

Unicorns trail-blaze the London financial services landscape

**Financial Institutions M&A:
Sector trends H2 2019 | Outlook for 2020
Fintech**

Support for fintech is the highest it has ever been:

Banks turbocharge digital transformation strategies:
Multi-channel investment strategies

Voracious financial sponsor appetite:
Sponsors and founders embrace to disrupt traditional financial services models

Fintechs come of age:
Fintechs have stockpiled growth capital and are ready to turbocharge inorganic expansion strategies

Unicorns trail-blaze the London financial services landscape

British thoroughbreds dominate the downs—London has overtaken New York as the world's #1 hub for fintech investments. Unicorns are not mythical creatures on City streets...

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“**Air is thin at the top and the peak does not afford space for everyone. We have started to see the demise of fintechs which offered promise but could not deliver. More will fail, leaving the few that will revolutionise financial services.**

Hyder Jumabhoy

Overview

CURRENT MARKET

Upward, exponential (the air is thin up there)

WE ARE SEEING

- Established banks turbocharging digital transformation strategies:
 - Top brass sanction digital transformation spend (e.g., Deutsche Bank's Central Technology Division, mandated to invest US\$14.2 billion in technology by 2022)
 - Allocation of capital to 'fintech only' funds (e.g., increase of ABN AMRO Digital Impact Fund to €100 million)
 - Start-up support—discovering diamonds in the rough (e.g., Deutsche Bank's Shanghai-based innovation hub, Blue Water Fintech Space)
 - Outsourcings—the professionals will handle it (e.g., NatWest's voice recognition banking outsourcing to Google Assistant)
- Established banks deploying multi-channel investment strategies:
 - Acquisitions—technologies offering business-critical benefits (e.g., harnessing the potential benefits of BigData)
 - Direct equity investments—technologies offering nearer term value enhancement opportunities (e.g., RegTech, AI, digital banking solutions, etc.)
 - Venture fund equity investments—technologies which will be value accretive to core banking operations in the longer term (e.g., data analytics, customer connectivity, etc.)
 - Partnerships—new efficiency solutions (e.g., NIBC Bank credit decision partnership with OakNorth) and new customer opportunities (e.g., Goldman Sachs's credit card partnership with Apple Pay)
 - Innovation consortia—many hands make light work (e.g., development of a joint KYC data-handling platform by Danske, DNB, Nordea, SEB, Handelsbanken and Swedbank)
- Financial sponsors stoke the fires of change:
 - Piling into equity and debt funding rounds—from seed to late-stage—VC and private equity fintechs with potential to disrupt 'traditional' financial service models
 - Acquisitions—for fintechs which have (or are capable of) developing critical scale within a 3 – 5-year exit horizon
 - Dedicated fintech funds (e.g., Balderton Capital's US\$400 million Balderton Fund VII)

- Fintechs are out of the starting stalls:
 - Gas in the tank—fintechs have stockpiled organic and inorganic growth capital, provided by financial institutions, financial sponsors and corporates, through funding rounds and direct equity/debt investments
 - Inorganic growth through acquisitions of corresponding technologies (e.g., Signicat's acquisition of Idfy)
 - Fintechs joining forces with complementary technology providers (e.g., ClearBank's retail and business savings partnership with DPR, Shieldpay's digital escrow account partnership with OakNorth, etc.)
- Only the few will survive to change the world:
 - First signs of fintechs failing (e.g., FundingSecure, Lendy, Collateral and Ipagoo have all collapsed into administration)
 - Slowing of the pace of new fintech entrants into the financial services market

KEY DRIVERS

- Established banks imbibe the benefits of technology:
 - New battleground to compete with other established banks/financial institutions for existing customer bases
 - Keeping up with rapidly growing customer expectations—customers want personalised, on-demand innovative products, available through frictionless experiences
 - Improving operational efficiencies by leveraging emerging AI and automation technologies
 - Solution for growing cyber-attack, money laundering, identity fraud and financial crime threats
 - Improving customer catchment and distribution channels (e.g., Saxo Bank's Chinese RegTech and robo-advisory alliance with Zhejiang Geely)
 - Reaching under-banked/un-banked communities in emerging markets (e.g., Standard Chartered's new digital-only bank in Botswana, Zambia and Zimbabwe)
 - Opportunity to repair customer sentiment and tackle social concerns (e.g., Nationwide's new 'Open Banking for Good' incubator)
- Voracious financial sponsor appetite:
 - Founders' embrace financial sponsor ownership expectations and benefits (including less 'tangible' mentorship opportunities)
 - Growing regulator understanding of financial sponsor ownership

Our M&A forecast

- Availability of funding dry powder (e.g., Mubadala's Hub71 and dedicated US\$250 million investment capital)
- Success stories bolster investment confidence (e.g., Emergence, DCM, Icon Ventures, Financial Partners Fund and Scale Venture Partners benefitting from Bill.com's US\$1.6 billion valuation on IPO)
- Top-down encouragement for fintech:
 - National governments provide support, including legislative (e.g., Turkey's new Open Banking regime), financial (e.g., France's €5 billion start-up funding pledge) and infrastructure (e.g., access to Bank of England's overnight accounts for fintechs)
 - Local regulators volley cross-border collaboration (e.g., Croatian Financial Services Agency's fintech collaboration MoU with the Israel Security Authority)
 - Domestic trade associations lobby for competition and a level playing field

