As the technicolour gloss of unicorns fade, investors attempt to back the right horses

**Financial Institutions M&A:**
**Sector trends H1 2020 | Outlook for H2 2020**
**Fintech**

Mystical creatures feel the very real pain of the COVID-19 pandemic:

**Banks hold their nerve:**
Banks maintain their digitalisation strategies, albeit they are now more focussed on technology directly value-accretive to their core business lines

**Financial sponsors demand more bang for buck:**
Equity valuation volatility wreaks havoc for funding rounds

**Founders embrace partnerships to weather market storms:**
Bonds with established banks and tech behemoths are strengthened
As the technicolour gloss of unicorns fade, investors attempt to back the right horses

H1 2020 heralds an entirely new era for fintech, a market segment which scarcely existed at the time of the global financial crisis. Many founders and investors, who have enjoyed a bull run since 2015, have had their first taste of the bear markets which banks endured in the years following 2008.

Overview

WE ARE SEEING

- Banks hold their nerve on digitalisation strategies in the COVID-19 environment
- Focus on direct investment firepower on RegTech, WealthTech, payments and automation
- Widening of investment instruments to include convertibles and vanilla debt (e.g., Phusion and BBVA’s participation in LuxHub’s €740 million debt funding round)
- Bank venture funds narrow focus on technology directly-value-accrue to core business lines (e.g., Santander’s equity investments in Pindar, Penta and Fenergo)
- Favouring of partnership models (~15 alliances between established banks and fintechs in H1 2020) and home-grown offerings (e.g., Nationwide’s.)
- Early signs of rationalisation of fintech portfolios by established banks (e.g., Rabobank’s and ING’s spin outs of Sure Pay and Katana, respectively)
- Financial sponsors remain confident
  - Preference for niche finance, payments, digital trading and RegTech—though VCs now expect more bang-for-buck and downside protection
  - Successful dedicated fintech fund raisings notwithstanding COVID-19 gloom (e.g., Index Ventures, One Capital, Canapi Ventures, Blossom Capital and KKR have all raised funds in H1 2020)
- Governments come to the aid of fintechs as market pulse tightens (e.g., UK’s Future Fund, UK CBRIS, etc)
- Insatiable appetite of founders / entrepreneurs for growth and disruption
- Stockpiling of growth capital (~80 equity fundraisings in H1 2020)
- Rapid inorganic expansion by fintechs with critical mass (e.g., Faire’s acquisitions of MerchantPro Express and Bypass Mobile)
- Bonding with global tech behemoths (e.g., Paytm’s and SumUp’s JV with Mastercard) as well as established banks (e.g., Nok Nok’s JV with BBVA)

KEY DRIVERS

- The COVID-19 pandemic has resulted in an axial tilt on digitalisation for many European banks:
  - Focus on RegTech—increases in contactless payment limits, growing borrower opacity and an avalanche of spurious loan applications have materially increased AML, ABC, fraud and financial crime risks faced by lenders
  - Focus on digital product distribution channels—providing the rich, smooth, personalised customer experience has enabled many established banks to retain market share as branches remain shut
  - Focus on cost-cutting—banks which invested early in automation of back-office functions reaped rewards as staff were forced to work remotely
  - Partnerships facilitate “fast fail” innovation culture, rapid compatibility assessment and easier fintech integration

- Financial sponsors (Angel investors, venture capital, private capital and private equity) may take more convincing to deploy investment resources
  - Equity valuation volatility especially for neobanks and specialty finance lenders when the impact of loan defaults, customer forbearance requests, government-backed payment holiday schemes and central bank / customer conservatism favouring established institutions are difficult to assess with certainty
  - Growing concern that founder optimism / desperation to raise capital is detracting from attentive adherence to investor expectations to use financial resources for only core business operations (not advertising), closely monitor / report on KPIs and focus on key business metrics
  - Existing investors potentially less motivated to follow-through-money without additional downside protection (e.g., warranty enhanced ratchets, increased information rights, enhanced management representation rights, liquidation preference, step-in rights, etc.)
  - Holding out for the promise of “cheaper” stressed / distressed opportunities

Our M&A forecast

- Branch closures and lockdowns create opportunities for alternative lenders—material increase in customer demand for:
  - Debt, by both corporates and retail borrowers
  - Trade finance
  - Unsecured
  - Secured
  - Refinancing
  - Referral

- Accelerates inflexion point for fintechs—those that survive the next 12 to 18 months will thrive in a less crowded financial services market, reharnessed by a societal paradigm shift

- Separation of the mighty from the weak:
  - Emergence of new fintech unicorns, fire-hardened through the COVID-19 crisis
  - Withdrawals from overly exuberant expansion strategies (e.g., Funding Circle’s exit from Germany, N26’s exit from the US, etc.)
  - Dernie of fintechs with weaker business models (e.g., Loot, Lendy, Nodal Labs, etc.)

