



Pulse of Fintech H2 2025

Global analysis of fintech funding

KPMG. Make the Difference.

February 2026



Welcome message

After three years of declining investment, the fintech market globally turned a corner in 2025, with growing deal sizes and growing excitement, particularly in the digital assets space. Announced deals for FY26 in the digital assets domain look strong too.

Total global fintech-focused investment rose from \$95.5 billion to \$116 billion between 2024 and 2025. Fintech investment was relatively consistent between H1'25 and H2'25, with \$56.3 billion invested in the latter half of the year. While deal volume remained a challenge — it fell to an eight-year low of 4,719 in 2025 — it's hoped that the improving exit environment will help reinvigorate the fintech space and drive an uptick in deals activity over the next year.

The Americas attracted over half of the fintech funding seen globally in 2025 (\$66.5 billion), including \$27.4 billion in H2'25. In comparison, the EMEA region saw \$29.2 billion in fintech investment, including \$13.8 billion in H2'25, while the ASPAC region saw \$9.3 billion, including \$4.6 billion in H2'25.

The digital assets space dominated conversations among fintech investors in 2025, driven in part by the signing of the GENIUS Act in the US in H2'25. Investment in the space nearly doubled year-over-year, hitting \$19.1 billion in 2025. The sector saw a diverse range of activity, from large VC raises and M&A activity to a robust number of IPOs, including Figure and Gemini in H2'25.

AI was also very high on the agenda of fintech investors in 2025, particularly corporates looking to drive efficiencies and cost savings. AI-focused fintechs attracted \$16.8 billion in total global investment — a number only expected to rise in the year ahead as AI-focused startups look to take their value to the next level by creating sustainable AI solutions able to truly differentiate themselves from the competition.

“After several years of contraction, fintech investment is clearly finding its footing again. While deal volumes remain muted, the increase in capital deployed — and the resurgence of exits — signal growing investor confidence, particularly around scalable platforms in digital assets and AI. As liquidity improves, we expect this renewed momentum to translate into stronger deal activity over the year ahead.”



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

Unless otherwise noted, all figures quoted in this report are based on data provided by PitchBook as of 31 December 2025. See page 65 for detailed methodology. All currency amounts are in US\$ unless otherwise specified.

Welcome message

Looking back over the last six months, we can see that market sentiment is rapidly improving, with investors showing interest in making bigger deals and a growing number of mature startups positioning for exit. Key trends we saw during H2'25 included:

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Continued focus on large, late-stage deals

02

Investment surging across the digital assets space

03

Growing interest in AI-powered fintech solutions

04

The US IPO market opening up for fintechs

Heading into 2026, there is a sense of optimism in the fintech market globally, although real risks still persist that investors and startups will both have to manage, including geopolitical conflicts and tensions, potential recession in a number of jurisdictions, and concerns about a potential AI bubble.

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 capitalize on opportunities over the next year while also managing your risks. As you read this edition of *Pulse of Fintech*, ask yourself: *How can we seize opportunities and stay relevant no matter what challenges the next year brings?*

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01

Global fintech funding in H2 2025 recorded \$56.3B with 2,169 deals

Global insights

Global annual fintech investment rises to \$116 billion as investors focus on top-end deals

After three straight years of decline, global fintech market sees investment rise

Global fintech investment picked up in 2025, rising from a seven-year low of \$95.5 billion to \$116 billion year-over-year despite deal volume tumbling for a fourth straight year to reach an eight-year low of 4,719. Fintech activity slowed somewhat in the second half of the year, with \$56.3 billion in investment across 2,169 deals in H2'25, compared to the \$59.7 billion across 2,550 deals in H1'25.

Americas accounts for largest share of fintech investment in 2025, but not the largest deals in H2'25

The Americas accounted for the largest share of fintech investment globally in 2025, attracting \$66.5 billion across 2,409 deals — of which the US accounted for \$56.6 billion across 1,977 deals. The EMEA region saw \$29.2 billion invested across 1,484 deals, while the ASPAC region saw \$9.3 billion across 763 deals.

H2'25 mirrored annual trends, with the Americas drawing \$27.4 billion across 1,160 deals — of which the US accounted for \$23.9 billion across 961 deals, the EMEA region accounting for \$13.8 billion across 617 deals and the ASPAC region accounting for \$4.6 billion across

362 deals. Despite the US attracting the largest share of fintech investment during H2'25, two of the three largest deals occurred in other jurisdictions, including the \$3 billion VC raise by UK-based financial services platform Revolut,¹ the \$2.5 billion take-private of Israel-based Sapiens International by Advent and Intercontinental Exchange's \$2 billion stake in Polymarket.^{2,3}

Investment rises across VC and M&A — PE sees decline

Global investment rose across both VC and M&A year-over-year. The VC market saw the most investment: \$56.7 billion across 3,765 deals, led by the \$3 billion raise by UK-based financial services platform Revolut in H2'25. Corporate VC-participating activity accounted for \$29.7 billion of this total, a strong increase over the \$20.9 billion seen in 2024. M&A activity attracted \$55.4 billion in deal value, up from \$44.6 billion in 2024, led by the H2'25 acquisition of US-based GTreasury for \$1 billion by Ripple.⁴ In comparison, PE growth funding fell somewhat — from \$5.5 billion across 137 deals in 2024 to \$4 billion across 114 deals in 2025.

“ Looking ahead to 2026, the fintech sector is entering a more balanced phase — one defined by selective growth, clearer paths to profitability, and improving liquidity. While macroeconomic and geopolitical risks remain, the combination of stronger exit markets, greater regulatory clarity, and accelerating innovation provides a constructive foundation for sustained investment and long-term value creation. ”



Karim Haji
Global Head of
Financial Services
KPMG International

¹ Revolut, "Revolut Completes Fundraising Process Establishing \$75 Billion Valuation." 24 November 2025.

² Reuters, "NYSE owner takes \$2 billion stake in Polymarket as prediction markets heat up." 7 October 2025.

³ Reuters, "Insurance software firm Sapiens to be bought by Advent for \$2.5 billion." 13 August 2025.

⁴ The Block, "Ripple acquires GTreasury for \$1 billion: 'Watershed moment for treasury management.'" 16 October 2025.

Global insights

Global investment in digital assets nearly doubled in 2025

2025 was a banner year for digital assets, with total global investment nearly doubling from \$11.2 billion to \$19.1 billion year-over-year. While total investment fell shy of the record \$32.2 billion seen in 2021, the current momentum is expected to continue into 2026 — driven by increasing regulatory certainty, including the passing of the Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act in the US and the Markets in Crypto-Assets Regulations (MiCA) coming into full force in the EU at the end of 2024, and regulation expected in the UK by 2027.

The sector saw a significant number of digital-assets-focused startups raising large VC funding rounds and mature firms holding successful IPO exits — or announcing plans to do so. Headed into 2026, many of these companies are expected to focus on gaining scale to get ahead of the competition. Interest in stablecoins also saw a significant surge in 2025 as corporates entered the space both directly and through consortiums. Asset tokenization, particularly of money market funds but also of assets like real estate, also saw increasing interest.

AI-focused fintechs see \$16.8 billion in investment and near-record deal volume

AI was a major investment trend in 2025 — well beyond the fintech space. Year-over-year, investment in AI-driven fintech

companies rose from \$12.1 billion to \$16.8 billion, while the number of deals grew from 1,183 to 1,334. Corporates were particularly active in the AI space — with a major focus on solutions able to drive operational efficiencies and improvements in existing processes. While total investment was strong, the majority of investment occurred in the broader AI space, with many corporates choosing to partner directly with the large tech and AI players. Moving forward, AI-focused fintechs will need to step up their game in order to attract attention from investors, whether through the development of unique intellectual property or by supporting real business model transformation.

Payments continues to see big deals as investors become more selective

While investment was relatively flat year-over-year, the payments space continued to account for a large share of global fintech investment in 2025, with \$19.2 billion in funding across 542 deals. In mature markets, investors showed significant selectivity, focusing their funding on leading sector players and leaving others to struggle. During H2'25, for example, financial services platform Revolut raised \$3 billion in VC funding to fuel its global growth strategy; the raise lifted Revolut's valuation to \$75 billion.⁵ Emerging markets also attracted a significant amount of attention in the payments space, with South America shining above Africa and Southeast Asia to investors during H2'25.

“ Digital assets and tokenization will likely be the big narrative in 2026. Corporates increasingly using digital assets for money market funds, treasury management, and payables and receivables. In financial services we expect to see investments in everything from asset tokenization and stablecoin development through to custody, chain services, minting and issuing and trading, and the burgeoning creation of product for asset and wealth management. That said, this domain is not without risk. There needs to be due diligence and stress testing of our financial systems to really understand the impact on financial stability and macroprudential factors — both good and bad. ”



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

⁵ Tech Funding New, "Revolut's \$3B raise cements its lead as Europe's most valuable startup." 20 October 2025.

Global insights

After three years of drought, fintech exits heat up in 2025

During 2025, global fintech activity heated up considerably; exit value more than doubled from \$46.8 billion to \$104.4 billion year-over-year, the third highest level recorded, while deal volume picked up from 438 to 486.

Notably, both exit volume and exit value picked up across all key regions; during 2025, the Americas saw \$66.5 billion in exit volume — of which the US accounted for \$58.8 billion. Comparatively, the EMEA region saw \$22.2 billion in exit value across 167 exits and the ASPAC region saw \$8.8 billion across 65 exits.

IPO markets also finally started to bounce back in 2025 in the US. VC-backed fintech companies saw particularly good results, with \$63 billion in IPO exit value globally — the second highest annual total after 2021's banner \$225.2 billion. Post-IPO performance has also been reasonable, which bodes well for the IPO pipeline.



Trends to watch for in H1'26

- Momentum building in the digital assets space, with investors focusing on stablecoins and real-world asset tokenization.
- Consolidation of large payments platforms becoming less attractive to investors given marginal returns to date.
- Wealth and asset management gaining increasing attention from investors, including corporates looking to embrace alternative assets and asset fractionalization.
- Markets in the 'global south' like South America, Southeast Asia and Africa becoming the key frontier in the payments space as leaders attract the majority of attention in mature markets.
- AI continuing to drive transformation, with corporates prioritizing partnerships with big tech and AI firms over startups.

Global insights — Top fintech trends for H1'26

Looking ahead to 2026, we're feeling optimistic for the fintech market globally. Investment in AI is surging in the broader investment market — with investors increasingly taking aim at industry-focused solutions. Regulations are strengthening and helping to define what the future will look like, particularly in the digital assets space. Emerging markets are seeing increasing interest, with new fintech hubs emerging. Exit activity is on the rise — and IPO markets are reopening. It's a time of change for the fintech market — and while we can't discount any of the risks — we're hopeful that 2026 is going to be a good year for fintech investment.

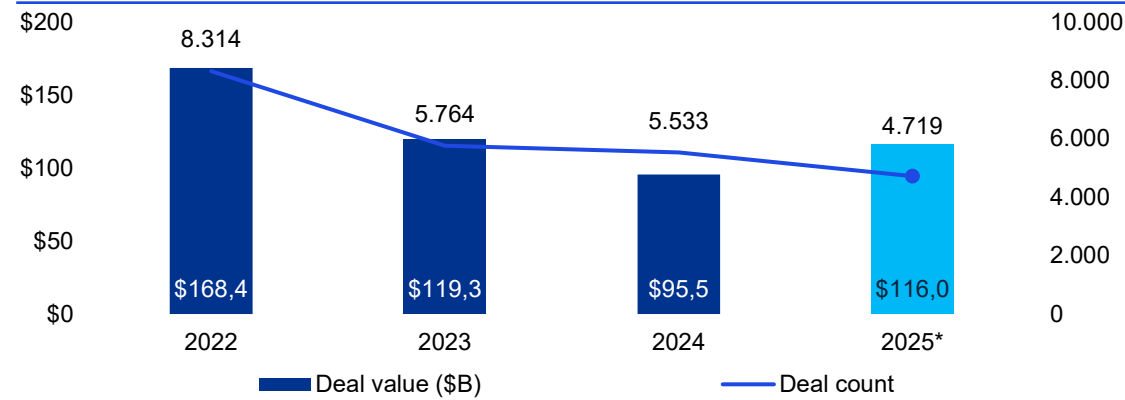
Here are our top predictions for fintech in H1'26:

- 1. Stablecoins and other digital assets gaining momentum — but risks can't be discounted:** Globally, digital assets are going to continue to be a significant priority for fintech investors as traditional corporates, maturing startups, and new startups look to take advantage of new opportunities in the space given enhanced regulatory certainty — particularly in the US. The risks in the space haven't disappeared entirely, however, so risk management will be a key area to watch over the next six to twelve months.
- 2. Capital markets are in for a disruptive year:** Capital markets are going to see significant disruption during 2026, with investors looking at all aspects of the market — from equity, stocks, and shares to debt capital markets, project and export finance, and the shift to private credit. These areas have been less in the spotlight of disruption to date but going forward there are enough startups focused on the sector that they are going to become increasingly relevant in terms of driving industry change.
- 3. Asset management space continuing to transform — particularly in ASPAC:** Asset management will be an interesting investment area to watch — particularly in the ASPAC region where well-established asset managers have started to take great strides to improve the efficiency of their front, middle, and back offices — moving to the cloud, embracing data solutions, looking at AI agent integration, tokenizing funds; it's an area well-positioned to see increasing investment.
- 4. UAE moving aggressively to become real world assets hub:** The UAE continues to emerge as a strong fintech hub in the Middle East, with increasing investment in both Dubai and Abu Dhabi. Over the next six months, it will likely continue to work aggressively to attract talent, startups, and investors to the UAE as part of its push to become a central global hub for fintech and the real-world assets tokenization capital of the world.
- 5. AI driving investment and interest — with most focus on big tech partnerships, but not all:** AI will remain the hottest investment trend globally — far outside of the fintech space. A significant amount of that focus will be driven by corporates looking to create efficiencies and cut costs — working predominantly with the big tech and AI players. Fintech-focused AI startups looking to attract attention and investment will increasingly focus on creating unique IP able to provide transformative value in the financial services space — whether by way of new products and services or through unique solutions able to transform business models.

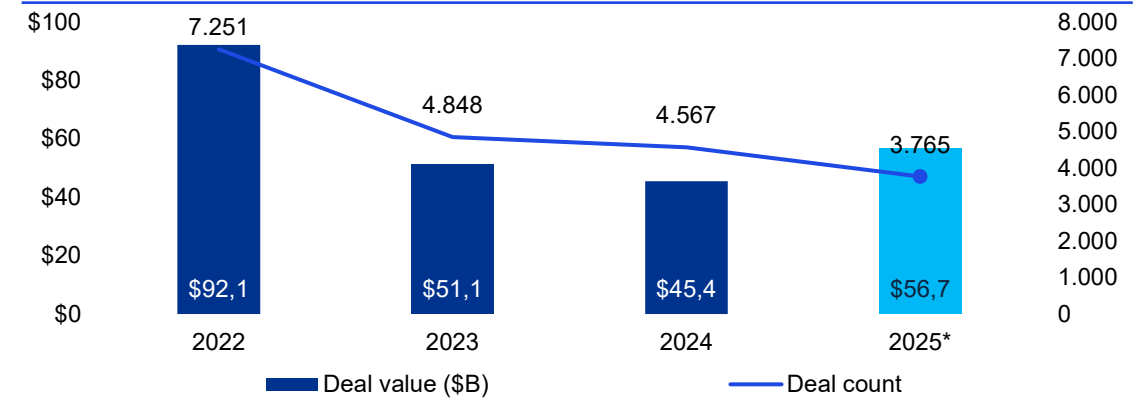
Global insights

Dealmaking regains ground across most asset classes

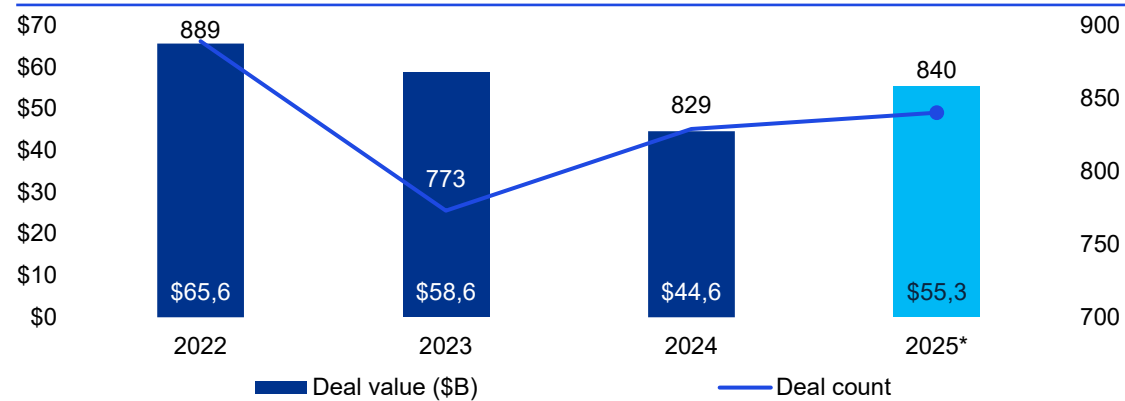
Total global funding activity (VC, PE and M&A) in fintech 2022-2025*



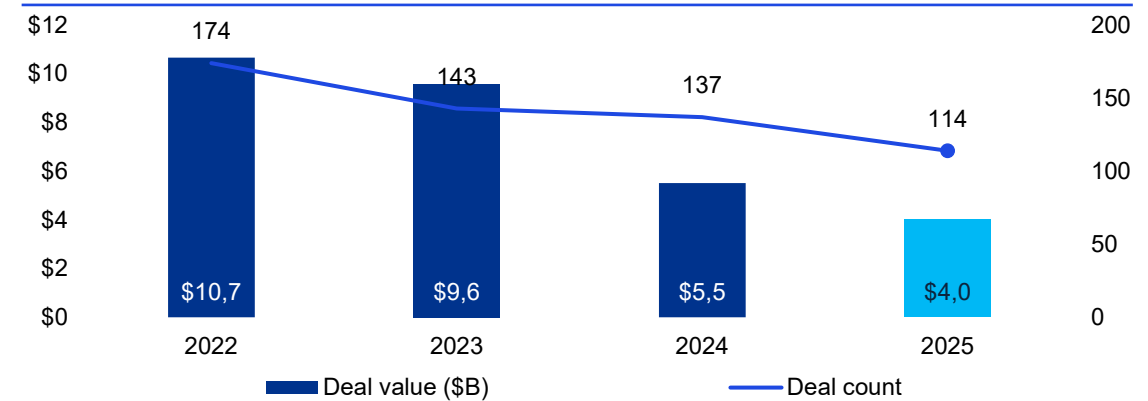
Global venture capital funding activity in fintech 2022-2025*



Global M&A activity in fintech 2022-2025*



Global PE growth activity in fintech 2022-2025*

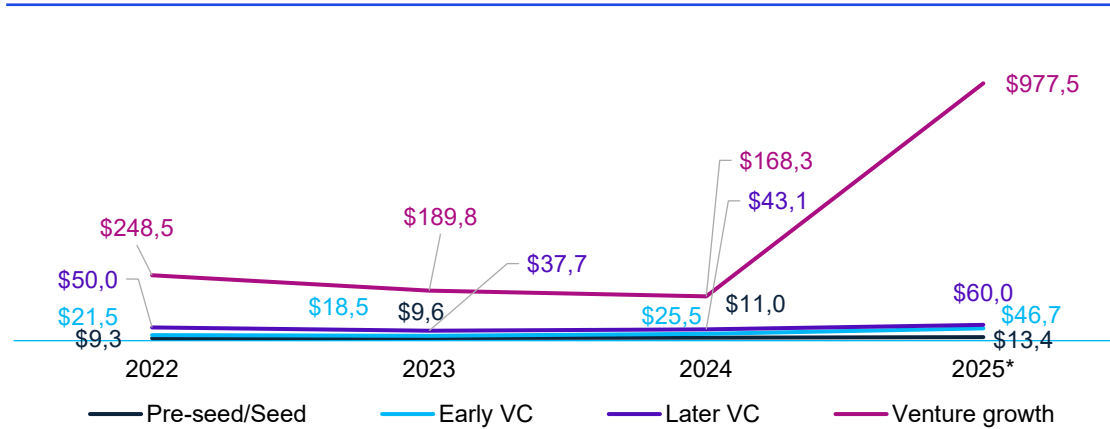


Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

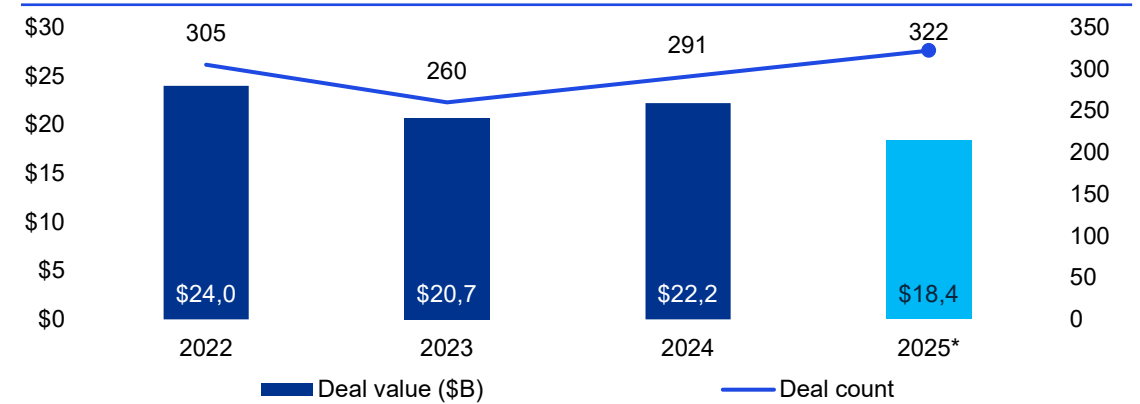
Global insights

Record-breaking deal sizes suggest avid demand tempered with caution, in later stages of a consolidation cycle

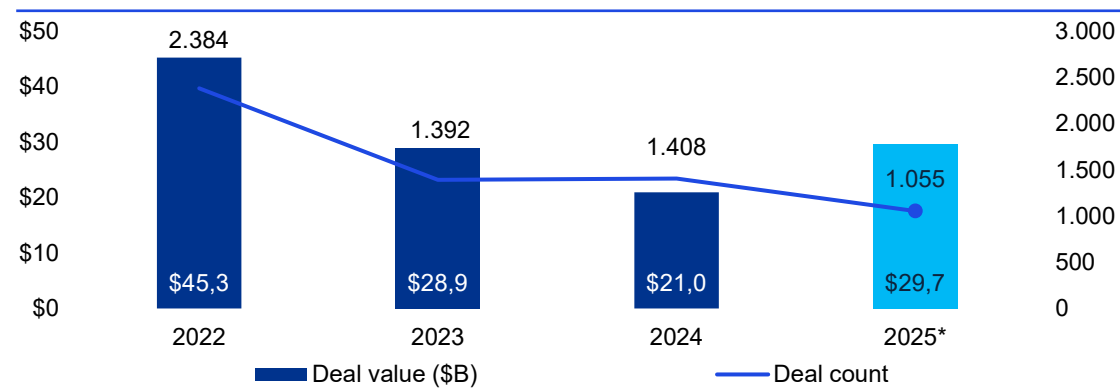
Global median pre-money valuations (\$M) by stage in fintech 2022-2025*



