

Foundation Capital Identifies What's Driving The Next Big Ideas in Financial Technology

New Technologies, Consumer Trends and Non-Bank Competitors Aim to Disrupt Industry Dynamics

MENLO PARK, CA – (April 13, 2015) – In an era of heightened consumer skepticism and innovation, traditional financial institutions are finding it difficult to cope for two main reasons. Firstly, banks are inefficient. McKinsey found just 30 percent of top global banks improved cost efficiency over a four-year period. Secondly, banks are unloved. A Viacom survey of millennials revealed 33 percent believe they won't need a bank at all and nearly half are counting on tech startups to overhaul the way banks work. This moment signals a transformation taking place across the entire financial sector, which is giving emerging technology companies significant opportunities to innovate.

In a follow up to his 2014 paper on the rise of marketplace lending titled, "A Trillion Dollar Market by the People, For the People," Foundation Capital General Partner Charles Moldow, has released "The Next Big Ideas in Financial Technology." The new paper identifies and outlines consumer trends that will best position companies to disrupt or even displace the financial services incumbents.

"The companies best positioned to disrupt or even displace the incumbents will develop against four key elements, which consumers increasingly demand: simplify what is complex, increase transparency, offer analytics, and reduce friction," said Charles Moldow, general partner at Foundation Capital and author of the report. "A new cohort of companies is poised to revolutionize the financial services space across all types of transactions—payments, wealth management, personal investing, loans, and insurance."

Key topics in "The Next Big Ideas in Financial Technology" include:

- The Opportunity for Emerging FinTech Players: The \$2 trillion potential market for financial technology startups makes financial services one of today's most exciting areas for innovation and investment.
- Four Maxims for the Future of FinTech: Simplification, transparency, analytics, and reducing friction will be the keys that unlock a new wave of customers who expect more from their financial service providers.
- A Growing Customer Base: The current generation of the intentionally unbanked who expect more from their financial service providers will seize new platforms to improve and simplify their lives to save more money.

To download the full paper, please visit: <http://www.foundationcapital.com/fcideasfintech>

About Charles Moldow

Charles Moldow is a general partner at Foundation Capital, and is always on the lookout for startups working on the next generation of fintech, martech and consumer tech solutions and services. His current portfolio includes AdRoll, AuxMoney, BancBox, CloudOn, DogVacay, LendingClub, Lending Home, Motif Investing, OnDeck and Refresh.

Over the last five years, Charles and Foundation Capital have invested close to \$114M in financial services startups including OnDeck Capital, Motif Investing, Lending Home, Sunrun, AuxMoney and Lending Club, which announced it's IPO - the second largest in tech - in 2014. Since joining Foundation in 2005, he has made fourteen investments, of which six have been acquired: CloudOn to Dropbox, PowerSet to Microsoft; Xoopit to Yahoo!; Adwhirl to Google; Weblistic to Spot Runner; and, Therative to Phillips.

Charles has deep experience in all things marketplace lending and published the well-circulated whitepaper, "A Trillion Dollar Market by the People, For the People," in 2014. It has been downloaded and distributed to more than 25K readers in the financial space.

Find him on LinkedIn ([linkedin.com/in/charlesmoldow](https://www.linkedin.com/in/charlesmoldow)), and connect with him on Twitter [@cmoldow](https://twitter.com/cmoldow).

About Foundation Capital

Foundation Capital is dedicated to the proposition that one entrepreneur's idea, with the right support, can become a business that changes the world. Foundation Capital has helped companies like Lending Club change the way money is lent and borrowed, EnerNOC invent the energy demand response market, and Netflix revolutionize media distribution and consumption, among many others. Foundation Capital is currently invested in more than 60 high-growth ventures in the areas of consumer, information technology, software, semiconductors, and clean technology including Beepi, BoardVantage, Chegg, Coverity, DogVacay, Kik, ForgeRock, Lending Home, Simply Hired, Spoon Rocket, Sunrun, and Venafi. Foundation Capital's twenty-five IPOs include Lending Club, OnDeck, MobileIron, Control4, TubeMogul, Envestnet, Financial Engines, Netflix, NetZero, Responsys and Silver Spring Networks. For more information, visit foundationcapital.com.

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