

Financial Inclusion and Cybersecurity

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Financial Inclusion

- Give individuals and businesses access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. Today almost exclusively by digital access like PC, Ipad and above all portable phone

World Bank

Financial Inclusion

2 target population

- 1,7 billion “unbanked” persons worldwide mainly in emerging countries and hundred of million persons “banked” recently thanks to digital banking
- An increasing number of persons excluded from financial services (older generation, poorly educated, etc)

Financial Inclusion

Characteristics of target population

- Low level of expertise and lack of reliable information
- Persons with (very) low Income
- Persons living in remote regions
- High dependencies on digital finance for living
- Unsophisticated access devices
- (Lack of personal identification systems)

Financial Inclusion

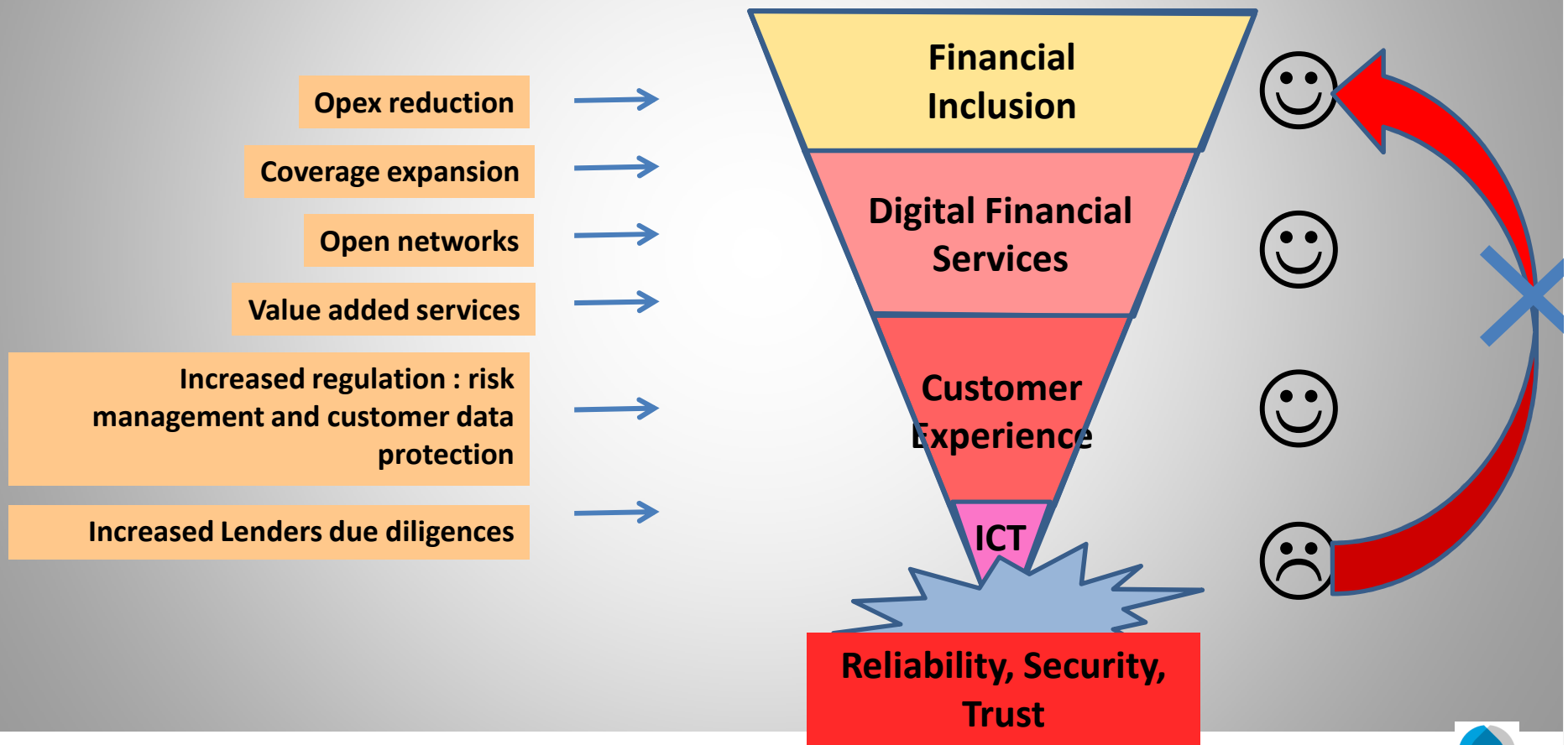
Need to ensure in low income countries universal and affordable access to internet, in particular through mobile phones and the internet

Reliable Information and Communication Technologies

- Safety of networks
- Prevent abuse of personal data
- Protect from fake news
- Keep cost to an absolute minimum
- Etc.

Digital Financial Services are a key to financial inclusion ...

Oddly, cyber security is not considered as a top priority although fragile customers and institutions are less likely to recover from an incident, and trust again financial services after an incident



Is there Cyber Crime for financial inclusion ?

- Hacks shift : **data breaches** to **financial losses**
- **Central banks are hacked**
 - Ecuador \$12M, Bangladesh \$81M, Russia \$6M\$ India \$2M
- **Banks are hacked :**
 - 100 fin. Instit. 10 countries in Europe: losses **€1Bn in 3 yrs**
 - Chile 10 M\$ losses & 9500 PCs and Servers stopped
- **Africa is hacked : in 2017 (*)**
 - \$3.5 B annual cost of cybercrime
 - Number successful attacks against the fin. sector doubled
 - 39 of losses hitting banks and electronic transactions
 - **\$1.5 B = annual cost of cyber security for 4 largest US Banks**
= annual spending in cyber security for all Africa
 - Smaller financial institutions are more at risk
- **Financial Inclusion is hacked :**
 - Most Micro Finance Institutions & electronic Money Providers have been hacked in Africa
 - Disruption from **customer protection** to **potentially systemic risks**

(*) source Africa Cyber Security Report 2017, Serianu

Suricate Solutions

Cyber Security Operation Centre for Financial Inclusion

Facts :

Unavoidable intrusions => drastically improved cyber resilience
Institutions miss vital resources and skills => be accompanied daily
Security Supervision = core service
Mutualisation only way for quality at affordable pricing

Social Business in 2018:

40 fin. inclusion institutions and >600.000 customers have strengthened cyber security
Regional and Panafrican rollout required

Based in Dakar - Senegal
Regional & Continental reach

24x7 Protection of customers & private and public institutions

Mutualised services to prevent, detect, respond to, and recover from attacks, improve compliance

World Class Technology, processes & international cyber security intelligence network

Innovative North South PPP for cyber security ecosystem



Thanks to Luxembourg's ICT and Financial Inclusion areas of excellence, up to 200 experts may be mobilized on any cyber security issue for financial inclusion

InFiNe – Luxembourg Inclusive Finance Network

- The Inclusive Finance Luxembourg (InFiNe.lu) brings together public, private and civil society actors involved in inclusive finance worldwide.
- The value of InFiNe.lu lies in the wide range of expertise characterized by the diversity of its members.
- The Government played a key role in setting up InFiNe.lu as it understood early on the importance of financial inclusion for sustainable development, and made it a cross-sectoral part of its international development programme.

InFiNe – Luxembourg Inclusive Finance Network

- InFiNe is a network of 28 Luxembourg NGO,s Associations, Partnerships, Gouvernement Agencies and Ministries as well as companies all active in the field of inclusive finance.

<https://www.infine.lu/members>



Sources

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For more information

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Thank you !