

MALAYSIA

A promising landscape for non-banking lending



INTRODUCTION

Malaysia is among the most digitally advanced and mobile-first markets in Southeast Asia. The country has made significant progress in building a robust digital economy, supported by widespread adoption of cashless payments. Mobile wallets, digital banking services, online KYC processes, instant payment infrastructure, and peer-to-peer QR transfers are deeply embedded in everyday consumer behavior, creating a highly conducive environment for digital financial services.

Malaysia's macroeconomic fundamentals further reinforce the attractiveness of the market. A highly urbanized population, combined with upper-middle-income GDP per capita that continues to grow, points to a sizable addressable market with strong purchasing power and favorable long-term demand dynamics.

From a regulatory perspective, the environment is relatively transparent and supportive. The availability of online applications for moneylending licenses, together with clearly defined digital moneylending guidelines, lowers barriers to entry and provides regulatory clarity for non-bank consumer lending providers.

Despite these strengths, the consumer credit market remains structurally underserved. Approximately one quarter of Malaysian credit consumers have weak or subprime credit profiles, limiting their access to traditional bank lending. As a result, a significant segment of the population increasingly relies on alternative credit solutions, including Buy Now, Pay Later (BNPL) platforms and short-term consumer loans, highlighting strong demand for non-bank consumer lending services.



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MALAYSIA IN NUMBERS

Malaysia's macroeconomic environment is supportive of sustainable growth in consumer lending, underpinned by strong demographics, stable economic conditions, and high levels of digital and financial inclusion. The combination of a young, urbanized population and rising income levels drives structural demand for consumer credit, particularly for short-term and flexible financing products.

Malaysia stands out for its near-universal internet access and widespread use of formal financial services. High financial inclusion, combined with gaps in traditional bank lending eligibility, creates space for alternative lenders to address unmet demand without relying on cash-based or informal channels.

36.5M

Population

\$422.2BNominal GDP,
2024**1.40%**Inflation rate,
Jul 2025**77.4%**

Urban population

\$11,584GDP per capita,
2024**1.4%**Non-performing loans
in banking sector,
2025**31**Median
age**4.7%**GDP growth,
9M 2025**98%**% of Individuals using
the Internet

NON-BANK FINANCIAL INSTITUTIONS

In Malaysia, commercial-based NBFIs include moneylenders, pawnbrokers, leasing companies, factoring companies, Buy Now Pay Later (BNPL) service providers, impaired loan buyers, and debt collection agencies.

Moneylenders and pawnbrokers are regulated under the jurisdiction of the Ministry of Housing and Local Government. Moneylenders are entities licensed under the Moneylenders Act 1950 to conduct money-lending activities, while pawnbrokers operate under the Pawnbrokers Act 1972, providing personal financing secured by pledged assets such as gold. In addition to holding the relevant operating licences, both moneylenders and pawnbrokers are required to obtain separate advertising permit licences before conducting any advertising activities.

Leasing companies, factoring companies, BNPL providers, impaired loan buyers, and debt collection agencies remain unregulated. These institutions are expected to be brought under a new regulatory and licensing framework according to the upcoming Consumer Credit Act 2025.

Non-bank financial institutions under existing regulation		
Regulator / licensing	KPKT (MINISTRY OF HOUSING AND LOCAL GOVERNMENT)	
Institution	Moneylenders PEMBERIAN PINJAMAN WANG (PPW)	Pawnbrokers PEMEGANG PAJAK GADAI (PPG)
Law	<u>Moneylenders act 1951</u>	<u>Pawnbrokers Act 1972</u>
Number of companies	<u>4407</u>	<u>881</u>
Loans disbursed (2023)	€3.0B	€2.3B

Non-bank financial institutions under upcoming regulation					
Upcoming Regulator	<u>Consumer Credit Oversight Board (CCOB)</u>				
Upcoming Law	<u>Consumer Credit Act 2025</u>				
Institution	Leasing companies	Factoring companies	BNPL service providers	Impaired Loan Buyers	Debt Collection Agencies
Number of companies	370	37	<u>16</u>	N/a	20

REGULATORY POLICY

The industry is regulated by the Ministry of Housing and Local Government (KPKT) under the Moneylenders Act 1951.

