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BANKALARARASI  
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# THE TURKISH FINTECH ECOSYSTEM

Progress Report 2016

**FINTECH**  
ISTANBUL

*in collaboration with*

**MELİKE  
BELLİ**

SUPPORTED BY



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BELLİ**





# INTRODUCTION

1. About FinTech Istanbul .....	4
2. Evaluation of the FinTech Ecosystem in Turkey .....	14
3. The Turkish FinTech Landscape .....	22
4. The Turkish FinTech Ecosystem 2016 Highlights .....	32
5. Rise of FinTech in Turkey in 2016 .....	38
6. FinTech Istanbul's Vision for 2017 .....	42

## Contact BKM to receive a copy of Banking and FinTech

Written by Melike Belli and published by BKM, Banking and FinTech - Developing a FinTech Ecosystem in Istanbul is the first and only book about FinTech in Turkey. The author's analysis concerns Turkish banking and the lessons that can be learnt from cross-border knowledge sharing between one of the world's centres of FinTech, London, and the emerging sector in

Istanbul. Melike Belli is working for a dynamic FinTech startup, Cybertonica, in London and was included in the Innovate Finance Women in FinTech 2016 Powerlist. She is also involved in projects to develop the FinTech ecosystem in Turkey.







BKM (*Interbank Card Center*) - CEO  
@SonerCanko

## DR. SONER CANKO

## Turkey paves the way for transforming into a FinTech hub

2016 was a year FinTech continued shining all over the world. The partnerships established between the banks and FinTech companies enabled the innovative and value-added business models to be realised and FinTech solutions to reach the wide masses. While the payments continued being one of the most important elements of FinTech; the subheadings such as lending, personal finance management, money transfer, InsurTech and Blockchain started attracting more attention. Considering the distribution of the investments, it is observed that Northern America and Asia were the biggest markets and that Europe again fell behind in terms of the investments realised.

In Turkey, 2016 was a productive year during which FinTech ecosystem matured. FinTech ecosystem managed to gain strength despite the problems encountered in our country during the year. New actors from different areas got involved in the ecosystem and also the interest of the investors in the ecosystem increased. This is also proven by that half of the investments raised by startup in Turkey in 2016 were made in FinTech startups. The regulatory bodies conduct studies on fast conclusion of applications of new players and on the healthy growth of FinTech ecosystem in the investment area notably in the angel investment and the crowdfunding.

As BKM, we took on important responsibilities in 2016 for the development of the FinTech ecosystem in Turkey. In Istanbul that we aim to transform into a global FinTech hub, we founded FinTech Istanbul in February as the umbrella organisation to lead the ecosystem. Besides two trainings provided the end-to-end fundamental FinTech information, we also organised a

Blockchain training. We organised meet-ups with the participation of the top FinTech influencers such as Chris Skinner, Dave Birch and Oliver Bussmann. During these events, we aimed to determine the roadmap to be followed by Turkey, to take actions to build FinTech ecosystem on a solid foundation, and to enable the ecosystem to be more closely acquainted with each other. For the similar purpose, we also took part in The Global FinTech Hubs Federation established with the purpose to gather the important FinTech hubs around the world under a single roof. We consider these collaborations as the important achievements to draw the roadmap from the very beginning, and we aim to increase the number of value added partnerships in the upcoming period.

Having a young population of 80 million, Turkey has a strategic advantage to become a FinTech hub thanks to its geographical location connecting Europe and Asia. When the strong banking industry open to collaboration, the dynamic entrepreneurship ecosystem and the qualified labour force are added to these, the advantage we mentioned becomes more valuable. We believe that thanks to such advantages, Turkey will become one of the countries offering the most ideal environment for FinTech startups by carrying its breakthrough in recent years one step further. In line with this objective, we will continue working with great passion for Istanbul to become a global FinTech hub. I would like to express my gratitude to everyone for their support and contribution to the development of the FinTech ecosystem in Turkey and I hope that this study, providing details on the progress of the FinTech ecosystem in Turkey in 2016, will be useful for you.



1

# ABOUT FINTECH ISTANBUL









Selim Yazıcı - Soner Canko - İhsan Elgin

## Foundation of FinTech Istanbul

The strong financial institutions and companies of Turkey have a great potential for assuming a powerful role and positioning within the global FinTech ecosystem.

It is possible for us to both produce competent entrepreneur candidates from our institutions and access to a significant pool of consultants that can support business ventures. FinTech Istanbul was established in February last year as an organisation that brought together the FinTech ecosystem players, which had been the only missing piece that we had in this respect.

FinTech Istanbul platform is entrusted with the task of bringing together all the elements

that are required for the sound growth of the nascent Turkish financial technologies entrepreneurial ecosystem. Having embarked on this journey with the leading names in the business specialising in research, training, education and entrepreneurship FinTech Istanbul is always open to cooperation with new individuals and agencies that are willing to assist the organisation in achieving this fundamental goal. To this end, FinTech Istanbul has become a meeting point for the financial ecosystem by bringing together the entrepreneurial candidates, investors and professionals.

Having made its mission to ensure that our domestic entrepreneurs assume a leading role in the field of FinTech, FinTech Istanbul:

- Has launched a training program, “FinTech 101 Trainings”, so as to ensure that the entrepreneurs are oriented towards the right direction with a sound educational background and correct knowledge,
- Brings together all the stakeholders on the same ecosystem through “FinTech Meetings” to initiate information exchange among them,
- Invites global FinTech leaders to Turkey to share their experience with the local ecosystem,
- Shares the most up-to-date and quality content in the field of FinTech on its website ([www.FinTechistanbul.org](http://www.FinTechistanbul.org)) and through its social media accounts,
- Has launched a blog in its website that of FinTech Istanbul currently contain the most recent and richest FinTech news, articles, ecosystem related videos in Turkey, and as such they have become a point of reference,
- Has made direct agreements and partnerships with a variety of global FinTech hubs for the purpose of establishing international collaborations with the community members and such relationships continue to be nurtured.

David Birch at a meet-up organised by FinTech Istanbul





# The Bond Between BKM and FinTech Istanbul

In line with its aim to establish a cashless society and with its 26 years of experience in the business, BKM can naturally be described as the first FinTech institution of Turkey. As having a non-profit structure and being capable of bringing together all the banks and financial institutions under the principle of “co-opetition”, BKM is the driving force behind the development of the FinTech ecosystem in Turkey. It serves to

support the ecosystem around it with a view of accelerating innovation, paving the way for new enterprises and rendering the competitive edge of finance industry in line with the newly developed digital transformation.

