

How might we boost financial inclusion for low to medium income families through comprehensive solutions (e.g., micro-finance, micro-payments, micro-pension, micro-insurance, micro-savings and micro-investment) that enable them to be have better access to financial services?








The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

<p>Key Partners </p> <p>Insurers (to protect against default risk)</p> <p>Cooperatives and Self-help groups (to assist to intro app to the families under its care)</p>	<p>Key Activities </p> <p>Contract but need legal enforcement</p> <p>Marketing support</p> <p>Sourcing of lenders</p> <p>App development</p>	<p>Value Propositions </p> <p>- Accessibility of financial services</p> <p>- Reverse the position of the poor and middle income and provide a profitable income stream for the "peer-to-peer" lending</p> <p>- Aim to give the marginalized group an opportunity to become self-sufficient</p>	<p>Customer Relationships </p> <p>- ChatBot</p>	<p>Customer Segments </p> <p>"Low to medium income" Families in Singapore</p> <p>Note There is no definition on "Low to income Families" in Singapore. For lower income, it is usually 1. Total Monthly Gross Household Income of \$3,400 & below OR 2. Per Capita Income \$850 & below. Based on SingStat.gov.sg, we will base "Low to medium income" Families as the lower 20% of the population (ie per capita income of \$1,179 & below)</p>
<p>Cost Structure </p> <p>Marketing cost</p> <p>Cost of development</p> <p>Cost of default of borrower? (insurance)</p> <p>- lender (package insurance in the "micro-investments" against default risk)</p>		<p>Revenue Streams </p> <p>Difference in borrowing and lending interest rates (spread)</p>		



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DESIGNED BY: Strategyzer AG
The makers of Business Model Generation and Strategyzer

 **Strategyzer**
strategyzer.com

The background features a teal-to-dark-blue gradient with a pattern of white and light blue hexagons and connecting lines, some of which are highlighted with small teal dots.

PROBLEM STATEMENT

- Strive to boost financial inclusion for low to medium income families through comprehensive solutions (micro-finance), that enable them to have better access to financial services



OUR SOLUTION

- A one stop virtual application towards providing accessibility of micro-finance to the poor
- A platform to guide peer-to-peer lending towards a profitable income stream
- Give the marginalized segment of society an opportunity to become self-sufficient

BUSINESS MODEL

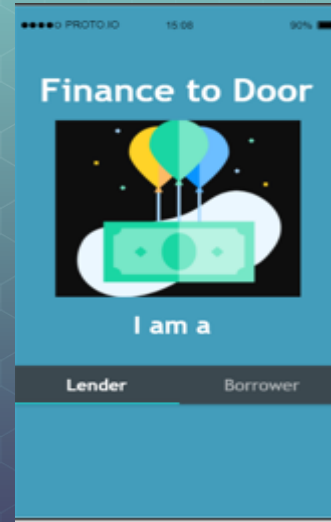
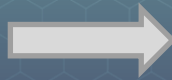
➤ Platform is the middleman

Supply Side → Lenders

Demand Side → Borrowers



**Investors &
Private Lenders**



Borrowers

Lender Borrower smart application to be marketed
through to Co-operatives and Self- Help Groups



