

Executive Summary

LoanBillboard.com



"Borrowers, don't go to the banks for your loan, let them come to you!"

"Banks and lenders, don't wait for the phone to ring, come to LoanBillboard and find your next borrower and loan lead-list!"

Contact Information

Ray Camrass

ray@ray.camrass

LoanBid International Pty. Ltd

ABN: 49 620 871 098

ACN: 650746222

Executive Summary

LoanBillboard is an entirely new way for borrowers on the Web to find personal and small business loans from banks and lending institutions utilizing a new form of marketing called "Reverse Marketing". There is no other comparable site currently on the Internet for personal loans and small business loans.

Problem Summary: Currently borrowers have two main channels to finding a new loan. Firstly they may go to their regular bank or, more often now, go to one of the loan comparison sites like www.lendingtree.com (US), www.lightfinance.co.uk (UK) or www.ratecity.com.au (Australia). "Reverse marketing" is the reverse of this, where the borrower firstly posts their borrowing requirements to LoanBillboard on the web (at www.LoanBillboard.com) and the banks and lenders can then come to them, in order to make offers for these new loans.

Target Users: Borrowers may turn to LoanBillboard for the following reasons:

1. they have been rejected by all the lenders on the loan comparison site due to a low credit score or other reason (in LoanBillboard no one is actually "rejected").
Note: 76% of all Personal Loan Applications in the US are rejected and only 35% go on to originate a loan¹. Loan Comparison sites will be able to show a button linked to LoanBillboard for all applicants, who have been rejected for a personal loan by them. Borrowers who have been rejected from Loan Comparison sites could be a major market for LoanBillboard.
2. they are "early adopters" who are used to trying out new websites and services.
3. they may be wanting to get the very best interest rate possible, by putting out their loan requirements to many different banks and lenders at the same time, via LoanBillboard, and then receiving back multiple competing loan offers from banks and lenders.
4. they should get better loan terms than generally available via loan comparison sites because:
 - a. they have an especially good credit history or have an unusually high credit score
 - b. they can offer collateral (such as their vehicle or house) as security for the loan
 - c. they can "negotiate-out" their loan details and requirements directly with a bank or lender
5. Borrowers may use loan comparison sites but in addition just go to LoanBillboard as a supplementary method to find what's out there.

¹ <https://au.finance.yahoo.com/news/reason-people-get-rejected-personal-loan-184003098.html>

Market: The personal loan markets across Australia, the US and the UK are massive:

Personal Loans in USA, Australia, UK								
		Total Personal loans in Base Currency	Total Personal loans in Aus \$	Average Loan Size in AUS\$	Total no of loans 2020	personal loans per year (2019-2020)	New Loans per month	LoanBillboard at 1% monthly market penetration
USA	US\$	323,000,000,000	\$ 448,611,111,111	\$9,901	32,621,686	3,100,000	258,333	2,583
Australia	AUD\$	173,000,000,000	\$ 173,000,000,000	\$15,500	11,161,290	8,000,000	666,667	6,667
UK	Pounds	23,800,000,000	\$ 44,982,000,000	\$4,770	9,430,000	546,000	92,650	927
Total			\$ 666,593,111,111.11	\$ 7,129.00	53,212,976	11,646,000	1,017,650	10,177
Sources:								
https://www.forbes.com/advisor/personal-loans/personal-loan-debt-statistics-during-the-pandemic/								
https://takeatumble.com.au/insights/personal-loans-statistics/								
https://www.chamberofcommerce.org/personal-loan-statistics								
https://www.nerdwallet.com/article/loans/personal-loans/personal-loan-statistics#average-personal-loan-size								
https://www.lendingtree.com/personal/personal-loans-statistics								
https://www.statista.com/topics/4583/consumer-lending-in-the-uk/								
https://askwonder.com/research/personal-loan-market-australia-xhod712xo								

For instance the personal loans in the US are US\$323 billion (AU\$ \$448.6 billion) with 3.1 million new loans in the US in 2020. Australia has a higher number of new loans that year of 8 million. Across US, UK and Australia there are 1,017,650 new loans being originated per month. With these sorts of volumes even a very modest penetration rate (i.e. 1% of the monthly volume of new loans) would allow LoanBillboard itself to be originating 10,177 loans per month.

Income Streams: LoanBillboard derives its income from two sources.

Firstly a 100-basis point (1%) charge of the loan amount originated (with an average personal loan amount used of AUD \$9,798.62 or US\$7,104.00²) which will give an average of AUD\$97 per loan. Secondly LoanBillboard charges the banks or lending institutions a AUD\$890 or US\$620 per month for each "LoanBillboard terminal" (i.e. the LoanBillboard Web page).

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Loans originated by LoanBillboard	1	2	4	12	30	75	150	263	459	804	1,206	1,809
Income from Loans per month	\$71	\$142	\$284	\$852	\$2,131	\$5,328	\$10,656	\$18,648	\$32,634	\$57,110	\$85,664	\$128,496
Loan Terminals (users)	1	2	6	9	14	24	44	66	98	148	192	240
Income from Loan Terminals per month	\$890	\$1,780	\$5,340	\$8,010	\$12,015	\$21,627	\$38,929	\$58,393	\$87,589	\$131,384	\$170,799	\$213,499
Total LoanBillboard Combined Revenue	\$961	\$1,922	\$5,624	\$8,862	\$14,146	\$26,955	\$49,585	\$77,041	\$120,223	\$188,494	\$256,463	\$341,995

By August 2023 it is projected that loan origination will be 1,809 loans per month giving a monthly revenue stream of \$128,496 per month³.

