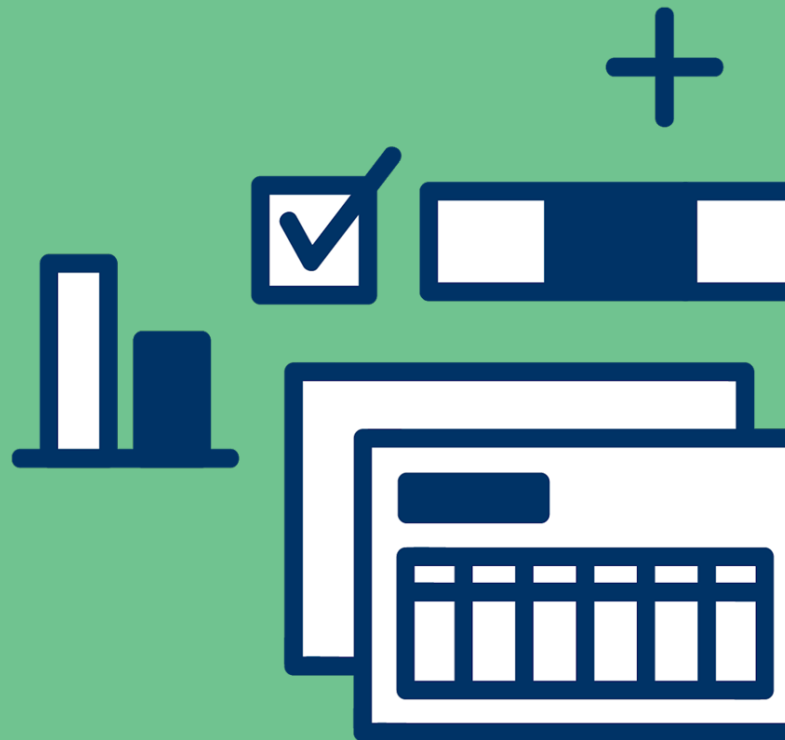


State Of Fintech Q3'20 Report: Investment & Sector Trends To Watch



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Bart Brouwer

Senior Corporate Strategist, ING



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[How Google, Amazon, Facebook, And Apple Are Targeting The \\$6T Insurance Market](#)

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[Where Smart Money VCs Are Placing Bets In Real Estate Tech](#)

[Market Map: 40+ Startups Streamlining Debt Collection](#)

[These 110+ Startups Are Transforming Fintech In Southeast Asia](#)

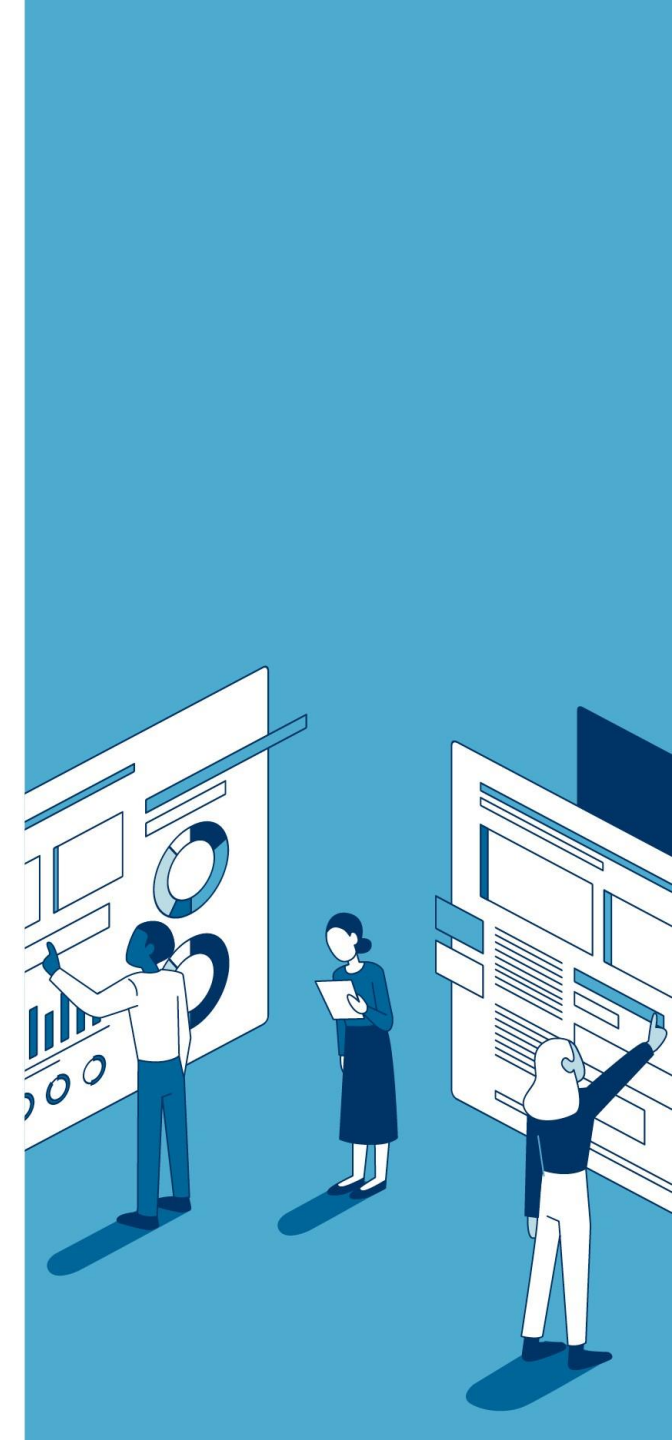
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[Where The Top 25 Property And Casualty Insurers Are Investing](#)

[How Fintech Companies Are Helping Power The Gig Economy](#)

[8 Ways Fintech Startups Are Driving Financial Inclusion In Emerging Markets](#)

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WHAT THE STATE OF FINTECH COVERS



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



BANKING

Digital-first banks or companies digitizing banking services for credit and debit



ALTERNATIVE LENDING

Companies creating new solutions for personal or commercial lending



WEALTH MANAGEMENT

Personal finance tools, investment and wealth management platforms, and analytics tools



INSURANCE

Companies selling or distributing insurance digitally or providing data analytics and software for (re)insurers



CAPITAL MARKETS

Sales and trading, analysis, and infrastructure tools for financial institutions



SMB

Companies focused on providing solutions to small- and medium-sized businesses



REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Fintech In Review: Q3'20



Summary of findings

Mega-rounds drove fintech funding in Q3'20. The 25 mega-rounds (\$100M+ deals) in the quarter accounted for 60% of total fintech funding – the highest percentage share since Q2'18 (68%), when Ant Financial raised a \$14B round. Funding represented by mega-rounds increased 24% quarter-over-quarter (QoQ) to \$6.4B, while non-mega-round funding declined 16%.

Deal activity declined for the fourth consecutive quarter.

Deal activity declined to 451 deals, down 24% year-over-year (YoY). However, angel/seed rounds were a bright spot, with deals increasing 20% QoQ and reversing a 3-quarter contraction.

The sustained multi-quarter decline in deal activity mirrors investor consolidation into mature, later-stage fintechs such as Klarna, Affirm, and Bright Health. Since the decline in deal activity began in Q4'19, the average deal size has increased from \$18.8M to \$23.6M.

Funding and deal activity both grew in Europe and South America.

Europe and South America were the only regions to show QoQ increases in both funding and deal activity. North America, Europe, and South America all saw increased funding QoQ, while funding to Asia- and Australia-based companies fell 12% and 84%, respectively. Deal activity in South America, Africa, and Europe grew in Q3'20. Notably, Africa and South America are the only regions with continuous quarterly deals growth in 2020 year-to-date (YTD).

FAMGA activity in fintech is taking many forms. The FAMGA companies – Facebook, Apple, Microsoft, Google, and Amazon – were active in fintech this quarter with patent approvals, partnerships, and investment activity. Most notable was Apple's acquisition of Canada-based mobile payments company Mobeewave for \$100M. In addition, Facebook, Microsoft, and Amazon all received approval for payments-related patents.

Mortgage companies and brokerages were popular acquisition targets.

Mortgage analytics firm Black Knight acquired Optimal Blue for \$1.8B, ICE acquired EllieMae for \$11B, and United Wholesale Mortgage is set to go public in a \$16B SPAC deal. In the brokerage space, NuBank acquired Easynvest, while Neon Pagamentos bought Magliano Invest.

Sector investment trends

Payments: Payments companies raised almost \$4B in Q3'20 across 109 deals, a QoQ increase of 4% and 5%, respectively. Notably, mega-rounds accounted for 65% of total funding to the space in the quarter.

Banking: Funding to banking companies grew for the third consecutive quarter to \$2.4B, up 8% QoQ, while deals ticked up 5% to 58.

Alternative lending: From Q1'20 to Q3'20, alternative lending deal activity increased by 42%. Quarterly funding reached \$1.8B in Q3'20, though this was still below the high mark over the past 5 quarters (\$2.7B in Q3'19).

Wealth management: Wealth tech companies drew \$1.5B in funding across 62 deals in Q3'20, a more than 5x increase in quarterly funding compared to the space's recent low in Q4'19.

Insurance: Insurtech funding rose 52% QoQ while deals ticked up 6%. Five mega-rounds drove over \$1.2B of funding in the quarter, representing 47% of total funding.

Capital markets: Funding dipped slightly this quarter to \$2.2B while deal activity grew 53% to 84. The average deal size fell 36%, reflecting greater activity in the early- to mid-stage range.

SMB: SMB funding has been uneven over the past 5 quarters and fell in Q3'20 by 21%. However, deal volume grew for the third consecutive quarter to reach 71.

Real estate: Deals to real estate tech companies fell 8% to 97, a 5-quarter low. Funding also dropped QoQ, down 25% to \$951M.

Embedded fintech momentum continues in Q3'20

Across multiple areas of fintech, business-to-business (B2B) companies are raising funds and launching new products to enable non-financial companies to offer financial products.

Payments



(Q3'20 \$30M Series B)

Savings & Lending



(Q3'20 launch of Gusto Wallet)

Banking-as-a-service



(Q3'20 \$32M Series A)

Insurance



(Q3'20 \$12M Series B)

These companies help non-financial businesses to...

Set up in-house payments infrastructure. This is an alternative option to a service such as Stripe, which charges processing and transaction fees.

Offer payment advances to their employees. In Q3, Gusto launched a wallet service that allows employees to save with an interest-bearing cash account and spend with a Gusto-branded debit card.

Launch branded debit and credit cards by connecting them to Bond's bank partners.

Provide insurance products to their customers. For example, Element partnered with telecom provider Vodafone to provide its mobile phone and tablet customers with a cyber-crime insurance product.

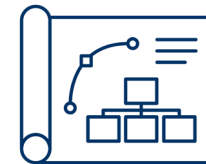
Fintechs are rebundling

Companies are adding products and services outside of their original focus to find new monetization opportunities. In the process, they are blurring the lines between verticals.

Initial beachhead



Q3'20 rebundling moves...



Payment processing (Alipay)

Launched a neobank in Hong Kong



Challenger bank

Commission-free stock trading



Third-party payroll software

Added savings and spending product, Gusto Wallet



Challenger bank

Announced plans for in-app trading for US customers

SPAC-mania: What's driving the activity?

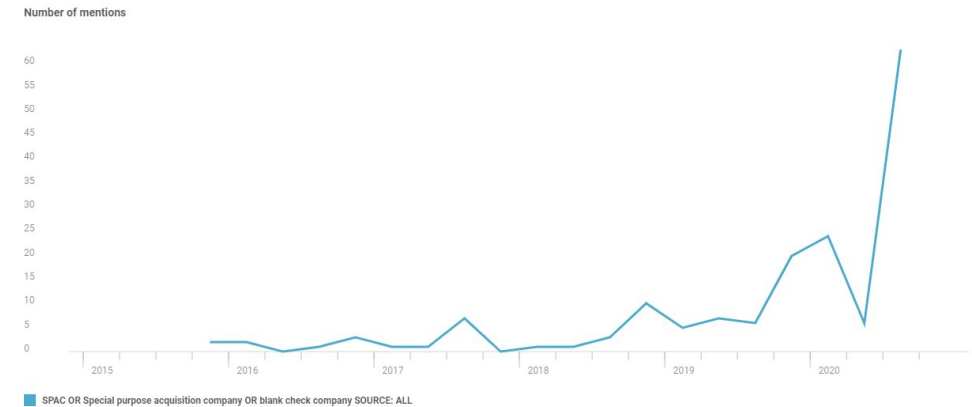
What is a SPAC? A special purpose acquisition company (SPAC) is formed with the purpose of merging with one or more unspecified businesses or assets using the proceeds from an IPO and private placement(s). Check out our [SPAC primer for more](#).

Why now? Amid Covid-fueled market uncertainty, SPACs provide an alternative and expedited path for companies to raise capital in the public markets over the traditional IPO.

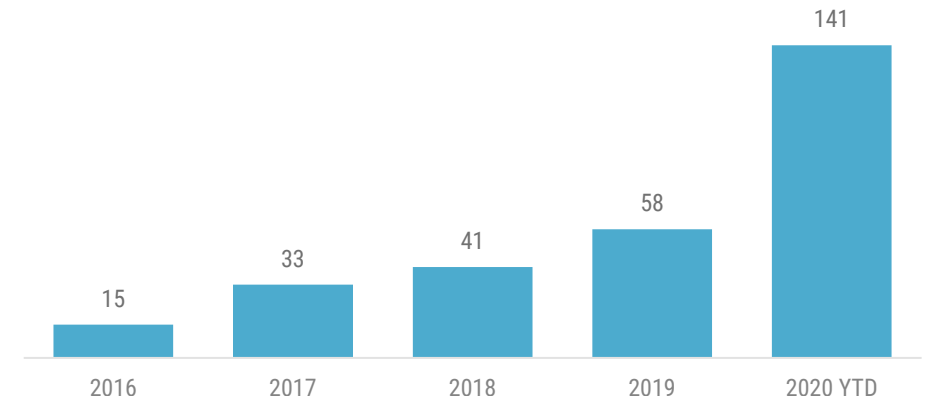
Select Q3'20 fintech-focused SPAC announcements

- 8/3 – **FinTech Acquisition III** merged with Atlanta-based payment processor Paya
- 8/27 – **FG New America Acquisition Corp** to raise \$225M led by Joe Moglia, former TD Ameritrade CEO
- 8/29 – **FTAC Olympus Acquisition** raised \$750M led by Betsy Cohen (founder and former CEO of The Bancorp)
- 9/23 – **Gores Holdings IV, Inc.** merger with United Wholesale Mortgage
- 9/24 – **FinTech Acquisition Corp. IV** priced \$200M

Mentions in Earnings Calls

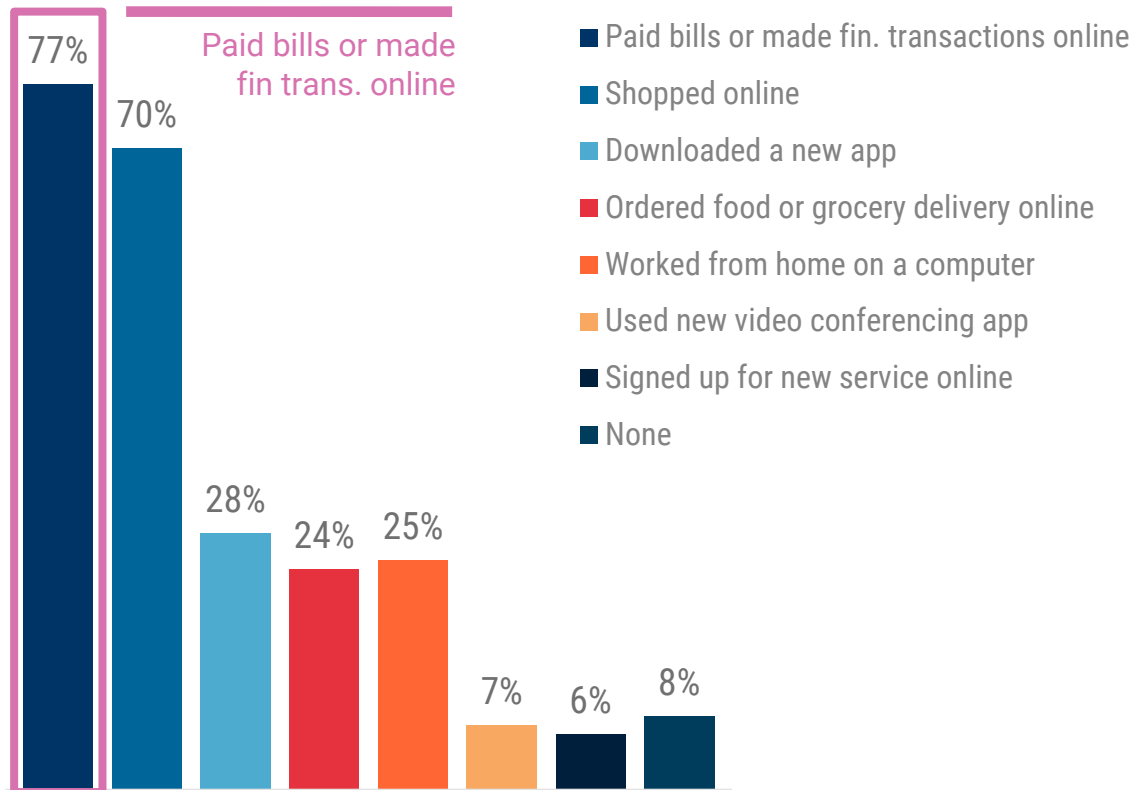


SPAC IPOs have spiked in 2020



Opportunities abound with older demographics

Percentage of adults aged 60+ using online/technology tools in past 2 weeks



Primetime Partners will invest in companies serving older adults

“There aren’t enough private-sector solutions to the questions that face older adults...We believe that the right answer is to really spur innovation by building an investment platform focused on early-stage investing.”

