

Innovalue #payments

INSIGHT | OPINION

INNOVALUE

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Apple Pay: Taking a bite out of payments



Christina Cordes,
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the start (usually merchants who already accepted NFC). Furthermore, Apple announced significant bank partnerships with Bank of America, Capital One Bank, Chase, Citi, Wells Fargo and others which together represent about 83% of the US credit card purchase volume.

For now, Apple Pay is a solution for the US market only. In Europe, Apple will face more

Following months and weeks of extensive speculation and leaked rumours, the new iPhone 6 with its feature Apple Pay has finally been presented on 9th of September.

To be frank, Apple Pay is not revolutionary. It is evolutionary as Apple uses the existing payment ecosystem and partners with established players. Also, none of the ingredients of Apple Pay are new but this seems to be the first recipe that people like and want. Obviously, this is due to a multitude of reasons, starting with a good (simple!) user experience. At the POS, the user holds his iPhone 6 against an NFC terminal just as any other contactless payment card and authorizes the payment with the fingerprint scan on the Apple home

button. That's it. The innovation and lifestyle oriented Apple user base will push "their" solution, especially in the US market where the company has a market share of around 40%.

However, a good mobile payment solution on the customer side is basically worthless if there are no POS acceptance points on the merchant side. The terminal infrastructure in the US is far from being mobile ready as only about 5% to 10% of POS terminals are NFC-enabled. However, Apple, as a highly influential brand, gained several lighthouse merchants accepting Apple Pay right from

"Apple Pay is not revolutionary. It is evolutionary."

complex challenges. First of all, Europe is more fragmented and has several markets with only a low penetration rate of NFC enabled POS terminals - at least for now. Furthermore, Apple has a lower market share in a lot of European countries compared to the US. Finally, the banking landscape consists of thousands of banks with only very few pan-European players. A multitude of these banks have to be won as partners to gain a significant share of the market.

Apart from the aforementioned challenges, an overall threat for Apple Pay might ▶

Apple Pay is a trademark of Apple Inc.

TABLE OF CONTENTS

Apple Pay: Taking a bite out of payments

Apple Pay: Is this the mobile payment solution the world waited for? Christina Cordes, Kalle Dunkel and Mirko Krauel give their opinion on Apple's latest feature Apple Pay and its impact on the (mobile) payment ecosystem. **p1**

Future sourcing strategies for the technical processing of credit cards

When taking current market developments into account, Steven Jacob and Jan Lettow come to the conclusion that an in-house sourcing model for the technical processing of credit cards could be an interesting perspective for certain issuer. **p2**

Monetizing available online data through credit and risk scoring

What are future sources for credit and risk scoring? Niels Deneffeh gives an overview on how social media data and real-time information can act as a new source for scoring. **p3**

Public market valuations and the market environment

Public companies in the payments universe have only seen small share price increases during the second quarter. Markus Massem takes a look at valuation drivers and benchmarks the different groups within the payments universe. **p5**

M&A Activity

What are current drivers of M&A activity? Which transactions made headlines in the 2nd quarter of 2014? What are recent takeover rationales? Andreas Haber-seitzer and Robert Kayser answer these questions. **p6**

VC Activity

Yet again the Innovalue team reviews the latest payment startup funding activity (Q2 2014). What are current product or service innovations for investors, and what are the global investment trends within the payment ecosystem? **p8**

be the most recent security breach Apple had to face. The recent iCloud hack has shaken consumers' confidence in Apple's security. This and generally higher (data) security concerns of many Europeans may lead to lower implementation rates of Apple Pay or higher marketing efforts to promote the solution's security.

All in all, we hold the opinion that Apple Pay is a serious accelerator for the development of NFC payments based on the traditional payment ecosystem in general and mobile payments in particular. In this specific case we believe: there is life in the old dog yet! NFC has been declared dead by many over and over again but in the end, with Apple, the line of supporters has been fortified (e.g. Google, Schemes, Banks, Acquirers). Due to this, we believe that startups and other initiatives solely focusing on

Facts & Figures Apple Pay	
Payment Scope	<ul style="list-style-type: none"> Channels: POS payments + inApp/online Partners: Traditional payment schemes (MC/Visa/Amex) & Banks Card Types: Credit (+ debit) cards are supported
Solution	<ul style="list-style-type: none"> Devices: iPhone 6 or min. iPhone 5 + Smart Watch Approach: Wallet-approach via Passbook, one default card for fast processing Express Check-out: for inApp/online payment prefilled forms enhance user experience and decrease shopping basket abandonment Onboarding: Take a picture of the credit or debit card and it is stored automatically
Technology & data security	<ul style="list-style-type: none"> Hardware: iPhone embedded secure element (no SIM/UICC as a SE for now) Software: Tokenization (SE stores payment tokens, card details in a separate payment cloud) Transmitting technology: NFC Authentication: Fingerprint Privacy: Payment data stays with customer/bank, not Apple/merchant
Timeline & markets	<ul style="list-style-type: none"> Date: Out in the US in Oct. Geography: Other regions such as Europe to be announced

alternative, proprietary payment systems are under serious pressure. It will be interesting to observe how large and generally powerful

initiatives such as MCX will react and position themselves in the mobile payment game.

Future sourcing strategies for the technical processing of credit cards



Jan Lettow,
Senior Associate



Steven Jacob,
Principal

Issuers in the German payment market face substantial challenges: regulatory interventions, changing customer behaviour as well as new competitors in the important E-Commerce market force traditional players to adopt their business model and reduce the cost base in order to maintain competitiveness.

An often mentioned option to maintain profitability lies in the technical processing, which reflects 15-25% of the overall issuing cost base, as past outsourcing initiatives achieved savings of up to 60%. When evaluating the potential a distinction between debit and credit cards needs to be made.

The debit card is and always will be regarded by banks and perceived by customers as the product necessary to access

the current account. Its processing services are historically dominated by in-house operating models. The distribution of the debit card as a bundle product without differentiating features forced banks to reduce the unit costs to a minimum. As a result, the IT systems were operated without significant re-investments and technical changes were usually driven by mandatory regulatory requirements or the schemes. In contrast to credit cards, the largely fixed costs of the technical account-keeping and clearing & settlement are allocated to a much broader revenue

base since the current account is also being processed on these systems.

In consequence, differences in the costs per card of up to 95% are not uncommon when directly comparing the technical processing of debit and credit cards. There are three main drivers for this difference:

1. Low level of innovations leading to low investment requirements
2. Low complexity through reduced functionality
3. Economies of scale from integration with the core banking systems



In contrast, the technical processing of credit cards in the German and several other European markets is usually outsourced to specialized vendors. These specialists handle the technical processes on multi-client platforms which are almost completely detached from the core banking systems. Changes on these platforms occur frequently: new card programmes are set up, old card programmes are decommissioned, new functionalities are introduced, regulatory changes are implemented, etc.

Even though the outsourcing to vendors with an appropriate IT competency has created redundant card and account processing platforms, it pays off in the opinion of banks for the following three reasons:

1. Short time to market for technical changes
2. Ability to manage the existing and further growing complexity
3. Low unit costs under consideration of the complexity

For many German issuers, the currently discussed interchange cap reduces the revenues by up to 70%. The recovery of the current levels of profitability will not be feasible through classic cost reduction measures but will require the adjustment of the credit card business model. In our opinion, two distinctly different business models will be established:

1. "Plain vanilla" credit cards: banks reduce the functionality of the credit cards to an

absolute minimum. This might lead to credit cards with close to daily settlement, no separate billing, no value-added services and no more technical / optical design features of the plastic. Through these measures the credit card will in essence become a debit card with the benefit of global acceptance, usability for E-Commerce and buyer protection in the context of chargebacks.