TRENDS TO WATCH

- Mounting pressure on fintechs to demonstrate sustainability and, more importantly, profitability—investor patience is neither unconditional nor everlasting
- Declining numbers of new fintech entrants but increasing opportunities for fintechs which are successfully able to scale
- Growth of support from established financial institutions for fintechs:
 - Through outsourcings—migration of core systems onto the cloud could present a digital solution for many institutional banks. However, risks associated with cloud computing still need to be assessed
 - Which proffer financial health/well-being, sustainability and financial inclusion (e.g., Accion International's US\$33 million investment initiative for seed-stage fintechs focusing on financial inclusion)
- Growing awareness of negative side effects of fintech acceptance (e.g., Unite campaign to 'Save Bank Branches')
- Re-investment by fintechs into the ecosystem around them (e.g., Modulr's £20 million investment into the Scottish fintech industry)
- Regulatory scrutiny and intervention relating to KYC, AML, ABC, anti-fraud and financial crime prevention standards, particularly in relation to crypto-trading



Very high level of M&A activity. Investor appetite for untested new fintech entrants will start to wane, as market saturation and impatience to see returns increases. That will inevitably mean two things. Firstly, that there will be more opportunities for first-movers who have stockpiled capital and do deliver on their business plans, and secondly, that the fail rate of fintechs who lag behind will increase.

Fintech

Banks
multi-channel
investment
strategies

UK fintech start-ups reached new funding record level of US\$2.9 billion in H1 2019, across a total of 123 deals (*Finextra–July 2019*)

UK fintech boom shows signs of slowing—only 11 new fintechs were founded in 2019, compared with 91 in 2018 and 164 in 2015 (*Pitchbook–December 2019*)

UK's tech entrepreneurs raised c. £44 billion since the financial crisis, with >50% (c. £23 billion) coming after the Brexit vote (*Telegraph–December 2019*)

Deal highlight:

White & Case represented Pollinate on its £60 million growth capital investment round, participated in by RBS as well as Mastercard, Motive Partners and EFM Asset Management

Direct equity investments:

HSBC (Desktop OS)

Participation in US\$22 million Series C funding round for OpenFin (*December 2019*)

Banco Votorantim (Banking)

Participation in US\$93.5 million Series B funding round for Neon (*November 2019*)

Volkswagen Bank (Digital solutions for credit products)

Acquisition of 20% of FinTech Credi2 (*November 2019*)

SEB Bank (Payments)

Participation in €9 million Series B funding for Cardlay (*November 2019*)

ING (RegTech)

Participation in US\$19.3 million Series B funding round for Ascent (*November 2019*)

Banco Santander (FX and trade finance)

Acquisition of 50.1% of Ebury (*November 2019*)

RBS (Payments)

Participation in £60 million Series A funding round for Pollinate (*November 2019*)

BBVA (Data analytics)

Participation in Seed funding round for PrivacyCloud (*October 2019*)

Intesa Sanpaolo (Payments)

Acquisition of minority stake in MatiPay (*October 2019*)

BBVA (Mortgage deposit-raising platform)

Participation in £1.5 million Seed funding round for StepLadder (*October 2019*)

Barclays, RBC, BMO and J.P. Morgan (POS finance)

Participation in US\$158 million Series E funding round for TouchBistro (*September 2019*)

Deutsche Bank (Open-banking)

Acquisition of 4.9% of Deposit Solutions (*September 2019*)

J.P. Morgan and Société Générale (Trading)

Equity investment in Wematch (*September 2019*)

Banco Sabadell (Cybersecurity)

Participation in US\$5.5 million Series A funding round for Kovrr (*September 2019*)

Standard Bank (POS finance and data analytics)

Participation in US\$4 million Series D funding round for Nomanini (*August 2019*)

TBC Bank (E-commerce)

Acquisition of 65% of LLC My.ge (*August 2019*)

Belfius, BNP Paribas, ING and KBC (Payments)

Participation in €20 million funding round for Payconiq (*July 2019*)

BBVA (Digital banking)

Participation in £50 million Venture funding round for Atom Bank (*July 2019*)

Crédit Mutuel Arkéa (Digital banking)

Acquisition of 80% of Budget Insight (*July 2019*)

Nordea (Banking)

Equity investment in P.F.C. (*July 2019*)

Visa (Cloud-based payments-as-a-service)

Participation in £32 million Series E funding round for Currencycloud (*July 2019*)

Nordea (Payments)

Equity investment in Mondido (*June 2019*)

BAWAG (WealthTech)

Acquisition of 49% of Finventum (*June 2019*)

UniCredit

(Discounting programmes) Acquisition of 10% of FinDynamic (*June 2019*)

