

# Global Fintech Report Q3 2018

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 CBINSIGHTS



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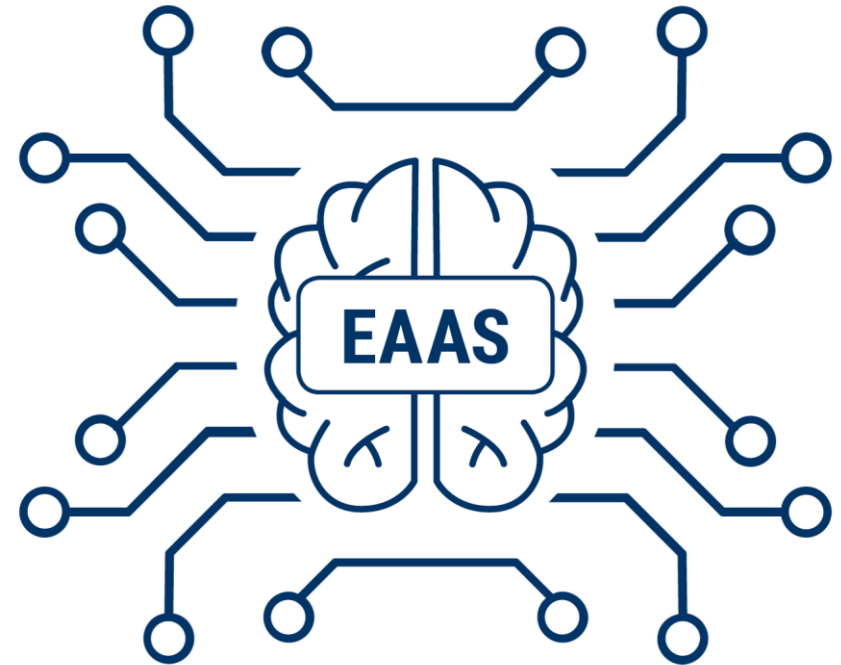
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WHO WE ARE

# The technology market intelligence platform.

CB Insights software lets you predict, discuss, and communicate emerging technology trends using data in ways that are beyond human cognition. We are a leader in the Expert Automation & Augmentation Software (EAAS) space.



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“We use CB Insights to find emerging trends and interesting companies that might signal a shift in technology or require us to reallocate resources.”



Beti Cunniff, Corporate Strategy, Microsoft





# FUTURE OF FINTECH

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 CBINSIGHTS

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## ABOUT THE ANALYST

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Lindsay Davis is an intelligence analyst at CB Insights where she researches emerging technology trends in fintech, capital markets tech, wealth tech, and regtech. Her research has been cited in Bloomberg, The New York Times, The Financial Times, and Thomson Reuters. She presented her analysis at Nikkei's Reg Summit, InVest, and at Money 20/20.

Prior to joining CB Insights, she worked at the Depository Trust and Clearing Corporation (DTCC) as an internal auditor where she most recently lead coverage of the enterprise risk management group including operations, vendor, credit, market, & liquidity risk.

Lindsay is a graduate of the University of Florida and holds a Bachelor's in Economics, a minor in Chinese, and a Master's in International Business from the Warrington School of Business.

### **Most popular analyses by Lindsay:**

[Everything You Need To Know About What Amazon Is Doing In Financial Services](#)

[Fintech Trends to Watch in Q1'2018](#)

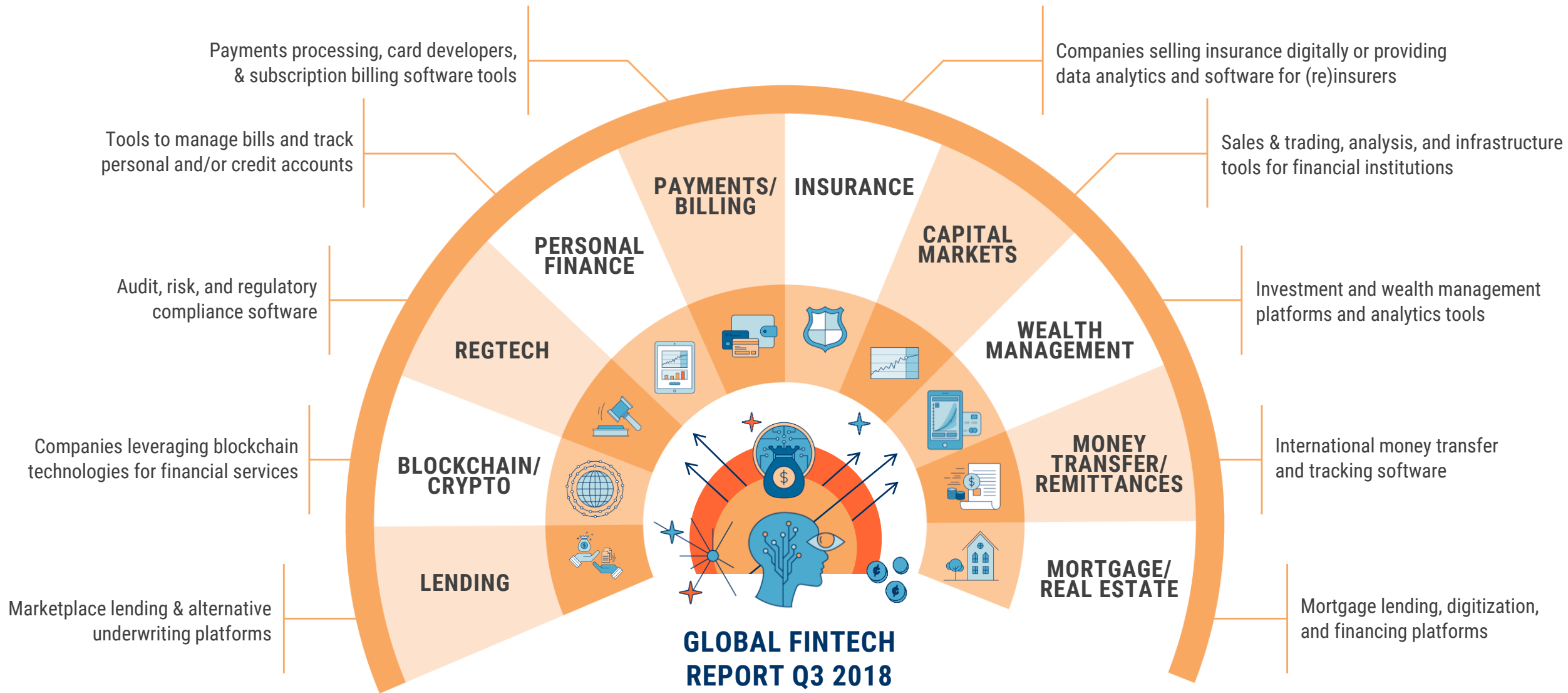
[The Challenger Bank Playbook: How 6 Digital Banking Startups Are Taking On Retail Banking](#)

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# WHAT THIS REPORT COVERS



GLOBAL FINTECH VC-BACKED EQUITY FUNDING IN Q3'18:

\$5.64 BILLION

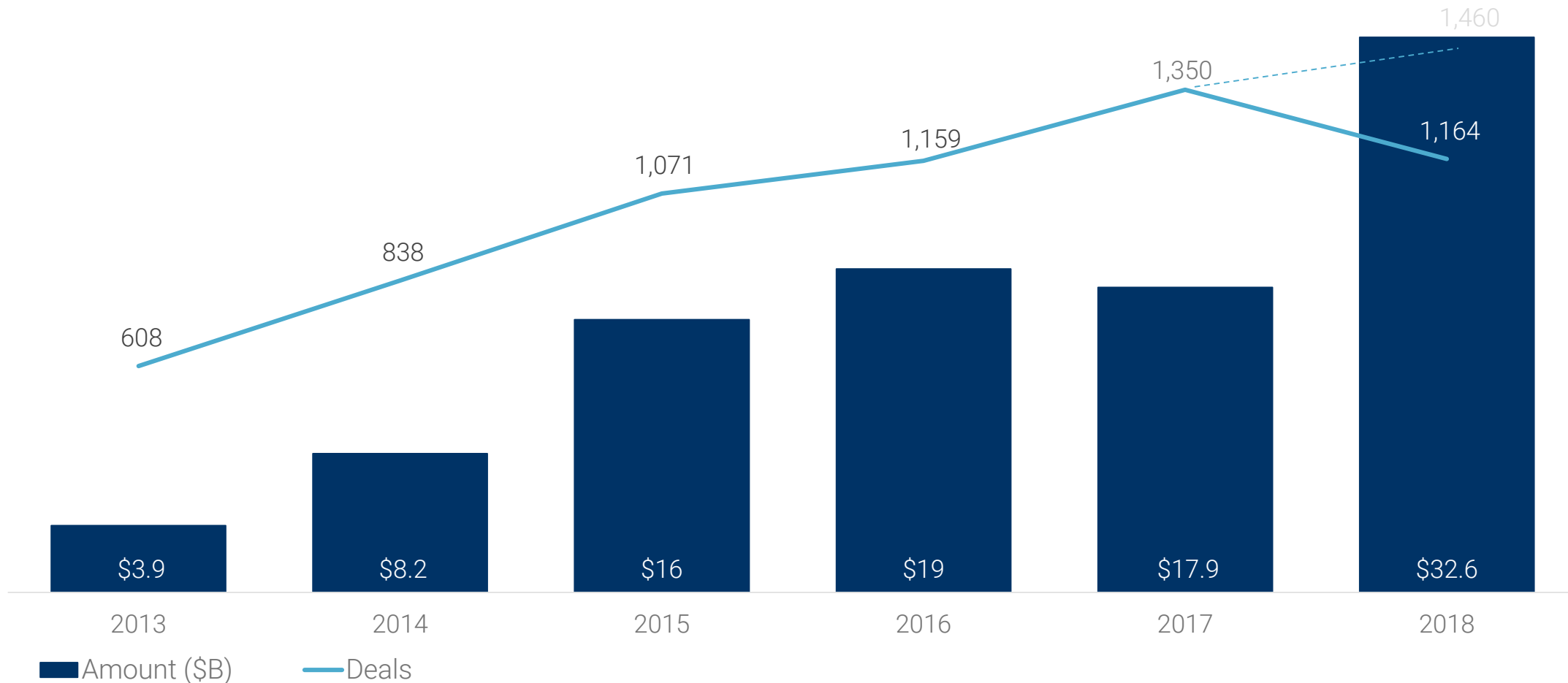
ACROSS

375 DEALS

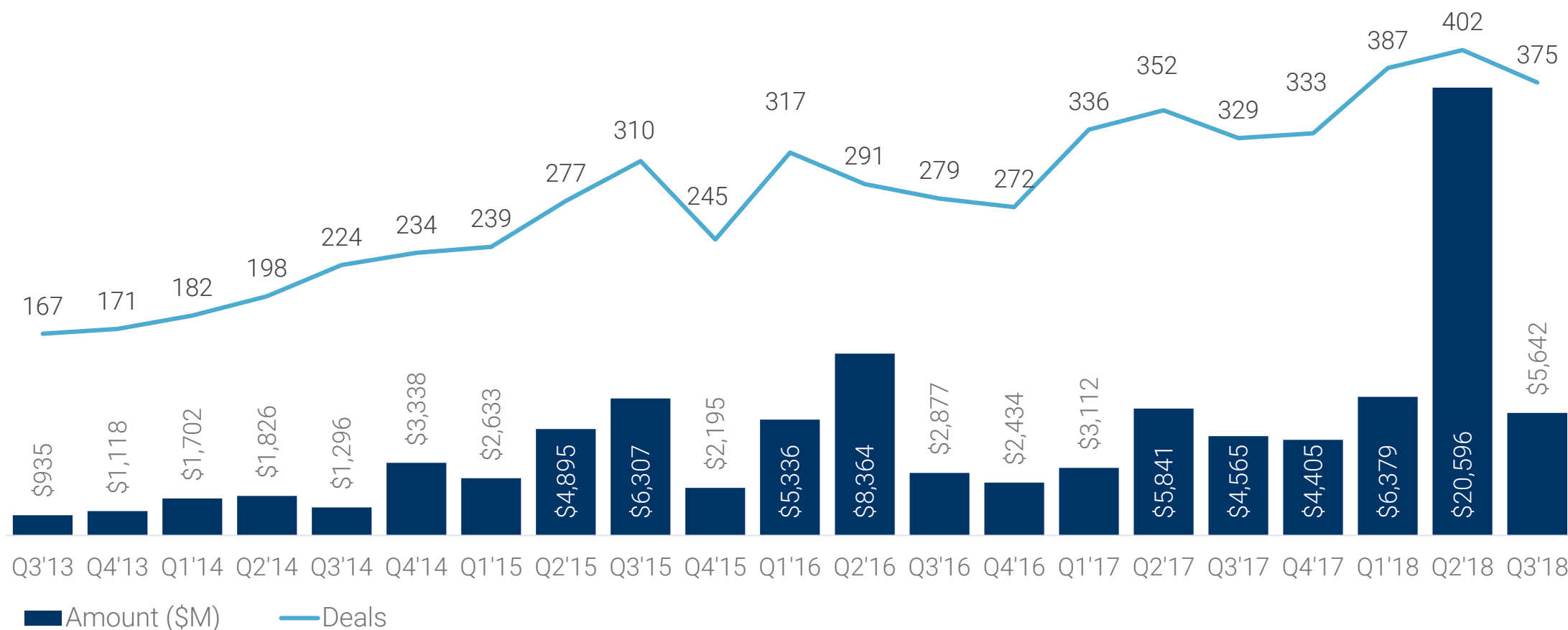


# Global fintech deals are on pace for a record year

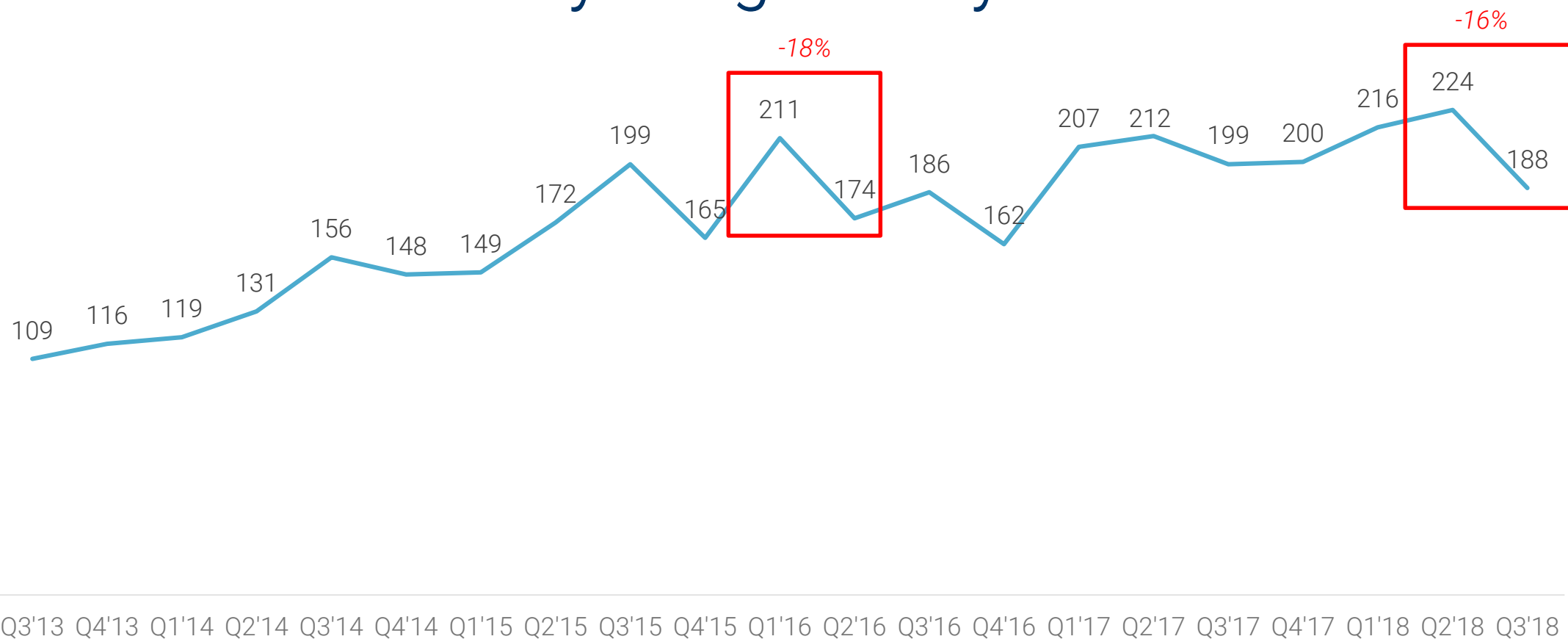
Annual VC-backed global fintech deals and financing, 2013 – 2018 YTD (Q3'18), (\$B)



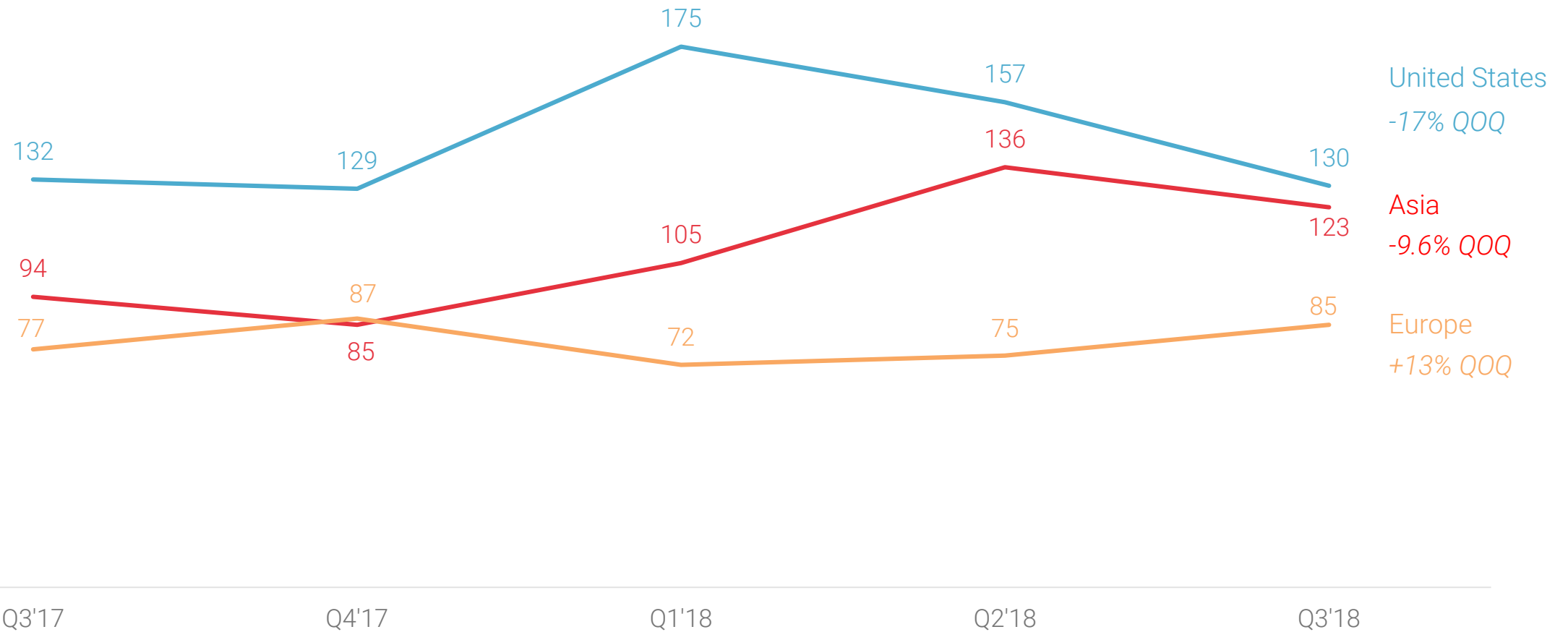
# Q3'18 sees a pullback after Q2 but deals are still on track to set record



