

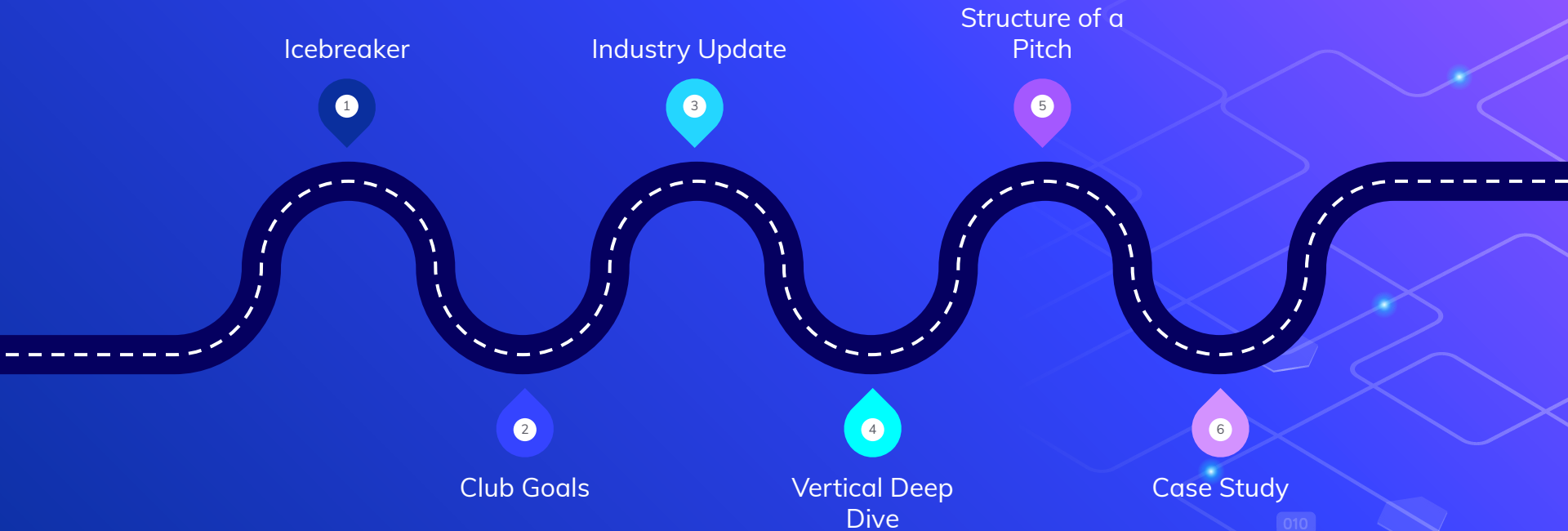
9/17/2024



Logistics Updates

- ⬡ We will now be meeting in Friedman 208
- ⬡ 7 - 8 pm
- ⬡ Every Tuesday

Roadmap



1. Icebreaker!!!

Let's all get to know each other!

