



FINCLUDERS

**Advancing Financial Inclusion
Through Technology**

Results Report 2016 – 2019



Welcome

The Fincluders Results Report

Technology has the ability to advance financial inclusion when applied responsibly. Not only do financial institutions benefit, but also enterprises and households. This report presents emerging financial technology companies (fintechs) who are shaking up the financial industry. Although their proven business models range broadly in aim and function, they all have something in common: **Each uses innovative technology to reach the customers traditional banks so far have often missed.**

Fincluders is a thriving initiative that supports these companies in developing a **proof of concept, testing it, validating their business model and finally finding capital to grow their business.** This report presents the results of the **Fincluders Initiative** and introduces the **Fincluders Network** for a growing community of thriving companies.

The **Fincluders Initiative** is supported by the **European Fund for Southeast Europe (EFSE)** and the **SANAD Fund for MSME (SANAD)**. These are two impact investment funds that share the same goal: **Invest in the success of small business owners.** By strengthening this backbone of local economies in their target regions, the two funds aim to promote economic growth, prosperity, and job creation.

Each fund provides **dedicated financing to boost the ability of local financial systems** to serve micro, small, and medium-sized enterprises. In addition, the funds' investment activities are complemented by technical assistance facilities, providing nonfinancial support to create the surrounding conditions to anchor and multiply EFSE's and SANAD's positive impact.

The funds are managed by **Finance in Motion**, an impact asset manager who also manages the funds' technical assistance facilities. **Finance in Motion** is a **global impact asset manager** focused exclusively on sustainable development in low and middle-income countries. The company develops and advises impact investment funds with blended finance structures.

The Power of Fintech

It has almost been two decades since online banking went mainstream, revolutionizing the way retail customers and commercial institutions do finance. Today, apps and online platforms are taking banking even further, as clients in rural or low-income areas rely increasingly on digital technology to obtain the financing, previously only available in brick-and-mortar banks. Also, the ways to obtain financing have changed and diversified considerably: small business owners today can engage in digital peer to peer lending or supplier finance in a quick and simple way. This **provides the businesses with options and choices to obtain financing.**

This kind of outreach levels the playing field especially for female business owners, young entrepreneurs, and other groups who may face particular barriers accessing financing through more traditional channels. **Fintech contributes considerably to financial inclusion** of these individuals. A farmer, for example, can find the right lender for his new equipment by logging into a specialized microfinance community. As they develop and become viable and registered businesses, they become the financial service providers of the future.

For financial institutions, fintech allows them to **strengthen operations, enable new services, and ultimately reach previously untapped market segments and clients.** Through the collaboration with fintech companies, for example, banks adjust to the new ways of digital banking and offer more customized and cost-effective services to their clients.



Yet despite this clear direction in financial services, the adoption and implementation of responsible fintech solutions that are viable and serve large market segments is **still at a nascent stage in many parts of the world.**

That is where the **FIncluders** come in. These companies were carefully selected from this growing wave of industry innovators for their particular ability to **deliver strong developmental impact and push fintech into the mainstream.**

In order to be part of the **Fincluders Initiative**, their ideas needed to be scalable and the teams needed to have strong knowledge of their market. Most importantly, their solutions had to demonstrate **commitment to one of the core pillars of financial inclusion**:

- financial access and literacy
- financial identity and credit scoring
- alternative banking delivery channels
- microfinance
- mobile services for the underbanked
- consumer protection
- or agrifinance for smallholder farmers



The Fincluders

Who are the Fincluders?

The original **Fincluders** consist of a core group of 12 Fincluder businesses. They were identified, mentored, and accelerated according to their potential to use financial technology – or “fintech” – to **boost financial inclusion in developing countries**. Their novel solutions enhance financial access and services to otherwise underserved market segments, such as rural farmers, women, youth or refugees.

Through a careful program of business development, training, and relationship building, the Fincluders Initiative has released 12 viable and productive fintech companies into the market. These new businesses already generate **measurable results in financial inclusion**. For example, they enable farmers to trade their produce online, thereby reaching traders beyond their rural communities; students can participate in an online student financing program for affordable education; or small business owners without a credit history can access credits based on innovative scoring that includes their social network and payment history.

The Fincluders in numbers

12 companies

19,000 direct customers

148 B2B clients

EUR **5 million** revenue

200+ jobs

and growing ...

The Fincluders Challenge

How it all began

In 2016, specialists at the funds' common advisor **Finance in Motion** had a plan. As experts in financial inclusion, they were aware of **fintech as a rising force in the financial sphere** and of its potential to extend outreach to their funds' target group. As this target group consists of entrepreneurs at all levels of business development, the specialists also had experience in helping startups accelerate into fully fledged enterprises.