In this respect, BKM is assigned the role of being the natural supporter of the foundation of FinTech Istanbul.

## Our Partnerships and Collaborations

As FinTech Istanbul, we aim to follow every global and local development within the frame of financial technologies; to combine these developments with Turkey’s current experiences; and to assemble unique brains producing ideas and solutions as well as technology.

We act upon our vision to become the catalyst and supporter of a financial technologies ecosystem focusing on human first in the news and articles we share, our interviews, meet-ups and trainings we attend and organise, our national and international publications, and

our established global and local collaborations. With the collaborations we made with important FinTech organisations such as BKM and Startups. Watch in Turkey, and Innovate Finance and Global FinTech Hubs Federation (GFHF) in international arena, we aim to create the opportunity for our stakeholders to be informed about developments, to attend events, and to develop joint projects all around the world. In the next period, we will continue our work to increase the number of these valuable collaborations and to open new horizons for the Turkey’s FinTech ecosystem.



## ACTIVITIES OF FINTECH ISTANBUL

Providing  
Trainings

Organising  
Meet-ups

Forming  
International  
Partnerships

Creating Content



FINTECH  
ISTANBUL

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## PROF. DR. SELİM YAZICI

FinTech Istanbul - Co-founder  
@SelimYazici

# Review of 2016 and Future Goals

**W**e launched FinTech Istanbul platform on February 2, 2016 and shared the objective, mission and vision of the platform with our stakeholders in the FinTech ecosystem. The feedback and support we received that day were very important for us, because we were introducing something new for our country and shouldering a considerable burden. That being said, however, the process prior to the introduction of the platform had been quite valuable for us. All year long, we gained quite a bit of experience in the nature of an organisation that can create value in the FinTech ecosystem in Turkey.

The concept of FinTech is fairly new in our country; a quick observation of the incorporation dates of the companies operating in this field reveals that they are mostly established at the beginning of the 2000s. The use of the concept under the name FinTech is even more recent. In the end, we can conclude that there are more

than 200 FinTech startups operating in Turkey, having attracted investment of more than \$65 million so far. This figure accounts for nearly 47% of the investment that has been made for startups in Turkey. We see that there are a good number of startups lined up for generating various services through innovative solutions. From the perspective of FinTech, however, it is not possible to suggest that the figures in question are that high. As FinTech Istanbul, we have made it our mission to bring together all the necessary parties to help grow the FinTech ecosystem in Turkey in a healthy manner, create value for our stakeholders and become a regional hub.

To summarise the things we have done in the last year, we have started by identifying the needs of the FinTech entrepreneurs based on the requirements of the ecosystem. First, we have set up FinTech 101 courses to educate the prospective entrepreneurs on how to found a



FinTech startup, build a business model, explore the growth potential as well as familiarising them with the technological infrastructure, nature of the financial services industry, risks and regulations. We have acquired the services of highly experienced expert instructors with a proven track record in the business. The two training programs that we have run so far have been completed successfully by nearly 100 participants. We have also set up a significant training program on Blockchain. We have conducted this one-day training session in collaboration with the Coinsilium team from London.

Secondly, we have identified the opinion leaders in this field and invited them to the meet-ups. We have invited Chris Skinner, Oliver Bussmann and David Birch, who are considered to be the leading figures in FinTech, as speakers and made them compare the practices in the world with that of our country and create a vision for the future entrepreneurs that will operate in this field.

Thirdly, we have noted the lack of publication in our country and aimed at creating content on FinTech. In this respect, we published the first and only book about FinTech in Turkey, *Banking and FinTech*, written by Melike Belli who is working for the FinTech startup Cybertonica in London and has been included on Innovate Finance's Women in FinTech 2016 Powerlist. On the other hand, we have had the latest books of Chris Skinner and David Birch and translated them into Turkish through the support of BKM. Moreover, we have launched the publication of exclusive FinTech analysis reports in collaboration with Startups.Watch, which is a Turkish startup, and created a "FinTech Ecosystem Map" consisting of FinTech ecosystem players. Today this map has become a point of reference in evaluating the Turkish FinTech ecosystem at both home and in abroad. We also share the latest developments in the world

through the articles we publish on our blog.

Lastly, we have taken steps towards developing international collaborations, which is considered as one of the most important issues in terms of enhancing and improving the ecosystem. In this respect, we have first established collaborations with the leading organisations like Innovate Finance and Level 39. Our biggest achievement in this respect was to be invited to join the "The Global FinTech Hubs Federation" that aimed at bringing together all the FinTech hubs in the world. That way, our entrepreneurs had the chance to be informed of the developments taking place anywhere around the world and participate in events and even develop joint projects.

As can be seen, we have been quite busy in 2016. From our mission to be a major FinTech hub in our region, we will continue with our activities in line with the same objectives in the upcoming period. It is important for us to diversify our activities and reach out to a larger audience. The objectives we have set for this year include briefing investors on the subject of FinTech, improving relationships with the financial institutions, establishing collaborations and organising common platforms with regulatory-supervisory bodies and increasing the number of international collaborations. Our expectation is to see new FinTech startups with innovative solutions with funding opportunities and enlarge the ecosystem with the help of all the players in the ecosystem by using "co-opetition" principles.



## İHSAN ELGIN

FinTech Istanbul - Co-founder  
@IhsanElgin

## “FinTech” will continue to be an important agenda item in 2017, too!

Turkey is keeping abreast of developments in FinTech in parallel to global markets. While the number of FinTech investments was globally in 2010 was 223, this figure went up to 894 by the end of 2015. In 2016, value of investment in FinTech amounted to \$29 million in Turkey. The same figure was \$24.2 million in total between 2012 and 2015. When looking into what is going on in Turkey, we see some prominent developments taking place in similar periods. While, in 2010, only 47 entities feed Turkish startup ecosystem, today, we have a richer ecosystem consisting of more than 200 different entities. When we take a closer look at startups of 2016 in Turkey, we observe that half of the total investments went to startups running their operations in the field of FinTech. We're currently watching some very strong market movements which indicate that our country

will have a very important position in this field throughout 2017.

I believe that there are four main reasons for that. Firstly, lawmakers in Turkey attach a great importance to this issue (BRSA FinTech Round Tables, BIST FinTech Technopark, BKM FinTech Istanbul Ecosystem, etc.) and closely support FinTech ecosystem in all respects, acting jointly with active players in every field.

