



Financial Inclusion in Post-COVID Southeast Asia:  
Accelerating Impact Beyond Access

# Case Studies

# Table of Contents

3	Preamble	37	<b>Noburo: Debt Restructuring and Financial Education to Provide Long-Term Financial Well-Being for Blue-Collar Workers in Thailand</b>
4	Introduction	43	<b>TYM: Specialised Financial and Non-Financial Services to Improve the Lives of Low-Income Women in Vietnam</b>
7	<b>Amartha: High-Touch and Continuous Engagement for Outsized Customer Impact</b>	49	<b>Vui App: Earned Wage Access for Vietnam’s Blue Collar Workers</b>
13	<b>BPI Direct Banko: Serving Microenterprises with an Intention for Impact</b>	55	About the Centre for Impact Investing and Practices (CIIP)
19	<b>Funding Societies: Empowering Southeast Asia’s MSMEs at Scale</b>		
25	<b>Growsari: Innovative Last-Mile Delivery and Inventory Financing Solutions for Sari-Saris</b>		
31	<b>KoinWorks: Going Beyond Financial Services to Providing a “One-Stop Shop” for Business Development and Support</b>		



# Preamble

This compilation of eight case studies was developed in conjunction with the 2023 Financial Inclusion study “Financial Inclusion in Post-COVID Southeast Asia: Accelerating Impact Beyond Access”.<sup>1</sup> It is 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.

This compilation is put together by the Centre for Impact Investing and Practices (CIIP) in partnership with the eight FSPs featured in this compilation: Amartha (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 8,500<sup>2</sup> 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.

## Introduction

Financial inclusion is defined by the World Bank as **access to useful and affordable financial services and products for individuals and businesses.**<sup>3</sup> These services and products include transactions, payments, savings, credit, and insurance, and are complemented by embedded pathways to financial education and literacy. Combined, these factors contribute to an individual's ability to make choices that **facilitate financial stability and health.**

Financial inclusion allows people to participate meaningfully in economic activity and reap the benefits of economic growth. It can increase incomes, help communities weather shocks, and empower women.<sup>4</sup> Critically, as described by the United Nations Capital Development Fund (UNCDF), **financial inclusion is a base enabler of 7 of the 17 United Nations Sustainable Development Goals (UN SDGs).**<sup>5</sup>

In Southeast Asia, financial inclusion is also an important contributor to the goal of equitable development. As the region looks ahead, it can also act

as a critical gateway to an equitable transition and climate security. For example, access to credit can help MSMEs defray the costs of addressing environmental, social, and governance (ESG) risks in their operations and processes and can also help smallholder farmers mitigate the risks of unexpected emergencies including erratic weather patterns and climate events.

**Over the last five years, Southeast Asia has made clear strides in financial inclusion.** This was in part accelerated by widespread digital adoption during the COVID-19 pandemic. Account ownership – with formal financial institutions and mobile money providers – **increased from 48% in 2017 to 55% in 2021** on a regional level,<sup>6</sup> according to the Global Findex Database<sup>7</sup>. Account ownership, which enables users to store, send, and receive money safely and affordably, is a well-tracked measure of financial inclusion.

As of the 10th ASEAN Finance Ministers and Central Bank Governors Meeting in August 2023 and through the initiatives of the WC-FINC, the

average financial exclusion level in the region has fallen to 21.8%, already surpassing the 2025 target of 30%. Meanwhile, the average ASEAN financial inclusion infrastructure readiness level has reached 85.57%, already surpassing its 2025 target of 85%.<sup>8</sup>

However, account ownership, while an important stepping stone, forms only one part of financial inclusion. Beyond the **unbanked**, or those without accounts, there are also the **underbanked**, namely individuals who may have a basic bank account or mobile wallet but lack access to broader services including **credit.**

225 million adults in Southeast Asia are unbanked or have no financial account. Even more are underbanked – for example, more than 350 million adults in Southeast Asia have not borrowed any money from a formal financial institution or used a mobile money account, suggesting an underserved credit market.<sup>9</sup>

39 million of Southeast Asia's MSMEs are also unserved or underserved by traditional lenders, including those

3 World Bank (2022): [Financial Inclusion](#).

4 60 Decibels (2022): [The 60 Decibels Microfinance Index](#).

5 UNCDF (2023): [Sustainable Development Goals](#).

6 Account ownership data for Vietnam was not available in the Global Findex Database 2021. Hence, account ownership rate was kept the same as in 2017.

7 World Bank (2022): [The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19](#), calculations by CIIP.

8 ASEAN (2022): [ASEAN Monitoring Progress report](#).

9 World Bank (2022): [The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19](#); 2021 figure for Vietnamese without bank account is extrapolated from 2017 figure from World Bank database. No access to formal credit refers to adult (15+) without formal borrowings, excluding Brunei and Vietnam because data was not available. Calculations by CIIP.



in the “missing middle”.<sup>10</sup> These are SMEs that make an annual turnover of USD 100,000 to USD 1 million, meaning they are too large for microfinance loans but ineligible for loans from large banks. Cumulatively, MSMEs in the region face a funding gap of roughly USD 300 billion.<sup>11</sup>

The region’s vibrant financial inclusion sector – made up of banks; tens of thousands of microfinance institutions, cooperatives, pawnshops, and village banks; and a growing number of digital financial services players such as FinTechs and digital banks – is well positioned to address this gap and opportunity.

The focus on financial service providers (FSPs) serving the unbanked and underbanked is key. These FSPs, when structured efficiently to look beyond basic measures of access to **understanding impact outcomes**, can be profitable and impactful ventures.

### The 2023 Financial Inclusion Study

Responsible and sustainable financial inclusion and health necessitates access to a suite of holistic, suitable, and affordable financial services and products. To comprehensively understand the impact of financial inclusion in Southeast Asia, it was essential to **analyse both market data and impact data at the enterprise and end-customer levels**. This study focused on credit, and engaged with a **variety of FSPs**, from traditional institutions to digital financial service providers, and supplemented their insights with customer surveys to incorporate the perceptions of end-customers.

The study showed how digitalisation had played a key role in improving access to credit and other financial services, and how FSPs were **innovating to meet customer needs and lower barriers to**

**financial inclusion in Southeast Asia**. More importantly, **this was achieved alongside a focus on commercial returns and long-term financial viability**. Overall, there was positive impact of credit on Southeast Asian customers’ outcomes, including the ability to grow businesses and improve financial security such as increasing spending on education and food.

However, there remains a large, untapped market in Southeast Asia, and great potential to catalyse investments to deliver financial inclusion to the region’s unserved and underserved. While the study had established the potential for more investments and offered insights into the most successful business models and practices to accelerate positive impact, it was not the most appropriate platform to examine these models and practices in greater depth.

10 Funding Societies (2021): [Your Funding Societies | Modalku Economic Impact Survey 2021](#), extrapolated from data from the SME Finance Forum (2018): [MSME Finance Gap](#).

11 SME Finance Forum (2018): [MSME Finance Gap](#).

## The Case Studies

This compilation of eight case studies serves to bring to life some of the business models and practices highlighted in the 2023 study.

Each case study delves into a unique approach adopted by the FSP, and showcases their efforts to address specific challenges and create lasting impact in their respective communities. From empowering MSMEs to providing specialised services for low-income women, these companies showcase the diverse strategies which can be deployed to drive financial inclusion and uplift livelihoods.

The studies in the following pages provide deeper insights into how each FSP identified key challenges to accessing financial services for specific customer segments, developed theories of change to directly address pain points faced by these customers, and put in place processes to assess the impact of their business operations. These are concrete examples from active practitioners who have demonstrated that profit and purpose can come together for positive financial health outcomes for customers.

We are grateful to the FSPs featured for their time, insights, and willingness to share their journeys, so that others may be similarly inspired.

# Amartha: High-Touch and Continuous Engagement for Outsized Customer Impact



Photo provided by Amartha



## Amartha

### HEADQUARTERS

Indonesia

### GEOGRAPHY FOCUS

Indonesia

### SECTORS

Peer-to-peer Lending, Microfinance

### FOUNDING YEAR

2010

### SIZE OF FUNDS RAISED

USD 63.5M (Series C)

### KEY MILESTONES

- 2010: Founded to serve small village in Bogor, West Java, with two branch offices.
- 2016: Transitioned to a financial technology company with the introduction of a peer-to-peer lending model.
- 2021: Disbursed IDR 5.4 trillion (USD 380 million) from mostly urban lenders to 936,972 women ultra- micro entrepreneurs across over 20,000 villages in Java, Sulawesi, and Sumatra.
- 2022: Created an ESG Roadmap and introduced and embedded ESG into their business.

### MISSION

To create shared prosperity through financial inclusion and women empowerment and to empower micro businesses in villages through innovation and technology.