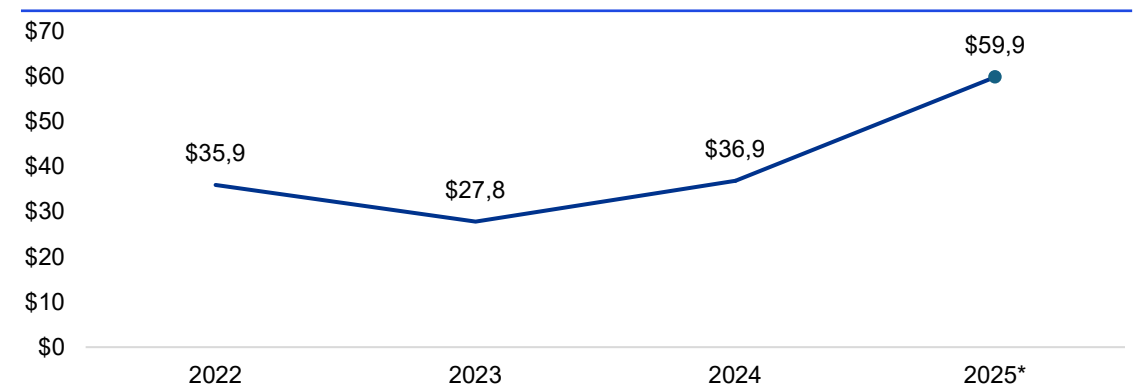
Global cross-border M&A activity in fintech 2022-2025*



Global VC activity in fintech with corporate participation 2022-2025*



Global median M&A size (\$M) in fintech 2022-2025*

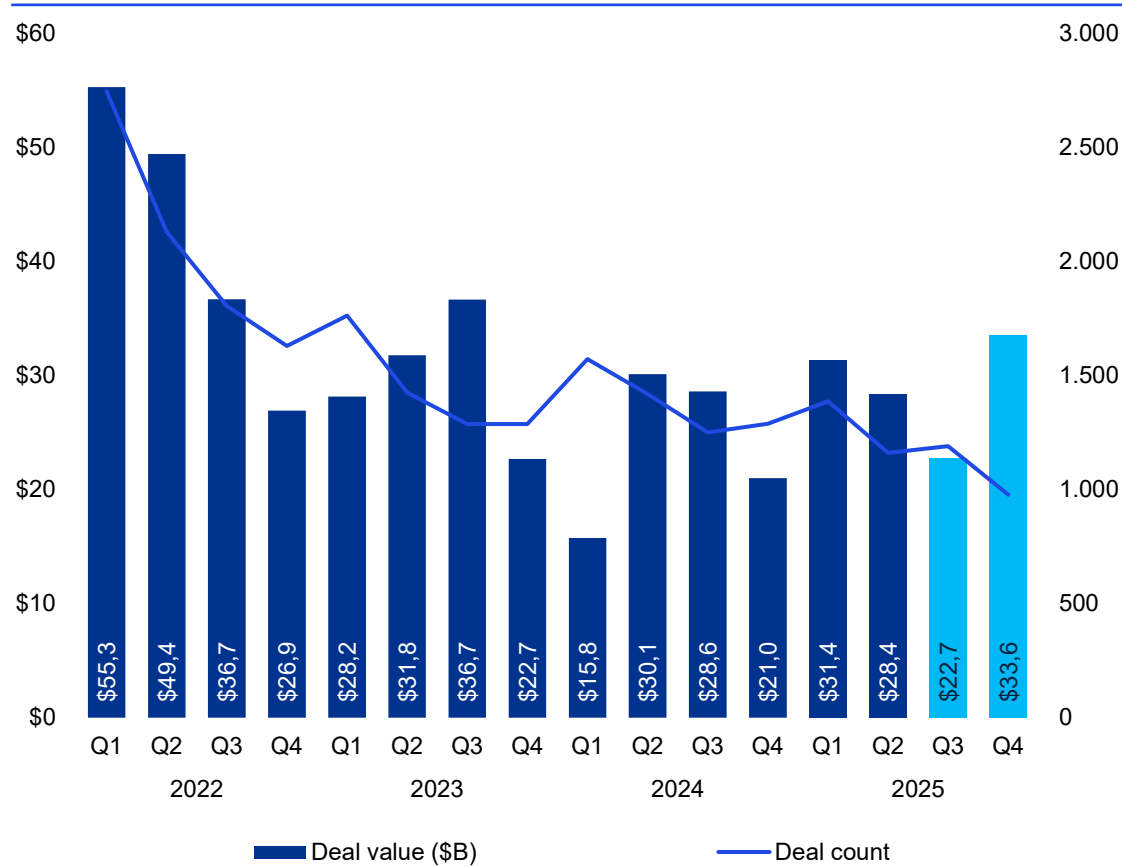


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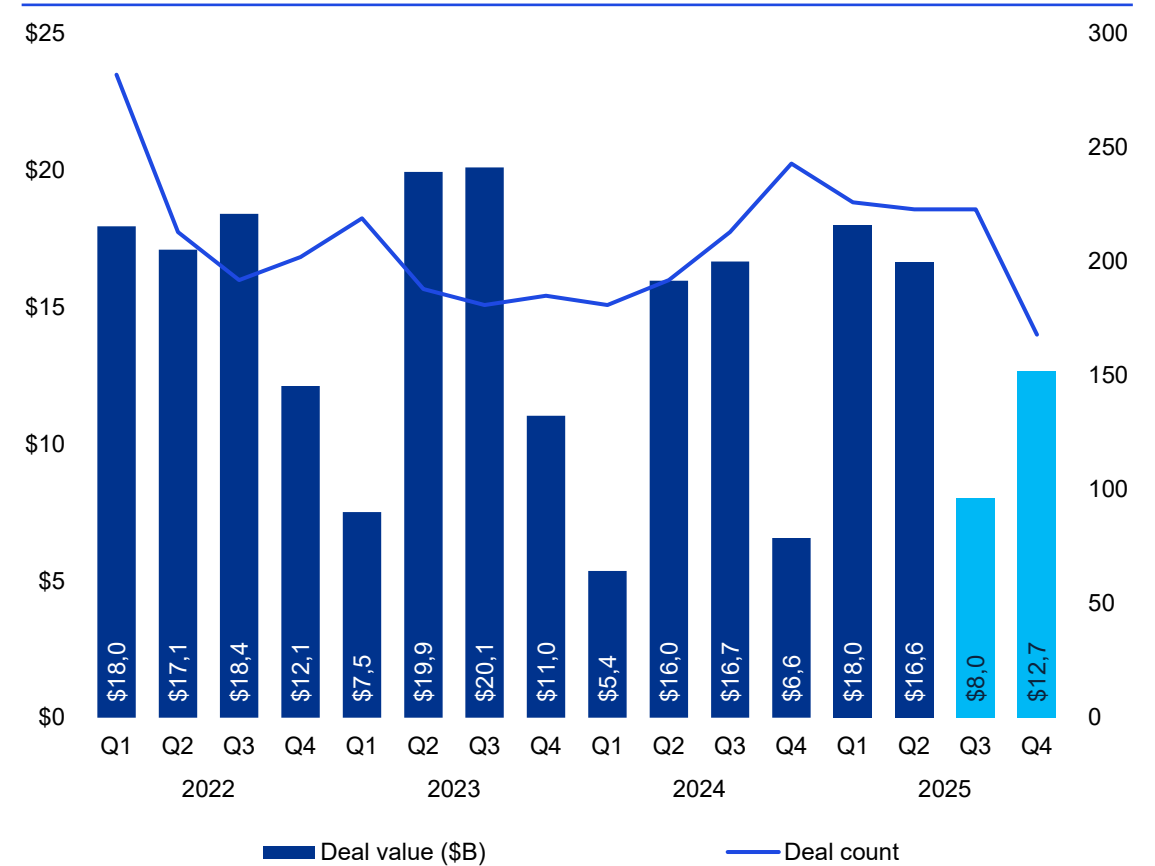
Global insights

A robust end to the year led to stronger momentum than anticipated

Total global funding activity (VC, PE and M&A) in fintech 2022-2025*



Global M&A activity in fintech 2022-2025*

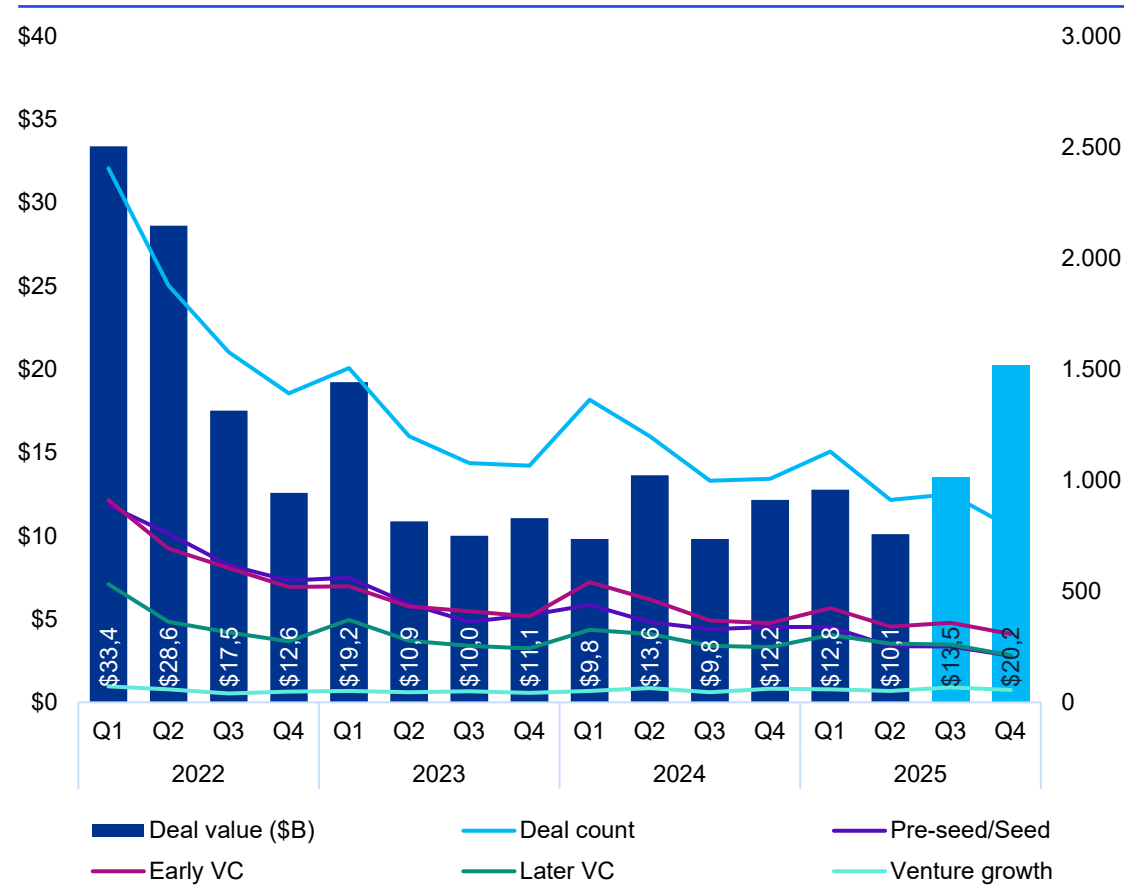


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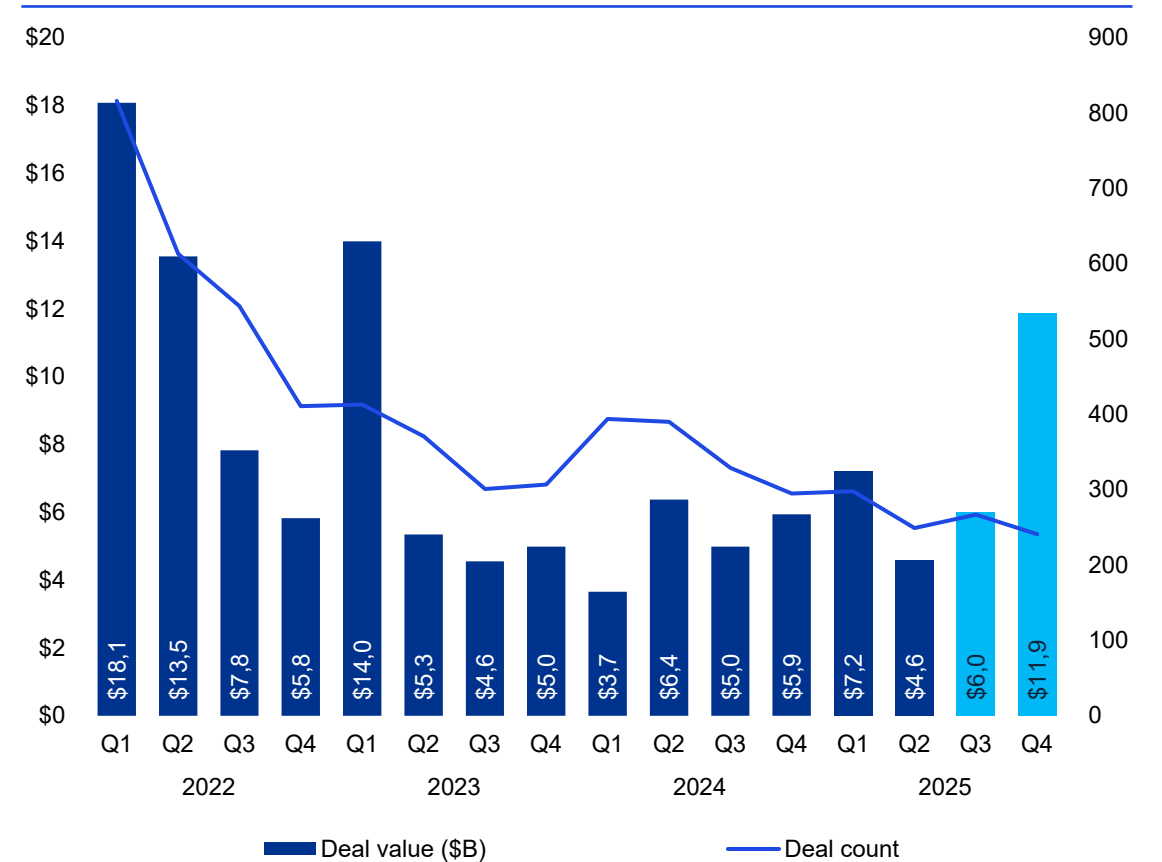
Global insights

VC invested surged as optimism returned

Global venture capital funding activity in fintech 2022-2025*



Global venture capital activity in fintech with corporate participation 2022-2025*

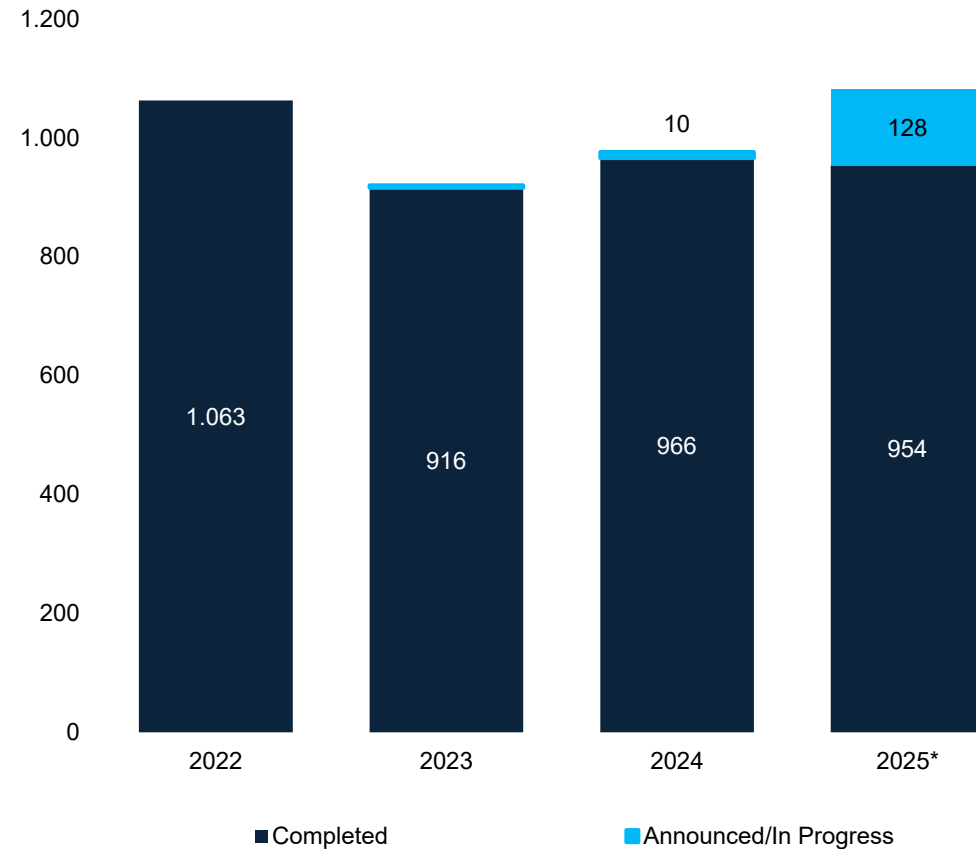


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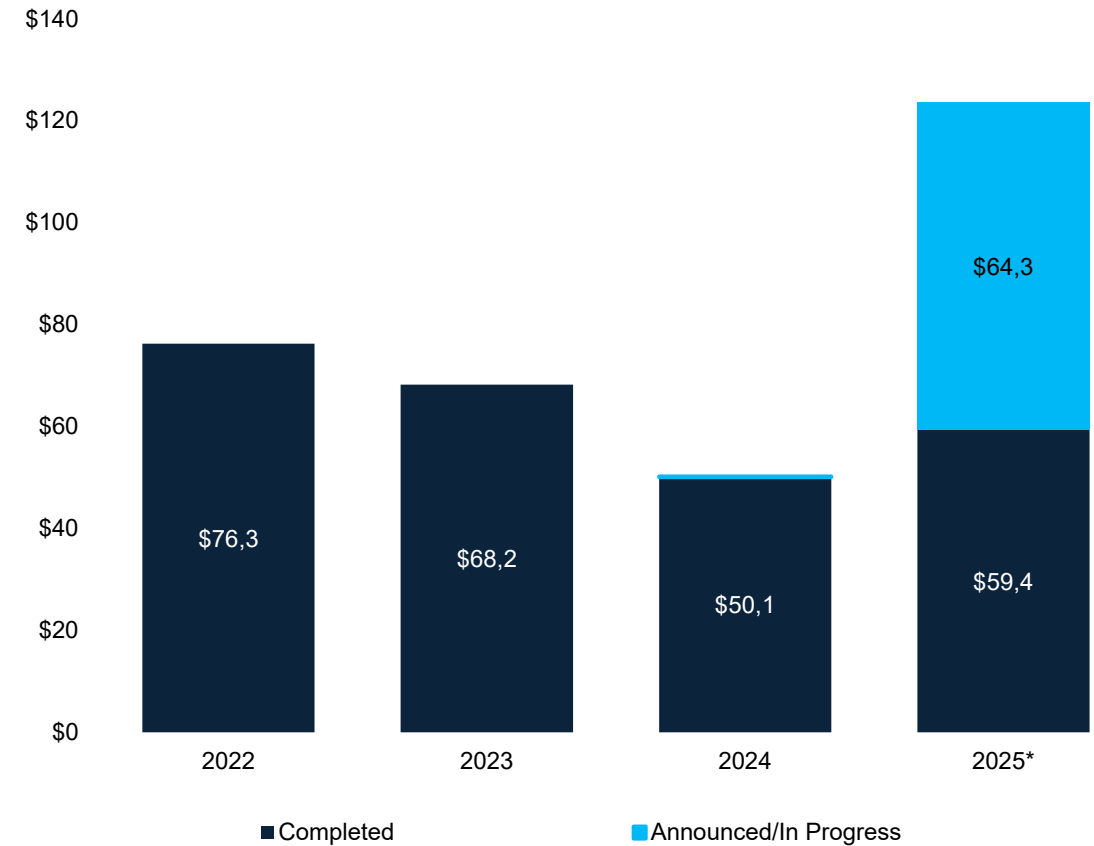
Global insights

2025 sees a surge in announced deal value to a staggering degree, outpacing completed transactions' deal value

Global PE, M&A activity (#) in fintech by deal status 2022-2025*



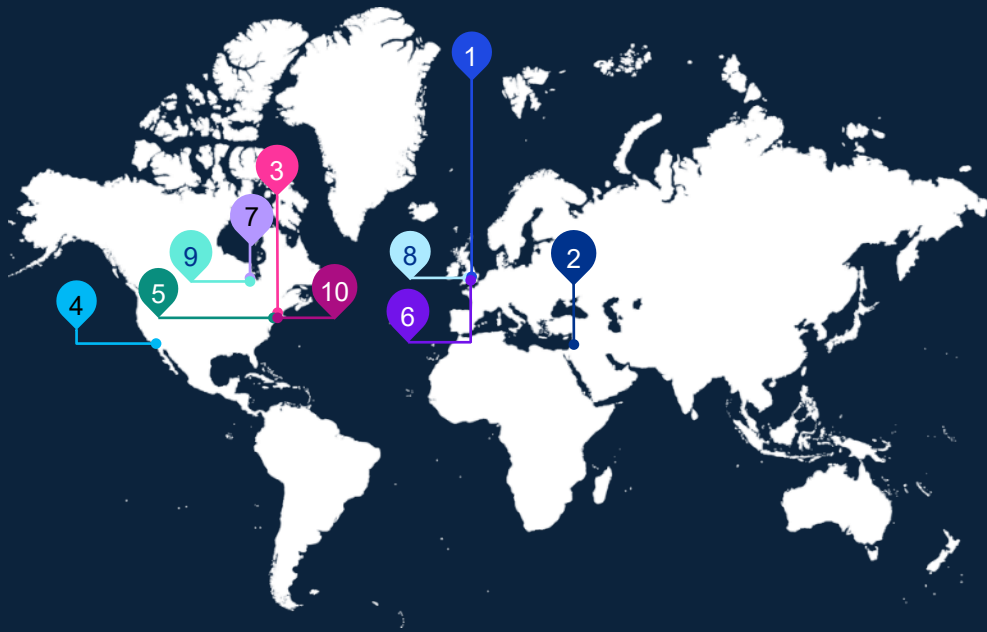
Global PE, M&A activity (\$B) in fintech by deal status 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Global insights

Top 10 global fintech deals in H2 2025



1. **Revolut** — \$3B, London, UK — Banking — *Late-stage VC*
2. **Sapiens International Corp.** — \$2.5B, Holon, Israel — Insurtech — *Take-private*
3. **Polymarket** — \$2B, New York, US — Markets — *Late-stage VC*
4. **MeridianLink** — \$2B, Costa Mesa, US — Lending — *Take-private*
5. **Kalshi** — \$1B, New York, US — Markets — *Late-stage VC*
6. **Revolut** — \$1B, London, UK — Banking — *Late-stage VC*
7. **GTreasury** — \$1B, Buffalo Grove, US — B2B/back-office — *M&A*
8. **Calastone** — \$895.2M, London, UK — Infrastructure — *M&A*
9. **Trading Technologies** — \$835M, Chicago, US — Back-office — *Secondary buyout*
10. **Institutional Capital Network** — \$820M, New York, US — Wealthtech — *PE growth*

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Fintech segments

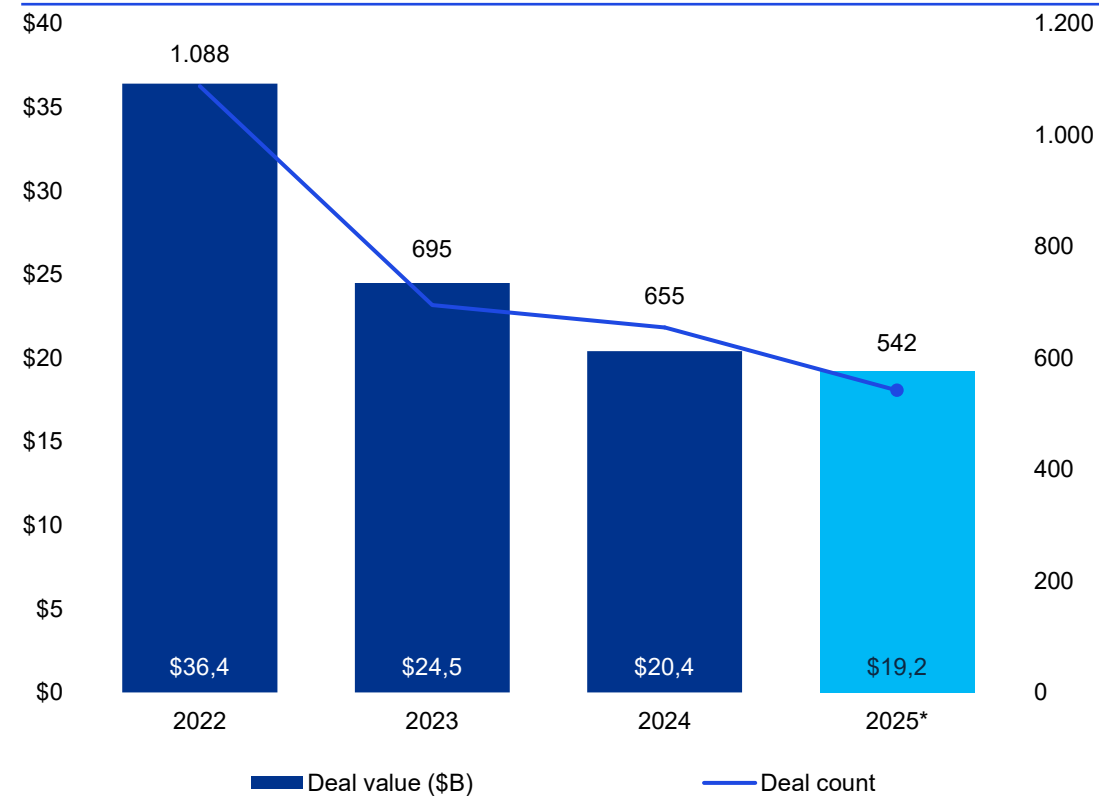
- Payments
- Insurtech
- Cybersecurity
- Digital assets
- Regtech
- Wealthtech



Fintech segments — Payments

Payments sector sees smaller number of bigger deals in 2025

Total global funding activity (VC, PE and M&A) in payments 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Investment in the global payments sector was relatively flat year-over year, with \$19.2 billion in investment in 2025 compared to \$20.4 billion in 2024. Deal volume dropped more noticeably over the same time period — from 655 deals to a nine-year low of 542. The decline in deal value reflects a shift toward selectivity, with investors in the payments space increasingly concentrating their capital on large, scaling companies with proven fundamentals over higher-risk early-stage companies.

