



Connecting Global FinTech: Hub Review 2016

Published by Deloitte in collaboration with All Street Research
September 2016

Contents

Connecting the global FinTech community	01	Luxembourg	36
Methodology	03	Mexico	38
Research findings	08	New York	40
Hub profiles	12	Shanghai	42
Belgium	14	Silicon Valley	44
Canada	16	Singapore	46
France	18	South Africa	48
Frankfurt	20	South Korea	50
Holland	22	Switzerland	52
Hong Kong	24	Sydney	54
India	26	Global FinTech Hub overview	56
Ireland	28	Thank you	58
Israel	30		
Kenya	32		
London	34		

Connecting the global FinTech community

Global FinTech continues to grow at a breathtaking pace with new entrepreneurs, investors and regional hub ecosystems emerging on a regular basis. Digital is truly global.

With low technology barriers to developing new applications for widespread use, and mass adoption becoming the norm in many other industries, it is now the time for FinTech.

Investors are increasingly global in their focus and how they access investments across the world. Through new platforms and approaches to syndication, angel investors now access the same opportunities and ways to invest as institutions.

Talent and teams are more globally mobile than they have ever been. It is not unheard of having small startups working across many different countries and cultures.

It seemed natural for us to connect up all of the regional hub ecosystems to help support the growth of entrepreneurs and investors globally.

In partnership, Innotribe and Innovate Finance have launched the Global FinTech Hubs Federation (GFHF), to bring together the established and emerging FinTech hubs globally and help foster innovation and collaboration around the world. This report is the first deliverable of the federation which puts a spotlight on 21 hubs operating worldwide.

The federation provides a cross border and open platform for global FinTech players to share knowledge and build a global network. We want to encourage global engagement, best practices, and knowledge sharing, as well as build bridges between all FinTech hubs for entrepreneurs and investors to connect.

Coordination and true collaboration between emerging FinTech startups, established FinTech companies, financial institutions, technology providers, and policy makers remains key for the long-term success of FinTech.

FinTech has come a long way and it will continue to grow in both volume and influence. With the GFHF Hubs, we have created a powerful community.

Fabian Vandenreydt, Global Head of Securities Markets, Innotribe & The SWIFT Institute
Lawrence Wintermeyer, CEO, Innovate Finance



Fabian Vandenreydt
Global Head of Securities Markets
Innotribe & The SWIFT Institute



Lawrence Wintermeyer
CEO, Innovate Finance



The Global FinTech Hubs Federation (GFHF), an initiative supported by Inn Tribe and Innovate Finance, is an independent and inclusive network of emerging and established FinTech hubs. As the FinTech sector develops globally, it is creating a growing international community helping to foster innovation across the world's financial services industry. The Global FinTech Hubs Federation is bringing together FinTech hubs to provide a neutral, cross-border platform to encourage greater collaboration, engagement and knowledge sharing in this growing global community.

Deloitte.

All the facts and figures that talk to our size, diversity and years of history are secondary to the truest measure of Deloitte: the impact we make in the world. With over 150 years of hard work and commitment to making a real difference, our organisation has grown, with more than 225,000 people in 150 countries.

Our role is to act as an orchestrator of an evolving FinTech ecosystem, collaborating with our clients to co-create the future of financial services.



Launched in 2009, Inno Tribe was created to identify the emerging technologies and innovative trends surrounding the financial services industry and generate discussions on their potential impact moving forward. Benefiting from SWIFT's central position, Inno Tribe provides a platform to the global financial community to understand the dynamics behind technology changes and to help focus on the opportunities for transformation rather than the threats to current market practices.

INNOVATE / FINANCE

Founded in 2014, Innovate Finance is the industry body for the FinTech community in the UK. Innovate Finance serves as a single access point to the full financial services and technology ecosystems. Through its curated innovation programmes and partnerships with other organisations Innovate Finance seeks to address some of the key issues affecting the growth of the sector.

Methodology

The *Connecting Global FinTech: Hub Review 2016* is published by Deloitte in collaboration with All Street Research. The report takes into account both hard and soft data to compare the current status of 21 global hubs (“Hubs”) on the basis of the FinTech sector development in that location.

FinTech, short for Financial Technology, has become an important sector in its own right in the wake of the global financial crisis. Technological innovation has created the opportunity for significant disintermediation of traditional financial institutions, with the ultimate result of reducing costs and widening choice of financial services for consumers. Traditional financial services centres such as London, New York and Hong Kong are well-placed to take advantage of this trend. However, there is also opportunity for other cities and countries either to carve out leading roles in FinTech, or to develop niche areas of expertise.

People and capital are increasingly mobile, and barriers to entry into the sector are lowering, allowing people with great ideas and technical skills to be globally selective about where to locate fast-growing companies.

Not only can a well-developed FinTech sector make participation in the financial system easier for businesses and consumers, but it can also be an engine for economic growth, cultivating a culture of innovation and entrepreneurship, with all the associated long term benefits for a city or country.

This report builds on the initial analysis and research undertaken by both Innoribe for the 2015 edition of the SIBOS event, and by Innovate Finance for the Innovate Finance Global Summit (IFGS) 2016.

The methodology for the FinTech Hub comparison is comprised of three sections: Hub Selection, Index Performance Score and Hub Indicators.

Section 1. Hub Selection

Representatives from the selected FinTech Hubs provided their insights and knowledge on local markets, industrial and market facts, and significant trends. These “Hub Representatives” are trade bodies, commercial businesses, or not-for-profit organisations, all of whom play an important role in the local financial and technology sectors in a number of ways:

- Promoting the growth of the local FinTech market and ecosystem
- Connecting various market participants
- Acting as a co-ordinator and representing stakeholder interests for policy and regulatory issues

We purposefully included a range of countries and cities in the Hubs that we analysed. While this may seem to represent a geographical inconsistency, this categorisation reflects the reality of the evolution of financial centres, how FinTech is evolving and where the hot-spots are.

Hub	Hub Representative
Belgium	Eggsplore
Canada	FinTech Association of Canada
France	Paris FinTech Forum
Frankfurt	FinTech Forum
Holland	Holland FinTech
Hong Kong	FinTech HK
India	Nathan Associates India
Ireland	Deloitte Ireland
Israel	Startup Nation Central
Kenya	NEST Nairobi
London	Innovate Finance
Luxembourg	Luxembourg for Finance
Mexico	FinTech Mexico
New York	Partnership Fund of NYC
Shanghai	Silk Ventures
Silicon Valley	500 Startups
Singapore	Monetary Authority of Singapore
South Africa	Techstars
South Korea	Deloitte South Korea
Sydney	Stone & Chalk
Switzerland	Swiss Finance + Technology Association

Section 2. Index Performance Score

For each Hub, we have calculated an aggregate Index Performance Score which is predicated upon three business indices (“Business Indices”):

- **Global Financial Centre Index¹ (GFCI)**
- **Doing Business 2016² (DB)**
- **Global Innovation Index³ (GII)**

A lower Index Performance Score suggests that the Hub is more conducive to the growth of FinTech

Note: with respect to the GFCI, where each Hub is a country rather than a city, we used the ranking of the city where the Hub Representative is based as our Index measure. With respect to DB and GI, where there is more than one city in our Hub list for a particular country, we used the same country DB or GI rank, as appropriate, for all such cities as our Index measure.

1. World Bank. 2016. *Doing Business 2016: Measuring Regulatory Quality and Efficiency*. Washington, DC: World Bank. DOI: 10.1596/978-1-4648-0667-4. License: Creative Commons Attribution CC BY 3.0 IGO. Available here: <http://www.doingbusiness.org>
2. Z/Yen. 2016. The Global Financial Centres Index 19, April 2016. Yeandle and Mianelli, Z/Yen London. Available here: <http://www.longfinance.net/global-financial-centre-index-19/992-gfci-19.html>
3. Cornell University, INSEAD, and WIPO (2016): *The Global Innovation Index 2016: Winning with Global Innovation*, Ithaca, Fontainebleau, and Geneva. License: Creative Commons Attribution CC BY 3.0 IGO. Available here: <https://www.globalinnovationindex.org>

Global Financial Centre Index (GFCI)

Research indicates that many factors combine to make a financial centre competitive. The Global Financial Centre Index (GFCI) was created in 2005 and was first published by Z/Yen Group in March 2007. The GFCI provides profiles, ratings and rankings for financial centres, drawing on two separate sources of data:

- Instrumental Factors : Business Environment, Financial Sector Development, Infrastructure, Human Capital and Reputational and General Factors
- Financial Centre Assessments: in the form of responses to an online survey.

The GFCI is important for the comparison of FinTech hubs, as it relates directly to the competitiveness of that particular location as a financial centre. While the Instrumental Factors set out above are typically the types of factors that would also go towards determining the strength of a Hub in supporting a FinTech ecosystem, strong global financial competitiveness does not necessarily equate to a strong environment for FinTech. A measure such as GFCI may also be representative of existing entrenched interests backed by an infrastructure and regulatory system that tend towards supporting the status quo. A truly disruptive economic micro-climate also needs that elusive x-factor that enables innovation to naturally occur.

Doing Business (DB)

Doing Business 2016 is the 13th in a series of annual reports on the regulations that enhance business activity and those that constrain it. DB presents quantitative indicators on business regulation and the protection of property rights across 189 economies.

DB measures the legal and regulatory environment in which companies operate. This is crucial for FinTech companies. Long delays in setting up a company can stifle new ideas. Likewise a non-transparent legal system deters investors and customers from entering into relationships with anyone other than known counterparties, making the development of a knowledge-sharing ecosystem much harder.

As the FinTech sector is characterised by early and growth stage companies, the ease of doing business is a crucial measure of the viability of a particular FinTech Hub. It should be noted that many governments in countries which have poor DB scores can and do get around this by creating enterprise / free / technology zones that remove many of the regular business restrictions. Therefore a lower DB score does not necessarily equate to a poor FinTech ecosystem.

Global Innovation Index (GII)

First published in 2007, the Global Innovation Index is the result of a collaboration between Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO) and their Knowledge Partners. GI aims to capture the multi-dimensional facets of innovation by providing a rich database of detailed metrics for 128 economies that represent 92.8% of the world's population and 97.9% of global GDP.

Since FinTech is inherently disruptive, innovation is a key factor in determining whether a particular Hub can foster a successful FinTech sector. In particular, the wide variety of measures used in the GI would be expected to capture the various innovation components for a technology-related sector.

It should be noted that innovation is broader than solely technological innovation. For example, mobile payments via SMS have been a staple of the African payments system for many years (pre-dating mobile payments in developed markets) – the “innovation” there was not technical, it was deployment of the right technology in the right context.

Section 3. Hub Indicators

We have created a series of qualitative indicators that enable comparison of the FinTech sector in each Hub across a set of subjective and objective criteria.

These “Hub Indicators” fulfill a number of roles:

- Firstly, they help identify current strengths and core competences within each Hub. This is important because it provides startups with an indication of which locations their particular niche would thrive in, and global investors with information to identify opportunities that fit their investment criteria.
- Secondly, the Hub Indicators provide a “state of the nation” overview which covers, quantitatively and qualitatively, some of the major players (companies, investors or accelerators) in each market.
- Finally, the Hub Indicators highlight the local strengths and challenges for FinTech through a scoring system. This quantitative measure enables us to consistently compare data across the 21 Hubs and track progress in future GFHRs.

The Hub Indicators were collated through direct contact with the Hub Representatives. A questionnaire was sent to each Hub representative with the questions that form the basis of the research. The responses received were sense-checked by the research team through desktop research of publicly available information. Where any queries or discrepancies arose, we went back to the Hub Representative for clarification.

Questionnaire

The following is a breakdown and explanation of each question in the Hub Indicator Questionnaire.

Self Rated Questions

Please use the below scale to respond to each factor on behalf of your Hub:

01. **Not Good:** It is an issue that we are aware of
02. **Average:** We do no better or worse than other Hubs
03. **Better than average:** We do better than other Hubs
04. **Good:** We are happy with the current state
05. **Excellent:** This is something that defines our Hub

The following factors were subjectively assessed using the scale above (additional guidelines were provided where it was felt appropriate to elaborate):

1. **Regulation**
2. **Other countries’ startups coming to your Hub**
3. **Proximity to customers**
4. **Proximity to subject matter expertise**
5. **Innovation culture**
6. **Government support of FinTech**

Dropdown and Narrative Questions

These questions were comparatively subjective. Nevertheless, they constituted an important part of the development of the *Connecting Global FinTech: Hub Review 2016*. The narratives enabled the creation of “Hub Profiles” for the Hubs, which could be expanded upon in future editions in order to further develop Hub comparisons. This could include for example developing the criteria (such as market value, or value of investments) for selecting the “Top” companies, investors or accelerators.

Each Hub Representative was also asked to select the most significant technologies, innovation areas and challenges affecting their local area from a dropdown list provided by the GFHF. Innovation areas reflect the areas of financial services experiencing FinTech disruption, driven by enabling areas of technology. The responses reflect the perspectives of the local Hub Representatives based on their knowledge and experience and not the views of the GFHF.

Individual Hubs have been the subject of extensive research and data collection, and the relevant Hub Representatives have reported both subjectively and objectively derived responses. The future objective will be to increase the standardisation of reporting across global Hubs.

Dropdown Questions

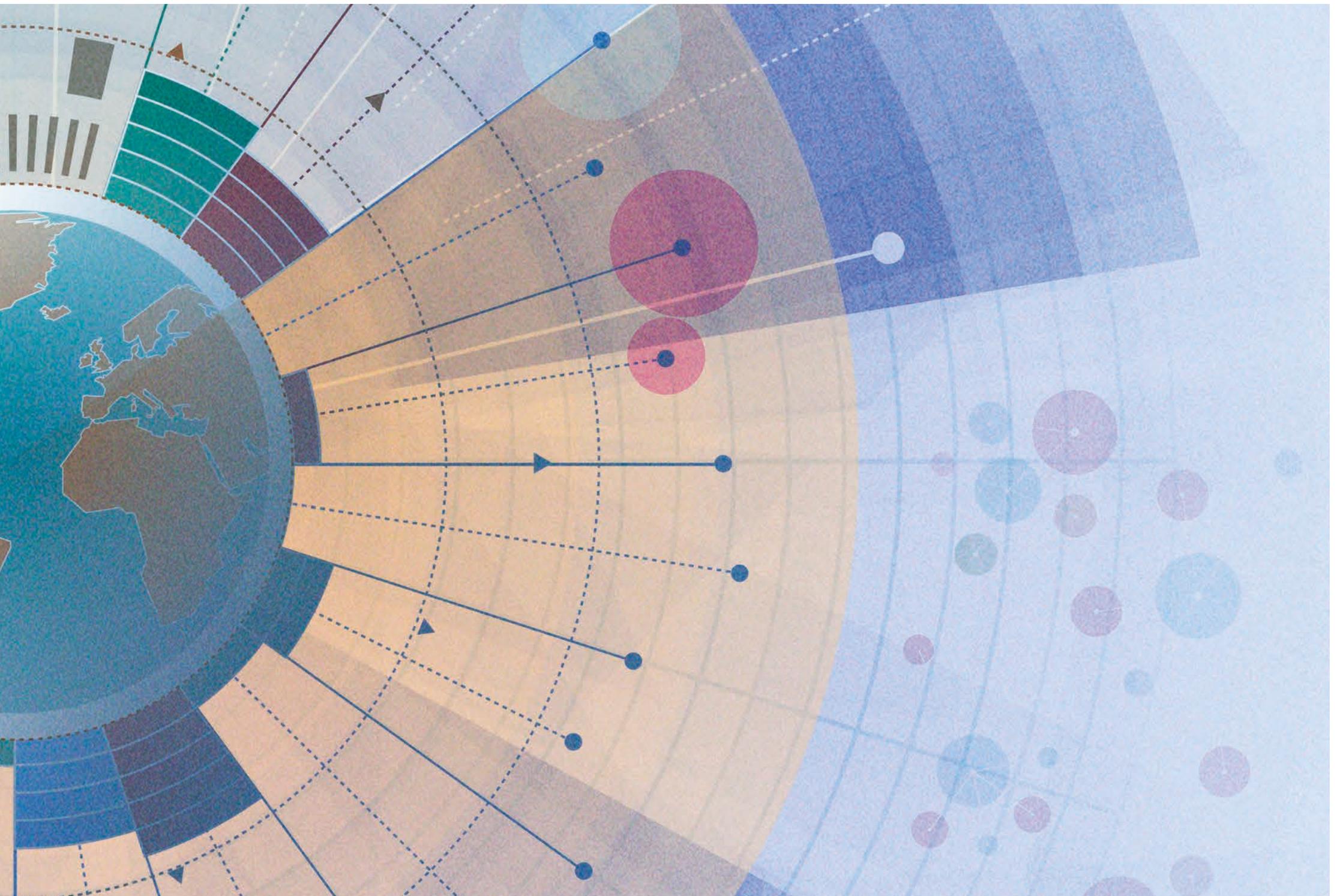
1. **What are the top five innovation areas in your Hub?**
2. **What are the top five underlying technologies to make those innovations happen?**
3. **What are the top three challenges of doing business there?**

Narrative Questions

1. **What sets you apart from other regional Hubs?**
2. **Who are the big investors?**
3. **What are the top accelerators and work spaces?**
4. **What are the top FinTech companies in your Hub?**
5. **What is the biggest success story to come out of your ecosystem?**
6. **What does the next 12 months look like?**

An abstract graphic design featuring a stylized globe on the right side, showing continents in brown and oceans in blue. The globe is surrounded by various data visualization elements: a series of colored circles (green, blue, purple) connected by dashed lines, a bar chart with vertical bars of varying heights, and several lines (solid and dashed) connecting different points. The background is a light blue gradient with faint circular patterns. The text "Research findings" is overlaid on the left side in a white, sans-serif font.

Research findings



Research findings



Louise Brett

Lead Partner, UK FinTech

Rankings matter, but less so in FinTech

The global FinTech market is quickly evolving and the Hubs within the ecosystem have demonstrated the ability to mature in a relatively short amount of time. Global rankings are fluid and influenced by rapid changes in the industry, which by their nature often do not capture the unique intricacies of each Hub, and as such a holistic picture is somewhat difficult to capture.

For this report, we took the combined scores of each Hub from three prominent business indices (the World Bank Doing Business Index, the Global Innovation Index and the Global Financial Centres Index) to provide a consolidated "Index Performance Score" in order to assess the Hubs on a quantitative basis. A lower Index Performance Score reflects that the Hub is more conducive to the growth of FinTech.

The top five Hubs emerging with an Index Performance Score of 25 or less were London, Singapore, New York, Hong Kong, and Silicon Valley. This is no surprise as their leading position is based on decades of evolution as global financial centres, or in the case of Silicon Valley, in technology. These Hubs already have the appropriate ingredients (i.e. specialised talent, progressive regulatory bodies, investment capital, government support, etc.) and the strong collaboration within the ecosystem that is required to develop leading global FinTech sectors, and which are capable of innovating across the financial services and technology landscape. That is not to say that this dominance can, or will, continue indefinitely. Each of these centres depend upon a range of contributory factors and conditions that are often subject to changes beyond their control. It will therefore be critical for all hubs to continuously evolve their approach to support the growth of entrepreneurs and investors globally.

There is ample opportunity for the next group of 12 Hubs with an Index Performance Score of 26-150 to develop and maintain their own FinTech market. In some cases their position has been achieved by focusing on particular technologies or innovation areas within financial services: for example, Belgium has a strong capability within identity management and KYC; Ireland in servicing the asset management industry; and Shanghai in payments. Hubs such as South Korea are adopting a top-down approach, with the licensing of two new internet banks to help drive the FinTech ecosystem.

The final grouping consists of the four countries with scores above 150, namely Mexico, South Africa, India, and Kenya. These Index Performance Scores are however not necessarily negative indicators for the development of a FinTech sector in those countries. Factors that hamper growth in mature markets may indeed be the lifeblood of growth in developing markets; limited regulation of the financial services industry, and low penetration of traditional banking and insurance services is more conducive to FinTech growth.

Innovation Areas – Customer is King

When we asked the Hub Representatives to identify its focus areas of innovation, E-commerce (selected by 9 Hubs) and Retail Banking (selected by 8 Hubs), both direct-to-consumer areas of financial services, take the top spots in the Innovation Areas. This is encouraging, as it shows that the first order benefits of FinTech are likely to flow to where they are most needed: making financial services simpler and more accessible to the end customer. Indeed, as we have seen, the notable rise of challenger banks in a number of locales can be attributed to successfully focusing on the customer experience.

Payments (7) is also attracting significant interest, along with Cybersecurity (7), which is fundamental to the delivery of digital propositions and therefore core to much of FinTech. Another area where we are seeing growth is in Wealth Management (7), with technology solutions such as roboadvisory platforms becoming more popular for helping the mass affluent to better manage their money.

Technologies – Analytics, Data, and Mobile

Common to many industries, data also dominates in FinTech, with Data Analytics (13) and Big Data (9) being in the top group of technologies that are driving innovation. The focus on data is broadly reflective of current trends in the overall technology sector, where increases in computing power have enhanced our ability to analyse large amounts of data. Mobile (10) is a dominant technology, unsurprisingly, as people increasingly consume financial services through their mobile devices. Likewise, APIs (10) feature heavily, suggesting that restructuring infrastructure to ensure connectivity between different systems and across the ecosystem is a big focus. Market participants looking for expertise in Digital Identity (8) might be wise to look to Belgium, France, India, Israel, Kenya, Singapore, South Africa, and South Korea where there appears to be significant focus on the subject. Machine Learning (8) is, as expected, concentrated in the Hubs of developed countries, with the US playing a leading role through New York and Silicon Valley.

Challenges for FinTech – It's all about the Culture

The overall picture is clear. Limited Exit Opportunities (8) and Risk Averse Culture (7) are frequently cited as challenges that prevent the growth of FinTech. This suggests that nurturing a healthier approach to risk taking in the investment community will encourage the development of natural investment cycles until the ecosystem is mature enough to support itself in a manner similar to the Silicon Valley Hub. Both early stage investors and corporate acquisitions are important development requirements for the FinTech sector. Lack of exit opportunities most likely reflects a lack of depth in private equity and small cap markets.

Unsurprisingly, the High Cost of Living (9) is a key issue in developed markets. A number of Hubs (8) reported Small Size of Market as a challenge, suggesting that cross-border business is still problematic for FinTech firms. On the positive side, existing Regulatory Barriers (2) don't appear to be as big an issue as may be expected (although 5 Hubs did cite Regulatory Uncertainty).

Governments, Get with the Programme!

The Hub Representatives assessed their local Hub on a scale of 1 (Not Good) to 5 (Excellent) across six Hub Indicators: regulation; foreign startups coming to the Hub; proximity to customers who will try something new; proximity to subject matter expertise; innovation culture; and government support.

The top five Hubs by Index Performance Score also score high ratings on the six Hub Indicators, with 17 of the 18 Hub Indicators being 'Good' to 'Excellent' for Singapore, London and New York, and 11 of the 12 Hub Indicators being 'Better than Average' or higher for Silicon Valley and Hong Kong.

The Low Innovation Culture indicator is cited as an issue in some of the Hubs, located in both developed and developing countries. This also aligns with the stated challenges for FinTech of Risk Averse Culture, Low Access to Capital and the Small Size of Market.

Low levels of government support have also been identified as an issue, with nine Hubs reporting Government Support as being 'Not Good' or 'Average'. This is an issue that needs to be monitored.

Our analysis of the Global Hubs has concluded that strong government support at the early stage of ecosystem formation is essential. Once the Hub is established, government support, progressive regulations, a culture of innovation and collaboration, and strong financial services and private investors are the ingredients that enable the growth of a FinTech hub. As the sector evolves, it will be interesting to see how the Global Hubs evolve accordingly.

Hub profiles



Hub profiles

The following section contains an analysis of 21 emerging and established FinTech Hubs from around the world. The analysis captures the following insights:

1. An Index Performance Score that combines these key indices:

- Global Innovation Index (released 15 August 2016)
- Global Financial Centre Index (released March 2016)
- Doing Business 2016 Index (benchmarked to June 2015)

The Index Performance Score can be found in the centre of each Hub's dedicated diagram. The top-left quadrant shows how the Index Performance Score compares to other Hubs.

