Assignment

**Recruitment Test for Digital Lending Product Specialist**

Thank you for your interest in the Digital Lending Product (CVM) Specialist role in Jago.

Please read this document carefully to understand the technical test that you need to complete as the first step before interviews with the stakeholders. Everything you need to know is in the document, so please read it carefully before you reply to us.

Once you're done, please send your submission back. Please send it to us no later than **Wednesday, 30 October 2024 midnight** so that we can begin the review process faster.

If you need an extension of the deadline or have any questions around the case study, please do not hesitate to reach out to Andy and Yusuf, our Digital Lending Product Specialist hiring team.

Can't wait to see your great work and best of luck!

**Regards,**

Jago Hiring Team

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**[ASSIGNMENT]**

**Overview**

Every product specialist in Jago needs to be able to design and develop a good product value proposition with good user experience through a combination of empathetic insight, domain knowledge, and creativity. Under the hood, any digital services are just a bunch of interconnected APIs that are weaved together and given meaning by the feature design and flows that offer a unique value proposition (UVP).

As a product specialist candidate, please showcase your ability to

1. Identify potential market based on competitive benchmarking

2. Design a value proposition that can win in the market

3. Design product/service process flow with wireframes

4. Prioritise the development of the product components

5. Plan the monitoring of the product after launch

**Context:**

You are the Product Specialist of Jago’s Digital Lending Product aimed at providing quick, easy, and secure access to personal loans for users. The product is designed to offer a seamless experience, from loan application and approval to disbursement and repayment, with features such as automated credit scoring, multiple repayment options, and mobile accessibility. You need to ensure it meets both business and user needs. Your role involves gathering requirements, prioritising features, and coordinating with development teams, stakeholders, and customers to ensure the product is aligned with its vision.

**Key Details:**

● Target Audience: Individuals aged 21-55 who require quick loans,

typically Rp.20,000,000 to Rp200,000,000 for personal or emergency use.

● Unique Selling Point:

○ Quick approval using automated credit checks and disbursement of loans within seconds.

○ Responsible Lending:

■ Only offer loans where the payments are affordable to each user.

■ Simple and transparent. Easy to understand with no hidden fees.

■ Educating the customer along the way on how creditworthiness is built and how to best manage loans from taking a loan to paying off loans

● Channels: The Jago mobile app (iOS & Android)

● Compliance Requirements: The platform must comply with relevant financial regulations.

**Delivery 1: Requirement gathering**

● What are the customers’ main needs and wants?

● Who are the main competitors and what are their value propositions?

● Map out and explain the competitive landscape against the market needs to identify opportunities

**Delivery 2: Design a value proposition that can win in the market**

● What should be our unique value proposition?

● What are the unique features that support this value proposition?

**Delivery 3: Design the product process flow**

● Map out the process for the unique features

● Only include rough wireframes of any specific unique UI that supports the UVP. No need to add basic wireframes that are already common in the market

**Delivery 4: Prioritise the development of the product components**

● How would you prioritise the development of the features

● Explain why each feature is more important than the other

**Delivery 5: Plan the monitoring of the product after launch**

● How do you plan to get feedback from the users after the product is released?

● What metrics will you track to monitor the service in production?

Delivery 1: Requirement Gathering

| **Requirement**  **Gathering** |
| --- |

## **1.1 IDENTIFICATION OF CUSTOMER NEEDS AND WANTS**

### **1.1.1 INDONESIA'S LANDSCAPE AND OPPORTUNITY IN LOAN COMPARED TO OTHER ASIA COUNTRIES**

Table 1.1 Countries Snapshot of Loan Disbursement Opportunity

| **Country** | **Population** | **Numbers of SME’s (Entities)** | **Loan Disbursement** | **Buy Now Pay Later (GMV)** | **Credit Card Penetration (Compared to Population)** |
| --- | --- | --- | --- | --- | --- |
| China 🇨🇳 | 1.4 Billion | 52 Million | $8,7 Trillion | US$103 Billion | 38% |
| Thailand 🇹🇭 | 66.09 Million | 3.2 Million | $97 Billion | US$2.9 Billion | 35% |
| Indonesia 🇮🇩 | 274.88 Million | 64 Million | $80 Billion | US$3.7 Billion | 5% |

Source: OECD (2022) and 360 Market Updates (2022)

Despite having a larger population than Thailand, Indonesia's SME lending remains underserved, creating significant opportunities for digital financing solutions such as P2P lending, BNPL services, or loans to fill this credit gap. It is a good signal for Bank Jago, particularly given the country's low and stagnant growth in the credit card adoption rate. Detail from the population we map the existing demographic that the players have already scoped into several segments (see Table 1.2).

