IV warrants into Series B shares totaled to 1,063,029,332 warrants (after adjustment).

As of December 31, 2008, total of Series II warrants which have expired and unconverted into shares of stock totaled to 26,832 warrants (after adjustment). As of December 31, 2009 and 2008, unconverted Series III warrants into Series B shares totaled to 1,687,384 warrants and 10,516,070 warrants (after adjustment), respectively.

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40. Insurance Underwriting Income

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Gross premiums	10,004,878	8,354,130	-	-
Reinsurance premiums	(1,770,470)	(2,305,353)	-	-
Increase in unearned premiums (Note 27)	(23,717)	(84,057)	-	-
Total	8,210,691	5,964,720	-	-

41. Interest Income

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Loans	599,294	453,132	-	-
Securities	190,005	100,016	-	-
Time deposit	61,426	50,452	-	-
Placements with other banks	7,443	10,687	-	-
Securities purchased under agreements to resell	1,327	4,855	-	-
Mortgage receivables	2,798	2,708	-	-
Others	2,205	3,503	33	197
Total	864,498	625,353	33	197

In 2009 and 2008, interest income earned by PT Asuransi Jiwa Sinarmas, a subsidiary, from unit link transactions amounted to Rp 1,269 million and Rp 2,832 million, respectively. The interest income earned belong to the customers.

42. Sales

This account represent sales of foreign currencies by PT Simas Money Changer, a subsidiary, and sales of office supplies by the Parent Company.

43. Other Operating Income

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Service center income	14,254	10,513	270	141
Dividend income	4,914	17,509	-	-
Technical assistance income	122	114	122	114
Investment income of the subsidiaries	117	543	-	-
Others	11,303	11,772	-	-
Total	30,710	40,451	392	255

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43. Other Operating Income (Continued)

Service center income were earned by the Parent Company and PT Jakarta Teknologi Utama Motor, a subsidiary.

Dividend income in 2009 and 2008 were from short term investments.

Others include service income from Unit Link policyholders.

44. Insurance Underwriting Expenses

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Gross claims	7,718,036	5,531,986	-	-
Reinsurance claims	(363,821)	(94,554)	-	-
Increase (decrease) in liability for future policy benefits (Note 26)	(1,746,580)	445,315	-	-
Increase in segregated funds contract liabilities - unit link	2,843,626	241,316	-	-
Commission - net	286,961	216,985	-	-
Increase in estimated own retention claims (Note 27)	14,009	9,510	-	-
Increase in segregated funds contract liabilities - sharia	4,906	7,313	-	-
Amortization of deferred acquisition costs	-	20,996	-	-
Other underwriting expenses	1,674	2,415	-	-
Total	8,758,811	6,381,282	-	-

45. Interest Expense

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Time deposits	354,990	337,237	-	-
Loans received	46,296	26,421	-	184
Savings deposits	45,497	25,858	-	-
Current account	30,541	26,767	-	-
Deposits and deposits from other banks	4,274	16,854	-	-
Premium on government guarantee	13,815	10,048	-	-
Lease payables	-	20	-	11
Others	1,297	7,181	-	-
Total	496,710	450,386	-	195

Premium on Government guarantee was paid by PT Bank Sinarmas, a subsidiary, in relation to Government guarantee on obligations of private banks.

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46. General and Administrative Expenses

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
General	70,416	65,254	60	53
Electricity, water, and telephone	62,486	59,950	40	50
Marketing and advertising	35,939	39,188	122	34
Rental	34,784	27,989	32	84
Office supplies	18,846	16,655	94	89
Administration	14,079	14,668	156	154
Professional fees	12,987	9,822	257	225
Defined-benefit post employment expense - net (Note 47)	12,635	5,765	59	52
Total	262,172	239,291	820	741

47. Employee Benefits

Post-Employment Benefits

The Parent Company and its subsidiaries determine post-employment benefits based on the Law No. 13 Year 2003, dated March 25, 2003. No funding of the benefits has been made to date by the Parent Company and its subsidiaries.

The latest actuarial valuation report on the pension fund and the defined-benefit post employment reserve of the Parent Company and subsidiaries (except PT Asuransi Jiwa Sinarmas) was from PT Rileos Pratama Agnesia, an independent actuary, dated March 10, 2010, and for subsidiaries dated February 15-16,2010.

The actuarial valuation report on the pension fund and the defined-benefit post employment reserve of PT Asuransi Jiwa Sinarmas (AJS) was from AJS' internal actuary.

Movements of defined-benefit post-employment reserve are as follows:

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Defined-benefit post-employment reserve at beginning of the year	27,051	22,013	130	300
Defined-benefit post-employment expense during the year (Note 46)	12,635	5,765	59	52
Payments during the year	(707)	(727)	(21)	(222)
Defined-benefit post-employment reserve at end of the year	38,979	27,051	168	130

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47. Employee Benefits (Continued)

Principal actuarial assumptions used in the valuation of the defined post-employment benefits are as follows:

	<u>2009</u>	<u>2008</u>
Future salary increase	5.00% - 15.00%	5.00% - 15.00%
Discount rate	11.00% - 13.00%	10.00% - 14.00%

48. Other Operating Expenses

	<u>Consolidated</u>		<u>Parent Company</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Repairs and maintenance	32,599	23,832	38	59
Training	14,380	13,875	-	-
Direct costs of service center	10,645	8,093	188	109
Bad debts expense	1,317	333	-	-
Tithe	51	25	-	-
Others	2,241	1,740	5	-
Total	<u>61,233</u>	<u>47,898</u>	<u>231</u>	<u>168</u>

49. Non-Operating Income (Expenses)

Non-operating income consists of gain on sale of property and equipment (Note 17) and assets for lease (Note 19), interest income from current accounts, income from printing insurance policies and other non-operating income.

Non-operating expenses consist of bad debts expense, allowance for decline in value (Note 20), donations and other non-operating expenses.

