



Enabling Small and Medium-Sized Businesses (SMBs)

With Access to Funding and Financial Education

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SMB FUNDING AND FINANCIAL EDUCATION LANDSCAPE IN ASIA PACIFIC

SMBs are the heartbeat of Asia Pacific's economy. Small and medium-sized businesses (SMBs) are the lifeblood of economies across Asia Pacific. In this diverse and dynamic region, SMBs represent an overwhelming majority of businesses and contribute significantly to employment and gross domestic product (GDP).



Despite their vital economic role, SMBs in Asia Pacific face significant hurdles in reaching their full potential. Two critical challenges stand out:

01

ACCESS TO ADEQUATE FUNDING



02

FINANCIAL EDUCATION



1. Visa, Enabling Small Business – The Engine of Growth, 2023.

With a financing gap of USD5.2 trillion globally, of which East Asia and Pacific account for the largest share of 46 per cent, amounting to approximately USD2.4 trillion, many SMBs struggle to secure the capital needed for growth and innovation.² In the developing Asia Pacific region, bank lending to SMBs averaged only 22 per cent of total bank lending in 2022.³ This disproportionate figure underscores how SMBs have been overlooked by traditional financial institutions.

USD5.2 trillion

► Funding gap that SMBs face globally

46%

total funding gap of USD2.4 trillion in East Asia and Pacific alone.

22%

of total bank lending in developing Asia Pacific in 2022 was to SMBs.

Source(s): World Bank Group; Asian Development Bank.

Simultaneously, limited financial literacy - with only one in three adults in the region being financially literate - hampers SMBs' ability to optimise their financial resources and navigate an increasingly complex financial landscape.

Addressing these twin challenges of funding access and financial education is crucial for unlocking the next phase of growth for SMBs in Asia Pacific and ensuring their continued development in the region.

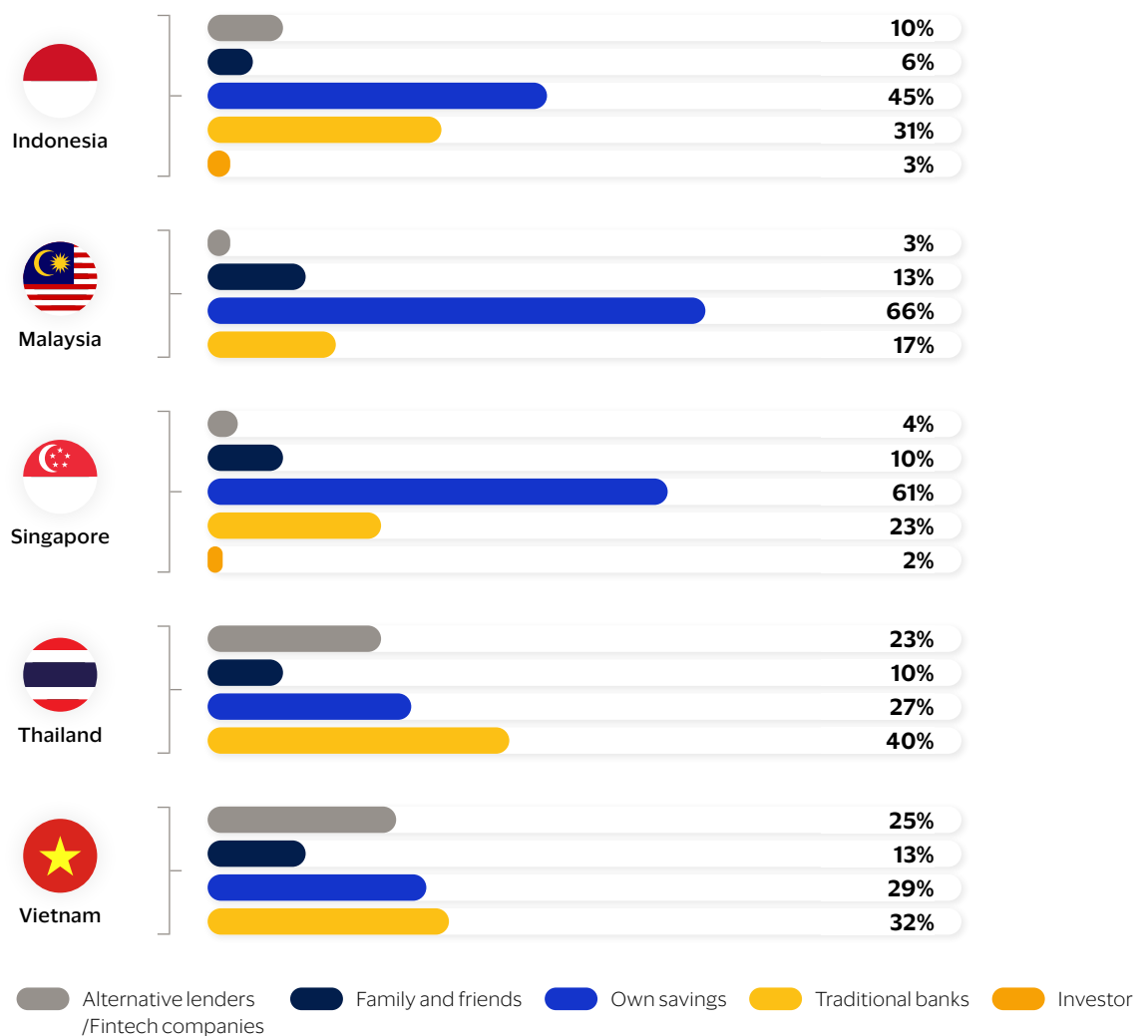
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2. World Bank Group, *Small and Medium Enterprises (SMEs) Finance: Improving SMEs' access to finance and finding innovative solutions to unlock sources of capital*, 2019.
 3. Asian Development Bank, *Asia Small and Medium-Sized Enterprise Monitor 2023: How Small Firms Can Contribute to Resilient Growth in the Pacific Post COVID-19 Pandemic*, 2023.

