

MicroMoney

for people

Customers` Big Data

for business

Financial inclusion of 2 bln unbanked cash-people into
the New World Global Crypto Economy

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Abstract

Did You know ? - more than 2 billion people in the world using only cash, suffers and struggle for their life without any access to modern banking services. To take out a loan for them is a huge challenge, because they do not have any credit histories.

AND situation is NOT GETTING ANY EASIER...

We, adepts of decentralized world global economy, found a solution!

MicroMoney is Decentralized Open Source Credit & BigData Bureau on Blockchain with Risk Scoring by AI of Neural Network.

We provide a multi-purpose digital identity and opportunities to build creditworthiness and reputation for 2bln un(der)banked and untapped people, without borders or intermediaries.

We give real-time transparency of SDG-aligned projects and trust of cryptographically assured blockchain customers credit histories and contracts. (SGD = Sustainable Development Goals)

Our goals:

- Enable worldwide banks, financial companies, e-commerce & retail businesses to efficiently scale community investments and service more (before nowadays fully untouched) customers
- Enable blockchain companies to efficiently scale customer base by getting access to open source credit bureau with millions of un(der)served people & bring them to the New World Global Decentralized Crypto Economy

To Bring 2.000.000.000 unbanked & un(der)served people to the New World Global Decentralized Crypto Economy: MicroMoney for People & BigData for business

Introduction

More than 2 billion people worldwide are recognized to be unbanked. That means they forced to use only cash in their daily life and have no chance to solve their urgent problems by applying for banking services. Borrowing from friends and family is the most common source of credit 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 are not able to say they have much more ways to solve the situation.

What are the trickiest things for banks to involve such people into their audience? Unbanked are not unprofitable at large but they have the higher risks and low margins. The fact that unbanked category dominates on emerging markets (up to 80% of the adult population in some countries) makes the main market players hibernate their products enhancing, growth in efficiency, consumer experience improvement, and next customers generation raising there.

Blockchain technology came as the answer how to ruin classical but outdated banking restrictions. It brings to the financial market the ways to increase the competition and to make a product revolution in financial services. Now banks are able and even forced by the market situation to provide high quality, fast and affordable services for the world's financially excluded.

Today we can name savings and lending services availability the part of human rights. Moreover, the financial services become one of the main sources of income for the states economies, encouraging the other industries development.

The access to wider money opportunities for unbanked means their development too. They will be able to get a better education and medical care to become more professional and profitable citizens and to create their own small businesses to improve the state economy.

Do not forget that Apple, Microsoft, Amazon, Harley Davidson, and Walt Disney started their global corporations in small garages. Their owners could not affect technology revolution if their loan application were not approved because they had never applied for credits before.

Market Overview

The emerging markets show interesting statistics: usually, they have a high percentage of the unbanked and underbanked population but the high penetration of the Internet and mobile services. Here are some examples of countries confirming these expectations.

Africa (1,1 bln people)

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

India (1,3 bln people)

India now is the world's fastest growing Internet market with user base grew by 51.9% in 2015. However, India's unbanked population would be the world's 7th-largest country. A report prepared by PricewaterhouseCoopers India in 2015 pointed out that India's unbanked population that year was 233 million.

China (1,3 bln people)

China now in 2017 has 731 million internet users and 95% access from their phones, with 53.1 percent of the population online. The country shows a fast development pace but still has 21% of unbanked.

Pakistan (193 mln people)

Pakistan showed 185% of the growth rate of mobile broadband users but 100 million Pakistanis are still unbanked.

The Southeast Asia (800 mln people)

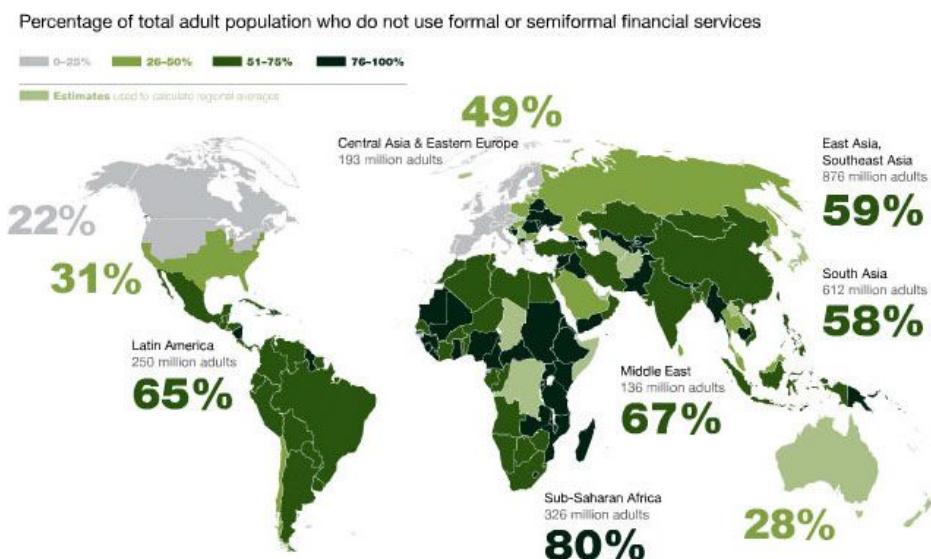
Asian region overall expects to be the world's fastest growing Internet region by 2020 provided with Internet users growth, mobile access penetration extending and increasing of social networks users. According to Google and Temasek, by 2025 the South East Asian Internet economy is expected to reach 200 billion USD, strengthening its already strong and growing GDP of 2.5 trillion USD. With its mobile connection rate higher than the global average, (124% vs. 103%) and its Internet speeds 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 growth 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 more 5 000 unofficial money lenders and loan sharks.

The Substantial Growth of Unbanked and Underbanked

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



global PROBLEM

As people worldwide are lacking the access to basic financial services, they have restricted opportunities to overcome poverty and to improve their lives. That means they do not have an access not only to banking services like loans, mortgages or bank accounts themselves, but the access to all the other services and opportunities. **No credit histories > no access to banks > no credits > no credit histories >**

However, there is hope to disrupt this vicious circle

All of the above countries are in the Asia - Pacific Region, which is now home to more than half the world's internet users, 54% of the world's social media users, and 56% of all mobile social media users.

This demonstrates that although most Asian people may be unbanked the digital services with their innovative solutions have all the possibilities to improve their lives. And we are here to help to bring those millions unbanked **guys** to the New World Global Crypto Econom.

our SOLUTION

Give micro money to people

Help them to build first credit history on blockchain or how to include 2 billion people into the New Global World Crypto Economy.

MicroMoney is a team of professionals who are able to work in those emerging markets where the prudish banks are afraid to come, and even if they came they go as if through the minefield.

In whole world there are 196 countries. 100 countries out of 196 countries - is our market. Our territory. More 2 bln unbanked people. Cash-only, no credit histories, no debts, 80% have smartphone, 99% have Facebook.

We focused on: blue collar, white collar, SME. Usually they got \$200-500/month.

This is a huge database of fresh, virgin customers. and we are here to bring them to **The New World Global Economy**.

At emerging markets borrowers smartphone - can tell us all about his creditworthiness. No joke - your smartphone know you much better than even your best friend.

So we made the App - and your smartphone will tell us more 10.000 parameters. This is what is a Big Data. We analyze this Big Data using our AI Neural Network Scoring and it is enough to make credit decision in just 15 seconds!

Now , to borrow money using our app, **as easy as order Uber**. (but we always trying to improve UX interface).

We realized that we 90% of our customers take the first loan in their lives. Same time we were overwhelmed by a brilliant idea: by providing money for people we are not just helping to solve daily problems! We are helping to create a digital financial identity, to build creditworthiness and reputation, **to create their first credit stories!**

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

Open source credit bureau on the blockchain

Loans through smart contracts, transparent and reliable credit histories. We must enable Businesses to come to our customers, offer them a best service!

And we give access to our Big Data for BUSINESS

So our products is Digital Financial Identity encrypted on Blockchain and Big Data gathered from Borrower's smartphones. And that Big Data of fresh virgin customers become very useful for BUSINESS: **People need money (or different products), Business need these fresh customers!**

As you see, we started as company fully focused on micro-financing in the money lending industry, aiming to provide the best solution to individuals and SMEs financial needs.

But nowadays we proud to be **FINTECH company** with goal to make **financial inclusion of unbanked people to World Global Crypto Economy.**

Since 2015 MicroMoney successfully operates in Cambodia (we started with seed investments \$30k only!), 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. Working hard we proved our business model and already raised more \$1.8mln usd!

[LINK: pls check our ROADMAP & EXPANSION PLANS](#)

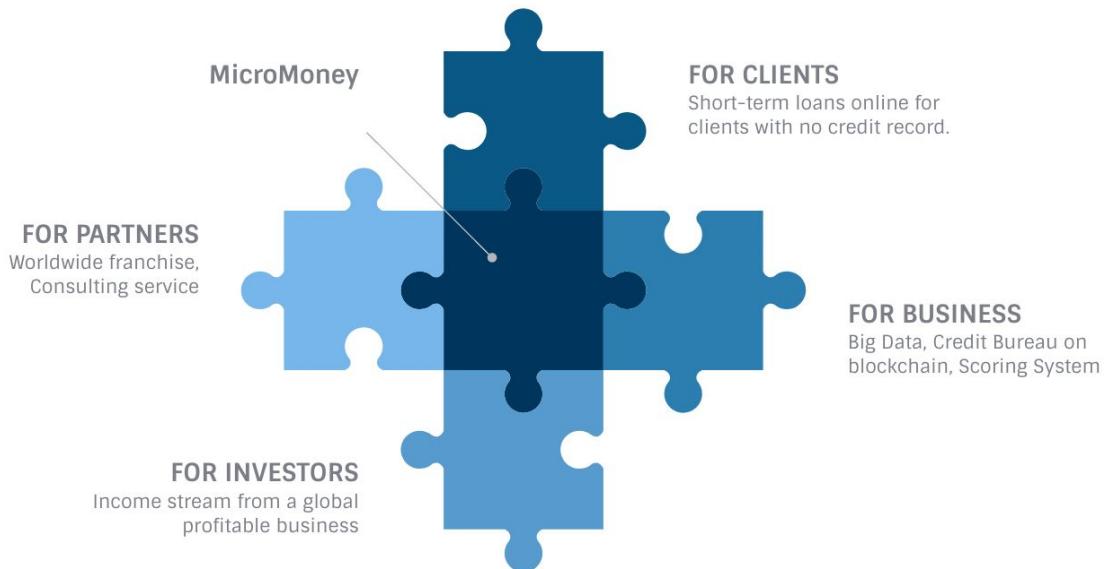
And MAKE IT WORLDWIDE: The Expansion.

We reflected - how to scale our product? we found around 100 most populous countries with 2 bln unbanked guys, with HUGE demand on our 2 products: **People need money, Business need these fresh customers!**

<https://drive.google.com/drive/folders/0B8PTJZjw0jXuTWhCUGp6dkVSeXM?usp=sharing>

So, we took this idea from **McDonald's** - We completely standardized and packed our business processes in CRM system (BPM`Online). Now it is a ready-made FRANCHISE FINANCIAL PLATFORM. Now we can easily open new countries same as McDonald's opening new branches. or... maybe YOU want to open in your country this business? **[LINK: pls check our ROADMAP & EXPANSION PLANS](#)**

Financial services for unbanked and underbanked, Customer's Big Data services for Business, combined with worldwide franchise constitutes MicroMoney ecosystem.



Currently MicroMoney is establishing new branches in Indonesia, Sri Lanka, and Philippines. Next goal Vietnam, Malaysia, Singapore, Hong Kong and of course China. All those branches will start operating until the 2017 Q3 - 2018 Q1. For the purpose of further business expansion and developing new products MicroMoney arrived to a decision of starting a **Token Crowdsale**.

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.
- Building blockchain-based Credit Bureau in target countries.
- Creating extensive micro-financing ecosystem by providing our franchise to local partners.
- Raising financial awareness among our clients by consulting services and educational materials.
- Enable worldwide banks, financial companies, e-commerce & retail businesses to efficiently scale community investments and service more (before nowadays fully untouched) customers
- Enable blockchain companies to efficiently scale customer base by getting access to open source credit bureau with millions of un(der)served people & bring them to the New World Global Decentralized Crypto Economy

WHAT WE DO and HOW WE WORK

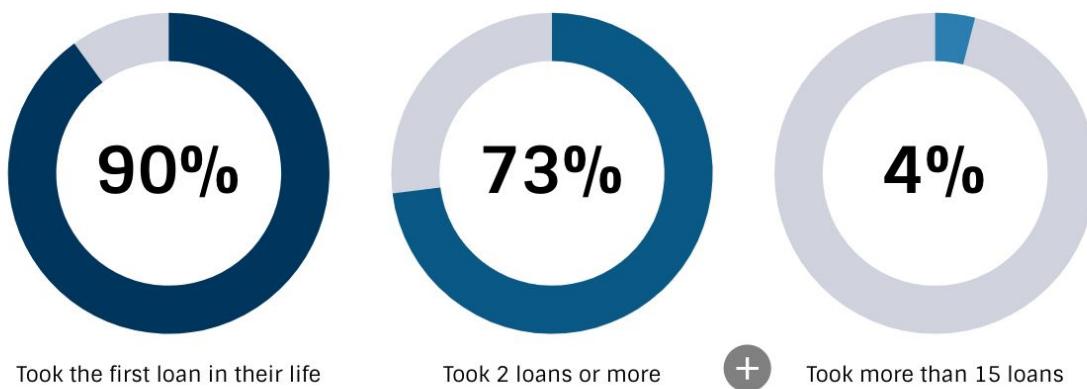
Our History: Two years work hard

MicroMoney is 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 reached more 500 thousands followers, and our app in Google Play has 4.8 out 5 customer rating. (need link)
<https://www.facebook.com/micromoneymyanmar/>

We have more 95 000 registered users, we provided high-quality financial services to our clients. 90 percent among of them want took out the first loan in their life. About 73% got back to us for the second loan. And 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 forms the team of technical and business experts, constantly updates financial products, produces educational content and expands the business to new markets.

in December 2015 we issued 21 loans, for ~800 dollars total! By 2017, our disbursement volume will reach \$2,5 mlns. Number of loans disbursed per 2017 is going to hit more 30 000.

