Pulse of Fintech H1 2026

Global analysis of fintech funding

KPMG. Make the Difference.

August 2026

Welcome message

The global fintech sector continues to mature as companies scale their operations, broaden their product offerings and expand into new markets.

In H1’26, we saw investment in fintech continue to gain momentum, building on the strong results seen during 2025. Global fintech investment across VC, PE and M&A rose from $72.2 billion in H2’25 to $103.1 billion in H1’26, putting it on track for a four-year investment high. Deal volume remained quite soft, however, with just 2,100 deals globally in H1’26 compared to 2,500 in H2’25 as investors continued to concentrate their capital on large deals centered around mature fintechs with well-proven business models. The top ten deals alone accounted for 62 percent of fintech investment ($64 billion) during H1’26, led by the acquisition of US-based Worldpay by Global Payments for $24.3 billion and the acquisition of Global Payments’ Issuer Solutions Business (also known as Total System Services) by FIS for $13.5 billion.

The Americas drove the strong uptick in global fintech investment, attracting $86.9 billion during H1’26, of which the US accounted for $80.8 billion. Meanwhile, the EMEA and ASPAC regions both saw fintech investment slide during H1’26, attracting just $11.3 billion and $4.6 billion, respectively. A combination of factors, including ongoing geopolitical tensions, the outbreak of war in the Middle East and concerns related to inflation and interest rates, likely kept investors in these regions very cautious.

The payments space accounted for the largest share of fintech investment globally in H1’26 ($44.7 billion), driven in large part by the Worldpay acquisition, followed by the digital assets space ($11.1 billion), insurtech ($3.7 billion) and regtech ($2.9 billion). AI, however, remained a predominant theme for investors across the fintech subsectors, particularly corporates looking to drive efficiencies; during H1’26, AI-related deals attracted $21.4 billion across 800 deals, just shy of the $23.6 billion seen during all of 2025.

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

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

Unless otherwise noted, all figures quoted in this report are based on data provided by PitchBook as of 30 June 2026. See page 66 for detailed methodology. All currency amounts are in US$ unless otherwise specified.

Welcome message

Looking back over the last six months, we can see that while market sentiment has continued to improve, geopolitical, economic and regulatory uncertainties in various regions have kept investors cautious and investment highly concentrated. Key trends we saw during H1'26 included:

01

Continued strength of investment despite soft deal volume

02

Growing focus on AI, particularly AI-native fintechs

03

The quieter exit environment

04

The increasing focus on infrastructure, including for stablecoins and digital assets.

Heading into H2'26, there is a sense that the fintech market globally is standing at the cusp of a step change with respect to stablecoins and digital assets, although concerns around regulations, interoperability, security and infrastructure will likely linger for some time.

Whether you're the founder of an emerging fintech or the CEO of a financial institution or scaling company, understanding how you'll manage the risks ahead could be as important as your ability to seize opportunities. As you read this edition of *Pulse of Fintech*, ask yourself: *How can we focus on what will matter most to our future success while managing the risks that could hinder our growth and erode trust in our business?*

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Fintech market globally sees $103.1 billion in H1 2026 with 2,100 deals

Global insights

Fintech investment globally on positive trajectory with investment highly concentrated

Global fintech investment rose from $72.2 billion in H2'25 to $103.1 billion in H1'26, led by the $24.3 billion acquisition of Worldpay by Global Payments. Should this level of investment continue, the fintech market is well positioned to reach a four-year investment high by the end of the year. The strong deal value amid softer deal activity reflects fintech investors continuing to concentrate their capital on fintechs with proven business models and those viewed as market leaders.

Americas drives fintech market momentum as EMEA and ASPAC regions see softer start to the year

The Americas continued to attract the largest share of fintech funding, with total investment rising from $47.1 billion in H2'25 to $86.9 billion in H1'26. The US accounted for $80.8 billion of the H1'26 total. The strength of the US market highlights how it continues to be viewed as the trendsetter in fintech in many ways, with many other jurisdictions looking to it for fintech capabilities.

In contrast, the EMEA region saw fintech investment fall from $18.0 billion in H2'25 to $11.3 billion in H1'26. A combination of geopolitical and macroeconomic uncertainties — and domestic political and tax uncertainties in the UK — likely contributed to this softness. In the ASPAC region, fintech funding fell from $7.1 billion to $4.6 billion.

What the ASPAC numbers don't reflect, however, is the unique nature of China's mature fintech market; in China, fintech investment primarily occurs outside of traditional VC, PE and M&A activity, whether through internal corporate investments or partnerships and alliances.

Both M&A and PE investment in fintech grow between H2'25 and H1'26; VC investment holds steady

M&A accounted for the largest share of investment in H1'26, $67.9 billion across 394 deals, driven by two $10 billion+ acquisitions (Worldpay — $24.3 billion; Total System Services — $13.5 billion). Cross-border M&A activity was particularly notable, accounting for $20.2 billion of the H1'26 total as corporates and fintechs looked to expand their scale and capabilities across borders. VC investment came second with $31.5 billion invested across 1,641 deals; while a minor dip next to H2'25, the current pace would see VC investment reach a four-year high by the end of 2026.

After being quiet for some time, PE investment saw a revival in H1'26, rising from $2.7 billion to $3.6 billion between H2'25 and H1'26, including an eleven-quarter high of $2.6 billion in Q2'26. Markedly, global PE deal volume rose from 58 deals in H2'25 to 65 in H1'26, while both M&A and VC deal volume dropped.

> "While much of today's investment is focused on the largest and highest-quality deals, the broader fintech market is gaining momentum. AI is driving new opportunities, corporates are becoming more active and private equity is looking at consolidation plays. Even smaller startups are attracting attention when they bring something truly differentiated. Together, these trends point to a positive long-term outlook for the fintech sector."

Karim Haji
Global Head of Financial Services
KPMG International

Global insights

CVC investment rises in H1'26, powered by investment in digital currencies space

Global corporate VC investment in fintech reached $16.3 billion in H1'26, on pace for a four-year high by a substantial margin, despite deal volume falling to its lowest pace since 2017. The strong uptick in investment highlights the sense of urgency among corporates as traditional corporates look to drive efficiencies and gain critical capabilities and mature fintechs look to expand their offerings and gain scale.

The digital assets space was particularly hot for CVC investors in H1'26, driven in large part by the participation of the venture arms of major crypto platforms, and crypto infrastructure companies, looking to expand the digital assets ecosystem and related infrastructure.

Payments sector attracts largest share of investment, but digital assets space poised for growth

The payments sector continued to attract the most investment, with $44.2 during H1'26, including the $24.3 billion Worldpay acquisition by Global Payments. We acknowledge that Worldpay has been a significant M&A story over the past few years as payments and digital merchant services evolve through market change. While the digital assets space also saw solid investment, with $11.1 billion in investment globally during H1'26, the continued evolution of regulations may have kept investment slower than it might have been otherwise.

For example, the US' Digital Asset Market Clarity Act, also known as the CLARITY Act , meant to provide a regulatory framework for the crypto and digital asset space, remained somewhat in limbo as of the end of H1'26, with concerns it might not pass this year. Investors are also grappling with issues around the scalability of infrastructure and interoperability across organizations and regions.

VC investment very strong at early stage, highlighting surprisingly solid pipeline

One notable trend in the fintech space during H1'26 was the robust investment in early-stage deals. These deals accounted for $9.8 billion, well ahead of the investment pace seen in all years except 2021 and 2022, which were notable outliers. Seed and pre-seed investment ($2.6 billion) was also very solid compared to historical trends. While these early-stage deals represent a relatively small share of total global deal value, the level of investment uncovers what the top-line numbers do not: the diversity of the fintech ecosystem and the fact investors are still backing high-quality nascent startups, particularly in the digital assets, data management and analytics and core infrastructure spaces. Many of these startups are also AI-native.

The fintech sector also saw a strong crop of new unicorns produced across regions during H1'26, including Nesto and Corgi in the Americas; Kpler and Keyrock in the EMEA region, and KreditBee in the ASPAC region.

> "Many of the larger crypto firms have ambitious growth plans, but significant deal activity will likely depend on their ability to scale. For now, the focus is on strengthening platforms and building resilient infrastructure and acquiring scale capabilities. Once that foundation is in place, I expect activity to accelerate quickly. At the same time, growing attention on quantum readiness is prompting firms to re-examine the long-term security of systems once considered immutable. Those questions are likely to drive significant innovation and investment over the next few years."

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

Global insights

After a surge in 2025, IPO activity falls dramatically amid uncertainty

After a strong increase in 2025, global IPO activity among fintechs fell significantly in the first half of 2026. On the VC front, exit value associated with public listings was just $5.3 billion across 10 exits in H1’26, compared to $64.9 billion across 30 exits in 2025. On the PE front, exit value was just $2.0 billion across a single exit in H1’26, compared with $16.8 billion across 7 in 2025.

This slowdown likely reflects a combination of factors, including the equity values of public fintechs falling considerably below their listing prices, concerns about the impact of AI on software businesses causing investors to reassess their portfolio companies prior to pushing the exit button, and uncertainty as to public market liquidity following the recent record-breaking IPO of mega giant SpaceX and the anticipated listings of Anthropic and Open AII.

During H1’26, several crypto-focused fintechs that filed with the SEC in late 2025 subsequently delayed their listing plans as market conditions weakened, while others continued to test the public markets. Still others decided to focus on making their businesses more attractive prior to a potential IPO, such as by obtaining additional banking or digital asset licenses, or by acquiring firms to extend their geographic presence or capabilities.

After reaching a four-year high in 2025, fintech exit volume softens in H1’26

After rising to a four-year high of $118 billion in 2025, total VC and PE exit value was soft in H1’26, although the $41.7 billion remained higher than annual totals seen in 2022, 2023, and 2024. The US accounted for the vast majority of exit value ($35.5 billion) in H1’26, despite having less than half the exits (99). Exit value was weaker in the ASPAC and EMEA regions, with $4.3 billion in H1’26 compared to $14.4 billion in 2025, and $1.7 billion compared to $24.8 billion during 2025, respectively.

AI becoming major driver of fintech investment

Following on trends seen in the broader investment space, AI has become a critical driver of fintech investment. During H1’26, the AI space accounted for $21.4 billion in deal value — ahead of the annual investment seen in both 2023 and 2024 and very near the $23.6 billion seen during 2025. AI will likely remain a top priority for fintech investors, particularly corporates looking to drive operational efficiencies.

Global insights

Trends to watch for in H2'26

- Payments continuing to be the biggest driver of fintech investment, with a growing focus on B2B payments and instant cross-border payments and settlements.
- Traditional corporates looking to manage their costs and to focus their investments on proven technologies rather than pilots in order to drive value and outcomes.
- Technology infrastructure companies attracting significant investment as companies across sectors increasingly look to upgrade and replace their core infrastructure — both to better to compete and to manage the rapidly evolving risk landscape.
- More activity in the wealth and asset management space, with PE investors in particular looking at possible consolidation and roll-up opportunities.
- Stablecoin and digital assets space growing considerably, although it might take time to materialize as investors focus on questions related to infrastructure and interoperability.

Global insights — Top fintech trends for H2'26

Looking ahead to the second half of 2026, we remain optimistic about the fintech market, particularly given the speed at which it continues to evolve, expand and grow. While some regulations are taking time to be finalized, infrastructure is being built, institutional investors and corporates are embracing the stablecoins and digital assets space, and emerging markets continue to attract attention. While geopolitical tensions and the macroeconomic environment continue to pose challenges, and the exit environment remains soft for the moment, there are a lot of hopeful signs suggesting the second half of 2026 will build upon the results seen in the first half 2026.

Here are our top predictions for fintech in H2'26:

1. **Infrastructure becoming a major investment priority:** With the growing focus on stablecoins and digital assets, including the need to grow and scale solutions regionally and globally, infrastructure is likely to become a major priority for investors. While there will be a strong focus on infrastructure related to stablecoins and digital assets, interest will likely be broader as traditional financial institutions across regions increasingly focus on improving their core infrastructure to become more competitive and to better protect their data and core operations.

2. **Interest in AI strengthening but becoming more value driven:** AI is likely to continue to attract very large investment across sectors; however, given the increasing realizations being made as to the cost of AI, this investment may increasingly shift from pilot projects to investments and startups able to prove their ability to create value. AI native startups will likely see increasing interest as investors look for AI startups with unique, defensible value propositions.

3. **Agentic commerce driving interest in a range of related areas, including cybersecurity:** As agentic commerce, the use of AI agents to shop and make transactions on behalf of individuals and companies, continues to grow, there will likely be increasing investment in ancillary activities, including cybersecurity and digital identity management in order to ensure such transactions are approved, safeguarded, and well-protected from bad actors. Payments solutions and infrastructure focused on agentic commerce will likely also attract investment.

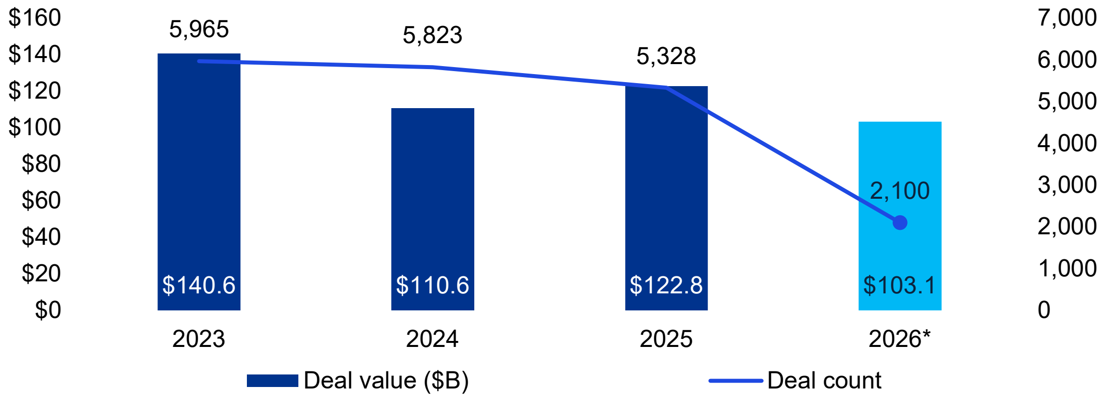
4. **Consolidation intensifying, particularly in payments space:** Consolidation will likely intensify within fintech sub-sectors, particularly payments, as winners continue to make their presence known. PE investors may become increasingly more active, looking for opportunities to roll-up and consolidate distressed companies that haven't been able to attract investment or market share in order to make them competitive.

