FinTech Startup Idea Pitch

BFW2120 Intro to FinTech

Group 7.6

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Business Model Canvas

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About Trustcare

An innovative AI-powered lending platform designed to improve financial access for low-income households (B40) in Malaysia. Trustcare uses advanced technology to analyze phone bills and rental payments to create personalized credit scores for individuals without traditional credit histories.

Key eligibility factors to secure personal loans in Malaysia:

- CTOS/CCRIS score of at least 650, as this is generally favored by banks.
- Applicants must also provide income documentation that proves they have a steady income capable of covering the loan payments
- Debt Service Ratio (DSR) do not surpass 60% of the applicant's net income.

Package	Description
Normal	• Less urgent needs. • Shorter repayment period (within 1 year) • Interest rate of 8% p.a.
Premium	• Emergency loans with a higher interest rate, immediate financial relief. • Deposited directly into hospitals within a few hours • Repayment period up to 3 years • Interest rate of 12% p.a.

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Competitor Analysis

Direct

Amanah Ikhtiar Malaysia (AIM)

- **Interest-free** microloans
- Borrowers are required to form groups to encourage accountability and social support
- Repayment term: 25-150 weeks
- Documents required: NRIC, Income Statement, Application form, Supporting documents

Direct

Easyloan2u

- **Interest Rates**: 12% p.a. (loans secured with collateral), 18% p.a. (unsecured loans)
- Repayment term: 6-60 months
- Documents required: NRIC, latest 3 months payslip and bank statement, Job offer letter, Utility bill

Indirect

Banks in Malaysia

Alliance Bank	4.99% - 16.68% p.a.
RHB	8.59% - 13.76% p.a.
Al Rajhi Bank	5.42% - 14.19% p.a.

While banks offer lower interest rates compared to private loan agencies, it is often harder to apply.

- Stricter Eligibility Criteria
- Extensive Documentation
- Credit Risk Assessment
- Longer Processing Time
- Collateral Requirements

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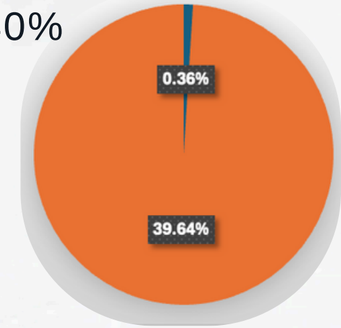
Customer Segments

Targets: The B40 population - 0.36% out of the total 40%
30,000 individuals - 7,500 households /
12 mil individuals - 3.16 mil households



Young Working Adults

- 20-40 years old
- Fresh graduate/work in gig economy without employment benefits.
- Sudden medical expenses with not much savings
- Seek affordable loans to cover emergency healthcare costs.
- Avoiding high-interest debt

Family With Children

- 30-50 years old
- Parents with low income who has to fund healthcare for the family.
- Struggle to afford unexpected medical expenses that exceed public healthcare coverage.
- Looking for reliable financial support and avoiding long term financial instability

Elderly With Health Conditions

- 50+ years old
- Require frequent medical care. Example:Ongoing treatments/ medications/hospitalizations.
- Have long-term financial needs due to recurring expenses.
- Seek affordable long-term financial assistance without relying on short-term loans.

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Empowering B40 Households Through P2P Crowdfunded Medical Loans

- Impacts customer segments by providing the financial support they rely on for medical expenses.
- M40 and T20 crowdfunders provide financial support to B40 households.
- Target 40% of users rely on peer-to-peer crowdfunding platform for medical loans.

Benefits:

- 3% annual return on the amount they fund.
- It ensures that contributions make a difference in the lives of underserved families.
- Borrowers submit income statements and family documents to ensure eligibility.
- Loans are distributed to households most in need.

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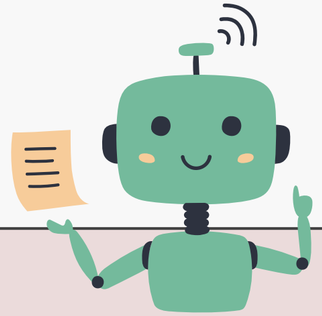
Value Propositions



PERSONALIZED LOAN ASSESSMENTS

- We use an AI-powered system that uses non-traditional data (like utility bills) to offer quick, accurate loan eligibility assessments for B40 families.

