



MOTIVE VENTURES



State of Fintech 2024

Europe & US focus

March 2024

ABN AMRO Bank announced its strategic partnership with Motive Partners.

Motive Ventures manages the **ABN AMRO Ventures Fund (AAV)**, consisting of 15 early-stage companies. In addition, ABN AMRO is a significant investor in Motive-managed vehicles. Their partnership unites two leading venture platforms, each with decades of fintech expertise and a dedication to innovation in both financial services and venture capital. Their goal is to strengthen the fintech sector and boost innovation by bringing Motive Partners' ecosystem and experts to the AAV portfolio and ABN AMRO's broader network. Motive Ventures' portfolio consists of 24 investments in seed and series A stage companies, spanning the United States and Europe.

MOTIVE VENTURES

Stage-agnostic investment firm focused on financial technology.

Motive Ventures, the early-stage investment arm of Motive Partners, is focused on pre-seed through to Series A financial technology investments in North America and Europe. Motive Ventures, based in Berlin, Amsterdam, London, and New York, brings differentiated expertise, connectivity, and capabilities to create long-term value in financial technology companies.



ABN AMRO

Leading Dutch bank.

ABN AMRO Bank is the third-largest Dutch bank, with headquarters in Amsterdam. ABN AMRO Bank has offices in 15 countries with 20,000 employees, most of whom are based in the Netherlands. The bank operates in three main segments: Personal and Business Banking, Wealth Management, and Corporate Banking.



Global startup & venture capital intelligence platform.

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, Dealroom now works with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency. Dealroom.co is a global intelligence platform for discovering and tracking the most promising companies, technologies and ecosystems. Clients include many of the world's foremost organizations such as Accel, Index Ventures, McKinsey, BCG, Deloitte, Google, AWS, Microsoft, Stripe.

Dealroom partners closely with local tech ecosystem development agencies and enablers, to create a comprehensive multi-dimensional blueprint of the tech ecosystem, including capital, talent, innovation, entrepreneurship and overall economic dynamism.

What happened in fintech in 2023.

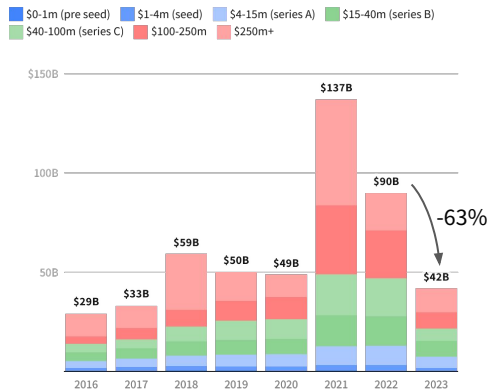
Fintech is still going down.

VC investment fintech startups reached \$42B in 2023, a 63% drop from the previous year. The US has held better than Europe, 45% decrease compared to 66%.

Seed and Series A are holding on the best, even if down 60% since 2022 peak.

The median round size has also decreased 12% since 2022, compared to 23% and 33% for Series B and series C+ respectively.

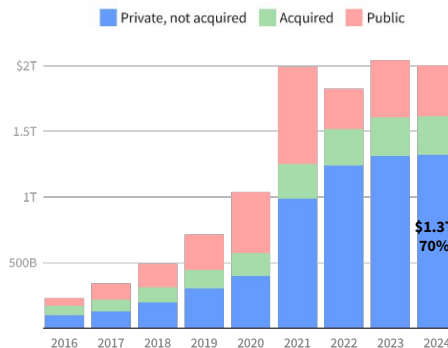
Global fintech VC funding



There's lot of private fintech value, waiting for an exit window.

Fintech companies started since 2000 in the US and Europe are now worth \$2T. The vast majority of this value (\$1.3T, 66%) is still private and not exited. Less than 20% is public. Public listings have nearly halted after 2021, leaving a pipeline of \$500B+ in private fintech value. However, new public fintechs are showing a 3.4x discount from incumbents, so valuation drops are expected in exiting.

Combined enterprise value of fintech startups (US & Europe)



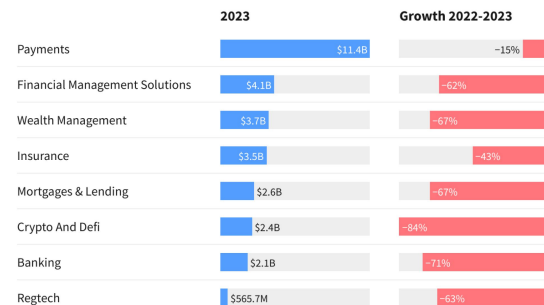
Payments in the lead attracting nearly 3x more funding than any other sub-industry.

Crypto and DeFi saw the biggest decline in growth. Wealth management has shifted from neo brokers and mass market trading to alternative investments and financial advisory tools.

Climate fintech funding has dropped 55%, but still 2.4x higher than pre-pandemic levels.

Vertical payments emerge as an avenue for growth against payment commoditization.

Fintech funding by segment in 2023 (US & Europe)

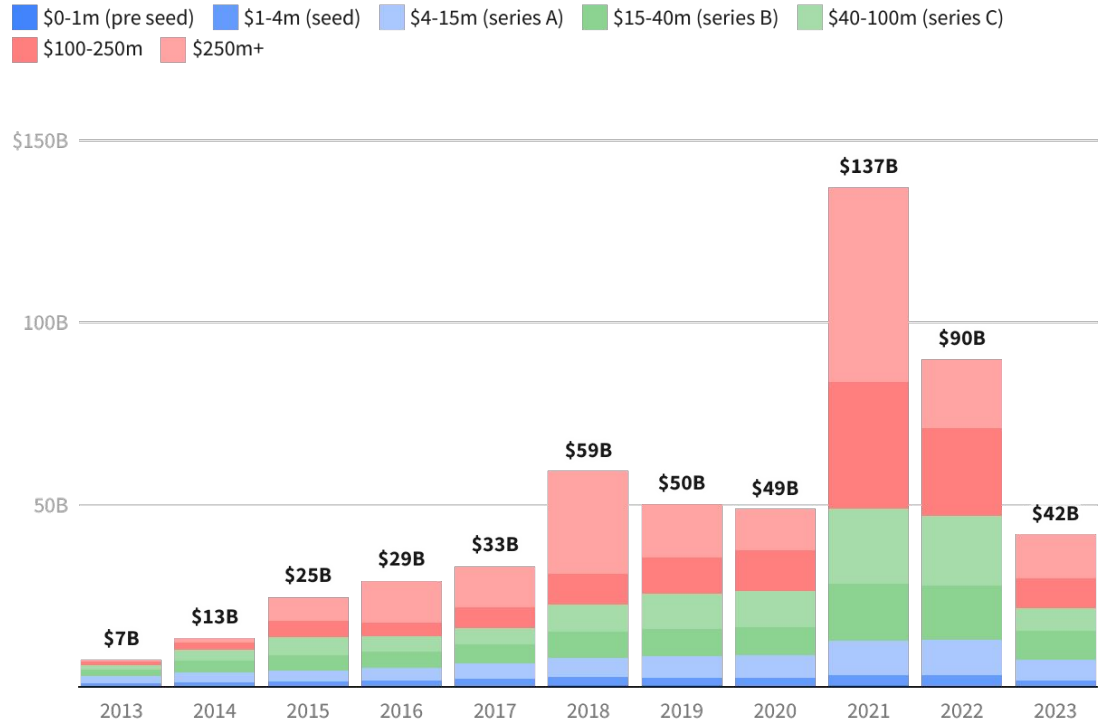


1 The state of fintech

VC investment fintech startups reached \$42B in 2023, a 63% drop from the previous year.

Fintech funding is now at ~1/3 of its 2021 peak and at its lowest since 2018.

