

Fintech Decoded

A special edition report tracking investment activity in fintech companies

1H-2020

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Executive Summary



Deal activity in the fintech space in 1H-2020 suggests that fintech companies have escaped the funding freeze that followed the COVID-19 outbreak. More than \$15.9B was invested in over 693 deals in 1H-2020 with the growth in late-stage VC funding.

The Payments segment, which remains the largest receiver of investments in the fintech space, may be looking at a seismic reaction as consumers increasingly opt for contactless payments. Most big-ticket deals originated in this segment. With about 19 mega deals (>\$100M) in 1H-2020, Payment companies such as Chime and Stripe in the US and N26 and Revolut in the UK have attracted vast amounts of investor dollars.

Another segment benefiting from funding traction was Financial Markets. With the increase in retail and institutional investing and trading in the current volatile markets, companies such as Robinhood bagged significant investor funding.

Late-stage deals have ballooned in this time of uncertainty, with investors taking the safe route of parking their money in proven business models and a shorter exit horizon. However, deal sizes have declined as COVID-19-related anxiety hit the overall investor mindset.

North America and Europe have shown strong signs of recovery; Asia is just picking up pace. We expect the crisis to affect certain investors, but others seemed to have resumed normal investment activity.

Many fintech companies are understandably focused on responding to the current uncertainty by implementing cost-effective measures. Their ability to swiftly, innovatively leverage their unique technology platforms will be crucial at this time; these efforts will be reflected in the upcoming quarters.

Welcome to the fourth edition of Aranca's 'Fintech Decoded' report, a bi-annual publication where we highlight major VC funding trends in 1H-2020 within the broader fintech universe across key markets.

Fintech funding remains robust, despite the funding freeze that market participants anticipated as a fallout of the pandemic. Mega rounds continue to rise as established companies with proven unit economics and growth plans attract investor attention. In this report, we highlight some trends, based on deal activity in 1H-2020 and the outlook for various fintech verticals.

We hope you find this an interesting and insightful read.



In 1H-2020, investment
in fintech companies
globally clocked

\$36.4B

across

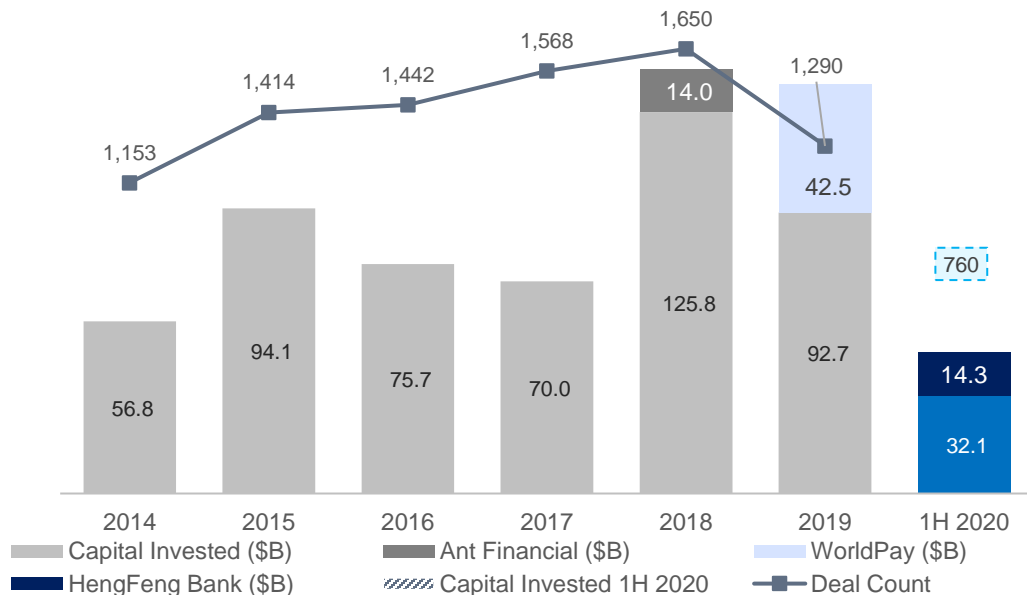
760 deals

Despite global funding slowdown, fintech funding registered stellar growth in 1H-2020 versus 1H-2019

Global VC, PE, MA deal landscape in fintech companies

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

VC, PE, and M&A fintech funding surged in 1H-2020. Registering a 27% increase in deal value and 14% jump in deal volume YoY, fintech remains investors' favored sector. Most of the \$36B funding was received in January or June 2020. Each of the four 'billion dollars+' deals in 1H-2020 were in January or June. January 2020 was one of the best months for fintech funding, registering the largest two deals of 2020: \$14.3B of development capital given to HengFeng Bank in China and the \$5.3B acquisition of Plaid by Visa in the US. After the onset of COVID-19, funding activity slowed somewhat, but picked up in June 2020 with an influx of over \$6B.



In 1H-2020, VC funding
in fintech companies
globally clocked

\$15.9B

across

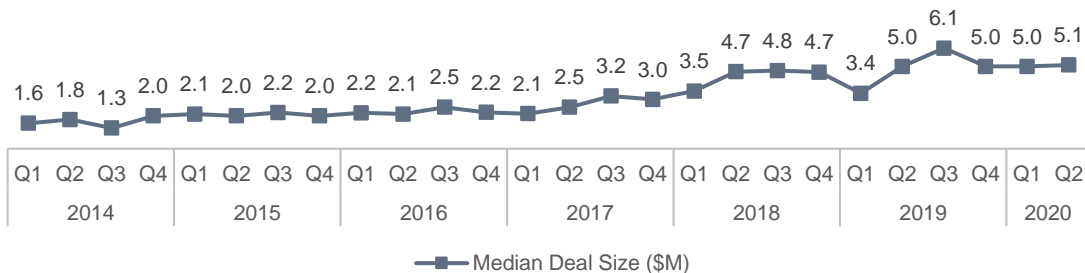
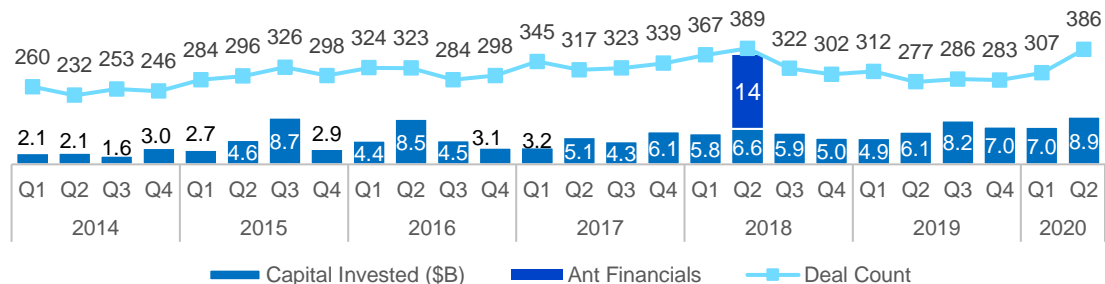
693 deals

Global VC funding bounced back 2Q-2020; deal activity stable

Global VC funding in fintech companies

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



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Funding amounts in 1H-2020 rose by 44% YoY, a pleasant surprise, considering the general slowdown in VC activity following the outbreak.

Monthly deal activity hit a recent low in April (less than 100 deals) before picking up pace in June (with over 120 deals).

Mega deals (>\$100M) continued to account for the larger portion of the pie, with 37 mega deals in 1H-2020 compared to just 28 in 1H-2019. Most of these deals (22) were struck in Q2-2020, the highest ever in any quarter. Notably, most of these mega deals took place in January/May/June, indicating that COVID-19 and the subsequent market downturns impacted valuations during the March–April period.

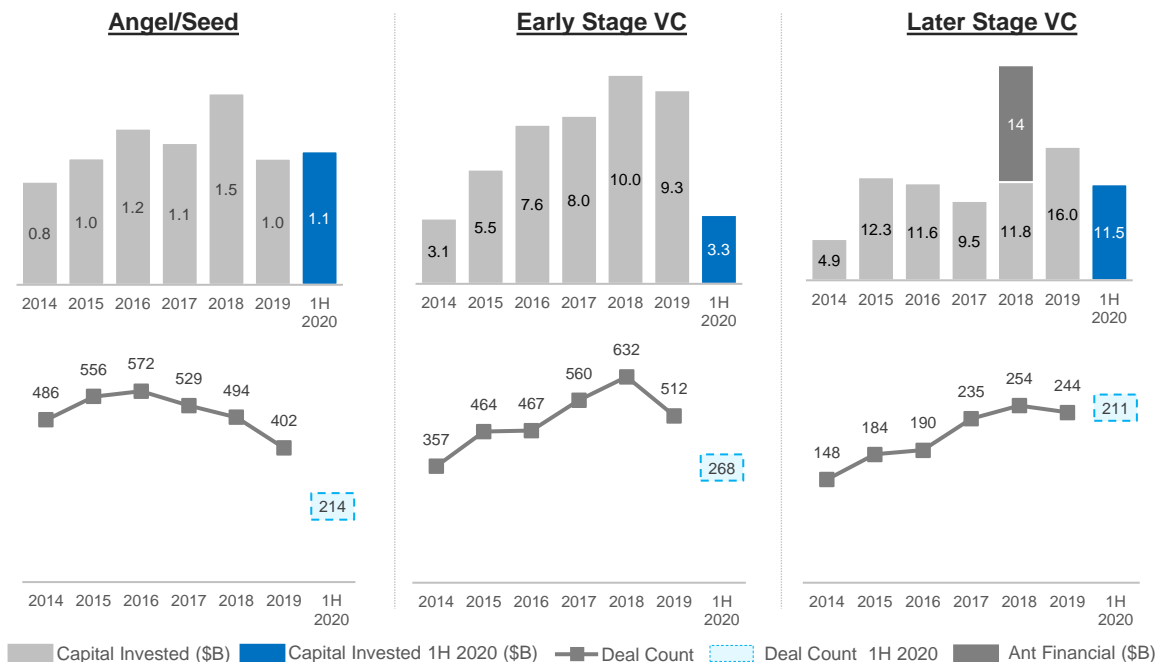
Clearly, investors are willing to bet on innovative fintech companies and embrace the fact that fintech is the new normal.

Consistent increase in late-stage funding, topped by a substantial increase in deal activity

Global VC funding in fintech companies

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Late-stage deal activity remains robust as mega deals (>\$100M) continue to rise. Excluding the Ant Financial outlier deal in 1H-2018, 1H-2020 clocked a record first half in terms of value as well as volume for late-stage VC funding. After a steep fall in 2019, funding in the angel/seed stage picked up pace in 2Q-2020; thereby, 1H-2020 already exceeded all of 2019's funding. Meanwhile, the trajectory for early-stage VC funding remained relatively flat in 1H-2020.

