



ISRAEL'S FIRST NON-PROFIT
SOCIAL BANK

January 2020



VISION

Equal financial opportunity for all Israelis, through affordable credit and customized banking services.



WHY LAUNCH A SOCIAL BANK?

- Israel has no system for financial inclusion of disadvantaged populations.
- Disadvantaged populations in Israel face a severe lack of access to **affordable** credit.
- Changed regulatory conditions, technological innovation and the emergence of impact-focused investors combine to make possible a new model of banking: a bank organized at every level to provide financial inclusion and opportunity for all customers.



STATUS



- Credit Services Provider License secured
- Phase 1 lending begun (as of Jan 1, 2020)
- Non-Profit tax status approved
- Banking license application process underway

FUNDING

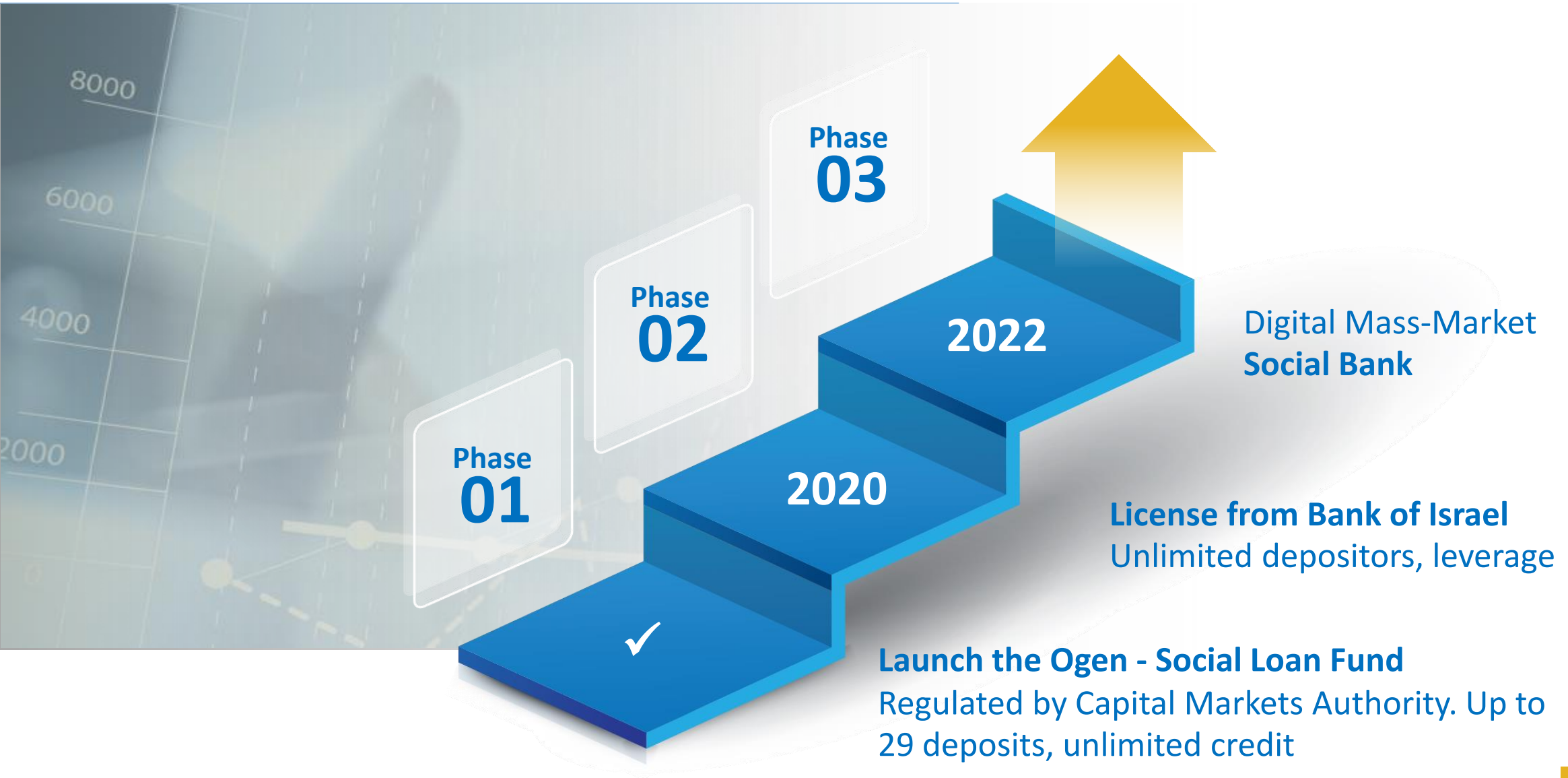
As of January 2020



- **Equity** **\$17.5 million**
- **Impact Investments** **\$17.5 million**

Total funding to date - \$35 million

THREE-PHASE DEVELOPMENT



PHASE ONE LOAN CATEGORIES

Regulator: Capital Markets Authority



Non-profit organizations

Bridge loans and loans to
help generate new