Venture fund investments:

Santander InnoVentures (Digital lending)

Participation in Series C funding round for Roostify (*October 2019*)

Santander InnoVentures (Debt marketplace)

Participation in €35 million Series B funding round for CrossLend (*October 2019*)

Citi Ventures (Data analytics)

Participation in €5 million Series A funding round for Cashforce (*October 2019*)

Citi Ventures (Data analytics)

Participation in US\$18 million Series A funding round for Fidel (*September 2019*)

Santander InnoVentures (Token issuance)

Participation in US\$14 million Series A funding round for Securitize (*September 2019*)

Banks
multi-channel
investment
strategies

Nationwide Ventures

(Open-banking)

Equity investment in BankiFi (*September 2019*)

SC Ventures (AI)

Participation in US\$40 million Series D funding round for Digital Reasoning (*September 2019*)

Goldman Sachs Growth Equity, Citi Ventures, Santander InnoVentures and American Express Ventures (ID verification)

Participation in US\$60 million Series C funding round for Trulioo (*September 2019*)

ABN AMRO Digital Impact Fund (Data analytics)

Equity investment in Trifacta (*September 2019*)

Citi Ventures and MassMutual Ventures (Customer connection API)

Participation in US\$25 million Series A funding round for Even Financial (*September 2019*)

ABN AMRO Digital Impact Fund (Data analytics)

Equity investment in ThetaRay (*June 2019*)

Acquisitions:

VTB Bank (BigData)

Acquisition of AO ESK (*August 2019*)

Debt investments:

Silicon Valley Bank (Consumer credit reporting)

£5 million debt investment into TotallyMoney (*October 2019*)

JVs/Partnerships:

Saxo Bank

Chinese RegTech and robo-advisory JV with Zhejiang Geely (*December 2019*)

HSBC

Open Banking aggregation and data intelligence JV with Bud (*December 2019*)

ING

Cashless store JV with Albert Heijn and AiFi (*September 2019*)

ABN AMRO

Sustainability and financial data JV with Ecochain (*August 2019*)

Goldman Sachs

Credit card JV with Apple Pay (*August 2019*)

Close Brothers

Swiss savings deposits JV with Deposit Solutions (*August 2019*)

NIBC Bank

Credit decision JV with OakNorth (*July 2019*)

Start-up support:

Nationwide

Launch of 'Open Banking for Good' incubator (*September 2019*)

J.P. Morgan

Launch of new Glasgow hi-tech hub (*September 2019*)

Deutsche Bank

Launch of Blue Water Fintech Space, Shanghai-based innovation hub (*September 2019*)

Accion International

Launch of US\$33 million investment initiative for seed-stage fintechs focusing on financial inclusion (*September 2019*)

Innovation consortia:

Danske, DNB, Nordea, SEB, Handelsbanken and Swedbank

Development of joint KYC data handling platform (*July 2019*)

EBRD and Swedbank

Development of Lithuania innovation hub (*July 2019*)

CaixaBank

Launch of international innovation programme with Global Payments and Ingenico (*June 2019*)

New business lines/territories:

NatWest

Launch of Next Generation Complex Analytics platform in conjunction with Microsoft and DreamQuark (*October 2019*)

Banco Santander

Launch of Openbank in Germany (*September 2019*)

Barclays and Standard Chartered

Global supply chain DLT pilot (*September 2019*)

BNP Paribas

Launch of Cortex Live, single dealer platform (*September 2019*)

Santander

Inaugural US\$20 million bond on Ethereum blockchain (*September 2019*)

HSBC

Inaugural processing of blockchain letter-of-credit using Chinese yuan (*September 2019*)

Dedicated fintech funds:

ABN AMRO

Increase in size of ABN AMRO Digital Impact Fund to €100 million (*November 2019*)

Riyad Bank

Launch of SAR 100 million Financial Technology Fund (*October 2019*)

Digital strategy investment:

Deutsche Bank

Creation of Central Technology Division, with a mandate to invest US\$14.2 billion in technology by 2022 (*October 2019*)

Outsourcings:

NatWest

Voice recognition banking outsourcing to Google Assistant (*August 2019*)

Financial sponsors stoke the fires of change

Fintech start-ups commanded the most funding of any sector in Q2 2019, taking in US\$5.1 billion, highlighting VC firms with significant amounts to spend (FT–July 2019)

2019, a record-breaking year for megadeals—381 deals totalling deal value of US\$76.33 billion in 2018 but has recorded 193 deals totalling US\$121.18 billion through 15 August 2019 (SNP–August 2019)

Deal highlight:
White & Case represented Thinksurance, an intelligent business insurance distribution platform, on its successful €13 million Series B funding round

Funding rounds/Equity investments:

Slingshot Ventures and Shoe Investments (SME lending)
Participation in €15 million Series A funding round for Swishfund (December 2019)

Redalpine and Finiata (Gig economy lending)
Participation in £7 million Series A funding round for Portify (December 2019)