5. **Development of sovereign capabilities to support fintech ecosystems:** The growing focus on sovereign capabilities globally, in areas like AI and defense, will likely extend into the financial services market, with a growing focus on the development of sovereign and regional solutions in areas like digital identity management, cybersecurity, and other financial services infrastructure.

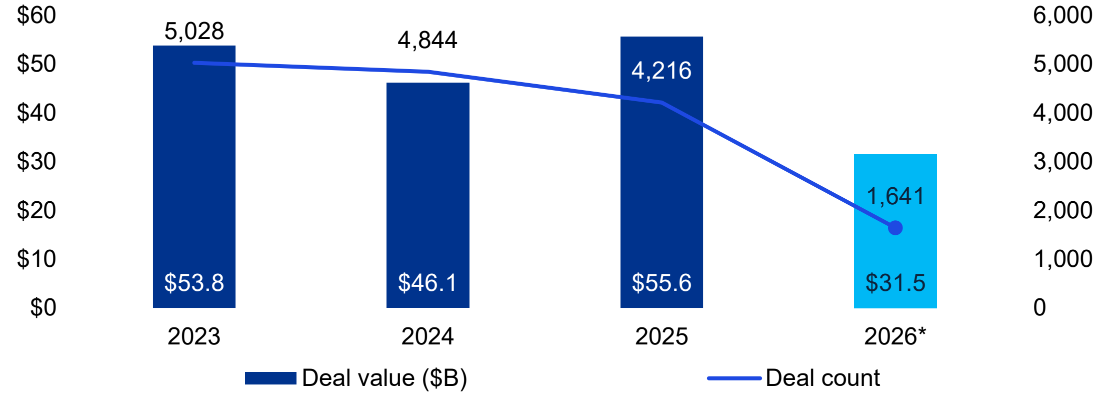
Global insights

After a robust 2025, 2026 sees significant volume and value accelerate

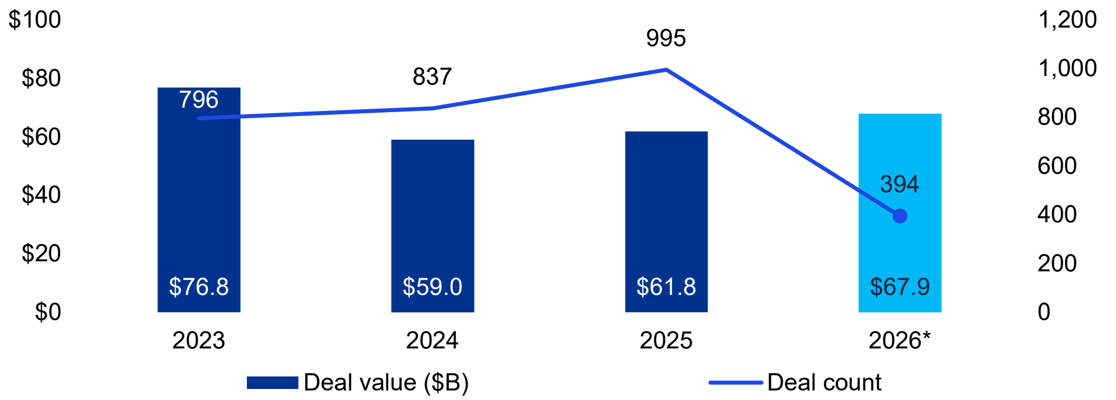
Total global funding activity (VC, PE and M&A) in fintech 2023-2026*



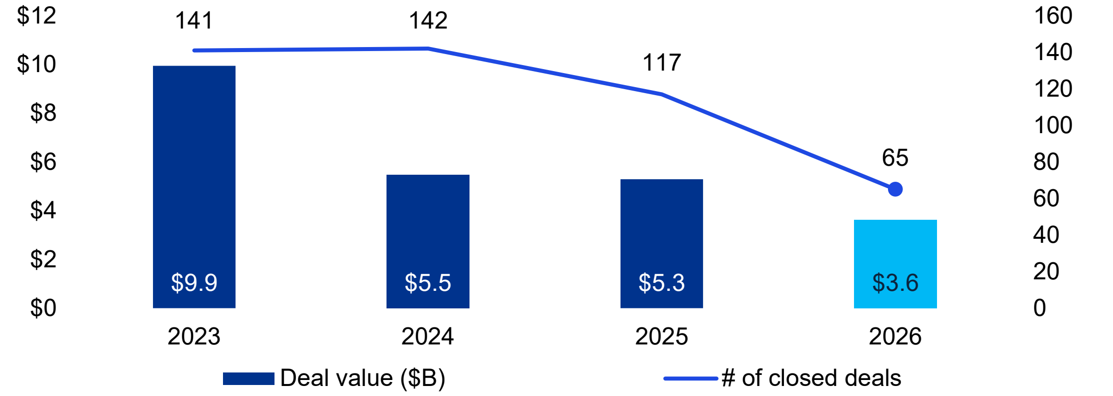
Global venture capital funding activity in fintech 2023-2026*



Global M&A activity in fintech 2023-2026*



Global PE growth activity in fintech 2023-2026*

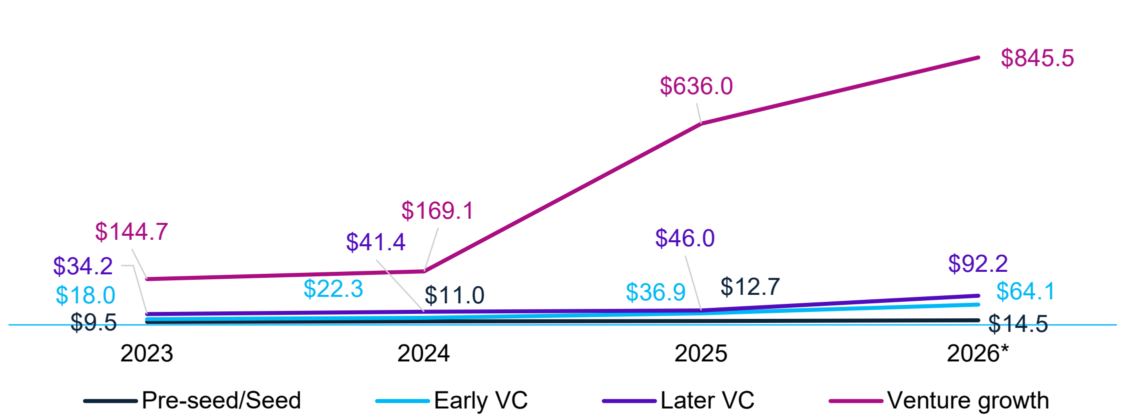


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

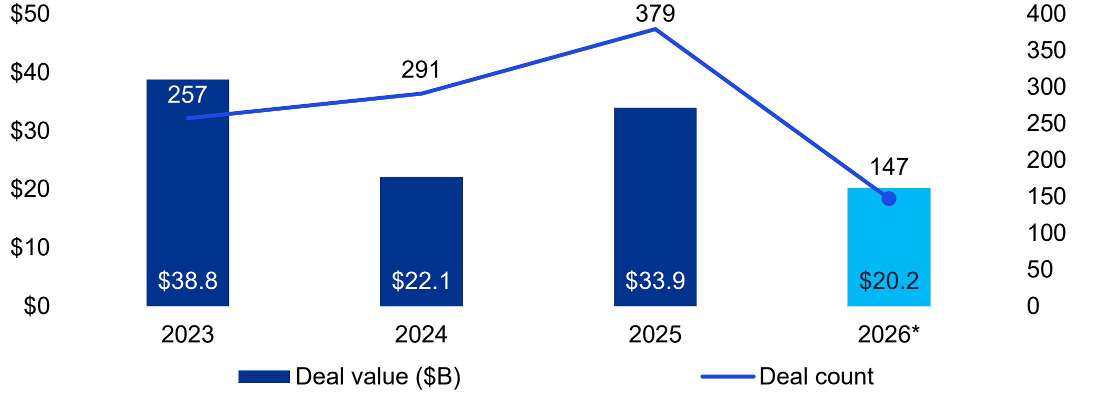
Global insights

Record-breaking deal sizes suggest avid demand tempered with caution, driven in part by consolidation and capital overhang

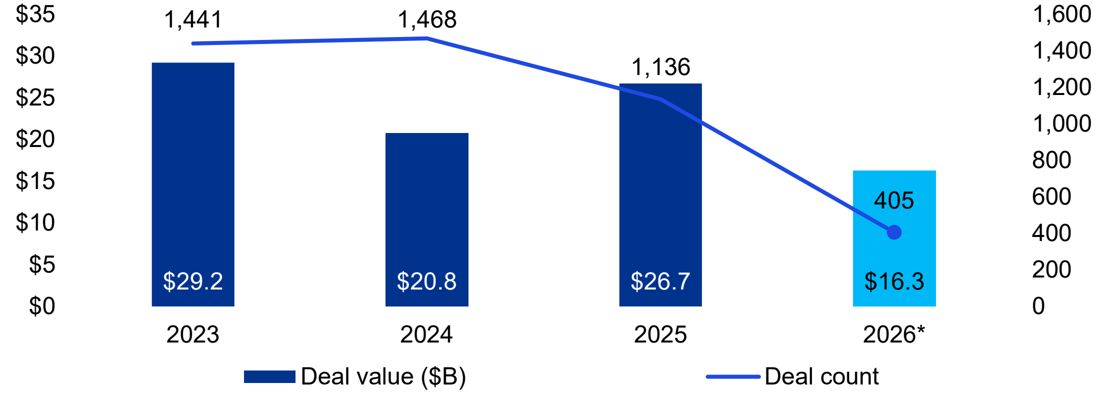
Global median pre-money valuations ($M) by stage in fintech 2023-2026*



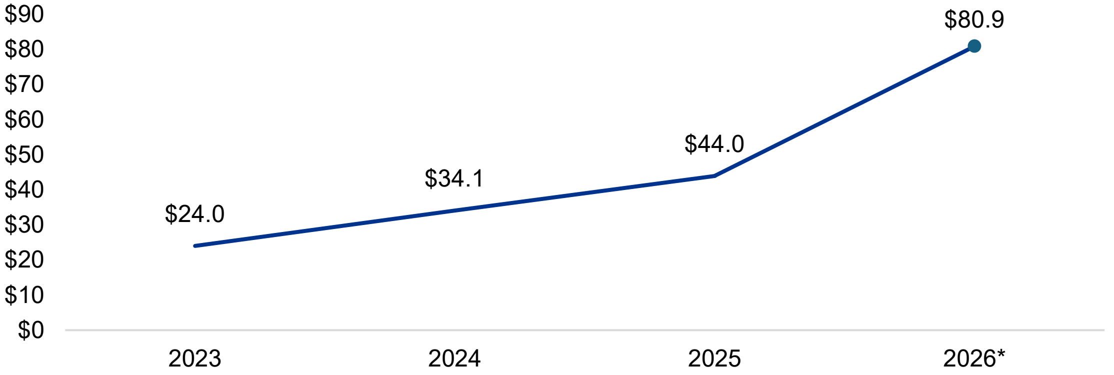
Global cross-border M&A activity in fintech 2023-2026*



