

Study on Business Potential and Major Players of MOTOR VEHICLE FINANCING INDUSTRY in Indonesia, 2017 - 2021

Motor vehicle financing industry in Indonesia had grown positively in the last six years (2011 – 2016) although national economic condition was in hard condition in the last two years as a result of global crisis impact. However, motor vehicle consumer financing shows an increasing trend. In 2011 consumer financing value in Indonesia reached Rp. 157.37 trillion and it increased fantastically to Rp. 258.57 trillion in 2016.

Based on a research of CDMI that based on motor vehicle types, in 2011 new car financing value just reached Rp. 69.07 trillion and it rocketed to Rp. 112.87 trillion in 2016; motor vehicle financing value was Rp. 66.33 trillion in 2011 and soared to Rp. 91.79 trillion in 2016. Similarly, used car financing value just reached Rp. 21.97 trillion in 2011 and soared to Rp. 53.91 trillion in 2016.

Rapid growth of consumer financing industry could not be separated from high performance of 62 companies searched by CDMI. These companies found their business prosperity in 2015 with fantastic revenue and profit. From 9 companies with assets of more than Rp. 10 trillion, PT. Astra Sedaya Finance led them with revenue of Rp. 27.54 trillion followed by PT. Federal International Finance of Rp. 25.96 trillion, PT. Adira Dinamika Multi Finance of Rp. 24.91 trillion, PT. Oto Multi Artha of Rp. 19.71 trillion and PT. Toyota Astra Financial Service of Rp. 15.98 trillion. From these five companies, PT. Federal International Finance obtained the highest profit reaching Rp. 1.50 trillion.

Tight competition to seize revenue also occurred in 11 companies with assets of more than Rp. 5 trillion. PT. Mandiri Tunas Finance led them with revenue of Rp.

8.48 trillion followed by PT. Indomobil Finance Indonesia of Rp. 8.08 trillion, PT. Busan Auto Finance of Rp. 7.56 trillion, PT. Clipan Finance Indonesia of Rp. 6.42 trillion, PT. CIMB Niaga Auto Finance of Rp. 5.90 trillion and PT. BCA Finance of Rp. 5.70 trillion. From these 6 companies, PT. BCA Finance succeeded in obtaining the highest profit of Rp. 1.04 trillion. Tight competition of 42 other finance companies with asset of more than Rp. 1 trillion is discussed clearly in this study book.

High growth of financing business in Indonesia and tight competition of companies to get revenue and profit through their various strategies have made CDMI to be attracted to perform a comprehensive research. The competition will be tighter and based on Finance Service Authority (OJK) that in 2017 there will be three investors from South Korea, Taiwan and China entering into this business through acquisition and joint venture. This book elaborates completely the growth of motor vehicle financing industry in Indonesia and its prospect in 2021.

This book is only available in CDMI and it can directly be ordered to our marketing division with Mrs. Tina by phones (6221) 3193-0108, 3193-0109, 3193-0070, or Fax (6221) 3193 0102 or e-mail: marketing@cdmione.com at a price of Rp. 8,000,000.- for Indonesian Edition and Rp. 8,500,000.- for English Edition and US\$ 700 for Foreign price.

Having submitted this offer, we thank you for your cooperation and look forward to hearing your response promptly.

Cordially yours,
P.T. CDMI

Muslim M. Amin

P.T. CENTRAL DATA MEDIATAMA INDONESIA AGP Building, 2 nd Floor Jl. Pegangsaan Timur No. 1 Cikini Jakarta 10320, Indonesia		Phone : (021) 31930108 - 9 Fax : (021) 31930102 E-mail : marketing@cdmione.com Website : www.cdmione.com	
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ATTACHMENT:

A. Regulation of Financial Soundness Rate of Finance Company

Attachment I. : Asset Risk Weight

Financing Asset

Non-Finance Asset

Attachment II. : Guidelines of Quality Assessment Financing Receivables

