

# Fintech Decoded

A special edition report tracking investment activity in Fintech companies

1H21

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# Executive Summary



With the pandemic phasing out, reopening of economies, and vaccination rollouts, exponential VC deal activity in the Fintech space was recorded, with \$ 55.6B being invested in 1,383 deals globally. VC investors are pumped up and continue to be bullish in this space in anticipation of a global economic revival.

The Payments segment has taken a back seat and passed on the baton to the Financial Markets segment this year. New interest is found in Financial Markets, driven by the boom in the market, the pandemic inviting new retail investors, and increasing acceptance of cryptocurrency and blockchain technology. This is drawing investors to the sector with the aim of reaping multifold benefits in the upcoming quarters of 2021.

With the increase in retail and institutional investment as well as trading in the current volatile markets, companies such as Robinhood (US) secured another round of stellar funding and is planning for an IPO. Similarly Trade Republic (Germany) bagged significant investments, leading the European financial markets.

Curiosity about the integration of finance and blockchain technology is growing, propelled by the strong cryptocurrency market. This is leading to an aberration from traditional centralized finance to decentralized finance in the future and has caught the eyes of the investors. The acceptance of cryptocurrencies has enabled investors to maintain a diversified portfolio and are on their way to become one-stop trading and investing financial service providers.

Investment in Payments is still strong. The transition to cashless payments and banking behaviors inculcated during the pandemic boosted investment in neo and digital banks, promoting financial inclusion.

North America and Europe outperformed all previous years in 1H21, while Asia is catching up with greater investments.

Many Fintech companies focus on swiftly and innovatively leveraging their unique technology platforms, giving rise to concepts such as Decentralized Finance, Buy Now Pay Later, and Earned Wages Access, which bears watching.

Welcome to the fifth edition of Aranca's *Fintech Decoded* report, a publication where we highlight the major VC funding trends of 1H21 within the broader Fintech universe across key markets.

VC Fintech funding reached new highs in 1H21, with the pandemic-induced habits turning the tides of investment and setting the path going forward. The anticipation of economic revival is making investors dig deep into their pockets. The velocity of mega deals is increasing 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 1H21, and the outlook for various Fintech verticals.

We hope you find this an interesting and insightful read.



In 1H21, investment in  
Fintech companies  
globally clocked

**\$112.8B**

across

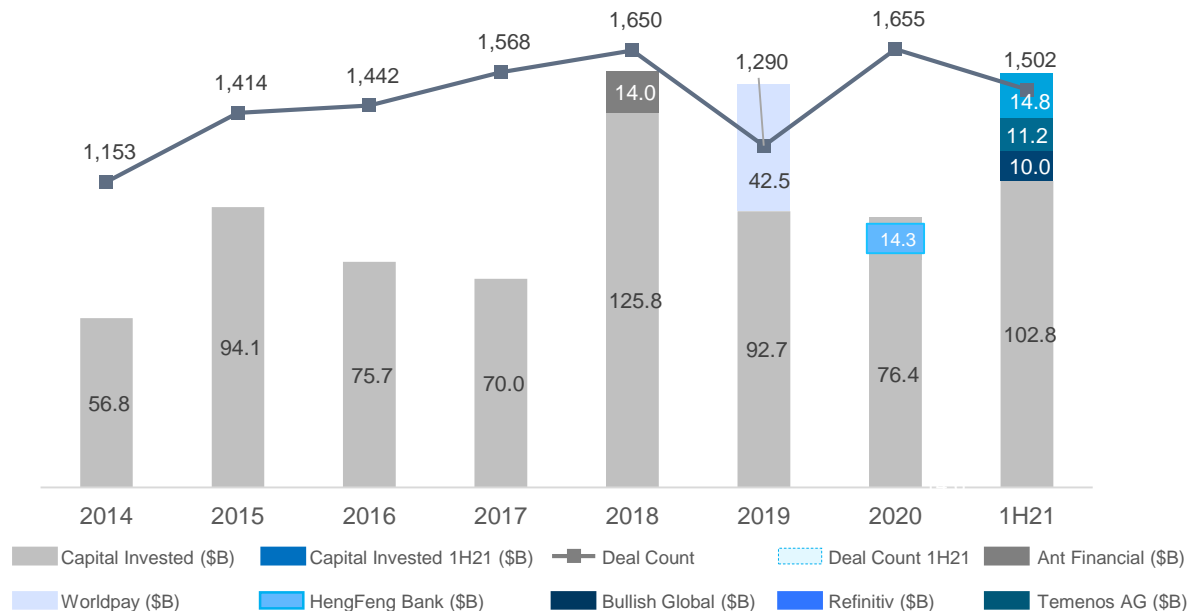
**1,502 deals**

# Fintech sector on the path to set record deal activity in volume and value in 2021

## Global VC, PE, MA deal landscape in Fintech companies

January 01, 2014—June 18, 2021

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.

2021 is on track to be a blockbuster year, with 1H21 at 91% of the annual 2020 volume. VC, PE, and M&A Fintech funding saw a significant surge in 1H21. The Fintech sector saw a turnaround and very strong 1H21, crossing the deal activity of 1H20 and registering a 108% jump in deal value. This was accompanied by 97% growth in deal volume, excluding the Bullish Global outlier.

This demonstrates the recovery of the sector from the effects of the pandemic in the upcoming quarters, inviting investors back.

Majority of funding contraction was seen in the private equity space. However, a sharp rise in Fintech M&A was recorded on account of activity in Refinitiv of \$14.8B and Temenos AG of \$11.2 B. The VC funding space burgeoned to register another record-setting year.





In 1H21, VC funding in  
Fintech companies  
globally clocked

**\$56.4B**

across

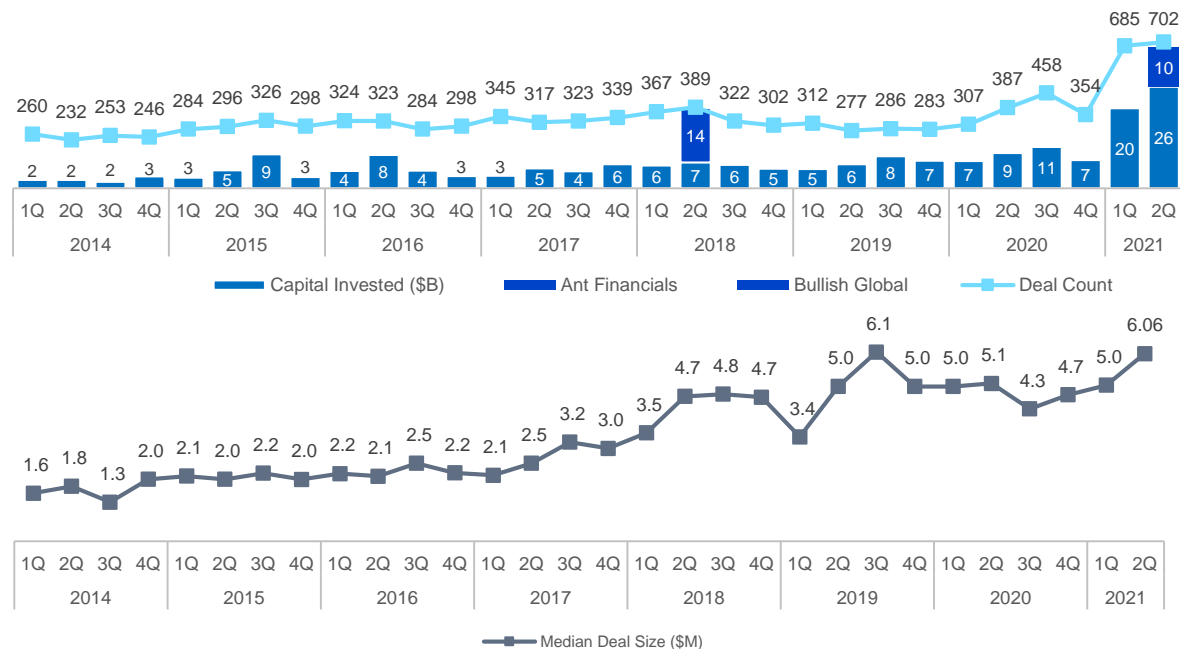
**1,387 deals**

# VC investors bullish on Fintech, surpassing 2020 VC funding levels in 1H21

## Global VC funding in Fintech companies

January 01, 2014—June 18, 2021

Currency in \$, unless otherwise specified



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Entering 1H21 in full swing, the first half has set record-breaking deal activity, offsetting the decline in 4Q20.

VC funding deal activity rose 87% in terms of volume and 186% in value in 1H21 from (YoY), excluding the Bullish Global outlier of \$10B. After the sharp fall in 4Q20, record-shattering deal activity was observed, surpassing the infamous outlier quarter of 2Q18 of Ant Group. A positive footing on account of recovery from the year-long pandemic and vaccination rollout is reflected in the investment activity.

Consistent with the trends in the last two years, the number of mega deals (>\$100M) continued to rise. There were 109 mega deals in 1H21 worth \$41.1 B, accounting for 73% of the total funding, yet again setting a record in 1H21.

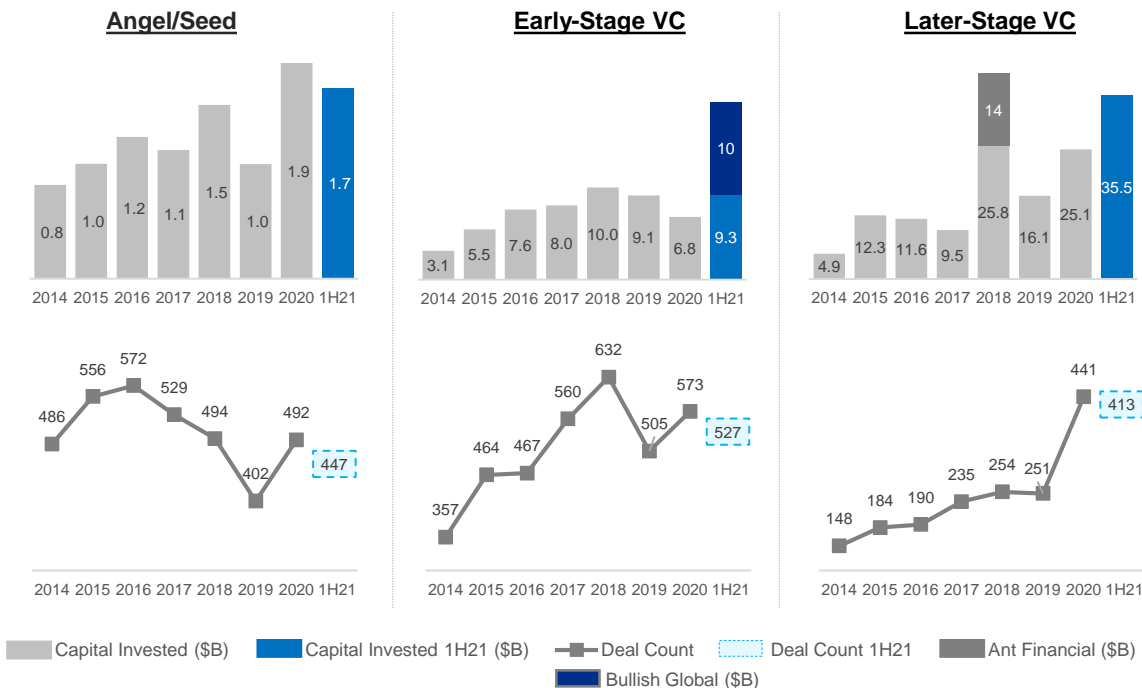
The “new normal” induced by the pandemic is radically changing the dynamics of the sector and is here to stay. Fintech firms, from startups to unicorns, banked on this opportunity. Emerging concepts of Buy Now Pay Later, Decentralized Finance, and Earned Wages Access bears watching.

