

# DRIVING FINANCIAL TECHNOLOGY AND DIGITIZATION IN THE REPUBLIC



**Day 3**  
**23<sup>rd</sup> SEPTEMBER 2020**

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## DRIVING FINANCIAL TECHNOLOGY AND DIGITIZATION IN THE REPUBLIC

What are the major challenges and opportunities facing Indonesian banks in their digitization programs and strategies for the adoption of financial technology? How is digitization within local banks driving effective segmentation and the development of ever more efficient product delivery channels? What opportunities do Blockchain and Distributed Ledger Technology offer Islamic financial institutions and consumers in Indonesia? Where do crowdfunding and peer-to-peer lending potentially fit in the Indonesian financial system and what can be done to develop and nurture these important components? Where and how can FinTech play a meaningful role in key Islamic financial activities such as Takaful, Zakat and Waqf?

### YOUR PANEL



**LAWRENCE OLIVER**  
*Deputy CEO, DDCAP Group*



**HARZA SANDITYO**  
*Co-Founder, Alami Shariah*



**MATTHEW MARTIN**  
*Founder and CEO, Blossom*



**ZAINEB SEFIANI**  
*Founder and Director, Carrera Learning*



## FINTECH AND DIGITIZATION

The third and final day of the event focused exclusively on the opportunities for fintech innovation. Hosted by Lawrence Oliver of DDCAP, the discussion was led by a group of fintech pioneers including Harza Sandityo, the cofounder of peer-to-peer lending platform Alami Shariah.

The panel explored the major challenges and opportunities facing Indonesian banks in their digitization programs and strategies for the adoption of fintech and noted the growing digitization within local banks, which is now driving effective segmentation and the development of ever more efficient product delivery channels. "As an intermediary in the Islamic financial markets, we have seen firsthand the benefits of fintech throughout the appalling effects of this pandemic," noted Oliver.

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*throughout the appalling effects of this pandemic"*

– Oliver

"The Indonesian population is over 267 million. It has over 355 million mobile phones, 150 million internet and social media users. There are around 200 players in the e-commerce sector and 272 players in the fintech sector. With these numbers, there are tremendous opportunities," noted Zaineb Sefiani, the founder and director of Islamic e-learning initiative Carrera Learning. "About 50% of the population that could be banked is unbanked – representing about 83 million people who do not have access to banking. On top of that, we have another 63 million micro SMEs that also do not have access to banking. With these numbers, there are tremendous opportunities for digitalization in the Indonesian market."

But there are also challenges. Indonesia has a blueprint for a new payment system



for 2025, and it throws up some concerns around the misuse of data, cyberattacks, money laundering and so on. And on the education side, how do you persuade employers to educate their employees to cope with this rapid shift toward digital processes?

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– Zaineb

"We have already seen in other markets the efficiencies that can be added through digitization," urged Matthew Martin, the founder and CEO of social impact investment platform Blossom Finance. "The opportunity to increase financial inclusion using digital methods is tremendous. The challenges though, are really structural and cultural in nature. The incentive structure and the organizational structure of non-digital financial institutions make it very hard to move

forward and align priorities to embrace digitization unless you have a top-down decision-maker who is really prepared to shake things up. But COVID-19 is now forcing that to happen — there is no choice now. Digital banking technology has been around for over a decade, there are plenty of good vendors in the market. It just requires an internal cultural change, and that needs strong leadership."

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– Martin



To hear the full discussion, or to follow up any of the above points in more detail, please visit [www.redmoneyevents.com/event/ifnindonesia](http://www.redmoneyevents.com/event/ifnindonesia), where all content is available to view free of charge. ☺

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