

Publication: The Peak Magazine Online

Date: 31 August 2020

Headline: Meet ex-private banker Leon Qiu working to reduce income inequality

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A former private banker, Leon Qiu was making over a million dollars a year at the age of 31. But he left all of that behind because he wanted to make a difference, specifically in reducing the wealth gap between the rich and the poor. "Income inequality is something that irks me deeply. We see a world where the less affluent have less access to opportunities. Why should the ones who already have collateral, or some capital, be the ones who have access to vehicular loans and working capital? Who is going to make credit accessible to those who do not have that to begin with?" says Qiu.

So, in 2018, Qiu left the bank and started Daung Capital, a full-suite micro-services provider based in Myanmar that helps non-consumers gain access to commerce, credit and coverage. The 34-year-old talks to The Peak about his vision for the company, which was recently acquired in February 2020 by e-commerce start-up Get Myanmar, and his passion to help entrepreneurs gain access to capital.

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Why did you choose to set up Daung Capital's operations in Myanmar?

Myanmar is a great frontier economy. It has everything going for it: strong technology scene, welcoming governance and a suitable telco infrastructure. Furthermore, the people are hungry but kind, gritty and compassionate. It wasn't easy in the beginning. Anything that could go wrong and would go wrong and there were so many problems. Employees could unluckily get into car accidents, inventory would go missing, electricity lapses would wipe out the work done, flooding which meant people could not leave home. The initial team had to take it day by day and improve the firm bit by bit. We had to adapt, make concessions, and make light of terrible scenarios. We just learn to tailor and modify the firm in an agile manner, and mould itself into the heart of Myanmar.

Could you share with us one memorable project that Daung Capital has helped to finance?

Definitely the Linking Laputa to Markets (LLM) Program spearheaded by Mercy Corps Myanmar. I remember sitting in a meeting room with the key personnel of Mercy Corps and Golden Sunland, coming up from scratch a collaborative model, where Daung as a lender, would be comfortable financing rice loans with Golden Sun Land's contract farming agreements and Mercy Corp partial default underwriting.

I still look back in awe, because rice financing is very risky. Many things can result in default and there are multiple inefficiencies embedded in frontier market loan collection methods. The collaborative model we created allowed all stakeholders to have their interests protected with benefit. That is the beauty about collaboration and about not taking no for an answer. I believe that in this new era of business, this is what it will take to be both profitable and scalable.

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Now that you're based in Myanmar, how is it for your family?

I return to Singapore, maybe once a week, and usually schedule that with the PhD classes I am taking with Singapore Management university as a doctoral candidate. So just try to imagine, running a firm, keeping the management team satisfied, catching up on reading prior to Phd class while researching my dissertation, playing father, son, husband all at once. And making sure the husky is not about to maul me!

I don't think the family is worse off based on this career decision that I have made. I bring my son Jude to visit Yangon sometimes and he gets to see what the firm does. My wife also brings him to her office; she co-founded The Bloom Box. Our family lives a very hectic life, but at least my son can see we own our own outcomes. We are masters of our time and we exercise our autonomy over our happiness. This journey that I have undertaken (and that of my wife) as entrepreneurs is certainly not for everyone, but i would think it has benefited us in terms of individual growth but also as a family unit.

At the end of the day, the role that is of paramount importance to me is that of a father. Am I teaching my son a worthy life philosophy? Am I showing him the right life attitude to put him in good stead to become a productive asset to mankind?

How has the Covid-19 pandemic affected the Burmese people and how has Get Myanmar been helping?

The pandemic has affected the Burmese immensely. Unlike the financial crisis of 2009, which mostly resulted in the destruction of wealth amongst the global upper and middle class, this pandemic makes the poor poorer. There is a general lack of business activity going around.

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People fear for their lives and that trickle-down effect to white collared labourers is very apparent.

We are more needed than ever now, since we provide credit to those who need it the most and offer a new revenue stream for provision shop owners by selling digital products on premise. Our provision shop owners net an extra S\$800 a month in pure commissions, selling various digital goods like telco top ups. Our borrowers enjoy use of a motorcycle they would eventually own at the end of the loan cycle. They can travel further to get better paying jobs or just return home to their families earlier after work.