It is possible to submit an application online through the [Ministry's iDEAL System](#) (the official online portal for moneylender licence applications).

REGULATOR

KPKT (Ministry of Housing & Local Government)

LAW

Moneylenders Act 1951

INTEREST RATE CAPS

18% per annum

Prohibition of compound interest

Lenders cannot charge interest in excess of the principal amount of the loan.

LICENSE APPLICATIONS QUOTA

60 licenses per year

LICENSE

Moneylender's License (Pemberi Pinjam Wang)

MARKET SIZE

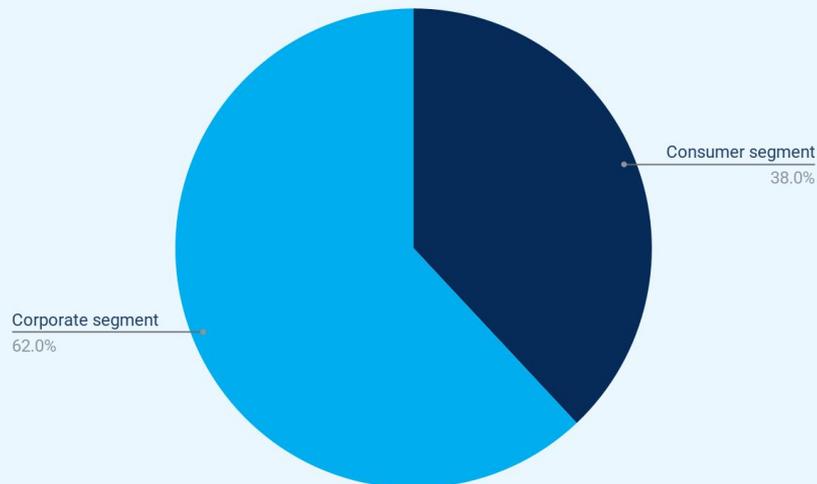
The market value of non-bank credit industry reached €5.3B in 2023, with €3B generated by moneylenders and €2.3B generated by pawnbrokers.

There are two main segments of borrowers with moneylenders, namely corporate and individual. Corporate sector borrowers account for 62% and the remainder (38%) are individual borrowers.

Growth Drivers

- Increasing Smartphone Penetration
- Rise in Digital Payment Adoption
- Growing Demand for Quick Access to Credit

Non-bank money Lending sector breakdown by segment

**\$3.0B**

Non-bank money lending market volume

4416

Licensed moneylenders

61

Licensed online moneylenders

CREDIT REPORT AGENCIES

There are 3 credit reporting agencies in Malaysia: Experian, CTOS, and Credit Bureau Malaysia registered by the Ministry of Finance under the Credit Reporting Agencies Act 2010.

These three credit reporting agencies have approval to access the CCRIS (Central Credit Reference Information System) to provide private credit reports to their users, which may include more information than CCRIS. CCRIS is a credit reporting system in Malaysia, operated by Bank Negara Malaysia.

	Experian	CTOS	Credit Bureau Malaysia
Credit report cost, €	5.1	5.9	4.1
What is in the credit reports	<ul style="list-style-type: none"> • Experian i-SCORE (Credit Score) • Banking Information (CCRIS) • Litigation History • Skim Potongan Gaji Angkasa (SPGA) • PTPTN • Trade References (Non-Banking Info) 	<ul style="list-style-type: none"> • CTOS Score • CCRIS Records (BNM) • Litigation & Bankruptcy • Personal Information (NRD) • Directorship & Business Interest (SSM) • Trade Referee Listings (eTR) • 2 Free MyCTOS Basic Reports a year • Access to Rewards 	<ul style="list-style-type: none"> • Individual credit score (MySCoRE assessment) • Banking information (CCRIS) • Litigation Information • Track Reference Information

