

Telenor Group and Ant Financial in strategic partnership to deliver inclusive financial services in Pakistan

(Islamabad, March 13, 2018) – Telenor Group has reached a strategic partnership agreement with Ant Financial Services Group (“Ant Financial”) in Pakistan, where Ant Financial will invest USD 184.5 m for a 45% stake in Telenor Microfinance Bank (“TMB”), a subsidiary of Telenor Group, to further develop TMB’s mobile payment and digital financial services.



Petter Furberg, EVP Head of Emerging Asia Cluster Telenor Group, and Gary Liu, Director Investment, signing the MOU as Honorable Prime Minister of Pakistan, Shahid Khaqan Abbasi, Sigve Brekke, CEO Telenor Group, Anusha Rahman, Federal Minister IT & Telecom, Shahid Mustafa, President & CEO Telenor Microfinance Bank, Yao Jing, Chinese Ambassador to Pakistan, and Tore Nedrebø, Norwegian Ambassador to Pakistan look on.

The MoU was signed today at the Prime Minister Secretariat in the presence of Honourable Prime Minister, Mr. Shahid Khaqan Abbasi, government officials and management of Telenor and Ant Financial. The strategic partnership between Telenor Group and Ant Financial combines TMB’s knowledge and local market presence with more than 20 million customers, and Ant’s technology in Alipay, the world’s largest digital payment platform, and other financial services, to bring mobile payment and inclusive financial services to individuals as well as small and micro businesses in Pakistan.

Prime Minister Shahid Khaqan Abbasi appreciated the partnership between Telenor Group and Ant Financials, and said that it is a manifestation of favorable Government policies for foreign investment in Pakistan. He welcomed Ant Financial’s decision to invest in Pakistan and lauded Telenor’s efforts towards the socio-economic development of the country. He said that the collaboration would help broadening access to financial services through digital payment solutions.

TMB offers Easypaisa, Pakistan's first mobile financial services platform launched in 2009, which has since developed into the largest branchless banking service in Pakistan in terms of agent network, active accounts and transaction value, according to the State Bank of Pakistan.¹ TMB also provides micro-finance and related financial services to the less privileged and unbanked segment of the Pakistani society.

"Partnering with a world leading payment provider like Ant Financial will strengthen Telenor Microfinance Bank's future payment platform and set new standards in the digital banking business in Pakistan. The establishment of this partnership is well in-line with the expressed Telenor strategy of focusing our financial services efforts in emerging markets, making sure that we're able to build and modernize the businesses in line with customer needs. I'm truly excited about the opportunities this partnership brings for Telenor Microfinance Bank going forward," says Sigve Brekke, CEO of Telenor Group.

"Ant Financial is pleased to be in this strategic partnership with Telenor Group. Alipay's technologies make us uniquely placed to achieve our mission of bringing the world equal opportunities. Today, we are very happy to share our technology knowhow with Telenor Microfinance Bank to bring improved user experience on the Easypaisa mobile payment platform, as well as provide inclusive financial services in a transparent, safe, low cost and efficient way to the unbanked and underbanked population in Pakistan," said Eric Jing, CEO of Ant Financial.

Today, more than 100 million Pakistanis are unbanked, accounting for 5% of the world's unbanked population, according to the World Bank.² This is expected to change drastically in the years to come, especially with rising smartphone penetration. To prepare for that, TMB need to build their digital competence and execution capabilities to serve the need of the users.

Completion of the transaction is subject to customary regulatory approvals.

About Telenor

Telenor Group connects its 178 million customers to what matters most. Connecting the world has been Telenor's domain for more than 160 years and we currently operate in 12 markets across Scandinavia, Central Eastern Europe and Asia. Our 30,000 employees are committed to responsible business conduct and driven by the ambition of empowering societies. For more information, please visit <https://www.telenor.com/>

About Ant Financial

Ant Financial Services Group is focused on serving small and micro enterprises, as well as individuals. Ant Financial is dedicated to bringing the world more equal opportunities through building a technology-driven open ecosystem and working with other financial institutions to support the future financial needs of society. Brands under Ant Financial Services Group include Alipay, Ant Fortune, Zhima Credit and MYbank.

For more information on Ant Financial, please visit our website at www.antfin.com or follow us on Twitter @AntFinancial.

About Telenor Microfinance Bank

Telenor Microfinance Bank Limited is the first scheduled microfinance bank in Pakistan. In 2009, the bank launched Pakistan's first mobile banking platform, Easypaisa, which now has the largest nationwide footprint. Telenor Microfinance Bank was awarded the 'Best Microfinance Bank' and 'Bank the Unbanked' awards at the Pakistan Banking Awards in 2016 and 2017. For more information, please visit: <http://www.telenorbank.pk>

About Alipay

Operated by Ant Financial Services Group, Alipay is the world's leading third-party payment platform. Launched in 2004, Alipay and its strategic partners in overseas markets currently have over 800 million users. Within the Alipay App, users can obtain information on various business establishments, complete online and offline shopping payments and also choose from a wide range of wealth management and other services aimed at providing a more convenient way of life. In China, over 40 million brick-and-mortar

¹ Source: State Bank of Pakistan <http://www.sbp.org.pk/publications/acd/2017/BranchlessBanking-Jul-Sep-2017.pdf>

² <http://www.worldbank.org/en/news/feature/2016/02/08/what-will-it-take-for-pakistan-to-achieve-financial-inclusion>

merchants now accept Alipay. Overseas, Alipay now covers 40 countries and regions to provide more diversified services for Chinese travelling overseas.

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