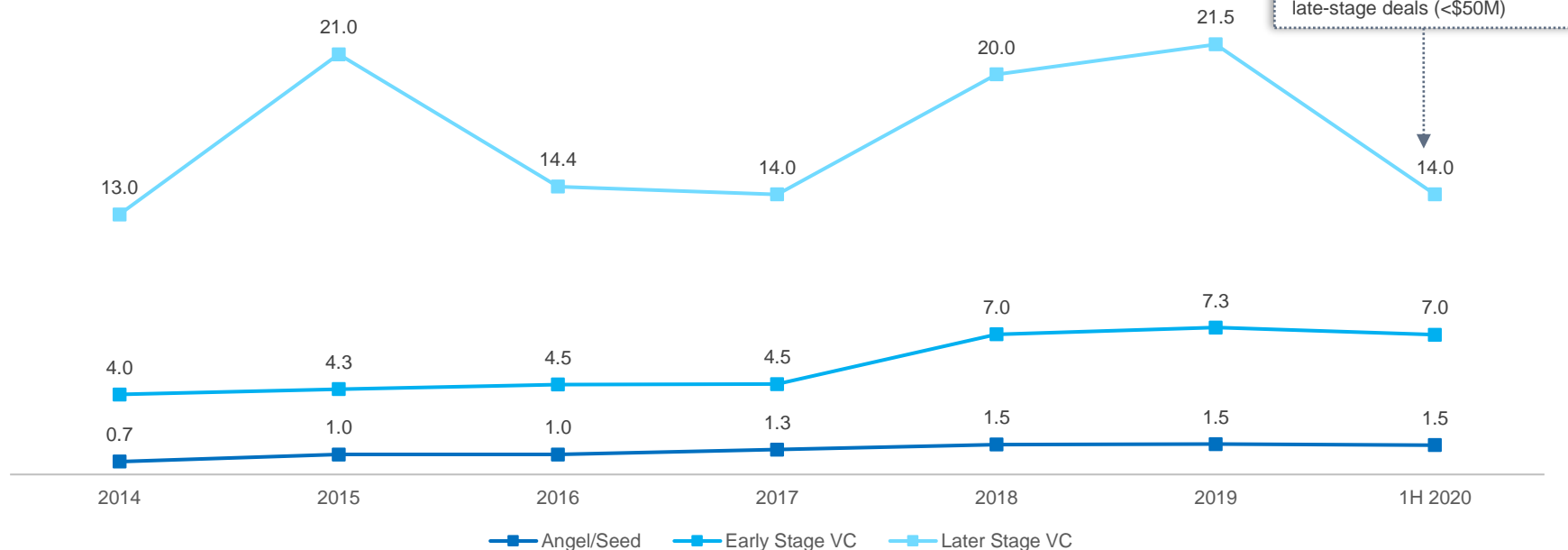
In light of the pandemic, this trend of growth in late-stage funding suggests that investors are parking their money in established and mature start-ups that have a clear growth trajectory and profitability plan in place. They would rather not lock in their funds in early-stage companies with longer exit horizons.

Drastic fall in late-stage median deal size in 1H-2020

Global VC funding median deal size: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Top 10 global VC funding deals in fintech

Top 10 global VC funding deals in fintech

January 01, 2020 – June 30, 2020

S.no	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post Money Valuation (\$B)
1	US	Stripe	Payments+	850	Andreessen Horowitz, General Catalyst, GV, Novator, Plus Capital, Sequoia	36.0
2	US	Chime	Payments+	700	Access Technology, Coatue Management, Dragoneer, DST Global, General Atlantic, ICONIQ, Menlo Ventures	6.0
3	Germany	N26	Payments+	570	Allianz X, Draper Esprit, Earlybird Venture, FG2, GIC, Greyhound Capital, Insight Partners, Tencent, Valar Ventures, Vis Capital	3.5
4	UK	Revolut	Payments+	500	Bond Capital, GP Bullhound, Ribbit Capital, TCV	5.5
5	US	Robinhood	Financial Markets	430	9Yards, New Enterprise Associates, Pegasus Tech Ventures, Ribbit Capital, Sequoia, Unusual Ventures	8.4
6	US	Toast POS	Business Solutions	400	Alta Park Capital, Bessemer Venture, Durable Capital, G Squared, Greenoaks Capital, Light Street Capital, T. Rowe Price, TCV, Tiger Global, TPG	4.9
7	India	Navi Technologies	Lending	398	Anand Rao, Anirban Mukherjee, Kaushik Madhavan, MS Gopalakrishnan, Narayanan Venkitaman, Paresch Suthankar, Samit Shetty, Samuel Sunil Edwards, Shweta Mani	-
8	US	Fundbox	Lending	350	9Yards, Allianz X, Arbor Ventures, Blumber, Cathay Innovation, Entrée Capital, General Catalyst, GMO, Hamilton Lane, HarbourVest, Ontario Pension Plan, Khosla Ventures, MUFG, Recruit Strategic Partners, SEB PE, Spark Capital, Synchrony Ventures	-
9	US	Bakkt	Financial Markets	300	BCG Digital, CMT Digital, Goldfinch Partners, Intercontinental Exchange, M12, Pantera, PayU, SGH	-
10	US	AvidXchange	Business Solutions	260	TPG Sixth Street Partners	2.0

Data Source: Pitch Book, unless specified otherwise

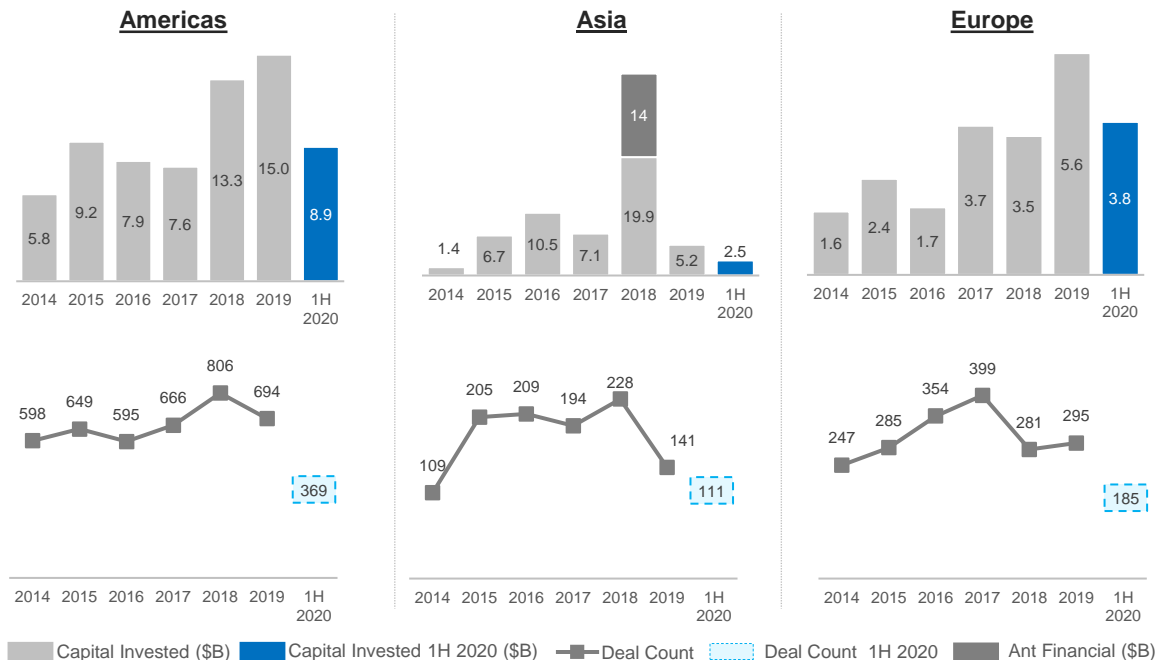
Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

VC funding: Europe completes strongest quarter; Asia still in recovery mode

Global VC funding in fintech companies

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

After a recording-setting year in 2019 for both the Americas and Europe, fintech funding rose in both regions in 1H-2020.

In terms of deal value, all three regions experienced a stunning YoY growth rate – 33% in the Americas, 125% in Asia, 29% in Europe – in 1H-2020.

The Payments+ segment remains the most attractive across regions, accounting for about 40% of the total capital invested in 1H-2020.

The Americas recorded a significant number of mega deals (>\$100M), with 7 out of the top 10 deals in 1H-2020 originating in the US.



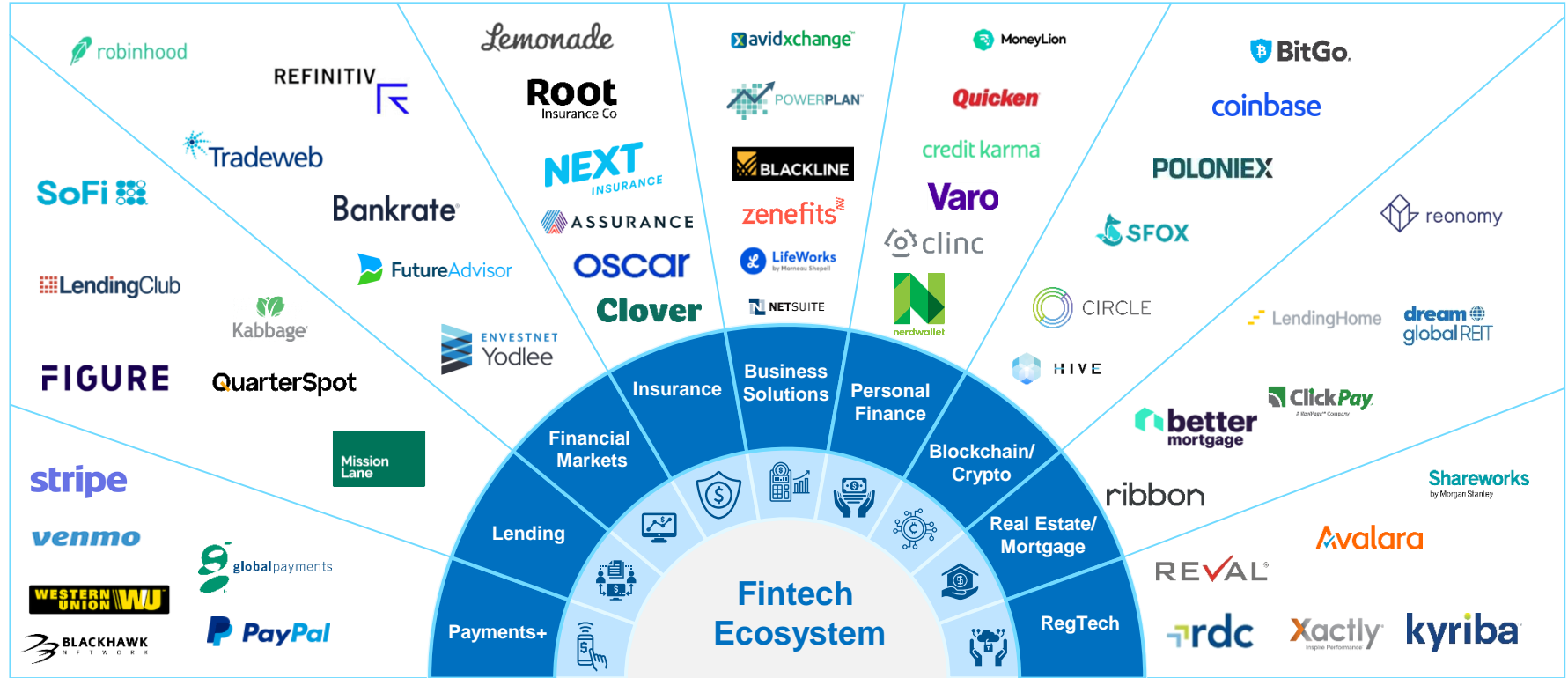
In 1H-2020, VC funding
in fintech companies in
North America clocked