LEADING MONEYLENDERS

Group	Brand	Website	Monthly users	Year launched	Max daily interest	Annual interest rate, %	Late payment fee	Min loan, €	Max loan, €	Min period, days	Max period, days	Product type	App
Fingular	Tambadana	tambadana.my	283.2K	2023	0.05	18	$(8\% \div 365) \times$ (Days overdue) \times (Amount overdue)	106	2115	91	180	Short, Long	Play Store (500K+ installs, 8th app in "Finance" category)
-	Kreditku	kreditku.com.my	85.1K	2018	0.05	18	N/a	106	2115	90	365	Long	Play Store (100K+ installs, 98th app in "Finance" category)
-	Nimbura	nimbura.my	25.0K	2020	0.05	18	$(8\% \div 365) \times$ (Days overdue) \times (Amount overdue)	106	2115	91	180	Long	Play Store (10K+ installs)
-	Adacash	adacash.my	23.0K	2020	0.05	18	$(8\% \div 365) \times$ (Days overdue) \times (Amount overdue)	106	1058	92	180	Long	Play Store (100K+ installs, 15th app in "Finance category")
-	JCL	jcl.my	22.8K	1996	0.05	18	N/a	212	10576	365	1825	Long	-
-	Acom	acom.com.my	18.2K	2021	0.05	18	$(8\% \div 365) \times$ (Days overdue) \times (Amount overdue)	53	21153	180	1800	Long	-
-	IOS Credit	my-ios.com.my	10.3K	2013	0.05	18	N/a	106	2115	91	180	Long	Play Store (5K+ installs)
-	CreditXpress	creditxpress.com.my	6.6K	2021	0.05	18	$(8\% \div 365) \times$ (Days overdue) \times (Amount overdue)	212	10576	180	720	Long	iOS
Spacecrew Finance	Amanah Kredit	amanahkredit.my	4.2K	2025	0.05	18	$(8\% \div 365) \times$ (Days in arrears) \times (Amount in arrears)	21	1058	2	30	Short	-
-	Funding Bee	fundingbee.my	2.2K	2019	0.04	16% + 8% one-time processing fee	N/a	106	10576	180	1800	SME loan	-

FINANCIAL PERFORMANCE OF SELECTED LENDERS

Group	Brand	Website	Year launched	2023 Revenue, €	2024 Revenue, €	YoY change
Fingular	Tambadana	tambadana.my	2023	€366.6K	€5.6M	1426.7%
-	Nimbura	nimbura.my	2020	0.00	0.00	-
-	IOS Credit	my-ios.com.my	2013	€991.6K	€1.1M	13.0%
-	Funding Bee	app.fundingbee.my	2019	€11.6K	€13.4K	15.3%
-	Adacash	adacash.my	2020	€2.0K	€1.4M	71414.5%
-	Acom	acom.com.my	2021	€11.6K	€0.3M	2186.4%
-	CreditXpress	creditxpress.com.my	2021	€0.0K	€7.7K	-
-	JCL	jcl.my	2013	€54.2M	€47.5M	-12.4%

Group	Brand	Website	Year launched	2023 Net Profit, €	2024 Net Profit, €	Net profit margin, 2024
Fingular	Tambadana	tambadana.my	2023	-€0.7M	€0.5M	8.3%
-	Nimbura	nimbura.my	2020	-€1.7K	-€1.0K	-
-	IOS Credit	my-ios.com.my	2013	€0.2M	-€0.1M	-4.6%
-	Funding Bee	app.fundingbee.my	2019	-€0.3M	-€0.4M	-2887.2%
-	Adacash	adacash.my	2020	-€0.3M	€0.1M	9.1%
-	Acom	acom.com.my	2021	-€0.8M	-€1.5M	-545.5%
-	CreditXpress	creditxpress.com.my	2021	-€1.5K	-€16.7K	-217.9%
-	JCL	jcl.my	2013	€15.2K	€8.6M	18.1%

