

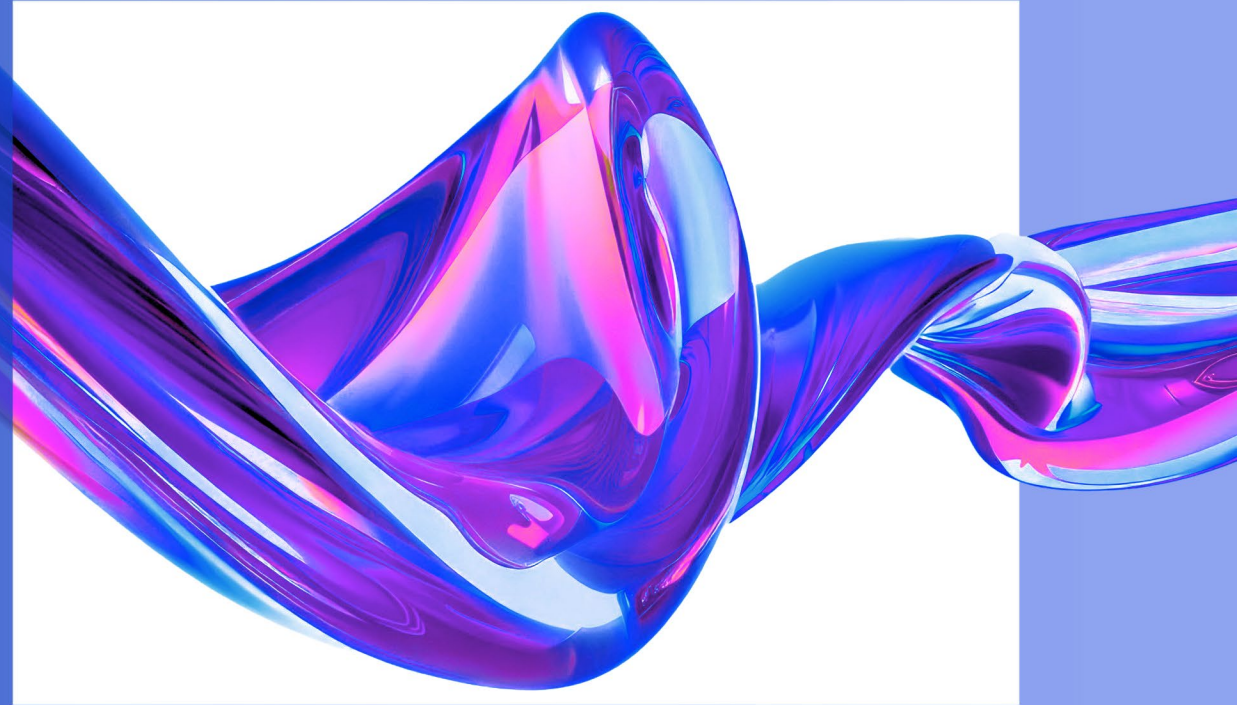


Pulse of Fintech H1 2025

Global analysis of fintech funding

KPMG. Make the Difference.

August 2025



Welcome message

While many fintech investors were cautiously optimistic heading into 2025, the combination of headwinds from ongoing geopolitical tensions and rapidly evolving concerns over tariffs and trade policies saw many investors continuing to hold back from making large deals except in a few hot areas like digital assets and currencies and AI.

During H1'25, the fintech market globally attracted \$44.7 billion across 2,216 deals — down from \$54.2 billion across 2,376 deals in H2'24. Q2'25 was particularly weak, with just \$18.7 billion invested across 972 deals globally — hitting lows across 8 and 31 quarters respectively. Much of this slowdown came from continued declines in M&A activity and PE investment. Global fintech M&A deal value fell from \$26.7 billion in H2'24 to \$19.9 billion in H1'25, while PE growth investment in fintech fell from \$4.4 billion to \$1.4 billion. Global VC investment in fintech proved more resilient rising nominally from \$23 billion to \$23.4 billion between H2'24 and H1'25.

The Americas attracted more than half of the fintech investment seen globally during H1'25 (\$26.7 billion), led by the \$2.6 billion acquisition of US-based Next Insurance. The EMEA region came a distant second, attracting \$13.7 billion in fintech investment, led by the \$3.2 billion buyout of UK-based Preqin, while the ASPAC region saw just \$4.3 billion in investment, led by the acquisition of Japan-based WealthNavi for \$571.3 million.

The digital assets and currencies space was the brightest star in fintech investment globally during H1'25, attracting \$8.4 billion, compared to the \$10.7 billion seen during all of 2024. AI-focused fintech came a close second, with \$7.2 billion in investment, compared to \$8.9 billion during all of 2024. The payments space meanwhile saw investment falter amid the lack of significant consolidation megadeals, with just \$4.6 billion in investment, compared to 2024's annual total of \$30.8 billion.

“ Given the geopolitical situation globally, much of the fintech investment we've seen so far in 2025 has been very strategic, rather than broad-brush speculative investments. Corporates were more focused on cost cutting and on divesting non-core and underperforming assets than new deals. The increase in AI-focused fintech investment dovetails with that. Both investors and institutional users are very keen on the potential of generative AI and agentic AI — and startups that can improve efficiencies and drive value through Gen AI will command premium valuations and significant investment. Fintech-focused AI is only going to get hotter headed into the back half of 2025.”



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

Unless otherwise noted, all figures quoted in this report are based on data provided by PitchBook as of 30 June 2025. See page 64 for detailed methodology. All currency amounts are in US\$ unless otherwise specified.

Welcome message

Looking back over H1'25, it's clear that fintech investors were incredibly selective with their dealmaking. Key trends we saw during H1'25 included:

01

A surge in digital asset investments globally.

02

A growing focus on AI-enablement of fintechs, either AI native or AI transformation of existing fintech platforms.

03

A rise in IPO exit activity in the US with expectation for more significant listings in H2.

04

Regtech gaining traction as institutions look to reduce costs.

Looking ahead to the second half of the year, fintech investors are likely to remain quite selective with their dealmaking after resetting performance and return expectations over the last 3 years. The passing of the GENIUS Act in the US during the first few weeks of July has also set the stage for further activity and investment in the digital asset space, particularly around the use of stablecoins and associated investment in digital asset market infrastructure.

Whether you're the founder of an emerging fintech or the CEO of a large financial institution, it's important to consider what your company can do to make sure you're well positioned to get ahead despite the uncertain future. As you read this edition of Pulse of Fintech, ask yourself: *What can we do to enhance our value and profitability, and where do we selectively invest, so that we can better navigate the path to success?*

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Global fintech funding in H1 2025 recorded \$44.7B with 2,216 deals

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Global insights

Global fintech market attracts \$44.7 billion in investment in H1'25

Global fintech investment experiences lowest six-month period in five years

The global fintech market saw \$44.7 billion investment during H1'25 — the lowest six-month period since H1'20. The impact of higher interest rates on the cost of capital and expectation of returns has removed more speculative investing and reset fintech investment to a new baseline. While fintech investors were cautiously optimistic entering 2025, new swells of geopolitical tensions combined with shifting US tariff and trade policies made it difficult for investors to feel confident in their dealmaking activities. Q2'25 was particularly soft, with just \$18.7 billion invested across 972 deals — a volume of deals not seen since Q3'17.

Americas attracts over half of fintech investment in H1'25, but EMEA sees largest deal

The Americas attracted \$26.7 billion in fintech investment in H1'25, led by the \$2.6 billion acquisition of US-based Next Insurance by Ergo Group, the primary insurance business of Munich Re¹ and the \$2 billion VC raise by Cayman Islands-based Binance. Comparatively, the EMEA region saw \$13.7 billion, including the year's largest fintech deal so far — the \$3.2 billion buyout of UK-

based Preqin by BlackRock² — and the \$1.7 billion take-private of France-based Esker by Bridgepoint.³ The ASPAC region saw just \$4.3 billion in fintech investment, led by the acquisition of Japan-based WealthNavi by MUFG for \$571.3 million.⁴

Digital assets and currencies on track for three-year high

At a sector level, digital assets and currencies attracted the most fintech investment globally this half year — \$8.4 billion, compared to \$10.7 billion during all of 2024 — led by a \$2 billion raise by Grand Caymans-based crypto exchange Binance. At mid-year, the digital asset space was well positioned to achieve a three-year high in global investment — although it will likely remain well shy of 2021's peak high of \$31 billion. Investors showed particular interest in stablecoins, particularly in activities such as trading, remittances, and as a source of payment in emerging markets. Other investment areas include digital asset market infrastructure and tokenization platforms. During H1'25, the digital asset space also saw the incredibly successful IPO of USDC stablecoin issuer Circle; it raised \$1.1 billion on the NYSE, with shares popping 168 percent in first day trading.⁵ Other US based digital asset platforms are likely to IPO in the second half of the year.

“We're seeing a major upswell in activity and investment in the digital asset space. Regulations are starting to come into focus in a number of jurisdictions — giving both startups and investors more confidence. Looking ahead to H2'25, digital assets and currencies are well positioned to see investment grow even more. Whether Circle's highly successful IPO will drive other crypto firms to exit will also be a trend to watch out for in the space.”



Karim Haji
Global Head of Financial Services
KPMG International

¹ Next. "ERGO gains access to the U.S. market with the full acquisition of NEXT Insurance" 20 March 2025.

² Morningstar. "BlackRock's \$3.2 Billion Acquisition of Data Provider Preqin Cleared by U.K. Regulator," 12 February 2025.

³ PE Hub. "Bridgepoint wraps up tender offer for Esker alongside General Atlantic," 5 February 2025.

⁴ Reuters. "Japan's MUFG to spend over \$660 million to buy robo-adviser WealthNavi," 29 November 2024.

⁵ Reuters. "Stablecoin giant Circle's shares surge in blowout NYSE debut," 5 June 2025.

Global insights

Payments sector sees investment falter

The payments space saw funding dry up considerably in the first half of 2025 as investors held back from making large, \$1 billion+ megadeals. During H1'25, the sector saw just \$4.6 billion in investment — a far cry from 2024's \$30.8 billion annual total. The largest deal in the payments space was a \$500 million raise by payments platform provider Rapyd Financial Network. Interest in the payments space remained relatively robust in emerging areas of the world, including Southeast Asia, Africa, and South America, although deal sizes in these regions were relatively modest.

AI enablement a hot priority in the fintech sector as investors embrace agentic AI opportunities

AI was a very hot area of interest among fintech investors in H1'25, attracting \$7.2 billion in investment compared to \$8.9 billion during all of 2024. The vast majority of interest in AI was focused on enablement — solutions leveraging AI in order to reduce costs, improve efficiencies, and deliver more value. Agentic AI — solutions where AI agents are able to perform a sequence of tasks based on in-the-moment data analytics — were particularly attractive, in addition to AI solutions aimed at improving AML and KYC processes. The significant focus on AI by

fintech investors was notable, with the median valuation for early-stage AI-driven fintech companies standing at \$134 million, well ahead of non-AI driven fintechs.⁶

Cost pressures keep interest in regtech high

While regtech investment was relatively soft in H1'25 — with just \$2.1 billion invested globally next to \$8.3 billion during all of 2024, deal volume was well on pace to rise to a three-year high with 190 deals at mid-year. The cost of compliance, particularly in Europe, has kept many financial institutions interested in the space as a way to reduce manual effort while improving efficiencies and the ability to fulfil regulatory requirements in different jurisdictions.

Fintech IPOs begin to see pickup

While IPO exits have been dry for quite some time in the fintech sector — particularly in the US — trends started to change in H1'25 with the successful exits of Israel-based investment platform eToro — which raised \$620 million in an IPO on the Nasdaq,⁷ US-based digital bank Chime — which raised \$864 million in the Nasdaq,⁸ and US-based Circle — which raised \$1.1 billion on the NYSE.⁹ The HKSE also saw a slight upswing in IPO activity among fintechs — particularly insurtechs. The IPO market will be key to watch in H2'25 to see whether other mature fintechs follow in their footsteps, particularly for US based digital asset providers.

“

The first half of 2025 has underscored a recalibration in fintech M&A activity. While overall investment volumes have softened, strategic acquisitions demonstrate that high-value deals are still being pursued. In this environment, dealmakers are prioritizing resilience, regulatory clarity, and scalable innovation, particularly in digital assets, AI enablement, and embedded finance.”



Tim Johnson
Global Lead, Deal Advisory
Financial Services
KPMG International

⁶ Pitchbook. "PitchBook Analyst Note: Fintech's AI Premium" 17 July 2025.

⁷ Reuters. "Israel's eToro seeks to raise up to \$620 million in upsized US IPO," 13 May 2025.

⁸ Reuters. "Chime prices IPO at \$27 per share to raise \$864 million," 12 June 2025.

⁹ Reuters. "Stablecoin giant Circle's shares surge in blowout NYSE debut," 5 June 2025.

Global insights



Trends to watch for in H2'25

- Continued interest and investment in US domiciled stablecoins providers, digital asset market infrastructure, tokenization platforms and governance, risk and compliance (GRC) solution providers.
- IPOs of significant digital asset platforms in the US market, following the success of Circle.
- Fast-growing focus on generative and agentic AI solutions that provide infrastructure able to provide workforce capacity across multiple use cases like financial crime and fraud, sales and services, research and underwriting, and software development lifecycle (SDLC).
- Embedded insurance, payments, and finance continuing to be seen as a growth opportunity for multinational companies and fintech-as-a-service providers.
- The reemergence of market consolidation in payments, digital assets, application programming interfaces (API) management and financial market infrastructure (FMI) services.

Global insights — Top fintech trends for H2'25

It's been a more challenging start to 2025 than expected for the fintech market, given geopolitical tensions, the cost of capital and other headwinds. But a number of sectors continued to attract significant interest, including digital assets and blockchain, AI and insurtech, helping to keep the fintech sector relatively resilient as a whole outside of the pull back in very large M&A transactions. Heading into H2'25, this resilience will likely continue to help keep investment relatively stable until market conditions stabilize enough for deals to pick up again.

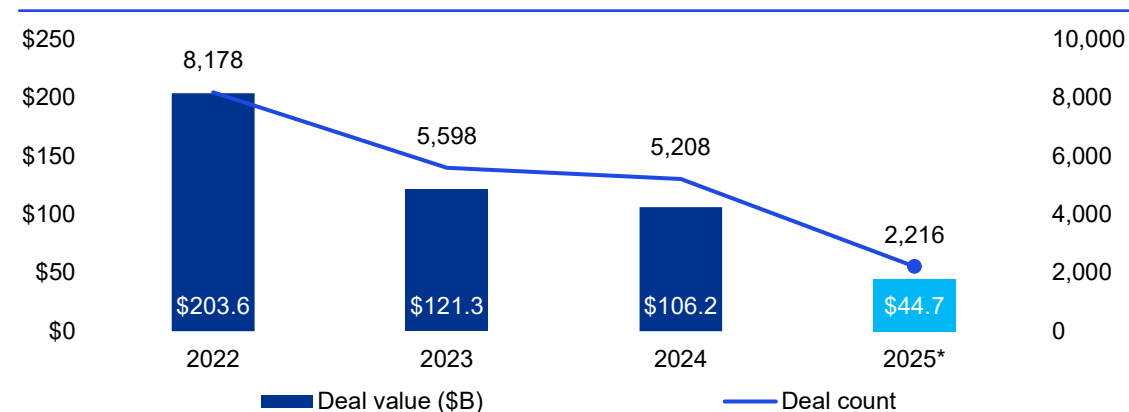
Here are our top predictions for fintech in H2'25:

- 1. Fintech investors being very selective across deal types:** Globally, fintech investors are expected to continue to be very selective in their funding, focusing VC investments on companies with strong fundamentals and the ability to turn a profit and M&A transactions on very strategic acquisitions.
- 2. Stablecoins gaining steam amid regulatory push:** Stablecoins will likely continue to be a bright spot — along with the digital assets and currencies sector more broadly — as the US passes the GENIUS Act and other jurisdictions around the world move forward with crypto regimes aimed at creating workable regulatory models, including leveraging stablecoins to their fullest extent.
- 3. Corporates divesting non-core assets:** Globally, the pressure to cut costs may see corporates continuing to put a laser focus on their core assets and divesting themselves of underperforming assets and business units.
- 4. Interest in the use of AI agents to enable efficiencies growing very rapidly:** AI will likely continue to be a big bet across the fintech sector, although there is expected to be significant growth in interest as it relates to the development and use of AI agents — particularly in areas like financial crime and fraud, operational processing, frontline enablement and regtech.
- 5. Jurisdictions reevaluating and simplifying regulatory regimes in order to increase competitiveness:** As the US embraces a softer approach towards regulation, other jurisdictions are looking at their regulations and considering methods to simplify them without affecting consumer protections.

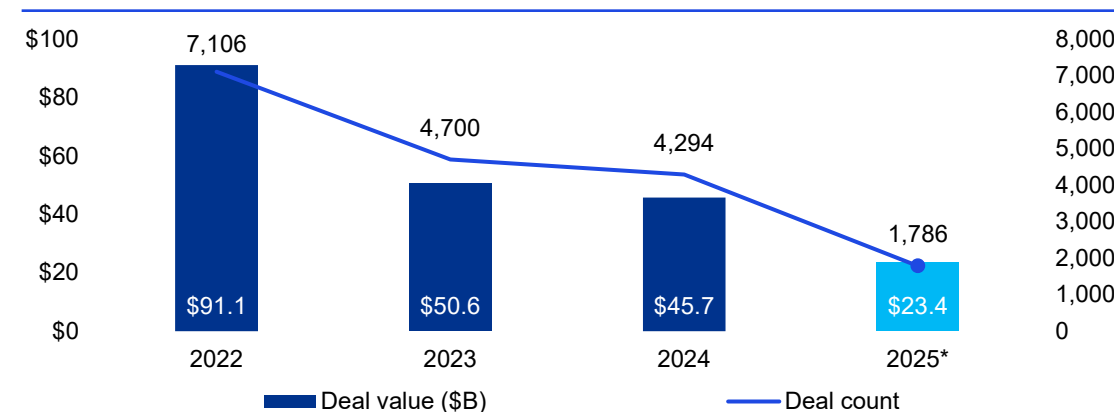
Global insights

Dealmaking levels remain slow at best

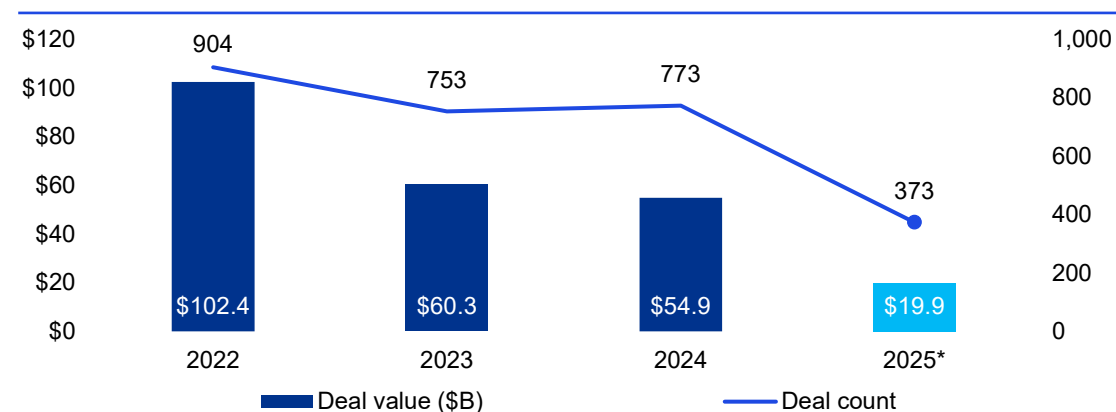
Total global funding activity (VC, PE and M&A) in fintech 2022-2025*



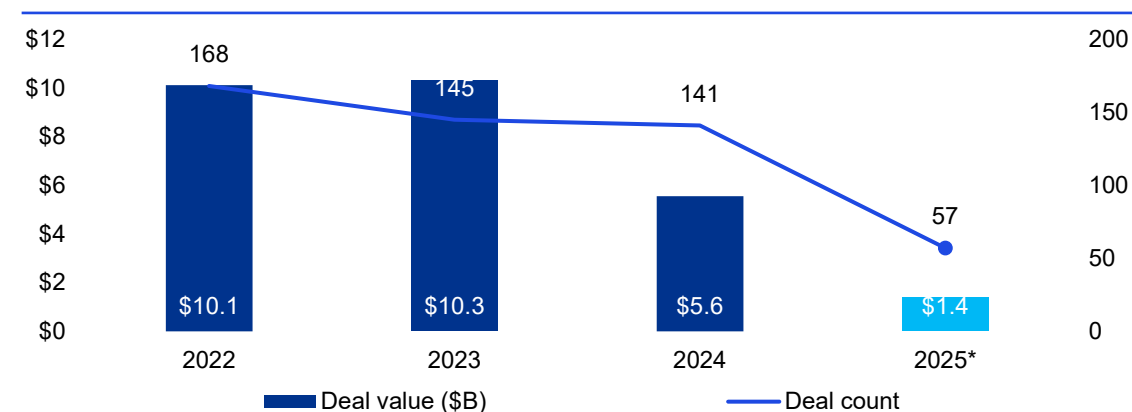
Global venture capital funding activity in fintech 2022-2025*



Global M&A activity in fintech 2022-2025*



Global PE growth activity in fintech 2022-2025*

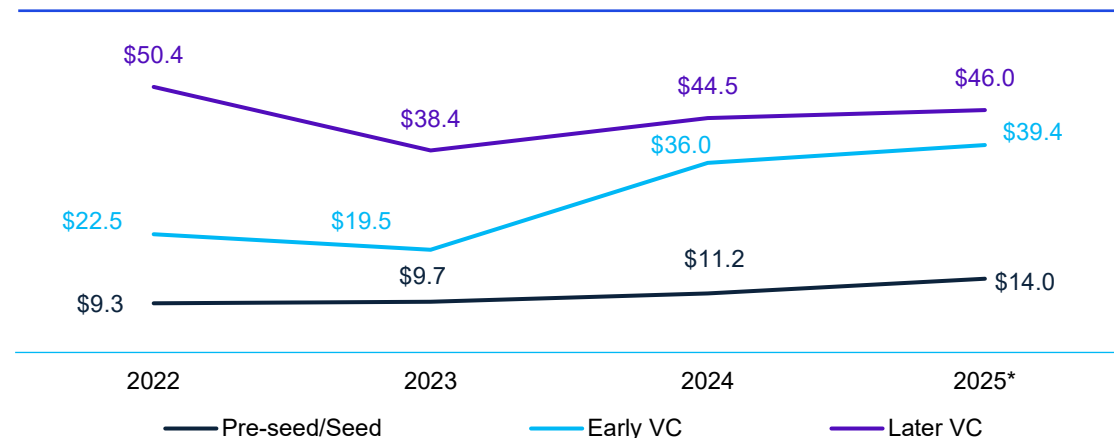


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

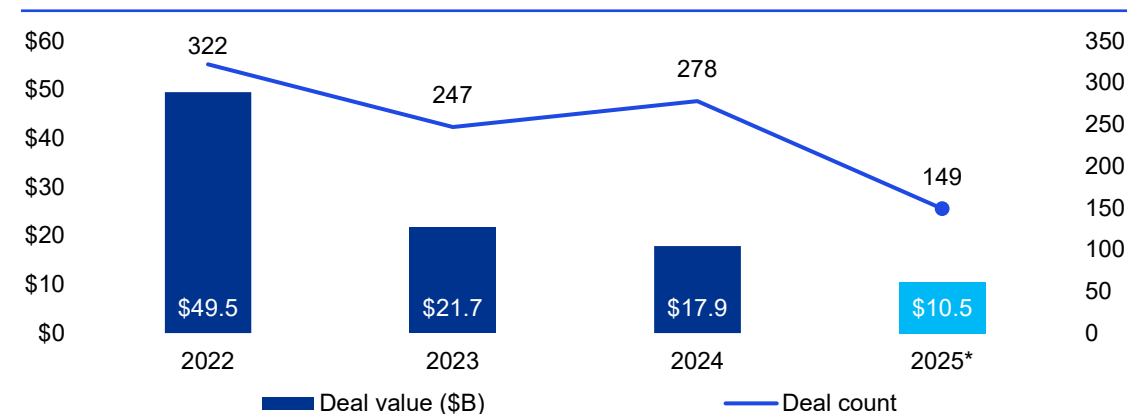
Global insights

Deal sizes and valuations suggest that amid caution, some deals are pursued hotly