- Growing focus of governments, regulators and local trade associations on the negative side effects of fintech dependency (e.g., financial exclusion, slump in small business lending, systemic risk posed by larger fintechs, etc.)

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COVID-19 Fintech Survival Guide

Although the exact scale of devastation caused by the COVID-19 pandemic remains to be seen, it is clear that the financial and HR resources once available for wide-ranging innovation investments are unlikely to continue. As the fintech ecosystem pivots into its next evolutionary phase, banks are tightening belts on digitalisation strategies and financial sponsors are adopting a more cautious approach to investing. Having advised a number of founders, fintechs, banks and VC / PE investors since the onset of COVID-19 lockdowns, we are pleased to present our 2-part survival guide to navigating the challenges of the current market:

Fintech Rationalisation Guide
For banks undertaking rationalisation exercises involving their fintech portfolios.

Fintech Fundraising Guide
For founders seeking to raise growth capital.
Fintech Rationalisation Guide

The path into innovation investments is well trodden, but exits are proving challenging and complex for many banks across Europe. Here are 5 key considerations for a successful exit from / sell-down of fintech investments:

1. Initial Planning Considerations
   - Does the fintech operate within a subsidiary company and as part of a standalone business unit?
     Note: If the business is not contained within a subsidiary company, a carve-out / business transfer may be required prior to or in conjunction with the divestment.
   - Are all assets comprising the fintech business readily identifiable? Who are the legal owners?
     Note: Especially if the business is not contained within a subsidiary company, legal ownership of assets required to operate the business in the ordinary course may be dispersed across a number of legal entities within the bank’s group.
   - Does the fintech have the correct regulatory permissions to operate on a standalone basis?
   - How will the fintech be valued? What elements and metrics will be used in the valuations?
   - Will the fintech’s management team support the divestment?
     Note: Management may expect financial incentives in return for their support (e.g., transaction bonuses, equity participation, etc.).
   - What is the current dividend and distribution policy?
   - Other legal considerations
     - What is the most cost-effective divestment structure?
     - Other legal considerations

2. Divestment Process
   - How should the divestment mechanics be structured?
     - Management buyout / fund / bank-funded deal
     - Combination of management buy-out and third-party investment
     - Third-party buyer (identified via an auction or bilateral process)
   - Note: depending on the expected price, a MBO / bilateral process may be more appropriate.
   - What is the proposed divestment timeline?
   - Does the divestment necessitate the appointment of an external financial adviser?
     Note: An experienced, specialist financial adviser may be instrumental in securing solutions to bridge any gap in valuation expectations.

3. Deal Valuation Challenges
   - Valuation challenges in the COVID-19 climate are dampening deal activity, but there are safe paths through the fog:
     - form of consideration
       - How should buyers / investors prefer to stagger payment of the price over time, and thereby offer a higher overall price?
       - Contingent consideration
         - Buyers / investors may prefer to stagger payment of the price over time, and thereby offer a higher overall price.
       - Ownership structure
         - Corporate and ownership structures
         - Ownership and control over the fintech post-closing governance arrangements
   - Note: Depending on the expected price, a MBO / bilateral process may be more appropriate.
   - What is the proposed divestment timeline?

4. Due Diligence
   - Valuation challenges in the COVID-19 climate are dampening deal activity, but there are safe paths through the fog:
     - form of consideration
       - Note: buyers / investors may prefer to stagger payment of the price over time, and thereby offer a higher overall price.
       - Contingent consideration
         - Buyers / investors may prefer to stagger payment of the price over time, and thereby offer a higher overall price.
     - Ownership structure
       - Corporate and ownership structures
       - Ownership and control over the fintech post-closing governance arrangements
   - What is the current dividend and distribution policy?
   - Other legal considerations

5. Employment Matters
   - For many buyers / investors, a key deal consideration will be retaining talented management who will be able to deliver their business plan.
   - Retention of top talent is often about incentive arrangements. Key considerations are:
     - How is the “key individuals” definition applied to the fintech?
     - Who are the “key individuals” without which buyers / investors will not proceed?
   - Note: Identifying the relevant individuals is key, and understanding any remuneration packages through legal due diligence will be key to implementing an effective retention strategy.

