

NGERN TID LOR: BUILDING A SUCCESSFUL TITLE LOAN BUSINESS BASED ON 'EMPATHETIC LENDING'

SCALING IMPACT IN ASIA:
ACHIEVING PURPOSE AND PROFIT



Photo provided by Ngerm Tid Lor.

INTRODUCTION

This case study was developed in conjunction with the report “Scaling Impact in Asia: Achieving Purpose and Profit”. It is part of a collection of stories that aims to illuminate and provide insights into the impact journey of investors and businesses in Asia.

The report and case studies are jointly developed by the Centre for Impact Investing and Practices (CIIP), Singapore Management University (SMU), and Accenture. In producing this study, our aim is to inspire and encourage more to make every dollar invested in Asia deliver positive, measurable impact. Through these in-depth case studies, we hope to extend the scope of existing research in Asia by providing tangible, real life examples from practitioners on the ground.

As part of our efforts to broaden the impact universe, we sought to speak with and showcase a range of organisations, from traditional impact investors and companies,

to those who are not typically recognised as agents of impact. These diverse types of organisations are reflective of the broad commercial landscape within which the private sector operates, and we hope they serve as relatable examples for readers on various parts of the impact journey.

The rich and nuanced story told in the ensuing pages is the product of several deep conversations with leaders of the organisation(s) featured. We dug deep into how decisions are made, probed at dilemmas faced, dissected challenges and setbacks, and identified key actions that maximise impact. Thank you to those who participated for your time, insights, candid responses, and above all, your willingness to share about your journey, so that others may learn and be inspired.

You can find our report “Scaling Impact in Asia: Achieving Purpose and Profit” [here](#).



NGERN TID LOR

HEADQUARTERS

Thailand

GEOGRAPHY FOCUS

Thailand

SECTOR

Consumer Credit

FOUNDING YEAR

1980

LISTING DATE

10 May 2021

MISSION

To make fund sourcing faster, simpler, transparent, and more approachable

GROWTH MILESTONES

1980:

Established as Srisawad Phetchabun Company Limited

2007:

Acquired by AIG

2009:

Acquired by Bank of Ayudhya

2015:

Business renamed to Ngern Tid Lor Company Limited, and obtained nano finance license

2019:

Bank of Ayudhya sells 50% stake to Siam Asia Credit Access Pte Ltd; CVC Capital Partners Asia Fund (CVC) and Equity Partners Limited (EPL) become strategic shareholders

2021:

US\$1B IPO

2022:

Lending portfolio hits US\$2B

ADDRESSING FINANCIAL INCLUSION IN SOUTHEAST ASIA

HIGH RELIANCE ON INFORMAL LENDING IN THAILAND: ECONOMIC AND SOCIAL CONSIDERATIONS

Across Southeast Asia, 60-70% of the region's adult population is either unbanked or underbanked.^{1,2} Broad swaths of people are unable to access traditional banking products that provide financial security and economic growth. These include bank accounts and credit facilities such as loans.

Access to capital is vital for businesses, yet obtaining credit remains an impediment for the majority of micro, small, and medium enterprises (MSMEs) in Southeast Asia. A 2021 survey from the Tech for Good Institute (TFGI) noted that 60% of MSMEs, which represent a majority of the workforce in the region, were rejected for financing loans from traditional financial institutions.³ MSMEs play a vital role in local economies and their inability to secure loans represents a barrier to national economic growth and development.

There are several reasons why an individual or MSME may be excluded from the traditional financial system. It is common for rejections to be made based on insufficient or inconsistent income and a lack of formal credit or institutional relationship history. This is especially prevalent in Southeast Asia where nearly 70% of workers have informal jobs.⁴ Often, these individuals do not have bank accounts, lack salary slips as proof of income, and deal primarily in cash. This

makes it challenging to build credit history. As a result, many turn to informal sources of capital to make ends meet.

