CFTE Centre for Finance, Technology and Entrepreneurship

Fintech 50:

5 YEARS IN FINTECH

A research report from CFTE to assess the impact of Fintech startups in the financial industry.

Research Team

The people behind Fintech 50: 5 Years in Fintech

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Foreword

It is a great pleasure for me to introduce CFTE's first research report "Fintech 50: 5 Years in Fintech".

Our mission at CFTE is to help organisations and people transform themselves at a time when technology is quickly reshaping financial services.

Some organisations will leverage technology and thrive. Others will not be able to adapt, and fall behind. The same will apply to people.

But we hope that with the right knowledge, mindset and network, many will make the most of today's opportunities in finance.

This report will hopefully help towards this goal, and give readers an understanding of how Fintech has evolved during the last 5 years - and give them some hints on how Fintech will further develop in the future.

For the tens of thousands of CFTE participants around the world, you will notice that many of the concepts discussed in the courses can explain the developments mentioned in this report. Although the future is hard to predict, there are definitely some important trends that will continue to shape financial services. For me, if there was only one to mention, that would be the democratisation of financial services through technology, and that makes me very hopeful about the next 5 years in Fintech.

Enjoy reading the report, and hope to see you join the CFTE community around the world.

Tram Anh Nguyen,
Co-founder, CFTE

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Introduction

The beginning of Fintech was 5 years ago. Of course, it's not entirely true - we could argue that finance has always used technology, and Fintech is not new. Or that it was really the 2008 financial crisis that precipitated the rise of Fintech, from consumers eager for an alternative financial system.

But the years around 2014 were special, because that's when the mainstream media started to notice the Fintech phenomenon, and some started to realise that something was happening in finance.

Traditional financial institutions took notice of new trends such as peer-to-peer lending or robo advisors, but were usually dismissive of their impact. Entrepreneurs saw the opportunity, which led to a very rapid rise in the number of Fintech startups, with San Francisco and London being the major hubs. In places like London, the ecosystem started to take shape, with Level 39 or Startupbootcamp leading the charge. Venture capitalists accompanied this development, by quadrupling the amount of investment in Fintech in 2014 - reaching $12 billion. And the speech from Martin Wheatley, Chief Executive of the FCA, about "Innovation: the regulatory opportunity" set the tone for regulators around the world to think of innovation in financial services.

5 years is a very short amount of time, which makes the findings of the "5 Years in Fintech" even more striking. 5 years ago, most consumers were unaware of Transferwise or Credit Karma, and many businesses would not have heard of Stripe or Square. Today, many in Europe use Transferwise, and 50% of American millennials use Credit Karma. Millions of businesses use Stripe or Square as their payment providers.

Our objective in writing this report was to understand how Fintech had transformed - or not - financial services, and to identify what we, as an industry, got right - or wrong - about the impact of Fintech.

We used the following methodology:

- Start from the "50 Best Fintech Innovators Report 2014" written by KPMG,
- analyze the development of these 50 Fintech companies,
- identify important trends.

We chose KPMG's report as the starting point, because it represented quite well the consensus on Fintech in 2014 - many of the names mentioned were generally considered as having good potential to grow. We also considered other rankings, such as Fintech City's "Fintech 50", but decided against it because it only listed European companies.

We kept the same order as the original KPMG report, i.e starting with the companies that were deemed most promising in 2014.

In order to analyze the development of the 50 Fintechs, we searched through reports, press releases, articles, and for listed companies, their financial reports and investor presentations. We also contacted all of them directly, with more or less luck. Since 80% of the Fintech 50 are still private companies - with some of them quite secretive - we made our best guesses in assessing their developments.

For those of you who will go through the profiles of each company, there is no doubt that some trends will resonate with you, based on your background and experience.

For those who are interested in the big picture, consider the following:

- Out of the 50 Fintech startups from 2014, 2 went bankrupt, 4 had an IPO, 5 were acquired, and the rest are still operating. These figures are quite extraordinary, because for similar stages of development, we would have expected 17 to go bankrupt.
- Out of these 50, 12 are now valued at more than $1 billion.
- The 3 biggest areas in 2014 were payment, lending, and robo advisors. The companies that performed best on average were in payment.
- The 50 startups have raised $6.1 billion between 2014 and today.
- They now collectively employ around 30,000 people.

On average, these companies have performed extremely well. Why?

If we had to choose just one answer, that would be **timing**. Timing was right for Fintech during the last 5 years because:

- Trust in traditional financial institutions had collapsed after the financial crisis
- Consumers were used to a mobile-first experience
- They were therefore ready to try new providers of financial services if they offered a better experience
- At the same time, investments in Fintech have grown significantly since 2014, which provided a strong tailwind for the Fintech 50.

This does not mean of course that these 50 Fintechs did not deserve their growth – after all, they were already considered to be in the top 50 5 years ago.

We have also found that the most successful firms on the report prioritized first customer acqusition and retention, and then focused on finding ways to monetize them (often by using client data).

There is so much to learn from the last 5 years in Fintech, I will let you go through the report, and do not hesitate to share your views on our channels – after all, we are an education platform, and this is the diversity of points of view that will help us collectively advance our knowledge.

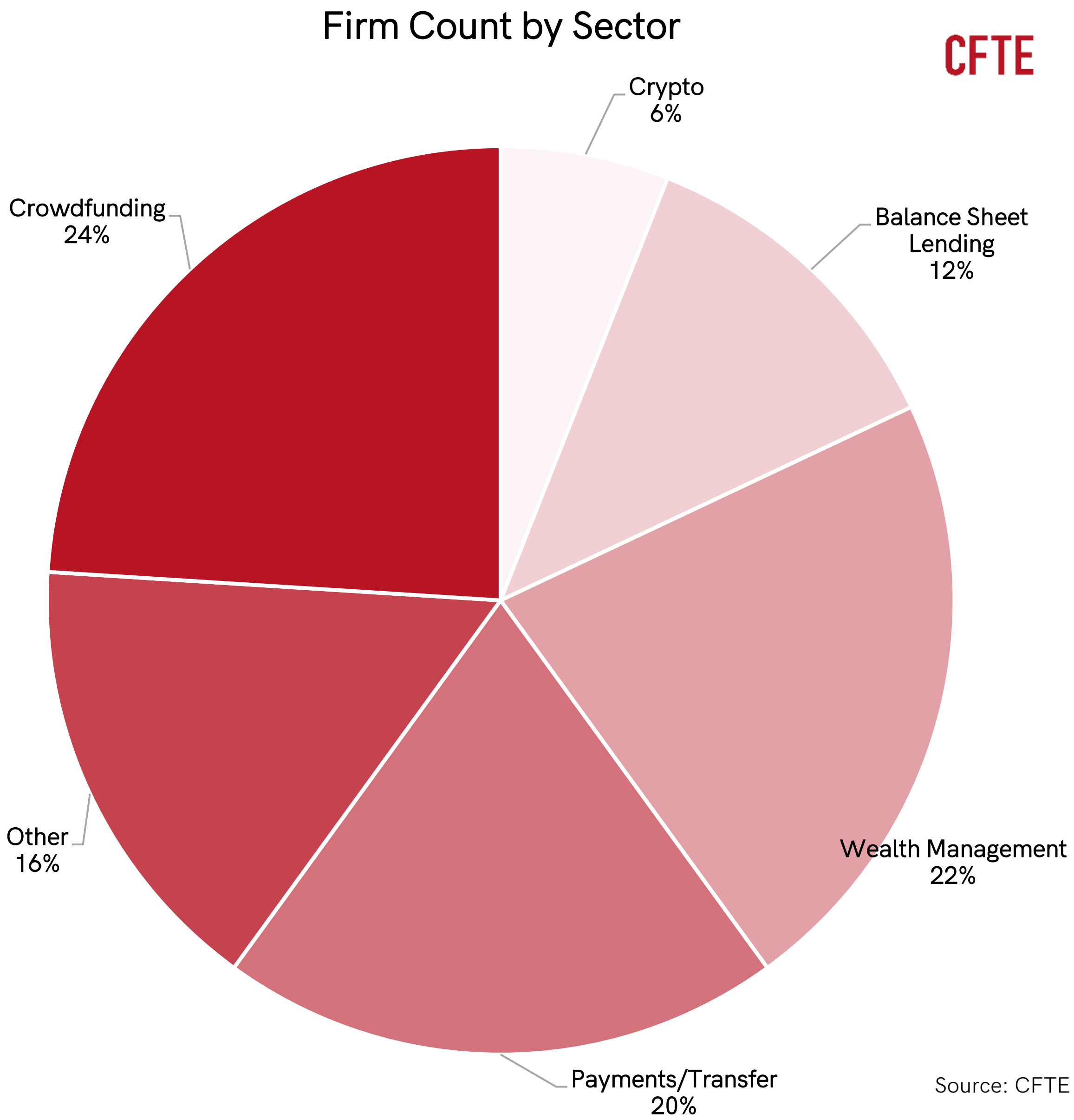
Huy Nguyen Trieu
Co-founder, CFTE
CEO, The Disruptive Group
Associate Fellow, Oxford Said Business School

Chapter 1
Who They Were: The Fintechs in 2014

The Selection Process

When these 50 firms were chosen in December 2014, financial technology was a less known, but rapidly growing field. Global Fintech financing had tripled over the previous 3 years and a better understanding of the field was needed. KPMG Australia, AWI, and the Financial Services Council partnered to select the 50 best Fintech innovators based off 4 criteria; total capital raised, rate of capital raising, degree of sub-industry disruption, and degree of innovation.

Sectors



The Fintech firms were primarily split between crowdfunding, do-it-yourself wealth management, payments/money transfer, and balance sheet lending.

There were 6 equity and 6 debt crowdfunding firms in the report. The debt crowdfunding platforms (peer to peer lenders), which enabled individual investors to lend directly to businesses and consumers, were, on average, over 2 years older, and had raised 5.5 times as much as the equity crowdfunders. The peer to peer lenders had raised an average of $95 million while the equity platforms had only $17 million each. The peer to peer lenders had also received more rounds of funding, as most had reached series C, in contrast to the equity lenders, none of whom had reached that milestone.

7 of the 11 wealth management firms were robo advisors, which provide automated investing advice or management services. The 4 others provided trading platforms with free trading or social trading (with the ability to track others' strategies) or standard financial management, and were younger, with an average founding date of 2010. Wealth management startups received just over half as much investment as the others, raising an average of $50 million. This average would be lower without robo advisors, who raised an average of $12 million more than the manual trading platforms.

We divided the balance sheet lending firms into two categories; those that lend to SMEs and those that lend to consumers. Both types lend from their own balance sheet, though they can then resell or securitize the loans. There were 2 balance sheet SME lenders, both American, which focused on quickly scoring small businesses in order to lend their own funds to them. There were 4 consumer finance lenders which lent off their own balance sheets using proprietary methods to analyze consumers' credit worthiness. The firms that offered free credit scores, and then offered to lend separately (Credit Karma, Wecash), are categorized separately. The SME lenders had raised an average of $135 million, more than double the average of the consumer finance lenders, $51 million, even though they were the same age (6 years old, on average).

The money transfer startups are separated by whether they're focused more on domestic transactions or international transfers. There were 2 international fund transfer companies and 8 payment firms included in the report, one of which was a joint venture that didn't need external financing (M-Pesa, which is owned by Safaricom and Vodacom). The 7 others payment companies averaged $110 million raised, while the 2 international fund transfer startups, which were series B, had only raised $54 million.

There were 11 remaining firms, including the credit scorers mentioned above. There were 3 cryptocurrency companies, an accounting software firm, an ATM manufacturer, a data analysis/consolidation company, a digital identity management startup, a low latency communication startup, and a trade finance company.

Funding

Most of the firms included in the 2014 Fintech 50 report were relatively late stage by the time they were selected. Only 9 had last received seed/angel, or series A funding, while 13 had last obtained series B, 8 had last reached series C, and 10 had last reached series D. 2 already had IPOs, one as far back as 2007 (Xero) and the other in early 2014 (Yodlee). Xero's IPO had only valued it at $75 million, while Yodlee's had valued it at $340 million. The startups, as a whole, progressed through funding rounds slightly faster than expected, as the average Fintech 50 firm was founded in 2009 and it typically takes about 2 years to progress between funding rounds.

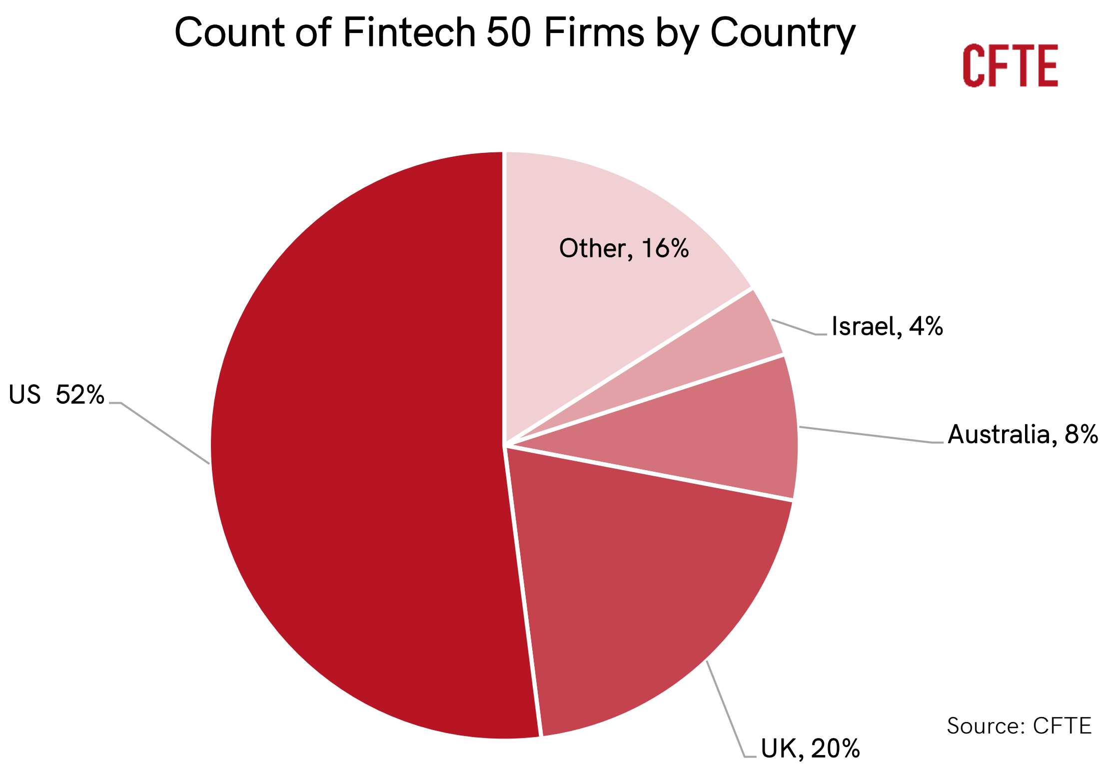
They had received $3.5 billion in equity funding, averaging $73 million per firm. This papers over the broad range between Square's $490 million and Klarna's $296 million and Stockspot, which had only raised $175,000. No other company on the list for which data is available raised less than $3 million but 11 others had raised over $100 million.

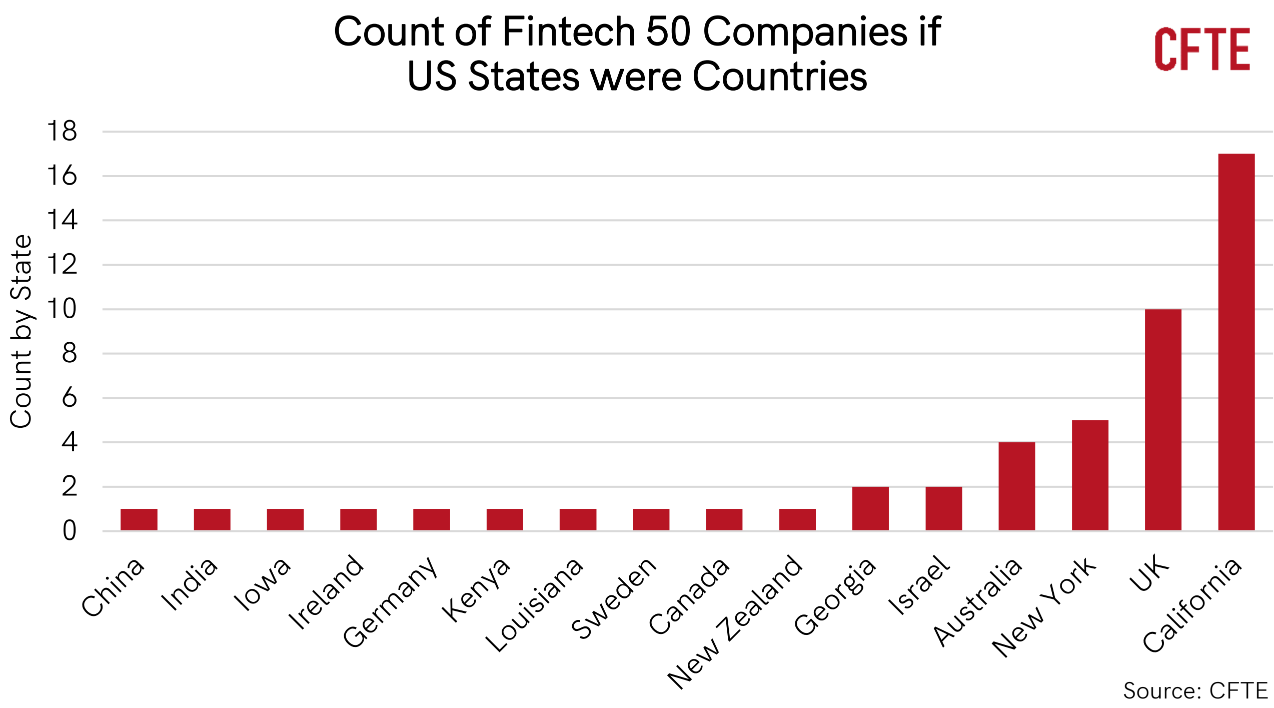
Funding Stage	Count
seed/angel	5
A	4
B	13
C	8
D	10
E	4
F	1
IPO	2
Joint Venture	1
Unknown	2

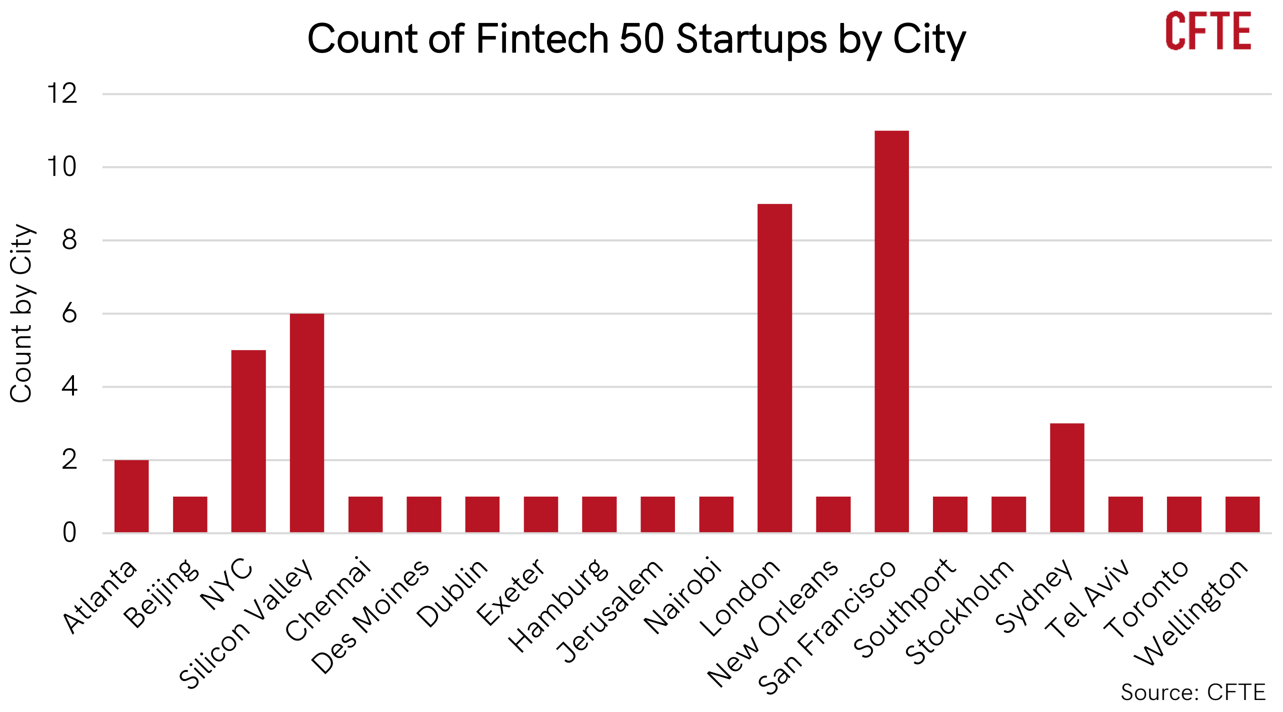
Source: CFTE

Geography

The Inaugural Fintech 50 list was remarkably American. 26 of the firms were US based, and California alone was better represented than any country. San Francisco was the top city, with 11 Fintechs, followed by London, with 9, and Silicon Valley and New York, with 6 and 5. Only 2 other cities had more than one Fintech on the list, Sydney and Atlanta. The vast majority of the firms were headquartered in highly developed countries, with only 3 based outside of OECD member countries. China, India, and Kenya each had one, two of which have been enormously successful. London was the dominant Fintech hub in Europe, with only 2 of the startups headquartered in other European cities (Dublin and Hamburg).


Count of Fintech 50 Firms by Country
CFTE
Other, 16%
Israel, 4%
Australia, 8%
US 52%
UK, 20%
Source: CFTE


Count of Fintech 50 Companies if US States were Countries
CFTE
Count by State
18
16
14
12
10
8
6
4
2
0
China
India
Iowa
Ireland
Germany
Kenya
Louisiana
Sweden
Canada
New Zealand
Georgia
Israel
Australia
New York
UK
California
Source: CFTE


Count of Fintech 50 Startups by City
CFTE
Count by City
0
2
4
6
8
10
12
Atlanta
Beijing
NYC
Silicon Valley
Chennai
Des Moines
Dublin
Exeter
Hamburg
Jerusalem
Nairobi
London
New Orleans
San Francisco
Southport
Stockholm
Sydney
Tel Aviv
Toronto
Wellington
Source: CFTE

Chapter 2
What They Have Become

Note:

The companies are listed in order of their original ranking in the 2014 Fintech 50 report.

1. Wealthfront

wealthfront

Sector: Robo Advisor
Type: Growing

Main highlights

- Assets under management grew by 570%
- Continues to focus on US B2C market
- Competing with Betterment for most assets under management ($13.5B vs $16B)

"Save, plan and invest, all in one place"

In 2014 Wealthfront was one of the leading robo advisors competing in a crowded field of robo advising startups. It only targeted consumers in the US market and had just reached $1 billion in assets under management.

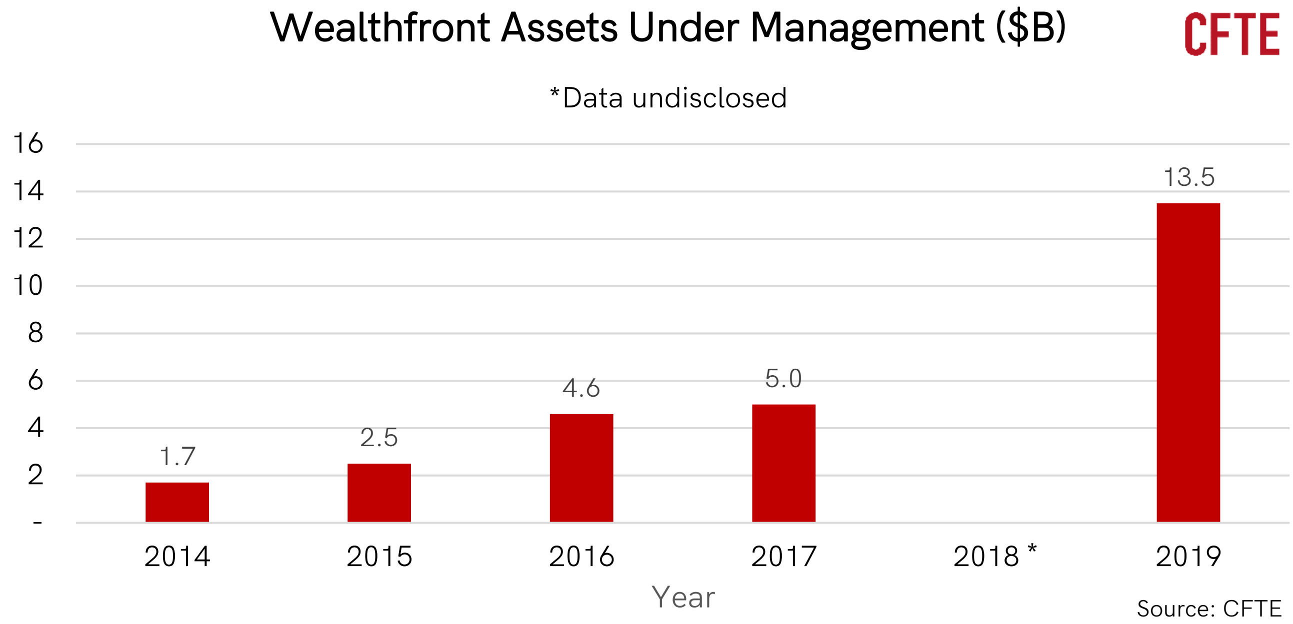
To date, Wealthfront has maintained its focus on B2C in the US market while other robo advisors have switched to B2B. It still requires clients to be US citizens and residents. It has expanded its integrations and offerings, including a freemium financial planning service and FDIC insured money market account.

Milestones

2015	2016	2017	2018	2019
Lowers account minimum to $500	Introduces 529 college savings plan	Introduces its financial planning service, Path	Integrates with Intuit (TurboTax) Freemium version of Path introduced	Launches FDIC insured high yield cash account Cash account receives $1B in under 1 month

Performance

Wealthfront is one of the two top US robo advisors, in what increasingly appears to be a two-horse race between Wealthfront and Betterment, with Betterment leading in assets under management. A number of robo advisors have switched to B2B, while Wealthfront now competes with robo offerings from massive incumbent wealth managers.



Wealthfront Funding

Date	Series	Amount	Lead investors
Dec-09	A	$7.5M	DAG Ventures
Mar-13	B	$20M	Greylock Partners, Index Ventures
Apr-14	C	$35M	Index Ventures
Oct-14	D	$64M	Spark Capital
Jan-18	E	$75M	Tiger Global Management

Source: CFTE

2. Kabbage

Sector: Balance Sheet Lender
Type: Scaling

Main highlights

- Quintupled lending from $2 million to $10 million daily
- Issued almost $1.5 billion in Asset Backed Securities
- Expanded into white label offerings

"The leading online small business lending company in the U.S."

In 2014, Kabbage had been the leading online small business lending provider since 2009. It set itself apart using alternative data from seller channels, social media, and shipping to quickly evaluate small business loan applicants.

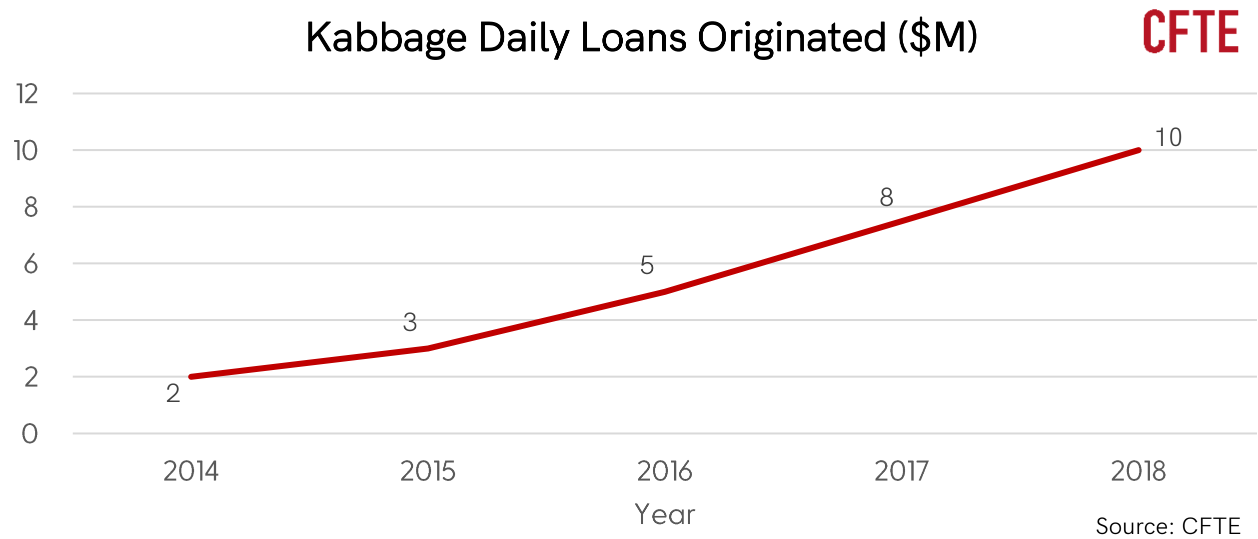
To date, Kabbage has lent to 170,000 businesses and is expanding its capabilities based on 2 million live data connections. It has withdrawn from consumer lending while many American online consumer lenders have faced setbacks but is expanding and increasingly focused on providing its small business lending platform to banks.

Milestones

2014	2015	2016	2017	2018	2019
Launches its first white label service, in Asia Rolls out its fully automated consumer lending process, Karrot	Reaches unicorn status in series E funding round	Pulls back Karrot to repurpose it as a platform for banks	Issues $500M in Asset-Backed Securities	Expands line of credit, which approved businesses can draw from at any time, to $250K	Partners with Alibaba for North American B2B lending

Performance

Kabbage's growth has accelerated despite credit tightening as it has expanded into the British, French, and Italian markets through white label offerings and is eyeing a move into India. It is increasingly providing its platforms to banks and its valuation has increased with each raise, reaching $1.18 billion in 2017. As shown by the graph below, it now lends $10 million per day.



Source: CFTE

Kabbage Funding

Date	Series	Amount	Lead investors
Jan-11	A	$6.7M	BlueRun Ventures
Aug-11	B	$17M	Mohr Davidow Ventures
Sep-12	C	$30M	Thomvest Ventures
May-14	D	$50M	SoftBank Capital
Sep-15	E	$135M	Reverence Capital Partners
Aug-17	F	$250M	SoftBank Investment Advisers

Source: CFTE

3. Motif Investing

Sector: Investing Platform
Type: Growing

Main highlights

- More than tripled users from 100,000 to 350,000
- Has partnerships with and investments from Goldman Sachs and JP Morgan
- Maintains focus on US and impact investments

"A trading platform that works as hard as you do"

In 2014 Motif Investing was an investing platform that enabled investors to invest in themes through bundles of up to 30 assets. Investors paid to use these portfolios, which were designed by Motif's algorithms. It had recently introduced a separate platform for professional advisors to manage investments and had just introduced an android app in addition to its iOS version. It was only available in the US and only charged set fees.

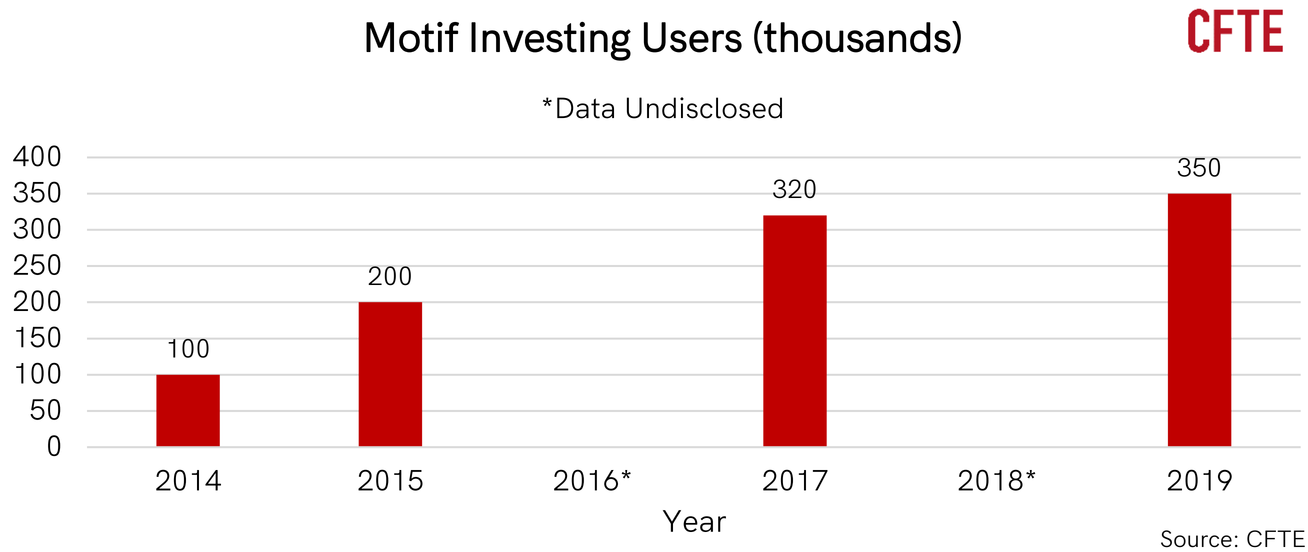
To date, Motif is maintaining its focus on the US and themed investing. It has partnerships with JP Morgan Chase and Goldman Sachs and allows customers to invest in IPOs, secondary offerings, and fully automated impact portfolios.