6. Regulatory Matters
   - The divestment process would need to flex to accommodate such notifications / approvals.
   - Buyers / investors may also seek to risk-share with the bank in the form of “gap controls”, bring-down of warranties, MAC walk-away rights, purchase price adjustment, etc.
   - If the fintech is not subject to any regulatory requirements, the impact on the proposed divestment may be limited.
   - If the fintech does not have all the regulatory permissions it needs, fresh license applications will need to be submitted.
   - In our experience, deal timetables are often extended due to interaction with financial regulators. Key contributing factors include:
     - The COVID-19 pandemic has materially altered the fund raising landscape for fintechs across Europe. Most investors now expect a significant discount to previous valuations and in some cases also downside protection through alterations to the waterfall. This is not investor opportunism but reflects very real valuation volatility and the risks involved with deploying capital in the current market climate.

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Over the last 3 months, we have advised a number of fintechs on adapting their business models to survive the COVID-19 pandemic. Over the course of this, it is clear that the UK regulators are genuinely empathetic to the onslaught of challenges faced by regulated firms, but are nonetheless expecting strict compliance with Principle 11 obligations, particularly in relation to financial stress.
Fintech Fundraising Guide

As availability of funding for smaller businesses across Europe becomes increasingly challenging in the COVID-19 environment, raising growth capital is a mounting concern for many fintechs. More now than ever, funding rounds need to be carefully structured, managed and executed to lock-in investor appetite quickly and efficiently. Here are 6 key considerations for successfully implementing a funding round in the current climate:

1. Initial Planning Considerations
   - What are the fintech’s current funding requirements? i.e., how long will the fintech’s existing resources last, by when will the new funding need to be in place, etc.
   - Why is the funding important for the fintech? How will the growth trajectory/equity story be communicated to potential investors? How will the fintech be valued?
   - What contingency plans does the fintech have? i.e., what measures can the fintech put in place to manage the funding in time have on the fintech’s business? Is a bank loan a viable alternative to a funding round?
   - How do funding options available in the COVID-19 environment differ from pre-COVID-19?

2. Initial Implementation Considerations
   - Prepare for the unexpected. Our recent experience is that:
     - Investors are seeking to cherry-pick the best of equity and debt investment rounds.
     - They are not prepared to wait for non-essential fundraising rounds.
     - Investors are testing appetite for “unfinished” down-side protection
     - They are not shy about requesting more information and control rights e.g., access to financial information, restricted board representation, step-in rights in event of financial stress, etc.
   - Note: our experience is that this trend is not driven by investor opportunism but simply by a growing concern in the investor community that founders are not listening as attentively to investors’ expectations for the fintech to use financial resources for only core business operations (not advertising), closely monitor / report on KPIs and focus on key business metrics.
   - Is the fundraising round primary or secondary or a combination?

3. Constructing the Right Execution Timetable
   - Start with a robust fund-raising plan. Note that terms of one document impact vesting triggers under / operation of another instrument, etc.
   - The key drivers for timing include:
     - Due diligence and process documentation preparation
     - Marketing / investor selection
     - Flush financial information preparation
     - Negotiation / finalisation of investment term sheet
     - Negotiation / finalisation of full form investment documentation
     - Applying for and obtaining relevant financial regulatory approvals
   - The timeline been communicated to all stakeholders/ advisers up-to-date on wider projects which may interact with the fund-raising? Are all relevant wider projects which may interact with the fund-raising?
   - Note: regulatory notifications by the fintech itself e.g., Principle 11, Series E/manager applications, etc. are sometimes overlooked.

4. Laying the Groundwork
   - Has an investor presentation been prepared? Is a formal process letter required?
   - Note: formal process documentation is prudent in the current COVID-19 environment. A robust and well-organised process will bolster investor confidence. Recycling documentation from previous funding rounds may provide counter-risk to new investors.
   - What board / investor director / advisor is available?
   - What board / investor director / advisor is available?
   - Note: regulatory notifications by the fintech itself e.g., Principle 11, Series E/manager applications, etc. are sometimes overlooked.

5. Dealing with Practicalities Early
   - What board / investor director / shareholder approvals are required for the equity / debt issue? Are there any hurdles to secure these e.g., under corporate law or the terms of any existing shareholders’ agreement?
   - For:
     - Primary equity-raisings, do new shares need to be offered pro rata to existing shareholders?
     - Are any pre-emption waivers needed?
     - Secondary equity-raisings, are any tag rights triggered?
     - Are any tag rights required? Who pays stamp duty?
   - Note: broadly, transfer of English company shares for more than £1,000 attracts stamp duty at the rate of 0.5% of the chargeable consideration, rounded up to the nearest £5. HMRC’s website provides guidance on online payment of stamp duty: https://www.gov.uk/guidance/pay-stamp-duty/how-to-pay.
   - Is the fintech engaged with any wider projects which may interact with the fundraising? Are all relevant stakeholders/ advisers up-to-date on progress?
   - Note: do not overlook the value of a well-structured regulatory approval application and implementation strategy—informal pre-signing discussions with relevant regulators are crucial to ensure that potential regulatory hurdles and delays can be identified early and managed effectively.
   - Note: our experience is that the fintech’s business is critical to ensuring that potential regulatory hurdles and delays can be identified early and managed effectively.

