

## PROJECT FACTSHEET

<b>Title of project</b>	SCBF 2016-04: Innovative Digital Platform for Savings
<b>Country / region</b>	Mexico, Countrywide
<b>Financial Intermediary</b>	Akiba
<b>Competence Centre mandated for execution</b>	E-Savings.club SA
<b>Overall project budget</b>	CHF 207,950.00
<b>SCBF contribution</b>	CHF 149,450.00 (72%)
<b>Date of project approval</b>	04.12.2015
<b>Project period</b>	01.02.2016 until 31.07.2017
<b>Context</b>	<p>Despite recent progress in increasing access to financial services in Mexico, inclusion and usage of formal savings and payment means remain a challenge for the majority of the population, in particular the youth and low-income households. The World Bank estimates that only 14.5% of adults in Mexico have saved in a formal financial institution in the last 12 months. Financially excluded Mexican savers use informal savings mechanisms, such as: Saving at home (under the mattress/in a piggy-bank) or in Rotating Savings and Credit Associations (ROSCAs). Although risky at times, these mechanisms have key advantages over the formal supply: 1) low-cost, 2) convenient, and 3) easy to understand, making them a preferred alternative to formal financial services. 51% of youth in Mexico save through informal savings mechanisms such as a piggy-bank (according to a study by CitiBanamex and UNAM), versus 11% in a formal institution. This is not surprising as the banking sector savings offer has many shortfalls: exorbitant fees on savings accounts, minimum balance to maintain, terrible customer service experience, etc. Young people are therefore turning their back on the formal banking sector in detriment of financial inclusion in the country.</p> <p>The new product will enhance Akiba's ability to meet its social mission by allowing the youth and other financially excluded segments of the population to save using a digital Piggy-bank, thus keeping the convenience, low-cost, and easy-to-use advantages mentioned above while reducing the risk inherent with keeping money at home. The project is intended to provide a free platform for Mexicans to save with a level of transparency and convenience that only mobile technology can provide. It is a highly innovative venture and thanks to this product, Akiba will contribute to increase financial inclusion in Mexico. The success of such a solution will have tremendous demonstrative effects for the broader financial sector in Mexico, and beyond showing that one can build strong savings behavior among youth in emerging markets by adapting to their needs.</p>
<b>Current status of the Fintech startup</b>	<p>Akiba will be incorporated as a SAPI (<i>Sociedad Anónima Promotora de Inversión</i>) in Mexico, and 99.9% owned by E-Savings.club SA in Switzerland. Its primary product offering will be the Akiba application. Although Akiba is a new venture in Mexico, it will be able to leverage on E-Savings experience and expertise building digital savings solutions in other developing countries (Benin, Haiti).</p> <p>E-Savings.club had developed a preliminary version of the platform which will be improved thanks to this project.</p>
<b>Objective and main activities</b>	<p>Learning from the traditional practice of the piggy-bank, this project aims to develop a digital platform for a population who needs a free, easy, transparent and user-friendly solution to save. To achieve this goal, in the context of this project a new mobile application called <i>Akiba</i> will be launched. The application will allow customers to create savings plans to fund their projects (education, health, assets, safety net, insurance premium, and others) and make small deposits into their own digital wallet from a card or in cash from any of the 10,000+ convenience stores and pharmacies all across the country, simply by using their mobile phone. The project aims to reach 5'000 customers during the support period (18 months), and a total of 18'000 customers three years after the support period (Year 5). Upon project completion, E-Savings.club, through its Akiba product, will have supported lower income young Mexicans to use mobile technology to self-finance their projects by saving.</p>