In Thailand, as many as 70% of Thai adults rely on informal lending.² This is driven by several factors. Firstly, low incomes and low levels of fiscal prudence prevent many Thais from building a savings buffer. 75% of Thai households fall below the average monthly income of 27,000THB (US\$760) while many Thai adults have a lower precautionary saving score than other developing nations.⁵ This can leave them exposed to unforeseen expenses such as a medical treatment or automobile repair. Secondly, Thailand has a high population of informal workers, such as taxi drivers or food stall operators, who often need to borrow to finance their occupations. Finally, COVID-19 caused wages to stagnate while expenses rose, driven by a cost-of-living increase. As a result, Thailand's household debt has grown to one of the highest in Asia. In 2022, it surged to 89% of Thailand's Gross Domestic Product (GDP), a 16-year high.^{6,7}

The University of the Thai Chamber of Commerce (UTCC) shared that as much as 41% of household debt in Thailand was "underground debt" borrowed from loan sharks.⁶ Loan sharks in Thailand are known for their unscrupulous business practices. Customers experience exorbitant interest rates, sometimes reaching as high as 1,095% per year, and are given low loan-to-value collateral rates.⁸ In addition, employees of loan sharks typically earn less than Thailand's minimum wage, encouraging them to overcharge customers to make their own ends meet.

¹ World Economic Forum (2022). [How to close Southeast Asia's financial inclusion gap](#)

² The Business Times (2019). [A panacea for the unbanked in S-E Asia](#)

³ Tech for Good Institute (2022). [Realizing the Potential of Over 71 Million MSMEs in Southeast Asia](#)

⁴ Reuters (2021). [Asia's informal workers risk losing out in green economy push, officials warn](#)

⁵ The World Scientific (2022). [Household Economic Prudence in Thailand](#)

⁶ The ASEAN Post (2022). [Loan Sharks Preying on Virus-Hit Thais?](#)

⁷ Bangkok Post (2022). [Thai household debt surges, reaching a 16-year climax](#)

⁸ Bangkok Post (2012). [Loan sharks charging up to 1,095%](#)

Perhaps the most significant systemic concern in Thailand regarding high levels of debt is a low level of financial literacy. Whilst financial knowledge scores – as measured by the Bank of Thailand and National Statistical office – have improved from 2016 to 2020, Thais still scored 10% below the Organisation for Economic Co-operation and Development (OECD) average.^{9,10} A lack of financial literacy can lead to significant negative effects, such as the inability to adequately comprehend the implications and long-term consequences of short-term borrowing decisions.¹¹ For example, borrowers may not be able to adequately assess their debt repayment capacity, leading to a vicious debt trap and rollover where they assume additional loans to repay their original debts.¹² These social and systemic factors make financial stability difficult for many in Thailand to achieve.

TITLE LENDING IN THAILAND

Commonly known as “Car4Cash”, auto title loans were formally recognised and regulated by the Bank of Thailand (BOT) in 2019. It required that lenders who provide vehicle-secured loans to consumers must obtain a Personal Loan license from the Ministry of Finance and subsequently comply with obligations issued by the BOT.¹³ Prior to the regulation, borrowers were required to turn over possession of their vehicles as security. Because such measures deprived borrowers of their vehicles’ utility, this exacerbated reliance on informal lending, such as through

loan sharks. With these new regulations in effect, borrowers can retain possession of their vehicles for productive use whilst exchanging the vehicle titles for loans.

This is significant because despite receiving low and irregular incomes, many Thais own cars or motorcycles. There are approximately 40 million registered vehicles in Thailand’s population of 67 million.¹⁴ For many of the unbanked and underbanked, these vehicles can now be used to collateralise microfinancing loans in the absence of formal credit history and regular income. Additionally, as the title lending industry grows, demand accelerates as customers use lower interest title loans to transition out of loan shark debt.

NGERN TID LOR: A VEHICLE TITLE LOAN PROVIDER’S JOURNEY TOWARDS IMPACT

Ngern Tid Lor (NTL) is a Thai title lending company and insurance broker that has been operating for more than three decades. The current Managing Director Piyasak Ukritnukun first engaged with NTL in 2006, when he was an external consultant assisting with its acquisition by AIG. Subsequently, as part of NTL’s sale to the Bank of Ayudhya (Krungsri) in 2009, Ukritnukun was brought in as Chief Marketing Officer. At the time, Krungsri was seeking to bolster its capability in the largely underserved consumer credit segment in Thailand. As Ukritnukun describes, this was “an attractive business opportunity”.