# The pullback in deals was driven by the biggest decrease in early-stage in 2 years

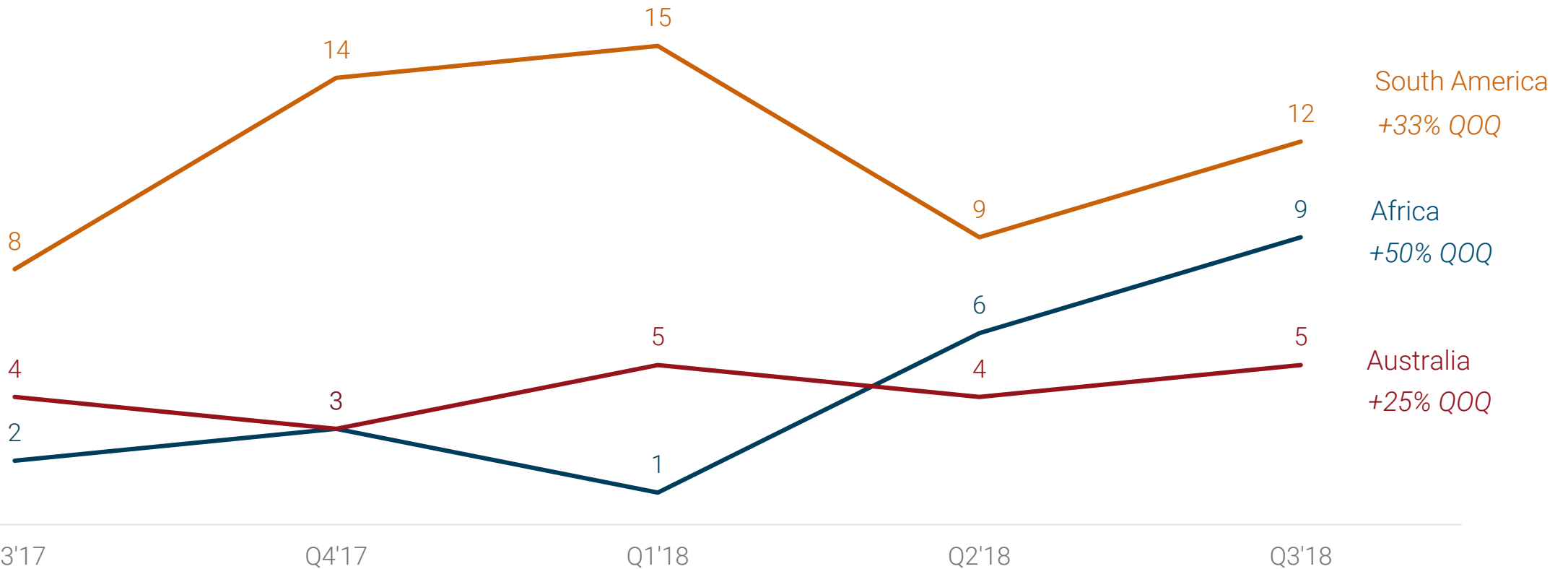


# US maintains a narrow single digit deal lead on Asia, despite biggest dip in 5-quarters



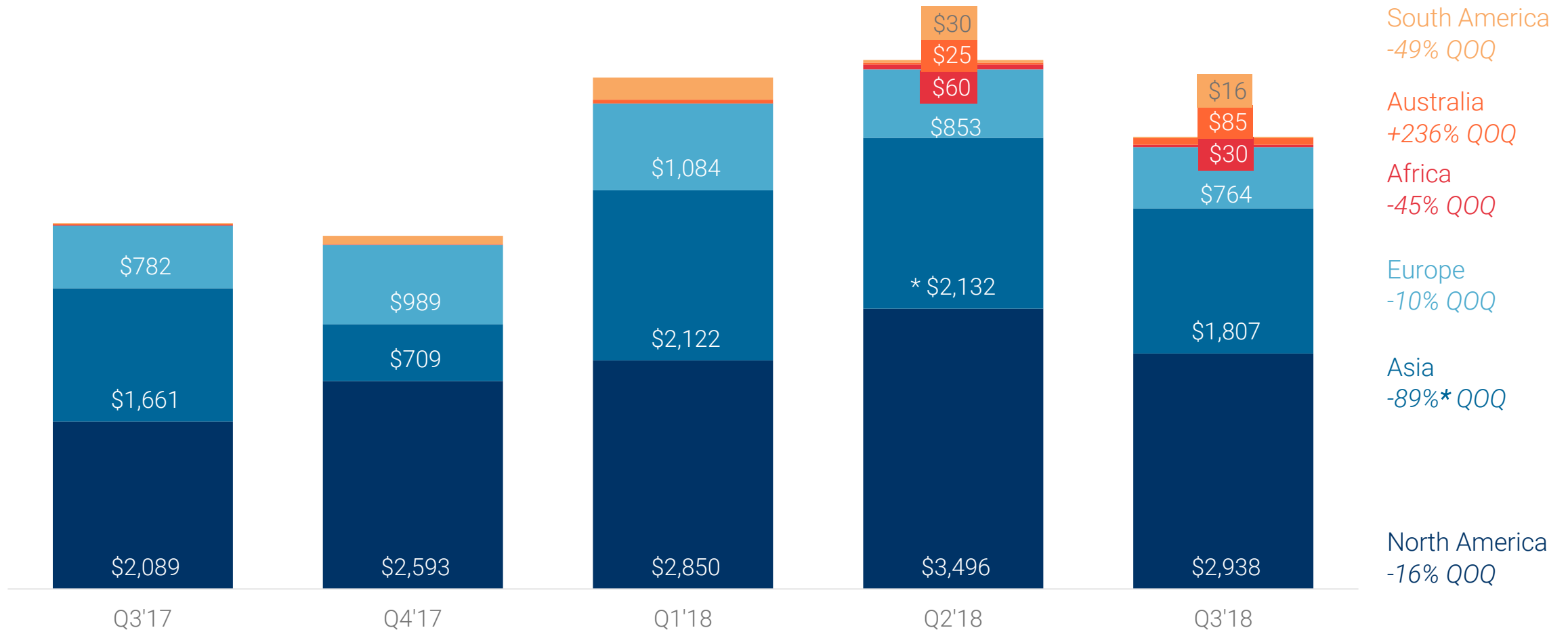
# Africa sees deals top a new quarterly high while conflict in South America constrains deals

Global VC-backed fintech deals by continent, Q3'17 – Q3'18



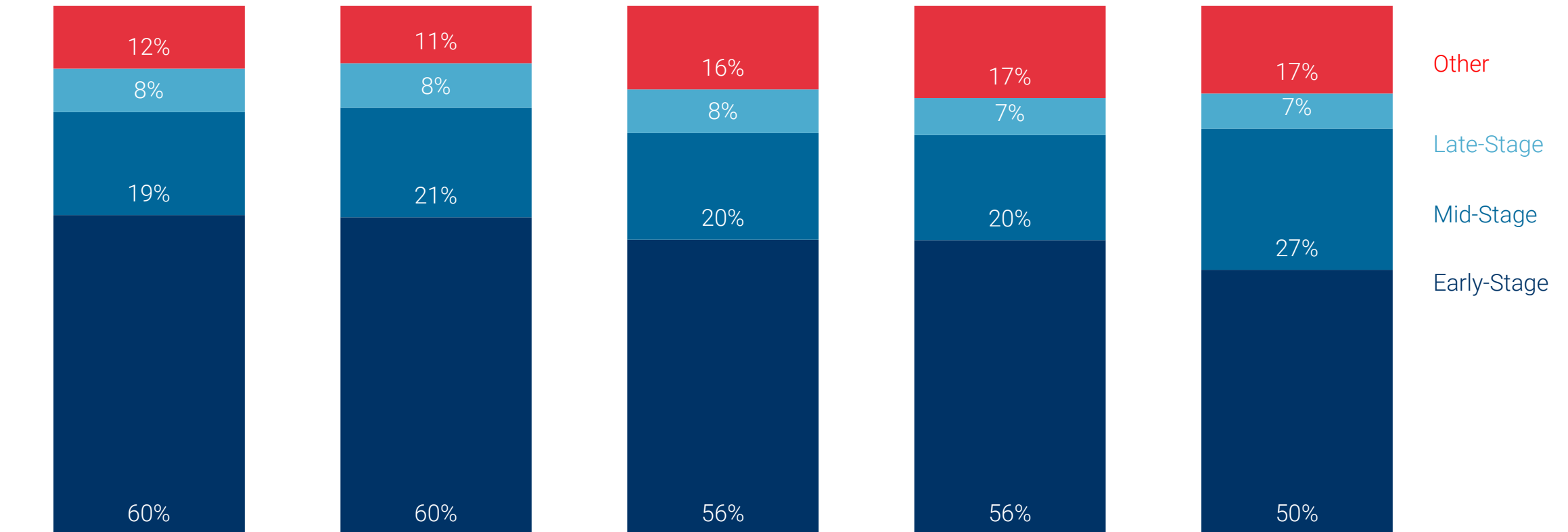
# Funding dipped in nearly every region in Q3'18

Global VC-backed fintech funding by continent, Q3'17 – Q3'18, (\$M) (\*Ant Financial excluded)



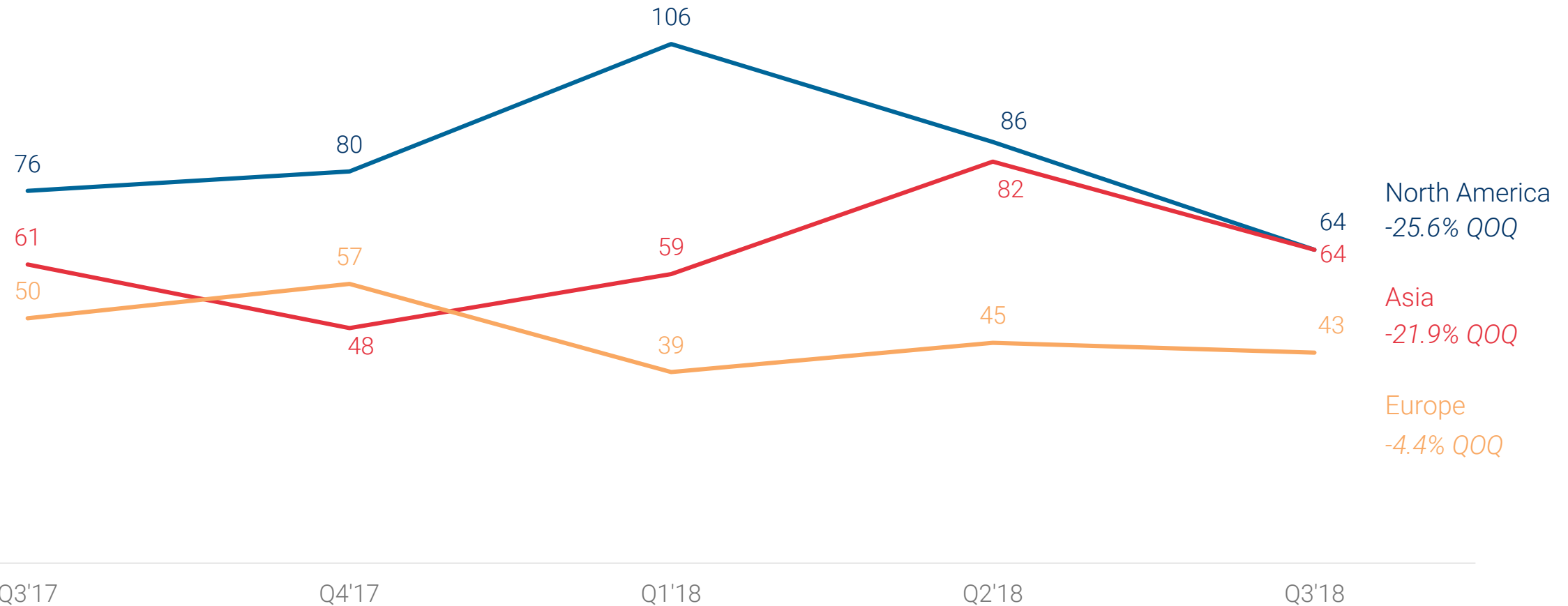
# Early-stage deals dropped to 5-quarter low

Quarterly deal share by stage to global VC-backed fintech companies, Q3'17 – Q3'18

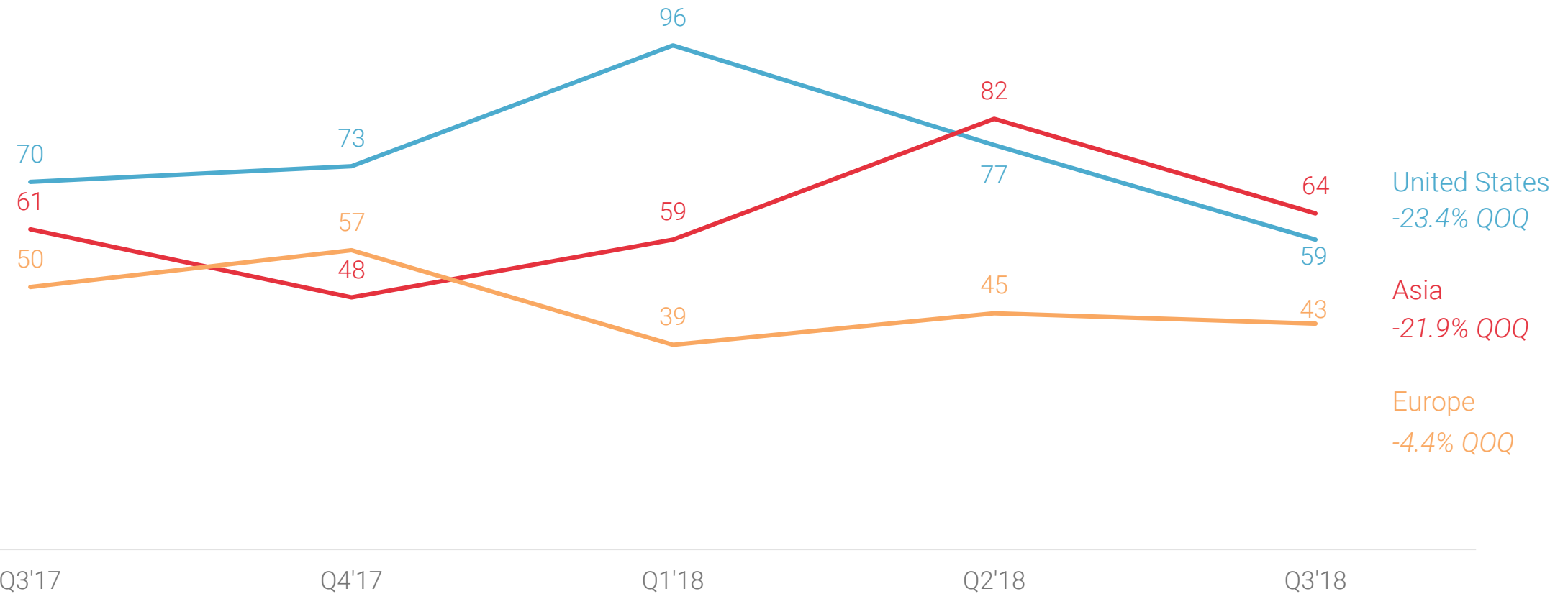


# Early-stage deals dropped in every major region

Quarterly Seed and Series A deals to VC-backed fintech startups, Q3'17 – Q3'18

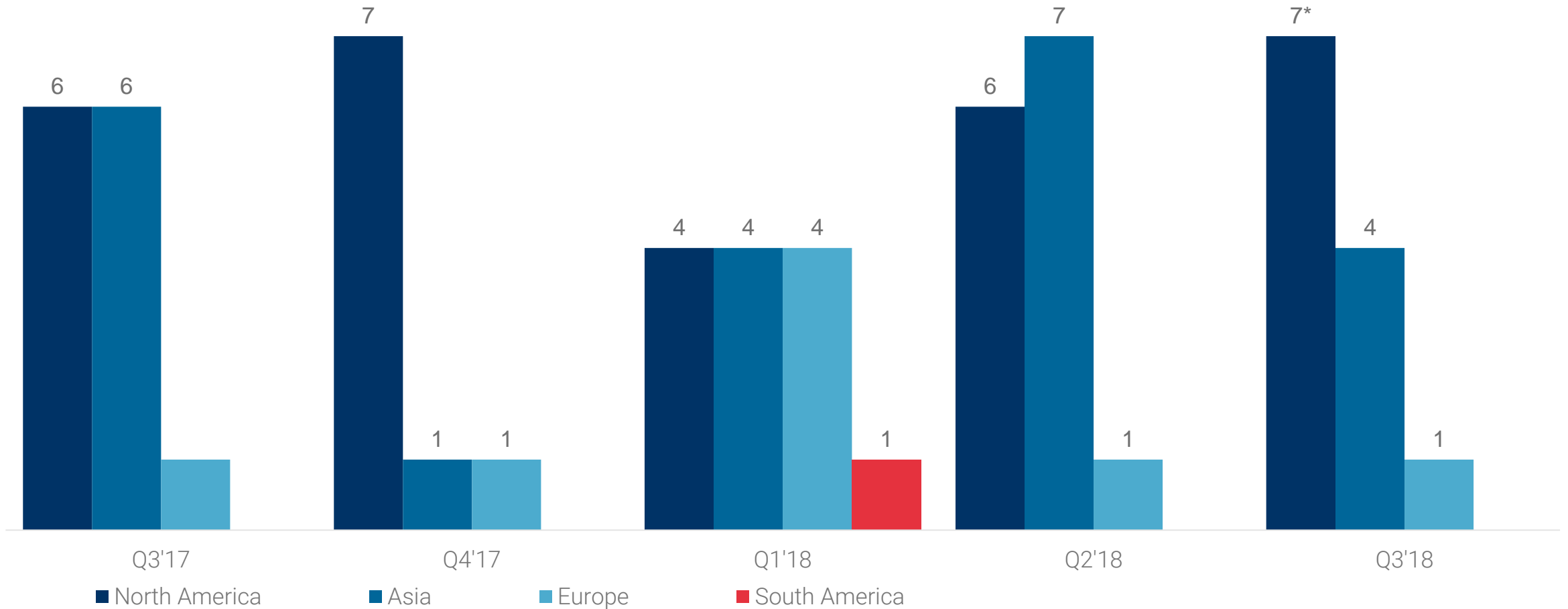


# Despite the dip in deals, Asia maintains the lead on US in early-stage investments



# The US reclaims mega-round lead over Asia

Q3'18: 12 mega-rounds (\$100M+), worth a total \$2.08B





# Top Fintech Deals & Unicorns








# Top 12 global fintech deals in Q3'18

The top 12 deals to VC-backed fintech companies were all mega-rounds (\$100M+) and 7 were in the US

Company	Deal Date // Amount	Total Disclosed Funding (M)	Select Investors	Description
	Aug'18 // \$375M	\$1.27B (\$3.2B Valuation)	Alphabet	Tech-enabled health insurance carrier
	Aug'18 // \$300M	\$3.07B (\$10B Valuation)	Berkshire Hathaway	Mobile payments and commerce platform
	Sept'18 // \$245M	\$1B (\$20.25B Valuation)	Andreessen Horowitz, DST Global, General Catalyst, Khosla Ventures, Kleiner Perkins Caufield & Byers, Sequoia Capital, Tiger Global Management	Online payment infrastructure provider and global e-commerce enabler
	Sept'18 // \$225M	\$408M (\$3B Valuation)	Accel, capitalG, Sequoia Capital	Robotic process automation software
	Sept'18 // \$146.11M	\$271M	Boyu Capital and Sequoia Capital China	China-based mobile and micropayment service provider


# Top 12 global fintech deals in Q3'18

The top 12 deals to VC-backed fintech companies were all mega-rounds (\$100M+) and 7 were in the US

Company	Deal Date // Amount	Total Disclosed Funding (M)	Select Investors	Description
 <b>挖财</b> wacai.com	July'18 // \$140M	\$368M	Oriental Patron Financial Group, Qiming Venture Partners, and Warburg Pincus	China-based fintech that provides users wealth management and credit solutions
 <b>GUSTO</b>	July'18 // \$140M	\$316M (\$2B Valuation)	137 Ventures, capitalG, Dragoneer Investment Group, Emergence Capital Partners, General Catalyst, Kleiner Perkins Caufield & Byers, MSD Capital, T. Rowe Price, Y Combinator	Online platform that centralizes payroll systems, benefits information, and core HR
  <b>toast</b>	July'18 // \$115M	\$253M (\$1.4B Valuation)	Bessemer Venture Partners, Generation Investment Management, Lead Edge Capital, T. Rowe Price, Tiger Global Management	Restaurant management system
 <b>pingpong</b>	Sept'18 // \$102.25M	\$102M	HRVC and Sinowisdom	China-based e-commerce payments platform

# Top 12 global fintech deals in Q3'18

The top 12 deals to VC-backed fintech companies were all mega-rounds (\$100M+) and 7 were in the US

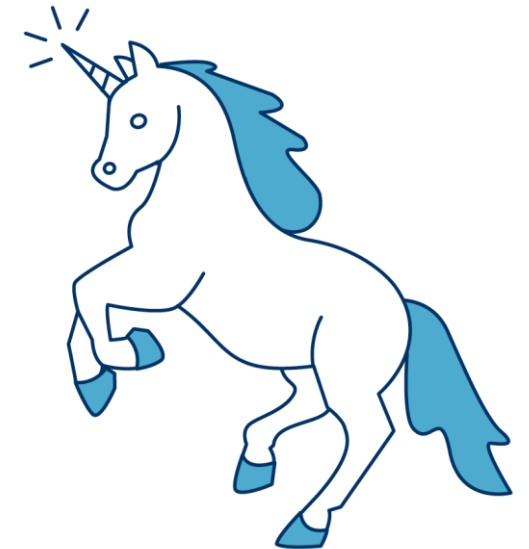
Company	Deal Date // Amount	Total Disclosed Funding (M)	Select Investors	Description
	July'18 // \$100M	\$143M	Bain Capital Ventures, F-Prime Capital, Temasek Holdings, QED Investors, Accel	Global payments platform
	Aug'18 // \$100M	\$143M (\$500M Valuation)	e.ventures, Kinnevik, Vitruvian Partners	Open banking platform
	July'18 // \$100M	\$159M (\$1B Valuation)	Redpoint Ventures, Ribbit Capital, Scale Venture Partners, Tiger Global Management	Personalized auto insurance

