

# MicroMoney

for people

# Big Data

for business

Bringing 2 bln Unbanked into  
The New Global Crypto Economy

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MICROMONEY INTERNATIONAL PTE. LTD

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# Abstract

There are still more than 2 billion unbanked in the world. Those people are excluded from local and global economies, as they are still using cash and don't have access to basic financial services. Taking out a loan is a great challenge for them as well, as far as they do not have a credit history.

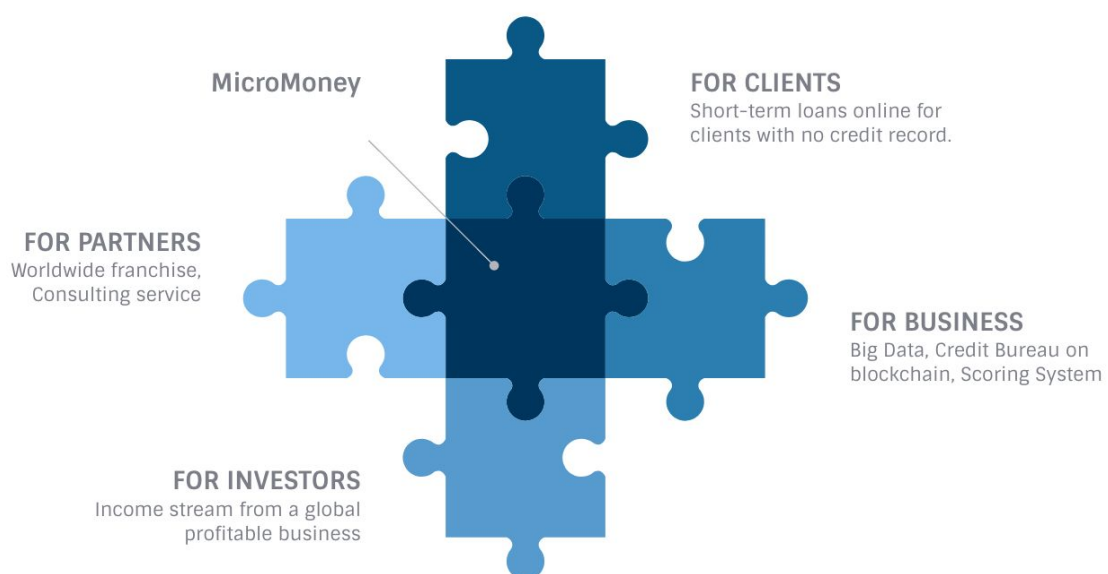
MicroMoney's mission is to solve this problem.

MicroMoney was established as a microfinance institution and have sharpened the business to become decentralized open source credit & Big Data bureau on blockchain. Since 2015, we provide individuals and SMEs with short-term loans as the best solution for their financial needs, using innovative risk scoring powered by artificial neural network.

In the long run, we are able to help 2 bln unbanked and underbanked people to build a multi-purpose digital identity, creditworthiness, and financial reputation. Without borders or intermediaries. Our goal is to bring those people to the new global decentralized crypto economy.

At the same time, we aggregate large sets of data, reflecting our customers' needs, and online behaviour. By sharing and exchanging this Big Data, we enable banks, financial companies, e-commerce, and retail businesses worldwide to efficiently scale. They will get access to new customers unserved before; reduce risks while expanding to new markets; and better understand their customers needs.

Financial services for unbanked and underbanked, Big Data services for business, combined with worldwide franchise constitutes MicroMoney ecosystem.



Currently MicroMoney is establishing new branches in Indonesia, Sri Lanka, and the Philippines. Next target countries are Vietnam, Malaysia, Singapore, Hong Kong, Nigeria, and China as a promising market. These branches will start operating until the 2017 Q3 - 2018 Q1. For the purpose of further business expansion and developing new products, MicroMoney has decided to start a Token Crowdsale.

# Introduction

According to a McKinsey Report<sup>1</sup>, in 2010 2,5 billion adults, just over half of world's adult population, did not use formal financial services to save or borrow. Despite the movement towards financial inclusiveness, in 2017 there are still about 2 billion people in the world without formal banking. That means they forced to use cash in their daily life and have no chance to address their urgent needs by applying for banking services. Borrowing from friends and family is the most common source of urgent finances because their loan applications are hardly be approved by banks. The reason is always the same: they have no credit histories. Although financial organizations declare that there is the less number of unbanked each year, those who remain in unbanked or underbanked status do not have easy way to solve their situation.

What are the trickiest things for banks to involve such people into their audience? Unbanked are profitable at large, but they involve higher risks and low margins. Blockchain technology came as an answer to classical but outdated banking restrictions. It provides financial institutions with a way to increase a market competition and to make a product revolution in financial services. Current situation enables and even forces all market players to provide fast and affordable services of high quality for the financially excluded population worldwide.

Today we can say that savings and lending services constitute human rights. Moreover, financial services become one of the main sources of income for the state economies, encouraging the other industries development. The access to wider financial opportunities for unbanked means higher standard of life globally: better education, medical care, establishing new small businesses, and improving the state economy.

## Market Overview

The emerging markets show interesting statistics: they have a high percentage of the unbanked and underbanked population, and high penetration of the Internet and mobile services at the same time.

**Here are some examples of countries and regions demonstrating these trends:**

### **Africa (population: 1,1 bln)**

80% of the population does not have a bank account but 63 out of 100 people use mobile phones. Experts expect this factor to help in solving the banking services availability problem.

### **India (population: 1,3 bln)**

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<sup>1</sup>[http://mckinseysociety.com/downloads/reports/Economic-Development/Half\\_the\\_world\\_is\\_unbanked.pdf](http://mckinseysociety.com/downloads/reports/Economic-Development/Half_the_world_is_unbanked.pdf)

Currently India is the world's fastest growing Internet market with user base growth of 51,9% in 2015. However, India's unbanked population would be the world's 7th-largest<sup>2</sup>. A report<sup>3</sup> prepared by PricewaterhouseCoopers in 2015 pointed out that India's unbanked population that year was 233 million.

#### **China (population: 1,3 bln)**

China has 731 million internet users, with 53.1 percent of the population online. And 95% of users access Internet from their phones. The country shows a fast development pace but still has 21% of unbanked<sup>4</sup>.

#### **Pakistan (population: 193 mln)**

Pakistan showed 185% growth of mobile broadband users, but 100 million Pakistanis are still unbanked<sup>5</sup>.

#### **The Southeast Asia (population: 800 mln)**

Asian region overall expects to be the world's fastest growing Internet region by 2020. It shows growing amount of Internet users, extending mobile phones penetration, and increasing usage of social networks .

According to Google and Temasek, by 2025 the South East Asian Internet economy is expected to reach 200 billion USD, strengthening its already strong and growing GDP of 2.5 trillion USD. With its mobile connection growth rate higher than the global average (124% vs. 103%), and its Internet speed expected to reach the global average of 23.3 Mbps soon, the region's Internet industry is flourishing. Furthermore, as of January 2017, social media penetration of its member countries is high.

At the same time, only 27% of the South East Asian population has a bank account. In poor countries like **Cambodia**, the numbers fall to about 5%. That's about 438 million people in the region unbanked.

In **Myanmar**, the smartphone penetration stands at 58%, higher than the global average of 37% and the regional average of 47%. In the meantime, Myanmar has one of the lowest banking penetration rates in Asia, with over 85% of adults (aged 15+ years) unbanked. Central bank data suggest that outside Yangon city, the unbanked comprise more than 95% of the population, and only 1 million households have a credit card. As a result, 95% of more than 50 million population depends on about 5 000 unofficial money lenders and "loan sharks".

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<sup>2</sup><https://scroll.in/article/822464/demonetisation-indias-unbanked-population-would-be-the-worlds-7th-largest-country>

<sup>3</sup><https://www.pwc.in/assets/pdfs/publications/2015/disrupting-cash-accelerating-electronic-payments-in-india.pdf>

<sup>4</sup><https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/falgunidesai/2016/08/22/the-intersection-of-fintech-and-financial-inclusion-in-asia/&refURL=&referrer=#ee1d4a51d893>

<sup>5</sup><http://www.worldbank.org/en/news/feature/2016/02/08/what-will-it-take-for-pakistan-to-achieve-financial-inclusion>

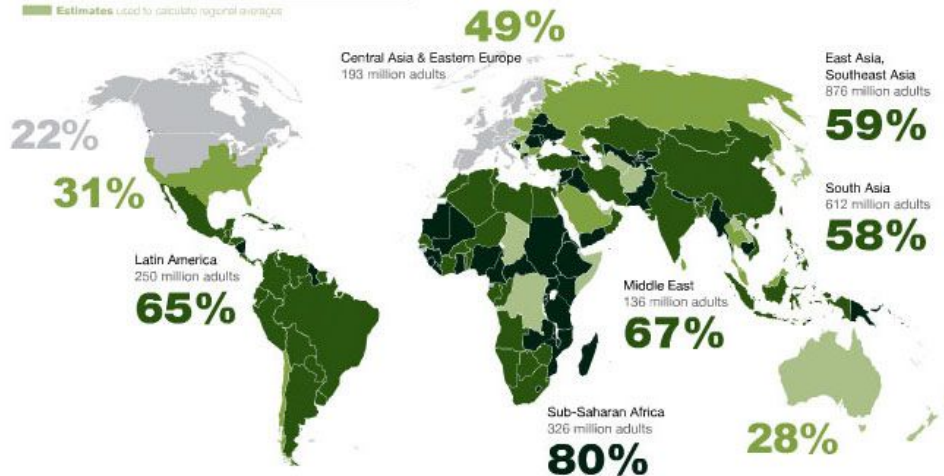
## The Substantial Growth of Unbanked and Underbanked

Nearly 2.2 billion financially unserved adults live in Africa, Asia, Latin America, and the Middle East.

Percentage of total adult population who do not use formal or semiformal financial services

0-25% 26-50% 51-75% 76-100%

Estimates used to calculate regional averages



*Counting the world's unbanked | McKinsey & Company*

## The Global Problem

As people worldwide lack access to basic financial services, they have limited capacity to overcome poverty and to increase their living standards. That implies lack of access to both banking services (loans, mortgages or bank accounts), and access to all other services and opportunities. No credit histories means limited access to banks services, which means no loans, which means no credit histories... However, there is hope to break this vicious circle.