The plan started with an **inaugural Fincluders challenge of the EFSE Fund in Berlin Germany, that was held to identify the most promising ideas for financial inclusion in EFSE's target region of Southeast Europe and the Eastern Neighbourhood**. Applicants' proposals had to meet rigorous requirements of impact potential and viability. Their business models needed to not only address a concrete need, they also had to be innovative and have a clear edge over existing solutions. A panel of expert judges narrowed the selection down to the top 15 founders of early-stage businesses from a number of countries across the region. Their ideas were then honed and developed in an intensive workshop before presenting their concepts at a pitching competition in Berlin in front of established financial institutions, industry experts, and even potential investors.

Building on the success of the Fincluders Challenge in Berlin, the **Fincluders Challenge** was expanded to Amman, Jordan, the very next year. There, the **SANAD Fund in turn gathered 7 high-potential startups from its target region of the Middle East and North Africa** to hone their business ideas.



The Fincluders Bootcamp

Transforming ideas into enterprises

The **Fincluders Challenges** were just the beginning, however. Once the most promising fintech startups had been identified, a community was born. The next step was to harvest the top candidates from these two tournaments and **turn the fledgling businesses into established market players**. The **Fincluders Bootcamp** was held at the end of 2017 to accomplish precisely this.

The EFSE and the SANAD Fund partnered with **Village Capital** and the **Luxembourg House of Financial Technology (LHoFT)** to use their combined expertise toward constructing a rigorous curriculum that would help the companies leverage their strengths, resolve their weaknesses, and keep track of critical milestones in their development. The goal was to **identify specific, actionable steps to accelerate their development** – focusing on team work, product, value proposition, business model, and investability.

Two weeks of intensive collaboration and training enabled 12 selected startups to ramp up their businesses. Alongside workshops, the **Fincluders met over 70 dedicated mentors, potential customers, and partners**. These included representatives from international and regional banks and financial institutions; venture capital, angel, and institutional investors; established fintech companies; and experts from development finance, major law firms, and advisory services companies.



Interspersed with the networking, moderated peer review sessions focused on refining key elements for the Fincluders' success. Participants worked on answers to questions such as:

- ✓ What is our **vision statement**?
 - ✓ What is our **value proposition**?
 - ✓ How do we **map our business model and target market**?
 - ✓ How can we **measure our company's impact**?
 - ✓ Are our **financial assumptions solid**?
 - ✓ What are our **company's strengths**? What **risks do we face**?
 - ✓ What are our **strategic goals** for the coming year to reach commercial success?
-

As a result of the participation in the bootcamp, the 12 **Fincluders** had developed **comprehensive business strategies with well equipped business and financial projections as well fully fledged fundraising plans and pitch decks**. They had worked on their Human Resources planning to support the viable growth of their businesses next to finance. And they had developed a network of all together 175 business partners to further grow their business to new markets. All this solid business and management foundation **enabled each Fincluder to enter the stage of active fundraising for business expansion**.

The Fincluders Today

Investable enterprises

After the conclusion of the 2017 bootcamp, nearly all 12 **Fincluders** companies had seen significant acceleration. The vast majority have **increased their revenue, established partnerships, expanded their geographic footprint of operations, raised rounds of debt or equity financing, and grown their customer base.**

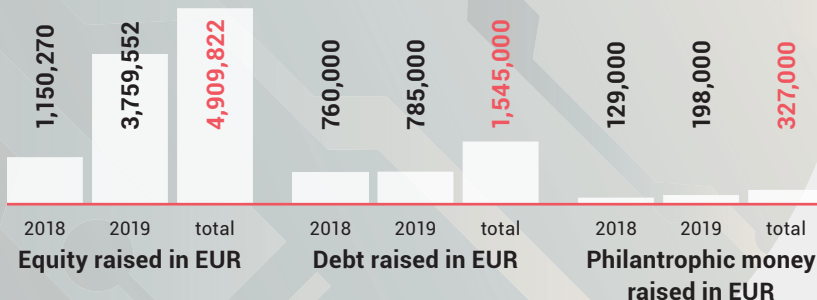
Since the launch of the **Fincluders Initiative** in 2016, the 12 **Fincluders** companies have:

- Raised nearly **EUR 5 million in equity**
- Raised **EUR 1.5 million in debt**
- Earned around **EUR 5 million in total revenue since founding**

Today, the 12 **Fincluders**:

- Are serving **19,000 direct customers**
- Cater to **148 B2B clients**
- Have created more than **200 jobs**

Nearly all **Fincluders** established **new commercial partnerships** or expanded geographies, operating across Jordan, Morocco, Nigeria, Ghana, Zimbabwe, South Africa, Egypt, Turkey, Spain, Croatia, Kenya, and Georgia. As they grow, the **Fincluders** are **expanding access to financial services to underserved communities** and providing solutions to banking and financial institutions that have difficulty reaching some market segments.



