

Noburo: Debt Restructuring and Financial Education to Provide Long-Term Financial Well-Being for Blue-Collar Workers in Thailand



Photo provided by Noburo

Preamble

This case study was developed in conjunction with the 2023 Financial Inclusion study *“Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access”*¹. It is part of a collection of stories of how financial services providers (FSPs) in Southeast Asia have gone beyond the provision of financial services to make conscious efforts to address underserved markets. These case studies reveal how these FSPs have done so by assessing their contributions to the financial health of their customers and monitoring the impact of their services.

These case studies were prepared by the Centre for Impact Investing and Practices (CIIP) in partnership with the eight FSPs featured: Amarthi (Indonesia), BPI Direct Banko (The

Philippines), Funding Societies (Southeast Asia), Growsari (The Philippines), KoinWorks (Indonesia), Noburo (Thailand), TYM (Vietnam), and Vui App (Vietnam).

It is intended as an accompaniment to the 2023 Financial Inclusion study, which had contributions from 60 organisations, including industry associations and investors, 31 FSPs and over 8,500² customers across six markets in Southeast Asia (Cambodia, Indonesia, Myanmar, the Philippines, Thailand and Vietnam).

The 2023 study went beyond examining how FSPs enable access to financial services to offer insights into the impact of access to credit on FSP customers’ business and livelihoods, quality of life and household well-being, and other financial health

outcomes such as resilience and agency. These insights were drawn not just from the accumulation of qualitative interviews but also quantitative survey results and loan book data, which allowed us to come to a holistic view of the state of financial inclusion in Southeast Asia amid the changes brought by large-scale digitalisation in the region.

You can find our 2023 Financial Inclusion study titled *“Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access”* on CIIP’s website and by scanning the QR code below.



1 This study was conducted by the Centre for Impact Investing and Practices (CIIP), in collaboration with the United Nations Capital Development Fund (UNCDF) and Helicap, supported by 60 Decibels (60dB).
2 Additional data points were available after the publication of the 2023 Financial Inclusion study. This is available in the Southeast Asia Financial Service Providers 2023 Impact Report, an addendum prepared by 60 Decibels.

Noburo Wealth-Being

HEADQUARTERS

Bangkok, Thailand

GEOGRAPHY FOCUS

Thailand

SECTORS

Financial Services

FOUNDING YEAR

2018

SIZE OF FUNDS RAISED

USD 500,000 (Seed)

MISSION

Noburo intends to solve the problem of inequality in society through creating financial literacy for low-income workers by using data and technology to design financial products. and solve the debt problem in a sustainable and permanent way.

Introduction

- Noburo is a social FinTech fighting inequality through a business-to-business-to-consumer (B2B2C) intermediary platform.
- Noburo provides blue-collared workers fair credit access and financial literacy, providing human-centred psychological interventions through its mobile application.
- Its name combines the Japanese words 信 – trust and 路 – way, meaning “a path of trust.”
- Noburo represents the trust between employers and employees, which is essential in helping motivating employees to manage their financial challenges.
- Noburo’s mission is to empower at least 100,000 borrowers to solve their debt problems and have at least THB 100,000 (USD 263) in savings through an integrative financial literacy and fair credit concept by 2025.



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The challenge and impact thesis

Challenge

- Thailand has one of the highest household debt levels in the world, amounting to 90.6% of its GDP, and over 90% of workers are in debt.
- High levels of indebtedness among blue-collar workers, including to loan sharks, are attributed to a lack of financial management as well as high levels of unplanned spending. This leads to workers stacking their debt burdens, including from loan sharks.
- These workers are increasingly excluded from the financial sector as they are unable to apply for loans due to bad credit history, therefore lacking a financial safety net for emergencies.
- There is a general lack of financial literacy education amongst Thais, especially in the low-income population.

Impact thesis

- Noburo seeks to enforce the principles of financial literacy and credit access.
- Through its services, it aims to empower customers with the long-term perspective that they can be debt-free and that they can create their own financial happiness.

- Noburo strives to empower Thailand's low-income population with financial literacy and fair credit access in order to reduce the wealth gap responsibly and sustainably.

Who

- Noburo primarily serves underbanked blue-collar customers across various industries (manufacturing, food services, hospitality, healthcare, etc).
- Geographically, Noburo focuses on peri-urban areas and areas concentrated around employment.

How

- Noburo provides customised loans that encourage healthy financial habits and debt management.
- Noburo offers financial education and access to financial and debt planning tools, enabling customers to manage their finances effectively before obtaining loans.
- As Noburo's name suggests, debtors with no credit bureau access or bad credit history can still be granted fair-priced credit through its inclusive financial programmes.
- While blacklisted borrowers may hesitate to admit or disclose their financial status, Noburo engages all clients by building trust and confidence in its services.



