

Financial Information and Networks Limited

Development Results Brief, September 2009

It is estimated that nearly 600 million rural poor in India are either not served or are underserved by the formal financial sector. The reasons are usually cost and reach, formidable barriers that today's technologies are starting to overcome.

IFC is a founding shareholder in Financial Information and Networks Limited ("FINO"), which enables Banks, Government and Financial Institutions to extend financial services to the unbanked population through innovative smart card based technologies and its extensive field agent network. By visiting a Bank Agent who has a FINO smart card reader, people can deposit or withdraw cash from the card. Ready access to banking helps the poor invest in themselves and make their way out of poverty.

FINO's technology also enables Banks to automate Government payments under the National Rural Employment Guarantee Act and helps insurance companies administer the Government's cash less health insurance program for people below the poverty line. Leveraging its technology, FINO also supports various Government Enterprises and Micro Finance Institutions in various inclusive growth programs. For instance, FINO enables the National Dairy Development Board in the distribution of payments to rural dairy farmers for their milk produce.

IFC invested US\$4 million in FINO in June 2007 and also provided US\$1 million in Advisory Services in to support the development of its technology platform and to extend FINO's outreach. IFC also extended its Financial Markets experience and relationships to FINO thus, helping the company forge relationships with various Banks and Financial Institutions. At the time of its investment in FINO, IFC expected that FINO would reach out to about 5.2 million end-users by March 31, 2009 and 13.5 million users by March 31, 2011.

FINO has already enrolled more than 7 million end-customers to date, contributing to a nation-wide outreach across 100 districts in 17 states. A majority of FINO's end-customers (more than 90%) are rural. FINO's reaches to these customers through 12 major Banks, 12 Micro Finance Institutions, 5 Government Enterprises and 1 private sector insurance agency. FINO also has substantially contributed to employment generation with more than 800 direct employees and 5,000 plus field agents, of which nearly 70% are women. IFC's advisory engagement with FINO has resulted in substantial capacity building through the advancement of FINO's technology platform, implementation of pilot projects with select clients, expansion of outreach to the North Eastern states and the organization of more than 19 conferences and workshops for promoting financial literacy.



By taking illiterate women's fingerprints, then converting them to secure identification on smart cards, IFC client FINO helps India's poor obtain health insurance and other essential financial services.



Enrolled on the FINO platform, a customer from Bhubaneswar in the Indian state of Orissa feels she has a new identity with the smartcard that gives her full control of her transactions.

"Rural outreach is integral to FINO's strategy. With long term financial support from IFC, we will be better equipped to become an independent technology vendor and encourage other banks and microfinance institutions to adopt our technology and reach underserved rural geographies."

Mr. Manish Khera, CEO, FINO