



Introduction to “Aspire”

Savings and Credit Forum
May 13, 2011

XacBank
Bat-Ochir Dugersuren

We Love Our Mother Land!

Brief introduction of



- XacBank was created as a result of a merger of the two largest NBFIs in Mongolia,
- “Goviin Ekhlel” LLC and “X.A.C” LLC in late 2001.
- Goviin Ekhlel LCC was established by Mercy Corps in December 1999 with funding from USAID as an NBFIs serving SMEs.
- X.A.C., LLC began 1998 under the Micro Start Mongolia Project under UNDP, later transformed into Mongolia’s first NBFIs by uniting the financial services activities of six local NGO’s.

OUR VISION

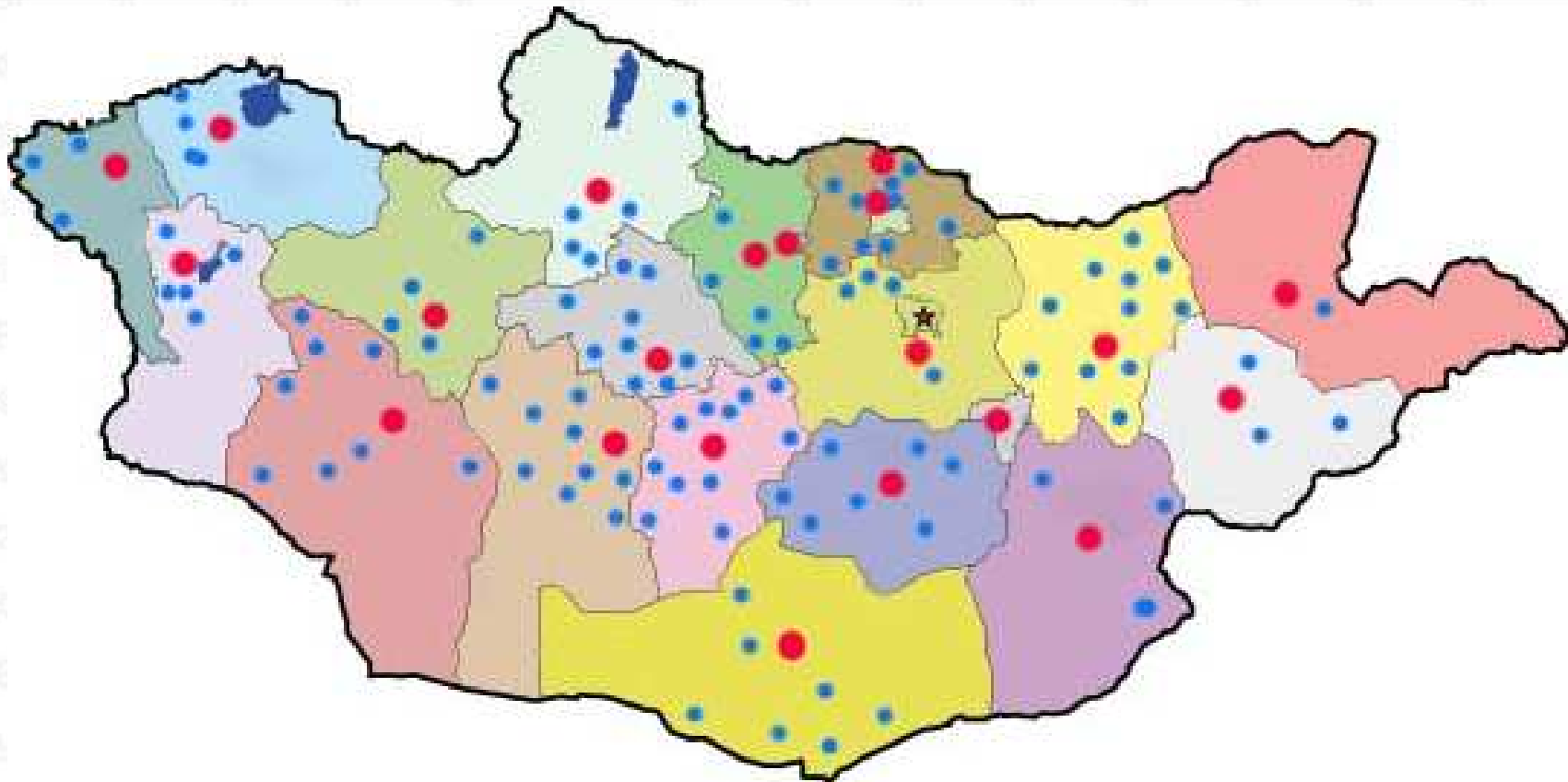
XacBank will become a leading financial institution in the country, by providing inclusive and value adding financial services to the citizens and expatriates, institutions and enterprises of Mongolia, while maintaining its leadership in the Global Microfinance Industry.