A \$3 billion VC raise by UK-based financial services platform Revolut was the largest transaction in the payments space in H1'25, followed by India-based payments app PhonePe's \$600 million VC raise,⁶ US-based cross-border payments solution Ripple's VC \$500 million raise⁷ and UK-based fintech-as-a-service platform Rapyd Financial Network's \$500 million VC raise.⁸

Key H2'25 highlights from the payments sector include:

Deal volume declining as capital concentrates on proven companies

Deal volumes in the payments space continued to fall in 2025, driven by investors increasingly concentrating their capital on large, proven companies working to scale.

Growing investor interest in emerging markets — particularly South America

Within the payments space, emerging markets, including South America, Africa and Southeast Asia, continued to see traction from fintech investors. South America was a particular standout in H2'25, driven by a combination of regulatory progress, rapid digital payments growth, helped by instant payments regimes like Brazil's Pix and Argentina's Transferencias 3 payments system, and growing competitive intensity. In Africa, both mobile money ecosystems and payments platforms like M-Pesa continued to evolve and scale, driven by financial inclusion plays and cross-border remittances, while in Southeast Asia digital payments adoption remained steady, supported by mobile wallets, QR payments and favorable regulatory environments.

⁶ The Economic Times, "General Atlantic invests another \$600 million in IPO-bound PhonePe." 31 October 2024.

⁷ Yahoo Finance, "Ripple triples valuation to \$40bn with \$500m strategic raise." 5 November 2025.

⁸ Fintech Boost Up, "Rapyd Secures \$500M Funding at a \$4.5B Valuation to Finalize \$610M Acquisition of PayU." 14 March 2025.

Fintech segments — Payments

B2B payments infrastructure remains hot with fintech investors

In 2025, investments in the payments space shifted away from speculative consumer models and towards B2B payments. During H2'25, B2B payments infrastructure emerged as one of the most dynamic and strategically important segments in fintech — attracting the highest number of deals and the largest aggregate deal value. That reflects the strong market demand for scalable and modular payments solutions.

Real-time payments evolve from infrastructure focus to adoption and monetization

Real-time payments gained a significant amount of attention in H2'25, driven in part by the evolution of commercial real-time payments solutions from infrastructure rollout to active revenue models. H2'25 also saw growing interest and adoption of multi-rail solutions and orchestration of payments in the FX and treasury spaces. With an increasing number of jurisdictions prioritizing real-time payments, and ISO 20022 providing a global standard for instant cross-border payments, consortiums of financial institutions have also emerged — helping to drive adoption. In H2'25, Swift, in partnership

with 30 financial institutions from around the world, announced the development of a blockchain-based ledger to support real-time payments and tokenized value transfers.⁹

Growing digital-asset activity and fundraising

The uptick in digital asset activity has been grounded in regulatory frameworks such as the GENIUS Act in the US and EU, which reduced risk and enabled institutional participation and confidence. These industry milestones have resulted in increased deal flows in the payments space and contributed to digital assets increasingly becoming integrated with traditional financial services.

Payments M&A shifting towards mid-sized, capability-driven deals

The payments space continued to contribute to M&A momentum in the fintech space. In particular, mid-sized payments deals have surged as the sector has transitioned from aggressive scale building to strategic consolidation, with acquirers prioritizing profitable capabilities over megadeals in order to help drive operational resilience and competitiveness.

“ B2B payments was a major focus for fintech investors in H2'25, especially scalable and modular platforms that support secure, seamless, cross-border transactions with integrated compliance and AI capabilities. This momentum reflects rising demand for infrastructure that can handle growing transaction complexity while improving efficiency and delivering clear RoI. ”



Courtney Trimble
Lead of Global Payments
KPMG International
Head of Payment
KPMG in the US

⁹ <https://www.swift.com/news-events/news/swift-add-blockchain-based-ledger>

Fintech segments — Payments



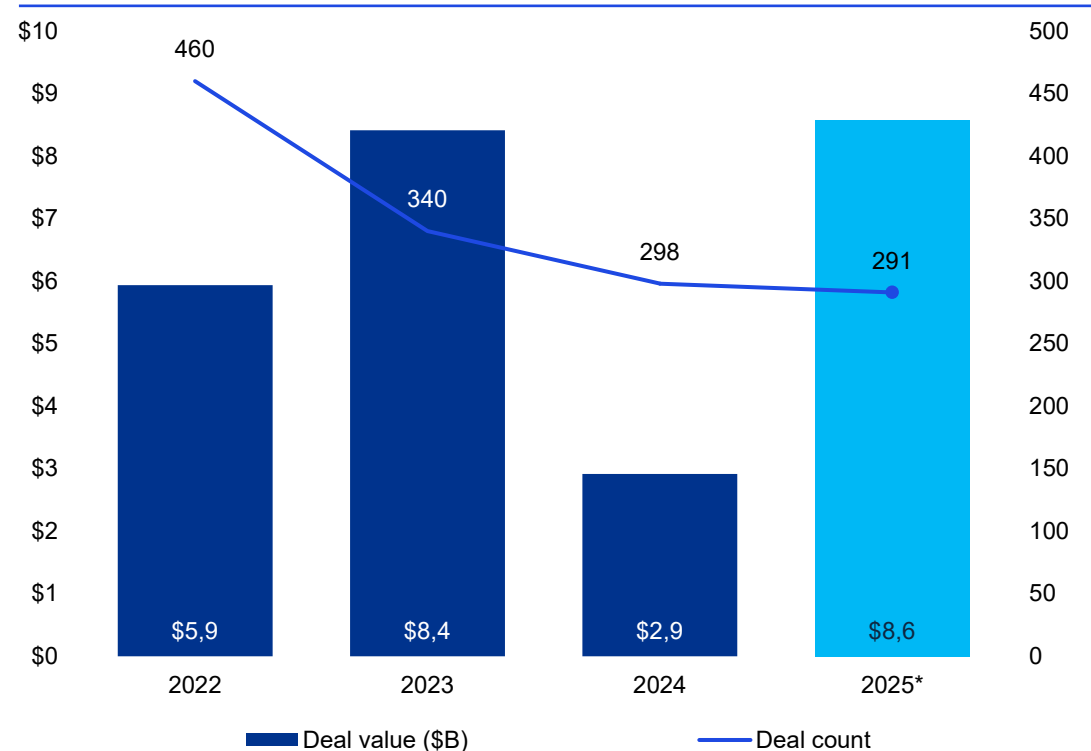
What to watch for in H1'26

- Vertical payments continuing to gain traction with investors, particularly in the healthcare space given the impact of payments on cash flows, denial rates and labor efficiencies.
- Growing interoperability of real-time payments given increasing adoption of ISO 20022 messaging standards.
- Industry consortiums and partnerships playing a critical role in shaping digital assets and real-time payments infrastructure.
- Increasing focus on stablecoins and digital currencies, particularly from a cross-border payments optimization and cost reduction perspective.
- Increased focus on AI and its ability to unlock transformational capabilities across the payments value chain with the potential to re-image payments operations.
- Agentic commerce in particular supporting channel and distribution disruption in the consumer domains, while also taking hold in payment financial market infrastructure in wholesale markets.

Fintech segments — Insurtech

Insurtech investment rises to \$8.6 billion — far exceeding 2024

Total global funding activity (VC, PE and M&A) in insurtech 2022-2025*



After falling to a more than 10-year low of \$2.9 billion in 2024, total global investment in insurtech bounced back to \$8.6 billion in 2025 — similar to the level of investment seen in 2023, if substantially lower than the record high of \$15.9 billion seen in 2019. Deal volume remained soft, falling slightly year-over-year to a 10-year low of 291 deals in 2025.

The large uptick in insurtech investment was driven largely by two significant outlier deals: the \$2.6 billion acquisition of US-based SMB digital insurance company Next Insurance by Ergo, a part of Munich Re, in H1'25¹⁰ and the \$2.5 billion take-private of Israel-based SaaS insurance services company Sapiens International Corporation by PE firm Advent in H2'25.¹¹ Other deals were modest in size in comparison, although a number of insurtechs raised \$100 million+ VC rounds during the year. H2'25 in particular saw a \$250 million raise by US-based digital home insurance company Kin,¹² a \$175 million raise by Germany-based digital insurance platform provider Wefox¹³ and a \$100 million raise by US-based AI-driven insurance platform company Federato.¹⁴ In the ASPAC region, the largest insurtech deal in H2'25 was a \$70 million raise by Hong Kong-based online medical insurance company Bowtie.¹⁵

Key H2'25 highlights from the insurtech sector include:

Investors shifting focus away from insurtechs with high capital requirements

Over the course of 2025, investors showed an increasing hesitance to fund insurtechs with high capital requirements, particularly those dependent on insurance licenses given their difficulties achieving profitability and the lack of strong returns.

¹⁰ Yahoo Finance, "ERGO Successfully Finalizes the Full Acquisition of NEXT Insurance." 1 July 2025.

¹¹ Reuters, "Insurance software firm Sapiens to be bought by Advent for \$2.5 billion." 13 August 2025.

¹² Impact Alpha, "Kin raises \$250 million in equity and debt for direct-to-consumer homeowners insurance." 8 September 2025.

¹³ Wefox, "Wefox Successfully Secures Eur 151m Funding To Support New Strategy With Focus On Mga Business And Smart Insurance Distribution." 7 July 2025.

¹⁴ Yahoo Finance, "AI-driven insurance platform Federato raises \$100m in Series D funding." 19 November 2025.

¹⁵ Yahoo Finance, "Bowtie Secures Series C Fundraising From Sun Life." 17 July 2025.

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Fintech segments — Insurtech

AI shifting the landscape, driving collaboration between insurance companies and AI providers

AI continued to change the game in the insurance industry during 2025, with increasing adoption of AI solutions among traditional corporates. During H2'25, much of this advancement came through traditional insurance companies building out internal AI departments and through partnerships with large AI providers rather than through reliance on external insurtech vendors.

First wave of AI adoption focused on driving efficiencies

Like within other fintech subsectors, the first wave of AI adoption has focused significantly on improving efficiencies in key business processes. Looking forward, it is expected that the second wave of AI innovation will propel more fundamental changes to insurance business models, particularly in areas like prevention and new product development.

Geography playing role in AI uptake

Within the insurance sector, adoption of AI solutions has been quite distinct based on geographic location and characteristics. In jurisdictions with higher regulatory requirements such as the EU, AI applications have predominantly focused on improving back-office efficiencies (e.g. claims), while in other jurisdictions such as the US and Singapore, the industry has seen much broader adoption of AI solutions across the insurance value chain.

“ To attract future investment, insurtechs must bring forward distinctive intellectual property that enables meaningful transformation for insurers — whether through innovative products or new business models, particularly in the realm of AI-driven solutions. Insurtechs will likely need to push the boundaries and develop truly differentiated capabilities to stand out. ”



Ilanit Adesman Navon
Co-Lead of AI for Insurance
KPMG International
Partner, Head of Insurance
and Fintech
KPMG in Israel

Fintech segments — Insurtech



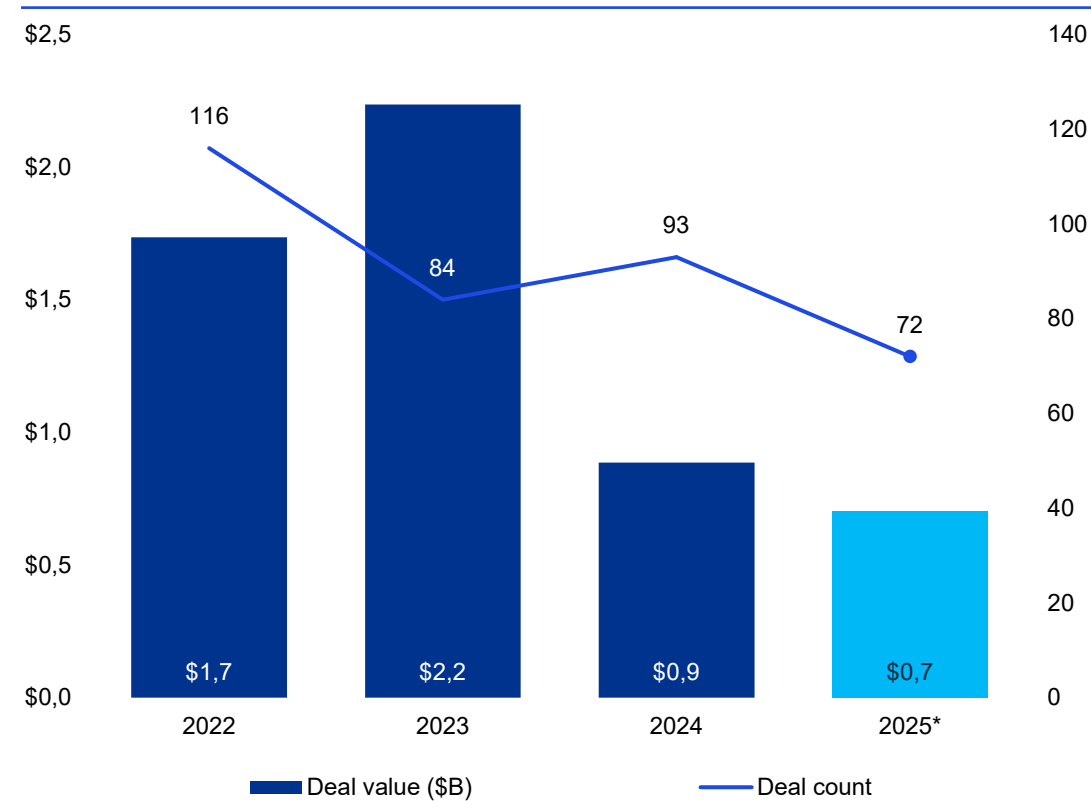
What to watch for in H1'26

- Increasing investor interest in quantum computing given its potential to drive significant changes in insurance and banking, particularly related to cybersecurity.
- Insurtechs increasingly focusing on developing unique intellectual property.
- Corporates choosing to collaborate with large AI model providers given the scale and sensitivity of their data.
- Increasing number of insurtechs looking to sell given their inability to raise additional funding, particularly insurtechs with high capital requirements that recognize they won't be able to turn a profit within their life cycle.

Fintech segments — Cybersecurity

Cybersecurity investment falls to seven-year low in 2025

Total global funding activity (VC, PE and M&A) in cybersecurity 2022-2025*



Both total global investment in fintech-focused cybersecurity startups and the number of fintech-focused cybersecurity deals fell to seven-year lows in 2025, with just \$700 million invested across 72 deals, compared to \$890 million across 93 deals in 2024.

VC raises accounted for the vast majority of fintech-focused cybersecurity deals during 2025, led by the \$340 million raise by US-based digital identity verification firm ID.me in H2'25.¹⁶ Other cybersecurity deals were much smaller in size; the largest raises in H2'25 included a \$75 million raise by Portugal-based fraud detection-focused RiskOps platform Feedzai,¹⁷ a \$25 million raise by Czech Republic-based fraud detection platform Resistant AI¹⁸ and a \$20 million raise by Israel-based AI-driven identity authentication firm Glide Identity.¹⁹

Key H2'25 highlights from the cybersecurity sector include:

Large platform players driving industry consolidation

During 2025, consolidation remained a core strategy in the cybersecurity sector as large cybersecurity players and tech giants continued to buy up small cybersecurity startups with niche offerings in order to extend their own platform capabilities. During H2'25, large platform player CrowdStrike announced plans to acquire AI security firm Pangea in order to provide a holistic AI detection and response (AIDR) solution.²⁰

¹⁶ Reuters, "ID.me tops \$2 billion valuation in latest fundraising amid push to combat AI-driven fraud." 3 September 2025.

¹⁷ Finnovate, "Feedzai Raises \$75 Million; Partners with ECB to Safeguard Digital Euro." 6 October 2025.

¹⁸ Fintech Futures, "Resistant AI raises \$25m Series B to expand anti-fraud tech." 13 October 2025.

¹⁹ Axios, "Exclusive: Glide Identity raises \$20M for better digital verification." 13 October 2025.

²⁰ CrowdStrike, "CrowdStrike to Acquire Pangea to Secure Every Layer of Enterprise AI." 16 September 2025.

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Fintech segments — Cybersecurity

Data security coming into the spotlight — driven by burgeoning AI space

While direct fintech-focused cybersecurity investments fell in 2025, the cybersecurity sector as a whole continued to evolve very rapidly, driven by the intensifying focus on AI and agentic AI. Data and data security were particularly hot areas of interest as corporates and cybersecurity firms recognized the need for secure and trusted data to underpin automation and agentic AI solutions, both for general business operations and to drive cybersecurity solutions.

VC and PE investment soft as investors take ‘wait and see’ approach

The current cybersecurity market is saturated with small cybersecurity firms with niche offerings. As the industry sees increasing consolidation around the large platform players, many VC and PE investors expect smaller firms to be acquired by larger players or to disappear. Many investors are taking a ‘wait and see’ approach to the industry, wanting to see how it shakes out before making fresh investments in the space. The desire to see positive exits of their existing portfolio companies is likely also playing a factor in PE and VC investment trends.

Many big banks considering a re-architecture of their cybersecurity approaches

Among financial institutions, interest in agentic AI rose very rapidly in 2025. During H2’25, many banks, particularly large tier one banks, really started to take notice. Many have started to consolidate their data into a protected lake to better leverage agentic AI solutions. On the cybersecurity front, financial institutions have started to explore how agentic cybersecurity models can be used to drive OpEx (operating expense) spend reductions while improving outcomes. This evolution will likely drive transformation into the managed security services space as financial institutions conduct an increasing number of triage tasks internally.

“ Six months ago, agentic AI-driven cybersecurity sounded like an exciting future concept — something investors were keeping an eye on. But the technology is moving so fast that financial service organizations now realize they can’t wait. In another six months, it’s going to be mainstream, and anyone who hasn’t started investing may risk losing their competitive edge. ”



Charles Jacco
Global Lead of Cyber
Financial Services
KPMG International
Cybersecurity and Tech Risk
KPMG in the US

Fintech segments — Cybersecurity



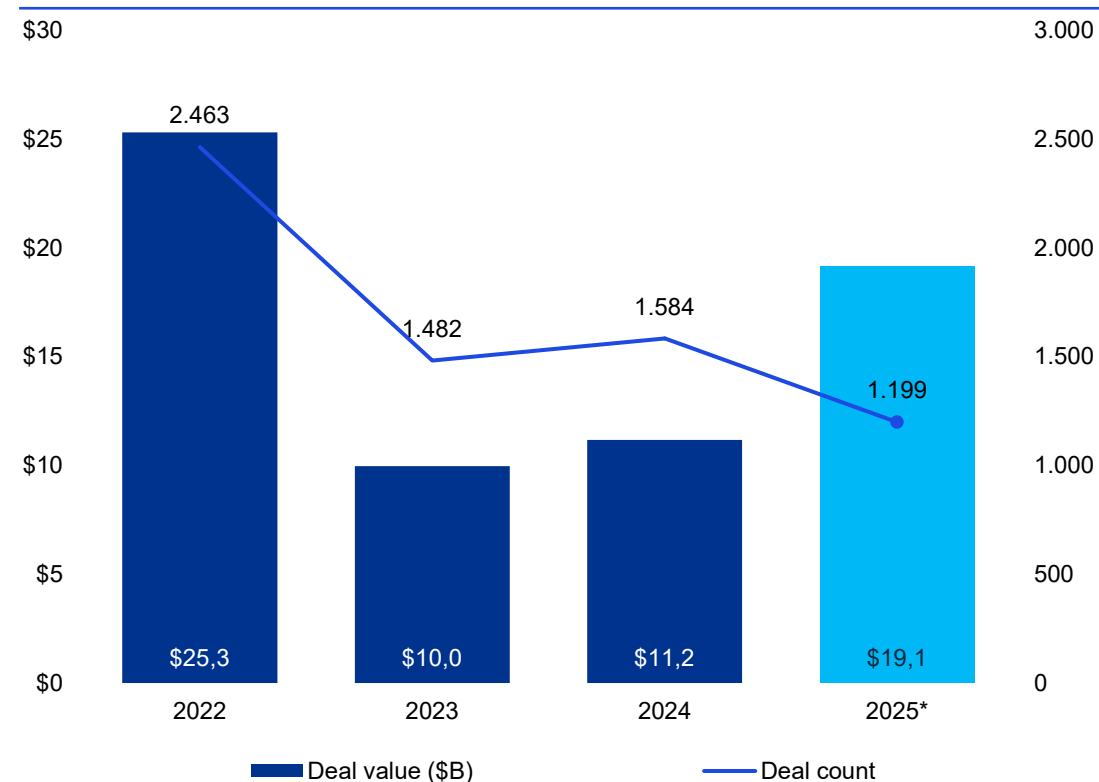
What to watch for in H1'26

- Financial institutions increasingly embracing AI, driving investor interest in solutions focused on data protection and AI platform security.
- Increasing focus on agentic AI for detection capabilities.
- Financial institutions increasingly looking at how to better automate activities like identity security posture management, data security posture management and security operations.
- Large tech players increasing integrating level-one triage and remediation into their platforms to allow corporate cybersecurity teams to focus on level two, three and higher cybersecurity tasks.
- Managed services evolving around outcomes, such as owning activities like applicant onboarding and annual user access reviews.