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

Financial & Business models - link to Business Model

Performance Summary

Continue according to the roadmap before 2020

Total attracted investments: 30 000\$ in 2015, 950 000\$ in 2016 and 1 850 000\$ in 2017Q3.

	2015	2016	2017, EoY
unique registered customers	100	50 000	150 000
issued loans / credit records	21	11 040	70 000
issued loans, USD	1 050	662 400	4 900 000

Timeline

Will be updated to a properly formatted table soon (screenshot is temporary)

2015	2016	2017, Q3
IT		
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.
OPERATIONS		
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.	60 people in the team. 7 different nationalities
PRODUCT		
Payday Loans.	Connected to all major fiat payment systems.	Connected to the first crypto cash e-wallets (by Everex).
APP		

Android App development is started.	Android App is successfully launched. 60 000 unique registrations.	Android App updated. 10,000+ parameters are being gathered from borrowers phones. Google Play rating reaches 4.5+. 95 000 unique registrations.
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CUSTOMERS FEEDBACK

	1000+ positive feedbacks.	500 000+ real likes on Facebook.
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BUSINESS EXPANSION

Cambodia.	Myanmar.	Thailand (back office). Expansion to Indonesia, Philippines, and Sri Lanka is started.
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Our Scoring App powered by
A.I. Neural Networks Algorithm



APP : <https://play.google.com/store/apps/details?id=mm.com.money&hl=en>
review: <https://prnt.sc/gdzyui>

Borrowers smartphone - tell us all about his creditworthiness. no joke - your smartphone know you much better than even your best friend. After app is installed, customer signs an agreement on personal data processing. Additionally to the data submitted to the form directly, scoring system analyzes user's behaviour while applying, all his contact list contacts, calls and sms, web-surfing behaviour and other data from a smartphone. We also receive data from all social networks which using our customer. **Eventually, we get very detailed customer's profile¹ - Big Data.** -

Then our technical experts have developed unique Big data 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. As a result, our systems forms predictive score **in accordance with global FICO system.**

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 gathered from borrowers smartphones. We see market uptake for this type of Big Data from financial, e-commerce, insurance, telecom and other companies.

Of course - as more we will have Big Data, as more clever will be our predictive A.I.

¹ We respect our clients' privacy and don't share or sell this information if permission was not granted by a client.

Some of parameters we are analyzing:

How long borrower filled each field, how many seconds he doubted when he pointed out his home address, how many times he changed the salary field, at what time of the day or night the application is filled, what music in the playlists, how long the person uses this phone, how often he calls to relative, whom he calls, do we already have clients from his contact list. Good borrowers usually friends with another good guys, bad borrowers with another bad guys.

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 with no previous credit record but having smartphone).
- 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 very useful also for any other businesses: for banks, finance companies, insurance, e-commerce, retail.

Approximate final loss evaluation for the first year on a new market:

Risk chart

Risks of non-payment of loans

Our scoring algorithm is a self-learning system, the more loans we give out, the better it learns and significantly reduces the risk of non-repayment of the loan. With the opening of each new country, we will gain access to the huge data sets that will be processed by our algorithm, which will further improve the result of its work.

THE VALUE THAT WE HAVE

MicroMoney for Crypto Community

We are into ecosystem and helping to develop it. Developing crypto world together.

We want to enable blockchain companies to efficiently scale customer base by getting access to our open source credit bureau with millions of un(der)served people & bring them to the New World Global Decentralized Crypto Economy

And we do that: in August 2017 we sign Memorandum of Understanding with Everex e-wallet (raised more 60.000 Eth during **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).

We are close to these projects and we plan to use the resources of these projects:

Everex, crossborder payment system. crypto-cash for our borrowers

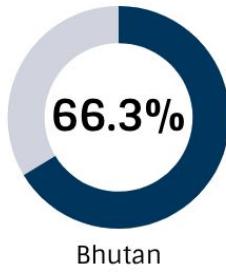
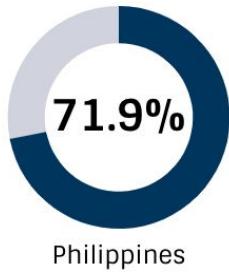
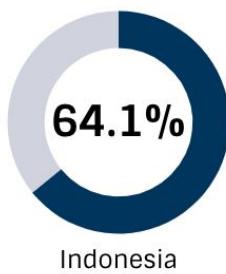
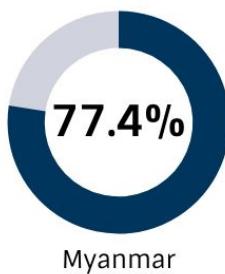
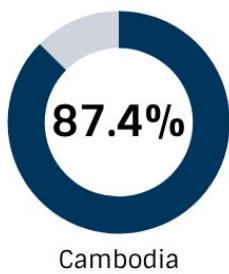
GOLEM, decentralized supercomputer to deploy AI of Neural Network for our scoring & risk analytics solutions

Civic, Borrower identification & verification
Hive, providing funding for our SME customers
Tether, payment system
COSMOS, network and a framework for interoperability between blockchains.
Uport: global, unified, sovereign identity system
Sonm, supercomputer Organized by Network Mining
OmiseGo, payment system

MicroMoney for people: Micro-loans and Creating reliable credit histories for Greater Financial Inclusion

According to McKinsey Report², in 2010 2 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, there are still about 2 billion people in the world without formal banking.

The percentage of respondents who report not having an account (by themselves or together with someone else) at a bank or another type of financial institution (according to The World Bank statistics³, 2014):



That means billions of people who are excluded from local and global economies, and don't have access to basic financial services. MicroMoney sees its mission in solving this problem.

EVEN IN THE US, about 50 MLN ANBANKED! (update the data)

²http://mckinseyonsociety.com/downloads/reports/Economic-Development/Half_the_world_is_unbanked.pdf

³ <http://databank.worldbank.org/data/reports.aspx?source=1228>

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 and INSTALLMENT LOANS

- Loan tenor: 14, 21, 28 days. / 2-3 Month
- 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 dollars. every new loan amount increasing. more trust, more records in credit history - bigger amount. We teach customer to borrow wisely - for example - not to borrow more 20% out of his monthly income. (average loans 23-250usd for MM, KH, PH, ID, LK. for countries like SG, HK, CH - may vary).
- No collateral.
- Time-to-money: immediate loans; decision - 15 seconds, money delivery - in 1 hour
- Loan disbursement channel: 1st loan - through domestic remittance or at bank account (also by teaching customers how to open bank account). Next loans - through domestic remittance, bank accounts and payment systems. Soon we want to start Everex e-wallet, so we can provide loans in crypto-cash.
- 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 (need text)

- Loan tenor: 2-3 Month
- Cost of a loan: competitive interest rate depends of business type.
- Loan amount: not more 30% out of SME monthly turnover, 200-500usd.
- No collateral.
- Time-to-money: immediate loans; decision - 15 seconds, money delivery - in 1 hour
- Loan disbursement channel: 1st loan - through domestic remittance or at bank account (also by teaching customers how to open bank account). Next loans - through domestic remittance, bank accounts and payment systems. Soon we want to start Everex e-wallet, so we can provide loans in crypto-cash.
- 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
 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.	 MicroMoney enables clients to build and secure their credit records for future by blockchain-based credit record database.

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 statistics⁴, about 60% of adult population report borrowing any money (by themselves or together with someone else) for any reason

⁴ <http://databank.worldbank.org/data/reports.aspx?source=1228>

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 with "FICO".** MicroMoney credit record base is being moved to blockchain, which guarantees safety and credibility of the information.

First pure-online company on the market

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

Financial market landscape in Asia region clearly demonstrates its readiness for pure-online business-model:

- Asia Pacific is a home for 3,8 Bln people ⁵
- According to Statista⁶, 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 capital 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. For example in USA banks pay ~250usd for 1 Customer, 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

According to The Global Findex Database⁷, 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 cash⁸ within the country. MicroMoney call-center helps to open a bank account or install an

⁵ <https://www.statista.com/statistics/321490/smartphone-user-penetration-in-asia-pacific/>
<https://en.wikipedia.org/wiki/Asia-Pacific>

⁶ <https://www.statista.com/statistics/321490/smartphone-user-penetration-in-asia-pacific/>
<https://en.wikipedia.org/wiki/Asia-Pacific>

⁷ <http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf#page=3>

⁸<http://www.worldbank.org/en/programs/globalindex/infographics/infographic-global-index-2014-financial-inclusion>

e-wallet to the borrowers smartphone. Thanks to MicroMoney consultants about 12 000 clients opened the first bank account in their life.

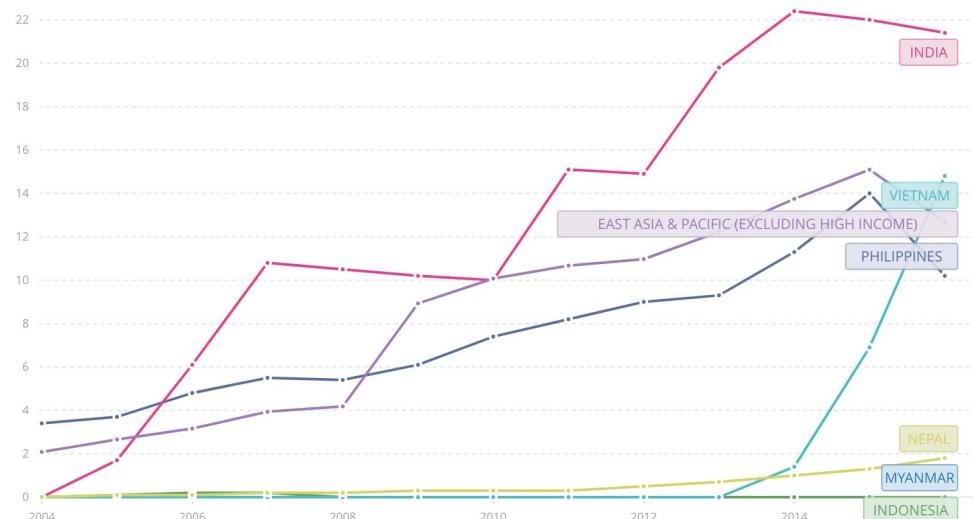
Problem	Solution
	 <p>Unbanked and underbanked people are not familiar with types and conditions of financial services they may benefit from.</p> <p>MicroMoney provides its clients with consulting services, explaining how to open bank account or install e-wallet.</p>

MicroMoney for business: Fresh New Customers and Big Data

Big Data & Credit Record Bureau on Blockchain

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

According to The World Bank statistics⁹, 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).

⁹<http://data.worldbank.org/indicator/IC.CRD.PRVT.ZS?contextual=default&locations=MM-ID-PH-IN-VN-4E-NP>



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.

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 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.

Use Cases

We want to enable worldwide banks, financial companies, e-commerce & retail businesses to efficiently scale community investments and service more (before nowadays fully untouched) customers.

Also we want to enable blockchain companies to efficiently scale customer base by getting access to open source credit bureau with millions of un(der)served people & bring them to the New World Global Decentralized Crypto Economy.

MicroMoney will provide access to data through the API platform. Our technical experts 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.

Big Data for Banks: Bank using huge budgets to attract and verify their customers. For example in **USA banks pay ~250usd for 1 Customer**, in Europe price is not much cheaper - 150-200 Euro. **Every time a bank sends a credit offer to its client (sms or e-mail), it is forced to pay a usual credit bureau, and therefore the cost of 1 loan issued grows.** Cost of our 1 reliable borrower is just 1 dollar! Banks can buy credit histories from our credit Bureau.

Big Data for Microfinance companies, Finance companies, insurance companies: This Businesses want to expand to our countries, but afraid, because no nationwide credit bureau, the population of our countries for them is a large unrecognized grey zone.

BigData for e-commerce, for retail businesses: can help get new fresh customers from our database or better understand what this new customers want. For example, if we see that the client is looking for a baby stroller, according Internet browsing history, then we should offer him to buy diapers in nearest shop.

How Profitable to sale Big Data:

We assume huge demand on our big data and credit histories. We are doing opensource credit bureau, and depersonalised data will be fully free of charge. Personalised information and AI Neural Networks Predictive Scoring will be paid (of course if customer agreed to share his personal data with 3rd parties)

Protection of personal information.

We respect the personal data of our customers and never give them to third parties without Customers consent.

Exchange mechanism:

Any Business user (for ex Bank or e-commerce) can exchange their credit histories for our credit histories. You give us 10 records, we give you 8 records. win - win. both parties have profit of this transaction.

MicroMoney for partners at new countries: Scaling business Worldwide

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

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.

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 2 franchise contracts already signed - with Indonesia partner Mr Frans Purnama (chairman of Indonesia Microfinance Association with 50 000 000 active borrowers) and with Sri-Lanka partner Mr Madhwawa Edussuriya, owner of Big Microfinance company Prosperous Capital & Credit Limited.

in October 2017 we will also sign contract with our Nigerian partner - Mr China Muoka.

MicroMoney for Token Buyers ([Investors](#)) or why we have already given 1.85 million dollars.

