



# How IDEMIA technologies are contributing to social and financial inclusion in emerging markets

From digital solutions to biometrics expertise, IDEMIA is positioned at the heart of the transformation.

# PAYMENT

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The financial services industry makes up at least 20% of the global economy and the impact of the financial sector on economic growth is significant.<sup>1</sup> For many markets across the world, development depends on the key transformation provided by financial inclusion. At IDEMIA, we are proud to be able to provide our technologies to support and enable the implementation of social and financial inclusion programs in the hardest to reach, last mile communities.

## Defining financial and social inclusion

The term 'financial inclusion' refers at its heart to the digitization of money: moving from a cash-based means of existence to one in which a person can open a bank account, transact digitally (for example through card payments), and access financial services such as savings, loans and insurance. Opening a bank account alone is not enough to ensure development: the person needs to have the knowledge and means to utilize financial services, which in turn are tailored to their needs. For example, without a reliable and accessible network of merchant card acceptance, a bank card will only ever be used to withdraw cash at an ATM to then use in everyday transactions, thus demonstrating that financial inclusion is dependent on a fully supportive ecosystem.

'Social inclusion' refers to 'the process of improving the terms on which individuals and groups take part in society'<sup>2</sup> which enables disadvantaged citizens to access basic services such as healthcare, education and humanitarian aid—regardless of who and where they are.

## Significant progress in the past decade

Financial inclusion is increasing at a rapid rate: 71% of adults in developing countries now have a formal bank account vs. 42% a decade ago. The gap in access to finance between men and women in developing countries has also fallen from 9% to 5% in the same period.<sup>3</sup> Covid-19 has also accelerated account adoption with 40% of adults in developing countries having made transactions using a card, phone or the internet for the first time.<sup>4</sup>

Social Inclusion has been further prioritised since the onset of Covid-19. The 2022 IDA20 Final Replenishment Report has an increased emphasis on inclusion with 14 out of 41 Policy Commitments explicitly mentioning inclusion.<sup>5</sup>

New forms of money such as Central Bank Digital Currencies have large ambitions to further address financial inclusion, alleviate identity gaps, and escalate the migration from cash to digital money.

# IDEMIA well positioned for the future of financial inclusion

IDEMIA is positioned at the heart of this transformation.

- Our digital solutions can enable the growth of card acceptance at merchants, in-store and online.
- Our card and services offering support not only traditional payment card issuance, but also card digitization across a variety of mobile wallets, and cards supporting multi-application such as urban mobility and identity.
- Our expertise in biometrics allows us to work with customers and partners to find creative ways to bring people without formal legal identity into the payment system as well as access services such as healthcare and education, and access humanitarian aid in times of conflict or environmental disaster.
- Our offline solution for CBDC can enable central banks to address the core issue of service provision to all by offering accessible, CBDC-enabled, secure element devices which can ensure the continuity of use even with poor electricity or mobile network coverage.

*Across Africa, IDEMIA is supporting financial inclusion by providing government disbursement and multi-application cards, as well as biometric match-on-card solutions to banks, FinTechs and payment schemes. We are also supporting social inclusion projects by utilising our smart card and biometric technology to help enable access to healthcare, humanitarian aid and education services in last mile communities.*

Kate Eagle, Head of Strategy & Market Development, Middle East Africa, Payment Services BU

*As financial inclusion is mandated by many Central Banks in Asia as part of banking and payment licenses requirements, IDEMIA's cards and digital solutions are a critical piece leveraged by Financial Institutions to continuously improve access to modern and secure payments. We are proud to be supporting our customers' vision in APAC and beyond.*

Anthony Ginolin, Vice-president Growth, APAC, Payment Services BU

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[1] Financial services industry trends | Economist Intelligence Unit (eiu.com)

[2] Social Inclusion (worldbank.org)

[3] World Bank Findex Report 2021

[4] World Economic Forum 2022

[5] IDA20 – Building Back Better from the Crisis : Toward a Green, Resilient and Inclusive Future (worldbank.org)

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