

## Executive Summary

Bank Kita, as a rural bank provides lending and funding services. Lending service is provided to micro and small business, while funding service is provided to all categories. Bank Kita's customers are end customers, which for lending service will be serving the peoples from Serang Town and Pandeglang County, covering both low and middle income citizens. Bank Kita will serve low income populations such as fishermen and small merchants that have 10% of the credit portfolio.

Customer for funding services shall cover all income categories. Service area for high income deposit customer is broaden to include Banten and nearby provinces. Bank Kita offers an easier transaction service in comparison to other rural banks, among which through the utilization of Automatic Transfer Machine and Electronic Data Capture. Bank Kita also provides consultation assistance for loan customers that will only take 2 working days for approval. The service is offered at moderate price relative to other rural banks but with comparable service standard to commercial bank.

Bank Kita selected Differentiation Focus Strategy as its company strategy, with main competence in promotion, fund raising and distribution of funds. Bank Kita divides first eight year operation into 3 stages namely **initiation stage** during the first year, **achieving healthy criteria of BPR** for financing bank during the next three years and **growth stage** during the last four years.

Province of Banten is selected based on high population density and low human development index. Serang Town and Pandeglang County are chosen considering historical low non performing loan (NPL) and only served by 4 rural banks.

Bank Kita distinguishes its marketing activity with core competence in promotion, fund raising and distribution of fund. At the end of eighth year, Bank Kita will have been distributed loan in amount of 507 billion rupiah and will have been managed third party fund in amount of 576 billion rupiah, while the loan to deposit ratio will reach 88%. Bank Kita will appoint Managing Director with marketing background from modern rural banks or from big commercial bank to fulfill the key resources

requirements. Bank Kita also will appoint Financial Director that shall be has experience in banking financial and risk management.

Human resources management will employ HR consultant in personnel recruitment and training development as implementation of Differentiation Focus Strategy to prevent miss recruitment. Bank Kita intends to compensate the employee above market salary to motivate and retain them.

For operational activity Bank Kita employed cooperative front-liners with adequate knowledge, helpful attitude and eagerness to help. Transaction activity in Bank Kita can be done either through teller during working hours or by transaction machine for cash withdrawal or deposit that shall be available for 24 hours in Bank Kita branches. Group loan customer will be served by direct visit of lending marketing staff facilitated with EDC for transaction security and convenience. Bank Kita provided consultation services on loan process for personal/small business as additional element of its core product.

Conformance gap measurement is carried out by filling SERVQUAL questionnaires by the customer to be processed and to be used as input to satisfy Bank Kita customer. Lead demand capacity strategy is chosen and is implemented refer to big general bank standard which define 1 new branch serve maximum around 10,000 customer and occupied by 4 tellers and and 1 set of automatic transaction machine.

Purchasing of XYZ Rural Bank's share in Pandeglang County will be done to expedite Bank Kita operation process while complying with Bank Indonesia regulations. By purchasing share from existing rural bank, Bank Kita can be operated in 1 year and save 2 years compare to regular process.

The total investment will be 17 billion rupiah, 12 billion rupiah will be funded by Bank Kita shareholder and 5 billion rupiah from loans. Dividend shall be paid upon positive cash flow up to 40% maximum value.

Based on 24.9% of Interest Rate Return (IRR), 6.2 years of Pay Back Period and 15.5 billion rupiah of NPV, Bank Kita Business Plan is an outstanding opportunity to put into practice.