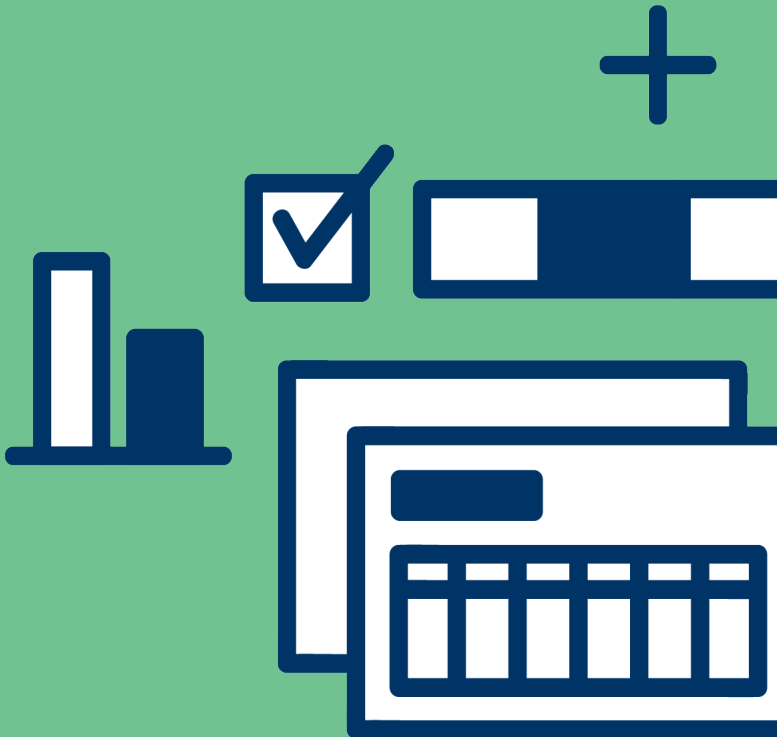




# State Of Fintech Q1'21 Report: Investment & Sector Trends To Watch



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Sun Life Financial



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## WHAT THE STATE OF FINTECH COVERS



### PAYMENTS

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



### BANKING

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



### DIGITAL LENDING

Companies creating new solutions for personal or commercial lending



### WEALTH MANAGEMENT

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



### INSURANCE

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



### CAPITAL MARKETS

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



### SMB

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



### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

# Summary of findings

## Overall fintech trends

**Q1'21 was the largest funding quarter on record.** This was the largest quarter for fintech funding — surpassing Q2'18's previous record, which included Ant Group's \$14B funding round. Across 614 deals, VC-backed fintech companies raised \$22.8B. This represents 15% and 98% year-over-year (YoY) growth, respectively. Though some fintech verticals experienced slight declines in deal activity, each one had positive quarter-over-quarter (QoQ) funding growth.

**Mega-rounds drove this quarter's funding boom.** There were 57 \$100M+ mega-rounds this quarter, a new record, which together accounted for 69% of total funding in the quarter. As a result, the average deal size this quarter nearly doubled vs. Q4'20, from \$19.3M to \$37M.

**Deal growth was global.** Every continent except for Africa saw QoQ growth in deal activity. Europe's deal activity surpassed that of Asia last quarter, and this continued into Q1'21 with 151 total fundraises to VC-backed companies. Europe also saw funding growth of over 180% QoQ, primarily driven by mega-rounds which accounted for 68% of the continent's total funding for the quarter.

**Exit activity hit a new high.** There were 11 IPOs and 67 M&A deals (including announced, but not yet completed deals) for VC-backed fintech companies in Q1'21. Many of these were completed via SPAC transactions, including Bakkt, SoFi, MoneyLion, and eToro.

# Summary of findings

## Fintech industry trends

**Payments:** Payments companies raised over \$6B in Q1'21, a QoQ increase of 188%. Deal activity in the same period increased 50% to 114. There were 18 mega-rounds, which accounted for over 75% of total funding.

**Banking:** While digital banking deal activity declined 12% QoQ, funding grew 25%. This was the first decline in deal activity since Q4'19.

**Digital lending:** Funding and deal activity in Q1'21 exploded to \$4B and 102, representing growth of 203% and 96%, respectively. The 8 mega-rounds in the quarter was the highest total since Q2'19.

**Wealth management:** Funding rebounded significantly, growing 560% QoQ to \$5.4B on the back of 8 mega-rounds which made up 83% of total funding in the quarter. Deal activity increased 27% over the same period.

**Insurance:** Insurtech deal activity fell by 5% in the quarter while funding increased 12%. Insurance was the only major fintech vertical where mega-rounds represented less than 50% of total funding in the quarter.

**Capital markets:** Capital markets deal activity declined 4% QoQ though funding increased significantly by 250% to \$8B. Like wealth management, mega-rounds were over 80% of total funding in the quarter.

**SMB:** Funding grew 154% to \$3.4B while deal activity declined by 21%. This was the third consecutive quarter of declining deal activity.

**Real estate:** Funding to real estate companies grew 29% to \$2.4B as deal activity declined by 9%.



# Q1'21 Fintech In Review

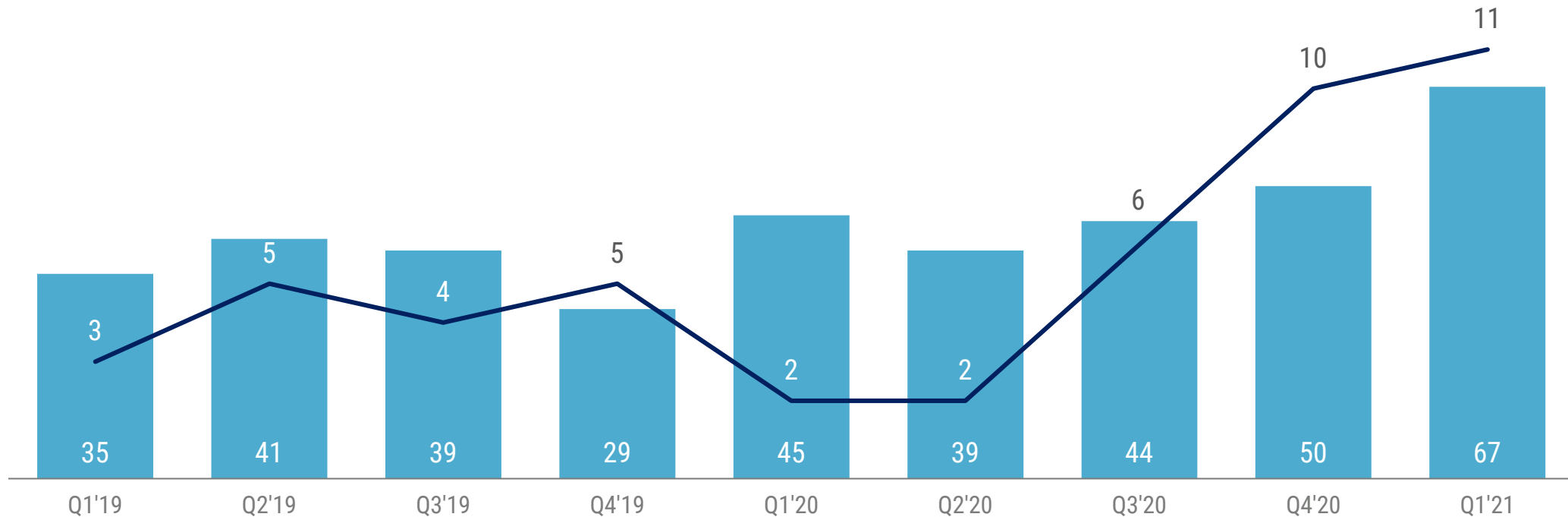


# Fintech M&A and IPO activity reached a new high in Q1'21...

M&A and IPO activity for VC-backed fintech companies, Q1'19 – Q1'21

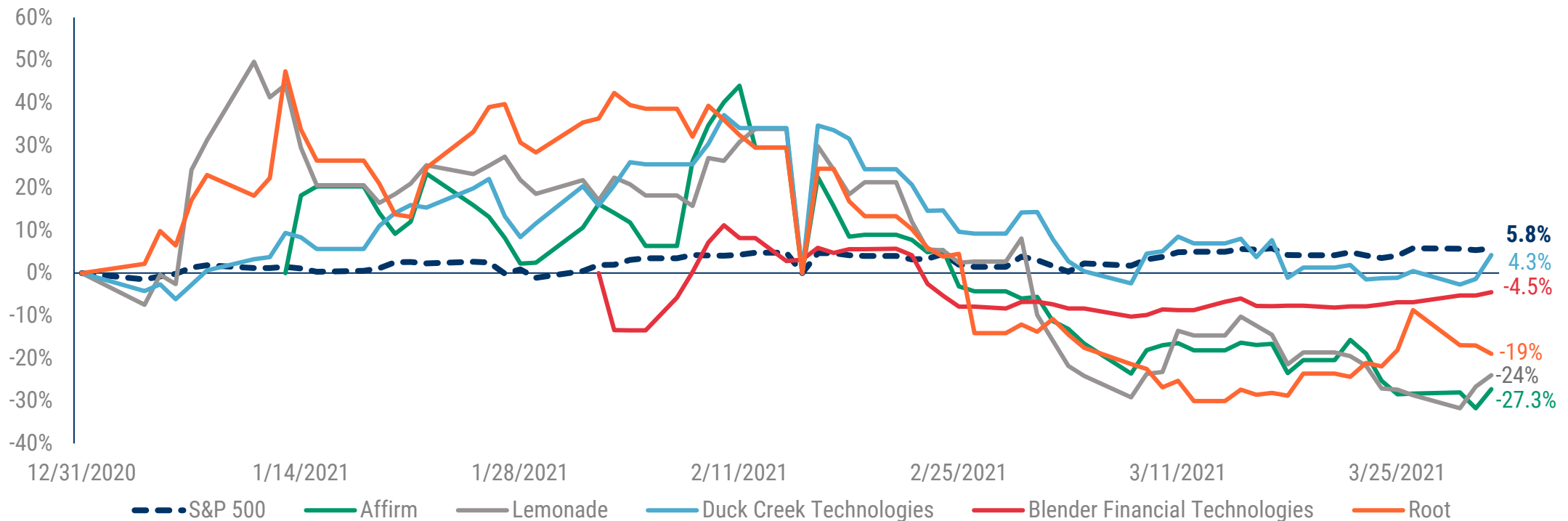
M&A deals

IPOs



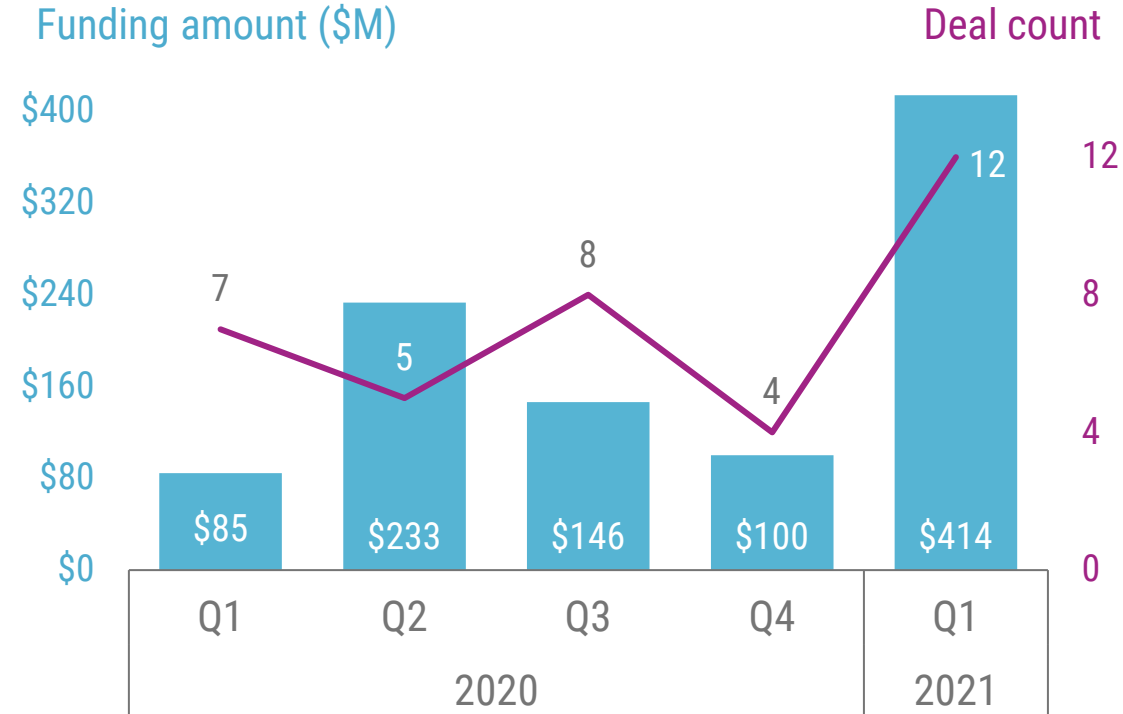
# ...though many of the most anticipated fintech IPOs have so far lagged the broader market

Normalized performance of select fintech IPOs, 12/31/2020 – 3/31/21



# Israel-based fintechs set a funding record

Funding to Israel-based fintechs increased 314% in Q1'21



Top 5 Q1'21 deals raised by Israel-based fintechs

Company	Deal Date // Amount	Description
<b>melio</b>	Jan '21 // \$110M	Payments
<b>earnix</b>	Feb '21 // \$75M	Insurance & Banking
<b>personetics®</b>	Feb '21 // \$75M	Banking & Personal Finance
<b>STARKWARE</b>	Mar '21 // \$75M	Blockchain
<b>rewire</b>	Mar '21 // \$20M	Banking

# Digital asset custody and investment hits the mainstream

## Incumbents Q1'21 digital asset initiatives

J.P.Morgan

**March 10** – Launched J.P. Morgan Cryptocurrency Exposure Basket, a new debt instrument tied to companies with crypto exposure like Square, MicroStrategy, and Riot Blockchain, among others.

Morgan Stanley

**March 17** – Announced that wealthy clients will be given access to its bitcoin funds; 2 of the available funds are managed by Galaxy Digital, and the third is a joint venture between FS Investments and NYDIG.

  
BNY MELLON

**March 18** – Participated in crypto-custody provider Fireblocks' \$133M Series C; the company will serve as a partner in the bank's plans to become a custodian for digital assets on behalf of institutional investors.

BBVA

**January 22** – Launched its first commercial solution for digital asset custody and trading in Switzerland, which has a progressive view on digital asset regulation and adoption.

## Additional Q1'21 digital asset initiatives & funding activity

 GRAYSCALE

**March 17** – Launched 5 new crypto investment products: Basic Attention Token (BAT) Trust, the Chainlink (LINK) Trust, the Decentraland (MANA) Trust, the Filecoin (FIL) Trust, and the Livepeer (LPT) Trust.

