



FMO

Entrepreneurial
Development
Bank

FinTech Partnerships – FMO Case Study

Honduran bank uses **FinTech** to bolster competitiveness

“Banks are an endangered species. Only through partnerships with peers and mutual learning can we maintain our position in a fast-changing landscape.”

Cintha Bustillo Bernhard,
Research and Development
Manager, Banco Popular



First digital steps

Founded in 2008, Banco Popular stands out as the only specialized microfinance Bank in Honduras; serving both a rural and urban customer base in the country, they have gained international recognition for its forward thinking and agility in serving customers. With just 22 branches, the bank turned to fintech solutions to improve customer proximity in the most efficient way.

The bank took their first steps towards a digital transformation process in 2015 by establishing partnerships with multiple payment network providers to facilitate client operations throughout the country. Banco Popular has successfully managed to maintain more than 6,000 points of service through these alliances, but integrations on similar initiatives have taken more time than expected.

To tackle these issues and to boost new solutions and implementations, Banco Popular has teamed up with FinConecta, creator of an API platform to facilitate the integration of traditional financial institutions and their legacy banking systems with fintech solutions from providers around the world.

FinConecta’s 4wrd platform enables banks such as Popular to access a wide and expanding range of third-party banking applications through a subscription model. It also works with institutions to help them implement their digitalization strategies quickly using the applications best suited to their objectives. For this purpose, FinConecta has created a model oriented towards a global financial ecosystem, connecting fintechs and financial institutions amongst each other, promoting learning and sharing new technologies.



Fintech incubation

Using the API platform, Popular has already selected three different solutions, provided by fintechs from diverse countries in Latin America. Through one of these fintechs, the Bank has adopted a chatbot system that works with Facebook Messenger and offers clients a range of services, including a branch locator, as well as a pioneering online credit application that will allow clients to request and receive their credit under four hours. Future applications will offer full integration with the banking system for functions such as balance checking and current operations.

In addition, FinConecta assisted the bank to gain access to technology pioneered by Finnovation Labs, a fintech business incubator that is a spin-off from Banco Fihogar, a bank from the Dominican Republic, that will include Tailor as one of their first available solutions for other banks.

Through Tailor, a business process management package, Popular aims to speed up workflow within banking operations and reduce their costs, as well as facilitate secure internal administrative controls.



Regional partnerships

With banks of all sizes under pressure from customers and other stakeholders to embrace digital transformation and under threat from disruptive new providers from outside the traditional financial sector, Popular has found that a partnership-based approach involving fintech specialists and encompassing best-of-breed solutions can bolster its competitiveness as it adapts its processes and systems to the needs of the future.

The partnership with FinConecta provides Popular with the assurance that the technology matches its operational needs and offers seamless integration and rapid deployment with no requirement for extensive customization.

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To be a partner in the digital transformation of your institution, FMO has implemented a dedicated FinTech team.



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