

ISRAEL & FINTECH

Scalability for SMEs

Small/Medium-size Enterprises (SMEs) are responsible for half of worldwide GDP
But traditional banks have never seen small companies as profitable for ROI

FinTech services that suit the needs of SMEs:



P2P loans



bill management



finances of
online providers



financial services
for invoicing



ecommerce

"The Future of FinTech: A Paradigm Shift in Small Business Finance," World Economic Forum. Oct. 2015.

B2C Enabled

- Growing need for crossborder payment but currently expensive
FinTech making **crossborder payment** cheaper and more convenient, even for the unbanked
- Banks inefficient in international transactions because of lack of regulations
FinTech **blockchain technology** making financial business operations faster, more flexible, reliable, and cheaper
- Getting a loan can be difficult, time-consuming and dependent on credit history
FinTech enhancing **P2P lending**
- Traditional means of trade accessible mainly to professional brokers
FinTech developing easy-to-use **trading** and **algo-trading** solutions for private person

Sector Spread

300+
Innovative Technology Companies



● Start-ups ● Established/ Revenue-Financed



● Payments ● Trading ● Transactions ● Big Data Analytics
● Cryptocurrency (incl. Blockchain...) ● Fraud and Authentication
● Lending

FOREIGN INTEREST IN ISRAELI FINTECH

Investments rising fast

2014: 42 FinTech companies raised \$296 M
2015: 53 FinTech companies raised \$485 M
2016: 38 FinTech companies raised \$523 M (Q1-Q3)

FinTech R&Ds:

citi

VISA

amazon

PayPal

and many more...

FinTech Incubators/Hubs:

ELEVATOR

Microsoft
Ventures

BARCLAYS

citibank

SPECIAL QUALITIES OF ISRAELI FINTECH



Expertise in real-time analytics, algorithmic, big data, risk management, anti-fraud

Second-time entrepreneurs experienced in building successful businesses



Community interaction of innovators through regular conferences and events

Israel as **"beta site"**—tradition of being a testing ground for innovation



Israeli presence in global financial services workforce: thousands of Israelis bring their experience in foreign markets to the Israeli arena

Presence of global financial institutions in Israel (R&D centers, accelerators)



Limited local market drives Israeli innovators to global milieu

Legacy of reliability and prowess in innovation attract investments and customers



Co-Founder of Viola Group and Carmel Ventures, Avi Zeevi, "How Israel Came to be at the Forefront of FinTech Innovation," Viola Notes. Aug 2015.

SNAPSHOTS OF SUCCESS

Major acquisitions

3 companies sold in **2014** for **\$718M total**

Ex: mobile paying app **Check** acquired by Intuit Inc for **\$360M**

5 companies sold in **2015** for **\$2.39B total**

Ex: payment services provider **Fundtech** acquired by Canadian D+H for **\$1.25B**

*"Fintech' Expansion Lures Foreign Banks to Israel,"
CNBC. 12Dec 2015.*

Globally notable Israeli start-ups

colu.

Cinch

BIOCATCH
Less Friction. Less Fraud.

eToro
Trading Starts Here

SAPIENS

personetics™

credorax

Payoneer

START-UP
NATION
CENTRAL

**START-UP NATION CENTRAL IS YOUR
BRIDGE TO ISRAELI INNOVATION.**

Contact Start-Up Nation Central to help you to access the Israeli fintech ecosystem, and connect with the relevant start-ups and industry figures.

Jeremie Kletzkin | Jeremie@sncentral.org | StartupNationCentral.org