Global VC funding in fintech startups by round size [» view online](#)



Fintech startups that raised the most in 2023

[» view online](#)

stripe

 metropolis

 RIPPLING

MICRO
CONNECT

 Ivrch

 PhonePe

 tamara

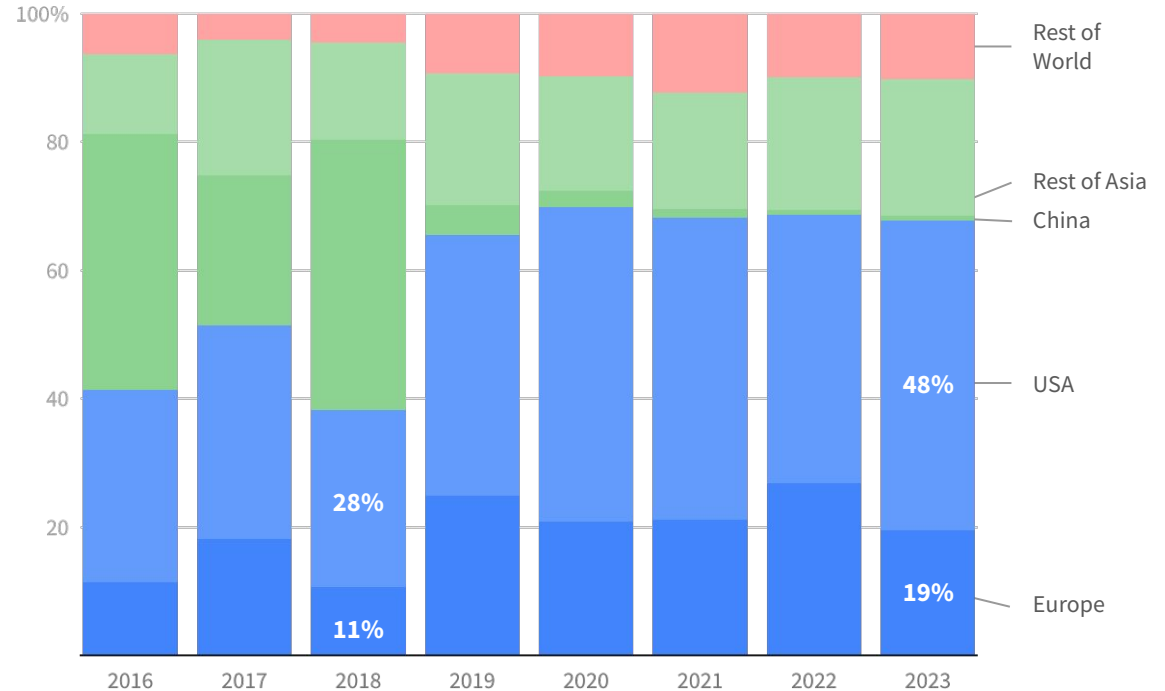
abound

The US and Europe accounted for 68% of global fintech funding in 2023, up from 40-50% in 2016-2018.

This has been in large part due to China's retraction from the segment.

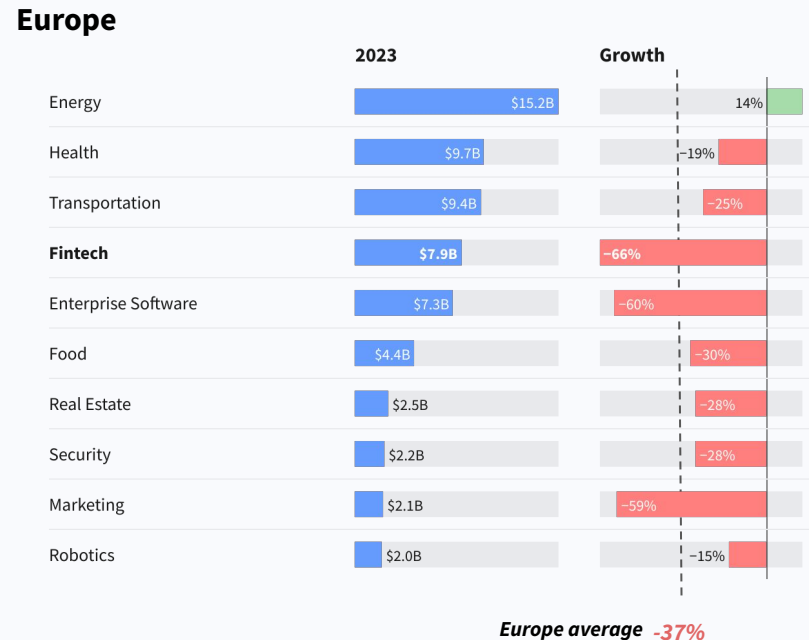
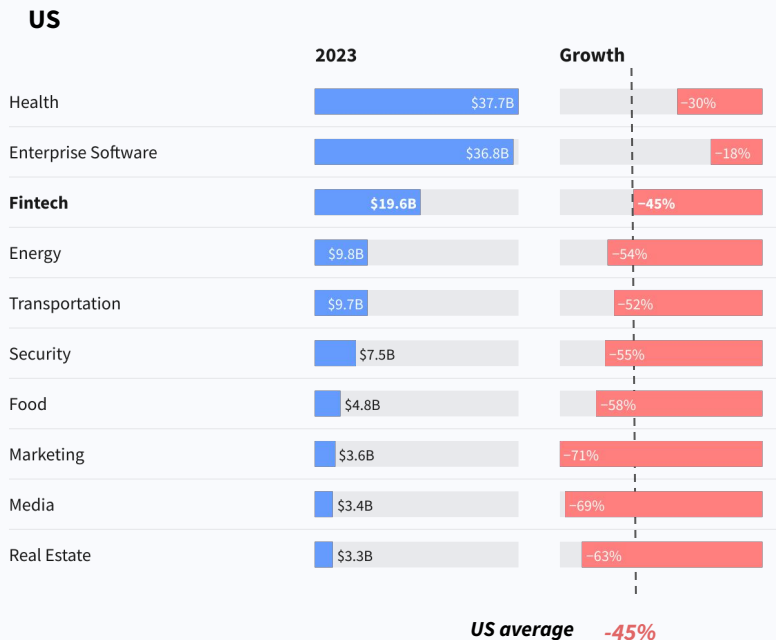
Europe has grown its share from ~10% to ~20% in the last few years.

Global VC funding in fintech startups by company location » [view online](#)



Fintech funding in Europe dropped significantly more than the average market, while it was in line with the average in the US, mostly due to Stripe's outlier \$6.5B round*.

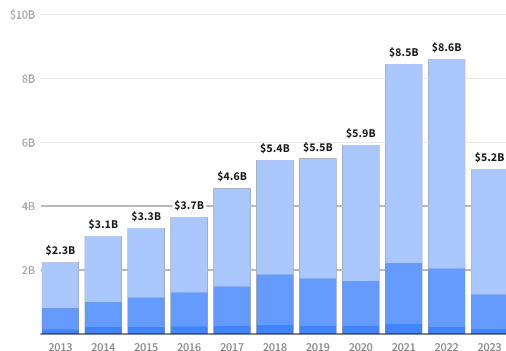
VC funding by industry in 2023 (and growth 2023 vs. 2022)



Fintech funding by stage in the US and Europe.

Early-stage held best at 60% of 2022 peak.

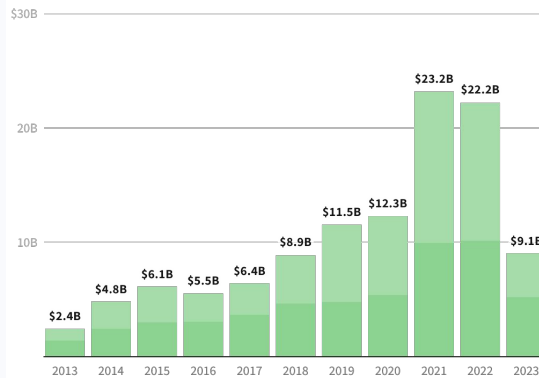
■ \$0-1m (pre seed) ■ \$1-4m (seed) ■ \$4-15m (series A)



Airstack
 Doorfeed
 Baobab
 EvenFi
 Carbon Equity
 Penzilla

Breakout stage is at 40% of 2021 peak.

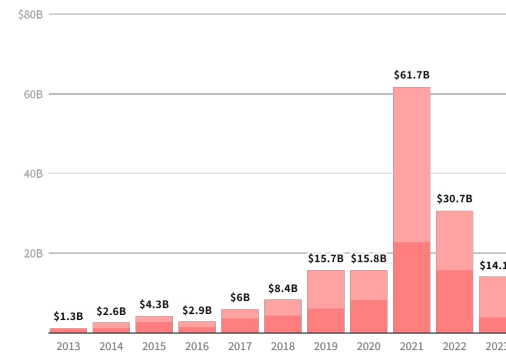
■ \$15-40m (series B) ■ \$40-100m (series C)



Coverflex
 Arch
 Link Money
 FLOWX.AI
 Spring Fre...
 LemFi

Late-stage investment is at 1/4 of 2021 peak.

