



SMALL STEPS, BIG IMPACT

With its focus on the micro-finance sector, microLEAP aspires to empower the 'smaller guys'.

From your small roadside food stall to your local *kedai runcit* in your small towns, any funding amount, no matter how small, will have a stronger impact especially when it comes to micro-enterprises in the B40 segment.

This is the belief that has taken microLEAP on its peer-to-peer (p2p) lending journey to empower micro-enterprises who are largely underserved in terms of financial services.

As a microfinancing platform that is solely focused on B40 to lower M40 micro-enterprises, microLEAP turns the spotlight on the 'smaller guys' who are looking for smaller amounts of funding and have found it difficult to access financing via banks and other intermediaries, while catering also to P2P investors who are looking for impact investments where a small amount of money can make a difference.

Smart Investor sits down with microLEAP PLT chief executive officer Tunku Danny Nasaifuddin Mudzaffar to talk about the company's P2P journey, and the value-added services it offers to business owners.

Smart Investor: Congratulations on obtaining your license from the Securities Commission (SC). What services/financing solutions do you offer?

Tunku Danny Nasaifuddin Mudzaffar: Thank you. We are extremely grateful the SC sees value in our unique value proposition. As we are purely a micro-financing platform, via crowdfunding, P2P investors offer financing to issuers from as little as RM1,000 to a maximum of RM50,000 only.

On top of this, our platform caters to both investors looking to invest in Shariah-compliant notes as well as those who prefer to invest in Conventional

notes. We host investment notes from a minimum tenor of six months up to a maximum tenor of 36 months on our platform.

As microLEAP targets only micro-enterprises, what inspired you to support this particular category?

We at microLEAP want to make a difference in the lives of people that we are trying to assist. When we first set out on our P2P journey, we wanted to be in a space where small investments would have a large impact on people's livelihoods.

And that was where microLEAP was born, which is underpinned by our tagline: small steps, big impact. Any funding amount, no matter how small, will have a stronger impact on a micro-enterprise than it would on a medium sized company, more so for micro-enterprises in the B40 segment which are largely underserved in terms of financial services.

For example, it makes no sense from a cost-to-revenue perspective for banks to cater to microfinancing, eg writing a RM1,000 loan, due to its high costs of branches and personnel. As we are purely digital – from application, document upload, disbursement and collection amongst others – our customer acquisition costs are much lower than banks and we are completely set up to serve these micro-enterprises better.

In fact, we were one of the Top 18 teams that made it to the United Nations Capital Development Fund (UNCDF) Financial Innovation Lab B40 Challenge that looked to accelerate, mentor and provide training to innovative Malaysian fintech / tech companies that were looking to help the underserved.

Walk us through the process of how one can make an investment.

Our application process is very simple. Sign-

up online as a user on our platform, choose to become an Investor and follow the easy steps to

apply. Once you've transferred funds online via our FPX payment gateway into your Available Balance, you are all set. Click on an investment note to read about the Issuer and our credit rating rationale, and if you are happy with the returns then click to invest.

Investors must be 18 years old and above, and the minimum investment is only RM50. Even better, you have 24 hours to retract the investment should you have second thoughts.

To encourage users, we are gamifying our investment process and will be introducing the 'microLEAP League of Extraordinary Investors'. Investors will earn points for the total amount invested,

LIQUIDITY IS KEY FOR THE P2P MARKET, AND BY ALLOWING EXISTING NOTE HOLDERS TO SELL THEIR NOTES IN THE SECONDARY MARKET, IT WILL BUILD A HEALTHY AND ROBUST INDUSTRY GOING FORWARD.

