

The title "Fintech Decoded" is centered in a large, white, sans-serif font. The background of the entire page is a dark blue grid of hexagons, each containing a white icon related to fintech: a candlestick chart, a hand holding a dollar bill, a cloud with a downward arrow, an hourglass, a bar chart, a magnifying glass over two people, a person with a sword, another candlestick chart, another cloud with a downward arrow, and another hourglass. The background also features blurred light trails and bokeh effects.

A special edition report tracking investment activity in Fintech companies

2022

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Executive Summary



Global Fintech investment witnessed high volatility during 2022. There has been a tremendous decline in venture capital funding by value, but the deal volume was significantly robust throughout the year remarking 2022 as the second-highest total next to 2021. The emergence of new Covid variants, soaring US inflation, withdrawal of stimulus measures by the Fed and successive interest rate hikes leading to a recessionary environment, regulatory uncertainty caused by GDPR, China's ban on cryptocurrency, a worse-than-anticipated slowdown in China, geopolitical impacts of the Russia-Ukraine war, and soaring Eurozone inflation have caused the downturn in 2022.

VC deal activity in the fintech space reached the pre-surge level, with \$39.9B being invested in 2,035 deals globally. VC investors are focusing more on angel/seed stage companies and taking a back seat for early- and late-stage VC companies owing to the inflated valuations post the surge in 2021. The global economic and political landscape is becoming increasingly uncertain, which has made venture capital firms more cautious about investing. Fintech companies with strong value propositions and sustained profitability will continue to attract investment, particularly in sectors like RegTech and Cybersecurity.

The Payments and Blockchain/Crypto segments have taken a back seat and passed on the baton to the Business Solutions and Financial Markets segments during this period. Blockchain/Crypto segment plunged significantly owing to the Terra (Luna) crash and FTX bankruptcy in 2022. As investor interest in crypto solutions pulled back, the broader blockchain space started to gain more traction with companies using blockchain-based technologies. Moreover, the increasing complexity of the regulatory environment with several changes in different jurisdictions (e.g., Basel IV, the EU Market in Crypto-assets Regulation, the Digital Operations Resilience Act, the AI Act, the Digital Services Act, ESG standards) enables greater focus and investment in the RegTech segment.

China-based fintech companies are looking globally for growth opportunities due to much tighter restrictions on domestic fintech activity. Therefore, the unicorns observed during the year were mainly concentrated in the US. While the unicorn count is at an all-time high, the exit value of these companies is on a decline.

Welcome to the fifth edition of Aranca's *Fintech Decoded* report, a publication where we highlight the major VC funding trends of 2022 within the broader Fintech universe across key markets.

VC fintech funding slowed in 2022 after the 2021 surge, with the macroeconomic-led headwinds turning the tides of investments and paving the way for the future. The anticipation of further economic volatility has made investors risk-averse. The velocity of mega deals is receding as even established companies with proven unit economics and growth plans are unable to attract investor attention. In this report, we highlight some key trends based on 2022 deal activity and the outlook for various fintech verticals

We hope you find this an interesting and insightful read.



Fintech

In 2022, investment in
Fintech companies
globally clocked

\$80.9B

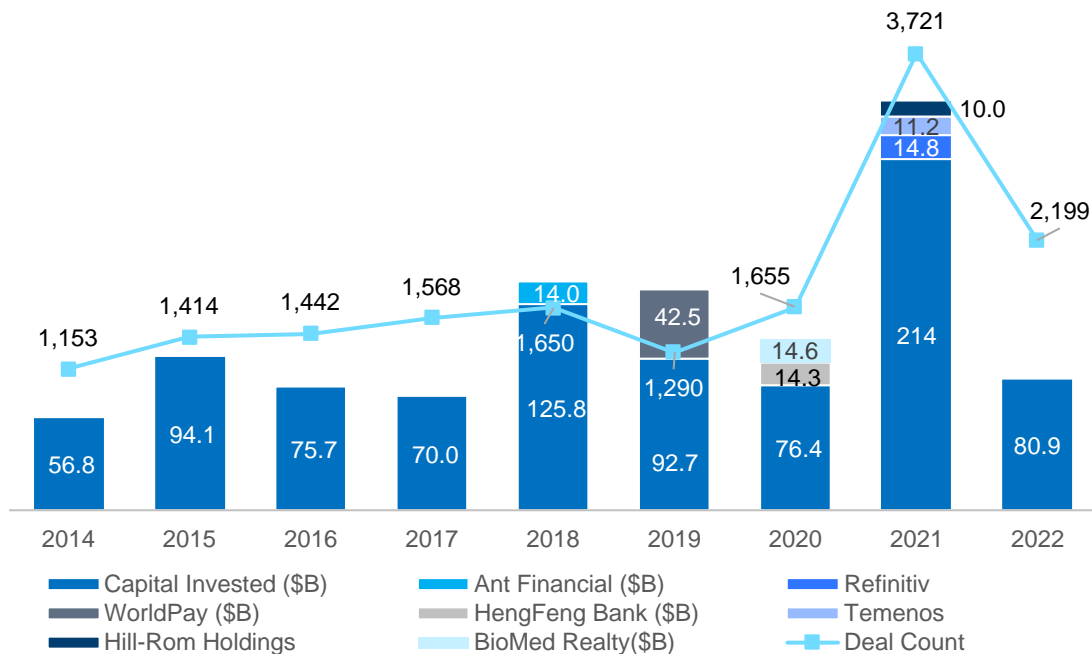
across

2,199 deals

Global Fintech funding fell back to pre-elevated levels in 2022, from a record high of ~\$250B in 2021

Global VC, PE, MA deal landscape in Fintech companies

January 01, 2014–December 31, 2022
 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.

The fintech sector experienced a decline in investor funding in 2022 due to several macroeconomic factors, including inflation, rising interest rates, the COVID-19 pandemic, and the war in Ukraine. It is too early to say whether the decline in venture capital investment in 2022 is a temporary phenomenon or a sign of a more permanent shift in the market.

Capital Invested in 2022 was 32% of the 2021 value, slightly lower than the 2020 investment. However, the deal volume increased by more than 1x with ~1,500 deals completed, and the investment amount increased by 27% in 2H22 as compared to 1H22.

VC funding in fintech expanded by 44% in 2H22 from 1H22, but overall VC funding declined by 70% in 2022 from 2021. Meanwhile, the PE space recorded a decline in financing of about 63% in 2H22 from 1H22 and a YoY decline of about 59% compared to 2021. Whereas the funding through M&A increased by 33% in 2H22 from 1H22, but an overall decline of 67% in 2022 compared to 2021.



Fintech

In 2022, VC funding in
Fintech companies
globally clocked

\$39.9B

across

2,035 deals

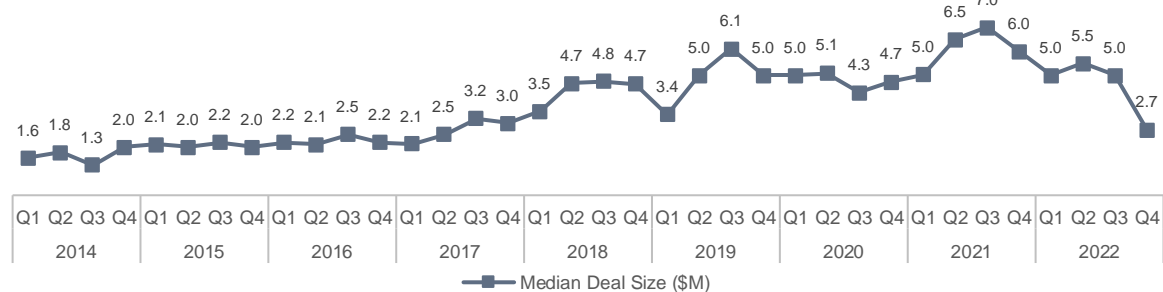
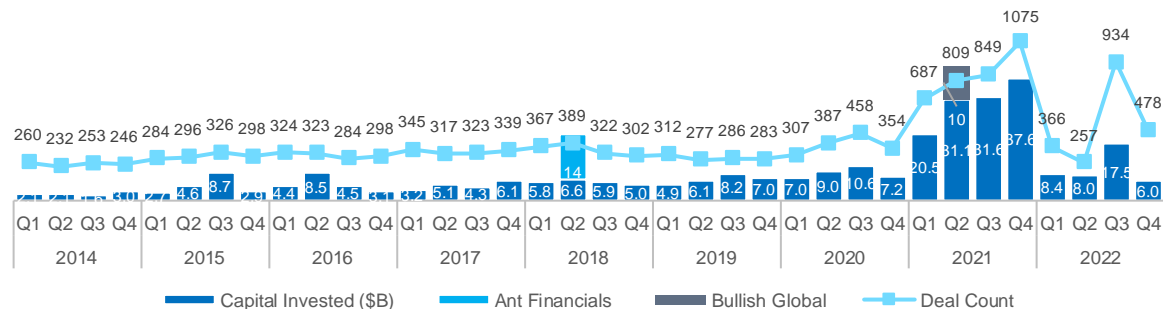
VC funding in Fintech hiked in 3Q22, surpassing 2020 VC funding levels in 2022



Global VC funding in Fintech companies

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



VC funding for fintech companies declined to the 2020 level (\$39.9B capital invested in 2022 compared to \$33.8B in 2020), after recording an all-time high financing in 2021. VC funding deal activity in 2H22 increased by 127% in volume and 44% in value compared to 1H22.

Investors do not seem as enthusiastic about the fintech space as they were in 2021 because of the rising interest rates in an effort to combat inflation, reducing the liquidity in the market. Moreover, the inflated valuations of the companies in recent years have made it riskier for VC firms to invest in startups and have ultimately made the exit difficult. The decreased investor confidence may continue to impact the venture capital landscape in the months and years to come.

The number of mega deals (>\$100M) in 2H22 increased from 42 deals worth \$9.4B in 1H22 to 55 deals worth \$11.0B in 2H22. The mega deals in 2022 accounted for 51% of the total VC funding. Investors are cautious in the current scenario of the rising cost of capital, economic slowdown, and increased scrutiny from regulators. However, the number of VC-backed deals in 2022 has remained along the pre-inflated levels. This suggests that there is still a demand for venture capital, even in a recessionary environment.