6. Regulatory Considerations
   - Does the fintech conduct any regulated activities?
   - Note: if yes, which jurisdictions / regulators would be involved?
   - What impact would the proposed investment have on the fintech’s regulatory position?
   - Note: our recent experience is that fintechs are crucial to ensuring that potential regulatory hurdles and delays can be identified early and managed effectively.
   - What are the fintech’s capital requirements?
   - Note: regulatory notifications by the fintech itself e.g., Principle 11, Series E/manager applications, etc. are sometimes overlooked.

7. Conclusion
   - Will new investment documents be required or will existing documents be refreshed?
   - e.g., corporate approvals, shareholders’ investment agreements, disclosure letter, articles of association, service agreements / director appointment letters, companies registry filings, etc.
   - Note: any historic documentation need to be impacted / re-negotiated?
   - e.g., founder pledges, founder service agreements, etc.

8. Future Considerations
   - What changes to the fintech’s governance would result following closing of the funding round?
   - e.g., investor directors, non-executive chairperson, additional NEOs, board advisor / observer, etc.
Fintech—Publicly reported deals & situations

Global value of fintech deals in 2019 was US$53.3 billion, down 3.7% from US$55.3 billion in 2018 (Finextra – February 2020)

UK is the top destination for European fintech investment in 2019, reaching a new record of US$4.9 billion (City A.M. – January 2020)

Direct investments:
Barclays, Goldman Sachs and J.P. Morgan (Transaction automation)
Participation in US$27 million funding round for H4 (June 2020)
UBS (Voice trading technology) Participation in US$175 million Series B funding round for Cloud4 (June 2020)
Barclays (Green marketplace) Equity investment in SaveMoneyCutCarbon (May 2020)

Israël Discount Bank (Payments) Acquisition of 19.6% of Neama (Israel, May 2020)
HSBC and ING (Trading) Participation in €5.7 million Series A funding round for TransFiCc (April 2020)
Danske Bank (Personal finance management) Equity investment in Spiral (April 2020)
DNI (Personal finance management) Equity investment in Spiral (April 2020)
Morgan Stanley (Banking) Participation in US$34 million Series A funding round for 86 400 (April 2020)
Standard Bank (Payments) Equity investment in Payment24 (April 2020)

Barclays, Goldman Sachs and J.P. Morgan (Transaction automation) Participation in US$27 million funding round for H4 (June 2020)
UBS (Voice trading technology) Participation in US$175 million Series B funding round for Cloud4 (June 2020)
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Fintech is the top destination for European fintech investment in 2019, reaching a new record of US$4.9 billion (City A.M. – January 2020)

Santander (Trade finance) Acquisition of 50.1% of Mercury TFS (March 2020)
Deutsche Bank (WealthTech) Equity investment in Orpia (March 2020)
Goldman Sachs (No-code software) Participation in US$131 million Series B funding round for Unqork (February 2020)
BBVA (Big economy finance) Participation in €1 million Seed funding round for Wallit (February 2020)
Societe Generale (InsurTech) €31m equity investment in Mutumutu (February 2020)
Silicon Valley Bank (All) Participation in €1.1m equity investment in Flux (October 2020)
Commonwealth Bank of Australia (Payments) Participation in US$200 million Venture funding round for Kira (January 2020)
Barclays (Digital receipts) Acquisition of minority stake in Flux (January 2020)
Crédit Agricole (Open banking) Acquisition of 85% of Linx (January 2020)
BNP Paribas and Siam Commercial Bank (Payments) Participation in US$80 million Series B funding round for Currencycloud (January 2020)
Standard Chartered (DLT) Equity investment in Contour (January 2020)
Goldman Sachs (Payments) Acquisition of additional 2.6% in Wirecard (January 2020)

Allianz Bank, BNP Paribas and PKO Bank Polski (Digital signature) Participation in €3.4 million Seed funding round for Auteni (January 2020)