## Introduction

- Amartha is a peer-to-peer (P2P) lending platform in Indonesia, with a mission to bring inclusive digital financial services to grassroots communities.
- From providing small loans of IDR 500,000 (USD 32) a year as a microfinance institution, enough to fill the inventory of one small shop, they transitioned to a peer-to-peer lending model by building a fintech microfinance marketplace in 2016.
- Many of Amartha's first borrowers still partner with the company today.

## The challenge and impact thesis

### Challenge

- Many of Amartha's borrowers **transact primarily in cash**, hindering access to digitally disbursed loans.
- The time taken to queue to open a bank account **makes them lose income** due to the opportunity cost of not working.
- Many of Amartha's customers can **live up to 30km away from the nearest bank**.
- Digitalisation may create **new disparities** due to **differences in digital literacy**, especially between urban and rural populations and between Indonesia's bottom of the pyramid and other communities.

### Impact thesis

- Providing inclusive access to working capital and massive digital literacy education will lead to MSME growth, and a better and more equitable prosperity in Indonesia.

### Who

- Amartha serves rural women micro-entrepreneurs with low digital savvy.

- Amartha's customers run small businesses including home businesses selling processed food or handcraft products, sundries shops, beauty salons, and small agriculture.
- Amartha focuses on woman empowerment, capability development, and leadership.

### How

- Amartha's framework of inclusive finance for rural communities has three areas of focus:
  - Amartha provides **simple and affordable financial products**, easing access to capital for MSMEs and bridging the gap between them and online lenders.
  - Amartha ensures a **sustainable digital transformation** by educating customers on using technology for productive purposes.
  - Amartha provides **products tailored to customer needs, focused interventions, and mentoring**.
- Fintech products are designed to be user-friendly and intuitive.
- Income growth is tracked as a proxy for financial well-being.





Photo provided by Amartha

## Unique Business Model

### *Graduating customers up the financial ladder*

- Amartha has a **four-phase programme to move customers towards financial health**
  - Lending for productive activities to increase income.
  - Customers can **make payments for loans and other services** like internet credit and meals.
  - Customers are taught how to **save and set aside funds to realise future plans**.
  - More mature customers have **accumulated substantial wealth to invest**.

### *Embedded education*

- Amartha provides embedded **financial education** to address **low financial literacy and reduce default rates**.
- Before disbursing loans to new customers, Amartha conducts **mandatory 2-day finance training courses**.
- Amartha's robust literacy programmes help **mitigate the risk of loan defaults**, building customer loyalty, guaranteeing long-term business and future revenues.

### *Alternative data credit scoring*

- Amartha manages lending risks using a **credit scoring system supported by machine learning**.
- They quantify non-financial information such as how prospective customers perceive their relationship with their surroundings, and their confidence level, before matching it with their models.

### *Adherence to international standards*

- Amartha maintains a **strong adherence to international standards**.
- It is a member of the Indonesia Global Compact Network, Indonesia Business Council for Sustainable Development, and Indonesia Business Coalition for Women Empowerment and signatory to UN Women's Women Empowerment Principles.
- Amartha is active in **IFC's SME Finance Forum** and was given a **Platinum rating** by B Lab's Global Impact Investing Rating System in 2020.



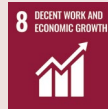
## Amartha's Impact

### SDGs Addressed



#### No Poverty

- Borrowers' **annual revenue increased by 37.76% during pandemic recovery.**
- Successful loan repayment rate (TKB90) measured at **98.24%**<sup>12</sup>.
- **87%** of Amartha's customers say that repayments are not a problem, while **95%** never have to cut food consumption to make repayments.



#### Decent Work and Economic Growth

- Over **130,000 borrowers started their first business** with Amartha's loan, and **over 89,000 microenterprises grew to become small enterprises.**
- Amartha has also seen **over 65,000 borrowers hire their first employee** and the **creation of over 270,000 jobs.**



#### Gender Equality

- Amartha's borrowers are **100% women who run ultra and micro enterprises in villages across Indonesia.**
- Amartha has reached **more than 35,000 villages in Java, Sumatra and Sulawesi.**



#### Reduced Inequalities

- Amartha's focus on women and rural and peri-urban areas **addresses disparities in financial access.**



Photo provided by Amartha

12 Amartha (2024): Amartha



### Business Success

- **Number of borrowers served:** Over 1 million
- **Total loans disbursed:** Disbursed over IDR 6 trillion (USD 492 million) in loans to more than 1.3 million customers
- **Fundraising:**
  - o Amartha has raised **USD 63.5 million** from investors including **Mandiri Capital Indonesia, Norfund, MDI Ventures, LINE Ventures, and Women's World Banking.**

### What's Next

- Amartha will drive digital transformation and promote cashless transactions.
- Amartha is considering obtaining an **investment license** or **banking license** rather than just a P2P lending license, streamlining processes and cross-platform interactions.
- To expand its reach, Amartha is **moving from a rural focus to peri-urban areas.**
- In its 5-to-10-year roadmap, Amartha is looking to move beyond serving women micro-entrepreneurs to **enabling seamless financial services for their families.**

### References

- Amartha (2023). Amartha.
- Amartha (2022). Driving Shared Prosperity for The Underserved: Amartha ESG & Sustainability Report 2021-2022.
- DealStreetAsia (2022). Indonesia's Amartha targets jump in loans to microbusinesses.
- IDN Financials (2020). Amartha channels Rp 645 billion to 168,125 micro entrepreneurs in first half.
- International Finance (2021). Indonesian fintech company Amartha raises \$7.5 mn from Norfund.
- Money+ (2020). Amartha Raih Peringkat Tertinggi dari GIIRS Sebagai Perusahaan Berdampak Sosial. (Amartha Receives Highest Rating from GIIRS as a Social Impact Company).
- PitchBook (2023). Amartha.
- Tech in Asia (2019). How Amartha went from near collapse to become a top P2P lender in Indonesia
- Tech in Asia (2021). Indonesian P2P lender Amartha bags \$28m from Women's World Banking fund.



BPI Direct  
BanKo: Serving  
Microenterprises  
with an Intention  
for Impact



Photo provided by BPI Direct BanKo



## BPI Direct Banko

### HEADQUARTERS

The Philippines

### GEOGRAPHY FOCUS

The Philippines

### SECTORS

Banking and Financial Services

### FOUNDING YEAR

2016 as BPI Direct Banko

### KEY MILESTONES

- 2010: Established BPI Globe Banko as the microfinance arm of the Bank of the Philippine Islands.
- 2016: Merger of BPI Direct Savings and Globe Banko.
- 2019: Relaunched Banko Mobile.
- 2022: Disbursed loans to more than 149,000 microbusinesses, driving business growth across The Philippines.
- 2023: Operating in more than 348 locations nationwide and launch of Banko on the Go.

### MISSION

Building a better Philippines, one family, one community, at a time.

## Introduction

- BPI Direct Banko (Banko) is the microfinance arm of the Bank of the Philippine Islands (BPI).
- Banko was born out of BPI's desire to address the needs of the underserved and unbanked market.
- Since the establishment of Globe Banko in 2010, it has continued to look into ways to help address the financial needs of target markets.
- In 2016, Banko transitioned to focusing on **providing capital for the self-employed micro-entrepreneurs.**
- Since its 2016 pilot product NegosyoKo loan, which was first offered in ten pilot branches alongside its network of cash agents, it has grown to 348 branches by end 2023.

## The challenge and impact thesis

### Challenge

- Many micro-enterprises **lack access to finance** because of strict requirements and affordable rates.
- These enterprises typically **face challenges to provide documents like sales records, tax returns, and audited financial statements.**
- A common option for these enterprises is to borrow from family members or informal lenders who frequently offers high interest rates.

### Impact thesis

- By offering loans to micro-entrepreneurs, Banko can drive business and employment growth and reduce reliance on informal lending, contributing to the economic uplift for communities across the Philippines.

### Who

- Banko focuses on serving self-employed micro-entrepreneurs both in urban and rural areas.
- Banko's client base is retail and wholesale businesses, like the sari-sari and stall owners in public markets.
- These enterprises whose needs may run between PHP 10,000 to 25,000 (USD 180 to 410) and even go up to PHP 500,000 (USD 9,030) for their daily operations.

### How

- Banko's products are designed to be simple, efficient, and affordable loan options, which are delivered via a hybrid approach.
- Banko has developed its underwriting process that are suited to the micro-enterprises it serves.
- Banko President, Rodolfo K. Mabiase Jr., explains, "We visit our customers' stores to perform inventory calculation as well as a cash verification. This allows us to anticipate the sales of the stores within a particular period."

### Business Model

- In 2016 when Banko redesigned its business model and strategy, it transitioned to a face-to-face approach, community-based presence, fast approval process and offers payment options to be convenient and flexible.
- Solicitation of accounts is done by loan associates with deep community knowledge, loan approvals are done in the branch and hybrid collection strategy with options for cash pick-up, automatic debit or over the counter.
- With this approach, in the year 2022, Banko disbursed loans to more than 149,000 micro businesses. By 2023, disbursements reached 213,375 loans.