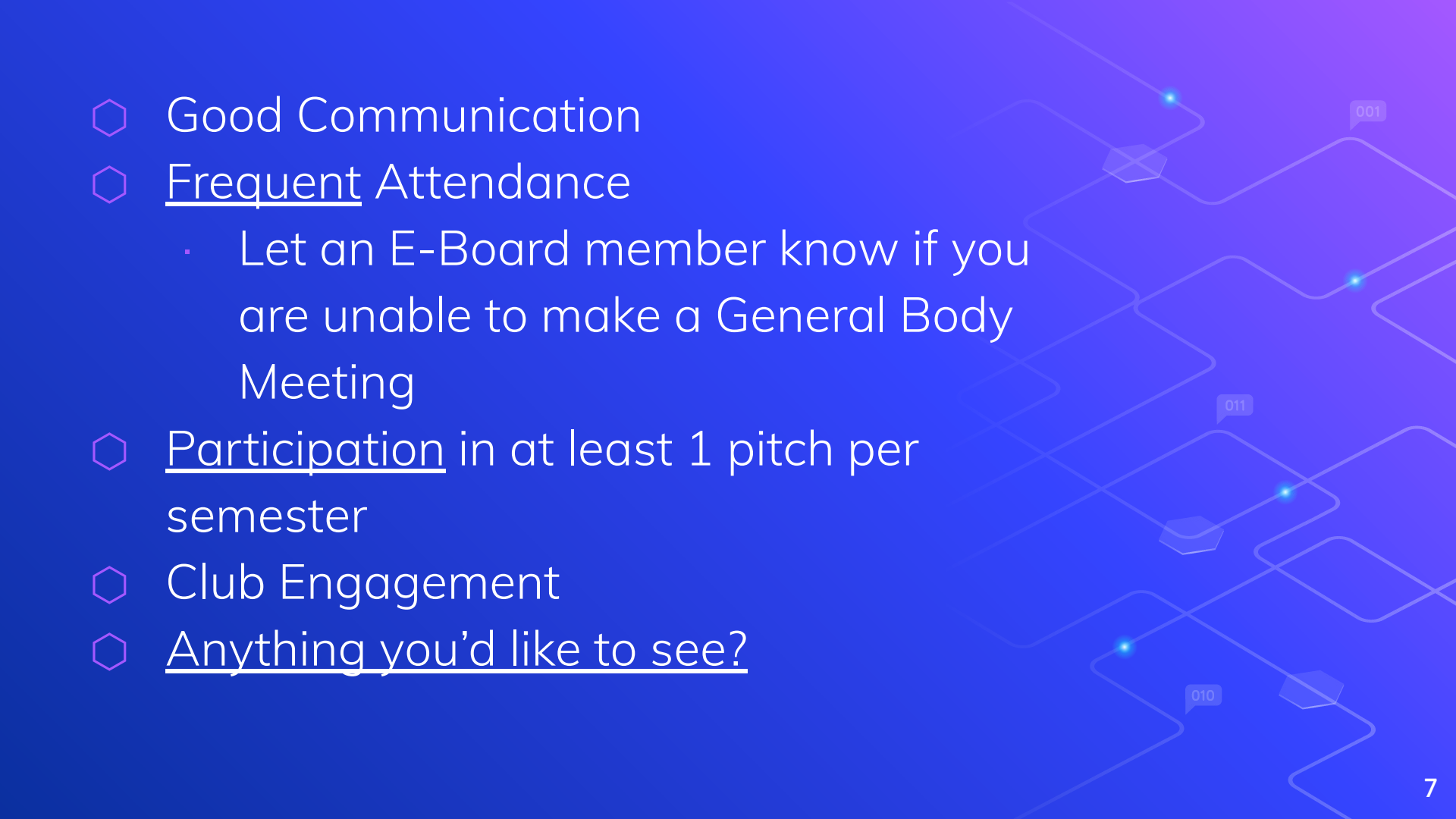


Icebreaker (2-3 min each)

- ⬡ If you could pick up a new skill in an instant what would it be and why?
- ⬡ What is your favorite TV show?
- ⬡ If you could meet any living person for dinner, who would you pick and why?

2. Club Goals



- 
- Good Communication
 - Frequent Attendance
 - Let an E-Board member know if you are unable to make a General Body Meeting
 - Participation in at least 1 pitch per semester
 - Club Engagement
 - Anything you'd like to see?