"Differences in the costs per card of up to 95% are not uncommon when directly comparing the technical processing of debit and credit cards."

2. "Full service" credit cards: by contrast, banks with a niche- / differentiation- product strategy maintain or even increase the level of functionality of the credit card. However, the costs will have to be largely allocated to consumers or covered by other revenue sources.

Following the "plain vanilla" model, the essential question is, whether the card needs to be processed on a separate and redundant technical platform. "Plain vanilla" cards are comparable to debit cards. As a consequence, the technical processing could be migrated to the technical basis of the debit

cards. This is technically possible, as the new core banking platforms often already offer card processing functionalities. In addition, this step could enable a holistic view of the customers and dissolve the purely technical induced separation of credit card and customer data.

Necessary for the successful execution of this strategy is the management commitment on treating "plain vanilla" credit cards in the spirit of debit cards. At the centre of this are the mentioned success factors for the low-cost production of debit cards. The credit card product will, in conclusion, become "boring" and tied closer to the current account. If the commitment is provided, the existent processing platform of debit cards offers significant cost advantages and removal of redundancies in the account and card management systems.

Credit card issuers should start investigating this option. We currently believe that the interchange cap will become effective at the beginning of 2016. In order to secure their business, each issuer will need to answer the question how the business will be set up / combined along the two outlined models. This fundamental decision must then be executed in all required aspects, including a potentially necessary re-adjustment of the IT strategy

Monetizing available online data through credit and risk scoring



Niels Deneleh,
Senior Associate

Scoring dominated by a few

Credit scoring has been historically dominated by a small number of players. In contrast to transaction-based fraud scoring, credit scoring is a very domestic market. Traditional credit agencies gather extensive amounts of data using standardised interfaces to

financial institutions such as banks, to for example check the number and balance of active checking and/or saving accounts, number of active credit cards, volume of cur-

"Nevertheless, it is yet to be seen how reliable credit and risk checks are, when only 'social data' is used for the respective scoring, or whether 'social data' will only be an add-on."

rent lending and payback rates. In addition, these agencies also collect the payment history from utility companies, mobile carriers or

other companies to which the consumer has to make regular recurring payments. International scale is limited in this market because the agencies have to maintain various local

data interfaces and comply to varying national data disclosure and protection regulations.



Even though these credit agency checks have been transformed to respond to requests in real-time through XML based APIs, most data points are based on static and historic information. Real-time information on device identity, social media activity or geo-location data is typically not included the credit checks of e.g. Germany-based Schufa and Creditreform or international players such as Equifax or Experian.

Social media data and real-time information as new source for scoring

As more and more information on individual consumers or business and their specific behaviour can be found online, a significant number of start-ups have made attempts to use these data points to optimise their credit

and risk checks. Companies such as Affirm, Kabbage, Kreditech, Lenddo, or ZestFinance all consider data points gathered from consumers online into their credit and risk checks (check our VC Activity for recent funding rounds from Affirm, Kabbage and Kreditech in Q2/2014).

The US based start-up Lenddo, for example, uses the consumer's activity on social networks such as Facebook, Twitter or LinkedIn to derive the consumer's credibility. Not only the activity itself, which shows that the consumer is active and existent, influences the score but also the connections one consumer maintains to other users on the social network and their respective credit rating, if they are active Lenddo customers. An example of business lending is Kabbage, the working capital provider for small- and

medium-sized business that makes the assessment of at least one e-commerce or accounting site mandatory (e.g. eBay, Amazon account) when signing up in a credit application process. In this assessment, Kabbage can review actual sales performance on e-commerce sites and determine the required working capital for the applicant.

Other companies simply verify inputs from application forms with e.g. geo-location data or statements made on social networks in addition to traditional checks through credit agencies or company registers. These verification checks can answer the following questions, for example:

1. Does the applicant really live in New York City? Via: exemplary checks of geo-location data, IP checks or stated city within Facebook or LinkedIn
2. Does the applicant have a regular income? Via: exemplary checks for recent job status updates on LinkedIn

Or specifically for fraud prevention:

3. Does the shipment address exist or is it in a residential area? Via: checks through Google maps/street view
4. Is the user frequently changing his device? Via: checking for a unique device ID, or multiple devices used

Outlook and expected development

Recent developments show that more and more online companies such as PSPs, e-wallets, e-commerce sites include the above-mentioned data points into fraud, risk or credit checks. The ease of accessing this data and the effectively non-existent costs (when not using an intermediary service provider), provided that all necessary consumer opt-ins are made, have enriched "social data" significantly. Nevertheless, it is yet to be seen how reliable credit and risk checks are, when only "social data" is used for the respective scoring, or whether "social data" will only be an add-on. Therefore, I do not expect "social credit scoring" to completely replace "traditional credit scoring" within the next five to ten years, but I see significant potential for companies to apply new scoring techniques. Any company that either has data (scientist) talent and significant amounts of data such as payment transaction history, browsing history or purchase history could move into this space and build a "Scoring as a Service" proposition for other businesses.

Public market valuations and the market environment



Markus Massem,
Senior Associate

The public companies captured in our payments universe (see end of article for composition) have seen a small increase in trading levels over the past quarter ending June 30th, with most of them underperforming the S&P500. "Processing" outperformed the other payment buckets with an 8% increase over the period, driven by Cielo (+25%) and Euronet Worldwide (+11%). The two underperformers over the past quarter ending June 30th were Digital River (-13%) and Ingenico (-7%), which have seen bumpy rides as opposed to meaningful one-off drops.

The overall market continues to trade near record levels with the Dow Jones, the FTSE100 and the DAX reaching all-time highs in June and early July, even though the indices have fallen since then. The Eurostoxx600 is still trading below levels seen in mid-2007. A significant catalyst for stock market movements will revolve around the ability of firms to continue delivering upbeat corporate news and results, and more importantly the Federal Reserve's decision on keeping interest rates low.

The valuation multiples of the payments universe for the calendar year 2013 (EV/Revenue CY13 and EV/EBITDA CY13) have seen a slight expansion over the course of the last 3 months ending June 30th, in line with the rise of stock prices. The PSP/Online payments peer group trades at a premium to the wider payments universe given strong growth and ongoing margin expansion. Cielo has seen the strongest increase, trading at 20.4x EV/EBITDA CY13 as of June 30th, significantly above the "Processing" median of 12.5x EV/EBITDA CY13.

The payments universe (alphabetical order):

Acceptance:

Global Payments, Ingenico, PayPoint, Vantiv, Verifone

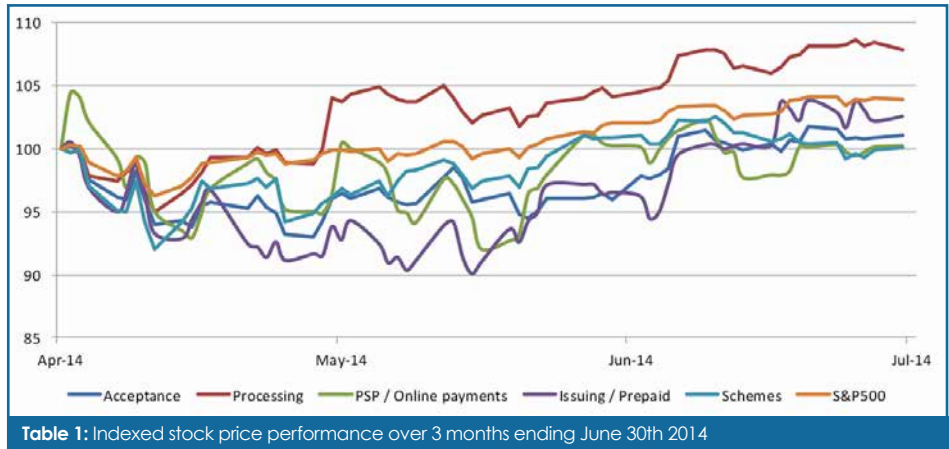


Table 1: Indexed stock price performance over 3 months ending June 30th 2014

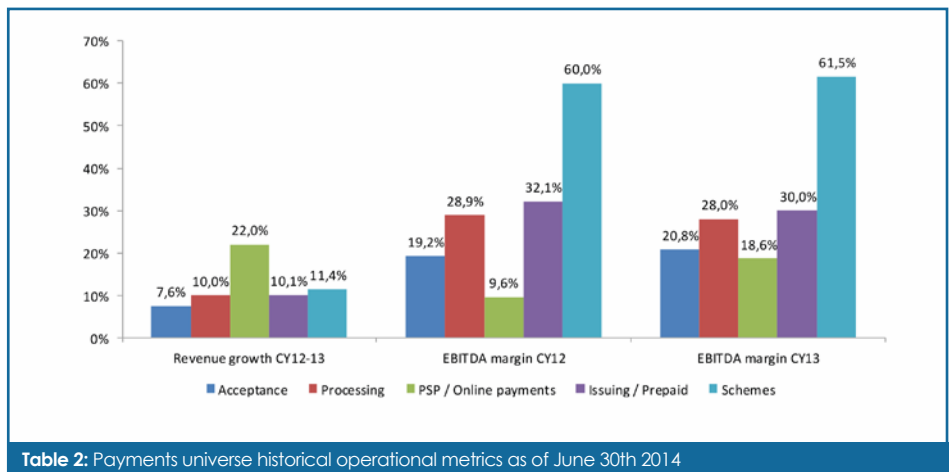


Table 2: Payments universe historical operational metrics as of June 30th 2014

"The PSP/Online payments peer group trades at a premium to the wider payments universe given strong growth and ongoing margin expansion"

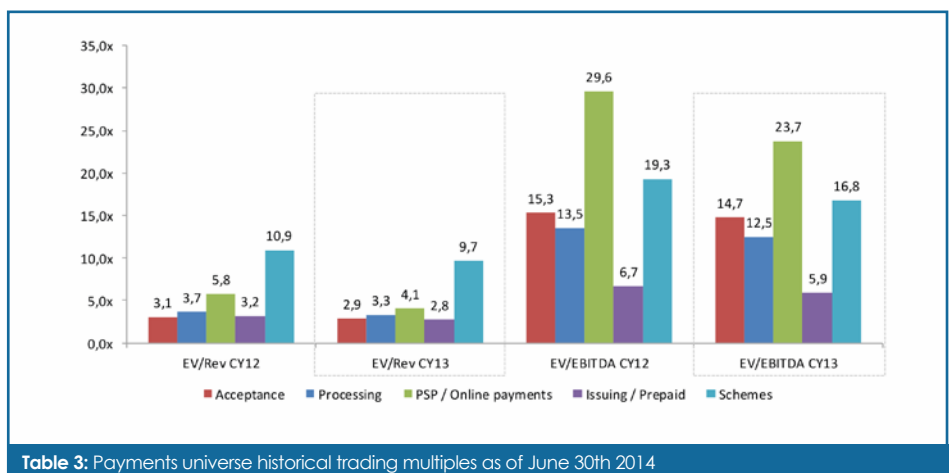


Table 3: Payments universe historical trading multiples as of June 30th 2014

Processing:

Cielo, Euronet Worldwide, FIS, Fiserv, Heartland Payment Systems, Total System Services

PSP/Online payments:

Digital River, Optimal Payments, Wirecard

Issuing/Prepaid solutions:

Green Dot, Wright Express

Schemes:

American Express, Mastercard, Visa

Sources: Innovalue research and company filings; Google Finance for share price data

M&A Activity



Andreas Habersetzer,
Partner



Robert Kayser,
Associate

Benign capital markets have facilitated thriving M&A development in the international financial industry. A total of 46 transactions have been reported with a total volume of USD 8.3 billion being disclosed. Among all those deals, AtoS' divestiture of Worldline, the unexpected sale of Mercury to Vantiv as well as KKR's private placement of FirstData have been outstanding deals.

M&A activity and deal characteristics

A total of 46 M&A transactions were announced in the second quarter of 2014. This represents a 100 per cent increase over the 23 deals announced in the same period of 2013. The financial terms of 13 transactions, with a total volume of USD 8.3 billion, were disclosed. This quarter's highlight is the sale of Mercury Payment Systems to its competitor Vantiv, in particular in relation to the industry players' ambition to become provider of fully integrated payment services. Vantiv and Mercury said they expect to see this space grow to account for 30 per cent of all payment processing by 2017. Other areas where Vantiv hopes to benefit include Mercury's EMV technology and additional scale to its business dealer penetration. Overall, Vantiv expects that the purchase will add one to two percentage points to its revenue growth per year. Surprisingly, the acquisition was made public while Mercury pondered its own IPO. As described in our last issue, Mercury had already filed papers proposing an IPO that could have generated USD 100 million in revenue for the company. Another exciting deal

concerns payment processor FirstData. In our 2014 annual outlook, we included the company in a narrower group of potential IPO candidates. Private equity firm KKR made use of friendly capital markets and led a USD 3.5 billion private placement for FirstData to repay debt and strengthen its balance sheet. The placement was preferred to an IPO due to the fast process and the urgent need for relief. KKR acquired FirstData in 2007, but due

"The fact that an increasingly larger percentage of capital is coming from Europe and Asia is also owed to the fact that the financial industry players are gradually seeking representation on international markets."

to its heavy load of debt (USD 23 billion as of 30 April 2014) and the pullback in consumer spending during the recession, the company has not been profitable since that time. The infusion of capital, of which more than USD 2 billion was provided by new investors, will help FirstData to reduce annual interest expense by USD 375 million.

Traditionally, multiples paid in transactions vary widely and reflect the different degree of maturity and respective growth rates and profitability levels of the firms acquired. The acquisition of Mercury equates to a multiple of 17.7x EBITDA or 7.0x revenue. Relative to prior deals in similar size EBITDA and revenue multiples indicate a lower degree of maturity of Mercury (e.g. Nets/Advent: 12.9x EBITDA; OpenText/GXS: 7.8x EBITDA). Pow's acquisition of MPayMe for USD 75 million equates to a multiple of 2.5x revenue. WEX paid 7.6x Pay Evolution1's revenue in an acquisition valued at USD 532.5. The enterprise/revenue multiple

for Intuit's USD 360 million acquisition of Check is approximately 18.0x.

Geographically, 52 per cent of the targets were based in North America (Q2/2013: 61%), followed by 33 per cent in Europe (Q2/2013: 26%) and 11 per cent in Asia/Pacific. The rest of the world accounts for the remainder. In our last issues, we continuously observed cross-border deal activities. The fact that an increasingly larger percentage of capital is coming from Europe and Asia is also owed to the fact that the financial industry players are gradually seeking representation on international markets. UK-based Spire Payments acquired Russian processor Altius Plus to accelerate growth in an emerging market. Brazilian Cobre Bem Tecnologia, an online payment processing provider, was sold to US-based Worldpay. The acquisition enhances Worldpay's portfolio of service offerings, and also strengthens its customer base and market presence in Latin America. Additionally, Austria Card (LYKOS Group) acquired the Turkish personalization expert Provus Kart, thereby making a crucial step to further increase its market share in Turkey and the neighboring eastern European countries

Key drivers and rationale of M&A activity

In terms of mounting product portfolio diversification there are some interesting transactions. Wex, a leading provider of corporate payment solutions, enhanced its portfolio of service offerings in the healthcare payment sector with the acquisition of Evolution1. The payment system within the healthcare industry involves several parties (consumers, providers and payers, with employers and exchanges as intermediaries) that Wex targets to connect and thereby address a market of almost USD 1 trillion dollars of annual spending. Also of interest is the acquisition of Markco Media by Monitise for USD 93.4. Monitise, a mobile banking and payment technology



solutions provider, continued its expansion efforts. After the acquisitions of mobile payment providers ClairMail (2012, USD 173.6 million) and Pozitron Yazilim (2014, USD 98 million), the company puts its focus on mobile commerce. Monitise is planning to integrate Markco's discount voucher site MyVoucherCodes.co.uk into its Buy Anything mobile commerce product offering. Along the same lines, MasterCard acquired Pinpoint in Australia. The transaction enhances MasterCard portfolio of reward program offerings and expands its presence across Asian Pacific regions. Financial terms of the deal have not been disclosed.