GLOBALLY THERE ARE

34 FINTECH UNICORNS

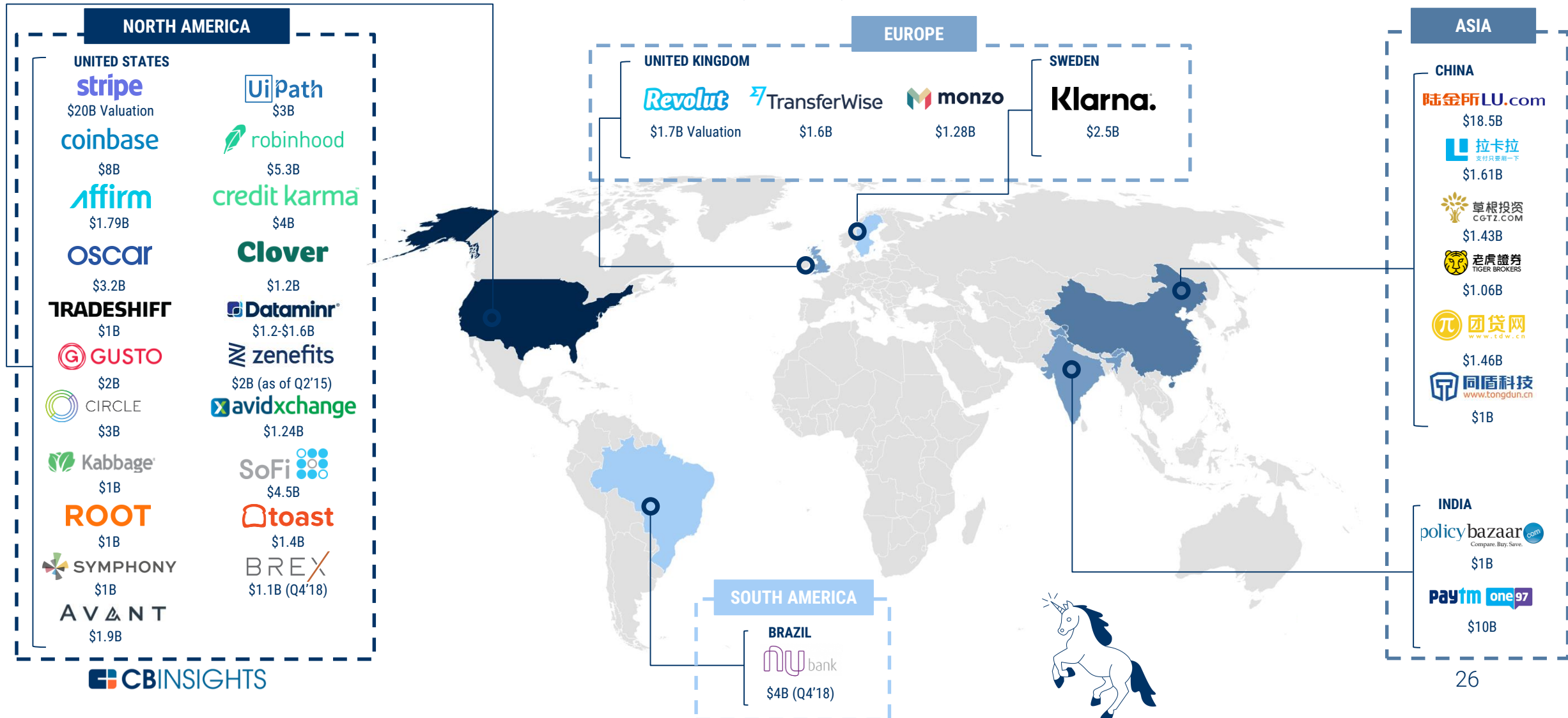
VALUED, IN AGGREGATE, AT

\$117 BILLION



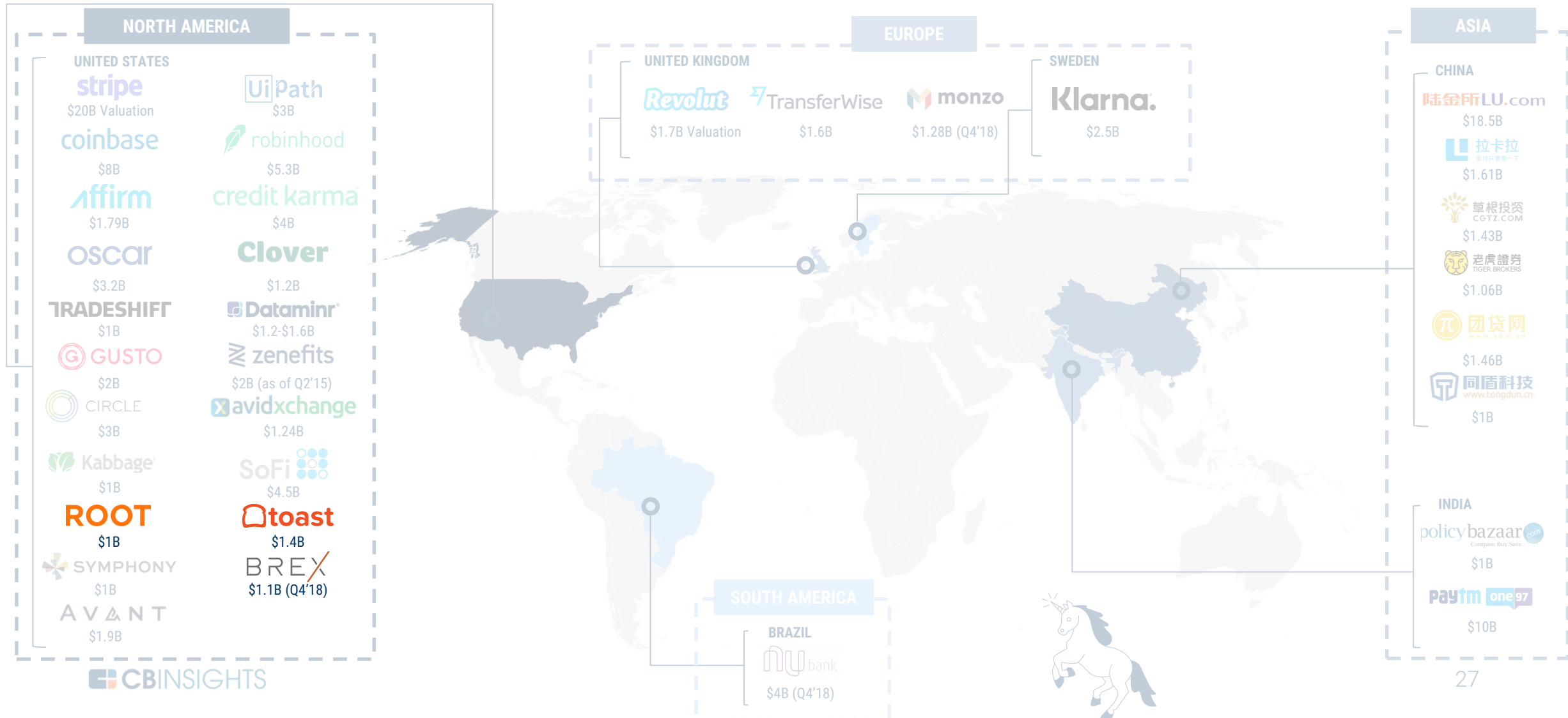
# 34 fintech unicorns valued at \$117B

2018 fintech companies with a private market valuation of \$1B+ (10/31/18)

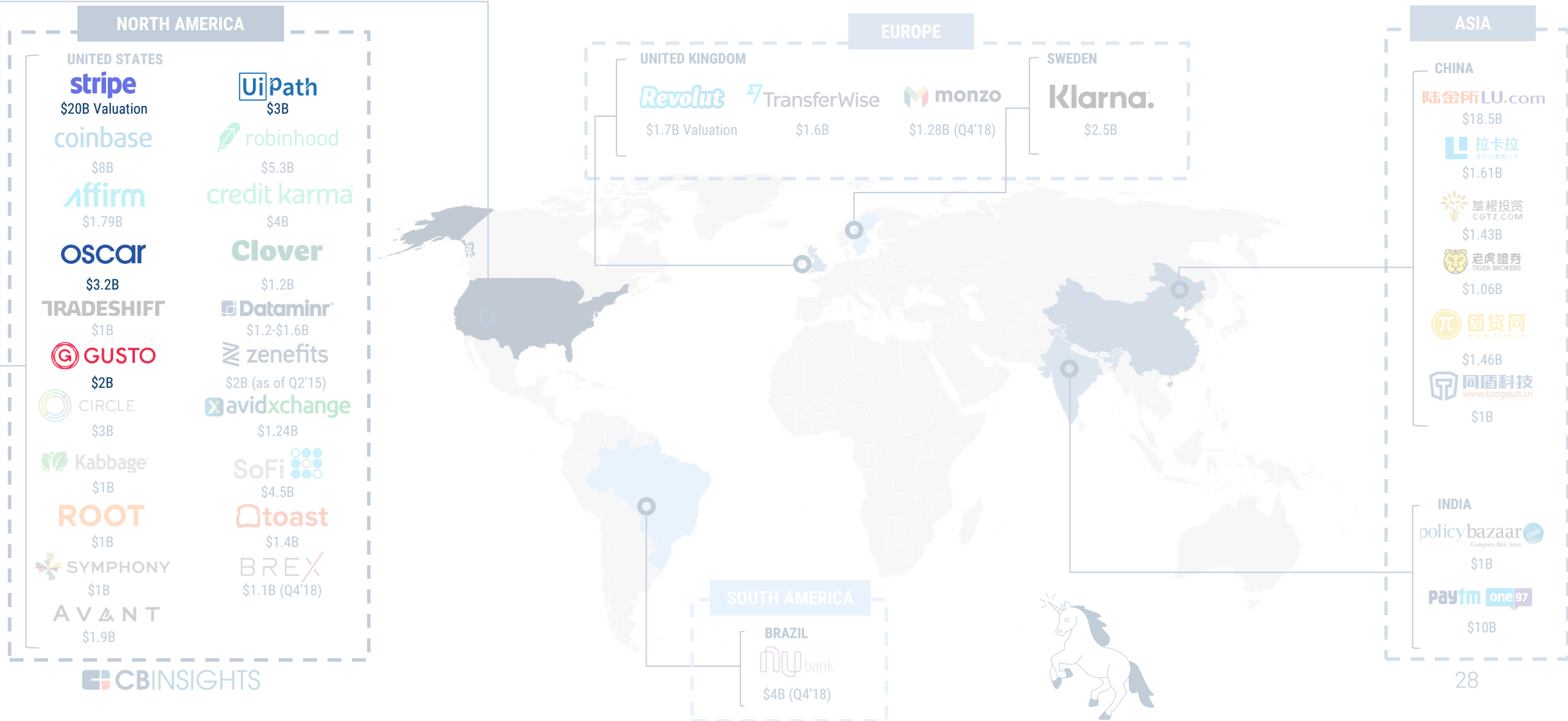


# US sees new breed of fintech unicorns

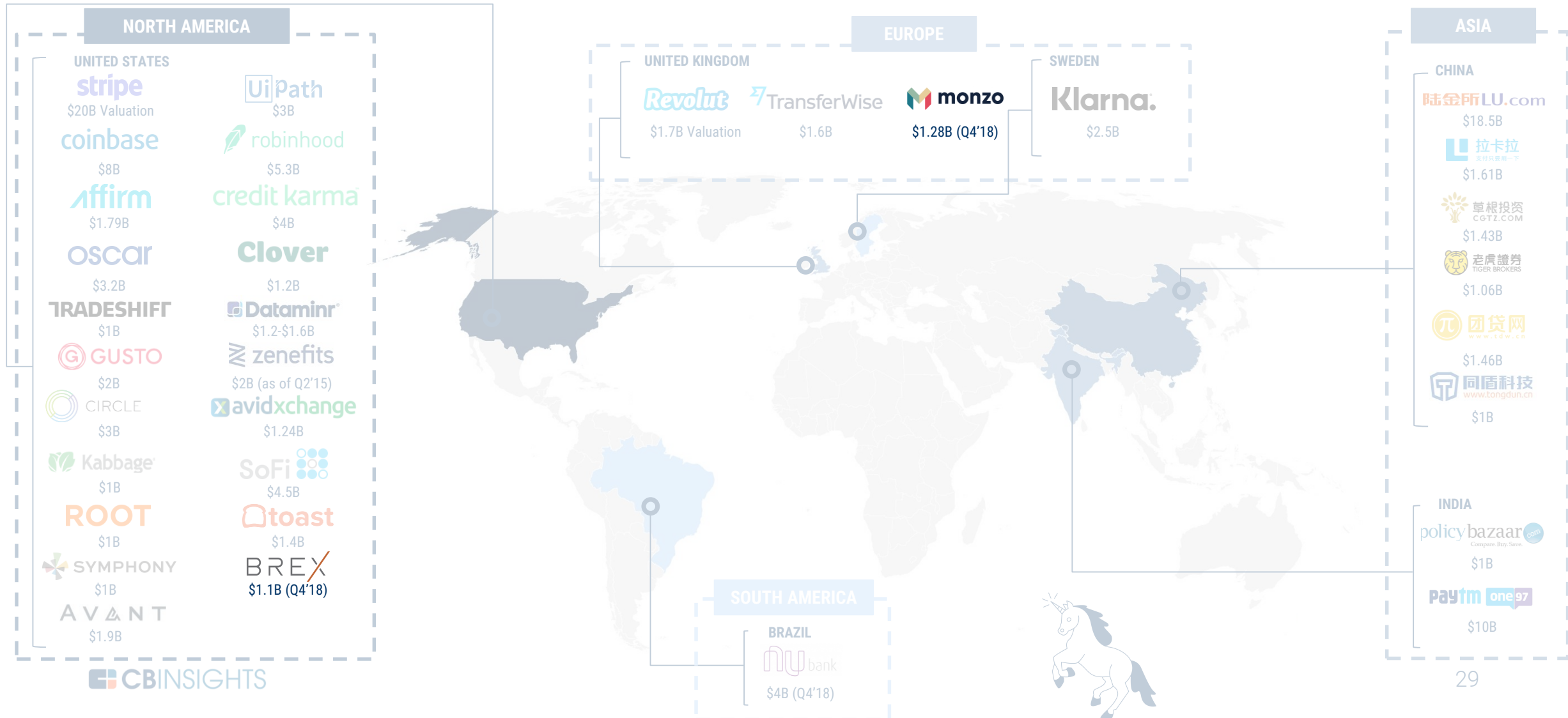
2018 fintech companies with a private market valuation of \$1B+ (10/31/18)



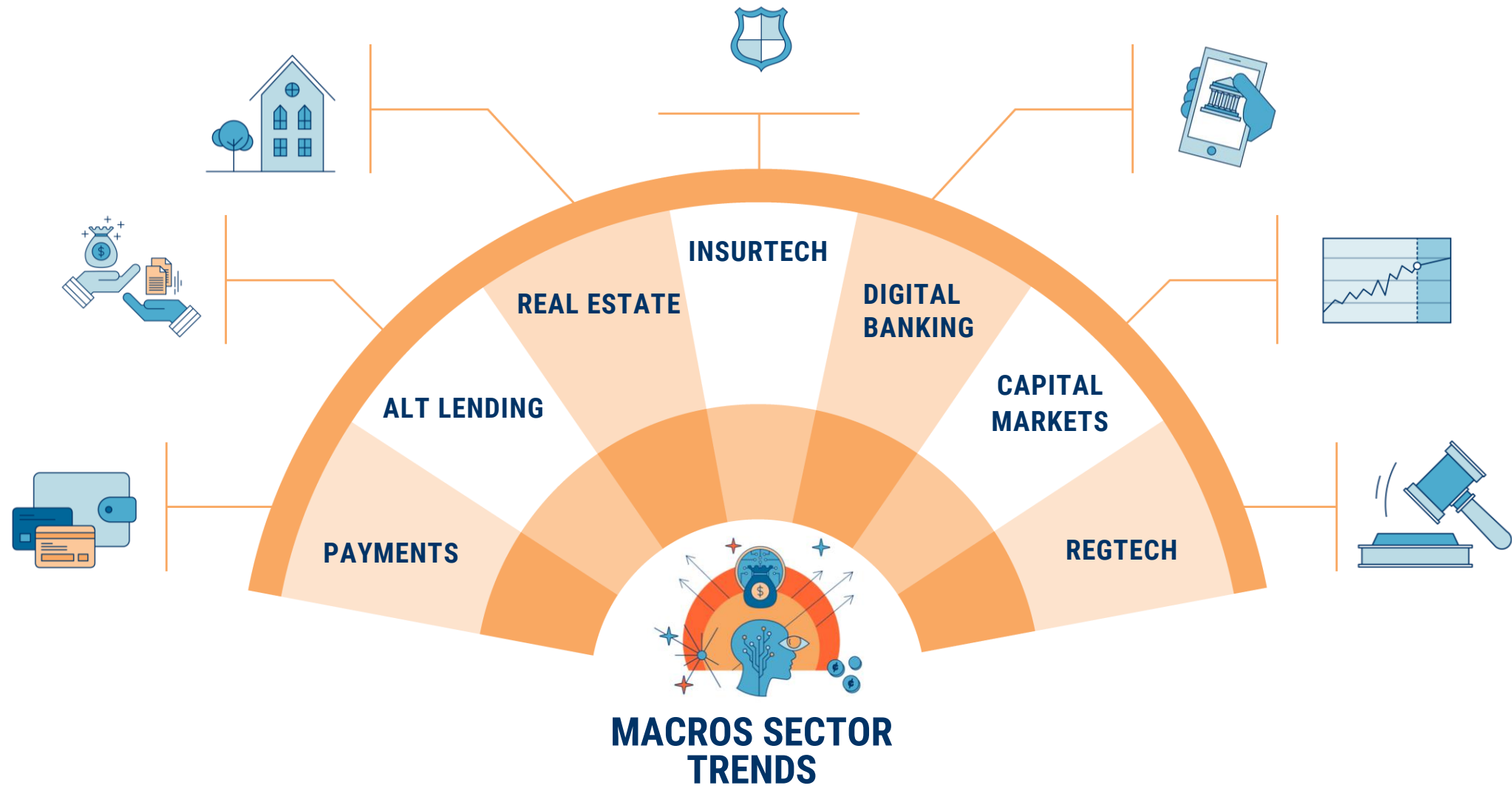
# and mega-rounds to established startups to stay private

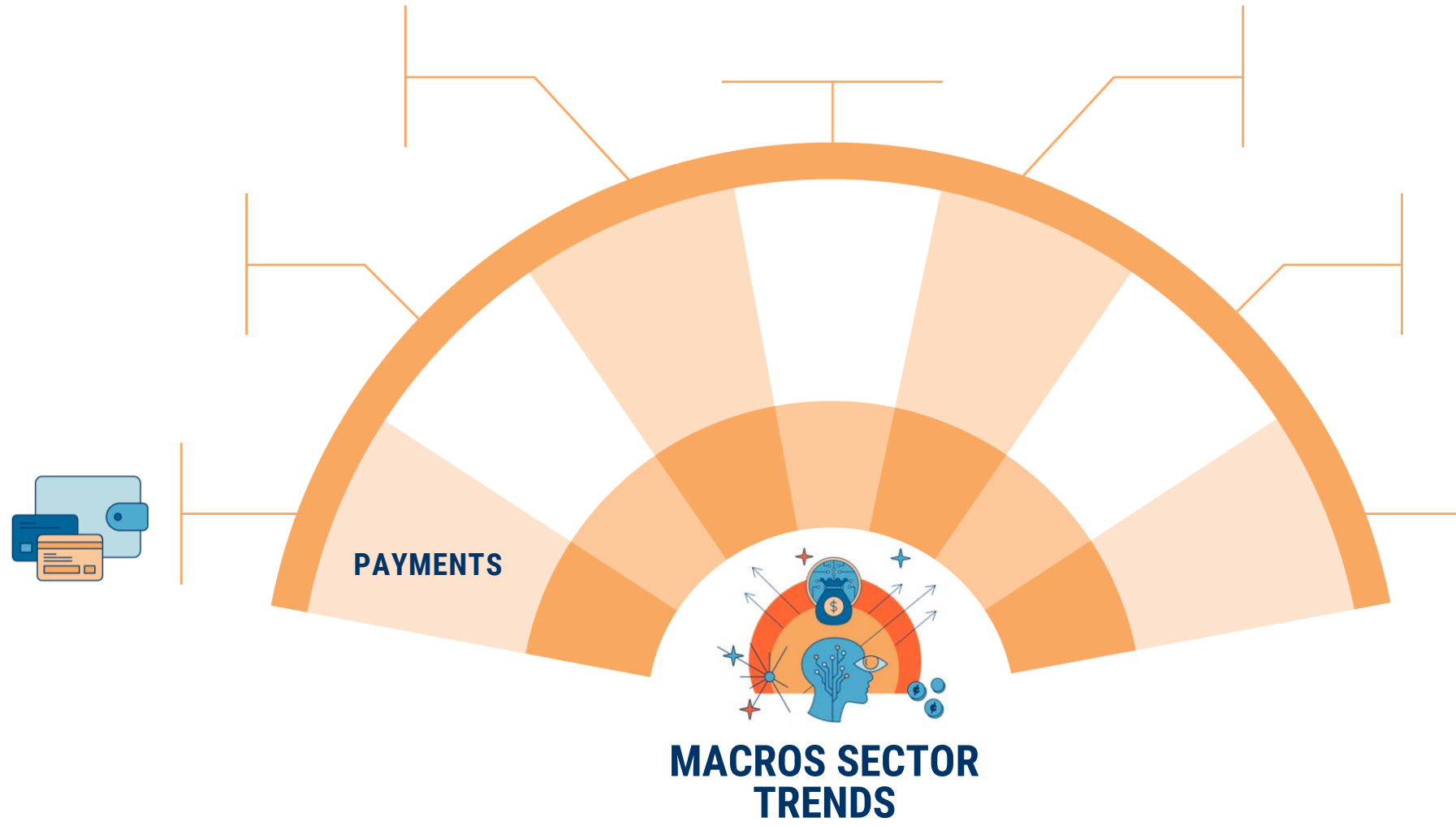


# Q4'18 starts strong, minting 2 digital banking unicorns



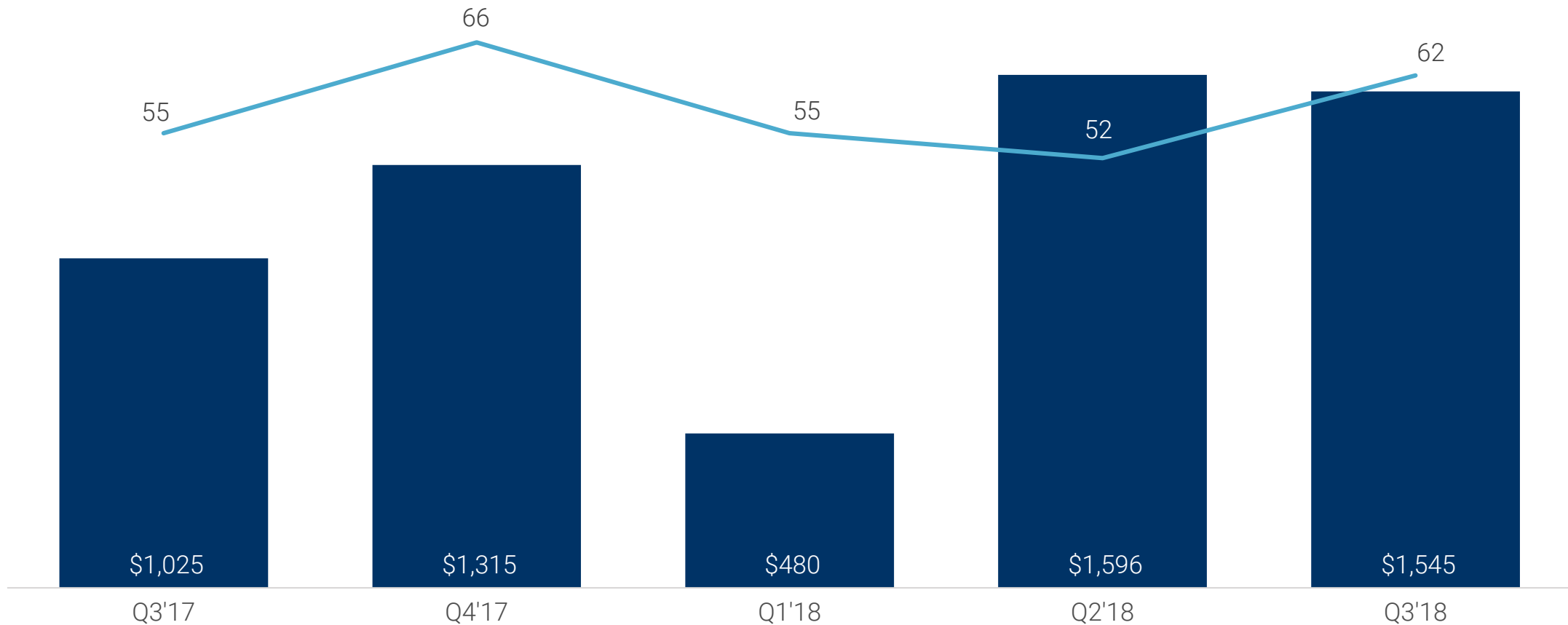
# GLOBAL VC-BACKED FINTECH Q3'2018





# Payments sees deals rebound after a slow H1'18

Global VC-backed payments fintech financing trends, Q3'17 – Q3'18, (\$M)