1. 20% out of net profit going to BUY BACK TOKENS
2. Scalable online business model: growing company - growing token
3. there is a clear roadmap for the next 3 years [LINK](#)

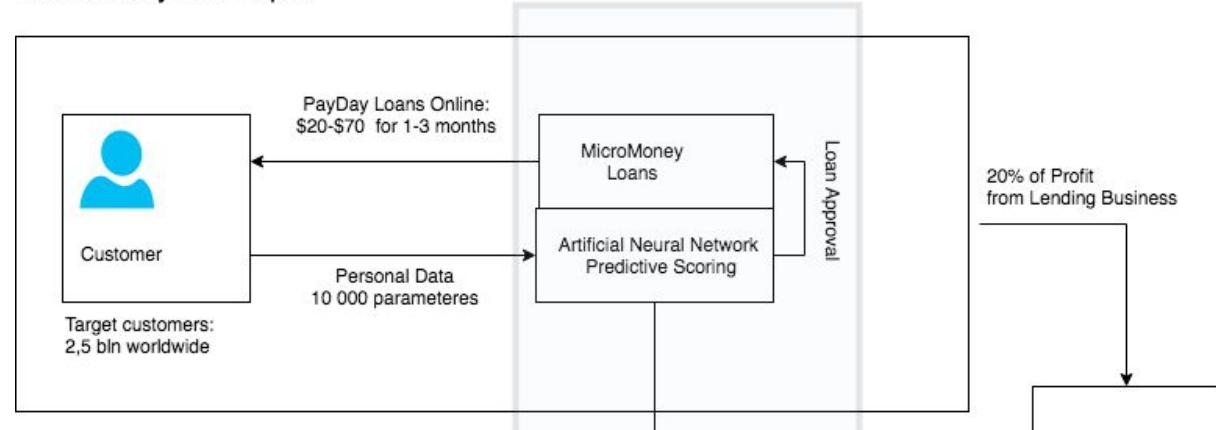
4. we carefully prepared and worked all markets [LINK](#)
5. every month we plan to bridle up a lot of news because we will have ABOUT WHAT TO TELL: new countries, new exchanges, new records
6. Every month - we plan to connect on a new exchange
7. We already invested \$ 1.85 million in us

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

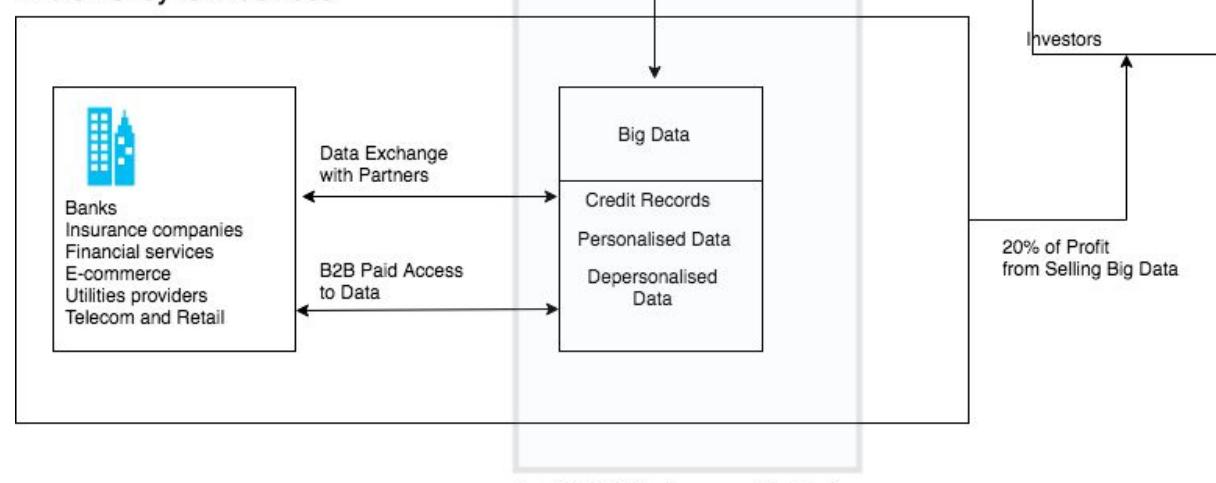
Operation Diagram

20% out of net profit going to BUY BACK TOKENS

MicroMoney for People



MicroMoney for Business



Credit & Big Data Bureau on Blockchain

Add B2B FREE ACCESS TO Depersonalised BIGDATA

WHY DO WE START ICO?

Expanding worldwide, starting from Asia and Africa

MicroMoney is ready to go in 10 more markets. We have conducted all necessary researches and have pre-agreements with our future local partners. [**PROVE LINK for business plan**](#)

According to our plans, we will establish MicroMoney financial services in countries mentioned below until 2018 Q2. 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, successful Token Crowdsale campaign will allow us to speed up planned expansion**, capture additional markets, and develop more quickly our products and services. Our assumption we can raise around 30 000 000 USD.

add ROADMAP

Detailed BUSINESS PLANS: Financial Model, Business Model, Launch Plan for Every country

detailed BUSINESS PLANS: Financial Model, Business Model, Launch Plan for Every country

Myanmar - done, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Cambodia - done, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Thailand - done, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Indonesia - in PROGRESS, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Sri Lanka - in PROGRESS, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Philippines - in PROGRESS, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

China - LOOKING FOR PARTNER, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Malaysia - LOOKING FOR PARTNER, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Singapore - LOOKING FOR PARTNER, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Hong Kong - LOOKING FOR PARTNER, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Nigeria - - LOOKING FOR PARTNER, [**LINKS: Financial Model, Business Model, Launch Plan etc**](#)

Investment Summaries

General Investment Summary for Asia in 5 Years:

ASIAN GOALS 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	26,0
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%	64,7%	5%	83%
Volume indicators (year 5)	VN	PH	ID	MY	CN	MM	LK
Loans issued in year 5, thsd including prolongations	1 291	441	464	198	1154	620	422
Loans issued per day in year 3 including prolongations	3537	1208	1271	542	3160	1698	1156
Investment parameters	VN	PH	ID	MY	CN	MM	LK
Investment in 5 Years, mln USD	15,7	8,8	11,0	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

1

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 ruin barriers for the borrowers financially excluded. It is the Win-Win situation with banks reaching all the necessary data without huge expenses for the market research and with customers achieving all the opportunities the market can offer while keeping their privacy secured.

As MicroMoney builds the decentralized autonomous organization, the ambitious and wide-ranging 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.

ICO DETAILS

WHAT IS THE TOKEN MMT

TOKEN CROWDSALE structure

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

Token name: MMT

Token Supply: 30 000 000 MMT.

Tokens that are not sold during the **Token Crowdsale** will be destroyed automatically by the smart contract.

Payout Structure: Each quarter 20% of MicroMoney distributable profit is allocated for token buyout. Token buyout will be executed according to the current market value.

Pre-Token Crowdsale:

Duration: 3 weeks

Initial rate: Token price is locked to \$0,67 (43% less comparing to **Token Crowdsale** phase)

Token Crowdsale:

Goals:

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

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

Token Crowdsale duration:

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

Minimum purchase sum: 50 MMT.

Maximum purchase sum: 300 000 MMT.

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.

Token distribution:

Founders — 8%,

Advisers — 3%,

Escrow — 2%,

Bounty — 3%,

Investors — 84%.

Time-bonuses

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

1 day — +25% bonus

2-7 day — +20% bonus

7-14 day — +10% bonus

14-21 day — +5% bonus

Bounty program

(percentage of the bounty pool):

LEGAL

In each country of the presence of our business, we carefully study the legislation and act strictly according to the letter of the law. This is a mandatory point of development of our scaling strategy.

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

Link to company incorporation documents

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, Myanamar

Link to company incorporation documents

Company Name: MICROMONEY Thailand
Tax no.0105560121681
36/73 PS Tower Floor 21 , Sukhumvit 21 (Asoke) Klongtoeynuea, Wattana , Bangkok 10110

Link to company incorporation documents

Leadership Team

Founders

Sai Hnin Aung, Co-founder, Operations Director

Mr. Sai Hnin Aung has more than 15 years experience in microfinance/financial industry led by INGO and Commercialized Foreign MFIs. Mr. Sai Hnin Aung leaded the team of up to 550 employees and managed about \$40 million loan portfolio. 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, Adviser

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, Adviser

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, Advendor

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

What The Media Is Saying

What Our Customers Are Saying

we have more 1000 reviews on our FB page

Conclusion

MicroMoney is more than just a token.

It's a technology poised to disrupt the vicious circle in lending industry (no credit histories > no access to banks > no credits > no credit histories) and help to bring those 2 bln unbanked **guys** to the New World Global Crypto Economy.

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 in MicroMoney more 1,85 mln usd.

In this white paper, 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 participate to financial inclusion of 2 billion people: our ultimate vision is to increase the standard of living of people in emerging countries by providing them access to build first reputation and credit histories on blockchain.

Long Live Crypto Economy!

Annex

Myanmar - done, [LINKS: Financial Model, Business Model, Launch Plan etc](#)

Investment summary

MARKET ATTRACTIVENESS. Myanmar market may provide a lot of opportunities for new players.

We believe that it is necessary to enter to Myanmar consumer lending market because:

1. Large population (>51 mln people) with rising wages, high portion of young spenders.
2. Since 2011 the political situation in Myanmar has stabilized and began to improve rapidly: the military regime fell, borders were opened, international sanctions were cancelled. First elections won by National League for Democracy, allows us to say that Myanmar has overcome the troubled period of its history.
3. Favorable investment climate:
 - a) 5 billion USD investment brought into the country only for the first 2 months of 2016.
 - b) According to the forecast of McKinsey* "there is unique opportunities in Myanmar". The level of investments in country's economy in the next 15 years will exceed \$500 billion.
4. Very low level of bank's consumer credit services:
 - a) Unsecured consumer lending is totally absent. Banks focused on SME lending with collateral.
 - b) Gray lending market share is very high: unbanked people are currently covered by low-tech informal lenders and pawnshops.
5. One of the highest smartphones penetration in Asia (80% in the big cities)
5. Payment systems demonstrate a booming growth. Everybody who has smartphone can open e-wallet in 5min.

Key success factors in the market:

- Variety of legal setup is possible. Optimal way to enter the market is pawnshop. After entering the market we are going to pursue acquiring of Microfinance company license.
- Pure online is feasible. The market is ready for online lending despite low income: explosive smartphones penetration growth, mobile operators offer free access to Facebook
- Easy to deliver money: 1) Transfer by "domestic remittance" through any bank without account opening (KYC provided). 2) Transfer to customers' bank accounts**. 3) Transfer to e-wallets of payment systems.

Myanmar is a very attractive market because of its:

- low level consumer lending competition ; - possibility to apply pure online model.

* <http://www.mckinsey.com/global-themes/asia-pacific/myanmars-moment>

** according pilot website launch, we expect that penetration of bank accounts will be well above average in customer segment attracted through the online channel.

2

Investment summary

Investments, thsd USD	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
Total investments	2 215	2 191	529	64	0	4 998
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
Fixed costs	-956	-1 069	-1 004	-1 127	-1 170	-5 327
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
Net profit before taxes	-1 441	-545	1 548	3 999	5 523	9 084
Terminal value						25 063
ROE (annualized)						61%
ROAA (yearly)	-235%	-41%	54%	71%	80%	51%
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%)						

3

General market information

#	Parameter	Myanmar	Yangon city
1	Population (mln.)	51,4	5,9
2	Official language	Burmese	
3	GDP per capita*	\$1.4K	\$2,7K
4	Labour force ratio	63%	70% +
5	GDP nominal Annual Growth Rate (2015)***	7%	
6	Officially employed	30%	50%+
7	Average monthly salary****	\$150	\$300
7	Min. salary for official employed citizens by labor law	\$99	
8	Mobile phone penetration (including smartphones)**	33%	63.5%
10	Smartphone penetration (out of mob. penetration)	58%	80%
11	Bank branches per 100K population	2,5	10
12	Bank cards penetration*****	5%	20%
13	Facebook penetration	~18%	~ 52%
14	e-wallet (service provided by payment systems)	~ 300.000	~ 150.000



Yangon, and other 4 big cities are the most suitable for our lending model, because of:

- 1) Around 20% of population lives there.
- 2) Average salary at least 3 times higher than in overall country, 38% of country GDP is produced only in Yangon.
- 3) Smartphone penetration on 40% higher than in country average. Drastically increasing e-wallet penetration (March 2016 - Regulation on Mobile Financial Services was introduced and government start issuing the licenses for payment systems).

* <http://mmrdr.com/2015/09/03/investing-in-mandalay/> <https://en.wikipedia.org/wiki/Myanmar>

** The dynamics of mobile penetration increase was +87% in the last year. 3G is launched in Yangon and Mandalay

*** <http://www.tradingeconomics.com/myanmar/gdp-growth-annual/forecast>

**** estimations basing on local HR/JOB websites analysis.

***** <http://www.kpmg.com/mm/en/issuesandinsights/articlespublications/documents/banking-and-financial-services-sector-in-myanmar-kpmg-publication.pdf>

5

Consumer Finance Industry Landscape

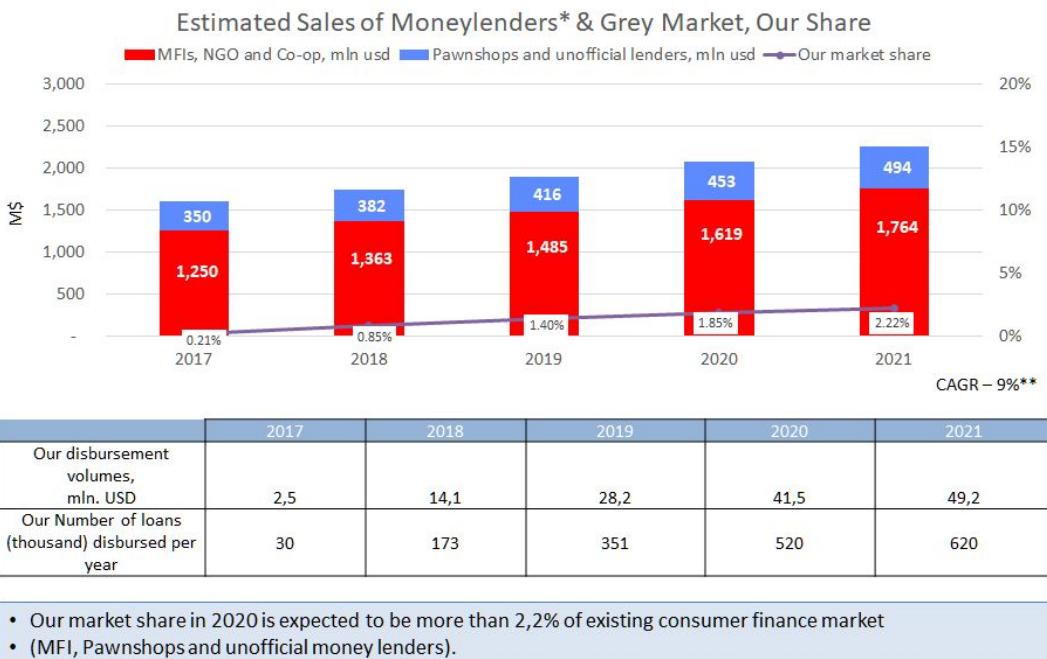
- In the past, Myanmar (Burma) was a British colony. Myanmar became an independent nation in 1948. initially as a democratic nation and then, following the Civil war and a coup d'état in 1962, a military dictatorship. While the military dictatorship formally ended in 2011. Now the country fully turn into democracy.
- The Banking technology is not developed yet. Local banks have no any interbank clearing system and send money to each other by fax. Also there is no REPO. Foreign bank's branch expansion may exist only in the form of Joining Venture with local bank*. Foreign banks allowed to open only one branch and provide loans only to foreign enterprises. The main focus of banking industry is corporate customers. No any credit bureau presented in the country. The personal lending is mostly carried-out by NGOs, MFIs, cooperatives, pawnshops and unofficial money lenders.
- The main efforts of Myanmar Financial authorities are dedicated to reduce the poverty and to promote the socio-economic life of the grass-root people in rural areas. It reflects in requirements for financial institution licenses holders to provide at least 50% of financing in rural areas. Thus, the most of existing micro finance industry players are focused on group-lending.
- There are regulatory authorities which control the consumer finance market: Financial Regulatory Department of Myanmar Central Bank (MCB) – for all financial institutions, Rural Development and Poverty Reduction Committee in MCB – for MFIs. Agricultural, Livestock and Irrigation Ministry - for credit cooperatives. Yangon City Development Committee (under Prime Minister of Yangon region) – for pawnshops. (see appendix 2 - page 37)

1. Banks are focused on SME lending, long and heavy process to borrow money for individuals.
2. Consumer lending is mostly represented by NGOs, MFIs, cooperatives, pawnshops and unofficial money lenders which works fully offline.

