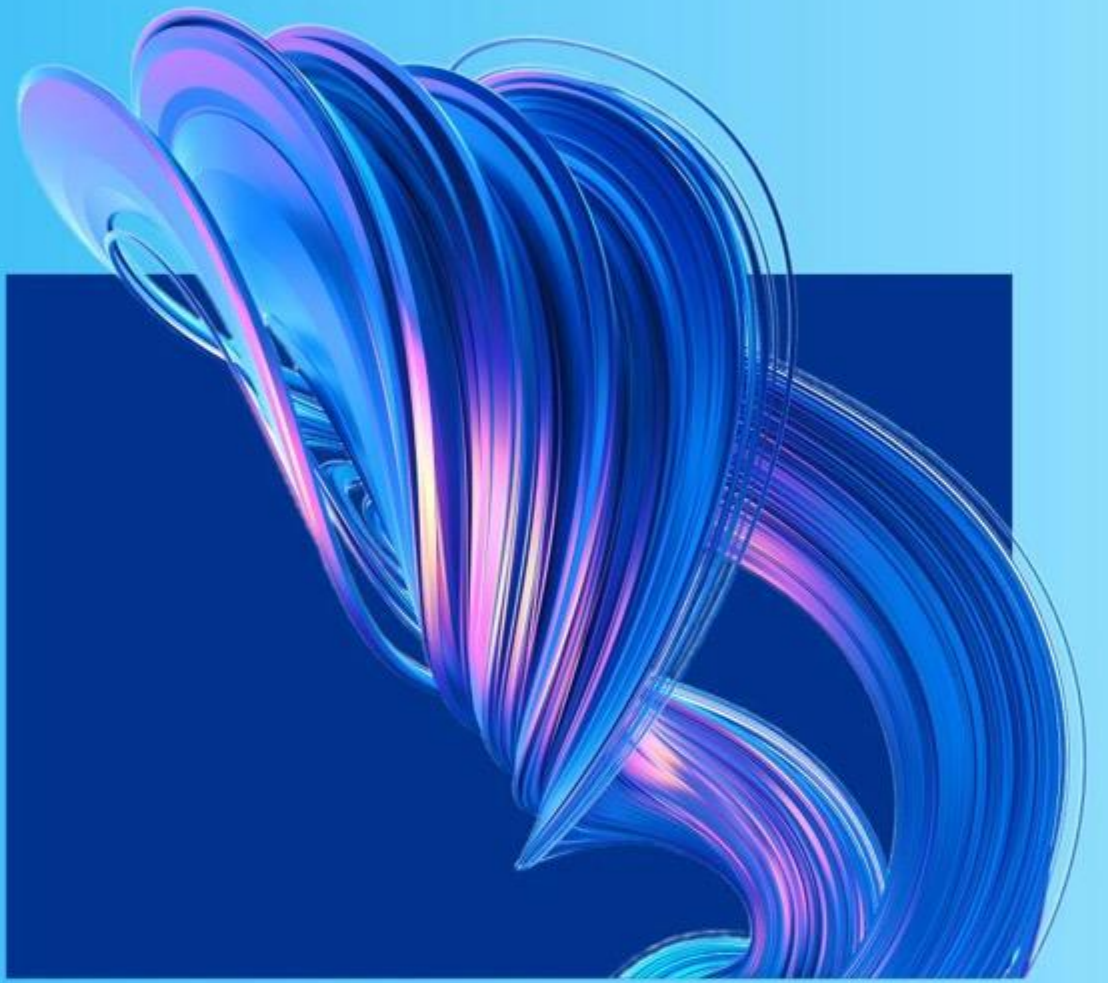
KPMG

Pulse of Fintech H2'24



Global analysis of fintech funding

February 2025

kpmg.com/fintechpulse

Welcome message

2024 proved to be another challenging year for the global fintech market as both total investment ($95.6 billion) and the volume of deals (4,639) fell to seven-year lows. Ongoing macroeconomic challenges, geopolitical conflicts and tensions, and a number of high-profile elections in major jurisdictions around the world kept the level of uncertainty very high, leading to a pullback in fintech investment particularly on the M&A and PE fronts.

H2'24 was more subdued than H1'24 by a fair margin. Total global investment fell from $51.7 billion to $43.9 billion between the first and second halves of the year, driven by M&A deal value and VC investment falling from $28.1 billion to $21.6 billion and from $22.5 billion to $20.9 billion, respectively. But these numbers only tell a part of the story, as Q3'24 and Q4'24 saw wildly different results; M&A deal value nearly doubled from $7.4 billion to $14.2 billion quarter-over-quarter, while VC investment rose from $9.7 billion to $11.2 billion over the same period.

The Americas accounted for the largest share of fintech investment in H2'24 ($31 billion), including the only $1 billion+ deals (Nuvei — $6.3 billion, Envestnet — $4.5 billion, Candescent — $2.45 billion, Transact Campus — $1.6 billion, Bridge — $1.1 billion). Comparatively, the EMEA region attracted $7.3 billion — led by the $561 million acquisition of Netherlands-based Knab Bank, while ASPAC saw $5.5 billion — led by a $788 million raise by Philippines-based Mynt. The payments space remained the hottest fintech subsector over 2024 by far, attracting $31 billion in investment, followed by digital assets and currencies ($9.1 billion) and regtech ($7.4 billion).

Looking back over the second half of 2024, we can see how the sentiment of fintech investors shifted from *cautious to cautiously optimistic.* Key trends we saw during H2'24 included:

- A noticeable uptick in investment in between Q3'24 and Q4'24.
- Strengthening consolidation in the payments industry
- Growing focus on defensive plays, including take private deals and divestitures
- Increasing use of secondary transactions to provide liquidity

Heading into 2025, there is growing positivity for a rebound in global fintech investment given declining interest rates and some lessening of uncertainty in the wake of what was a key election year. Many eyes will be on the US in H1'25 as early actions by the new administration could have an effect on fintech investment activity moving forward.

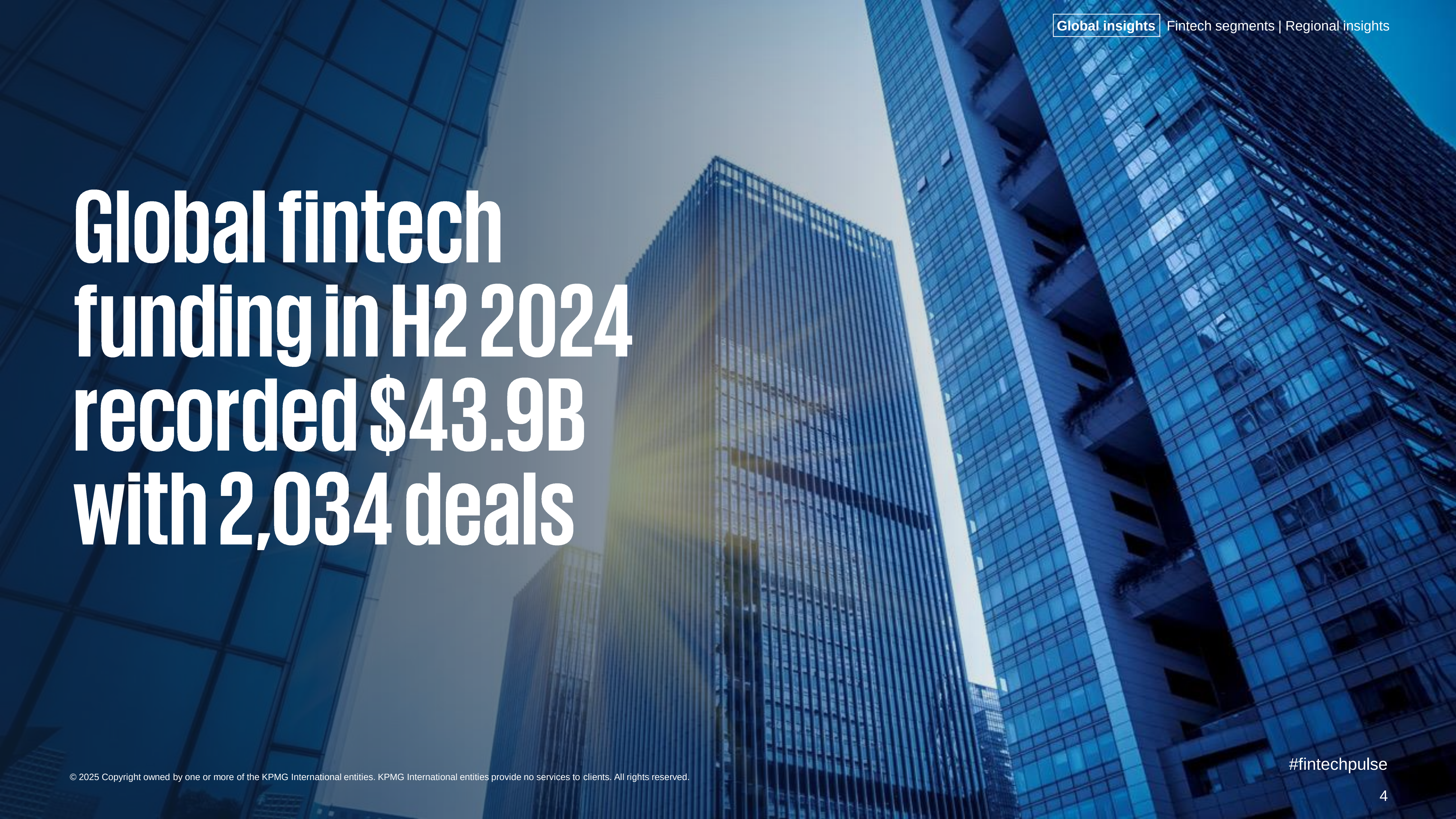
Whether you're the CEO of a large financial institution or the founder of an emerging fintech, it's critical to consider how your company can take advantage of cuts to interest rates and the declining cost of capital to seize the opportunities that might be in store for the year ahead. As you read this edition of *Pulse of Fintech, ask yourself: How can we ensure that our organization is well positioned to take advantage of emerging opportunities while still managing our risks effectively?*

"2024 saw fintech market participants weathering the ongoing storm of geopolitical and economic uncertainties, avoiding high-risk deals and focusing primarily on strategic and defensive plays. But even in the tough times, we saw some positive activity — including solid year-over-year increases in investment in areas like payments, regtech, and digital assets and currencies. The uptick in investment in Q4'24 is also an optimistic sign heading into 2025, although investors will likely remain cautious for some time."

Anton Ruddenklau
Lead of Fintech and Innovation
Global Financial Services
KPMG International

Unless otherwise noted, all figures quoted in this report are based on data provided by PitchBook as of 31 December 2024. See page 56 for detailed methodology. All currency amounts are in US$ unless otherwise specified.

Contents



Global fintech funding in H2 2024 recorded $43.9B with 2,034 deals

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Global insights

2024 sees $95.6 billion in global fintech investment — $43.9 billion in H2’24

Global fintech investment sinks to seven-year low

During 2024, the global fintech market saw $95.6 billion of investment across 4,639 deals — lows not seen since 2017 — as the market weathered macroeconomic challenges, geopolitical conflicts and tensions, and a year of elections in numerous jurisdictions. The Americas saw the largest share of this investment, attracting $63.8 billion across 2,267 deals, including $50.7 billion across 1,836 deals in the US. Comparatively, the EMEA region attracted $20.3 billion across 1,465 deals, while the ASPAC region attracted $11.4 billion across 896 deals.

H2’24 sees drop in global fintech investment, but uptick in Q4’24 sparks optimism

While global fintech investment fell from $51.7 billion in H1’24 to $43.9 billion in H2’24, the quarterly results provided a sense of positivity heading into 2025, with investment growing from $18.0 billion in Q3’24 to $25.9 billion in Q4’24. A similar trend occurred in both the Americas and EMEA regions; the Americas saw $31 billion in fintech investment in H2’24 — of which $20.2 billion came in Q4’24, while EMEA attracted $7.3 billion in H2’24 — of which $4 billion came in Q4’24. Meanwhile, investment in the ASPAC region dipped slightly from $5.8 billion to $5.5 billion between H1’24 and H2’24.

Payments sector remains fintech superstar

After falling to $17.2 billion in 2023, global investment in the payments space increased to $31 billion in 2024. While the largest deal of the year came in H1’24 (Worldpay — $12.5 billion), H2’24 saw solid deals in all regions, including the $6.3 billion buyout of Canada-based Nuvei, the $1.6 billion buyout of US-based Transact Campus, a $788 million raise by Philippines-based Mynt, the $385 million acquisition of UAE-based NeoPay, a $309 million raise by Argentina-based Ualá, and a $267 million raise by UK-based Zepz. The broad applicability and growth potential of payments solutions — and the ongoing expansion of the space into areas like B2B payments — is expected to keep investor interest hot well into 2025.

Dry exit environment keeping investors cautious

After falling to a seven-year low of $28.5 billion in 2023, global exit deal value for fintechs picked up slightly in 2024 to $37.3 billion, even as the volume of exits fell for the third straight year — from 399 deals to 367 deals. Despite the small pickup, the exit environment remained incredibly soft, continuing a trend seen in the wake of the outlier years of 2020 and 2021, when exit values surged from $48.3 billion in 2019 to $104.7 billion in 2020, and then to $395.2 billion in 2021. The lack of sustained exits, combined with ongoing market uncertainty and concerns about valuations and potential down rounds, likely kept many fintech investors on the fence in 2024. It likely also contributed to the increasing interest in continuation funds and the use of secondary transactions to provide liquidity.

“2024 has been a challenging year given the breadth of challenges and uncertainties in the global market, but there’s a lot to be positive about heading into 2025. We’re starting to see more deals coming through because of the interest rate cuts in different jurisdictions and the lower cost of funding. However, we will have to wait and see if the changing world trading conditions impact inflation, interest rates and consequently these positive signs of market change.”

Karim Haji
Global Head of Financial Services
KPMG International

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Global insights

M&A deal value falters year-over-year, but Q4'24 results positive

Global M&A activity fell from $60.2 billion to $49.6 billion between 2023 and 2024 as large M&A transactions remained in short supply. While M&A deal value dropped from $28.1 billion to $21.6 billion between H1'24 and H2'24, deal value nearly doubled from $7.4 billion to $14.2 billion between Q3'24 and Q4'24; with interest rates coming down and the uncertainty related to various elections now calming, the end-of-year uptick bodes well for the M&A market heading into 2025. PE investment also declined significantly, falling from $10.5 billion in 2023 to just $2.55 billion in 2024, while VC investment dropped more modestly, from $49.1 billion to $43.4 billion.

Crypto sees new wave of investment

Global investment in digital assets and currencies rose from $8.7 billion in 2023 to $9.1 billion in 2024; four of the five largest crypto deals of 2024 occurred in H2'24, including the $1.1 billion acquisition of Bridge by Stripe and VC raises by Praxis ($525 million), Blockstream ($210 million), and Current ($200 million). H2'24 also saw mBridge announce that it had reached minimal viable product stage; the project is a collaboration between organizations and central banks primarily in the ASPAC region and Middle East to develop a single platform for cross border transactions of multiple CBDCs.[1] Stablecoins also saw growing interest in 2024, with US-based Ripple launching its RLUSD during H2'24.[2]

Real economy corporates continuing to invest in financial services

Corporate VC-participating investment globally dropped from $26.9 billion in 2023 to $19.6 billion in 2024. Both the Americas and ASPAC saw considerable declines in CVC investment, while EMEA saw a small rise year-over-year. Investment from financial institutions was particularly slow, in part because of their ongoing struggle to understand and leverage the economics of fintech businesses. Real economy corporates however continued to invest in a wide range of fintech solutions, both to extend their products and services to customers and to capture more of their value chain — particularly on the e-commerce front.

Trends to watch for in H1'25

- Payments continuing to drive a large share of fintech investment globally.
- Fresh interest in digital assets and currencies, particularly in areas like market infrastructure, stablecoins, and digital tokenization.
- Continuing use of secondary transactions and continuation funds to give investors liquidity.
- Growing focus on AI-focused regtech as corporates look to enable efficiencies.
- Increasing focus on improving cross-border flows of credit.
- Several mature fintechs around the world preparing for IPOs, particularly those able to demonstrate annual recurring revenues.

> "The exit environment remained incredibly subdued in 2024, extending a challenge that has been plaguing the market for three years now. While 2025 is looking up — particularly for M&A activity — we're still going to see secondary transactions playing a big role in providing early investors with liquidity, and the use of continuation funds to extend the life of funds to improve the return potential."

Tim Johnson
Global Lead, Deal Advisory
Financial Services
KPMG International

1. BIS, "Project mBridge reaches minimum viable product stage and invites further international participation," 05 June 2024.
2. Business Wire, "Raising the Standard for Stablecoins: Ripple USD Launches Globally with Unmatched Utility, Experience, and Compliance, 16 December 2024.

Global insights — Top fintech trends for H1'25

While global fintech investment dropped in H2'24 compared to H1'24, a closer look at the Q4'24 results highlighted an upswing in total investment as interest rates continued to fall, the cost of capital began to improve, and the completion of a number of elections globally lessened some of the uncertainty in the global market. Despite ongoing geopolitical tensions and conflicts, there is some optimism that the fintech market globally has turned a corner and that investment and deal activity will continue to recover heading into H1'25. Here are our top predictions for fintech in H1'25:

1. **B2B-focused fintechs will continue to see significant interest and investment:** Interest in the B2B space will continue to surge over the next six months, particularly in areas like payments and regtech.

2. **PE firms will increasingly participate in fintech deals:** PE firms have been sitting on the fence for quite some time due to market conditions and concerns about valuations. In H1'25, PE participation in fintech deals will likely grow given their abundance of dry powder and the growing pressure they are facing to get more active and to provide returns.

3. **M&A activity will continue to pick up:** Following on the uptick in Q4'24, M&A activity will likely grow in H1'25, driven both by increasing consolidation as startups look to gain scale in order to become more competitive or better manage regulatory pressures and as corporates increasingly look for opportunities to make strategic acquisitions.

4. **Interest in AI enablement will grow:** Fintech investors — particularly corporates — will show increasing interest in startups focused on AI-enablement, such as using AI to improve the efficiency and effectiveness of activities like regulatory compliance and cybersecurity, or to enable customer facing staff to provide more value or quicker responses to customers.

5. **Regtech will continue to be a priority for investors in the EMEA region:** Regtech will continue to gain attention from investors, particularly in the EMEA region given the increasing complexities associated with ensuring regulatory compliance.

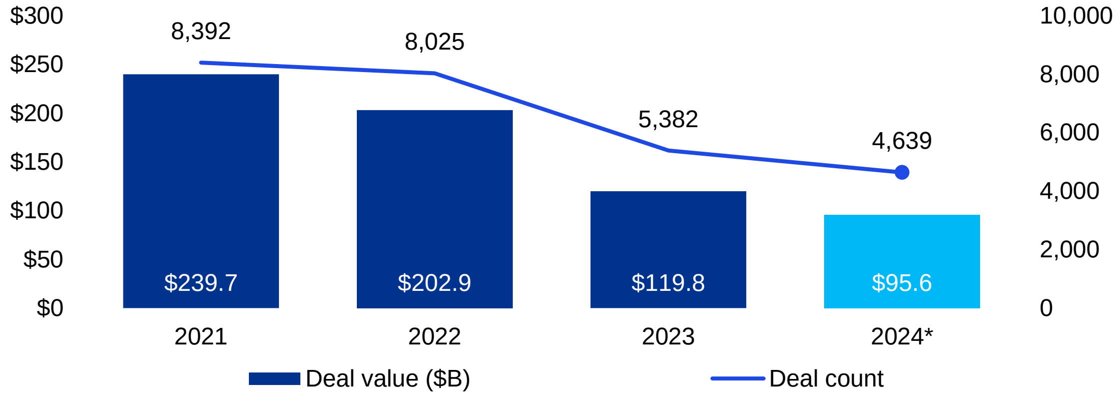
6. **Partnerships will remain a key focus in ASPAC:** Cross-jurisdictional fintech partnerships will continue to grow the fintech ecosystem in ASPAC, with growing partnerships between regulators, between central banks, and between corporates and fintechs.

7. **Changeover in US administration will likely boost investment in crypto:** All eyes will be on the US in H1'25 as the administration changes over given expectations of deregulation and a government more supportive of crypto. Should expected changes materialize, investment in the crypto and digital assets space will likely grow, particularly on the infrastructure front; globally, stablecoins and asset tokenization are also expected to see increasing interest from investors.

