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Ubiquitous Identity Confirmation is a Key Enabler for Financial Inclusion





"I wouldn't call it identity theft, I just self-identify as other people."



Problem Statement

- Approximately half the world's population is currently "un-banked"
 - Maintain no bank account
 - Little or no access to credit
 - Credit you can obtain is fraught with unscrupulous providers
 - Meaning: Individuals have little or no opportunity to access the financial privileges available to others
- These populations leave little data for governments and NGOs to
 - Generate state revenue from commercial activity
 - Analyze and strategize on how to improve processes & lives
- No banking data means no visibility into nefarious activities
 - Money laundering
 - Organized crime
 - Financing of terrorism









Why Financial Inclusion Matters

eGovernment

- A means of creating efficiency
- A limiter to fraud, corruption and organized crime
- National Security
- Save government from financial waste & losses

Humanism

- Borrow from a financial institution
- Allows one to build a credit history
- Access to leveraged capital
- A foundation to better people's lives





Identity as a foundation for Transactions must be...

- Affordable
- Easy to Use
- Mobile
- Ubiquitous Connected & Everywhere







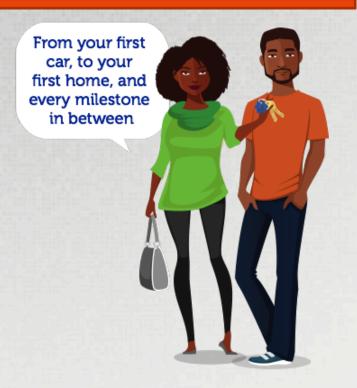


Financial Inclusion

- Opening a Bank Account
- Access to Capital (a mortgage)
- Consumer Loans/Credit Cards
- Small Business Lending
- SIM Card Registration

But also...

- Access to Financial & Social Benefits
 - Money, Housing, Healthcare





Two Types of Financial Inclusion

Public Sector: Government Programs



Private Sector: For profit banks and legitimate financial institutions





Two Case Studies

Mexico



• Indonesia



Mexico



The Secretariat of Social Development

- Government agency in charge of social development efforts in Mexico.
- Provides services to the poor and elderly.
 - Education
 - Healthcare & Food
 - Basic Service Infrastructure
 - <u>Financial Inclusion</u>
- National in scope
- More than 6 million (of 127 million) people across 32 states are receiving regular financial benefits
- Delivering education, money and social programs helping poor understand how to use the benefits



How does it work?

- Beneficiaries of the program are enrolled using birther documents. If none available Sedesol personnel help to obtain a birth certificate.
- Last resort is to use address based documents
 - receipt of payment for electricity, water, telephone, etc.
- Biometrics (2 fingers and face) are captured
- Each state in Mexico is responsible for verifying the documentation submitted by the applicants
- Smart card is issued (debit card with face/fingerprints, biographic data and unique ID number)
- Card used at ATMs or bank location to retrieve cash
 - Cards also, used at shops for food & clothing or payment for services (rent, social healthcare)







Indonesia

- 2 Major Financial Inclusion Projects
 - Digital Bank of Singapore (DBS)
 - Large Multi-National Micro-lender
 - Requested non-disclosure
- Both use the ubiquitous eKTP smart card





How does it work?

- Also national in scope
- 180+ million total enrolled in the data base
- Enrollment includes fingerprint, face and iris capture, plus biographic data.
- Note: Iris is highly effective in catching duplicates (n:n deduplication)
- Contactless smart card is issued (debit card with face/fingerprints, biographic data and unique ID number)
- Card used at ATMs or bank location to retrieve cash
 - Cards also, used at shops for food & clothing or payment for services (rent, social healthcare)





Digital Bank of Singapore



Ubiquitous Financial Inclusion – Lessons Learned

- Consider your stakeholders multi modal (missing fingers/eyes?)
- Mobile is a must in today's society
 - Connectivity Options
 - Onboard storage
 - Long duty cycle
 - Robust Platforms
 - Look for OS platforms built for mobile/security (Android 7 & 8)
- Password replacement is not the same as real identification
- Include as many biometrics as reasonable during enrollment
 - Consider strongly "the big three"
- Privacy/Security
- Costs



Looking to the future

- Financial inclusion demands quicker, easier and safer ways to open accounts and transact online.
- Methods of authentication may include social media data and behavioral biometrics
- Banks and lenders will move away from legacy processes especially when it comes to customer onboarding
- Anticipate identification advancements to include machine learning and block chain
 - Speed
 - Accuracy
 - Cost reduction
- Look to collaborate with partners that can support integration of innovative technologies; now and in the future.



THANK YOU





... because everyone counts