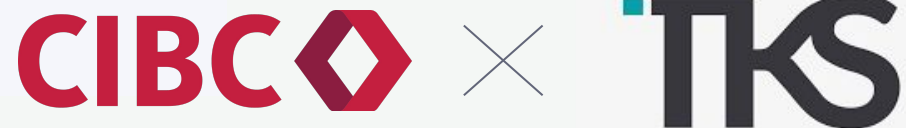


The Next Generation of Banking.

Connecting the future of CIBC
with the future of Gen Z.



Executive Summary

Problem

CIBC's digital platforms do not provide simple and straightforward ways to help Gen Z plan for the future.

Gen Z is Canada's **most engaged generation** when it comes to tracking finances and reviewing financial goals. However, 43% are **overwhelmed with saving**, and 30% **do not feel financially secure**.

This is why 57% of young banking customers report that it's **incredibly important** that their bank or credit union helps them improve their financial wellness. However, only 24% of Gen Zs receive help from a financial advisor, **turning to family members** and **social media** instead.

Solution

Making managing money simple and transparent with the CIBC Mobile App.

Our solution will provide Gen Z with simple ways to **save, invest, and learn about finances**, made available through the CIBC mobile banking app.

These features will be not only be **digital**, but also **convenient, personalized, and customizable** to reflect the core values of Gen Z. They are designed to make money management as clear and stress-free as possible, and will provide Gen Z with a unique and modern banking experience. Once these features have been implemented they will be easily **scalable**.

Outcome

Attracting and retaining Gen Z members in the long-run.

This solution will help CIBC compete not just with other traditional banks, but also with up-and-coming **online banks** and **FinTech firms**, which are becoming more and more popular among Gen Z due to their digitality.

Additionally, taking an early interest in the future of clients' financial health will help to **strengthen the relationship** between CIBC and Gen Z. They are the most fickle generation when it comes to switching banks, so boosting long-term loyalty is important.

Meet Simar.

Simar Jawanda



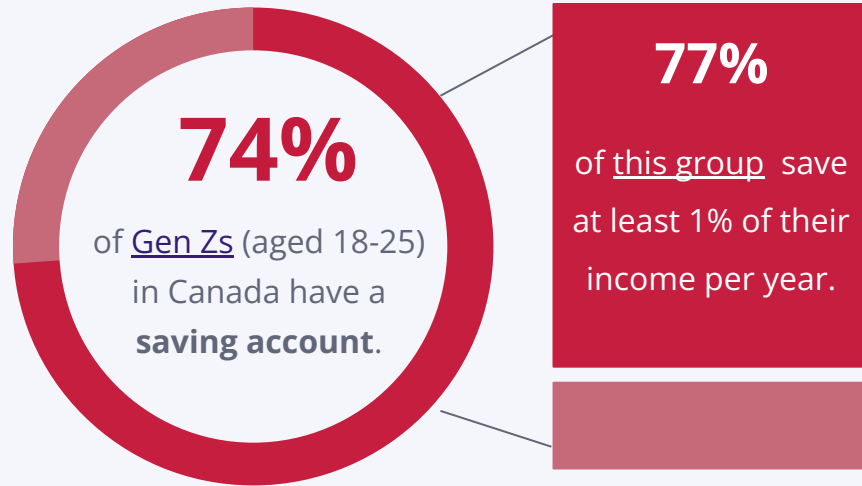
She's an 18-year-old student studying at UBC Okanagan.

“If there’s one word I’d use to describe Gen Z, it’s **overwhelmed**. Anyone who thinks we’re carefree or irresponsible has got the wrong idea. We’re definitely **concerned** about the future. Everyone is investing or saving or trying new things, and everyone wants to show off how **financially secure** and **knowledgeable** they are. We’re all looking to get ahead of the game, but trying to get started is just a **storm** of information and choices about what you can do with your money. Whenever we actually try to plan out our finances or make calculations, it feels like we’re just taking that future stress and pulling it into now, instead of actually eradicating it.”

“So, when it comes to finances, all I want is **simplicity** and **clarity**. I think that’s why my generation would rather turn to TikTok and friends for financial advice instead of established financial institutions. **Banks have so much advice and ways to help us plan for the future, but it’s just not collected and presented in a way that seems digestible to us.**”

Gen Zs...