THE USD5.2 TRILLION CHALLENGE: UNDERSTANDING THE SMB FUNDING GAP

Funding disparities in the diverse SMB financing landscape in Asia Pacific

The SMB financing landscape in Asia Pacific exhibits significant heterogeneity, reflecting diverse levels of economic development, financial maturity, and policy environments.

Sources of capital for Asia Pacific's SMBs

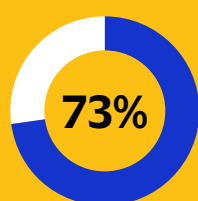


Source: Funding Societies, 2023

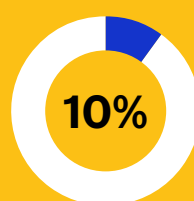
A 2023 study revealed that SMBs across Southeast Asia showed variations in their funding sources.⁴ Traditional banks were not a primary source of financing for most SMBs, and even fewer turned to alternative funding options such as fintech firms.

Malaysian SMBs faced the most significant challenges in accessing formal financial channels. In contrast, Vietnamese SMBs demonstrated the highest engagement with alternative lending platforms. Meanwhile, a small fraction of SMBs in Indonesia and Singapore stood out for their ability to attract investor funding.

Despite recent progress, emerging economies in Southeast and South Asia, such as Indonesia, the Philippines, Vietnam, India, Bangladesh, and Pakistan, face more acute financing challenges. Key issues in these countries include an underdeveloped financial sector, lack of access to bank credit, insufficient alternative financing options and weak credit infrastructure.



Corporate loans
contribution



SMB loans
contribution

For example, in the Philippines, corporate loans contribute 73 per cent of total outstanding bank loans while the portion of SMB loans is below 10 per cent, with the rest in retail lending.⁵ However, this scenario is expected to change with more supportive policies, alternative financing options and industry initiatives.