# Extraordinary levels across early/late-stage funding; angel funding on track to surpass 2020 high

## Global VC funding in Fintech companies

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



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Late-stage deal activity has been recorded at unprecedented levels, and the number of mega deals (>\$100M) has surpassed all previous records and at the current run rate would more than double last year's count.

Continuing the momentum of 2020, funding in the angel/seed stage reached 89% of the deal value of 2020.

Meanwhile, the slowdown in early-stage VC funding in 2020 has picked up, which includes the Bullish Global deal of \$10B.

This trend of growth suggests investors with stronger appetites are ready to put their confidence in innovative startups with promising potential offerings.

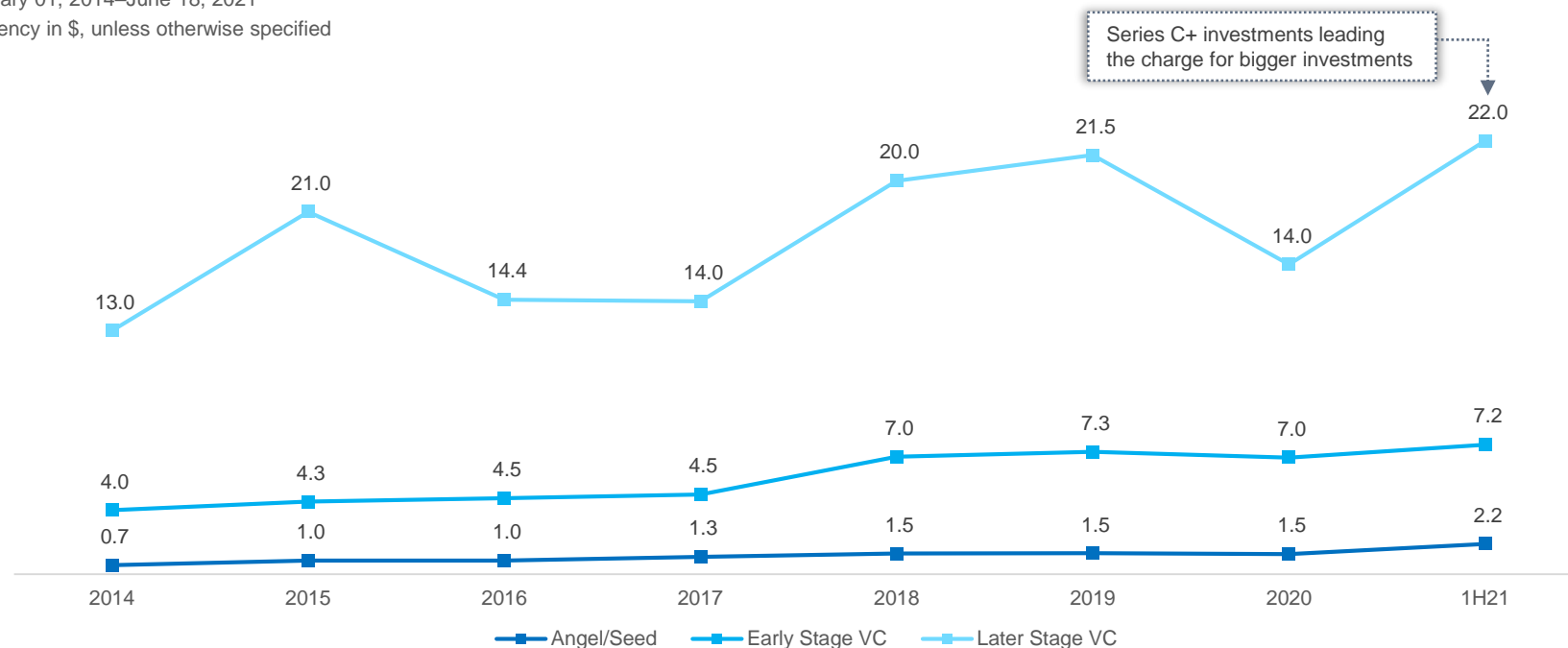


# Revival in late-stage median deal size in 1H21

## Global VC funding median deal size: By funding stage

January 01, 2014—June 18, 2021

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

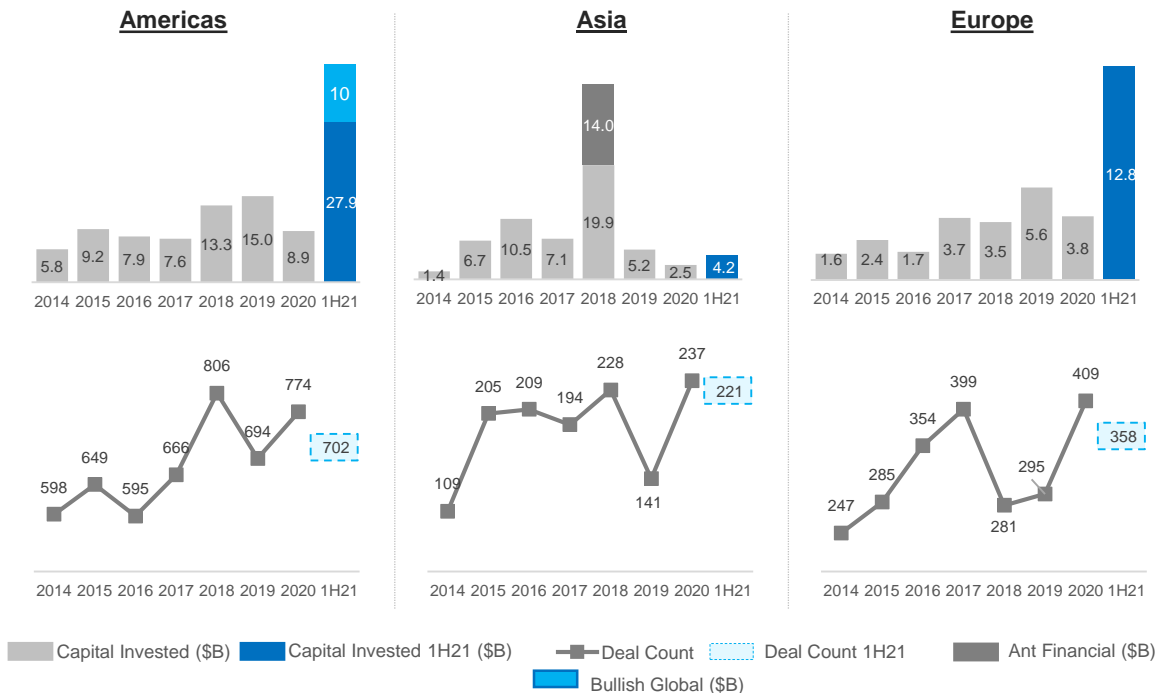
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

# American, European Fintech space registers record funding in 1H21; Asian Fintech gaining traction

## Global VC funding in Fintech companies

January 01, 2014–June 18, 2021

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 funding spree was driven by a massive inflow of capital in value with \$15.8B in the Payments+ segment. However, in terms of volume, Payments+ registered a 17% decline in the number of deals, but that in Financial Markets went up 24%.

Both the Americas and Europe surpassed their 2020 highs, with a 97% and 51% jump in value, respectively, to witness another year of record funding.

The Asian Fintech space is witnessing a turnover of events and recorded a 64% jump from their previous half yearly data, while deal volume saw an all-time high. The deal size has increased, and the median deal volume continues to fall lower, indicating the increase in investment per deal.

Resurgence in blockchain/cryptocurrency investment in North America and Europe saw a significant rise in the number of deals in the sector for the first time since 4Q18.

# Top 10 global VC funding deals in Fintech space

## Top 10 global VC funding deals in Fintech space

January 01, 2020 – June 18, 2021

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	Cayman Islands	Bullish Global	Financial Markets	10,000	Alan Howard, Block.one, Christian Angermayer, Founders Fund, Galaxy Digital Partners, Louis Bacon, Michael Novogratz, Nomura Securities, Peter Thiel, Richard Li	-
2	US	Robinhood	Financial Markets	3,400	Arceau Capital, Artfo Holdings, Migration Capital, The Players' Impact, Sequoia Capital	-
3	Brazil	Nubank	Payments+	1,510	Absoluto Partners, Bedrock, Berkshire Hathaway, Canada Pension Plan Investment Board	30.0
4	US	Klarna	Payments+	1,290	Dedicated VC, Jinderman & Partners, Level One Fund, Midway Venture Partners, Republic Labs, SoftBank Investment Advisers, Soul Ventures	31.0
5	US	Stripe	Payments+	1,000	Shopify, Capital G, Allianz X, AXA, Baillie Gifford, Durable Capital Partners, Fidelity Investments,	-
6	Germany	Trade Republic	Financial Markets	900	Sequoia Capital, TCV, Thrive Capital, Accel, Creandum, Founders Fund, Project A	5.3
7	US	LendInvest	Real Estate/ Mortgage	681	J.P. Morgan	-
9	Germany	Wefox	Insurance	650	ACE & Company, Claret Capital Partners, Decisive Capital Management, EDBI, Eurazeo, FinTLV Ventures, Impact Ventures, Jupiter Asset Management	3.0
9	Sweden	Klarna	Payments+	639	Harvest Growth Capital, Mundi Ventures, Spring Street Group	45.6
10	Canada	Wealthsimple	Financial Markets	601	Alkeon Capital Management, Aubrey Graham, Base10 Partners, Dragoneer Investment Group, DST Global	4.0

**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.

A blue-tinted image of the Statue of Liberty, showing the head and crown with spikes, and the draped robe. The image is positioned on the left side of the slide.

