

Empowering Sukoharjo Agricultural Microfinance Institutions to Encourage Farmer's Business

- HSBC Indonesia, Putera Sampoerna Foundation (PSF), and Sampoerna University encourage microfinance institutions in Sukoharjo
- Microfinance institutions can be key in encouraging farmer's business through healthy distribution of funds
- Farmers receive financial management education to improve their welfare

SUKOHARJO, April 29, 2017 – HSBC is partnering with the Putera Sampoerna Foundation (PSF) through Sampoerna University to organize a microfinance institution workshop today at the Veteran Bangun Nusantara University campus auditorium. This activity is motivated by the need to assist local farmers in developing their businesses.

In this strategic partnership, PSF and HSBC realize there is an opportunity to give better comprehension on funds management in the farmer community to improve their welfare. Microfinance institution development as one solution for fund distribution is considered a key role. However, there are many microfinance institutions that have not been able to fulfill transparency requirement from the Financial Services Authority, so it is difficult for them to receive funding from third parties.

“We understand there are vast opportunities to improve public understanding in banking access through in-depth knowledge and financial inclusion. To solve that problem, we organize various financial education programs, including this Sukoharjo workshop. In aiming microfinance institution in agricultural sector, we want to support and help them get access to banking services to help those farmer businesses,” said **HSBC Indonesia Corporate Sustainability Head Nuni Sutyoko**.

She also added that it is a reflection of HSBC's commitment to always encourage sustainable business by helping people from social, environmental, and economic perspectives, wherever HSBC is located. “We also believe those perspectives will help people empowerment as well as economic growth,” said Nuni.

The OJK appreciates this initiative as it encourages financial inclusion in Sukoharjo. IKNB, PM and EPK Supervision Division Head Tito Adji Siswanto said that this program is in line with government programs led by President Joko Widodo called Sinergi Aksi Untuk Ekonomi Rakyat, which also focuses on financial education. “Education is our responsibility, including for financial and education institutions such as HSBC Bank, PSF and Sampoerna University. In addition to the various programs done by the Financial Services Authority, we also gladly enter into partnerships with private institutions to help encourage the growth of microfinance institutions to improve the welfare of farmers,” said Tito

HSBC-PSF Partnership Program Project Manager and Sampoerna Economist Wahyoe Soedarmono explained, “This workshop will teach the farmers basic household financial

management and basic financial management of agricultural and agribusiness. While for microfinance institutions, this activity will focus on the improvement of incubation and institution management, and last but not least, strengthen the quality of credit risk management within the institution.

Generally, this workshop targets four main purposes. **First**, participants are able to apply household management by having a savings account at the nearest bank. **Second**, increase account numbers, as well as the family savings and business savings of farmers. **Third**, the appearance of agricultural and agribusiness efforts in the village. Fourth, increased activity of microfinance institutions in villages that have not been reached by the banking sector.

Sukoharjo Agriculture and Fisheries Department Head Nety Harjianti said improved financial literacy and farmers' entrepreneurship skills are part of the Sukoharjo government's top priorities. Farmers often consider financial institutions as an extremely exclusive organization. Proper education will help farmers become closer with financial services so they can grow their businesses and eventually become prosperous, added Netty, who also attended the workshop.

In addition to Sukoharjo, similar financial inclusion workshops are also held in various cities in Indonesia and target various sectors according to the needs of their respective regions. As a recently integrated bank, PT Bank HSBC Indonesia continues to support public growth through the range of educational programs included in the series of programs called "HSBC Indonesia Membina" which actively involves employees in its operations.

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