50. Income Taxes

The tax expense of the Company and its subsidiaries consists of the following:

	<u>2009</u>	<u>2008</u>
	Rp '000,000	Rp '000,000
Current tax expense		
Parent Company	-	-
Subsidiaries	48,124	34,588
Subtotal	<u>48,124</u>	<u>34,588</u>
Deferred tax expense (benefit)		
Parent Company	28	206
Subsidiaries	(2,294)	23,489
Subtotal	<u>(2,266)</u>	<u>23,695</u>
Total	<u>45,858</u>	<u>58,283</u>

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50. Income Taxes (Continued)

Current Tax

A reconciliation between income before tax per Parent Company's statements of income and accumulated fiscal losses is as follows:

	2009	2008
	Rp '000,000	Rp '000,000
Income before tax per Parent Company's statements of income	700,126	263,760
Deduct:		
Equity in net income of the subsidiaries	<u>(657,297)</u>	<u>(270,217)</u>
Income (loss) before tax of the Parent Company	<u>42,829</u>	<u>(6,457)</u>
Temporary differences:		
Defined-benefit post-employment expense - net	38	(170)
Capital lease	37	(121)
Depreciation expense	-	38
Net	<u>75</u>	<u>(253)</u>
Permanent differences:		
Equity in net income of the associated companies	(41,920)	6,879
Gain from investment in units of mutual funds	(3,487)	(885)
Rent income	(4,143)	(250)
Interest income	(65)	(29)
General and administrative expenses	60	(965)
Other income	89	-
Depreciation expense	3,899	-
Other expenses	660	-
Net	<u>(44,907)</u>	<u>4,750</u>
Fiscal loss	(2,003)	(3,173)
Accumulated fiscal losses in prior years	(12,711)	(9,766)
Adjustment on fiscal losses based on tax assessment letter year 2006	<u>-</u>	<u>228</u>
Accumulated fiscal losses	<u>(14,714)</u>	<u>(12,711)</u>

The Parent Company is in fiscal loss position, thus, no provision for corporate income tax was made as of balance sheet dates. According to tax regulation, fiscal losses can be carried forward and applied against the taxable income immediately within five (5) years after such fiscal losses were incurred.

Based on Tax Assessment Letter No: 00162/406/06/054/08 dated June 26, 2008, the Parent Company's fiscal loss for year 2006 have been adjusted from Rp 1,408 million to Rp 1,180 million.

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50. Income Taxes (Continued)

Deferred Tax

	January 1, 2008 Rp '000,000	Credited (charged in) consolidated statement of income Rp '000,000	December 31, 2008 Rp '000,000	Credited (charged in) consolidated statement of income Rp '000,000	December 31, 2009 Rp '000,000
<u>Deferred Tax Assets - Net</u>					
Deferred tax assets (liabilities):					
Fiscal losses	1,207	(201)	1,006	-	1,006
Defined-benefit post- employment reserve	91	(59)	32	10	42
Depreciation expense	39	4	43	(38)	5
Capital lease	(50)	50	-	-	-
	<u>1,287</u>	<u>(206)</u>	<u>1,081</u>	<u>(28)</u>	<u>1,053</u>
Total - Parent Company	7,779	(4,449)	3,330	12,428	15,758
Subsidiaries					
Total	<u>9,066</u>	<u>(4,655)</u>	<u>4,411</u>	<u>12,400</u>	<u>16,811</u>
<u>Deferred Tax Liabilities - Net</u>					
Subsidiary	<u>(4,292)</u>	<u>(19,040)</u>	<u>(23,332)</u>	<u>(10,134)</u>	<u>(33,466)</u>

In September 2008, Law No. 7 Year 1983 regarding "Income Tax" has been revised with Law No. 36 Year 2008. The revised Law stipulates changes in corporate income tax rates from progressive tax rates to a flat rate of 28% for fiscal year 2009 and 25% for fiscal year 2010 onwards. The Company and its subsidiaries have recorded the impact of the changes in tax rates in the calculation of the deferred tax assets (liabilities) as of December 31, 2009, and 2008 and recorded it as part of tax expense (benefit) in the consolidated statements of income.

As of December 31, 2009 and 2008, the management of the Parent Company estimated that fiscal losses that can be realized in future periods amounted to Rp 4,025 million, hence, the related deferred tax assets recognized on the unused fiscal losses amounted to Rp 1,006 million. As of December 31, 2009 and 2008, the unrecognized deferred tax assets on unused fiscal losses amounted to Rp 2,672 million and Rp 2,172 million, respectively.

Management believes that deferred tax assets on temporary differences can be realized in future periods.

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50. Income Taxes (Continued)

Deferred Tax (Continued)

A reconciliation between the total tax expense and the amounts computed by applying the effective tax rate to income before tax per Parent Company's statements of income is as follows:

	2009	2008
	Rp '000,000	Rp '000,000
Income before tax per Parent Company's statements of income	700,126	263,760
Deduct:		
Equity in net income of the subsidiaries	(657,297)	(271,429)
Income before tax of the Parent Company	<u>42,829</u>	<u>(7,669)</u>
Tax expense (benefit) at effective tax rates	<u>11,992</u>	<u>(2,301)</u>
Tax effects of permanent differences:		
Equity in net income of the associated companies	(11,737)	2,064
Gain from investment in units of mutual funds	(977)	(266)
Rent income	(1,160)	(75)
Interest income	(19)	(9)
General and administrative expenses	17	(289)
Other income	25	-
Depreciation expense	1,092	-
Other expenses	185	-
Net	<u>(12,574)</u>	<u>1,425</u>
Unrecognized deferred tax asset on fiscal losses	561	952
Adjustment on deferred tax	47	-
Effect of change in tax rate	<u>2</u>	<u>130</u>
Tax expense of the Parent Company	28	206
Tax expense of the subsidiaries	<u>45,830</u>	<u>58,077</u>
Total	<u><u>45,858</u></u>	<u><u>58,283</u></u>

