

Youth Savings Rationale

- ▶ Execute social responsibility – to reach all families based on their children
- ▶ Adhere to mission – Planet, People and Profit
- ▶ Contribute in development of Mongolia
- ▶ Extend cooperation with individuals
- ▶ Prepare future valuable clients from today
- ▶ Launch new product

Youth Savings Rationale

Create a culture of saving in children and youth

Raise awareness of long-term thinking and organize their future plans.

Create a customer base that can effectively develop future business success for a greater society.



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Youth Savings Rationale

- ▶ Ethiopia is with the population of 88 million
 - ▶ 60% of them are younger than 25 years of age
 - ▶ 30% of them 14 to 25 years of age
 - ▶ Mostly they live in rural areas
- ▶ Develop saving culture among youth social groups;
- ▶ Develop the skill and capacity of youth in cash and asset management;
- ▶ Make youth effective in their education through effective time management;
- ▶ Youth are active and dynamic economic actors;
- ▶ Promote change agents and future leaders in society who will be active, dynamic economic actors and contribute to the sustainable development of the nation;
- ▶ Mobilize cheap capital for lending;
- ▶ Scale up PEACE's outreach through diversification of products;
- ▶ Reduce poverty among youth; and
- ▶ Empower youth through greater economic opportunities.

Youth Savings Rationale

- ▶ To teach youth how to manage money and plan for future not just “blindly” save
- ▶ To enable families and children especially girls build their own liquid assets so that they do not have to resort to “dangerous” behavior to meet expenses.
- ▶ Teach youth how to save, create savings plans, differentiate between wants and needs and operate a Bank A/c.
- ▶ To combat cycle of dependency and lack of investments in girls that lead to so many problems later in life.
- ▶ Reach more customers through teen account and capture larger share of wallet in deposit accounts.
- ▶ Increase loyalty to KWFT among existing customers and next generation

Youth Savings Rationale

- ▶ Youth is the future
- ▶ Creation of future customer base
- ▶ Initiating a relationship and bonding with the bank
- ▶ Inculcate savings habit
- ▶ Improved financial know how
- ▶ Increase accessibility for financial services i.e. financial inclusion
- ▶ Create interest in financial management and planning from an early stage
- ▶ Savings get accumulated up to the age of 18 and no withdrawals
- ▶ Low cost fund base
- ▶ Less complicated products since aspiration are same
- ▶ Cross selling opportunities
- ▶ Unbanked generation to bankable
- ▶ Identified as a lucrative market segment

Youth Savings Rationale

- ▶ **Financial inclusion** of adolescents and children in the financial system.
- ▶ **Savings culture**, promoting an increase in savings balances through campaigns and incentives that reward growth and continuance of their balances.
- ▶ **Responsible management** of the savings account in the their daily activities.
- ▶ **Reduce risk** from carrying money in cash.
- ▶ **Differentiation**, availability of savings and identification of youth with own card; and for parents, it provides control, supervision, incentives, and education to their children.

Youth Savings Rationale

- ▶ Why UFT Offers Youth Products;
 - Large unbanked youth market in Uganda
 - Youth are economically active (both in & out of school)
 - Grooming future customers –for a savings culture
 - Strategic Focus

Youth Savings Rationale

- ▶ Our offerings are segment based and proposition led, as customers behavior within a segment is similar and different from other segments
- ▶ The youth segment offers our customers a lifelong value proposition
- ▶ Emotional tie to parents
- ▶ Stickiness strategy for married couples
- ▶ Youths are seen as future leaders of the economy
- ▶ Inculcate a savings culture from birth
- ▶ Expected growth in income / value of transaction based on life-time value of the segment
- ▶ Segment is not fully tapped
- ▶ Increase acceptance and usage of technology among segment members (convenience & speed)

Youth Savings Rationale



- ▶ Youth below 35 years of age are over 65% of Kenya's population. This is a significant market in an economy
- ▶ By giving youth a savings vehicle, we are bringing them into the financial system, and partnering with them in their social economic transformation journey
- ▶ The youth are versatile, and hold a market promise. They are bankable and are looking for a financial partner who understands and willing to give financial intermediation that meets their needs and aspirations
- ▶ The Bank is giving youth financial education in order to equip them with the necessary skills to become agents of their own transformation through financial management and to nurture an entrepreneurial culture among them