There is a large percentage of unbanked in Asia-Pacific Region, which is now home to more than half of the world's internet users, 54% of the world's social media users, and 56% of all mobile social media users. This trend proves that although most Asian people may be unbanked, the digital services and innovative solutions have improved people's lives. And we are here to help with bringing those millions of unbanked to the new global crypto economy.

## Our Solution

### Giving micro money to people

MicroMoney is a team of professionals experienced in working on emerging markets. There are 196 countries in the world, and 100 countries out of those 196 countries is our target

market. Who are our potential clients? They are more than 2 bln unbanked people, they run cash-only households, have no credit histories, have no debts, and widely use smartphones and Facebook. They are so called “blue collars” and “white collars”, and SMEs. Theirs monthly income is around \$200-500.

This implies a huge amount of new customers, and we are here to bring them to the new world global crypto economy.

At emerging markets borrower's smartphone can tell us everything about borrower's creditworthiness. **No jokes, your smartphone knows you much better than even your best friend.**

So we made an App, which gathers 10 000 parameters. We analyze this Big Data using our AI Neural Network Scoring, and this is enough to take loan approval decision in just 15 seconds. Now, to borrow money using our app is as easy as to order Uber. Of course, we are always improving the system.

We realized that 90% of our customers take the first loan in their life. At the same, we were overwhelmed by an idea: by providing money for people, we are not just helping with addressing daily needs. We are helping to create a digital financial identity, to build creditworthiness, and reputation, to create their first credit histories.

And if we want to improve the lives of these two billion people, we must give these people access to the world economy. How?

### **Building Open source Credit Bureau on Blockchain**

Loans through smart contracts, transparent and reliable credit histories. We must enable businesses to get access to our customers, offering them a best service.

### **Providing Big Data for Businesses**

So our products are a digital financial identity encrypted on blockchain, and Big Data gathered from borrowers' smartphones. And that Big Data of previously unserved customers becomes really useful for business: **people need money and services, while business need these new customers.**

As you can see, we had started as a company fully focused on micro-financing in the money lending industry, aiming to provide the best solution to individuals and SMEs. But nowadays we are proud to be fintech company, working towards a goal of global financial inclusion.

Since 2015, MicroMoney successfully operated in Cambodia. In 2016, we started in Myanmar and decided to expand worldwide. In 2017, MicroMoney established back office in Thailand for the purpose of reducing operational costs and making further expansion to the region: Philippines, Indonesia, Malaysia, Sri Lanka, Singapore, Hong Kong, China.

### **Expanding Worldwide**

Considering scaling our product, we've found around 100 most populated countries with billions of unbanked and huge demand on our main products.



So, we took this idea from McDonald's, and completely standardized and packed our business processes in CRM system (BPM Online). Now it is a ready-to-go Franchise Financial Platform. Hence, expanding to new countries and opening new branches is dramatically simplified.

## Our Mission

- Solving hunger and poverty by providing unbanked people with access to financial services and possibility to build their first credit history on blockchain.
- Helping unbanked small entrepreneurs to grow their businesses by offering them online loans.
- Enable banks, financial companies, e-commerce, and retail businesses worldwide to efficiently scale and serve customers, who had no access to their services.
- Creating extensive micro-financing ecosystem by providing our franchise to local partners.
- Rising financial awareness among our clients by consulting services and educational materials.
- Enable blockchain companies to efficiently scale their customer base by getting access to our open source Credit Bureau with millions of un(der)served people.
- Bringing financially excluded people to the new global crypto economy.

## How does MicroMoney Work?

### Our History: Two years of hard work

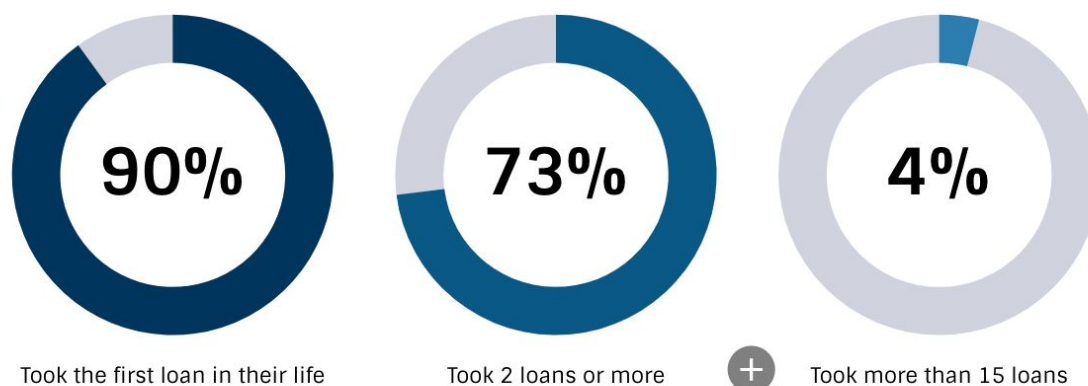
MicroMoney was established as a company focused on micro-financing in the money lending industry, aiming to provide the best solution to individuals and SMEs financial needs. MicroMoney is successfully operating in Cambodia, Myanmar, and Thailand, where our back office is located.

We provide customers with online loans without any collateral requirements. Using machine learning algorithms, we can approve loan in just 15 seconds, time-to-money usually we are trying to make in 1 hour. Customers can get the money just by filling up the application form in our mobile app. After setting up our branch in Cambodia it took only 3 months to make the business profitable. Founded in 2016, MicroMoney Myanmar shows stable performance growth.

Two years of diligent work resulted in unique scoring technology; wide network of business-partners; and stable business growth. As for customers feedback, our Facebook

page<sup>6</sup> reached more than 500 thousands followers, and our app<sup>7</sup> in Google Play has 4.8 out of 5 customer rating.

We have more 95 000 registered users. 90 percent of them took out the first loan in their life. About 73% got back to us for the second loan. Currently our retention statistics shows 4,5 payday loans per client on average.



We help our client to achieve their goals or deal with challenging life circumstances. To accomplish that, MicroMoney has formed a team of technical and business experts; we constantly update our financial products, produce educational content, and expand the business to new markets.

in December 2015, we issued 21 loans, only ~\$800 in total. By the end of 2017, our disbursement volume will reach \$4,9 mln.

Two years of profitable business has proved the robustness of MicroMoney existing business model. Our customers' behaviour shows that there's high demand for micro-loans among individuals and SMEs who never had access to financial services.

## Performance Summary

Current Performance				Financial Projections		
	2015	2016	2017, EoY	2018	2019	2020
<b>Unique registered customers</b>	100	50 000	150 000	1 mln	5 mln	25 mln
<b>Issued loans / credit records</b>	21	11 040	70 000	400 000	3 mln	12 mln

<sup>6</sup> <https://www.facebook.com/micromoneymyanmar/>

<sup>7</sup> <https://play.google.com/store/apps/details?id=mm.com.money&hl=en>

<b>Issued loans, USD</b>	1 050	662 400	4 900 000	40 mln	0,3 bln	1.2 bln
<b>Total raised Funds , USD</b>	30 000	950 000	1 850 000 (2017 Q3) + token offering			

## Our Timeline

2015	2016	2017, Q3
<b>IT</b>		
Risk management system is being developed.	Own CRM is being developed.	Machine learning and AI is implemented.
First Credit records gathered and are stored in Excel.	Predictive scoring system is being developed.	Credit Bureau development started.
<b>OPERATIONS</b>		
Inhouse call-center is set up.	Inhouse debt collection agency is established.	Partnership agreements in Sri Lanka and Indonesia are signed.
3 people in the team.	35 people in the team.	85 people in the team. 7 different nationalities
<b>PRODUCT</b>		
Payday Loans.	Connected to all major fiat payment systems.	Connected to the first crypto cash e-wallets (by Everex).
<b>APP</b>		
Android App development is started.	Android App is successfully launched.  20 000 unique registrations.	Android App updated.  10,000+ parameters are being gathered from borrowers phones.  Google Play rating reaches 4.8. 95 000 unique registrations.

CUSTOMERS FEEDBACK		
	1000+ positive feedbacks.	500 000+ likes on Facebook.
BUSINESS EXPANSION		
Cambodia.	Myanmar.	Thailand (back office).  Expansion to Indonesia, Philippines, and Sri Lanka is started.

## Scoring App Powered by Artificial Neural Network

The screenshot shows the MICROMONEY app interface. At the top, it says "I NEED 30000 MMK FOR 28 DAYS". Below this is a slider for the loan amount, currently set at 30,000 MMK, and a timeline for 28 days. A table below the slider shows the loan details:

Cash Advance Amount	Total Repayment amount	Repayment date
30000 MMK	38400 MMK	17 APR 2017

Below the table are input fields for "Full Name" and "Phone" (with "09" entered). At the bottom is a large orange button that says "APPLY TO GET LOAN NOW!".



### **Borrower's smartphone is an efficient tool to check borrower's creditworthiness.**

Our technical experts have developed a unique scoring algorithm based on artificial intelligence and machine learning. By now, precise prediction about borrower's trustworthiness is made based on around 10.000 of parameters collected and analyzed by the algorithm. We constantly improve the system to get more precise predictions. Given that the scoring system uses machine learning, the more data we collect, the better predictions we get from it. As a result, **our systems forms predictive score in accordance with global FICO system.**

After our app<sup>8</sup> is installed, customer signs an agreement on personal data processing. Additionally to the data submitted to the form, scoring system analyzes user's behaviour while applying, his contact list, calls and sms, webbehaviour, etc. We also receive data from social networks used by a customer. Eventually,

<sup>8</sup> <https://play.google.com/store/apps/details?id=mm.com.money&hl=en>

surfing we acquire very detailed customer's profile<sup>9</sup>.

Through the use of the system we are able to provide micro-loans to unbanked and underbanked clients without a credit history, aggregating Big Data simultaneously.

We are seeing market uptake for this type of Big Data from financial, e-commerce, insurance, telecom and other companies.