OUR MISSION

To contribute to the socio-economic development of the country while creating a fair value for its shareholders. This will be achieved by providing inclusive, value adding, and reliable financial services to all people and entities of Mongolia through establishing a leading financial institution that is equally concerned about **Planet, People, and Profit.**

The Bank will embrace premium customer service, dedicated and talented employees, corporate social responsibility, efficient usage of ICT and innovation, and effective partnerships at all levels.

Branches & Units



- ❖ We have 86 extensions throughout Mongolia
 - ❖ Therefore, 60% of total branches are in rural area.
 - ❖ Number of employee reached at 1,270.
 - ❖ Over 370 thousands of customer have received financial service from XacBank.

Savings Products and Financial Education Program for girls (and now boys) aged 14-18

- “Aspire” program introduced **in 2009** with technical assistance from Women’s World Banking
- Mongolian law allows children aged 14 to open, operate own savings account
- Building on Bank’s successful and innovative “Future Millionaire” long-term savings account for children’s future →
- First Mongolian bank to introduce product for 14-15 year-olds



Goal For Girls: To give Mongolian girls essential capabilities for **making their dreams come true**. As they grow up, Mongolian girls can become **confident and independent women** by learning to set realistic goals, saving and managing their money.

Goal for Bank: To build loyal, skilled **future customer base** in competitive market; Enhance **brand** and **reputation**