Table 1.2 User Persona of Indonesians in the Buy Now Paylater Business Segment (Data per Dec’23)

| **Parameters** | **Metrics** | **Numbers** |
| --- | --- | --- |
| **Active user of loan and paylater.** | Monthly Active Users (MAU) | **13.4 Million** |
| **Gender Proportion** | By percentage (%) | From 100%,  Male ~ **43.5%**  Women ~ **56.5%** |
| **Age group proportion** | By percentage (%) | From 100%,  18-25 years old ~ **26.5%**  26-35 years old ~ **43.9%**  36-45 years old ~ **21.3%**  46-55 years old ~ **7.2%**  >55 years old ~ **1.1%** |
| **Marital Status Proportion** | By percentage (%) | From 100%,  Single ~ **44.3%**  Married ~ **52.9%**  Others ~ **2.8%** |

Table 1.2 (Continuation) User Persona of Indonesians in the Buy Now Paylater Business Segment (Data per Dec’23)

| **Parameters** | **Metrics** | **Numbers** |
| --- | --- | --- |
| **Number of Children in Family** | By percentage (%) | From 100%,  No Children ~ **50.7%**  1-2 Children ~ **41.5%**  3-5 Children ~ **7.8%** |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

When we go deeper into Indonesia, the consumer of the financial landscape is usually divided into several tiers based on the number of cities or regencies' population. We obtained the following group (data cut-off per December 2023):

1. **Tier 1: Large Metropolitan and Megapolitan Cities and Regencies** with Populations Exceeding 5 Million.

Table 1.3 Tier 1 Cities

| **No.** | **City/Regency** | **Total Population** |
| --- | --- | --- |
| 1 | DKI Jakarta | 11,350,328 |
| 2 | Bogor City-Regency | 6,618,144 |
| 3 | Tangerang City-Regency and South Tangerang | 6,590,719 |
| 4 | Bandung City-Regency | 6,278,366 |
| 5 | Bekasi City-Regency | 5,669,031 |
| **Total** | | **36,506,588** |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

1. **Tier 2: Significant Urban Areas and Their Peripheral Regions** with populations ranging from 3-5 Million.

Table 1.4 Tier 2 Cities

| **No.** | **City/Regency** | **Total Population** |
| --- | --- | --- |
| 1 | Malang City-Regency | 3,566,920 |
| 2 | Sukabumi City-Regency | 3,135,135 |
| 3 | Surabaya City | 3,000,076 |
| 4 | Cirebon City-Regency | 2,769,865 |
| 5 | Semarang City-Regency | 2,763,614 |
| 6 | Garut Regency | 2,770,532 |
| 7 | Tasikmalaya City-Regency | 2,699,994 |

Table 1.4 (Continuation) Tier 2 Cities

| **No.** | **City/Regency** | **Total Population** |
| --- | --- | --- |
| 8 | Jember Regency | 2,590,290 |
| 9 | Medan City | 2,530,493 |
| 10 | Karawang Regency | 2,519,882 |
| 11 | Other cities/regencies (total 73) | 93,133,492 |
| **Total** | | **121,476,827** |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

1. **Tier 3:** **Low-population**, predominantly rural areas with a population <1 Million.

Table 1.5 Tier 3 Cities

| **No.** | **City/Regency** | **Total Population** |
| --- | --- | --- |
| 1 | Sampang Regency | 981,488 |
| 2 | Ponorogo Regency | 973,269 |
| 3 | Bantul Regency | 968,237 |
| 4 | Madiun City-Regency | 960,509 |
| 5 | Karanganyar Regency | 947,167 |
| 6 | Padang City | 928,541 |
| 7 | Wonosobo Regency | 929,917 |
| 8 | Blora City-Regency | 915,813 |
| 9 | Sukoharjo Regency | 908,227 |
| 10 | Ngawi Regency | 901,638 |
| 11 | Other cities/regencies (total 403) | 95,323,532 |
| **Total** | | **104,738,338** |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

Despite of tense of the population numbers in Indonesia, from > 260 Million people and >13.4 Million Monthly Active Users the concentration of Paylater (80.4% of the total user) is only around Java Island the table below.

Table 1.6 Percentage of User Concentration in the Province

| **Province** | **Dec 2023 (%)** |
| --- | --- |
| West Java | **33.6** |
| DKI Jakarta | **18.6** |
| Banten | **9.6** |

Table 1.6 (Continuation) Percentage of User Concentration in the Province

| **Province** | **Dec 2023 (%)** |
| --- | --- |
| East Java | **12.7** |
| Central Java | **5.9** |
| North Sumatra | 3 |
| South Sumatra | 2.1 |
| South Sulawesi | 1.6 |
| Bali | 1.3 |
| Riau | 1.3 |
| Others | 10.3 |
| Total | **100** |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

### **1.1.2 CHARACTERISTIC OF INDONESIAN LENDING AND PAYLATER CONSUMER**

Data cut-off per December 2023 from Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024.

1. **Men pretend to use lending and paylater more frequently than women.**

Data indicates that male users tend to utilize Paylater more frequently than females, with men accounting for 58.9% of transaction volume and 58.1% of transaction value compared to women's 41.1% and 41.9% respectively.

