

Islamic Financial Institutions in INDONESIA

- 6 SHARIAH BANKS
- 79 SHARIAH RURAL BANKS
- 600 RURAL SAVING UNION
- TOTAL BUSINESS VOLUME USD 180 Million
- PUBLIC SAVINGS 0.15 % TOTAL MARKET

Shariah Rural Bank Capacity

- Management Skill
 - Shariah Products
 - Marketing/Selling Skill
- Business Scale
 - Financial Performance
 - Equity
- Market Scale
 - Location
 - Number of Customers



Assistance Offered By Shariah Rural Banks

- FINANCIAL
 - Equity participation
 - Placement
 - Financing
- TECHNICAL
 - Products
 - Marketing/Selling



FINANCING SCALE

- ❖ Bank Muamalat Indonesia \geq IDR 50 Mln (\$5000)
- ❖ Shariah Rural Banks \leq IDR 50 Mln (\$5000)
- ❖ Rural Savings Union \leq IDR 5 Mln (\$500)

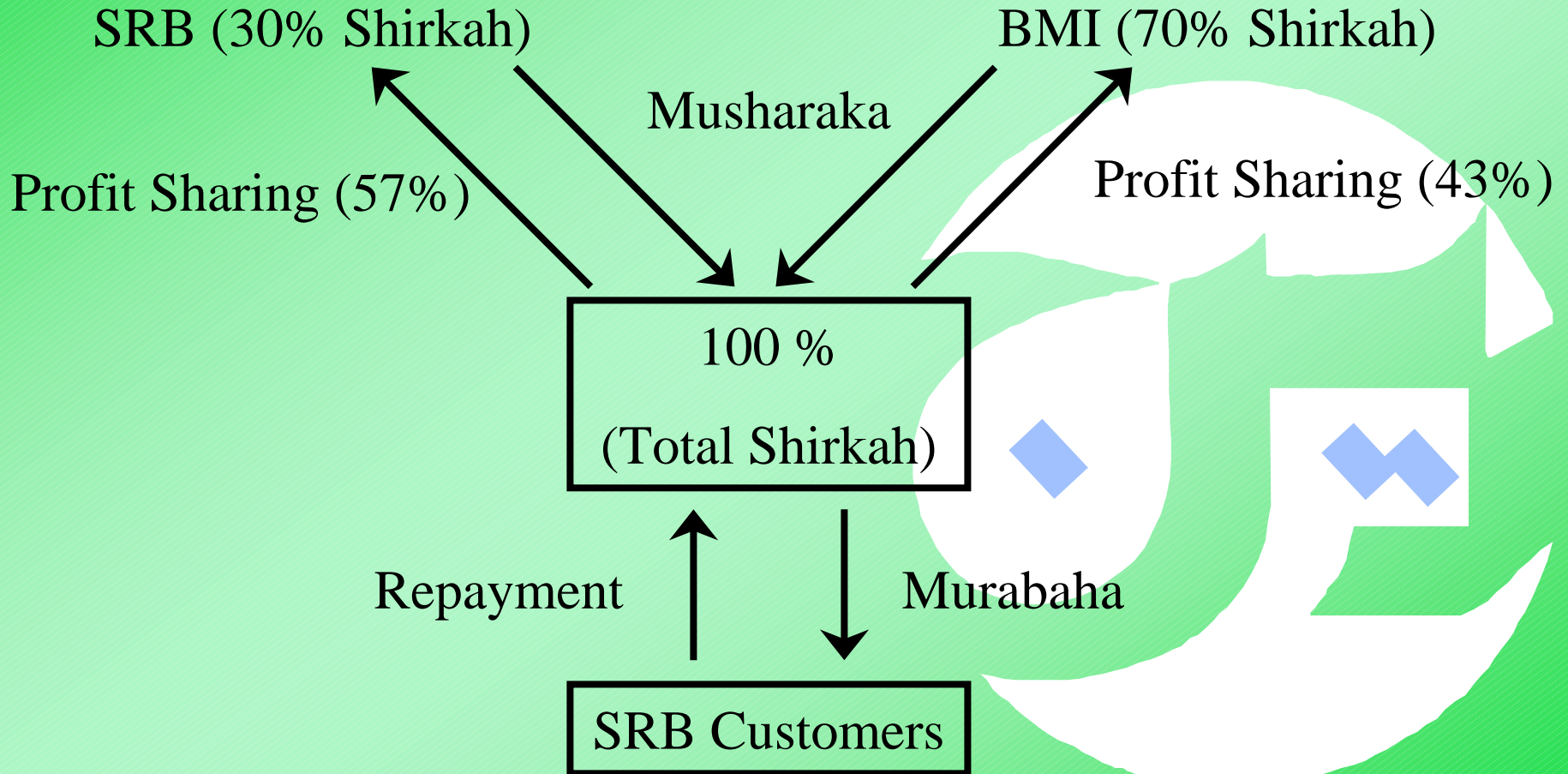
SRB UNDER SUPERVISION OF BMI MEDAN

- 5 Shariah Rural Banks in ACEH
- 5 Shariah Rural Banks in NORTH SUMATERA
- BUSINESS PORTFOLIO
 - Trading
 - Services
 - Agriculture / Fisheries / Husbandry
 - Consumptive
 - Al Qardhul Hasan
 - Madrasah Cooperatives and RSU

FINANCING SCHEME TO SRB

- Executing : SRB taking part of financing portion and responsibility
- Channelling : SRB acting as arranger (channelling agent) for BMI

MUSHARAKA WAL MURABAHA SCHEME



MUSHARAKA FACILITY

- BMI expected yield Min. 22%
- SRB expected yield Min. 36%
- Calculation of Profit Distribution Portion :

$$\text{BMI} = 22/36 \times 70 \% = 43 \%$$

$$\text{SRB} = 100 \% - 43 \% = 57 \%$$

MUSHARAKA FINANCING STRUCTURE

- BMI SHIRKAH : IDR 800.000.000,-
- PURPOSE : SRB working capital