Photo provided by Noburo



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Business Model

- Noburo's one-stop service includes financial planning, micro loans, micro savings & investments, emergency funds, and financial literacy.
- Through its B2B2C business model, Noburo partners with employers to serve their employees.
 - Noburo retrieves loans funding from partnering financial institutions or employers themselves.
 - Lending partners and Noburo mutually agree to give out loans by referencing to Noburo's Credit Score and Screening Criteria.
 - Noburo provides emergency loans that allow customers to address emergency payments, such as for medical, tuition, or home repair fees, without paying unnecessarily high interest rates.
- Noburo has developed an app that delivers: (1) a financial literacy programme and (2) can track and change financial behaviour.
- Noburo's financial programmes are designed to create a safe space for individuals, and the organisation strives to be a mentor rather than an instructor.
- Noburo's app has led to reductions in debt levels and equipped its customers to better understand their capacity to repay their loans.
- Noburo's app also helps to address gender inequality by reducing barriers to finance, time restrictions, and cost barriers for female clients.
- As a result of their success, Noburo has curated **financial literacy programmes** for companies and government agencies.
- Noburo's partnerships with listed companies have even set a new welfare standard for many industries, such as the healthcare and food service sectors.

Noburo's Impact

SDGs Addressed



No Poverty

- Noburo addresses the needs of low-income customers with poor credit history by providing loans within manageable limits, enabling workers to improve their financial situations.



Gender Equality

- Noburo addresses gender disparities by **promoting financial literacy** and **empowering women through financial education**, helping them build **self-esteem** and **financial acumen**.



Decent Work and Economic Growth

- Access to loans** allow low-income workers to tap into **business opportunities** for **income generation**, fostering **economic growth**.
- Despite the Covid-19 pandemic, Noburo's loan disbursement posted a 16-fold growth to approximately THB 420 million (USD 14 million), with a very low non-performing loan rate.
- Noburo has partnered with over 100 employers (from MSMEs to larger corporates), representing a total employee pool of over 100,000.



Reduced Inequalities

- Noburo contributes to **narrowing Thailand's wealth gap** by empowering low-income workers with **access to loans for income growth** and promoting **improved debt and financial management**.



Photo provided by Noburo



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Business Success

- **Number of borrowers served:** 8,000 (CY2023)

What's Next

- **Expanding geographic reach**
 - Noburo intends to expand throughout Thailand, then expand into Southeast Asia, and emerge as one of the leading FinTech companies in Asia.
 - Noburo aims to do so through collaborations with inclusive finance organisations globally and participation in global competitions like the Inclusive FinTech (IF50) competition through which it can gain global coverage and secure additional funding.
 - To efficiently spread the impact of its 'wealth-being' model, Noburo will appoint "Noburo Stars" will be deployed to harness their networks on Noburo's behalf.
- **Expanding suite of products and services**
 - To scale its social impact, Noburo plans to expand its network of financial educators who embrace Noburo's values and are willing to pass on their skills to the rest of society.
 - Noburo plans to expand its product portfolio beyond debt management to include savings and

investment features and financial protection from economic volatility.

- Noburo will connect its app with more data platforms and HR payroll software providers to ensure the seamless integration of information.
- Noburo will gamify its app to improve the accessibility of the financial education content for blue-collar workers through a behavioural economics model.
- In expanding its impact and network, Noburo believes that financial well-being in the low-income population will start to take shape, and society's perception of financial matters will transform.

References

- World Bank (2023): [Thisana Thitisakdiskul, Thailand: Persevering, Committed, Inquisitive](#)
- Aspen Network of Development Entrepreneurs (2021): [Innovative Approaches to Socio-Economic Challenges in Thailand](#)
- Stewardship Asia Centre (2023): Enabling financial well-being for low-income groups: Noburo Platform Co., Ltd..
- Thai Public Broadcasting Service (2023): [Thais are sinking deeply into debt](#)

About the Centre for Impact Investing and Practices (CIIP)

The Centre for Impact Investing and Practices ("CIIP") fosters the growth of impact investing and practices in Asia and beyond by building and sharing knowledge, bringing together stakeholders in the community, and bringing about positive action that accelerates the adoption of impact investing. Based in Singapore, CIIP was established in 2022 as a non-profit centre by Temasek Trust, a steward of philanthropic endowments and gifts. Temasek and ABC Impact are our strategic partners.

To achieve a sustainable future for all mankind, the world needs companies that can drive positive changes at scale through products and services. Impact investing can spur the growth of such companies and help advance solutions to address the challenges

that the world faces today. We believe that sustainable companies are those who pursue social and environmental impact as avidly as they pursue profits and shareholder value. By striving to generate positive and measurable social and environmental returns alongside a financial return, both impact investors and companies can achieve returns with purpose.

We are SDG Impact's anchor partner for Asia. SDG Impact is the United Nations Development Programme initiative tasked to develop resources that accelerate investments towards achieving the United Nations Sustainable Development Goals by 2030.

For more information, please visit www.ciip.com.sg or contact info@ciip.com.sg.