1. **Ticket size of the usage is around IDR 400,000 for both men and women.**

The average transaction value hovers around IDR 400,000 for both genders, with males spending between IDR 350,000-400,000 and females between IDR 300,000-350,000 per transaction.

1. **The millennial segment (26-45 years old) is the dominant user compared to other groups age.**

The millennial segment (ages 26-45) dominates Paylater usage, with those aged 26-35 contributing 44.6% of total transactions, while the 36-45 age group shows consistent growth in transaction volume.

1. **The married consumer group uses Paylater slightly more compared to single status.**

Regarding marital status, married consumers show slightly higher Paylater usage, accounting for 52.9% of users and 55.2% of total transactions, compared to single users who make up 44.3% of the user base.

1. **The average income of the age group of millennials (26-45 years old) is still below IDR 10 Million per month.**

Table 1.7 Average Income for each Age Group

| **Age Group** | **Average Income (IDR)/Month** |
| --- | --- |
| 18-25 | 5,000,000 |
| 26-35 | 7,500,000 |
| 36-45 | 10,000,000 |
| 46-55 | 12,500,000 |
| >55 | 12,500,000 |

Source: 2024 Indonesian Paylater User Behavior Report produced by Kredivo x Katadata Insight Center 2024

1. **Paylater as the first credit experience compared to other credit services**

The emergence of PayLater as a gateway to credit services marks a significant shift in Indonesia's financial landscape, with 68% of users reporting it as their first credit experience - a notable increase from 60.9% in the previous year. This trend is particularly pronounced among women, millennials (26-45 years old), and t, indicating PayLater's success in democratizing access to credit services.

The growing preference for PayLater over traditional credit instruments is evidenced by a stagnancy growth for installment payments, attributed to PayLater's streamlined application process, faster approval times, and less stringent requirements compared to conventional banking products. This shift has been further accelerated by improved post-COVID economic conditions and increasing digital literacy among consumers.

For financial institutions, this represents a strategic opportunity to capture and nurture first-time credit users, potentially creating a pathway to more sophisticated financial products.

1. **There are 13 different product category to-be-purchased by Paylater** (become payment options ~ both online and offline merchants). Here are the product categories in 2023:
2. **Mobile balance top-up and vouchers ~ top spender on online transactions by frequency of order.**
3. **Foods ~ top spender on offline spender by frequency of order.**
4. Health and beauty.
5. Fashion and accessories.
6. Home appliances.
7. **Gadgets and accessories ~ top spender on online spender by total transaction volume (IDR).**
8. Sports, toys, and hobbies.
9. Office supplies and stationery.
10. Automotives.
11. Kids and babies
12. **Electronics ~ top spender on offline spender by total transaction volume (IDR)**.
13. Computers and accessories
14. Flight, hotel, and travel

Paylater as a payment method is gaining popularity compared to the previous year. Approximately 70.5% of consumers used Paylater for online shopping in the past year, up from 69.4% in the previous year compared to offline transaction.

### **1.1.3 SUMMARY**

Bank Jago has a unique opportunity to expand its financial services beyond traditional lending by incorporating Paylater solutions, particularly given the current market dynamics and consumer behavior trends. The strategy to focus on;

1. Java Islands, especially in Tier 1 and Tier 2 cities and regencies.
2. Aligns well with current Paylater usage patterns, where the millennial segment (26-45 years old) dominates the user base. This one also validates the pre-definition of the expected user based on Bank Jago (21-55 years old).
3. This demographic typically earns below IDR 10 million monthly, presenting a clear opportunity for both lending and Paylater services.

It’s supported because the millennial segment accounts for the highest percentage of Paylater transactions, with the 26-35 age group contributing 44.6% of total transactions Paylater usage has grown significantly, with 70.5% of consumers using it for online shopping. There's a strong preference for digital financial services among urban dwellers in Tier 1 cities 68% of users report Paylater as their first credit experience, indicating a growing acceptance of digital financial solutions. Bank Jago could leverage this opportunity by Integrating lifestyle payment channels within their existing platform to capture both lending and Paylater transactions.

## 

## **1.2 COMPETITORS BENCHMARKING AND EACH OF THEIR VALUE PROPOSITIONS**

### **1.2.1 COMPETITOR BENCHMARKING**

The P2P Lending ecosystem in Indonesia has experienced remarkable growth and diversification, as evidenced by the Official OJK ([OJK P2P Lending Data](https://www.ojk.go.id/id/kanal/iknb/financial-technology/Documents/Penyelenggara%20Fintech%20Lending%20Berizin%20OJK%20per%2012%20Juli%202024.pdf)) data showing 98 registered P2P lending partners as of July 2024. This proliferation demonstrates the sector's evolution beyond traditional lending models, with many platforms now offering PayLater solutions and varied loan products.