If a Hub receives a lower Index Performance Score, it can be said that the Hub is more conducive to FinTech growth. However, the analysis is not designed to rank each of these Hubs, as a more rigorous examination across multiple categories is required for in-depth benchmarking. Future iterations of this analysis will aim to incorporate more holistic factors outside the global indices included in the Index Performance Score.

2. A qualitative analysis of the Hub Indicators and further details on key Hub features, based on interviews conducted with local Hub Representatives.

The remaining circumference of the diagram captures the qualitative analysis on Hub Indicators. Further details on key Hub features, such as workspaces and accelerators, top FinTech investors and the future of the FinTech Hub, are presented thereafter. The insights provided by the Hub Representatives are subjective and based on their experiences within the local Hub. These opinions are designed to add to the understanding of local FinTech activity and are not to be considered opinions of the GFHF.

Belgium

Hub profile



Since the 1970s, FinTech utilities such as SWIFT have established their base in Belgium, as a result of its favourable investment and tax environment, international talent pool, and central location within Europe. Brussels hosts the headquarters of some of the world's largest financial players (such as Euroclear and MasterCard's European headquarters). It also houses the European Commission, and is at the heart of the European regulatory system.



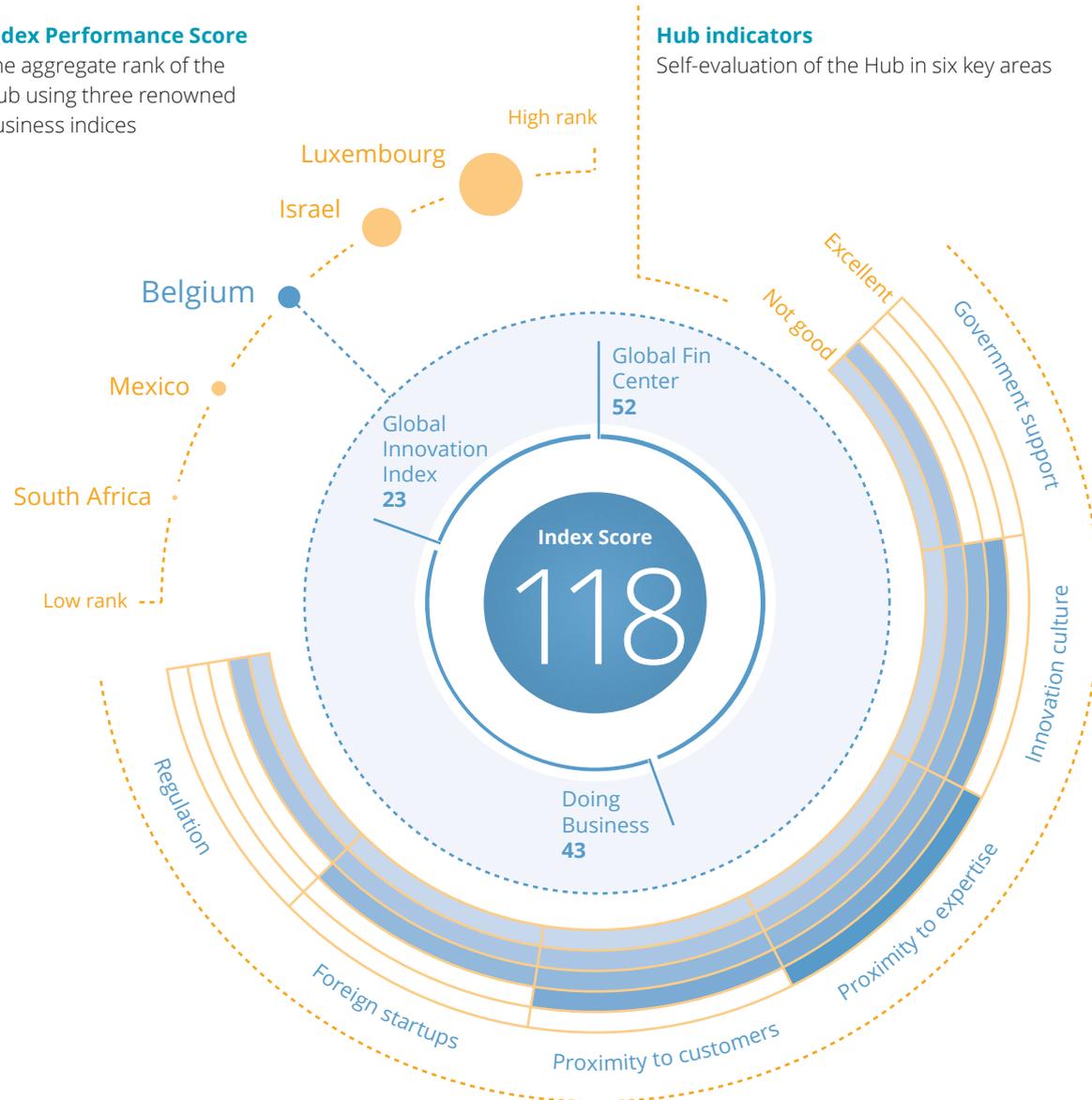
Hub representative: Eggsplore
CEO: Wim de Waele

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

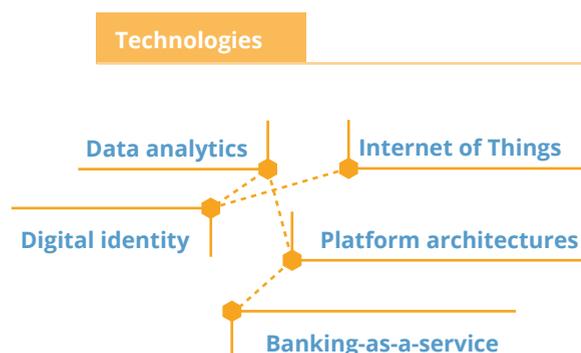
Self-evaluation of the Hub in six key areas



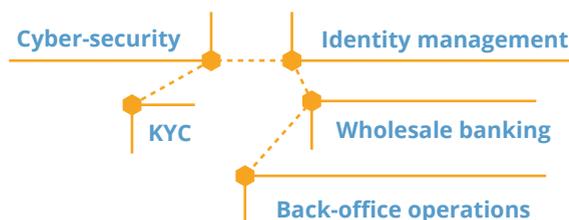
Best work spaces and accelerators



Hub features



Innovation areas



Challenges



Top FinTech companies

CashForce, Doccle, Guardsquare, Silverfin, Xpenditure, Twikey, Sixdots (Belgian Mobile Wallet), Sign2Pay, Koalabox, The Glue, Gambit, Edebex.

Successful scale-ups and more mature companies: Intix, Unified Post, Ingenico (previously Ogone, Isabel, Worldline, NG Data, Sopra Banking, Vasco Data Security, Clear2Pay (now FIS).

Big investors

SmartFin Capital, PMV, GIMV, Volta Ventures and Capricorn Ventures.

Success stories

All major financial services players, whilst competitors in the marketplace have jointly developed a community within the emerging FinTech scene, collaborating on tangible strategic programs such as identity management, KYC, and the impact of the Internet of Things.

The future

The Ministry of Finance has initiated a digital task force to work on a digital master plan for the region, which will be put into action and law over the next six months. The task force focuses on three main objectives: a digital first strategy based on identity management, a cybersecurity and privacy strategy, and the creation and support of an entrepreneurial community. Key financial and technology players have expressed their support in promoting and building the Belgian digital finance ecosystem.

Canada

Hub profile



TORONTO

The FinTech industry in Canada has been gaining considerable momentum in recent years. Toronto boasts the largest Financial Services sector in Canada, followed by Montreal and Vancouver. The technology spend in this sector is growing rapidly, on pace to reach nearly \$15bn CAD by 2018. Canadian FinTech companies are attracting increasing attention on both a local and international stage, as waves of investment capital is constantly reinvigorating the organic growth of the industry.



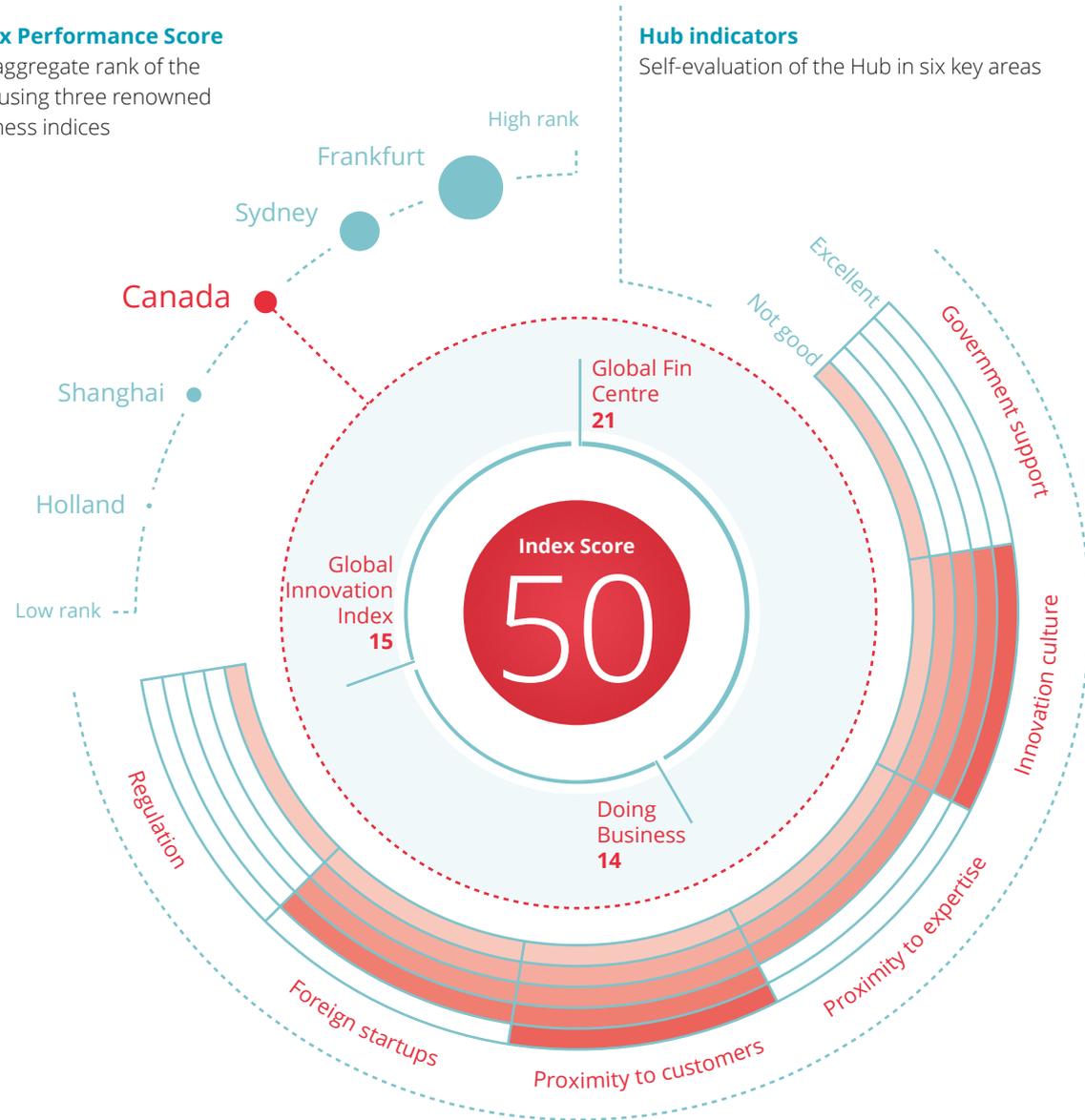
Hub representative:
FinTech Association of Canada
Founder and Executive Director:
Christine Duhaime

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas

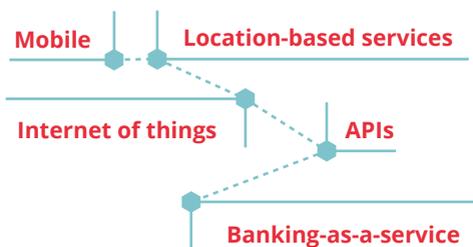


Best work spaces and accelerators

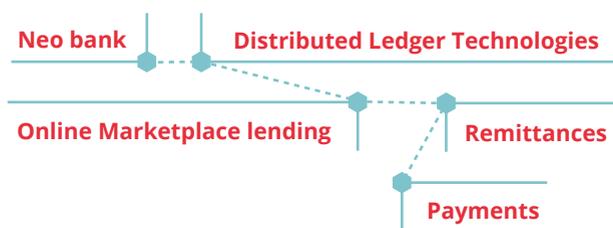


Hub features

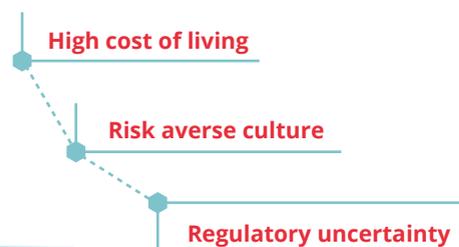
Technologies



Innovation areas



Challenges



Top FinTech companies

Lendified, Thinking Capital, EQ Bank, Sensibill, Borrowell, BlueRover, Bluezelle, Firmex, Lucva, Paycase, Nvest, SafePay, CoinKite, Versapay, InvestX, Payso, Payfirma, netcoins, Voleo, ModernAdvisor, Shopify.

Big investors

Business Development of Canada (BDC), Omers Ventures, Power Financial.

Success stories

Over the last year, the Canadian FinTech ecosystem has grown in leaps and bounds. The rise of accelerators as well as the work of the Digital Finance Institute (DFI) through workshops, international conferences and institutional education has been a driving force in introducing Canadian FinTech to the world. MaRS discovery, based in Toronto, supports over 1700 startups (300 in FinTech) and their ventures have raised over \$700m in venture capital funding.

The future

It is expected that the Federal Government will start to embrace FinTech, with a report in conjunction with the DFI being released in September 2016. This will open up the market and increase development and investment potential, especially in the case of Artificial Intelligence.

France

Hub profile



PARIS

France has comprehensive regulations with respect to FinTech, with clearly defined rules for companies looking to scale up. FinTech has strong governmental and ministerial support. Moreover, Paris is home to a high concentration of financial institutions and asset managers. There is strong infrastructure established in payments, insurance and telecoms with large pools of talent available.



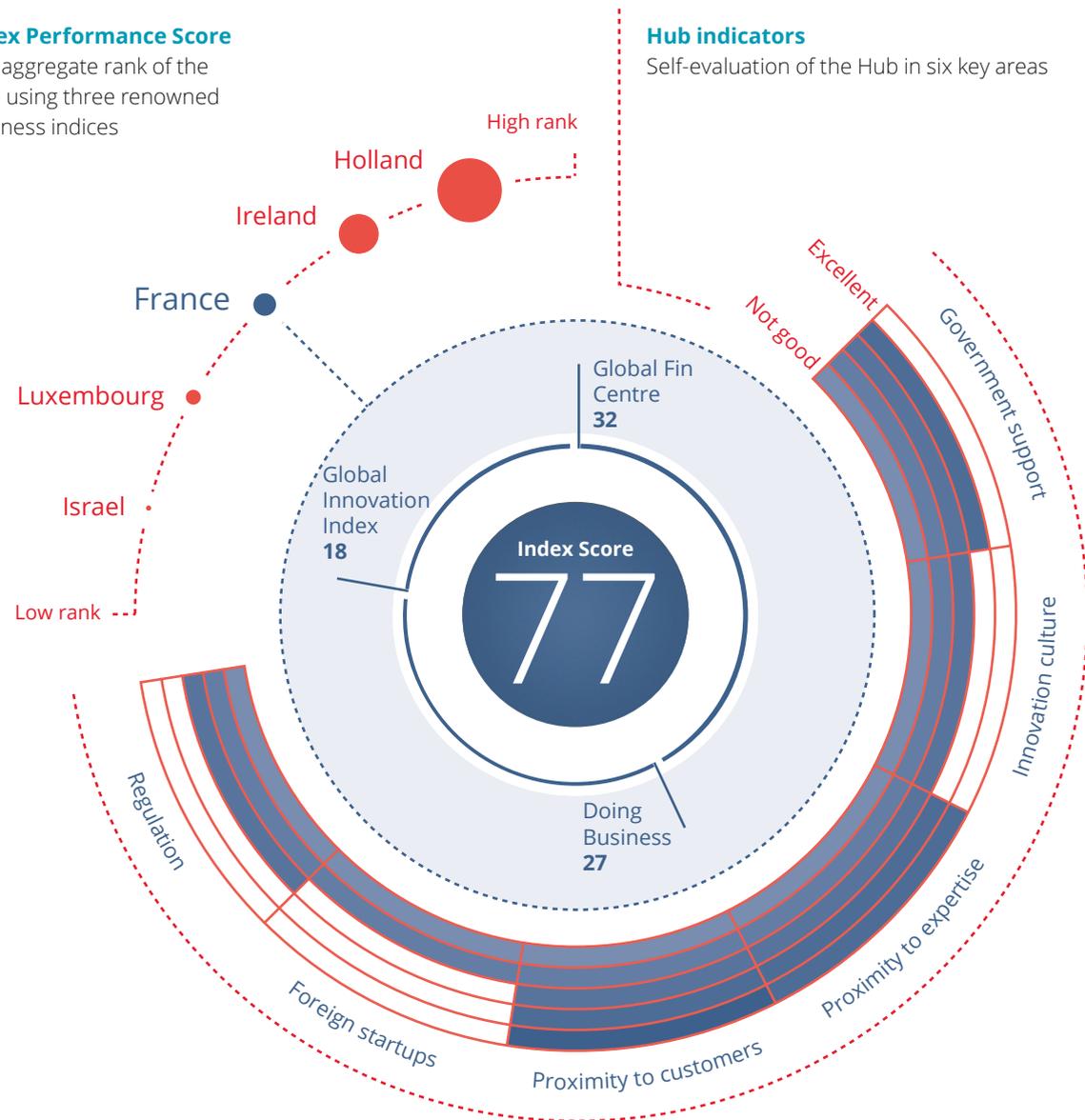
Hub representative:
Paris FinTech Forum
CEO/Founder Paris FinTech Forum: Laurent Nizri

Index Performance Score

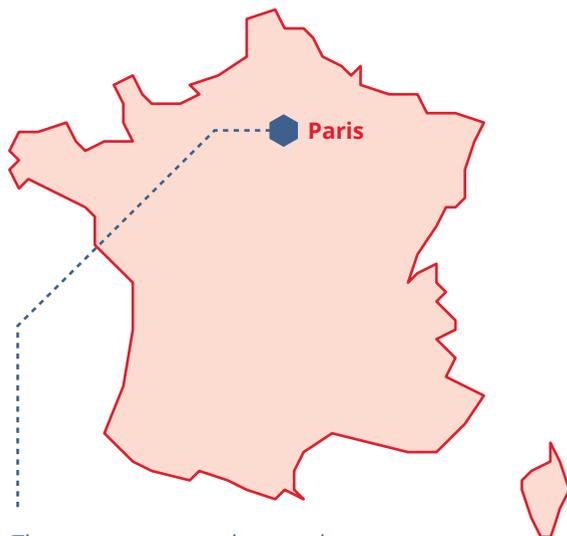
The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas

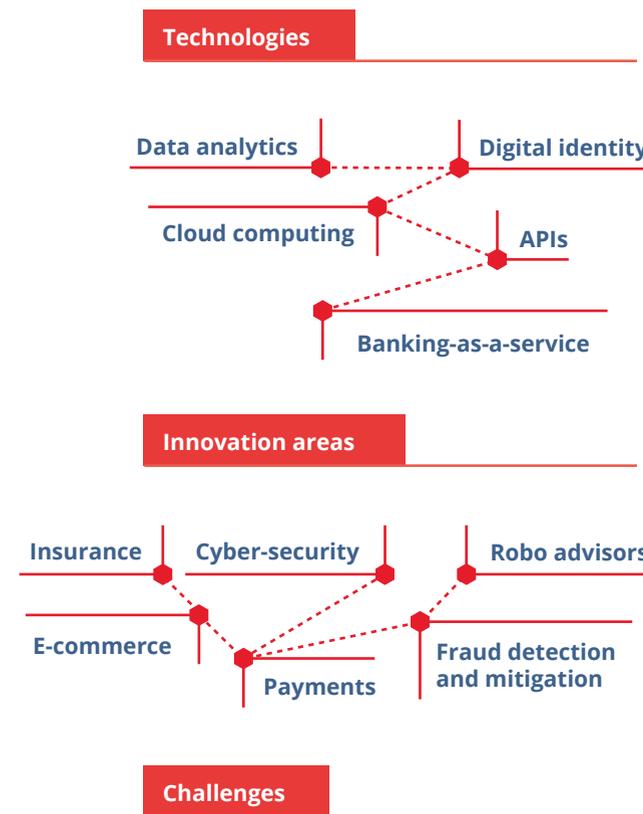


Best work spaces and accelerators



There are many accelerators but none dedicated solely for FinTech.

Hub features



Top FinTech companies

Compte Nickel, Lendix, FinexKap, SlimPay, Leetchi, HIPAY.

Big investors

Partech Ventures, BpiFrance, BPCE Group, Credit Mutuel Arkea, XAnge Private Equity.

Success stories

Since its launch HiPay has reached, in less than three years, the 2bn euros of transactions processed threshold. The company has a global coverage, with 60% of its activity outside its domestic market. It is the only FinTech in France to be publicly listed on the market.

Leetchi has become a key payment player in Europe in just a few years. Recently the most digital French bank, Crédit Mutuel Arkea, invested €50m in Leetchi to take 86% of the capital. The founder team is still fully in charge of leading the development of the company. A true example of cooperation between a bank and a FinTech.

The future

The market will continue to mature. We will start to see more companies beginning to scale up by shifting from B2C (Business to Consumer) to B2B (Business to Business) activities. There will also be greater partnerships developing between startups and banking and insurance institutions.



Frankfurt

Hub profile



Frankfurt is a hotspot for FinTech with over 300 banks located in the city. It also hosts the largest Stock Exchange in Continental Europe, Deutsche Börse Group. All the ingredients for a successful FinTech ecosystem are located within a few square kilometres: a vibrant startup scene, investors, talent, financial institutions, regulators, and a large network of service providers with expertise in regulatory issues and government support.