Data Source: Pitch Book, unless specified otherwise

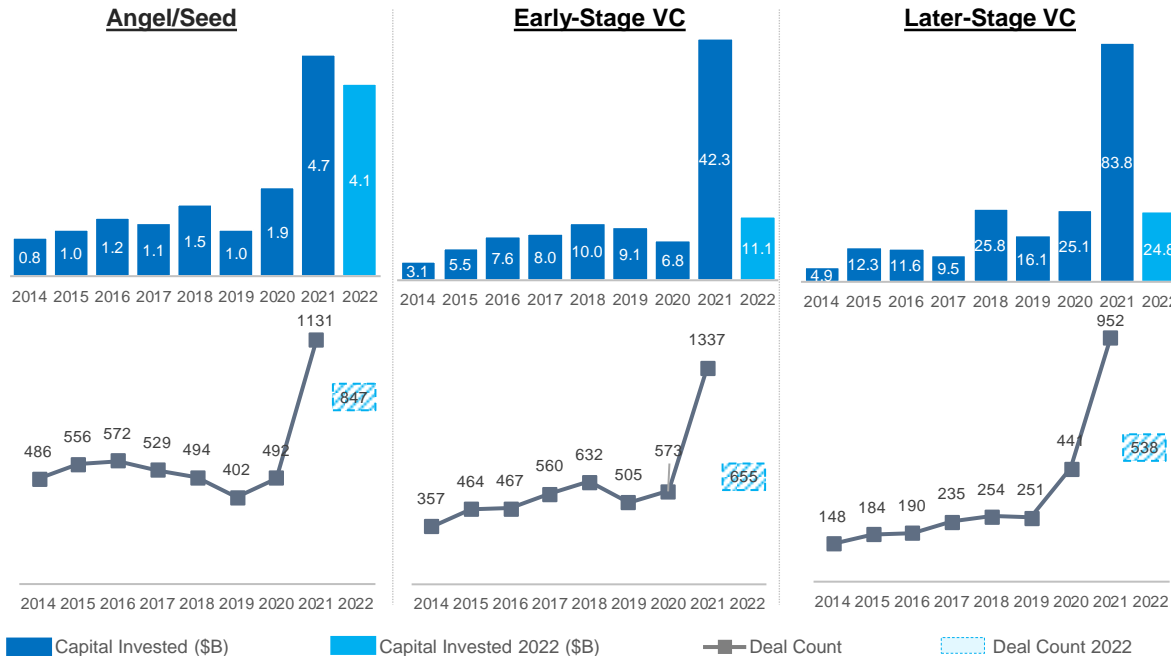
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

Extraordinary levels in angel/seed-stage funding; early and late-stage funding declined to the 2020 level

Global VC funding in Fintech companies

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



Late-stage deal activity was recorded at 2020 levels, and the number of mega deals (>\$100M) stood at 74 (worth \$16.1B), in line with the 2020 trend.

The momentum in angel/seed stage investment of 2021 was maintained in 2022 with a raised capital of \$4.1B, 87% of the 2021 deal value. Whereas early-and late-stage VC funding in 2022 stood at 26% and 30% of that in 2021, respectively.

The market still has a plethora of growth opportunities to offer for fintech entrants. However, with the industry facing many regulatory changes in the past few years, financing has slowed down.

In recent years, there has been a surge in the number of unicorn startups that have made it more difficult for VC firms to find undervalued startups to invest in. As a result, VC firms are becoming more selective about the startups they invest in, leading to smaller amounts of investment in each startup in order to reduce their risk.

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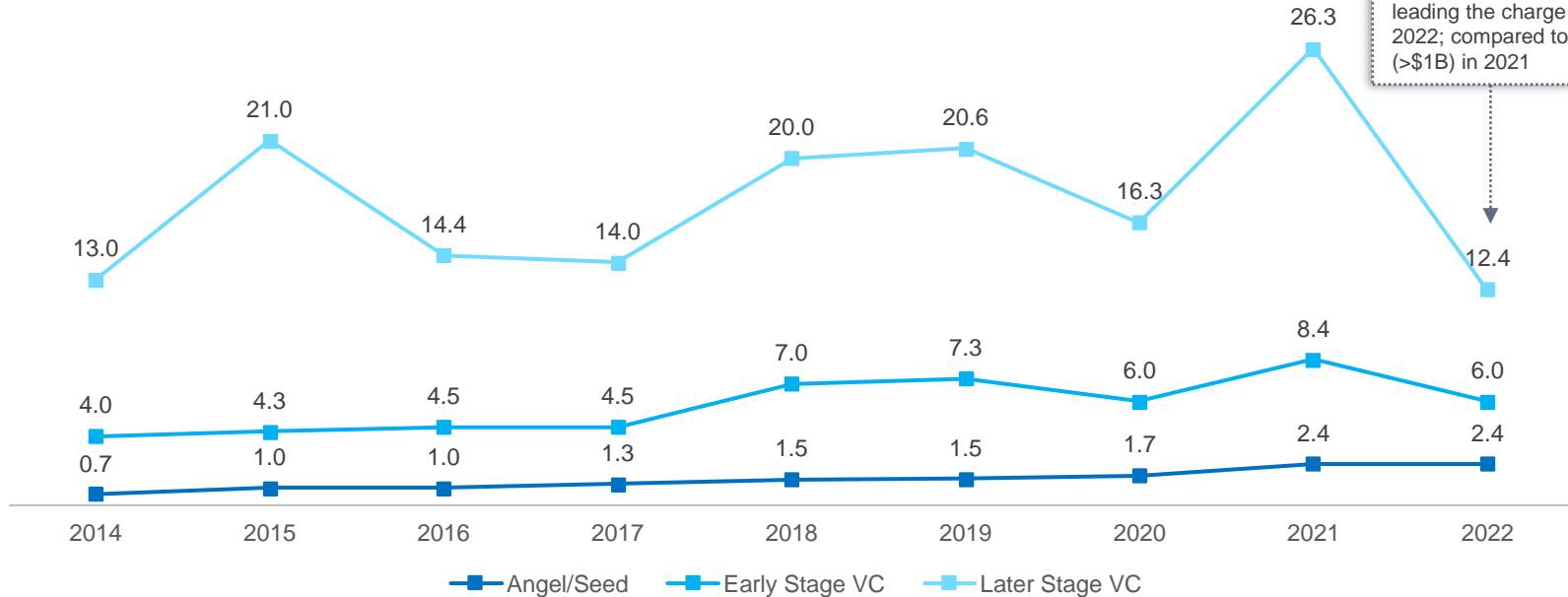
Significant decline in late-stage median deal size in 2022

Global VC funding median deal size: By funding stage

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified

2 deals (>\$1B) of Trade Republic and eToro leading the charge in 2022; compared to 6 deals (>\$1B) in 2021



Data Source: Pitch Book, unless specified otherwise

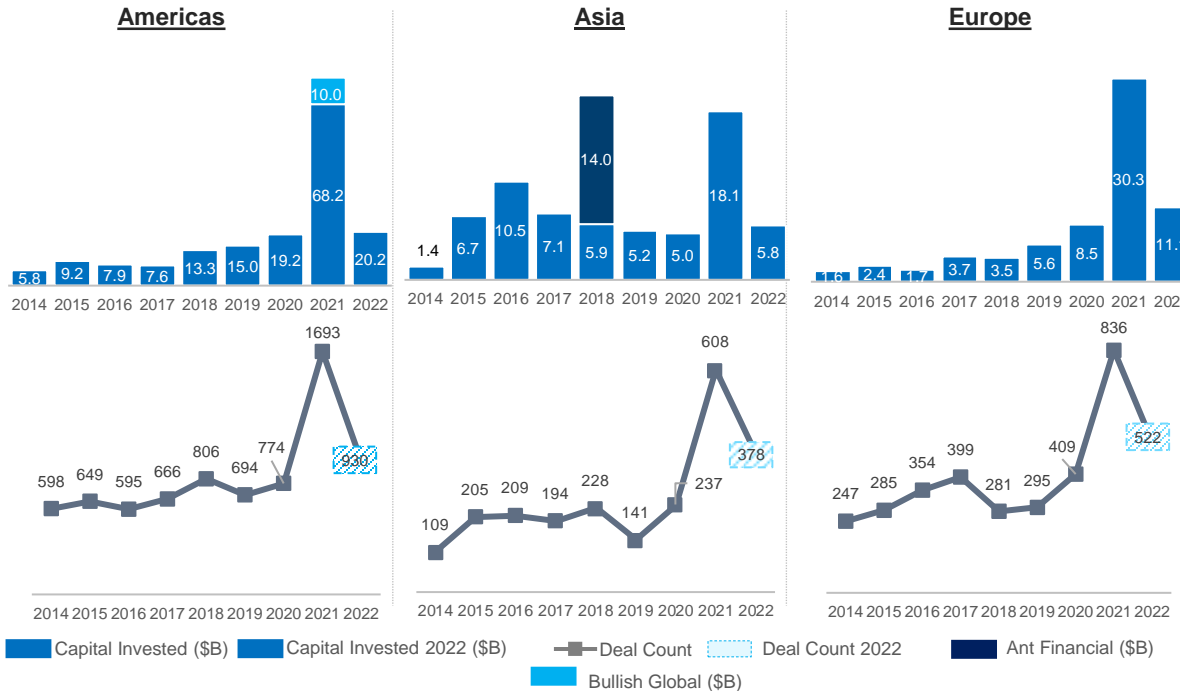
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2022 funding in the US, European, and Asian fintech space declines by close to 70% of 2021

Global VC funding in Fintech companies

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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The fintech funding spree slowed due to a sufficiently reduced inflow of capital in value, with \$10.3B in the Payments+ segment (72% down from \$36.6B in 2021), in addition to 83% and 77% decline in the Blockchain/Crypto and Insurance segments, respectively. In terms of value, all subsectors in the fintech industry registered close to a 50–80% drop in capital invested in 2022 vis-à-vis 2021.

However, capital injected in most of the sub-sectors grew in 2H22 as compared to 1H22, with RegTech and Insurance by 3.6x and 1.2x, respectively. While the investments in Payments+, Lending, and Business Solutions segments grew at ~55% each in 2H22. The volume of deals has increased at a higher rate than the overall value of each segment, indicating a decline in investment per deal in 2H22.

Asia, Europe, and the Americas secured \$3.6B, \$6.7B, and \$11.3B in funding in 2H22, registering a 65%, 53%, and 25% increase, respectively, from 1H22. 2H22 volume of deals in each geography was more than 2x of that in 1H22. However, the 2022 funding was close to 30% of 2021, signifying the changing market conditions and investor confidence.

Top 10 global VC funding deals in Fintech space



Top 10 global VC funding deals in Fintech space

January 01, 2022–December 31, 2022

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	Germany	Trade Republic	Financial Markets	1,153	Ontario Teachers' Pension Plan, Sequoia Capital, Founders Fund	5.3
2	UK	eToro	Financial Markets	1,000	Smart Partnership Capital	5.0
3	US	Ramp	Payments+	748	Founders Fund, D1 Capital Partners, Spark Capital, Altimeter Capital Management	8.1
4	UK	SumUp	Payments+	603	Bain Capital Tech Opportunities, BlackRock, btov Partners, Centerbridge Partners, Crestline Investors	8.2
5	US	Fireblocks	Blockchain/Crypto	550	D1 Capital Partners, Spark Capital, Altimeter Capital Management, Bank of New York Mellon	8.0
6	US	Juro System	Business Solutions	500	-	-
7	US	Liquidity Group	Business Solutions	475	Apollo Global Management, MUFG Innovation Partners, Spark Capital	-
8	Germany	Wefox	Insurance	413	Invest AD, Mubadala Capital-Ventures, OMERS Ventures, Target Global	4.7
9	South Korea	toss	Payments+	405	Tonic Private Equity, Korea Development Bank, Korea Investment & Securities, SC Ventures	7.0
10	US	Circle (Financial Software)	Blockchain/Crypto	400	BlackRock, Fidelity Management & Research, Fin Capital, Marshall Wace	-