The Fincluders Network

What lies ahead

As fintech startups contribute an increasing number of exciting innovations to the financial sector, the potential for this technology to help underserved groups achieve access to finance is growing at an unprecedented rate. Thus, the **Fincluders Initiative** continues to provide targeted assistance to a growing network that includes the original 12 **Fincluders** as well as additional fintech startups.

The **Fincluders Network** brings together the most promising startups engaged in fintech for financial inclusion to support them in **accessing investors, meeting business partners and financial institutions, and attaining valuable training**. Member startups are able to apply for financial support to improve their business operations, build their capacities, and access business opportunities while continuing to focus their business on **providing impact and financial inclusion to underserved markets**. This continuously grows the network of Fincluders companies and links EFSE's and SANAD's large regional network of financial institutions and partners to these companies, thereby growing the community of financial services providers of the future.



All members of the **Fincluders Network**:

- have a strong focus on, and commitment to, enabling any of the **six pillars of financial inclusion**
 1. **Financial access & literacy**
 2. **Financial identity and credit scoring**
 3. **Alternative banking delivery channels**
 4. **Microfinance for MSMEs**
 5. **Mobile services to the un/underbanked**
 6. **Consumer protection**
- already have a **working prototype/beta**
- are **not more than five years old**
- originate in any of **EFSE's or SANAD's target countries**



The Original 12 Fincluders



Agrocenta | agrocenta.com

AgroCenta is an agritech platform that provides **end-to-end solutions for rural smallholder farmers in the post-harvest staple food value chain**. AgroCenta's suite of services range from an online trade hub connecting farmers and buyers, a real-time payments service through mobile money technologies, and an on-demand trucks and logistics service where farmers can request for truck delivery services just at the click of a button.

Location: Ghana

Year founded: 2016

Founders: Francis Obirikorang & Michael Ocansey



FarmDrive | farmdrive.co.ke

FarmDrive is a Kenyan-based social enterprise that **connects underserved smallholder farmers to financial services while helping financial institutions cost-effectively increase their agricultural loan portfolios**. Using simple mobile phone technology, alternative data sets, and sophisticated data analytics, FarmDrive has built a credit risk scoring algorithm to assess small-scale agricultural lending risk.

Location: Kenya

Year founded: 2014

Founders: Adham Badr & Ahmed Wadi



Kiraplus | kiraplus.com

Kiraplus provides **digital platform that allows tenants to seamlessly pay their rent, security deposit, and other fees in instalments thus building strong credit score faster** than they would have otherwise. The platform connects tenants, homeowners, real estate consultants and portfolio managers facilitating payments and interaction between stakeholders.

Location: Turkey

Year founded: 2016

Founders: Altan Atabarut, Zuhtu Esiyok & Ömür Filiz



Kredico | kredico.com

Kredico is an online lending platform, which **enables individual borrowers and small businesses to access loans by using borrowers' social network data in addition to their payment history for assessment of their creditworthiness**. It helps banks to better understand their customers and it brings new customers to banks too. Banks may offer new products to its customers using Kredico's online platform benefiting from its low cost of operations.

Location: Turkey

Year founded: 2014

Founders: Celik Ören & Ender Varlık



MoneyFellows | moneyfellows.com

MoneyFellows is a **web- and mobile-based platform that enables people to access interest-free credit and achieve better savings powered entirely through their personal network.** MoneyFellows achieves this by digitizing the traditional offline ROSCA (Rotating Savings and Credit Association) model making the experience transparent, safe and fully automated.

Location: Egypt

Year founded: 2014

Founders: Adham Badr & Ahmed Wadi



nettbe (ex. CircleMoney) | nettbe.com

nettbe **helps you take care of your claims and debts – paperless, safe and fast.** Its aim is to disrupt the current national debt settlement landscape and become the provider of the most innovative, secure, cross-border solution for debt settling. nettbe guarantees top-of-the-line infrastructure and process simplicity to all its consumers.

Location: Croatia / Serbia

Year founded: 2016

Founders: Nino Ćosić, Ines Idžaković & Dragan Milovanović



OptioAI | optio.ai

OptioAi is a **personal finance assistant based on an artificial intelligence powered chatbot**. Mixing automatic data analysis and manual interaction, it helps low and mid income individuals and families to manage their finances in an easy, effective and fun way. Optio.Ai aims to change the existing approach of personal finance management and take it from "accounting" level to "assistance" level.