TAMBADANA CASE STUDY: MONTHLY PERFORMANCE 2023

	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23
Number of loans disbursed	126	174	326	712	1297	2298	2505	2817
new customers	120	105	219	506	881	1390	1017	897
repeat customers	6	56	83	138	302	539	868	1068
loan extensions	0	13	24	68	114	315	620	852
Amount disbursed, thsd USD	14	20	39	111	214	382	438	445
new customers	13	11	25	82	143	219	160	99
repeat customers	1	8	12	22	55	115	182	233
loan extensions	0	1	3	8	16	48	96	113
Loan portfolio (0-30 DPD, principal only), thsd USD	12	23	42	116	241	407	508	506
Revenue	4	5	11	29	56	99	113	119
Provisions	-3	-6	-10	-29	-63	-96	-107	-94
Gross profit	1	0	1	0	-7	3	-5	25
CAC	-6	-7	-10	-25	-30	-28	-20	-25
Other ops costs	-13	-9	-8	-11	-14	-16	-18	-22
Operating profit	-18	-17	-18	-37	-51	-42	-33	-22
Fixed expenses	-18	-10	-10	-15	-23	-26	-33	-44
EBIT	-36	-27	-28	-51	-73	-68	-66	-66
Revenue margin	31%	23%	25%	25%	23%	24%	22%	24%
Gross profit margin	6%	-1%	-1%	0%	-3%	1%	1%	5%
Operating profit margin	-157%	-72%	-43%	-32%	-21%	-10%	-7%	-4%
EBIT margin	-307%	-116%	-65%	-44%	-31%	-17%	-13%	-13%

Source: [Loanch](#)

TAMBADANA CASE STUDY: MONTHLY PERFORMANCE 2024

	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Number of loans disbursed	2,912	3,083	2,978	2,999	3,759	4,315	6,764	12,308	15,275	20,421	23,349	26,037
single payment	2,884	3,047	2,629	2,527	3,154	3,516	5,571	9,489	12,603	16,653	18,714	20,507
installment	28	36	349	472	605	799	1,193	2,819	2,672	3,768	4,635	5,53
Amount disbursed, thsd USD	472	483	500	495	601	682	1,018	1,945	2,595	3,689	4,460	5,417
single payment	466	475	429	401	477	514	753	1,249	1,859	2,604	2,291	3,382
installment	6	8	71	94	124	168	264	696	736	1,085	1,539	2,034
Loan portfolio (0-30 DPD, principal only), thsd USD	492	516	511	537	623	775	1,086	2,002	2,946	3,627	4,671	5,825
Revenue	119	124	126	126	157	177	272	519	715	973	1,189	1,449
Provisions	-29	-42	-58	-48	-58	-72	-102	-258	-351	-343	-409	-533
Gross profit	90	82	67	78	100	105	170	261	364	630	779	916
CAC	-19	-34	-11	-12	-60	-74	-79	-101	-130	-156	-209	-242
Other ops costs	-29	-30	-28	-33	-43	-55	-66	-109	-128	-169	-171	-175
Operating profit	42	18	28	32	-3	-24	24	51	106	305	400	499
Fixed expenses	-20	-19	-45	-88	-37	-35	-52	-46	-50	-41	-65	-79
EBIT	23	-1	-17	-56	-40	-59	-27	4	56	264	335	420
Revenue margin	24%	24%	25%	23%	25%	23%	25%	26%	24%	27%	25%	25%
Gross profit margin	18%	16%	13%	14%	16%	14%	16%	13%	12%	17%	17%	16%
Operating profit margin	9%	4%	6%	6%	-1%	-3%	2%	3%	4%	8%	9%	9%
EBIT margin	5%	0%	-3%	-10%	-6%	-8%	-3%	0%	2%	7%	7%	7%

Source: [Loanch](#)