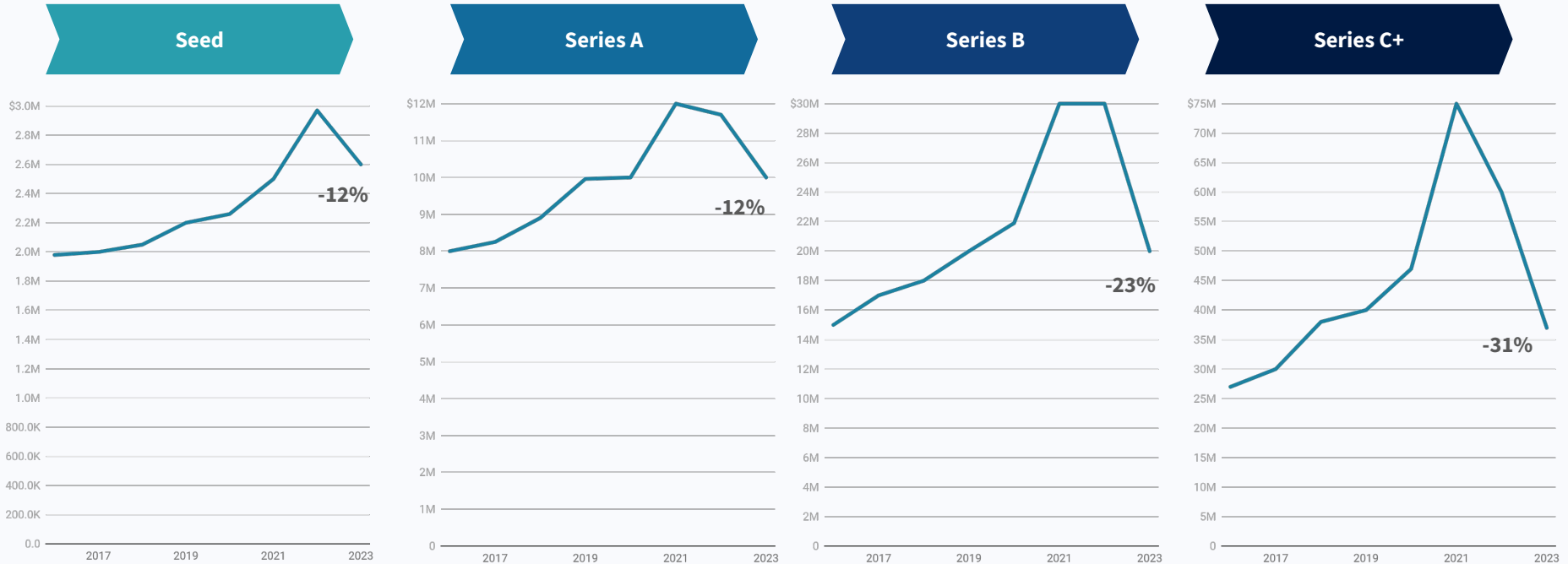
■ \$100-250m ■ \$250m+



Stenn
 Oxbury bank
 Openly
 MPOWER Fin...
 LendInvest
 Metropolis T...

Median round size is down at all stages in 2023, but Seed and Series A show more resilience decreasing 12% compared to 31% for Series C+.

Median round size for fintech (US & Europe)



“ Despite a cautious investment climate with fintech funding below 2020 levels, signs of market recovery are showing, highlighted by standout funding rounds within our portfolio, suggesting an optimistic future for disciplined, high-quality fintech companies.



Ramin Niroumand

Partner and Head
of **Motive Ventures**

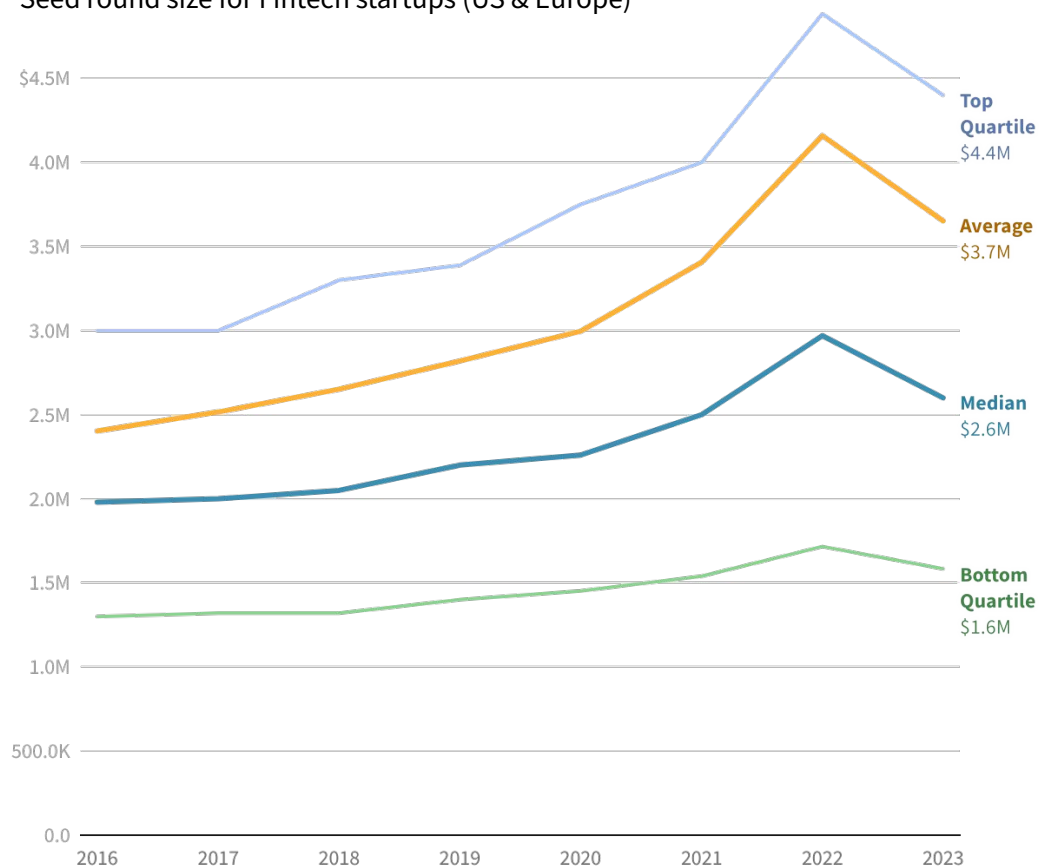
A flight to quality. The top fintech startups are increasingly able to attract much larger seed rounds than their peers.

Back in 2016 the top-quartile commanded 50% larger rounds than the median, now this has grown to 70%.

1500+ fintech startups raised a seed round in 2023

- | | | |
|----------------|------------------|----------------|
| Befiler | DefiLabs | AssureHedge |
| Tranch | Carbonplace | Qlub |
| Super Payments | M^ZERO Labs | Payrails |
| Chaos Labs | Requity Homes | Slash |
| Meanwhile | Ather Digital | Salt Labs |
| Digitoo | broom | Keeta |
| 40seas | kennek Soluti... | Dtcpay |
| Fipto | Agrotoken | Proven |
| Korr | ThreatFabric | Vega Invest... |
| Doorfeed | | |

Seed round size for Fintech startups (US & Europe)



Source: Dealroom.co
Based on Dealroom proprietary round standardization.



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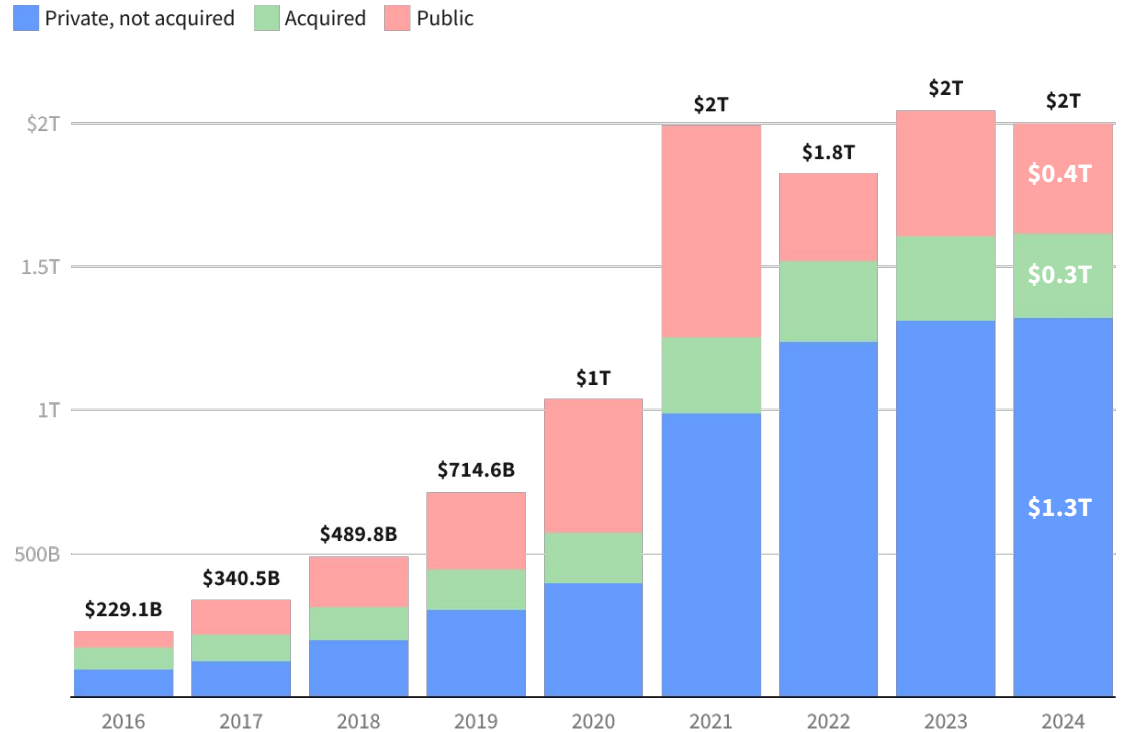
dealroom.co

Fintech companies started since 2000 in the US and Europe are now worth \$2T.

The vast majority of this value (\$1.3T, 66%) is still private and not exited.

Less than 20% is public.