...**love** to save.

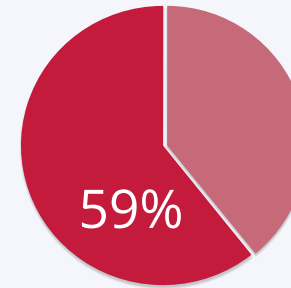


Two-thirds of Gen Z respondents to a Goldman Sachs study said they prioritize **financial fitness over physical fitness.**

Teenagers are also saving, and 83% of teens are actively tracking their savings goals.

...find saving **hard.**

Current, a debit app aimed at teens, found that 59% of their audience **don't expect to meet their target** savings goals anytime soon.



...are **worried** about the future.

43% of Gen Zs are **overwhelmed by saving.**
30% **do not feel financially secure.**
45% live **paycheck to paycheck.**
26% are worried **they won't be able to retire comfortably.**

...are saving more now more than ever, due to the **Covid-19 pandemic.**

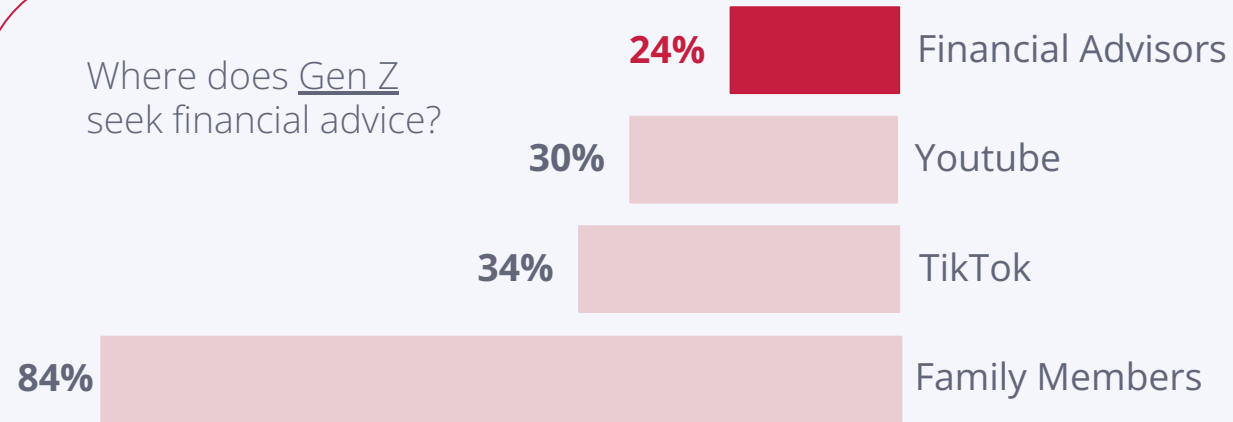
53% of Gen Zs aged 18-25 in Canada reported that the pandemic **upended their financial security.**

98% are **actively making plans** to strengthen their financial resilience.

Gen Zs...

...don't go to banks for advice.

Where does Gen Z seek financial advice?



71%

of Gen Z (ages 18-25) strongly agree that there are financial topics they want advice on, but aren't sure where to get it.

When Gen Z seeks financial help, financial institutions are at the bottom of the list.

Why? **Convenience.**

Gen Zs use the tools that are most **accessible** to them. Unlike a financial advisor, they can access their family members or social media in the matter of seconds.

Using their mobile app, CIBC can offer **trustworthy** help at the **same level of speed** Gen Z are accustomed to.

And that's where we come in.

Introducing **The Three Ps.**

Our idea, The Three Ps, is a solution containing the resources needed to help Gen Z plan for the future in the **easiest** and **clearest** way possible. The Three Ps will work together to help Gen Z to reach their financial goals with **different features** that are very future-focused and up-to-date with modern times.

PerCent

Saving while spending.

With every transaction made by a client, a **proportion** of the amount they spend will be transferred from their checking account to their savings account.

The **consistent** transfers into a client's savings account begin to build up and become **substantial**.

PiggyPots

Targeting Savings Goals.