Secondly, a very strong banking sector co-exists with a skilful workforce. Job cutting induced by technological developments and digitalising pave the way for birth of strong startups specialising in this subject matter, identifying significant requirements in the field and suggesting solutions.

Thirdly, we have a robust stance in this regard in the nearby geography we are a part of, we even see ourselves among candidates for the capital of FinTech. Furthermore, we are within a distance of four hours by flight from global leading markets such as London, Dubai, where we are committed to developing new businesses. We, FinTech Istanbul platform, are representing Turkey at global FinTech events and taking new and strong steps toward having a say in tomorrow's world.

Fourthly, our vision of turning Istanbul into a regional centre of finance within next 10 years, which is also incorporated in plans of our government, is an indicator that critical steps will be taken to that end.

With the support of BKM, in February 2016 we established FinTech Istanbul. The mission of FinTech Istanbul is to bring our national FinTech ecosystem together, to help specialists and newcomers of the industry by providing networking and training opportunities through diverse organisations, and to raise awareness and exchange information. In our first year, we organised three meet-ups, hosted around 200 people and had around 130 graduates at three trainings, i.e. two rounds of FinTech 101 and one Blockchain. We'll keep on working at the same pace in 2017, as well.

Below are some of titles showing what we expect from 2017:

- *We believe that, this year, there will be an accelerating dynamism in the insurance sector, one of important fields of FinTech (InsurTech), and some strong startups which are highly competitive will emerge from this sector.*
- *We will be seeing impacts of Blockchain technology in several areas of our daily lives. Mobile payments, ID authentication, encryption processes will be materialised owing to this technology.*
- *We project that startups will be offering new solutions developed as a result of analysis of such information to consumers given the breakthrough of API banking.*



2

# EVALUATION OF THE FINTECH ECOSYSTEM IN TURKEY









## MELIKE BELLI

Author - Banking and FinTech  
Cybertonica - Market Development Manager  
@MelikeBelli

# Istanbul, the Emerging FinTech Hub in Europe

In 2014, while in London doing research for my Master's dissertation and looking at how efficient the UK banking system was, I noticed the new trend shaking up the industry: the rise of FinTech. I realised the huge and positive impact FinTech had been making on the UK banking sector and decided to find out how Turkey's financial centre, Istanbul, can learn from London to develop its own FinTech ecosystem. Meanwhile, even the term FinTech did not exist in the Turkish financial services and banking industry, the banks were highly advanced in developing and investing in innovative technologies. When I completed my research in late 2014, I knew the decision makers in Turkey could significantly benefit from my findings. What Istanbul needed was an ecosystem that would foster FinTech companies to reshape the banking and financial services industry through continuous innovation. After I

completed a thorough update of my dissertation and transformed it into a book, BKM published it in February 2016 as the first and only book about FinTech in Turkey in order to spread the word "FinTech".

2016 was the year the Turkish FinTech ecosystem started to grow and receive attention internationally. We saw very exciting, important and positive developments shaping the ecosystem: FinTech Istanbul was founded with the support of BKM having the vision to develop and promote the Turkish FinTech ecosystem; international partnerships were created to strengthen Istanbul's position in the global FinTech scene; the FinTech investments soared to \$28 million; some pioneer banks collaborated with and invested in FinTech companies; training, hackathons, programs organised by large financial organisations to



support FinTech entrepreneurs; large-scale FinTech conferences and small meet-ups where global FinTech influencers attended were organised; courses were given to educate financial services professionals on FinTech; books and new magazines dedicated to FinTech were published. All of these developments brought banks, financial services organisations, FinTech startups, regulators, policy makers, investors, experts and professionals closer together and contributed to the creation of a healthier and stronger ecosystem.

Despite these positive developments, there is still some progress to be made in 2017:

- *Like the players in successful international FinTech hubs have been working hand in hand with their regulators and policy makers, the Turkish authorities should continue their efforts in creating a supportive regulatory ecosystem meeting the needs and expectations of FinTech companies, banks and other stakeholders.*
- *Collaboration between banks and FinTech companies creates a win-win situation as proven in the UK and globally. While some banks are leading the way, we can see there are some Turkish banks that still haven't responded to the FinTech wave in a way they should. These banks should not underestimate the power of collaborating with agile and innovative FinTechs and should consider doing business with them in 2017.*
- *We have seen a growth in FinTech investments (both the money raised and the number of companies funded) over the last few years. Hopefully, we will continue to see a rise in the number of FinTech companies operating and the FinTech investment which will help Istanbul to compete with the leading FinTech hubs.*

- *The Turkish FinTech industry needs to have more companies offering solutions to meet the needs of tech-savvy customers in multiple areas. Therefore, FinTech entrepreneurs should not concentrate heavily on building technologies in payments but also look at opportunities in untapped areas such as lending and InsurTech.*
- *After the Brexit referendum, we have seen some financial centres across the continent competing with London trying to become the next leading FinTech hub. In 2017, the Turkish policy makers should decide how Istanbul will position itself in the changing landscape of FinTech in Europe to grow in importance.*

Looking at the exciting progress the Turkish FinTech industry has made in 2016, I believe new developments will continue to shape the ecosystem in 2017. I recommend FinTech enthusiasts around the world to put Istanbul on their "Cities to Watch List" this year.

\*If you are interested in learning more about the FinTech ecosystem in Istanbul, I suggest you read my comprehensive book "Banking and FinTech – Developing a FinTech Ecosystem in Istanbul" which is available free on FinTech Istanbul's website.



# OLIVER BUSSMANN

Top 10 Global FinTech Influencer  
@OBussmann

## Next FinTech Hotspot? Look to the Bosphorus

When people think of vibrant FinTech hubs, cities like London, Singapore or New York usually come to mind. Fewer would put Istanbul on their list of major centres for financial services innovation. Unjustly, in my opinion. The truth is, Turkey has been a hotbed of financial innovation for quite some time. Thanks to support from the government and the Turkish financial services industry, I think it has what it takes to soon be counted among world's top FinTech locations. Here's why I think so.

Turkey has a history of embracing new technologies, including mobile banking and peer-to-peer payments, ahead of other nations. Turkish banks, to take one example, were pioneers in the development of digital wallets allowing clients to make direct payments to vendors and each other. They have also

championed innovations, like biometric authentication at ATMs, that are still rare in most other jurisdictions.

Part of this success in financial innovation can be put down to the country's natural advantages. With half of its 80 million inhabitants under the age of 30 it is a nation of young people, many of whom are well educated. Turkey also leads many other Western nations in terms of internet and smartphone penetration. This makes it a good environment for digital innovation in general and FinTech in particular. Under these conditions it's no surprise that Turkish bank clients have shown such a keen appetite for adopting new technologies.

