Digitising BPRS

With Permata API Solutions

13 September 2021

Agenda

- ✓ BPR(S) Overview

- ✓ Market Landscape

- ✓ Challenges

- ✓ Key Propositions

BPR & BPRS Overview

✓ Bank Perkreditan Rakyat (BPR) and Bank Pembiayaan Rakyat Syariah (Rural Bank) is a banking institution offering limited range of products and services than commercial bank. Banking regulation **prohibits** BPR from providing payments, demand deposits, foreign exchange, and insurance services

There are two types of BPR based on ownership:

- BPR(S) owned by the Government (Provincial & District Government)
- BPR(S) owned by Private

BPR & BPRS Overview

PermataBank
Syariah

Comparison of Commercial Bank Business Activities with Rural Banks (BPR)

Product	Commercial Bank	BPR (S)
Lending	✓	✓
Savings Accounts	✓ Complete services including ATM, eBanking etc	✓ Less complex than commercial banks
Time Deposits	✓ LPS Guarantee up to 4.0% (IDR) & 0.5% (USD)	✓ LPS Guarantee up to 6.5% (IDR)
Foreign Exchange	✓	X
Interbank Clearing	✓	X
Insurance	✓	X
Digital Banking	✓	X

Market Landscape on BPR

Tabel 12 Indikator Umum BPR

Indikator	Nominal			qtq		yoy	
	Sep'19	Jun '20	Sep '20	Jun '20	Sep '20	Sep '19	Sep '20
Total Aset (Rp milyar)	144.779	146.866	149.814 ⬇	-1,87% ⬆	2,01% ⬆	10,09% ⬆	3,48%
Kredit (Rp milyar)	106.733	110.468	110.305 ⬇	-0,88% ⬇	-0,15% ⬆	11,41% ⬆	3,35%
Dana Pihak Ketiga (Rp milyar)	99.071	100.063	102.113 ⬇	-2,83% ⬆	2,05% ⬆	11,64% ⬆	3,07%
- Tabungan (Rp milyar)	30.800	30.376	31.167 ⬇	-3,71% ⬆	2,60% ⬆	10,26% ⬆	1,19%
- Deposito (Rp milyar)	68.271	69.686	70.946 ⬇	-2,44% ⬆	1,81% ⬆	12,27% ⬆	3,92%
CAR (%)	22,79	30,80	30,88	(74)	8	4	809
ROA (%)	2,29	1,98	1,95	(30)	(3)	(20)	(34)
BOPO (%)	82,39	84,78	84,41	182	(37)	115	202
NPL Gross (%)	7,34	8,44	8,09	49	(35)	18	74
NPL Net (%)	5,55	6,58	6,18	33	(40)	17	63
LDR (%)	77,81	79,09	77,72	123	(137)	87	(9)
CR (%)	15,67	16,66	16,82	169	16	(50)	114

Sumber: SPI, September 2020

Tabel 34 Jaringan Kantor BPR

JARINGAN KANTOR	2020		Δ
	TW II	TW III	
- Kantor Pusat (KP)	1.526	1.512	(14)
- Kantor Cabang (KC)	1.782	1.791	9
- Kantor Kas (KK)	2.647	2.630	(17)
- ATM	299	312	13
- Payment Point	1.357	1.399	42
TOTAL	7.611	7.644	33

Sumber: OJK

Grafik 44 Penyebaran Jaringan Kantor BPR

- Jawa 74,16%
- Sumatera 12,02%
- Bali-NTB-NTT 7,55%
- Kalimantan 2,28%
- Sulampua 3,99%
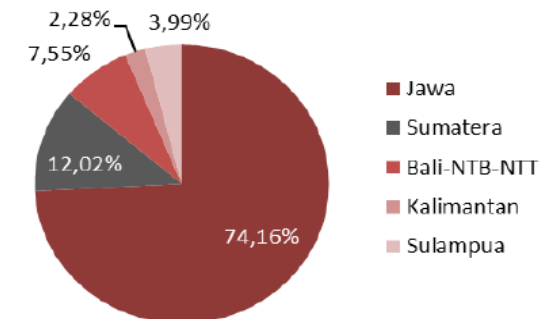
Sumber: OJK

Market Landscape on BPRS

Tabel 42. Rasio Keuangan Bank Pembiayaan Rakyat Syariah (*Financial Ratios of Sharia Rural Bank*)

	Rasio	2019	2020			
			Sep	Okt	Nov	Des
1	CAR	17.99%	31.29%	31.41%	33.26%	**28.60%**
2	ROA	2.61%	2.56%	2.39%	2.30%	**2.01%**
3	ROE	27.30%	30.29%	28.70%	27.71%	**20.29%**
4	NPF	7.05%	8.60%	8.67%	8.23%	**7.24%**
5	FDR	113.59%	116.24%	114.46%	112.33%	**108.78%**
6	BOPO	84.12%	89.62%	92.25%	88.33%	**87.62%**