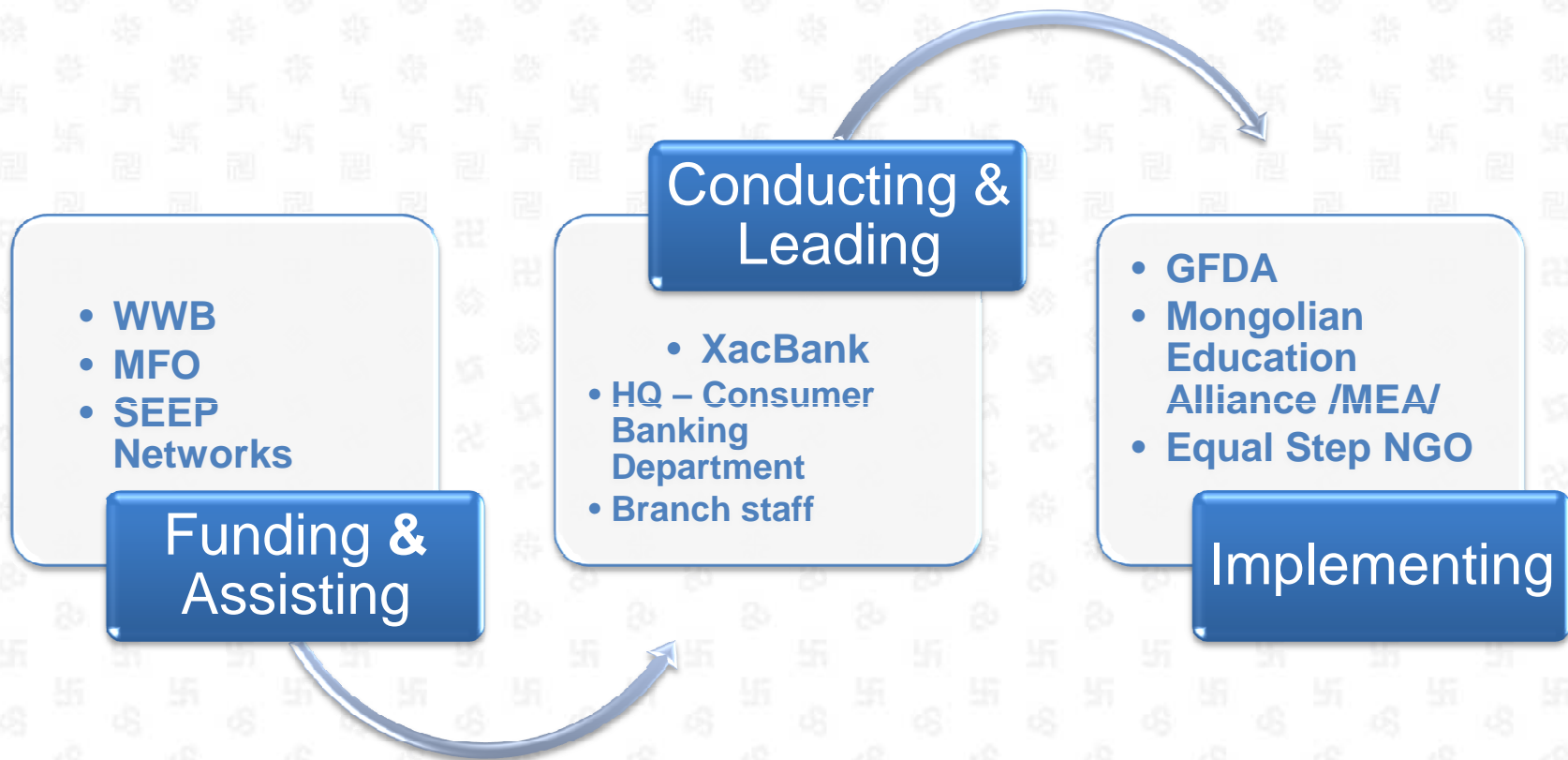
Priority

1. FE
2. Youth
3. Savings
4. Gender

- **Supporting organizations**
 - **Women's World Banking /WWB/**– Technical assistance (Research, implementing, evaluating, funding)
 - **Microfinance Opportunities /MFO/**– Program developing, evaluating
- **Providing organizations**
 - **Nike Foundation** – funding, starting project, Girl effect project
 - **SEEP Networks** – funding, communicate another countries, exchange experience
- **Collaborating organizations**
 - **Golden Fund for Development Association /GFDA /** - implementing program, to reach children – whole country's program
 - **Mongolian Education Alliance /MEA/** - in urban area
 - **Equal Step NGO** - for vulnerable children

We Love Our Mother Land !

Organizational set-up



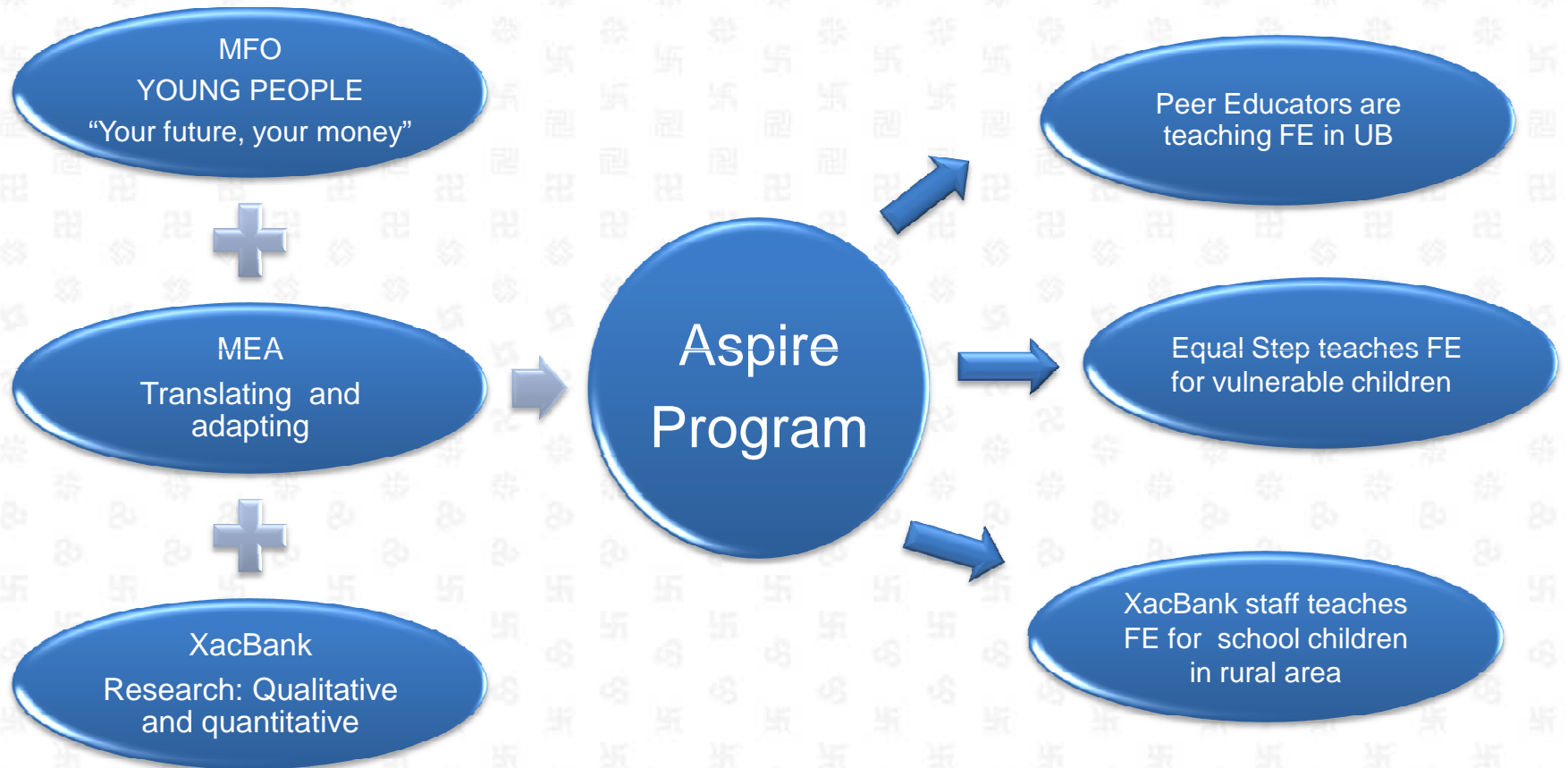
We Love Our Mother Land !