Also by August 2023, there will be 240 LoanBillboard terminals in operation at banks and lenders, giving an additional revenue of \$213,499 per month.

The uptake of loan originations and LoanBillboard terminals is detailed in "Business Model Financials (19 01 2022).xlsx", Sales Tab, Columns A to AW – available to download at www.loanbillboard.com, page Business Plan, Download Financials, page password "October2021").

² See spreadsheet "Business Model Financials (19 01 2022).xlsx", Market data for LoanBillboard tab, cell B7

³ See spreadsheet "Business Model Financials (19 01 2022).xlsx", Sales Tab, Column U

Projected Revenues: The projected income from both the Loan Origination and LoanBillboard terminal charges and the EBITDA by year are:

ANNUAL Income Statement						
	YEAR	2022	2023	2024	2025	2026
Revenue						
Loans Revenue	\$	1,350	\$ 1,410,400	\$ 6,306,765	\$ 7,801,435	\$ 8,346,401
Terminals Revenue	\$	16,020	\$ 1,923,254	\$ 5,417,972	\$ 6,392,776	\$ 7,005,115
Gross Revenue	\$	17,370	\$ 3,333,653.65	\$ 11,724,736	\$ 14,194,210	\$ 15,351,516
Direct Costs						
Hardware and infrastructure		2,700	4,400	5,600	6,800	8,000
Website Hosting and Subscriptions		1,440	2,480	3,400	4,400	5,600
Total Costs	\$	4,140	\$ 6,880	\$ 9,000	\$ 11,200	\$ 13,600
Gross Profit	\$	13,230	\$ 3,326,774	\$ 11,715,736	\$ 14,183,010	\$ 15,337,916
Marketing Costs						
Google Cost Advertising		15,000	65,000	74,500	78,000	78,000
Facebook and other Advertising		15,000	85,000	115,000	150,000	150,000
Marketing, SEO and Public Relations consulting		7,500	30,000	30,000	30,000	30,000
Digital, TV and Media advertising (annual campaign)		-	200,000	100,000	140,000	140,000
Total Marketing Costs		37,500	380,000	319,500	398,000	398,000
Gross Profit minus Sales and Marketing	\$	(24,270)	\$ 2,946,774	\$ 11,396,236	\$ 13,785,010	\$ 14,939,916
Indirect Costs						
Salaries		151,433	1,763,775	2,535,533	3,002,200	3,273,767
Rent		28,000	90,000	90,000	90,000	124,500
Technology		5,000	19,200	27,100	30,600	32,400
Legal and Accounting		900	2,400	2,400	2,400	2,400
Travel		3,000	12,000	12,000	17,500	18,000
Training		2,400	8,400	8,400	8,400	8,400
Recruiting		3,500	12,000	12,000	12,000	12,000
Total Indirect Costs		194,233	1,907,775	2,687,433	3,163,100	3,471,467
Employees		8	18	23	26	27
EBITDA	\$	(218,504)	\$ 1,038,999	\$ 8,708,803	\$ 10,621,910	\$ 11,468,449
Capital Raised	\$	1,250,000				

By December 2025 projected revenues from loan origination will be \$7,801,435 per annum and revenues from LoanBillboard terminals are \$6,392,776 giving an EBITDA for that year of \$10,621,910.

Note: LoanBillboard starts generating revenue from day one, and the revenues do not rely on advertising or such "second tier" revenue streams.

Market Geographies: The LoanBillboard site will be available initially in Australia and then rolled out to the US and UK at 4-month intervals after that. The site has been specifically designed and built for use in these different target markets (the CEO has lived and worked in all these three countries).

With the service we are able to say to the borrower "Don't go to the banks for your loan, let them come to you!" and to the banks and lenders, "Don't wait for the phone to ring, get your list of new qualified loan leads from LoanBillboard right now".

To summarize, LoanBillboard gives banks and lenders an entirely new pipeline for making personal loan deals. It gives borrowers a new avenue to get loans customized to their individual borrowing requirements.

Reverse Marketing and the Internet: One mission of the Internet is to progressively increase the free-flow of data and detailed information between its online users. As the Internet develops from here, there will be an increasing number of sites along the lines of LoanBillboard, where more data is able to be rapidly exchanged between parties, allowing for new business opportunities to be created and a more customized fit for transactions like personal loans.

Competition: Currently LoanBillboard – originating loans by reverse marketing - does not have any direct competition in the US, Australia and the UK. In the US and Australia there are a number of loan comparison sites like www.lendingtree.com, www.lightfinance.co.uk (UK) and www.ratecity.com.au (Australia) but these do not approach the market in the same way and have an approach which is a juxtaposition to LoanBillboard. There is a company in Australia which has been successful in using reverse marketing for mortgages in Australia (www.joust.com.au) which further validates the business model.

Team: The team for LoanBillboard is made up of three members. Ray Camrass who has been in IT for over 40 years, has successfully started and run two software companies before, one in the US and one in Australia. Craig Delahoy has run a successful business building Web applications for businesses in Australia and has over 20 years' experience in IT. Julia Korzeniewski has been in IT and Fincen systems for over 30 years and has had long term experience working in New York in Finance, having held senior consulting positions with major companies there in the US and held senior positions for two major Investment banks in Australia.

IP: LoanBillboard is protecting its IP by filing a Business Method Patent by end-of-year.

Summary:

- A viable alternative for loan comparison sites (including 76% of applications rejected there)
- No other site like it on the Internet for personal and small business loans
- Proven business model
- Massive target markets
- Makes money from day one
- Capacity to grow into a multi-billion-dollar business