Fintech 2021 Report

January 2022
Check out previous reports.

- Fintech-enabled marketplaces 2021
- The State of European Insurtech 2021
- The European FinTech Ecosystem Navigating Covid-19
- The Future of Fintech in Southeast Asia

Coming soon:
“Embedded finance”
The flurry of fintech exits is just getting started

The fintech IPO market is booming. 2021 has seen substantial exits totaling €338M in value (including IPO, SPAC, and acquisitions), already 2x vs. last year, or 2.6x the market cap of Goldman Sachs to put that into perspective.

Check out 2021 fintech exits globally

- The major exit route for fintech companies in 2021 has been IPOs and direct listings, with a combined value of €217B. This compares to €15.8B in 2020, led by the mega exits of Credit Suisse and Robinhood, followed by Toast, Marqeta, Affirm, Brightkite, Wise, and other 27 companies.

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What happened in fintech in 2021.

$125B raised in 2021, the best year ever for fintech.

Fintech companies raised $125B, an all-time high and 2.8x compared to 2020. This astonishing growth has been mainly driven by megarounds, which accounted for 67% of all funding across a record 332 megarounds. Early stage funding is also booming, especially in Europe and emerging markets. 2021 saw almost 1.8k early stage fintech rounds, nearly 2x from 2016.

There are now 433 fintech unicorns globally, 193 were born just in 2021.

More than 1 unicorn every 2 days has been created in fintech in 2021. 193 unicorns have been created in 2021, compared to “just” 51 in 2020. More than 40% of all fintech unicorns have been created in 2021. New segments such as BNPL, NFTs, neo brokers, crypto exchanges and many others have grown massively and bred the new unicorn crew.

$490B of exit value in 2021, more than in the last 5 years combined. Mainly driven by SPACs and IPOs.

2021 was a massive year for fintech exits. Public listings accounted for more than 80% of the total exited value, 69% through traditional IPOs and 11% through SPACs. However performances have been quite poor, with most companies losing double digits from their debut valuation. Will this put a break on 2022 exits?
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Fintech startups have surged to a combined value of $3.5 trillion, up 6.2x since 2016.
2021 broke every record for fintech VC investments with $125B raised globally, up 2.8x since 2020.

Source: Dealroom.co
Megarounds have accounted for 67% of all funding in 2021, an all-time high. There were 332 megarounds in 2021 compared with less than 100 in 2020.

Source: Dealroom.co
Not just megarounds in fintech. Early stage funding is at all-time high, with almost 2x rounds than in 2016.

Number of early stage fintech rounds >$1M*

» view online

<table>
<thead>
<tr>
<th>$0-1M (pre-seed)</th>
<th>$1-4M (seed)</th>
<th>$4-15M (series A)</th>
<th>$15-40M (series B)</th>
<th>$40-100M (series C)</th>
<th>$100-250M</th>
<th>$250M+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>1762</td>
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<td>941</td>
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<td></td>
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<td>500</td>
</tr>
</tbody>
</table>

Top Fintech early stage rounds in 2021

- **MoonPay**
  - Financial technology company that builds payment services for businesses and consumers worldwide.
  - Investors: 
    - Tiger Global Management
    - Pinnacle Capital
    - New Enterprise Associates
    - CRV
    - B2M
  - Market: FinTech
  - Valuation: $3.6b
  - Last Round: $112m SERIES A

- **Bullish Global**
  - Bullish exchange will offer new asset classes.
  - Investors: 
    - Nomura
    - Morgan Stanley
    - JPMorgan Chase
    - Co-Brook
  - Market: FinTech
  - Valuation: $8.6b
  - Last Round: $480m EARLY VC

- **Grab Financial Group**
  - Subsidiary of Grab Holding.
  - Investors: 
    - Japan Post Bank
    - Aizen
    - IDG Capital
    - Lightbox Ventures
    - 500 Startups
    - Nicolor Capital
  - Market: FinTech
  - Valuation: $3.0b
  - Last Round: $300m SERIES A

- **ZA Group**
  - A challenger bank and insurtech.
  - Investors: 
    - Tencent
    - Allianz
    - Chubei Life Insurance
  - Market: FinTech
  - Valuation: $1.0b
  - Last Round: $230m SERIES A

- **bunq**
  - Reinvesting money itself with no interest.
  - Investors: 
    - Peter Thiel
    - Morgan Stanley
    - Blackstone
    - Balderton Capital
  - Market: FinTech
  - Valuation: $1.0b
  - Last Round: $413m SERIES A

- **Wave Mobile Money**
  - Sub-Saharan Africa’s mobile money platform.
  - Investors: 
    - Figo
    - Tencent Capital
    - Robeco Capital
    - Naspers
    - Holdings
  - Market: FinTech
  - Valuation: $1.7b
  - Last Round: $200m SERIES A