Global VC activity in fintech with corporate participation 2023-2026*



Global median M&A size ($M) in fintech 2023-2026*

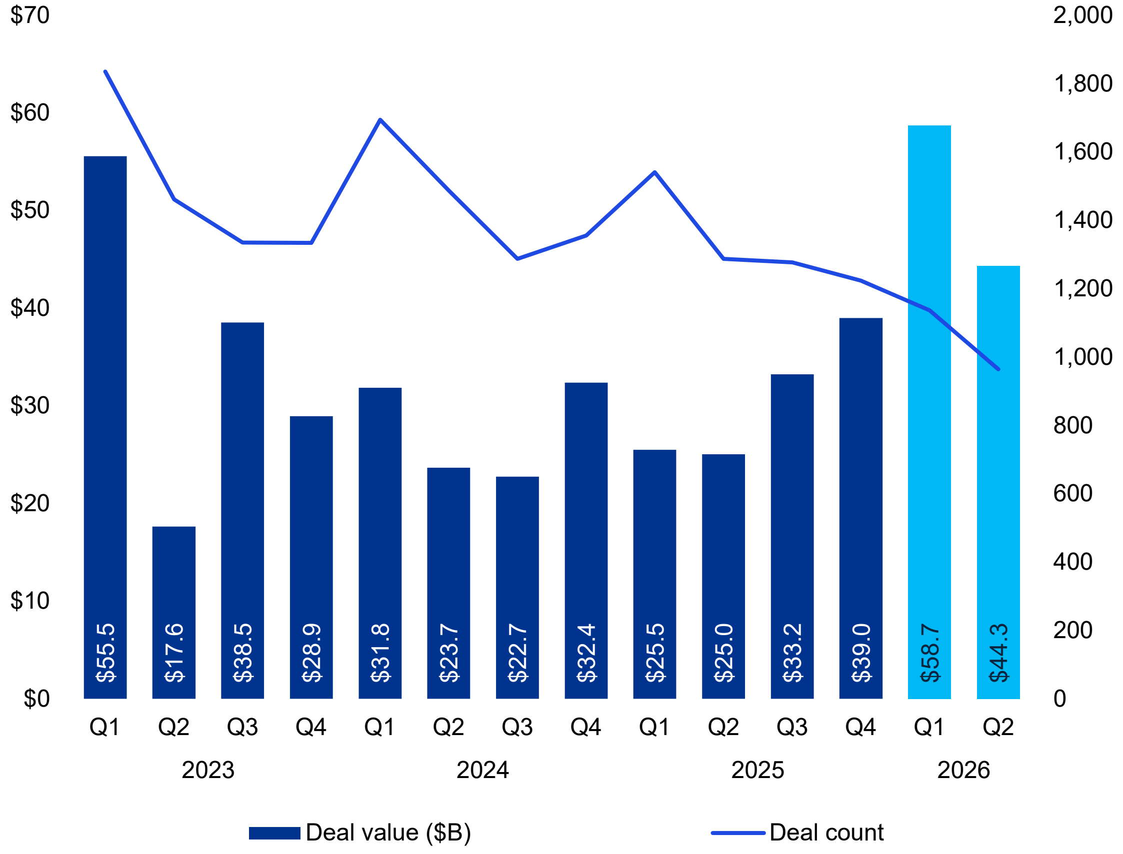


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

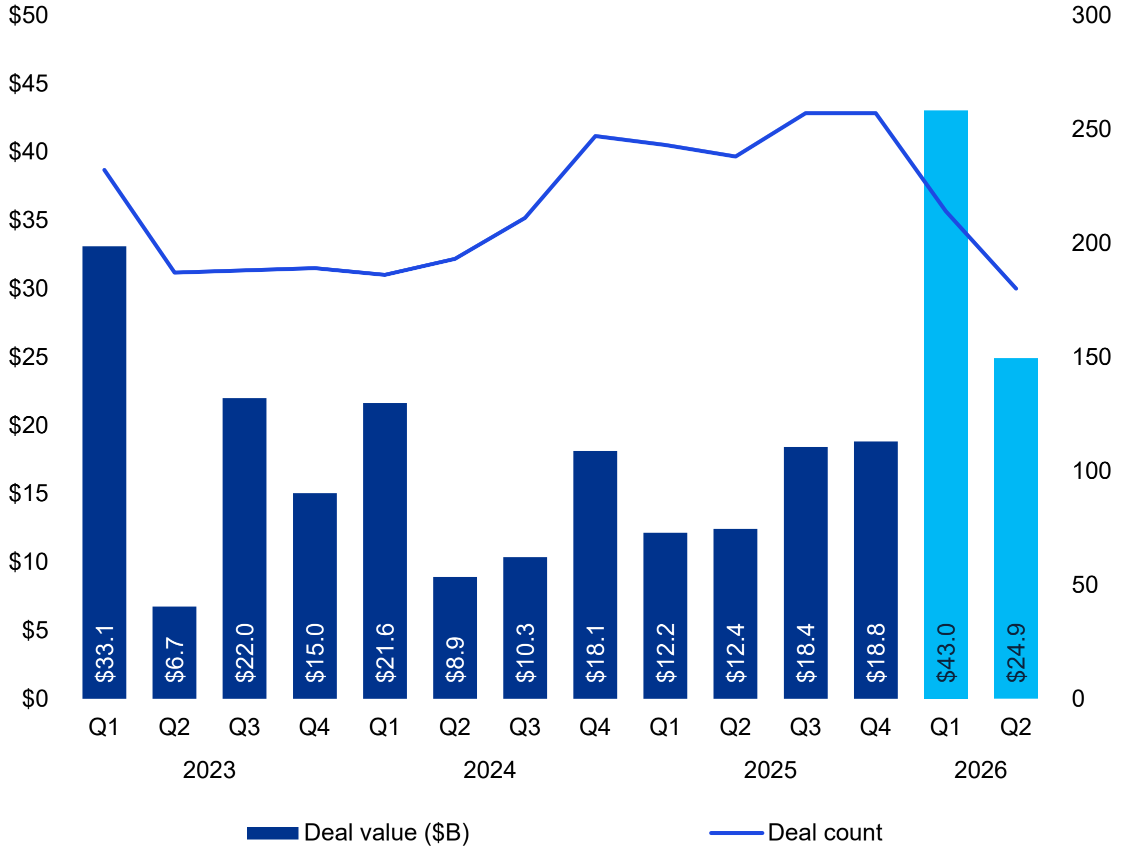
Global insights

Quarterly figures reveal one of the stronger starts in years

Total global funding activity (VC, PE and M&A) in fintech 2023-2026*



Global M&A activity in fintech 2023-2026*

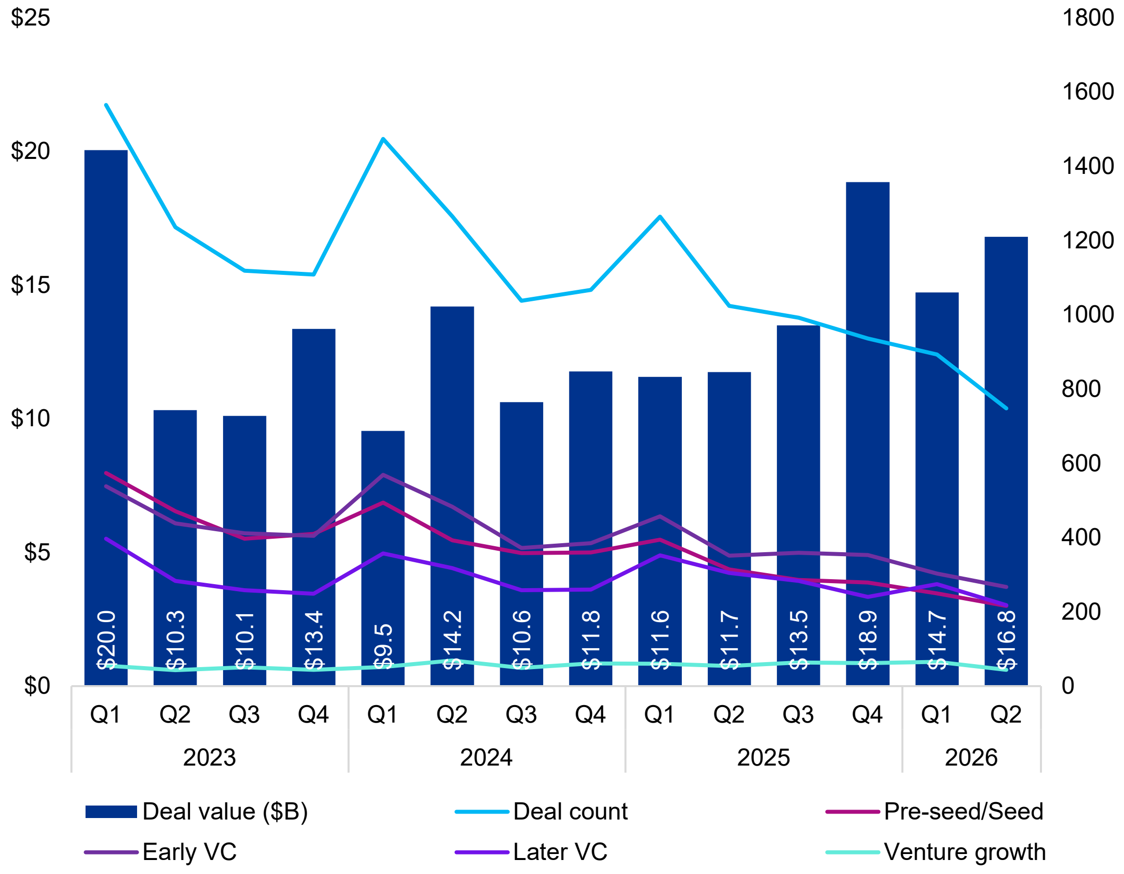


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

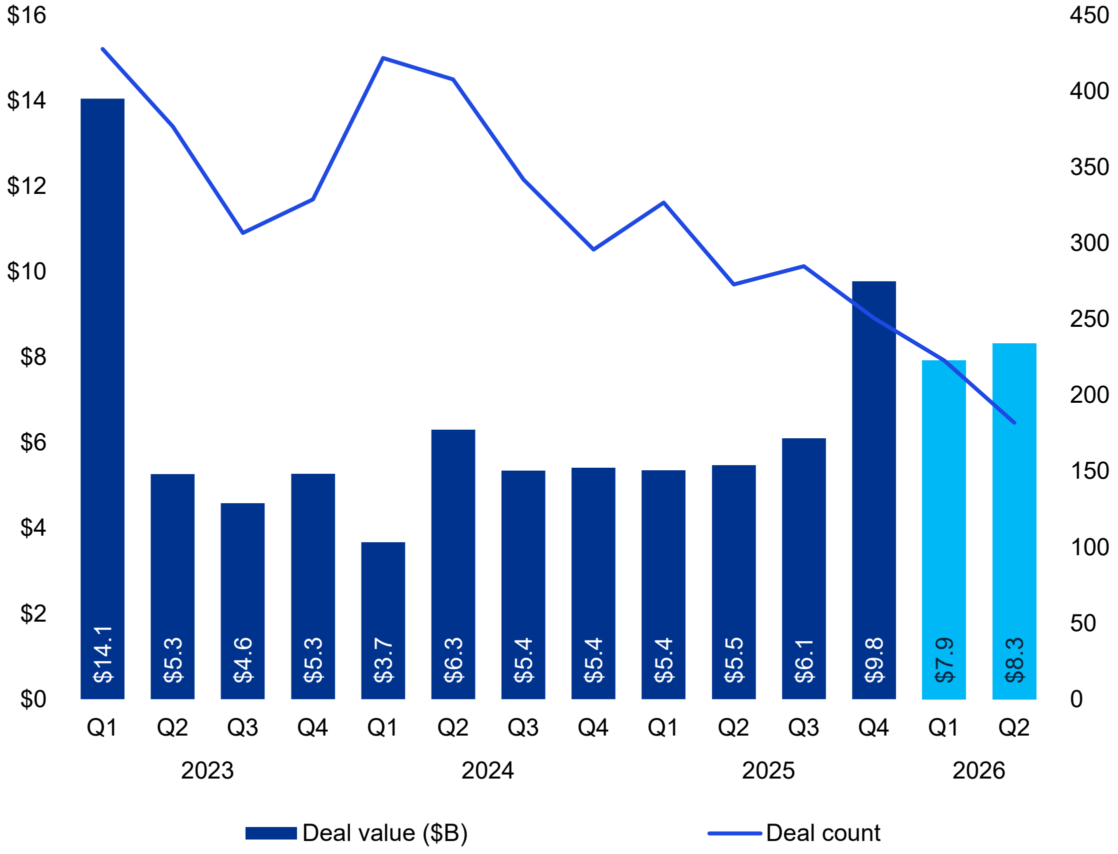
Global insights

Corporates help drive resurgent VC activity

Global venture capital funding activity in fintech 2023-2026*



Global venture capital activity in fintech with corporate participation 2023-2026*

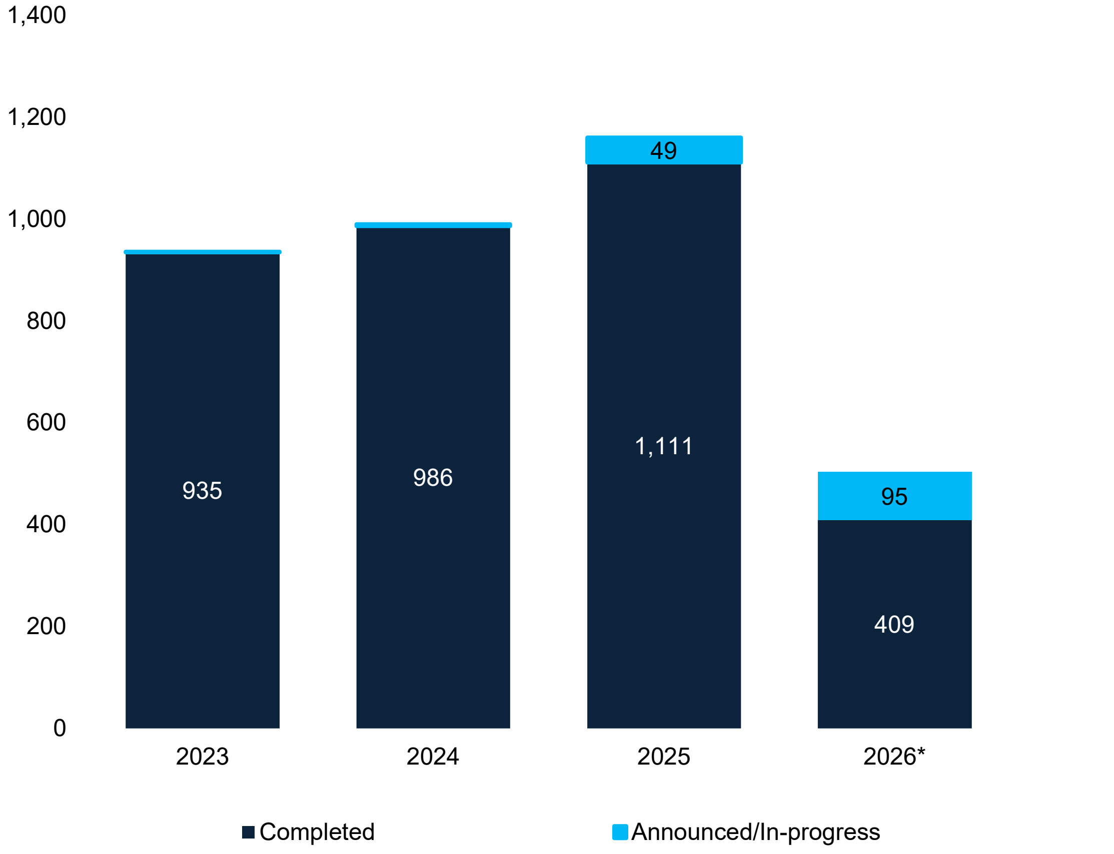


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

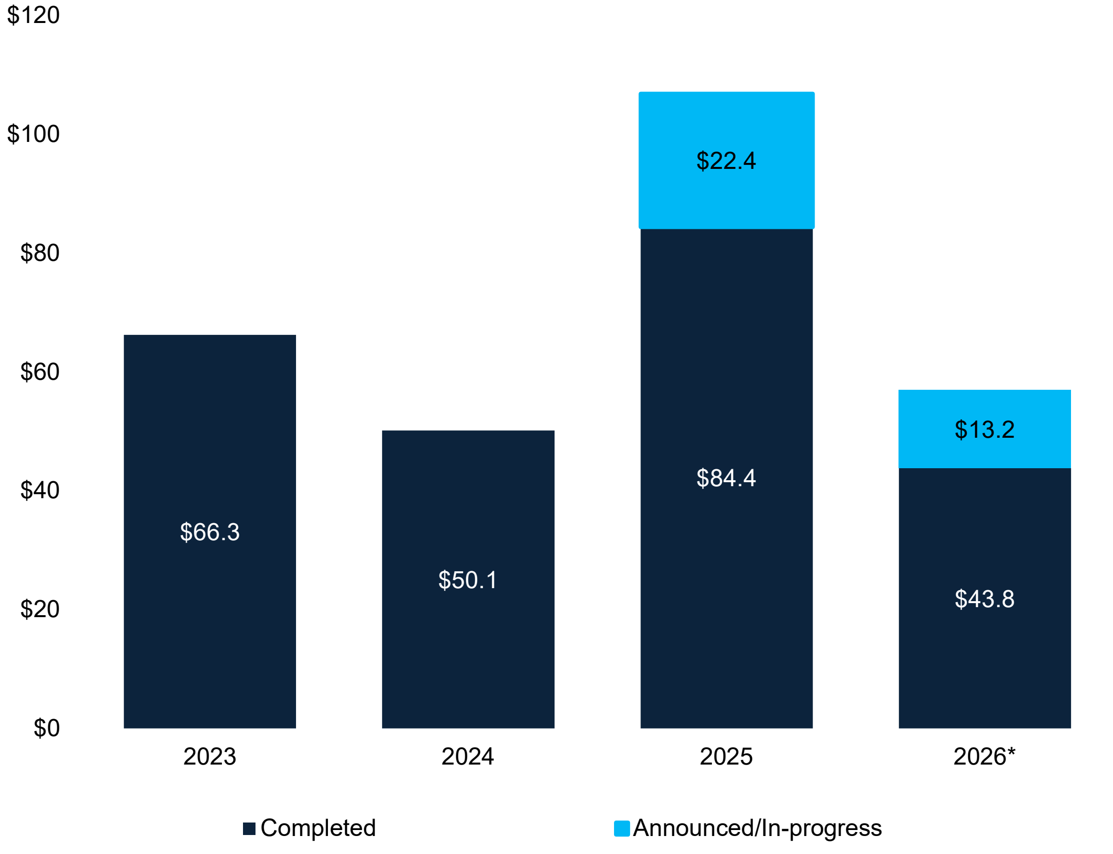
Global insights

As risks and complexity grow, announced and in-progress deals still represent a large chunk of activity

