

Fintech Development in Indonesia's Capital Market

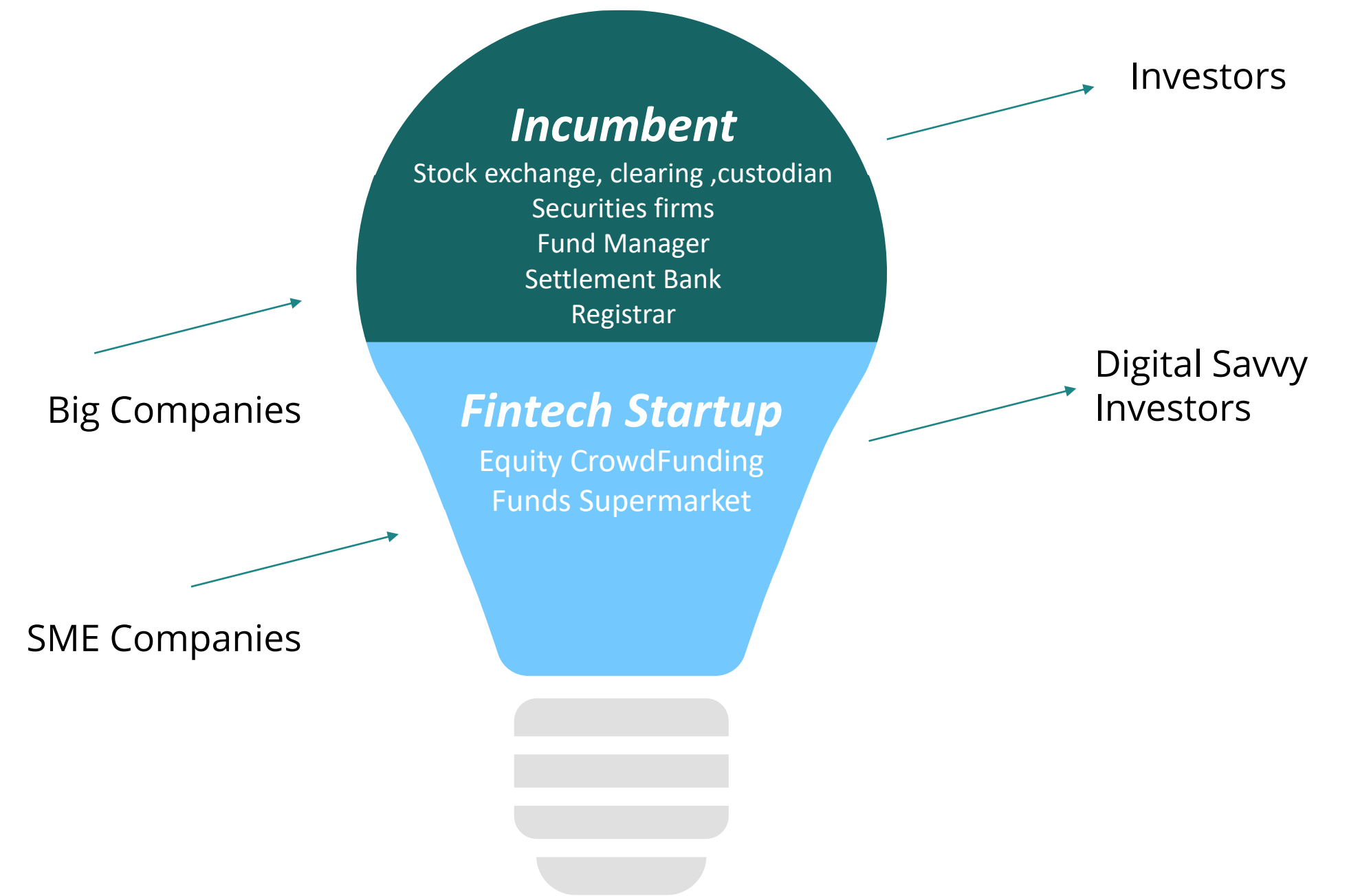
Fithri Hadi

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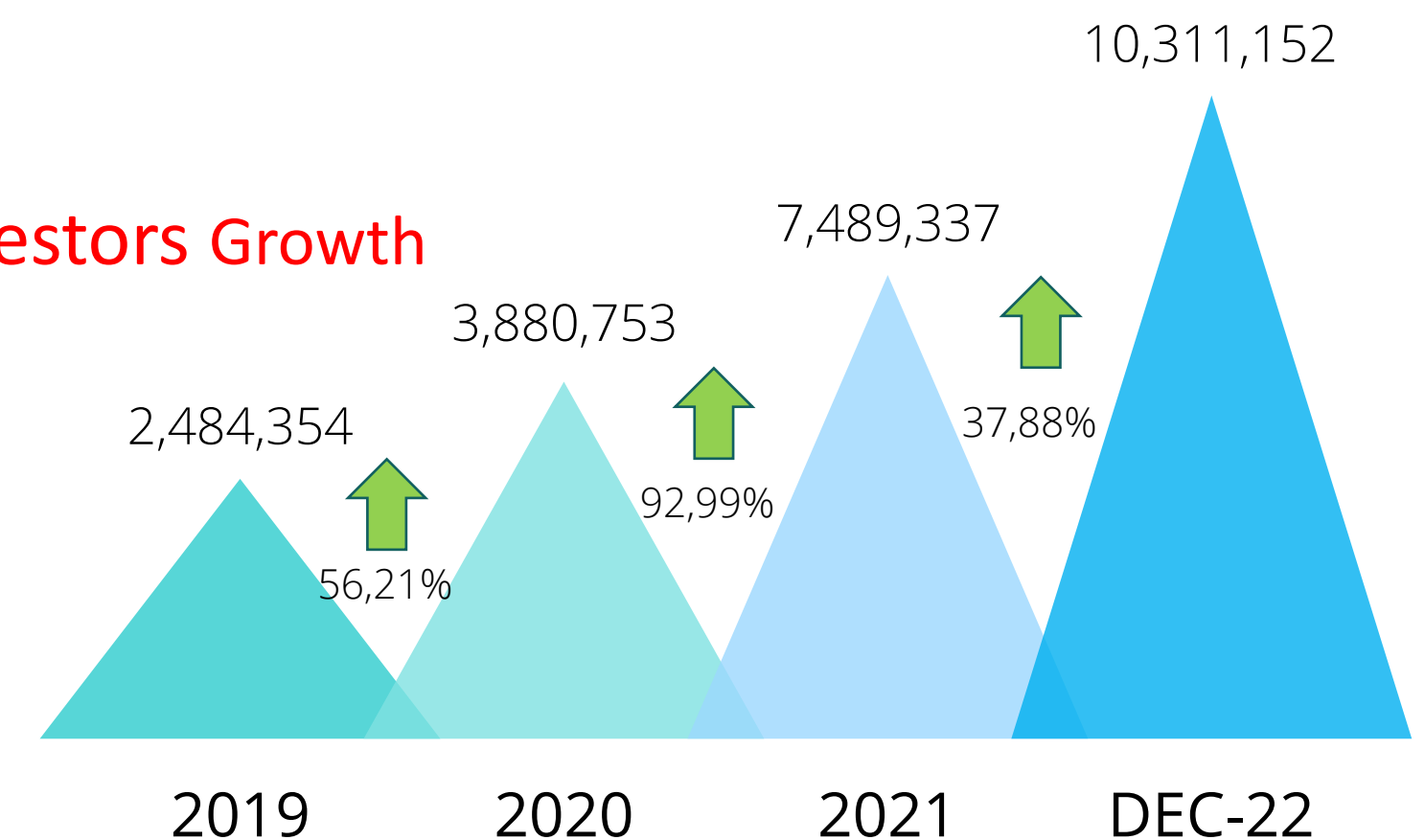
Digital Innovation in Indonesia's the Capital Market

- Digital technology innovation by startups has brought many private benefits in business: volume, growth, new jobs, new services. Since 2015 many new Fintech in Lending, Alternative Payment, Remittance, Digital money, Credit Scoring, ecommerce etc in which use internet as main service channel across archipelago.
- The big population of internet users and large number of unserved small businesses /SMEs attracted startup penetration (data Dec 2022: internet users reached 200 million people, 50 million SMEs).
- Some startups have reached big scale in business (data Dec 2022: ecommerce trade reached 47 billion USD, fintech lending reached 27 billion USD, etc)
- In 2018 the capital market Regulator made innovation by issuing
 - equity crowdfunding fintech startup licenses to serve SME capital raising
 - fund supermarket fintech startup licenses to serve digital savvy investor
- Additionally, in 2019, the Stock Exchange Group and securities firms (incumbent) made breakthrough in response to Covid-19 lockdown by creating :
 - eKYC : online account opening
 - e-IPO systems.
- As the result in capital market,
 - Rapid growth of investors in the last 4 years (4 times increase)
 - SMEs allowed to raise capital from market (70% growth in 2022)

