CreditEase Leasing

Rural Area Financial Services' Innovative Practices

FANGZHU MAO

7th Regional Forum on Sustainable Agricultural Mechanization in Asia and the Pacific Financing for Sustainable Agricultural Mechanization

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Intro to CreditEase Leasing

Member of China Agricultural Machinery Distribution Association

Council member of Dairy Association of China

Founding member of China Agriculture Productive Services Alliance created by Ministry of Agriculture.

“Most Trusted Rural Financial Service Institution” Golden Reputation Awards.
Trend of Modern Agriculture

Moderate Scalability

Mechanization
Targeted Customers of Rural Financial Services

- Land and Farm Operators
- Technical and Professional Agriculture Specialist
- Professional Agriculture Service Providers
Full Financial Services to Agriculture Machinery Value Chain

- Plow
- Process
- Plant
- Maintain
- Harvest
- Dry
- Store

- Processing Equipment
- Storage Equipment
- Drying Machine
- Field Maintenance Equipment
- Planting Machine
- Combine Harvester
Livestock Financing/Leasing Services

- 400 farms +
- 80K dairy cows +
- Over 15 provinces
- Major dairy production areas in China
Key to success: Dedication and Professionalism

**Dedication**
- Focus on serving agriculture, rural areas, and farmers
- Focus on financial leasing services in "agricultural machinery and cow " sectors

**Professionalism**
- Professional recruitment
- Professional staff training

**Simple**
- High efficiency in risk identification
- Effective control of operating cost

**Data utilization**

**Quick decision**

**Operating cost reduction**
### Risk Identification and Decision Model——Plantation Customers

<table>
<thead>
<tr>
<th>Region</th>
<th>Plant</th>
<th>Characteristics</th>
<th>Area Production</th>
<th>Net Revenue per Area</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>+ Other Revenue</td>
</tr>
</tbody>
</table>

\[
\text{Total Revenue} = \text{Net Revenue per Area} + \text{Other Revenue}
\]
Risk Identification and Decision Model——Machinery Customers

Region
Machinery Type
Gross Revenue/Area
Net Revenue/Area
Other Revenue

Total Revenue

- Farming Revenue
- Employment Revenue
- Commercial Revenue
- Other Revenue

○ Family Expenditure
○ Other Expenditure

+
Risk Identification and Decision Model——Pasture Operators

- Total 42 Business Operation Dimensions
- Actual Operator’s Experience (years)
- Total Cows
- Ratio of Lactating Cows
- Daily Milk Production (Tons)
- Average Monthly Revenue (10K)
- Average Monthly Feeding Cost (10K)
Case Study of Cow Leasing—— All-round Value Enhancement to Pastures

- **Number of Cows**
  - Before: 433
  - After: 609
  - Increase: 41%

- **Milk Production per day**
  - Before: 5 unit: ton
  - After: 11 unit: ton
  - Increase: 124%
Respect  Trust  Win-win