Global PE, M&A activity (#) in fintech by deal status 2023-2026*



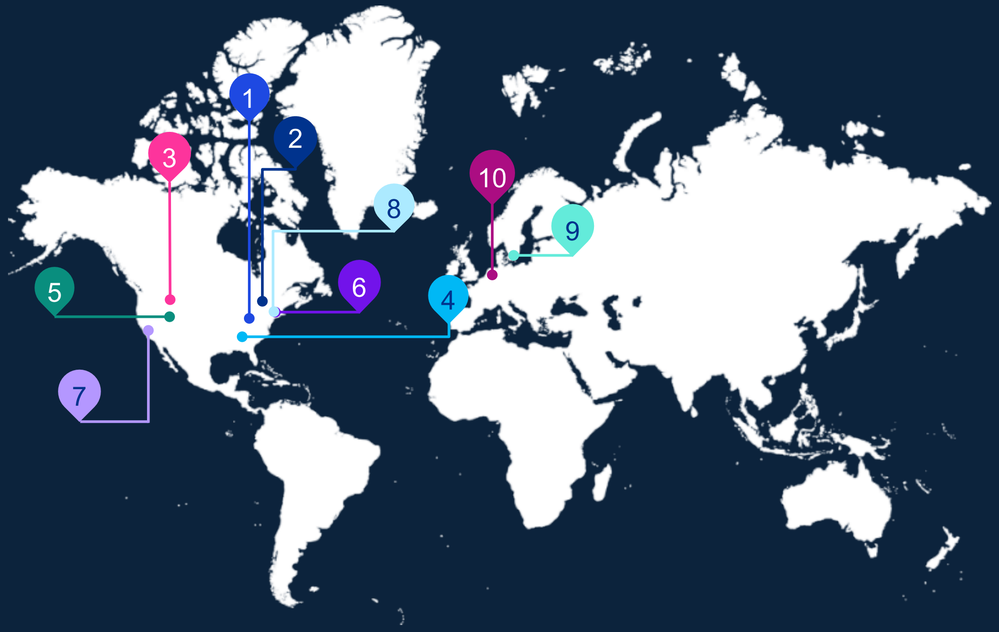
Global PE, M&A activity ($B) in fintech by deal status 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

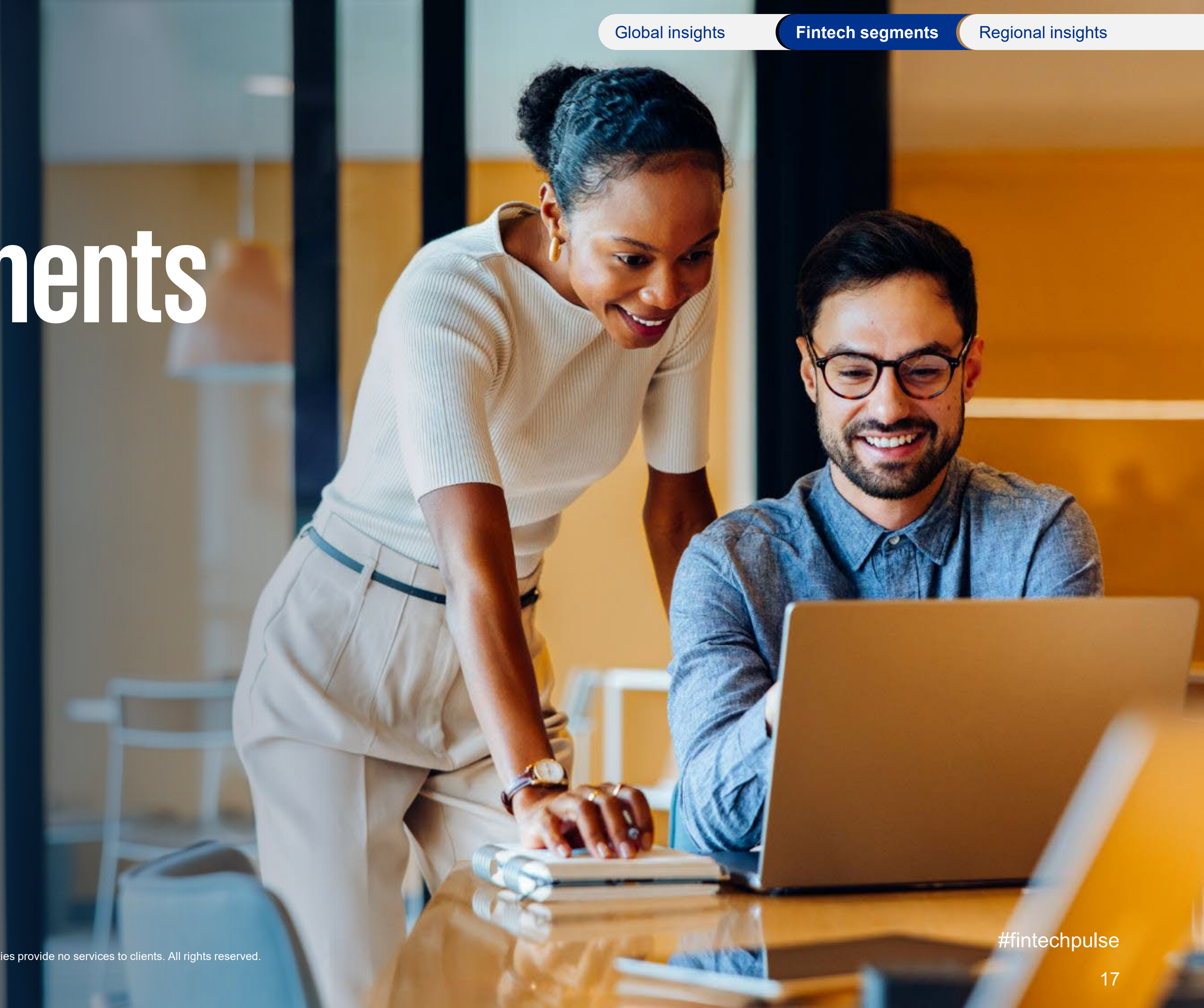
Global insights

Top global fintech deals in H1 2026



1. **Worldpay** — $24.3B, Cincinnati, US — Payments — *M&A*
2. **Total System Services** — $13.5B, Columbus, US — Payments — *Corporate divestiture*
3. **Clearwater Analytics** — $8.4B, Boise, US — Investment management — *Buyout*
4. **OneStream** — $6.4B, Birmingham, US — Infrastructure — *Take-private*
5. **Brex** — $5.15B, Salt Lake City, US — Corporate finance — *M&A*
6. **Polymarket** — $1.6B, New York, US — Markets — *Series D*
7. **Newfront** — $1.3B, San Francisco, US — Insurtech — *M&A*
8. **Kalshi** — $1.2B, New York, US — Markets — *Series F*
9. **Saxo Bank** — $1.2B, Hellerup, Denmark — Capital markets — *Buyout*
10. **Kpler Holding** — $1B, Brussels, Belgium — Capital markets — *Growth*

Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.



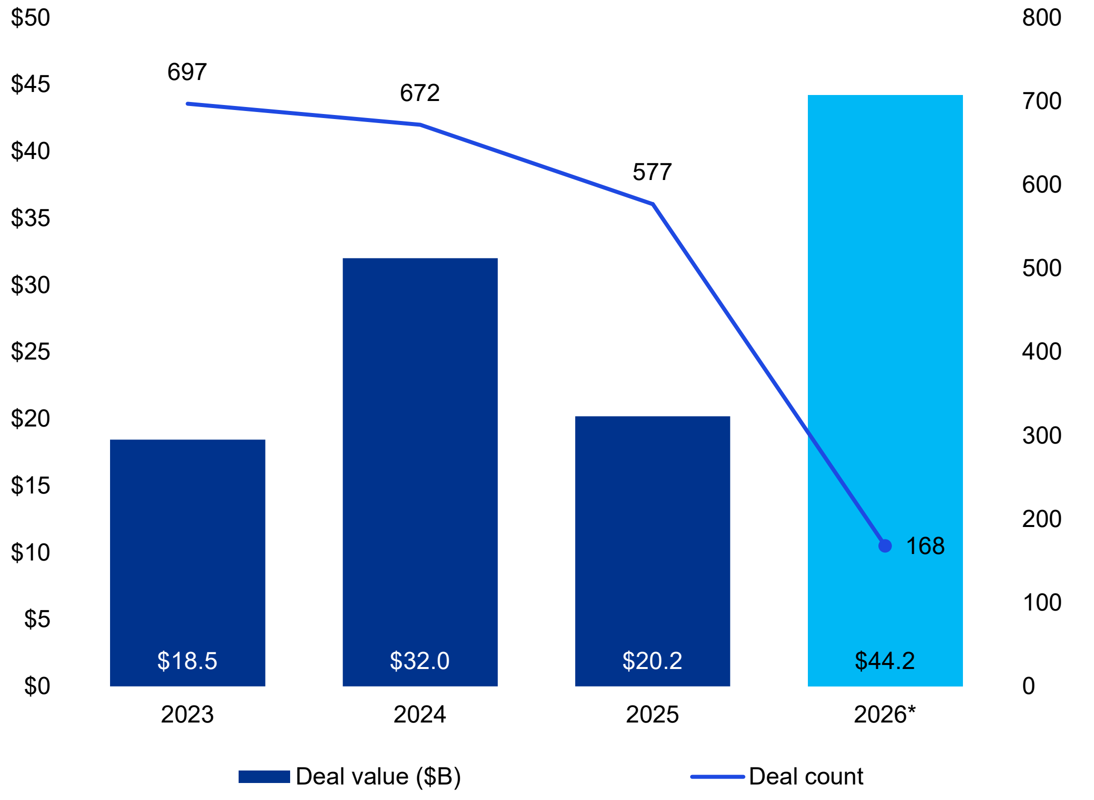
Fintech segments

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

Fintech segments — Payments

Payments consolidation once again propels significant deal value

Total global funding activity (VC, PE and M&A) in payments
2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

Investment in the payments space jumped in H1'26, reaching $44.2 billion compared to the $20.2 billion seen during all of 2025. The vast majority of the uptick came from an outlier deal: the $24.3 billion acquisition of Worldpay by Global Payments. This deal is reflective of a broader capital allocation theme we've seen over the last 18 months. Investors remain confident in payments, but they are choosing to deploy larger amounts of capital to fewer transactions, and favoring scaled, profitable, and infrastructure-focused businesses over early-stage speculative investments. This trend is also reflected in the continued slide in deal volume; there were 168 payments deals in H1'26, compared to an already subdued 577 in 2025.

In addition to the Worldpay deal, other large transactions in H1'26 included the buyout of US-based frictionless payments company Cantaloupe by 365 Retail Markets for $873 million, the $738.7 million PE growth investment in UK-based cross-border payments platform company Ebury led by Centerbridge Partners, and a $450 million VC raise by US-based in Kind. In the ASPAC region, Singapore-based global payments platform Airwallex attracted the largest deal ($320 million) during H1'26.

Key H1'26 highlights from the payments sector include:

Global payments continues its consolidation phase

Investors have increasingly prioritized scaled infrastructure, strategic capabilities, and proven business models, which is making consolidation a key market play. M&A activity in H1'26 focused heavily on the acquisition of platforms able to accelerate growth, expand capabilities, and strengthen market position and reach. Value creation was also a major driver, particularly for corporates looking to both grow globally and to improve the efficiency of their operations.

Fintech segments — Payments

Payments infrastructure attracting significant investment globally

Payments infrastructure continues to be on the radar of investors, driven in part by the rapidly expanding digital assets and stablecoin space. During H1’26, for example, Mastercard announced that it was acquiring a stablecoin infrastructure company to extend its capabilities and provide interoperability between fiat currencies and stablecoins. Regulations, including the Genius Act in the US and the Markets in Crypto-Assets Regulation (MiCA) in the EU, have helped spur interest and growth in the space.

PE investors playing an increasing role in payments sector

PE investors have shown increasing interest in the payments space, viewing it as a robust, predictable, and sticky sector for investment due to its central role in global e-commerce and its combination of recurring revenue, durable customer relationships, and strong cash generation. AI is also expected to increase micropayments activity, which could enhance recurring revenue streams over time.

Vertical payments gaining momentum

The vertical payments space continued to gain momentum in H1’26, with growing interest in fintechs targeting complex payments-related workflows in areas like healthcare — where payments cross claims, patient billing, provider reimbursement, payroll and other workflows. Other verticals, such as restaurant services, fitness and wellness, and travel are also gaining attention.

B2B payments still hot, but investors become more selective

The B2B payments space continued to be hot in H1’26, although investors have become highly selective, focusing their capital on companies with a proven ability to solve real pain points in the payments ecosystem, particularly those related to cross-border payments, FX, and treasury.

> “Organizations are viewing payments as a platform for scalable growth and innovation. While new and modernized payments infrastructure continues to be an increasingly important investment area; the biggest opportunities lie in the services built around the payment. Companies are increasingly focused on outcomes such as cash flow optimization, faster receivables, more efficient payment workflows, and industry-specific value propositions. As a result, the conversation is shifting from the payment rail itself to the value it delivers.”