# Fintech

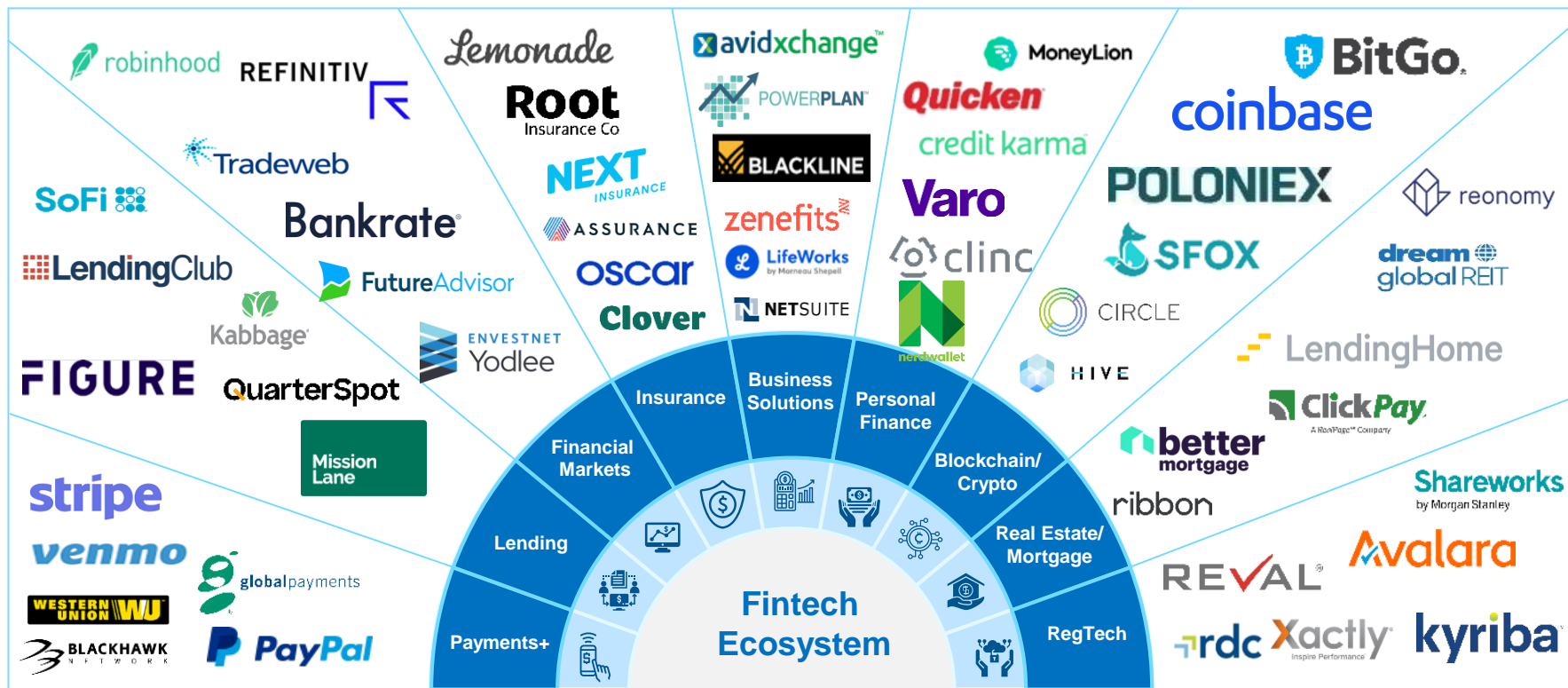
In 1H21, VC funding in  
Fintech companies in  
North America clocked

**\$25.1 B**

across

**649 deals**

# Fintech ecosystem – North America



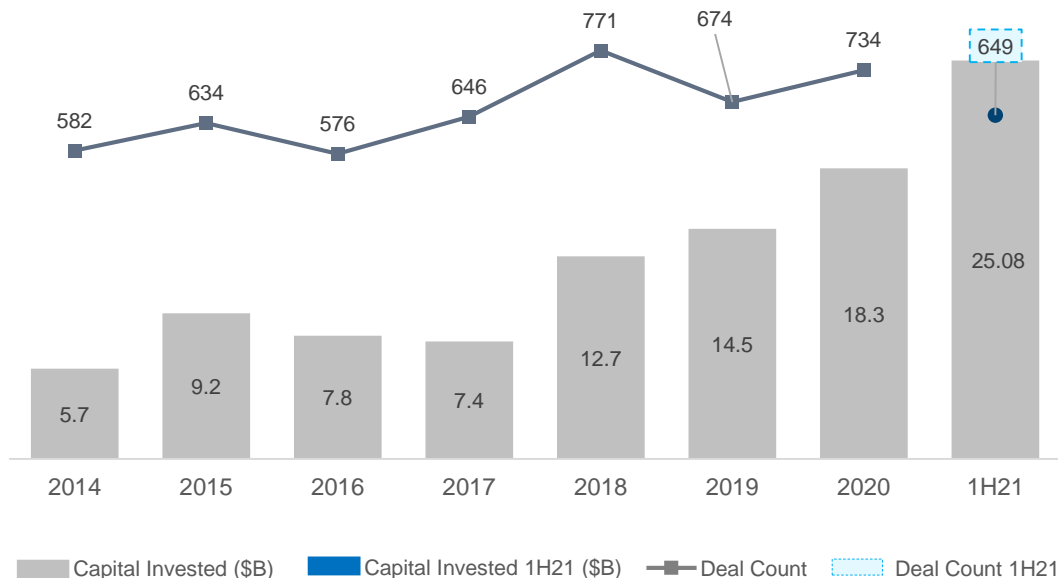


# North American Fintech space records robust deal activity in 1H21

## North American VC funding in Fintech companies

January 01, 2014–June 18, 2021

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 rose at a phenomenal pace in the North American Fintech space, recording 186% year-on-year growth in 1H21.

1H21 witnessed 63 mega VC funding deals (>\$100M), the highest ever. This shows the reopening of the economy, stimulus checks, and vaccination rollouts had a positive impact on the Fintech deal-making process.

Majority of the investor dollars have been in the Financial Markets segment, with Robinhood leading with a deal of \$3.4B, followed by Stripe's \$1.0B deal in Payments+, followed by Business Solutions and Lending. The Blockchain/Cryptocurrency segment is accelerating due to a strong cryptocurrency market.

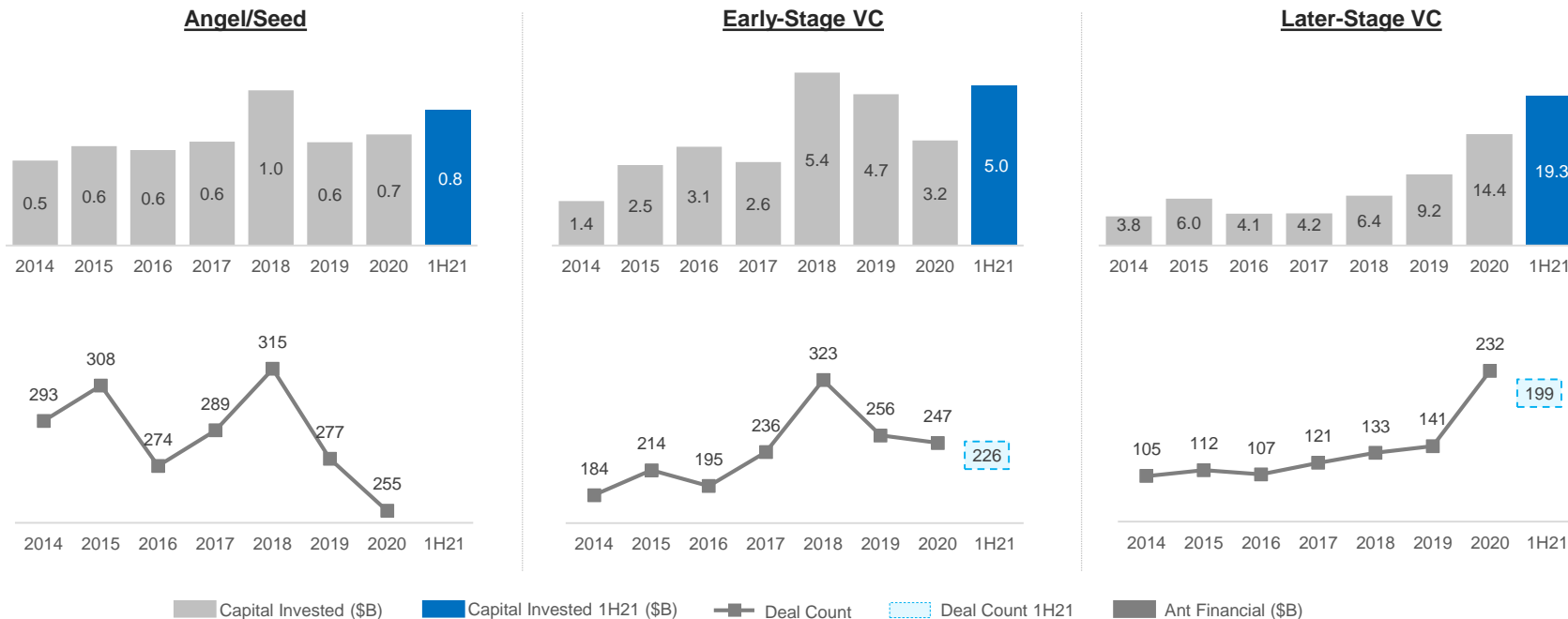
The integration of blockchain technology in Financial Markets is opening new doors to the acceptance of cryptocurrency investments, and decentralized finance, leading to a paradigm shift from the traditional methods of investing.