Regarding banks, Swedish SEB continued current banking ambitions to divest from payment assets. The bank sold Euroline, a card acquiring provider, to Nordic Capital in a deal valued at USD 331 million. Through the disposal SEB aspires to focus on bank activities in core areas. SEB declined to further meet heavy investment in technology required by regulatory changes and rapid technological developments which force card acquiring business to gain larger scales. However, Banco Santander took a step back from the divesture strategy with the acquisition of

Brazilian GetNet. The transaction value was disclosed at USD 490.1 million. Through the acquisition, Banco Santander gets access to Brazil's USD 300 billion card payment processing industry where GetNet has a market share of 6%. It also emphasizes Banco Santander's goal of winning market share in merchant acquiring.

Development of acquisitions in the area of data analysis and technology development are striking. During the last twelve month, deals have quintupled (Q2/2014: 10 deals). This quarter, the friendly merger between Steria and Sopra for USD 1.6 billion has been the most prominent. Both companies need to increase scalability in their business to survive ongoing consolidation as well expand international focus where competitors such as Atos or IBM are better positioned. Other deals in this area include Bottomlines Technologies' acquisition of Andera or the purchase of Run the red by Pushpay. Through the acquisitions, the new owners secured access to innovative technologies that they had been previously lacking.

Concerning the current market atmosphere the traditional saying "Sell in May and

go away" might not be heeded by investors this year. Stock exchanges climbed to new all-time highs. Traditionally, this is a decent opportunity for companies to go public. Cnova, an e-commerce subsidiary of French retail company Casino with nearly USD 4 billion in annual sales, filed for an initial public offering (IPO). It is the third international e-commerce company filing for an IPO, following JD.com and Alibaba. In addition, French payment processor Worldline is set to be split off by its parent Atos in an IPO valued at USD 830 million. Atos will retain a stake of around 70%, valuing the business at about USD 3 billion. With the divesture of the payments unit Atos will focus on areas such as cloud computing, or technology that allows data to be accessed remotely via the Web. Worldline will use the proceeds to seek acquisitions in Europe and spend up to USD 1.4 billion for deals. With the expansion, Worldline will further foster its business to a changing regulatory environment as well as the growing convergence of digital and mobile payments.

Sources: Bloomberg, Mergerstat, Reuters, WSJ, company publications

VC Activity



Moritz Cremer,
Associate

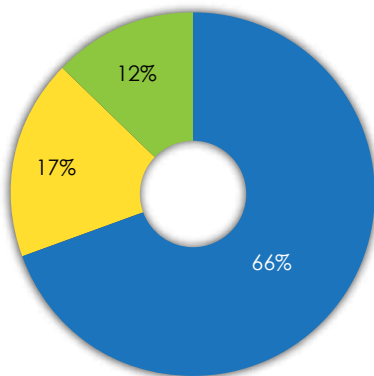


Joris Wetzel,
Associate

Funding Activity

Once again: the funding activity of the second quarter of 2014 exceeded the year's first quarter and therewith becomes the most active quarter since we began reporting on it in this newsletter. A total of 95 funding rounds were recorded, accounting for a total (disclosed) volume of USD 1.54bn in equity and USD 203m in debt financing. Funding volume per round was on average USD 18.4m – an increase of approximately 27% compared to the previous quarter.

Funding Activity by Region
95 funding rounds



- North America
- Europe
- Asia

The largest disclosed equity funding in Q2 was announced by mobile payments platform Mozido. In this Series A funding round, a group of non-disclosed investors invested USD 103.5m in private equity into the 2005 founded startup. Mozido offers – on a white-label basis – a cloud-based mobile payment platform allowing mobile network operators, financial institutions, retailers and brands to provide their customers with mobile wallet, point-of-sale, marketing and analytics solutions. Mozido mainly wants to grow in markets that show high numbers of unbanked individuals with access to mobile phones – like Latin America and Southeast Asia. As stated by



Mozido, worldwide 2 bn individuals use a mobile phone but do not have a bank account, which is why the mobile phone should be the medium of choice to conduct payment transactions. Their mobile payment platform, built on a stored value account, allows funding from a bank account, a debit card, credit card or prepaid card as well as cash funding as an option. Currently Mozido is operating in the US, Mexico, Central America, the Caribbean, the Middle East and South-east Asia. The new funding will be used to proceed with the ongoing expansion into new markets.

US-based student-focused P2P lender SoFi announced the second largest funding in Q2. The USD 80m Series C financing round was led by the hedge fund Discovery Capital with participation of SG VC, Wicklow Capital,

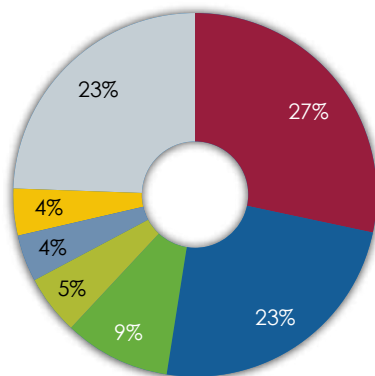
Peter Thiel, DCM, Renren Inc. and Baseline Ventures bringing SoFi's total funding up to USD 566.2m. SoFi provides students with P2P loans. The startup offers loans for reduced rates and combines it with a platform for career advice. The rationale for the fresh funding can be seen in SoFi's plans to expand its lending operations to mortgages and personal loans.

This quarter's payment celebrity Square achieved to receive debt funding of USD 100.0m by Morgan Stanley, Goldman Sachs, Silicon Valley Bank, Barclays Capital and JPMorgan Chase & Co to further invest into its mobile payment solution. The startup will use the new debt financing to fund further growth, as it expects sales to approach USD 1bn this year.

Investment Trends

Financial marketplaces continued to take the spotlight in Q2 funding rounds after an already fulminant start in Q1. No less than 27 funding rounds were recorded (14 Q1), amounting to a total volume of USD 496.6m total disclosed equity funding (USD 325m Q1). The term financial marketplaces refers to ventures where the business model is focused on enabling cash flows from one party to another – in a sense that the provider facilitates the flow of funds for equity and debt capital from peer-to-peer, business-to-consumer and consumer-to-business. Examples include US-based small business lender “OnDeck”, UK-based online pawnshop “borrow” and

Funding Activity by Segment
95 funding rounds



- Financial Marketplace
- Financial Services
- OnlinePayment
- Virtual / Crypto Currency
- Big Data / Payment Analytics
- Couponing / Loyalty
- Others

Rocket Internet's German-based P2P loan marketplace “lendico”. This trend was especially booming in North America with 17 out of the 27 ventures being US based – collecting USD 382.2m and therefore 77% of all equity invested in this segment. The trend is nurtured by continued funding rounds to provide funds for further reinvesting at every stage – including three seed rounds as well as two USD 50m debt funding rounds. The total equity invested in financial marketplaces that received funding in Q2 totals an astounding amount of USD 1.89bn through the close of Q2.