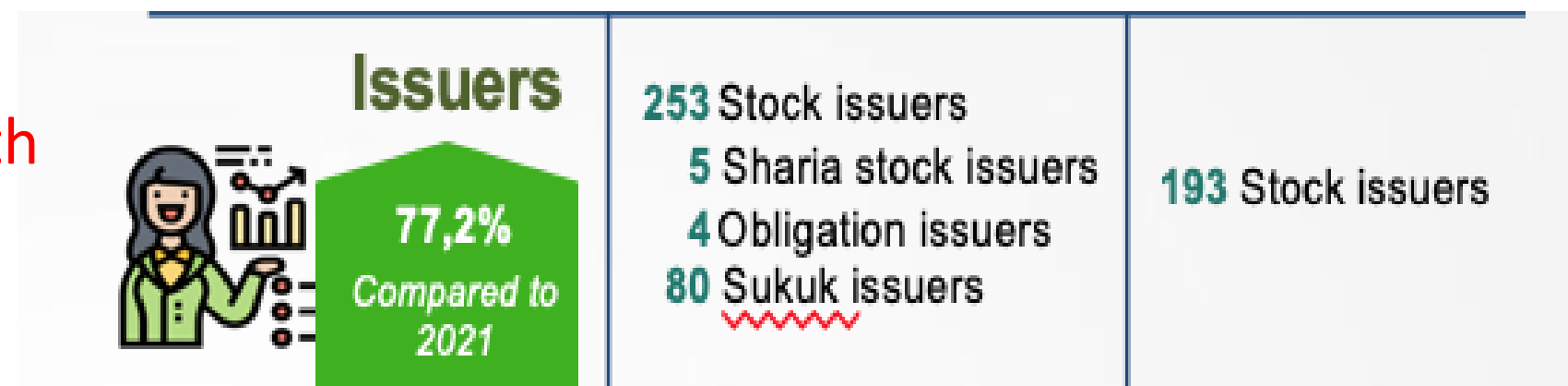
Market Participants



Investors Growth

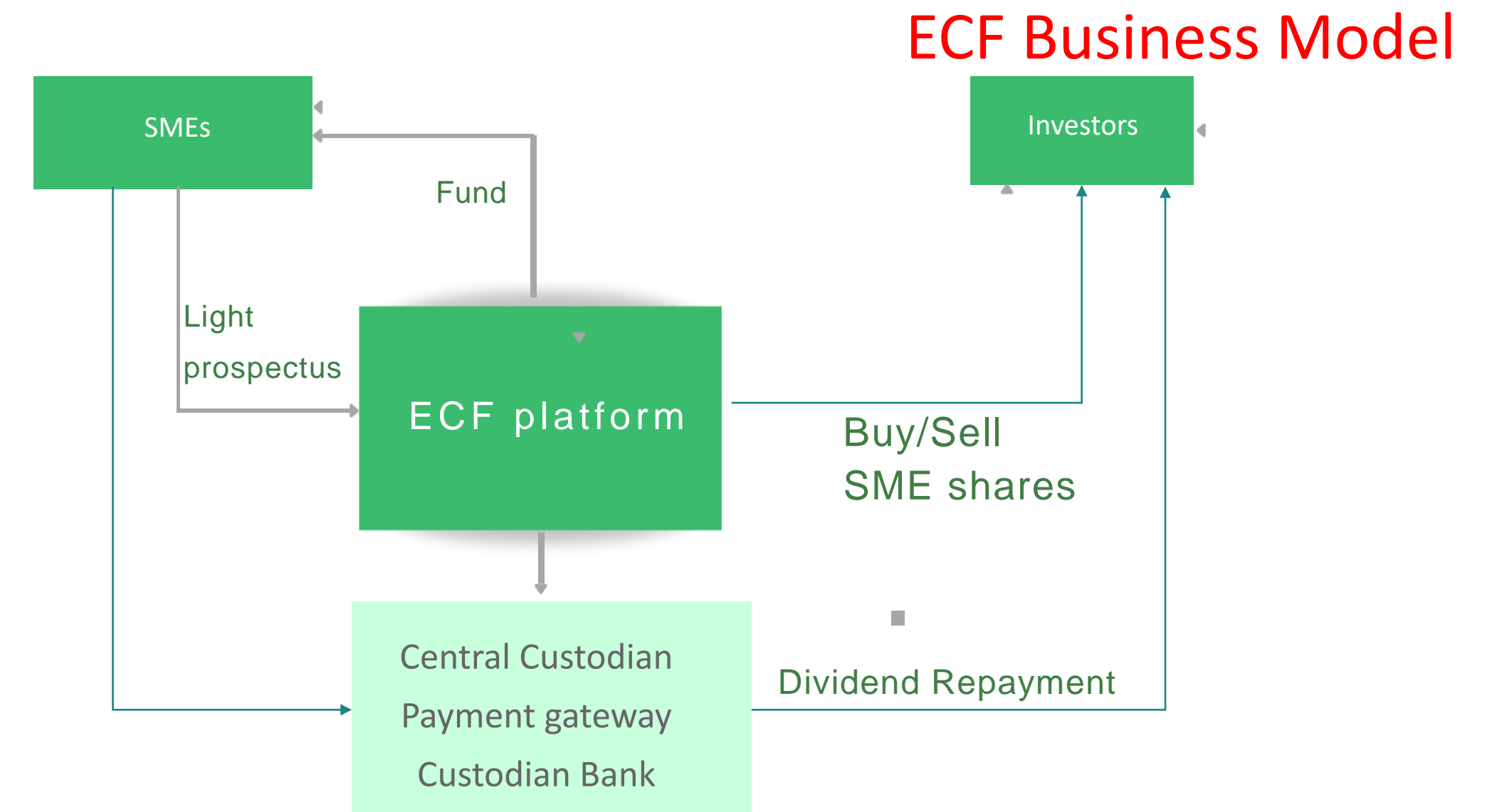


SMEs Capital Raising Growth



Fintech ECF – Equity Crowdfunding

1. An SME is able to offer its shares through light prospectus on ECF internet platform. Investor can buy/sell its share simply through smartphone. More flexible than traditional way of capital raising.
2. Capital size in each offering Max IDR 10 bln per SME, less than 500 holders
3. ECF acts as underwriter, shares administrator, interface to central custodian and custodian bank, providing surveillance and reporting system
4. ECF provides primary market and secondary market for share trading.
5. ECF operates online, serves investor without physical interaction from account opening, transaction, settlement. Client acquisition is done through online KYC without a face-to-face meeting by using national Digital-Id.
6. The regulator issues permits, regulations, supervision, regular audit
8. Market Performance (Dec 2022) :
 - Number of investors in platforms: 669,685 parties
 - Total funds raised: IDR 1,593 Billion
 - SME business sectors: food and beverages, store, property, etc