51. Earnings Per Share

Net Income

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Net income for computation of basic earnings per share and diluted earnings per share	<u>700,098</u>	<u>263,554</u>	<u>700,098</u>	<u>263,554</u>

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51. Earnings Per Share (Continued)

Number of Shares

	Consolidated		Parent Company	
	2009	2008	2009	2008
	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares for computation of basic earnings per share	6,135,052,001	5,678,501,947	6,135,052,001	5,678,501,947
Weighted average number of potentially dilutive ordinary shares: Series II, III and IV warrants	540,108,321	10,267,397	540,108,321	10,267,397
Weighted average number of ordinary shares for computation of diluted earnings per share	<u>6,675,160,322</u>	<u>5,688,769,344</u>	<u>6,675,160,322</u>	<u>5,688,769,344</u>

52. Nature of Relationship and Transactions with Related Parties

Nature of Relationship

The companies under the Sinar Mas Group which have the same stockholders and management with the Company, direct or indirectly, are recognized as related parties.

Transactions with Related Parties

In the normal course of business, the Company and its subsidiaries entered into certain transactions with related parties.

- a. Significant balances with related parties in the consolidated balance sheets as of balance sheet dates are as follows:

	2009		2008	
	Total Rp '000,000	Percentage to Total Assets/ Liabilities %	Total Rp '000,000	Percentage to Total Assets/ Liabilities %
ASSETS				
Cash and cash equivalents				
Bank International Ningbo, China	<u>435</u>	<u>0.00</u>	<u>636</u>	<u>0.00</u>
Short-term investments				
Securities				
Units of mutual funds				
Fixed Income				
Danamas Stabil	42,534	0.22	3,656	0.02
Simas Danamas Instrumen Negara	26,827	0.14	20,881	0.14
Simas Danamas Mantap Plus	24,524	0.12	37,886	0.24
Danamas Dollar	-	-	251	0.00

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52. Nature of Relationship and Transactions with Related Parties (Continued)

Transactions with Related Parties (Continued)

	2009		2008	
	Total Rp '000,000	Percentage to Total Assets/ Liabilities %	Total Rp '000,000	Percentage to Total Assets/ Liabilities %
ASSETS (Continued)				
Short-term investments (Continued)				
Securities (Continued)				
Money Market				
Riau Liquid Fund	11,685	0.06	11,149	0.07
Danamas Rupiah Plus	357	0.00	1,703	0.01
Danamas Rupiah	-	-	14	0.00
Mixed				
Simas Satu	51,428	0.26	10,198	0.07
Danamas Flexi	15,059	0.08	7,024	0.07
Shares				
Simas Danamas Saham	33,463	0.17	5,650	0.04
Others				
Sinar Dana Tumbuh	195,009	0.99	120,783	0.78
Sinar Prima Reksa	34,496	0.18	529,623	3.41
Sinar Dolar Prima	-	-	283,079	1.82
Sinar Dana Super	-	-	159,730	1.03
Sinar Century	-	-	7,446	0.04
Total of Units of mutual fund	<u>435,382</u>	<u>2.22</u>	<u>1,199,073</u>	<u>7.74</u>
Shares of stock				
PT Bumi Serpong Damai Tbk	19,227	0.10	2,075	0.01
PT Sinar Mas Multiartha Tbk	4,037	0.02	683	0.00
PT Dian Swastatika Sentosa Tbk	1,344	0.00	-	-
Others	183	0.00	73	0.00
Total of shares	<u>24,791</u>	<u>0.12</u>	<u>2,831</u>	<u>0.01</u>
Warrant				
PT Sinar Mas Multiartha Tbk	638	0.00	90	0.00
Total	<u>460,811</u>	<u>2.34</u>	<u>1,201,994</u>	<u>7.75</u>
Consumer financing receivables				
Key management personnel	<u>337</u>	<u>0.00</u>	<u>318</u>	<u>0.00</u>

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52. Nature of Relationship and Transactions with Related Parties (Continued)

Transactions with Related Parties (Continued)

	2009		2008	
	Total Rp '000,000	Percentage to Total Assets/ Liabilities %	Total Rp '000,000	Percentage to Total Assets/ Liabilities %
ASSETS (Continued)				
Net investments in finance lease				
PT Buana Mas Intitrans	26,524	0.13	12,721	0.08
PT Wira Karya Sakti	12,364	0.06	11,604	0.08
PT Sinar Asia Fortuna	8,765	0.04	4,499	0.03
PT Bina Sinar Amity	2,414	0.01	3,768	0.02
PT Arara Abadi	2,658	0.01	3,742	0.02
PT Ciptatrans Abadi	6,787	0.03	2,182	0.01
PT Rolimex Kimia Nusamas	578	0.00	1,588	0.01
PT Acacia Andalan Utama	1,574	0.01	1,480	0.01
PT Gaya Sukses Kaseindo	3,562	0.02	1,325	0.01
PT Sinar Kencana Internuda	521	0.00	1,030	0.01
PT Certis Cisco	3,535	0.02	-	-
PT Citrabuana Transabadi	7,326	0.04	5,923	0.04
PT Dutabangun Transabadi	3,293	0.02	5,381	0.04
PT Graha Dinamika Sejahtera	19,943	0.10	-	-
PT Citra Cemerlang	4,414	0.02	-	-
PT Persada Bangun Sentosa	2,873	0.01	-	-
Others (below Rp 1 billion each)	3,323	0.02	2,630	0.01
Total	110,454	0.54	57,873	0.37
Factoring receivables				
PT Shield On Service	8,520	0.04	15,858	0.10
PT Rolimex Kimia Nusamas	6,580	0.03	5,475	0.03
PT Cakrawala Mega Indah	3,705	0.02	-	-
The Service Line	1,869	0.01	-	-
Others (below Rp 1 billion each)	470	0.00	841	0.00
Total	21,144	0.10	22,174	0.13
Segregated funds net assets - Unit link				
Bonds	3,000	0.02	3,000	0.02
Units of mutual funds	1,071,053	5.44	303,122	1.95
Total	1,074,053	5.46	306,122	1.97