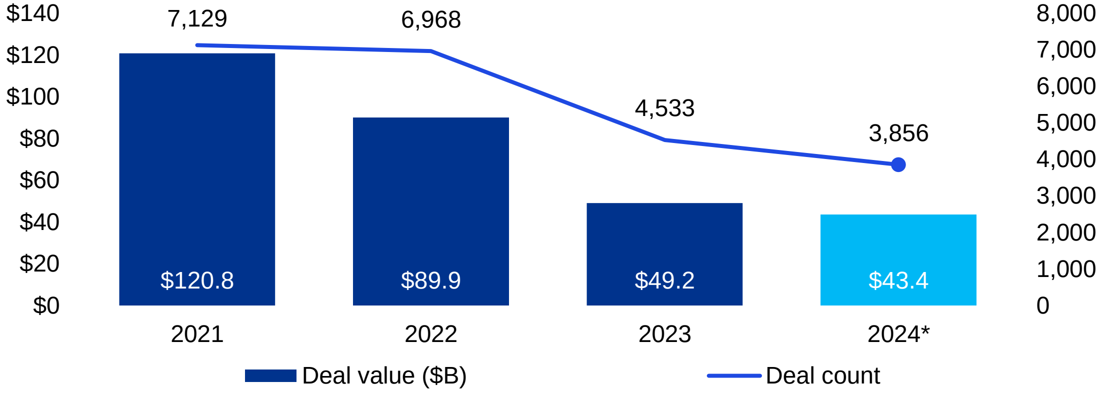
Global insights

Dealmaking levels hit the lowest level in several years

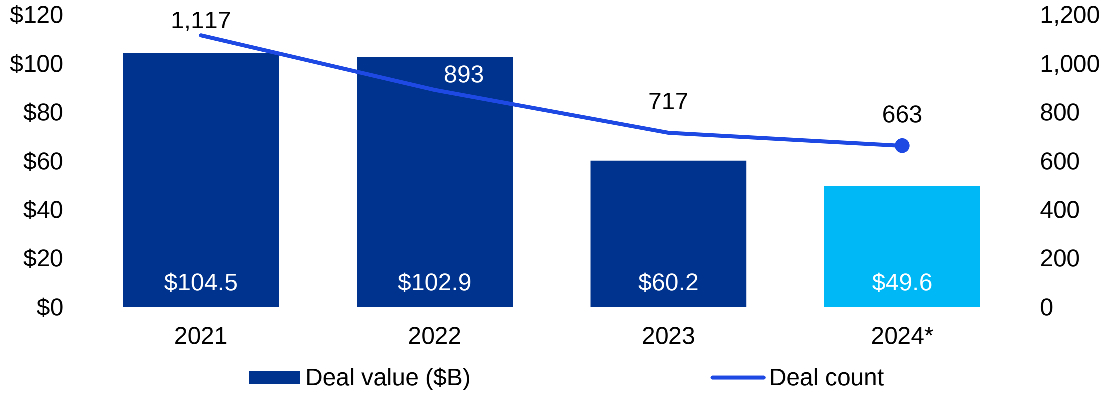
Total global funding activity (VC, PE and M&A) in fintech 2021-2024*



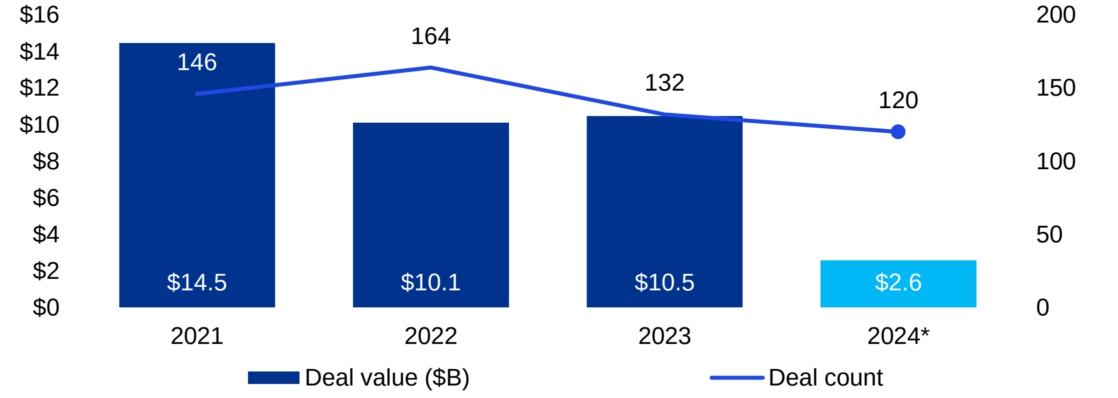
Global venture capital funding activity in fintech 2021-2024*



Global M&A activity in fintech 2021-2024*



Global PE growth activity in fintech 2021-2024*

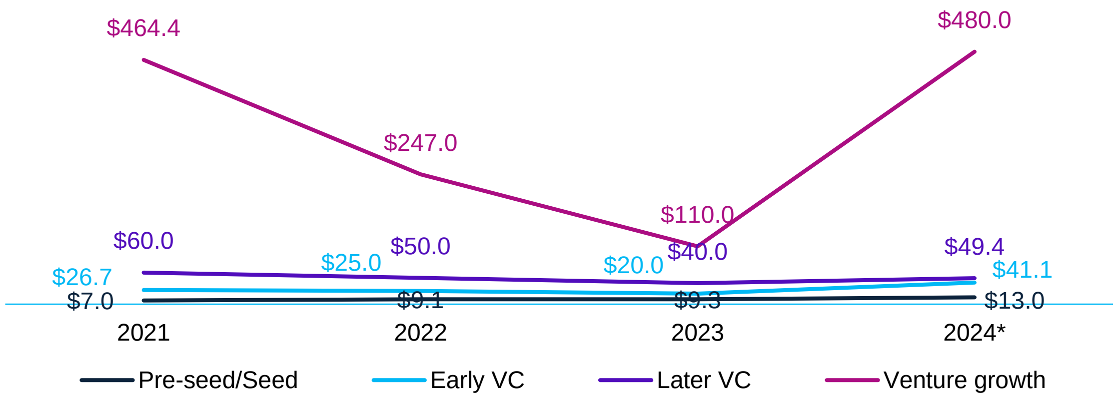


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

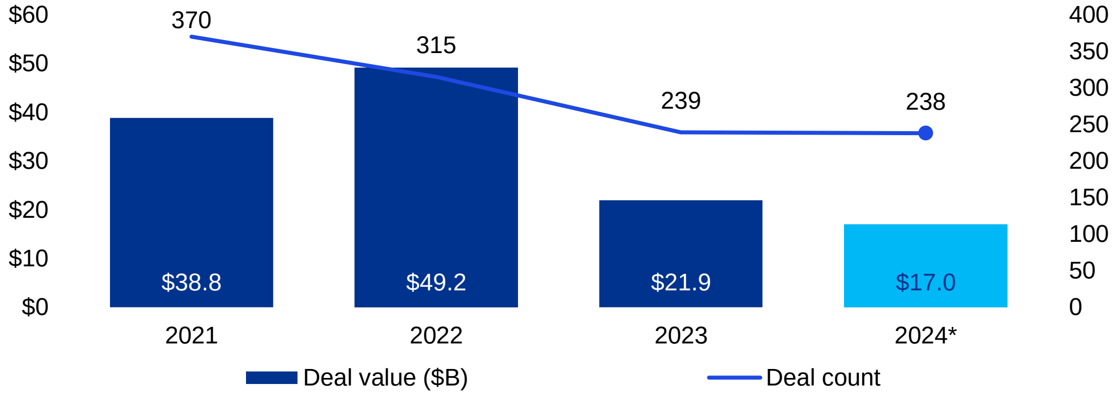
Global insights

However, financing metrics are rebounding, signaling appetite edged with caution

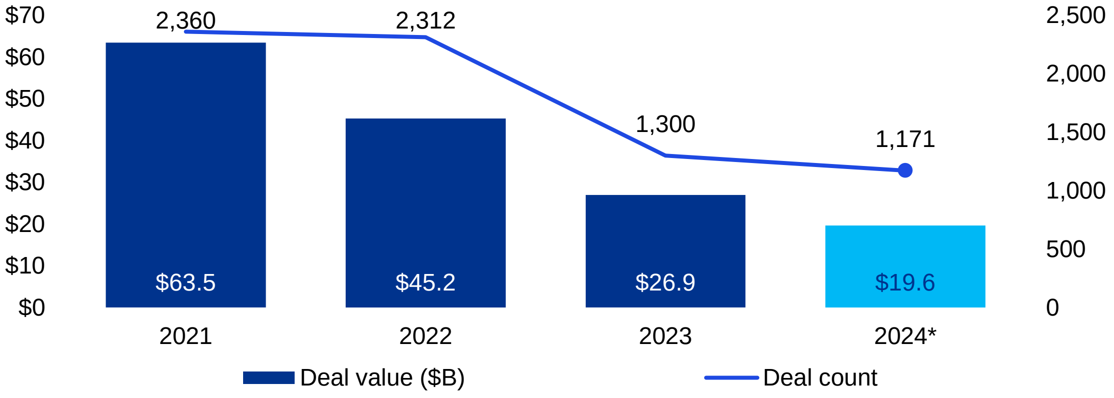
Global median pre-money valuations ($M) by stage in fintech 2021-2024*



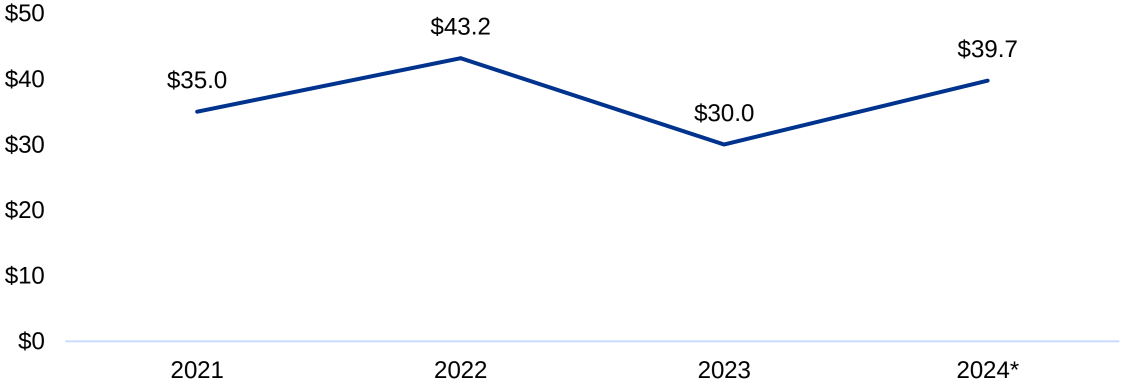
Global cross-border M&A activity in fintech 2021-2024*



Global VC activity in fintech with corporate participation 2021-2024*



Global median M&A size ($M) in fintech 2021-2024*

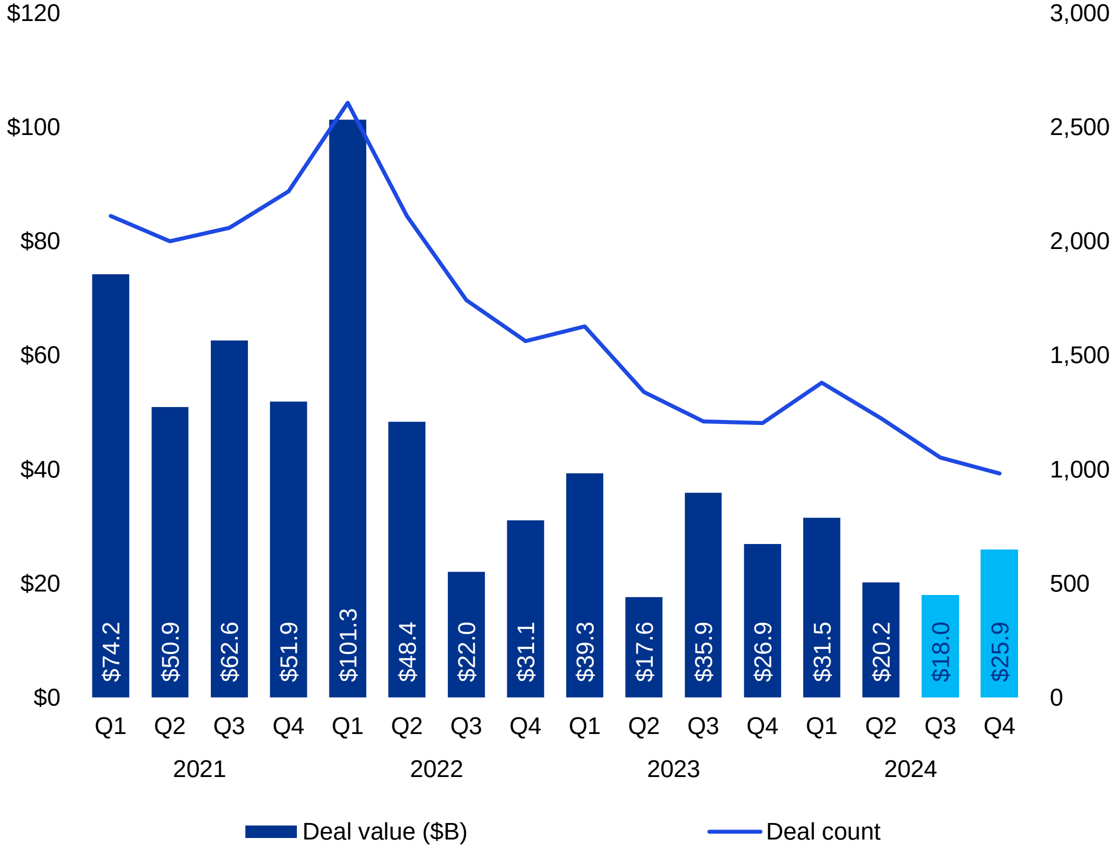


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

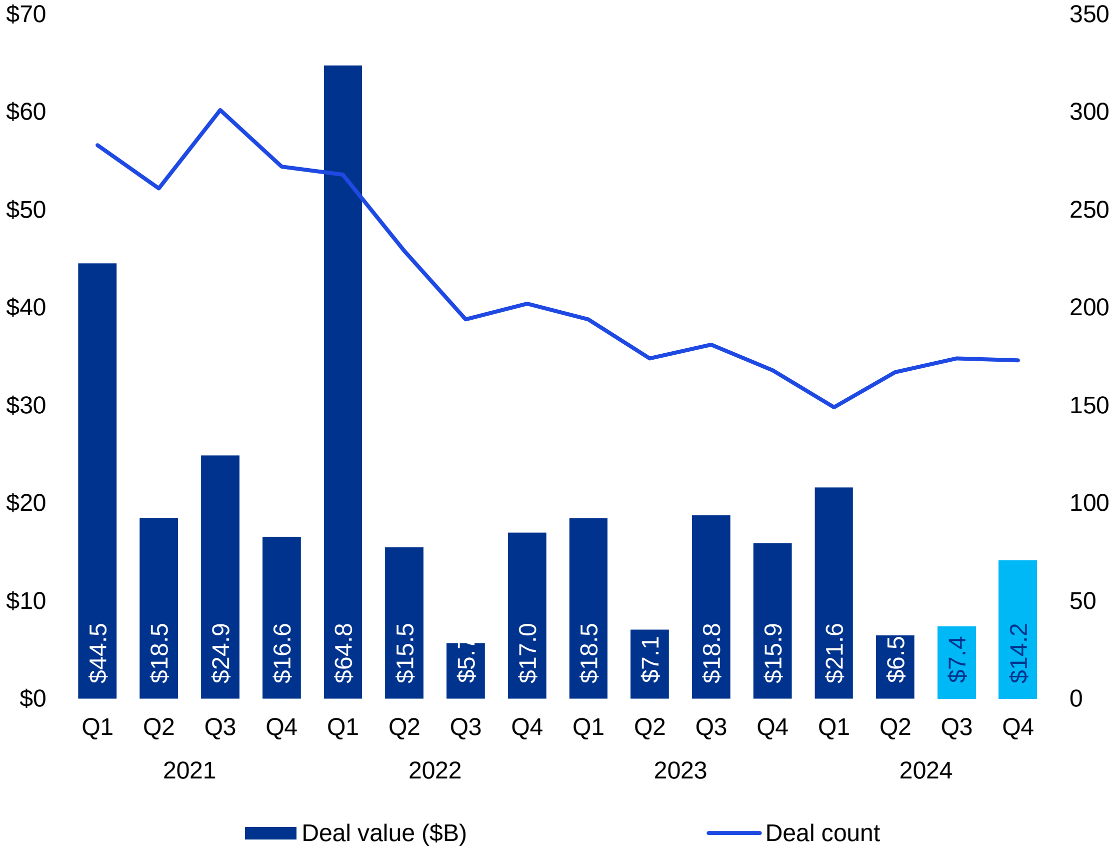
Global insights

Dealmaking momentum continues to plateau

Total global funding activity (VC, PE and M&A) in fintech 2021-2024*



Global M&A activity in fintech 2021-2024*

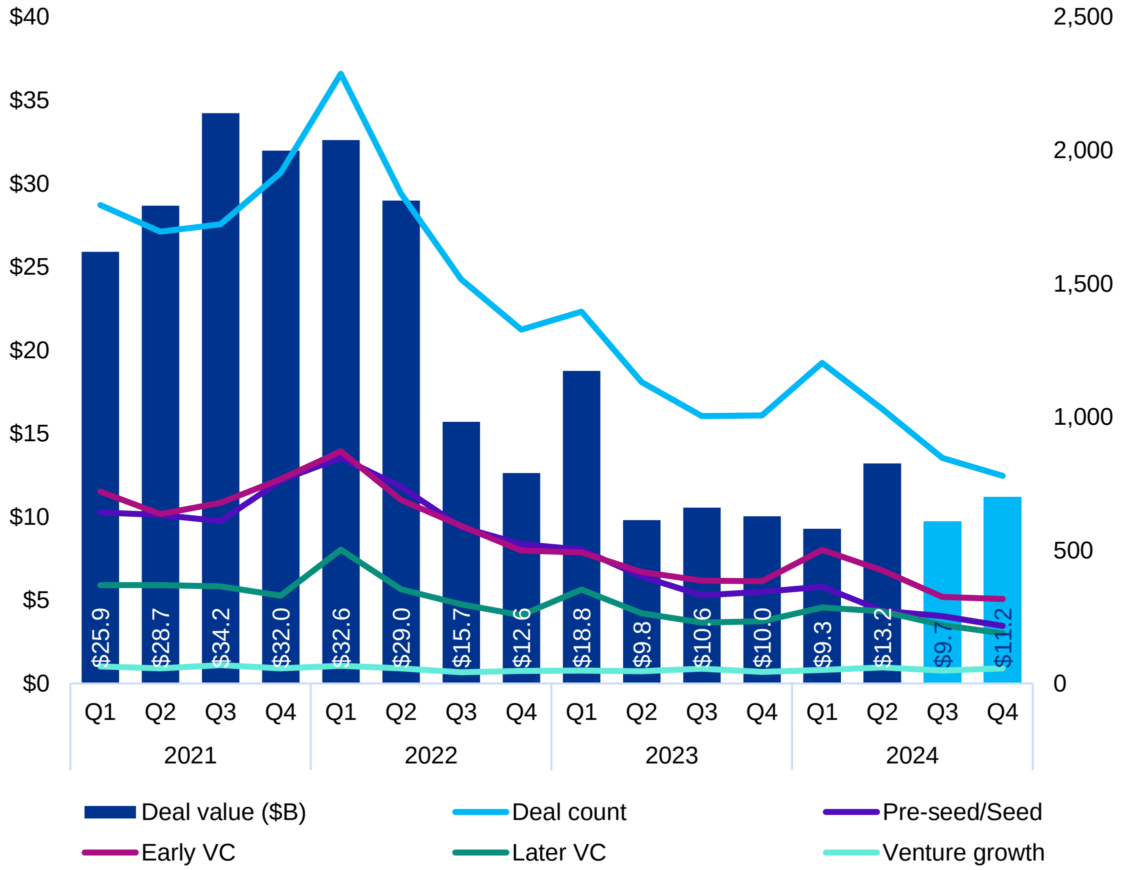


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

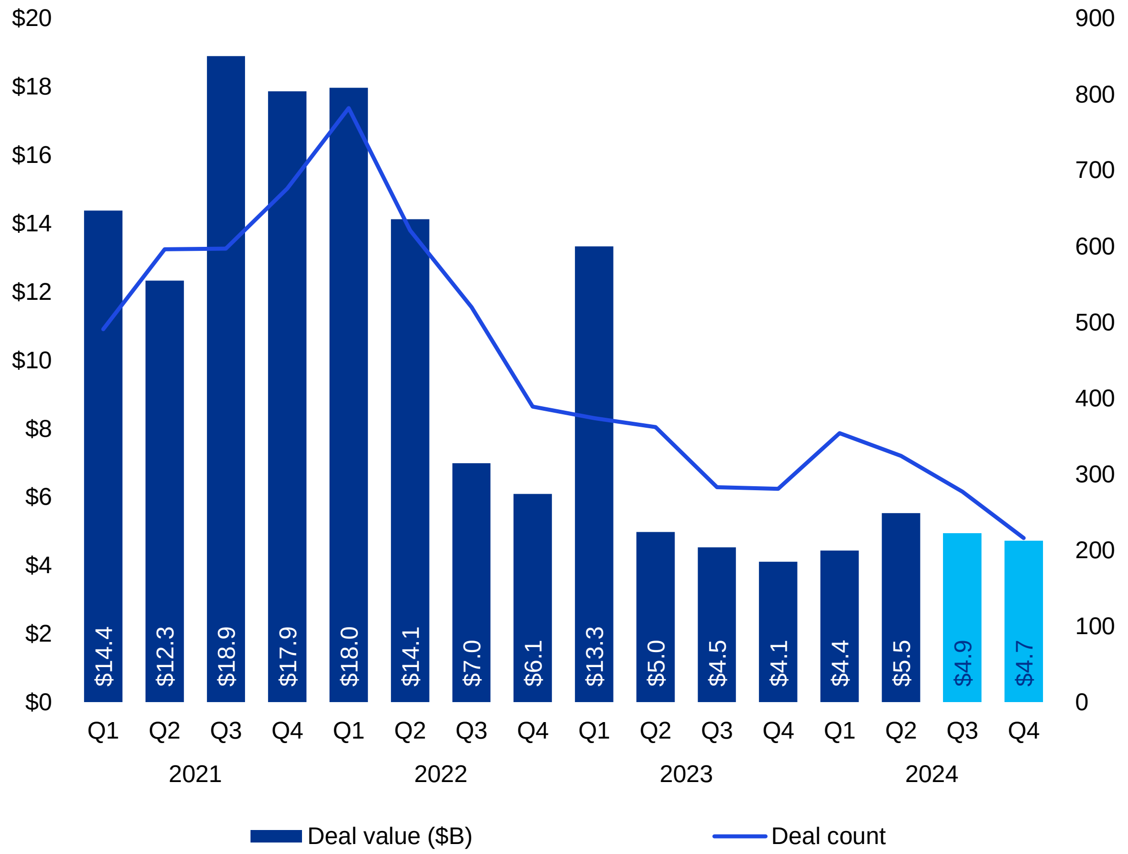
Global insights

Aggregate VC invested evens out, signaling the market has adapted

Global venture capital funding activity in fintech 2021-2024*



Global venture capital activity in fintech with corporate participation 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Global insights

Top 10 global fintech deals in H2 2024

1. **Nuvei** — $6.3B, Montreal, Canada — Payments — *Public-to-private buyout*
2. **Envestnet** — $4.5B, Berwyn, US — Institutional/B2B — *Public-to-private buyout*
3. **Candescent** — $2.45B, Atlanta, US — Digital banking — *Corporate divestiture*
4. **Transact Campus** — $1.6B, Scottsdale, US — Consumer finance — *M&A*
5. **Bridge** — $1.1B, San Antonio, US — Payments — *M&A*
6. **Mynt** — $788.4M, Taguig, Philippines — Payments — *Late-stage VC*
7. **Knab Bank** — $560.6M, Amsterdam, Netherlands — Digital banking — *Corporate divestiture*
8. **Illion** — $539.9M, Melbourne, Australia — Information — *M&A*
9. **Praxis** — $525M, Wilmington, US — Fintech services — *Early-stage VC*
10. **Paymerang** — $488.2M, Richmond, US — Payments — *M&A*

Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

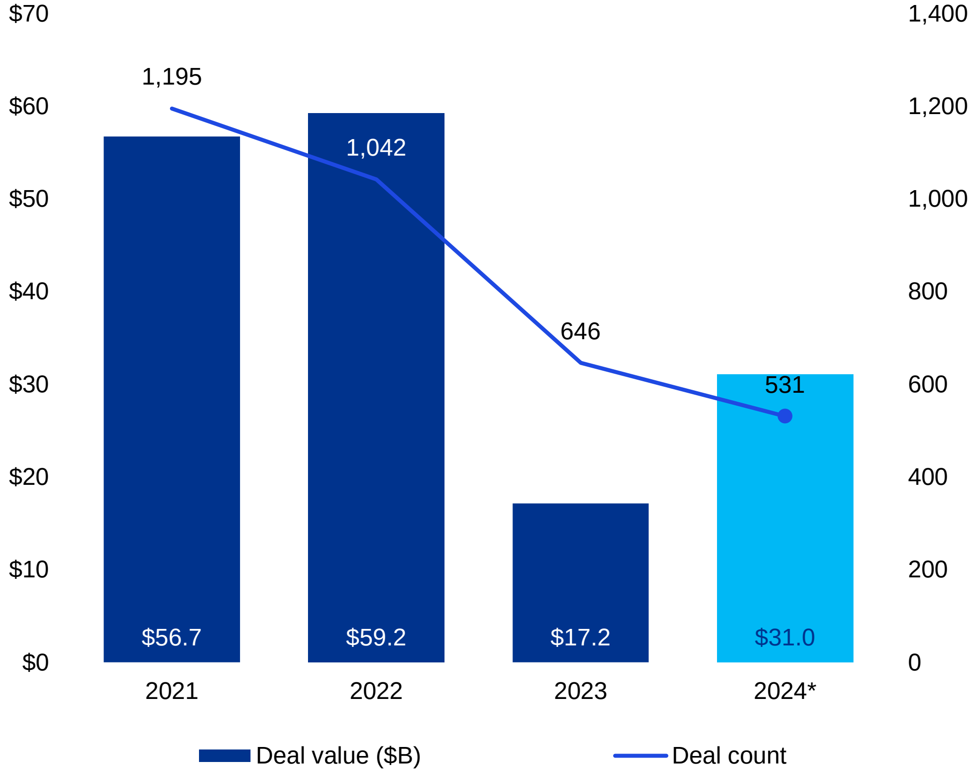
Fintech segments

- **Payments**
- **Insurtech**
- **Regtech**
- **Cybersecurity**
- **Wealthtech**
- **Digital assets and currencies**

Fintech segments — Payments

Payments sector regains momentum

Total global funding activity (VC, PE and M&A) in payments 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

After falling to $17.2 billion during 2023, global investment in the payments space picked up to $31 billion in 2024, driven significantly by defensive transactions. While deal value was heavily weighted towards H1’24 due to the $12.5 billion Worldpay deal, investor interest grew considerably in H2’24 as interest rates started to come down in many jurisdictions and as some global uncertainties began to stabilize. Similar to H1’24, the Americas attracted the largest payments deals, including the $6.3 billion take private of Canada-based Nuvei by PE firm Advent International and $1.6 billion acquisition of US-based Transact Campus by Roper Technologies.