Fintech segments — Digital assets

Digital assets sector sees investment rises to \$19.1billion year-over-year

Total global funding activity (VC, PE and M&A) in digital assets and currencies 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

After two very slow years, the digital assets space saw total investment globally nearly double year-over-year, rising from \$11.2 billion across 1,584 deals in 2024 to \$19.1 billion across 1,199 deals in 2025. While total investment remained lower than totals seen in 2021 (\$32.2 billion) and 2022 (\$25.3 billion), the current momentum is expected to build heading into 2026, driven by regulatory certainty, particularly in the US, rapidly growing interest and investment in stablecoins, and growing participation in the sector by traditional corporates.

During 2025, the largest deal in the digital assets sector's history was Coinbase's \$2.9 billion acquisition of crypto derivatives exchange Deribit.²¹ In H2'25, the US saw the largest number of raises in the space, including an \$800 million raise by crypto exchange Kraken,²² a \$500 million raise by cross-border payments and cryptocurrency firm Ripple²³ and a \$500 million raise by payments blockchain company Tempo.²⁴ Outside of the US and UK, the largest deals were acquisitions, including the acquisition of Hong Kong-based stablecoin infrastructure provider AlloyX by Solowin Holdings for \$350 million²⁵ and the acquisition of Bahrain-based crypto exchange CoinMENA by Turkey-based digital asset platform Paribu for \$240 million.²⁶

²¹ The Block, "Coinbase completes \$2.9 billion cash-and-stock acquisition of Deribit." 14 August 2025.

²² CNBC, "Kraken confidentially files for IPO following \$800 million raise." 19 November 2025.

²³ CNBC, "Fintech Ripple gets \$40 billion valuation after \$500 million funding." 5 November 2025.

²⁴ Yahoo Finance, "Tempo Raises \$500 Million for Stablecoin Payments, Ethereum Developer Joins." 17 October 2025.

²⁵ Global Newswire, "SOLOWIN Completes \$350 Million Acquisition of AlloyX, Fortifying Long-Term Vision with 12-Month Lock-Up." 3 September 2025

²⁶ Wamda, "Inside CoinMENA's exit: The \$240m deal that redefined MENA crypto's growth model." 5 January 2025.

Fintech segments — Digital assets

Key H2'25 highlights from the digital assets space include:

Stablecoins interest surging

During H2'25, interest in stablecoins continued to surge, driven in large part by the passing of the US's Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act in July, which followed on the implementation of the Markets in Crypto-Assets (MiCA) regulation in the EU. The explosion in interest in stablecoins extended well beyond crypto players. A number of banks also took concrete steps into the stablecoin market, some through partnerships and others through issuing their own stablecoins. H2'25 in particular saw a consortium of EMEA-based banks, including ING, KBC, UniCredit, Paribas and others, announce the creation of Qivalis, a new company with the mandate to launch a new stablecoin pegged to the euro in 2026.²⁷ A separate GSIB consortium, including Bank of America, Deutsche Bank, Goldman Sachs, UBS, Citigroup, MUFG, Barclays, TD Bank, Santander and BNP Paribas also announced plans to jointly consider issuing a stablecoin pegged to G7 currencies during H2'25,²⁸ while Japan-based Sony Bank announced plan to partner with US-based Bastion to launch a stablecoin pegged to the US dollar aimed at gamers in order to reduce transaction fees.²⁹

²⁷ Reuters, "European banks led by BNP, ING push ahead on euro stablecoin plan," 2 December 2025.

²⁸ Reuters, "Major banks explore issuing stablecoin pegged to G7 currencies," 10 October 2025.

²⁹ CoinCentral, "Sony Bank Enters Stablecoin Market with 2026 U.S. Launch," 2 December 2025.

³⁰ Yahoo Finance, "BlackRock Looks To Tokenize Its Blockbuster ETFs for 24/7 Trading," 12 September 2025.

³¹ The Street, "Fidelity launches tokenized market fund with Ondo as anchor partner," 9 September 2025.

³² Reuters, "Blockchain lender Figure raises \$787.5 million in US IPO," 11 September 2025.

³³ Cryptonews, "Crypto Exchange Gemini Raises \$425M In Heavily Oversubscribed IPO," 12 September 2025.

Asset tokenization gaining ground

Following on significant investments in digital asset infrastructure in 2023 and 2024, 2025 saw interest shift to the development, offering and scaling of digital assets. Tokenization of money market funds was particularly hot; during H2'25, BlackRock announced plans to tokenize its top-performing ETFs,³⁰ while Fidelity launched a Fidelity Digital Interest Token (FDIT) money market fund.³¹ There are several components driving the focus on real asset tokenization, including improving operational efficiencies by providing less cumbersome access to funds and expanding investor access to new asset classes. In the Middle East for example, one rapidly growing trend has been the tokenization and fractionalization of real estate.

Growing IPO activity — with more in the pipeline for 2026

During 2025, the digital assets and currencies space saw strong exit activity, particularly IPO exits, a notable trend given the absence of exits in recent years. Following on several successful IPOs in H1'25, including Circle, Bullish and eToro, H2'25 saw a number of additional digital asset focused companies go public, including stablecoin issuer Figure, which raised \$787.5 million on the Nasdaq³² and digital asset platform Gemini, which raised \$425 million in its debut on the Nasdaq.³³

“

The US GENIUS Act shifted the dial on digital assets. It's a huge milestone for the sector. It's given banks the clarity and confidence to invest in the US — and that's driving a significant amount of momentum now. Looking forward, we're likely to see some of the bigger banks looking to control the whole digital assets payment and settlement ecosystem. We may also see banks partnering with stablecoins and digital asset solution providers to push their initiatives forward. It's going to be an exciting space to watch evolve in 2026.”



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

Fintech segments — Digital assets



What to watch for in H1'26

- Increasing focus and investment in the space, particularly around stablecoins, tokenized deposits and opening up new revenue streams through real-world digital assets.
- Tier 2 banks acting quickly to develop strategies for digital assets, whether by issuing their own offerings or by partnering with an increasing focus on plays aimed at participating in the entire digital assets ecosystem.
- Existing participants will scale their offerings geographically to deliver scale network effects, while incumbents will club together to develop shared baseline capabilities to defend existing market share and create competitive moats.
- Regulatory focus will be on interoperability to reduce liquidity fragmentation, establish harmonization of standards cross-border and ensure the legal clarity over digital asset classes.
- Increasing IPO and M&A activity centered around startups with proven revenue models.

“

Momentum in digital asset investment is being fueled by the rapid maturation of tokenization and the evolution of market infrastructure. As more asset types, such as money-market funds and real-world assets, prove their stability and scalability in tokenized form, we're seeing liquidity move through more sophisticated networks.”

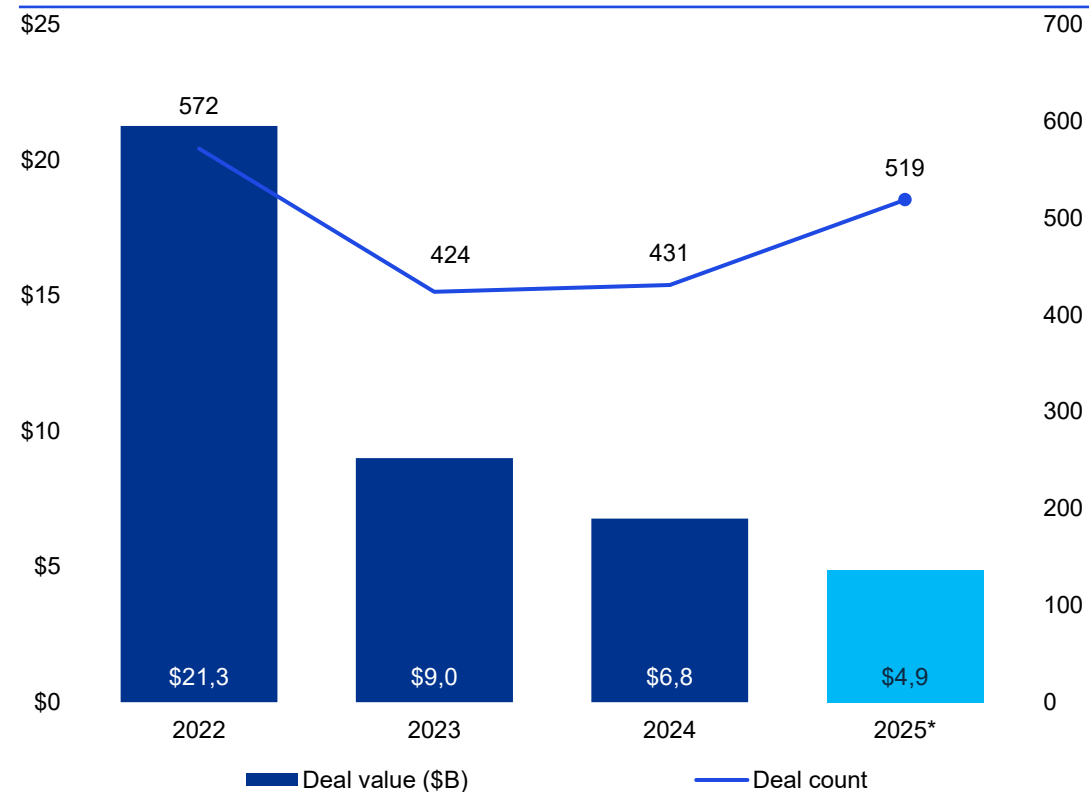


Kenji Hoki
Director
Financial Services
KPMG in Japan

Fintech segments — Regtech

Regtech deal volume rises year-over-year, but geopolitical complexities keep most deals small

Total global funding activity (VC, PE and M&A) in regtech 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

While total investment in regtech declined in value from \$6.8 billion in 2024 to \$4.9 billion in 2025, the total number of deals increased from 431 deals to 519 in 2025.

Despite predictions, the regtech space as a whole did not gain significant traction in 2025. The vast majority of investments over the course of the year were quite modest. During H2'25, the largest deals were the \$180 million VC raise by US-based finance compliance platform AppZen³⁴ and the \$147 million VC raise by Netherlands-based bitcoin vault company Treasury.³⁵

Key H2'25 highlights from the regtech sector include:

Regtech solutions remain niche and fragmented — challenging their long-term sustainability

Within the regtech space, most startups globally are quite small and focused on very niche aspects of the market, such as helping organizations manage one element of compliance. With regulations evolving rapidly, it is a distinct challenge for regtechs to remain relevant, making it difficult for them to attract funding.

AI changing the regtech game for corporates

The rapid evolution of AI and agentic AI attracted significant attention from corporates in H2'25. Given the pace of AI innovation and its applicability in terms of creating operational efficiencies, large banks and other financial institutions have increasingly shifted their attention away from third-party regtechs in order to focus their efforts on building out their internal AI capabilities, with the expectation that they will be able to build AI-driven compliance and risk tools internally.

³⁴ Yahoo Finance, "AppZen Raises \$180 Million Growth Round Led by Riverwood Capital to Take the Next Step in Autonomous Finance." 22 September 2025.

³⁵ Yahoo Finance, "Winklevoss Twins Back \$147M Raise for Treasury's Landmark European Bitcoin Listing." 3 September 2025.

Fintech segments — Regtech

Early exits becoming a key staple of the regtech space, limiting late-stage deals opportunities

Over the last couple of years, early exits have become a defining characteristic within the regtech space, with many of the most promising regtech startups exiting very early through acquisition by banks and other corporates looking to integrate their specific technologies within their own capabilities.



What to watch for in H1'26

- Slowdown in regtech investment due to uncertainties around regulatory changes, particularly on the ESG front.
- Regtechs continuing to grapple with the complexities of constantly changing fintech regulations and the challenges associated with managing disparities between jurisdictions.
- Corporates increasingly looking at AI and agentic AI solutions as a means to better streamline and enhance their regulatory compliance and reporting activities.
- Growth in supotech applications developed and launched for regulators, central banks and multilateral institutions drawing on AI capabilities. This includes the oversight of AI applications within financial institutions and market infrastructure.

“Increasingly, we’re seeing a lot of institutions looking to AI as a solution for managing complex regulatory compliance activities. They’re building their own AI-driven compliance and risk tools, which is reducing their reliance on third-party regtech solutions. This could change the game significantly for regtechs over the coming year, although we’ll likely continue to see early stage exits as promising regtechs get acquired by larger platform players looking to broaden their capabilities. Many regtechs are pivoting their services to become much more horizontal in their business models to address the AI opportunity.”

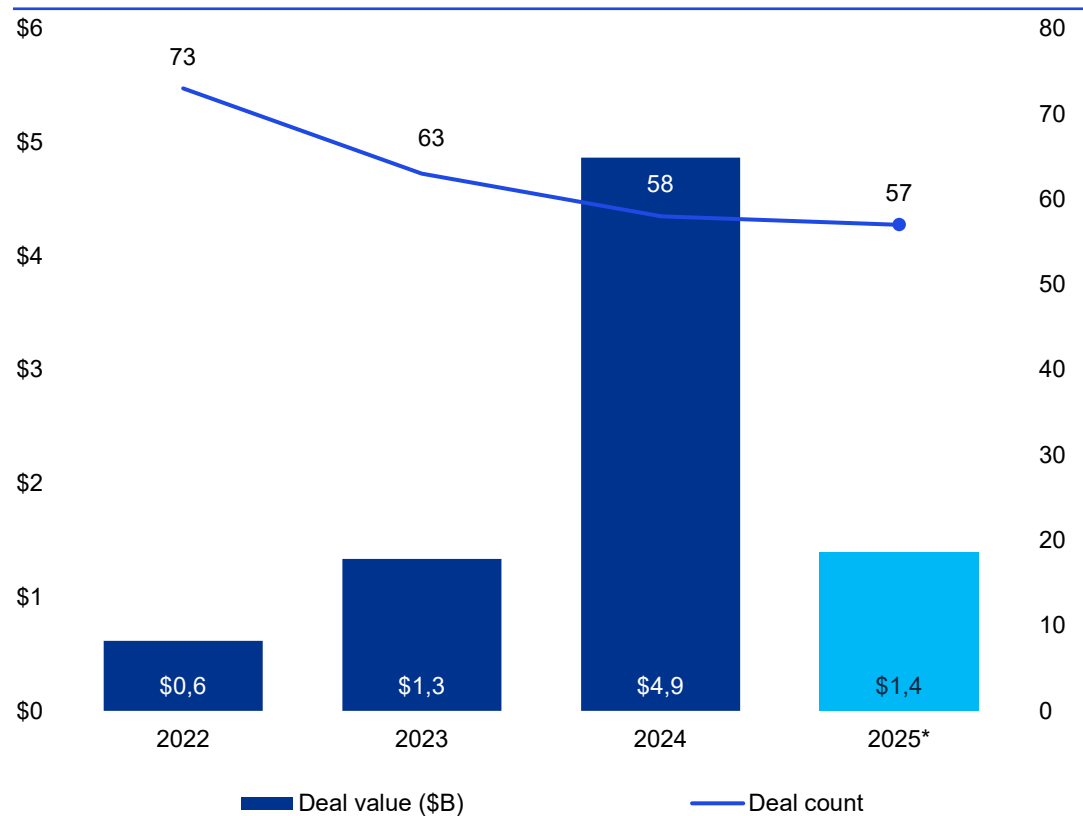


Anton Ruddenklau
Global Lead of Fintech
and Innovation for
Financial Services
KPMG International

Fintech segments — Wealthtech

After record year in 2024, investment in wealthtech falls in 2025

Total global funding activity (VC, PE and M&A) in wealthtech 2022-2025*



After rising to a record \$4.9 billion on the back of a number of outlier deals in 2024, total global investment in wealthtech fell to a three-year low of \$1.4 billion in 2025 despite steady deal volume year-over-year. The slowdown in investment likely reflects a combination of factors, including the lack of emergent use cases in the sector and the rapidly shifting focus of many fintech investors, particularly corporates, towards the red-hot AI sector.

During H2'25, the largest wealthtech deal was the Toronto-based money management fintech Wealthsimple, which secured \$538 million in an equity funding round co-led by Dragoneer Investment Group and GIC,³⁶ while the other deal sizes were quite modest — led by a \$64 million early VC raise by India-based Neo Asset Management³⁷ and a \$38 million PE growth investment in US-based turnkey asset management platform GeoWealth.³⁸

Key H2'25 highlights from the wealthtech space include:

Investors taking time to evaluate where AI fits in

AI was a dominant investment trend throughout 2025 — not only in fintech, but in the broader investment market. However, within the wealthtech sector, there was little movement on the use case front during H2'25. Instead, wealthtech investors focused primarily on higher-level AI concerns, such as determining how AI and agentic AI could change wealth management business models, where and how it could best be applied to drive operational efficiencies and back-end cost savings, and what organizational changes (e.g. data management, workforce training) would be needed to support AI adoption.

³⁶ Fintech Futures, "Canada's Wealthsimple bags around \$538m in fresh funding at \$7.2bn valuation." 29 October 2025.

³⁷ India Entrepreneur, "Neo Raises USD 25 Mn in Follow-On Round Led by Crystal Investment Advisors." 26 November 2025.

³⁸ Apollo, "GeoWealth Secures \$38 Million in Series C Funding Led by Apollo." 4 August 2025.

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Fintech segments — Wealthtech

Corporates prioritizing high-end affluent market segment

Wealth managers in many jurisdictions continued to prioritize expanding their reach into the high-end affluent segment of the market given its large size and perceived growth opportunities. This kept a significant focus of corporate investment on the digital advisory space as banks and wealth managers continued to prioritize finding ways to efficiently provide high-quality advice at scale.

Growing interest in use of AI agents to enable digital wealth management solutions

Wealthtech investors have prioritized chat-bots, robo-advisory services and digital wealth management tools for a number of years. In H2'25, investors showed growing interest in the use of agentic AI as a mechanism for taking

digital wealth management solutions to the next level, such as by using AI agents to better understand client needs and to conduct more complex analysis in order to provide more relevant, higher-value digital advice, and in solutions targeted at AI agent orchestration and associated risk management.

Wealthtechs remain focused on niche solutions

Globally, there continued to be a high degree of specialization in the wealthtech market in H2'25, with many wealthtechs focused on providing niche wealth management solutions (e.g. market fractionalization, low-cost wealth advisory), both to consumers and through partnerships with banks.

“ We’ve seen a steady push towards automation and machine learning to boost efficiency — and this is where agentic AI really shines. AI agents can enhance digital advisory and support wealth managers by delivering timely, personalized guidance at the last mile. Banks and wealth managers are now figuring out how to embed AI into their models, and that shift can quickly translate into real dollars. In today’s market, if you don’t take a clear position on AI, you risk getting left behind. ”



Leon Ong
Partner
Financial Services Advisory
KPMG in Singapore

Fintech segments — Wealthtech



What to watch for in H1'26

- New wealth in the ASPAC region driving demand for digital native, on-demand and self-directed solutions far more than in mature markets like the US and EMEA.
- Emergence of wealthtech solutions that are truly AI-enabled — and not simply packaged in an AI wrapper.
- Banks continuing to spin up their own internal AI programs.
- Investors interested in how AI can truly extend the reach of high-quality wealth advisory services to bigger segments of the population.

02

In H2 2025, fintech
funding in the
Americas recorded
\$27.4B with
1,160 deals

Regional insights — Americas

After three straight years of decline, fintech investment in Americas rises in 2025

After reaching a record high of \$161.9 billion in 2021, fintech investment in the Americas dropped for three straight years — to a low of \$55.4 billion in 2024. In 2025, fintech investment saw a positive — if modest — turn, rising to \$66.5 billion despite deal volume falling for a fourth-straight year.

H2'25 saw \$27.4 billion in fintech investment, a significant drop from the \$39.1 billion seen in H1'25. The timing of megadeals accounts for this uneven balance; H1'25 saw the five largest deals of 2025, led by the \$7.7 billion take-private of US-based Dun and Bradstreet by Clearlake Capital,³⁹ while the largest deals during H2'25 were a \$2 billion VC raise by real-world event-predictions market Polymarket⁴⁰ and the \$2 billion take-private of MeridianLink by Centerbridge Partners,⁴¹ both in the US. During H2'25, the largest deals outside of the US included a \$750 million VC raise by Mexico-based credit card firm Plata Card,⁴² followed by a \$536.1 million VC raise by Canada-based wealth management platform Wealthsimple.⁴³

Key H2'25 highlights from the Americas include:

US continues to drive fintech investment in the Americas

The US accounted for \$56.6 billion in fintech investment during 2025, up from \$42.4 billion in 2024 despite a modest drop in deal volume from 2,085 to 1,977 year-over-year. H2'25 saw softer investment and deals volume than H1'25, with \$23.9 billion across 961 deals compared to \$32.7 billion across 1,016 deals, driven in part by the protracted US federal government shutdown. Elsewhere in the region, Brazil saw fintech investment more than double year-over-year, from \$847.4 billion to \$1.9 billion year-over year, while Canada saw VC investment fall from a record high of \$9.9 billion in 2024, based on a handful of marquee deals, to a more typical \$2.4 billion in 2025.

Investors focusing on large, late-stage deals as companies position for exit

During 2025, fintech investors across the Americas were very selective, focusing their capital on large, late-stage companies with profitable business models, including in areas like specialty lending. A number of mature fintechs likely positioned these raises as pre-IPO growth rounds.

“Regulatory changes helped open up the IPO market for fintechs in 2025. A lot of companies were holding back waiting to see what happened. Now, we’re seeing a lot of companies starting to make moves. Crypto entities have probably seen the most benefit — and have moved quickest on the IPO front as a result. But we’re also seeing activity from other big fintechs. While the two-month SEC holdup delayed activity somewhat, that just means we’re likely set up for a good IPO market in 2026.”



Jonathan Langlois
Principal, Advisory
Financial Services Strategy
KPMG in the US

³⁹ Pitchbook, “Clearlake Capital to take Dun & Bradstreet private in \$7.7B deal.” 24 March 2025.

⁴⁰ Reuters, “NYSE owner takes \$2 billion stake in Polymarket as prediction markets heat up.” 7 October 2025.

⁴¹ MeridianLink, “MeridianLink to Be Acquired by Centerbridge Partners for \$2.0 Billion.” 11 August 2025.

⁴² PR Newswire, “Plata, The Most Recently Authorized Mexican Bank, Completed Its Series A Round with a USD 1.5B Valuation.” 11 March 2025.

⁴³ Wealthsimple, “Wealthsimple announces \$750 million equity round at \$10 billion post-money valuation to accelerate growth.” 27 October 2025.

Regional insights — Americas

Digital assets gaining significant attention and investment

2025 was a robust year for the digital assets space, particularly H2'25 with the signing of the GENIUS Act in the US. In particular, traditional corporates and companies from outside the fintech sector increasingly looked to the space as a burgeoning opportunity, with some even looking to pivot from their existing underperforming business models towards becoming digital assets companies. While the US saw the vast majority of investment in digital assets in H2'25, banks, financial institutions and other players in Canada and elsewhere in the Americas will likely consider opportunities in the space over the coming year.

Fintech exit environment bounces back in the Americas; digital assets and currencies space attracts robust IPOs

Exit activity showed signs of a rebound in the Americas, with exit value nearly doubling from \$33.6 billion across 217 exits in 2024 to \$66.5 billion across 249 exits in 2025. The US accounted for a large share of the 2025 activity, with \$58.8 billion across 217 deals. Notably, the US saw a strong increase in fintech-focused IPO activity during the year, driven in part by digital assets IPOs. H2'25 in particular saw blockchain lender and stablecoin issuer Figure raise \$785.5 million⁴⁴ and crypto exchange Gemini raise \$425 million in public listings on the Nasdaq.⁴⁵

“ Here in Canada, several of our digital challenger banks are in growth mode and succeeding. We're seeing these digital challenger banks looking beyond basic vanilla products, to merge the notion of financial services with other priorities like health and wellness. It's going to be an interesting space to watch. ”



Dubie Cunningham
Partner, Banking and
Capital Markets
KPMG in Canada

⁴⁴ Reuters, "Blockchain lender Figure raises \$787.5 million in US IPO," 11 September 2025.