Debt investments:
Barclays Participation in debt funding round for Stann (June 2020)
Banque Raiffeisen, BGL BNP Paribas, Post Luxembourg and Sparnext (Bond analytics) €14 million debt financing to LuxHub (May 2020)

Venture fund investments:
Santander InnoVentures (Helix) Participation in US$40 million Series D funding round for Fenergo (February 2020)
Rabo Frontier Ventures (Helix) Participation in £75 million Series B funding round for Trustle (January 2020)
Egyptian Gulf Holding for Financial Investments (Point-of-sale financing) Participation in US$50,000 pre-Seed funding round for Shafry (June 2020)

Nasdaq Ventures (RegTech) Minority equity investment in Caspian (June 2020)
Santander InnoVentures (SME lending) Participation in US$100 million Series A funding round for A65 (May 2020)
ING Ventures (Banking) Participation in £4 million Seed 2 funding round for Countingup (May 2020)
ANZ Ventures (Payments) Participation in US$100 million Series D funding round for Airvalley (April 2020)

ABN AMRO Ventures (Banking) Participation in US$80 million Series C funding round for Privatair (April 2020)
ABN AMRO Ventures (Banking) Participation in €18.5 million Venture funding round for Penta (March 2020)
ING Ventures (Natural language processing) Participation in US$42 million Series B funding round for Eigen Technologies (March 2020)
Barclays Ventures (Open banking) Participation in £4.5 million Venture funding round for Youtility (February 2020)
Citi Ventures (DLT) Minority equity investment in Contour (February 2020)
ABN AMRO Ventures (Software development) Participation in US$30 million Venture funding round for Fenergo (February 2020)

Barclays, Goldman Sachs and J.P. Morgan (Transaction automation) Participation in US$27 million funding round for H4 (June 2020)
UBS (Voice trading technology) Participation in US$175 million Series B funding round for Cloud4 (June 2020)
Barclays (Green marketplace) Equity investment in SaveMoneyCutCarbon (May 2020)

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Santander (Trade finance) Acquisition of 50.1% of Mercury TFS (March 2020)
Participation in funding rounds:

BlackFin Capital Partners, Daphni and Founders Future (January 2020)
Participation in €20 million Series B funding round for Class 5 Global (March 2020)

Y Combinator (Banking)
Participation in €50 million Series C funding round for Revolut (May 2020)

Forward Partners (Payments)
Participation in US$50 million Series C funding round for Payhawk (April 2020)

Index Ventures (Open banking)
Participation in US$50 million Series C funding round for Stackin’ (January 2020)

Elia and Bofiprance (Payments data)
Participation in €31 million Series C funding round for WellFirst (June 2020)

Insight Partners and Vensure Enterprises (Cloud-based core banking software)
Participation in US$12 million Series A funding round for ThoughtMachine (February 2020)

Rabobank (Banking)
Participation in €10 million Seed funding round for N26 (February 2020)

ING (Bond analytics)
Successful €3 million Seed funding round, led by ING Ventures, for Katana (January 2020)

Octopus Ventures (Personal financial management)
Participation in US$12.5 million Series B funding round for Stackin’ (May 2020)

Balderton Capital (Payments)
Participation in €3.2 million Seed funding round for Primer (May 2020)

Class 5 Global (Payments)
Participation in US$950,000 Series D funding round for Zara (May 2020)

JTC and Merian Chrysalis Investment Company (Banking)
Participation in US$40 million Series B funding round for Starling Bank (May 2020)

Earlybird, Venture Capital, Verdane, Victurian Partners and Ruma Capital (Consumer credit)
Participation in €22 million Series E funding round for Smava (May 2020)

Major Oak (WealthTech)
Participation in €7 million Series A funding round for Smarttery (May 2020)

EQT Ventures (Loan refinancing)
Participation in US$30 million Series B funding round for Angel (May 2020)

Highland Europe, Fargate Capital and Blenheim Chalcot (Payments-as-a-service)
Participation in €18.9 million Series A funding round for Modulr (May 2020)

Merian Chrysalis Investment (Healthcare)
Participation in €30 million Series B funding round for Featurespace (May 2020)

Boltz Equities (Marine)
Participation in US$33 million Seed funding round for Verteva (May 2020)

Reefhost (Insurance financing)
Participation in US$11 million Venture funding round for Vesta (May 2020)

