



# CREDENCE ID

*... because everyone counts*

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Abuja, Nigeria



Banking TOP 10  
**CIO** KYC  
Outlook SOLUTION PROVIDERS - 2017



FROST & SULLIVAN  
NEW PRODUCT INNOVATION AWARD  
2017

# **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

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- 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

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## 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...

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




# Financial Inclusion

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- 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



From your first car, to your first home, and every milestone in between

# Two Types of Financial Inclusion

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Public Sector: Government Programs



Private Sector: For profit banks and legitimate financial institutions





# Two Case Studies

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- 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
- Financial Inclusion

- 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?

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- 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?

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- 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

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- 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

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- 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



**CREDENCE ID**

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