## DEMOCRATIZING GLOBAL PAYMENTS AND ENABLING THE DIGITAL ECONOMY



### Last Funding

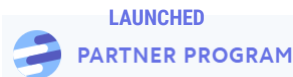
\$245M Series E // Sep'18

### Valuation \$20.3B

Stripe, the global payments provider, has been aggressively expanding their tech stack. The company plans to use the latest funding to expand into Southeast Asia and India.

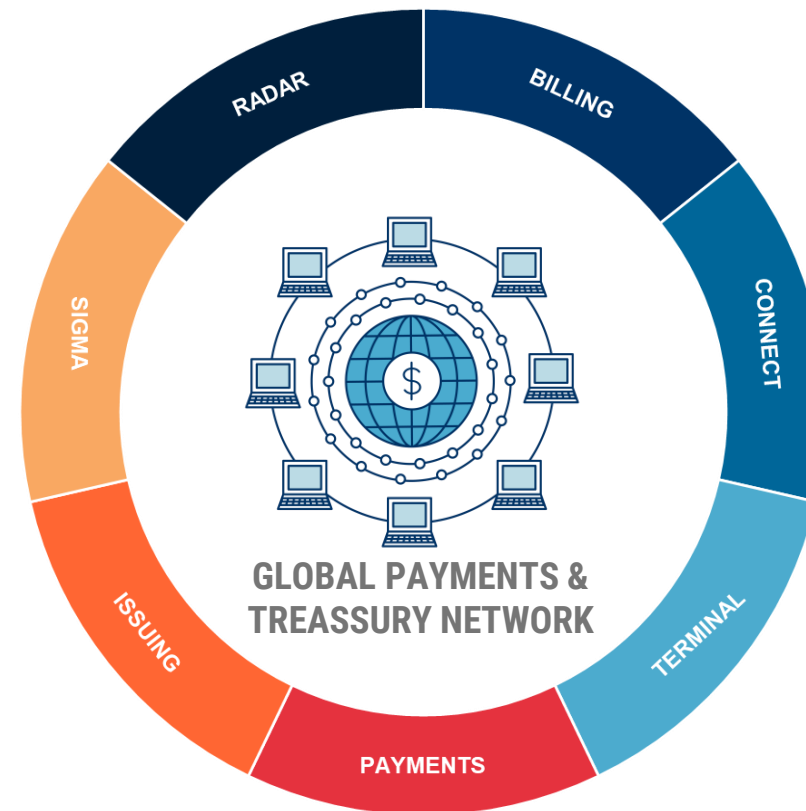
According to Bloomberg, Stripe sales are roughly \$1.5B annually. Stripe supports businesses in 120 countries, payments in 130 currencies, and provides services ranging from fraud prevention to accounting. Stripe reports that 65% of UK internet users and 80% of US users have bought something from a Stripe-powered business.

### RECENT PARTNERSHIPS



### ENABLING DEVELOPERS

Stripe's integrated technology stack for global money movement



SQUARE 2.0

# POS expands from hardware to all-in-one sales & CRM



**Headquarters:** US

**Focus:** Restaurants

**Q3'18 Funding:** \$115M Series D

**Valuation:** \$1.4B

**Select Investors:** T. Rowe Price, Bessemer Venture Partners, Generation Investment Management, Tiger Global Management



CBINSIGHTS



**Headquarters:** Africa

**Focus:** SMBs & Retail

**Q3'18 Funding:** \$16M Series B

**Select Investors:** FMO, Orange Digital Ventures, Partech Ventures, Quona Capital, Velocity Capital Private Equity



**Headquarters:** Indonesia

**Focus:** SMBs, coffee shops, barbers

**Q3'18 Funding:** \$24M Series B

**Select Investors:** Convergence Ventures, East Ventures, EDBI, Fenox Venture Capital, Mandiri Capital, Sequoia Capital India, and SoftBank Ventures Korea



## N+1 OF PAYMENTS IN EARLY PHASES

# While next gen payments want to “go” cashier-less



**Tech:** AI-powered computer vision software powering autonomous checkout

**Q3'18 Funding:** \$5.5M Seed-II

**Total Funding:** \$10M

**Select Investors:** CRV, Y Combinator, Initialized Capital



**Tech:** Hardware price tag & mobile payments app

**Q3'18 Funding:** \$.04M Convertible Note

**Total Funding:** \$10M

**Select Investors:** 500 Startups, Dream Assembly

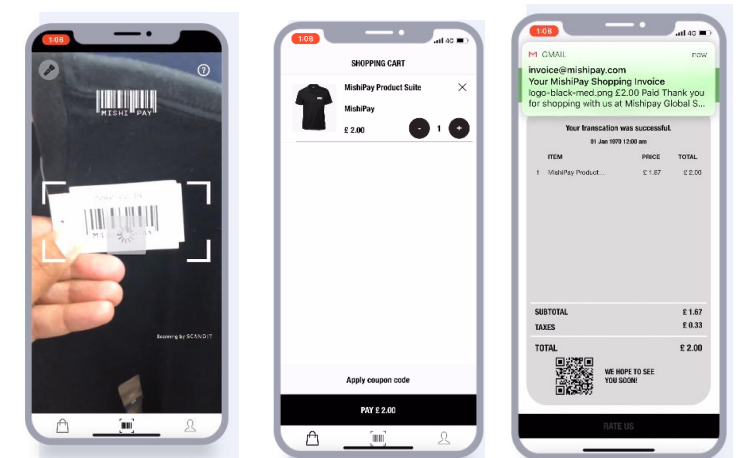


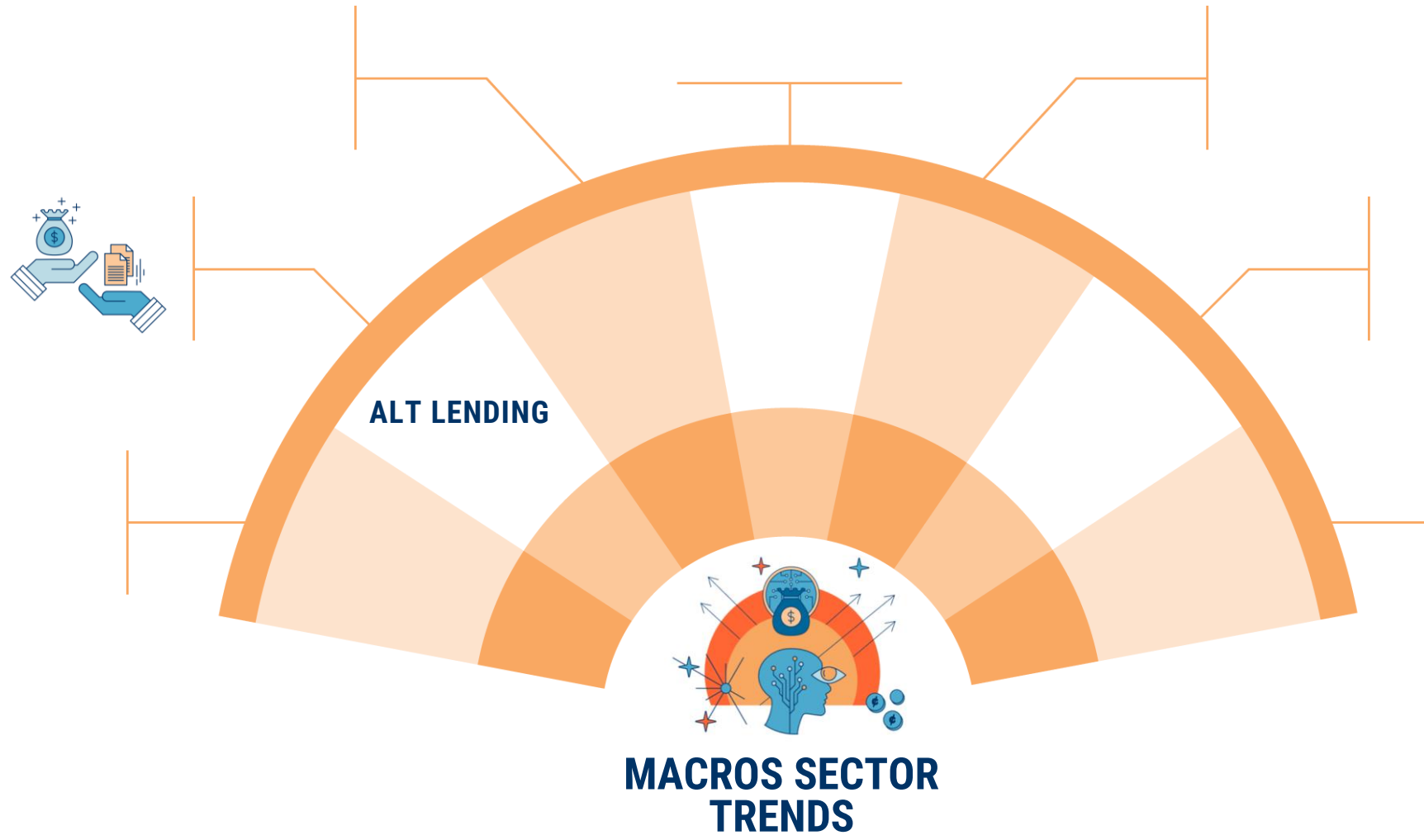
**Tech:** Mobile scanner, non-RFID reader, and payments app

**Q3'18 Funding:** Undisclosed

**Total Funding:** \$2.2M

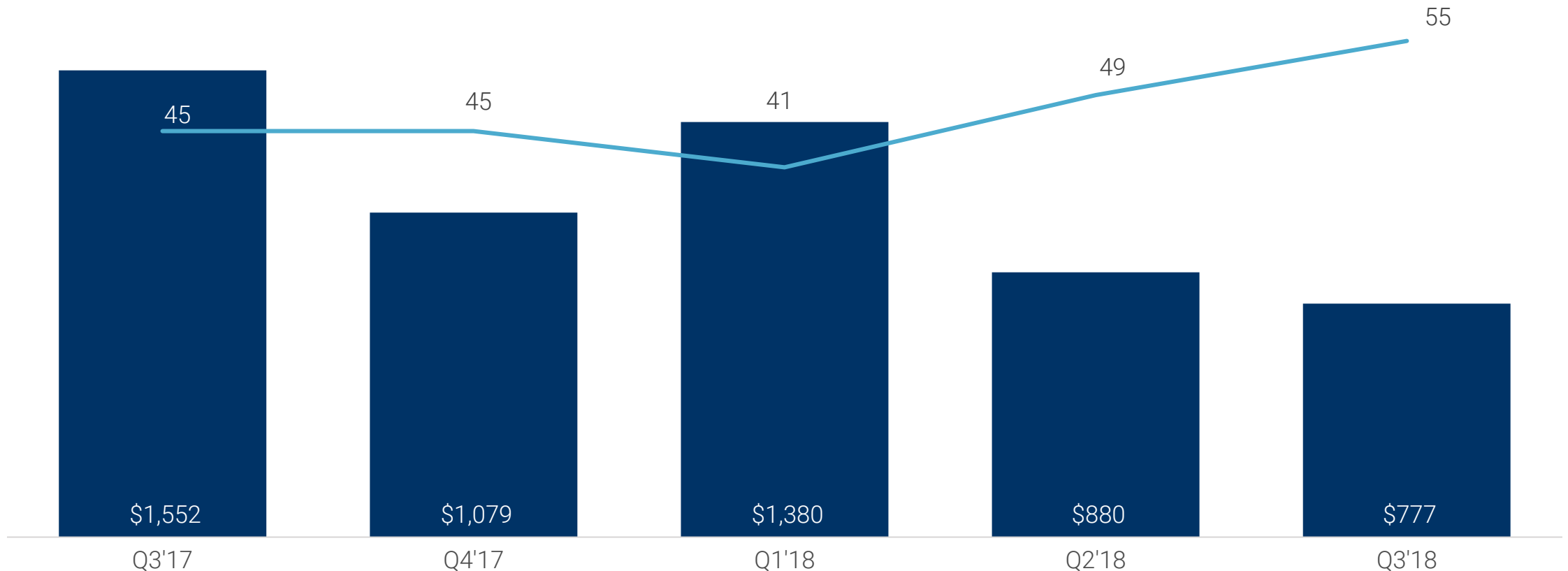
**Select Investors:** Plug and Play Accelerator, Tech Nation Fintech



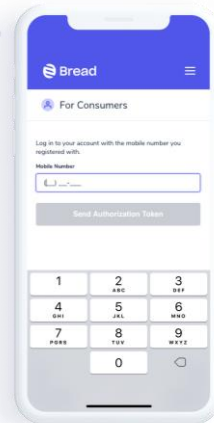
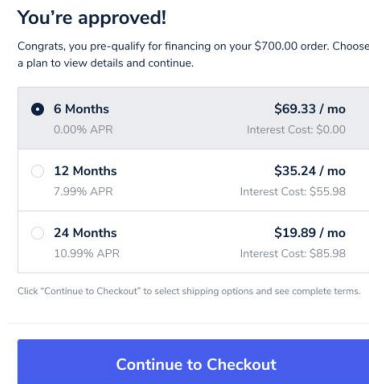


# Alternative lending sees boost from a fresh crop of startups focused on POS and emerging markets

Global alternative lending VC-backed financing trends, Q3'17 – Q3'18, (\$M)



# Alternative lenders launch point-of-sale services to attract millennials and boost merchant sales

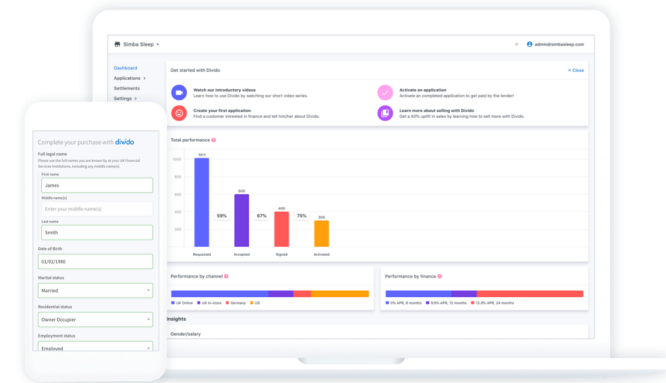


**Focus:** Omni-channel software for retailers to offer POS lending, boost sales, and increase checkout conversions. Bread integrates with sales software (Shopify, Magento).

**Differentiator:** White-label & installments

**Q3'18 Funding:** \$60M Series C

**Select Investors:** RRE, Menlo, Bessemer, Kinnevik



**Focus:** Omni-channel platform that allows merchants to offer their customers the ability to spread the cost of products or services into interest-free installments.

**Differentiator:** Installments

**Q3'18 Funding:** \$15M Series A

**Select Investors:** American Express Ventures, Mastercard

# India sees next wave of lending startups focused on point-of-sale to boost booming e-commerce

Select Q3'18 alternative lending deals



**Focus:** Omni-channel EMI payment and digital lending platform focused on financing electronics and appliances. Partners include Amazon, Flipkart, Uber, and others.

**Differentiator:** Multi-option EMI

**Q3'18 Funding:** \$30M Series C

**Select Investors:** Endiya Partners, Fosun RZ Capital, Sistema Asia Fund, Vertex Ventures SE Asia, VenturEast



**Focus:** Digital lending platform that enables people to pay using digital EMI, without the need for a credit card or a credit score.

**Differentiator:** Card-less digital EMI

**Q3'18 Funding:** \$13.4M Series A-II

**Select Investors:** Omidyar Network, PayU India, Ribbit Capital, Xiaomi Ventures



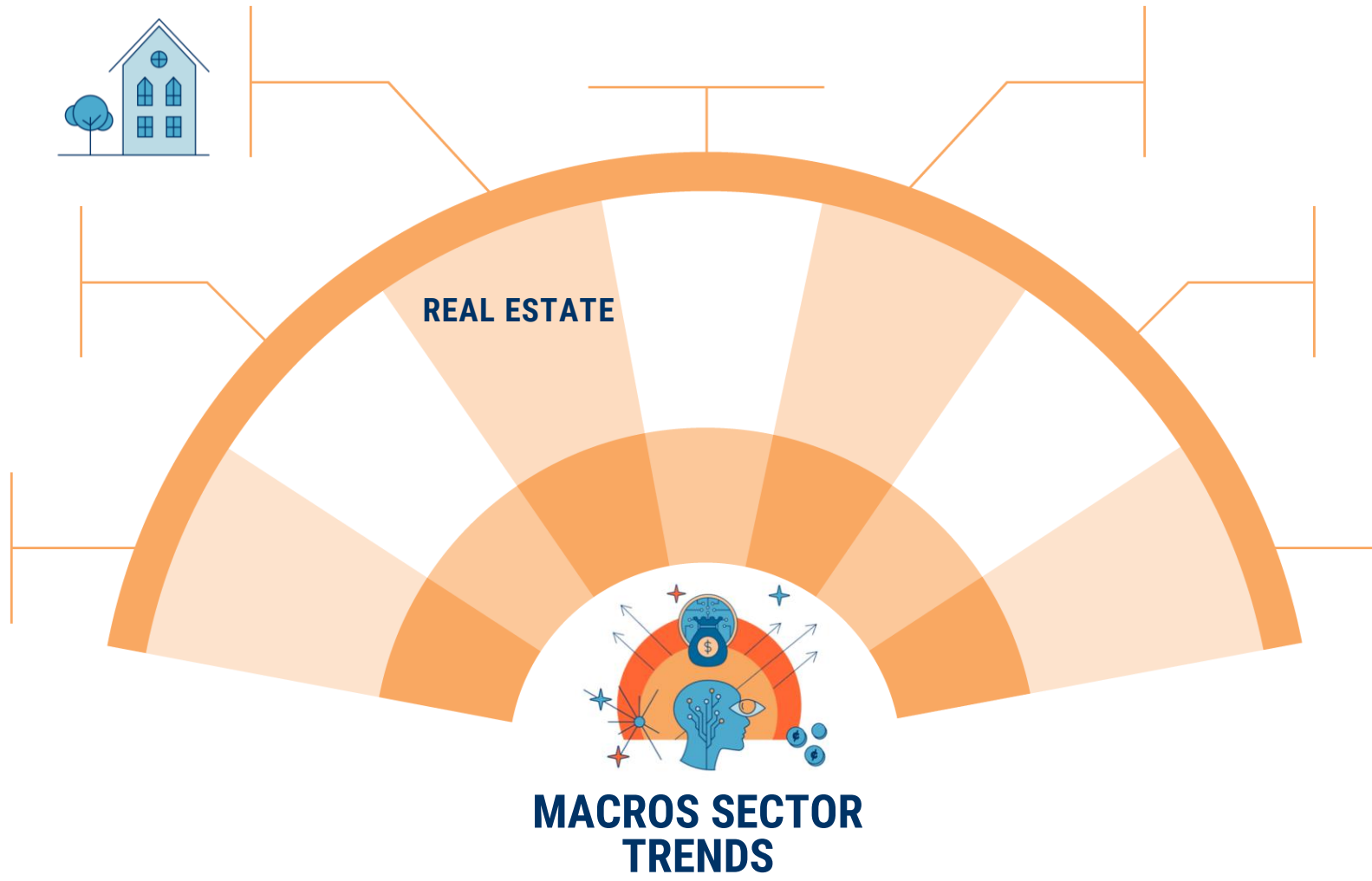
**Focus:** Digital credit platform for college students providing monthly payment plans for e-commerce purchases (Amazon, Flipkart) without collateral.