Photo provided by BPI Direct Banko



Photo provided by BPI Direct BanKo

- BanKo continues to expand its reach in serving the self-employed micro-entrepreneurs and the underserved market nationwide with more than 348 stores by end 2023. It also introduced BanKo on the Go, a roving sales caravan that solicits both loan and deposit accounts in public market with low BanKo presence.
- The Starter 10 Loan, which targets micro-entrepreneurs in need of lower loan amounts.
- Max500, a product which offers higher loan amount.

#### **Alternative credit scoring**

- To assess the creditworthiness of its clients, BanKo visits their stores and performs credit evaluations.
- These measures are necessary given that many of BanKo's customers are typically not included in credit bureaus and other databases.
- BanKo provides optional insurance to complement its loan products.
- During the COVID-19 period in 2020, BanKo offered programs to help clients cope with the challenges brought by the pandemic and minimize incidences of default.
- In 2023, BanKo received approval to increase its maximum loan amount to PHP 500,000 (USD 9,030), providing more space for BanKo's customers to increase loan amounts over time.

#### **Customer-centric products**

- BanKo has launched various customer-centric products, including:
  - Todo Savings, a high interest digital savings account with no maintaining balance requirement
  - NegosyoKo lite, a zero-interest loan with quick approval.

#### **Risk management**

- Given BanKo's target market of self-employed micro-entrepreneurs and the underserved, they ensure that appropriate risk management is applied.





Photo provided by BPI Direct Banko

**Banko's Impact**

*SDGs Addressed*



**No Poverty**

- 39% of Banko's clients are experiencing 'very much improved' quality of life.
- 31% of Banko's clients are experiencing 'very much increased' numbers and quality of meals
- 95% of Banko's clients 'never' have to cut food consumption to make payments.
- 31% of Banko's clients are experiencing 'very much increased' household spending on education.



**Gender Equality**

- 74% of Banko's clients are female.



**Decent Work and Economic Growth**

- 38% of Banko's clients are seeing very much increased income
- 18% of Banko's clients have an increasing number of paid employees.
- 92% of Banko's clients say repayments are 'not a problem'.



**Reduced Inequalities**

- 61% of Banko's clients are accessing financial services for the first time.



**Partnerships for the Goals**

- Banko consistently engages with Bangko Sentral ng Pilipinas on regulatory requirement pertinent to financial inclusion and microfinance.

### Business Success

- **Number of borrowers served:** 210,837 (CY2021), 273,975 (CY2022), 362,132 (CY2023)

### What's Next

- Banko is planning to expand its target market to include salaried and informal workers, including those from the transportation and agriculture sectors.
- Banko is set to grow its network to 390 branches by 2024.
- Banko is planning to enhance its digital capabilities through its mobile app and tools for its employees.
- Banko plans to offer programs that will entice clients to use their mobile app as an alternative channel for their transactions.

“We focus on micro-entrepreneurs because as they grow their business, they provide employment. Who do they employ? The community that they serve with their products and services. When our customers succeed, Banko succeeds. This is consistent with our vision of building a better Philippines, one family, one community, at a time.”

- Marie Josephine M. Ocampo,  
Chairman of the Board at Banko



Photo provided by BPI Direct Banko





# modalku

## Funding Societies: Empowering Southeast Asia's MSMEs at Scale



Photo provided by Funding Societies



CIIP is a non-profit centre established by Temasek Trust



funding societies | modalku



## Funding Societies

### HEADQUARTERS

Singapore

### GEOGRAPHY FOCUS

Singapore, Malaysia, Thailand, Indonesia, Vietnam

### SECTORS

SME Digital Financing, Alternative Investment, Payments

### FOUNDING YEAR

2015

### KEY MILESTONES

- 2015: Launched in Singapore as Funding Societies
- 2016: Launched in Indonesia as Modalku
- 2017: Launched in Malaysia
- 2021: Launched a crowdfunding platform in Thailand
- 2022: Launched in Vietnam

### MISSION

To enable fast and effortless access to funds by bringing SMEs and investors together on their platform.

## Introduction

- Funding Societies is the **largest unified small and medium enterprise (SME) digital finance platform** in Southeast Asia, with a commitment to **improving the region's societies** by funding **worthy and underserved micro, small, and medium enterprises (MSMEs)**.
- Established in 2015 in Singapore to provide financial and business support to underserved MSMEs, they have helped MSMEs to **grow their businesses** and individual and institutional investors **grow their portfolios**.
- Kelvin Teo, Group CEO, explains that Funding Societies' mission is "to help small businesses in Southeast Asia, who are seen as underdogs, to access the **financial services and enabling tools** they need to succeed."
- Following their Singapore launch, Funding Societies expanded to Indonesia in 2016 and Malaysia in 2017, launched a crowdfunding platform in Thailand in 2021, and launched in Vietnam in 2022.

## The challenge and impact thesis

### Challenge

- Over 73 million SMEs operate in ASEAN which comprise about 97 to 99% of total enterprises in the region.<sup>13</sup>
- MSMEs face significant barriers to formal financing as traditional commercial banks cater to large enterprises and typically offer products that do not fit the financing needs of MSMEs.
- In Southeast Asia, around **39 million MSMEs (51%) are either unserved or underserved** by financing services.<sup>13</sup>
- The challenges faced by SMEs in accessing finance from banks include:
  - Requiring cash quickly: the detailed credit underwriting of banks can lead to lengthy approval times.
  - Busy SME owners: complex application procedures requiring extensive documentation.
  - Lack of credit history: a lack of historical cash flows can lead to high collateral requirements.
  - Loan tenure: rigid loan lengths do not fit the needs of SMEs.

### Impact thesis

- Funding Societies aspires to improve Southeast Asia's societies by providing fast and effortless access to funds to **eligible and underserved SMEs**, thereby helping to **improve financial inclusion**.

### Who

- Funding Societies aims to address the 39 million underserved SMEs in the region.
- The first two markets that Funding Societies launched in were Singapore and Indonesia, as these are the countries their founders grew up in.
- Funding Societies later expanded to Malaysia, Thailand, and Vietnam.

### How

- Funding Societies offers products across various loan quantum, tenors, and disbursement speeds to meet the individual needs of MSMEs.
- Through the application of advanced algorithms and AI to their proprietary data, including advanced risk modelling, Funding Societies has developed **solutions for assessing credit risk**.
- Their efficient underwriting allow them to offer MSMEs financing at an **affordable rate** and to **approve MSMEs and disburse funds in as short as 2 hours**.
- Funding Societies' largest product group is trade financing, providing credit facilities or lines of credit to SMEs to drawdown and repay in a flexible manner.
- To cater to high frequency and smaller transaction value requirements, Funding Societies partnered with MatchMove Pay Pte Ltd to offer the Elevate Virtual Card along with their credit line offering, allowing users



Photo provided by Funding Societies

13 SME Finance Forum (2018): [MSME Finance Gap](#)



to instantly utilise their credit line for any quantum worth of purchases.

- Funding Societies has also developed payment solutions by acquiring a payments company.

### Business Model

- Funding Societies was able to capitalise on a first-mover advantage when they launched in each market, forging local partnerships to improve their products.
- Funding Societies has designed a range of financing products, including invoice, supply chain, business term, and microloan financing.
- Their platform enables businesses without collateral and limited track record to become eligible for loans, relying on alternative sources of data such as supply chain data, transaction information, online reviews, invoices, e-commerce data, software invoicing data, and point-of-sale data.
- Funding Societies has complemented their core offering of SME financing with virtual cards, software, and payments.
- In each of the markets it serves, Funding Societies tailors its solutions and customer acquisition strategies to different segments:
  - Digital acquisition has driven the adoption of their services amongst SMEs in Singapore and Malaysia
  - The growth of Modalku in Indonesia has relied on network referrals, events, and partnerships. Their customers consist largely of SMEs, micro-businesses, and employees.
  - In Thailand, they provide SME financing as well as convenient and short-term fixed-income investment options to individuals and institutions.
  - In Vietnam, they focus on SME financing.
- Funding Societies was able to build a path to profitability by scaling up the provision of their financing solutions to enterprises across a variety of sizes.
- Apart from working capital, customers use their loans for:
  - Raw materials, supplies, & inventory
  - Machinery, vehicles, and tools
  - Business expansion
  - Hire new employees
- The combination of a strong impact intention guided by customer centricity, tailored local market strategies enabled by local partners, and holistic product diversification has allowed Funding Societies to operate profitably in most of the markets it serves.