# 1H21 funding already exceeds 2020 levels across VC stages

## North American VC funding in Fintech companies: By funding stage

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

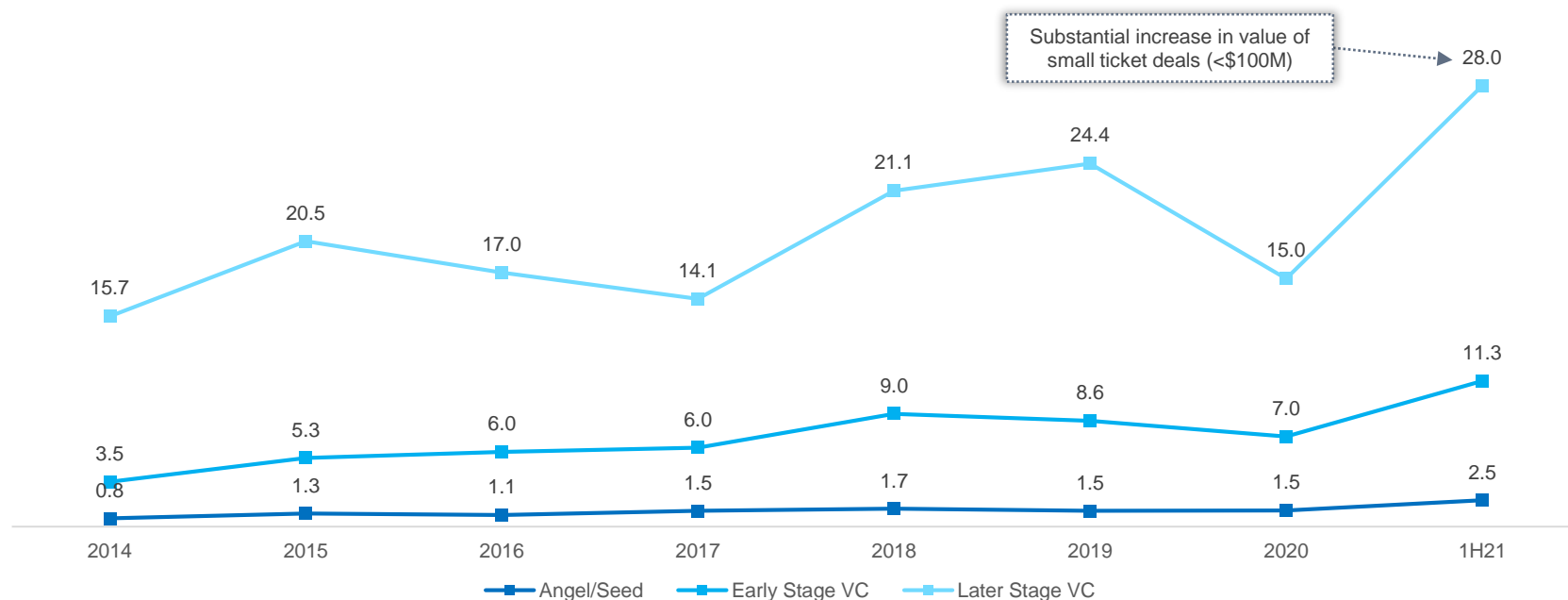
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

# Late-stage median deal size soaring high in 1H21

## North American VC funding median deal size: By funding stage

January 01, 2014—June 18, 2021

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 18, 2021

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	US	Robinhood	Financial Markets	3,400	Arceau Capital, Artfo Holdings, Migration Capital, The Players' Impact	11.7*
2	US	Stripe	Payments+	1,000	Shopify	-
3	Canada	Wealthsimple	Financial Markets	601	Alkeon Capital Management, Aubrey Graham, Base10 Partners, Dragoneer Investment Group	4.0
4	US	Stripe	Payments+	600	Allianz X, AXA, Baillie Gifford, Durable Capital Partners, Fidelity Investments	95.0
5	US	ServiceTitan	Business Solutions	500	Founders Circle Capital, H.I.G. Growth Partners, Sequoia Capital, Tiger Global Management	8.3
6	US	DailyPay	Payments+	500	Carrick Capital Partners, Gaingels	1.2
7	US	Better	Real Estate/ Mortgage	500	SoftBank Group	6.0
8	US	Plaid (Financial Software)	Business Solutions	425	Altimeter Capital Management, Bedrock, Ribbit Capital, Silver Lake	13.4
9	US	Brex	Payments+	425	Baillie Gifford, Base10 Partners, Durable Capital Partners, Government of Singapore Investment Corporation, Tiger Global Management	7.4
10	US	Homeward (Real Estate Services)	Real Estate/ Mortgage	371	Blackstone Alternative Asset Management, Breyer Capital, Norwest Venture Partners	0.8

**Data Source:** Pitch Book, unless specified otherwise; \* based on an article published by CNBC dated February 3, 2021

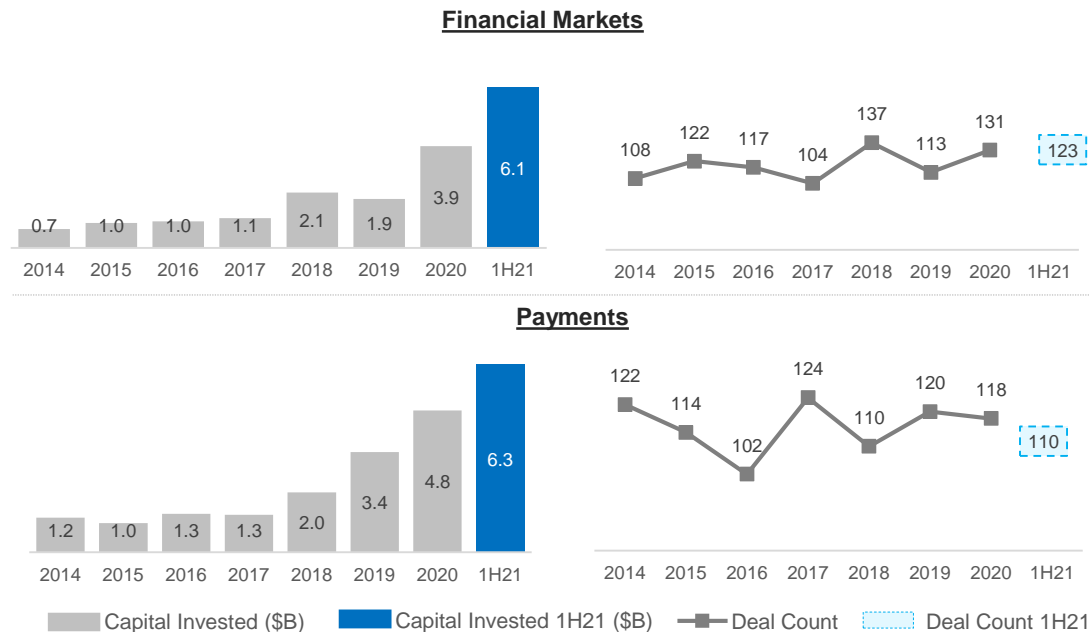
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# Shift to Financial Markets in North American Fintech space

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

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

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Investors in North America diverted the focus from Payments+ to Financial Markets in 1H21.

While deal activities remain strong in Payments+ with 21 mega deals amounting to \$5.4B in 1H21, Financial Markets registered 8 mega deals (>\$100M) amounting to \$4.8B in 1H21.

The increase in ease of trading and investing in stocks, along with a booming market that set new highs, attracted a huge user base. With the growing popularity of SPACs, blockbuster IPOs, cryptocurrencies, and meme stocks providing substantial returns on investments, investors want in on it.

Investing platform Robinhood secured another round of stellar funding, which would accelerate the growth of companies in Financial Markets in the years to follow. Canadian investors followed suit, with Wealthsimple bagging an investment.

The \$0.5B investment in Dailypay is popularizing the Earned Wages Access concept, boosting flexibility and improving financial control – a potential concept to watch out for.



# Strong cryptocurrency market amid pandemic attracts investor dollars in Blockchain/Crypto-based Fintech companies

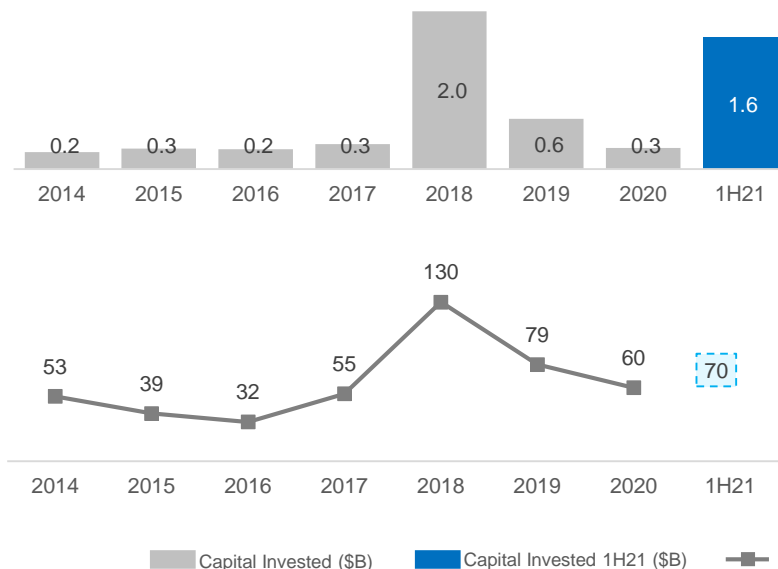


## North American VC funding in Fintech companies: Blockchain/Crypto, Lending

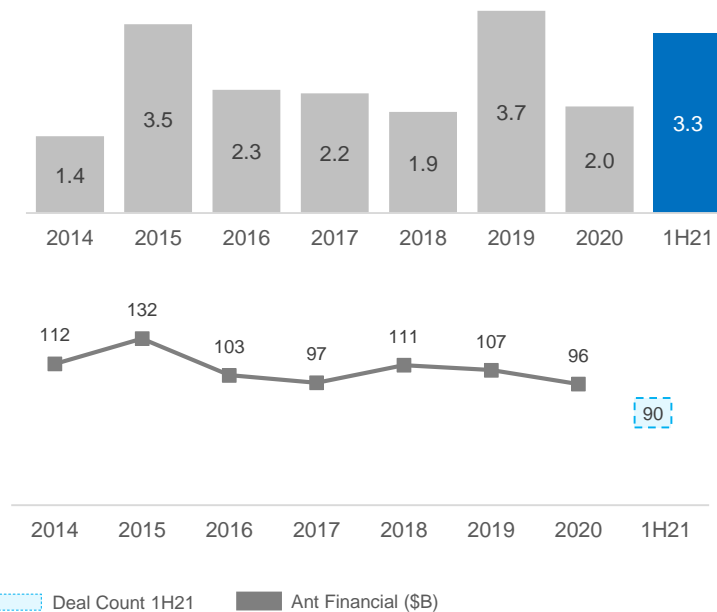
January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified

### Blockchain/Crypto



### Lending



Data Source: Pitch Book, unless specified otherwise

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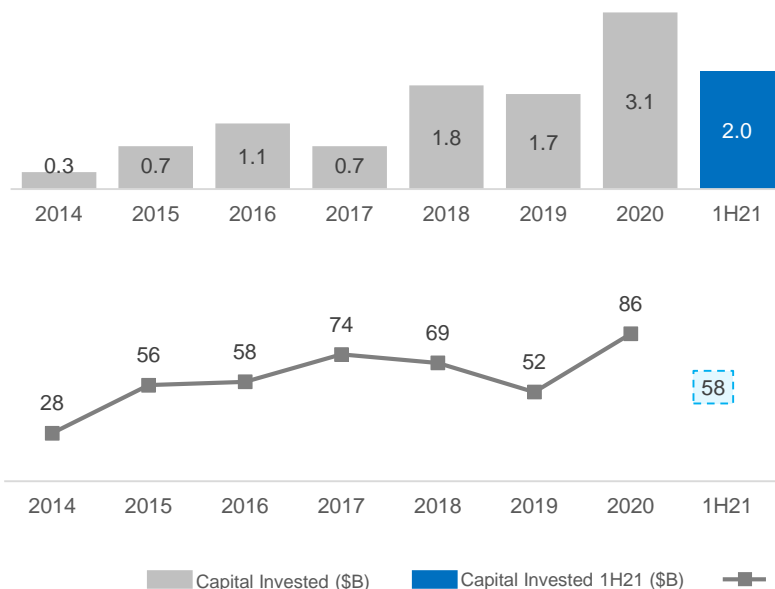
# Insurance, Business Solutions witness new records in terms of funding value and volume

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

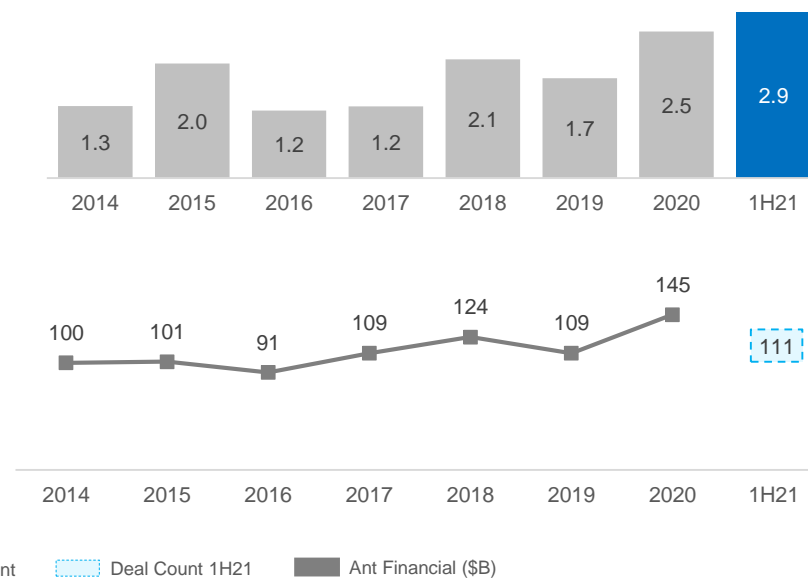
January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified

### Insurance



### Business Solutions



Data Source: Pitch Book, unless specified otherwise

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# Fintech

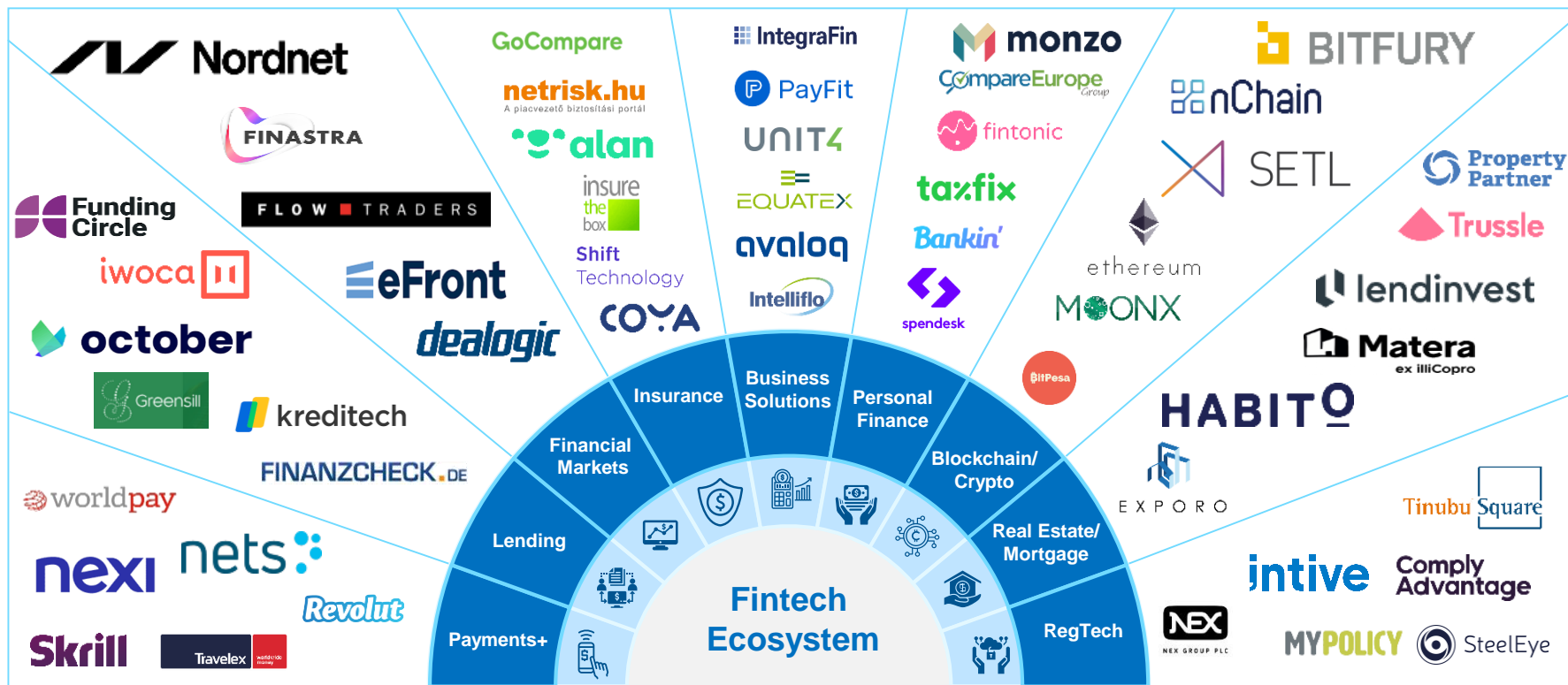
In 1H21, VC funding in  
Fintech companies in  
Europe clocked

**\$12.8B**

across

**358 deals**

# Fintech ecosystem – Europe

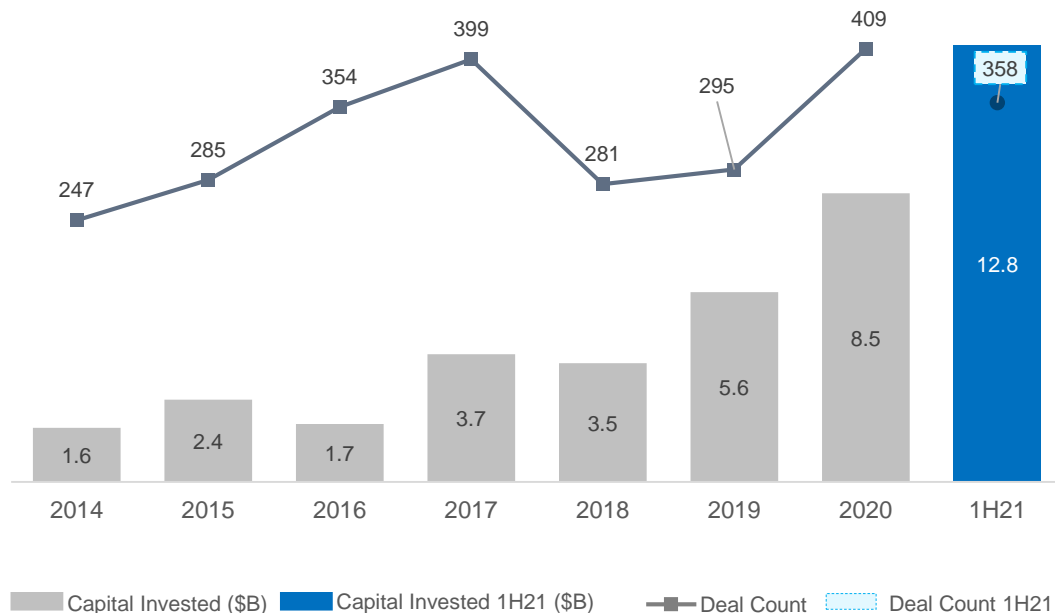


# Fintech funding in Europe continues fast growth trajectory in 1H21

## European VC funding in Fintech companies

January 01, 2014—June 18, 2021

Currency in \$, unless otherwise specified



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Europe's Fintech companies cling to the growth trajectory despite multiple pandemic waves to record the highest funding, surpassing 2020 levels by 51% in terms of value and registering only 88% of volume in 1H21.

Payments companies continue to dominate the European Fintech landscape; 5 of the 10 mega deals (>\$100M) in 1H21 came from Payments and most of them were made by late-stage VCs. The widespread adoption of digital payments and banking solutions has been a prominent trend over the past year.

Klarna bagging another deal in Payments+ is accelerating the integration of lending with the Buy Now Pay Later concept, boosting future integration of the concept in mature industries and essential markets, alleviating financial burden.

Newfound mega VC funding deals in Financial Markets since 1Q18 and in Blockchain since 3Q18 in Europe mark the easing of hesitation about cryptocurrency and decentralized finance.