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

Fintech segments — Payments

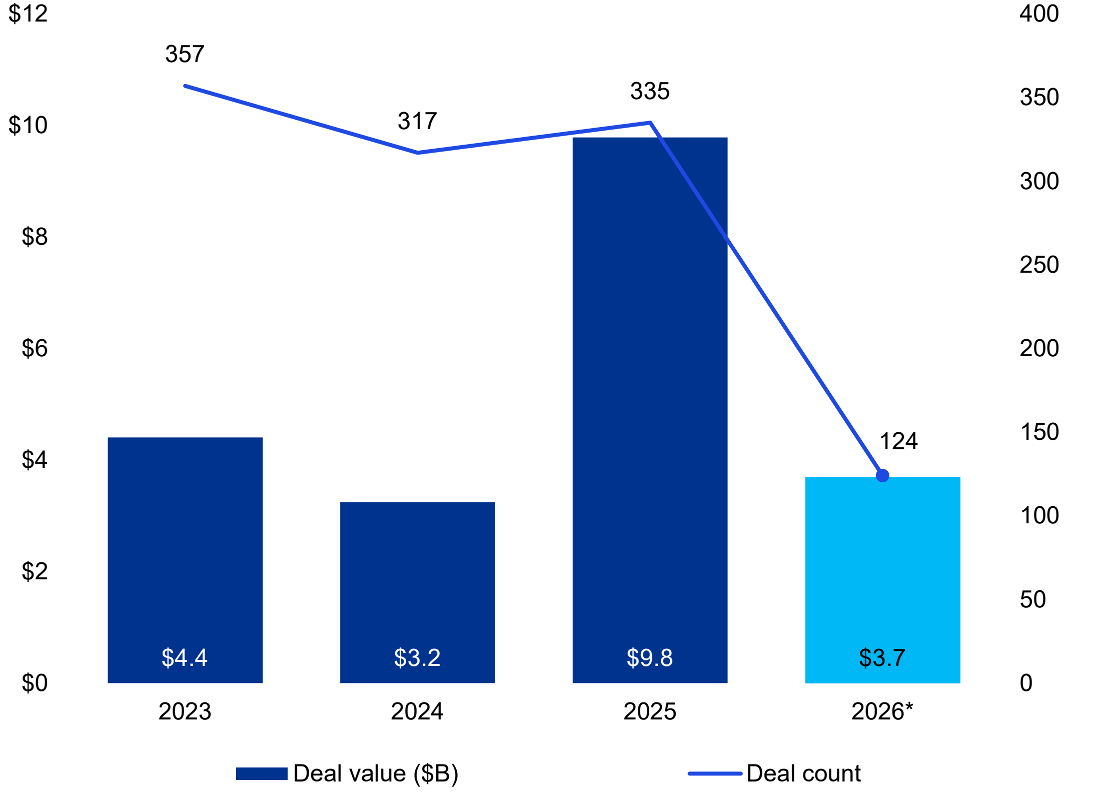
What to watch for in H2'26

- Payments infrastructure companies increasingly acquiring assets and companies in order to gain scale and more quickly increase cross-border capabilities.
- Modernization of payments infrastructure, including payments rails, will continue to be a major focus of investors, with a growing focus on the need for all aspects of infrastructure to be able to coexist seamlessly, including instant payments systems (PIX; UPI) and stablecoin and digital asset tokenization infrastructure.
- Growing interest in agentic commerce and AI-driven payments.
- Continued focus on embedded payments and finance, with an increasing focus on the customer experience and workflow management.

Fintech segments — Insurtech

Insurtech space attracts $3.7 billion in investment during H1'26

Total global funding activity (VC, PE and M&A) in insurtech
2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

After reaching a four-year high of $9.8 billion in 2025, driven largely by a small number of outsized deals rather than by a more broad-based improvement, total investment in insurtech fell to $3.7 billion in H1'26. Deal volume was particularly soft at 124 deals globally; should this trend continue, it will be the weakest deal volume since 2016. The slowdown is not a failure, so much as an industry shift driven by maturation of the space, the introduction of AI, and the increasing need for insurtechs to move from providing simple fix solutions to ones able to address more complex, complicated industry challenges.

The acquisition of US-based insurance technology-enabled brokerage firm Newfront by WTW, was the largest deal in H1'26, followed by VC raises by France-based digital health insurance company Alan ($554.5 million), Switzerland-based insurance comparison platform Wefox ($192.7 million), and US-based AI-native full-stack insurance platform Corgi ($160 million).

The largest deal in the ASPAC region was a $41.6 million VC raise by India-based insurance distribution platform Turtlemint Fintech Solutions.

Key H1'26 highlights from the insurtech sector include:

AI shifting focus of corporates away from insurtech providers

As AI continues to make a major impact, both within the insurance ecosystem and beyond, insurance carriers are increasingly choosing to work with global tech companies on AI rather than relying on smaller, niche startups to bring them advanced technology capabilities. This is putting more pressure on insurtechs to up their game in order to attract investment; increasingly they need to prove they have deep insurance experience, proprietary data, regulatory understanding, and targeted solutions able to address more complex challenges within the insurance industry.

Fintech segments — Insurtech

Investors continue to focus on 'asset light' opportunities

Insurtech investors continued to shift their focus away from companies carrying underwriting risk or requiring significant capital, choosing instead to put their capital towards less capital-intensive businesses. Financial sponsors in particular showed interest in acquiring and consolidating companies, such as insurance brokerages, in order to leverage synergies and build scale and financial performance.

Embedded insurance remains a priority, but data plays becoming essential

Embedded insurance continues to be a key area of interest for investors, although interest has evolved away from simple point-of-sale add-on solutions and towards more sophisticated and data-driven embedded insurance models able to leverage deep data to seamlessly provide contextual and relevant offers within the customer journey, mainly during payments processes.

AI attracting most investment, but other innovation areas still seeing interest

While AI has quickly become the biggest priority for many insurtech investors, other areas of innovation have continued to see steady interest, if uneven investment. For example, investors have continued to show interest in solutions using parametric triggers run on smart contracts to provide event-driven instant payouts.

> "The pace of AI innovation is moving incredibly fast. Terms like AI agents and vibe coding barely existed a few years ago, and it's impossible to predict what the next major breakthrough will be. The companies more likely to succeed will likely be those that change their business model to providing high-end services with strong competitive advantages, proprietary data, and AI-driven solutions that address complex industry problems in ways that are providing deep insurance knowledge that are difficult to replicate."

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

Fintech segments — Insurtech

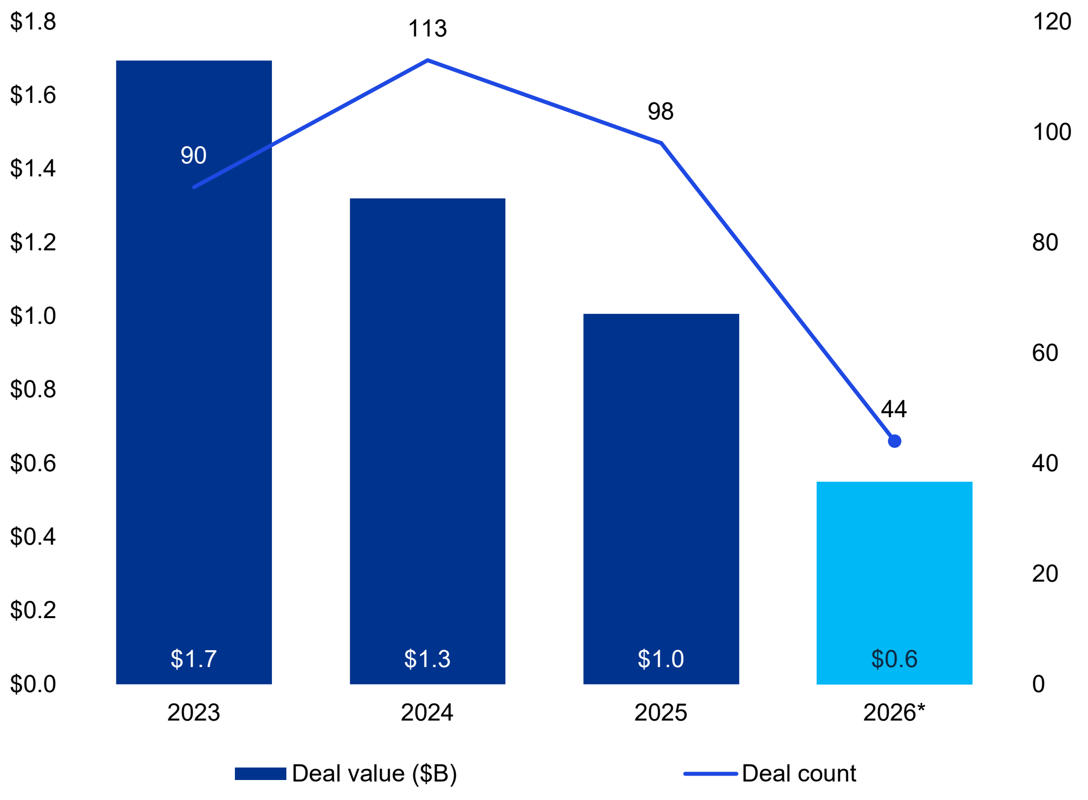
What to watch for in H2'26

- AI continuing to attract a significant amount of investor attention and capital.
- Investors continuing to focus on B2B companies with difficult-to-replicate business models, particularly AI native companies with proprietary data.
- AI accelerating the ability of insurers to focus on prevention, including by making prediction, monitoring and real-time interventions more practical and economically viable.
- Increasing consolidation, driven in part by large, tech-driven insurers looking to acquire customers and data.
- Growing focus on specialized businesses, such as tech-enabled MGAs focused on underwriting unique or complex risks.

Fintech segments — Cybersecurity

Fintech-focused cybersecurity investment remains steady in H1’26

Total global funding activity (VC, PE and M&A) in cybersecurity 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

Global investment in fintech-focused cybersecurity firms was $550 million in H1’26; while steady next to the level of investment seen during 2025 ($1 billion), it remained soft compared to previous years. Deal activity was particularly slow in the cybersecurity space, on track for a six-year low with just 44 deals at mid-year.

VC investment saw the largest share of cybersecurity funding, accounting for the three largest deals globally during H1’26: the $180 million VC raise by US-based business intelligence and governed communication platform LeapXpert, the $120 million raise by UK-based crypto compliance, analytics, and threat intelligence company Elliptic, and the $73 million raise by India-based identity verification and fraud detection platform IDfy.

Key H1’26 highlights from the cybersecurity sector include

Large cybersecurity firms and platforms continue to dominate

Large platform players continued to drive the vast majority of activity in the cybersecurity sector, using M&A to buy out smaller players with niche offerings in order to extend their platform capabilities and reach. This dominance has made it difficult for startups to grow and scale, making M&A exits a key focus for struggling startups that have developed strong niche capabilities and solutions but that have been unable to grow and obtain market share.

Fintech segments — Cybersecurity

Data security becoming a key priority for corporates given rapidly evolving AI technologies

AI continued to attract enormous attention from corporates and large fintechs in H1’26. This focus has put a spotlight on the importance of data security as companies increasingly look to use AI to drive operational efficiencies and AI agents to undertake tasks and to facilitate transactions (e.g. cross-border payments) in ways that are safe, secure, and in compliance with regulations and data privacy rules.

Niche solutions remain attractive to cybersecurity investors

During H1’26, firms with unique capabilities and value propositions continued to attract investment. For example, secure business communications and intelligence firm LeapXpert raised $180 million during H1’26; this funding is expected to support its expansion and growth into the financial services sector, among others.

Regulators increasingly focused on AI security and cyber threats

With the rapid evolution of AI solutions and capabilities, central banks and regulators around the world have become increasingly concerned as to the security dimension of AI solutions and the potential threats poised by AI to investors, banks and capital markets, and the entire financial ecosystem. Over time, it is expected that these concerns could drive regulatory action and spur action among financial institutions and fintechs.

“As AI continues to proliferate through financial services, data security and the security of AI-managed transactions is going to become a significant concern — for regulators, for traditional financial institutions, and for fintechs. While a lot of attention has been put on cyber resilience within the financial services ecosystem in many jurisdictions, we’re likely going to see a lot more attention being given to data and transaction security over the next six months, particularly when it comes to AI-driven activities.”

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

Fintech segments — Cybersecurity

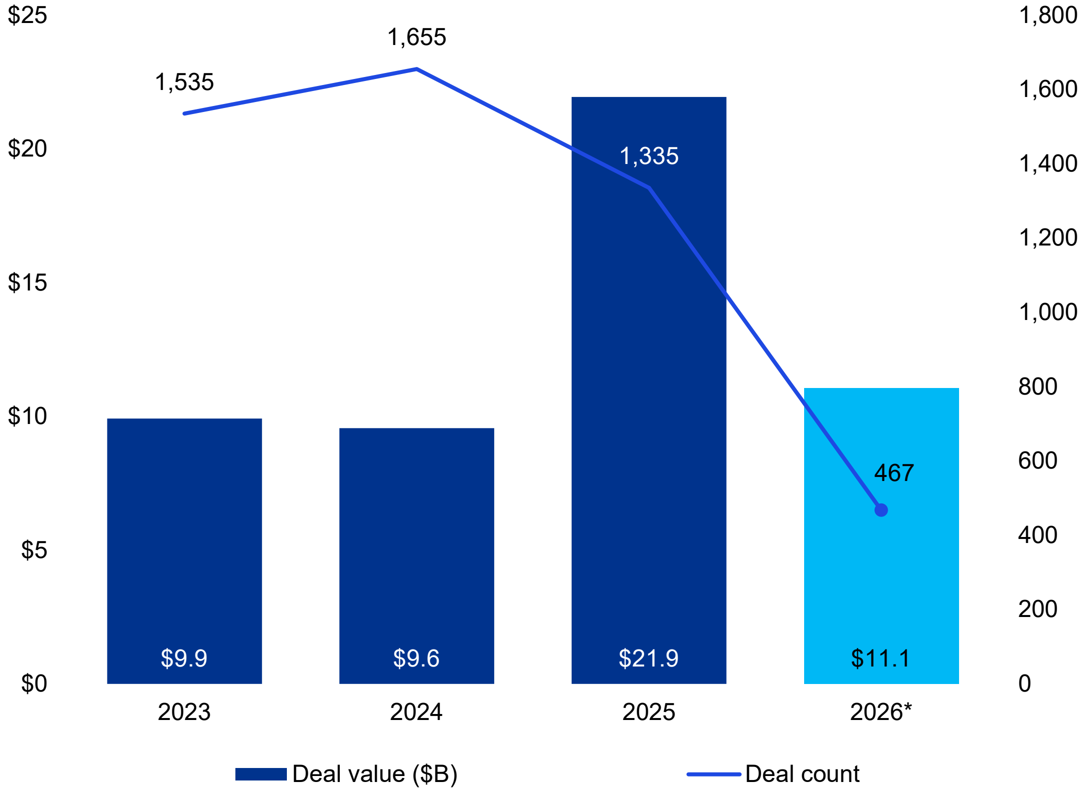
What to watch for in H2’26

- Growing integration of AI and AI agents within cybersecurity activities, including those focused on fraud detection and anti money laundering, digital identity solutions, and compliance solutions.
- Regulators putting a much stronger focus on cybersecurity and cyber resilience in the financial services sector given the rapid evolution of AI capabilities and growing awareness of potential threats.
- Continued consolidation as small cybersecurity firms work to achieve scale or look to M&A as an exit strategy.