- **Forte**
  - An end-to-end solution for token issuance.
  - Investors: 
    - Battery Ventures
    - Andreessen Horowitz
    - Union Grove Venture Partners
    - QED Investors
  - Market: FinTech
  - Valuation: $2.5b–4.4b
  - Last Round: $160m SERIES A

- **Belltech**
  - An international insurtech company.
  - Investors: 
    - Avenir Capital
    - DCM Capital
    - BNP Paribas
    - Deallus Investments
  - Market: FinTech
  - Valuation: $1.6b
  - Last Round: $160m SERIES A

- **Landis**
  - Landis changes the way we buy an... federal mortgage loan.
  - Investors: 
    - Soorya Capital
    - SBI</s
Payments still leads by funding, ecosystem value and new unicorns, but Crypto and DeFi is growing much faster than any other sector.

<table>
<thead>
<tr>
<th>Sector</th>
<th>VC funding 2021</th>
<th>Number of rounds 2021</th>
<th>Ecosystem value</th>
<th>Number of new unicorns 2021</th>
<th>% growth in ecosystem value (2021 vs 2020)</th>
<th>Growth Number of early stage rounds 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments</td>
<td>$32B</td>
<td>565</td>
<td>$1.4T</td>
<td>52</td>
<td>+27%</td>
<td>318</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>$21B</td>
<td>512</td>
<td>$481B</td>
<td>34</td>
<td>+58%</td>
<td>323</td>
</tr>
<tr>
<td>Crypto &amp; DeFi</td>
<td>$19B</td>
<td>420</td>
<td>$332B</td>
<td>42</td>
<td>+310%</td>
<td>304</td>
</tr>
<tr>
<td>Banking</td>
<td>$19B</td>
<td>361</td>
<td>$380B</td>
<td>22</td>
<td>+102%</td>
<td>195</td>
</tr>
<tr>
<td>Mortgages &amp; lending</td>
<td>$17B</td>
<td>395</td>
<td>$525B</td>
<td>18</td>
<td>-5%</td>
<td>234</td>
</tr>
<tr>
<td>Financial management solutions</td>
<td>$17B</td>
<td>578</td>
<td>$446B</td>
<td>27</td>
<td>+49%</td>
<td>372</td>
</tr>
<tr>
<td>Insurance</td>
<td>$15B</td>
<td>404</td>
<td>$312B</td>
<td>25</td>
<td>+71%</td>
<td>257</td>
</tr>
<tr>
<td>Regtech</td>
<td>$4.7M</td>
<td>59</td>
<td>$62B</td>
<td>14</td>
<td>+96%</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Dealroom.co
Regional analysis
European fintech continues to compete strongly internationally. European fintechs raised half of the US’s total in 2021, compared to one fourth in 2015.

VC investment in fintech startup by HQ

USA » view online

Europe » view online

5.7x

5.7x

12x

$2.5B

$57B

$29B

$20B

$40B

$60B

2015

2016

2017

2018

2019

2020

2021

2015

2016

2017

2018

2019

2020

2021
The US are the largest ecosystem, followed by the UK. But countries such as Sweden, Canada and Brazil are growing much faster.

<table>
<thead>
<tr>
<th>Country</th>
<th>VC funding 2021</th>
<th>Number of rounds 2021</th>
<th>Ecosystem value</th>
<th>Number of new unicorns 2021</th>
<th>% growth in ecosystem value (2021 vs 2020)</th>
<th>Number of early stage rounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$55B</td>
<td>1.1k</td>
<td>$1.7T</td>
<td>101</td>
<td>42%</td>
<td>621</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$13B</td>
<td>410</td>
<td>$290B</td>
<td>16</td>
<td>84%</td>
<td>285</td>
</tr>
<tr>
<td>India</td>
<td>$9.3B</td>
<td>233</td>
<td>$128B</td>
<td>12</td>
<td>64%</td>
<td>136</td>
</tr>
<tr>
<td>Germany</td>
<td>$4.2B</td>
<td>113</td>
<td>$43B</td>
<td>4</td>
<td>94%</td>
<td>78</td>
</tr>
<tr>
<td>Canada</td>
<td>$4.2B</td>
<td>109</td>
<td>$50B</td>
<td>8</td>
<td>127%</td>
<td>65</td>
</tr>
<tr>
<td>Brazil</td>
<td>$3.8B</td>
<td>85</td>
<td>$92B</td>
<td>4</td>
<td>95%</td>
<td>49</td>
</tr>
<tr>
<td>Singapore</td>
<td>$2.6B</td>
<td>95</td>
<td>$24B</td>
<td>2</td>
<td>97%</td>
<td>74</td>
</tr>
<tr>
<td>France</td>
<td>$2.4B</td>
<td>2</td>
<td>$26B</td>
<td>6</td>
<td>59%</td>
<td>64</td>
</tr>
<tr>
<td>Sweden</td>
<td>$2.1B</td>
<td>34</td>
<td>$64B</td>
<td>2</td>
<td>177%</td>
<td>22</td>
</tr>
<tr>
<td>China</td>
<td>$2.0B</td>
<td>27</td>
<td>$437B</td>
<td>2</td>
<td>-19%</td>
<td>7</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$1.8B</td>
<td>32</td>
<td>$112B</td>
<td>3</td>
<td>60%</td>
<td>22</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$1.4B</td>
<td>61</td>
<td>$24B</td>
<td>3</td>
<td>39%</td>
<td>37</td>
</tr>
</tbody>
</table>
Fintech is the biggest sector for VC funding, attracting 20% of all the investments. Regions such as US, Europe and China have already seen global leaders emerge in the field and now India, South East Asia, Latin America and Africa are coming to the scene. Competition among countries and cities to attract fintech talent and business is increasing.
3 Unicorns and exits
There are now 433 fintech unicorns globally. More than 40% of all fintech unicorns have been created in 2021.