Key H2’24 highlights from the payments sector include:

Increasing focus on M&A and consolidation

As predicted in H2’23, payments companies increasingly pursued consolidation and global expansion in 2024 as a means to achieve scale, with strategies shaped significantly by economic and regional factors. As a whole, the industry saw balanced divestitures and acquisitions as companies focused on enhancing their core strengths, expanding into new markets, and pursuing technology-driven growth. In H2’24, there was an increase in interest and acquisitions of companies looking to benefit from economies of scale, in addition to large companies looking to acquire niche providers to expand their offerings across their value chains.

Defensive plays play a big role in 2024 deal value

During 2024, a number of the largest deals in the payments space reflected defensive moves on the part of investors, including GTCR’s $12.5 billion buyout of a majority stake in US-based payments processing firm Worldpay during H1’24 and the $6.3 billion take-private of Canada-based Nuvei by PE firm Advent International in H2’24.

Fintech segments — Payments

Emerging markets attracting larger deals

While mature markets attracted the lion's share of investment in both H1'24 and H2'24 due to the global macroeconomic conditions, emerging payments markets such as Africa, South America, the Middle East, and Southeast Asia continued to climb on the radar of investors. During H2'24, Philippines-based Mynt raised $788 million, UAE-based NeoPay was acquired by DgPays and Arcapita for $385 million,[3] and Argentina-based Ualá's raised $309 million. The significant underserved populations in many of these regions, coupled with a growing focus on partnerships — both between fintechs and between regulators — helped spur much of this interest and investment activity.

AI helping drive payments fraud prevention and process efficiency

Investor interest in AI-enabled solutions surged in H2'24, and the payments sector was not immune. While solutions at the intersection of AI and payments are still emerging, there was significant interest in AI applications, particularly to enhance security and fraud detection, to drive automation and improve the efficiency of complex payments workflows, to enable frictionless automated payments, and to personalize and improve the customer experience.

Large tech platforms changing the payments game

In 2024, many of the large tech platforms, including Apple, Google, Amazon, Ant Group, and Microsoft continued to enhance their payments offerings, with a big focus on seamless integration, AI-powered solutions, and embedded payments.

Banks becoming more involved in BNPL space

Traditional banks globally continued to make inroads into the *buy now, pay later* space during H2'24. Their combination of established customer bases, proprietary data, and extensive regulatory experience gives banks a strong competitive edge over standalone providers. This dynamic could accelerate industry consolidation in 2025 as smaller BNPL providers look to grow quickly or get acquired by larger institutions.

What to watch for in H1'25

- Increasing consolidation and an uptick in M&A activity in the payments space.
- Growing exploration of instant payments to satisfy the growing demand for faster money movement — including instant cross border payments — driven in part by ISO 20022.
- Continued focus on the B2B space, including the modernization of B2B payments mechanisms, underpinned by the adoption of mobile payments, real-time transactions, and AI.
- Rapid rise in the use of AI in the payments space, including to detect fraud and to underpin the automation of complex payments activities.
- Increasing focus on account-to-account payment solutions that work outside of bank rails, such as email-to-email, mobile-to-mobile, and QR code-driven transactions.
- Companies looking to take embedded payments and embedded finance to the next level.

"Payments companies are increasingly exploring privatization due to some market volatility and valuation pressures they've experienced recently and the drive to innovate without being bound to the pressures. Private ownership can enable more flexible long-term strategic investments in transformative technologies such as AI and automation, which can be important given the lead time often required to incubate innovations and start reaping expected benefits."

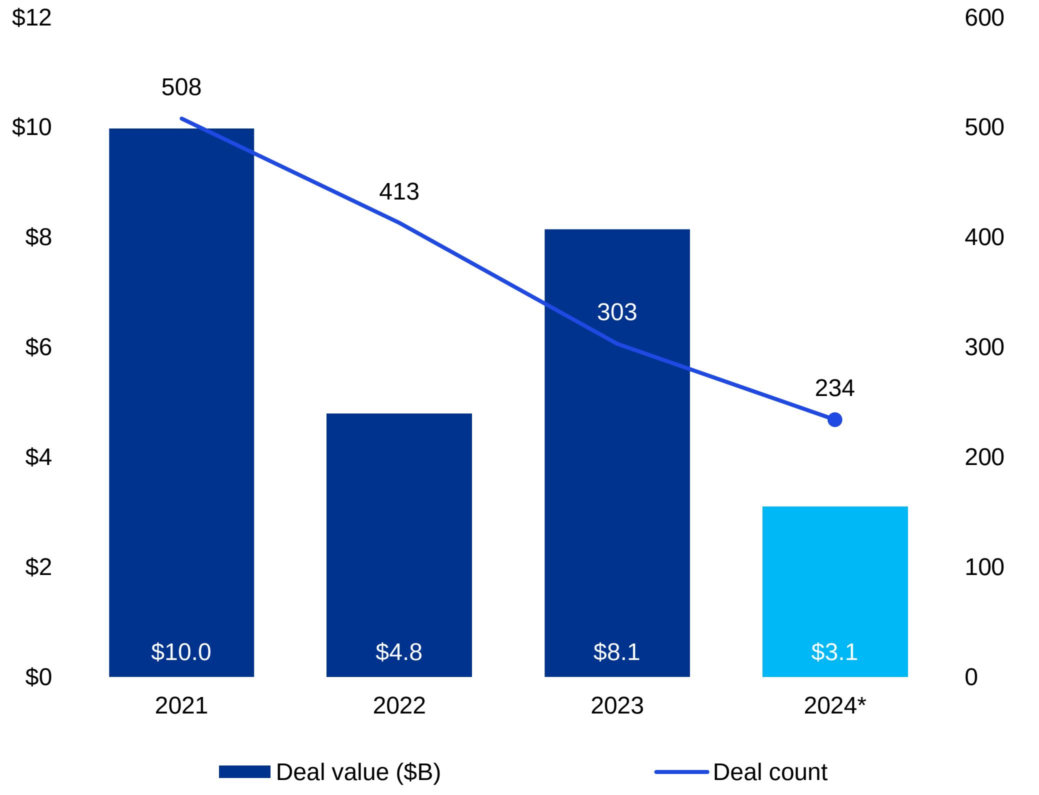
Courtney Trimble
Global Lead, Payments
KPMG International

3. MSN, "Arcapita and Dgpays Consortium completes $385m acquisition of majority stake in NEOPAY from Mashreq," 6 January 2025.

Fintech segments — Insurtech

Absence of M&A megadeals sinks Insurtech investment total

Total global funding activity (VC, PE and M&A) in insurtech 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Total investment in insurtech dropped to just under $3.1 billion in 2024 — a level not seen in over ten years, driven in large part by the complete absence of M&A megadeals, which had become a staple in the market in recent years. While the number of deals dropped only marginally year-over-year, deal sizes were relatively small compared to historical trends, particularly in the second half of the year. A $192 million raise by France-based Alan was the largest deal of H2’24, followed by a $140 million raise by US-based Zing Health, and a $120 million raise by France-based Akur8. This compares to H1’24, when the largest deal was the $427 million acquisition of cyber-insurance company Corvus by Travelers.

The declining investment reflects a shift in investor sentiment from rational exuberance to realism; insurance carriers have become the major driver of insurtech investment as VC firms have pulled back given the high cost of financing and uncertain macroeconomic conditions.

Key H2’24 highlights from the insurtech space include:

Growing focus on AI-focused Insurtechs able to drive efficiencies

During H2’24, insurtech investment continued to pivot away from sales and distribution and towards B2B focused insurtechs, particularly those using AI to drive operational efficiencies in areas including general business operations, claims, and policy administration. Insurance carriers were a major player in this shift, making investments in startups with a view towards possible future acquisitions or partnerships.

Returning to fundamental investment dynamics

Given the slowdown in the market over the last year, insurtech investors enhanced their focus on fundamental business dynamics, including paths to profitability, startup cash burn, and the delivery of real value. Corporates in particular asked more questions around technology capabilities and how they are meant to address relevant industry challenges.

Fintech segments — Insurtech

Insurtech investment in Asia remains soft, yet convergence a key focus

The Americas — particularly the US — continued to be the largest market for insurtech investments in 2024, although Europe also saw solid levels of activity. While the ASPAC region did not see anywhere near the same level of insurtech investment, the concept of convergence gained ground considerably there, with a growing focus on platform plays that bring together life insurance, health insurance, wealth services, and other services needed over a customer's lifespan. Companies in other regions have taken note of this shift and begun working towards their own comprehensive solutions — although some have found industry and regulatory structures a barrier.

What to watch for in H1'25

- Growing focus on AI, including solutions focused on data management and data governance.
- Increasing focus on strategic M&A by traditional insurance carriers.
- Traditional insurance carriers continuing to play a larger role in insurtech investment, more so than traditional VC funds.
- Insurtechs continuing to focus on B2B plays and industry enablement over pure play solutions.

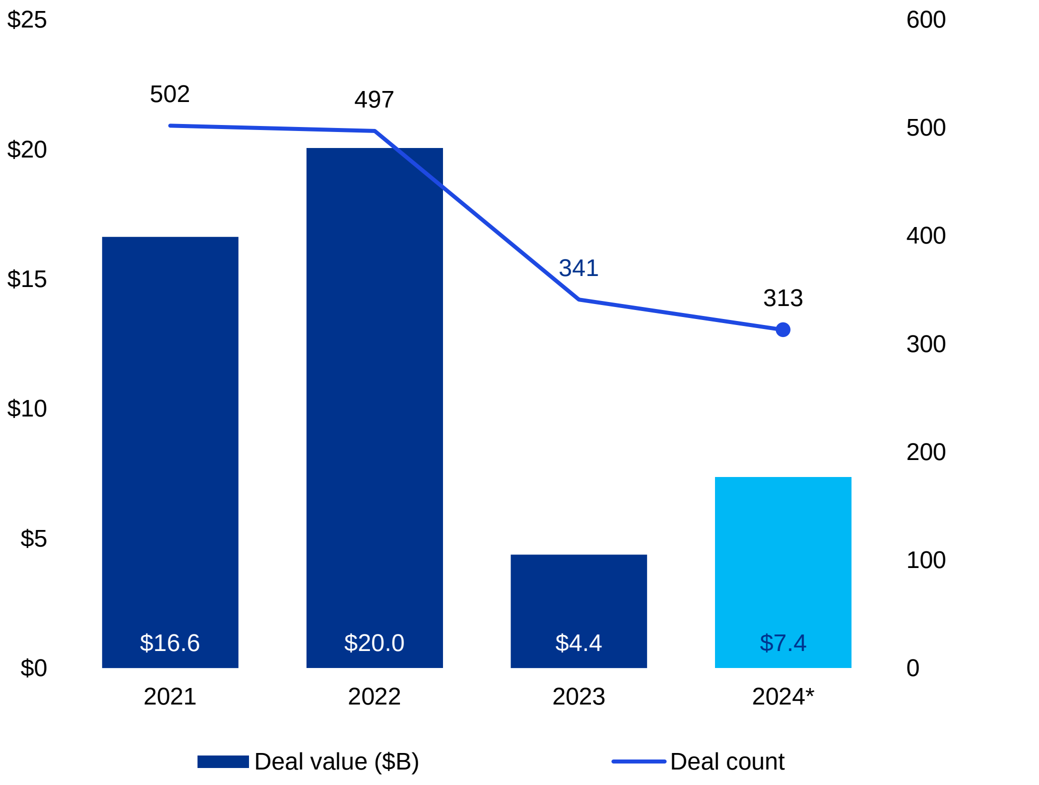
"We're seeing more insurers investing in insurtechs, which is likely contributing to the shift away from distribution and sales focused solutions towards B2B focused insurtechs looking to enable industry players improve their operational efficiencies and processes. Investment is becoming a lot more realistic and value driven, with investors putting money into solutions that can help insurers address the real challenges they're facing today."

Ram Menon
Global Lead of Deal Advisory, Insurance
KPMG in the US

Fintech segments — Regtech

Regtech investment tapers off after H1'24 megadeal

Total global funding activity (VC, PE and M&A) in regtech 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Total global investment in regtech rose from $4.4 billion in 2023 to $7.4 billion in 2024, although the increase was driven primarily by Leonard Green's $4 billion buyout of UK-based IRIS Software Group in H1'24. While investment in H2'24's was much lower in H2'24, total deal volume remained relatively consistent between the first half of the year and the second.

Given the complexities of the regulatory environment in financial services, there continued to be a lot of investor interest in regtech — particularly in software-as-a-service companies — although completed deals remained far and few in between during H2'24 as investors held off from completing deals given uncertainties within the global macroeconomic environment. Investor sentiment started to improve in Q4'24, which bodes well heading into 2025.

Key H2'24 highlights from the regtech sector include:

EMEA attracts largest deal of H2'24

The EMEA region attracted the largest regtech-related deal of H2'24 — the $221 million acquisition of secure payments provider Eckoh by Bridgepoint in a deal to take the company private. In the Americas, the largest deal of H2'24 was an $189 million raise by US-based procurement processing platform provider Zip, while in the ASPAC region, the largest deal was an $80 million raise by India-based payments infrastructure firm M2P Fintech.

Interest in AI-enabled regtech solutions growing rapidly

Similar to the broader investment environment, interest in AI-related solutions in the regtech sector grew rapidly in H2'24. Regtechs able to make better use of real-time data, better use of unstructured data, and better use of large, publicly available data sets saw the most interest, in addition to regtechs working to use AI to automate and drive more value from data analytics.

Fintech segments — Regtech

Larger tech companies moving to embed regtech solutions

As predicted previously, large tech companies continued to focus on incorporating regtech solutions within their broader platform plays. This was particularly true in areas related to digital identity management.

Dealmakers pushing deals out

During H2'24, many regtech investors and startups decided to take a wait-and-see attitude, pushing dealmaking activities farther out given the challenging market conditions and the squeeze on valuations. In Q4'24, the tide appeared to turn, with growing acceptance of lower valuations. This, combined with improving macroeconomic factors — including declining interest rates in many jurisdictions — has fueled optimism that there will be a more substantive uptick in regtech deals activity over the next six months.

Regtechs becoming critical to the sustainable finance agenda

As jurisdictions and corporates embraced green finance and sustainable finance — particularly in the EMEA region — interest in regtechs with sustainable finance solutions continued to grow. Investors increasingly recognized that regtechs have a crucial role to play in ensuring the voracity of sustainable finance initiatives and claims. In particular, investors showed interest in regtechs focused on greenwashing detection and prevention, data collection and analysis, and improving the efficiency and standardization of reporting activities.

What to watch for in H1'25

- Ongoing regulatory changes, particularly in the EMEA region continuing to drive interest and investment in regtech.
- Continued focus on B2B regtech software-as-a-service offerings.
- Growing focus on AI-enablement focused regtech solutions.
- Increasing collaboration — both between regtechs and corporates and between regtechs and regulators.

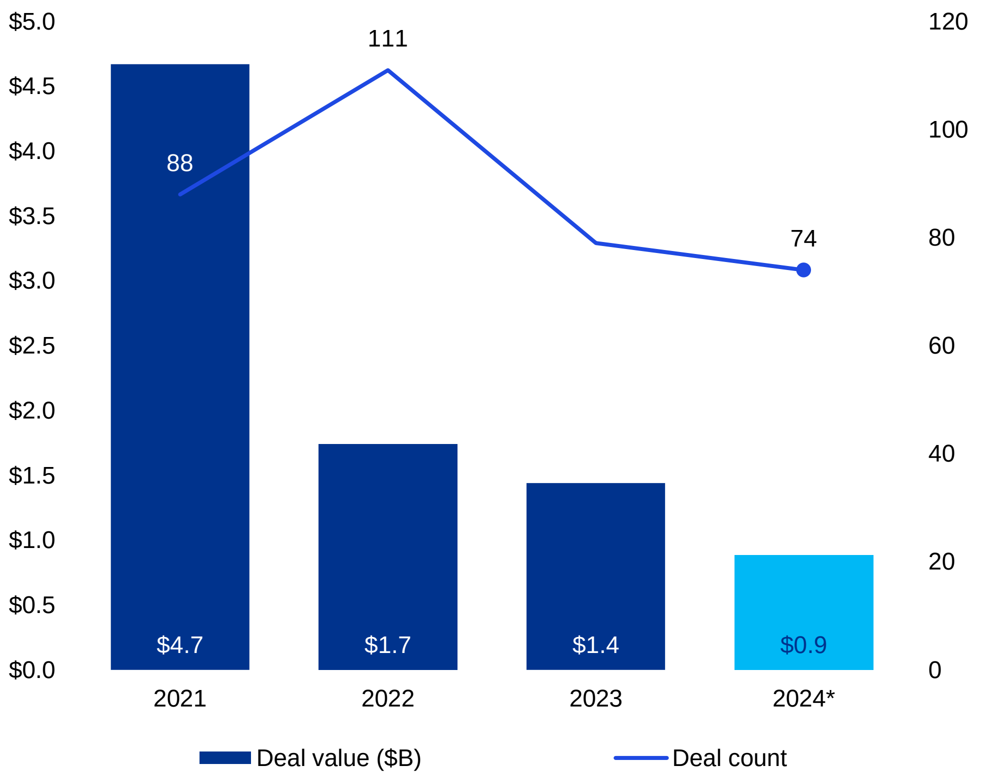
"The global macroeconomic picture did not help regtech dealmaking this past year, but the regulatory environment is a complex beast, constantly evolving and throwing new challenges our way. That's why there's still a huge appetite for regtech solutions, especially those that leverage software-as-a-service (SaaS) and AI. These technologies are key to streamlining compliance processes and making sure businesses can keep up with the ever-changing regulatory landscape. It's a dynamic space, and I'm excited to see how regtech continues to evolve and help businesses navigate the regulatory maze."

Chris Steele
Partner, Banking Risk and Regulation
KPMG in the UK

Fintech segments — Cybersecurity

Cybersecurity investment quiet in H2'24 as big players focus on integration

Total global funding activity (VC, PE and M&A) in cybersecurity 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Direct investment in the cybersecurity space was very soft in 2024, accounting for just $890 million compared to $1.4 billion in 2023. After a very quiet H1'24, cybersecurity investment slowed even further in H2'24, driven in part by global macroeconomic challenges and the absence of significant M&A deals. Deal sizes were quite small during H2'24; the largest deal of the period was a $90 million raise by South Africa-based Cassava Technologies.

In recent years, the nature of investment in cybersecurity has shifted quite dramatically, with acquisitions by major tech companies — both global and regional — having a bigger role to play in investment totals than the cumulative value of smaller deals. The absence of these kind of acquisitions likely accounts for the significant drop-off in funding in H2'24 given cybersecurity continues to be a significant challenge across all regions.

Key H2'24 highlights from the cybersecurity sector include:

Biggest players still looking for deals, others focusing on testing deal value

In 2024, large M&A transactions were non-existent in the cybersecurity space, although the largest playmakers continued to show interest in making potential deals; during H2'24, for example, Google parent Alphabet made a bid to acquire cybersecurity firm Wiz for $23 billion, a deal that was subsequently declined.[4] A number of other large corporate players in the space appeared to spend much of 2024 focused on the integration of previously acquired companies in order to maximize deal value. The success of these efforts could affect future M&A strategies heading into 2025 as these companies evaluate whether making larger deals makes financial sense.

4. The Verge, "Wiz rejects Google's $23 billion takeover in favor of IPO," 23 July 2024.

Fintech segments — Cybersecurity

AI for cyber solutions beginning to emerge

In H2’24, AI focused solutions remained a top area of interest for cybersecurity investors, particularly around fraud detection and response. Within the AI space, one emerging trend has been around AI for cyber, with small, niche cybersecurity firms developing learning models that can leverage bespoke data on a large platform to make cybersecurity activities smarter. The next year will likely see this area evolve very rapidly, with more niche players coming out with solutions; long term, these players will likely get acquired by the big platforms.

Data becoming a big component of large platform plays

Many of the big platform players have increasingly focused on adding cybersecurity offerings to their suite of services, not only as a means to extend their value to customers, but also to extend their data chain so that they can leverage data more effectively across platform activities, enable greater levels of automation, and find new ways to monetize the data that they hold.

Cybersecurity remains key regulatory focus

Financial regulators in a number of jurisdictions have continued to put a significant focus on cybersecurity, particularly in areas like cyber resilience, vulnerability management, and data protection. In H2’24, much of the focus was on the Digital Operations Resilience Act (DORA) in the European Union, which will apply starting on January 17, 2025 — not only to specific institutions in the EU, but also to adjacent companies, such as companies with EU subsidiaries or parent companies in providing ICT services to companies in scope in the EU.[5]

What to watch for in H1’25

- Growing focus on data fabric technology solutions that provide a means of evaluating data across cloud environments to better fine tune detection processes and to improve the ability to correlate indicators of compromise.
- Increasing emphasis on the use of AI within cybersecurity solutions.
- Regulators remediation — both to comply with regional regulations and industry regulations — continuing to drive innovation and investment.
- Continued dominance of platform plays over bespoke security tooling.
- Geopolitical tensions and conflicts potentially driving more activity in the cybersecurity space.

“Heading into 2025, we will likely start seeing more strategic investments in cyber, regardless of what is going on geopolitically because local economies are really starting to open back up again. In the US, there’s the expectation that there will be a focus on deregulation; should this happen, we could see some of the money that corporates have spent on regulatory remediation going into more strategic cyber investments.”

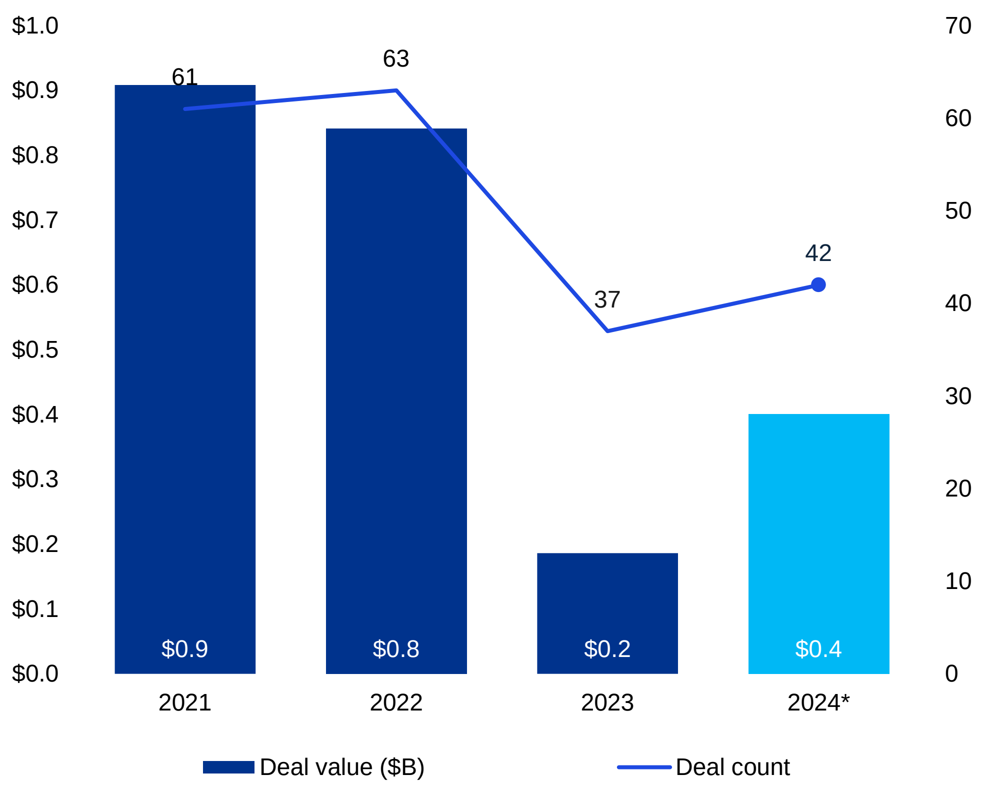
Charles Jacco
Global Lead of Cyber Financial Services
US Cyber Threat Management Lead
Principal, Financial Services
KPMG in the US

5. Mondaq, “EU DORA: Are You In Scope, And If So, How Can You Prepare?” 2 January 2025.

Fintech segments — Wealthtech

After falling to more than ten-year low, investment in wealthtech doubles in 2024

Total global funding activity (VC, PE and M&A) in wealthtech 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Total global investment in wealthtech doubled from a more than ten-year low of $190 million in 2023 to $400 million in 2024. Most of this investment came in H2’24, including four of the five largest wealthtech deals of the year — a $73.9 million raise by US-based Edward Jones, a $60 million raise by US-based Bitwise, a $58.5 million raise by Sweden-based Baseload Capital, and a $47.9 million raise by India-based Neo Asset Management.