TAMBADANA CASE STUDY: MONTHLY PERFORMANCE 2025

	Jan 25	Feb 25	Mar 25	Apr 25	May 25	June 25	July 25	August 25	Sep 25	Oct 25	Nov 25
Number of loans disbursed	27,289	30,305	40,438	42,197	49,097	51,905	57,710	56,094	53,302	61,060	63,370
single payment	21,624	24,202	31,801	34,458	39,361	41,736	45,445	42,972	40,678	46,712	48,177
installment	5,665	6,103	8,637	7,739	9,736	10,169	12,265	13,122	12,624	14,348	15,193
Amount disbursed, thsd USD	6,051	6,148	8,754	9,533	12,112	12,845	15,465	16,556	15,626	18,316	18,98
single payment	3,712	3,905	5,431	6,27	7,498	7,984	8,847	8,782	8,728	10,279	10,712
installment	2,339	2,243	3,323	3,263	4,614	4,861	6,618	7,773	6,897	8,037	8,268
Loan portfolio (0-30 DPD, principal only), thsd USD	6,847	7,86	9,442	11,565	13,622	15,777	18,023	20,663	21,867	23,657	26,088
Revenue	1,633	1,659	2,373	2,604	3,251	3,406	4,024	4,29	4,117	4,192	4,614
Provisions	-553	-513	-737	-1,339	-1,319	-1,26	-1,45	-1,946	-1,983	-2,213	-2,29
Gross profit	1,08	1,146	1,636	1,265	1,932	2,146	2,573	2,344	2,135	1,979	2,324
CAC	-254	-262	-302	-297	-313	-352	-410	-381	-349	-488	-538
Other ops costs	-209	-233	-292	-350	-422	-455	-540	-570	-582	-633	-885
Operating profit	615	651	1,042	617	1,197	1,34	1,623	1,394	1,203	859	900
Fixed expenses	-69	-67	-86	-65	-91	-77	-85	-89	-109	-111	-97
EBIT	547	584	956	552	1,106	1,263	1,537	1,304	1,095	748	803
Revenue margin	24%	21%	25%	23%	24%	22%	22%	21%	19%	18%	18%
Gross profit margin	16%	15%	17%	11%	14%	14%	14%	11%	10%	8%	9%
Operating profit margin	9%	8%	11%	5%	9%	8%	9%	7%	6%	4%	3%
EBIT margin	8%	7%	10%	5%	8%	8%	9%	6%	5%	3%	3%

Source: [Loanch](#)