Cumulative number of Fintech Unicorns

New fintech unicorns in 2021:

0% 44% of total

Source: Dealroom.co  A unicorn is defined as a rapidly scaling company (and tech-enabled) that has reached a $1 billion valuation, on the basis of a funding round (unrealised), acquisition or IPO (realised). More details here.
Explore over 433 fintech unicorns online.

Fintech unicorns are being created faster than ever before.

More than 1 unicorn every 2 days has been created in fintech in 2021.

193 unicorns have been created in 2021, compared to “just” 51 in 2020.

More than 40% of all fintech unicorns have been created in 2021.

» New unicorns in 2021
» Private unicorns
» Rumoured unicorns
» More ...
Fintech saw a massive $490B of exit value in 2021, more than in the last 5 years combined. Mainly driven by SPACs and IPOs.

Combined valuation of fintech exits

<table>
<thead>
<tr>
<th>Year</th>
<th>$0B</th>
<th>$100B</th>
<th>$200B</th>
<th>$300B</th>
<th>$400B</th>
<th>$500B</th>
<th>$490B</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
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<tr>
<td>2017</td>
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<td>2018</td>
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<tr>
<td>2019</td>
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<tr>
<td>2020</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2021</td>
<td>$89B</td>
<td>$351B</td>
<td>$421B</td>
<td>$39B</td>
<td>$52B</td>
<td>$490B</td>
<td>$500B</td>
</tr>
</tbody>
</table>

Biggest fintech exits in 2021: » view online

- **Coinbase**: $28B, December 2021, SPAC
- **PayPal**: $28B, October 2021, acquisition
- **Affirm**: $16B, January 2021, IPO
- **Toast**: $10B, September 2021, IPO
- **Zalando**: $6B, December 2021, acquisition
- **Fintech**: $5B, October 2021, IPO
- **Revolut**: $4B, September 2021, IPO
- **Robinhood**: $3B, July 2021, IPO
- **Afterpay**: $2B, August 2021, acquisition
- **Alipay**: $2B, April 2021, acquisition

Source: Dealroom.co
Fintech IPOs have strongly underperformed the market in 2021, with most of the listing being down double digits.

2021 public markets return

- S&P 500: +26.9%
- Nasdaq 100: +26.6%
- STOXX50: +22.5%
- FTSE 100: +14.3%

Top 2021 Fintech Public Listings

<table>
<thead>
<tr>
<th>Company</th>
<th>Listing valuation</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coinbase</td>
<td>$86B</td>
<td>-37%</td>
</tr>
<tr>
<td>Nubank</td>
<td>$52B</td>
<td>-16%</td>
</tr>
<tr>
<td>Robinhood</td>
<td>$32B</td>
<td>-54%</td>
</tr>
<tr>
<td>Toast</td>
<td>$20B</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Kakao Bank</td>
<td>$16.2B</td>
<td>+46%</td>
</tr>
<tr>
<td>Marqeta</td>
<td>$15B</td>
<td>-38%</td>
</tr>
<tr>
<td>Paytm</td>
<td>$15B</td>
<td>-19%</td>
</tr>
<tr>
<td>Affirm</td>
<td>$11.9B</td>
<td>-81%</td>
</tr>
<tr>
<td>Bright Health</td>
<td>$11.2B</td>
<td>+35%</td>
</tr>
<tr>
<td>Wise</td>
<td>$10.5B</td>
<td>+137%</td>
</tr>
</tbody>
</table>

Source: Dealroom.co. * As of 31st December. Listing price is referred to start of IPO trading price or SPAC valuation.
A look ahead to 2022. Will we see record exit or a slowdown?