4. Funding Societies, *SME Digital Finance and Payments Behaviours: Southeast Asia Report 2023*, 2023.
5. The Asian Banker, *Alternative SME financing in Asia Pacific to grow two or more times by 2022*, 2022.



Navigating choppy waters: Key financial challenges for SMBs

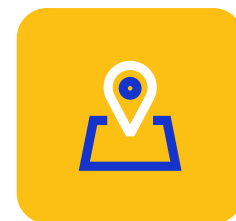
SMBs in Asia Pacific face a complex array of obstacles in accessing funding, and understanding these challenges is essential for policymakers, financial institutions, and stakeholders seeking to foster a more inclusive and dynamic SMB sector across the region.

Working capital woes

SMBs in Asia Pacific can struggle to access adequate working capital, which is vital for day-to-day operations and growth. A study in 2022 revealed that nearly half (44 per cent) of SMBs in Southeast Asia cite cash flow issues as a significant worry, with a majority (54 per cent) reporting that their current cash reserves would only support their business for less than six months.⁶

Traditional financial institutions often underserve SMBs due to perceived higher risk and cost-to-serve, including lack of collateral, limited credit history, which complicates creditworthiness assessments, and high transaction costs. This leaves many SMBs unable to increase cash flow, invest in inventory, or take on new orders, severely limiting their growth. Alternative and digital lenders offer some relief with innovative products, but these often come at a higher cost and have limited reach in many parts of the region.

6. UOB, Accenture, Dun & Bradstreet, *Be Resilient: Your Strategy for Business growth – ASEAN SME Transformation Study 2022*, 2022.



Limited inclusion in the formal ecosystem

Many SMBs, particularly micro-enterprises, face significant barriers to participating in formal financial systems due to a lack of collateral, limited credit history, informal business practices, and financial literacy gaps. Consequently, these businesses are often restricted to basic banking services and informal financial solutions, such as loans from family or friends.

Rural and women-owned SMBs face even more challenges. Rural businesses and their owners struggle with geographic isolation, lack of identification documents, language barriers, and limited digital connectivity, while women entrepreneurs encounter additional obstacles. These significantly limit their access to essential financial solutions such as digital payments, insurance, and investment products, particularly in developing economies, further constraining their aspirations.

Financial and social barriers for women entrepreneurs

Women-owned SMBs encounter additional barriers to accessing finance and financial education across Asia Pacific. These stem from gender bias in lending, a lack of property rights for financial collateral, lower average financial literacy, and household responsibilities that limit participation in business networks and reduce the time they have to grow their business. These factors contribute to a significant gender gap in SMB financing, with women-owned businesses accounting for a disproportionate share of the global SMB financing gap.

A young woman with dark hair, wearing a light blue long-sleeved shirt and a beige apron, is smiling and looking down at a tablet computer. She is in a cafe or restaurant setting with warm lighting and blurred background elements like tables and chairs. The image is framed with a blue square on the left and a yellow square on the top right.

SUPPORTING SMBS ACROSS THE APEC

Recognising the critical role of SMBs in driving economic growth, Visa launched a comprehensive support strategy anchored by a USD100 million commitment through Visa Foundation, specifically targeting APEC economies over five years. This initiative focuses particularly on underserved and women-led SMBs, aiming to advance digital financial inclusion and stimulate job creation.

The impact has been substantial, with Visa exceeding its three-year goal of digitally enabling 50 million SMBs globally, reaching nearly 67 million businesses worldwide, of which 29.6 million are in APEC economies.

The financial support is complemented by robust educational programmes, with Visa's Practical Business Skills programme serving as the cornerstone of their financial literacy efforts. This educational initiative provides SMB owners with essential knowledge in areas such as cash flow management, digital payment integration, and financial planning. The programme is tailored to address the specific needs of different business stages, from startup to growth phase.