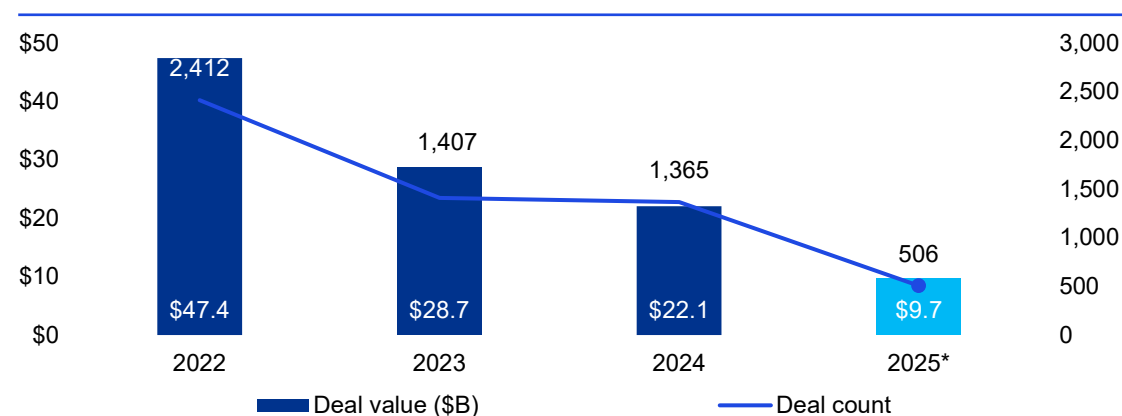
Global median pre-money valuations (\$M) by stage in fintech 2022-2025*



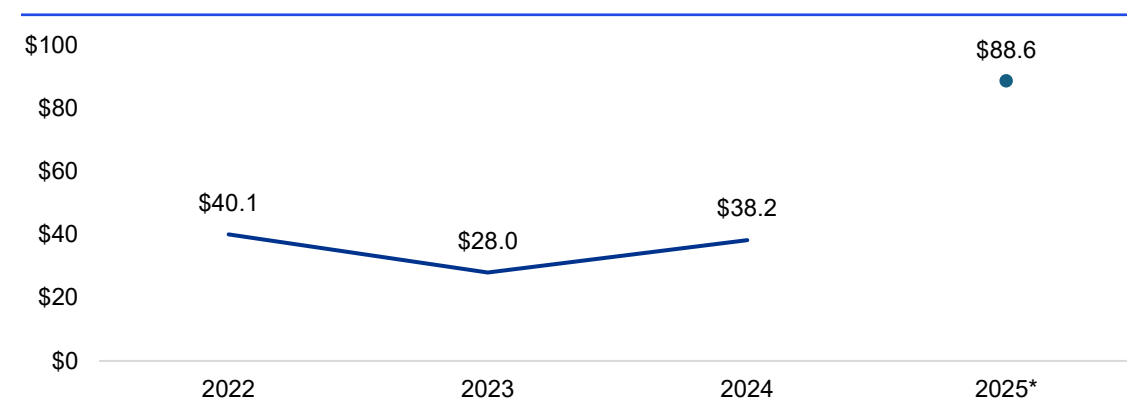
Global cross-border M&A activity in fintech 2022-2025*



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



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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

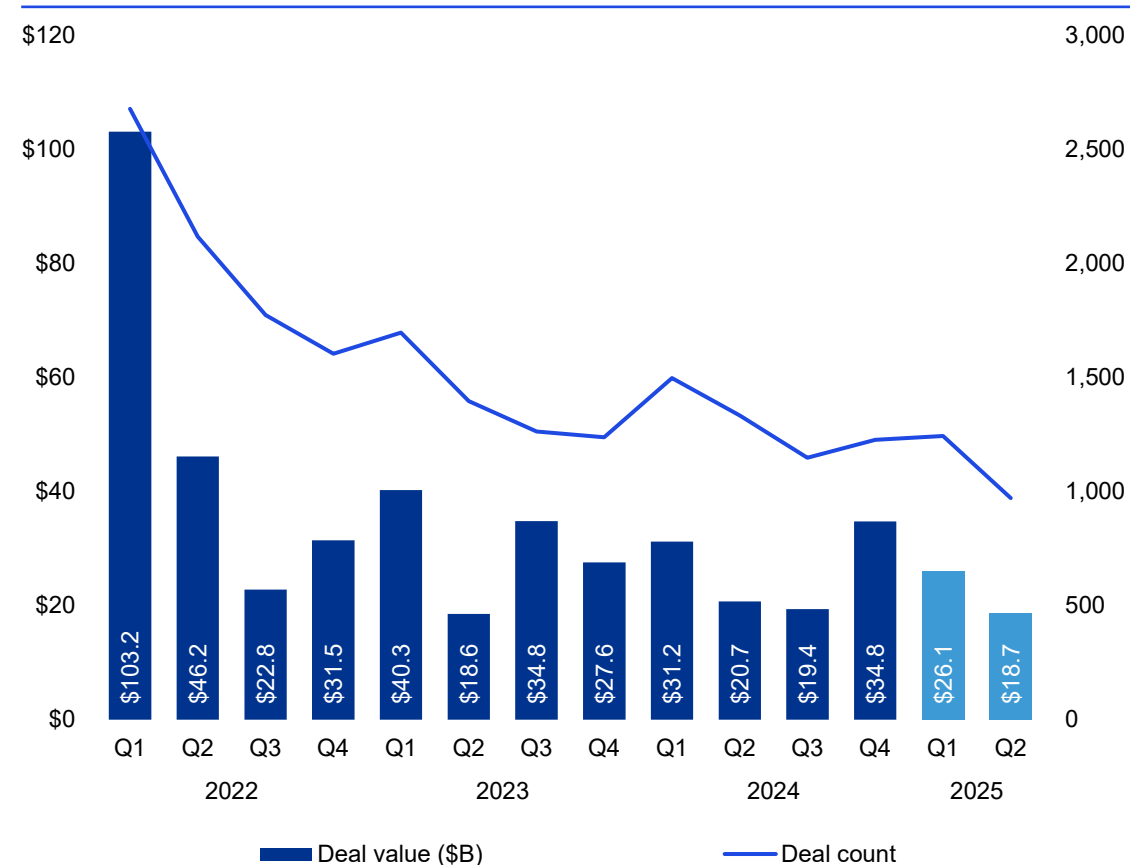
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#fintechpulse

Global insights

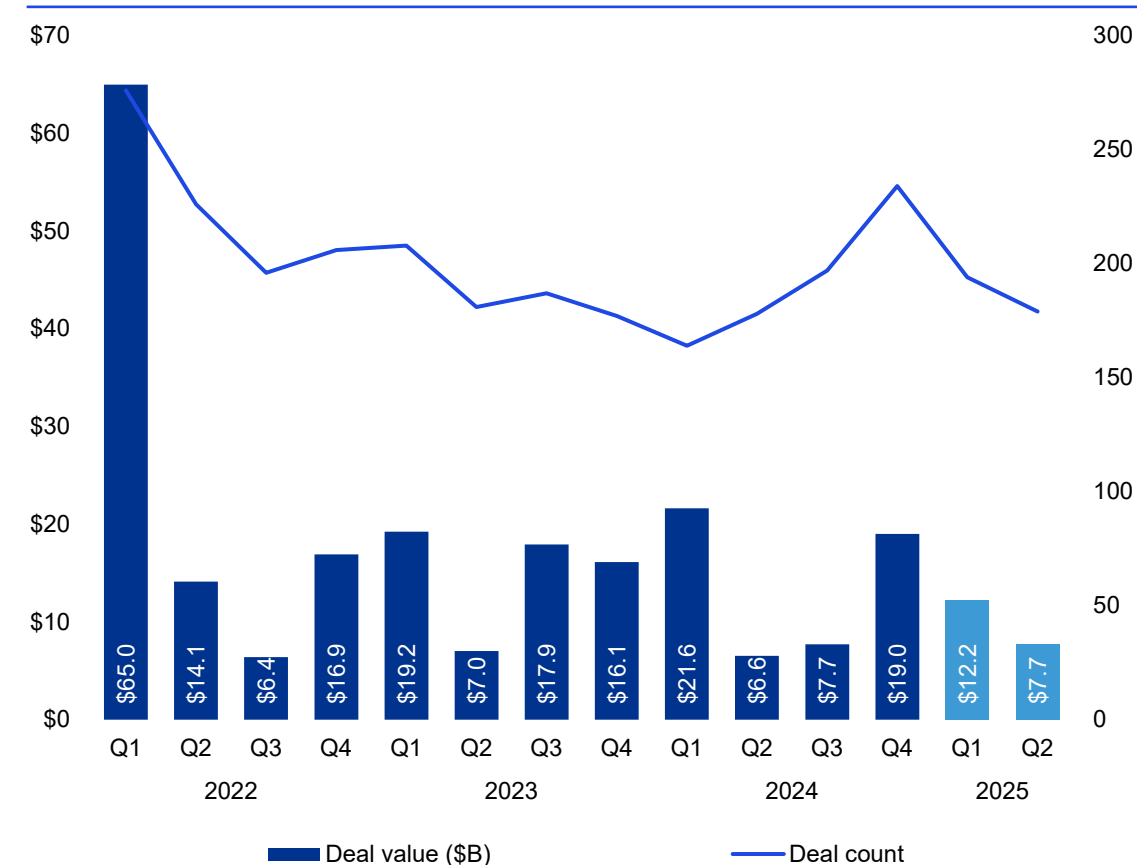
Dealmaking momentum continues to plateau

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

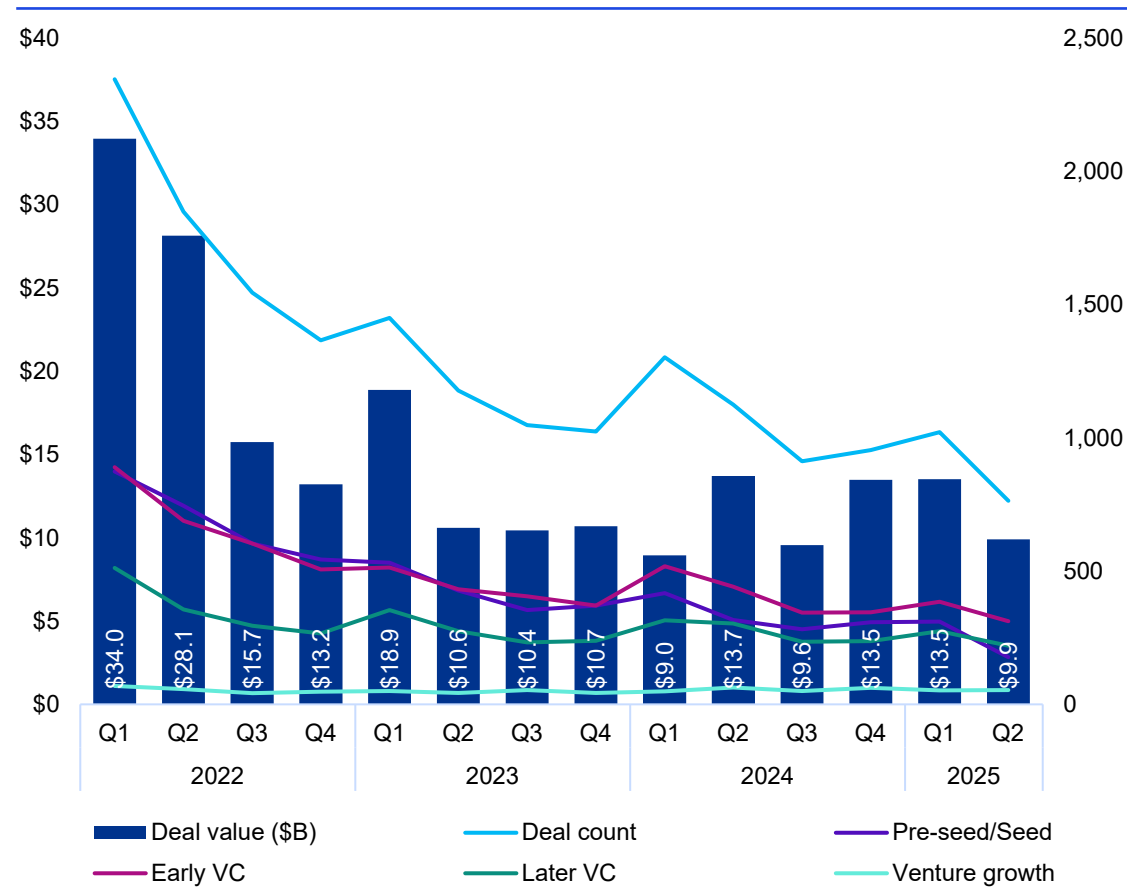
Global M&A activity in fintech 2022-2025*



Global insights

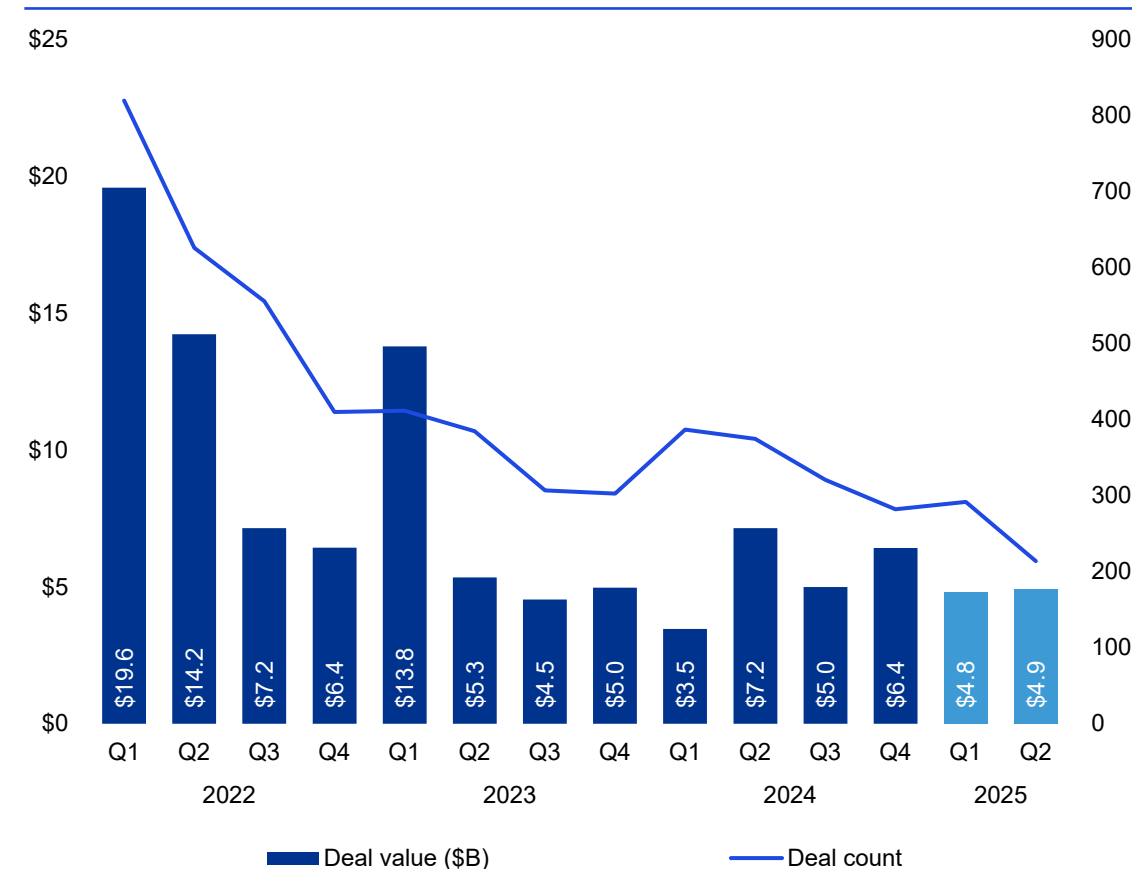
Dealmaking dips a bit into an extended plateau

Global venture capital funding activity in fintech 2022-2025*



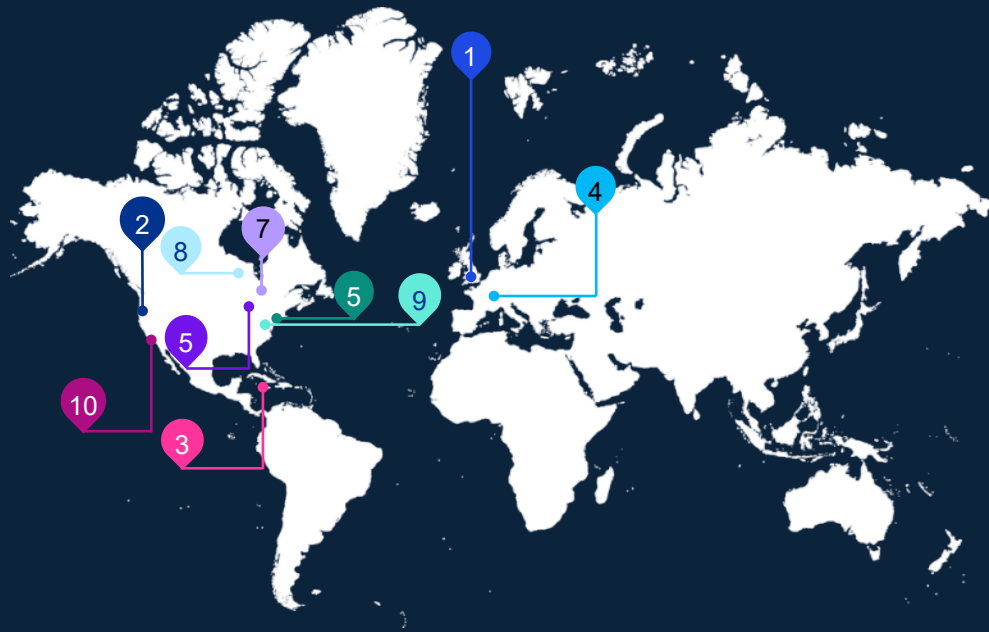
Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

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



Global insights

Top 10 global fintech deals in H1 2025



1. **Preqin** — \$3.2B, London, UK — Information — *Buyout*
2. **Next Insurance** — \$2.6B, Palo Alto, US — Insurtech — *M&A*
3. **Binance** — \$2B, George Town, Cayman Islands — Digital assets — *Late-stage VC*
4. **Esker** — \$1.7B, Villeurbanne, France — B2B/back-office — *Take-private*
5. **NinjaTrader** — \$1.5B, Chicago, US — Investment management — *M&A*
5. **Enfusion** — \$1.5B, Chicago, US — Wealthtech — *M&A*
7. **Hidden Road** — \$1.25B, New York, US — Digital assets — *M&A*
8. **Converge Technology Solutions** — \$916.5M, Toronto, Canada — Fintech services — *Take-private*
9. **SafeSend** — \$600M, Ann Arbor, US — B2B/back-office — *M&A*
10. **Plaid** — \$575M, San Francisco, US — B2B/back-office — *Late-stage VC*

Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

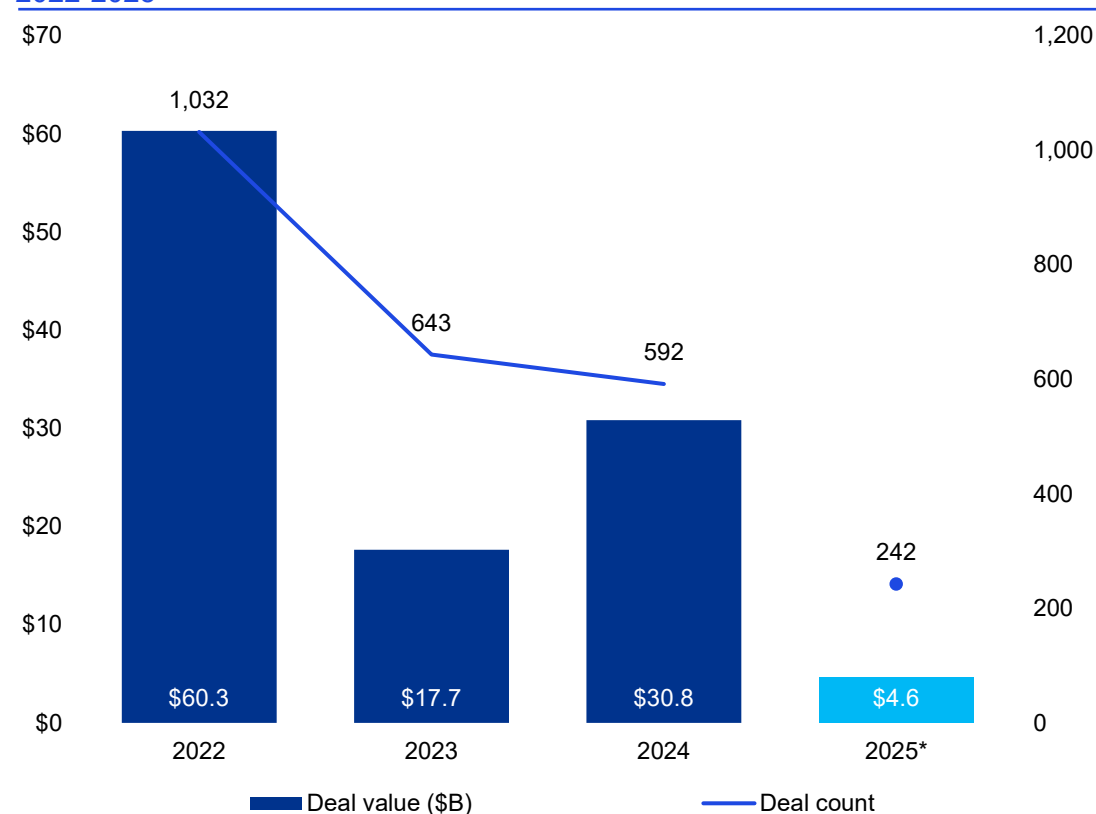
Fintech segments

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

Fintech segments — Payments

Payments sector sees investment tumble in H1'25 as investors focus on resilient models

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

After nearly doubling from \$17.6 billion in 2023 to \$30.8 billion in 2024, there was some optimism in the payments space heading into 2025. This optimism didn't materialize, however, as investment tumbled to just \$4.6 billion in H1'25 — a level not seen in over a decade as investors steered clear of \$1 billion+ M&A transactions. EMEA attracted the two largest deals of H1'25 — both in the UK — including a \$500 million VC raise by fintech as a service payments platform Rapyd Financial Network and the \$366.3 million buyout of scalable payments solutions company Equals Group by a consortium including TowerBrook Funds, JC Flowers Funds and shareholders of Railsr.¹⁰ The largest deal in the Americas was a \$366 million raise by Argentina-based neobank Ualá Bank, while Singapore-based Airwallex raised \$301 million as the largest payments deal in the ASPAC region.¹¹

Key H1'25 highlights from the payments sector include:

Strategic shift towards resilient and scalable models

During H1'25, the downward swing in investment in the payments space reflected less investor fatigue and more a strategic shift towards resilient and scalable business models. In particular, investors shifted away from making investments in speculative consumer-focused fintech models and towards infrastructure-focused solutions that combined innovation with clear value delivery. Key focus areas during H1'25 included B2B models, AI native fraud detection and payment orchestration platforms.