Abby Miller Levy | Primetime managing partner



True Link

True Link offers payment cards, investment products, and trust services to older adults, people with disabilities, and adults recovering from illness.

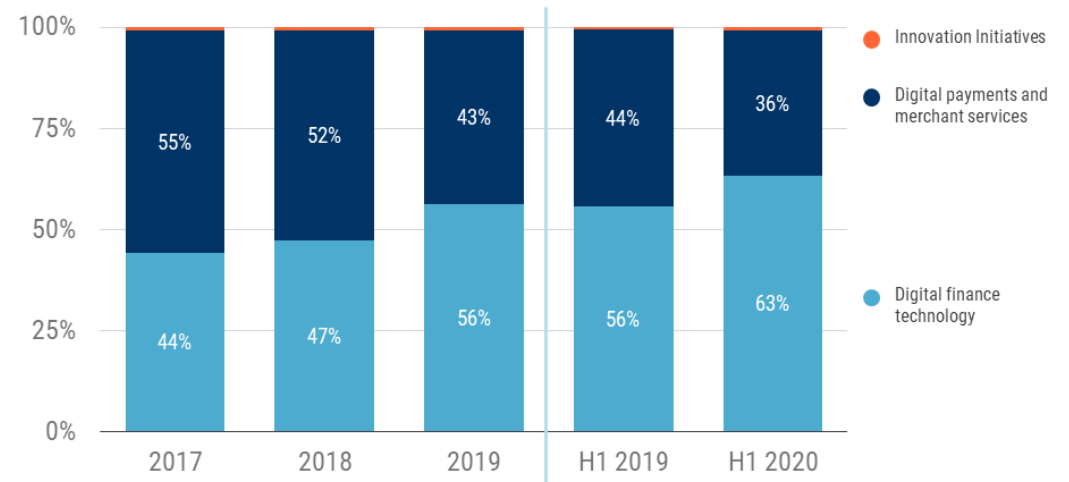
Ant Group nears public debut

Key Highlights:

- On August 25, Ant Group (formerly known as Ant Financial), the parent of super app **Alipay**, filed for IPOs in Shanghai and Hong Kong.
- Ant Group reported **\$3B** in net profit on **\$10.5B** in revenue in the first half of 2020.
- Alipay's payment platform has been an effective hook into cross-selling financial services products and fueling a robust ecosystem of financial institution partners.
- In H1'20, the company's share of revenue coming from digital finance tech grew to 63%, compared to only 36% for its core digital payments.

Digital finance tech revenues exceed core payments






Ant Group's revenue share by segment, 2017 – 2019 and H1 2019 vs. H1 2020 (6/30/2020)



Source: cbinsights.com

CBINSIGHTS

FAMGA in fintech Q3'20 updates

	<ul style="list-style-type: none"> • Patent granted: “Facilitating sending and receiving of payments using message-based contextual prompts” • Product: Launched new Accounts Center to enable unified payments across Facebook properties
	<ul style="list-style-type: none"> • Acquisition: Acquired mobile payments company Mobeewave for \$100M • Partnership: Pleo, which offers smart company credit cards for business, partnered with Apple to offer Apple Pay for its customers
	<ul style="list-style-type: none"> • Patent granted: “Service hosted payment request” • Partnership: Fintech API provider Codat began hosting its platform on Microsoft Azure
	<ul style="list-style-type: none"> • Investment: Participated in a \$20M seed round to mobile-based investment advisory app Pingan Huixin • Product: Announced that Google Pay app in India will receive a design revamp based on its open-source development kit Flutter • Partnership: Partnered with 8 banks to offer co-branded accounts
	<ul style="list-style-type: none"> • Investment: Participated in a \$60M Series D round to digital insurance provider Acko General Insurance • Patents granted: “Widget-based integration of payment gateway functionality into transactional sites”, “Offline payment processing”

M&A ACTIVITY

Selected consolidation activity in Q3'20

M&A-led expansion into the mortgage space...



Black Knight, a software data and analytics firm for mortgage lending and servicing, acquired Optimal Blue, an online mortgage marketplace for secondary investors, for \$1.8B

July 27, 2020

Neobanks bought brokerages in Brazil...



Nubank, a digital bank and credit card issuer in Brazil with over 30M users, acquired online broker Easynvest, which touts 1.5M users, to become a full-service financial ecosystem

September 11, 2020

Fintech lenders bought at a discount...



Enova, a lender targeting small businesses and non-prime consumers, acquired online lender OnDeck for \$90M – a steep discount from OnDeck's \$1.3B valuation at the time of its IPO in late 2014

July 28, 2020



Intercontinental Exchange Group (ICE), the owner of the New York Stock Exchange, agreed to buy mortgage software company Ellie Mae for \$11B to expand into the mortgage business

August 6, 2020



Neon Pagamentos, a digital bank based in Brazil with over 9M users, acquired stock brokerage Magliano Invest to expand into wealth management

July 16, 2020

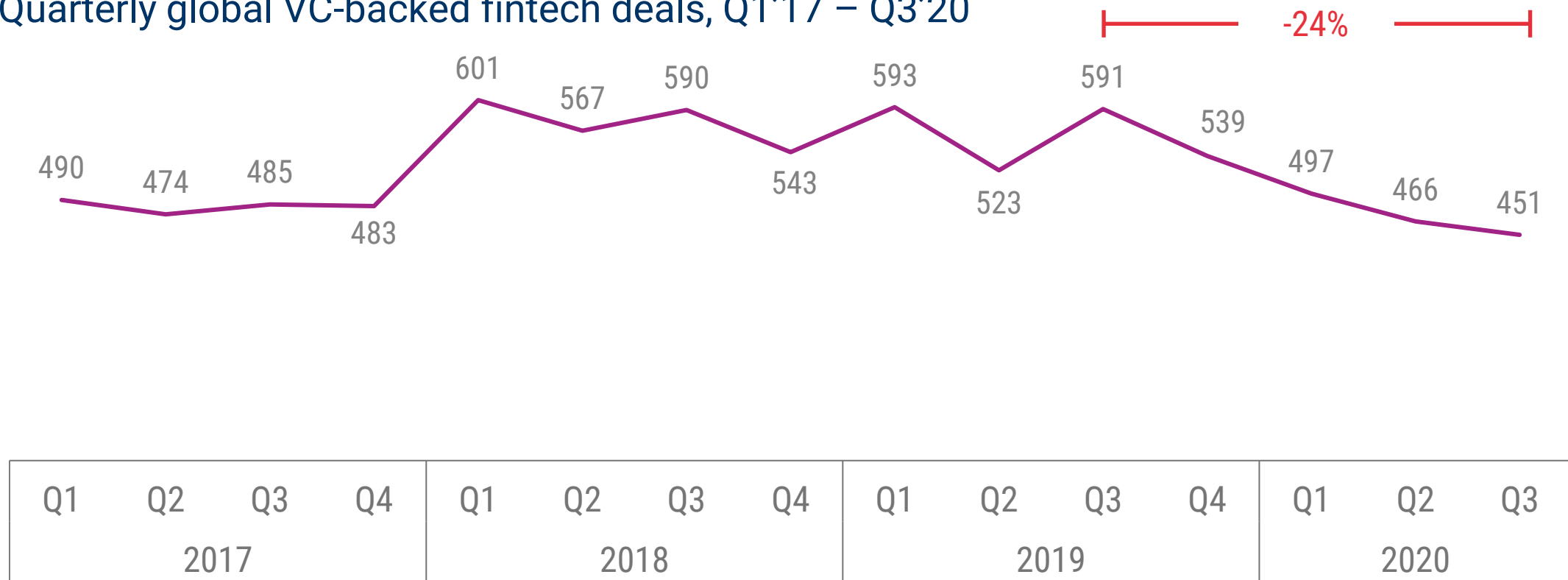


American Express acquires Kabbage, an online lender and cash flow management tool for SMBs. Notably, American Express didn't acquire Kabbage's pre-existing loan book

August 17, 2020

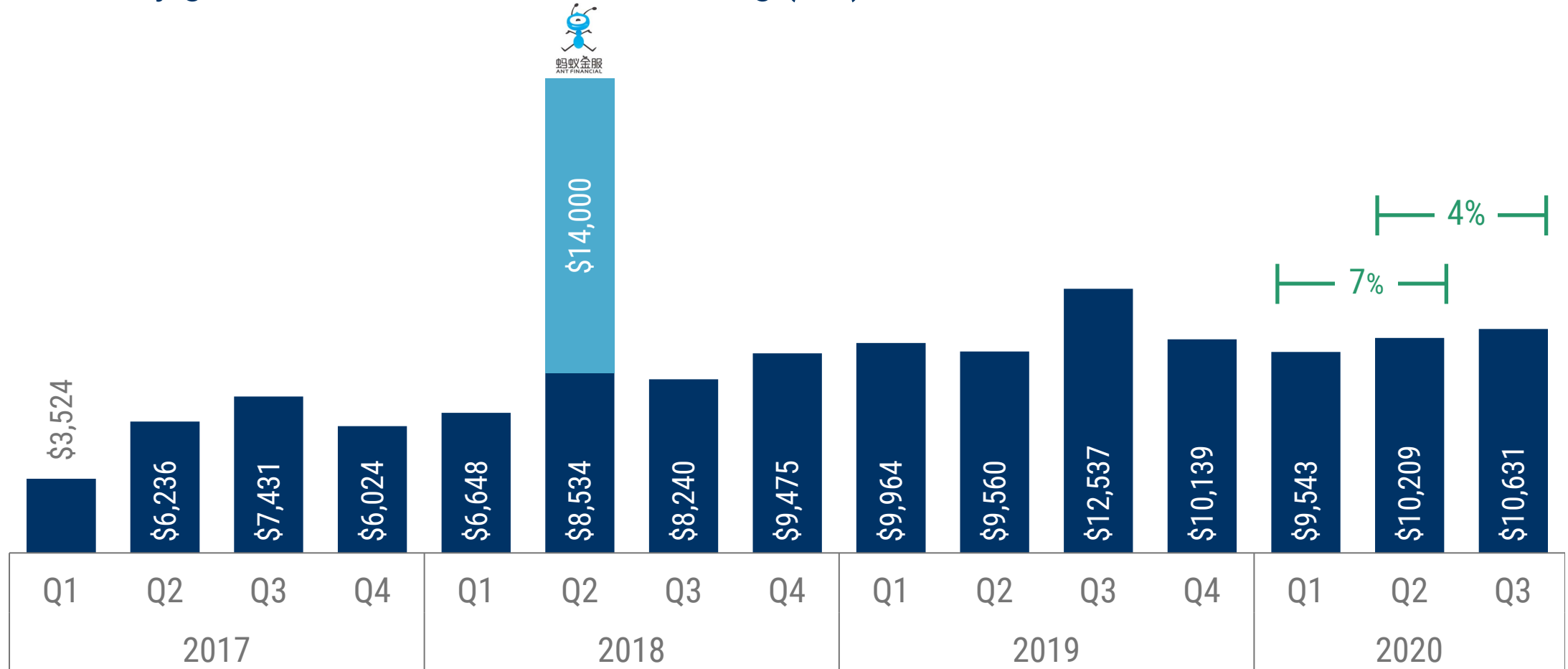
Deal activity has declined for 4 consecutive quarters and by 24% since Q3'19...

Quarterly global VC-backed fintech deals, Q1'17 – Q3'20



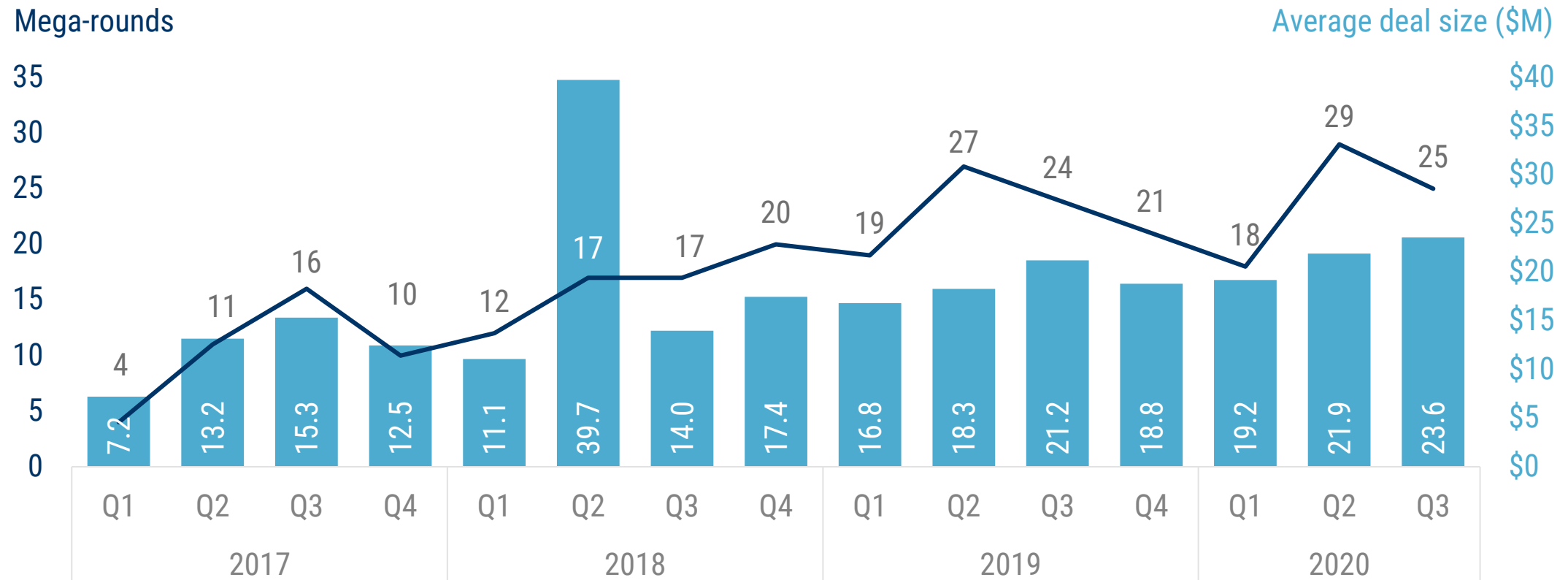
...But funding has steadily risen in 2020

Quarterly global VC-backed fintech financing (\$M), Q1'17 – Q3'20



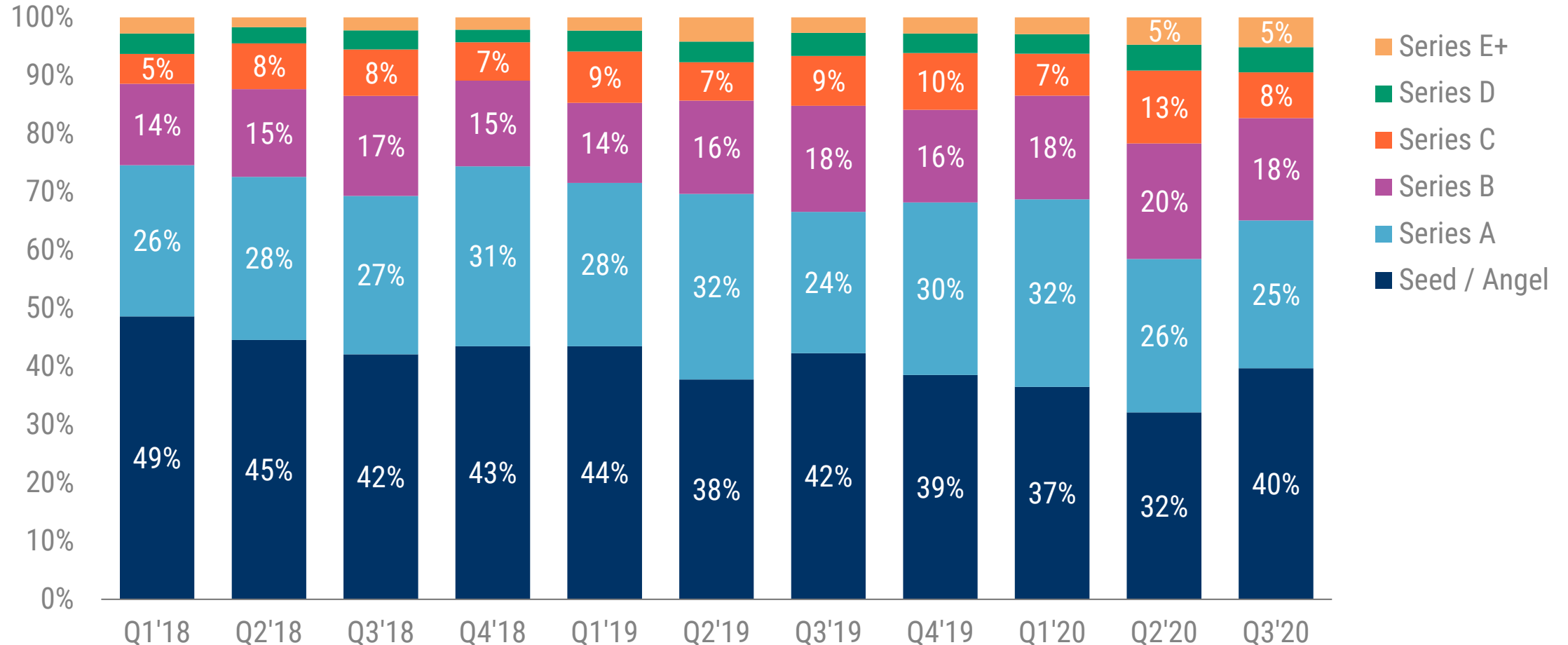
Mega-rounds dip from Q2'20 record but average deal size grows for third consecutive quarter

