

Introducing Savings Manager oriented to the needs of young people would decrease anticipated dependency ratio

Starting position	Proposed solution	Cost-benefit analysis	Impact
<ul style="list-style-type: none">• Average of polish households savings is 6200 euro, when average German saves 44000 euro.• Replacement rate will decrease from current 43% to merely 18,7% by 2060 and average 20 year old can expect to face 8 years with minimal income by the time they retire,	<ul style="list-style-type: none">• Banks should increase their advisory role in investing• Starting with easy goals leading to retirement savings, Poles saving habits should be changed in small steps• Using big data in Savings Manager allows to propose efficient budgets and investment instruments to clients	<ul style="list-style-type: none">• Innovative saving service implemented could increase client base in commercial banks even by 17%• Potential growth in retail deposits by 8%• EBIT margin would increase by 3,6% due to higher credit emission	<ul style="list-style-type: none">• Implemented saving habits on easy goals would simplify selling long term investment instrument• Average Poles savings could grow to European average in 2060 and increase anticipated replacement rate from 18,7% to about 46%.

Polish savings are one of the lowest among european countries, but young people are convinced to online banking

- Average of polish households' savings is 6200 euro, when average German saves 44000 euro.
- More than half of polish savings is generated by 10% of the richest people. About 43% Poles do not save money at all.
- Replacement rate will decrease from current 43% to merely 18,7% by 2060 and average 20 year old can expect to face 8 years with minimal income by the time they retire,
- Young people do not save money because their incomes are low, they do not have financial knowledge and time to manage investments. Also retirement is an abstract for people just starting their work carriers.
- Currently people between 19 and 34 make about 50% of mBank clients.

Savings Manager prepares personalized budgets and simplify investing

- Main feature of Savings Manager helps users assign their savings goals (e.g. holiday trip, retirement) and efficiently achieve them
- Provides easy and fast access to various investment instruments which do not require huge deposit
- Savings Manager precisely categorize purchased products enabling viable analysis
- Clients' spending habits data allows to prepare personalized budgets and make recommendations regarding efficient shopping and investing



Savings Manager can increase EBIT by 3,6% due to increased clients number and higher credit emission

The following calculations are based on mBank Annual Report 2015

mBank is one of the biggest commercial banks in Poland

People between 19 and 34 make about 50% of mBank clients.

mBank is known from its innovative approach to banking. Over 2/3 of savings products are sold through the online platform.

New features focused on young people savings could increase client base by 17% from 4,9 million to nearly 5,8 million.

(In milions of PLN)	2015	2015 after Savings Manager
Deposits from individual clients	45671,74	49325,48 (+8%)
Loans granted to individual clients	43796,81	46424,62 (+6%)
Interest incomes (individual clients)	1565,6	1659,536 (+6%)
EBIT	1617,86	1682,071 (+3,6%)

Savings Manager could change polish saving habits and increase replacement rate

- Beginning with relatively easy targets (like holiday trip) would change peoples saving habits
- Advertisement should focus on clear benefits, like possibility of great holidays
- Constant tracking of progress would increase motivation – gamification
- Implemented saving habits on easy goals would simplify selling long term investment instrument
- Convinced clients would save money for their retirement
- Average Poles savings could grow to European average in 2060 and increase anticipated replacement rate from 18,7% to about 46%.

