

NOVEMBER 14, 2016

## Fintech's Most Powerful Dealmakers of 2016

Venture capital goes only so far in fueling the boom in fintech innovation. This year's Fintech Finance 35 highlights the importance of collaboration with funders and dealmakers, which has become just as critical for up-and-coming entrepreneurs.

*By Jeffrey Kutler*



ILLUSTRATIONS BY YANN LEGENDRE

Many of the Fintech Finance 35 — those ranked by *Institutional Investor* as the leading financiers and facilitators of the ongoing entrepreneurial explosion in financial technology — have "partner" in their titles. Their firms are structured as partnerships, but all on the list are partners in a practical, day-to-day sense. They are as much strategic advisers and collaborators as they are funders; "partnerships" are what they offer to companies they invest in and usher toward growth and maturity.

Take, for example, General Atlantic, a venerable growth equity firm whose financial services sector team made more than \$1 billion in investments over the past 12 months under the direction of **Jonathan Korngold**, No. 1 in this year's ranking. A transaction announced in May with Argus Media, valuing the market news and data enterprise at nearly £1 billion (\$1.2 billion), was characterized as a strategic partnership, with General Atlantic contributing its "expertise in the information services and Internet and technology sectors."

General Atlantic also stressed partnership in leading a \$325 million Series E funding late last year for marketplace lending platform Avant, with Korngold joining the company's board. Another Avant director is **James Robinson III** (No. 4), general partner of RRE Ventures, who says that "what we have to offer" comes first in conversations with prospective portfolio companies.

Although there is, by definition, a collaborative element in any investment or advisory relationship, the sector that has come to be known as fintech has special needs. The culture of a start-up is very different from that of an established financial institution; even if the latter wishes to be more nimble and embrace new ideas and technologies, its procurement and compliance bureaucracy can get in the way. Hence the emergence of ecosystems designed to lower such barriers. Eighteen-year-old FTV Capital (**Brad Bernstein and Richard Garman**, No. 7) pioneered in this regard with its Global Partner Network, which includes major financial companies that invest in FTV funds and thereby gain insight into new developments.

In recent years regional hubs have sprung up as meeting places for entrepreneurs, incumbents, and funders, among them the New York FinTech Innovation Lab (see Partnership Fund for New York City's **Maria Gotsch**, No. 12), London's Innovate Finance (**Lawrence Wintermeyer**, No. 28), FinTech Hong Kong (**Janos Barberis**, No. 32), and, in Singapore, a "smart financial center" spearheaded by the central bank (**Sopnendu Mohanty**, No. 34).

"We are beginning to observe much more of a push toward collaboration — a shift from complete independence to an interest in building tools with established players that happened really quickly in this sector," notes [Vanessa Colella](#) (No. 18) of Citi Ventures.

General Atlantic's Korngold agrees that there is "increased collaboration between fintech companies and more traditional financial institutions," along with "a more grounded and realistic view of what each side can bring to the table, which is creating great partnership opportunities."

The Fintech Finance 35 ranking was compiled by *Institutional Investor* editors and staff, with nominations and input from industry participants and experts. The evaluation criteria included individual achievements and leadership at the respective firms; influence in the community at large; and the size, reputation, and impact of the respective funds and institutions in the financial technology industry — and particularly in the current wave of fintech financing. The top ten appear in the following pages, and all 35 profiles can be viewed at [iim.ag/fintech35](http://iim.ag/fintech35). Last year's ranks are shown; newcomers are designated PNR (previously not ranked).

*The Fintech Finance 35 will be honored at the [iiFintech Awards](#) taking place on December 1. The awards program was designed to bring together the honorees of the [Tech 50](#), [Fintech Finance 35](#), and [Trading Technology 40](#) to explore how financial technology will continue to transform the industry.*

*This ranking was compiled under the direction of Senior Contributing Editor Jeffrey Kutler. Individual profiles were written by Kutler, Asia Bureau Chief Allen T. Cheng, Senior Writers Frances Denmark and Julie Segal, and Staff Writer Jess Delaney, as well as by former Editor Michael Peltz, Content Editor Anne Szustek, Associate Editor Kaitlin Ugolik, and Assistant Editor Jen Werner.*

# The 2016 Fintech Finance 35: Steve Gibson



## 23. Steve Gibson

Chief Executive Officer

Euclid Opportunities

PNR

ICAP's transition into a technology-driven trading and posttrade services enterprise began long before the interdealer brokerage's agreement late last year — now nearing completion — to transfer its traditional voice brokering to Tullett Prebon. In 2003 and 2006, London-based ICAP acquired the e-trading platforms that make up what is now EBS BrokerTec. In 2011, as part of the ramp-up of the posttrade risk and information (PTRI) division, the firm launched a strategic fintech fund, Euclid Opportunities. The financial crisis had spawned “a raft of new regulations requiring new operating models,” recalls Euclid founder and CEO **Steve Gibson**. “The markets needed new platforms, talent, and management teams to solve new problems of efficiency, scale, capital, and resources.” Gibson, 44, is a member of ICAP's global executive management group and reports to Jenny Knott, CEO of PTRI since August 2015. (**Mark Beeston**, No. 24 last year, headed PTRI from 2010 to 2014 before starting Illuminate Financial Management, an investment firm that has retained advisory relationships with some Euclid portfolio companies.) Euclid began building its portfolio with Duco, a provider of advanced algorithms that automate historically manual reconciliation processes, and has gone on to touch other bases in data management and transaction processing. Holdings range from AcadiaSoft in collateral management to telephony and collaboration innovator Cloud9 and distributed ledger leader Digital Asset Holdings. Euclid has had two exits, ICAP the buyer in both cases: hedge fund and prime brokerage platform ENSO Financial Analytics in April, and regulatory reporting company Abide Financial in October. Also in October, Euclid increased its funding of derivatives-risk analytics provider OpenGamma in a \$16 million round, along with Accel and former SunGard Data Systems CEO and current OpenGamma director Cristóbal Conde. “A lot has been written about a tougher climate for fintech start-ups,” says Gibson, who previously held senior positions with Calypso Technology, Ipreo, and Siebel Systems (now part of Oracle Corp.). “But there will always be a small number of good firms that continue to get funded.”