Data Source: Pitch Book, unless specified otherwise

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Fintech

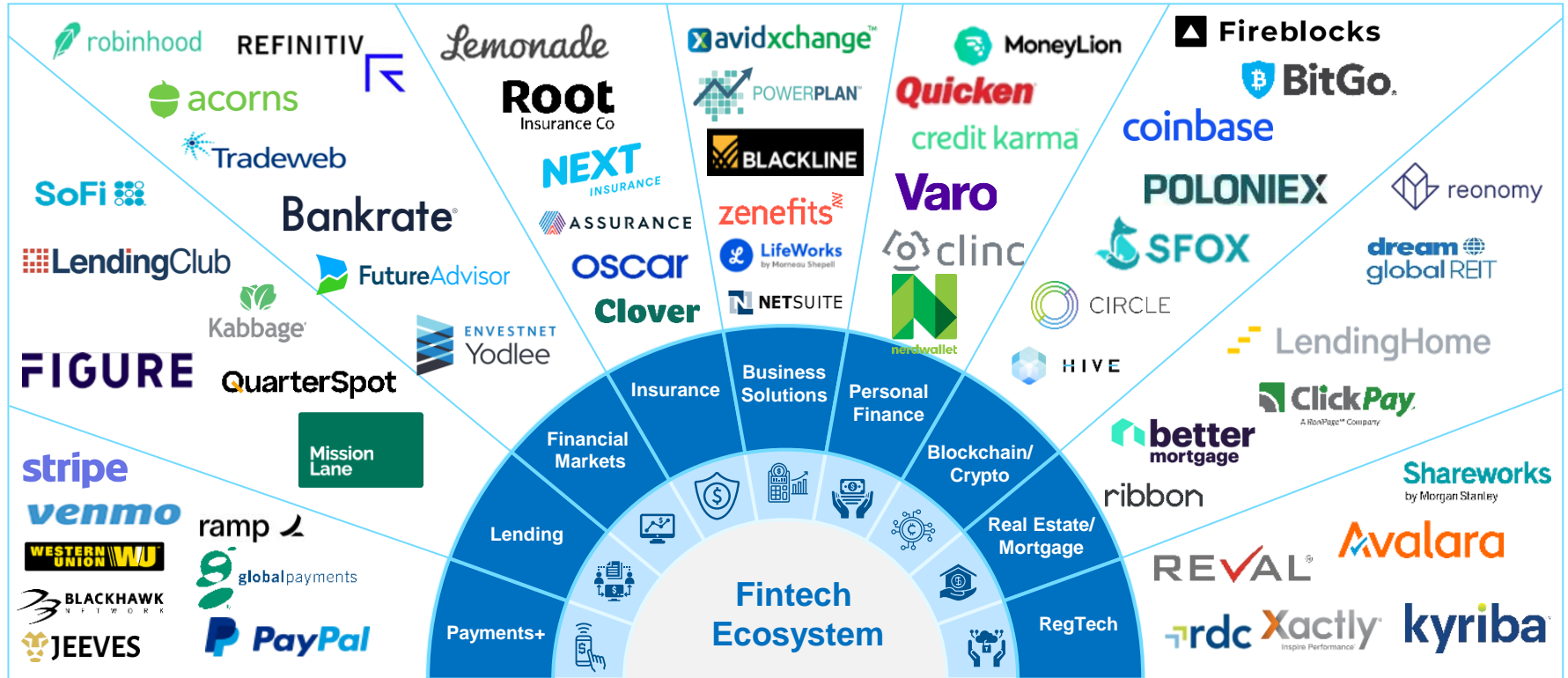
In 2022, VC funding in
Fintech companies in
North America clocked

\$18.2B

across

832 deals

Fintech ecosystem – North America

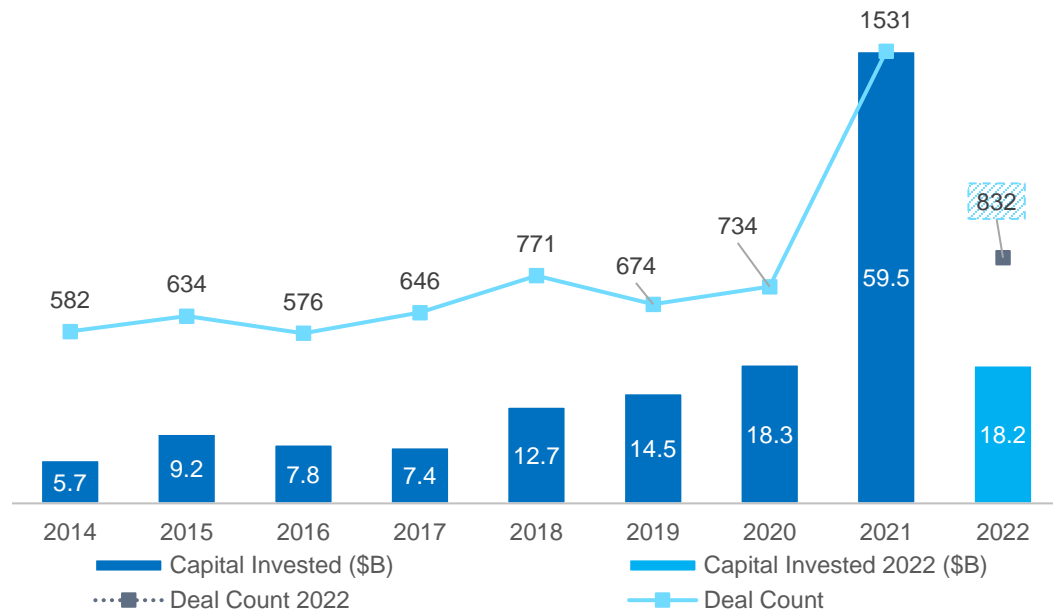


Deal activity in the North American Fintech space falls back to 2020 levels, following record 2021

North American VC funding in Fintech companies

January 01, 2014–December 31, 2022

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.

Investments decelerated at a rapid pace in the North American fintech space, recording 70% degrowth in 2022 from the 2021 high.

In 2022, 46 mega VC funding deals (>\$100M) were signed as opposed to 149 in 2021. Total funding raised through these mega deals was 72% less in 2022 compared to that in 2021.

The majority of the investor dollars have been in the Payments+ segment (\$4.4B), closely followed by Business Solutions (\$3.8B), and Financial Markets (\$2.8B).

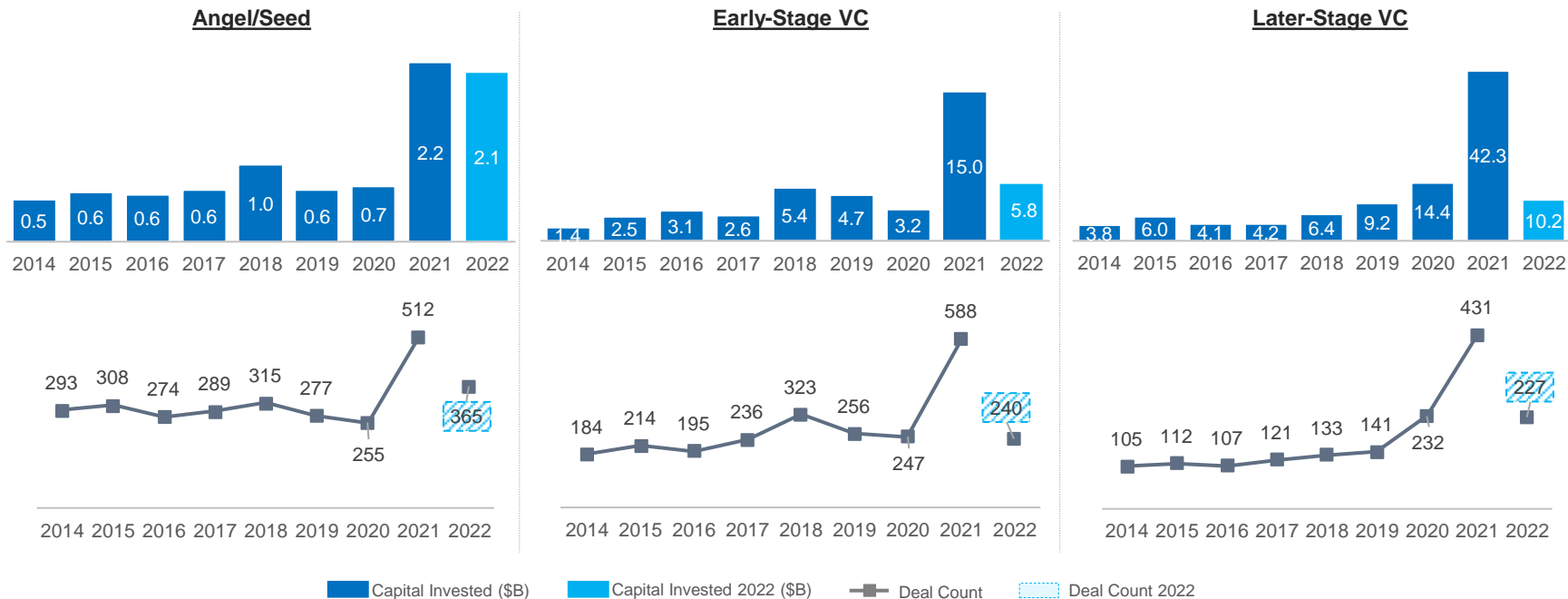
RegTech is expected to see a surge in investment as companies look to technology to help them manage their increasingly complex regulatory compliance obligations. Whereas the investments in Blockchain/Crypto segment plunged significantly owing to the Terra (Luna) crash and FTX bankruptcy in 2022. As investor interest in crypto solutions pulled back, the broader blockchain space started to gain more traction with companies using blockchain-based technologies to offer solutions such as conducting real-time payment settlement pre-validation, streamlining cross-border payments, and tokenizing assets. Moreover, there has been a growing focus and investment in the B2B Fintech solutions space in 2022.

Investment in Angel/Seed deals in-line with 2021, whereas early-and late-stage VC saw significant downward pressure

North American VC funding in Fintech companies: By funding stage

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

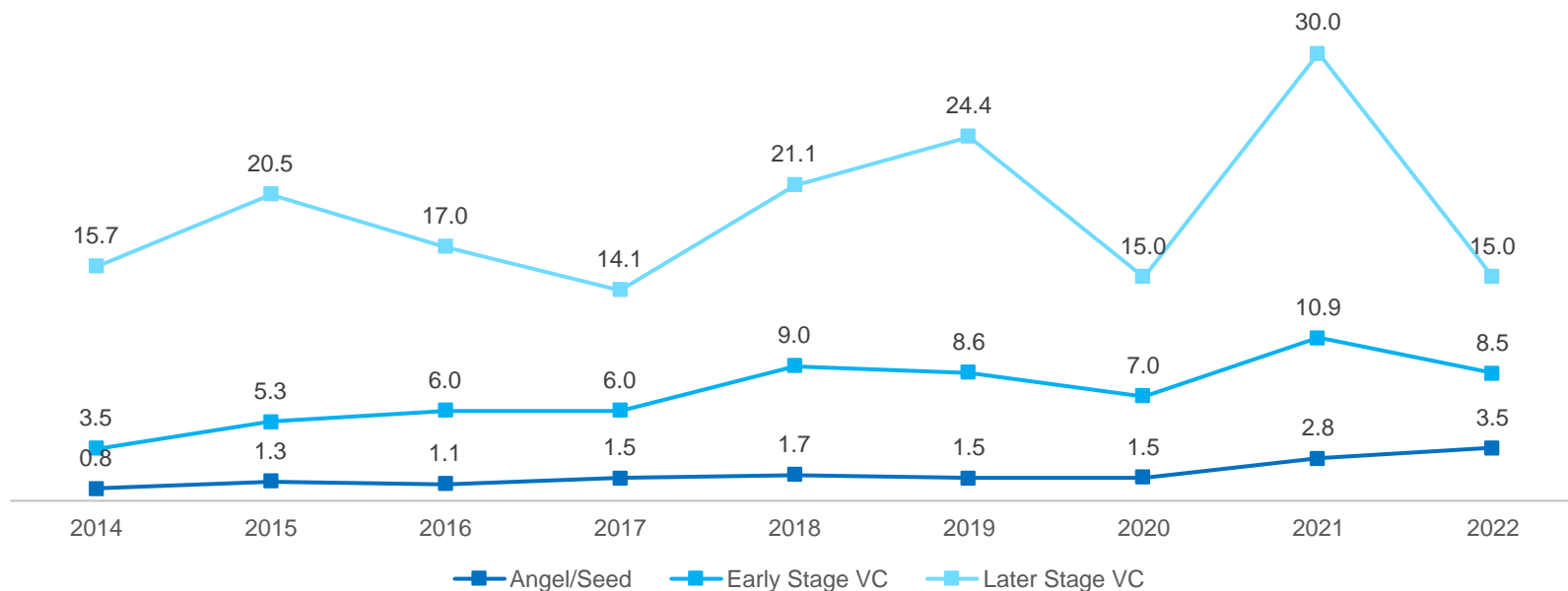
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