* <http://www.crossroadsmyanmar.com/focus/banking-myanmar-nine-foreign-banks-enter-myanmar>

* http://www.cbm.gov.mm/sites/default/files/regulate_launder/financial_institutions_law_updated_by_cbm_20160303website-1_0.pdf

Consumer finance market size estimation



* <http://www.mmse.gov.mm/eng/license> - loan portfolio of NGOs and MFIs
 **<https://www.kpmg.com/SG/en/IssuesAndInsights/ArticlesPublications/Documents/Advisory-FS-The-Banking-Financial-Services-Sector-in-Myanmar.pdf>

7

Cambodia - done, [LINKS: Financial Model, Business Model, Launch Plan etc](#)

Investment Summary



Main characteristics consumer finance market of Cambodia:

- 1) Stable economic growth - around 7% yearly in last 4 years , low unemployment rate – 0.4%
 - 2) Liberal consumer finance regulation :
 - a) No interest cap by banking law (liberalization interest rate law Prakas #B7-09-213 by Central Bank Cambodia)
 - b) With local expertise in place, we should be able to start business in August.
 - 3) 25% employee out of 8,6 million labor force have credit history in Credit Bureau of Cambodia. There is a government target to increase number of employees with credit history to 42% by 2020.
 - 4) One of the highest levels of telecom development: mobile penetration – 155%, smartphone penetration – 39% out of mobile penetration.
 - 5) 3 biggest cell operators in Cambodia have own payment systems. Every mobile phone user has more than one mobile wallet.
 - 6) Undeveloped consumer banking industry:
 - a) Bank account penetration is 13%
 - b) credit cards penetration is 3% (Customer have to make deposit - 150% of credit limit required)
- Key success factors in the market:
- 1) No interest cap
 - 2) 150% mobile wallet penetration
 - 3) Smartphone penetration 60% (growth of 15% per year)

We believe that Cambodia market has a lot of opportunities in nearest 2-3 years. We can be one of the first players who will provide fast and easy loans.

Investment summary



Investment summary thsd USD	Timeline					
	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
investments	205	1 184	662	268	0	2 318
Total investments	205	1 184	662	268	0	2 318
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
Net profit after taxes	-120	-696	609	1 553	2 990	10 739
ROE (yearly)	-7%	-16%	11%	25%	49%	50%
ROAA (yearly)	-13%	-28%	14%	23%	32%	37%

Break-even period – 18 months.
 Payback period – 51 months.
 Maximum investments – \$2,3M.

3

General Market Information



parameters	2014	2016	Growing, %
Population Cambodia	15.4 mln	15.7 mln	1.6%
Population Phnom Penh	1.51 mln	1.59 mln	5.2%
Cambodia labor force	8.45 mln (2013)	8.62 mln (2014)	2%
Unemployment rate	0.4%	0.4%	0
GDP per capita	1096 usd *	1240 usd	13%
Salaries rate Cambodia	152 usd	190 usd	+ 25%
Salaries rate Phnom Penh	190 usd	250 usd	+ 31%
Urban population	21%	23%	+ 9 %
Mobile penetration** (including smartphones)	126%	155%	+ 29 %
Smartphone penetration** (out of mob. penetration)	29%	39,5%	+ 36 %
Facebook penetration	16%	22%	+ 37,5 %
Facebook accounts	2,5 mln people	3,4 mln people	
Bank account penetration	N/A	13%	
E-wallets penetration	<1 000 000	> 6 000 000	+ 600%



Capital of Cambodia – Phnom Penh,
 Official languages – Khmer

Ethnic groups –
 90% Khmers, 5% Vietnamese,
 1% Chinese, 1% other

- 1) Average income in Cambodia close to Vietnam and keeps increasing
 2) E-wallet penetration is one of the highest in Asia. since in 2016 mob operator SMART launched own payment system for 6 mln subscribers. Market share of SMART more than 60%.
 3) Stable GDP growth (around 7% yearly). Unemployment rate is one of the lowest in Asia.

* source of information - <https://knoema.com/silivez/gdp-per-capita-ranking-2015-data-and-charts>

** source of information – <https://www.technasia.com/talk/digital-southeast-asia-q4-2015>

Consumer Finance Industry Landscape



Consumer lending in Cambodia is performed by Banks, MFIs, NGOs Rural Credit Operators and Pawnshops . At the same time, there are still a lot of unlicensed money lenders.

Cambodian Banking system was established in 1979. Government allowed international investors involved 100% of their capital on the bank financial institution. Most of banks concentrate on SME segment. At this moment in country working 36 banks, include 8 international.

MFI can be two types: deposit taken or credit only. Now there are 6 deposit taken MFIs and 64 credit in Cambodia, with more than 2000 branches. Total MFIs loan portfolio is 3.4 bln. usd and 2 mln borrowers. Deposit portfolio is 1.45 bln. usd.

Historically this MFIs use as money laundering schemes. Cambodia is the third most at-risk country to money laundering (2014)*

In beginning of 2016 paid up capital for MFIs was seriously revised from 62 000 usd to up 1.5 mln.

MFI provide loans in Cambodia with collator or guarantors. Lending process still difficult for clients. Approval process: from 2 days to 2 weeks.

One more subject of consumer lending market is Rural Credit Operator working as NGO. Government wants to control this grey area of market and decide to push them to register as MFI. In end of 2015 National Bank of Cambodia received more than 400 applications for registration. Government cannot conduct so much comprehensive inspections, that's why NBC approved only 44. NGOs still providing loans, but impossible to create a new one.

Until 2009 there no requirements for pawnshops to have a license. In 2009 government introduced licensing process for pawnshops. In last 5 years more than 300 pawnshops received the license, but more 1000 still operating without license.

Consumer lending market regulated by National Bank of Cambodia and Ministry of Economic and Finance which regulate pawnshops activity. (annex: Governing bodies in Cambodia)

1. Banks are focused on SME lending, long and complicated process of borrowing money from the banks for individuals.
2. Consumer lending is represented by NGOs, MFIs, cooperatives, pawnshops and unofficial money lenders
3. We can realize our business model like pawnshop.

* <https://www.cambodiadaily.com/archives/cambodia-vulnerable-to-money-laundering-67363/>

6

Thailand- done, LINKS: Financial Model, Business Model, Launch Plan etc

General Market Information



No	Parameterer	Thailand
1	Population (million)	67.2
2	Labor force ratio	59.3%
3	Unemployment rate	1%
4	GDP per capita	\$5.7K
5	GDP growth (07.2016 to 07.2015)	3.6%
6	Household debt to GDP	71.3%
7	Average Monthly income	\$395
8	Mobile phone penetration (inc. smartphones)	146%
9	Smartphone penetration (out of total population)	59.7%
10	Internet users penetration (inc. mob. broadband) as of 2015	56%
11	Facebook accounts penetration (out of total population), as of 2016	52.2%
12	Bank accounts penetration (out of total population), as of 2015	72%
13	ATMs per 100 000 adults, as of 2015	112
14	Bank branches per 100 000 adults, as of 2015	12.7
15	Credit card penetration	5.5%
16	Online banking penetration	43%

Official languages: Thai



Most populous cities:

Bangkok – 8.4 mln
Nonthaburi – 0.27 mln
Nakhon Ratchasima – 0.17 mln
Chiang Mai – 0.17 mln

Consumer Finance Industry Landscape

- The first bank in Thailand (HSBC) was established in 1888. Bank of Thailand (BOT) was established in 1942 during WW2. The first Thai Bank - Siam Commercial Bank (SCB) was established in 1906. The first pawnshop in Thailand was established in 1866 by Thai – Chinese citizen. The first pawnshop regulation was issued in 1962, the latest - in 2008.
- Nowadays the formal lending sector in Thailand consists of:
 - 30 Banks (15 Thai banks, 4 Subsidiaries of Foreign banks, 11 Foreign bank branches), 8 Specialized Financial Institutions
 - 10 Credit card companies, 35 Personal Loan companies, 21 Nano Finance companies
 - 598 registered pawnshops
- The first Personal Loan (PL) regulation under BOT supervision was issued in 2005. BOT issued the regulation due to there were many PL companies charged high interest rate, up to 60% per year. BOT decided to cap the maximum interest rate at 28% per year. BOT expected that PL companies allow lower income customers to get loans from official institutes. Later BOT found that most of customers who can apply for personal loans are middle to high income customers. 26.01.2015 BOT issued the Nano Finance (NF) regulation. The maximum interest rate for NF company is 36%. BOT expected that NF will cover the lower income customers After 1st year (Feb 15- Jan 16) the total loan amount issued by NF companies is only 243 MM. THB. (7.3 MM USD)
- There are 3 types of Pawnshop in Thailand : 1. Pawnshop owned by Private company (currently is difficult to get the new license from government) 2. Pawnshop that is owned and operated by Department of Local Administration (funding by local administration each province funding by government) 3. Pawnshop own by Local Administration in each province (funding by local administration each province). The pawnshop is still favorite place for low income customers who need money because it quick and easy than other lending company . If low income customer have no pledge only one way to borrow money is from loan sharks whose provide by some rich people in each area

3

National Credit Bureau (NCB)

Parameters	Details
Launch	1998, after 1997 Asia Financial Crisis
Information	Only credit, no utility payments
Members	93 (Banks, Credit Card, Personal Loan, Nano Finance, Auto Hire-Purchase, Leasing, Insurance companies, Saving Cooperatives)
Consumer database	88.36 mln accounts 27 mln unique clients (age 22 – 65)
Service Fee, monthly	Standard \$1430 + \$0.34 per hit / \$0.14 per no hit Low Transaction \$715 + \$2 per hit / \$1 per no hit
Credit Report	General Info: Name, ID, Address, Birth Date Credit Info: Grantors, Limit, Outstanding, Amount Past Due, Payment History, Account status Enquiry Info: # of enquirer, date & time enquiry
Consumer Credit reporting system dev & support	TransUnion
Customer consent form	Currently all members collect customer's consent in written form. NCB ready to discuss online process

4

Digital statistics



Relatively high shares of active Internet and Social Media users. Same marketing approach as it is in other APAC countries will be applicable in Thailand.

5

Indonesia - in PROGRESS, LINKS: Financial Model, Business Model, Launch Plan etc

Investment Summary

Indonesia is very promising market due to its size and supply glut in consumer finance services. We plan step-by-step penetration to capital metropolitan area of Greater Jakarta, Java Island, and other big cities. Indonesia is one of the biggest markets in orbit:

- Total population is 253M.
- Our target segment will grow from 100M to 160M in 2012-2020¹.

Only 23% of retail borrowers use formal financing channels:

- Loan market is strictly regulated and has high requirements for borrowers and provides limited offering of uncollateralized cash loans.
- Local mentality is relationship-driven and most of lending/borrowing activities are run via friends and family (F&F).
- PDL market is in grey zone and not regulated, mostly represented by Black Money Lenders (BML).

We see huge opportunity for our business model in transferring lending/borrowing practices to digital lending by offering the product that is:

- Really fast – credit decision to be obtained within hours, not days.
- Convenient – without necessity to go to the branch and sign papers.
- Accessible – easy to apply in 24/7 mode.

Our key challenges are:

- Absence of conventional licensing options to meet our business model requirements.
- Credit risks due to lack of borrowers' checking capacities.

¹Solidiance marketing agency analysis

Investment Summary

Investment summary thsd USD	Pilot	Timeline						Total
		Year 1	Year 2	Year 3	Year 4	Year 5*		
investments	201	6 663	3 590	576	0	0	11 030	
Total investments	201	6 663	3 590	576	0	0	11 030	
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	
Net profit after taxes	-198	-3 491	744	4 508	9 144	12 807	23 512	
ROE (yearly)	-197%	-91%	8%	40%	78%	110%	51%	
ROAA (yearly)		-184%	12%	42%	60%	73%	39%	

* - normalized year with no growth

Break-even period – 20 months.

Payback period – 50 months.

Maximum investments – \$11,0M.

3

General market information

- Geographic area is 1.9M km².
- Total population is 253M; Java Island is 140M, Greater Jakarta is 30M.
- Official language is Bahasa.
- GDP per capita (Nominal) is \$3,6k¹ nationwide and >\$10k in Jakarta.
- Average monthly income is \$250³ nationwide (\$740⁴ in Jakarta).
- Mobile phone penetration is 108% nationwide (180% in Jakarta⁵).
- Smartphone penetration is 25%⁶ nationwide (55%⁹ in Jakarta).
- Internet penetration is 36% nationwide (65% in Jakarta⁶).
- Facebook penetration is 28%⁷ nationwide.
- Bank account penetration is 25%⁶ nationwide.
- Formal lending sources penetration is 23%⁶ nationwide.
- Online-banking penetration is 11%⁶ nationwide.
- Credit cards penetration is 6%⁶ nationwide.
- Debit cards penetration is 40%⁶ nationwide.
- Taxable population rate is 11%⁹ nationwide.