 TAXbit

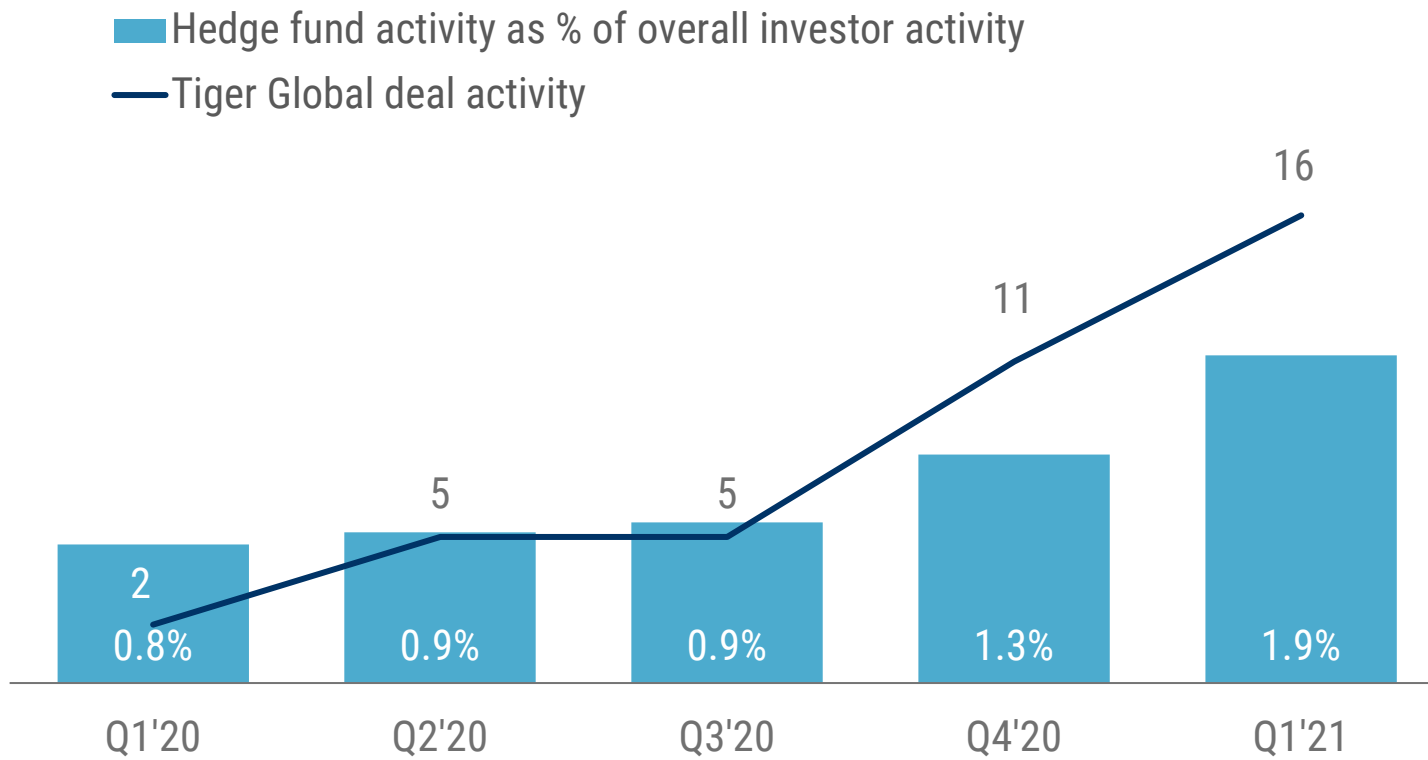
**Funding:** \$100M Series A  
**Focus:** Utah-based Taxbit offers an automated tax solution for crypto users, exchanges, and merchants.

AVANTI

**Funding:** \$37M Series A  
**Focus:** Wyoming-based Avanti focuses on building a digital asset bank.

# Tiger Global drives hedge fund deal activity

Of the VC-backed fintech deals with hedge fund participation, Tiger Global represented nearly 40% of the activity, participating in 16 rounds — 14 of which were mega-rounds.



## Select Q1'21 deal activity

 **checkout.com** \$450M Series C






 **BlockFi** \$350M Series D

 **blend** \$300M Series E+

 **highradius** \$300M Series C

**Rapyd** \$300M Series D

# FAMGA in fintech Q1'21 updates

	<ul style="list-style-type: none"> <li>• <b>Partnership:</b> Integration with Shopify's Shop Pay will enable shoppers to buy products from Shopify merchants directly on Facebook and Instagram</li> <li>• <b>Partnership:</b> India-based conglomerate Reliance Industries is working with Facebook and Google on a national digital payment network</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Partnership:</b> Announced Apply Pay support for crypto payments through a new partnership with BitPay and its BitPay Card</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Partnership:</b> Italy-based open banking company Fabrick to become part of Microsoft Commercial Marketplace</li> <li>• <b>Product:</b> Launched Cloud for Financial Services, specifically tailored for retail banking</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Partnership:</b> Albertsons partnered with Google to improve its online shopping experience, including integration of Google Pay</li> <li>• <b>Partnership:</b> India-based conglomerate Reliance Industries is working with Facebook and Google on a national digital payment network</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Acquisition:</b> Acquired India-based Perpule in March. Perpule is an omnichannel engagement and payments platform for offline retail stores</li> </ul>

# Fintech exits heat up, driven by SPACs

## Select IPOs



**January 13, 2021** (began trading)

Installment lender Affirm priced its initial offering at \$49 per share and began trading nearly 2x the target at \$97.



**March 3, 2021** (began trading)

Digital health insurance company Oscar Health launched its IPO. The company priced its shares at \$39 and began trading slightly below at \$35.

## Select SPAC transactions

### Challenger banks



**January 7, 2021**

Financial service platform SoFi announced plans to merge with Social Capital Hedosophia Holdings V to become a publicly traded company in a deal valued at \$8.65B.



**MoneyLion**

**February 12, 2021**

MoneyLion, a digital financial platform, entered an agreement with Fusion Acquisition to go public via SPAC valuing the company at \$2.4B.

### Digital assets/crypto



**January 11, 2021**

Digital asset marketplace Bakkt and VPC Impact Acquisition entered an agreement to take the company public in a deal valued at \$2.1B.



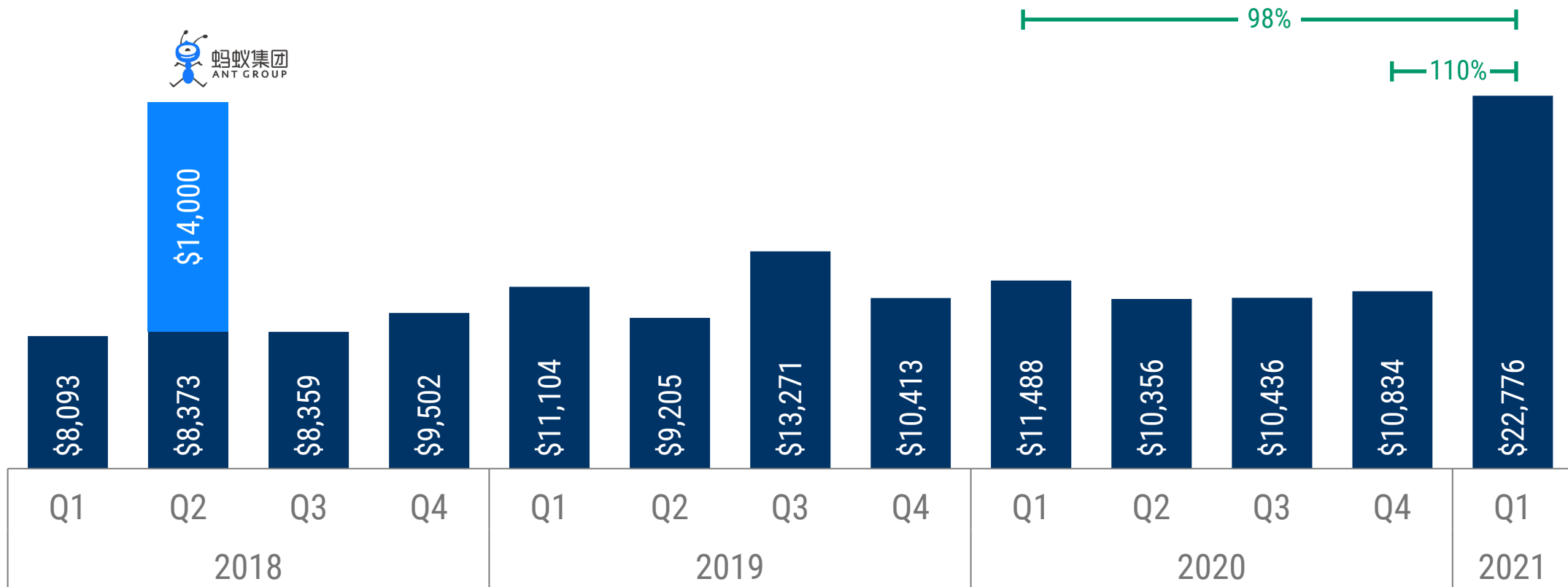
**March 16, 2021**

Social trading platform eToro and Fintech Acquisition V will merge in a deal valued at \$10.4B.



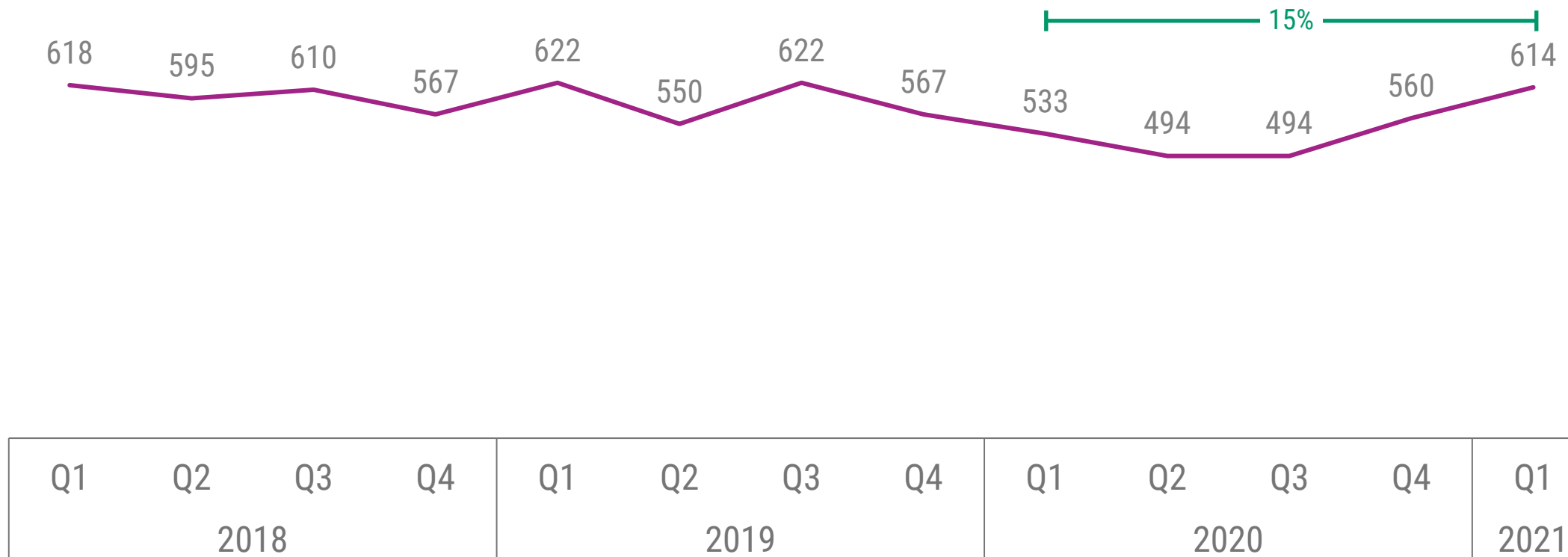
# Fintech funding more than doubled QoQ

Global VC-backed fintech funding trends, Q1'18 – Q1'21



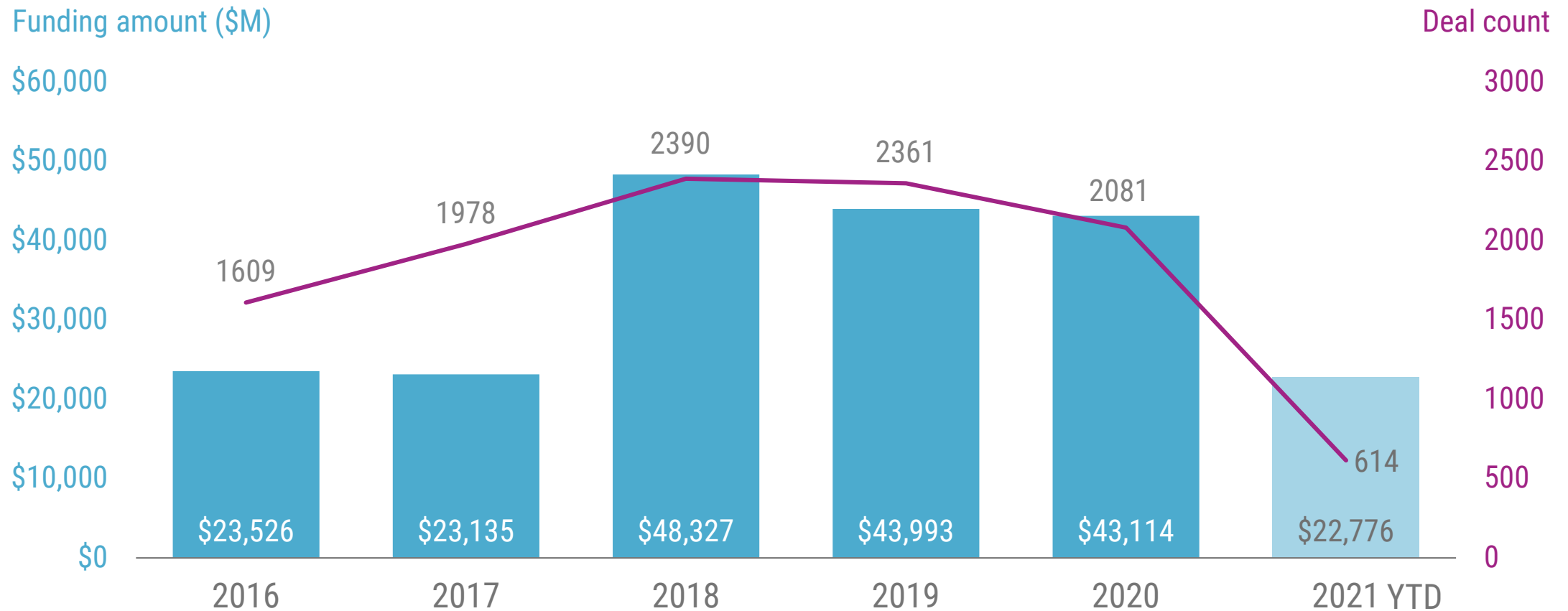
# Deal activity increased 15% YoY to reach highest level since Q3'19

Global VC-backed fintech deal activity, Q1'18 – Q1'21



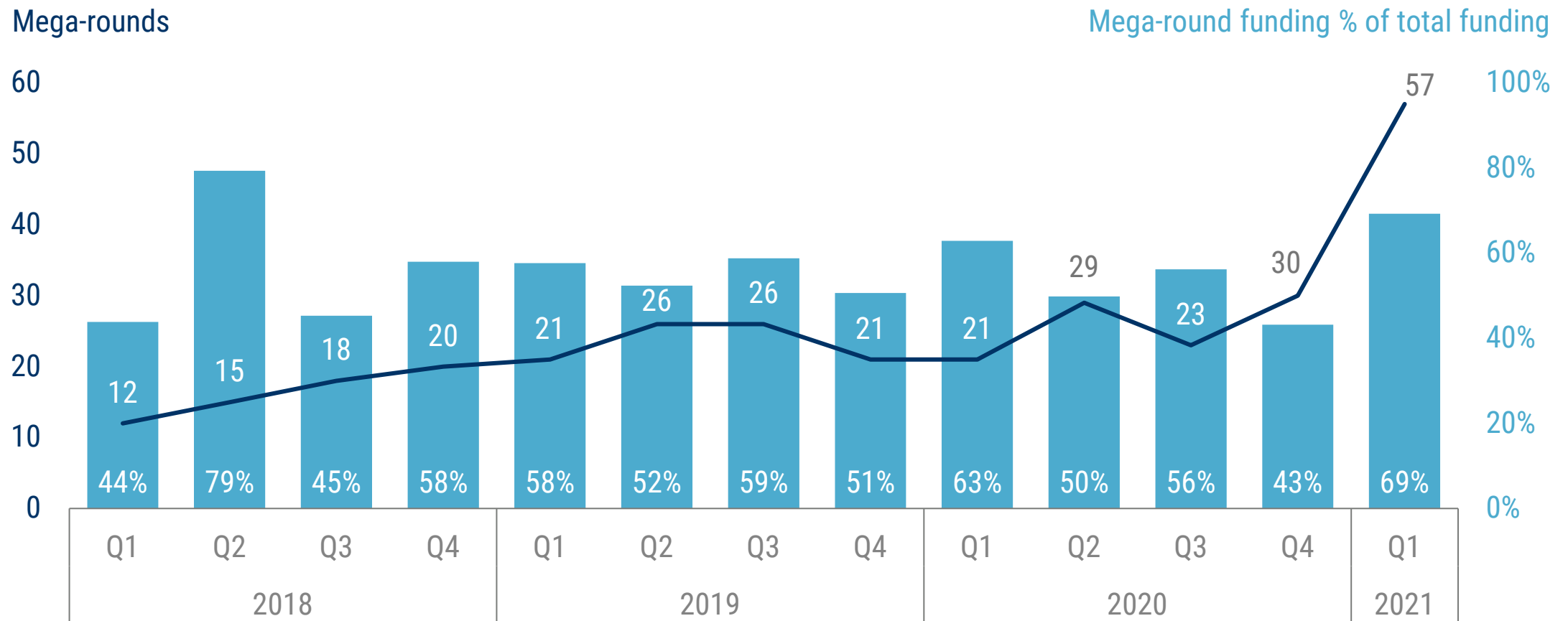
# Funding YTD exceeds 50% of total funding in 2020