Global number of fintech mega-rounds (\$100M+) and average fintech deal size, Q1'17 – Q3'20



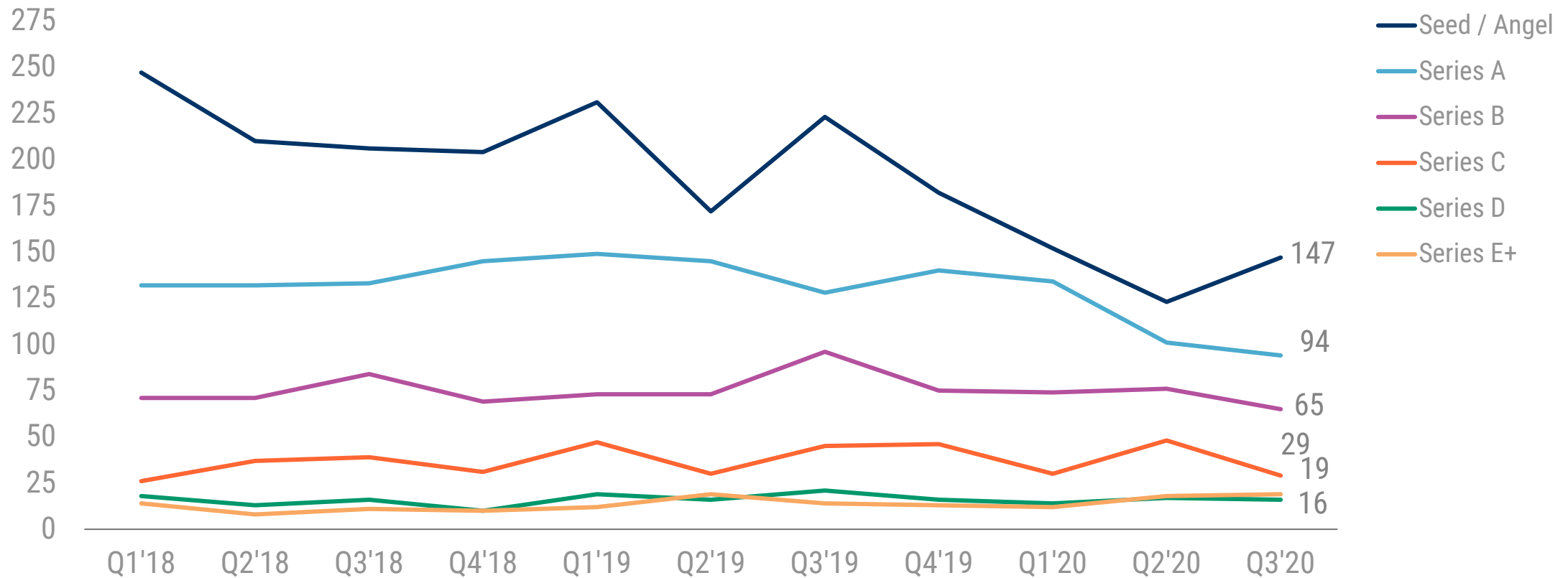
Early-stage deal share gains in Q3'20...

% of quarterly deal activity by deal stage, Q1'18 – Q3'20



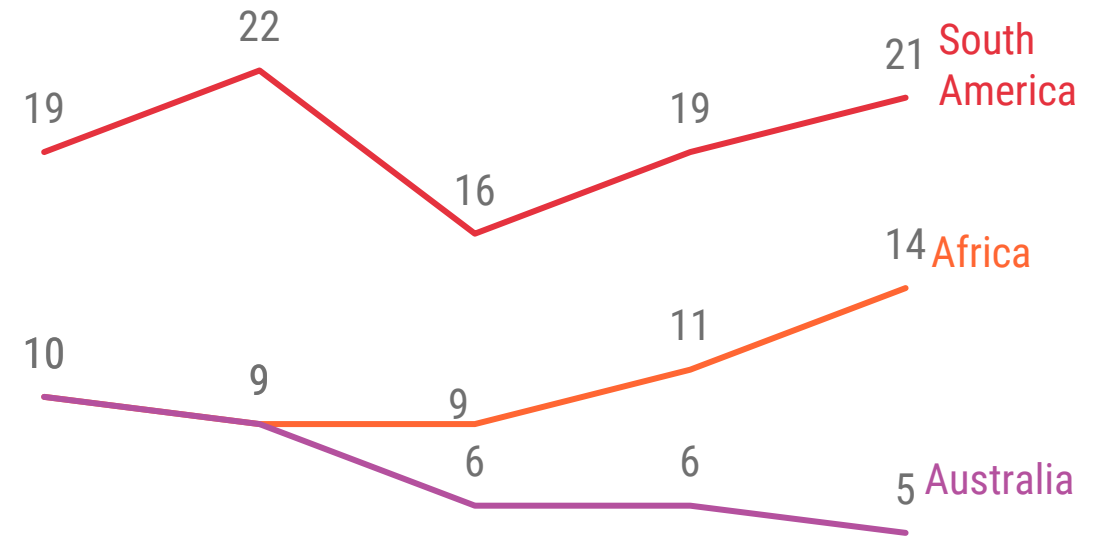
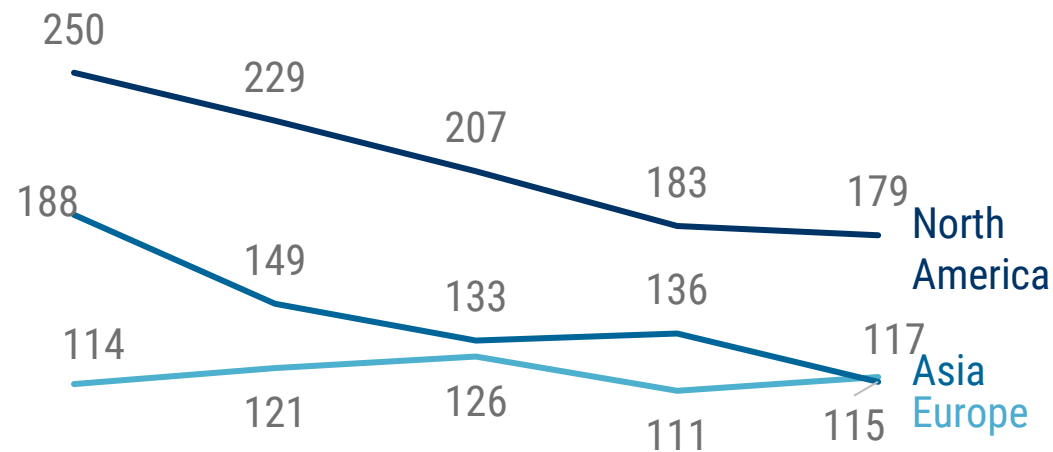
...As seed/angel deals bounce back following 3 consecutive quarters in decline

Quarterly deal activity by deal stage, Q1'18 – Q3'20



Europe, S. America, and Africa see QoQ deal increases

Global VC-backed fintech deals, Q3'19 – Q3'20

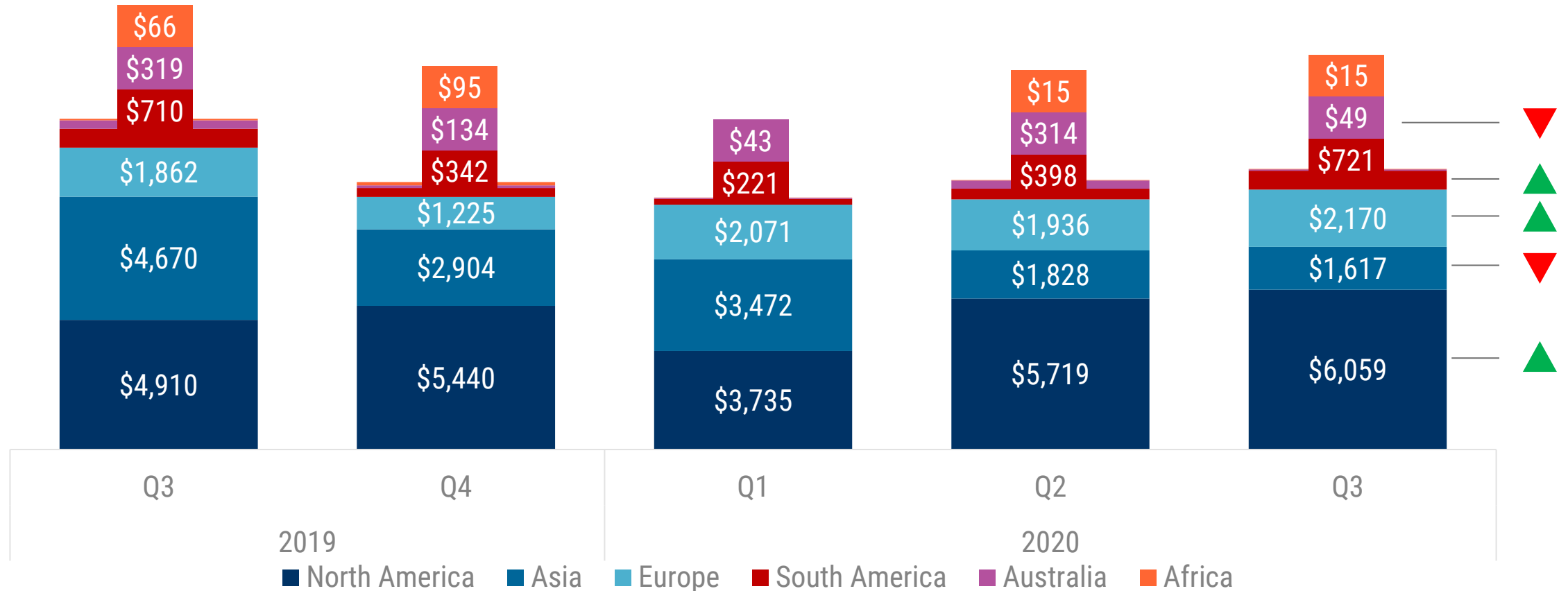


Q3	Q4	Q1	Q2	Q3
2019		2020		

Q3	Q4	Q1	Q2	Q3
2019		2020		

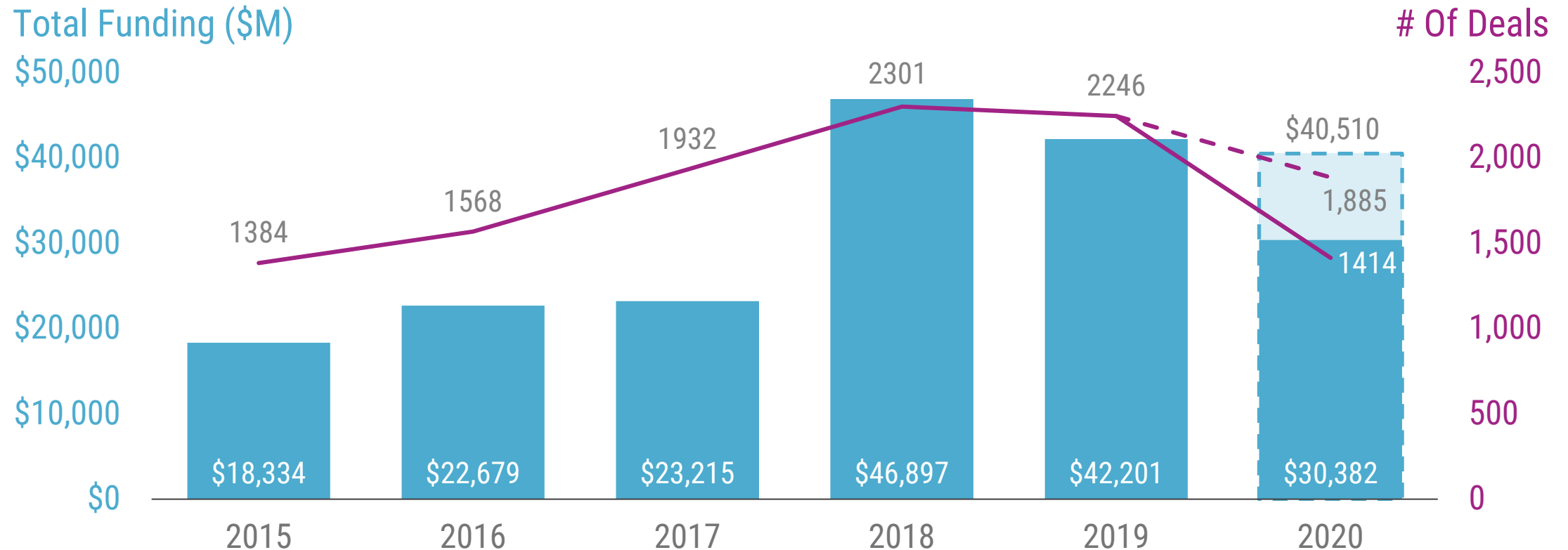
Funding increased in North America, Europe, and South America in Q3'20

Quarterly funding (\$M) by continent, Q3'19 – Q3'20



Annualized dollars and deals in 2020 are 4% and 16% below 2019 totals, respectively

Global VC-backed fintech financing trends, 2015 – 2020 YTD (as of 9/30/20)











Point-of-sale lending rivals raise the largest rounds

Q3'20 fintech funding rounds of \$200M or higher (continued on next page)

Company	HQ	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
 Klarna	Sweden	Sept '20 // \$650M	\$1,833M (\$10.7B valuation)	Northzone Ventures, Technology Crossover Ventures, BlackRock, GIC	Point-of-sale lending
 affirm	US – CA	Sept '20 // \$500M	\$1,775M	Lightspeed Venture Partners, Spark Capital, Founders Fund, Wellington Management	Point-of-sale lending
 bright HEALTH	US – MN	Sept '20 // \$500M	\$1,575M	New Enterprise Associates, T. Rowe Price, Bessemer Venture Partners	Health insurance
 chime	US – CA	Sept '20 // \$485M	\$1,494M (\$14.5B valuation)	Tiger Global Management, General Atlantic, DST Global, ICONIQ Capital	Digital challenger bank
 Robinhood	US – CA	Sept '20 // \$460M	\$2,172M (\$11.7B valuation)	Sequoia Capital, DST Global, Andreessen Horowitz, Ribbit Capital, D1 Capital Partners	Commission-free online brokerage
 RSG RYAN SPECIALTY GROUP	US – IL	Sept '20 // \$317M	\$928M	Onex Corporation	Insurance broker
 neco	Brazil	Sept '20 // \$300M	\$420M	Vulcan Capital, General Atlantic, BlackRock, Monashees+, BBVA	Digital challenger bank
 MIRAKL	France	Sept '20 // \$300M	\$393M (\$1.5B valuation)	Bain Capital Ventures, Elaia Partners, Permira, 83North, Felix Capital	B2B e-commerce platform



























































Nearly 60% of top deals took place in the US

Q3'20 fintech funding rounds of \$200M or higher (continued)

Company	HQ	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
	US – CA	Sept '20 // \$250M	\$631M (\$2B valuation)	capitalG, Munich Re Ventures, FinTLV	Small business insurance
	China	Aug '20 // \$230M	\$480M (\$2.9B valuation)	Tencent Holdings, Swiss Reinsurance Company, IDG Capital, Meituan Dianping	Health insurance
	US – NY	July '20 // \$225M	\$1,241M (\$10.2B valuation)	Madrona Venture Group, Sequoia Capital, Accel, Tiger Global Management, T. Rowe Price	Robotic process automation
	US – GA	Sept '20 // \$215M	\$297M (\$1.2B valuation)	DST Global, TTV Capital, Relay Ventures, Goodwater Capital	Digital challenger bank
	US – NY	July '20 // \$200M	\$429M (\$1B valuation)	T. Rowe Price, BlackRock, TPG Capital, Hillhouse Capital Management, Thiel Capital	Corporate bond trading
	US – CA	Aug '20 // \$200M	\$2,172M (\$11.2B valuation)	D1 Capital Partners	Commission-free online brokerage
	Singapore	Sept '20 // \$200M	\$9,856M	STIC Investments	On-demand transportation and mobile payments
	Uruguay	Sept '20 // \$200M	\$200M (\$1.2B valuation)	General Atlantic, Addition	Online payments

















































The most active fintech VCs from Q3'19 – Q3'20

By unique fintech company investments (new or follow-on)

Rank	Investor	Select Fintech Investments
1*	SEQUOIA 	 Robinhood  ETHOS  Airwallex  TESSIAN  BharatPe  stripe  Klarna.  CAPITAL FLOAT  toss  rupeek  Razorpay
2	500 startups	 CHIPPER.  CREDITSTACKS  YayPay  MERCURY  EMQ  Albert  trustingsocial  FINNOMENA  sarwa  COMPSTAK  WVA  CUBE Wealth
3	Ribbit Capital	 Robinhood  FIGURE  Coalition™  CRED  ualá  warren  upgrade  Razorpay  BharatPe  BREX  Revolut
4	Accel	 Anyfin  monzo  WorldRemit  UiPath™  PayFit  luko  TRADE REPUBLIC  ETHOS  rupeek  GOCARDLESS  Coverfox  deserve
4	GFC	 Mamo Pay  atom  (h[s])  MODIFI  TAXbit  benepass  Anyfin  pixpay  HYPERSCIENCE  TheGuarantors  provi

The most active fintech VCs from Q3'19 – Q3'20

By unique fintech company investments (new or follow-on)