AFFORDABLE HEALTHCARE FINANCING

- We offer lower interest medical loans compared to banks and other platforms.

CONVIENIENCE

- The platform provides a seamless experience with a 24x7 AI bot, easy loan applications, and personalized support from customer care representatives for more complex issues.

EMERGENCY MEDICAL LOANS FOR PREMIUM CUSTOMERS

- Premium customers receive urgent medical loans disbursed directly to hospitals within hours

RISK REDUCTION

- For lenders, TrustCare offers a guarantor policy that ensures loan repayment even in the event of the borrower’s death, mitigating investment risks

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Channels

CHANNELS USED BY TRUSTCARE

AWARENESS

- **Website & Websales**
  - Provides information about our services
  - Allows potential customers to explore our offerings online

PURCHASE

- **B40 Households can purchase (apply for loans) through the mobile application and website**
  - making the transaction simple and accessible.

AFTER SALES

- **Offers 24/7 AI-powered support**
  - Continuous customer assistance, ensuring strong after-sales service
  - Guiding users through issues and providing support throughout the loan cycle.

EVALUATION

- **The mobile application and website**
  - allow potential customers to evaluate TrustCare's value proposition
  - by giving them access to the loan application process, service details, and features like the AI-powered support system.

DELIVERY

- **The mobile platform and partnerships with healthcare providers**
  - Loans and financial aid are delivered effectively.
  - Eg. Loans are disbursed directly to healthcare providers, making the process swift and reliable.

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Customer Relationships

Customer Acquisition and Retention

AUTOMATED SERVICES

- The 24x7 AI bot automates customer service, streamlines loan applications and inquiries enhancing customer experience and reducing operation costs

DEDICATED PERSONAL ASSISTANCE

- Dedicated customer care representatives assist customers with complex cases that cannot be resolved through the AI bot.

- Follow-up procedures like friendly reminders of repayments of loans from time to time and inquiring if any further assistance is needed. Maintaining long-term relationships and loyalty

SELF-SERVICE

- Integration with iPay88 and Touch 'n Go enables customers to manage accounts independently, offering convenient self-service for payments and repayments.

CO - CREATION

- Giving out Feedback forms for evaluation allowing customers to rate speed, process, and suggest areas for improvement. Using this data, we can meet customer's needs better

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Key Resources

Intellectual Resources

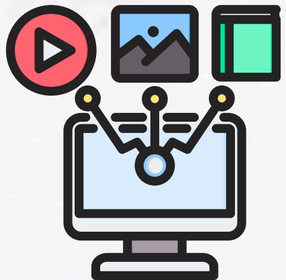
- **AI-Powered Credit Scoring:** Utilizes alternative data (utility bills, rental payments) to assess creditworthiness, providing access to underserved populations.
- **Strategic Partnerships:** Collaborations with telcos, healthcare providers, and payment gateways streamline services and processes.
- **Regulatory Expertise:** Ensures compliance with financial and data protection laws.

Human Resources

- **AI & Data Experts:** Develop and enhance credit scoring algorithms using non-traditional data.
- **Customer Support:** AI bot for routine queries; human staff for complex cases requiring personalized attention.
- **Partnership Management:** Maintains relationships with key partners to ensure smooth operations.

Physical Resources

- **Technology Infrastructure:** AI-powered platform, mobile app, web services for customer interactions, loan applications, and partner integration (payment gateways, healthcare providers).
- **Data Centers:** Secure storage and processing of sensitive financial and health-related data, ensuring reliability and customer trust.



Financial Resources

- **Providing Loans:** Necessary to provide emergency loans, particularly for medical needs.
- **Growth Funding:** Supports business scaling, infrastructure improvement, and partnership expansion.