Milestones

2014	2015	2016	2017	2018	2019
Launches advisor platform for financial advisors Introduces android app	Rolls out new app Partners with JP Morgan Chase to allow individuals to invest in IPOs		Introduces values-based automated wealth management service	Introduces AI-themed investment portfolio	Partners with Goldman Sachs to launch themed ETFs Launches waitlist for blockchain themed portfolio

Performance

Motif's user base has grown rapidly, but far slower than its competitors. It has more than tripled users from 100,000 to 350,000 and more than quadrupled assets under management to $530 million. It has received major investments from premier financial institutions such as JP Morgan Chase and Goldman Sachs, and at one point of time, its funding raised and assets under management were about the same value. Its valuation reached $436 million in its 2015 raise.



Source: CFTE

Motif Investing Funding

Date	Series	Amount	Lead investors
Jun-10	A	$6M	Norwest Venture Partners
Jul-11	B	$20M	Ignition Venture Partners
Apr-13	C	$25M	Goldman Sachs Investments
May-14	D	$35M	JP Morgan Chase, Balderton
Jan-15	E	$40M	Renren, ThirdStream Partners

Source: CFTE

4. Klarna

Klarna.

Sector: Payments
Type: Scaling

Main highlights

- Quintupled daily transactions to 1 million per day
- Is expanding into credit offerings, in-store purchase options, and an open banking platform
- Received a banking license in 2017

"Pay with Klarna and get smooth"

In 2014 Klarna was only present in Europe and was particularly strong in the Nordic countries. It was primarily centered around online consumer payments and was growing rapidly. It earned substantially more than rivals per transaction because it enabled customers to pay without using a credit card.

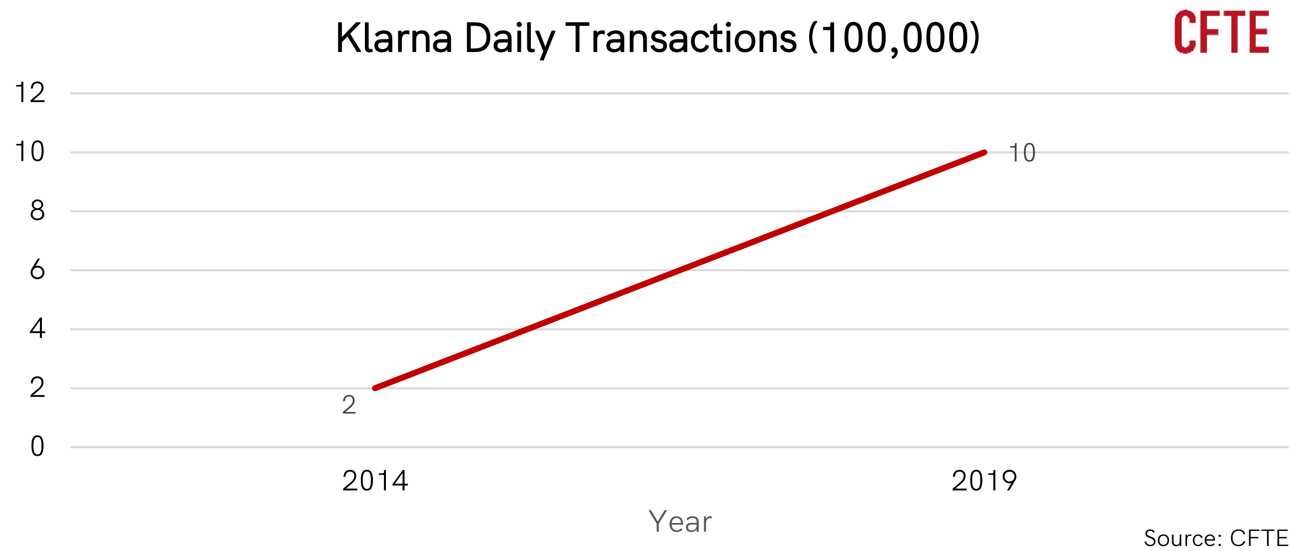
To date, Klarna has expanded in terms of product line and geographically. It is now competing in the US market and in-store payments. It also offers customer credit, retailer financing, and has an open banking platform.

Milestones

2014	2015	2016	2017	2018	2019
Hires first employees in the US	Enters US market, with Overstock.com as an early client	Launches US customer credit program Launches in-store payment service in Stockholm	Enters UK Obtains banking license	Expands its retailer financing program to the broader public in 7 European markets	Launches open banking platform, enabling access to 4,300 banks with one API Starts in-store payment service for British shoppers using their smartphones

Performance

Klarna has rapidly expanded since 2015, quintupling its daily transactions to 1 million. It now has 130,000 merchants, is the market leader in Northern Europe, and Germany is its biggest market. It is growing quickly in the UK as well, and now has 3.4 million US customers. It is now valued at $2.25 billion, which, though impressive, is about a tenth of rivals Square's and Stripe's valuations. It has been profitable since 2005, when it was founded.



Source: CFTE

Klarna Funding

Date	Series	Amount	Lead investors
Feb-05	Seed	$0.7M	BlueRun Ventures
Dec-07	A	$2.2M	Investment AB Öresund
May-10	B	$9M	Sequioa Capital
Dec-11	C	$155M	General Atlantic
Sep-15	D	$101.6M	IVP, Sequioa
Mar-17	D	$4.9M	Creandum
Jun-17	D	undisclosed	Visa
Jul-17	E	$250M	Permira
Oct-18	E	$20M	H&M
Apr-19	E	$93M	Sequioa, Permira

Source: CFTE

5. Square

Square

Sector: Payments
Type: Scaling

Main highlights

- Its core payment service has almost quadrupled payments processed
- Has added financing, debit cards, food delivery, and restaurant management platforms, which have also largely been successful
- Is now public, has a market cap of $30B

"Making commerce easy"

In 2014, Square was a payment service focusing on offering a well-designed, easy to use dongle that allowed small merchants to accept card payments. Launched by Twitter founder Jack Dorsey, it capitalized on its funding by offering its dongle for free.

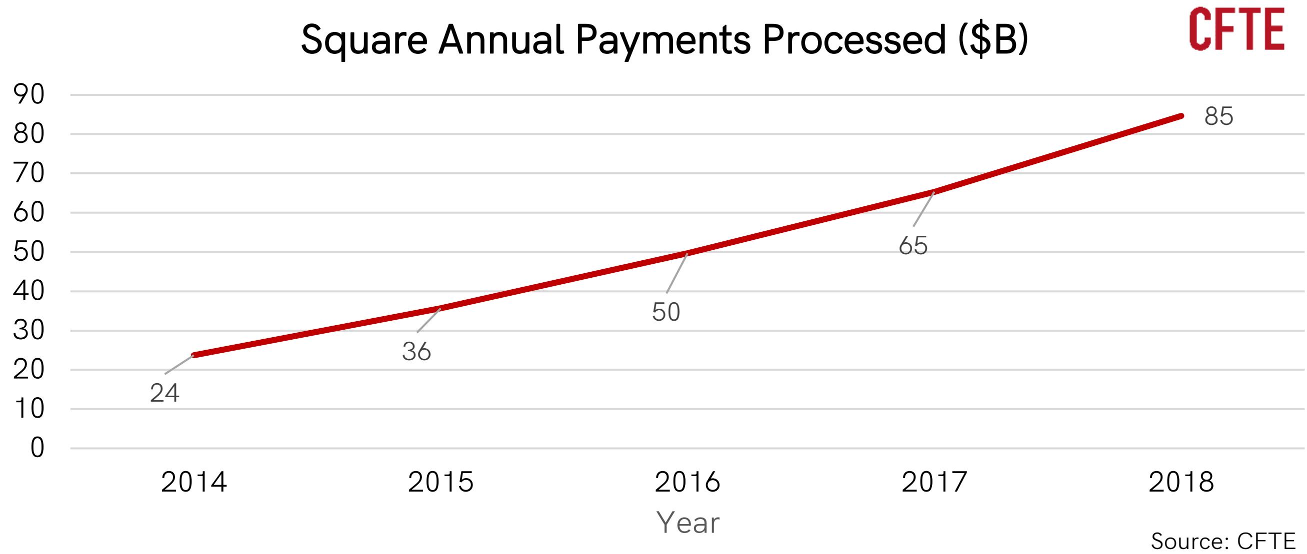
To date, it has almost quadrupled its payment business and has branched out into lending, meal delivery, a restaurant platform, a more traditional terminal, and recently, a business debit card for clients. However, it continues to focus on product intuitiveness and appearance in such new products as its Square Restaurant platform, where 60% of customers self-onboard (an unusually high number in that field).

Milestones

2014	2015	2016	2017	2018	2019
Launches Square Capital, a merchant capital advance service for customers Purchases Caviar, an upscale meal delivery service	Goes public at $2.9 billion valuation	Expands its mobile card reader into Australia	Officially launches in the UK	Launches Square Restaurant platform Launches all-in-one Square terminal	Square Capital loans reach $500M in Q1

Performance

Square has rapidly expanded in the US, but some believe it waited too long to expand internationally, as it now faces similar competitors in Europe. There was some skepticism from the markets around its IPO, but it now has a market capitalization of roughly $30B despite net losses for 4 of the last 5 quarters. Its lending service Square Capital, launched in 2014, is growing exponentially on the back of customers' payment data.



Source: CFTE

Square Funding

Date	Series	Amount	Lead investors
Nov-09	A	$10M	Khosla Ventures
Jan-11	B	$27.5M	Sequoia Capital
Jun-11	C	$100M	Kleiner Perkins
Dec-11	C	$3M	Virgin Group, GGV Capital
Sep-12	D	$200M	CrunchFund, Citi Ventures, Vmware, Starbucks
Oct-14	E	$150M	GIC

Source: CFTE

6. Lending Club

Sector: P2P Lending
Type: Growing

Main highlights

- Has more than doubled annual loans originated, from $4.4B to $10.9B
- Weathered company-specific and industry wide challenges in 2016
- Kept focus on US consumer market

"Bringing borrowers and investors together, transforming the way people access credit."

In 2014, Lending Club filed for an IPO in December, the same month the Fintech 50 report was published. The largest peer-to-peer lender, it was valued at $5.4 billion. Users could borrow up to $35k for consumer loans and up to $100k for business loans through its notary model. It was expanding into financing for private education and optional medical procedures, such as braces.

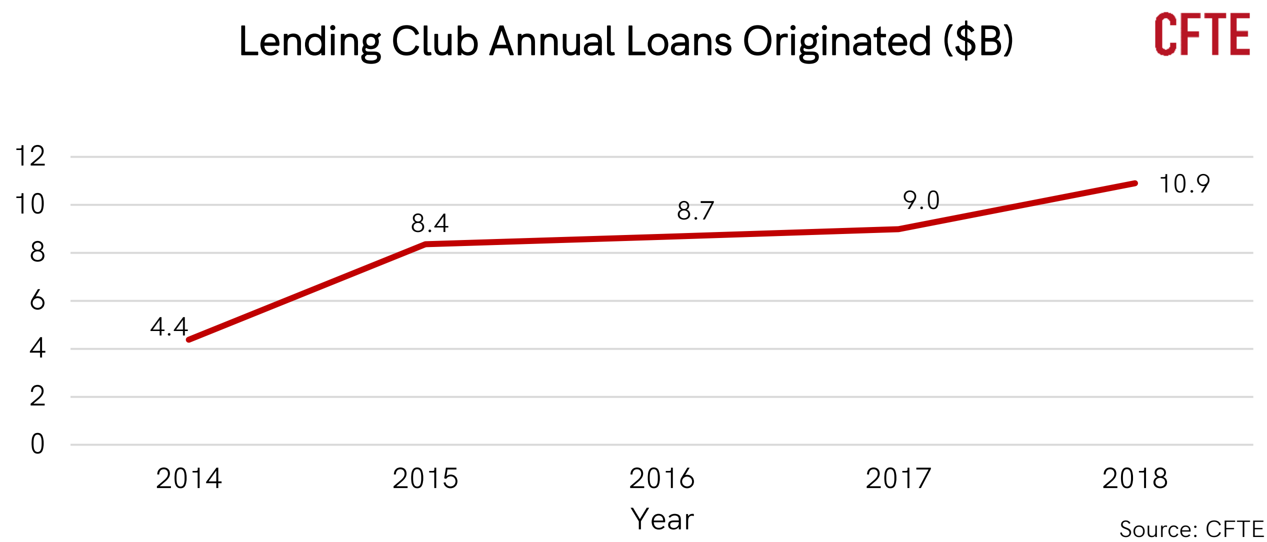
To date, Lending Club has remained focused on US loans, though it has raised its maximum consumer loan size to $40k. It has kept its focus on customers with high credit scores and long credit histories and has continued to receive much of its business from customers seeking to consolidate other loans or refinance mortgages.

Milestones

2014	2015	2016	2017	2018	2019
Acquires Springstone Financial to enter private education and optional medical procedure lending market	Partners with Google to provide loans, which Google purchases, from Google's US-based partners	CEO forced out amid scandal over Lending Club violating buyers' terms	Partners with Opportunity Fund to expand US small business borrowing Launches iOS app for retail investors	Settles with SEC and DOJ, ending 2- year investigation	Stops facilitating Grade E loans (the riskiest loan category previously offered)

Performance

Lending Club remains the largest P2P lender despite a series of setbacks. The whole industry was damaged by its 2016 scandal and the following government investigations which led to a number of investors fleeing the market. It has struggled to recover despite the departure of its CEO, and now has a market capitalization of $1.35 billion, one-sixth its $8.5 billion valuation at the end of the day of its 2014 IPO.



Source: CFTE

Lending Club Funding

Date	Series	Amount	Lead investors
Aug-07	A	$10.3M	Canaan Partners, Norwest Venture Partners
Mar-09	B	$12M	Morgenthaler Ventures
Apr-10	C	$24.5M	Foundation Capital
Aug-11	D	$25M	Union Square Ventures

Source: CFTE

7. OnDeck

Sector: SME Lending
Type: Growing

Main highlights

- Lent more in 2019 Q1 than in all of 2014
- Entered lending-as-a-service partnership with JP Morgan in 2016 and PNC in 2018
- Launched subsidiary solely focused on partnerships for its white label service

"Helping small businesses reach their goals"

In 2014 OnDeck was focused on providing working capital and loans to US small businesses using its proprietary small business credit scoring software. It primarily worked alone, though it was working on developing relationships with banks.

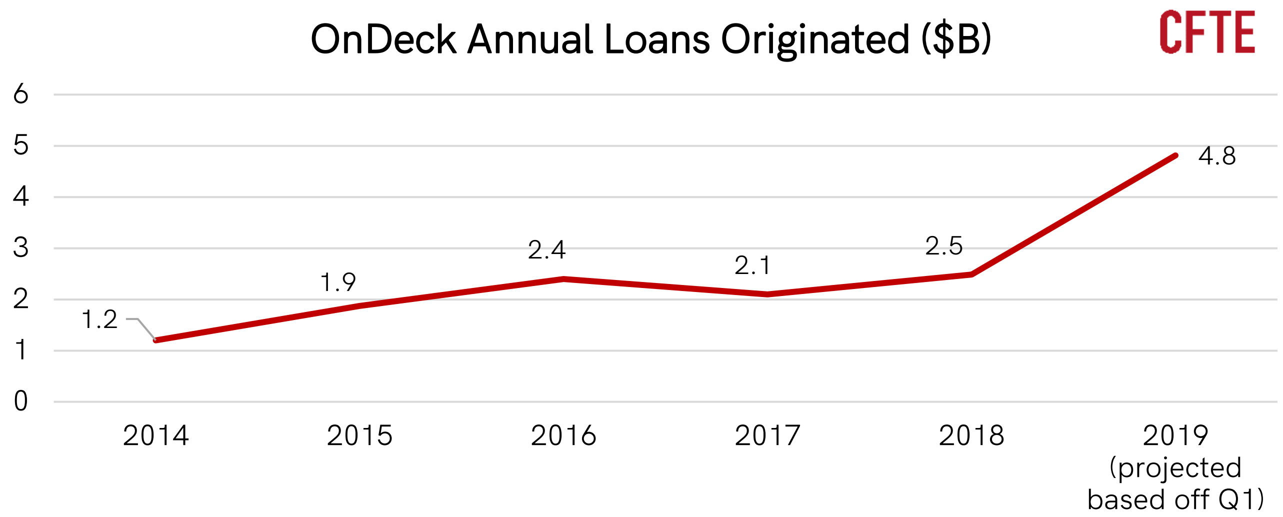
To date, OnDeck remains focused on small business lending in the US, though it has expanded into Australia and Canada, where it is now the second biggest lender. It has introduced a white label product as well and is providing its platform for J.P. Morgan Chase and PNC. It has also recently entered equipment financing.

Milestones

2014	2015	2016	2017	2018	2019
Expands into Australia	Enters Canada	Launches pilot platform for J.P. Morgan Chase's small business lending	Reaches agreement to extend partnership with J.P. Morgan, potentially through 2021	Creates subsidiary to pursue more partnerships with banks PNC announces plans to use OnDeck's white label service	Launches equipment finance product (after 2018 pilot)

Performance

OnDeck has increased its lending every year except for 2017, when it cut costs and tightened its underwriting standards. The $2.48B lent in 2018 is more than double the $1.2B lent in 2014, and the $1.23B lent in 2019 Q1 is more than that lent in all of 2014. However, its market capitalization has declined from $1.2 billion at its December 2014 IPO to $302M, as investors' outlook on the industry has shifted. It also faces increasing competition from Square, whose capital program lent $500M in Q1 this year after less than $200M in 2016 Q1.



Source: CFTE

OnDeck Funding

Date	Series	Amount	Lead investors
May-08	B	$10M	RRE Ventures
Jan-11	C	$25M	SAP Ventures
Aug-11	C	$19M	SF Capital Group
Feb-13	D	$42M	Institutional Venture Partners
May-13	D	$17M	GV
Mar-14	E	$77M	Tiger Global

Source: CFTE

8. Borro

borro PRIVATE FINANCE

Sector: Consumer Finance
Type: Uncertain

Main highlights

- Paused lending in February 2019
- Reached profitability in 2016
- Acquired by Victory Park Capital for an undisclosed amount in 2017

"Unlock the Value from Your Personal Assets"

In 2014, Borro was a private lender which lent directly against luxury goods; primarily cars, artwork, and jewellery. It accepted items for collateral worth upwards of $5,000 and would usually lend up to half their value. Borro's team of experts would visit the collateral to determine their value. It was the first lender against luxury assets.

This February Borro announced it has paused issuing loans in order to re-evaluate the market. This could reflect the current landscape for secured lending and the need to adopt a different approach. Before it took a break, it had expanded into property lending and increased profitability.

Milestones

2014	2015	2016	2017	2018	2019
Raises $32 million in equity and $80 million in debt to fuel growth in the UK and the U.S. Appoints Jefferson from World Gold Council as marketing manager	Obtains funding from Rocket Internet to expand to South America and Asia	Receives permission from the Financial Conduct Authority (FCA) to provide regulated property loans	Withdraws from bridging market for property loans Acquired in a leveraged buyout by Victory Park Capital	Expands to US west coast	Withdraws from asset-based lending

Performance

Borro was on track to earn a slight profit in 2016 after narrowing losses from $12.2 million in 2014 to $3.3 million in 2015. It originated about $50 million worth of loans in 2013 and was on track to double lending volume, but growth has since slowed. It hasn't lent since February 2019 “whilst we evaluate the current state of the secured lending market and strategic direction of the business”.

Borro Funding

Date	Series	Amount	Lead investors
Oct-08	A	$2.5M	undisclosed
Apr-11	B	$9.3M	Augmentum Capital
Oct-12	C	$26M	Canaan Partners
Mar-14	C	$32M	Victory Park Capital
Feb-15	D	$19M	OurCrowd, Rocket Internet
Apr-16	E	$5.9M	undisclosed
Jan-17	F	$6.9M	undisclosed

Source: CFTE

9. Kreditech

Sector: Consumer Lending
Type: Growing

Main highlights

- More than tripled revenue from $24M to $80M from 2014-2018
- Results varied by market, but now is a top 3 lender in 4 markets
- Expanded into India with PayU in 2018.

"We provide financial freedom to the next 2 billion customers"

In 2014 Kreditech was a new and rapidly expanding provider of microfinance and consumer loans that used alternative online data, including social media information, to create credit scores. It was expanding from central Europe and lent in Germany, despite Germany's small population without a credit score and strict data privacy laws.

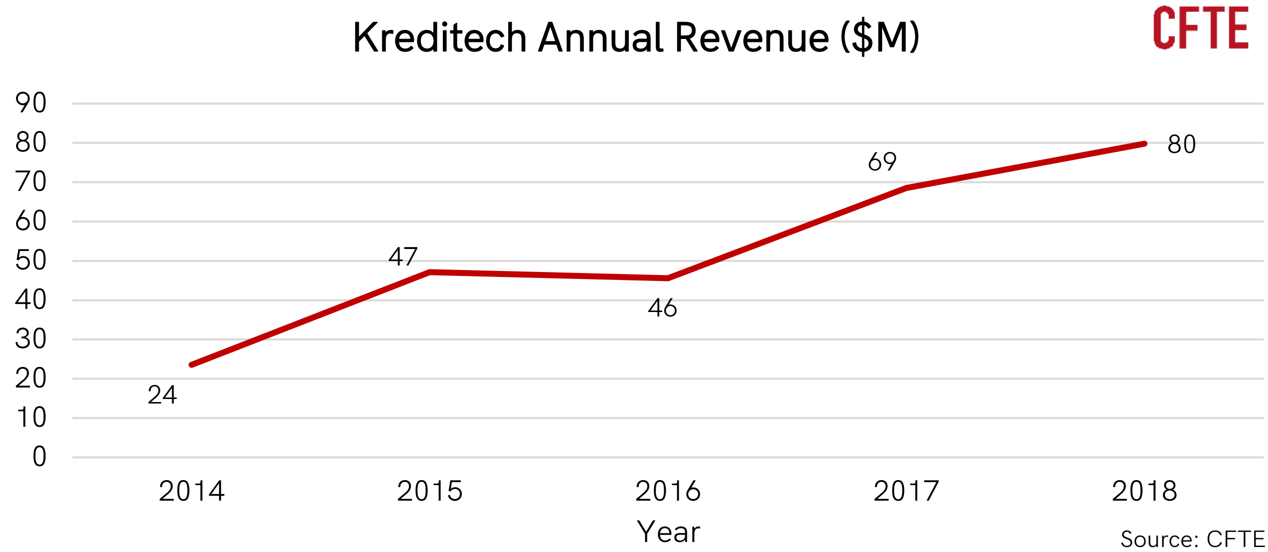
To date, Kreditech has expanded into lending as a service through its platform Monedo Now and is partnering with PayU in India. However, it has stopped lending in Czech Republic, Mexico, Australia, and Germany, which houses its headquarters. It remains online only.

Milestones

2014	2015	2016	2017	2018
Enters the Australian and Mexican markets	Acquires Polish data analytic fintech KontoX	Launches Monedo Now, its online point of sale financing solution	Receives microfinance certification from Russia	Withdraws from Mexico and Czech Republic Partners with PayU to launch PayU Monedo in India

Performance

Kreditech has unevenly expanded, as it has thrived in some markets and failed to take off in others. It has top 3 market positions in 4 core markets and more than tripled revenue from $23.5 million in 2014 to $79.8 million in 2018. Additionally, its total number of clients has quadrupled from 200K to almost 900K.



Source: CFTE

Kreditech Funding

Date	Series	Amount	Lead investors
Mar-12	Seed	$.002M	H2 Investments
Jun-12	Seed	$1M	Christoph Janz
Dec-12	A	$4M	Blumberg Capital
Apr-13	B	$3.5M	Global Founders Capital
Jun-14	B	$40M	Blumberg Capital
Mar-16	C	$103M	IFC
Dec-16	D	$10.5M	Rakuten Capital
May-17	E	$130M	PayU
Nov-18	E	$16.3M	J.C. Flowers and Co
undisclosed	E	$2M	HPE Growth

Source: CFTE

10. Xero

Sector: Accounting Software
Type: Scaling

Main highlights

- Clients have grown 500% to 1.8 million
- Revenue has grown 600% to $359M
- Has become market leader in the UK
- Still struggling to take off in the US (which accounts for roughly 10% of its clients)

"Beautiful business and accounting software"

In 2014 Xero was selling its accounting software most successfully in New Zealand and Australia, where it was the market leader. It had expanded into the US and UK but was making slow progress in the US and had few partnerships with American banks. It had been public since 2007.

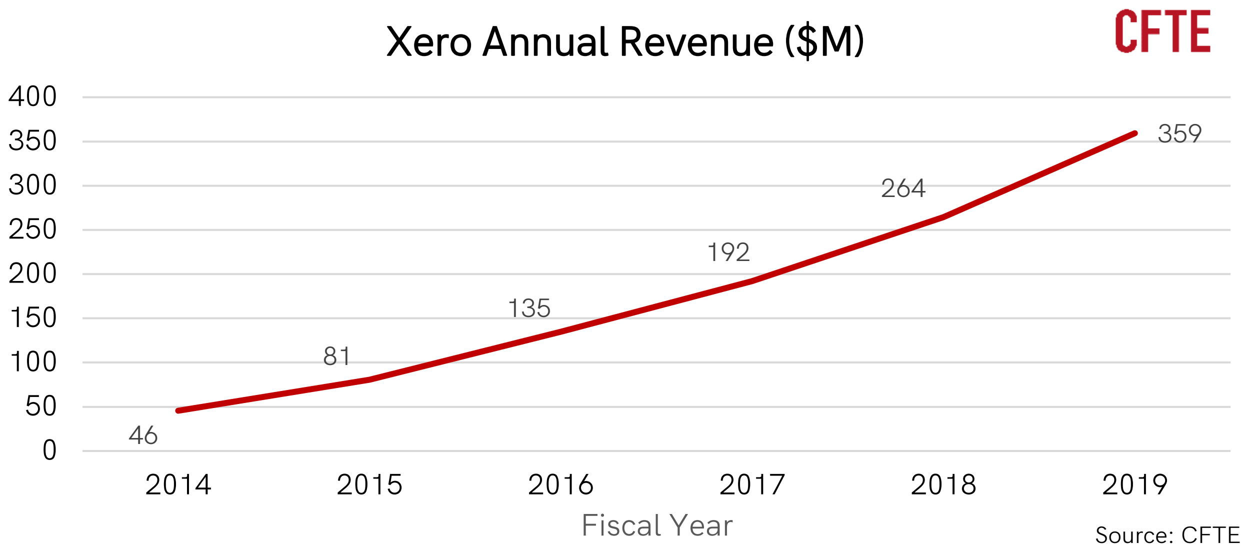
Xero is now earning over 7 times as much on the back of strong growth in the UK, where it is now the leading provider of accounting software. It now has partnerships for integration with top American banks, though acquiring clients in the US is still far more expensive than elsewhere. It has continued improving its product and recently cut costs significantly by migrating its tools to AWS.

Milestones

2014	2015	2016	2017	2018
Partners and integrates with Santander Integrates with Square	Adds app for iPad	Reaches $1B in expected lifetime revenue from clients	Surpasses 1 million clients	Xero debuts in Canada

Performance

Xero has rapidly grown thanks in part to partnerships with the leading UK banks. It still faces stiff headwinds in the US, where growth remains slow, but total lifetime value of Xero subscribers has reached $2.87 billion. It has a market capitalization of $8.4 billion.



Source: CFTE

Xero Funding

Date	Series	Amount	Lead investors
Jun-07	IPO	$11.3M	public
Apr-09	Post IPO Equity	$13.3M	Craig Winkler
Oct-10	Post IPO Equity	$3M	Valar Ventures
Feb-12	Post IPO Equity	$16.6M	Valar, Sparkbox Ventures
Dec-12	Post IPO Equity	$49.7M	Valar Ventures, Matrix Partners
Oct-13	Post IPO Equity	$150M	Valar Ventures, Matrix Partners
Mar-15	Post IPO Equity	$110M	Accel Partners, Matrix Partners

Source: CFTE

11. Robinhood

robinhood

Sector: Investing Platform
Type: Scaling

Main highlights

- Has generated 6 million accounts since launching in 2018
- Surpassed E*Trade in account numbers in 2018
- Launched a high interest checking and savings account in 2018

"Commission-free stock trading"

Robinhood launched in December 2014 with over 500,000 on the waitlist. It focused on differentiating itself with zero-fee trading and an intuitive and clean app. It had received over $16 million in funding from Google Ventures, Index Ventures, Andreessen Horowitz, and Tim Draper, bringing it to a valuation of $62 million before its service was made available.

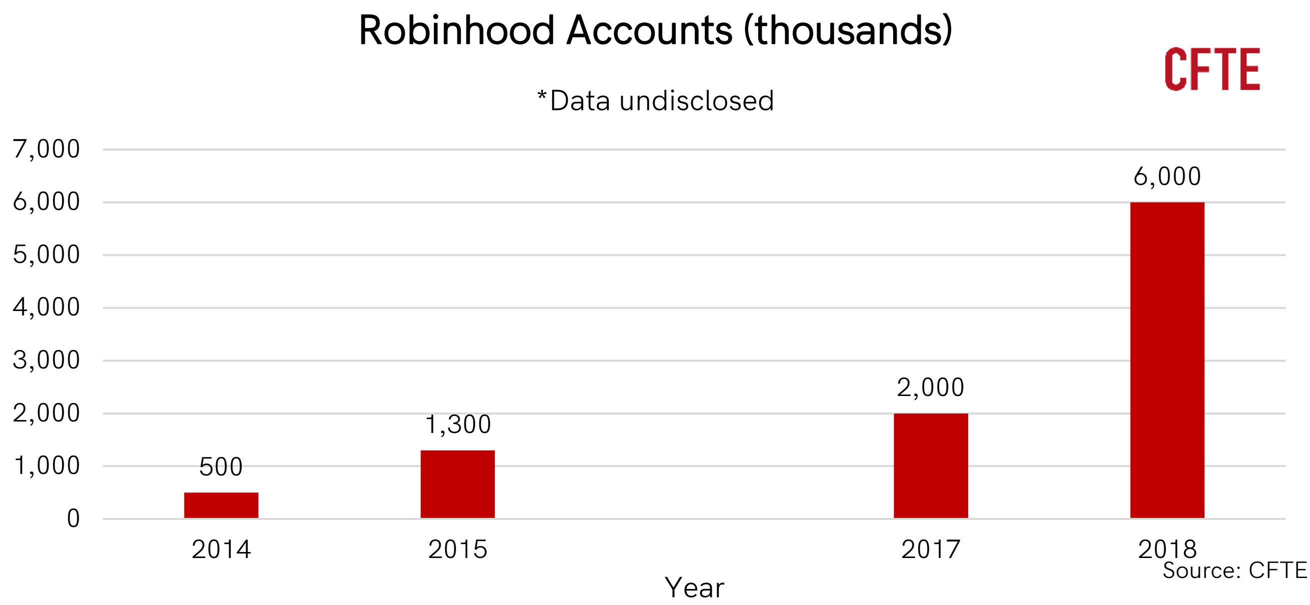
It is still built around free trading through its app but has introduced a web offering as well. It is rebundling, attempting to launch a checking and savings account and more features. It has expanded into Australia and is considering rolling out a British version. Its $6 per month premium option allows for $1,000 of margin, though users can buy more.

Milestones

2014	2015	2016	2017	2018	2019
Reaches 500,000 waitlist signups Launches on the ios app store	Introduces android app	Launches premium version, Robinhood Gold Introduces Robinhood Instant, allowing immediate access to funds	Reaches $100B in transaction volume (ever) Rolls out web version	Announces and backtracks on high yield checking and savings account, upon disclosure it wasn't insured by SIPC or FDIC	Starts recruiting in UK in preparation for launch Announces plans to introduce checking account again

Performance

Robinhood has grown rapidly, reaching 6 million accounts and passing over $150 billion in transaction volume in 2018. It recently surpassed trading platform E*Trade in account numbers and it excels in reaching young users who don't have accounts elsewhere, with an average user age of 28. It was valued at $7.6 billion in its raise this July.



Robinhood Funding

Date	Series	Amount	Lead investors
undisclosed	Seed	undisclosed	Google Ventures
Dec-13	Seed	$3M	Index Ventures
Sep-14	A	$13M	Index Ventures
May-15	B	$50M	New Enterprise Associates
Apr-17	C	$110M	DST Global
May-18	D	$363M	DST Global

Source: CFTE

12. Funding Circle

Funding Circle

Sector: P2P Lending
Type: Growing

Main highlights

- Lending volume increased 720% between 2014 and 2018
- Continues focus on small business
- Expanded into Continental Europe
- Losses still increasing, to $62.9 million in 2018

"A leading global small business loans platform"

In 2014 Funding Circle was a peer to peer lender that focused on small business and differentiated itself by assigning a human expert to review each loan. It had entered the US the year before and claimed to be profitable in the UK, excluding technology investment. Typical turnover for targeted firms were $1-2 million annually.