## Funding Societies' Impact

### SDGs Addressed



#### Decent Work and Economic Growth

- Funding Societies furthers financial inclusion and contributes to greater economic growth, and employment opportunities.
- Funding Societies' loans enable increased production and sales for SMEs.
- SME growth enables the hiring of additional workers creating new employment opportunities and increasing total production.
- 346,319 jobs were created as a result of the loans SMEs took from Funding Societies.
- Over 100,000 SMEs have benefited from Funding Societies' financing.



#### Industry, Innovation and Infrastructure

- **71%** of Funding Societies' borrowers are accessing loans for the first time.
- Funding Societies partners with tech platforms and supply chain networks to address customers in areas with weaker data infrastructure.



#### Partnerships for the Goals

- Funding Societies is a signatory of the United Nations Global Compact (UNGC) and will develop a progress report according to the UNGC's focus areas, including labour, human rights, the environment, and anti-corruption.
- Funding Societies has partnered with Asosiasi Fintech Indonesia (AFTECH)<sup>14</sup> and Asosiasi Fintech Pendanaan Bersama Indonesia (AFPI)<sup>15</sup> to provide consumer education to help customers differentiate between legal and illegal fintech companies.
- Funding Societies has also partnered with STACS to, a leading data and technology company headquartered in Singapore, to utilize STACS's ESGpedia platform to support ESG reporting and sustainable financing solutions for MSMEs in Indonesia.

14 Asosiasi FinTech Indonesia (AFTECH) was appointed by Indonesia's Financial Services Authority (Otoritas Jasa Keuangan or OJK) as the official association for digital financial innovation players in Indonesia. It serves as an umbrella organisation for all fintech verticals and has over 360 registered members, including fintech startups, financial institutions, as well as knowledge and technology partners.

15 Asosiasi FinTech Pendanaan Bersama Indonesia (AFPI) was appointed by Indonesia's Financial Services Authority (Otoritas Jasa Keuangan or OJK) as the official association for fintech peer-to-peer lending in Indonesia. It consists of licensed fintech lending players divided by 3 clusters: productive, multipurpose, and sharia lending.



Photo provided by Funding Societies

### Business Success

- **Total loans disbursed:** As of 2023, Funding Societies has crossed USD 3 billion in financing across 5 million transactions, supporting almost 100,000 SMEs across Southeast Asia.
- **Fundraising:**
  - o Funding Societies | Modalku is backed by SoftBank Ventures Asia, Peak XV Partners (previously Sequoia Capital India), SMBC Bank, BRI Ventures, VNG Corporation, EBDI, SGInnovative, and Golden Gate Ventures among others.

### What's Next

- **Expanding financial education efforts**
  - o Funding Societies will seek to become more heavily involved in digital and offline events to educate the market across the region.

- **Deepening green economy engagements**

- o Funding Societies will deepen its engagements with green economy matters through thought leadership pieces and advisory to SME customers regarding the implementation and integration of ESG features.

- **Continued business growth becoming a unified platform serving multiple financial needs of SMEs**

- o Funding Societies aims to continue investing resources and technological developments to provide solutions to underserved SMEs.
- o Deepen and widen their reach in payments for small businesses.

### References

- Funding Societies (2021). [The Economic Impact of Funding Societies to MSMEs in Southeast Asia.](#)
- Singapore Management University (2020). [Funding societies: Using fintech to support small businesses in Singapore.](#)





Growsari: Innovative  
Last-Mile Delivery and  
Inventory Financing  
Solutions for Sari-Saris

Photo provided by Growsari



## Growsari

### HEADQUARTERS

Quezon City, The Philippines

### GEOGRAPHY FOCUS

The Philippines

### SECTORS

Business/Productivity Software, Application Software, Media and Information Services, Consumer & Retail, and Financial Services

### FOUNDING YEAR

2016

### SIZE OF FUND

USD 110M (Series C)

### KEY MILESTONES

- 2016: Started as an ordering platform servicing roughly 1,000 sari-sari stores in three cities.
- 2024: Growsari is serving 100,000 active stores ordering month-on-month in over 24 key cities and 400 municipalities.

### MISSION

To empower and transform over 1.3 million sari-sari stores using technology by providing them affordable products, e-businesses, and financial solutions.

## Introduction

- Growsari is a **tech-enabled business-to-business (B2B) platform** that helps the Philippines' sari-sari stores **get better service levels, assortment, and access to new services.**
- Growsari provides the stores with the **infrastructure and tools they need to transform from simple fast-moving consumer goods (FMCG) outlets to comprehensive service hubs** for the nation's grassroots communities.
- Growsari started in 2016 as an ordering platform servicing roughly 1,000 sari-sari stores in three cities in Metro Manila.
- Growsari's B2B e-commerce marketplace is intended to help shop owners **digitally procure goods** for their stores by eliminating middlemen.
- Growsari's founders sought to use technology to ensure that these stores got the **most effective pricing**, and in the long run, not only survive but also become more financial savvy in their store management.

## The challenge and impact thesis

### Challenge

- There are **over 2 million MSMEs in the Philippines**, many of which are **sari-sari stores**, or mom-and-pop shops. Sari-sari stores account for **over 60% of MSMEs in the Philippines**.
- Sari-sari stores face the need to procure a variety of goods to service the needs of their neighbourhoods.
- They need to deal with **multiple distributors, multiple suppliers**, and the supply chain is **complex and expensive**.
- Despite significant improvement in financial services penetration and adoption, there remains a large gap in financial inclusion in the Philippines, especially among those in the lower socioeconomic brackets.
- Growsari's founders, who had prior experience at P&G and Unilever, felt the distribution and supply chain as well as financial inclusion issues faced by sari-sari stores impeded business operations and income generation.

### Impact thesis

- Growsari's solution is to **look at the full supply chain - from buying, to storing goods, to last mile distribution, and solving each element to ensure a cost-effective distribution of goods**.

### Who

- Growsari serves **sari-sari stores**, which are ubiquitous in neighbourhoods and around streets. Over 80% of Philippine **households stay within 10 minutes of a sari-sari store**.
- **80% of Growsari's stores are sole proprietor stores, and over 90% are owned by women**.
- Growsari estimates that there are more than **1.3 million sari-sari stores** in the Philippines, and they account for the movement of up to **60% of FMCG sold in the country**.

### How

- Because most sari-sari stores are **sole proprietorships**, their margins are smaller than large retailers, who are large enough to negotiate with FMCG wholesalers.
- Growsari's supplier marketplace called Sarimart gives sari-sari stores **access to the distributor list prices** enjoyed by large stores and wholesalers.







- Growsari’s marketplace uses technology to connect stores directly to companies, and enables stores to sell new types of products, **including mobile and wallet top-ups, bill payments, and other digital services.**
- In addition, Growsari’s financial services arm called Saripay provides stores the tools they need to manage their respective businesses - including **access to credit, cashless payments, and various business management solutions.**

### Business Model

#### Strategic Aggregation

- Growsari leases **23 of its own warehouses** and delivers goods **through its own rented trucks**, allowing it to identify the **most efficient travel routes to each store.**
- Growsari’s approach is to capture **50–60% of all sari-sari stores in a specific neighbourhood.**
- Via the Growsari app, stores can easily procure **over 800 products at distributor prices from brands such as Unilever, P&G, Nestle, Monde Nissin, and Coca-Cola.**
- Stores are able to **replenish their inventory and widen their assortment of products.**
- By having enough stores in a given location sign on to Growsari’s platform, this allows them **enough density to aggregate orders for individual delivery trucks**, ensuring the **economics of delivery work.**
- For its deliveries, Growsari holds to two key principles:
  - No sari-sari store has a minimum requirement for the size or cost of an order
  - No store is charged for the delivery of its items
- This also allows Growsari to **keep its pricing low and competitive** while providing **price transparency** to its customers.

#### Embedded financing

- To address pain points in **inventory payment**, Growsari has developed several pathways for its customers to pay, including:
  - Cash on delivery
  - GrowCoins, or cash credits that can be topped up through Growsari’s shippers, online transfers, banks or at convenience stores
  - E-Lista, Growsari’s seven-day **Buy Now Pay Later (BNPL) product.**







- Because Growsari’s BNPL product cannot be cashed out, this allows them to **build better credit risk dimensions for their customers within a closed loop.**


**Integrated financial and e-commerce services**

- Growsari provides **accessible and affordable financial and e-commerce services** to its customers, especially those with **limited mobile or internet access.**
- With more than 200 service providers for telco, bills payment, and subscription pins such as Meralco, Manila Water, and Sky Cable, Growsari helps sari-sari store owners **provide access to these services for their end customers.**
- Growsari’s partnership with Lazada and Shopee also allows sari-sari stories to serve as **online shopping ordering hubs** for their respective neighbourhoods.
- On the Saripay platform, stores can now also accept digital payments from their consumers through the National QR Code Standard’s (QR Ph) rails.
- In addition, Saripay is now piloting the next set of store management solutions to enable their stores to become better entrepreneurs.