**Differentiator:** Micro-loans

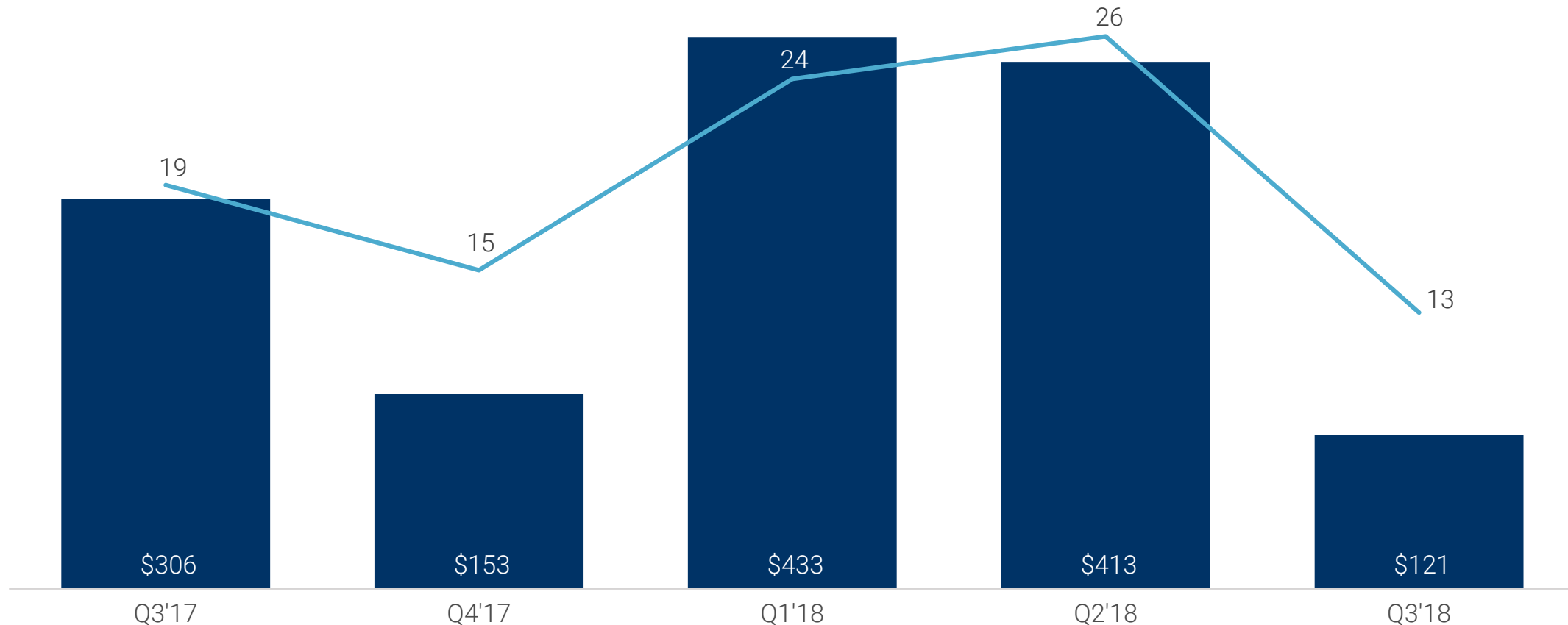
**Q3'18 Funding:** Undisclosed Series A

**Select Investors:** FinUp Finance Technology Group, Simile Ventures, Blume Ventures

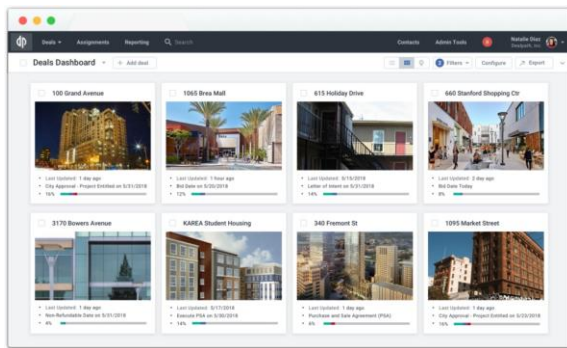
# GLOBAL VC-BACKED FINTECH Q3'2018



# VC-backed fintech companies focused on real estate are still promising despite deal dip



# Real-estate tech sees next wave of startups using AI and data to tap into CRE investing opportunities



## Last Funding

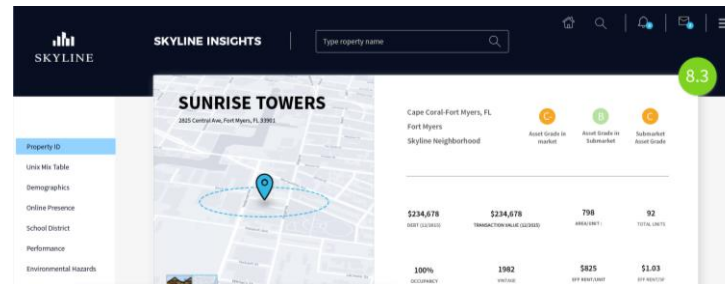
Undisclosed Series B // US

Collaboration, centralization, and workflow platform for commercial property investors.

In May, Dealpath opened its third party API to integrate with iLevel, Compstak, Okta, and other.

## Select Investors

JLL Spark



## Last Funding

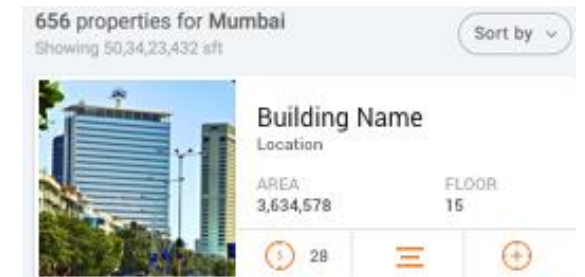
\$18M Series A // US & Israel

AI platform that leverages proprietary algorithms to ingest and analyze 100+ data sets to recommend CRE investment opportunities.

In June, Skyline invested \$26M for two multifamily properties in Philadelphia sourced from its AI.

## Select Investors

JLL Spark, Sequoia, Arbor Ventures



## Last Funding

\$.1M Seed // India

Suite of online services that enables CRE professionals to analyze, interpret, and gain insight on commercial property values, market conditions, and current availabilities.

## Select Investors

Proptech Accelerator, DMG Information, Real Capital Analytics

# Startups open door to portfolio diversification with real estate-backed assets by borrowing existing biz models



## PEER-TO-PEER

### Secured bonds

Bonds listed on the London Stock Exchange, backed by UK property loans.

- ✓ 5 year, 5.25% fixed rate
- ✓ 5.5 year, 5.375% fixed rate
- ✓ Suitable for ISAs and SIPPs

### Online investment platform

Build your own portfolio at the click of a button.

- ✓ 4 – 7% p.a target return
- ✓ Apply and invest in a few clicks
- ✓ Returns payable monthly

### Last Funding

Undisclosed Series C // London

Lendinvest is a marketplace property lender that uses a P2P model to connect borrowers with bridge and rent-to-let financing. Retail and institutional investors are then able to invest in LSE listed bonds securitized from the loans.

Lendinvest has lent \$2B and helped borrowers buy, build, and renovate 5,000+ properties.



## CROWDFUNDING



Targeted Investor IRR	20.4%
Targeted Equity Multiple	1.9x
Targeted Average Cash Yield	13.8%
Targeted Investment Period	4 Years
Minimum Investment	\$25,000
Closed: August 22nd, 2018 \$3,320,735 Raised • 81 Investors	

### Last Funding

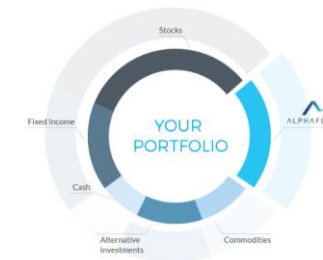
\$8M Series B (Jul'18) & \$.05M Unattributed (Oct'18)

Crowdstreet is a US-based marketplace that connects accredited investors, family offices, and institutions with sponsored commercial real estate projects. Crowdstreet leverages a crowdfunding model to connect investors to co-invest with developers.

Crowdstreet's investors have deployed \$350M across 250+ properties.



## ROBO-INVESTING



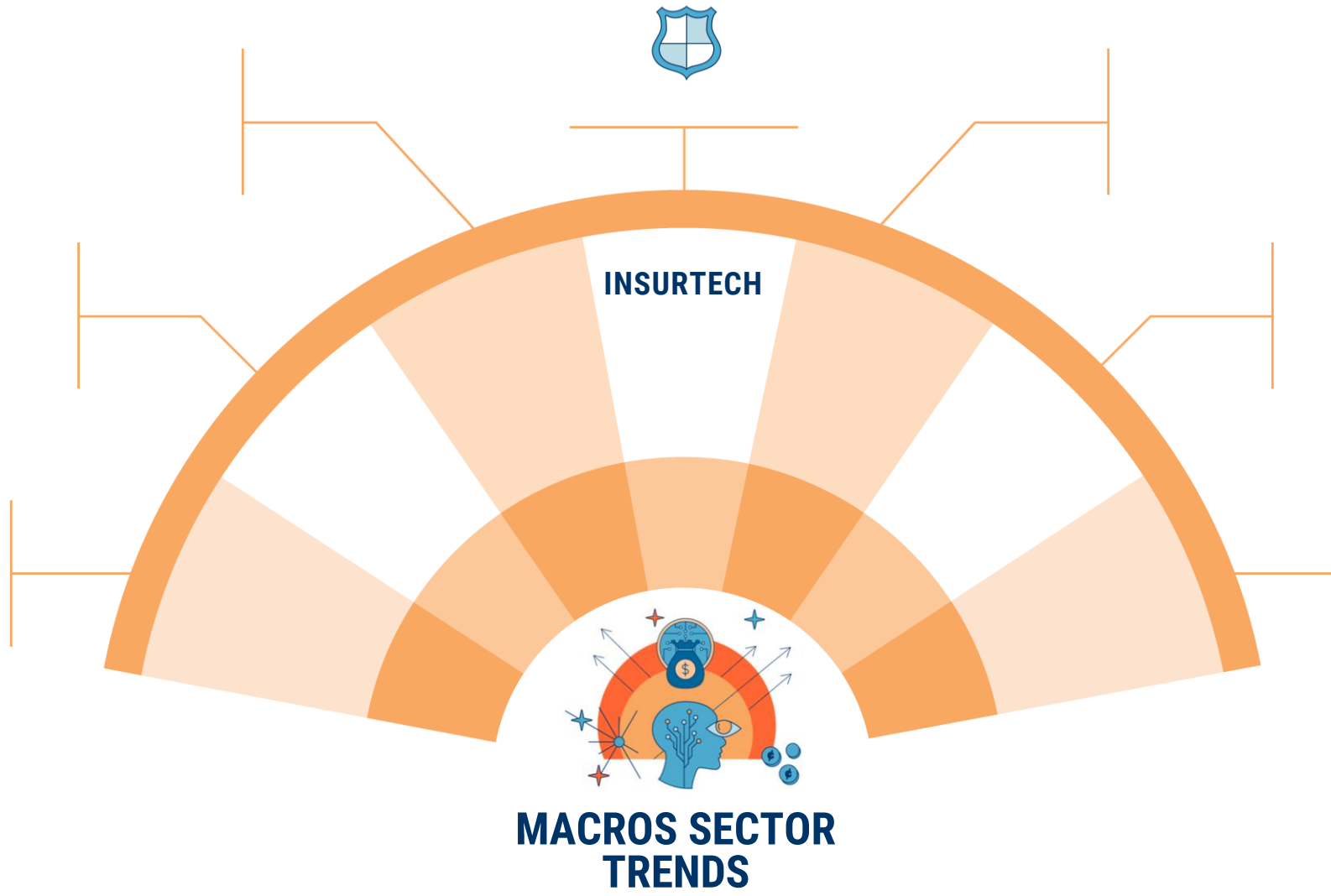
from **75-100** loans  
up to **8 – 10%** projected yield  
across **15 +** states

### Last Funding

\$1M Convertible Note// US

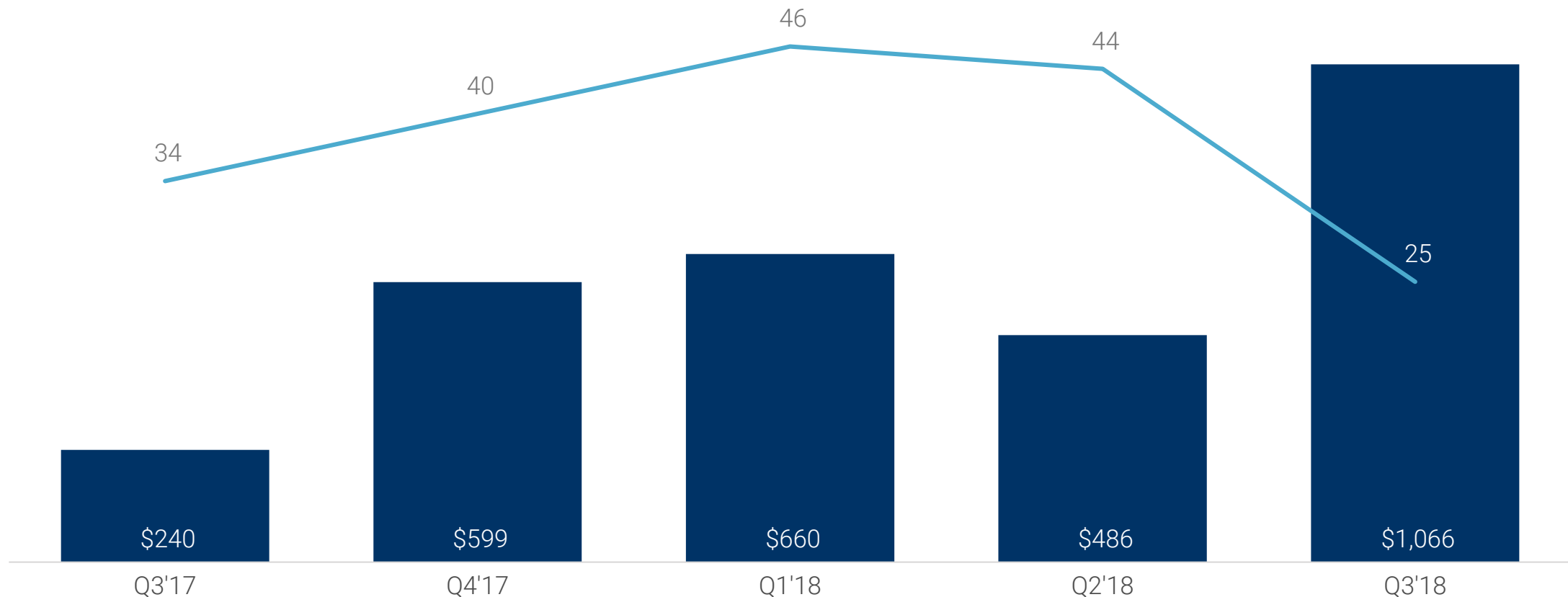
Alphaflow automates real estate investing by leveraging a robo-advising model to generate passive income-producing portfolios.

The company launched in January 2016 and has \$17.32M of assets under management



# Insurance tech funding boosted by mega-rounds to unicorns to fuel further product expansion

Global VC-backed insurance tech financing trends, Q3'17 – Q3'18, (\$M)



# With \$1B+ in funding, Oscar eyes Medicare Advantage with potential help from Alphabet

## Oscar

Aug'18 // \$375M Corporate Minority (Alphabet)

\$3.2B Valuation

### Select Investors:

Alphabet, Verily, Google Capital, Google Ventures, Founders Fund, General Catalyst, Khosla Ventures, Thrive Capital, 8VC

### Growth strategy:

- Entering the Medicaid Advantage space by 2020
- Using in-house machine learning applications to identify new markets to enter and at-risk patients
- Forecasted to grow to 260K members in 2018
- Expanding to Ohio in 2019 through a partnership with Mount Carmel Health System

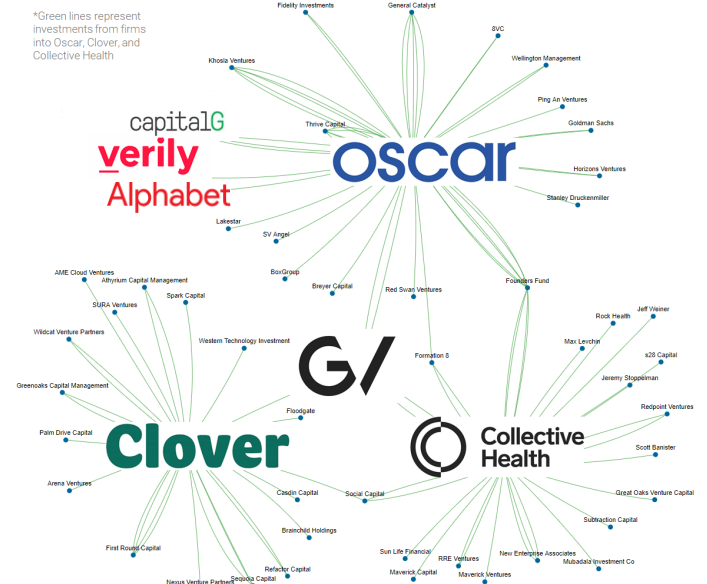
Oscar's customer experience is now integral to its brand

Members trust Oscar to find the right doctor for their medical issue.

First-time physician visits routed by Oscar for members

14% 2016      43% 2018

Select healthcare investments from Google open potential avenues for further growth



# Auto carriers raise large investments in 2018 to fuel expansion

## metromile

**Jul'18 // \$90M Series E**

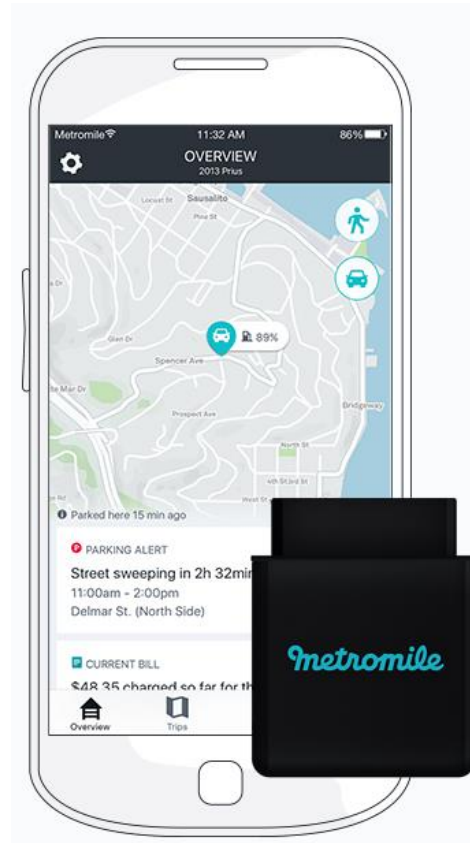
### Select Investors:

Tokio Marine Holdings, Intact Financial, Index, NEA

**States (8):** CA, IL, NJ, OR, PA, VA, WA, OR

### Description:

Metro mile provides pay-per-mile insurance based on factors including age, vehicle, and driver history. The startup doesn't charge for miles driven above 250/day (150/day in NJ). Metro mile has also built out its own mobile claims service.