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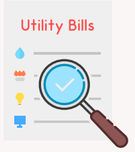
KEY ACTIVITIES

AI-DRIVEN CREDIT SCORING

- **leverages non-traditional data** (utility bills, rental payments) to assess creditworthiness for B40 families
- **provides customers without formal credit histories** with access to loans
- enables **accurate risk assessments** and **better lending decisions**



Example:

- 80% of applicants without traditional credit histories qualified for loans due to the analysis of utility bill data, helping them access essential medical treatments

HEALTHCARE PARTNERSHIPS FOR DIRECT MEDICAL ACCESS

- **collaborates** with **private healthcare providers** for immediate treatment funding
- **emergency loans** are **applied directly** to cover urgent healthcare costs
- **ensures access** to **trusted providers** in both urban and rural areas

COMPREHENSIVE CUSTOMER SUPPORT

- provides **24/7 AI chatbot support** for loan applications and queries
- **dedicated customer care representatives** for complex cases
- ensures **easy access to financial assistance** and information

RISK MANAGEMENT & FRAUD PREVENTION

- **real-time monitoring** of financial behavior for **fraud prevention**
- **adjusts credit limits** based on borrower risk profiles
- **minimizes** default rates and ensures financial security

FINANCIAL LITERACY & COMMUNITY ENGAGEMENT

- **educates** families on budgeting, debt management, and healthcare financing
- collaborates with partners to offer workshops and online resources
- **reduces loan default rates** and **empowers** B40 families to make informed financial decision

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Key Partnerships

TENAGA NASIONAL

Tenaga Nasional Berhad (TNB)

- reliable data source
  - strong indicator of financial responsibility
- universal consumption
- credit scoring based on payment patterns
  - suitable for B40 households without formal banking records
- wider range of credit profiles
- scalability and reach

FUSIONEX® experience.excellence

Fusionex Corp Sdn Bhd

- AI-driven credit scoring
  - utilizes machine learning and data analytics to enhance credit scoring models for B40 families
- big data processing
  - offers cloud-based infrastructure to handle large volumes of data
- advanced insights for better lending decisions
  - provides real-time insights on customer behaviors
- minimize risk
- improve overall loan approval efficiency

PeKa B40

ProtectHealth Corporation Sdn. Bhd

- aligned mission
  - focus on healthcare for B40 in providing medical-specific loans
- trust and credibility
  - government-backed initiative, building trust
- access to target demographics
  - direct access to the B40 population needing healthcare support
- joint marketing and outreach
  - leverage PeKa B40's existing channels for outreach and awareness of your loans
- data for creditworthiness
  - access to health and financial data for more accurate loan risk assessments

Key Partnerships

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iPay88 Malaysia & Touch 'n Go Sdn Bhd

- **multi-channel payment platform**
  - provide multiple payment options for loan disbursement and repayment
- **improved financial access for B40 segment**
  - particularly those may not have access to traditional banking services
- **cashless and convenient**
  - fast, instant access to funds for loans and payments
  - customers receive funds and can manage repayments without delays
- **lower transaction costs**
  - affordable and accessible for B40
- **secure**
  - reducing the risk of fraud

KPJ Healthcare Berhad (KPJ), Pantai - IHH Healthcare Berhad, Normah Medical Specialist Centre (NMSC), Borneo Medical Centre, Watsons

- **direct access**
  - emergency medical loans can be directly applied
  - providing immediate access
- **trusted healthcare providers**
  - increases trust among B40 families
  - ensuring they feel confident using the platform
- **comprehensive medical coverage**
- **improved access for B40 families**
  - access to necessary medical services across KL and Sarawak

Ministry of Health of Malaysia (Kementerian Kesihatan Malaysia)

- **support for medical loans**
  - offer medical loans to those who struggle with healthcare expenses
- **access to patients**
  - identify and refer low-income patients in need of financial support for medical bills
- **healthcare financial literacy**
  - collaborate with KKM on public health education programs that integrate financial literacy focused on healthcare expenses
- **expanding rural reach**
  - use KKM's public healthcare network to reach B40 individuals in rural and underserved areas
- **government credibility**
  - trusted government body opens doors for future collaborations