OMERS Ventures (InsurTech)
Participation in US\$110 million of Series B funding round for WeFox (December 2019)

Earlybird and OTB Ventures (Open Banking)
Participation in US\$10.7 million Series A funding round for Fintech OS (December 2019)

King River Capital and Marinya Capital (InsurTech)
Participation in US\$10 million Series B funding round for Cover Genius (November 2019)

General Atlantic (RegTech)
Participation in US\$165 million Series E funding round for Riskified (November 2019)

Merian Chrysalis (Banking)
Participation in £30 million Venture funding round for Starling Bank (October 2019)

Eight Roads Ventures (InsurTech)
Participation in €13 million Series B funding round for Thinksurance (October 2019)

Index Ventures (Data analytics)
Participation in US\$105 million Series B funding round for Instabase (October 2019)

Accel (DLT)
Participation in US\$77 million Series A funding round for Galileo (October 2019)

e.ventures and XAnge (RegTech)
Participation in US\$6.6 million Series A funding round for Apiax (October 2019)

Anthemis (Mortgages)
Participation in £2 million Seed funding round for Propportunity (October 2019)

QVentures (WealthTech)
Participation in Seed funding round for Rosecut (October 2019)

Salesforce Ventures (Cloud-based banking OS)
Participation in US\$80 million Venture funding round for nCino (October 2019)

DN Capital, Redalpine and Speedinvest (Banking)
Participation in US\$25 million Series A funding round for Bnext (October 2019)

Oak HC/FT (Payments)
Participation in US\$100 million Series C funding round for Rapyd (October 2019)

Augmentum Fintech and SBI (SME banking)
Participation in £44 million Series B funding round for Tide (October 2019)

Hambro Perks (Business lending)
£1.5 million equity investment into Trade Ledger (October 2019)

Forward Partners and Frontline Ventures (Online lending)
Participation in £3.8 million Venture funding round for Koyo (October 2019)

SoftBank Vision Fund (Supply chain finance)
US\$655 million follow-on investment into Greensill (October 2019)

Toscafund Asset Management (Payments)
Equity investment into Lemon Way (October 2019)

Runa Capital (Online lending)
Participation in €20 million Venture funding round for Kreditech (September 2019)

Nyca Partners and QED Investors (Data analytics)
Participation in US\$18 million Series A funding round for Fidel (September 2019)

General Catalyst, Sequoia and Andreessen Horowitz (Payments)
Participation in US\$250 million Series F funding round for Stripe (September 2019)

ETFS Capital (Short-term funding)
Participation in £2 million Seed funding round for TreasurySpring (September 2019)

Shorooq Partners (WealthTech)
Participation in US\$4 million Series A funding round for Sarwa Digital Wealth (September 2019)

Financial sponsors stoke the fires of change

Tamedia and Backbone Ventures (Banking)
Participation in CHF5 million Series A funding round for Neon (September 2019)

Obvious Ventures (InsurTech)
Participation in US\$10.4 million Series A funding round for Hedvig (August 2019)

Seed Capital (Banking)
Participation in €26 million Venture funding round for Lunar Way (August 2019)

Maven Capital (Private asset infrastructure-as-a-service)
Equity investment into Delio (August 2019)

SoftBank Vision Fund (Working capital lending)
Participation in US\$200 million Series G funding round for C2FO (August 2019)

Dragoneer and BlackRock (Banking/payments)
Participation in US\$460 million Venture funding round for Klarna (August 2019)

HV Holtzbrinck Ventures (Banking)
Participation in €8 million Seed funding round for Penta (August 2019)

BlackRock, HV Holtzbrinck Ventures and Tengelmann Ventures (WealthTech)
Participation in €25 million Series C funding round for Scalable Capital (August 2019)

IQ Capital (AI/RegTech)
Participation in US\$5.5 million Series A funding round for FNA (July 2019)

GVA Capital (Payments)
Participation in €8.5 million Series B funding round for Paysend (July 2019)

Toscafund and Percitus (Digital banking)
Participation in £50 million Venture funding round for Atom Bank (July 2019)

Valar Ventures and Insight Partners (Digital banking)
Participation in US\$470 million Series D funding round for N26 (July 2019)

Accel and Dawn Capital (Pre-paid corporate credit cards)
Participation in US\$61 million Series B funding round for Soldo (July 2019)

Y Combinator Continuity (Digital banking)
Participation in £113 million Series F funding round for Monzo (June 2019)

Velocity Capital and Holtzbrinck Ventures (Mobile trading)
Participation in US\$12.5 million Venture funding round for BUX (June 2019)

Acquisitions:
Nordic Capital and Sampo (Banking)
Consortium acquisition of 17.47% of Bank Norwegian (August 2019)

Octopus (WealthTech)
Acquisition of Seccl Technology (August 2019)

Dedicated fintech funds:
Balderton Capital
US\$400 million Balderton Fund VII, dedicated to fintech investments (November 2019)

Mubadala
Establishment of Hub71 and dedicated investment capital of US\$250 million (October 2019)

