

## TCL Microfinance Company Using Digital MSME solutions to support SDGs

### Basic Introduction

TCL Microfinance Company is a subsidiary of TCL Financial Services, Founded in October 2016 with a registered capital of 1 billion RMB (paid in). our company has always been persisting to the development concept of green, inclusion and technology, which commit to a new financial platform for sustainable development finance, digital models, and intelligent risk control, providing customers with compliant, efficient, and convenient financing services.

The company has diversified sources of funds, including banks, trust institutions, ABS and other financing channels in addition to our own funds. We have cooperated with many institutions such as Industrial and Commercial Bank of China, China Construction Bank, Macau International Bank, and Bank of China Trust, and issued the first ABS in 2022, raising 180 million RMB. We have received over 1.7 billion RMB in financing from external institutions in past.

The company provides convenient financing services for many SMEs, serving a total of over 54000 SMEs, with a total investment scale of over 33.7 billion RMB. The investment fields cover logistics service industry, public transport companies, agricultural planting and breeding industry, green ecology, etc.

The company has diversified customer acquisition methods. There is a significant difference from traditional Microfinance companies, We acquires customers based on the industrial supply chain and specific scene, mainly including sustainable development industries such as green appliances, new agriculture, logistics and transportation, and green ecology.

The company has established a digital online operation system for our business processes, based on technologies such as decision-making science, big data risk control, and deep mining to efficiently and accurately serve customers with financial needs.

## **Main Product Introduction**

### **Chanxiao loan**

Chanxiao loan is a credit product to provide financing services for upstream and downstream suppliers, which rely on member enterprises of TCL Group as core enterprises

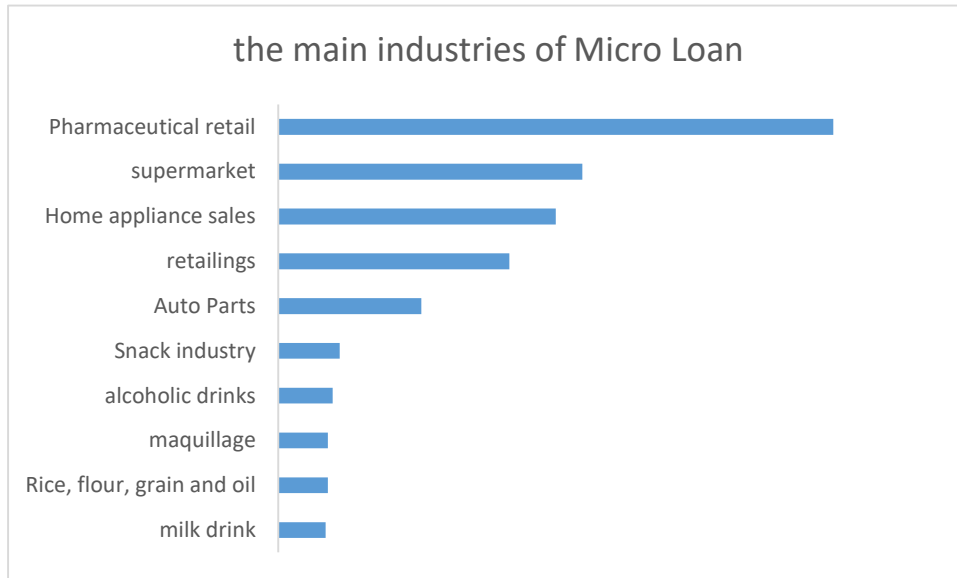
Chanxiao loan provides differentiation to those enterprises by utilizing different kinds of data, such as the business data of the core enterprise and upstream and downstream enterprises including cooperation duration, cooperation scale, purchase quantity, purchase cycle, payment cycle, inventory turnover period, etc., as well as the business information of the cooperative enterprise itself including registered capital, establishment date, business scale, Credit Reporting, and the negative information of litigation. The enterprise can independently choose the loan term and repayment methods, etc.

### **Micro Loan**

Micro Loan is a credit product to SMEs based on their invoicing data.

Micro Loan provides convenient funds for SMEs to support their production and operation, by obtaining the invoicing information of the enterprise including the counterparty, invoicing quantity, invoicing amount, invoicing frequency, void records, and the month on month/year on year change rate of invoicing data per unit time, and calculating the production and operation stability of the enterprise by using risk models combined with the enterprise's business

information, credit information, and litigation related data, to confirm factors such as risk pricing, credit limit, and repayment method.