BUSINESS MODEL

*Assuming
LENDER*

puts \$1000 in 1-mth FD

Via normal bank

Investment	Rates	Interest Earn
\$1,000	0.226027%	\$2.26

Via m3Loan's App

Investment	Rates	Interest Earn
\$1,000	0.287671%	\$2.88

APP

M3Loan earns the spread
\$9.45

Adopting 3mLoan's

Solution, Lender will earn additional per month

\$0.62

BORROWER

\$1000 in 1-mth Micro-Loan

Loan	Rates	Interest Paid
\$1,000	1.971781%	\$19.72

Loan	Rates	Interest Paid
\$1,000	1.232877%	\$12.33

Adopting m3Loan's

Solution, Borrower will save per month

\$7.39

BUSINESS MODEL



Via normal bank

Lender will earn per year

\$27.12

Via normal bank

Borrower will pay per year

\$236.61

Via m³ Loan's solution

Lender will earn per year

\$34.52

Borrower will pay per year

\$147.95

Lender will earn additional per year

\$7.40

Borrower will save per year

\$88.67

BUSINESS MODEL

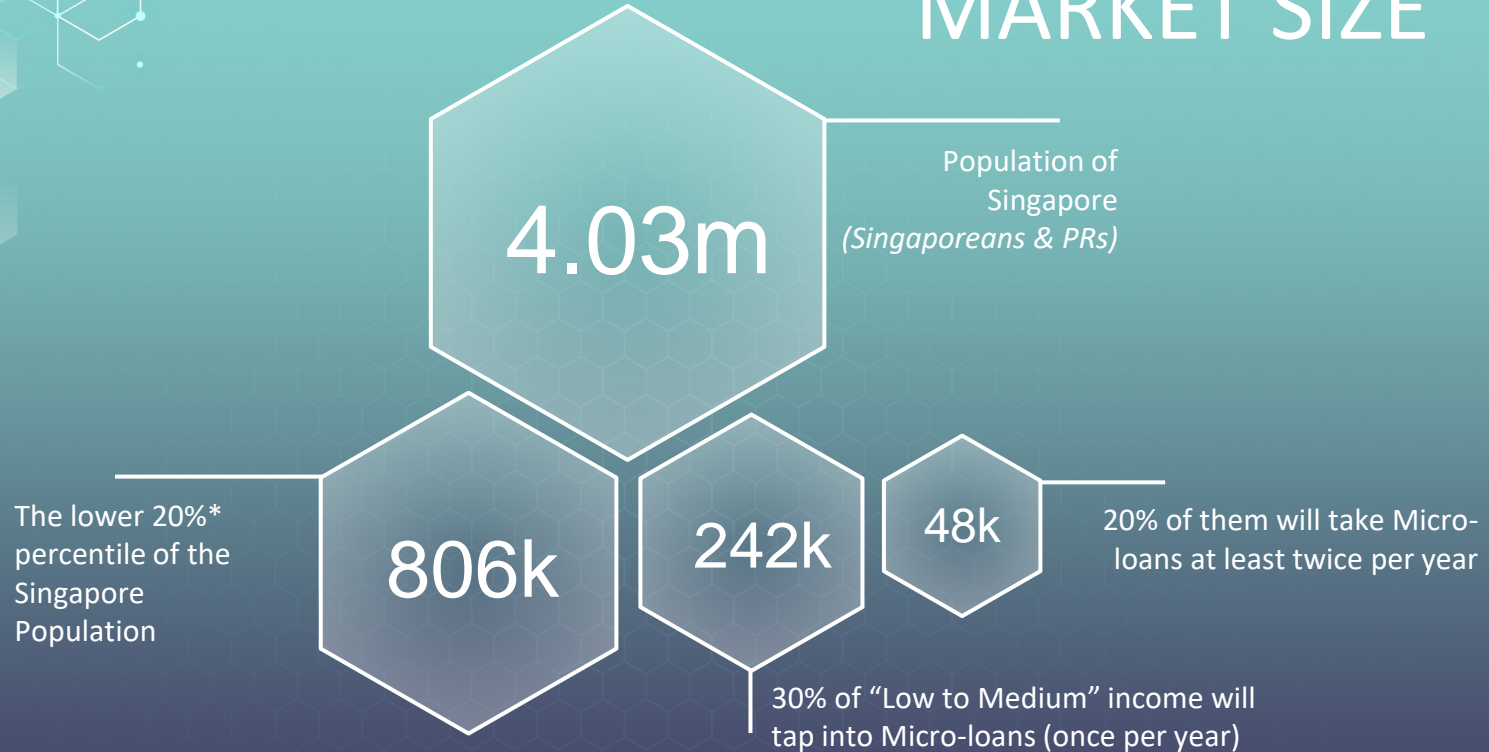
Assume a BORROWER takes a \$1000 loan for a month

<u>Competitor</u>	<u>Published Rates</u>			<u>Amount</u>	<u>prepayment</u>	<u>Interest Paid</u>
	<u>p.a.</u>	<u>daily</u>	<u>Monthly</u>			
DBS Cashline	20.05%	0.06%	1.82%	\$ 1,000.00	\$ 1,018.16	\$ 18.16
Onehour Loan			4.00%	\$ 1,000.00	\$ 1,040.00	\$ 40.00
OCBC Cash Advance	28.92%		2.41%	\$ 1,000.00	\$ 1,024.10	\$ 24.10
CashLender			4.00%	\$ 1,000.00	\$ 1,040.00	\$ 40.00
m3Loan			1.233%	\$1,000.00		\$ 12.33



