



MEDIA RELEASE

MDV STRENGTHENS FINTECH PARTNERSHIP WITH CAPBAY THROUGH NEW RM5 MILLION FACILITY TO BOOST SME GROWTH

KUALA LUMPUR, 18 SEPTEMBER 2024 - Malaysia Debt Ventures Berhad (MDV) today announced the continuation and expansion of its strategic partnership with CapBay, a leading FinTech company specialising in Peer-to-Peer (P2P) financing and supply chain finance. MDV is extending a new RM5 million facility to CapBay, furthering joint efforts to support the growth of tech-driven SMEs and improve access to alternative financing solutions.

MDV first partnered with CapBay in 2021 by providing a pilot fund for investment through CapBay's P2P platform. The fund aligned with the Ministry of Science, Technology, and Innovation's (MOSTI) 10-10 Malaysian Science, Technology, Innovation, and Economy (MySTIE) framework and was intended to support the industry's recovery from the pandemic. Following its success, the pilot fund has since grown six-fold, reflecting MDV's confidence in CapBay's innovative approach to SME financing and its strong performance.

CapBay is at the forefront of SME financing transformation

CapBay, globally recognised for its leadership in FinTech, has facilitated over RM3.4 billion in financing, including RM1 billion in Shariah-compliant funding, benefiting 1,800 SMEs across 20 industries. Featured in CNBC and Statista's Global FinTech Companies list (2023 and 2024) and ranked 30th on the FT High-Growth Companies Asia-Pacific 2024 list, CapBay has demonstrated its impact and growth with an 18x expansion and a 166% compound annual growth rate (CAGR) from 2019 to 2022.

Since beginning operations in 2017, CapBay has led the transformation of SME financing in Malaysia through its Multi-Bank Supply Chain Finance (SCF) platform, utilising a proprietary AI-powered credit scoring system, advanced data analysis, and machine learning to assess SMEs typically overlooked by traditional banks. This data-driven approach has enabled CapBay to provide targeted financing while maintaining a default rate of less than 0.3%. Licensed by the Securities Commission Malaysia, CapBay's P2P platform also offers investors access to private credit deals with average net returns of up to 8.3% per annum, strategically diversifying funds across multiple financing notes to reduce risks and optimise returns.

MDV's New RM5 Million Facility Underscores Confidence in CapBay's Potential

The new RM5 million facility underscores MDV's confidence in CapBay's ability to deliver efficient financing solutions for start-ups and SMEs, especially businesses struggling to secure traditional funding. With this latest partnership, CapBay plans to further expand its supply chain finance

solutions and continue delivering innovative financial products to SMEs across Malaysia. These funds will enable CapBay to continue providing alternative financing solutions to more Malaysian SMEs, many of whom face challenges securing loans from traditional banks. This aligns with MDV's long-term objective of leveraging digital fundraising platforms to diversify financing options for technology-based companies.

"Our partnership with CapBay underscores MDV's commitment to driving innovation in Malaysia's rapidly evolving FinTech landscape," said **Rizal Fauzi**, Chief Executive Officer of MDV. "As SMEs face challenges accessing traditional financing, especially in the tech sector, we are facilitating critical funding that empowers these businesses to scale, innovate, and contribute to Malaysia's economic resilience and growth. This partnership is a testament to our belief in the potential of digital finance to unlock new opportunities for underserved enterprises."

Dato' Sri Mohd Mokhtar Mohd Shariff, Chairman of CapBay, expressed his gratitude for MDV's continued support, stating, "We deeply value MDV's continued support and confidence in CapBay's vision. Our ongoing partnership with MDV is a testament to the significant strides we are making in transforming SME financing. This collaboration allows us to drive innovation that reaches underserved businesses, creating meaningful opportunities for growth. Together, we are not only helping SMEs thrive but also building a more inclusive financial ecosystem that supports long-term economic resilience and competitiveness in Malaysia."

Ongoing collaboration to broaden access to capital and foster innovation

MDV and CapBay's ongoing collaboration underscores a shared commitment to driving innovation in the financial sector. By leveraging CapBay's platform, MDV is supporting technology-based SMEs to access alternative financing solutions, helping them overcome traditional funding barriers and achieve sustainable growth.

"We believe FinTech is reshaping the future of finance, providing innovative solutions that broaden access to capital and empower businesses to succeed in a fast-moving digital world. As MDV continues to champion forward-thinking partners like CapBay, we are confident in our ability to assist underserved SMEs to overcome traditional financing challenges and accelerate their growth," concluded Rizal.

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About MDV – The Nation’s Technology Financier

Malaysia Debt Ventures Berhad (MDV) was established in 2002 as a subsidiary of the Minister of Finance (Incorporated) [MOF (Inc)] with the objective of providing flexible and innovative financing facilities to develop the ICT sector that had been identified and prioritised by the Government as the catalyst for the nation’s growth. Since its establishment more than two decades ago, as the tech ecosystem progresses and expands, MDV continues to evolve and has grown from strength to strength in its role to support, nurture and guide Malaysian technology companies and start-ups in achieving growth. MDV’s specialised funding had ensured the success of many high potential technology companies and projects in the areas of ICT, Green Technology, Biotechnology, Strategic and Emerging Technology, and Start-Ups, which in turn, contributed to the diversification and generation of new sources of high-value economic growth for the country. Throughout the years, MDV has charted many firsts, including being the pioneering, and largest, Venture Debt/Financing solutions provider in Malaysia. With the rapid rate of technological and digital advance, and Malaysia’s continued push towards becoming an advanced nation, MDV will continue to play a significant role in ensuring a thriving tech and start-up ecosystem in Malaysia while achieving its vision of becoming the Nation’s Technology Financier.

For more information on MDV, visit <http://www.mdv.com.my/>

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