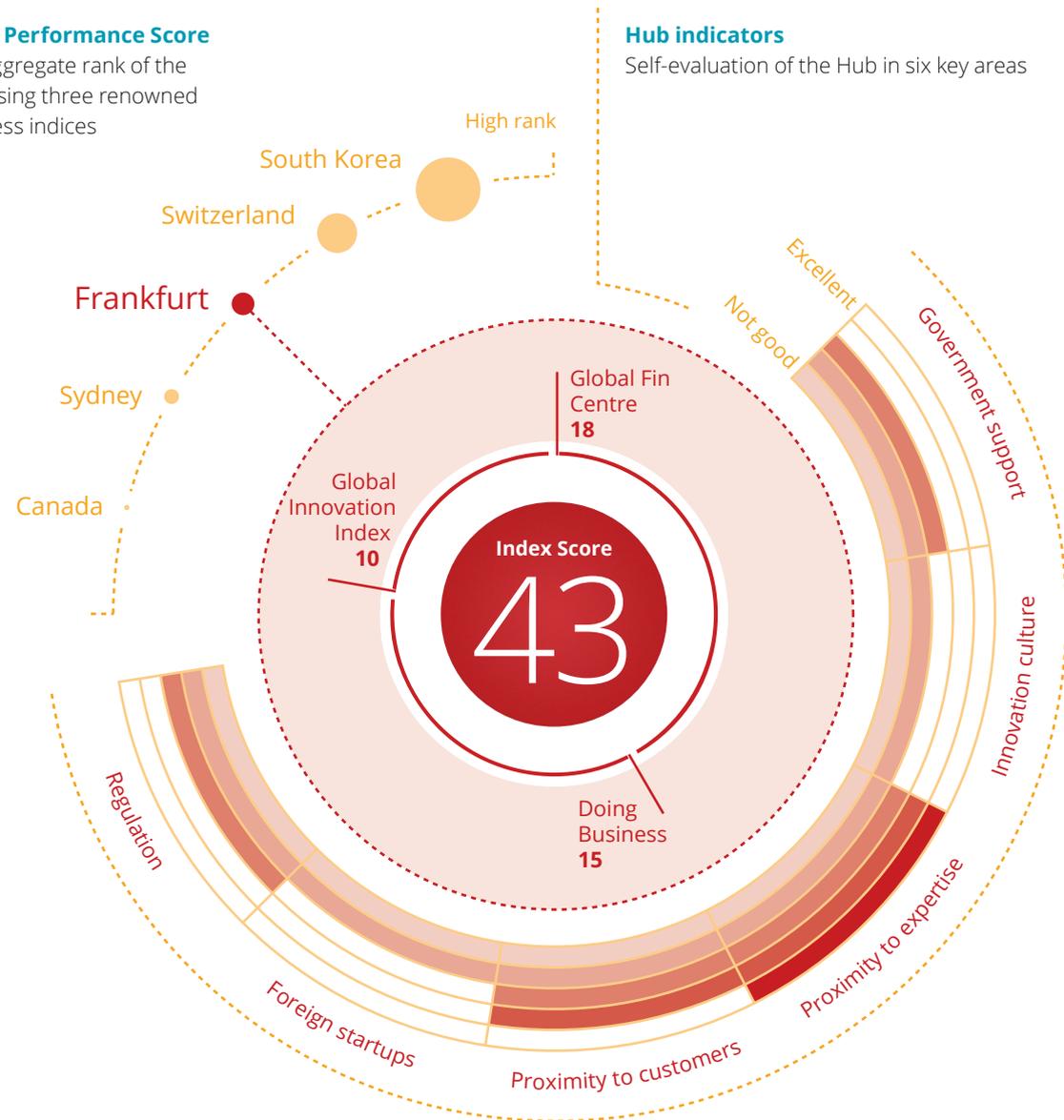
Hub representative: Techfluence
CEO: Michael Mellinghoff

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas

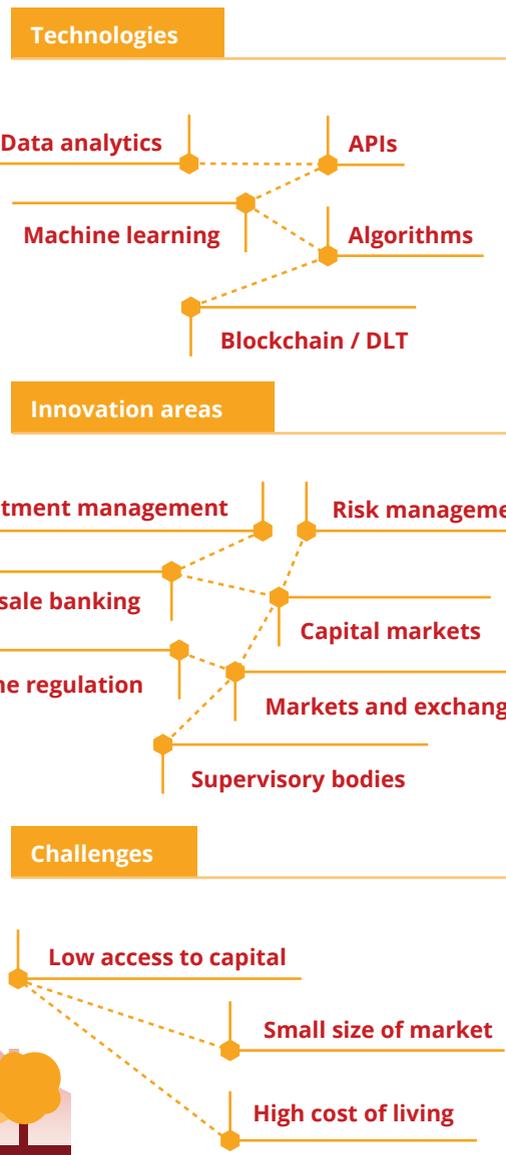


Best work spaces and accelerators



- Deutsche Börse FinTech Hub
- Die Zentrale Coworking
- FinLab
- Frankfurt Accelerator
- Deutsche Gründer Akademie
- Gründermaschine
- Mainincubator
- Start FFM
- Tech Quartier, Frankfurt
- Unibator / Campus Westend
- Goethe-Universität
- VABN Frankfurt

Hub features



Top FinTech companies

360T, Awamo, Ayondo, Clark, CreditShelf, Diversifikator, Fincite, Traxpay, Paydirekt, WebID etc.

Big investors

Acxit Capital Partners, Augur Capital, Aurelia Private Equity, Brockhaus PE, CommerzVentures, Creathor Venture, Deutsche Börse, FinLab, Hauck & Aufhäuser, Heliad Equity Partners, HR Alpha Venture Partners, KfW Bankengruppe, Main Incubator, Omnis Mundi, Quadriga Capital, Sirius Venture Partners, TEV Global Invest, ValueNet Capital Partners, VCDE Venture Partners.

Success stories

FX trading platform 360T exit to Deutsche Börse for €725m (July 2015). €13m Series A funding of Clark. KKR \$55m funding of artificial intelligence company Arago AG.

The future

We are likely to see the opening of at least one more FinTech accelerator or incubator. In Frankfurt there will be more FinTech oriented events, more founders to start up, as well as startups relocating to Frankfurt (e.g. Fincite, WebID etc.), or setting up additional branch offices in Frankfurt.



Holland

Hub profile



Holland has one of the strongest entrepreneurial environments in Europe, a strong talent pool, and several technology hubs in close proximity to each other. The FinTech hub is growing, and regulators are up to speed and are accessible. The financial ecosystem is mature and payment transaction costs are low. These factors make Holland a hospitable testing ground for startups.



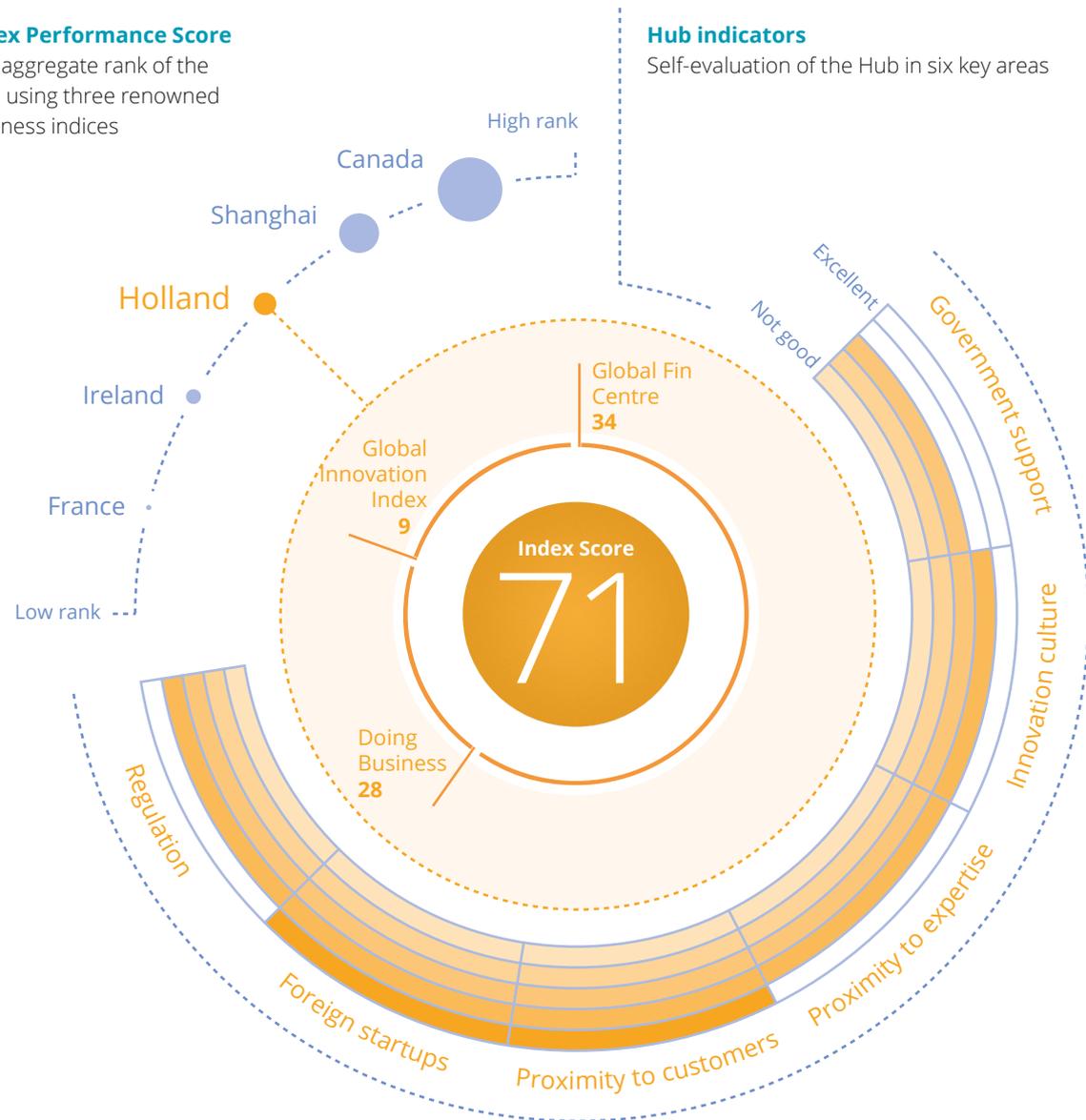
Hub representative: Holland FinTech
CEO: Don Ginsel

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

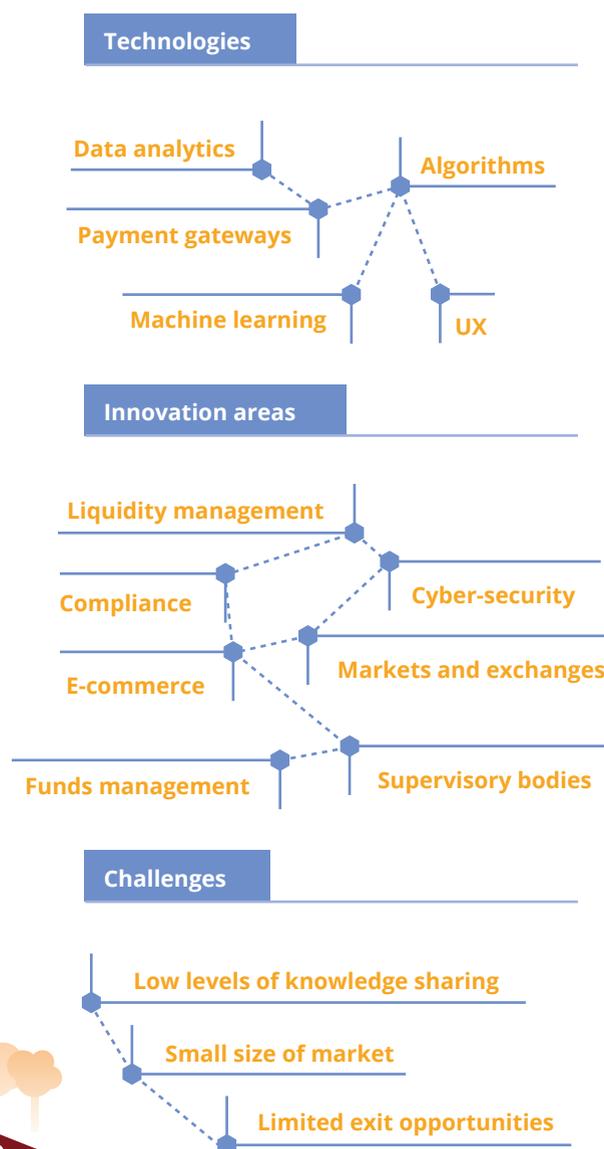
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

GlobalCollect, Payvision, Backbase, Five Degrees, Flow Traders, Adyen.

Big investors

Orange Growth Capital, Keen Venture Partners, Endeit Capital, Holland Private Equity, Velocity Venture Capital.

Success stories

Founded in 2006, Adyen set out to build a technology solution capable of meeting the rapidly evolving needs of today's fast growing global businesses. By 2013, \$14bn in transaction volume was processed on the Adyen payments platform, reaching \$25bn in 2014 and \$50bn in 2015.

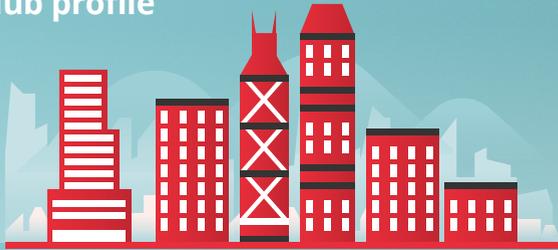
The future

FinTech will be embraced by both politicians and corporations. There is good collaboration between government research institutions and corporates to bolster competitiveness of the Hub. FinTech in the Netherlands also fosters relationships with international hubs with a view to becoming a gateway to continental Europe.



Hong Kong

Hub profile



Hong Kong has the natural branding of Asia's largest financial centre. This provides an immediate attraction for FinTech and has driven its development in recent years. Hong Kong's position as Asia's super connector is particularly useful for B2B solutions. Furthermore, its historical proximity to China makes it hard for other hubs to displace Hong Kong.



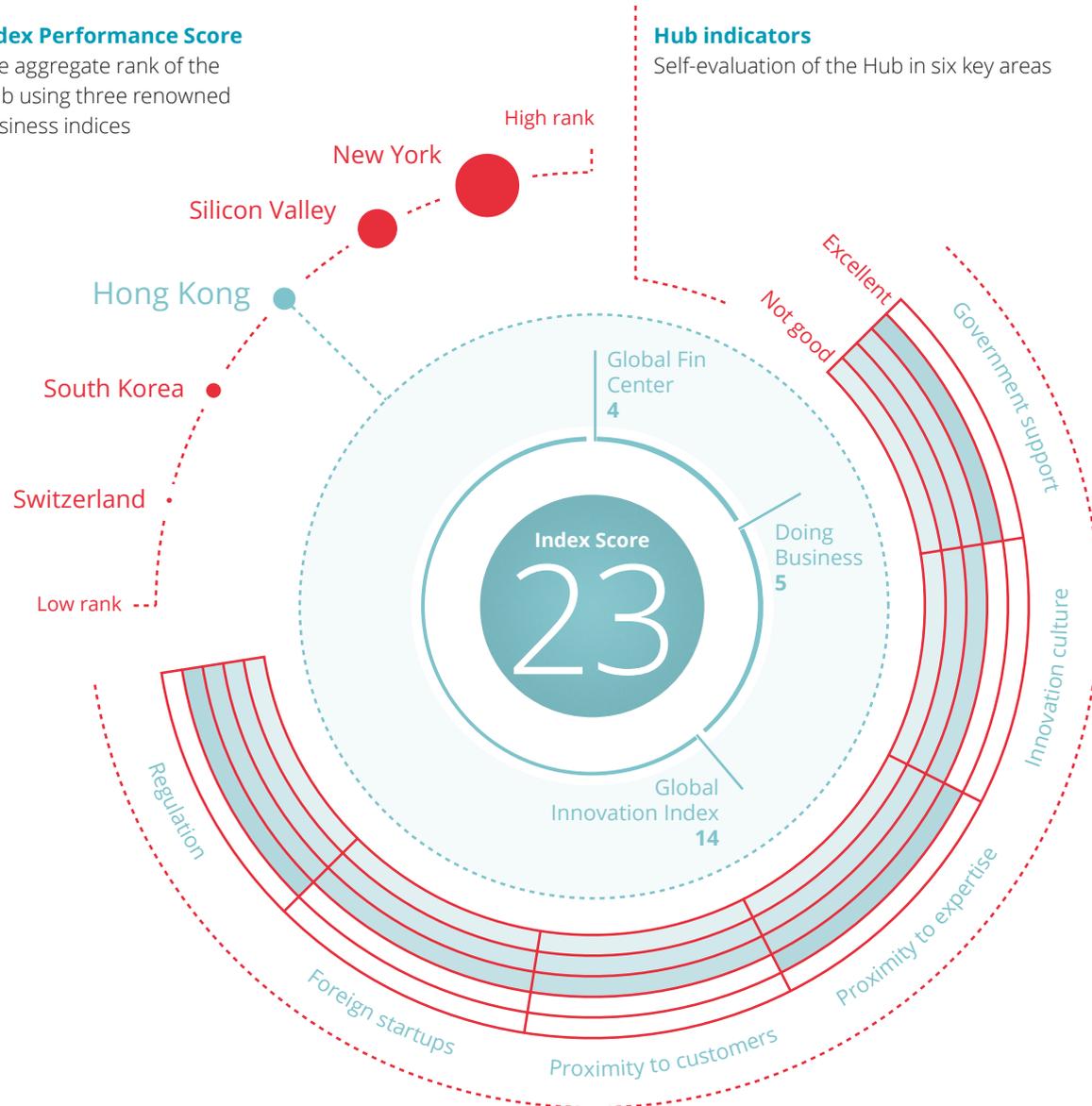
Hub representative: FinTech HK
Founder: Janos Barberis

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas



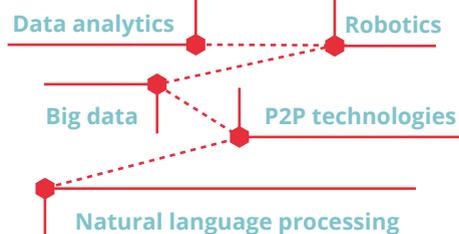
Best work spaces and accelerators



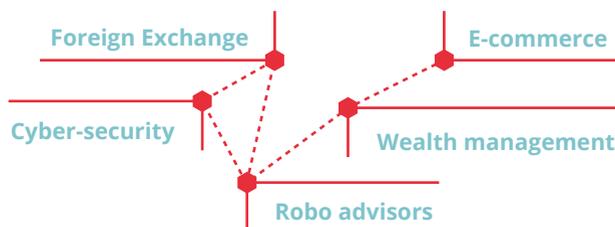
FinTech SuperCharger
Accenture Innovation Lab
The DBS Vault

Hub features

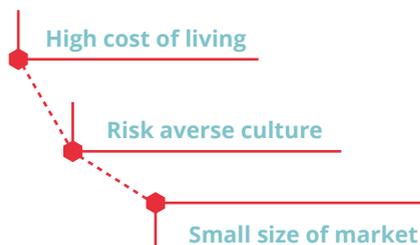
Technologies



Innovation areas



Challenges



Top FinTech companies

Amareos, Neat, Gatecoin, microcred, 8 securities, Aidyia, AMP CreditTechnologies, WeLend, Ironfly Technologies, Nexchange.

Big investors

Arbor Ventures, Nest VC, Horizons Ventures.

Success stories

WeLend, operated by WeLab, is Hong Kong's leading online lending platform. In 2015 WeLab won Hong Kong's Tech Company of the Year Award, and in 2016 they raised over \$150m. WeLend generates HK\$4.5 bn in applications as of July 2016.

The future

Hong Kong will focus on its core competitive advantage as a B2B platform for regional expansion. Likewise it provides a base for outbound mainland Chinese companies to scale in Asia and potentially expand into Europe through acquisitions.

India

Hub profile



BANGALORE

The Indian FinTech ecosystem has a high volume of technical expertise and a low cost of entry. There is an extensive talent pipeline which is inexpensive and accessible. In addition, government programmes have been developed to make it easy for startups to do business as well as providing them with financing and tax benefits.



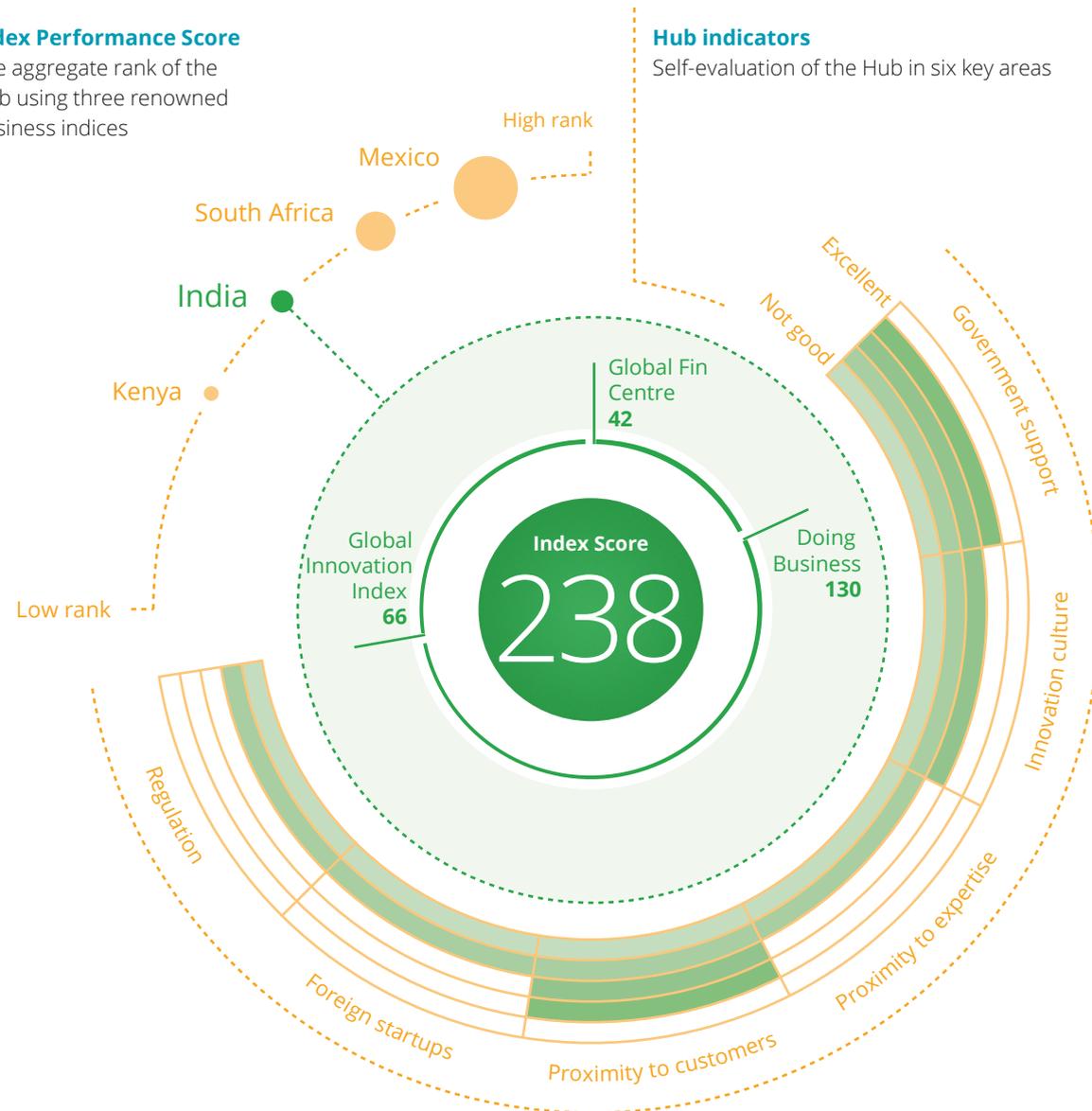
Hub representative:
Howard Miller
Principle:
Nathan Associates India

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

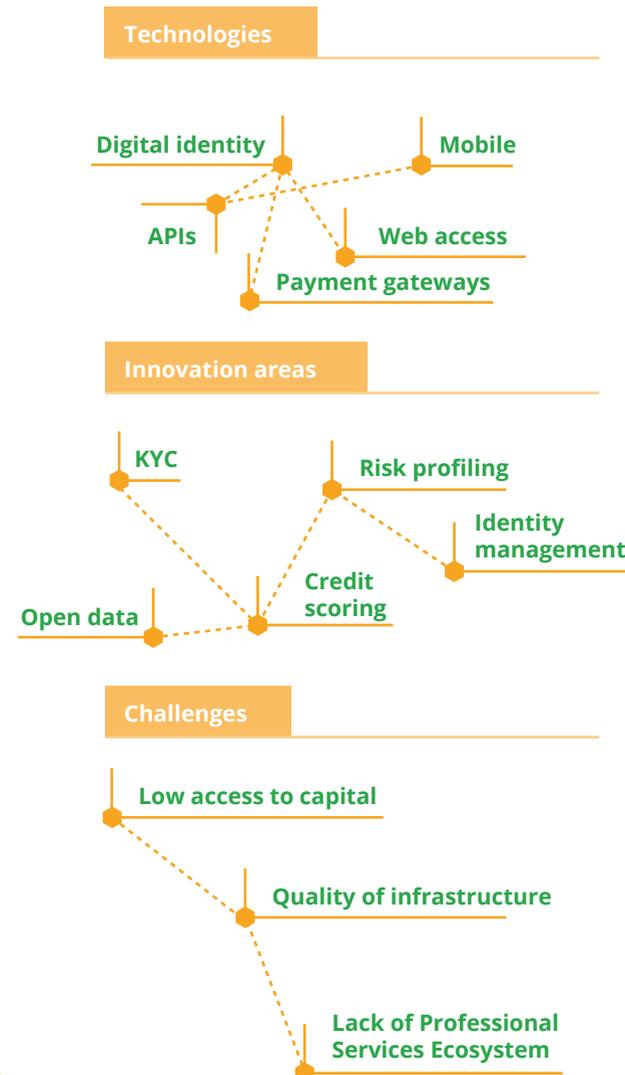
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

PayTM, FINO, PAYtech, Citrus Pay, Bill Desk Freecharge, MobiKwik, BankBazaar, PolicyBazaar, Capital Float, SME Corner.