¹⁰ Fintech Futures. "Equals Group to be acquired by consortium of investors for £283m, paving way for Railsr merger," 12 December 2024.

¹¹ Airwallex. "Airwallex raises \$300 million at a \$6.2 billion valuation to build the future of global banking," 21 May 2025.

Fintech segments — Payments

B2B payments infrastructure sees steady growth, while vertical solutions set to accelerate

H1'25 saw B2B payments remain a major focus for investors — in particular, infrastructure plays driven by ongoing digitization in the payments space around the world. At the same time, interest in specialized vertical solutions began to pick up steam — and is well-positioned to accelerate rapidly across different industries as payments-focused fintechs look to address unique industry challenges with tailored payments solutions. Healthcare-focused payments solutions in particular saw increasing interest from investors during the first half of 2025.

M&A activity focusing on precision deals

During H1'25, M&A activity in the payments space was very precise, with many acquirers focusing on building full-stack platforms through product synergies like real-time payments and embedded finance. There was also a continued focus on using M&A to gain access to cross-border rails and licenses in order to expand into adjacent

markets. M&A activity is expected to accelerate in the latter half of 2025, driven by strategic deals. While not a fintech-specific deal, Capital One's acquisition of Discover for \$35 billion¹² is a strong example; the deal enhances Capital One's control over payments infrastructure and reduces their dependence on external network providers.

AI gaining attention for fraud detection, liquidity optimization, and transaction routing

Like in fintech more broadly, AI was a major focus for investors in the payments space in 2025. In particular, investors focused on AI use cases in areas like fraud detection within payments activity, liquidity optimization focused on improving the management of working capital, transaction routing in order to optimize costs, and AI to enable personalization and an improved customer experience.

“I think the exit environment for payments-focused fintechs is rebounding, but it's selective. IPOs are cautiously reappearing for profitable, scalable platforms, but M&A remains the dominant market path, especially for infrastructure and cross-border payments solutions where strategic buyers are actively consolidating. While the public markets have reopened somewhat, it's really only for fintechs with strong revenues and real profitability. We're seeing this focus from investors as well — they're demanding clear monetization and defensible unit economics.”



Courtney Trimble
Lead of Global Payments
KPMG International

¹² Yahoo Finance. "Capital One closes \$35.3bn acquisition of Discover Financial Services," 19 May 2025.

Fintech segments — Payments



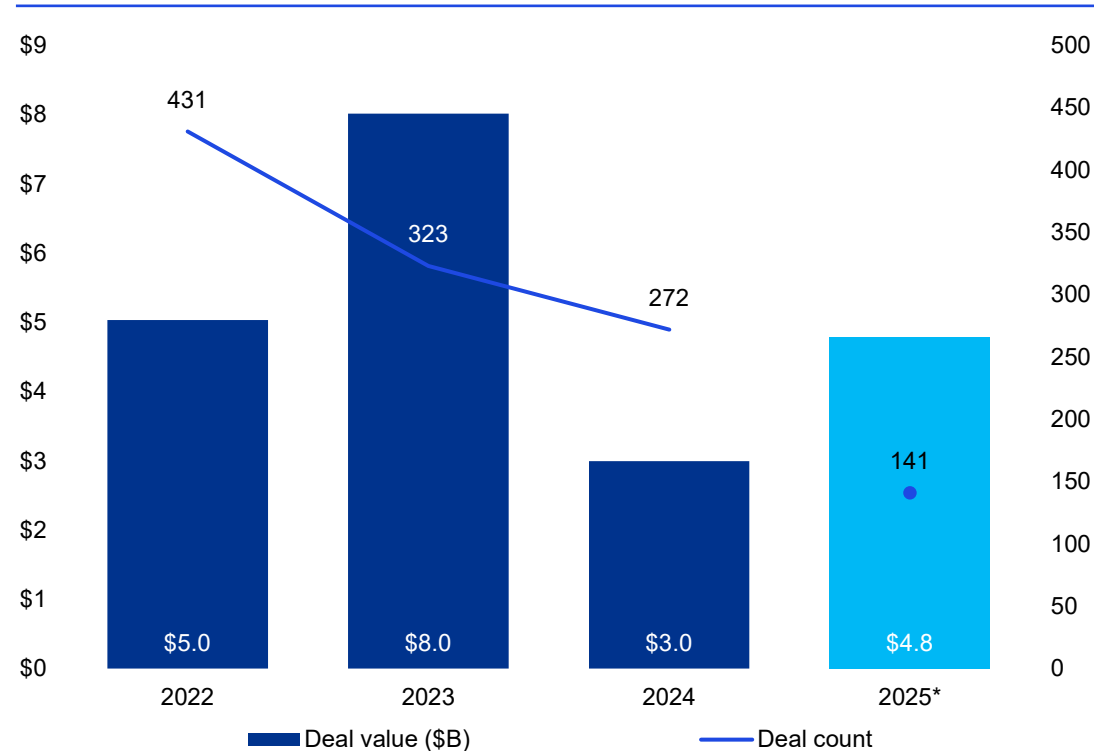
What to watch for in H2'25

- Rapidly growing activity around stablecoins and their ability to offer fast liquidity, reliable settlements and lower transaction costs — particularly once the US GENIUS Act is passed.
- Global payments investment rebalancing towards Southeast Asia, Latin America and Africa — where a combination of mobile first behavior and infrastructure leaps are unlocking new growth opportunities.
- Continued focus on real-time, instant and cross-border payments and related market infrastructure.
- Growing focus on AI solutions in areas like fraud and financial crime detection, liquidity optimization, payments data repair and reconciliation, and intelligent wallets.

Fintech segments — Insurtech

Insurtech attracts \$4.8 billion in global investment in H1'25 — more than during all of 2024

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

Total global investment in insurtech rose dramatically in H1'25, with \$4.8 billion in investment across 141 deals — well above the \$2.9 billion raised during all of 2024, and on track for the strongest year for insurtech investment since 2021. The total was propelled significantly by the \$2.6 billion acquisition of US-based SMB-focused digital insurance company Next Insurance by insurance group Ergo — a part of Munich Re. The Americas accounted for four of the five largest insurtech deals — all in the US; in addition to the Next Insurance transaction, digitally enabled home insurance provider Openly raised \$193 million,¹³ Fentura Financial was acquired by ChoiceOne for \$180.4 million,¹⁴ and life insurance-focused technology provider Bestow raised \$125 million.¹⁵ The largest deal in the ASPAC region was a \$147 million raise by Singapore-based embedded insurance platform provider Bolttech,¹⁶ while the largest deal in the EMEA region was a \$90 million raise by UK-based insurance platform company Marshmallow.

Key H1'25 highlights from the insurtech sector include:

Insurtech sector seeing a paradigm shift

There's been a paradigm shift in the insurtech space over the last six months. The first wave of insurtechs focused on disruption — with investments going to startups with broad business models and asset intensive businesses that were working to become full stack. In 2025, we've seen a new wave of insurtech investment — one that is much more strategic and focused on capital light technology businesses — with a significant amount going into claims and underwriting solutions and specific technology-enablement solutions.

¹³ The Financial Technology Report. "Openly Secures \$193 Million to Expand Homeowners Insurance Services," 24 February 2025.

¹⁴ Global Newswire. "ChoiceOne Financial Services, Inc. Announces Merger with Fentura Financial, Inc.," 25 July 2025.

¹⁵ Tech Crunch. "Insurtech Bestow lands \$120M Series D from Goldman Sachs, Smith Point Capital." 13 May 2025.

¹⁶ TechCrunch. "Bolttech closes Series C at \$147M with a \$2.1B valuation to bolster its embedded insurance offerings," 4 June 2025.

Fintech segments — Insurtech

Enablement continues to be the primary focus of insurtechs

In H1'25, industry enablement continued to be the key focus of investment in the insurtech space, with money flowing into startups with tech-enabled point solutions able to solve for specific industry challenges and to make insurance operations more efficient and effective. Startups that enable increased profitability and improved operational outcomes — such as underwriting results — are expected to continue to attract investment for the long term.

AI is driving a large portion of investment in insurtech, but competition is fierce

AI was a major factor in driving investment into the insurtech space during H1'25 as investors embraced insurtechs looking to enable industry players to become more efficient and to enhance their capabilities. In addition to AI solutions focused on areas like claims processing, underwriting and fraud detection — areas where many insurance companies are investing either internally or through partners — there's also been an emerging trend of insurtechs looking at ways to support the digital transformation of insurance companies with very old legacy systems. Given how difficult such large-scale transformations can be, if insurtechs are able to use AI solutions to change the architectural landscape of these complex back-end legacy systems and make transformation more streamlined, it could trigger a lot of attention — and investment — from corporates.

“ Insurtechs are facing growing competition from internal development teams within insurers who are now directly leveraging AI. To remain competitive, startups need to demonstrate clear intellectual property, proven use cases, and tangible value beyond just AI capabilities. Many insurers are already partnering with major AI providers, so for insurtechs to stand out, a differentiated and compelling value proposition is essential. ”



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

Fintech segments — Insurtech



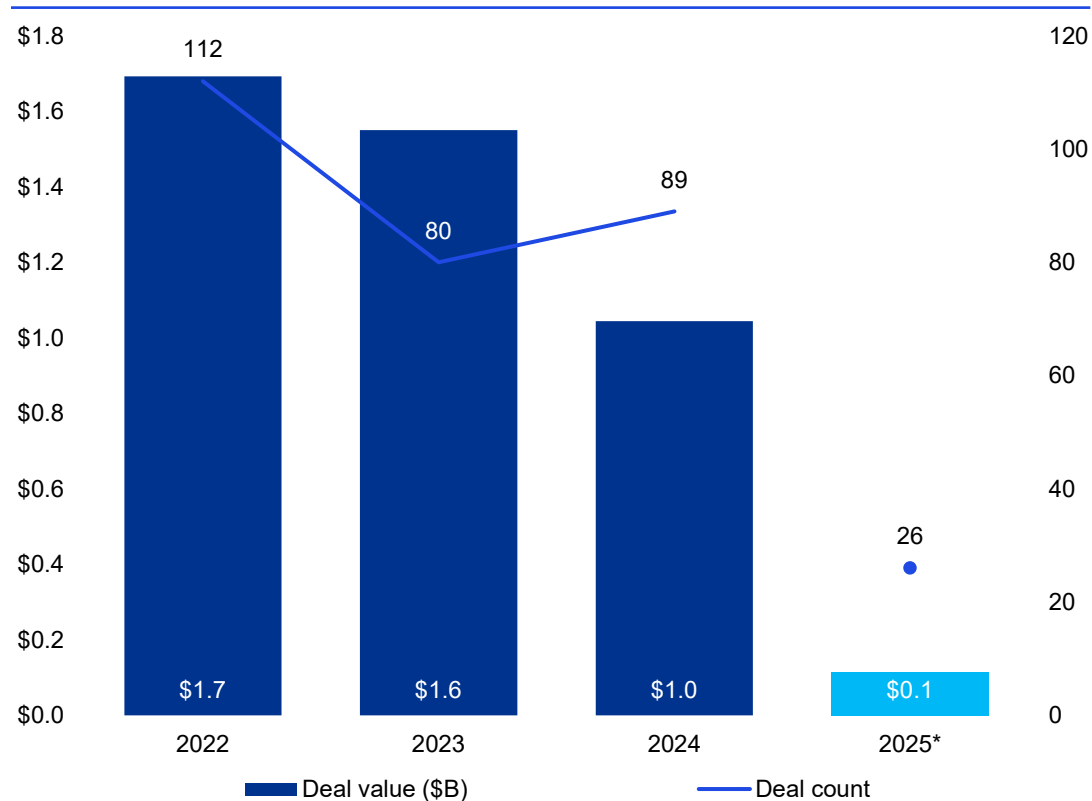
What to watch for in H2'25

- Continued focus on embedded insurance, particularly in verticals like travel, mobility and e-commerce.
- Limited exits, with any M&A likely to be very strategic.
- Rising number of insurtech solutions for building captives, quantifying risk, and related activities.
- Strengthening focus on AI-driven operational improvements, with embedded and intermediary models.
- Increasing interest in quantum computing and solutions for the insurance sector, mainly on the actuarial side.
- Growing focus on collaborations between the insurance sector and spacetechs in order to better assess catastrophes.

Fintech segments — Cybersecurity

Cybersecurity-fintech pure-play dealmaking slows

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

Total global investment in cybersecurity was incredibly soft in H1'25, with just \$120 million invested across 26 deals, compared to the \$1 billion in investment across 89 deals seen in 2024. The vast majority of this investment occurred at the seed and early deal stages; a \$50 million raise by Israel-based blockchain security firm Blockaid¹⁷ was the largest transaction of H1'25, followed by a \$20 million raise by Hong Kong-based decentralized identity blockchain solution Humanity Protocol¹⁸ and a \$8 million seed raise by US-based SMB-focused cyber warranty firm Cork.

Key H1'25 highlights from the cybersecurity sector include:

Increasing focus on agentic AI

In 2023 and 2024, there was a noticeable shift from machine learning to leveraging AI solutions in cybersecurity activities; during H1'25, that evolution continued, with interest evolving to include an intensifying focus on agentic AI — the use of AI-powered agents that can consider real-time data and make decisions on follow-up actions in given situations. Companies are increasingly using agentic AI to handle level-one security operations tasks, helping to filter out noise at a scale beyond human capability. Startups and major platform providers alike are investing in these solutions through internal R&D and strategic acquisitions.

Rapid innovation in identity management

Also, 2025 has seen rapid innovation in the identity and access management space — a space that gives many corporates significant challenges — with a growing number of startups focusing on developing solutions that apply AI towards helping organizations understand what is going on within their environment quickly, and where access management fell short in order to respond very rapidly.

¹⁷ Yahoo Finance. "Blockchain Security Firm Blockaid Raises \$50M to Tackle On-Chain Threats," 18 February 2025.

¹⁸ Reuters. "Humanity Protocol valued at \$1.1 bln after latest fundraising," 27 January 2025.

Fintech segments — Cybersecurity

Small deals are a key focus for the moment

While large mega deals will continue to crop up on occasion in the cybersecurity space, the current focus has primarily been on small boutique firms — with small vendors focused on building their own AI solutions and larger corporates waiting for someone else to build it so they can buy the result. As such, many of the investments in the space have focused on early stages — seed, Series A and Series B, rather than on major M&A deals.



What to watch for in H2'25

- AI remaining a key priority for investment, particularly among corporates.
- Detection space gaining focus as cybersecurity industry participants consider when nation states will become more proactive about targeted attacks.
- A significant amount of seed round funding as small startups continue to tackle niche cybersecurity challenges.
- Successful small-scale security startups being acquired by larger tech platforms or security players in order to add niche capabilities.
- PE firms taking a more active interest in the cybersecurity space.

“

This is shaping up to be the year of automation in cybersecurity. While we expect to see larger deals emerge over the next 12 to 24 months, current investment is focused on early-stage opportunities — particularly startups developing targeted solutions in AI and agentic AI. M&A activity remains relatively modest and highly strategic, with larger players acquiring niche innovators to strengthen their capabilities.”

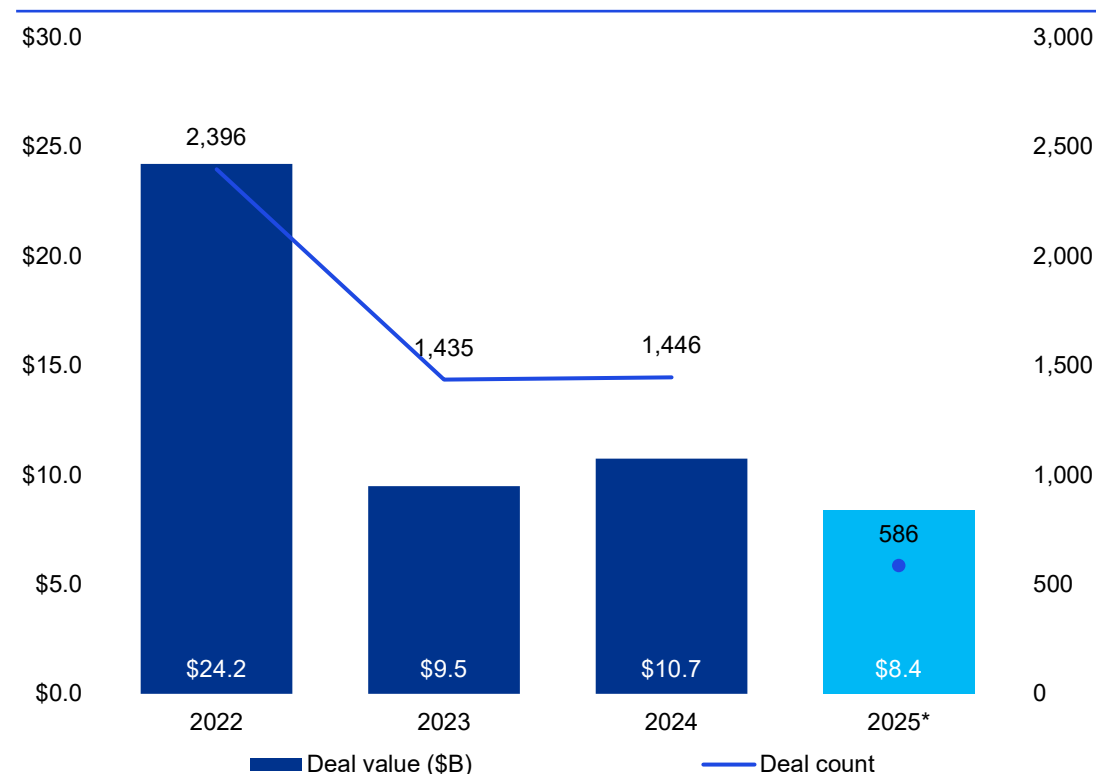


Charles Jacco
Lead of Global Cyber
Financial Services,
US Cyber Threat
Management Lead,
Principal, Financial Services
KPMG in the US

Fintech segments — Digital assets and currencies

Global investment in digital assets and currencies surges in H1'25

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

Total investment in digital assets and currencies rose dramatically in H1'25 — with \$8.4 billion in investment globally compared to the \$10.7 billion seen during all of 2024 and the \$9.4 billion seen during 2023. The Americas attracted the largest deals in the sector, including two \$1 billion+ deals — a \$2 billion VC raise by Grand Caymans-based Binance¹⁹ and the \$1.5 billion acquisition of US-based futures trading platform Ninja Trader by crypto platform Kraken.²⁰ In the ASPAC region, the largest deal in the space involved China-based Cango selling off its China-based legacy business to Ursalpa Digital Limited for \$251.9 million in order to reposition itself as a BTC mining business,²¹ followed distantly by a \$69.4 million raise by Japan-based Web3 and entertainment fan economy creator Gaudi.²²

Key H1'25 highlights from the digital assets and currencies space include:

Greater recognition of the role of digital assets and currencies

During H1'25, the change in US administration helped drive recognition towards digital assets and currencies, including the role it plays in the global economy and its potential to drive major impacts worldwide. This has helped break down some perception gaps towards the space at the political and regulatory levels. The repeal of SAB 121 also opened the doors for regulated US financial institutions to act as custodians of digital assets.²³ With the digital assets and currencies market gaining a stronger and more stable footing in the US and other regions of the world, investors have become more active in the space than they have in a number of years.

¹⁹ FinTech Global. "\$2bn Binance investment headlines red letter week for FinTech funding," 14 March 2025.

²⁰ NinjaTrader. "Kraken to Acquire NinjaTrader: Introducing the Next Era of Professional Trading," 20 March 2025.

²¹ Coin Insider. "Cango Sells Legacy China Business, Goes All-In on BTC Mining," 03 April 2025.

²² LeadsonTrees. "Gaudi Secures 69.8M Series C Funding to Revolutionize Web3 Fan Engagement in Tokyo," 26 May 2025.

²³ KPMG LLP. "SEC rescinds SAB 121," January 2025.

Fintech segments — Digital assets and currencies

Stablecoins gaining a lot of attention

During H1'25, stablecoins saw a significant uptick in interest and investor attention — more so than regulated CBDCs. This has been driven largely by a shift in how stablecoins are used across retail, wholesale, treasury and government payment use cases. During H1'25, the US also introduced the GENIUS Act stablecoin bill, recently passed by Congress,²⁴ which provides a regulated framework and guardrails for stablecoins. This will likely result in large financial institutions and multinational corporations embracing both stablecoins and payment tokens.

Regulatory frameworks becoming clearer

Recently, a number of jurisdictions have developed or adjusted their regulatory frameworks related to digital assets market activities — giving clarity to businesses as to what is allowed and what is not. While regulatory initiatives continue to evolve, the level of regulatory maturity is growing, giving digital asset firms, startups, and investors more confidence from which to base strategic and investment decisions. During H1'25, Japan's Financial Services Agency approved a report outlining a number of digital assets and currency-focused reforms, including allowing for government bonds and

deposits to back stablecoins and easing regulatory requirements for intermediary digital asset brokers — while still making them subject to AML rules.²⁵ The FSA also proposed bringing cryptocurrencies under the *Financial Instruments and Exchange Act*, which could, if approved, support the provision of crypto ETFs in the future.²⁶ Hong Kong (SAR) China, Singapore, Saudi Arabia and other major markets have established regulatory clarity too.

Circle IPO could spur IPO interest among other digital assets and currency firms

During H1'25, USDC stablecoin issuer Circle held a very successful IPO on the NYSE; it raised \$1.1 billion, with its share price rising 168 percent in first day trading.²⁷ As the first of its kind, the success of Circle's IPO is being viewed very positively in the digital assets and currencies market globally; it could spur other mature digital assets and currency firms to consider IPO exits — not only in the US, but also in their home exchanges. Japan, for example, has seen a number of crypto exchanges considering the best time to list. The second half of the year will be key to watch to see if additional exits materialize.

“The stablecoin space is experiencing significant momentum. Usage continues to rise — not just within decentralized finance, but increasingly in real-world applications such as remittances and trade finance. These practical use cases are enhancing credibility across the sector. Combined with supportive political signals in the US, the institutional market is seeing a strong boost in confidence and activity.”



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

²⁴ KPMG LLP. "Crypto and Digital Assets: Final GENIUS Act and Other Actions," July 2025.

²⁵ The Bit Journal, "Japan's FSA Eases Crypto Regulations — What Does It Mean for the Future?" 20 February 2025.

²⁶ Coin Central. "Japan Proposes 20% Crypto Tax and Bitcoin ETFs in Major Regulatory Overhaul," 24 June 2025.

²⁷ TechCrunch. "Circle IPO soars, giving hope to more startups waiting to go public," 5 June 2025.

Fintech segments — Digital assets and currencies



What to watch for in H2'25

- The impact of the passage by Congress of the GENIUS Act stablecoin bill in the US and a further surge in interest in stablecoins.
- Institutional capital continuing to flow into the digital assets space with large institutions filling out their digital assets value chains across transactions, trading, custody and market data.
- Increasing range of financial instruments bridging the traditional and DeFi worlds, as well as, creating interoperability across fragmented digital asset systems.
- Continued expansion of blockchain-based enterprise solutions, with a growing focus on digital identity and KYC.
- Digital market infrastructure really maturing and gaining more business in Japan, Japan, wider Asia and Europe .

“ From an investment standpoint, we’re seeing digital assets and currencies and blockchain revenue models evolve and mature at a rapid pace. It’s no longer just about speculation — venture capital flowing into foundational areas like blockchain infrastructure, compliance, and cross-chain orchestration. The momentum across the ecosystem reflects a broader shift towards real-world utility and long-term value creation. It’s a pivotal moment in the evolution of the space.”