## ROOT

**Aug'18 // \$100M Series D**

**Valuation \$1B**

**Mar'18 // \$51M Series C**

### Select Investors:

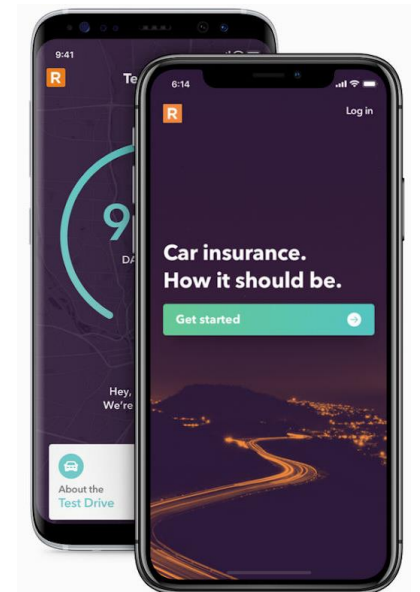
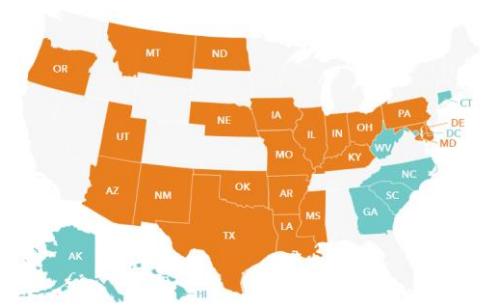
Redpoint Ventures, Ribbit Capital, Scale Ventures, Tiger Global Management

**States (20):** AZ, IL, IN, KY, LA, MS, MO, NM, OH, OK, PA, TX, UT, OR

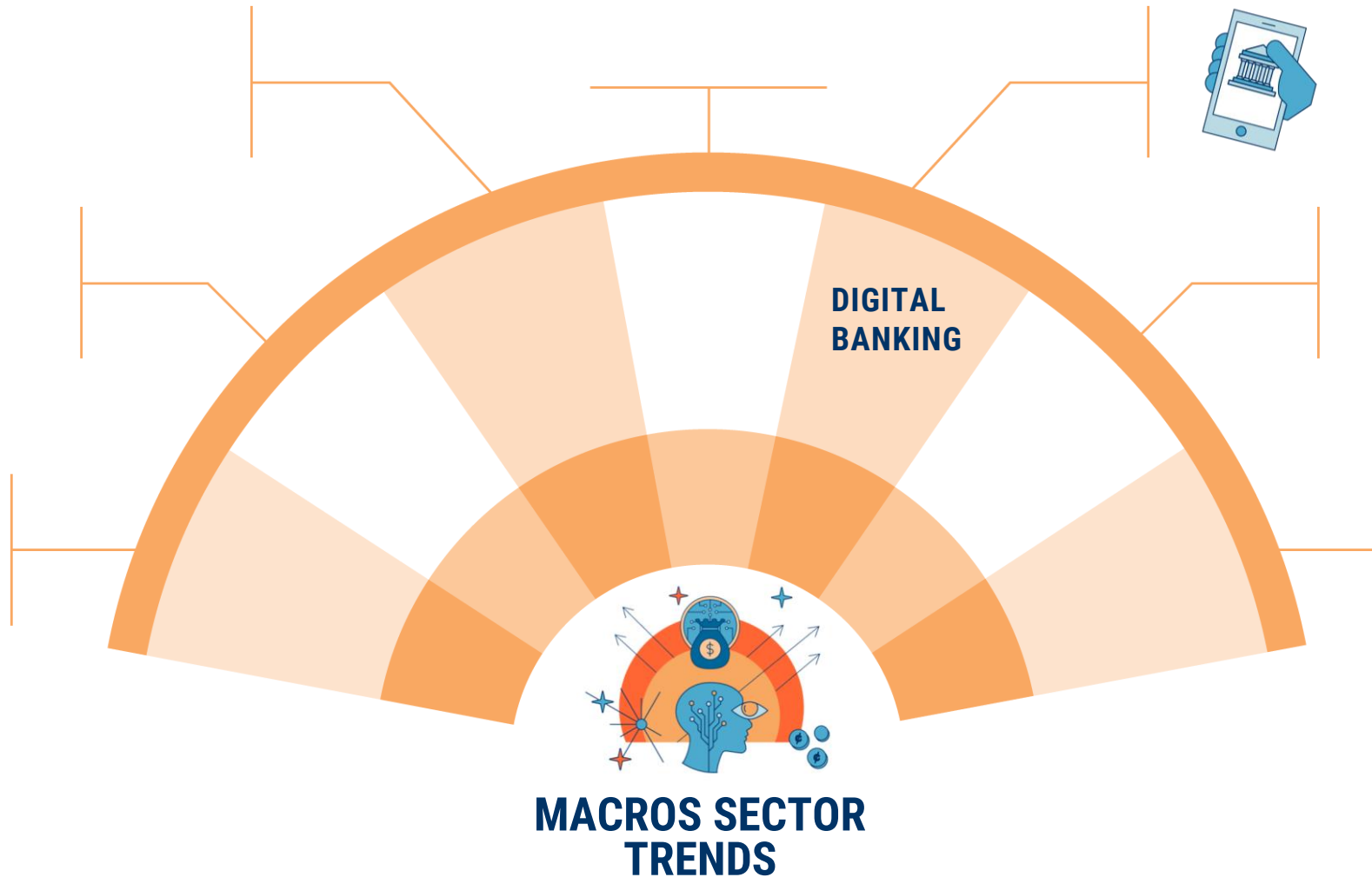
### Description:

Root Insurance's mobile app tests driving habits for 2-3 weeks including mileage, hard braking, dangerous routes, driving regularity, and time of day before insuring "good drivers."

**Licensed & Planned**

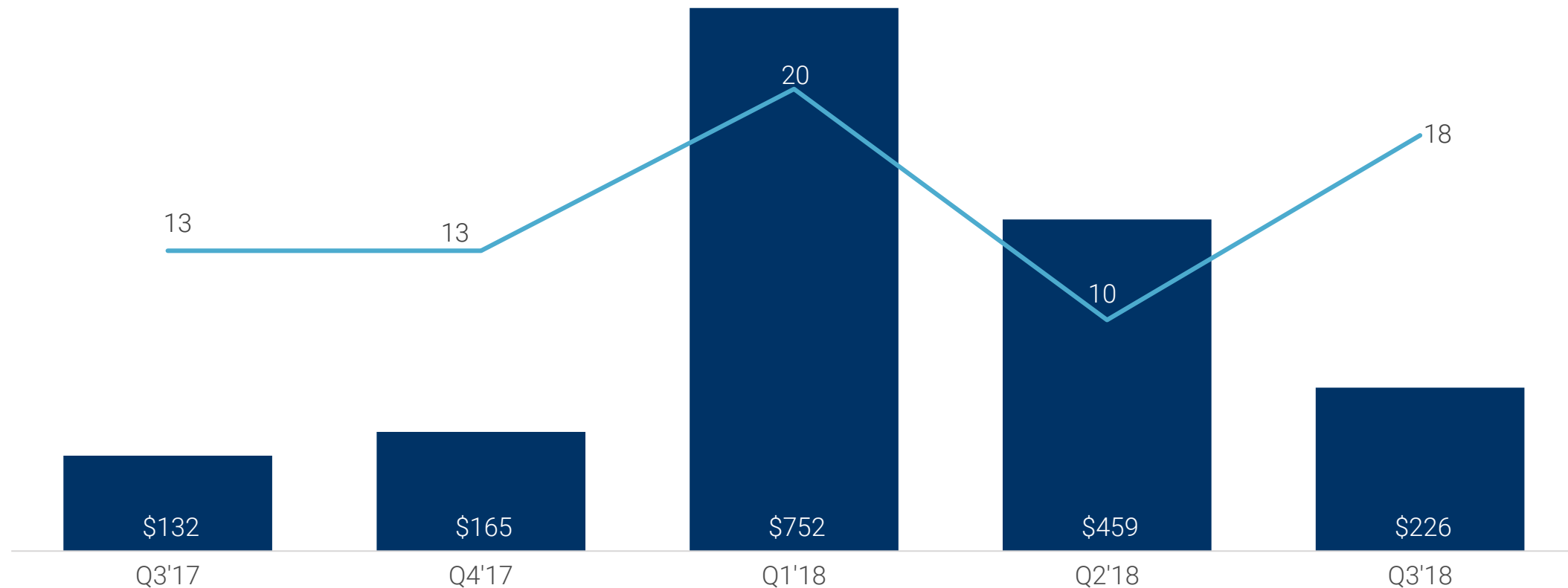


# GLOBAL VC-BACKED FINTECH Q3'2018



# Digital banking startups are cropping up globally to challenge traditional institutions

Global VC-backed digital banking financing trends, Q3'17 – Q3'18, (\$M)



# Startups Disrupting Retail & Commercial Banking

## B2C - DEBIT

### Underbanked/Unbanked



### Blockchain



### Students



### Freelancers



### Millennials



### Kids



## SMB/SMEs



### Expense Management



### Freelancers



### Tech Startups



## B2B - DEBIT

## CREDIT

### Students



### Home owners



### Underbanked/Unbanked



### Tech Startups



### SMB/SMEs



Q3'18 saw 18 deals  
in digital banking  
worth \$226M

Variations on the digital  
challenger bank model  
championed in Europe are  
spreading globally with new  
entrants targeting niche  
customer pain points.

Collectively this year,  
startups in our market map  
have raised over \$1.7B in  
venture capital across 55  
deals, both annual records.

## Startups Disrupting Retail & Commercial Banking

### B2C - DEBIT

#### Underbanked/Unbanked



#### Blockchain



#### Students



#### Freelancers



#### Millennials



#### Kids



### CREDIT

#### Students



#### Home owners



#### Underbanked/Unbanked



### SMB/SMEs



### B2B - DEBIT



### Expense Management



### Freelancers



### Tech Startups

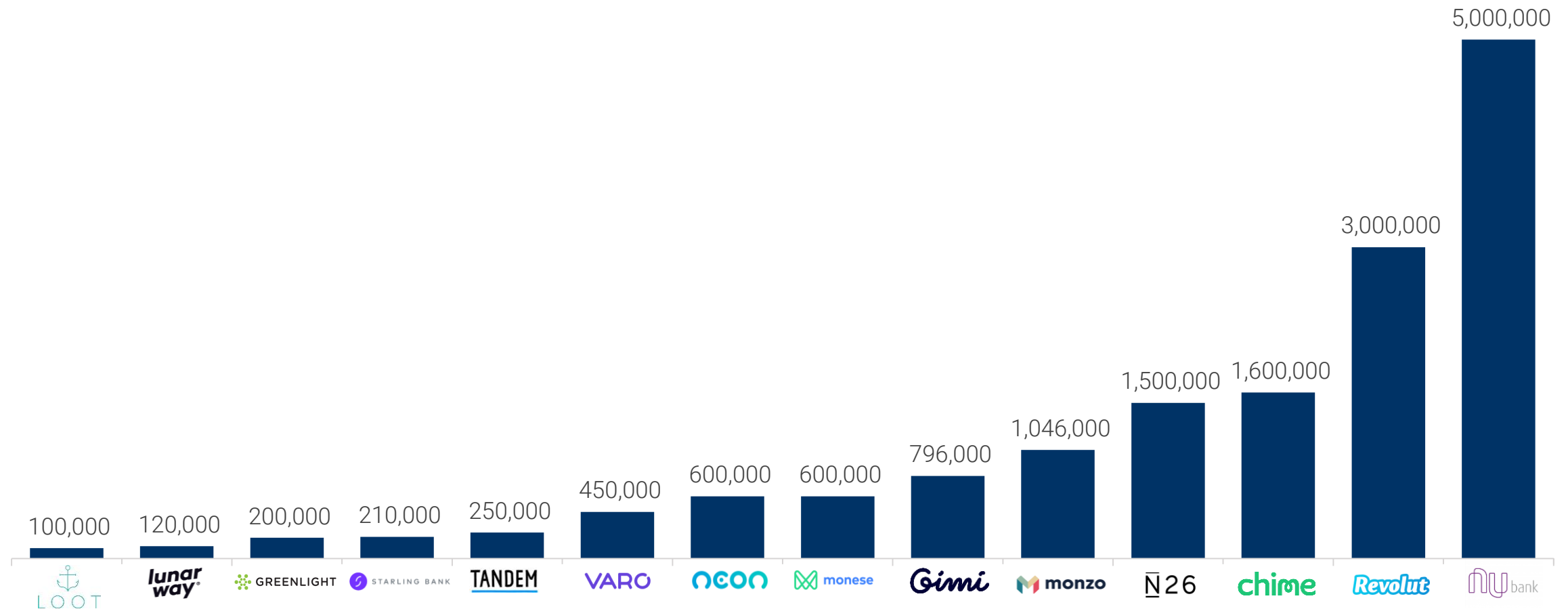


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## WHY BANKS SHOULD CARE

# Fintech challengers have 15M+ reported users

Combined, startups disrupting banking have attracted millions of customers, accounts, and downloads



# Startups targeting the next generation of bank customers to teach money fundamentals early

Select Q3'18 digital banking deals

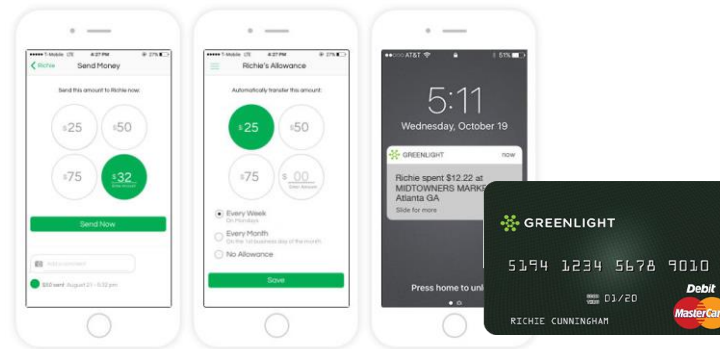


**Focus:** Automated allowance

**Milestone:** In September 2018, Current crossed 200,000 customers.

**Q3'18 Funding:** \$2.81 Series A-III

**Select Investors:** QED Investors, Expa, Fifth Third Bank



**Focus:** Reloadable debit cards

**Milestone:** In March 2018, Greenlight crossed 100,000 customers.

**Q3'18 Funding:** \$40M Undisclosed

**Select Investors:** Amazon Alexa Fund, NEA, SunTrust, Social Capital, Ally Financial



**Focus:** Pre-paid cards

**Milestone:** In August 2018, Spriggy reported 125,000 parents and kids (about 45,000 families) had signed up.

**Q3'18 Funding:** Undisclosed Series A

**Select Investors:** Alium Capital, Grok Ventures

# DIGITAL BANKS TARGETING NICHE PAIN POINTS SEE SUDDEN INVESTOR INTEREST



## Last Funding

\$125M Series C // Oct'18

## Valuation

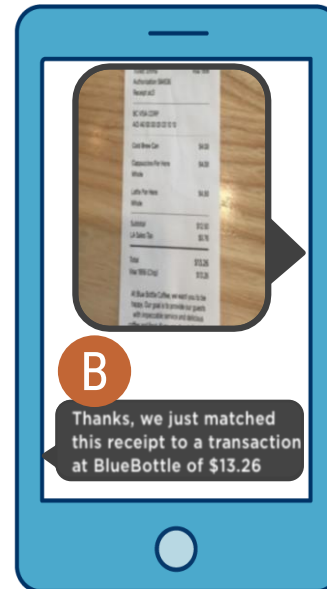
\$1.1B

Brex is a San Francisco-based B2B financial services company that extends credit to startups. Startups typically do not meet financial qualifications for business credit. Leveraging an in-house KYC and underwriting process, Brex issues credit based on the amount of money in the startup's corporate bank account.

Brex's core products include a credit card issued in partnership with Visa and Sutton Bank that links to a mobile app that automatically captures, manages, and digitizes expenses. Brex launched out of beta in June 2018 and reports having onboarded 1,000 customers.

## Select Investors

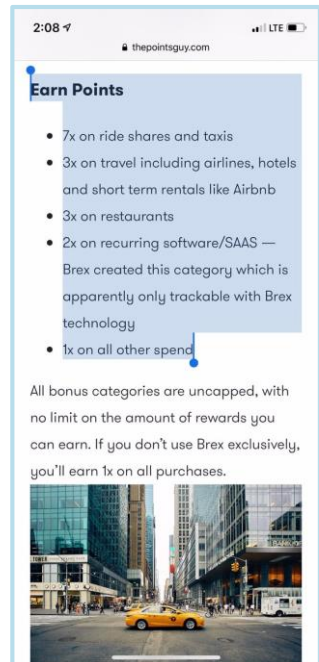
DST, Green Oaks Capital, Ribbit Capital, Y Combinator, Max Levchin, Peter Thiel



## SELECT STARTUP CUSTOMERS



## Preliminary Points



MORE TO COME?

# Regulators are lowering barriers for tech entrants

The Hong Kong Monetary Authority announces details on its virtual bank licenses

May 30, 2018 |  South China Morning Post

Standard Chartered says it will apply to operate a virtual bank in Hong Kong

March 26, 2018 |  South China Morning Post

Fintech regulations: Chile follows Mexico's lead

May 15, 2018 |  Bnamericanas

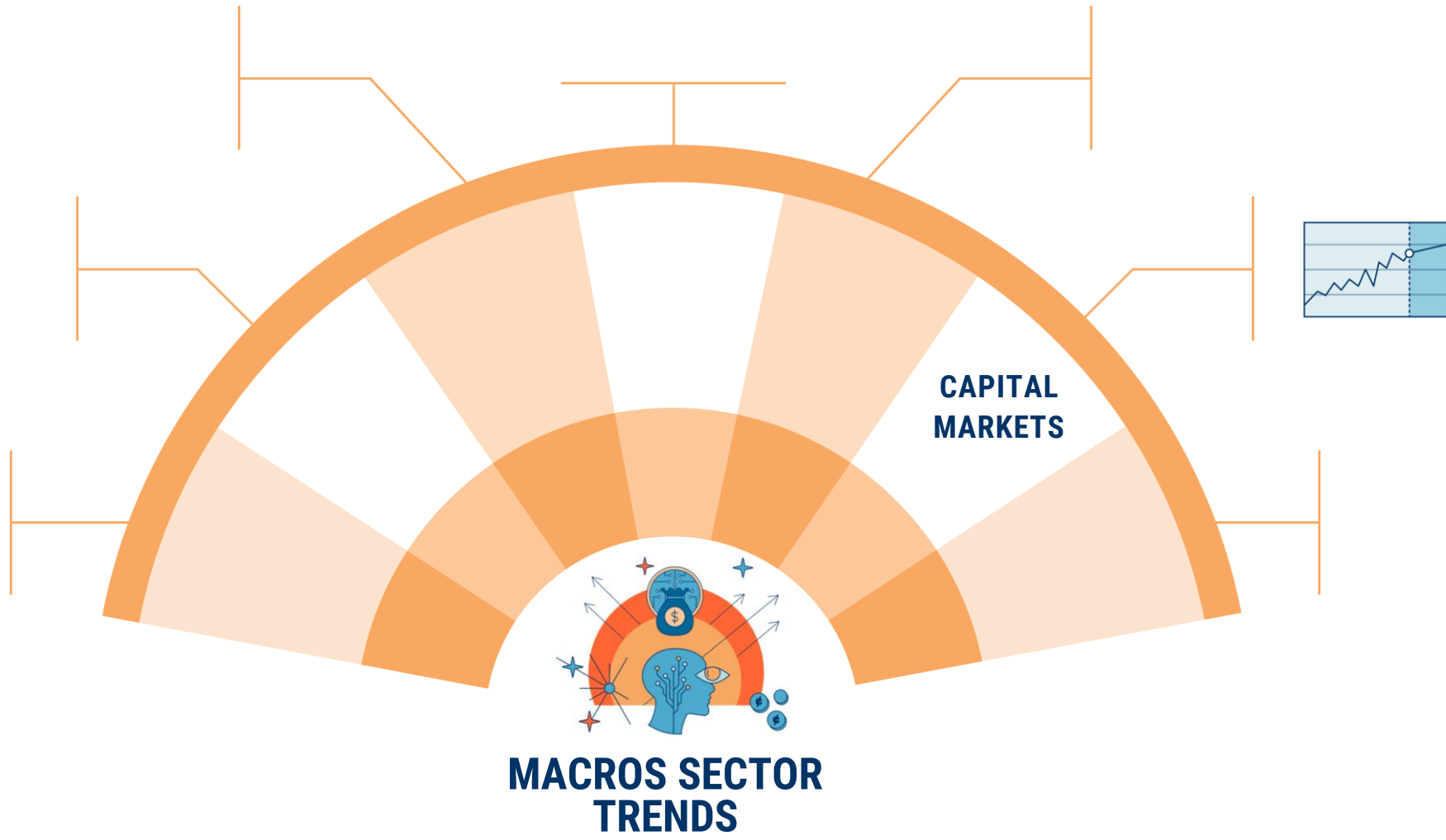
Brazil cuts interest rates to new record low of 6.5%

March 21, 2018 |  FINANCIAL TIMES

US's OCC Provides a Path for FinTech Charters

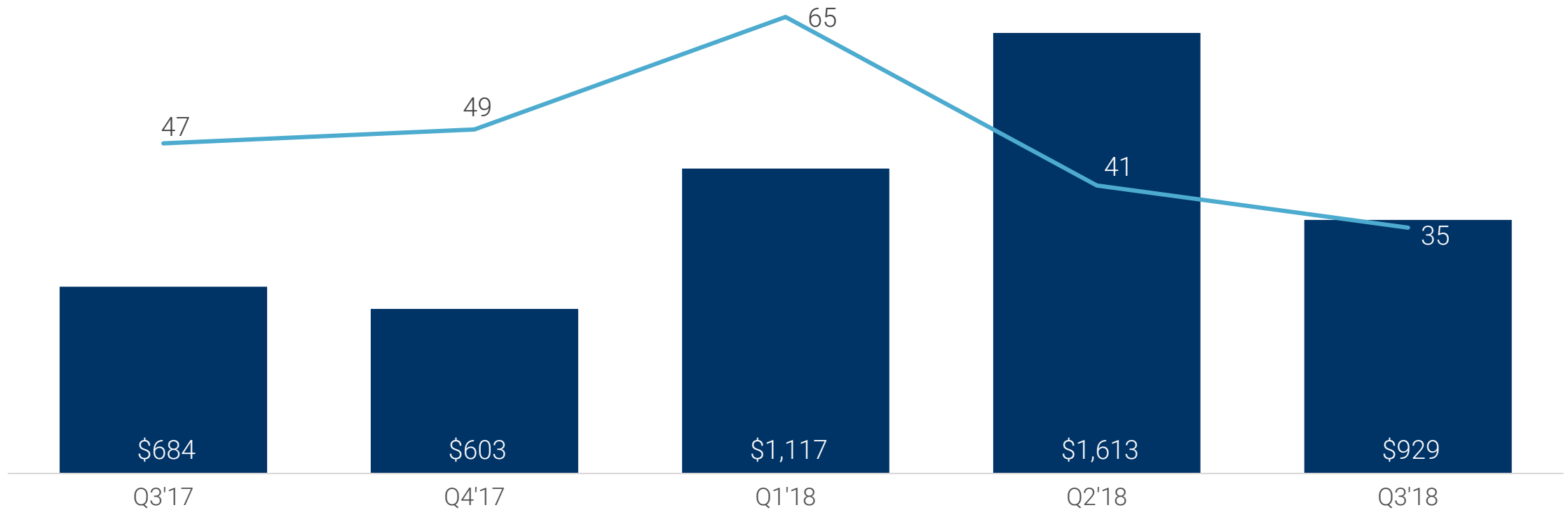
August 24, 2018 |  JD SUPRA®

# GLOBAL VC-BACKED FINTECH Q3'2018

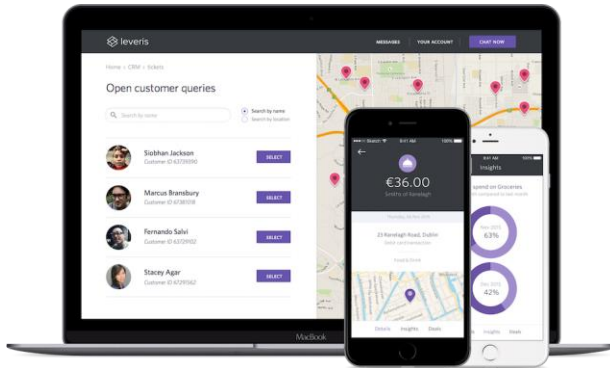


# Capital markets tech funding deals drop to five-quarter low

Global capital markets tech VC-backed fintech financing trends, Q3'17 – Q3'18, (\$M)



# Emerging banking-as-a-service startups look to give “legacy infrastructure” a fintech facelift



## Last Funding

\$17.4M Corp. Minority // Ireland

Leveris is an end-to-end white-label platform that provides banking infrastructure. The “bank-in-a-box” service helps both financial institutions and fintechs to run core services.