\$8.8B

across

354 deals

The Fintech Ecosystem- North America

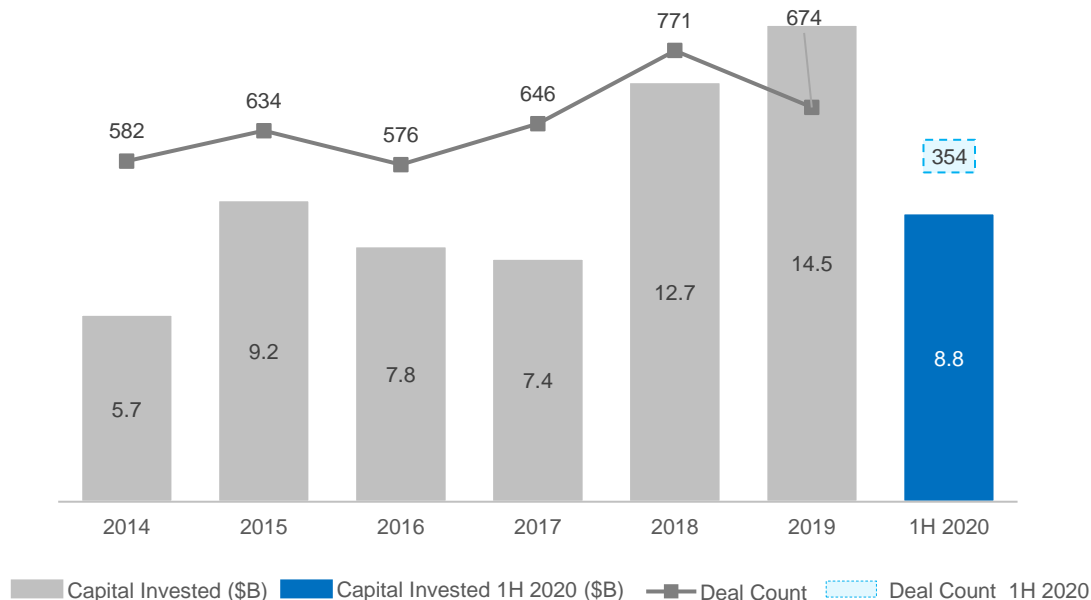


After two record-setting years, stellar 1H-2020, outlook for 2020 remains uncertain

VC funding in fintech companies in North America

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Deal activity grew 33% YoY in value terms in 1H-2020, but remained flat, volume-wise. While projections based on the half-yearly performance indicate that 2020 could probably be the best year for North America's VC funding, a prediction for the end of the year remains uncertain due to the continuing pandemic situation and the election year in the US, both of which will have sweeping economic repercussions.

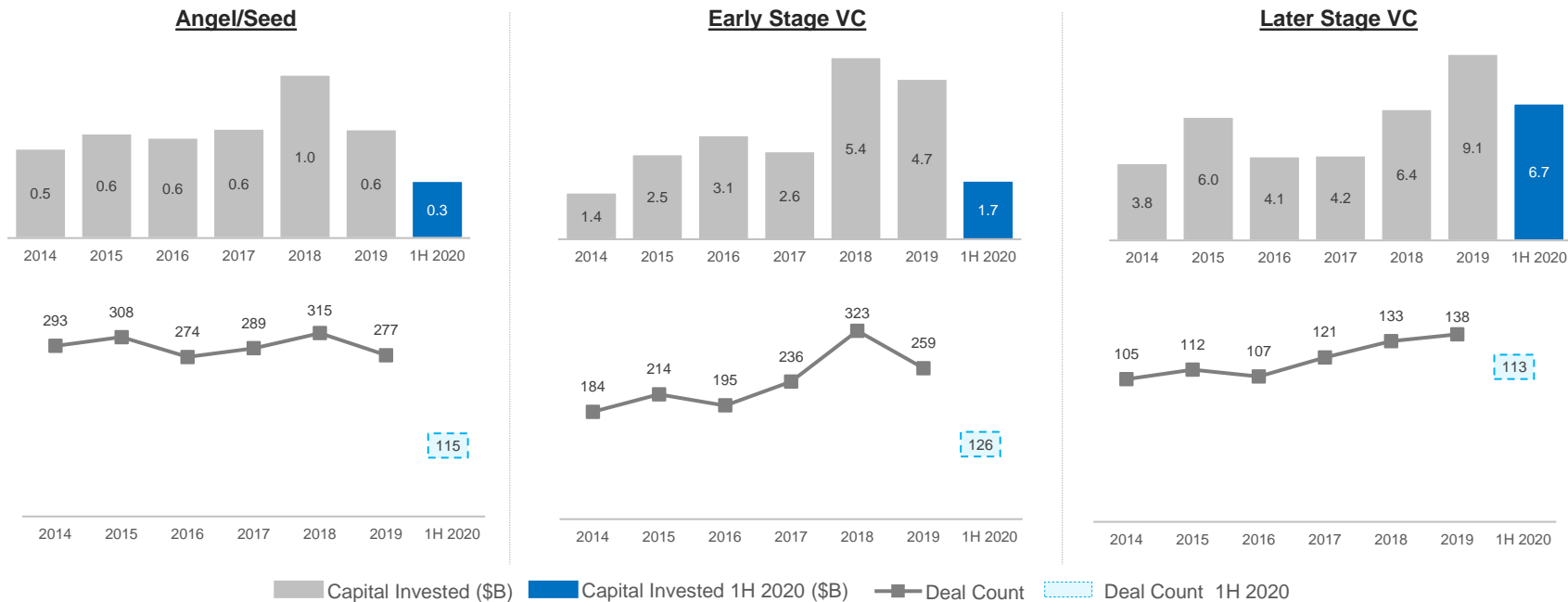
It is noteworthy that, despite the chaos, US fintech start-ups have been rather opportunistic, with more than 23 mega rounds (>\$100M) of VC funding finalized in just H1-2020, primarily in the Payments and Financial Markets spaces.

Massive increase in late-stage deal activity in 1H-2020; angel, early-stage funding remain flat

North America VC funding in fintech companies: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

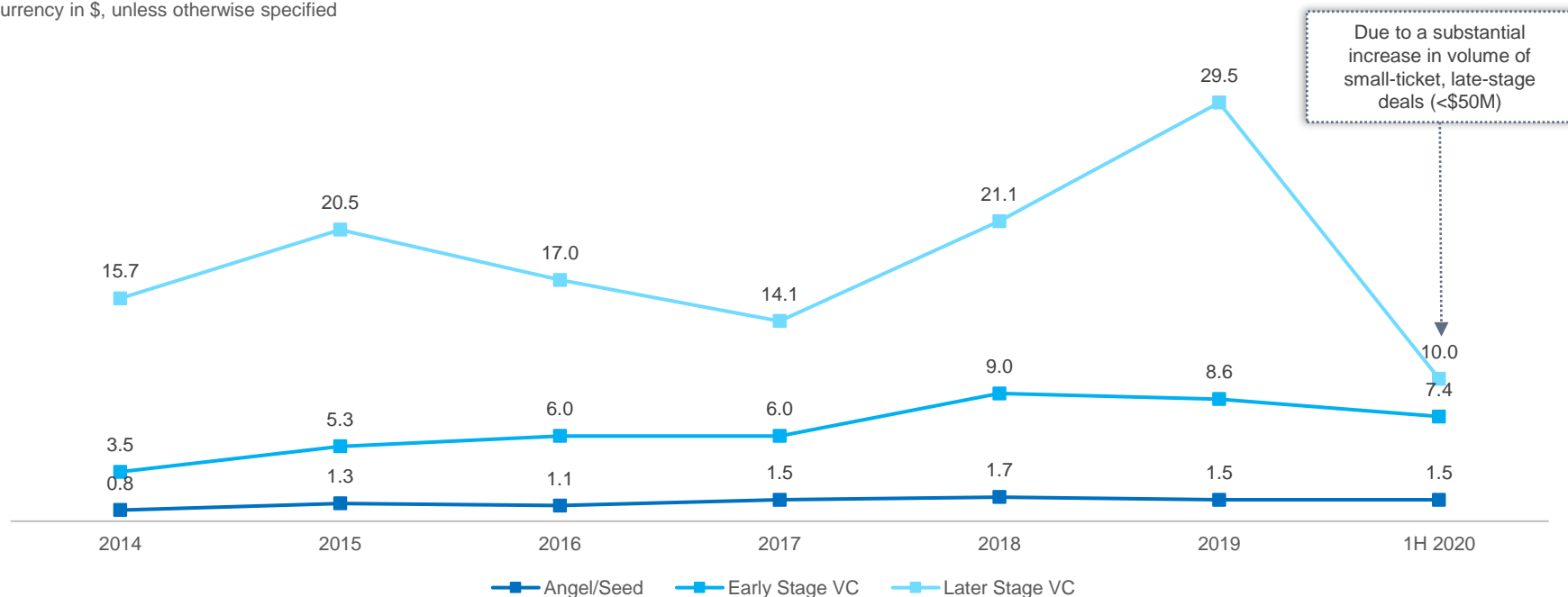
Late-stage median deal size slumps, while angel, early-stage deals do not see any upheavals



North America VC funding median deal size: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in North America