Big investors

Sequoia Capital, 500 Startups India, SAIF Partners, Tiger Global, IDG, Accel Partners, Ascent Capital, Bain, Basil Partners.

Success stories

PayTM and mobile wallet/payments providers are rapidly expanding digital payment infrastructure.

The future

The next phase of FinTech in India will see the emergence of new types of blockchain extensions and other distributed ledger technologies, continued progress towards digital financial inclusion by 2020 and developments in next-generation payments. Enabled by the India Stack, India will also see the emergence of non-payments FinTech companies – alternative lenders, alternative credit scoring, and artificial intelligence.



Ireland

Hub profile



Ireland's low corporation tax of 12.5% is attractive to global firms locating there. A high concentration of regulatory (RegTech) focused startups are based in Dublin to tackle challenges in supporting the city's numerous fund management servicing businesses. Technology firms including Google and Facebook, have selected Dublin as their EMEA headquarters, resulting in high concentrations of tech savvy talent who understand global business models.



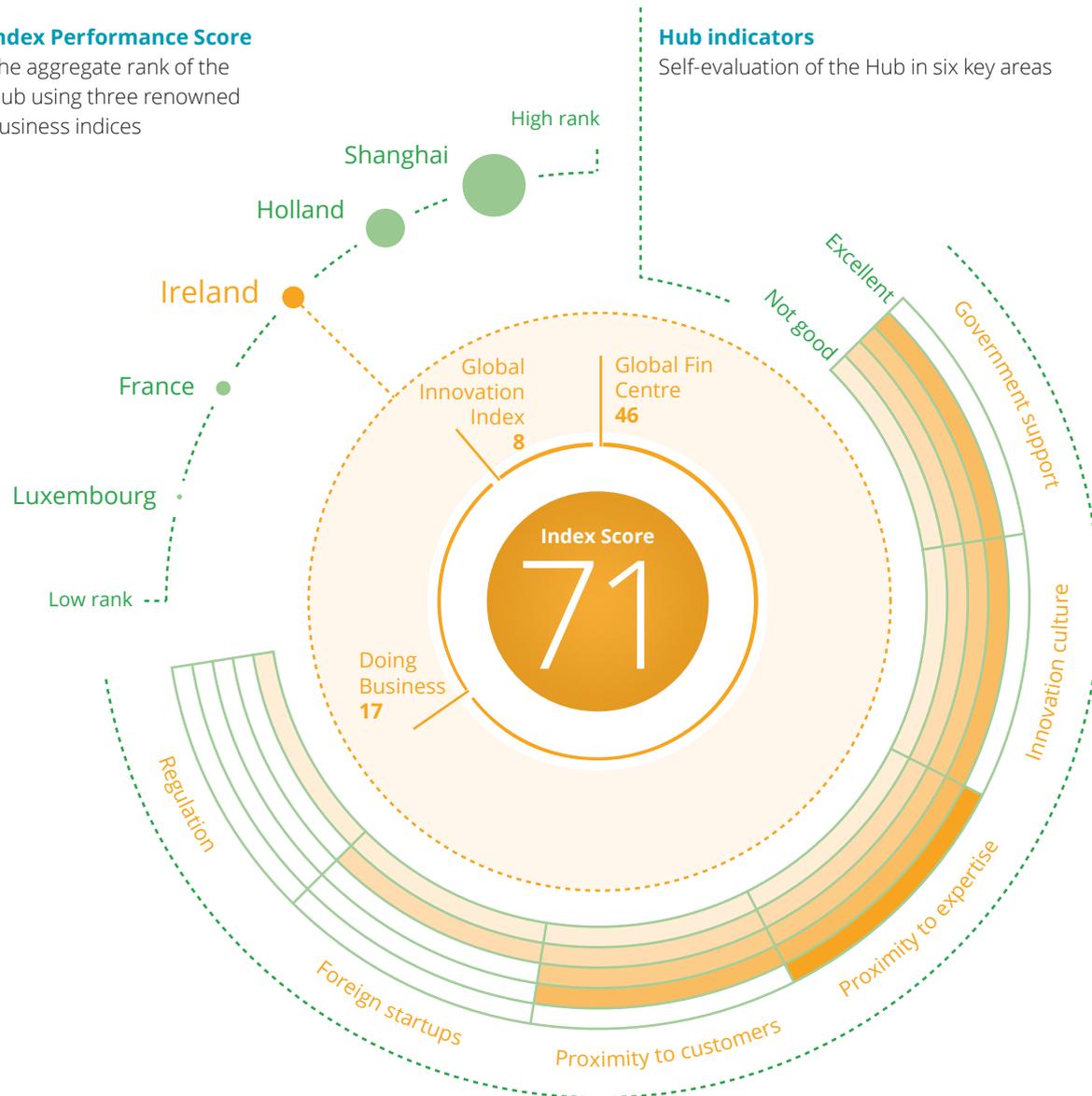
Hub representative:
Deloitte Ireland

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

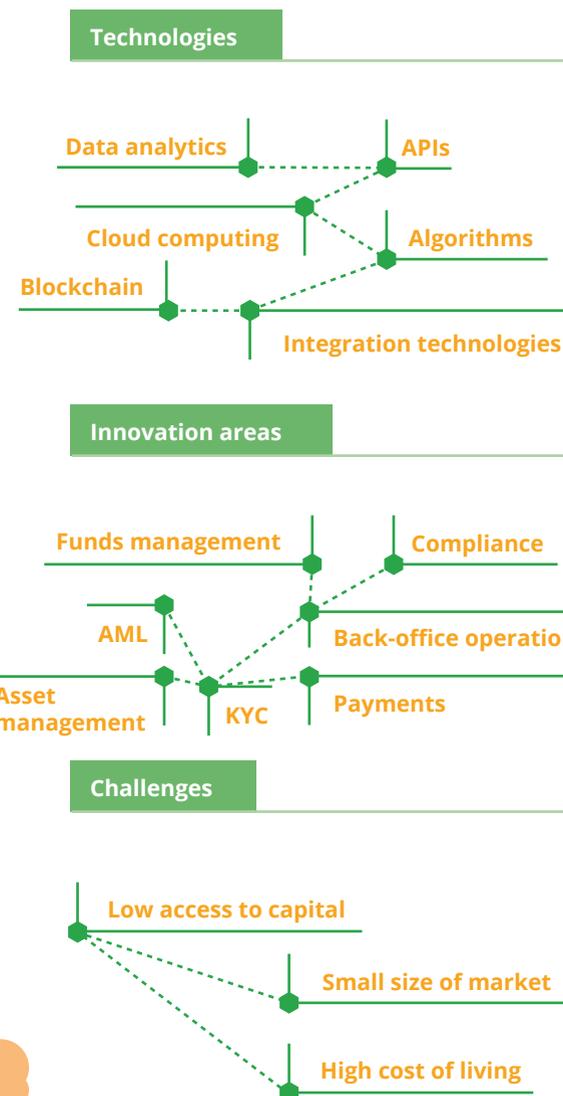
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Stripe, Realex, Fenergo and FundRecs.

Big investors

Enterprise Ireland, Frontline Ventures, Kernal Capital, Dermot Desmond.

Success stories

Realex Payments acquired in March 2015 by Global Payments in a deal estimated at €115m.

FundRecs, founded in 2013, set out on a mission to develop the most efficient, powerful and cost effective reconciliation software available. In 2016 they were named European Startup of the Year at the ICT Spring Conference in Luxembourg.

Fenergo is quickly becoming the industry standard for Client Lifecycle Management solutions. In 2015, they secured \$85m in funding from Insight Venture Partners and Aquiline Capital Partners to accelerate their global footprint.

The future

Ireland will see the continued development of the FinTech ecosystem. It is also expected that Dublin will enhance its position as a global financial centre, with the ability to attract companies and people due to attractive government programmes.

Israel

Hub profile



The Israeli Hub is mostly known for its technological talent pool which includes special units of army-trained entrepreneurs who are bold, innovative and creative. Israel has a strong risk-taking spirit where failure is seen as an opportunity to learn, and there is an entrepreneurial hunger to succeed in scale. The fact that the Israeli market is very small creates ventures that design their products that cater to the European/US markets from the get-go.



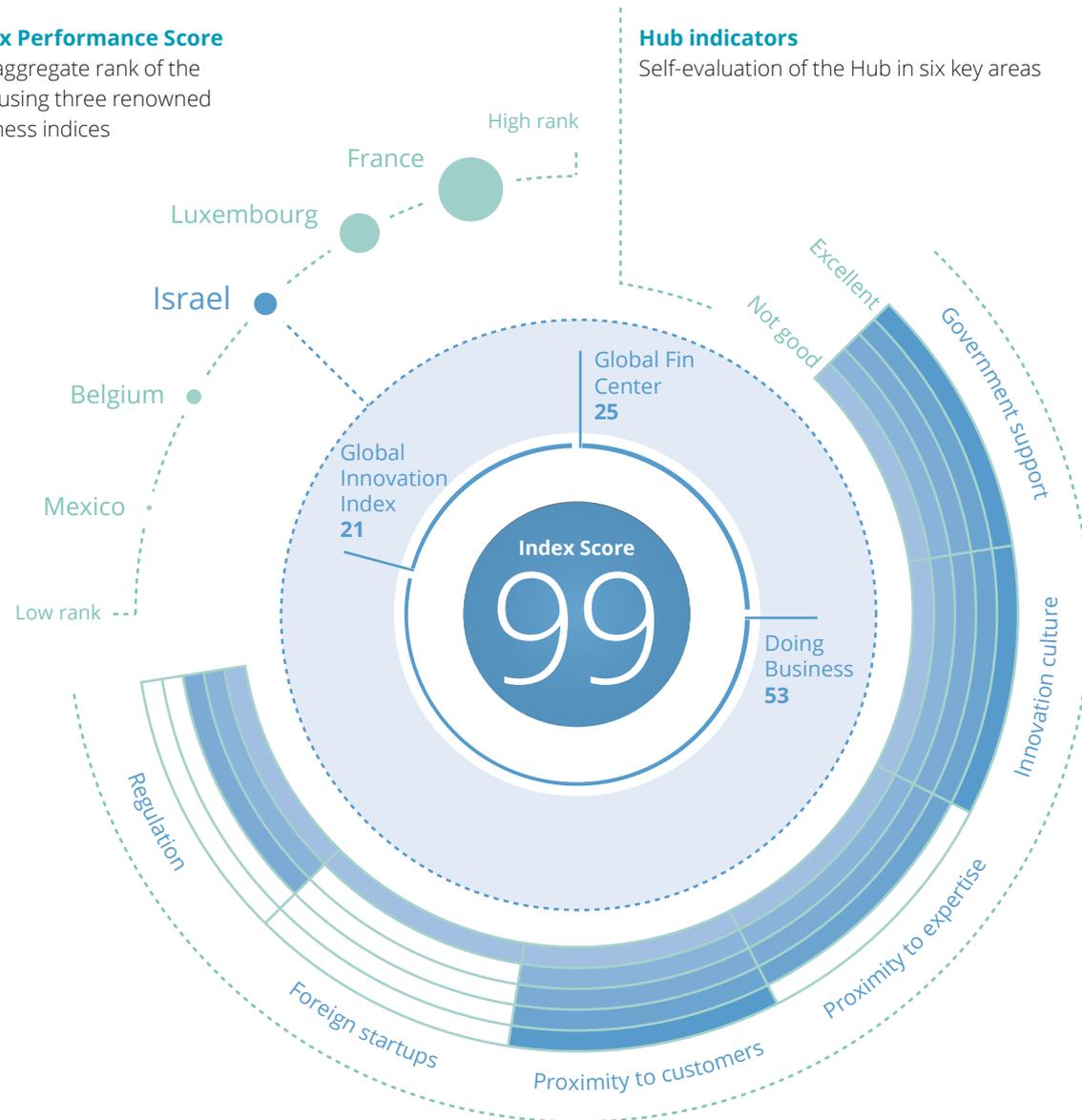
Hub representative:
Startup Nation Central

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

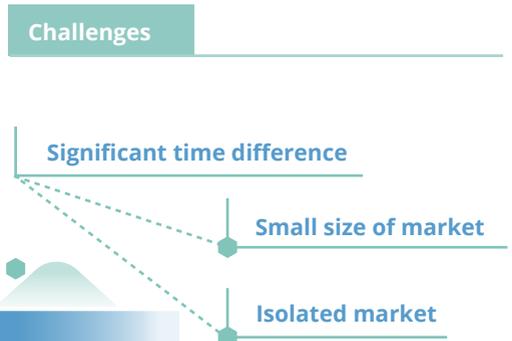
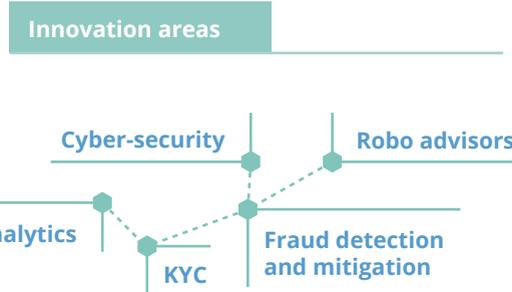
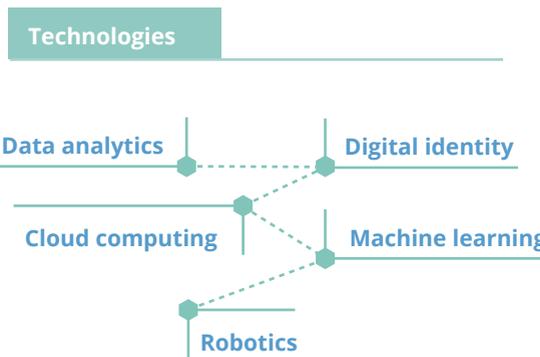
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Payoneer, Etoro, Sapiens, Credorx, Tipalti, Fundbox, Forter, Zooz.

Big investors

Corporate VC's: Microsoft, Samsung, Intel, IBM, Deutsche Telekom, Cisco.

Local VC's: Jerusalem Venture Partners, Magma Venture Capital, Many Angel Investors, Carmel Ventures, Aleph, Pitango, 83North.

Success stories

CheckPoint is the largest pure-play security vendor globally and remains a leader in the 2016 Gartner Magic Quadrant for Unified Threat Management. They secure more than 100,000 businesses and millions of users worldwide and has the industry's highest malware catch rate.

FundTech was also acquired last year for \$1.25bn.

The future

We foresee an increase in the number of venture capital-backed companies that focus on robotics for financial services, payments, and especially blockchain. Financial services in Israel will become more digital and banks specifically will be working on creating their own digital versions, something that will drive more innovation into the financial services space.

While Israel is a small and isolated market, it can be seen as an advantage in terms of international collaboration. It forces the local industry to focus on larger global markets. As such, the payments and trading systems that emerged in Israel are geared globally.

Kenya

Hub profile



Kenya is the best known FinTech Hub in Africa. It benefits from inflows of development money as one of the UN's major offices is located in Nairobi. The technical talent pool is maturing, with improvements in skills and development. Regionally, Kenya has a stable political environment and attracts FinTech companies from other parts of Africa, especially in the sub Saharan region.



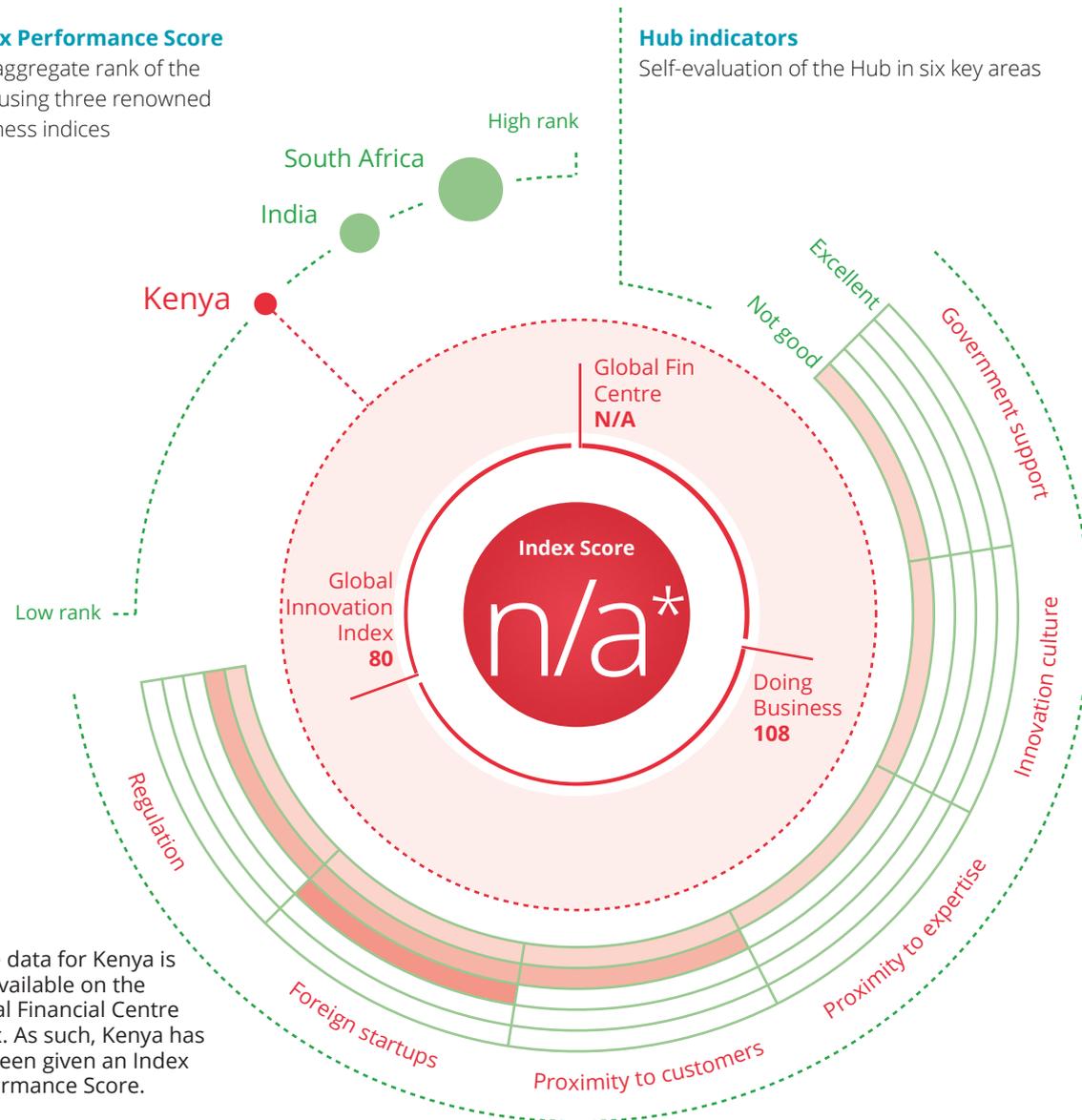
Hub representative: NEST Nairobi
Managing Partner: Aaron Fu

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

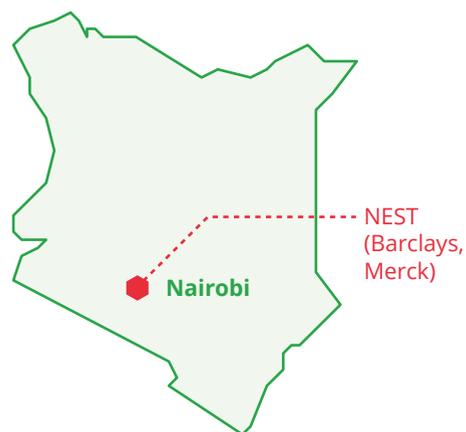
Hub indicators

Self-evaluation of the Hub in six key areas

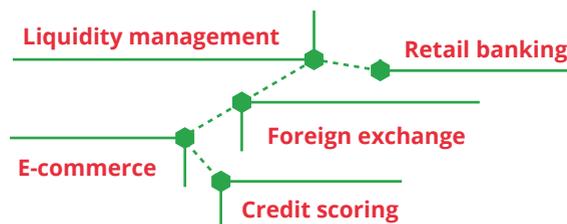
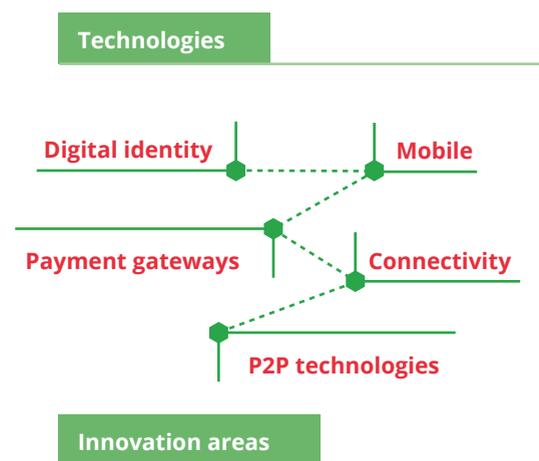


* The data for Kenya is not available on the Global Financial Centre Index. As such, Kenya has not been given an Index Performance Score.

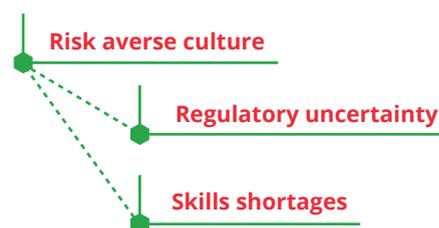
Best work spaces and accelerators



Hub features



Challenges



Top FinTech companies

Innova, Pesa Pal, KAPS LTD, Craft Silicon.

Big investors

Savannah Fund, NEST, Centum Investment, Novastar Ventures.

