



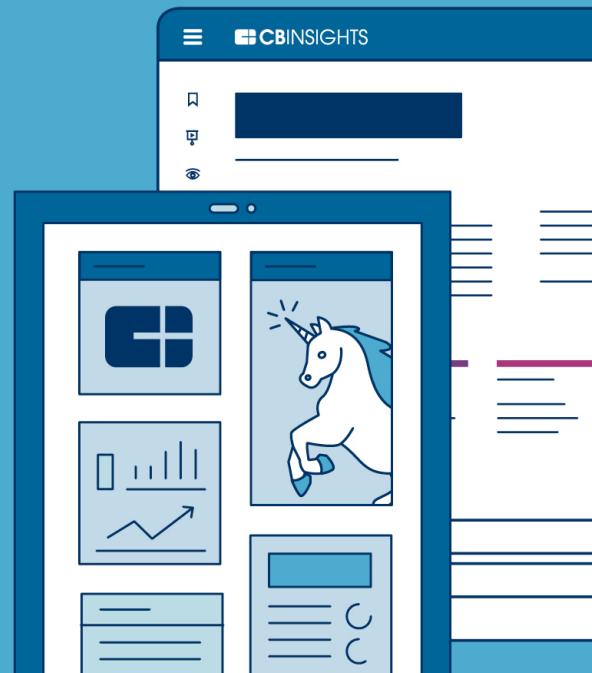
Global Fintech Report Q3 2019



WHAT IS CB INSIGHTS?

CB Insights is a tech market intelligence platform that analyzes millions of data points on venture capital, startups, patents, partnerships and news mentions to help you see tomorrow's opportunities, today.

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Joe Dunleavy, Head of Innovation at Pramerica, Prudential



Prudential



FUTURE OF FINTECH



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Summary of findings

Q3'19 fintech funding topped \$8.9B, a quarterly record when adjusting for Ant Financial's \$14B investment in Q2'18: As of Q3, fintech has raised \$24.6B in 2019, already surpassing 2017's annual total. Funding grew on the back of 19 \$100M+ rounds worth approximately \$4B in Q3'19.

Deals rebounded slightly in Q3'19 but are likely to fall short of 2018's record as a result of a continued pullback in early-stage investing: Fintech deals in Q3'19 grew 6% from Q2'19, but they have dropped in every quarter in 2019 when compared to the same time frame last year. Early-stage (seed/angel and Series A) deals fell to an 11-quarter low and funding hit a 7-quarter low.

The US saw deals dip to an 11-quarter low while Asia saw deals spike and nearly surpass the US in Q3'19: The US saw deals dip as a result of a pull back in early-stage deals, which also contributed to the overall drop in 2019 global deals through Q3'19. Asia saw deals rebound as China reclaimed the lead from India as Asia's top deal hub.

Southeast Asia fintech topped new annual highs: Southeast Asia set a new annual record with \$701M raised across 87 deals through Q3'19. The top 2 deals since 2015 occurred in 2019: a \$100M Series B to Singapore-based Desker and a \$100M Series C to Vietnam-based MoMo.

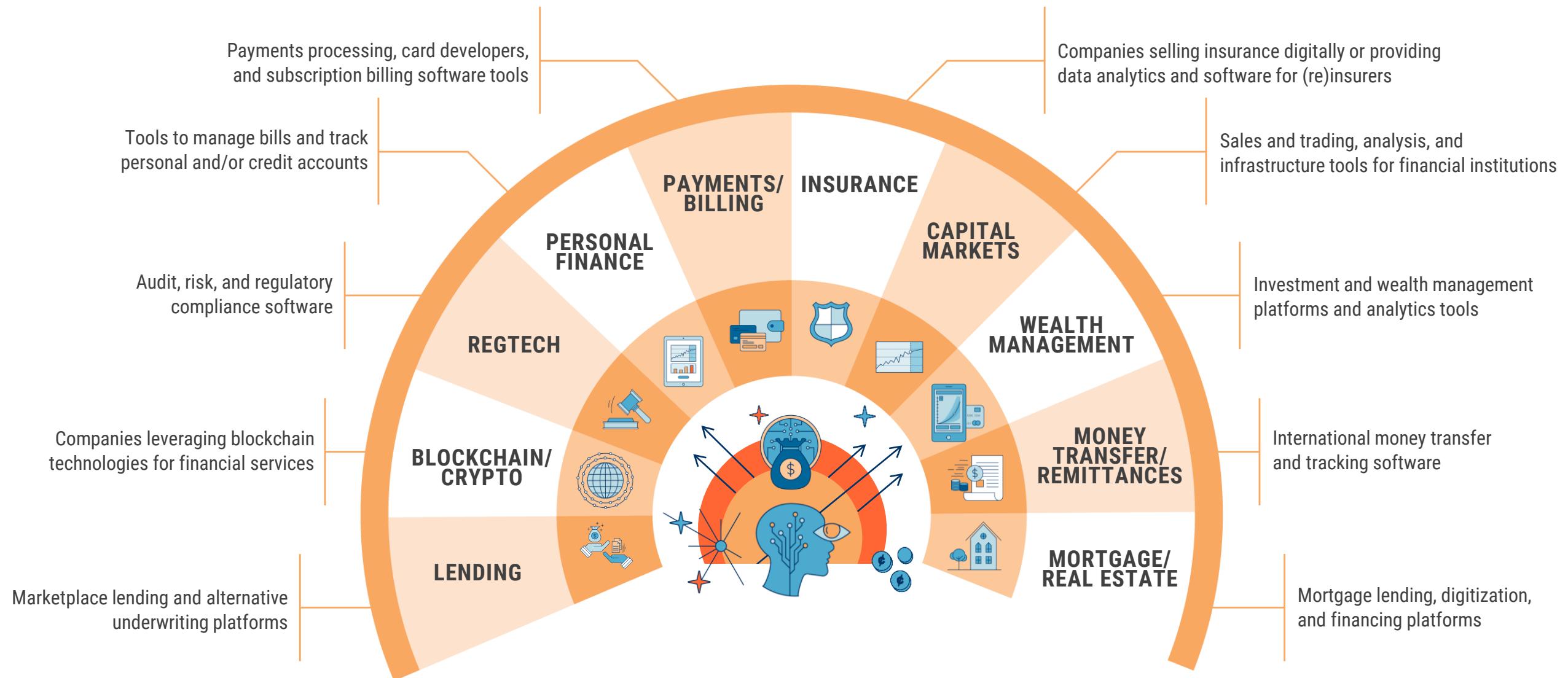
India and China continued to battle over the title of Asia's top fintech hub in Q3'19: China saw deals surge to 55 in the quarter, reclaiming the lead from India with 33 deals. India saw \$674M in funding, narrowly pulling ahead of China's \$661M.

Challenger banks have raised over \$3B in 2019 YTD and Q3'19 saw \$1.3B invested – a quarterly funding high: Q3'19 saw challenger banks funding bolstered by rounds to unicorns, including NuBank's \$400M Series F, which was the largest reported equity investment to a challenger bank and made NuBank the highest-valued challenger at \$10B. Startup-focused challenger banks saw competition heat up with deals to Ramp Financial, Mercury, and Stripe, which launched card issuing.

There are 58 VC-backed fintech unicorns worth a combined \$213.5B: Q3'19 saw 6 new fintech unicorn births (Hippo, Judo, Deposit Solutions, QuintoAndar, Dave, and C2FO), and 3 more have occurred in Q4'19 as of 11/11/19 (Next Insurance, Ebanx, and Riskified). Other highly valued unicorns continued to raise late-stage capital, including NuBank, Gusto, and Stripe, among others, but none signaled an IPO was imminent.

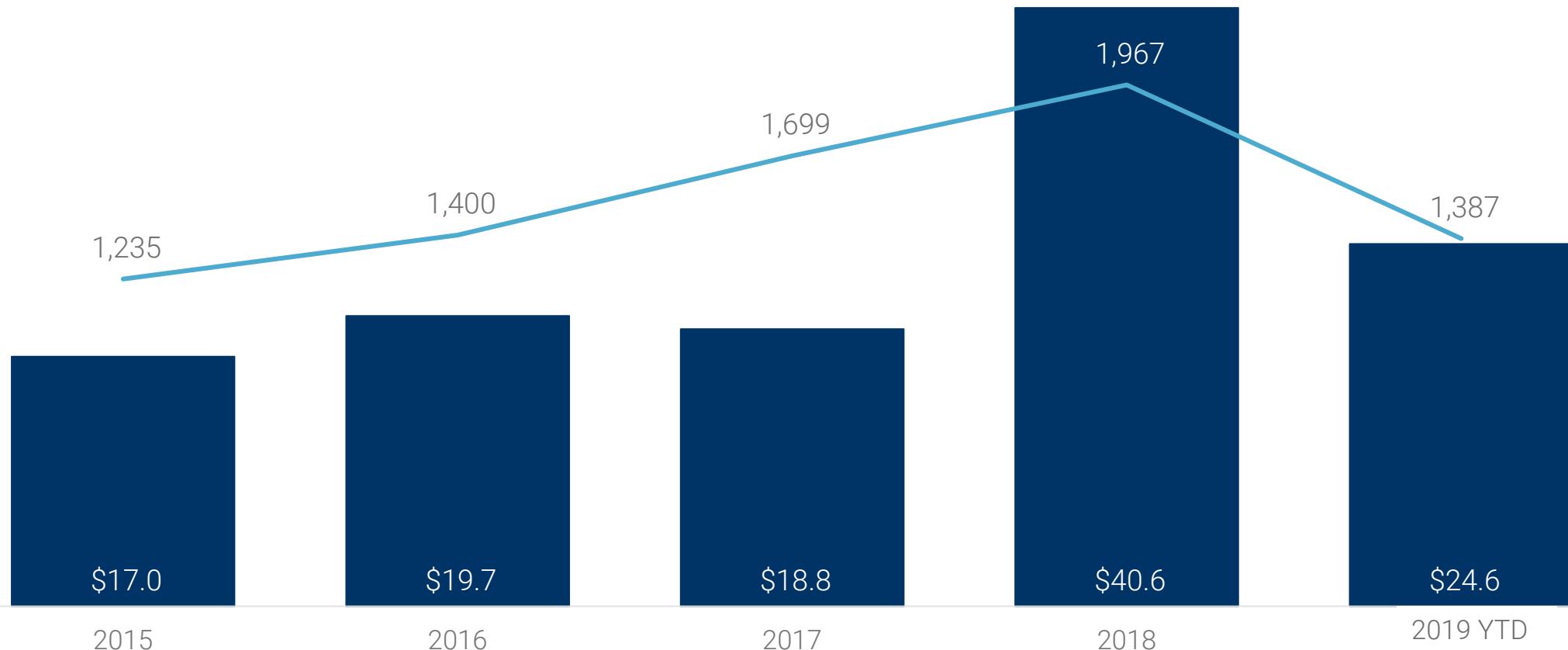
Note: This report focuses on equity rounds to VC-backed fintech companies. This report does not cover companies funded solely by angels, private equity firms, or any debt, secondary, or line of credit transactions. All data is sourced from CB Insights.

WHAT FINTECH COVERS



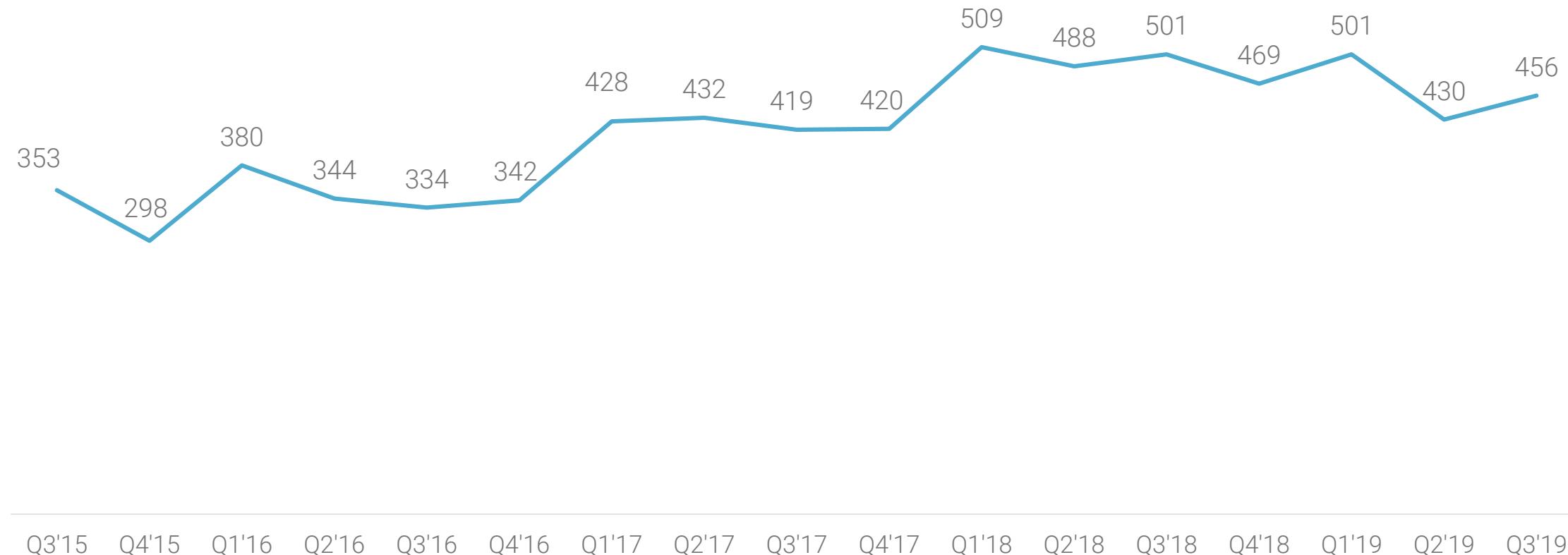
2019 global fintech funding topped \$24.6B through Q3'19, already surpassing 2017's total

Annual global VC-backed fintech deals and financing, 2015 – Q3'19 (\$B)



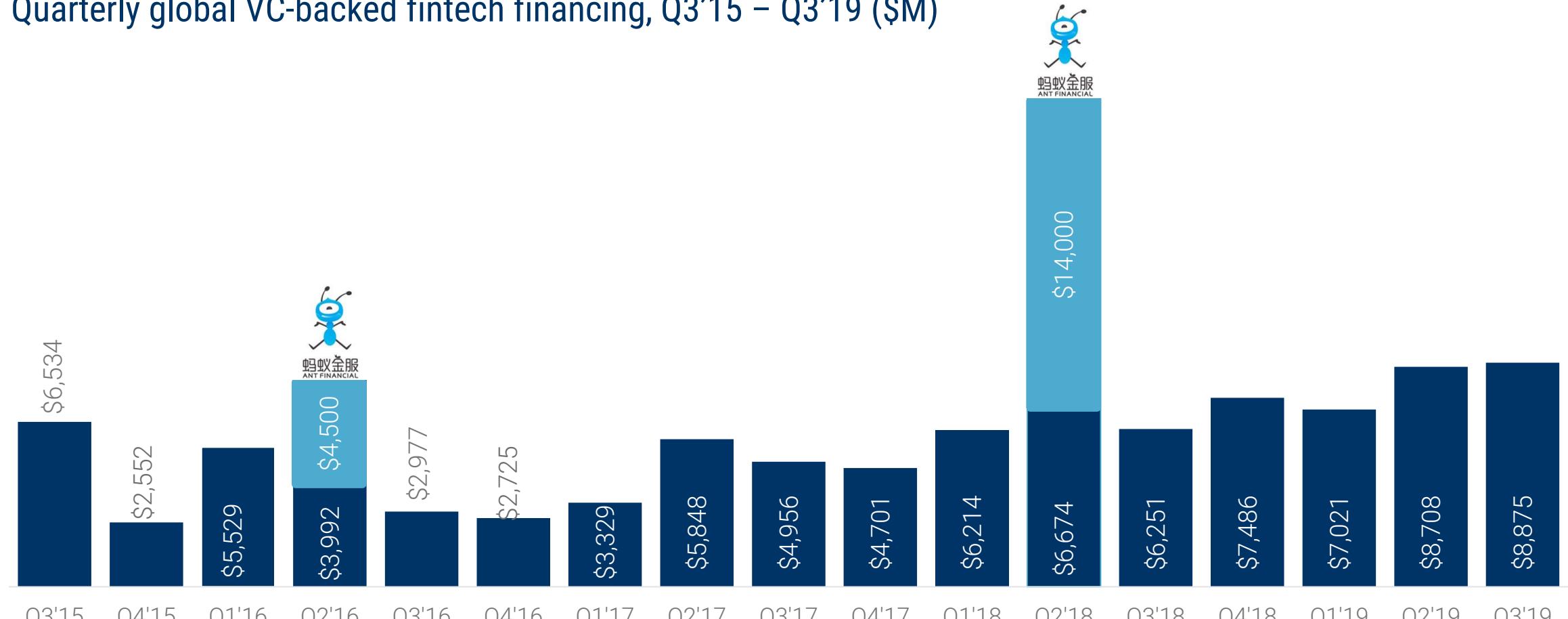
VC-backed fintech deals picked up in Q3'19, but will likely end the year down from 2018's record

Quarterly global VC-backed fintech deals, Q3'15 – Q3'19



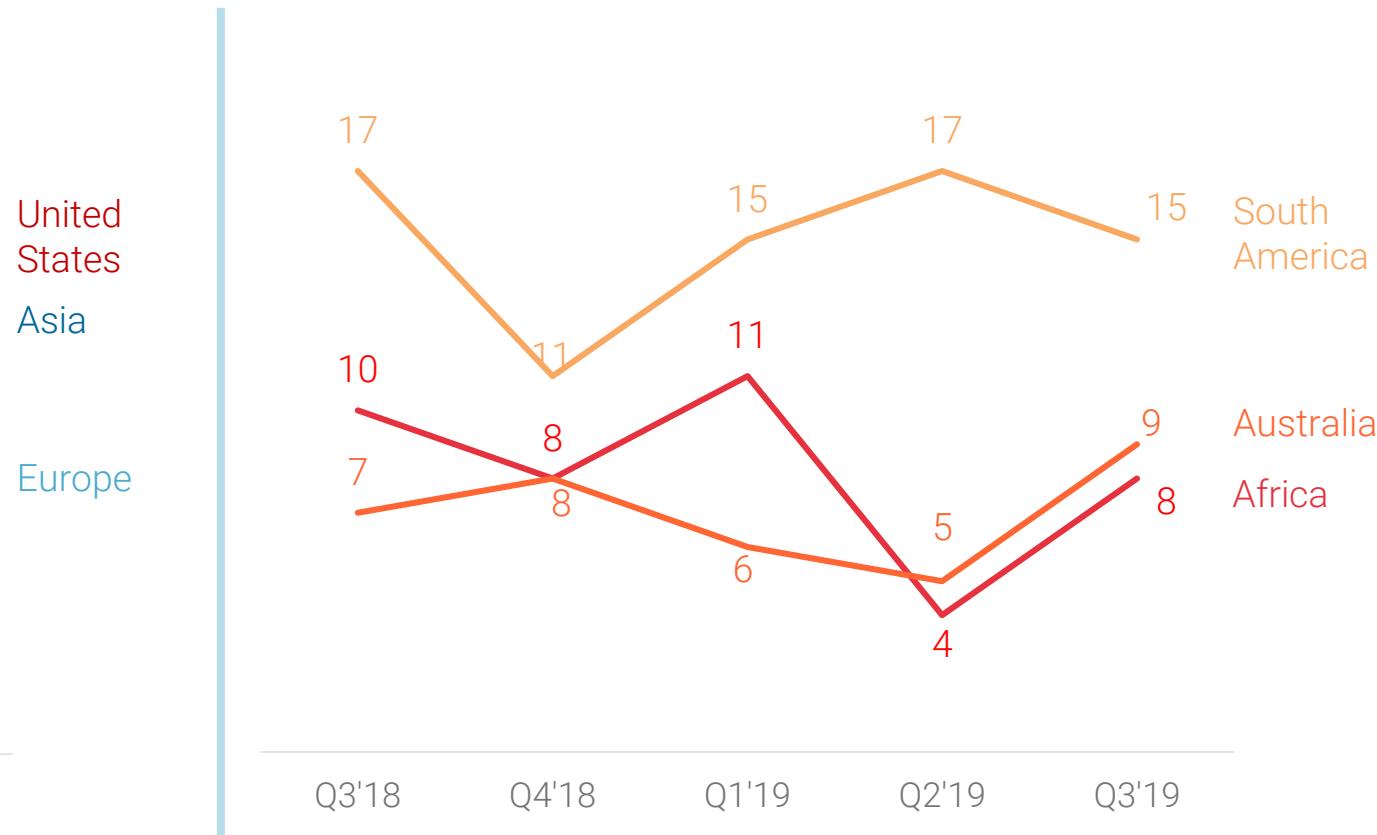
Excluding Ant Financial's record deals, VC-backed fintech funding hit a quarterly high in Q3'19

Quarterly global VC-backed fintech financing, Q3'15 – Q3'19 (\$M)



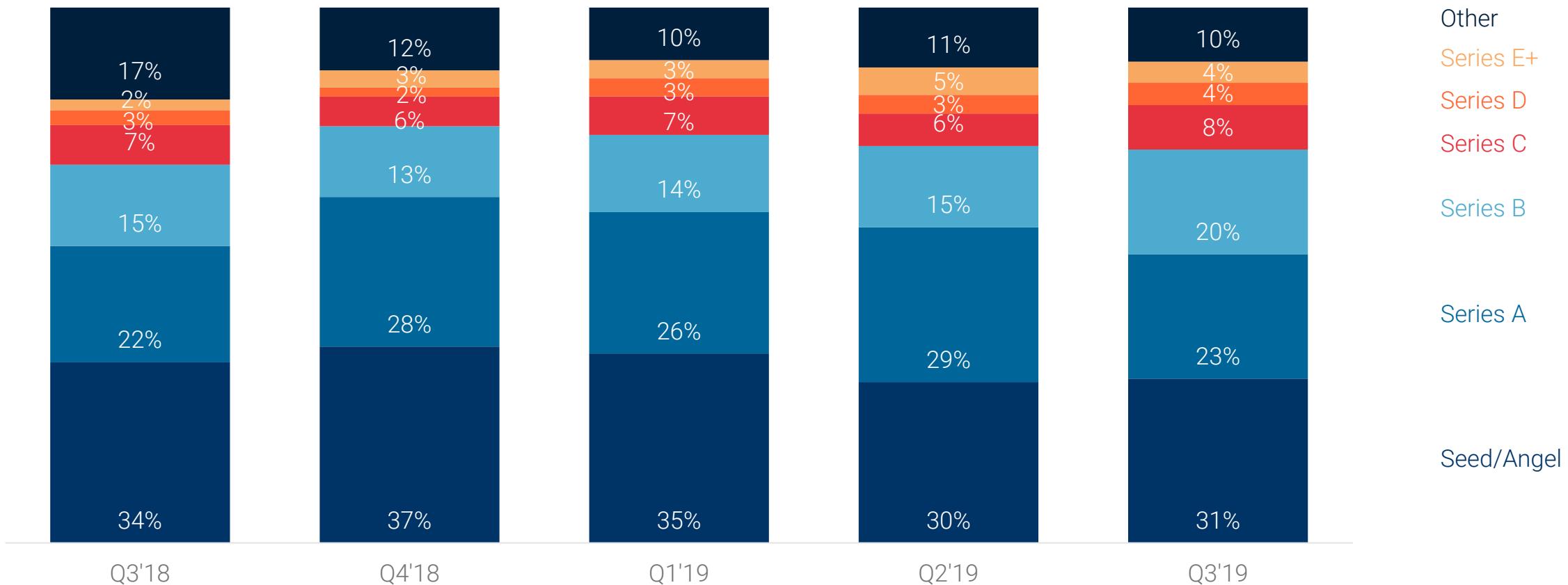
US deals dipped near 3-year low while Asia rebounded, nearly surpassing the US

Global VC-backed fintech deals by continent, Q3'18 – Q3'19



Early-stage deals dropped due to a decline in Series A, while Series B growth boosted mid-stage deals

Quarterly deal share by stage to global VC-backed fintech companies, Q3'18 – Q3'19