Late-stage median deal size plummeted to the 2020 level; Angel/seed-stage funding led to a record-high median deal size

North American VC funding median deal size: By funding stage

January 01, 2014–December 31, 2022

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, 2022–December 31, 2022

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	New York	Ramp	Payments+	748	Founders Fund, D1 Capital Partners, Spark Capital	8.1
2	New York	Fireblocks	Blockchain/Crypto	550	D1 Capital Partners, Spark Capital, Altimeter Capital Management, Bank of New York Mellon	8.0
3	Wyoming	Juro System	Business Solutions	500	-	-
4	New York	Liquidity Group	Business Solutions	475	Apollo Global Management, MUFG Innovation Partners, Spark Capital	0.8*
5	Massachusetts	Circle (Financial Software)	Blockchain/Crypto	400	BlackRock, Fidelity Management & Research, Fin Capital, Marshall Wace	~9.0**
6	New York	Power	Lending	316	Amy Nauiokas, Logan Allin, Anthemis Digital Acquisitions I, CRV, Dash Fund, Plug and Play Accelerator, Restive Ventures	-
7	District of Columbia	Pie Insurance	Insurance	315	Allianz X, Centerbridge Partners, FourCities Capital, Gallatin Point Capital, Greycroft, White Mountains Insurance Group	-
8	California	Acorns	Financial Markets	300	TPG, Bain Capital Ventures, BlackRock	1.8
9	California	Arc Technologies	Business Solutions	181	Left Lane Capital, NFX, Bain Capital Ventures, 10X Capital, Y Combinator	-
10	New York	Jeeves	Payments+	180	Tencent Investment, GIC, AltaIR Capital, Alumni Ventures, SVB Capital	2.3

Data Source: Pitch Book, unless specified otherwise; * based on an article published by CTech dated April 5, 2022; ** based on an article published by AltFi dated April 13, 2022, and Bloomberg dated April 12, 2022

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.

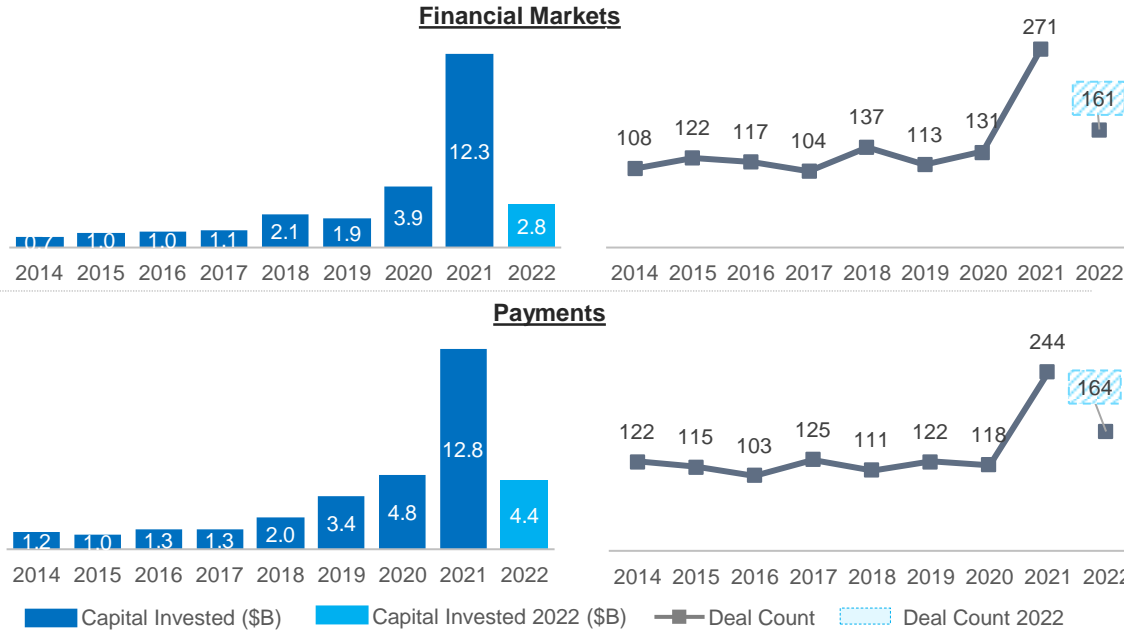
The Payments space dominates the Fintech market



North American VC funding in Fintech companies: Financial Markets, Payments

January 01, 2014–December 31, 2022

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.

North American investors shifted their focus from Blockchain/Crypto to Payments+ and Business Solutions in 2022.

Although the ongoing macroeconomic conditions led to an increased investment risk associated with institutional and retail investors, firm deal activity has been observed in Payments+ during 2022, with eleven mega deals (>\$100M) amounting to \$2.0B in 2022. The Business Solutions segment registered ten mega deals (>\$100M) of \$2.5B, followed by Blockchain/Crypto with 6 mega deals (>\$100M) amounting to \$1.4B in 2022.

An explosive growth has been observed in the buy now, pay later (BNPL) space in North America with big corporates considering offering their own BNPL solutions. In 2H22, Walmart announced a collaboration with One, a fintech company backed by Walmart, to offer BNPL to its customers. However, as interest rates rose in 2022, BNPL companies' margins eroded leading to a greater focus on company business models. The US Consumer Financial Protection Bureau has raised some concerns about BNPL offerings which could lead to additional scrutiny in the space.

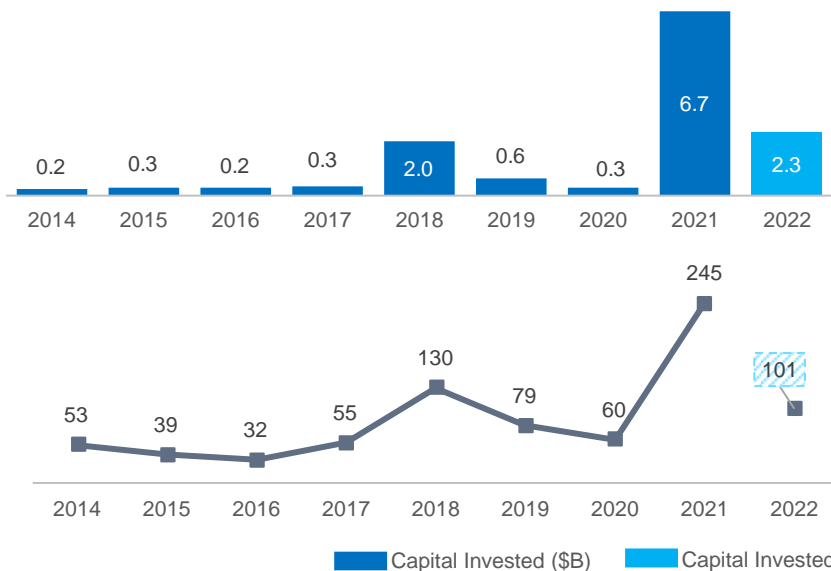
Blockchain/Crypto market is expected to plummet due to stronger regulations

North American VC funding in Fintech companies: Blockchain/Crypto, Lending

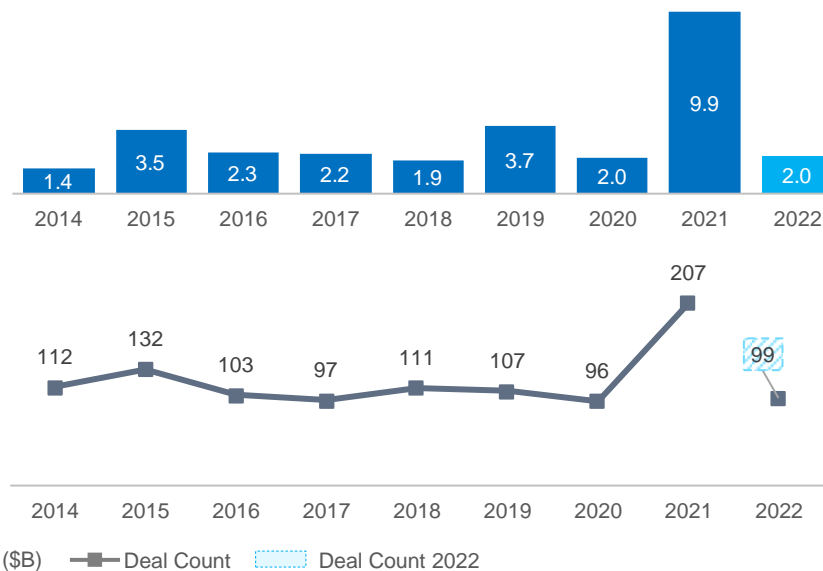
January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified

Blockchain/Crypto



Lending



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.