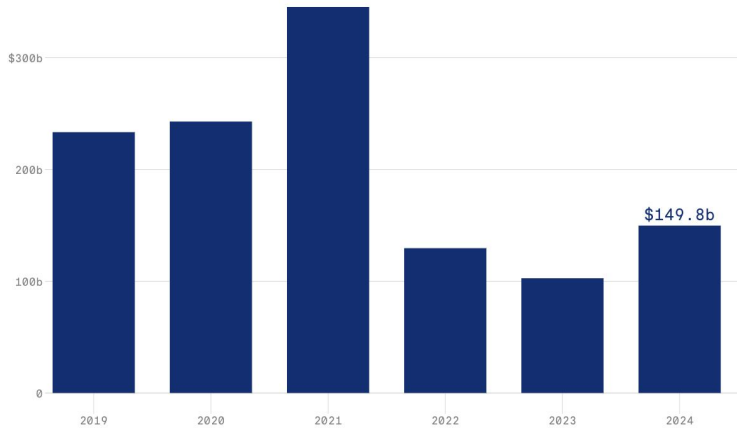
3. Industry Update



Fintech M&A Trend Reversal

Fintech M&A volume

Annually; 2019-2024

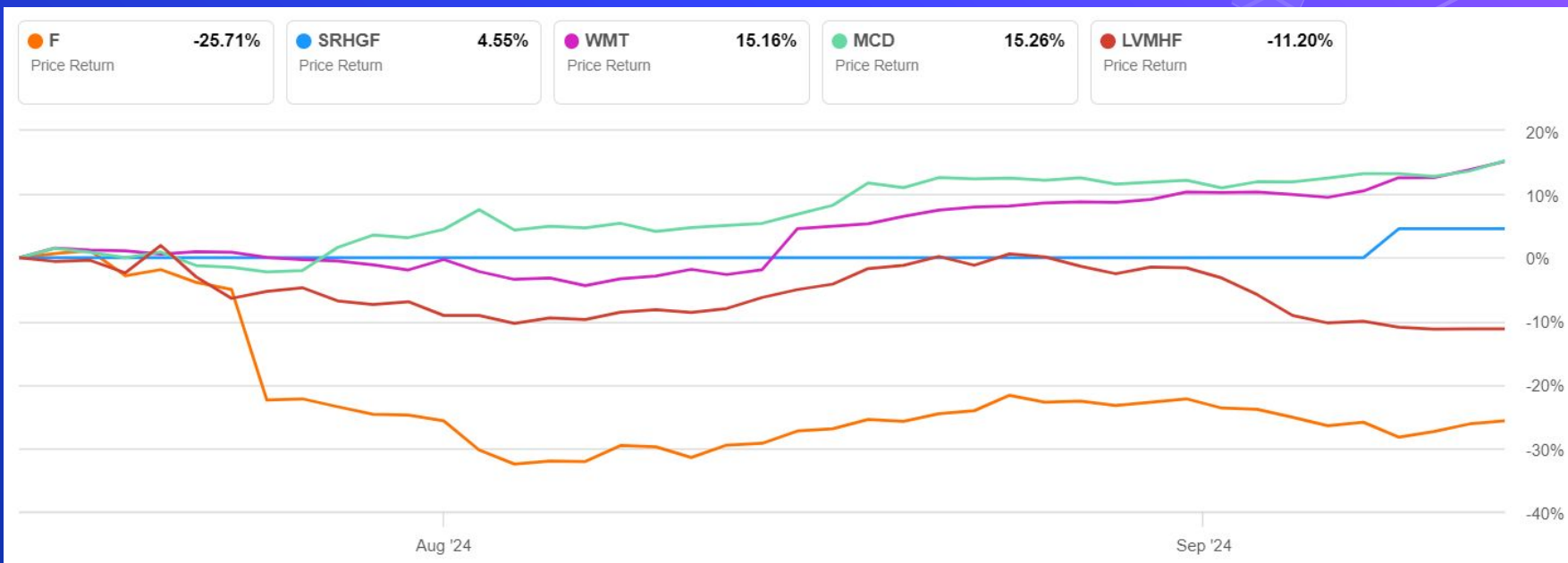


Data: FT Partners; Note: 2024 data is YTD; Chart: Axioe Visuals

- FinTech mergers and acquisitions (M&A) reached a total of \$149.8 billion through August 2024, significantly outpacing the \$102.7 billion recorded for all of 2023
- The average deal size in 2024 increased to \$169.4 million, up from \$91.4 million in 2023, indicating a shift toward mega-deals in the sector
- Despite the increase in total deal value, the number of individual M&A transactions has not caught up, suggesting that larger deals are driving the market rather than an overall increase in deal count
- The spike in M&A activity is likely influenced by macroeconomic factors, including changing interest rate environments

Right time to cut rates?

- ⬡ The FED is gearing up for an interest rate cut later this week
- ⬡ Labor markets clearly cooling after a scare last month
- ⬡ Consumer spending shifting towards inferior goods
- ⬡ What does this mean?



Takeaways

- 1) Rare to not be in full on recession
- 2) Consumer strength is dwindling but resilient
- 3) Keep an eye out for the FED!

4. Vertical Deep Dive



Blockchain & Cryptocurrency

What is Blockchain?