Turkey's innovation track record is also a result of government policy. In 2009, the Turkish

government launched the Istanbul Financial Centre Initiative with the goal of making Istanbul a global financial centre by 2023. Since then it has passed laws to bring Turkish financial markets closer to their EU and US counterparts, merged its stock, gold and derivatives exchanges to form Borsa Istanbul, the largest exchange in the region, and built a Canary Wharf-style financial district on the Asian side of the Bosphorus. The government has also announced plans to create a Finance Technopark in Istanbul in cooperation with the Turkish exchange and a leading university.

The launch early this year of FinTech Istanbul is

an important milestone on this journey. FinTech Istanbul is keen to attract outside experts to the Bosphorus to share their knowledge and so help the hub mature. I expect such collaborations will be fruitful. To be successful, FinTech ecosystems also require innovation management and orchestration. With farsighted policy and its natural advantages, there is no reason to think that Turkey will not continue on its path to the top leagues. I invite all those searching for the next great FinTech hotspot to learn more about Istanbul and Turkish FinTech. They may very well find what they are looking for here on the Digital Bosphorus.

Oliver Bussmann at a meet-up organised by FinTech Istanbul





# FinTech from the Financial World's Perspective

2016 has already marked its place in the world's history as the year where extraordinary events took place. FinTech concept rocked the finance world during all these political, social, technological and ideological conflicts and reshaped the traditional banking as well as the future look of the financial world.

The hottest discussion topic throughout the year was how the traditional financial structures should approach the FinTech concept. Many institutions and agencies first approached this concept as the synonym of competition. Later, it was defined as collaboration and then a power forcing banks to offer more innovative and customised services to their customers. There is a similar picture in Turkey's FinTech ecosystem as well. We see this when we look at the messages conveyed by both banking and FinTech executives throughout the year. The statements made throughout the year repeatedly emphasised the fact that collaboration supports the banks in terms of making new technologies available quickly and the startups in terms of gaining financial expertise, visibility, support, and scaling.

In 2016, the convergence of giants such as Apple, Samsung, and Alibaba, whose main field of activities are non-finance, to consumers in certain areas (digital payments and financial intermediary services in particular) encouraged traditional structures to adopt a closer approach to the entrepreneurship ecosystem. Financial institutions with hundreds of years of history have focused on transforming their own structures into values by adopting the innovative ideas. Thus, we have witnessed the acquisition or investment news of the finance giants in hackathons and other events held under different names throughout the whole year. Looking at the investments in Turkey, we can feel the influence of this trend. In Turkey, half of the year-round investments in startups were made into FinTech startups.

On the other hand, rather than treating FinTech as a new concept, some traditional financial institutions have defined it as a renamed version of an innovative developmental culture continuing within the existing structures. However, the continuous acceleration of this process and the fact that the regulations are not

arranged and transformed quickly enough in the financial markets where consumer safety is the focus were articulated as common criticisms against all financial institutions. With regard to supervision and regulation, some countries also adopted a proactive strategy and took steps towards innovative technologies. For example, Turkey managed to become the third country in the world to prepare legislation on crowdfunding and present it to the parliament. In addition, Turkey is one of the countries where positive steps are taken for angel investing.

Towards the end of 2016, the word “globalisation” from the perspective of FinTech became an obligation, not a virtue. Many regional financial institutions increased their research and development activities in the centres they opened at different points in the world. Today, it is more important than ever before to reach the knowledge regardless of its source and to try and produce a value from it.

FinTech has become the single-word definition of 24/7 never-ending technological rise and financial innovation in everywhere from the

Asia-Pacific horizon where the sun rises, to the western coasts of the USA. This transformation and development have led not only the financial institutions but also many media outlets and journalists to go beyond traditional economic and technological lines and to produce different perspectives and contents. There is a significant increase in the number of studies conducted by global research and consulting companies with regard to the FinTech ecosystem.

On the other hand, centres such as FinTech Istanbul, which was established for FinTech ecosystem, have undertaken major and important tasks in order to bring together all players in the ecosystem and to establish collaborations and create new business models. The effects of increased awareness through organised trainings and meet-ups will become evident in the forthcoming period.

#### FinTech 101 Trainings



# THE TURKISH FINTECH LANDSCAPE







1

TAKSİM - TÜNEL

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ASILAN YASAK  
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ASILAN YASAK  
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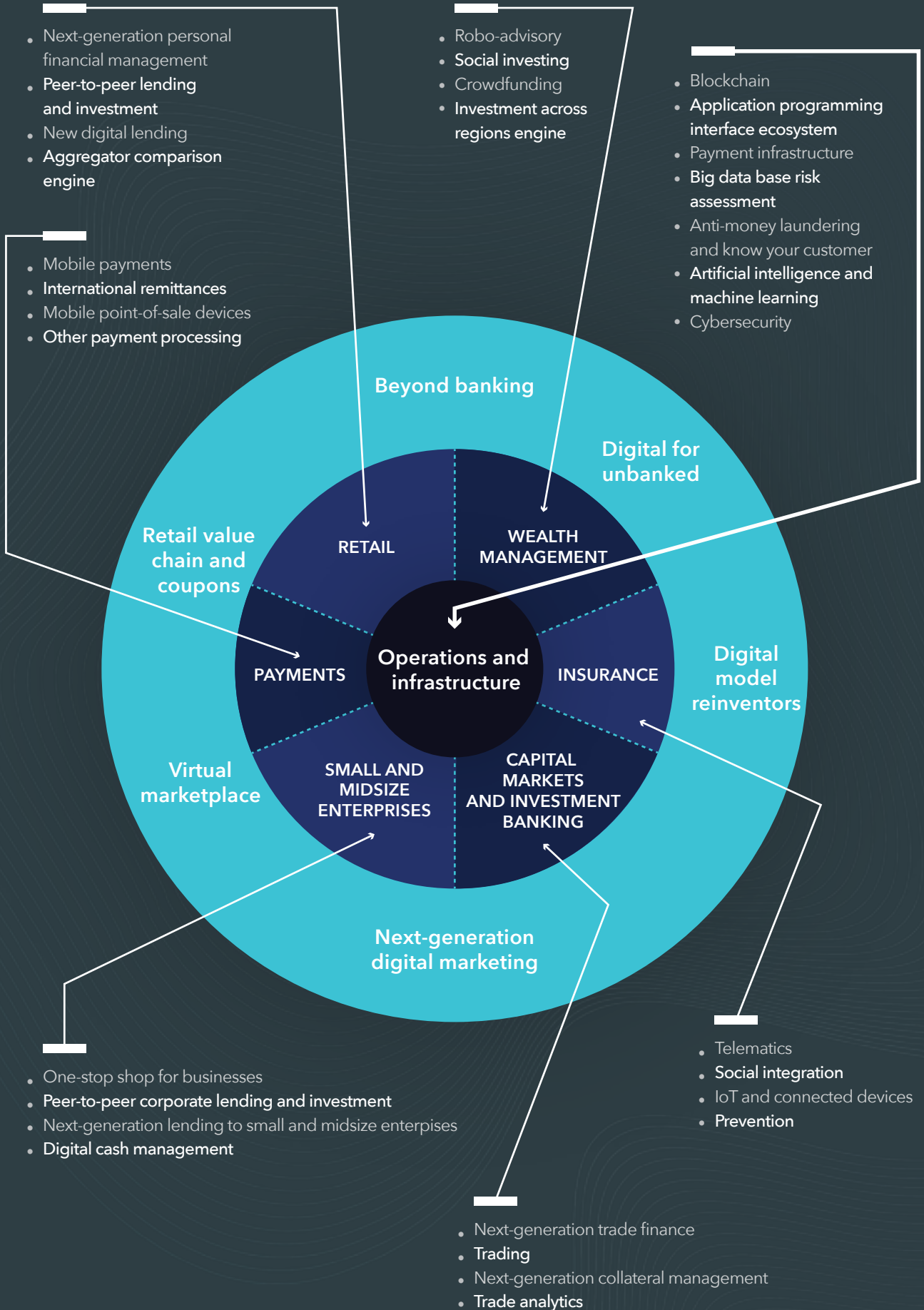