Rank	Investor	Select Fintech Investments
6	 GREYCROFT	 Public  bright SM HEALTH  AZIMO  IMMUTA  Flutterwave [®]  YIELDSTREET  Bread  clearcover  PIE INSURANCE
7	 a16z	 carta  PeerStreet  ANCHORAGE  TransferWise  Health IQ  ribbon  VERY GOOD SECURITY  ADDI  cross river
8	 INSIGHT PARTNERS	 Chargebee  N26  tink BharatPe  clic  Duck Creek Technologies  checkout.com  Divvy  FINIX PAYMENTS  TRACTABLE
9	 Index Ventures	 Revolut  raisin.  alan  Gatsby  CONFLUENT JUSTWORKS.  Comply Advantage  NOVA CREDIT
10	 Si Speedinvest	 +Simple  bitpanda  BukuKas  TaxScouts  factris  BNXT  finnu  CARDIS  FinCompare

Globally there are

70 FINTECH UNICORNS

Valued in aggregate at

\$248B

Q3'20 Fintech Sector Trends



GLOBAL VC-BACKED FINTECH Q3 2020



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



BANKING

Digital-first banks or companies digitizing banking services for credit and debit



ALTERNATIVE LENDING

Companies creating new solutions for personal or commercial lending



WEALTH MANAGEMENT

Personal finance tools, investment and wealth management platforms, and analytics tools



INSURANCE

Companies selling or distributing insurance digitally or providing data analytics and software for (re)insurers



CAPITAL MARKETS

Sales and trading, analysis, and infrastructure tools for financial institutions



SMB

Companies focused on providing solutions to small- and medium-sized businesses



REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

GLOBAL VC-BACKED FINTECH Q3 2020



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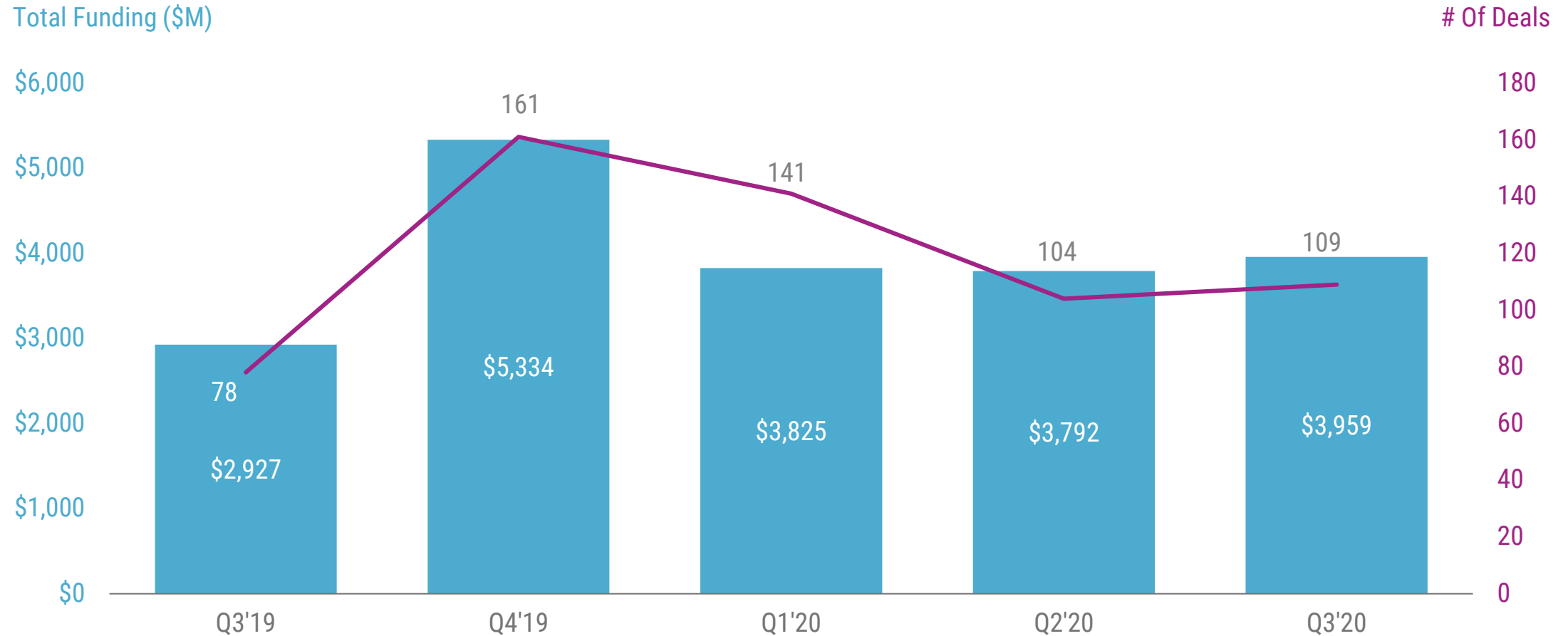


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Payments fundraising activity increases slightly

Global VC-backed payments financing trends, Q3'19 – Q3'20



Real-time payments infrastructure is top of mind for governments and central banks

Fed Pulls Back the Curtain on Real-Time Payments Service

August 11, 2020 |

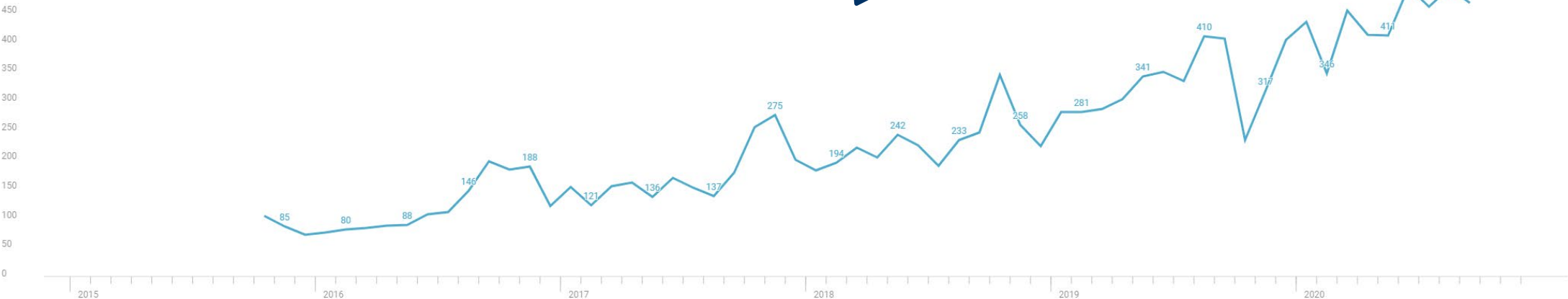


Colombia Using Instant Payments to Drive Financial Inclusion Amid the Pandemic

September 1, 2020 | PaymentsSource

News Coverage

News Coverage



real-time payments OR faster payments OR RTP

Business payments startups focus efforts on speeding up B2B payments infrastructure



Q3'20 Funding: \$31M Series D

Select Investors: Kleiner Perkins, Google Ventures, Truist Ventures

Revenue Model: Veem charges a fixed per-transaction rate and does not charge account, sending, or receiving fees.

Focus: Veem is a global B2B payments network that helps businesses send and receive funds. The company is targeting the international business transfer market.



Q3'20 Funding: \$80M Series C

Select Investor: Bessemer Venture Partners, Accel, General Catalyst, Coatue Management

Revenue Model: Melio charges a 2.9% fee for credit card payments.

Focus: Melio is a B2B payments startup that helps businesses pay vendors with a bank transfer or with a credit card to defer payments and earn rewards.



Q3'20 Funding: \$12M Series A

Select Investors: Y Combinator, Liquid 2 Ventures, BoxGroup, Lee Fixel

Revenue Model: Routable offers flat rate pricing for businesses beginning at \$99 per month.

Focus: Routable helps companies manage business payments using an invoice and bill payment platform.

Covid-19 has accelerated the shift away from cash with contactless and digital payments

Contactless Payments Are Going Mainstream

Sept 14, 2020

PYMNTS.com

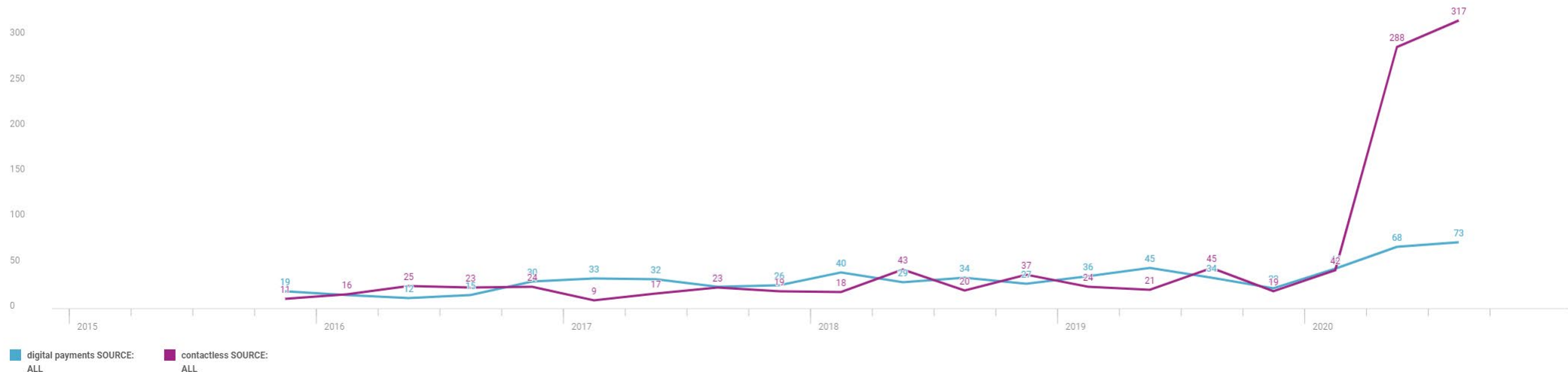
“Visa and Mastercard reported 40% year-over-year global growth for tap-to-pay or contactless transactions..”

August 14, 2020

WSJ

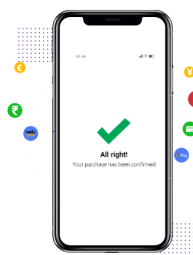
Mentions in Earnings Calls

Number of mentions



International payments players are emulating the business models of Stripe and Square

d-local



All-in-one payment platform connecting global merchants to emerging markets

Our unique solution is helping global companies to offer their customers a simple solution for making online transactions easy, and for paying local sellers and partners by depositing the funds in the local currency, directly to their local account.

[More about our solution](#)

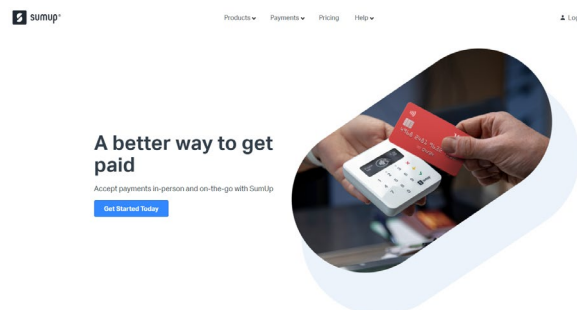
Q3'20 Funding: \$200M Growth Equity

HQ: Montevideo, Uruguay

Select Investors: General Atlantic, Addition

dLocal is a global payments platform used in Latin America and other emerging markets across APAC and MENA. It was last valued at \$1.2B.

sumup®



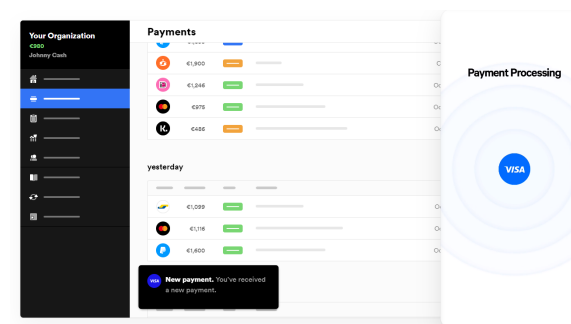
Q3'20 Funding: \$57M debt financing

HQ: London, UK

Select Investors: Rocket Internet

SumUp is a financial technology company that helps businesses to receive payments both in-store and online.

mollie



Q3'20 Funding: \$106M Series B

HQ: Amsterdam, Netherlands

Select Investors: TCV

Mollie is a Dutch payments services provider (PSP) that builds payment products, commerce services, and APIs that let users accept online and mobile payments. The company was last valued at \$1B.

GLOBAL VC-BACKED FINTECH Q3 2020



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



BANKING

Digital-first banks or companies digitizing banking services for credit and debit



ALTERNATIVE LENDING

Companies creating new solutions for personal or commercial lending



WEALTH MANAGEMENT

Personal finance tools, investment and wealth management platforms, and analytics tools



INSURANCE

Companies selling or distributing insurance digitally or providing data analytics and software for (re)insurers



CAPITAL MARKETS

Sales and trading, analysis, and infrastructure tools for financial institutions



SMB

Companies focused on providing solutions to small- and medium-sized businesses

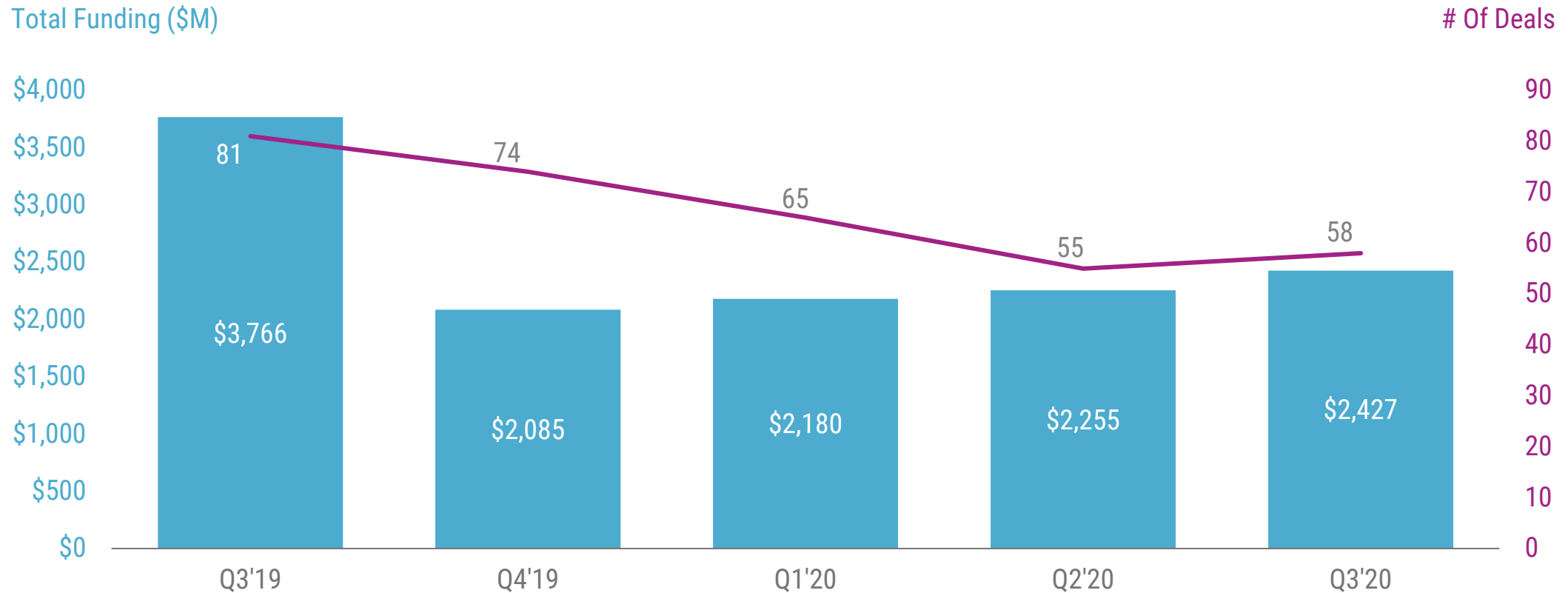


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Funding to banking startups rose in Q3'20 for the third-straight quarter

Global VC-backed banking financing trends, Q3'19 – Q3'20



Covid-19 continues to test UK challenger banks

Covid-19 Casts 'Significant Doubt' on Ability to Continue Operating

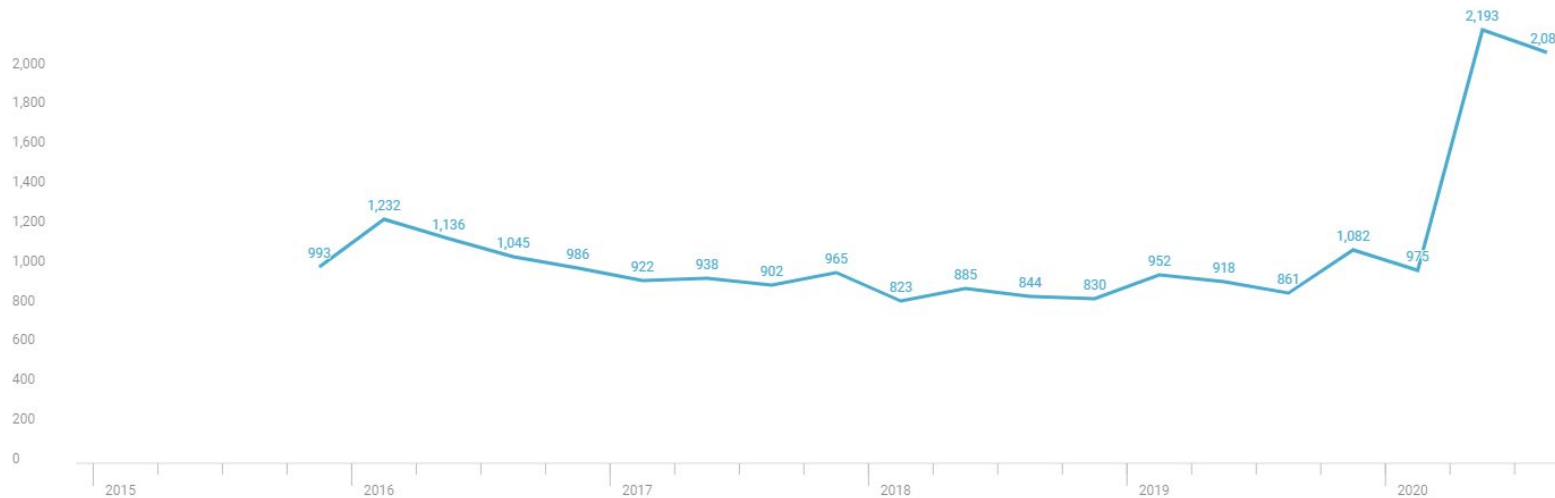
July 31, 2020 **Finextra**

Revolut's Losses Tripled in 2019, but its User Base Nearly Did Too

August 12, 2020 **BUSINESS INSIDER**

Mentions in Earnings Calls

Number of mentions



■ loan loss OR delinquency OR default SOURCE: ALL

Digital banks in LatAm are growing user bases rapidly and serving the underbanked



Q3'20 Funding: \$300M Series C

Select Investors: Vulcan Capital, General Atlantic, BlackRock, Endeavor

User Growth: Neon has grown its user base from 2M active users in Q4'19 to over 9M in Q3'20

Focus: Neon Pagamentos is a Brazilian digital bank that launched in 2016. The company has since expanded its product suite to include investment products, credit cards, and personal loans, serving both consumer and business clients.