**Some of the parameters we collect and analyze:**

- how long does it take for the borrower to fill each field;
- how many seconds he doubted when typing his home address;
- how many times he changed the salary field;
- at what time of the day or night the application was filed;
- what music is in his playlists;
- how long does this person use this smartphone;
- how often does the customer calls to relatives, and whom he calls,
- do we already have clients from his contact list, and what's their reputation.

**Neural Network predictive scoring gives MicroMoney variety of advantages:**

- Financial risks while working with new clients are drastically reduced.
- Scoring costs is one order less than those for traditional banks and MFIs.
- We are able to confidently work with any type of clients (including 2 billion of unbanked, who has no credit record, but are smartphone owners).
- While expanding to totally new market, our risks are less than those for our potential competitors from the very first day of operating.
- Aggregated Big Data is useful for any other business: banks, financial companies, insurance, e-commerce, and retail.

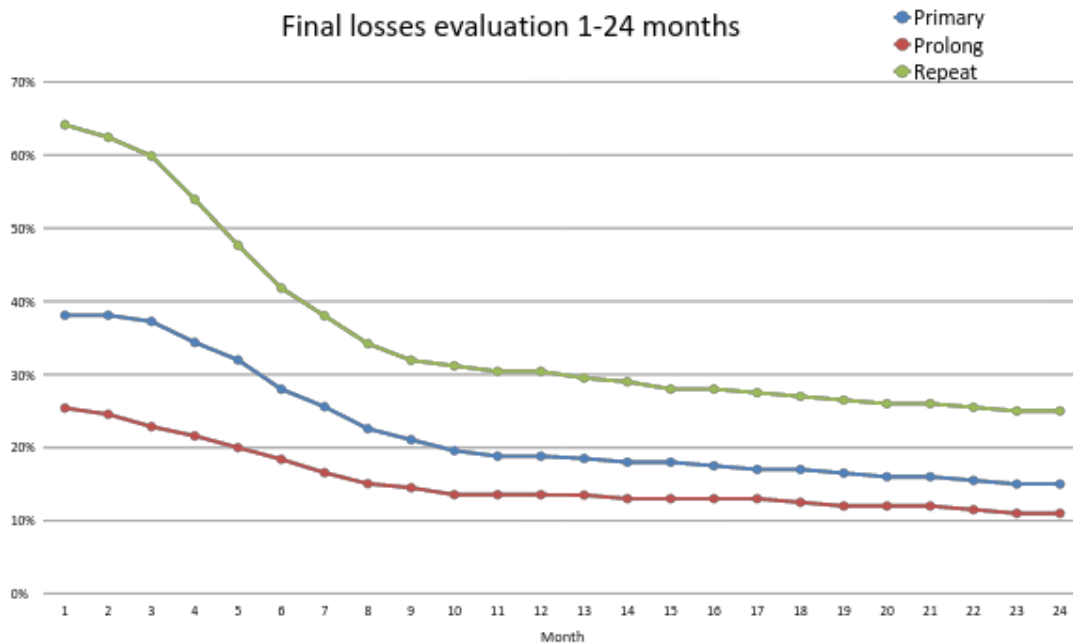
**Risks of loans non-payment**

Our scoring algorithm is a self-learning system: the more loans we give out, the better its prediction works. Therefore, it significantly reduces the risk of loan non-repayment. With each new country launched, we gain access to the huge data sets processed by our algorithm, improving it even more.

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<sup>9</sup> We respect our clients' privacy and do not share or sell this information if permission was not granted by the client.

### Approximate loss evaluation for 3-5 years on a new market, for overdue loans:



### Approximate loss evaluation for the 3-5 years on a new market:

The table shows approximate risks of non-repayment a loan by category over time. As it can be seen, the longer is loan's overdue, the higher is the risk of non-repayment. For the loans with no overdue ("0->3-30" lines in the table), risk of non-repayment decreases from 44% (first loans on a totally new market) to 3% on the third year of operation.

Primary Loan	Loan overdue, days	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Y3-5
	0 -> 3-30	44%	35%	28%	22%	16%	10%	4%	4%	3%
	3-30 -> 31-60	90%	85%	80%	80%	75%	75%	70%	70%	65%
	31-60 -> 61-90	96%	96%	96%	96%	96%	96%	96%	96%	96%
	61-90 -> 90+	98%	98%	98%	98%	98%	98%	98%	98%	98%
Repeated Loan	Loan overdue, days	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Y3-5

	<b>0 -&gt; 3-30</b>	<b>27%</b>	<b>23%</b>	<b>19%</b>	<b>16%</b>	<b>13%</b>	<b>10%</b>	<b>7%</b>	<b>4%</b>	<b>3%</b>
	3-30 -> 31-60	90%	85%	80%	80%	75%	75%	70%	70%	65%
	31-60 -> 61-90	96%	96%	96%	96%	96%	96%	96%	96%	96%
	61-90 -> 90+	98%	98%	98%	98%	98%	98%	98%	98%	98%
<b>Prolonged Loan</b>	Loan overdue, days	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Y3-5
	<b>0 -&gt; 3-30</b>	<b>70%</b>	<b>55%</b>	<b>42%</b>	<b>39%</b>	<b>36%</b>	<b>33%</b>	<b>30%</b>	<b>27%</b>	<b>25%</b>
	3-30 -> 31-60	90%	80%	80%	80%	75%	75%	70%	70%	65%
	31-60 -> 61-90	97%	97%	97%	97%	97%	97%	97%	97%	97%
	61-90 -> 90+	98%	98%	98%	98%	98%	98%	98%	98%	98%

## The Values That We Provide

### MicroMoney for Crypto Community: Developing Crypto Ecosystem

According to our long-term strategy, we see MicroMoney as a part of a crypto ecosystem. Our goal is to enable blockchain companies to efficiently scale customer base by getting access to our open source credit bureau. Providing our partners with data on millions of un(der)served people, we are going to bring those customers to the new global crypto economy.

We are already working towards this goal. In August 2017, we have signed a Memorandum of Understanding with Everex e-wallet (raised more 60.000 Eth during their token crowdsale). Using Everex e-wallet, we will start disbursement of "crypto-cash", thus our customers will get their first loans in cryptocurrency (stable tokenized local currencies)

**As a next step, we consider integration with these high-tech products:**

Everex	Cross-border payment system. Getting crypto-cash for our borrowers.
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GOLEM	Decentralized supercomputer. Deploying AI for our scoring and risk analytics solutions.
Civic	To improve borrower's identification & verification.
Hive	Providing funding for our SME customers.
Tether	Alternative Payment system.
COSMOS	Network and framework for interoperability between blockchains.
Uport	Global, unified, sovereign customer's identity system.
Sonm	Supercomputer. Deploying AI for our scoring and risk analytics solutions.
OmiseGo	Alternative Payment system and e-wallet.

## MicroMoney for people: Providing Micro-loans and Creating Reliable Credit Histories

Immediate loans for 2 billion unbanked and underbanked



### Problem

Depending on country, it's hard or impossible to get unsecured loans for individual without credit record.



### Solution

MicroMoney enables clients with no credit record to take out short-terms loans.



### Problem

To receive the loan in a bank or MFI, massive list of verification documents and collateral are required.



### Solution

MicroMoney clients get immediate loans by applying online through mobile app. No collateral or additional documents are required.

Market research shows that existing financial institutions in emerging Asian economies still cannot sufficiently address consumers needs for short-term loans:



**Banks:**

Documents: ID + Family book + recommendation from police station + salary slips + recommendation from work. Collateral. Guarantor.

**Micro Finance Companies:**

Documents: ID + Family book / recommendation from police station / additional documents. Collateral. or Multi guarantors ( group loans )

**Pawnshops:**

Documents: ID.

Collateral Guarantor: Needed (Gold, Electronics etc.).

**Unofficial Money Lenders and Loansharks:**

Documents: ID, Recommendation by existing client / Referral.

Collateral Guarantor: Negotiated.

## Our products

**Payday Loans (PDLs) and Installment Loans**

- Loan tenor: 14, 21, 28 days; 2-3 months.
- Cost of a loan: No interest rate, fixed commission per day. In 85% of cases the overpayment does not exceed 30% of loan amount.
- Loan amount: for first loans - just ~\$23. For next loans amount increases. We teach our customers to borrow wisely. For example, not to borrow more than 20% of his monthly income.
- Average loan amount: \$23-250 for MM, KH, PH, ID, LK. For SG, HK, CH - may vary.
- No collateral.
- Time-to-money: immediate loans; decision on loan approval takes 15 seconds, money delivery is within 1 hour.
- Loan disbursement channel: 1st loan is disbursed through domestic remittance or at bank account (also by teaching customers how to open bank account). Next loans are disbursed through domestic remittance, bank accounts and payment systems. We are going to implement Everex e-wallet, so we can provide our customers with loans in cryptocash.
- Documents required: Applying online. Loan approval is based on our own scoring algorithm (see respective paragraph for more details).

**Loans for Small Entrepreneurs (SME Loans)**

- Loan tenor: 2-3 months.
- Cost of a loan: competitive interest rate depending on business type.
- Loan amount: not more than 30% of SME monthly turnover, \$200-500.
- No collateral.

- Time-to-money: immediate loans; decision on loan approval takes 15 seconds, money delivery is within 1 hour.
- Loan disbursement channel: 1st loan is disbursed through domestic remittance or at bank account (also by teaching customers how to open bank account). Next loans are disbursed through domestic remittance, bank accounts and payment systems. We are going to implement Everex e-wallet, so we can provide our customers with loans in cryptocash.
- Documents required: Applying online. Loan approval is based on our own scoring algorithm (see respective paragraph for more details) + analyzing cash flow of borrower.

## Helping our clients to build a credit record for future

Problem	Solution
 <p>Lack of centralized credit records database, lack of Credit Bureaus in majority of Asian countries. Therefore clients can't build their credit record for future.</p>	 <p>MicroMoney enables clients to build and secure their credit records for future by blockchain-based credit record database.</p>

By 2014, only 12,6% of adult population in Cambodia had bank account or account in any other financial institution, and at the same time according to The World Bank statistics<sup>10</sup>, about 60% of adult population report borrowing any money (by themselves or together with someone else) for any reason and from any source in the past 12 months. Similar statistics was demonstrated in Myanmar: 22,6% и 42,8% respectively. That means million of people using unlicensed sources or receiving payday loans from pawn shops in cash. By doing that they are not building their credit record, what's more important, financial record will be totally lost simply by relocating to another town. **MicroMoney provides each client with scoring record using global score, similar to "FICO"**. MicroMoney credit record base is being moved to blockchain, which guarantees safety and credibility of the information.