According to Panorama by McKinsey&Company, there are more than 30 areas emerging as new norms in banking globally.

### Key FinTech Trends

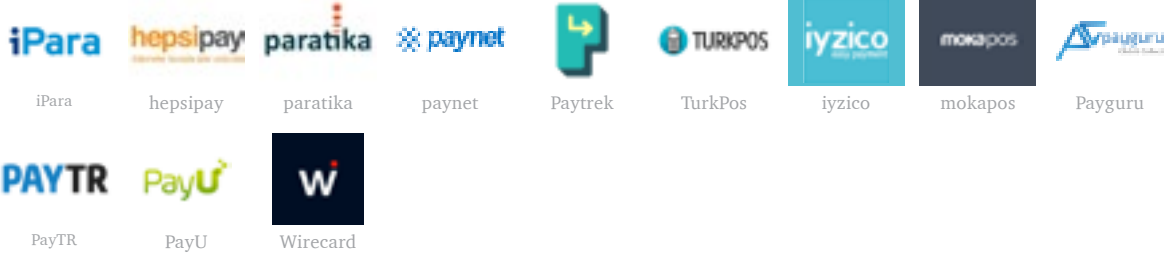




# FinTech Companies in Turkey

## PAYMENT

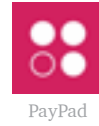
### Payment Service Provider



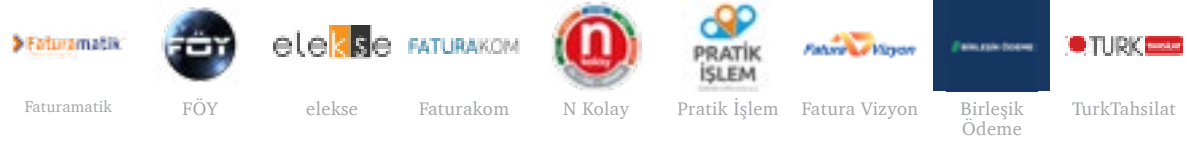
### In-Store Payment / Mobile POS



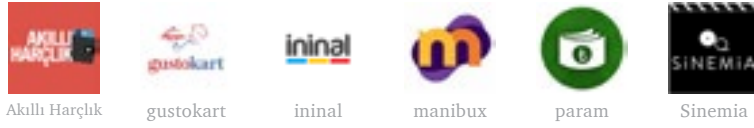
### Cash Register & POS



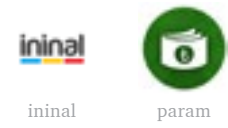
### Bill Payment



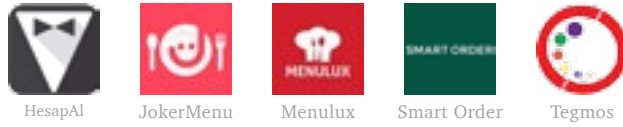
### Prepaid & Discount Cards(B2C)