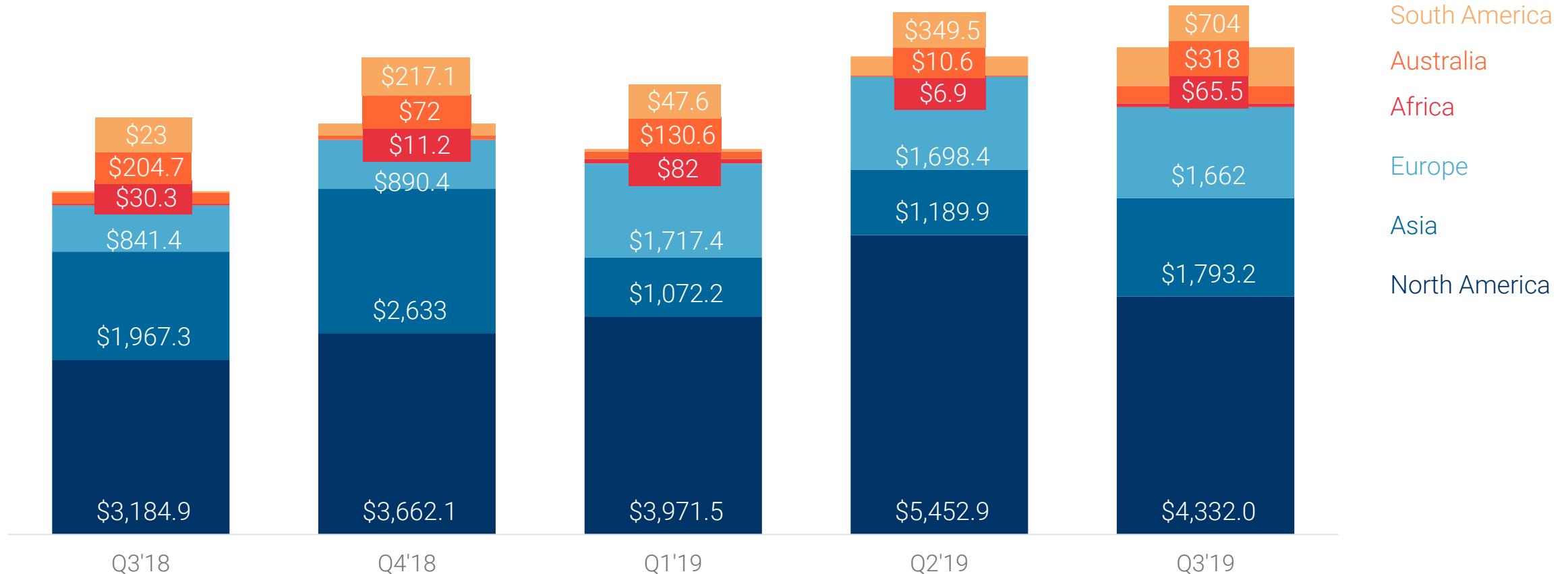
Early-stage deals dropped to an 11-quarter low and funding fell to a 7-quarter low

Quarterly global VC-backed fintech early-stage deals (seed/angel & Series A), Q3'15 – Q3'19 (\$M)



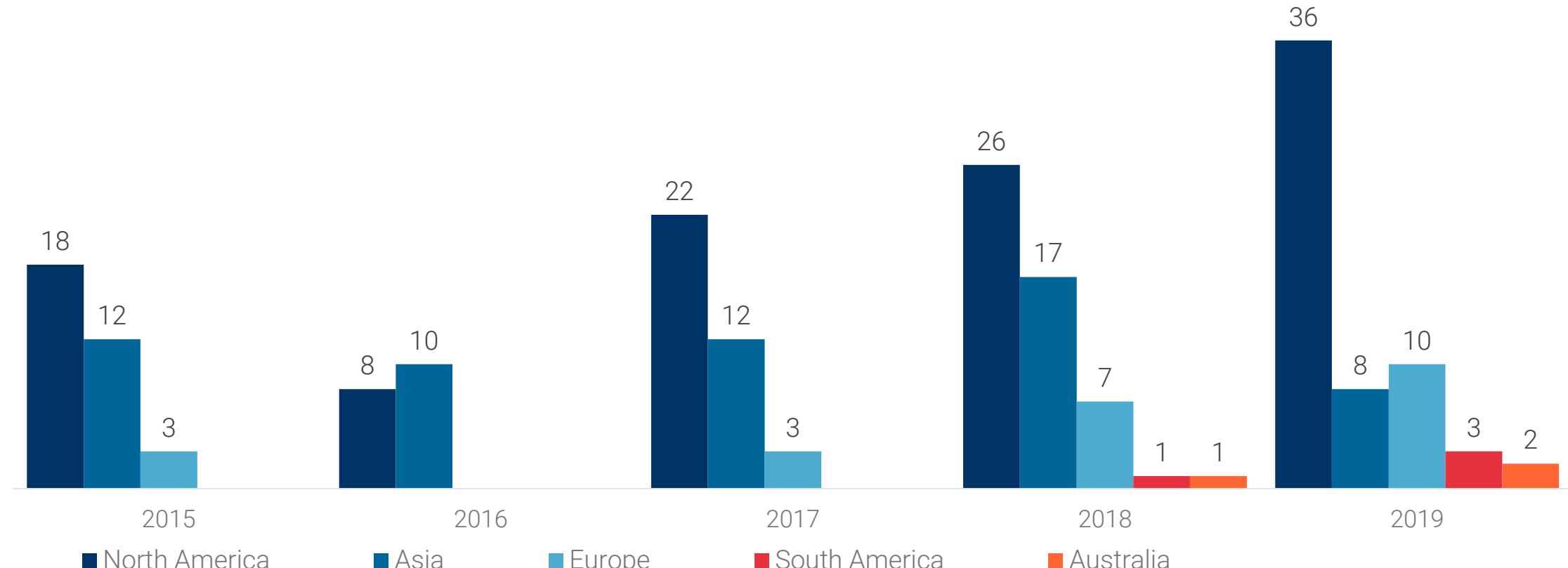
South America and Australia saw funding surge on the back of mega-rounds to unicorns

Global VC-backed fintech funding by continent, Q3'18 – Q3'19 (\$M)



Q1'19 – Q3'19 saw 59 mega-rounds totaling \$11.5B as nearly every market beat 2018's count record

Global number of fintech mega-rounds (\$100M+), 2015 – Q3'19

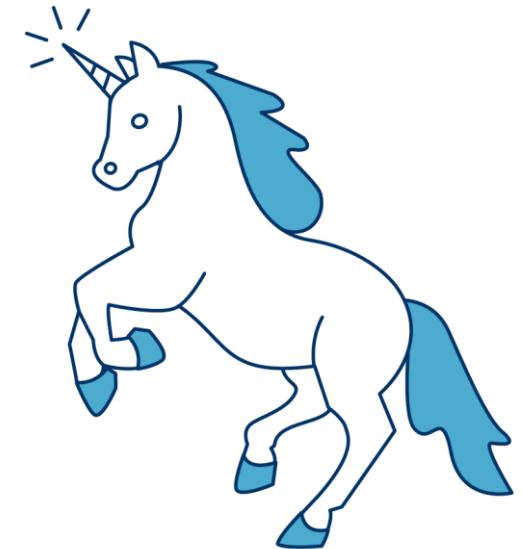


GLOBALLY THERE ARE

58 FINTECH UNICORNS

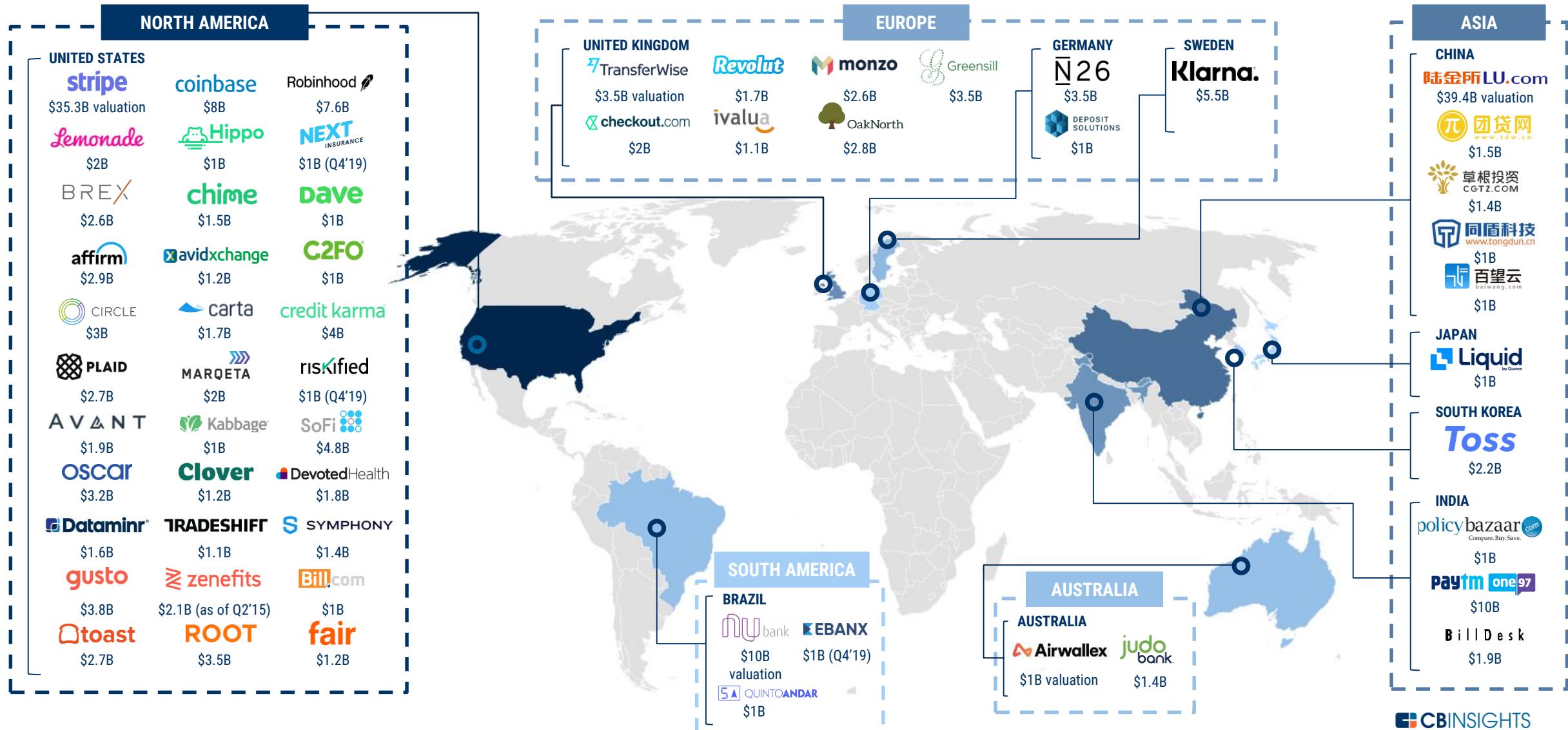
VALUED, IN AGGREGATE, AT

\$213.5 BILLION



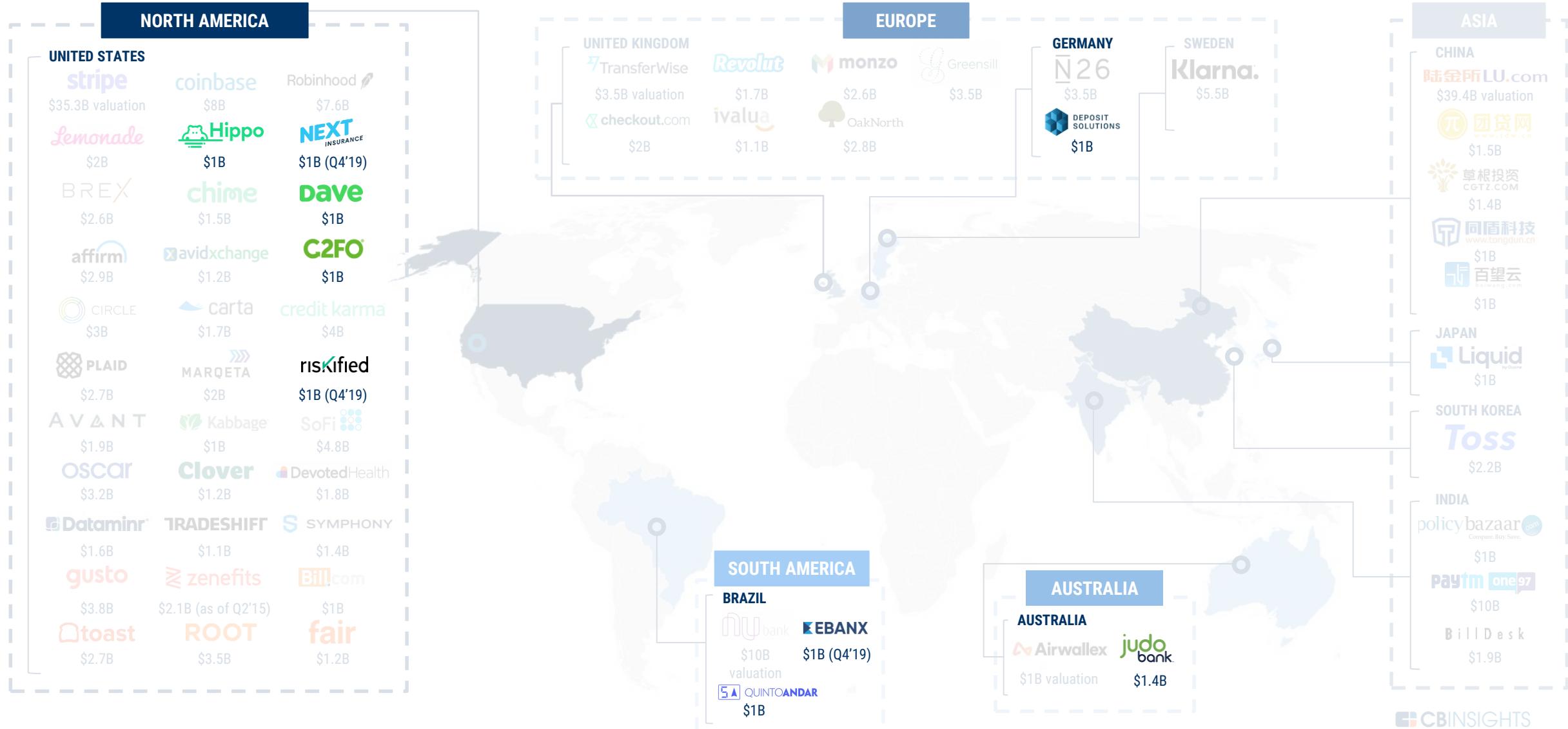
58 fintech unicorns valued at \$213.5B

Global VC-backed fintech companies with a private market valuation of \$1B+ (11/11/19)

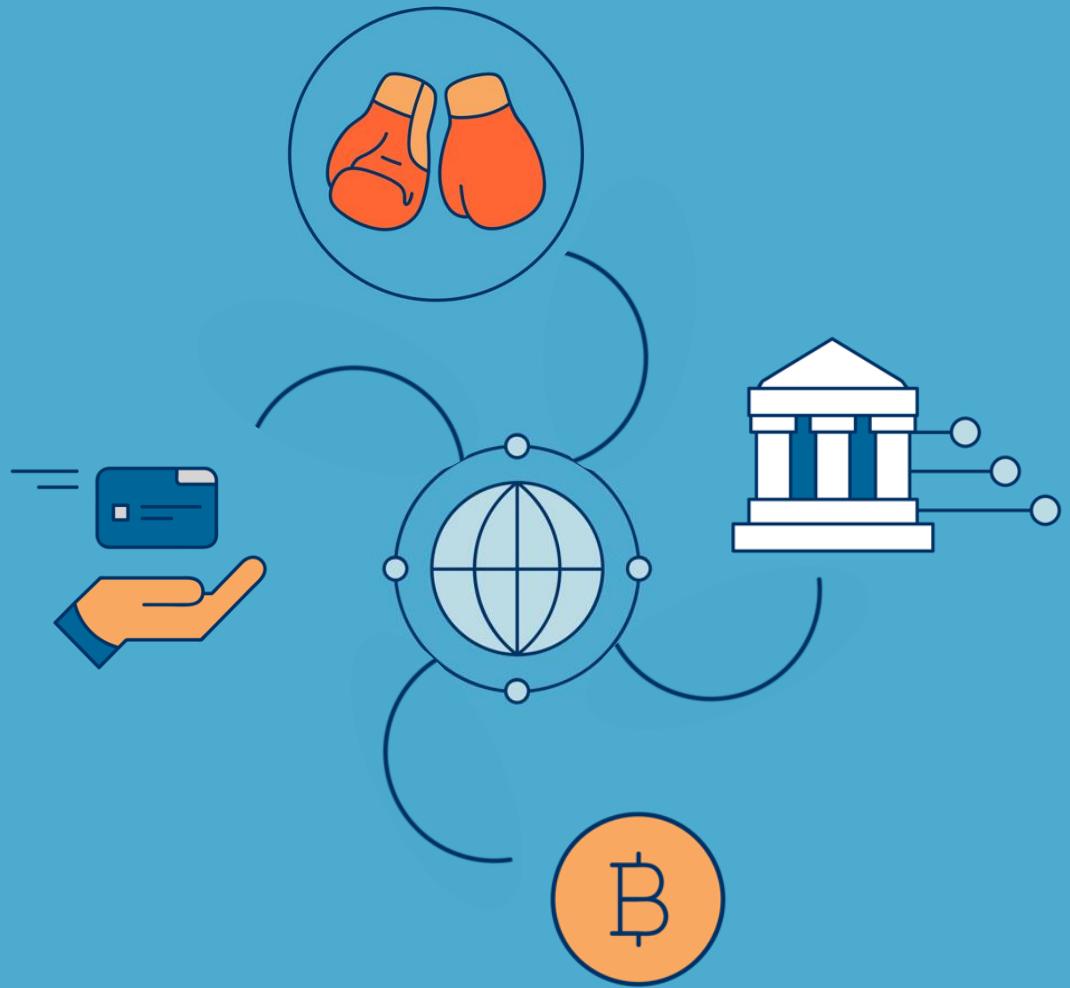


6 new fintech unicorn births in Q3'19 and 3 in Q4'19

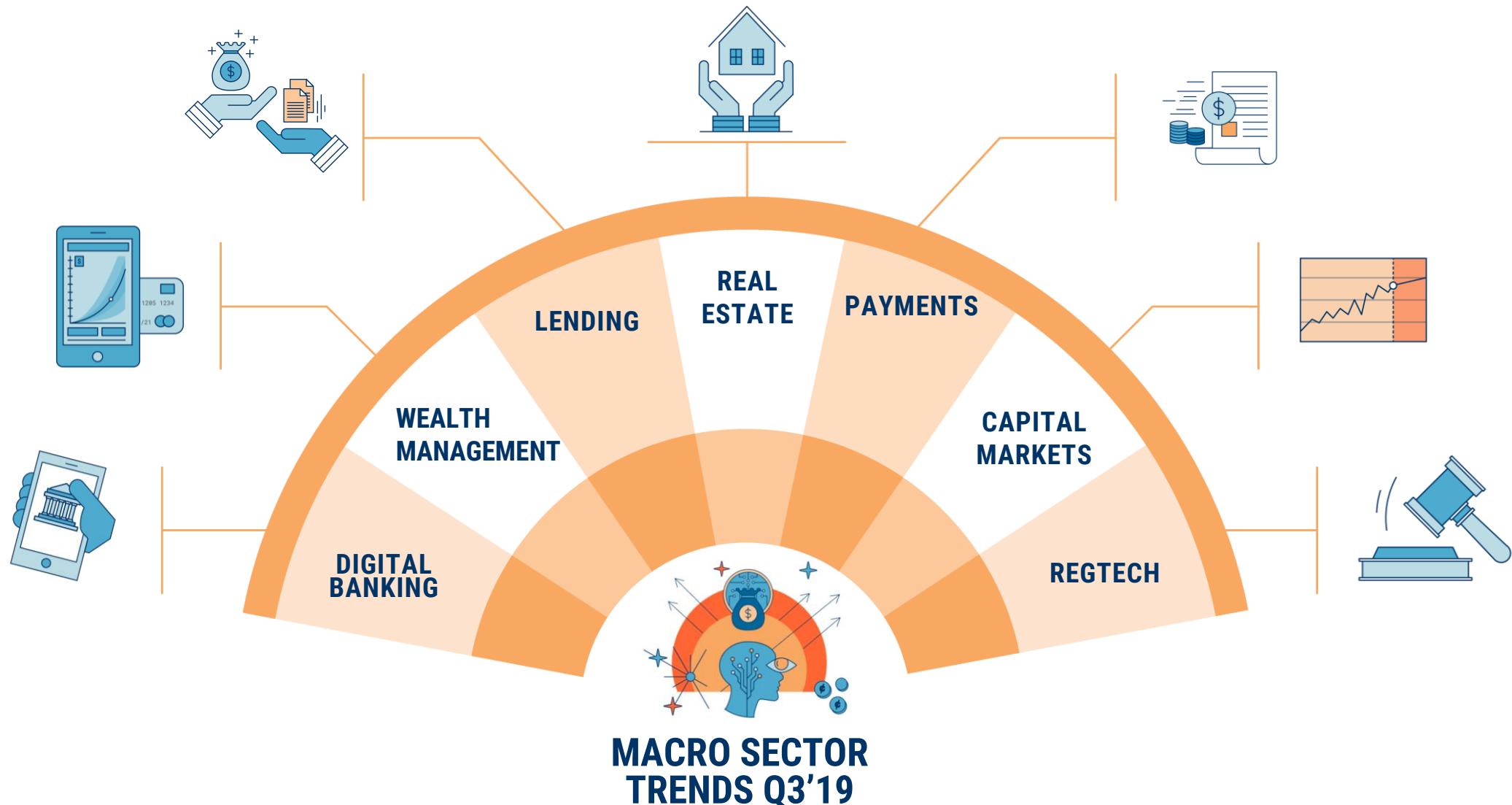
Global VC-backed fintech companies with a private market valuation of \$1B+ (11/11/19)



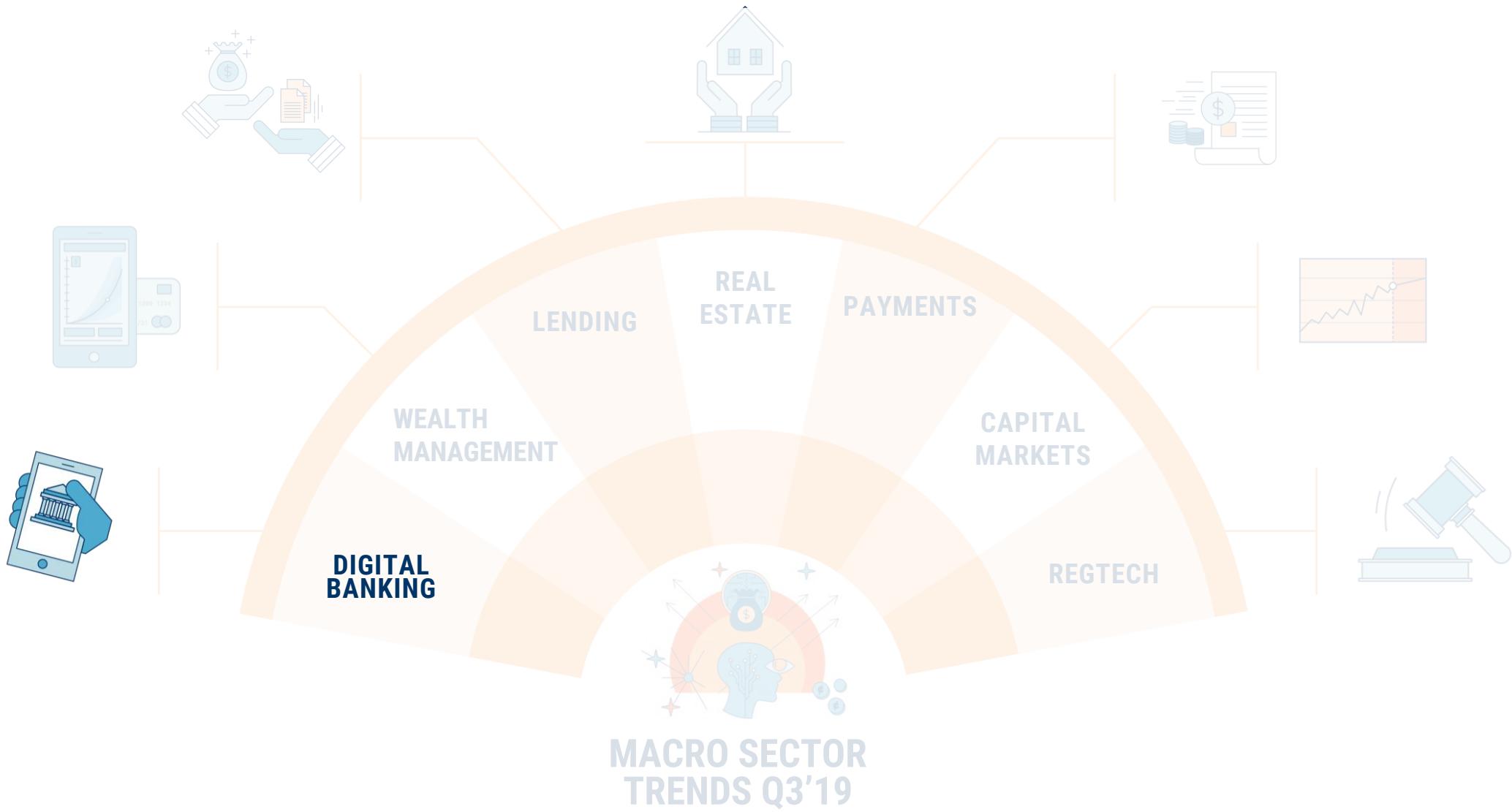
Q3'19 Fintech Sector Trends



GLOBAL VC-BACKED FINTECH Q3'2019

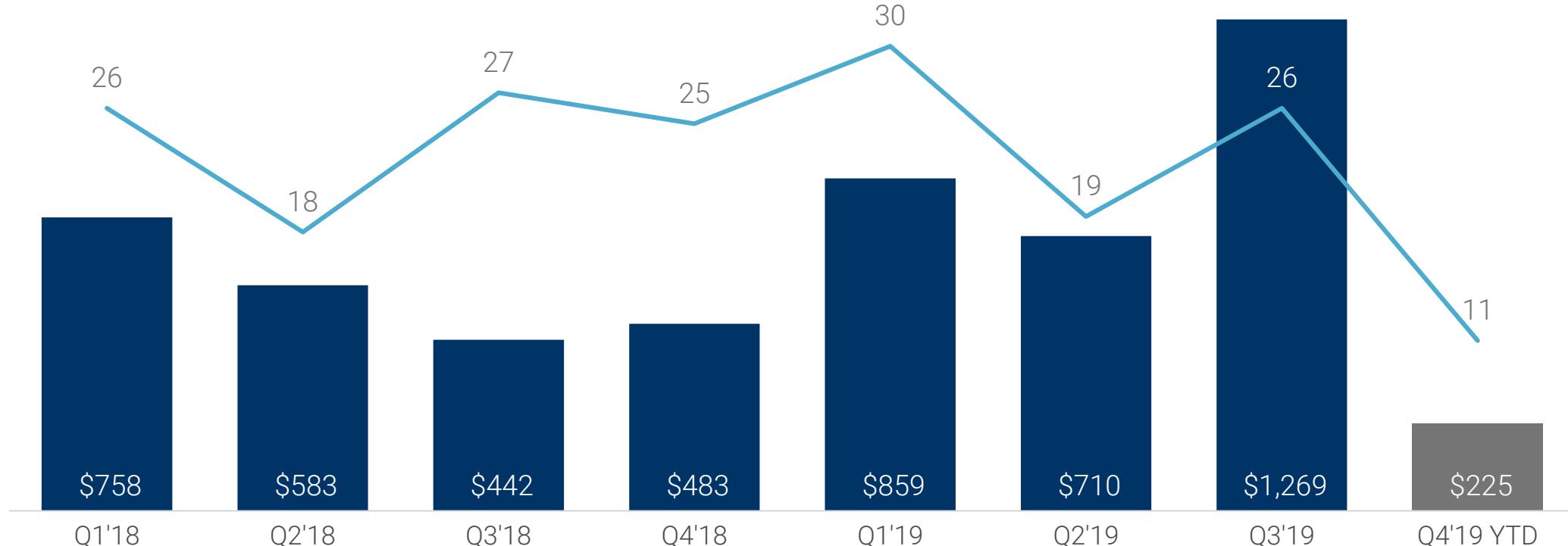


GLOBAL VC-BACKED FINTECH Q3'2019



Challenger banks have raised over \$3B in 2019 YTD. Q3'19 saw \$1.3B invested, a quarterly high

Global challenger banks equity financing trends, Q1'18 – Q4'19 YTD (11/4/19) (\$M)



Vertical challenger banks are specializing services for specific industries and demographics globally

B2C - DEBIT

Underbanked/Unbanked



Savings



brand new
DAY



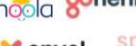
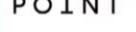
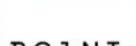
Gen Z



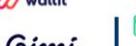
Millennials



Students



Perks & Rewards



Impact Banking



B2B - DEBIT

SMB/SMEs



Expense Management



Freelancers



Perks & Rewards



Tech Startups



More money and challengers target the startup corporate card market



Q3'19 Funding: \$7M seed

Valuation: \$25M - \$32M

Select Investors: BoxGroup, Coatue Management, Keith Rabois

Focus: Ramp Financial is a corporate credit card with no personal guarantee, instant approvals, and modern payment terms.