## First purely-online company on the market



Problem	Solution
 <p>overwhelming majority of Banks, MFIs and pawn shops still operate offline or partially offline.</p>	 <p>MicroMoney grants short-term loans by using pure-online model. no paperwork in 15 minutes</p>

<sup>10</sup> <http://databank.worldbank.org/data/reports.aspx?source=1228>

The financial market landscape in Asia region clearly demonstrates its readiness for purely-online business model:

- Asia Pacific is a home for 3,8 bln people<sup>11</sup>.
- According to Statista<sup>12</sup>, smartphone penetration is going to reach 35% all over across Asia Pacific (1.3 bln smartphones) . At the same time smartphone penetration in big cities and capitals already reached 60% and continuously increases.
- *Easy way to deliver and collect money due to well developed and affordable money remittance with local payment systems. Banking payments are available for repayments as well.*
- E-signing is recognized, thus all agreements may be executed online. It's possible to confirm identity and execute scoring online.
- There are no restrictions on digital advertisements for money lenders. Which makes lead generation easier. We pay less than 1 dollar for each reliable borrower!
- Simple legal setup. In majority of countries licensing is very easy or not required for money lending as long as deposits are not taken. There are mostly no regulations about loan amount, its terms and effective interest rates.

## Rising financial awareness

	Problem		Solution
	Unbanked and underbanked people are not familiar with types and conditions of financial services they may benefit from.		MicroMoney provides its clients with consulting services, explaining how to open bank account or install e-wallet.

According to The Global Findex Database<sup>13</sup>, only 4% of unbanked adults declare that they don't have bank account because they just don't need one. 355 mln people have bank account and still transfer money in cash<sup>14</sup> within the country. MicroMoney call-center helps to open a bank account or install an e-wallet to the borrowers smartphone. Thanks to MicroMoney consultants, thousands of customers opened the first bank account in their life.

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<sup>11</sup> <https://en.wikipedia.org/wiki/Asia-Pacific>

<sup>12</sup> <https://www.statista.com/statistics/321490/smartphone-user-penetration-in-asia-pacific/>

<sup>13</sup> <http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf#page=3>

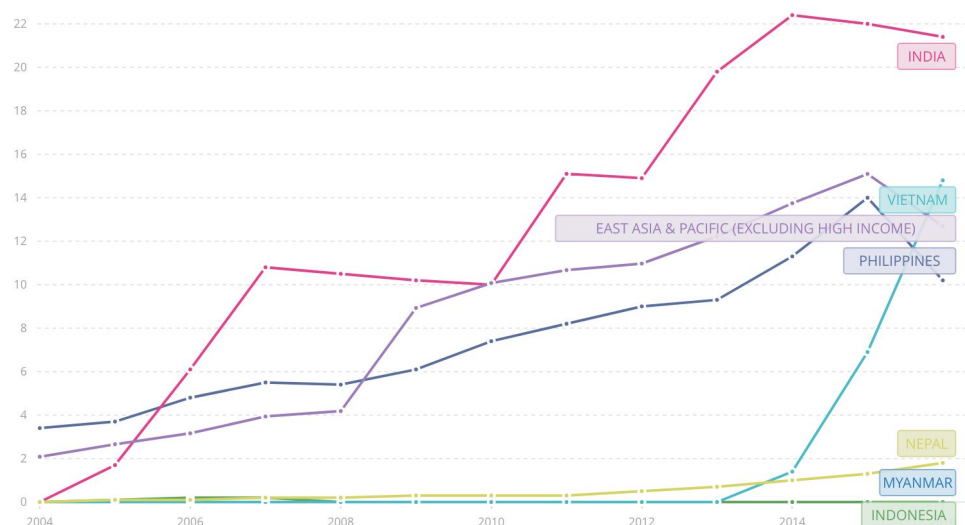
<sup>14</sup> <http://www.worldbank.org/en/programs/globalindex/infographics/infographic-global-findex-2014-financial-inclusion>

# MicroMoney for business: Acquiring New Customers by using our Big Data

## Big Data & Credit Record Bureau on Blockchain

Even in countries with a developed lending market, credit bureau coverage remains low. For instance, in Indonesia there are almost 10 thousand lending entities operating, still there are no countrywide credit bureaus. This inhibits market development and is not beneficial neither for business nor for customers.

According to The World Bank statistics<sup>15</sup>, only 12,69% of adult population with middle and low income is covered by private credit bureau in Asia. There are still 0% coverage in some countries (such as Myanmar and Indonesia).



*Private credit bureau coverage (% of adults).*

### Problem



Establishing any financial business in Asia may be complicated because of high risks. Lack of Credit Bureaus inhibits market development and harms both businesses and end-customers.

### Solution



MicroMoney is going to provide paid access\* to collected credit records, and exchange data with business-partners.

\* In case borrower's permission is granted.

<sup>15</sup><http://data.worldbank.org/indicator/IC.CRD.PRVT.ZS?contextual=default&locations=MM-ID-PH-IN-VN-4E-NP>

Big Data collected by MicroMoney may provide business value for banks and MFIs. But it could be beneficial for e-commerce, telecom and insurance industries as well. The data at MicroMoney's disposal helps to facilitate access to a new audience, segment potential customers by interests, and effectively target consumer offers. Thus, the business gets an opportunity to reduce risks, and MicroMoney customers receive more advantageous consumer offers.

**Protection of personal information is our priority. We respect our customers' personal data and never pass it on to a third party without customer's consent.**

## Market Uptake and Use Cases

We want to enable worldwide banks, financial companies, e-commerce, and retail businesses to efficiently scale and serve more customers, who had no access to their services before.

We want to enable blockchain companies to efficiently scale their customer base by getting access to open source credit bureau with millions of un(der)served people. We want those people to become a part of new global decentralized crypto economy.

MicroMoney will provide access to its data through an API platform. Our technical expert team is constantly improving the algorithm that processes information. Within several months the entire pool of existing credit records will be moved to blockchain. Therefore the safety and reliability of the collected information will be guaranteed.

For now we keep credit records and customer's data in our Big Data Warehouses. It will be transferred to a blockchain ledger after the completion of the Token Crowdsale. Our goal is to make MicroMoney a decentralized database of credit records and Big Data bureau on a blockchain. Our technology will allow our partners to backup borrowers' personal data (e.g., credit records or any other data we get from customers' smartphones) in a secure, private, and anonymous manner.

### **Big Data for Banks**

Banks are using extensive budgets to attract and verificate their customers. According to our own sources among customer acquisition professionals, average USA bank pays from \$10 to \$100 to acquire and check 1 new customer, in Europe prices are only a bit lower. Each time a bank sends a credit offer to its client (sms or e-mail), it is forced to pay a regular credit bureau, and therefore the cost of one loan issued grows. For MicroMoney, the cost of acquiring 1 reliable borrower is just \$1. And banks can buy credit records from our Credit Bureau **using our tokens**.

### **Big Data for microfinance, finance, and insurance companies**

This businesses may want to expand to countries, where we already operate. Still they face high risks, as far as there is no nationwide credit bureau. Therefore, the population of those countries is a large grey zone for them.

### **Big Data for e-commerce, and retail businesses**

We could help e-commerce and retail to get new customers from our database or to better understand what those new customers want. For example, we can define from client's Internet browsing history that he was looking for a baby stroller recently. Therefore e-commerce may offer him to buy diapers in nearest shop.

### **Exchange mechanism**

Any business user (for instance, bank or e-commerce company) can exchange their credit records for our credit records. Both parties have profit from this transaction.

### **Market uptake is rising**

We forecast high demand on our Big Data and credit records. We are developing open source credit bureau, where depersonalised data will be fully free of charge. Access to personalised information and AI Neural Networks Predictive Scoring will be granted on a paid basis (only if customer agreed to share his personal data with third parties).

## **MicroMoney for Local Partners: Scaling Business Worldwide**

Due to the experience in different local markets and comprehensive marketing and legal research conducted, MicroMoney has developed the algorithms of expanding the business to new countries. Currently we are ready to start an international franchise.

Access to the MicroMoney financial and legal expertise will enable our potential partners to enter emerging markets worldwide.

We provide our franchise partners with all necessary market researches, risk management knowledge, scoring know-how and detailed business plans to start their own profitable business.

### **What MicroMoney provides to its franchisee:**

- Comprehensive legal and marketing research for target country.
- Proven business model, financial forecast and costs estimation.
- Access to our neural network-based scoring system.
- Expertise and scripts for customer care and debt collection.
- Variety of consulting services while setting up.

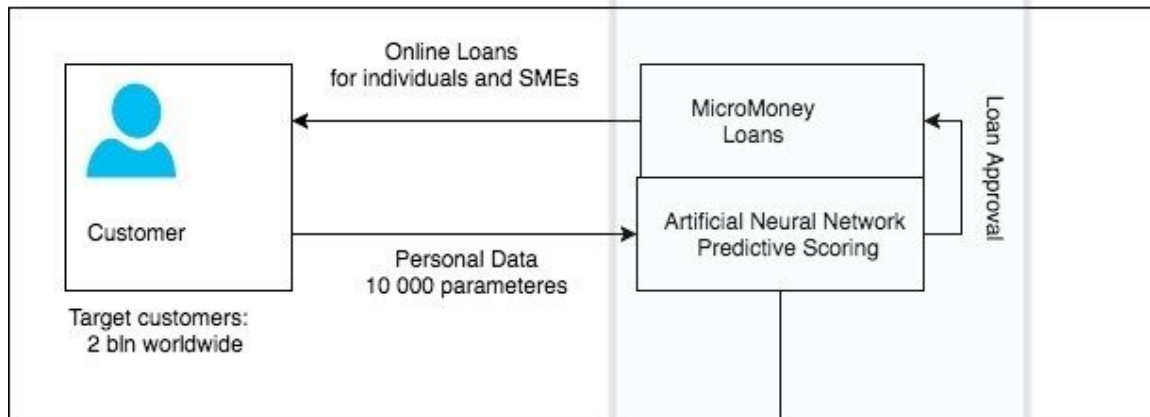
### **We are proud to announce that two franchise contracts are already signed:**

Mr. Frans Purnama, a chairman of Indonesia Microfinance Association with 50 000 000 active borrowers, became our partner in Indonesia. Mr. Madhawa Edussuriya, who is an owner of a large microfinance company Prosperous Capital & Credit Limited, became our partner in Sri Lanka.