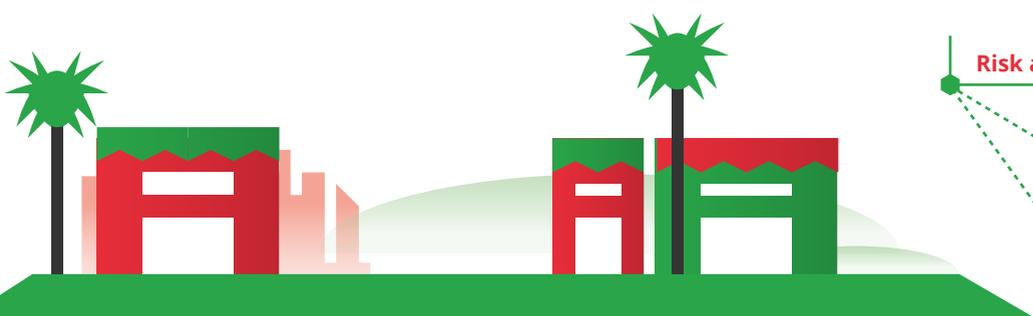
Success stories

M-PESA has revolutionised the way Kenya does business through its mobile money transfer system. Launched in 2007, 17 million Kenyans use M-PESA thanks to a simple text-based menu that is accessible on even the most basic mobile phone.

MODE provides instant nano-credit for pre-paid mobile phone users across Africa, founded in 2010, it now has operations in 31 countries with a customer base of over 250 million.

The future

The technical skills gap between Kenya and other international FinTech hubs will narrow due to continued training and development provided by programmes such as Code for Africa. With some international banking groups decreasing their presence in Africa, this will free up larger pools of talent to enter the FinTech space.



London

Hub profile



London has the world's largest financial services sector, supported by a booming tech sector. The ecosystem has the "Fin" of New York, the "Tech" of the US West Coast and the policymakers of Washington, all within a 15 minute journey on public transport. These factors make London one of the greatest connected global cities in the world with the key ingredients for digital success: capital, talent, regulatory and government support and demographic diversity.



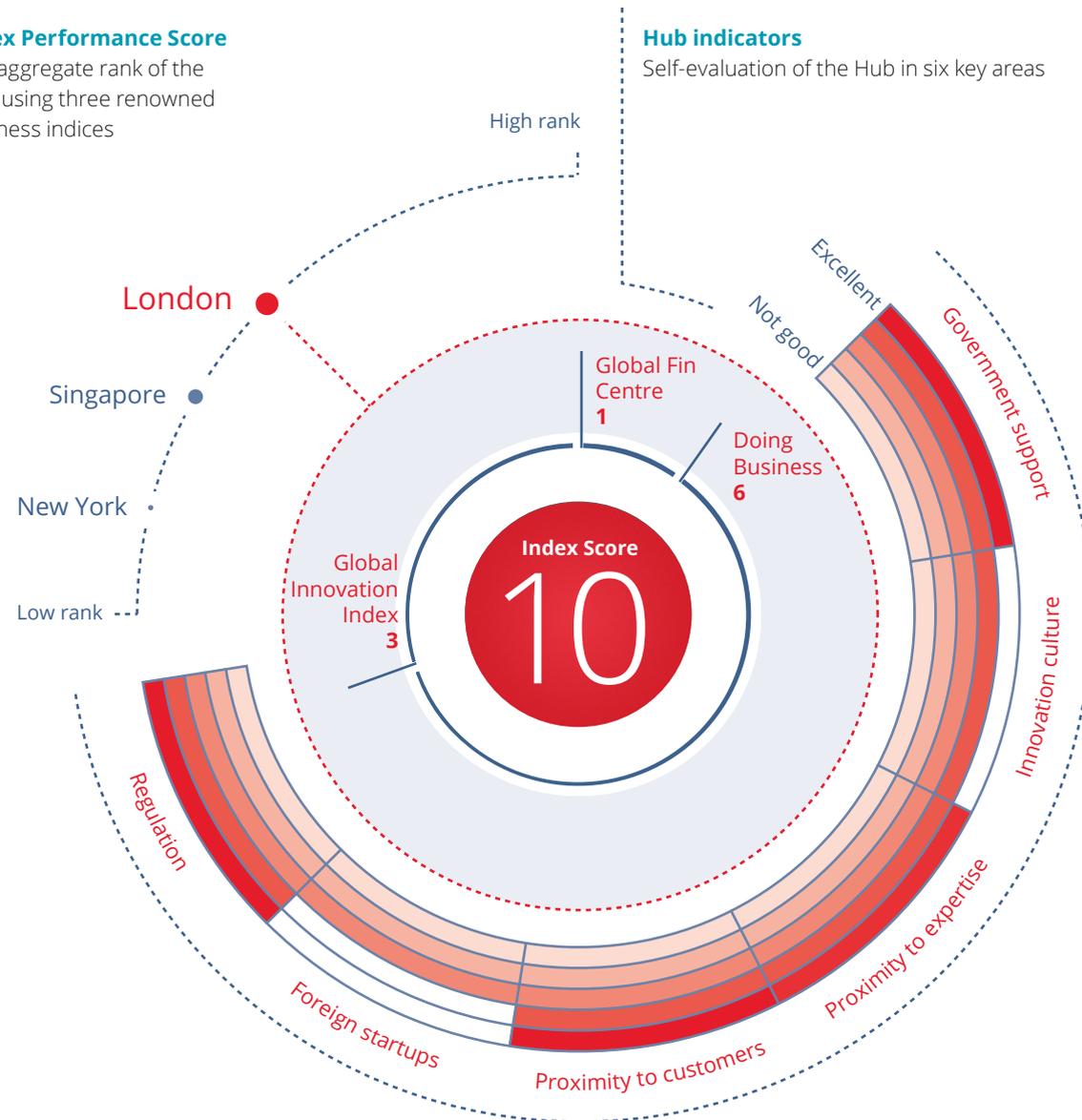
Hub representative:
Innovate Finance
CEO: Lawrence Wintermeyer

Index Performance Score

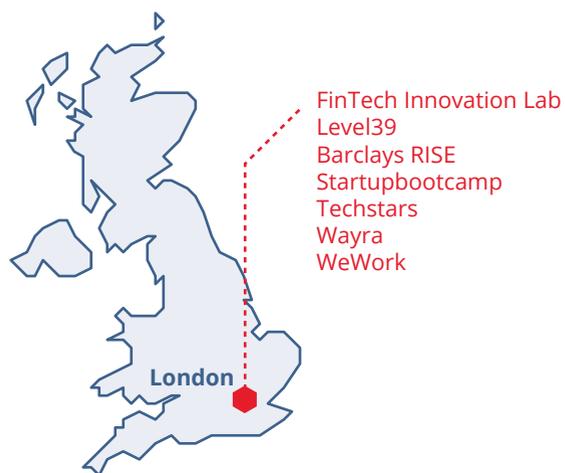
The aggregate rank of the Hub using three renowned business indices

Hub indicators

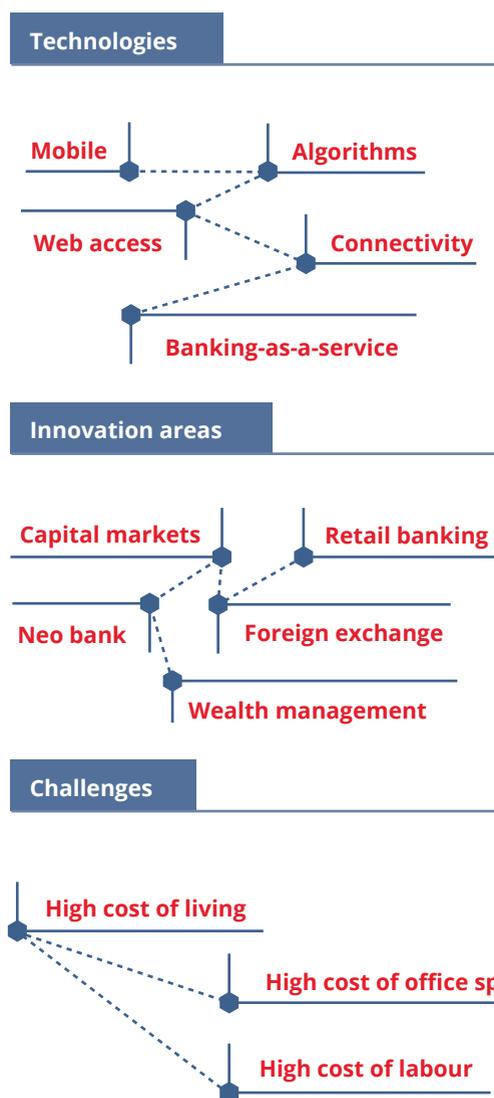
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Atom Bank, Azimo, Clear Score, Crowdcube, Currency Cloud, Digital Shadows, DueDil, Ebury, eToro, Funding Circle, Go Cardless, Iwoca, Kantox, LendInvest, Market Invoice, Monzo, Nutmeg, Property Partner, Ratesetter, Revolut, Seedrs, Starling Bank, Syndicate Room, Tandem, Transferwise, World First, World Remit, Worldpay, Zopa.

Big investors

Accel, Anthemis, Augmentum Capital, Aviva Ventures, Balderton, Brightbridge Ventures, Illuminate Financial, Index, Northzone, Octopus, Passion Capital, Santander InnoVentures.

Success stories

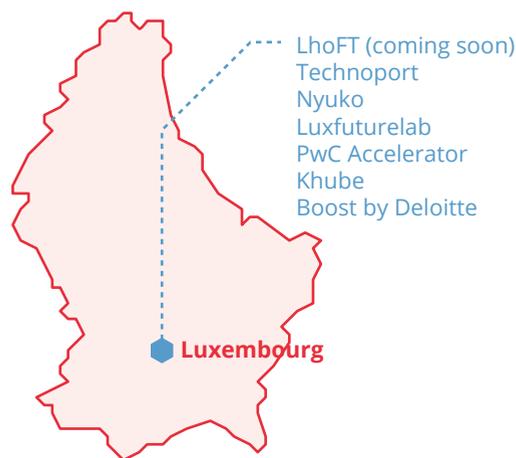
Worldpay raised an IPO in 2015 becoming the largest UK FinTech IPO to date and became the largest tech IPO of 2015. This demonstrated that the UK is not only a great place to start a FinTech business, but that the UK has all the resources to help companies to scale, be successful and achieve a world class exit.

The future

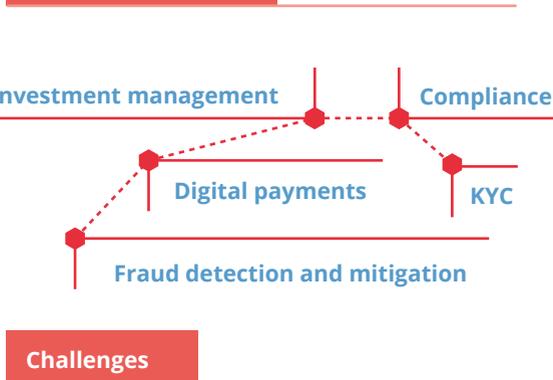
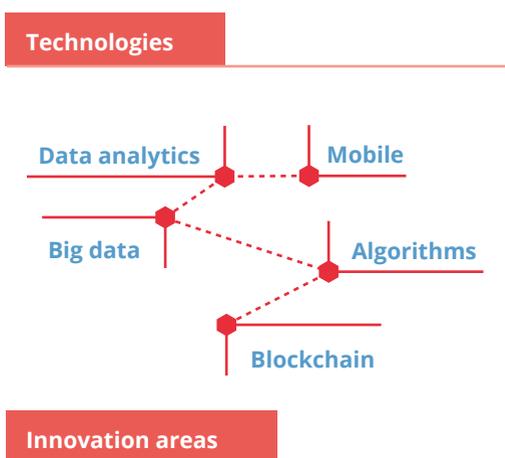
Over the next 12 months the UK will forge greater global FinTech connections to support the developed ecosystem in the UK. FinTech is global and UK FinTech firms have global ambitions which require global capital, talent and partnerships to ensure long term success.



Best work spaces and accelerators



Hub features



Top FinTech companies

Mangopay, Multifonds, Amazon Payments, iDetect, Bitstamp, Fundsquare, SIX Payments Services.

Big investors

SNCI, Chameleon Invest, Docler Investments, Mangrove Capital, LBAN, 360 Capital, Saphir, GGM Capital, Sting.

Success stories

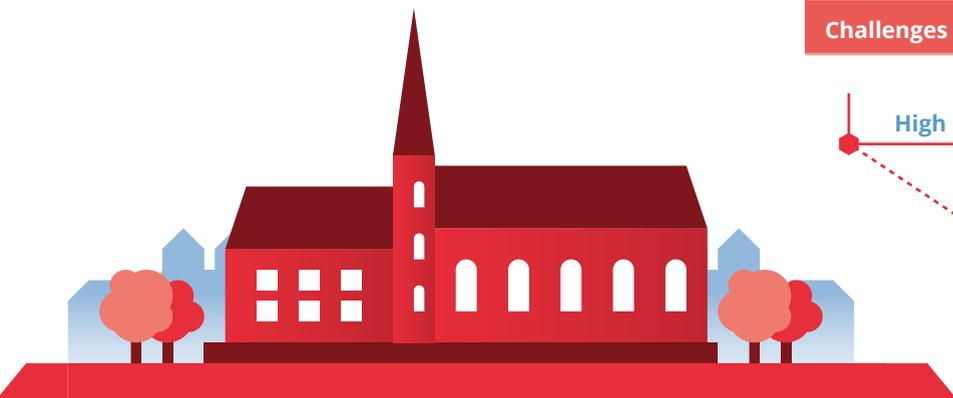
Launched in 2012 MangoPay, the payment API provider, now supports more than 1,000 platform customers across 22 countries in Europe. In 2015 it processed €200m-worth of payments.

Bitstamp is a bitcoin exchange, allowing trading between USD currency and bitcoin cryptocurrency. As of 2016 it was the world's second largest by volume.

Digicash Payments, a mobile payment specialist, has had their technology implemented by 4 retail banks and has been deployed at a national scale in Luxembourg.

The future

The year ahead promises to be a very exciting one for Luxembourg, both with regards to improving the infrastructure that supports the FinTech ecosystem and the impact that startups based in the Grand Duchy will have on the wider financial services industry. This year, the Luxembourg investment funds association (ALFI) and banks association (ABBL) have established FinTech working groups of which FinTech companies are active participants. Thus, we expect that the collaboration between FinTech trailblazers and the financial services industry will continue to deepen as more Luxembourg financial industry players embrace FinTech solutions in their daily operations.



Mexico

Hub profile



There is a concentration of experienced founders along with deep pools of technical and business knowledge. This has attracted many entrepreneurs with experience from international hubs such as Silicon Valley. Moreover, Mexico is one of the largest consumer markets in the world with great scope to increase financial inclusion.



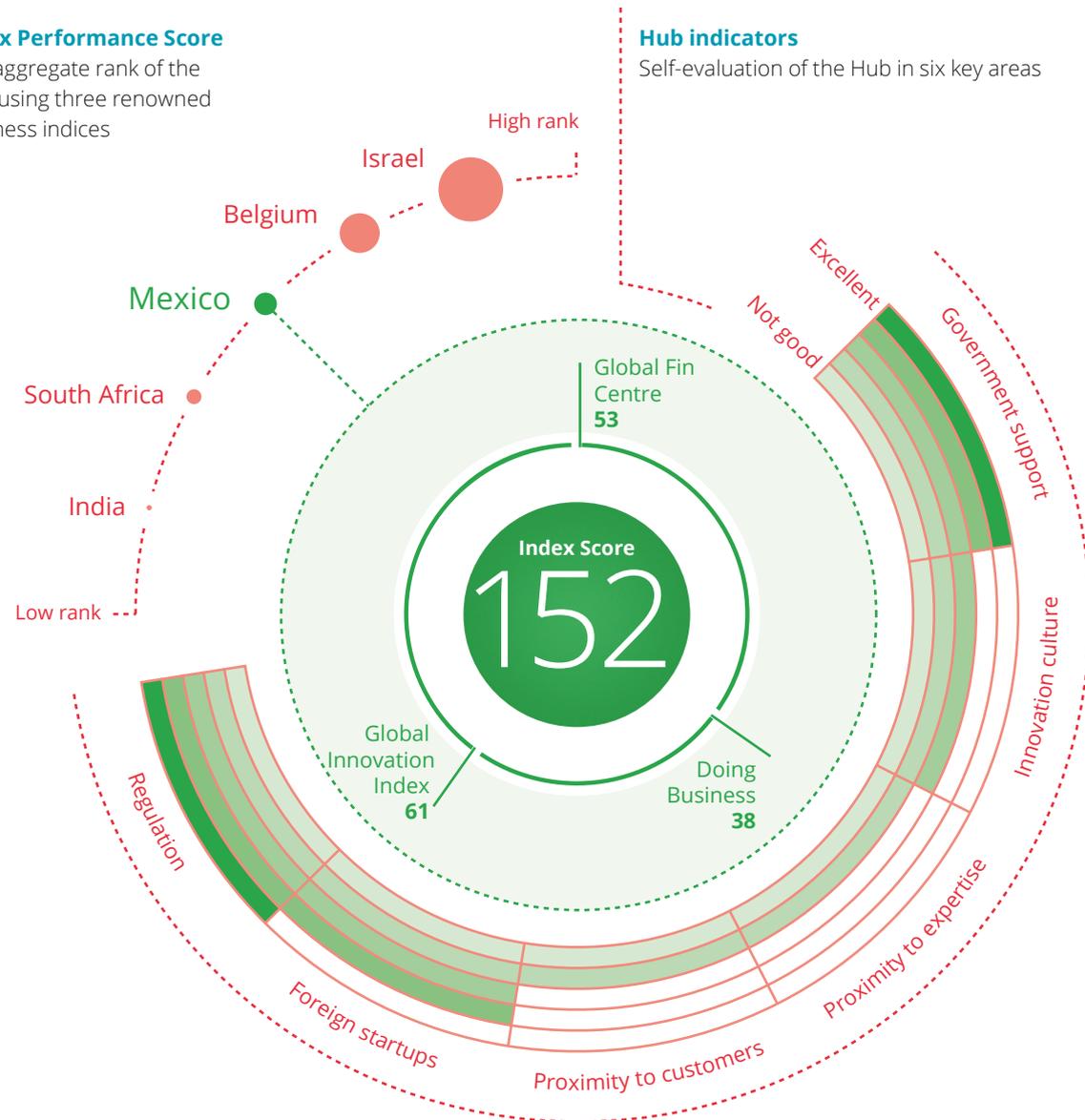
Hub representative: FinTech Mexico
CEO: Jorge Ortiz

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

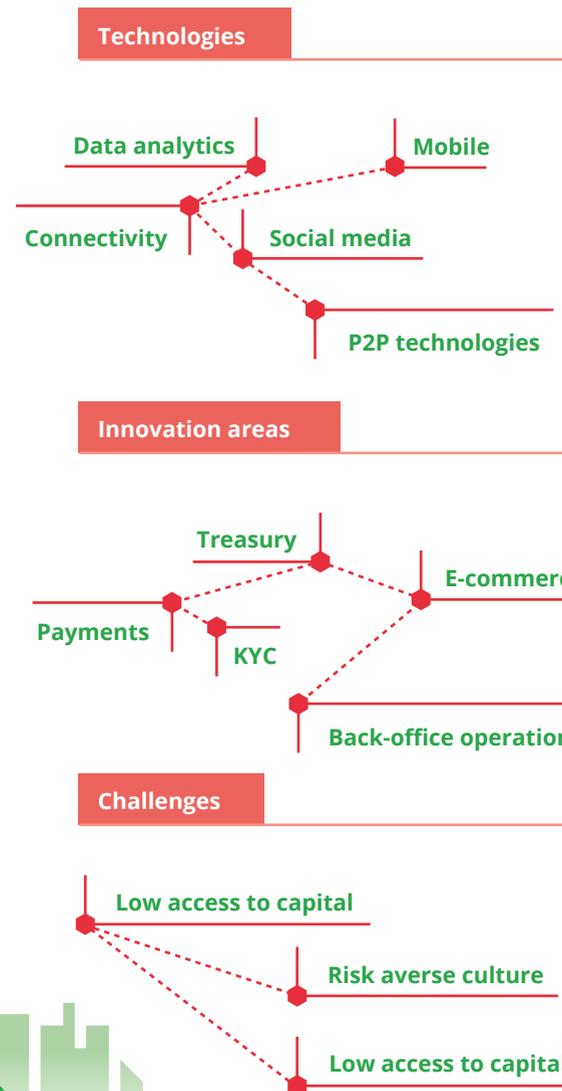
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Kubo, MiMoni, Kuspit, Tan Tan, Kueski, Bankaool, Bitso, Bayonet, Clip, Broxel.

Big investors

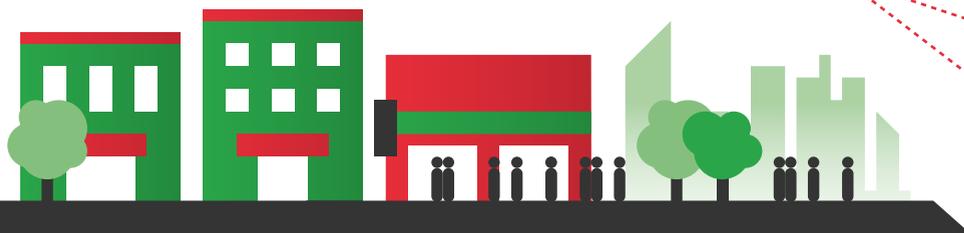
Dalus Capital (Monterrey), 500 Startups (Mexico City), General Atlantic (Mexico City), UHNW family offices.

Success stories

Founded in 2012, Kueski is the leading online lending company in Mexico offering real-time, micro loans. It has grown 7x+ annually since launch, and has achieved better loss rates than a traditional credit card in Mexico. In 2016, they raised \$35m, with the potential to increase to \$100m in total funding, the largest capital funding for a FinTech startup in Mexico.

The future

Mexico is expecting a new FinTech law in September which will recognise virtual and electronic currency (bitcoin) issuers along with crowdfunding companies. This is expected to open up the venture capital market and see an influx of international venture funds. This will complement the already strong ecosystem and increase competition within FinTech services.



New York

Hub profile



As a leading global financial hub, New York has some of the largest and most established financial services institutions actively investing in, and collaborating with, a myriad of FinTechs. With Wall Street having both the largest capital base and greatest need for FinTech innovation, the best technology and engineering talent have come together to create a vibrant and well-funded ecosystem within walking distance of the market they serve.