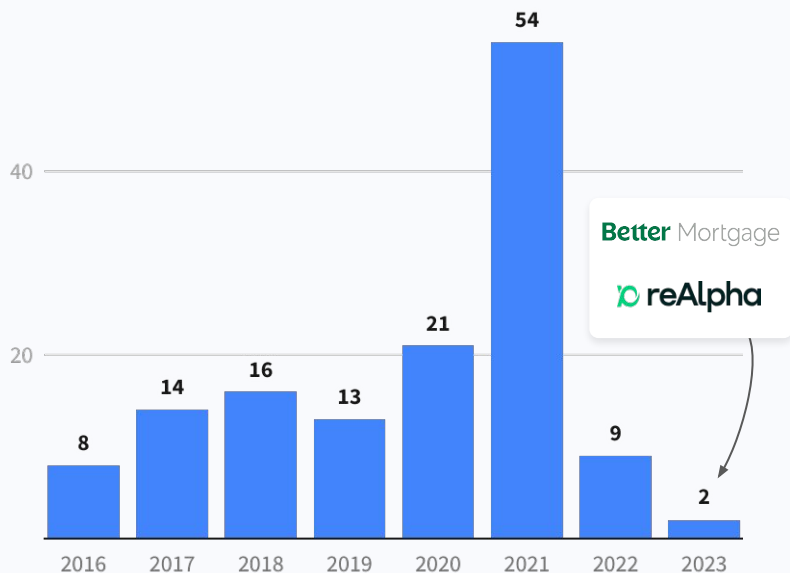
Combined enterprise value of fintech startups founded since 2000 (US & Europe)



The last two years saw nearly no public listings.

Number of VC-backed fintech IPOs and SPACs (US & Europe)

[» view online](#)



But now the tech market is opening up and there's a strong pipeline of fintech companies waiting for the right moment in 2024-2026.

Notable examples of private fintech startups which might go public in 2024-2026 [» view online](#)

Stripe ★ ❤️ Millions of companies use Stripe t...	gusto ★ ❤️ Provides a cloud-based payroll, be...	Monzo Bank ★ ❤️ Digital-only bank platform and ma...
chime ★ ❤️ Building a new kind of online bank...	N26 Group ★ ❤️ Bank account that can be manage...	iqo ★ ❤️ The free, cashflow-savvy way for s...
Revolut ★ ❤️ A world beyond banking - a secure...	SumUp ★ ❤️ A leading financial technology co...	Starling Bank ★ ❤️ Mobile banking platform that offer...
Plaid ★ ❤️ A financial software that connects ...	Klarna ★ ❤️ Makes shopping smooth with the...	OakNorth Bank ★ ❤️ The bank for entrepreneurs - Fast, ...
Brex ★ ❤️ A fintech company that offers cred...	Upgrade ★ ❤️ Online lending platform that comb...	Teya ★ 🏆 ❤️ FinTech company dedicated to bui...
deel ★ ❤️ Payroll platform for remote teams ...	Mambu ★ ❤️ SaaS banking engine powering inn...	Zilch ★ ❤️ Zilch is a direct-to-consumer ad-su...
Checkout.com ★ ❤️ Offers credit card and alternative p...	Qonto ★ ❤️ An online bank that provides finan...	ibotta ★ ❤️ Reward consumers for making eve...
Alchemy ★ ❤️ A developer platform that empow...	Pleo ★ ❤️ Decentralizes company spending, ...	

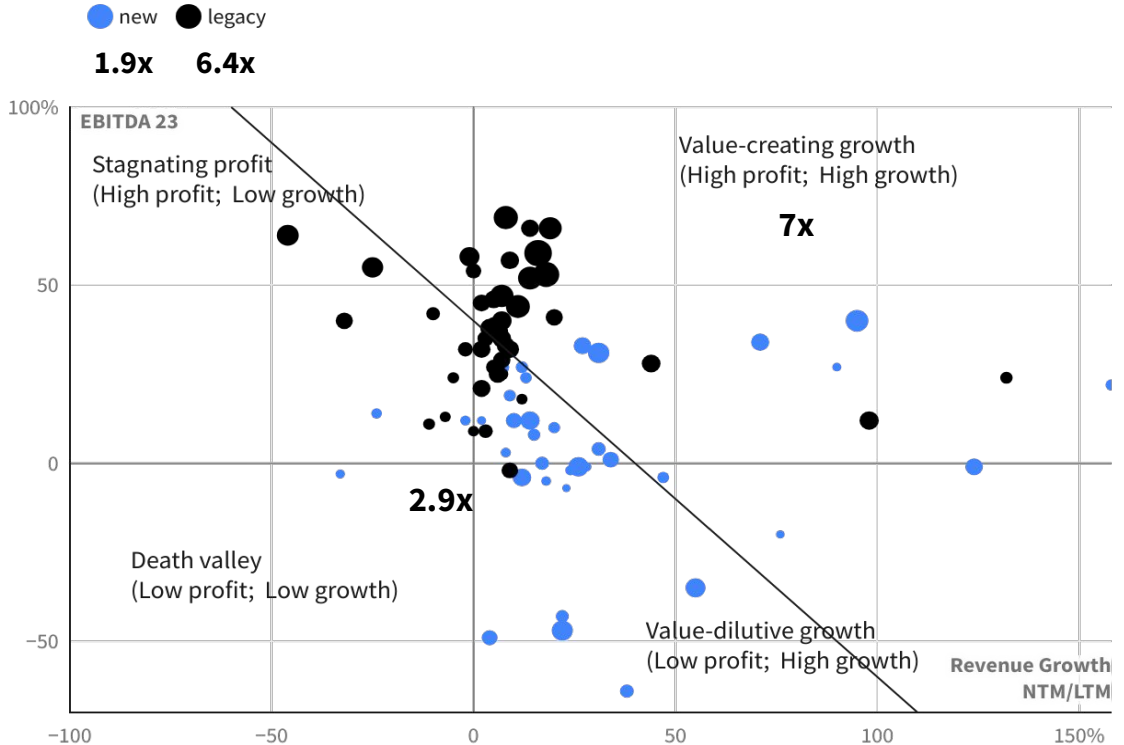
Most new fintech entrants in the public market still do not satisfy the rule of 40 (EBITDA + revenue growth $\geq 40\%$) and suffer on average a 3.4x valuation discount.

The rule of 40 holds (with some notable exceptions) showing a 2.4x premium on EV/revenue multiples (7x vs 2.9x).

Most new entrants don't yet satisfy the rule of 40, and suffer a 3.4x valuation discount (6.4x EV/revenue for legacy players vs 1.9x for new entrants).

[Explore the interactive version »](#)

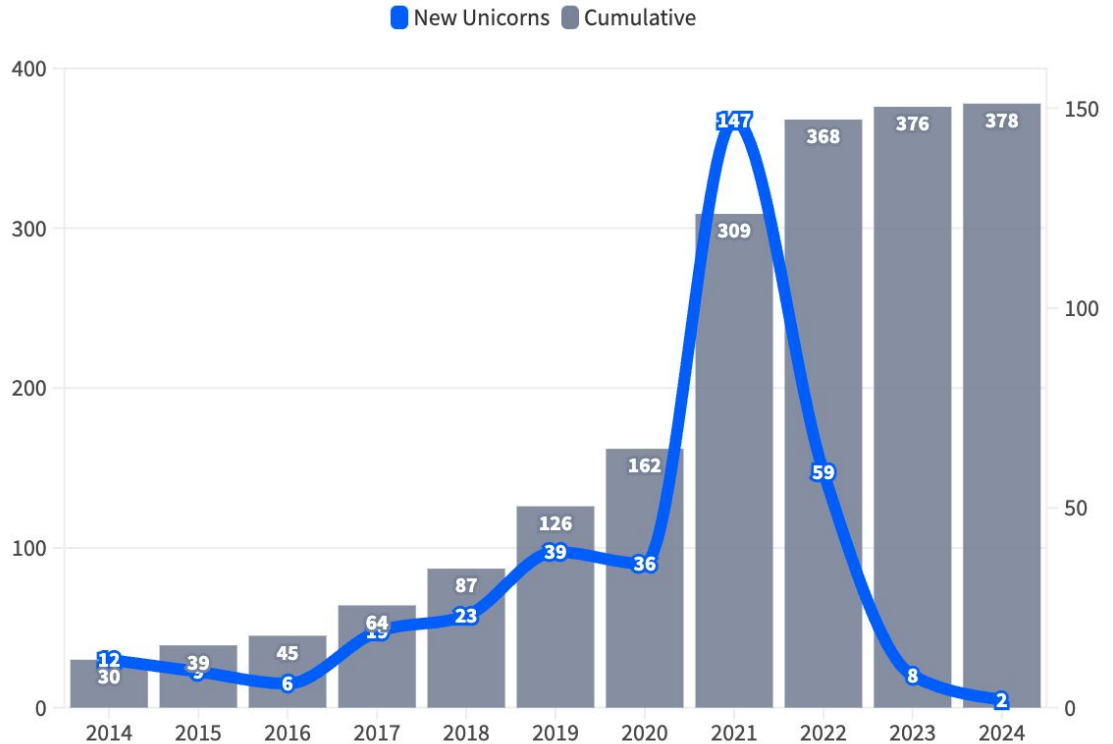
Rule of 40: Revenue growth and EBITDA of public fintech companies. EV/revenue as bubble size.