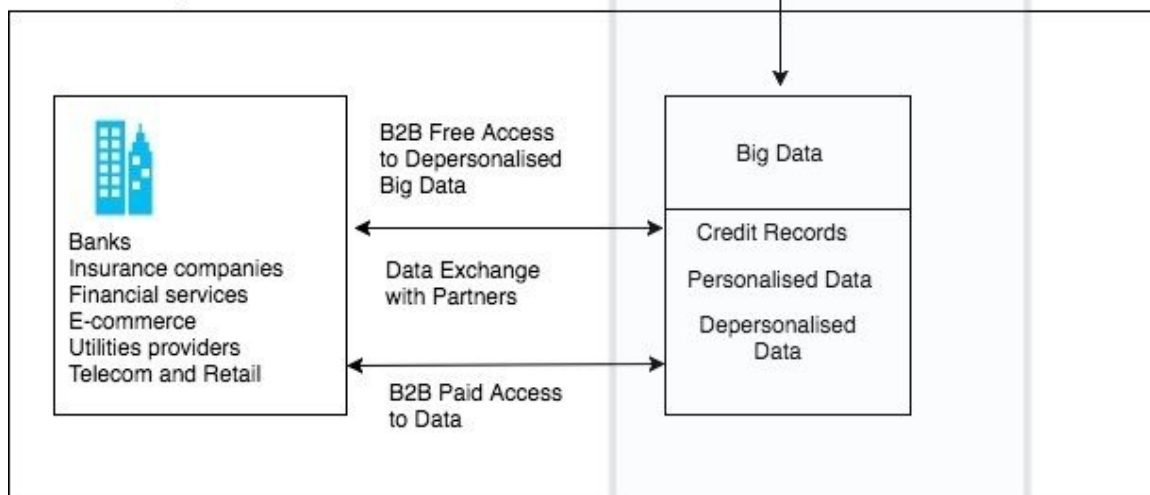
In October 2017, we are going to sign a contract with Mr. China Muoka, our new partner in Nigeria.

## Combined Operation Diagram

### MicroMoney for People



### MicroMoney for Business



Credit & Big Data Bureau on Blockchain

*Figure shows MicroMoney Operation Diagram.*

# Why Do We Start Token Crowdsale Campaign?

## Expanding worldwide, starting from Asia and Africa

MicroMoney is ready to go in 10 more markets. We have conducted all necessary research and have pre-agreements with our future local partners.

Given that we have all needed knowledge and resources, we will scale our business to Indonesia, Sri Lanka, Philippines, Vietnam, Malaysia, Singapore, China, Hong Kong, and Nigeria regardless Token Crowdsale results. Nonetheless, a successful Token Crowdsale campaign will allow us to speed up planned expansion, capture additional markets, and develop our products and services quicker.

## General Investment Summary for Asia in 5 Years

Country statistics	VN	PH	ID	MY	CN	MM	LK
Population, mln	91	101,9	255	31	1 376	51	21
GDP per capita (nominal), thsd USD	2,3	3,2	3,5	12,2	8,8	1,4	3,9
GDP per person employed, thsd USD	9,3	17,1	21,9	55,7	23,1	3,3	26
Labor force ratio	62%	63%	67%	66%	58,3	68%	42%
Average monthly salary, USD	200	208	250	961	730	120	233
Smartphone penetration	20%	50%	25%	63%	56%	58%	41%
Bank account penetration	21%	27%	20%	66%	64,70%	5%	83%
Volume indicators (year 5)	VN	PH	ID	MY	CN	MM	LK
Loans issued in year 5, thsd	1 291	441	464	198	1154	620	422
including prolongations							
Loans issued per day in year 5	3537	1208	1271	542	3160	1698	1156
including prolongations							
Investment parameters	VN	PH	ID	MY	CN	MM	LK
Investment, mln USD	15,7	8,8	11	8,6	31,4	4,5	4,2



capex + opex	5,1	4,1	4,4	4,7	12,2	3,3	1,3
portfolio financing	10,6	4,8	6,6	3,9	3,4	1,1	2,8
Break-even period, months	15	20	20	18	25	22	17
Payback period, months	19	49	50	51	45	31	56
Revenue, (Year 5), mln USD	71	42,2	53,9	37,3	130	18,5	45
Profit before taxes, (Year 5), mln USD	19	15,5	16,8	15,3	42	5,5	8,5

*Table shows General Investment Summary for Vietnam, Philippines, Indonesia, Malaysia, China, Myanmar and Sri Lanka respectively.*

## Business Expansion

Short-term Expansion Strategy		
Country	Status	Approximate Launch Date
Myanmar	Successfully Operating	2015
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Myanmar">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Myanmar</a>		
Cambodia	Successfully Operating	2016
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Cambodia">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Cambodia</a>		
Thailand	Successfully Operating	2017
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Thailand">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Thailand</a>		
Indonesia	Ready for Launch	2017 Q3
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Indonesia">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Indonesia</a>		
Sri Lanka	Ready for Launch	2017 Q3
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/SriLanka">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/SriLanka</a>		
Philippines	Ready for Launch	2017 Q3
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Philippines">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY/Philippines</a>		
Nigeria	Pre-agreement with Local Partner is signed	2017 Q4

business plan is developing		
Malaysia	Looking for local partners	2017 Q4
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/Malaysia">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/Malaysia</a>		
Singapore	Looking for local partners	2017 Q4
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/Singapore">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/Singapore</a>		
Hong Kong	Looking for local partners	2018 Q1
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/HongKong">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/HongKong</a>		
China	Looking for local partners	2018 Q1
<a href="https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/China">https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY!/China</a>		
<b>Long-Term Expansion Strategy</b>		
Taiwan South Korea	Looking for local partners	2018
India Africa region	Conducting Market and Legal Research	2018-2019
Latin America	Conducting Market and Legal Research	2019-2020

## Core Milestones

**USD 1 000 000 raised**

Total serving market size: Potential market volume of unbanked and underbanked customers	IT	Scoring and Product	Customers Acquisition
400 000 000	Decentralised Credit Bureau on Blockchain is launched. Start of global expansion.	AI Neural Network scoring improvements. New financial products. Connection to crypto-cash e-wallets.	100 000 unique customers additionally acquired

**USD 5 000 000 raised**

Total serving market size: Potential market volume of unbanked and underbanked customers	IT	Scoring and Product	Customers Acquisition
900 000 000	Risk management and Scoring systems are ready for local partners and as a White Label.	Start of using decentralised AI Neural Networks	300 000 unique customers additionally acquired

**USD 10 000 000 raised**

Total serving market size: Potential market volume of unbanked and underbanked customers	IT	Scoring and Product	Customers Acquisition
1 400 000 000	Crypto Economy integration: all loans and payments are moved to Smart Contracts on Blockchain.	<ul style="list-style-type: none"> <li>- Savings Deposits Services.</li> <li>- P2P lending platform development.</li> </ul>	1 000 000 unique customers additionally acquired

**USD 15 000 000 raised**

Total serving market size: Potential market volume of unbanked and underbanked customers	IT	Scoring and Product	Customers Acquisition
1 900 000 000	Online financial platform is ready for local partners and	Franchise marketplace and Crowdfunding	5 000 000 unique customers additionally acquired

	as a White Label	platform is launched to help entrepreneurs with growing their businesses on undeveloped emerging markets.	
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**USD 30 000 000 raised**

Total serving market size: Potential market volume of unbanked and underbanked customers	IT	Scoring and Product	Customers Acquisition
2 000 000 000	Financial DAO. Fully decentralised autonomous organisation. Financial marketplace, Credit and Big Data Bureau, Risk management and Scoring based on Artificial Neural Networks.	"Online Crypto Bank & Marketplace" Franchise is ready for local partners and as a White Label	25 000 000 unique customers additionally acquired

## What is a MMT token:

MMT token based on the proven risk management and Big Data platform. The token is a part of our ecosystem and is used inside it in different ways.

Also, since the token is the fuel of the system, many of our customers will want to use it more, and should buy it on exchanges at the market price.

MMT token has a lot of features within the MicroMoney's financing platform:

### **1. Premium access**

MMT ownership will give access to advanced platform's features, such as instant loan application approval on demand.

## **2. Global Credit Scoring**

The more MMT you have, the better is your credit rating in Micromoney ecosystem. A person or a small business after each payback of loan will be awarded with MMT token. All members of Micromoney ecosystem can accumulate MMT tokens to improve their credit score and it will work in part of the world.

## **3. Encouragement and rewards**

Firstly, borrowers in Micromoney are rewarded with a MMT bonus for paying back their loans in time while delays cause the MMT reducing depending on the overdue time. Secondly, if a borrower has persons vouching for him or her and all the payments made in time, the co-signers will receive the MMT token reward as well.

## **4. A collateral**

MMT can be used as a collateral to secure a loan application allowing customers to achieve the lower rates and the other possible privileges and discounts.

## **5. Getting free access to Customers big data**

Customers of our Big Data Bureau - Banks, Financial and Insurance companies, e-commerce, retail, telecom - should have minimum balance of MMT tokens to get limited free access to depersonalized customers data.

## **6. Getting payable access to Customers big data & credit histories**

Banks, Financial and Insurance companies, e-commerce, retail, telecom - should use tokens to pay for accessing personalised information in Big Data & Credit Histories Bureau.

## **7. Getting payable access to Decentralised A.I. Neural Network Scoring system**

Banks, Financial and Insurance companies, e-commerce, retail, telecom - should use tokens to pay for accessing *Decentralised A.I. Neural Network Scoring system*

## **8. The right to any contribution to the system to support Sustainable Development Goals.**

We support SDG program of United Nations: No Poverty, Zero Hunger, Quality Education, Gender Equality, Decent Work and Economic Growth, Reducing Inequalities.