⁴⁵ Coincentral, "Gemini Prices IPO at \$28 Set to Begin Trading on Nasdaq," 12 September 2025.

Regional insights — Americas



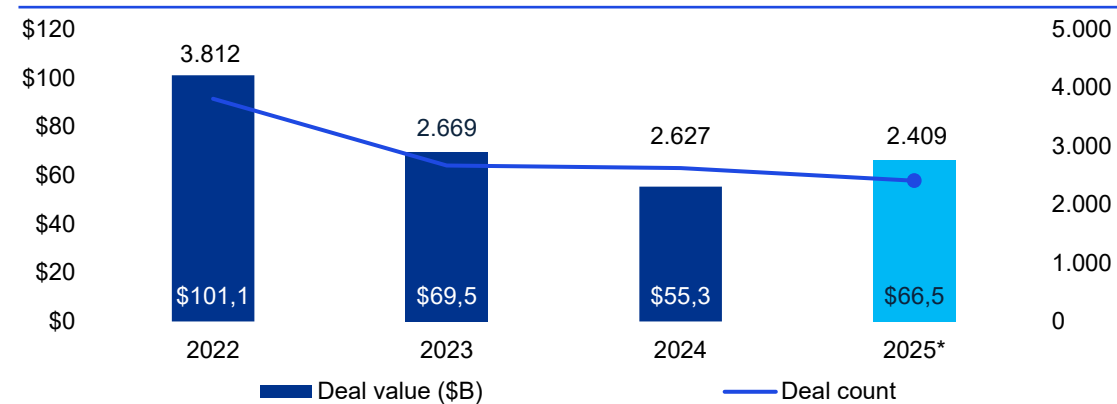
Trends to watch for in H1'26

- Increasing consolidation across startups targeting the four pillars of stablecoin infrastructure: wallets and custodians, orchestration infrastructure, issuers and networks.
- Cautious movement among corporates and larger PE firms looking at the stablecoin and digital currency space, with many looking at partnership models.
- Corporates continuing to make strategic tuck-ins, while PE firms increasingly look at larger scale plays, including more take-privates.
- Growing focus on convergence between financial services and areas like wellness, led in part by collaborations and partnerships between digital banks and non-financial players.
- Productivity-focused AI businesses gaining the most attention from investors as corporates look to get control over their data and drive efficiencies.
- Small business space continues to attract a lot of attention from fintech investors, including in Latin America.
- Growing number of fintech IPOs as mature startups look to exit.

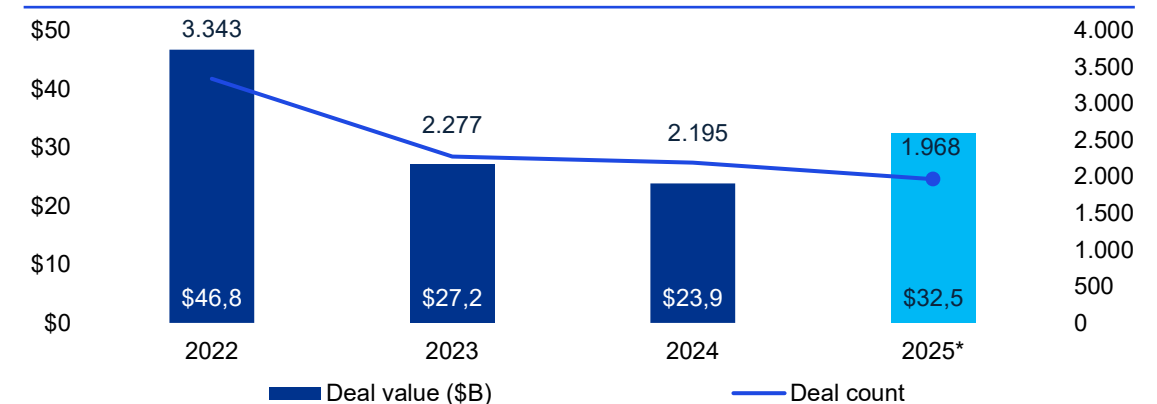
Regional insights — Americas

Dealmaking counts subside slightly, but overall deal value is up, suggesting a confluence of demand and caution

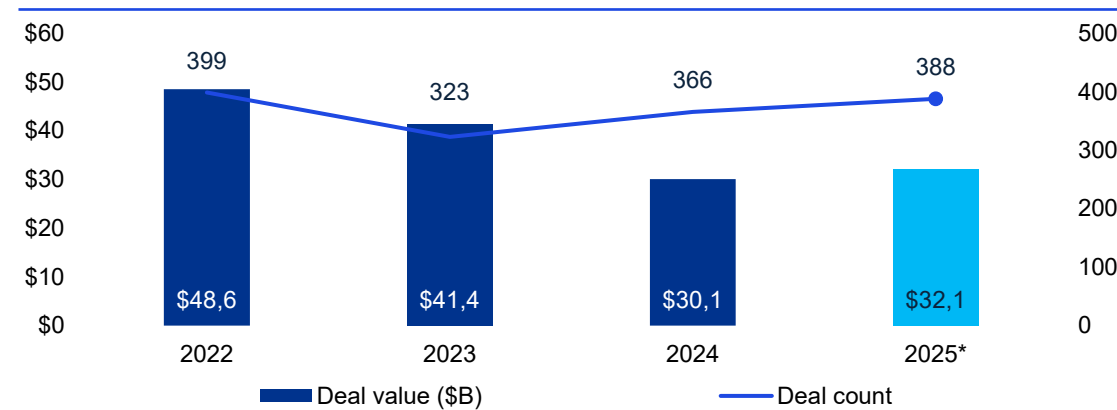
Total funding activity (VC, PE and M&A) in fintech in the Americas 2022-2025*



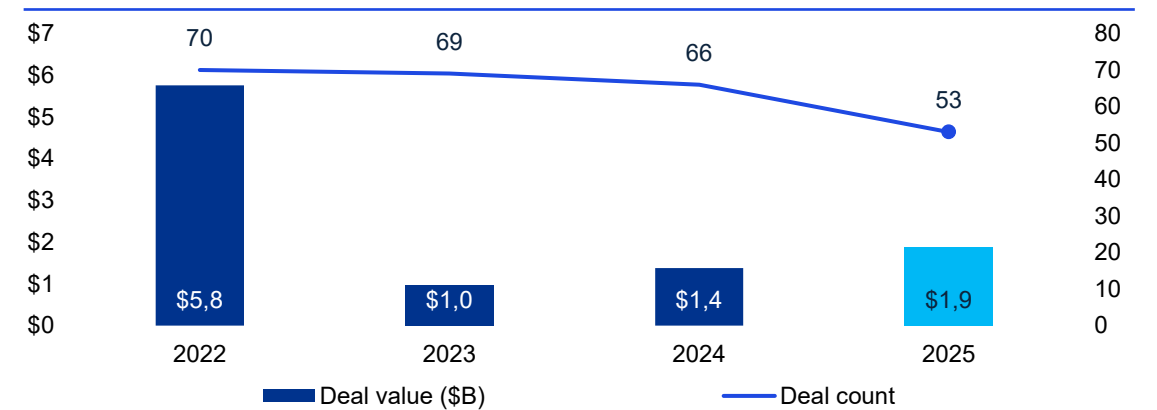
Venture capital funding activity in fintech in the Americas 2022-2025*



M&A activity in fintech in the Americas 2022-2025*



PE growth activity in fintech in the Americas 2022-2025*

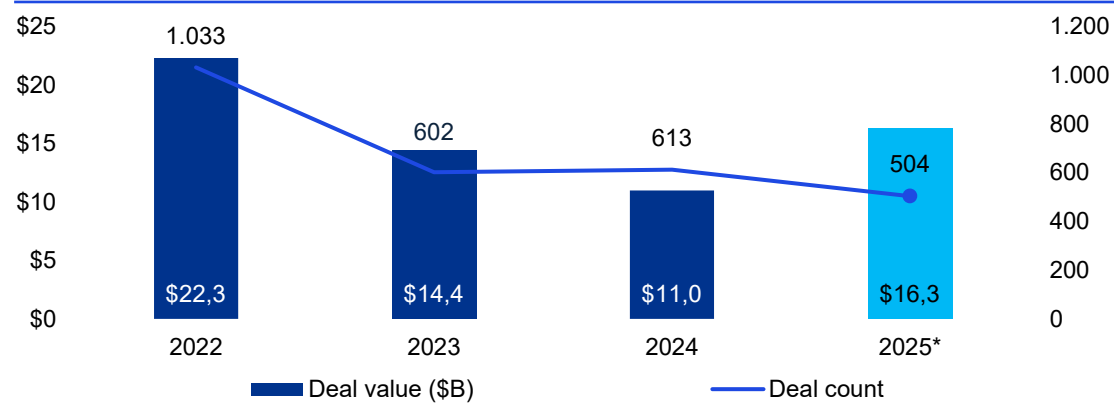


Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

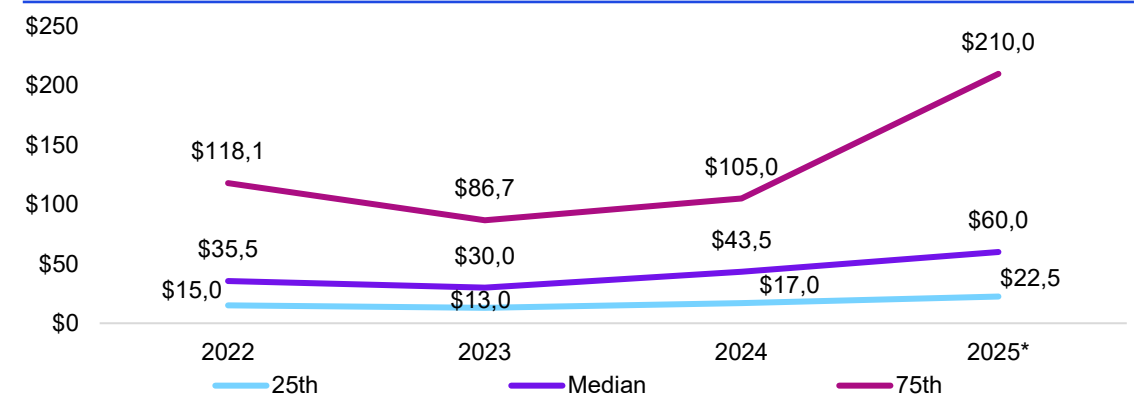
Regional insights — Americas

Deal sizes surge, arguing that investors are eager for exposure or to acquire, yet still somewhat wary

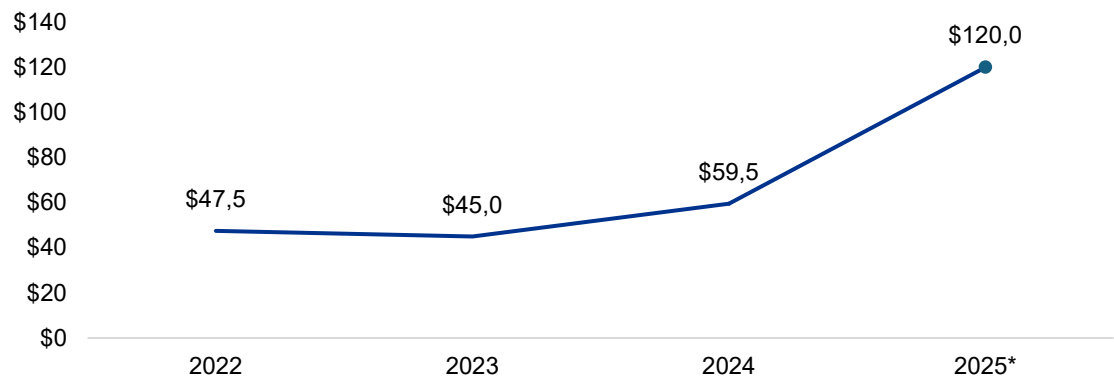
VC activity in fintech with corporate participation in the Americas 2022-2025*



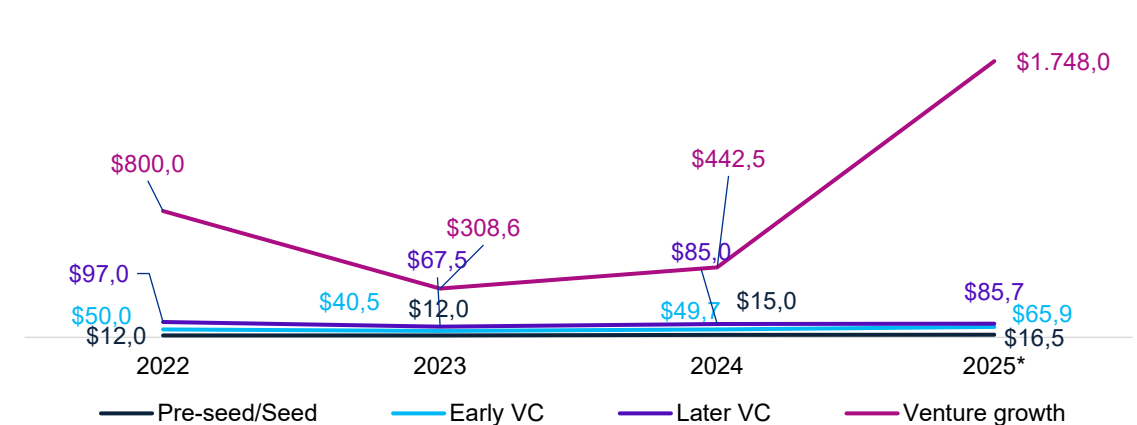
Quartile post-money (VC, PE and M&A) valuations in the Americas 2022-2025*



Median M&A size (\$M) in fintech in the Americas 2022-2025*



Median pre-money valuations (\$M) by stage in fintech in the Americas 2022-2025*

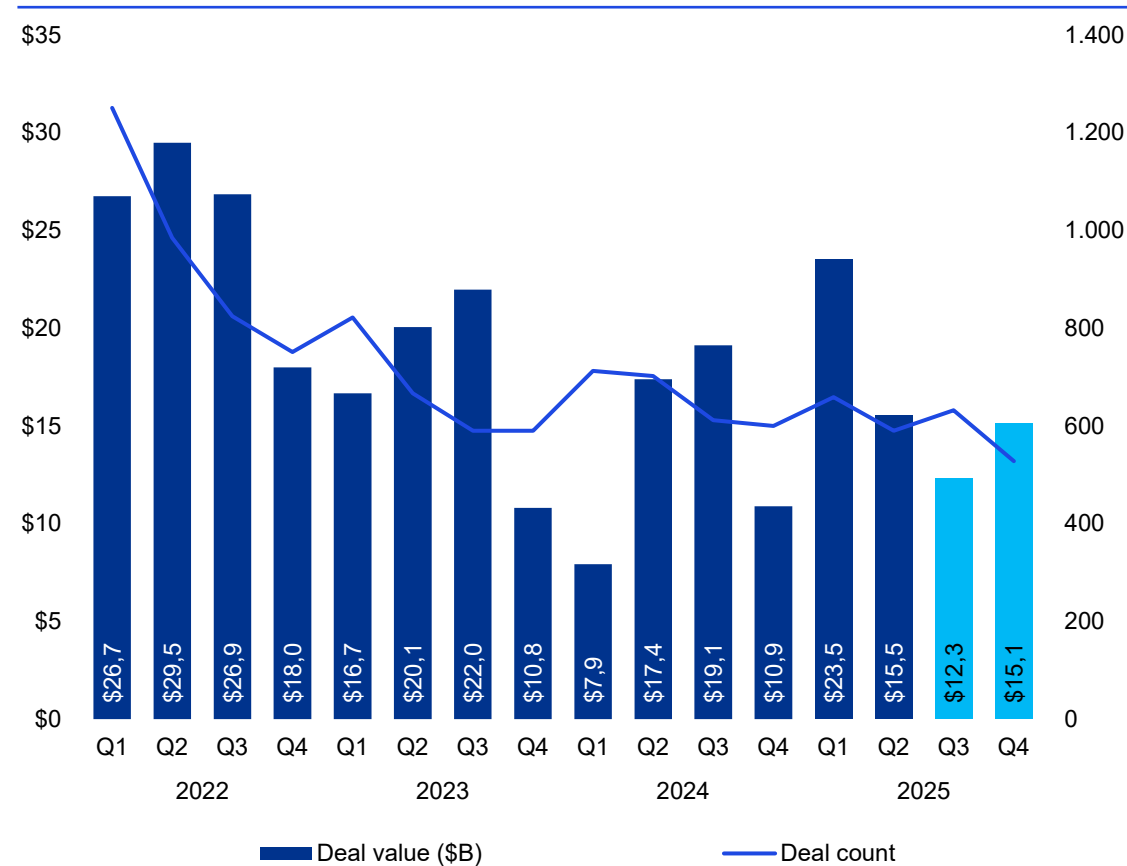


Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025. The 2023 and 2024 figures for the median pre-money valuation at the growth stage are n < 30.

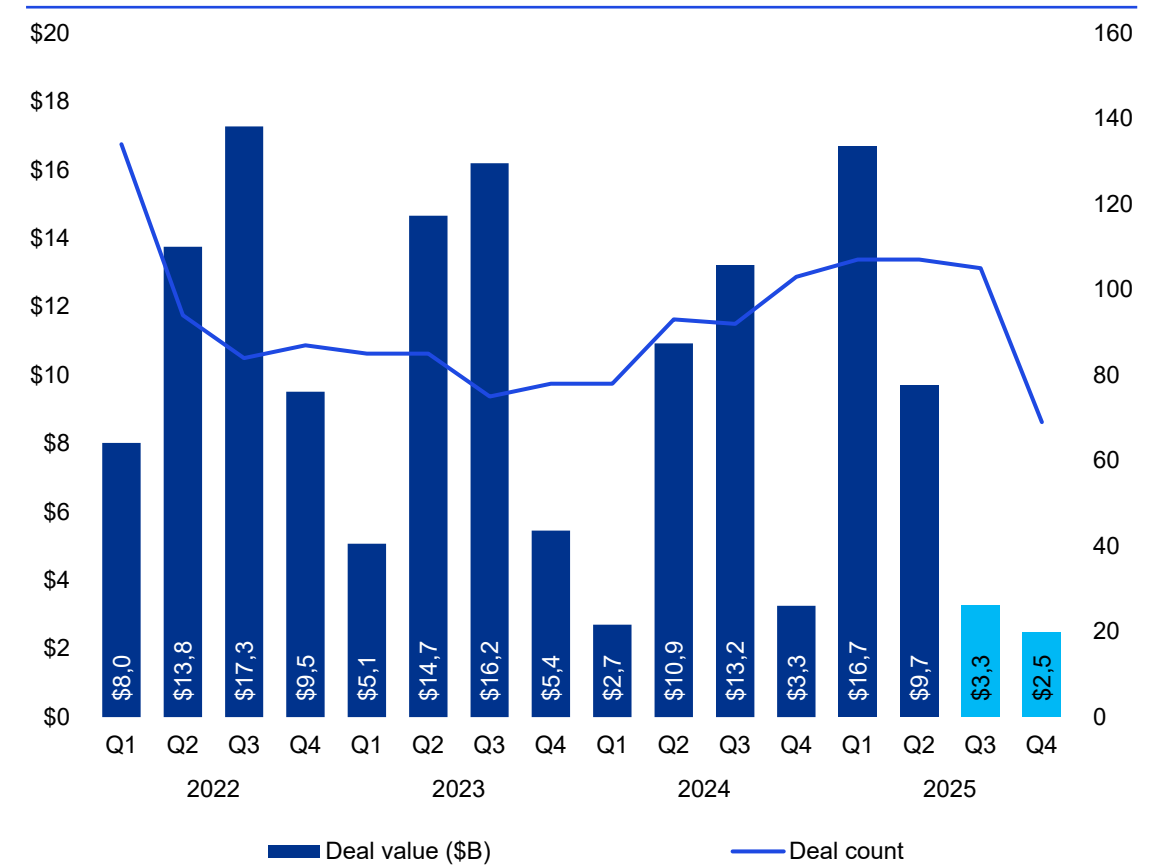
Regional insights — Americas

Dealmaking remains steady

Total funding activity (VC, PE, M&A) in fintech in the Americas 2022-2025*



M&A activity in fintech in the Americas 2022-2025*

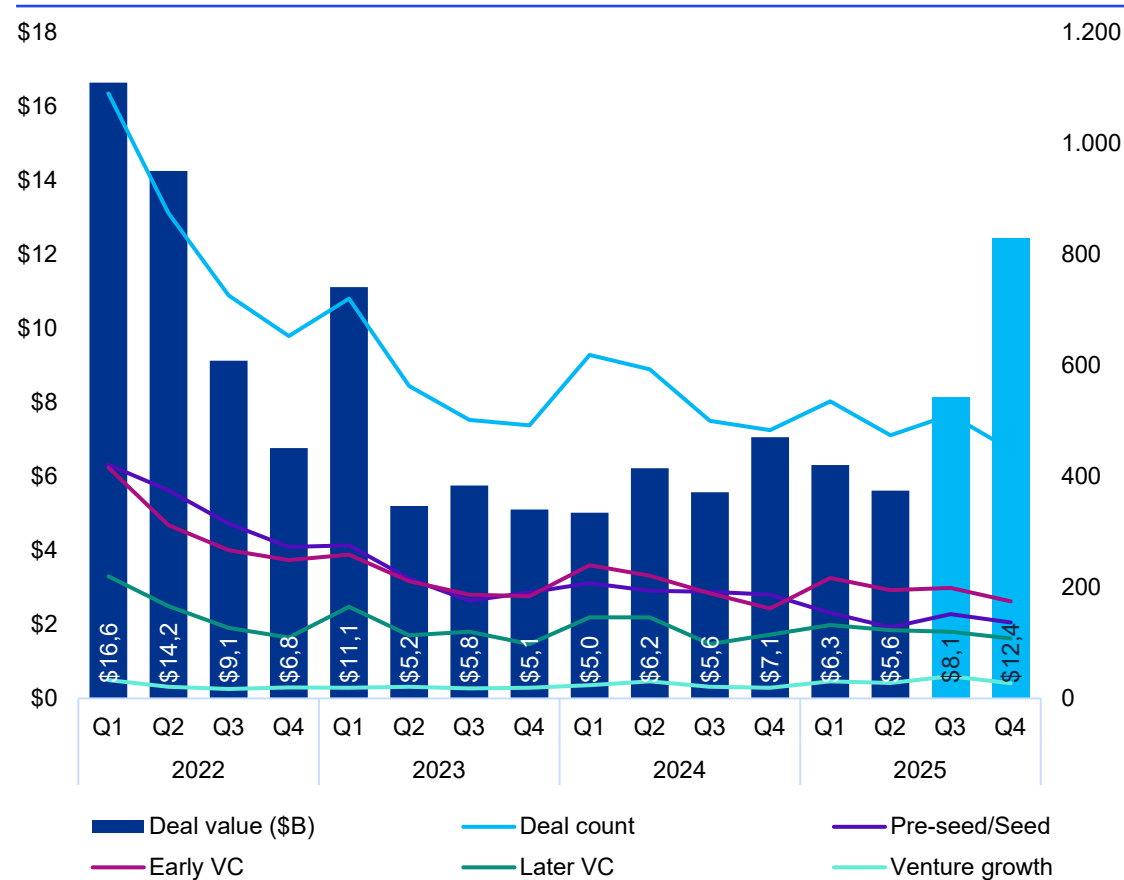


Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

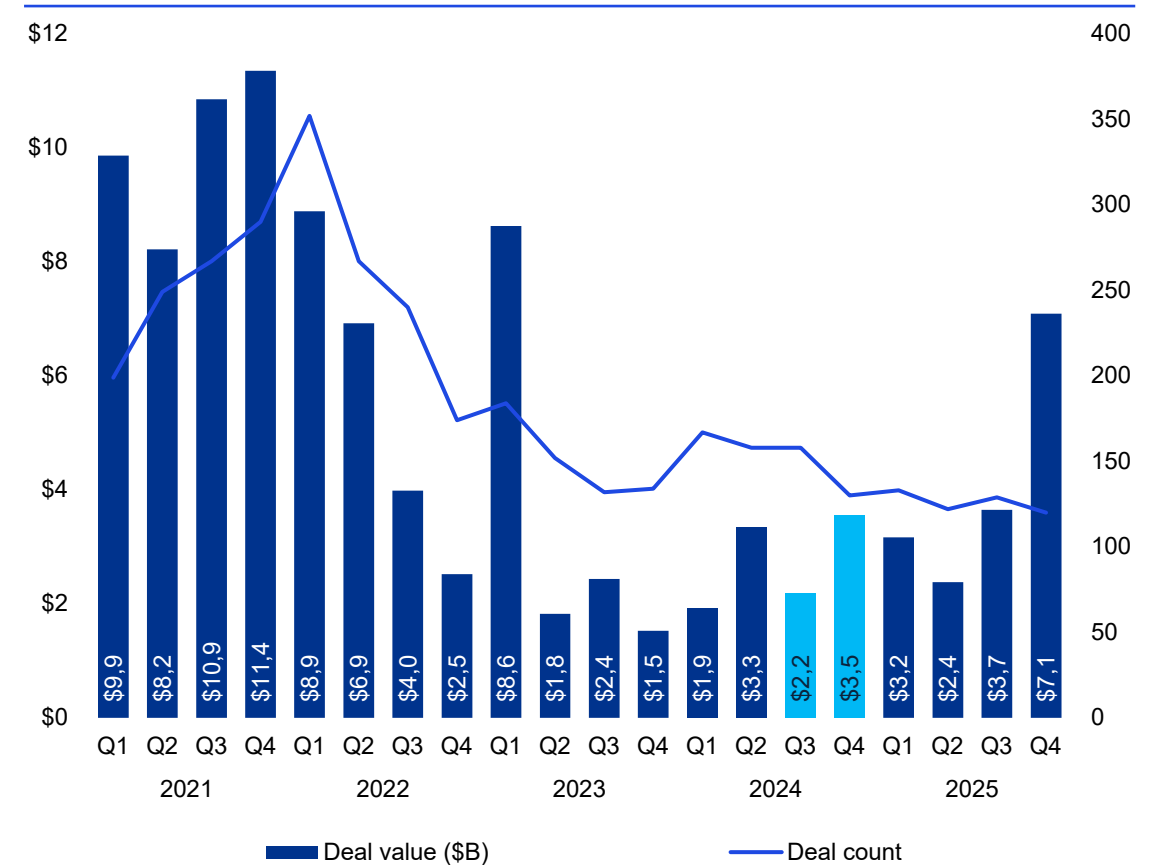
Regional insights — Americas

VC invested surges thanks to mega-deals, which many corporates join

Venture capital funding activity in fintech in the Americas 2022-2025*



VC activity in fintech with corporate participation in the Americas 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

