

# Financial Inclusion in High-Risk Areas

Financial inclusion is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society. This access gives high-risk areas the financial services they need to develop and expand businesses, thereby creating jobs and reducing inequality.

## 2 billion people

40% of the world's adults struggle to get by financially.<sup>1</sup>

## High-risk jurisdictions pose challenges

High refugee populations  
High number of unbanked  
Endemic financial literacy issues  
Dependency on remittances and money transfers

## Financial inclusion accelerates progress toward development and economic goals<sup>1</sup>

Political stability  
Poverty alleviation  
Job creation  
Food security  
Gender equality  
Equitable growth

## Don't exit —innovate!

Embrace technology to deliver services whilst ensuring compliance.

Due diligence platforms can help banks add sophistication to their risk scoring models and collect and analyse meaningful data.

## Financial Institutions can't do business in a traditional way in high-risk areas

Rethink the definition of high-risk area. Pay attention to local and regional regulations, rather than looking at the country as a whole.

## What pressures do Financial Institutions face?

De-risking for business purposes, shift in risk appetite or resulting from regulatory or reputational concerns.

Forced to perform KYC compliance when no ability to do so.

<sup>1</sup> <https://www.unsgsa.org/>