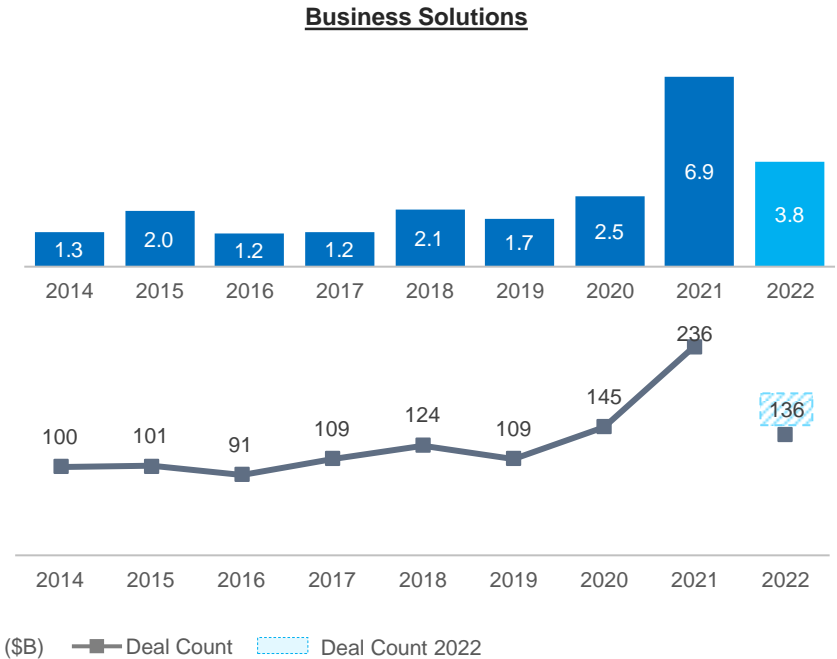
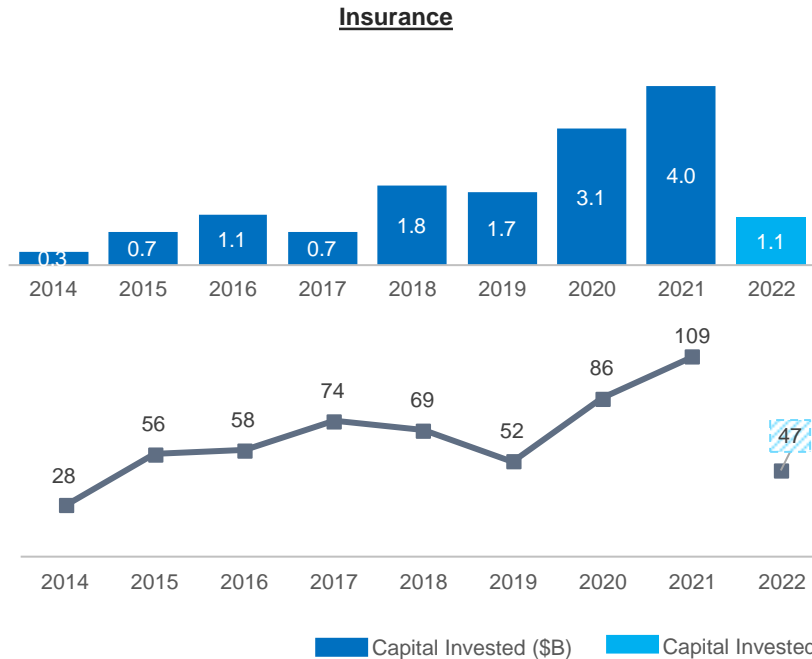
Business Solutions witness high investor interest owing to digitizing financial solutions, cloud-based solutions, and big data & analytics



North American VC funding in Fintech companies: Insurance, Business Solutions

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Fintech

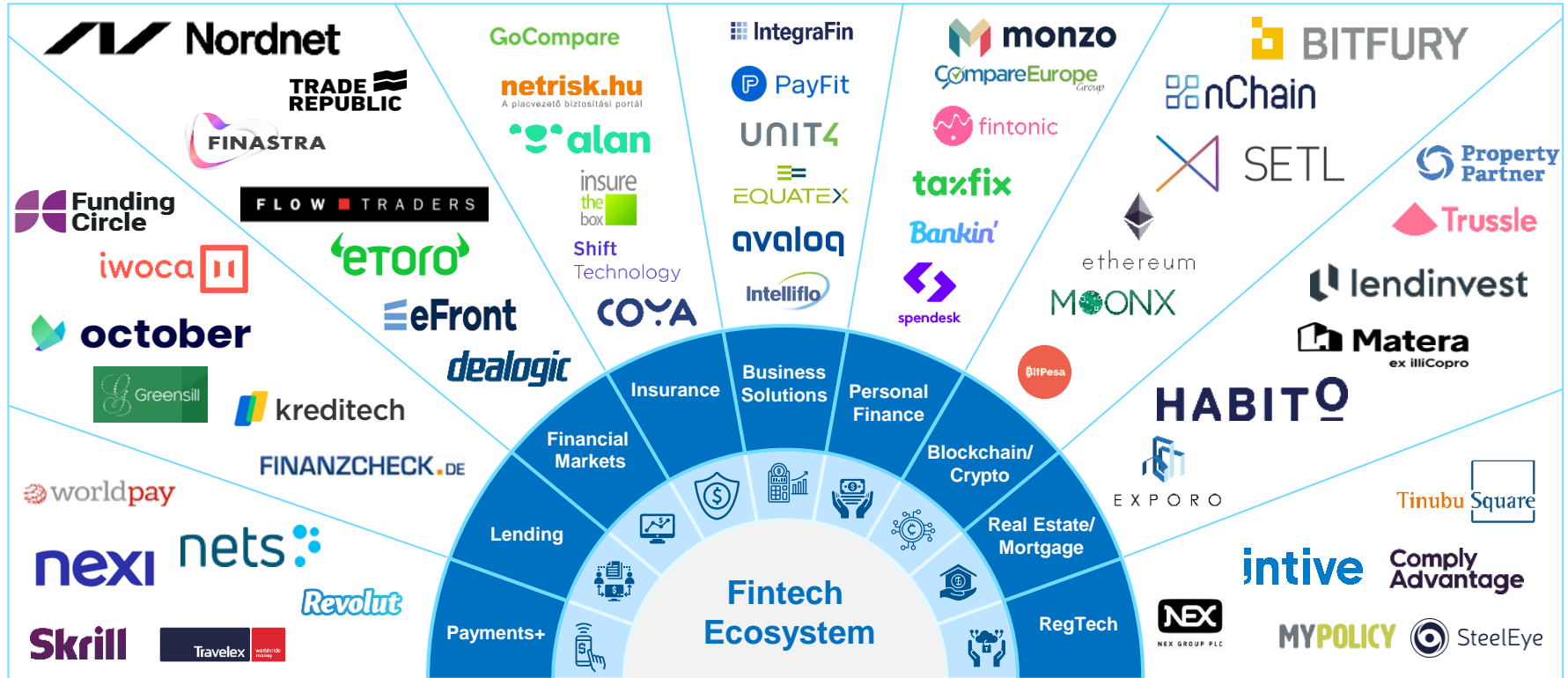
In 2022, VC funding in
Fintech companies in
Europe clocked

\$11.1B

across

522 deals

Fintech ecosystem – Europe



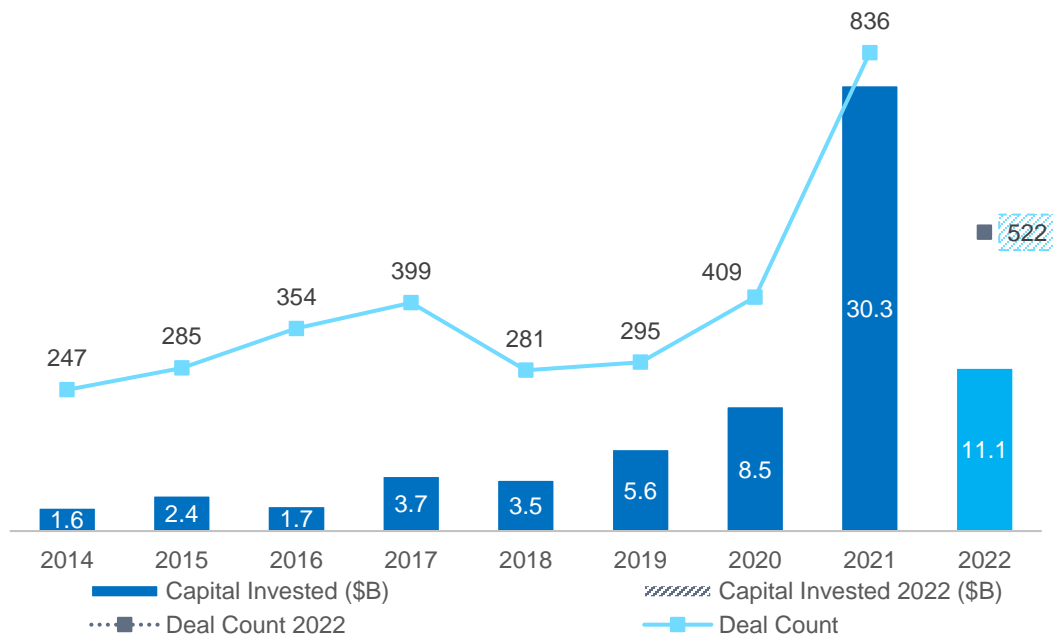
Fintech funding in Europe continues its fast growth trajectory in 2022, compared with pre-2021 levels



European VC funding in Fintech companies

January 01, 2014–December 31, 2022

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's fintech investments in 2022 recorded a 63% fall in value and a 38% fall in volume as compared to 2021. Whereas the investments in 2H22 increased by 53% in value over 1H22 and the deals in 2H22 were more than 2x of 1H22.

Financial Markets outperformed Payments+ as the leader of the fintech space, with a record investment of \$3.8B surpassing 2021 investment by \$0.2B.

Fintech companies raised \$6.7B in mega deals (>\$100M) in 2022, of which \$3.1B came from Financial Markets through late-stage VC, \$1.3B from Payments+ through late-stage VC, and \$1.0B from Lending through angel/seed and early-stage VC. As the pandemic encouraged the digitization of financial services, investors and consumers alike displayed an appetite for capital markets and wealth management solutions.

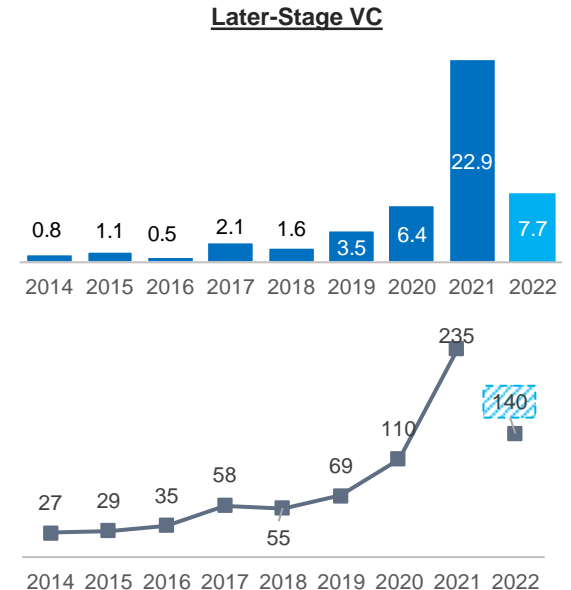
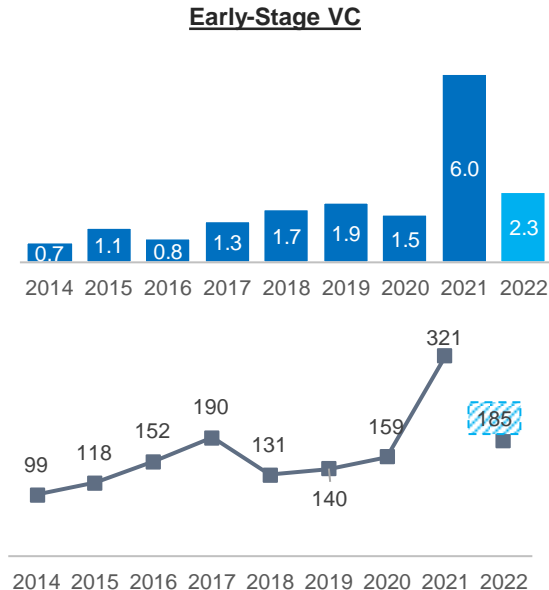
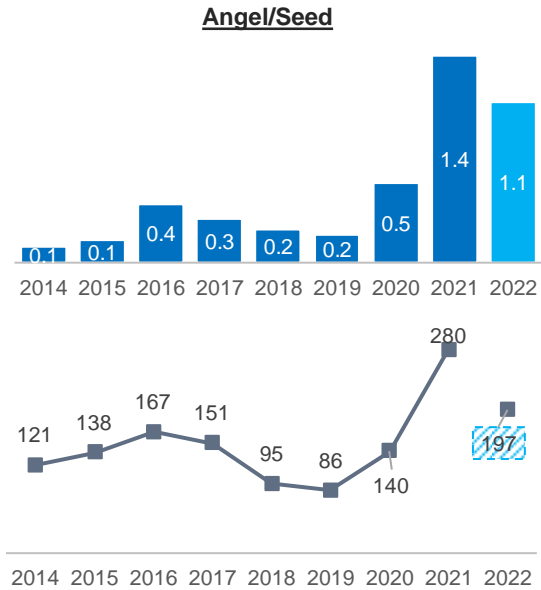
Trade Republic, the European neobroker equivalent of US unicorn Robinhood, led a Series C VC round of \$1.15B to boost product innovation, resulting in it being the largest deal in Europe in 2022. eToro, a social trading and investing platform, led a late-stage VC round of \$1.0B, the second-largest deal in Europe in 2022.