*We also can say - MMT is an Micromoney "in-game" token, and participants of Micromoney Ecosystem are rewarded for doing certain actions. Also, the token can be used to pay for and unlock certain in-game resources.*

## **MMT token mechanism in details**

### **Scoring for payday loans services**

An accuracy in customers' creditworthiness assessment is vital for the lending industry. Usually, a scoring process includes credit rating points depending on forecasts of the client's ability to repay the loan in time. The more opportunities for a customer to pay back the full sum in time means the higher rate for a client. The converse case is also true. The lower rate a client has the higher risk for a company he or she brings. In order to minimize the credit default risk for our lending services, the company was forced to apply the maximal and scrupulous analysis of the potential borrower data.

The thorough financial analysis is based on three main data sources: customer's personal data, data from social media and the user's transactions history. To reach the first two types of data the company needs just an access to a customer's mobile phone data. The blockchain technology makes it possible to get the third one. A mobile phone access

provides such information as a user's contacts, SMS, call logs and so on. A social accounts access is the way to reach such information as marital status, jobs and positions, education, opportunities to travel with communication history, shared content and other information. All these data including even pictures and photos content and geolocation information can give more accuracy for the customer's trustworthiness portrait.

Users that made a default in payment twice or more times usually are put on a black list while the others can be placed on white lists with any privileges or better loan conditions. The other factor that matters is the user's credit history. In case the lender is well-known within the MicroMoney's ecosystem because of paying back loans in time several times his or her score rate improves significantly. However, all these loan obligations should be finished: if a person is involved in lending contracts currently running that will lead to the credit rate reducing because the processes are incomplete. Eventually, MMT tokens can enhance the customers' credit scores. All the information put together and analyzed with Big Data analyzing tools are shown as credit score numbers. The system makes the decision to approve or decline a loan application automatically depending on the certain credit score numerical indicator set.

### **MMT token Value Proposition**

The MMT token is the key component of the company's lending services and the main tool of the MicroMoney's customers rewarding system, enabling the users' credit scores improvement. The higher number of MMTs mean better loan conditions. This is a public tool so customers can earn or buy additional MMT tokens to achieve the more credit worthiness enhancing. Also, borrowers are rewarded with additional MMT tokens if they pay back the loan according to the lending contract conditions. In addition, users can vouch for the borrower with their own MMT tokens and in case the loan is paid back in time both the borrower and the vouching user are rewarded with MMT tokens.

Finally, lenders can earn MMT tokens by providing loans as a reward for their risk in addition to the paid interest rates. In case any part of an agreement fails to carry out their obligations the smart contract calls off the tokens. It's important to know that a user's credit score based on a wide range of various inputs so MMT tokens can be just one of the parameters. Customers can sell or donate their MMT tokens to other clients to improve the buyer's credit score. The blockchain technology keeping all the information is reliable and transparent so each user's credit score is public and available online.

## **Token Crowdsale Structure**

The Micromoney Token crowdsale and the corresponding token creation process will be organized around smart contracts running on Ethereum.

**Token name:** MMT

**Total Token Supply:** 47 000 000 MMT.

Tokens that are not sold during the Token Crowdsale will be destroyed.

**Goals:**

Minimum: \$1 mln. Maximum: \$30 mln.

If the Crowdsale campaign does not reach its minimal capital goal of \$1 mln all funds will be returned automatically to the MMT holders by the Ethereum smart contract.

**Initial rate:** Token price is locked to \$1 per 1 MMT.

**Token distribution:**

Founders — 8%

Advisors — 4%

Bounty — 4%

Investors — 84%.

**Time-bonuses** for early investors during the **Token Crowdsale** phase (extra tokens added to a purchase):

Pre-sale — +43% bonus

1 day — +25% bonus

2-7 day — +20% bonus

7-14 day — +10% bonus

14-21 day — +5% bonus

**Bounty program** (%X out of the bounty pool):

Facebook Campaign - 18%

Twitter Campaign - 18%

Bitcointalk Signatures Campaign - 20%

Bitcointalk Support Campaign - 20%

Publishing Campaign - 12%

Project Creative Support - 12%

## The reasons for victory and the effect we will achieve

Technologies are not able to earn money on their own but their users can.

When we are talking about an access to lending, we do not mean the services: we keep in mind all the real problems people can solve with these tools. We want customers to confide technologies, banks to believe in customers, and customers to trust banks. All the tools we bring to the market helps not only to make loan processes easier for financial organizations

but also to remove barriers for the borrowers financially excluded. It is a Win-Win situation for banks reaching all the necessary data without huge expenses for the market research as well as for the customers achieving all the opportunities the market can offer while keeping their privacy secured.

As MicroMoney builds the decentralised Big data & credit bureau, the ambitious and wide-range blockchain project, the company is able to change the emerging markets' finances allowing to cut the cost heavily and to make lending services available for 2 billion of unbanked people worldwide for the first time in their lives.

We accept credit availability as the part of human rights for people to be educated, to get medical care, to create own businesses and to improve the life quality.

### **A way to well-being**

Two billions of untapped adult population globally can obtain the same market opportunities as the “banked” people have right now. What kind of technologies can do it? These are neural networks, blockchain, AI, mobile scoring and Big Data, of course. The thing is that almost a population of a large country – 2 billion – can live happier than before with their help.

### **A way to inclusion**

To be included in the financial system and to improve life quality, people need just two things – access to any available funds and the tools to receive this access. Here is MicroMoney to help both with the access and the tools.

## **Leadership Team**

### **Founders**

#### **Sai Hnin Aung, Co-founder, Operations Director**

Mr. Sai Hnin Aung has more than 15 years experience in the microfinance/financial industry led by INGO and Commercialized Foreign MFIs. Mr. Sai Hnin Aung has lead teams of up to 550 employees and managed a loan portfolio of about \$40 million. He was able to scale up the process by introducing new technologies with T24 MCB core banking system, UT Mobile, UT Net and Bio-metric devices as a pioneer of Microfinance industry in Myanmar.

#### **Anton Dzyatkovskiy, Co-founder, IT & Scoring**

Successful entrepreneur, strong negotiator, and creative expert in marketing. Passionate and hardworking business leader with more than 13 years of experience in different positions within FinTech, Retail and E-Commerce. Experienced in expanding financial businesses to totally new markets.



## Advisory Board

### **Oknha Sorn Sokna, SONATRA Group, Shareholder, Advisor**

Adviser for Cambodia financial sector of Prime Minister of Cambodia Mr. Hun Sen. Oknha Sorn Sokna has the highest social rank called "Oknha" among Cambodian citizens. He is one of the founders of SOKIMEX GROUP, a large conglomerate company that focuses on oil industry as well as the vice president of Cambodia Chambers of Commerce which is similar to Japan Business Federation (日本経団連). In 2010, he launched Sonatra Group, operating a variety of services such as banking, securities, investment, construction, auditing and accounting. He is also a main shareholder of Sokha Hotel Co., Ltd from SOKIMEX GROUP.

### **Tetsuji Nagata San, East Wing Capital, Shareholder, Advisor**

Starting financial career since 1988 at Sanyo Securities (Japan), Mr. Nagata was engaged in a variety of business activities where he earned a great deal of valuable experiences and excellent performance for 7 years. He was working as Head of Sales at Bloomberg L.P. (Tokyo) where he dedicated himself to sales activities with his customary ability and market analysis from 1995 to 2006.

In 2006, he founded East Wing Asset Management LLP now reorganized as East Wing Consultancy Pte. Ltd., with current investments amounting to over 20 million USD. In 2010, Mr. Nagata founded East Wing ASA Capital Pte. Ltd as Managing Director.

He also runs Sonatra Microfinance Institution PLC and Sonatra Construction Co., Ltd, a Cambodia based financial company, as CEO. In August 2013, together with other partners, he founded Nexasia Capital Pte. Ltd. Mr. Nagata holds an MBA at Thunderbird, the Garvin School of International Management, USA.

## Partners

### **Blockchain and Technical partners**

Ambisafe, Everex

### **Fintech partners**

OK Dollar, KBZ, AYA, CB Bank, AYA bank, TRUE money, WING, Mykyat

### **Venture capital funds**

EastWing Capital, Sonatra Capital, Grand Corporation Osaka, NEST.vc

## Conclusion

Micromoney launched its first product in 2015, well in advance of announcing the token sale. Micromoney have a strong management team, worthy partners in respective countries with all necessary licenses to operate this business, 2 years proven track record in Cambodia and Myanmar, and reliable investors who already invested<sup>16</sup> in Micromoney more than \$1,8 mln.

In this document, Micromoney conveyed a bigger vision and presented a solution that uses blockchain technologies to make financial services more accessible for people, and connect this transparent recognised customers base to different businesses (banks, MFIs, e-commerce, retail, insurance).

We proud to be a part of community working on financial inclusion for 2 billion people. Our ultimate goal is to increase the standard of living in emerging countries.