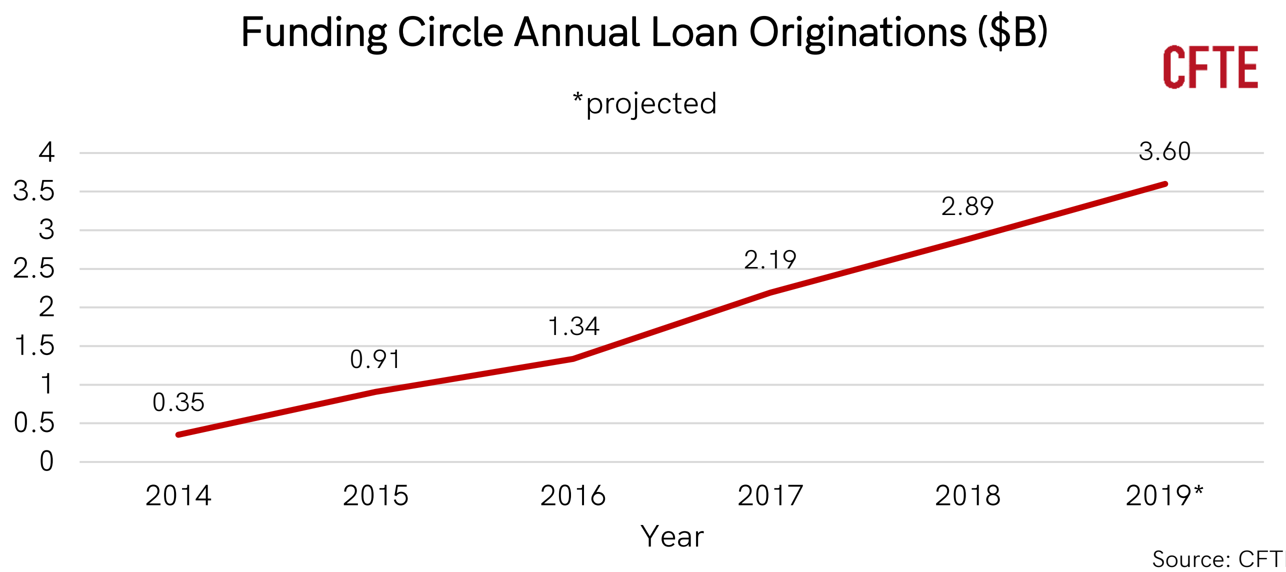
To date, Funding Circle has expanded into continental Europe and is now public but continues to focus on small business. It still has no provision fund so losses could be higher than at competitors, but returns should be higher as well. In 2017 it stopped investors from lending to individual companies, offering choices between balanced and conservative auto bidding instead.

Milestones

2014	2015	2016	2017	2018	2019
Enters two-way referral agreement with Santander	Launches in continental Europe	EIB creates $124 million fund for investment in UK small businesses through Funding Circle	Begins eliminating property development loans Launches ISA for existing investors	Has IPO with $2 billion valuation	British Business Bank announces plans to lend up to $186 million through Funding Circle

Performance

Funding Circle has grown quickly along with the industry but still has not reached profitability. It suffered from the change between P2P lenders being valued as tech companies to being valued like banks and the recent increase in UK default rates. Its valuation has therefore declined from almost $2 billion at IPO in 2018 to $536 million today despite its lending volume increasing 719% since 2014. Pre-tax losses increased 40%, to $62.9 million, in 2018 on the back of increased expenditure on marketing and staff but it claims it would be profitable if it wasn't expanding.



Source: CFTE

Funding Circle Funding

Date	Series	Amount	Lead investors
Apr-11	A	$3.1M	Index Ventures
Apr-12	B	$16M	Index Ventures
Oct-13	C	$37M	Accel
Jul-14	D	$65M	Index Ventures
Apr-15	E	$150M	BlackRock, DST Global,Temasek Holdings
Jan-17	F	$100M	Accel

Source: CFTE

13. Stripe

Sector: Payments
Type: Scaling

Main highlights

- Reached a $22.5 B valuation this year, a 525% increase from its $3.6B 2014 valuation
- Remains focused on payments
- Has developed partnerships with Uber, Spotify, Amazon, Alipay, Google, Grab, WeChat, Apple Pay, and Android Pay

"A complete payments platform"

In 2014 Stripe was a developer-friendly online payment system that was particularly popular with Silicon Valley startups. It enabled businesses to receive payments within minutes and its API was simple and considered easy to install. Its system enabled customers to conduct the whole transaction on the merchant's site and allowed merchants to brand the payment page. It was focused solely on payments and was international but its number of partnerships in east Asia were limited.

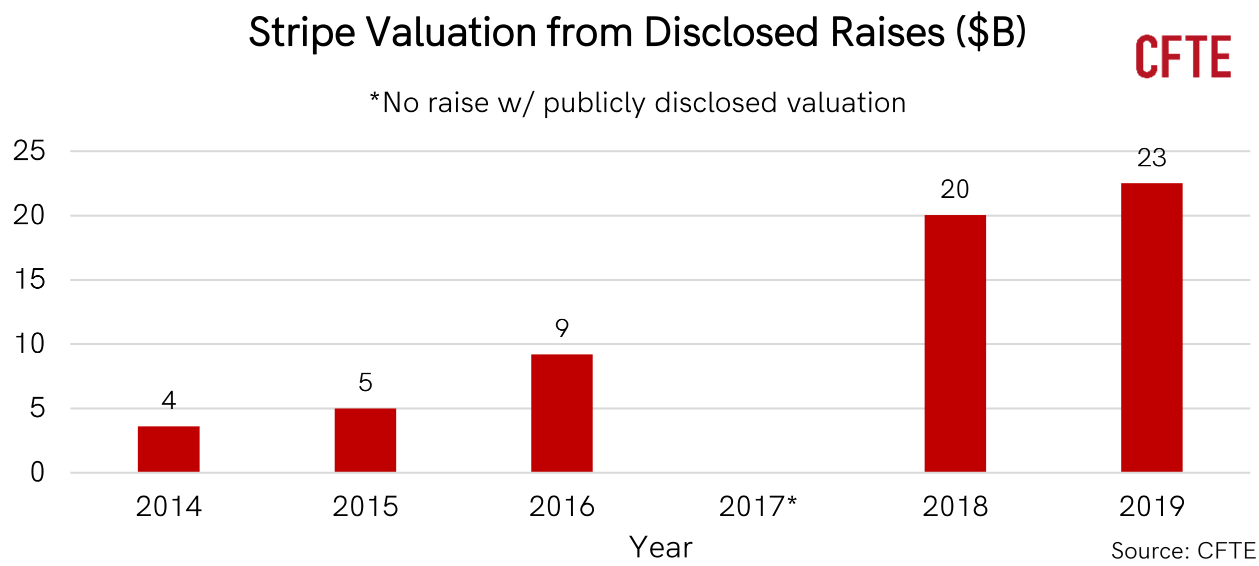
To date, Stripe remains concentrated on payments, but also is attempting to roll out other, higher margin services, such as premium options with enhanced customer support. It has dramatically increased its number of partnerships, and has introduced programs for recurring payments, in-store sales, and fraud detection. In 2016, It launched a program to help entrepreneurs navigate the legal requirements to launch internet businesses and is quietly producing more content marketing for developers.

Milestones

2014	2015	2016	2017	2018
Strikes payment agreement with Alipay to allow Chinese buyers to pay on Stripe	Reaches deals to process Apple Pay and Android Pay	Rolls out fraud detection system Revenue increases 65% in Europe subsidiary, to 50M	Rumored agreement with Amazon to use Stripe for more Amazon transactions	Launches Stripe Terminal, its point of sale solution for in-store sales Partners with Alipay and WeChat Pay to accept their payments Announces partnerships with Spotify, Google, and Uber

Performance

Stripe discloses little data, but analysts estimate it earned $1.5 billion in revenue in 2017, more than triple its estimated $450 million in 2016. Its $22.5 billion valuation is justified by the rapid growth of ecommerce. 84% of US adults purchased something through Stripe in 2018, compared to 27% in 2015. It focuses on appealing to startups and now has over 1 million businesses using it, with a simple model of 2.9% and 30 cents per transaction in the US.



Stripe Funding

Date	Series	Amount	Lead investors
Mar-11	Seed	$2M	Andreessen Horowitz, SV Angel
Feb-12	A	$18M	Sequoia Capital
Jul-12	A	$20M	General Catalyst
Jun-13	B	undisclosed	Heavybit
Jun-13	B	undisclosed	undisclosed
Jan-14	C	$80M	Founders Fund
Dec-14	C	$70M	Thrive Capital
Jul-15	C	$100M	Visa, Amex, FJ Labs
Oct-16	Corporate	undisclosed	Sumitomo Mitsui Trust Club Company
Nov-16	D	$150M	Capital G, General Catalyst
Sep-18	E	$245M	Tiger Global Management
Jan-19	F	$100M	Tiger Global Management

Source: CFTE

14. Yodlee

Sector: Data Analysis
Type: Acquired, Growing

Main highlights

- Increased revenue by 65% from 2014-18, to $180 million
- Acquired for $590 million in 2015 after 2014 IPO valued it at $340 million
- Introduced trademark Bank Feed in 2017

"To power and enable digital financial innovation across the globe"

In 2014 Yodlee went public, 15 years after its establishment. It was a technology application platform that aggregated data on consumers in order to market financial products from them. It had recently launched an API that could be easily custom built and branded for individual financial institutions. Customers included 11 of the largest 20 US banks, and through them had 16.5 million subscribers who paid subscription fees in return for seeing data across all their accounts.

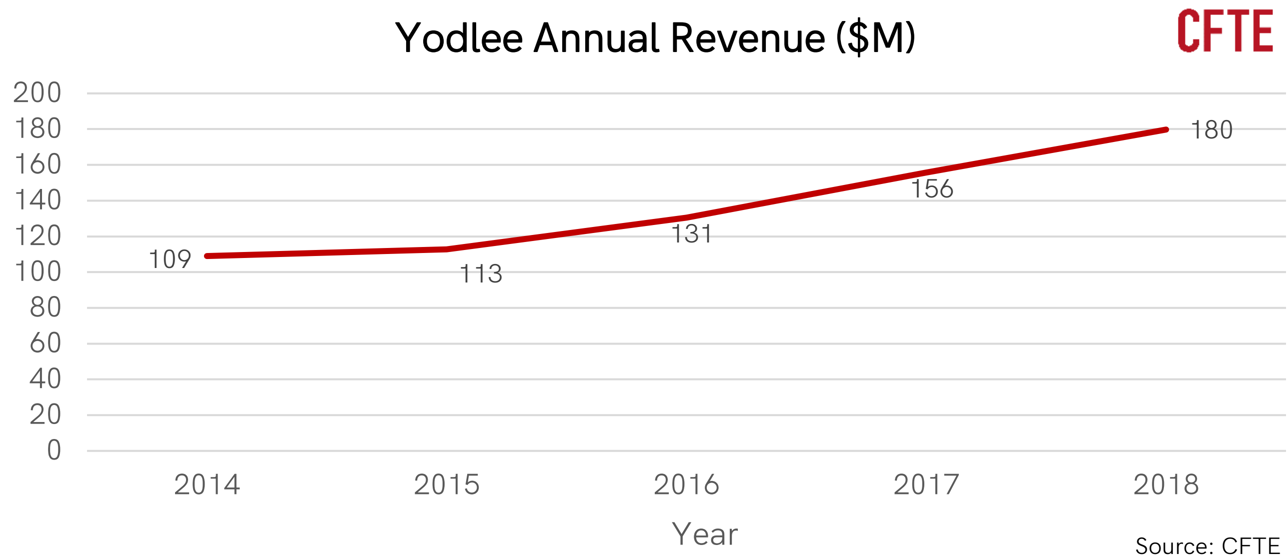
To date, Yodlee has retained its basic business model despite being acquired and having to adapt to PSD2. Its partnership with Limitless helps it provide real-time data aggregation for its clients, allowing processes to be faster and more accurate. Bank Feeds, a 2017 addition which enables clients to automate the process of importing their bank transactions, has become a trademark. In 2018 it became the first in the market to have an API compliant with both PSD2 and the UK's Open Banking API rules.

Milestones

2014	2015	2016	2017	2018	2019
Raised $75 million through IPO valuing it at $340 million Collaborates with ACI Worldwide to help financial institutions provide bill pay and online financial management	Envestnet buys Yodlee for $590 million	Partners with Limitless, a South African API marketplace	Introduces bank feed feature	First in market to have PSD2 and Open Banking API in one platform	Acquires Abe AI, a conversational AI start-up

Performance

Yodlee's revenue has increased fairly quickly since it was acquired in 2015, growing 60% from $113 million in 2015. It has more than 20 million paying users acquired through 13 of the 20 biggest banks in the U.S. as well as PayPal and Personal Capital. It's on track to enter the black in 2019 and its data and data analytic capabilities are considered its true asset. Envestnet's share price has more than doubled since acquiring Yodlee, from $31.23 to $72.74 per share.



Source: CFTE

Yodlee Funding

Date	Series	Amount	Lead investors
Oct-99	A	$17M	Accel, Sequoia Capital
Jun-06	B	$6M	undisclosed
Jan-07	C	$75M	undisclosed
Jun-08	D	$35M	Bank of America
May-12	E	$8.3M	undisclosed

Source: CFTE

15. Prosper

PROSPER

Sector: P2P Lending
Type: uncertain

Main highlights

- Lending peaked at $3.7 billion in 2015
- Revenue grew from $81M in 2014 to $204M in 2015 but declined to $104M in 2018

"Hello financial well-being"

In 2014, Prosper was one of the two largest peer-to-peer lending platforms (along with Lending club) operating in 47 US states plus Washington, D.C. It was growing rapidly on the back of consumer loans of up to $35,000 to low risk borrowers. However, it was spending half its revenue on marketing, mainly on direct mail, and demand for loans from institutional investors chasing yield was outstripping demand.

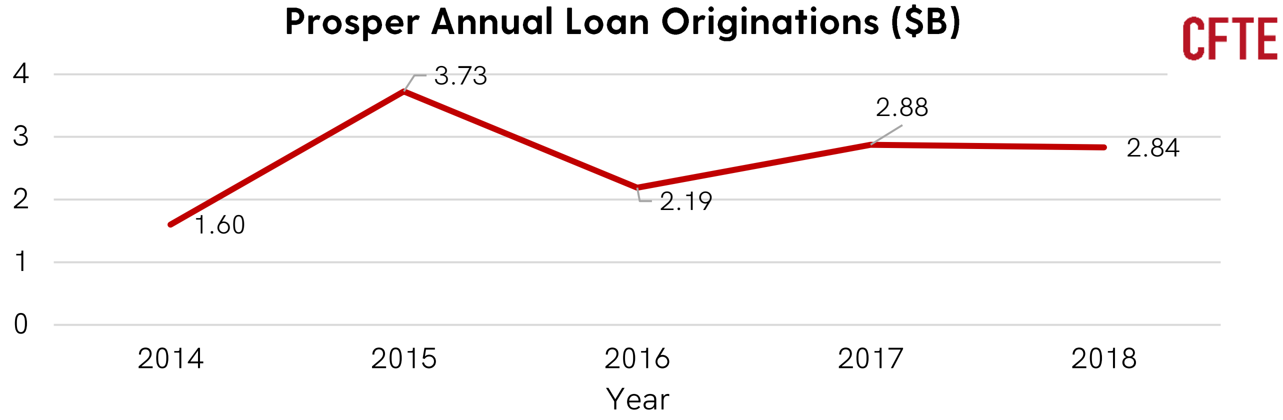
To date, Prosper has branched out into auto financing, mortgages, student loans and medical bill financing. It has raised its consumer loan cap to $40,000 and has focused on finding buyers of its loans, particularly institutional investors since a number of buyers withdrew in 2016. It launched a loan securitization program in 2017 that has raised $2.8 billion and persuaded a consortium to commit to buying $5 billion in loans in exchange for discounted equity.

Milestones

2014	2015	2016	2017	2018
Introduces auto financing, mortgages, and student loans	Doubles loan origination to $3.7 billion Acquired American Healthcare Lending and BillGuard to enter the medical loan market	Lays off more than ¼ of its workforce amid industry-wide investor withdrawal	Investors agree to buy up to $5 billion in loans over 2 years Rolls out loan securitization program	Launches home equity line of credit

Performance

Prosper was the second biggest US P2P lender in 2014, behind Lending Club. It enjoyed a surge in 2015, as lending loans originated doubled, but Prosper was hit hard by the 2016 P2P lending contraction. Losses increased to $119 million in 2016 as investors reduced investment in the field due to an increase in the cost of capital and mounting concerns about loan quality (enhanced by a scandal at rival Lending Club). It has recovered somewhat, increasing loans originated to $2.8 billion, 77% of its 2015 total, keeping it second, behind Lending Club, in US loan originations. It has not reached profitability and its latest valuation, $550 million, in 2017, puts it at only 29% of its 2015 high of $1.87 billion. Revenue has decreased each year since 2015, to $100 million less than its 2015 peak of $204 million.



Prosper Funding

Source: CFTE

Date	Series	Amount	Lead investors
Apr-05	A	$7.54M	Accel Partners, Benchmark Cap
Feb-06	B	$12.5M	Volition Capital, Omidyar Network
Jun-07	C	$20M	Meritech Capital Partners
Apr-10	D	$14.7M	Eric Schmidt, TomorrowVentures
Jun-11	E	$17.15M	Omidyar, Draper Fisher Jurvetson
Nov-11	F	$9M	IDG Capital Partners
Jan-13	A	$20M	Sequoia Capital
Sep-13	B	25M	Sequoia Capital, Blackrock
May-14	C	$70M	Francisco Partners
Apr-15	D	$165M	Credit Suisse
Feb-17	E	$194M	Rancilio Cube, Accadian Ventures
Sep-17	G	$50M	Finex Asia, Wolfpack Ventures

Source: CFTE

16. Wonga

Sector: Consumer Lending
Type: Bankrupt

Main highlights

- The biggest UK payday loan company in 2012
- Collapsed into bankruptcy in 2018 due to complaints over interest rates, fines for aggressive repayment tactics and insufficient customer screening
- Left profitability in 2014

"Online and mobile short-term personal cash loans"

In 2014, Wonga was the biggest payday loan company, providing 4 million loans to over 1 million customers. Its high interest rates and low lending standards had earned it the ire of lawmakers and the media.

To date, after taking multiple hits from regulators limiting interest and fees and fining Wonga for aggressive debt collection practices and poor client screening the business collapsed into administration in 2018.

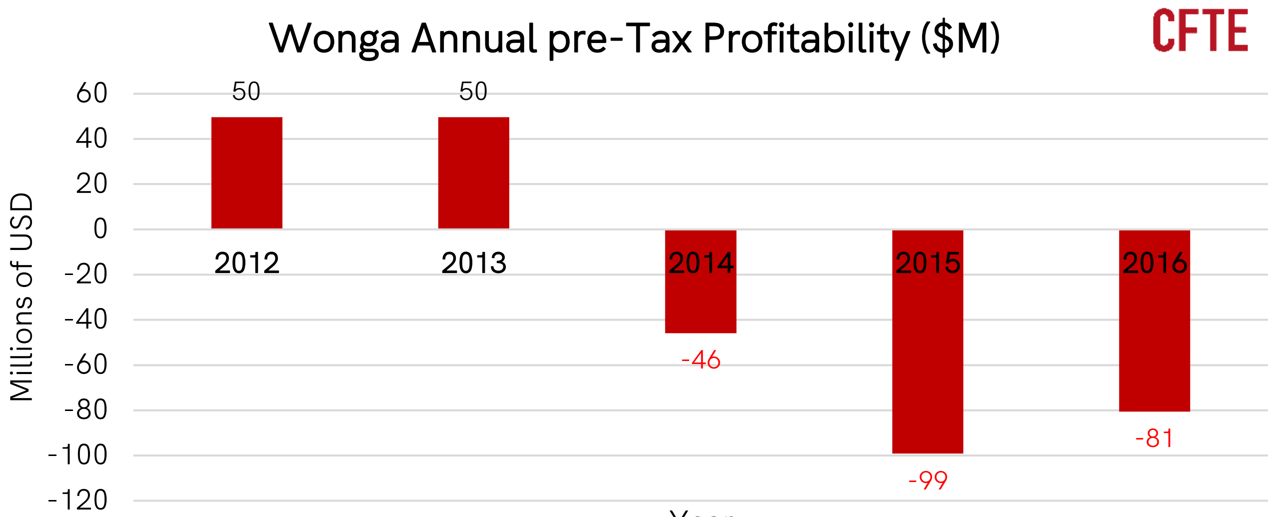
Milestones

2014	2015	2016	2017	2018
Forced to repay $23 million to clients for writing them fake legal letters to recover debts	Sells Everline, Wonga's small-business lending arm Announces cutting 325 jobs amidst declining profitability	FCA determines Wonga meets new standards to carry out consumer lending	270,000 customers' data stolen Sells Billpay, its operation in Germany	Collapses into Administration

Performance

Wonga's use of fake lawyers' letters to speed up its debt collection process cost it $3.25M in compensation to 45,000 customers. This discovery triggered a full-scale investigation unearthing other offences such as adding unreasonable charges to customers' accounts. The FCA found Wonga hadn't adequately assessed repayment ability, forcing it to write off all or part of loans to 330,000 customers, costing it another $273M. Additionally, the FCA capped loan rates and charges in 2014, forcing many payday lenders to withdraw from the UK market.

In 2015, Wonga saw revenue fall by about 30% from $393.4M to $271.4M and its small business lending line was sold after never gaining traction. Trust in Wonga was further damaged by 270,000 customers' data being stolen in 2017, and it finally collapsed in 2018 amidst a surge in complaints over interest rates for pre-2014 loans.



Source: CFTE

Wonga Funding

Date	Series	Amount	Lead investors
Jan-06	Seed	undisclosed	LocalGlobal
Jun-07	A	$5.95M	Balderton Capital
Jun-09	B	$22.3M	83 North, Accel
Dec-10	C	$113.93M	Oak Investment Partners
Aug-18	Venture	$12.9M	Accel, Balderton Capital

Source: CFTE

17. Coinbase

coinbase

Sector: Crypto
Type: Scaling

Main highlights

- User base has grown from 1 million in early 2014 to 25 million today
- Has generated partnerships with mainstream financial institutions, such as Visa
- Now available in 53 countries

"Buy and sell cryptocurrency"

In 2014 Coinbase was a large player in the crypto space offering crypto banking services. It had the second most downloaded consumer bitcoin wallet and was rapidly growing, as it had been founded in 2013. However, it was limited to the US market.

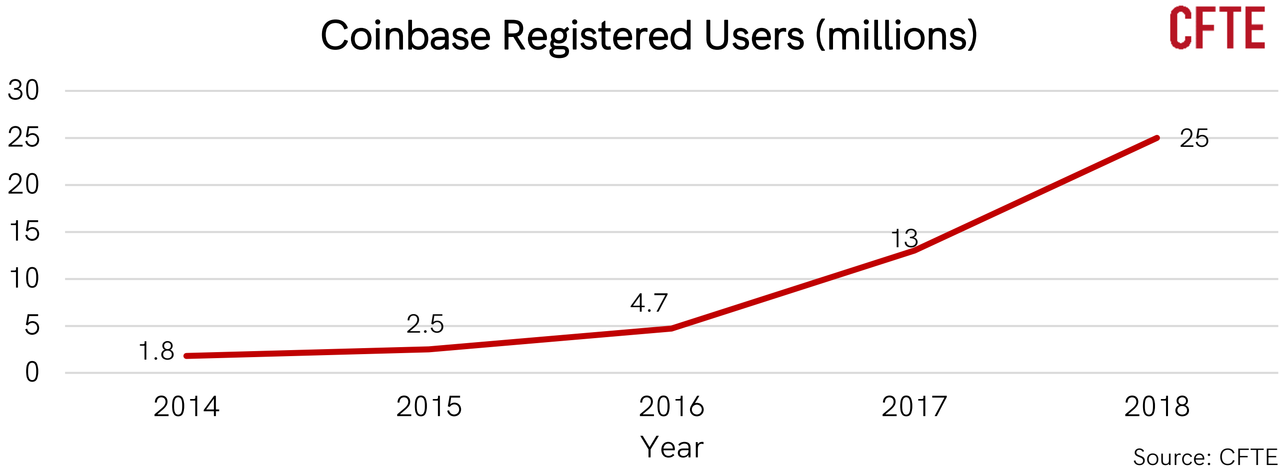
To date, Coinbase has expanded into different cryptocurrencies and internationally. It is now available in 53 countries and has expanded into 46 cryptocurrencies and a visa debit card which is funded by customers' cryptocurrency accounts. It is highly dependent on user trust as other crypto banks have shut down after hacks or scandals.

Milestones

2014	2015	2016	2017	2018	2019
Added bitcoin processing capabilities to Stripe, PayPal, and Braintree Expands into Europe	Begins offering services in Canada	Surpasses Charles Schwab with over 11 million accounts	Growth peaks with addition of 100,000 users per day	Forced to hand over user data to the IRS Launches a venture fund focused on blockchain	Launches bitcoin backed Visa debit card in the UK Suspends use of Ethereum classic due to security concerns

Performance

Coinbase is now a dominant cryptocurrency financial institution, with over 25 million users. While other exchanges may host more daily transactions, Coinbase differentiates itself through its security. It is so influential that adding a new cryptocurrency to its exchange typically raises the crypto's price substantially (the Coinbase effect). 2017 saw incredibly rapid growth on the backs of a crypto boom, and the following slowdown was limited when the bubble burst in late 2017. Coinbase's valuation has continued increasing despite the boom and bust, growing from $500 million in July 2016 to $1.6 billion in August 2017 to $8.05 billion in October 2018.



Source: CFTE

Coinbase Funding

Date	Series	Amount	Lead investors
Sept-12	Seed	$600K	Y Combinator
May-13	A	$6.1M	SV Angel, Union Square Ventures
Dec-13	B	$25M	Andreesson Horovitz
Jan-15	C	$75M	DFJ
Jul-16	Venture	$10.5M	Bank of Tokyo- Mitsubishi
Aug-17	D	$108.1M	IVP
Oct-18	E	$300M	Tiger Global Management

Source: CFTE

18. Credit Karma

Sector: Credit Scoring
Type: Scaling

Main highlights

- Quadrupled users from 21M in 2014 to 85M in 2018
- Is branching out into tax filing, mortgages, and insurance
- Bought British Noddle in 2018 to support its UK expansion

"Know your credit score, build your future"

In 2014 Credit Karma was centered around showing users' credit scores, providing credit scores from TransUnion in exchange for selling users' financial data. It was simple and rapidly growing, as it was the first to offer credit scores for free, with no strings attached.

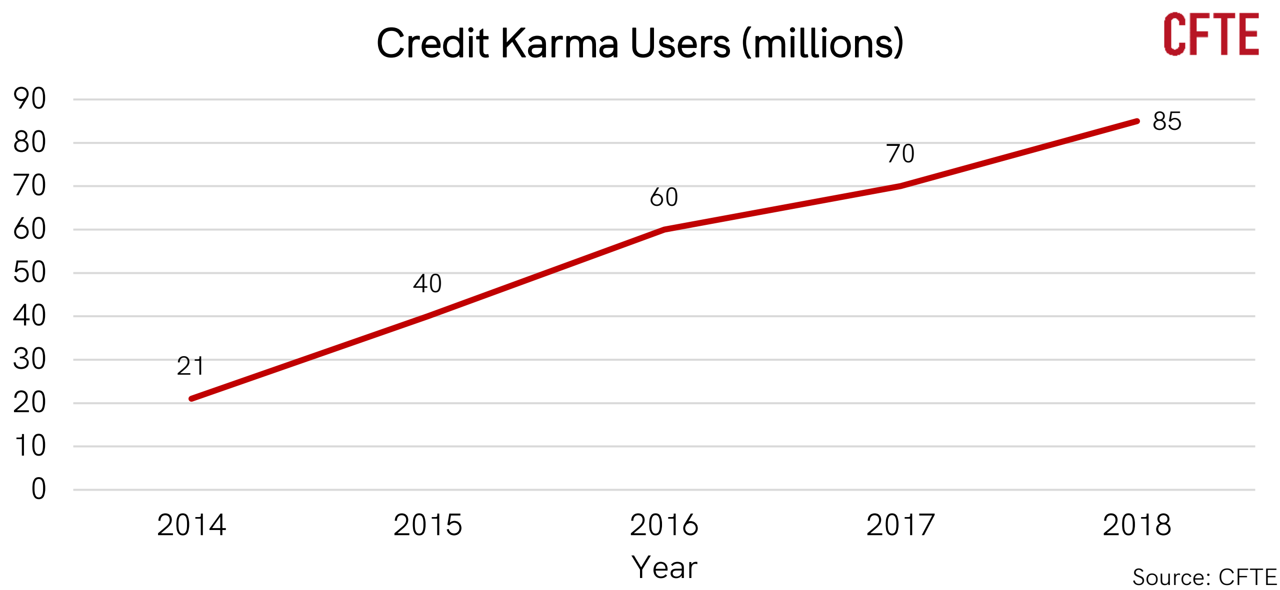
To date, despite international expansion, most of Credit Karma's users remain in the US. It has branched out into credit score disputes, insurance, mortgages, and tax filings, and is now able to use lenders' underwriting models to tell users whether they'd be approved for loans.

Milestones

2014	2015	2016	2017	2018
Adds free access to score from Experian	Rolls out feature to dispute credit score	Expands into Canada Becomes profitable	Filed 1M tax returns in first tax season	Buys British credit scorer Noddle to expand into UK Lenders start sharing underwriting models so Credit Karma can predetermine approval

Performance

Credit Karma has quadrupled its number of users, primarily due to US growth. Its success has triggered freemium imitation from credit scorers and others, but it has retained market leadership. It is now valued at $4 billion, has been profitable since 2016, and earned revenue of $682M in 2017.



Source: CFTE

Credit Karma Funding

Date	Series	Amount	Lead investors
Oct-08	Seed	$.5M	Pathfinder
Nov-09	A	$2.5M	QED Investors
Apr-13	B	$30M	Susquehanna Growth Equity
Mar-14	C	$85M	Google Capital
Sep-14	C	$75M	SV Angel
Jun-15	D	$175M	Tiger Global

Source: CFTE

19. LearnVest

Sector: Wealth Management
Type: Acquired, Uncertain

Main highlights

- Purchased by Northwestern Mutual for approximately $250 million in 2015
- Website and app have been shut down
- As of 2018, had 3x as many employees as at acquisition (450 vs 150)

"Make progress with your money"

In 2014 LearnVest was a rapidly expanding American firm that had 3 basic business lines; a financial planning business which had about 10,000 premium clients paying $19.99 per month (and a $299 upfront fee) for investment management from LearnVest's (human) financial advisors, a content platform on personal financial management directed at millennials, and a personal financial management app and portal, with 1.5 million registered customers. Customers were recruited for innovative products such as financial management bootcamps which they'd receive via email newsletter.

To date, LearnVest's integration with Northwestern represented a major pivot from its original fee-only model, as it earned returns for Northwestern by referring users to Northwestern's advisors. It stopped focusing on women, and then eliminated its standalone app and website. It is primarily used by Northwestern to overhaul Northwestern's investment advice platform to build a more efficient in-house financial planning tool.

Performance

Despite being hailed as a "match made in heaven" by Northwestern Mutual CEO John Schlifske when Northwestern Mutual acquired LearnVest for roughly $250 million in 2015, its website and app were shut down in June 2018. It was hailed as a content rebrand, but the LearnVest website now only redirects to Northwestern Mutual. However, some argue that Northwestern benefited from the deal because of the financial planning software and 1.5 million leads that LearnVest came with. And LearnVest's recent employee headcount growth, from 150 in 2015 before the acquisition, to 450 in 2018, supports this hypothesis.

LearnVest Funding

Date	Series	Amount	Lead investors
Nov-09	A	$1.1M	Rose Tech Ventures, Circle
Apr-10	A	$4.43M	Accel Partners
Jun-11	B	$14M	PKS Capital, Peter Kellner

Source: CFTE

20. Personal Capital

Sector: Robo Advisor
Type: Growing

Main highlights

- Has grown from $800M to $10 billion assets under management since 2014
- Has greater revenues than robo rivals but fewer assets under management
- Kept focus on wealthy US investors, though it decreased its minimum investment to $25K

"Take control of your financial life"

In 2014 Personal Capital was a hybrid robo advisor focusing on comfortable US investors. It offered free access to a platform that consolidates and tracks financial accounts and tried to recruit the users to its more expensive wealth management service, which included advice from its algorithms and through video chat.

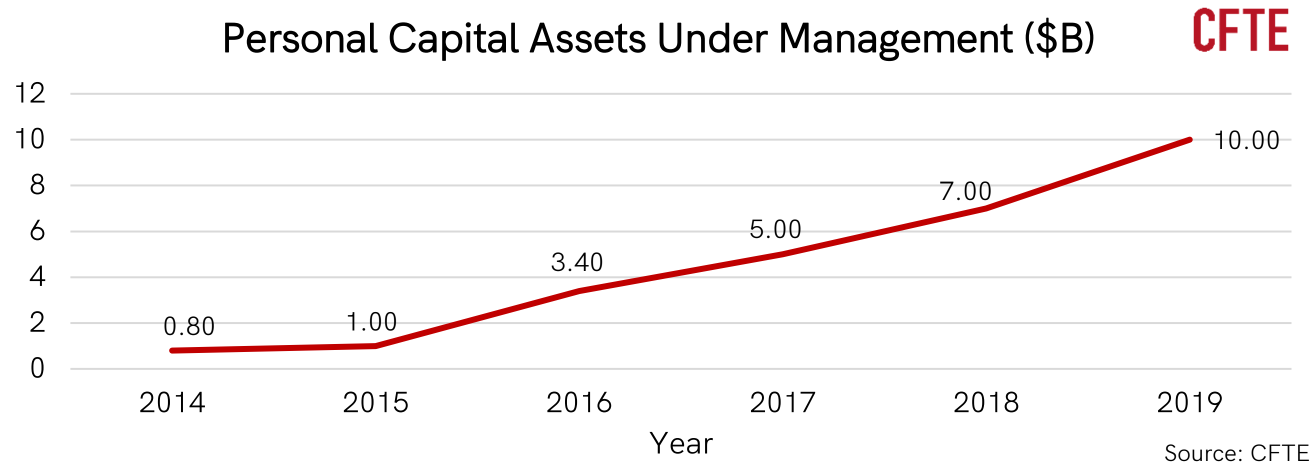
To date, Personal Capital has rapidly expanded while maintaining its focus on US investors. It has lowered its minimum investment amount from $100,000 to $25,000, and introduced new products such as high yield savings accounts, retirement planning, and access to private equity. It doesn't discuss international expansion and is satisfied with its high revenue hybrid model.