⁹ Archyde (2021). [Thai people have improved their level of financial skills](#)

¹⁰ OECD (2020). [OECD/INFE 2020 International Survey of Adult Financial Literacy](#)

¹¹ Journal of Financial Counseling and Planning, Volume 30, Number 1 (2019). [Financial Education and Financial Literacy by Income and Education Groups](#)

¹² Retail Banker International (2018). [How a Thai company is helping the poor escape loan shark trap](#)

¹³ Bank of Thailand (2020). [Ministry of Finance Notification Re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58 \(Personal Loan Under Supervision\)](#)

¹⁴ Tidlor (2022). [Strengths and Growth Directions of Ngern Tid Lor](#)



Photo provided by Ngern Tid Lor.



“NTL was built to provide credit to people who are unable to get loans from banks.”

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

THE ATTRACTION OF THE MICROFINANCE BUSINESS

Given the challenges with informal lending, providing title loans to the unbanked and underbanked segment in Thailand is a commercially attractive opportunity. First, there is significant **consumer demand** and potential for growth. The overall Thai microfinance market was nearly US\$5.4 billion in 2021,

while the auto title loan market, a form of microfinance, is currently worth US\$4 billion.^{15,16} Analysts estimate that the auto loan title market will experience a yearly growth of between 15 to 20% from 2021 to 2024.¹⁶ The US\$27 billion in current unofficial household debt is an attractive opportunity for microfinanciers who provide formalised lending.¹⁵ Research by the Asian Development Bank in 2019 estimates that closing the financial inclusion gap in Thailand could increase its GDP by 9 to 14%.¹⁷

Second, **market interest rates** are attractive in the title loan business. For years, the rate cap on title loans in Thailand was 28%, but this was recently reduced to 24% to provide relief during the COVID-19 pandemic. Market rates are set for higher borrower risk levels, as the individuals may not have formal credit or reliable incomes. Over time, impact-focused lenders can continue to reduce rates, enabled by economies of scale.

¹⁵ Bloomberg (2021). [Tech-Fueled Microlenders Replace Loan Sharks as Thai Borrowing Swells](#)

¹⁶ Finansia (2021). [Equity Research Report: Saksiam Leasing](#)

¹⁷ The Business Times (2019). [A panacea for the unbanked in S-E Asia](#)

Third, competitors in the microfinance industry are **informal and fragmented**. Elevated risk levels and small loan amounts prevent traditional institutions from competing in the microfinance market, leaving non-bank financial institutions and loan sharks to capture an estimated 80% market share. A lender with scale, an appetite to lend to the higher risk segment, and a willingness to engage in small transactions could capture market share, while introducing responsible lending practices.

Finally, the Thai government seeks to reduce the proliferation of loan sharks by creating **government initiatives** to draw the unbanked and underbanked population into the legal non-bank financial system. To do this, the Bank of Thailand introduced standards to encourage Thai banks to adopt holistic debt resolution mechanisms, to promote financial literacy amongst the banks' client base, and to increase the scope of non-bank products and services. This provides a platform for legal, non-bank financial institutions, such as NTL, to capture additional market share.

NTL'S CORE PRINCIPLES: COMBINING PROFIT WITH IMPACT

As part of the team performing acquisition due diligence for the Bank of Ayudhya, Ukritnukun quickly learned about the state of systematised predatory lending in Thailand. His "eyes were opened" to the plight of the unbanked and underbanked and he realised that, beyond commercial returns, improving

customer experience could drive an outside impact on borrowers' lives.

Ukritnukun played a key role in transforming NTL since he joined in 2009 and subsequently when he became Managing Director in 2013. He embarked on a journey to apply professional operating standards to the business, building a management team with experience working in multinational corporations. He took a more commercial lens to risk management, assuming there would be a small number of defaults and planned for them. He also expanded the customer base by engaging with a network of bank partners across Thailand.¹⁸

In addition to driving commercial profit, Ukritnukun's exposure to the informal lending industry through the due diligence process of Bank of Ayudhya's acquisition of NTL in 2009, motivated him to provide accessible, fair, transparent, and responsible financing as an alternative to predatory loan sharks. Over the past 13 years, Ukritnukun developed and grew NTL's impact mission based on three core principles.

