

Innovative Solutions for the Capital Market & Enabling Access for MSMEs

Malaysia Co-investment Fund (MyCIF) - Public-Private Co-Investment Model To Empower MSMEs

*Datuk Johan Mahmood Merican
Ketua Setiausaha Perbendaharaan
8 April 2025*

MSMEs: We need to empower the backbone of our economic growth

MSMEs are key contributors to the economy

Contribution to national GDP*

39.1%

Contribution to national workforce*

48.5%

- **MSMEs** need the **right financing** to **grow, compete, and thrive**
- **Access to financing** will be a **key enabler** of MSME growth

RM 290 bil

Financing gap for MSMEs **

MSMEs see challenges with traditional financing

1

MSMEs have limited credit history

2

Early stage startups are deemed too risky

3

MSMEs often have Insufficient collaterals

4

Risk profile does not match bank's risk appetite

Alternative financing : Bridging the gap for risk capital

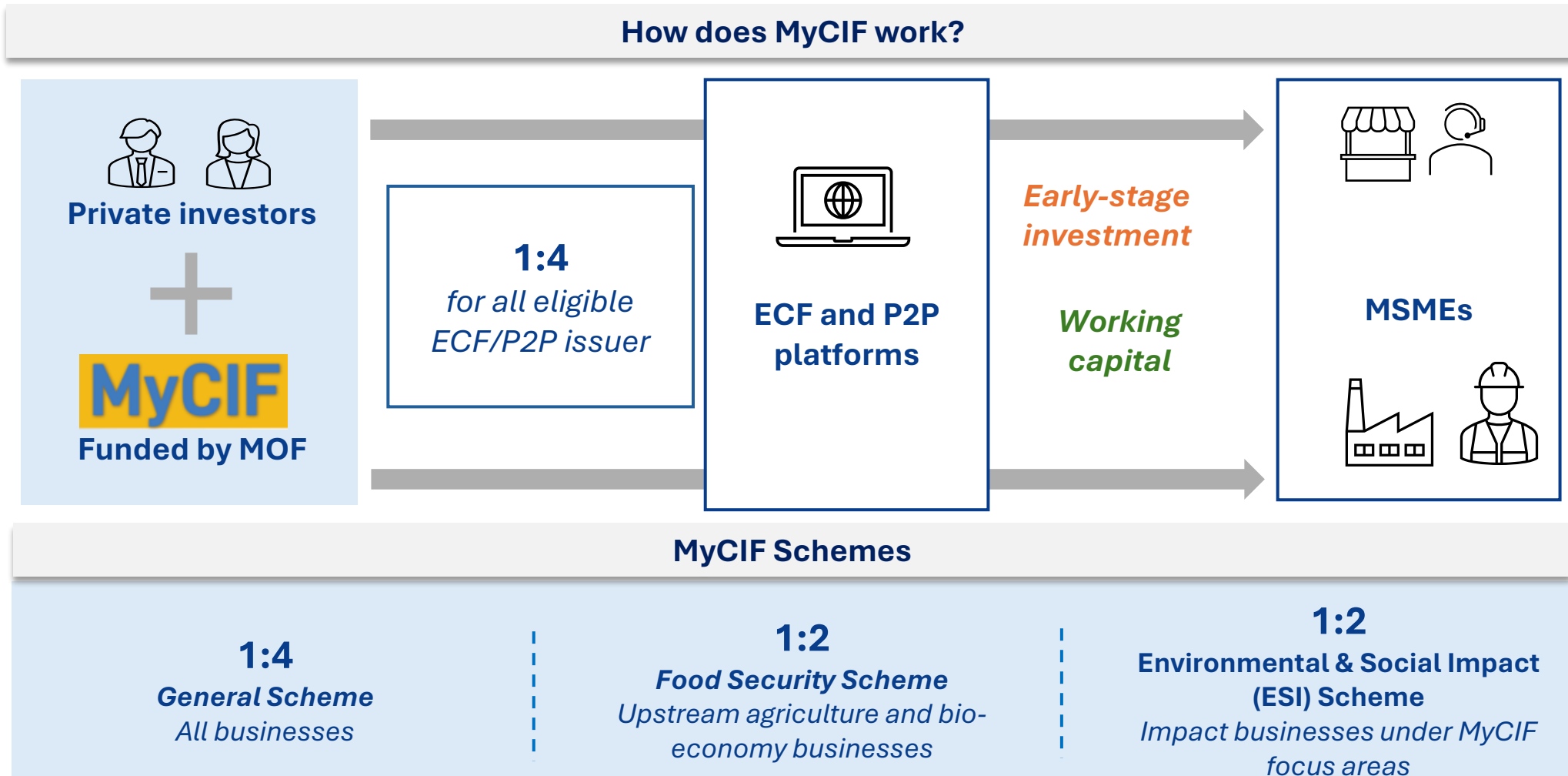
Equity Crowdfunding (ECF) and Peer-to-peer financing (P2P) platforms bridge MSMEs requiring risk capital, with direct access to investors seeking flexible and tailored investment opportunities.