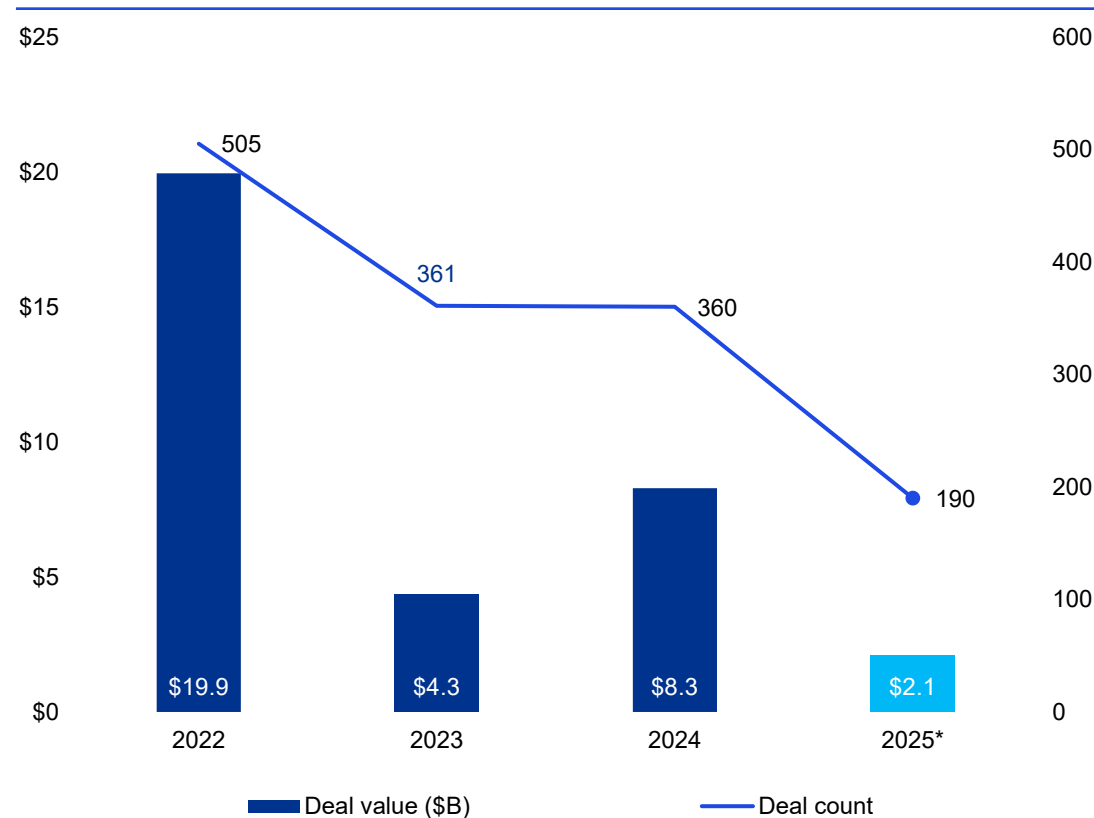


Kenji Hoki
Director, Financial Services
KPMG in Japan

Fintech segments — Regtech

Regtech investment tapers off after H1'24 megadeal

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



Regtech attracted \$2.1 billion in investment globally in H1'25 — well off the pace required to match the \$8.3 billion seen during 2024. Four of the largest deals during the quarter occurred in the EMEA region, including three in the UK — the \$209.9 million take-private of UK-based customer engagement data security company Eckoh by Bridgepoint,²⁸ a \$175 million VC raise by compliance solutions firm Quantexa,²⁹ and a \$75 million VC raise by digital asset custody firm Komainu.³⁰ The largest regtech deal in the Americas was the \$246.5 million acquisition of US-based cloud native buy and sell side solutions firm LiquidityBook by FactSet.³¹ Regtech deals in the ASPAC region were primarily very small during H1'25 — such as the \$23 million raise by Singapore-based incorporation and accounting platform Sleek.³²

While total investment was down in H1'25, deal volume at mid-year stood at 190 — well ahead of the pace needed to exceed the deals total seen during all of 2023 (361) and 2024 (360). This highlights the significant activity occurring in the space — if primarily centered around earlier deal stages compared to more mature fintech subsectors.

Key H1'25 highlights from the regtech sector include:

Reconsideration of regulatory frameworks in order to spur economic growth

During H1'25, there was growing recognition among jurisdictions that more economic growth and innovation is needed in order to drive economic output. This focus saw governments, particularly in the UK and EU, requesting that regulators look at how to help financial firms innovate more, including evaluating whether financial services might be overregulated.

²⁸ Bridgepoint. "Bridgepoint completes acquisition of Eckoh," 20 January 2025.

²⁹ Quantexa. "Quantexa Completes USD 175 million Series F Investment Round, led by Teachers' Venture Growth," 5 March 2025.

³⁰ Komainu. "Komainu completes Series B Fundraising with Strategic Investment from Blockstream," 16 January 2025.

³¹ The Financial Technology Report. "FactSet Acquires LiquidityBook for \$246.5 Million," 28 February 2025.

³² Fintech News Singapore. "Sleek Raises US\$23M in Series B to Expand Digital Corporate Services," 10 June 2025.

Fintech segments — Regtech

During H1'25, the UK continued work on its *Financial Services Growth and Competitiveness Strategy* (released at the start of H2'24); the strategy is focused on breaking down barriers to growth and providing a welcoming and supportive environment for fintechs to start up, scale and grow.³³ New Zealand's Financial Markets Authority also announced the first fintechs that would be taking part in its pilot regulatory sandbox during H1'25,³⁴ while Vietnam announced the establishment of its own regulatory sandbox for fintech.³⁵

Growing use of sandboxes in order to encourage innovation and experimentation

H1'25 saw numerous jurisdictions around the world continuing to use fintech sandboxes as a means to provide a safe space to trial fintech innovations, such as the EU's blockchain regulatory sandbox for the testing of distributed ledger technologies and one notable effort in H1'25 was the FCA's launch of a Supercharged Sandbox in collaboration with NVIDIA; the sandbox will provide firms with access to NVIDIA AI Enterprise Software in order to experiment and test AI use cases.³⁶

Cost pressures driving financial services firms towards regtech

Given the uncertain business environment globally, many financial services companies and fintechs have prioritized operational efficiencies and cost reductions in order to get the most from every dollar. This has driven a significant focus towards regtech being able to help them automate regulatory and compliance processes and reduce the manual effort required to fulfil regulatory requirements.

AI continuing to drive interest and investment

Within the regtech space, AI-enabled regtech solutions gained a significant amount of attention in H1'25, with investors and corporates particularly interested in the application of AI to assist with regulatory activities, such as anti-money laundering initiatives.

Supervisory tech attracting more attention

During H1'25, supervisory tech continued to gain ground as regulators around the world increasingly looked at how they could not only encourage the evolution and use of regtech by market participants, but also at how they could themselves use regtech as part of their regulatory mandate — for example, in order to assess reported data and better identify trends or potential market abuse.

“Regulators are increasingly embracing innovation. In particular, the UK and EU have been stepping up efforts amid concerns around lack of economic growth and falling behind more agile Singapore of the world. In part, this is due to their reliance on traditional infrastructure, whereas emerging fintech jurisdictions have flexibility and so are better equipped to promote new sector innovations quickly. Now these more traditional jurisdictions are playing catch-up so there's a lot of activity going on. It's quite an interesting space at the moment.”



Kate Dawson
Director, EMA FS Regulatory
Insights Centre (RIC)
KPMG in the UK

³³ Gov.uk. "Call for evidence outcome Financial Services Growth and Competitiveness Strategy: Overview," 21 July 2025.

³⁴ The Financial Markets Authority (FMA) – Te Mana Tātai Hokohoko. "FMA confirms fintech sandbox participants," 29 April 2025.

³⁵ Digital Policy Alert. "Vietnam: Government adopted Fintech Sandbox Decree (No. 94/2025/ND-CP) establishing mandatory registration for controlled testing of digital financial services," 29 April 2025.

³⁶ Financial Conduct Authority. "FCA allows firms to experiment with AI alongside NVIDIA," 09 June 2025.

Fintech segments — Regtech



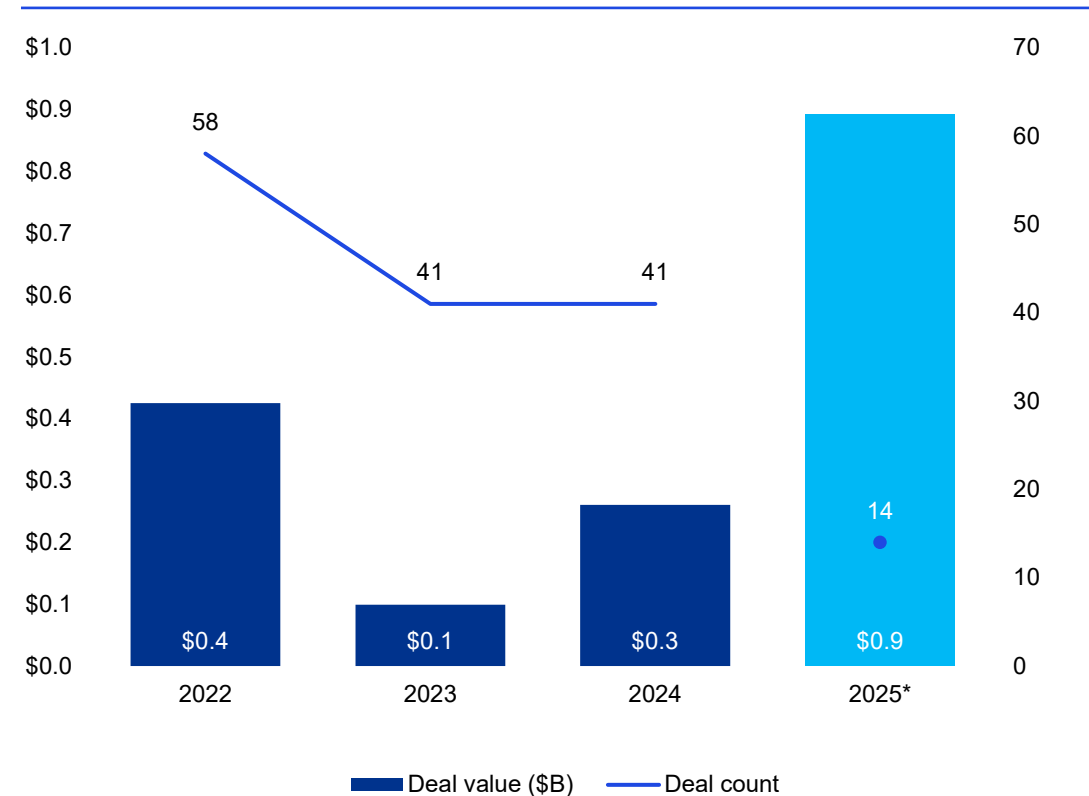
What to watch for in H2'25

- Increasing consolidation as regtechs look to provide end-to-end regtech solutions and services.
- Continued focus on point solutions for established banks with highly complex operations.
- Growing focus on automation and the use of AI to help manage regulatory requirements.
- Increasing interest in the possible role of AI agents in regulatory processes.
- Continued focus on deregulation in many regions of the world.
- Emerging focus on technologies able to help corporates better understand their risks in areas where regulatory requirements might not exist.

Fintech segments — Wealthtech

AI driving increasing interest in wealthtech

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

While global investment in wealthtech remained quite soft compared to other fintech sectors during H1'25, there was a significant amount of ancillary interest in the space as corporates and investors alike looked at the potential for AI to transform various aspects of the asset management lifecycle — from making back-end processes more efficient and enhancing relationship management with clients to supporting wealth corroboration from a KYC perspective.

During H1'25, the largest deals in the wealthtech space included the \$571.3 million acquisition of Japan-based asset management platform and robo advisory service WealthNavi by MUFG,³⁷ Julius Baer Group's sale of its Brazil-based wealth management assets to BTG Pactual for \$106.1 million,³⁸ and a \$69.9 million raise by France-based cryptocurrency investment products firm Bitwise.³⁹

Key H1'25 highlights from the wealthtech space include:

Significant focus on leveraging AI to enable relationship managers

During H1'25, AI continued to be a major focus for companies and investors in the wealth management industry. In addition to finding ways to leverage AI to improve back-office efficiencies — a trend seen across fintech industries — there was a significant amount of interest in solutions able to apply AI to the wealth advisory space given the data intensity of wealth advisory work. In particular, corporates showed particular interest in wealthtech that could be used to enable the work of relationship managers in order to free up their time to extend their client base.

³⁷ Reuters. "Japan's MUFG to spend over \$660 million to buy robo-adviser WealthNavi," 29 November 2024.

³⁸ Reuters. "Swiss bank Julius Baer sells Brazil wealth business to BTG Pactual," 7 January 2025.

³⁹ The Block. "Spot bitcoin ETF issuer Bitwise raises \$70 million, backed by Electric Capital, MassMutual and Haun Ventures," 25 February 2025.

Fintech segments — Wealthtech

Wealth corroboration gaining importance

Within the wealth management space, fraud and anti-money laundering activities have been quite important for some time, with different jurisdictions and regulators enacting and strengthening their requirements. During H1'25, wealth corroboration opportunities gained increasing attention among wealthtech investors in the ASPAC region as banks looked for ways to enhance their activities in light of shifting regulatory guidance. During H1'25, the Monetary Authority of Singapore and the AML/CFT Industry Partnership released a guidance paper on *Best Practices on Source of Wealth Due Diligence* in order to strengthen anti-money laundering approaches at financial institutions.⁴⁰

Growing focus on improving the customer experience

Many traditional banks around the world have struggled with finding ways to meet the personalization demands of modern, tech-savvy clients who want better insights into their assets and wealth from the financial institutions they work with. As demand continues to grow, these financial institutions are increasingly looking for ways to enhance personalization for their client in a cost-effective way — particularly for clients that don't fit into the high-net-worth category. This is driving attention towards AI-driven customer-experience-focused wealthtech as AI is seen as a key enabler for improving the customer experience around wealth and asset management.

“When it comes to the wealth management industry today, it's a little bit difficult to have a conversation without talking about AI. It's such an innovative area, with everyone looking at where and when and how it can be used to drive value. A lot of companies are already focused on the most obvious, using it to improve back-office processes. But the interesting question driving conversations about the future is how it can be used to maximize the effectiveness of relationship managers so they can do more for more clients.”



Leon Ong
Partner, Financial Services Advisory
KPMG in Singapore

⁴⁰ AML-CFT.NET Intelligence. "ACIP releases best practice paper on SOW due diligence," 15 May 2025.

Fintech segments — Wealthtech



What to watch for in H2'25

- Growing focus on collaboration and partnerships between wealthtechs and incumbents and other bigger players.
- Continued focus on providing access to investment markets, particularly those that have been reserved for high-net-worth individuals historically.
- Strengthening interest in AI-driven solutions focused on making the work of relationship managers easier and more efficient.
- Intensifying competitiveness of wealth management space in ASPAC region, with a continued flood of specialized wealth players looking to take on the role of relationship manager.
- Increasing focus on wealth management across Southeast Asia, given its large population and lack of sophisticated financial products.

02

In H1 2025, fintech
funding in the
Americas recorded
\$26.7B with
1,092 deals

Regional insights — Americas

US attracts largest share of fintech investment in Americas

Fintech investment in the Americas fell considerably between H2'24 and H1'25 — falling from \$35.7 billion to \$26.7 billion; deal volume saw a more modest drop, from 1,150 in H2'24 to 1,092 in H1'25. The US accounted for four of the five largest deals in H1'25, including Next Insurance (\$2.6 billion),⁴¹ Ninja Trader (\$1.5 billion),⁴² Enfusion (\$1.5 billion)⁴³ and Hidden Road (\$1.2 billion).⁴⁴ The largest deals outside of the US included a \$2 billion VC raise by Grand Cayman-based cryptocurrency exchange Binance,⁴⁵ the \$916.5 million take-private of Canada-based of cloud solutions company Converge Technology Solutions by H.I.G. Capital,⁴⁶ and a \$366 million VC raise by Argentina-based neobank Ualá Bank.⁴⁷

Key H1'25 highlights from the Americas include:

US attracts largest share of fintech investment in the Americas

The US accounted for \$20.9 billion of the fintech investment across 889 deals in H1'25 — down from \$26.7 billion across 929 deals in H2'24. After reaching a record-breaking \$7.5 billion in H2'24, fintech investment in Canada fell to \$1.6 billion in H1'25 — still a solid total compared to historical norms; deal volume in Canada remained steady at 60. Brazil, meanwhile, saw fintech investment fall from \$541 million across 59 deals in H2'24 to \$339.3 billion across 47 deals in H1'25.

Investors in Americas being very selective

In the Americas, fintech investors were highly selective in H1'25 across all deal types, prioritizing investments in companies with strong foundational fundamentals, real market share, and real profitability over speculative investments in companies with big ambitions. This selectivity was driven in part by global geopolitical tensions and related trends, but also by some sub-regional challenges. Latin America, for example, is seeing some investor uncertainty given concerns about upcoming elections in jurisdictions like Chile.

“M&A activity is currently quite opportunistic. In late 2024, many were preparing for a strong deal cycle in 2025. But as macroeconomic uncertainties unfolded, investors largely paused on execution — though preparation hasn't stopped. The deals moving forward now are those where buyers see clear strategic value or a compelling advantage.”



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

⁴¹ Next. "ERGO gains access to the U.S. market with the full acquisition of NEXT Insurance" 20 March 2025.

⁴² NinjaTrader. "Kraken to Acquire NinjaTrader: Introducing the Next Era of Professional Trading," 20 March 2025

⁴³ Reuters. "Clearwater to buy software maker Enfusion for \$1.5 bln in expansion push," 13 January 2025.

⁴⁴ Reuters. "Crypto firm Ripple to buy prime broker Hidden Road for \$1.25 billion," 8 April 2025.

⁴⁵ Fortune. "Binance nets biggest ever crypto investment as UAE-backed MGX puts in \$2 billion," 12 March 2025.

⁴⁶ PR Newswire Canada. "Converge Technology Solutions to be Acquired by H.I.G. Capital," 7 February 2025.

⁴⁷ Ualá Bank. "Ualá Secures Additional \$66M in Second Close, totalling \$366M for its Series E Funding Round," 20 March 2025.

Regional insights — Americas

Corporates reallocating funds towards cost cutting and AI

Within the Americas — particularly in the US and Canada — many corporates have pulled back from making direct fintech investments, reallocating their capital towards cost cutting and AI initiatives. On the AI front, generative AI is being seen as a game changer, with some financial institutions viewing it as a major enabler of internal innovation given its ability to help with code development and other skilled development tasks, whereas previously they might have made investments in order to obtain skilled talent or acquire the resulting solutions.

VC investment sees solid growth in Americas

The Americas saw VC investment pick up from \$12.8 billion to \$14.4 billion between H2'24 and H1'25, driven in large part by the \$2 billion raise by Binance; deal volume fell slightly over the same period, driven significantly by a slowdown in pre-seed and seed stage deals as deal volume grew for early stage, late stage, and venture growth rounds in the region. AI was a key driver of VC investment, particularly in the US, accounting for 54 percent of VC deal value during H1'25.

By comparison, M&A deal value fell from \$21.9 billion to \$11.7 billion in the Americas, while PE investment fell from \$948.8 million to \$608.6 million. Both Canada and Brazil saw very soft VC in H1'25, with \$498.3 million and \$227.5 million respectively — down from \$864.4 million and \$541.6 million in H2'24.

B2B payments was hot, but becoming more challenging

In the US, B2B payments were a hot topic for a number of years, but interest appears to be waning for the moment given the lack of significant examples of startups who have been able to capitalize on the economics of the space.

“ In the past, many financial institutions felt they lacked the in-house tech talent to build advanced platforms. But with the rise of generative AI — especially its ability to accelerate code development — that's changing. Institutions are realizing they don't always need to rely on third-party fintechs to innovate. As a result, we're seeing a shift from simply investing in AI to actively building AI-driven solutions internally. ”



Dubie Cunningham
Partner, Banking and
Capital Markets
KPMG in Canada

Regional insights — Americas



Trends to watch for in H2'25

- The impact of the passage of the GENIUS Act in the US driving additional interest into the crypto and stablecoin space.
- Resilient and relatively steady fintech investment, particularly in the US, with increasing transactions as uncertainties stabilize.
- Additional activity in the blockchain space given the proliferation of live and in-production solutions.
- Growing interest in specialized lending, including in areas like agro-lending.
- Corporates continuing to divest non-core assets to double down on their core competencies.
- Growing hyperfocus on vertical specialization.
- Non-bank institutions in Latin America entering the fintech space by expanding payment capabilities, such as integrating them into transit cards.



After a period of explosive growth, we are seeing an overall increase in maturity, with investors increasingly seeking sustainability and profitability rather than accelerated growth. Major players such as Nubank and Mercado Pago are consolidating their position, awaiting Tenpo (Chile) as the next NeoBank in the region. Meanwhile, the expansion of digital payments continues to gain momentum in Brazil (PIX), Transfers 3.0 using QR Codes (Argentina) and CoDi (Mexico). New players are also emerging in the Low-Value Payment Clearinghouse (LVP) sector, such as Visa, Mastercard and Shinkansen (Chile). A notable topic in the region is the adoption of AI and advanced analytics to improve onboarding, scoring, fraud prevention and customer service.”