PRINCIPLE 1: DO NO HARM

To transform an industry with rampant predatory practices to one with responsible lending at its core, Ukritnukun's foundational principle was to **do no harm**. To achieve this, the NTL team developed lending practices that were focused on delivering positive impact to its borrowers, while capitalising on the commercial opportunity present in providing loans.

¹⁸ Tidlor (2022). [Strengths and Growth Directions of Ngern Tid Lor](#)

This includes:

- (1) Providing **fair and honest valuations** for collateral even as others in the market provide much lower estimates
- (2) Lending at **transparent, reasonable rates** that are openly shared online, which are almost always lower than market rates
- (3) Allowing for **semi-flexible repayment** timelines, where late fees for delinquent customers are often waived for the first 30 days, compared to other lenders who immediately impose late fees or trigger vehicle repossession
- (4) Providing **clear loan documentation** such as loan agreements and payment receipts to enable customers to build up credit history, which are not typically offered by informal loan providers
- (5) Introducing **controls and intentional friction** to reduce the risk of borrower indebtedness. For example, a borrower with an active credit line is limited to withdrawing cash through ATMs, rather than using their card to make purchases directly

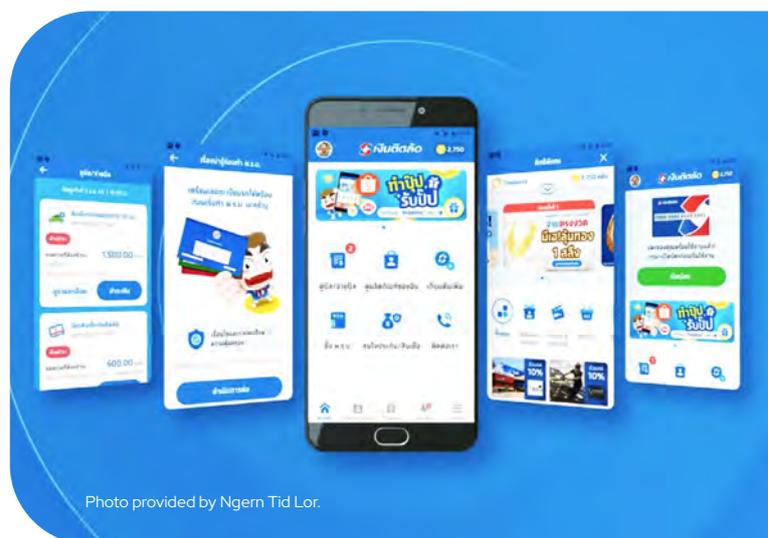


Photo provided by Ngern Tid Lor.

PRINCIPLE 2: ACCESSIBILITY

In many cases, the individual customer's need for funding is urgent. Hence, NTL's second principle is **accessibility**. Convenient locations as well as rapid processing times, are important determinants for customers when choosing between borrowing from NTL or another lender. "[The] branch staff have to approve quickly because [they are] competing against loan sharks," explains Ukritnukun.

In pursuit of greater accessibility, NTL grew its location footprint from 130 in 2007 to almost 1,500 locations today, providing coverage across 74 of Thailand's 77 provinces. Its branch network covers all Tier-2 provinces and has also extended to include smaller districts and sub-districts. It has also made major investments in digital infrastructure to improve customer engagement and reduce costs to serve. For example, investments in a front office chat bot and mobile applications have enhanced client experience and employee workflow. NTL was also able to cut its auto loan service approval time from two hours to just 30 minutes.

