

press release

FOR IMMEDIATE RELEASE

Standard Chartered Provides Microfinance Loans to Bank Andara to Grow Micro Business Sector

Denpasar, 25 June 2013 -- Standard Chartered Bank and Bank Andara today signed a credit facility agreement amounting to IDR57 billion that will be used to support the funding of microfinance institutions (MFIs) in Indonesia. Bank Andara is the only commercial bank with a wholesale business model in Indonesia in cooperation with MFIs to reduce poverty by promoting innovation and providing financial access for the poor. The signing of this agreement by the CEO of Standard Chartered Bank Indonesia Tom Aaker and President Director of Bank Andara David H.L. Yong was witnessed by Deputy Head of Bank Indonesia Bali branch, Dr. I Gde Made Sadguna. As part of a holistic approach to improving the economy of the community, especially in the micro business sector, on the same day, a number of Standard Chartered staff volunteers also provided financial literacy training for women micro-entrepreneurs, in hoping that they can manage their finances more effectively to increase the economic value of family and business.

Standard Chartered Bank has begun to provide credit facilities to fund the microfinance industry since 2009, working with several microfinance institutions, among other Family Business Partners Ventura (MBK) and Cooperatives Dhuafa aside from Bank Andara Dhuafa. This year is the second time Standard Chartered provides microfinance loans to Bank Andara. In 2011, Standard Chartered Bank provided Rp30 billion funds to Bank Andara.

In the occasion, CEO of Standard Chartered Bank Indonesia Tom Aaker said: "In line with our brand promise 'Here for good', we are committed to provide good support for the changes in the various markets in which we operate. Indonesia is one of Standard Chartered's key markets, particularly in Asia. And Indonesia's economic strength lies in the industry of micro, small and medium enterprises. Microfinance loan facility that we provide to Bank Andara is one example of our efforts in promoting the growth of real small businesses in Indonesia. We expect these loans can reach more micro-entrepreneurs in the various regions in Indonesia."

Since starting its operation in 2009, Bank Andara has become a business partner for more than 737 MFIs as of December 2012, especially rural banks (BPR) and cooperatives, which are spread throughout Java, Bali, Sulawesi and Sumatra, and has reached more than 1, 2 million people in Indonesia. Currently, Bank Andara has had the community Andara Joint BPR (ABB) for BPR in Bali, NTB and Greater Jakarta.

Meanwhile, President Director of Bank Andara David H. L. Yong commented, "This credit facility agreement indicates strong support and trust from Standard Chartered Bank to Bank Andara in Indonesia in implementing Financial Inclusion as part of the company's business focus and strategy through collaboration with MFIs exclusively. By positioning itself as a pioneer in supporting MFIs in Indonesia, Bank Andara has a unique business workflow, which provides a wider range of services to the community through AndaraLink that helps MFIs serving the community in transferring money, make a deposit, or make payments on monthly bills (Telkom and PLN); transfer of knowledge, in addition to providing access to funding as well as funding for MFIs. "

David added, "We continue to seek additional funds through a network of domestic and foreign, including the agencies, foundations and high network individuals. Until the end of 2012, we have completed another credit facility from foreign financial institutions and also obtain additional capital from shareholders. Bank Andara performance also showed excellent growth with total assets of IDR1,2 trillion, with outstanding loans amounting to IDR980,331 billion by the end of 2012. The existence of the loan facility from Standard Chartered Bank Indonesia is mostly going to be used to improve the distribution of lending to MFIs which emphasizes support for poverty reduction, in line with the focus of our business strategy. With systems and tools that we have, can distinguish different risk profile of our portfolio of MFIs and detailed enough, both geographically and in the types of clients. We believe that the uniqueness of the business and trust of financial institutions within and outside the country will strengthen the Bank Andara as a reliable business partner for MFIs in Indonesia. "

Bali is one of the biggest bases of Bank Andara's MFI clients who are mostly small traders / micro entrepreneurs. Therefore, the implementation of the signing was conducted in Denpasar whereas Standard Chartered also provided Financial Literacy training to about 100 women micro-entrepreneurs in Denpasar and surrounding areas. The training was delivered directly by the staff of Standard Chartered branch Denpasar, Bali. Financial Literacy training is one of the bank's Corporate Social Responsibility which has been implemented since 2011. A total of more than 400 women micro-entrepreneurs have received Financial Literacy training outlining ways of managing family finances in simple ways.

For Standard Chartered Bank Indonesia, this is the seventh microfinance loan facility given in the last four years. Aside from Bank Andara, Standard Chartered also provided loan funds totaling IDR36 billion to the Family Business Partners Ventura (MBK), a microfinance institution (MFI) in Indonesia and the Cooperative Dhuafa (Komida) amounting to IDR14 billion. Standard Chartered Bank globally has channeled funds worth USD1 billion to various microfinance industries in Asia and Africa where more than 6.5 million people have benefited directly.

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NOTE TO EDITORS

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