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Musim Mas, MUFG Bank, Danamon, and iAPPS Collaborate To Promote Financial Inclusion Among Independent Smallholders

29 June 2021, Singapore/Jakarta – A digital finance and financial learning platform, AgriON, will soon be in the hands of oil palm independent smallholders enrolled in Musim Mas Group's smallholders programme. The culmination of this is a joint effort between Musim Mas Group, MUFG Bank, PT. Bank Danamon Indonesia Tbk (Danamon), and iAPPS.

This collaboration aims to complement and strengthen Musim Mas' existing financial literacy classes with a comprehensive series of workshops and introduce smallholders to products that are aligned with their financial goals, such as customised savings plans, via the AgriON platform. Developed by iAPPS, AgriON is a scalable and bank agnostic digital payment and financing solution driving traceability and sustainability across the agricultural supply chain.

The financial literacy workshops encourage smallholders to improve their financial planning by focusing on significant milestones in life, such as growing their farming businesses in a sustainable way, preparing for replanting palm on their farms, funding their children's or grandchildren's education, and retirement. Through these workshops, farmers will also be able to opt for saving accounts and saving plan accounts from Danamon, thereby paving the way for greater financial inclusion for these smallholders.

The pilot workshops, run by Musim Mas, span from June to July 2021 and take place in Rokan Hulu, Riau, Indonesia.



Independent smallholders using the AgriOn platform at a financial literacy workshop conducted by Musim Mas.

A 2019 survey by the Financial Services Authority of Indonesia (Otoritas Jasa Keuangan) highlighted that Indonesia's financial inclusion rate climbed rapidly to 76.1 percent. However, for a population of 270 million, many Indonesians, especially in rural areas, remain unbanked, meaning they do not have access to financial products and services such as transactions, savings accounts, and credit.

Both MUFG Bank and Danamon are committed to promote financial inclusion as part of their sustainable finance initiatives. The financial literacy program in collaboration with Musim Mas and iAPPS is, therefore, a first and necessary step in that direction. Danamon will also provide relevant financial products and services that can support smallholder farmers in achieving their financial goals.



Musim Mas, MUFG Bank, and PT. Bank Danamon Indonesia Tbk (Danamon) co-developed a financial literacy curriculum for independent smallholders. Musim Mas' field assistant (in pink) conducts a workshop in one of the smallholders' houses.

Musim Mas runs Indonesia's largest [independent smallholders programme](#) for oil palm and offers smallholders a suite of agricultural and management modules designed to share best practices for improving their farms' yield. The program is also designed to be [gender-sensitive and encourages participation from female farmers](#). Financial literacy is often a tool that empowers female farmers within its program.

Quote from Musim Mas:

“Musim Mas recognises that independent smallholders often are unable to act on the good agricultural practices that they learned from our smallholders programme. This is because they are challenged by several systemic issues, one of which is access to finance,” said Olivier Tichit, Director of Sustainable Supply Chain at Musim Mas. “Collaborating with financial institutions, such as MUFG Bank and Bank Danamon, is one of the ways we intend to empower smallholders in their sustainability journey and transform landscapes.”

Quote from MUFG Bank:

“In today’s world of digital services, it is easy to forget that millions of people still lag far behind when it comes to accessing even the most rudimentary financial services. Both MUFG Bank and Danamon are very excited to partner Musim Mas and iAPPS on this financial literacy enablement programme for the masses to propel them towards a more inclusive and green economy,” said Yip Shue Heng, Managing Director, Head of Digital Transformation, Asia & Oceania, MUFG Bank.

“MUFG recently announced its Carbon Neutrality Declaration to achieve net zero emissions in its portfolio by 2050 and operations by 2030. This initiative will not only bring us closer to our sustainability goals but help us further contribute to the long-term growth of communities in Asia.”

Quote from Danamon:

Herry Hykmanto, Syariah Director who also leads the Sustainability Finance team in Danamon, is very supportive towards this initiative. He said: “Farmers are one of the drivers of the national economy, so we feel the need to provide special training that can increase their understanding and knowledge of the basics of financial management. This collaboration with Musim Mas, MUFG and AgriON is in line with Danamon's vision of “We Care and Help Millions of People to Achieve Prosperity”. We hope that with this activity, farmers will be more prepared and economically resilient in the future.”

Quote from iAPPS:

“Digital transformation is key to enabling financial inclusion, traceability and sustainability for the agricultural communities. We see this collaboration as a critical step forward to empowering smallholders with AgriON.” – Daniel Loh, Director, iAPPS Pte Ltd.