Reaching Children



	Model 1	Model 2	Model 3
Target	Low and middle-income rural schoolchildren	Low and middle-income urban schoolchildren	Vulnerable urban girls (school drop-outs, working girls)
Financial Education	Through branch staff	Through trained university students , managed by local NGO " Mongolian Education Alliance "	Through professional trainers of local NGO " Equal Step " delivered on weekends in neighborhood training centers
	Delivered in schools as "after school" activity		

Conducting FE program for girls



We Love Our Mother Land !

Reaching Children



	Model 1	Model 2	Model 3
Target	Low and middle-income rural schoolchildren	Low and middle-income urban schoolchildren	Vulnerable urban girls (school dropouts, working girls)
Product Promotion	<ul style="list-style-type: none">- Mass media (TV, radio, newspaper)- Promotional events + posters in schools- Event sponsorship (sports competition, school activities)- Incentives for account usage- Cross-selling to existing adult clients, in-branch marketing collateral- All marketing incorporates financial education messages		

Classes



Financial education class in school



Financial education class graduates



Financial education for vulnerable girls

Positive Changes in girls highlights



Topic	Knowledge	Attitudes	Behaviors
Saving	100% of the girls now know at least two reasons why saving is important (increase of 25%)	100% of the girls now believe in the importance of saving (increase of 35%)	100% of the girls save more than they did compared to two months ago.
Saving at a Bank	80% of the girls now know what a minimum balance is.	100% of the girls now feel that banks are a safe place to keep money (increase of 50%)	12% of the eligible girls opened savings accounts at XacBank.
Budgeting	20% increase in the number of girls who can distinguish between necessary expenditures and discretionary expenditures	100% of the girls believe that having a monthly budget is important (increase of 73%).	35% increase in no. of girls who know amount of their expenses, savings and income during previous month.

Positive Changes in girls highlights (cont.)



- ✓ 98% of all participants have more knowledge about bank and its operation.
- ✓ Children have learnt how to be very careful to spend money.
- ✓ They like to save money every day after FE program by small and small.
- ✓ They are studied by peer educator's who are students in university and very like them.
- ✓ Parents always support children to study involve financial education.
- ✓ 85% of all participants have already described their savings goal.

We Love Our Mother Land !

Product development

May 2009

Sep 2009

Oct 2010

Piloting

Implementing Girls savings and FE

Awareness of Boys savings and FE piloting for boys

Passbooks:



Logo:



Savings condition

- Minimum balance: MNT 3,000 ~ USD 2.4
- Demand deposit, debit card
 - Annual interest rate: 6.3%
- Term deposit
 - Annual interest rate: 8-12.5%
- Incentives for depositing money to savings account or opening accounts
 - For girls
 - Pen
 - Notebook
 - Flash disk, wallet, watch
 - For boys
 - Wristband
 - Water bottle
 - Basketball

We Love Our Mother Land !