Global VC-backed financing trends, 2016 – 2021 YTD (3/31/21)



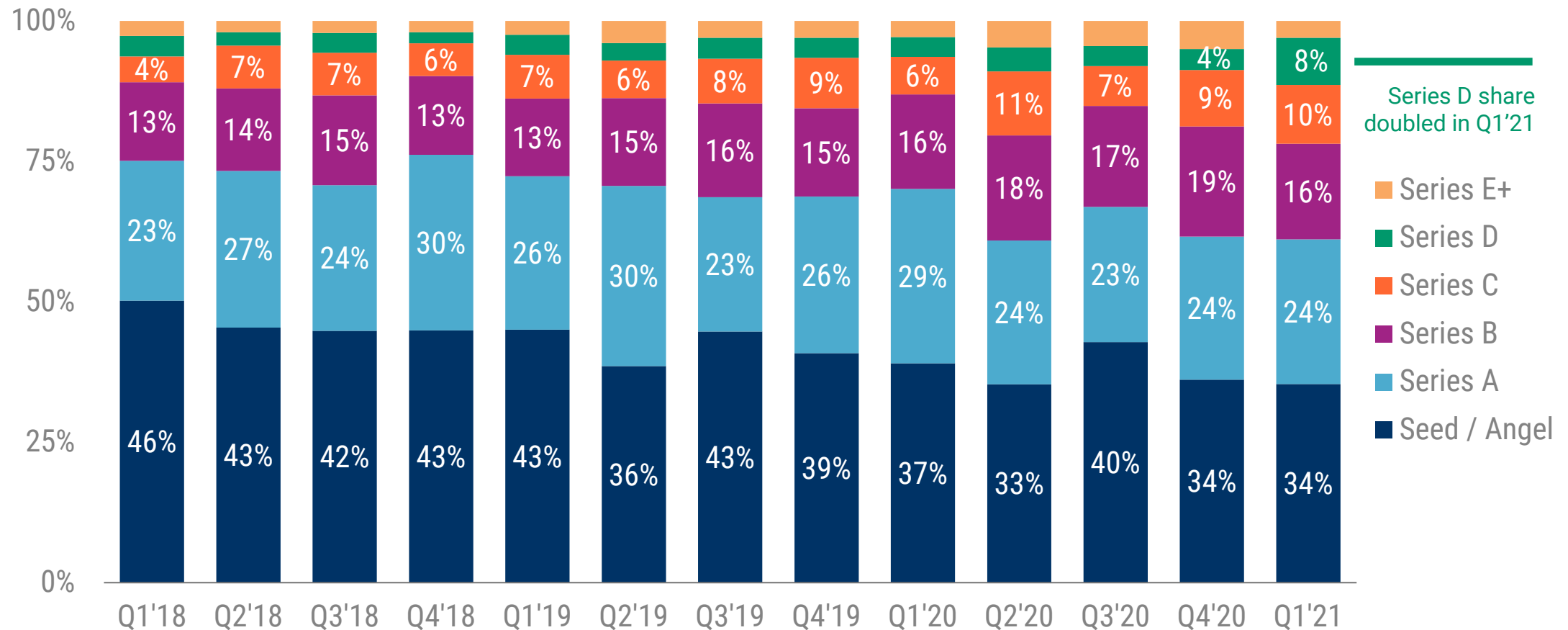
# Mega-rounds drove this quarter's funding boom

Global VC-backed fintech mega-round (\$100M+) funding trends, Q1'18 – Q1'21



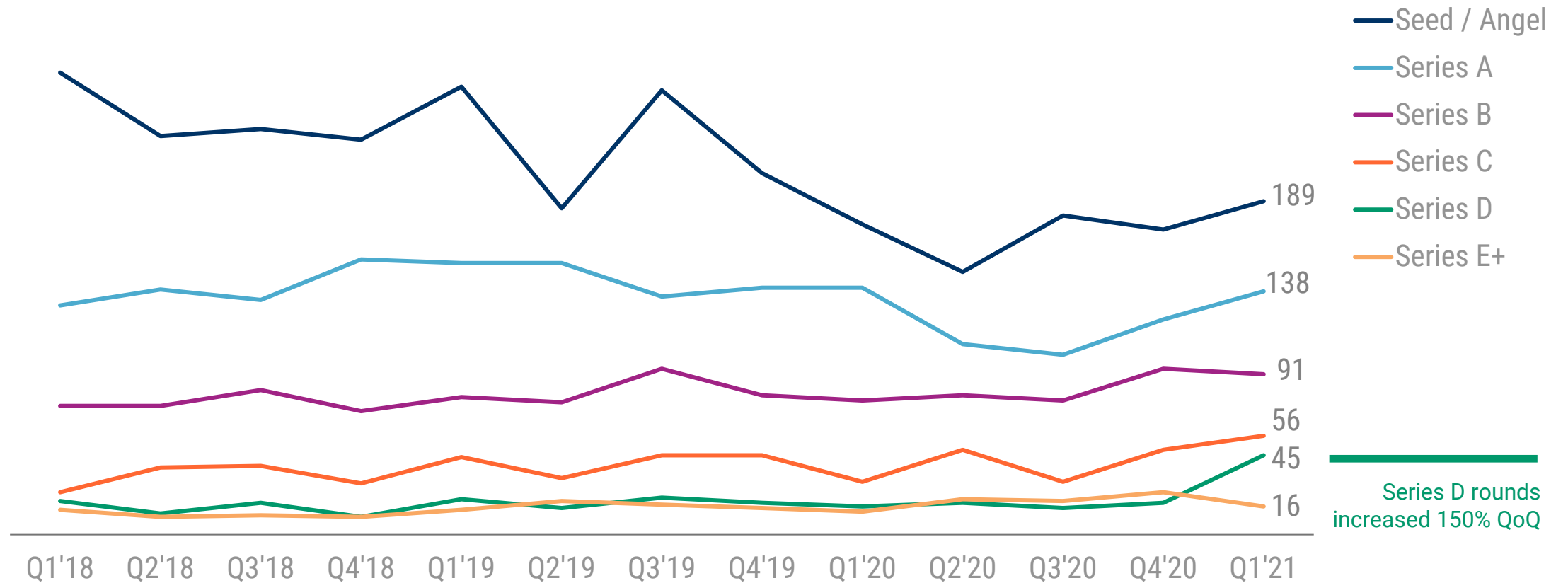
# Series D share of deals doubled QoQ...

% of quarterly deal activity by deal stage, Q1'18 – Q1'21



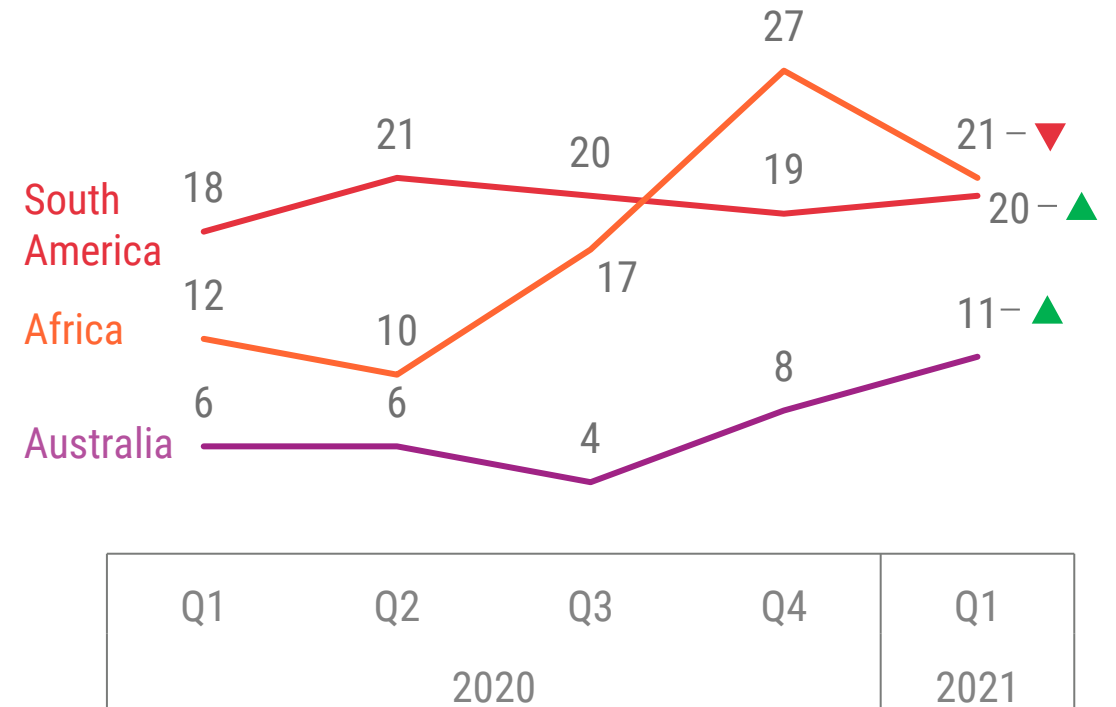
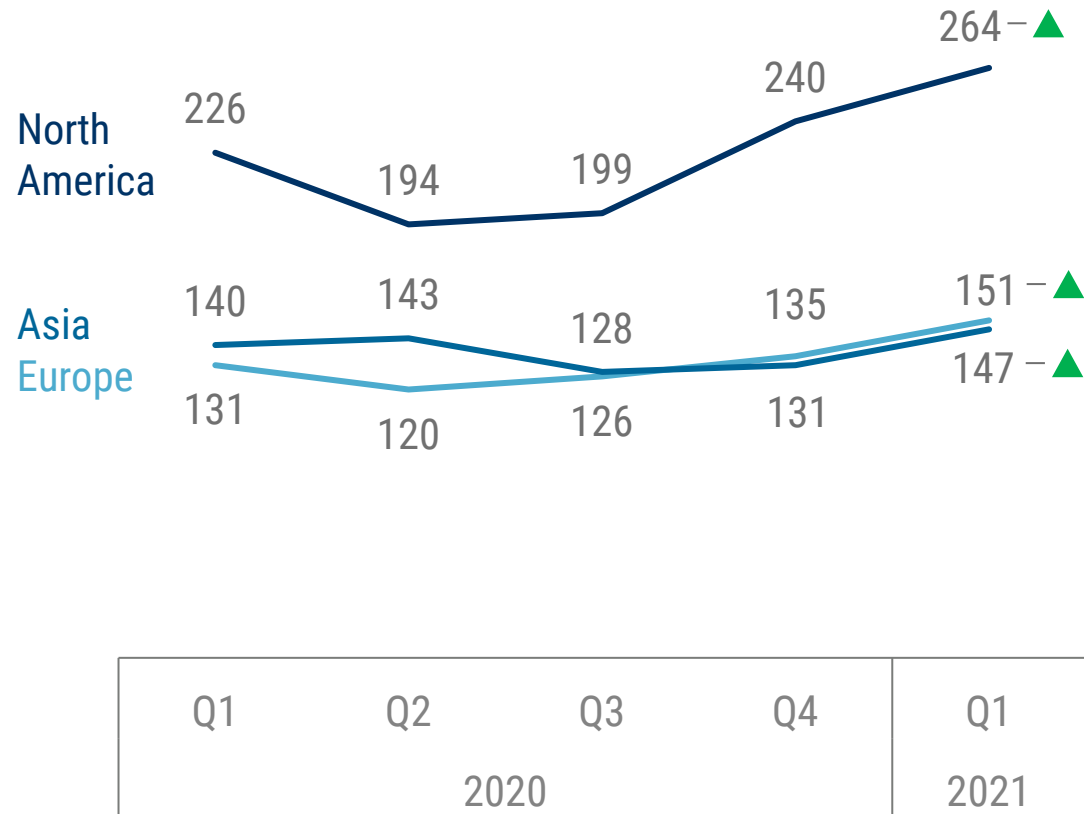
# ...with 45 total Series D rounds in Q1'21

Quarterly deal activity by deal stage, Q1'18 – Q1'21



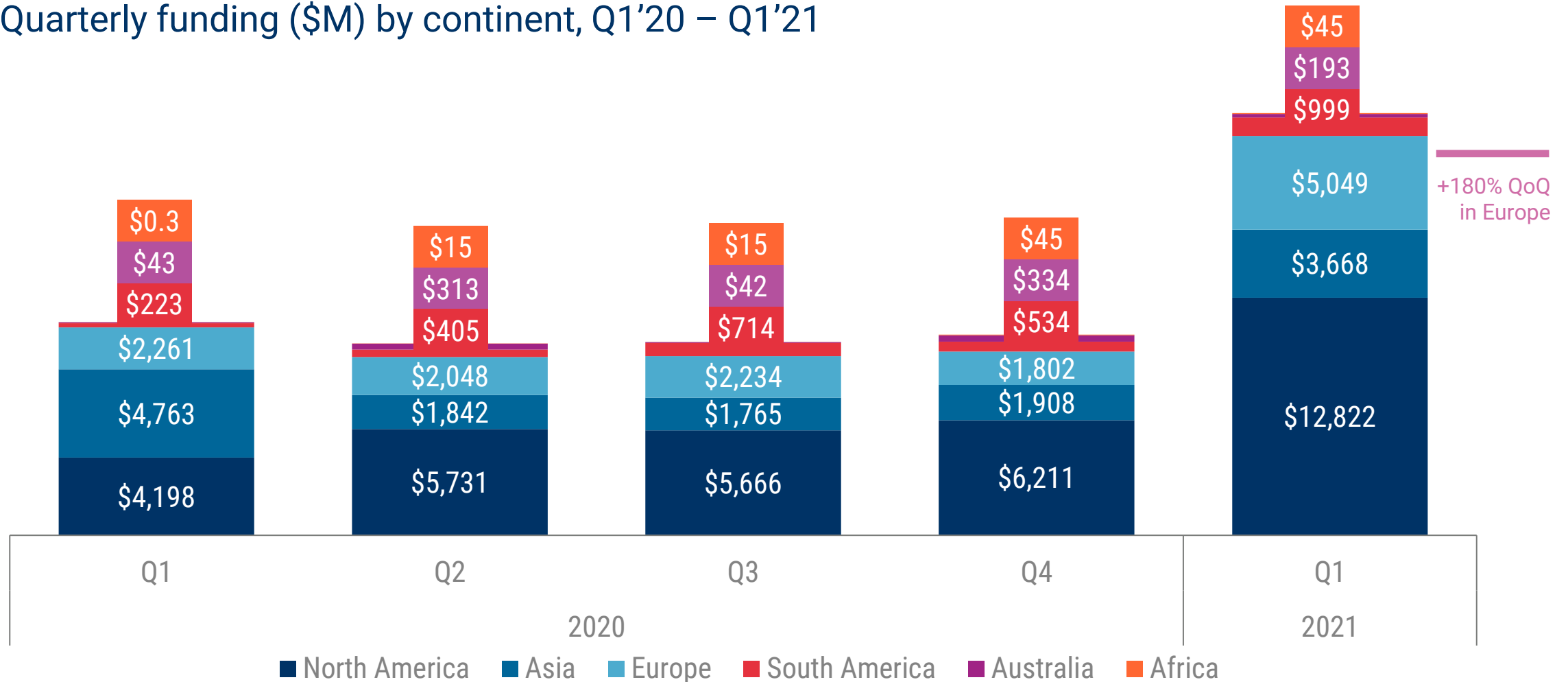
# Deal activity growth in Q1'21 was global

Global VC-backed fintech deals by continent, Q1'20 – Q1'21







# Europe saw the largest QoQ increase in funding

Quarterly funding (\$M) by continent, Q1'20 – Q1'21










# Robinhood raised 2 of the top rounds in Q1'21




























































Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
Robinhood 	Feb '21 // \$2400M	\$5,571M	New Enterprise Associates, Ribbit Capital, Sequoia Capital, Index Ventures, Andreessen Horowitz	Robinhood allows users to invest in US stocks and ETFs commission-free, and offers Robinhood Gold, a paid service for active investors to access margin and extended hours trading.
Klarna.	Mar '21 // \$1000M	\$2,833M	Sequoia Capital, BlackRock, General Atlantic, HMI Capital, Institutional Venture Partners, QED Investors	Klarna provides short-term, point-of-sale loans for online and in-store purchases and allows shoppers to buy now and pay later.
Robinhood 	Jan '21 // \$1000M	\$5,571M	New Enterprise Associates, Ribbit Capital, Sequoia Capital, Index Ventures, Andreessen Horowitz	Robinhood allows users to invest in US stocks and ETFs commission-free, and offers Robinhood Gold, a paid service for active investors to access margin and extended hours trading.
 4Paradigm 第四范式	Jan '21 // \$700M	\$930M	Haitong Securities Co., HOPU Investment Management, Jinyi Investment, Goldman Sachs, Sequoia Capital China	4Paradigm is a provider of artificial intelligence technology and services that help financial firms to detect fraud, improve efficiency, and reduce risk.
 stripe	Mar '21 // \$600M	\$2,551M	Fidelity Investments, AXA, Allianz X, National Treasury Management Agency, Sequoia Capital, Baillie Gifford & Co.	Stripe is an online-based payment processing platform that gives online merchants the ability to securely accept credit card payments via custom-built forms.