## Select Investors

Link Market Services



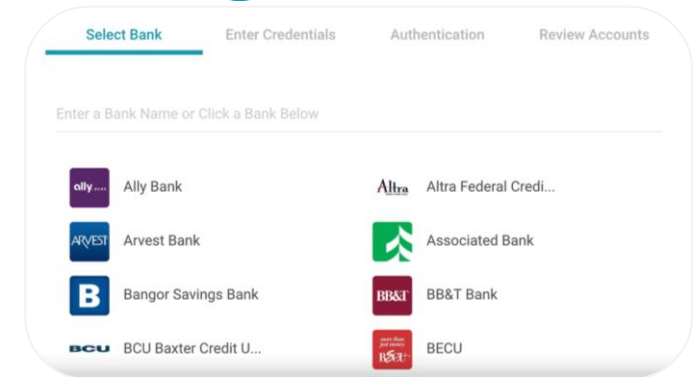
## Last Funding

\$8.75M Series A // Amsterdam

Cobase is a platform offering multi-bank connectivity that makes direct connections with banks or uses existing networks like SWIFT. Key features include a central payment hub, cash management, and treasury management modules.

## Select Investors

ING Ventures



## Last Funding

\$17M Series A // United States

SynapseFI's API allows fintech developers to connect with banks to build fin services and for banks to automate & extend back-end operations. SynapseFI has processed \$10B transactions for 1.5M customers.

## Select Investors

Core Innovation Capital, Trinity Ventures

## INVESTORS LOOK TO RPA FOR WHITE COLLAR AUTOMATION



### Last Funding

\$235M Series C // Q3'18

### Valuation \$3B

UiPath specializes in robotic process automation, leveraging computer vision to operate the user interface layer of software more efficiently & accurately than human users.

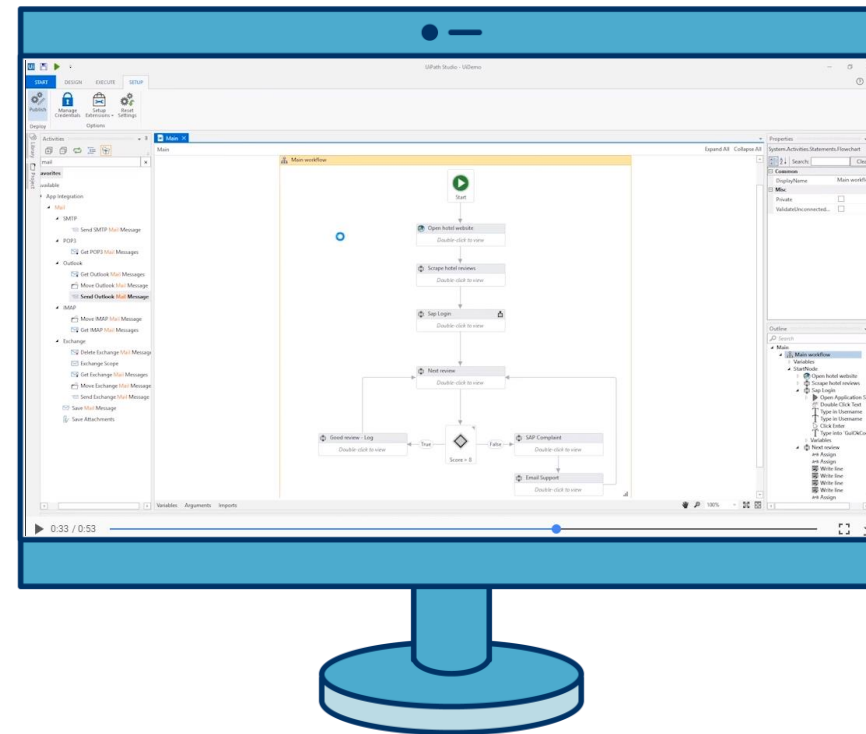
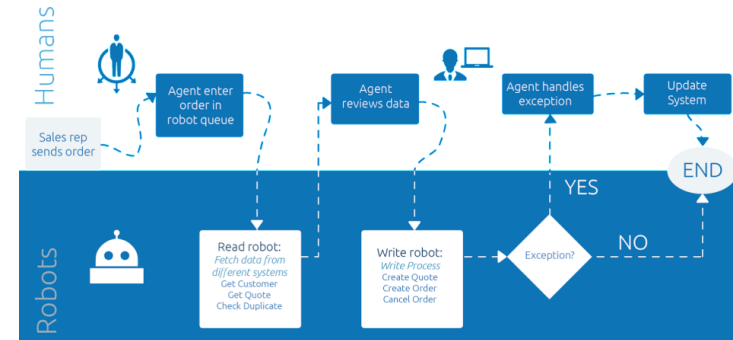
### Select Investors

Sequoia, Accel, capitalG, Credo Ventures, Kleiner Perkins Caufield & Byers

## SELECT CUSTOMERS



## EXAMPLE WORKFLOW AUTOMATION



OVER A DECADE IN THE MAKING, “RPA” IS THE NEW “BIG DATA”

# RPA companies move upmarket to automate white collar jobs in financial services



**Established:** 2003

**Focus:** Automation Anywhere is a cognitive RPA platform that uses AI and machine learning to learn from human behavior to automate business processes both on-premise and in the cloud. The company works across industries including financial services.

**Q3'18 Funding:** \$250M Series C\*

**Valuation:** \$1.8B

**Select Investors:** General Atlantic, Goldman Sachs, NEA

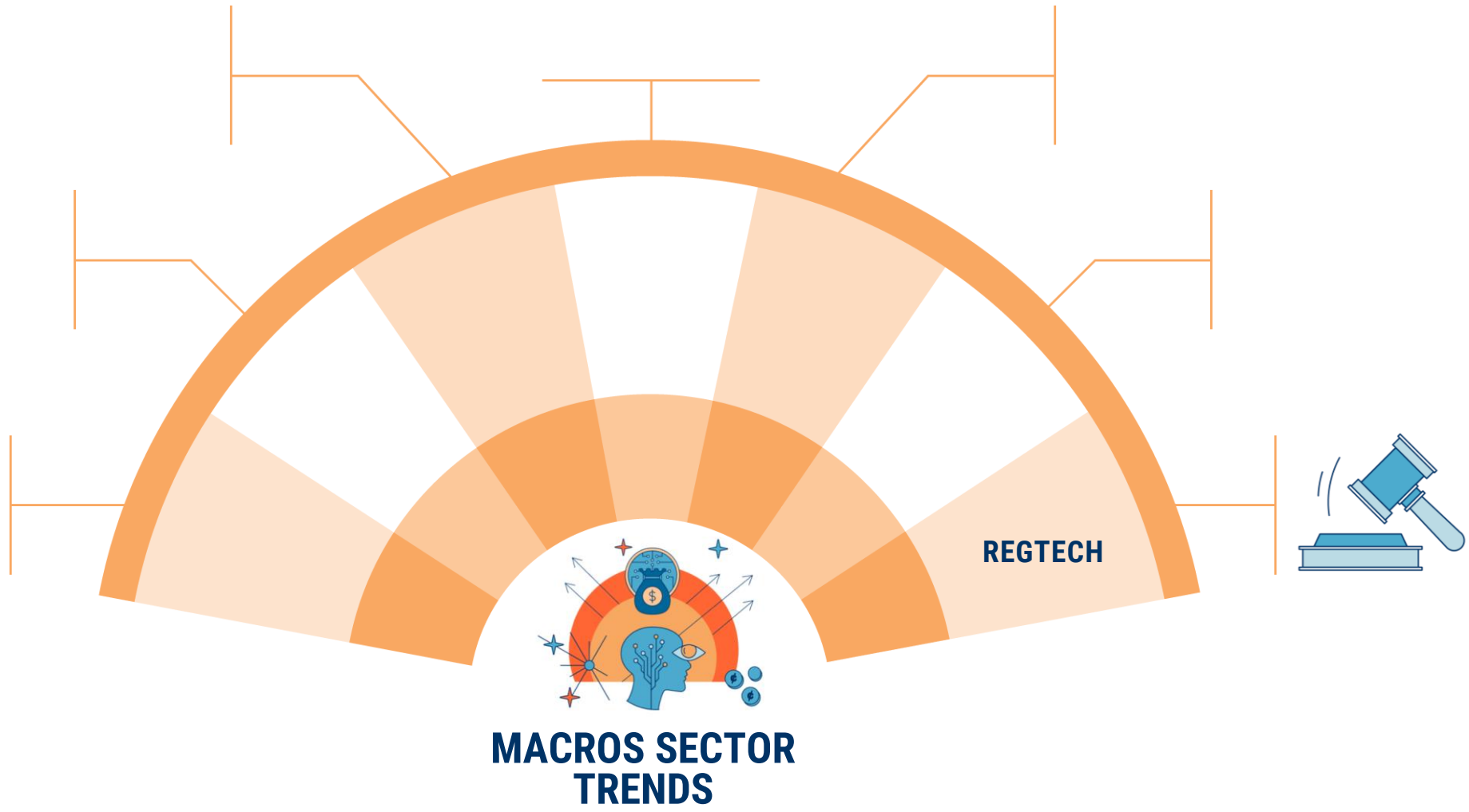


**Established:** 2005

**Focus:** Softomotive offers automation solutions designed to improve operational efficiency, reduce costs, limit exposure to risk, and drive compliance. The company deploys its RPA software to organizations in banking, insurance, accounting, and others.

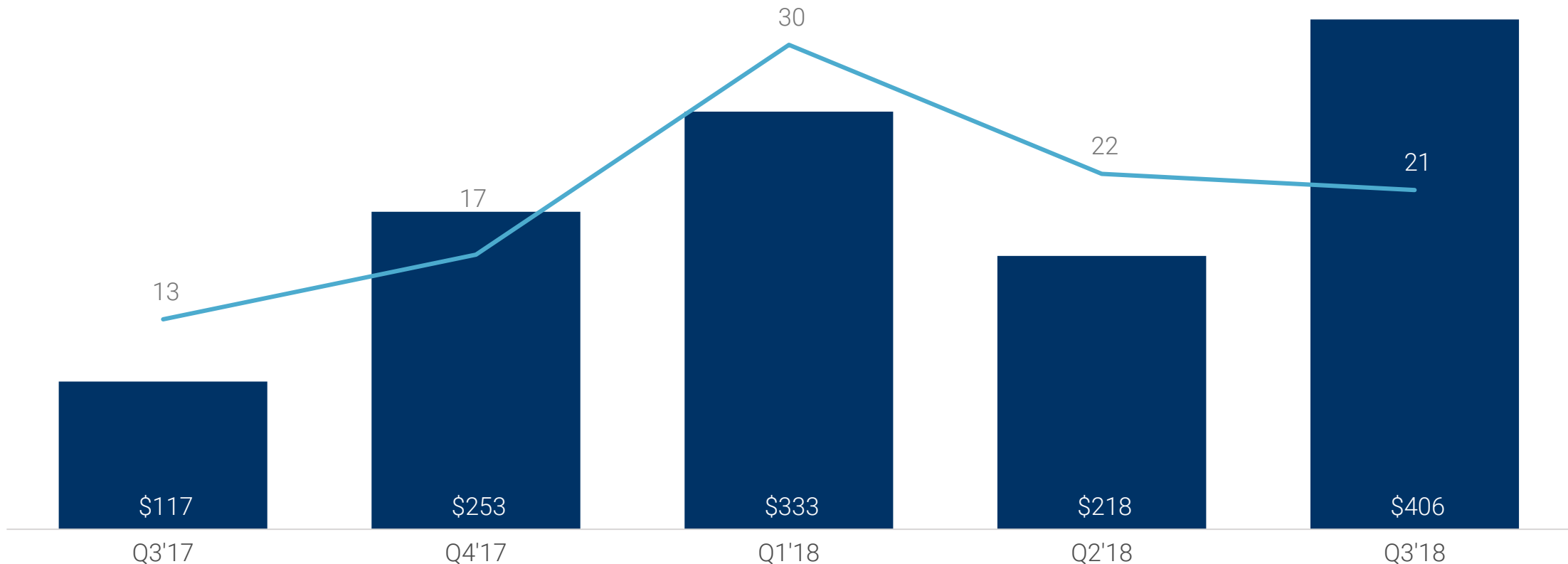
**Q3'18 Funding:** \$25M Series A\*

**Select Investors:** Grafton Capital



# Regtech sees pullback in early-stage deals and funding flows to established business

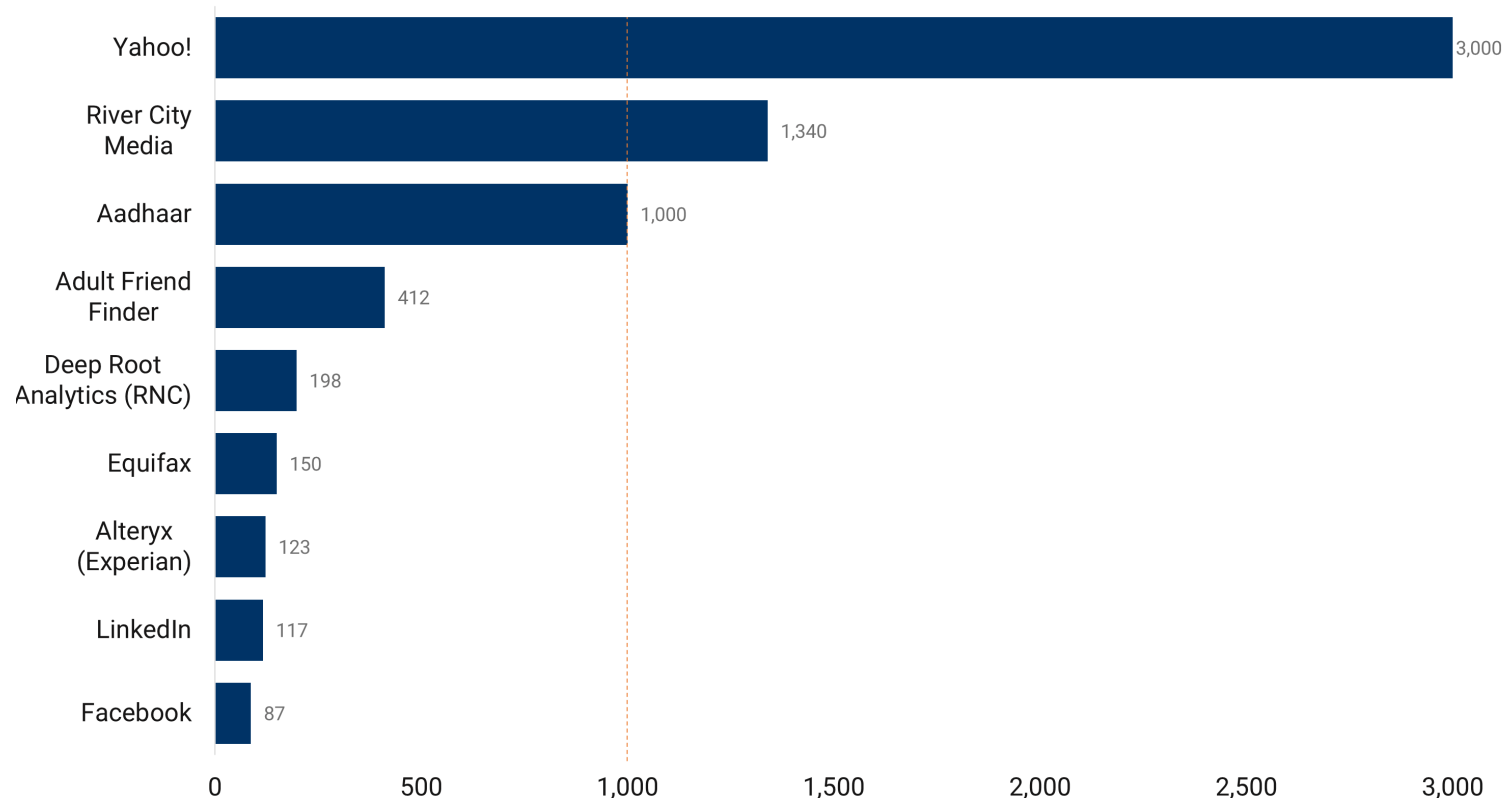
Global regtech VC-backed fintech financing trends, Q3'17 – Q3'18, (\$M)



# Data breaches prevail as the number of compromised data records continues to climb

2016 - 2018 YTD (9/14/2018)

Data on number of records breached compiled by Breach Level Index as of August, 2018.



# Incumbents jump in on data-as-a-service startups to upgrade fraud prevention on heels of breaches



**Headquarters:** UK

**Focus:** Ongoing surveillance and AML compliance

**Description:** Quantexa uses big data analytics to tackle complex financial crime and data challenges within the financial services, corporate, and public sectors.

**Q3'18 Funding:** \$20M Series B

**Select Investors:** Albion Capital, Dawn Capital, HSBC Venture Capital



**Headquarters:** US

**Focus:** Knowledge graphs and data mapping

**Description:** Enigma aggregates data into representations of real-world relationships, providing a source of intelligence on people, places, and companies.

**Q3'18 Funding:** \$95M Series C

**Select Investors:** BB&T, Capital One Growth Ventures, Comcast Ventures, Crosslink Capital, MetLife, NEA, Partnership Fund for New York City, Third Point, Two Sigma Ventures



**Acquired**



**Headquarters:** US

**Acquired Q3'18**

**Focus:** Real-time credit reporting, data certification, and authentication services

# Questions?

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ldavis@cbinsights.com



WHERE IS ALL THIS DATA FROM?

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APPENDIX Q3'18:

# VC-backed Fintech Regional, M&A, and Investor Trends

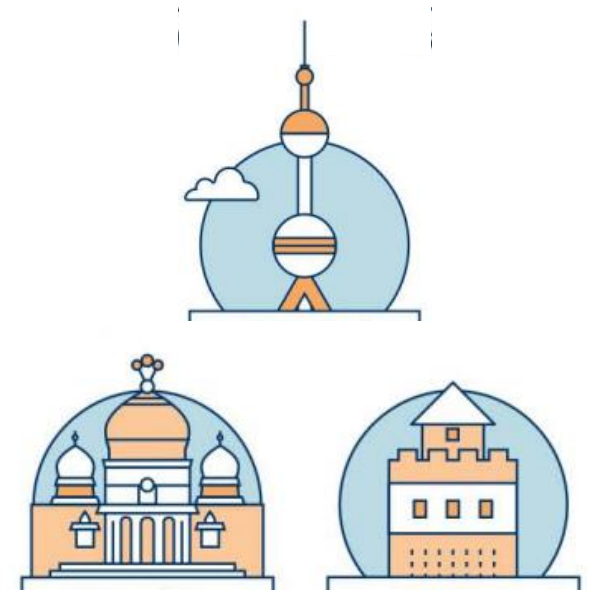


ASIA FINTECH VC-BACKED EQUITY FUNDING IN Q3'18:

\$1.81 BILLION

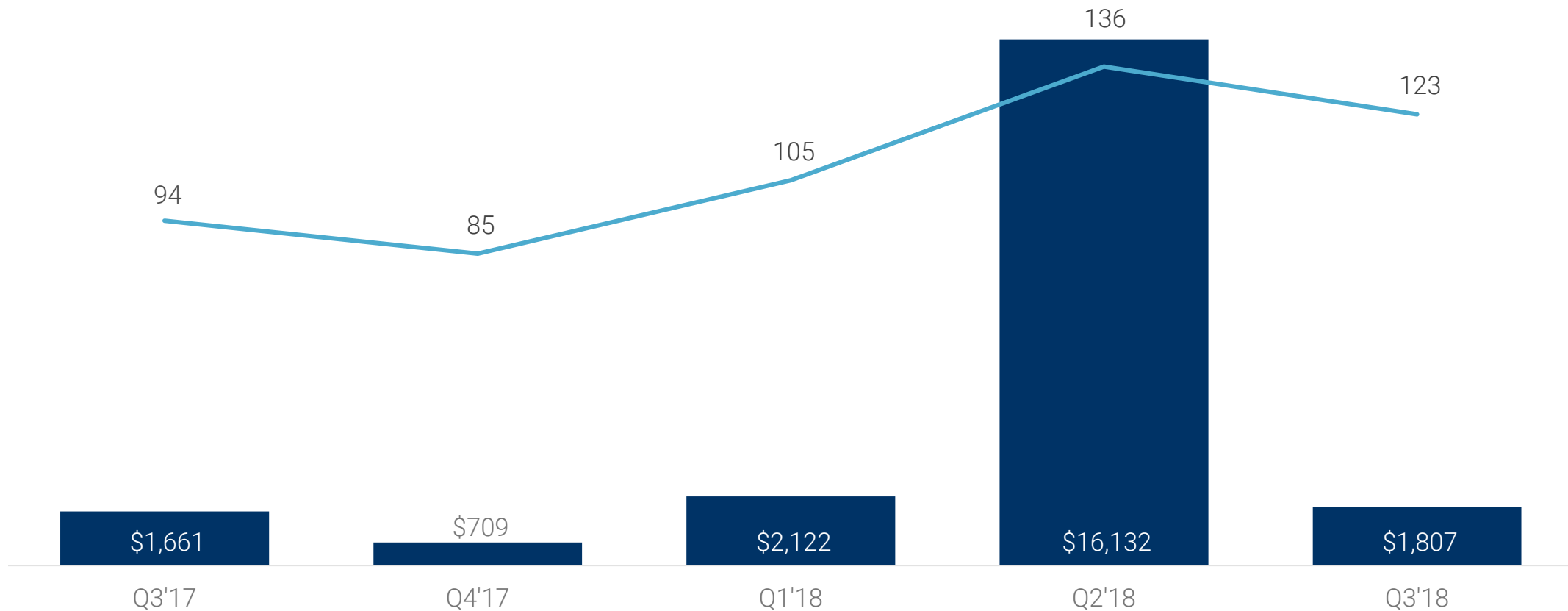
ACROSS

123 DEALS



# Asia sees deals and funding level out after record in Q2'18

Asia VC-backed fintech financing trends, Q3'17 – Q3'18, (\$M)



US FINTECH VC-BACKED EQUITY FUNDING IN Q3'18:

\$2.8 BILLION

ACROSS

130 DEALS



## US deals dip near 5-quarter low

Early-stage deals slipped after a record Q2'18 causing deals to drop for the second consecutive quarter in Q3'18.