In 2021, a record high 148 new unicorns were minted. In 2023, only 8.

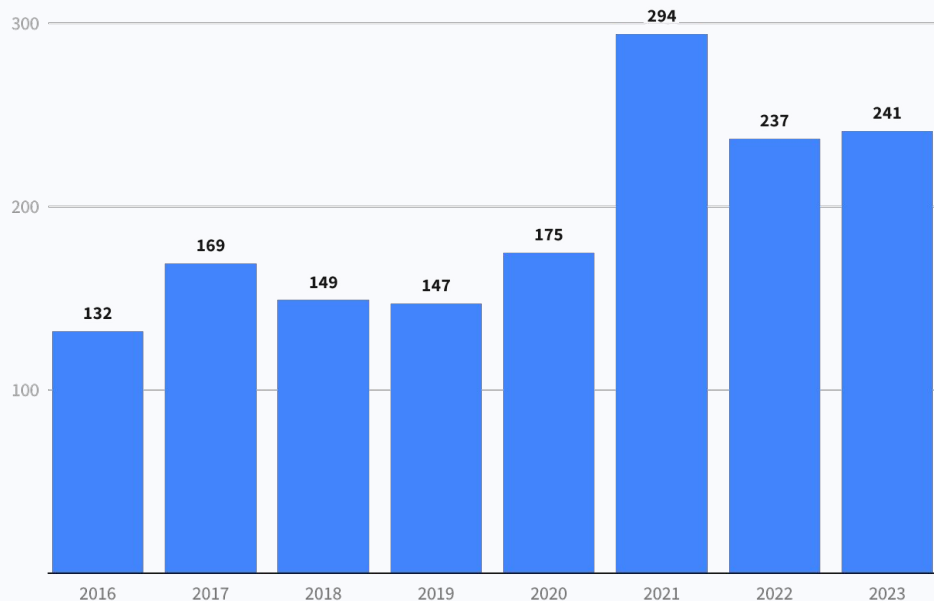
Today there are 378 fintech unicorns and \$1B exits in US & Europe. 222 unicorns were created in the 2019-2021 period. 31 of them have lost their unicorn status.

Cumulative and New Fintech unicorns created by year in US & Europe
[» view online](#)



2023 has been one of the most active year to date for fintech M&A.











Number of VC-backed fintech acquisitions & buyouts
(US & Europe) » [view online](#)













- M&A activity remains strong and above historical levels.
- The largest acquisitions are mostly late-stage startups being bought by PE firms taking advantage of low valuations, challenging private financing market and no possibility of public market listing. Several private buyouts are also being carried out by PE firms where listed companies saw their value decline but are believed to have strong potential (e.g. [Duck Creek Technologies](#), [Engagesmart](#)).
- There have been notable cases of incumbents repositioning strategically and selling previously acquired companies to PE firms (e.g Goldman Sachs selling [Greensky](#))
- On the other hand, some incumbents and leading startups are consolidating the market or expanding in new businesses (Travelers x [Corvus Insurance](#), Insurify x [Compare.com](#))
- We are also seeing a large number of fire sales and bankruptcies of cash-starved and unprofitable startups.

The most active fintech investors in the US and Europe show a mix of generalists and fintech specialists.

Top investors in US-based fintech startups (2023)

Investor name	Preferred round	Fintech rounds in 2023	Fintech rounds 2019-2023	Percentage of fintech deals 2019-2023
 Andreessen Horowitz	SERIES A	19	150	<25%
 Fin Capital	SEED	16	36	50%+
 General Catalyst Partners	SERIES A	15	69	<25%
 Gaingels	SEED	14	80	<25%
 Coinbase Ventures	SERIES A	13	119	50%+
 Founders Fund	SERIES A	11	58	<25%
 CMT Digital Ventures	SERIES B	10	40	50%+
 FJ Labs	SEED	10	53	<25%
 Soma Capital	SEED	10	44	<25%
 Lightspeed Venture Partners	SERIES A	9	75	<25%

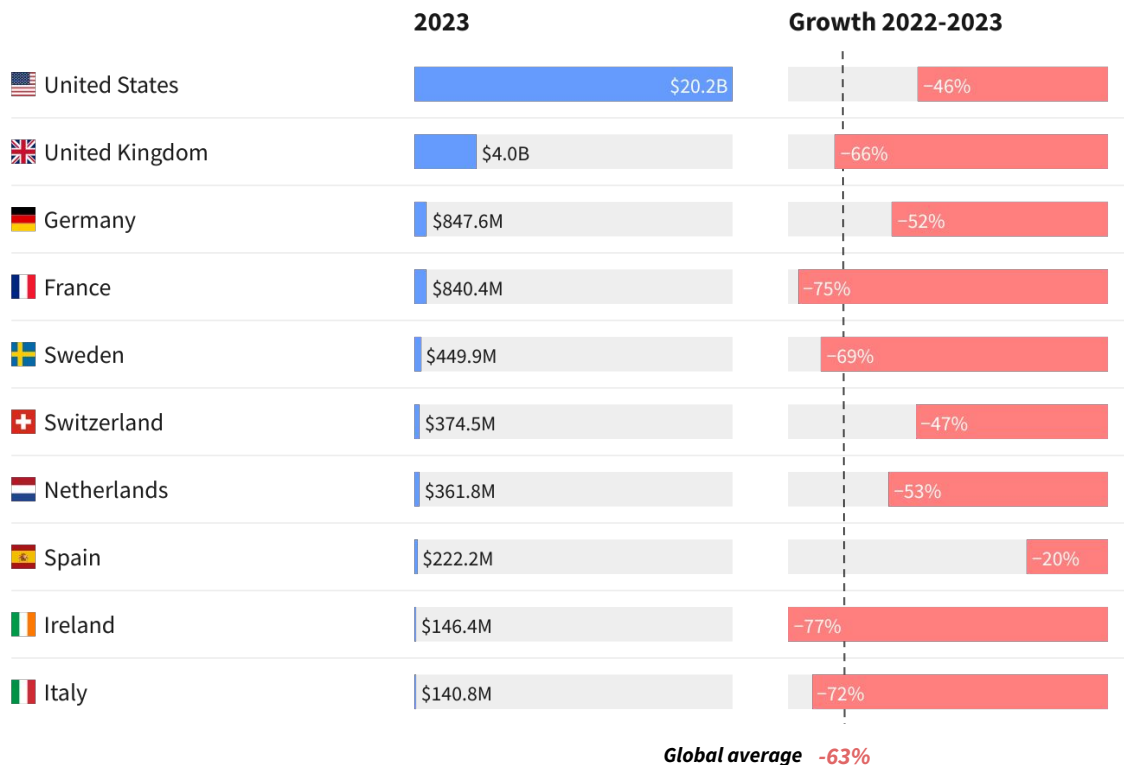
Top investors in Europe-based fintech startups (2023)

Investor	Preferred round	Fintech rounds in 2023	Fintech rounds 2019-2023	Percentage of fintech deals 2019-2023
 Antler	SEED	22	63	<25%
 SFC Capital	SEED	10	45	<25%
 Bpifrance	SEED	10	70	<25%
 Outlier Ventures	SEED	9	29	25-50%
 Kima Ventures	SEED	8	40	<25%
 Notion Capital	SERIES A	8	36	25-50%
 Speedinvest	SEED	8	70	25-50%
 Motive Ventures *	SERIES A	8	16	25-50%
 High-Tech Gründerfonds	SEED	7	32	<25%
 HV Capital	SERIES A	7	33	<25%

In 2023, the US attracted 5x more funding than the next country, the UK.

The UK still attracted more than 4x any other country beyond the US, even if funding dropped more than the global average.