This would allow clients to allocate money towards financial saving **goals**. Gen Z prefers to be able to **visualize** their goals.

Some banks are losing market share to small fintechs that are gaining traction because they offer features like this.

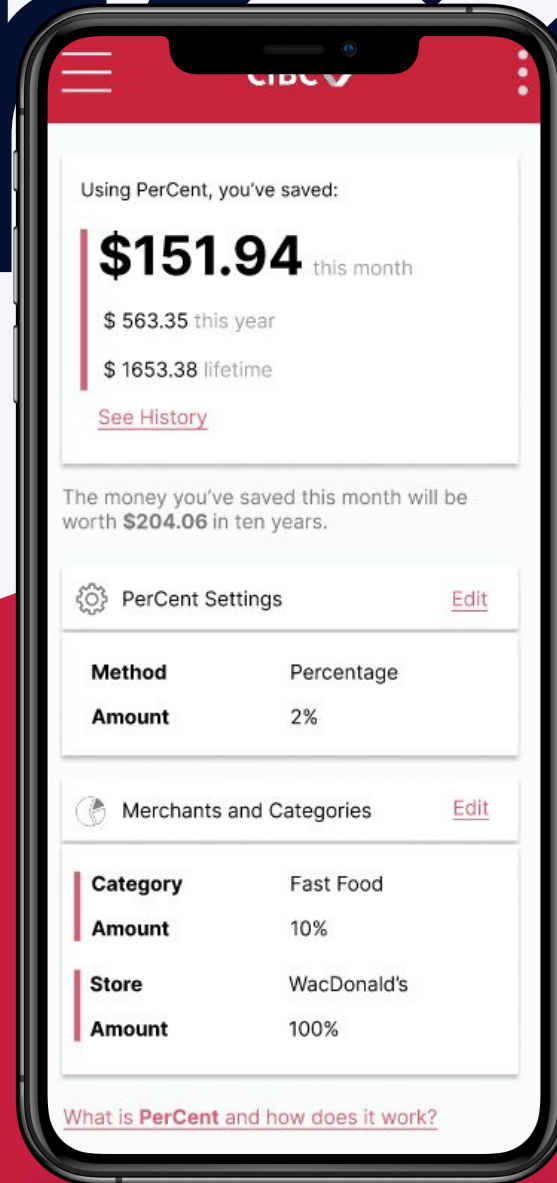
Practice

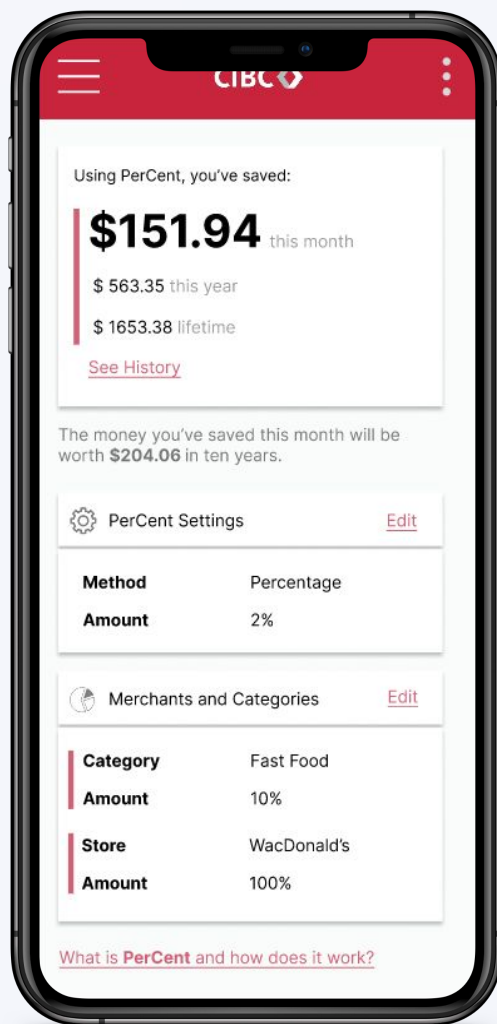
Getting trustworthy advice.

There is a lack of **trustworthy** financial information available. People don't always know where to look.