Key H2’24 highlights from the wealthtech space include:

Growing focus on AI enablement of robo- and wealth advisors

During H2’24, wealth managers continued to look for better ways to engage with their clients, to provide them with attractive investment opportunities, and to incentivize them to invest. This quest for value has driven significant interest in AI solutions — from making robo-advisors more valuable and better able to understand and respond to client needs and priorities to enabling wealth management advisors with the data and analytics they need to better engage with and provide value to their clients.

Some financial institutions growing wealthtech internally

Over the last year, some larger financial institutions around the world have chosen to drive wealthtech innovation internally; in part, this has been due to the increasing availability of AI and other coding tools that make innovation more accessible for less technical employees.

Data a major challenge for nascent wealthtechs

To be effective, AI-focused solutions require access to data; this has made it very challenging for AI-enabled wealthtechs to scale and grow due to the highly confidential nature of most private banks and wealth management firms, and concerns about data trust and data sovereignty.

Fintech segments — Wealthtech

Ecosystem models starting to drive collaboration

Over the last year, some banks have started to take a more ecosystem focused approach to engaging with their clients in order to extend the value they can provide. This has driven some larger players that have not necessarily been interested in collaboration historically to become more open to partnerships — both with other financial institutions and with smaller players able to provide unique solutions using open banking approaches. Whether this leads more directly to wealthtech investments in the future will be something to watch heading into 2025.

Transfer of wealth between generations driving evolution of wealth management

The transition of wealth between generations is driving some wealth managers to rethink their approaches and to embrace technology innovation in order to meet the needs of younger, more technologically savvy high-net-worth investors — particularly given the rise in self-directed investing.

What to watch for in H1'25

- Robo-advisors leveraging AI and data analytics to enhance client services and aim to address gaps in the wealth management market.
- Financial Institutions increasingly interested in AI enablement of the wealth management space in order to reduce costs and allow client advisors to provide more value.
- Growing convergence between wealth and health management, with a growing number of financial institutions and looking at ways to cater to a broader variety of life needs.

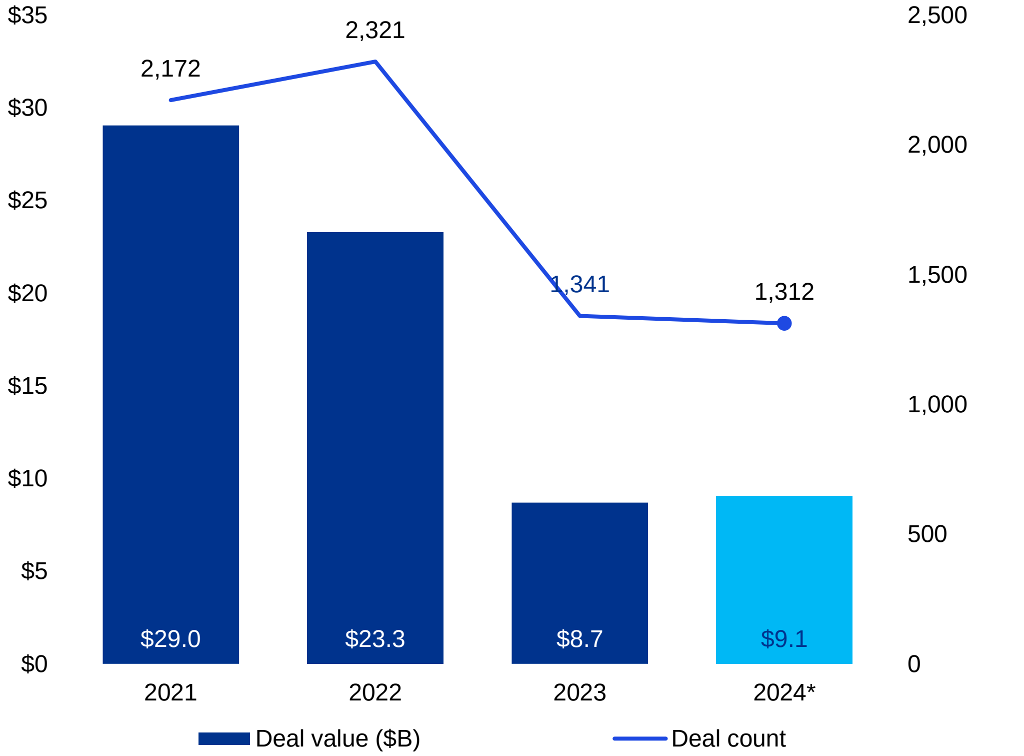
"We're starting to see financial institutions and startups targeting both financial wellbeing and physical wellbeing. They are asking questions like, 'Are you really wealthy if you aren't healthy?' This is driving some corporates, particularly insurance companies and banks, to think differently — more holistically — about heath and financial products. It's a powerful concept — the idea of wealth and health management ecosystems. It's an area worth watching heading into 2025."

Leon Ong
Partner, Financial Services Advisory
KPMG in Singapore

Fintech segments — Digital assets and currencies

Brighter skies ahead for digital assets space

Total global funding activity (VC, PE and M&A) in digital assets and currencies
2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Investment in digital assets and currencies globally rose from $8.7 billion to $9.1 billion between 2023 and 2024, although the more notable rise came in the US, where investment in the space rose from $3.2 billion to $5.4 billion year-over-year. Interest and investment in the US picked up in H2'24, driven by a combination of factors including the recent election in the US, Bitcoin reaching the $100,000 mark for the first time, and the increasing involvement of institutional investors — which has helped cement crypto's place as a legitimate asset.

The Americas saw the largest deals in the digital assets and currencies space in H2'24, including Stripe's $1.1 billion acquisition of stablecoin infrastructure business Bridge and a $525 million raise by Praxis — both based in the US — and a $210 million raise by Canada-based Blockstream. A $100 million raise by UK-based Crytocoin and an $80 million raise Singapore-based Partior — a blockchain-based, real-time clearing and settlements firm — were the largest deals in EMEA and ASPAC, respectively.

Key H2'24 highlights from the digital assets and currencies space include:

Increasing institutional investment in crypto

In H1'24, the Securities Exchange Commission in the US approved a number of spot Bitcoin ETFs, a move that was followed in H2'24 by the approval of spot Ethereum ETFs.[6] This was seen as a real tipping point for investor interest in the space as it highlighted growing acceptance of crypto as a legitimate asset and drove a significant increase in institutional investment in crypto funds.

6. CoinDesk, "Ethereum ETFs Approved by SEC, Bringing Popular Funds to Second-Largest Cryptocurrency," 22 July 2024..

Fintech segments — Digital assets and currencies

Investors making big bets on digital asset infrastructure

During 2024, investors showed significant interest in digital infrastructure solutions, including those focused on stablecoins, CBDCs, digital tokens, and unified ledgers and protocols as part of the ongoing drive to provide less expensive, faster, and more efficient real-time payments. Stripe’s H2’24 acquisition of Bridge for $1.1 billion was a prime example of this.

Growing use of blockchain outside of the crypto space

Outside of the crypto space, investors continued to show interest in blockchain-based technologies, particularly in areas like digital identity management and KYC/AML. Real world solutions have continued to proliferate, particularly in sectors like healthcare and financial services. Several governments have also embraced blockchain-based digital identity solutions, including China, Estonia, and the UAE.

Regulatory landscape for crypto continues to evolve

The regulatory environment in the US was a hot topic for crypto firms and investors in H2’24, given the expectation that the incoming administration will likely introduce pro-crypto regulations and to propose a strategic Bitcoin reserve — which would legitimize Bitcoin as a reserve asset similar to gold. In EMEA, the final phase of the EU’s Markets in Crypto Assets (MiCA) regulation came into full force as of the end of H2’24; under MiCA, crypto asset service providers need to be approved to operate in the EU able to meet cybersecurity, governance, and compliance requirements.[7] In ASPAC, Singapore and Hong Kong (SAR, China) have continued to show strength as regional crypto hubs.

“The crypto sector has seen challenges in recent years, but the mood has shifted quite a lot in H2’24. There’s a lot more positivity in the market, particularly in the US, which is expected to be highly supportive of the crypto industry. The fact institutional investors are increasingly looking at crypto as an asset — as a legitimate asset — is also helping drive interest in the space.”

Debarshi Bandyopadhyay
Director, Blockchain/Crypto
Financial Services, Advisory
KPMG in Singapore

7. Forbes, “What You Should Know About The Latest MiCA Regulations Coming December,” 3 December 2024.

Fintech segments — Digital assets and currencies

What to watch for in H1'25

- Increasing interest from corporates in the tokenization of financial products (e.g., deposits, payments, trade finance, FX, securities, bonds) and real-world assets (e.g., real estate, commodities).
- Continued growth in institutional investor participation in crypto funds using mainstream financial instruments.
- Continued convergence of traditional finance and decentralized finance.
- The US regulatory environment becoming more supportive of the crypto industry.
- Increasing investment into the crypto space, including more activity by institutional investors and family offices.
- Continued emergence and evolution of crypto hubs in Abu Dhabi and Dubai, with more investment going into startups in the region.

"The entire digital assets space is gaining a lot more attention from investors globally, particularly given the surging interest in real-time payments and transactions. With many central bank digital currencies still in the development phases, there's been a major focus on infrastructure plays to provide more robust and efficient payments solutions for the Web3 world."

Kenji Hoki
Director, Financial Services
KPMG in Japan

In H2 2024, fintech funding in the Americas recorded $31.0B with 991 deals

Regional insights — Americas

Fintech investment in Americas falls, even as Canada soars to record high

Fintech investment in the Americas fell to a six-year low of $63.8 billion in 2024 amid challenging macroeconomic factors, geopolitical tensions, and uncertainties related to the US election. M&A deal value fell to a six-year low of $39.5 billion, while PE investment fell to a seven-year low of $922.9 million. The VC market showed more resilience, attracting $23.4 billion — down slightly from $25 billion in 2023. Total fintech investment also fell slightly between H1'24 ($32.8 billion) and H2'24 ($31 billion), although Q4'24 saw $20.2 billion of H2'24's total.

Canada attracted the largest fintech deal in the Americas during H2'24 — the $6.3 billion buyout of Nuvei by Advent International — while the US accounted for the next four largest deals — the $4.5 billion buyout of Envestnet by Bain Capital, the $2.45 billion buyout of Candescent by Veritas Capital, the $1.6 billion acquisition of Transact Campus by Roper Technologies, and the $1.1 billion acquisition of Bridge by Stripe.

Key H2'24 highlights from the Americas include:

US attracts majority of fintech investment, but Canada sets new record

The US attracted the largest share of fintech investment in the Americas, despite investment falling from $72.8 billion to $50.7 billion year-over-year. Investment in Canada rose to a record $9.4 billion, driven by three buyouts (Nuvei — $6.3 billion, Plusgrade — $1 billion, Copperleaf — $731 million) and several $100 million+ VC deals, including three in H2'24 (Blockstream — $210 million, Q4 — $204 million, Koho — $140 million). During H2'24, the largest deals in Latin America came from outside of Brazil; Argentina-based Ualá's raised $309 million, while Mexico-based Stori and Kapital raised $212 million and $188 million, respectively.

> "Heading into 2025, we are witnessing a wave of optimism for the IPO market. With interest rates declining, a shift in the political landscape, and valuations on the rise, the conditions are ripe for a revival in IPO activity. Many of the larger fintech players have been strategically biding their time, poised to capitalize on these favorable changes. As we approach the second half of 2025, we anticipate an uptick in market activity."

Erich Braun
Partner, National Fintech Audit Leader
KPMG in the US

#fintechpulse

Regional insights — Americas

Regulations continuing to evolve in US despite some uncertainty

During H2’24, the Consumer Financial Protection Bureau (CFPB) issued a number of new regulations, including a rule related to the oversight of digital payments apps[8] and a rule requiring financial institutions transfer financial data to other providers at an individual’s request.[9] With a new administration coming in H1’25, however, there is some uncertainty as to whether new regulations will stick.

Crypto space seeing resurgence; increasing interest in stablecoins

In H2’24, there was a notable increase in interest in crypto, particularly following the US election, with Bitcoin surging past the $100k mark for the first time. The was also an increase in interest in crypto infrastructure plays and in stablecoins; in H2’24, Ripple launched its RLUSD with approval by the New York Department of Financial Services.[10]

AI gaining traction, but still early days for fintech-focused solutions

General interest in AI-driven innovation surged in 2024, with investors increasingly interested in industry-focused solutions leveraging AI, enhanced automation and machine learning, and generative AI. Despite the intense interest, actual fintech focused solutions were relatively nascent; corporates showed particular interest in AI solutions focused on customer service enablement — using AI to extend the value of employees and help them more quickly address consumer needs.

Fintech gaining ground across Latin America

The fintech ecosystem in Latin America has rapidly expanded outside of Brazil and Mexico, with fintech hubs emerging in countries like Chile, Columbia, Argentina, and Costa Rica, and more mature fintechs expanding across borders. Chile made a major fintech push in 2024, introducing regulations to support its Fintech Act and to regulate activities like crowdfunding, alternative transaction systems, and the custody of financial instruments and services related to the exchange market.

“Canada is punching above it’s weight in terms of fintech. From early stage all the way to the exit stage, the pipeline of startups is strong. The key lies in presenting solutions that address significant challenges faced by banks. If you possess a viable business model that demonstrates potential — regardless of current profit margins — there is a wealth of investment opportunities and a clear path to exit.”

Dubie Cunningham
Partner, Banking and Capital Markets
KPMG in Canada

8. Consumer Financial Protection Bureau, “CFPB Finalizes Rule on Federal Oversight of Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal ‘Debanking’,” 21 November 2024.
9. Consumer Financial Protection Bureau, “CFPB Finalizes Personal Financial Data Rights Rule to Boost Competition, Protect Privacy, and Give Families More Choice in Financial Services,” 22 October 2024.
10. Yahoo! Finance, “Ripple Launches RLUSD Stablecoin Backed by U.S. Dollar Reserves After Securing NYDFS Approval,” 17 December 2024.

Regional insights — Americas

Trends to watch for in H1'25

- Increasing participation of PE firms given copious dry powder and pressure to provide returns, with interest focused on perceived high growth areas like embedded and B2B payments.
- Increasing M&A, with corporates taking a more strategic and thoughtful approach to capability and market expansion and considering selling some of their non-core assets to realize value.
- Growing focus on crypto and stablecoins, including how to productize them.
- Market participants waiting to see what actions the new US administration takes on regulation.
- Continued focus on the payments sector in Latin America, even as subsectors like KYC, blockchain and regtech begin to emerge.
- AI transforming Latin America's fintech ecosystem by enabling data-driven decisions.

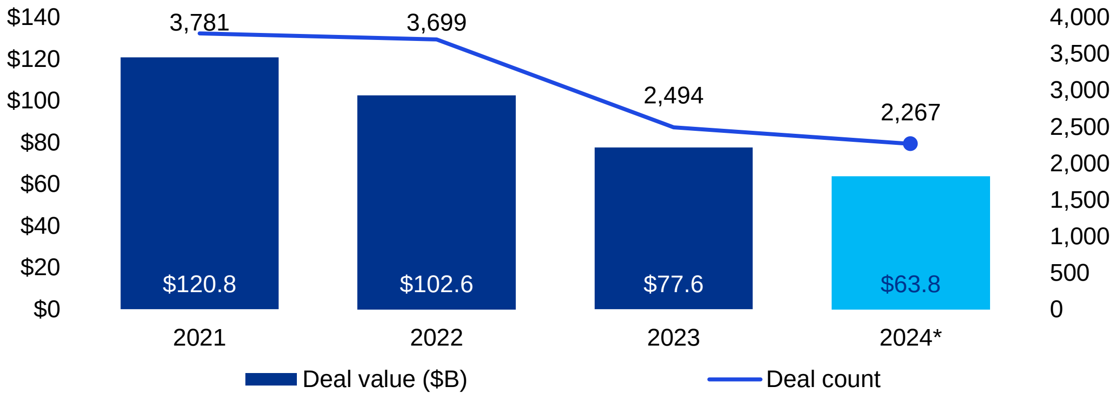
"The fintech sector in Latin America is thriving, with investment increasing significantly across the region as a whole in 2024. Companies like Ualá are raising very significant rounds, exemplifying the growing confidence in the region. As the regulatory landscape continues to evolve, LATAM is well positioned to be a global leader in fintech innovation driving financial inclusion for years to come."

Erick Palencia
Head of Consulting
KPMG in Chile

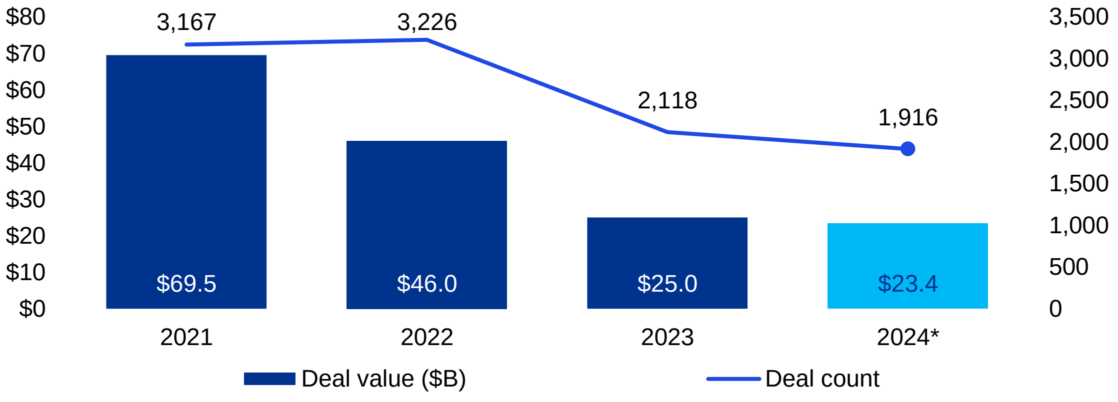
Regional insights — Americas

Across all types of transactions, volume is evening out

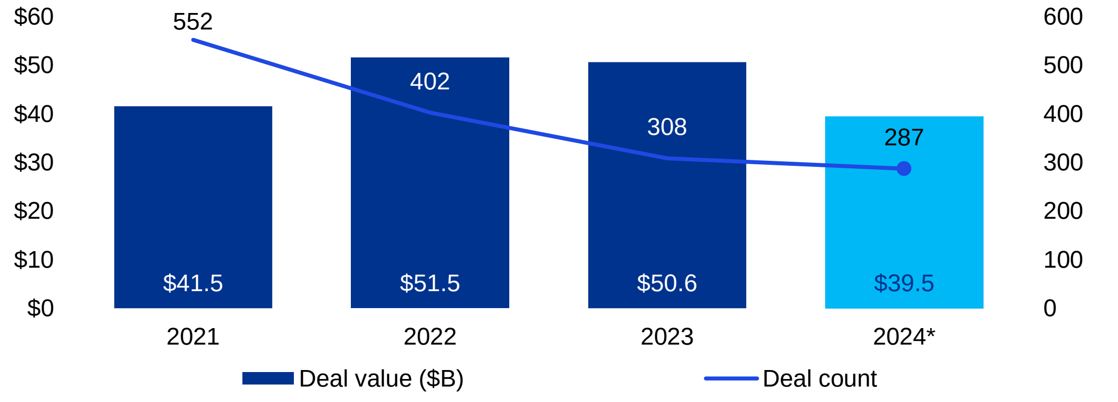
Total funding activity (VC, PE and M&A) in fintech in the Americas 2021-2024*



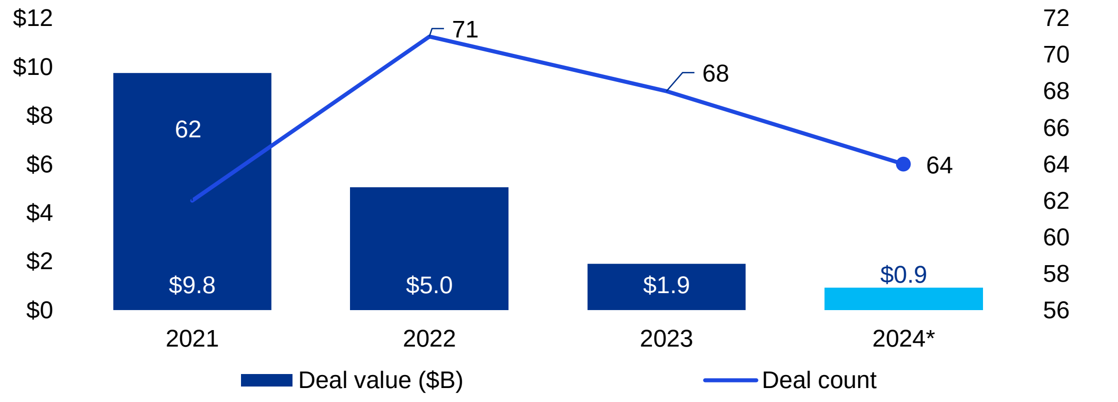
Venture capital funding activity in fintech in the Americas 2021-2024*