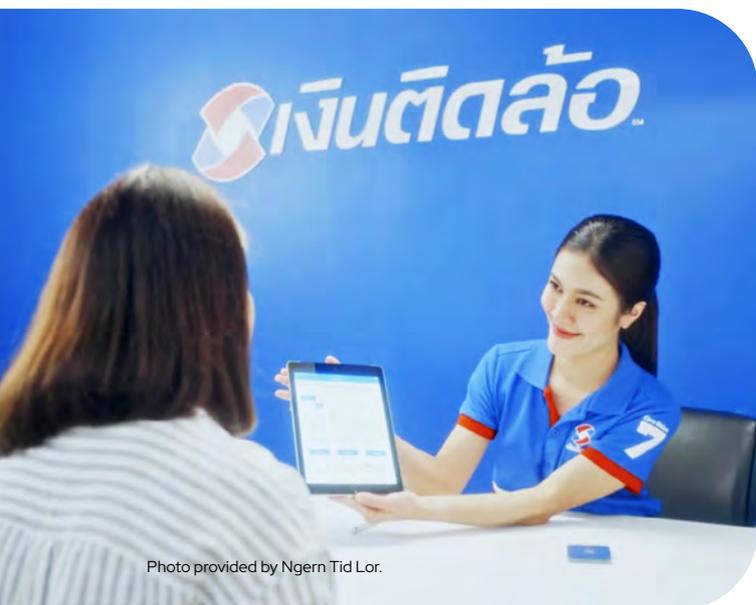


Photo provided by Ngern Tid Lor.

PRINCIPLE 3: EMPATHY

NTL's third key principle to integrating impact is **empathy**. A key element in cultivating empathy is through differentiated engagement. Understanding and compassion for customers' situations are two key tenets that guide NTL's campaigns and engagement with customers. For example, NTL's call centre employees first focus on the customer's wellbeing rather than demanding payment upfront. While this may or may not result in payment exceptions or late fee waivers, it is indicative of NTL's intention to lead with empathy. Moreover, NTL's Executive Committee itself listens to customer complaints to their call centre on a quarterly basis. This enables company leaders to listen to their customers' pain points directly, and better understand the position of their borrowers.

The company's ethos is apparent in the service it provides to their customers. While

other lenders may impose loan prepayment penalties, NTL encourages its customers to prepay without incurring any fees. This is particularly helpful for the self-employed who may have uneven cash flows. Further, NTL selectively provides debt relief to borrowers who have demonstrated an intention to pay but are unable to due to unforeseen circumstances.

Empathy is also a key component of NTL's communications strategy with its customers. NTL uses public communications to drive customer education, conveying its understanding of and compassion for customers' situations and commitment to closing the gap in their financial literacy. NTL relies on humour to ensure that its brand positioning is informal, down-to-earth, and relatable. As Ukritnukun describes, NTL's conveys a vital message to their customers: **"we hope one day you will not need to come back"**, signifying their aspiration for customers to be free from financial burdens.

During the COVID-19 pandemic, when many lending sources dried up due to health, social, and economic uncertainty, NTL continued to support the vulnerable self-employed segment. In addition to lending, it provided generous debtor leave by waiving accrued interest and fees as part of a debt relief programme. NTL sought to maximise the impact and community support by proactively engaging customers to offer assistance. NTL was the only lender in Thailand to waive fees and interest in this way. NTL also provided resources in support of COVID-19 government initiatives. NTL trained its branch staff to engage digitally illiterate rural customers to register for government subsidy programmes that were only accessible online.



"Our mission statement corporate advertisement communicates to customers our intent: We never want them to come back."

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

EMBEDDING IMPACT INTO THE FABRIC OF NTL

For Ukritnukun, the key to successfully delivering impact as a business is by integrating it fully into corporate culture. As a leader, he believes that a shared mission and belief “will help unlock the full potential of our people at NTL.” Over the years, NTL’s leadership has sought to embed intentionality, and let its mission permeate through the entire organisation.

For example, for years, NTL’s employees were primarily focused on the core functional components of the job. However, for Ukritnukun, it was important that NTL’s employees truly grasped the value of its products for the vulnerable in the community they served.

He cultivated this sense of purpose by sharing with his staff monthly testimonials from real clients. These include stories of how NTL’s products helped self-employed customers ease financial burdens such as losses of

income and financial hardship during the COVID-19 pandemic. Ukritnukun states that “employees who have been with us for many years tell me they used to come to work for a paycheque, but after seeing these testimonials, they now feel a sense of pride in our common mission.”

This sense of mission also extends to NTL’s recruitment process, which evaluates candidates for empathy and prioritises those with direct and indirect exposure to predatory lenders. This gives them the ability to authentically understand the fear of their clients and the dangers they work to prevent.