Source: *Visa Accelerates Support for Small and Micro Businesses Across APEC and Globally*

The opportunity for SMB funding in Asia Pacific

The SMB funding landscape in Asia Pacific has seen significant evolution in recent years, driven by technological innovation, policy initiatives, and changing market dynamics. One of the most notable trends has been the rise of fintech and digital lending platforms that leverage technology and alternative data to assess SMB creditworthiness, offering faster and more accessible financing options. For example, MYbank in Mainland China uses the “3-1-0” lending model, aimed at speeding up and digitising loan applications for SMBs, reducing the time taken to access essential working capital.

3-1-0 LENDING MODEL

SMBs can
complete loan
applications in

3 MINUTES

...and obtain
approval in

1 SECOND

...with

0 HUMAN
INTERVENTION⁷

7. Rural Finance and Investment Learning Centre, *Big data and automated credit scoring in rural finance: the case of MYBank*, 2020.

Reimagining working capital for the digital age

Traditional working capital solutions often fall short of meeting the dynamic needs of modern SMBs. Lengthy application processes and rigid approval criteria associated with conventional bank loans can hinder SMBs' ability to respond quickly to market opportunities or unforeseen expenses. In response, the financial ecosystem is evolving to offer more flexible and accessible working capital solutions.



Commercial cards have emerged as a powerful tool for SMBs to access flexible capital. These cards allow businesses to improve cash flow management, cover unexpected expenses, and streamline operations by consolidating spending. The benefits extend beyond mere convenience; commercial cards often come with rewards programmes, expense tracking tools, and integration with accounting software, providing additional value to SMBs.

Alternative funding sources, such as crowdfunding and Peer-to-Peer (P2P) lending platforms, are also gaining traction in the Asia Pacific region. Crowdfunding platforms, for instance, enable SMBs to raise capital directly from a large pool of individual investors. This democratisation of funding is particularly beneficial for innovative startups or businesses with compelling stories that can resonate with the public.

Alternatively, P2P lending platforms connect SMBs directly with individual or institutional lenders, often utilising advanced algorithms to match borrowers with appropriate funding sources. P2P lending can offer more competitive rates and faster approval processes compared to traditional bank loans, making it an attractive option for many SMBs. Funding Societies, a digital financing platform for SMBs in Southeast Asia, has reported funding SGD5.42 billion in loans to SMBs since its inception in 2015.⁸



8. Funding Societies, *'Our Progress'*, accessed September 2024.

Partnering for progress: New frontiers in SMB finance

Asia Pacific is witnessing a surge in tailored, niche fintech solutions addressing the emerging needs of SMBs, particularly those operating in sectors with irregular cash flows or those employing gig workers. One notable example is the rise of Earned Wage Access (EWA) platforms, which allow employees, mostly low-wage and hourly workers, to access their accrued wages before the end of the payroll cycle.

In 2021, startups in the EWA space raised USD1.13 billion in debt and equity globally, surpassing the total funding collected by companies in the sector from 2015 to 2020.⁹ Traditionally, these workers would have relied on payday loans, which can often charge higher interest rates and push borrowers into debt.

Strong support for Earned Wage Access (EWA)

USD13 Billion

▶ in debt and equity raised by startups globally in the EWA space

57%

of respondents of a Visa survey in Asia Pacific said they participate in gig work.

89%

of surveyed employees in the US support EWA.

Source(s): Visa; Pitchbook

9. Pitchbook, *Earned wage' startups winning over VCs with an ESG agenda*, 2021.

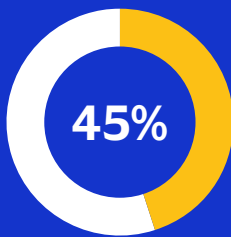
However, many of these fintech solutions face scalability challenges. While they effectively address specific pain points, they often lack the infrastructure and resources to serve many SMBs across diverse geographies. This is where collaboration with established financial institutions becomes key. Banks and other traditional financial players possess extensive networks, regulatory compliance frameworks, and capital resources that can significantly amplify the reach and impact of these fintech solutions.