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52. Nature of Relationship and Transactions with Related Parties (Continued)

Transactions with Related Parties (Continued)

	2009		2008	
	Total Rp '000,000	Percentage to Total Assets/ Liabilities %	Total Rp '000,000	Percentage to Total Assets/ Liabilities %
ASSETS (Continued)				
Premiums and reinsurance receivables				
PT Kali Besar Raya Utama	90,543	0.46	67,223	0.43
PT OTO Multiartha	33,265	0.17	1,289	0.01
PT Arara Abadi	8,507	0.04	7,861	0.05
PT Indah Kiat Pulp & Paper Tbk	3,417	0.02	4,053	0.03
PT Cakrawala Mega Indah	2,992	0.02	2,285	0.01
PT Sinar Oleochemical International	1,224	0.01	-	-
PT Sebangun Bumi Andalas Group	1,136	0.01	2,213	0.01
PT Ekamas Fortuna	1,082	0.01	1,076	0.01
SMART Corporate	1,043	0.01	-	-
PT Lontar Papyrus Pulp & Paper Industry	305	0.00	9,514	0.06
PT Certis CISCO	1	0.00	1,760	0.01
PT Wira Karya Sakti	-	-	5,813	0.04
Others (below Rp 1 billion each)	7,745	0.04	6,900	0.05
Total	151,260	0.79	109,987	0.71
Loans				
PT Lontar Papyrus Pulp & Paper Industry	677,793	3.44	-	-
PT Sinar Wisata Lestari	31,500	0.16	30,000	0.19
PT Putera Alvita Pratama	30,000	0.15	-	-
PT Sinar Wisata Permai	2,000	0.00	-	-
PT Sinar Mas Wisesa	-	-	29,000	0.19
Paramitra Intimega	-	-	15,000	0.10
KUD Gajah Mada	-	-	6,531	0.04
Others (below Rp 1 billion each)	602	0.00	2,877	0.02
Total	741,895	3.75	83,408	0.54
Other accounts receivable				
Mortgage payable	3,087	0.02	1,790	0.01
Loans to associated companies				
PT JobStreet Indonesia	376	0.00	438	0.00
Others	1,992	0.01	2,008	0.01
Total	5,455	0.03	4,236	0.02
Other assets				
Security deposits	3,257	0.02	2,413	0.02
Others	8,655	0.04	44,083	0.28
Total	11,912	0.06	46,496	0.30

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52. Nature of Relationship and Transactions with Related Parties (Continued)

Transactions with Related Parties (Continued)

	2009		2008	
	Total Rp '000,000	Percentage to Total Assets/ Liabilities %	Total Rp '000,000	Percentage to Total Assets/ Liabilities %
LIABILITIES				
Deposits and deposits from other banks	2,621,010	16.28	1,192,326	9.34
Securities sold under agreements to repurchased	26,327	0.16	-	-
Accounts payable				
Reinsurance payables				
PT Kali Besar Raya Utama	3,488	0.02	2,078	0.02
PT Simas Reinsurance Broker	668	0.00	182	0.00
PT LG Insurance Indonesia	148	0.00	70	0.00
Subtotal	4,304	0.02	2,330	0.02
Insurance claims payable	2,247	0.01	1,772	0.01
Commissions payable	2,153	0.01	4,912	0.04
Total	8,704	0.02	9,014	0.05
Unearned premiums and estimated own retention claims	116,523	0.72	107,561	0.84
Accrued expenses	3,758	0.02	4,199	0.03
Other liabilities	1,841	0.01	672	0.01

- b. As of December 31, 2009 and 2008, the Parent Company and its subsidiaries invested their funds amounting to Rp 435,382 million and Rp 1,199,073 million, respectively, in units of mutual funds which were managed by PT Sinarmas Sekuritas (a subsidiary) as investment manager (Note 4).
- c. The Company and its subsidiaries insured their property and equipment and assets for lease with PT Asuransi Sinar Mas (ASM) (Notes 17 and 19).
- d. In 2009 and 2008, the consolidated consumer financing income from related parties amounted to Rp 23 million and Rp 27 million, or 0.02% and 0.03%, respectively, of the total consolidated consumer financing income.
- e. In 2009 and 2008, the consolidated factoring income from related parties amounted to Rp 9,845 million and Rp 14,187 million, or 21.39% and 49.09%, respectively, of the total consolidated factoring income.
- f. In 2009 and 2008, the consolidated finance lease income from related parties amounted to Rp 16,341 million and Rp 6,061 million, or 69.83% and 46.92%, respectively, of the total consolidated finance lease income.
- g. PT Sinar Mas Multifinance (SMF), a subsidiary, has entered into a Joint Financing Agreement by Transferring Receivables Portfolio and Appointment as Security Agent and Channelling Credit Transfer Agreement with PT Bank Sinarmas (BS) (Note 6.f).

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52. Nature of Relationship and Transactions with Related Parties (Continued)

Transactions with Related Parties (Continued)

- h. Since September 2006, ABSM entered into some lease agreements (operating lease) with BS on motor vehicles and office equipment owned by ABSM with lease periods ranging from four (4) up to eight (8) years until 2014 (Note 19).
- i. On October 22, 2007, SMF entered into operating lease agreement with BS on SMF's automatic teller machine (ATM) (Note 19). The operating lease agreement is valid from November 22, 2007 to January 20, 2012.
- j. The Company entered into long term room lease agreement with PT Asuransi Sinar Mas, a subsidiary (Note 54)
- k. As of December 31, 2009 and 2008, the total balance of commitments and contingent transactions (L/C and bank guarantees) with related parties amounted to Rp 16,326 million and Rp 7,166 million (Note 55), respectively.
- l. Transactions with related parties are done under the same terms and conditions as done with third parties, except loans and mortgage receivables from employees and loans which are secured by cash guarantee and are done with different terms and conditions (Note 12.h and 14).

