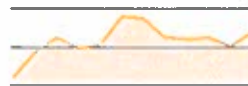




TRENDING

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BITCOIN PRICE INDEX (24H)



USD 0.63%

\$221.47

EUR €195.79

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¥1,376.59

GBP £144.80

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Bitcoin VC Investment This Year Already 30% Higher Than 2013's Total

Joon Ian Wong (@Joonian) | Published on June 5, 2014 at 16:03 GMT

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The amount of venture capital raised by bitcoin startups this year has already surpassed the total amount raised in 2013 by more than \$27m.

So far in 2014, \$113.2m has flowed into bitcoin businesses, which is 29% greater than the total amount for last year, which stands at \$88m. In 2012, bitcoin startups raised just \$2.1m, according to CoinDesk statistics.

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Source: [CoinDesk](#). [Get the data](#)

The most active investor so far this year, by number of investments, was 500 Startups, which bought stakes in five companies. The Bitcoin Opportunity Fund, marquee venture capitalist Tim Draper and Crypto Currency Partners also made two investments apiece this year.

The 500 Startups investments were much smaller and earlier stage bets, at about \$100,000 each, compared to the seven-figure rounds the other investors participated in.

Venture funds were most attracted to exchange businesses in terms of the number of investments made. Exchanges attracted seven investments worth about \$21m in total. Financial services and payment processors were the next most popular investment categories, by number of investments made.

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Most active investors 2014

"Total amount" includes the aggregate round size an investor participated in



The category that raised the most amount of funding was payment processors, with a total of about \$31m raised. Wallet services, mining and exchanges were second with about \$21m raised each. Noteworthy was the fact that the mining category comprised just one investment, worth \$20m, in **BitFury**.

Topping the fundraising table so far this year is payment processor **BitPay**, which raised a record-breaking \$30m in May, following a seed round of \$2.7m last year.

The round was led by Index Ventures and included Peter Thiel's **Founders Fund**, **Sir Richard Branson** and Yahoo co-founder **Jerry Yang** as marquee names. BitPay executive chairman **Tony Gallippi** told CoinDesk that the new money would be spent on continuing to scale the business.

Perhaps as a sign of the rapidly maturing bitcoin ecosystem, tied for second place on this year's fundraising table this year are two startups operating on opposite ends of the bitcoin economy.

BitFury, with its \$20m funding, produces a critical piece of the bitcoin economy's infrastructure: blazingly fast ASIC miners. **Xapo**, meanwhile, raised an equal amount based on its promise of bringing bitcoin transactions to debit cards and providing more secure wallets.

The five startups that raised the most funds this year accounted for \$97m of total venture capital invested, or 84% of the total.

Biggest Fundraising Rounds 2014

Close Date	Company	Classification	Round Size (\$m)
Sunday, March 16, 2014	OKCoin	Exchange	10
Friday, May 30, 2014	BitFury	Mining	20
Tuesday, May 13, 2014	BitPay	Payment Processor	30
Wednesday, March 26, 2014	Circle Internet Financial	Universal	17
Thursday, March 13, 2014	Xapo	Wallet	20

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Bitcoin may be a global, decentralised digital currency, but the United States remains the clear favourite for startups operating in the bitcoin ecosystem.

Some \$172m of all venture funding for bitcoin companies tracked by CoinDesk so far has gone to companies headquartered in the US – a 75% share of the funding pie. That trend hasn't changed in 2014, with US-based companies raising \$78m in total so far – 68% of all venture capital investment in the space.

It's clear from the data that bitcoin startups are gaining traction among venture investors. As financial and human capital continues to pour into the digital currency space, bitcoin bulls will continue to find reasons to cheer.

However, it's also worth putting bitcoin investment activity into context. The total amount of venture funds raised for financial services firms last year was some \$566m, according to the [National Venture Capital Association](#) in the US. Bitcoin still has a long way to go.

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"We don't know what regulators are going to ask for, but I think I know what my answer will be: no."

Andreas Antonopoulos

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Along with many others in the investment space, Rui Ma from 500 Startups and Index Ventures' Jan Hammer will be appearing at [CoinSummit London](#) this July.

Disclaimer: CoinDesk founder Shakil Khan is an investor in BitPay.

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The total amount of venture funds raised for financial services firms last year was some \$566m

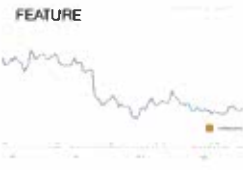
what? Are you saying that bitcoin related companies raised \$88m last year and that the rest of the financial sector only raised \$566m?

If so, we're quite a big chump of the VC capital given our abysmally small userbase?

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