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Thank you for that introduction.

When I think about our topic today – *Innovating for Inclusion* – I think of a shared journey before us. I think about the good we can do if we act together.

Dr. Martin Luther King Jr. once said that "the arc of the moral universe is long, but it bends towards justice." It's a powerful quote that's been used by many in different contexts, from U.S. President Barack Obama to World Bank President, Dr. Jim Kim. It's a quote I want to apply directly to one of the global challenges of our time: creating access and opportunity for more people to join the financial mainstream.

Because of technology – because of the roles we in this room play, we can help shape the arc of history to bend it towards financial inclusion and greater human progress.

Financial inclusion is a massive undertaking – one that can only be met together – across countries, sectors, and industries. I'll offer some perspectives on how we might get closer to achieving that goal. I'll do that by addressing three questions:

First, why should we care about financial inclusion?

Second, what does MasterCard bring to the table?

Third, what lessons have we learned?

1. Why should we care about financial inclusion?

So, why does financial inclusion matter? Financial inclusion matters because without it large swaths of people are left behind. More than 2.5 billion people don't have a bank account and millions more don't use their bank accounts regularly. That's half the world's adult population.

Financial inclusion isn't just a developing market issue. In the U.S., nearly 70 million Americans are currently unbanked or under banked. Here in Western Europe, it's closer to 100 million.

Of the 2.5 billion who are financially excluded, nearly 40% are young people. Nearly 50% are women. Half are urban. Half have jobs.

In many ways, these are people just like us. They are Mothers, Fathers, refugees, students, and farmers. They are left without the things we take for granted – proof of identity, a way to save money for a rainy day, to get loans, or to insure themselves or their crops.

Financial inclusion matters for all of these reasons and more. It matters because the risks of not addressing it are profound.

And by the way, in the future with the Internet of Things, where every device will be connected to the Internet, what kind of life will those who are financially excluded have? We'll have the Internet of Everything but not the Inclusion of Everyone.

We can't talk about financial inclusion without talking about cash. Cash isn't the friend of the financially excluded. Think about having to pay a bill in cash and standing in line for hours – when you get paid by the hour. And you can't pay that bill over the phone or online.

Think about not being able to send a small amount of money to your mother at a reasonable cost. Think about having the social benefits you just got in cash stolen as you make your way home. Or worse by relatives at home – which happens far more than you might think, especially to women. Yet, 85% of the world's retail transactions are still done in cash.

While we can't talk about financial inclusion without talking about cash, we can't talk about cash without the need to move beyond it – to move to electronic forms of payment.

Let me now turn to the second question. What does MasterCard bring to the table?

2. What does MasterCard bring to the table?

In a word: interoperability. We connect banks, Telcos, merchants, governments, and consumers. We connect nearly two billion cardholders to 40+ million merchants through more than 25,000 banks in 200+ countries. And we're doing it through our network – the fastest, most secure on the planet. I want to underscore, we don't issue a single card. Those are issued by banks and licensed financial institutions in each country.

With our network, we can connect a complicated web of players who operate with different rules and technologies. Together, we can drive ubiquity, safety, and utility – the trifecta of success in mobile payments.

But here's the problem: the majority of mobile money programs aren't connected. They operate in silos. They compete to own the entire end-to-end solution. The basic commercial contract suffers if consumers can't use their accounts in the most ubiquitous way possible. They need to pay bills. They need to shop. They need to send money to relatives. They need cash.

Financial Inclusion must be inclusion into the existing banked world. Otherwise, we risk creating islands, where the unbanked transact with each other.

Imagine if we didn't operate as islands. Imagine if we didn't compete to own the entire end-to-end solution. Imagine if we made it easier for consumers, not just to open an account but to use one in simple ways – to do the things they need to do to live their lives. Together, we can truly move the needle for greater financial inclusion to happen in our lifetime.