There are no transactions with related parties that directly or indirectly related with main business of the company and its subsidiaries and identified as conflict of interest based on BAPEPAM LK No. IX. E. 1 "Conflict of Interest".

53. Monetary Assets and Liabilities Denominated in Foreign Currencies

At December 31, 2009 and 2008, the Company and its subsidiaries have monetary assets and liabilities denominated in foreign currencies as follows:

2009

	Consolidated		Parent Company	
	Equivalent in US\$	Equivalent in Rp '000,000	Equivalent in US\$	Equivalent in Rp '000,000
Assets				
Cash and cash equivalents	79,041,684	742,626	27,340	257
Short-term investments	144,239,854	1,342,803	-	-
Securities purchase under agreement to resold	1,066,242	10,017	-	-
Net investment in finance lease	19,973	188	-	-
Factoring receivables	750,000	7,050	-	-
Segregated funds net assets - Unit link	24,763,386	232,777	-	-
Premiums and reinsurance receivables	15,741,490	147,970	-	-
Loans	82,862,391	778,492	-	-
Other accounts receivable	3,954,719	37,172	40,000	376
Other assets	537,295	5,050	377,000	3,544
Total Assets	352,977,034	3,304,145	444,340	4,177

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53. Monetary Assets and Liabilities Denominated in Foreign Currencies (Continued)

2009 (Continued)

	Consolidated		Parent Company	
	Equivalent in US\$	Equivalent in Rp '000,000	Equivalent in US\$	Equivalent in Rp '000,000
Liabilities				
Deposits and deposits from other banks	195,776,401	1,839,319	-	-
Accounts payable	18,466,852	173,589	-	-
Premiums received in advance	472,075	4,438	-	-
Liability for future policy benefits	74,270,326	698,141	-	-
Segregated funds contract liabilities - Unit link	25,323,684	238,043	-	-
Unearned premiums and estimated own retention claims	2,209,052	20,765	-	-
Taxes payable	99,645	936	-	-
Accrued expenses	138,579	1,302	-	-
Other liabilities	4,841,953	45,502	-	-
Total Liabilities	321,598,567	3,022,035	-	-
Net Assets	31,378,467	282,110	444,340	4,177

2008

	Consolidated		Parent Company	
	Equivalent in US\$	Equivalent in Rp '000,000	Equivalent in US\$	Equivalent in Rp '000,000
Assets				
Cash and cash equivalents	29,374,413	320,441	8,432	92
Short-term investments	132,058,836	1,388,691	-	-
Net investment in finance lease	182,823	2,002	-	-
Factoring receivables	500,000	5,475	-	-
Segregated funds net assets - Unit link	5,219,833	57,157	-	-
Premiums and reinsurance receivables	14,440,365	158,122	-	-
Loans	26,030,467	283,732	-	-
Other accounts receivable	6,017,392	65,879	40,000	438
Other assets	139,869	1,531	12,000	131
Total Assets	213,963,998	2,283,030	60,432	661
Liabilities				
Deposits and deposits from other banks	63,890,573	696,408	-	-
Accounts payable	16,474,113	180,392	-	-
Premiums received in advance	696,121	7,623	-	-
Liability for future policy benefits	105,935,109	1,159,989	-	-
Segregated funds contract liabilities - Unit link	3,632,988	39,781	-	-
Unearned premiums and estimated own retention claims	1,836,131	21,106	-	-
Taxes payable	113,958	1,242	-	-
Accrued expenses	47,916	522	-	-
Other liabilities	4,477,875	48,820	-	-
Total Liabilities	197,104,784	2,155,883	-	-
Net Assets	16,859,214	127,147	60,432	661

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53. Monetary Assets and Liabilities Denominated in Foreign Currencies (Continued)

The conversion rates used by PT Bank Sinarmas (BS) (a subsidiary engaged in banking) to translate monetary assets and liabilities as of December 31, 2009 and 2008, are the Reuters rate at 16:00 WIB of Rp 9,395 and Rp 10,900, respectively, per US\$ 1.

At December 31, 2009 and 2008, the conversion rates used by the Company and its subsidiaries (except for BS) were the middle rates of Bank Indonesia of Rp 9,400 and Rp 10,950, respectively, per US\$ 1.

54. Agreements and Engagements

On June 6, 2008, the Parent Company entered into room leasing agreement with PT Asuransi Sinar Mas (ASM) relating to lease of 7th and 8th floor at office building of Plaza Simas which is located at Jl. Fachrudin No. 20, Central Jakarta. The lease term is for 15 years, starting from October 1, 2008 up to October 1, 2023 (Note 52).

55. Commitments and Contingencies

a. PT Bank Sinarmas (BS), a subsidiary, has commitments on purchases and sales of foreign currency (Spot) which have not yet realized as of December 31, 2009, amounting to Rp 14,512 million and Rp 14,513 million, respectively. As of December 31, 2008 there are no commitments on sale and purchases and sales of foreign currency.

b. BS has commitments and contingent receivables and liabilities under export-import, guarantees and loans given to the customers as follows:

	2009 Rp '000,000	2008 Rp '000,000
Commitments		
Commitment Liabilities		
Unused loan commitments granted to customers	445,336	67,382
Irrevocable Letters of Credit	16,402	9,860
Total	461,738	77,242
Contingencies		
Contingent receivables		
Past due interest revenues	6,786	19,941
Contingent liabilities		
Bank guarantees issued	276,333	188,683
Net	(269,547)	(168,742)

As of December 31, 2009 and 2008, the total commitments and contingent transactions (which consist of letters of credit and bank guarantees) with related parties amounted to Rp 16,326 million and Rp 7,166 million, respectively (Note 52).