Salesforce Ventures
- Participation in US$110 million Series D funding round for ThoughtMachine (March 2020)
- Participation in €3.5 million Series A funding round for Credit Kudos (April 2020)
- Participation in €3.5 million Series A funding round for A/S Bokfond (April 2020)
- Participation in €3 million Seed funding round for Credit Kudos (April 2020)
- Participation in €3 million Seed funding round for Anthelio (April 2020)
- Participation in €3 million Seed funding round for Payhawk (March 2020)
- Participation in €1.5 million Seed funding round for pHyre (March 2020)
- Participation in €1million Seed funding round for AlphaCredit (January 2020)
- Participation in US$20 million Series B funding round for SettleMint (January 2020)
- Participation in US$42 million Series B funding round for Runway (January 2020)
- Participation in £42 million Series B funding round for Flutterwave (January 2020)
- Participation in US$12.5 million Series C funding round for SoftBank (January 2020)
- Participation in €3.7 million Series A funding round for Paywel (March 2020)
- Participation in £1.5 million Seed funding round for Payhiv (April 2020)
- Participation in £2.9 million Series C funding round for Liberis (January 2020)
- Participation in US$20 million Series B funding round for Disruptive Technologies (January 2020)
- Participation in US$50 million Series D funding round for Revolut (February 2020)
- Participation in €1 million Seed funding round for KPM Ventures (April 2020)
- Participation in €3 million Seed funding round for Starling Bank (April 2020)
- Participation in US$35 million Series D funding round for Payhawk (February 2020)
- Participation in €2 million Series C funding round for Insight Partners (April 2020)
- Participation in US$30 million Series C funding round for Revolut (February 2020)
- Participation in €25 million Series D funding round for Alphacredit (February 2020)
- Participation in €1.5 million Series A funding round for Revolut (February 2020)
- Participation in £12 million Venture funding round for Payhawk (March 2020)
- Participation in US$100m Series D funding round for ThoughtMachine (February 2020)
- Participation in €8.1 million Series A funding round for Stackin’ (January 2020)
- Participation in €100 million Series C funding round for Tink (January 2020)
**Financial sponsors retain confidence**

**Goldman Sachs Growth, Finch Capital and Propel Venture**
- Participation in £175 million Series B funding round for Revolut (January 2020)
- Tencent, Open CNP, XANGE and New Alpha (Payments)
  - Participation in $410 million Series B funding round for Lydia (January 2020)
- Insight Partners (Banking)
  - Participation in $178 million Series C funding round for Receipt Bank (January 2020)
- Crowdcube and Growthfunders (Banking)
  - Participation in $2 million Crowdfunding round for BiB North (January 2020)
- PreSeed Ventures (Crowdfunding and payment services)
  - Participation in $15 million Series A funding round for Onomo (January 2020)
- Slingshot Ventures and Shoe Investments (Banking)
  - Participation in $15 million Series A funding round for Swishfund (January 2020)

**GIC (Wealthtech)**
- Participation in US$107 million Series D funding round for Pagaya (June 2020)

**Qatar Investment Authority (Banking)**
- Participation in $90 million Corporate funding round for Tandem (March 2020)

**SWFs hold their nerve**

**Goldman Sachs Growth, Finch Capital and Propel Venture**
- Participation in £175 million Series B funding round for Revolut (January 2020)
- Tencent, Open CNP, XANGE and New Alpha (Payments)
  - Participation in $410 million Series B funding round for Lydia (January 2020)
- Insight Partners (Banking)
  - Participation in $178 million Series C funding round for Receipt Bank (January 2020)
- Crowdcube and Growthfunders (Banking)
  - Participation in $2 million Crowdfunding round for BiB North (January 2020)
- PreSeed Ventures (Crowdfunding and payment services)
  - Participation in $15 million Series A funding round for Onomo (January 2020)
- Slingshot Ventures and Shoe Investments (Banking)
  - Participation in $15 million Series A funding round for Swishfund (January 2020)

**GIC (Wealthtech)**
- Participation in US$107 million Series D funding round for Pagaya (June 2020)

**Qatar Investment Authority (Banking)**
- Participation in $90 million Corporate funding round for Tandem (March 2020)

**Reaching under-served economies:**

**Flutterwave (Paymenttech)**
- Participation in $135 million Series B funding round, led by ventures and Greyrock (January 2020)

**Reaching under-served communities:**

**Wolt (Cashtech)
- Successful £1 million Seed funding round, led by Anthems (February 2020)
- SteadyPay (Insurtech)
  - Successful $2.9 million Seed funding round, led by Hambro Perks and East by Design (January 2020)

**Tackling social concerns:**

**Quona (Financial inclusion)
- Successful US$300 million Venture funding round, led by Accion International (March 2020)
- Thyngs (Charitable giving)
  - Funding $250K with Charles Trust (April 2020)

**Scaling up**

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**Other FIs hold their nerve**