Fintech segments — Digital assets

Digital assets space remains hot, with $11.1 billion in investment in H1’26

Total global funding activity (VC, PE and M&A) in digital assets and currencies
2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

During H1’26, total global investment in the digital assets space was $11.1 billion across 467 deals; while down compared to the $21.9 billion across 1,335 deals seen during all of 2025, this total remained very robust, exceeding annual totals from both 2023 and 2024. The US accounted for more than half of the total investment in digital assets seen in H1’26 ($5.9 billion), despite accounting for less than half of deals volume (187).

The largest deals in the digital assets and crypto space occurred in the US, including a $1.2 billion raise by US-based prediction market Kalshi, and a $635 million seed round by Erebor Bank, a new US nationally chartered bank focused primarily on providing niche services related to defensetech, compute tech, and advanced manufacturing. The largest deal in the EMA region was a $175 million VC raise by France-based on-chain lending network provider Morpho, while the largest in the ASPAC region was a $150 million raise by Australia-based perpetual futures trading platform Synthetix.

Key H1’26 highlights from the digital assets space include:

Infrastructure sees significant traction from investors

Within the digital assets space, investment has shifted toward market control points and infrastructure, including stablecoin and payment infrastructure, tokenization platforms and settlement networks, and custody and institutional services.

Fintech segments — Digital assets

Traditional financial institutions more confidently expanding into digital assets

The digital assets space globally has shifted from being viewed as a speculative market to one considered mainstream, supported by clearer regulatory frameworks and growing participation from institutional investors. During H1’26, traditional financial institutions continued to gain confidence in the space, evaluating related business opportunities, considering the implications of digital assets on their business models, and figuring out how best to develop the infrastructure needed to support digital assets.

Increasing focus on stablecoins within global payments space

Historically, the focus on stablecoins has been geared toward crypto trading and storing value on blockchain networks. That focus has shifted quite substantively in recent quarters, with more investor attention going towards using stablecoins to facilitate payments, whether treasury payments, B2B transactions, or cross-border payments and remittances. While usage is still small, there is growing confidence in the ability of stablecoins to be used as a settlement layer for global payments, especially on the retail payments side. In some cases, stablecoins are also being used to address bank-to-bank transfers and peer-to-peer transfers given the challenges associated with deposit token interoperability.

Growing attention on capital markets tokenization, particularly in ASPAC region

While the EMEA region has been the leader in capital markets asset tokenization, the ASPAC region has seen very steady growth in the space. As of H1’26, a number of ASPAC banks have joined forces with EMEA-based providers and networks to form collateral exchanges. A few regional and local banks have also launched tokenized commodities or begun offering tokenized structured notes.

M&A activity very strategic; market consolidation accelerating

In H1’26, M&A activity in the digital assets space was primarily strategic, with companies looking to gain scale or global distribution through targeted acquisitions, such as of companies with regulatory licenses already in place. Jurisdictions like Japan are also seeing an acceleration in consolidation activities, with a growing number of investors looking to roll-up institutions in order to build scale and expand capacity.

> “The biggest investments today are targeting the core infrastructure of the digital asset ecosystem, from exchanges and custody to settlement and institutional access. Much of the VC and private equity activity is focused on building this foundational layer, which is essential to scaling adoption and supporting the market's long-term growth.”

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

Fintech segments — Digital assets

What to watch for in H2'26

- Convergence of stablecoins, tokenized assets, and bank infrastructure in ways that create more frictionless interactions across payments, settlements, tokenized asset collateral exchanges, and related activities.
- Continued focus on stablecoins, including a growing focus on opportunities outside of crypto trading, including treasury payments, B2B transactions, and cross-border remittances.
- Whether the US Senate will pass the Digital Asset Market Clarity Act (CLARITY Act), which is intended to provide a framework for the regulation of digital assets and cryptocurrencies.
- Increasing consolidation, driven both by traditional corporates and by larger fintechs.
- M&A activity focusing on companies with strong balance sheets and the regulatory licenses needed to accelerate global distribution.
- The next phase of maturity for the digital assets space being sparked by the increasing integration of bank accounts and digital wallets so that transfers between fiat currencies and stablecoins can be more seamless.

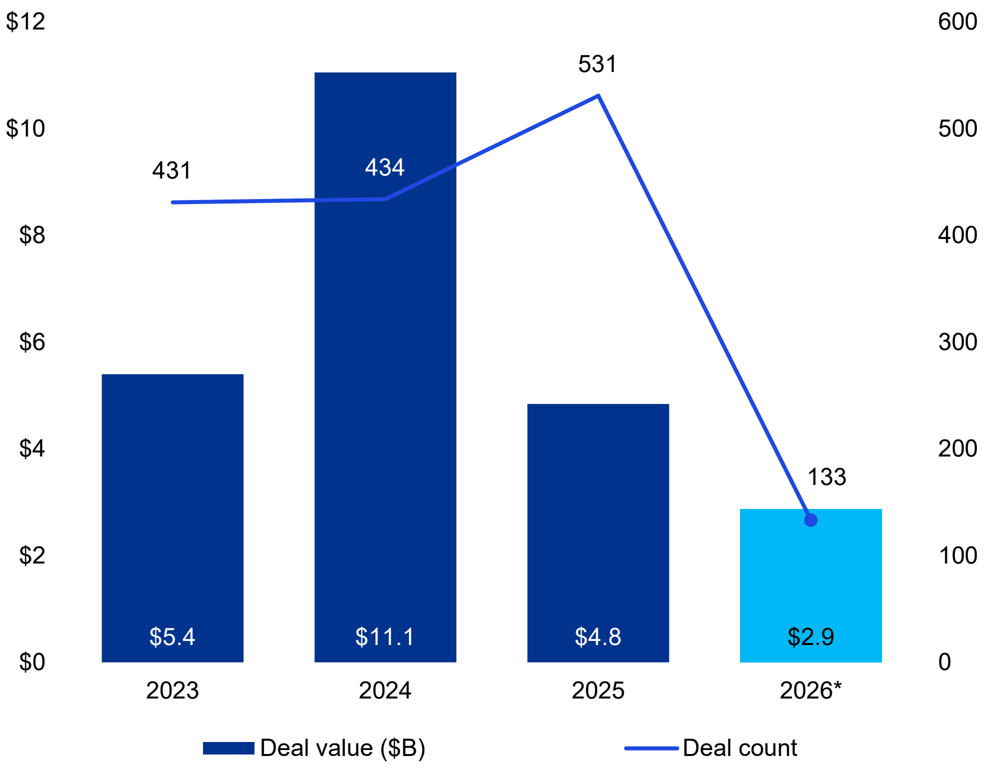
"Looking ahead, on-chain finance is likely to be a major focus for the industry. As more financial transactions move onto blockchain-based infrastructure, processes will become increasingly automated and efficient. AI will be a key enabler, helping accelerate adoption and unlock new ways of operating."

Kenji Hoki
Managing Director
Financial Services
KPMG in Japan

Fintech segments — Regtech

Regtech on steady course with $2.9 billion in global investment during H1’26

Total global funding activity (VC, PE and M&A) in regtech
2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

During H1’26, regtech attracted $2.9 billion in total global investment; this was a slightly stronger pace of investment compared to the $4.8 billion seen during 2025, despite deal volume, 133 deals in H1’26, falling to its lowest level since 2017. The Americas attracted the majority of regtech investment, including the three largest deals of H1’26: a $385 million raise by tax compliant savings solutions platform Vestwell, a $200 million raise by AI-powered AML/KYC risk intelligence company Quantifind, and the acquisition of Brazil-based B2B banking and risk management technology company Dimensa by Evertec for $178.1 million. UK-based blockchain analytics and crypto compliance company Elliptic’s $120 million VC raise was the largest regtech deal in the EMEA region, while a $70 million raise by China-based global trade payments and risk management company XTransfer was the largest in the ASPAC region.

Key H1’26 highlights from the regtech sector include:

- **Pure-play regtechs facing challenges from large technology companies:** Similar to many niche software providers, small pure-play regtechs have been increasingly challenged by large platform players able to use AI to support the delivery of regtech solutions bundled in with broader technology capabilities. This has narrowed the interest of investors to more mature regtechs with both proven technologies and strong, defensible moats viewed as difficult to disrupt.
- **Data relationships becoming critical for regtech solutions:** One regtech trend emerging in the increasingly AI-enabled business environment is the critical importance of data and data relationships to value propositions. Regtechs that have built strong relationships with data providers and that have incorporated proprietary data into their risk assessment and other activities are being viewed in a more complimentary light by investors given their perceived rigor and defensibility. For example, the largest early-stage regtech deal of H1’26 was a $75 million Series B raise by US-based agentic AI financial crime prevention platform Bretton AI, with participation from Thomson Reuters Ventures.
- **Regtechs increasingly focused on plug-in products and services:** Given the challenges associated with the scaling of pure-play regtechs, many emerging startups have focused on building profitable plug-in products and services that feed into larger enterprise software and fintech companies. Some are also collaborating with the large AI players to develop differentiated solutions given their strong domain expertise and existing proprietary knowledge and algorithms.

Fintech segments — Regtech

What to watch for in H2’26

- Crypto and cybercrime-related regtech solutions gaining focus given emerging regulations in crypto, growing adoption of stablecoins globally, and the need to build trust and prevent fraud within the digital assets space as it continues to mature.
- The growing complexities of cross-border compliance requirements and need to account for different, and constantly evolving, regulatory regimes spurring interest in cross-border deals.
- Regtech deals becoming more difficult to differentiate, with deals becoming more integrated with solutions targeted towards functional activities (e.g. payroll, cybersecurity).
- Industry consolidation driven by an increasing number of buyouts and M&A activity.

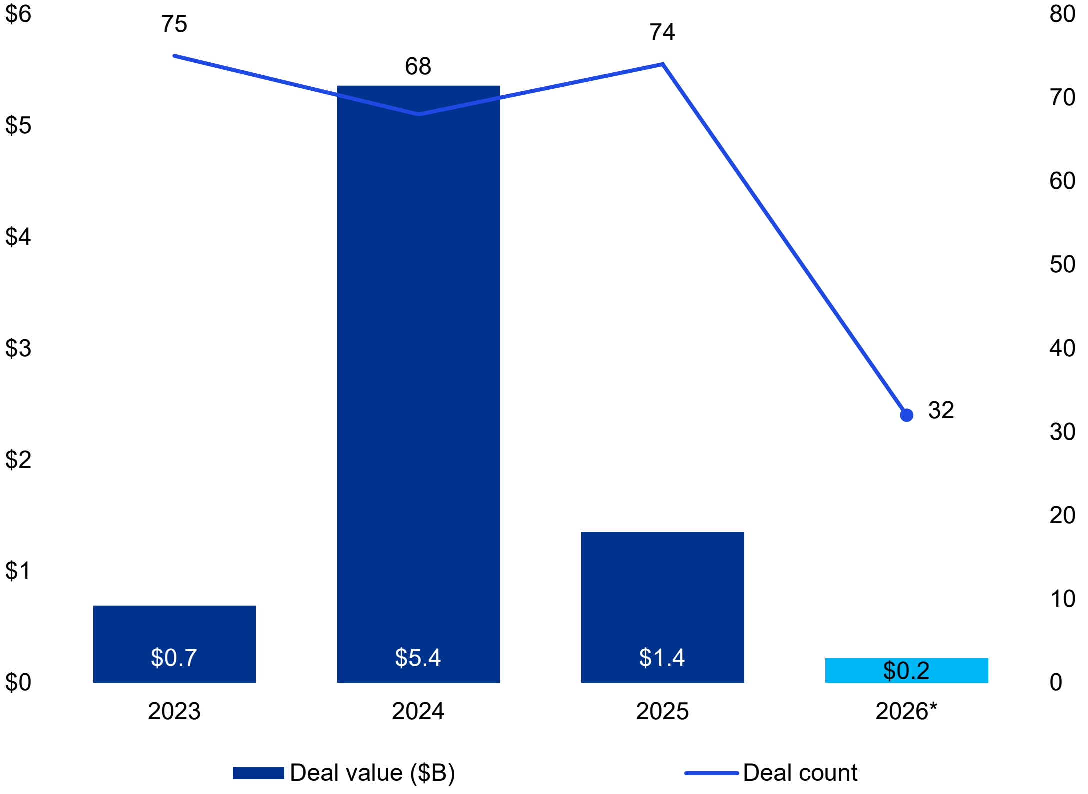
“Pure-play regtech is becoming increasingly rare, particularly among companies looking to scale. Differentiation is getting harder, and much of the investment activity is now focused on broader platforms that embed regulatory capabilities within functions such as payroll, benefits, recordkeeping and cybersecurity. As AI advances, we’re also likely to see greater consolidation as firms build integrated technology suites around increasingly autonomous capabilities.”

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

Fintech segments — Wealthtech

VC, PE and M&A investment in wealthtech incredibly soft in H1’26

Total global funding activity (VC, PE and M&A) in wealthtech 2023-2026*



Source: Pulse of Fintech H1’26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

Investment in the wealthtech space remained incredibly soft, at least in terms of VC, PE and M&A deals during H1’26. During the period, 32 wealthtech deals accounted for just $220 million globally, down from $1.4 billion across 74 deals in all of 2025. Should this weak trend continue, the space could see the lowest level of investment since 2018.

Deal sizes in the space were quite small during H1’26, with the largest transaction a $42.5 million PE growth round by US-based asset management platform GeoWealth. The largest wealthtech-specific round in the EMEA region was particularly small: a $13.9 million raise by Denmark-based scalable wealth management operating platform Performativ.

Key H1’26 highlights from the wealthtech space include:

Central target of wealth management offerings shifting more towards the mass affluent

Wealth managers across regions are broadening their focus beyond ultra high-net-worth individuals. They’re increasingly prioritizing the mass affluent market segment and lower end of the high-net-worth population in order to drive their growth and scale given how these have been historically underserved areas of the wealth management market.