The co-founders also founded Paribus, acquired by Capital One. Ramp is operating largely in stealth.



Q3'19 Funding: Undisclosed

Q2'19 Funding: \$100M Series C-II

Valuation: \$2.6B

Select Investors: 3G Capital Management, Institutional Venture Partners, Kleiner Perkins Caufield & Byers, Ribbit Capital, Y Combinator

Focus: In Q4'19, Brex announced plans to launch Brex Cash, a business cash management account. Brex also backed the reopening of San Francisco South Park Café.



Q3'19 Funding: \$250M Series F

Valuation: \$35 - \$35.3B

Select Investors: Andreessen Horowitz, General Catalyst, Sequoia Capital

Focus: Stripe's card offers 1% cash back, plus 2% cash back on the top 2 categories for each month. There are no personal guarantees required by the cardholder. Stripe also offers perks and rewards at 15+ vendors startups use to run their business.

Startup-focused financial services are cropping up across fintech verticals

BANK ACCOUNTS



Banking built for startups

Mercury makes bank accounts that help tech companies scale.

[Open Account](#)

Q3'19 Funding: \$20M Series A

Select Investors: Andreessen Horowitz, Clocktower Ventures, 500 Startups

Focus: Mercury provides checking and savings accounts for startups through an FDIC-insured partner. Accounts feature tools like cashflow analytics, spend dashboards, and payments.

CB INSIGHTS

INSURANCE



Business insurance for startups

Protection from litigation and theft within 24 hours, starting at just \$300 per year.

[APPLY FOR COVERAGE](#)

Q3'19 Funding: \$24.5M Series A

Select Investors: Ribbit Capital, Index, 500 Startups, Silicon Valley Bank

Focus: Vouch is a commercial insurer targeting startups that launched out of stealth in September 2019.

Small business commercial insurance was a \$100B market as of 2017.

NON-DILUTIVE CAPITAL



Stop Pitching Get Back to Building

Affordable Growth Capital for online brands

Get between \$10k-\$10m in 24hrs

[GET FUNDED](#)

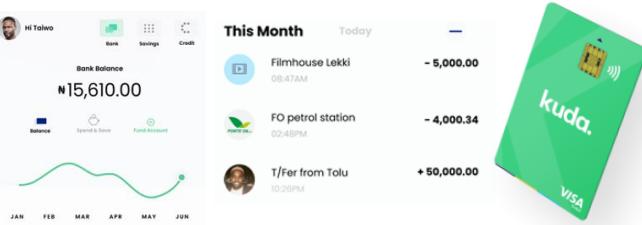
Q3'19 Funding: \$50M Series B

Select Investors: Emergence, Highland Capital Partners, Inovia Capital, Portag3

Focus: Clearbanc uses performance metrics to make loans to scale operations and lower the dilution that comes with raising equity. Clearbanc uses a revenue share approach that charges a flat fee for loans that range from about 6% to 12.5%.

BANKING THE UNBANKED IN EMERGING MARKETS

From micro-lending to micro-banking, Nigeria is adding fuel to Africa's mobile wallet boom

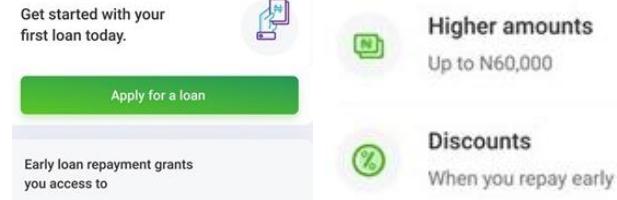


Q3'19 Funding: \$1.6M Pre-Seed

Select Investors: Startupbootcamp

Traction: 10K+ installs on Google Play

Focus: Kuda uses smartphone data to underwrite micro-credit in Nigeria. Kuda has a license from the Central Bank of Nigeria. Nigeria's largest financial institutions are GTBank, Access Bank, and Zenith Bank.

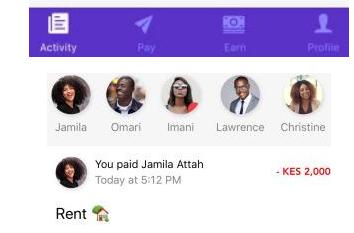
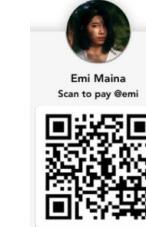


Q3'19 Funding: \$11M Series A

Select Investors: DST, Flourish Ventures, Le Studio VC, NewFund Capital, Speedinvest

Traction: 1M+ installs on Google Play, 200K users, facilitating 400 payments daily, and disbursed close to 500K micro-loans since launching

Focus: FairMoney has a lending license in Nigeria and hopes that it will get its own microfinance license from the central bank. The company will partner with microfinance institutions to launch current accounts, savings, and payments.



Q3'19 Development: Launched Nigeria
Q2'19 Funding: \$2.4M Seed

Select Investors: Deciens Capital, 500 Startups, Liquid 2 Ventures

Traction: 500K+ installs on Google Play
Processed 250K transactions 70K+ users

Focus: Chipper Cash is a mobile cross-border payment platform. All in-country P2P transactions on Chipper Cash are free. Chipper is also expanding its network of merchants.

Big banks are betting on “BaaS” to enable big techs to borrow from the fintech playbook

Next in Google's Quest for Consumer Dominance: Banking

11.13.19 | THE WALL STREET JOURNAL.

Insight: Google is partnering with Citi and Stanford Federal Credit Union (FCU) to launch checking accounts for Google's digital wallet customers. Google is Citi's banking-as-a-service play while Standard FCU, which with ~\$2B in assets, is a Durbin-exempt CU (<\$10B) is likely to handle the deposits.

This is a very familiar strategy to fintech's that leverage Cambr's community bank deposit network and Green Dot to handle the deposits fintech's without bank charters need to offer FDIC-insured accounts.

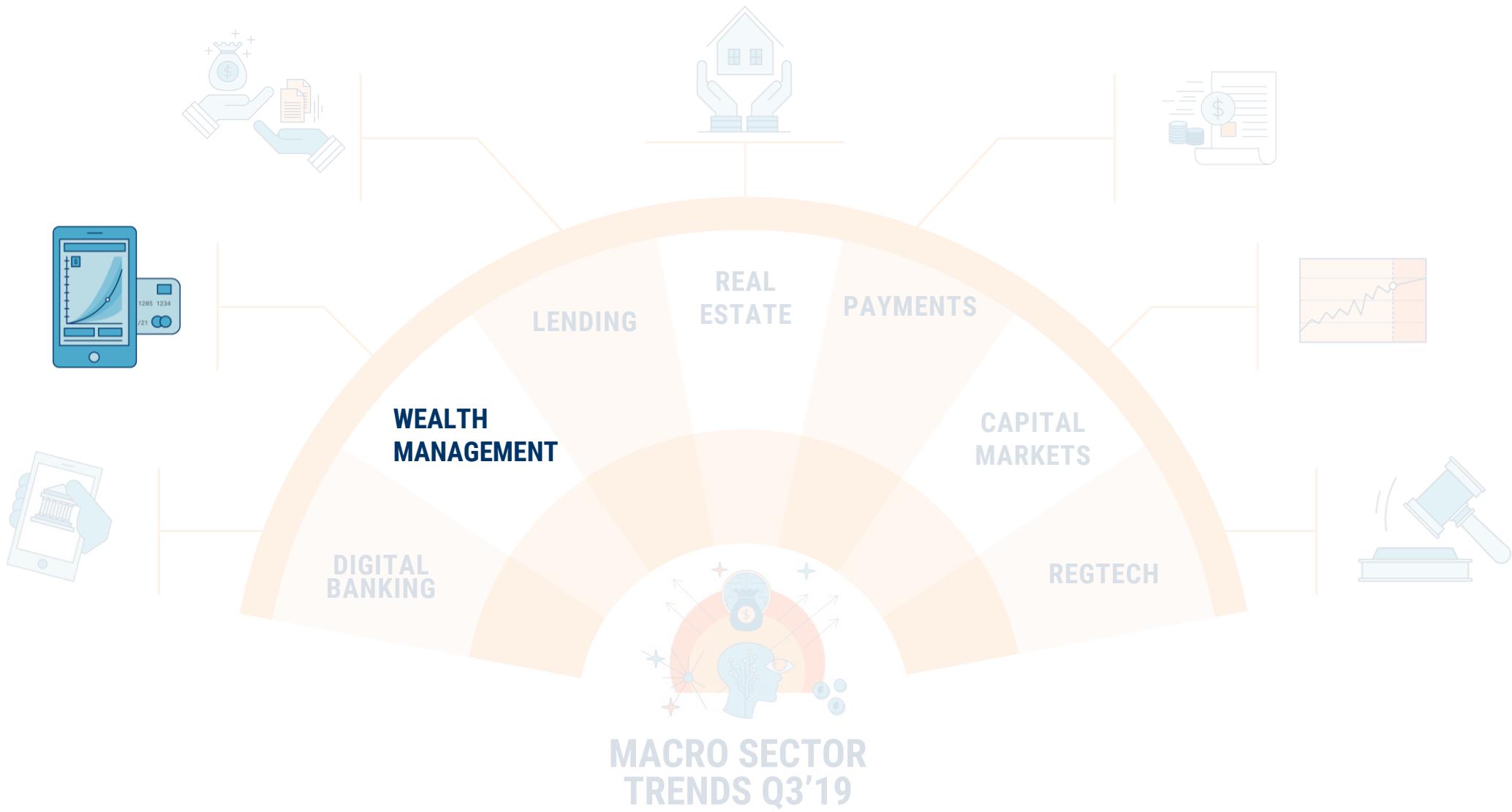
JPMorgan Has a Plan to Help Amazon and Airbnb Look More Like Banks

11.6.19 | Bloomberg

Insight: JPMorgan is building a digital wallet product aimed at internet businesses to streamline launching financial services products. JPM's product complements the firms strategic focus on building out its payments capabilities and processing volume, whether they own the end-customer or not.

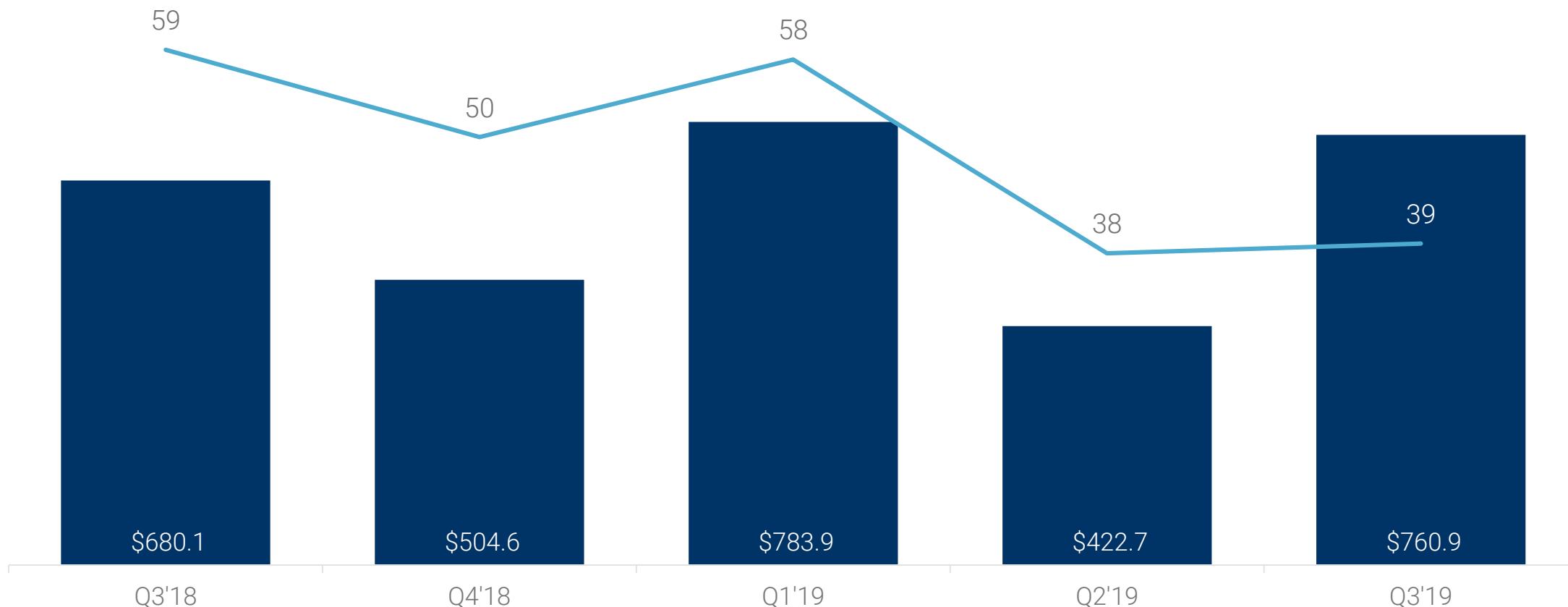
However, JPM is joining the crowded “BaaS” space where Green Dot and Cambr, as well as startups like Treasury Prime and Synapse, have been enabling fintechs to launch checking, savings, and debit cards, among other financial services.

GLOBAL VC-BACKED FINTECH Q3'2019



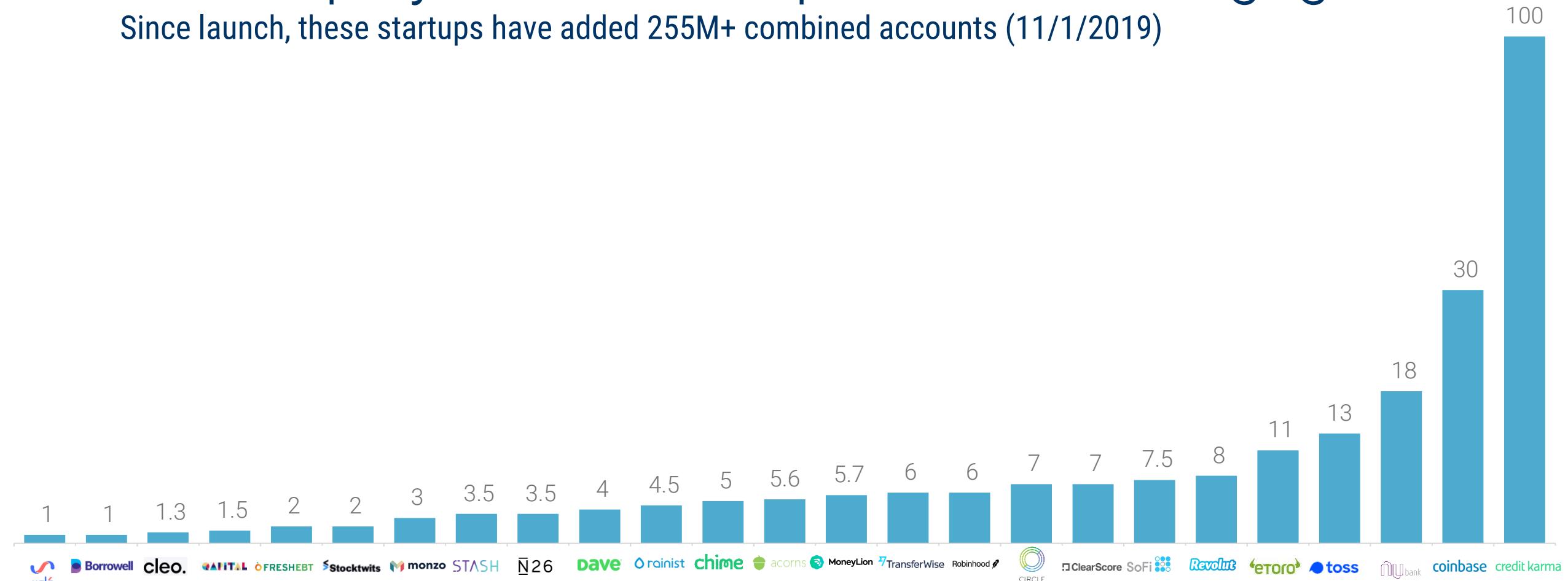
Wealth tech deals and funding rebounded to 39 deals worth \$761M and were spread globally

Global wealth tech VC-backed deals and financing trends, Q3'18 – Q3'19 (\$M)



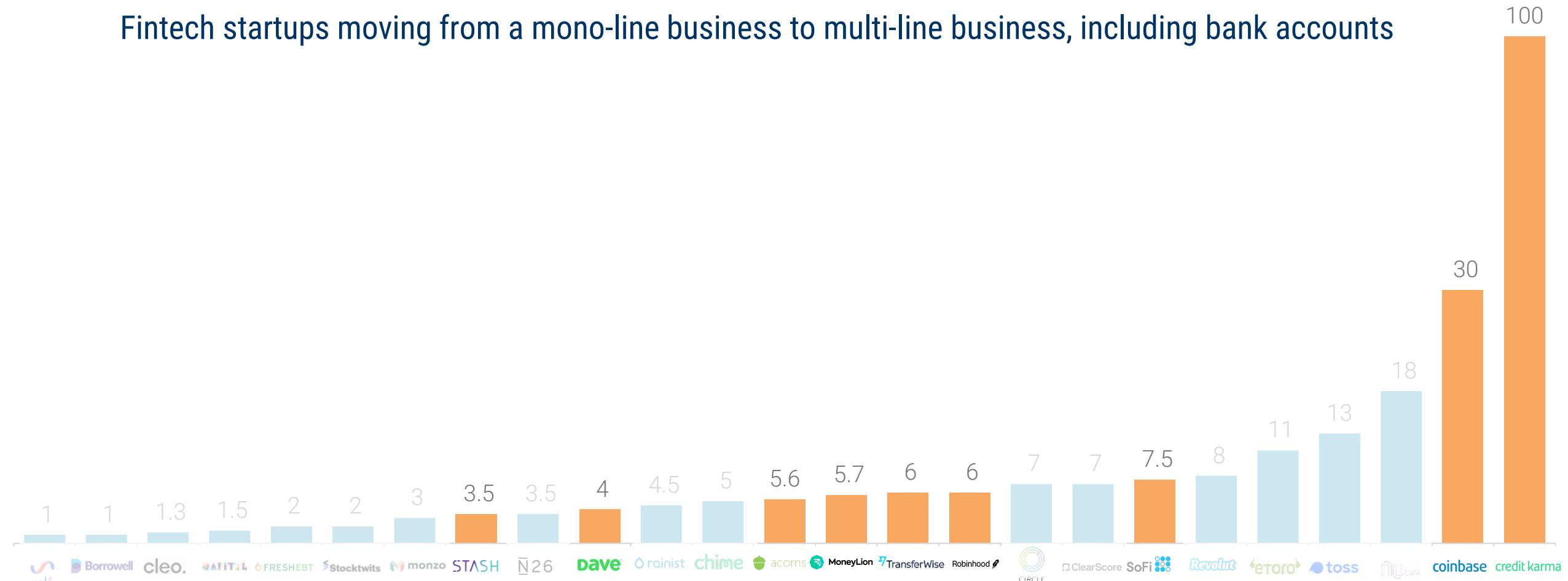
Fintechs with scale of 1M+ accounts are chasing similar playbooks to keep customers engaged

Since launch, these startups have added 255M+ combined accounts (11/1/2019)



Most have crossed over into debit cards and high-yield savings to capitalize on interest and interchange

Fintech startups moving from a mono-line business to multi-line business, including bank accounts



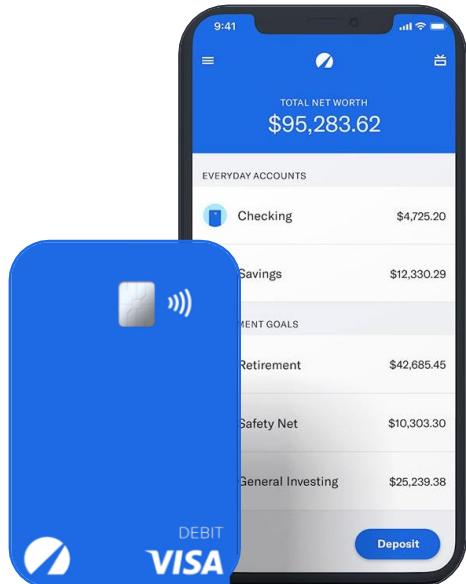
MORE UNUSUAL SUSPECTS LAUNCHED BANK ACCOUNT PRODUCTS IN Q3'19

Despite Fed interest rate cuts, high-yield savings continue to see crossover challengers

ROBO-ADVISOR

Betterment

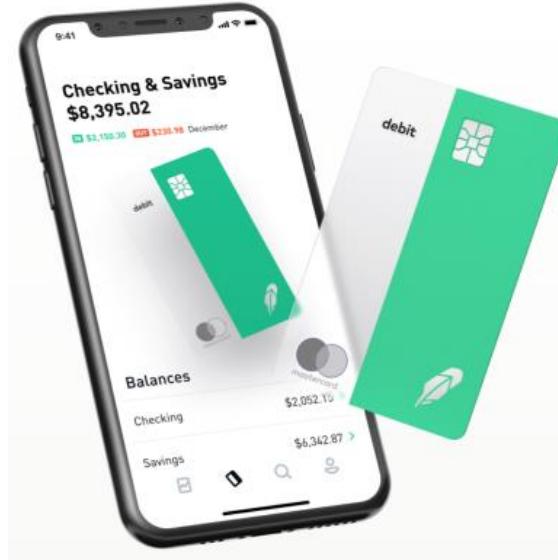
**420K ACCOUNTS
1.85% APY**



BROKERAGE

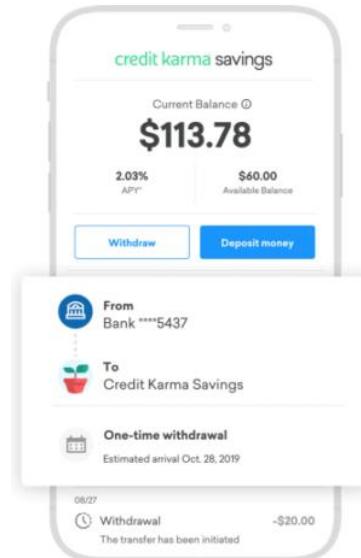
Robinhood 

**6M ACCOUNTS
1.8% APY**



CREDIT SCORING

credit karma
**100M ACCOUNTS
1.9% APY**



H2'19 SEES MORE STARTUPS BREAKING THE OLD BROKERAGE MODEL

Free trading and brokerages become the next attack vectors for fintechs with big customer bases

PERSONAL FINANCE



5.7M ACCOUNTS

Rumor: "MoneyLion offers 7 financial products, including unexpected ones like paycheck advances and, soon, brokerage services"

-Forbes, November 2019



Zero-fee investing

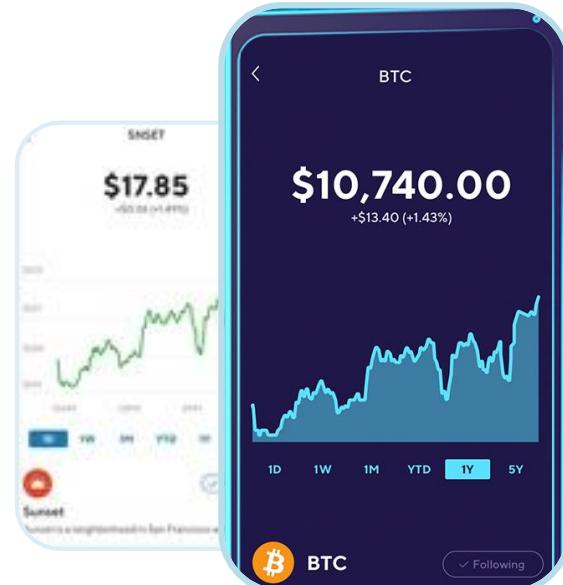
CB INSIGHTS

STUDENT LENDING



7.5M

Launched: Micro-investing, crypto, and active trading

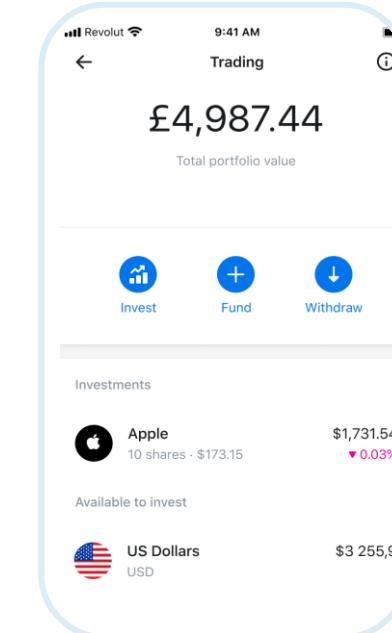


CHALLENGER BANK



8M

Launched: Free trading

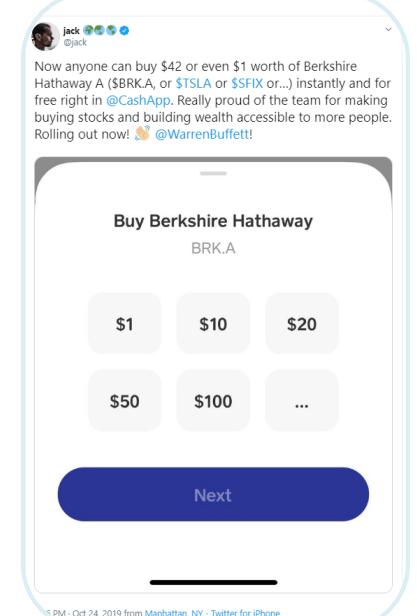


MOBILE WALLET



15M

Beta: Free trading



5 PM · Oct 24, 2019 from Manhattan, NY · Twitter for iPhone

MORE TO COME?