Although NTL started with commercial motivations, and remains focused on business growth, it has made great strides towards directly embedding impact in its strategy and culture. **Ukritnukun sees NTL’s impact intention as its biggest differentiator.** With focus on its impact mission, NTL has seen an increase in employee fulfilment and customer loyalty across the years, as evidenced by strong positive sentiment on social media.



“Employees who have been with us for many years tell me they used to come to work for a paycheque, but after seeing these testimonials, they now feel a sense of pride in our common mission.”

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

SCALING IMPACT CREATION

GOING BEYOND RESPONSIBLE LENDING

NTL soon realised that despite the responsible lending procedures they had in place, customers continued to experience financial disruptions. By engaging with customers directly, it identified two primary opportunities to deliver a broader impact to customers.

First, in speaking with customers, it became apparent that many had low levels of financial literacy and discipline. For example, customers would often borrow beyond their means or make poor personal financial decisions, such as borrowing to finance the purchases of luxury goods or other discretionary purchases. This prompted NTL to develop several initiatives to **educate and equip their customers and the**



Photo provided by Ngern, Tid Lor.

broader Thai community with better informed financial know-how.

For example, NTL partnered with local university professors to develop a financial literacy programme, which is freely available to all customers. To extend the programme's reach, NTL encouraged its employees to introduce the programme to their hometown communities. In addition, NTL sponsored the translation of two books, *Poor Economics* and *The Poor and their Money* from English. After translating them to Thai, NTL distributed them to online influencers who then went to create their own infographics and helped them publicise the translations. NTL is also working on using common language contracts to improve borrowers' understanding of loan conditions and transparency.

NTL also runs public educational communication campaigns. One example was a campaign to educate people on the dangers of loan sharks and how over-spending can lead to excessive borrowing and ruined lives. This campaign aimed to reduce customers' dependence on loan sharks and boost their financial literacy. This public education campaign from 2019, which went viral in Thailand, amply demonstrates NTL's commitment to financial education through humour and entertainment.

Second, NTL discovered that the most common reason for missing loan payments was unexpected expenses arising from vehicle accidents. To drive increased financial inclusion,

safeguard customers' repayment capacity, and protect them from these unexpected costs, NTL began offering personal accident insurance in 2018. This is significant as customers' vehicles often support their livelihoods. Given that most customers were unfamiliar with the mechanics of insurance, and typically could not afford the premiums, basic insurance was provided for free to motorcycle title loan customers. In the event of fatal accidents or permanent injury, this free accident insurance given to motorcycle customers closes the loan balance and provides a sum of money for surviving family members. NTL also offers car insurance policies in 10-month instalment plans. It charges 0% interest and absorbs all financing and risk costs.



“The reason NTL started offering insurance products was to lower the risk for its customers, while the additional income is just a bonus.”

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

Although the pursuit of additional profit was not its original focus, the insurance programme soon began to pay for itself. The complimentary insurance policies regularly prompted conversations on the benefits of insurance, leading to purchases of additional coverage for 30 to 40% of NTL's customers. As Ukritnukun shares, "the reason NTL started offering insurance products was to lower the risk for its customers, while the additional income is just a bonus."

CREATING IMPACT IN TANDEM WITH FINANCIAL SUCCESS

To date, impact initiatives and commercial returns have progressed hand-in-hand for NTL. NTL has grown its loan portfolio from US\$50 million in 2009 to over US\$2 billion in 2022.



"The strategy then and now remains the same; the more we scale, the more we reduce our cost to serve, so that we can include more people."

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

Despite only launching its insurance brokerage in 2018, it has grown to become the #2 insurance broker and largest face-to-face insurance distributor in Thailand, selling US\$150 million in premiums in 2021. This strong growth is set to continue in 2022, with loan growth targeted at 20-25%, and accident insurance expected to grow between 30-35%.¹⁹ When Ukritnukun first joined NTL, its loan portfolio yield was double what it is today. As he describes, "The strategy then and now remains the same; the more we scale, the more we reduce our cost to serve, so that we can include more people."