¹ World Bank

² <http://www.oecd.org/aco/surveys/Overview-Indonesia-2015.pdf>

³ <http://bisnis.liputan6.com/read/2171479/di-2014-orang-di-kantor-ni-penghasilan-rp-418-iutatahun>

⁴ <http://data.jakarta.go.id/dataset/pendapatan-perkapita/jakartadannasional/resource/8043ea60-9c7d-4948-8d61-2cc2622b0ee0>

⁵ http://ugm.ac.id/dibentuk/8776-menkominfo%9A_270_iuta_pengguna.ponsel di.indonesia

⁶ Solidiance marketing agency analysis

⁷ <http://blogs.wsj.com/digits/2014/06/27/facebook-users-in-indonesia-rise-to-69-million/>

⁸ <http://teknologi.tribunnews.com/read/2197413/jumlah-pengguna-internet-indonesia-apai-881-iuta>

⁹ <http://economy.okezone.com/read/2015/04/29/20/1141734/okovik-kaet-dari-250-iuta-penduduk-hanya-10-iuta-bayar-pajak>

4

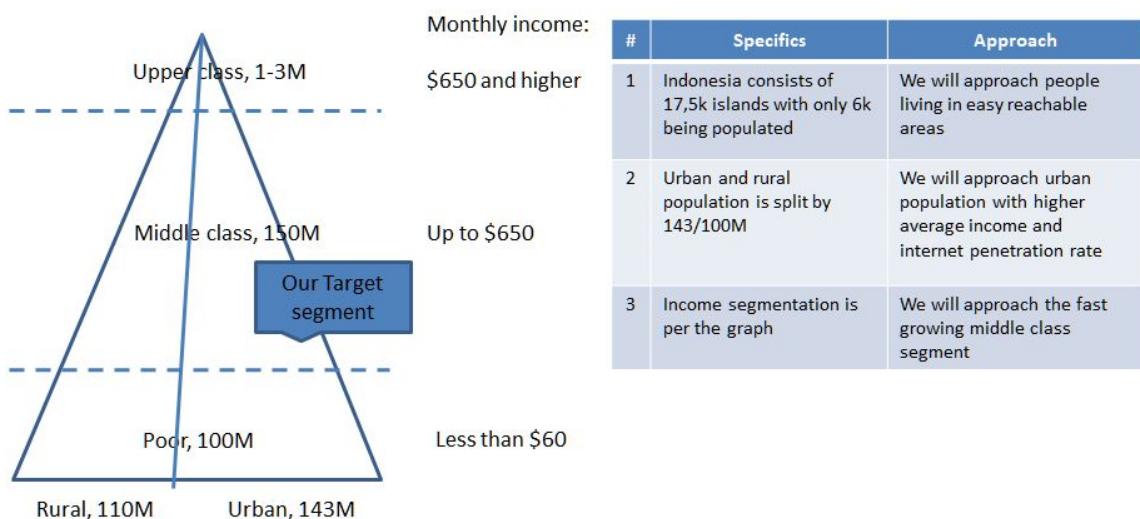
General market specifics

- GDP is driven by following industries:
 - Services 41%.
 - Manufacturing 24%.
 - Agriculture 15%.
 - Mining 10%.
 - Construction 10%.
- Population's financial literacy is very low, making it an easy target for Black Money Lenders
- Huge share of unofficial employment creates difficulties in determining the difference between individual borrowers and Micro, Small and Medium enterprises (MSME), thus they are basically inseparable
- MSMEs numbers are estimated at 50-60M, comprising 57% of GDP¹
- Despite the wide spread of Islam (88% of the population):
 - Indonesia is a secular state with democratic rule.
 - Religion is not affecting peoples behavior and payment discipline.
 - Sariyah banking accounts for less than 5% of the banking system.
- Payment discipline could be affected by:
 - Family culture - close relatives are likely to repay the loans for borrowers or motivate them to do so.
 - Workplace reputation - contacting HR departments is a powerful tool to motivate borrowers to repay the loan.
- Active social network usage (namely Facebook) provides opportunities for:
 - Initial online social scoring assessment (social validation).
 - Current borrowers behavioral analysis and reactive approach.
 - Powerful collection practices.

¹ KPMG estimates.

5

Customers Segmentation



Our target market size is 100M individuals - middle class living in easy reachable urban areas

6

Consumer lending landscape intro

Lending activities initially developed via 2 streams:

- Commercial banks:
 - Appeared under Dutch rule (1602-1942).
 - Historically focused on commercial lending.
 - After 1997 crisis the market was open to foreign ownership, now the access is limited and the attitude towards foreign ownership is worsening.
- Cooperatives and Micro-finance institutions (MFIs):
 - Are the oldest traditional financial institutions.
 - Currently are focused on community-based consumer and MSME loans.
 - Are forerunners of modern rural banks.

Recently 2 other types of financial institutions branched out:

- Rural banks (BPRs):
 - First one (current BRI) appeared in 1895 and formally recognized in 1978-1992.
 - Currently are focused on lending/depositing activities in rural areas.
 - Can operate in a certain province only, do not have right to open branches.
- Multi-finance companies (MFC):
 - Appeared in 1970s to meet increasing demand for financing large infrastructure projects.
 - After 1997 crisis focused tapped consumer finance.
 - Local experts believe that soon MFCs will be allowed to enter unsecured consumer finance market.

Finance regulation activities have been recently transferred from Bank Indonesia (BI) to Financial Services Authority (OJK). Currently OJK focuses on:

- Increasing financial inclusion, introducing branchless banking regulation for selected banks (outsourcing KYC procedures).
- Studying the micro-finance market to develop the respective legislation.
- Legalizing widely used (mostly in rural area) unofficial MFIs by enforcing them to obtain license with mandatory 60% state share.

7

Sri Lanka - in PROGRESS, LINKS: Financial Model, Business Model, Launch Plan etc

Investment Summary

Investment Summary



Sri Lankan consumer lending market creates excellent opportunities for digitally advanced new comers because:

- GDP per capita twice an average GDP in South Asia and keep growing.
- After 26-year civil war (1983-2009), that caused significant hardship for the population, environment and the economy of the country, Sri Lanka entered an era of healing and peace building, continued by drastic development of the nation well-being.
- Few lenders offer loans without collateral. Predominantly upper segment might be able to get personal loans since these people possess a required collateral.
- Smartphone penetration demonstrates aggressive growth due to affordable prices for electronic devices.
- The Government actively promotes the increased adoption of Information and communication technology (ICT) services:
 - a free internet access was provided at public places.
 - e-Government* project was initiated to facilitate governmental services
 - an agreement with Google Inc. was signed to initiate the 'Google Loon project' (Google's balloon-powered high-speed internet service)**
- Business-oriented government creates a favourable environment for foreign investments – in June 2016 prohibition relating to non-residents acquiring shares in a company carrying the business of money lending has been removed .

Key success factors:

- Simple legal setup since license is not required for money lending as long as deposits are not taken. After entering the market we will consider and possibly select other types licensing
- Pure online is possible:
 - E-signing is recognized and e-contracts are fully enforceable in Sri Lanka (physical signing is not required, no face-to-face communications)
 - High banks account penetration and strict KYC regulation provided
 - Smartphone penetration is growing, PCs and laptops are widespread among population, the entire island is covered with 4G internet
- Market is ready: having modern electronic items, Sri Lankans demand qualitative digital services, while competitors offer off-line services.
- Easy way to deliver and collect money due to well developed and affordable money remittance between bank accounts. Payment systems are available for repayment.
- There are no restrictions upon digital advertisement of money lending business

Source: * http://www.cbsl.gov.lk/pics_n_docs/10_pub/docs/efr/annual_report/ar2015/english/7_Chapter_03.pdf

** <https://www.theguardian.com/technology/2016/feb/16/project-loon-google-balloon-that-beams-down-internet-reaches-sri-lanka>

Investment Summary



Investments, thsd USD	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
Total Finstar investments	2 444	1 591	126	0	0	4 161
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
P&L, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
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
Fixed costs	-1 016	-1 125	-1 036	-1 141	-1 171	-5 490
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
Net profit before taxes	-1 476	-151	1 715	3 639	4 769	8 496
Terminal value						20 968
ROE (annualized)						60%
ROAA (yearly)	-187%	-11%	64%	72%	80%	51%
Break-even period – 17 months Self-capitalization period – 26 months Payback period – 56 months Total investments from Finstar – \$4,2M Unoptimized Yr5 corporate tax – \$1,3M Terminal Value – \$21,0M (Gordon growth model with discount factor 15% and growth rate 0%)						

5

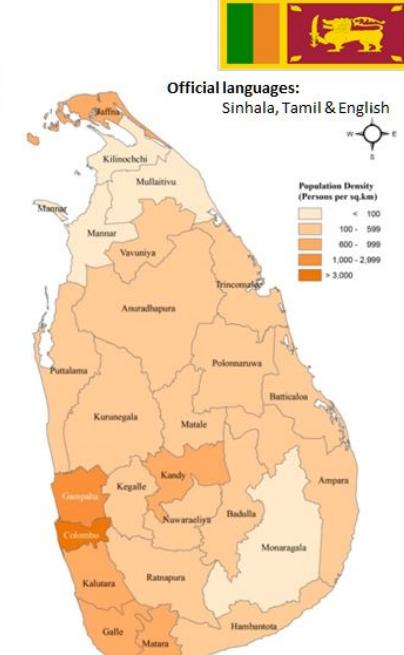
General Market Information

No	Parameterer	Sri Lanka	Colombo
1	Population (mln)	21	2,63
2	Labor force ratio	42%	49%
3	Unemployment rate*	5,3%	-
4	GDP per capita**	\$3.9K	-
5	GDP growth (5Y average)	6,0%	-
6	Average Monthly income****	\$233	\$363
7	Mobile phone penetration (inc. smartphones)***	116%	-
8	Smartphone penetration (out of mobile), forecast 2016	41%	60%
9	Internet users penetration (inc. mob. broadband) as of 2015	27%	-
10	Facebook accounts penetration***** (out of total population), as of 2016	21%	95%
11	Bank accounts penetration** (out of total population), as of 2015	83%	-
12	ATMs per 100 000 adults**, as of 2014	17	-
13	Bank branches per 100 000 adults**, as of 2014	19	-
14	Debit card penetration (out of total population)	48%	-
15	Credit card penetration (out of labor force)	13%	-
16	Online banking penetration	11%	47%

* source of information - http://erd.cbsl.gov.lk/presentation/htm/english/erd/sdds/rpt_sdds.aspx

** source of information - [World Bank, World Development Indicators]

*** source of information - http://www.cbsl.gov.lk/pics_n_docs/10_pub_docs/efr/annual_report/AR2015/English/7_Chapter_03.pdf



7

Consumer finance market size estimation



Estimated Sales of short term loans (in mln USD) and our market share



	2017	2018	2019	2020	2021
Our disbursement volumes (mln USD)	3,1	15,4	25,5	35,0	40,6
Our Number of loans disbursed per year '000	32	158	264	362	422

Main assumptions:

- Market demonstrates a moderate growth from 10% to 15% depending on type of business activity. We expect that unsecured lending market will demonstrate the max. growth up to 15%.
- New volumes of licensed money lenders are relatively low with comparison to new volumes of unlicensed money lenders.
- Money lending market is a growing market and people need cash to fulfill day to day needs and services.

Sources: CBSL reports, www.microfinance.lk, CRIB, Interviews, IFC country report

9

Risk Management tools



Credit Bureaus

- Currently we are building a partnership with lending institution to obtain credit information available with credit bureau

Anti-fraud tools

- Internal anti-fraud rules – cross checks of application data against historical data to detect links between applicants, find chains of fraudulent applications, highlight mismatches of data within one application.
- Iovation solution – tool to prevent online-fraud, multi-applying, deliver additional variables for scoring. Solution allows to get all available data of applicant's device (PC, smartphone where the application was submitted) and perform a cross check against historical database

Internal scoring

- Can be implemented after 6-8 from go live. Will use standard application parameters, Iovation data plus additional client behavior data, captured during application filling

Social data

- Facebook data (should be available for more than 50% of applicants) – we will offer optional FB authorization to the client, which will give us possibility directly got to FB API and get social data which will be used as additional variables for scoring
- Messengers (Viber, WhatsUp) – will be used during verification as additional source to confirm identity and contactability of client

12

Credit information bureau of Sri Lanka



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CREDIT INFORMATION BUREAU OF SRI LANKA

Established in 1990, Credit information bureau (CRIB) is a public-private partnership, with the Central Bank holding the majority of equity while the rest is held by lending institutions regulated by the Central Bank.

- ✓ CRIB currently has 94 shareholders, including all licensed Commercial banks, Specialized banks, Finance companies, Leasing companies, few other institutions which have been declared as lending institutions.
- ✓ These entities supply CRIB with credit information that is transferred electronically through their head office to CRIB and CRIB, in turn, updates its database at the end of each month.
- ✓ In 2008 CRIB launched a first version of an automated "Credit Information Management System" (CRIMS). The Banks and approved financial institutions access their customers' credit information online through the bureau website.
- ✓ **About 3,9 million records on private individuals are in database of CRIB** (out of 8,9 million employed)

The following persons are qualified to request for membership of the bureau:

- a) Lending institutions who are shareholders of the CRIB;
- b) The Central Bank;
- c) Any governmental agency;
- d) Borrowers and prospective borrowers;
- e) International credit bureaus;
- f) Insurance companies;
- g) other persons or bodies of persons (recommended by the Monetary Board).

The access to bureau can be obtained through partnership with one of the CRIB shareholder.

