



MEDIA RELEASE

MDV, KENANGA JOINTLY ESTABLISHED NEW FINTECH FUND

Putrajaya, 10 March 2021: Malaysia Debt Ventures Berhad (“MDV”) and Kenanga Investment Bank Berhad (“Kenanga”) today announced the establishment of a Fintech Fund (“The Fund”), with a target fund size of RM300.0 million to support the growth of Fintech companies and further develop the Venture Capital (VC) industry in Malaysia.

The Fund will see MDV and Kenanga taking up the role of joint managers and co-investors on a pro-rata basis. In the initial investment phase, both MDV and Kenanga will equally contribute RM25.0 million each as seed capital towards the Fund. The Fund will primarily be used to finance Fintech companies at various stages of its lifecycle and up to its pre-initial public offering.

The collaboration will draw on the strength and capabilities of each organisation in the areas of equity and debt financing of Fintech companies, proven investment capabilities, as well as access to capital markets in providing a more comprehensive financing solutions to Fintech companies in Malaysia.

MDV’s Chairman, Khairul Azwan Harun said that as the only financial institution in Malaysia offering Venture Debt Financing as a complementary source of capital for technology start-ups, MDV is fully committed to continue developing the Venture Debt market in Malaysia.

He explains that as a developing nation, Malaysia funding ecosystem still favours the conventional financial institutions and capital markets as its main sources of financing. MDV, however, believes that the country’s economy would benefit from the development of the venture debt market as it is a common funding vehicle for tech start-ups in more developed markets to complement equity funding from VC’s.

“The Government has also been very clear with its intention to develop a vibrant and sustainable VC industry in Malaysia. One of the ways to achieve this is by attracting more private sector participations in the VC funding ecosystem and this was again reiterated by the Government when it launched the MyDIGITAL initiative recently. MDV’s strategic partnership with Kenanga is a step in the right direction as it would provide the necessary impetus towards supporting the Government in achieving this objective. We believe that this initiative will serve as a catalyst to promote private funding for Venture Debt as a long-term sustainable model and that it would be able to boost the growth of new and innovative technology start-ups, which is key to ensuring the success of Malaysia’s digital economy plan,” he said.

“MDV’s mission to catalyse growth of technology-driven enterprises is consistent with Kenanga’s own commitment to digitalisation and innovation, and we are pleased to join hands with MDV on this initiative to increase access to capital for the Fintech start-up sector in Malaysia. As a home-grown financial brand ourselves, Kenanga is committed to empowering entrepreneurial talent and this Fund will enable the unicorns of tomorrow to flourish so that tech is in the pole position to drive Malaysia’s post COVID recovery,” said Datuk Chay Wai Leong, Group Managing Director, Kenanga Investment Bank Berhad.

Further on the Fund, MDV’s Chief Executive Officer, Nizam Mohamed Nadzri said that the focus of the Fund is mainly in funding Fintech companies as this segment of the technology market yields great potential for growth in addition to being the backbone to the realisation of the country’s digital economic agenda. The sector is facing tremendous growth arising from opportunities for Neo-banks and Fintech companies in core banking systems. The sector will also benefit from adoption of financial services by platform companies and other technology start-ups.

“We are looking to fund Fintech companies with scalable and sustainable business models that provide innovative and disruptive technology-based product offerings, which benefit is able to be cascaded down to the community as a whole,” he explained.

With the country’s urgent need to leverage on technology advancement to drive economic recovery, MDV and Kenanga are confident that the new Fund will be able to contribute positively to Malaysia’s technology and start-up ecosystem given the many advantages of Venture Debt and Venture Capital financing as an attractive and complementary source of capital for technology companies in achieving a sustainable and profitable growth.

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About MDV – The Nation’s Technology Financier

Malaysia Debt Ventures Berhad (MDV) is a wholly-owned subsidiary of the Minister of Finance Incorporated established in 2002 with the objective of providing flexible and innovative financing to develop high-impact and technology-driven sectors of the economy, identified and prioritised by the Government as future engines of growth. MDV’s strategic role in the technology financing ecosystem in Malaysia is defined by its approach to funding which is different from other financial institutions. MDV’s niche is helping to fund young technology-based companies or start-ups that are unable to secure financing from commercial financial institutions due to their novel business model, lack of proven operating track record and lack of collaterals. With the rapid rate of technological and digital advance, and Malaysia’s continued push towards becoming an advanced nation, MDV will continue to have a significant role to play particularly in financing emerging technology areas and in achieving its vision of becoming the Nation’s Technology Financier.

For more information on MDV, visit www.mdv.com.my

About Kenanga Investment Bank Berhad 197301002193 (15678-H)

Established for more than 45 years, Kenanga Investment Bank Berhad (the Group) is a leading financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, investment management, wealth management, structured lending and trade financing. Today, it is an award-winning leading independent investment bank in the country with a continuous commitment towards driving collaboration, innovation and digitalisation in the marketplace.

Kenanga Investment Bank Berhad is the largest independent investment bank* in Malaysia by equity trading volume and value, as well as, one of the top brokerage houses with the largest network of remisiers. Its fast-growing client base enjoys convenience through more than 30 locations throughout Malaysia.

The Group has garnered a host of awards and accolades reflecting its strong market position. It was awarded under the categories of Best Overall Equities Participating Organisation by Bursa Malaysia, Best Retail Equities Participating Organisation, Best Institutional Equities Participating Organisation; along with Best Trading Participant Equity and Financial Derivatives for 17 consecutive years. The Group was also accorded the title of Best Institutional Derivatives Trading category by Bursa Malaysia.

The Group continues to be a regular and repeat recipient of distinguished industry accolades, such as the Lipper, Fundsupermart and Morningstar awards. For its continued efforts towards community outreach and employee volunteerism, the Group was awarded the coveted company of the year award for environmental awareness and sustainability at the Sustainability & CSR Malaysia Awards 2020.

** year to date based on Bursa Malaysia’s Participating Organisations (POs) Trading Summary.*

For more information on Kenanga Investment Bank Behad, please visit www.kenanga.com.my

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