Location: Georgia

Year founded: 2016

Founders: Shota Giorgobiani & Giorgi Mirzikashvili



PayMob | paymobsolutions.com

PayMob has built a **suite of financial technology infrastructure to serve end-consumers and merchants and increase financial inclusion**. By partnering with banks and telecom operators PayMob provides mobile money infrastructure facilitating access to finance to underserved segments of society. In addition, it offers merchant payments acceptance service across several payment methods.

Location: Egypt

Year founded: 2013

Founder: Mostafa Menessy



POSRocket | posrocket.com

POSRocket is a **cloud point-of-sale platform that empowers small-medium businesses to grow and sell more**. The platform utilizes the robust iOS frontend and utilizes a state-of-the-art back-end technology to serve businesses with a complete end-to-end solution providing scalability, security, intelligence and mobility, all wrapped up in an intuitive user experience.

Location: Jordan

Year founded: 2016

Founders: Zaid Farekh & Zeid Husban



Quotanda | quotanda.com

Quotanda is a **lending as a service (LaaS) platform that enables organizations (schools, lenders, foundations and government agencies) to set up student financing programs to make education more affordable**.

Quotanda offers a comprehensive white-label solution for its partners including mobile-enabled loan origination, automated credit decisions, extended loan servicing, and default management.

Location: Spain / Mexico

Year founded: 2014

Founders: Lino Pujol-Soliano Regueiro & Grant Taylor



Seso | seso.global

Seso is a **digital land transaction and information platform that aims to tackle the inefficiencies of land administration to promote investment, reduce poverty and encourage transparent land resource management.** Seso leverages Blockchain technology to provide governments, financial institutions, realtors and the general public instant access to property information through an easy-to-use searchable interface.

Location: South Africa / Ghana

Year founded: 2017

Founder: Daniel Bloch



Tarfin | tarfin.com

Using its extensive retailer network and cloud-based credit platform, Tarfin **provides underbanked farmers with competitive point-of-sale financing for farm inputs.** With Tarfin, farmers can now bridge their working capital needs from planting until harvest with competitive interest rates while it significantly improves its member retailers' cash flow.

Location: Turkey

Year founded: 2016

Founder: Mehmet Memecan

Partners & Drivers



EFSE Development Facility | efse.lu
SANAD Technical Assistance Facility | sanad.lu

The **Fincluders Bootcamp** was initiated and financed through the support of the **EFSE Development Facility** and **SANAD Technical Assistance Facility**.

For over a decade, EFSE has supported micro and small enterprises in Southeast Europe and the European Eastern Neighborhood Region with around EUR 6 billion in funding for more than 730,000 small businesses and private households.

The **EFSE Development Facility** deploys effective, targeted, and innovative technical assistance to maximize the impact and outreach of the fund's development finance mandate to micro and small enterprises and low-income private households.

The EFSE Development Facility is funded by:



Federal Ministry
for Economic Cooperation
and Development



EFSE
EUROPEAN FUND FOR SOUTHEAST EUROPE

FMO
Entrepreneuria
Development
Bank

IFC
International
Finance
Corporation

OeEB
Österreichische
Entwicklungsbank AG

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
**Swiss Agency for Development
and Cooperation SDC**

The **SANAD Technical Assistance Facility (TAF)** is part of the SANAD Fund for MSME, which was initiated by **KfW Development Bank** as a public-private partnership. The fund provides debt and equity finance to partner institutions in the Middle East and North Africa to **support the growth of, and employment creation within, the region's micro, small, and medium enterprise (MSME) sector.**

The **Technical Assistance Facility (TAF)** supports SANAD's mission by providing partner institutions with the hands-on support they need to optimize product offerings, tap new customer segments, adapt to alternative lending technologies, and develop new initiatives

The SANAD Technical Assistance Facility is funded by:



Federal Ministry
for Economic Cooperation
and Development



FMO
Entrepreneurs
Development
Bank

OeEB
Oesterreichische
Entwicklungsbank AG

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation
Federal Department of Economic Affairs,
Education and Research SAER
Stans Switzerland for Economic Affairs SAER

The EFSE DF and the SANAD TAF are managed by Finance in Motion.



Finance in Motion is an **impact asset manager focused on sustainable development finance**. The company develops and advises alternative investment vehicles that cover a broad spectrum of development finance, including micro, small and medium enterprise finance and green finance. With a current volume of nearly EUR 2 billion, the funds are active in Southeast Europe, the Caucasus, Latin America, the Middle East, North Africa, and Sub-Saharan Africa. Finance in Motion's international team of around 200 employees works from 17 offices around the globe.

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