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THE ONES WHO WILL
HELP SHAPE MALAYSIA'S
DIGITAL ECONOMY

LENDING a hand to the UNDERSERVED



Entrepreneurs worry about everything from funding, hiring, making payroll to learning how to scale the business. That's why it is surprising that Hui Yik Seong, a finance industry executive, decided to leave the comforts of a stable corporate job to launch his own startup, Direct Lending, in Malaysia after spending years abroad in the financial capitals of the world.

Direct Lending is an online lending platform that aims to provide personal loans to segments of the community that face difficulty in securing loans from traditional financial institutions.

The reason for starting Direct Lending is nothing fanciful, Yik Seong says. It was driven by the fact that only 15% of the B40 (Bottom 40%) has access to formal credit. Yik Seong's concern here is that without access to formal credit channels, many are left with taking on riskier loans at higher interest rates from unlicensed money lenders and even loan sharks.

Even formal credit channels had issues. The problem Yik Seong saw with traditional forms of lending is that many rely on a large group of agents who take their own cut or try to sell a package that the borrower doesn't want or need. Determined to cut through the noise and middlemen, Yik Seong's Direct Lending wants to go straight to the point to provide no-nonsense and fast online loan applications.

Running an online platform means he has greater reach across the country without needing an expansive agent network and helps keep the cost of loans down.

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HUI YIK SEONG
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**DIRECT LENDING
FOUNDER & CEO**

He then, gladly passes the savings on to his borrowers.

Times were naturally tough, he admits, during the starting days of the business as he grappled with how they would find ways to finance the loans and also deal with low loans volume in the first few months of operations – sometimes amounting to just over RM30,000 a month.

Within the span of a year however, through 2017, Direct Lending has managed to grow its borrower base and overall loan volume per month to over RM1 million with the objective of doubling that figure in 2018.

Though the majority of his borrower base is made up of civil servants, Yik Seong aspires for Direct Lending to reach the broader market and eventually become a financier itself.

Living the life of an entrepreneur has opened Yik Seong's eyes to the inner workings of a business, something he wouldn't have appreciated as much had he stuck to his corporate job. But more importantly, Yik Seong is learning about the importance of putting the borrower first.

Despite technology being the

primary driver of his business, Yik Seong doesn't want to lose sight of the human element - of the borrowers themselves. The one thing that encourages him and his team is the good feedback that they get from borrowers, many of whom are living on their pay checks month-to-month.

"Getting to know the borrowers puts a human face to the applications that we receive and seeing how the loan helps them in buying a motorcycle, starting a small business or helping a family member who is hospitalised, makes all the difference for us," he said.

Though it has been a long and hard journey, Yik Seong understands the need to take a step back particularly during bad days, spend time with his family and return the next day to start afresh.

"A lot of entrepreneurs get too involved in their business, so that they can't differentiate themselves from it. The business is bigger than yourself and you are part of a team," he advised. "Don't get too hung up because if we did our best, we have to be content with it and any problem that we can't solve today, we pick up and try again tomorrow."