

Indicative Scope of Work for Agricultural Market Assessment

The following are core activities to analyze the potential market for agriculture finance:

I. Introduction

- A. Overall assessment of agriculture market
 - 1. Description of current macroeconomic situation
 - 2. List macroeconomic agriculture indicators
 - 3. Description major economic drivers
- B. Number of firms in agriculture sector listed by official government data and the sectors.
 - 1. Comprehensive analysis of SMEs in the agriculture sector; review the bank's list of economic subsectors.
 - 2. Comprehensive analysis on historical performance of sub sectors (the analysis should include detailed characteristics, SWOT, and sensitivity analysis of each subsector; Based on comprehensive research, determine the most profitable and scalable subsectors for the bank

II. The characteristic and size of market demand for financial services

The consultant will conduct a survey/sampling for each segment in order to learn about financial services they currently can access and those financial services they need:

- A. Background information on the respondents:
 - 1. Size of the businesses:
 - a. Revenues
 - b. Total assets
 - 2. Type of business
 - 3. Location
 - 4. Industry
 - 5. Number of employees
- B. Characteristics of financial products to which they currently have access:
 - 1. Loans
 - a. Types of loan (working capital and/or investments)
 - b. Terms (rate, fixed or variable, fees, collateral, installment frequency, etc.)
 - c. Loan size
 - d. The financial institutions and the marketing channels (how they learn about the products

2. Deposits
 - a. Types of deposit
 - b. Average balance
 - c. Average transactions
 - d. Interest rates
 - e. The financial institutions and the marketing channels (how they learn about the products)
 - f. Types of secondary services provided (ATM, debit card, mobile banking, Internet banking, etc.)

 3. Other services (including the marketing channels — how they learn about the products)
 - a. Cash management
 - b. Wealth management
 - c. Credit cards
 - d. Payment insurance
 - e. Life insurance
 - f. Informal sources included
- C. Characteristics of financial products they desire:
1. Loans
 - a. Types of loan (working capital and/or investments)
 - b. Terms (rate, fixed or variable, fees, collateral, installment frequency, etc.)
 - c. Loan size
 - d. Other desired features

 2. Deposits
 - a. Types of deposit
 - b. Approximate balance
 - c. Average transactions
 - d. Interest rates
 - e. Other desired features

 3. Other services
 - a. Cash management
 - b. Wealth management
 - c. Credit cards
 - d. Payment insurance
 - e. Life insurance
 - f. Informal sources included

III. Description of existing financial products offered by the bank

- A. Loans
 - 1. Types of loan (working capital and/or investments)
 - 2. Terms (rate, fixed or variable, fees, collateral, installment frequency, etc.)
 - 3. Loan size
 - 4. Target clientele and the marketing channels

- B. Deposits
 - 1. Types of deposit
 - 2. Average balance
 - 3. Average transactions
 - 4. Interest rates
 - 5. Types of secondary services provided (ATM, debit card, mobile banking, internet banking, etc.)
 - 6. Target clientele and the marketing channels

- C. Other services (including target clientele and the marketing channels)
 - 1. Cash management
 - 2. Wealth management
 - 3. Credit cards
 - 4. Payment insurance
 - 5. Life insurance
 - 6. Product bundling
 - 7. Others

IV. Summarize gaps between demand and supply, explain findings, and make recommendations

- A. What is the most profitable and scalable size of businesses?
- B. What are the most profitable and scalable types of businesses?
- C. By comparing the results of the market research with the bank's financial product offerings and existing targeted industry segments, what are the natural areas of overlap?
- D. What product packages and marketing channels are needed?