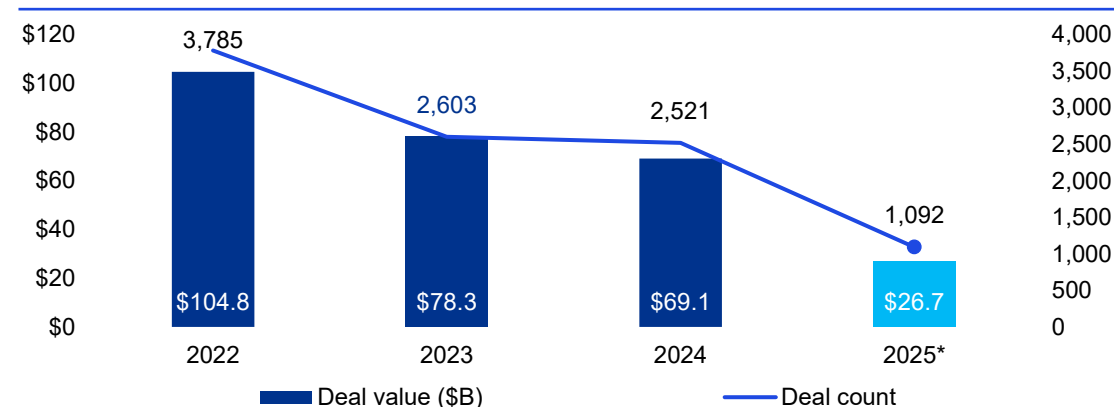


Erick Palencia
Head of Consulting
KPMG in Chile

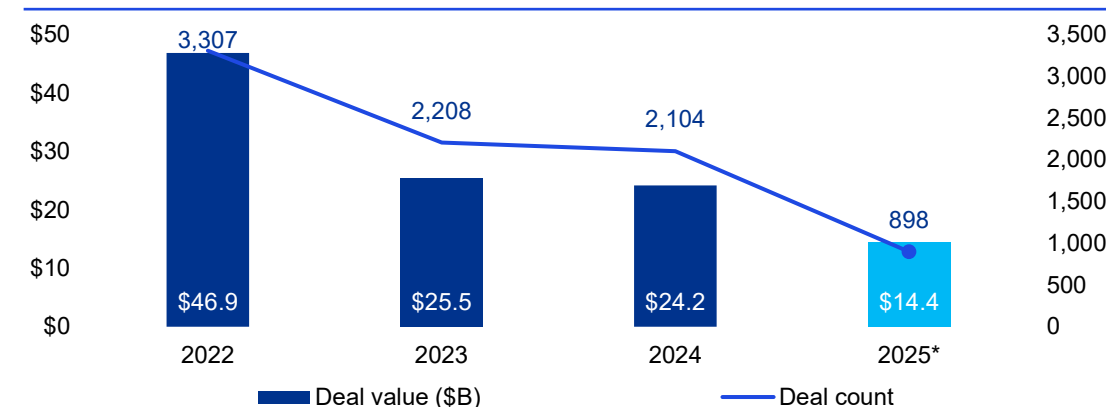
Regional insights — Americas

VC activity is pacing fairly well, but overall, dealmaking is slower and more protracted

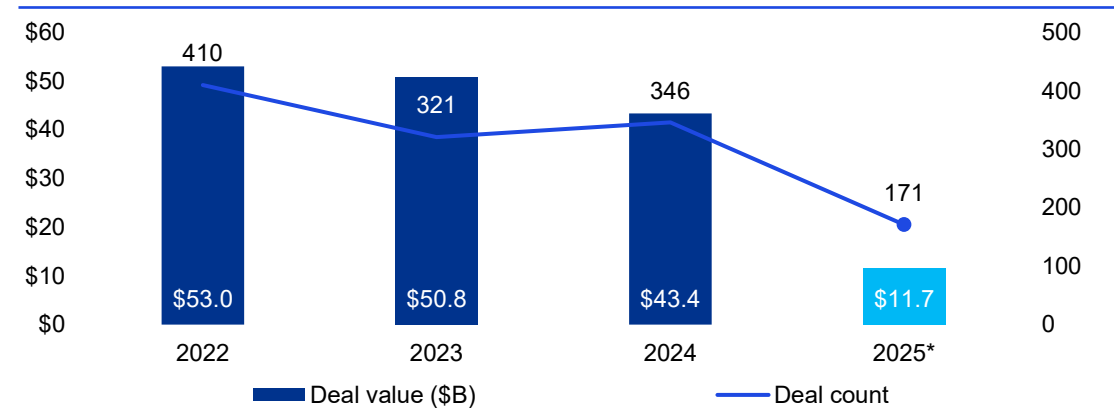
Total funding activity (VC, PE and M&A) in fintech in the Americas 2022-2025*



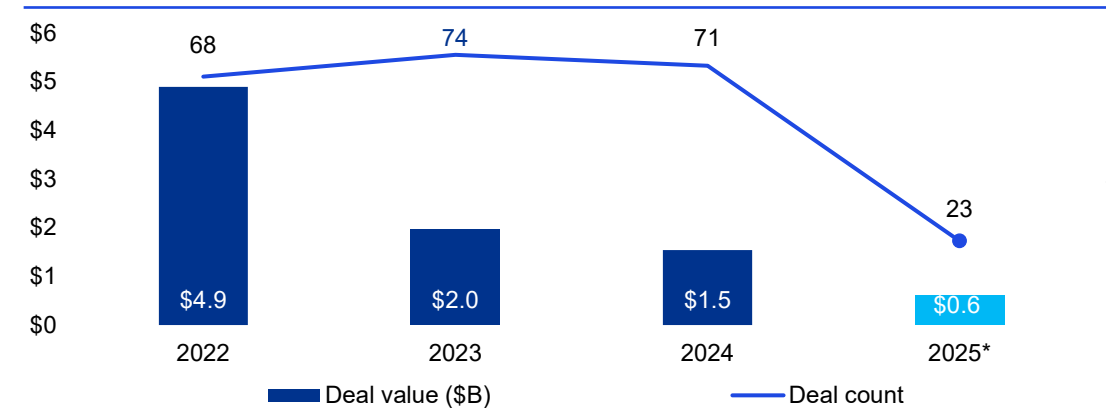
Venture capital funding activity in fintech in the Americas 2022-2025*



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



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

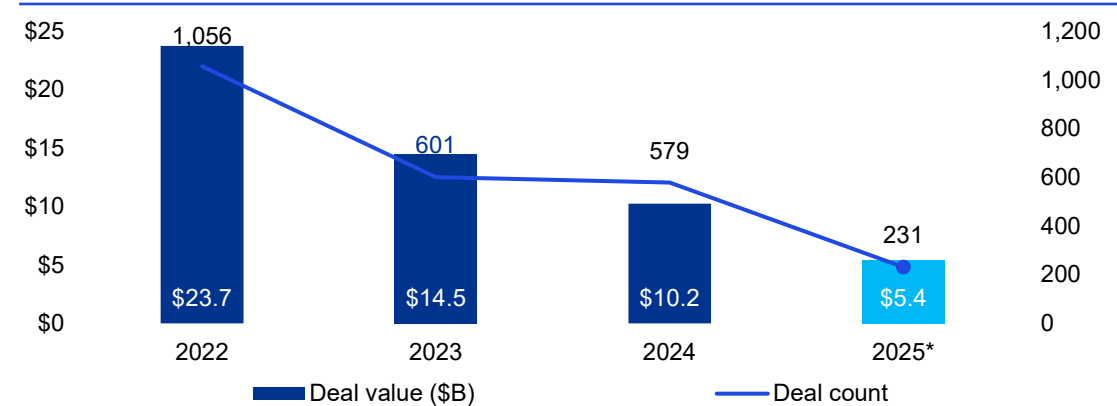


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

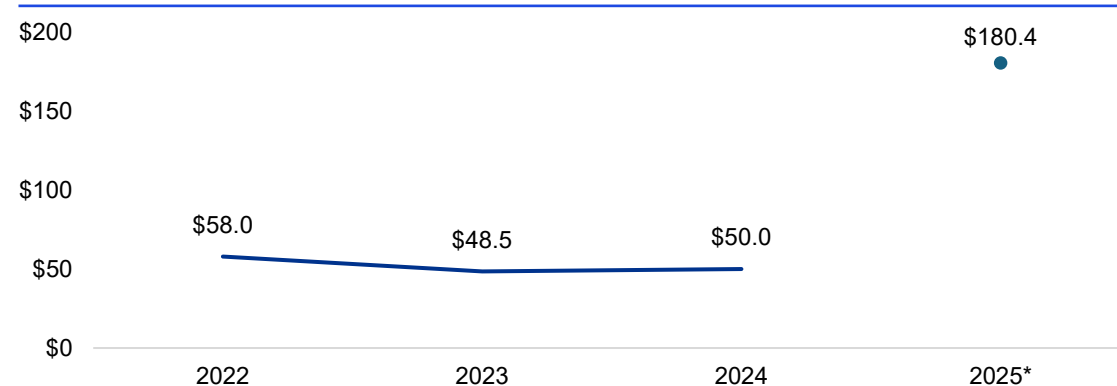
Regional insights — Americas

Valuations remain steadier amid contracting deal flow

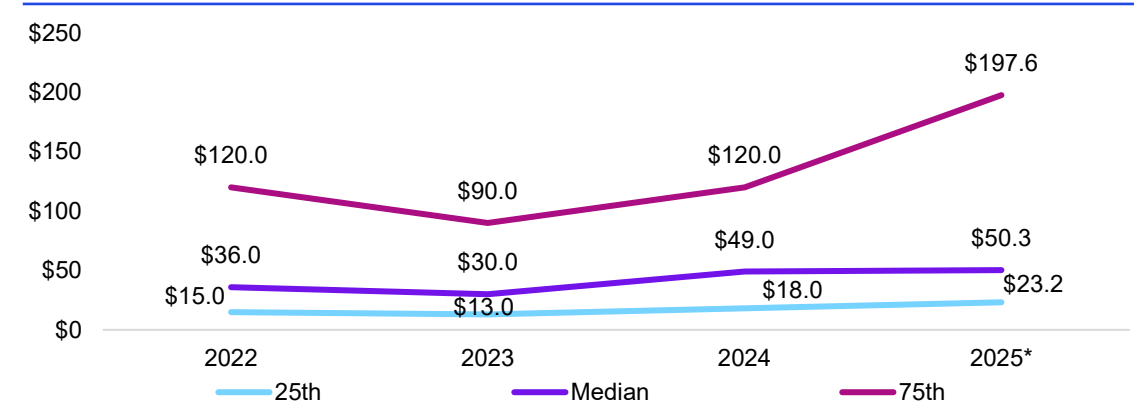
VC activity in fintech with corporate participation in the Americas 2022-2025*



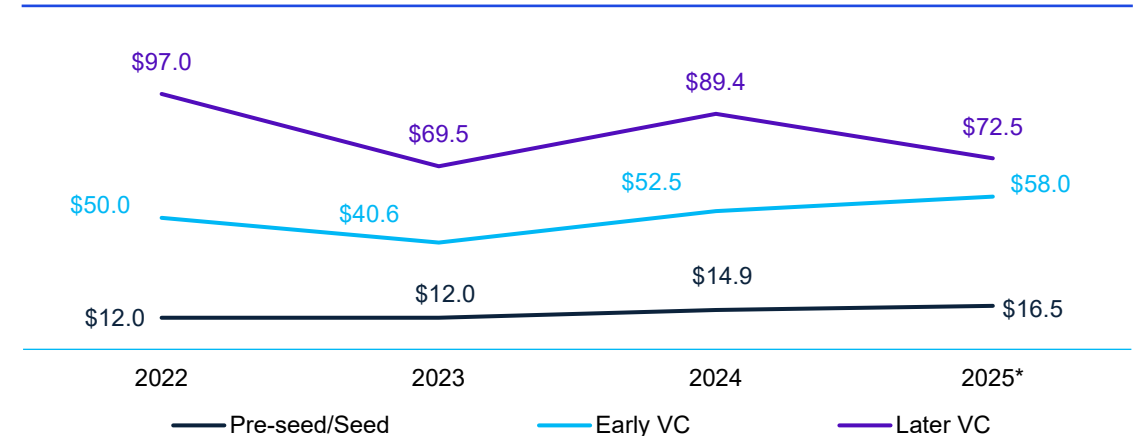
Median M&A size (\$M) in fintech in the Americas 2022-2025*



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



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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.
The 2023 and 2024* figures for the median pre-money valuation at the growth stage and the 2025* median M&A figure are based on a non-normative population size.

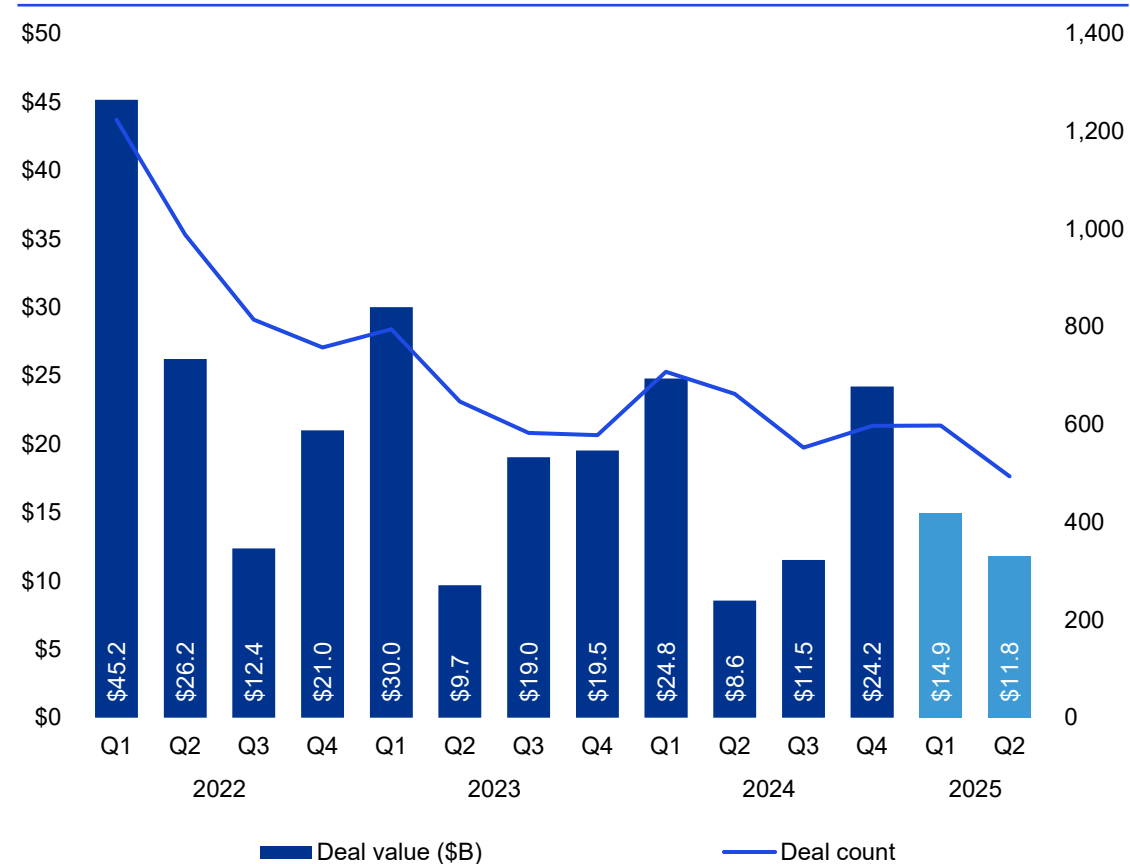
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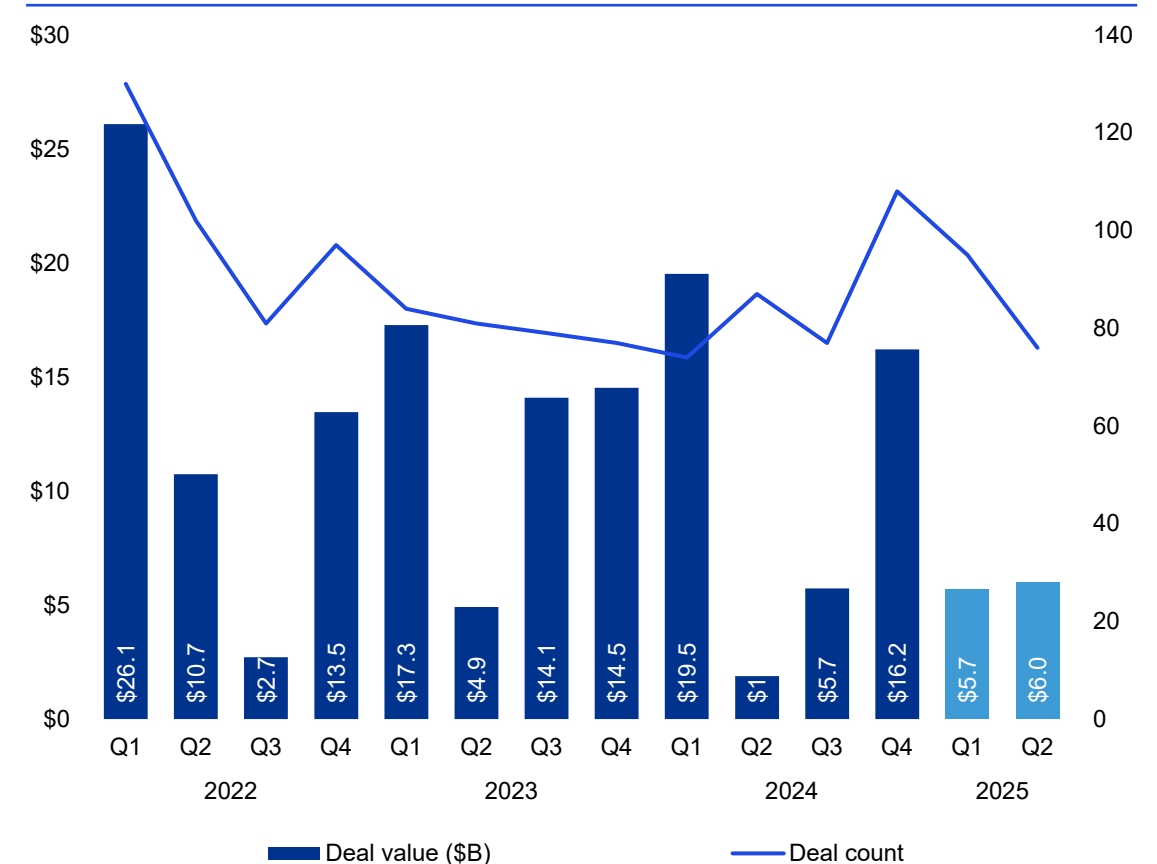
Regional insights — Americas

Overall dealmaking settles into subdued state

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



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

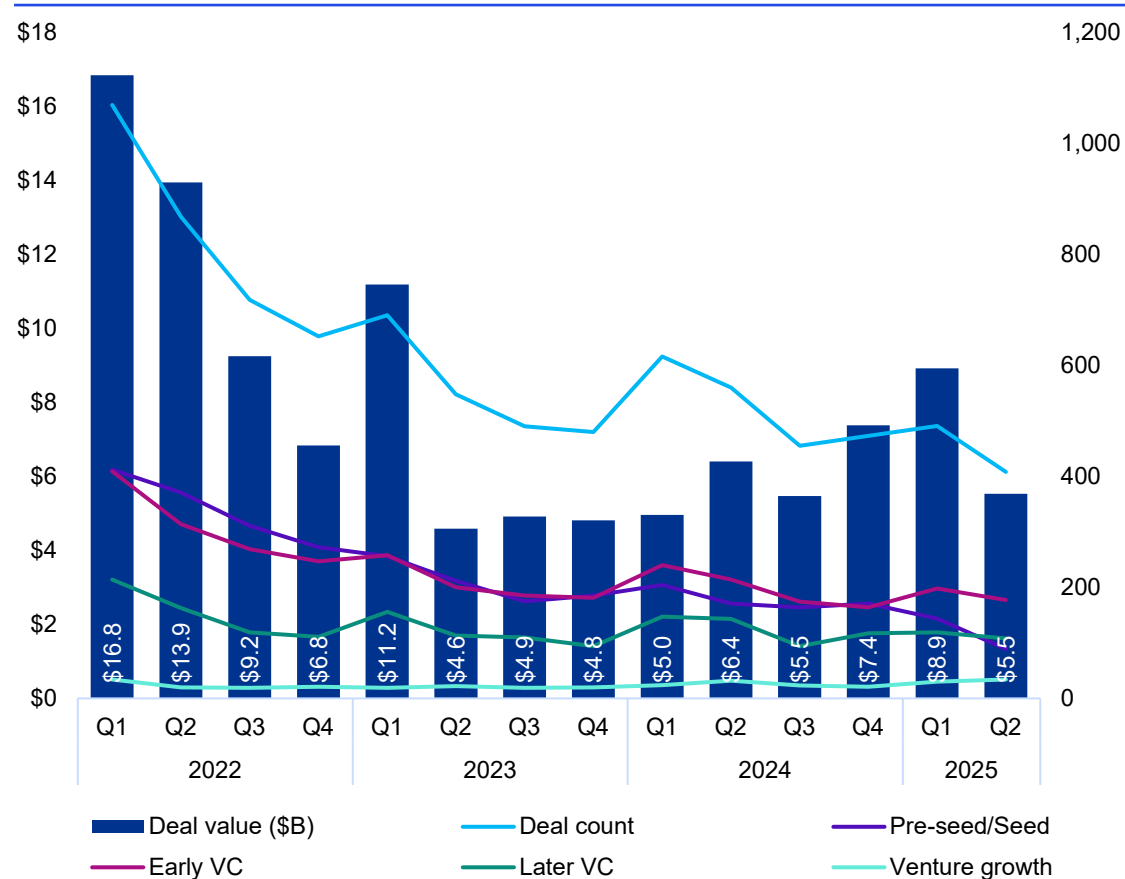


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

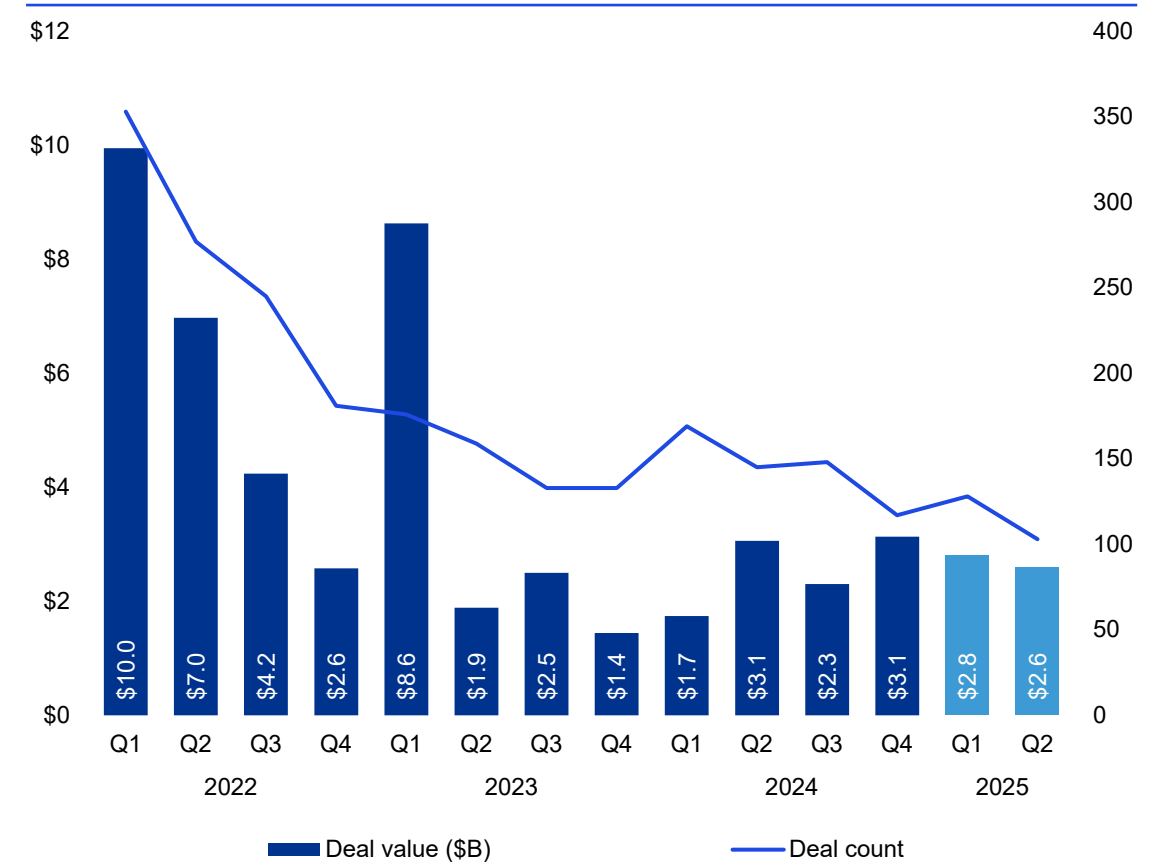
Regional insights — Americas

Corporates keep propping up venture financing tallies

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



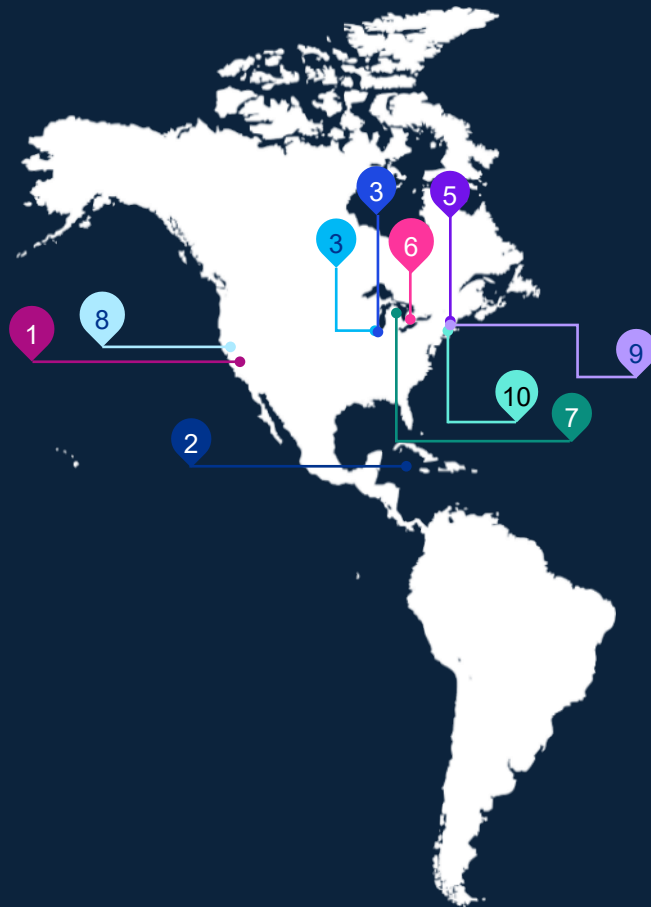
VC activity in fintech with corporate participation in the Americas 2022-2025*



