

PRESS RELEASE

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PSF-HSBC Aim to Create More Modern Banking Specialists, Support Financial Deepening

- Putera Sampoerna Foundation (PSF) and HSBC, through Sampoerna University, holds Training of Trainers (ToT) on modern banking modules
- The training on modern banking module is expected to support the banking sector development in Indonesia, which requires more modern banking specialists
- In three years, ToT aims to gather 600 lecturers throughout Indonesia to educate future modern banking specialists

JAKARTA, JULY 20, 2017 – Putera Sampoerna Foundation (PSF) and Bank HSBC Indonesia, through Sampoerna University, hold the second year of Training of Trainers (ToT) for banking and finance lecturers, focusing on the issues of financial deepening. This is due to the fact that demand for local bankers with specific competences tends to increase. Such competences include an understanding of modern banking activities as well as the ability to develop various financial instruments to support financial deepening in Indonesia.

Recent data from *Global Financial Development Database* shows that the credit-to-GDP ratio in Indonesia accounts for the lowest in 2014, as opposed to other developing countries in Asia: Indonesia (36%), China (141%), Malaysia (120.6%), The Philippines (39.2%), Thailand (146.8%) and Vietnam (100.3%). As a matter of fact, financial deepening is one of the determinants of economic growth in Indonesia¹.

“We understand that challenges for financial sector development in Indonesia suggest increasing needs to create highly qualified banking professionals. This drives us to help reinforce education in the areas of banking and finance, so there will be even more modern banking specialists in the future,” as explained by **Nuni Sutuyo, Head of Corporate Sustainability HSBC Indonesia**.

To be able to keep pace with the banking and financial sector development, the ToT program for lecturers focuses on the introduction of materials regarding modern banking activities, covering dimensions to strengthen financial intermediation and to raise non-interest income from the banking industry to promote financial deepening. Such materials include treasury management, risk management, credit and lending management as well as banking operations.

HSBC-PSF Partnership Project Manager and Sampoerna University economist Wahyoe Soedarmono explained, “Encouraging financial deepening for economic growth is inseparable from strengthening the role of banks in line with the rapidly changing global and domestic economic dynamics. Therefore, product diversification, aside from deposits and credit, is much needed for the banking industry to create new sources of income. However, aside from providing benefits to the banking industry and general public due to the availability of various financial instruments in promoting financial deepening, product diversification in banking may evoke greater bank riskiness. Banking and finance education, integrating the aspects of banking and capital markets, is essential to prepare reliable future bankers in developing financial instruments other than credit, while simultaneously maintaining prudent behavior,” he explained.

The lecturers in their respective locations will use training modules taught in the ToT program. Furthermore, HSBC and PSF also invite the lecturers to develop publishable research papers in line

¹ Soedarmono, W., Hasan, I., Arsyad, N., 2017. Non-linearity in the finance-growth nexus: Evidence from Indonesia. *International Economics* vol.150, pp. 19-35.

with their local characteristics, which is expected to invigorate financial deepening across regions. In three years, HSBC and PSF target that ToT will gather more than 600 lecturers throughout Indonesia.

Senior Researcher from Financial Services Database and Research Group, the Indonesia Financial Services Authority (OJK) Inka B. Yusgiantoro sees that the program has the potential to drive contributive, stable, and inclusive financial services for the national economy in the long run. “We hope that the lecturers who have followed the ToT program are encouraged to develop applied research and qualified human resources in the areas of banking and finance, so it will generate a domino effect to the strengthening of financial literacy extensively, especially through the development of academic literature related to the banking and financial industry as a whole,” as explained by Inka.

With the event of ToT running four days from July 17 to 20, 2017, PSF and HSBC also organize *Professional Development Program (PDP)* for young bankers. ToT and PDP programs in the second year aim to create a multiplier effect on banking and finance education, both nationally and locally. Both activities are part of the banking and finance education program, which is sustainably held by PSF and HSBC through Sampoerna University.

The ToT program is participated by more than 60 lecturers from Aceh to Papua. Meanwhile, the PDP program is participated by more than 30 young bankers, particularly those from rural banks (or *Bank Perkreditan Rakyat / BPR*). The PDP program focuses on spurring critical thinking and strengthening understanding of modern banking activities for young bankers.

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