The competitive landscape is further intensified by the presence of at least 12 significant banking institutions across the nation, each developing their digital lending capabilities. This dual-growth phenomenon illustrates the increasing convergence between traditional financial institutions and fintech platforms, as both sectors compete to capture the growing digital financial services market. The presence of these numerous players not only indicates market maturity but also suggests a robust competitive environment that drives innovation in credit accessibility and digital financial solutions. Table 1.8 indicates the details of the benchmarking in the banking landscape.

Table 1.8 Benchmark Competitor (Banking Sector)

| **Bank Name** | **Country** | **Banking Ownership and Licence** | **Savings** | **Debit Card** | **Lending** | **Paylater** | **Credit Card** | **Investment** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Jago** | **Indonesia** | **Bought Bank Artos** | **✅** | **✅** | **❌** | **❌** | **❌** | **❌** |
| BluBank | Indonesia | Subsidiary Company of BCA | ✅ | ✅ | ❌ | ❌ | ❌ | ❌ |
| SeaBank | Indonesia | Bought Bank BKE | ✅ | ✅ | ✅ | ❌ | ❌ | ❌ |
| allobank | Indonesia | Bought Bank Harda International | ✅ | ✅ | ✅ | ❌ | ❌ | ❌ |
| superbank | Indonesia | Powered by Grab Financial Ecosystem and Bought Bank Fama Indonesia | ✅ | ✅ | ✅ | ❌ | ❌ | ❌ |
| Aladin | Indonesia | Bought Bank Net Syariah | ✅ | ✅ | ❌ | ❌ | ❌ | ❌ |
| Jenius | Indonesia | Powered by Bank BTPN | ✅ | ✅ | ✅ | ❌ | ✅ | ✅ |
| LINE Bank | Indonesia | Bought Bank Bima | ✅ | ✅ | ❌ | ❌ | ❌ | ❌ |
| bank saqu | Indonesia | Powered by Astra Financial featuring WeLab Bank (Hongkong) ~ Bought Bank Jasa Jakarta | ✅ | ✅ | ❌ | ❌ | ❌ | ❌ |
| BRI | Indonesia | State-owned Enterprise | ✅ | ✅ | ✅ | ❌ | ✅ | ✅ |
| Mandiri | Indonesia | State-owned Enterprise | ✅ | ✅ | ✅ | ❌ | ✅ | ✅ |
| BCA | Indonesia | Djarum Group | ✅ | ✅ | ✅ | ✅ | ✅ | ✅ |
| BNI | Indonesia | State-owned Enterprise | ✅ | ✅ | ✅ | ❌ | ✅ | ✅ |

Source: Internal Research

Notes: BCA has strategically positioned myBCA as a comprehensive PayLater solution that seamlessly integrates with Indonesia's standardized QRIS payment system, allowing users to conduct transactions across both open-loop and closed-loop environments.

### **1.2.2 IDENTIFY OPPORTUNITY FOR BANK JAGO**

#### **1.2.2.1 INFRASTRUCTURE CONNECTION OF BOTH ONLINE AND OFFLINE ECOSYSTEMS**

Bank Jago's strategic initiative to launch loan and Paylater services riding the GOTO ecosystem represents a transformative approach in bridging online and offline financial infrastructure, leveraging GOTO's comprehensive network that includes Tokopedia's e-commerce platform, GOTO Financial, and extensive offline touchpoints through GoFood merchants and transportation services. This integration will serve 13 major merchant product categories, by capitalizing on GOTO's established presence across similar verticals while adding the advantage of a banking license.

The infrastructure synthesis would enable seamless online-to-offline (O2O) transactions, unified payment and lending solutions, enhanced data collection for credit scoring through multiple touchpoints;

1. E-commerce transactions,
2. Transportation usage,
3. Food delivery patterns
4. Current historical data on user Bank Jago account holder.

It was ultimately driving financial inclusion through a wider merchant network that serves both digital-first consumers and traditional retail customers. This comprehensive approach, backed by Bank Jago's digital banking capabilities and GOTO's extensive ecosystem, positions the collaboration to potentially capture a significant share of Indonesia's digital lending market while addressing the needs of both online-savvy users and the traditionally underbanked population through an integrated financial services platform.

#### **1.2.2.2 FINANCIAL LITERACY AND EDUCATION**

Bank Jago, Indonesia's first digital bank that reached unicorn status in 2021, has been strategically positioned to launch their own loan and Paylater products. With digital financial adoption accelerating post-pandemic, Bank Jago's entry into lending services represents a crucial step in bridging the financial inclusion gap while simultaneously addressing the critical need for financial literacy education, as only 38% of Indonesians are considered financially literate (OJK Survey, 2019).

By integrating loan products with investment education features (collaboration with Bibit and Stockbit as the initial steps) Bank Jago can transform traditional borrowing behaviors into more productive financial decisions, encouraging users to understand debt management, risk assessment, and the potential of leveraging loans for investment opportunities, particularly relevant given that Indonesia's retail investor numbers grew by 92.99% in 2021 (KSEI data), indicating a growing appetite for investment products among digital-savvy consumers who traditionally might have only considered loans for consumption purposes.