Q3'20 Funding: \$96M

Select Investors: N/A

User Growth: C6 Bank has gained over 2.5M users since launching publicly in 2019

Focus: C6 Bank is a mobile-only bank based in Brazil. The company was founded in 2018 by a former chairman of BTG Pactual. The fresh capital will be used to help grow C6's loan book and expand its customer base.



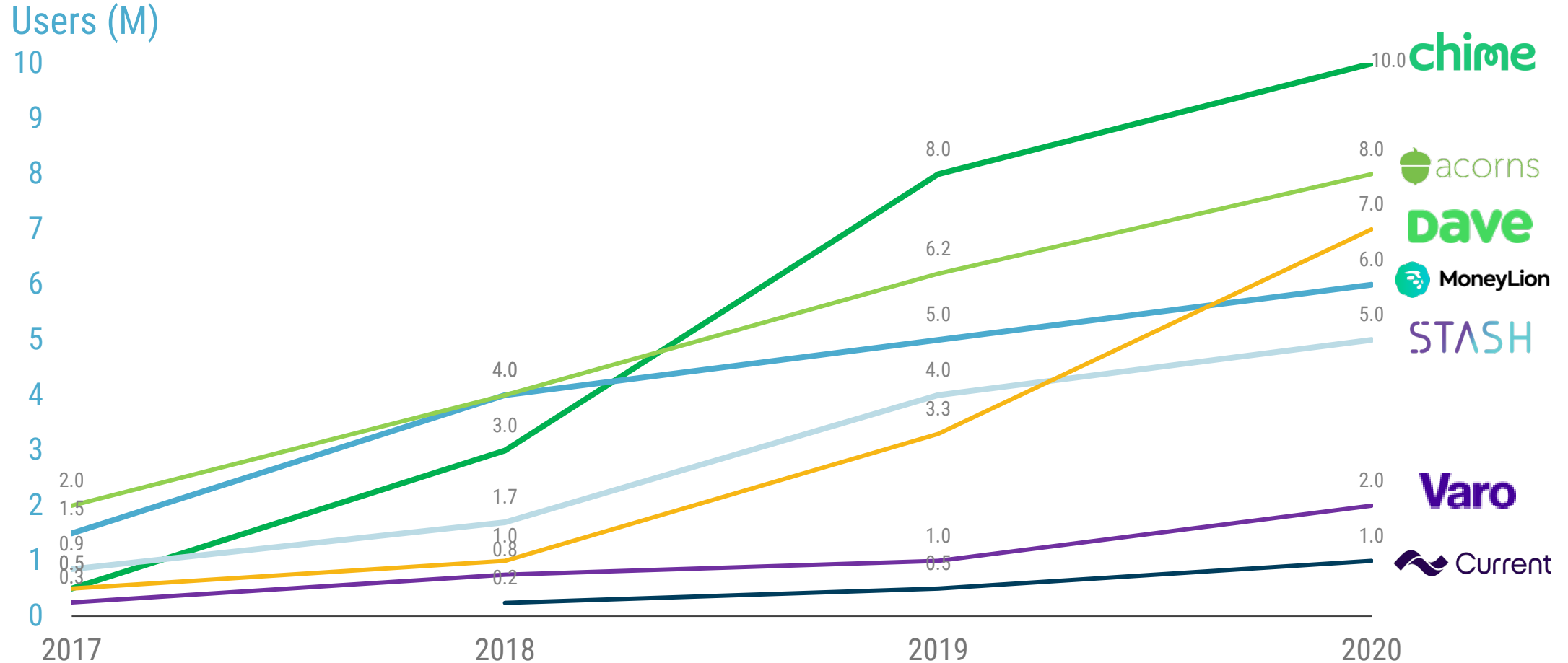
Q3'20 Funding: \$14M Seed

Select Investors: Monashees+, Ulu Ventures, Redpoint e.ventures, FJ Labs

User Growth: Not disclosed, but in Q3'20 Oyster reported topline growth of ~500%

Focus: Oyster aims to approve business bank accounts in 24-72 hours, compared to a process that can last up to 6 months for incumbents.

Despite monetization challenges, challenger banks show sustained user growth



US consumer banking fintechs are moving from mono-line to multi-line product offerings



INITIAL PRODUCT
PRODUCT EXPANSION

	acorns	chime	Current	Dave	MoneyLion	SoFi	STASH	Varo
MOBILE BANKING	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
EARLY PAY ACCESS	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
PERSONAL FINANCIAL MGMT	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
OVERDRAFT PROTECTION	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
AUTO-INVESTING & BROKERAGE	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
CRYPTO INVESTING	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
HIGH-YIELD SAVINGS	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
CASH ADVANCES	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched
PERSONAL LOANS	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Decommissioned
CREDIT CARDS	Launched	Launched	Launched	Launched	In-Progress	Launched	Launched	Launched
HOME LOANS	Launched	Launched via Partnership	Launched	Launched	Launched	Launched	Launched	Launched
REWARDS PROGRAMS	Launched	Launched	Launched	Launched	Launched	Launched	Launched	Launched

GLOBAL VC-BACKED FINTECH Q3 2020



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



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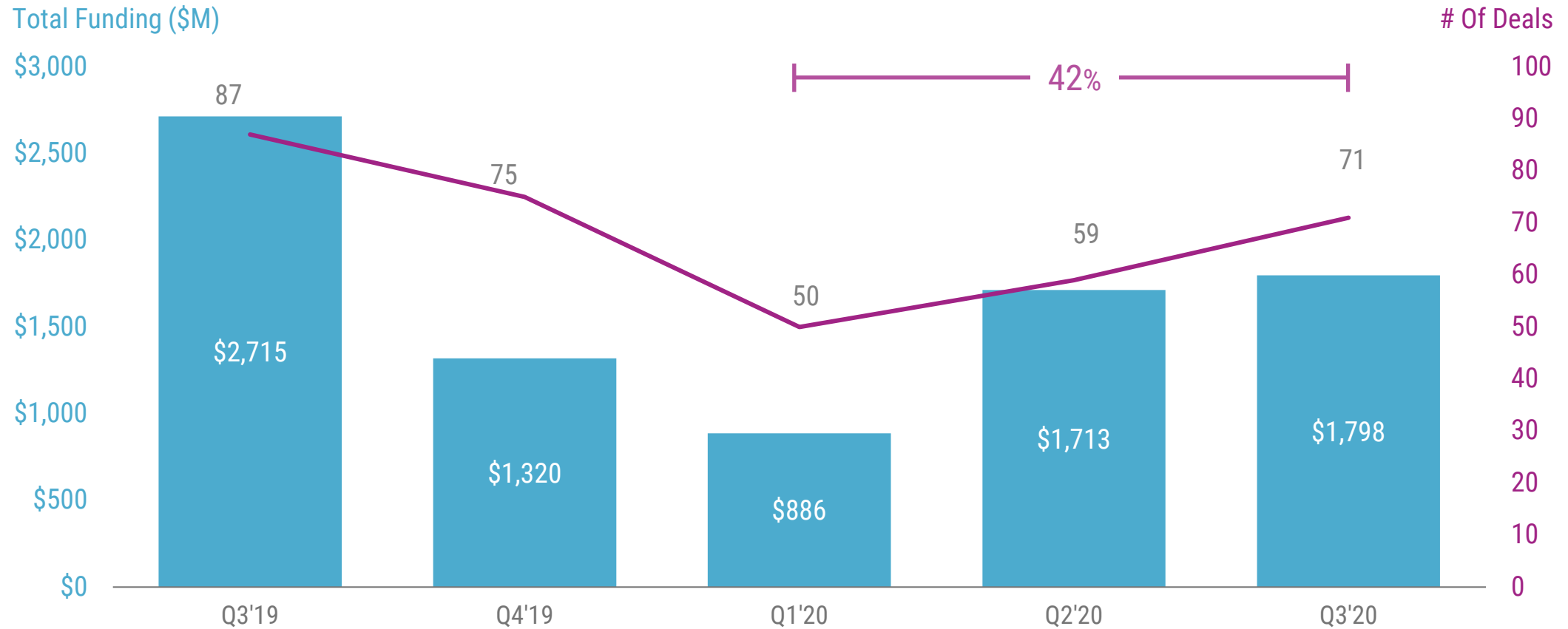


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Lending deal activity has grown 42% since Q1'20

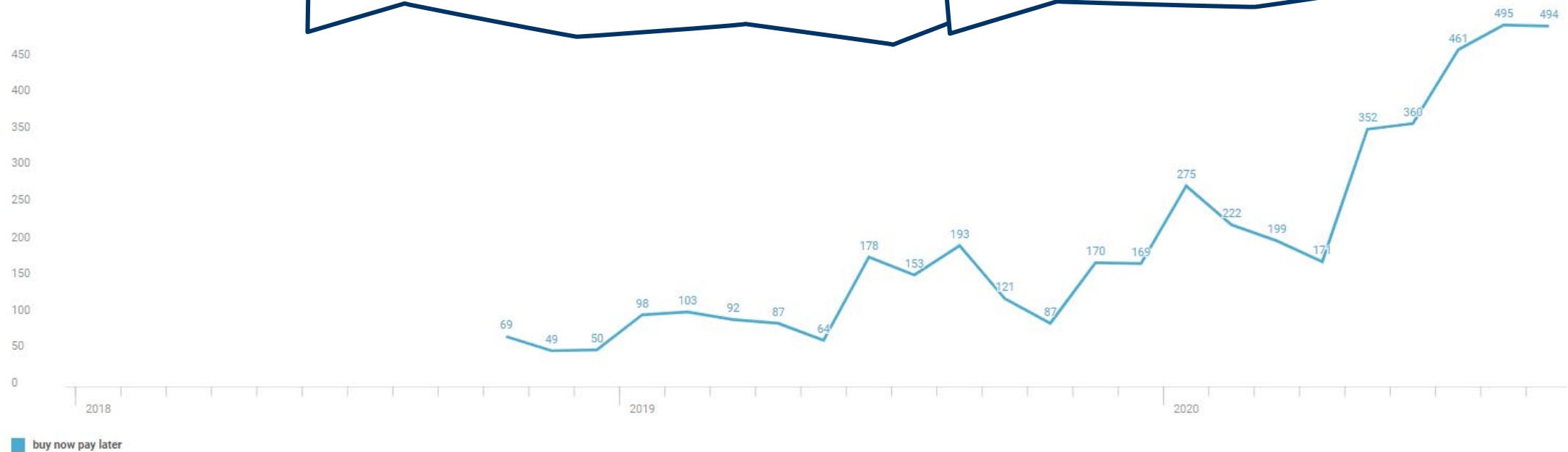
Global VC-backed alternative lending financing trends, Q3'19 – Q3'20



The long-term credit effects of increasingly popular 'buy now, pay later' products are unclear

News Coverage

News Coverage



Online loans defy fears of mass delinquencies

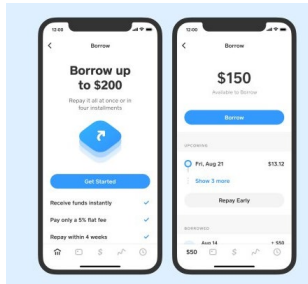
August 17, 2020 | FT

The Ease and Risk of Buy Now Pay Later Plans

September 22, 2020 |



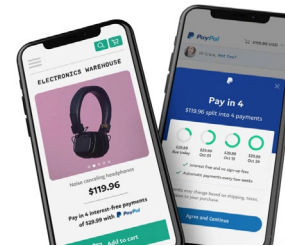
Established fintechs launch lending products to capitalize on pandemic-boosted e-commerce



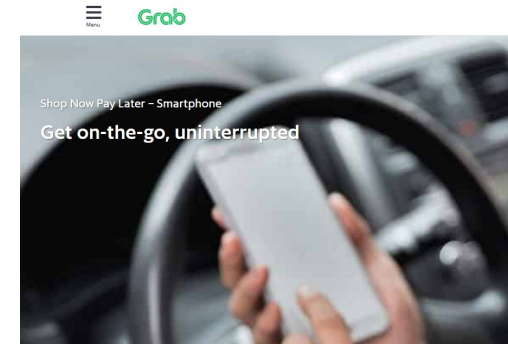
Q3'20 Developments: Square added a peer-to-peer service through its Cash App product that allows users to access short-term loans. Cash App will offer loans between \$20 and \$200, charging a 5% fixed rate with a payback period of 4 weeks.



Meet Pay in 4
A new buy now, pay later interest-free installment solution at no additional cost.



Q3'20 Developments: PayPal introduced an installment lending feature called "Pay in 4." The service offers customers the option to pay for purchases interest-free in 4 installments. They can do this over a 6-week period for purchases between \$30 and \$600.



A smartphone makes your life on the road safer, smoother and more efficient. Our the opportunity for eligible Grab driver-partners to use the latest in mobile technology experience today.

Q3'20 Developments: The Southeast Asia-based on-demand transportation and mobile payments giant launched a buy now, pay later product. The service allows users to shop for products online and make payments in interest-free installments. Users can also defer payments until the next month or a future date.

Big retailers and e-commerce giants partner with financial services firms to enable installment lending



Partnership Focus: Citigroup partnered with Amazon to allow credit card customers to finance big purchases over longer periods of time.

Shoppers will need to spend at least \$100 on transactions and can choose to pay it off over a longer period of time at a lower APR.



Partnership Focus: Sezzle is an installment payments platform that partnered with Target to test buy now, pay later services.

The pilot program will focus on a limited number of product categories to evaluate the Sezzle platform against Target's retail operations.



Partnership Focus: Macy's took a percent stake in Klarna as part of a partnership in which the retailer will offer its customers interest-free payments on online purchases.

The giant retailer is hoping to boost online sales with its Klarna partnership – Klarna's US users have grown 6x in the first half of 2020 compared to 2019.



Partnership Focus: Shopify partnered with Affirm to facilitate Shop Pay Installments in the US, allowing Shopify to offer buy now, pay later options to customers. Affirm stated that offering a pay-over-time model has led to a bump in average order value and overall sales. The partnership is intended to help merchants on Shopify grow their business by connecting them to new customers.

GLOBAL VC-BACKED FINTECH Q3 2020



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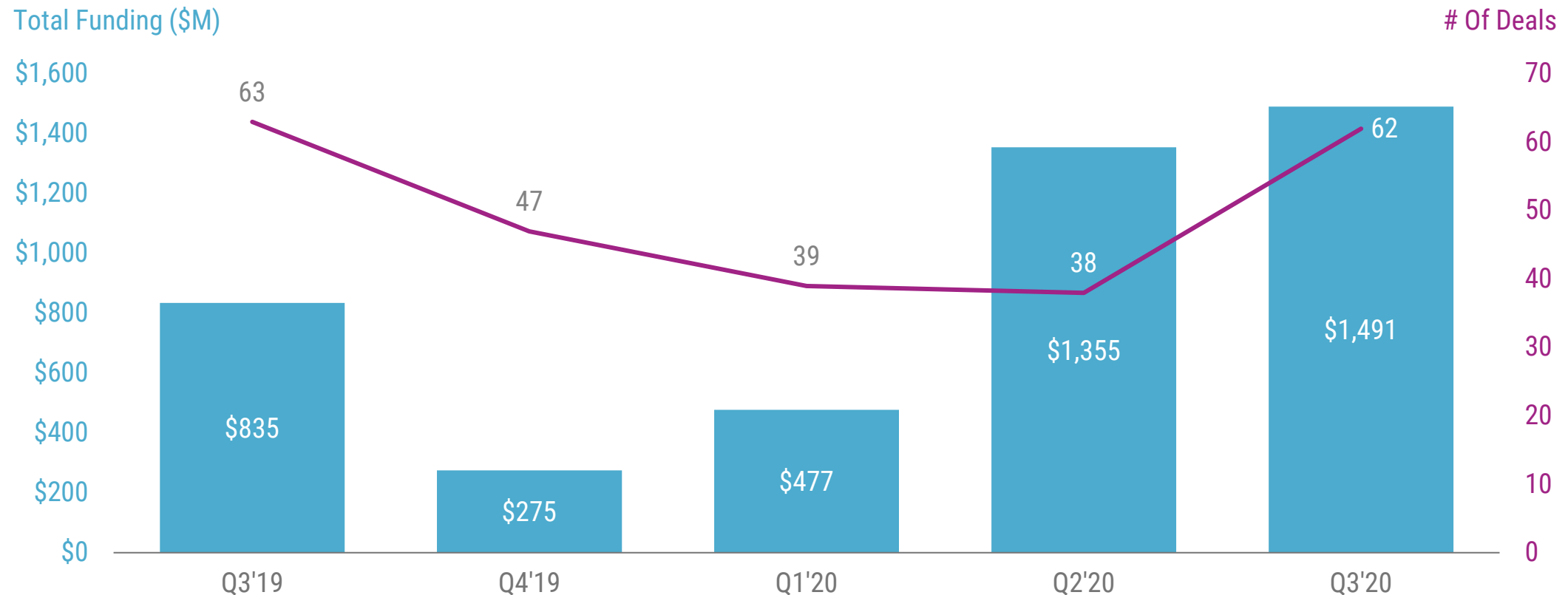


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Wealth tech deal activity rebounds alongside sustained funding growth

Global VC-backed wealth management financing trends, Q3'19 – Q3'20



Several wealth tech startups raise mega-rounds in Q3'20

Greenlight

Most Recent Funding: \$215M Series C

Valuation: \$1.2B

HQ: Atlanta, GA

Select Investors: Relay Ventures, J.P. Morgan Chase & Co, Canapi Ventures, DST Global

Traction: Greenlight's smart debit card is designed for children to use with oversight from their parents. The company says it currently serves more than 2M parents and kids.