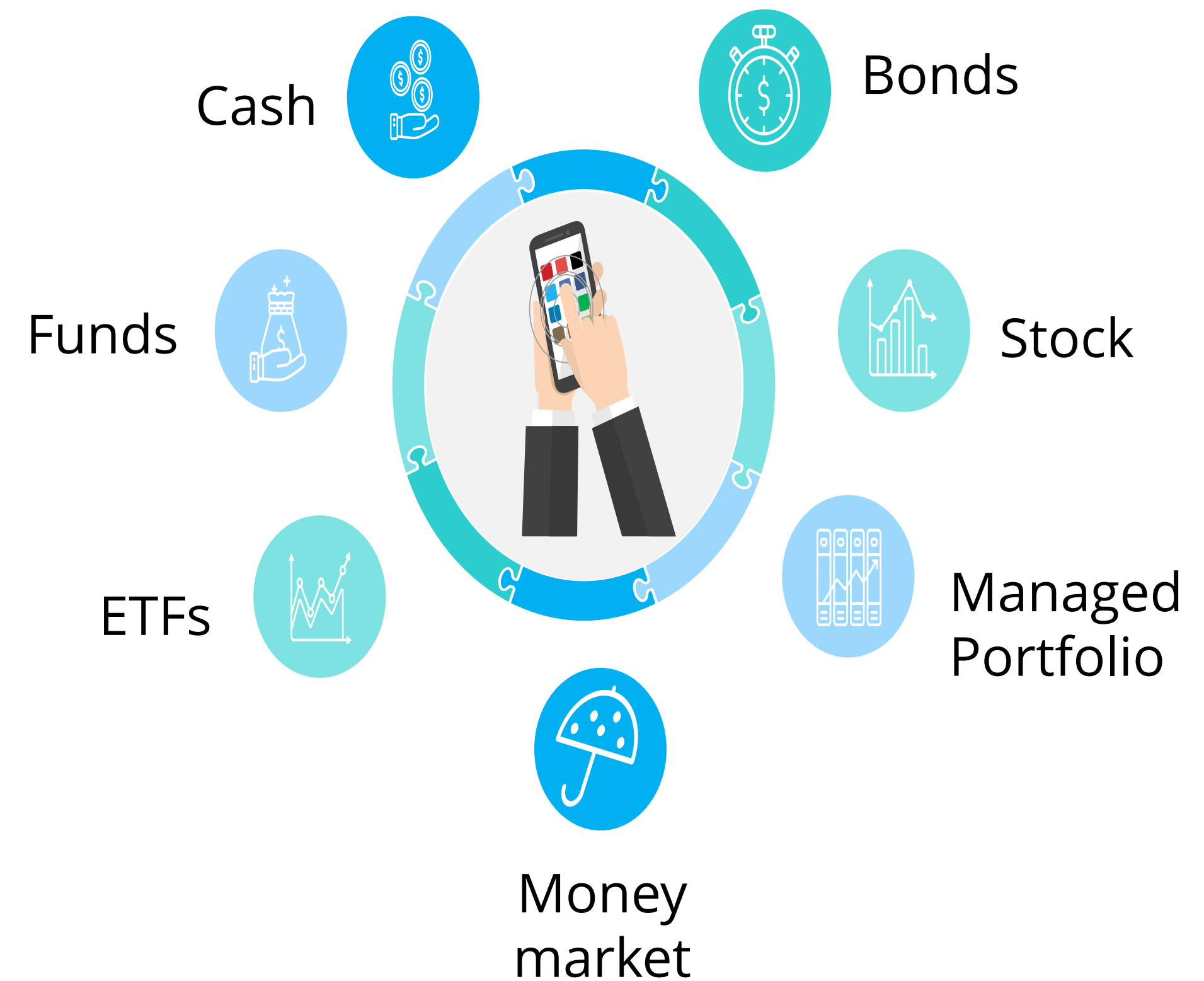


ECF Performance

	Per 17 Dec 2022	2021
Users 30,5% Compared to 2021	669.685 Registered users 138.815 Financier	513.224 Registered users 93.733 Financier
Issuers 77,2% Compared to 2021	253 Stock issuers 5 Sharia stock issuers 4 Obligation issuers 80 Sukuk issuers	193 Stock issuers
Funding (IDR) 76,4% Compared to 2021	<ul style="list-style-type: none"> Total value of Shares offered: 641 Bio Total value of Sharia shares offered: 12,8 Bio Total value of Bonds offered: 14 Bio Total value of Sukuk offered: 199 Bio Total value of Funds raised: 727 Bio 	<ul style="list-style-type: none"> Total value of Shares Raised: 412 Bio
Organizers 71,4% Compared to 2021	12 Licensed 32 Licensing process 5 Registration process	7 Licensed 40 Licensing process