5 years after Robinhood entered the market, brokerages shed trade commissions

Interactive Brokers to launch free trading

September 26, 2019 |  InteractiveBrokers

Online stock trading is free now. What that means for E-Trade and Charles Schwab

October 1, 2019 |  charles SCHWAB

E*Trade Also drops to \$0

October 1, 2019 | 

Ally Financial joins the zero commission bandwagon

October 4, 2019 | 

The downside to Charles Schwab and TD Ameritrade eliminating trading fees (yes, really)

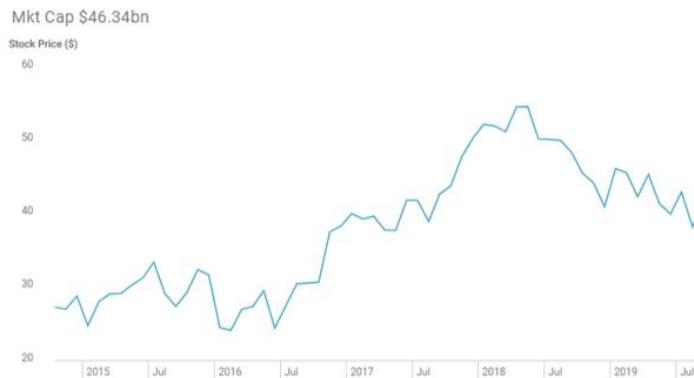
October 4, 2019 | 

Fidelity Is Latest to Cut Online Trading Commissions to Zero

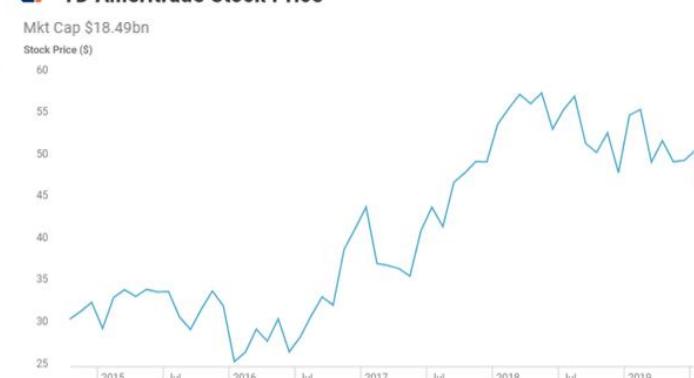
October 10, 2019 | 

Incumbent brokerages cut commissions and see combined market cap tumble by \$19.6B

Charles Schwab Stock Price



TD Ameritrade Stock Price

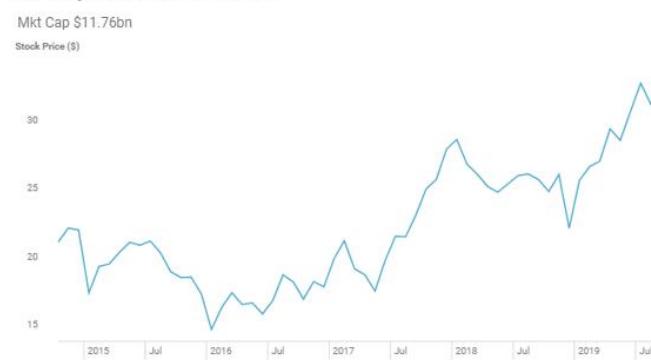


Charles Schwab
TD Ameritrade
Ally Trade
E*Trade
Interactive Brokers

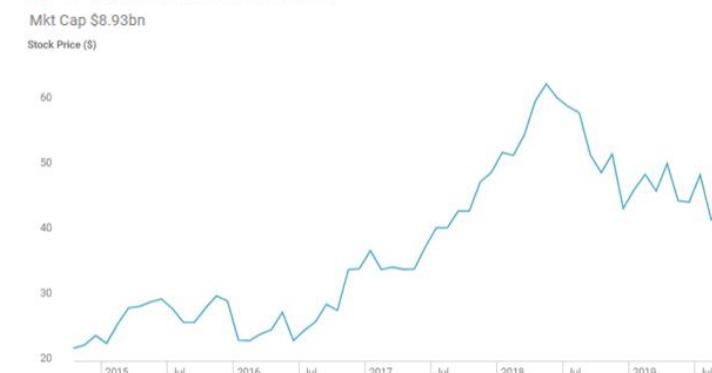
	9/27/2019 Market Cap	10/8/2019 Market Cap	\$ Change	% Change
Charles Schwab	\$ 55.28	\$ 46.30	\$ (8.98)	-16%
TD Ameritrade	\$ 25.99	\$ 18.49	\$ (7.50)	-29%
Ally Trade	\$ 13.32	\$ 12.26	\$ (1.06)	-8%
E*Trade	\$ 10.59	\$ 8.93	\$ (1.66)	-16%
Interactive Brokers	\$ 4.01	\$ 3.65	\$ (0.36)	-9%

Total Market Cap Loss \$ (19.56)

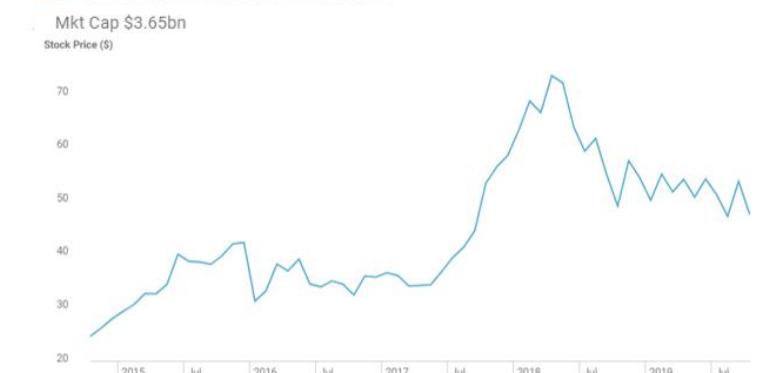
Ally Financial Stock Price



E*TRADE Bank Stock Price



Interactive Brokers Stock Price



Zero-commission platforms want to lower global investing barriers to attract international next-gen customers



Q3'19 Funding: Undisclosed Pre-Seed II

Select Investors: Venture Catalysts, LAUNCH Accelerator

Focus: Vested gives investors in India exposure to US stocks via American Depository Receipts (ADRs) and ETFs that contain non-US securities and partnering with DriveWealth. Vested is a Registered Investment Adviser (RIA) with the Securities and Exchange Commission (SEC).



Q3'19 Funding: \$3.8M Seed

Select Investors: Unbound

Focus: Syfe uses automated risk-managed investment (ARI) strategies to give investors exposure to a global market portfolio (GMP) and/or a risk parity portfolio (RP). Syfe partners with Saxo Bank, DBS, and State Street, among others. Syfe is registered with the Monetary Authority of Singapore (MAS).



Q3'19 Funding: \$36.3M Series C
Valuation: \$181.3M

Select Investors: Gopher Asset Management, Xiaomi

Traction: 5M downloads on Google Play and 9M market data users

Focus: WeBull is a registered broker dealer in the US with operations in China and Hong Kong. WeBull enables traders to invest in US and foreign stocks and ETFs and accepts customers with the following Visas E1, E2, E3, F1, H1B, H3, TN1, O1, L1.



Q4'19 Funding: \$7.5M Series A

Select Investors: Draper Esprit

Traction: 10K downloads on Google Play; launching in Germany, France, Ireland, and others in Q1'20

Focus: Freetrade is an investment platform for US and UK stocks via an Individual Savings Account (ISA). Freetrade is a registered with the London Stock Exchange (LSE) and Financial Conduct Authority (FCA), and available to UK-based users.

WEALTH TECH STARTUPS SEE VIRAL GROWTH IN EMERGING MARKETS

India wealth tech startups are rapidly attracting newly rich consumers with low-cost investing and trading apps



Q3'19 Funding: \$25M Series B

Select Investors: Tiger Global Management

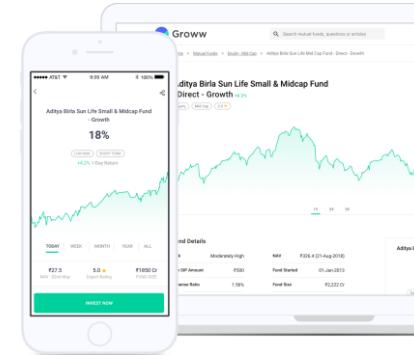
Traction: 1M+ downloads on Google play, ~1.6M customers

Focus: Upstox is Mumbai-based online brokerage and trading company. Upstox gives retail investors free “Dematerialized” (Demat) accounts (India’s brokerage) with a zero-commission pricing model. Investors only pay the brokerage fees.

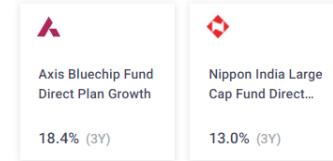
Upstox also has interactive tools, market data, and developer APIs for professional traders. Asset classes available include equities, options, futures, FX, and mutual funds.



Investing made free



Popular Mutual Funds



Q3'19 Funding: \$21.4M Series B

Select Investors: Ribbit Capital, Sequoia Capital India, Y Combinator

Traction: 1M+ downloads on Google play, 3M customers

Focus: Groww is a retail investment platform for direct mutual funds and Systematic Investment Plans (SIPs). Groww uses BSE (Bombay Stock Exchange) for transactions and partners with over 35 mutual providers. Groww also allows Non-Resident Indians (NRI) in the US and Canada to invest in specific funds.

There are over 200M people with investable income in India, but only 20M are investors, according to research from Groww.

EMERGING DECENTRALIZED FINANCE (DEFI) SOLUTIONS BRING NEW ASSETS TO INVESTORS

Early-stage DeFi startups let investors loan out their crypto to generate returns without selling assets



The Compound protocol currently has **\$1 62,332,173** of assets earning interest across **7 markets**

Q3'19 Funding: \$25M Series A

Select Investors: Andreessen Horowitz, Bain Capital Ventures, Coinbase Ventures, Polychain Capital

Focus: Compound is an open-source, autonomous protocol built for developers to build new financial applications. These applications allow users to earn interest and make payments on an open financial system.



Q3'19 Fundings: \$18.3M Series A-II & \$1.75M Series A-III

Select Investors: ConsenSys Ventures, Valar Ventures, Fidelity Ventures, Galaxy Digital

Focus: The BlockFi Interest Account (BIA) lets customers earn monthly interest payments in the asset-type deposited with BlockFi. BIA supports bitcoin, ethereum, and Gemini Dollar (GUSD).

GLOBAL VC-BACKED FINTECH Q3'2019

MACRO SECTOR
TRENDS Q3'19

LENDING

REAL
ESTATE

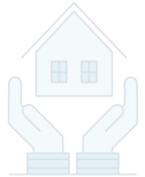
PAYMENTS

CAPITAL
MARKETS

REGTECH

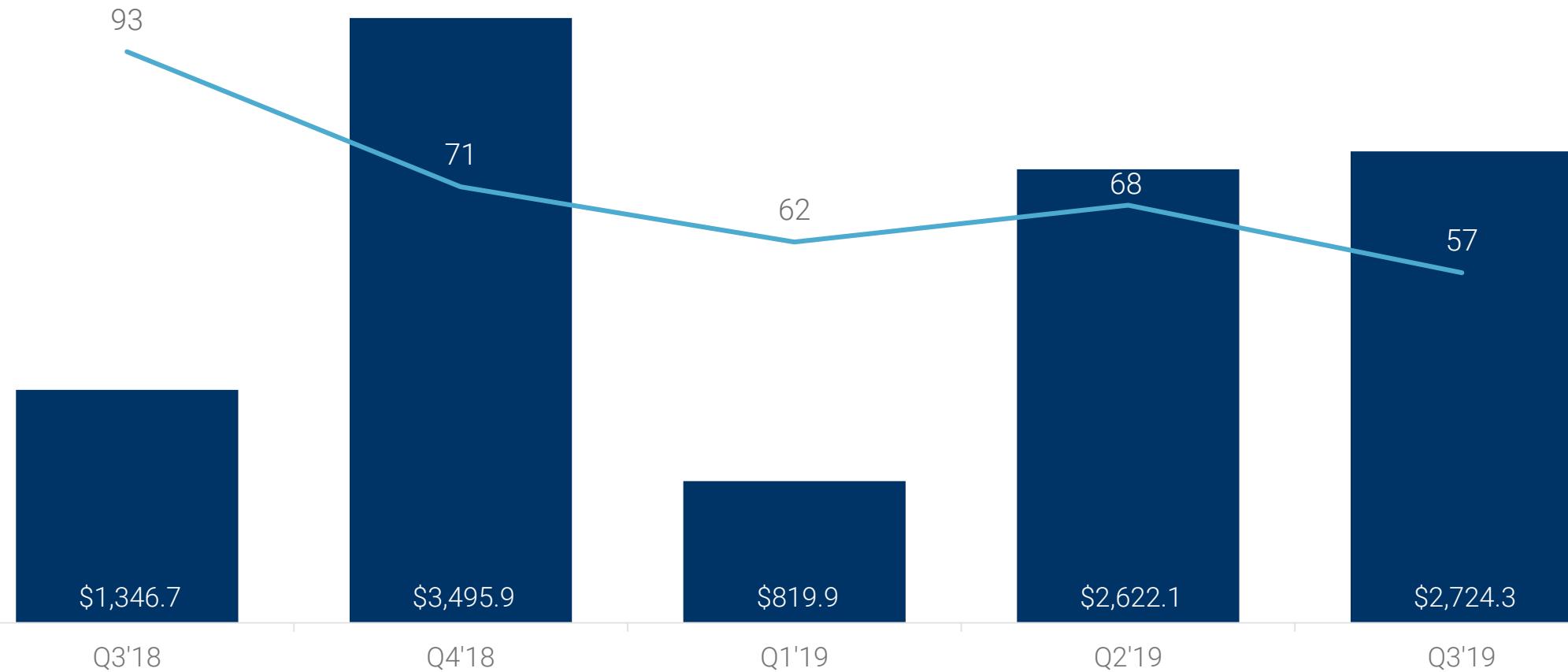
WEALTH
MANAGEMENT

DIGITAL
BANKING



Alternative lending deals have trended down as a result of regulatory intervention in Asia

Global alternative lending VC-backed fintech financing trends, Q3'18 – Q3'19 (\$M)



Startups are going directly to students to help 33M borrowers pay off \$1.7T of outstanding debt

Summer



Q3'19 Funding: \$10M Series A

Select Investors: QED, General Catalyst, Greycroft, NextView Ventures, Story Ventures

Focus: Summer is leveraging federal savings and forgiveness programs to help student borrowers' lower payments through Income-Driven Repayment plans (IDR). Summer sells through employers and third-parties to offer the product as a benefit.

Since launching in 2017, Summer has helped 10K borrowers and in 2019 YTD it saved customers ~\$8M.



↓ NEW RECOMMENDATIONS JUST FOR YOU ↓

Make a weekly payment of
\$7 and save \$1,582 over the
lifetime of your loan

OR

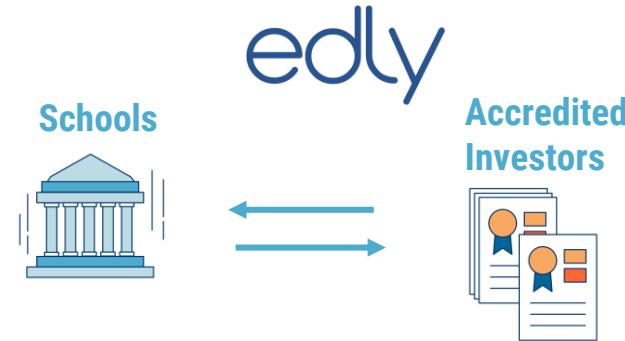
Make a one time payment of
\$104 from your savings
account and save \$207

Q3'19 Funding: \$0.05M Seed
Q2'19 Funding: \$5.5M Seed VC

Select Investors: Financial Venture Studio, Kleiner Perkins Caufield & Byers, Great Oak Ventures, Day One Ventures, Rainfall Ventures

Focus: Pillar connects to consumers' bank accounts and uses AI to identify options and automate student loan repayments. Customers can choose Pillar instead of going through existing loan servicers like Nelnet, Navient, Great Lakes, or Fedloan Servicing. Pillar does not support Public Student Loan Forgiveness programs yet.

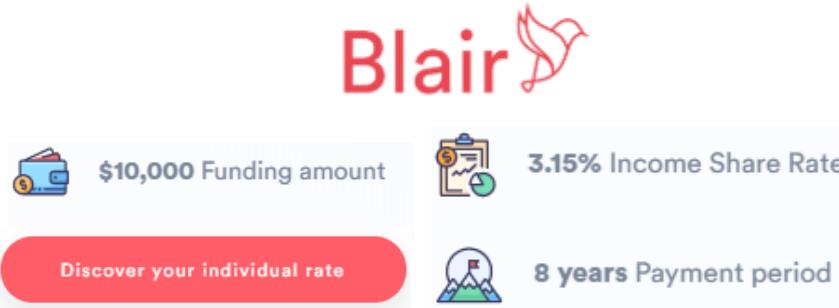
Early-stage startups look to pilot income sharing agreements (ISAs) as an alternative to student loans



Q3'19 Funding: Undisclosed seed

Select Investors: Mistral Venture Partners

Focus: Edly wants to build a marketplace for schools and accredited investors. Edly finances originated contracts, giving schools liquidity that enables ISAs. Investors get access to “shares” of pools of ISAs on Edly’s marketplace, unique investments that are tied to future student financial success.



Q3'19 Funding: \$0.15M seed

Select Investors: Y Combinator

Focus: Blair offers up to \$50K in education funding and does not collect repayment if the graduate's minimum income threshold is <\$25K. The company makes 2% of repayment and a share of the profit from the fund. Blair also allows accredited investors to make \$20K investments in the fund.



Q4'19 Funding: \$2.2M seed

Select Investors: Slow Ventures, GSV, Sinai Ventures, Strada Education Network

Focus: Stride (FKA AlmaPact) offers up to \$30K in education funding. Stride does not collect repayment if the graduate's minimum income threshold is <\$40K. Stride also partners with lenders CommonBond and MPower Financing.

Alternative lenders target renters and late fees

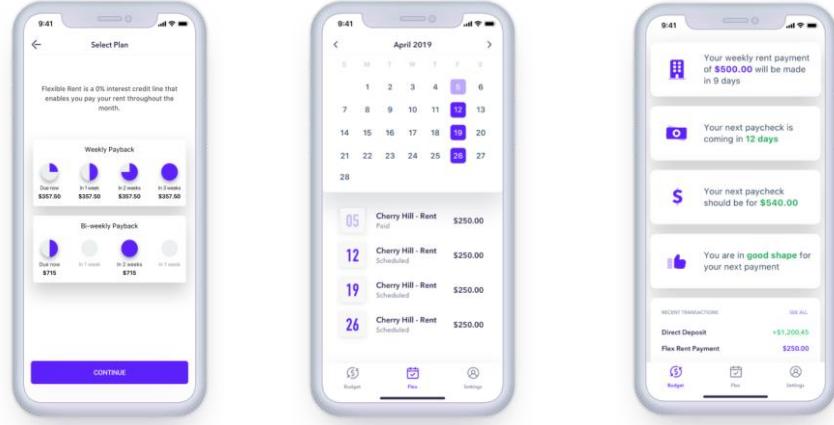
The divergence in the median gross rent and the median income is sharpening. There are ~38M cost-burdened households sparking a new breed of short-term lenders that want to help renters avoid late fees.



Q3'19 Funding: \$1.75M Unattributed VC – III

Select Investors: Route 66 Ventures

Focus: Till optimizes landlord revenue by supporting resident financial stability with cash-based incentives and short-term rental loans.



Q3'19 Funding: \$0.05M

Select Investors: Financial Venture Studio

Focus: Flex is a short-term rent lender that is building distribution by partnering with property managers to integrate with rent payment portals. Managers benefit from getting paid on-time and renters avoid late fees. Borrowers can repay in-full or through automatically deducted installments. The service costs \$14.99 per month.