Robinhood

Most Recent Funding: \$460M Series G extension

Valuation: \$11.7B

HQ: Menlo Park, CA

Select Investors: Sequoia Capital, Ribbit Capital, Andreessen Horowitz, DST Global, Thrive Capital

Traction: Robinhood says it has 13M users, including 3M new accounts added in 2020.

TRUMID

Most Recent Funding: \$200M Series E

Valuation: \$1B

HQ: New York, NY

Select Investors: T. Rowe Price, BlackRock, TPG Capital, Thiel Capital

Traction: Trumid's corporate bond trading business grew 500% in 2020, fueled by its partnership with Citigroup Inc.

Early-stage retirement planning startups offer alternative means to manage retirement...

→Retirable®

Q3'20 Funding: \$4.7M seed

Select Investors: Vestigo Ventures, Diagram Ventures, Primetime Partners

Revenue Model: Premium \$49 subscription-based membership for pre-retirees

Focus: Retirable is a digital investment advisor that helps US-based pre-retirees get access retirement advice, tools, and education resources.



Q3'20 Funding: \$0.5M Unattributed

Select Investors: N/A

Revenue Model: Various subscription-based options for financial advisors and financial professionals

Focus: Income Lab is a retirement income planning and management platform that's targeted at financial professionals.

Capitalize

Q3'20 Funding: \$2M seed

Select Investors: Bling Capital, Greycroft, RRE Ventures, Walkabout Ventures

Revenue Model: Capitalize earns money when a user opens up an IRA account with partner providers (like Betterment)

Focus: Capitalize offers a platform that helps people transfer a 401(k) into a new account at another financial institution. The company finds legacy accounts, opens new ones, and initiates rollovers online.

...While late-stage digital wealth managers focus on customized long-term investment planning



It's time to manage your money on your terms

Get Started

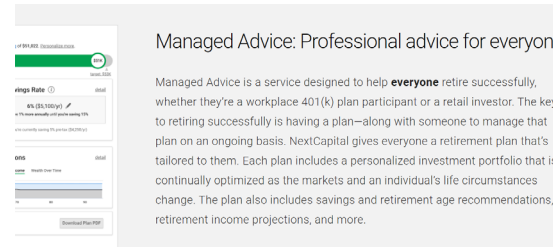
We're licensed by the Monetary Authority of Singapore.



Most Recent Funding: \$16M Series C

Select Investor: Eight Roads Ventures, Asia Capital & Advisors, Square Peg Capital

Focus: StashAway is a digital wealth manager and financial planning platform.



Most Recent Funding: \$30M Series D

Select Investors: Francisco Partners, IA Capital Group, Oak HC/FT Partners

Focus: NextCapital provides personalized planning and managed accounts to individual investors.



The Future of Investing. Today.

We manage over £2 billion for our clients.

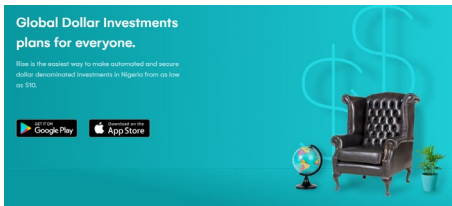
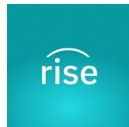
Get a personalised, globally diversified and fully managed portfolio. We optimise your portfolio and monitor risk based on the latest quantitative research. Not just cheaper, but better.

Most Recent Funding: \$57.9M Series D

Select Investor: Holtzbrinck Ventures, Tengelman Ventures, BlackRock

Focus: Scalable Capital is an online wealth manager that offers investments across asset classes that include equities, bonds, real estate, and more.

Personal finance companies are targeting lower-income earners, minorities, and teenagers



Most Recent Funding: \$0.12M seed

HQ: Lagos, Nigeria

Select Investors: Western Union Accelerator

Focus: Rise is a mobile-first personal asset manager that allows users to invest in portfolios that include asset classes like US real estate and bonds with a \$10 minimum investment.

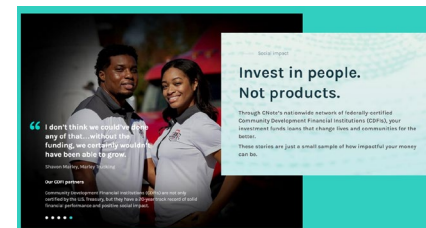


Most Recent Funding: \$2.3M seed

HQ: New York, NY

Select Investors: Impact America, Next Play Ventures, Zeal Capital Partners

Focus: Esusu is a mobile platform designed to help lower-income consumers save, access capital, and build credit.

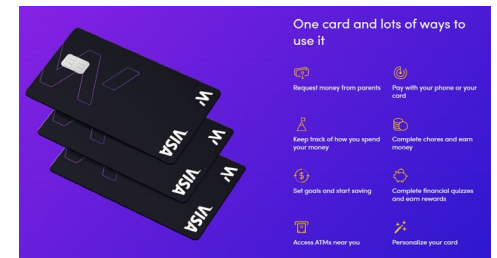


Most Recent Funding: \$3M Unattributed

HQ: Oakland, CA

Select Investors: N/A

Focus: CNote is a financial platform for investing in the causes and communities. CNote directs investments toward funding women- and minority-led small businesses, affordable housing, and economic development.



Most Recent Funding: \$2M seed

HQ: Montreal, Canada

Select Investors: Diagram Ventures

Focus: Wingocard is a personal finance platform that aims to empower teens to take control of their personal finances by developing financial literacy from a young age.

GLOBAL VC-BACKED FINTECH Q3 2020



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



BANKING

Digital-first banks or companies digitizing banking services for credit and debit



ALTERNATIVE LENDING

Companies creating new solutions for personal or commercial lending



WEALTH MANAGEMENT

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INSURANCE

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CAPITAL MARKETS

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SMB

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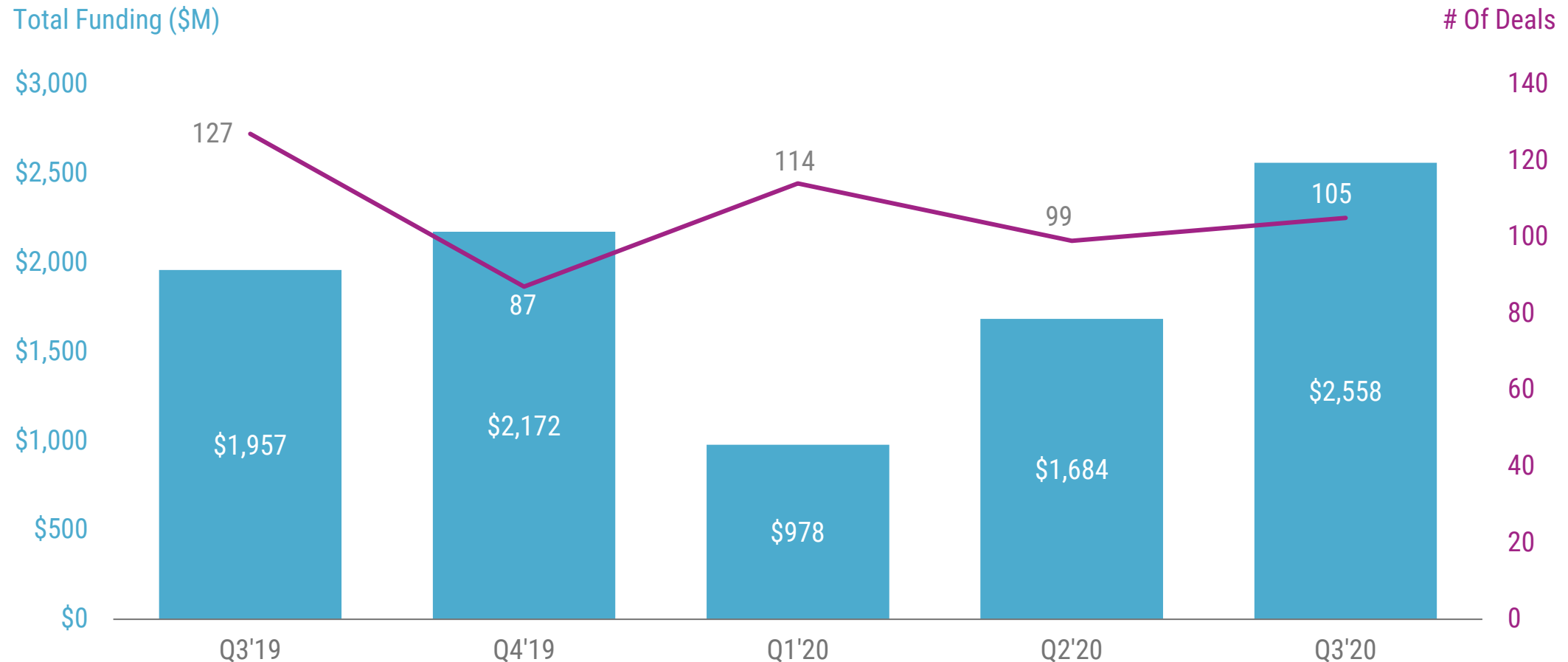


REAL ESTATE






Mortgage lending, transaction digitization, and financing platforms

Quarterly insurtech funding up 162% from Q1'20

Global VC-backed insurtech financing trends, Q3'19 – Q3'20

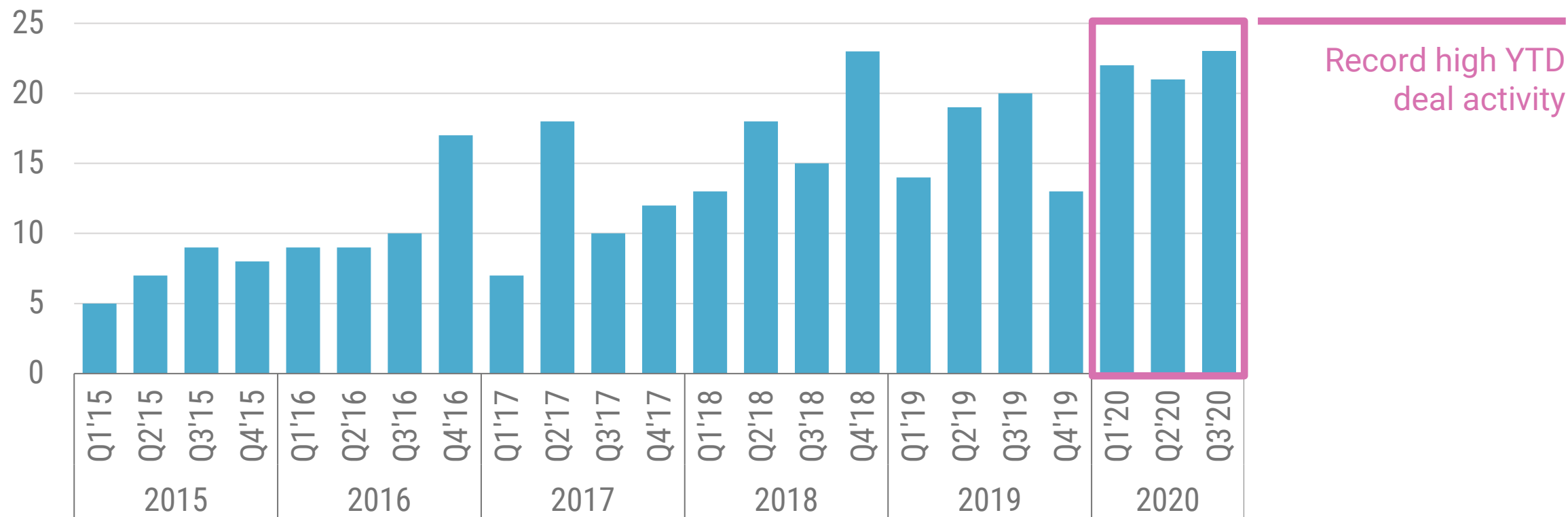


The strong get stronger: over \$1.2B of funding from 5 mega-rounds (\$100M+)

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 bright HEALTH	09/22/2020 // \$500M	\$1,575M	New Enterprise Associates, Bessemer Venture Partners, Greycroft, Redpoint Ventures	Bright Health offers individual & family and Medicare Advantage health insurance plans. The company leverages technology and health systems partnerships with the aim of offering more affordable plans.
 N NEXT INSURANCE	09/23/2020 // \$250M	\$631M	Ribbit Capital, capital G, Munich Re Ventures, Markel, Nationwide Ventures, American Express Ventures	Next Insurance provides an online commercial insurance product targeted at small- to medium-sized businesses (SMBs) in the US.
 水滴 WATERDROP INC.	08/20/2020 // \$230M	\$480M	Tencent Holdings, Swiss Re, IDG Capital	Waterdrop, also known as Shuidi Huzhu, is a China-based insurance platform that aims to help users facing high medical fees by crowdfunding contributions.
 Hippo	07/21/2020 // \$150M	\$359M	Propel Venture Partners, Fifth Wall Ventures, Ribbit Capital, Munich Re Ventures	Home insurance provider Hippo looks to use data, like municipal building records, and technology, such as satellite imagery, to streamline providing quotes and onboarding.
 policybazaar Compare. Buy. Save.	07/06/2020 // \$130M	\$558M	SoftBank Group, Tencent Holdings, Tiger Global Management, Ribbit Capital	India-based PolicyBazaar helps users compare financial products like life and general insurance, loans, and credit cards.

Despite Covid-19, insurers continue to invest heavily in companies

New and follow-on deal activity from top 25 US P&C insurers, Q1'15 – Q3'20



Southeast Asia sees boost in insurtech funding



Most Recent Funding: \$130M
Corporate Minority

Country: India

Select Investors: SoftBank Group,
Tencent Holdings, Tiger Global
Management

Focus: PolicyBazaar helps users compare financial products like life and general insurance, loans, and credit cards.



Most Recent Funding: \$60M Series D

Country: India

Select Investors: Accel, Amazon,
Munich Re Ventures

Focus: Acko General Insurance is a digital insurance company that provides a variety of insurance policies ranging from car to two-wheeler (scooters, motorcycles) to mobile phone to ride-sharing.



Most Recent Funding: \$54M Series B

Country: Indonesia

Select Investors: Gojek, Xiaomi Ventures,
Intudo Ventures

Focus: PasarPolis is a comparison shopping site for insurance products such as motorcycle, item, health, and life.

Big tech continues to creep into insurance



- In July, Amazon began selling auto and motorcycle insurance in India through a partnership with insurtech Acko, of which Amazon is an investor.
- The policies are available through Amazon Pay on its mobile app and website. The company also said it was looking to expand its insurance offerings to health, travel, and taxis.



- Verily, a life sciences and healthcare subsidiary of Alphabet, formed an insurance company called Coefficient Insurance. It aims to provide stop-loss coverage for self-funded employer health plans.
- The insurance will be backed by Swiss Re, which is also a minority investor in the initiative. Verily wants to apply its experience in healthcare hardware, software, and data science to create more personalized products for employers.