Milestones

2014	2015	2016	2017	2018
Introduces retirement planning tool Lowered minimum investment from $100K to $25K	Reaches $2B in assets under management	Launches financial fitness program through Silicon Valley COO Jay Shah is promoted to CEO. CEO Bill Harris is retained as an advisor	Begins selling private equity access through iCapital Network	Launches high yield savings account (w/ 2.3% apy) Reaches $10B Assets under management

Performance

Personal Capital has increased its assets under management from $800 million to $10 billion over the last 5 years, and now has 2 million unpaid and 21,000 paid users. It lags behind rivals Betterment and Wealthfront, with $16 billion and $13.5 billion under management, respectively, but earns more revenue thanks to its higher fees. It also has to contend with robo advisors and hybrid offerings from entrenched competitors such as Vanguard. A number of competitors have emulated its hybrid approach as more come to believe investors want some human assistance, and Personal Capital claims it only needed the funds from its recent raises to accelerate growth.



Source: CFTE

Personal Capital Funding

Date	Series	Amount	Lead investors
Jul-09	Seed	$2M	Bill Harris
Dec-09	Seed	$1.5M	undisclosed
Jun-10	A	$10M	IVP
Jan-11	B	$25M	undisclosed
Mar-13	B	$20.02M	Venrock Associates
Jul-13	C	$27M	Crosslink Capital
Oct-14	D	$50M	Corsair, BBVA, USAA
Jul-16	E	$75M	IGM Financial
Aug-17	E	$39.5M	IGM Fin, Correlation Ventures
Feb-19	F	$50M	IGM Financial

Source: CFTE

21. BitPay

Sector: Crypto
Type: Growing

Main highlights

- Grown from $1 million to over $1 billion annual transactions
- Introduced a visa backed debit card that's available in over 130 countries
- Has grown to over 1 million users and 100,000 merchants

"Accept Bitcoin for online payments"

In 2014 BitPay was the largest bitcoin payment service, as 53,000 of the 100,000 merchants who accepted bitcoin received it through BitPay. It focused solely on bitcoin, believing it would achieve widespread adoption.

To date, BitPay has settlement support for Bitcoin Cash and stable coins but retains its focus on bitcoin itself. It has increased its number of partners and transactions, and improved its internal systems, reducing error rates dramatically. It also offers a prepaid Visa debit card.

Milestones

2014	2015	2016	2017	2018	2019
Reaches deal to integrate bitpay into international payments startup Adyen's systems. Partners with PayPal, Toshiba, and Microsoft	Launches Bitpay wallet out of beta	Launches visa debit card	Visa debit card expanded to 100 new countries, raising the total to 131	Receives virtual currency license from NYDFS Funds lost to payment errors dropped from over 8% in December 2017 to under 1%	Partners with Refundo to enable US tax returns in bitcoin Partners with Corporate Travellers and AT&T

Performance

BitPay has grown substantially since 2014 along with Bitcoin use and has maintained its dominant position in bitcoin payments. Its use didn't increase in 2018 due to the decline in crypto markets, but the lack of a substantial decline suggests that bitcoin use, and therefore BitPay, has some staying power.

BitPay Funding

Date	Series	Amount	Lead investors
Jan-13	Seed	$.51M	undisclosed
May-13	Seed	$2M	Founders Fund
May-14	A	$30M	Index Ventures
Dec-17	B	$30M	Aquiline Technology Growth
Sep-15	Venture	undisclosed	Virgin Group
Apr-18	B	$10M	Aquiline Capital Partners

Source: CFTE

22. OurCrowd

OurCrowd

Sector: Crowdfunding
Type: Growing

Main highlights

- Has kept market leadership in a growing industry
- Raised over $1 billion, $940 million of that since 2014
- Has increased its presence in Asia

"A better way to invest in startups"

In 2014 OurCrowd was a rapidly growing new equity crowdfunding platform. It only had offices in the US, Australia, and Israel but had a very international investor base, with its 7,000 investors dispersed across 94 countries. It was already an industry leader, had the first crowdfunded equity IPO exit, and was in the process of raising the largest equity crowdfunding round in industry history ($5.6M).

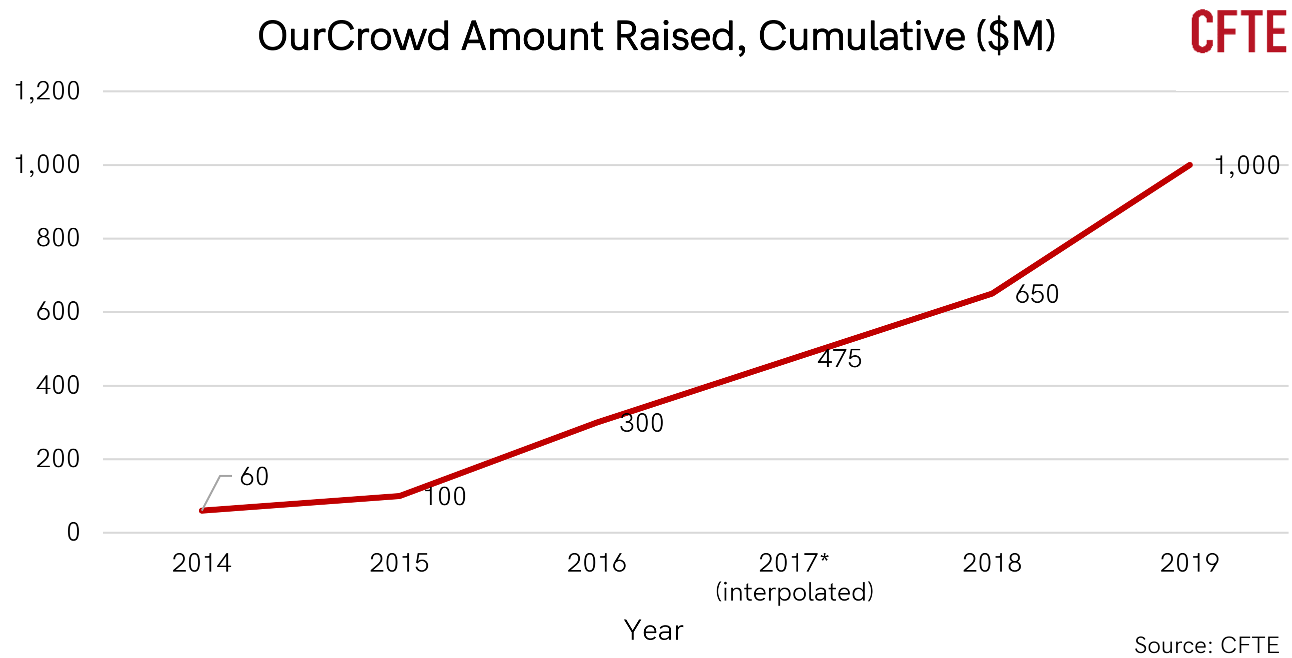
To date, OurCrowd has continued its rapid expansion, reaching $1 billion raised in 2019. It now has 11 offices on 4 continents and has diversified its investor base. Though its primary investor base remains in North America, a majority of funds raised in 2017 were from Asia.

Milestones

2014	2015	2016	2017	2018
ReWalk's IPO marks OurCrowd's first exit	Reaches 10,000 accredited investors	Introduces revamped website	Marks shift to Asia by raising 50% of funds there Opens 3 new offices, for a total of 10	Reaches $1 billion in assets under management Reaches 21 exits

Performance

OurCrowd has remained the industry leader, expanding significantly into Asia. It has raised over 16 times the $60 million it had raised by mid-2014 and has achieved 29 successful exits. It has grown to 30,000 investors that have invested in 170 countries and 18 funds.



Source: CFTE

OurCrowd Funding

Date	Series	Amount	Lead investors
Feb-13	A	$5.5M	Alta Berkeley Venture Partners
Apr-14	B	$25M	Geoff Levy
Mar-16	Venture	$10M	United Overseas Bank
Sep-16	C	$72M	United Overseas Bank

Source: CFTE

23. CircleUp

Sector: Crowdfunding
Type: Growing

Main highlights

- Has raised $390 million for 255 companies from over 20,000 accredited investors
- Has become more quantitative, investing in AI to select investments for its $125M growth fund
- Created a secondary market allowing CircleUp investors to sell shares in CircleUp companies twice per year

"Creating a transparent and efficient market to drive innovation for consumer brands"

In 2014 CircleUp represented several new concepts; democratizing venture capital by allowing any accredited investor to invest in series A consumer firms selected using quantitative data. It had won over a number of backers but hadn't proven the success of its model. It allowed accredited investors to invest in startups with over $1 million with revenue in tranches averaging $1 million.

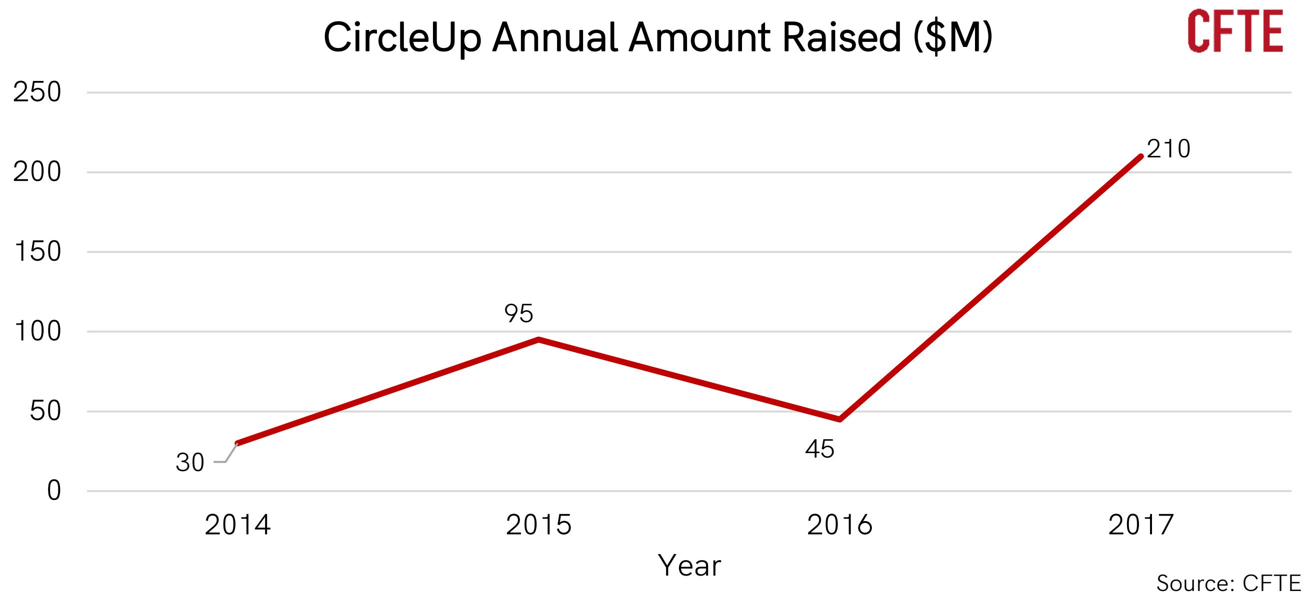
To date, CircleUp has only become more quantitative. It has expanded, introducing a $125 million growth fund in 2017, and has invested heavily in AI for its proprietary analysis of applicants. And it now has a secondary market allowing shareholders to sell shares from their CircleUp portfolio once a year. Its average investment size has grown slightly, to about $2 million, and it still has portfolio managers making the final decision of whether to invest as algorithms give them more and more advice.

Milestones

2014	2015	2016	2017	2018	2019
Introduces secondary market allowing shareholders to sell shares twice a year Partners with Collaborative Fund to invest in benefit corporations	General Mills launches multimillion-dollar capital fund via CircleUp	Launches Classifier, which analyzes each company which applies to CircleUp	Introduces machine learning platform Helio to analyze its applicants	Rolls out oversubscribed $125M growth fund	Jet partners with CircleUp to sell products of firms CircleUp thinks will take off

Performance

CircleUp has achieved takeoff, with many investors and companies demonstrating interest. Since launch it has raised $390 million for more than 255 companies from its network of over 20,000 accredited investors. It had powerful supporters for years, but it's $125 million growth fund was quickly oversubscribed in 2017. Its valuation from its latest funding round was not disclosed, but CircleUp clarified that it's not a unicorn.



Source: CFTE

CircleUp Funding

Date	Series	Amount	Lead investors
Apr-12	Seed	$1.5M	undisclosed
May-13	A	$7.5M	Union Square Ventures
Mar-14	B	$14M	Canaan Partners
Nov-15	C	$30M	Collaborative Fund

Source: CFTE

24. PayNearMe

Sector: Payments
Type: Growing

Main highlights

- Has grown from 18,000 to 27,000 locations
- Merged with Prism, a payment app, in 2016
- Now accepts debit and credit cards

"All your transfers at your fingertips"

In 2014, PayNearMe was a startup focusing on the challenges of the unbanked and underbanked - those 25% of Americans without good access to financial services accounts. It provided options for these Americans to pay bills and transfer money using cash, without establishing a bank account. It had recently launched a partnership with Family Dollar so customers could now make or receive payments from over 17,000 locations.

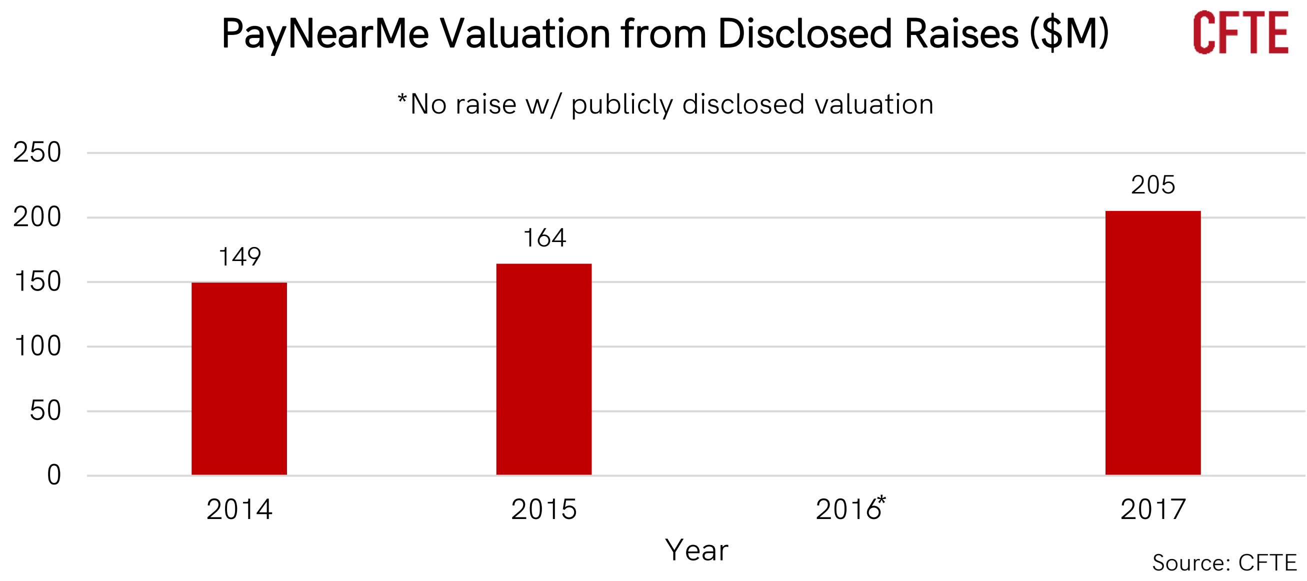
To date, PayNearMe has kept focused on payments for those unable or unwilling to use banks, but has expanded its number of options. It now is present in more stores, thanks to partnerships with Fidelity Express and CVS, and allows payment of taxes and other charges through an app that accepts cash, debit, credit, and can send them through the Automated Clearing House.

Milestones

2014	2015	2016	2017	2018
Partners with Family Dollar to reach 17,000 locations (total)	Launches app that allows bills to be paid in cash at 7-Eleven using a barcode scan of their app	Creates Handle Financial, partners with Fidelity Acquires financial management app, Prism money	Begins offering federal income tax payments from 7-Eleven Reaches deal with CVS, reaches 27,000 locations (total)	Introduces electronic payment options, including a debit card

Performance

PayNearMe claims to be growing rapidly. It states that use of its cash app increased 25% month on month in 2018, and that its volume transacted tripled between 2013 and 2014. It reportedly failed to receive a funding round in 2015 when it temporarily lost its partnership with Family Dollar but has recovered and expanded since. Now it is a wholly owned subsidiary of Handle Financial, which grew out of PayNearMe after the 2016 merger with Prism, a payment app.



PayNearMe Funding

Date	Series	Amount	Lead investors
May-09	A	$3M	True Ventures
Feb-10	B	$3.3M	Kapor Capital
Nov-10	C	$16.6M	Khosla Ventures
Feb-13	D	$12.1M	August Capital
Feb-14	E	$20M	GSV Capital
Apr-15	E	$14.7M	7 Ventures, Ares Capital

Source: CFTE

25. SecureKey

Sector: Identity Management
Type: Uncertain

Main highlights

- Has new partnerships with a number of Canadian banks and governments
- Introduced blockchain-based digital ID verification system for Canadians, verified.me, in 2019
- Won $800K grant from US Department of Homeland Security to build a digital identity network

"Your identity in your control"

In 2014 SecureKey was a cyber security firm focused on online identity management online. It eliminates the need for passwords using software on your laptop or phone.

To date, SecureKey is still focused on identity verification for users of financial services and now has partnerships with major banks and governments to use its Canadian blockchain based verification system, which verifies identity using an app.

Milestones

2014	2015	2016	2017	2018	2019
Partners with British Colombia to launch new services card for online authentication	Becomes first identity and authentication provider to be authorized to operate connect.gov	Receives $800K grant from US Dept. of Homeland Security to create Cloud Identity Ecosystem	Began working with IBM on a blockchain-based digital identity verification system for Canadians that became verified.me	Insurer Sun Life Financial signs on to verified.me digital ecosystem	Verified.me is now available at 5 Canadian banks

Performance

SecureKey's performance is difficult to determine, as even its valuation at its raises wasn't disclosed. It does have a number of new partnerships with leading Canadian Banks and received a grant from the US Department of Homeland Security to create a privacy enhancing cloud ecosystem. Within months of launching its blockchain powered digital ID verification app it was used by Royal Bank of Canada, Toronto-Dominion Bank, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, and Desjardins Group. It will also be expanding soon to Bank of Montreal, National Bank of Canada, and Sun Life Financial. This system's limited to Canada.

But number of clients reached, revenue, and other data aren't disclosed.

SecureKey Funding

Date	Series	Amount	Lead investors
Dec-10	A	$43M	Bill Harris
May-12	B	$30M	Intel Capital
Feb-15	C	$19M	Blue Sky Capital
Oct-16	D	$20.4M	BMO Bank of Montreal

Source: CFTE

26. Nutmeg

Sector: Robo Advisor
Type: Growing

Main highlights

- Has maintained market leadership, almost doubling users from 35,000 to 65,000
- Launched white label product in Taiwan with local bank
- Branching out into phone-based advice and pensions

"Invest in your future with a globally diversified portfolio"

In 2014, Nutmeg was a new robo investor trying to continue its 350% annual growth. It was only online and available for UK investors.

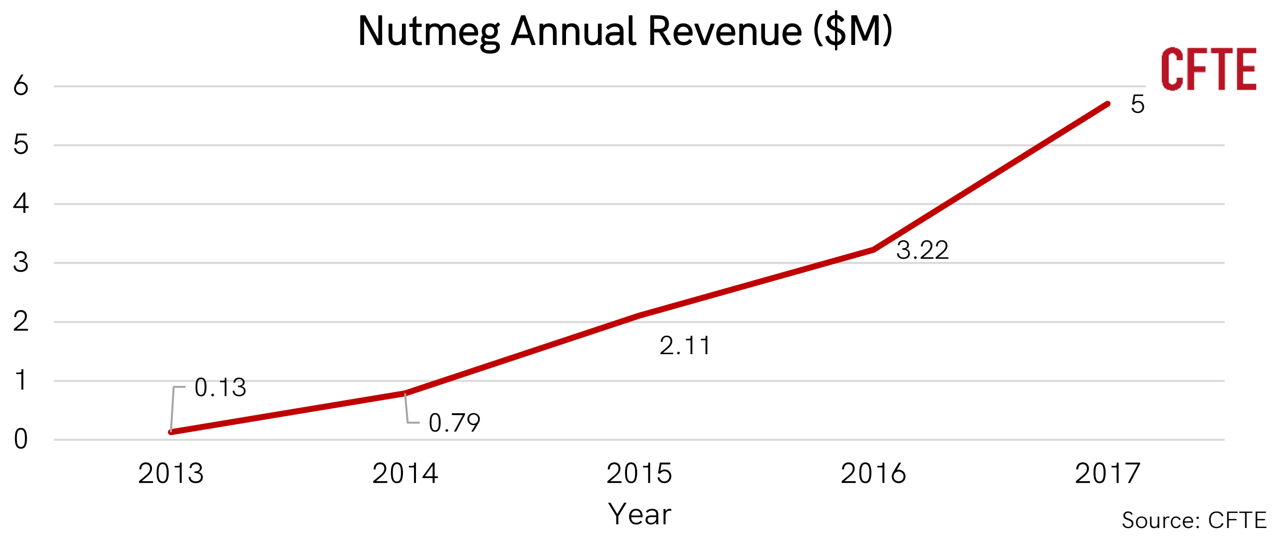
To date, Nutmeg still is focused on the UK but is starting to expand into Taiwan through a white label partnership with a Taiwanese bank. It's branched out by offering more investment products, including a pension plan, and phone-based advice service. It now has apps and is lowering fees and requirements in order to compete in a more crowded field with decreasing fees.

Milestones

2014	2015	2016	2017	2018	2019
Announces plans for pension product	Suffers client data breach	Launches iOS app	Launches Lifetime ISA as soon as it's permitted by the FCA Partners with challenger bank Fidor for UK fintech service Launches android app	Pilots phone-based advice service	Expands into Asia by opening app and tools to Tapei Fubon's 5 million customers

Performance

Nutmeg has grown to over 65,000 clients and now manages $1.86 billion but the question remains whether it can scale. It's fees, ranging from .25% to .75% of assets under management, earned it only $5.7 million in 2017, covering just over a fourth of its $21 million in operating expenses. Losses are increasing, reaching $15 million in 2017 as employee headcount and advertising costs rise. However, it claims to have 80% of the UK robo advising market, and robo advisors only have approximately 2% of the do-it-yourself UK investment market, so there's plenty of room for growth.



Source: CFTE

Nutmeg Funding

Date	Series	Amount	Lead investors
May-11	A	$1.14M	undisclosed
Apr-12	A	$2.44M	Efolio
Jun-12	A	$3.42M	Pentech Ventures, Draper Assoc.
Nov-13	B	$8.49M	undisclosed
Jun-14	C	$32.1M	Armada, Schroders, NKM
Nov-16	D	$52.23M	Convoy Global Holdings
Jan-19	D	$58.67M	Convoy, Goldman Sachs
Jun-19	Angel	$5.48M	Crowdcube (platform)

Source: CFTE

27. TransferWise

Sector: Fund Transfer
Type: Scaling

Main highlights

- Has grown almost 5,000%, transfers $5 billion per month now
- Reached profitability in 2017 despite lowering prices multiple times
- Offers borderless account and debit card in the US and Europe

"All your transfers at your fingertips"

In 2014, TransferWise was an exponentially growing money transfer service that transferred funds between customers in destinations rather than across international borders. It reached the milestone of a billion pounds transferred that year and was focused on cross border fund transfers between consumers. Most of its clients were in Europe, so it was cheaper for funds to be transferred across Europe than elsewhere.

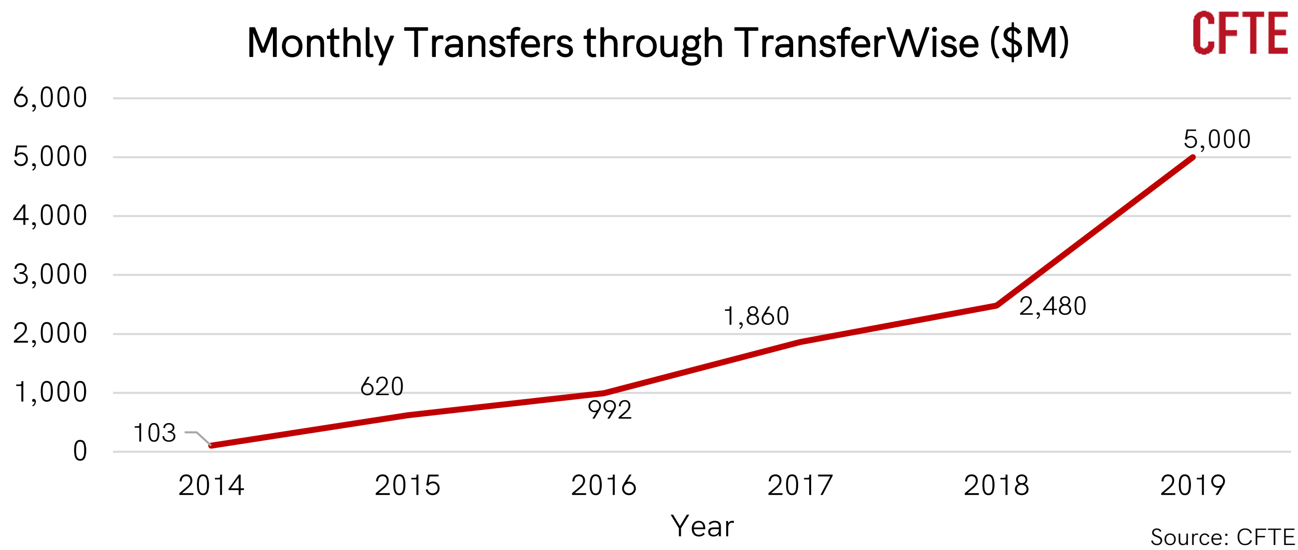
To date, TransferWise has maintained its focus on cross border money transfers and exponential growth. It now has $5 billion transferred per month over its network, making it much cheaper to use TransferWise to transfer funds across less common routes. It now has a borderless account and debit card available in the US and Europe and an API that banks can allow customers to use. It is focusing more on businesses, which conduct the bulk of international money transfers.

Milestones

2014	2015	2016	2017	2018	2019
Rehauls website, apps, and logo Begins primetime UK ad campaign	Nears unicorn status with Andreessen Horowitz investment	Launches business payment service in US	Breaks even for first time	Launches borderless account and debit Mastercard in Europe Introduces API to transfer funds for bank customers	Expands borderless account and debit card to US

Performance

TransferWise has grown exponentially since 2014, with its monthly transfer volume increasing almost 50 times. It now has 4 million users and these economies of scale make it possible for to lower prices, as it has multiple times. It first earned a profit in 2017, and is hoping to keep growing rapidly, as it represents only approximately .1% of the $5-$10 trillion cross border transfer business. It was last valued at $3.5 billion in May 2019, in a secondary market transaction.



Source: CFTE

TransferWise Funding

Date	Series	Amount	Lead investors
Apr-12	Seed	$1.33M	IA Ventures, Index Venture
May-13	A	$6M	Valar Ventures
Jun-14	B	$25.99M	Richard Branson, Valar
Jan-15	C	$58.49M	Andreessen Horowitz
May-16	D	$25.97M	Baillie Gifford, Sapphire Ve.
Nov-17	E	$280M	Old Mutual Global

Source: CFTE

28. Betterment

Sector: Robo Advisor
Type: Scaling

Main highlights

- Assets under management grew 1500% from 2014 to 2019
- Maintained market leadership, remains the biggest robo advisor

"Betterment takes sophisticated investing strategies and makes them better with personalized guidance and tax-smart technology"

In 2014, Betterment offered a simple investing platform where algorithms invested clients' funds for them. Betterment's fees ranged from .35% plus $3 per month for those with under $10,000 on the platform to .15% for those with over $100,000. There was no minimum account balance. It was just introducing an option for institutional investors.

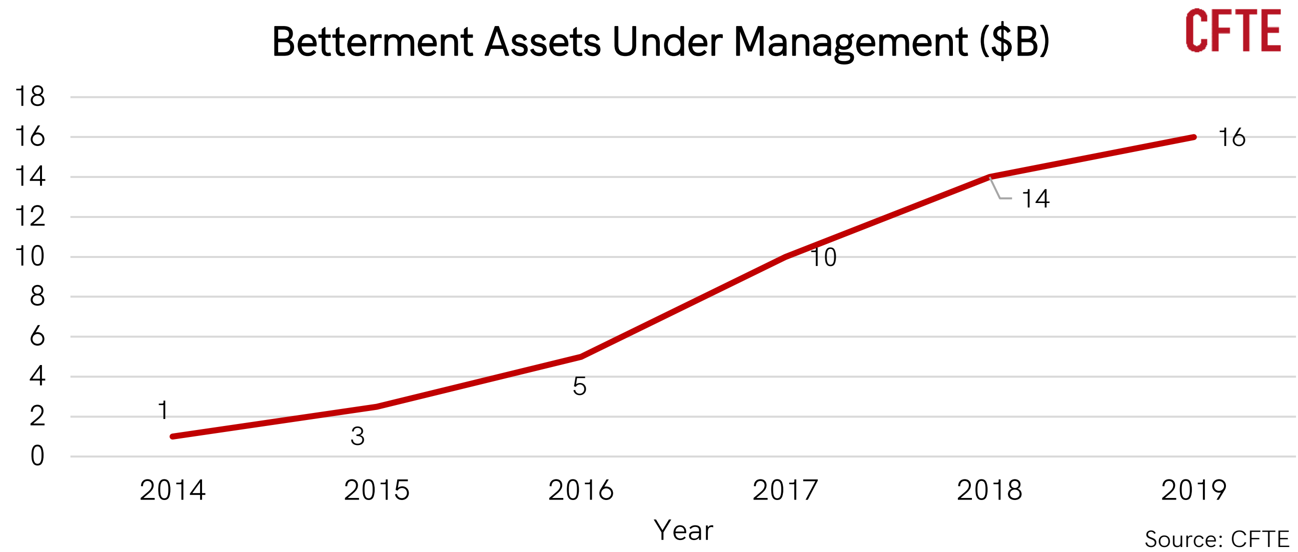
To date, Betterment, like many other robo advisors, has added human advisors, with the option of paying an additional .15% (on top of the new base of .25%) of AUM for direct access to estate planners and other experts. Clients must have $100,000 invested on the platform for access to the human advisors. Betterment has added more options for aggressive (passive) investing, tax loss harvesting, and retirement planning.

Milestones

2014	2015	2016	2017	2018	2019
Adds gray label service for financial advisors, including Fidelity's advisors Fidelity begins referring clients to Betterment in exchange for referral fees	Starts to provide 401(k) services	Launches account aggregator	Includes human advisors in its service and alters fee structure	Launches new portfolio strategy that allows for more client control and customization	Moves into HSAs through United Healthcare partnership

Performance

Betterment has been growing quickly, raising its assets under management from $1 billion in 2014 to $16 billion in 2019. It remains the largest robo advisor, with Wealthfront in second place with $13.5 billion under management. But percentage growth rates appear to be slowing amidst increased robo advisor competition coming from massive investment managers such as Schwab and Vanguard, while client acquisition costs are increasing.



Source: CFTE

Betterment Funding

Date	Series	Amount	Lead investors
Dec-2010	A	$3M	Bessemer Venture Partners
Oct-2012	B	$10M	Menlo Ventures
Apr-2014	C	$32M	Citi Ventures,Globespan Capital Partners
Feb-2015	D	$60M	Francisco Partners
Mar-2016	E	$100M	Kinnevik AB
Jul-2017	E	$70M	Kinnevik AB

Source: CFTE

29. SocietyOne

Sector: P2P Lending
Type: Growing

Main highlights

- Total loans issued has grown 2,300% since 2014, remains largest Australian P2P lender
- Partnered with companies such as Uber to deliver loans for different needs
- Backed by Westpac and News Corp Australia

"Australia's leading marketplace lender"

In 2014, SocietyOne had received a lot of attention for being the first Australian P2P lender and for offering free credit scores (whose launch generated so much demand its website crashed). It only lent online and offered lower rates than banks. It had a loan book of $25 million and was growing rapidly.