Other FIs invest in the digital future

Corporates invest in the digital future

Fintech-only funds:

Fidelity International
Launch of US\$3.5 billion Eight Roads VC fund (August 2019)

JVs:

Legal & General
Cash savings account JV with Raisin (July 2019)

Sodexo

Participation in US\$60 million Series C funding round for Zeta (July 2019)

BigTech invades

Google (Banking)
Launch of new retail current account offering (November 2019)

Google Ventures (Cloud-based payments-as-a-service)
Participation in £32 million Series E funding round for Currencycloud (July 2019)

Fintech, the enabler—'ethical' lending and tackling social concerns

ID Finance
Successful £4.4 million crowdfunding round (November 2019)

Accion International
Launch of US\$33 million investment initiative for seed-stage fintechs focusing on financial inclusion (September 2019)

ABN AMRO
Sustainability and financial data JV with Ecochain (August 2019)

PayPal
Financial health JV with MetLife and VC Village Capital (August 2019)

Standard Chartered
Launch of digital-only bank in Botswana, Zambia and Zimbabwe (July 2019)

Dozens
Financial landscape understanding JV with Westminster City Council (June 2019)

Fintechs burst forth from starting stalls

London has overtaken New York as the world's #1 hub for fintech investments. In the first 8 months of 2019 alone, London has attracted 114 investments with value exceeding US\$2 billion (City A.M.—September 2019)

Funding rounds:

B-North (SME lending)
Successful £2 million crowdfunding round (December 2019)

Swishfund (SME lending)
Successful €15 million Series A funding round, led by Slingshot Ventures and Shoe Investments (December 2019)

Portify (Gig economy lending)
Successful £7 million Series A funding round, led by Redalpine and Finiata (December 2019)

WeFox (InsurTech)
Successful US\$110 million of Series B funding round, led by OMERS Ventures (December 2019)

Fintech OS (Open Banking)
Successful US\$10.7 million Series A funding round, led by Earlybird and OTB Ventures (December 2019)

Neon (Banking)
Successful US\$93.5 million Series B funding round, led by General Atlantic and Banco Votorantim (November 2019)

Cardlay (Payments)
Successful €9 million Series B funding, led by SEB Bank (November 2019)

Cover Genius (InsurTech)
Successful US\$10 million Series B funding round, led by King River Capital (November 2019)

Chip (Smart savings)
Successful £7.3 million crowdfunding round (November 2019)

ID Finance (Digital lending for Spanish and LatAm underbanked communities)
Successful £4.4 million crowdfunding round (November 2019)

Riskified (RegTech)
Successful US\$165 million Series E funding round, led by General Atlantic (November 2019)

Become (Marketplace lending)
Successful US\$12.5 Series A funding round, led by Magenta Venture Partners (November 2019)

Pollinate (Payments)
Successful £60 million Series A funding round, led by Mastercard, Motive Partners, EFM Asset Management and RBS (November 2019)

Starling Bank (Banking)
Successful £30 million Venture funding round, led by Merian Chrysalis (October 2019)

Instabase (Data analytics)
Successful US\$105 million Series B funding round, led by Index Ventures (October 2019)

Koyo (Online lending)
Successful £3.8 million Venture funding round, led by Seedcamp, Forward Partners and Frontline Ventures (October 2019)

StepLadder (Mortgage deposit-raising platform)
Successful £1.5 million Seed funding round, led by BBVA and Anthemis (October 2019)

Galileo (DLT)
Successful US\$77 million Series A funding round, led by Accel (October 2019)

Apiax (RegTech)
Successful US\$6.6 million Series A funding round, led by e.ventures and XAnge (October 2019)

Fintechs burst forth from starting stalls

Propportunity (Mortgages)
Successful £2 million Seed funding round, led by Anthemis (October 2019)

CrossLend (Debt marketplace)
Successful €35 million Series B funding round, led by Santander InnoVentures (October 2019)

nCino (Cloud-based banking OS)
Successful US\$80 million Venture funding round, led by Salesforce Ventures (October 2019)

Bnext (Banking)
Successful US\$25 million Series A funding round, led by DN Capital, Redalpine and Speedinvest (October 2019)

Rapyd (Payments)
Successful US\$100 million Series C funding round, led by Oak HC/FT (October 2019)

Tide (SME banking)
Successful £44 million Series B funding round, led by Augmentum Fintech (October 2019)

Kreditech (Online lending)
Successful €20 million Venture funding round, led by Runa Capital (September 2019)

Fidel (Data analytics)
Successful US\$18 million Series A funding round, led by Nyca Partners and QED Investors (September 2019)

Fundbox (B2B network)
Successful US\$176 million Series C funding round, led by Allianz X and MUFU Innovation Partners (September 2019)

Securitize (Token issuance)
Successful US\$14 million Series A funding round, led by Santander InnoVentures, MUFU and Nomura (September 2019)

Neon (Banking)
Successful CHF5 million Series A funding round, led by Tamedia and Backbone Ventures (September 2019)