As of December 31, 2009 and 2008, the term of letters of credit is 1 up to 2 months and 1 up to 5 month, respectively, while for bank guarantees is 1 month up to 36 months

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56. Segment Information

a. Business Segment

2009

	Parent Company	Insurance underwriting	Consumer financing, finance lease and factoring	Shares administration fee	Stock brokerage, underwriting and investment management	Banking	Development, trading and services	Total before elimination	Elimination	Total after elimination
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Operating income	-	8,188,171	199,239	2,014	57,892	-	-	8,447,316	-	8,447,316
Interest income	33	143,199	-	-	8,771	731,228	746	883,977	(19,479)	864,498
Gain (loss) from investments in units of mutual funds	3,487	1,170,537	2	935	20,685	-	247	1,195,893	-	1,195,893
Gain on sale of short-term investments - net	-	(17,797)	-	-	68,890	514	-	51,607	-	51,607
Sales	286	-	-	-	-	-	154,203	154,489	-	154,489
Administration fee and commissions	-	-	30,900	-	-	106,106	-	137,006	(28,164)	108,842
Equity in net income of the subsidiaries and associated companies - net	699,217	-	-	-	-	-	4,749	703,966	(662,046)	41,920
Gain on foreign exchange - net	-	5,350	26	-	-	9,728	-	15,104	(15,104)	-
Unrealized gain on increase in fair value of securities	-	85,962	-	-	102,852	1,095	-	189,909	-	189,909
Others	392	7,917	2,667	-	3,578	683	15,473	30,710	-	30,710
Total operating income	703,415	9,583,339	232,634	2,949	262,666	848,354	175,418	11,809,977	(712,131)	11,097,846
Operating expenses	-	8,758,811	-	-	6,191	-	-	8,765,002	-	8,765,002
Salaries and employee benefits	798	111,306	34,593	1,464	26,961	72,534	3,079	250,735	-	250,735
General and administrative	820	107,847	21,983	300	20,753	123,034	1,615	276,352	(14,180)	262,172
Interest expense	-	-	46,268	-	30	470,356	-	516,654	(19,944)	496,710
Depreciation and amortization	3,964	25,824	23,203	201	2,698	18,747	486	75,123	(2,913)	72,210
Cost of Goods Sold	257	-	-	-	-	-	153,890	154,147	-	154,147
Provision for possible losses on earning and non-earning assets	-	-	-	-	-	64,527	-	64,527	-	64,527
Provision for doubtful accounts	-	-	8,618	22	-	-	-	8,640	-	8,640
Other financial charges	-	-	7,122	-	-	-	-	7,122	(5,643)	1,479
Mudharabah for participants	-	249	-	-	-	-	-	249	-	249
Unrealized loss on decrease in fair value of securities	-	-	-	-	-	-	-	-	-	-
Equity in net loss of subsidiaries and associated companies - net	-	-	-	-	-	-	-	-	-	-
Loss on foreign exchange - net	845	199,116	1,236	-	7,381	-	3	208,581	(15,104)	193,477
Others	231	20,682	2,551	45	1,810	25,291	10,623	61,233	-	61,233
Total operating expenses	6,915	9,223,835	145,574	2,032	65,824	774,489	169,696	10,388,365	(57,784)	10,330,581
Income from operations - net	696,500	359,504	87,260	917	196,844	74,865	5,722	1,421,612	(654,347)	767,265
Non-operating income (expenses) - net	3,626	11,969	(234)	288	4,481	(4,067)	1,043	17,106	(4,787)	12,319
Tax expense	(28)	4,797	(25,049)	(36)	(3,434)	(22,031)	(77)	(45,858)	-	(45,858)
Minority interest in net income of subsidiaries	-	-	-	-	-	-	-	-	(33,628)	(33,628)
Net income	700,098	376,270	61,977	1,169	197,891	48,767	6,688	1,392,860	(692,762)	700,098
Segment assets	120,765	9,944,103	836,218	15,961	659,237	8,036,015	176,723	19,789,022	(459,318)	19,329,704
Investments in subsidiaries and associated companies	3,485,902	-	-	-	-	-	-	3,485,902	(3,140,905)	344,997
Total assets *	3,606,667	9,944,103	836,218	15,961	659,237	8,036,015	176,723	23,274,924	(3,600,223)	19,674,701
Segment liabilities *	15,625	8,238,891	408,742	930	140,719	7,435,493	64,980	16,305,380	(257,274)	16,038,106

* Segment assets exclude prepaid taxes and deferred tax assets, while segment liabilities exclude taxes payable and deferred tax liabilities.

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56. Segment Information (Continued)

a. Business Segment (Continued)