Fintech segments — Wealthtech

Growing focus on AI to support client lifecycle management

Operational AI has become a priority for banks and wealth managers looking to create a more seamless and efficient client lifecycle process, such as by using it to make onboarding processes more efficient or to support AML activities and the corroboration of wealth sources. Some regulators have helped spur this AI movement; during H1'26, for example, the Monetary Authority of Singapore issued guidance aimed at cutting client onboarding times significantly in order to improve the competitiveness of Singapore's wealth management industry.[1]

Increasing attention being given to supporting 'last mile' advisory

Banks and wealth managers continued to show interest in solutions able to augment the work of relationship managers in order to allow them to provide services to a larger customer base. This 'last mile' advisory approach leans heavily on AI providing the majority of the advice, with relationship managers providing checks and reviews. A key barrier many are still juggling with, however, is the potential risk associated with advice being wrong and the associated accountabilities.

Regional differences affecting wealthtech focus areas

Regional characteristics continue to shape the focus of wealthtech investment. In the US, wealth creation remains a major driver, particularly from successful tech entrepreneurs, whereas in the ASPAC market, there is a significant focus on managing the generational wealth transfer.

> "As growth in wealth management shifts toward the mass affluent and broader high-net-worth market, AI is becoming an important enabler of efficiency and scale. Investment is increasingly focused on AI-powered advisory tools that augment advisors and help them serve more clients effectively. As confidence in the technology and its risk management grows, adoption will continue to expand."

Leon Ong
Partner
Financial Services Consulting
KPMG in Singapore

[1] Monetary Authority of Singapore, "Opening Remarks by Mr Chia Der Jiun, Managing Director, Monetary Authority of Singapore at the UBS Asian Investment Conference, Singapore Wealth Edition, on 25 May 2026," 25 May 2026.

Fintech segments — Wealthtech

What to watch for in H2'26

- Wealth management players increasingly looking for ways to engage the low and middle end of the market in order to increase their scale and reach.
- The focus on AI shifting away from use cases and towards actually enabling successful adoption and value-driven outcomes.
- Increasing interest in agentic AI workflows and how they might work within a wealth management context, particularly to improve client lifecycle management.

02

In H1 2026, fintech funding in the Americas recorded $86.9B with 1,120 deals

Regional insights — Americas

Americas attracts $86.9 billion in fintech investment in H1’26

The Americas saw fintech investment rise substantially, from $47.1 billion across 1,315 deals in H2’25 to $86.9 billion across 1,120 deals in H1’26. The US accounted for $80.8 billion of this total across 933 deals, including the 10 largest transactions so far this year, led by the acquisition of payments processing company Worldpay by Global Payments for $24.3 billion, the acquisition of Global Payments’ Issuer Solutions business (also known as Total System Services) by FIS for $13.5 billion, and the $8.4 billion buyout of investment management platform company Clearwater Analytics Holdings by a consortium led by Permira and Warburg Pincus.

Outside of the US, the largest fintech deals in the region included TransUnion’s acquisition of a majority stake of the consumer credit business of Buró de Crédito for $659.9 million, a $405 million VC raise by digital bank Banco Plata (also known as Plata Card), both in Mexico, and a $218.6 million VC raise by Canada-based digital mortgage lender Nesto.

Key H1’26 highlights from the Americas include:

Mega-deals lift fintech investment in US, while investment slides in Canada and Brazil

During H1’26, the US attracted $80.8 billion in fintech investment in the region, more than the total investment seen during either 2024 or 2025, largely driven by a small number of mega-deals. In a number of other major jurisdictions within the region, fintech investment fell off of 2025’s pace, with Canada attracting $1 billion in investment in H1’26 compared to $2.7 billion during 2025, and Brazil seeing just $508 million compared to $2.1 billion in 2025.

M&A activity buoyant as strategic corporates stay active

Within the Americas, M&A activity more than doubled from $27.4 billion to $64.6 billion. Even taking out the top two deals, which together accounted for $37.7 billion, M&A deal value was quite robust as strategics, particularly in the US, showed increasing interest in selling off their non-core businesses and making acquisitions aimed at geographic or product expansion. After an extended period of being challenged by valuation gaps and other uncertainties, PE activity also started to open up again in the Americas during H1’26, particularly among mid-market firms.

> “The digital assets space is particularly compelling given its potential to reshape the future of payments. We are seeing major financial institutions closely evaluate how digital assets could transform their business models by making transactions more efficient, especially in cross-border payments. Significant efforts are already underway to build the necessary infrastructure, and we expect that momentum to continue accelerating. As the ecosystem matures, the sector is poised to have a substantial impact on the payments landscape.”

James Brannan
Financial, Advisory and Due Diligence
KPMG in the US

Regional insights — Americas

AI very hot with investors, but digital assets well-positioned for growth

AI continued to be the dominant investment theme in the Americas, with many investors looking to it as an opportunity to drive operational efficiencies and value creation in areas like fraud prevention and AI-enabled payments. Interest in stablecoins and tokenized assets also remained high, although investment was likely hampered by the intense focus on AI, concerns about the volatility of the space, and, possibly, by delays associated with the CLARITY Act, an act focused on establishing regulatory oversight for digital assets in the US; as of the end of H1'26, the possibility of the CLARITY Act passing before the end of 2026 was in serious doubt.[2] Within the digital assets space, corporates were the most active, with many looking to assess opportunities across settlements, cross-border payments, and treasury management. The development of related infrastructure also saw solid interest during H1'26.

Digital banking model maturing

Across the Americas, the digital banking model has evolved significantly. In the US and Canada, several challenger banks are no longer viewed as fintechs competing for market share with other fintechs, but rather as digital banks competing with traditional financial institutions. Within Latin America, neobanks have continued to emerge; for example, during H1'26, Banco Plata (also know as Plata Card) began operations as a regulated financial institution in Mexico.

"As AI continues to evolve, the barriers to entry in fintech may begin to fall. As that happens, reputation and track record will likely become even more important in attracting investment. Investors are increasingly backing founders with proven experience building and scaling successful businesses. We're already seeing capital concentrate around a smaller group of high-confidence opportunities, and that trend is likely to continue."

Erich Braun
Partner, Audit and
Co-Lead Fintech
KPMG in the US

[2] KPMG LLP, "May 18, 2026 | Capitol Hill Weekly, Washington National Tax Federal Legislative & Regulatory Services," 18 May 2026.

Regional insights — Americas

Trends to watch for in H2'26

- AI continuing to be a very hot area of investment, particularly as companies look to improve productivity, reduce operating costs, and optimize activities like fraud prevention and payment routing.
- VC and PE investors focusing less on growth potential in the current market and more on the durability and resilience of business models, particularly as AI continues to disrupt SaaS businesses and reduces barriers to entry in fintech.
- Corporate investment holding strong as companies look to rapidly build capabilities and scale, including multi-rail payment and money movement capabilities.
- Growing focus on areas like cybersecurity and fraud prevention, particularly as the stablecoins and digital assets space continues to evolve.
- Increasing consolidation among mid-sized fintechs targeting the same subsectors in order to drive scale and profitability.
- Whether the CLARITY Act passes in the US during H2'26 as it could have a major impact on investment, deals activity, exits, and post IPO performance of digital asset-focused companies.

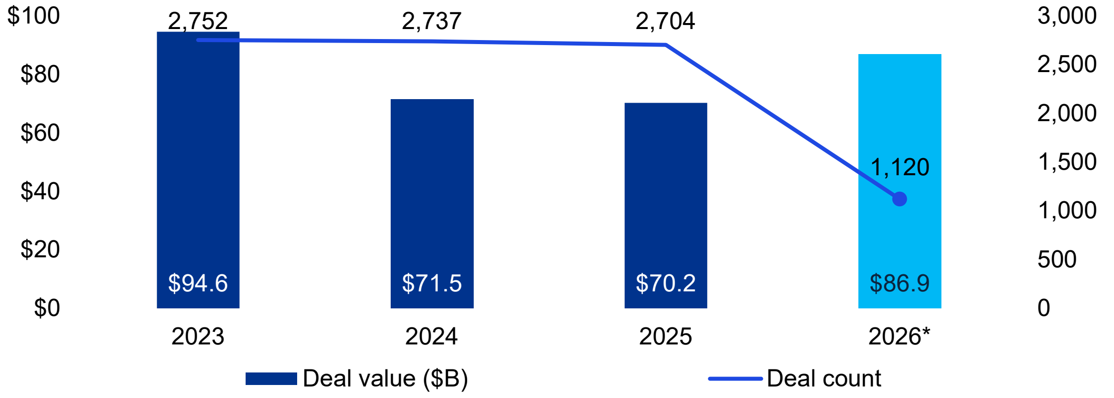
"There's still strong interest in AI, particularly agentic AI, but investors are becoming more focused on specialized solutions with clear business value. We're moving beyond general-purpose use cases to applications that can transform how organizations operate and compete. As adoption grows, the biggest winners will likely be those that can use AI to improve efficiency, accelerate decision-making, reduce risk, or create a meaningful competitive edge."

Dubie Cunningham
Partner, Banking and Capital Markets
KPMG in Canada

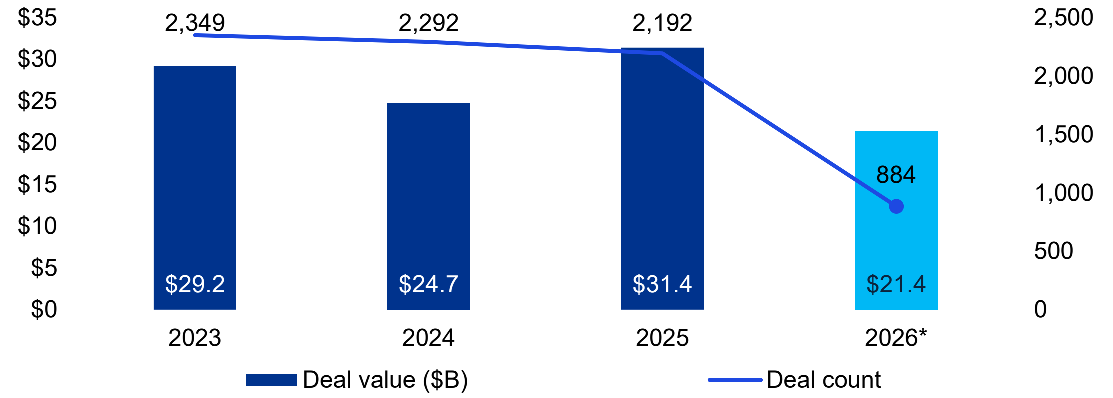
Regional insights — Americas

Dealmaking counts slide as deal value surges, speaking to the influence of mega-deals

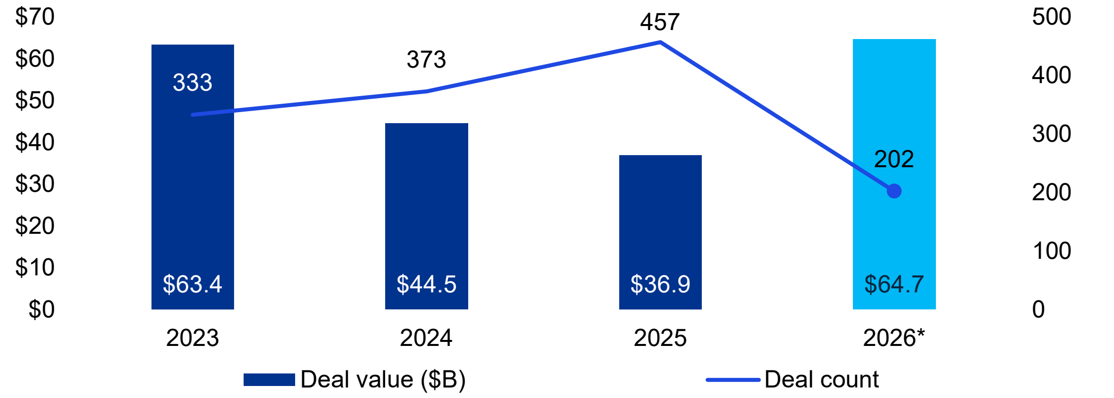
Total funding activity (VC, PE and M&A) in fintech in the Americas 2023-2026*



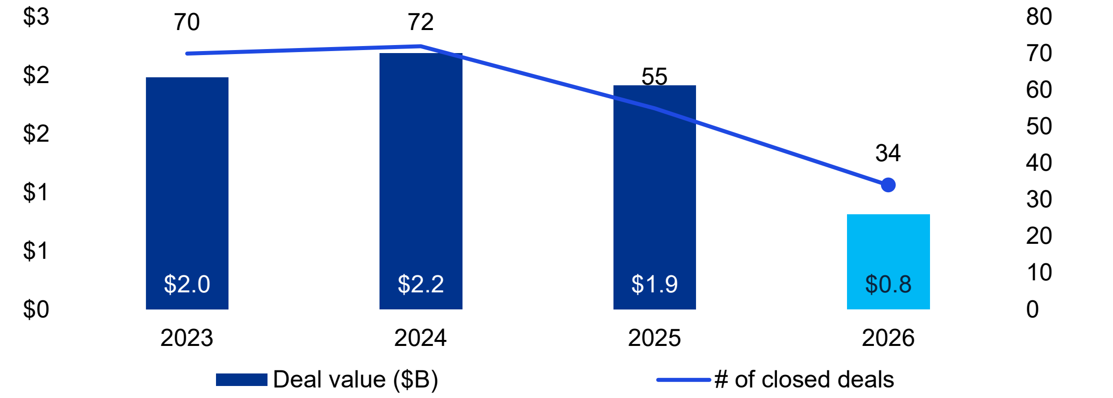
Venture capital funding activity in fintech in the Americas 2023-2026*