- Decentralized (no single body/org), distributed ledger
- Secure, transparent, and immutable record-keeping system
- Enables peer-to-peer transactions without intermediaries

Blockchain & Cryptocurrency

- What is Cryptocurrency?
 - Virtual currency using cryptography for security
 - Uses blockchain technology
 - Again, not controlled by 1 body (e.g., governments, banks, etc)

Examples of Cryptocurrencies

- Bitcoin (BTC): First and most well-known
 - 1 BTC ~ \$57,846.10 USD (as of September 16 2024)
- Ethereum (ETH): First and most well-known
 - 1 ETH ~ \$2,357.76 USD (as of September 16 2024)
- Ripple (XRP): Designed for fast, low-cost internal transfers
 - 1 XRP ~ \$0.58 USD (as of September 16 2024)
- Each “coin” is designed differently.
 - BTC: Data on BTC network is only used to record transaction info
 - ETH: Transactions on ETH network may contain executable code

Real-world use of Blockchain/Crypto

- ⬡ Digital payments and transfers (purchases)
- ⬡ Smart automated contracts
- ⬡ Stablecoins: coins with price tied to oil, precious metals, other tangible assets
- ⬡ Investments & Trading
- ⬡ NFT's: Art that cannot be copied in the eyes of the ledger

How Crypto is Made

- Crypto is “mined” which involves different mechanisms called Proof of Work (PoW) or Proof of Stake (PoS)
 - PoW: Miners (GPU’s) compete to solve complex mathematical problems
 - Expensive electricity and hardware requirements
 - PoS: Owners offer their coins as collateral “staking” for the chance to validate/mine
 - Less energy / compute intensive

NFTs (Non-Fungible Tokens)

- Unique digital blockchain assets
- Represent ownership of a specific item, making them non-fungible (unlike bitcoin and ethereum)
- Key characteristics:
 - Unique
 - Indivisible
 - Proof of ownership

NFT Creation/Process

- ❖ **Creation:** artists/creators produce a digital file (artwork, video, music, etc.)
- ❖ **Minting:** file is uploaded to an NFT platform (like OpenSea) and "minted," where it's stored on the blockchain (typically Ethereum, Polygon, or Solana)
- ❖ **Tokenization:** creator assigns properties and a unique identifier is attached
- ❖ **Royalties:** creators earn a percentage of future sales

NFT Uses

- ❖ **Art & Collectibles:** Digital artwork, trading cards, and virtual collectibles.
- ❖ **Gaming:** In-game items and characters as NFTs that can be owned, traded, or sold.
- ❖ **Virtual Real Estate:** Ownership of virtual spaces in metaverses like Decentraland.

Payments

- Digital Transactions: Involves moving money between buyers and sellers using digital systems
- Payment Processors: Companies (Mastercard, Visa, PayPal) handle transactions between the customer's bank and merchants bank
- Payment Gateways: Secure authorizations
- Buy Now, Pay Later: Klarna & Afterpay
- Contactless Payments

Insurtech

- Supporting insurers in pricing & improving risk assessments quickly and efficiently
- Ex: Lemonade, Root Insurance, Hippo
- Likely expansion to conventional insurance



Onsurity Raises \$21 Million in Series B Funding Led by Creagis, Closing Round at \$45 Million

September 16, 2024 /// 11:05 am

SME-focused insurtech startup Onsurity has raised an additional \$21 million, led by private equity firm Creagis, to complete its Series B funding round at \$45 million.

[Read More »](#)



Akur8 Secures \$120 Million in Series C Funding to Boost Growth and Innovation

September 16, 2024 /// 9:54 am

Akur8, the AI-powered insurance pricing and reserving platform, has raised \$120 million in its latest Series C funding round, bringing its total funding to \$180 million.

[Read More »](#)



5. Structure of a Pitch



General Pitch Structure

1. Thesis
2. Background on company
 - a. Origin/history
 - b. Management team
 - c. Business strategies and initiatives
3. Pipeline, products, and/or relevant technology
4. Financials, Valuation, and Outlook
5. Peer Comparison (focus on ratios)
6. Macro/Policy/Market Outlook + Upcoming Company Catalysts
7. Bull/Bear Scenario
8. Conclusion
 - a. What should investment be?
 - b. What is the expected timeline

6. Case Study



Activity: Build a Fintech Startup

- ⬡ Business Concept: What product/service do you provide, and what problem do you solve?
- ⬡ Target Audience: Who are you targeting and why do they need your business?
- ⬡ Technology: What kind of technology would you leverage?
- ⬡ Revenue Model: Where will your business generate revenue from?
- ⬡ Competitiveness: Why is your business better than existing competitors?
- ⬡ Long term Plan? (If any)



Thanks

Any questions?

Email us: fintech@brown.edu