- o Profit maximiser: where stores can now check for the recommended selling price of any specific product based on a pooled sales price across a range of stores, organised retail, and wholesalers.
- o Cash tracker: where stores can enter their daily cash movements, and view their daily, weekly, monthly cash generation and expenses.

**Growsari’s Impact**

*SDGs Addressed*



**Gender Equality**

- Over 90% of sari-sari stores are owned by women.



**Decent Work and Economic Growth**

- Growsari powers the management, growth, and analytics infrastructure of **over 100,000 stores in 400 cities** actively ordering on the platform each month.



### Reduced Inequalities

- Growsari taps the underserved market of mostly women-owned sari-sari stores and has expanded its reach from Metro Manila to underserved neighbourhoods outside of metro areas including the **rest of Luzon (including North Luzon, South Luzon, and the Bicol region) and in the Visayas and Mindanao regions.**

### Business Success

- **Number of customers:** Over 100,000 sari-saris
- **Number of borrowers served: 13,398** (CY21), 23,201 (H122)
- **Fundraising:**
  - o To date, Growsari has **raised USD 110 million from investors**, including **USD 77.5 million in its latest series C round that closed in March 2022**. This round was led by KKR.
  - o Other investors included the International Finance Corporation, Wavemaker Partners and Pavilion Capital.

### What's Next

#### Expanding geographic reach

- Growsari continues to expand nationwide to serve stores who are digitally and financially excluded.
- It plans to serve more types of MSMEs, like carinderias (small eateries), small over-the-counter pharmacies, and other roadside and market shops.

#### Expanding products and services

- Growsari is bolstering its fintech product suite to provide greater access to credit and basic financial services.
- Growsari is planning to build its supplier marketplace, including commodities and private label products.

### References

- AsianInvestor (2022). [Start-up success: The Philippines emerges.](#)
- GrowSari (2023). [About GrowSari.](#)
- International Finance Corporation (2021). [GrowSari Environmental and Social Review Summary.](#)
- MARKETECH APAC (2022). [Mom-and-pop store solutions platform Growsari unveils e-commerce, financial services unit.](#)
- TechCrunch (2022). [Philippines-based MSME platform GrowSari raises \\$77.5 million Series C.](#)



Photo provided by Growsari





KoinWorks: Going Beyond  
Financial Services to Providing  
a “One-Stop Shop” for Business  
Development and Support

Photo provided by KoinWorks



## KoinWorks

### HEADQUARTERS

Indonesia

### GEOGRAPHY FOCUS

Indonesia

### SECTORS

Financial Services

### FOUNDING YEAR

2015

### SIZE OF FUNDS RAISED

USD 180 million

### KEY MILESTONES

- 2016: Launched as a peer-to-peer lending company before evolving into a specialised online platform to connect MSMEs and potential investors with services KoinP2P and KoinBisnis.
- 2017: Officially registered with Indonesia’s Financial Services Authority (Otoritas Jasa Keuangan or OJK); launched education loan product KoinPintar.
- 2018: Launched KoinRobo to allow lenders to provide funding to several borrowers at a time; received USD3m in Series A funding from Mandiri Capital Indonesia.
- 2019: Hit 350,000 users; received USD 13 million in Series B funding; officially licensed by OJK.
- 2020: Hit 1.37m users, launched digital gold marketplace KoinGold and earned wage access (EWA) product KoinGaji to provide support to businesses during the pandemic.
- 2022: Raised USD 108 million in Series C funding led by MDI Ventures and hit 2.2 million users; launched integrated financial management service platform KoinWorks NEO, educational platform KoinLearn, and informal sector lending product KoinP2P Grade S.

### MISSION

To enable access to affordable financial solutions and enterprise health to underserved Indonesian MSMEs, while contributing to a stronger wealth position of the individual investor.

## Introduction

- Indonesia-based credit-led MSME neobank KoinWorks provides a one-stop offering spanning financial services and business development support for underserved MSMEs.
- KoinWorks provides financial support through access to digital lending, investments, neobanking, billing, and learning products in its app.
- MSMEs on KoinWork’s platform can access point-of-sale systems, EWA products, and human resources management systems tailored to small businesses.

# The challenge and impact thesis

## Challenge

- As of 2020, USD 90 billion is needed to close the gap for the unmet credit needs of Indonesian MSMEs.
- Many MSMEs lack access to formal financial institutions because they cannot provide collateral and relevant credit history.
- Women entrepreneurs face barriers to participating in the formal economy, including challenges with securing external financing, meeting bank qualifications, and unavailable human resources.
- At present, the Government of Indonesia aims to have 62.9 million MSMEs in the country adopt digital payments by 2025.

## Impact thesis

- KoinWorks connects borrowers to willing lenders so that small businesses can get access to the credit they need to finance growth, especially underserved businesses without access to banks.

## Who

- KoinWorks serves Indonesia’s MSMEs, with 60% of their customers being active in the service, food and beverage, and fashion industries, and 15% in agriculture, healthcare, housing, and education.

## How

- KoinWorks’ loan application process is simple and straightforward, using a mix of borrowers’ data and third-party data and physical visits to the borrowers’ premises.
- KoinWorks offers a route for trustworthy access to financial solutions for underserved MSMEs, bolstered by rapid digitisation, supportive policies and regulations, and broadened access to the digital ecosystem.

## Business Model

### Broad Suite of Products and Services

- KoinWorks offers an inclusive suite of products and services along four main groupings:
  - o Wealth Solutions
    - KoinP2P: P2P marketplace for funding in highly assessed and low-risk return opportunities
    - KoinRobo: Automatic P2P lending to multiple borrowers with social impact and predicted returns
    - KoinGold: Digital gold marketplace for asset diversification
    - KoinBond: Digital government bond marketplace

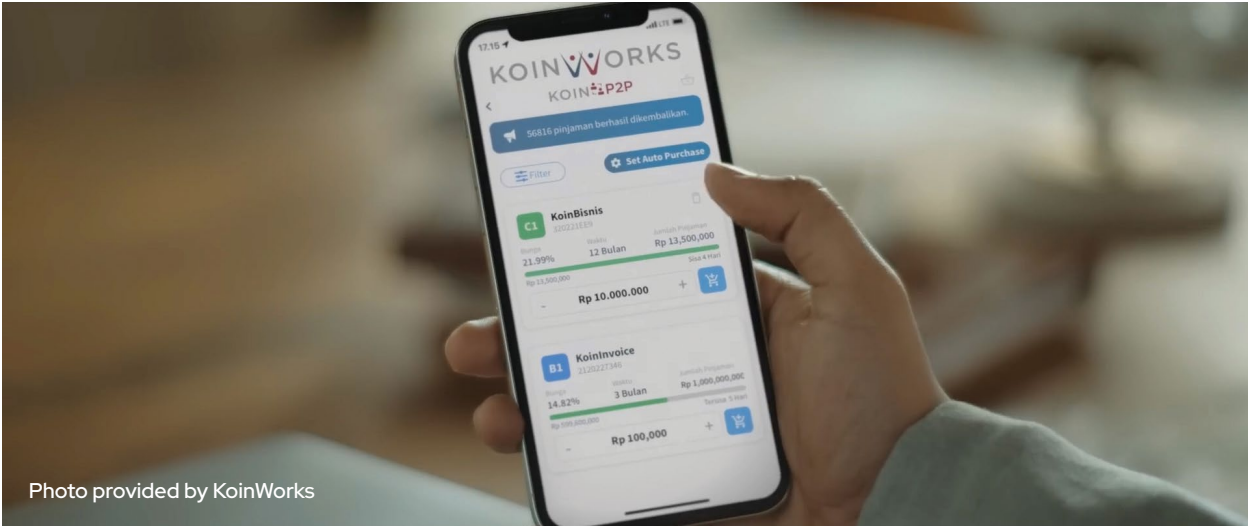


Photo provided by KoinWorks





Photo provided by KoinWorks. eFishery is a customer of KoinWorks.

- o Loan Solutions
  - KoinBisnis: Business loan products of up to IDR 2 billion
  - KoinGaji: Personalised salary advances
  - KoinInvoice: MSME financing through invoice and supply chain financing
- o Business Tools
  - KoinBill: Principle Place of Business (PPOB) service to make utilities payments such as electricity, water, telephone services, and internet access
  - KoinLearn: Bite-sized video learning platform for MSMEs accessible by the KoinWorks application
- o KoinWorks NEO
  - NEO Card: Virtual credit cards for businesses to accommodate various business needs
  - Payment Link: Payment links to accept payments from credit cards, debit cards, bank transfers, retail outlets, and e-wallets
  - QRIS: Payment method to allow users to get instant settlement from payments received

#### Alternative Credit Scoring

- KoinWorks uses MSME data, including transaction data and warehouse inventory, as well as data points from government agencies and credit bureaus, for their scoring model which covers character, capability, conditions, capital, and collateral.

- By partnering with e-commerce platforms, KoinWorks can examine historical sales data points to assess creditworthiness.