Americas

Top 10 fintech deals in the Americas in H2 2025



1. **MeridianLink** — \$2B, Costa Mesa, US — Lending — *Take-private*
2. **Polymarket** — \$2B, New York, US — Markets — *Late-stage VC*
3. **Kalshi** — \$1B, New York, US — Markets — *Late-stage VC*
4. **GTreasury** — \$1B, Buffalo Grove, US — B2B/back-office — *M&A*
5. **Trading Technologies** — \$835M, Chicago, US — Back-office — *Secondary buyout*
6. **Institutional Capital Network** — \$820M, New York, US — Wealthtech — *PE growth*
7. **Kraken** — \$800M, Cheyenne, US — Markets — *Series C*
8. **Plata Card** — \$750M, Mexico City, Mexico — Banking — *Early-stage VC*
9. **Guideline** — \$600M, Burlingame, US — B2B/back-office — *M&A*
10. **Wealthsimple** — \$536.1M, Toronto, Canada — Wealthtech — *Series E*

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

03

In H2 2025, funding in
fintech companies in
**Europe, Middle East and
Africa (EMEA)** recorded
\$13.8B with 617 deals

Regional insights — EMEA

EMEA region sees \$29.2 billion in fintech investment in 2025, despite eight-year low in deal volume

After falling to an eight-year low in 2024, fintech investment in the EMEA region picked up to \$29.2 billion in 2025 despite a continued slowdown in deals from 1,803 to an eight-year low of 1,484 year-over-year. Both deal value and deal volume were softer in H2'25, with \$13.8 billion in investment across 617 deals.

The largest deals in the EMEA region during H2'25 included the \$3 billion VC raise by UK-based financial services platform Revolut,⁴⁶ and the \$2.5 billion take-private of Israel-based SaaS insurance services firm Sapiens International by Advent.⁴⁷ In the Middle East, the largest deals came from VC raises by Saudi Arabia-based B2B payments provider Hala (\$157 million)⁴⁸ and UAE-based digital real estate transactions firm Huspy (\$59 million).⁴⁹ In Africa, the largest deal was a \$15.5 million raise by Morocco-based B2B e-commerce and financial services firm Chari.⁵⁰

Key H2'25 highlights from the EMEA region:

UK attracts largest share of fintech investment in Europe in 2025

The UK attracted the largest share of fintech investment in Europe in 2025 — \$10.9 billion in fintech investment across 418 deals — despite a decline from \$13.3 billion across 527 deals in 2024. The Nordics region came second with a very strong \$5.3 billion across 101 deals; of this total, Sweden accounted for \$4.8 billion. Meanwhile Israel attracted \$2.7 billion in fintech investment, France saw \$1 billion and Germany accounted for \$965.8 million.

Surging interest across the digital assets and currencies space

The EMEA region saw interest in digital assets surge in H2'25, driven by activity in the US and the EU. During H2'25, the UK also announced plans for a new regulatory regime for digital assets and currencies, with plans for it to be in force by 2027.⁵¹ It is hoped this regulatory movement will help the UK retain its fintech crown in the EMEA region. Throughout the region, there was also growing interest in tokenized deposits and stablecoins; in H2'25, a group of EMEA banks (e.g. ING, BNP Paribas, KBC, UniCredit) joined together to create Qivalis, a new company with the mandate to launch a euro-pegged stablecoin by end of 2026.⁵²

“ The UK fintech market showed resilience in the second half of 2025. While overall funding volumes were still down on earlier years, London continues to dominate European fintech investment, especially with later stage deals such as FNZ and Rapyd. This coupled with the rise in M&A activity in the UK shows a strengthening market and positive signs for 2026. ”



Hannah Dobson
Head of Fintech
KPMG in UK

⁴⁶ Revolut, "Revolut Completes Fundraising Process Establishing \$75 Billion Valuation." 24 November 2025

⁴⁷ Reuters, "Insurance software firm Sapiens to be bought by Advent for \$2.5 billion." 13 August 2025.

⁴⁸ FinTech Weekly, "HALA Raises \$157 Million in Series B to Expand FinTech Services for Saudi SMEs." 16 September 2025.

⁴⁹ FinTech Weekly, "Huspy Raises \$59M to Expand Mortgage Fintech Across Middle East and Europe." 9 July 2025.

⁵⁰ Wamda, "Chari secures \$12 million Series A and payment licence from Bank Al-Maghrib." 15 October 2025.

⁵¹ Gov.UK, "New crypto rules to unlock growth and protect customers." 15 December 2025.

⁵² Reuters, "European banks led by BNP, ING push ahead on euro stablecoin plan." 2 December 2025.

Regional insights — EMEA

Fintech hubs in the Middle East and Africa continue to develop

The Middle East continued to emerge as a fintech hub in 2025, with total fintech investment rising from \$741.4 million across 161 deals to \$1 billion across 135 deals year-over-year. While completed fintech deal activity was soft in Africa, falling from \$512.5 million across 126 deals to \$370.4 million across 95 deals year-over-year, it remains a region of interest for fintech investors, particularly in the payments space.

Incumbents looking for AI-enabled fintechs able to help them fill gaps

The fintech regulatory environment continued to evolve in the EMEA region in 2025. During H2'25, the European Parliament agreed to both the Payment Services Regulation (PSR), aimed at harmonizing payment services

across the EU and better preventing fraud, and the Third Payment Services Directive (PSD3), aimed at encouraging a more competitive payment services sector without compromising customer protections.⁵³ These activities helped boost confidence in a harmonized regulatory regime across the EU and in growth opportunities for fintechs looking to expand into other jurisdictions. Corporates also started looking for fintechs, particularly those with AI capabilities, to help them fill gaps and extend their capabilities.

“ Across EMEA, we’re seeing incumbents actively seeking fintech partners to strengthen capabilities in areas like fraud prevention, payments, and AI. With banks aiming to modernize their infrastructure and keep pace with fast-moving digital players, fintechs offering advanced technology and operational speed are attracting strong strategic interest. ”



Dave Remue
Director, Head of Fintech
KPMG in Belgium

⁵³ European Parliament, "Payment services deal: More protection from online fraud and hidden fees." 27 November 2025.

Regional insights — EMEA



Trends to watch for in H1'26

- Very strong focus on AI-driven solutions, with large financial institutions in particular looking at ways to use AI to accelerate innovations — although some investors are concerned about whether there's a bubble. In some cases, it's still unclear how these businesses will ultimately make money, or profitability remains a distant prospect. That's fueling concerns that valuations may be driven more by story and hype than by durable revenue generation.
- Investors continuing to focus on companies with profitable and proven business models.
- Regulations increasingly shaping the use of digital assets and currencies, helping drive confidence and further investment in the space.
- Investors and consortiums continuing to investigate opportunities for stablecoins pegged to the euro rather than to the US dollar.
- Increased momentum towards a European payments infrastructure that is less dependent on US players with the European Payment Initiative (EPI) rolling out its e-commerce solution beyond Germany, expanding to Belgium, France and the Netherlands, and with EU legislators expected to adopt the Regulation establishing the digital euro.
- Some consolidation among smaller digital-assets-focused fintechs given the costs associated with complying with MiCA and other regulations.
- Growth of tokenization, particularly stablecoins, deposit tokens and interoperability of such services across regulatory regimes, currencies and ecosystems.
- Increasing IPO activity — although businesses will likely prioritize US-based IPOs due to liquidity advantages.

“ We're seeing renewed interest across the digital assets space. It's been a major theme in H2'25 and is going to continue to be so throughout 2026. A lot of that is because of what's going on in the US and across the EU — but also here in the UK, the upcoming crypto regulation which is due to come into effect in 2027 is really driving interest and activity. It'll be interesting to see how that evolves throughout the year. ”

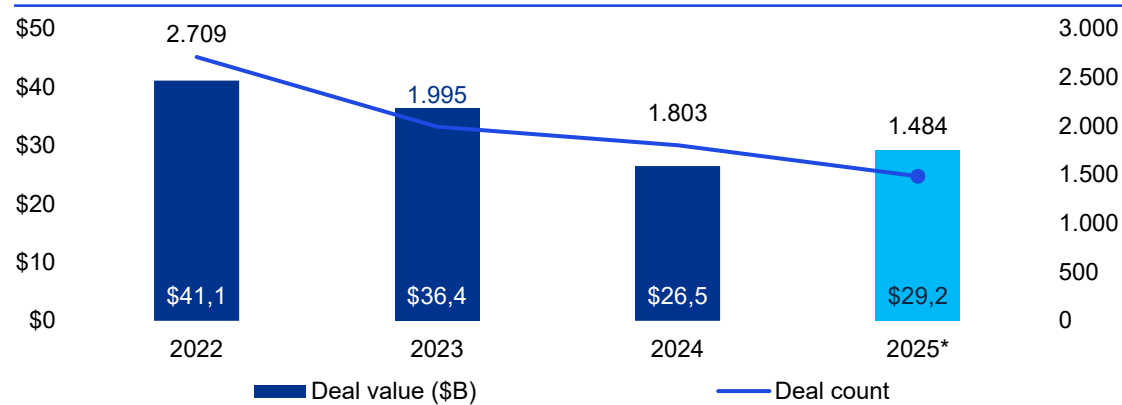


Lauren Taylor
Director, Fintech
KPMG in the UK

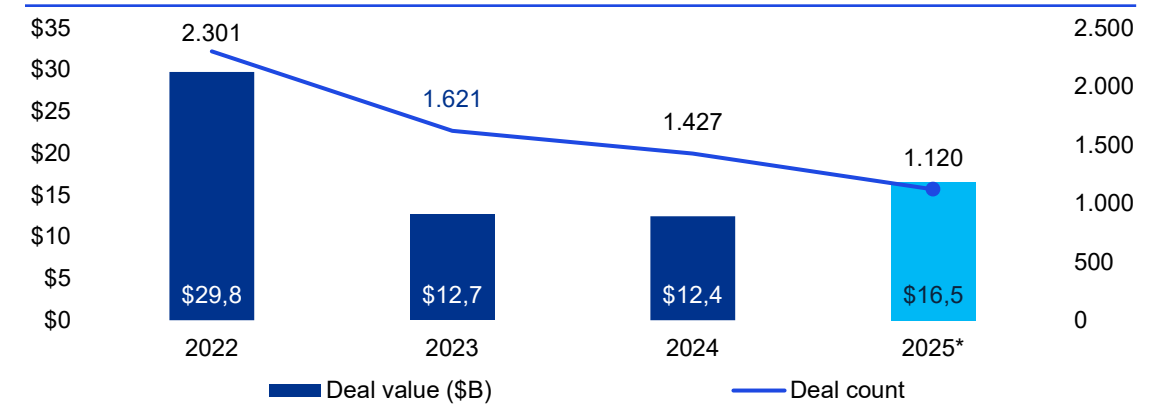
Regional insights — EMEA

Across EMEA, dealmaking counts hint at tempered expectations

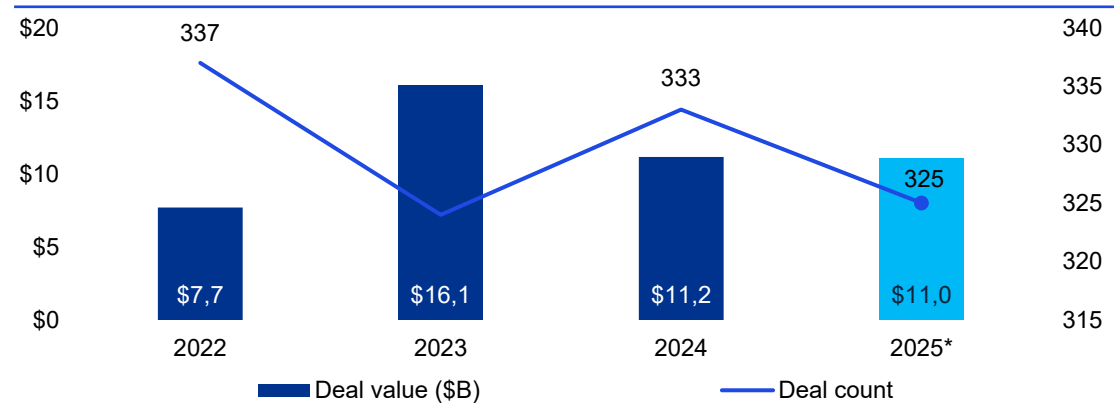
Total funding activity (VC, PE and M&A) in fintech in EMEA 2022-2025*



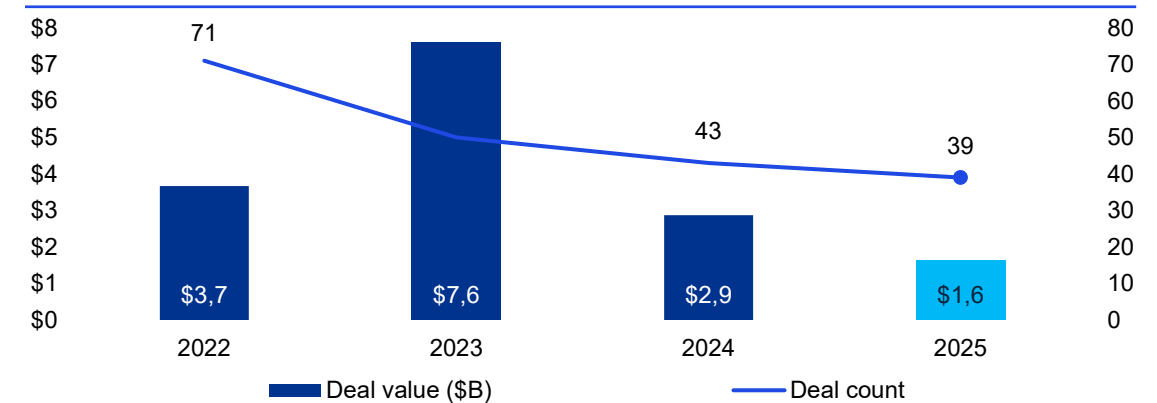
Venture capital funding activity in fintech in EMEA 2022-2025*



M&A activity in fintech in EMEA 2022-2025*



PE growth activity in fintech in EMEA 2022-2025*

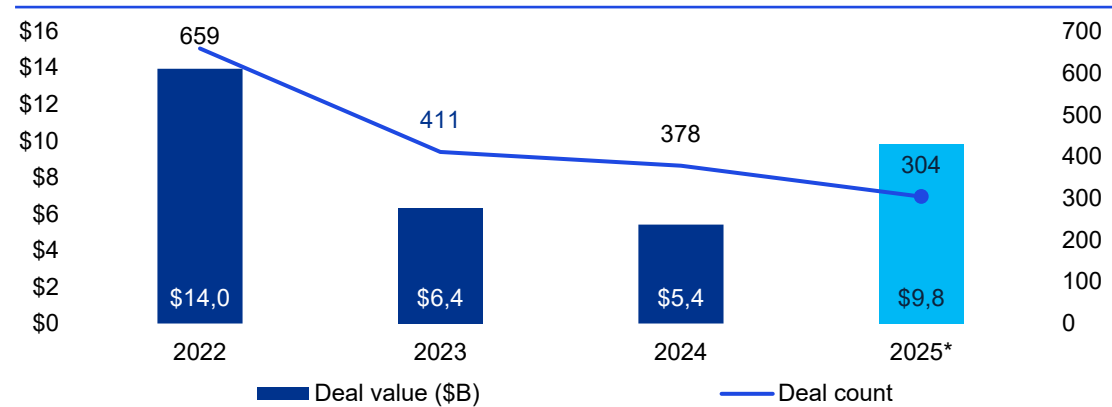


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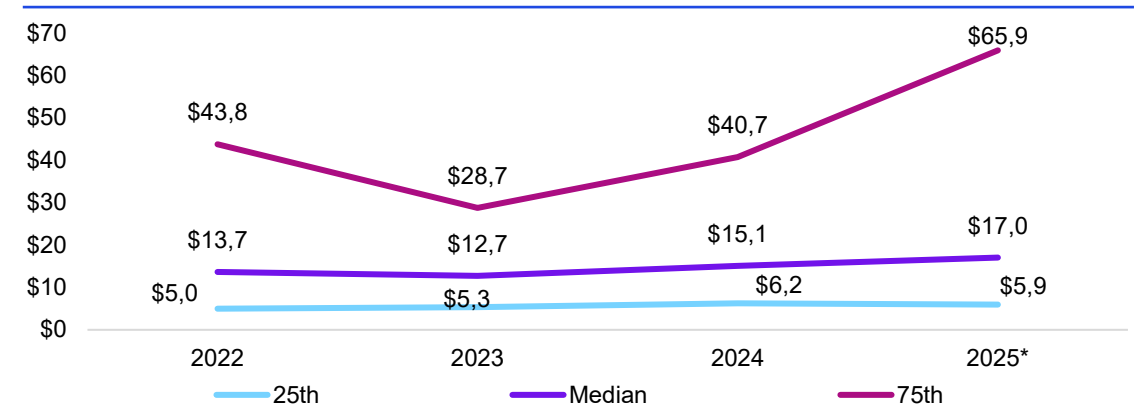
Regional insights — EMEA

Deal sizes evening out, apart from the highest quartiles, suggest a winnowing effect except for category leaders

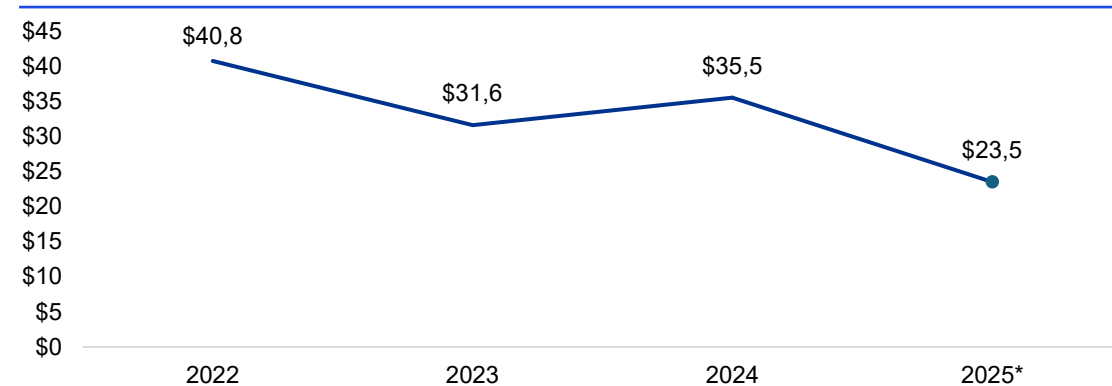
VC activity in fintech with corporate participation in EMEA 2022-2025*



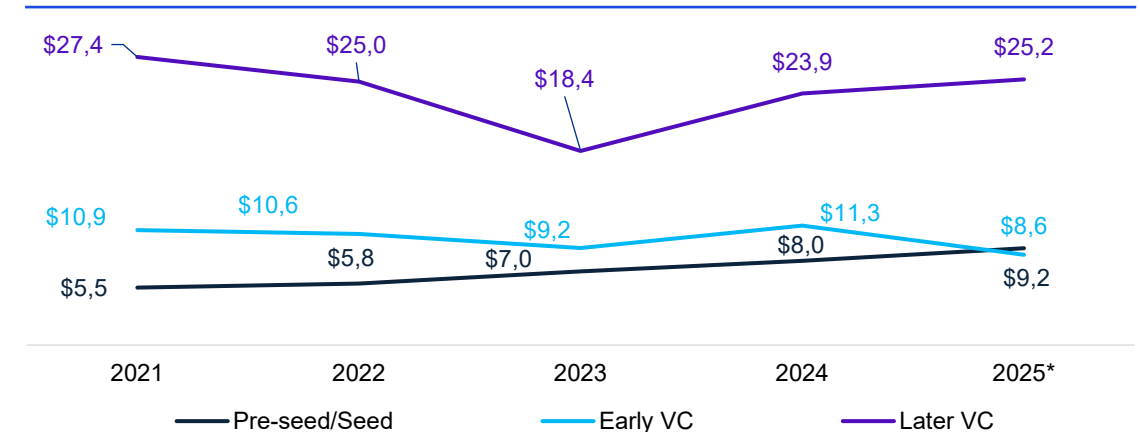
Quartile post-money (VC, PE and M&A) valuations in EMEA 2022-2025*