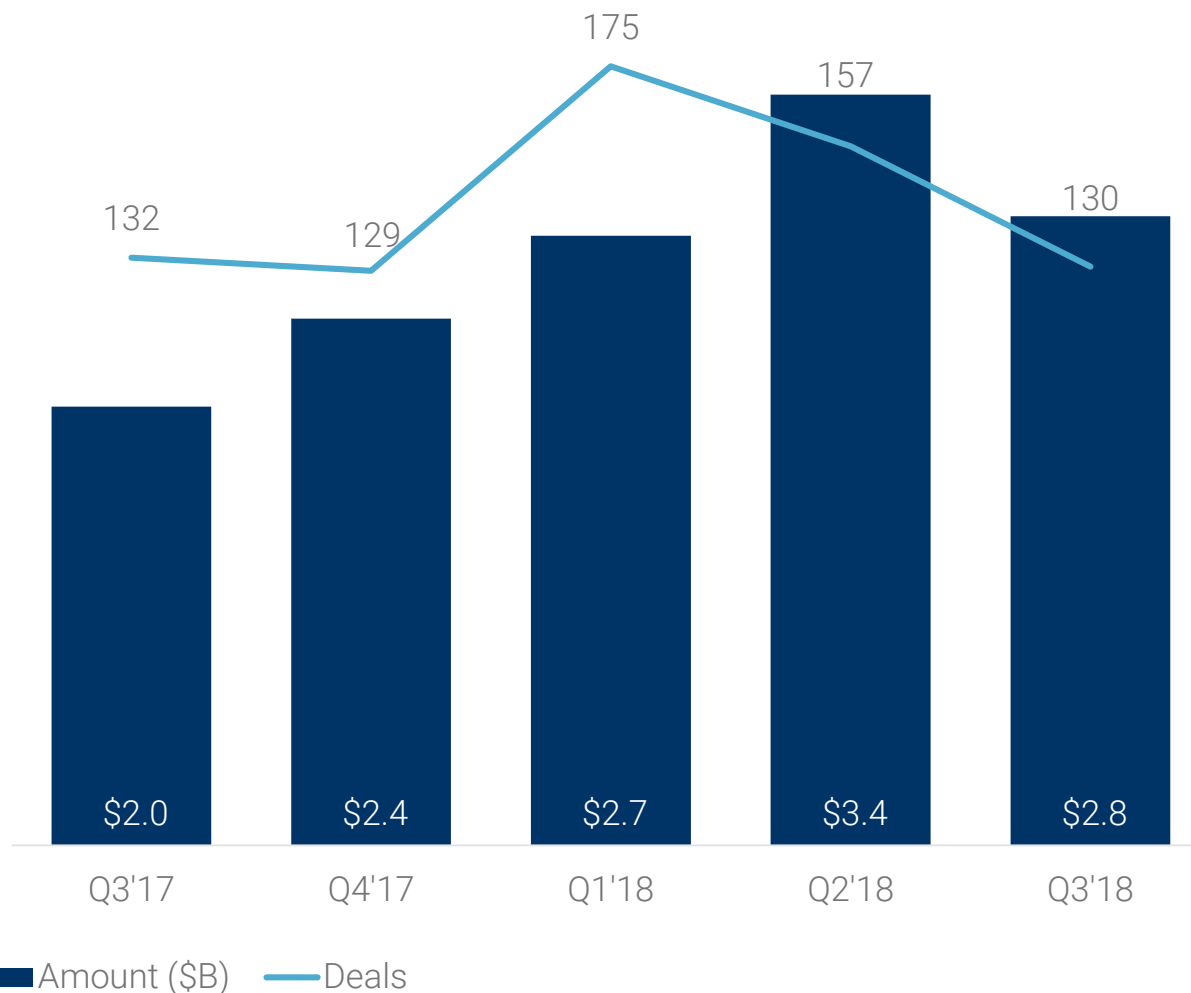
Funding dipped slightly from Q2'18 highs and saw a boost from 7 mega-rounds worth \$1.3B.

Unicorns Stripe, Oscar, Gusto, and UiPath all raised mega-rounds in Q3'18.



### US fintech funding deals and funding dipped in Q3'18

US VC-backed fintech financing trends, Q3'17 – Q3'18, (\$B)

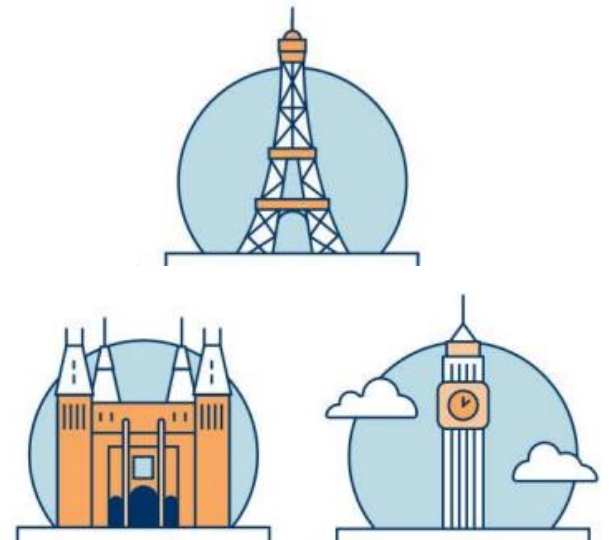


EUROPE FINTECH VC-BACKED EQUITY FUNDING IN Q3'18:

\$764 MILLION

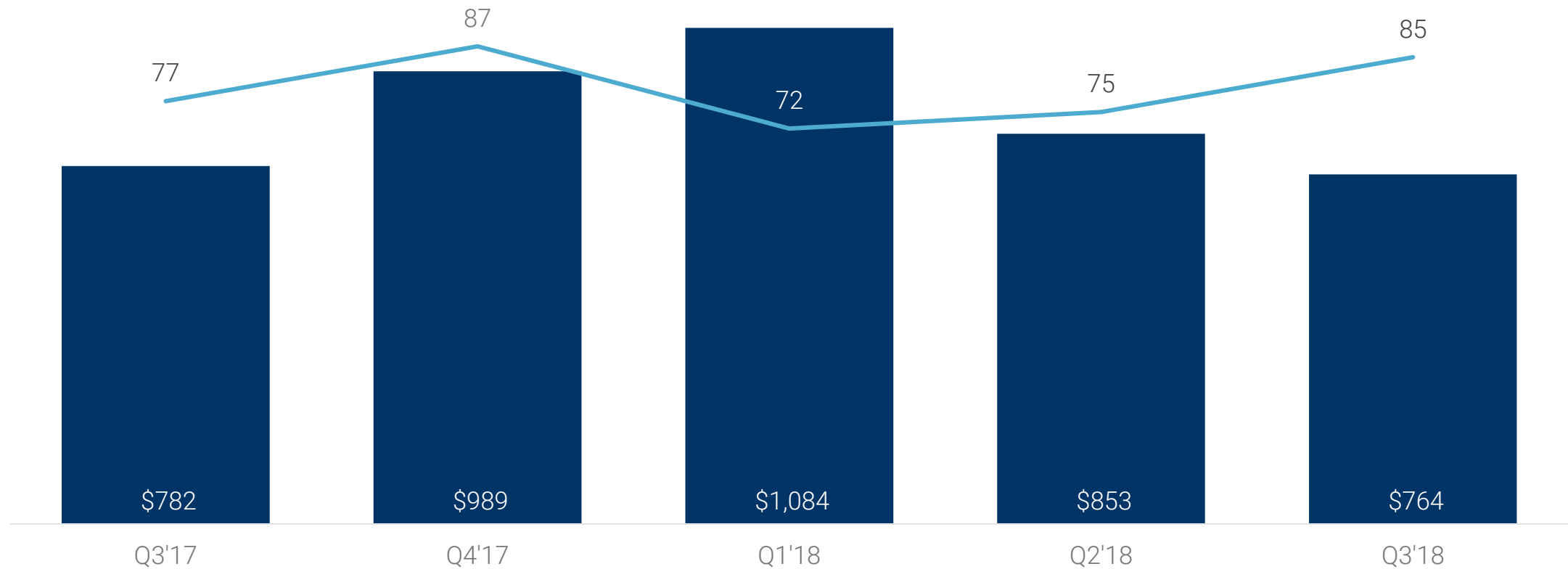
ACROSS

85 DEALS



# Despite the dip in funding, deals in Europe jumped driven by a fresh crop of early-stage fintechs

Europe VC-backed fintech financing trends, Q3'17 – Q3'18, (\$M)



UK fintech  
recovered after  
Brexit fears stalled  
quarterly deals

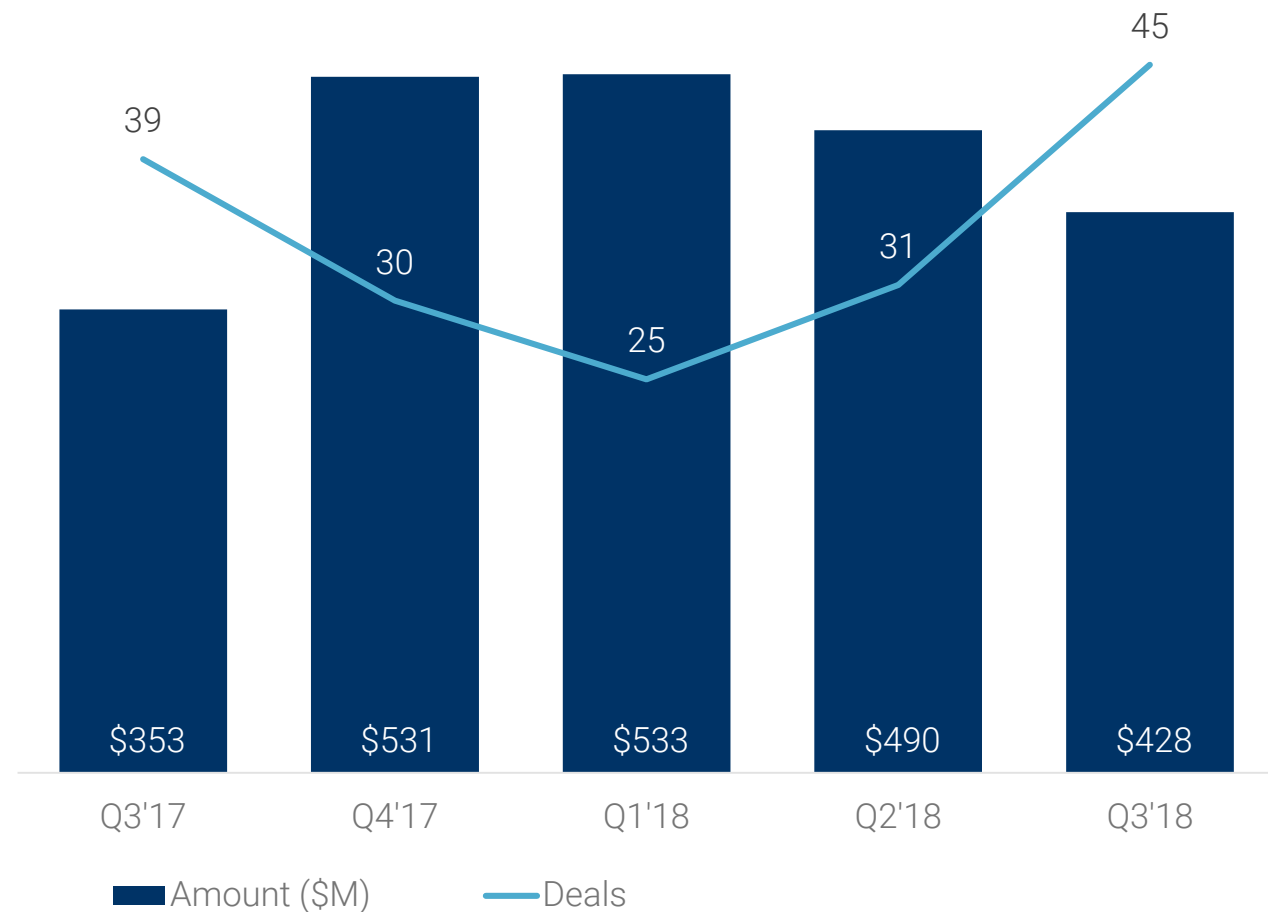
UK fintech saw deals hit a 5-  
quarter high of 45, up 15%  
from Q3'17.

The UK represented 53% of  
total deals in Europe.



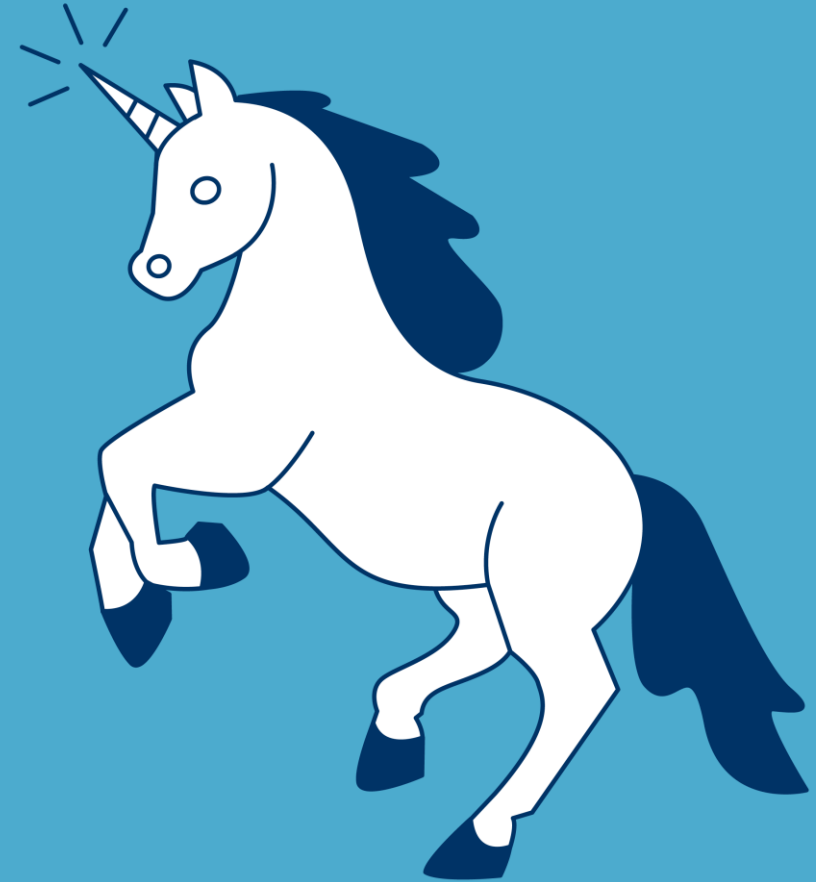
## UK-based fintech rebounded to a 5-quarter high

UK VC-backed fintech financing trends, Q3'17 – Q3'18, (\$M)







# **Q3'18 Exits: IPOs & Acquisitions**













# Q3'18 top exits: IPO by valuation

There were 2 fintech IPOs in Q3'18, both listed on international exchanges

Company	Exit Type	Deal Date // Valuation	Total Disclosed Funding (M) Valuation Pre-Exit	Select Investors
 Funding Circle	IPO (LSE: FCIF)	Q3'18 // \$1.96B	\$373M (\$2.05B Valuation)	Accel, Index Ventures, Ribbit Capital, Union Square Ventures, BlackRock, CreditEase Fintech Investment Fund, DST Global, Temasek Holdings
 51信用卡	IPO (HKG: 2051)	Q3'18 // \$1.3B	\$340M (\$1B Valuation)	Susquehanna International Group, GGV Capital, JD.com

# Q3'18 top exits: acquisitions by valuation

Company	Deal Date // Valuation	Total Disclosed Funding (M)	Acquirer	Description
 LevelUp	Q3'18 // \$390M	\$103M		Online and mobile food-ordering company
 FINANZCHECK.DE	Q3'18 // \$332.31M	\$57M		Digital marketplace with a focus on real estate and automobiles
 Tapingo	Q3'18 // \$150M	\$36M		Online and mobile food-ordering company
 ZOOZ	Q3'18 // \$80M	-		Financial services provider in global growth markets
 Hubdoc™	Q3'18 // \$70M	-		Online accounting system designed for SMBs



























# Top investors

















































# The most active fintech VCs from Q3'17 – Q3'18

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

Rank	Investor	Select Fintech Investments						
1	500startups	 BloomCredit	 finAcel	 indio	 YayPay	 RealAtom	 wetravel	
		 FINOVA financial	 SmartHR	 kin.	 firstaccess	 qwil	 justInCase ジャストインケース	
2	Ribbit Capital	 robinhood	 credit karma	 upgrade	 nyu bank	 FIGURE	 BREX	
		 Revolut	 affirm	 coinbase	 CAPITAL FLOAT	 ROOT	 GUSTO	
3	 nyca	 avidxchange	 roofstock	 commonbond	 TrueAccord	 AXONI	 scratch.	
		 canopy	 affirm	 Ladder	 blend	 Ribbon	 covr	
4	 CEIF 宜信新金融产业投资基金 CREDITASE FINTECH INVESTMENT FUND	 美利 金融 meili.com	 BLAST	 upgrade	 MARQETA	 dv01		
		 taulia	 TRUMID	 FIGURE	 onfido	 Active.Ai		
4	 BainCapital VENTURES	 SIGNIFYD	 roofstock	 CHROMERIVER	 JUSTWORKS.	 Bench <sup>™</sup>		
		 acorns	 flywire	 reonomy	 Passport	 Ribbon		

# The most active fintech VCs from Q3'17 – Q3'18

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

Rank	Investor	Select Fintech Investments						
5								
								
5	 OMIDYAR NETWORK							
								
5								
								
5								
								

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ldavis@cbinsights.com

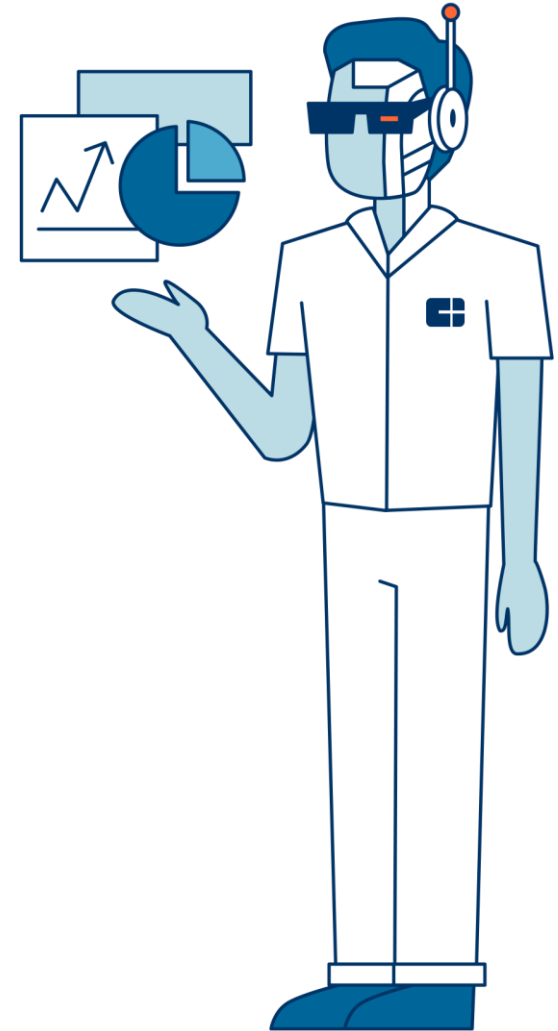
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