2008

	Parent Company	Insurance underwriting	Consumer financing, finance lease and factoring	Shares administration fee	Stock brokerage, underwriting and investment management	Banking	Development, trading and services	Total before elimination	Elimination	Total after elimination
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Operating income	-	5,947,306	151,693	3,307	126,013	-	-	6,228,319	(8,459)	6,219,860
Interest income	197	62,497	-	-	9,093	554,925	179	626,891	(1,538)	625,353
Gain (loss) from investments in units of mutual funds	885	727,901	106	738	(7,780)	-	164	722,014	-	722,014
Gain on sale of short-term investments - net	-	10,006	-	-	42,970	273	-	53,249	-	53,249
Sales	298	-	-	-	-	-	36,958	37,256	-	37,256
Administration fee and commissions	-	-	26,826	-	-	80,567	-	107,393	(7,329)	100,064
Equity in net income of the subsidiaries and associated companies - net	264,550	-	-	-	-	-	2,009	266,559	(266,559)	-
Gain on foreign exchange - net	-	212,563	-	-	712	9,269	3	222,547	675	223,222
Others	255	18,890	3,745	-	5,299	154	11,775	40,118	-	40,118
Total operating income	266,185	6,979,163	162,370	4,045	176,307	645,188	51,088	8,304,346	(283,210)	8,021,136
Operating expenses	-	6,381,282	-	-	44,015	-	-	6,425,297	-	6,425,297
Salaries and employee benefits	803	104,327	30,890	1,342	21,159	59,532	2,922	220,975	-	220,975
General and administrative	741	102,824	18,362	406	20,746	103,174	1,747	248,000	(8,709)	239,291
Interest expense	195	-	25,713	-	533	425,759	-	452,200	(1,814)	450,386
Depreciation and amortization	102	21,087	21,554	199	2,242	13,558	538	59,280	546	59,826
Cost of Goods Sold	271	-	-	-	-	-	36,898	37,169	-	37,169
Provision for possible losses on earning and non-earning assets	-	-	-	-	-	10,580	-	10,580	-	10,580
Provision for doubtful accounts	-	-	9,978	17	-	-	-	9,995	-	9,995
Other financial charges	-	-	9,353	-	-	-	-	9,353	(7,329)	2,024
Mudharabah for participants	-	309	-	-	-	-	-	309	-	309
Unrealized loss on decrease in fair value of securities	-	103,023	-	-	72,766	93	-	175,882	-	175,882
Equity in net loss of subsidiaries and associated companies - net	-	-	(1,171)	-	-	-	-	(675)	5,667	5,667
Loss on foreign exchange - net	99	397	3,159	35	3,217	15,180	8,129	47,565	-	47,565
Others	168	17,677	-	-	-	-	-	-	-	-
Total operating expenses	2,379	6,730,926	117,838	1,999	164,678	627,876	50,234	7,695,930	(10,964)	7,684,966
Income from operations - net	263,806	248,237	64,532	2,046	11,629	17,312	854	608,416	(272,246)	336,170
Non-operating income (expenses) - net	(46)	8,989	(285)	(5)	1,439	2,330	1,110	13,532	(526)	13,006
Tax expense	(206)	(17,534)	(21,379)	(416)	(11,952)	(6,790)	(6)	(58,283)	-	(58,283)
Minority interest in net income of subsidiaries	-	-	-	-	-	-	-	-	(27,339)	(27,339)
Net income	263,554	239,692	42,868	1,625	1,116	12,852	1,958	563,665	(300,111)	263,554
Segment assets	60,106	8,373,518	765,697	15,479	389,193	6,064,627	148,492	15,817,112	(594,139)	15,222,973
Investments in subsidiaries and associated companies	2,607,065	-	-	-	-	-	-	2,607,065	(2,306,141)	300,924
Total assets *	2,667,171	8,373,518	765,697	15,479	389,193	6,064,627	148,492	18,424,177	(2,900,280)	15,523,897
Segment liabilities *	19,007	7,078,230	396,526	1,153	68,940	5,627,588	65,835	13,257,279	(542,960)	12,714,319

* Segment assets exclude prepaid taxes and deferred tax assets, while segment liabilities exclude taxes payable and deferred tax liabilities.

b. Geographical Segment

Geographical market	2009							
	Insurance underwriting	Consumer financing, finance lease and factoring	Shares administration fee	Stock brokerage, underwriting and investment management	Banking	Development, trading and services	Elimination	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Java and Bali	7,825,874	178,051	2,014	57,892	-	-	12,662	8,076,493
Sumatera	190,484	17,753	-	-	-	-	-	208,237
Kalimantan	83,160	2,851	-	-	-	-	-	86,011
Sulawesi	85,690	584	-	-	-	-	-	86,274
Irian	2,963	-	-	-	-	-	-	2,963
Total	8,188,171	199,239	2,014	57,892	-	-	12,662	8,459,978
Geographical market	2008							
	Insurance underwriting	Consumer financing, finance lease and factoring	Shares administration fee	Stock brokerage, underwriting and investment management	Banking	Development, trading and services	Elimination	Total
	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000	Rp '000,000
Java and Bali	5,464,879	136,715	3,307	126,013	-	-	(8,459)	5,722,455
Sumatera	279,024	13,141	-	-	-	-	-	292,165
Kalimantan	108,986	1,837	-	-	-	-	-	110,823
Sulawesi	91,201	-	-	-	-	-	-	91,201
Irian	3,216	-	-	-	-	-	-	3,216
Total	5,947,306	151,693	3,307	126,013	-	-	(8,459)	6,219,860

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56. Segment Information (Continued)

b. Geographical Segment (Continued)

Geographical market	Carrying value of consolidated segment assets *				Additions to consolidated property and equipment			
	2009		2008		2009		2008	
	Rp '000,000	%	Rp '000,000	%	Rp '000,000	%	Rp '000,000	%
Java and Bali	17,783,696	92.1	13,821,362	90.8	131,966	85.1	149,642	85.4
Sumatera	702,216	3.6	866,295	5.7	15,244	9.8	21,211	12.1
Kalimantan	123,248	0.6	204,241	1.3	1,700	1.1	2,328	1.3
Sulawesi	642,585	3.3	224,677	1.5	6,126	4.0	1,871	1.1
Irian	77,959	0.4	106,398	0.7	73	0.0	266	0.1
Total	19,329,704	100.0	15,222,973	100.0	155,109	100.0	175,318	100.0

* Exclude prepaid taxes and deferred tax assets

57. Prospective Accounting Pronouncements

As of date of completion of the consolidated financial statements, the Indonesian Institute of Accountants has issued the following revised financial accounting standards (PSAK) and interpretations (ISAK) and has rescinded certain accounting standards (PPSAK). These standards will be applicable to financial statements as follows:

Periods beginning on or after January 1, 2010

PSAK

1. PSAK 26 (Revised 2008), Borrowing Cost
2. PSAK 50 (Revised 2006), Financial Instruments: Presentation and Disclosures
3. PSAK 55 (Revised 2006), Financial Instruments: Recognition and Measurement