Explosive growth witnessed in angel/seed stage of funding

European VC funding (no. of deals) in Fintech companies: By funding stage

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



■ Capital Invested (\$B)
 ■ Capital Invested 2022 (\$B)
 ■ Deal Count
 Deal Count 2022

Data Source: Pitch Book, unless specified otherwise

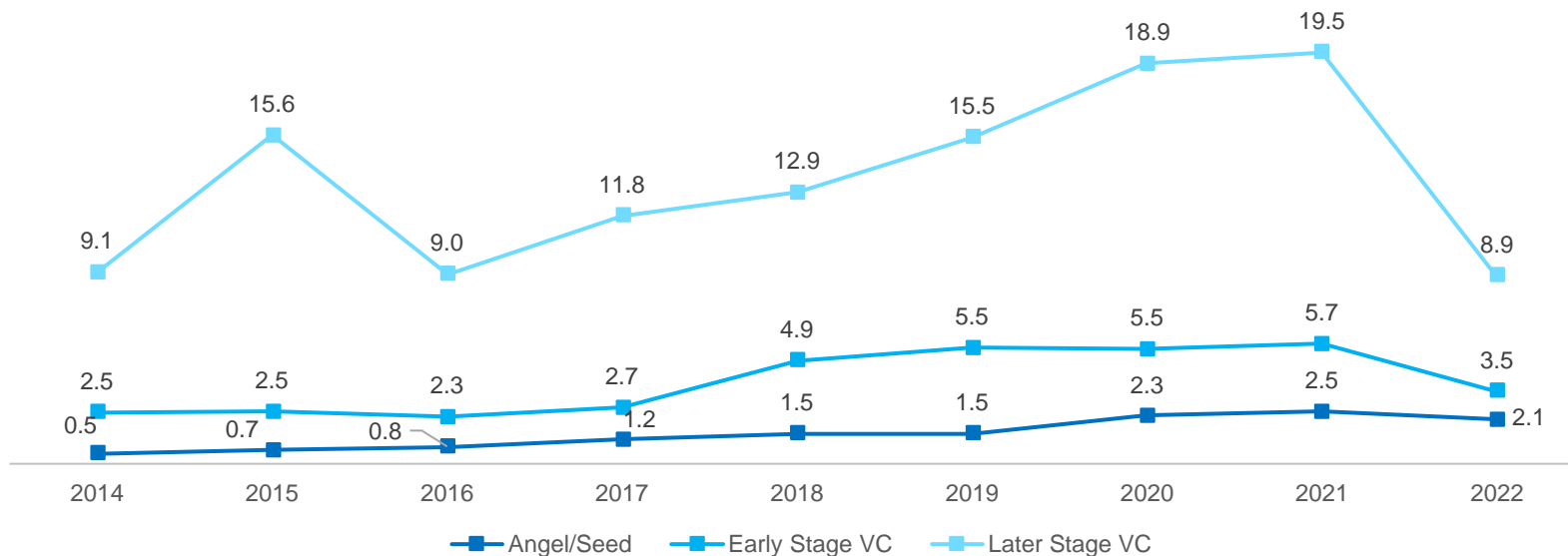
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Median deal sizes declined significantly in 2022 across all stages of funding

European VC funding median deal size: By funding stage

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Top 10 VC funding deals in Europe



Top 10 VC funding deals in Fintech: Europe

January 01, 2022–December 31, 2022

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	Germany	Trade Republic	Financial Markets	1,153	Ontario Teachers' Pension Plan, Sequoia Capital, Founders Fund	5.3
2	UK	eToro	Financial Markets	1,000	Smart Partnership Capital	5.0
3	UK	SumUp	Payments+	603	Bain Capital Tech Opportunities, BlackRock, Centerbridge Partners, Crestline Investors	8.2
4	Germany	Wefox	Insurance	413	Invest AD, Mubadala Capital-Ventures, OMERS Ventures, Target Global	4.7
5	Italy	Satispay	Payments+	318	Addition, Block, Greyhound Capital, Growth Engine, Tencent Holdings	1.0
6	Luxembourg	Bloom	Lending	306	Credo Capital Partners, Fortress Investment Group	-
7	UK	Genesis	Financial Markets	272	Tiger Global Management, Accel, Bank of America, BNY Mellon, Citigroup, GV, Insight Partners	-
8	France	Alma	Payments+	239	Eurazeo, Tencent Holdings	-
9	Germany	Taxfix	Personal Finance	220	Ontario Teachers' Pension Plan	1.0
10	UK	Sonovate	Business Solutions	202	BNP Paribas, M&G	-

Data Source: Pitch Book, unless specified otherwise

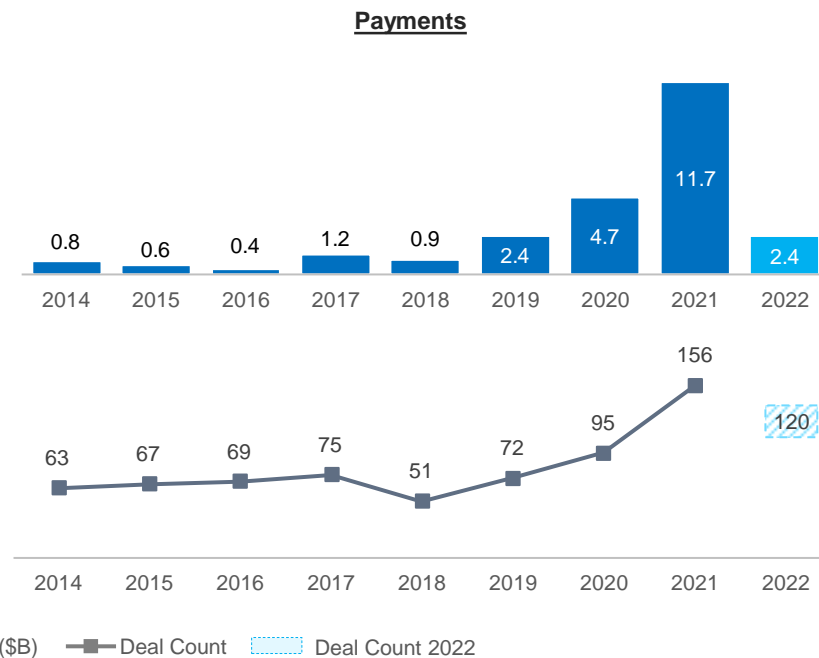
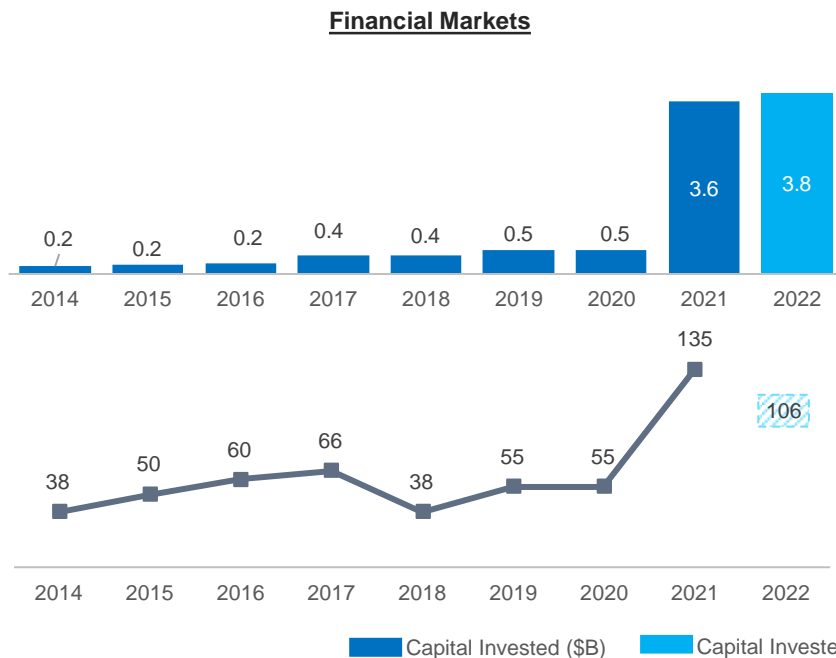
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

Stellar growth in Financial Markets, but slowdown in Payments

European VC funding in Fintech companies: Financial Markets, Payments

January 01, 2014–December 31, 2022

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.

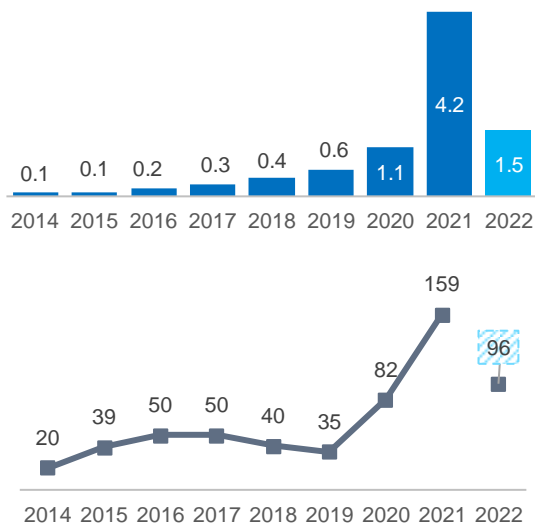
Funding in Blockchain/Crypto, Insurance, and Business Solutions contracted owing to the shortage in market liquidity

European VC funding in Fintech companies: Lending, Insurance, Business Solutions

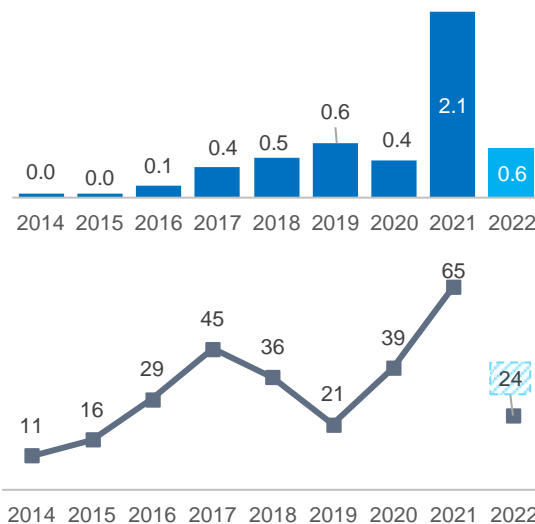
January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified

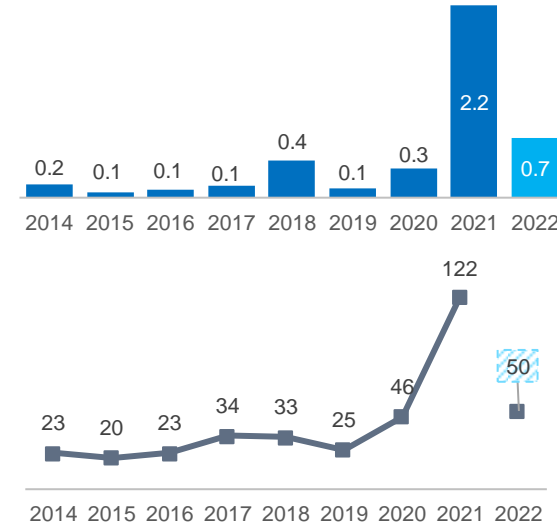
Business Solutions



Insurance



Blockchain/Crypto



■ Capital Invested (\$B)
 ■ Capital Invested 2022 (\$B)
 ■ Deal Count
 Deal Count 2022

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.