TouchBistro (POS finance)
Successful US\$158 million Series E funding round, led by Barclays, RBC, BMO and J.P. Morgan (September 2019)

Plaid (Payments)
Successful US\$250 million Series C funding round, led by Visa and Mastercard (September 2019)

FairMoney (Banking)
Successful €10 million Seed funding rounds (September 2019)

Currensea (Personal finance)
Successful £892,300 crowdfunding round (September 2019)

Sonovate (Invoice finance)
Successful £110 million Venture funding round, led by M&G Investments (September 2019)

Kovrr (Cyber security)
Successful US\$5.5 million Series A funding round, led by Banco Sabadell (September 2019)

Even Financial (Customer connection API)
Successful US\$25 million Series A funding round, led by Citi Ventures and MassMutual Ventures (September 2019)

Numbrs Personal Finance (Banking)
Successful US\$40 million Venture funding round, led by private investors (August 2019)

Nomanini (POS finance and data analytics)
Successful US\$4 million Series D funding round, led by Standard Bank (August 2019)

Hedvig (InsurTech)
Successful US\$10.4 million Series A funding round, led by Obvious Ventures (August 2019)

Penta (Banking)
Successful €8 million Seed funding round, led by HV Holtzbrinck Ventures (August 2019)

Scalable Capital (WealthTech)
Successful €25 million Series C funding round, led by BlackRock, HV Holtzbrinck Ventures and Tengelmann Ventures (August 2019)

Money Dashboard (Personal financial management)
Successful £4.6 million crowdfunding round (August 2019)

Lunar Way (Banking)
Successful €26 million Venture funding round, led by Seed Capital (August 2019)

C2FO (Working capital lending)
Successful US\$200 million Series G funding round, led by SoftBank Vision Fund (August 2019)

Klarna (Banking/Payments)
Successful US\$460 million Venture funding round, led by Dragoneer and BlackRock (August 2019)

Atom Bank (Banking)
Successful £50 million Venture funding round, led by BBVA, Toscafund and Percitus (July 2019)

FNA (AI/RegTech)
Successful US\$5.5 million Series A funding round, led by IQ Capital (July 2019)

Paysend (Payments)
Successful £8.5 million Series B funding round, led by GVA Capital (July 2019)

Payconiq (Payments)
Successful €20 million funding round, led by Belfius, BNP Paribas, ING and KBC (July 2019)

SumUp (Mobile/POS payments)
Successful €330 million debt funding round, led by Bain Capital Credit (July 2019)

WeSwap (Currency exchange)
Successful £2.3 million equity crowdfunding round (July 2019)

Soldo (Pre-paid corporate credit cards)
Successful US\$61 million Series B funding round, led by Accel and Dawn Capital (July 2019)

Currencycloud (Cloud-based payments-as-a-service)
Successful £32 million Series E funding round, led by Goldman Sachs (July 2019)

Fintechs burst forth from starting stalls

Mitigram (Trade finance)
Successful SEK 100 million Series B funding round, led by Sampo (July 2019)

Monzo (Banking)
Successful £113 million Series F funding round, led by Y Combinator Continuity (June 2019)

TotallyMoney (Consumer credit reporting)
£5 million debt investment from Silicon Valley Bank (October 2019)

Equity investments:

Lemon Way (Payments)
€25 million equity investment by Toscafund Asset Management (October 2019)

Wematch (Trading)
Equity investment by J.P. Morgan and Société Générale (September 2019)

Delio (Private asset infrastructure-as-a-service)
Equity investment by Maven Capital (August 2019)

P.F.C. (Banking)
Equity investment by Nordea (July 2019)

Raisin (Banking)
€25 million equity investment by Goldman Sachs (July 2019)

Expanding footprints/product lines:

Xoom (International money transfer)
Launch across 32 new European markets (July 2019)

Raisin (Banking)
Expansion into the US saving market (July 2019)

N26 (Banking)
Launch in the US (July 2019)

Inorganic growth:

MyBucks
Acquisition of Nedbank Malawi (December 2019)

Avaloq
Acquisition of Derivative Partners (November 2019)

Greensill
Acquisition of FreeUp (October 2019)

Blockchain Worldwide
Acquisition of EAI Group (September 2019)

Ping An and Raisin
€10 million Seed capital investment in Joonko (September 2019)

Cryptix
Acquisition of Blocktrade.com (August 2019)

Raisin
Acquisition of Fairr (August 2019)

Signicat
Acquisition of Idfy (July 2019)

Access Group
Acquisition of Eazy Collect (June 2019)

JVs:

AltPay
Multi-currency payments JV with ONPEX (November 2019)

Wordline
Point-of-sale crypto payments JV with Bitcoin Suisse (November 2019)

Finastra
DLT cross-border payments JV with Ripple (October 2019)

ClearBank
Retail and business savings JV with DPR (October 2019)

Shieldpay
Digital escrow account JV with OakNorth (September 2019)

Wirecard
Digital consumer lending JV with Brightstar (August 2019)