PPSAK

1. PPSAK 1, Deletion of PSAK 32 , Accounting for Forestry; PSAK 35 ,Accounting for Revenues from Telecommunication Services, and PSAK 37, Accounting for Toll Road Operations
2. PPSAK 2, Deletion of PSAK 41, Accounting for Warrants and PSAK 43, Accounting for Factoring
3. PPSAK 3, Deletion of PSAK 54, Accounting for the Restructuring of Troubled Debt
4. PPSAK 4, Deletion of PSAK 31, Accounting for Banks; PSAK 42, Accounting for Security Companies, and PSAK 49,Accounting for Mutual Funds
5. PPSAK 5, Deletion of ISAK 6 , Interpretation of paragraph 12 and 16 of PSAK 55 (1999) regarding Derivative Instruments Embedded in Foreign Currency Contracts

Periods beginning on or after January 1, 2011

PSAK

1. PSAK 1 (Revised 2009), Presentation of Financial Statements
2. PSAK 2 (Revised 2009), Statement of Cash Flows
3. PSAK 4 (Revised 2009), Consolidated and Separate Financial Statements
4. PSAK 5 (Revised 2009), Operating Segments

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57. Prospective Accounting Pronouncements (Continued)

Periods beginning on or after January 1, 2011 (Continued)

PSAK (Continued)

5. PSAK 7 (Revised 2010), Related Party Disclosures
6. PSAK 12 (Revised 2009), Investments in Joint Ventures
7. PSAK 15 (Revised 2009), Investments in Associates
8. PSAK 19 (Revised 2010), Intangible Assets
9. PSAK 23 (Revised 2010), Revenues
10. PSAK 25 (Revised 2009), Accounting Policies, Changes in Accounting Estimates and Errors
11. PSAK 48 (Revised 2009), Impairment of Assets
12. PSAK 57 (Revised 2009), Provisions, Contingent Liabilities and Contingent Assets
13. PSAK 58 (Revised 2009), Non-Current Assets Held for Sale and Discontinued Operations

ISAK

1. ISAK 7 (Revised 2009), "Consolidation- Special Purpose Entities"
2. ISAK 9, "Changes in Existing Decommissioning, Restoration and Similar Liabilities"
3. ISAK 10, "Customer Loyalty Program"
4. ISAK 11, "Distribution of Non-Cash Assets to Owners"
5. ISAK 12, "Jointly Controlled Entities – Nonmonetary Contributions by Venturers"
6. ISAK 14 (2010), Website Cost

The Company and its subsidiaries are still evaluating the effects of these revised PSAKs and ISAK and have not yet determined the related effects on the consolidated financial statements.

58. Reclassifications of Accounts

Certain accounts in the 2008 consolidated financial statements have been reclassified to conform to the 2009 consolidated financial statements presentation. A summary of such accounts is as follows:

	<u>Consolidated</u>	
	<u>After</u>	<u>Before</u>
	<u>Reclassification</u>	<u>Reclassification</u>
	Rp'000,000	Rp'000,000
<u>Consolidated Balance Sheet</u>		
Property and Equipment - Net	499,708	499,317
Other Assets	164,478	164,869
Accounts Payable	231,802	236,388
Liability for Future Policy Benefits	5,119,479	5,135,382
Segregated Funds Contract Liabilities - Unit Link	522,192	506,289
Other Liabilities	397,358	392,772
<u>Consolidated Statement of Income</u>		
Insurance underwriting income	5,964,720	5,947,306
Administration fee and commissions	84,063	101,477
Operating Income - Others	40,451	40,118
Operating Expenses - Others	47,898	47,565

The above reclassifications did not affect the 2008 consolidated statement of changes in equity of the Company and its subsidiaries.

Attachment





**DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008
PT SINAR MAS MULTIARTHA Tbk AND ITS SUBSIDIARIES**

We, the undersigned:

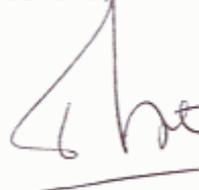
- | | | |
|--|---|---|
| 1. Name | : | Doddy Susanto |
| Office Address | : | bii plaza, Tower III, 11 th Floor
Jl. M.H. Thamrin No. 51 Jakarta 10350 |
| Residential Address/in accordance with
Personal Identity Card | : | Jl. Pulau Matahari II.AG/19, Rt. 016
Rw.009 Kembangan Utara Jakarta Barat |
| Telephone Number | : | (021) 392-5660 |
| Title | : | President Director |
| 2. Name | : | Kurniawan Udjaja |
| Office Address | : | bii plaza, Tower III , 11 th Floor
Jl. M.H. Thamrin No.51 Jakarta 10350 |
| Residential Address/in accordance with
Personal Identity Card | : | Jl. Accasia Kav. 1528 BNI Rt.01 Rw.14
Kelurahan Sarua, Kecamatan Ciputat,
Tangerang |
| Telephone Number | : | (021) 392-5660 |
| Title | : | Director |

declare that:

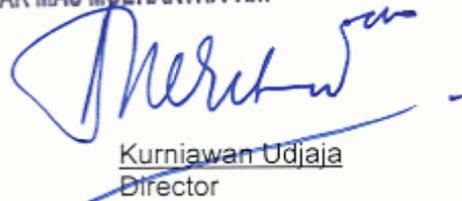
1. We are responsible for the preparation and presentation of the Company's and Its Subsidiaries consolidated financial statements for the years ended December 31, 2009 and 2008.
2. The Company's and Its Subsidiaries consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles.
3. a. All information has been fully and correctly disclosed in the Company's and Its Subsidiaries consolidated financial statements, and
b. The Company's and Its Subsidiaries financial statements do not contain materially misleading information or facts, and do not conceal any information or facts.
4. We are responsible for the Company's and Its Subsidiaries internal control system.

This statement has been made truthfully.

Jakarta, March 31, 2010




Doddy Susanto
President Director


PT SINAR MAS MULTIARTHA Tbk

Kurniawan Udjaja
Director