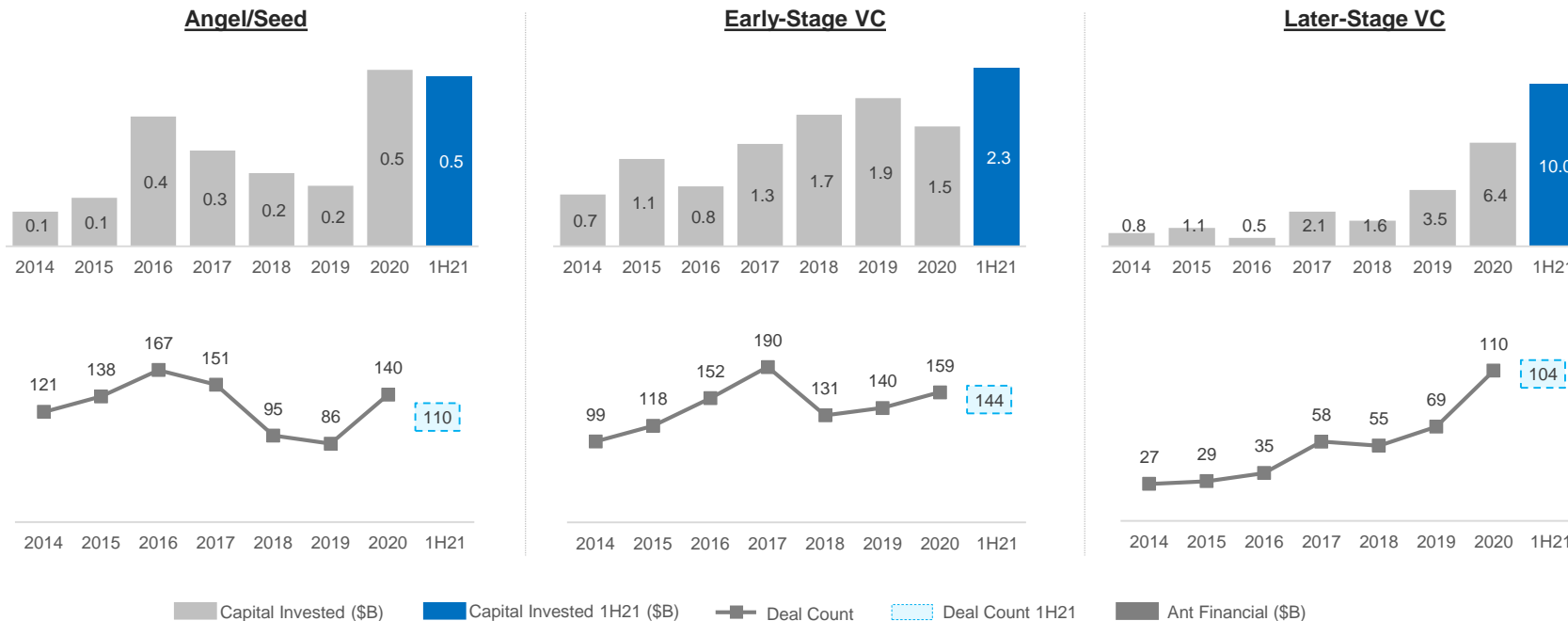


# Explosive growth witnessed across all stages

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

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

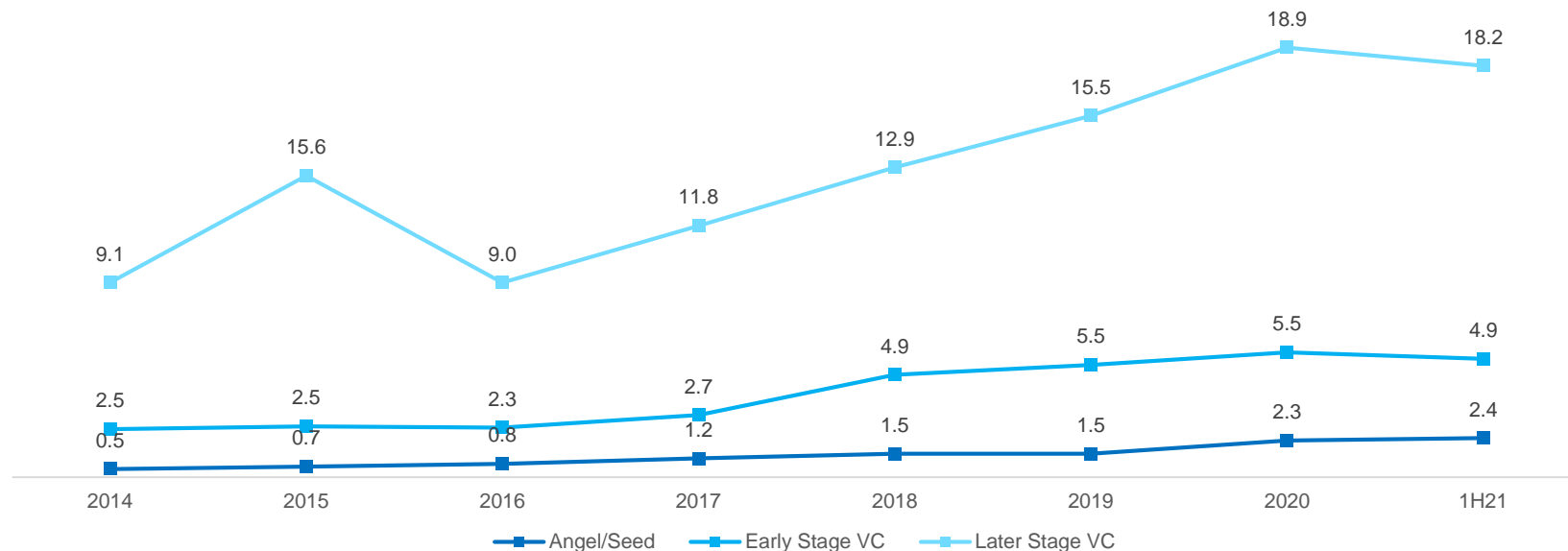
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

# Median deal sizes hold steady near all-time highs achieved in 1H21

## European VC funding median deal size: By funding stage

January 01, 2014—June 18, 2021

Currency in \$, unless otherwise specified



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# Top 10 VC funding deals in Europe



## Top 10 VC funding deals in Fintech: Europe

January 01, 2021–June 18, 2021

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	Sweden	Klarna	Payments+	1,290	Dedicated Venture Capital, Jinderman & Partners, Level One, Midway Venture Partners,	31.0
2	Germany	Trade Republic	Financial Markets	900	Sequoia Capital, TCV, Thrive Capital, Accel, Creandum, Founders Fund, Project A	5.3
3	UK	LendInvest	Real Estate/ Mortgage	681	J.P. Morgan	-
4	Germany	Wefox	Insurance	650	ACE, Claret Capital Partners, Decisive Capital Management, EDBI, Eurazeo,	3.0
5	Sweden	Klarna	Payments+	639	Harvest Growth Capital, Mundi Ventures, Spring Street Group	45.6
6	UK	SaltPay	Payments+	500	Base Partners, D1 Capital Partners, Hedosophia, Tiger Global Management	1.0
7	UK	Generation Home	Real Estate/ Mortgage	453	Joe Cross, Julia Hartz, Kevin Hartz, Mithril Capital Management, Thomas Blomfield	-
8	UK	Checkout.com	Payments+	450	Greenoaks Capital Partners, Tiger Global Management, Blossom Capital,	15.0
9	UK	Starling Bank	Payments+	444	Fidelity Management & Research, Goldman Sachs Growth Equity	1.52
10	France	Ledger	Blockchain/Crypto	380	10T Holdings, Alliance Entrepreneure, Animoca Brands, Ascendant Capital	1.5

**Data Source:** Pitch Book, unless specified otherwise

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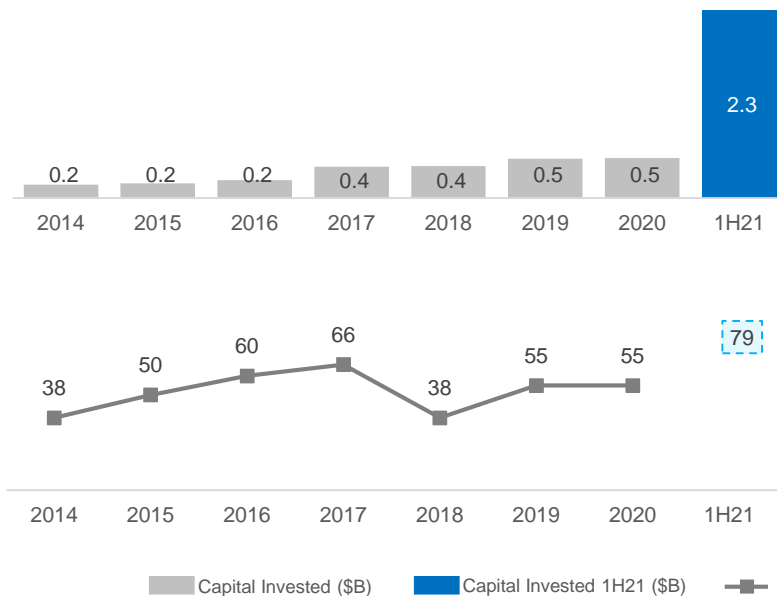
# Stellar growth in Financial Markets, but slowdown in Payments

## European VC funding in Fintech companies: Financial Markets, Payments

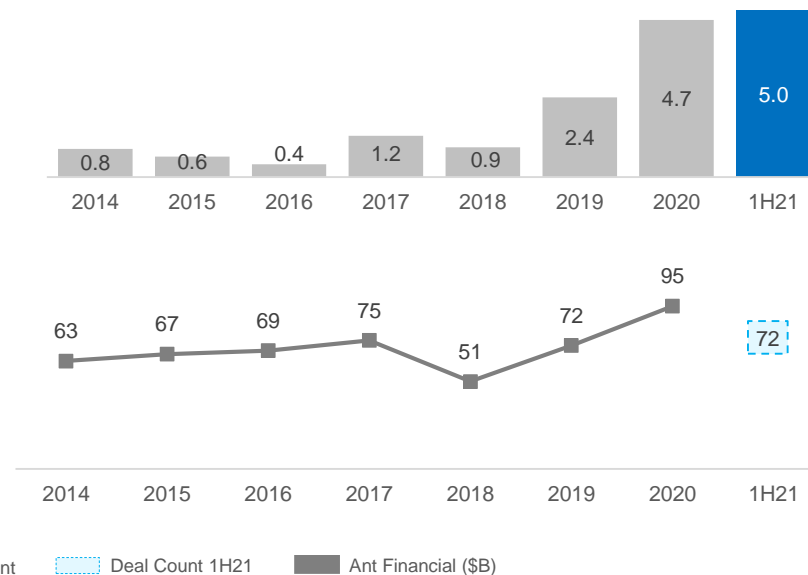
January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified

### Financial Markets



### Payments



Data Source: Pitch Book, unless specified otherwise

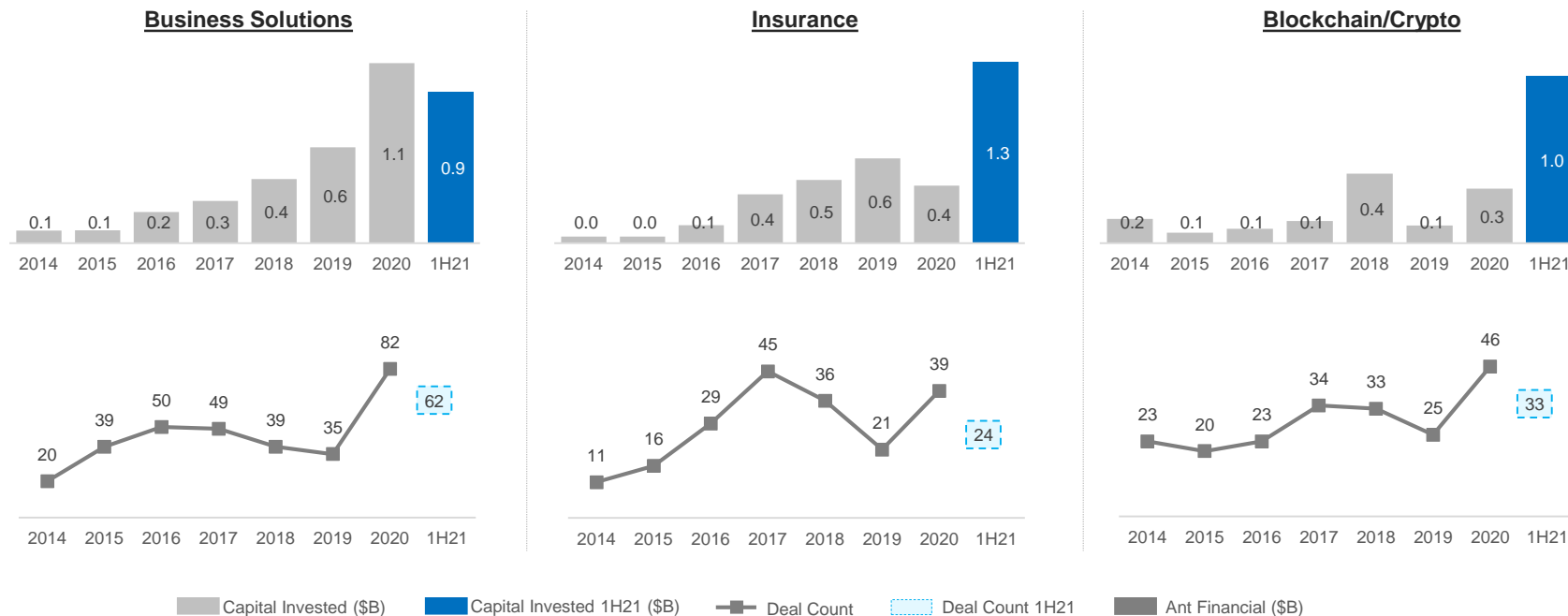
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# Funding in Blockchain/Crypto, Insurance at all-time high; Business Solutions on steady, upward trend

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

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



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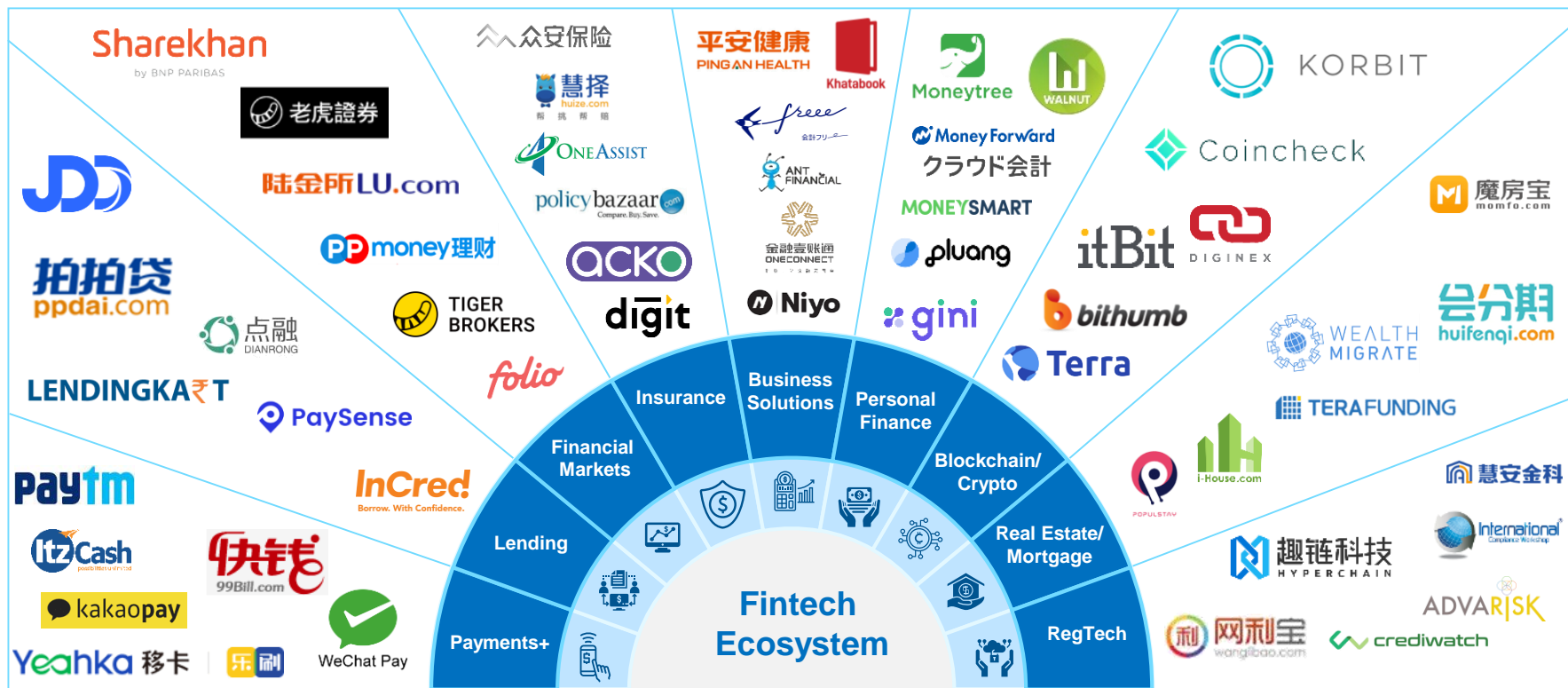
In 1H21, VC funding in  
Fintech companies in  
Asia clocked

**\$4.6B**

across

**221 deals**

# Fintech ecosystem – Asia

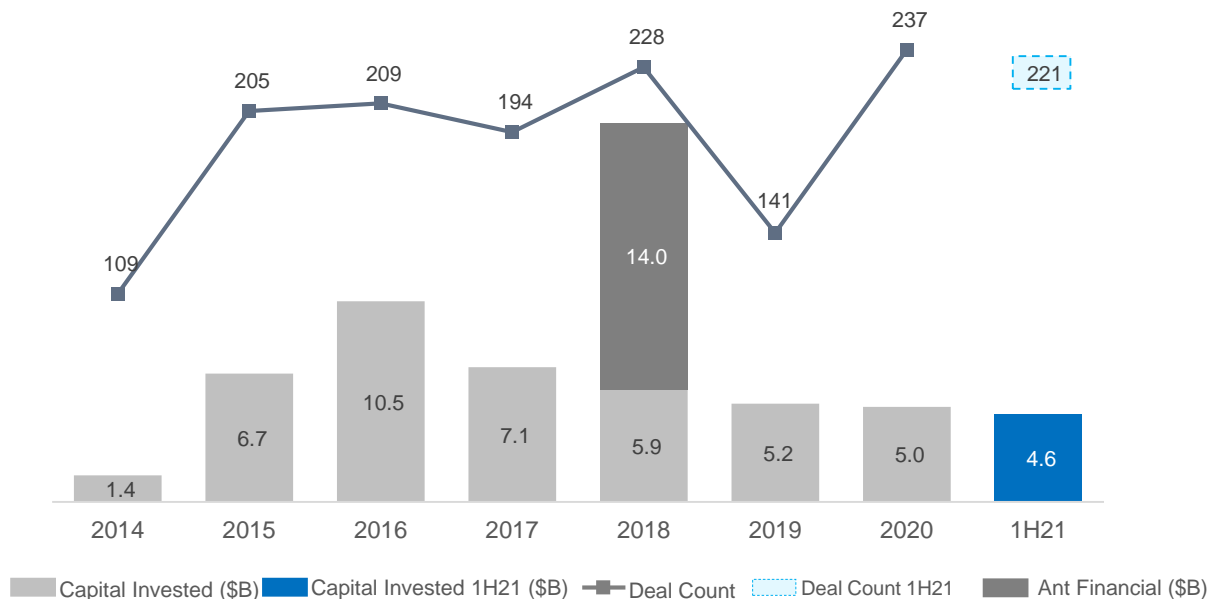


# VC funding on an upward trajectory in 1H21

## Asian VC funding in Fintech companies

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



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**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 segment in Asia saw increased capital investment from VC investors, and the deal volume has doubled compared to 1H20. However, the median deal size declined to \$5.8M in 1H21 from \$9.4M in 1H20.

The investment momentum in Digital Payments continue to be the backburner on the VC investor's radar in Asia. Financial Markets, on the other hand observed exponential growth, registering a 412% surge from 1H20. This indicates that investors are keen on mining the benefits of the untapped financial market potential as a result of the pandemic-induced rise in trading activities.

Investors remain bullish in India, recording the largest investor dollars despite rising cases and strict lockdowns. The Chinese Fintech space has been stagnant and accounted for 17% of Asian Fintech funding.