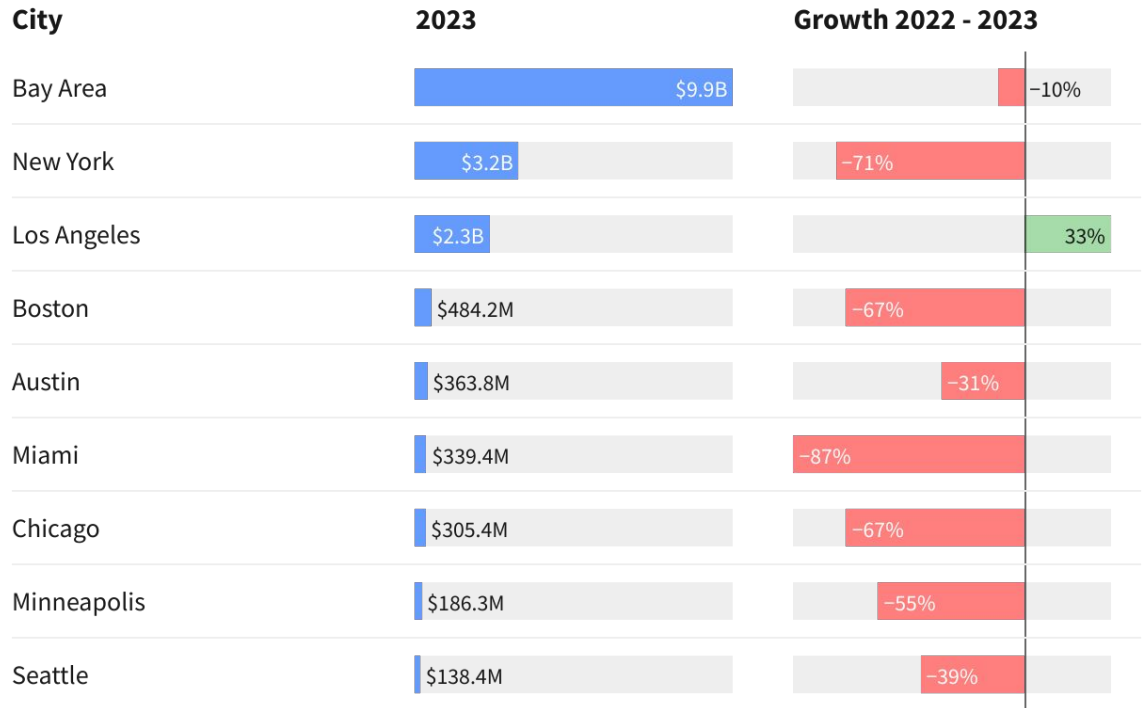
Fintech funding by country (US & Europe) in 2023 (and growth 2023 vs. 2022)



The Bay Area attracted 3x more funding than the second hub, New York.

Los Angeles was the only top hub to grow from 2022, while Miami showed the strongest decline.

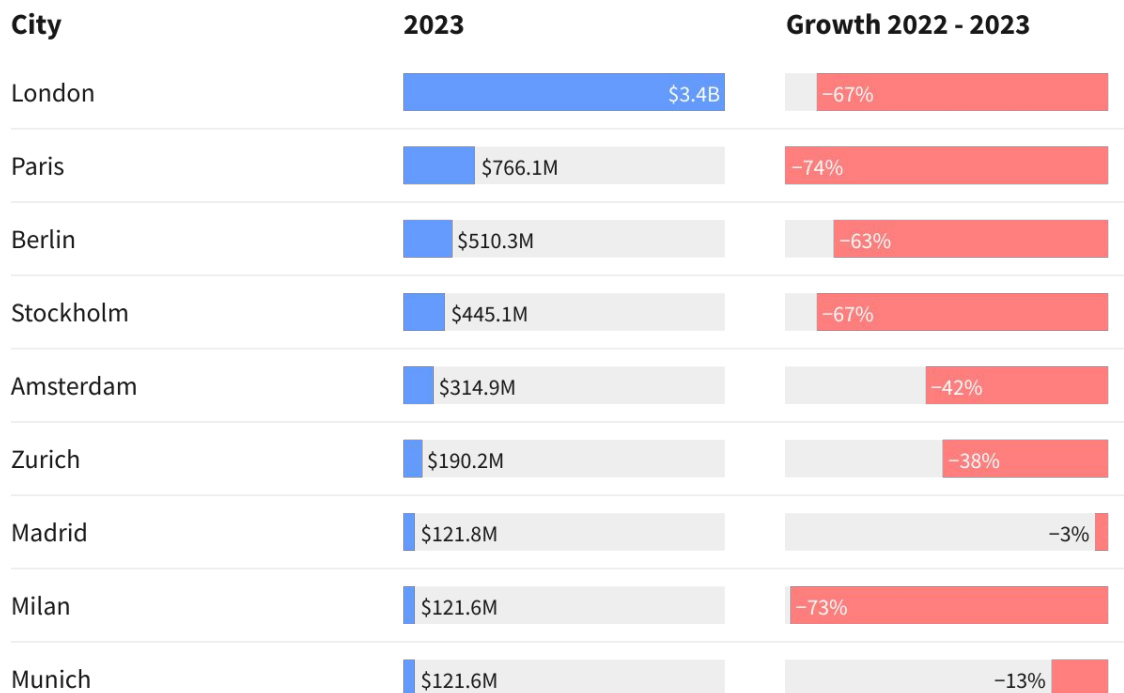
Top US fintech hub by VC funding in 2023 (and growth 2023 vs. 2022)



London attracted 4x more funding than the second hub, Paris.

Madrid and Munich showed the least decline from 2022.

Top European fintech hub by VC funding in 2023 (and growth 2023 vs. 2022)

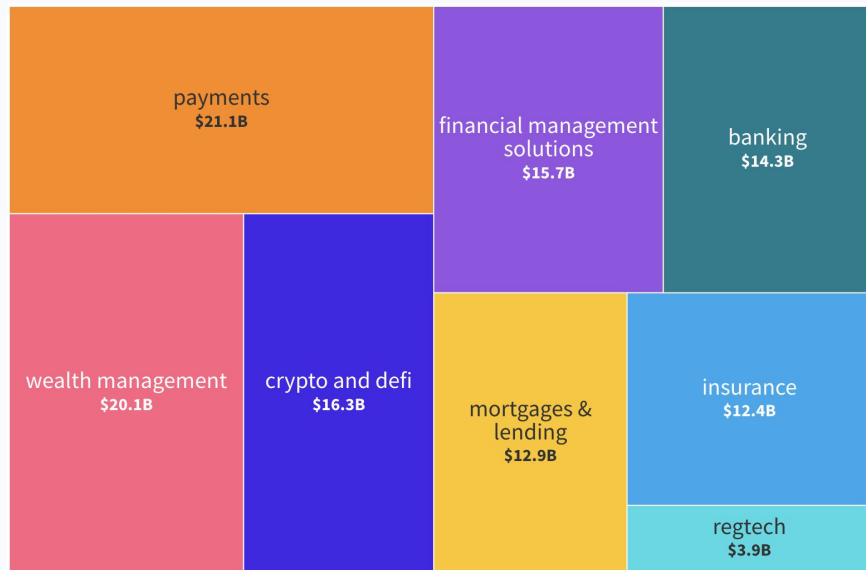


2 Deep dives

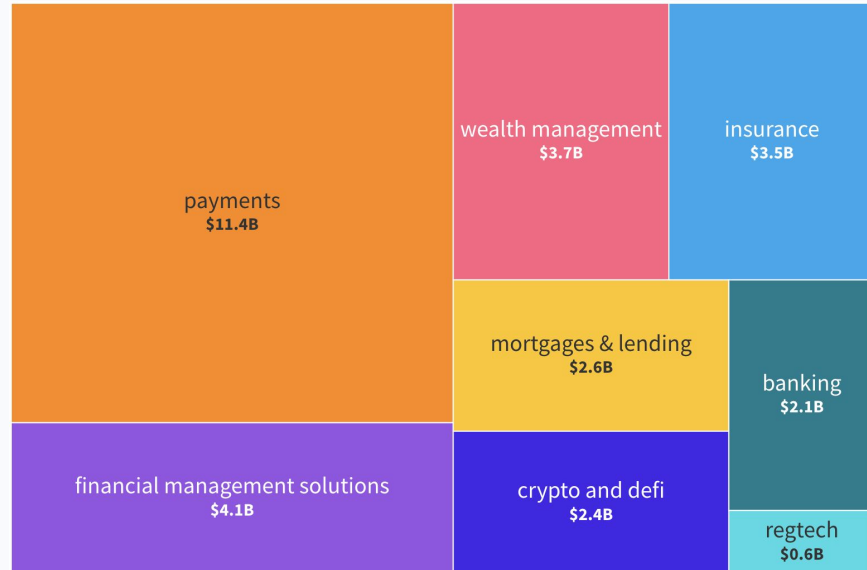
The fintech landscape has changed dramatically over the last two years in US & Europe.

Fintech VC funding by segment in US & Europe (2021 vs 2023) » [see interactive version](#)

2021



2023

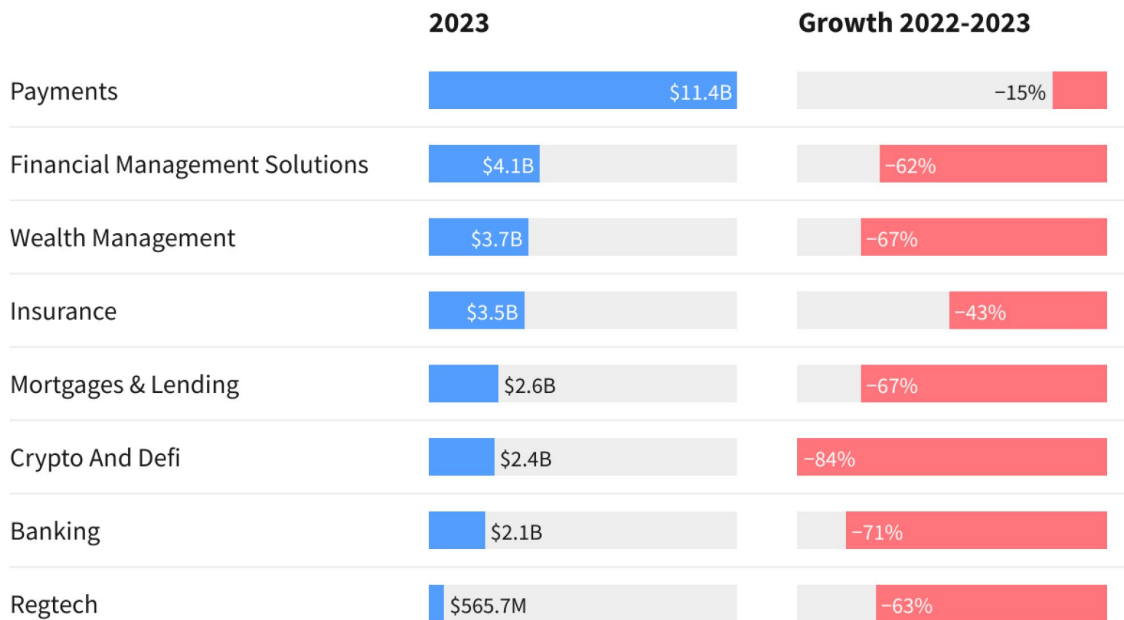


Payments have attracted nearly 3x the funding as any other sub-industry and were the most resilient segment in 2023.

