



OUR RURAL FINANCE PRACTICE

Peng Bo / 2018.10

A Snapshot of China's Rural Finance Environment



Number of people that have a credit record



Funding shortage in rural areas



Number of people employed by FIs per 10,000 people



Availability of formal credit in rural areas

Note: Data as of Dec 2015

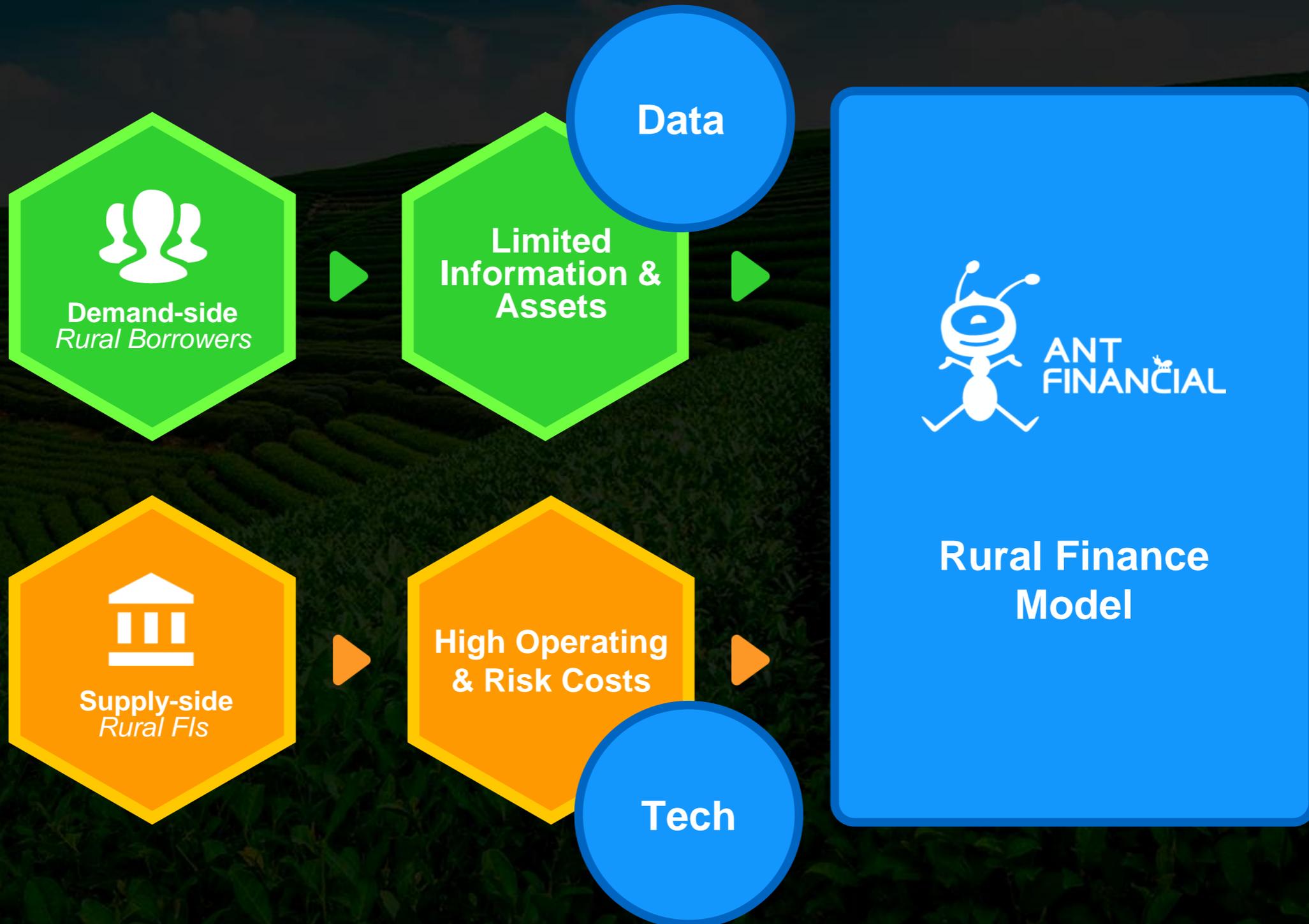
Key Issues



Key Pain Points



Integrated Solutions





- Ant Financial is a technology company that brings inclusive financial services to the world.
- Ant Financial was officially founded in October 2014 and originated from Alipay, founded in 2004.
- Ant Financial is dedicated to bringing the world more equal opportunities by building a technology-driven open ecosystem and working with other financial institutions to support the future financial needs of society.