# 2 of the top 10 deals went to Brazil-based cos

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
 <b>Dataminr</b>	Mar '21 // \$475M	\$1,044M	Morgan Stanley, Moore Capital Management, Institutional Venture Partners, The Pritzker Organization, Eden Global Partners	Dataminr is a data analytics technology company that unlocks hidden value in real-time public social media data, and services buy-side and sell-side financial firms, public sector, news, and corporate risk clients.
 <b>checkout.com</b>	Jan '21 // \$450M	\$830M	Insight Partners, Blossom Capital, Greenoaks Capital Management, GIC, Yuri Milner, Tiger Global Management	Checkout.com offers a payment processing API that helps companies accept more payments around the world through one integration.
	Mar '21 // \$425M	\$688M	Andreessen Horowitz, QED Investors, GIC, Caffeinated Capital, Advent International, CPP Investments, Monashees+	Loft operates by buying, renovating, and selling real estate within a 4-month timeframe.
 <b>nubank</b>	Jan '21 // \$400M	\$1,795M	Tencent Holdings, Ribbit Capital, Invesco, Whale Rock Capital Management, Sequoia Capital, GIC, Dragoneer Investment Group	Nubank is a Brazil-based challenger bank that currently offers digital savings accounts, no-fee credit cards, and personal loans to customers.
 <b>BlockFi</b>	Mar '21 // \$350M	\$513M	Breyer Capital, Jump Capital, Gaingels, Galaxy Digital, Bracket Capital, Susquehanna Government Products	BlockFi is a financial services company focused on building products for cryptocurrencies. BlockFi's offerings include interest-earning accounts, low-cost USD loans secured by crypto, and zero-fee trading.


















































# The most active fintech VCs from Q1'20 – Q1'21

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

Rank	Investor	Select fintech investments
1*	<b>SEQUOIA</b> 	 <b>CAPITOLIS</b>  <b>CRED</b>  <b>FORTE</b>  <b>ny</b>  <b>Robinhood</b>  <b>bankbazaar.com</b>  <b>ETHOS</b>  <b>pilot</b>  <b>durianpay</b>  <b>Razorpay</b>  <b>stripe</b>  <b>Klarna.</b>  <b>CAPITAL FLOAT</b>
2	<b>Accel</b>	 <b>rentomojo</b>  <b>PayFit</b>  <b>monzo</b>  <b>WorldRemit</b>  <b>ETHOS</b>  <b>UiPath™</b>  <b>Anyfin</b>  <b>TRADE REPUBLIC</b>  <b>rupeek</b>  <b>GOCARDLESS</b>  <b>Coverfox</b>
2	<b>Ribbit Capital</b>	 <b>ajaib</b>  <b>Robinhood</b>  <b>ny</b>  <b>Coalition™</b>  <b>CRED</b>  <b>uall</b>  <b>Fireblocks</b>  <b>upgrade</b>  <b>FIGURE</b>  <b>Razorpay</b>  <b>BharatPe</b>  <b>BREX</b>
4	<b>a16z</b>	 <b>Seed<sup>Fi</sup></b>  <b>Robinhood</b>  <b>ANCHORAGE</b>  <b>carta</b>  <b>PeerStreet</b>  <b>ANCHORAGE</b>  <b>CAPITOLIS</b>  <b>Divvy</b>  <b>TransferWise</b>  <b>ribbon</b>
5	 <b>Index Ventures</b>	 <b>Fast</b>  <b>pilot</b>  <b>Revolut</b>  <b>raisin.</b>  <b>alan</b>  <b>CONFLUENT</b>  <b>Robinhood</b>  <b>CAPITOLIS</b>  <b>NOVA CREDIT</b>  <b>Gatsby</b>  <b>JUSTWORKS.</b>

# The most active fintech VCs from Q1'20 – Q1'21

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

Rank	Investor	Select fintech investments
5		          
7		      
8		         
9		        
9		      

---

Globally there are

**94 FINTECH UNICORNS**

Valued in aggregate at

**\$377B**

# Q1'21 Fintech Sector Trends



## WHAT THE STATE OF FINTECH COVERS



### PAYMENTS

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



### BANKING

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



### DIGITAL LENDING

Companies creating new solutions for personal or commercial lending



### WEALTH MANAGEMENT

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



### INSURANCE

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



### CAPITAL MARKETS

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



### SMB

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



### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

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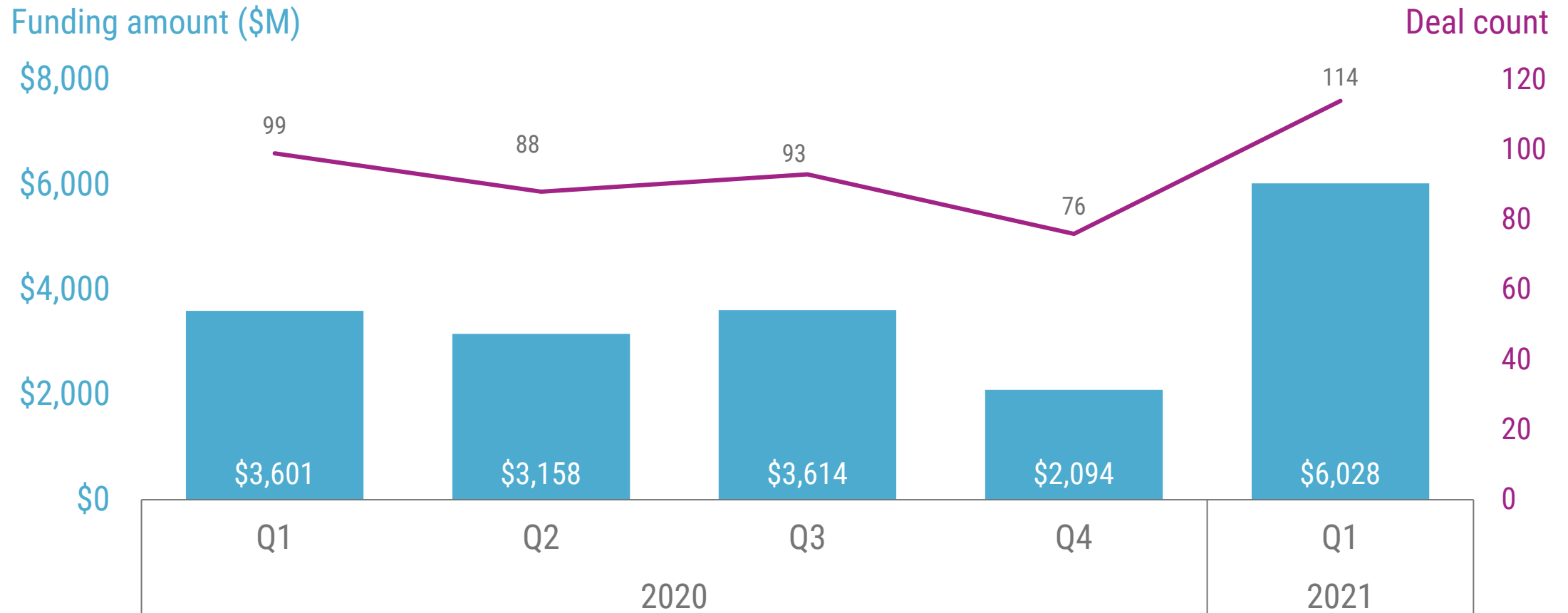
Mortgage lending, transaction digitization, and financing platforms





## PAYMENTS

# Funding tripled as deal activity grew 50% QoQ

Global VC-backed payments financing trends, Q1'20 – Q1'21



# European payments startups saw multiple mega-rounds at increased valuations

Company	HQ	Deal date // amount raised	Total disclosed funding	Latest valuation	Previous valuation	Select investors	Description
<b>Klarna.</b>	Sweden	Mar '21 // \$1B	\$2.8B	\$31B	\$10.7B	Wallenstam	Klarna is a BNPL provider that offers installment lending & POS financing.
 <b>checkout.com</b>	UK	Jan '21 // \$450M	\$830M	\$15B	\$5.5B	Insight Partners, Tiger Global Management, DST Global, GIC, Greenoaks Capital Management, Endeavor, Coatue Management, Blossom Capital	Checkout.com is a global payments processor.
<b>Rapyd</b>	UK	Jan '21 // \$300M	\$475M	\$2.5B	\$1.2B	Spark Capital, Tiger Global Management, General Catalyst, Entrée Capital, Target Global, Coatue Management, Oak HC/FT Partners, Tal Capital	Rapyd offers a B2B payment service for local and cross-border commerce.
 <b>ppro</b>	UK	Mar '21 // \$270M	\$370M	\$1B	\$239M	JPM, Eldridge, Wellington Management, Eurazeo, Sprints Capital Management	PPRO provides infrastructure to help clients accept global payments from consumers.

# Payment platforms offer credit cards, salary advances, & transit solutions to employees



**Q1'21 Funding:** \$25.5M Series A - II

**Select Investors:** Valar Ventures, Global Founders Capital, Cherry Ventures

**Focus:** Moss provides corporate credit cards for employees. The company allows businesses to control employee spending and automate accounting and receipt management.



**Q1'21 Funding:** \$3M seed

**Select Investors:** Target Global, Wamda Capital, Arzan Venture Capital, VentureSouq, Nuwa Capital, NBD Sana Capital, JIMCO, Sukna Ventures

**Focus:** FlexxPay offers an online platform for employers that helps employees access earned salaries and commissions before regular paydays.



**Q1'21 Funding:** \$1.8M seed

**Select Investors:** Plug and Play Ventures, Aster Capital, WaterStart Capital

**Focus:** Betterment offers a B2B payroll and employee management platform. Employees can access mobility and transportation solutions through a physical or virtual payment card.

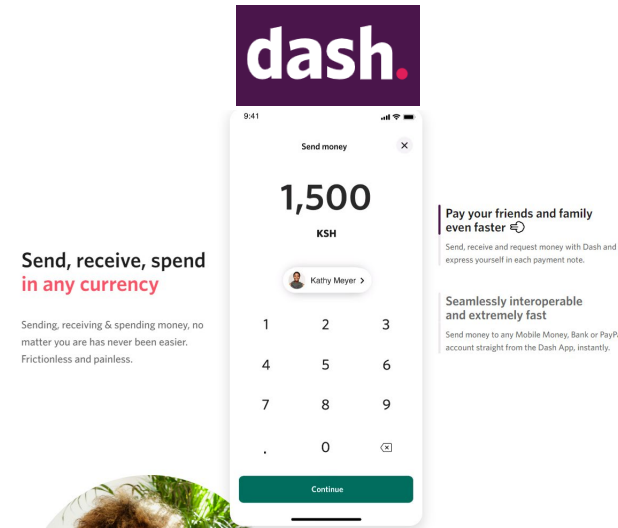
# Early-stage payment players help facilitate cross-border payments in emerging markets



**Q1'21 Funding:** Undisclosed amount, seed

**Select Investors:** HBCC Technology Investment, IMO Ventures, Molecular Group, Asia Phoenix Investments, Yinxiang Capital

**Focus:** Hong Kong-Shenzhen-based  
KoiPayment is a cross-border mobile payments aggregation platform for Chinese tourists.



**Q1'21 Funding:** \$0.12M seed

**Select Investors:** Techstars

**Focus:** New York-based Dash is an alternative cross-currency mobile payment network for consumers and businesses based in Africa.

