

# Three Crypto Firms land on the World's Top 10 leading Fintech Unicorns list

March 30, 2023. Justinas Baltrusaitis.



The fintech industry has been growing rapidly, with innovative technologies changing how financial transactions are conducted. One of the most intriguing developments in the space is the rise of cryptocurrency firms which are gaining increasing acceptance among investors and consumers alike to record enormous

valuations.

In this line, data acquired by Finbold indicates that three cryptocurrency firms with a cumulative valuation of \$42.3 billion made it to the list of top 10 leading fintech unicorns globally as of Q4 2022. The top ten fintech unicorns account for a total valuation of \$273.7 billion.

A breakdown of the crypto firms shows that United States-based Ripple has a valuation of \$15 billion to rank fifth overall. Blockchain.com ranks sixth overall with a valuation of \$14 billion. Non-fungible tokens (NFTs) marketplace OpenSea with a valuation of \$13.3 billion, emerged as the eighth most valuable fintech unicorn globally.

Elsewhere, payment giant Stripe is the most valuable unicorn at \$95 billion, followed by Checkout.com at \$40 billion. United Kingdom-based challenger, bank Revolut, is third at \$33 billion, followed by Chime at \$25 billion.

### **Impact of Crypto Unicorns**

The emergence of blockchain-centered firms in the top list of unicorns is a significant milestone demonstrating the increasing relevance and importance of the crypto industry in the financial sector. Traditionally, fintech unicorns have been dominated by payment, banking, and remittance platforms, but the entry of crypto-based companies appears to disrupt the industry's landscape. This is also an indicator that the crypto market is maturing while entering the mainstream sector.

Indeed, the startups have managed to earn their valuations, considering that the general cryptocurrency space experienced a downturn in 2022 following an extended bear market. This highlights that the underlying blockchain technology drives the companies and has not been swayed by the crypto market decline primarily caused by macroeconomic and regulatory issues rather than any flaws in the technology. Similarly, the economic conditions contributed to a slowdown in funding as investors wait on the sidelines to assess the situation.

Elsewhere, the U.S. remains the leading destination for unicorns due to a combination of factors, including a well-developed venture capital industry, a culture encouraging entrepreneurship and innovation, a large and affluent consumer market, a diverse economy with various industries, and a

supportive regulatory and legal environment for businesses.

The U.S. favorable environment might not be the same for crypto companies considering the regulatory uncertainty that threatens the existence of firms in the region. However, cryptocurrency firms have the advantage of being able to relocate with ease, as there are no geographical boundaries to limit them. For instance, in the aftermath of China's crypto crackdown, many startups moved or established their businesses elsewhere. There have been worries that strict regulations in the U.S. could prompt similar moves.

### **Ripple's dominance amid regulatory uncertainty**

Ripple remains the highest-valued crypto unicorn amid the company's troubled operating environments in the U.S., that has been dominated by regulatory uncertainty. The company faces a lawsuit fronted by the Securities Exchange Commission (SEC) on the allegation of selling XRP as unregistered securities.

The company's valuation has remained steady, appearing unfazed by the uncertainty ahead of the case conclusion. The case is likely to have widespread effects on the general crypto market. Overall, the valuation of Ripple can be tied to the fact that a significant share of the company's business is located outside the United States.

### **The Future of Crypto Unicorns**

On the other hand, the uncertain global economic climate raises concerns over the ability of unicorns to maintain their valuation, with most companies having already put in place measures such as slowing the hiring process and staff layoffs as funding is reduced. Despite this, unicorns are considered prime candidates for an Initial Public Offering (IPO), but the feasibility of launching one hinges on the state of the economy.