A respective procedure is under discussion. Preliminary the following can be implemented:

1. Phone verifier sends a request to our partner (customer's ID provided) via email/messenger;
2. Partner's employee gets CRIB report using bureau website and sends the report back to phone verifier;
3. Phone uploads obtained report or data about report absence to customer's profile;

Unless we obtain a direct access to credit bureau we can get respective reports via partnership with lending institution

Currently CRIB records cover 44% of employed people which gives us an opportunity to obtain relevant data

Microfinance Act allowed licensed microfinance companies request for a membership of the CRIB.

Sources: www.crib.lk and CRIB Act <http://www.crib.lk/en/images/act/ACT.pdf>

14

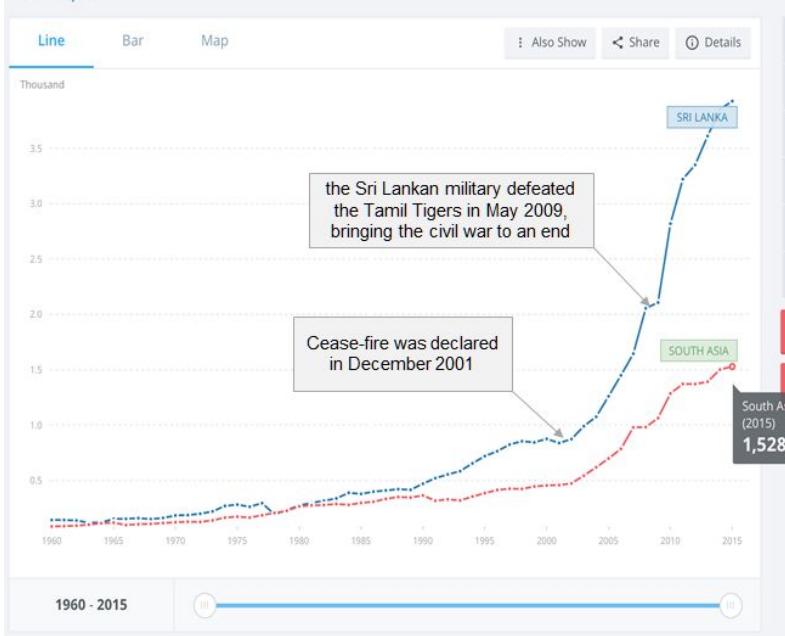
GDP per capita growth



GDP per capita (current US\$)

World Bank national accounts data, and OECD National Accounts data files.

License: Open



ECONOMY		
REAL SECTOR		
GDP at Market Prices	Rs Bn.	US\$ Bn.
2012	7,579	59.4
2013	8,674	67.2
2014 (c)	9,785	74.9
Per Capita GDP (d)	Rs.	US\$
2012	371,061	2,908
2013	421,509	3,265
2014 (c)	471,074	3,608
Growth of GDP (in Real Terms)	%	
2012		6.3
2013		7.2
2014 (c)		7.4
Sectoral Composition of GDP, %		
	Agriculture	Industry
2012	11.1	30.4
2013	10.8	31.1
2014 (c)	10.1	32.3
	Services	
2012		58.6
2013		58.1
2014 (c)		57.6
Unemployment, % of Labour Force		
2012		4.0
2013		4.4
2014 (c)		4.3
Inflation (e) : Change of CCPI (Annual Avg.)	%	
2012		7.6
2013		6.9
2014 (c)		3.3

Source: [World Bank, World Development Indicators]

2

GDP per person employed



GDP per person employed (constant 2011 PPP \$)

International Labour Organization, Key Indicators of the Labour Market database.

License: [Open](#)



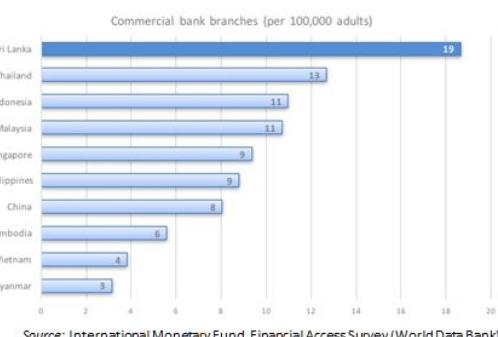
Source: [World Bank, World Development Indicators]

3

ATM & Branches penetration



Source: International Monetary Fund, Financial Access Survey (World Data Bank)



Source: International Monetary Fund, Financial Access Survey (World Data Bank)

Source: [World Bank, World Development Indicators]

4

Philippines - in PROGRESS, [LINKS: Financial Model, Business Model, Launch Plan etc](#)

2. General Market Information

- Geography: 300 000 sq.km., more than 7000 islands
- Population – 102M (2015 est.)*. Urban/Rural population - 30/70%.
- Official languages – Filipino, English.
- Average monthly income – \$250 nationwide (2013)*, in Manila 750*.
- GDP Per Capita(Nominal) – \$3 000 (2014).
- Labors by Industry – 50% of the population work in service, 31% in agriculture, 16% in industry.
- Internet penetration – 41%.
- Mobile penetration – 103%. Smartphone penetration – 50%.
- Bank account penetration – 26.6%.
- Online banking penetration – ~4% (2014).
- Credit card penetration – 4%.
- Debit card penetration – 34%.
- Consumer lending reached the level of only 6.6% of GDP (\$17,9B).



Our target market size is only about 50M individuals, as almost 30% of the population is a poor people with income less than \$120 per month and almost 15% of the population is working overseas.

Data sources: CIA World Facebook, World Bank, Inquirer.net, InternetWorldStats.com, "On Device Research", McKinsey, & iMoney, Euro Monitor Consumer Loan Lending
• <http://www.gov.ph/>

4

2. Consumer finance industry landscape

- Consumer lending last years showed considerable growth at the level of 10-15% every year. Banks are actively increasing their network - from 5.5K as of Mar 2014 to 6K as of Mar 2015 (Universal and Commercial Banks).
- Rural banks are expanding their businesses in consumer lending, many Filipinos continued to prefer these traditional players due to wide product line and attractive pricing and promotions.
- High requirements to the borrowers is a result of low asset quality and low credit bureaus' hit rate.
- Number of active licenses*:
 - 638 banks;
 - 598 financial companies;
 - 1637 lending companies.
- Major part of Financing and lending companies don't have wide branch network.
- POS-lending, Cash loans and Credit card market segments are at early stage of development.
- There are only few players (mostly established in recent 2 years) operating via Pure online business model.
- Most part of MFIs offer long-term loans as an alternative to banks' loans.

We see a niche in the market covered neither by banks (which are focused mostly on middle and above segments), nor by the Financing/Lending companies. We have opportunity to get this market niche with our innovative Pure online business model and "classic" PDL product meaning absence of significant modifications.

Data sources: Report "Family Income Distribution in the Philippines from 1985 to 2009" published by Social Weather Stations (SWS)
**** http://www.bsp.gov.ph/banking/pbs_new/1.1.htm; http://www.sec.gov.ph/investorinfo/registerentity/lending/2014ec31_List_of_Lending_Cos.pdf;
<http://www.sec.gov.ph/investorinfo/registerentity/financing/financin%20companies%2006309.pdf>; http://www.bsp.gov.ph/banking/pbs_new/1.1.htm

5

5. Risk management summary

- Main risks lay in fraud and lack of credit bureau data areas. We plan to mitigate them using the following:

#	Area	Factor
1	Fraud	<ul style="list-style-type: none"> There is no ultimate official identification document in Philippines and it's easy to buy almost any fake document with the price as low as \$10 per document.
2	Low ability to manage risk	<ul style="list-style-type: none"> Currently there are 4 credit bureaus in Philippines but number of records are small (Central Credit Bureau will be launched in Q4 2015)
3	Market players practice	<ul style="list-style-type: none"> Loan Sharks (mostly Indians) operate in residential areas and manage risk using small frequent payments (daily/weekly) and by direct contact with borrower's relatives at his place of living. Most part FLCs use high requirements for the borrowers - necessity to present 2 IDs, a Proof of employment, a Proof of bills.

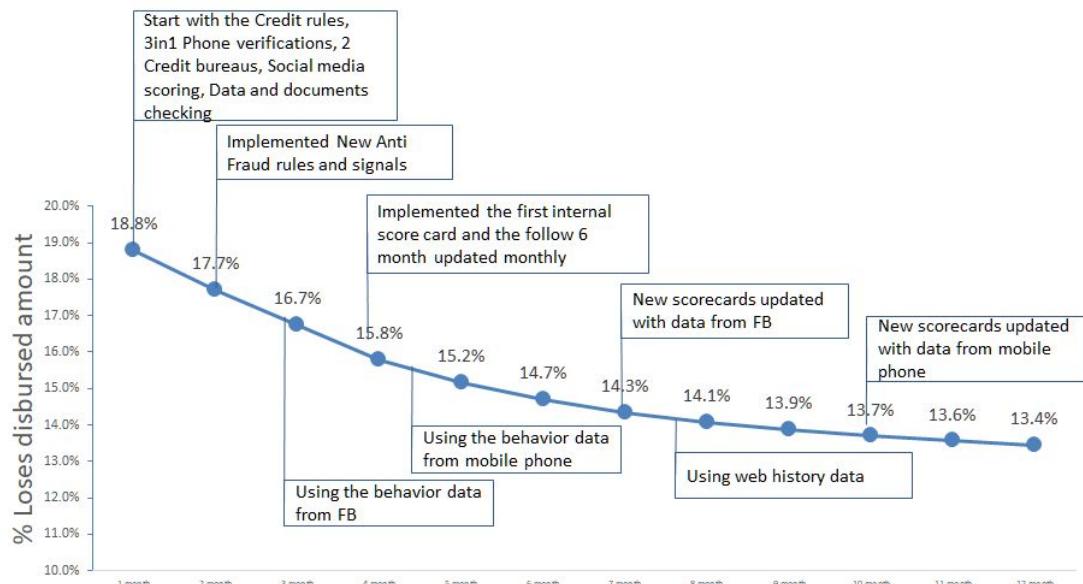
- Taking into consideration best local practices and our current experience in risk management will help us to get competitive advantage. We plan to obtain low default rate of less than 14% (after the first year) due to using the following risk mitigation tools:

#	Tool	
1	Identification	<ul style="list-style-type: none"> Innovative identification procedures (Facebook, Web-data identification) combined with traditional procedures (phone verification)
2	Scoring	<ul style="list-style-type: none"> Usage advanced scoring based on traditional data (CB, Application) and alternative data (FB, web).
3	Managing channel of disbursement	<ul style="list-style-type: none"> Applying different disbursement channel depending on customers' risk profile.

We understand that the main specific risk lays in risk sphere and we plan to mitigate it using various tools such as ID verification, scoring, phone verification, managing disbursement channels, etc.

6

5. Risk Strategy



We will achieve the target % losses 13.4 % from disbursement volume at the end of the first year as a results of implementing new "big data" sources, developing scoring power and due to repeat clients.

7

5. Sources of Data for Risk management

Type	Credit bureau/ data sources	Report cost	Type Of Data	Number of Records	Hit Rate	Launching Period
Credit Bureau	CIBI	Free in case data exchange	Credit history, ID Score, contacts, address, Employer,	30M	50% or Banks, 10-20% for MFI	Fast
	TransUnion	\$2.3	Credit history, ID Score, Credit score, contacts, address, Employer, On-line fraud detection system	11M	10-20% for MFI, 95% Credit Cards	Fast
	Credit Information Corporation (CIC)	\$1.6	Central Credit Berua(Agregator), Launched several month ago	1M	5%	Fast
	BAP Credit Bureau, Inc. (BAPCBI)	\$1.6	Mostly Business Records(unstructured)	No Data	No Data	Fast
Alternative Sources	Telecom	NA	Call Info, GEO	90M	NA	Investigation
	Web Data	NA	Web site data	For all customers	NA	Fast
	I am Real	\$1	Network social score, ID Verification, data verification by documents and Facebook	For all customers	50% for All	Fast
Verification Data	Customer	Internal Procedure	Questionnaire	For all customers	100%	Fast
	Work		Questionnaire			
	Home/Relative		Questionnaire			

8

5. Initial decision making procedure

#	Stage	Tools for the risk reducing
1	Loan application check factors	<ul style="list-style-type: none"> Application form filling in verification SMS – code verification Asking customer to upload id with photo Internal black lists (phone, IP, ID)
2	Data auto-verification	<ul style="list-style-type: none"> Fraud prevention based on web-data verification (IP gps comparing with home/work address, Operating system, e-mail) Application fields stop-factors Facebook account verification (using I am real for 6 months before our service will be developed)
3	Pre-scoring	<ul style="list-style-type: none"> Using external black lists CIBI, BIP credit bureau (ID numbers, ID employer) Check credit history Check loans unmentioned in application Client verification - check application data and additional questionaries'
4	Verification	<ul style="list-style-type: none"> Client work verification - check work place existing and getting feedback on customer Client contact person verification (close relative) - check customer query questions
5	Verification stop factors	<ul style="list-style-type: none"> Noncoincidence in separate verifications with application Cross- verification Noncoincidence (customer work additional contact)
6	Scoring	<ul style="list-style-type: none"> Reject high risk customers due to scoring based on application, verification, CB, external source data (FB,WEB) and channel of disbursement
7	Loan limit estimation	<ul style="list-style-type: none"> Based of average salary for region and position
8	Choosing disbursement channel	<ul style="list-style-type: none"> Based on scoring results
9	Uploading additional documents	<ul style="list-style-type: none"> Asking customer to upload proof of billing, SSS payments based on score

9

China - LOOKING FOR PARTNER, LINKS: Financial Model, Business Model, Launch Plan etc

1. Investment summary

Chinese Money Lending Market is one of the most promising in Asia due to a number of factors:

- Huge population: over 1.37Bn with average monthly income of \$730 for the employed part, high figure when compared to other Asian markets
- Well-developed infrastructure for online business model: bank account penetration at 79%, smartphone penetration at 58%, remote contract signing possible, interest rate cap regulation is not tight
- Majority of formal FS players (banks, finance companies) focus on products for upper- and middle-class customer segments (usually with large ticket size and often secured), so a significant portion of population is not covered by formal financial services, especially in Tier 2-4 cities (with total population of 595 mln.)
- Regulatory environment allows us to operate in this market with relatively low capital requirements and via a variety of legal setup options
- There are several (5-10) competitors who use the same “pure online” business model, but only one company claims to provide loans within 1 hour (“CashBus”). Average Time-to-money (TTM) for other online moneylenders is 1-3 working days