GLOBAL VC-BACKED FINTECH Q3'2019



REAL
ESTATE



LENDING



PAYMENTS



WEALTH
MANAGEMENT



DIGITAL
BANKING



CAPITAL
MARKETS



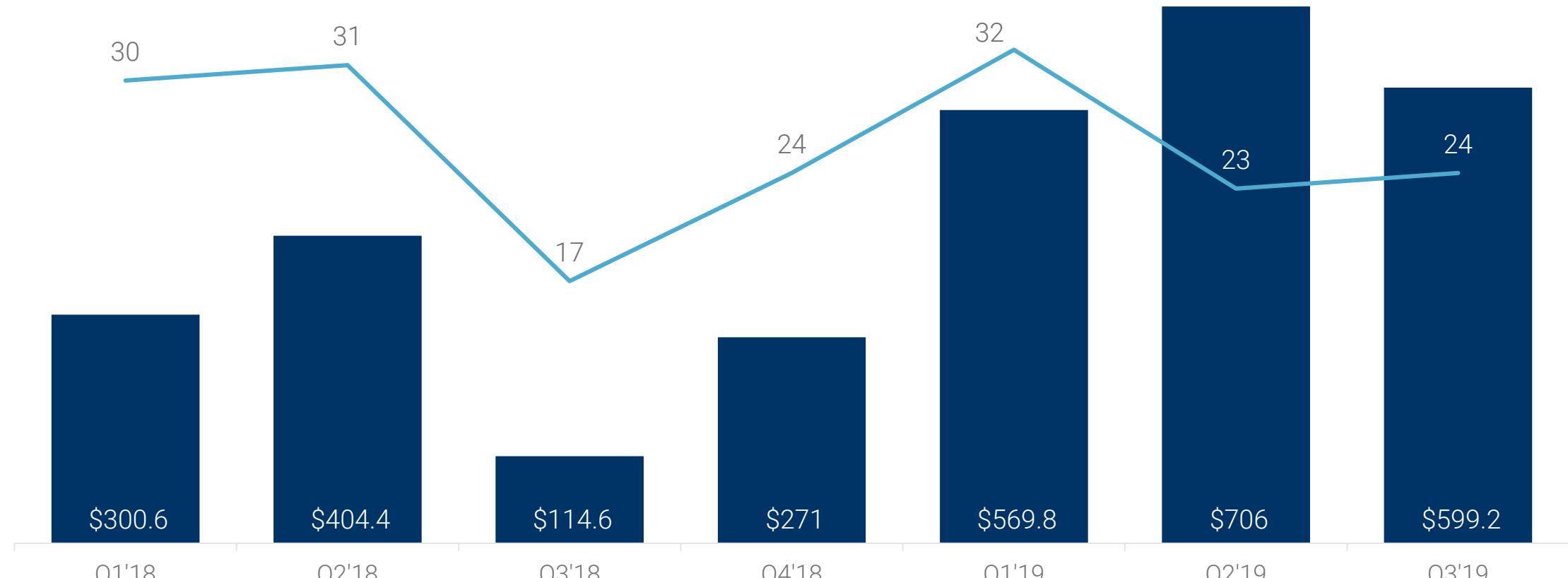
REGTECH



MACRO SECTOR
TRENDS Q3'19

Real estate tech startups raised \$1.9B in 2019 through Q3'19, beating 2018's \$1.1B record

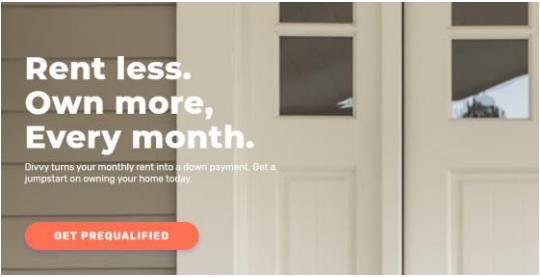
Global real estate tech VC-backed financing trends, Q1'18 – Q3'19 (\$M)



As home values rise, fintechs continue to unlock home equity and fractionalize ownership

	 irene	 hometap	 unison	 POINT	 FIGURE	 EasyKnock	 Patch Homes	 HAUS
HELOC	✗	✗	✗	✗	✓	✗	✗	✗
Equity sharing/ reverse mortgage/ refinance	✓	✓	✓	✓	✓	✗	✓	✓
Rent-to-own/ lease back	✓	✗	✗	✗	✗	✓	✗	✓
Last funding round	\$1.3M Seed VC (10/23/17)	\$12M Series A (5/23/18)	\$40M Series B (6/27/18)	\$22M Series B (3/20/19)	\$58.8M Series C (11/5/19)	\$12M Series A (5/9/19)	\$5M Series A (9/12/19)	\$4.1M Seed VC (7/18/19)
Total disclosed equity funding	\$1.3M	\$12M	\$92.8M	\$30.7M	\$1,173.8M	\$319.7M	\$6.12M	\$7.1M
Select investors	IA Ventures and MetaProp NYC	General Catalyst, American Family Ventures	F-Prime Capital, Citi Ventures	Ribbit Capital, Andreessen Horowitz, Bloomberg Beta, Financial Venture Studio	Ribbit Capital, DST Global RPM Ventures, DCM Ventures	Bloomberg Capital, Montage Ventures	Kima Ventures and Techstars Ventures	Montage Ventures, RIT Capital Partners

US real estate tech startups pick up more funding to give homebuyers new paths to ownership



Q3'19 Funding: \$43M Series B

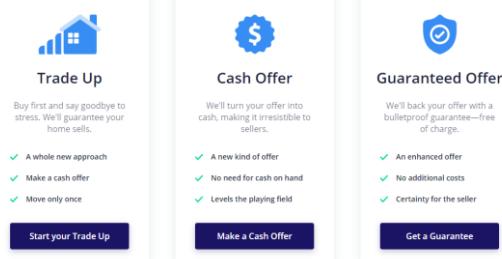
Select Investors: Andreessen Horowitz, GIC, Caffeinated Capital, Lennar

Focus: Rent-to-own, residential

Divvy allows renters to build equity credits as they rent. The renter selects any home on the market, Divvy purchases it, and the renter builds equity credits in the home with every payment.



Superpower your homebuying



Q3'19 Funding:
\$21M Series B & \$120M Debt-II

Select Investors: Andreessen Horowitz, Canvas Ventures, Shasta Ventures

Focus: Cash guarantee, residential

Flyhomes launched as a brokerage and provides a program to make cash offers on behalf of clients. Flyhomes has been adding services like title & escrow, and aims to streamline the homebuying process by unifying brokerage, financing, closing, and home services.



Relax.

Now you can buy
before you sell

Make an all-cash offer with Homeward's funds to secure your next home without the risks of selling first.

Get approved now
It takes less than 10 minutes to apply



Q3'19 Funding:
\$4M Series A & \$21M Debt

Select Investors: LiveOak, Apartment List, Keystone Bancshares, Genesis Capital

Focus: Cash guarantee, residential

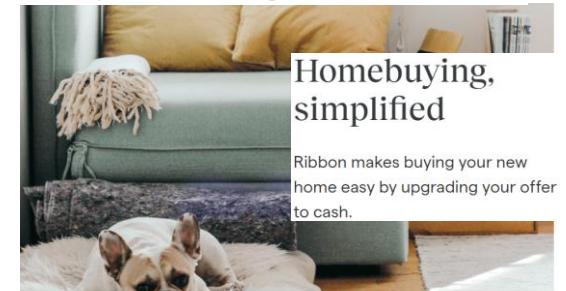
Homeward is a platform that facilitates buying and selling of residential real estate. Users can secure their next home and move out before listing their current home without upfront costs.



For Buyers

For Agents

For Lenders



Homebuying,
simplified

Ribbon makes buying your new
home easy by upgrading your offer
to cash.

Q4'19 Funding:
\$30M Series B & \$300M Debt

Select Investors: Bain Capital Ventures, Greylock Partners, NFX, Nyca, Thomvest Ventures, Goldman Sachs

Focus: Cash guarantee, residential

Ribbon works with homebuyers and their real estate agents to provide home sellers with a guaranteed sale, and an all-cash offer regardless of where buyers are in the mortgage process.

GLOBALLY, STARTUPS WANT TO REROUTE RENTERS TO A PATH TO HOME OWNERSHIP



Last Funding

\$250M Series D // Q3'19

Valuation: \$1B

QuintoAndar is an online marketplace for residential rentals in Brazil.

For the tenant, QuintoAndar's platform expedites searching for a place to live and eliminates the need for co-signers or guarantors.

For the landlord, the platform makes renting safer by providing better information on the tenant and guaranteeing on-time payments every month.

SELECT INVESTORS:

Dragoneer Investment Group, General Atlantic, Kaszek Ventures, SoftBank Group



Rent fast, online and secure

No guarantor and you negotiate directly with the owner

City
Busque por cidade

Neighborhood
Busque por bairro

Rent up
Choose va... ▾

bedrooms
Of rooms ▾

We are in 29 cities, and counting!)

QuintoAndar simplifies apartment and house rentals so you can find your new home in these cities:



For those looking for a new home For those who advertise a property

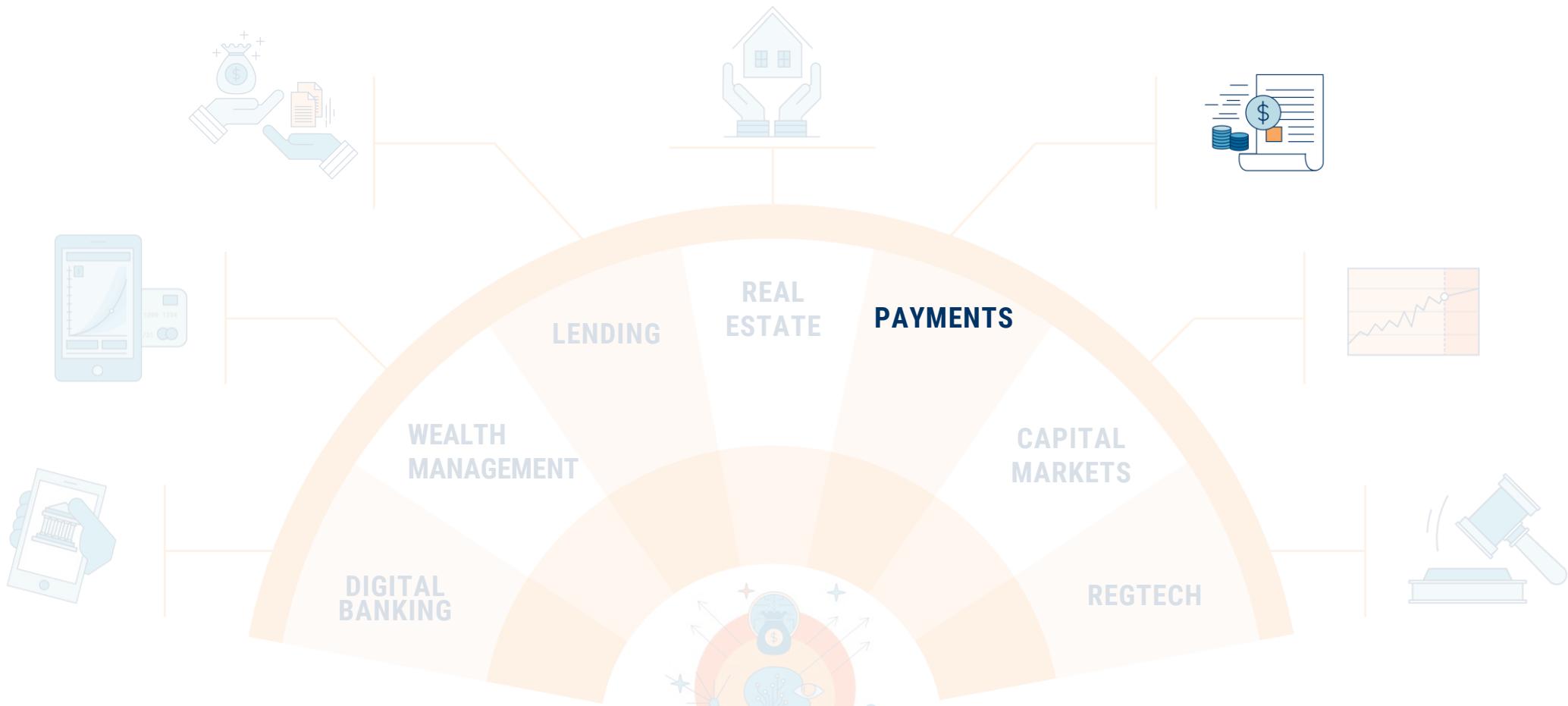
No guarantor, surety bond or security deposit. Just pass our credit review, you don't need to run for any collateral.

Rent fast and without paperwork. Schedule online visits, close direct business with the owner and sign a digital contract: no queuing at the notary's office.

Find a property with your face. Verified Ads, Professional Photos and 360 ° Images: Visit only what matters.

GLOBAL VC-BACKED FINTECH Q3'2019

MACRO SECTOR
TRENDS Q3'19





Federal Reserve announces its plan to promote a round-the-clock real-time payment (RTP) and interbank settlement services by 2024

August 05, 2019

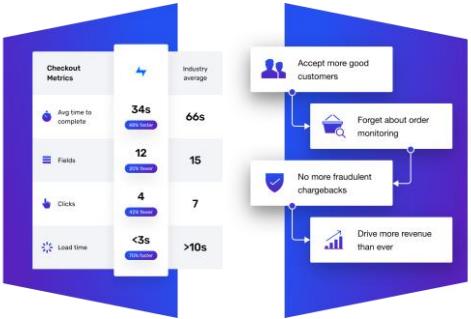
The goal of RTP is to provide an alternative to The Clearing House (TCH) network, which launched in 2017 to replace antiquated payments rails. TCH was built for all U.S. depository institutions, but only reaches 51% of demand deposit accounts, and has been adopted by only 7 of the 24 member banks.

The antiquated payments systems in the US and slow pace of innovation from incumbents have created an opportunity for payments startups, such as Stripe (\$35B valuation), that help to build more streamlined digital payments processing.

Though the Fed's announcement signals that a more efficient payments system is coming, the time lag to implementation could continue to give these fintech startups a leg up in the US.

Startups dig deeper into infrastructure to build alternative payment flows and rails

Bolt



Q3'19 Funding: \$68M Series B

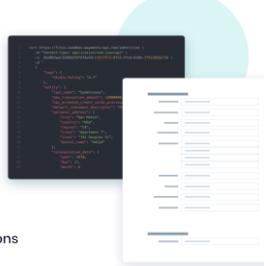
Select Investors: Tribe Capital, Activant Capital Group

Focus: Bolt's software streamlines e-commerce checkout by integrating payments and risk into one flow.

FINIX

Payment Facilitator Platform

- Gateway/Tokenization [View Docs](#)
- Merchant Onboarding [View Docs](#)
- Reporting & Reconciliation [View Docs](#)
- Settlements & Funding Instructions [View Docs](#)
- Chargeback & Risk Management [View Docs](#)

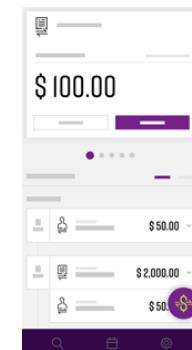


Q3'19 Funding: \$17.5M Series A

Select Investors: Bain Capital Ventures, Aspect Ventures, Insight Partners, Visa

Focus: Finix provides a modular suite of APIs for payment facilitators allowing for more control and customization.

Payrailz™

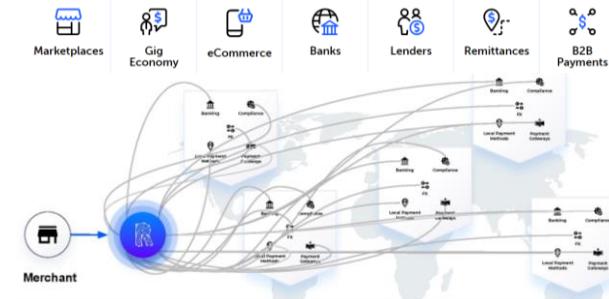


Q3'19 Funding: \$6M Series A

Select Investors: Undisclosed

Focus: Payrailz's suite of APIs help banks and credit unions modernize bill payment, money transfer, and P2P money transfer.

Rapyd



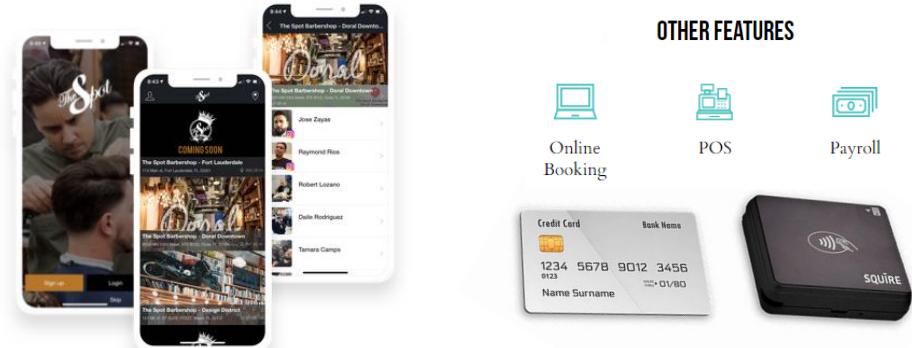
Q4'19 Funding: \$100M Series C

Select Investors: Oak HC/FT, Coatue, General Catalyst, Stripe, Tiger

Focus: Rapyd is a cross-border payments facilitation network, card issuing, and API suite for e-commerce merchants.

Next-gen high-tech payments software are converging with high-touch and specialized industries

SQUIRE



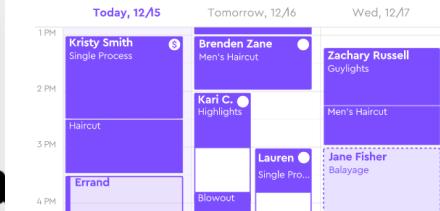
Q2'19 Funding: \$8M Series A

Select Investors: 645 Ventures, Trinity Ventures, AltaIR Capital

Focus: Squire is a next-gen CRM purpose built for barbers.

Though the self-care industry seems niche, platforms like Squire are covertly facilitating massive payment volumes and earning multi-line subscription revenues, like MindBody, a solution built for gyms and studios that launched in 2001.

BOULEVARD



Q4'19 Funding: \$11M Series A

Select Investors: Index Ventures, Bonfire Ventures

Focus: Boulevard represents the convergence of high-tech payments software with the high-touch beauty and personal care market, which has been growing rapidly on the back of shifting consumer preferences. The beauty and personal care space is estimated to be worth \$645B globally, according to CB Insights' Industry Analyst Consensus.

GLOBAL VC-BACKED FINTECH Q3'2019

MACRO SECTOR
TRENDS Q3'19

LENDING

REAL
ESTATE

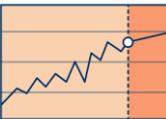
PAYMENTS

CAPITAL
MARKETS

REGTECH

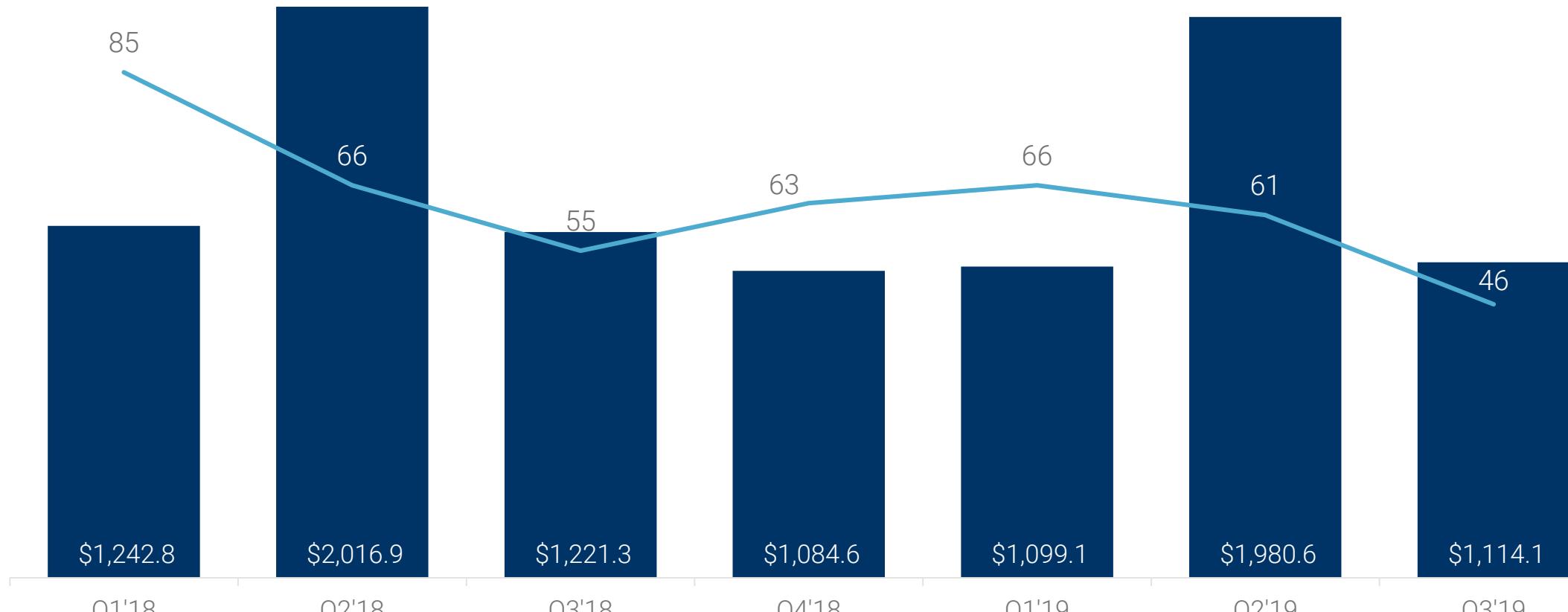
WEALTH
MANAGEMENT

DIGITAL
BANKING

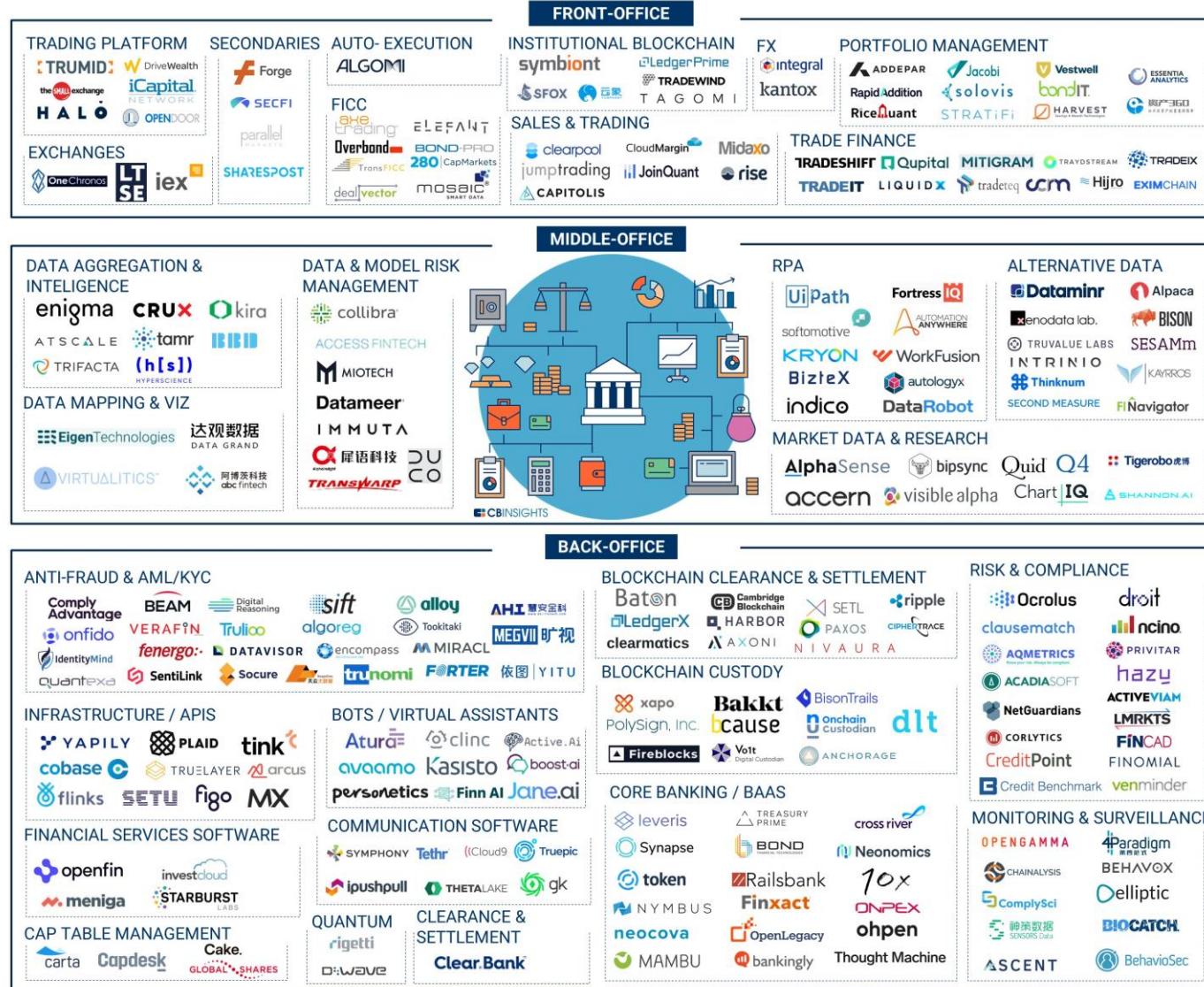


Capital markets tech has raised \$4.2B in funding in 2019, but will likely fall below 2018's annual record