M&A activity in fintech in the Americas 2021-2024*



PE growth activity in fintech in the Americas 2021-2024*

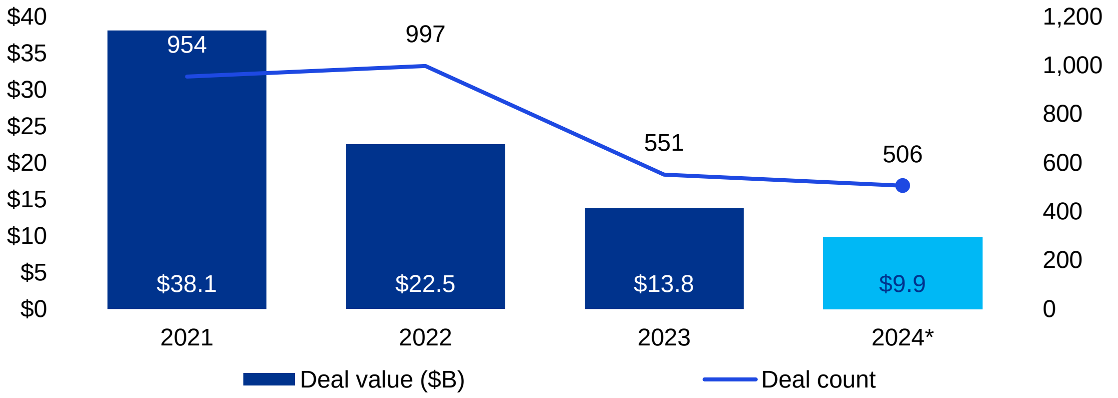


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

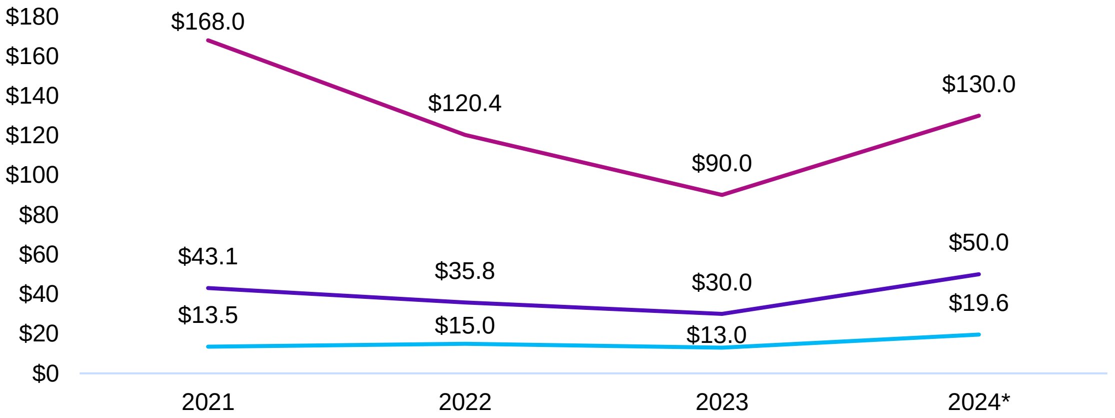
Regional insights — Americas

Valuations have begun to rebound, signaling some cautious optimism

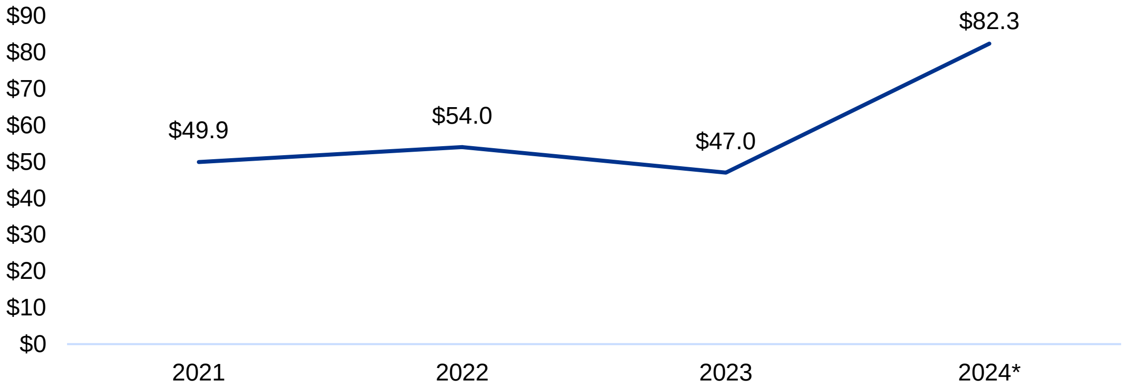
VC activity in fintech with corporate participation in the Americas 2021-2024*



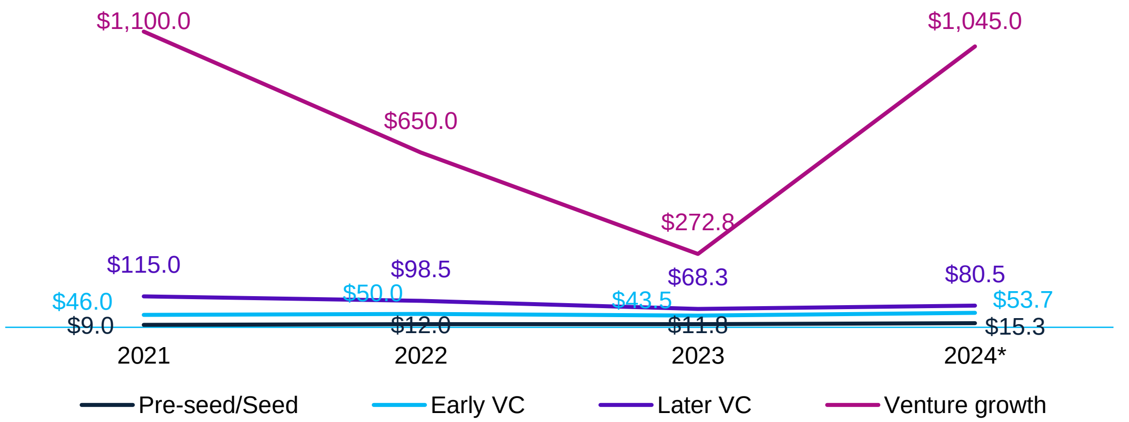
Quartile post-money (VC, PE and M&A) valuations in the Americas 2021-2024*



Median M&A size ($M) in fintech in the Americas 2021-2024*



Median pre-money valuations ($M) by stage in fintech in the Americas 2021-2024*

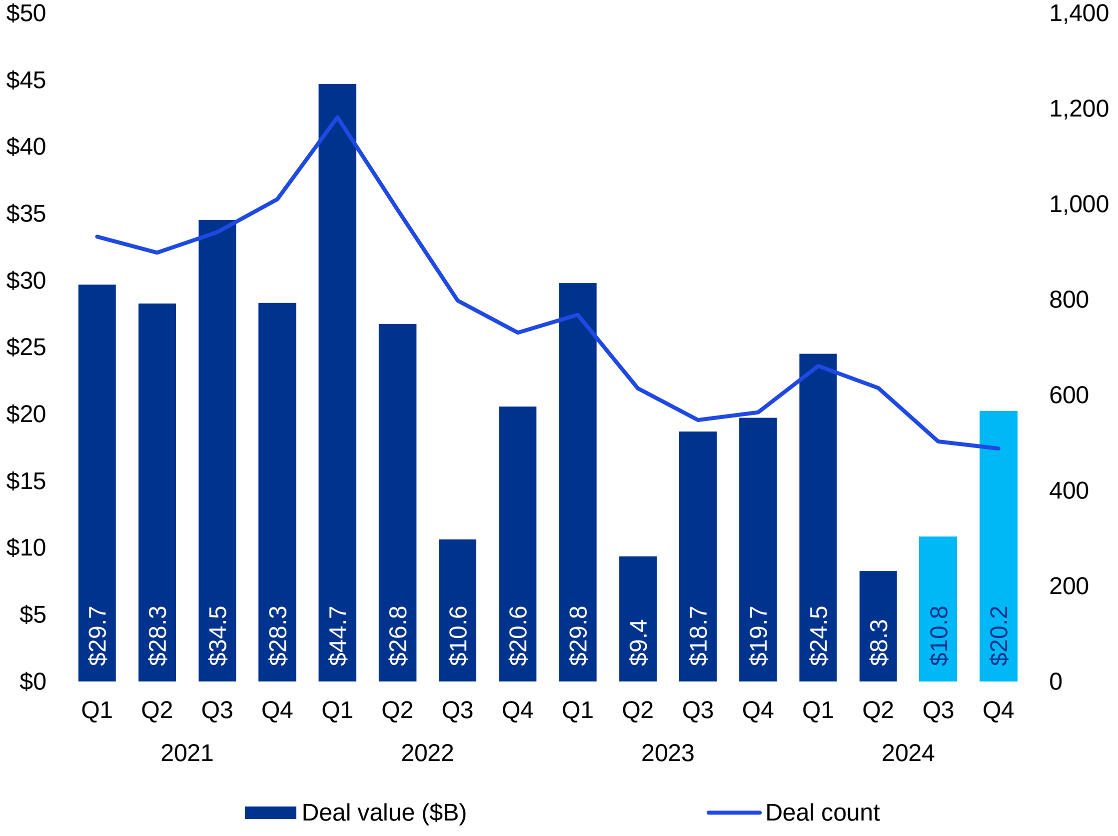


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.
The 2023 and 2024* figures for the median pre-money valuation at the growth stage are based on a non-normative population size.

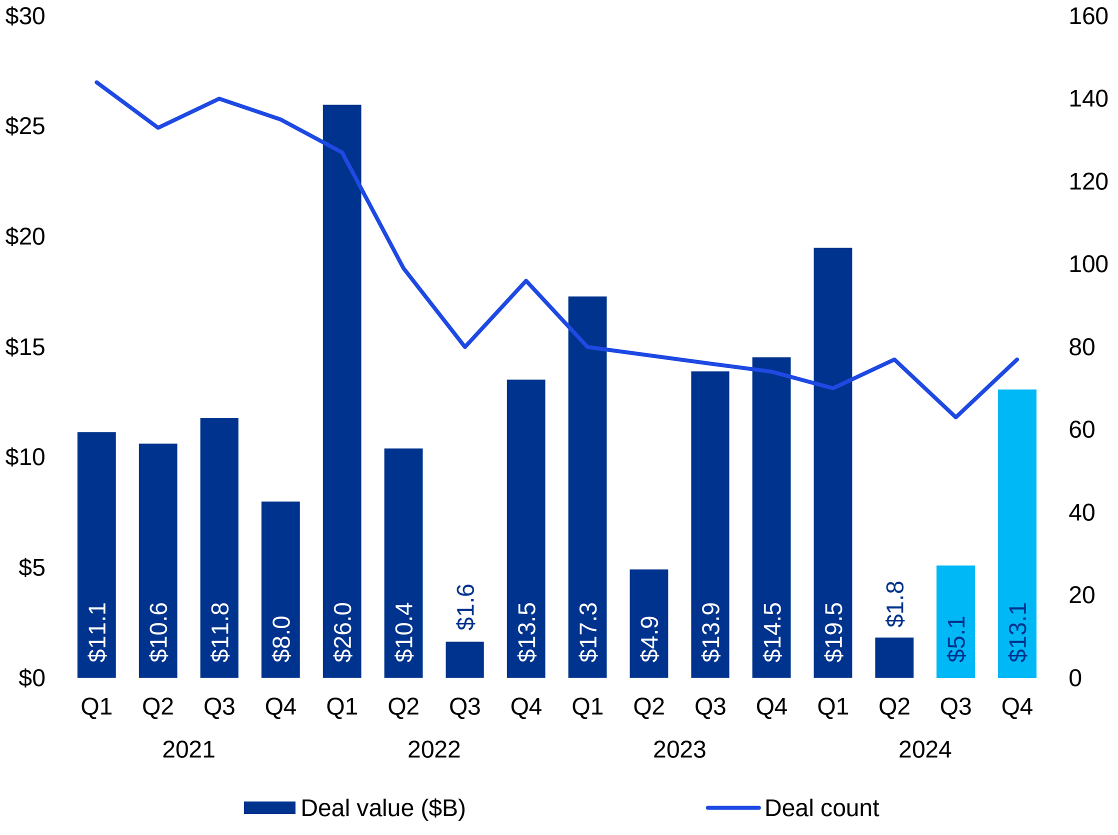
Regional insights — Americas

The end of the year saw a bump in aggregate deal value

Total funding activity (VC, PE, M&A) in fintech in the Americas 2021-2024*



M&A activity in fintech in the Americas 2021-2024*

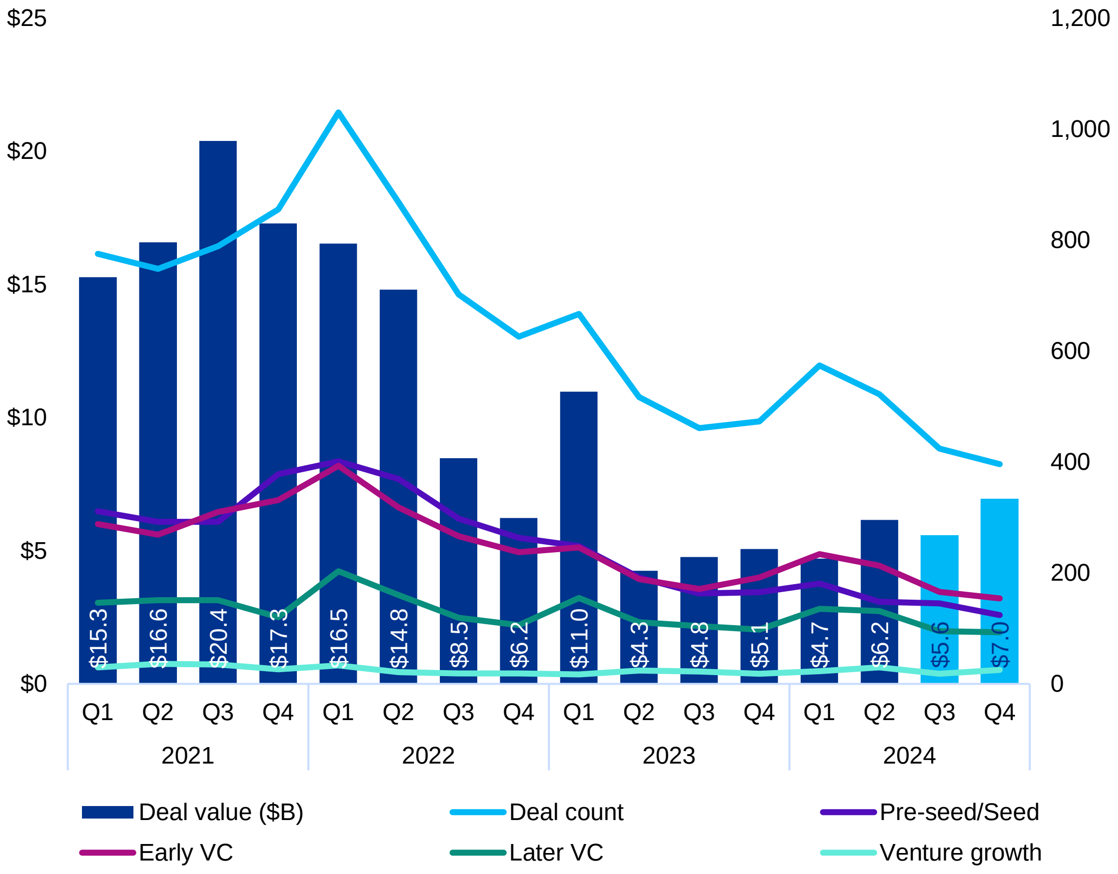


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

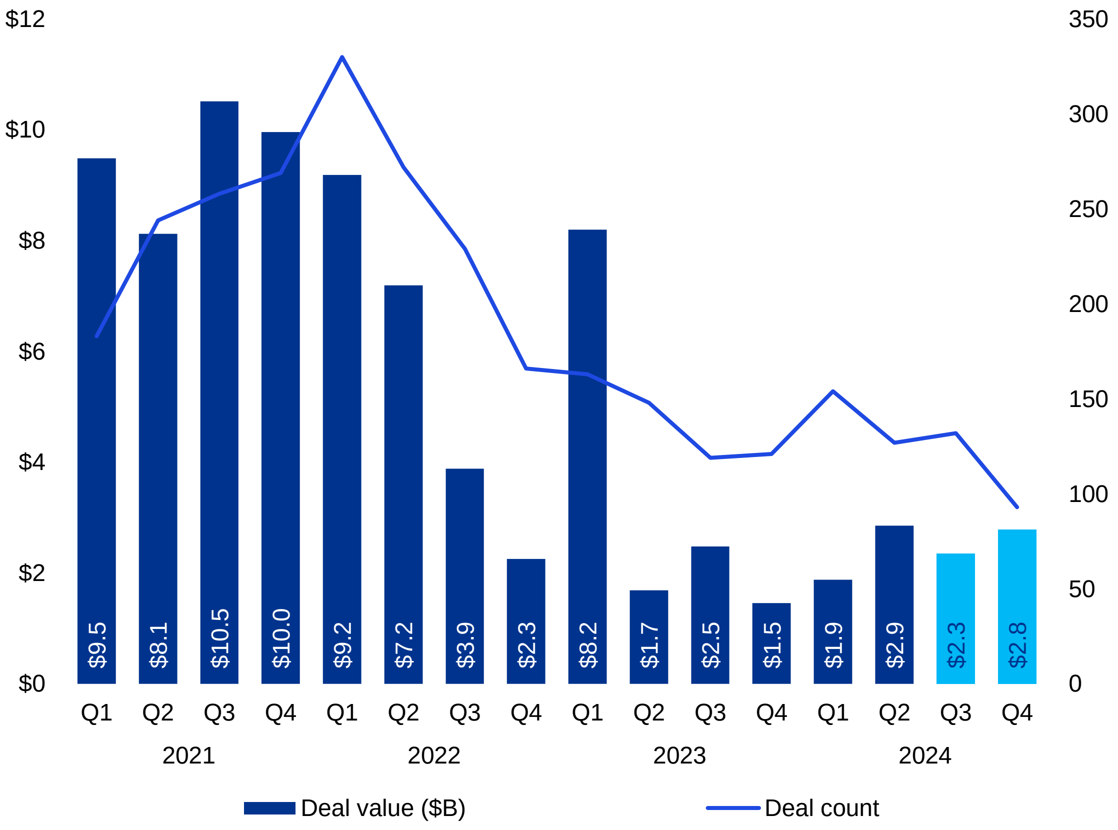
Regional insights — Americas

VC dealmaking gains some momentum to close the year

Venture capital funding activity in fintech in the Americas 2021-2024*



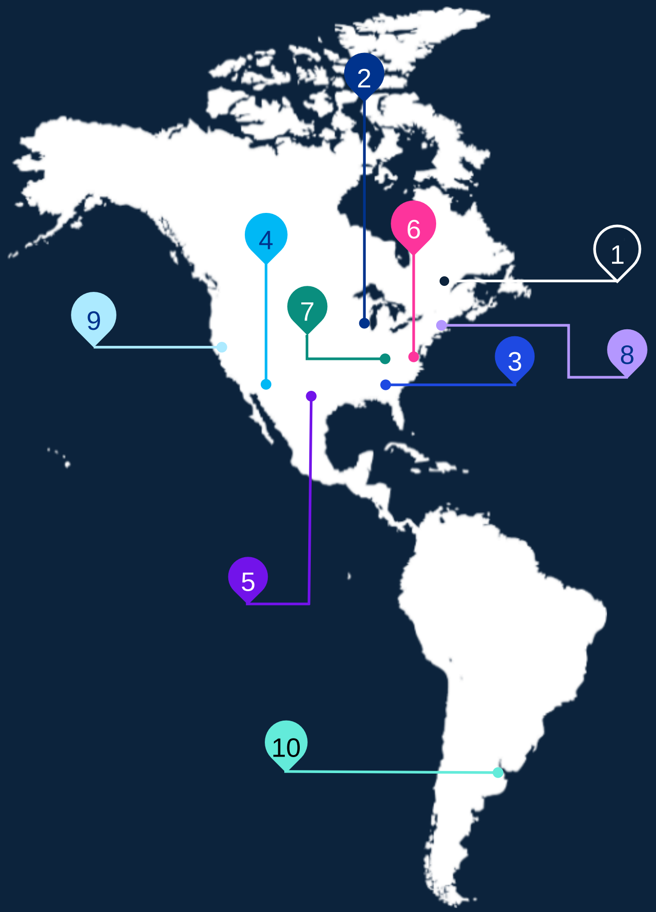
VC activity in fintech with corporate participation in the Americas 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

Americas

Top 10 fintech deals in the Americas in H2 2024



1. **Nuvei** — $6.3B, Montreal, Canada — Payments — *Public-to-private buyout*
2. **Envestnet** — $4.5B, Berwyn, US — Institutional/B2B — *Public-to-private buyout*
3. **Candescent** — $2.45B, Atlanta, US — Digital banking — *Corporate divestiture*
4. **Transact Campus** — $1.6B, Scottsdale, US — Consumer finance — *M&A*
5. **Bridge** — $1.1B, San Antonio, US — Payments — *M&A*
6. **Praxis** — $525M, Wilmington, US — Fintech services — *Early-stage VC*
7. **Paymerang** — $488.2M, Richmond, US — Payments — *M&A*
8. **Brigit** — $460M, New York, US — Consumer finance — *M&A*
9. **Airbase** — $325M, San Francisco, US — Institutional/B2B — *M&A*
10. **Uala** — $309.7M, Buenos Aires, Argentina — Digital banking — *Series E*

Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

In H2 2024, funding in fintech companies in Europe, Middle East and Africa (EMEA) recorded $7.3B with 645 deals

Regional insights — EMEA

Total fintech investment in the EMEA region fell from $27.6 billion in 2023 to $20.3 billion in 2024. H2'24 was particularly weak, with just $7.3 billion in investment compared to $13 billion in H1'24. After dropping to a ten-year low of $7.2 billion in 2023, M&A activity saw a small increase to $8 billion, while M&A deal volume remained relatively steady. VC investment fell slightly from $12.9 billion to $11.4 billion, while PE accounted for only $897 million in investment during all of 2024.

The UK accounted for nearly half of the region's annual fintech investment ($9.9 billion), despite a drop from $13.6 billion in 2023; UK-based investment was particularly soft in H2'24, accounting for only $2.3 billion of this total. The Middle East saw fintech investment swell from $1.2 billion to $2.2 billion year-over year, while fintech investment in France remained almost steady at $1.1 billion. Germany's fintech market continued to struggle in 2024, attracting a ten-year low of $815 million in investment.

Key H2'24 highlights from the EMEA region include:

Strongest companies still raising funds

Within EMEA, strong businesses — ones turning a profit, or with proven business models and a strong growth trajectory — continued to attract investment in H2'24. Other startups moved to cut costs, adapt their business models, or pivot to better satisfy their investors. Not all companies were successful; In H2'24, the region saw a growing number of businesses sold or wound down.

Interest in AI solutions growing

AI continued to gain attention among fintech investors in the EMEA region, with some AI-focused fintechs attracting interest and investment — particularly from corporates. Concerns around how to effectively monetize AI however kept investment relatively conservative; to date, most AI-focused deals have focused on solutions aimed at driving back-office efficiencies.

Embedded payments not getting the traction seen elsewhere

While embedded payments solutions have seen a solid rise in interest from investors across much of the world, they have not gained the same traction in the EMEA region due to the legacy products on offer and consumer preferences for those methods, particularly the use of credit and debit cards.

> "2024 has been a tough year for investment in fintech businesses, which has inevitably led to the failure or sale of some as the market re-sets. The EMEA region, in particular the UK, is seeing signs of slow recovery in deals as the reduction in interest rates and more political stability leads to better certainty. The impact of regulation and 'red tape' continues to challenge the fintech market across EMEA as businesses face into the new MiCA and AI regimes of the EU and expected regulation in the BNPL and crypto space in the UK."

Hannah Dobson
Head of Fintech, Partner, Indirect Tax
KPMG in the UK

Regional insights — EMEA

Interest in B2B wealthtech picking up

During H2'24, the EMEA region saw a real dial up in interest for solutions focused on capital markets, such as trading platforms, post-trade settlement solutions, and anything to do with data-based tools and analytics. Fintech investors were particularly interested in B2B software solutions, in part because of their potential ability to generate more reliable cash flows, but also because such solutions can be easier to take across borders compared to consumer facing solutions.

Increasing number of secondary transactions

Given the dry exit environment over the last two years, there has been a growing number of secondary transactions as fintechs have reached profitability. This has been driven by long-standing investors wanting to liquidate some of their position and by companies looking to reward their early employees. Given the challenges facing the UK's capital markets in particular, secondary transactions could remain quite robust in 2025.

Regulatory changes garnering attention

The evolving regulatory regimes in both the EU and the UK have made it challenging for startups, scaling fintechs, and other market participants, potentially driving them to focus more on compliance than on other activities. During H2'24, both the AI Act and the Markets in Crypto Assets (MiCA) regulation came into force in the EU.

Trends to watch for in H1'25

- Continued investment in regtech given the ongoing evolution of regulations and the complexities associated with compliance.
- Growing interest in the development of AI agents able to act independently, particularly in areas like AML and financial crime detection.
- Increasing regulatory burden acting as a potential driver for consolidation.
- Continued focus on secondary transactions given subdued IPO environment.
- Further development of the digital euro and its ecosystem changing the game for investment, use case development, and the enhancement of an ISV ecosystem.