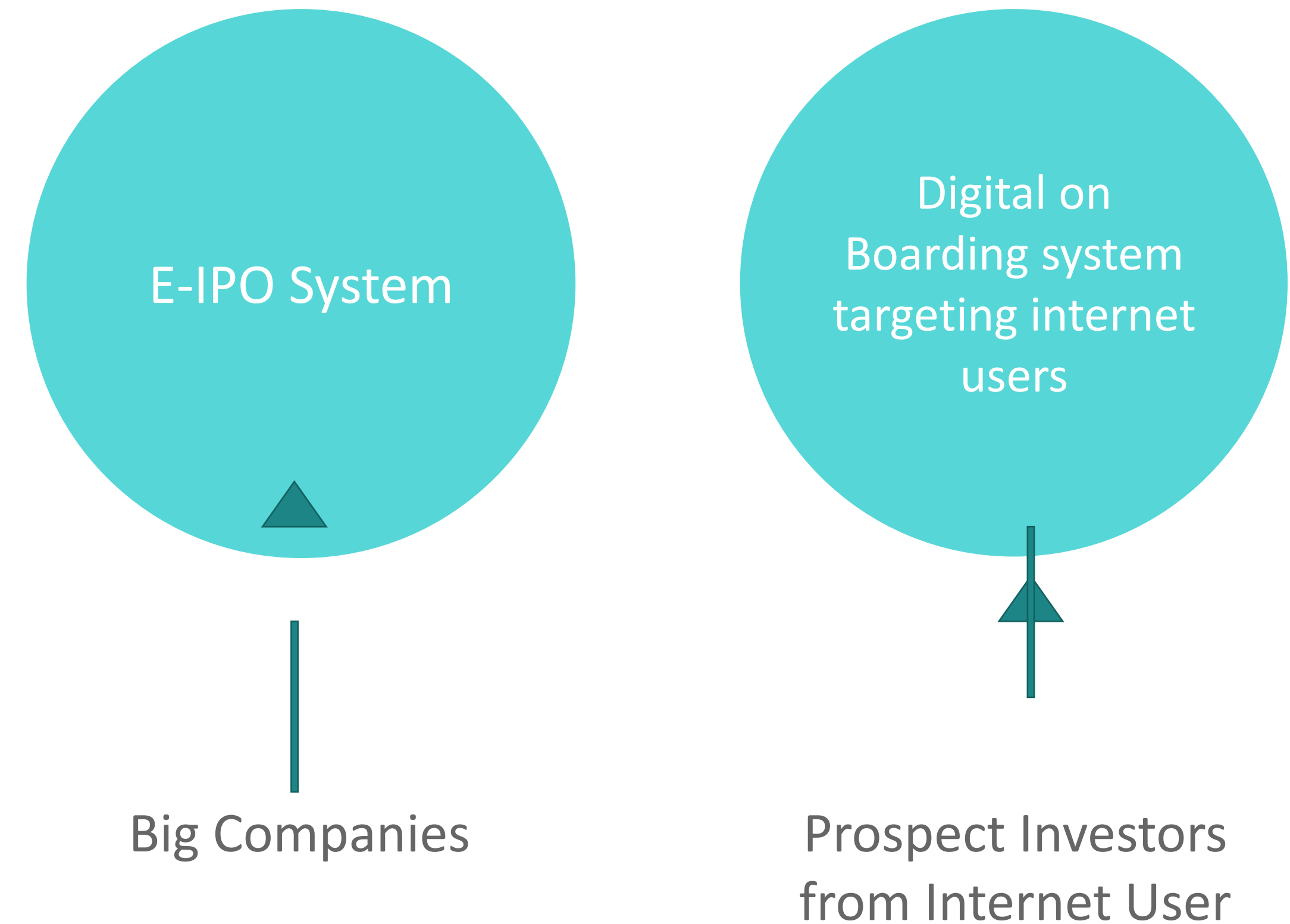
Fintech Fund Supermarket

1. Platform which offers wide array of mutual funds from different fund families through single investing platform. One-stop service for investor
2. Investors gain benefits from number of comparable funds.
3. Investors also receive consolidated funds reporting statements
4. Total AUM: IDR 10 Tln (as of Dec, 2022)
5. Turnover: IDR 18 Tln (Net of Subscription and Redemption)



Incumbent Go Digital

1. Stock Exchange Group/SE and securities firms targeting millions of internet users by launching 2 initiatives: digital client onboarding system and online IPO system
2. Digital onboarding system cut many processes in customer acquisition into few steps helped by technology. It takes 14 days to open an account by the traditional way. Online it can take just a few hours
3. By online it uses e-KYC by biometric technology, national Digital ID, and digital signature
4. E-IPO utilizes online meeting tools, paperless document, digital signature to make it lean and fast



Thank you!