We believe positive results can be achieved fast since:

- Pure online business model will allow to scale up operations quickly
- Risk mitigation via cooperation with several “Big Data” online risk services providers is available for efficient risk management
- Even though FB and Google are unavailable in China, there are several similar local marketing resources (WeChat, Baidu, etc.) which allow efficient on-line marketing

Chinese lending market is one of the most promising in Asia due to a large portion of population unpenetrated by formal financial services and undersupply of easily accessed funding

1

1. Investment summary

Investments, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
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
Total investments	7 190	10 582	3 941	36	0	21 749
Volume indicators	Year 1	Year 2	Year 3	Year 4	Year 5	Total
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
P&L, thsd USD	Year 1	Year 2	Year 3	Year 4	Year 5	Total
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
Fixed costs	-1 607	-3 203	-3 202	-3 307	-3 268	-14 586
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
Net profit before taxes	-3 381	-3 616	4 247	15 348	19 717	32 314
Terminal value						96 103
ROE (annualized)						59%
ROAA (yearly)	-208%	-58%	33%	63%	67%	29%

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

2

2.1 General Market Information

- Geography: 9,6 mln sq.km. territory, borders 14 countries
- Population – 1.37 Bn. Urban/Rural population – 55%/45%
- Official languages – Mandarin, Cantonese
- Average monthly income – 4,7K RMB (\$730) for employed part of the population
- GDP Per Capita (Nominal) – 56,7K RMB (\$8,8K)
- Employment: 58,3% of the population, including 29,5% in agriculture, 30% in industry, 40,6% in services sector
- Internet penetration* – 52.2%
- Mobile penetration – 92%
- Smartphone penetration – 58%
- Bank account penetration – 79%
- Online banking penetration – 65.7%
- Bank Card penetration – 79%
- Credit card penetration (2015) – 38%



Because of high internet, smartphone and bank account penetration, Chinese market is perfectly fit for the “pure online” business model

Data sources: Accenture, Deloitte, CIA World Facebook, World Bank, Inquirer.net, InternetWorldStats.com, “On Device Research”, McKinsey, & iMoney, Euro Monitor Consumer Loan Lending, <http://www.stats.gov.cn/2014/>

3

2.2 Market Size Estimation



- Unsecured consumer finance market size is estimated to reach \$1,6 Tn by 2020
- PDL share of the market is estimated at 0,5-1% of the total market
- Current sales assumptions lead to 0,25-0,5% market share by 2020

	Year 1	Year 2	Year 3	Year 4	Year 5
Net credit portfolio, \$M	3,2	9,3	16,5	21,8	22,1
#loans sold, K	71	371	714	1,096	1,195

* <http://www.chinatimes.cc/article/51502.html>; <http://think.sifl.org/?p=6998>, Euromonitor, The Boston Consulting Group

6.1 Risk Management Strategy

Our risk management strategy in China will be based on the following points:

- Decision making process will be based on data from 3-d party antifraud system and other customer's data (like cellphone statistic) to verify customer's behavior and his ability to pay
- Fraud detection to prevent professional fraud attacks will be based on domestic ID recognition service and cooperation with black list providers
- Strong collection process: intensive and aggressive contacts with 'bad' borrowers and their frequent contacts, using direct debit (after start cooperation with Fotic) and cooperating with collection agencies to improve our internal processes. Expert's opinion: our recovery rate should be around 75% (from 0+ due), but in financial model we put more conservative assumptions

We will define 2 stages of developing risk management process:

- Early stage – technical volumes (1-2 months). Most manually checks, analyzing of real customer's profile, development BRD for automatization of decision making process.
- Intermediate stage (2-12 months). Step-by-step data sources implementation in our automatic decision making module. Developing and implementing score cards for decision making and collection. Improving verification and collection process.

5

6.5 Application Process (target process)

#	Stage	Procedure	Content, pilot stage, apr (fact)	Content, early stage, apr (forecast)	Content, mature stage, apr (forecast)	CPC-based traffic, apr (forecast)	\$
1	Autochecks from the Credit policy (Geo, Age, Social status, etc.)	Customer fills in his personal data, our system automatically decides to do "soft decline" because of stop factors or do requests to 3d party data suppliers	5%	20%	60%	90%	0
2	Cell Phone statistic check	Authorization in customer's private cabinet via his personal password and SMS, downloading and analyzing cell phone statistic	80%	80%	80%	80%	0,68
3	Antifraud check	Our IT system automatically does request to Toungdung (and other anti-fraud systems in future), if customer rejected by antifraud rules, system shows him "soft decline" message and stops doing requests to other 3d party systems	10%	25%	50%	60%	0,15
4	ID falsify check	Customer makes his ID photo, our system provides this photo to 3d party provided	95%	95%	95%	95%	0,15
5	ID recognition	Customer makes selfie photo with his ID in front, we compare his face and photo from ID database	60%	60%	80%	80%	0,15
6	Verification	Interview with customer (and urgent contacts if necessary)	80%	80%	80%	80%	0
Total			0.18%	1.82%	14.59%	26%	

Planned AR will vary from 1,8% at early stage to 14,5% at mature stage. The cost of the third party services for credit decisioning will also vary from \$1,6 to \$0,6 appropriately.

AR for autochecks and antifraud rules will increase due to opening our service in new provinces and brand awareness improvement. ID data autorecognition functionality will increase CR.

6

Malaysia - LOOKING FOR PARTNER, [LINKS: Financial Model, Business Model, Launch Plan etc](#)

Investment Summary

Malaysia Money Lending Market is one of the most promising markets in Asia due to these key factors:

- High GDP per capita (\$10.9K)
- High average income per capita (\$1.05K)
- High bank account penetration (70%)
- Low- tech and unconsolidated Loan Sharks and pawnshops are active in covering large untapped and growing unbanked market
- Money lending market regulation not tough compared to other AP markets (easy process for getting license, minimum restrictions for advertising).
- Malaysia's household debt-to-gross domestic product (GDP) ratio is 146 per cent. With high debt ratios, the commitment of borrowers (individual commitment includes client's existing mortgages, car loans, credit card debts, personal loans with the banks) prevents them from getting loan approvals easily with banks.

Key success factors in the market:

- Product - new convenient product with fixed interest rate to replace Loan Shark offers (with low loyalty).
- Technology – modern technology will allow customers to easily apply for a loan (via online application, mobile application, Facebook application) and receive loan amount (and repay it) via their bank account or at offline offices.
- Advertising – new innovative tools of online advertising will allow us to reduce customer acquisition cost (to \$24).

We believe that MY market environment positions us for achieving success within a short time frame

2

Investment summary

Investment summary	Timeline					
	Year 1	Year 2	Year 3	Year 4	Year 5*	Total
thsd USD						
investments	4 639	3 674	249	0	0	8 563
Total investments	4 639	3 674	249	0	0	8 563
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
Net profit after taxes	-2 907	-1 171	3 705	6 774	11 440	17 840
ROE (yearly)	-113%	-17%	41%	75%	126%	51%
ROAA (yearly)	-261%	-34%	60%	69%	81%	42%

* - normalized year with no new clients growth

Break-even period – 18 months.
Payback period – 51 months.
Maximum investments – \$8,6M.

3

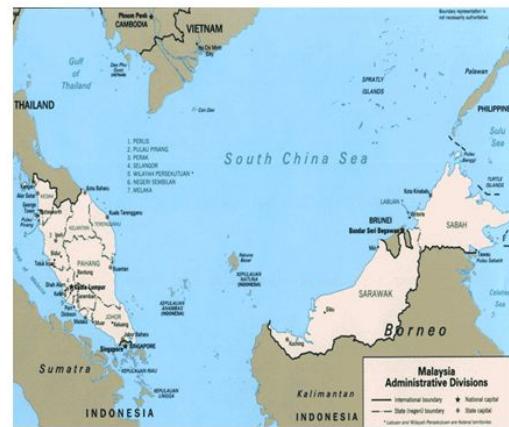
General Market Information

- Population – 30.4 mln (2014)
- In employment age – 20.9 mln
- Labor force – 14.2 mln
- Urban population – 70%
- Official languages – Malay & English
- Average monthly income – \$1.05K (2014)
- GDP Per Capita (Nominal) – \$10.9K (2014).
- Household debt-to-GDP ratio – 146% (2015).
- Household unsecured debt-to-GDP ratio – 80.5% (2014)
- Mobile phone penetration – 140% (2014)
- Internet penetration – 67% (2015)
- Smartphone penetration - 63%
- Bank accounts penetration – 70% *
- Debit card penetration – 63%
- Credit card penetration – 12%
- Online banking penetration – 58% **
- Mobile banking penetration - 18.6%**
- Electronic payment penetration – 13%***
- Mobile payment penetration – 3%***

* source of information - http://www.bnm.gov.my/index.php?ch=en_speech&pg=en_speech_all&ac=512

** source of information - <https://malaysianfinancialservices.wordpress.com/category/online-banking/>

*** source of information - <https://www.techinasia.com/s-southeast-asia-ready-for-online-payments/>



5

Consumer Finance Industry Landscape

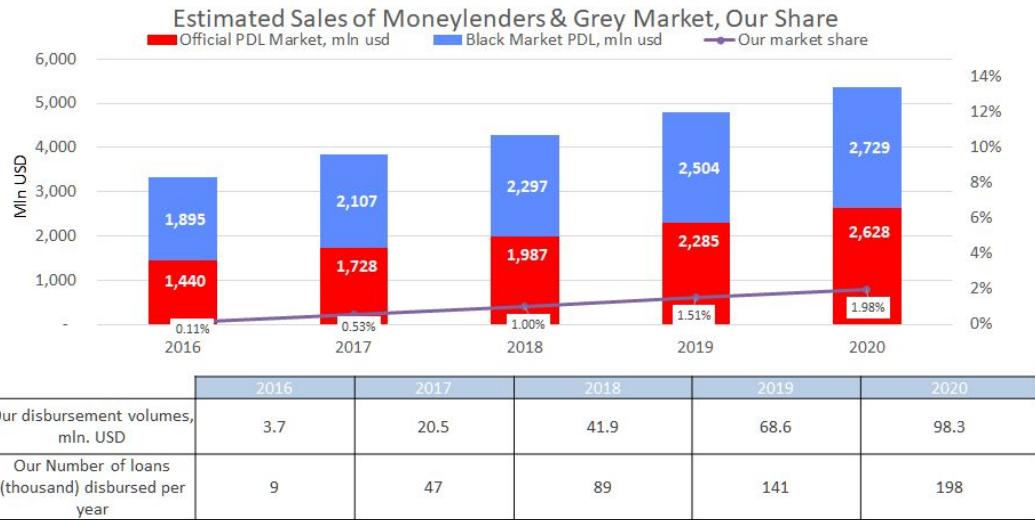
- One of the oldest credit institution in Malaysia is the business of moneylending. It began in the 19th Century where the Malay States were attractive place for the living of the immigrants from India and China. (Lal Harcharan Singh, 2003). During the British era, the Indian Community has played important role in economic development of the Malay States in rubber tapping and mining. At the end of the 19th century and early middle of the 20th century, the Chettiar** were the sole lender to the Chinese farmer to grow paddy, small rubber tappers, government servant and Malays aristocrats. (Kratoska, 2013).
- Consumer lending in Malaysia is performed by Banks, Licensed Moneylenders, Pawnshops and Finance companies (Credit Card companies). At the same time there is the big unregulated grey area which is estimated to have the largest share of short term unsecured loan market (including PDL).
- In the last seven years since the US subprime crisis (by international research firm McKinsey Global Institute), Malaysia's consumer debt was shown as having surpassed even that of the US. Latest data from the fourth quarter of 2014 showed that Malaysia's household debt-to-gross domestic product (GDP) ratio is 146 per cent, an increase from 139 per cent during the same period in 2007.
- Bank loans approval rate in 2015 is 41% vs 65% in 2007 respectively.
- Bank Negara, the central bank of Malaysia, implemented new regulations in July 2013:
 - New loan tenures were set for personal loans at 10 years instead of 25 years while mortgages / housing loans are now allowed a maximum payback term of 35 years versus the previous 45 years. In addition, pre-approved personal financing products such as unsolicited loans were also banned. Consumers thus had to face a higher monthly repayment amount, forcing them to curb their reliance on retail lending.

Toughening Bank regulation moves credit demand to non-bank loans providers, offering increasing opportunities

* Data sources: <http://www.bloombergtv.my/spike-august-2015s-loan-growth-malaysian-banks-sustainable/>

** The term Chettiar or Chetty or "Shetty" is a title used by various mercantile castes in South India, especially in the states of Tamil Nadu and Kerala. In Tamil Nadu, 14% of the population is Chettiar

Market Size Estimation



Main assumptions:

- Official PDL Market is comparable with black market. The share of ML slowly increasing due to Government pressure on Grey Market
- Yearly market size growth – as of 2017 - based on Solidiance report, for 2018-2020 - 9% as estimated by MY team
- Our market share in 2020 is expected to be at 1.98%.