Excluding Stripe's outlier \$6.5B round, payment startups have attracted \$4.9B in 2023, a 64% decrease from 2022.

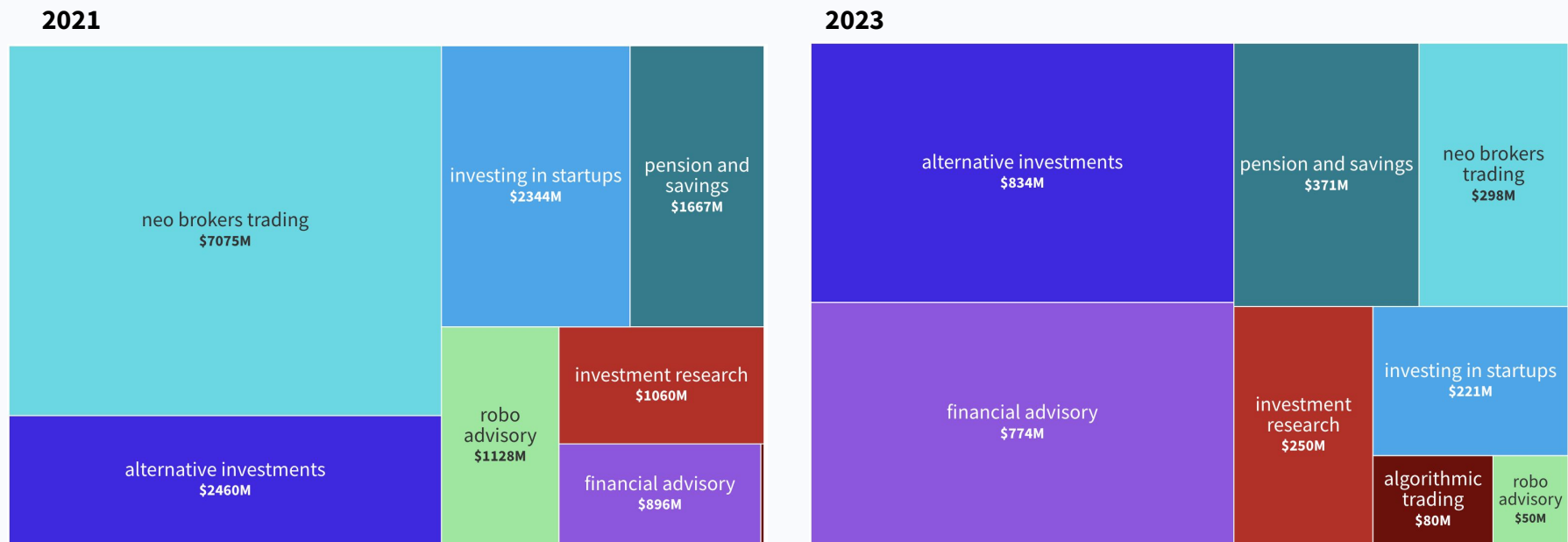
Crypto and DeFi suffered the strongest drop.

Fintech VC funding by sub-industry in 2023 (and growth 2023 vs. 2022)



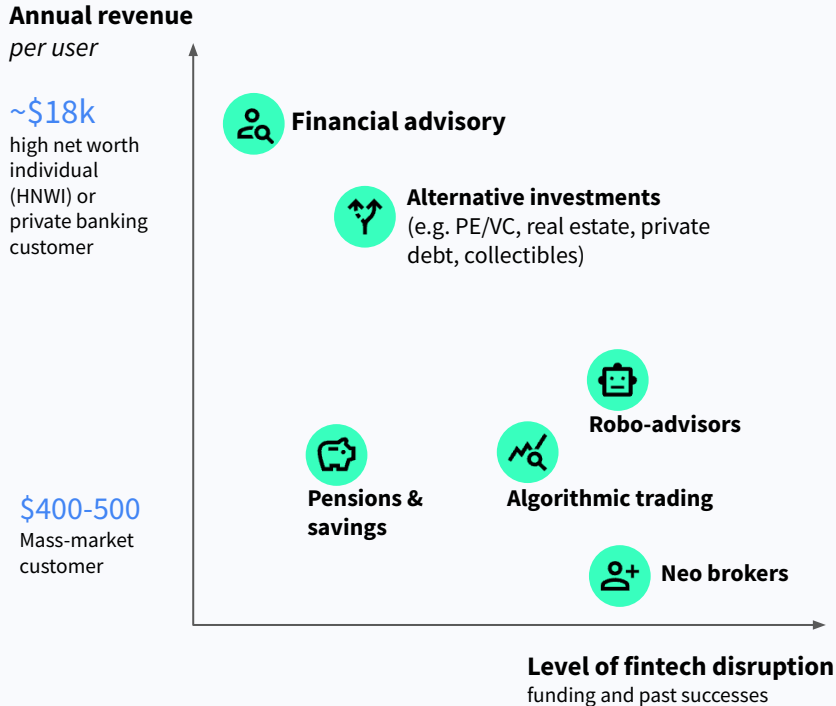
In wealth management, neo brokers dominated in 2021 but have now fallen out of grace. Alternative investments and providers of financial advisor solutions are now taking the spotlight.

Selected wealth management segments 2021-2023 evolution



Overall wealth management funding dropped $\frac{2}{3}$ from 2022 to 2023.

The rise of alternative investments and financial advisory tools offer an opportunity for fintech to target more lucrative wealth management segments.



Fintech disruption has happened largely in neobrokers and robo-advisors, targeting mass-market customers worth “just” \$400–500 per year in revenue for banks.

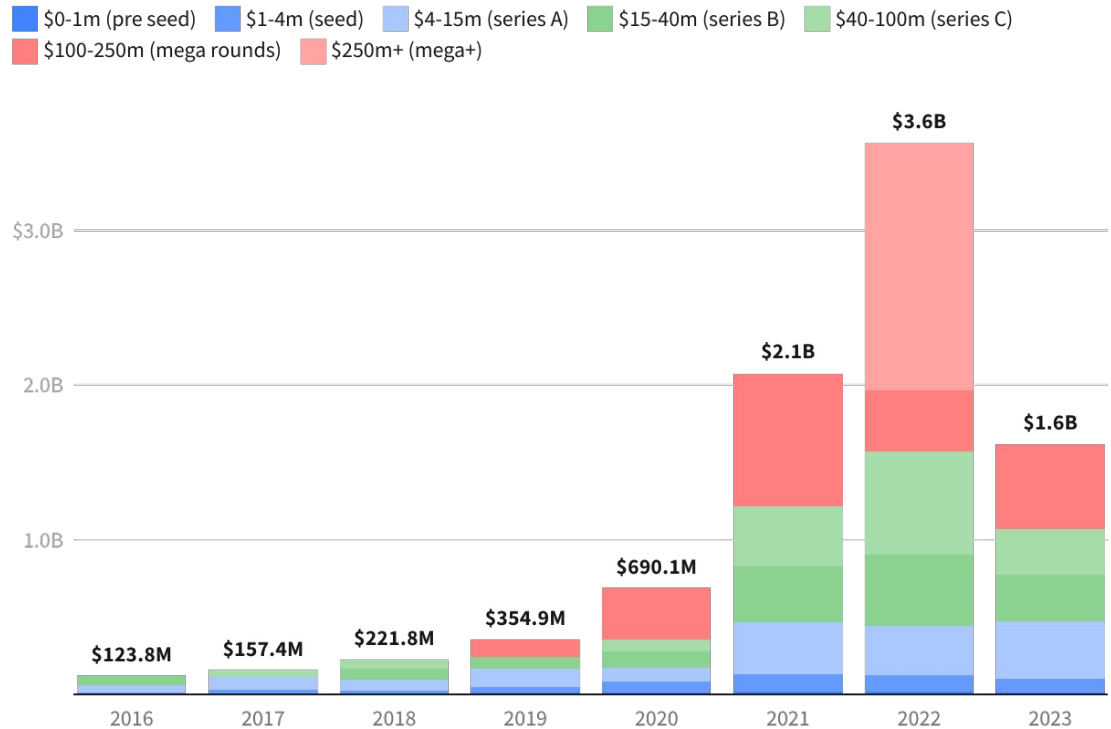
With alternative investments and financial advisory tools, fintech can start tapping into the \$400B high net worth individual (HNWI) currently dominated by incumbents.