In addition to collaborating with niche fintech providers, the growth of embedded finance presents another compelling opportunity for financial institutions to expand their SMB-focused offerings. By integrating financial services into existing B2B payment systems and non-financial platforms, banks can offer working capital loans and other financial products at the point of need. This approach goes beyond traditional commercial card offerings and allows for more seamless and contextual financial services delivery.

Open banking and open finance initiatives are also reshaping the landscape of SMB funding. By leveraging APIs to access SMB financial data (with consent), lenders can develop more accurate credit scoring models. This is particularly valuable for SMBs with limited credit history, as it allows for the use of alternative data sources such as cash flow patterns, invoicing history, and even social media presence to assess creditworthiness. The result is more personalised and efficient funding solutions catering to different SMB segments' unique needs.

VISA JOINS GROW ASIA AS CO-CHAIR TO PROMOTE FINANCIAL INCLUSION AND CLIMATE RESILIENCE FOR SMALLHOLDER FARMERS IN SOUTHEAST ASIA

As the exclusive Digital Financial Inclusion Partner, Visa will enhance Grow Asia's programmes by integrating digital financial solutions across six country chapters: Cambodia, Indonesia, Myanmar, Papua New Guinea, the Philippines, and Vietnam.



This collaboration aims to bridge the economic gap caused by limited access to finance, with over 45 per cent of agri-finance needs currently unmet in the region.

Visa's involvement is timely as Southeast Asia faces increasing climate change challenges. By promoting financial inclusion and digitalisation for smallholder farmers and rural businesses, the partnership seeks to build resilient livelihoods and drive the adoption of climate-resilient practices.

The three-year collaboration, running from July 2022 to June 2025, has already seen Visa actively participate in over 30 multi-stakeholder events and contribute to SMB-targeted projects and trainings across the region. Additionally, Visa is making strategic investments in Grow Asia's flagship impact funds, focusing on areas such as agri-food innovation, women's economic empowerment, responsible investing, and climate change adaptation.

Source: *Visa partners Grow Asia as Business Council Co-Chair to support financial inclusion for smallholder farmers in Southeast Asia.*



Customised approaches: Enhancing SMB financial access

As the financial ecosystem evolves to serve new SMB segments and innovate working capital solutions, there is a need for targeted initiatives to ensure broader access to these programmes, particularly for underserved groups such as women-led SMBs.

Governments across Asia Pacific are implementing various programmes to improve SMB financial conditions, complementing industry initiatives from banks and financial institutions. For example, Singapore's Enterprise Financing Scheme provides government-assisted loans to SMBs across different stages of growth.¹⁰ In India, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) offers collateral-free credit to the SMB sector.¹¹



10. Enterprise Singapore. *Enterprise Financing Scheme*, accessed September 2024.

11. Invest India, *'Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE).'*, accessed September 2024.

ENHANCING FINANCIAL FLEXIBILITY FOR MALAYSIAN SMBS

In September 2024, the Credit Guarantee Corporation (CGC), a government-linked institution in Malaysia, partnered with Visa and Alliance Bank to create the Alliance Bank Visa Platinum Business Credit Card. The card is the first of its kind in the country to include CGC coverage, specifically designed to enhance financial flexibility for businesses that may struggle with providing collateral and lack a credit history.



ALLIANCE BANK

THE BANK FOR LIFE™

The Alliance Bank Visa Platinum Business Credit Card offers significant financial flexibility through features like a 56-day interest-free repayment period and zero per cent payment options for up to six months to ease day-to-day cash flow challenges by providing quicker access to funds. The application process is straightforward and requires minimal documentation, making it an accessible option for many SMBs.

This initiative is part of a broader RM3.2 billion Portfolio Guarantee programme supporting underserved MSMEs in Malaysia. Beyond immediate financing, the card helps businesses build credit history for future funding opportunities while addressing cash flow challenges. It represents a significant step in bridging the SMB funding gap in developing countries by providing accessible digital payment and working capital solutions to Malaysia's SMB sector.