R3
Digitalisation of Islamic bond issuance and management Wethaq (August 2019)

TrueLayer
Financial data-sharing JV with Revolut (July 2019)

Klarna
European core markets e-commerce JV with BigCommerce (July 2019)

Flux
Digital receipt JV with Just Eat (July 2019)

IPOs:

Bill.com
US\$216 million NYSE IPO (December 2019)

Start-up support:

Modulr
Investment of £20 million in the Scottish fintech industry (October 2019)

N26
Launch of Vienna innovation hub (October 2019)

Debt investments:

Floryn (B2B lending)
€60 million debt investment from NIBC Bank (December 2019)

Become (Marketplace lending)
US\$2.5 million debt investment from Viola Credit (November 2019)

Top-down encouragement for fintech

Governments:

Turkish Government
New Open Banking legislation (November 2019)

Bahrain Economic Development Board
Free fast-track setup process, covering residency, visa requirements and business registration (November 2019)

Lord Mayor of the City of London
£10 million of UK aid support for Catalyst Fund (October 2019)

British Business Bank/British Patient Capital
12 investments totalling £334 million in 2018 (October 2019)

French Government
€5 billion of capital over 3 years available for growing French tech companies (September 2019)

UK Banking Competition Remedies Board
Atom Bank, iwoca, Modulr Finance and Currencycloud each awarded £10 million Capability and Innovation Fund Pool CRBS bail-out fund (August 2019)

Bank of England
Grant of access to BoE overnight accounts, to level playing field with commercial banks (June 2019)

Global associations:
MENA Fintech Association
Alliance with Deutsche Gesellschaft für Internationale Zusammenarbeit to boost financial inclusion (June 2019)

Domestic innovation organisations:
Nesta
Award of £1.5 million prize money for Open Banking solutions (July 2019)

Regulators:
Croatian Financial Services Agency
Fintech collaboration MoU with the Israel Security Authority (October 2019)

Dubai Financial Services Authority
Launch of 2019 Summer Innovation Testing Licence Cohort (July 2019)

National trade associations:
European Mobile Payment Systems Association
Formation of new trade association by mobile payment operators (September 2019)

Banking & Payments Federation Ireland
Establishment of Fintech Foresight Group (August 2019)

Beware the undertow

Cash withdrawals fell by 8.7% in London the 1st 4 months of 2019 compared to the same period in 2018, 7.9% in the rest of South-East England and 7.7% in South-West England (FT–July 2019)

Global fintech investment fell sharply by 29% in H1 2019, to US\$22 billion, from US\$31.2 billion in the same period of 2018 (Finextra–August 2019)

Fintech is far from a 'sure win':

Wirecard
Disposal of £585 million equity stake by Jupiter (November 2019)

FundingSecure
Collapse into administration (October 2019)

Glint
Collapse into administration (September 2019)

Ipagoo
Collapse into administration (August 2019)

Chase Pay
Shut-down of J.P. Morgan Chase's payment app (August 2019)

Northern Trust
Disposal of PE blockchain platform (June 2019)

Digital Asset Holdings
Switching focus to 'smart contracts' as application of DLT to securities and trade settlement stalls (June 2019)

Risk of financial exclusion:
Unite
Launch of campaign to 'Save Bank Branches' (November 2019)

Nationwide
Launch of 'Open Banking for Good' incubator (September 2019)

ABN AMRO, ING and Rabobank
Cash dissemination joint ATM operator, Geldmaat ATM (June 2019)

Growing regulatory concerns around risks to consumers:
European Parliament
Provisional approval for new EU crowdfunding standards (December 2019)

ICOs/Cryptocurrencies

<p>Growing support for cryptos</p>	<p>Fls:</p> <p>Fidelity Launch of Fidelity Digital Asset Services in Europe (December 2019)</p> <p>Nomura Launch of Jersey-based crypto custodian Komainu (November 2019)</p> <p>Sparebanken Acquisition of 16.3% of Norwegian Block Exchange (August 2019)</p>	<p>Visa, Mastercard, PayPal and Uber Financial support for Facebook's Libra token (June 2019)</p> <p>Trade organisations:</p> <p>Association of German Private Banks Proposal for establishment of European crypto-based digital currency (October 2019)</p> <p>Regulators:</p> <p>Malta Financial Services Authority Launch of 3 year plan to enhance AML supervision (September 2019)</p>	<p>Gibraltar Financial Services Commission First crypto derivatives exchange, Quedex (August 2019)</p> <p>BaFin Approval of launch of US\$250 million real estate token by Fundament Group (July 2019)</p>
<p>Market concern</p>	<p>Fls:</p> <p>PayPal Termination of affiliation with Facebook's Libra project (October 2019)</p> <p>Barclays Termination of partnership within Coinbase (August 2019)</p> <p>Regulators:</p> <p>Sveriges Riksbank Development and testing of e-krona (December 2019)</p>	<p>Governments:</p> <p>French Ministry for the Economy and Finance Criticism of Libra coin (September 2019)</p> <p>German Federal Ministry of Finance Criticism of Libra coin (September 2019)</p> <p>UK Financial Conduct Authority Proposed ban on selling, marketing or distributing derivatives linked to unregulated transferable cryptoassets (July 2019)</p>	<p>UK Financial Conduct Authority Warning to Facebook against 'move fast and break things' approach to cryptocurrencies (July 2019)</p> <p>UK Department for Business, Innovation and Skills Potential risks to competition, financial stability and social welfare posed by Facebook's Libra coin (June 2019)</p>
<p>Market participants seeking scale</p>	<p>Fnality Intraday foreign exchange swaps JV with Finteum (September 2019)</p>	<p>Cryptix Acquisition of Blocktrade.com (August 2019)</p>	<p>Coinbase Acquisition of Xapo's custody business (August 2019)</p>