revenue streams

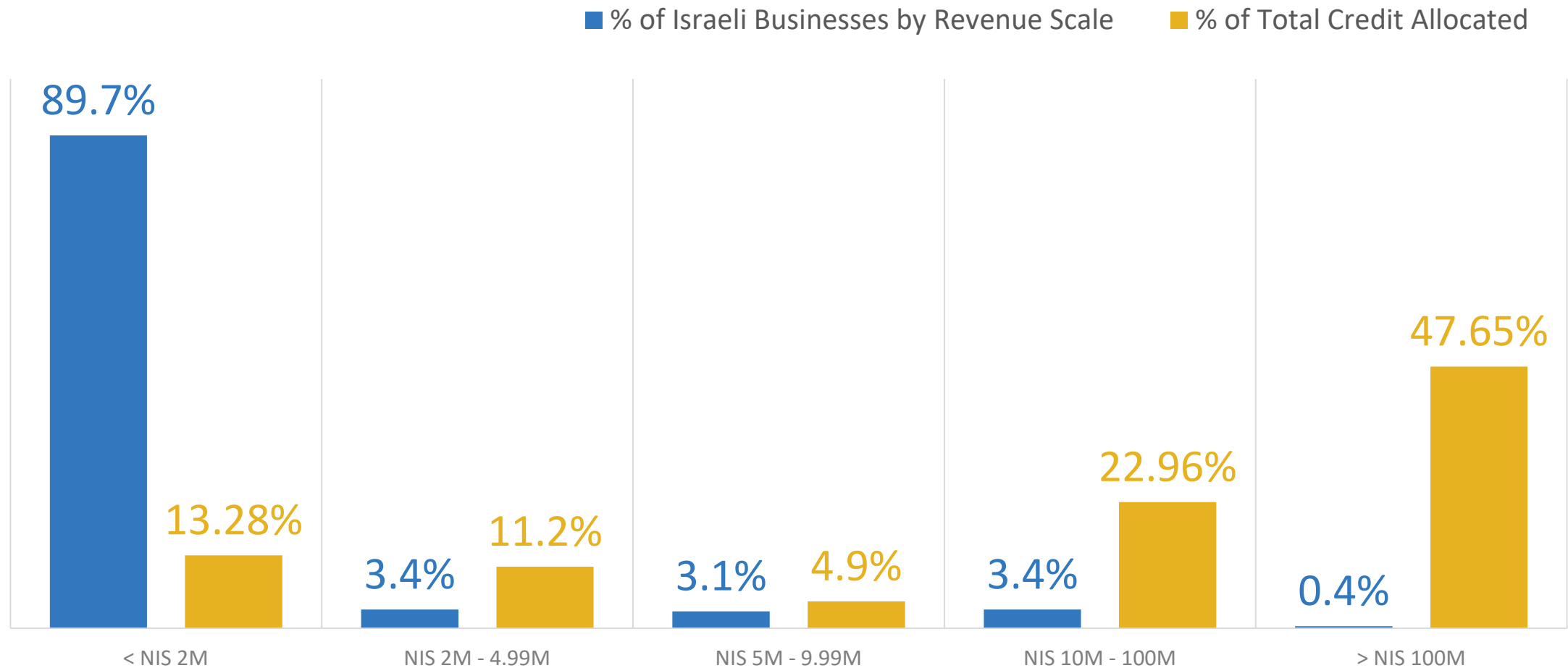


Small businesses

Helping entrepreneurs
launch or expand their small
businesses and create
employment

CREDIT SHORTAGE FOR SMALL BUSINESSES

Credit allocation by revenue for small businesses



LOANS TO NON-PROFITS

- Government funding accounts for 48% of Israeli non-profit income. Chronic delays in receiving this funding create widespread cash flow difficulties.
- NGOs are routinely unable to obtain bank credit on any terms, because they cannot provide sufficient guarantees or collateral to secure a loan. The commercial banking system simply isn't structured to accommodate the credit needs and revenue cycles of the non-profit sector.
- According to survey data gathered in 2018, **63%** of all non-profits surveyed point to a need for accessible credit and only **16%** of non-profits attest to having sufficient credit access.
- Beyond the critical social, cultural and educational functions of the non-profit sector, the credit shortage is an economic market failure: the non-profit sector employs **494,000** people (13.7% of the workforce) and accounts for **6%** of Israel's GDP.