By **partnering with universities**, CIBC could offer resources that teach clients the basics of finance and investing.

PerCent





PerCent

Automatically save when you spend.

PerCent is a straightforward, simple solution that can be implemented quickly.

A client will be able to opt-in to PerCent through CIBC's mobile app. Then, when they make a transaction through the app or on their credit or debit card, 2% of the value of the transaction will move **from their regular chequing account** into their **savings account**.

Depending on how much they want to save, the client can increase or decrease the percentage value saved per transaction.

This helps clients to save **consistently**, be able to **customize** their saving experience, and also help them to **keep their spending proportional to their saving**.

They can track how much they've saved with PerCent through the app.

PerCent In-depth

Save Spare Change Instead

As an alternative to saving a certain percentage of their transaction's value, a client might choose to **round up** to a certain value to the nearest \$5. They can customize this number to fit their needs.

Then, when they make a transaction, the total will be rounded up to the nearest \$5 and the spare change will be transferred into their savings account. From there, it can be **put towards a PiggyPot** (Phase 2).

This way, spare change can **build up over time** because of lots of transactions.

Auto-Invest with PerCent

For the savvy Gen Zs who want to try their hand at investing, why not make that easier too? These clients can opt in to **invest** their PerCent money instead.

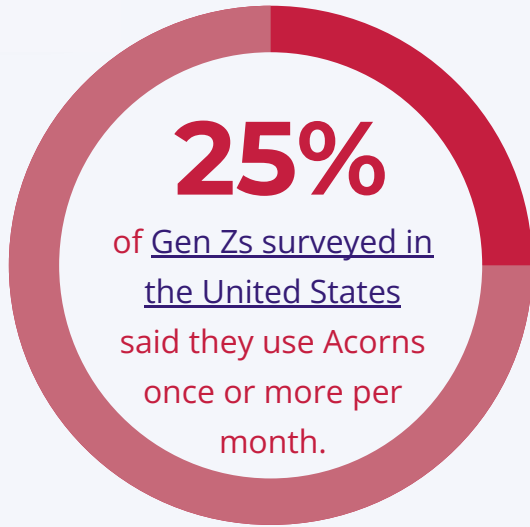
Clients would be able to create a list of what they want to invest their money in, and automatically send their PerCent money that way. Eventually, CIBC could even provide them with a **customisable, personalized list of possible investments** that their PerCent would be invested in. Combined with Phase 3 (Learn), CIBC will become *the* big bank for Gen Zs who want to invest but don't know how.

Improve Spending Habits

Members of Gen Z want to stop spending money on things they know they shouldn't. They might decide to do this by setting their saving percentage **higher** for certain merchants or categories.

For example, there might be a client who wants to cut down on fast food purchases. This client usually saves 2% on every transaction, but in the fast food category the percentage is set to 8% so that they think twice about purchasing the fast food.

The **health and wellness-loving Gen Z** would be particularly attracted to this feature.



By next year, the target number of users of **Acorns Early** (which targets users under the age of 18) is

1 million.

Case Study: Acorns

Acorns is a US-based app that helps users **automatically invest** spare change.