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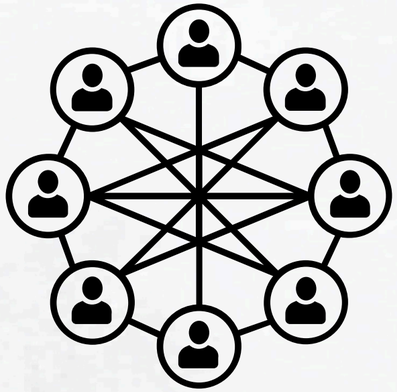
Estimation Number of Users and Families

Estimation of number of users			
Year	Families	Users	
Year 1	7,500	30,000	
Year 2	15,000	60,000	
Year 3	22,500	90,000	
Year 4	30,000	120,000	
Year 5	37,500	150,000	40% normal, 20% premium, 40% crowdfunding

We make an assumption that:

- 40% of the families uses normal plan and 20% of the families uses premium plan
- In the first year, we will be targeting 30,000 users (crowd funders and B40 families)
  - 40% of the users are crowd funders, which finance the loans given out from us



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Revenue Stream

Interest Rate from Normal Plan	Interest rate: 8% Repayment period: 1 year Average amount of loan given: RM5,000 (Maximum is RM10,000)	Year 1 revenue: RM1,200,000 Year 2 revenue: RM2,400,000 Year 3 revenue: RM3,600,000 Year 4 revenue: RM4,800,000 Year 5 revenue: RM6,000,000
Interest Rate from Premium Plan	Interest rate: 12% Average repayment period: 1.5 years (pay within 3 years) Average amount of loan given: RM12,500 (Maximum is RM25,000)	Year 1 revenue: - Year 2 revenue: RM675,000 (assuming 20% paid) Year 3 revenue: RM4,725,000 (remaining 80%, the new 20%) Year 4 revenue: RM6,345,000 (remaining 80%, the new 20%) Year 5 revenue: RM10,800,000 (remaining 80%, the new 20%) **assuming 20% paid within 1.5 years, 80% paid within 3 years**
Crowdfunding Revenue	A 2% transaction fee will be charged to the borrowers (targeted audience B40)	Year 1 revenue: RM675,000 Year 2 revenue: RM1,350,000 Year 3 revenue: RM2,025,000 Year 4 revenue: RM2,700,000 Year 5 revenue: RM3,375,000

Customers choose us because we offer lower interest rates compared to other lending companies. We focus on medical loans, supported by crowdfunding (P2P lending), allowing others to provide financial assistance through us with more affordable interest rates, while lenders can earn interest on the money provided within a year. Additionally, we take pride in the speed and efficiency of our loan approval process, which requires only proof of utility bills and salary slips, enabling quick disbursement of funds.

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Revenue Stream cont' - Calculations

Normal Plan already earning in first year

Revenue							
Year 1							
Normal Plan			**Premium Plan**			**Crowdfunding revenue**	
Number of users **(families)**	3,000		Number of users **(families)**	1,500		Number of users	12,000
Average amount of loan given (RM)	5,000		Average amount of loan given (RM)	12,500		Average crowdfunding amount (RM)	2,812.5
Loan term (year)	1		Loan term (year)	3		Crowdfunding fee charged towards borrowers	2%
			Average loan tenure (year)	1.5			
Interest rate	8%		Interest rate	12%		Amount from crowdfunding	33,750,000
						Revenue	675,000
Average loan given	15,000,000		Average loan given	18,750,000			
Revenue	1,200,000		Revenue	3,375,000		**Total loan given**	**33,750,000**
						Amount crowdfunding collected - Loan given	**-**
			(not earned in the first year, 20% pay within 1.5 years)				
						Total Revenue	**1,875,000**
Year 2							
Normal Plan			**Premium Plan**			**Crowdfunding revenue**	
Number of users **(families)**	6,000		Number of users **(families)**	3,000		Number of users	24,000
Average amount of loan given (RM)	5,000		Average amount of loan given (RM)	12,500		Average crowdfunding amount (RM)	2,812.5
Loan term (year)	1		Loan term (year)	3		Crowdfunding fee charged towards borrowers	2%
			Average loan tenure (year)	1.5			
Interest rate	8%		Interest rate	12%		Amount from crowdfunding	67,500,000
						Revenue	1,350,000
Average loan given	30,000,000		Average loan given	37,500,000			
Revenue	2,400,000		Revenue	6,750,000		**Total loan given**	**67,500,000**
						Amount crowdfunding collected - Loan given	**-**
			Revenue from First Year (20% paid)	675,000			
						Total Revenue	**4,425,000**
Year 3							
Normal Plan			**Premium Plan**			**Crowdfunding revenue**	
Number of users **(families)**	9,000		Number of users **(families)**	4,500		Number of users	36,000
Average amount of loan given (RM)	5,000		Average amount of loan given (RM)	12,500		Average crowdfunding amount (RM)	2,812.5
Loan term (year)	1		Loan term (year)	3		Crowdfunding fee charged towards borrowers	2%
			Average loan tenure (year)	1.5			
Interest rate	8%		Interest rate	12%		Amount from crowdfunding	101,250,000
						Revenue	2,025,000
Average loan given	45,000,000		Average loan given	56,250,000			
Revenue	3,600,000		Revenue	10,125,000		**Total loan given**	**101,250,000**
						Amount crowdfunding collected - Loan given	**-**
			Revenue from First Year (80% paid) + Second Year (20% paid)	4,725,000			
						Total Revenue	**10,350,000**

