

Banking Encouraged to Fund Startup Business


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Technology advancement in financial sector has changed the behaviour of people to make non-cash transactions via mobile banking. The wider use of mobile apps have also opened the way for digital based companies. This should be grabbed by the banking sector to support the birth of new startup companies. "Most in the banking sector or 80 percent serve as commercial banks while for venture capitals are still a few," said Chairman of Commisionary Board of Savings Guarantor Agency (LPS), Dr Halim Alamsyah, in the national seminar themed *Inspiration for Finance from Indonesia* during the conference of Indonesia Financial Association (AFI) in the auditorium of MM UGM, Wednesday (10/8).

Halim said the total of venture investments capital reached 20 billion dollars globally in 2015, in 2010 it was only below 5 billions. Indonesian banks, however, do not have an eye for digital based companies with 49 percent of credit goes to regular companies, 13 percent to SMEs, 8% multifinance and 4% micro-business.

Indeed, there is still a few of startup businesses in the country, but Halim was convinced that if supported by infrastructure and regulation, the startup business will flourish. It is because more people have used mobile apps for financial transaction. "It is predicted that 60 percent of clients use mobile apps for access to financial services in five years," he said.



Halim highlighted the ITC development that has changed the way to manage financial technology with more people downloaded mobile apps. On the other hand, startup companies have to be responsible to maintain client data, because in terms of operation, startup ventures often get rejected by existing companies.

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