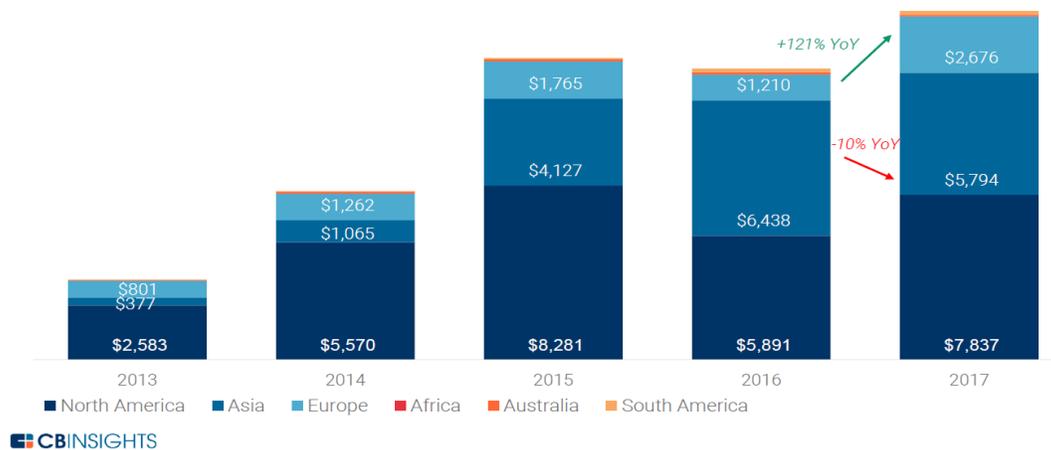




Chart of the week – 2017 was a record year for VC-backed fintech deals

Figure 1: North America still dominates the deals while Asia's share is declining

Global VC-backed fintech funding share by continent 2013 – 2017 (\$M)



Source: CB Insights

According to CB Insights 2018 FinTech Trend to Watch, in 2017 VC-back fintech deals reached a record year of US\$ 1.2 trillion (+10% yoy) globally. Europe saw the biggest jump with a 121% yoy growth while Asian deals dropped by 10% yoy. Interestingly, early stage fintech deals' share in total deals dropped to a five year low of 58%, indicating more concentrated bets in mega deals by investors. Globally there are 25 fintech unicorns (unlisted), out of which 4 are in China, namely Lu.com, 51 Credit, Tongdun Technology and Tuandaiwang. The largest unlisted fintech companies include Strip (Payment), Credit Karma (Lending), Greensky (Lending), Oscar (InsurTech), and Mozido (Payment).

AMTD Research

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News of the week

Jan 29, 2018

Baidu

China

Baidu Finance Seeks New Investors by April

Baidu Inc is seeking new investors for its wholly-owned finance unit, in a deal that could fetch up to \$2 billion and deepen its push into financial services, people with knowledge of the matter said.

Source: [01Caijing](#)

Our view

Baidu is clearly lagging behind Alibaba, Tencent and JD on its online financial product offering. This move could indicate the firm's intention to catch up with its fintech arm.

Jan 29, 2018

Online Insurance

China

China's Online Insurance Premiums See First Slow in 6 Years

According to China Insurance Regulatory Commission (CIRC), online insurance in China reported a nearly 22% drop in premiums in 2017, mainly due to sharp declines in auto insurance and investment business.

Source: [01Caijing](#)

Our view

The decline in online auto insurance was the biggest driver behind the decline. Auto insurance premium continued the trend in 2016 due to the slowdown in auto sales and the reform of auto insurance.

Jan 26, 2018

FinTech

Fintech Trends to Watch in 2018

With an unprecedented amount of funding in fintech, 2018 could be the year that the era of fintech unbundling heads for rebundling. To find out where fintech is headed in the new year, CB Insights presents a fintech trends report.

Source: [CB Insights](#)

Jan 27, 2018

Artificial Intelligence

Growing Impact of AI on FinTech

Artificial Intelligence (AI) is currently among the most promising FinTech trends. Accenture is taking a close look at its application on China's FinTech market.

Source: [Accenture](#)

Jan 23, 2018

Cryptocurrency

South Korea

South Korea Reveals Deadline for Anonymous Crypto Trading Halt

South Korea's financial watchdog has set a deadline for the barring of anonymous cryptocurrency trading accounts within the country. According to a new announcement from the Financial Services Commission (FSC), starting from Jan. 30, cryptocurrency investors in South Korea will have to use real-name bank accounts in order to continue trading.

Source: [CoinDesk](#)

Jan 25, 2018

Cryptocurrency

US

SEC, CFTC Chiefs Eye Closer Crypto Scrutiny

In a Wall Street Journal op-ed published yesterday, both the Securities and Exchange Commission (SEC) and the Commodity and Futures Trading Commission (CFTC) voiced that they are devoting a significant portion of resources to monitoring the industry. And along with other authorities, they will continue to stamp down on fraudulent activities in the market.

