

Ribbit Capital's \$1.15B pot indicates fintech funding will soar through 2022

Article

The news: Fintech-focused venture capital firm **Ribbit Capital** raised its **seventh fund to the tune of \$1.15 billion**, far exceeding its \$750 million target and more than doubling its January 2020 haul.

How will it use the funding? Ribbit Capital hasn't said which fintech sectors or geographies it will target—but we think B2B crypto firms might command a sizable share of the war chest.

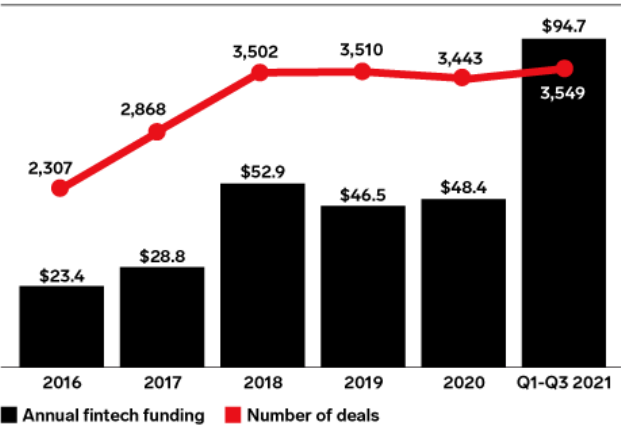
As global crypto adoption extends further into the mainstream in 2022, more financial institutions (FIs) will offer their own crypto products—and B2B crypto firms that help them do so will profit.

- Crypto awareness is soaring: **60% of US adults** are now aware of Bitcoin, per a 2021 survey by Curiosity at Work, and **66% in the UK are aware**, per a Coinbase 2021 survey—and adoption will tick up this year.
- Incumbent FIs are reacting to that growing interest: Wealth managers like **Morgan Stanley** are providing portfolio exposure to clients, and banks might seek to close the gap on challengers like **Revolut** and offer custody.
- This will be a boon for B2B crypto firms that give incumbents the tech needed to build their own products, demonstrated by **NYDIG's \$1 billion** raise in December.
- And Ribbit Capital's previous investments in crypto firms like **Coinbase** and **CoinSwitch** suggest it might target the space again.

Our 2022 fintech funding expectations: 2021 raked in record funding, and Ribbit's growing pot underlines our expectation that the cash geyser won't let up this year.

- The sector raised **\$94.7 billion in the first three quarters of 2021**, only \$200 million below total funding from the previous two years combined.
- And we expect funding will ramp up in 2022, as sustained customer growth of key fintech services—like digital trading—and FIs digitizing their own services push investors to bet big on fintechs.

Annual Fintech Funding Worldwide, 2016-Q3 2021
billions and number of deals



Source: CB Insights, "State of Fintech Q3'21 Report," Oct 26, 2021
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