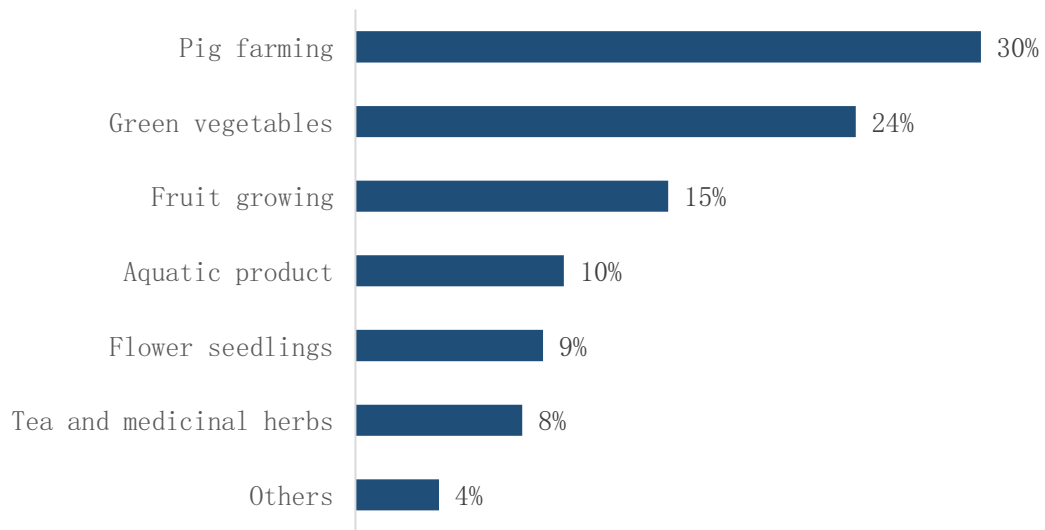


### **Agricultural Insurance Installment**

Agricultural Insurance Installment is a credit product that provides financial services for agricultural managers when purchasing agricultural insurance to expand financing channels and promote the stability of production.

This installment determines credit limits, risk pricing, repayment methods by focusing on information such as the duration, scale, variety, historical insurance purchase records, and historical claims records of the operator engaged in agricultural production, and the stability of the production and future risk trends based on apply models. therefore, agricultural manager can be funded to purchase insurance and expand the scale of production and operation quickly and efficiently.

### the rural type of Agricultural Insurance Installment

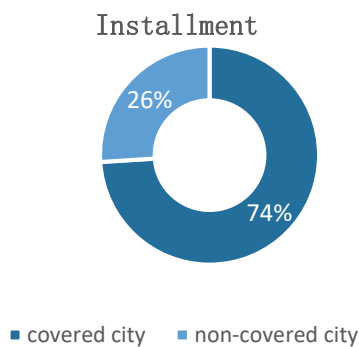


### Vehicle Insurance Installment

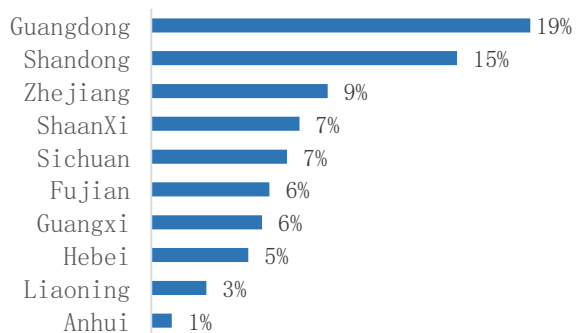
Vehicle Insurance Installment is a financial product that provides financing services for holders of operating vehicles to solve their financial difficulties when purchasing vehicle insurance.

This installment provides financing services for these SMEs related to vehicle, which has the stability of production and operation and normal insured record estimated by risk control rules and models trained by historical insurance information and claim information of vehicles obtained with the partner of insurance companies, business information of the enterprise, credit information and big data information, etc.

The covered rate of Vehicle Insurance Installment



The main area of Vehicle Insurance Installment



## **Big Data Risk Control**

TCL Microfinance Company adopts online digital intelligent risk control, digital decision-making based scenario, and intelligent collection. The big data risk control combined system including Application, Behavior and Collection so that achieving precise risk stratification, differentiated approval and credit extension. While serving SMEs, we promote to a stable, advanced, and efficient financial platform in the industry by optimizing asset quality as well.

### **Digital information**

**Rich data scale.** Our platform already has rich data from front-end data stored, the supply chain industry, multiple external data partners, credit reporting, and market industry dynamics.

### **Intelligent technology**

**Digital risk control cutting-edge technology.** For example, technologies such as biometric recognition, intelligent modeling, deep mining, decision rules, fraud prevention and control and intelligent robot collection.