NTL also listed on the Stock Exchange of Thailand (SET) in May 2021 as the largest ever IPO in the Finance and Securities Sector. Its total offering size was US\$1 billion and market capitalisation was US\$3.2 billion.²⁰ This was a public vote of investor confidence in NTL's strong fundamentals and sustainable commercial growth. Despite 80% of its loan portfolio coming from the riskier unbanked and underbanked segment, its non-performing loan ratio remained at only 1.7% between 2018 to 2020.

Following its listing on the SET, NTL is determined to stay true to its mission of providing accessible, transparent, and responsible financing for Thais, whilst continuing to deliver strong commercial growth for shareholders. Ukritnukun shares, "we believe that helping customers and making a profit go hand-in-hand."

¹⁹ Tidlor (2022). "Ngern Tid Lor" unveils Q2/2022 new high returns and net profit, affirming strong growth contributed by vehicle title loans and insurance brokerage agent business

²⁰ CVC (2021). Ngern Tid Lor debuts TIDLOR shares in the SET



Ngern Tid Lor Helps Fix Bad Credit Score and Build Good Credit To Create a Sustainable Financial Life.

Photo provided by Ngern Tid Lor.

เจอนโซ - สำหรับสินเชื่อทะเบียนรถเก่า-กระบะ พร้อมบัตรดีดีดีดี กรณีไม่ต้องใช้ผู้ค้ำประกัน และสำหรับกรณีเครดิตไม่ดี คุยกันได้ ขอสงวนสิทธิ์เฉพาะลูกค้าที่วงเงินอนุมัติไม่เกิน 350,000 บาท และพักอาศัยตามที่อยู่ปัจจุบันตั้งแต่ 1 ปีขึ้นไป และถือครองกรรมสิทธิ์รถตั้งแต่ 30 วันขึ้นไป - รับเฉพาะรถเก่าและกระบะที่มีอายุรถไม่เกิน 18 ปี (นับจากปีที่ผลิต) และยี่ห้อรถที่กำหนด - การอนุมัติสินเชื่อ พิจารณาจากชื่อ รุน ปีที่ผลิตของรถ รวมทั้งรายได้และคุณสมบัติของผู้ขอสินเชื่อโดยเป็นไปตามเงื่อนไขที่บริษัทฯ กำหนด

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“Everybody has the right to fair, transparent, responsible financial products and services. [At NTL], that is our North Star.”

**PIYASAK UKRITNUKUN,
MANAGING DIRECTOR,
NGERN TID LOR**

DEVELOPING THE BROADER MICROFINANCE ECOSYSTEM IN THAILAND

With impact firmly embedded in the fabric of NTL’s culture and management decision-making process, Ukritnukun has not seen the need to prioritise efforts to put in place internal impact management and measurement systems. Instead, Ukritnukun has become an agent of change for Thailand’s broader non-bank lending industry. He aims to enshrine NTL’s do no harm principles in law by “stopping the predatory lending practices that have become systematised.” To this end, Ukritnukun engages Thai regulators to push for responsible lending and consumer protection measures such as requiring licenses for lenders, setting

fair interest rate caps, and lobbying for compulsory loan data to be provided to the centralised National Credit Bureau (NCB).

Currently, save for voluntary members of the NCB, organisations are not legally required to conduct credit checks prior to providing a loan, nor are they required to furnish customers' loan details to the NCB. As this is not a requirement for non-members of the NCB, it is often not done. This prevents consumers taking micro-loans from building formal credit by taking and repaying loans with non-NCB members. From an impact management perspective, it also means that lenders are not able to perform robust credit checks on potential customers, and avoid situations where a customer becomes overbanked. NTL has recently launched an [advertisement](#) to educate the broader Thai community on the merits of the NCB, showing how even Thais with poor credit histories can rectify and rebuild their credit score.

Ukritnukun is also the President and Founder of the Vehicle Title Loan Trade Association, a trade association for car title loan businesses. The association aims to promote transparency of information between auto title loan businesses and government agencies, develop and institute industry standards for auto title loans businesses, engage in industry research and knowledge-sharing, and support community activities and initiatives. Ukritnukun hopes to shape the Thai vehicle title loan industry to raise lending standards and practices and to protect customers.