GLOBAL VC-BACKED FINTECH Q3 2020



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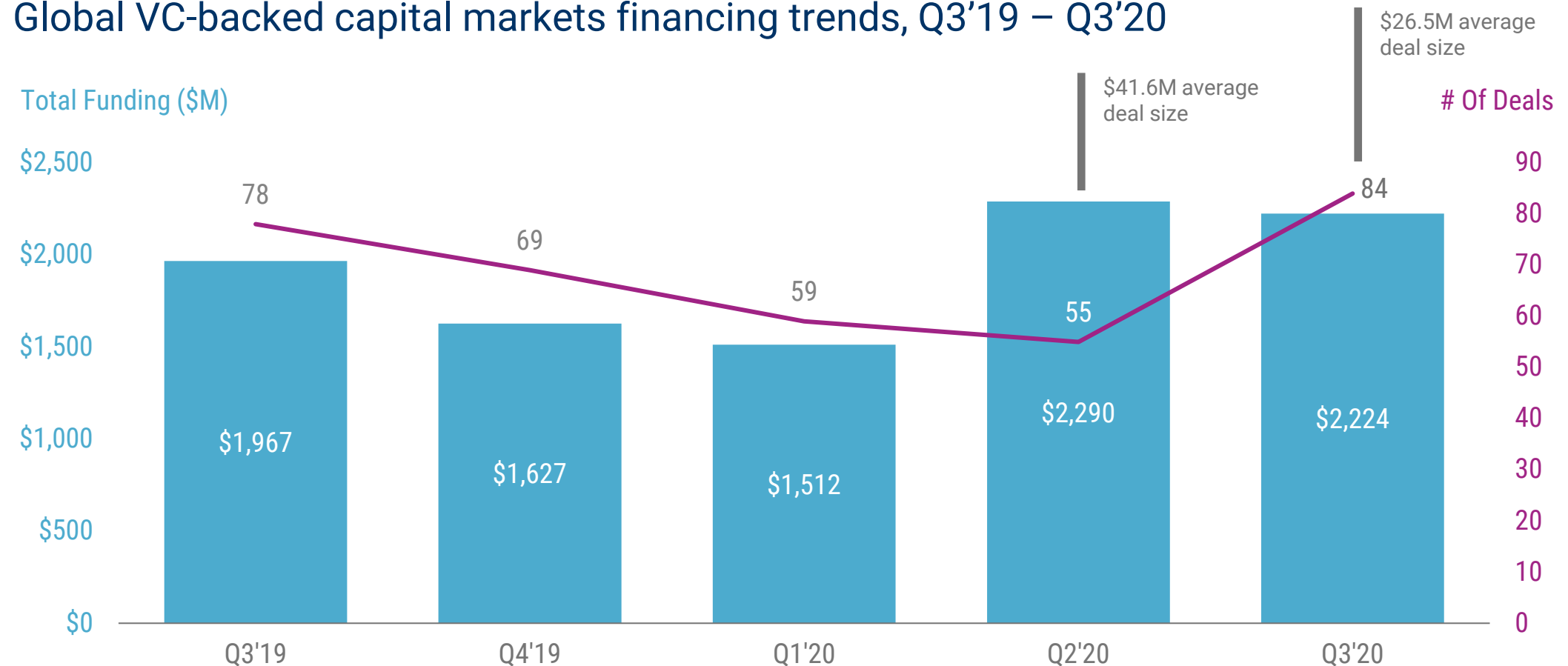


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Capital markets deals grow while funding dips as average deal size falls 36% in Q3'20

Global VC-backed capital markets financing trends, Q3'19 – Q3'20



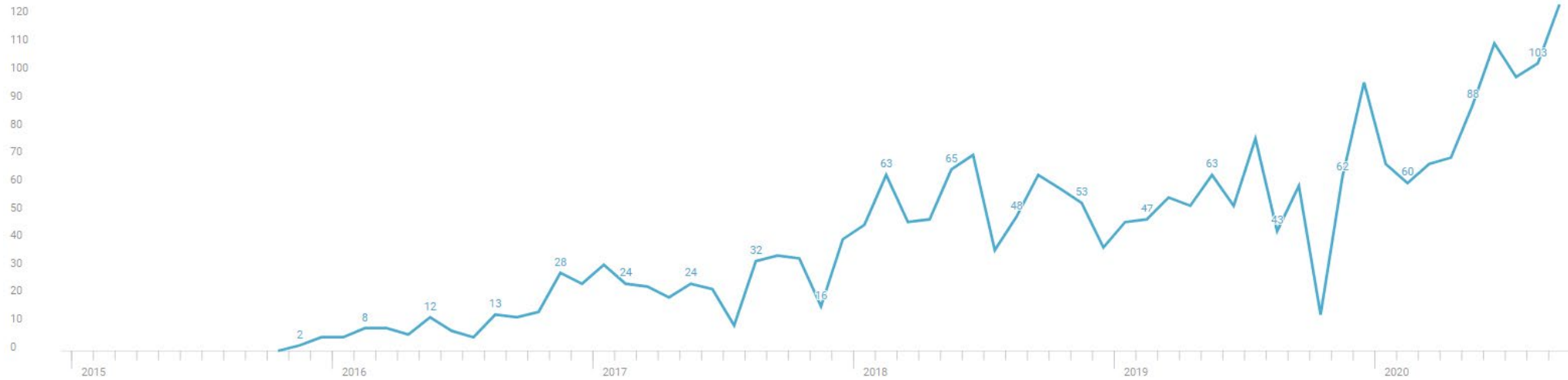
The focus on digital identity tools to fight fraud grows

European FIs prioritizing investment in compliance-related use cases, Tink research finds
9/16/20 | **THE PAYPERS**

Fraud feeds on weak digital identity verification
9/28/20 | **GCN**
Technology, Tools and Services for Public Sector IT

News Coverage




News Coverage



digital identity AND compliance

Companies automating fraud and compliance gain traction

57% of funding from the space's Series C rounds in Q3'20 went to companies automating compliance processes such as KYC/AML checks. Series C rounds are typical of companies that have started to find product-market fit.

Company	Q3'20 Series C Funding (\$M)	Select Investors	Fraud/Compliance Focus
	\$65	Dawn Capital, Evolution Equity Partners, ABN AMRO Ventures, AlbionVC	Financial crime
	\$50	Balderton Capital, Index Ventures, Ontario Teachers' Pension Plan	AML, CFT, and sanctions monitoring
	\$25	Connect Ventures, Temasek, Northzone Ventures, Anthemis	Account verification, KYC, credit scoring
 Less Friction. Less Fraud.	\$20	Citibank, National Australia Bank, HSBC, Barclays Bank	Behavioral authentication for mobile and web applications
	\$12	Bullpen Capital, FinTech Collective, ValueStream Ventures, QED Investors	File tampering detection, KYC, auditing

Cloud technology for asset management workflows emerge in early-stage funding rounds

CloudMargin



Document Repapering



Trade Data & Risk Sensitivities



Initial Margin Calculation



Collateral Workflow & Settlement

Q3'20 Funding: \$15M Series B

HQ: London, UK

Select Investors: Deutsche Bank, Citi Ventures, Deutsche Boerse

Focus: CloudMargin's software-as-a-service model helps financial institutions meet regulatory deadlines and reduce costs associated with collateral requirements.



Next Gate Tech



Advanced Infrastructure

Leveraging the latest advances in the field



Rich Front-End Dashboard

Customizable and efficient



Plug & Play

A fast implementable solution



Efficient and Reliable

Using state of the art methodologies in machine learning

Q3'20 Funding: \$2.3M seed

HQ: Luxembourg

Select Investors: MiddleGame Ventures, Pascal Bouvier, Expon Capital

Focus: Next Gate Tech's software-as-a-service platform automates middle and back office processes for the asset management industry.

GLOBAL VC-BACKED FINTECH Q3 2020



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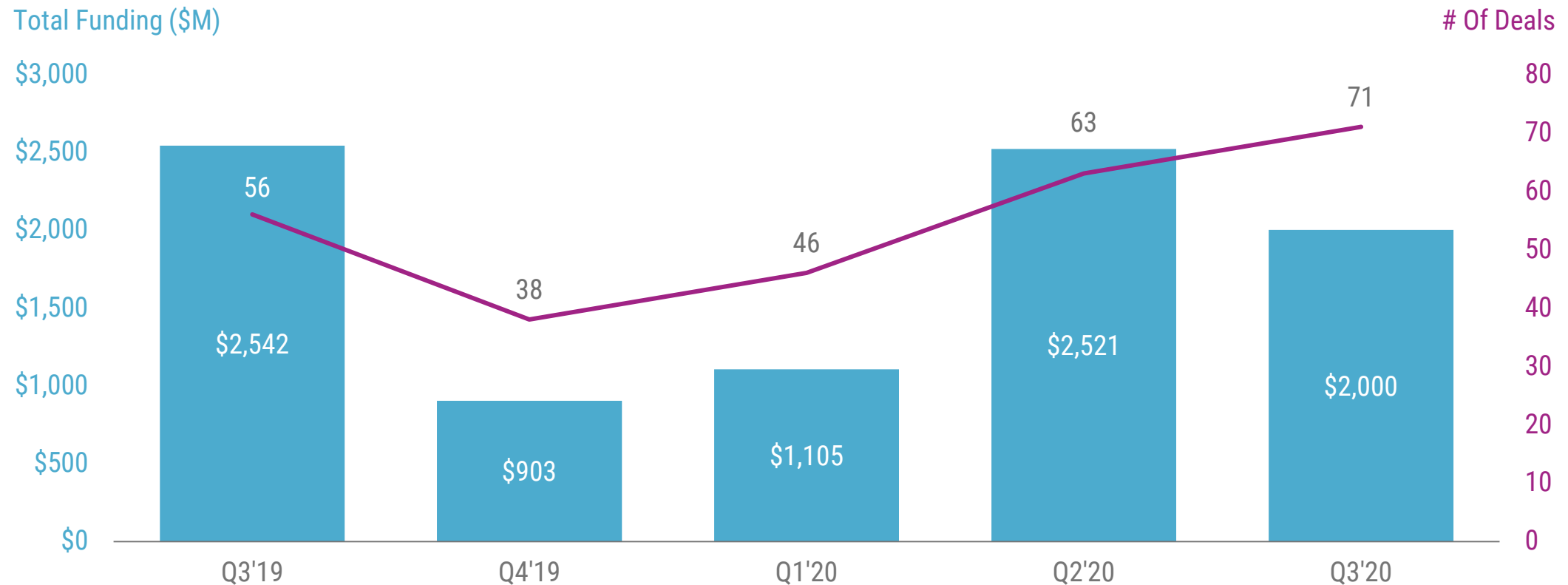


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms



SMB funding falls but deal activity continues to grow

Global VC-backed SMB financing trends, Q3'19 – Q3'20



Late-stage companies automating the finance function for SMBs gain traction

Three of the 4 largest deals centered around automating the accounts payable function for businesses

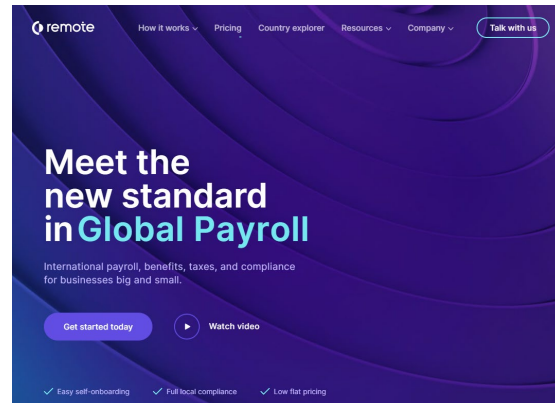
Company	Q3'20 Funding Round / Amount (\$M)	Select Investors	SMB Finance Focus
 avidxchange	Series G / \$185M	Foundry Group, Bain Capital Ventures, QED Investors, NYCA Partners	Accounts payable automation
 Tipalti	Series E* / \$150M	Greenoaks Capital Management, 01 Advisors, Durable Capital Partners	Accounts payable automation
 taulia	Series F / \$60M	Trinity Ventures, Matrix Partners, J.P. Morgan & Co, Ping An Ventures	Billing, expense management, and procurement
 mineraltree	Series D / \$50M	.406 Ventures, Great Hill Partners, Eight Roads Ventures	Accounts payable automation

SMB fintech saw mega-rounds across financing, insurance, HR, and payments

Top SMB fintech mega-rounds (\$100M+) by deal size (\$M), Q3'20

Company	Deal Date // Amount Raised (\$M)	Valuation (\$M)	Select Investors	Description
 Klarna®	9/15/20 // \$650M	\$1,065M	Ant Group, TCV, Northzone Venture Partners, BlackRock, Macy's	Klarna offers buy now, pay later options for online storefronts.
 NEXT INSURANCE	9/23/20 // \$250M	\$631M	Ribbit Capital, Munich Re Ventures, TLV Partners, Markel, Zeev Ventures, Nationwide Ventures	Next Insurance is a small business insurance company.
 RIPPLING	8/4/20 // \$145M	\$197M	Kleiner Perkins Caufield & Byers, Founders Fund, Y Combinator, Initialized Capital, Greenoaks Capital Management, Coatue Management, Bedrock Capital	Rippling is an employee management platform, offering services such as payroll, benefits, HR, and IT.
 PayActiv	8/13/20 // \$100M	\$133M	SoftBank Capital, Eldridge, ARCH Venture Partners, Plug and Play Ventures	PayActiv is an HR software platform for employees. The company offers salary advances, as well as savings and budgeting tools, bill payment, and financial health management tools.

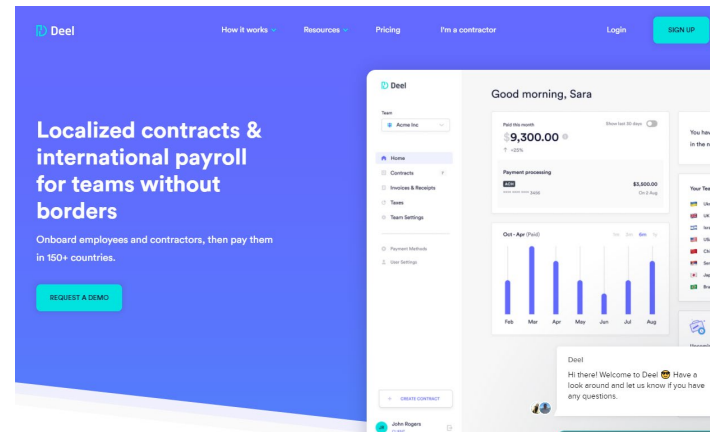
Remote hiring companies attract interest amid a prolonged work-from-home environment



Most Recent Funding: \$11M seed

Select Investors: Two Sigma Ventures, General Catalyst, Index Ventures

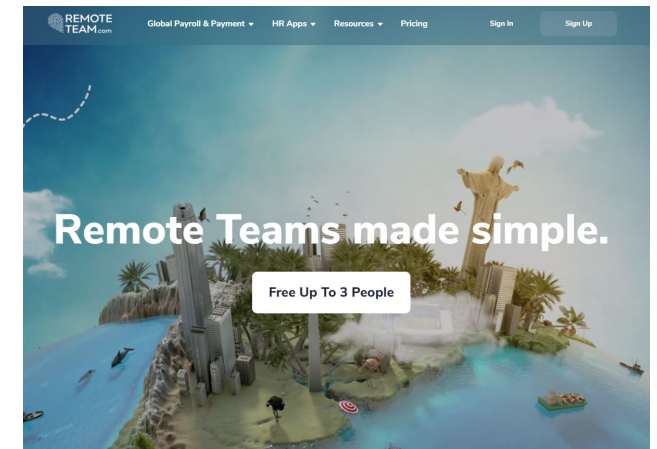
Focus: Remote helps users build remote teams compliantly.



Most Recent Funding: \$30M Series A

Select Investors: Andreessen Horowitz, Spark Capital

Focus: Deel aims to simplify compliance and payments for companies hiring contractors.



Most Recent Funding: \$400K

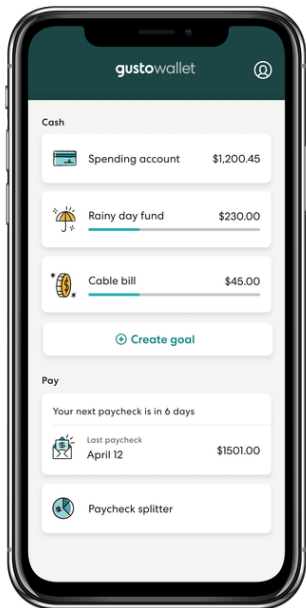
Select Investors: Angels

Focus: RemoteTeam is an HR platform for “remote first” teams that helps automate payments and HR tasks.

Larger SMB players look to expand their markets

Both Gusto and Intuit moved to help users access and manage cash, while providing digital tools for savings and financial management

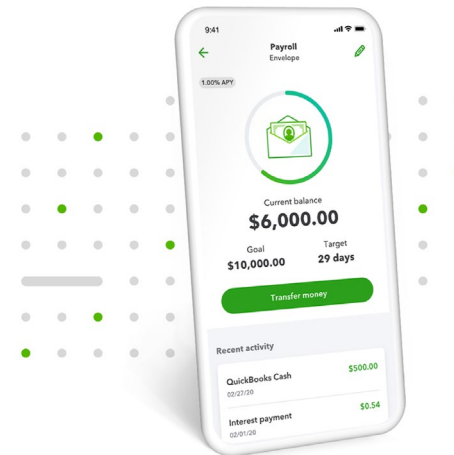
gusto



Gusto launches Gusto Cashout to help employees cover costs between paydays

- Gusto launched free earned wage access for employees of its small business clients.
- Gusto Cashout is part of the company's newest product, Gusto Wallet. The wallet helps employees manage their finances, such as saving a certain portion of their paycheck which is then deposited to a Gusto branded debit card.
- Gusto is aiming to use this approach to create a direct brand relationship with the employee.

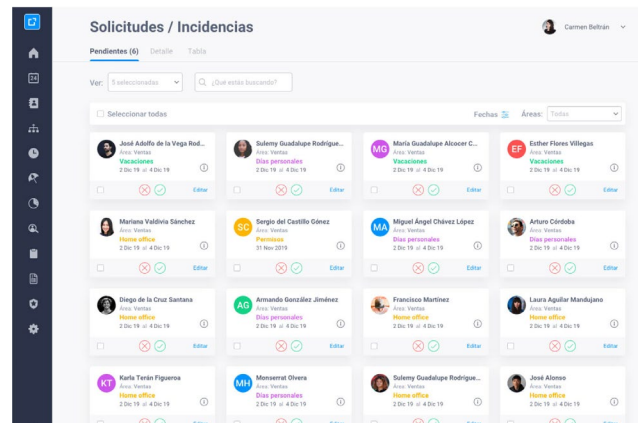
intuit quickbooks



Intuit launches QuickBooks Cash to expand into small business banking

- QuickBooks Cash is a business bank account for QuickBooks customers that offers 1% APY on deposits.
- QuickBooks Cash offers customers a physical debit card, a goals-based savings tool called Envelopes, and a cash flow dashboard to manage business finances.
- Intuit partnered with Green Dot Bank to launch QuickBooks Cash accounts.