**Most
Favourable**

MARKET SIZE



**There is no definition on "Low to income Families" in Singapore. For lower income, it is usually 1. Total Monthly Gross Household Income of \$3,400 & below OR 2. Per Capita Income \$850 & below. Based on SingStat.gov.sg, we will base "Low to medium income" Families as the lower 20% percentile of the population (ie per capita income of \$1,179 & below)*

POTENTIAL MARKET REVENUE

40%  60% 

By Potential Users

 2,000

MAXIMUM SPEND PER CUSTOMER

20 -
60

AGE



30% of “Low to Medium”
income to tap micro-
financing (once per year)

\$2,285,507



20% of them will take
Micro-loans and Micro-
Financing at least twice per
year

\$457,101

m³Loan Inc Annual Revenue \$2,742,608

TRACTION

\$2.7m

Expected Gross revenues in
2021

\$0.62

ADDITIONAL earning per
\$1000 lender per month

\$7.39

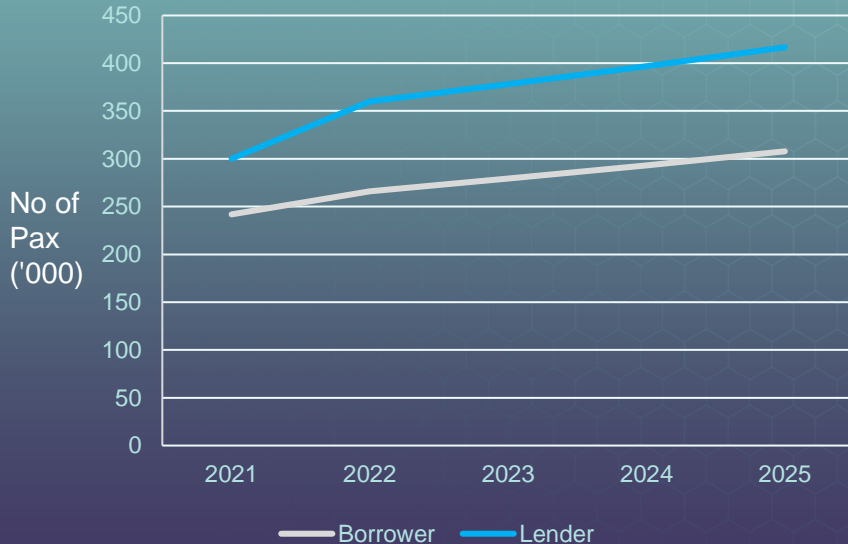
ADDITIONAL savings per
\$1000 borrower per month

300k

Registered Lenders

242k

Potential Registered
Borrowers



FUNDING



COMPETITORS



DBS Bank
(Cashline Solution)