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About Musim Mas

Headquartered in Singapore, Musim Mas is one of the world's largest, integrated palm oil corporations with operations in every part of the supply chain across the Americas, Europe and Asia. Our global workforce pursues innovative and sustainable developments, ensuring product quality, safety and efficiency as the industry evolves.

As one of the most prominent players in the industry, it aspires to be a responsible leader in the evolution of the industry, driving a new era of sustainability with innovation. To that end, we take active steps to go beyond industry-recognised sustainability standards and will continue to step up in response to critical industry issues in our quest to contribute to a more sustainable industry and equitable world.

For more information, visit www.musimmas.com

About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with around 2,500 locations in more than 50 markets. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

For more information, visit www.mufg.jp/english

About Bank Danamon

PT Bank Danamon Indonesia Tbk (IDX Code: BDMN) which was founded in 1956, as of 31 March 2021 manages a total consolidated asset of IDR 193 trillion with its subsidiary, namely PT Adira Dinamika Multi Finance Tbk. (Adira Finance). In terms of share ownership, 92.47% of Danamon's shares are owned by MUFG Bank, Ltd. and 7.53% owned by the public.

Danamon is supported by a network of 846 conventional branch offices, Syariah units and branch offices of its subsidiaries as well as more than 60,000 networks of Danamon ATMs, ATM Bersama, PRIMA and ALTO networks spread across 34 provinces. Apart from the physical network, Danamon services can also be accessed through Danamon Online Banking, mobile banking through the D-Bank and D-Card applications, SMS Banking, as well as phone banking services via Hello Danamon. With a variety of financial products and services, Danamon is ready to serve the needs of customers from various segments including Consumer banking, Small and Medium Enterprises (SMEs), Wholesale (Corporate and Commercial), and Sharia as well as automotive financing through Adira Finance.

In July 2020, Danamon also launched the Danamon Optimal segmentation to help the upwardly mobile segment in managing finances. Danamon Optimal consists of products and services according to the needs of these individuals, from savings, loans to insurance, equipped with all-digital services

for ease of transactions. Danamon Optimal is expected to help customers belonging to this segment to be able to take control of their finances easily and wisely.

As part of MUFG, a global financial group as well as the largest bank in Japan and one of the world's leading financial institutions, Danamon will be able to access MUFG's strength, expertise and network to serve our customers and facilitate Danamon's growth in realising long-term value for all stakeholders interests.

Danamon received an award as number one in the SLE Index 2021 category for BUKU IV Bank from the 2021 Satisfaction Loyalty Engagement Awards held by Marketing Research Indonesia and Infobank. Danamon also won first place at the 9th Infobank Digital Brand Awards 2020 in the category of Conventional Commercial Banks with Core Capital above IDR 30 trillion (BUKU IV) with assets below IDR 500 trillion. In the international arena, Bank Danamon has also been named Best Digital Bank Indonesia at the Asiamoney Best Bank Award 2020. Bank Danamon also received the Asia Trailblazer 2020 award from Retail Banking International (RBI) with the title Highly Commended in the Best Digital Banking Initiative category. In addition, Bank Danamon received the 2020 DX Gamechanger award from IDC for corporate digital transformation.

About iAPPS Singapore

Headquartered in Singapore, iAPPS is a pioneer financial technology company that is in the business of building FinTech-empowered ecosystems in our home country and beyond. We are passionate about creating innovative ideas that revolutionise businesses and our mission is to leverage on technologies to build impactful solutions which bring about digital transformation to make life awesome.

Our key expertise lies in digital platforms with integrated technologies, such as Fin-MedTech and Fin-AgriTech. We are a licensed Major Payment Institution (MPI) and hold a Capital Market Services (CMS) license in Singapore. We leverage on our licenses and FinTech-empowered business strategies in food, health, sports, and finance industries.

To date, our platform has garnered more than 2 million users in Singapore and the region and, our partners and clients include the Singapore government, financial institutions, corporates and SMEs. iAPPS was awarded the 2014 Red Herring Top 100 Global and 2014 Red Herring Top 100 Asia. Our strategic shareholders include MUFG, Hitachi Systems Japan, Omron Japan and Asia United Bank. AgriON is a fintech platform designed, developed and operated by iAPPS. It is a scalable digital payment and financing solution driving traceability and sustainability across the agricultural supply chain.

For more information, visit <https://www.iappsasia.com>

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