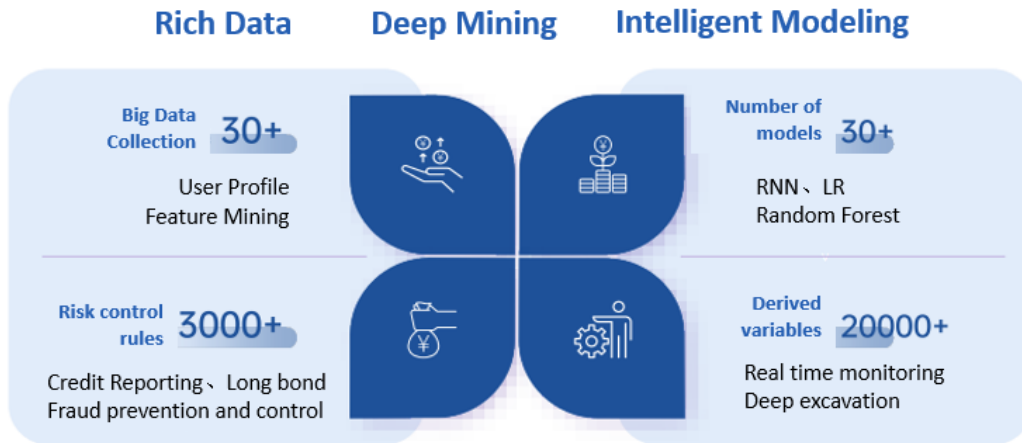
### **Full lifecycle risk management**

**Full lifecycle risk management.** Complete the credit approval rapidly and evaluate credit limit precisely on application stage through decision-making rules, decision-making matrices, scorecard models, manual verification, and other methods; identify risks and fraud on behavior stage to run customers continuously, Make strategies on collection such as early collection models, collection matching, and intelligent robot collection strategies.

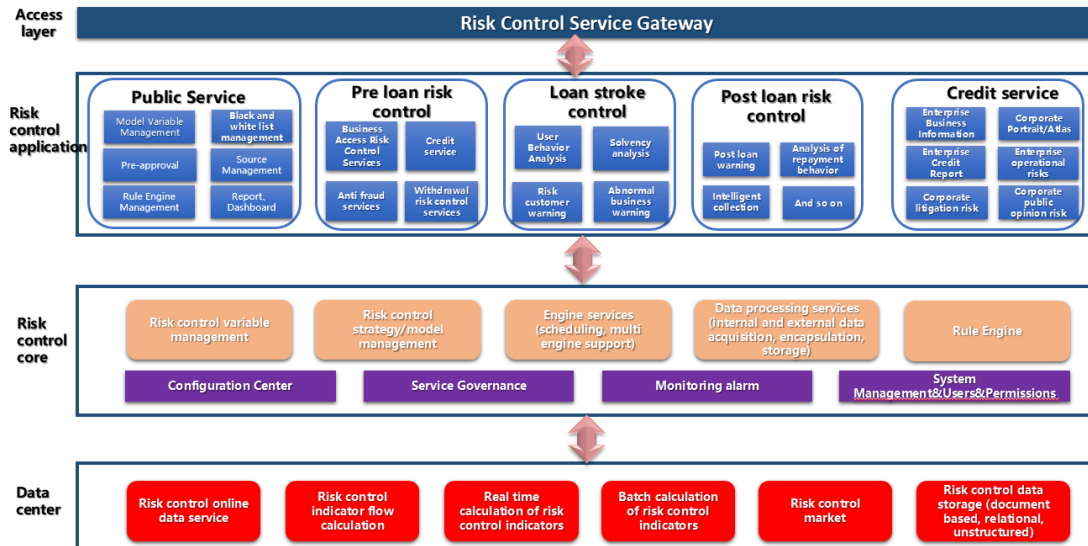
### **Monitoring system**

**Scientific and visual monitoring system.** At present, we have several platforms such as BI platform, report platform, data mart, and risk control platform to monitor the customers risks and business

situation.



### Full Process Solution Of Big Data Risk Control Credit



### The Achievement of Company

TCL Microfinance Company has invested a total of 33.7 billion RMB on 54000 SMEs since established. Among them, it has provided credit funds of 280 million RMB to 2048 agricultural producers and managers, which make a contribution to increasing farmers' income and rural revitalization. Meanwhile, it has serving 16200 female clients with a loan amount of 8.4 billion RMB to help them start and build businesses.

In the future, TCL Microfinance Company will continue to supporting

SMEs by utilizing the intelligent risk control and online service system accumulated over the years. We also strive to achieve high-quality development of the enterprise, focusing on creating enterprise characteristics of "inclusive, technological, green, and beneficial to farmers".