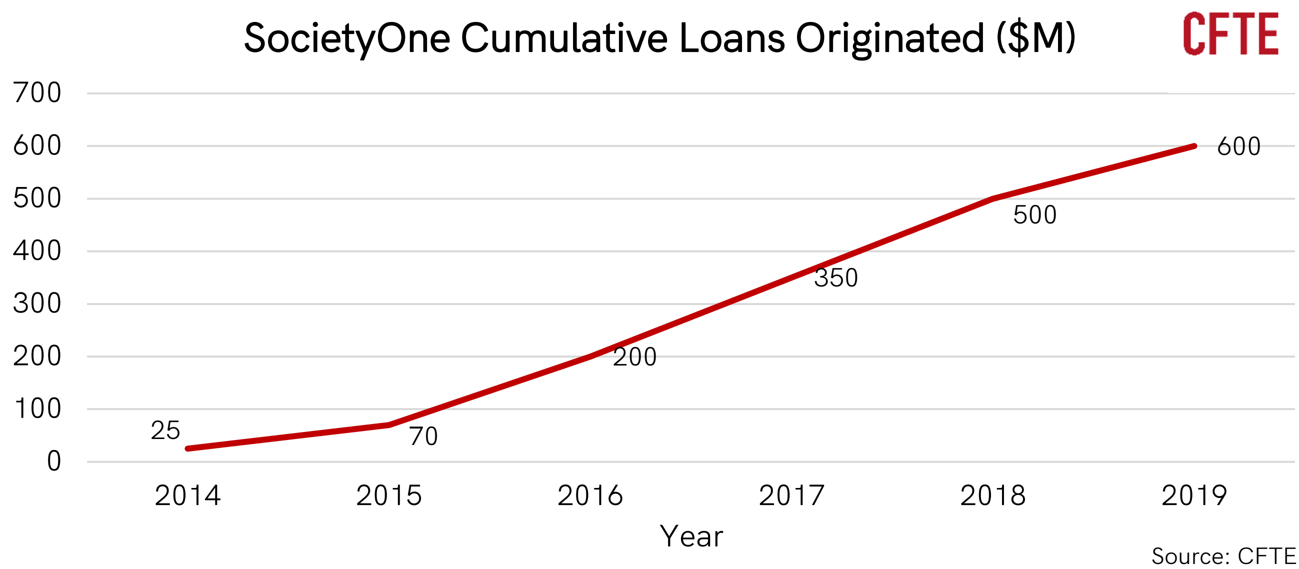
To date, SocietyOne still shares credit scores with borrowers to help them understand lending decisions but now gets most of its funds from traditional financial institutions such as banks and fund managers, as well as wealthy individuals. 24 investors conduct the vast majority of its lending.

Milestones

2014	2015	2016	2017	2018	2019
Australian Capital Equity, Consolidated Press Holdings and News Corp Australia invest in Society One Westpac's investment makes it one of the first big banks to take an equity stake in a P2P business	Uber partners with SocietyOne to deliver car loans to its drivers in Australia	Launch of first advertisement on National TV	Total loans reaches $300m	Launches new broker channel and loan application form	Establishes unit trust for smooth investor returns

Performance

SocietyOne remains the biggest P2P lender in Australia despite the entrance of Ratesetter in 2014 but SocietyOne's growth is taking longer than expected. The P2P lending market has grown slower than elsewhere, with projections varying as to when it will reach 6% of the consumer lending market, while P2P lending already constitutes 15% of the UK small business lending market. Its amount lent, however, has increased by 23 times since 2014, with its loan book surpassing $245M, and there are estimates it will break even this year.



Source: CFTE

SocietyOne Funding

Date	Series	Amount	Lead investors
Mar-14	A	$5.87M	undisclosed
Dec-14	B	$17.27M	undisclosed
Apr-16	C	$25M	undisclosed
Sep-16	Venture	$1.5M	Beyond Bank

Source: CFTE

30. eToro

Sector: Investing Platform
Type: Scaling

Main highlights

- Has grown from 3 million to 10 million users since 2014
- Has expanded into cryptocurrencies, now offering access to its full crypto exchange and wallet
- Kept focus on social trading and has added more features, including copy funds

"The world's leading social trading platform"

In 2014 eToro was a social investing company that made all trades visible, enabling anyone to copy the moves of top investors. Its trading and trade copy features were separate, done through different websites and apps. It had recently moved into cryptocurrency, enabling Bitcoin trading, though this was not available in the US.

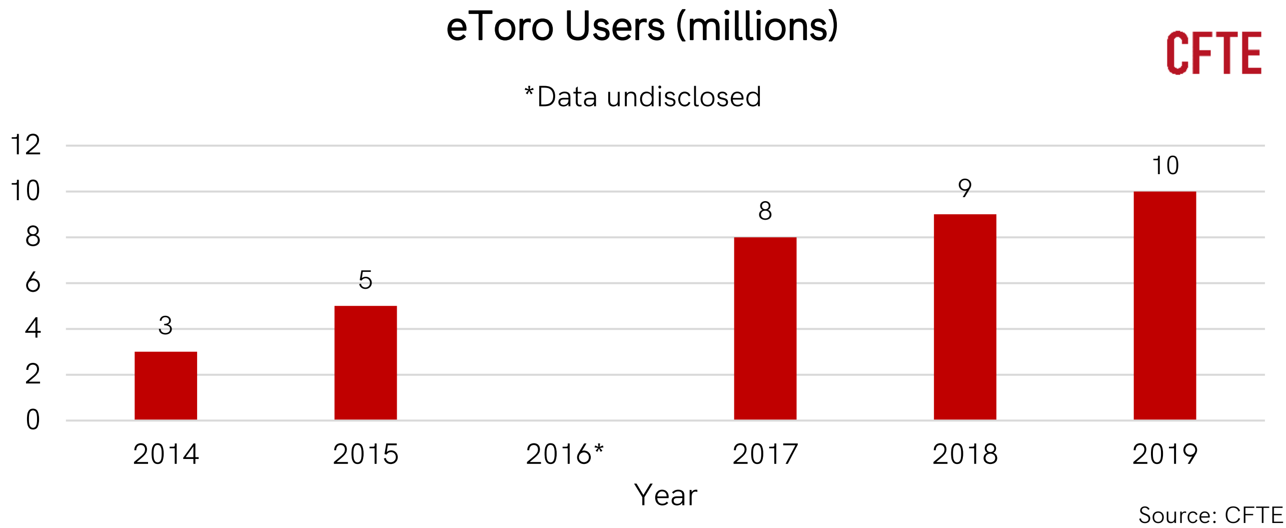
To date, eToro has combined its two websites and apps into one, enabling users to conduct all their trades on the same platform. It has introduced new social trading options and increased the number of crypto offerings as well as expanding them into the US. It has expanded geographically into China and Russia and has made more international companies available for investment. It has also increased its number of offerings for client education and support in multiple languages and now allows customers to buy underlying shares.

Milestones

2014	2015	2016	2017	2018	2019
Adds investor discovery tool, adds yuan and ruble to currencies	Launches in China and Russia	Adds $1 billion in deposits and adds 1 million users in Q4 alone	Introduces Ethereum, XRP, and Litecoin trading	Begins introducing crypto offerings in US	Launches crypto exchange and wallet which enable trading in 6 cryptos and 8 stablecoins
Introduces Bitcoin trading (through contracts for difference that track its price)	Overhauls platform	Adds $1 billion in deposits and adds 1 million users in Q4 alone		Introduces option for customers to own the underlying share	Rolls out full crypto offerings in US

Performance

Etoro has tripled its number of users since 2014, from 3 million to 10 million. It has grown and using its model of charging relatively high fees and spreads for trades, reached a $800 million valuation in its 2018 raise. Almost a trillion dollars in trades were conducted on its platform in 2019 and it has been profitable since 2016.



Source: CFTE

eToro Funding

Date	Series	Amount	Lead investors
Jan-07	A	$1.7M	Cubit Investments
Mar-09	B	$6.3M	BRM Group, Cubit
Jun-10	Venture	$1.05M	Social Leverage
Jan-11	B	$8.3M	Spark Capital, Social Lever.
Mar-11	C	$10.50M	Spark Capital
Apr-15	D	$39M	Ping An Insurance Group, Commerz Ventures
Mar-18	E	$100M	China Minsheng Financial

Source: CFTE

31. SumUp

Sector: Payments
Type: Scaling

Main highlights

- Achieved exponential growth of 14,367% from 2013 to 2016
- Has been the largest mobile point of sale service provider since merging with Payleven in 2016
- Now offers its payment options in 31 countries

"Card payments made simple"

In 2014 SumUp was an exponentially expanding startup that was following a strategy similar to Square's, which was founded 2 years earlier (2009) but hadn't entered Europe yet. It was best known for its dongle that accepted card payments as part of its effort to make it easier for small businesses to process card payments.

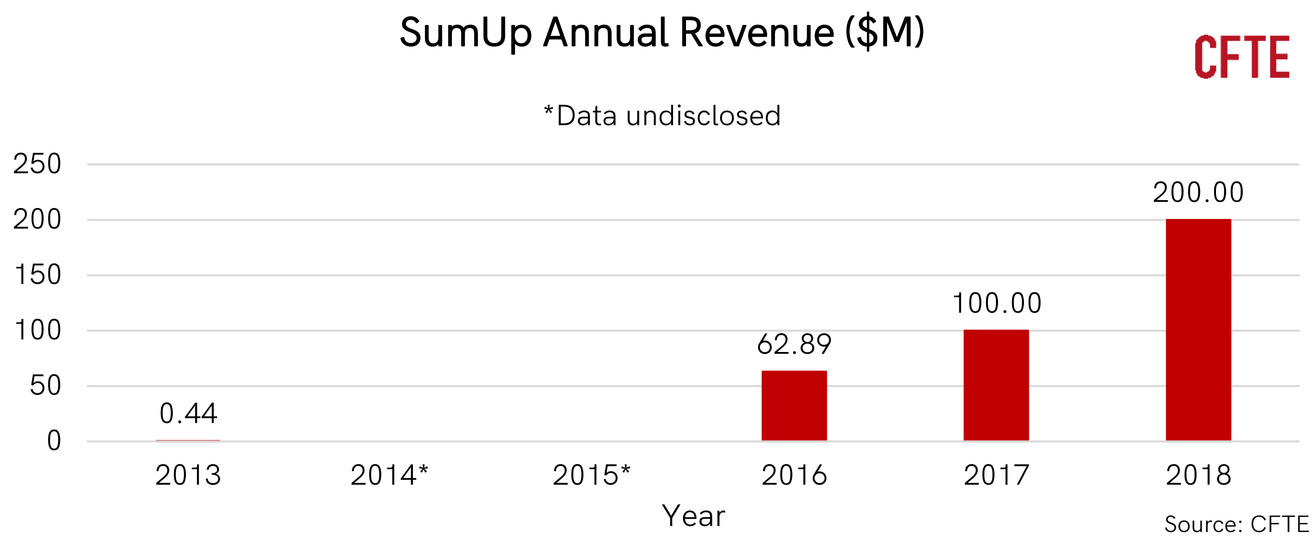
To date, SumUp has expanded geographically but has done less to add services, such as financing, than Square. It has expanded into the US, Chile, and most of Europe, and now operates in 31 countries. It also offers invoicing software and offers tools for ecommerce for small business, including online web creation and shipping.

Milestones

2014	2015	2016	2017	2018	2019
Integrates BitPay so merchants can accept bitcoin payments in Europe	Expands to US with launch of new payment terminal	Merges with Payleven to become the leading provider of mobile point of sale in Europe Reaches profitiability	Expands into 15 new European markets, reaching 31 countries in total	Partners with Church of England so parishioners can donate via card	Buys Polish e-commerce platform Shoplo and Danish Debitoor, an invoicing software platform

Performance

SumUp has experienced exponential growth, winning Inc's 5000 Europe 2018 with a revenue growth rate of 14,367% between 2013 and 2016. Its growth has slowed in percent terms but has still been rapid by any standard and has been the largest mobile point of sale service provider in Europe since its merger with competitor Payleven. It is now a unicorn and has been profitable since 2016.



Source: CFTE

SumUp Funding

Date	Series	Amount	Lead investors
Aug-12	A	$20M	b-to-v partners
Jul-13	B	undisclosed	American Express Ventures
Aug-14	C	$13M	Life.sreda, BBVA Ventures
Jun-15	—	undisclosed	VI Partners
Aug-15	D	$11.12M	Groupon, AmEx Ventures

Source: CFTE

32. Wecash

Sector: Credit Scoring
Type: Scaling

Main highlights

- Has grown from 600,000 to 130 million users
- Expanded into Brazil, Singapore, and Indonesia
- Applying for a virtual bank license in Hong Kong

"Transforming the consumer finance experience with technology"

In 2014, Wecash was expanding exponentially but erratically. It began as a consumer lending firm, but then began differentiating its product by advertising free credit scoring for university students and graduates. This provided large amounts of data and the opportunity to offer micro loans to qualified candidates. It also introduced a credit note where it would pay the merchant directly for consumers' purchases.

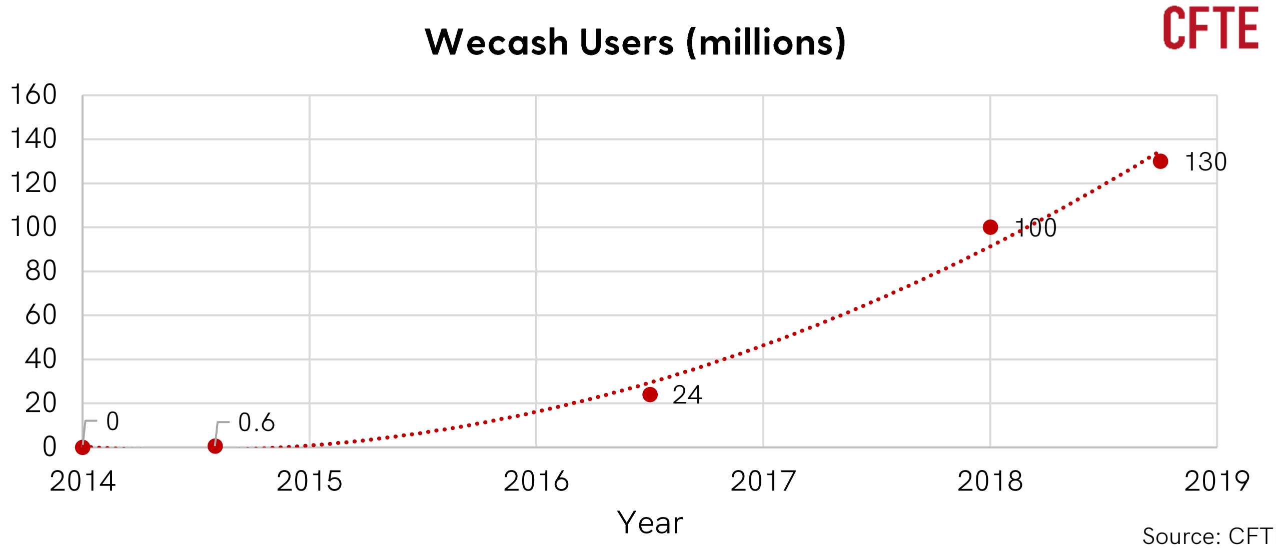
To date, Wecash has maintained its priorities since 2014, using 6,000 data points, from social media and other sources, to create credit scores. Wecash has continued growing, expanding into Singapore, Indonesia, and Brazil. It reduced time to determine credit from 20 to 15 minutes and it is now attempting to become a virtual bank in Hong Kong.

Milestones

2014	2015	2016	2017	2018	2019
Founded Begins offering micro loans and free credit scoring		Launches in Brazil	Enters Indonesia through joint venture with local partners	Applies for virtual banking license in Hong Kong Receives funding from Orix and SEA Group, plans joint expansion into Hong Kong	Abandons plans for India launch

Performance

Wecash has grown incredibly quickly and is probably a unicorn. It experienced 50% monthly growth after launching in 2014, reaching 600,000 users in 8 months, and now has 130 million users.



Source: CFTE

Wecash Funding

Date	Series	Amount	Lead investors
Sep-14	A	$10M	IDG Capital, Fintech Innovation Lab
Mar-15	B	$20M	SIG Ventures
Apr-17	C	$80M	China Merchants Innovation Investment
Mar-18	D	$160M	ORIX Asia Capital, SEA Group

Source: CFTE

33. Zopa

ZOPA

Sector: P2P Lending
Type: Growing

Main highlights

- Tripled lending from 2014 to more than $1.29B in 2018
- Launched a digital bank in late 2018

"Save, plan and invest, all in one place"

In 2014 Zopa was turning 9 years old and had recently lost its status as top UK P2P lender. It had a US presence but was focused on UK consumers and was just beginning to work with institutional investors.

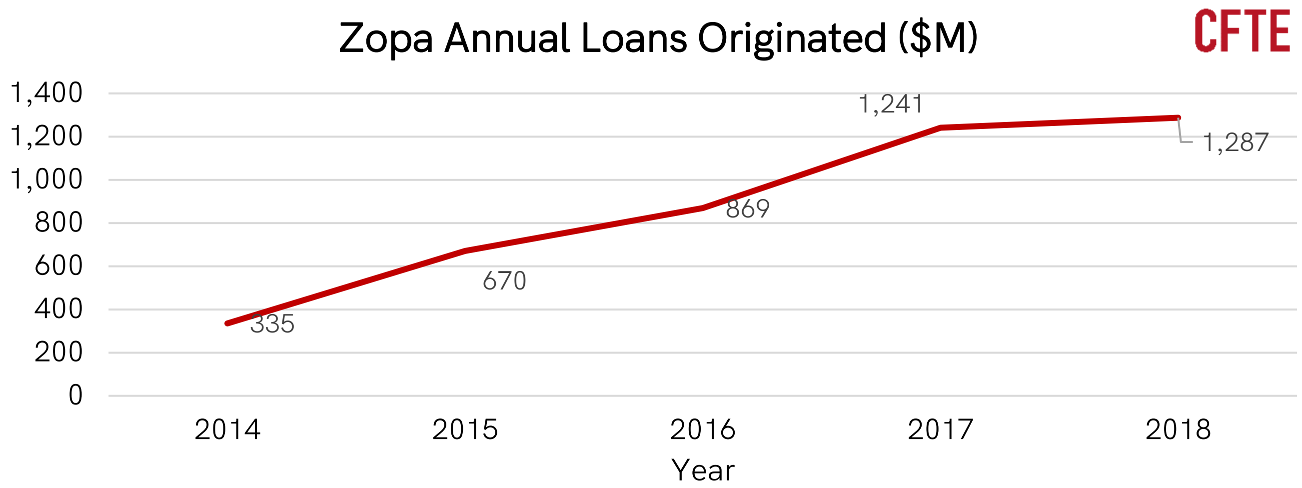
To date, Zopa has preserved its focus on consumer loans but now also receives substantial investment from institutional investors, accounting for almost half of its portfolio in 2017 thanks to partnerships with institutions like Metro Bank. It is trying to build its relationships with consumers in other ways, planning to launch a bank later this year after receiving its banking license the year before.

Milestones

2014	2015	2016	2017	2018
Started working with institutional investors	Lends its billionth pound, reaching 150K borrowers and almost 60K lenders	Applies for a banking license Issues securitization, Europe's first of unsecured consumer loans from an online platform	First P2P lender to receive full FCA authorization	Receives banking license Returns to full year profitability

Performance

Now Zopa is the second biggest UK P2P lender, lending $1.29 billion in 2018. It is branching out into digital retail banking as its position in the P2P marketplace solidifies, hoping to capitalize on its relationships with borrowers and its 330,000 lenders to generate demand for savings products and credit cards. Its valuation at raises has decreased since 2015 due to the shift in investors' outlook on P2P lenders and was valued at $535 million in its last publicly disclosed raise in November 2018.



Source: CFTE

Zopa Funding

Date	Series	Amount	Lead investors
Jan-05	A	$1M	undisclosed
Jul-06	B	$5M	undisclosed
Mar-06	B	$15M	undisclosed
Mar-07	C	$12.9M	Bessemer Venture Partners
Dec-12	D	undisclosed	Augmentum Capital
Jan-14	E	$18.6M	Arrowgrass Capital
Jun-17	F	$39.7M	Northzone, Wadhawan Global Capital
Nov-18	G	$19.8M	undisclosed

Source: CFTE

34. Nimble

NIMBLE
SMART LITTLE LOANS

Sector: Consumer Lending
Type: Growing

Main highlights

- Increased revenue 42% between 2014 and 2017
- Has doubled the total number of loans issued between 2014 and 2018
- Has increased max loan size to $3500

"Need money? No worries."

In 2014 Nimble was a ubiquitous short-term consumer loan issuer. It was beginning a very memorable, but controversial ad campaign featuring a socially awkward but reliable hipster in a bunny onesie. Its loan application process was short and only online.

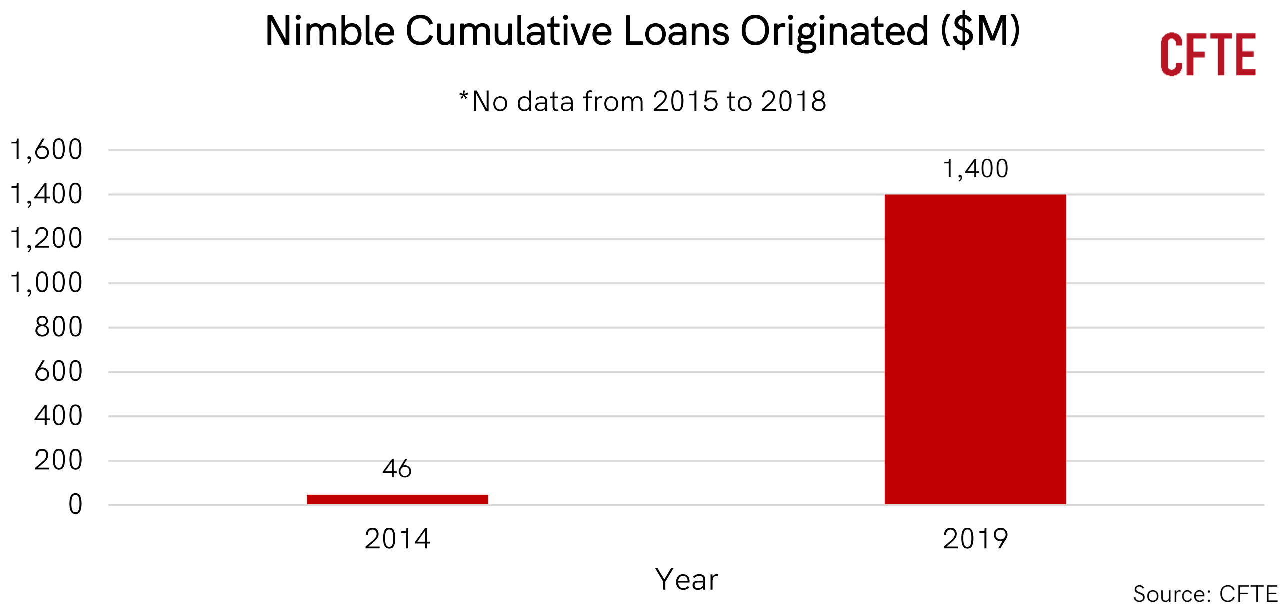
To date, Nimble faces far more scrutiny thanks to complaints, probes, and controversies around short term consumer lending. It has preserved its focus on short term loans in Australia, though it has increased its maximum loan size. Its application process remains online.

Milestones

2014	2015	2016	2017	2018
Launches famous Nimble bunny ad campaign	Increases max loan size to $3.5K	Nimble money forced to repay $1.05M to customers after government probe		Experienced banker and former regulator Gavin Slater joins as CEO

Performance

Despite investigations by regulators and a $1 million fine, Nimble is now profitable. It made about $3 million in 2017 on revenue of $39 million, 42% more than its 2014 revenue of $27.3 million. It was featured on BRW's Fast 100 2014 list, where its 63% growth was lauded.



Source: CFTE

Nimble Funding

Date	Series	Amount	Lead investors
Aug-13	Venture	$8.3M	Les Webb
Jun-14	Venture	$10M	Christian Faes

Source: CFTE

35. AngelList

AngelList

Sector: Crowdfunding
Type: Scaling

Main highlights

- Has quadrupled annual funding from 2014-2018
- Has successfully expanded hiring, product discovery, and startup service platforms
- Now has 23 unicorns in its portfolio and over $1 billion AUM

"Where the world meets startups"

In 2014, AngelList was rapidly expanding. Its biggest draw was its equity crowdfunding platform, but was branching out into new areas such as job searching. It had recently had several big listings, winning over investors and startups to the platform's potential.

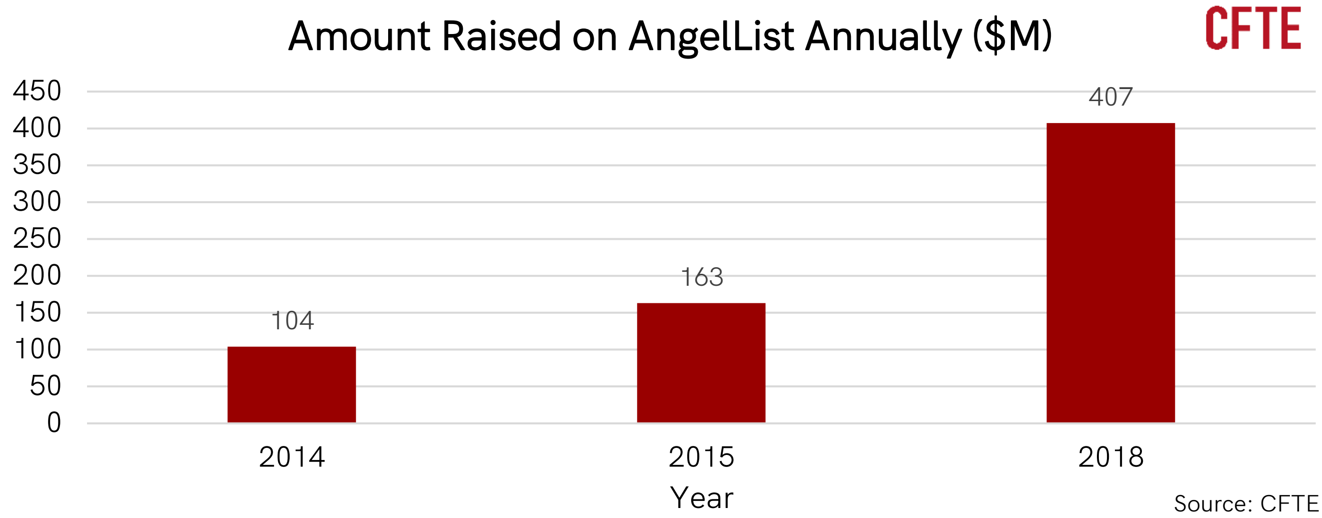
To date, AngelList is the dominant platform for equity crowdfunding and has successfully branched out into hiring, discovering startups and startup services. 28% of top tier US VC deals are in its portfolio, and over 50% of 2018 investments came from fully fledged venture firms that are managed in AngelList. Its new startup finder Product Hunt and toolkit Ship now have millions of users. It has reversed course on its original pledge for transparency, as 95% of its deals are now private.

Milestones

2014	2015	2016	2017	2018
Reached 263,000 investors	250,000 job seekers actively using AngelList Talent	Acquires Product Hunt, where people vote on new startups' products	Introduces beta version of Ship, a toolkit for startups	Products on Product Hunt receive 2.3M upvotes 2 million job seekers actively using AngelList Talent 2.7 million users sign up for Ship

Performance

AngelList has been very successful. It reached $1 billion in AUM in 2018, holding 23 unicorns in its portfolio. It's the largest marketplace for venture capital and startup hiring. And it publicly reported an internal rate of return for investors (after fees) of 45% from 2013-2015.



Source: CFTE

AngelList Funding

Date	Series	Amount	Lead investors
Jul-13	Seed	$.1M	SOSV
Sep-13	A	$24M	Atlas Ventures, GV
Mar-15	B	$2.1M	Slow Ventures, CrunchFund

Source: CFTE

36. Receivables Exchange/ LiquidX

Sector: Trade Finance
Type: Bankrupt, Growing

Main highlights

- Board members and CEO shifted assets to another company, LiquidX, to obtain funding (successfully) and evade creditors (unsuccessfully)
- LiquidX has experienced exponential growth, increasing trade volume to $7.4 billion in 2018 alone
- Expanding into international markets and other financial products

"The world's largest electronic platform for the transacting of trade finance, working capital, trade credit insurance and commercial loans"

In 2014 The Receivables Exchange was a struggling marketplace for accounts receivable. It had shuttered its small business division back in 2012 in order to prioritize selling large companies' invoices, in part through its partnership with the New York Stock Exchange. It had cut staff dramatically in 2013 and was searching for a new source of funding to tide it over until it became profitable. Its marketplace often had mismatches between buyers and sellers and was facing arbitration claims for fake accounts receivable sold on the platform.

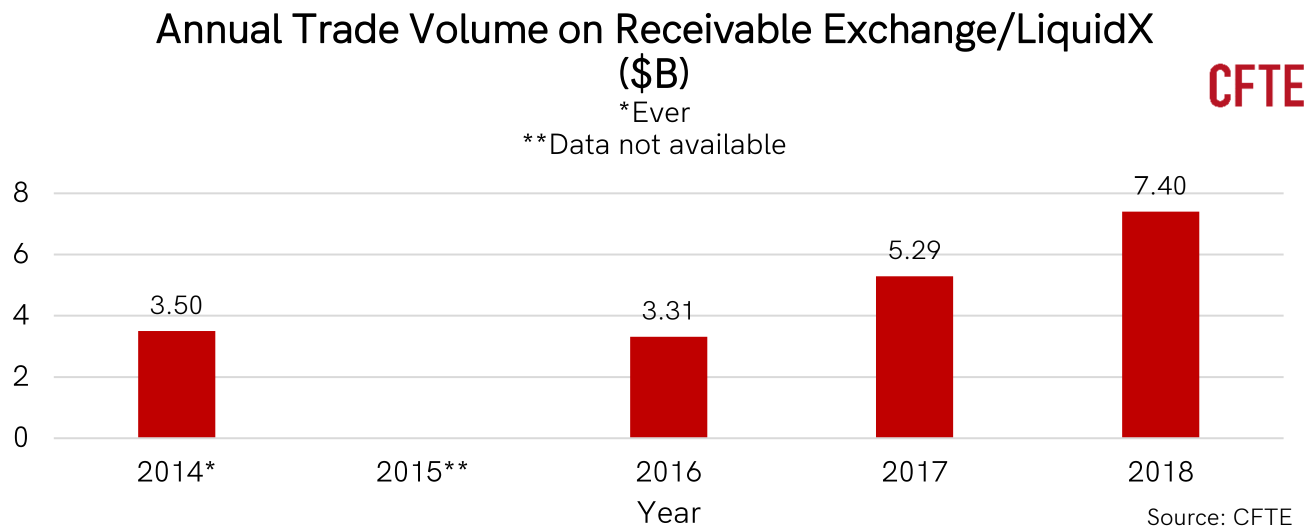
To date, LiquidX is still focused on large companies, but is branching out into trade credit insurance, remittances, and commercial loans and now offers a white label service for banks. It now has 2 offices outside the US, sharia compliant transactions, euro offerings and operates in 20 legal jurisdictions. In 2019 it also launched an e-marketplace for trade credit insurance with the insurance broker and risk manager Marsh. It digitizes assets using blockchain.

Milestones

2014	2015	2016	2017	2018	2019
LiquidX launched by Receivables Exchange President/CEO, CFO, board member and a potential RecX investor	Files lawsuits against sellers of fake receivables	Receivables Exchanges closes, all assets transferred over to LiquidX	Court finds LiquidX liable for Receivable Exchange's liabilities	Completes first Sharia transaction	Launches e-marketplace for trade credit insurance with insurance broker Marsh

Performance

The switch to a new company did work in the sense that it gave the new entity the opportunity to take off, and LiquidX did. In the first year after the assets were transferred LiquidX facilitated almost as much receivable sales as it did in the first 7 years of its existence. It continued to grow as it added new products, more than doubling trade volume from $3.31 billion in 2016 to $7.4 billion in 2018.



Source: CFTE

Receivables Exchange/LiquidX Funding

Date	Series	Amount	Lead investors
Oct-07	A	$4.2M	Prism Venture Management
Feb-09	B	$7.75M	Redpoint Ventures
Jan-10	C	$17M	Bain Capital Ventures
Sep-11	C	undisclosed	NYSE Euronext, Eastward Capital
Jun-13	C	$10M	Starvest Ventures
Mar-16	Corporate	undisclosed	Broadridge Financial Solutions
Nov-18	Corporate	$19.96M	undisclosed

Source: CFTE

37. FutureAdvisor

FutureAdvisor

Sector: Robo Advisor
Type: Acquired, Growing

Main highlights

- Purchased by BlackRock in 2015, less than a year after FutureAdvisor made KPMG's 2014 Fintech 50 list
- Pivoted to B2B services under BlackRock
- B2C wealth management service has experienced modest growth since acquisition

"Your investment accounts work better when they work together"

In 2014 FutureAdvisor was a quickly growing US B2C wealth management firm that offered free access to its platform for those who wanted its advice and tracking capability and charged 0.5% of assets annually for putting assets under the platform's automatic management. It had no minimum balance requirement and offered advice on tax loss harvesting, IRAs, and college savings accounts.

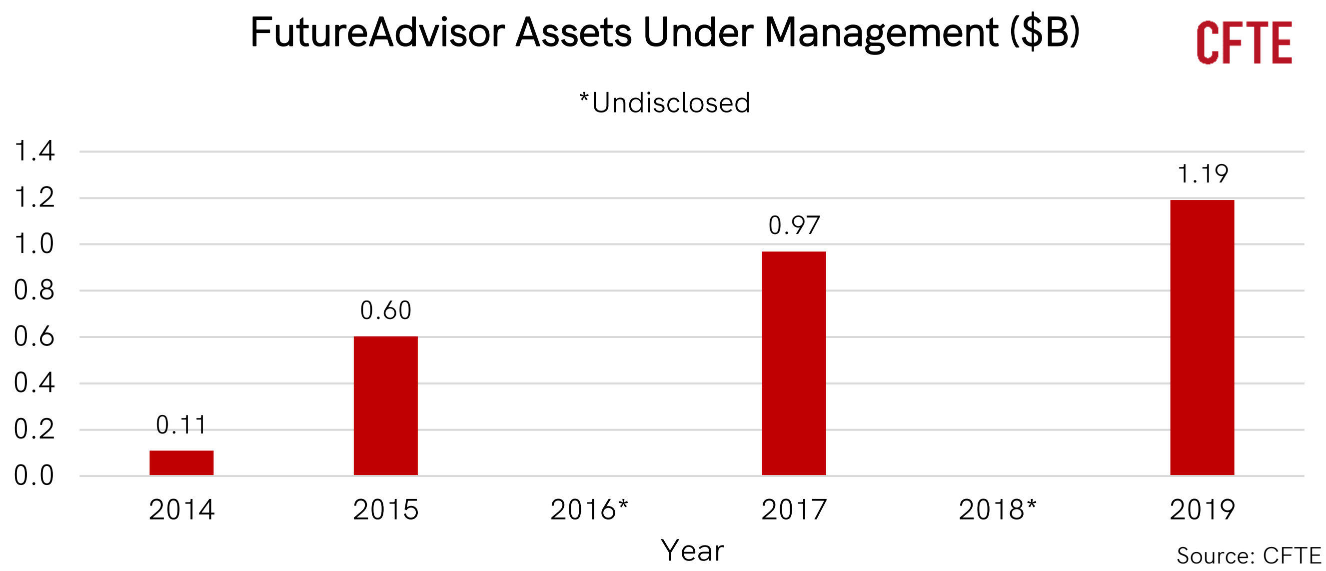
To date, FutureAdvisor continues to offer its US B2C service after being acquired by BlackRock, but now focuses on providing white label services to BlackRock and other financial service firms. Its B2C business has grown to $1.2 billion assets under management, to whom it continues offering its old services. It introduced a minimum account balance, and its college savings account and ability to manage accounts held in Fidelity or TD Ameritrade still differentiate it from its competitors.