#### **1.2.2.3 RECONSOLIDATION AND CONSERVATISM STRATEGY (RISK MANAGEMENT PERSPECTIVE)**

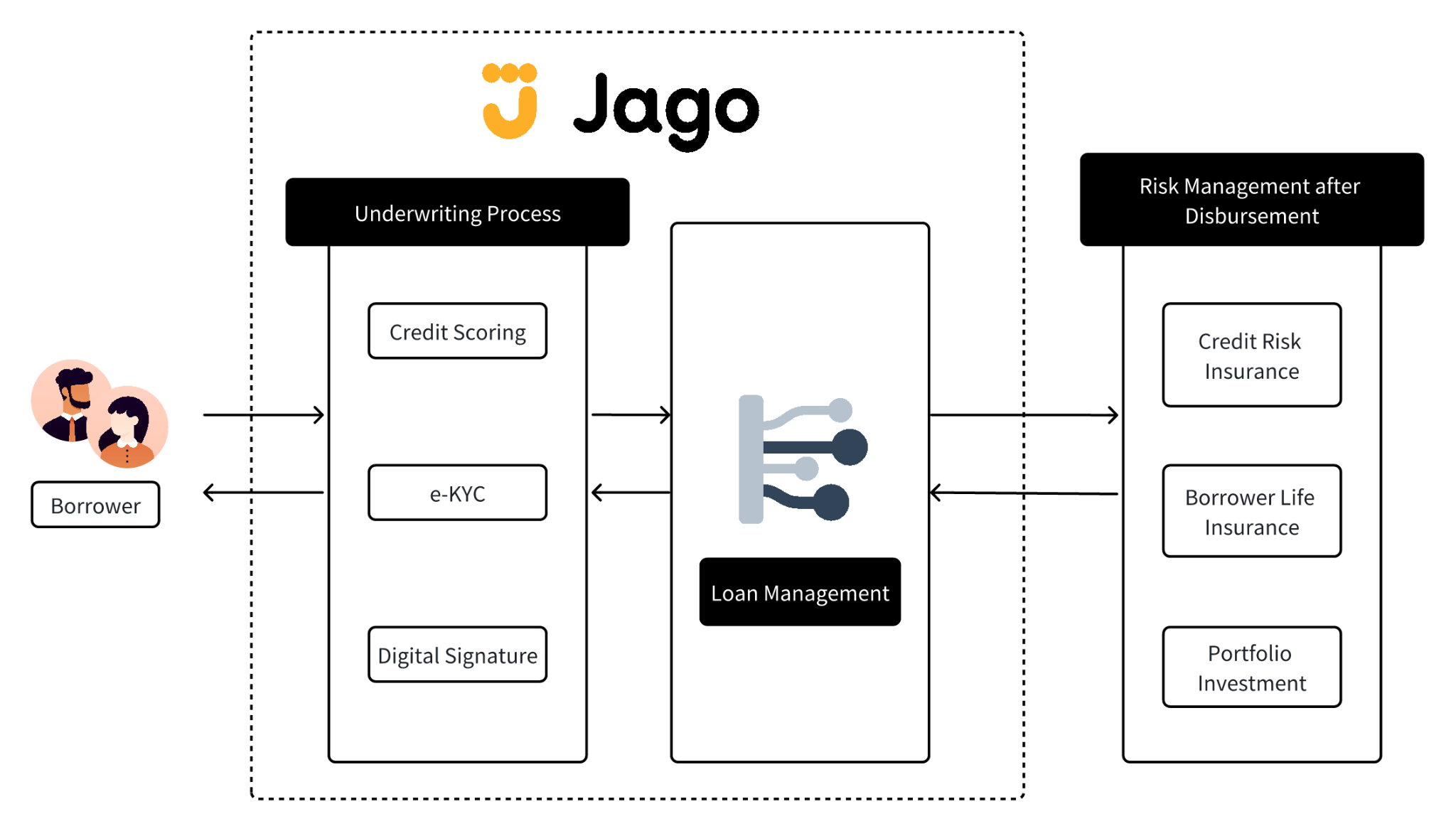
From 2023 until nowadays, players in the digital lending space shifted gears toward strengthening their foundations, putting growth ambitions on the back burner to tackle key operational challenges. These transformations happen according to several cases that happen in the P2P scene in Indonesia like table below:

Table 3. P2P Lending Risk Scenes

| **Company Name** | **Case** |
| --- | --- |
| **AdaKami** | OJK gave warning over questionable collection practices, the company launched internal reviews to strengthen compliance and revamp their collection protocols to meet regulatory standards. |
| **Investree** | One of Indonesia's prominent P2P platforms, Investree, faced legal challenges from investors regarding delayed repayments, underscoring the broader risk management concerns in the digital lending sector. |
| **Tanifund** | Tanifund defaulted on investor repayments after agricultural borrowers faced harvest failures, resulting in management facing legal disputes from affected lenders, highlighting the inherent risks in agricultural supply chain financing. |
| **Koinworks** | KoinWorks is currently facing issues with borrowers defaulting on their loans, resulting in losses for lenders. The company is working to recover the funds and implement measures to prevent future defaults. |

Source: Internal Research

The market nowadays tightened their belts with more prudent lending practices, focusing on enhancing fraud detection systems and cleaning up their loan books, and turned into a strategic pivot that signals the industry's maturation toward sustainable, quality-driven growth. To prevent these things happen and increase the safety factor of the market we need to make double protection to ensure the loan is beneficial to both of borrower and Bank Jago. Picture 1.1 explains clearly the way how to mitigate the risk that might happen in the future regarding Non-Performing Loans (NPL).



Picture 1.1 Risk Mitigation Personal Loan of Bank Jago

* **Strengthen the Underwriting Process**

Prospective borrowers **fill out loan application forms** through Bank Jago Android and IOS Applications.   
They need to provide;

1. Personal information,
2. Financial information and,
3. Requested loan details.

Next is the data verification process. Bank Jago collects and verifies borrower data, such as credit history, financial statements, income verification, and other supporting documents. This system can integrate with external data sources, such as credit bureaus or GOTO’s data exchange to obtain necessary information.

**Credit Analysis and Risk Assessment Process**  
Bank Jago analyzes borrower data and conducts risk assessments to determine loan eligibility. The system can use pre-determined algorithms and rules to generate credit scores or compare borrower profiles with established parameters.

**Decision-Making Process**  
Based on the analysis and risk assessment results, Bank Jago will generate decisions about approval, rejection, or requiring additional steps for the loan process. These decisions can be made automatically based on established rules or may require intervention from officers reviewing the analysis results.

* **Distribute the Risk with Other Parties - Credit Risk Insurance**

Bank Jago's development of loan and Paylater services necessitates a robust credit risk mitigation strategy through strategic partnerships with state-owned credit insurance companies, particularly;

* **Jamkrindo ( Jaminan Kredit Indonesia)** and or,
* **Askrindo (Asuransi Kredit Indonesia)**

which collectively have extensive experience in guaranteeing MSME loans and consumer credit products across Indonesia's financial sector. The integration with these insurance providers would enable Bank Jago to implement a comprehensive risk management framework where Jamkrindo, with its specialized focus on MSME credit guarantees and track record of supporting government financial inclusion programs, could underwrite the credit risk for small-ticket digital loans, while Askrindo, leveraging its expertise in both conventional insurance and credit guarantee products, could provide coverage for larger ticket sizes and specialized digital lending products.

* **Distribute the Risk with Other Parties - Borrower Life Insurance**

Bank Jago's integration of borrower life insurance represents a critical risk mitigation component that protects both the bank and borrowers' families from outstanding debt obligations in case of death or total permanent disability. This insurance coverage, typically bundled with loan products, ensures loan repayment through insurance claims rather than burdening the borrower's family with debt inheritance.

The implementation of borrower life insurance alongside credit risk insurance from Jamkrindo and Askrindo creates a comprehensive risk management framework that addresses both mortality risk and credit default risk, enabling Bank Jago to potentially offer more competitive interest rates while maintaining prudent risk management practices.

* **Distribute the Risk with Other Parties - Portfolio Investment**

Inspired by POJK 5/2023 about Financial Health Standards for Insurance And Reinsurance Companies, money that we collect from installment payments of users could be invested into several baskets:

Investment Instruments:

1. Time Deposits; Banks, Rural Banks (BPR), Sharia Rural Banks (BPRS), Deposits on call, Short-term deposits (≤1 month).
2. Bank-Related Securities; Certificates of deposit and or Securities issued by Bank Indonesia.
3. Equity Instruments; Direct investments in non-listed companies and or Listed stocks.
4. Fixed Income Securities; Listed corporate bonds, Medium Term Notes (MTN), Government securities (Republic of Indonesia), Foreign government securities, Municipal bonds and Multinational institution securities (where Indonesia is a member/shareholder).
5. Investment Funds; Mutual funds, Asset-backed securities, Real estate investment contracts and Infrastructure investment contracts.
6. Physical Assets; Land, Buildings with strata title, Land with buildings for investment and Pure gold.
7. Financial Arrangements; Repurchase agreements (REPO), Credit syndication (executing) and Policy loans.

#### **1.2.2.4 BALANCE THE REGULATION SCENE**

Key Focuses of the Regulation:

1. **Regulation and Supervision**

The regulation reaffirms OJK and Central Bank (BI) commitment to ensuring fair, transparent, and responsible operational practices in fintech lending, with strict oversight to protect the interests of all stakeholders involved.