Top 10 VC funding deals in fintech: North America

January 01, 2020 – June 30, 2020

S.no	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post Money Valuation (\$ B)
1	US	Stripe	Payments+	850	Andreessen Horowitz, General Catalyst, GV, Novator, Plus Capital, Sequoia	36
2	US	Chime (Financial Software)	Payments+	700	Access Technology, Coatue Management, Dragoneer, DST Global, General Atlantic, ICONIQ, Menlo Ventures	6.0
3	US	Robinhood	Financial Markets	430	9Yards, New Enterprise Associates, Pegasus Tech Ventures, Ribbit Capital, Sequoia, Unusual Ventures	8.4
4	US	Toast POS	Business Solutions	400	Alta Park Capital, Bessemer Venture, Durable Capital, G Squared, Greenoaks Capital, Light Street Capital, T. Rowe Price, TCV, Tiger Global, TPG	4.9
5	US	Fundbox	Lending	350	9Yards, Allianz X, Arbor Ventures, Blumber, Cathay Innovation, Entrée Capital, General Catalyst, GMO, Hamilton Lane, HarbourVest, Ontario Pension Plan, Khosla Ventures, MUFG, Recruit Strategic Partners, SEB PE, Spark Capital, Synchrony Ventures	-
6	US	Bakkt	Financial Markets	300	BCG Digital, CMT Digital, Goldfinch Partners, Intercontinental Exchange, M12, Pantera, PayU, SGH	-
7	US	AvidXchange	Business Solutions	260	TPG Sixth Street Partners	2.0
8	US	Varo	Personal Finance	241	Gallatin Point, HarbourVest, Progressive Casualty Insurance Company, PROOF Fund, The Rise Fund, Warburg Pincus	-
9	US	Tradecraft	Business Solutions	240	Gray Swan	-
10	US	Oscar	Insurance	225	Baillie Gifford, Coatue Management, General Catalyst, GV, Khosla Ventures, Lakestar, Thrive Capital	-

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

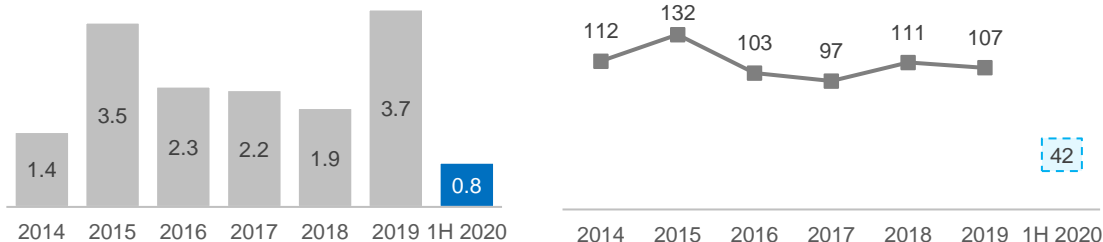
Rise in funding in Payments driven by multiple mega deals in 1H-2020

North America VC funding in fintech: Lending, Payments

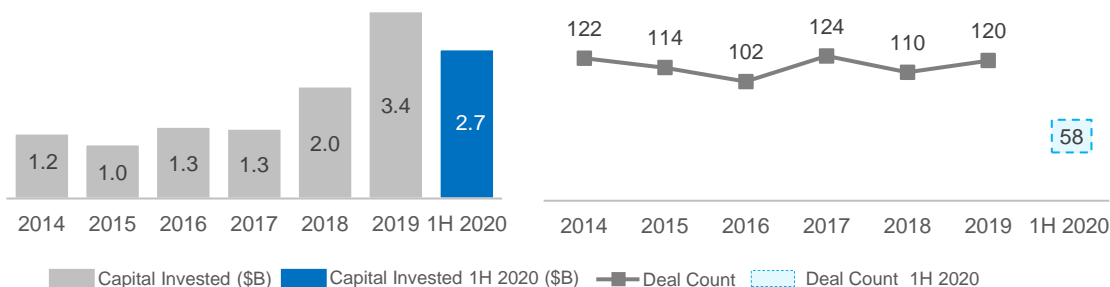
January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified

Lending



Payments



Data Source: Pitch Book, unless specified otherwise

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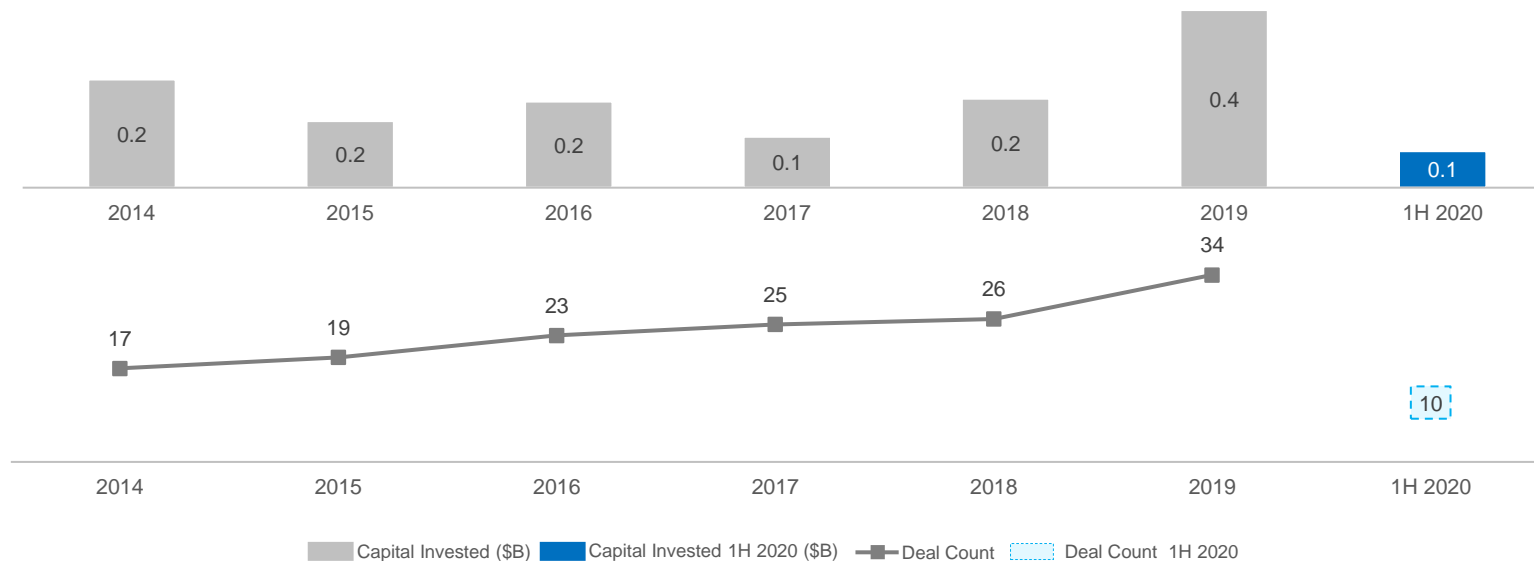
Funding in the lending space in North America is on a decline following a substantial low deal volume YoY across all stages in 1H-2020. On the other hand, while the Payments sector recorded a marginal decline in deal volume, capital invested rose 86% YoY in 1H-2020. A major portion of this increase is attributed to late-stage funding, with seven mega deals, exhibiting that the North American Payments sector is close to maturity.

RegTech likely to slump after record-setting deal activity in 2019

North America VC funding in fintech: RegTech

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

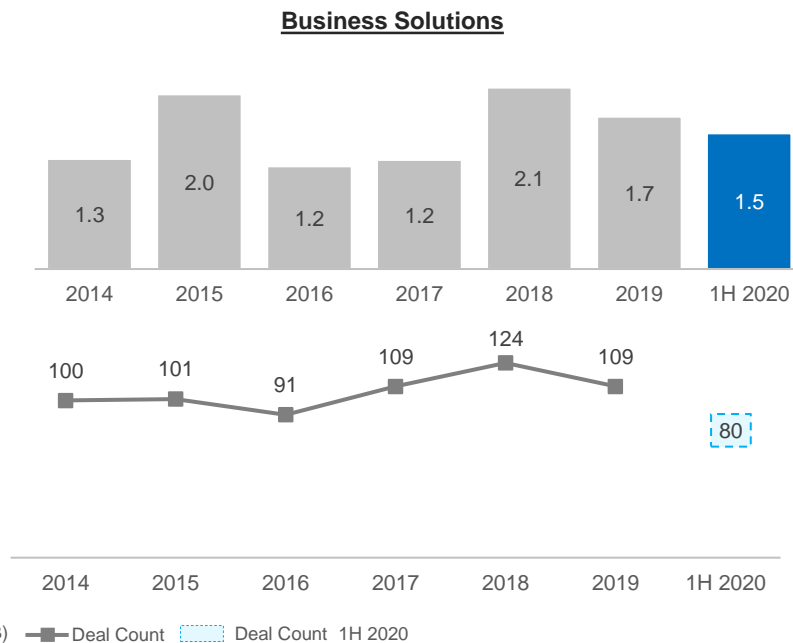
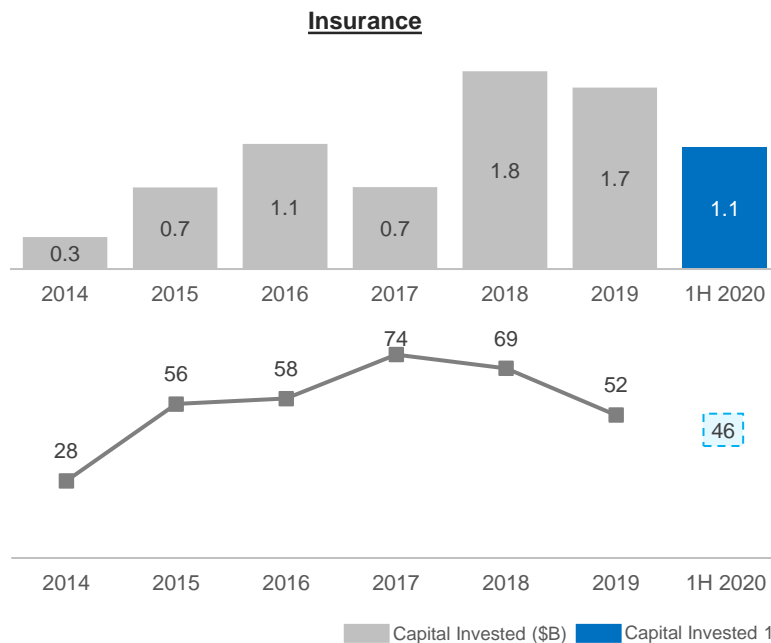
Insurance, Business solutions on track to register record-setting year for funding