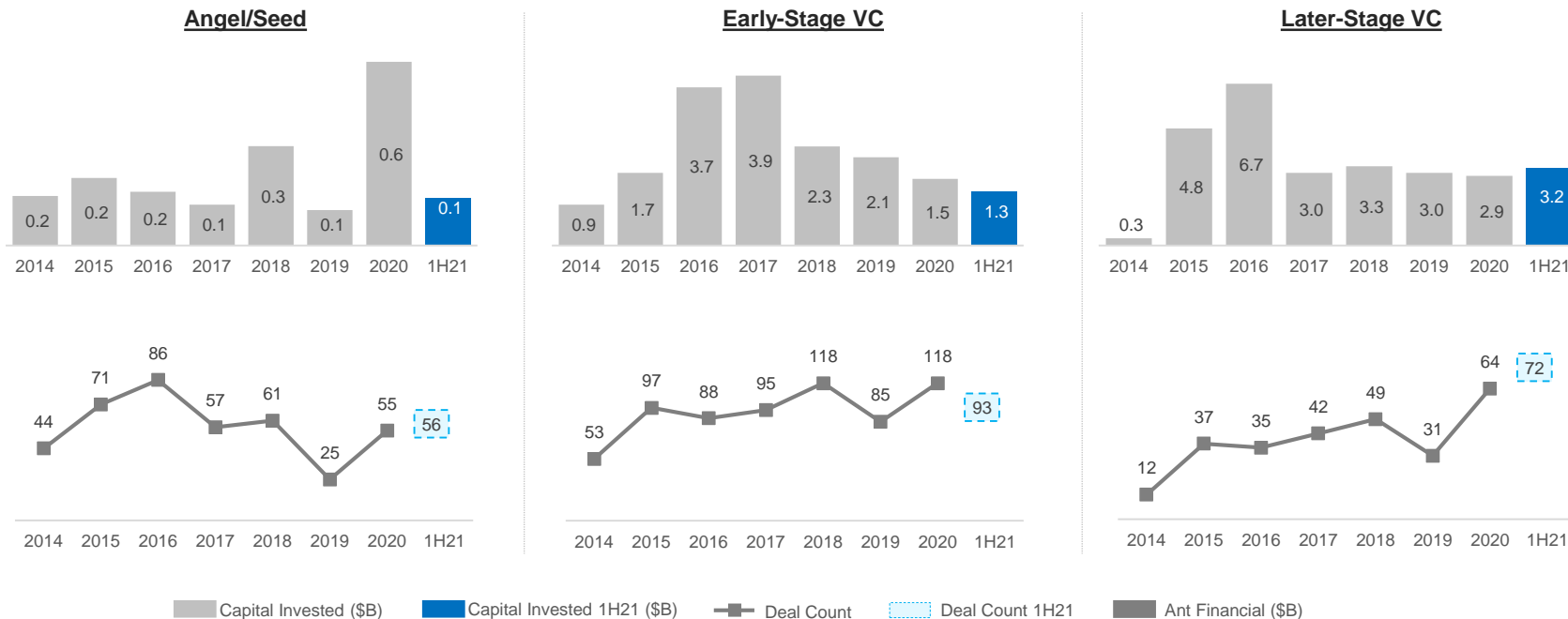
Singapore is gaining traction in Fintech with 2x the deal activity since 1H20. Adoption of digital banking and government initiatives to boost Fintech are making Singapore a lucrative, promising strategic gateway to the Asian market.

# Robust early and late-stage funding; decline in funding in angel/seed deals in 1H21

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

January 01, 2014–June 18, 2021

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

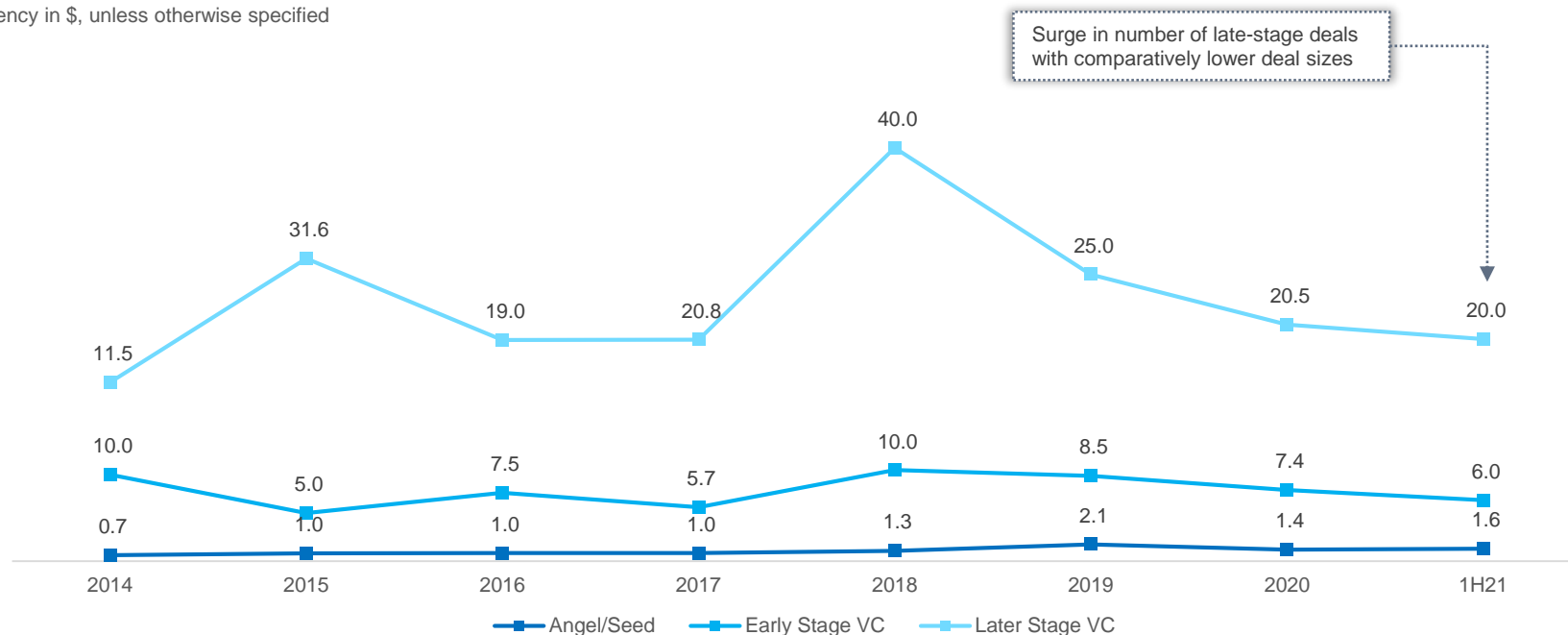
Note: Please refer to the Methodology section at the end of the report to understand the Fintech universe and its constituents as defined from the perspective of this report.

# Late-stage deal size continue downtrend in 1H21

## Asian VC funding median deal size: By funding stage

January 01, 2014—June 18, 2021

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, 2021–June 18, 2021

S. No.	Region	Name	Verticals	Deal Size (\$M)	Key Investors	Post-Money Valuation (\$B)
1	Indonesia	Gojek	Payments+	300	Telkomsel	-
2	India	CRED	Payments+	215	Falcon Edge Capital, Insight Partners	2.2
3	Philippines	Mynt	Payments+	175	Bow Wave Capital Management	1.0
4	India	Razorpay	Payments+	160	Government of Singapore Investment Corporation (GIC), Matrix Partners India	3.0
5	China	MediTrust Health	Payments+	155	Ant Group, China Renaissance, Northern Light Venture Capital, SIIC Holdings	-
6	India	KreditBee	Lending	153	Motilal Oswal Private Equity, NewQuest Capital Partners	-
7	India	KreditBee	Lending	145	Motilal Oswal Private Equity, NewQuest Capital Partners	-
8	Japan	Paidy	Payments+	120	Wellington Management	-
9	India	OfBusiness	Lending	110	Currae Healthtech Fund	0.8
10	China	Xuncetech	Financial Markets	108	CPE Funds Management, Taikang Insurance Group Company, Tencent Holdings	0.7

**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.

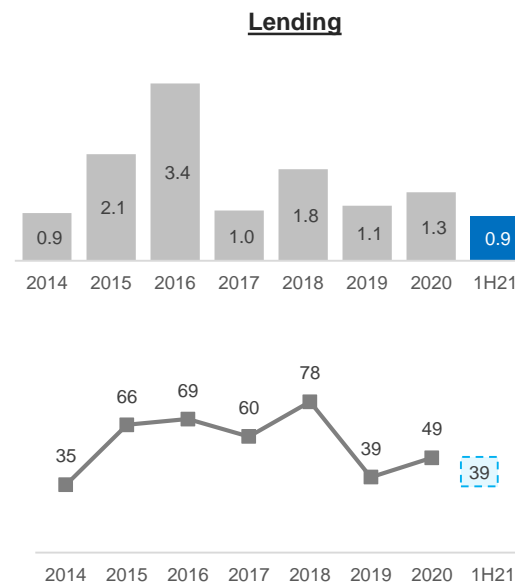
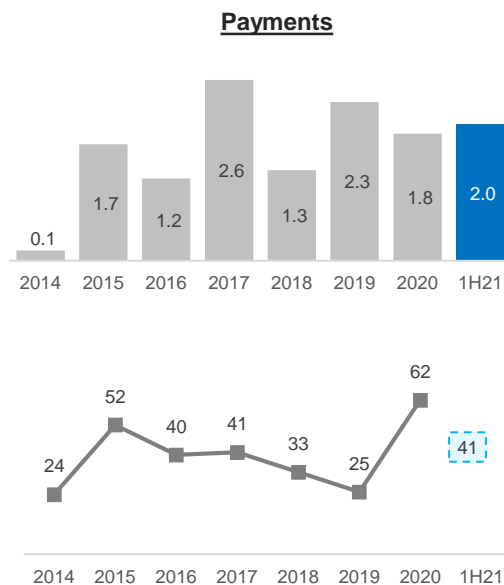
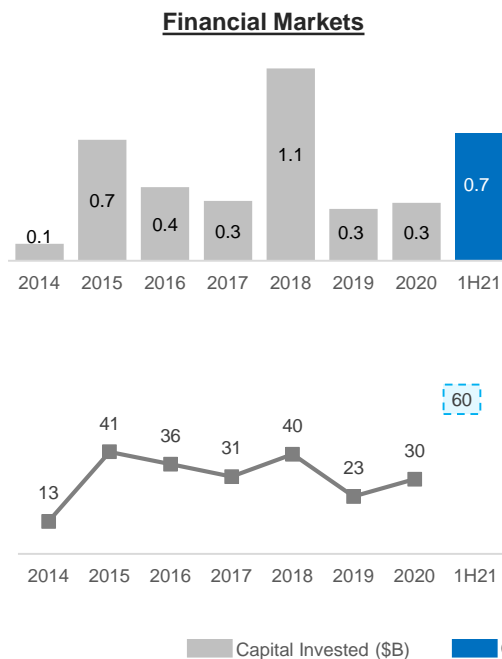
# Financial Markets outgrows Payments, investors' historical favorite, in 1H21



## VC funding in Fintech: Diverse verticals

January 01, 2014–June 18, 2021

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.



# 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: 1H21 deals until June 18, 2021, 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
1H21	First Half of 2021
4Q20	Fourth Quarter of 2020
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



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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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