### Prepaid Cards (B2B)



### Pre-Order & Pay



### Mobile Operator Payment

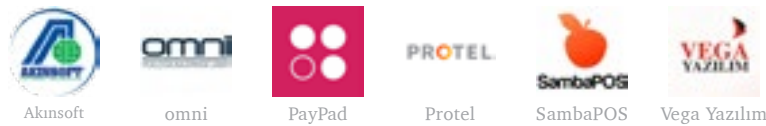


### Money Transfer

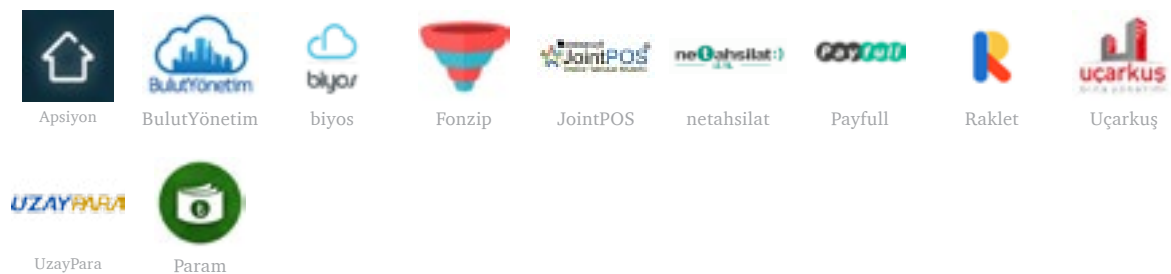


### Direct via Bank (Payment)

### Order Screening (B2B)

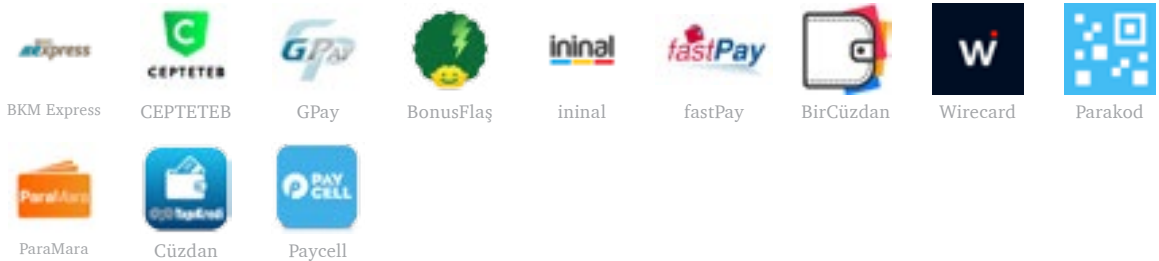


### Collection

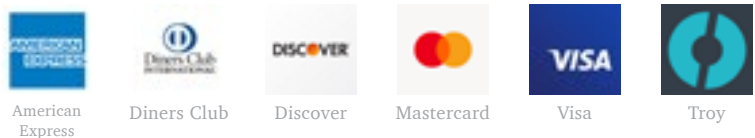


## BANKING

### Digital Wallet



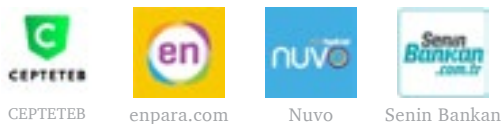
### Card Schemes



### Unbanked



### Digital Banking



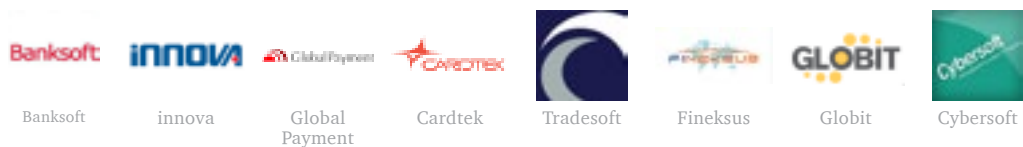
### Data



### Application Provider



### Infrastructure



## CROWDFUNDING

### Reward Based



### Donation Based



## INVESTMENT

### Public Market



### Real Estate Investment



## INSURTECH

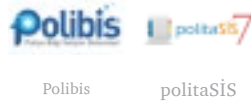
### Comparison



### Data



### Policy Management



### Risk Management



## FINANCING

### Credit Compare/Consolidate



### Credit Scoring

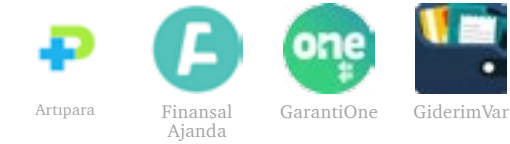


### Supply-Chain Financing



## PFM

### Personal Finance Management



## CORPORATE FINANCE

### Bookkeeping



### Payroll



### Accounting



### e-Invoice





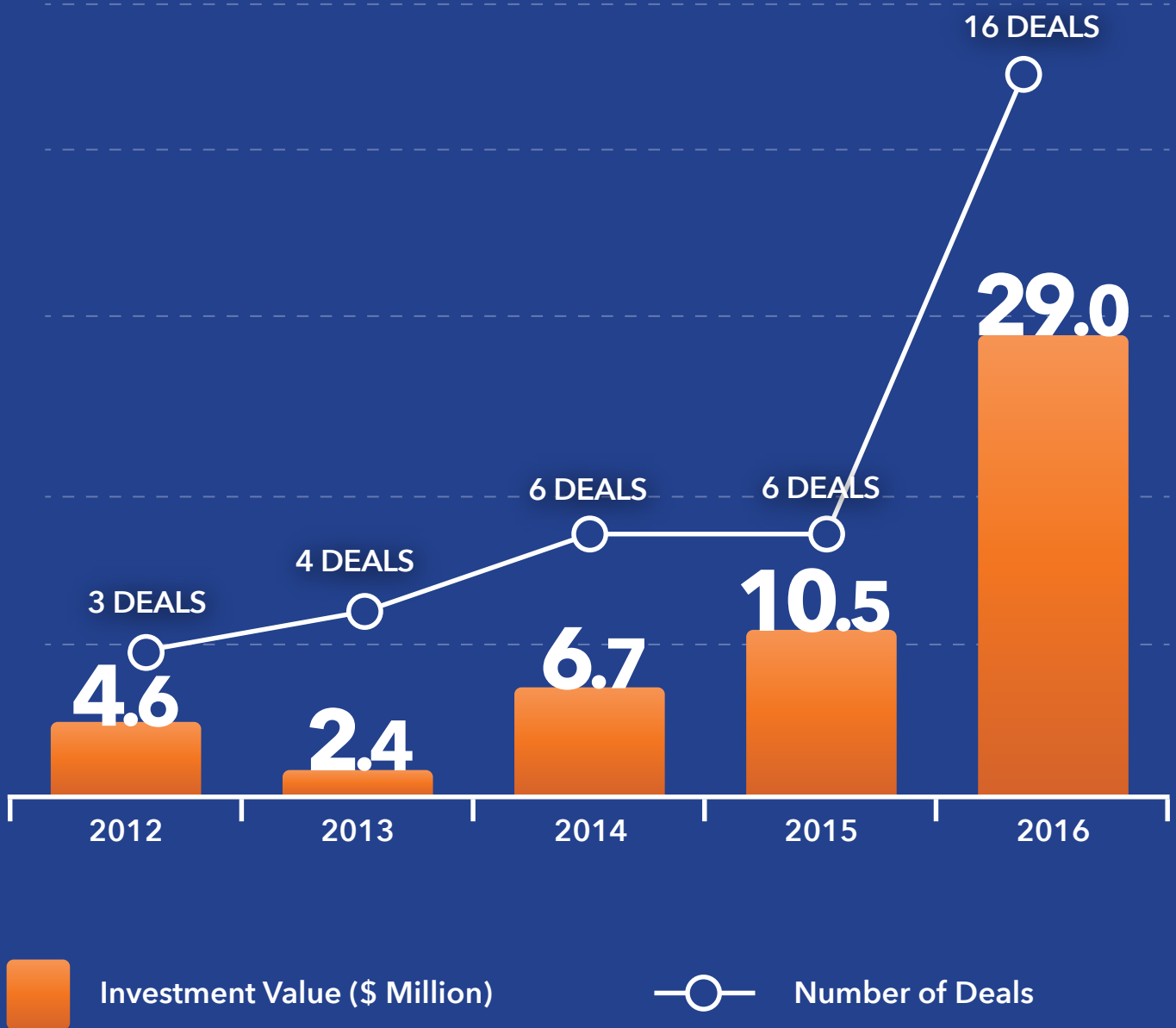


startups  
watch

# 2016 FinTech Investments in Turkey

The FinTech investment in Turkey has soared to \$29 million in 2016. The same figure was \$24.2 million in total between 2012 and 2015.