1. **Risk Management and Governance**

Emphasizing the importance of solid risk management and good governance as the operational foundation, including high standards for data security and information technology and implementing anti-money laundering and terrorism financing prevention policies.

1. **Bank Jago Obligations**

Outline the obligations of banking or fintech lending operators, which include compliance with financial reporting, regular audits, and periodic reporting to OJK and Central Bank (BI) to ensure transparency and accountability.

#### **1.2.2.5 UTILIZATION OF DATA ANALYSIS AND ARTIFICIAL INTELLIGENCE**

Bank Jago's journey to build its own lending product requires a comprehensive approach to data quality and analysis. This involves leveraging;

1. Existing customer transaction data,
2. integrating with credit bureaus or SLIK OJK and,
3. Partnering with alternative data providers to gather diverse data points like e-commerce transactions, telco data, and e-wallet usage patterns.

The bank needs to establish a robust data infrastructure and implement machine learning algorithms for accurate credit scoring and risk assessment. To execute this effectively, Bank Jago should collaborate with various technology vendors and data partners such as VIDA Digital or establish own business to elaborate this case. This includes working with credit scoring providers, partnering with data analytics firms for model development, and integrating with KYC/verification services. These partnerships, combined with a strong internal data framework, will enable Bank Jago to offer competitive digital lending products while maintaining effective risk management through data-driven decisions.

#### **1.2.2.6 SHARIAH PRODUCT FOR PRODUCTIVE AND NON-PRODUCTIVE LOAN AND PAYLATER**

Bank Jago can capitalize on the limited Sharia lending competition in Indonesia by developing comprehensive. This is still on a blue-ocean market until Nov 2024, OJK only allowing 7 P2P Lending that are supported by Sharia products. Sharia-compliant Paylater and loan products can be establish through several strategic approaches

1. The bank should establish a dedicated Sharia Supervisory Board (DPS), partner with Islamic scholars for product design, and ensure all lending mechanisms comply with Islamic principles like; Murabaha (cost-plus financing), Ijarah (leasing), or Musharakah (profit-sharing) structures.
2. They need to build specific workflows that eliminate riba (interest), gharar (uncertainty), and maysir (speculation) from their lending operations, while implementing automated Sharia screening for transactions and maintaining separate pools for Islamic funds.

For execution, Bank Jago should focus on:

1. Developing digital Sharia lending products targeting both retail and MSME segments,
2. Creating transparent profit-sharing mechanisms through their digital platform,
3. Establishing partnerships with Islamic ecosystems including halal marketplaces and Islamic institutions,
4. Building Sharia-compliant credit scoring models incorporating both financial and religious behavioral data and,
5. Launching educational campaigns to raise awareness about Islamic financial products.

This approach would position Bank Jago as a pioneering digital Sharia bank in Indonesia's fintech landscape, capturing the underserved market of Muslim consumers seeking halal financial solutions.

#### **1.2.2.7 HALT IN THE ADDITION OF NEW PLAYERS SINCE Q4’2023 ON THE P2P SECTOR (EXCLUDE BANKING)**

OJK reports 101 authorized P2P lending platforms as of Q4 2023, showing a consolidation in the market as some operators have had their permits withdrawn. A strategic pause on new license issuance was implemented through late 2023, demonstrating the regulator's focus on market stability over growth. This regulatory approach reflects OJK's commitment to developing robust industry fundamentals, including enhanced compliance frameworks, monitoring mechanisms, and policy guidelines – ultimately aimed at creating a sustainable and socially responsible digital lending ecosystem that benefits both businesses and consumers.

Bank Jago possesses significant advantages in entering the personal loan market, thanks to its established banking infrastructure and regulatory stability that sets it apart from P2P lenders who have been facing stricter conditions since Q4’ 2023. Since it is backed by a comprehensive banking license and existing technology stack, it enables efficient loan deployment while leveraging valuable customer transaction data for superior credit scoring.

Delivery 2: Bank Jago Value Proposition

**[Assignment Delivery II]**

***Delivery 2: Design a value proposition that can win in the market***

*● What should be our unique value proposition?*

*● What are the unique features that support this value proposition?*

1. Unique Value Proposition:
2. Leverage the ecosystem

> Phase 1 - As payment option of Gojek, Tokopedia, Tiktokshop, Bibit.

> Phase 2 - Broad to other online and offline merchant (huge ecosystem and traction) for e.g Alfamart, and Indomaret for offline and online we have blibli, zalora, shopee, traveloka, tiket, goers dll.

1. Enable Jago Loan as payment method QRIS (static and dynamic).
2. Marketing Technology (Martech)  
   > Promote other banks and p2p lending whenever the user is not eligible to be the lender in Jago Loan. Charge them with pay-per-click (let's say, IDR 500).
3. Risk Management Protection

> Partnership with the credit-risk-insurance company e.g. Jamkrindo and Askrindo.  
-> whenever the installment payment is not “smooth” can apply for claiming.