Tabel 26. Jumlah Bank Pembiayaan Rakyat Syariah Berdasarkan Lokasi (Number of Sharia Rural Bank based on Location)

	Province	Des
1	Jawa Barat	27
2	Banten	8
3	DKI Jakarta	1
4	D.I. Yogyakarta	12
5	Jawa Tengah	26
6	Jawa Timur	27
7	Sumatera	44
8	Kalimantan	3
9	Indonesia Timur	15
	TOTAL BPRS	**163**

- 163 BPRS (150 banks with assets >10 bio)
- 1.78 mio Funding & 361K Financing accounts
- 6.75K employees
- IDR 10.7 Tn Financing
- IDR 9.82 Tn Funding
- IDR 281 Bn income

Source : OJK Dec '20

BPR(S) Challenges

BPR(S) have various challenges to expand their business whilst the untapped potentials in their customer segments are widely open. This creates opportunity for full fledge commercial banks like PermataBank to partner with BPR(S).

Regulatory

Infrastructure

Human Capital

Restriction to join interbank clearing ecosystem

Less advanced infrastructure and technology adoption

Limited human resource capabilities

Provides access to new and improved services

Offers the benefits of robust, scalable, reliable technology platform

Upskills human resource capabilities

Value Proposition

Expanding BPR(S) Banking Services

Transfers

- Over Booking
- Domestic Online
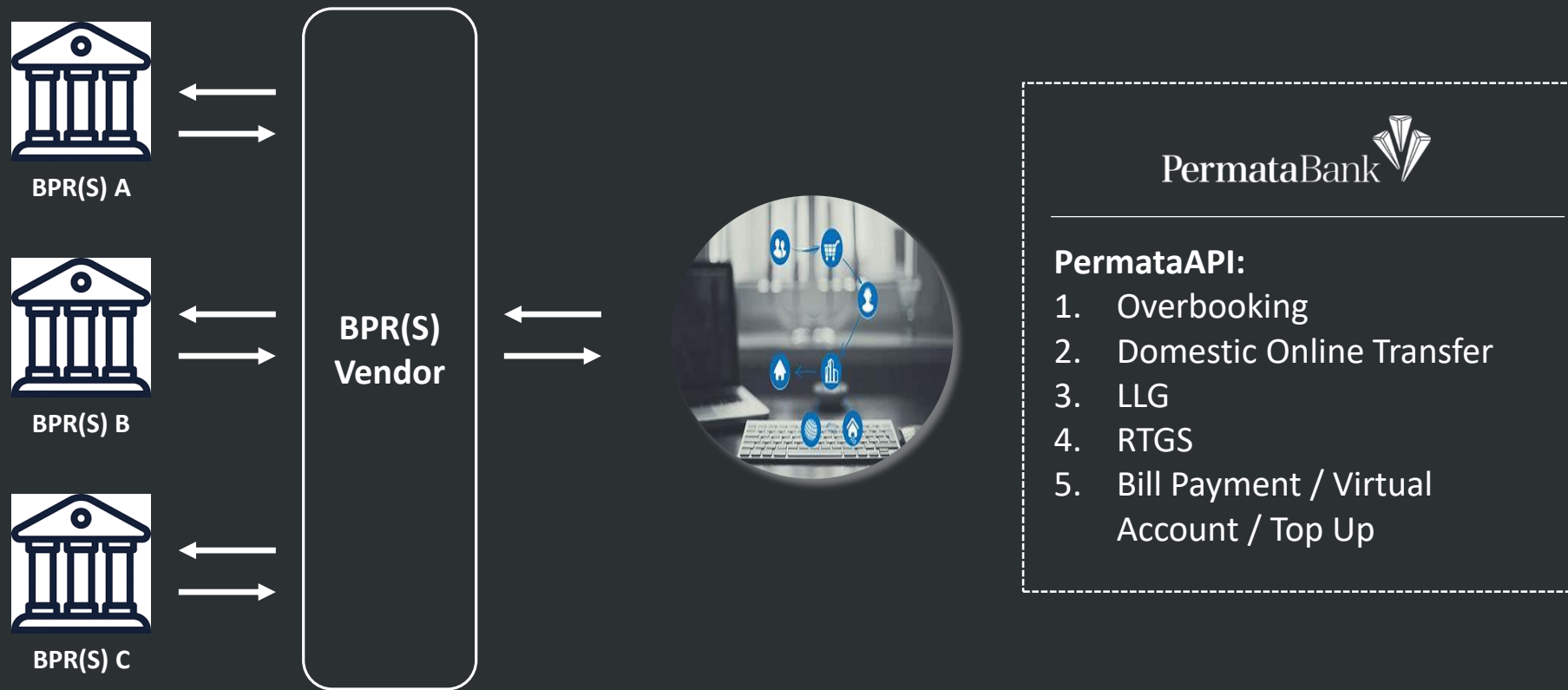- Low Value Transfer (LLG)
- High Value Transfer (RTGS)