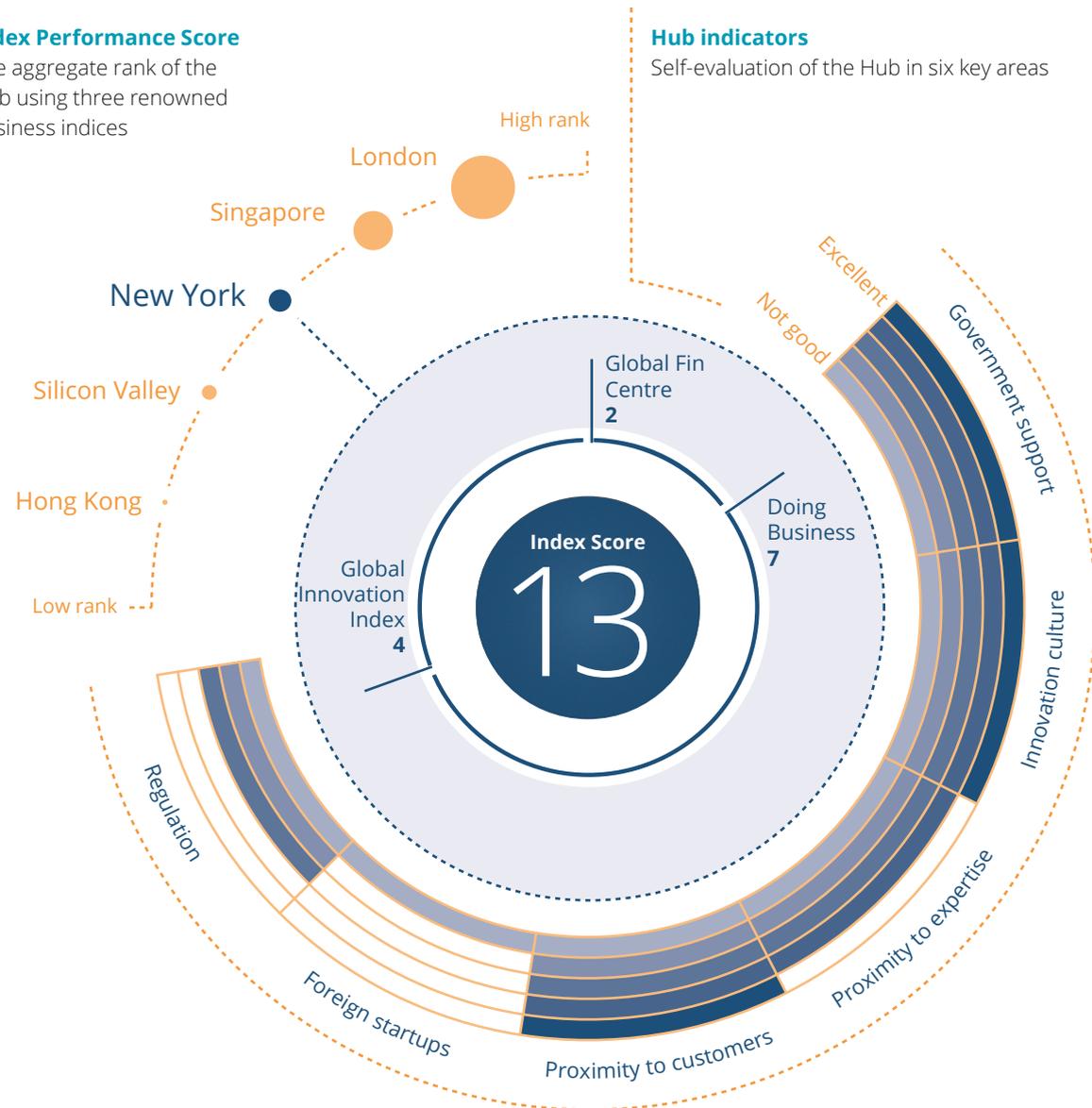
Hub representative:
Partnership Fund of NYC
Director, FinTech Innovation Lab: Sunny Parikh

Index Performance Score

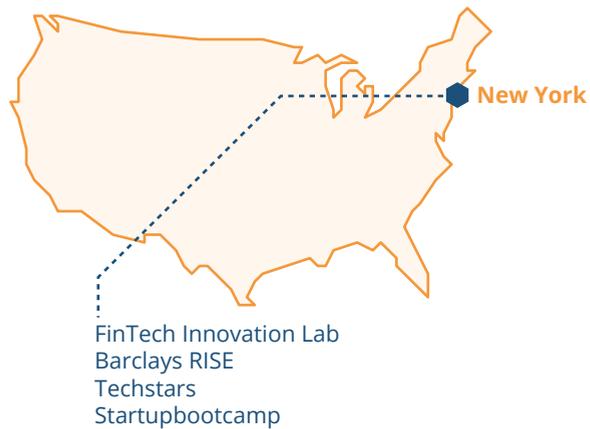
The aggregate rank of the Hub using three renowned business indices

Hub indicators

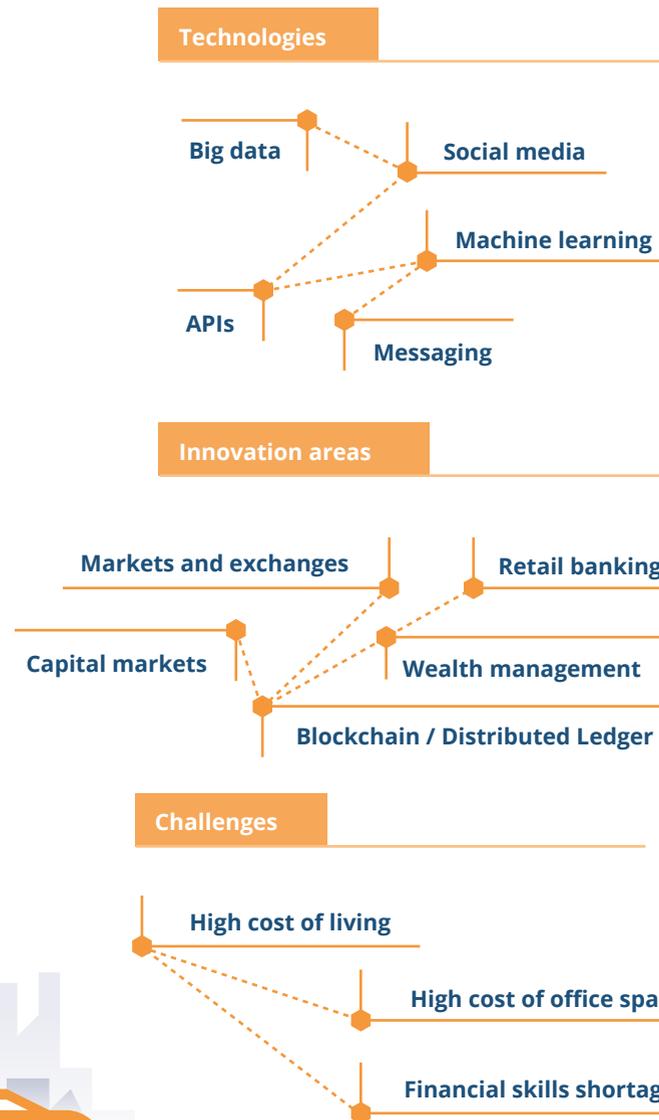
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Enigma, Kasisto, Aquamin, Alpha Point, CB Insights.

Big investors

Bain, Nyca, First Round, Bessemer Venture Partners, IA Ventures, Norwest Venture Partners, Canaan Ventures, Silver Lake, Lightyear Capital, North Hill Ventures.

Success stories

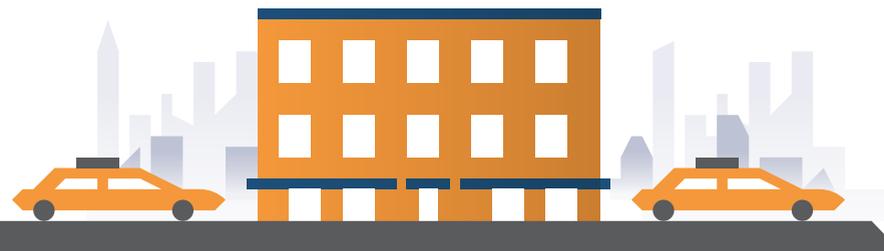
Founded in 2007, LearnVest provides award-winning financial planning systems. The company was acquired by Northwestern Mutual in 2015 for \$250m.

OnDeck, a lending platform for small businesses, has loaned over \$2bn to small businesses across 700 industries in all 50 states and Canada.

Betterment is an automated investing service. Over 120,000 customers have invested more than \$3bn with Betterment and in 2016 the company was valued at \$700m.

The future

We will see a large number of FinTech companies adopt a collaborative approach by partnering with financial institutions in order to scale up their activities. There may also be growth through acquisition in more developed technology sectors.



Shanghai

Hub profile



China is the largest FinTech market in the world as measured by total investment, total addressable market, and digital usage. A digital savvy population along with an under-developed financial industry has opened up new opportunities for FinTech to make a significant impact.



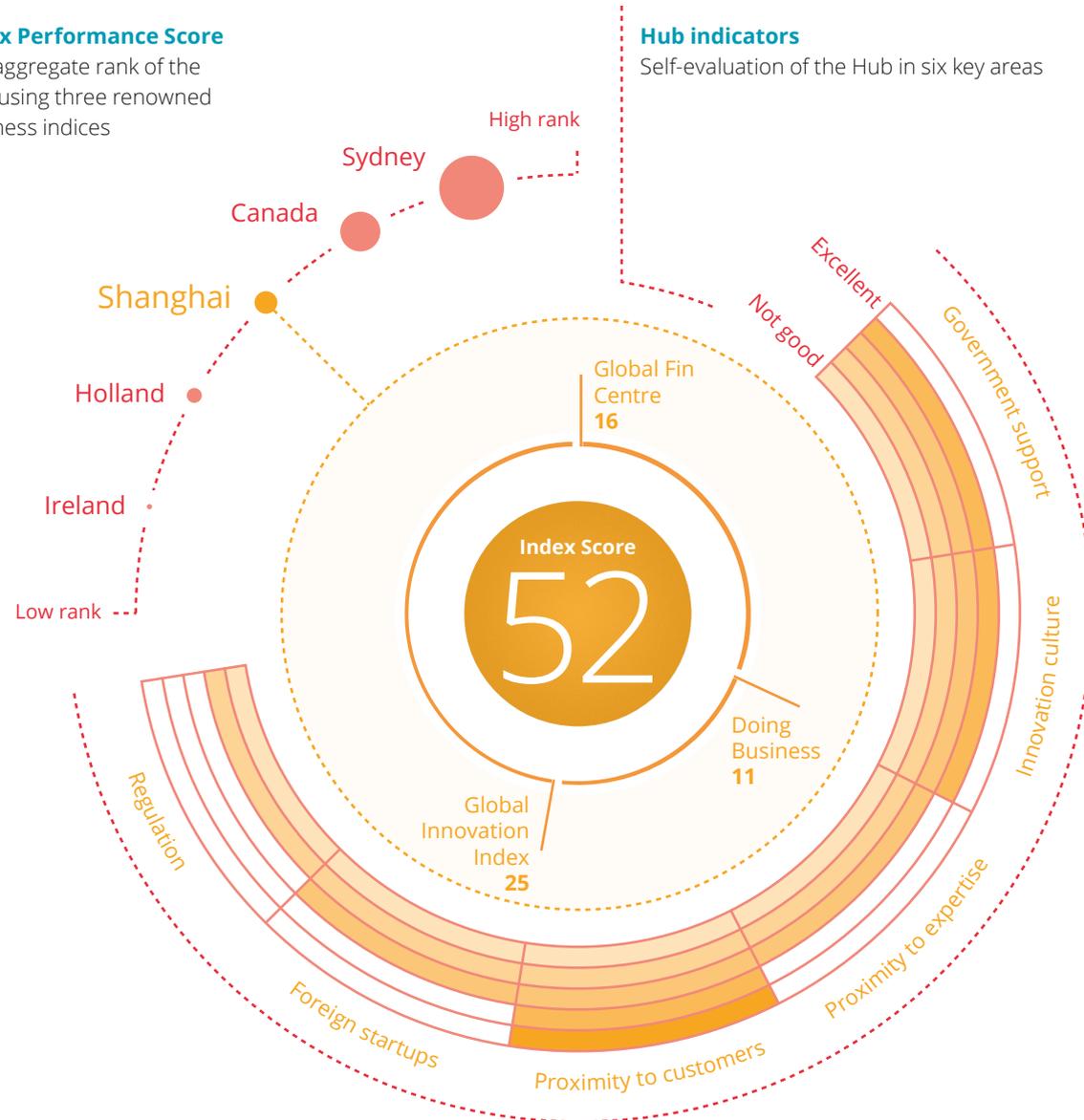
Hub representative: Silk Ventures
Managing Partner:
 Angelica Anton

Index Performance Score

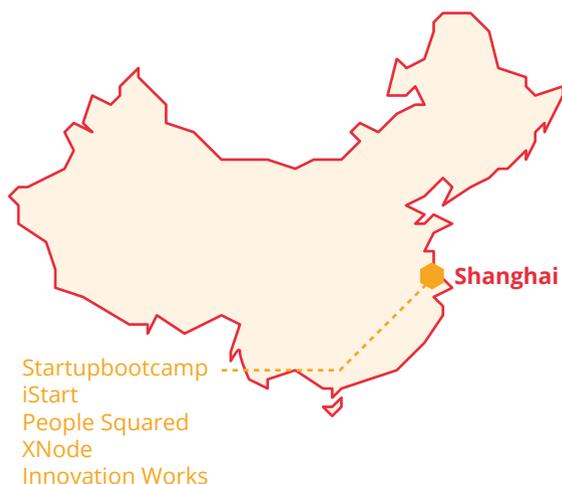
The aggregate rank of the Hub using three renowned business indices

Hub indicators

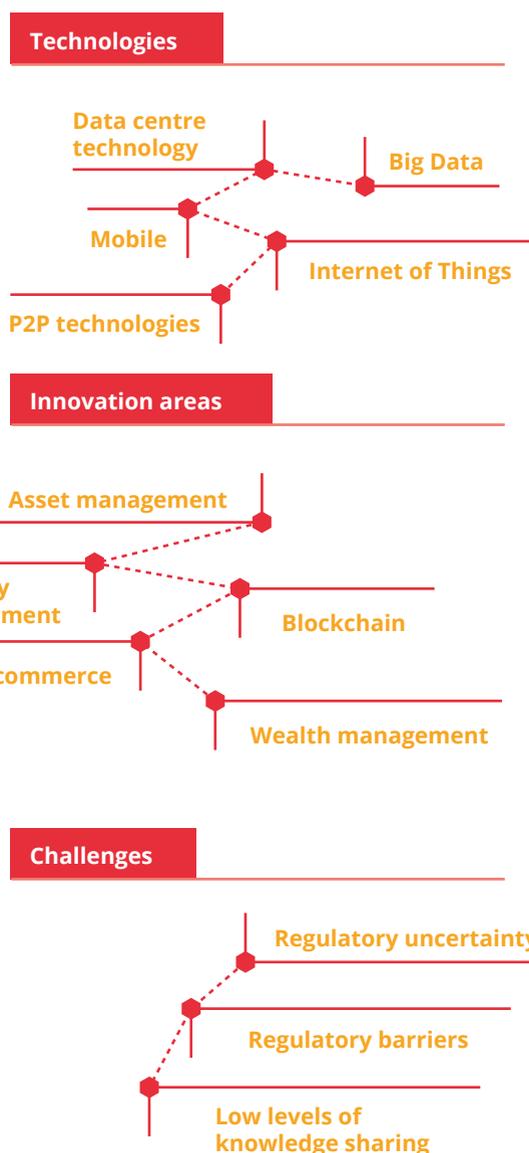
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

JingDong, Ant Financial, Lufax, WeBank, Lu.com, Zhong an Insurance, ChinaPnR.

Big investors

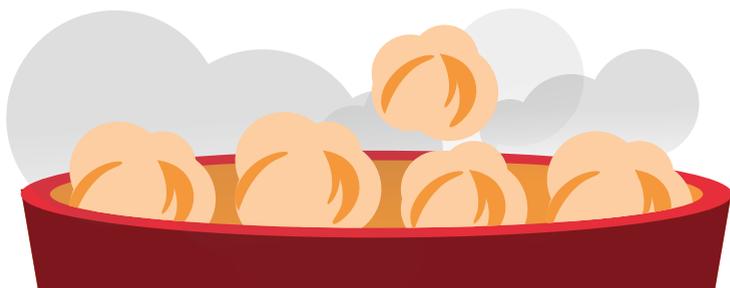
Sequoia Capital, IDG Capital Partners, Bank of China, CDH Investments, Wanda, Gome and Sunig, Guotai Jun'an Securities, Sinolink Securities, Fosun, SAIF Capital

Success stories

Lufax, an online internet finance marketplace valued at \$18.5bn.

The future

Shanghai will experience growth and consolidation as new segments come together. This should be seen in the case of platforms, where companies like Alipay will see their digital payments and wealth management services brought together in one place. Big Data will continue to cause disruptions in financial services, whilst blockchain will be a focus of development in sectors such as payments and clearing. Shanghai will further strengthen its FinTech sector through increased government support, improved regulatory environment and implementing the Free Trade Zone policies.



Silicon Valley

Hub profile



Silicon Valley is synonymous with technology innovation, which is now aimed at FinTech. With a majority share of venture capital investment, a majority share of the executive leadership of global technology companies, and decades of demonstrated excellence in scaling companies from concept to global leadership, Silicon Valley consistently produces winners.



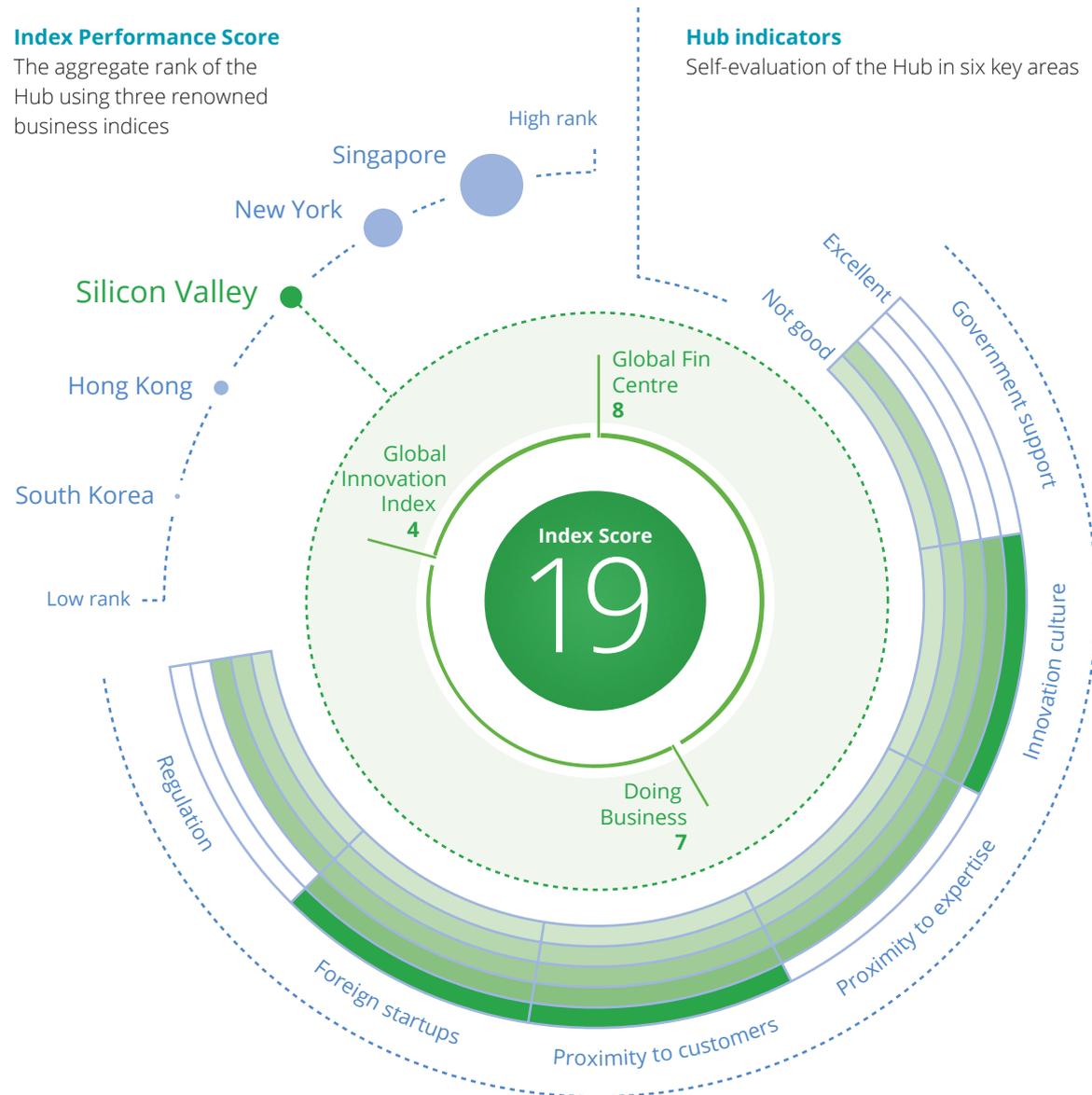
Hub representative:
500 Startups
Entrepreneur in residence:
Mike Sigal

Index Performance Score

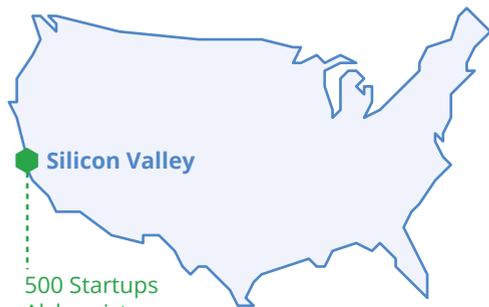
The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas

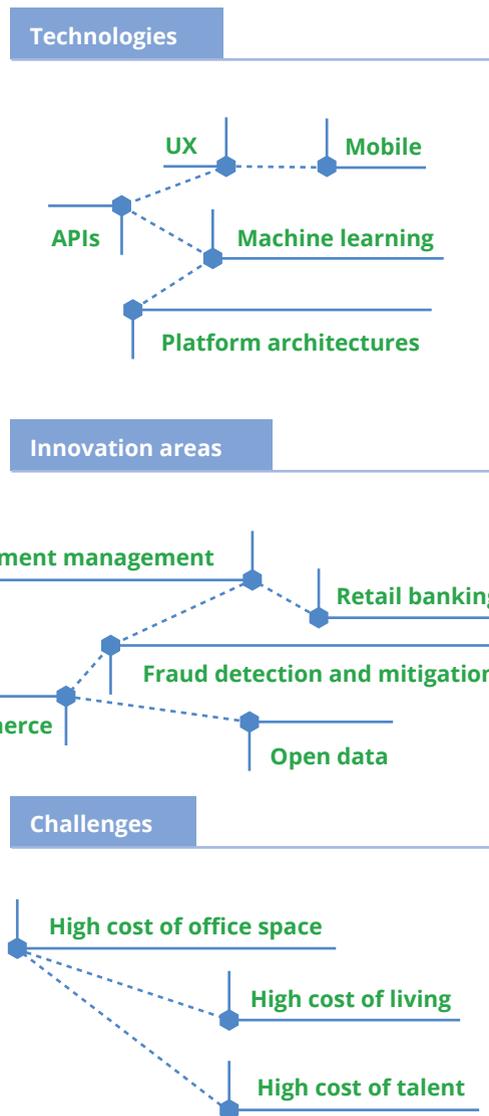


Best work spaces and accelerators



- 500 Startups
- Alchemist
- Y-Combinator
- Galvanize
- WeWork
- RocketSpace
- Plug & Play

Hub features



Top FinTech companies

PayPal, Square, LendingClub, CreditKarma, Stripe, RealtyShares, Wealthfront, Coinbase, Ripple, Prosper, LendUp, SoFi, Affirm, Indigogo.

Big investors

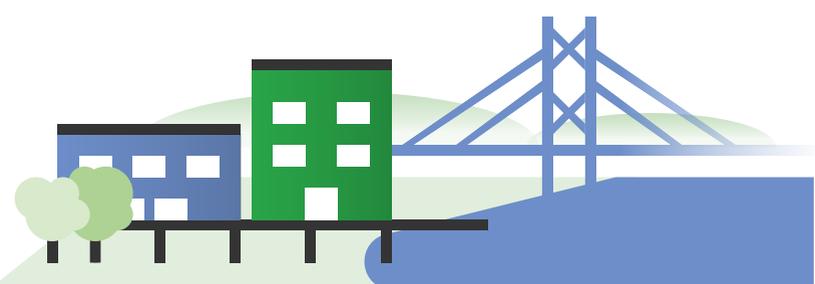
VC, 500 Startups, Andreessen Horowitz, Sequoia Capital, Google Ventures, SV Angel, Ribbet Capital, DFJ, Accel Partners, Khosla Ventures, CoreVC, Corporate VC, Propel Ventures (formerly BBVA), AMEX Ventures, Citi Ventures, Wells Fargo.

Success stories

FinTech Unicorns: Stripe, SoFi, Lending Club, Zenefits, and CreditKarma.

The future

Major institutions continue to bulk up their physical presence in the Valley, while industry stalwarts continue to shift their careers by taking on roles with innovative new startups. Talent will become more available with the downturn. There is a question globally of the availability of capital for emerging unsecured lenders, whether direct or marketplace. We will likely see increased FinTech activity by GAFA (Google, Apple, Facebook, Amazon). There will also be a steady state of FinTech investment and a rapid increase in InsurTech and RegTech investment.



Singapore

Hub profile



Singapore is a leading international financial centre and a serious contender for the global number one spot in FinTech. Government support for FinTech is strong with S\$225m committed to the development of FinTech projects and proofs of concept. Other initiatives include the Regulatory Sandbox, Cloud Computing Guidelines, Strategic Electronic Payments, FinTech Office, MAS Innovation Lab, International Technology Advisory Panel and Talent Development.