Milestones

2014	2015	2016	2017	2018	2019
Fidelity invests in FutureAdvisor through F-Prime Capital	Purchased by BlackRock for $152 million	US Bancorp partners with FutureAdvisor to develop robo advisor Broker-dealer LPL announces it's working to integrate FutureAdvisor into its custodial dashboard	Announces partnership with BBVA Compass	Partners with RBC Wealth Management US	US Bancorp launches robo advisor developed with FutureAdvisor

Performance

FutureAdvisor grew quickly but was bought by BlackRock after failing to keep up with the competition. In the 8 months after emerging from beta testing in September 2013 it grew its paid assets under management 900% to $110 million. However, rivals Wealthfront and Betterment had $1.7 billion and $1 billion under management, respectively. After being purchased by BlackRock FutureAdvisor's B2C business has slowed, its increases paling in comparison to those of Wealthfront, Betterment, and Personal Capital, all of which have over $10 billion AUM. However, FutureAdvisor has pivoted to white label services whose revenue stream is not public.



FutureAdvisor Funding

Date	Series	Amount	Lead investors
Aug-10	Seed	$0.12M	Y Combinator
Jan-12	Seed	undisclosed	Finovate
Aug-12	A	$6.18M	Sequoia Capital
May-14	B	$15.5M	Canvas Ventures
Sep-15	Acquisition	$152M	BlackRock

Source: CFTE

38. Dwolla

DWOLLA

Sector: Payments
Type: Uncertain

Main highlights

- Pivoted from B2C to B2B, now sells white label transfer service
- Partners with BBVA Compass Bank
- Valuation in 2018 was half of its size in 2014

"The payment platform for technologists"

In 2014 Dwolla was a US-focused money transfer service. It was attempting to win customers over from banks for person to person payments by charging people $.25 per transaction over $10. It had experienced rapid growth, reaching $1 million in daily transactions faster than the better funded and publicized startup Square (back in 2011). However, banks were introducing competing fund transfer services for free in order to retain customers.

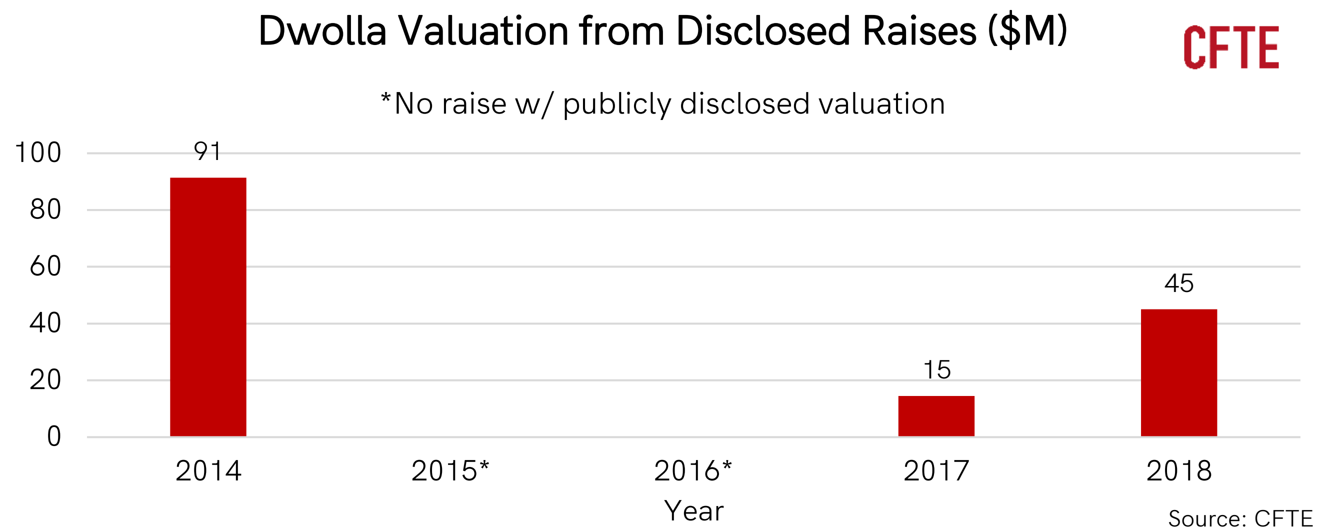
To date, Dwolla has shifted to B2B business by shutting its apps and branded money transfer serivce. Capitalizing on its technology, it is now focused on selling its white label API. It has partnered with API developer Plaid and a personal finance app, as well as Compass Bank and Veridian Credit Union.

Milestones

2014	2015	2016	2017	2018	2019
Reaches agreement with BBVA Compass to provide Dwolla's payment network	Introduces white label payments processing service	Announces new dashboard for white label API Announces it's dropping its consumer apps and focusing on selling its API to developers and other companies	Partners with API developer Plaid	Closes its branded money transfer service	Partners with personal finance app Status Money

Performance

Dwolla was growing rapidly before it was included in KPMG's Fintech 50 report, but growth has slowed since and it stopped disclosing transaction volume data. It's had to shift from B2C to B2B and its valuation hasn't recovered yet, though it claims its revenue grow 20% month on month from June 2015 through 2016. It's 2018 raise valued it at only $45 million, half its 2014 $91 million valuation.



Dwolla Funding

Date	Series	Amount	Lead investors
Nov-09	Seed	$.25M	undisclosed
Nov-10	A	$1M	Veridian Group, Members Group
Feb-12	B	$5M	Union Square Ventures
Apr-13	C	$16.46M	Andreessen Horowitz
Sep-14	C	$9.7M	CME Ventures
Jan-17	A	$6.85M	Foundry Group, Union Square
Feb-18	B	$12M	Foundry Group

Source: CFTE

39. Metamako

Sector: High Speed Communication
Type: Acquired, Growing

Main highlights

- Acquired in 2018 for $57.5 million
- Named 10th fastest growing Australian tech firm in 2017 by Deloitte for 800% growth over previous 3 years
- Grew from 8 staff in 2013, when it launched, to 57 in 2018

"Fast, 4ns [Nanosecond], Reliable, Flexible"

In 2014 Metamako was a small startup focused on extremely fast communication, primarily for high speed trading. In 2013 it opened in Sydney with only 8 staff. It had a relationship with the Australian Stock Exchange from practically the beginning but offered relatively few devices at first.

Metamako has grown quickly over the last 5 years until it was acquired by Arista. It opened offices in London, New York, Tokyo, and Chicago, reaching a headcount of 57 staff in 2018. It has built partnerships with Deutsche Borse, Mana Partners, and manufacturers NetXpress and Telco BSO. It remained focused on low latency communication but offered a broad array of products.

Milestones

2014	2015	2016	2017	2018
Opens New York Office Launches muxing devices (which aggregate and multiplex data)	Rolled out first FGPA-enabled network devices	Opens an office in Tokyo	Deutsche Borse moves all its trades to Metamako's platform	Acquired by Arista for $57.5M Buys xCelor's network device business

Performance

Metamako was growing incredibly quickly before it was bought. In 2017 its 800% growth over the previous 3 years made it one of Australia's 10 fastest growing tech companies, according to Deloitte. It doubled its client base and staff count in 2017 alone.

Metamako Funding

Date	Series	Amount	Lead investors
undisclosed	Seed	undisclosed	DRW Venture Capital
Sep-18	Acquisition	$57.5M	Arista Networks

Source: CFTE

40. RateSetter

Sector: P2P Lending
Type: Growing

Main highlights

- Lending grew by over 140% over 4 years, to $893M
- Preserved focus on UK retail investors

"Investing and borrowing rewritten for everyone"

In 2014, RateSetter was the UK's largest P2P lender. It was growing incredibly rapidly, more than doubling its revenue in a year, and had just opened in Australia.

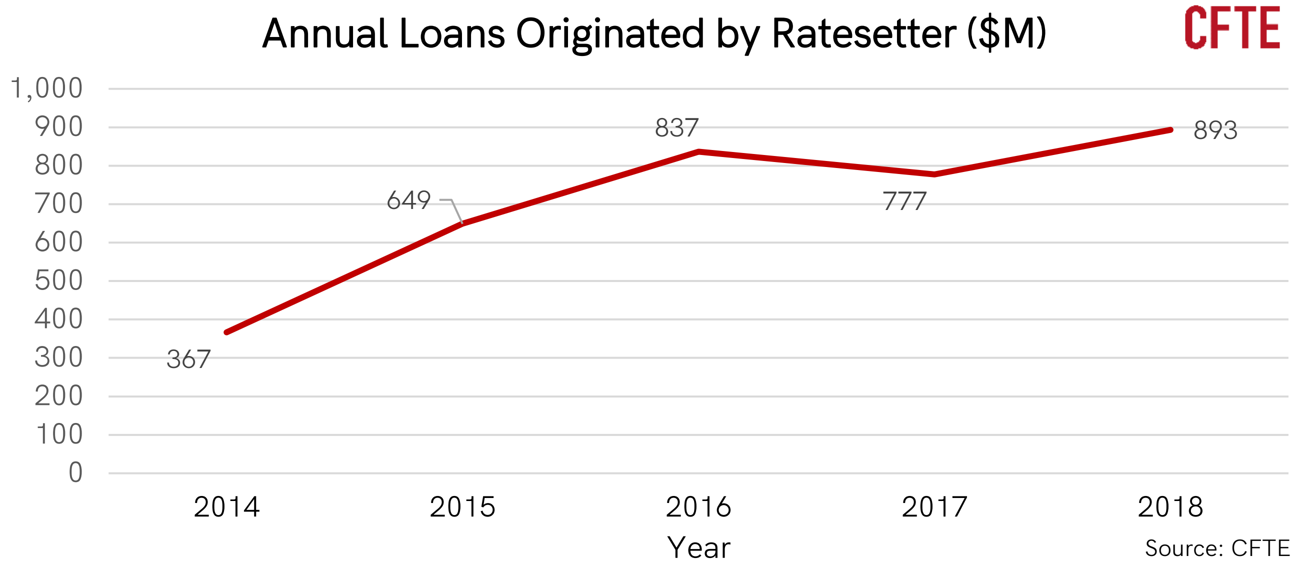
Ratesetter is back on track to profitability and growth after introducing an ISA. It is still UK focused and differentiates itself from its competitors by offering loans across a wide array of asset classes, rather than specializing. It retained its focus on retail investors, as only 2% of its 2017 funding came from institutional investors.

Milestones

2014	2015	2016	2017	2018
Launches first international expansion, into Australia	More than doubles revenue from March 2014, reaching $15.6M in March 2015	Alters provision fund so it can be reinforced with every investor's interest Takes a $2.5m loan onto its balance sheet rather than pass on the loss to investors	Generates loss after modest profit in 2016	Launches ISA (UK tax free individual savings account)

Performance

RateSetter has gone from the UK's largest P2P lender in 2014 to the third largest, but it still occupies 17% of the UK market. It has faced controversy over taking loan losses itself and its provision fund, but it's $893M lent in 2018 is its most yet.



Source: CFTE

RateSetter Funding

Date	Series	Amount	Lead investors
Jul-14	Venture	$12.6M	Woodford Investment Management
Mar-15	Venture	$25.2M	Artemis, Woodford Investment Management
May-17	Venture	$16.38M	British business bank

Source: CFTE

41. Kickstarter

Sector: Crowdfunding
Type: Growing

Main highlights

- Becomes a public benefit corporation
- Expands into Europe (13 new countries) and East Asia (3 new countries)
- Pledged amount declined despite 150% funding growth for games

"The world's largest funding platform for creative projects"

In 2014, Kickstarter was rapidly expanding. It was limited to US projects and US dollars, though anyone could help finance a project. Kickstarter emphasized corporate responsibility an unusual amount, but its primary obligation was to shareholders.

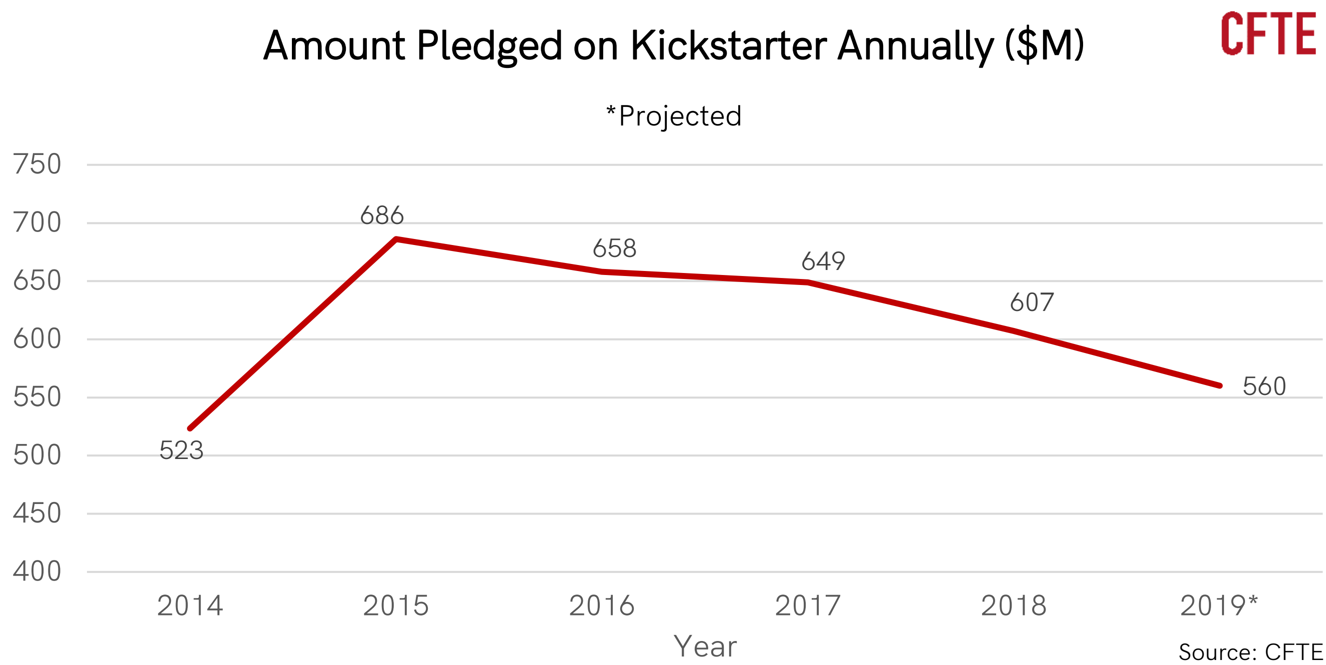
To date, despite expanding into international markets, its funding and number of projects have steadied. Kickstarter became a public benefit corporation in 2015, but is still for profit, and has been profitable since 2010. PBC status allows Kickstarter to focus on goals other than shareholder profit such as supporting creative projects, diversity, paying full taxes, and donating time and funds to charity.

Milestones

2014	2015	2016	2017	2018	2019
Kickstarter expands into the Netherlands, Scandinavia and Ireland	Expands into Germany and France, offering a different language for the first time Becomes a public benefit corporation	Pays its first dividend	Number of projects submitted declines by 15%	$1 billion pledged in its game category, illustrating the rise of games on the platform. They now receive 31% of all funding.	CEO and co-founder Perry Chen steps down to be replaced by design and product team lead Aziz Hasan

Performance

Kickstarter has been moderately successful because it has been financially stable though funding pledged on the platform has declined since 2015, particularly in the US market. Most of its increases have been in its game's category (66% increase by number, 150% by funding amount since 2014) and international markets (1,951 of 19,071 funded 2016 projects were in new currencies). The decline in funding corresponds to its transition to a public benefit corporation in 2015. Almost half the staff turned over during Aziz Hasan's leadership between 2017 and 2019 and some staff are now attempting to organize a union.



Source: CFTE

Kickstarter Funding

Date	Series	Amount	Lead investors
Mar-09	Venture	$10M	Union Square Ventures, Beta Work, Jack Dorsey, Chris Sacca

Source: CFTE

42. GoCardless

Sector: Payments
Type: Growing

Main highlights

- Payments have grown 9 times (to $10B annually)
- Has expanded into 30 countries
- Has stayed focused on recurring payments

"The easiest way to collect recurring payments"

In 2014, GoCardless was a series B startup that was focusing solely on enabling direct debit transactions to small businesses in the UK. However, it was expanding very quickly in the growing field of direct debit.

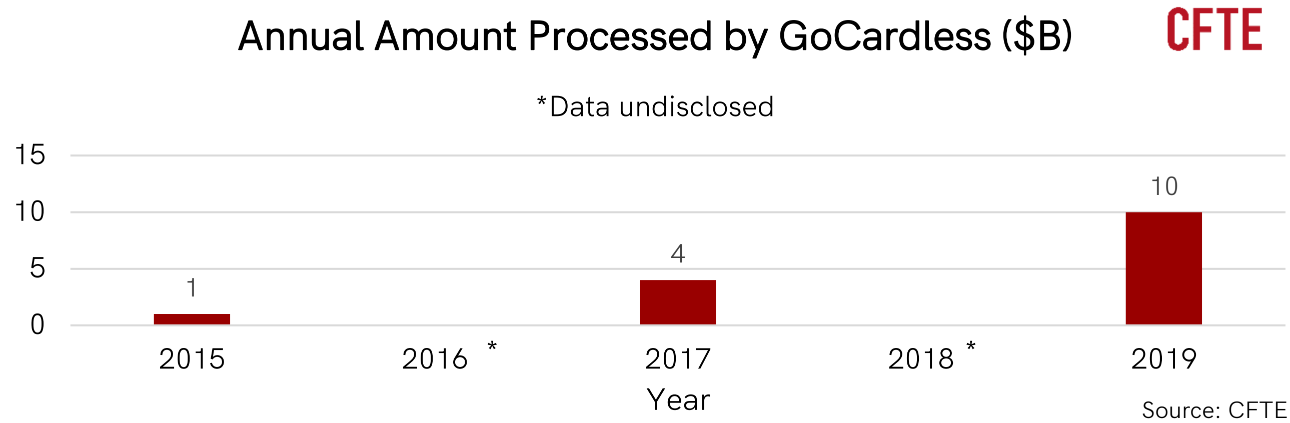
GoCardless has maintained its approach and its rapid growth, though proportionally it has slowed. It processes over $10B in transactions now and operates without limitation in 30 countries. It has experienced 500% growth outside the UK since 2017 and is gearing up for its launch into the US.

Milestones

2014	2015	2016	2017	2018	2019
Named to Uk Government backed Tech City's Future Fifty Program	Reaches $1B annual payments Expands into France and Germany	Won Deloitte's Fintech Fast 50 fastest growing fintech	French, German, and Spanish language options become available	Launched in Australia, New Zealand, Denmark, and Canada	Raises $75M to prepare US launch

Performance

GoCardless has been recognized for the speed of its growth, coming in 2nd in Deloitte's Tech Fast 50 in 2016, 8th in 2017, and 33rd in 2018. In order to do this, it grew 6,661% in the 4 years ending in 2016, 2,097% up through 2017, and 931% in the 4 years through 2018.



Source: CFTE

GoCardless Funding

Date	Series	Amount	Lead investors
Apr-13	A	$3.3M	Accel, Passion Capital
Jan-14	B	$7M	Balderton Capital
Mar-16	C	$13M	Notion
Sep-17	D	$22.50	Accel
Feb-19	E	$75M	Adams Street Partners
Apr-13	A	$3.3M	Accel, Passion Capital

Source: CFTE

43. Calastone

Sector: Fund Transfer
Type: Growing

Main highlights

- Grew from 500 to 1800 clients
- Now processes $214B per month, versus $280B over 12 months ending in 2013
- Switched its fund clearing system to blockchain

"The largest global funds transaction network"

In 2014 Calastone had been rapidly growing. It was a domestic and international transaction network that had recently expanded into Asia and Australia.

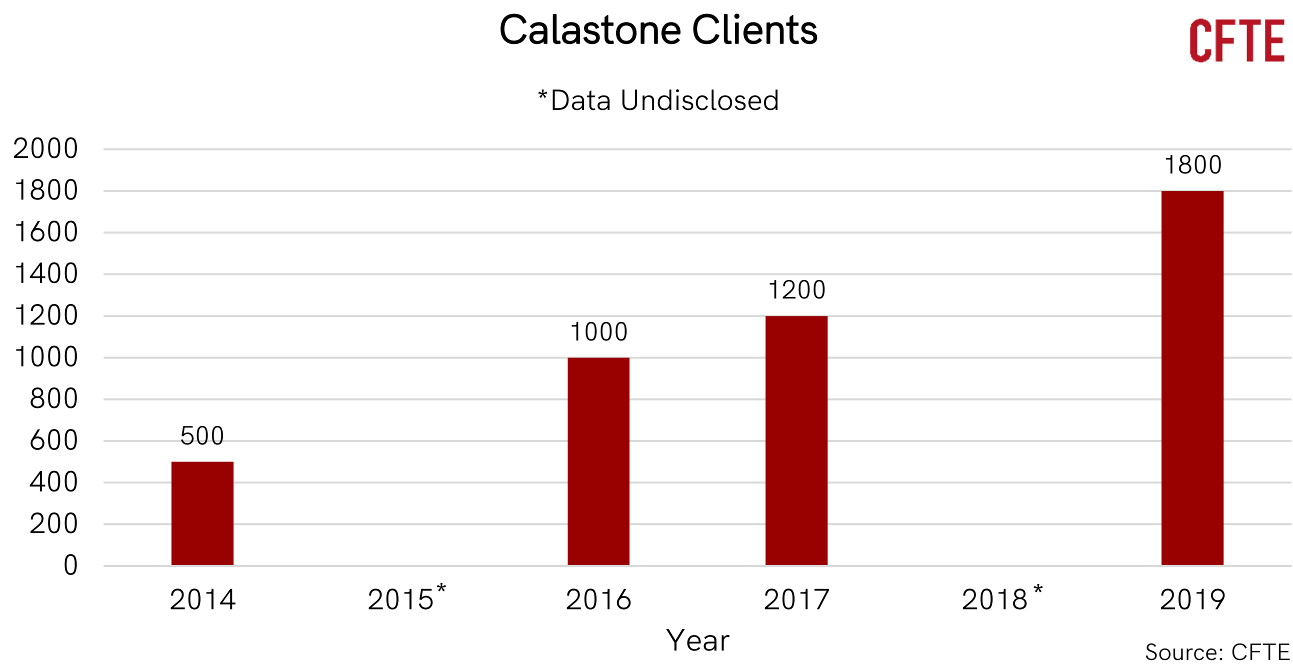
To date, Calastone's focus on mutual funds transfer remains unchanged. However, Calastone has expanded its global presence and its transfers are now done via blockchain. It is currently present in New Zealand as well and is trying to become a thought leader, garnering publicity by publishing reports on fund transfer trends.

Milestones

2014	2015	2016	2017	2018	2019
Becomes leading provider of electronic fund routing in Singapore 18 months after entering		Reaches 10,000 trading links Establishes direct link with Shenzhen Securities Communications Co, enabling direct Hong Kong- China transactions	Tests use of blockchain for fund trading	Launches fund flows index	Switches entire funds clearing system to blockchain

Performance

Calastone has grown quickly, as its revenue increased by more than 50% per year for 4 years straight. It now has 1800 customers in 41 countries and territories, and processes over 9 million messages and $214 billion in transactions per month.



Calastone Funding

Date	Series	Amount	Lead investors
Jul-13	Seed	$.1M	SOSV
Sep-13	A	$24M	Atlas Ventures, GV
Oct-08	Venture	$2.52M	Octopus Ventures
Jan-10	Venture	$1.6M	Octopus Ventures
Sep-13	B	$18M	Accel
Oct-13	Venture	undisclosed	Future Fifty

Source: CFTE

44. SigFig

Sector: Robo Advisor
Type: Growing

Main highlights

- Switched emphasis from B2C to B2B
- Has partnerships with Wells Fargo, UBS, and Citizens
- Now has $120M under management

"Put your money to work and your mind to ease"

In 2014 SigFig began providing portfolio management advice after pivoting from portfolio tracking and analysis. It had partnerships with Yahoo and other finance websites in order to demonstrate its legitimacy and attract investor attention but was struggling to convert analyzed assets into assets under management, which would generate fees.

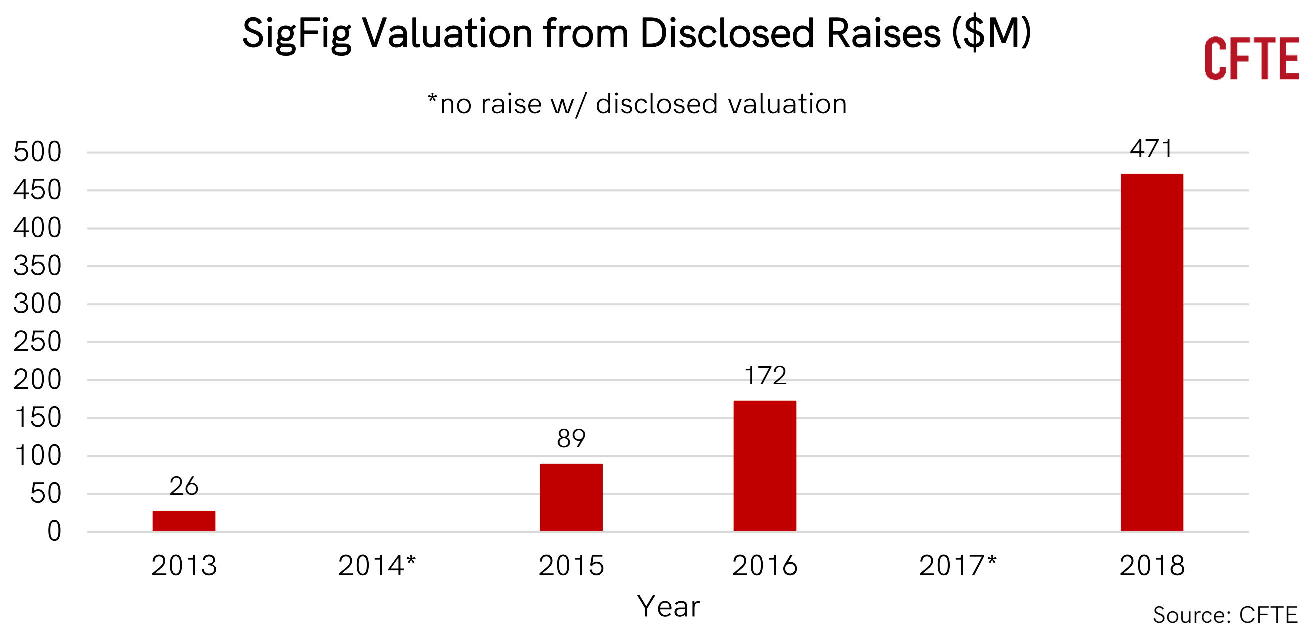
To date, SigFig pivoted to B2B and now has partnerships with large financial institutions. While it has some B2C business, most of its work involves creating platforms for banks such as Wells Fargo and UBS. It has branched out from investing services to include sales platforms as well.

Milestones

2015	2016	2017	2018	2019
Reaches $350B in assets under analysis (free) Switches from B2C to B2B	Partners with UBS and Wells Fargo	SigFig launches digital advisory platform for investors with Wells Fargo	UBS shuts down robo advisor SmartWealth, sells it to SigFig	Rolls out sales platform for banks

Performance

SigFig struggled to compete with larger robo investors and incumbents with robo offerings in the expensive B2C business at first but pivoted to offering its services to banks and their clients in 2015. It has since received substantial investment from the financial industry, though growth in paid assets under management hasn't kept up with the competition.



Source: CFTE

SigFig Funding

Date	Series	Amount	Lead investors
Jul-13	B	$15M	Bain Capital, Union Square
Jun-14	C	$11M	Bain Capital, Union Square
Apr-15	Venture	$1M	undisclosed
May-16	D	$33M	UBS, Santander
Jun-18	E	$50M	General Atlantic

Source: CFTE

45. Stockspot

Sector: Robo Advisor
Type: Uncertain

Main highlights

- Has grown to 25,000 clients (2017 data) after launching to public in 2014
- Offers human advice for large investors
- Introduced a high yield savings account in 2019

"Australia's first and largest online investment advisor"

In 2014 Stockspot was Australia's first robo advisor. It had opened to the public that year, and its marketing strategy was centered around attacking traditional fund managers for poor returns and high fees. The minimum account balance was AUD$2,000 and it was free for those with under AUD$10,000.

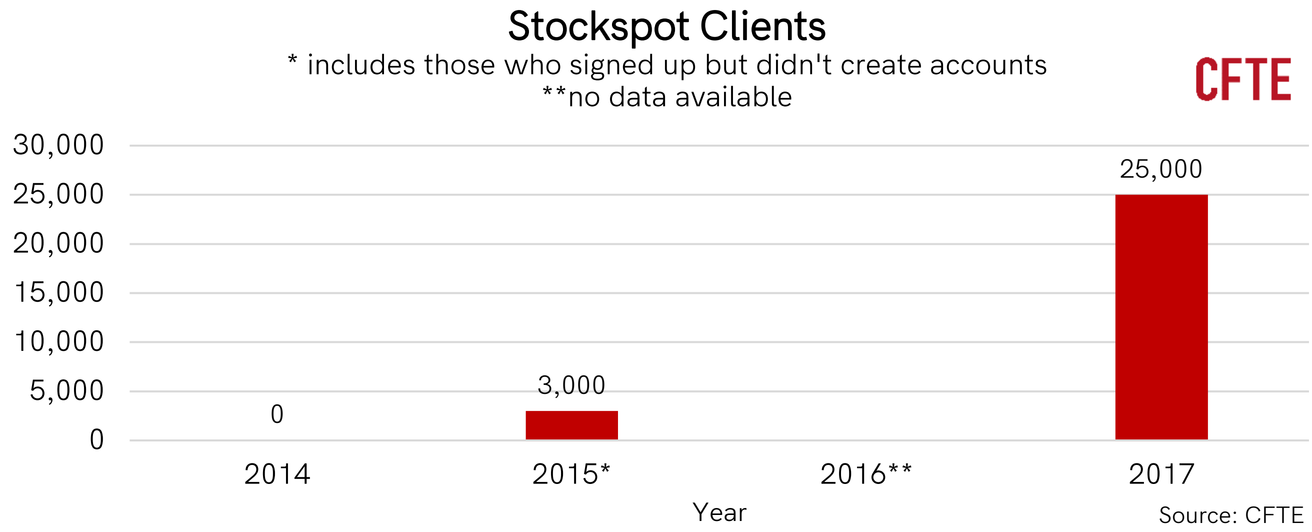
To date, Stockspot is still focused on Australia and automated advice. It is investing in machine learning for digital advice to clients, but also has human advisors for investors with medium sized investments. It now has an app, but it can only be used to view the portfolio, and this can only be achieved after the account is set up online. The minimum account size hasn't changed but there are no exceptions for fees now. It continues to annually issue its Fat Cat Funds report and recently introduced a high interest savings account.

Milestones

2014	2015	2016	2017	2018	2019
Launched to the public in May	Receives $1.25M raise to invest in marketing	Launches rehauled digital advisor that uses machine learning and AI	Raises $2.23M to invest in AI powered advisor	Launches high interest cash ETF savings account Introduces app for iOS and Android	Lowers minimum balance necessary for dedicated advisor from $500K to $200K (AUD)

Performance

Stockspot, founded in 2013 and opened to the public in 2014, was the first robo advisor in Australia and remains one of the largest. But, while its client numbers have increased and it operates in a country of only 25 million, its 25,000 clients suggests it hasn't scaled yet.



Stockspot Funding

Date	Series	Amount	Lead investors
Apr-14	Seed	$0.14M	H2 Ventures
Jun-15	A	$0.7M	H2 Ventures and Rocket Internet
May-17	B	$3M	Graham Tuckwell and Alium Capital

Source: CFTE

46. Crowdcube

Sector: **Equity Crowdfunding**
Type: **Growing**

Main highlights

- Expanded along with the industry, quadrupling its funding volume over 4 years.
- Has maintained market leadership, with just over 50% market share
- Expanded internationally with investors in over 100 countries and European exits

"The world's first crowdfunding platform"

In 2014 Crowdcube was an industry leader but faced significant uncertainty over regulator and customer confidence. The model was new and unproven, as the first fully funded profitable exit was in 2013.