* Micro, Small & Medium Enterprises (MSMEs) Performance 2023, DOSM

** Catalysing MSME and MTC access to the capital market: 5 year roadmap [2024-2028]

MyCIF co-invests with private investors into MSMEs, through ECF and P2P platforms

- MyCIF was established by the **Ministry of Finance (MoF) under Budget 2019**.
- Through its **co-investment model**, MyCIF successfully crowds in private funds, thereby bolstering the availability of risk capital.



MyCIF - A sustainable model for blended finance

Total amount co-invested (RM)

Over RM1B

ECF & P2P campaigns co-invested in

Over 70,000

Key features of MyCIF



Relies on wisdom of the crowd

Passive co-investments in MSMEs that have crowded in private investments

4.1x *private investment growth alongside MyCIF*



Amplifies public money

Maximizing the impact by reinvesting back into other MSMEs

9 x *RM1 from MyCIF is re-invested 9 times on P2P platforms*



Multiplier impact

Generate broader economic benefit, beyond the initial funding

3.7x *co-investments growth relative to the initial funding allocated by MOF (data as of Dec23)*



Shoring up investor confidence

Malaysian government has skin-in-game in the growth of our MSMEs

Over 9,500 *MSMEs have received investments from government since inception*

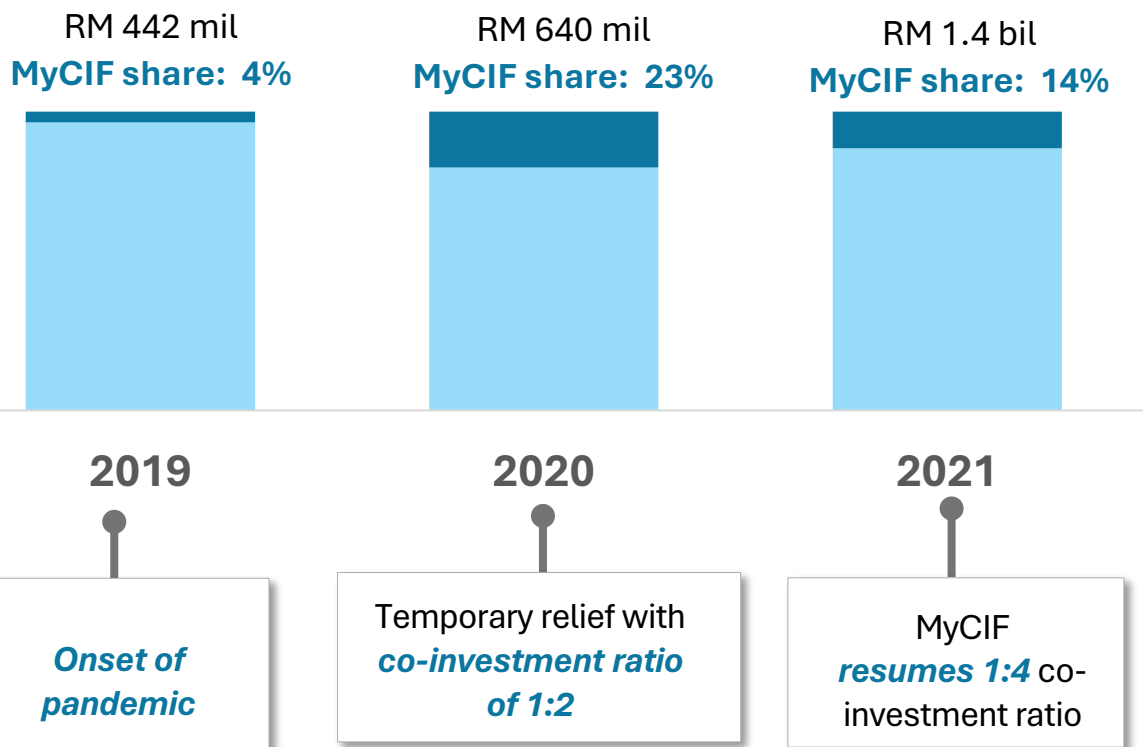
Replicable model : CoSIF, announced in Feb 2025, replicates the MyCIF model to support the New Industrial Master Plan 2030 (NIMP) priorities