As already mentioned, this quarter's highest funding in the segment is “SoFi”. The second largest funding comes from Francisco Partners, Phenomen Ventures and Institutional Venture Partners as a USD 70m private equity round for US-based “Prosper”. Prosper was

founded in 2006 and facilitates a peer-to-peer lending that includes social scores and group affiliation criteria. Also worth mentioning is the slightly lower USD 65m equity funding of P2P lending trailblazer “Lending Club”, who managed to score a USD 50m debt funding at the same time. The private equity round was led by BlackRock, T. Rowe Price and Sands Capital Ventures.

The second remarkable investment trend is the volume of venture funding that was poured into personal financial investment advisory and optimization – technology-based wealth management. These services are online platform-based services helping individuals to organize their savings. They are aimed at providing advice regarding investment decision-making and the optimization of the personal financial situation. They are trying to disrupt the traditional financial management market with lower fees and a more flexible, technology-enabled approach. In total, 6 related equity funding rounds were recorded in Q2, accounting for a total disclosed volume of more than USD 120m in equity funding.

Palo Alto-based company Wealthfront, provider of individual investment plans and portfolio decisions, accounts for the segment's largest funding. They closed a USD 35.0m series C round, led by Index Ventures and Ribbit Capital.

The second largest funding was received by Betterment, an online investment company also delivering personalized financial advice. Betterment has raised USD 32m in equity funding in a Series C round by attracting Citi Ventures, Globespan Capital Partners and Northwestern Mutuals well as former investors to invest into its solution.

It can be expected, that this trend will further continue as in general the market for alternative investment platforms is getting traction.

We expect to see an increased funding activity in identity verification services in the future driven by regulatory and commercial initiatives to improve online security; whereas it remains to be seen if card-linked coupons will be able to take root as a transitional step towards integrated loyalty solutions.

The activity around crypto currency ventures has slightly slowed, with only 4 founding rounds in Q2 (8 Q1) but displayed an increased total funding volume of USD 69.2m (USD 55m Q1). The increase in total funding was mainly due to a USD 32.5m funding round for “Bitpay” led by Index Ventures, Richard Branson and Jerry Yang – with the goal to bring Bitcoin payments to online merchants.

In retrospect, last quarter's outlook on dormant payment trends correctly predicted an increase in identity verification services. We recorded a total funding volume of USD 85.6m in 4 different funding rounds – focus of investing activities remains on the US (4/4 funded ventures).

The “new kid on the block” remains to prove that it deserves to be called a trend – however, we do not ignore the fact that we recorded three early stage funding rounds in the area of direct/online banking amounting to USD 15.9m and with strong focus on Europe (namely: Osper, NUMBER26, Holvi). We are looking forward to see how this trend will develop further in this competitive market with many well established but slow-to-innovate players.



Venture Capital Activity & Company Profiles

Q2 2014

	Target (Country)	Round	Volume (USDm)	Investor(s)	Funding (USDm)	Description
1	QuarterSpot (US)	Venture Round	N/D	Aequitas Capital	N/D	QuarterSpot is an online lending platform that offers credits to SMEs.
2	Indiegogo (US)	N/D	N/D	Tom Jones, Maynard Webb, Max Levchin, Richard Branson, Webb Investment Network	N/D	Indiegogo is an US based and internationally active crowdfunding platform , for the funding of private campaigns and small businesses.
3	Equidate (US)	Seed	N/D	Structure Capital, Charlie Cheever	N/D	Equidate is a online equity market place that enables start-ups to trade their shares conveniently.
4	Payoneer (US)	D	N/D	Ping An	N/D	Payoneer is a corporate pay-out solution that facilitates international online payments to suppliers and service providers.
5	HyperWALLET (CAN)	Venture Round	N/D	Raymond James & Associates Inc., Primus Capital	N/D	HyperWALLET is a Canadian online payment provider and credit card issuers who's products evolve around its eWallet solution.
6	PayLease (US)	Venture Round	N/D	Francisco Partners	N/D	PayLease is a online payment provider that enables property managers to collect their resident's rent online and can be connected to their ERP systems.
7	PhilSmile (HK)	Seed	N/D		N/D	PhilSmile is a online money transfer service with focus on the Phillipino remittance market.
8	2C2P (SGP)	Venture Round	N/D	Global Payment Fund	N/D	2C2P is Thailand based Payment Service Provider with special focus on emerging markets in Asia and alternative payment methods.
9	Mozido (US)	A	103,50	N/D	122,20	Mozido offers a cloud-based white-label solution allowing mobile network operators to provide their subscribers with mobile wallet, point-of-sale, marketing, and analytics solutions.
10	SoFi (US)	C	80,00	SG VC, Discovery Capital, Wicklow Capital, Peter Thiel, DCM, Renren Inc., Baseline Ventures	566,20	SoFi is a P2P lending platform for student loans that combines reduced rate student loans and career advice.
11	Okta (US)	E	75,00	Altimeter Capital, Janus Capital Group, Khosla Ventures, Greylock Partners, Andreessen Horowitz, Sequoia Capital	155,00	Okta is a cloud-based identity management service integrating with existing directories and identity systems, as well as thousands of on-premises, cloud-based and mobile applications.
12	Prosper (US)	Private Equity	70,00	Francisco Partners, Phenomen Ventures, Institutional Venture Partners	189,90	Prosper is a peer-to-peer lending marketplace for up to USD 25k that includes social scores and group affiliation criterias to lenders.
13	Lending Club (US)	Private Equity	65,00	BlackRock, T. Rowe Price, Sands Capital Ventures	392,20	Lending Club is a web based investment platform that directly connects potential investors with very credit worthy borrowers.
14	2Checkout (US)	Venture Round	60,00	Trident Capital, Chicago Growth Partners	60,00	2Checkout is a global multi channel payments service provider that specializes in shopping cart plug-ins.
15	Swagbucks (US)	Venture Round	60,00	Technology Crossover Ventures	60,00	Swagbucks offers gift cards, loyalty points, and other rewards to its members for using their platform to search and shop for products, answer surveys, or play online games.
16	iZettle (SE)	C	55,50	Zouk Capital, Northzone, Index Ventures, Greylock Partners, Creandum, Intel Capital, Dawn Capital	86,70	Sweden based iZettle provides a hardware solution for the (mobile) acceptance of peer-to-peer and consumer to business card based payments.
17	Kabbage (US)	D	50,00	Mohr Davidow Ventures, BlueRun Ventures, Thomvest Ventures, UPS Strategic Enterprise Fund, Lumia Capital, The TCW Group, SoftBank Capital	103,70	Kabbage offers small and medium sized online retailers credit facilities for their working capital to finance the period between the sale and the consumer payment.
18	Addepar (US)	B	50,00	SG VC, David Sacks, Valor Equity Partners	65,80	Addepar is a cloud-based financial managment platform connecting an individuals data enabling to managing a complex global portfolio.
19	Affirm (US)	Venture Round	45,00	Nyca Partners, Lightspeed Venture Partners, Khosla Ventures	45,00	Affirm offers consumers a convenient way of purchasing online and offline , by separating the purchase from the payment and paymnet method.
20	Datalogix (US)	C	45,00	Institutional Venture Partners, Wellington Management	86,50	Datalogix measures the succes of online campaigns in offline sales uptakes by analyzing transaction data .
21	Wealthfront (US)	C	35,00	Paul Kedrosky, Marissa Mayer, DAG Ventures, Ali Pincus, Index Ventures, The Social+Capital Partnership, Ribbit Capital, Mark Pincus, Kevin Rose, Greylock Partners, Tim Ferris, Alison Rosenthal	65,50	Wealthfront is a service that provides individual investment plans and portfolio decisions, tailored to individual risk and maturity requirements.
22	Motif Investing (US)	D	35,00	Goldman Sachs, Norwest Venture Partners, Ignition Partners, Foundation Capital, Balderton Capital, Wicklow Capital, JPMorgan Chase & Co	86,00	Motif Investing is a social stock market platform that lets you invest in stock built around everyday ideas and broad economic trends.
23	Betterment (US)	C	32,00	Menlo Ventures, Bessemer Venture Partners, Anthemis Group, Citi Ventures, Northwestern Mutual, Globespan Capital Partners	45,00	Betterment offers its investors a cloud-based investment software to guide their savings plans and optimize investment gains.
24	Tidemark (US)	E	32,00	Tenaya Capital, Redpoint Ventures, Andreessen Horowitz, Greylock Partners, Silicon Valley Bank	93,40	Tidemark develops cloud-based financial analytics applications for enterprise performance management.
25	Ebury (UK)	Private Equity	30,60	Greylock Partners	36,20	Ebury offers online treasury services like risk management, currency conversion and metals trading to mid-sized corporate clients.
26	BitPay (US)	Private Equity	30,00	Index Ventures, Richard Branson, Jerry Yang	32,50	Bitpay is a PSP enabling merchants to accept online Bitcoin payments .
27	Taodangpu (CHN)	B	30,00	Northern Light Venture Capital, Heli Capital, BlueRun Ventures	31,00	Taodangpu (51dang) is an online pawn shop network that connects users with physical pawn shops in their region and facilitates peer-to-peer lending by using pawned goods as collateral.
28	LearnVest (US)	D	28,00	Northwestern Mutual, Accel Partners, American Express Ventures	69,00	LearnVest is a personal finance management tool that organizes all your finances in one place and gives you advice on how to improve them.
29	ShopKeep (US)	C	25,00	Matt Coffin, Tom Glöcer, Canaan Partners, Contour Venture Partners, TTV Capital, Tribeca Venture Partners, Thayer Street Partners	37,20	ShopKeep is an iPad based mobile acceptance and store management solution that integrates inventory management, payment processing and employee time recording.
30	TransferWise (UK)	B	25,00	Kima Ventures, Index Ventures, IA Ventures, Valar Ventures, Richard Branson	32,40	TransferWise offers online money transfer and remittance services with real time foreign exchange rates.