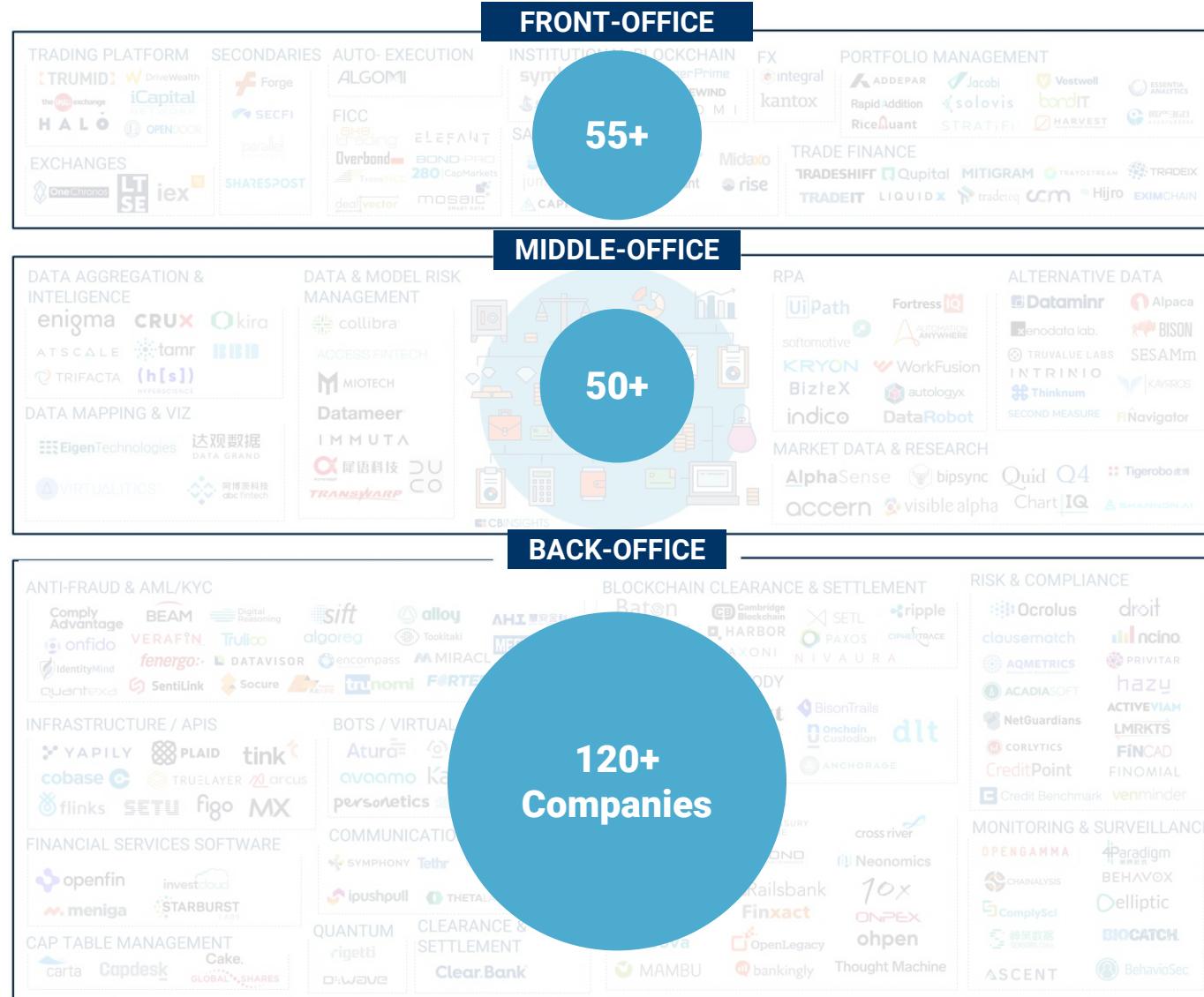
Global capital markets VC-backed financing trends, Q1'18 – Q3'19 (\$M)



The capital markets tech landscape is evolving fast



But significant investment is going into the back office



Investment in core and infrastructure tech is needed to keep pace with innovation

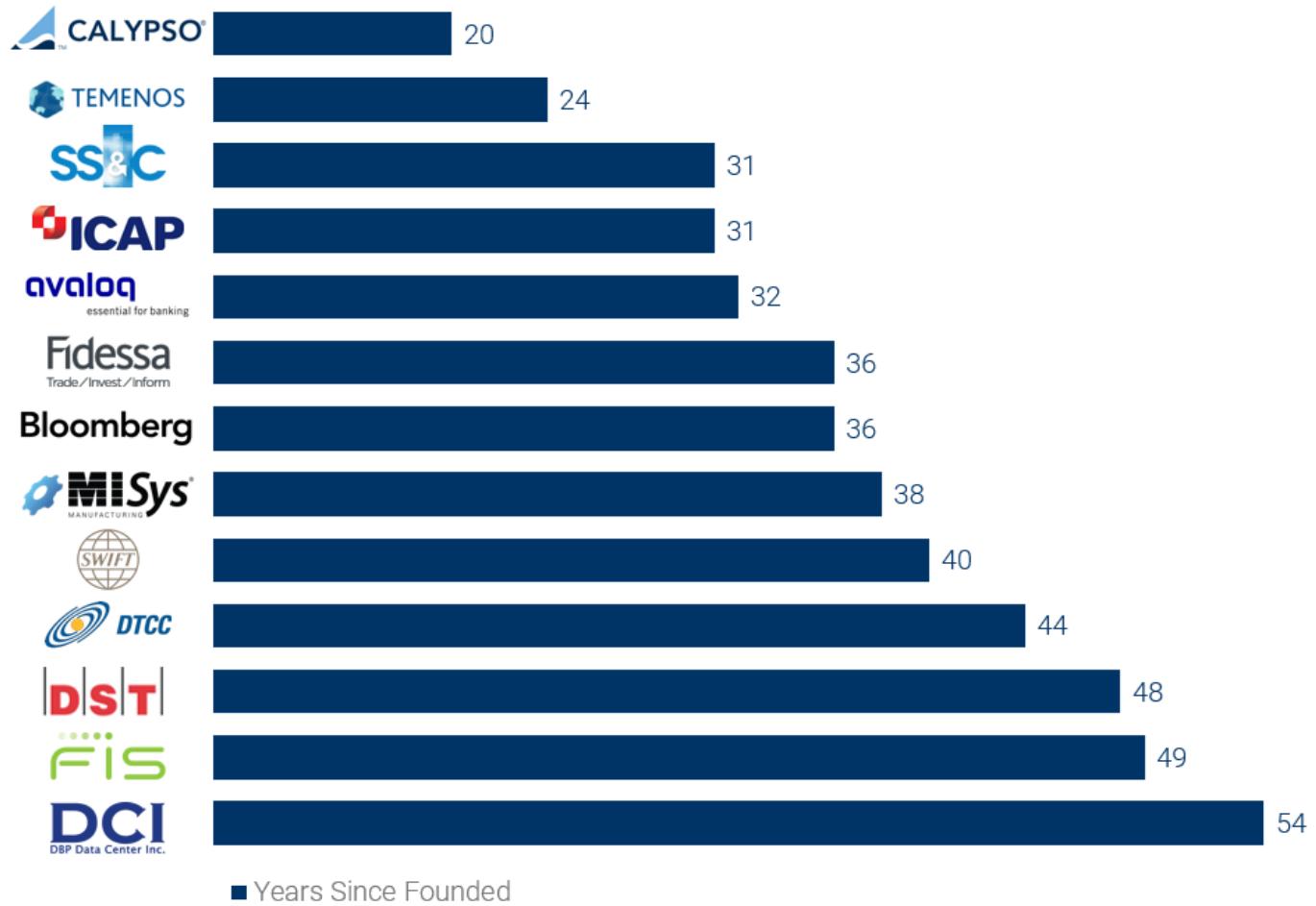
Legacy technologies are pivotal in the functioning of the capital markets ecosystem, yet on average are ~38 years old and have remained static.

Some firms have been more proactive than others to shift from on premises servers to cloud.

Benefits include speed to market and interoperability, but require significant upfront costs.

Legacy capital markets technology

Years since respective launch



ACCELERATING BANK-TO-BANK SETTLEMENT DISTRIBUTED LEDGER TECHNOLOGY (DLT)



Last Funding

\$12M Series A // Q3'19

Baton is building a distributed ledger technology (DLT) system modeled on blockchain tech with the aim of helping financial institutions and clearing houses facilitate real-time payments. Baton's customers include global banks and large central counterparties. It settles \$12B a day.

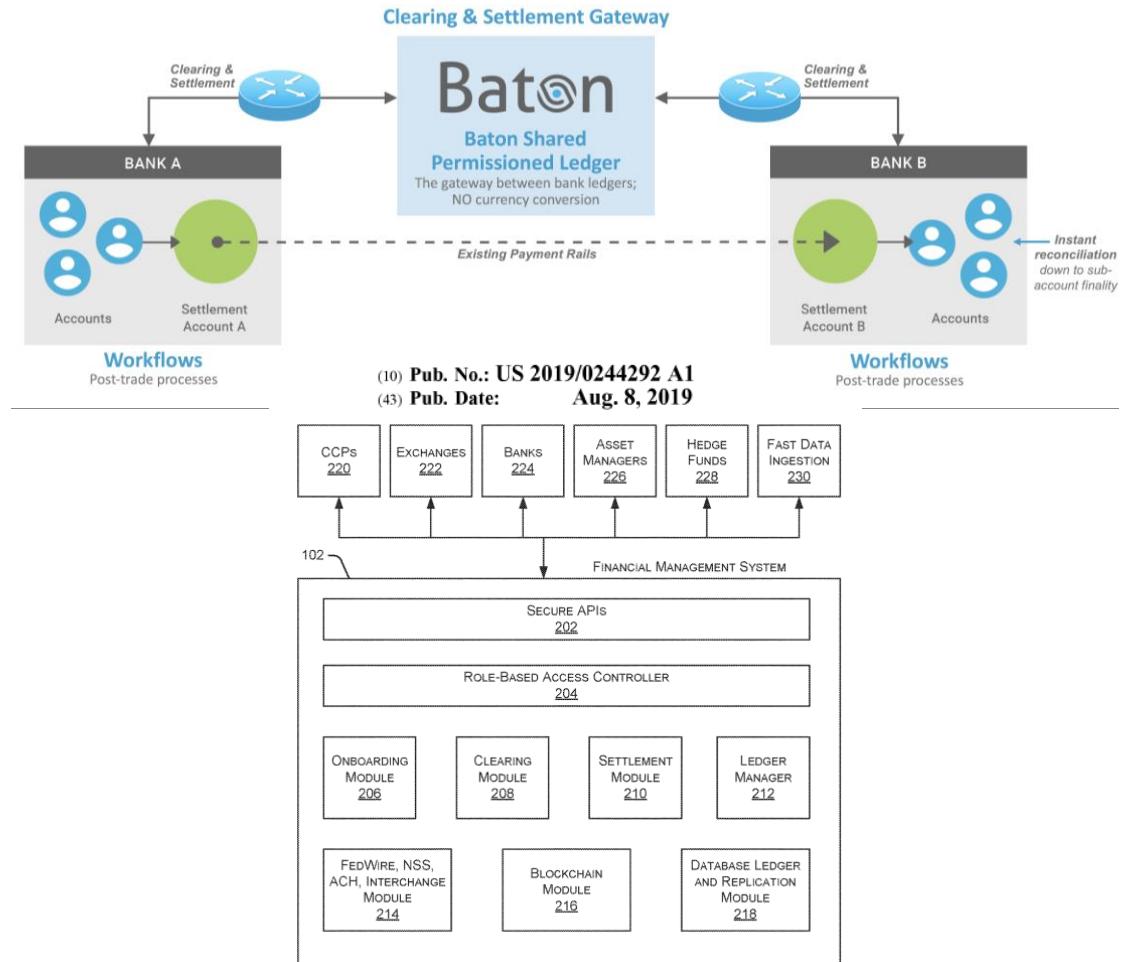
Though many startups have tried to build bank-grade DLT, adoption has been weak. Baton's approach could gain more traction with industry stakeholders, as it is actively targeting incumbents and key players like the Bank of England.

Baton may be well-positioned if the broader industry ramps up its adoption of DLT, and CB Insights' patent data shows that the startup is actively looking to protect its IP with filings like "[exotic currency settlement systems and methods](#)".

FI'S IN PILOT



In March 2019, Baton launched its DLT solution on Oracle's Cloud to provide FI's with a cloud-based API cross-border payment and settlement solution.



INCUMBENT EXCHANGES ARE MAKING BIG M&A BIDS TO PIVOT TO A DATA BUSINESS

The LSE bets \$27B on data services with Refinitiv acquisition and loses its own \$39B takeover bid



London

Stock Exchange Group

In October 2019, the Hong Kong Exchanges and Clearing pulled a \$39B takeover offer for the LSE. HKEX made its offer contingent on LSE dropping the Refinitiv deal.

The combination of the 2 exchanges would have created one of the world's largest markets for financial instruments, with an 18-hour trading window that spanned time zones from Asia to Europe.

LSE plans to move forward with its \$27B purchase of financial data company Refinitiv from The Blackstone Group and Thomson Reuters, with the strategic goal to strengthen its position as a leader in market data. The deal is projected to close in the second half of 2020.

CB INSIGHTS

REFINITIV Select data partners



Calypso Applications

For high volumes of independent, accurate price assessments, we've partnered with Calypso, used as pricing engine, to help derive prices for our award-winning evaluated pricing service TRPS.



Kx

Kx is a division of FD, a global technology provider to the world's largest finance, technology, manufacturing, and energy firms. Kx sells the kdb+ time-series database and a suite of related tools.



Market Axess

Offering credit institutions real-time global bond pricing built on the deepest universe of electronic fixed income data via MarketAxess® CP+ and Axess All™ products available with Eikon and Elektron.

MOODY'S ANALYTICS



Moody's Analytics

Moody's Analytics provides automated daily pricing and on-demand cash flow scenario analysis for Refinitiv pricing service across Global CLO, US non-Agency RMBS, EMEA, Agency, and ABS libraries.

Tradeweb

Tradeweb

Tradeweb Markets builds and operates many of the world's leading financial marketplaces, providing participants with greater transparency and efficiency in fixed income, derivatives, and equities.

Banks are jumping on stablecoins to pilot DLT

Proponents of cryptocurrencies tout benefits like transparency, security, and privacy, but extreme price volatility and unclear regulatory treatment have limited adoption by traditional financial institutions. Price stability is one of the promises of stablecoins, a new breed of crypto that pegs value to other assets, such as the US Dollar or gold.

WELLS FARGO

In September 2019, Wells Fargo started piloting Wells Fargo Digital Cash, a US dollar-linked stablecoin that will run on the firm's first blockchain platform.

The first proof of concept will be used internally and then for bank-to-bank settlement.

J.P.Morgan

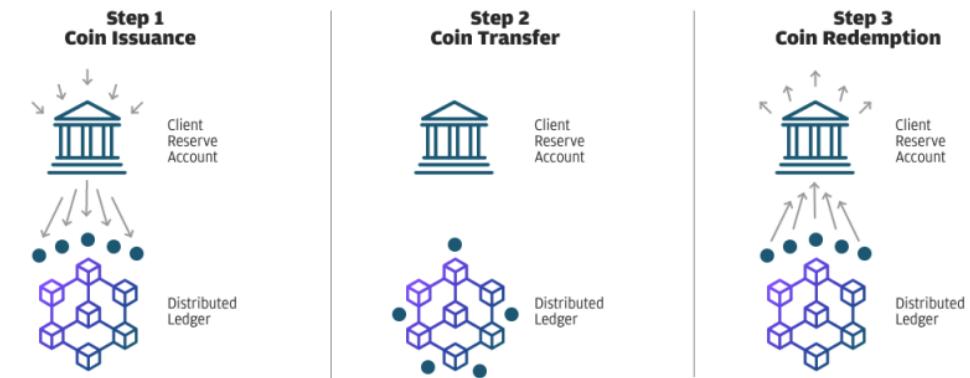


Image Source: [JPMorgan Chase](#)

In February 2019, JP Morgan launched JPM coin on Quorum. JPM's Interbank Information Network (IIN) boasts a network of 300+ other banks.

GLOBAL VC-BACKED FINTECH Q3'2019

MACRO SECTOR
TRENDS Q3'19

LENDING

REAL
ESTATE

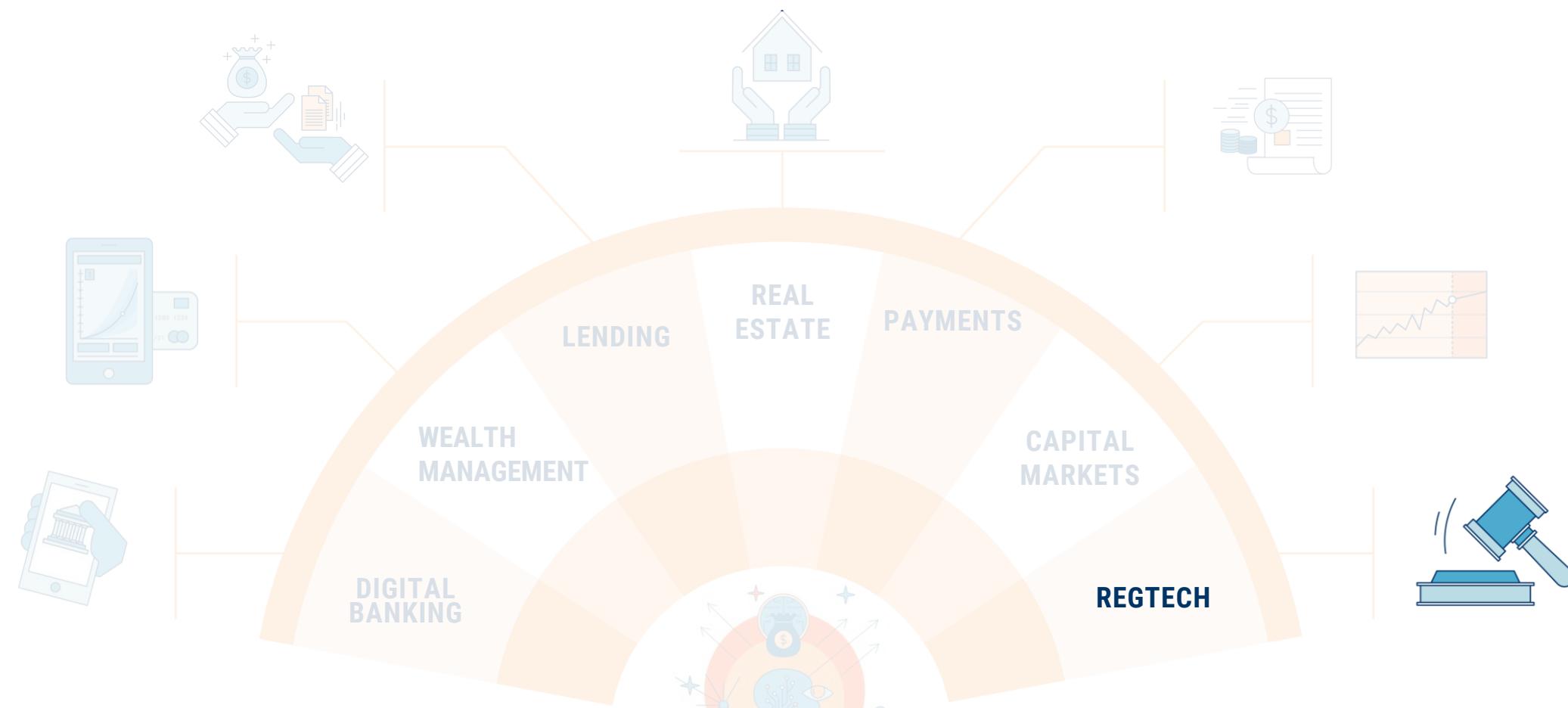
PAYMENTS

CAPITAL
MARKETS

REGTECH

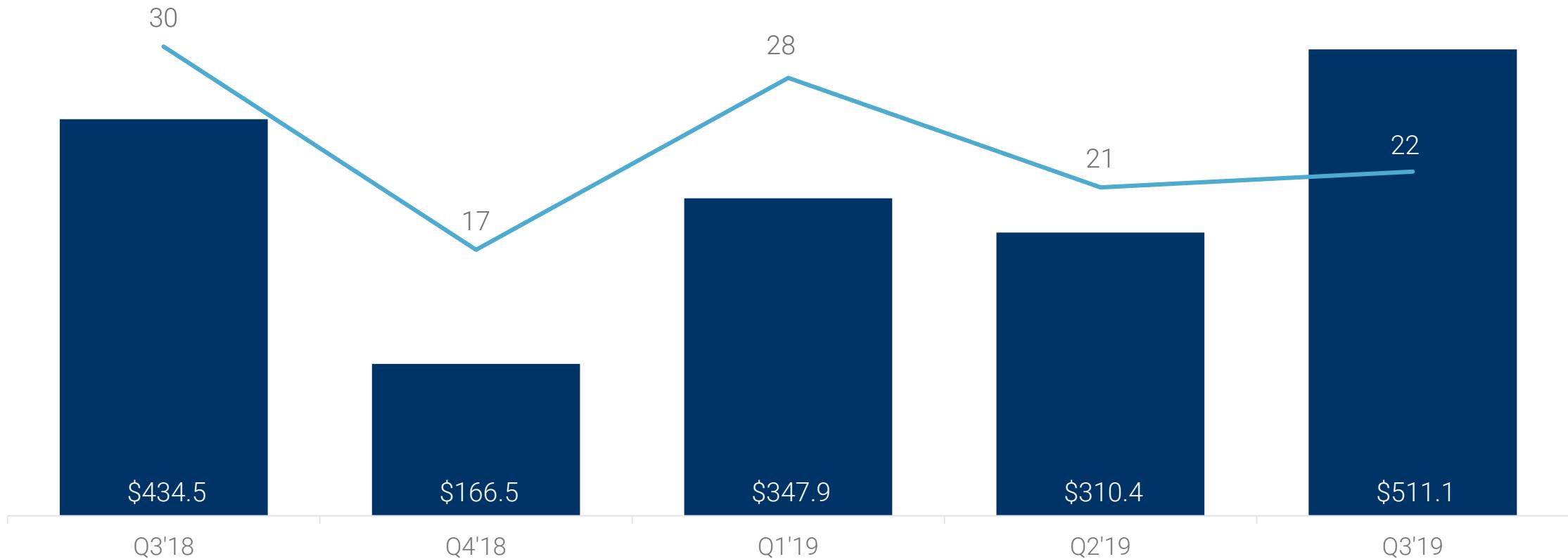
WEALTH
MANAGEMENT

DIGITAL
BANKING



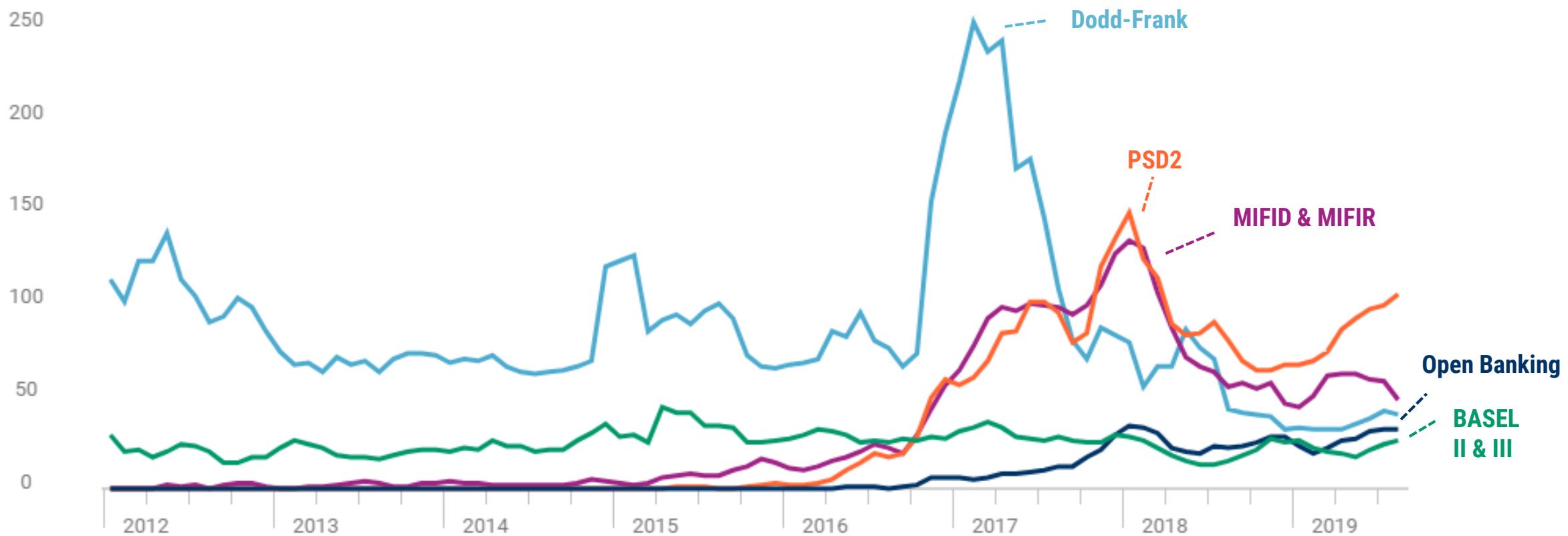
Regtech funding tops a 5-quarter high of \$511M with deals to AML/KYC and fraud prevention firms

Global financial services regtech VC-backed financing trends, Q3'18 – Q3'19 (\$M)



The regulatory landscape is more complex than ever and has created new opportunities for startups to fill

Mentions of financial services regulation terms in the media from Q1'12 – Q2'19



STREAMLINING CUSTOMER LIFECYCLE MANAGEMENT (CLM)



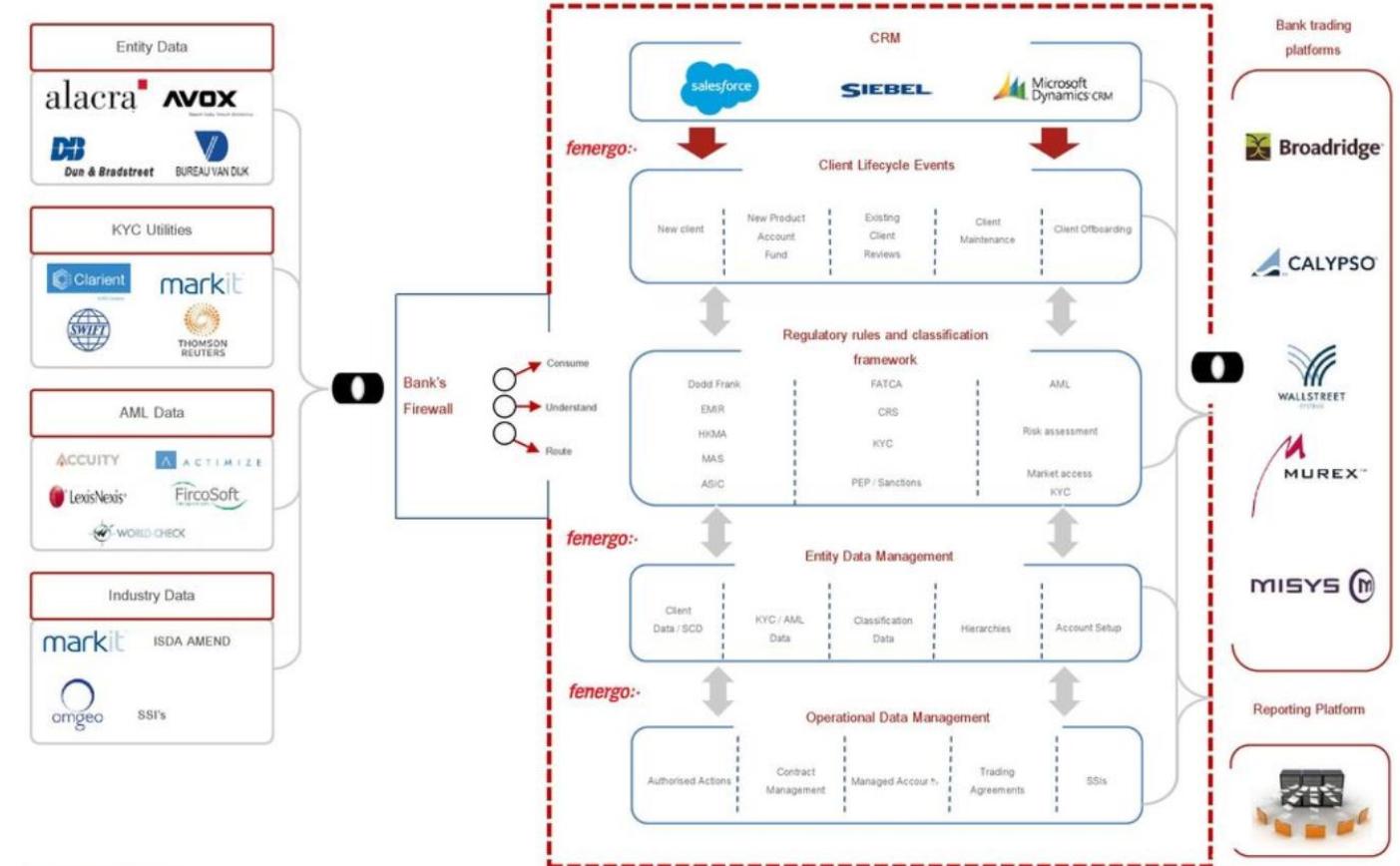
Last Funding

\$74M Corporate Minority // Jul'19

Ireland-based Fenergo provides cloud-based Customer Lifecycle Management (CLM) software. FIs use Fenergo to systematize, centralize, and share client & counterparty data.