MyCIF - Building MSME resilience during pandemic

MyCIF stepped in during the pandemic to support **continued business growth and enable digital pivot** by providing a **temporary relief co-investment ratio of 1:2**, doubling its co-investment size.

Share of MyCIF investments over total funds raised

■ Total ■ MyCIF total fundraised



Supporting continued business growth



“MyCIF via CapBay was crucial to us during the pandemic, fuelling our growth as an IT solutions company.”

Rajasekhar Gummadi, Nityo Infotech Malaysia

Enabling digital pivot during the pandemic



A brick and mortar ‘pan mee’ business, **Meet Mee**, pivoted to **digital sales of instant pan mee**. To support this shift, they fundraised approx. RM 1.6 mil via ECF on MyStartr.



A pisang goreng stall, **Bunpah**, which fundraised RM 15k via P2P on microLEAP, expanded to **cater for online food delivery** – after which, sales increased by 30%.

MyCIF – Supporting startups in their growth journey



Fueling growth journey of start-ups

16 companies secured multiple rounds of funding via MyCIF
Startups which started small with MyCIF gained confidence for subsequent fundraising rounds on ECF

39 companies obtained additional funding via VCs
MyCIF beneficiaries on ECF gained visibility from other investors including VC

83 companies have regional presence
MyCIF enables companies to expand beyond domestic market, leading to regional presence

Data as of 31 December 2023



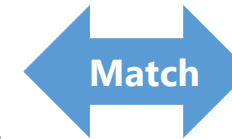
Channeling investees to GLICs for greater growth

GEAR-uP Relay Race Initiative

Bring together promising **start-ups funded by Government programs such as MyCIF**, for the next stage of capital injections.



Promising companies
funded by MyCIF



Capital providers or
GPs of funds

Relay Race aims to enable the companies' to seamlessly transition between stages



MyCIF - Catalysing financing in support of national priorities



Enhancing MSMEs access to financing

A majority of MyCIF beneficiaries are MSMEs

93% of all MyCIF beneficiaries are micro, small, or medium enterprises

4x increase in total MyCIF investments into micro enterprises from 2020 to 2023



Aligning investment with national strategic growth pillars



Food Security Scheme

1:2 co-investment ratio to support ECF and P2P campaigns for **upstream agriculture and bio-economy businesses**

9.2 M amount co-invested in food security scheme

267% Increase in agri issuers with implementation of 1:2 special ratio **in 2022 vs 2021**



Environmental & Social Impact Scheme (ESI)

1:2 co-investment ratio to support **impact businesses** (w.e.f Jun24)

Focus Areas Environment, community, food security, education and healthcare



Incentives to foster innovation in Islamic Capital Market

Promote risk-sharing solutions for equitable financial structures, where **profits and losses are shared among investors and businesses**, fostering ethical and sustainable economic growth.

Thank you