#### Financial Education

- KoinWorks’ financial and business services are complemented by their embedded training for entrepreneurs.
- KoinWorks provides online educational material through bite-sized videos on its app, complemented by in-person events.
- As explained by Willy Arifin, the Co-Founder and Chairman of KoinWorks, “Many MSMEs download our apps just for the purpose of educating themselves on how to become entrepreneurs, such as how to put together balance sheets or calculate profit and loss.”
- KoinWorks tracks the financial literacy of its users, using the OECD G20 Survey on financial literacy for MSMEs as its benchmark. Its users have a higher level of financial knowledge than the average Indonesian MSME.

#### ESG and Impact Goals

- KoinWorks’ business is aligned with its community impact goals
  - o Digital financial literacy
  - o Access to and usage of KoinWorks financial and business solutions
  - o Quality and experience of financial and business solutions
  - o Personal wealth for all users
  - o Enterprise growth for all business holders
  - o Digitisation to support businesses going cashless and going online
- Koinworks uses ESG frameworks and their impact report as a real-time indicator that flags their risks and spots business opportunities to drive growth, innovation, and profit.
- KoinWorks has made public their internal dataset for their impact report, including survey surveys, focus group discussions, and online analytics, to serve the industry at large.
- Their mission statements and impact-related disclosures are fully aligned. KoinWorks reports regularly to the Global Reporting Initiative, Sustainability Accounting Standards Board, and International Finance Corporation’s Performance standards.

## KoinWorks’ Impact

### SDGs Addressed



#### No Poverty

- 103,000 people educated on financial matters through online & offline initiatives.
- 58,000 loans disbursed to MSMEs with 60% experiencing a much better increase in welfare.
- 80% of KoinWorks’ MSMEs are micro enterprises.
- 82% of KoinWorks’ clients faced no repayment burden, while 92% did not have to cut food consumption to make payments.



#### Decent Work and Economic Growth

- 116,000 new jobs created in 34 provinces across Indonesia.
- KoinWorks’ MSMEs could grow their revenue with 34%, enabled by KoinWorks’ individual retail investors experiencing an asset growth of 76% to reach their financial goals.
- 17% of MSMEs served able to increase number of paid employees.



#### Gender Equality

- 37% of KoinWorks’ MSMEs are women-led enterprises.



#### Industry, Innovation and Infrastructure

- 106,000 new MSMEs digitised their payment system using KoinWorks’ NEO in 2022.
- KoinWorks’ MSMEs saw their digital business transactions grow by 82%.



Photo provided by KoinWorks





Photo provided by KoinWorks

### Business Success

- **Number of customers:** Over 2 million users
- **Number of borrowers served:** 6,936 (CY21), 8,665 (H122), 25% underbanked (H122)
- **Fundraising:** KoinWorks’ has raised USD 180 million in total, with its Series C round led by MDI Ventures. Existing investors that returned for its latest round include Quona Capital, Triodos Investment Management, Saison Capital, ACV and East Ventures.

### What’s Next

- Aims by 2025
  - To become carbon neutral
  - To provide 2 million MSMEs with access to finance, including 500,000 new women-led businesses

- To achieve 40% gender diversity
- To achieve the golden certification from Cerise+SPTF<sup>16</sup> for client protection
- To expand beyond Java and Sumatra to better address underserved customer segments

### References

- Google Cloud: [KoinWorks: Overcoming cultural boundaries to improve financial access and education for MSMEs](#)
- KoinWorks (2023): [KoinWorks Impact Report 1st Edition 2022: Leveling Up Beyond Finance](#)
- Triodos Investment Management (2021): [How KoinWorks meets the needs of the underserved SME sector in Indonesia](#)

<sup>16</sup> Cerise+SPTF is a joint venture of two leading global organisations dedicated to social and environmental performance management. As the developers and champions of interdependent and complementary tools and products, Cerise and the Social Performance Task Force (SPTF) have worked closely together since the mid-2000s. They formalised their cooperation via a Memorandum of Understanding in 2021, and now operate under a common strategic plan.

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



Photo provided by Noburo



## 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.



Photo provided by Noburo

## 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





Photo provided by Noburo

### 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





### Business Success

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

### What's Next

- **Expanding geographic reach**
  - o Noburo intends to expand throughout Thailand, then expand into Southeast Asia, and emerge as one of the leading FinTech companies in Asia.
  - o 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.
  - o 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**
  - o 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.
  - o Noburo plans to expand its product portfolio beyond debt management to include savings and

investment features and financial protection from economic volatility.

- o Noburo will connect its app with more data platforms and HR payroll software providers to ensure the seamless integration of information.
- o 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](#)

# TYM: Specialised Financial and Non-Financial Services to Improve the Lives of Low-Income Women in Vietnam



Photo provided by Tinh Thuong One Member Limited Liability Microfinance Institution (TYM)



## Tinh Thuong Microfinance Institution (TYM)

### HEADQUARTERS

Vietnam

### GEOGRAPHY FOCUS

Vietnam

### SECTORS

Consumer

### FOUNDING YEAR

1992

### KEY MILESTONES

- 1992: The Affectionate Fund Project established by the Vietnam Women's Union (VWU) to contribute to the implementation of the Government's poverty reduction program.
- 1995: The Central Committee of the VWU decides to expand activities of the Affectionate Fund Project to new areas.
- 1998: TYM becomes an independent unit under the central VWU.
- 1999: Certificate of Merit from the Prime Minister for TYM's outstanding achievements in hunger eradication and poverty alleviation.
- 2006: TYM becomes an income generating unit operating for non-profit social purposes.
- 2007-2009: In 3 consecutive years, TYM wins the Citi - Vietnam Micro-entrepreneurship Awards' (CMA) Typical Microfinance Institution Award.
- 2010: TYM is the first organization in Vietnam to be licensed by the State Bank for microfinance activities.
- 2012: First-class Labor Medal.
- 2019: Top 10 of the European Microfinance Award "Strengthening Resilience to Climate Change" (EMA 2019).
- 2010- 2019: 9 years of winning the Outstanding Microfinance Institution Award under the CMA.
- 2020: Government Emulation Flag; Certificate of Merit and Emulation Flag of the Vietnam Women's Union
- 2022: Certificate of Merit from the Prime Minister; Certificate of Merit from the Governor of the State Bank of Vietnam; Top 10 financial institutions in the world honored in the framework of the European Microfinance Awards 2022 with the theme "Financial Inclusion that works for Women".
- 2023: Top Impact Award for Asia in the 60 Decibels 2023 Microfinance Index.

### MISSION

To improve the quality of life for low-income women and their families, especially poor and marginalised ones, by providing them with financial and social services that create favourable conditions for their active participation in socio-economic activities and enhance their overall position in society.

## Introduction

- Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) was established in 1992 by the Central Vietnam Women's Union (VWU).
- TYM's mission is to improve the quality of life of low-income individuals and households, with priority given to poor and disadvantaged women, through appropriate, convenient, and responsible microfinance products and services.
- Over 30 years, TYM has contributed to the VWU's mission to eradicate hunger, reduce poverty, and empower women, growing into one of Vietnam's largest MFIs.

## The challenge and impact thesis

### Challenge

- In 1992, the VWU established TYM with the long-term goals of eradicating hunger and poverty.

### Impact thesis

- With 30 years of experience, TYM has identified that helping women break out of the poverty cycle requires appropriate, safe and responsible financial solutions.
- TYM's methods of delivering financial inclusion are through **financial services** and **social services** provided to **poor, near-poor, and low-income women**. TYM strongly believes that sustainable human development can only be achieved using a combination of social and economic tools.
- TYM posits that savings programmes are linked to successful microfinance programmes as they allow households to accumulate wealth, develop new savings habits, and achieve their goals.
- Since its establishment, TYM has focused on enhancing the capabilities of women by training and nurturing them in a wide range of basic knowledge and skills, extending to specialised training content. This empowers women, fostering greater confidence and providing enhanced opportunities to elevate the quality of family life.
- TYM provides educational, social, and health services to poor, minority ethnic, disabled, and rural women in Vietnam, helping to address disparities in access to such services.

### Who

- Women between 18 to 65 years old voluntarily become TYM's members.
- In particular, TYM targets:
  - Poor, near-poor and low-income households
  - Disabled women.
  - HIV infected/affected women.
  - Microenterprises

### How

- TYM's loans were initially designed with principles inspired by the Grameen Bank model and have been adapted to meet the needs of Vietnamese women.
- These specific characteristics include the loans being:
  - Collateral-free
  - Repayable in small weekly / monthly / 04 weekly<sup>17</sup> (every 4 weeks) instalments
  - Simple to access, application and repayment procedures
  - Based on strict credit discipline
  - Diversified products
  - Stable and long-term funding
- TYM's savings products are designed to be
  - Secure, being insured according to the Law on Deposit Insurance
  - Flexible, with some deposits being as little as VND 5,000 (USD 0.21 as of April 2024) per transaction
  - Convenient, with collection near clients' homes
  - Simple, with fast transactions and minimal paperwork
  - Diversified products
  - Competitive, with market-based interest rates

### Business Model

- TYM offers tailor-made products and services for its customers, allowing them to access products and services that are affordable, accessible, have lower barriers to entry, and are served at their own villages.
- Clients face no charges, transaction, or administration fees.
- TYM operates across three key services: credit, savings, and social services to comprehensively enhance the quality of life and empower women in their multifaceted roles.

