

Press Release

Embargoed for 19th March 2015

Bank Rakyat Indonesia wins Best Microfinance Business award for 2015

- **32% of Bank Rakyat Indonesia's total loan portfolio is under the microfinance business**
- **Community banking approach helps BRI hold NPLs to below 2% for ten consecutive years**
- **Simplicity, availability and sustainability key objectives in BRI microfinance product development**

Singapore, March 19th 2015—Bank Rakyat Indonesia won the **Best Microfinance Business** award for 2015. The bank received the award at The Asian Banker's International Excellence in Retail Financial Services 2015 Awards ceremony, held in conjunction with the region's most prestigious retail banking event, the Excellence in Retail Financial Services Convention. The ceremony was held at the Capella on March 19th 2015.

32% of Bank Rakyat Indonesia's total loan portfolio is under the microfinance business

Bank Rakyat Indonesia's (BRI) microfinance business was commercially started in 1984 and it now holds roughly 45% market share in the country, contributing to its strategic positioning from competitors. The business not only offers financing to the micro segment, but also takes deposits and provides full banking services.

As of September 2014, 32% of the bank's total loan portfolio is classified as being under the micro segment, with average ticket size of 20 million Rupiah (\$1,610), making BRI as one of the biggest microfinance institutions in the world.

Community banking approach helps BRI hold NPLs to below 2% for ten consecutive years

In reaching out to the micro segment, BRI employs the unique approach of community banking, which puts an emphasis on relationships rather than purely transactions. This means obtaining funds from the same communities where loans are disbursed, then leading it into a sustainable micro banking system.

Thanks to this approach, BRI has been able to hold its Non-Performing Loan (NPL) ratio below 2% for ten consecutive years.

Simplicity, availability and sustainability key objectives in BRI microfinance product development

The key to its success further lies in three main objectives in product development. BRI believes that simplicity, availability, and sustainability contribute highly to its success in the micro segment. At the same time, the bank takes into account local culture and social impact of the product it develops.

BRI's presence all over Indonesia has been an indication for a continuous effort in implementing financial inclusion and increasing outreach. With closer access to potential customers, its presence has generated much better rates of customer acquisition.

About 200 senior bankers from award-winning banks in 29 countries across the Asia Pacific, the Middle East, Central Asia and Africa attended the glittering event that recognises their efforts in bringing superior products and services to their customers. The awards programme, administered by The Asian Banker and refereed by prominent global bankers, consultants and academics, is the most prestigious of its kind.

A stringent three-month evaluation process based on a balanced and transparent scorecard used to determine the winners and the positions of various retail banks in the region is attached.

About The Asian Banker

The Asian Banker is the region's most authoritative provider of strategic business intelligence to the financial services community. The Singapore-based company has offices in Singapore, Malaysia, Hong Kong, Beijing and Dubai as well as representatives in London, New York and San Francisco. It has a business model that revolves around three core business lines: publications, research services and forums. The company's website is www.theasianbanker.com

For more information please contact:

Mr. Colin Savage
Head of Research
Tel: (+65) 6236 6520
cjsavage@theasianbanker.com

Ms. Janice Chua
Senior Executive, Marketing
Tel: (+65) 6236 6532
jchua@theasianbanker.com

ENDS