# E-commerce giants expand further into payments

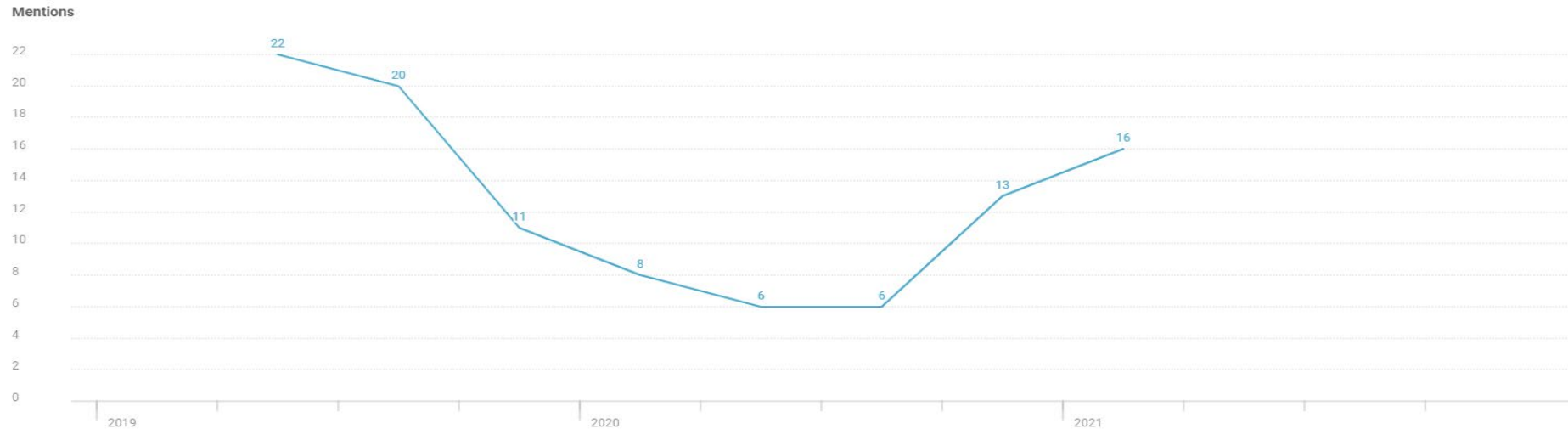
Shopify expands its payment option, Shop Pay, to its merchants on Facebook & Instagram

February 9, 2021 | **TE**

Amazon Expands Palm Biometrics in Seattle

February 1, 2021 | **PYMNTS.com**

**CB** Mentions in Earnings Calls



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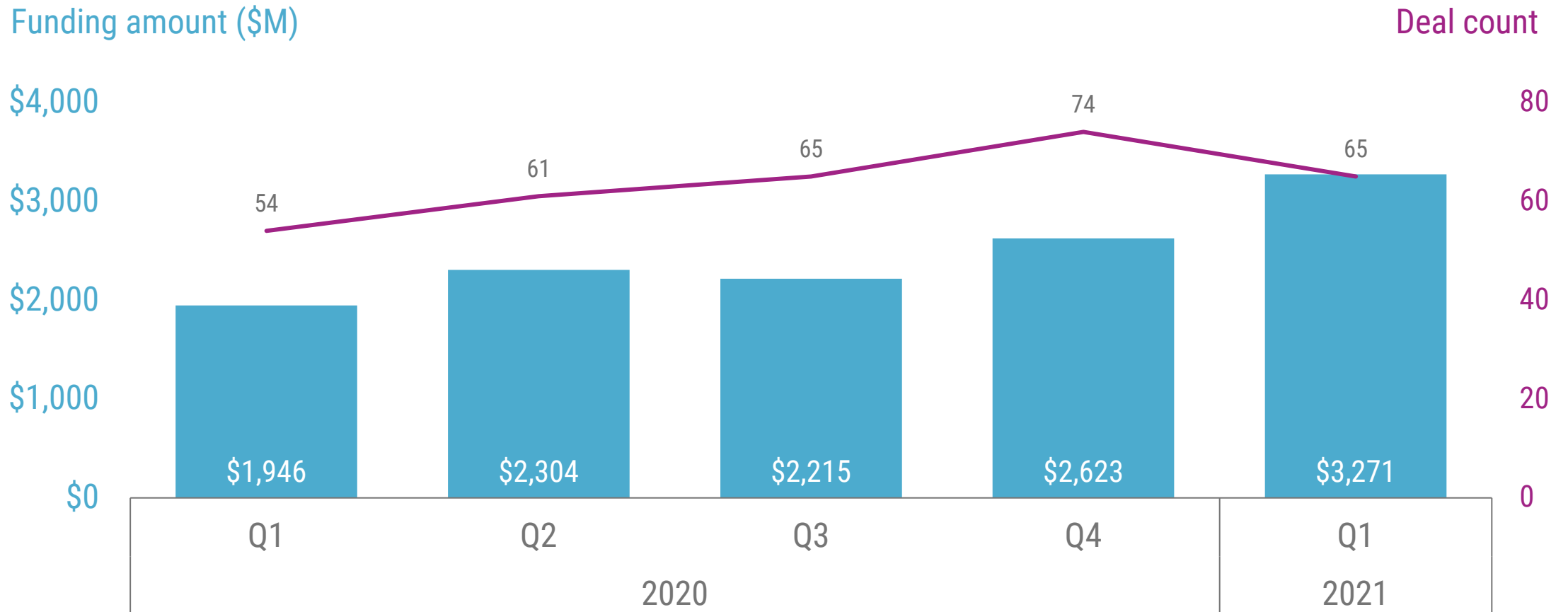
### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

## BANKING

# Funding has risen for 2 consecutive quarters

Global VC-backed banking financing trends, Q1'20 – Q1'21



# Incumbent banks have rolled out responses to digital challengers...

## Earnings Calls Mentions



**JPMorgan Chase to Launch Digital Consumer Banking in the U.K.**

January 27, 2021 | **businesswire**  
A BERKSHIRE HATHAWAY COMPANY

**HSBC UK Launches SME Mobile First Banking Service HSBC Kinetic**

March 24, 2021 | **THE FINTech TIMES**

**Laurel Road launches digital bank for doctors**

March 31, 2021 | **Finextra**



# ...while challenger bank services hit milestones

## Public markets via SPAC



**Jan 7, 2021** — SoFi agreed to a reverse merger with Social Capital Hedosophia Holdings V in a deal valued at \$8.65B. SoFi also acquired community bank Golden Pacific Bancorp for \$22.3M in early March.



**Feb 12, 2021** — MoneyLion agreed to go public via SPAC merger with Fusion Acquisition in a deal valued at \$2.9B.

## Crossed \$1B valuation



STARLING BANK

**Mar 8, 2021** — Starling Bank raised \$376M led by Fidelity Investments at a \$1.5B valuation. The company now boasts 2M users and 300K small business clients, accounting for 5% of the UK's small business banking market.

## Notable acquisition

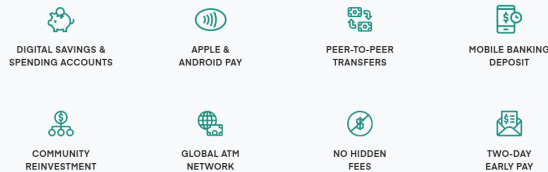


**Mar 4, 2021** — Square announced it would acquire majority ownership in music streaming platform Tidal for \$297M as it looks to empower musicians economically. Square's industrial loan charter was conditionally approved on March 18.

# Community-focused challenger banks emerge

## GREENWOOD

### Interest Savings & Spending Accounts

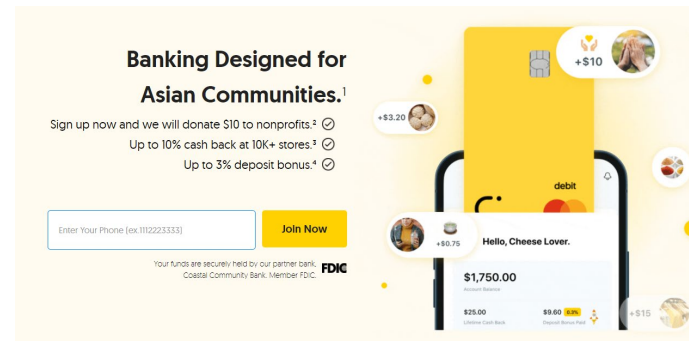


**Q1'21 Funding:** \$40M Series A

**Select Investors:** Bank of America, PNC, JPMorgan, Wells Fargo, Truist, FIS, Mastercard, Visa

**Focus:** Atlanta-based Greenwood focuses on providing digital banking services to Black and Latino customers. Announced in October 2020, Greenwood has signed up over 500K members.

## C;heese



**Q1'21 Funding:** \$3.6M seed VC

**Select Investors:** iFly.vc, Amplify

**Focus:** Pasadena-based Cheese is a digital banking platform focused primarily on serving the Asian-American community. It offers banking services in multiple languages.

## Daylight

### Daylight card

- Mobile-first account with your chosen name (no matter what your ID says)
- Apple Pay, Google Pay, and anywhere Visa is accepted
- No minimum balance and 1 free ATM withdrawal per month (1)

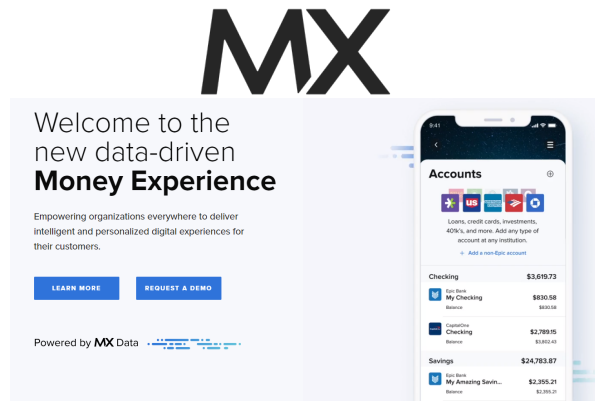


**Q1'21 Funding:** Undisclosed amount, seed

**Select Investors:** Fintech Venture Studio

**Focus:** West Hollywood, CA-based Daylight provides banking solutions for the LGBTQ community, including mobile-first cards using chosen names and community-specific content.

# API-based banking software continues to mature amid demand for digital experiences



**Q1'21 Funding:** \$300M Series C

**Select Investors:** TPG Growth, CapitalG, Geodesic Capital, Greycroft, Canapi Ventures

**Growth:** MX has tripled its headcount over the last 2 years and powers more than 2,000 companies.

**Focus:** Utah-based MX helps financial institutions analyze and enhance financial data to reduce fraud, approve loans, and help users save and invest.



**Q1'21 Funding:** \$135M Series D

**Select Investors:** TCV, Tiger Global, Arena Holdings

**Growth:** Mambu reports 100% YoY growth and is active in 50 markets. The company supports nearly 7,000 banking products.

**Focus:** Berlin-based Mambu is a SaaS banking platform that powers lending, deposit, and other banking products via APIs.



**Q1'21 Funding:** \$53M Series C

**Select Investors:** Insight Partners

**Growth:** In the last year, Nymbus has helped launch 12 digital-only community bank brands.

**Focus:** Miami Beach-based Nymbus provides digital banking solutions for community and regional bank clients.

## WHAT THE STATE OF FINTECH COVERS



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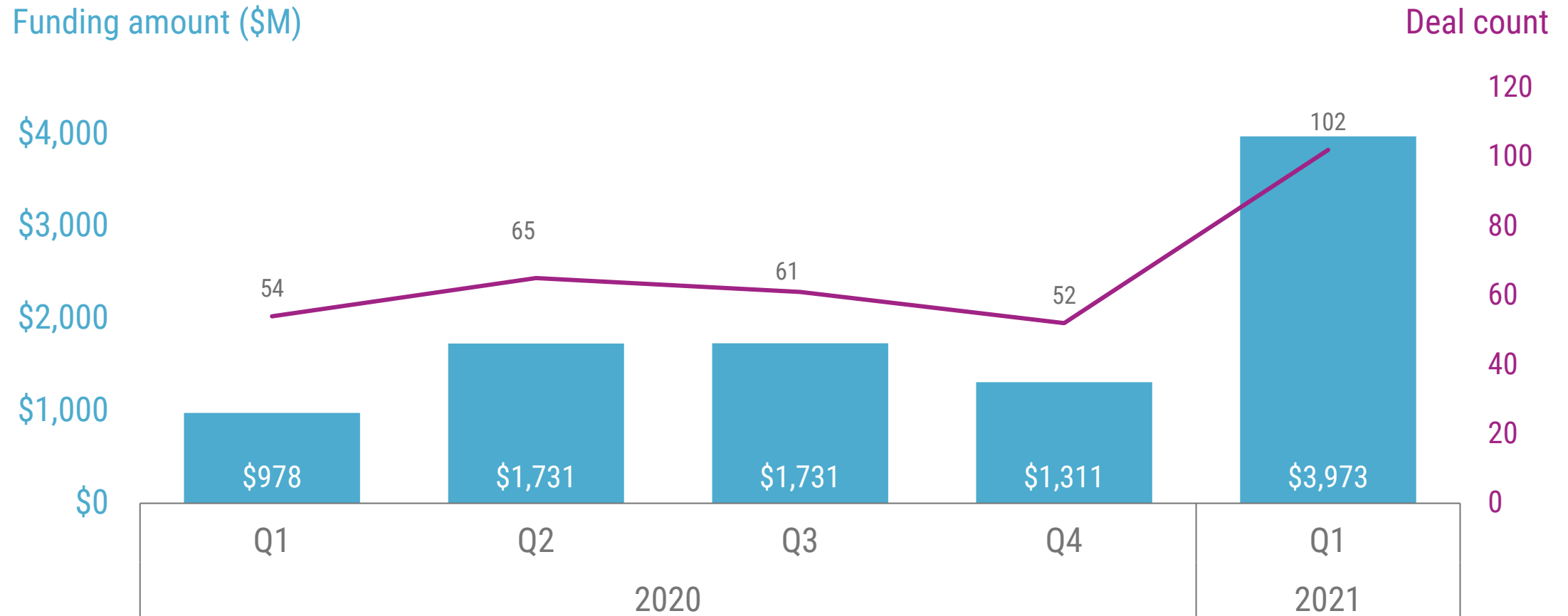


### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

# Deals and dollars rebounded

Global VC-backed lending financing trends, Q1'20 – Q1'21



# The UK tightens regulation around BNPL and interest-free installment lending

Buy now, pay later to be regulated in the UK

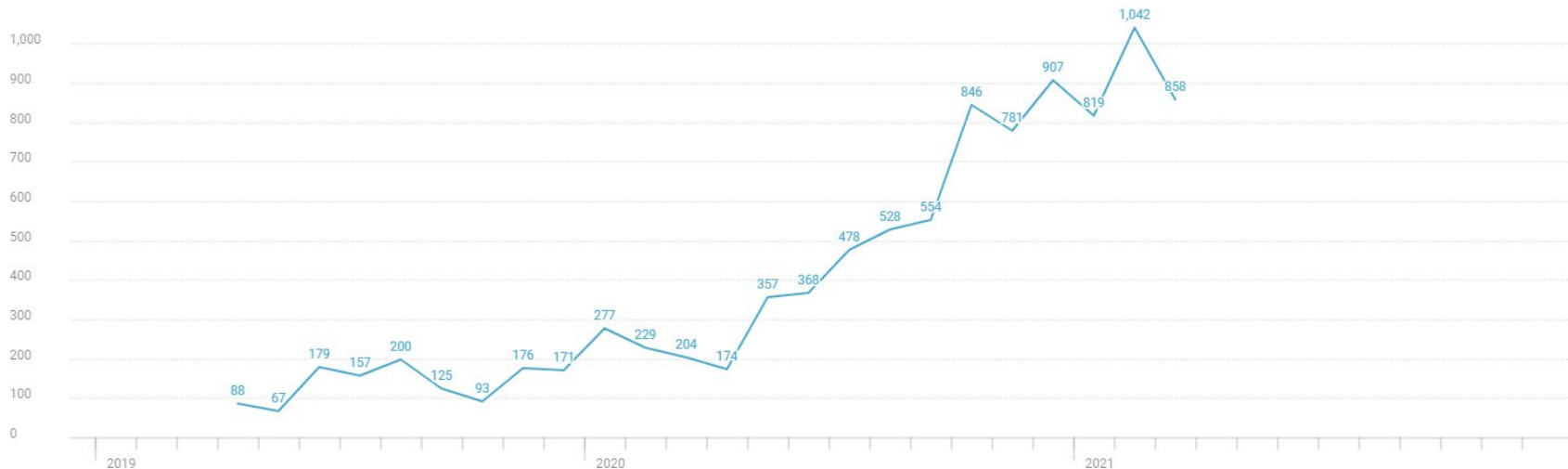
February 2, 2021 | **TC**

FCA calls for full regulation of 'buy now, pay later' credit

February 2, 2021 | **FT**

## Articles

Articles



# BNPL funding emerges across different regions

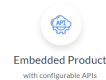
BNPL deals by deal size (\$M), Q1'21

Company	HQ	Deal date // latest round (\$M)	Total disclosed funding (\$M)	Select investors	Description
 <b>scalapay</b>	Italy	Jan '21 // \$48M seed	\$48B	Ithaca Investment, Fasanara Capital, Baleen Capital	Scalapay offers a platform for buy now, pay later (BNPL) services and related features.
	UK	Mar '21 // \$21.7M seed	\$21.7M	BCI Finance	Butter is a BNPL provider for the travel industry, targeting costs such as flights or hotels.
	Czech Republic	Jan '21 // \$19.5M Series A	\$41M	Velocity Capital Fintech Ventures, Finch Capital, Elevator Ventures, ING Bank	Twisto provides a deferred payment option for online and offline shoppers.
	Saudi Arabia	Jan '21 // \$6M seed	\$6M	Vision Ventures, Hala Ventures, Kwarismi Ventures, Impact 46, Nama Ventures, Wealth Well	Tamara provides a BNPL solution that enables customers to defer payments up to 30 days.
	India	Jan '21 // \$2.5M seed	\$5.7M	Pravega Ventures	ePaylater provides BNPL services.
	Ghana	Mar '21 // Incubator/Accelerator	N/A	Pan-African Fintech Accelerator	Motito is a BNPL platform which provides interest-free credit at point-of-sale.