Source*: <http://www.thestar.com.my/business/business-news/2015/11/11/loan-growth-may-shrink-further-in-2016/>

7

Singapore - LOOKING FOR PARTNER, **LINKS: Financial Model, Business Model, Launch Plan etc**

Investment summary

- The Singapore moneylending (ML) market is one of the most challenging ones we have seen so far due to a number of overlapping factors:
 - It is relatively small in terms of number of people, which is balanced out by high income per capita
 - It is very obsolete in terms of financial technologies utilized in ML market, which presents on one hand huge opportunity in case we are able to disrupt the market with new technologies, or, on the other, a big risk in case we are not allowed by the regulator to introduce such changes into the market
 - The role of regulator in the market is quite significant and, while our initiatives are fully in line with the regulator activities towards making the market more institutionalized, it is not clear at this point how long it will take for the regulator to accept new technological reality
- We believe the market can be significantly transformed by the use of modern financial technologies, and in such case is positioned to achieve financial results as outstanding as those of ML businesses launched by our group in some of the more developed European economies
- However, to achieve that we need to progressively work with the regulator on introducing new business processes to the market, moving closer and closer to the “ideal” online business model so suitable for otherwise modern Singaporean society:
 - Online client acquisition
 - Online contract signing
 - Cash-free loan disbursement

2

Investment summary

thsd USD	Timeline					Total
	Year 1	Year 2	Year 3	Year 4	Year 5*	
investments	3 131	5 980	115	0	0	9 226
Total investments	3 131	5 980	115	0	0	9 226
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
Net profit after taxes	-1 141	205	4 617	6 876	8 050	18 607
ROE (yearly)	-65%	3%	48%	72%	84%	53%
ROAA (yearly)	-97%	4%	47%	57%	61%	39%

* - normalized year with no new clients growth

Break-even period – 18 months
 Payback period – 29 months
 Maximum investments from shareholder – 9,2 mln USD

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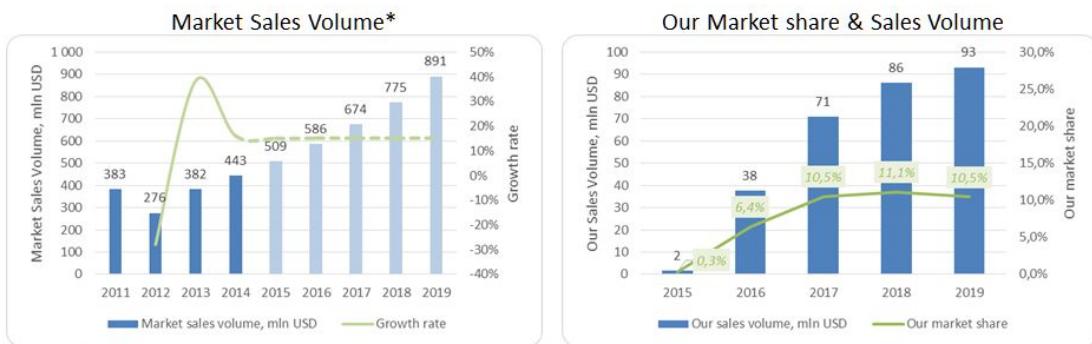
General market information

- Population of Singapore – 5,5M (62% citizens, 11% permanent residents, 27% foreign nationals). Urban population is 100%.
- Ethnic composition: 75% Chinese, 15% Malay, 10% Indian
- Official languages: English, Mandarin Chinese, Malay and Tamil. English is the common language, and is the language of business, government, and the medium of instruction in schools
- GDP per capita (nominal) is 9th in the World and stands at USD 56K per year, average monthly salary is USD 3,8K (2014)
- The population is significantly indebted, with consumer loans per capita at USD 55K*, and consumer loans to GDP at 76%
- Mobile phone penetration rate is extremely high at 156%, Internet penetration is high at 73%
- Singapore reports the highest smartphone penetration in the world at 85% (up from 72% last year)
- 98% of the population have bank accounts, online banking penetration stands at 52%, credit card penetration is 37%



*Compare GDP with other Asian market – appendix 1

ML market sales volume and our market share



Main assumptions:

- Market growth – 15% for 2015-2019
- Our market share from 2017: 10,5%

Upcoming restrictions of bank lending

Starting from 1 June 2015, The Monetary Authority of Singapore (MAS) limited the unsecured credit facilities per customer - max 24 times monthly income

As a result, according to the opinion of the President of the Moneylender's Association of Singapore, there will be a 20 to 30% rise in borrowing volume from licensed moneylenders

Our market share and sales volumes depend on our ability to generate client influx, which we are going to do with the help of marketing tools

* Total ML market, including all ML products (PDL, Installment loans)

5

Typical risks

Main risks for our product we expect from clients with low income, and estimate it as 5% from disbursements (our competitors have risks from 4 to 6 % from disbursements for small loans)

Type of risk	Risk	Drivers to the risk/ comments	Tools for the risk reducing	Collection procedure comments
Fraud	-	<ul style="list-style-type: none"> • Very strong laws – main driver of the absence of fraud • Typical risk for black moneylenders only 	-	-
Defaults for loans less than 5000 \$	No money	Typical risk for workers from other countries and with monthly income less than 2000\$	1) SingPass off-line Checking 2) Checking by cheap on-line Credit bureau and blacklist	1) SMS, Calls, e-mails 2) Most of debtors pay but with long delays
Defaults for loans more than 5000 \$	High debt-to-income, lots of loans, Pyramids	Mainly relevant for the banks	1) Checking by Credit bureau 2) SingPass off-line Checking	1) SMS, Calls, e-mails 2) If not paid - Bankruptcy procedures

7

SingPass opportunities

Singapore Personal Access (or SingPass), launched in March 2003, is a gateway to hundreds of e-services offered by more than 60 government agencies, enabling users to only have and remember one password when connecting and transacting with the Government.

Some ML companies require customers to demonstrate their income for last 12 months in personal account SingPass. To do this, companies provide customers with a computer connected to the Internet.

#	Information	Short description
1	What information can be checked?	Proof of income, Any property client owns
2	Who can have Eligibility for SingPass?	Singapore Citizen and Permanent Resident Employment Pass and Personalized Employment Pass holders EntrePass holders, S-Pass holders Dependent Pass holders (of EP, PEP, EntrePass and S-Pass holders) Long-Term Visit Pass-Plus (LTPV+) holders (Issued by ICA) Selected Work Permit holders
3	Who have access to SingPass base?	Only users can enter individually
4	How we can check customer's data	Client can show us information by safe computer.
5	Online options for check	No

SingPass allows us to verify the validity of income and property information provided by the customer.
But it can't be automated

8

Credit bureaus

A variety of options for performing customer checks exists in the market, however, some of them are pretty expensive:

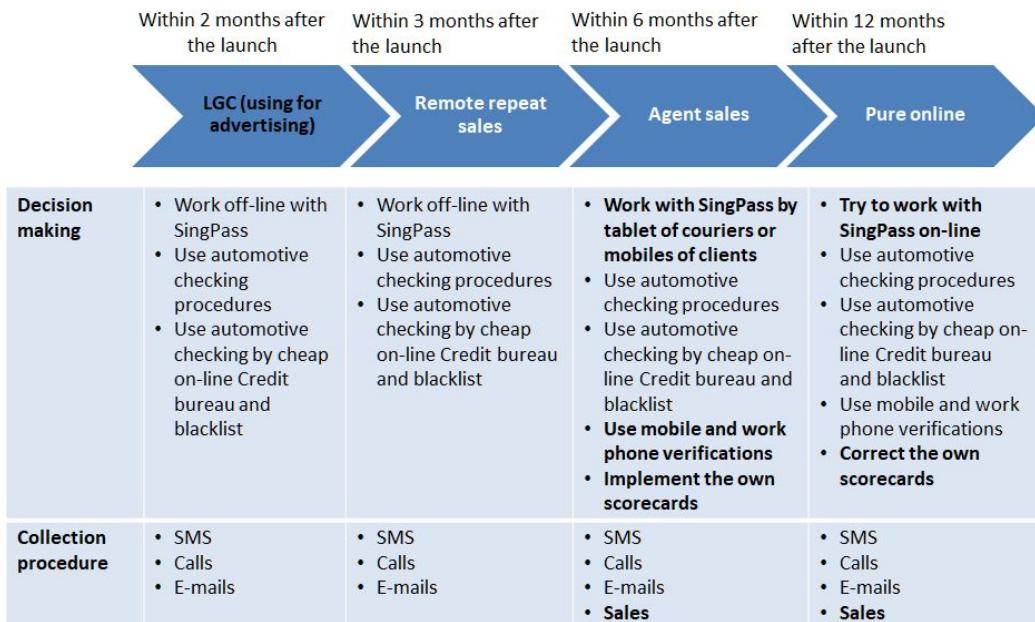
Credit bureau**	Report cost	Online reporting	Hit Rate	WEB
Credit Bureau of Singapore (CBS)	The price is \$6.50 per report	Temporarily blocked	100%*	http://www.creditbureau.com.sg
SML 999	\$0.03 per basic search \$1.50 per detailed search	Yes	75%	https://www.sml999.com
DnB Consumer report	\$3-4 per report, depending on package	Yes	100%*	http://www.dnb.com.sg
DP Credit Bureau	Price is unknown for now (02.07.2015)	Yes	65%	https://www.dpcreditbureau.sg
MLAS (black lists)	\$380 per year for unlimited search	Yes	Not available	https://moneylenders.sg

*- not only credit history, any data.

**- source of information – Daniel (founder AP Credit), manager DnB, manager CBS and manager DP Credit Bureau (meetings)

9

Strategy of the risk procedures developing



10

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Decision making procedure

#	Check	Off-line	On-line with courier	Full on-line
1	Visual stop factors	In an offline office	During the meeting with courier	
2	Auto Stop-factors		Age, employment, resident, income	
3	Local credit bureau information		SML999, DP Credit Bureau	
4	Black lists and databases		Criminal records, bank black lists, MLAS directory search	
5	Credit rules		Different logic rules, depending on credit history, max. loan amount calculation, etc.	
6	Scoring		Social-demographic	
7	Documents and data checking		checking incomes and other data by SingPass	Try to use SingPass online
8	Work phone verification	???	Checking information provided by potential customer, check for obvious signs of fraud	
9	Phone verification	???	Checking information provided by potential customer, check for obvious signs of fraud	

The list of required documents:

- NRIC (national passport)
- Income proof (Latest Payslip or Employment/Appointment Letter or CPF Contribution Statement or Latest Bank Statement)

Average decisioning time is expected to be within 15-20 minutes, including phone verifications (for good applicants – short phone verification, for not good – long phone verification)

11

Hong Kong - LOOKING FOR PARTNER, [LINKS: Financial Model, Business Model, Launch Plan etc](#)

Investment summary



- Money Lending (ML) market keeps increasing year-on-year: populous city-state with high income, high ticket size and significantly lower losses comparing to emerging markets
- One of the highest Smartphone penetration in the Region – 87% of population using smartphone
- Fully online model is possible:
 - Easy & safe disbursement and repayment due to high banking penetration
 - KYC provided by the bank
- The only opportunity for ML is Instalment loans
- ML License is acquired
- Good market to attract Investors (Financial center of APAC region). There are successful examples of fundraising for the purpose of Moneylending

Key success factors in the market:

- Product – Instalment loan is the stable income generating product
- Low competition – only one fully online player is currently presented on the market
- Risk infrastructure - one of the highest in the region Credit Bureau data penetration
- Fundraising – opportunity to finance loan portfolio by attracting funding from the market

There is a good opportunity to launch instalment loan product in Hong Kong, moreover, loan portfolio could be financed by attracting funding from the market

Source of information
www.sfc.hk
www.hkma.gov.hk

2

General Market Information



- Population – 7.31 mln (2015)
- Ethnic composition: 95% Chinese, 2% Filipino, 3% others
- Labor force – 3.91 mln (2015)
- Unemployment rate – 3.4%
- Urban population – 100%
- Official languages: Cantonese Chinese, English.
- Average monthly income – \$2.3K (2014)
- GDP Per Capita (Nominal) – \$39.8K (2014)
- Household debt-to-GDP ratio – 67% (Q1'2016)
- Smartphone penetration at 87% (2015)
- Bank accounts penetration – 90% (2015)
- Credit card penetration – 260% (2015)
- Online banking penetration – 93% (2015)
- Mobile banking penetration - 41% (2015)
- Credit bureau data penetration to working age population – 96% (2015)



Source of information
www.info.gov.hk
www.hkma.gov.hk
www.ofca.gov.hk
http://www.hkconomy.gov.hk/en/pdf/household_debt.pdf

4

Industry Landscape



Lending

- Consumer lending in Hong Kong is performed by Banks, Licensed Moneylenders, Pawnshops
- Emerging non-bank money lenders create challenges to retail banks:
 - Moneylenders volume keeps increasing year-on-year, new players are entering the market, players continuously upgrade business processes and develop new products
 - moneylenders are less regulated and benefit from flexible loan-to-value ratios and interest rates
- Fully online model is applicable, but explored only by 1 player (WeLend)

Fundraising

"Crowd-funding" typically refers to the use of small amounts of money, obtained from a large number of individuals or organizations, to fund a project, a business or personal loan through an online web-based platform... The more common types of crowd-funding include equity crowd-funding, peer-to-peer lending, donation crowd-funding and reward/pre-sale crowd-funding.

- Only one legal way to raise the funds from the public – through SFC licensed Asset Management Companies (AMC)
- No P2P platform in the market (besides 1 illegal platform as mentioned by SFC official) to which private investors can directly invest into borrower's scheme
- Some options to attract Investors that explored in the market:
 - Issue investment funds through the partnership with AMC
 - Directly from personal network
- Advertising – anyone conducts a business of promoting interests in a CIS (Collective Investment Scheme) must obtain a SFC license. *"Collective investment scheme" is a term introduced under, and defined in Schedule 1 to, the Securities and Futures Ordinance (SFO) to apply to investment products of a collective nature*

Expanding consumer lending market provides opportunities for new players with modern cost-effective business model. Relatively low interest rate forced players move to installment products which are require more capital. We will attract professional investors (directly / through the partnership with AMC) to finance our portfolio growth.

Source of information

www.euromonitor.com

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=14PRS1>

http://www.sfc.hk/web/EN/files/PCIP/FAQ-PDFs/FAQs%20on%20Offer%20of%20Investments%20under%20the%20Securities%20and%20Futures%20Ordinance_20160617.pdf

5

Market Size Estimation



Estimated Market Growth (MLs) & Our Share



	Pilot	2017	2018	2019	2020
Our disbursement volumes, mln. USD	\$3.871	\$36.41	\$70.874	\$102.849	\$134.348
Our Outstanding Balance, mln. USD	\$3.799	\$31.616	\$65.409	\$100.385	\$137.812
Our Number of loans disbursed per year	500	4 740	9 317	13 567	17 748

Main assumptions:

- Y-o-Y Market growth rate estimated at 9 % for 2016-2020

Source of information:

<http://www.censtatd.gov.hk/home/index.jsp>

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Nigeria - PARTNER already FOUND, Business plan are DEVELOPING (on the date of current White paper. August 28 , 2017)

IT architecture

IT architecture