Median M&A size (\$M) in fintech in EMEA 2022-2025*



Median pre-money valuations (\$M) by stage in fintech in EMEA 2022-2025*

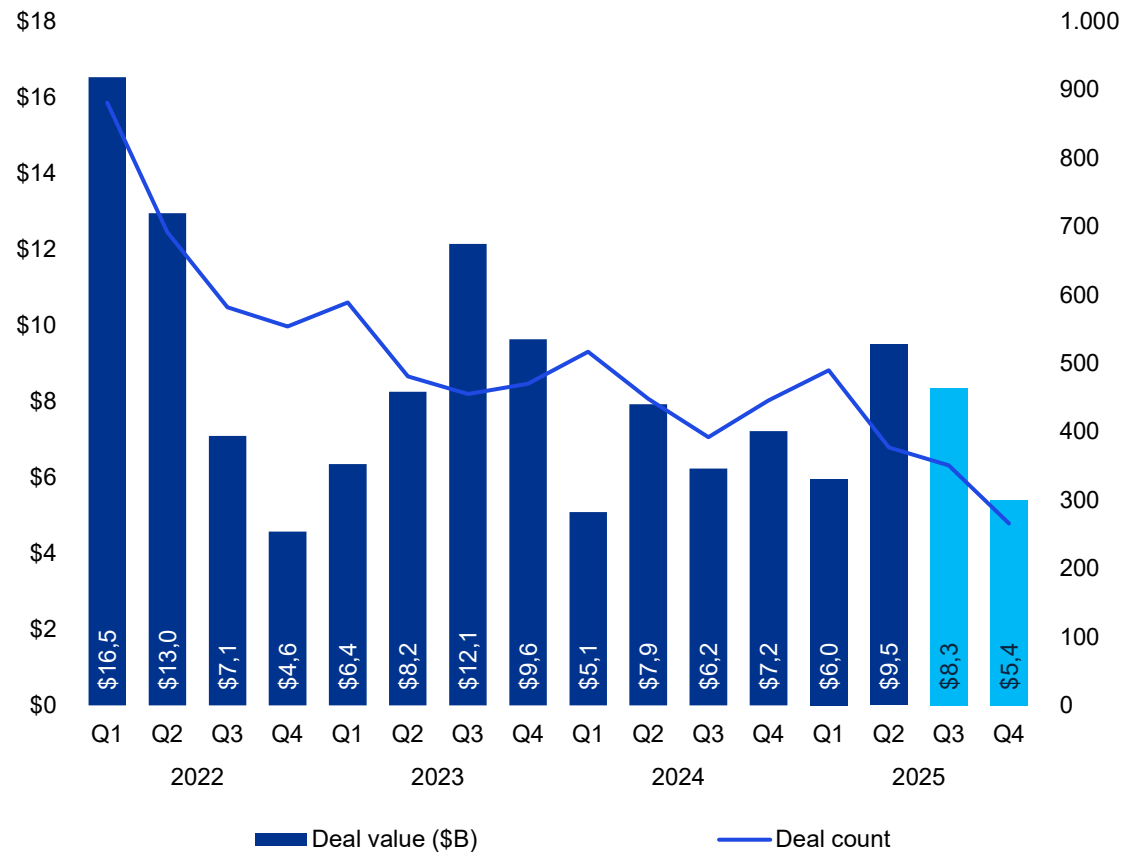


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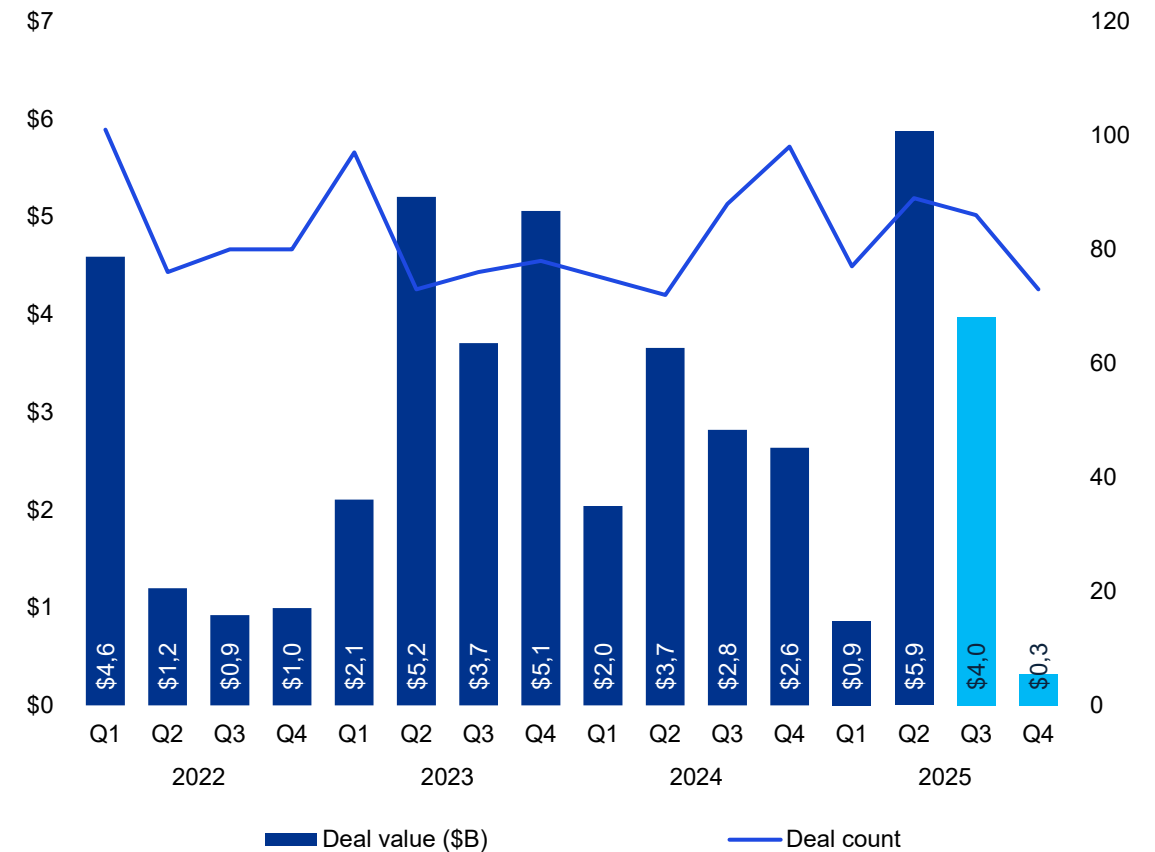
Regional insights — EMEA

Momentum subsides at the end of 2025

Total funding activity (VC, PE and M&A) in fintech in EMEA 2022-2025*



M&A activity in fintech in EMEA 2022-2025*

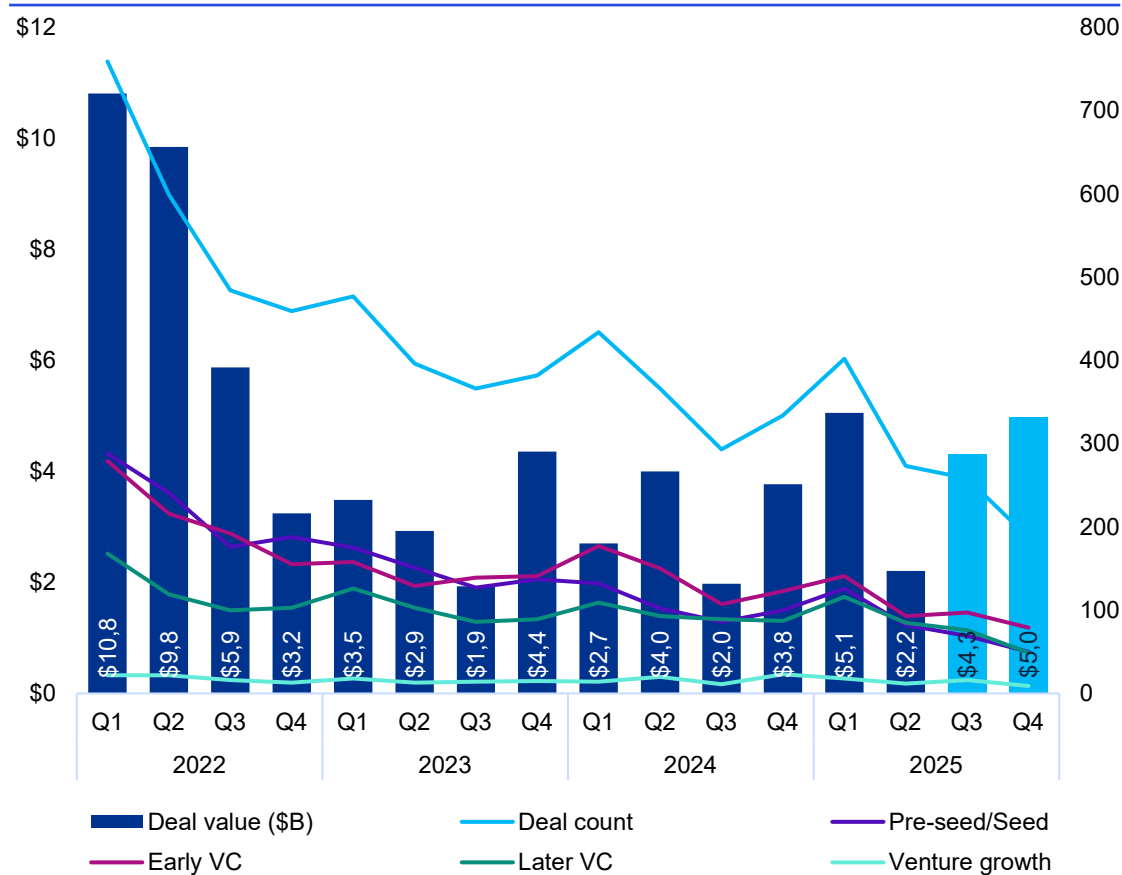


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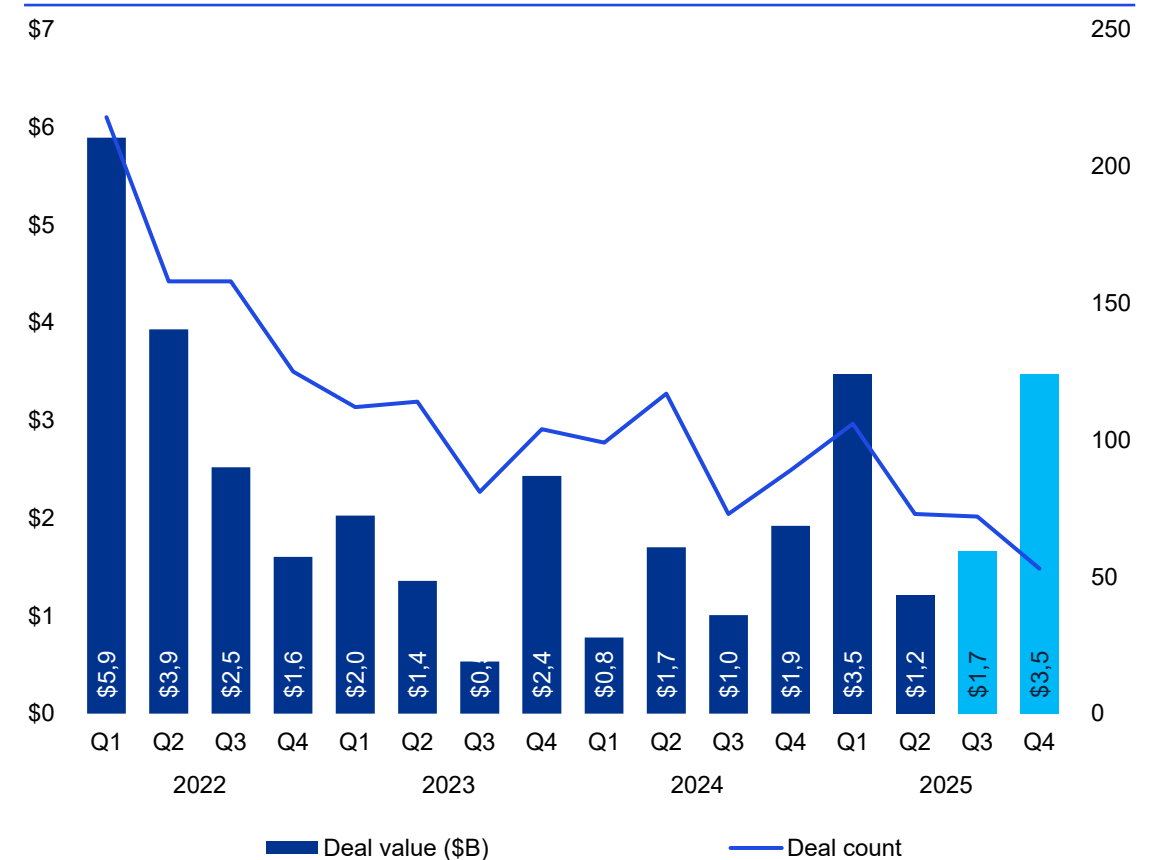
Regional insights — EMEA

VC invested resurges in the back half of the year, fueled by corporate participation

Venture capital funding activity in fintech in EMEA 2022-2025*



VC activity in fintech with corporate participation in EMEA 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

EMEA

Top 10 fintech deals in EMEA in H2 2025



1. **Revolut** — \$3B, London, UK — Banking — *Late-stage VC*
2. **Sapiens International Corp.** — \$2.5B, Holon, Israel — Insurtech — *Take-private*
3. **Revolut** — \$1B, London, UK — Banking — *Series K*
4. **Calastone** — \$895M, London, UK — Investments/transactions — *M&A*
5. **Rapyd Financial Network** — \$500M, London, UK — Payments/FX — *Series F*
6. **Recharge.com** — \$466.5M, Amsterdam, Netherlands — Payments — *Add-on*
7. **PS Financial Transactions** — \$350M, Eastleigh, UK — Digital assets — *Late-stage VC*
8. **Zilch** — \$176.7M, London, UK — Payments — *Late-stage VC*
9. **Taylor** — \$176M, Zurich, Switzerland — Lending — *Late-stage VC*
10. **Wefox** — \$175.2M, Berlin, Germany — Insurtech — *Late-stage VC*

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

04

In H2 2025, fintech
companies in
Asia Pacific (ASPAC)
recorded \$4.6B with
362 deals

Regional insights — ASPAC

ASPAC region sees both fintech deal value and deal volume fall to 10-year lows in 2025

Fintech deal value and deal volume dropped from an already soft \$11.7 billion across 1,028 in 2024 to \$9.3 billion across 763 deals in 2025 — levels not seen in over 10 years — driven by a number of factors, including geopolitical tensions, macroeconomic factors and continued caution on the part of fintech investors. Total fintech investment was relatively steady between the first and second half of the year, with \$4.8 billion across 401 deals and \$4.6 billion across 362 deals respectively.

While deal sizes were relatively soft compared to historical norms, a range of jurisdictions attracted \$100 million+ deals during H2'25, including Australia-founded, now Singapore-based, Airwallex, which raised a \$330 million VC round,⁵⁴ the purchase of majority stake in Japan-based AI-driven business credit solutions firm Upsider by Mizuho Financial Group for \$313.7 million,⁵⁵ a \$200 million VC raise by South Korea-based fintech super app Toss and a \$140 million VC raise by Indonesia-based credit card issuer Honest.⁵⁶

Key H2'25 highlights from the Asia-Pacific region include:

VC investment accounts for majority of fintech investment in ASPAC

VC investment accounted for the lion's share of fintech investment in the ASPAC region during 2025, accounting for \$7.5 billion across 672 deals, while M&A activity accounted for \$1.7 billion across 82 deals, and PE activity accounted for just \$101.8 million across 9 deals.

Slowdown in fintech investment across most jurisdictions

A number of jurisdictions in the ASPAC region saw a slowdown in investment between 2024 and 2025.

In China, total investment fell from \$991.7 million to \$876.1 million year-over-year, driven by a combination of persistent economic challenges, geopolitical tensions and increasingly tight regulations. In Australia, fintech investment fell from \$1.9 billion to \$609 million as the market continued to experience some rightsizing. South Korea, a relatively nascent fintech hub in the region, was one exception to the fintech investment downturn in 2025; it saw fintech investment rise from \$245.6 million to \$402.4 million year-over-year — although half of this investment came from Toss's \$200 million VC raise.

“ In China, we've seen several insurtech companies evolve and grow over the last five or six years. Now we're seeing some of those exit, including a number successfully listing in Hong Kong. And while that's a positive trend, there's not been much change in the fundamental technologies being used by these insurtechs. While many have embedded generative AI capabilities into their platforms and so forth, we haven't yet seen insurtechs really looking at changing the fundamental business of insurance. ”



Andrew Huang
Partner, Head of Fintech
KPMG China

⁵⁴ Airwallex, "Airwallex raises \$300 million at a \$6.2 billion valuation to build the future of global banking," 21 May 2025.

⁵⁵ AI Invest, "Mizuho to buy 70% of Upsider's shares for 46 billion yen," 28 July 2025.

⁵⁶ FinTech Global, "Honest credit card issuer secures fresh equity funding," 2 October 2025.

Regional insights — ASPAC

China's central bank reconfirms ban on digital assets trading and stablecoins

As interest in stablecoins surged in H2'25, China recommitted to its total ban on digital assets trading; it also blocked China-based tech giants from moving forward with plans to issue stablecoins in Hong Kong (SAR).⁵⁷ Hong Kong, however, continued to evolve its regulatory regime for digital assets; during H2'25, the Hong Kong Monetary Authority (HKMA) implemented the Stablecoins Ordinance, which includes licensing provisions for stablecoin issuers.⁵⁸

Hong Kong sees new wave of fintech IPOs

During H2'25, fintech exit value in the ASPAC region more than doubled — from \$4 billion across 62 exits to a four-year high of \$8.8 billion across 65 exits — although total exit value remained significantly lower than totals seen between 2017 and 2021. Hong Kong saw a solid uptick in fintech IPOs, with more activity in the pipeline, although the exits aren't necessarily expected to encourage fresh investment in the fintech space. IPO activity was dry in Australia, while M&A activity in the country focused primarily on strategic plays, including consolidation of fintechs to drive scale.

“Across the fintech landscape we're seeing some of the smaller providers looking at consolidation to drive scale and maintain relevance, as well as broaden capability among firms targeting slightly different parts of the market and customer cohorts. These kinds of consolidation deals almost always make sense because they create more longevity, profitability and sustainability.”



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

⁵⁷ Crypto News, "China Doubles Down on Crypto Ban After Detecting New Trading Activity." 1 December 2025.

⁵⁸ Hong Kong Monetary Authority, "Regulatory Regime for Stablecoin Issuers." 15 August 2025.

Regional insights — ASPAC



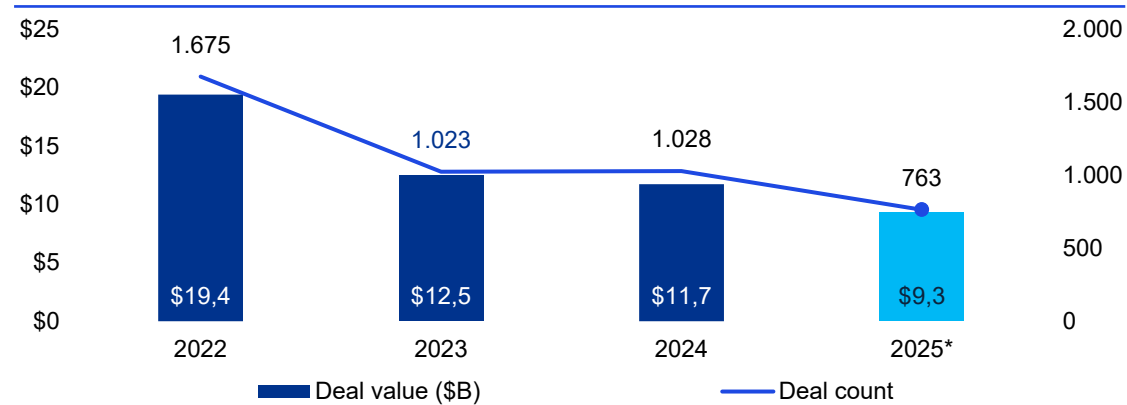
Trends to watch for in H1'26

- AI continuing to be a key focus for investors across the ASPAC region, including LLMs, generative AI applications and agentic AI, with increasing focus on real-world solutions, including in the financial services space.
- Growing focus on turning data into variable and tradable assets, in combination with an increasing focus on privacy computing.
- China-based fintechs embracing dual-market routes to grow overseas — replicating domestic payments and microcredit models in emerging markets, while focusing on more transformative solutions in mature markets.
- Macroeconomic and geopolitical uncertainties continuing to drive caution among fintech investors, including the protracted economic slowdown in China and increasing concern that inflationary pressures in Australia could lead to a rate increase.
- Financial institutions in Australia prioritizing fintechs able to help them drive efficiencies and cost reductions.
- Growing regulatory legitimization of cryptocurrencies, stablecoins and digital assets in different jurisdictions, with the exception of China.
- Growth of digital asset capability, incubation and scaling programs across Japan, Korea, Singapore and Australia. Projects Ensemble (HKMA-led), Guardian and Bloom (MAS-led) and Accacia (RBA-led) engaged broad ecosystem participation, with increasingly cross-border scope and influence.

