

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>2017-12: Digital micro loans pioneered by Akiba in Mexico</b>
<b>Country / Region</b>	Mexico
<b>Partner Financial Institution/s</b>	Operadora SuSu SAPI de CV, Pretmex SA de CV SOFOM ENR
<b>Grantee</b>	E-Savings.club SA
<b>Overall Budget</b>	CHF 235,175 (41% self-contribution)
<b>SCBF Contribution</b>	CHF 138,175
<b>Date of Approval</b>	29.11. & 13.12.2017
<b>Duration</b>	12.2017 until 06.2019 extended to 06.2020
<b>Context</b>	<p>Financial inclusion in Mexico remains very low despite years of governmental programmes. The main barriers that remain are the limited banking infrastructure in urban and rural areas, the lack of adequate low-cost financial services offer, and the limited use of mobile platforms for the under-served markets. So far, governmental programmes have resulted in a large offer of expensive and unadapted loans to microentrepreneurs, while little was done to boost the offer of lower cost loan products for low-income employees who are for the most part underbanked.</p> <p>Online lending is a relatively new concept in Mexico with only few providers covering mainly the consumer lending sector and at usury rates (in some cases more than 4,000% a year). Mobile lending specifically targeted to low income employees combined with agile savings solution is a truly innovative offer. But mobile lending for low-income employees with the possibility to save and complemented with digital financial education is a truly unique value proposition that will create invaluable synergies in favour of this segment of the population. Akiba would contribute to decrease vulnerability of lower income employees segment through the offer of a low-cost, tailor-made and fully digital loan product where financial education is fully embedded in the process.</p>
<b>Current Status of the Fintech Startup</b>	Akiba is a relatively new venture. Traction will be boosted by the complementary offer of digital loans to low-income employees through the partnership with niche financial institutions focusing on this market. The first of them, Pretmex, serves several hundred companies which have in turn more than 300'000 employees. The alliance with Pretmex creates a formidable base to ensure high uptake of the digital delivery of loans and achieve the goals of this project.
<b>Objective and Main Activities</b>	<p>The aim of this PU proposal is to digitalize the loan origination process of the partner microfinance institution named Pretmex and offer Akiba's own digital MicroCreditLine product (MCL). The MCL product specifically targets the funding need of low-income employees who often have to borrow at very high costs and unreasonable conditions when facing short-term financial emergencies. The MCL will therefore reduce the vulnerability of these employees and their families. Akiba App will be the distribution channel of both Pretmex's loans and the MCL. The origination of loans will include the collection of key data on the employees which in the future can be used to fasten and strengthen the origination process by using data analytics tools.</p> <p>Upon project completion, Akiba aims to pilot the digital sales and delivery of 3'000 digital loans by the end of the PU and a total of more than 50'000 loans thereafter within three years.</p>