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
- Chanelling: SRB acting as arranger (chanelling agent) for BMI
MUSHARAKA WAL MURABAHA SCHEME

SRB (30% Shirkah)  
Profit Sharing (57%)  
Musharaka

BMI (70% Shirkah)  
Profit Sharing (43%)

100 %  
(Total Shirkah)

Repayment  
Murabaha

SRB Customers

MUSHARAKA FACILITY

- BMI expected yield Min. 22%
- SRB expected yield Min. 36%
- Calculation of Profit Distribution Portion:
  \[ \text{BMI} = \frac{22}{36} \times 70 \% = 43 \% \]
  \[ \text{SRB} = 100 \% - 43 \% = 57 \% \]
**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

<table>
<thead>
<tr>
<th>SRB</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>Ave</th>
<th>p.a.</th>
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<tbody>
<tr>
<td>GB</td>
<td>1.51</td>
<td>2.05</td>
<td>1.54</td>
<td>1.58</td>
<td>1.58</td>
<td>1.65</td>
<td>19.82</td>
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<tr>
<td>PI</td>
<td>2.16</td>
<td>2.17</td>
<td>2.24</td>
<td>2.18</td>
<td>2.28</td>
<td>2.20</td>
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<tr>
<td>AW</td>
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<td>1.86</td>
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<td>1.77</td>
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<tr>
<td>Ave</td>
<td>1.83</td>
<td>1.96</td>
<td>2.09</td>
<td>1.86</td>
<td>1.88</td>
<td>1.92</td>
<td>23.06</td>
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</table>
## FINANCING PRODUCTS TO TOTAL PORTFOLIO

<table>
<thead>
<tr>
<th>Products</th>
<th>%</th>
<th>Customer</th>
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</thead>
<tbody>
<tr>
<td>Al Mudharaba</td>
<td>41.4</td>
<td>Company Coop.</td>
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<tr>
<td>Al Murabaha</td>
<td>16.6</td>
<td>Retail/Consumptive</td>
</tr>
<tr>
<td>Al Musharaka</td>
<td>26.0</td>
<td>SRB &amp; Corporate</td>
</tr>
<tr>
<td>Bank Guarantee</td>
<td>16.0</td>
<td>Non Cash Loan</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

(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