# India-based lending marketplaces raise funding to improve credit access



Why Pay By Rupifi



Embedded Product  
with configurable APIs



Digital Process  
with Flexibility for Assisted Flow



Multi-Channel Repayments  
Cash, Cheque, NACH, UPI etc



Complete Onboarding  
and Servicing Support



Multi-lender Connect  
with best Pricing



No-EMI, Daily Interest Product  
for maximum Flexibility

**Q1'21 Funding:** \$4.1M seed

**Select Investors:** Quona Capital, Ankur Capital, Binny Bansal

**Focus:** Rupifi is a SaaS-enabled lending marketplace for small businesses. The startup offers connections to lenders through API integrations.



Welcome to IndiaLends

We get you the lowest  
interest rate loan  
offers from multiple  
Banks and NBFCs

Get Started



**Q1'21 Funding:** \$5.1M Series C

**Select Investors:** DSG Consumer Partners, ACPI Investment Managers

**Focus:** IndiaLends uses algorithms to connect borrowers with financial institutions while also providing data analytics and risk scoring services.



How we aim to help you  
Curated, Hasslefree and Data Driven



Completely digital experience  
Hassle-free and paperless process as our technology does the heavy lifting.



Cash flow based credit solutions  
Data driven recommendations for loans and working capital management solutions



No generic and spam calls  
Business data based credit recommendations.



Free digital credit advisory  
Independent suggestions to optimize interest rate and terms



Digitally compare offers  
Compare offers from all lending lenders and apply to multiple lenders in one go



Transparent and Fast process  
Complete visibility of loan application process to reduce Turnaround time

**Q1'21 Funding:** \$0.04M seed

**Select Investors:** Financial Inclusion Lab

**Focus:** CredoChain is a lending marketplace that enables cash flow-based loans for small businesses. The platform also offers data-driven credit advisory services.



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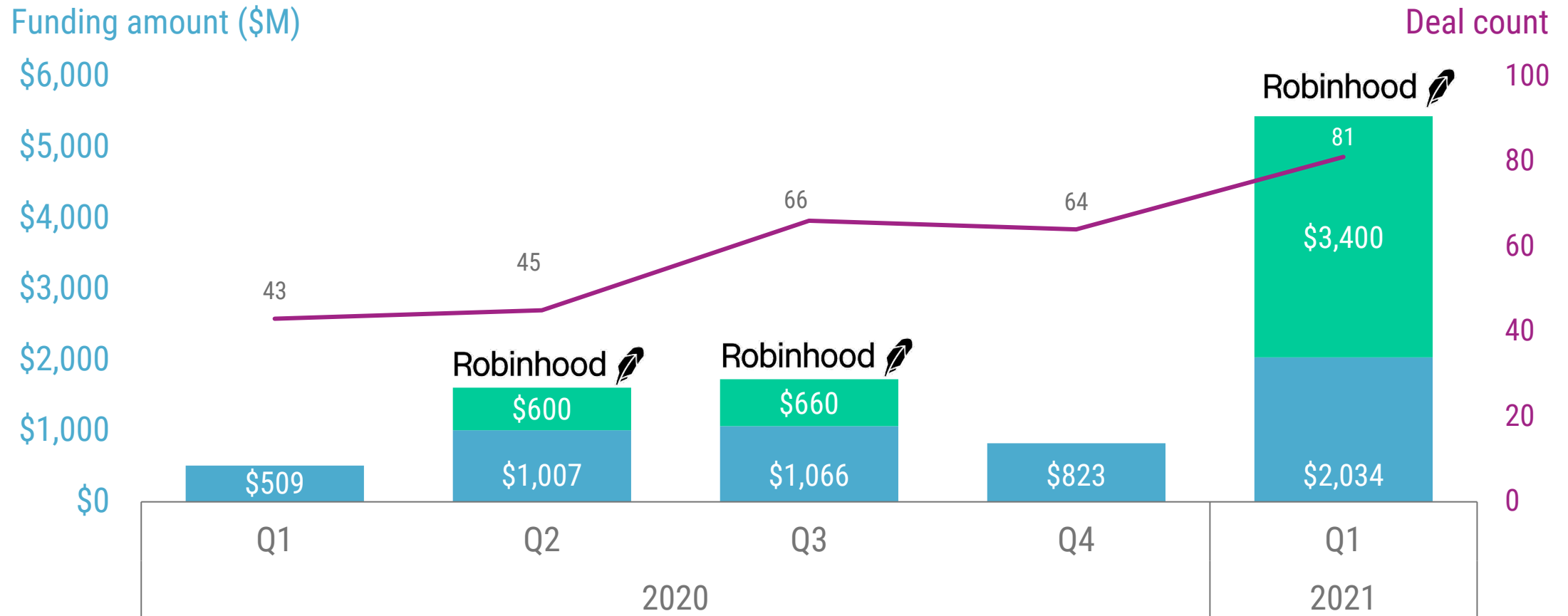


### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

# Robinhood raised ~60% of total funding in Q1'21

Global VC-backed wealth tech financing trends, Q1'20 – Q1'21



# ESG-focused investments are top of mind

Money invested in ESG funds more than doubles in a year

Feb 11, 2021 | 

An ESG Reckoning Is Coming

Mar 4, 2021 | 

ESG Investing Is A Star. Women Are Why.

Mar 16, 2021 | 

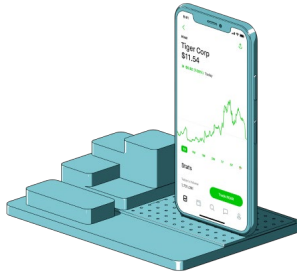
 Articles

Articles



# Rival retail investing platforms announced plans to go public

Robinhood 



**Focus:** California-based Robinhood allows users to invest in US stocks and ETFs commission-free, and offers Robinhood Gold, a paid service for active investors to access margin and extended hours trading.

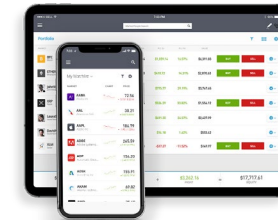
**Exit Type:** IPO (S-1 filed confidentially)

**Valuation:** \$40B

**Last Funding Round:** \$2.4B convertible note (2/1/2021)

**Select Investors:** Sequoia Capital, Andreessen Horowitz, Ribbit Capital, New Enterprise Associates, DST Global, Index Ventures

eToro



**Focus:** London-based eToro offers a digital platform that enables users to invest commission-free in 2000+ assets, including stocks, commodities, and crypto.

**Exit Type:** SPAC merger with Fintech Acquisition V

**Valuation:** \$10.4B

**Last Funding Round:** \$650M PIPE (3/16/2021)

**Select Investors:** SoftBank Group, Fidelity Investments, Spark Capital, Silicon Valley Bank, BRM Group, Aglae Ventures, Cubit Investments

# Digital investment platforms raised new funding rounds amid global stock trading surge



**Q1'21 Funding:** \$125M Series G

**HQ:** New York, US

**Select Investors:** Goodwater Capital, Valar Ventures, Breyer Capital, Union Square Ventures, T. Rowe Price

**Focus:** Stash allows people to invest small sums to help build financial habits over the long term.



**Q1'21 Funding:** \$220M Series D

**HQ:** New York, US

**Select Investors:** Greycroft, Accel, Dreamers Fund, Aglae Ventures, Tiger Global, Inspired Capital

**Focus:** Public is a commission-free brokerage app.



**Q1'21 Funding:** \$150M Series D

**HQ:** Hunan, China

**Select Investors:** Bojiang Capital, Divine Capital, Hongdao Capital, Gopher Asset Management

**Focus:** WeBull offers a stock trading platform for individual investors.








**Q1'21 Funding:** \$69M Series B

**HQ:** London, UK

**Select Investors:** Crowdcube, Draper Esprit, Octopus Labs, Left Lane Capital

**Focus:** Freetrade offers commission-free trading and connects users with a network of financial advisers.

# Southeast Asia sees boost in wealth tech funding

Company	Description	Q1'21 Funding (\$M)	Funding Stage	Country	Select investors
 ajaib	Ajaib is an online wealth management solution that gives users personalized advice.	\$25M \$65M	Series A Series A - II	Indonesia	Y Combinator, SoftBank Ventures Asia, Ribbit Capital, ICONIQ Capital
 bibit	Bibit is a robo-advisor app that offers automated investing and portfolio management to individuals.	\$30M	Series A	Indonesia	Sequoia Capital, 500 Startups, East Ventures, AC Ventures, EV Growth
 pluang	Pluang provides micro-savings accounts and offers a gold investment product.	\$20M	Series A-II	Indonesia	Go Ventures, OpenSpace Ventures
 FUNDtastic	FUNDtastic is a wealth management platform that provides financial advice and allows users to invest in mutual funds and gold.	\$7.7M	Series A-II	Indonesia	Ascent Capital Partners, Indivara Group
 Robowealth	Robowealth provides robo-advisory services to individuals and offers advice on mutual fund investments.	N/A	Series A	Thailand	Beacon Venture Capital

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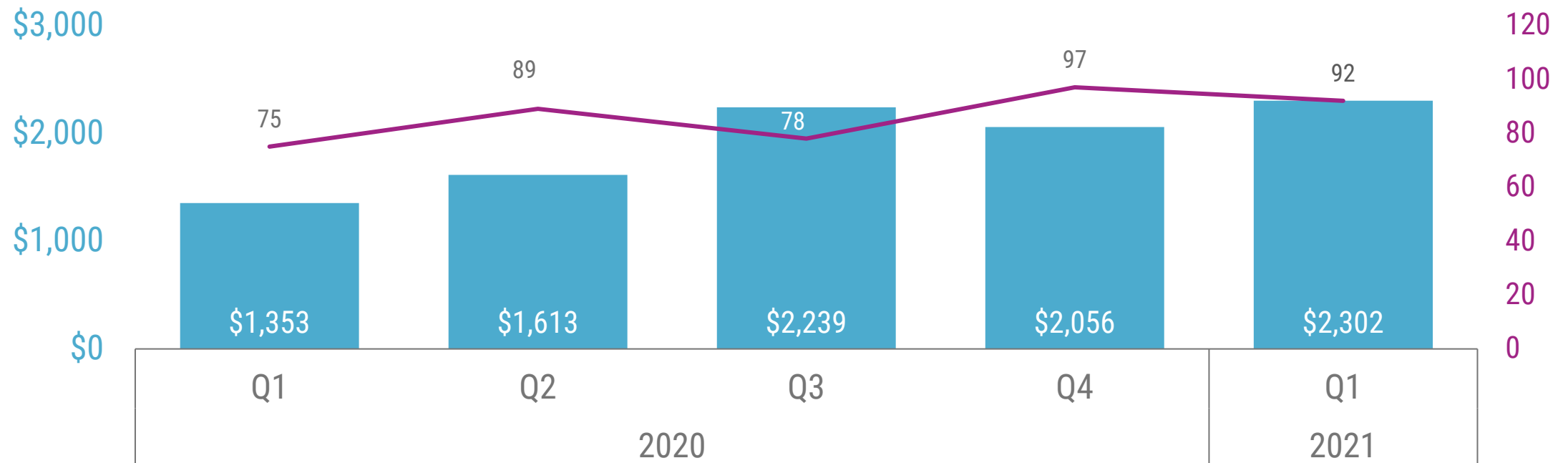
## INSURANCE

# Funding rose 12% in the quarter while deal activity dipped

Global VC-backed insurance financing trends, Q1'20 – Q1'21

Funding amount (\$M)

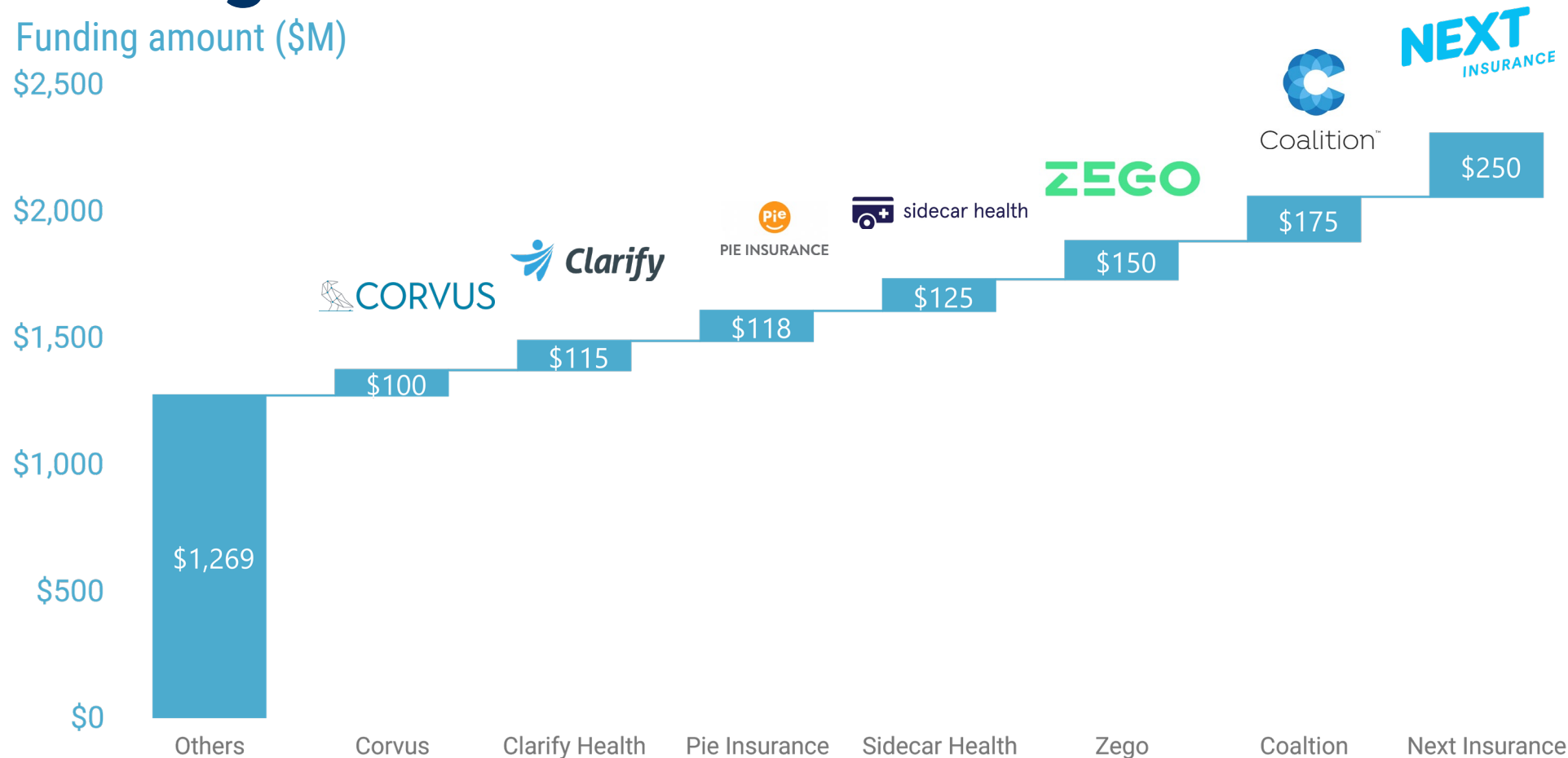
Deal count





# Mega-rounds made up nearly half of insurtech funding

Funding amount (\$M)



Mega-rounds made up 45% of insurtech funding in Q1'21

# High-profile insurance losses highlight need for tech-enabled claims handling

Suez Canal Insurance Claims Loom  
as Ever Given Blocks Shipping

March 27, 2021 | THE WALL STREET JOURNAL  
**WSJ**

Who Will Pay for the Freeze and  
Subsequent Meltdown in Texas?