LOOKING TO THE FUTURE

Going forward, NTL plans to drive continued commercial momentum through improved digital offerings and new market expansion, while continuing to push for increased regulatory protections for consumers.

INCREASING DIGITALISATION TO SCALE IMPACT AND BUSINESS

Digitalisation will be a key driver for improving operational efficiencies and processing speed, important components in scaling NTL's reach and impact. Through digitalisation, it plans to:

- 1) **Improve customer accessibility** through digital communication and increased credit accessibility. This drives loyalty, deepens product usage, and broadens potential for customer acquisition. For example, all NTL branches offer complimentary Wi-Fi to reduce costs and friction for customers to download the NTL app.
- 2) **Reduce the cost to serve** by streamlining corporate operations, such as through digital lending infrastructure and data collection. This widens profit margins, enabling reinvestment in NTL's lending portfolio through either reduced rates or acceptance of a higher risk profile. With over 50% of the 1 million app users making repayments via digital channels, it has also enabled NTL to optimise its staffing in each branch, avail more resources to expand their branches across deeper rural areas where traffic is lower, and improve coverage and service accessibility for the underserved.

- 3) **Deliver financial education at scale** to increase customers' financial literacy. Financial education modules are delivered conveniently through the NTL app
- 4) **Improve targeted sales.** Free Wi-Fi and dedicated branch social media accounts (e.g., Facebook, LINE) are used to drive localised social marketing and sales.
- 5) **Improve employee engagement and feedback** through digital channels, which remains key in cultivating a consistent, mission-focused corporate culture

Given that Thailand's Internet and mobile phone penetration were 79% and 76% in 2021 and are projected to reach 83% and 82% by 2024 respectively, NTL anticipates that consumers will continue to be receptive to engage with NTL via digital channels.^{21,22}

CHAMPIONING FINANCIAL INCLUSION IN THAILAND AND BEYOND

In a digital, post-COVID-19 world, the importance of financial inclusion to basic human dignity and progress has become indisputable. It is an enabler to 7 of the 17 Sustainable Development Goals, influencing everything from No Poverty (SDG 1) to Reduced Inequality (SDG 10) and beyond. Financial inclusion facilitates daily life and enables people to plan for the long-term.

NTL seeks to push for greater financial inclusion by replicating its responsible business model in other markets. Vietnam and the Philippines are attractive options,

with high levels of unbanked or underbanked populations: 69% (second highest in the world) and 66% (fourth highest in the world), respectively. In these countries, the formal financial sector for low-income consumers is underdeveloped and poorly regulated, creating a commercially-to provide low-income clients with traditional banking products.^{23,24} NTL also plans to provide additional value-added services, such as financial literacy programmes and complimentary insurance to the underbanked in these markets.

NTL stands as an example of a business that has successfully incorporated a responsible, impact-intentioned purpose into its core mission. Through NTL's provision of financial services to the unbanked and underbanked populations, as well as its active push for regulatory change, it seeks to provide all people with access to fair and transparent financial products.



Photo provided by Ngeri Tid Lor.

²¹ Statista (2021). [Internet user penetration in Thailand from 2017 to 2020 with a forecast through 2026](#)

²² Statista (2021). [Mobile phone internet user penetration in Thailand from 2017-2020 with a forecast through 2026](#)

²³ Vietnam Investment Review (2021). [Vietnam among top 10 unbanked nations in the world](#)

²⁴ Statista (2022). [Share of the population without access to the services of banks or similar organizations worldwide in 2021, by country](#)



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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.

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The Sim Kee Boon Institute for Financial Economics (SKBI) at Singapore Management University (SMU) is the premier Asian institute for applied financial economics research and training. This is done through multidisciplinary collaborations involving research talent from the SMU community, around the world as well as industry. The institute’s focus is in the area of financial education and inclusion, sustainable finance, financial technology, and macro markets.

Besides conducting fundamental and applied research which aims at solving real-world issues, SKBI also actively engages in outreach, executive training and research dissemination through organising courses, seminars and conferences. Our purpose-oriented activities are designed to bridge the gap between theory and practice, and to act as accelerators with regard to financial policies and regulations. To maintain our relevance to finance practitioners and policy-makers, SKBI adopts a view on Asian and global economic trends.

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