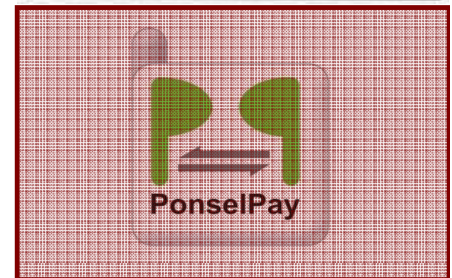
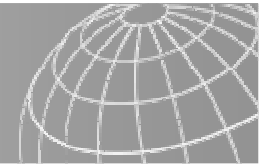


# Mobile Phone Banking Options for the BPR Industry

- Early experiences from Indonesia -

Berlin, 18<sup>th</sup> November 2010



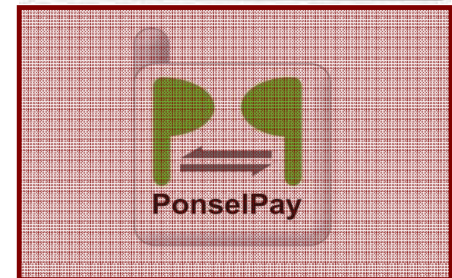


# Overview

**I. Introduction: the context**

**II. Our activities: m-banking working group/joint learning program**

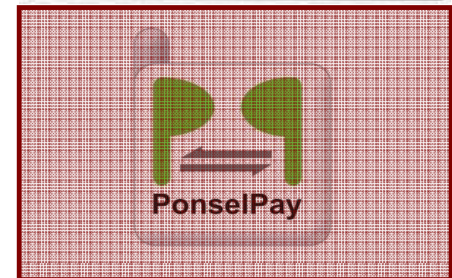
**III. Pilot Testing PonselPay**

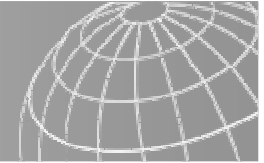




## I. Context

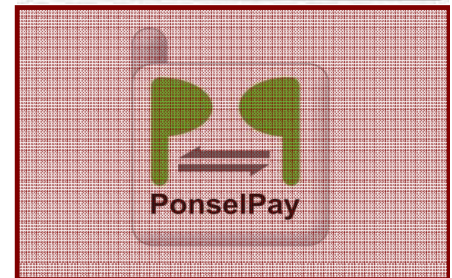
- ProFI (Promotion of Small Financial Institutions) Overall goal: *Sustainable access to improved microfinance services through small financial institutions has been improved*
- “Strengthening the BPR industry”: Supporting Bank Indonesia’s efforts to improve the BPR development strategy (BPR Blueprint), regulation and supervision; disseminate innovative practices, products and technologies
- BPR are secondary banks, with a limited operational radius and limited products and services
  - *~1710 institutions; ~8,5 mio. savings accounts, ~3 mio. credit accounts*
- Use of new technologies in microfinance relatively underdeveloped

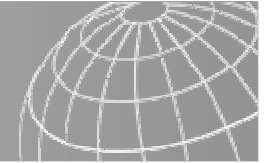




## II. Activities

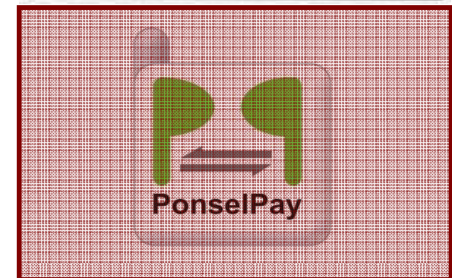
- Apconex 2008 started under the motto ‘towards a less cash society’
- Starting point for m-banking working group/joint learning program
  - **Learning from international experience**
  - **Identification of models feasible in Indonesia under special consideration of the BPR industry**
  - **Identification of regulatory challenges, dialogue with regulators**
  - **Promotion of the BPR industry as an interesting partner for mobile network operators**
  - **Development of pilot projects**
- Eg. study visit to the Phillippines, exchange with FSA, opportunity study (available under [www.profi.or.id](http://www.profi.or.id))