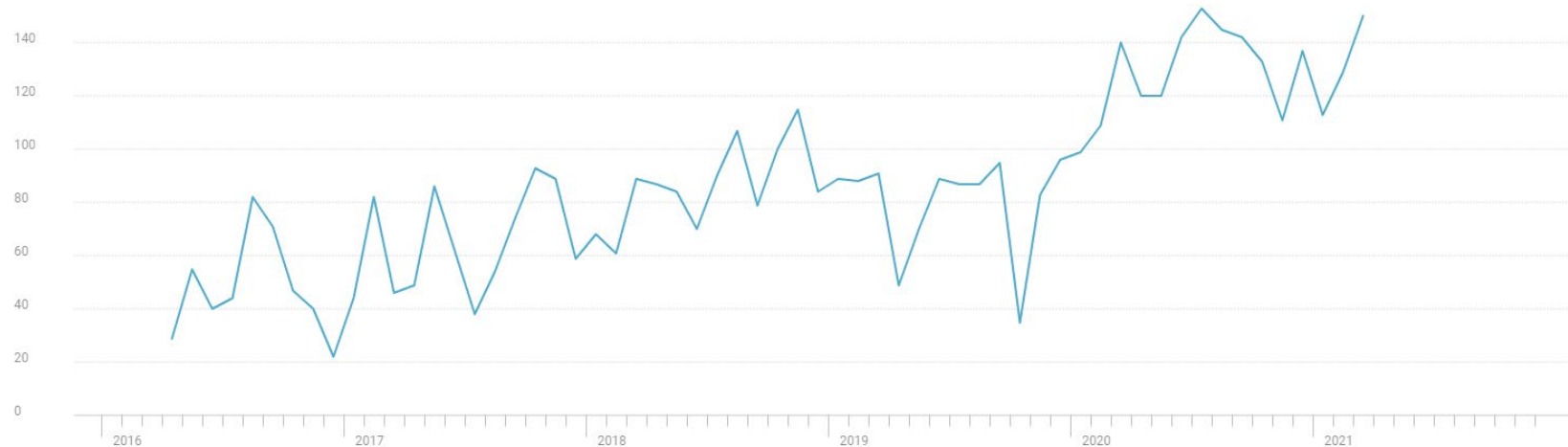
March 16, 2021 | **INSURANCE  
JOURNAL**

Insurers Must Pay Businesses for  
Pandemic Claims, British Court Rules

January 15, 2021 | *The New York Times*

 Articles

Articles



# Cyber insurance startups raise across deal stages



**Q1'21 Funding:** \$175M Series D

**Select Investors:** Index Ventures, General Atlantic

**Focus:** Coalition is a San Francisco-based cyber insurance startup that provides cyber insurance and cybersecurity tools to small- and medium-sized businesses.



**Q1'21 Funding:** \$100M Series C

**Select Investors:** Insight Partners, .406 Ventures, Telstra Ventures

**Focus:** Corvus is a Boston-based cyber insurance startup focused on helping insurance brokers find cyber insurance products for their customers.



**Q1'21 Funding:** \$20.3M Series A

**Select Investors:** Brewer Lane Ventures, Markel, Pivot Investment Partners

**Focus:** Cowbell Cyber is a Pleasanton, CA-based startup that provides cyber insurance for small- and medium-sized businesses.

# Real estate tech creeps further into home insurance products



## Porch acquires insurer Homeowners of America

Porch, a home improvement network for homeowners and home professionals, acquired Homeowners of America for \$100M in January. Homeowners of America is a licensed insurance company and is the twelfth largest homeowners insurer in Texas.

Porch currently acts as an insurance agent, allowing users to compare quotes from various insurers. Its acquisition of Homeowners of America, however, will enable it to offer its own policies and potentially capture more revenue from its users.



## Nationwide launches home repair service

Nationwide, the eighth largest US homeowners insurance provider, launched a telemaintenance service for homeowners in January. Starting in Atlanta, homeowners will be able to get on-demand consultations and schedule next-day repairs. A Nationwide policy is not necessary to subscribe to the service.

Home insurance startup Hippo, which went public via SPAC in March, began offering a similar telemaintenance service after it acquired Sheltr in 2019.

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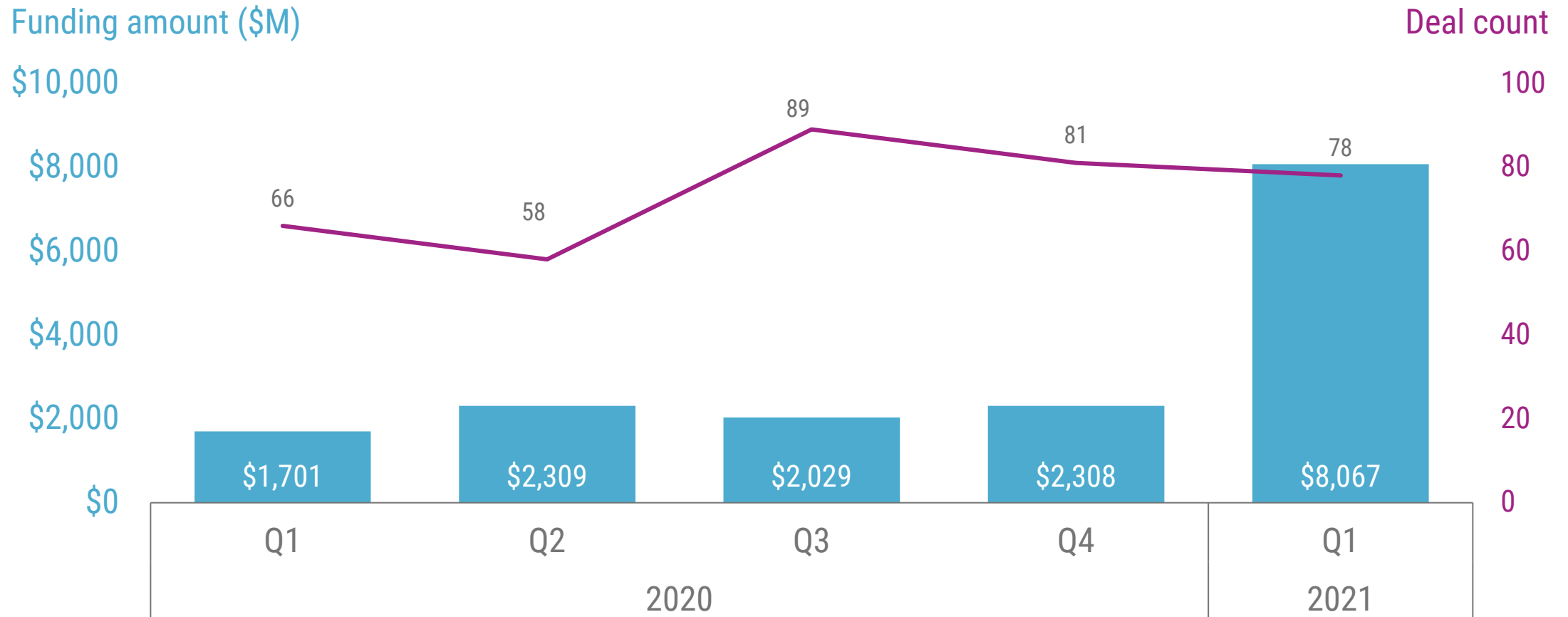


### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms

# Funding more than tripled in Q1'21

Global VC-backed capital markets financing trends, Q1'20 – Q1'21



# Momentum grows for automating capital markets processes

Articles

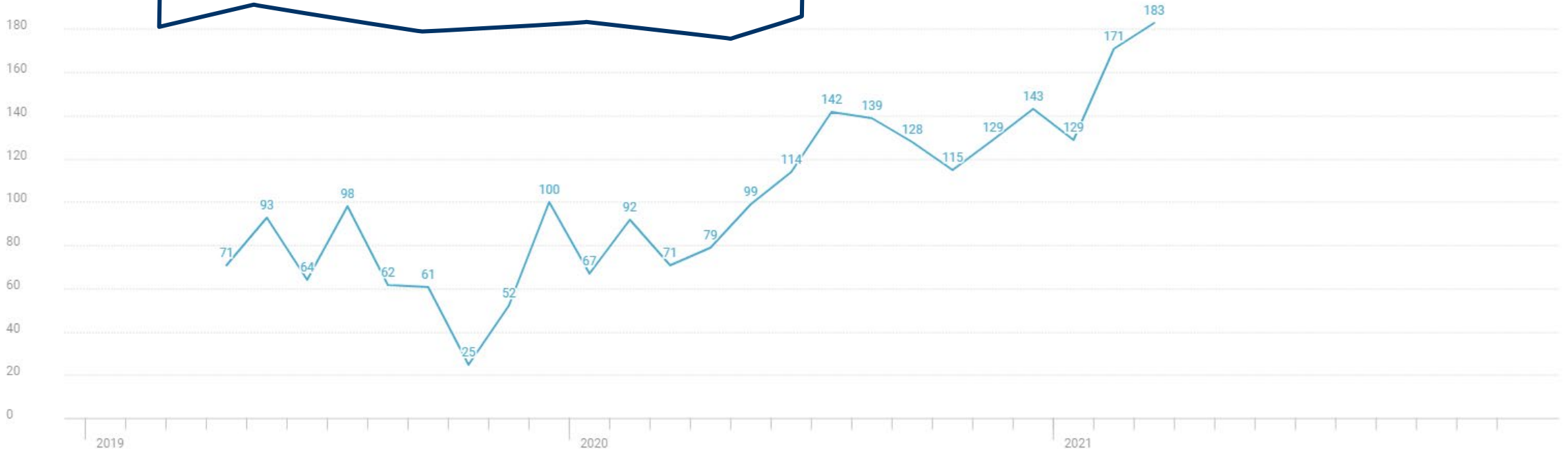
Articles

DeepSee.ai raises \$22.6M Series A for its AI-centric process automation platform Pub.

March 15, 2021 | 

TD purchases Chicago-based electronic bond trading platform Headlands

March 23, 2021 | 



# New data analytics tech targets investment research workflows



**Q1'21 Funding:** \$150M private equity

**Select Investors:** ICONIQ Capital

**Focus:** Chicago-based Enfusion provides SaaS-based investment management technology. The company offers software, managed services, and analytics to investment managers and hedge funds.



**Q1'21 Funding:** \$9.4M Series A

**Select Investors:** Undisclosed Investors

**Focus:** London-based Tradeteq is a provider of a collaborative network for trade finance investors and originators. The company offers analytics, reporting, investment, and operational solutions.



**Q1'21 Funding:** \$9M Series B

**Select Investors:** NewAlpha, The Carlyle Group

**Focus:** France-based SESAMm develops stock market forecasting tools based on social media and other textual data sources for banks and hedge funds.



# Crypto trading companies offer institutional-grade products



**Q1'21 Funding:** \$133M Series C

**Select Investors:** Stripes Group, BNY Mellon, Galaxy Digital

**Focus:** New York-based Fireblocks offers a platform to store, transfer, and issue digital assets.



**Q1'21 Funding:** \$20M Series B

**Select Investors:** Kenetic Capital, DeFi Alliance, Rockaway Blockchain, Lightspeed Venture Partners

**Focus:** London-based Wintermute Trading operates a "market making" platform that provides liquidity for crypto trading.

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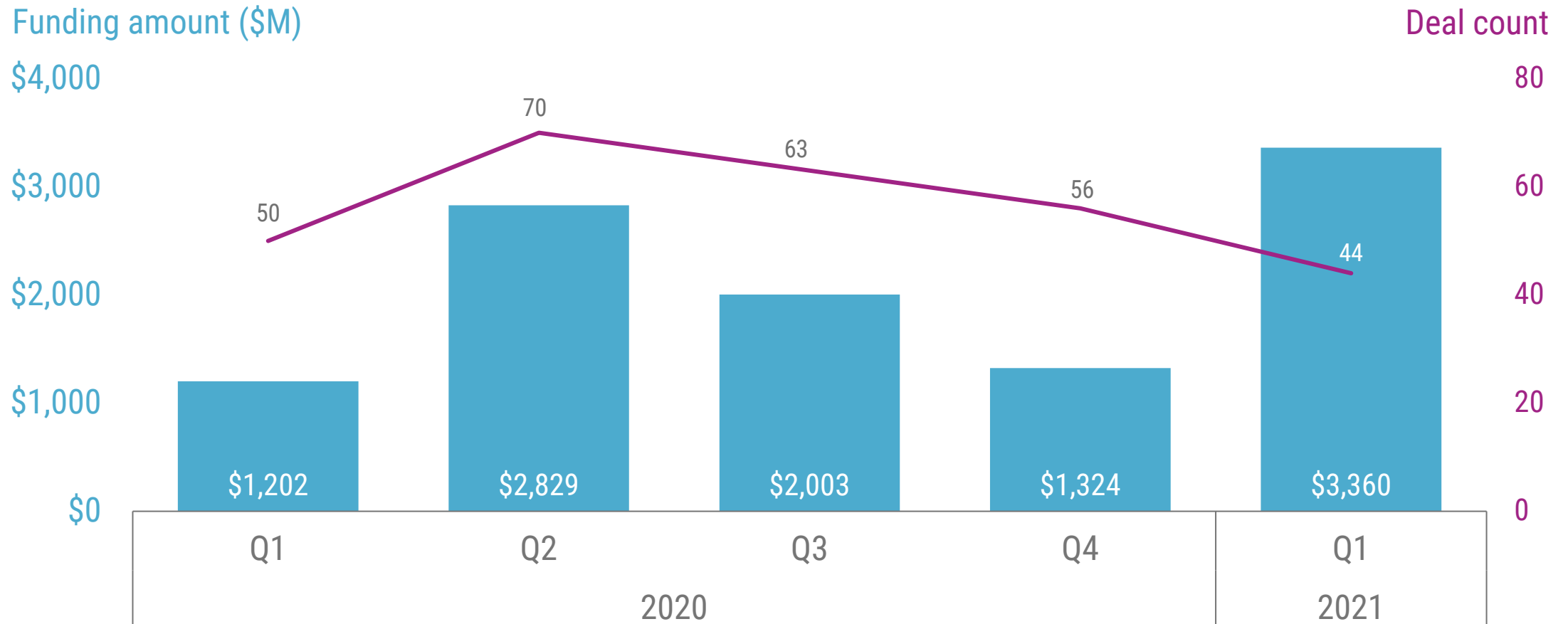
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Mortgage lending, transaction digitization, and financing platforms

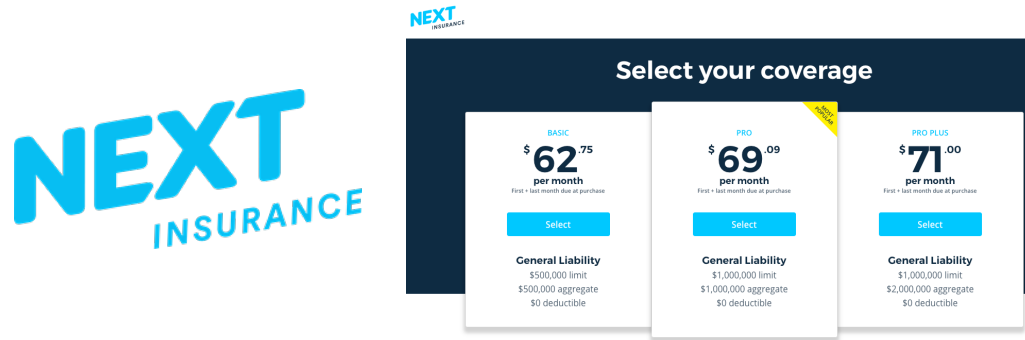
SMB

# Deals declined though funding increased 150%

Global VC-backed SMB financing trends, Q1'20 – Q1'21



# Insurtechs look to improve the small-commercial insurance process



**Q1'21 Funding:** \$250M Series E-II

**Select Investors:** FinTLV Ventures, Battery Ventures, CapitalG

**Growth:** Since its last funding round 6 months ago, Next Insurance has made 2 acquisitions (Juniper Labs and AP Intego) and doubled its gross written premium. With this latest funding, the company doubled its valuation to \$4B.

**Focus:** Palo Alto, CA-based Next Insurance focuses on digitizing and simplifying the process of obtaining small commercial insurance. Next provides small businesses coverage tailored to a business's specific needs.