## Annex #1.

### Links to Business Plans, and Financial Model

Countries Roadmap BRIEFLY

<https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20BRIEFLY>

Countries Roadmap FULLY

<https://github.com/micro-money/prime/tree/master/11%20Countries%20Roadmap%20FULLY>

Lending in all countries Baker\_McKenzie REPORT

[https://github.com/micro-money/prime/tree/master/Lending%20in%20all%20countries%20Baker\\_McKenzie%20REPORT](https://github.com/micro-money/prime/tree/master/Lending%20in%20all%20countries%20Baker_McKenzie%20REPORT)

## Annex #2.

### Investment Summaries by Country

#### China

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<sup>16</sup> <https://www.crunchbase.com/organization/micromoney-empire#/entity>

<b>Investments, thsdUSD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Portfolio investments	4 114	7 160	3 941	36	0	15 252
OPEX and CAPEX investments	3 075	3 422	0	0	0	6 497
<b>Total investments</b>	<b>7 190</b>	<b>10 582</b>	<b>3 941</b>	<b>36</b>	<b>0</b>	<b>21 749</b>
<b>Volume indicators</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Number of loans issued, thsd	71	371	714	1 096	1 195	3 447
Amount disbursed, thsd USD	11 613	53 022	97 001	145 070	152 229	458 935
Net portfolio (EoY), thsd USD	3 246	9 304	16 507	21 824	22 148	22 148
<b>P&amp;L, thsd USD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Revenue	2 905	18 603	37 831	60 346	67 452	187 137
Provisions	-2 630	-11 254	-18 742	-25 387	-27 293	-85 307
Variable costs	-1 838	-7 762	-11 640	-16 304	-17 175	-54 719
Marketing acquisition costs	-641	-2 354	-3 627	-4 658	-4 526	-15 806
Salary (variable part)	-604	-2 568	-3 717	-5 090	-5 523	-17 502
Other variable costs	-426	-1 774	-2 128	-3 099	-3 260	-10 687
VAT	-166	-1 066	-2 168	-3 458	-3 865	-10 724
<b>Fixed costs</b>	<b>-1 607</b>	<b>-3 203</b>	<b>-3 202</b>	<b>-3 307</b>	<b>-3 268</b>	<b>-14 586</b>
Salary (fixed part)	-895	-2 036	-2 036	-2 036	-2 036	-9 039
Other G&A expenses	-712	-1 167	-1 166	-1 271	-1 232	-5 548
One-off expenses	-211	0	0	0	0	-211
<b>Net profit before taxes</b>	<b>-3 381</b>	<b>-3 616</b>	<b>4 247</b>	<b>15 348</b>	<b>19 717</b>	<b>32 314</b>
<b>Terminal value</b>						<b>96 103</b>
<b>ROE (annualized)</b>						<b>59%</b>
<b>ROAA (yearly)</b>	<b>-208%</b>	<b>-58%</b>	<b>33%</b>	<b>63%</b>	<b>67%</b>	<b>29%</b>

Break-even period – 24 months  
 Self-capitalization period –35 months  
 Payback period – 61 months  
 Total investments from – \$21,7M  
 Unoptimized Yr5 corporate tax – \$4,9 M

# Myanmar

Investments, thsdUSD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Portfolio investments	1 007	1 946	438	64	0	3 455
OPEX and CAPEX investments	1 208	245	90	0	0	1 543
<b>Total investments</b>	<b>2 215</b>	<b>2 191</b>	<b>529</b>	<b>64</b>	<b>0</b>	<b>4 998</b>
Volume indicators	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Number of loans issued, thsd	30	173	351	520	620	1 694
Amount disbursed, thsd USD	2 484	14 095	28 198	41 569	49 284	135 630
Net portfolio (EoY), thsd USD	612	2 059	3 634	5 000	5 348	16 652
P&L, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue	626	4 517	9 871	15 179	18 603	48 797
Provisions	-543	-2 703	-4 965	-6 636	-7 914	-22 762
Variable costs	-510	-1 272	-2 337	-3 400	-3 979	-11 498
Marketing acquisition costs	-369	-608	-1 112	-1 577	-1 775	-5 441
Salary (variable part)	-94	-340	-548	-781	-927	-2 690
Other variable costs	-40	-199	-359	-530	-631	-1 759
VAT	-7	-126	-318	-512	-645	-1 608
<b>Fixed costs</b>	<b>-956</b>	<b>-1 069</b>	<b>-1 004</b>	<b>-1 127</b>	<b>-1 170</b>	<b>-5 327</b>
Salary (fixed part)	-682	-701	-588	-713	-793	-3 476
Other G&A expenses	-275	-369	-416	-414	-377	-1 851
One-off expenses	-57	-17	-17	-17	-17	-126
<b>Net profit before taxes</b>	<b>-1 441</b>	<b>-545</b>	<b>1 548</b>	<b>3 999</b>	<b>5 523</b>	<b>9 084</b>
<b>Terminal value</b>						<b>25 063</b>
<b>ROE (annualized)</b>						<b>61%</b>
<b>ROAA (yearly)</b>	<b>-235%</b>	<b>-41%</b>	<b>54%</b>	<b>71%</b>	<b>80%</b>	<b>51%</b>

Break-even period – 21 months

Self-capitalization period –29 months

Payback period – 58 months

Total investments – \$5,0M

Unoptimized Yr5 corporate tax – \$1,4M

Terminal Value – \$25,1M (Gordon growth model with discount factor 15% and growth rate 0%)

## Indonesia

Investment summary			Timeline				
thsd USD	Q4'20 15	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
investments	201	6 663	3 590	576	0	0	11 030
<b>Total investments</b>	<b>201</b>	<b>6 663</b>	<b>3 590</b>	<b>576</b>	<b>0</b>	<b>0</b>	<b>11 030</b>
Number of loans issued (thsd)	0,02	41	151	286	408	464	1 350
Amount disbursed	3	8 438	32 726	63 401	91 682	105 535	301 786
Net portfolio (EoY)	1	2 148	6 155	10 837	14 555	15 708	15 708
Revenue	0	2 782	14 095	29 528	44 915	53 942	145 262
One-off expenses	0	-908	0	-27	0	0	-935
<b>Net profit after taxes</b>	<b>-198</b>	<b>-3 491</b>	<b>744</b>	<b>4 508</b>	<b>9 144</b>	<b>12 807</b>	<b>23 512</b>
<b>ROE (yearly)</b>	<b>-197%</b>	<b>-91%</b>	<b>8%</b>	<b>40%</b>	<b>78%</b>	<b>110%</b>	<b>51%</b>
<b>ROAA (yearly)</b>		<b>-184%</b>	<b>12%</b>	<b>42%</b>	<b>60%</b>	<b>73%</b>	<b>39%</b>
* - normalized year with no growth							

Break-even period – 20 months.

Payback period – 50 months.

Maximum investments from – \$11,0M.

## Sri Lanka

Investments, thsdUSD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Portfolio investments	1 295	1 430	126	0	0	2 851
OPEX and CAPEX investments	1 148	161	0	0	0	1 309
<b>Total investments</b>	<b>2 444</b>	<b>1 591</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>4 161</b>
Volume indicators	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Number of loans issued, thsd	32	158	264	362	422	1 238

Amount disbursed, thsd USD	3 088	15 408	25 527	34 957	40 642	119 622
Net portfolio (EoY), thsd USD	789	2 054	3 163	4 146	4 410	14 561
<b>P&amp;L, thsd USD</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Revenue	810	5 328	9 502	13 431	16 034	45 105
Provisions	-659	-2 931	-4 479	-5 540	-6 472	-20 081
Variable costs	-563	-1 407	-2 256	-3 096	-3 606	-10 929
Marketing acquisition costs	-385	-527	-815	-1 087	-1 206	-4 020
Salary (variable part)	-127	-388	-516	-680	-796	-2 506
Other variable costs	-20	-69	-96	-128	-148	-462
VAT	-32	-424	-829	-1 200	-1 456	-3 941
<b>Fixed costs</b>	<b>-1 016</b>	<b>-1 125</b>	<b>-1 036</b>	<b>-1 141</b>	<b>-1 171</b>	<b>-5 490</b>
Salary (fixed part)	-709	-807	-726	-826	-886	-3 954
Other G&A expenses	-307	-318	-310	-315	-286	-1 536
One-off expenses	-49	-15	-15	-15	-15	-109
<b>Net profit before taxes</b>	<b>-1 476</b>	<b>-151</b>	<b>1 715</b>	<b>3 639</b>	<b>4 769</b>	<b>8 496</b>
<b>Terminal value</b>						<b>20 968</b>
<b>ROE (annualized)</b>						<b>60%</b>
<b>ROAA (yearly)</b>	<b>-187%</b>	<b>-11%</b>	<b>64%</b>	<b>72%</b>	<b>80%</b>	<b>51%</b>

Break-even period – 17 months

Self-capitalization period –26 months

Payback period – 56 months

Total investments from – \$4,2M

Unoptimized Yr5 corporate tax – \$1,3M

Terminal Value – \$21,0M (Gordon growth model with discount factor 15% and growth rate 0%)

## Malaysia

thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
investments	4 639	3 674	249	0	0	8 563
<b>Total investments</b>	<b>4 639</b>	<b>3 674</b>	<b>249</b>	<b>0</b>	<b>0</b>	<b>8 563</b>
Number of loans issued (thsd)	9	47	89	141	198	483
Amount disbursed	3 661	20 510	41 989	68 739	98 463	233 361

Net portfolio (EoY)	1 160	3 529	6 114	9 813	13 503	13 503
Revenue	700	7 059	15 496	25 452	37 314	86 021
One-off expenses	-567	0	0	0	0	-567
<b>Net profit after taxes</b>	<b>-2 907</b>	<b>-1 171</b>	<b>3 705</b>	<b>6 774</b>	<b>11 440</b>	<b>17 840</b>
<b>ROE (yearly)</b>	<b>-113%</b>	<b>-17%</b>	<b>41%</b>	<b>75%</b>	<b>126%</b>	<b>51%</b>
<b>ROAA (yearly)</b>	<b>-261%</b>	<b>-34%</b>	<b>60%</b>	<b>69%</b>	<b>81%</b>	<b>42%</b>

Break-even period – 18 months.

Payback period – 51 months.

Maximum investments from – \$8,6M.