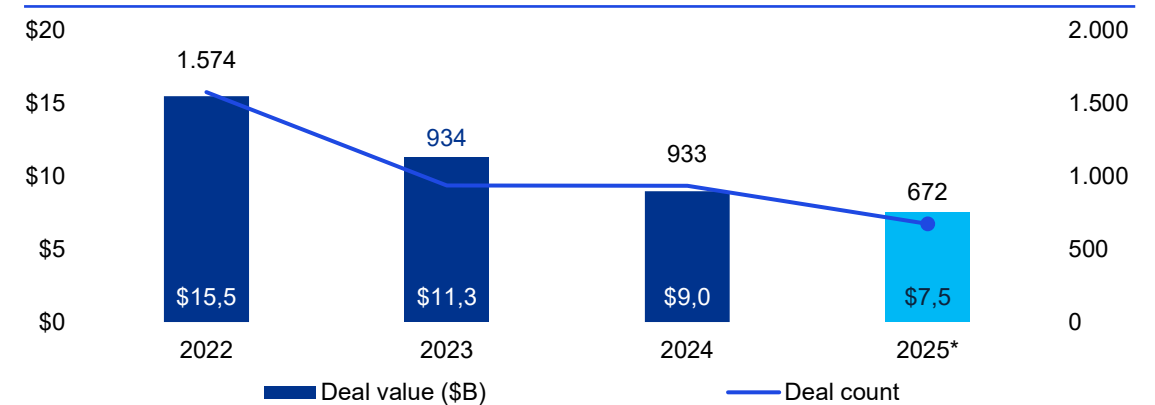
Regional insights — ASPAC

M&A stands alone in holding steady year-over-year for deal counts

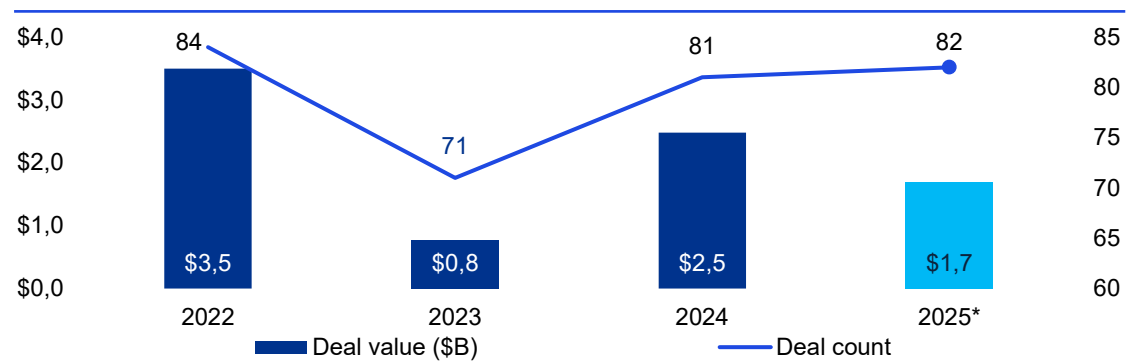
Total funding activity (VC, PE and M&A) in fintech in ASPAC 2022-2025*



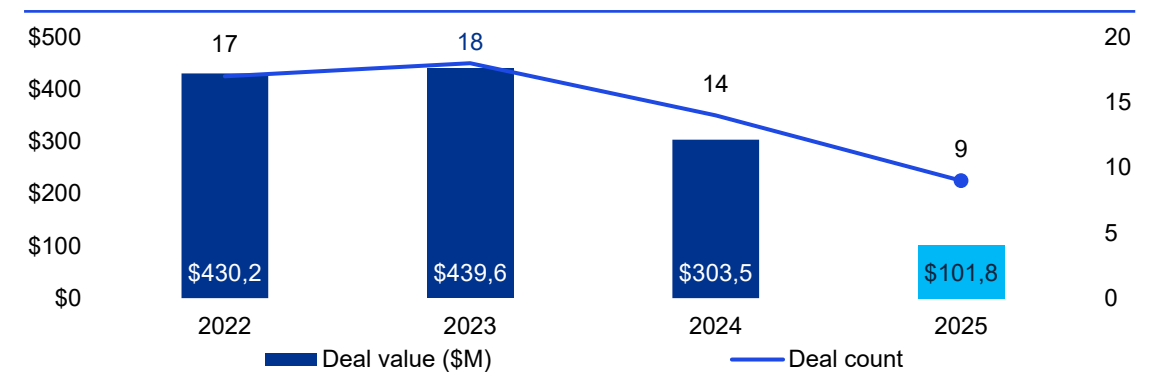
Venture capital funding activity in fintech in ASPAC 2022-2025*



M&A activity in fintech in ASPAC 2022-2025*



PE growth activity in fintech in ASPAC 2022-2025*

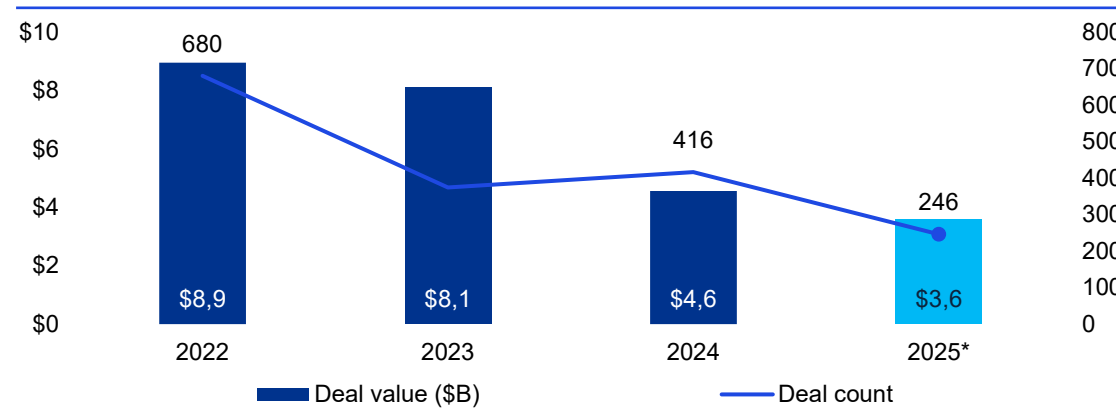


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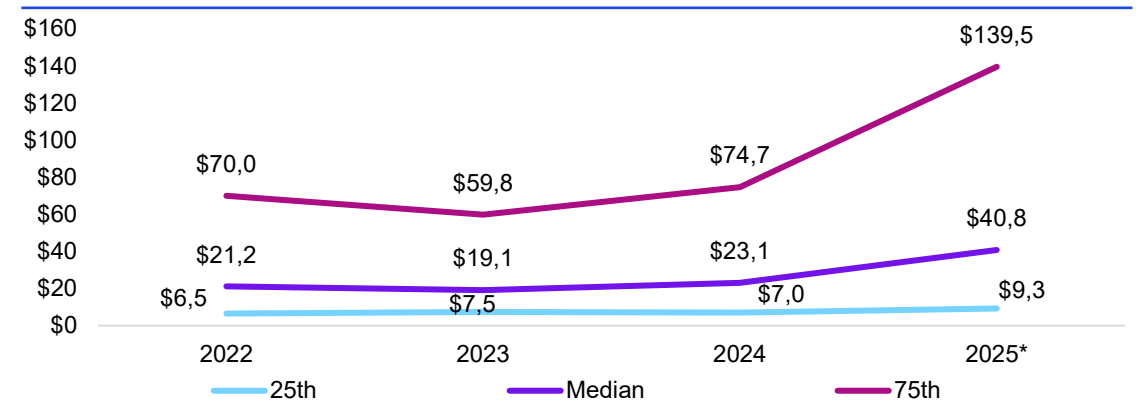
Regional insights — ASPAC

Deal metrics hold up, but gingerly

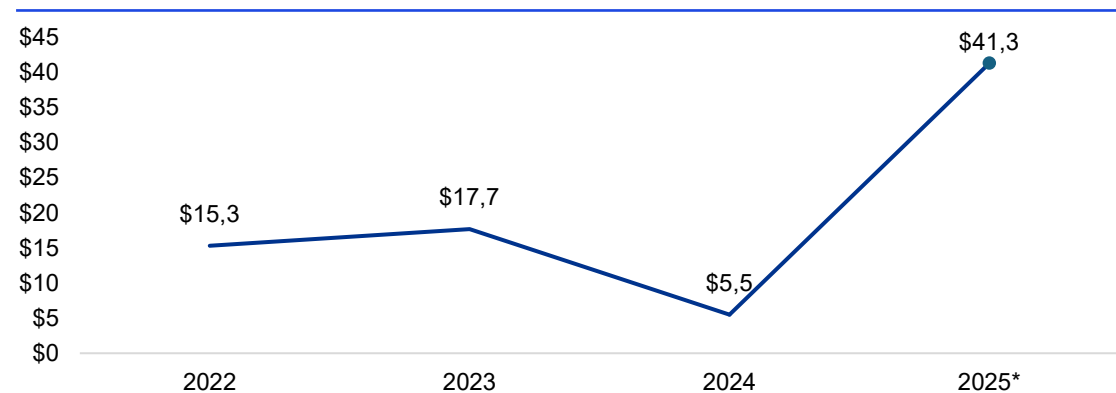
VC activity in fintech with corporate participation in ASPAC 2022-2025*



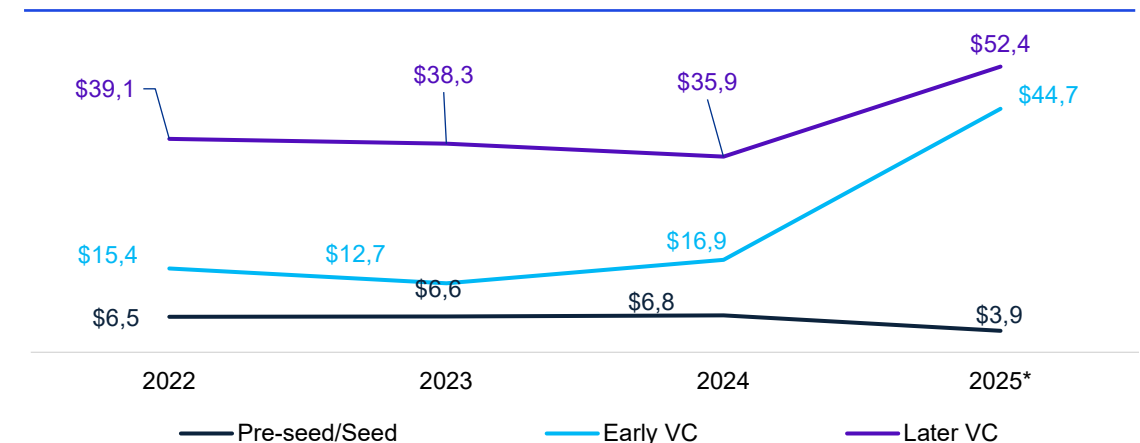
Quartile post-money (VC, PE and M&A) valuations in ASPAC 2022-2025*



Median M&A size (\$M) in fintech in ASPAC 2022-2025*



Median venture pre-money valuations (\$M) by stage in fintech in ASPAC 2022-2025*

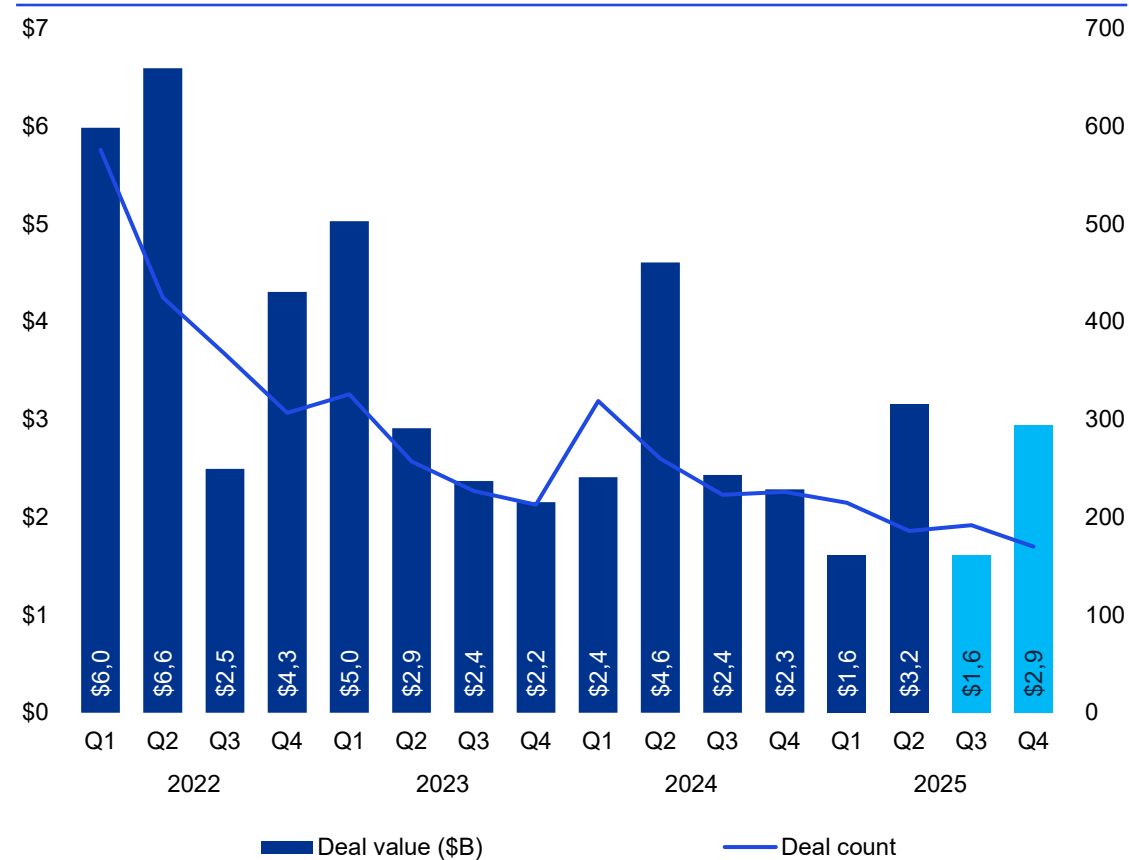


Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025. The median M&A sizes for 2022, 2023 and 2025* are based on a non-normative population size.

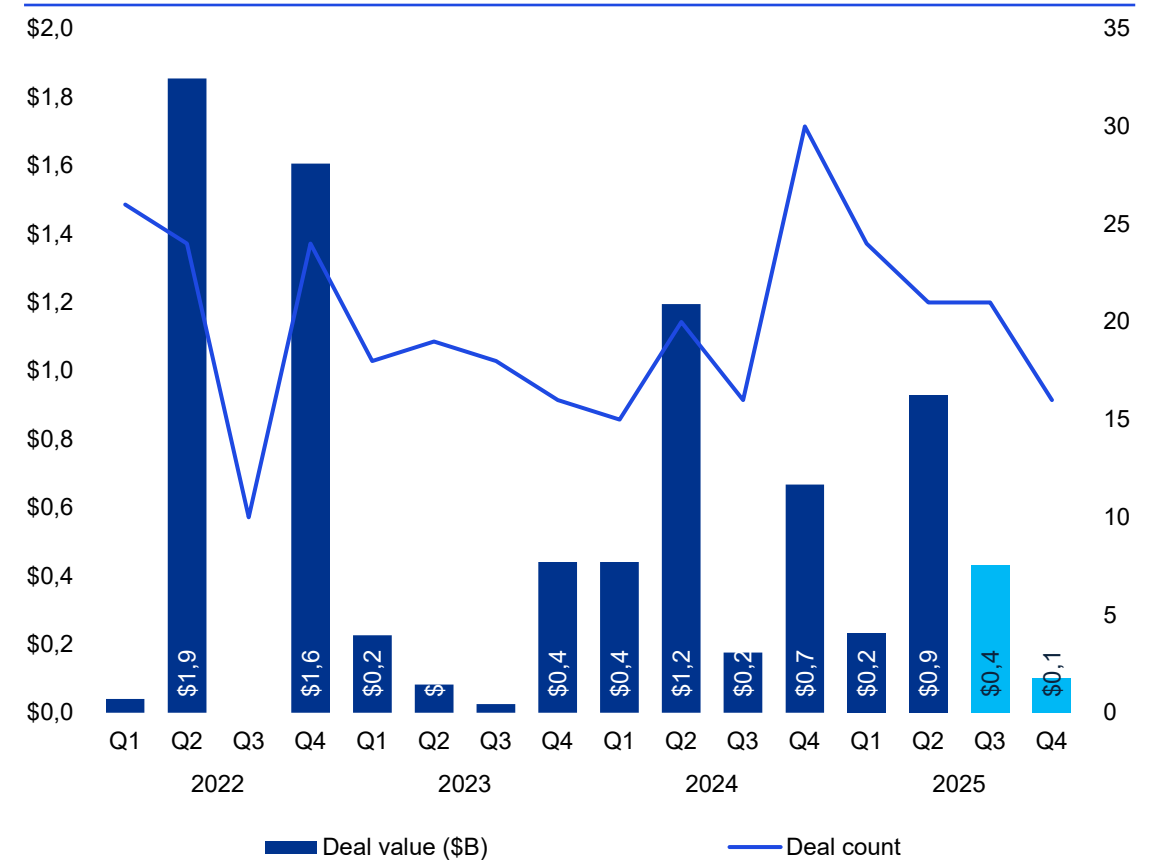
Regional insights — ASPAC

A robust Q4 2025 props up the year overall for deal value

Total funding activity (VC, PE and M&A) in fintech in ASPAC 2022-2025*



M&A in fintech in ASPAC 2022-2025*

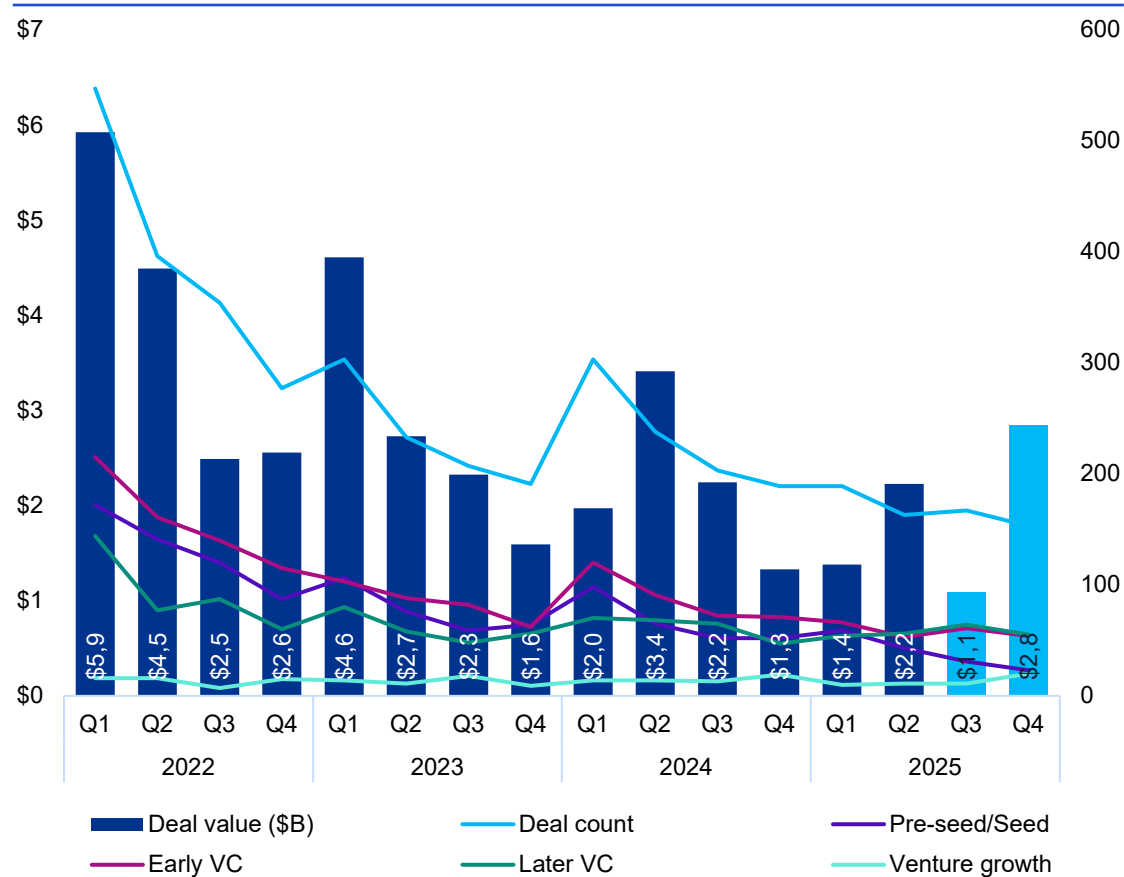


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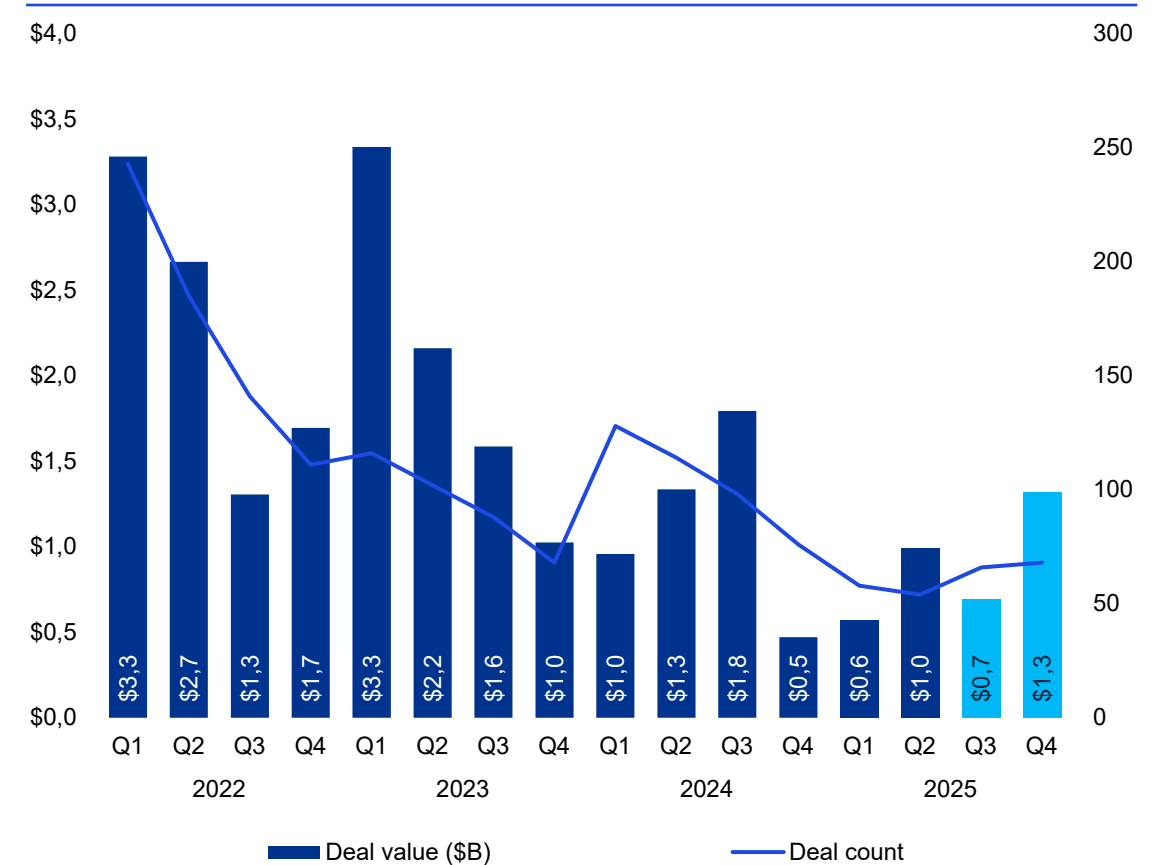
Regional insights — ASPAC

VC invested surges at the close of 2025, boosting yearly tallies

Venture capital funding activity in fintech in ASPAC 2022-2025*



VC activity in fintech with corporate participation in ASPAC 2022-2025*



Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

ASPAC

Top 10 fintech deals in ASPAC in H2 2025



1. **PhonePe** — \$600M, Bengaluru, India — Payments — *Late-stage VC*
2. **AlloyX (Financial Services)** — \$350M, Hong Kong (SAR) — Blockchain payments — *M&A*
3. **Airwallex** — \$330M, Singapore — Payments — *Series G*
4. **Upsider** — \$313.7M, Tokyo, Japan — B2B/back-office — *M&A*
5. **PremiaLab** — \$220M, Hong Kong (SAR) — Risk management — *PE growth*
6. **Toss** — \$200M, Seoul, South Korea — Payments — *Series F*
7. **Honest** — \$140M, DKI Jakarta, Indonesia — Payments/transactions — *Late-stage VC*
8. **Snapmint** — \$125M, Navi Mumbai, India — Consumer finance — *Late-stage VC*
9. **Raise Fintech Ventures** — \$120M, Mumbai, India — Wealthtech — *Series B*
10. **Metropolitan Stock Exchange** — \$114.4M, Mumbai, India — Capital markets — *Late-stage VC*

Source: Pulse of Fintech H2'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2025.

How KPMG can help

KPMG firms support a diverse range of stakeholders across the financial and innovation ecosystem, from investors and startup founders to corporate leaders and policymakers. Our global network of professionals brings deep industry knowledge and multidisciplinary experience to help clients navigate complex challenges, seize growth opportunities and drive sustainable value. Whether you're investing in new assets, scaling a fintech venture or shaping innovation strategies, KPMG firms are equipped to deliver tailored support throughout your journey.

For investors:

Our Deal Advisory practitioners around the world advise 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 scale-up 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 supotech 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



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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 in 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 to 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

Director, Fintech
KPMG in the UK

Lauren is a 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

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About the report

Methodology

The underlying data and analysis for this report (the 'Dataset') was provided by PitchBook Data, Inc ('PitchBook') on 31 December 2025 and utilizes their research and classification methodology for transactions as outlined on their website at <https://pitchbook.com/news/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 2025. 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.

About the report

Methodology (cont'd)

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.

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.

About the report

Methodology (cont'd)

- 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.

Written analysis and commentary

This report is a culmination of briefing notes provided by PitchBook, discussions and interviews with 25 KPMG professionals considered to be fintech subject matter experts (SMEs) in their regions or for a specific vertical (payments, insurtech, wealthtech, cybersecurity, regtech, digital currencies and assets, AI and ESG/Greentech). Key themes from the data set are identified, deals of significance are noted as well as their impact, and extenuating circumstance and influences are investigated. These discussions, along with the PitchBook briefing notes, form the basis of commentary that can be found throughout the report.



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