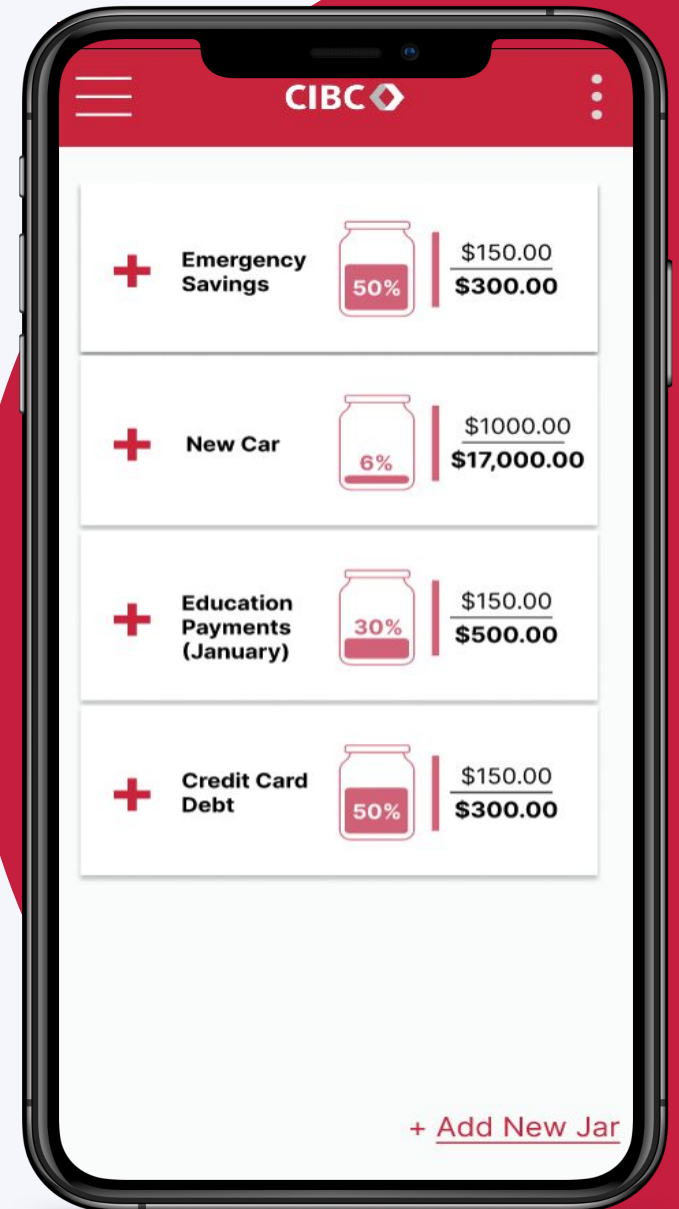
Acorns rounds up transactions **to the nearest dollar** and automatically **invests** it. Acorns focuses on **putting money away** for the future, rather than making big returns on the investment.

With more than **20 million downloads**, Acorns has quickly become one of the most popular investing apps in america.

This shows the amount of interest younger generations have in hands-off ways to save and make money.

Acorns is not offered in Canada. Neither are Digits, Chime, or many other automatic savings apps that are incredibly popular in the United States.

Piggy Pots



PiggyPots



What?

A way to **categorize** what people want their savings to go towards within their single savings account, with the option for rule-based deposits or lump-sum deposits. Clients can set **achievable goals**, transfer money intentionally and save money easily.

It would include tools for calculating the deposits into different categories within a client's savings account, and the amount of times per month that money would be **automatically** deposited into the account.



Gen Z is saving more than other generations.

According to a [2022 BlackRock retirement survey](#), Gen Z is **saving more** than previous generations. Gen Z had an average savings rate of 14%, compared to the 12% savings rate reported by millennials, Gen X and boomers.

It is **imperative** that banks seize this boost in saving popularity and offer features that are unique and intriguing to Gen Z in particular.



Why will it work?

Gen Z is looking for an **easy solution** to make them feel like they have a **plan** for their future.

Having lived through 3 different financial calamities: COVID, Sub-prime crisis and the Dot com crash, GenZ **prioritizes** finance.

This idea would help customers **visualize** how close they are to their saving goals. This is very **attractive** to the younger generations just beginning to bank.



Gen Z worries about saving money.

Data from [Deloitte's 2022 global Gen Z and Millennial Survey](#) shows that a third of Gen Z respondents worry about the cost of living above all other concerns; 45% live pay-cheque-to-pay-cheque, and just more than a quarter doubt they'll retire comfortably.