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**Deal highlight:**

**White & Case advised Goldman Sachs and Morgan Stanley, as managing bookrunners, in connection with the IPO of Lemonade, a which valued the leading tech-enabled insurance business at US$3.8 billion. Lemonade scooped the title of the best US IPO debut of 2020, with more than 140% gain.**

**Deal highlight:**

**White & Case advised Nets Denmark, one of Europe’s leading payment services providers, on its acquisition of Poland-based Centrum Rozliczeń Cinch Bank Polskie ePłatności.**

**Deal highlight:**

**White & Case advised Tide in securing a £60 million grant from the UK’s Banking Competition Remedies Board and on the development of its banking platform.**

**Successful fundraising:**

**Mamo Bank (SME lending)**
- Successful £20 million Series B funding round, led by BlackFin Capital Partners (June 2020)
- Upgrade (Insurtech)
  - Successful US$40 million Series D funding round, led by Santander InnoVentures (June 2020)
- Pagaya (Wealthtech)
  - Successful US$107 million Series D funding round, led by GIC (June 2020)

**Monzo (Banking)**
- Successful US$100 million Series G funding round, led by Y Combinator (June 2020)
- Apex Global (Payments)
  - Successful US$10 million Series A funding round, led by Forward Partners (June 2020)
- Codat (Open banking)
  - Successful US$50 million Series A funding round, led by Index Ventures (June 2020)
- iBanFirst (Payments)
  - Successful €21 million Series C funding round, led by Elisa and Bpifrance (June 2020)
- Minkus (Cloud-based core banking software)
  - Successful US$12 million Venture funding round, led by Insight Partners and Venstar Enterprises (June 2020)
- Tally (Point-of-sale lending)
  - Successful US$57 million Series C funding round, led by Raed Ventures (June 2020)
- Sarwa (Wealthtech)
  - Successful $85 million Venture funding round, led by Barclays, Goldman Sachs and J.P. Morgan (June 2020)
- Nymbus (Cloud-based core banking software)
  - Successful US$12 million Venture funding round, led by Insight Partners and Venstar Enterprises (June 2020)
- Anyfin (Loan refinancing)
  - Successful US$10 million Series C funding round, led by Santander InnoVentures (June 2020)
- Zina (Payments)
  - Successful US$35 million pre-Seed funding round, led by Class 5 Global (May 2020)
- AskRobin (Marketplace lending)
  - Successful US$10 million Series B funding round, led by Loma Ventures (May 2020)
- Stackin' (Personal financial management)
  - Successful US$12.6 million Series B funding round, led by Mosaic Ventures (May 2020)
- Starling Bank (SME lending)
  - Successful US$40 million Venture funding round, led by J.T. and Morcan Chrysalis Investment Company (May 2020)
- a55 (SME lending)
  - Successful US$51 million Series A funding round, led by Santander InnoVentures (May 2020)
- Smava (Consumer credit)
  - Successful €22 million Series E funding round, led by Vitruvian Partners (May 2020)
- Monova (AI price comparison)
  - Successful US$502 million Crowdfunding round (May 2020)
- Smartery (Wealthtech)
  - Successful US$7 million Series A funding round, led by Major Oak (May 2020)
- FreeTrade (Zero-commission trading)
  - Successful £4.5 million Crowdfunding round (May 2020)
- Anyfin (Loan refinancing)
  - Successful US$30 million Series B funding round, led by EOT Ventures (May 2020)
- Modulr (Payments-as-a-Service)
  - Successful £18.9 million Venture funding round, led by Highland Europe (May 2020)
- FeatureSpace (Regtech)
  - Successful £30 million Venture funding round, led by Morcan Chrysalis Investment (May 2020)
- Verteva (Mortgages)
  - Successful US$33 million funding round, led by Boltin Equities (May 2020)
- Clink (Ethical investing)
  - Successful £13.5 million Crowdfunding round (May 2020)
Scaling-up