<sup>17</sup> In-house terminology used by TYM



## Credit

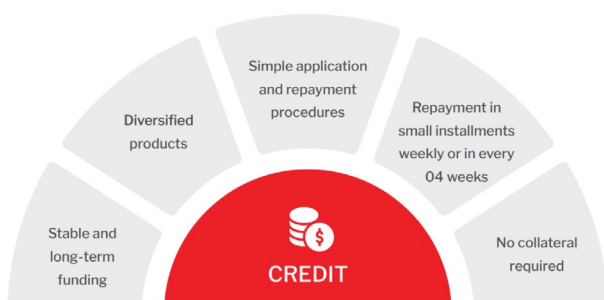


Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- The majority of TYM’s clients take loans for productive purposes, particularly for small farming, livestock, fishery, forestry, and trading businesses.
- TYM’s loans have been categorised as microloans for microclients, and loans for other clients
  - Micro-loans (VND 1-50 million)
    - Policy loans
    - Loan to support near-poor households
    - Economic development loan
    - Multi-purpose loan
    - Housing loan
    - Loan for disaster risk recovery
    - Loan supporting members affected by the pandemic
    - Salary-based loan (piloting)
    - Credit limit loan (piloting)
  - Loans for other clients (VND 51-100 million)
    - Investment loan: Working capital and small investments for MSMEs.
    - Loan for job creation: loan for clients with production and business activities and using at least 3 outsourced workers.
- Repayment frequency: weekly / 04 weekly / monthly.
- Rates range from 0.07% to 0.18% per week (for weekly repayment) and from 0.28% to 0.78% per every 4 weeks (for 04 weekly repayment), depending on the type of loan.
  - TYM operates closely within the local community through a network of branches, transaction offices, and centers or transaction points. Centres represent the smallest transaction units of TYM, established directly in the localities where customers reside. The majority of TYM’s transactional activities with clients are carried out at these centers.

## Savings

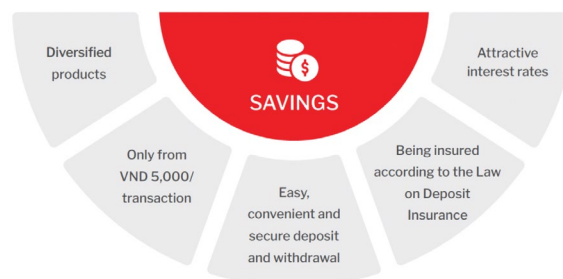


Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- TYM offers a variety of savings products:
  - Compulsory savings: From VND 10,000-20,000 per week
  - Voluntary savings: From VND 5,000 per transaction
  - Installment savings: From VND 100,000 per transaction
  - Term deposits: From VND 500,000 per transaction
- TYM applies competitive deposit interest rates based on market conditions.

## Social and non-financial services



- Capacity building for women and support for the community:
- Seminar;
  - Training, coaching, consulting;
  - Experience sharing;
  - Cultural and sports exchange activities;
  - Subsidized houses;

- Scholarship – Giving wings to your dream;
  - Gifts to disadvantaged families;
  - Health care for members;
  - Support for local health and education facilities;
  - Other charity activities;
- Business development support

Diagram adapted from Tinh Thuong One Member Limited Liability Microfinance Institution (TYM) Performance Report 2022

- **Capacity building**
  - TYM provides basic training on financial and household management skills, covering essential skills such as literacy, numeracy, and soft skills for women.

- o Additionally, TYM regularly conducts in-depth training sessions to enhance women's knowledge and skills in areas such as healthcare, agricultural techniques, gender and business, and business management.
  - o In recent years, as TYM has shifted its focus towards supporting business activities for its members, a new training approach has been introduced. This involves organising field visits for members to explore exemplary economic models implemented by successful members. This practical approach has provided many members with the opportunity to learn practical models that they can apply within their own households.
  - o Some of TYM's members become centre leaders for service provision, having been trained in centre management and credit disciplines.
- **Consultancy and business development services**
    - o TYM's consultancy services build business capacity and provide technical support.
    - o TYM seeks to provide market access for members and their products via its officers, VWU staff, physical stores and online channels.
  - **Additional services**
    - o Apart from the various financial, social, and business development service TYM provides, it also provides additional services in line with the holistic view it takes toward achieving sustainable human development and delivering financial inclusion.
    - o TYM provides annual health checks for all members and gives free medicine to low-income members, promoting initiatives for reproductive health, gynaecological disease prevention, sanitation, and hygiene.
    - o TYM supports the program 'New Countryside' by contributing to improve and provide equipments to local schools, medical stations, and roads etc. This assistance aims to enhance the quality of social services for residents.
    - o TYM provides assistance to women living in precarious housing via its subsidised housing initiative.
    - o TYM offers scholarships to members' children to cover tuition fees through its 'Wings of Dreams' program. This initiative aims to recognize the academic achievements of members' children, particularly in financially challenged families, providing wings for their dreams to attend school.

- o TYM assists families in need by giving gifts during Tet (Lunar New Year), Veterans' Day, and other significant events

## TYM's Impact

### SDGs Addressed



#### No Poverty

- More than 120,000 TYM members have successfully achieved sustainable poverty alleviation, with 7,000 women transforming into micro-entrepreneurs
- 91.4% of loans helped borrowers increase profits and incomes
- 100% of members with deposit savings.



#### Gender Equality

- 100% of TYM's borrowing clients are female.
- 170,000+ women and their families trained to improve knowledge and skills.



#### Decent Work and Economic Growth

- 66% of members have started new lines of business, production and business activities with TYM's loans.



#### Reduced Inequalities

- 81% of TYM's customers are accessing financial services for the first time.
- 88% of TYM's customers have no access to a good alternative.



#### Good Health and Well-Being

- 44,558 women received free health checkups and medicines
- 380 local health and education facilities sponsored.





**Quality Education**

- Almost 3,000 scholarships and rewards given to children of poor members
- More than 330,000 training sessions designed specifically for women organised.



**Sustainable Cities and Communities**

- 231 subsidised houses for disadvantaged women provided

**Business Success**

Over the past 30 years, TYM has supported more than 300,000 women in engaging with community and social activities, disbursing over VND 28,000 billion (USD 1.1 billion) in loans to 1.8 million transactions. In 2022 alone, TYM mobilised nearly VND 2,000 billion (USD 80.6 million) in savings from its clients.

To date, TYM has consistently maintained an approximate 100% repayment rate for the majority of its operational periods.

**What's Next**

- TYM plans to:
  - Promote the application of digital technology to its activities. This builds on the development and launch of TYM's mobile application in 2022, helping users manage financial information, send and process loan requests, make loan repayments, and open savings books easily and conveniently. As of December 2022, 6,685 clients and 100% of its technical officers and branch members installed have and used the application.
  - Increase non-cash payment for financial transactions between TYM and its clients.
  - Diversify products and services to fully and promptly meet customer needs while ensuring safety in operations.
  - Continue to proactively and flexibly manage business operations, closely tied to enhancing efficiency and productivity.
  - Intensify activities that support women, aiming towards the development of sustainable businesses.

**References**

- Tinh Thuong Microfinance Institution (TYM) (2023): [TYM Fund](#)
- Tinh Thuong Microfinance Institution (TYM) (2023): [2022 performance report](#)



Photo provided by Tinh Thuong One Member Limited Liability Microfinance Institution (TYM)

# Vui App: Earned Wage Access for Vietnam's Blue Collar Workers

## Vui App

NỀN TẢNG PHÚC LỢI & LƯƠNG LINH TÍNH

Doanh nghiệp K...  
Người lao động



LPTEX  
CÔNG TY CƠ DỆT MAY LÊN PHƯƠNG



Không chi phí,  
không thay đổi



Giảm tỷ lệ nghỉ  
việc, thu hút

Photo provided by Vui App

## Vui App

### HEADQUARTERS

Hanoi, Vietnam

### GEOGRAPHY FOCUS

Vietnam

### SECTORS

FinTech, Software

### FOUNDING YEAR

2020

### SIZE OF FUNDS RAISED

USD 9.4 million (Seed)

### KEY MILESTONES

- 2020: Founded
- 2021: Raised \$3m in Seed A Funding
- 2022: Raised \$6.4m in Pre-Series A Funding

### MISSION

Bridging the gap between paydays, Vui App is an EWA application developed by Nano Technologies serving three stakeholders: employees, companies and society at large.