North America VC funding in fintech: Insurance, Business Solutions

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Fintech

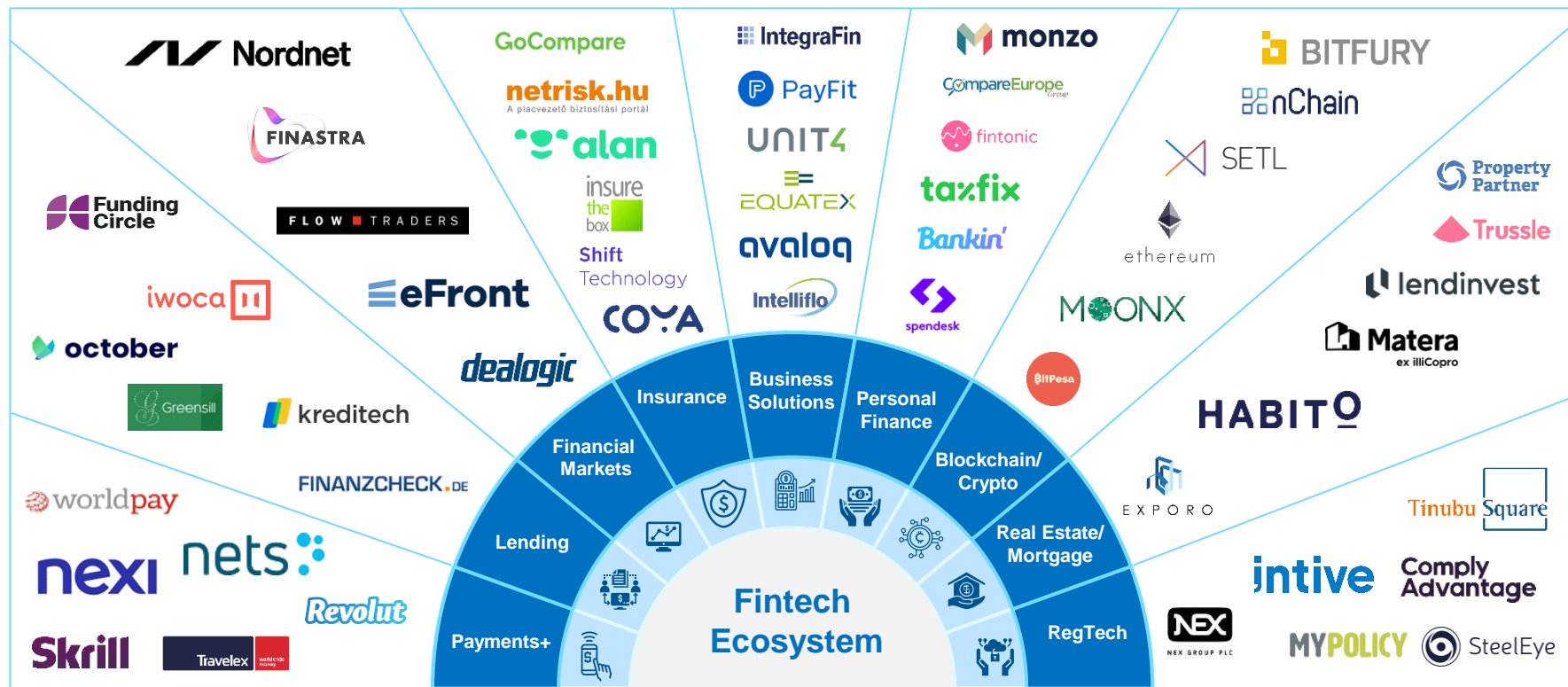
In 1H-2020, VC funding
in fintech companies in
Europe clocked

\$3.8B

across

185 deals

The Fintech Ecosystem- Europe

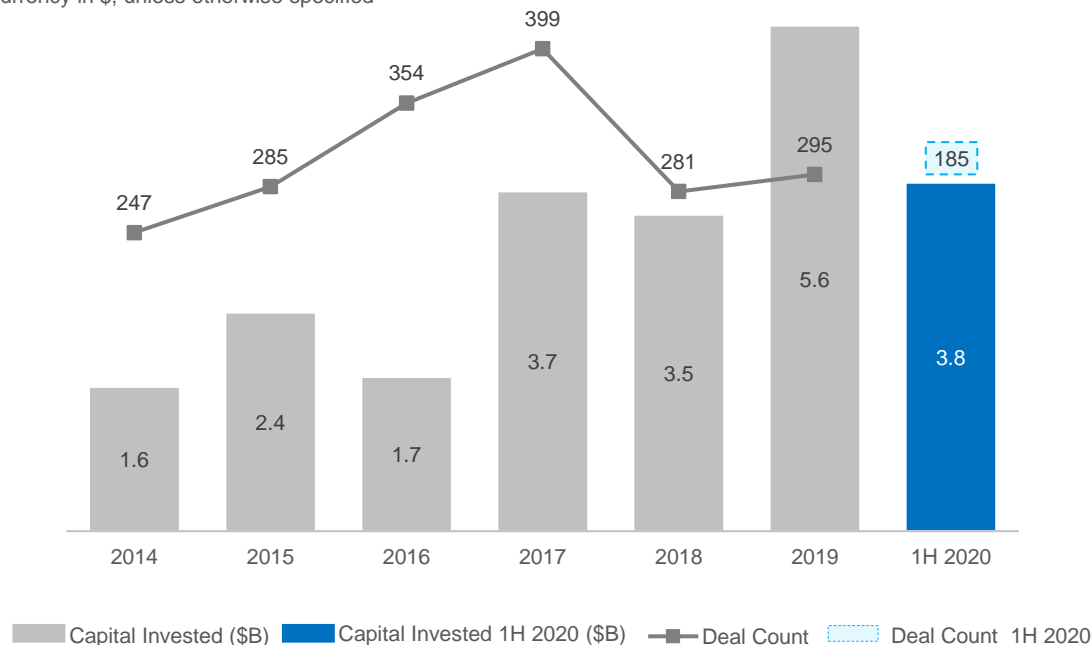


Fintech funding in Europe continues fast growth trajectory in 1H-2020

VC funding in fintech companies in Europe

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Europe registered the best first half with a 29% jump in capital invested YoY in 1H-2020. The median deal size increased to \$4.9M in 1H-2020 from \$4.0M in 1H-2019.

With nine mega deals (>\$100M), 1H-2020 also witnessed the highest number of big-ticket deals, all of them in the Payments+ sector. The widespread adoption of digital payments and banking solutions has been an evident trend for over a year and is likely to continue in the foreseeable future in Europe.

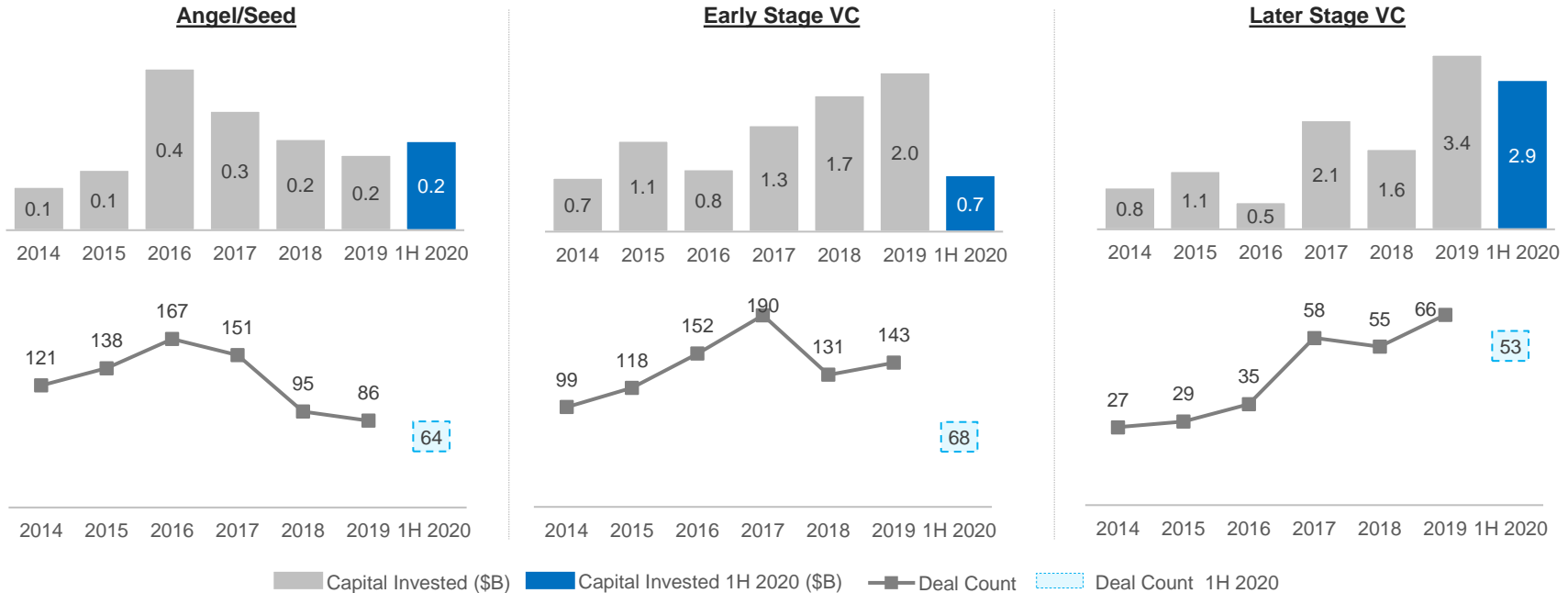
With European economies reopening as COVID-19 cases decline, 2020 is poised to become another landmark year for Europe's fintech space. Additionally, regulatory framework on open banking and PSD2 demonstrate that the EU is working hard to promote fintech companies; as such, regulatory support is a big positive factor for VCs to consider investing in this space.