Other Services

- Virtual Account
- Bill Payment
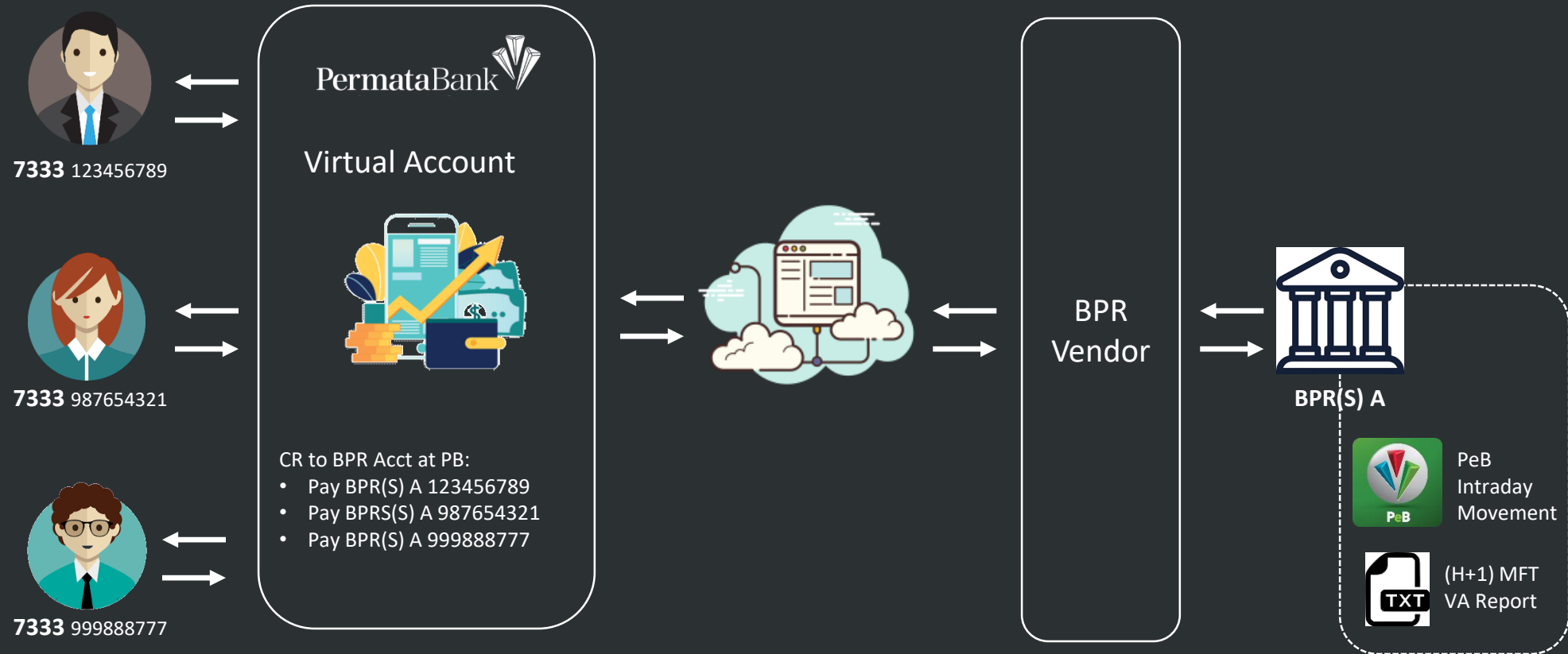- Permata e-Business
- Application Program Interface (including MFT Reporting)

Seamless Integration

PermataAPI allows a seamless integration with BPR(S) IT System – directly or through IT vendor

BPR(S) A

BPR(S) B

BPR(S) C

BPR(S) Vendor

PermataAPI:
1. Overbooking
2. Domestic Online Transfer
3. LLG
4. RTGS
5. Bill Payment / Virtual Account / Top Up