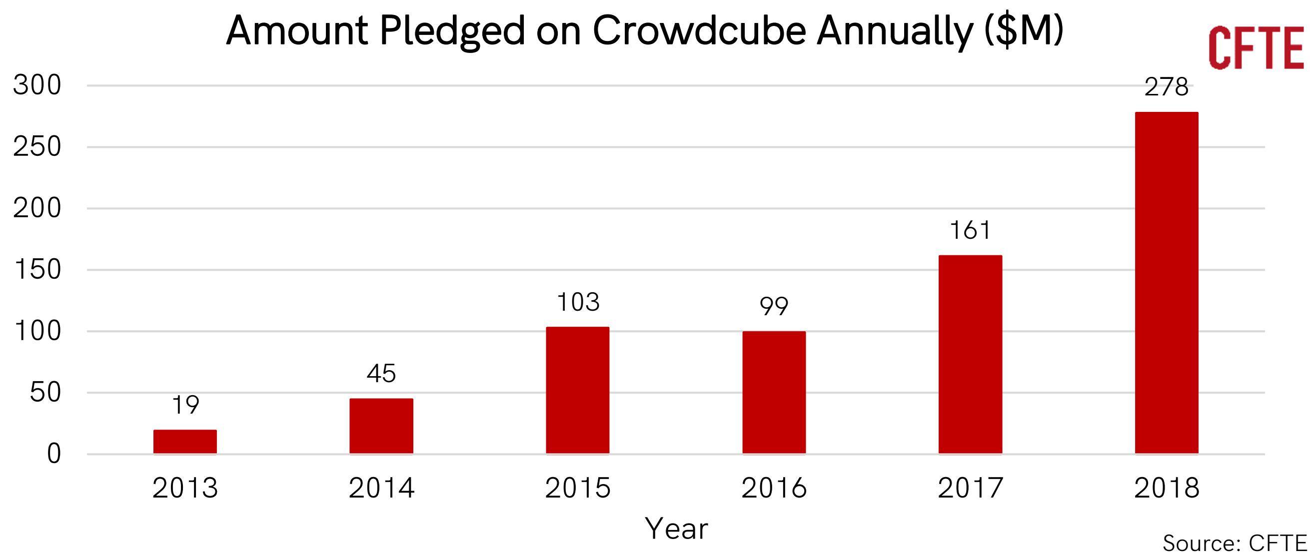
To date, Crowdcube has grown along with the crowdfunding industry in the UK. The Financial Conduct Authority set its crowdfunding rules in 2014 and the government backed London Co-Investment Fund added more certainty by investing £5M through Crowdcube. The industry became popular with a number of sophisticated, high net worth individuals and crowdfunding has become a popular investor choice for many businesses. It also raised its international profile, reaching investors from over 100 countries.

Milestones

2014	2015	2016	2017	2018
Becomes only equity crowdfunding platform to receive UK government funds to invest in tech startups FCA determines investors can only invest 10% of investible assets into crowdfunding	20 businesses raise more than 1 million pounds on Crowdcube	Brewdog raises a record £10m via bond issue on Crowdcube	Brewdog becomes Crowdcube's first unicorn	Monzo raises $25.2M on Crowdcube in record round conferring unicorn status First Crowdcube crossborder exit

Performance

Crowdcube has kept pace with the rest of the field, preserving its position of UK market leadership according to most measures. It represented 52% of the UK crowdfunding market in 2014 and, thanks to a strong Q4, facilitated 53% of UK crowdfunding in 2018. After reducing its losses to £3M pounds in 2018 it hopes to turn a profit for the first time in 2019. The following data is amount pledged, not invested, and, as it comes from Crowdcube, may include private funding rounds.



Source: CFTE

Crowdcube Funding

Date	Series	Amount	Lead investors
May-13	Seed	$2M	SGH Capital
Aug-13	Seed	$.4M	Sequoia Capital
Jul-14	B	$6.5M	Balderton Capital, Venture Inc
Jul-15	Venture	$7.6M	Numis, Tim Draper, Balderton
Aug-16	B	$10.1M	Investors on Crowdcube platform
Sep-16	B	$8.4M	Gruppo Bertoldi
Nov-18	Venture	$10.7M	Draper Espirit, Balderton
Nov-18	C	$10.3M	Investors on Crowdcube platform

Source: CFTE

47. Seedrs

Sector: Crowdfunding
Type: Growing

Main highlights

- From 2014-2018 increased investments from $25.5 million to $247.1 million
- Created secondary market for investors in 2017
- Available for European businesses and most international investors

"Invest online in startups via equity crowdfunding"

In 2014 Seedrs was a small equity crowdfunding platform that differentiated itself by focusing on startup support. Like its top competitor, Crowdcube, it permitted investments as small as £10, but unlike Crowdcube it offered pre-emption rights to ensure investors' shares weren't diluted.

To date, Seedrs has maintained its emphasis on startup support with its business support services. It emphasizes the European market and though its expansion into the US was withdrawn, in large part due to the regulatory environment, it has partnered with a US crowdfunding company so US investors can invest in companies on Seedrs (who must be European). The minimum investment is still usually £10, and it has created a secondary market for existing investors.

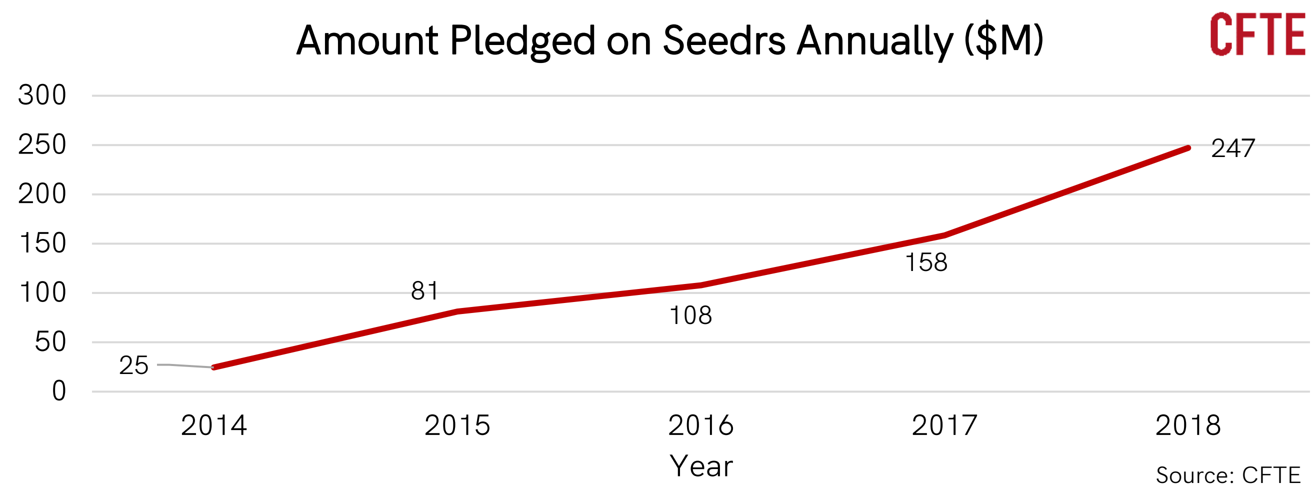
Milestones

2014	2015	2016	2017	2018	2019
Launches test US site after US lawmakers legalize equity crowdfunding Launches first convertible equity crowdfunding campaign	Lowers account minimum to $500	Granted EU-wide Financial Services Passport by the FCA Opens office in Amsterdam	Launches secondary market for current shareholders	Partners with Republic to enable European businesses to co-raise from US investors	Opens secondary market to all investors

Performance

Seedrs has grown rapidly, though its crowdfunding volume might be much lower than the quantities it claims to raise. Seedrs claims it raised $247 million in 2018, but a significant amount of this might have been raised privately, through its Anchor Investor Service which connects startups to institutional capital. Its statistics refer to the amount invested on the platform, which could potentially include pledges that haven't gone to companies (because the raise failed). Beauhurst, which uses its own data, estimates Seedrs invested $101.4 million in 2018, barely over half the $177.6 million it estimates Crowdcube raised.

Regardless of the details, it's one of the top 3 crowdfunding platforms in the UK, is growing quickly and has a strong international presence. In 2018 alone it had investors from 60 countries make 72,500 investments funding businesses from 12 countries.



Source: CFTE

Seedrs Funding

Date	Series	Amount	Lead investors
May-12	Seed	$7.2M	Trillion Fund, Faber Ventures
Oct-14	Early	$4.15M	Slow Ventures
Jul-15	A	$15.56M	Woodford Investment Management
Sep-17	A	$13.29M	Woodford Investment Management

Source: CFTE

48. M-Pesa

Sector: Payments
Type: Scaling

Main highlights

- Almost tripled revenue since 2014
- Maintained market dominance in Kenya (78% of mobile money market)
- Has achieved widespread adoption in neighboring countries Tanzania, Lesotho, Mozambique, and DRC

"Send money home"

In 2014 M-Pesa was primarily used in Kenya, despite attempts to expand in Afghanistan and other countries. It faced relatively little competition in Kenya, though imitators were sprouting up. It was owned jointly by Safaricom and Vodafone.

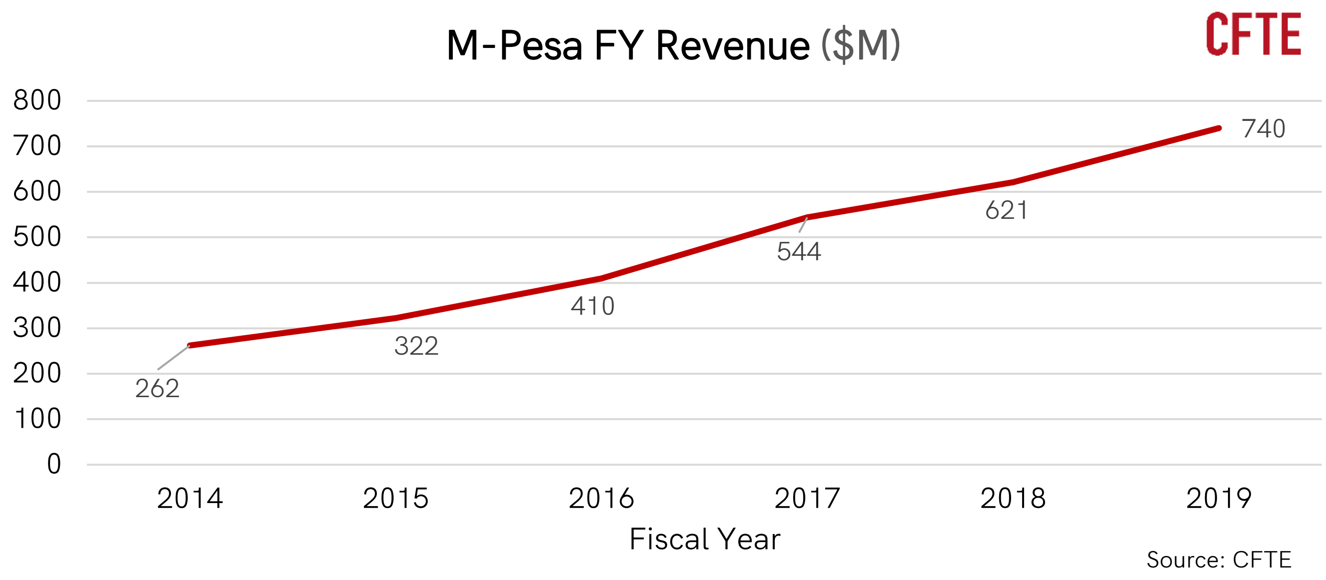
To date, M-Pesa has continued its expansion further demonstrating its value from a business, economic, and societal perspective. Despite some failed entrances into new markets, it now has 13.4 million customers in Tanzania, Lesotho, Mozambique and DRC. Safaricom is now purchasing the rest of M-Pesa from Vodafone.

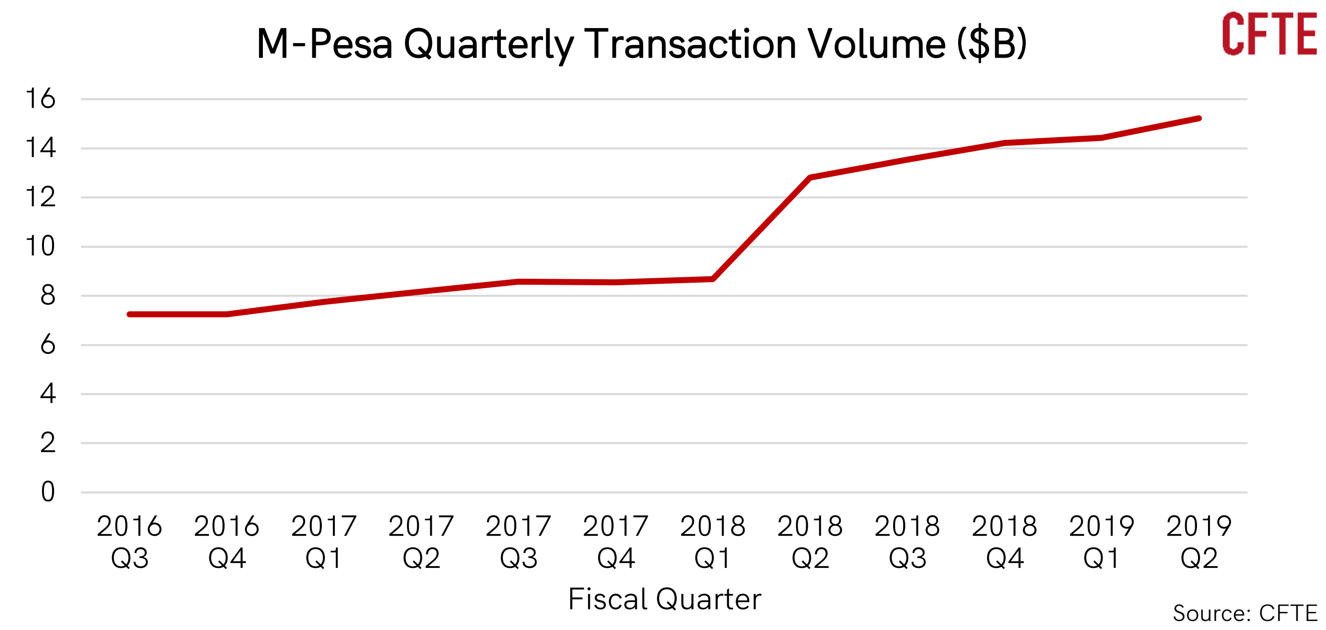
Milestones

2014	2015	2016	2017	2018	2019
Launches in Romania and Tanzania	Sets global framework for interoperability Launches its first international money transfer corridor, between Kenya and Tanzania	Drops South Africa service Reaches 25 million active users		Partners with Western Union so Kenyans can send funds to more countries Reaches 101,000 merchants	AliExpress begins accepting M-Pesa Launches first overdraft facility

Performance

M-Pesa has stayed ahead of its competition by steadily increasing transactions, quantities transferred, and revenue. It has faced increased competition from other mobile money services, many of which are also operated by telecoms through their phone services. Despite this, M-Pesa has grown along with the market and has kept 78% market share.





49. Stellar

Sector: Crypto
Type: Scaling

Main highlights

- Stellar use grew 47 times between 2016 and 2017 and 93 times from 2017 to 2018
- Regressed in 2018 due to crypto market crash
- Built partnerships with Deloitte, Coinbase, and IBM

"Develop the world's new financial system"

In 2014 Stellar was founded by Jeb McCaleb, the founder and CTO of Ripple (and of infamous Mt. Gox). After a contentious departure from Ripple he launched Stellar in 2014 by giving away 95% of the tokens from a dedicated nonprofit foundation. Half went to new users while the other half went to economic development and anti-poverty organizations.

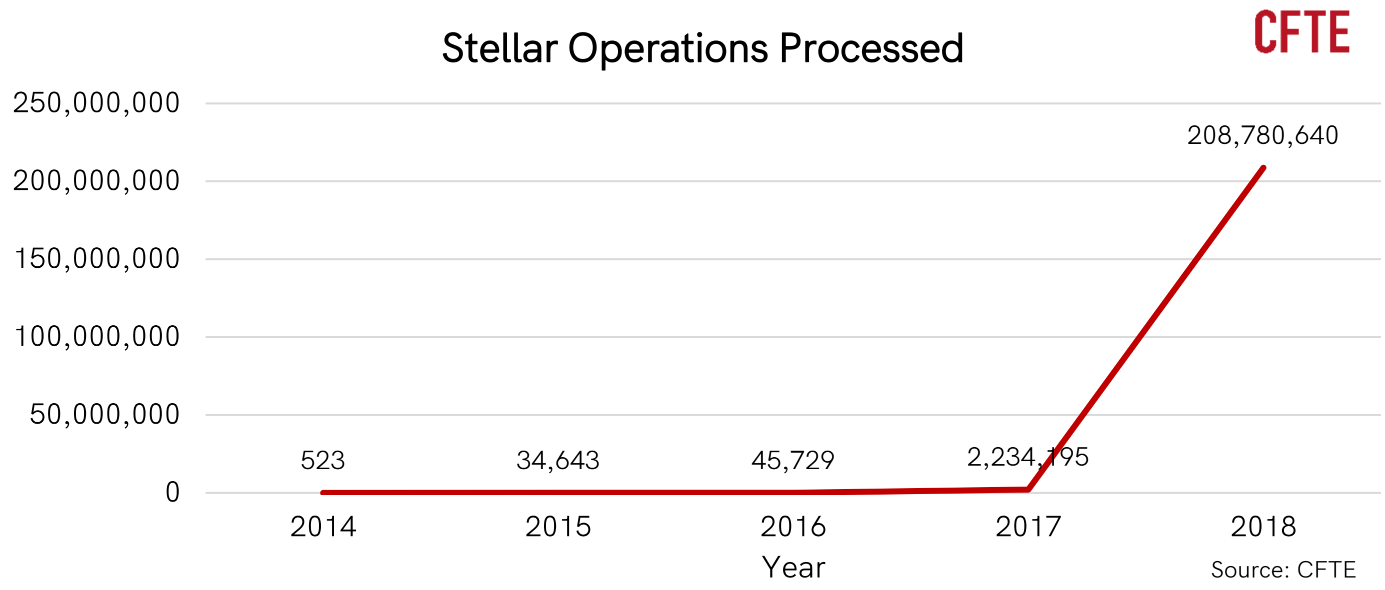
To date, Stellar has rapidly achieved widespread adoption in the crypto world, and now has a top 10 market capitalization, over $2 billion. The foundation has developed partnerships with Deloitte, IBM, and a number of development organizations, and there are rumors Stripe is considering accepting it, as they have a close relationship.

Milestones

2014	2015	2016	2017	2018	2019
Launches, with 95% of the currency given away	Reaches 3 million users	Partners with Deloitte for its digital bank		Stellar achieves 6th largest crypto market capitalization Reaches 1 million active accounts	Added to Coinbase's wallet app IBM launches World Wire, a stellar-based bank transfer system

Performance

Stellar was growing rapidly up until the 2018 crypto market crash, after which its volume declined slightly. It has substantial partnerships with private companies and development organizations and has kept transaction costs low at 1/100,000th of a lumen per transaction (currently 84 millionths of a US cent). In contrast, it currently costs $1.10 to have a transaction in the next 10 minutes via Bitcoin.



Stellar Funding

Date	Series	Amount	Lead investors
Aug-14	Seed	$3M	Stripe

Source: CFTE

50. Vortex

Sector: ATM
Type: Growing

Main highlights

- Doubled the number of ATMs deployed from 3,000 to 6,000
- Expanded across Asia and Africa
- Increased productive capacity with new factory

"Helping banks reach out"

In 2014, India- based Vortex Engineering had already designed cheap low energy ATMs which could be deployed in difficult and challenging environments. Its ATMs stood out from their competition for their energy efficiency, largely due to its cash handling mechanism which removed the need for internal air conditioning. Because of its lower power requirements, it offered a solar panel version which didn't require an outside power source. It also provided management services for these ATMs. It had about 3000 ATMs across Asia and Africa by 2015.

To date, Vortex has remained concentrated on the ATM market. It was the first in the Indian market to introduce mini ATMs which can be transported in vans and believes these mini ATMs are the key to sustaining its growth. Vortex's orders have increased enough it has been forced to open new production facilities.

Milestones

2015	2016	2017	2018	2019
Reaches 3,000 ATM installations expanding across Asia and Africa.	Introduces the Ecoteller Mini Atm and TTW ATM	Builds advanced manufacturing facility in Chennai, India	Reaches 6000+ ATM Installations	

Performance

Vortex doubled its number of deployed ATMs over a three-year period, in large part because of its ATMs' lower energy requirements. It estimates that its solar powered ATMs require only 4% of the power that traditional ATMs do, enabling its ATMs to be deployed in underbanked rural India, where there's substantial pent up demand for ATMs if prices can be lowered enough. Its lower energy requirements allow it to be powered solely by solar panels, which protects the ATM from India's frequent power outages. Its revenue was only $2 million in 2016, but it expected that to increase to $7 million in 2017 because of deployment of ATMs in India, the world's fastest growing market for ATMs, and the Middle East and Africa, where Vortex benefits from its products' ability to handle high temperatures.

Vortex Funding

Date	Series	Amount	Lead investors
undisclosed	PE Growth	undisclosed	Bamboo Capital Partners, VenturEast
Dec-11	PE Growth	$6.9M	Tata Capital, Aavishkaar
Aug-12	PE Growth	$3M	International Finance Corporation
Feb-18	D	$5M	Existing investors

Source: CFTE

Chapter 3
What We Can Learn

Survival Rates

Only 4% of Fintech 50 Startups Go Bankrupt

Only 2 of the 50 went bankrupt. One, Receivables Exchange ceased operations in 2016 while facing arbitration claims. This was, a judge ruled, an illicit transfer of assets where the CEO, CFO, and a board member conspired to have it default on a loan so Receivables Exchange, but not its legal liabilities, could be transferred to the newly created LiquidX. LiquidX kept the same employees and has been fairly successful, though its attempts to evade Receivables Exchange's creditors aren't going well. Payday lender Wonga went bankrupt in 2018, after the FCA tightened lending rules in 2013 and Wonga received a flurry of compensation claims for early loans. Both Receivables Exchange and Wonga were series C firms.

We would have expected 17, rather than 2, to fail if they were standard US startups. The selected Fintech firms were, on average, 4.7 years old in 2014, and 34% of US startups that survive 5 years don't survive another 5, according to the US Small Business Administration.

Funding Growth

Fintech 50 Firms Receive $9.6 Billion in Equity Funding

KPMG's 2014 Fintech 50 firms have received $9.6 billion in equity funding, with $3.5 billion of that coming in 2014 or before, and $6.05 billion arriving since. Their total equity funding received has increased by 170% since the report was released.

Average year-on-year growth	16.74%
Funding after 2014	US$6.1 billion
Funding up through 2014	US$3.5 billion
Funding growth	70.50%

Source: CFTE

However, this is a small fraction of what the fintech industry has raised. Fintech firms have received $139 billion in equity investment from 2014 to 2018 (per Accenture's analysis of CB Insight's data). Fintech firm funding increased from $13 billion in 2014 to $55 billion in 2018, with funding growth averaging 48% annually (arithmetic average).

2014	US$13 billion
2015	US$21 billion
2016	US$23 billion
2017	US$27 billion
2018	US$55 billion

IPOs

4 of the 50 Went Public, Now Have Combined Market Cap of $32.6 Billion

Firm	Market Cap (US$ million)	Date
Lending Club	1,230	2014
OnDeck	326	2014
Square	30,200	2015
Funding Circle	842	2018
Total	**32,599**	

Source: CFTE

Part of the reason the firms' funding didn't keep up with industry funding is because of their success and maturity- many didn't need more equity funding from VCs. 4 of the 50 have had IPOs since December 2014, and 1 had an IPO back in 2007 (Xero). Yodlee also had an IPO in 2014, only to be acquired by Envestnet the next year. The 4 who have had IPOs since December 2014 have a combined market cap of $32.6 billion, averaging over $6.5 billion per firm. Square's $30 billion valuation substantially raises the average, from $599.65 million to $6.52 billion.

Startups	Valuation at IPO (US$ million)	Date
Lending Club	5,400	2014
OnDeck	1,300	2014
Square	2,900	2015
Funding Circle	1,860	2018
Total	**11,460**	

Source: CFTE

3 of the 4 Fintech 50s with IPOs are SME lenders, and 2 of those 3 are peer to peer. However, they've experienced a tumultuous period since their IPOs, as all the lenders' market capitalizations have decreased. On the other hand, Square, the payment firm, is now worth over 10x its valuation at IPO.

Acquisitions

5 2014 Fintech 50 Startups Acquired for Combined $1 Billion

Startups	Valuation at Acquisition ($M)	Year
Future advisor	150	2015
LearnVest	250	2015
Yodlee	590	2015
Borro	undisclosed	2017
Metamako	57.5	2018
Total	**1047.5**	

Source: CFTE

5 of KPMG's 2014 Fintech 50 firms were acquired, for at least a combined $1 billion. The acquisition and valuation data from 4 firms were available, revealing they were valued at $1.048 billion upon acquisition, averaging $262 million per firm. They were all acquired after 2014.

This exit rate is comparable to industry expectations, but their current valuations aren't. Looking at historic exit and failure rates by funding round for US tech companies, we'd expect approximately 10 exits from these 50 firms if they were randomly selected, compared to 8. However, the Fintech 50 startups exits are at far higher valuations than expected. Approximately 1% of US tech startups exit at valuations of $500 million or more, while 5 of the Fintech 50 firms already did (counting IPOs and acquisitions).

Employment

2014 Fintech 50 Startups today employ almost 28,000 people

	Fintech 50s	Bristol	Goldman Sachs
Employment	27,696	33,500	36,600

Source: CFTE

2014 Fintech 50 firms now directly employ 27,696 workers, which is 83% the size of financial service employment in Bristol and 76% the size of Goldman Sachs. This is because they added at least 8,092 jobs over the last 2 years, an increase of 44% for the firms that data was available for. The average startup in the report has 553 employees today.

Importance of Data

Most Successful Fintech 50 Firms focused on acquiring clients and data first

The 5 most successful startups from the report, collectively valued at $71 billion, all focused first on obtaining customers as cheaply as possible and are now using those relationships and customer data to enter higher margin operations. They prioritized minimizing customer costs in order to compete on margins. Credit Karma and Robinhood advertised free products (credit checks and trading respectively), and were then able to use that to differentiate themselves from their competitors and obtain millions of customers. Now Credit Karma has 85 million users and Robinhood has 6 million, and they're profiting by selling data on potential borrowers or trades. Robinhood is also selling premium services now while Credit Karma's branched into offering mortgages and other borrowing opportunities to customers.

Startups	Valuation ($B)	Clients
Square	31	15 million monthly users on its cash app alone, 2 million businesses in 2016
Stripe	23	"millions of businesses"
Xero	9	1.8 million users
Coinbase	8	25 million users
Robinhood	6	6 million users

Source: CFTE

Square is also successfully branching out from a low margin service into more profitable avenues. It began focused solely on payments for businesses, but is now using client data to determine whether to offer clients financing. Its lending program, Square Capital, which was launched in 2014, lent over $500 million in 2019 Q1 alone. If its 50% year-on-year growth continues its loan originations will soon surpass those of dedicated SME lenders Kabbage and OnDeck, which lent $2 billion and $2.4 billion in 2018, despite Kabbage and Ondeck having a 6-year head start, on average.

The strategy of moving from one simple financial service where you're better or cheaper than your competition and then expanding into other financial services is called "rebundling". Huy Nguyen, co-founder of CFTE, covers this topic extensively in the CFTE course Fintech Foundations.

B2C Client Growth

Fintech 50 B2C Startups Now Reach 315 Million Clients

The 33 B2C startups in the report now have more than 319 million clients, greater than the 306 million of Citi, Bank of America, and HSBC combined. Their client base is almost equal to the population of the United States, 329 million. The 29 of these which provide data average 11.01 million clients, just surpassing the 11 million the Canadian Imperial Bank of Commerce serves or Charles Schwab's 10.76 million brokerage accounts.

This growth is driven by Wecash, which has 130 million users, Credit Karma, which has 85 million, M-Pesa, which has 33.4 million, and Coinbase, which has 25 million. Crowdfunding firms were included as B2C, for whom investors were categorized as clients.

Companies	Number of Clients (millions)
Fintech 50 B2Cs	315
Citi	200
Western Union	150
Bank of America	67
HSBC	39
Vanguard	Over 20
Canadian Imperial Bank of Commerce	11
Charles Schwab	11
Fintech 50 B2C Average	11

Source: CFTE

B2B Client Acquisition

The B2B Startups Reach 4 Million Businesses

The 17 business to business startups in the 2014 report now reach 4.09 million businesses. They are led by accounting firm Xero, with 1.8 million customers, and SumUp and Stripe, with at least 1 million customers each. Square probably has the most clients of all B2Cs in the report, but hasn't disclosed business client data growth since releasing that it had a client base of 2 million businesses in 2016. The 9 Fintech 50 B2C companies that supply client info average 454,000 business clients.

CEO Transitions

Fintech 50 Startups Experienced Lower CEO Turnover Rate than Large Firms

The Fintech 50 firms had a 9% annual CEO turnover rate, lower than the S&P 500 turnover rate of 11% and slightly higher than the 7.94% expected of US private firms. 19 of the 50 startups experienced a CEO change over the 5 years while independent (before any acquisition). S&P 500 companies' increased CEO turnover is probably due to more of them being public and their lower growth rates in comparison to the Fintech startups, as growth is negatively correlated with leadership change. The Fintech 50s might experience more CEO changes than expected for private firms because 4 of the Fintech 50s went public and 2 were public to begin with. Also, leadership turnover rates have increased since the studies determining private company turnover rates were conducted. Though startups are known for high turnover rates, these Fintechs have had remarkable consistency in management positions.

Valuations

1 in 4 Fintech 50 Startups Worth $1 Billion

Startups	Valuation ($B)
Square	31
Stripe	23
Xero	9
Coinbase	8
Robinhood	6
Credit Karma	4
Klarna	4
TransferWise	4
Lending Club	1
Kabbage	1
SumUp	1
Wecash	1?

Source: CFTE

10 of the 50 firms have now publicly been valued at over $1 billion, SumUp claims it was valued at $1 billion in its latest raise, and Chinese credit analytic firm Wecash also likely surpasses that valuation. The vast majority, 9, of these 12 startups are still private while only 3 have gone public. The 7 unicorns who have publicly available valuations are worth a combined $47.1 billion, while the 3 public firms have a combined market capitalization of $40.9 billion. They are led by Square, the payment processor whose market cap is over $30 billion, and its rival Stripe, who's latest funding round valued it at $22.5 billion.

The 11th to reach a $1 billion valuation, UK payment firm SumUp, disclosed in February that it had reached unicorn status, though this has not been independently confirmed.

The 12th billion-dollar startup, Wecash, mines data from mobile internet users to generate credit assessments within 5 minutes. It is most likely a unicorn because it has had over 130 million users since 2014 and has received $327.5 million in funding from Chinese and American venture capital, at undisclosed valuations.

The American firms performed slightly better than expected while the UK firms were less represented among the top performers. 7 of the 26 American Fintech 50 startups are now worth over $1 billion while only 2 of the 10 UK startups, SumUp and TransferWise, have achieved that valuation.

Least Successful

Among the least successful firms were short term lenders. Payday lenders often ran into legal or public relations issues and the fierce competition and low barriers to entry could spur races to the bottom. Of the short term lenders, payday lender Wonga went bankrupt due to claims and regulatory fines while Borro Private Finance, the bespoke lender to the elite, ceased lending while finding difficulty defining its niche.

Plus, these lenders run into the same problem all other lenders run into- they have to draw in customers again each time they are considering another loan. Customer retention is very difficult so they're dependent on the success of their viral marketing campaigns. There's no big network effect here either.

Most funded

Best Funded	Equity Funding ($M)
Stripe	785
Klarna	774
Prosper	604
Robinhood	539
Coinbase	525

Source: CFTE

The 5 Fintech 50s that received the most private funding are all highly valued. Stripe, Klarna, Robinhood, and Coinbase are all unicorns, worth a combined $38.35 billion dollars. Prosper, an American P2P lending platform, is the exception, only worth $550 million at its 2017 raise. This represented a dramatic decline since its $1.87 billion valuation in 2015, which was probably due to the challenges in the US P2P lending market. It only raised $50 million of its $604 million after this decline, plus warrants it gave purchasers of its loans.

Square, another payment firm, raised the 6th most private funding and could also have made this list if it wasn't for its IPO funding being excluded from our funding statistics. Its $2.9 billion 2015 IPO raised $243 million and it raised $490 million before the IPO, for a total of $733 million.