47% of the amount invested in startups in Turkey was raised by FinTech startups in 2016.



# 2016 TURKEY FINTECH INVESTMENTS

STARTUP	INVESTOR	TYPE OF INVESTMENT	TOTAL INVESTMENT (\$)	DATE
 <b>PARAŞÜT</b>	DCP - Diffusion Capital Partners (VC), 500 Istanbul (VC), Revo Capital (VC), Ribbit Capital (VC)	Series B	<b>\$2,000,000</b>	30 November 2016
 <b>BUY BUDDY</b>	ARI Teknokent Yatırım (BAN)	Pre-seed	<b>\$30,500*</b>	14 November 2016
 <b>MİKS</b>	Undisclosed Angel Investor	Pre-seed	<b>\$7,625*</b>	14 November 2016
 <b>PAYPAD</b>	M. Serdar Kuzuluoğlu, Melih Ödemiş, Nevzat Aydın, Başak Purut Undisclosed Angel Investor	Seed	<b>\$762,500</b>	14 October 2016
 <b>APSIYON</b>	Earlybird (VC)	Series A	<b>\$2,500,000</b>	29 September 2016
 <b>KREDICO</b>	Smyrna Capital (VC), Eren Güra Kadir Gündüz	Seed	<b>\$115,000</b>	24 August 2016
 <b>DEĞERLEME TAKİP - DTS</b>	PrimaryDoor (VC)	Seed	<b>\$125,000</b>	12 August 2016
 <b>PLUSONEMINUSONE</b>	Esor Investments (VC)	Series A	<b>\$2,000,000</b>	02 August 2016
 <b>PAPARA</b>	İlker Diker	Seed	<b>\$527,000</b>	27 July 2016
 <b>İNİNAL</b>	Mastercard PTS - Turkey (VC)	Seed	<b>\$880,000</b>	25 April 2016
 <b>CARDTEK</b>	Revo Capital (VC), MV Holding (VC)	Series A	<b>\$19,265,000</b>	30 March 2016
 <b>PAYPAD</b>	M. Serdar Kuzuluoğlu, Melih Ödemiş, Undisclosed Angel Investor	Seed	<b>\$305,000</b>	25 March 2016
 <b>COIN-TURK</b>	Undisclosed Angel Investor	Seed	<b>\$14,000</b>	11 February 2016
 <b>FONZIP</b>	İhsan Elgin	Pre-seed	<b>\$20,000</b>	01 February 2016

\*Estimated Value



4

# THE TURKISH FINTECH ECOSYSTEM 2016 HIGHLIGHTS







## FEBRUARY 2016

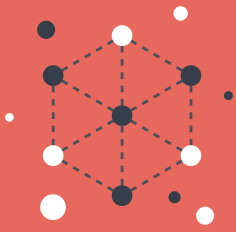


FinTech Istanbul, a meeting hub for the Turkish FinTech ecosystem connecting banks, startups, investors and professionals, was founded by BKM to develop, promote and represent Turkey's flourishing FinTech industry.



Banking and FinTech – Developing a FinTech Ecosystem in Istanbul, the first and only book about FinTech in Turkey written by Melike Belli was published by BKM.

## MARCH 2016



Turkey's first FinTech training program FinTech 101 was launched by FinTech Istanbul with 40 participants to educate financial services and banking professionals, entrepreneurs, regulators, and investors.

4 Turkish FinTech startups raised \$19.6 million in total during the first quarter of 2016.



## APRIL 2016



Turkey's national payment system, TROY, was launched by BKM to enable secure and fast payment transactions through an innovative payment method.

FinTech Istanbul became a member of Innovate Finance, an independent not-for-profit membership association representing the UK's global FinTech community, in order to build relations and collaborate with the UK FinTech ecosystem.



FinTech Istanbul partnered with the largest technology accelerator of Europe, Level 39, which accepted to host Turkish FinTech startups and exchange the knowledge within Innovate Finance network.

Holland FinTech became a partner of FinTech Istanbul to collaborate in many different areas such as RegTech, InsurTech, Cybersecurity and to create investment opportunities for Turkish FinTech startups.





## MAY 2016



Innovate Finance's Chairman Alastair Lukies, who defined Turkey as a continental FinTech bridge, visited Turkey to meet the leading FinTech organisations.

Value Web, one of the world's most influential FinTech experts Chris Skinner's new book on how FinTech firms are creating the Internet of Value, was published by BKM in Turkish.



## JUNE 2016



Dr. Soner Canko, CEO of BKM, represented Turkey at FinTech Summit hosted by the White House in Washington, DC, which brought together stakeholders from the financial technology ecosystem to discuss how FinTech can advance financial well-being and economic prosperity.

\$44.9 million was invested in FinTech companies in Turkey between 2012 and June 2016.



FinTech Istanbul formed a partnership with FinTech Headquarter, a German Network specialised in Blockchain, to create synergies and transfer knowledge between both parties.

## JULY 2016



Startups.Watch statistics showed that the total FinTech investment in Turkey raised from \$10.5 million in 2015 to \$20.7 million in the first half of 2016.

## AUGUST 2016



FinTech Istanbul became a member of Global FinTech Hubs Federation (GFHF), an independent and inclusive global network of emerging and established FinTech hubs.

3 FinTech startups completed their investment rounds and raised \$2.2 million in total.



## SEPTEMBER 2016



FinTech 101 second cohort started and 45 participants were trained about various FinTech topics including global FinTech trends and players, opportunities and challenges in FinTech, banking and payment technologies, FinTech investments and regulations.

## OCTOBER 2016



FinTech Istanbul formed a partnership with Swiss Finance and Technology Association (Swiss FinTech) in order to create synergies between Turkish and Swiss FinTech ecosystems by bringing leading industry experts and successful startups close together.

## NOVEMBER 2016



FinTech Istanbul and Coinsilium organised a comprehensive Blockchain 360 Training to provide attendees with an entry-level understanding of the blockchain landscape, the technology and relevant applications.