	Target (Country)	Round	Volume (USDm)	Investor(s)	Funding (USDm)	Description
31	CrowdRise (US)	Venture Round	23,00	Bezos Expeditions, CAA Ventures, Index Ventures, Spark Capital, Union Square Ventures, Fred Wilson	24,60	CrowdRise is a social fundraising platform for charitable institutions and individual fundraising events.
32	Dashlane (US)	B	22,00	Bernard Liatouf, FirstMark Capital, Rho Ventures, Bessemer Venture Partners	30,00	Dashlane offers a secure password management solution with integrated payment credential storage to simplify online payments.
33	Au FINANCIERS (IND)	N/D	21,00	IFC InfraVentures, Chrys Capital, Warburg Pincus	21,00	Au FINANCIERS provides via its money lending platform secured loans and advances to private persons and SMEs in semi-urban and rural India.
34	Swipely (US)	C	20,00	Index Ventures, First Round, Shasta Ventures, Pritzker Group Venture Capital	40,50	Swipely offers offline merchants payment processing of all major cards and big data services for targeted marketing campaigns and loyalty programs.
35	BitFury (US)	Venture Round	20,00	Jonathan Teo, Bill Tai, ZAD Investments, QueensBridge Venture Partners, Binary Financial, Crypto Currency Partners	20,00	BitFury is the leading bitcoin infrastructure provider and one of the largest miners of bitcoin.
36	Ibotta (US)	B	20,00	Netscape, Tom Jermolk, James H. Clark	20,00	Ibotta offers a mobile couponing app , which lets consumers save money when they shop by reading about products in advance .
37	Buzz Points (US)	N/D	19,00	Lead Edge Ventures, KEC Ventures, Greycroft Partners	19,00	Buzz Points combines loyalty for shopping at local merchants and services at financial institutions , by signing up and using your standard debit card.
38	Ondot (US)	Angel	18,00	N/D	18,00	Ondot develops fraud reduction software enabling consumer to have control over their credit, debit and other payment cards via their smartphones.
39	Sift Science (US)	B	18,00	Spark Capital, Union Square Ventures, Max Levchin, First Round Capital	23,60	Sift Science provides fraud prevention services for online merchants by usage of machine learning.
40	Fundbox (US)	A	17,50	Khosla Ventures, Vikram Pandit, Tom Glocer, Jay Mandelbaum, Emil Michael, SV Angel, LionBird	17,50	Small enterprises money lending company Fundbox offers business owners a way to fix their cash flow by paying their customer's outstanding invoices in advance.
41	Auxmoney (DE)	Venture Round	16,00	Foundation Capital, Partech Ventures	28,00	Germany-based Auxmoney provides an online peer-to-peer loan marketplace.
42	FutureAdvisor (US)	B	15,50	Y Combinator, Sequoia Capital, Canvas Venture Fund	21,50	FutureAdvisor is an online investment advisor for alternative investments managing portfolios for US citizens.
43	OpenGov (US)	B	15,00	Formation 8, Thrive Capital, Andreessen Horowitz	22,00	OpenGov offers a cloud-based financial management service to local governments enabling them to visualize and analyse their financial data.
44	Earnest (US)	Venture Round	15,00	First Round, Slow Ventures, Collaborative Fund, Maveron, Atlas Venture, Andreessen Horowitz	15,00	Earnest is a money lending platform offering merit-based personal loans to financially responsible individuals.
45	Patreon (US)	A	15,00	Stan Chudnovsky, Joshua Reeves, Danny Rimer, Danny Rimer, David Marcus, David Marcus, Sam Altman, Alexis Ohanian, Alexis Ohanian, CAA Ventures	17,10	Patreon is a crowdfunding platform offering subscription-based fundings to artists by their fans.
46	WeLab (HK)	A	14,00	TOM Group Limited, Sequoia Capital, Li Ka-shing	N/D	Hong Kong-based WeLab runs Hong Kong's first P2P lending platform WeLend.
47	Grameen Financial Services (IND)	Venture Round	13,50	Microventures	21,60	India-based Grameen Financial Services is a non-banking financial company active in money lending , adressing the rural poor and low income households.
48	BitGo (US)	A	12,00	Jeffrey S. Skoll, A-Grade Investments, Bitcoin Opportunity Fund, Eric Hahn, Bill Lee, Bridgescale Partners, Crypto Currency Partners, Liberty City Ventures, Founders Fund, Radar Partners, Redpoint Ventures	12,00	BitGo is a high security Bitcoin service provider that has a multi-layer security approach and enables secure Bitcoin wallets for consumers and enterprises.
49	SavingGlobal (DE)	A	10,20	Index Ventures	10,20	SavingGlobal brand "WeltSparen" is a financial management platform , connecting savers with the best retail deposit products from international banks.
50	The Currency Cloud (UK)	B	10,00	Notion Capital, XAnge Private Equity, Silicon Valley Bank, Anthem Venture Partners, Atlas Venture	17,00	The Currency Cloud's service creates transparency and offers cross border online payments with immediate currency conversion as B2B and third partie service.
51	PPDai (CHN)	B	10,00	Lightspeed China Partners, Sequoia Capital, Noah Private Wealth Management Centre	70,20	Shanghai-based PPDai is an online P2P money lending platform.
52	RevolutionCredit (US)	Venture Round	10,00	Accion	11,80	RevolutionCredit is a credit scoring platform helping lenders and consumers with the credit decisioning process.
53	91JinRong (CHN)	B	10,00	Matrix Partners China, Lightspeed Venture Partners	19,80	91JinRong is a Beijing based financial intermediary for that matches consumers needs with financial services in the retail banking segment.
54	Osper (UK)	Venture Round	10,00	Peter Jackson, Darren Shapland, Horizons Ventures, Index Ventures	11,20	Osper is a London based direct banking provider that is targeting kids and their parents via improved convenience and easy to handy allowance services.
55	Aver Informatics (US)	A	8,50	GE Ventures, GE Ventures, Drive Capital	11,00	Health information technology company Aver Informatics develops payment analytics software to bring transparency to confusing healthcare payments.
56	Wikifolio (AU)	B	8,20	Michael Altrichter, Lang & Schwarz, VHB Ventures, Speedinvest, Joerg Floeck	N/D	Wikifolio offers a alternative investment platform, enabling traders to turn their portfolios into financial products, called "wikifolios", which are then listed on the stock exchange Börse Stuttgart.
57	ID.me (US)	A	7,50	N/D	16,70	ID.me offers online identification services for shoppers to facilitate loyalty and discount programmes - e.g. for memebbers of military or students.
58	Treasury Intelligence Solutions (DE)	B	5,50	Zobit, Target Partners	5,50	Treasury Intelligence Solutions (TIS) offers SMEs and large enterprises a cloud-based platform for managing corporate payments and analysing financial performance.
59	WealthEngine (US)	B	5,10	Streamlined Ventures Novak Biddle Venture Partners	13,80	WealthEngine provides wealth intelligence solutions based on big data analytics for nonprofit organizations and financial services companies.
60	Yoyo (UK)	Seed	5,00	Wayra, Imperial Innovations, Firestart.co	10,00	Yoyo is a London-based mobile payment application where consumers earn loyalty points with every transaction they initiate with the Yoyo app.
61	DemystData (HK)	A	5,00	Errol Damelin, SingTel Innov8, Notion Capital, Arbor Ventures	5,00	Hong Kong-based software provide DemystData uses big data analytics to bring together information from various sources, helping financial institutions to optimize customer interaction.
62	SeedInvest (US)	A	4,20	Krillion Ventures, Scout Ventures, Great Oaks Venture Capital	5,20	SeedInvest is a US based equity crowdfunding platform that connects start-ups with professional and high net worth private investors.