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

Americas

Top 10 fintech deals in the Americas in H1 2025



1. **Next Insurance** — \$2.6B, Palo Alto, US — Insurtech — *M&A*
2. **Binance** — \$2B, George Town, Cayman Islands — Digital assets — *Late-stage VC*
3. **NinjaTrader** — \$1.5B, Chicago, US — Investment management — *M&A*
3. **Enfusion** — \$1.5B, Chicago, US — Wealthtech — *M&A*
5. **Hidden Road** — \$1.25B, New York, US — Digital assets — *M&A*
6. **Converge Technology Solutions** — \$916.5M, Toronto, Canada — Fintech services — *Take-private*
7. **SafeSend** — \$600M, Ann Arbor, US — B2B/back-office — *M&A*
8. **Plaid** — \$575M, San Francisco, US — Payments/transactions — *Late-stage VC*
9. **Beacon Platform** — \$560M, New York, US — Institutional/B2B — *M&A*
10. **Brigit** — \$460M, New York, US — Consumer finance — *M&A*

Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

03

In H1 2025, funding in
fintech companies in
Europe, Middle East and
Africa (EMEA) recorded
\$13.7B with 759 deals

Regional insights — EMEA

EMEA bucks global trend as fintech investment rises to \$13.7 billion

The EMEA region stood apart in H1'25, with fintech investment growing from \$11.1 billion across 780 deals to \$13.7 billion across 759 deals. The UK accounted for the largest share of this investment, including eight of the ten largest deals in H1'25, including the \$3.2 billion buyout of UK-based investment data-focused company Preqin by BlackRock,⁴⁸ a \$500 million VC raise by global payments processing firm Rapyd Financial Network,⁴⁹ and a \$500 million PE investment in fintech platform company FNZ group.⁵⁰ France attracted the second largest deal in H1'25 — the \$1.7 billion take-private of AI-powered financial process solutions company Esker by Bridgepoint.⁵¹

The largest deal in the Middle East was a \$160 million VC by Saudi Arabia-based financial services and shopping-focused app Tabby,⁵² while in Africa it was a \$55 million VC raise by South Africa based payments infrastructure company Stitch.⁵³

Key H1'25 highlights from the EMEA region include:

UK and France attract largest shares of fintech investment in H1'25

The UK attracted over half of all fintech funding in the EMEA region during H1'25, with \$7.3 billion in investment compared to \$4.8 billion in H2'24. A large share of this investment came from an increase in M&A activity, driven in part by bigger players buying up struggling fintechs. France, meanwhile, saw investment double from \$974.4 million to \$2.3 billion between H2'24 and H1'25. Other mature jurisdictions in Europe saw fintech investment decline, including Germany — from \$1.2 billion to \$651.2 million, and the Nordics region — from \$297.2 million to \$180.5 million. The Middle East, a rapidly emerging fintech hub, saw both fintech investment and deal volume rise from \$514.3 million across 69 deals to \$563.9 million across 77 deals.

“At the upper end of the UK market, we're seeing a noticeable uptick in deal activity. Fundraising is happening, but it's far more strategic than in previous cycles — investors are being selective, focusing on opportunities with long-term value. Areas like AI and digital assets are drawing particular interest, where the potential for sustained growth and strategic advantage is clear.”



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

⁴⁸ Morningstar. "BlackRock's \$3.2 Billion Acquisition of Data Provider Preqin Cleared by U.K. Regulator," 12 February 2025.

⁴⁹ Fintech Boostup. "Rapyd Secures \$500M Funding at a \$4.5B Valuation to Finalize \$610M Acquisition of PayU,"

⁵⁰ FNZ. "FNZ raises US\$500 million in new capital from existing shareholders to support long-term sustainable growth," 5 April 2025.

⁵¹ PE Hub. "Bridgepoint wraps up tender offer for Esker alongside General Atlantic," 5 February 2025.

⁵² TechCrunch. "Tabby doubles valuation to \$3.3B in \$160M funding as it looks beyond BNPL and plans IPO," 11 February 2025.

⁵³ PYMNTS. "South Africa's Stitch Raises \$55 Million to Expand Enterprise Payments Infrastructure," 15 April 2025.

Regional insights — EMEA

Flight to quality among fintech investors

In Europe, there continued to be a flight to quality in H1'25 — with investors focusing on later stage companies with proven business models that have been able to show they can make a profit and scaleups with very strong value propositions. During H1'25 for example, France-based accounting software firm Pennylane raised \$81 million — earning it coveted unicorn status; the firm is set to break even by the end of 2025.⁵⁴ Larger growth rounds include Scalable Capital securing \$175m in a Series E round from Sofina, Balderton Capital and Tencent,⁵⁵ and Quantexa raising \$175m from a.o. Warburg Pincus.⁵⁶

MiCA providing regulatory certainty for digital assets and currency firms

As of 2025, the EU's Markets in Crypto Assets (MiCA) regulatory framework became fully applicable, providing regulatory certainty to digital assets and currency firms operating in the EU. Since January, there has been a surge in MiCA license activity from both traditional finance institutions

and crypto-native firms; BBVA, Commerzbank, and Société Generale's Forge are there next to established crypto actors like Coinbase, Circle, and Kraken activating their new MiCA licenses. In H1'25, large US-based crypto exchange Coinbase was granted a license in Luxembourg, giving it regulatory stature needed to extend its reach across Europe, and driving it to shift its regional headquarters to Luxembourg from Ireland.⁵⁷ In the UK, HM Treasury published draft legislation for a comprehensive digital assets and currencies regulatory regime, and the FCA launched consultations on digital asset regulation.

Fintech investors focused on operational AI

Within the EMEA region, AI continued to gain steam among investors and corporates during H1'25. The vast majority of this focus has been on operational applications as companies look to reduce costs and improve efficiencies. AI-driven solutions for AML/KYC functions has been a particular focus for corporates, in addition to the use of AI agents to help with payments and other value chain activities.

“EU regulatory compliance is complex, raising costs and stifling innovation, as noted in the Draghi report. Starting in 2025, the European Commission plans to implement measures like regulatory simplification, expanded sandboxes, and substantial additional funding through TechEU and the European Innovation Council. I am optimistic that these steps will unlock new opportunities and drive fintech growth and innovation.”



Dave Remue
Director, Head of Fintech
KPMG in Belgium

⁵⁴ CNBC. "French fintech Pennylane doubles valuation to \$2.2 billion as Alphabet's venture capital arm takes stake," 7 April 2025.

⁵⁵ Munich Startup. "Scalable Capital raises 155 million euros," 5 June 2025.

⁵⁶ Quantexa. "Quantexa Completes USD 175 million Series F Investment Round, led by Teachers' Venture Growth," 5 March 2025.

⁵⁷ CryptoSlate. "Coinbase secures MiCA approval, shifts headquarters to Luxembourg," 20 June 2025.

Regional insights — EMEA



Trends to watch for in H2'25

- Expansion of open banking and open finance in the UK to allow for data to be used for payments purposes as well.
- Increasing exploration of tokenization and trading of all manner of digital assets as actors leverage the regulatory certainty of MiCA and the long-awaited regulation in the UK market. Innovations in tokenized collateral management, such as the Euroclear-Canton project, will trigger further institutional applications.
- A shift in the value chain, with payments companies getting more into the banking and core banking infrastructure space.
- Growing number of fintechs targeting B2B payments and “office of the CFO” to reduce costs, increase efficiencies, and cut down on intermediaries.
- Regulators in Europe moving the Digital Euro to the forefront in order to potentially stave off US dollar denominated stablecoins dominating financial markets.

“ AI is playing an increasingly central role in regtech. A growing number of startups are deploying AI-driven solutions to support compliance, regulatory interpretation, reporting, ESG disclosures, KYC/AML processes, and fraud detection. Many of these tools are already in full production — AI is no longer experimental in this space; it's becoming a trusted and widely adopted part of the regulatory technology landscape. ”

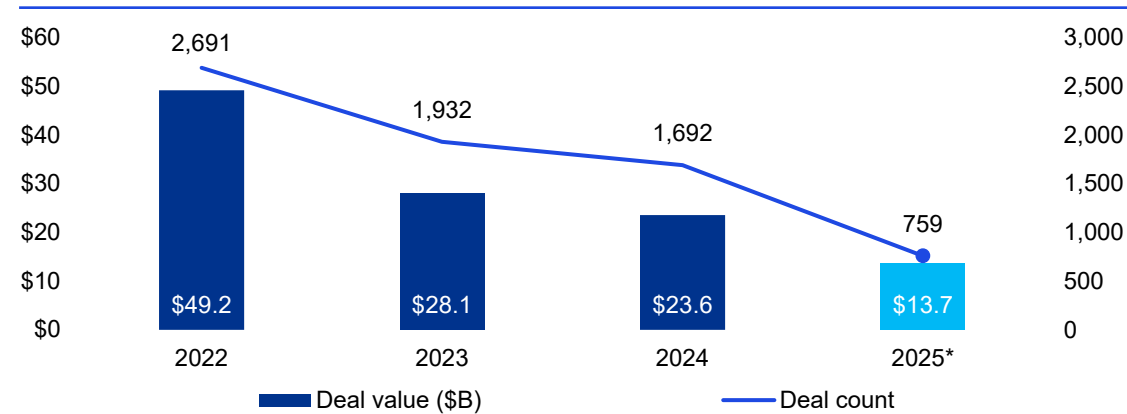


Martijn Berghuijs
Partner, Payments and Fintech
KPMG in the Netherlands

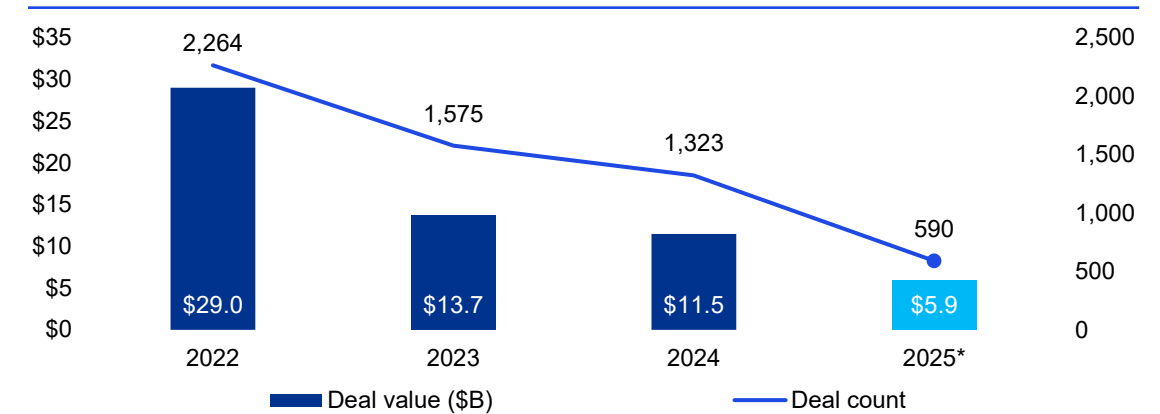
Regional insights — EMEA

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

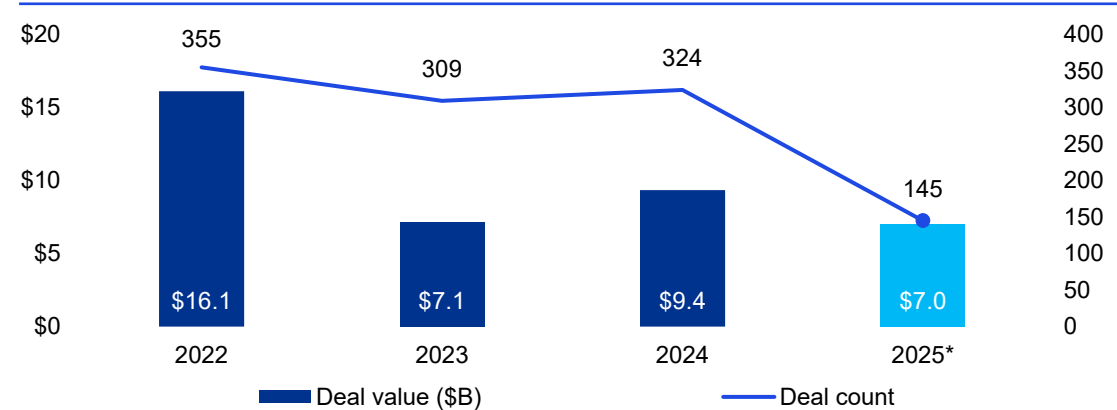
Total funding activity (VC, PE and M&A) in fintech in EMEA 2022-2025*



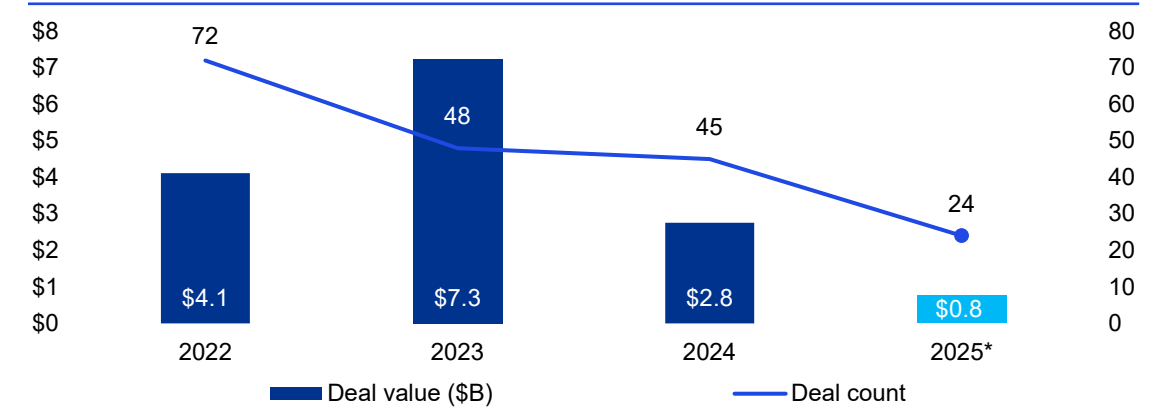
Venture capital funding activity in fintech in EMEA 2022-2025*



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



PE growth activity in fintech in EMEA 2022-2025*

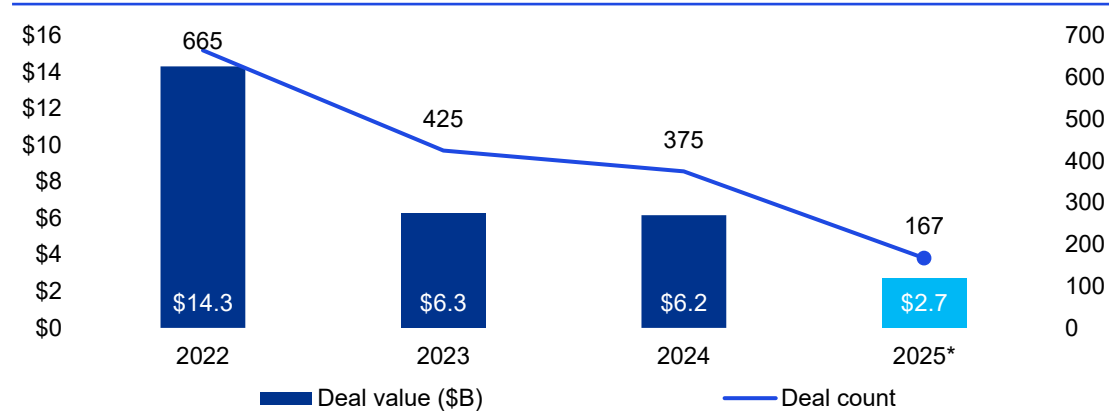


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

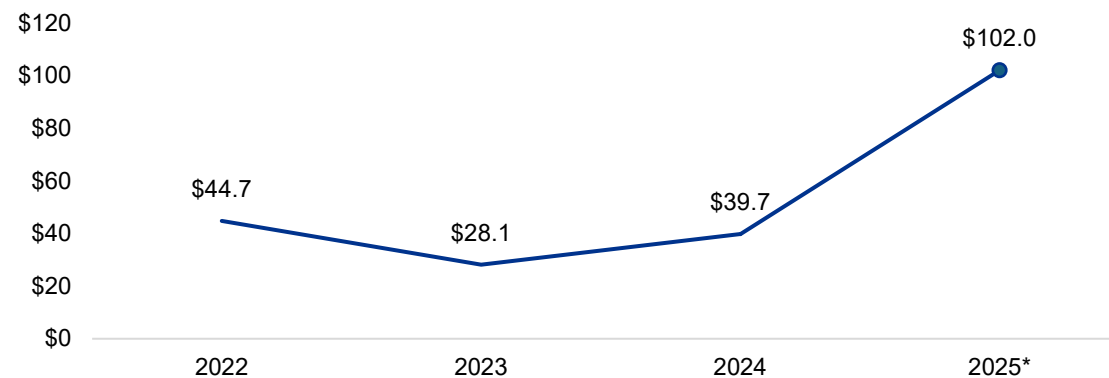
Regional insights — EMEA

Although sample sizes are small amid sluggish volume, the deals that can close can attract hefty valuations

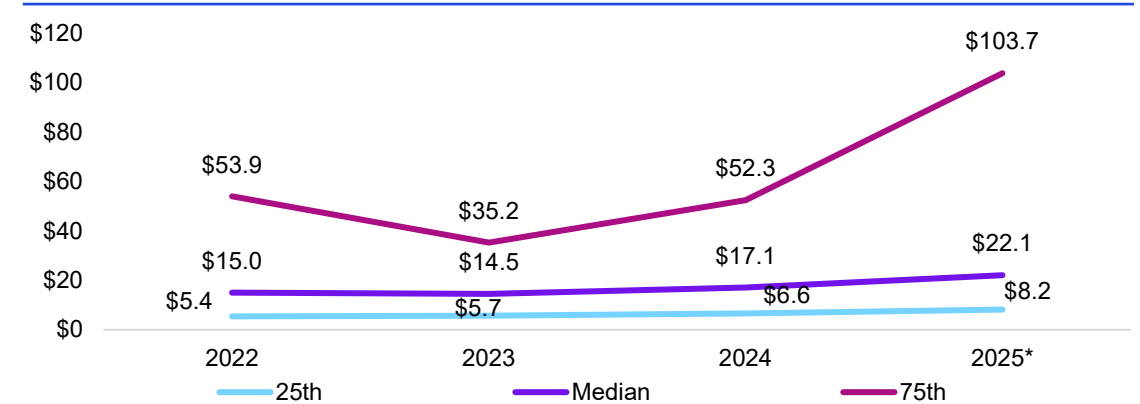
VC activity in fintech with corporate participation in EMEA 2022-2025*



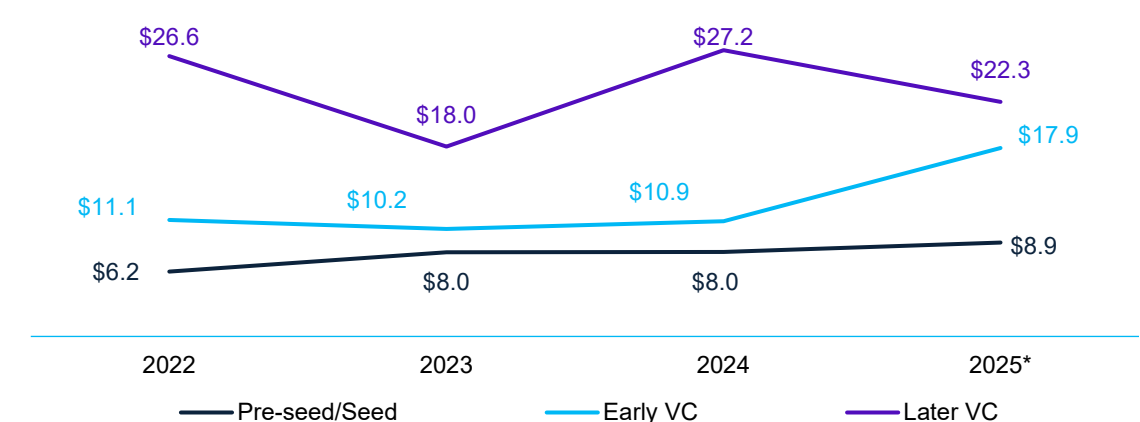
Median M&A size (\$M) in fintech in EMEA 2022-2025*



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



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

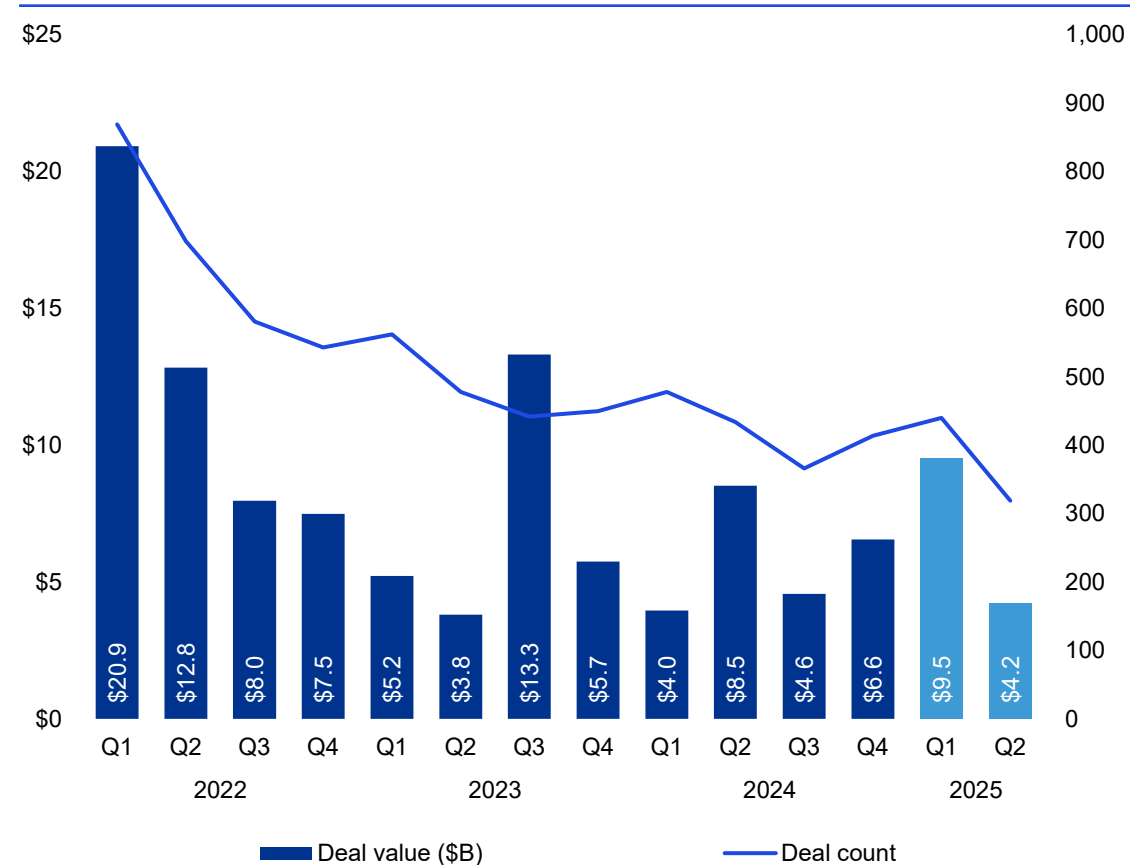


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.
The 2023 and 2024* venture growth figures for median pre-money valuations and the 2025* median M&A figure are based on a non-normative population size.