Ant Financial & Rural Finance Business



A Roadmap of Ant Financial Rural Finance



Phase 1: 2015-2016

- Rural Taobao: Rural Taobao partners and their customers
- CFPA Microfinance: Covering 85% of poverty-stricken counties and 82% of women in villages

Online lending model
Online + offline lending model

Phase 2: 2016-2018

- Households breeding cattle, pigs, or poultry (New model of Agriculture Households)
- Downstream rural dealers

Supply chain finance model

Phase 3: 2017-2018

- Mass rural residents in county level or below

Digitalized platform model

Phase 1: 2015-2016

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Online lending model

Online and offline lending model

- Ant Financial uses big data and AI algorithms to provide loans to SMEs and rural farmers called the “310” model: 3 minutes to apply for credit in bringing convenience to people, 1 second to approve based on substantial background analysis, and 0 people involved in the decision that to make sure the process is fully automated,
- In counties and villages that with limited access to established financial services, we work with offline acquaintances such as Alibaba Rural Taobao partners and CFPA Microfinance and provide users with various of financial services including loans. The initiative has introduced across China including some poverty-stricken counties.

Ant Financial rural finance concept



Phase 2: 2016-2018

- Households breeding cattle, pigs, or poultry (New model of Agriculture Households)
- Downstream rural dealers

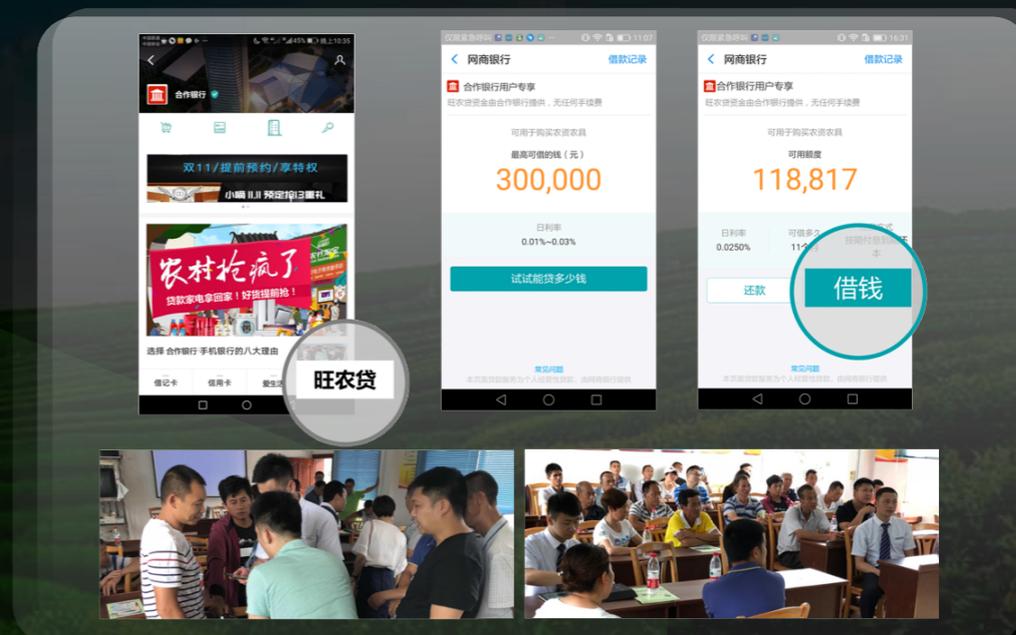


Supply chain finance model

- The supply chain finance model is to lead agricultural material & implements with high quality to rural areas, and agricultural products with high quality going to urban.
- By connecting the management system of agri-enterprises, we lend to the customers who have long term business relationship with the big enterprises with non-cash Loan. The borrower can only use such kind of loan to purchase raw material online. There is no guarantee needed, no insurance involved, and it is also 310 experience.