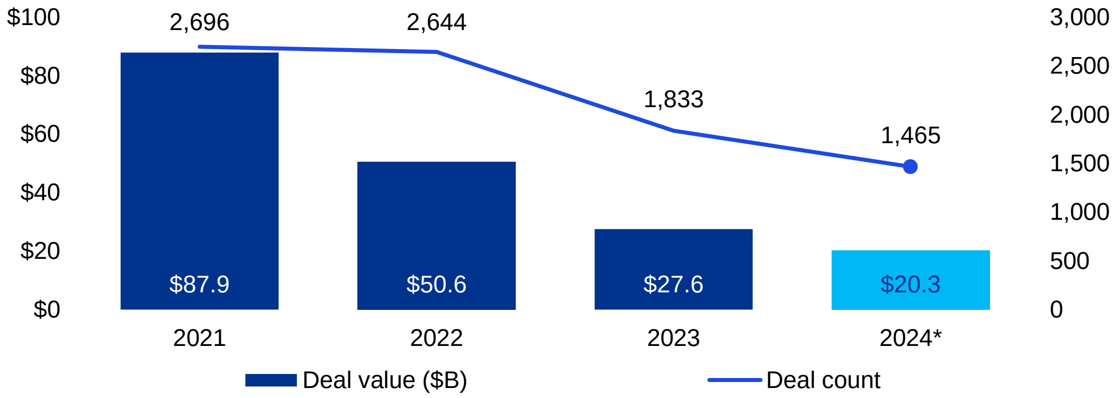
"Throughout the second half of 2024, we have observed a surge in interest towards early-stage financing, particularly due to the smaller investment amounts involved. This trend has shown to be beneficial for early-stage fintech companies, especially those focused on AI and back-office B2B applications. We also continued to see some exciting activities on the partnerships front between traditional banks and fintechs, so, while it's been a challenging year for the fintech market, it hasn't all been bad news."

Dave Remue
Director, Head of Fintech
KPMG in Belgium

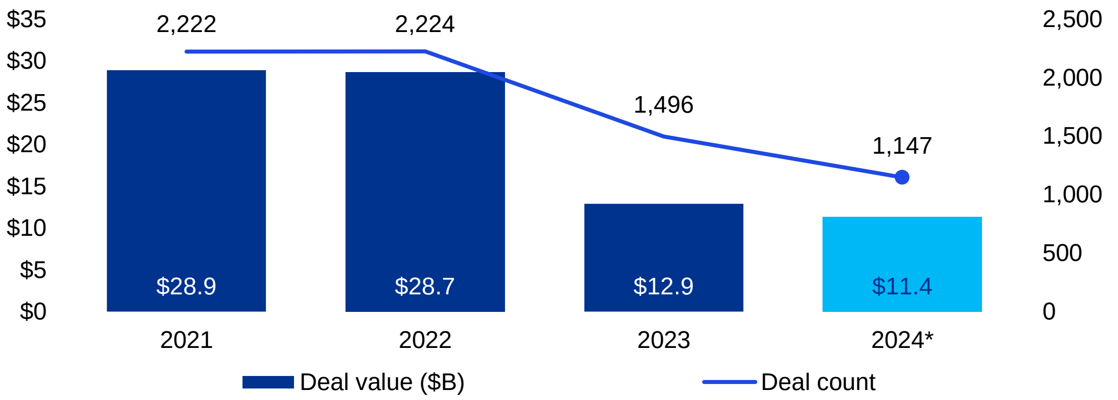
Regional insights — EMEA

VC activity is evening out, at least in terms of aggregate deal value, while M&A remains subdued

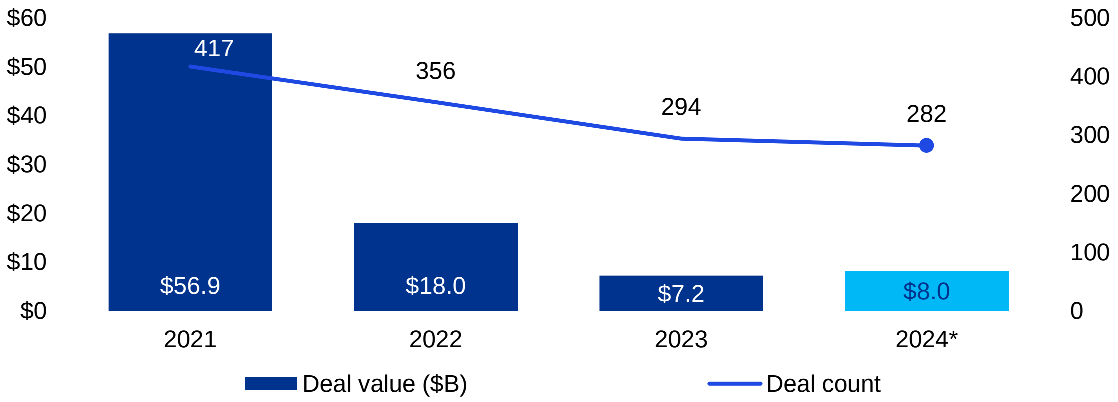
Total funding activity (VC, PE and M&A) in fintech in EMEA 2021-2024*



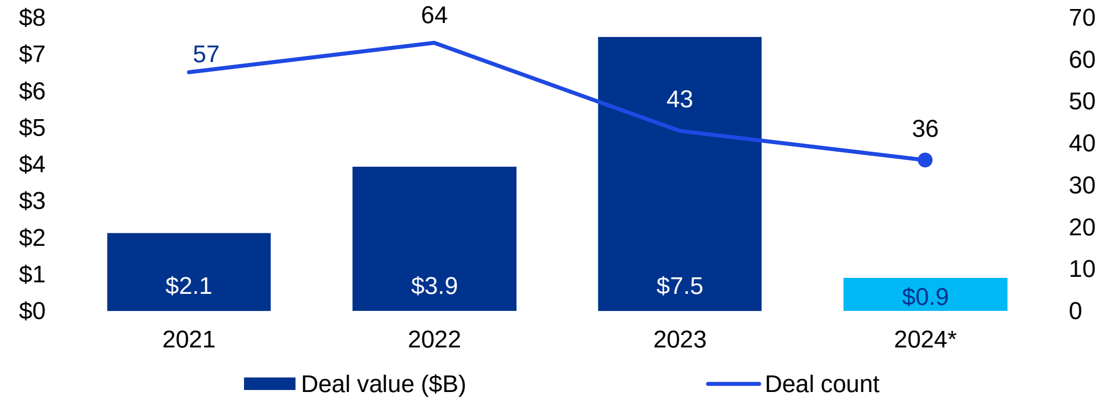
Venture capital funding activity in fintech in EMEA 2021-2024*



M&A activity in fintech in EMEA 2021-2024*



PE growth activity in fintech in EMEA 2021-2024*

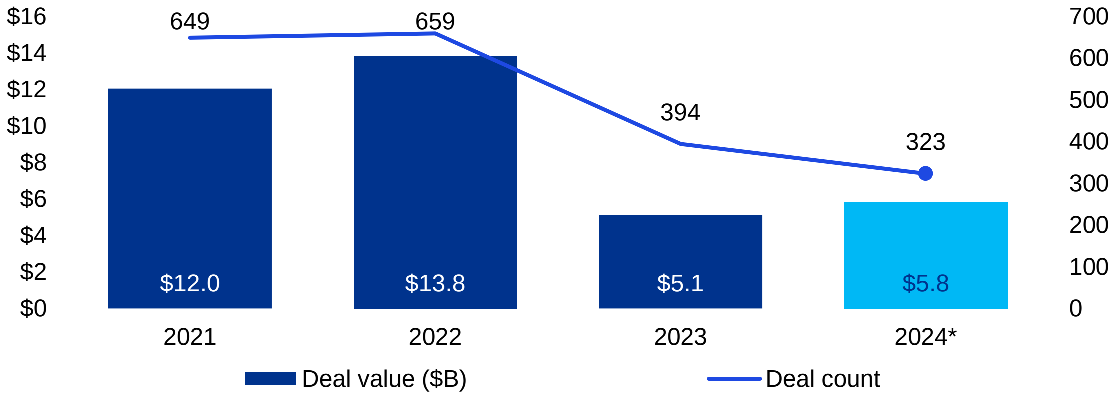


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

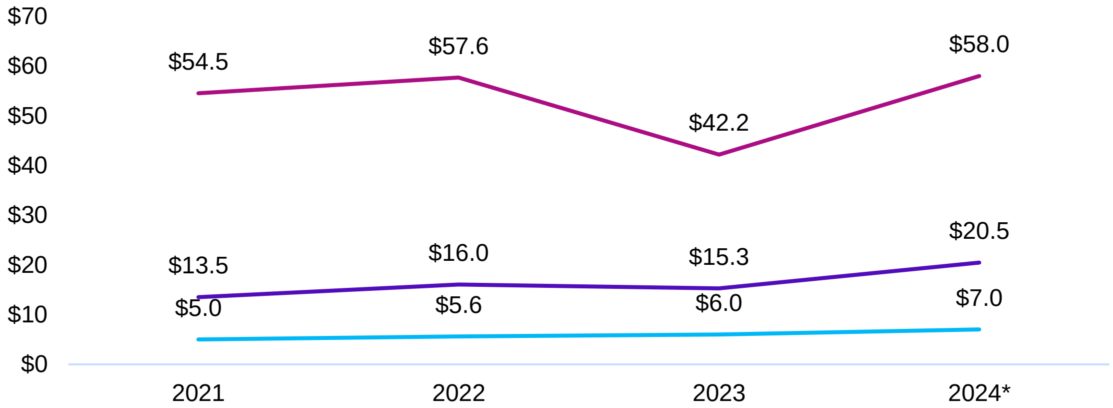
Regional insights — EMEA

Valuations show signs of resilience

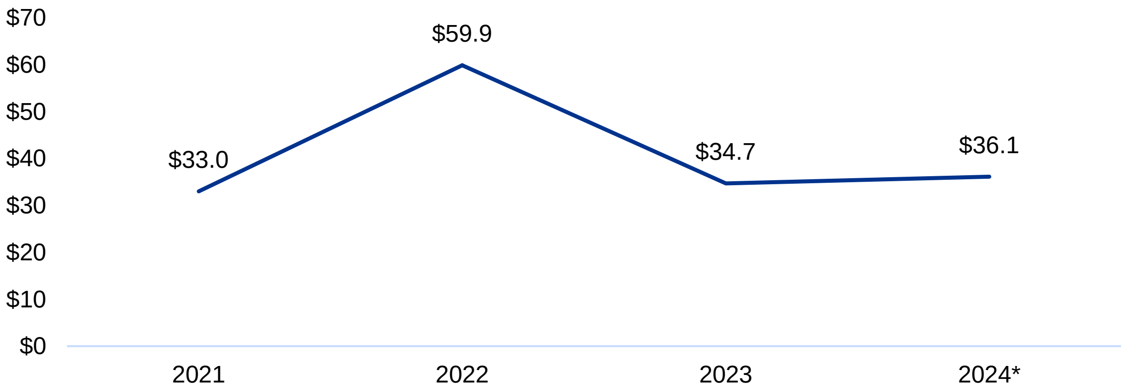
VC activity in fintech with corporate participation in EMEA 2021-2024*



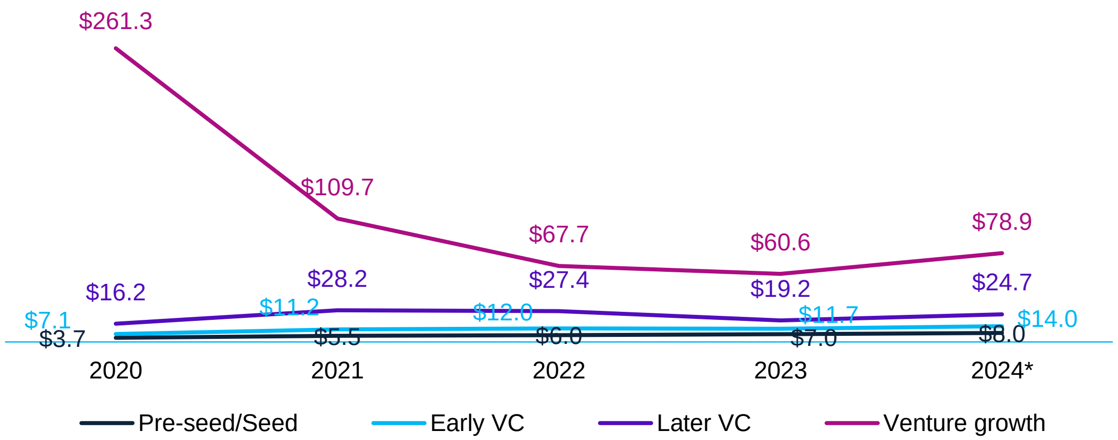
Quartile post-money (VC, PE and M&A) valuations in EMEA 2021-2024*



Median M&A size ($M) in fintech in EMEA 2021-2024*



Median pre-money valuations ($M) by stage in fintech in EMEA 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.
The 2023 and 2024* venture growth figures for median pre-money valuations are based on a non-normative population size.

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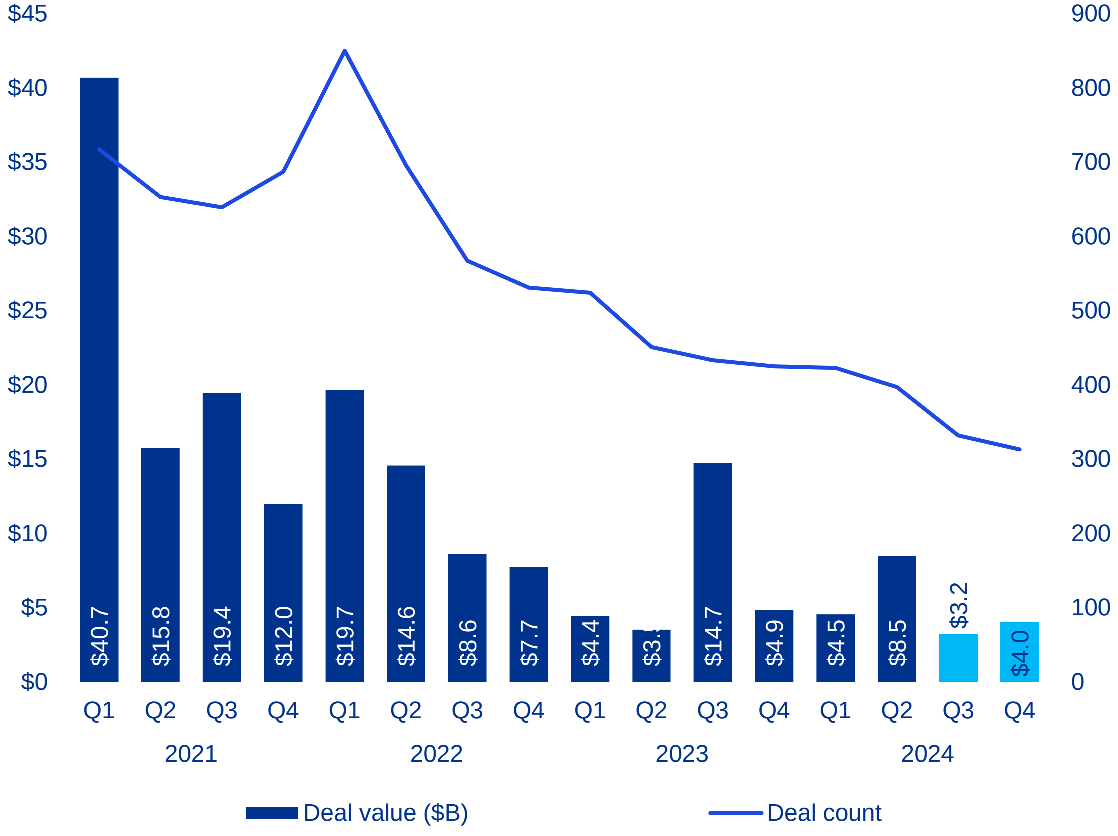
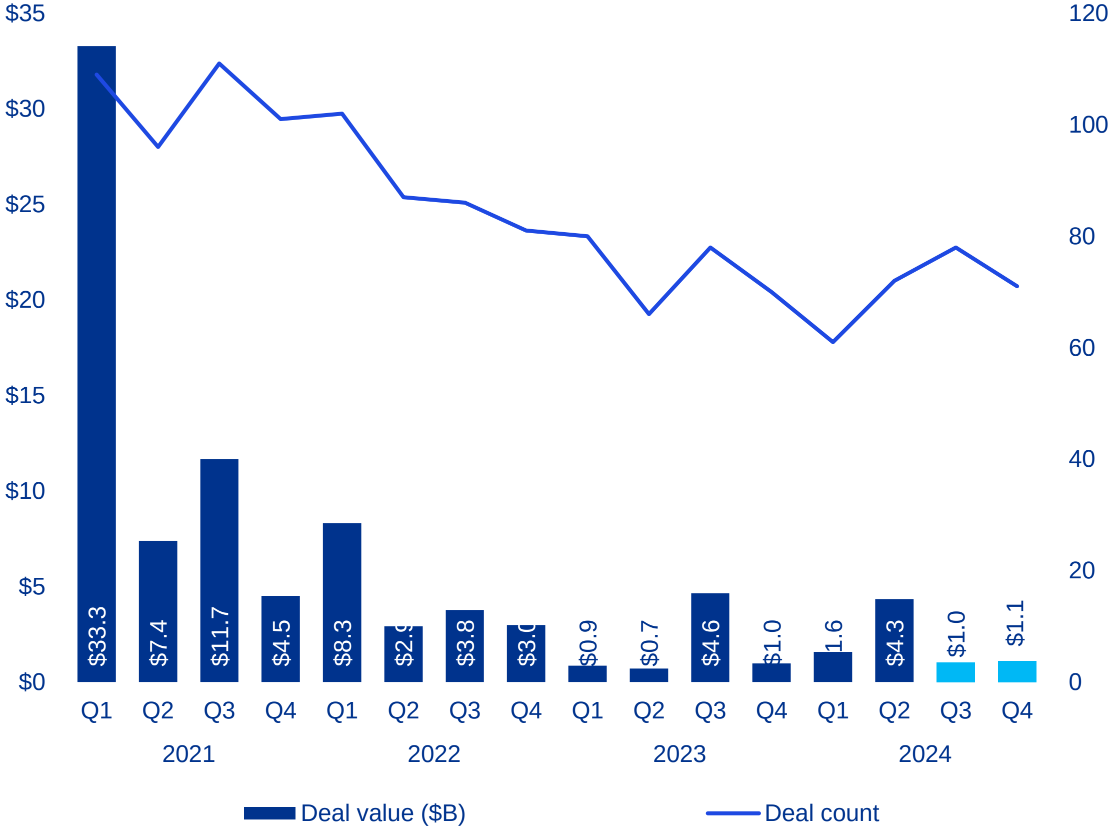
Regional insights — EMEA

Consolidation via M&A has stayed steady, even though on the smaller end given aggregate deal values

Total funding activity (VC, PE and M&A) in fintech in EMEA 2021-2024*



M&A activity in fintech in EMEA 2021-2024*

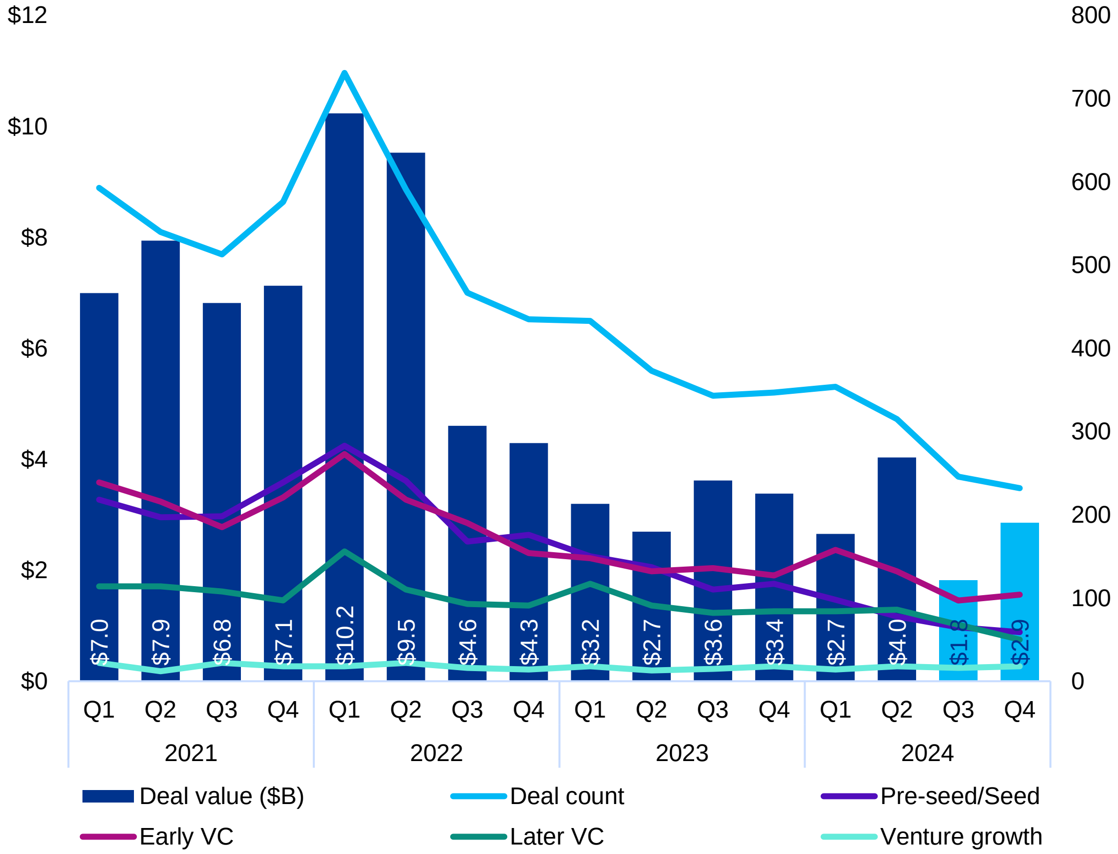


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Regional insights — EMEA

Deals on the larger side can still close, as evidenced by variability in VC invested

Venture capital funding activity in fintech in EMEA 2021-2024*

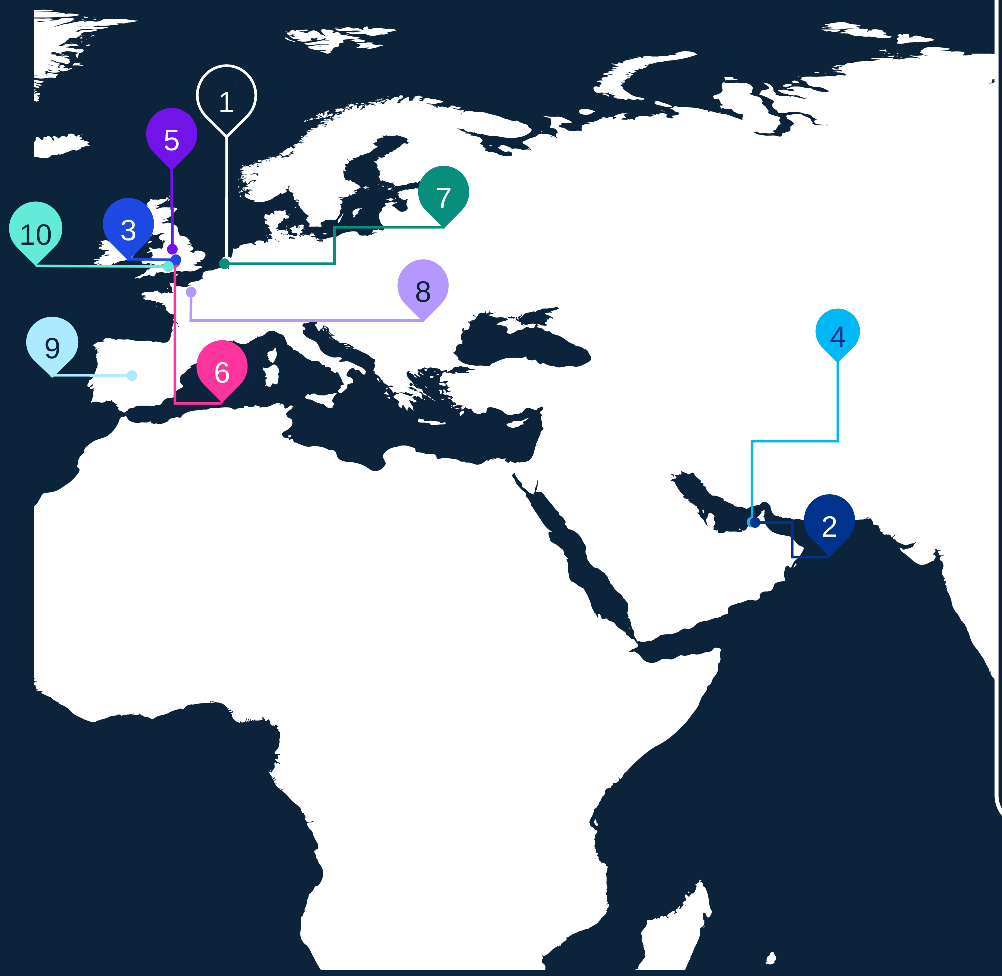


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

VC activity in fintech with corporate participation in EMEA 2021-2024*

EMEA

Top 10 fintech deals in EMEA in H1 2024



1. **Knab Bank** — $560.6M, Amsterdam, Netherlands — Digital banking — *Corporate divestiture*
2. **NeoPay** — $385M, Dubai, UAE — Payments — *Buyout*
3. **Zepz** — $267M, London, UK — Payments/transactions — *Late-stage VC*
4. **Scalo Technologies** — $258M, Dubai, UAE — Institutional — *Early-stage VC*
5. **Eckoh** — $221.5M, Hemel Hempstead, UK — Cybersecurity — *Public-to-private buyout*
6. **Form3** — $220M, London, UK — Payments — *Series C*
7. **MultiSafepay** — $200M, Amsterdam, Netherlands — Payments — *Add-on*
8. **Alan** — $192.1M, Paris, France — Insurtech — *Series F*
9. **Cobee** — $188M, Madrid, Spain — Institutional/back-office — *M&A*
10. **CloudPay** — $180M, Andover, UK — Institutional/B2B — *PE growth*

Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

In H2 2024, fintech companies in Asia Pacific (ASPAC) recorded $5.5B with 392 deals

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Regional insights — ASPAC

Fintech funding in ASPAC region falls to ten-year low

Total fintech investment in the ASPAC region fell to $11.4 billion in 2024 — the lowest level seen since 2014; the decline was driven by several factors, including geopolitical uncertainties associated with the mass changes to governments globally, the continued focus on efficiency and cost cutting among many corporates, and the continued softness in China’s fintech sector. The payments sector remained quite a hot area of investment throughout the region, while lending-focused solutions continued to struggle.