Judo Bank (Banking) Successful £15 million Series C funding round, led by Tikehau Capital (May 2020)
Primer (Payments) Successful £3.3 million Seed funding round, led by Balderton Capital (May 2020)
Countingup (Banking) Successful £6.9 million Series 2 funding round, led by ING Ventures (May 2020)
Banked (Payments) Successful £3.5 million Seed funding round, led by Force Over Mass Capital (May 2020)
Alpian (WealthTech) Successful £112.9 million Series A funding round (May 2020)
N26 (Banking) Successful US$100 million Series D funding round, led by Valar Ventures and Ternary Holdings (May 2020)
LixHub (Open banking) £4.7 million debt financing from Barque Raiffeisen, BGL BNP Paribas, Post Luxembourg and Softlyness (May 2020)
Flagstone (Cash deposit marketplace) Successful £12 million Venture funding round, led by Dames Ventures (May 2020)
Finem (Entrepreneur / freelancer banking) Successful £7.7 million Series A funding round (April 2020)
TransFICC (Trading) Successful £4.5 million Series A funding round, led by Target Group (May 2020)
Youa (Online trading) Successful £2.9 million Series A funding round, led by Albyon VC (April 2020)
Auren (SME lending) Successful £5.7 million Series A funding round, led by Tyeb Merchant Capital (April 2020)
Sila (Payments) Successful £5.9 million Series A funding round, led by Blue Somehow Partners (April 2020)
Maroo Pay (Payments) Successful £15.7 million Series A funding round, led by Global Founders Capital (April 2020)
PayBy (Payments) Successful £8.7 million Series A funding round, led by Main Incubator and Forest Capital (April 2020)
Privitar (Data privacy) Successful £10 million Series C funding round, led by Warburg Pincus (April 2020)
Yapily (Open API) Successful £15 million Series B funding round, led by Visa, FIS and Founders Fund (April 2020)
InvestSuite (WealthTech) Successful £2 million Seed funding round, led by PMV (April 2020)
Indo (Banking) Successful £5 million Seed funding round, led by IVS (April 2020)
Goodlord (Proptech) Successful £10 million Series B funding round, led by Latitude Ventures (March 2020)
Paynetics (Payments) Successful £2.5 million Series A funding round, led by RaineMarc Frey and Lightlinking (April 2020)
Airvalley (Payments) Successful £160 million Series B funding round, led by Abu Dhabi Ventures and Salesforce Ventures (April 2020)
Credit Kudos (Open banking) Successful £5 million Series A funding round, led by AlbyonVC (April 2020)
AMNIS (Payments) Successful Series A funding round, led by Spacehaus Partners (April 2020)
Ramp (Corporate credit cards) Successful £50 million Series A funding round, led by Visa, BNP Paribas, SBI Group, Sami Commercial Bank and Intercontinental Finance Corp (January 2020)
AlphaCredit (SME lending) Successful £4.5 million Series A funding round, led by CapitalG (February 2020)
Concur (SME lender) Successful £1 million Series A funding round, led by ICiciBank (February 2020)
Revolut (Payments) Successful £150 million Series D funding round, led by Draper Esprit (March 2020)
Egnyte (Software development) Successful £5 million Series A funding round, led by Global Founders Capital (March 2020)
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Bolero (Financial services) Successful £10 million Venture funding round, led by Lloyds Group and Hess Capital Partners (March 2020)
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Direct equity investment:  
- Trustly (Payments): €30m equity investment by Mercury TFS (Trade finance) (February 2020)  
- Nordic Capital (March 2020)  
- Nordic Capital (Trade finance) (March 2020)  
- Revolut (SME customer marketing JV) with Santander (Banking) (March 2020)  
- Encompass (EU cloud alliance) (March 2020)  
- Trustly (Payments): €93.5m equity investment by Nordic Capital (Banking) (February 2020)  
- Revolut (SME customer marketing JV) with Santander (Banking) (March 2020)  
- Encompass (EU cloud alliance) (March 2020)  

ICOs/Cryptocurrencies  
- Tinkoff (Banking):  
  - Series A funding round for Banxa (February 2020)  
  - Series A funding round for Copper (February 2020)  
  - Participation in Series B funding round for Crypto.com (February 2020)  

Support for crypto  
- Lingfeng Capital  
  - Participation in US$145 million Series B funding round for Crypto.Finance (April 2020)  
- Galaxy Digital  
  - Participation in US$8 million Series A funding round for Coinbase (February 2020)  
- Taurus  
  - Participation in Series A funding round for Taurus (April 2020)  
- SIX  
  - Equity investment in Omnest (February 2020)  
- Wells Fargo Strategic Capital  
  - Participation in Series B funding round for Elliptic (February 2020)  

Regulatory intervention:  
- Over optimism:  
  - RBS (Banking): Shutdown of digital retail challenger bank Bó (May 2020)  
  - Funding Circle (P2P): Scaleback from Netherlands and Germany (March 2020)  
- Institutional (JVs):  
  - Seba  
    - Tokenisation JV with Tokanoid (May 2020)  
  - Balb  
    - Launch in Apple App Store and Google Play Store (April 2020)  
  - Julius Baer  
    - Digital asset custody and crypto transaction solutions JV with Seba (January 2020)
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