



Bridging the SME Financing Gap

By expanding access to financing, Funding Societies supports MSMEs to pursue new opportunities and strengthen their role in Malaysia's economy.

The financing gap for Malaysian micro, small and medium enterprises (MSMEs) is estimated at RM268 billion, with underserved segments including women entrepreneurs, Bumiputera MSMEs, and rural businesses often facing greater barriers to formal financing. Funding Societies bridges this gap through a digital financing platform that delivers fast, accessible, and tailored financing solutions.



Funding Societies engaging Malaysian MSMEs to expand access to flexible, technology-enabled financing tailored to their business needs.

How Funding Societies Expands Financing Access

As a regional SME digital finance platform, Funding Societies offers financing products such as collateral-free financing by leveraging data, cash flow analysis, bank statements, and performance metrics, to assess creditworthiness more efficiently. This data-driven approach enables micro and small enterprises access formal credit, while providing larger SMEs with bridging loans and flexible working capital. By understanding sector-specific challenges, Funding Societies customises its financing and payment solutions to help MSMEs fulfil orders, expand operations, hire staff, and optimise cash flow.

Khazanah Facilitating Strategic Alliances

Khazanah's investment in Funding Societies reflects Dana Impak's role in backing companies that address practical business needs, including those that expand access to financing for MSMEs that are not served by traditional financing channels. Maybank and CGC Digital subsequently became strategic investors in Funding Societies, supporting Funding Societies' efforts to broaden its reach and deepen market impact. Since then, CGC Digital has worked with Funding Societies to develop tailored financing guarantee products and more refined credit risk assessment models, supporting more precise risk sharing for MSME financing, expanding credit access to underserved businesses via Funding Societies' platform. Concurrently, Funding Societies and Maybank are exploring areas of collaboration - with Funding Societies financing smaller SMEs not yet ready for bank financing, while SMEs that graduate to larger, bankable needs can be served by Maybank.

Funding Societies has financed over 3,500 additional enterprises since Khazanah's investment. More broadly, the platform has achieved meaningful reach in Malaysia, serving over 10,000 MSMEs to-date, of which one in two are Bumiputera owned, one in three are in non-metropolitan areas and one in five operate within the agriculture and agrifood sectors. Overall, the platform has disbursed more than 100,000 loans with a total value exceeding RM6.5 billion, of which 40% are Shariah-compliant.

Key Impact Metrics

Over
3,500
additional enterprises since
Khazanah's investment

Over
10,000
MSMEs served

Loans disbursed exceeding
RM6.5 billion

The Solution

Data-Led Financing for Underserved MSMEs

A professional services and engineering solutions provider found its growth constrained by uneven project cash flow as new contracts often required upfront mobilisation costs before payments are received.

The turning point came when the company secured pre- and post-invoice financing through Funding Societies, giving it the flexibility to mobilise its workforce earlier and take on projects it previously could not initiate.

Since accessing the facility, the company has seen more stable project cash flow, higher unit uptake rates, and improved margins, while it continues to strengthen its operational efficiency and cash flow management.



Looking Ahead

Supporting Responsible and Sustainable MSME Growth

Funding Societies is also working to strengthen sustainability readiness among smaller businesses by developing an SME Sustainability Readiness Toolkit and partnering with the Malaysia Co-Investment Fund (MyCIF), an initiative by the Securities Commission Malaysia and the United Nations Development Programme (UNDP) to expand green financing. Concurrently, its strategic alliances with development finance institutions and government agencies enable more effective capital deployment, channelling resources toward impact-driven goals such as supporting high-potential sectors, promoting financial inclusion, and stimulating regional economic growth. These efforts reflect Funding Societies' broader mission, to empower MSMEs through access, trust, and technology, while supporting to unlock the next phase of inclusive, resilient growth across Malaysia's economy.



For more information, visit
www.fundingsocieties.com.my