[200+](#) alternative investments and financial advisory startups in the US & Europe

- | | | |
|------------------|-----------------|-----------------|
| Vega Investment | Arta Finance | Opto Investment |
| The Coterie | MYNE Homes | bunch.capital |
| Titanbay | Techvestor | The Beneficient |
| Equi | Doorfeed | reAlpha |
| Carbon Equity | Sweater | Syndicate Proto |
| Xaver | PENGUIN WEALTH | Alt Platform |
| Farther Finance | The Tifin Group | Mynd |
| Securitize | Juniper Square | AngelList |
| Betterment | Envestnet | Globacap |
| Upvest | PrimaryBid | Secfi |
| Carta | Arch | Zanbato |
| Pontera | StartEngine | Liqid |
| iCapital Network | | |

Climate fintech grew a staggering 15x from 2018 to 2022. 2023 has seen a 55% readjustment.

VC funding in Climate fintech startups (US & Europe)



“Climate Fintech is a vital layer in the sustainability transition.”



Hugo Bongers
Partner
at **Motive Ventures**

Every area of FinTech has a role to play; lenders will need to facilitate an estimated ~\$6-7Trn of annual financing through to 2050, insurers will need to close the protection gap, covering real and financial assets against the risk of climate related loss and the capital markets will create efficient venues for trading of energy, carbon credits and related products.

Large scale data, analytics and reporting platforms will be underpin each use case, helping track, predict and size the carbon risk and impact across all exposures.

Funding for Climate FinTech in 2023 was still 2.4x higher than pre-pandemic levels, while the FinTech category overall has dropped 15% since 2020.

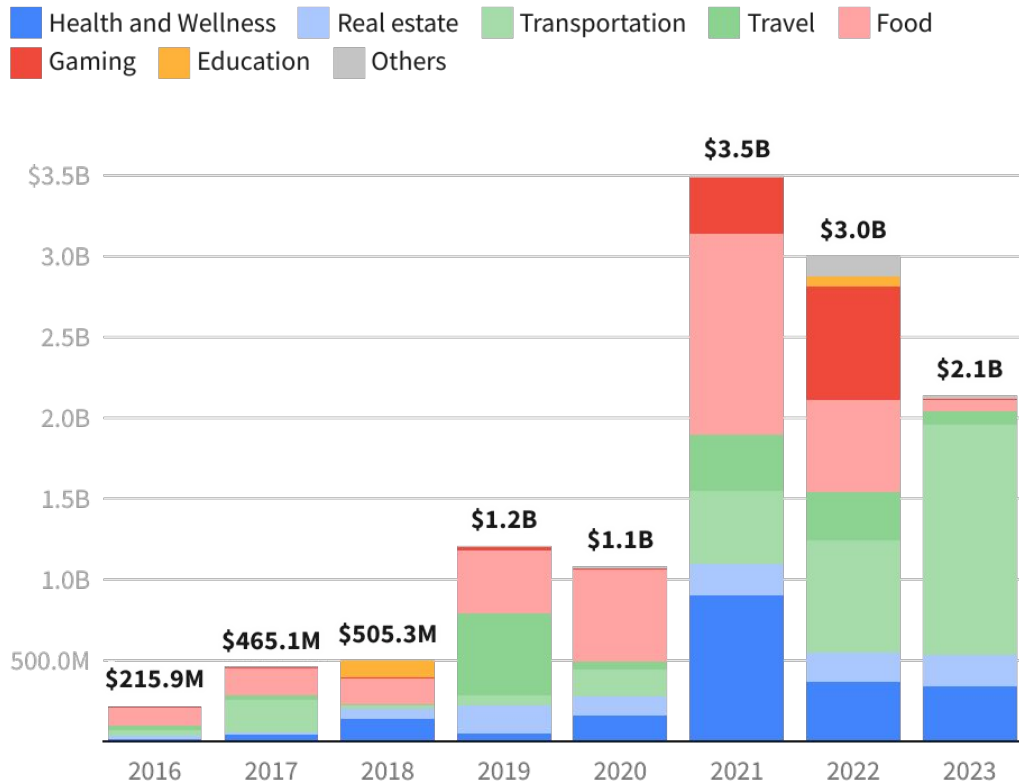
At Motive Ventures we believe the category is primed for significant growth in the medium term and we are excited to bring our global network and deep financial services expertise to assist founders building within climate to navigate the inherent complexities in the Financial markets, and help build towards a cleaner, greener future”

Vertical payments have seen strong investments, holding on much better than the market.

Vertical payments are down 40% from 2021 peak, compared to 70% for fintech overall.

While payments in general are becoming more commoditized, vertical payments still have massive growth potential with offerings tuned to the specific business needs and more embedded offerings.

Vertical payments VC funding by sector (US & Europe)

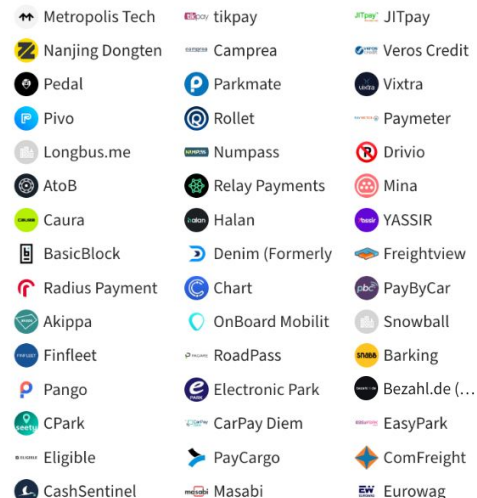


Vertical payments

Explore the landscape »

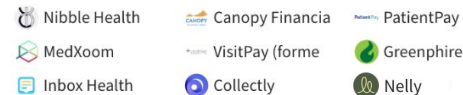
Mobility/transportation

Combined funding \$ 2.8B



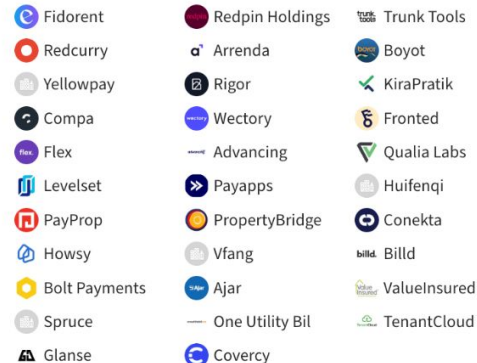
Health (& wellness)

Combined funding \$ 2.3B



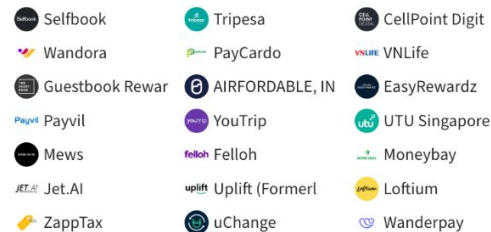
Real estate

Combined funding \$ 672M



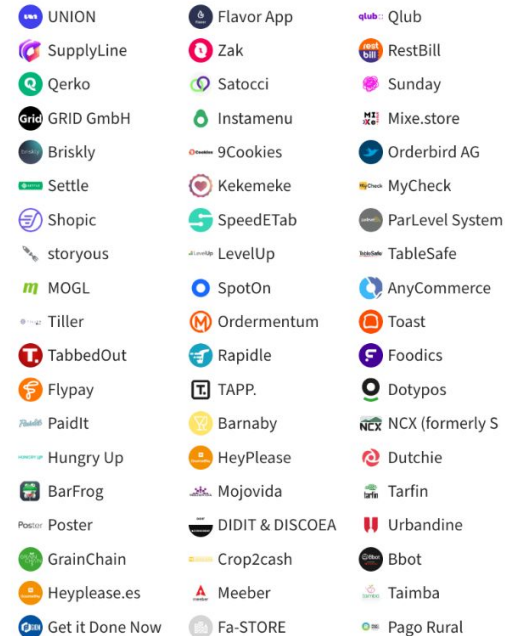
Travel

Combined funding \$ 1.2B



Food

Combined funding \$ 3.1B



Gaming

Venture capital methodology and definitions.

Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. For more see [here](#).

Sometimes they can become very big (e.g. \$1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Klarna or Coinbase.

Only companies founded since 1990 are included in this report.

Venture capital investment

Investment numbers refer to rounds such as Seed, Series A, B, C, late stage, and growth equity rounds.

Venture capital investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

Valuation

The combined valuation of the tech ecosystem is based on their market cap or latest transaction value.

Transaction value is realized from exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on benchmarks.

Taxonomy

For more details see [Dealroom Tech taxonomy guide](#).

For an overview of fintech segments, search for fintech in our [sector page](#).



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