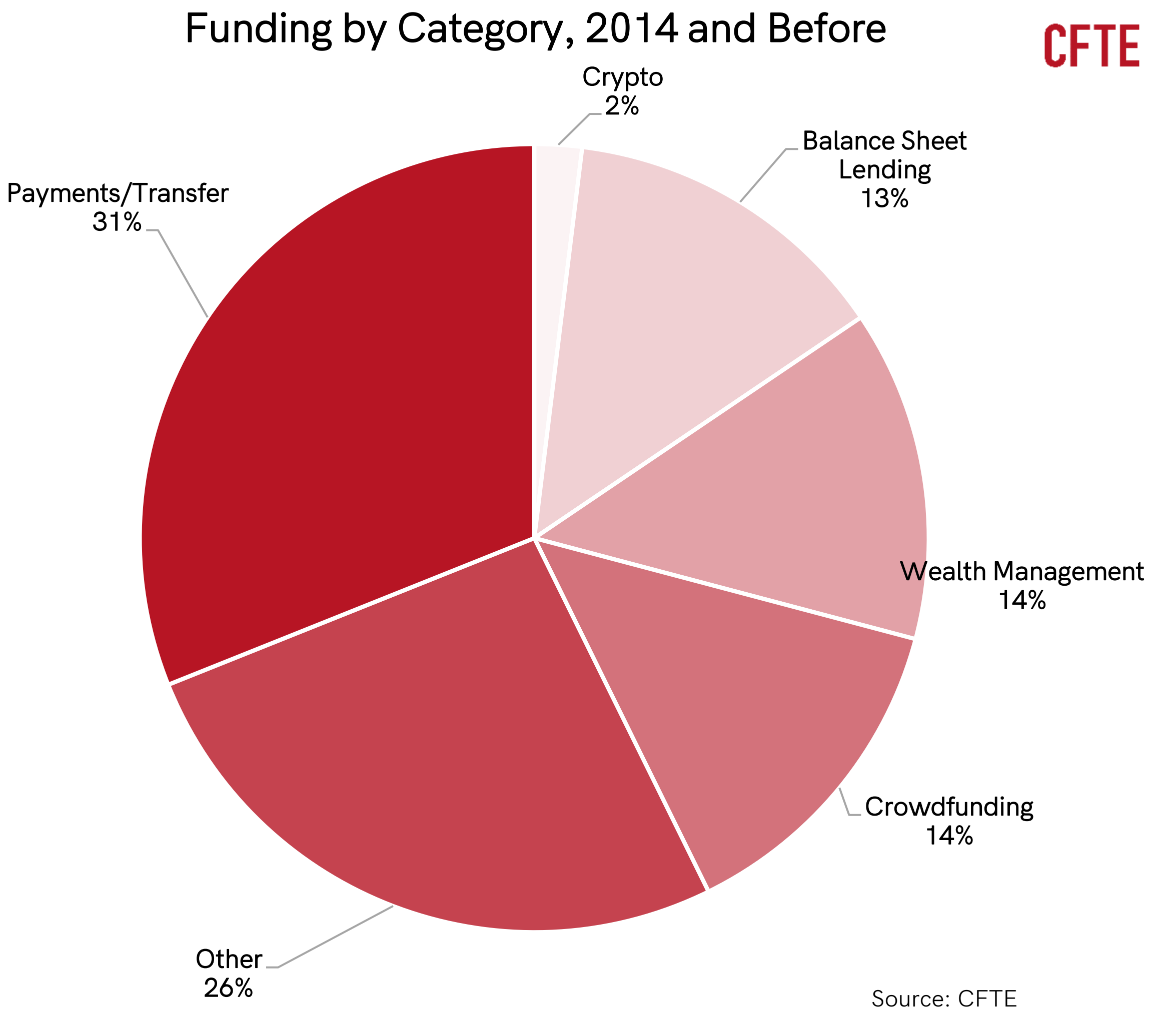
Least funded

The Fintech startups that received the least investment are Stellar, Stockspot, Vortex, Kickstarter, and Nimble. Their challenges are all unique except for the fact that two of them, the robo advisor Stockspot and the payday lender Nimble are both Australian, which is a market of only 25 million people. Stellar is a cryptocurrency foundation that didn't need much funding and received a $5 million loan from Stripe. Vortex is an established ATM manufacturer in India that, while growing, doesn't expect to scale like tech software firms, and Kickstarter transitioned to a public benefit corporation which allows it to focus on things other than profitability.

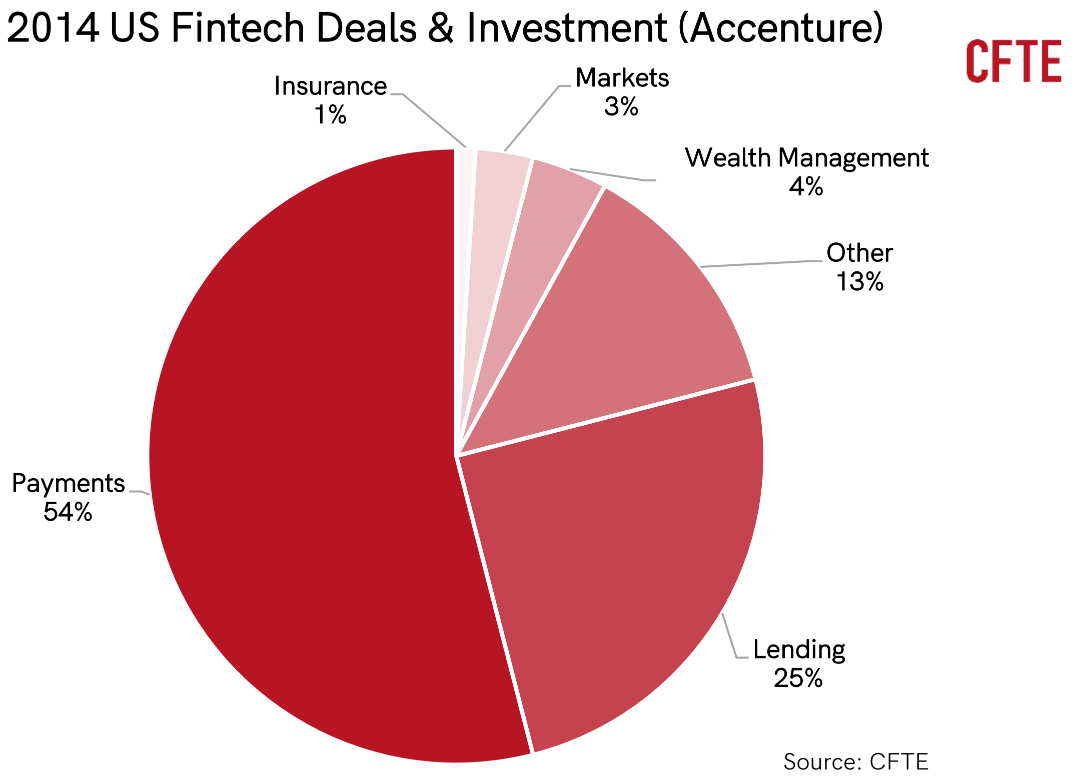
Least funded	Equity Funding ($M)
Stellar	3
Stockspot	3.2
Vortex	9.9
Kickstarter	10
Nimble	18.3

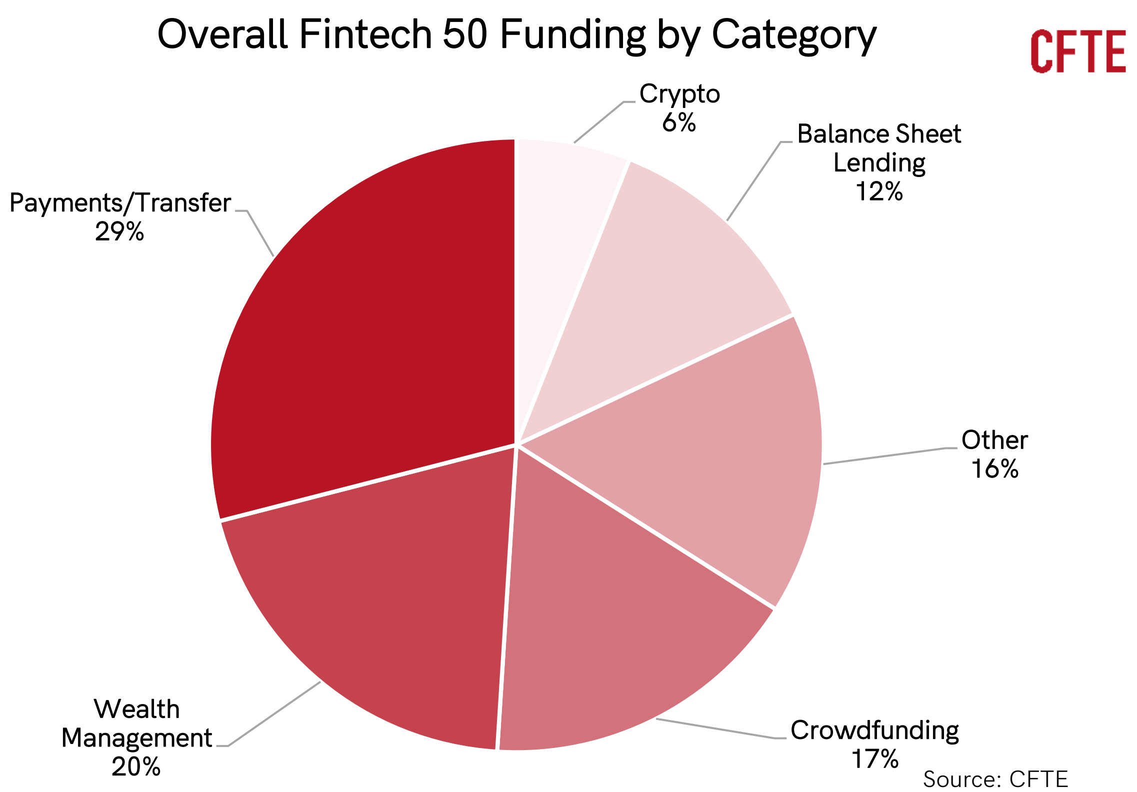
Source: CFTE

Funding and Success

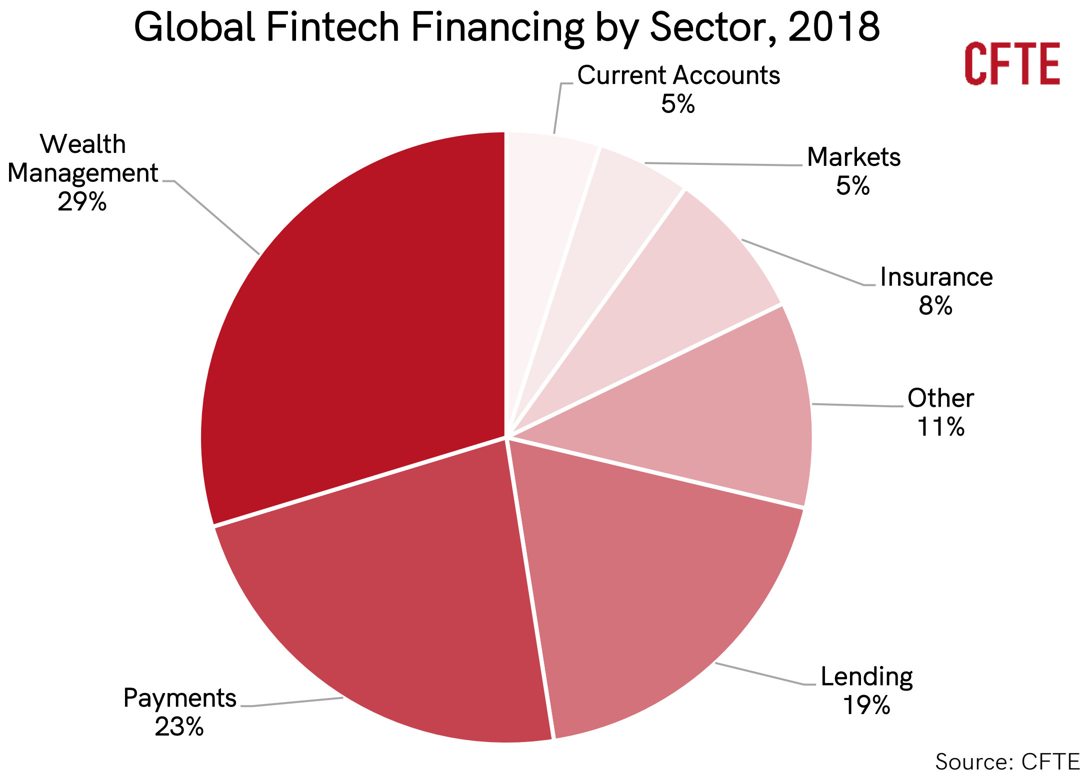


Funding for Fintech 50 firms in 2014 roughly mirrored funding in the field generally. Payment/funds transfer firms received the most funding, 32%, despite only being 20% of the firms in the report. Balance sheet lenders only received 14% of the funds, but P2P lenders were 5 of the 10 crowdfunding firms and received 80% of crowdfunders' funding, or another 10% of the total. Wealth management companies in the report received more funding than the industry in 2014, but there were no insurance Fintechs in the report.


2014 US Fintech Deals & Investment (Accenture)
CFTE
Insurance 1%
Markets 3%
Wealth Management 4%
Other 13%
Payments 54%
Lending 25%
Source: CFTE


Overall Fintech 50 Funding by Category
CFTE
Crypto 6%
Balance Sheet Lending 12%
Payments/Transfer 29%
Other 16%
Wealth Management 20%
Crowdfunding 17%
Source: CFTE

Funding for the Fintech 50s changed, but not as fast as the industry. Wealth management received 20% of total Fintech 50 equity funding, almost double its 2014 share, but this was still less than the 30% of funding it received in the outside industry in 2018. And the 2014 report excluded the rapidly growing insurance sector (8% of total 2018 funding) and current account field (5% in 2018). Funding for lenders did shrink (relatively) in firms in the report, as it did in Fintech generally (from 25-19%).

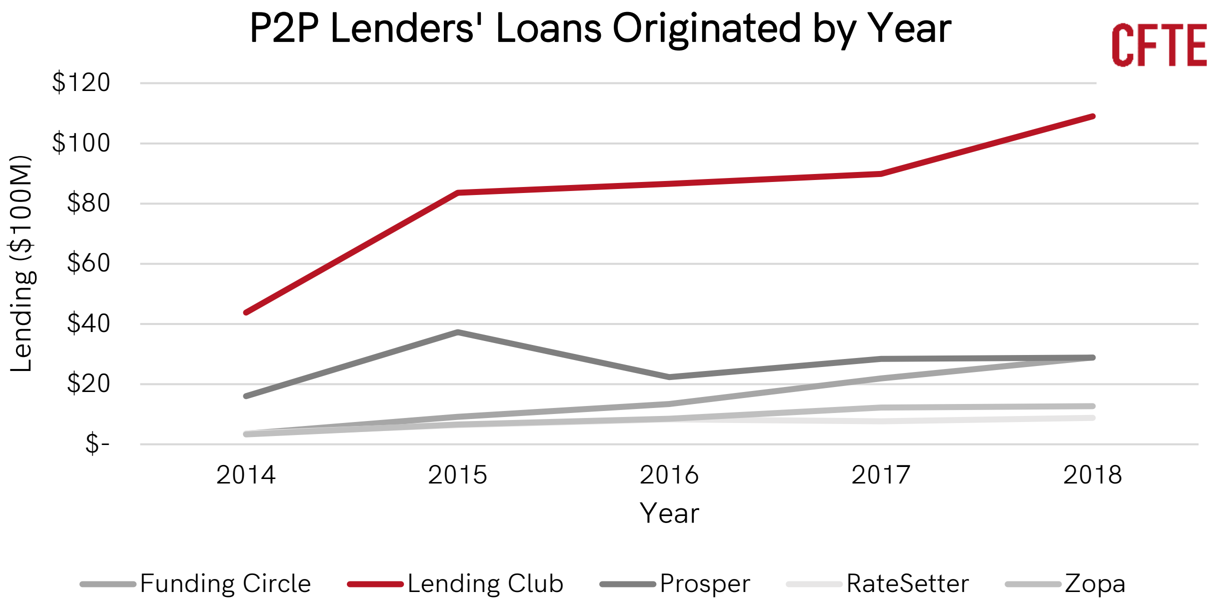


Sectoral Breakdown:

Peer-to-Peer Lenders

Peer-to-peer lenders did not meet the hype. They were quite popular with investors at first, receiving an average of $94 million dollars in equity funding up through 2014, accounting for 16% of funding through 2014 for the 50 Fintechs.They received less funding after and suffered when the markets decided it would be better to value them like banks than tech companies. A number of them have had their valuations decrease, with Funding Circle's market capitalization more than halving since its 2018 IPO, and Lending Club's market capitalization decreasing by over three quarters since its 2015 IPO. P2P lenders faced the difficulty of trying to match supply of loans to demand, and many of them rapidly increased lending in 2014 and 2015 as institutions flooded the field in the hope of high yields amidst low interest rates. This rush to produce enough loans for institutions to buy led to Lending Club, the US market leader relaxing its standards and selling a client loans that went against his expressed wishes in spring 2016. The resulting scandal triggered SEC and DOJ investigations, led to the departure of Lending Club's CEO, and caused a number of loan buyers to put purchasing on hold.

The following chart shows the effects of the 2016 scandal, showing that lending volume has since recovered and Lending Club has remained the largest P2P lender in the US. However, valuations have not recovered, as Lending Club and Funding Circle are only valued at a combined $2 billion in contrast to Lending Club's $5.4 billion valuation at its 2014 IPO. Society One's lending data is excluded, as it only provides cumulative data.



Source: CFTE

It appears likely that low cost P2P lenders will continue to expand, but the rate of growth is uncertain. We don't know how they handle downturns, which is increasingly important as default rates are increasing in the UK. The FCA's new rules limiting investment in P2P lending to 10% of investable assets could also put a damper on growth.

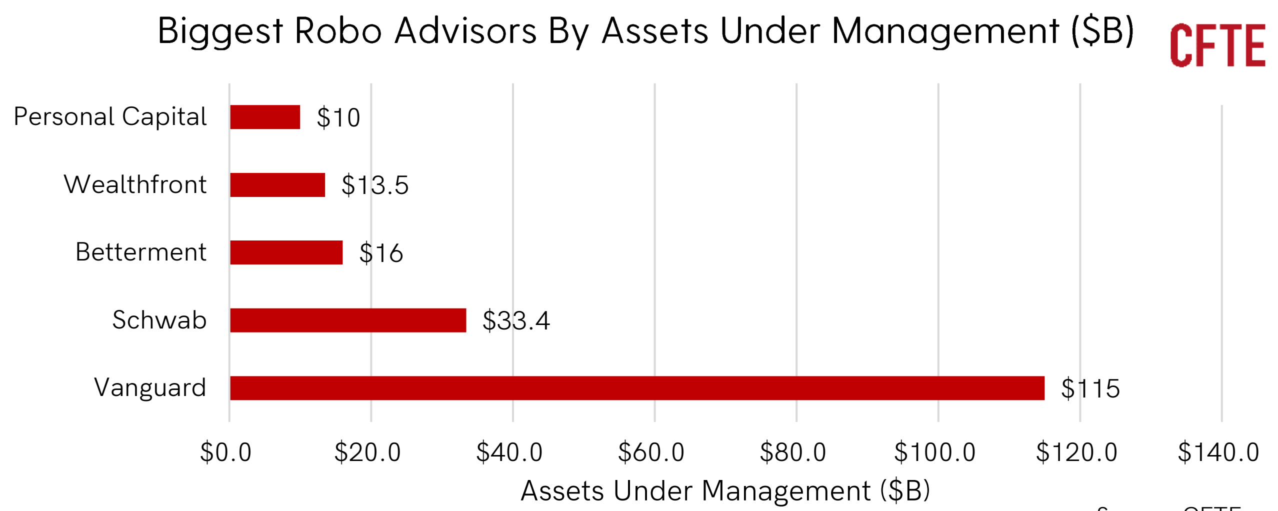
Our theory predicts that P2P lenders' increased reliance on large institutional investors is useful but P2P lenders compete in a difficult market. There are lots of competitors in the lending market and banks will aggressively defend their profit margins. It's very difficult to lock borrowers in so most will shop around each time they need a loan. This explains why none of the P2P lenders from the 2014 Fintech 50 Report are consistently profitable, though Zopa claims to be profitable in P2P lending and others say they're profitable outside of expansion efforts.

5 years ago, there were big expectations for P2P lenders to transform the landscape for loans, but this has not materialised. Most have converged to more traditional models, for example by heavily leveraging on institutional money and helping deploy it – which in itself is closer to the model of a credit fund.

Robo Advisors

Robo advising is another category which doesn't appear successful by Fintech 50 standards. Robo advising may be disrupting the wealth management industry, but primarily through imitation by larger incumbents who can afford to undercut pure robo advisors' fees. Imitation is the highest form of flattery, but the biggest robo advisors are now wealth management titans Vanguard and Schwab. Schwab's ability to charge zero management fees and Vanguard's ability to market to existing customers are difficult to compete with.

Additionally, it appears that relatively few investors are willing to invest their life savings without human advice. It's argued this is due to millennials investing less than expected or millennials preferring some human input but the results are the same. A number of B2C robo advisors which can't keep up with market leaders Betterment and Wealthfront have switched to B2B services centered around offering robo advising services through traditional financial advisory firms to older investors. And market leader Betterment is adding options to pay for access to human financial advisors, following Personal Capital's hybrid approach.



Source: CFTE

The last 5 years have been a race to scale. Of the pure Fintechs, Betterment and Wealthfront have the most assets under management but there are questions about their ability to reach profitability while only charging 25 basis points for their basic accounts. Wealthfront boosted assets under management by $1 billion in under a month by introducing an FDIC insured savings account this year offering 2.29% interest but it’s doubtful it receives substantial margins from it and it's unclear whether Wealthfront can convert them to its other wealth management services.

Personal Capital is the only 1 of the 7 Fintech 50 robo advisors which claims to be profitable. It offers a free service which tracks $650 billion in clients’ assets for free, then tries to recruit these clients to convert to its paid service where they’ll pay for account management. It claims to be breaking even despite only actually managing $10 billion because it charges 89 basis points for its premium service, significantly more than its competitors. It was valued at $950 million, making it the most valuable of the Fintech 50 robo advisors, in February 2019.

SigFig and Future Advisor, which didn’t have as many clients, switched over to B2B. And Australian Stockspot appears to be struggling to gain traction in such a small market, with only 25,000 clients as of 2017. It is able to charge higher fees, however, because it faces less competition.

It’s clear that robo advising will play an increasing role in wealth management. However, its questionable whether this revolution will be brought about by dedicated robo advisors rather than traditional financial service providers’ robo offerings. In this challenging environment, Personal Capital’s approach of offering a free service and then trying to convert its users to the premium service appears to be most successful.

In the wealth management space, the most successful Fintechs so far have not been robo-advisors, but brokerage platforms such as Robinhood or eToro which ultimately leveraged the simple model of “cheaper, better, faster”.

Payments

The 7 payment firms from the report which were independent companies (M-Pesa is a subsidiary of Safaricom) raised an average of $110 million, just over average for Fintech 50 firms but clearly outperformed them. They were clearly some of the most successful featured in the report, as 4 of the 8 are now unicorns worth a combined $57.2 billion. Square and Stripe lead the way with valuations of $30.2 billion and $22.5 billion, respectively, while Scandinavian ecommerce payment firm Klarna is worth $3.7 and UK point of sale startup SumUp is worth $1 billion.

These firms rose with the rising tide of digital payments, as worldwide payment revenues grew 7% annually from $.9 trillion in 2006 to $1.7 trillion in 2016. Growth accelerated to 11% between 2016 and 2017, and is expected to average 9% until 2022, when payment revenues are projected to reach $2.9 trillion.

Square and Stripe both began by focusing on specific problems that could be solved at scale. Square realized it was too difficult for small businesses to accept credit cards and created an intuitive, cheap dongle that it mailed to small businesses for free. Stripe focused on how difficult it was to sell products online and tried to build a developer-friendly API for merchants. Both focused on making their product as simple and easy to install as possible. Users of payment systems don't switch often so it's easy to rebundle by offering other services. Now that both have millions of clients Square is using the data it gets from its clients to offer other services, such as financing and debit cards. Stripe started Stripe Atlas, an online business creation toolkit to help businesses go online (and then hopefully use Stripe to accept payments).

Common factors of success

1. Rapid user acquisition

Whether through an app or online, the most successful Fintechs focused on obtaining users first. Wecash's founder only focused on user metrics so whenever the growth rate slowed, he'd try to alter the website, marketing campaign, or products in order to spur client acquisition. This often features some kind of subsidy, i.e. Square mailing its dongle for free, Credit Karma offering free credit scoring.

The most successful Fintechs in the report all appealed to large markets where they could acquire millions of users. This ranged from free credit reports, to payments for small firms, to accounting software, to crypto asset management to zero fee do-it-yourself stock trading. They focused on sectors where there was a significant market need, or an underserved segment of the population: accounting software was difficult to use, stock trading was expensive, dealing in crypto currencies was risky, and it was difficult to get your credit report for free before Xero, Robinhood, Coinbase, and Credit Karma.

But in the B2C (Business to Consumers) space, Customer Acquisition Cost is one of the main challenges. For companies that found that CAC was too high, some of them decided to focus on B2B (Business to Business) instead. This is why a number of P2P lenders have prioritized institutional investors, who can buy millions of dollars of loans at once. It's easier to sell to fewer customers rather than having to match supply and demand for loans. Some of the robo-advisors also followed the same strategy, and instead of catering to consumers, decided to offer their technologies to financial institutions. In general, there have been successful examples of rapid user acquisition for Fintechs that targeted consumers (i.e. Kabbage or Transferwise) or SMEs (i.e. Xero or Kabbage). For large corporates, there are few examples (i.e. Calastone), but the original list did not list many pure B2B startups to start with.

2. Client retention

Top Fintechs in the report prioritized keeping clients they'd acquired. Businesses that offer one-off loans grew slower than sites that build platforms that require continuous use. Payment giants Square, Klarna, and Stripe lock in their clients, while Credit Karma, Robinhood and Coinbase offer services (credit scoring, trading, and crypto trading respectively) that clients frequently return to. On the other hand, people apply for loans infrequently and irregularly, so direct lenders must compete for clients each time they're considering a new loan. This isn't solely about the original service you build your Fintech around; it can also be bolstered through add-ons that increase customer engagement. It's much harder for clients to leave a full ecosystem because they'd have to find substitutes for each service they use in the ecosystem.

3. Client monetization

The most successful firms in the report focused on client acquisition and retention before trying to make money off them. This is quite typical for startups that use investor money to first find product-market fit and optimize customer acquisition cost before focusing on monetization. The top firms from the report rely on client data, either for an edge in offering their own products or so they can sell it to third parties.

For example, Credit Karma uses data it gets while obtaining clients credit scores to offer tailor-made financial products from third parties. It has persuaded lenders to allow it to use their underwriting models so Credit Karma can tell its customers with near certainty whether they'll be approved for loans before they even apply. Many lenders are willing to make this concession because it's such a large platform and it has such useful financial data on its customers. Additionally, customers are more likely to apply for a loan if there's a lower chance of being rejected because they don't want their credit score impacted by a rejection.

Conclusion

In the last 5 years, Fintech startups have had a significant impact in finance. The growth of the Fintech 50 makes the point quite convincingly, and very few now would doubt that finance will continue to be transformed, re-shaped, re-invented at an accelerated speed.

The team really enjoyed working on the Fintech 50, but we knew that the decision to start from the Fintech 50 would leave some stones unturned, and it was important not to be lured by the simplicity of the approach.

What big trend did we miss by focusing on the Fintech 50?

- Traditional financial institutions. At CFTE, we define Fintech as the transformation that technology is bringing to finance, and that includes Fintech startups, but also banks, tech companies and any new players getting into finance. Some large banks or insurance companies have clearly recognised the urgency to transform, and are not staying idle.
- Big tech. Technology companies getting into finance, for the same reason as above.

But much more importantly, which trends did the whole industry miss in 2014 when the Fintech 50 were selected?

The list below is an approximative list of the largest Fintech companies today – in terms of valuation. Some of our initial Fintech 50 are represented, from Square to Robinhood or Credit Karma.

But many huge sectors today were overlooked in 2014 :

- Emerging markets: from China (Ant Financial) to India (Paytm) to Brazil (Nubank), emerging markets was not a theme in 2014, whereas today it seems obvious.
- Challenger banks: from Revolut to Monzo Bank, these Fintech startups were overlooked for a very simple reason - they did not exist in 2014. Which makes their growth even more impressive.
- Insurtech: from Oscar to Lemonade, insurtech was not a theme in 2014, and became interesting only a few years after.
- And Blockchain: for exactly the same reason, Blockchain became a theme only a few years later, and these companies grew extremely rapidly in a short amount of time.

Today's Most Valuable Fintechs

*Fintech 50 Firm

1	Ant Financial	$ 150 B	11	UiPath	$ 7 B	21	BGL Group	$ 2.9 B
2	Lu.com	$ 39 B	12	Robinhood*	$ 6 B	22	OakNorth	$ 2.8 B
3	Square*	$ 31 B	13	SoFi	$ 4 B	23	Plaid	$ 2.7 B
4	Stripe*	$ 23 B	14	Credit Karma*	$ 4 B	24	Confluent	$ 2.5 B
5	JD Finance	$ 20 B	15	NuBank	$ 4 B	25	Green Sky	$ 2.3 B
6	Paytm	$ 20 B	16	Klarna*	$ 3.6 B	26	iZettle	$ 2.2 B
7	Ripple	$ 20 B	17	Transferwise*	$ 3.5 B	27	Zenefits	$ 2 B
8	Grab	$ 14 B	18	N26	$ 3.5 B	28	Gusto	$ 2 B
9	Xero*	$ 9 B	19	Oscar	$ 3.2 B	29	Lemonade	$ 2 B
10	Coinbase*	$ 8 B	20	Circle	$ 3 B	30	Avant	$ 1.9 B

Source: CFTE

So what the Fintech 50 missed in 2014 was companies that did not exist yet and grew incredibly quickly in less than 5 years – so it would be hard to blame the authors of the original report! And also the Emerging Market story, which we have experienced personally. When Janos Barberis, co-author and Head of Entrepreneurship at CFTE, launched SuperCharger in Hong Kong in 2015, there was very little interest from anyone to be involved in Fintech in Asia. Supercharger went on to become Asia's largest fintech accelerator, and today everyone wants a part of Asia's fintech space.

The Fintech 50 underwent enormous growth, but from what we missed, we realised that there were some sectors of Fintech that grew even faster. This sounds like a good way to end this report, because this is likely to be the norm of what will happen in finance in the next few years: transformation at a breathtaking pace, everywhere, in all sectors.

Wishing you an amazing journey in the new world of finance!

Huy Nguyen Trieu
Co-founder, CFTE

Centre for Finance, Technology and Entrepreneurship

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About CFTE

CFTE is a global education platform supported by senior leaders from the largest institutions, startups and universities. It addresses the needs of professionals in finance to upskill in an industry being rapidly transformed by emerging technologies.

50,000 participants follow CFTE programmes, from online courses in Fintech and AI, to extrapreneurships with startups such as Revolut or Shift Technology.

CFTE is headquartered in London with an office in Singapore, and supports both organisations and individuals. Dozens of financial institutions around the world have implemented CFTE programmes, and there are now CFTE alumni in almost every country. In addition to courses, CFTE organises events for its community on a weekly basis, mainly in London and Singapore, and also Paris and Hong Kong.

Website

LinkedIn

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CFTE Courses:

Fintech Foundations

Fintech Foundations is a foundation course designed to give students and professionals working in the finance industry a solid understanding of how technology is redefining the provision of financial services. Build your fintech knowledge in just 8 hours with the help of leading academics and industry experts. With this objective in mind, Fintech Foundations will provide you with a clear understanding of how technology is impacting finance through an accessible format.

AI in Finance

The course has been designed to give a solid foundational knowledge about Artificial Intelligence, and how it applies to different sectors of finance to those with a general knowledge of fintech and trends in finance. It consists of 18 modules of 30-45 minutes taught by leading practitioners and academics. Explore the Artificial Intelligence revolution of the finance industry and learn from those leading the way.

Extrapreneurship

A fast-paced 8 weeks online programme designed to expose professionals to the challenges and opportunities of entrepreneurs. Work remotely in diverse teams with high growth startups to learn their strategies, processes, and challenges.

Methodology

Many of the Fintech 50 firms were often reluctant to display data, so the research relied on a variety of sources. Companies frequently display different data types from different times of the year so apple-to-apple comparisons are exceedingly difficult. We reached out to each firm via multiple methods and, when data were undisclosed, the team gathered as much data as possible and then conducting time-consuming, qualitative analysis of these firms. At times this is more art than science, and we attempt to explain the limitations of our knowledge as clearly as possible. If there is a year with no data on a chart, or we weren't able to create a graph at all on a firm, it's because we were unable to find data to supply there.

We converted every currency amount into US dollars at current spot rates unless certain milestones are more logical in a local currency (eg: a company reaches 5 billion UK pounds lent or a company receives a grant for 500 million Euros from the European Development Bank). This may lead to minor inconsistencies due to currency fluctuation that, however, we believe does not undermine the quality of the analysis. Therefore readers can assume currencies are in terms of US dollars unless another currency is explicitly cited.

For funding, we examined both Crunchbase and Pitchbook reports to try to provide the data we view as most accurate. We try to clearly explain when a datum isn't available and overruled all outside information when firms gave us their own data. IPOs, acquisitions, and non-equity financing are excluded from our counts of funding.

For employee headcounts we contacted the companies, looked for news articles and public reports, and used LinkedIn's data as a last resort. Unfortunately, the vast majority of our data on employee numbers over the last 2 years comes from LinkedIn, which we've found can vary significantly from exact headcounts. However, we found no discernable pattern in this variance that we could correct for.

The B2C and B2B classifications are imprecise by nature but attempt to clarify whether firms rely more on consumers or businesses. We define all crowdfunders as B2C and classify firms based off their original strategy, regardless of whether they switched from B2C to B2B (which was fairly common), in large part because it's difficult to classify the extent of such a switch.

Whether a firm is growing, scaling, or uncertain is more of a value judgement. While a firm increasing users from 1,000 to 16,000 users, or even 50,000 is certainly growing, it's still questionable whether it is expanding fast enough, or scaling, to reach profitability and survive. The first gauge we used of whether a firm is scaling is the company's valuation. While markets aren't always right and valuations can fluctuate, we believe markets are often on to something if a firm is worth over $1 billion. The second test we relied on was market leadership. Does it at least have the potential to lead in its field in a large market? This obviously entails a number of subjective judgements. And finally, is the firm on a path to profitability so it can become self sustaining soon? Shrinking losses or at least losses that can be solely attributed to expansion efforts would support this hypothesis.

Disclaimers

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