Fintech

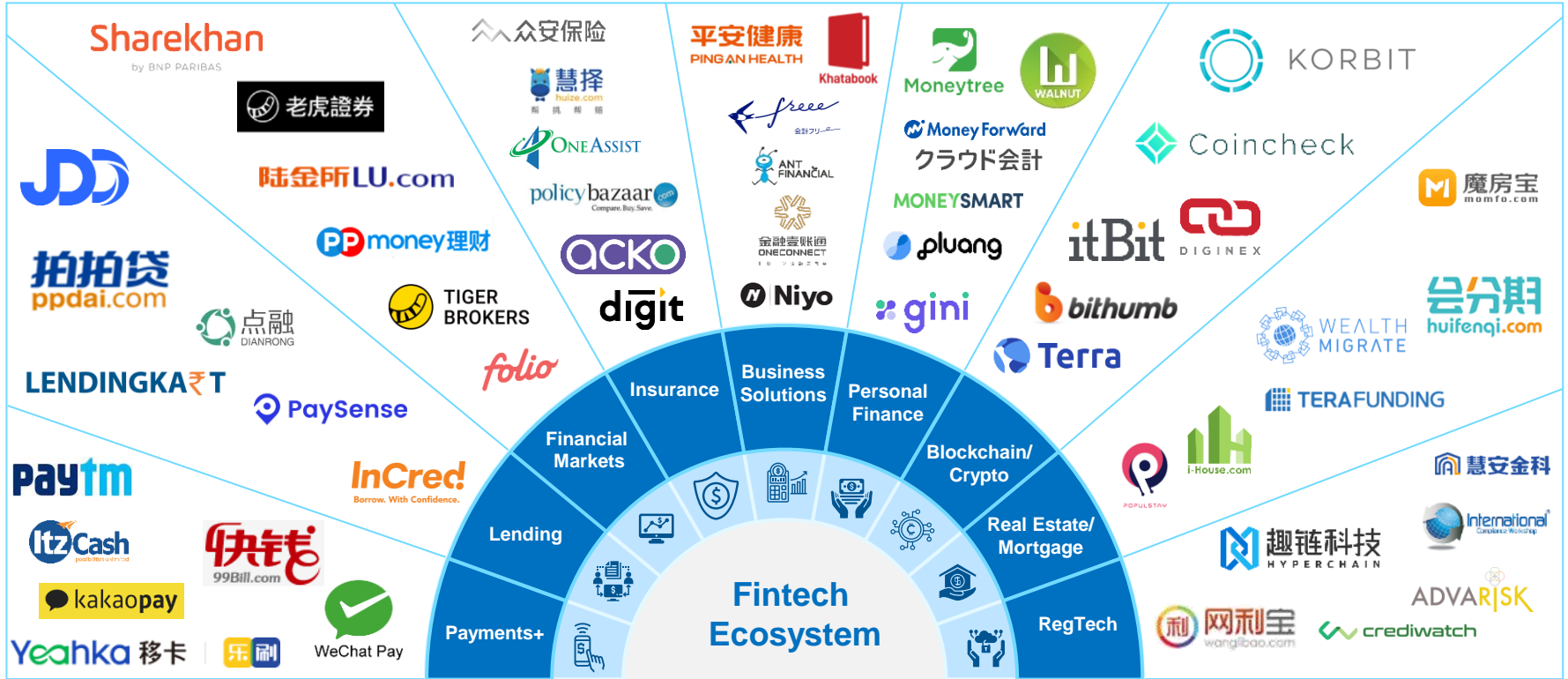
In 2022, VC funding in
Fintech companies in
Asia clocked

\$5.8B

across

378 deals

Fintech ecosystem – Asia



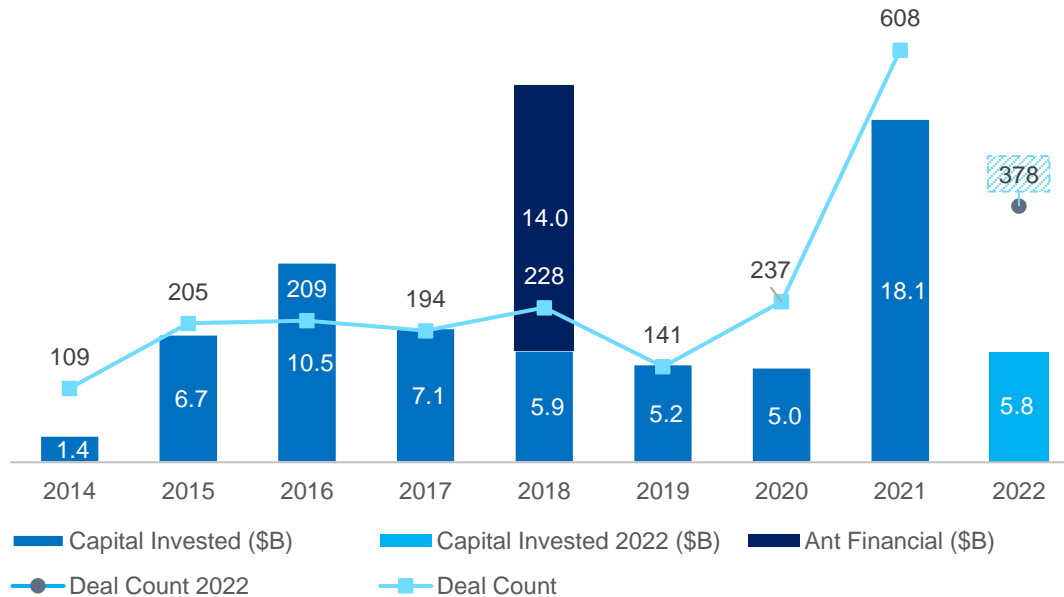
VC funding reaches along the lines of pre-elevated investments in 2022



Asian VC funding in Fintech companies

January 01, 2014–December 31, 2022

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.

The amount of venture capital raised by fintech companies in Asia was on the decline, with deal value at 32% of 2021. Whereas the deal volume in 2022 was 62% of that in 2021, leading to a fall in the median deal size from \$6.7M in 2021 to \$3.7M in 2022.

The investment momentum in Personal Finance, RegTech, and Real Estate/Mortgage gained significant traction among VC investors in Asia. Blockchain/Crypto and Business Solutions, on the other hand, observed a substantial reduction in funding, registering a 69% and 53% degrowth from 2021. The blockchain/crypto segment space has come under intense scrutiny in the wake of FTX's downfall. Investors are now focusing on real estate-based fintech platforms, with a growing emphasis on commercial real estate. Investor interest in the RegTech space grew significantly over the course of 2022. This growth is expected to continue despite global macroeconomic challenges given the constantly shifting regulatory environment, the increasing complexity of regulatory compliance, and the growing number of companies looking for regtech solutions that can enable them to improve the effectiveness and cost-efficiency of their compliance activities.

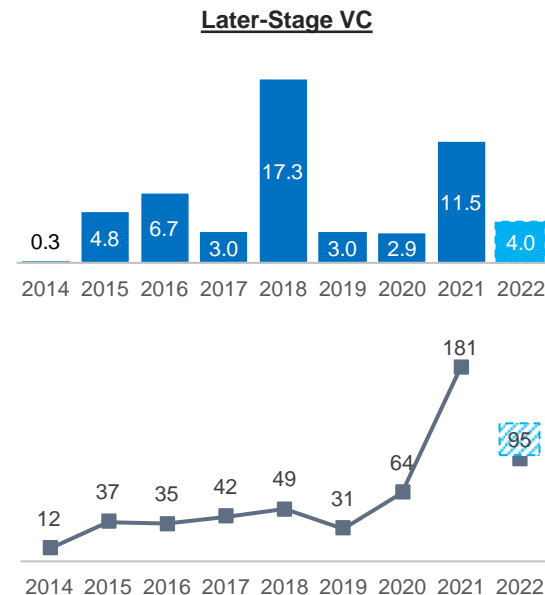
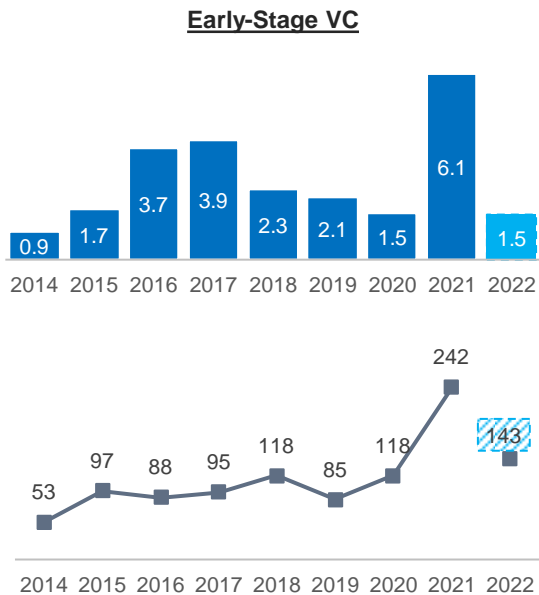
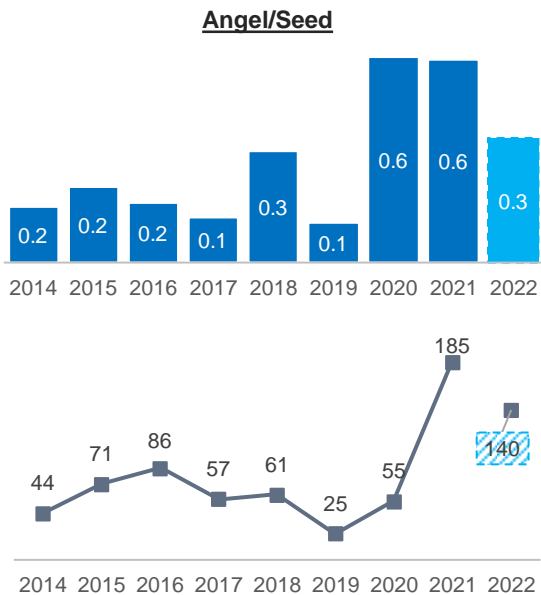
In the wake of much tighter restrictions on domestic fintech activity in China, both fintech investment and deal volume dropped to their lowest levels since 2013, accounting for only 2% of funding (vis-à-vis 11% in 2021). Whereas India accounted for 35% and Singapore for 19% of the total deal activity in Asia in 2022.