STATE OF THE FINTECH

Fintech snapshot

Number of fintechs: **1170**

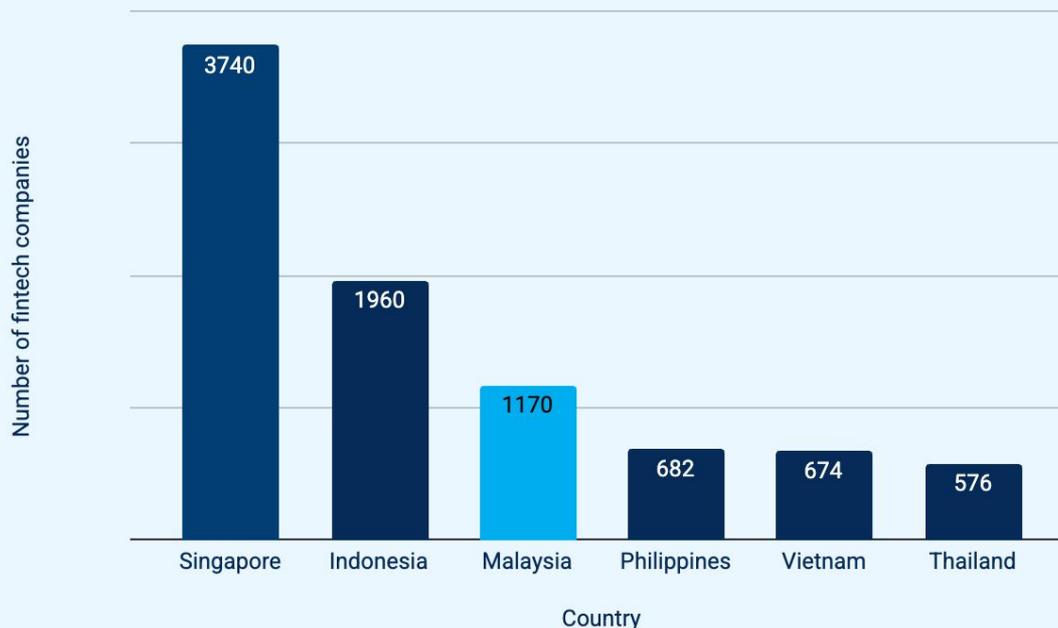
Funding raised: **\$707.0M**

Malaysia is a major player in the fintech space within the ASEAN region, boasting more than 1000 fintech companies. This ranks Malaysia third in the region, following Indonesia with around 2000 fintechs and Singapore with almost 4000.

As per the distribution of Malaysian fintechs:

- Payments account for the largest share (22.4% of companies),
- followed by E-wallets (11.9%).
- Lending, Cross-Border Payments, and Alternative Finance each represent around 8–9% of companies.
- Blockchain, Insurtech, and Wealthtech have a moderate number of companies, while Digital Banking, Proptech, and Data/AI make up the smallest shares.

Distribution of Fintech Companies Across 'ASEAN-6' Countries



RECENT DEVELOPMENTS: REGULATIONS

The [Consumer Credit Act 2025](#) was passed by Parliament in July 2025 and was gazetted in Dec 2025, the final step before becoming enforceable law.

Announcements are expected to be made in the first quarter of 2026 relating to the commencement date of the Consumer Credit Act and the establishment of the Consumer Credit Commission (CCC).

This Act aims to strengthen oversight of non-bank lenders. The law phases in a new Consumer Credit Commission (Suruhanjaya Kredit Pengguna, SKP) by 2028 to regulate licensed moneylenders under unified consumer protection standards, while KPKT continues oversight during the transition.

The phased approach will be implemented as follows

Phase 1 (2025-2027)

- SKP will regulate credit providers and credit service providers that are currently not regulated by any authority as follows:

Credit Providers:

- Buy Now Pay Later (BNPL)
- Factoring companies
- Leasing companies

Credit Service Providers:

- Impaired loan buyers
- Debt collection agencies
- Debt counseling and management agencies

- Under the Bill, the regulations for Shariah-compliant financing and pawn broking (Ar-Rahnu) will be carried out by KPKT, to provide guidance to these industries under Phase 1.
- KPDN will also amend several provisions of the Hire Purchase Act 1967 [Act 212] to be fairer and more equitable to consumers, as well as to address the constraints of digitalization in hire purchase activities under Phase 1.

Phase 2 (2028-2030)

- Transfer of regulatory function of consumer credit activities under KPDN and KPKT to SKP

KPDN:

- Hire Purchase
- Islamic Hire Purchase
- Credit Sales
- Repossession agents

KPKT:

- Moneylenders
- Islamic Moneylenders
- Pawnbrokers
- Islamic Pawnbrokers (Ar-Rahnu)

Phase 3 (beyond 2030)

- Centralisation of conduct regulation for financial market activities in Malaysia. However, this matter is still being studied.

RECENT DEVELOPMENTS: MARKET EXPANSION

Company name	Company profile	Description
<u>Spacecrew Finance</u>	Non-bank lending group	Lending group Spacecrew Finance launched their product amanahkredit.my in 2025. The group is already represented in Poland, Ukraine, Sri Lanka, and Mexico.
<u>Aventus Group</u>	Non-bank lending group	Nob-bank lending group Aventus Group, which is already represented in 18 countries globally, is preparing for the launch in Malaysia. Company currently is in search of CEO and HR Generalist according to their LinkedIn job postings.
<u>Shopee</u>	E-commerce group	Shopee, the leading e-commerce platform in Southeast Asia, introduced SLoan, a digital lending service that offers personal and seller financing on its platform.
<u>Tomei</u>	Jewelry retailer	Tomei's subsidiary TXG Financial received approval from KPKT to conduct online moneylending under its existing moneylender licence, expanding the licensed credit offerings beyond its pawnbroking business.