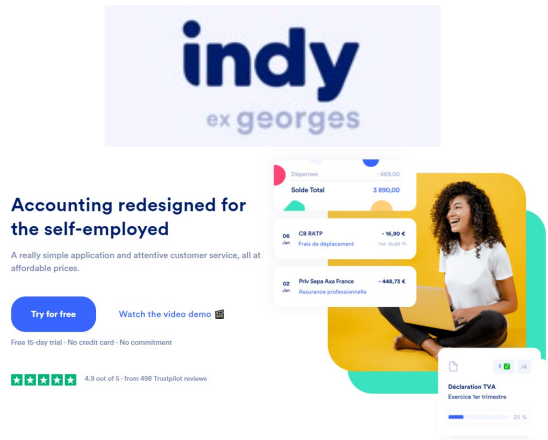
**Q1'21 Funding:** \$118M Series C

**Select Investors:** Allianz X, Acrew Capital, Greycroft, SVB Capital

**Growth:** Pie Insurance reportedly saw revenues grow 150% since its last funding round in May 2020. The company's employee count also grew to 260 from 140 during the same period. Pie now has over 1,000 partner agencies around the US and boasts over \$100M in gross written premium since it started selling policies in March 2018.

**Focus:** Washington, DC-based Pie Insurance focuses on providing small businesses access to workers compensation coverage.

# Automated tax compliance for freelancers sees strong demand in Europe



## Q1'21 Funding: \$42.5M Series B

### Select Investors: Kerala Ventures, Singular

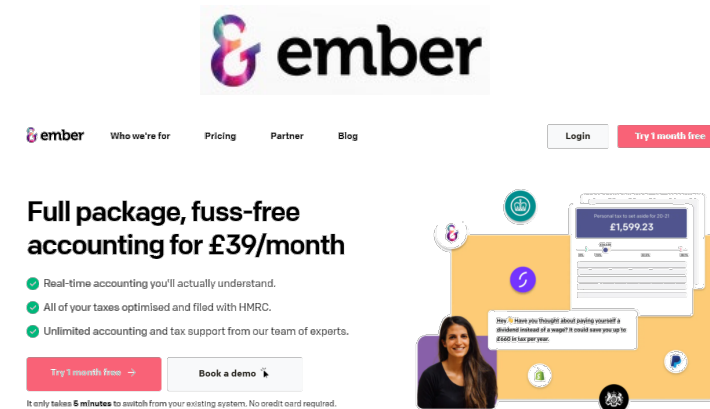
**Focus:** France-based Indy, fka Georges, aims to automate accounting for the self-employed to make it easier to file taxes.



## Q1'21 Funding: \$29.6M Series B

## Select Investors: Founders, Haufe Group

**Focus:** Berlin-based Kontist is a mobile business bank that focuses on simplifying tax payments for freelancers by automatically calculating and setting aside income tax and value-added tax.

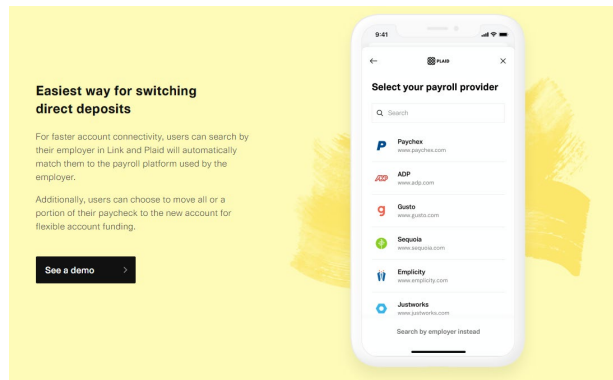


**Q1'21 Funding: \$2.3M seed**

**Select Investors:** Anthemis, Innovation Nest, Spring Ventures

**Focus:** London-based Ember aims to automate tax and accounting processes for freelancers, contractors, and small business owners.

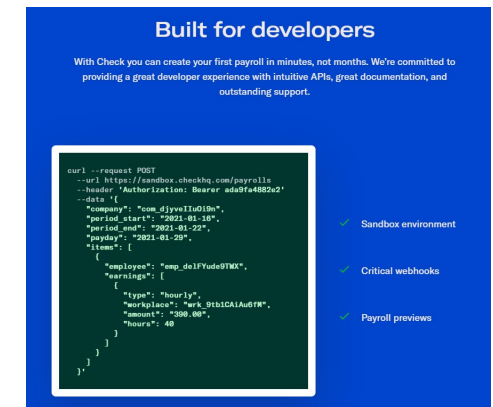
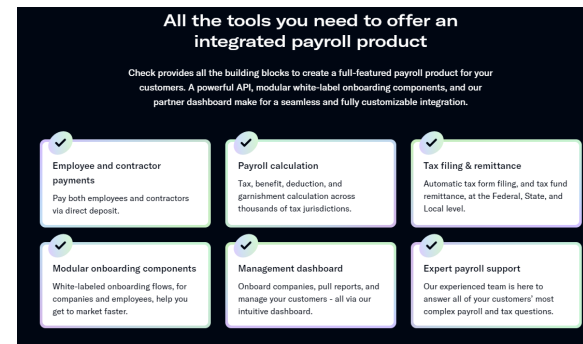
# Startups use payroll data to improve user experience



## Q1'21 Beta Product Launch: Plaid Deposit Switch

Plaid's latest product launch focuses on enabling users to more easily and quickly switch direct deposit accounts by connecting to payroll accounts via Plaid Link.

Other startups offering deposit switch capability:



## Q1'21 Funding: \$35M Series B

**Select Investors:** Stripe, Thrive Capital

**Growth:** Check has developed its payroll product with early customers that collectively represent 100K small businesses. The company announced a partnership with Stripe in February.

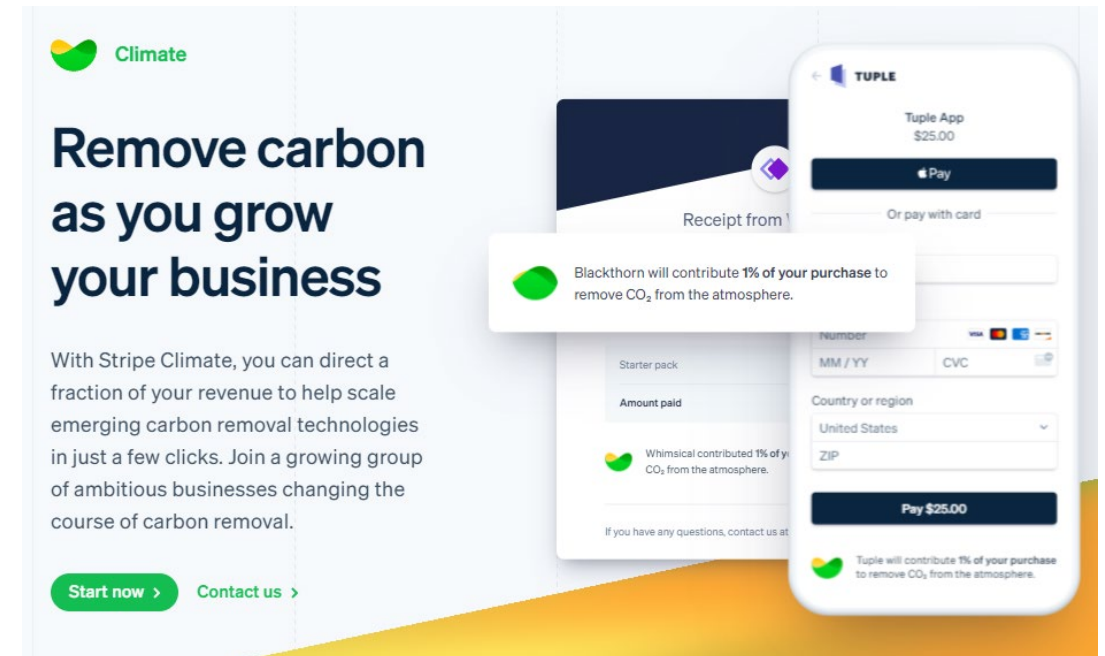
**Focus:** New York-based Check is building infrastructure to connect payroll systems with software tools for business management. Check also handles tax filings and fund transfers to collectors.

# Stripe Climate offers SMBs a way to automatically direct proceeds to carbon removal

## stripe

### Stripe Climate enables SMBs to contribute a portion of revenue to fund carbon removal

- In February 2021, Stripe launched its Climate offering globally. The integration gives large companies, as well as SMBs, the ability to direct a portion of proceeds to 4 tech initiatives focused on climate issues. These projects range from energy capture and storage to carbon removal technologies.
- More than 100 companies in Europe have signed up.
- Substack, the newsletter platform, is an early user of Stripe Climate.



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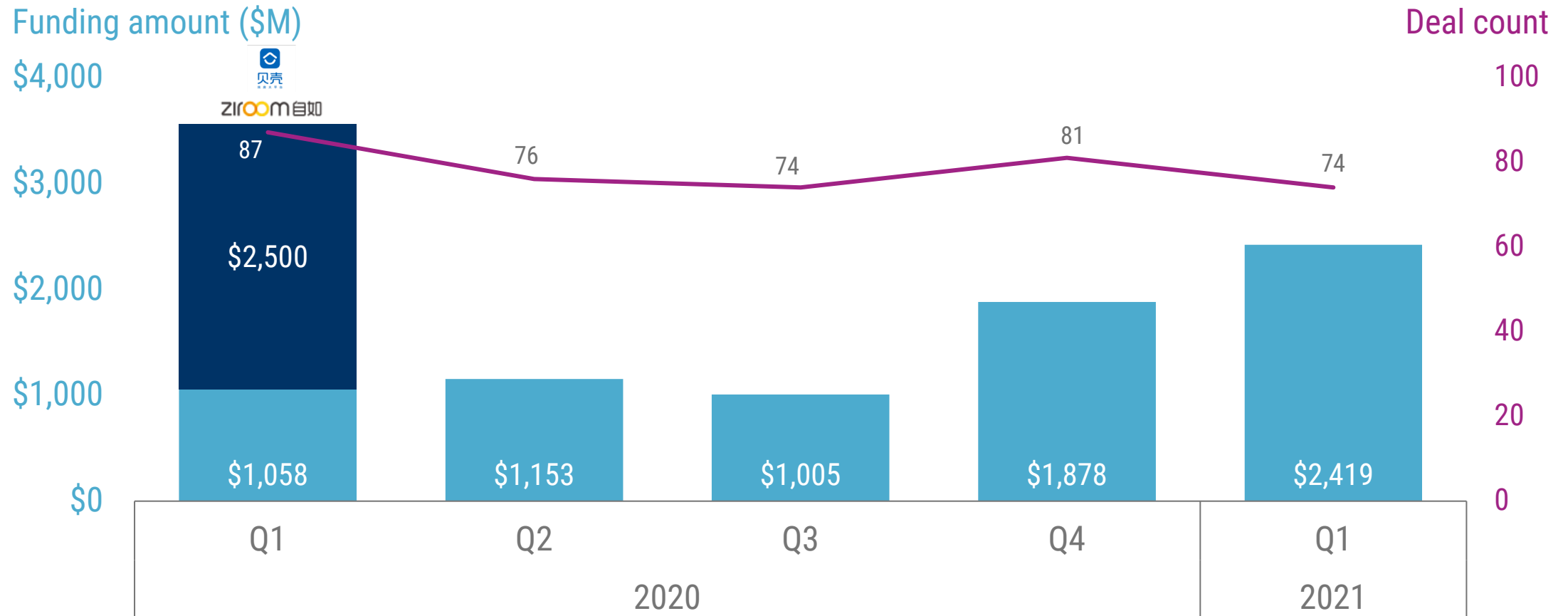
### REAL ESTATE

Mortgage lending, transaction digitization, and financing platforms



# Funding grew ~30% in Q1'21 as deal activity fell

Global VC-backed real estate financing trends, Q1'20 – Q1'21



# SPACs continue to fuel growth in the real estate technology industry

**Tishman Speyer Launches Second SPAC Blank-Check Firm**

Feb 12, 2021 | **THE REAL DEAL**  
NEW YORK REAL ESTATE NEWS

**Howard Lorber Is the Latest Real Estate Legend to Launch a SPAC**

Mar 21, 2021 | **millionacres**  
A MOTLEY FOOL SERVICE

**Fintech and proptech-focused SPAC SilverSPAC files for a \$250 million IPO**

Feb 16, 2021 | **Nasdaq**

**Real estate tech SPAC RXR Acquisition files for a \$250 million IPO**

Feb 12, 2021 | **Renaissance Capital**  
The IPO Expert

**Articles**

Articles



# Several real estate tech companies announced exits via SPAC mergers

GORES HOLDINGS IV, INC.



 **Matterport**

**Matterport** will merge with the blank-check company **Gores Holdings IV** in a deal that values the company at \$2.3B.

Matterport is a spatial data firm that makes software for virtual property tours.



**Offerpad**

**Offerpad** will merge with **Supernova Partners Acquisition Company** in a deal that values the company at \$3B.

Offerpad is an online platform that aims to be a one-stop-shop for users to buy or sell properties, including title and mortgage services.



**LATCH**

**Latch** will merge with **TS Innovation Acquisitions** in a deal that values the company at almost \$1.6B.

Latch offers building management software that allows landlords and residents to manage deliveries, locks, lighting, thermostats, and more.

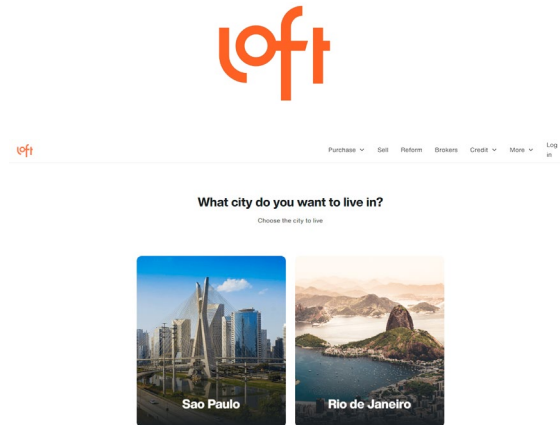


**doma**

**Doma** (formerly known as States Title), will merge with **Capitol Investment V** in a deal that values the company at \$3B.

Doma offers a machine learning technology that speeds up the mortgage, closing, titling, and escrow processes.

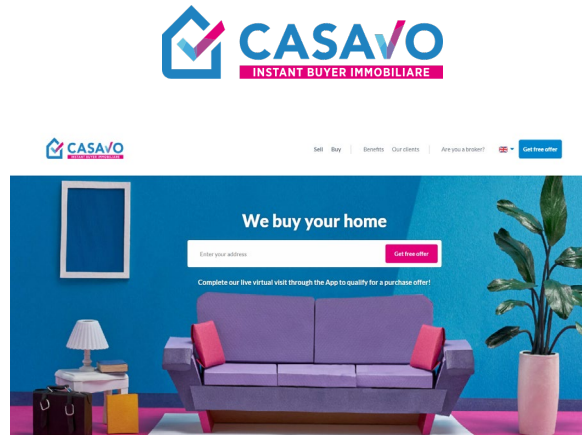
# Companies offering alternative paths to homeownership raised new rounds in Q1'21



**Q1'21 Funding:** \$425M Series D

**Select Investors:** Vulcan Capital, Andreessen Horowitz, Fifth Wall Ventures, QED Investors, Monashees+

**Focus:** Brazil-based Loft is a digital platform that provides instant offers to sellers and helps buyers find available properties.



**Q1'21 Funding:** \$187.6M debt, \$59.6M Series C

**Select Investors:** Goldman Sachs, Picus Capital, 360 Capital Partners

**Focus:** Italy-based Casavo is an iBuyer that purchases homes from sellers to later renovate and put the properties back on the market.



**Q1'21 Funding:** \$110M Series C

**Select Investors:** Tiger Global Management, GGV Capital, Andreessen Horowitz

**Focus:** California-based Divvy Homes operates a tech-enabled homeownership platform that allows renters to build equity credits as they rent.

# Appendix



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# Methodology

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

## What is included:

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

## What is excluded:

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