Not earning anything from Premium Plan in the first year due to the loan repayment time

In Year 2, Premium Plan is only earning 20% of the revenue from first year earning (assuming on 20% of the families pay within 1.5 years)

In Year 3, Premium Plan is earning 80% of the revenue from first year AND 20% of the revenue in Year 2

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Fixed Cost & Initial Investment

	Fixed Cost	
	Cost Description	**Annnual Costs (RM)**
1	Registration of Company	
	Professional fees (Lawyer & Accountant)	10,000
2	Rental & Insurance (Assuming office is in central of KL)	
	Rental	60,000
	Insurance	10,000
3	Miscellaneous Bill (Office expenses & Utilities)	
	Office supplies	5,000
	Utilities (Electricity, Water and Internet)	18,000
4	Salaries	
	Monthly salaries	360,000
	Benefits and allowance	60,000
5	Software Licensing (AI Tools & Maintenance Costs)	
	AI tools	18,000
	Maintainence	60,000
6	Hardware (Computers and etc.)	
	Maintainence and upgrades	10,000
7	Partnership Costs	
	Partnership fees	120,000
	Total	**611,000**

- The fixed cost have to be paid even though there is no variable costs
- The company's largest fixed cost is salary, benefits and allowance

	Initial Investment	
	Cost Description	**One-Time Costs (RM)**
1	Registration of Company	
	Registration fee	5,000
	Profesional fees	5,000
2	App Development	
	Development fee	50,000
3	Hardware (Computers) & Office Furnitures	
	Initial investment	20,000
	Office furnitures	10,000
4	Rental	
	Deposit (2.5 months)	12,500
	Total	**102,500**

- The initial investment is a one-time expense when the business starts
- The largest initial investment is the development fee

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Variable Cost

	Variable Cost					
	Cost Description	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
1	Customer Acquisition Costs (RM10 per customer)					
	Digital advertising	300,000	600,000	900,000	1,200,000	1,500,000
2	Payment Gateway Cost (2.6%)					
	Transaction fee	877,500	1,755,000	2,632,500	3,510,000	4,387,500
3	Crowdfunding					
	Interest rate to crowdfunders (3%, paid back within a year)	1,012,500	2,025,000	3,037,500	4,050,000	5,062,500
	Total	2,190,000	4,380,000	6,570,000	8,760,000	10,950,000
					All currency values are in RM	

- The variable cost will change when the number of target audience changes
- RM10 is allocated per customer for marketing purposes
- The payment gateway charges us 1.5%-2.6% per transaction, and we will absorb these transaction fees, covering them with our revenue
- Since the loan is financed through crowdfunding (P2P lending), the lenders will receive a 3% interest rate in return, with the purpose of saving a life and investing