Startups.Watch launched FinTech Startups Worldwide, an open and free database of global FinTech startups which also provides news, lists and maps and receives content from its users.



## DECEMBER 2016



FinTech Istanbul attended FinTechForum'16 where financial services and banking professionals, entrepreneurs, government and regulatory authorities came together to talk about the future of Turkey's FinTech ecosystem. The Turkish Deputy Prime Minister Mehmet Şimşek emphasised the importance of collaboration in the Turkish FinTech ecosystem during his speech



Turkey's first national digital wallet BKM Express set a record by growing its number of transactions by 100% in 2016 and reaching 1.2 million users and 2.6 million transactions 4 years after its launch.



Identity is the New Money, a book about digital identity written by one of the leading global FinTech experts David Birch was published by BKM in Turkish.



## JANUARY 2017



FinTech Istanbul attended the world's largest event on consumer electronic Consumer Electronic Show – CES and Digital Money Forum in Las Vegas in order to share news and make analyses on the topics discussed during the event.



2 FinTech startups raised \$14.5 million in total.



According to 2016 statistics published by BKM, the number of credit and debit cards in Turkey was 176 million while the amount of card payments was TL587 billion.







5

# RISE OF FINTECH IN TURKEY IN 2016



There are more than **200** FinTech companies in Turkey.

The major area these companies operating in is **payments**.



The total FinTech investment in 2016 reached **\$29 million**.



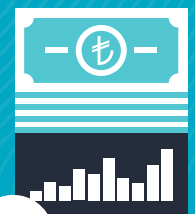
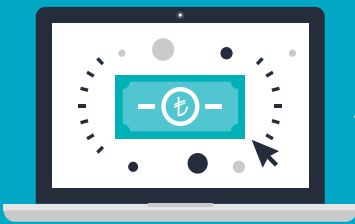
As of December 2016, Turkey was the Europe's biggest card market with **176 million** credit and debit cards.

**14** companies received investment from angel investors and venture capitalists in 2016.



Share of online payments is **12%** with the value of TL68 billion.

The total amount of card payments in Turkey was **TL587 billion** in 2016.



FinTech Istanbul became a member of and formed partnerships with **6** international organisations:

- Innovate Finance
- Global FinTech Hubs Federation
- Level 39
- Holland FinTech
- Swiss FinTech
- FinTech Headquarter







4 meet-ups, to which the world's most influential FinTech gurus such as Chris Skinner, Oliver Bussmann and David Birch attended, were organised by FinTech Istanbul.

More than **10** large-scale FinTech conferences, where dynamic discussions and significant networking opportunities took place, were held in Turkey.



**85** participants from financial services organisations, banks, startups, investment companies, government agencies and regulatory bodies graduated from FinTech 101 course provided by FinTech Istanbul.

With **2 cohorts, 12 days** and **36 hours** of training were given during FinTech 101.

**45** participants attended the 9-hour Blockchain 360 Training organised by FinTech Istanbul and Coinsilium.

**3** new FinTech books were published by BKM and FinTech Istanbul:

- **Banking and FinTech** by Melike Belli (in English)
- **Value Web** by Chris Skinner (in Turkish)
- **Identity is the New Money** by David Birch (in Turkish)



More than **600** articles including local and global news, written and video interviews with banks, startups and experts, blog posts, and translation of the influential FinTech leaders' analyses such as Chris Skinner were issued on FinTech Istanbul's website.



6

# FINTECH ISTANBUL'S VISION FOR 2017







# 2017 will be a pivotal year for the rise of FinTech in Turkey

While the history of trade and money date back to the birth of humankind, the beginning of modern banking and financial system can be traced back to the banking structure established by House of Medici in Florence between 14<sup>th</sup>-17<sup>th</sup> centuries. We are living in a world where the gold, silver and copper coins that used to be protected by thick gates and strong armies, are now controlled by the touchscreens.

Money is no longer a physical concept; rather it is becoming an abstract concept through which people reach a mutual understanding upon the perception of value. Global communication networks and information transfer rate are not goals anymore but real instruments. All these developments have a great effect on the financial markets and banking system and allow the rapid change of established conventions.

To us, the term FinTech referring to financial technologies is something more than the technologies such as communication networks, mobile devices, Blockchain; it is a consumer-centred journey where consumer experiences come into prominence. The importance of this journey is also supported by the figures. While until 2010, global FinTech investments grew with small investments ranging from \$1-2 billion

in total, the total amount of investment exceeded \$2 billion in 2011 for the first time. Only two years later, in 2013, this amount doubled up and reached \$4 billion. The FinTech investments totalled more than \$12 billion in 2014 and \$22 billion in 2015. It is estimated that this amount has exceeded the value of the previous year. The situation is no different in Turkey. We see that there are more than 200 FinTech startups in Turkey and they raised a total of \$65 million since 2012 until the end of 2016. In 2016, FinTech startups accounted for 47% of the investments raised by startups. Also 2017 have started with two important FinTech deals amounted about \$15 million.

We are completely aware how crucial it is to follow, understand and transform every technological development into a unique experience throughout this journey. With this awareness and from this point of view, FinTech Istanbul aims to follow every global and local development within the frame of financial technologies; to combine these developments with Turkey's current experiences; and to assemble unique brains producing ideas and solutions as well as technology.

United Kingdom's decision to leave European Union with Brexit has encouraged cities



including Istanbul in the way of becoming the world's leading FinTech hub. We anticipate that Istanbul, with its resources and dynamic structure, will make our country a global FinTech centre and enable startups and investors to achieve global success. We, as FinTech Istanbul, have taken decisive steps towards our goals with all activities we accomplished until today and we continue to do so.

With this in mind, we maintain our people-oriented vision to become the catalyst and supporter of the FinTech ecosystem by sharing content, interviews, publications, organising events and trainings, establishing collaborations. In the upcoming events will be organised in 2017, we aim to inform investors about FinTech, improve relations with the financial institutions,

collaborate with regulatory bodies and increase the number of international collaborations by establishing common platforms. We believe that, in 2017, Turkey will become one of the FinTech centres that must be followed closely thanks to its young population, financial institutions with innovative and strong technologies and rapidly growing dynamic FinTech ecosystem.

With motivation and ambition given by our vision and unique happiness of sharing it with you, we will continue our journey without hesitation, to create a better financial life. We invite everyone who would like to stand by our side along this journey.

#### FinTech 101 Trainings







*in collaboration with*



[www.fintechistanbul.org](http://www.fintechistanbul.org)