Aspire Performance



Girls launch

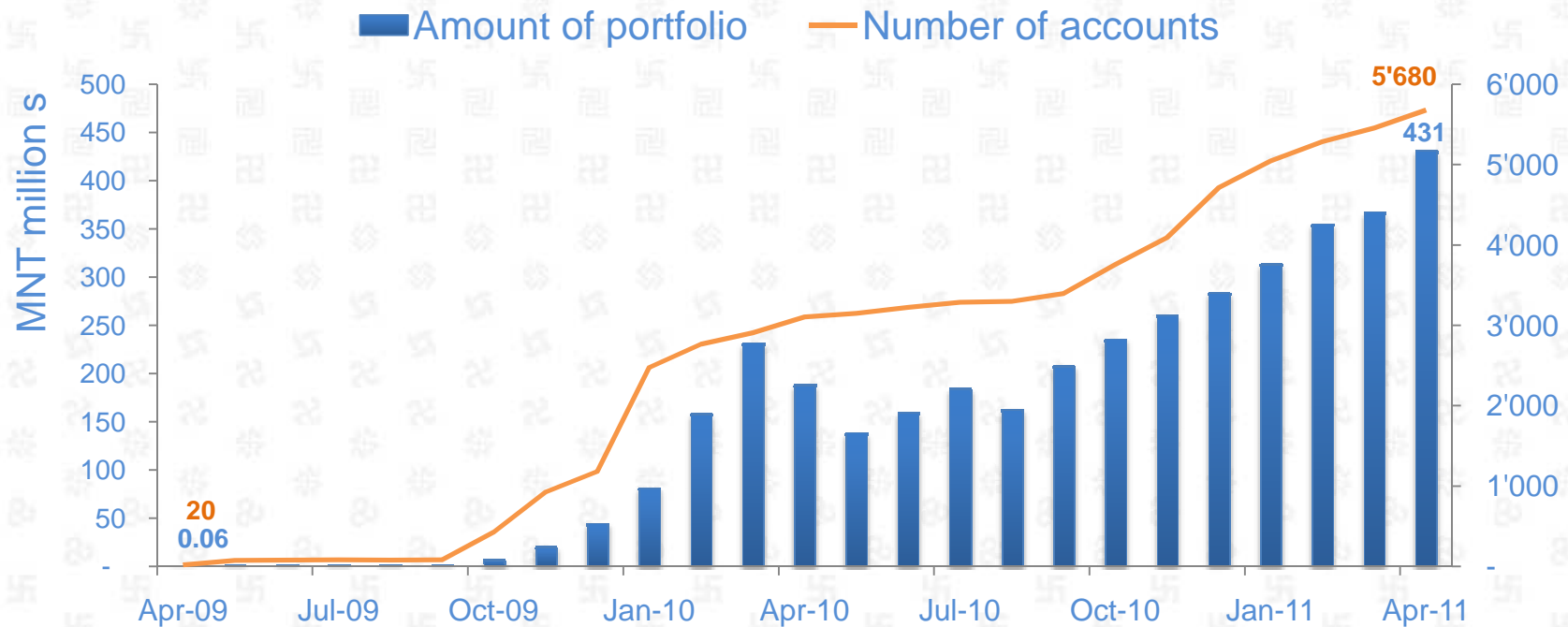


Boys launch

	2009-2010		2010-2011	
Savings accounts	3,148 accounts MNT 138.1 million		5,680 accounts (90% girls) MNT 431 million	
Financial education participants	School children	Vulnerable children	School children	Vulnerable children
	4,800	120	10,805	200

Target for 2011: 10,500 accounts

ASPIRE savings trend



- Generally, number of accounts grow every spring in March or April
- Amount of portfolio was reduced due to big deposit holders' account exited.

We Love Our Mother Land !

Keys to Successful Introduction of Youth Savings and Financial Education

- Following product development process, especially research
- Careful testing of all marketing materials and collateral with target audience
- Do not expect financial education to be cost-effective tool for opening accounts in the short –term (but has other benefits)
- Oversight the project during implementation in order to prevent project from expected errors
- Notify right information at the right time to the project implementing units including international organizations
- Prepare the reports and results to the Project Implementing Unit /executives/
- Evaluate the project finale and prepare the necessity information for the second phase of the project