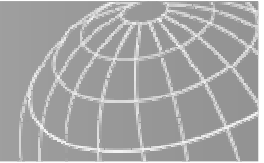




### III. Pilot-testing PonselPay for BPR

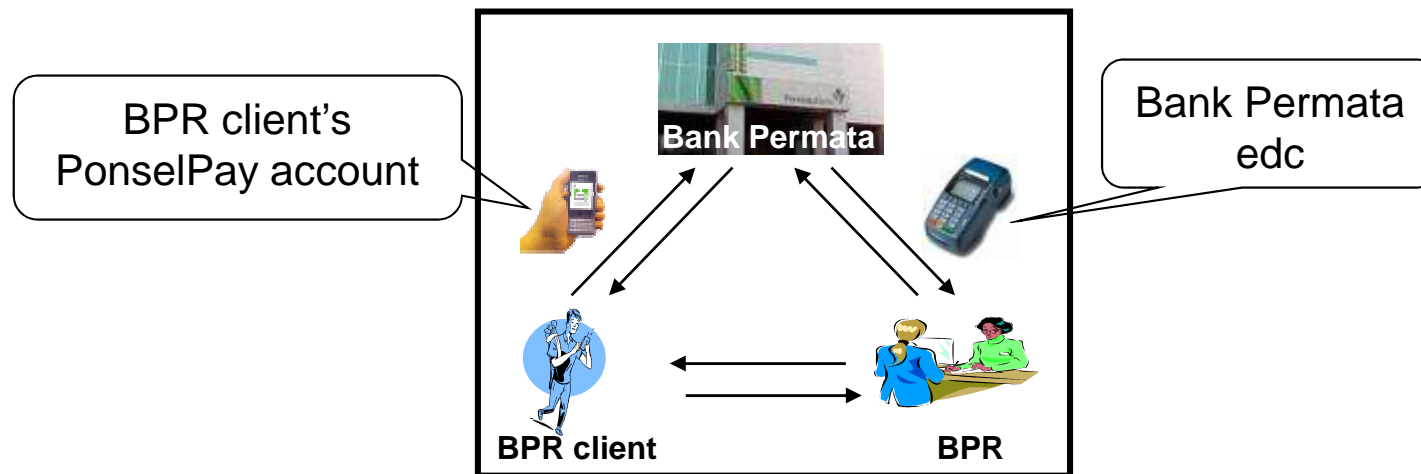
- **Idea:** Leveraging *existing technology* to improve competitive position, outreach & efficiency of BPR
- **Objective:** Study the feasibility of m-banking products for BPR
- **Pre-requisite:** PonselPay is licensed by BI/DASP
  - What is PonselPay?
    - electronic wallet under e-money and money remitters regulation
    - hosted by Bank Permata
  - Why PonselPay?
    - provider agnostic
    - existing solution with open architecture ('many to many')
    - low investment cost on BPR side
    - flexibility (possible accomodation of co-branding etc.)
    - utilisation of Bank Permata's links with ATM networks, billers etc.





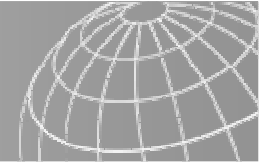
### III. Pilot-testing PonselPay for BPR (cont'd)

- Architecture of the model to be tested:



- BPR carries out customer identification/KYC for PonselPay ('registered' version)
- customers make use of regular PonselPay features (complement BPR's products and services)
- additional services can be enabled through BPR (eg. topping up wallet at BPR teller, deposit mobilisation, cash out)





### III. Pilot-testing PonselPay for BPR (cont'd)

- Potential services for BPR clients:

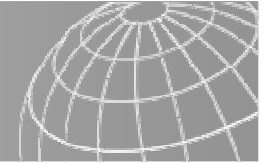
**Regular Ponsel Pay**

- Bill Payment
- Peer-To-Peer Transfer
- Transfer to Bank Accounts (Registered PonselPay)
- Receipt of funds from Bank Accounts (Registered PonselPay)

**Enabled by BPR**

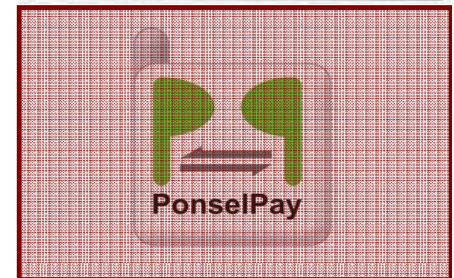
- Loading (*cash-in*)
- Loan-Repayment
- Cash-out
- Deposits
- Remittance (Inbound)

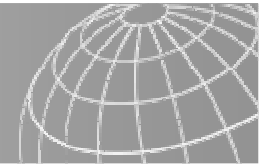




### III. Pilot-testing PonselPay for BPR (cont'd)

- **Next steps:**
  - **Regulatory approval**
  - **Commercial aspects**
  - **Processes and SOPs/formsheets etc.**
  - **Staff Training**
  - **Customer education**
  - **Marketing**
  - **Evaluation and dissemination of lessons learnt**
- **Too early to draw conclusions, but...**
  - **involvement of regulators from the start**
  - **private sector drive necessary**
  - **we have a role as facilitator/trusted party free from vested interests**





# *Thank you!*

**Contact:**

**Promotion of Small Financial Institutions (ProFI)**

**E [thomas.foerch@gtz.de](mailto:thomas.foerch@gtz.de), [ashok.malkarnekar@gtz.de](mailto:ashok.malkarnekar@gtz.de)**

**I [www.profi.or.id](http://www.profi.or.id)**

**T +62 - 21 - 38 66 384**

**F +62 - 21 - 23 54 91 56**