	Target (Country)	Round	Volume (USDm)	Investor(s)	Funding (USDm)	Description
63	Vaurum (US)	Seed	4,00	Steve Case, Battery Ventures	4,00	Vaurum offers Bitcoin exchange and storage to financial institutions.
64	Fastacash (SGP)	Venture Round	4,00	Jagdish Chanrai, Jungle Ventures, Spring SEEDS Capital	8,50	Fastacash provides a international social money transfer service via desktop or mobile devices, giving users the ability to personalize send and receive requests through attached pictures, audio or video files.
65	Blue Tiger Labs (US)	Venture Round	4,00	Dave Baggett, Eniac Ventures, Haroon Mokhtarzada	4,00	Blue Tiger Labs developed a mobile community-based price comparison application enabling shoppers to find the best prices for their favorite brands at local stores.
66	Tango Card (US)	B	3,30	SWaN & Legend Venture Partners, Western Technology Investment, Allegro Venture Partners, Innovation Endeavors, FLOODGATE, SG VC	10,30	Tango Card created the Rewards as a Service™ API to enable companies offering their clients loyalty solutions .
67	Raising IT (UK)	Seed	2,70	Chris Mairs, Frontline Ventures, Episode 1	2,70	Raising IT is a provider of a white-label cloud based fundraising platform for nonprofits.
68	WealthForge (US)	A	2,50	SenaHill Partners, New Richmond Ventures	3,00	WealthForge is a B2B technology and service provider for online investment platforms and marketplaces.
69	PatientPay (US)	A	2,50	Mosaik Partners	6,50	PatientPay provides physicians and ist patients with an online payment platform to pay for treatments.
70	Flexion (UK)	Venture Round	2,50	Sixth Swedish National Pension Fund	2,50	Flexion offers in-app payments as well as add-based monetization and for mobile app developers.
71	EquityNet (US)	N/D	2,10	Proton Enterprises	2,10	EquityNet is a crowdfunding platform that connects startups and accredited investors to raise equity and capital for their business ideas.
72	Signifyd (US)	Seed	2,00	N/D	4,00	Signifyd provides is a SaaS-based fraud technology solution for online merchants.
73	BodeTree (US)	A	2,00	Greenline Ventures	3,40	BodeTree is a cloud-based financial management software synchronizing with common accounting software adressing SMEs.
74	NUMBER26 (DE)	Seed	2,00	Earlybird Venture Capital, Redalpine Venture Partners, Axel Springer Plug and Play Accelerator	2,00	NUMBER26 is a Berlin based direct banking provider that aims to redefine direct banking via improved convenience and easy to handy personal financial management services.
75	Capital Float (IND)	Seed	2,00	Aspada	2,00	CapitalFloat offers corporate loans and working capital financing for Indian SMEs via fast and convenient online scoring and application.
76	BlockScore (US)	Seed	2,00	Y Combinator, Boost VC, New Atlantic Ventures, Lightspeed Venture Partners, Khosla Ventures, Battery Ventures	2,00	BlockScore offerd innovative identity verification services and helps to minimize fraud in online transactions.
77	RealtyShares (US)	N/D	1,90	General Catalyst Partners, Savneet Singh, Greg Framke	1,90	RealtyShares facilitates collective realestate investments among professional and high net worth private investors.
78	Pockit (UK)	Angel	1,80	Simon Barklem, Ian Langley, Sir Alex Ferguson, Mark Newton-Jones, Denis Shafranik	3,50	Pockit provides a prepaid Mastercard and offers customers cashback deals with leading retail partners.
79	Bindo (US)	Seed	1,80	Vayner/RSE, Metamorphic Ventures, East Ventures, Gary Vaynerchuk	1,80	Bindo is a mobile point of sale solution , that further offers transaction analytics and ERP services.
80	TFG Card Solutions (US)	A	1,80	Mosaik Partners	N/D	TFG Card Solutions offers paperless payroll card solutions that can be integrated with any existing direct deposit system.
81	Holvi (FIN)	Angel	1,40	Speedinvest	2,70	Finnish Holvi offers disruptive and easy online banking servicesby combining small business tools, online payments and a convenient user experience with a traditional current account.
82	Procurify (CAN)	Seed	1,20	Nexus Venture Partners, BDC Venture Capital, Mark Cuban	1,20	Procurify provides a cloud-based procurement software solution for companies to manage company spending in real-time.
83	SupportPay (US)	Angel	1,10	TEC Ventures, Aspect Ventures, RPM Ventures, The Entrepreneurs' Club (TEC), Salesforce, Broadway Angels, Draper Associates	1,60	SupportPay ia a financial platform that automates child support payments and related expenses.
84	PayStand (US)	Seed	1,00	Cervin Ventures, Central Coast Angels, Serra Ventures, TIE LaunchPad	1,00	PayStand is an online payment service provider and Ecommerce enabler that offers acceptance of payments free of charge for merchants, and charges the consumer instead.
85	Tuition (US)	Angel	1,00	Richard Wolpert, Mohr Davidow Ventures, Rob Glaser, MESA+, AFSquare, Atom Factory, Neu Venture Capital, Launchpad LA, Rothenberg Ventures	1,00	Tuition is a financial management tool helping students to organize, optimize and manage their student loans and repayment plans.
86	Peerform (US)	Seed	1,00	Corproest Development	2,90	Peerform provides a P2P lending platform connecting lenders and borrowers for personal loans.
87	Satago (UK)	Seed	1,00	William Reeve, Edward Wray, BDMI, Emerge, AngelList	1,00	Satago is a financial management platform for freelancers and SMEs that automates accounts receivable by integrating with accounting software and automating the process of chasing their debtors.
88	FortunePay (IND)	Angel	1,00	GrowX Venture Management, Mumbai Angels, Kae Capital	1,00	Bangalore-based FortunePay offers e-payment platform, payment processing and other services to banks and merchants.
89	Bitpagos (US)	Seed	0,60	Boost Bitcoin Fund, Pantera Capital	0,73	Bitpagos combines Bitcoin and credit card acceptance via an easy to integrate online payment widget.
90	BuyNow WorldWide (US)	Seed	0,36	Invest Nebraska, FG Angels, Foundry Group, Boulder Ventures	0,36	BuyNow WorldWide provides an mCommerce app that lets consumers use SMS text messaging to instantly purchase products.
91	LendUp (US)	Debt		Victory Park Capital	64,00	The LendUp platform provides money lending services to individuals.
92	Lending Club (US)	Debt		N/D	392,20	Lending Club is a web based investment platform that directly connects potential investors with very credit worthy borrowers.
93	Square (US)	Debt		Morgan Stanley, Goldman Sachs, Silicon Valley Bank, Barclays Capital, JPMorgan Chase & Co	340,50	Square provides a hardware dongle turning regular smartphones into POS as well as apps for mobile payments and acceptance.
94	EyeVerify (US)	Debt		N/D	3,80	EyeVerify provides an eye print verification solution for mobile devices.
95	ID.me (US)	Debt		N/D	16,70	ID.me offers online identification services for shoppers to facilitate loyalty and discount programmes - e.g. for members of military or students.