Source: *Alliance Bank*

BEYOND ACCESS TO CAPITAL: FINANCIAL EDUCATION AS A CRITICAL SUCCESS FACTOR FOR SMBS

While access to funding through customised financial products and government initiatives is crucial, effectively utilising these resources depends heavily on financial education. As innovative financing solutions become more available across Asia Pacific, SMBs and their owners need strong financial literacy to leverage these opportunities fully, making financial education an equally critical component of business success in today's increasingly sophisticated digital financial landscape.

Why financial literacy matters for SMBs

Financial literacy and education are paramount for SMBs in Asia Pacific, equipping them with essential skills for business survival and growth, from cash flow management to navigating financing options. This knowledge enhances their ability to engage effectively with financial institutions, improving their understanding of credit terms and documentation requirements, ultimately leading to better access to formal financing. A study by ADBI that examined the effects of financial literacy on family business owners in developing Asia, revealed that higher financial literacy is positively and significantly associated with fintech use in family business and better business outcomes.¹²

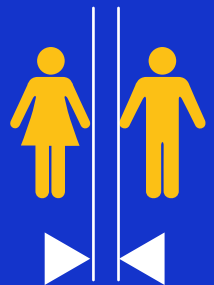
12. ADBI, *Financial Literacy and Fintech Use in Family Business: Evidence from Developing Asia*, 2024.

However, a significant challenge persists - approximately only 33 per cent of adults in Asia Pacific are financially literate, according to the Economic and Social Survey of Asia and the Pacific 2022.¹³

The challenge is particularly acute for women entrepreneurs, who face unique obstacles in accessing finance and running businesses due to cultural, institutional, and industry barriers. This disadvantage is amplified by the rapid digitalisation of financial services, requiring SMB owners to understand and adapt to new digital financial tools and platforms. Tackling these issues requires innovative solutions, targeted support, and comprehensive financial education initiatives. According to estimates, closing gender disparities in economic opportunities could add approximately USD4.5 trillion to the region's GDP by 2025.

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USD4.5 trillion
to the region's GDP by 2025.¹⁴



While progress has been made, including the emergence of women-focused and tailored financial education initiatives, significant work remains. Levelling the playing field and fostering a vibrant, inclusive SMB sector is crucial for driving sustainable economic growth across the Asia Pacific region.

13. UNESCAP, *Building Forward Fairer: Economic and Social Survey of Asia and the Pacific 2022*, 2022.

14. The Asia Foundation and Asian Development Bank, *Emerging lessons on women's entrepreneurship in Asia and the Pacific*, 2018.



Expanding financial education for SMBs

Governments, regulators, non-governmental organisations (NGOs) and business associations are developing targeted financial education initiatives that combine traditional financial management skills with digital financial literacy. These programmes focus on practical skills such as loan documentation preparation, understanding credit terms, and negotiating with financial institutions. For women entrepreneurs specifically, programmes often include additional components like mentorship, networking opportunities, and ongoing support to help overcome gender-specific barriers.

Examples include the Accelerate My Business programme run by the Asia Foundation in partnership with Visa, which provides financial and digital skills training to women entrepreneurs across Southeast Asia and the open financial education and action programme for micro, small and medium enterprises (MSMEs) in Asia and Africa launched by the Monetary Authority of Singapore (MAS), in partnership with the International Finance Corporation (IFC) and the United Nations Development Programme (UNDP).^{15, 16}

15. Monetary Authority of Singapore, *MAS, IFC and UNDP Launch Global Programme for MSME Financial Literacy and Empowerment*, 2022.

16. The Asia Foundation, *Accelerate My Business Provides Vital Digital Skills for 6000 Women Across Malaysia and Indonesia*, 2022.

SHE'S NEXT

Visa's She's Next initiative is aimed at empowering and supporting women-owned small businesses globally.