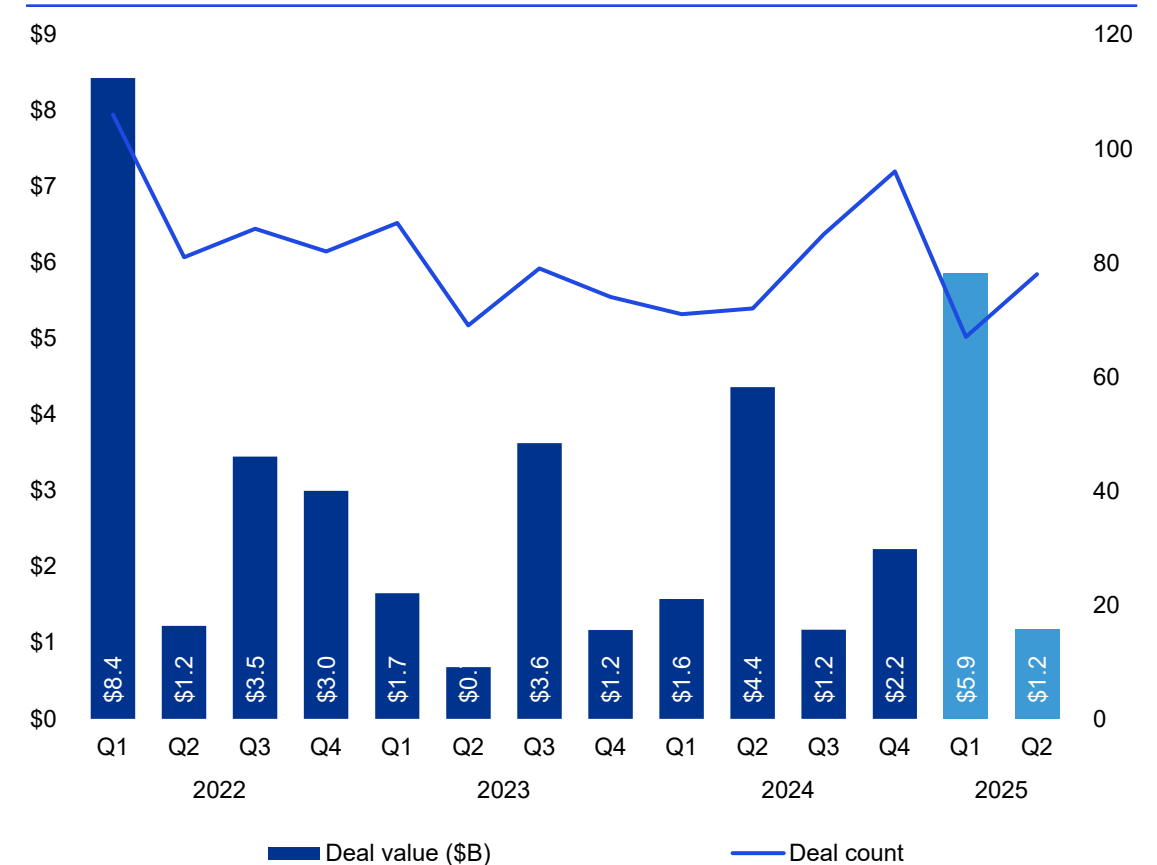
Regional insights — EMEA

After a much more robust Q1, deal value retreats even though volume remains healthy

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



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

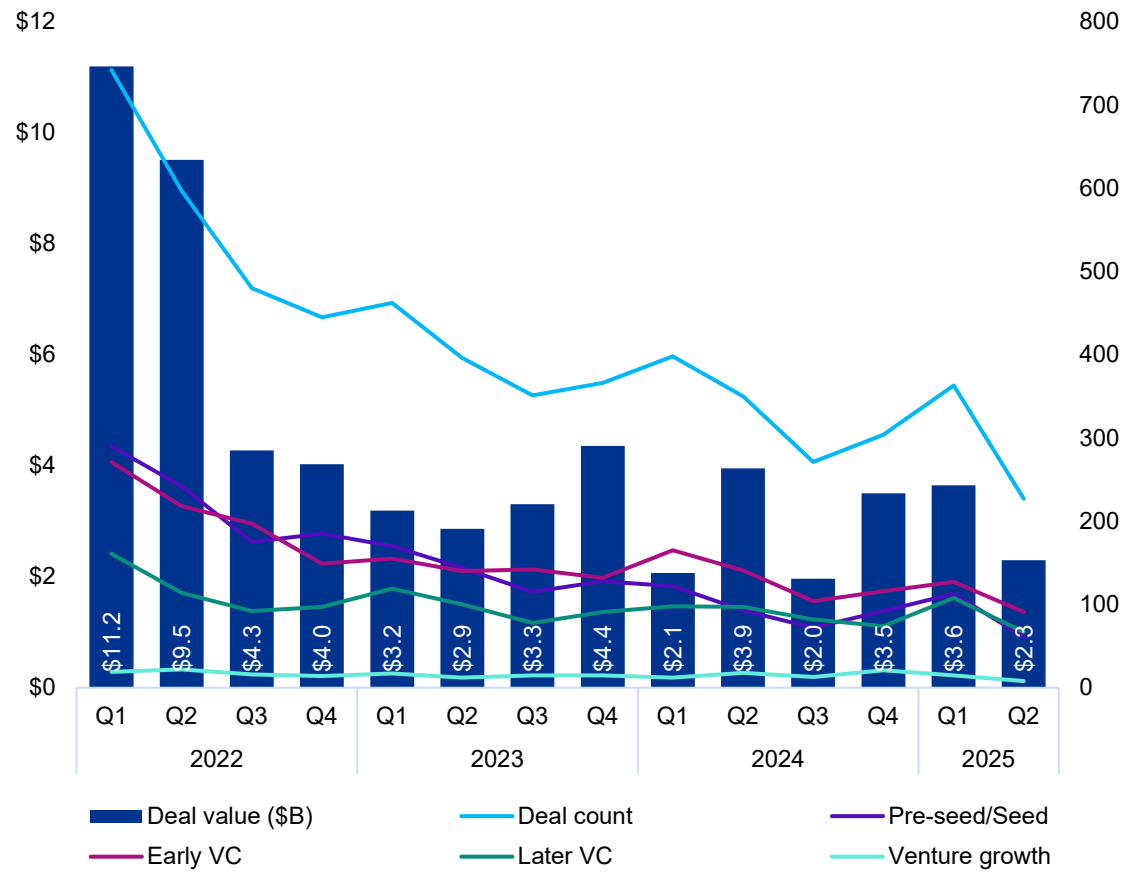


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Regional insights — EMEA

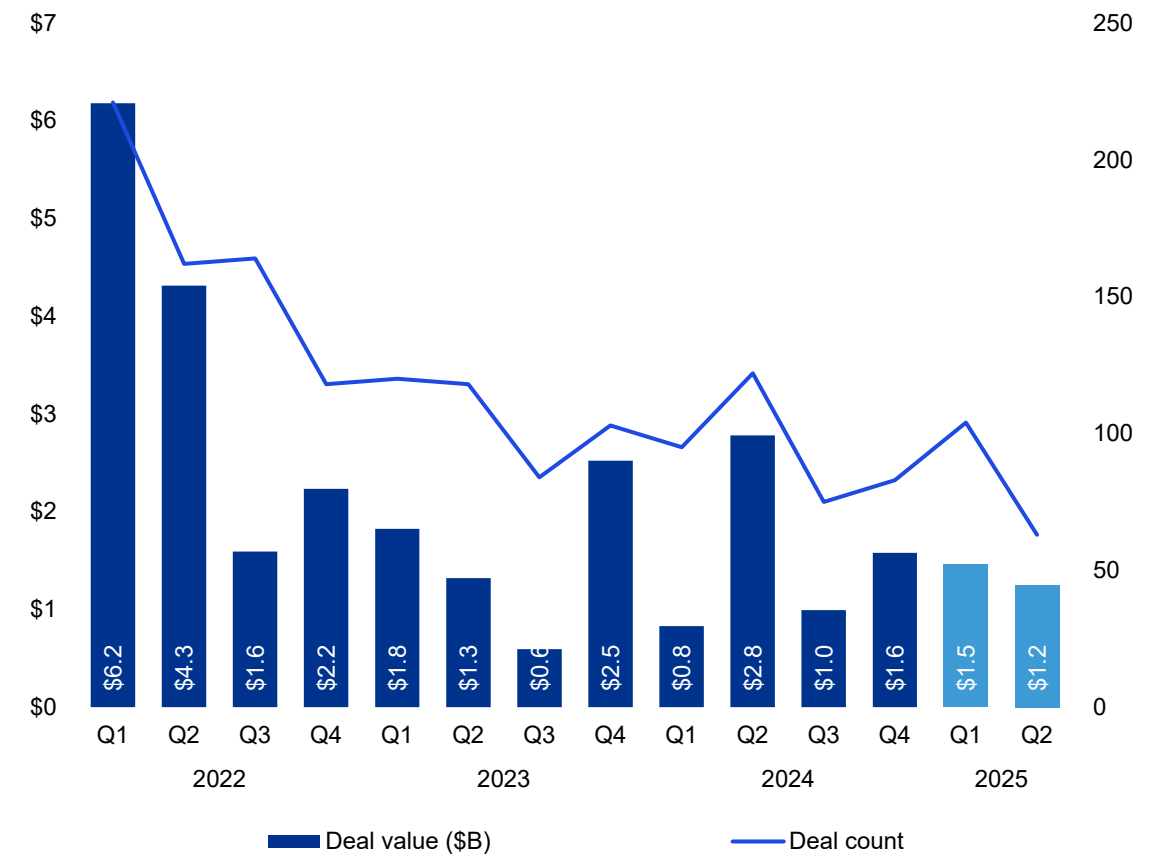
After a relatively robust Q1, VC invested retracts

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

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



EMEA

Top 10 fintech deals in EMEA in H1 2025



1. **Preqin** — \$3.2B, London, UK — Information — *Buyout*
2. **Esker** — \$1.7B, Villeurbanne, France — B2B/back-office — *Take-private*
3. **Rapyd Financial Network** — \$500M, Takeley, UK — Payments/transactions — *Late-stage VC*
4. **FNZ Group** — \$500M, London, UK — Wealthtech — *PE growth*
5. **Multifonds** — \$400M, Strassen, Luxembourg — Institutional/back-office — *Corporate divestiture*
6. **Equals Group** — \$366.3M, London, UK — Payments — *Take-private*
7. **XY Miners** — \$300M, Brighton, UK — Digital assets — *Series B*
8. **Eckoh** — \$209.9M, Hemel Hempstead, UK — Security — *Take-private*
9. **Bitstamp** — \$200M, London, UK — Digital assets — *M&A*
10. **Freetrade** — \$195.9M, London, UK — Wealthtech — *M&A*

Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

04

In H1 2025, fintech
companies in
Asia Pacific (ASPAC)
recorded \$4.3B with
363 deals

Regional insights — ASPAC

Fintech funding in ASPAC region falls, remains very weak

In the ASPAC region, both fintech investment and deal volume remained very weak, with just \$4.3 billion in investment across 363 deals during H1'25, compared to \$7.3 billion across 444 deals in H2'24. Q1'25 saw particularly poor results, with investment falling to \$1.6 billion — a level not seen in over 10 years.

Deal sizes in the ASPAC region remained relatively low, with only seven \$100 million+ megadeals during H1'25 — the \$571.4 million acquisition of Japan-based robo advisory firm WealthNavi by MUFG,⁵⁸ Cango's sale of its China-based legacy business to Ursalpha Digital Limited for \$351.9 million,⁵⁹ a \$301 million raise by Airwallex,⁶⁰ a \$200 million raise by India-based investment platform Groww,⁶¹ a \$171.8 million by India-based asset financing company IKF Finance,⁶² and \$150 million and \$147 million VC raises by Singapore-based payments infrastructure company Thunes⁶³ and insurtech-as-a-service firm Bolttech respectively.⁶⁴

Key H1'25 highlights from the Asia-Pacific region include:

Emerging markets continuing to see activity, as other jurisdictions falter

Within the ASPAC region, a significant amount of fintech activity that occurred in H1'25 centered on emerging markets. India, in particular, saw the greatest volume of deals in the region during the first half despite a small decrease from H2'24 — with 99 deals accounting for \$1.5 billion in investment in H1'25, compared to 108 deals accounting for \$1.6 billion in H2'24. Much of India's fintech

investment came from VC raises, including the \$200 million raise by Groww, the \$171.8 million raise by IKF Finance, a \$78 million raise by contactless payments solutions firm ToneTag,⁶⁵ a \$77.7 million raise by digital lender Flexiloans,⁶⁶ a \$75 million raise by rural-focused loan platform Jai Kisan. Other jurisdictions saw less robust activity — with Japan attracting \$760.5 million across 39 deals, Australia attracting \$142.4 million across 31 deals, and China attracting \$423 million across 22 deals.

“ Just six months ago, much of the conversation in financial services centered around small language models. Today, the focus has shifted to AI agents and their potential applications across the sector. A number of fintechs are actively developing in this space, which is evolving at a rapid pace. While still early stage, we may begin to see more mature AI agent use cases emerging. ”



Andrew Huang
Partner, Head of Fintech
KPMG China

⁵⁸ Reuters. "Japan's MUFG to spend over \$660 million to buy robo-adviser WealthNavi," 29 November 2024.

⁵⁹ PR Newswire Canada. "Cango Inc. Completes PRC Business Sale, Strengthens Board to Drive Global Bitcoin Focus," 29 May 2025.

⁶⁰ Airwallex. "Airwallex raises \$300 million at a \$6.2 billion valuation to build the future of global banking," 21 May 2025.

⁶¹ Inc42. "Groww Closes \$200 Mn Funding Round Ahead Of IPO," 13 June 2025.

⁶² DealStreetIndia. "171.7 million by India-based asset financing company IKF Finance," 15 May 2025.

⁶³ FinTech Global. "Global payments FinTech Thunes raises \$150m Series D led by Apis Partners and Vitruvian Partners," 28 April 2025.

⁶⁴ TechCrunch. "Bolttech closes Series C at \$147M with a \$2.1B valuation to bolster its embedded insurance offerings," 4 June 2025.

⁶⁵ Entracker. "Amazon-backed ToneTag secures \$78 Mn after 7-year hiatus," 11 February 2025.

⁶⁶ Accion. "FlexiLoans Raises \$80Mn in 6 Months, Closes Latest ~\$45Mn in Series C Round to Empower Indian MSMEs," 11 June 2025.

Regional insights — ASPAC

Hong Kong (SAR), China starting to attract fintech IPO activity

During H1'25, the IPO market in Hong Kong (SAR), China, started to come back for fintech companies; insurtech companies appeared first off the mark to take advantage, with a number listing or filing plans to list heading into the second half of the year. One of the most notable of these was FWD Group — an innovative ASPAC-focused insurance company — which was set for an imminent IPO at the end of H1'25 after several years of delays.⁶⁷

Fintech investors focusing on returns, although lending starting to see new interest

Fintech investors in mature jurisdictions in the ASPAC region, including Australia, put a major focus on profitability and the ability of companies to generate returns in H1'25 — with many investments focusing on proven, high-quality companies. Many corporates have also turned their attention internally to

focus on cost-cutting initiatives given global and macroeconomic uncertainties. One area that saw a bit of renewed interest from investors during H1'25 was lending — particularly non-bank lending — although this interest hasn't come through in investments as of yet.

Stablecoins seeing regulatory attention in ASPAC

In H1'25, stablecoins and tokens were a growing topic of conversation in the fintech sector in the ASPAC region — driven in part by the rising interest globally. Hong Kong (SAR), China, was the epicentre of activity during H1'25 to some degree; in May, it passed a Stablecoins Bill to provide a robust regulatory regime for stablecoins, including a new licensing regime.⁶⁸ The Hong Kong Monetary Authority also issued draft guidelines for stablecoin issuers⁶⁹ and proposed AML requirements during H1'25.⁷⁰ The Central Bank of China is closely monitoring the issuance of stable coins in light of activities globally and in Hong Kong (SAR), China.

“Across much of the ASPAC region — excluding high-growth markets like India — we're seeing signs of economic stagnation, with productivity plateauing and limited top-line growth. As a result, many corporates are prioritizing internal cost efficiencies over expansion. This shift has tempered appetite for acquiring new capabilities or innovative products, with a stronger focus now on managing capital expenditures and driving value through operational discipline.”



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

⁶⁷ Yahoo Finance. "FWD Group targets \$442m in Hong Kong IPO," 27 June 2025.

⁶⁸ Hong Kong Monetary Authority. "Government welcomes passage of the Stablecoins Bill," 21 May 2025.

⁶⁹ Hong Kong Monetary Authority. "Stablecoins Ordinance: Draft Guideline on Supervision of Licensed Stablecoin Issuers," May 2025.

⁷⁰ Hong Kong Monetary Authority. "Consultation Paper on the Proposed AML/CFT Requirements for Regulated Stablecoin Activities," 26 May 2025.

Regional insights — ASPAC



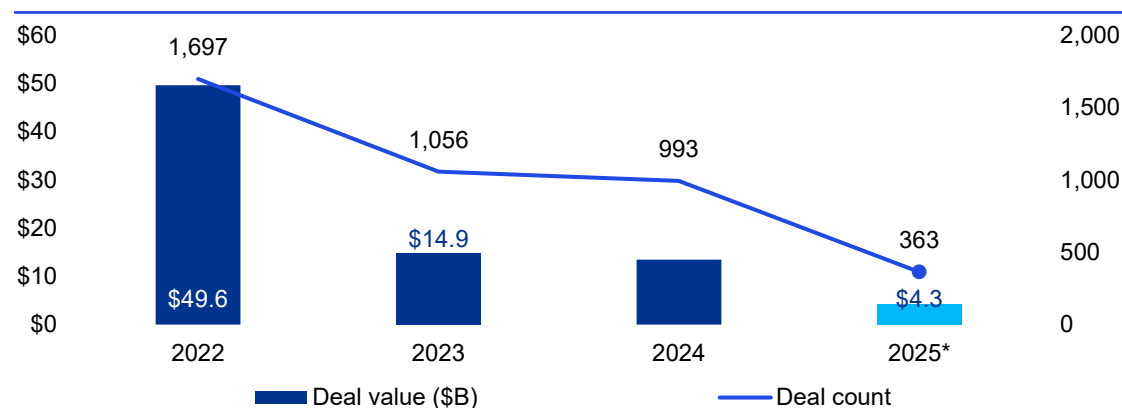
Trends to watch for in H2'25

- Stablecoins and tokenized money continuing to attract robust interest within central banks, commercial banks, payment service providers and MNC (multinational corporation) platforms.
- Financial market infrastructure (FMI) continuing to modernize across payments, national registries and digital identity domains
- Continued focus on the five-finance strategy in China, with traditional financial institutions increasingly embracing fintech and working with fintechs to offer small finance and embedded finance.
- Data management and generative AI priorities for central banks and financial regulators driving intense interest within incumbent financial institutions.
- Core banking renewal investments across tier 2 and tier 3 banks in Australasia and Southeast Asia.
- Fraud and financial crime platforms evolving to meet growing phishing, scams and money laundering threats.

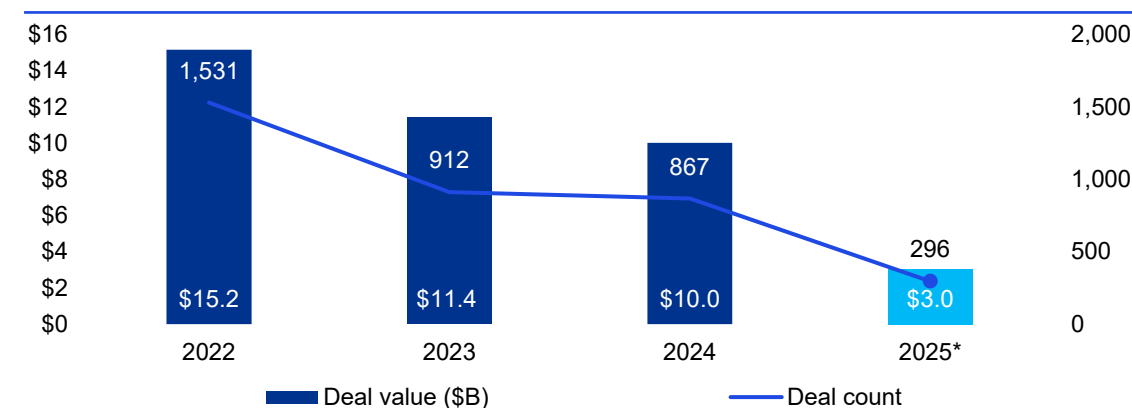
Regional insights — ASPAC

Market and macroeconomic fears still weigh on virtually every asset class

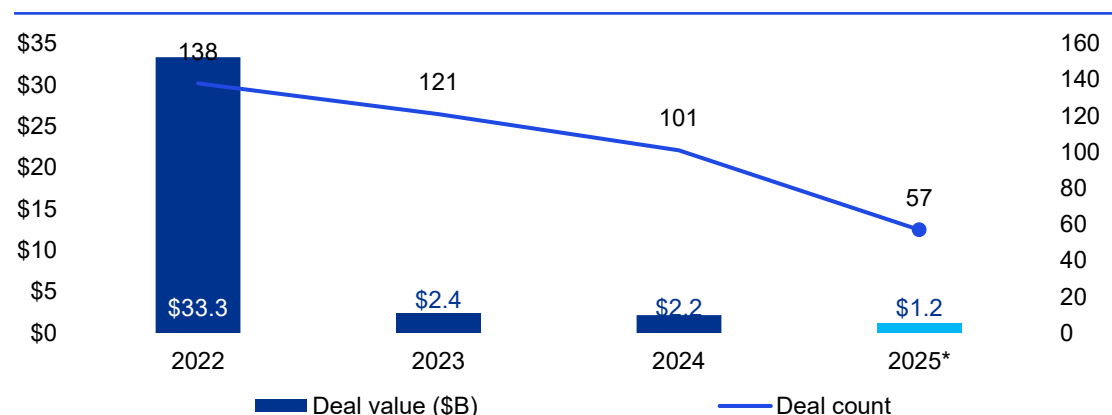
Total funding activity (VC, PE and M&A) in fintech in ASPAC 2022-2025*



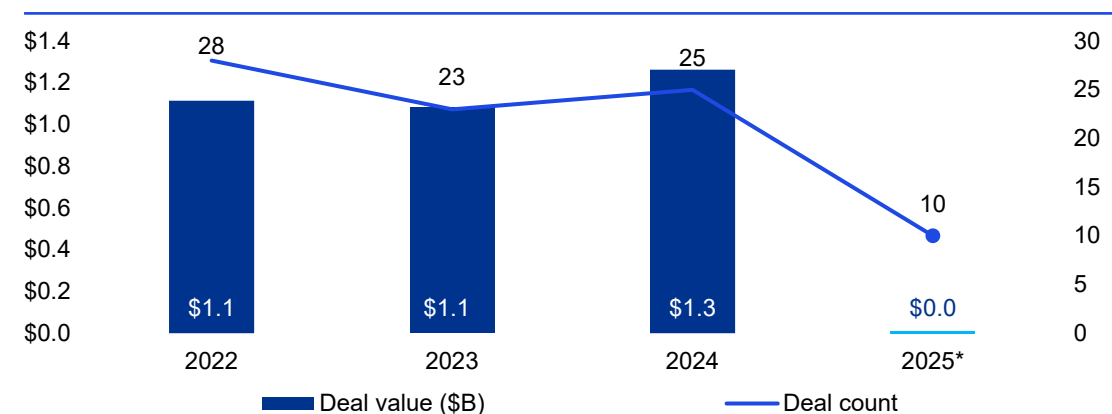
Venture capital funding activity in fintech in ASPAC 2022-2025*