Explosive growth continues in late-stage funding

Europe VC funding (no. of deals) in fintech companies: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



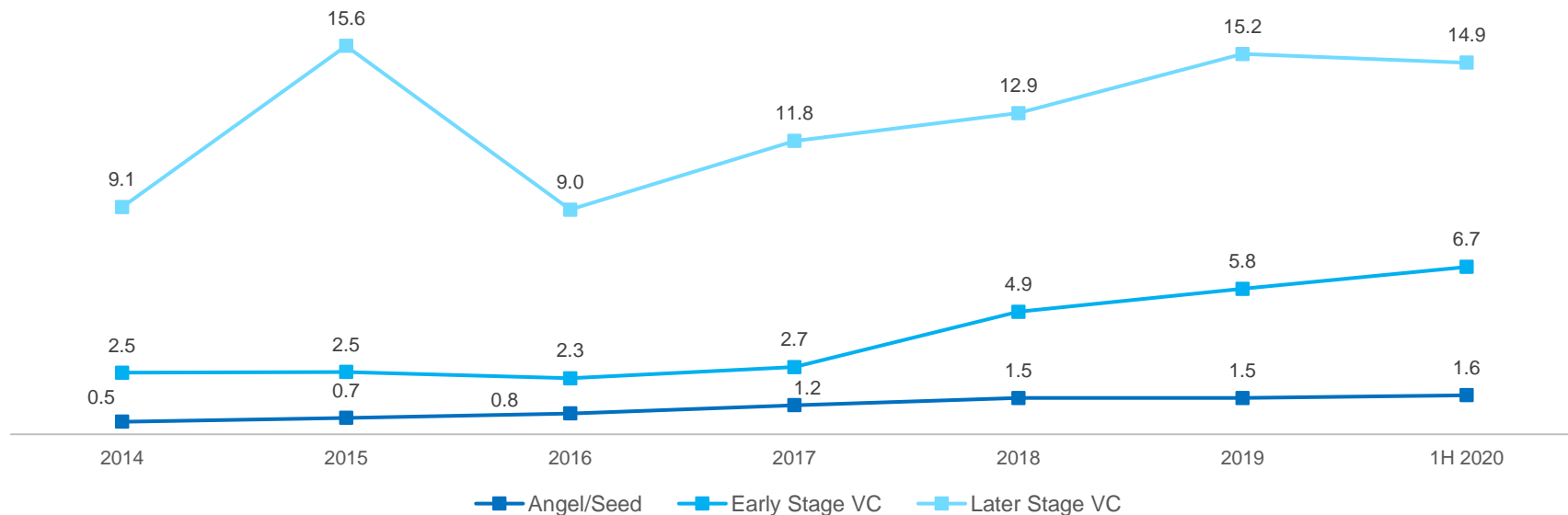
Data Source: Pitch Book, unless specified otherwise

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Median deal sizes in angel, early-stage companies peak at record levels

Europe VC funding median deal size: By funding stage

January 01, 2014 – June 30, 2020



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in Europe

Top 10 VC funding deals in fintech: Europe

January 01, 2020 – June 30, 2020

Sr.no	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post Money Valuation (\$B)
1	Germany	N26	Payments+	570	Allianz X, Draper Esprit, Earlybird Venture, FG2 Capital, GIC, Greyhound Capital, Insight Partners, Tencent, Valar Ventures, Vis Capital	3.5
2	UK	Revolut	Payments+	500	Bond Capital, GP Bullhound, Ribbit Capital, TCV	5.5
3	Sweden	Klarna	Payments+	200	Commonwealth Bank of Australia	5.4
4	UK	Checkout.com	Payments+	150	Blossom Capital, Coatue Management, DST Global, Government of Singapore Investment Corporation, Insight Partners	5.5
5	UK	Starling Bank	Payments+	123	Harald McPike, JTC, Merian Chrysalis Investment, Merian Global Investors	-
6	UK	CurrencyCloud	Payments+	122	Accomplice, Anthemis, BNP Paribas, Goldman Sachs, GV, International Finance Corporation, Notion, Sapphire Ventures, SBI Holdings, Siam Commercial Bank, Visa	-
7	UK	Starling Bank	Payments+	117	JTC, Merian Chrysalis Investment	-
8	France	Qonto	Payments+	116	Alven Capital, DST Global, Ingo Uytdehaage, Taavet Hinrikus, Tencent, Valar Ventures	-
9	Sweden	Tink Sweden	Payments+	100	ABN AMRO Digital Impact fund, Dawn Capital, Heartcore Capital, HMI Capital, Insight Partners, Opera Tech, Poste Italiane	0.5
10	Luxembourg	Satispay	Payments+	55	-	-

Data Source: Pitch Book, unless specified otherwise

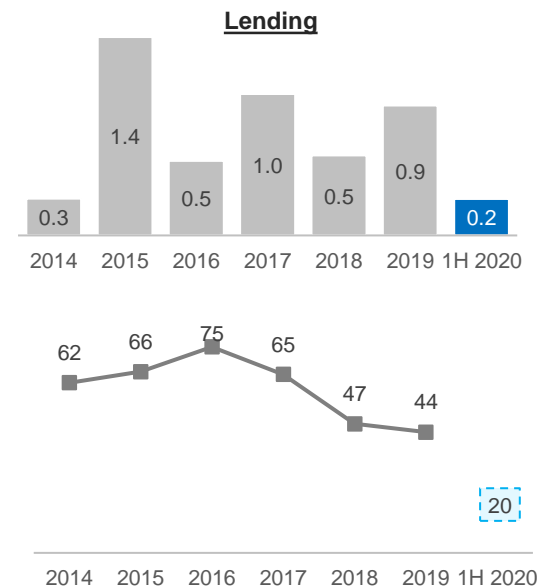
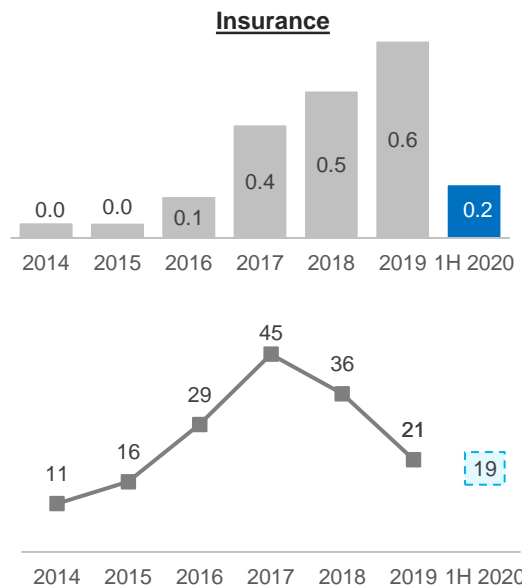
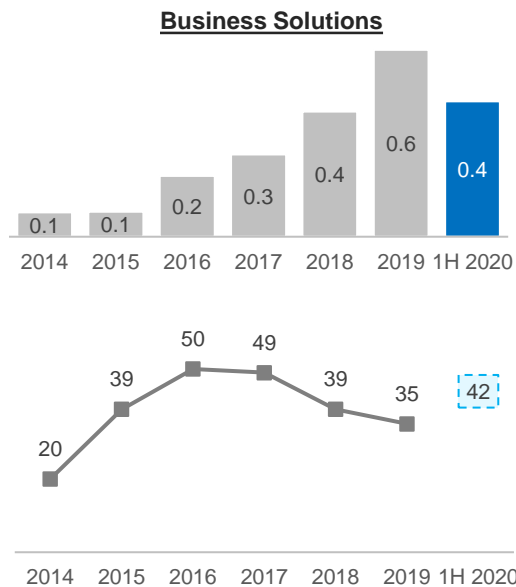
Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Deals in Business Solutions on steady, upward trend; deal activity shrinks in Insurance, Lending

Europe VC funding in fintech: Lending, Insurance, Business Solutions

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



■ Capital Invested (\$B) ■ Capital Invested 1H 2020 (\$B) — Deal Count □ Deal Count 1H 2020

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

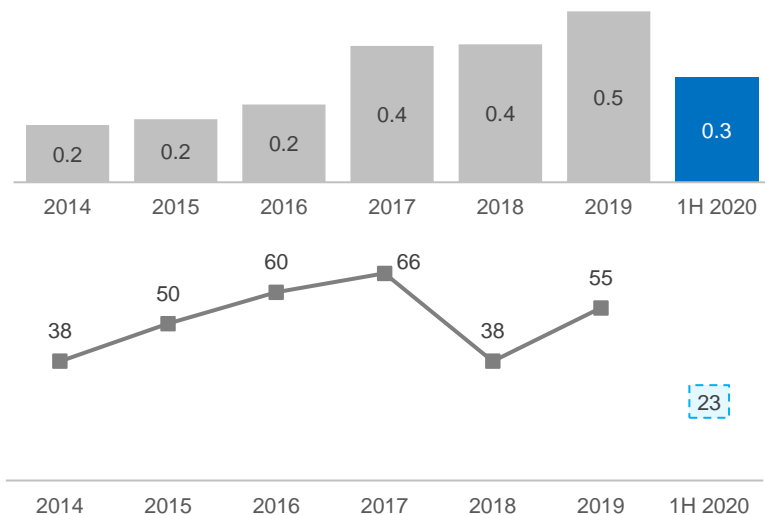
Payments remains most promising vertical in Europe; 2020 slated to be the best year

Europe VC funding in fintech: Financial Markets, Payments

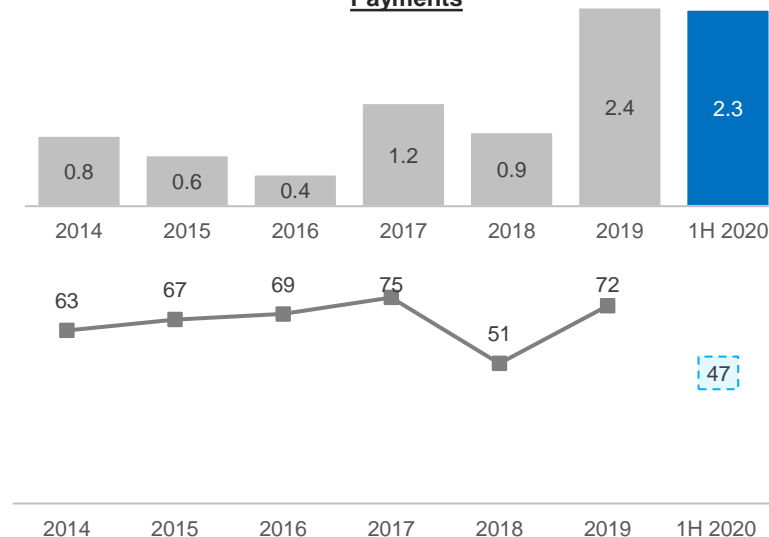
January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified

Financial Markets



Payments



■ Capital Invested (\$B) ■ Capital Invested 1H 2020 (\$B) — Deal Count □ Deal Count 1H 2020

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.