Pushing for more exits:

- Enormous value which has been created in private markets by fintech startups and which need to exit.
- Record investment showing no slowdown

Pushing for less exits:

- Poor performances in public markets
- Interest rates increase due to inflation fears, starting from US.

Combined valuation

<table>
<thead>
<tr>
<th>2021 fintech exits</th>
<th>2022 fintech exits*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$476B</td>
<td>$494B</td>
</tr>
<tr>
<td>JPMorgan</td>
<td></td>
</tr>
<tr>
<td>$504B</td>
<td></td>
</tr>
</tbody>
</table>

Some of the biggest fintech exits we might see in 2022:

Source: Dealroom.co *Only exemplificative using last private valuation. It just includes announced SPAC deals and rumoured IPOs. Deals may not finalize and companies could change plans. At the same time many more companies not included will go public or be acquired.
Top fintech trends in 2021
NFTs, crypto exchanges & custody, revenue-based financing, neo brokers and BNPL and much more have been the key fintech trends of 2021.

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**VC funding growth by fintech trend (2021 vs 2020)**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NFT</td>
<td>$2.2B</td>
<td>$0.1m</td>
<td>49x</td>
</tr>
<tr>
<td>Crypto exchanges</td>
<td>$7.3B</td>
<td>$0.4m</td>
<td>16x</td>
</tr>
<tr>
<td>Crypto custody</td>
<td>$4.8B</td>
<td>$0.8m</td>
<td>6.2x</td>
</tr>
<tr>
<td>Revenue based</td>
<td>$1.4B</td>
<td>$0.2m</td>
<td>6.2x</td>
</tr>
<tr>
<td>Alternative</td>
<td>$2.0B</td>
<td>$0.4m</td>
<td>4.9x</td>
</tr>
<tr>
<td>Open banking</td>
<td>$1.5B</td>
<td>$0.3m</td>
<td>4.6x</td>
</tr>
<tr>
<td>Neo brokers</td>
<td>$6.9B</td>
<td>$1m</td>
<td>4.3x</td>
</tr>
<tr>
<td>BNPL</td>
<td>$5.2B</td>
<td>$1.9m</td>
<td>2.7x</td>
</tr>
</tbody>
</table>

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**Compare the top fintech trends in 2021:**

» view online

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>challenger bank</td>
<td>$1.3B</td>
<td>$1.2B</td>
<td>107%</td>
</tr>
<tr>
<td>crypto exchange</td>
<td>$4.1B</td>
<td>$125m</td>
<td>32x</td>
</tr>
<tr>
<td>neo brokers trading</td>
<td>$94m</td>
<td>$122m</td>
<td>73%</td>
</tr>
<tr>
<td>insurtech distribution &amp; brokerage</td>
<td>$198m</td>
<td>$166m</td>
<td>2%</td>
</tr>
<tr>
<td>challenger insurance</td>
<td>$1.7B</td>
<td>$1.7B</td>
<td>1%</td>
</tr>
<tr>
<td>bnpl</td>
<td>$681m</td>
<td>$681m</td>
<td>1%</td>
</tr>
<tr>
<td>crypto custodian</td>
<td>$12.3B</td>
<td>$12.5B</td>
<td>2%</td>
</tr>
<tr>
<td>nft</td>
<td>$1.3B</td>
<td>$1.3B</td>
<td>1%</td>
</tr>
<tr>
<td>alternative investments</td>
<td>$2.2B</td>
<td>$2.2B</td>
<td>1%</td>
</tr>
<tr>
<td>def</td>
<td>$2.0B</td>
<td>$2.0B</td>
<td>1%</td>
</tr>
<tr>
<td>open banking</td>
<td>$12.2m</td>
<td>$12.2m</td>
<td>1%</td>
</tr>
<tr>
<td>revenue based financing</td>
<td>$1.3B</td>
<td>$1.3B</td>
<td>1%</td>
</tr>
<tr>
<td>core banking</td>
<td>$10.8m</td>
<td>$10.8m</td>
<td>1%</td>
</tr>
<tr>
<td>embedded insurance</td>
<td>$31.8m</td>
<td>$31.8m</td>
<td>1%</td>
</tr>
<tr>
<td>financial education</td>
<td>$39.1m</td>
<td>$39.1m</td>
<td>1%</td>
</tr>
</tbody>
</table>
Investment into the NFTs startups is up 49x from last year, to $2.2B.

VC funding into NFT startups

$44M → $2.2B (49x)

» Explore 300+ NFT startups across 30 categories [here](#)
Investment into the BNPL startups is up 2.7x from last year, to $5.2B.

VC funding into BNPL startups

2020

$1.9B

2021

$5.2B

» Explore 180+ BNPL startups across 9 categories [here]
LIVE EVENT

Embedded Finance
The Internet of Finance

Coming March 2022

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Explore the Fintech curated content.

» Access platform

Sign up to the Fintech newsletter.

» Fintech newsletter