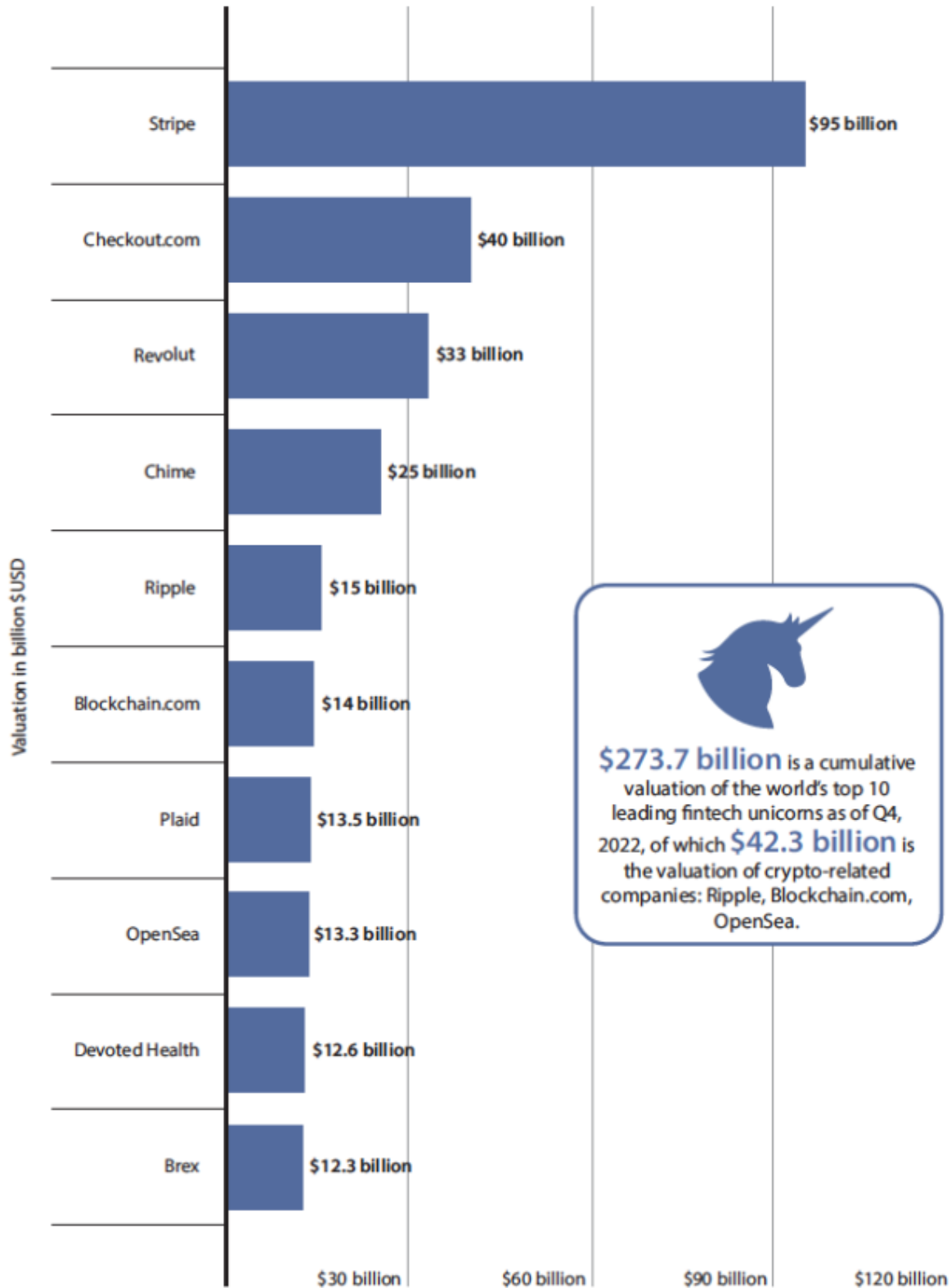
In general, there is optimism about the future, with most companies focusing on new products such as Web3 and the crypto sector likely to resume growth after the market downturn.

# Leading Fintech Unicorns Worldwide by Market Value (in billion USD)

Details: As of Q4, 2022; Released in February 2023  
(CB Insight's State of Fintech 2022, page 43)

Sources: CB Insights, Finbold, Statista

● Value in billion U.S. dollars





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