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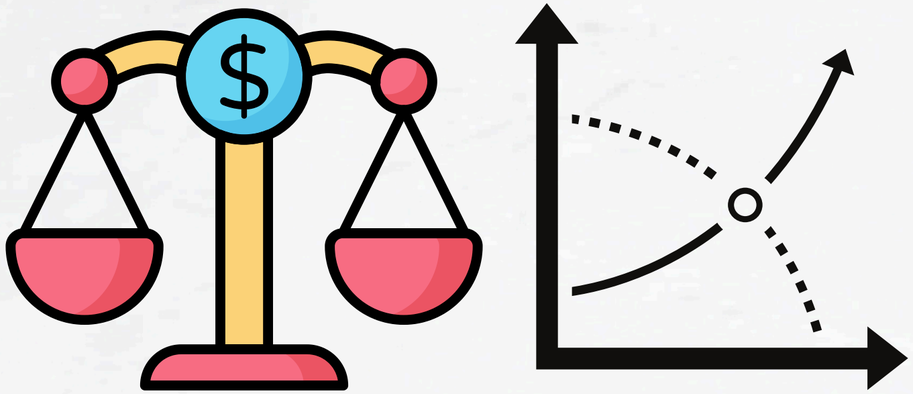
Profit & Loss Statement

Profit & Loss Statement	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue		**1,875,000**	**4,425,000**	**10,350,000**	**13,845,000**	**20,175,000**
Digital advertising (RM10 per customer)		300,000	600,000	900,000	1,200,000	1,500,000
Transaction fee (2.6% per transaction)		877,500	1,755,000	2,632,500	3,510,000	4,387,500
Interest rate to crowdfunders (initial amount + 3% within a year)		1,012,500	2,025,000	3,037,500	4,050,000	5,062,500
Total variable cost		**(2,190,000)**	**(4,380,000)**	**(6,570,000)**	**(8,760,000)**	**(10,950,000)**
Professional fees (Lawyer & Accountant)		10,000	10,000	10,000	10,000	10,000
Rental		60,000	60,000	60,000	60,000	60,000
Insurance (All aspects)		10,000	10,000	10,000	10,000	10,000
Office supplies		5,000	5,000	5,000	5,000	5,000
Utilities (Electricity, Water and Internet)		18,000	18,000	18,000	18,000	18,000
Monthly salaries, benefits & allowance		420,000	420,000	450,000	450,000	480,000
Software Licensing - AI tools		18,000	18,000	18,000	18,000	18,000
Software Licensing - Maintainence		60,000	60,000	60,000	60,000	60,000
Hardware maintainence and upgrades		10,000	10,000	10,000	10,000	10,000
Partnership fees		120,000	120,000	120,000	120,000	120,000
Total fixed cost		**611,000**	**611,000**	**641,000**	**641,000**	**671,000**
Total expenses		**(2,801,000)**	**(4,991,000)**	**(7,211,000)**	**(9,401,000)**	**(11,621,000)**
Before-tax earnings		(926,000)	(566,000)	3,139,000	4,444,000	8,554,000
Company income tax (24%)		450,000	1,062,000	2,484,000	3,322,800	4,842,000
After-tax earnings		**(1,376,000)**	**(1,628,000)**	**655,000**	**1,121,200**	**3,712,000**
Initial investment						
Company registration fee	5,000					
Profesional fees	5,000					
App development fee	50,000					
Initial investment (Hardware & Computers)	20,000					
Office furnitures	10,000					
Rental deposit (2.5 months)	12,500					
Total initial investment	**(102,500)**					
Cash flows	**(102,500)**	**(1,376,000)**	**(1,628,000)**	**655,000**	**1,121,200**	**3,712,000**
Cumulative cash flow		**(1,478,500)**	**(3,106,500)**	**(2,451,500)**	**(1,330,300)**	**2,381,700**
						All values in RM



break-even point is at Year 5

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Source of Funds

Bootstrapping (Self-Funding)

- All 6 of us are shareholders, we plan to raise approximately RM1,600,000 through personal contributions, along with additional support from friends and family
- Minimise external debt

Angel Investor

- To cover the cash flow deficit of RM3,106,500 in 1st and 2nd year
- We plan to raise RM1,500,000 in exchange for 10%-15% of company's equity

Crowdfunding (P2P Lending)

- This funding is utilised to finance the loans we provide
- Lenders can offer a helping hand to those in need while earning interest return within a year

Thank you