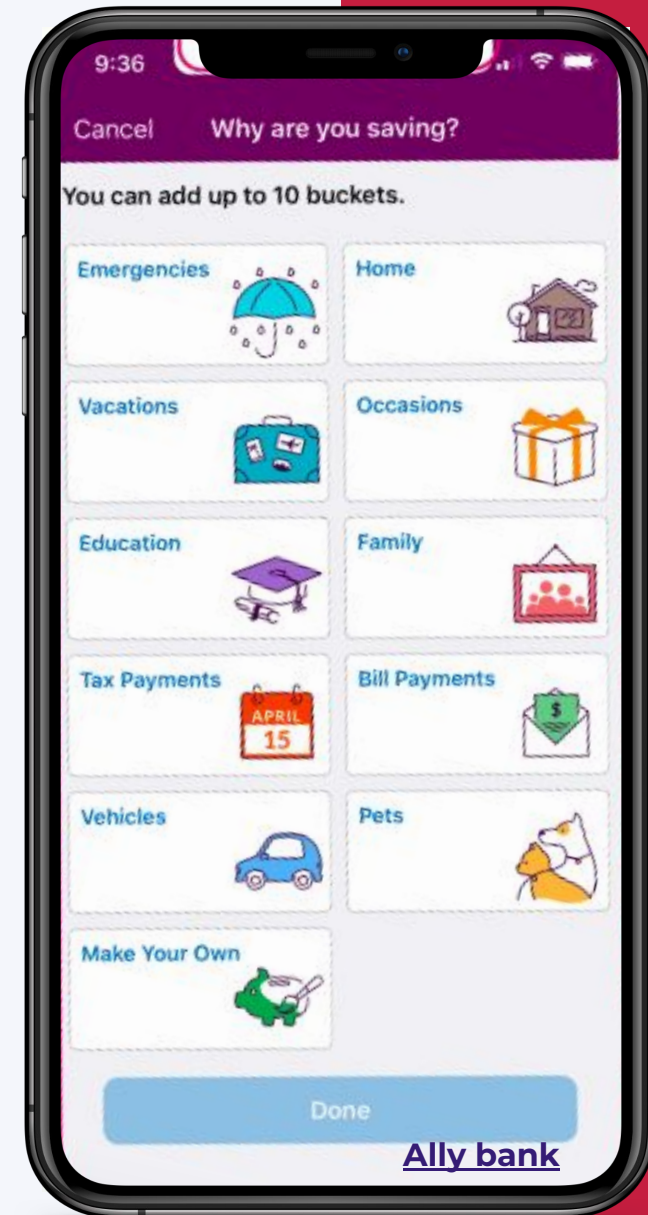
If a bank offers Gen Z a **simple and easy way** to save money without having to intentionally set aside huge amounts of money for retirement, that bank would likely **gain** customers.

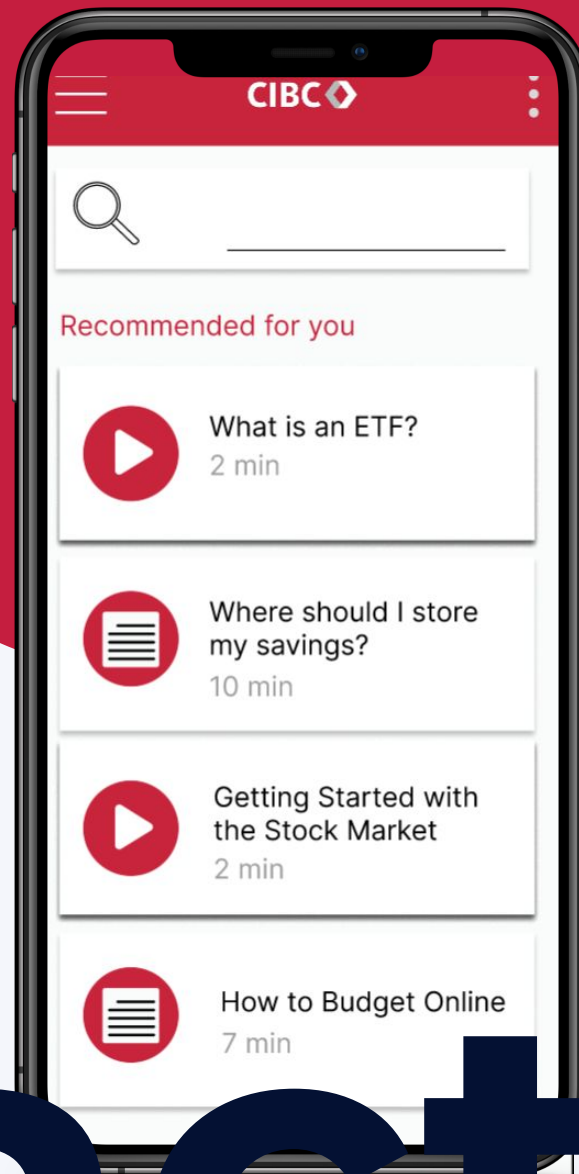
Case Study: Ally

Ally bank, a leading digital financial services company, offers its customers the feature of categorizing their savings.