Launched in 2019, this initiative addresses the disproportionate barriers faced by women entrepreneurs through a combination of funding, education, and mentorship.

The programme has made significant strides in supporting women-led SMBs across multiple regions, including North America, Latin America, Europe, Middle East and Africa (CEMEA), and Asia Pacific. Through She's Next, Visa has invested over USD2.80 million in grants and coaching services, benefiting thousands of women entrepreneurs through virtual and in-person workshops.

The impact of She's Next is substantial and growing. As of the end of the fiscal year 2022, the initiative had deployed 266 business grants and 261 coaching grants, totalling USD2.87 million in funding to women-owned businesses globally. The programme operates in various countries, offering tailored support to meet local needs. The initiative partners with organisations like IFundWomen, a funding marketplace for women-owned businesses, to provide comprehensive support, including access to funding, education, and networking opportunities.

Source: Visa, Visa Impact Toolkit, 2023.



Evaluating financial education: Lessons from implementation

While financial education programmes for SMBs in Asia Pacific have shown promise, their effectiveness faces certain limitations. A study conducted by the Asian Development Bank on a financial education programme for women entrepreneurs in India demonstrated positive outcomes, with participants showing improved saving habits and a better understanding of banking services and loan management.¹⁷

Despite ongoing efforts, significant challenges persist in programme delivery and impact. Many initiatives struggle to reach rural and informal SMBs—the sectors most in need of financial education. Programmes often fall short due to standardised curricula that fail to address specific business needs, an overemphasis on theory over practical application, and a lack of sustained support beyond initial training. Together, these factors limit the long-term effectiveness of financial education initiatives in driving meaningful behavioural change among SMB owners.

17. Asian Development Bank, *In India, Financial Literacy Programs Are Lifting Families Out of Debt and Fueling New Prosperity*, March 2022.

Empowering SMBs through financial education

The rise of online learning platforms presents a significant opportunity to enhance financial education for SMBs. These platforms offer accessible, on-demand courses covering various aspects of business finance, from basic accounting to advanced investment strategies. For instance, the Visa Practical Business Skills programme provides free online courses tailored to the needs of small business owners, covering topics such as business planning, financial management, and digital transformation.



Purpose-driven NGOs also have a growing role in addressing the needs of underserved SMB segments. By partnering with financial institutions, these organisations can leverage expertise and vast networks to significantly expand the reach and impact of their targeted efforts. This collaboration can extend beyond funding programmes to include comprehensive financial education initiatives, ensuring that SMBs not only access capital but also develop the skills to manage it effectively.

SUCCESSFUL TARGETED PROGRAMMES

1

Women-led small businesses

The Accelerate My Business programme, a collaborative initiative by The Asia Foundation, Visa, and AT&T, exemplifies how targeted interventions can empower women entrepreneurs in challenging circumstances.

One example is Asminiwati, who sells homemade cassava snacks in Indonesia. With an earthquake and Covid-19 hitting her hometown and leading to job loss by her husband, she took a bold step to start her own business to support her household.

The Accelerate My Business program offered her a headstart via mentorships that helped her learn vital financial, business, and marketing skills. These boosted her confidence and took her business off the ground rapidly. Today, Asminiwati continues to innovate by:

INTRODUCING	▶	NEW PRODUCTS
OPTIMISING	▶	PACKAGING
IMPROVING	▶	BRAND MARKETING

She is planning to further grow her business with a new production house in the near future.

Source: *The journey to digitising 67 million SMBs: Voices from Asia Pacific* | Visa

2

Visa's Financial Security Programmes

Visa's Practical Business Skills, a virtual training platform, is specifically designed for SMB owners. It aims to equip SMB owners with the financial and business knowledge needed to better manage their money, make informed decisions, and grow their businesses. Gojek, an on-demand multi-service and payments platform based in Indonesia, partnered with Visa to create a proactive outreach campaign targeting over 900,000 SMBs with a six-module Practical Business Skills learning journey. The campaign engaged more than 21,000 SMBs, exceeding their initial goal by 326 per cent.