Deal Activity M&A

	Date Announced	Target Company (Country)	TC Industry	Buyer(s) (Country)	Transaction value (USDm)
1	4/1/2014	Alfius Plus	Develops payment applications, terminal management systems, loyalty schemes, ticketing solutions and client server-based architectures within the payments industry	Spire Payments (UK)	N/D
2	4/1/2014	Andera	Provides online account opening and funding solutions	Bottomline Technologies (USA)	48.1
3	4/1/2014	Cetrel	Provides card payments processing services	SIX Group (Switzerland)	N/D
4	4/2/2014	ByAllAccounts	Provides intelligent data aggregation for financial services companies	Morningstar (USA)	28
5	4/7/2014	GetNet	Provides credit and debit card transaction services	Banco Santander (Brazil)	490.1
6	4/8/2014	Groupe Steria	Provides software development and computer services and solutions	Sopra (France)	1,583.1
7	4/8/2014	Banca Comercială Română	Provides ATM services	Euronet Services (Romania)	N/D
8	4/10/2014	Metaforic	Provides anti-hacking products to protect software applications	INSIDE Secure (France)	16.1
9	4/14/2014	Credit Management Solutions	Develops consumer credit automation and loan marketing software solutions to major financial institutions	Fidelity National Information Services (USA)	N/D
10	4/14/2014	Harlands Services	Provides direct debit and collections outsourcing and business processing support services	Transaction Services (New Zealand)	N/D
11	4/14/2014	MCS Software	Provides school food service and online payment solution	Heartland Payment Systems (USA)	N/D
12	4/16/2014	Pickie	Designs shopping applications	RetailMeNot (USA)	N/D
13	4/17/2014	Pinpoint	Provides loyalty and rewards services to financial institutions	MasterCard (USA)	N/D
14	5/5/2014	Cloudhashing.com	Provides software solutions for crypto-currency mining and transaction processing	HighBitCoin (USA)	N/D
15	5/5/2014	Cobre Bem Tecnologia	Provides online payment processing solutions	WorldPay (USA)	N/D
16	5/6/2014	Navinfo	Provides navigable map and traffic information	Tencent (China)	187.5
17	5/7/2014	Rangespan	Develops low risk way for retailers to grow and optimize their product ranges	Google (USA)	N/D
18	5/8/2014	Lettuce	Develops software to capture, track and process orders	Intuit (USA)	N/D
19	5/8/2014	Kippt	Provides social bookmarking service	Coinbase (USA)	N/D
20	5/13/2014	Mercury Payment Systems	Provides payment processing solutions	Vantiv (USA)	1,650
21	5/13/2014	Shoreline Business Solutions	Provides secure personalization services for payment cards	Gemalto (Netherlands)	N/D
22	2/21/2014	Simple (USA)	Provides online commercial banking services	BBVA (ESP)	N/D

	Date Announced	Target Company (Country)	TC Industry	Buyer(s) (Country)	Transaction value (USDm)
23	5/13/2014	Vanco Services	Provides electronic payment solutions	Veracity Payment Solutions (USA)	N/D
24	5/19/2014	ElectraCard Services	Provides business and payment processing solutions	MasterCard (USA)	N/D
25	5/19/2014	Adaptis Solutions	Provides cashless payment processing solutions	PayPoint (UK)	N/D
26	5/20/2014	Invitco	Provides bill processing solutions in the cloud	Intuit (USA)	ND
27	5/26/2014	Myntra	Operates as an online fashion and lifestyle store for men, women and kids	Flipkart (India)	401.8
28	5/27/2014	PXP Solutions	Provides electronic payment solutions	Kalixa (Gibraltar)	ND
29	5/27/2014	Check	Provides mobile bill solutions	Intuit (USA)	360
30	5/28/2014	Provus Kart Hizmetleri	Provides payment systems, card supply, and card personalization services	Austria Card (Lykos Group) (Austria)	N/D
31	5/28/2014	Risk IDS	Provides risk-based authentication solutions	VASCO Data Security International (USA)	N/D
32	5/30/2014	Euroline	Provides card acquiring solutions	Nordic Capital (Sweden)	331
33	6/1/2014	HelloWallet	Provides online financial guidance services	Morningstar (USA)	39
34	6/2/2014	Saicom Voice Services	Operates as a holding company with interests in telecommunications	Paycorp (South Africa)	N/D
35	6/3/2014	Run The Red	Delivers targeted text messaging solutions	Pushpay (New Zealand)	N/D
36	6/3/2014	Clinknow	Operates a loyalty platform for retailers	Ezetap (India)	N/D
37	6/6/2014	Thillens (ATM portfolio)	Provides secure transportation, cash logistics and ATM services	Weich ATM (USA)	N/D
38	6/10/2014	Diebold Eras	Provides payment processing solutions for regional banks, community banks and credit unions	CheckAllt (USA)	N/D
39	6/12/2014	MPayMe	Provides payment systems for mobile devices	Powa (UK)	75
40	6/16/2014	OpenTable	Provides reservation, table and guest management software for restaurants	The Priceline Group (USA)	7
41	6/17/2014	Evolution1	Automates healthcare industry workflow for third-party administrators, employers, and consumers	WEX (USA)	532.5
42	6/17/2014	FIBI Bank (UK)	Provides banking services	Tungsten (UK)	N/D
43	6/18/2014	ShipStation	Provides web based shipping solutions	Stamps.com (USA)	73.6
44	6/20/2014	Accept Cards	Provides services to merchants to match their specific card processing requirements to the acquirer best suited to their needs	UPG (UK)	N/D
45	6/25/2014	Cryptera	Provides security payment solutions	Diebold (USA)	N/D
46	6/26/2014	Markco Media	Provides voucher promotion and marketing services	Monitise (UK)	93.4

Source: Mergerstat

Company Info

INNOVALUE

Innovalue is a leading independent advisory firm with a strong expertise in payments. Our clients range from high-growth mobile payment startups to established financial institutions or telecom companies and from cutting-edge strategic players to high-profile private equity and venture capital investors.

We develop and implement tailored solutions on topics of strategic importance – including Growth, Efficiency and M&A – on engagements across Europe and beyond.

Our passion for payments helps us to stay on top of the latest innovations of a rapidly changing industry. Our experience and knowledge of the payment markets allows us to provide sustainable benefits to our clients.

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