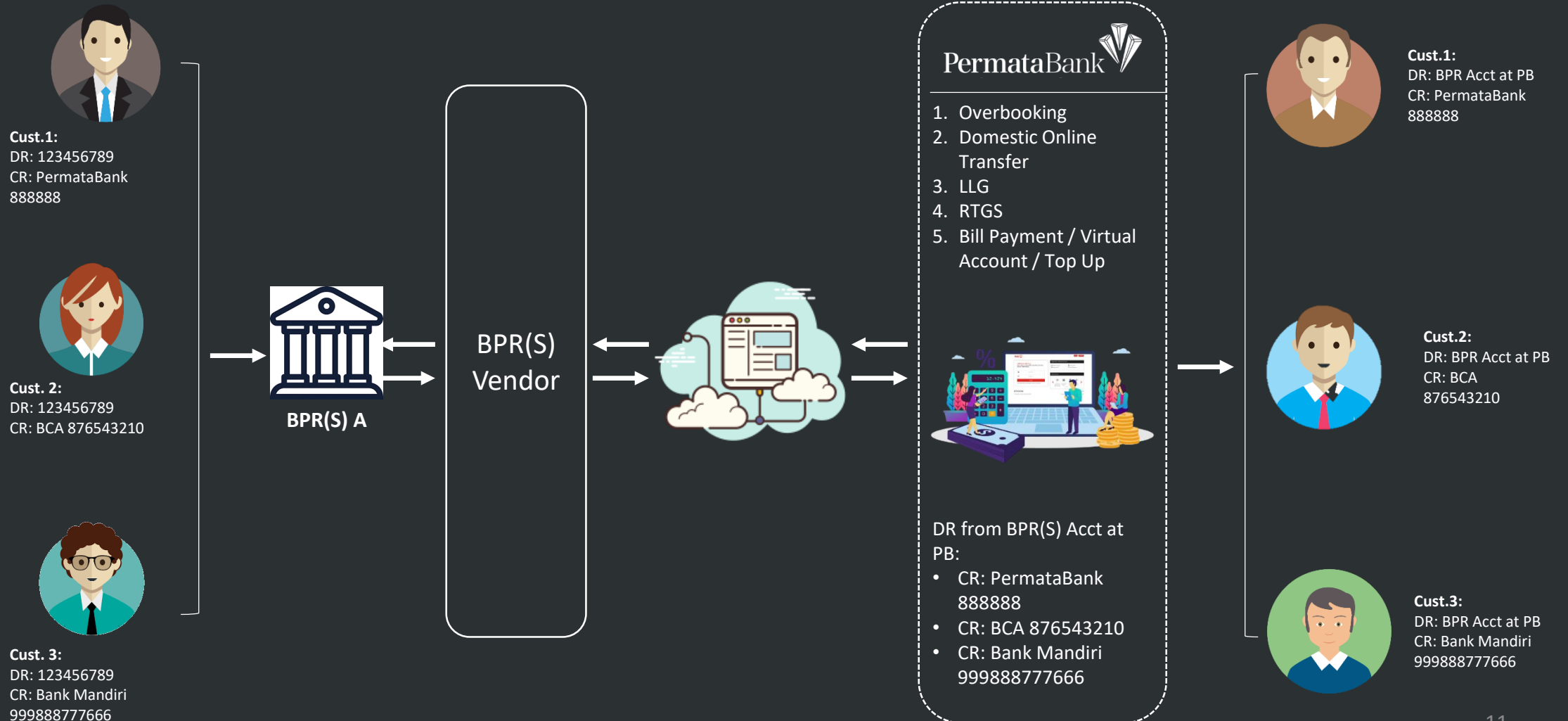# VA Proposition

Virtual Account would be helping BPR(S) to easily identify the rightful owner of the incoming transfer

7333 123456789

7333 987654321

7333 999888777

PermataBank

Virtual Account

CR to BPR Acct at PB:
- Pay BPR(S) A 123456789
- Pay BPRS(S) A 987654321
- Pay BPR(S) A 999888777

BPR Vendor

BPR(S) A

PeB Intraday Movement

(H+1) MFT VA Report

API Proposition

API would be transforming BPR(S) into Online Transfer, Bill Payments, etc.

PermataBank Syariah

Cust.1:
DR: 123456789
CR: PermataBank
888888

Cust. 2:
DR: 123456789
CR: BCA 876543210

Cust. 3:
DR: 123456789
CR: Bank Mandiri
999888777666

BPR(S) A

BPR(S) Vendor

PermataBank

1. Overbooking
2. Domestic Online Transfer
3. LLG
4. RTGS
5. Bill Payment / Virtual Account / Top Up

DR from BPR(S) Acct at PB:
- CR: PermataBank 888888
- CR: BCA 876543210
- CR: Bank Mandiri 999888777666

Cust.1:
DR: BPR Acct at PB
CR: PermataBank
888888

Cust.2:
DR: BPR Acct at PB
CR: BCA
876543210

Cust.3:
DR: BPR Acct at PB
CR: Bank Mandiri
999888777666

Coming together is a **beginning**;
Keeping together is a **progress**;
Working together is a
SUCCESS !