> Partnership with the life-insurance (asuransi jiwa) e.g Sinarmas.  
-> whenever the lender is died, the insurance is automatically cover the rest of installment.

1. Quick registration, quick disbursement

> 1 hour approval process (credit scoring).

> 1x24 hours disbursement after approval.

1. FAQ

2. Unique features:

1. QRIS method payment for online and offline.
2. Enable on thousands merchants.
3. Promoting partners on Jago Loan platform.

| **Unique Value Proposition** |
| --- |

## **2.1 UNIQUE VALUE PROPOSITION**

### **2.1.1 BRAND IDENTITY**

Table 2.1 Brand Name of Bank Jago

| **Brand Name** | JagoMudah, or JagoMudah Syariah for Syariah Bank Jago. |
| --- | --- |
| **Explanation** | * **Jago,** it’s refers to Bank Jago's name. * **Mudah*,*** in English, is called “easy” meaning the platform has flexibility and easiness to become a loan (disbursement scheme) or Pay later (payment options) for merchants. |
| **Tagline** | *Pakai dulu bayarnya nanti aja!* |
| **Feature Location** | Embedded on Bank Jago Account (automatically deployed to the Bank Jago existing user). |

Source: Internal Research

### 

### **2.1.2 LEVERAGE THE ECOSYSTEM**

Table 2.2 Enablement Bank Jago Merchant

| **Phase 1** | Flexible loan solution is integrated as a payment method across major digital platforms including;   1. Gojek's ride-hailing and delivery services, 2. Tokopedia's e-commerce marketplace, 3. TikTok Shop's social commerce platform as well as, 4. Bibit and Stockbit's investment applications. |
| --- | --- |
| **Phase 2** | Payment solution extends across an extensive network of both online and offline merchants, creating a comprehensive ecosystem with significant market traction:   1. The offline presence includes major retail chains such as Alfamart and Indomaret, 2. The online integration spans leading e-commerce platforms including Blibli, Zalora, and Shopee, as well as prominent travel and entertainment services like Traveloka, Tiket.com, and Goers. |
| **Phase 3** | Strategic collaboration with:   1. Visa (or Payment Switching Company) and 2. Enables the deployment of JagoMudah Card.   Enhancing our payment infrastructure and offering customers seamless digital payment solutions. |

Source: Internal Research

### **2.1.3 ENABLE JAGO LOAN AS PAYMENT METHOD QRIS (STATIC AND DYNAMIC)**

**2.1.3** Marketing Technology (Martech)  
> Promote other banks and p2p lending whenever the user is not eligible to be the lender in Jago Loan. Charge them with pay-per-click (let's say, IDR 500).

Risk Management Protection

> Partnership with the credit-risk-insurance company e.g. Jamkrindo and Askrindo.  
-> whenever the installment payment is not “smooth” can apply for claiming.

> Partnership with the life-insurance (asuransi jiwa) e.g Sinarmas.  
-> whenever the lender is died, the insurance is automatically cover the rest of installment.

Quick registration, quick disbursement

> 1 hour approval process (credit scoring).

> 1x24 hours disbursement after approval.

1. Detail FAQ

JagoMudah Card

Connect with Visa -> function like

## **2.2 UNIQUE FEATURE**

Unique features:

1. QRIS method payment for online and offline.
2. Enable on thousands merchants.
3. Promoting partners on Jago Loan platform.
4. Detail FAQ

Delivery 3: Product Process Flow Design

***Delivery 3: Design the product process flow***

*● Map out the process for the unique features*

*● Only include rough wireframes of any specific unique UI that supports the UVP. No need to add basic wireframes that are already common in the market*

Landing Page

Platform

SDK Android

SDK IOS

Design the UI.

Delivery 4: Product Development Priotisation

**Business Priority**

**Delivery 4: Prioritise the development of the product components**

● How would you prioritise the development of the features

● Explain why each feature is more important than the other

Phase 1

Phase 2

Phase 3

Phase 1 Personal Loan -> Basic, start from IDR 2 Million

Roll-out for after 3 months deliverables

Phase 2 Personal Loan -> Platinum, up-to IDR 50 Million

After this we implement people star score

A -> 2 Million

B -> 10 Million

C -> 20 Million

D -> 50 Million  
E -> 100 Million

F -> 200 Million

Phase X

Delivery 5: Product Launch Monitoring Plan

***Delivery 5: Plan the monitoring of the product after launch***

*● How do you plan to get feedback from the users after the product is released?*

*● What metrics will you track to monitor the service in production?*

Feedback

1. A/B Test
2. NPS Score
3. Deep Research twice in a year

Business Metrics

1. Numbers of Bank Account triggered by Jago Loan
2. Service Level Agreement

* Approval

1. Loan disbursement

* Productive loan
* Non-productive loan

1. TKB90

* TKB0,
* TKB30
* TKB60
* TKB90

Product and Technical Metrics

1. Service uptime: 99,99%