



## Funding Societies Teams up with MDV to Uplift Prospective Startups & MSMEs

By **Elizabeth Yee** - March 10, 2022



*Nizam Mohamed Nadzri, CEO of Malaysia Debt Ventures Berhad (Left); Wong Kah Meng, Co-founder and CEO of Funding Societies Malaysia (Right)*

Funding Societies Malaysia has partnered with Malaysia Debt Ventures Bhd (MDV), a subsidiary of the Minister of Finance, to propel the country's economic recovery by empowering high-potential technology-based startups, and micro, small and medium sized enterprises (MSMEs), in line with the Malaysia Digital Economy Blueprint.

MDV is allocating a pilot fund of RM500,000 to be invested via Funding Societies' tailored financing solutions, in order to extend its reach to underserved businesses, particularly those aligned with the Ministry of Science, Technology and Innovation (MOSTI)'s 10-10 Malaysian Science, Technology, Innovation and Economy (MySTIE) Framework, and to help the industry manage the post-pandemic recovery phase and regain momentum.

MDV is looking to allocate an initial sum of RM1 million for lending via digital financing platforms this year and expect to increase the investment up to RM5 million in the near term.

“Participation by MDV as an institutional investor on our platform will allow us to enable more tailored financing solutions for underserved tech-based businesses, leveraging on our credit underwriting expertise of businesses operating in the digital economy. This is very much in-line with MDV’s objective of supporting the technology ecosystem through flexible, accessible and innovative financing solutions to catalyse growth,” Wong Kah Meng, Co-founder and Chief Executive Officer of Funding Societies Malaysia said.

Nizam Mohamed Nadzri, Chief Executive Officer of MDV said that MDV’s move to invest in debt instruments via digital financing platforms signifies MDV’s commitment to further develop the fintech sector consistent with its long-term plans to support and utilise digital fundraising platforms, enhance availability of financing options to technology-based companies, and create new growth areas to expand MDV’s marketing reach.

“MDV’s participation in Funding Societies is expected to create significant impetus to the growth of the local fintech market and support MDV’s own venture debt customers who are in the space. Funding Societies’ platform and reach have proven to be effective in providing tech MSMEs with access to much-needed financing facilities in a timely and seamless manner, and MDV is pleased that we are able to make our mark in this growing market through this partnership,” explained Nizam.

Funding Societies leads the SME digital financing industry via their tailored financing solutions befitting the varied business needs of SMEs with 50% market share in Malaysia. The platform addresses typical challenges faced by SMEs when obtaining financing solutions including collateral requirement, physical documentation submission and lengthy processes with an online onboarding process.

The announcement comes on the back of its milestone RM1 billion business financing disbursement achieved earlier this year and the Group’s recent multi-million dollar Series C+ fundraising announced in February.

Regionally, the platform has disbursed RM9 billion in business financing across 5 million financing deals to-date.