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



PE growth activity in fintech in ASPAC 2022-2025*

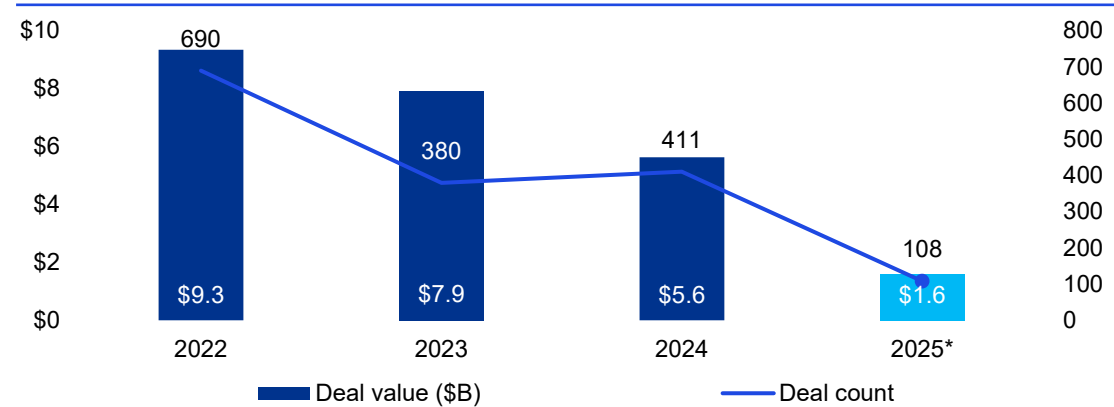


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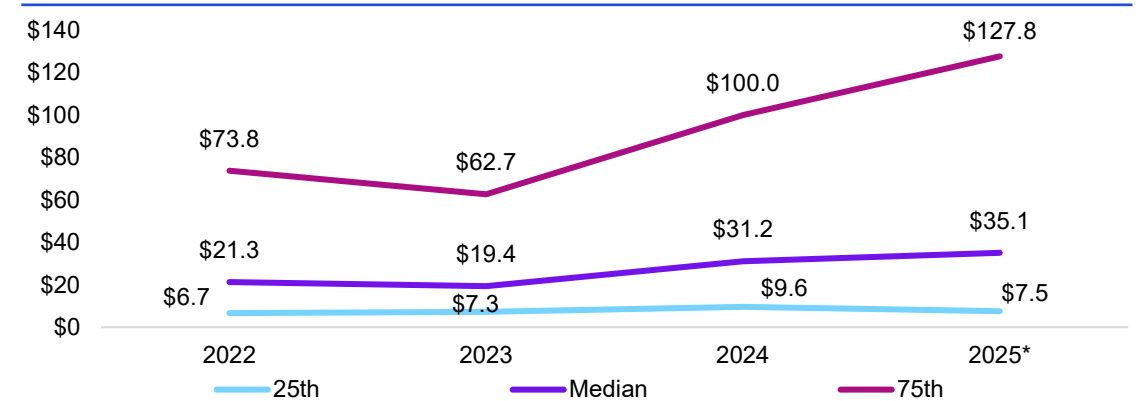
Regional insights — ASPAC

Early-stage valuations remain healthy within VC, but caution still abounds

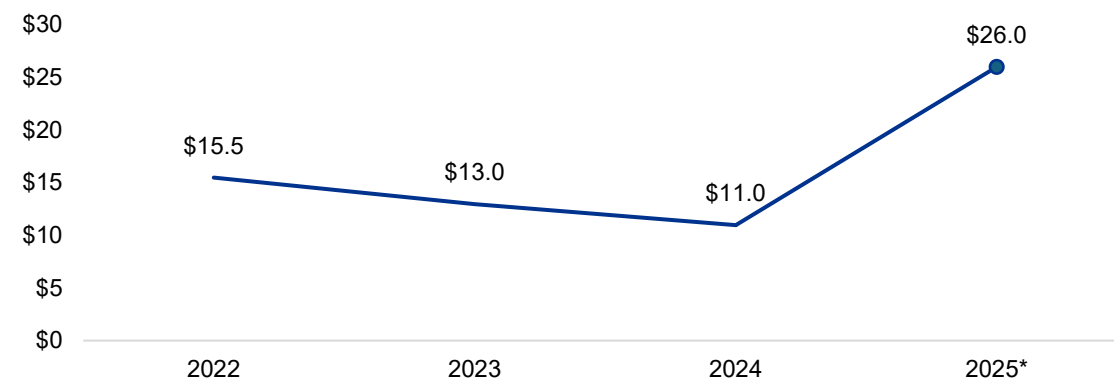
VC activity in fintech with corporate participation in ASPAC 2022-2025*



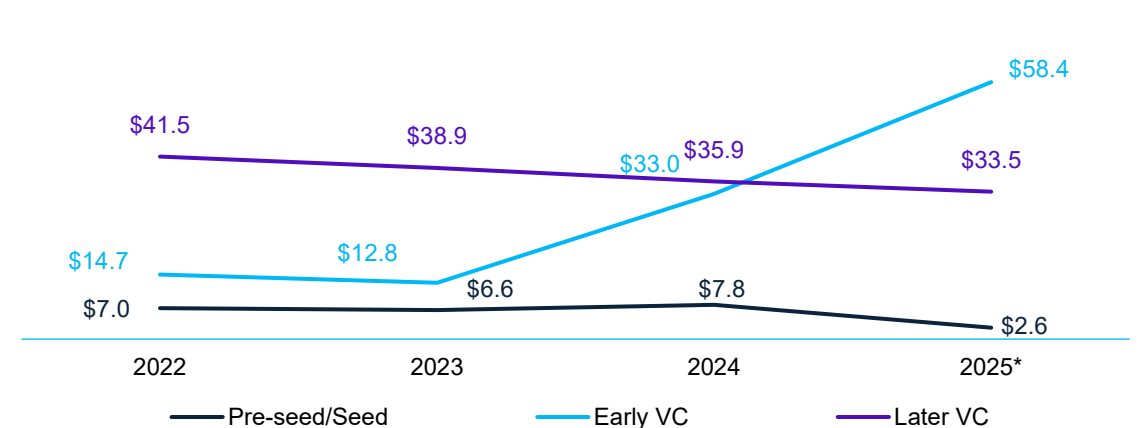
Quartile post-money (VC, PE and M&A) valuations in ASPAC 2022-2025*



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 H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025.

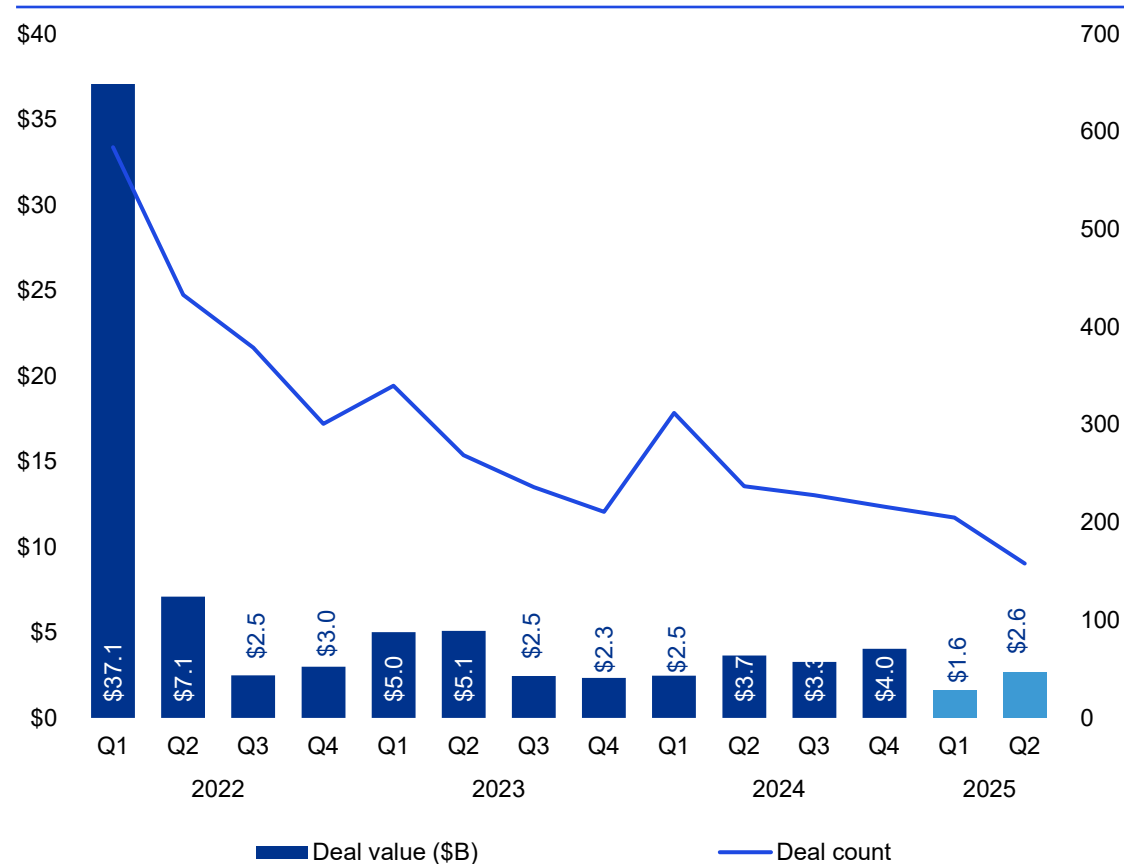
The median M&A size for 2025* is based on a non-normative population size.

The median pre-money valuations for 2025* are based on non-normative population sizes.

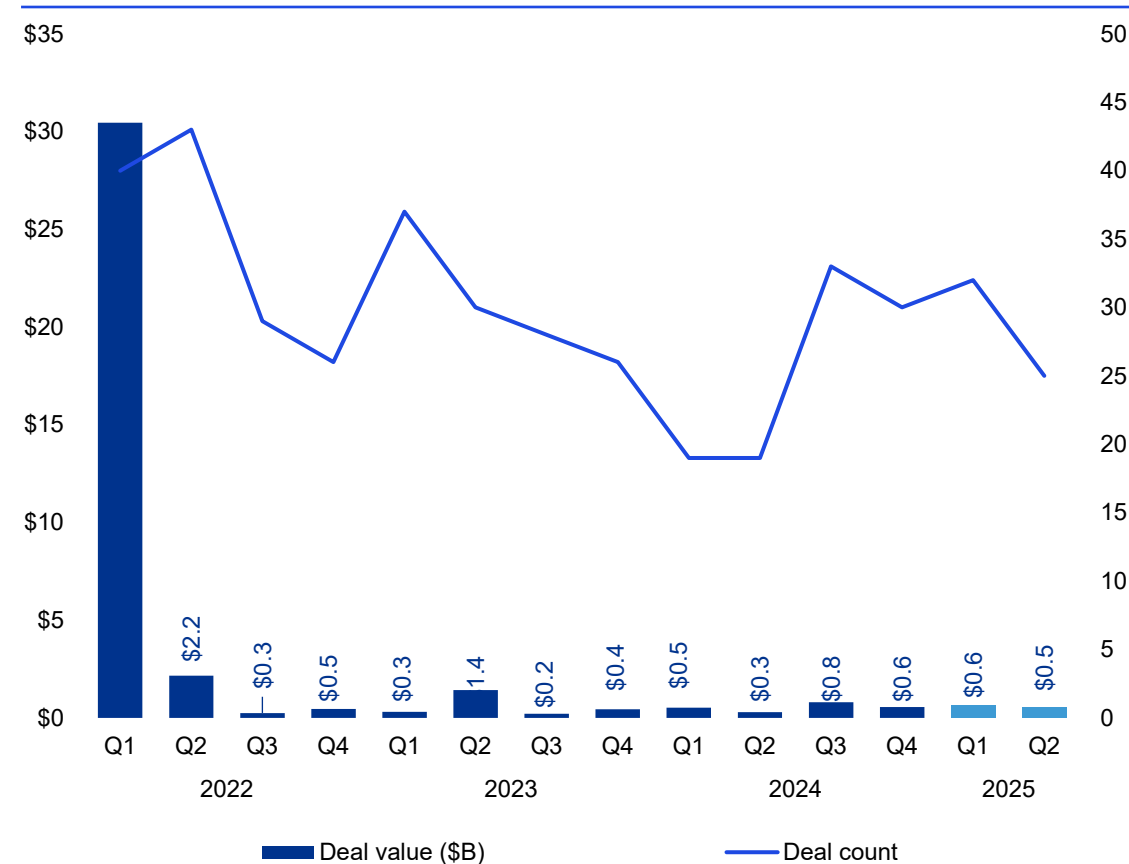
Regional insights — ASPAC

2025 remains sluggish at best

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



M&A in fintech in ASPAC 2022-2025*

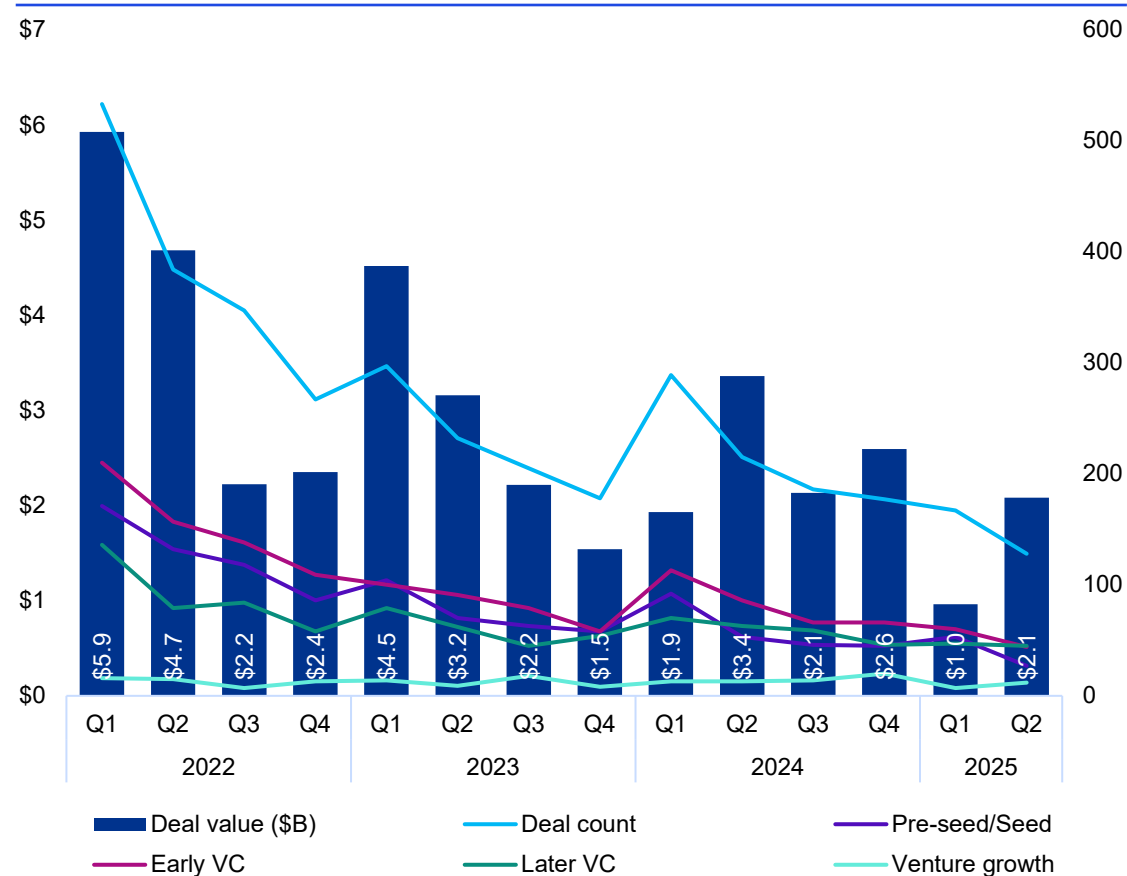


Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

Regional insights — ASPAC

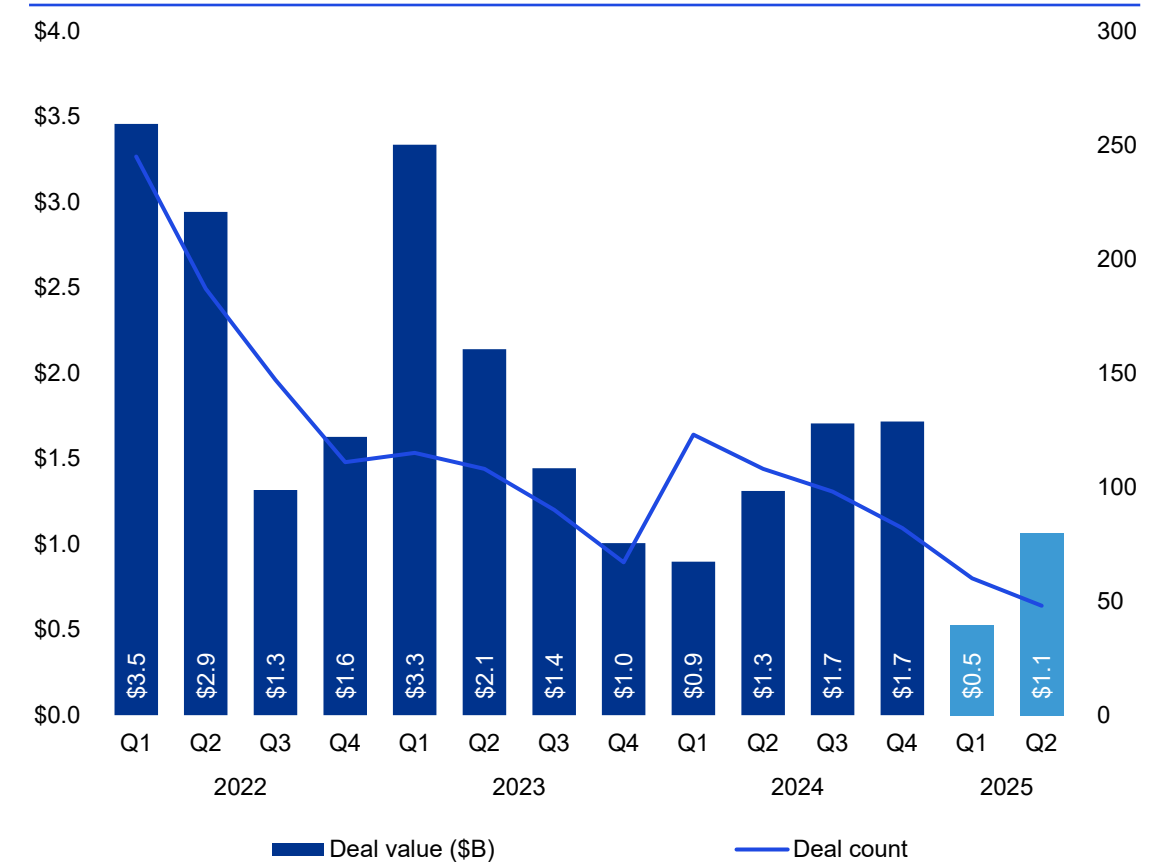
Amid a tepid market, VC activity perks up in Q2

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



Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2025

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



ASPAC

Top 10 fintech deals in ASPAC in H1 2025



1. **WealthNavi** — \$571.4M, Tokyo, Japan — Wealthtech — *M&A*
2. **Cango (PRC Business)** — \$351.9M, Shanghai, China — Digital assets — *Corporate divestiture*
3. **Airwallex** — \$301M, Singapore — Payments — *Series F*
4. **Groww** — \$200M, Bengaluru, India — Investment management — *Series F*
5. **IKF Finance** — \$171.8M, Vijayawada, India — Lending — *Late-stage VC*
6. **Thunes** — \$150M, Singapore — Payments/transactions — *Series D*
7. **Bolttech** — \$147M, Singapore — Insurtech — *Series C*
8. **Salmon Group** — \$88M, Taguig, Philippines — Institutional — *Early-stage VC*
9. **ToneTag** — \$78M, Bengaluru, India — Payments/transactions — *Series B2*
10. **Flexiloans** — \$77.75M, Mumbai, India — Lending — *Series C*

Source: Pulse of Fintech H1'25, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 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



Authors and contributors

**Anton Ruddenklau**

Lead of Global Fintech and Innovation
Financial Services
KPMG International

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

Anton has worked on the various waves of digital transformation 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**

Associate Director, Fintech
KPMG in the UK

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

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

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

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

François Assada

Partner, Head of Fintech
KPMG in France

Debarshi Bandyopadhyay

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

Martijn Berghuijs

Head of Fintech & Payments
KPMG in the Netherlands

James Brannan

Managing Director, Advisory
Financial Due Diligence
KPMG in the US

Erich Braun

Partner, Audit
KPMG in the US

Dubie Cunningham

Partner, Banking and Capital Markets
KPMG in Canada

Samantha Dann

Manager, Program Delivery
KPMG International

Kate Dawson

Director, KPMG's EMA FS Regulatory
Insights Centre (RIC)
KPMG in the UK

Hannah Dobson

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

Leah Fegan

Director, Global Marketing
Financial Services
KPMG International

Karim Haji

Global Head of Financial Services
KPMG International

Andrew Huang

Partner and Head of Fintech
KPMG China

Kenji Hoki

Director, Financial Services
KPMG in Japan

Charlie Jacco

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

Timothy Johnson

Global Head of Deal Advisory
Financial Services
KPMG International

Paul McSheaffrey

Partner, Financial Services
KPMG China

Ram Meon

Global Lead of Deal Advisory
Insurance
KPMG International

Matteo Musso

Associate Director, Risk Services
Banking & Capital Markets
KPMG Australia

Ilanit Adesman Navon

Partner, Head of Insurance and Fintech
KPMG in Israel

Leon Ong

Partner, Financial Services Advisory
KPMG in Singapore

Erick Palencia

Head of Consulting
KPMG in Chile

Georges Pigeon

Partner, Deal Advisory
KPMG in Canada

Carolina Pourrat

Manager, Advisory
KPMG in Chile

Dave Remue

Director and Head of Fintech
KPMG Advisory
KPMG in Belgium

Stanley Sum

Head of Digital and Technology
Enablement
KPMG China

Lauren Taylor

Associate Director, Fintech
KPMG in the UK

Daniel Teper

Partner, M&A and Head of Fintech
KPMG Australia

Courtney Trimble

Global Lead, Payments
KPMG International

About the report

Methodology

The underlying data and analysis for this report (the 'Dataset') was provided by PitchBook Data, Inc ('PitchBook') on 30 June 2025 and utilizes their research and classification methodology for transactions as outlined on their website at <https://pitchbook.com/news/articles/pitchbook-report-methodologies>. The Dataset used for this report considers the following funding transactions types: Venture Capital (including corporate venture capital) (VC), private equity (PE) funding and mergers and acquisitions (M&A) for the fintech vertical within the underlying PitchBook data. Family and friends, incubator and accelerator type funding rounds are excluded from the Dataset.

Due to the private nature of many of the transactions, the Dataset cannot be definitive, but is an estimate based on industry-leading practice research methodology and information available to PitchBook at 30 June 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. Acquisition financing transactions will be included as of June 2023 if they do not fall under the PE growth transactional umbrella.

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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