The online bank also offers another feature. Recurring Transfers allow customers to put money into their savings account **automatically**. A customer can set how much they want to be put into their account as well as how often that amount is put in. Customers can also **distribute** these amounts evenly between all categories or choose which category to put the majority of the money into.

We are suggesting that CIBC implements the “buckets” and recurring transfers into their app. The client could even earn a higher interest rate there than their checking account. This would **encourage** clients to use this feature and bank with CIBC.





Practice

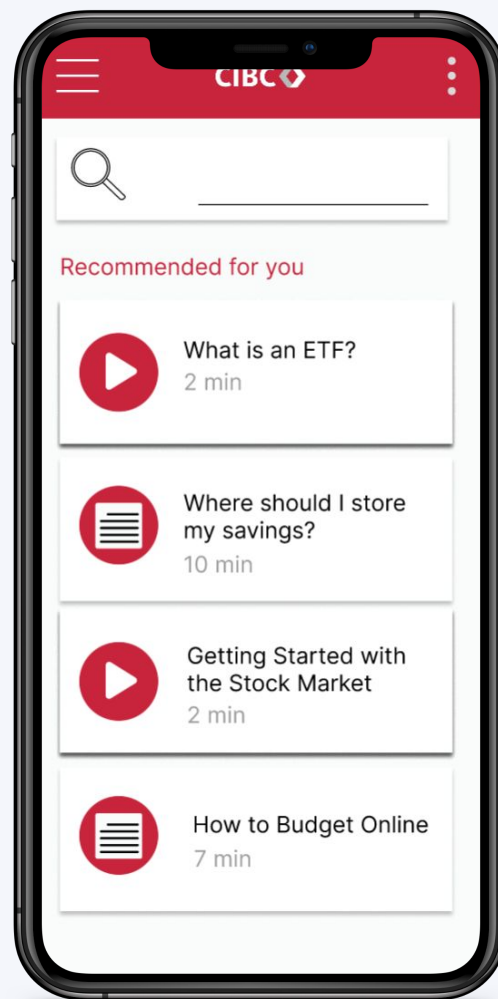
Practice

Learning finance the right way.

Gen Z doesn't know where to get financial help. Trustworthy financial help from big institutions just isn't as accessible as TikTok.

That's what Practice is for. By **partnering with Canadian universities** to create videos, articles and online courses about finance and publishing these through the mobile app, CIBC will be able to provide approved advice in a way that Gen Z will be **willing to access**. These videos and online courses will be released at no extra cost to people who have an account.

Through universities, CIBC can put together a team of **professional** educators to help them design the content, while gaining **exposure** to students. Meanwhile, universities can gain exposure and a stronger brand reputation with the CIBC mobile app users.



Bite-sized Content

CIBC should provide individual modules to help CIBC users. **Modules** are bite-sized, standalone pieces of content, including one or a few TikTok-style mobile videos and articles which cover the same topic. The modules should link to further resources for those who want to delve deeper into a certain topic.

