

PRESS RELEASE

NATIONAL STRATEGY ON INDONESIAN FINANCIAL LITERACY (SNLKI) REVISED TO ACHIEVE TARGET FINANCIAL LITERACY AND INCLUSION INDICES FASTER

Jakarta, July 14, 2017 — The Financial Services Authority (OJK) has launched the Revised National Strategy on Indonesian Financial Literacy (Revised SNLKI), which amended the earlier strategy launched on November 19, 2013, by the President of the Republic of Indonesia.

The Revised SNLKI serves as guidelines for the OJK, financial services companies and other stakeholders on implementation of activities aimed to raise national financial literacy and inclusion as referred to in articles 2 and 11 of OJK Regulation No. 76/POJK.07/2016 on Raising Financial Literacy and Inclusion in the Financial Services Sector for Consumers and/or the Public (OJK Regulation on Financial Literacy and Inclusion).

Kusumaningtuti S. Soetiono, OJK Member of Board of Commissioners for Consumer Education and Protection, described that it was necessary to revise the strategy due to a number of factors, including results from the evaluation conducted between 2013 and 2016 that showed financial education activities needed to be increased further, information technology (IT) developments that influence the growth of financial literacy and inclusion, financial products and services that have become more and more sophisticated and require the public to have adequate financial literacy, and the outcome of the 2016 National Survey on Indonesian Financial Literacy and Inclusion.

Kusumaningtuti added that financial literacy index rose to 29.7 percent in 2016 from 21.8 percent in 2013. Likewise, financial inclusion index climbed to 67.8 percent in 2016 from 59.7 percent in 2013.

“Although both financial literacy and inclusion indices have gone up, nevertheless, acceleration to achieve the target indices is necessary,” Kusumaningtuti said. She explained that the acceleration strived to achieve the financial inclusion index target of 75 percent by 2019 as stated in Presidential Regulation No. 82 of 2016 concerning National Strategy on Financial Inclusion (SNKI).

“The Revised SNLKI covers some topics not present in the previous version, such as information related to Sharia financial literacy and inclusion, digital financial services, and financial management,” she said. The differences between the 2013 SNLKI and its revised version include visions, goals, priority themes, and strategic programs.

Vision of the revised SNLKI is a highly financial literate population who thus can take advantage of suitable financial products and services to achieve sustainable financial well-being. A prosperous society is one that is able to run good financial

management, has financial capacity to make investments and owns financial resilience. On the other hand, the 2013 SNLKI's vision wanted to see a highly financial literate population who is competent to, or confident in choosing and utilizing financial products and services to raise their welfare.

Targets of financial literacy and inclusion activities in the revised SNLKI are wider, by adding the youth, the disabled, disadvantaged, isolated and outermost regions, Indonesian migrant workers (TKI) and TKI candidates, farmers and fishermen, and replace the term 'housewives' with women. On the contrary, the 2013 SNLKI's targets included housewives, MSMEs, pupils/students, employees, professionals and retirees.

Priority themes in the Revised SNLKI are no longer set for several years ahead but they will be set by the OJK in collaboration with the financial services industry at the end of the year based on government programs and results from evaluations of the completed activities on financial literacy and inclusion.

Strategic Programs, under the Revised SNLKI's fundamental framework, there are three main strategic programs as follows:

1. Strategic Program I on Financial Competence;
2. Strategic Program II on Financial-Wise Behavior and Attitude; and
3. Strategic Program III on Financial Access.

Whereas the 2013 SNLKI's fundamental framework has three main pillars as follows:

1. Pillar I: Education and National Campaign on Financial Literacy;
2. Pillar II: Reinforcement of Financial Literacy Infrastructure; and
3. Pillar III: Development of Financial Products and Services

The Revised SNLKI's strategic programs are then manifested in six (6) initiative programs. Each initiative program is implemented through actual core actions that financial services companies can use as their basis for designing financial literacy and inclusion programs as regulated by OJK Regulation on Financial Literacy and Inclusion.

The Revised SNLKI also accommodated the latest developments of financial literacy and inclusion concepts, which had come from international best practices, including those of the Organization for Economic Co-operation and Development (OECD), the World Bank, Alliance for Financial Inclusion (AFI) and G20.

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