**VISA'S PRACTICAL MONEY SKILLS IS AN INTERACTIVE
ONLINE PLATFORM OFFERING OVER**

100

**LEARNING
MODULES AND...**



150

RESOURCES IN...



9

LANGUAGES.

This comprehensive tool covers money management topics for consumers, educators, financial institutions, and governments. Visa also provides engaging materials that include games such as Financial Football and Financial Soccer, which make learning financial concepts fun and interactive.

Source: Visa, Visa Toolkit, 2023.

CHARTING THE COURSE: THE FUTURE OF SMB FINANCE AND EDUCATION IN ASIA PACIFIC

The Asia Pacific region, home to some of the world's most innovative fintech solutions, offers expanding opportunities while grappling with substantial challenges. The financial landscape for SMBs is undergoing significant transformation, driven by two key developments that are reshaping both funding access and financial education.

Smart funding: Leveraging predictive insights for SMBs

The first major development is the revolution in SMB funding through predictive analytics and AI. Predictive analytics leverages historical data and market variables to help SMBs accurately estimate future funding requirements, optimise cash flow, and make data-driven investment decisions. These technologies are also enabling a more accurate assessment of creditworthiness, potentially opening new avenues for capital access alongside rising alternative financing models such as peer-to-peer lending and blockchain-based solutions.

Research by IDC predicts that by 2026, half of the medium-sized businesses in Asia Pacific, excluding Japan, will increase their investments in automation and digital tools, especially Generative AI to boost productivity and reduce manual processes.¹⁸

In 2023, Visa invested USD100 million to support companies involved in exploring Generative AI for payments and commerce.¹⁹ These developments underscore the growing importance of data-driven decision-making in the region.

18. IDC, *IDC Predicts Half of Asia/Pacific* Medium-Sized Businesses to Adopt GenAI Apps For Enhanced Marketing and Sales Automation by 2026*, 2024.

19. Visa, *Visa Launches \$100 million Generative AI Ventures Initiative*, 2023.



Embedded learning: Financial education in SMB workflows

The second transformative trend is the integration of financial education into everyday business operations through digital tools and platforms. Recent data by IDC reveals that the total Information and Communications Technology (ICT) spending in Asia Pacific surged past the USD1.3 trillion mark in 2023 and is expected to grow at a CAGR of 4.6 per cent by the end of 2027.²⁰ This digital transformation creates new opportunities to embed financial education within business workflows. E-learning platforms and webinars are gaining traction, enhancing financial literacy among employees and leading to better financial decision-making and resource management.

While the availability of digital financial services is expanding, ensuring effective access and utilisation remains crucial. SMBs, with their limited resources compared to larger enterprises, must carefully prioritise and adopt financial solutions that best fit their specific needs. Simple yet impactful initiatives, such as providing business cards to cattle traders in Bangladesh, have demonstrated how targeted solutions can successfully connect underserved businesses to the digital financial ecosystem.

Looking ahead, the future of SMB funding and financial education in Asia Pacific is promising, but realising this potential requires collaborative effort across the financial ecosystem.

20. IDC, *IDC: Asia/Pacific Businesses Prioritize ICT Budgets, Surpassing USD1.3 Trillion in 2023*, 2024.



Success depends on multiple stakeholders working together: financial institutions and fintech companies must continue innovating while ensuring solutions remain accessible, and policymakers need to create enabling environments that protect SMB interests while fostering innovation. Most importantly, SMBs themselves must take an active role in this transformation by embracing digital technologies, pursuing financial education opportunities, and engaging with emerging fintech solutions.

This proactive approach, combined with supportive ecosystems and policies, can pave the way for a more vibrant and resilient SMB sector in Asia Pacific. The region can develop an inclusive, technologically advanced, and education-enabled SMB financing ecosystem that strengthens businesses' resilience in the face of economic challenges while serving as a model for other regions globally.





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