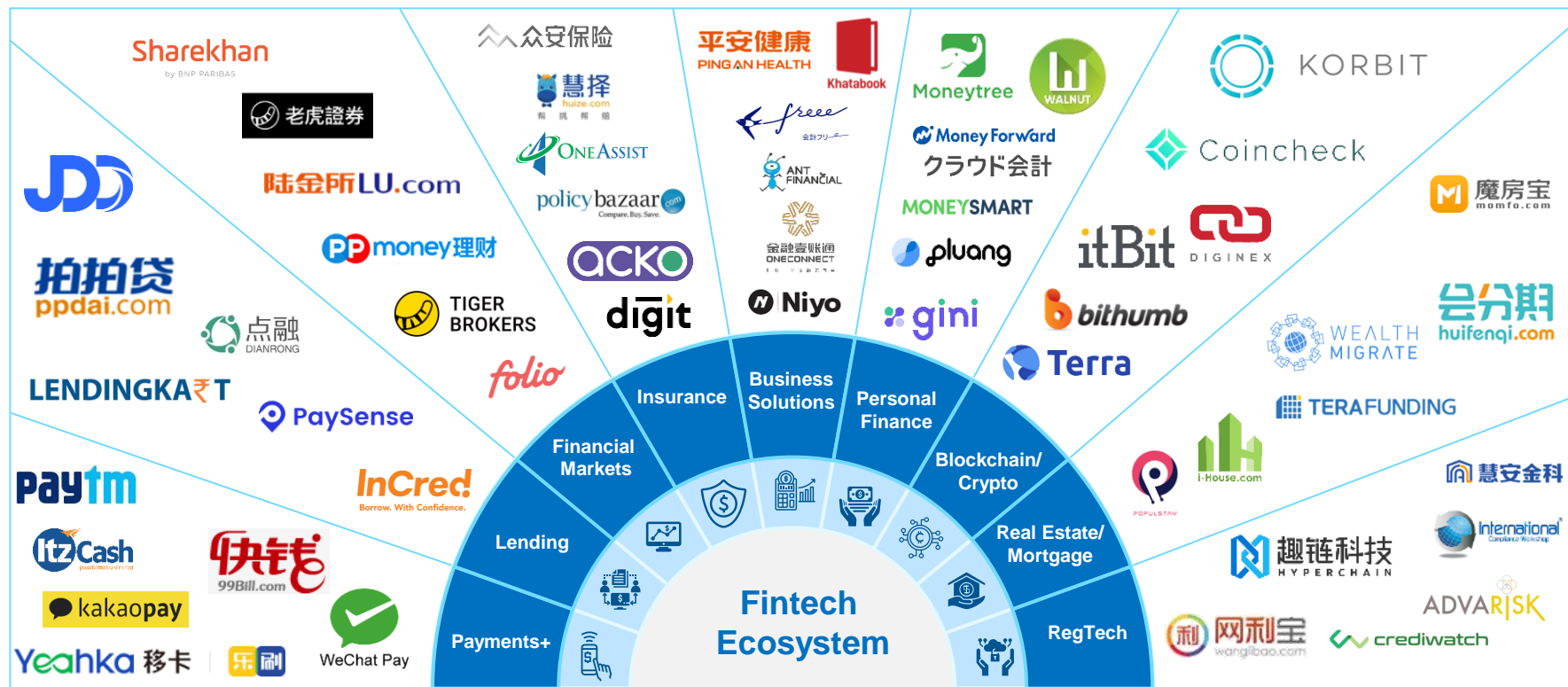
In 1H-2020, VC funding
in fintech companies in
Asia clocked

\$2.5B

across

111 deals

The Fintech Ecosystem- Asia

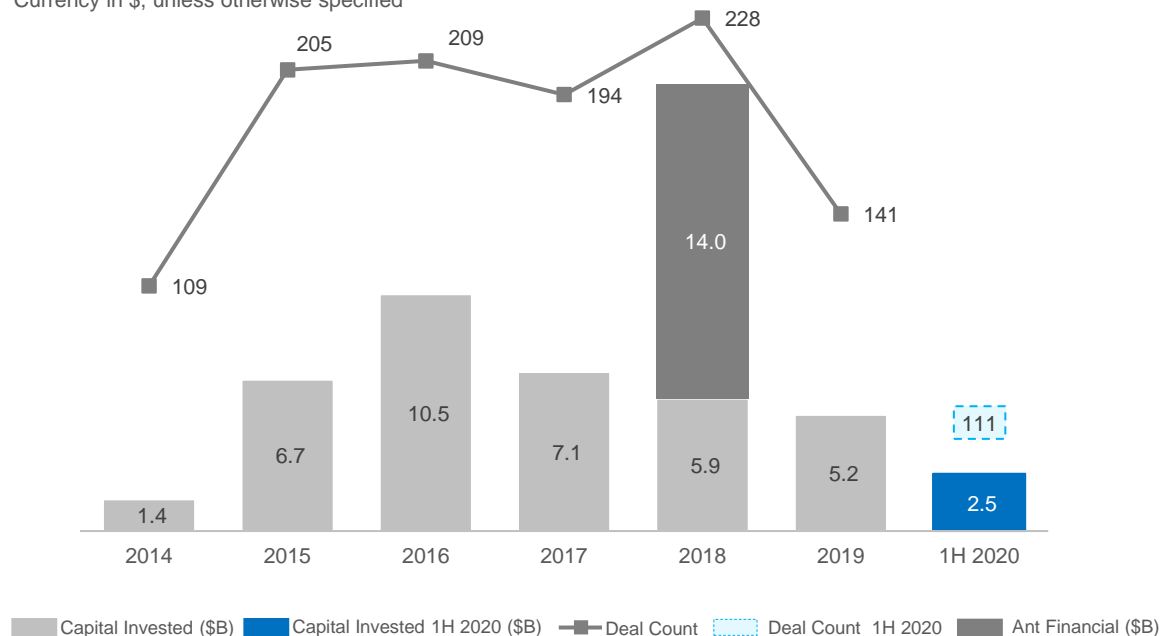


VC funding in Asia picks up pace in 1H-2020 after 2019 lows

VC funding in fintech companies in Asia

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Surviving the worst year in five years in 2019, Asian fintech funding picked up pace in 1H-2020, registering a 125% growth YoY in deal value and 127% growth in volume terms. The median deal size rose to \$9.5M from \$7.5M in 2019, increasing for the fifth consecutive year.

India (leading) and China (in second place) accounted for about 70% of the deal value and volume in Asian fintech funding in 1H-2020 as both countries focus on steady fintech expansion in their race to become the largest fintech hub in the region.

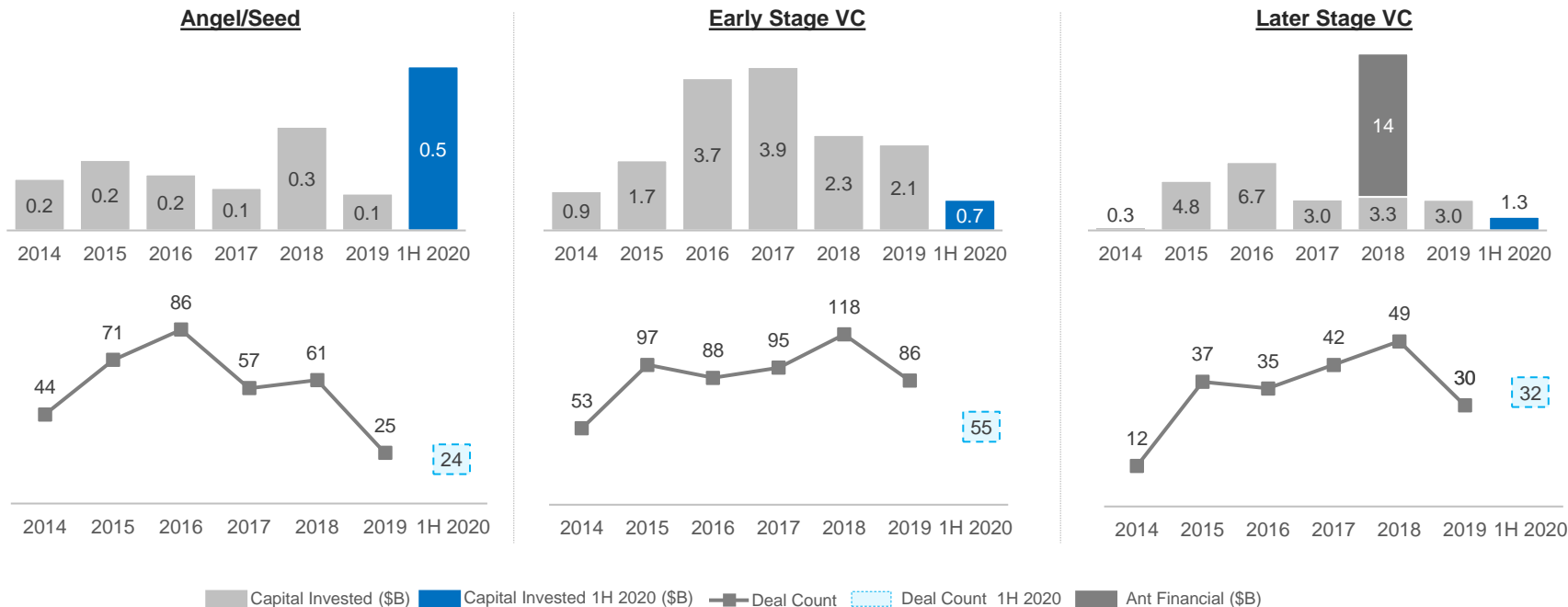
While there was a marginal dip in deal activity in 1Q-2020, funding activity almost doubled in 2Q-2020, demonstrating that deal-making in the Asian fintech space was rather safe from the consequences of the pandemic wrecking other sectors.

Angel/seed funding deals surge in 1H-2020

Asia VC funding (no. of deals) in fintech companies: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

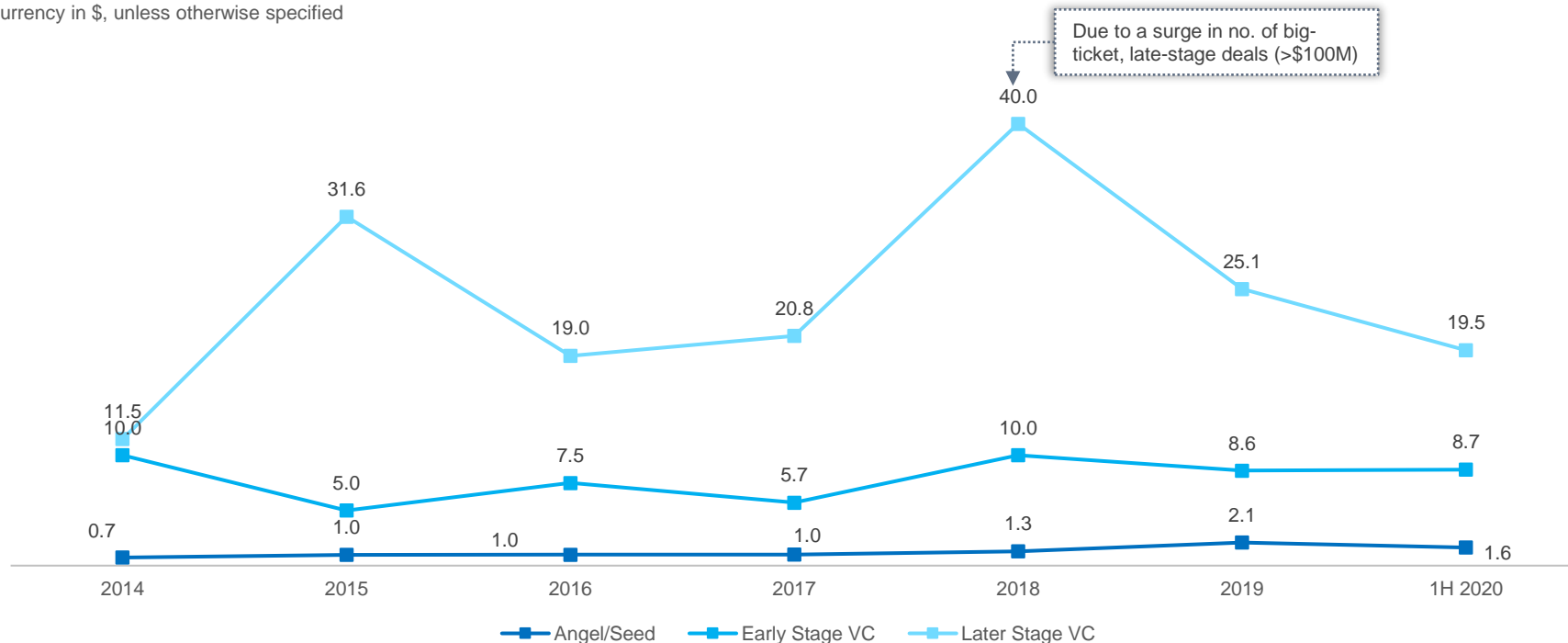
Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Late-stage deal sizes return to historical trends, well below 2018 high