## Hong Kong

	Crowdfunding	Initial Public Offering	Funds	Debt Securities
Targeted investor	• Public Investors	• Public Investors	• Public Investors	• Public Investors
	• Professional	• Professional	• Professional	• Professional Investors
	Investors	Investors	Investors	
1) Pre-requisites / requirements for company & 2) average time for administration processing / application assessment / application approval	• Partner with SFC licensed AMC (1 month) OR obtain	• Positive cash flow from business of >\$2.58 million for 2 consecutive years	• Partner with SFC licensed AMC (1 month) OR obtain	• Company net assets >
	SFC licenses, application approval time (6 months)	• Capitalization >	SFC licenses, application approval time (6 months)	\$12.9 million
		\$12.9 million		• Audited account for latest 2 years
		• Appl appr time by hkex (4 months)		• Application approval time (<1 month)
Platform	Equity Crowdfunding / P2P Lending	Hong Kong Stock Exchange	AMC	Hong Kong Stock Exchange / personal network**
Tool	Shares / Debts	Shares	Unit Trust	Debt Securities (e.g.
				debentures, bonds,

				notes)
Prospectus & avg. approval time (month)	Must be approved by SFC (2 months)	Must be approved by SFC (2 months)	Must be approved by SFC (2 months)	Must be approved by SFC (<1 month)
Advertisement materials & avg. approval time	Must be approved by SFC (1 month)	Must be approved by SFC (1 month)	Must be approved by SFC (1 month)	Must be approved by SFC (<1 month)
Total approval time	Min 4 months Max 9 months+	7 months+	Min 4 months Max 9 months+	<3 months

The optimal ways to attract Investments is directly from personal network / through the partnership with AMC  
Source of information

[www.sfc.hk](http://www.sfc.hk)

[www.hkex.com.hk](http://www.hkex.com.hk)

\*\*In case debt securities are not listed in Hong Kong Stock Exchange, still can be issued through personal network. Processing time will take more than 3 months. Regulations referred to

[www.cr.gov.hk/en/companies\\_ordinance/docs/part7-e.pdf](http://www.cr.gov.hk/en/companies_ordinance/docs/part7-e.pdf)

# Thailand

Parameters	Thai Commercial Bank	Specialized Financial	Personal Loan Company	Nano-Finance Company	Pawnshop	P2P (No license yet)
		Institutions				
Main purpose	Full range lending for corporate & personal lending	State-owned 1) promoting economic development 2) supporting investment	Medium to long term loan	Granting loan to grass root class	Secured loans with items of personal property used as collateral	Unsecured loan to SME
Minimum paid-up capitalization	N/A	N/A	USD 1.39 million	USD 1.39 million	USD 0.1 million	USD 0.15 million
Max foreign capital share	<50%	<50%	<50%	<50%	<50%	Thai incorporated company
	List 3 Business	List 3 Business	List 3 Business	List 3 Business	List 3 Business	
Interest cap	N/A	N/A	Max EIR 28% include	Max EIR 36% include Coll fee	Max 24% (LA < \$57)	N/A



			Coll fee		Max 15% (LA > \$57)	
Regulator	Ministry of	Ministry of	Ministry of	Ministry of	Pawnshop Committee	Bank of Thailand
	Finance	Finance	Finance	Finance		Securities &
	The Bank of Thailand	The Bank of Thailand	The Bank of Thailand	The Bank of Thailand		Exchange
						Commission
Tenure for getting license	N/A	N/A	60 days to approve by regulators	60 days to approve by regulators	45 days to approve by regulator	SEC Office (Form 35-FP)
Number of active licenses	30	8	35	21	598	0

It is possible for foreign company to incorporate a subsidiary company in

Source: <https://www.bot.or.th/English/FinancialInstitutions/FIStructure/Pages/default.aspx>

## Singapore

thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
investments	3 131	5 980	115	0	0	9 226
<b>Total investments</b>	<b>3 131</b>	<b>5 980</b>	<b>115</b>	<b>0</b>	<b>0</b>	<b>9 226</b>
Number of loans issued (thsd)	1	27	51	62	67	208
Amount disbursed	1 684	37 647	70 956	86 158	93 142	289 586
Net portfolio (EoY)	759	6 363	9 097	10 702	11 019	11 019
Revenue	348	10 255	21 070	26 065	28 512	86 250
One-off expenses	-1 113	0	0	0	0	-1 113
<b>Net profit after taxes</b>	<b>-1 141</b>	<b>205</b>	<b>4 617</b>	<b>6 876</b>	<b>8 050</b>	<b>18 607</b>
<b>ROE (yearly)</b>	<b>-65%</b>	<b>3%</b>	<b>48%</b>	<b>72%</b>	<b>84%</b>	<b>53%</b>
<b>ROAA (yearly)</b>	<b>-97%</b>	<b>4%</b>	<b>47%</b>	<b>57%</b>	<b>61%</b>	<b>39%</b>

\* - normalized year with no new clients growth

Break-even period – 18 months

Payback period – 29 months

Maximum investments from shareholder – 9,2 mln USD

# Philippines

Investments, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Portfolio investments	931	600	177	0	0	1 709
OPEX and CAPEX investments	753	182	0	0	0	935
<b>Total investments</b>	<b>1 684</b>	<b>783</b>	<b>177</b>	<b>0</b>	<b>0</b>	<b>2 644</b>
Volume indicators	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Number of loans issued, thsd	30	173	351	520	620	1 694
Amount disbursed, thsd USD	2 484	14 095	28 198	41 569	49 284	135 630
Net portfolio (EoY), thsd USD	680	2 287	4 038	5 555	5 942	18 503
P&L, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue	970	6 573	14 074	21 442	26 094	69 152
Provisions	-604	-3 003	-5 517	-7 373	-8 793	-25 291
Variable costs	-358	-1 264	-2 319	-3 372	-3 947	-11 261
Marketing acquisition costs	-221	-608	-1 112	-1 577	-1 775	-5 293
Salary (variable part)	-93	-352	-571	-812	-963	-2 790
Other variable costs	-33	-155	-268	-393	-466	-1 316
VAT	-11	-149	-368	-591	-743	-1 862
<b>Fixed costs</b>	<b>-830</b>	<b>-1 012</b>	<b>-1 070</b>	<b>-1 288</b>	<b>-1 383</b>	<b>-5 582</b>
Salary (fixed part)	-545	-619	-617	-833	-970	-3 585
Other G&A expenses One-off expenses	-284	-393	-454	-454	-412	-1 998
	-16	-16	-16	-16	-16	-79
<b>Net profit before taxes</b>	<b>-838</b>	<b>1 278</b>	<b>5 152</b>	<b>9 393</b>	<b>11 955</b>	<b>26 939</b>
<b>Terminal value</b>						<b>56 916</b>
<b>ROE (annualized)</b>						<b>134%</b>
<b>ROAA (yearly)</b>	<b>-123%</b>	<b>76%</b>	<b>122%</b>	<b>147%</b>	<b>156%</b>	<b>138%</b>

Break-even period, months

12

Self-capitalization period, months 18

Payback period, months 38

## Cambodia

thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
investments	205	1 184	662	268	0	2 318
<b>Total investments</b>	<b>205</b>	<b>1 184</b>	<b>662</b>	<b>268</b>	<b>0</b>	<b>2 318</b>
Number of loans issued (thsd)	5,6	36	72	144	288	546
Amount disbursed	540	3 423	7 684	13 871	19 182	44 700
Net portfolio (EoY)	135	663	1 424	2 425	3 078	3 078
Revenue	738	1 508	3 581	6 812	10 104	22 743
<b>Net profit after taxes</b>	<b>-120</b>	<b>-696</b>	<b>609</b>	<b>1 553</b>	<b>2 990</b>	<b>10 739</b>
<b>ROE (yearly)</b>	<b>-7%</b>	<b>-16%</b>	<b>11%</b>	<b>25%</b>	<b>49%</b>	<b>50%</b>
<b>ROAA (yearly)</b>	<b>-13%</b>	<b>-28%</b>	<b>14%</b>	<b>23%</b>	<b>32%</b>	<b>37%</b>

Break-even period – 18 months.

Payback period – 51 months.

Maximum investments from – \$2,3M.

## Vietnam

Parameter	Bank	Finance company (FC)	Microfinance institution (MFI)	Public credit fund (PCF)	Pawnshop (PS)	Peer-to-peer platform (p2p)
Main purpose	Full-range banking activity for retail and corporate banking	Specialized form for specific consumer finance activity	Specialized form for microfinance activity – work with mass segment	Specialized self-steered form for small size consumer finance and SME activity	Collateralized loan granting	Facilitating individual investors and borrowers to find each other, make credit decision and process loan granting
Regulator	State Bank of Vietnam (SBV)	State Bank of Vietnam (SBV)	State Bank of Vietnam (SBV)	Local authorities	City/Province people committee, Local police	-
Min.capital requirements	\$150M	\$25M	\$250K*	From \$5K for every ward (limited geo coverage)	\$0,1K	\$0,1K

Max. foreign capital share	100%	100%	49%	0%	0%	100%
Possibility to grant loans to individuals	Yes, all the products	Yes, all the products	Yes, except credit cards	Yes, except credit cards	Yes, collateralized loans only	Yes (via individual investors)
Possibility to collect deposits from individuals	Yes	Yes (requires additional SBV decision)	Yes (requires additional SBV decision)	Yes (from members only)	No	Yes (in the form of attracting individual investors)
Comments		Specified by SBV form for conducting ("risky") consumer finance business . Number of licenses issued currently is limited	Social, Charity fund or other NGO required to be one of the obligatory founders of MFI with min.25% share	Min. number of members 30, all VN citizens. All members have equal voting rights in determining PCF management and policy. PCF is allowed to work in specific district only	License can be issued to the local citizen only. Recent tightening requirements have been issued in 2016.	There is no specific license required for conducting p2p activity. P2p platform itself can be organized in the form of usual legal entity with "Financial consultancy" scope of activity.

## Annex #3. Legal Notice

Attention! MMT tokens are not sold to the US citizens. If you are a US citizen, unfortunately, you do not have the right to buy MMT, both within the Token Crowdsale and on the secondary market. If you acquire tokens in any way, bypassing the standard mechanisms provided by the Token Crowdsale, you may incur personal liability in accordance with the laws of the United States. The responsibility for purchasing MMT tokens lies solely with US citizens themselves.

Tokens were not registered and will not be registered under the US Securities Act of 1933 as amended (the "Securities Act") and may not be offered or sold in the United States to the person or in the interests of a person who is a US citizen or company (as defined in Regulation S in accordance with the Securities Act), unless they are duly registered or represented in the register in accordance with the requirements of this Law.

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MicroMoney is a registered legal body staying within the bounds of the law in each country we operate.

Company Name: MICROMONEY INTERNATIONAL PTE. LTD.  
Company Registration Number: 201706086N, incorporated in Republic of Singapore  
Office 18 Sin Ming Lane, #08-06, Midview City, Singapore (573960)  
Telephone: + 95 9 9727 44550, +855 70 319 947

Company Name: MICROMONEY Company Limited

Company Registration Number: 778(FC)/2016-2017(YGN), Incorporated in the Republic of the Union of Myanmar

Office:1406(A), 14th Floor, Sakura Tower, 339 Bogyoke Aung San Road, Kyauktadar Township, Yangon, Myanmar

Company Name: MICROMONEY Thailand

Tax no.0105560121681

36/73 PS Tower Floor 21 , Sukhumvit 21 (Asoke) Klongtoeynewa, Wattana , Bangkok 10110