HR and payroll companies are aiming to improve the HR/finance functions in emerging markets



Q3'20 Funding: \$3M seed

HQ: Mexico City, Mexico

Select Investors: QED Investors, LEAP Global Partners

Focus: Worky is an integrated HR and payroll platform for SMBs in Mexico. It helps employers offer benefits, automate employee files, and manage payroll.



Q3'20 Funding: \$2.1M seed

HQ: Nairobi, Kenya

Select Investors: Y Combinator, Soma Capital, Musha Ventures, P1 Ventures

Focus: WorkPay is a cloud business management tool for small businesses with integrated modules for applications like accounting, payroll, and CRM.

GLOBAL VC-BACKED FINTECH Q3 2020



PAYMENTS

Payments processors, card developers, money transfer platforms, and tracking software



BANKING

Digital-first banks or companies digitizing banking services for credit and debit



ALTERNATIVE LENDING

Companies creating new solutions for personal or commercial lending



WEALTH MANAGEMENT

Personal finance tools, investment and wealth management platforms, and analytics tools



INSURANCE

Companies selling or distributing insurance digitally or providing data analytics and software for (re)insurers



CAPITAL MARKETS

Sales and trading, analysis, and infrastructure tools for financial institutions



SMB

Companies focused on providing solutions to small- and medium-sized businesses

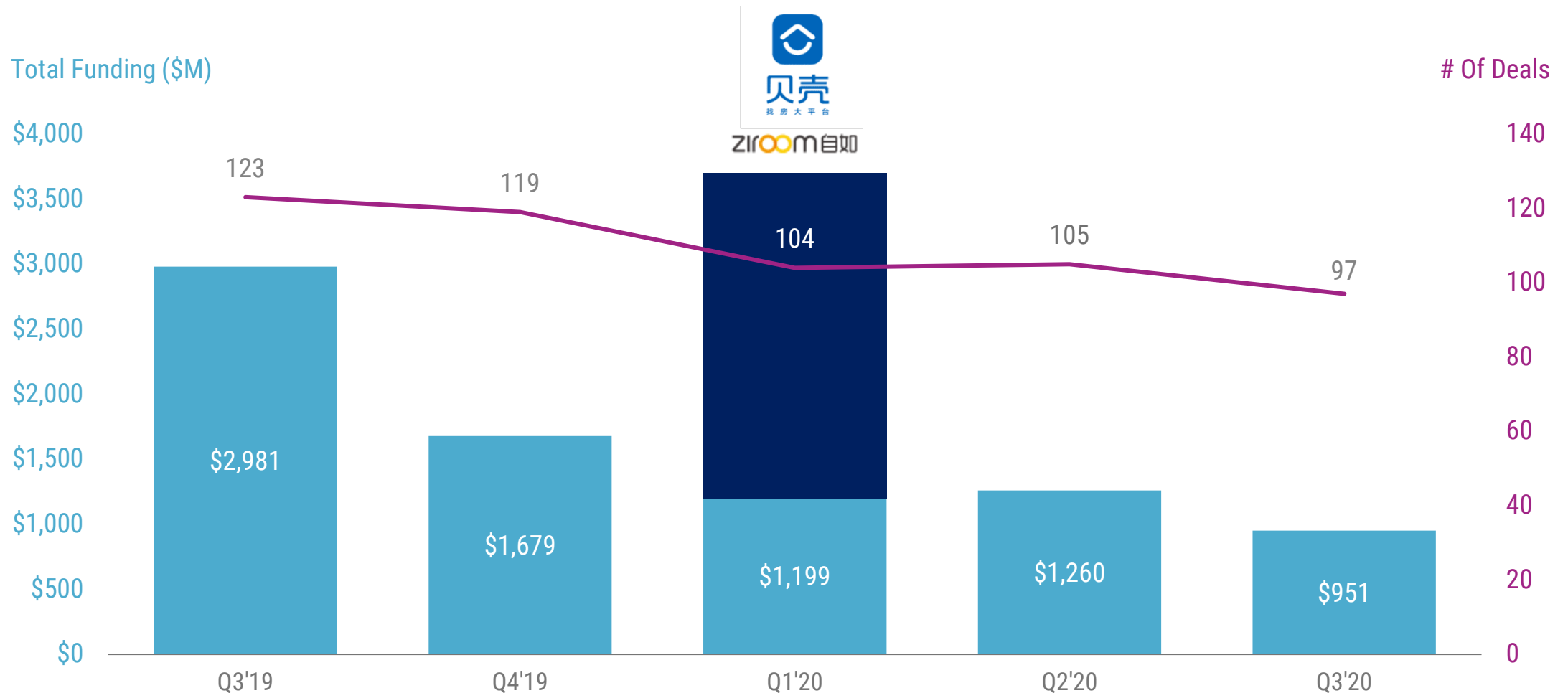


REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

Real estate deal activity falls to 5-quarter low

Global VC-backed real estate financing trends, Q3'19 – Q3'20



Low interest rates and moves to suburbs have raised questions of extended de-urbanization

August pending home sales soar to a record high, fueled by rock-bottom mortgage rates

Sept 30, 2020

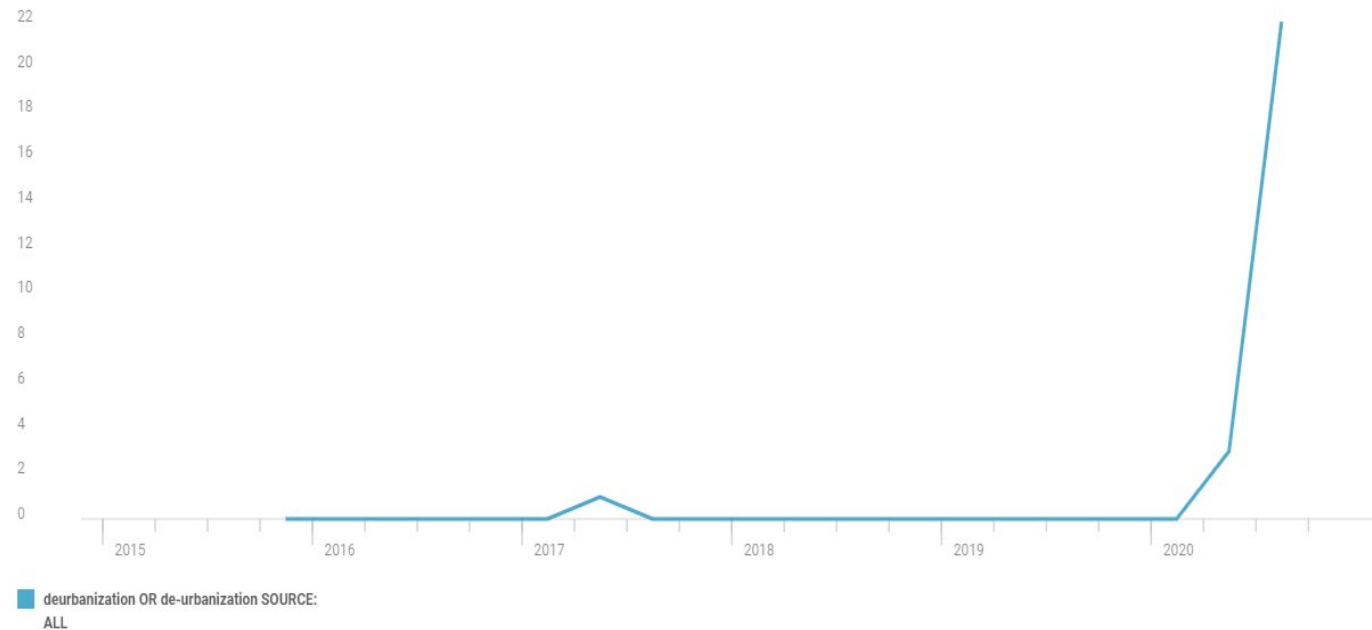


“We are pretty confident that this is going to be a lasting, multiyear meaningful trend.”

Rich Barton, CEO of Zillow on de-urbanization, Aug 6, 2020

Mentions in Earnings Calls

Number of mentions



As cash runway shortens amid the pandemic, Opendoor looks to a SPAC for a capital infusion

Today, we are in 21 markets and just scratching the surface

21

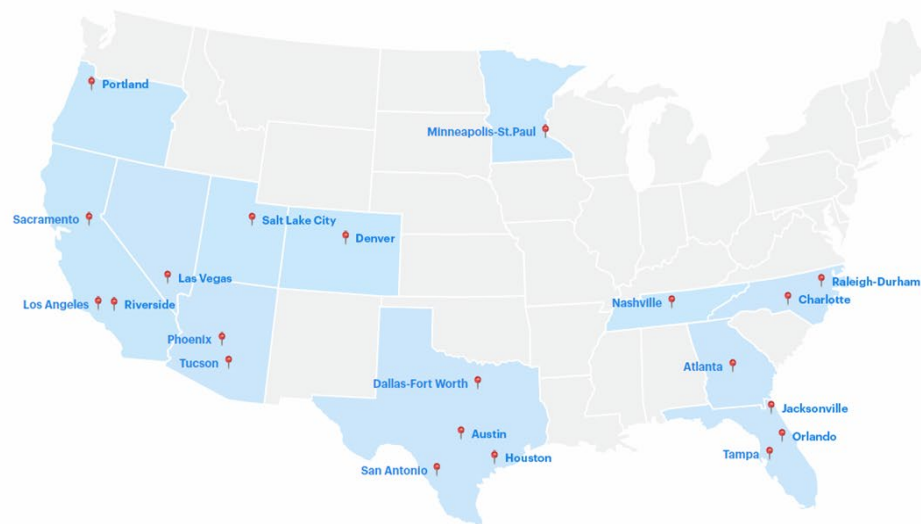
Markets

2.0%

Market share

\$5.0B

1Q20 Run-rate revenue



Note: Market share based on Company resales and MLS transaction data for respective markets as of 1Q20. 1Q20 run rates do not reflect the full impact of COVID-19; see Summary Financials for full-year 2020 projections

Key Highlights:

- Opendoor and Social Capital Hedosophia II have agreed to a reverse merger valuing the company at **\$4.8B**.
- The deal will bring over **\$1B of cash** to Opendoor's balance sheet, including a \$414M injection from Social Capital and a \$600M PIPE from other shareholders.
- As of Q1'20, the company says it has a 2% market share and a run-rate revenue of \$5B.
- Opendoor plans to use proceeds to expand its property inventory and support new business arms focused on title, escrow, and financing services.

Opportunity to improve the homebuying experience expands beyond the US market

US startups continue to attract capital

Orchard

New York-based Orchard (formerly Perch) is a residential real estate platform focused on helping homebuyers who are also in the process of selling their existing home. The company plans on expanding its teams in existing markets – including NY, TX, CO, and GA – as well as expand to new states.

Orchard raised a **\$69M** Series C in Q3'20 led by Revolution Growth, with participation from existing investors FirstMark, Navitas, Accomplice, and others.

Early-stage international companies are ramping up



Gottingen, Germany-based Insta Immo offers homesellers preliminary offers through its valuation model and a binding offer upon a final walk through. It purchases residential apartments on behalf of institutional investors.

Insta Immo raised a **\$17M** Series A in Q3'20 from Talis Capital, Holtzbrinck Ventures, among others.



Bogota, Colombia-based Habi leverages its own centralized database of residential real estate prices to feed its automated pricing algorithm. Habi buys, renovates, and sells homes – generating revenue from the spread.

Habi raised a **\$10M** Series A in Q3'20 led by Inspired Capital, with participation from 8VC, Clocktower, Homebrew, and others.

Early-stage companies simplify real estate investing for non-accredited investors

DOORVEST

DOORVEST

Blog How It Works The Math

Own high-yield rental homes entirely online

Doorvest helps you identify, purchase, and own your first (or 10th!) rental home for as little as \$20k. Generate passive, reliable income from day one.



Most Recent Funding: \$0.74M seed
HQ: San Francisco, CA
Select Investor: Mucker Capital
Focus: Doorvest is a real estate investing platform that enables individuals to invest in rental homes.



Grow your wealth by investing in fractional real estate.

Smart. Simple. Low Initial Investment.

Get Started

Most Recent Funding: Seed
HQ: Toronto, Canada
Select Investor: DMZ Ventures
Focus: BuyProperly is an online marketplace that allows individuals to access fractional real estate investing.



INVESTING IN PROPERTY

Quality

Access investments into loans funding prime property development in the finest locations



Accessible

Our minimum investment amount is just £1,000.



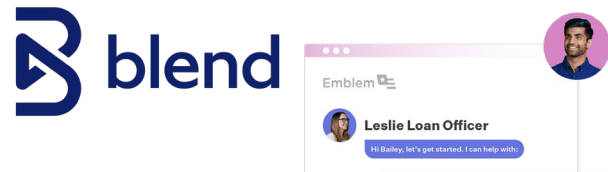
Rewarding

Investors collectively funds loans to property developers who pay interest on the loan.



Most Recent Funding: \$2.2M angel
HQ: London, England
Select Investor: Seedrs, Revolt Ventures
Focus: CapitalRise is a UK-based property investment platform that caters to small investors.

Digital mortgages continue to accelerate during the pandemic

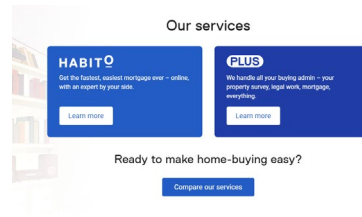


Most Recent Funding: \$75M Series F (\$1.7B valuation)

HQ: San Francisco, CA

Select Investors: Canapi Ventures, Temasek, General Atlantic, 8VC, Greylock

Focus: Blend is a digital lending software provider. The company says its mortgage refinances volumes jumped 1,000% in March and that purchase applications have increased over 100% every month since May.

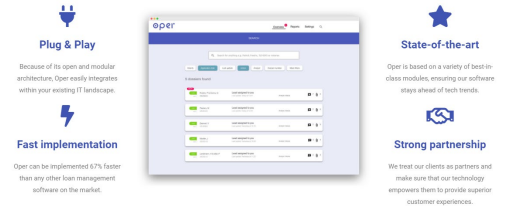


Most Recent Funding: Series C

HQ: London, England

Select Investors: Augmentum Fintech, SBI Group, mojo.capita

Focus: Habito is a digital mortgage lender. The company offers a service that attempts to handle the end-to-end process of homebuying and also runs a broker portal.



Most Recent Funding: \$570K seed

HQ: Antwerp, Belgium

Select Investors: Barclays Ventures, Pitchdrive

Focus: Oper Credits is a mortgage software provider that digitizes mortgage processes for lenders.

Appendix





GET ALL THE DATA USED IN THIS REPORT

Fintech

Wealth Management

Payments

Insurance

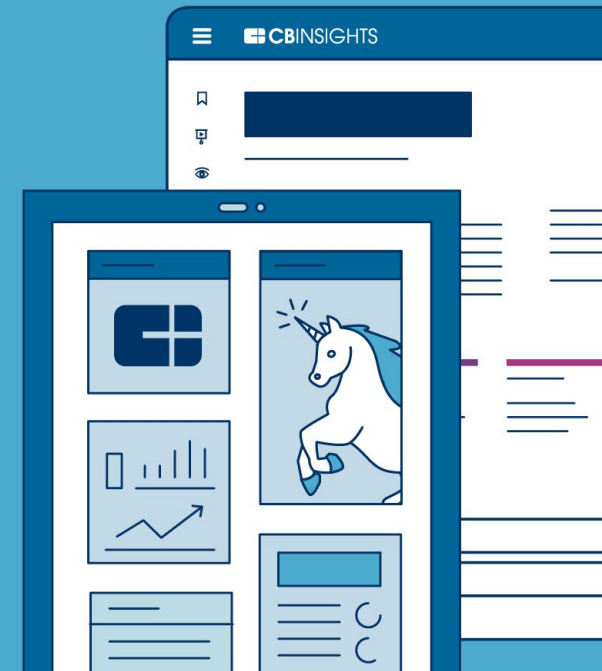
Banking

Capital Markets

SMB

Alternative Lending

Real Estate



Methodology

CB Insights encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been under-represented, please send an email to info@cbinsights.com and we can work together to ensure your firm's investment data is up to date.

What is included:

- Equity financings into emerging fintech companies. Fundings must be put into VC-backed companies, which are defined as companies that have received funding at any point from venture capital firms, corporate venture groups, or super angel investors.
- Fundings of only private companies. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm.
- Only includes the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round numbers reflect what has closed – not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via various federal and state regulatory filings, direct confirmation with firms or investors, or press releases.
- Previous quarterly VC reports issued by CBI have exclusively included VC-backed rounds. In this report, any rounds raised by VC-backed companies are included, with the exceptions listed.

What is excluded:

- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development/R&D arrangements, whether transferable into equity now, later, or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing, nor is it from a venture capital firm. As a result, it is not included.
- No buyouts, consolidations, and/or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are excluded even if made by a venture capital firm(s).
- No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging startup companies, even if included as an additional part of an equity financing, is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included.
- No government funding. Grants, loans, or equity financings by the federal government, state agencies, or public-private partnerships to emerging startup companies are not included.