RECENT DEVELOPMENTS: OTHERS

I-KREDIKOM UPGRADES

KPKT plans to develop upgrades to the app i-KrediKom.

The application, which helps prospective borrowers make an initial check on the license status of the company from which the money is borrowed, will be enhanced through QR code scanning features, digital license certificates and account store checks.

ENFORCEMENT EFFORTS

More than 100 cases related to unlicensed moneylenders or "alongs" which were previously classified as no further action (NFA) in the state in 2025, have been reopened for investigation.

BNPL SECTOR GROWTH

The number of active BNPL account holders has grown rapidly to reach 6.5M, more than doubling over the past two years. In the first half of 2025 alone, Malaysians made 102.6M BNPL transactions worth €1.9B, representing growth of 22.4% in volume and 31% in value compared to the preceding six-month period.

KEY TAKEAWAYS

Strong economy

Malaysia's strong economic performance, underpinned by a 36.5M upper-middle-income population and 4.7% GDP growth, provides a robust foundation for business environment, sustained consumer activity and credit demand.

High demand for alternative lending

Approximately one quarter of Malaysian have, limited access to traditional bank lending. As a result, a significant segment of the population increasingly relies on alternative credit solutions, including Buy Now, Pay Later (BNPL) platforms and short-term consumer loans, highlighting strong demand for non-bank consumer lending services.

Upcoming regulation 2028 - 2030

Regulatory oversight of moneylenders will be transferred from KPKT to the Consumer Credit Commission (SKP). This marks a major shift, placing moneylenders under a single, unified consumer credit regulator alongside other non-bank credit providers.

Rapid Path to Profitability – Tambadana

Tambadana provides a strong example of a fintech lending company that achieved profitability within a short timeframe.

After validating product–market fit in 2023, company scaled its lending operations aggressively while maintaining stable revenue margins. Within approximately 12–15 months of meaningful commercial activity, the company transitioned from operating losses to sustained positive EBIT

By 2024, Tambadana had increased monthly loan disbursements nearly 9x YoY, expanded its loan portfolio more than 12x, and achieved consistent positive operating profit in the second half of the year.

In 2025, Tambadana further reinforced this trajectory by scaling to tens of thousands of loans per month, maintaining positive EBIT throughout the year, and generating monthly EBIT exceeding \$1M at peak. Despite rapid growth, revenue and cost discipline remained intact, confirming the durability of profitability at scale.

KEY TAKEAWAYS

Strengthening oversight

Malaysia is strengthening oversight of the non-bank lending sector by combining consumer-facing tools with tougher enforcement. Planned upgrades to i-KrediKom by Kementerian Perumahan dan Kerajaan Tempatan aim to improve transparency and help borrowers verify licensed lenders, while the reopening of over 100 previously closed cases signals a more assertive stance against illegal moneylending. Together, these measures indicate a regulatory push to clean up the market and build greater trust as the alternative lending ecosystem in Malaysia continues to expand.

Expansion of international non-bank lending groups

The entry of international non-bank lending groups like Spacecrew Finance and Aventus Group signals growing confidence in Malaysia as an attractive fintech and alternative lending market.

Expansion of e-commerce players

The expansion of e-commerce and retail players into digital lending—seen in initiatives by Shopee and Tomei—highlights the convergence of commerce and financial services in Malaysia. By leveraging large user bases, transaction data, and embedded platforms, these players are well positioned to offer integrated credit solutions, intensifying competition for traditional lenders and accelerating the shift toward embedded finance in the local market.

ABOUT MD FINANCE

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We create easy-to-use financial products to address real-life needs as they come up — fast and without any hassle.

VISION

We envision a world where people move freely toward their goals, supported by financial solutions that are always ready, always simple, and always there when needed.



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