Phase 3: 2017-2018

- Mass rural residents of county level and below



Digitalized platform model (inclusive finance in rural areas)

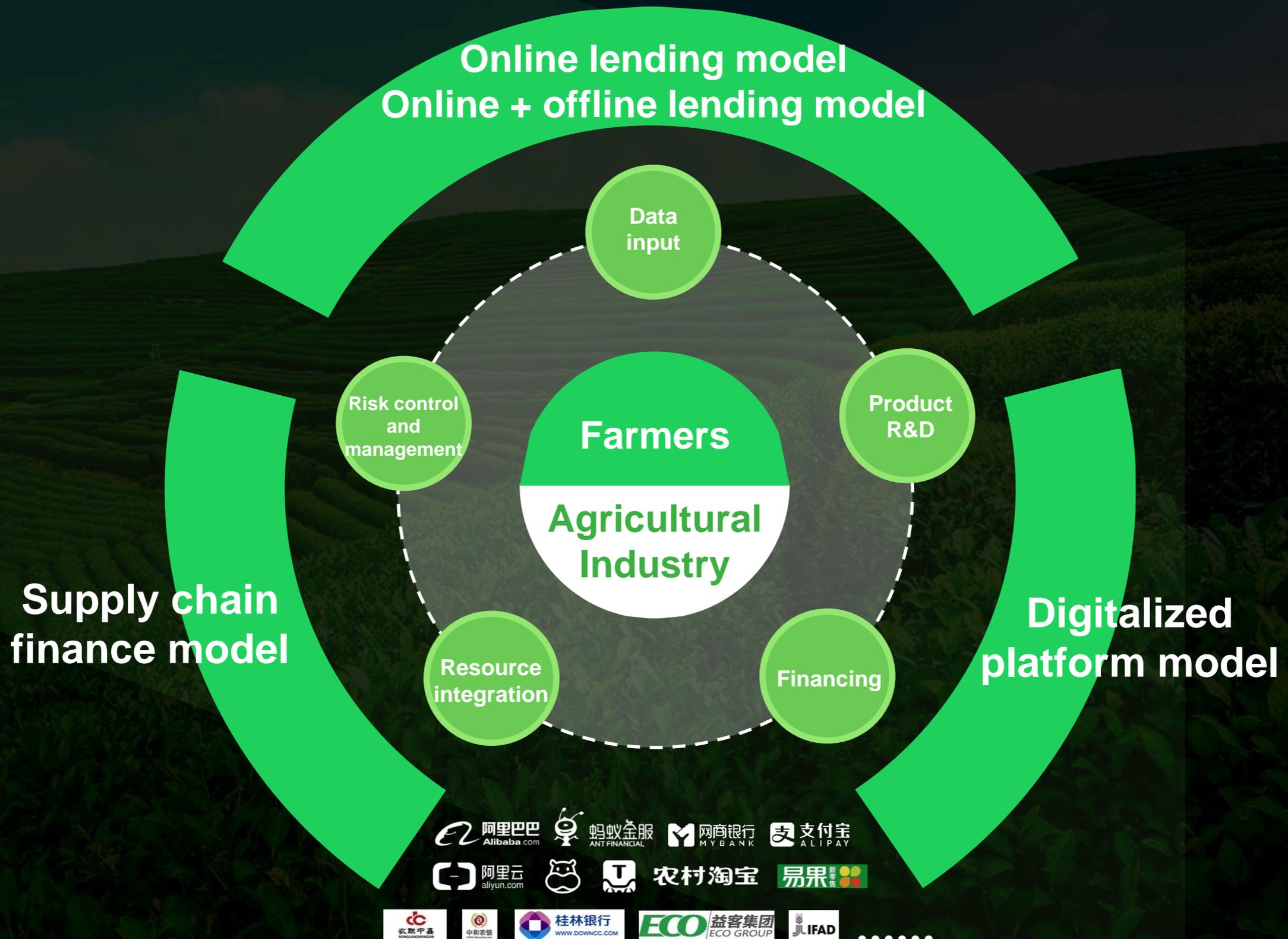
- Work with financial institutions to build a Joint Loan platform with digital risk management capability that is designed for residents of county-level and below, so as to extend financial institutions' footprint to grassroots and promote the growth of inclusive finance.
- Work with county-level governments to build a platform to provide local public services. The financial services are embedded in it. With the spreading of platform by local governments, inclusive finance get well known as well.

Ant Financial rural finance-Inclusive finance at county-level



- Neixiang County, Henan
- Lankao County, Henan
- Sheqi County, Henan
- Fengqiu County, Henan
- Ningling County, Henan
- Yucheng County, Henan
- Yongcheng County, Henan
- Anji County, Zhejiang
- Tongwei County, Gansu
- Linyao County, Gansu
- Xintai County, Shandong
- Qixia County, Shandong
- Zhucheng County, Shandong
- Zoucheng County, Shandong
- Cao County, Shandong
- Badong County, Hubei
- Lichuan County, Hubei
- Yuanan County, Hubei
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Rural finance focuses on farmers and agricultural industries offering tailor-made financial services to them





THANK YOU