Total fintech investment in China dropped from $2.6 billion to just $687 million between 2023 and 2024, while investment in India slipped from $4.4 billion to $4.1 billion. Other jurisdictions saw more positive results; Australia saw fintech investment more than double from $839 million to $2.1 billion year-over-year, while investment in Japan held steady at $662 million.

Key H2’24 highlights from the Asia-Pacific region include:

Biggest deals in H2’24 come outside of China and India

During H2’24, growing fintech hubs attracted the five largest deals in the ASPAC region, including a $788 million VC raise by Philippines-based digital payments firm platform Mynt, the $539 million acquisition of Australia-based credit analysis firm Illion by Experian,[11] a $229 million raise by Japan-based lending company Gojo & Company, the $197 million acquisition of Australia-based investment research company Lonsec by Generation Development Group,[12] and the $154 million acquisition of Malaysia-based payments services company GHL Systems by NTT Data Payment Services.[13]

Interest in AI-driven solutions on the rise, particularly in the regtech space

Fintech investors in the ASPAC region showed increasing interest in AI-driven solutions within the financial services sector. While this interest has not yet translated into significant deal value, it is an area expected to see rapid growth; regtech will likely be the first major target of AI-focused fintechs in the region — particularly in areas like risk and controls — in addition to operational activities like marketing and customer services as companies look to become more efficient.

11. Experian, “Experian completes A$820m acquisition of illion,” 1 October 2024.
12. Lonsec, “Media Release: Australia’s market leading investment research house — Lonsec fully acquired by Generation Development Group Limited,” 3 June 2024.
13. NTT DATA, “NTT DATA agrees to acquire a majority share of GHL Systems Berhad for further expansion of payment business among ASEAN countries,” 27 May 2024.

“Over the next year, we’re likely going to see a lot more happening in the generative AI and AI space when it comes to financial services. The technology suits so many needs, from risk and controls to wealth management. It has the potential to really reshape and reinvigorate the fintech sector, particularly here in China.”

Andrew Huang
Head of Fintech
KPMG China

Regional insights — ASPAC

Continuing focus on the development of digital currencies, assets, and infrastructure

In 2024, there continued to be a significant push to develop digital financial markets infrastructure, digital currencies, and digital assets within the ASPAC region. Several major projects including Agora, mBridge, Guardian, Ensemble, Orchid, and GL1 have evolved primarily in ASPAC, driven by partnerships between local and global organizations. During H2'24 in particular, Hong Kong launched the second phase of its e-HKD pilot scheme.

Five Finance Strategy driving focus of fintech investment in China

Fintech investment in China remained dry in H2'24, with much of the investment going to startups working to enable traditional financial institutions, particularly around the pillars of China's Five Finance Strategy (i.e., technology finance, green finance, digital finance, inclusive finance, and elder finance).[14] During H2'24, there appeared to be growing interest in IPO exists among mature fintechs; whether these exits materialize will be something to watch for in 2025.

Strategic M&A still a key focus

Strategic M&A continued to be a focus for fintech investors in the ASPAC region during H2'24, particularly among corporates and other providers looking to gain scale benefits and smaller startups looking to merge to become more competitive.

Trends to watch for in H1'25

- Increasing investment outside of China as macroeconomic conditions improve.
- Growing focus on generative AI and on AI-enablement, but particularly in China.
- Several central banks across the ASPAC region finalizing pilots or moving beyond pilots and into production during 2025.
- China-based fintechs beginning to look at IPO opportunities again.

"There's definitely been a decline in investment in startup and early-stage scale-up businesses in the ASPAC region. It's predominantly more established fintechs that are self-sufficient and that can fund themselves that are getting attention right now. Businesses that haven't proven their business model or that are still burning money are struggling in a big way. There's just no appetite for that among fintech investors right now."

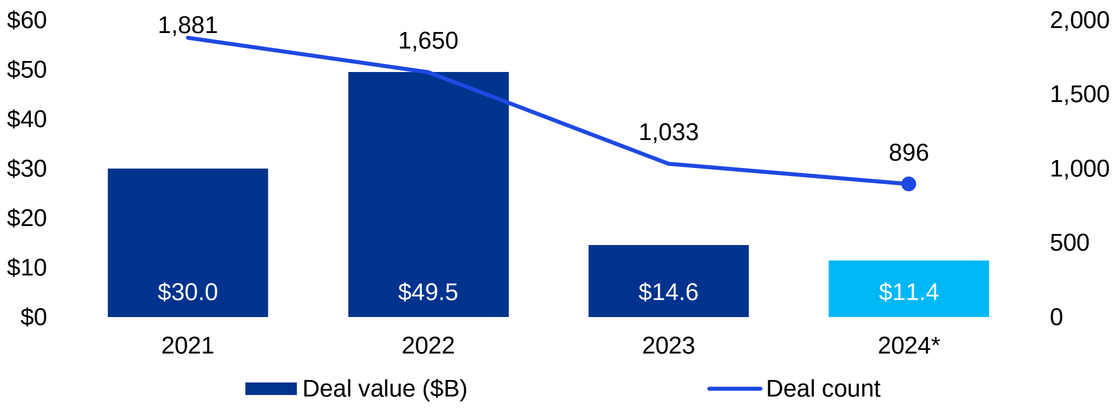
Daniel Teper
Partner, M&A and Head of FinTech
KPMG Australia

[14] National Financial Regulation Administration (NFRA), "Promoting high-quality financial development and boosting Asian financial cooperation," 24 January 2024.

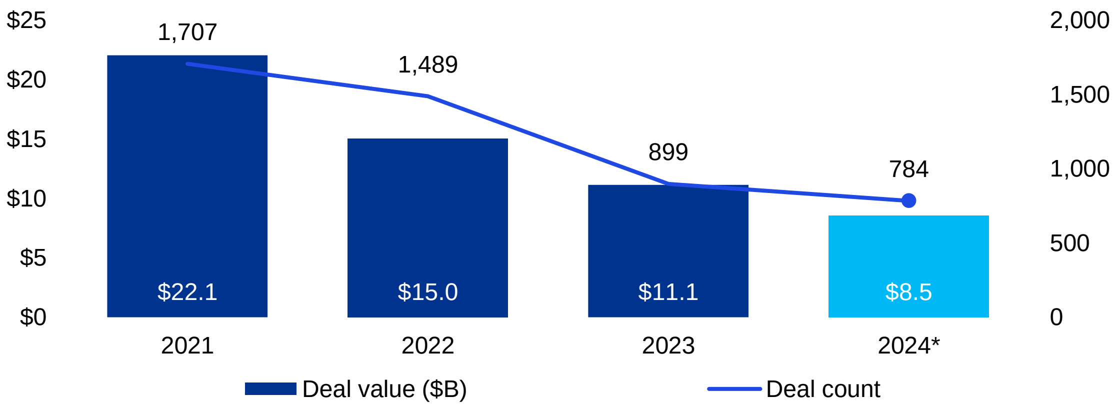
Regional insights — ASPAC

Across most transaction types, volume remains subdued; some show signs of evening out further

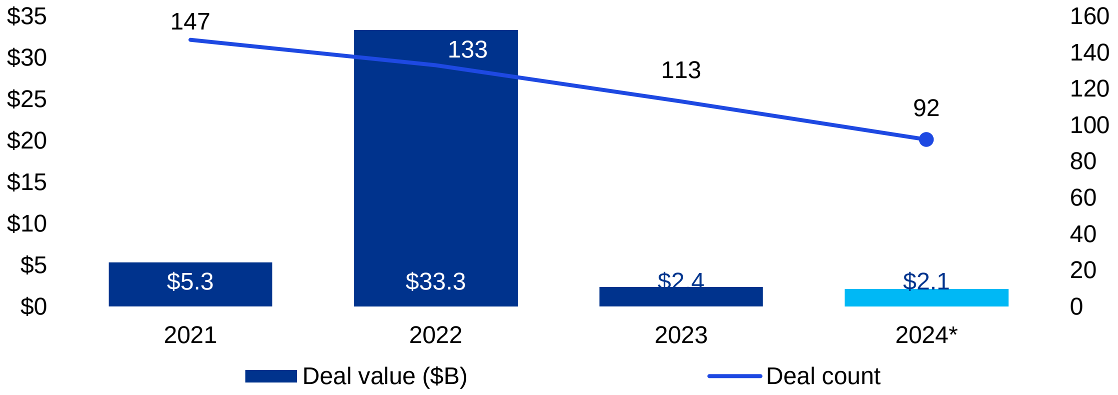
Total funding activity (VC, PE and M&A) in fintech in ASPAC 2021-2024*



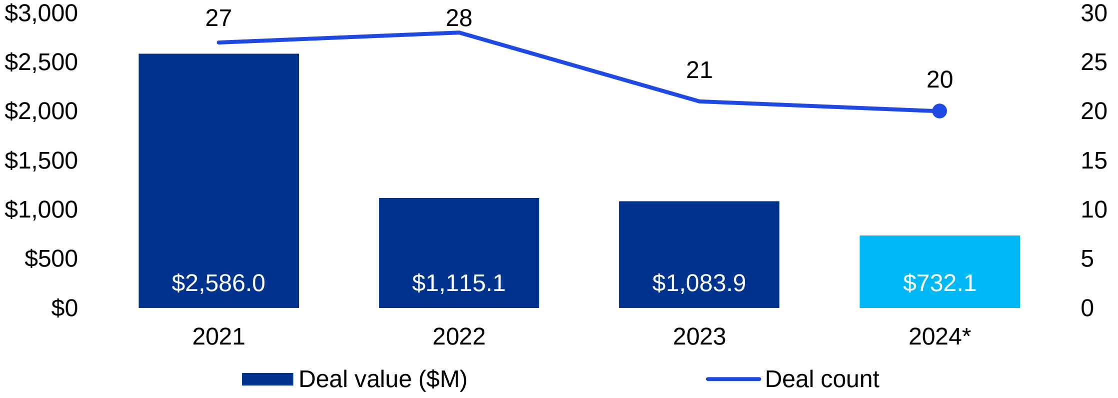
Venture capital funding activity in fintech in ASPAC 2021-2024*



M&A activity in fintech in ASPAC 2021-2024*



PE growth activity in fintech in Asia Pacific 2021-2024*

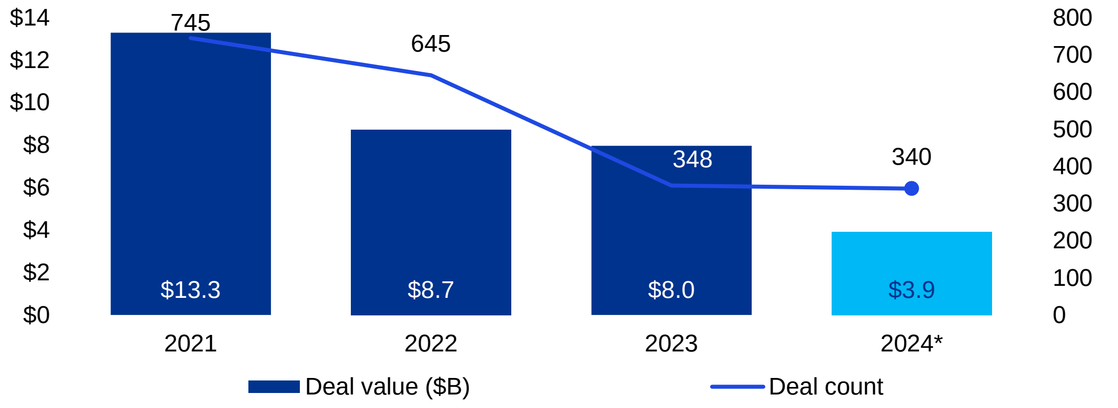


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

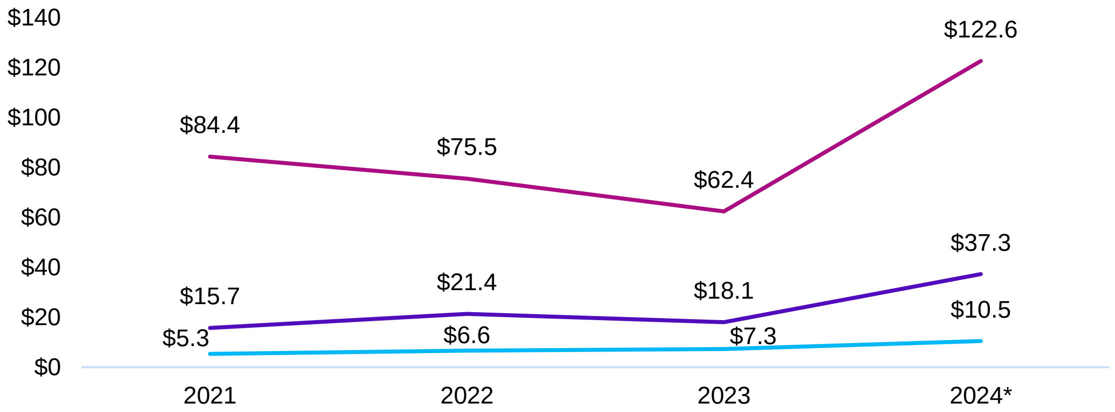
Regional insights — ASPAC

A cautious sign of rebounding in valuations, although sample sizes remain small

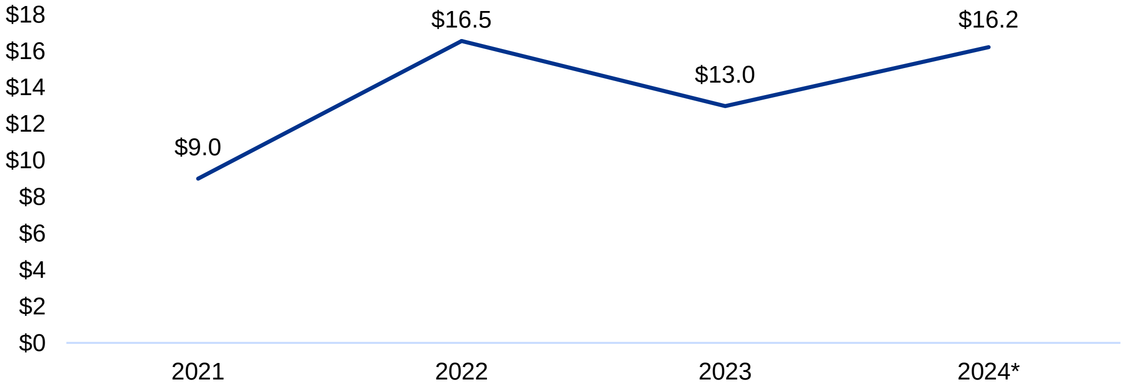
VC activity in fintech with corporate participation in ASPAC 2021-2024*



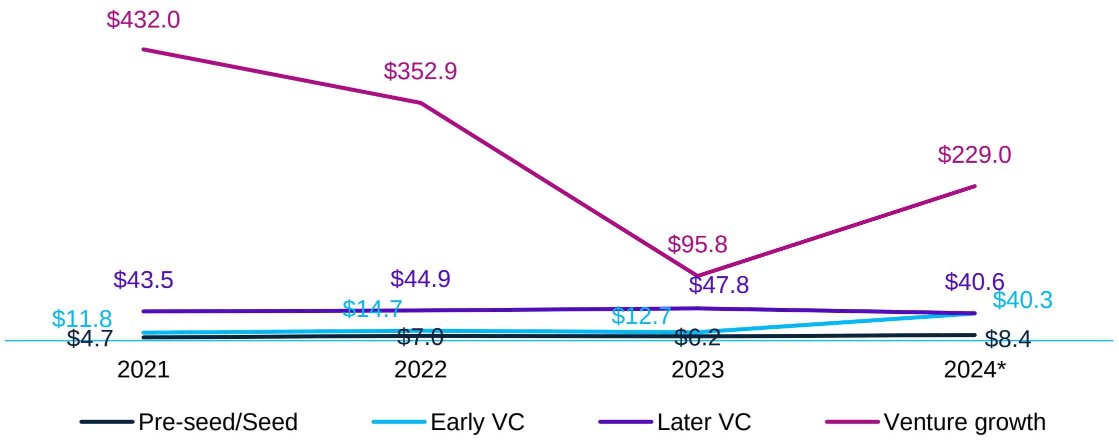
Quartile post-money (VC, PE and M&A) valuations in ASPAC 2021-2024*



Median M&A size ($M) in fintech in ASPAC 2021-2024*



Median venture pre-money valuations ($M) by stage in fintech in ASPAC 2021-2024*

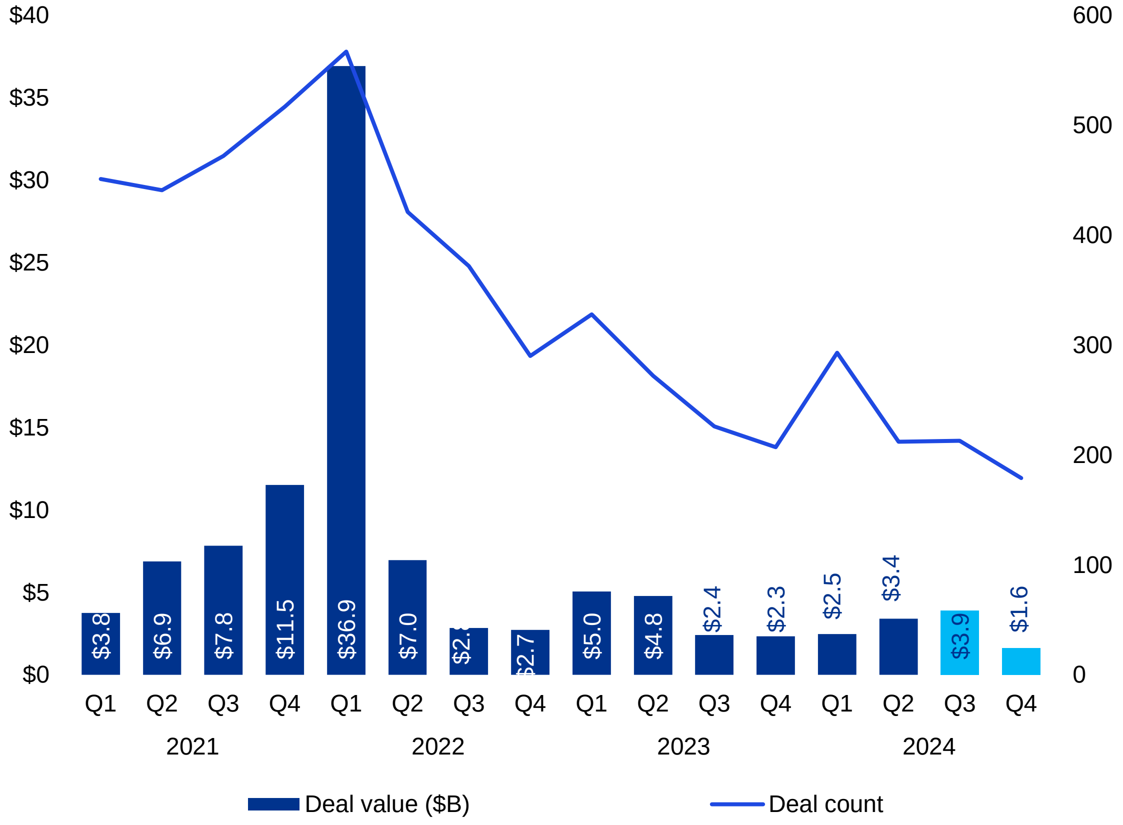


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.
The median M&A size for 2024 YTD is based on a non-normative population size.
The median pre-money valuations for venture growth for 2022-2024* are based on a non-normative population size.