Increasing market sophistication

Intercontinental Exchange
Launch trading in bitcoin futures (September 2019)

Merj Exchange
JV with Globacap to issue tokenised securities (August 2019)

Regulatory intervention

UK Financial Conduct Authority
87 open inquiries into cryptocurrency businesses, up 74% since 2018 (October 2019)

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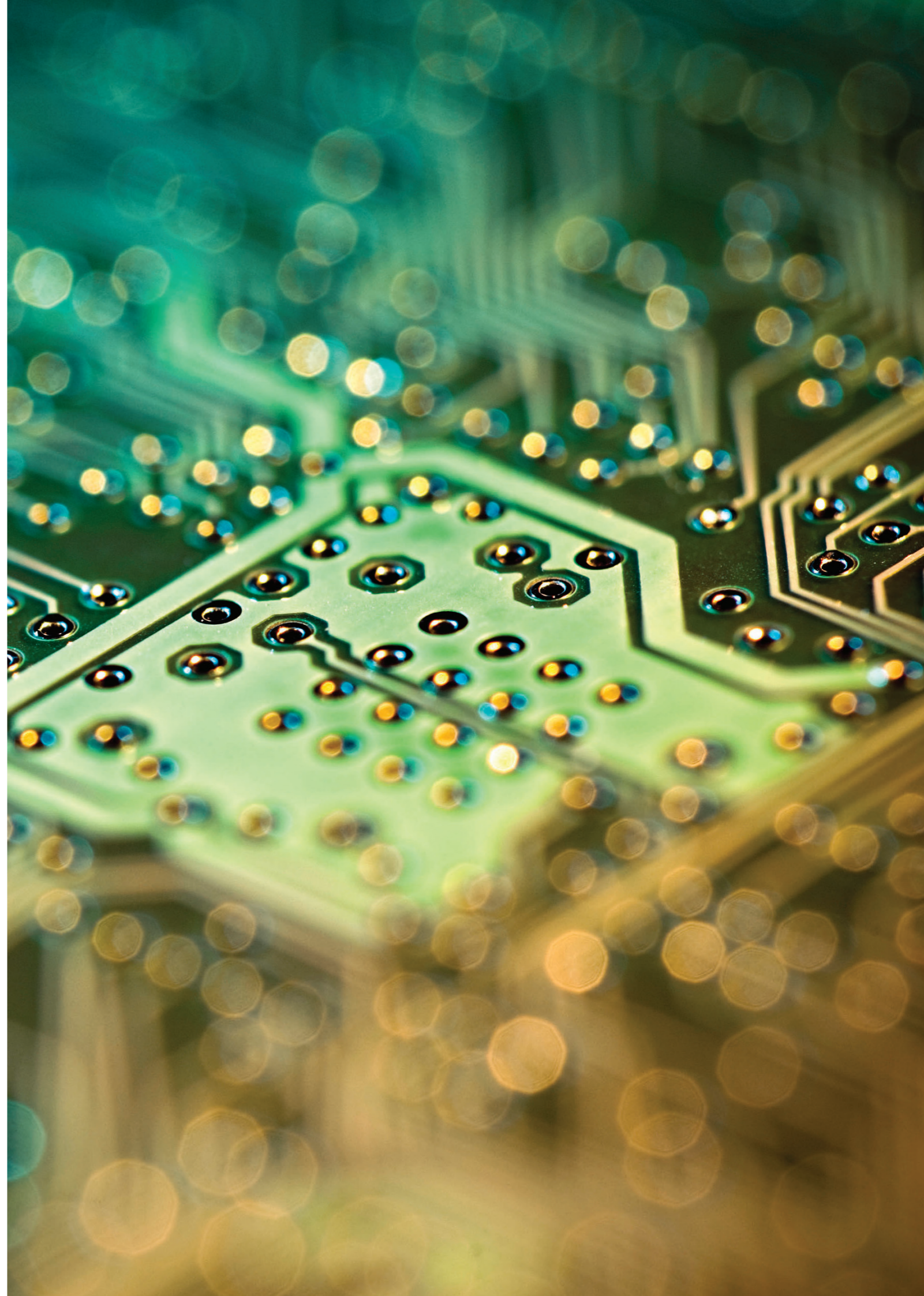
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