Asia VC funding median deal size: By funding stage

January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Top10 global VC funding deals in Asia



Top 10 VC funding deals in fintech in Asia

January 01, 2020 – June 30, 2020

S.no	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post Money Valuation (\$B)
1	India	Navi Technologies	Lending	397.90	Anand Rao, Anirban Mukherjee, Kaushik Madhavan, MS Gopalakrishnan, Narayanan Venkitaman, Paresh Suthankar, Samit Shetty, Samuel Sunil Edwards, Shweta Mani	-
2	Japan	Paidy	Payments +	251.00	Goldman Sachs, Itochu, JS Capital, PayPal Ventures, Soros Capital, Tybourne Capital, Unusual Ventures, Visa Ventures	-
3	China	JD Digits	Financial Markets	250.74	JD.com	-
4	China	Yunzhangfang.com	Business Solutions	85.00	Vitruvian Partners	-
5	Thailand	SYNQA	Payments +	80.00	Aioi Nissay Dowa Insurance Company, SCB 10X, SMBC Venture, SPARX, Sumitomo Mitsui Banking, Toyota Financial Services	-
6	India	BharatPe	Payments +	75.00	Amplo, Coatue Management, Insight Partners, Ribbit Capital, Steadview Capital	0.4
7	India	PaySense	Lending	65.00	PayU	-
8	China	Huisuanzhang	Business Solutions	60.00	Gaocheng Capital, Sunshine Insurance, Xiaomi	-
9	India	KhataBook	Business Solutions	60.00	B Capital, DST Global, Falcon Edge Capital, GGV Capital, Hummingbird Ventures, Kunal Bahl, Kunal Shah, Rocketship, Rohit Bahl, RTP Global, Sequoia, Tencent, Unilever Ventures	0.3
10	India	Vivriti Capital	Lending	50.00	LGT Lightstone Aspada	-

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

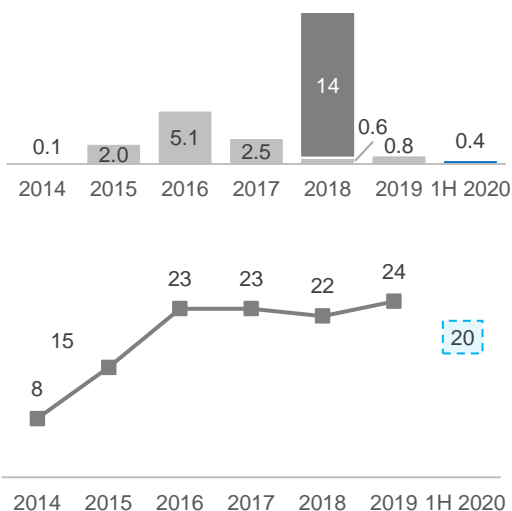
Funding activity picks up pace in Payments and Lending segments

Asia VC funding in fintech: Diverse verticals

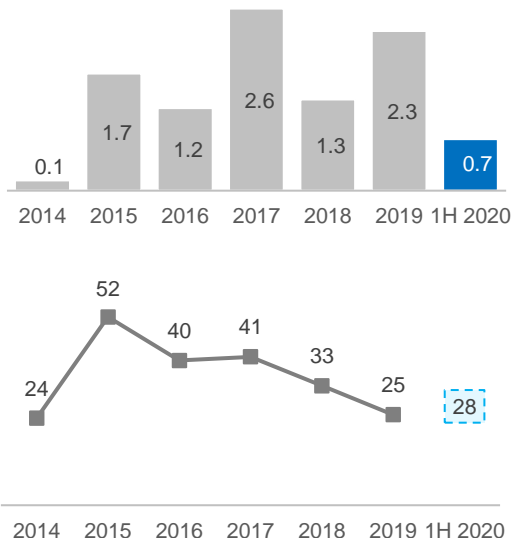
January 01, 2014 – June 30, 2020

Currency in \$, unless otherwise specified

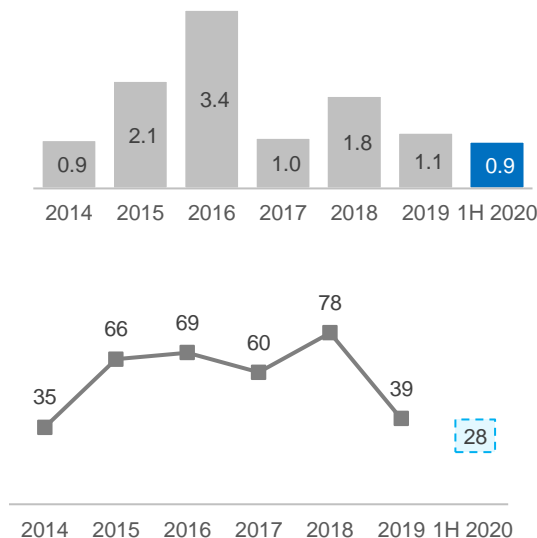
Business Solutions



Payments



Lending



■ Capital Invested (\$B) ■ Capital Invested 1H 2020 (\$B) — Deal Count — Deal Count 1H 2020 ■ Ant Financial (\$B)

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the fintech universe and its constituents as defined from the perspective of this report.

Methodology



The underlying deal data used in the report was sourced from Pitchbook. Only transactions with a 'Completed' status were considered.

Fintech Data Selection Criteria

All transactions classified under the fintech vertical by Pitchbook were selected. We also considered transactions based on search results that included key words such as fintech, financial technology, finance technology, financial service technology, etc.

We also specifically reviewed details such as business description, original classification, deal value, and nature of deal for all transactions with a deal value surpassing or equal to \$1 billion using publicly available articles and/or the company website. The data was used to make a reasonable judgment about their inclusion or exclusion within the broader fintech universe as well as the verticals/segments therein.

Categorization of Deal Type

For the purposes of this report, we focus on fintech deals primarily of three types as per Pitchbook classification: venture capital (VC), private equity (PE), and mergers and acquisitions (M&As). All other deal type classifications including, but not limited to, secondary transaction, accelerator/incubator, debt-financed, joint venture (JV), publicly listed, and others were not included in this report.

Venture Capital

For the purpose of this report, we observed the Deal Type and Deal Universe reported by Pitchbook for each deal. Based on Aranca's analysis, the deals tagged as early-stage VC, late-stage VC, angel (individual), restart-angel, seed round and corporate were classified as VC deals.

Venture Capital Stages

Angel/seed deals include deals tagged by Pitchbook as angel (individual) and seed round.

Early-stage deals include those tagged by Pitchbook as early stage, which mostly include Series A and Series B companies. VC corporate deals with size less than \$5 million that did not contain any specific tag for early or late stage (about 1% of total VC deals) within Pitchbook data were categorized as early stage.

Late-stage deals include deals tagged by Pitchbook as late stage, which typically represent Series C (and above) transactions. Furthermore, in the absence of specific classification, VC corporate deals of size greater than or equal to \$5 million (about 1% of total VC deals) were categorized as late stage.

In the report, accelerator/incubator is not a part of the VC universe.

Methodology (continued)

Categorization of Industry Segments

All fintech deals have been classified under nine segments, namely, payments, lending, insurance, financial markets (wealth management and capital markets), personal finance, business solutions, RegTech, real estate/mortgage, and blockchain/crypto.

The companies were classified based on the business description provided by Pitchbook or the company website.

1. Payments+: Companies that provide payment and money transfer solutions, wallets, point-of-sale (PoS) systems, credit cards, etc.
2. Lending: Companies that provide loans or a marketplace for lending, working capital or any type of business financing, peer-to-peer (P2P) lending, crowdfunding, etc.
3. Insurance: Companies that provide insurance or technology/marketplace for all types of insurance products, insurance-enabling solutions, etc.
4. Financial markets (wealth management and capital markets): Companies that provide advisory and portfolio management services, investment management firms, financial data and analytics, trading or brokerage firms, etc.
5. Personal finance: Companies that provide expense trackers, budget management apps, financial literacy apps, etc.
6. Business solutions: Companies that provide business-process-enabling systems or technology such as payroll systems, accounting, and companies that do not fall into any of the previously mentioned categories
7. RegTech: Companies that provide solutions for regulatory compliance, risk management, assistance in audit, etc.
8. Real estate/mortgage (PropTech): Companies that provide rent payment solutions, real estate advisory, mortgage-related tech, etc.
9. Blockchain/Crypto: Companies that offer cryptocurrency/blockchain-related services or technology

Important Note: Based on the dynamic nature of the industry and companies operating in the Fintech space, we have re-classified some of the companies (and their corresponding deal activity) in this edition of the report

Glossary

Fintech	Financial Technology
1H-2020	First Half of 2020
1Q-2020	First Quarter of 2020
VC	Venture Capital
PE	Private Equity
M&A	Merger and Acquisitions
PSD2	Payment Services Directive

500+

strong team professional team
across multi-disciplinary domains

2500+

global Clients

120+

sectors and sub-sectors
researched by our analysts

80+

countries where we have delivered
projects

Aranca is a trusted research & advisory partner to global companies, from the hottest start-ups to the Fortune 500.

PRACTICE AREAS



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CXOs in Strategy, SBUs, Sales, Marketing, CI/MI, Innovation



Valuation & Financial Advisory

CFOs in Start-ups, PE/VC firms, Corporate M&A teams, mid-market cos.



Technology | IP Research & Advisory

R&D, Tech Scouting, Open Innovation, IP teams, Product Development



Investment Research & Analytics

Brokerage, Hedge Funds, IRPs, I-Banks, AMCs, Investor Relations

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Kinjal has completed all three levels of Chartered Financial Analyst (CFA) exam and holds a Bachelors in Financial Markets.

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