(total plafond IDR 1.143 Bio)
- TENOR : 36 months
- MUSHARAKA RATIO : BMI = 70 % ; SRB = 30 %
- PROFIT SHARING : BMI = 43 % ; SRB = 57 %
- ADMINISTRATION FEE : 1 %
- DISBURSEMENT : Subject to nominated
customers submit

MURABAHA FACILITY

- SRB and Customers conduct sell and buy transaction with deferred payment
- Purpose :
 1. Investment
 2. Working Capital
 3. Consumptive (Consumer Credit)

MURABAHA FINANCING STRUCTURE

- PLAFOND : IDR 50.000.000,-
- PURPOSE : Working capital for jeans production
- TENOR : 4 months
- SELLING PRICE : IDR 82.446.820,-
- MARGIN : 36 % p.a.
- INSTALLMENT / MO. : IDR 2.290.190,-
- ADMINISTRATION FEE : 1 %
- DISBURSEMENT : Based on production schedule

YIELD RESULT

SRB	Dec	Jan	Feb	Mar	Apr	Ave	p.a.
GB	1.51	2.05	1.54	1.58	1.58	1.65	19.82
PI	2.16	2.17	2.24	2.18	2.28	2.20	26.47
AW	1.86	1.86	2.78	1.89	1.89	2.05	24.67
RHA	1.78	1.75	1.78	1.78	1.78	1.77	21.29
Ave	1.83	1.96	2.09	1.86	1.88	1.92	23.06

FINANCING PRODUCTS TO TOTAL PORTFOLIO

Products	%	Customer
Al Mudharaba	41.4	Company Coop.
Al Murabaha	16.6	Retail/Consumptive
Al Musharaka	26.0	SRB & Corporate
Bank Guarantee	16.0	Non Cash Loan
Total	100.0	

(Data 31 December 2000)

CONCLUSION : BMI-SRB FUTURE COOPERATION

- Empowerment of other IFI (RSU)
- Financial Consultant for SMEs
- Point of Sales (Banking Services)
- Public Services Payment Point (Fee Based Income)

Lesson for Today

*"Tafakkur sa'atan khairul min
i'badatin sanatan"*

*Thinking for two hours is better than
worshiping for two years*