Fenergo uses a rules-based engine to automate compliance checks with regulatory frameworks including KYC, AML, OTC derivatives, and data privacy rules.

Fenergo has 26 big bank customers including HSBC, UBS, BNY Mellon, Scotiabank, Bank of Montreal, BBVA, and RBS.



Canada is becoming an emerging hub for regtechs to help banks & fintechs continuously monitor and combat fraud

VERAFIN



Q3'19 Fundings: Unattributed VC & \$388M debt

Total Funding: \$448M

Select Investors:

Information Venture Partners, Northleaf Capital Partners, BDC Capital, Spectrum Equity, Teralys Capital, Wells Fargo

Focus: St. Johns-based Verafin provides cloud-based fraud detection and anti-money laundering software.

Verafin last reported that 1,500+ North American financial institutions use its software to protect themselves from criminal attacks and fraud.

CBINSIGHTS

Trulioo

**Verify Customers
Online, Anywhere,
in Seconds**

Knowing your customer mitigates
fraud, risk and financial crime



Q3'19 Funding \$45.2M Series C

Total Funding: \$75.7M

Select Investors:

Accel, American Express Ventures, Blumberg Capital, Citi Ventures, Framework Venture Partners, Goldman Sachs, Santander InnoVentures

Focus: Trulioo is a digital ID verification service that leverages analytics from roughly 200 traditional and cyber data sources across 60 countries.

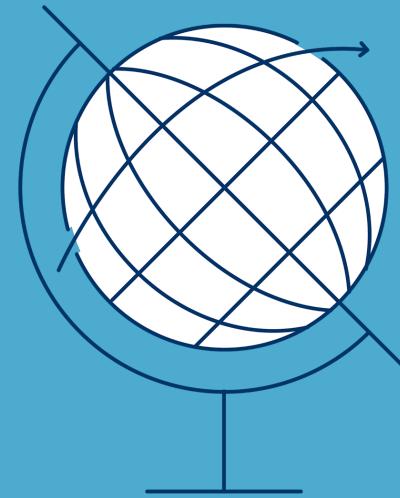
Trulioo helps organizations comply with AML and Customer Due Diligence (CDD) requirements by automating Know Your Customer/Business (KYC/KYB) workflows. Customers can access data on "GlobalGateway" platform or through APIs.

APPENDIX:

Q3'19 global fintech financing trends



Geographic Trends

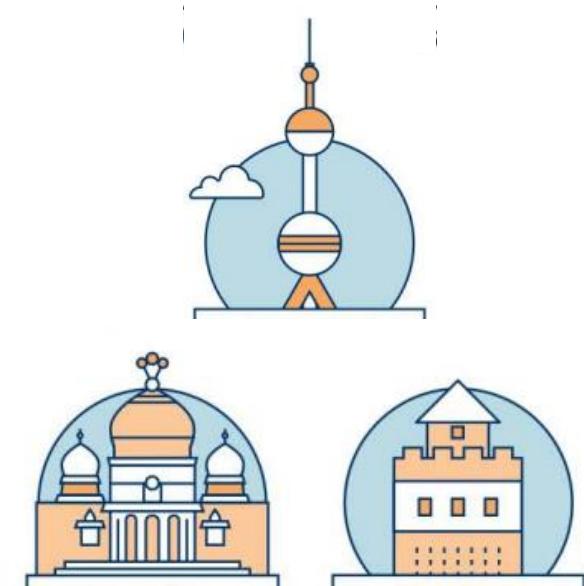


ASIA FINTECH VC-BACKED EQUITY FUNDING IN Q3'19:

\$1.8 BILLION

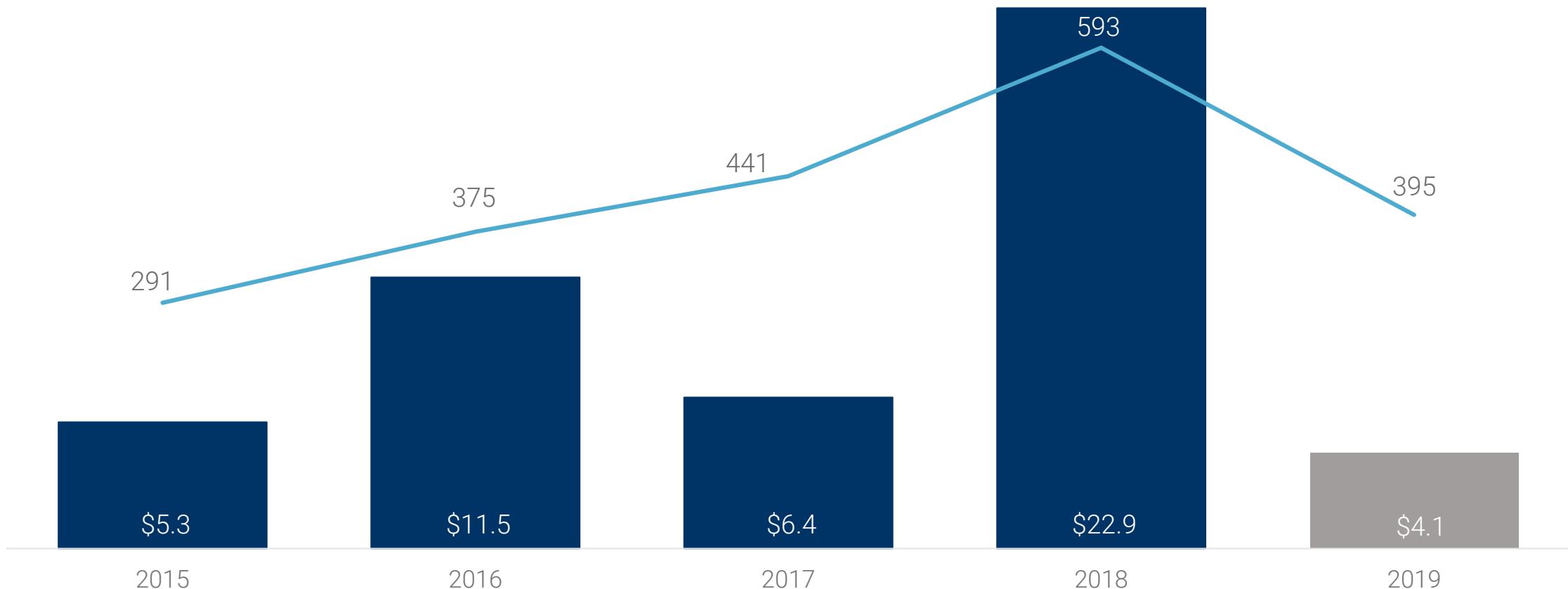
ACROSS

152 DEALS



Asia funding may fall to a 4-year low if the pullback in China continues or if India deals cool down

Asia VC-backed fintech financing trends, 2015 – Q3'19 (\$B)



China regained the lead as the top market in Asia for fintech deals

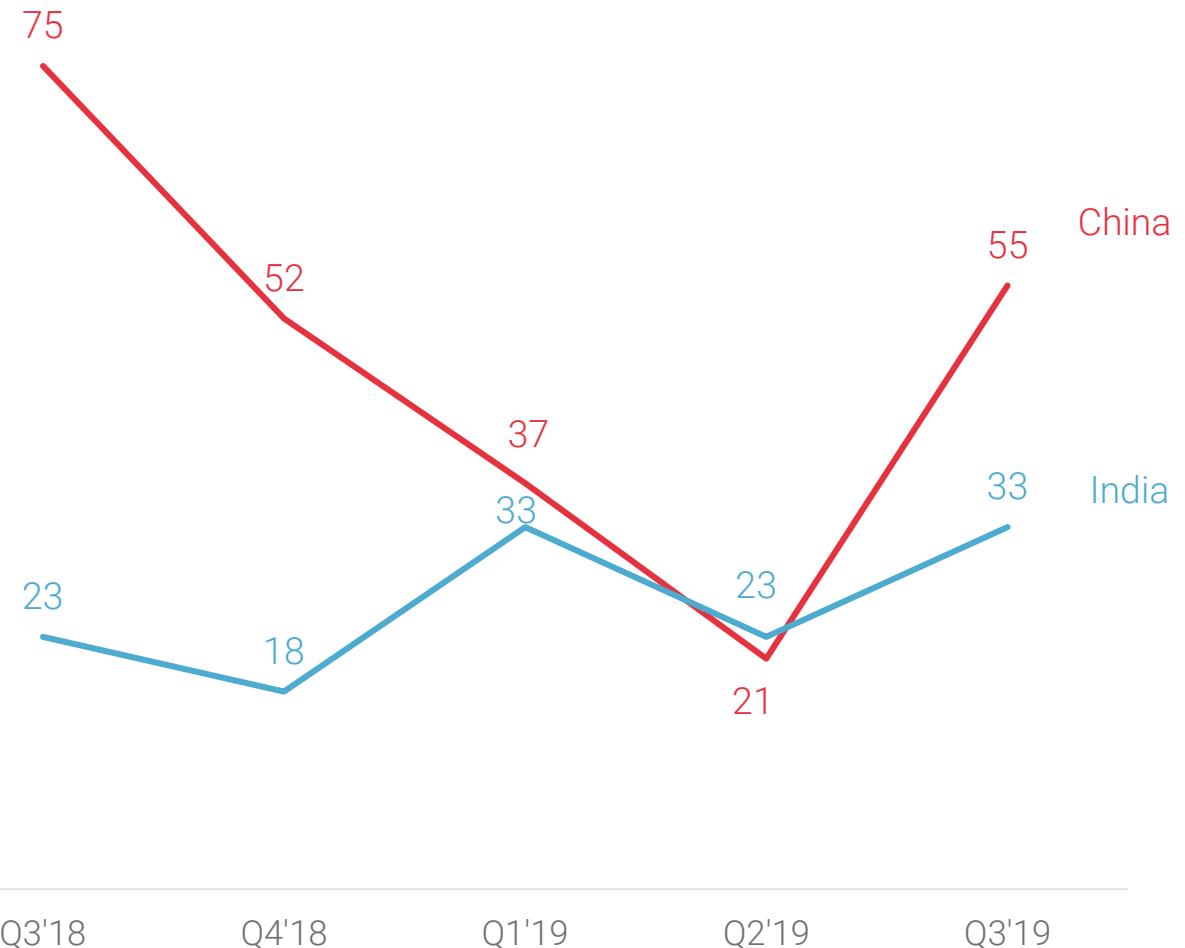
China saw deals spike to 55 deals, up 162% QOQ. The surge in deals helped China regain the lead over India, which overtook China for the first time in Q2'19.

India also saw a slight spike to 33 deals, tied with Q1'19 for a 5-quarter high.



China deals come storming back, overtaking India as Asia's top fintech deal hub in Q3'19

China vs. India VC-backed fintech deals, Q3'18 – Q3'19



In Q3'19, India reclaimed the position as the top country in Asia for funding

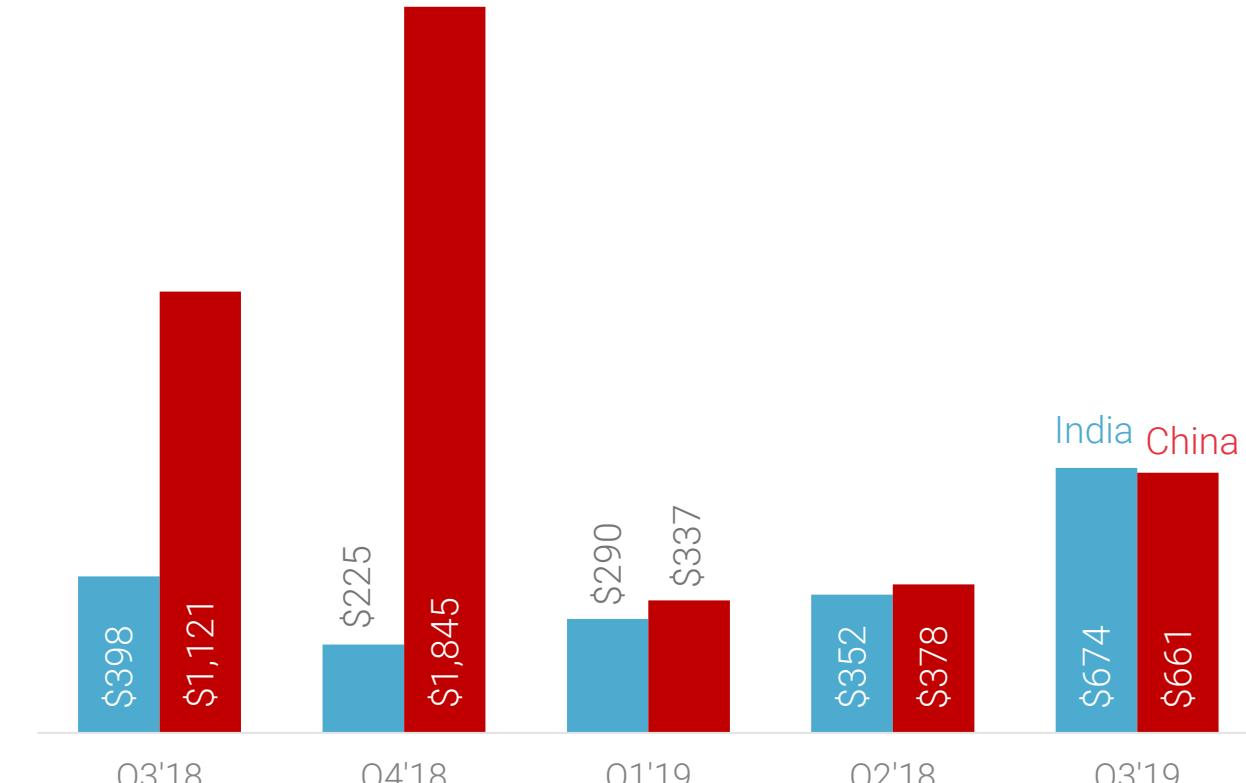
India edged ahead of China with \$674M of fintech funding in Q3'19, despite losing the lead in fintech deals.

China also saw funding grow to \$661M, but nowhere near 2018's funding highs. Funding saw a boost from CRED's \$120M Series B and Policy Bazar's \$130M corporate minority investment.



India narrowly pulled ahead of China as Asia's fintech funding hub in Q3'19

China vs. India VC-backed fintech funding, Q3'18 – Q3'19 (\$M)

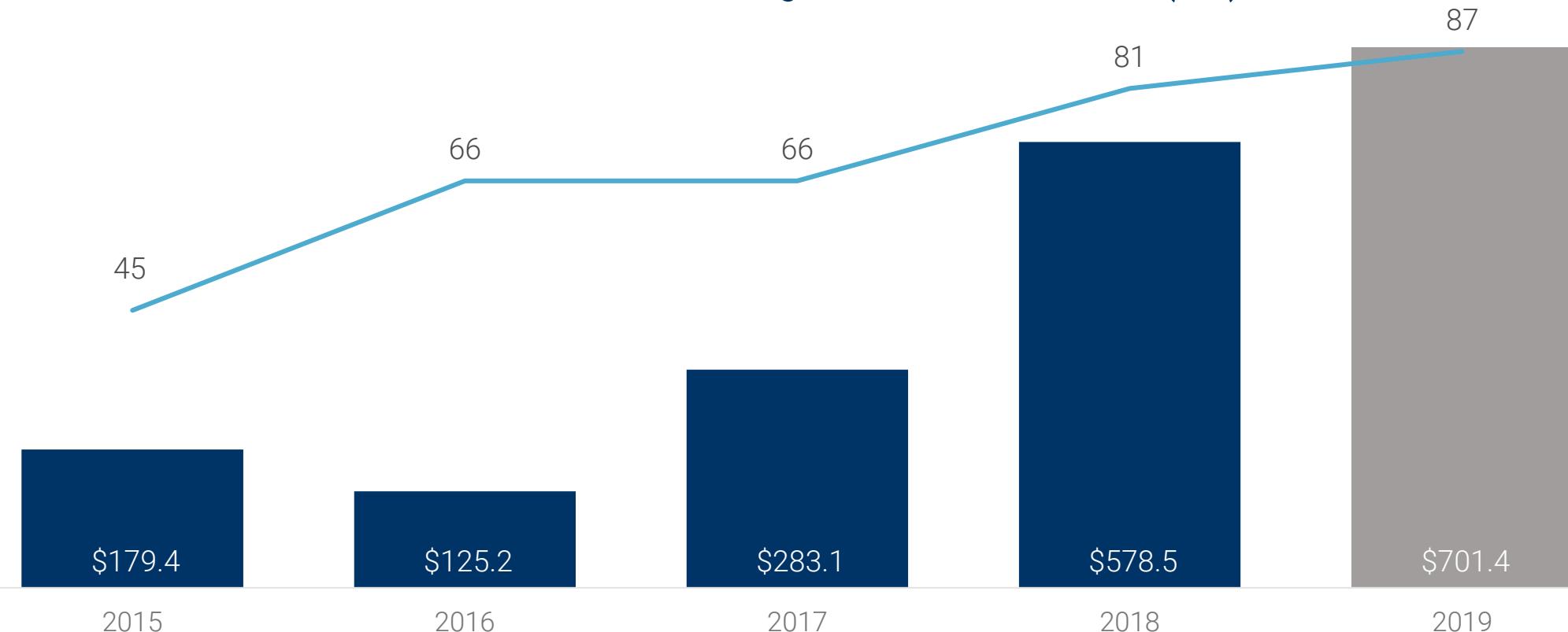


*Ant Financials' \$14B investment in Q2'18 is removed for illustrative purposes

ASIA SPOTLIGHT: SOUTHEAST ASIA

Southeast Asia fintech set a new annual record with \$701M raised across 87 deals through Q3'19

Annual Southeast Asia VC-backed fintech financing trends, 2015 – Q3'19 (\$M)



NORTH AMERICA FINTECH VC-BACKED EQUITY FUNDING IN Q3'19:

\$4.3 BILLION

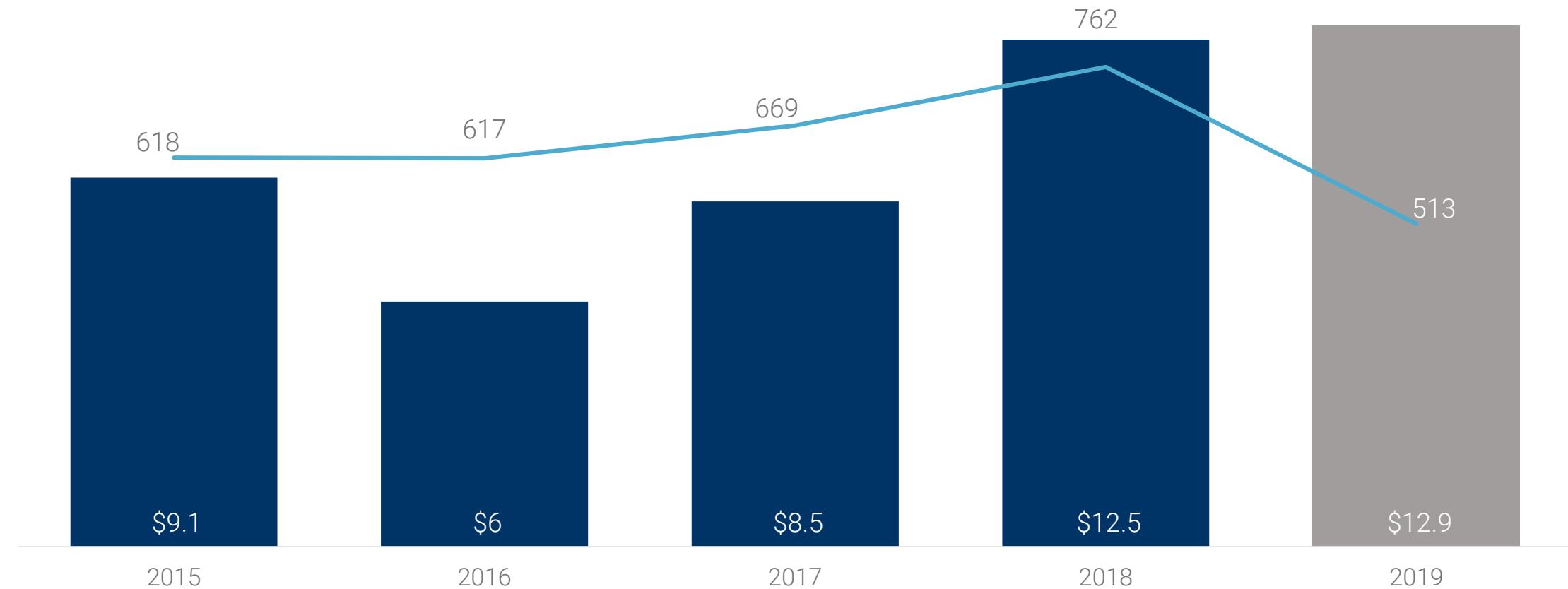
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182 DEALS



US fintech funding topped \$12.9B through Q3'19,
already surpassing 2018's annual record

US VC-backed fintech financing trends, 2015 – Q3'19 (\$B)



US saw 10 mega-round (\$100M+) investments in Q3'19 worth \$1.9B

The US saw funding dip slightly to \$3.9B and was largely bolstered by mega-round investments.