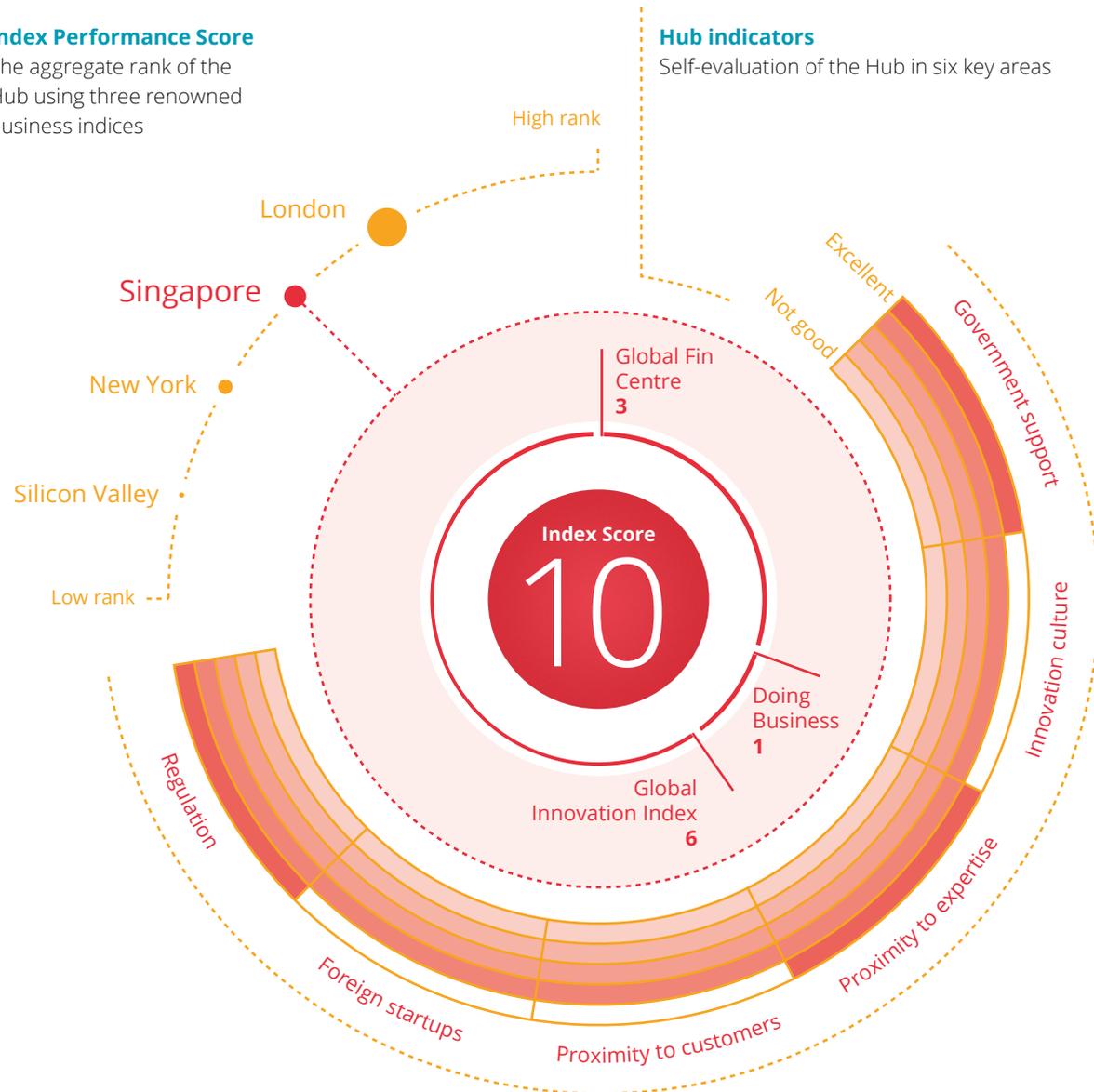
Hub representative:
Monetary Authority of Singapore
Chief FinTech Officer:
Sopendu Mohanty

Index Performance Score

The aggregate rank of the Hub using three renowned business indices

Hub indicators

Self-evaluation of the Hub in six key areas



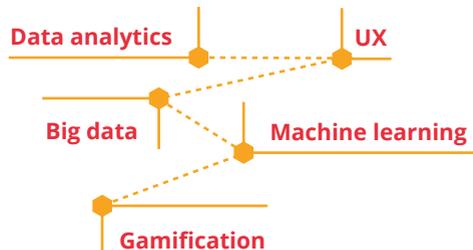
Best work spaces and accelerators



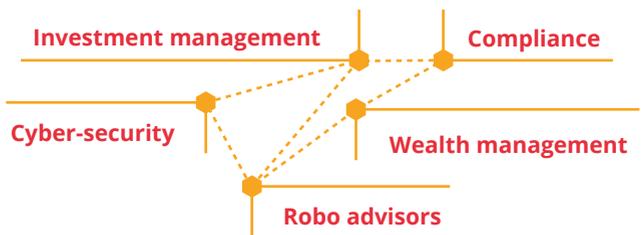
- Standard Chartered Bank's Exellerator
- Aviva Digital Garage
- Ocbc Open Vault
- UBS Evolve
- HSBC s Innovation Lab
- Citibank's Corporate and Consumer Innovation Labs
- Metlife's Lumenlab
- Allianz Digital Labs
- Block 71
- BASH
- SPH Plug & Play
- TCF-PnP Program
- Startupbootcamp FinTech
- InspirAsia
- Fatfish MediaLab
- The Joyful Frog Digital Incubator
- FocusTech Ventures

Hub features

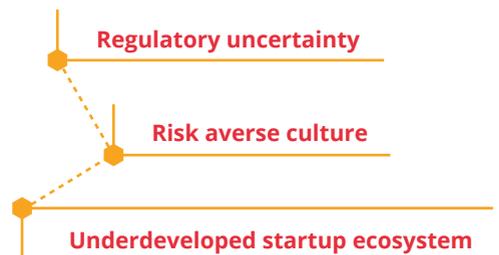
Technologies



Innovation areas



Challenges



Top FinTech companies

Dragon Wealth, Call Levels, Fastacash, MatchMove Pay, MoolahSense, Crowdonomic, Otonomos, Fitsense.

Big investors

Full range of angel, VC, corporate venture divisions and government entities. Examples include: GIC, Temasek, EDBI, Singtel Innov8, Life.SREDA, 500 Startups, Sequoia Capital, Jungle Ventures, Golden Gate Ventures, Quest Ventures.

Success stories

MDAQ is backed by prominent investors, valued at over \$250m. Also, it is noteworthy that, as well as startups, incumbent financial institutions in Singapore are proactively embracing FinTech.

The move by the MAS to bring in industry talent to drive FinTech forward paid rich dividends and positioned the MAS as the leading regulator to drive progressive thinking in FinTech innovation.

The future

Singapore will host the FinTech Festival from 14 to 16 November 2016. Other initiatives include the Unified Point of Sales (UPOS) roll-out of terminals, Central Addressing System (CAS) payment technology, Trade Finance distributed ledger proof of concept, SoCash cash withdrawal technology, and Banking-as-a-Service.



South Africa

Hub profile



South Africa is a key FinTech Hub connecting the African continent with the rest of the global ecosystem. It is often an entry point for international firms doing business on the continent. As there are a number of banking headquarters in South Africa, it is naturally a FinTech powerhouse. The startup community spans Johannesburg, Cape Town, and beyond, where innovations are aimed at creating better services for low-income consumers, as well as for the banked and underbanked.



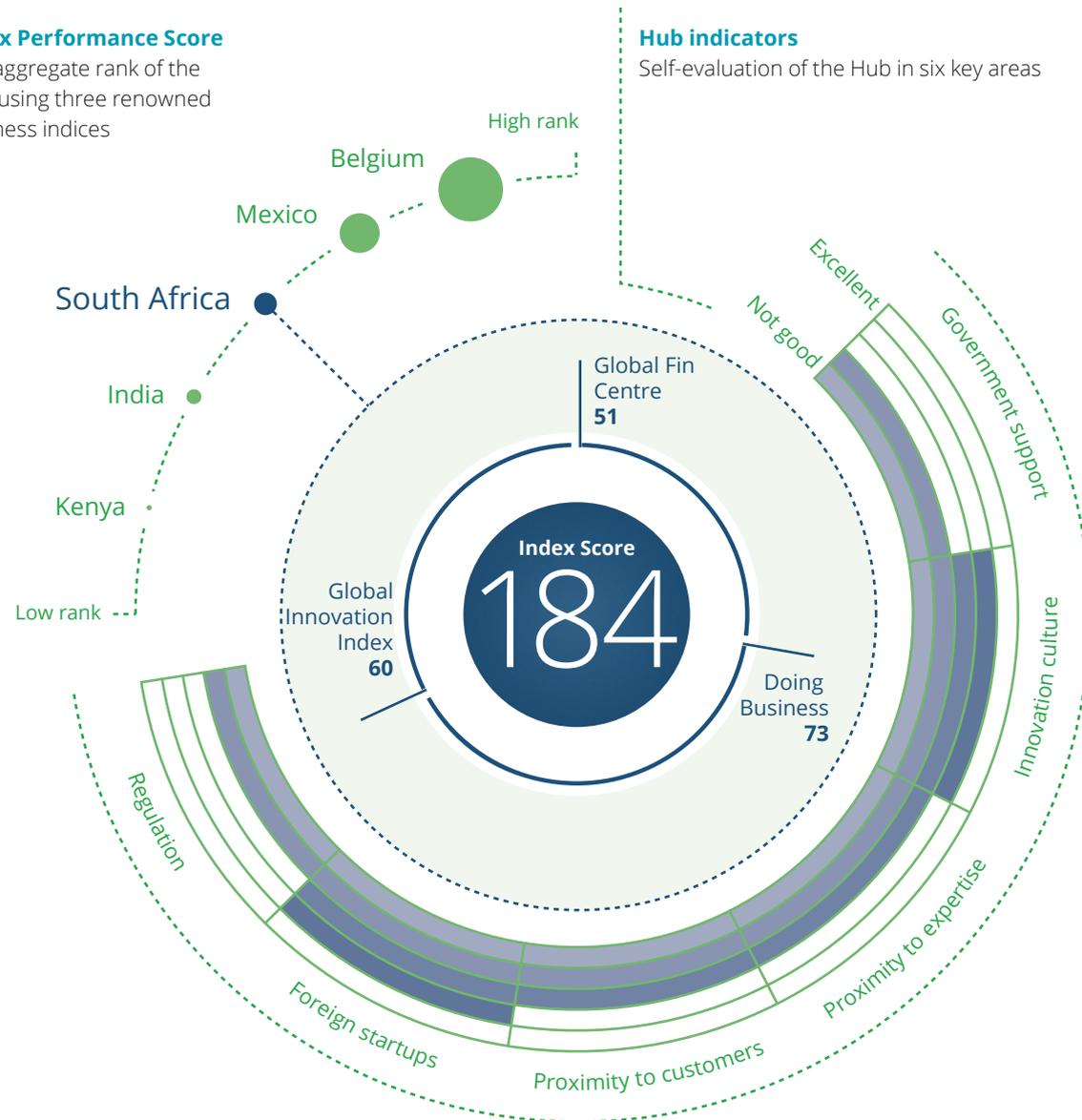
Hub representative: Techstars
Director: Jess Williamson

Index Performance Score

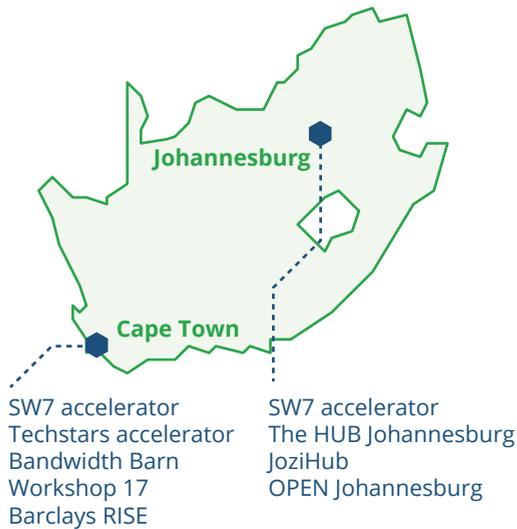
The aggregate rank of the Hub using three renowned business indices

Hub indicators

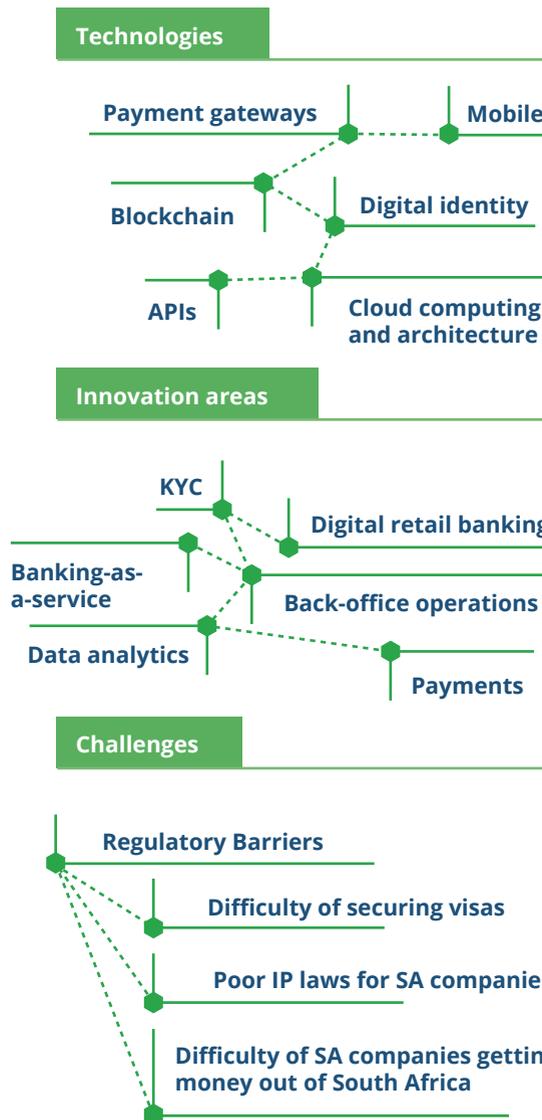
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

SnapScan, RainFin, Yoco, Peach Payments, WizzPass, PriceCheck (recently acquired by NASPERS), PayU.

Big investors

Silvertree, NASPERS, Perry Blacher (Amadeus), Barclays Seeker Fund, 4Di Group, Hasso Plattner Ventures.

Success stories

There are numerous individual company success stories. An example is the Barclays Accelerator powered by Techstars, where the 10 companies invested in were from 9 different countries both within Africa and from the UK, US, and Lebanon. While many of their headquarters remain in other hubs, they have all played a role in the South African ecosystem and building out its wider connections.

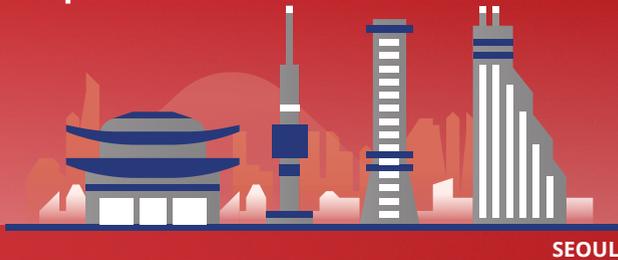
The future

The South African startup community is becoming more attractive and palatable to international investors. We expect more foreign venture capitalists to take risks here, thereby creating greater competition with existing South African VCs and ultimately better terms for startup founders. Both Johannesburg and Cape Town are expected to strengthen, building bridges between the two Hubs and the global and regional FinTech community.



South Korea

Hub profile



In the South Korean FinTech ecosystem, there has been concentration on developing a regulatory environment that supports growth. South Korea has a highly developed infrastructure already in place for mobile and technology, with a skilled workforce and a cluster of financial institutions ready to invest. This creates an environment that can drive the penetration of new technology, which makes South Korea a good testing bed for FinTech innovations.



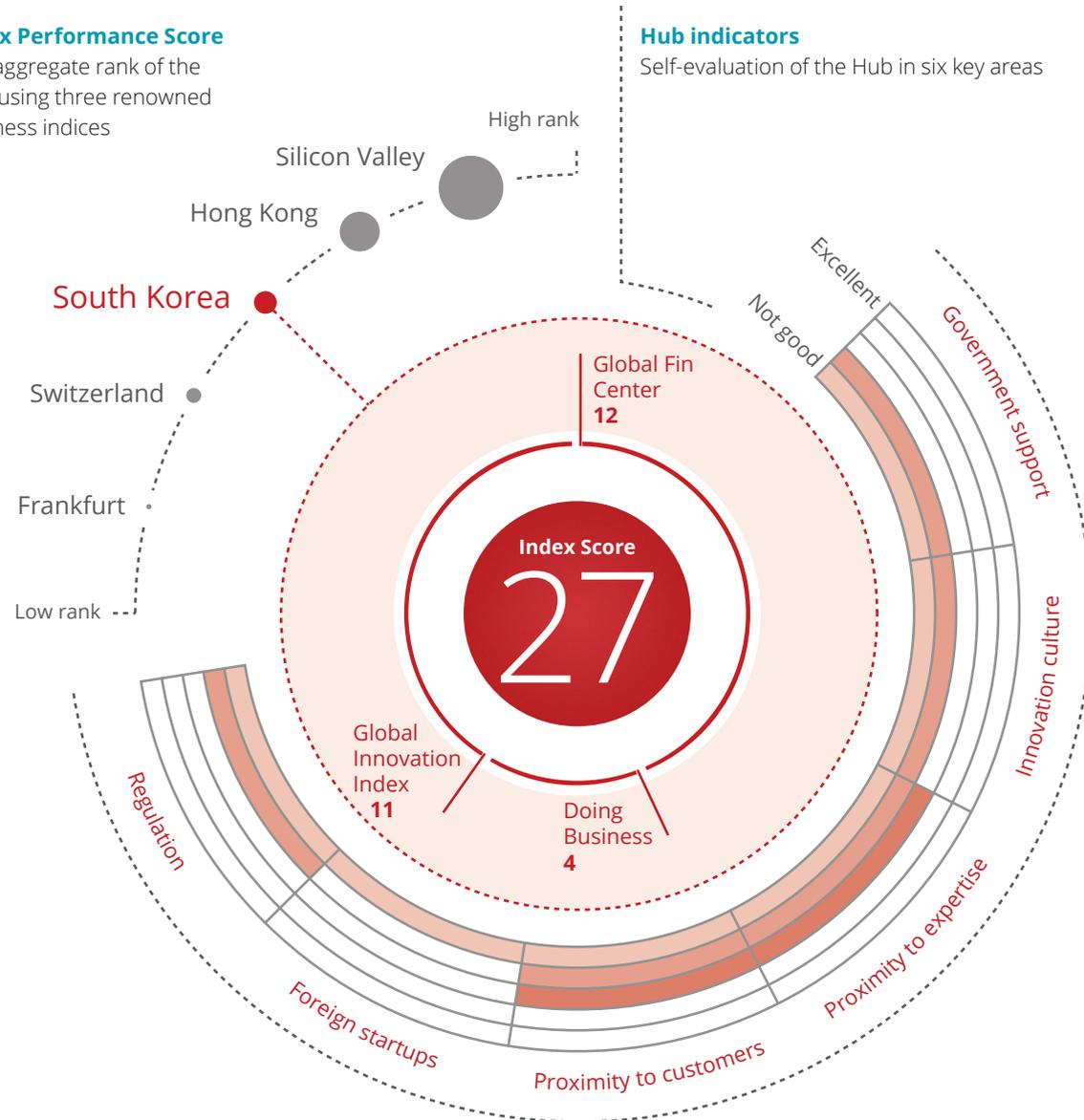
Hub representative:
Deloitte South Korea

Index Performance Score

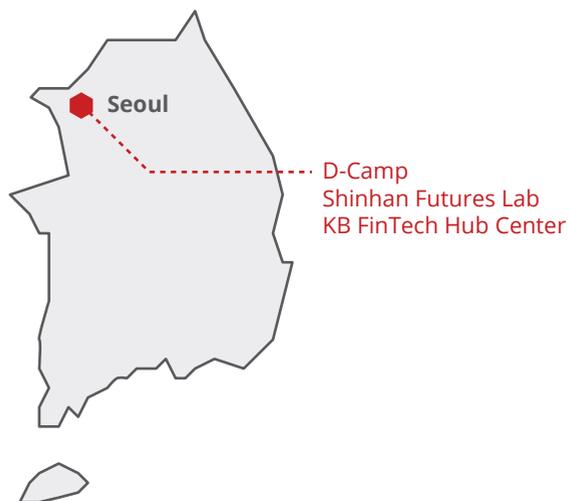
The aggregate rank of the Hub using three renowned business indices

Hub indicators

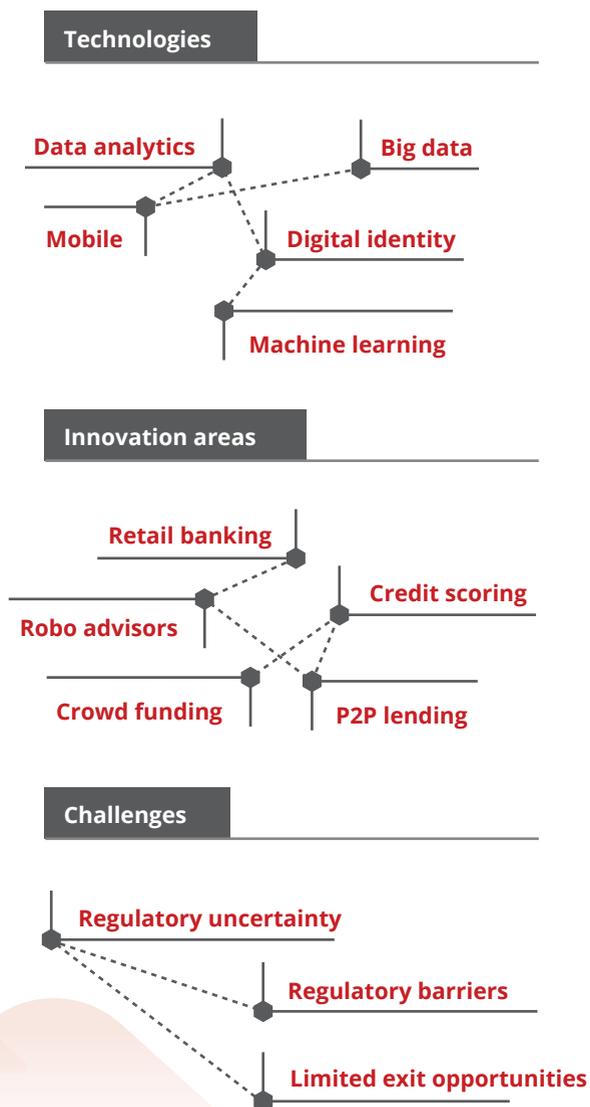
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Honest Fund, 8 Percent, Terra Funding, Toss, Kakao Bank, K-Bank.

Big investors

VCs, ICT companies, retail companies and some financial institutions are active investors in FinTech.

Success stories

The introduction of internet-only banks has been the big innovation in the Korean FinTech industry, as these had not previously existed. To accelerate the development of FinTech, the government issued new banking licenses to two internet banks (K Bank and Kakao Bank) this year, the first new banking licenses in Korea since early 1990s. To launch these new banks, companies from various industries (e.g. ICT and retail) formed a JV to leverage their technology, customer base and data.

The future

The market will keenly observe the evolution of the two new internet banks and assess what is working and what is not. This will go a long way determining how FinTech in Korea will evolve.



Switzerland

Hub profile



Switzerland is known for its quality, reliability, security and stability. Switzerland boasts a large financial centre, an innovative nation, a central location geographically, an excellent infrastructure, legal system and protections for consumers.