OGEN - SOCIAL LOAN FUND

About Our Loans



	Maximum Amount (ILS)	Loan Terms (Years)	Interest Rate	Security
Small business owners	200,000	Up to 5 Years	5%	1 guarantor
Non-profit organizations	650,000	Up to 2 Years	5%	Government assignment of rights

Projections

2020 - 2022

		2020	2021	2022	Total
Small Business Owners	Total Credit Allocated (ILS)	58,800,000	67,620,000	77,763,000	204,183,000
	Number of Loans	540	621	714	1,875
Non-profit Organizations	Total Credit Allocated (ILS)	18,415,000	47,257,000	69,914,000	135,586,000
	Number of Loans	30	54	66	150
Total	Total Credit Allocated (ILS)	74,637,000	126,680,000	198,856,000	<u>339,769,000</u>
	Number of Loans	570	675	780	2,025

IMPACT INVESTMENTS IN THE OGEN - SOCIAL LOAN FUND



How it Works

- Social impact investors make a minimum \$1 million investment
- Maturity: 5 years
- Interest: 1% annually
- No management fee
- Low risk, low yield model
- Quarterly reporting on financial and social impact performance

EQUITY & LEVERAGE

Once Banking License is Received

With ₪ **60m**
in start-up equity to date

Ogen can raise
₪ **720m**
in impact investments

and loan
₪ **1.8b**
over 10 Years

Every additional dollar raised in equity brings an 12x return on
Ogen's ability to raise and deploy capital

BOARD

Board: Ogen - Israel Social Loan Fund



Ofir Ozeri Adv.

Chairman, Ogen - Israel Social Loan Fund;
Chairman, Ogen - Israel Free Loan Fund



Aviad Friedman

Chairman, Israeli Association of Community Centers; Investor, Entrepreneur and Former Senior Government Advisor



Daniel Recanati

Founder & CEO, Rhodium; Philanthropist



David Ram

Partner, Goldrock Capital, Board Member, Ogen – Israel Free Loan Fund



Boaz Raam

Co-Founder, General Mills (Israel); Entrepreneur, Impact Investor & Philanthropist



Linda Benshoshan

Former Deputy CEO and Director, Israel Discount Bank; Partner, Forma Real Estate Fund



Yair Cohen

CEO, Avney Derech Construction and Development, Board Member, Ogen – Israel Free Loan Fund



Dalia Tal

Partner, Meitar Liquornik Geva Leshem Tal; Former Legal Advisor to Board of Directors, Bank Leumi; Expert on Banking Law



Tal Shlasky

Former Senior Vice President, Digital, Bank Hapoalim; Expert on Banking Technology, Systems and Innovation

TEAM



Sagi Balasha

CEO



Simon Cadranel

Chief Loan Officer



David Bango

Director of Ogen La'Bayit



David Angel

Director of Strategic Partnerships



Carmela Nissim, Adv.

Director of Legal Department



Moshe Daniel

Director of Non-Profit Lending



Meira Schwartz

Business Loans Department Manager



Nir Machluf

Finance and HR Director



Dan Herman

Director of Marketing

OGEN'S TRACK RECORD

\$80 million under management

Interest-free lending fund of **\$45 million**

\$35 million available for new low-interest loans

More than **\$330 million** lent

62,500 loans made

2% operating cost

0.7% default rate

Currently managing **11,000** loans

Approximately **\$20 million** loaned annually

Around **2,000** new loans annually



OUR FOUNDER

PROFESSOR ELIEZER JAFFE, Z"l

Professor Eliezer Jaffe, z"l

Professor Eliezer Jaffe was a giant of Israeli social work and philanthropy, dedicating his life to the welfare and dignity of the most vulnerable members of Israeli society.

His vision, values and passion for social change continue to drive our work to this day.



OGEN GROUP



**Guidance and
Mentoring**

Social lending



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