## Introduction

- Vui App is a business-to-business-to-consumer (B2B2C) flexible salary and welfare platform owned by Nano Technologies.
- The platform provides the Earned Wage Access (EWA) solution that lets workers access their salaries on an on-demand basis, so they have better control over their personal finances and cash flow.
- Vui App was founded to address illegal moneylending and lack of financial education in Vietnam.



## The challenge and impact thesis

### Challenge

- Millions of workers in Vietnam live **pay check-to-pay check** and **struggle with cash flow constraints** at the **end of each month**.
- Many **lack access to viable financing options** and are forced to resort to **predatory lending**, which charge **annualised interest rates** between **300% to 500%**.
- This was exacerbated by the **pandemic** and other **global macro crises** that converged to **increase the cost of living**.
- Underbanked workers faced **unsustainable levels of debt** and **lived at the threshold of poverty**.
- **Labour shortages** occurred as a result, particularly in the manufacturing industry, as workers returned to their provincial hometowns due to the **absence of a reliable financial safety net**.

### Impact thesis

- Through specialised, customer-centric embedded financing products, Vui App is able to extend salary advances to workers to bolster financial security and resilience.
- Its primary goal is to enhance their financial security through its EWA product, along with additional services such as attendance tracking and personal financial management education.

- The EWA model is able to address the critical needs of workers who struggle to pay emergency expenses, providing an alternative source of capital.

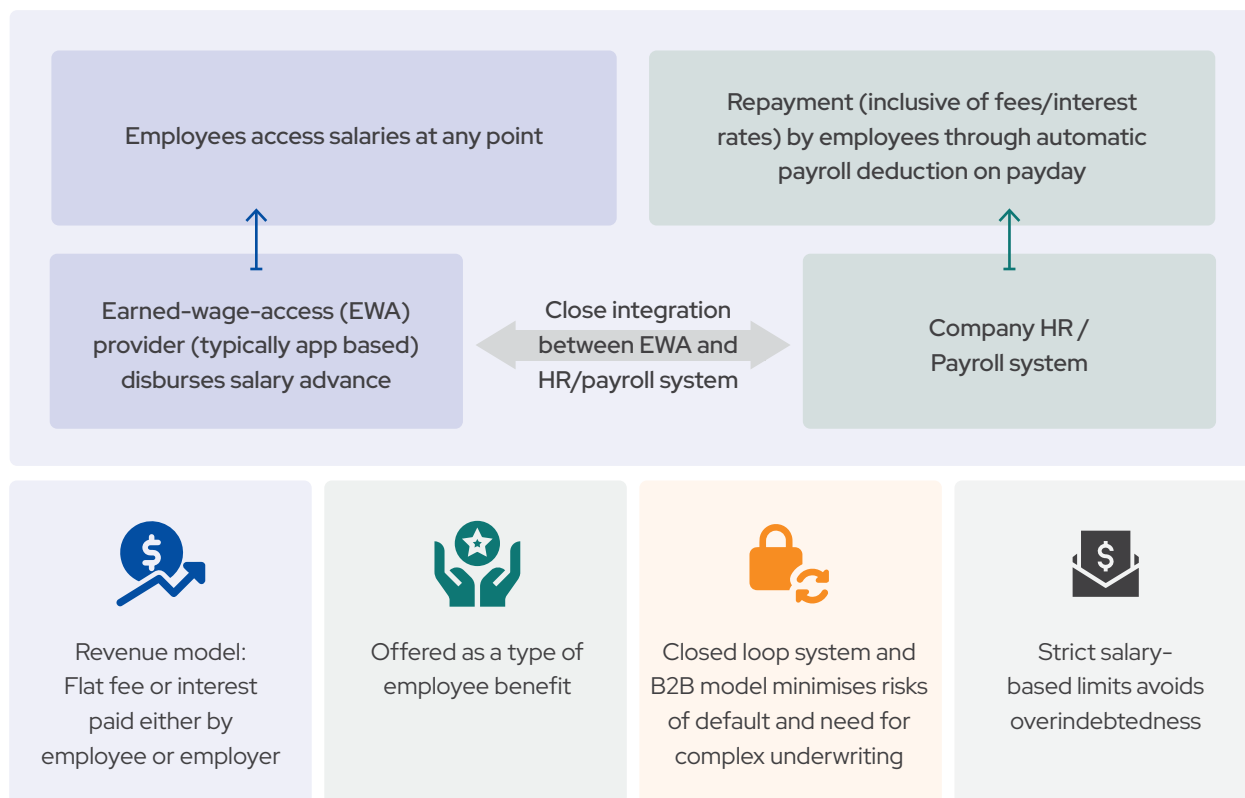
### Who

- Vui App focuses on addressing the **low- and middle-income workers** in the retail, **food and beverage, and manufacturing** sectors who are more vulnerable to loan sharks and payday loans.
- Vui App targets **big corporates and factories** that employ **large amount of workers**. **SMEs** are a **second priority** to Vui App.

### How

- Vui App can monitor when and how often employees withdraw their salary advances, whilst also tracking increases in employee retention rates for companies since the adoption of their app.
- This allows workers to access their wages instantly when needed.
- Employers also receive a new cost-effective flexible benefits platform, giving them an edge in attracting prospective employees with a more differentiated offer.
- By applying software and workflow automation to the traditional mid-month salary advance, Vui App removes administrative, technical and financial burdens for employers.





**Business Model**

- Through Vui App, employees can withdraw a minimum of VND 100,000 (USD 4) or up to a certain portion of their monthly income (70-100%) at each time. There are no limits on the number of withdrawals in a month.
- Vui App usually fronts wage advances which are subsequently repaid by employers on the employees’ payday through payroll deduction. Employers with higher liquidity can also front wages through their own balance sheets.
- Vui App charges the employer two types of fees – a fixed monthly technology fee that depends on the

- size of the company and a transaction fee for when employees complete transactions with the money withdrawn from the Vui App (1.5% per transaction).
- Vui App conducts its know your customer (KYC) checks through the personal information gathered through the employer’s HR systems, from which personal information like employees’ salary-crediting account number and identification number can be obtained.
- Given the tight alignment between its business and impact goals, Vui App actively tracks the usage of its app once companies adopt it for their employees.



**Vui App’s Impact**

*SDGs Addressed*



**No Poverty**

**Primary**

- 88% of customers never cut food consumption to make repayments.
- 78% of customers strongly agree penalties, fees, and interest rates are clear.
- 98% never experience an unexpected fee.
- 92% say repayments are not a problem.
- 32% say that Vui App has helped them improve their financial resilience.



**Decent Work and Economic Growth**

- 100% of customers have taken out a salary loan.



**Reduced Inequalities**

- 95% of customers did not have prior access to a similar financial product.
- 91% of customers lack access to a good alternative.
- 66% of customers reported that their ability to manage their finances had improved.
- 76% of customers said their ability to face emergency expenses had improved.



### Business Success

- **Users served:** Vui App have partnered with 75 employers and served more than 200,000 employees in 2023.
- **Fundraising:**
  - Since its founding, Vui App has raised **USD 9.4 million** across **two rounds of funding**.
  - **USD 3 million in seed round** from investors including Golden Gate Ventures, Venturra Discovery, FEBE Ventures, Openspace Ventures, Y Combinator and Goodwater Capital.
  - **USD 6.4 million in pre-series funding round A** from investors including Partech Partners, Tekton Ventures, KVision, IT Farma, Sketchnote Partners, and existing backers.

### What's Next

- Vui App wants to **scale its platform** by offering a broader range of **benefits** for **low-income workers**, expanding to include features such as **bill payments** and **phone card purchases**, and other types of services to help users build **a better financial foundation**, and access **more convenient and more effective spending**.
- Vui App also wants to **increase people's understanding of financial issues**. The app will include a feature which provides articles for users to **better understand how to manage finances**.
- Vui App is looking to expand its outreach to **larger enterprises** in the **manufacturing** sector, with a focus on garment, shoes, electronics and wood manufacturing.

### References

- Vui App (2023). Vui App
- Vui App (2023): Financial Inclusion Best Practice in Southeast Asia: How Earned Wage Access is Improving Employee Financial Wellbeing in Vietnam
- Tech in Asia (2021). Vietnamese flexible payroll app secures \$3m in seed funding
- Tech in Asia (2022). Ex-Uber Vietnam exec's flexible wage firm raises \$6.4m
- TechCrunch (2021). Vietnamese flexible pay startup Nano raises \$3M seed round
- GENK (2022). Vui App: Application that solves the "pain" of workers' salaries
- Openspace (2022). Nano bags pre-Series A funding from Openspace



Photo provided by Vui App

# 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](http://www.ciip.com.sg) or contact [info@ciip.com.sg](mailto:info@ciip.com.sg).

