



Case Study

IFIC Bank brings more people to banking in Bangladesh with new digital services

To help more people achieve their financial goals, IFIC Bank has developed new digital services targeted at unbanked and underbanked communities.



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Fusion Digital Channels is helping us to play a key role in supporting financial inclusion and the economic development of Bangladesh by enabling more people to manage their money safely, securely and conveniently.

Shah Sarwar
Managing Director and CEO, IFIC Bank

About IFIC Bank



> 290M USD total equity



800,000+ customers



183 business centres



ificbank.com.bd

Finastra solutions



Fusion Equation



Fusion Trade Innovation



Fusion Digital Channels



Fusion Corporate Channels

The Challenge

Increasing financial inclusion

A large proportion of adults in Bangladesh remain unbanked and IFIC Bank is committed to helping more people access vital financial services.

More than half of the adult population of Bangladesh don't have personal bank accounts.¹ Without access to these crucial services, individuals struggle to build a stable financial future, which in turn slows down overall economic development in the nation.

In recent years, banks in Bangladesh have renewed their efforts to increase financial inclusion. As IFIC Bank recognizes, supporting underserved communities presents an opportunity to expand into new markets and forge valuable new customer relationships.

Shah Sarwar, Managing Director and CEO of IFIC Bank, explains: "We're committed to helping people across Bangladesh access the key financial services they need to reach their personal goals such as buying their first home or starting their own business —and we've adapted our business model to help in this effort."

Historically, 90 percent of IFIC Bank's business came from its corporate operations. Today, the bank is actively looking to enhance and expand its retail banking services, with a focus on small and medium-sized enterprises (SMEs) by providing them affordable access to capital to help create new jobs and higher tax revenues, which help to develop underbanked communities.

Shah Sarwar continues: "The retail banking market in Bangladesh is full of opportunity and we're evolving our position as a customer-centric bank so that we can deliver innovative products that make it easy for people to bank how, when and where they want."

Recently, mobile devices have played a pivotal role in democratizing access to financial products and services. In fact, approximately 10 billion Bangladeshi taka are transacted daily through digital channels.²

"We know that technology will be a key enabler of helping us reach a new customer base," adds Shah Sarwar. "Because of this, we are investing heavily in new systems and digital channels that allow us to bring differentiated banking services to market rapidly and cost-effectively."

Source:

- https://globalfindex.worldbank.org/sites/globalfindex/files/chapters/2017%20Findex%20full%20report_chapter2.pdf
- <https://thefinancialexpress.com.bd/views/bringing-unbanked-poor-under-financial-services-1579104999>

³ **FINASTRA** IFIC Bank brings more people to banking in Bangladesh with new digital services

More than

half of the adult population of Bangladesh don't have personal bank accounts

10 billion

Bangladeshi taka are transacted daily through digital channels



Find out more

The Solution

Embracing digital banking

To drive innovation, IFIC Bank selected Fusion Equation and Fusion Digital Channels from Finastra—giving the bank the platform required to develop a new range of digital banking services.

To develop cutting-edge services for underserved communities, IFIC Bank selected Fusion Equation and Fusion Digital Channels. Having relied on Fusion Equation to support their core banking operations for over a decade, IFIC Bank has seen a reduction by 30% in their end-of-day processing, helping to open branches quicker.

Shah Sarwar comments “Having leveraged Fusion Equation for over a decade, when we were looking for a solution that would help us to build innovative services, we knew that Fusion Digital Channels could deliver the flexibility, reliability and rich functionality we needed.”

With Fusion Equation already underpinning the bank’s main activities, IFIC Bank was able to integrate Fusion Digital Channels with its existing solutions quickly and easily.

“With Fusion Digital Channels in place, we began developing new value-adding services,” continues Shah Sarwar. “Helping unbanked individuals gain access to financial services was a top priority for both IFIC and Finastra, so together we immediately started work on developing [IFIC Amar account](#).”

Aimed at individuals with no existing bank accounts or access to financial services, the IFIC Bank offering enables customers to open an account with a minimum deposit of 10 taka, and manage their finances via mobile devices.

While most digital banking offerings currently on the market focus predominantly on mobile money transfer, IFIC Bank has set its sights much higher. With Finastra, the bank can support capabilities including online savings and small loans—providing a valuable source of competitive differentiation to capture customer attention.

Customers get interest from their deposit balance daily and can enjoy loan facility whenever they require with almost 50% reduced rate of interest than a credit card.

To support its trade finance operations, IFIC Bank has also been leveraging Fusion Trade Innovation for over a decade and has recently digitized its offerings with a new digital portal through Fusion Corporate Channels from Finastra. This will enable IFIC Bank’s corporate customers to access the digital service at their convenience and gain a 360 degree view of their transactions.

“Online digital banking services will not only be more convenient for our corporate customers, they will help businesses in Bangladesh to transact more quickly—powering economic development”.

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Shah Sarwar
Managing Director and CEO,
IFIC Bank

The Result

Reaching more customers

By giving underserved communities quick, convenient access to banking services, IFIC Bank is helping people across Bangladesh better manage their finances.

Since launch, IFIC Bank has onboarded on average 3,000 new customers each month to the Amar account as well as seen an increase in its deposit base, creating a tremendous market impact. As of 31 December 2019, the total balance of Amar account stood at BDT 3,236.14 crore with a total of 131,741 accounts. The digital offering has significantly increased IFIC Bank's market share while contributing positively to the economic development of Bangladesh.

While impressed with these initial results, IFIC Bank is confident that the newly launched local-language version of the digital banking service will attract even more people to its banking products.

As well as supporting the underbanked population of Bangladesh, IFIC Bank is working to help unbanked and newly banked individuals sharpen their financial acumen. Since 2014, the bank has been engaged in a school banking program, helping to create 12,810 school banking accounts as of December 2019. IFIC Bank has also organized a training program on 'Implementation of Sustainable Development Goals (SDG) and Financial Literacy for the youth' for University students with the aim of educating the youth regarding the basics of the banking sector and financial literacy.

"Just as Finastra does globally, we're working with local communities to provide financial literacy classes in historically underserved areas of Bangladesh," adds Shah Sarwar. "Offering these key skills helps people to better understand how they can save money, plan for their future and achieve their personal financial goals."

He concludes: "Fusion Digital Channels is helping us to play a key role in supporting the economic development of Bangladesh by enabling more people to manage their money safely, securely and conveniently. We look forward to working with Finastra and their CSR programs in financial inclusion as we continue on this journey to connect more people with our innovative banking services."

Supporting the community



30% reduction in end-of-day processing, helping to open branches quicker



Onboarding 3,000 new customers each month to Amar account



Created +12,000 school banking accounts through financial literacy program

[Find out more about Finastra's Financial Inclusion programs](#)



Contact us

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top100 banks. Our open architecture approach brings together a number of partners and innovators.

Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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