m³Loan Inc



One-Hour Loan

CUSTOMER JOURNEY

Taking a \$500 loan

A Cleaner

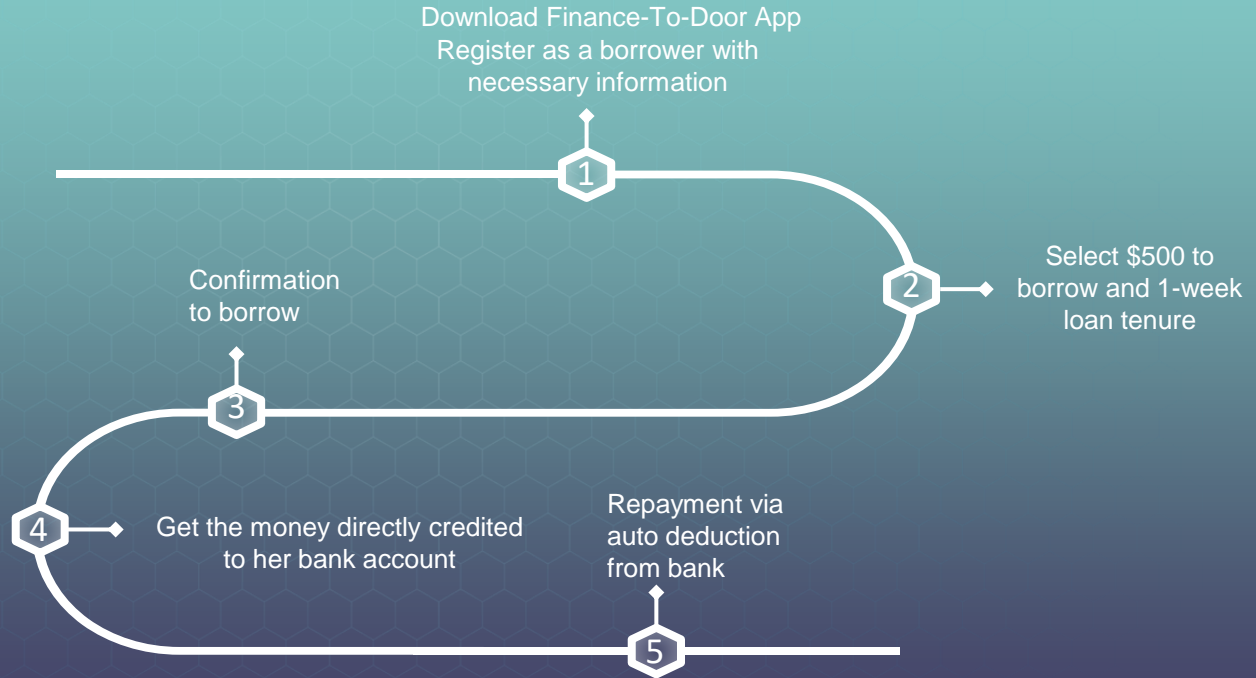
27 years old, hawker centre cleaner.
Need extra money to pay clinic bills.

Scenario

Trying to get a loan by approaching a
Self-Help group in the neighbourhood.

Goals & Expectations

Keen to take a loan with no hassle.
Wants a loan with low interest rate
but with short tenure.



Borrowers' Eligibility Criteria

Singapore Citizen or Singapore Permanent Resident
Age between 21 and 60 years old
Earning a minimum monthly basic salary of \$800
Preference given to referrals from CDAC,
Sinda, Mendaki and Co-operatives



ADOPTION STRATEGY

COOPERATIVES
&
ASSOCIATIONS

**TEMASEK
FOUNDATION**

ntuc
National Trades Union Congress

SELF-HELP
GROUPS



SOCIAL MEDIA



PREDICTED GROWTH

- Stage 3 : Expand to regional markets
(Malaysia, Indonesia, etc)
- Stage 2 : Expand apps to target mass
market and add more micro-
financing products
- Stage 1 : Bring out Finance-to-door app to
all cooperatives' and self help
groups' members and their
referrals



Five-Years Forecast

	2020 S\$ ('000)	2021 S\$ ('000)	2022 S\$ ('000)	2023 S\$ ('000)	2024 S\$ ('000)	2025 S\$ ('000)
Projected Revenue*	0	2,743	3,292	3,456	3,629	3,810
Development Cost	200	100	0	100	0	0
Payroll	300	300	300	300	300	300
Marketing Cost	100	100	100	100	100	100
Cloud and Software Maintenance	10	20	20	30	30	30
Product Insurance Cost	-	150	165	182	200	220
Licence and Compliance Fee	50	50	50	50	50	50
Administrative Cost	200	200	200	200	200	200
Initial Cash Outlay	860					
Total Expenses	0	920	835	962	880	900
Projected Profits		1,823	2,457	2,495	2,749	2,911
Less: Dividends to Shareholds (50% attributed)		912	1,228	1,247		
Projected Profits (after SH returns)		912	1,228	1,247	2,749	2,911

Return to Investors (dividends)								Total	ROI
40% angel	344	57%	521	702	713	-	-	1,936	5.6
30% Enterprise Singapore (grant)	258	NA	-	-	-	-	-	-	-
30% Independent Investor	258	43%	391	526	535	0	0	1,452	5.6

* Revenue is to grow 20% in 1st year and 5% in years following

State Diagram