Source: [CoinDesk](#)

Jan 25, 2018

Cryptocurrency

China

PBoC Maintains Focus on State-Backed Cryptocurrency

Fan Yifei, PBOC deputy governor, published a statement on Thursday, where he highlighted the importance of state-backed, central bank-issued cryptocurrency in an increasingly digital world.

Source: [Yicai](#)

Jan 25, 2018

Cryptocurrency

UK

UK Government Plots Cryptocurrency Regulations

Theresa May says she will look at bitcoin and other digital currencies "very seriously". The Prime Minister is considering taking action against them, because she's concerned about their popularity amongst criminals.

Source: [Independent](#)

Jan 25, 2018

Blockchain

Bermuda

Bermuda Could Launch a Blockchain Land Registry

Bermuda plans to migrate its property deeds system to the blockchain, its premier said today. As quoted by The Royal Gazette, premier David Burt remarked during an appearance at the World Economic Forum in Davos that the country was aiming to shift away from its "old school" system of recording deed information.

Source: [CoinDesk](#)

Jan 26, 2018

Cryptocurrency

China

Chinese Finance Association Cautions on Overseas ICOs

A self-regulatory association in China is warning citizens against participating in overseas initial coin offerings (ICOs) and cryptocurrency trading. In a public statement published on Jan 26, the National Internet Finance Association (NIFA) writes that, after China issued a ban on ICOs last September and ordered closure of cryptocurrency exchanges, it has seen investors moving their funds to overseas platforms.

Source: [CoinDesk](#)

Jan 26, 2018

Cryptocurrency

South Korea

South Korea Creates Task Force to Oversee Local Cryptocurrency Exchanges

South Korean financial authorities in cooperation with Korea Financial Intelligence Unit (KFIU) created a task force to oversee cryptocurrency exchanges and to ensure cryptocurrency businesses are compliant with existing regulations, authorities announced on Jan. 25. It will collaborate with local cryptocurrency exchanges to ensure that money laundering and fraudulent activities using cryptocurrencies do not occur in the local market, according to KFIU.

Source: [CoinTelegraph](#)

Jan 29, 2018

Cryptocurrency

Japan

Japan's Central Bank Sees No Need to Mint a Digital Currency

Cash is still king in Japan, and that means that the central bank doesn't see a need to mint a digital currency for now, according to the head of the FinTech Center at the Bank of Japan. "We aren't at the stage of considering issuing a digital currency because there is no demand," Yuko Kawai, the head of the BOJ division, said in an interview last week. "To begin with, do we really need a digital currency in the nation where cashless living isn't making much progress?"

Source: [Bloomberg](#)

Jan 23, 2018

Blockchain

US

US Implements Blockchain Programs to Improve Transparency and Efficiency

Cryptocurrencies and the Blockchain will be front and center at this year's World Economic Forum in Davos with several cryptocurrency and Blockchain-related panels on the agenda. The US government have been evaluating Blockchain technology since they have funded, collaborated and partnered with business, other countries as well as educational institutions in fostering and continuously developing innovative technologies and science.

Source: [CoinTelegraph](#)

Jan 26, 2018

Online Lending

China

More P2P Lenders Shut Down amid Regulatory Crackdown

More P2P microlending businesses announced plans to discontinue operations during this week. The shutdowns were reportedly caused by compliance issues under regulatory scrutiny late last year.

Source: [Ifnews](#), [NBD](#)

Our view

Regulatory checkup and final registration deadline before June 2018 could lead to more consolidation and shut-down of smaller P2P players.

Jan 25, 2018

Ripple

Blockchain

Ripple Wants XRP to Be Bitcoin for Banks. If Only the Banks Wanted It

Every day, companies and consumers around the world send more than \$76 billion in payments through a vast network of banks. Without the flow of money, container ships stay in port, workers don't get paid, and supply chains break down. For the past six years, Ripple, a tech company in San Francisco, has vowed to use the blockchain wizardry behind Bitcoin to rewire this global circulatory system with what it calls an "internet of value."

Source: [Bloomberg](#)

Jan 26, 2018

Payday Loan

China

Payday Loan Platforms to Seek Transformation

It has been a tough month for online payday loan lenders in China. The emerging industry must adapt rapidly to meet evolving regulatory standards. However, the transformation to achieve compliance is no easy task.

Source: [Huxiu](#)

Our view

It is not just compliance standard payday loan lenders need to achieve. They need to structurally shift their product mix and catch up on risk management and risk pricing. This would be a very challenging task.

Jan 26, 2018

Payday Loan

China

Consumer Credit-backed Securitization Shrinks from Record Peak

China's asset-backed securities (ABS) market saw tremendous growth during last three years, driven by a rise in issuance of consumption-related securitizations. However, the volume of new issuances decreased 87% in December last year compared to the previous month.

Source: [NBD](#)

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