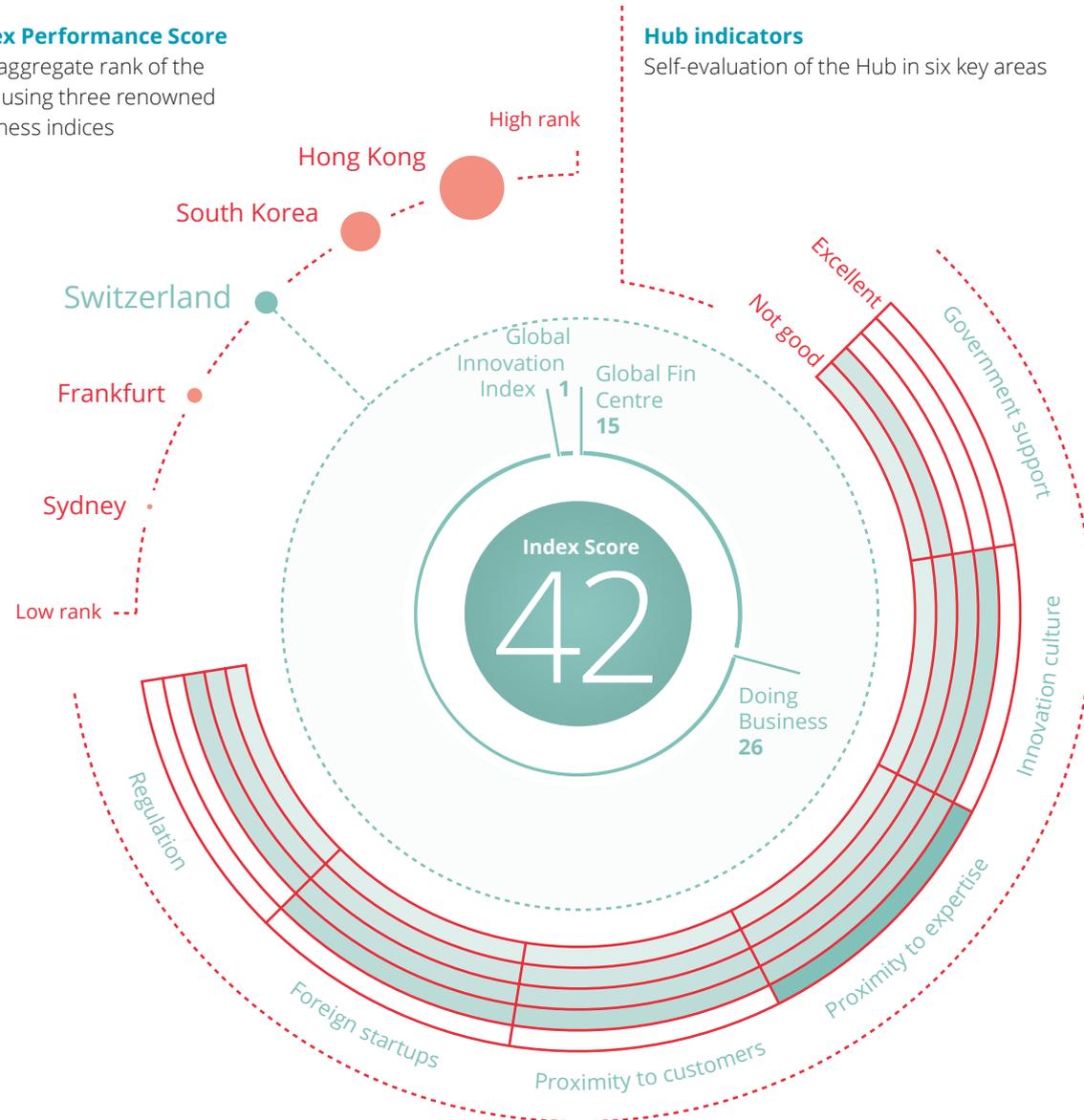
Hub representative:
Swiss Finance + Technology Association
Co-Founder and President:
John Hucker, CFA

Index Performance Score

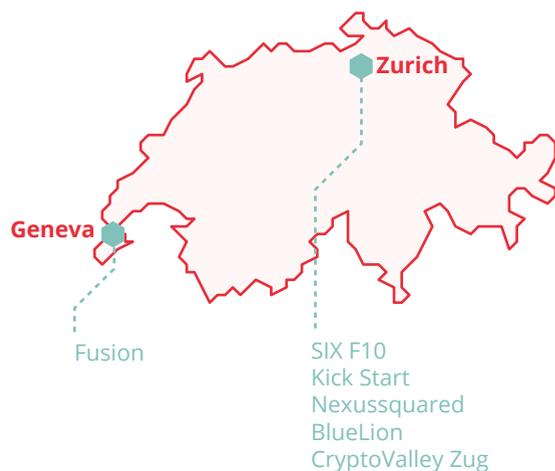
The aggregate rank of the Hub using three renowned business indices

Hub indicators

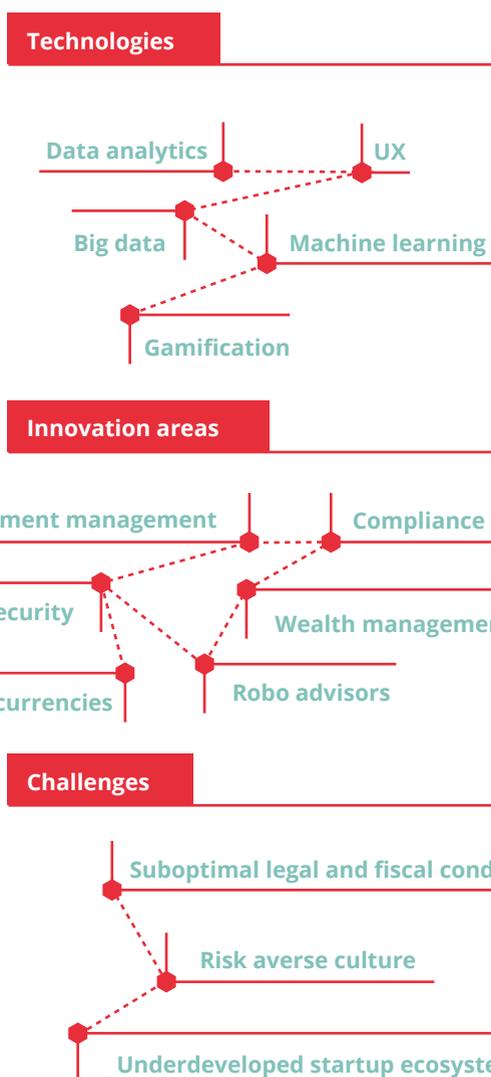
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Knip, Anivo, FinanceFox, Qumram, WealthArc, InvestGlass, Monetas, Bexio, Ethereum, Xapo, Digital Assets (Elevance)

Big investors

Swisscom, LakeStar, RedAlpine, Swiss Startup Invest, Go Beyond, SICTIC, B-to-V, and Investiere. There are also private investors (e.g. large angels, family offices) which do not always disclose much detail.

Success stories

Knip, raising over \$20m and going global to disrupt insurance. Temenos, the classic story of a great entrepreneur becoming an industry leader with core banking platforms. Recently, it was a highlight to see Eric van der Kleij bring his expertise to the Kick Start Accelerator in Zurich.

The future

There has been a lot of activity and learning in the past 18 months, with many market participants forming associations that drive the development and public relations around Swiss FinTechs. This will need to convert into real impact in terms of innovation of the financial institutions, success for startups, and successful exits for investors. These associations will play a major role in the negotiations with both FINMA and the government on how to support the Swiss FinTech sector. Involving the Swiss FinTech associations in the next steps is going to be essential. Switzerland is thrilled to be hosting the global FinTech community at SIBOS in Geneva.

Sydney

Hub profile



Australia has robust wealth management and superannuation sectors and holds the lion's share of the customer base in its region. It is the gateway ecosystem into Asia, especially South Asia with many global banking brands setting up their Asian headquarters in Sydney. There is a deep and skilled talent pool with high levels of mobile penetration and internet banking.



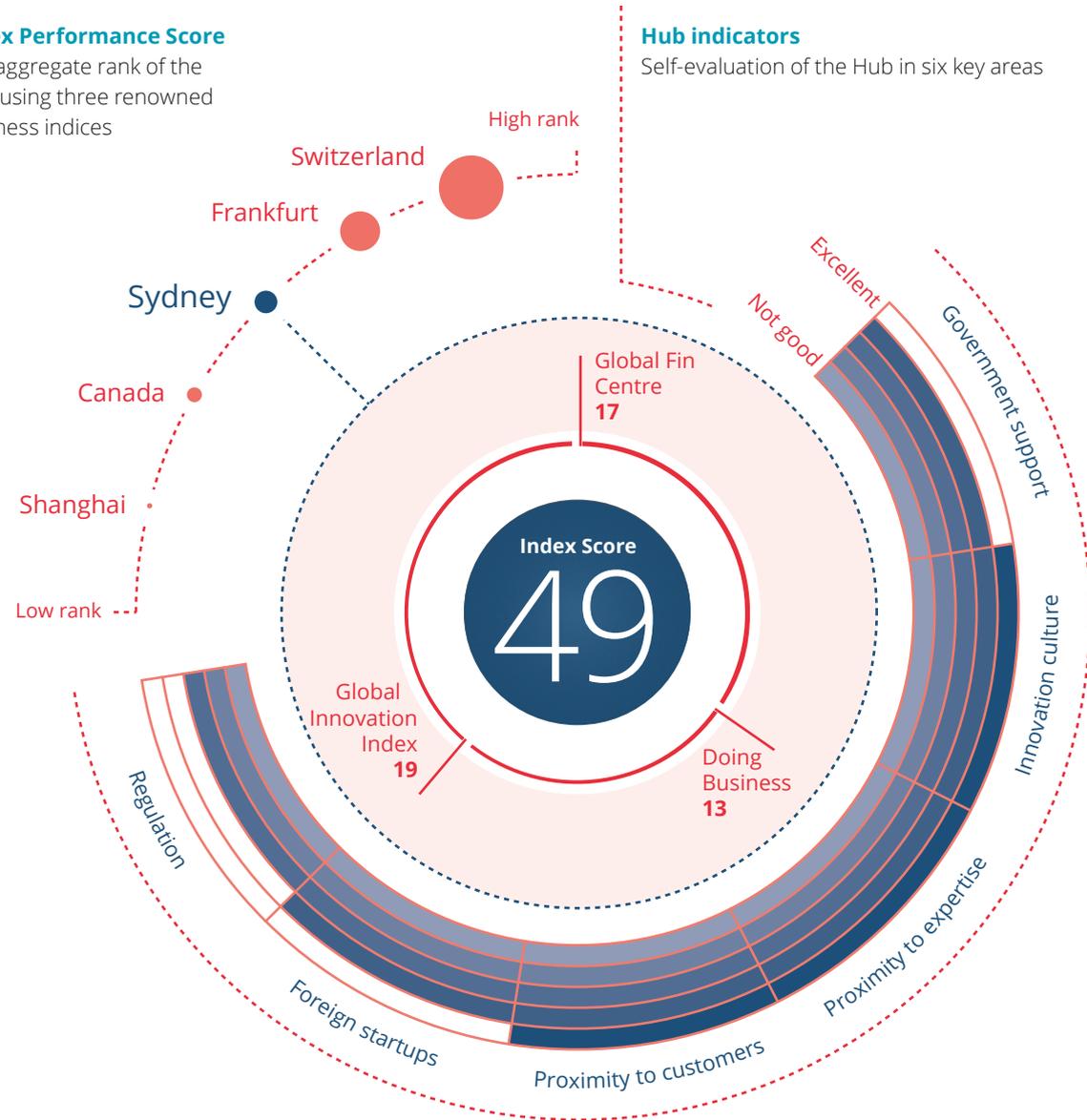
Hub representative:
Stone & Chalk
CEO: Alex Scandurra

Index Performance Score

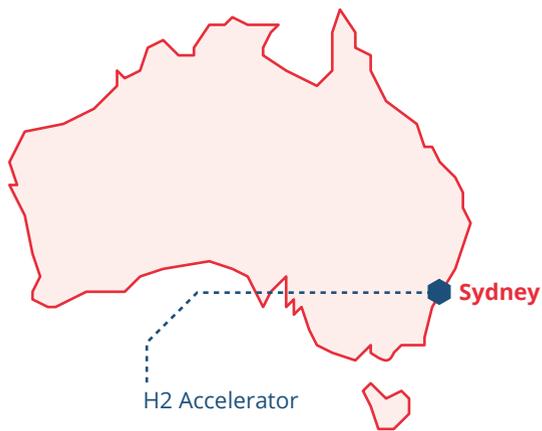
The aggregate rank of the Hub using three renowned business indices

Hub indicators

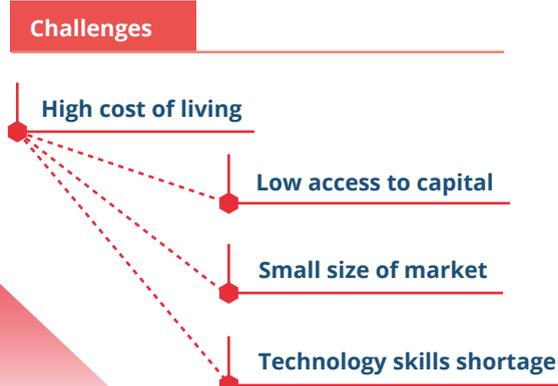
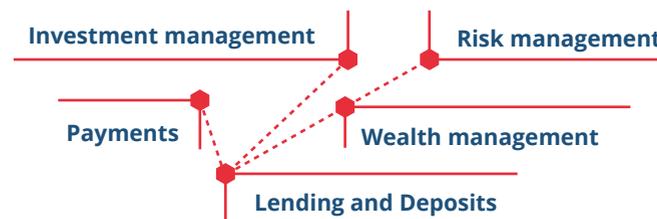
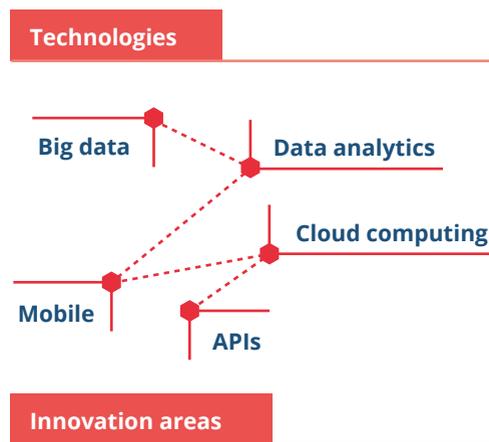
Self-evaluation of the Hub in six key areas



Best work spaces and accelerators



Hub features



Top FinTech companies

Metamako, Data republic, Society One, Prospa.

Big investors

Sapien Ventures, NAB Ventures, Investec, Reinventure, Angel and High Net Worth Investor syndicates.

Success stories

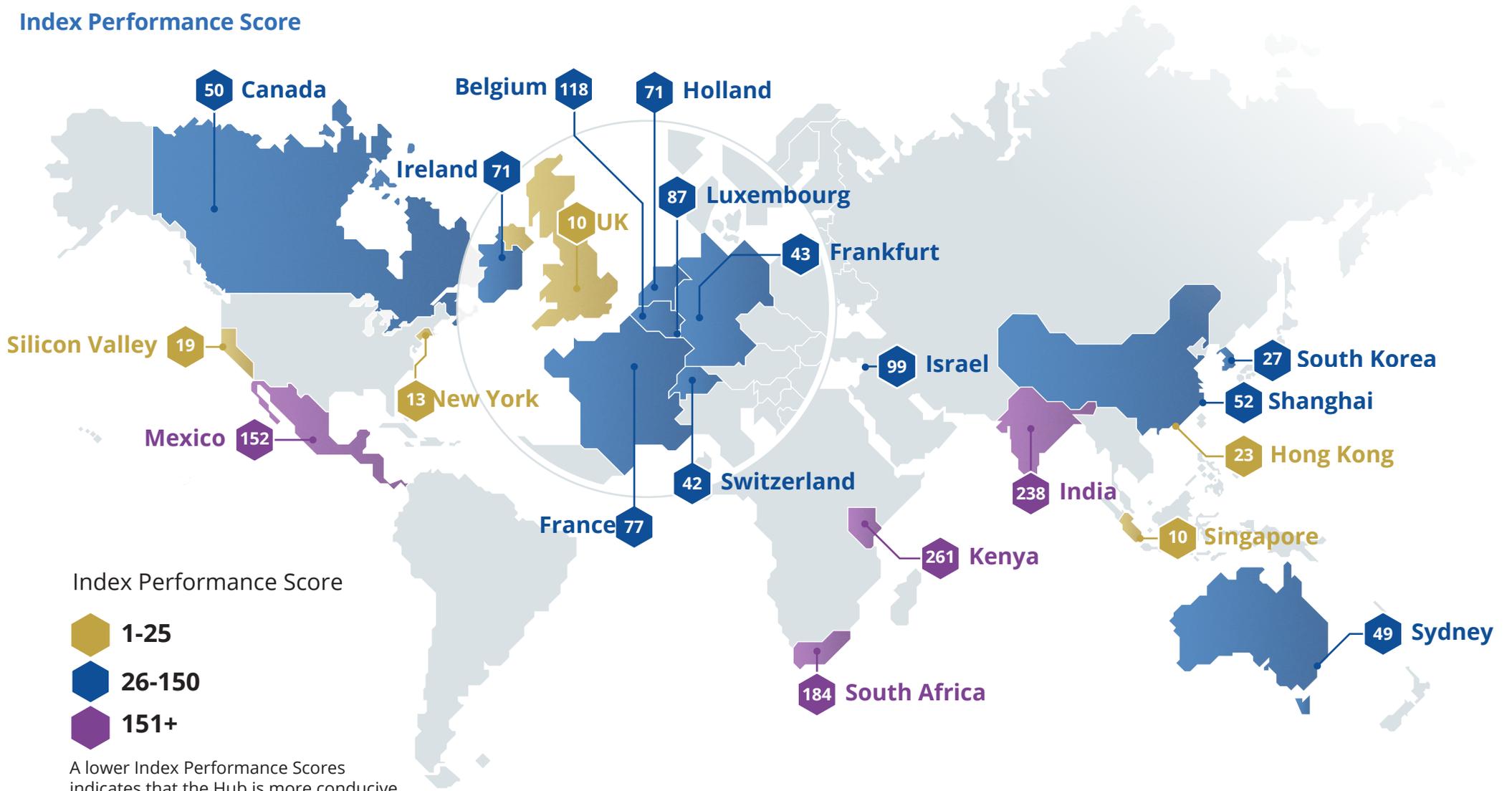
Since its launch in 2015, Stone & Chalk have connected startups to \$100m AUD in seed and angel investment, and 23 corporates.

The future

A big push in engaging with Asia. There will be more Asian companies setting up offices in Sydney and vice versa. There has been testing of APIs within the regulatory sandbox, which will now begin to be rolled out. There will also be further development of FinTech ecosystems in other cities in Australia.

Global FinTech Hub overview

Index Performance Score



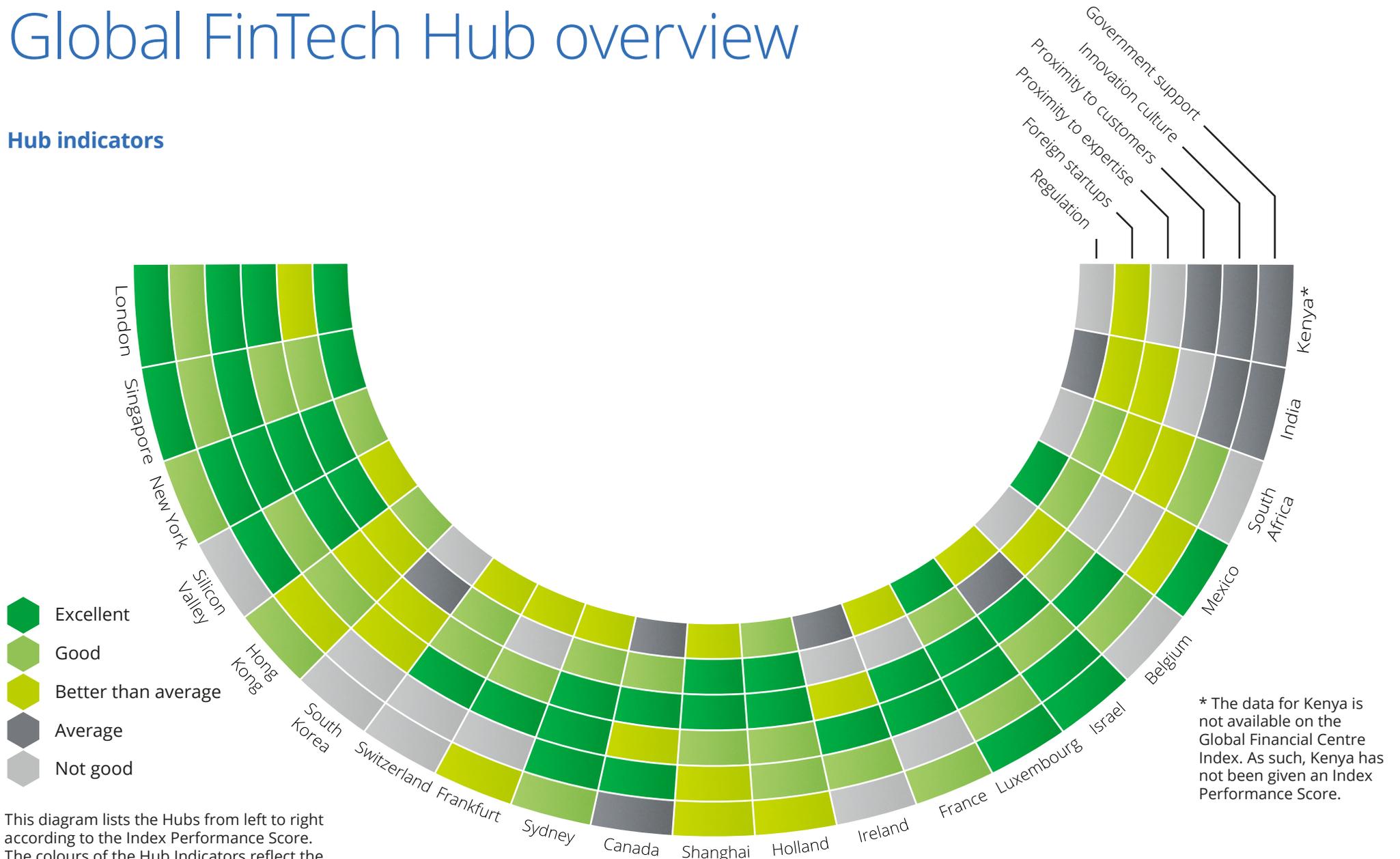
Index Performance Score

- 1-25
- 26-150
- 151+

A lower Index Performance Score indicates that the Hub is more conducive to FinTech growth based on the amalgamation of three global indices.

Global FinTech Hub overview

Hub indicators



This diagram lists the Hubs from left to right according to the Index Performance Score. The colours of the Hub Indicators reflect the response given by the Hub Representative in relation to this category.

* The data for Kenya is not available on the Global Financial Centre Index. As such, Kenya has not been given an Index Performance Score.

Thank you

Many thanks to the representatives from the global FinTech Hubs included in this report and those who have supported its development.

Sharing insights on the success stories, development areas and challenges for FinTech hubs contributes to greater knowledge sharing and engagement amongst the global FinTech community. As this community continues to grow, fostering and supporting cross-border dialogue is key to sustaining a better financial services future.

If you would like to know more about the Global FinTech Hubs Federation, the initiative seeking to connect the global FinTech community, please click [here](#).



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Monitor Deloitte refers to Deloitte MCS Limited, a subsidiary of Deloitte LLP, the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte MCS Limited would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte MCS Limited accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2016 Deloitte MCS Limited. All rights reserved.

Registered office: Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom. Registered in England No 3311052.
Designed and produced by The Creative Studio at Deloitte, London. J9308