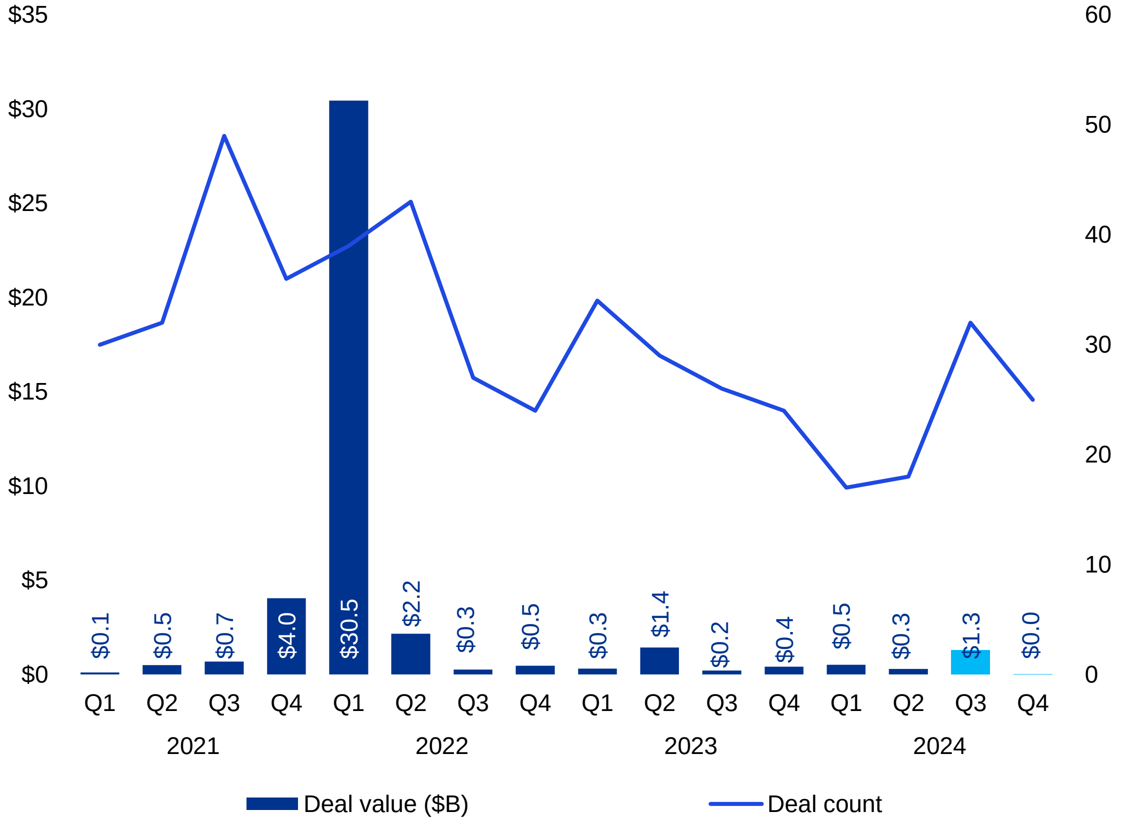
Regional insights — ASPAC

A muted 2023 carries over through 2024's end

Total funding activity (VC, PE and M&A) in fintech in ASPAC 2021-2024*



M&A in fintech in ASPAC 2021-2024*

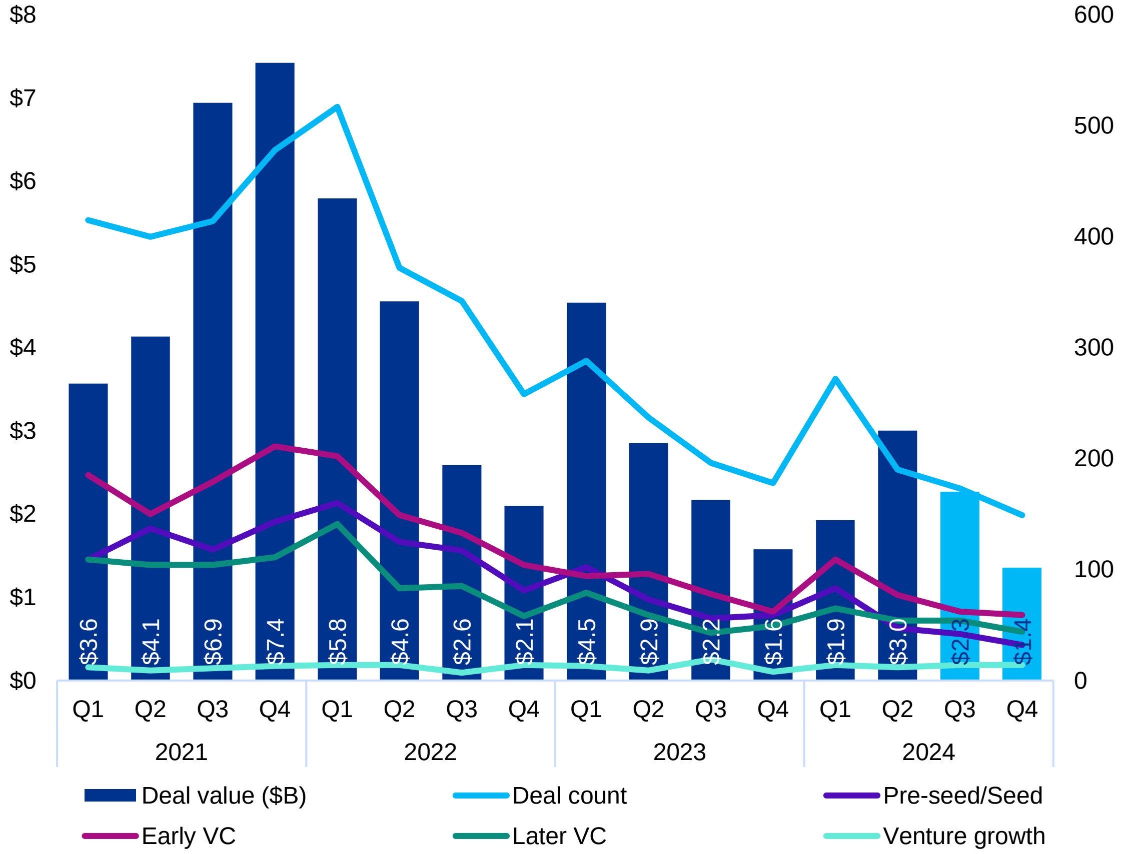


Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

Regional insights — ASPAC

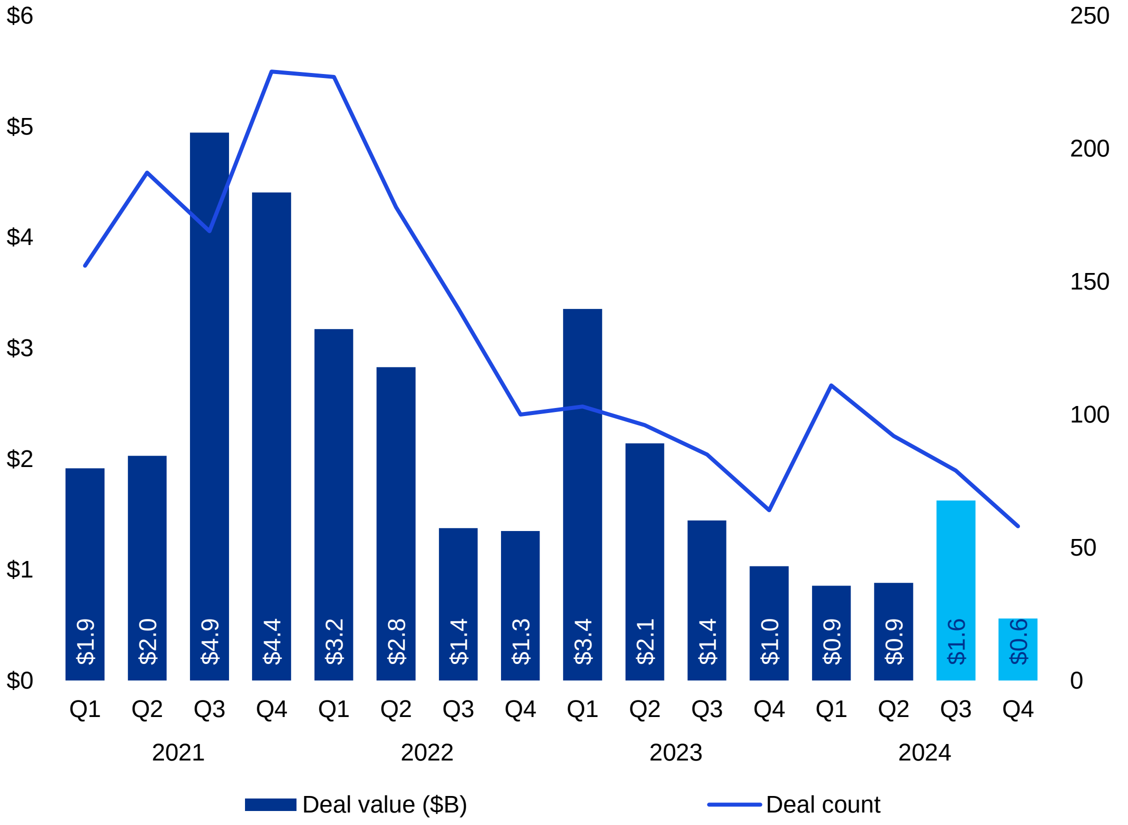
VC activity remains somewhat more resilient

Venture capital funding activity in fintech in ASPAC 2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024

VC activity in fintech with corporate participation in ASPAC 2021-2024*



ASPAC

Top 10 fintech deals in ASPAC in H2 2024

1. **Mynt** — $788.4M, Taguig, Philippines — Payments — *Late-stage VC*
2. **Illion** — $539.9M, Melbourne, Australia — Information — *M&A*
3. **DMI Finance** — $334M, Delhi, India — Lending — *PE growth*
4. **Tyme Group** — $250M, Singapore — Digital banking — *PE growth*
5. **Gojo & Company** — $229.9M, Tokyo, Japan — Consumer finance — *Series F*
6. **Niwas Housing Finance** — $209M, Mumbai, India — Lending — *Corporate divestiture*
7. **Lonsec** — $197.4M, Sydney, Australia — Institutional — *M&A*
8. **Mintifi** — $180M, Mumbai, India — Institutional/B2B — *Series E*
9. **NTT Data Payment Services** — $154.5M, Kuala Lumpur, Malaysia — Payments — *M&A*
10. **Finova Capital** — $135M, Jaipur, India — Lending — *Series E*

Source: Pulse of Fintech H2'24, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

How KPMG can help

As we move from the uncertainty of 2024 into a 2025, we expect to see significant start-up activity globally, further consolidation for defensive and offensive reasons, state actors seeking to realize their digital economy policies and investors carefully navigating returns, existing positions and value creation. KPMG professionals are well placed to help the Fintech ecosystem participants as follows:

For investors:

Our Deal Advisory practitioners around the world advice investors across various aspects of the investment lifecycle including:

- Deal sourcing and investment in new assets
- Due diligence and Valuations advice
- Raising funds
- Portfolio company improvement
- Value creation strategy
- Exit planning and realization
- Audit, tax and regulatory advice

KPMG firms combine a global perspective and in-depth industry knowledge to be a meaningful value-added support to investors and their portfolios.

For the founders and management teams of startup organizations:

Our teams of professionals from around the world assist early-stage businesses with a range of matters, including:

- Entity set-up
- Assistance with fundraising
- Founder advice such as tax structuring and equity planning
- Claims, grants and incentives advice
- Authorizations support — licensing and regulatory engagement
- Legal advice* — contracting, fundraising and IP protection

For the founders and management teams of scaleup organizations:

As your business continues to scale, KPMG firms can assist throughout your growth journey:

- International expansion assistance
- Tax advice: corporate tax, indirect tax, transfer pricing, claims and incentives, global mobility services
- Regulatory advice — product, market and regulator specific
- Legal advice*
- Deal advisory — fundraising, M&A, exits, options analysis
- Financial crime management support
- Third party assurance
- Cyber strategy and design
- Internal and external audit
- Finance system implementation
- IPO readiness

For larger financial services institutions and other corporates:

- Defensive and offensive strategy development
- Market and competitive scans and research
- Business model innovation advice
- Innovation advisory — acquisition vs in-house development
- Alliances, partnerships and ecosystem development advice
- Venture building support — design, build, license, scale
- Product design, development and prototyping
- CVC set-up and deal support
- Go to market support

For policymakers:

- Fintech strategy development
- Central bank digital transformation advice
- Innovation architecture advice
- Financial market infrastructure advisory — payments, data, identity, exchanges
- Ecosystem development and management
- Digital currency, assets and token strategy, development and piloting
- Regtech and suptech advice and deployment
- Financial industry policy development support
- Research services, benchmarking and market scans

To discuss how we can support your organization and objectives, contact your local KPMG member firm.

*Legal services may not be offered to SEC registrant audit clients or where otherwise prohibited by law.

About the KPMG global fintech practice

The financial services industry is transforming with the emergence of progressive new products, channels and business models. This wave of change is driven primarily by evolving customer expectations, digitalization as well as continued regulatory and cost pressures.

KPMG firms are passionate about supporting clients to successfully navigate this transformation, mitigating the threats and capitalizing on the opportunities.

KPMG fintech professionals include partners and staff in over 50 fintech hubs around the world, working closely with financial institutions and fintech companies to help them understand the signals of change, identify the growth opportunities, and develop and execute their strategic plans.

The practice offers multidisciplinary skills to the wider financial services innovation ecosystem across Tax, Legal, Risk & Regulatory, Operations, Strategy and M&A lines. It serves the whole of the ecosystem including start-up/scale-up fintech, the investor community, regulators and central banks, economic development agencies, technology partners and entrepreneurs.

KPMG firms provide services to some of the most significant fintech segments contained in this research, particularly payments (both Fiat and Digital currencies), regtech/suptech, cybersecurity, digital assets and currencies including CBDCs, wealthtech and some of the emerging segments such as ESGtech, AI, embedded finance/BaaS and lendingtech.

KPMG firms work with established industry financial institutions and corporates entering financial services to help innovate their business models, digitally transform their products and services, and develop strategies to create or defend discernable value.

Visit kpmg.com/financialservices

Authors and contributors

Anton Ruddenklau
Lead of Global Fintech and Innovation,
Financial Services
KPMG International

Anton is the Lead of Global Fintech and Innovation, Financial Services for KPMG International, and a Partner and the Head of Financial Services for KPMG in Singapore. He specializes in corporate and institutional banking, and provides advice on strategy, growth and client development to top tier global companies, banks, infrastructure providers, central banks and more.

Anton has worked on the various waves of digital transformation of the financial services industry for 25 years helping clients develop strategy, new businesses, platforms, regulatory responses and new market infrastructure. He has worked with fintech founders, their investors and government agencies to help scale the fintech industry safely and effectively.

Currently he is working with legacy Institutions to help them position their business and operating models to take advantage of market change, supporting non-financial institutions enter financial services, creating multi-sided platforms that scale quickly and supporting governments to develop plans and policy for fintech, innovation and the digital economy growth.

Lauren Taylor
Associate Director, Fintech
KPMG in the UK

Lauren is an Associate Director in the fintech team at KPMG in the UK. She is responsible for driving and coordinating KPMG in the UK’s coverage and go-to-market activities in the fintech space. She is also the go-to-market lead for fintech for KPMG International.

Lauren helps fast-growing fintech clients access the services and support required to help them achieve their growth ambitions. Throughout their lifecycle, Lauren helps to guide their business thinking on everything from claims and incentives and employee retention, all the way through to fundraising and IPO readiness.

Lauren previously helped to set up the KPMG in the UK Blockchain Centre of Excellence, which was responsible for the development and coordination of the UK firm’s blockchain strategy. She worked closely with a range of clients to determine how they could leverage new technologies to deliver business value. Prior to this, Lauren worked in the Technology Risk Consulting team, advising corporate clients on the risks associated with their IT infrastructure.

We'd like to acknowledge the contribution of the following individuals across KPMG firms who assisted in the development of this publication

François Assada
Partner, Head of Fintech
KPMG in France

Debarshi Bandyopadhyay
Director, Blockchain/Crypto
Financial Services, Advisory
KPMG in Singapore

James Brannan
Managing Director, Advisory
Financial Due Diligence
KPMG in the US

Erich Braun
Partner, Audit
KPMG in the US

Dubie Cunningham
Partner, Banking and Capital Markets
KPMG in Canada

Samantha Dann
Manager, Program Delivery
KPMG International

Hannah Dobson
Head of Fintech, Partner, Indirect Tax
KPMG in the UK

Leah Fegan
Director, Global Marketing
Financial Services
KPMG International

Karim Haji
Global Head of Financial Services
KPMG International

Andrew Huang
Partner and Head of Fintech
KPMG China

Kenji Hoki
Director, Financial Services
KPMG in Japan

Charlie Jacco
Global Lead of Cyber Financial Services and US Cyber Threat Management Leader, Principal, Financial Services
KPMG in the US

Timothy Johnson
Global Head of Deal Advisory
Financial Services
KPMG International

Ram Meon
Global Lead of Deal Advisory
Insurance
KPMG International

Matteo Musso
Associate Director, Risk Services
Banking & Capital Markets
KPMG Australia

Ilanit Adesman Navon
Partner, Head of Insurance and Fintech
KPMG in Israel

Leon Ong
Partner, Financial Services Advisory
KPMG in Singapore

Erick Palencia
Head of Consulting
KPMG in Chile

Georges Pigeon
Partner, Deal Advisory
KPMG in Canada

Carolina Pourrat
Manager, Advisory
KPMG in Chile

Dave Remue
Director and Head of Fintech
KPMG Advisory
KPMG in Belgium

Chris Steele
Partner, Banking Risk and Regulation
KPMG in the UK

Michelle Swiec
Managing Director, Deal Advisory & Strategy, Payments & Fintech
KPMG in the US

Daniel Teper
Partner, M&A and Head of Fintech
KPMG Australia

Lauren Taylor
Associate Director — Fintech
KPMG in the UK

Courtney Trimble
Global Lead, Payments
KPMG International

About the report

Methodology

The underlying data and analysis for this report (the 'Dataset') was provided by PitchBook Data, Inc ('PitchBook') on 31 December 2024 and utilizes their research and classification methodology for transactions as outlined on their website at https://pitchbook.com/news/articles/pitchbook-report-methodologies. The Dataset used for this report considers the following funding transactions types: Venture Capital (including corporate venture capital) ('VC'), private equity ('PE') funding and Mergers and Acquisitions ('M&A') for the fintech vertical within the underlying PitchBook data. Family and friends, incubator and accelerator type funding rounds are excluded from the Dataset.

Due to the private nature of many of the transactions, the Dataset cannot be definitive, but is an estimate based on industry-leading practice research methodology and information available to PitchBook at 31 December 2024. Similarly, due to ongoing updates to PitchBook's data as additional information comes to light, data extracted before or after that date may differ from the data within the Dataset.

Only completed transactions regardless of type are included in the Dataset, with deal values for general M&A transactions as well as venture rounds remaining un-estimated if this information is not available or reliably estimated.

Venture capital deals

PitchBook includes equity fundings into startup companies from an outside source. Funding does not necessarily have to be taken from an institutional investor. This can include funding from individual angel investors, angel groups, seed funds, venture capital firms, corporate venture firms and corporate investors. Fundings received as part of an accelerator program are not included; however, if the accelerator continues to invest in follow-on rounds, those further financings are included.

Angel, seed/pre-seed, seed: PitchBook defines financings as angel rounds if there are no PE or VC firms involved in the company to date and it cannot determine if any PE or VC firms are participating. In addition, if there is a press release that states the round is an angel round, it is classified as such. Finally, if a news story or press release only mentions individuals making fundings in a financing, it is also classified as angel. As for seed, when the investors and/or press release state that a round is a seed financing, or it is for less than $500,000 and is the first round as reported by a government filing, it is classified as such. If angels are the only investors, then a round is only marked as seed if it is explicitly stated. Pre-seed and seed were added as a new type of methodology in the January 2024 edition; details are at the report methodologies page on PitchBook's website.

Early-stage VC: Rounds are generally classified as Series A or B (which PitchBook typically aggregates together as early stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors, including the age of the company, prior financing history, company status, participating investors and more.

Late-stage VC: Rounds are generally classified as Series C or D or later (which PitchBook typically aggregates together as late stage) either by the series of stock issued in the financing or, if that information is unavailable, by a series of factors, including the age of the company, prior financing history, company status, participating investors and more.

Corporate venture capital: Financings classified as corporate venture capital include rounds that saw both firms investing via established CVC arms or corporations making equity fundings off balance sheets or whatever other non-CVC method actually employed.

Corporate/Growth: Corporate rounds of funding for currently venture-backed startups that meet the criteria for other PitchBook venture financings are included in the Pulse of Fintech as of March 2018. Growth: Financings tagged as Series E or later or deals involving companies that are at least seven years old and have raised at least six VC rounds will be included in this category.

Private equity fundings

PitchBook includes both buyout investors, being those that specialize in purchasing mainly a controlling interest of an established company (in a leveraged buyout) and growth/expansion investors, being those that focus on investing in minority stakes in already established businesses to fund growth. Transaction types include leveraged buyout ('LBO'); management buyout; management buy-in; add-on acquisitions aligned to existing fundings; secondary buyout; public to private; privatization; corporate divestitures; and growth/expansion. Acquisition financing transactions will be included as of June 2023 if they do not fall under the PE growth transactional umbrella.

About the report

Methodology (cont'd)

M&A transactions

PitchBook defines M&A as a transaction in which one company purchases a controlling stake in another company. Eligible transaction types include control acquisitions, leveraged buyouts (LBOs), corporate divestitures, reverse mergers, mergers of equals, spin-offs, asset divestitures and asset acquisitions. Debt restructurings or any other liquidity, self-tender or internal reorganizations are not included. More than 50 percent of the company must be acquired in the transaction. Minority stake transactions (less than a 50-percent stake) are not included. Small business transactions are not included in this report. As of June 2023, acquisition financing transactions not covered under the PE growth umbrella will be included.

The fintech vertical

A portmanteau of finance and technology, the term refers to businesses who are using technology to operate outside of traditional financial services business models to change how financial services are offered. Fintech also includes firms that use technology to improve the competitive advantage of traditional financial services firms and the financial functions and behaviors of consumers and enterprises alike. PitchBook defines the fintech vertical as "Companies using new technologies including the internet, blockchain, software and algorithms to offer or facilitate financial services usually offered by traditional banks including loans, payments, wealth or funding management, as well as software providers automating financial processes or addressing core business needs of financial firms. Includes makers of ATM machines, electronic trading portals and point-of-sale software." Within this report, we have defined a number of fintech sub-verticals, some of which are defined in existing PitchBook verticals, yet others that are not and required a bespoke methodological approach:

1. **Payments/transactions** — Companies whose business model revolves around using technology to provide the transfer of value as a service including both B2B and B2C transfers.
2. **Digital assets and currencies** — Companies whose core business is predicated on distributed ledger (blockchain) technology with the financial services industry and/or relating to any use case of crypto assets (e.g. coins, tokens, and stablecoins). This vertical includes companies providing services or developing technology related to the exchange of crypto assets, the storage of crypto assets, the facilitation of payments using crypto assets and securing crypto assets ledgers via mining activities.
3. **Lending** — Any non-bank that uses a technology platform to lend money often implementing alternative data and analytics or any company whose primary business involves providing data and analytics to online lenders or investors in online loans.
4. **Proptech** — Companies that are classified as both fintech and who are developing and leveraging technology intended to help facilitate the purchase, management, maintenance and funding into both residential and commercial real estate. This includes sub-sectors such as property management software, IoT home devices, property listing and rental services, mortgage and lending applications, data analysis tools, virtual reality modeling software, augmented reality design applications, marketplaces, mortgage technology and crowdfunding websites.
5. **Insurtech** — Companies utilizing technology to increase the speed, efficiency, accuracy and convenience of processes across the insurance value chain. This includes quote comparison websites, insurance telematics, insurance domotics (home automation), peer-to-peer insurance, corporate platforms, online brokers, cyber insurance, underwriting software, claims software and digital sales enabling.
6. **Wealthtech** — Companies or platforms whose primary business involves the offering of wealth management services using technology to increase efficiency, lower fees or provide differentiated offerings compared to the traditional business model. Also includes technology platforms for retail investors to share ideas and insights both via quantitative and qualitative research.
7. **Regtech** — Companies that provide a technology-driven service to facilitate and streamline compliance with regulations and reporting as well as protect from employee and customer fraud.
8. **AI & ML, ESG** — These companies are either tagged with fintech and the existing PitchBook vertical of AI & ML, meaning they operate within both fintech and employ AI & ML tools, models, etc. For ESG, this segment was defined utilizing existing PitchBook ESG-related verticals (e.g. cleantech) and the fintech vertical.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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