Examples and Announcement
Let me give you some examples of what we've been doing. In our first efforts, we partnered with governments like those of Nigeria and South Africa. We added payment functionality and biometric identification functionality to cards issued by those governments.

We're ensuring that social benefits can be paid safely and securely with minimum leakage through that channel. These cards can be used to take out cash and to buy things from merchants.

Plastic cards are but one form factor. We're working with other technologies to achieve even greater scale. What's more ubiquitous than the mobile phone?

While it's still early days, let me give you a few examples of what we've been doing in this new space.

First, remittances to developing nations are expected to hit nearly half a trillion dollars this year alone. The runway is long. With that in mind, we formed a joint venture called HomeSend with BICS – a global mobile operator and eServGlobal – a global mobile financial services firm. HomeSend is a global money transfer hub that creates a bridge among banks, Telcos, and money transfer locations. People can send money via mobile, a payment card, a bank account, or in person in cash – regardless of carrier, financial institution, or location.

Second, we've partnered with mobile network operators in Brazil and with CAIXA – the second largest public bank. Soon Brazilians will be able to get their government benefits via their mobile phones.

Third, we recently launched an Innovation Lab for Financial Inclusion in Kenya with a grant from the Bill and Melinda Gates Foundation. Our goal is to extend financial services to the poor in East Africa with a target of helping at least 100 million people across the region.

And today, we just announced a new partnership with the Government of Egypt. Joining us in the audience is the Minister of Communications and Information Technology of Egypt – Mr. Atef Helmy, who was instrumental in that effort. We're working with the Egyptian government to roll out a digital ID program that links citizens' national IDs to the country's existing mobile money platform. As a result, 54 million Egyptians will now have a connection to the financial system for the first time!

They'll be able to use their National ID to register for an account, using their National ID credentials and digital signature. They'll be able to receive government salaries, pensions, subsidies, and grants directly into their Mobile Payment Record. They'll be able to use their mobile phones to make payments directly to merchants, send and receive domestic remittances, withdraw cash, and pay bills using a bill payment platform.

All of this is greatly facilitated by the fact that 100% of the Egyptian population has some form of mobile coverage. None of this could happen without leveraging Egypt's existing interoperable national mobile money platform that MasterCard helped set up.

Now let me turn to some lessons we've learned along the way.

3. What lessons have we learned?

First, you can't go it alone. If we're going to have a true impact on financial inclusion, we must work together on behalf of the 2.5 billion who are currently excluded.

Second, we need public-private partnerships. Financial inclusion is too big a task for anyone to believe they tackle it on their own. Silos won't work. Owning solutions end-to-end won't work. Hence, the need for partnerships. Partnerships among different players within the private sector. Partnerships between governments and the private sector. It's public-private partnerships that are the fastest, most efficient route to financial inclusion.

Why? Because globally, the public sector represents the single largest, flow of money to the financially excluded. About 30% of what they receive comes from governments via social security payments and other benefits. We need the public sector to help with regulations, to help with a citizen identification system to facilitate *Know Your Customer* compliance, and to help with a good business climate.

The private sector brings: distribution, innovation, efficiencies, and execution.

Third, just because a person has an account doesn't mean our job is done. Those accounts must be used. And too often, they're not. We need to bolster usability of accounts. A study by the Gates Foundation and McKinsey & Co. found that in countries where more than 70% of people can pay digitally, financial inclusion is over 85%.

Before I conclude my remarks, let me recap:

1. Financial inclusion matters – it affects all of us.
2. Interoperability is key to financial inclusion.
3. We need public-private partnerships. The magnitude of the problem is too large. We cannot go it alone.

Closing

Other generations have eradicated disease, invented radio and television and yes – the telephone. The opportunity to drive financial inclusion is unique to us and our time. We can bend the arc of history towards financial inclusion and a world where more people have the opportunity to enjoy what we take for granted. But it takes all of us working together.

I'm reminded of the African proverb that says: "if you want to go quickly, go alone. If you want to go far, go together." Let's go together. Thank you.