

Serving Small and Micro Enterprises

Promote the Development of Agribusiness Clusters

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Since its establishment, Agricultural Development Bank of China (ADBC) has always placed the protection of farmers' interests and the promotion of the development of agribusiness high on its agenda.

By the end of January 2021, ADBC had granted loans of **RMB 3.17 trillion** to small and micro enterprises, accounting for **51%** of the total loan balance.

2 Supporting grain purchase and storage

Promoting small and micro agribusiness clusters in the market with the platform of supporting grain purchase and storage



Building grain transaction platforms for small and micro agribusiness clusters.

- Efforts are made to support at least one grain purchase and storage enterprise in a county to ensure that buyers of grains with sufficient money can be found.

Promoting intensification of land and clustering of grain planting.

- Efforts are made to support land transfer towards large grain farmers, and provide agricultural cooperatives and grain brokers with a wide variety of financial services.



Supporting order-based agricultural production

- Conducting order-based agricultural loan business for grain purchase and storage enterprises to satisfy pre-production funding needs of small holder farmer clusters who can produce high-quality grain.



Serving the development of small and micro agribusiness clusters by supporting modern agricultural industrial parks and e-commerce



Encouraging the entry of small and micro enterprises in the industrial parks.

- Focusing on belts of industry aggregation as well as industrial parks, more efforts are made to help small and micro enterprises in the main bulk agricultural production areas and special agricultural products areas to form synergy in production by promoting coordinated development across the whole industrial chain.



Vigorously supporting the construction of modern agricultural industrial parks.

- Efforts are made to support the construction of supporting facilities such as roads, water supply, power supply, heat supply, gas supply, communication, pollution control, and standardized plants by offering medium and long-term loans to provide supporting facilities and public services for the development of small and micro agribusiness clusters



Supporting small and micro enterprises in developing e-commerce.

- ADBC cooperates with Internet giants such as Alibaba, WeBank and Jingdong Group in integrating financial technologies such as blockchain, big data, and artificial intelligence. Efforts are made to adopt e-commerce operation loan model for small and micro enterprises without guarantee, increase credit line for these enterprises, and promote cluster-oriented operations of them. By the end of 2020, a total amount of **RMB 183.2 billion** in loans had been issued to **12,671** online small and micro enterprises.

Promoting the development of small and micro enterprises across industries by supporting the integration of primary, secondary and tertiary industries in rural areas

ADBC actively supports the integrated development of the primary, secondary and tertiary industries in rural areas, promotes the industrial cluster of small and micro agribusiness, encourages to develop industrial chains, enhances the brand effect and synergy of integrated development, and improves the influence of integrated industries in rural areas.

Supporting the development of industrial chain of agricultural product processing.

- Efforts are made to actively support agricultural product processing enterprises in extending their business to the construction of raw material bases as well as logistics marketing and service networks, so as to build an entire industrial chain. Efforts are also made to support agricultural product processing enterprises as well as upstream and downstream market entities in forming industrial alliances to expand the scale of the industry.

Providing supply chain financial services.

- Quickly respond to the comprehensive needs of upstream and downstream enterprises in the industrial chain for settlement, financing, and financial management, ADBC establishes upstream production and purchase as well as downstream retail and distribution supported by large core enterprises conducting purchase, marketing, processing, and logistics through product extension.

Implementing the inclusive finance policy.

- For upstream and downstream enterprises that are guaranteed by core enterprises, ADBC gives unified credit line.
- For upstream enterprises in the material supply chain with small market price fluctuations and overall controllable inventory, ADBC extends loans based on credit.
- For the fund supply chain business featuring feasible projects and controllable risks, ADBC increases the pledge discount rate and the credit line.
- for small and micro enterprises in grain planting and breeding, the average interest rate for inclusive loans to small and micro enterprises in 2020 was 3.70%, not only lower than the national average, but also 1 percentage point lower than the LPR.

Strengthening credit risk prevention and control to ensure the continuous development of small and micro enterprise loan business

1

Deepening cooperation with guarantee funds.

➤ADBC actively cooperates with government financing guarantee funds (institutions) such as the national and local financing guarantee funds, and National Agricultural Credit Guarantee Alliance Co., Ltd. in support of small and micro enterprises. The head office of ADBC signed a strategic cooperation agreement with National Agricultural Credit Guarantee Alliance Co., Ltd. to actively promote the cooperation between provincial branches of ADBC and provincial-level of National Agricultural Credit Guarantee Alliance Co., Ltd., giving full play to the advantages of both parties in reducing the burden on customers and increasing the availability of loans to small and micro enterprises.

Increasing cooperation with the government.

➤Through the establishment of risk compensation funds and supporting mechanisms guided by the local governments, the government, enterprises, and banks are able to share risks in support of small and micro enterprises' efforts in industrial poverty alleviation. Preferential credit policies are offered to small and micro enterprises included in the project list of the risk compensation funds in an effort to vigorously promote the development of industries in poverty-stricken areas.

2

Promoting the model of credit guarantee fund for purchase loan.

➤The credit guarantee fund for grain purchase loan follows the principles of government-leading, enterprises' voluntary participation, mutual benefit, risk-sharing, and joint management. The local government injects capital and guides qualified grain-producing enterprises in subscribing capital according to the purchase loan ratio. The fund is specifically used to prevent risks related to market-oriented purchase of grains. It not only effectively supports the development of private small and micro enterprises in poverty-stricken areas, but also makes it much easier for farmers in these areas to sell their grains, providing a stable source of income for poor farmers.

3

Thank You!