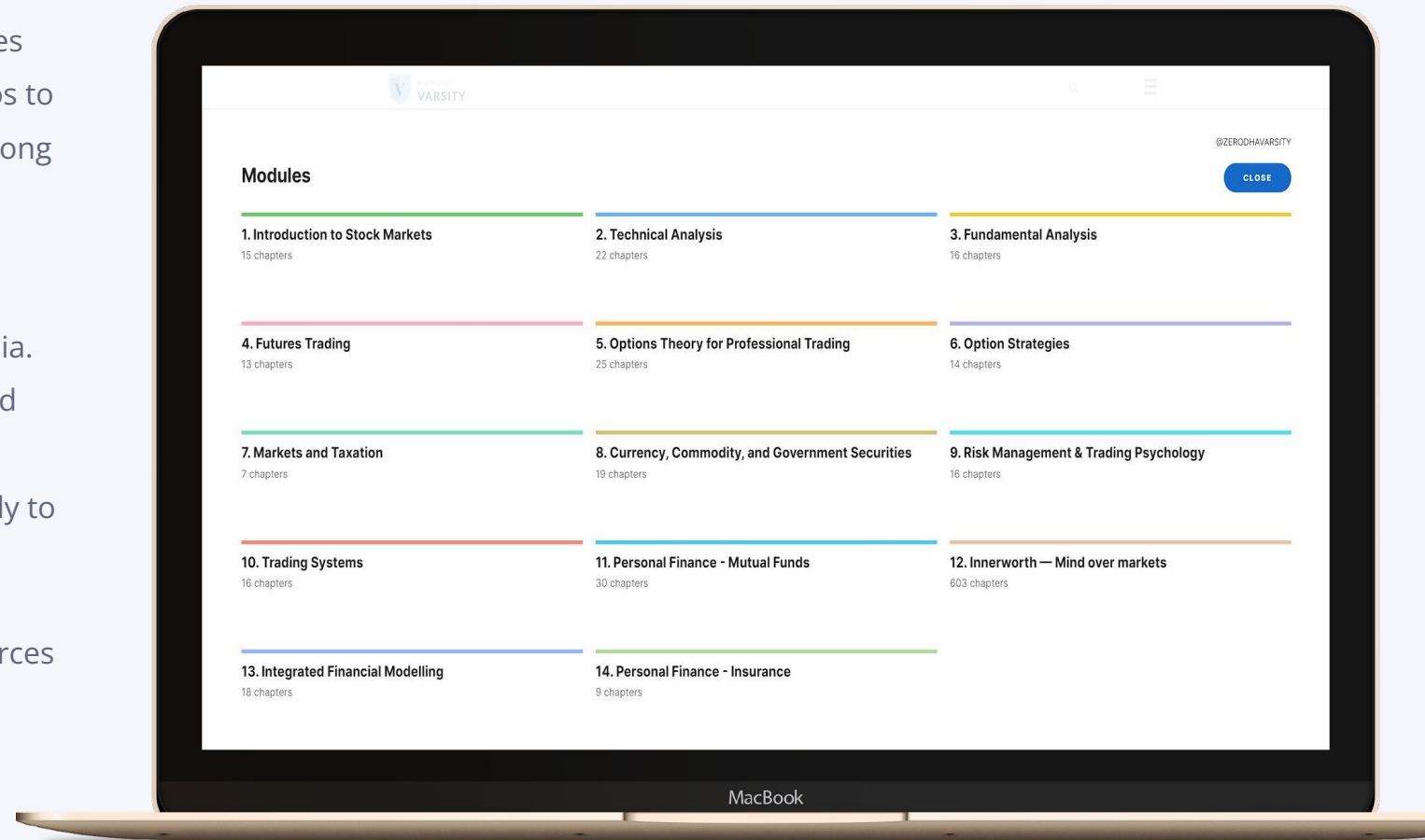
These modules can then be offered to all users **based on their interests**. For example, someone who has indicated that they are interested in budgeting might be recommended a short module containing budgeting tips and advice. Gen Zs should also have the ability to search for a certain topic they want to know more about.

Case Study: Varsity

Varsity is an open-use platform offering online courses about investing. Each 'module' contains text and videos to explain the topics in detail. It's **extremely** popular among Gen Z.

Now with over a million downloads, this app was developed by **Zerodha**, the largest stock broker in India. Varsity helps people **understand** the stock market and investing, which gives them the confidence to go and invest. Then, when they go to invest, they're more likely to use Zerodha.

This is an example of how these detailed online resources help Gen Z become **more comfortable** with their finances, while encouraging **long-term loyalty** to the institution that helps them.



Implementation

How will Gen Z interact with our solution?



The Three Ps will work together to provide Gen Z with financial resilience and independence.

By addressing some of Gen Z's **deepest fears** in the **simplest ways**, CIBC will become the best bank to help Gen Z prepare for their future.

Thank you CIBC



Neelmani
Balgaria



Amaara
Samanani



Isha
Dau

We'd like to give a **huge thank you to CIBC** for giving us this amazing opportunity and for taking the time to go through this deck.