Robust angel/seed-stage funding; decline in funding in early and late-stage deals in 2022

Asian VC funding (no. of deals) in Fintech companies: By funding stage

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



■ Capital Invested (\$B)
 ■ Capital Invested 2022 (\$B)
 ■ Deal Count
 ■ Deal Count 2022

Data Source: Pitch Book, unless specified otherwise

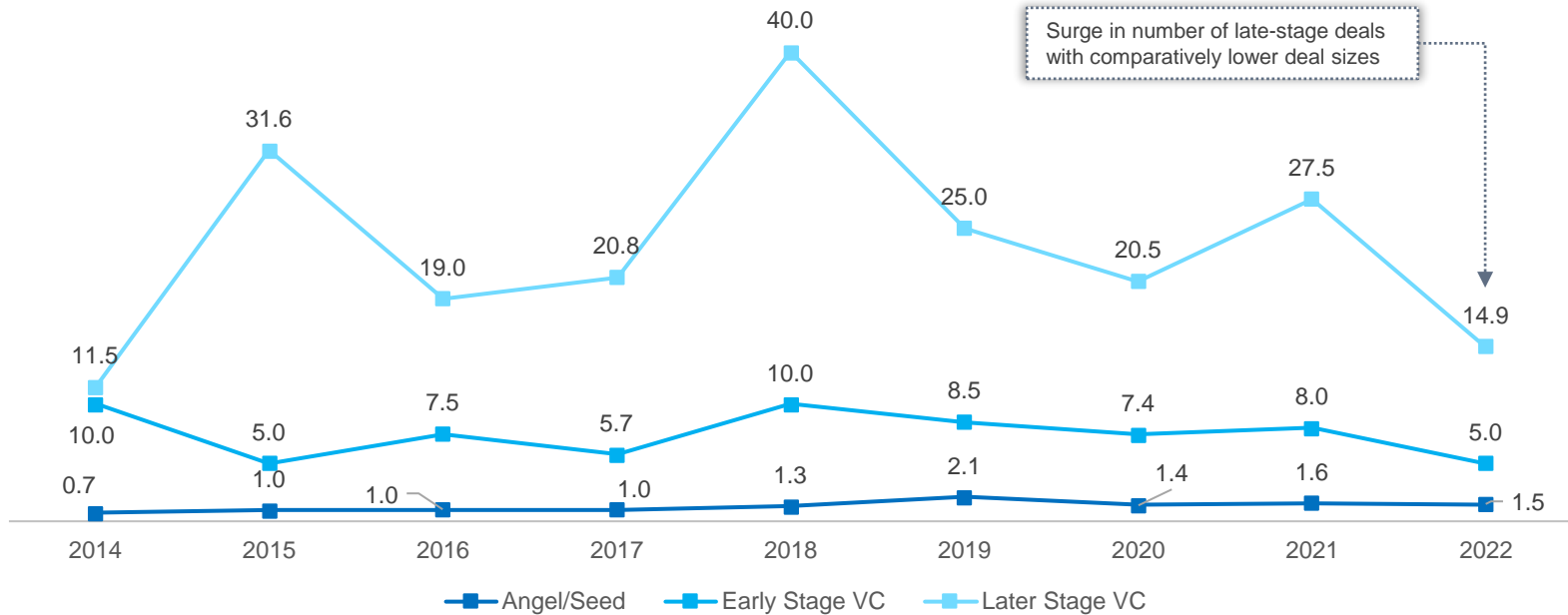
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

Continued downtrend across all funding stages in 2022

Asian VC funding median deal size: By funding stage

January 01, 2014–December 31, 2022

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 Asia



Top 10 VC funding deals in Fintech: Asia

January 01, 2022–December 31, 2022

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	South Korea	toss	Payments+	405	Tonic Private Equity, Greyhound Capital, Korea Development Bank, Korea Investment & Securities, SC Ventures	7.0
2	Singapore	Amber Group	Blockchain/Crypto	200	Temasek Holdings, Sequoia Capital China, Tiger Global Management	3.0
3	India	Oxyzo	Lending	200	Alpha Wave Global, Tiger Global Management	1.0
4	Malaysia	TNG Digital	Payments+	170	Lazada, Touch 'n Go	-
5	Singapore	Tonik	Payments+	131	Mizuho Bank, Sequoia Capital India, Sixteenth Street Capital	-
6	India	Niyo	Business Solutions	130	Accel, Lightrock, Alteria Capital, Prime Venture Partners	0.4
7	Indonesia	Flip (Financial Software)	Payments+	103	Insight Partners, Insignia Venture Partners, Sequoia Capital, Tencent Holdings	0.5*
8	India	OneCard	Lending	100	-	1.5
9	Singapore	Fazz (Financial Services)	Business Solutions	100	Tiger Global Management, B Capital Group, Insignia Venture Partners, InterVest	-
10	Indonesia	PAYFAZZ	Payments+	100	Insignia Venture Partners, Rancilio Cube	0.5

*Data Source: Pitch Book, unless specified otherwise; * based on an article published by Pymnts.com dated July 20, 2022*

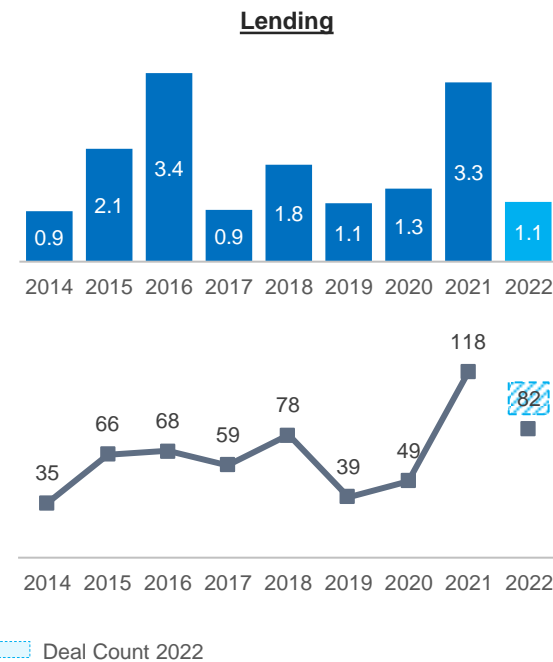
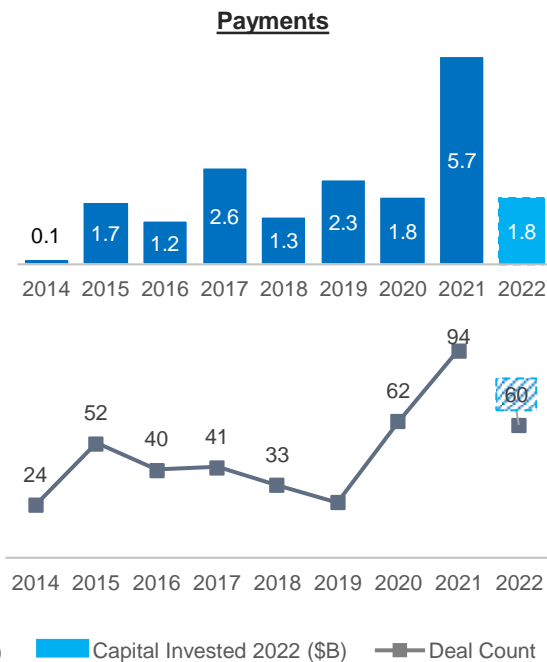
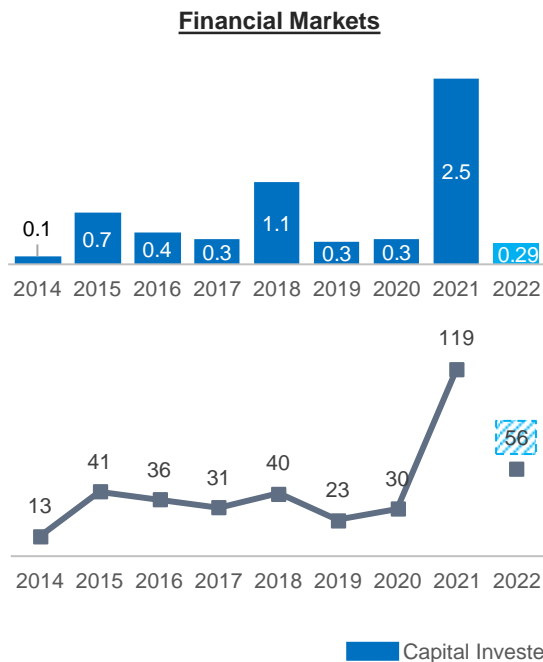
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

A slowdown in Financial Markets funding after a year of being investors' favorite

VC funding in Fintech: Diverse verticals

January 01, 2014–December 31, 2022

Currency in \$, unless otherwise specified



■ Capital Invested (\$B)
 ■ Capital Invested 2022 (\$B)
 ■ Deal Count
 Deal Count 2022

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 keywords such as Fintech, financial technology, finance technology, and financial service technology.
 - We specifically reviewed details such as business description, original classification, deal value, and nature of deal for all transactions with a deal value exceeding or equal to \$1B 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 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), and publicly listed were not included in this report.
- **Venture Capital**
 - For the purposes 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 those tagged by Pitchbook as angel (individual) and seed rounds.
 - Early-stage deals include those tagged by Pitchbook as early stage, which mostly include Series A and Series B companies. VC corporate deals of size less than \$5M 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 those 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 this report, accelerator/incubator is not part of the VC universe.

Methodology (continued)



Categorization of Industry Segments

All Fintech deals have been classified under nine segments: 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: 2022 deals until December 31, 2022, only

Based on the dynamic nature of the industry and companies operating in the Fintech space, we have reclassified some of the companies (and their corresponding deal activity) in this edition of the report.

Glossary

Fintech	Financial Technology
1H22	First Half of 2022
2H22	Second Half of 2022
VC	Venture Capital
PE	Private Equity
M&A	Merger and Acquisitions
YoY	Year over Year
QoQ	Quarter over Quarter

500+

Strong, professional teams 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 and advisory partner to global companies, from the hottest startups to the Fortune 500.

PRACTICE AREAS



Business Research & Advisory

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



Technology | IP Research & Advisory

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



Valuation & Financial Advisory

CFOs in Startups, PE//VC Firms, Corporate M&A Teams, Mid-market Cos.



Investment Research & Analytics

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

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[LinkedIn Profile](#)

Bharat has over 15 years of experience in business valuation and corporate finance. Currently, he leads Aranca's Valuation and Financial Advisory Practice. He has managed business valuation assignments for over 400 VC-backed companies for a range of tax and financial reporting purposes. He manages the firm's relationships with private equity clients globally and helps them in M&A valuation and evaluation of investment opportunities.

Bharat holds Accredited Senior Appraiser (ASA) designation conferred by the American Society of Appraisers and is a qualified Chartered Accountant (CPA Equivalent in India).

For any queries or assistance please reach out to Ashish Rane at ashish.rane@aranca.com

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Ashish has over 10 years of experience in Corporate Finance, Transaction Advisory and Business Valuation and has managed financial advisory engagements for over 300 Venture Capital firms focused on investments within the Technology domain.

Ashish holds an MBA from New York's Stern School of Business and a Baccalaureate degree in Business and Management Information Systems from Pennsylvania State University.

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