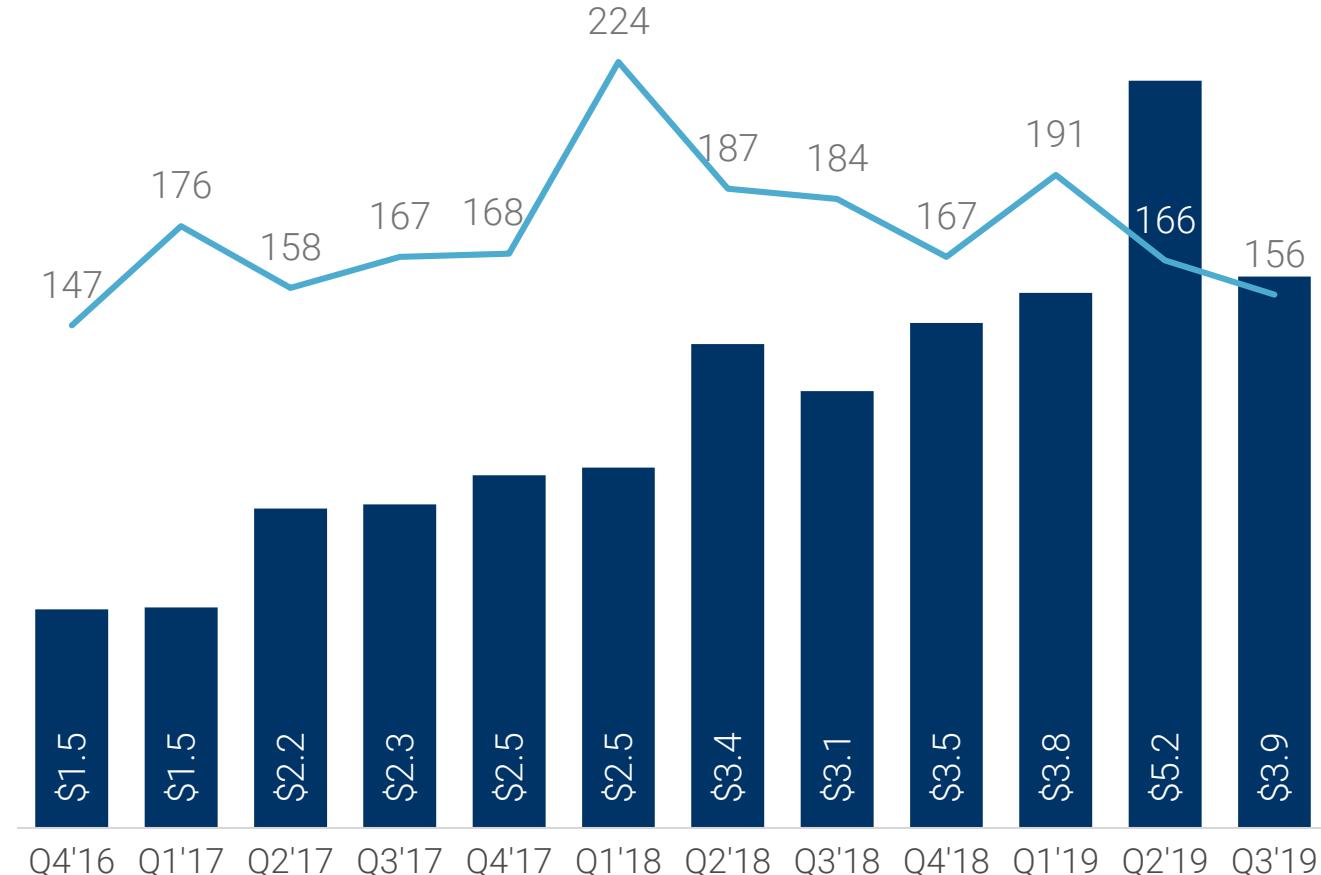
Meanwhile, deals dropped for the second consecutive quarter to 156, an 11-quarter low.

The quarter did see 2 new unicorns: insurer Hippo and working capital lender C2FO. The top deal was a \$350M Series E to Ohio-based auto insurer Root.



US fintech funding cooled after a record quarter for mega-rounds and deals dipped to a 3-year low in Q3'19

US VC-backed fintech financing trends, Q4'16 – Q3'19, (\$B)



Mega-round funding in NY and CA cooled

CA and NY-based unicorns have been a driver for funding in previous quarters. Many are fresh off of mega-rounds in 2019, which helps explain the pullback.

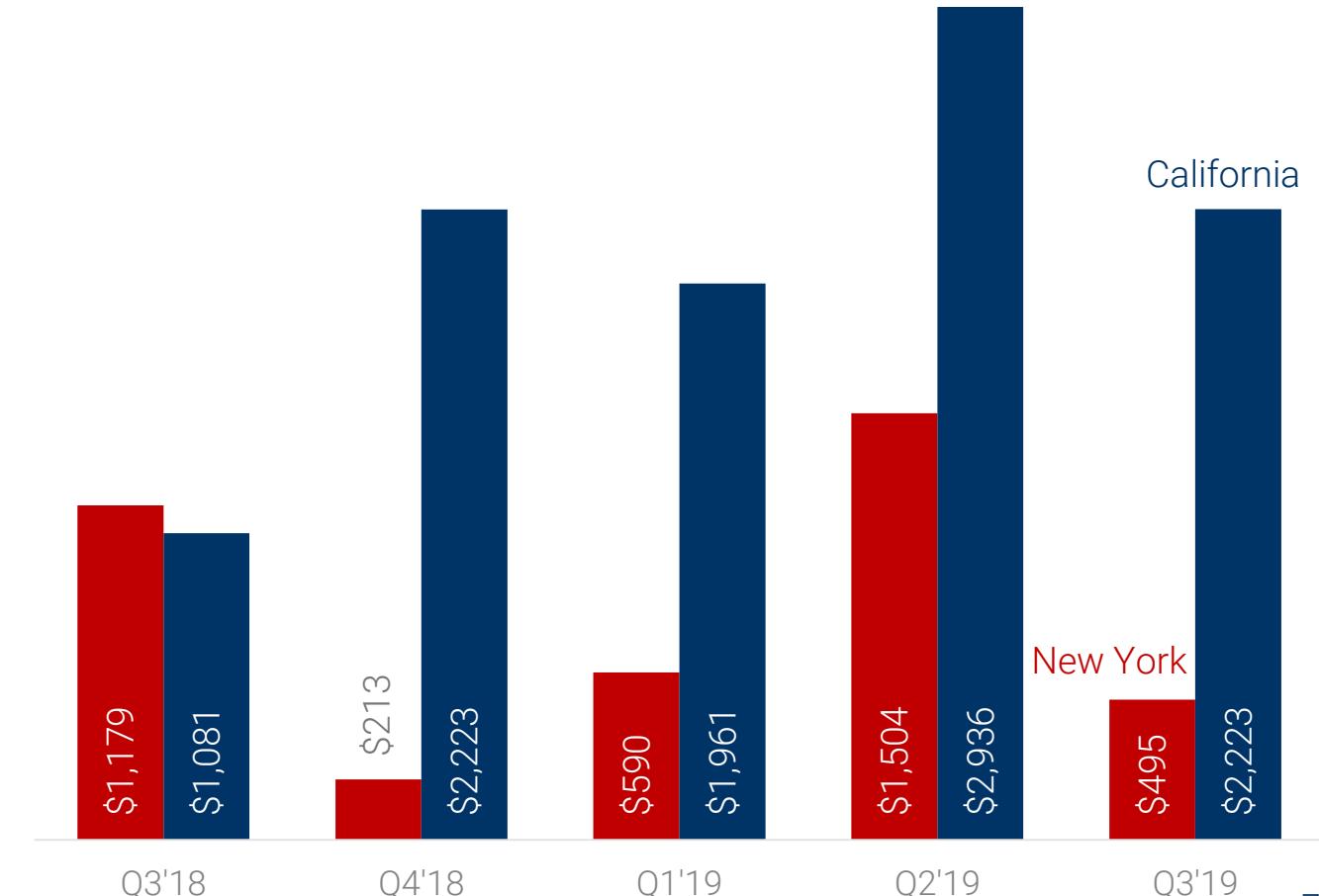
NY also saw deals drop to 38 while CA saw a boost to 67 deals from early-stage deals.

Three of the 10 US mega-rounds in Q3'19 went to startups outside NY and CA including to Root in Ohio, C2FO in Kansas, and Remitly in Washington.



California and New York see fintech funding as mega-rounds spread outside deal hubs

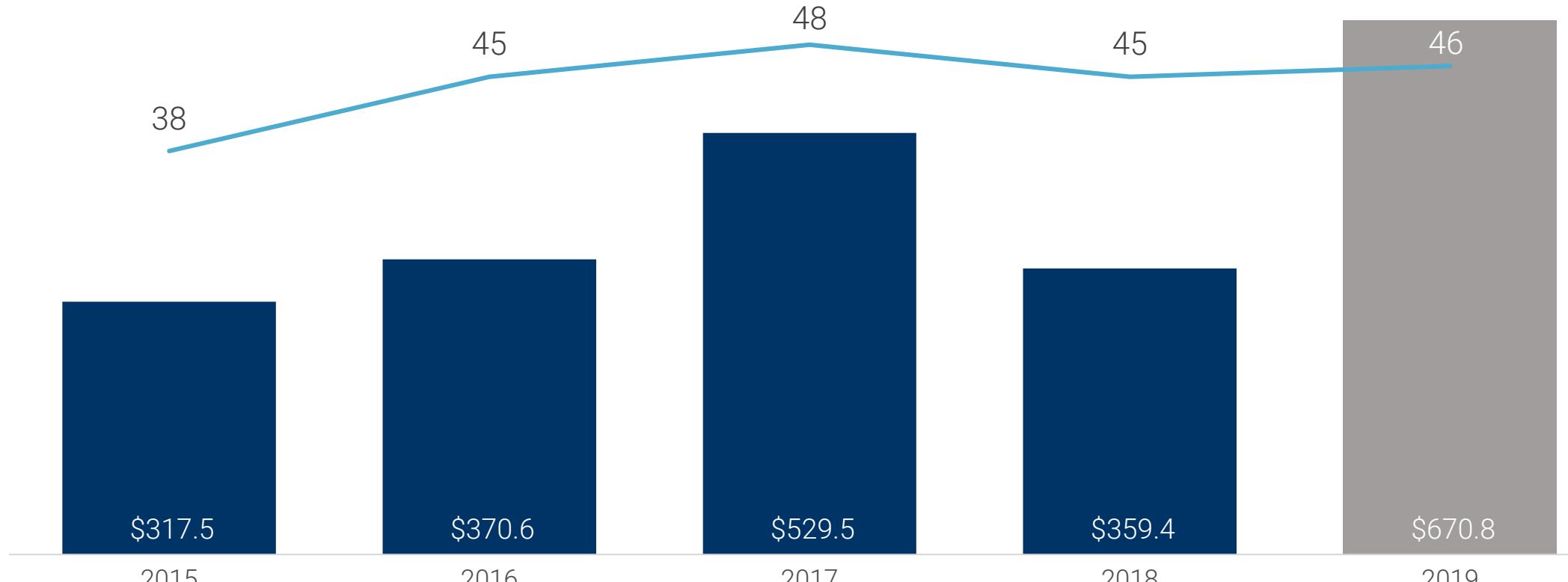
New York vs. California VC-backed financing trends, Q3'18 – Q3'19 (\$M)



NORTH AMERICA SPOTLIGHT: CANADA

Canada fintech funding topped \$670M, an annual high, across 46 deals, on track to set a new record

Canada global VC-backed fintech deals and financing, 2015 – Q3'19 (\$M)

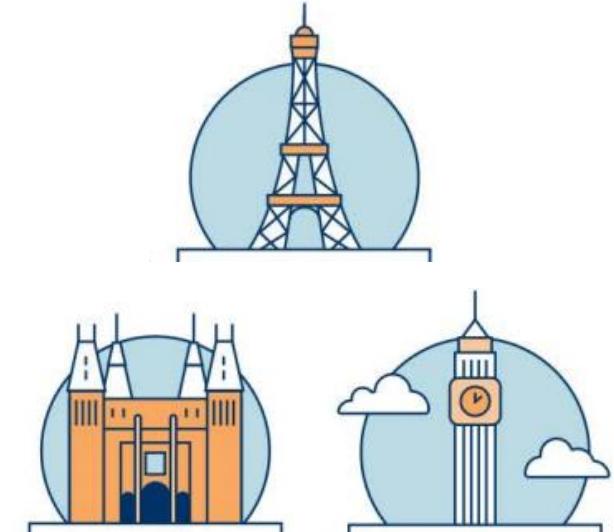


EUROPE FINTECH VC-BACKED EQUITY FUNDING IN Q2'19:

\$1.7 BILLION

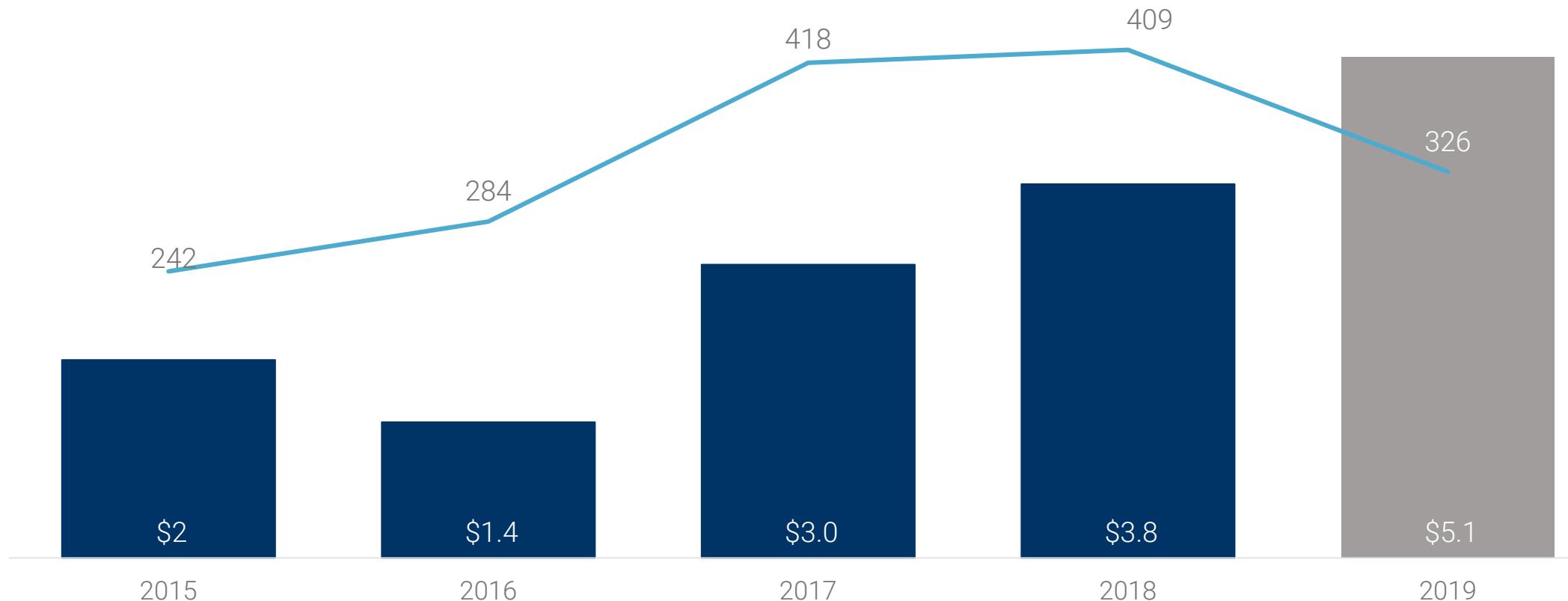
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90 DEALS



Europe funding topped a new high through Q3'19, but deal count dropped after reduced activity in the UK

Europe VC-backed fintech financing trends, 2015 – Q3'19 (\$B)



UK deals fell to a 5-quarter low in Q3'19

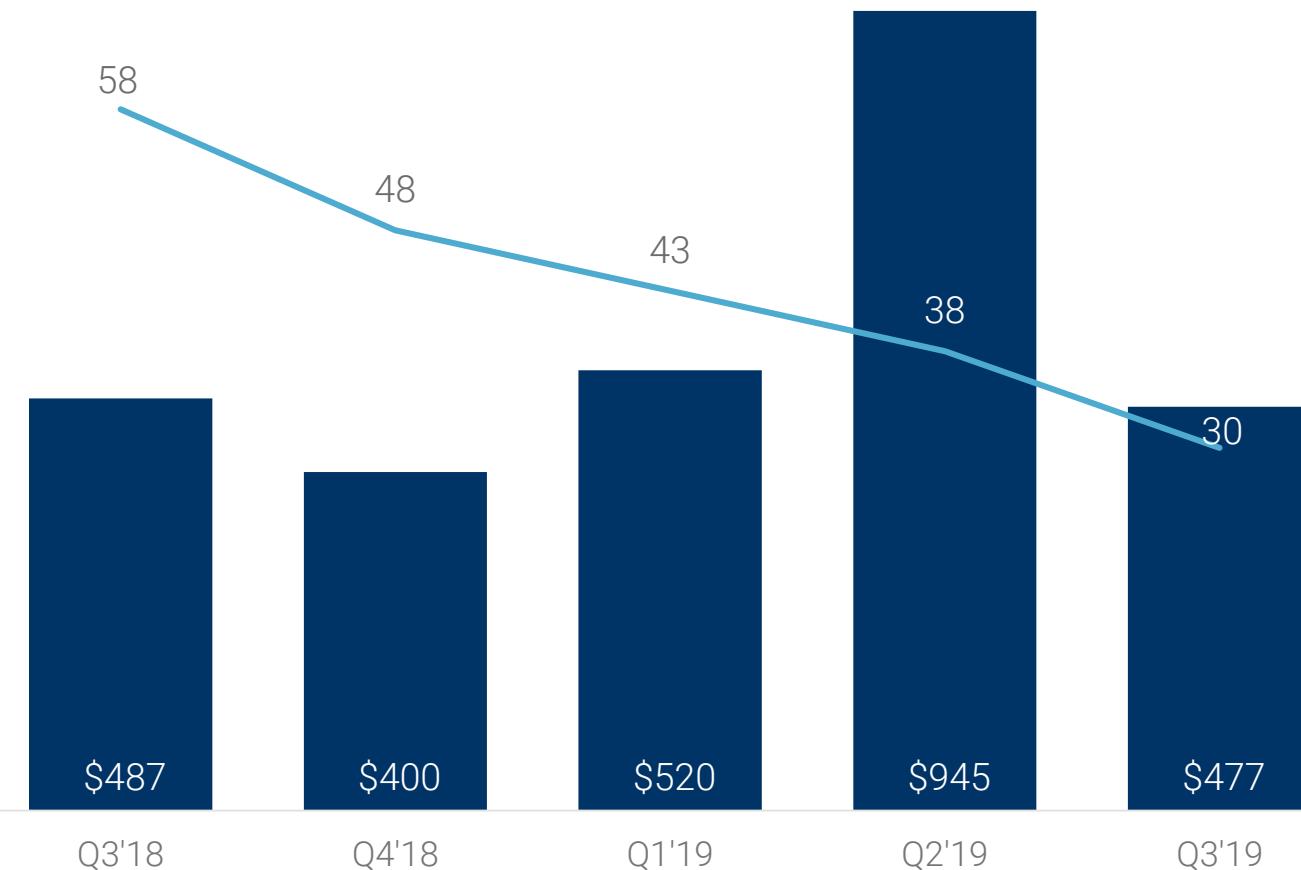
Despite the drop in deals and funding in Q3'19, the UK continued to lead as the top fintech hub in Europe in 2019.

Funding in 2019 was bolstered by a series of mega-round deals to unicorns including Monzo, Greensill, and Transferwise, as well as a deal that minted a new unicorn, Checkout.com.



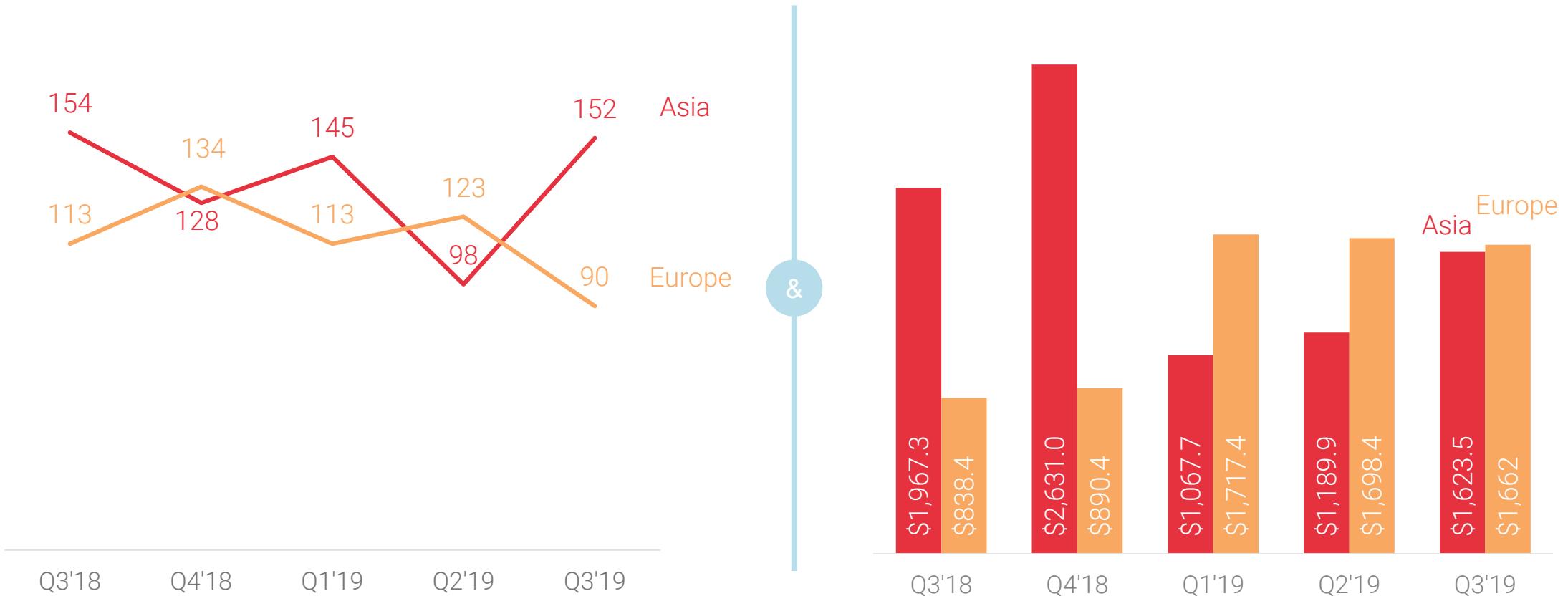
UK funding dipped to 3-year low while deals dropped to a 5-quarter low

UK VC-backed fintech financing trends, Q3'18 – Q3'19 (\$M)



Asia beat out Europe in deal count, but Europe narrowly topped Asia for funding despite the drop

Global VC-backed fintech funding by region (Europe vs. Asia), Q3'18 – Q3'19 (\$M)



Biggest Deals & Most Active Fintech Investors



Brazil took 2 of the top deals while China and India took none

10 of the top 11 deals went to existing unicorns or minted new ones (\$1B+ valuation)

Company	HQ	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
Klarna	Sweden	Aug'19 // \$460M	\$957.2M (\$5.5B Valuation)	Dragoneer, IVP, Blackrock, General Atlantic, DST Global	Payments infrastructure provider for e-commerce
 nu bank	Brazil	Jul'19 // \$400M	\$1.1B (\$10B Valuation)	Ribbit Capital, DST Global, Tencent Holdings, TCV, Thrive, Sequoia Capital	Robotic process automation software
ROOT	OH	Aug'19 // \$350M	\$614M (\$3.7B Valuation)	Ribbit Capital, DST Global, Coatue Management, Tiger Global Management	Auto lending and finance management platform
 Robinhood	CA	Jul'19 // \$323M	\$862M (\$7.6B Valuation)	Ribbit Capital, DST Global, Sequoia Capital, Thrive Capital, NEA	B2C digital brokerage
 judo bank	Australia	Jul'19 // \$276M	\$801M (\$1.4B Valuation)	Ironbridge Capital, SPF Investment Management, Bain Capital Credit, Tikehau Capital, Abu Dhabi Capital Group	Small to Medium Enterprise (SMEs)
 QUINTO ANDAR	Brazil	Sep'19 // \$250M	\$336M (\$1B Valuation)	SoftBank, Kaszek Ventures, General Atlantic, Dragoneer	Real estate tech marketplace for residential rentals

The top 6 deals went to unicorns (\$1B+ valuation)

9 of the top 11 deals to VC-backed fintech companies were \$200M+ mega-round investments

Company	HQ	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
stripe	CA	Aug'19 // \$250M	\$1.4B (\$35.3B Valuation)	Sequoia Capital, General Catalyst, Andreessen Horowitz	Payments infrastructure provider for online merchants
 C2FO	KA	Aug'19 // \$200M	\$400M (\$1B Valuation)	SoftBank Group, Union Square Ventures, Temasek	Marketplace for working capital
gusto	CA	Jul'19 // \$200M	\$516 (\$3.8B Valuation)	General Catalyst, Dragoneer Investment Group, Fidelity Investments, T. Rowe Price	HRIS for payroll system, benefits information, and HR targeting small businesses (SMBs)
Fundbox	CA	Sep'19 // \$176M	\$434M (\$500M - \$1,000M Valuation)	Spark Capital, General Catalyst, MUFG Innovation Partners, Synchrony Financial, Khosla Ventures, Allianz X	Alternative lender that provides a revolving line of credit to SMBs
N26	Germany	Aug'19 // \$170M	\$683M (\$3.5B Valuation)	Insight Partners, Valar Ventures, Allianz X, Tencent Holdings, GIC	Digital-first challenger bank

The most active fintech VCs from Q3'18 – Q3'19

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

Rank	Investor	Select Fintech Investments							
1	500 startups	 Albert	 Clearcover	 EasyKnock	 peoplefund	 EMQ	 YayPay		
		 bloomcredit	 CHIPPER	 Spare	 CUBE Wealth	 Back Office	 sarwa		
2	a16z	 carta	 coinbase	 stripe	 DevotedHealth	 PLAID	 cross river		
		 TransferWise	 branch	 tally	 Health IQ	 ADDI	 Synapse		
2	Ribbit Capital	 Revolut	 Coalition™	 Razorpay	 BharatPe	 BREX	 ualá		
		 affirm	 vouch insurance	 CRED	 Groww	 warren	 Toss		
4	Accel	 monzo	 WorldRemit	 UiPath	 scripbox	 Coverfox	 GOCARDLESS	 Trulioo	
		 CIRCLE	 ACKO	 CHAINALYSIS					

The most active fintech VCs from Q3'18 – Q3'19

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

Rank	Investor	Select Fintech Investments
5		     
5		      
5		      
8		     
8		     

Methodology

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

What is included:

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

What is excluded:

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



WHERE IS ALL THIS DATA FROM?

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has the underlying data
included in this report**

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