M&A activity in fintech in the Americas 2023-2026*



PE growth activity in fintech in the Americas 2023-2026*

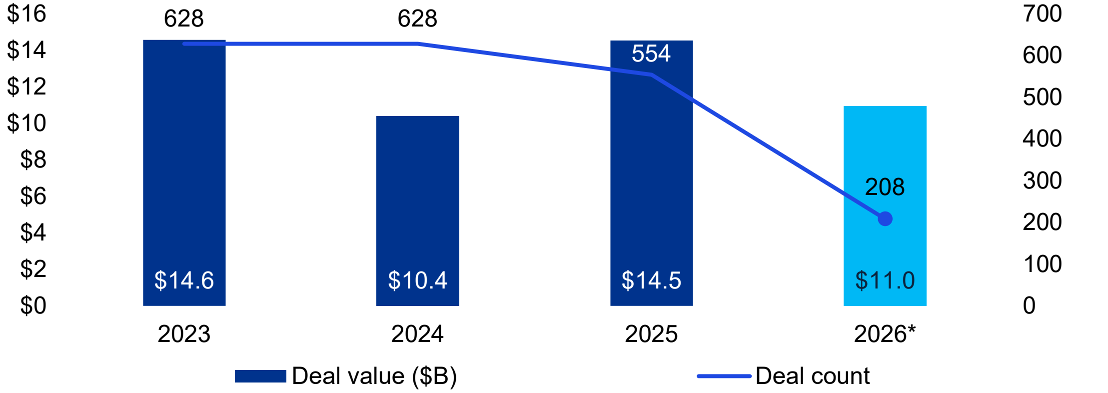


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

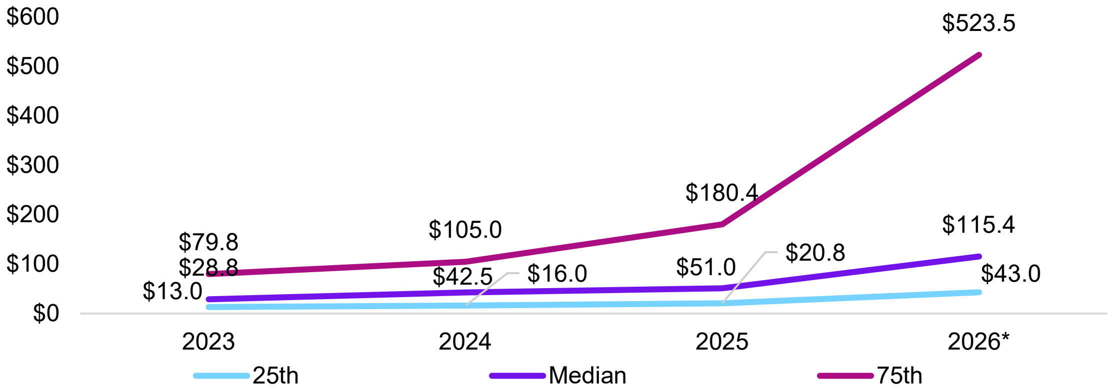
Regional insights — Americas

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

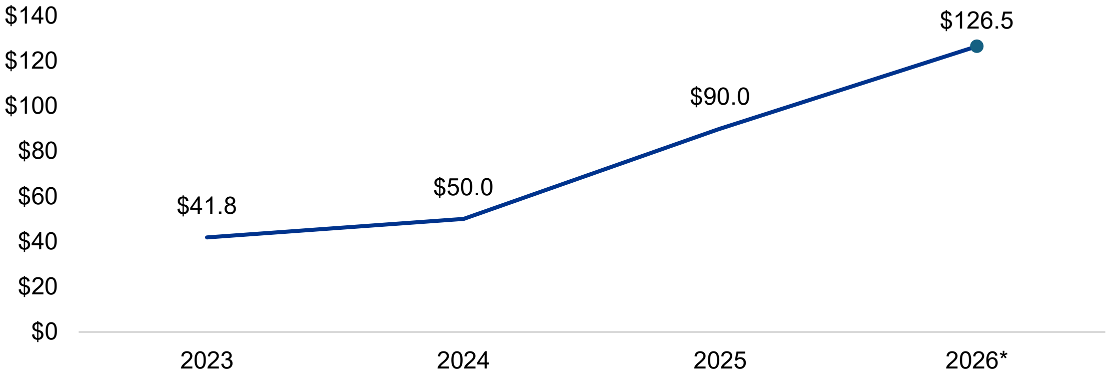
VC activity in fintech with corporate participation in the Americas 2023-2026*



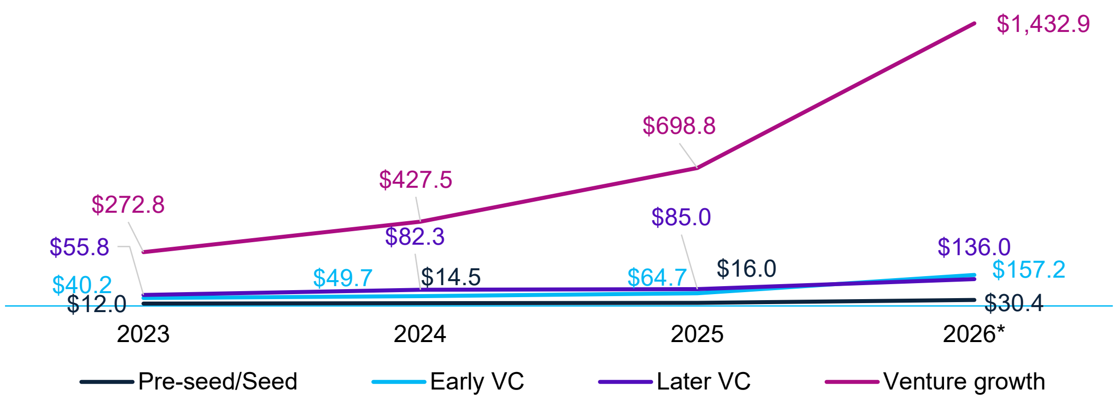
Quartile post-money (VC, PE and M&A) valuations in the Americas 2023-2026*



Median M&A size ($M) in fintech in the Americas 2023-2026*



Median pre-money valuations ($M) by stage in fintech in the Americas 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.
The 2023 and 2024 figures for the median pre-money valuation at the growth stage are n < 30.

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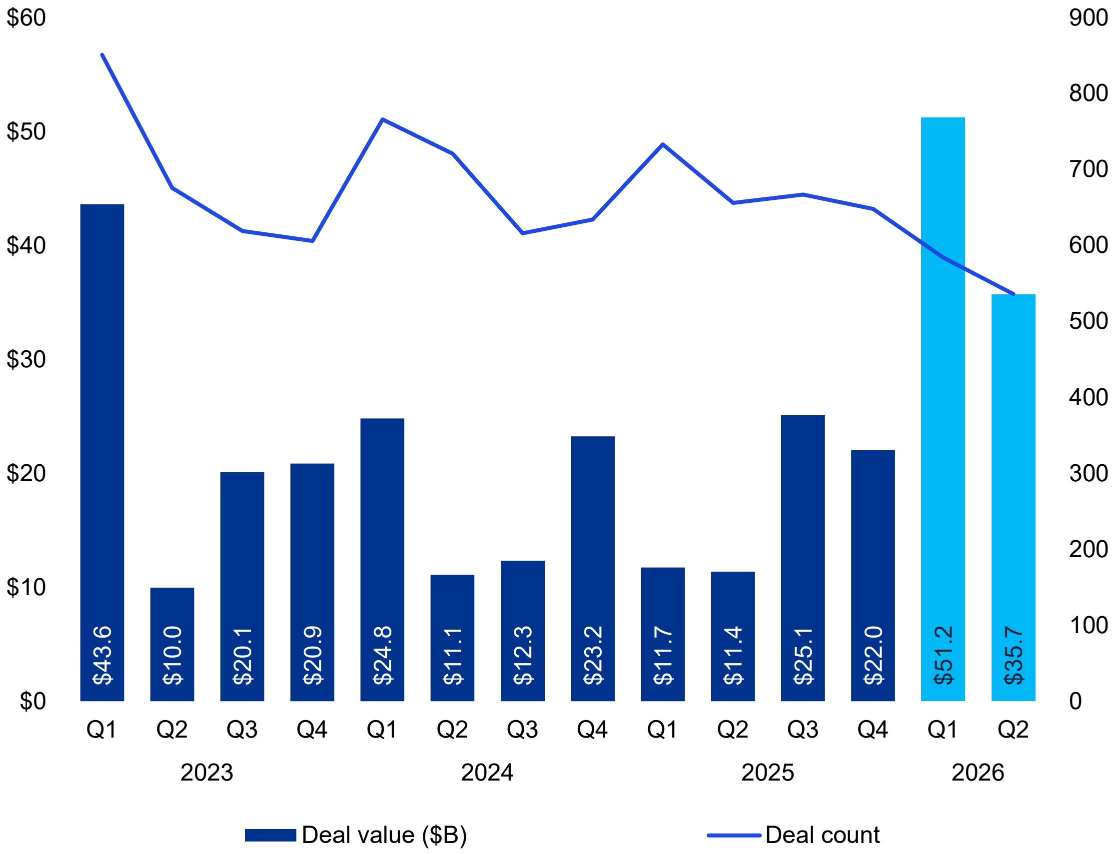
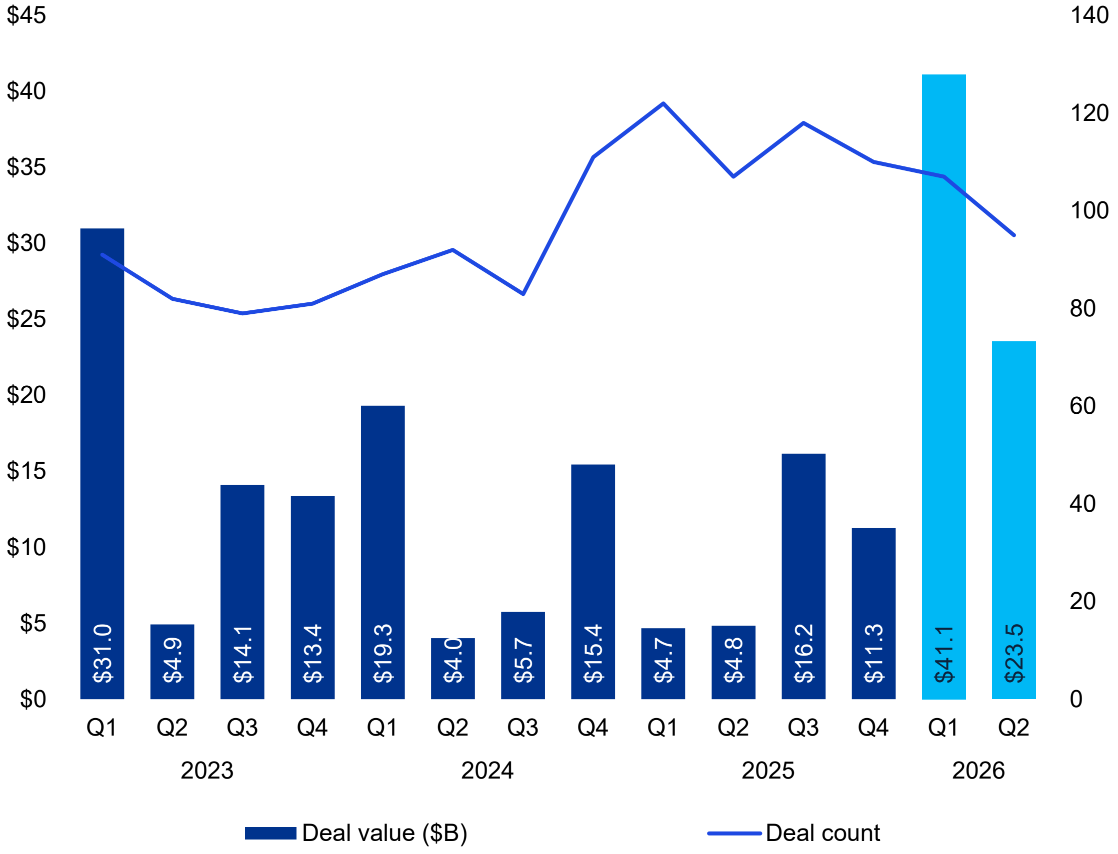
Regional insights — Americas

Mega-deals spike quarterly tallies

Total funding activity (VC, PE, M&A) in fintech in the Americas 2023-2026*



M&A activity in fintech in the Americas 2023-2026*

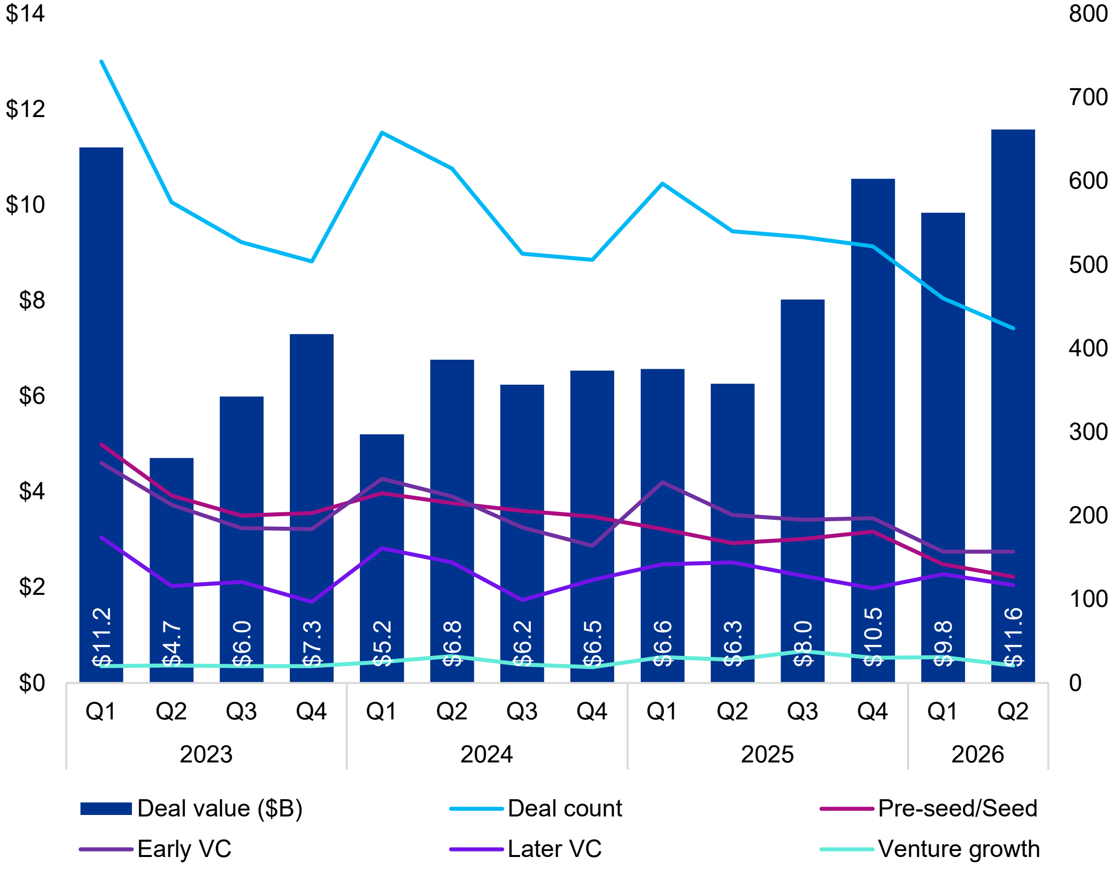


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

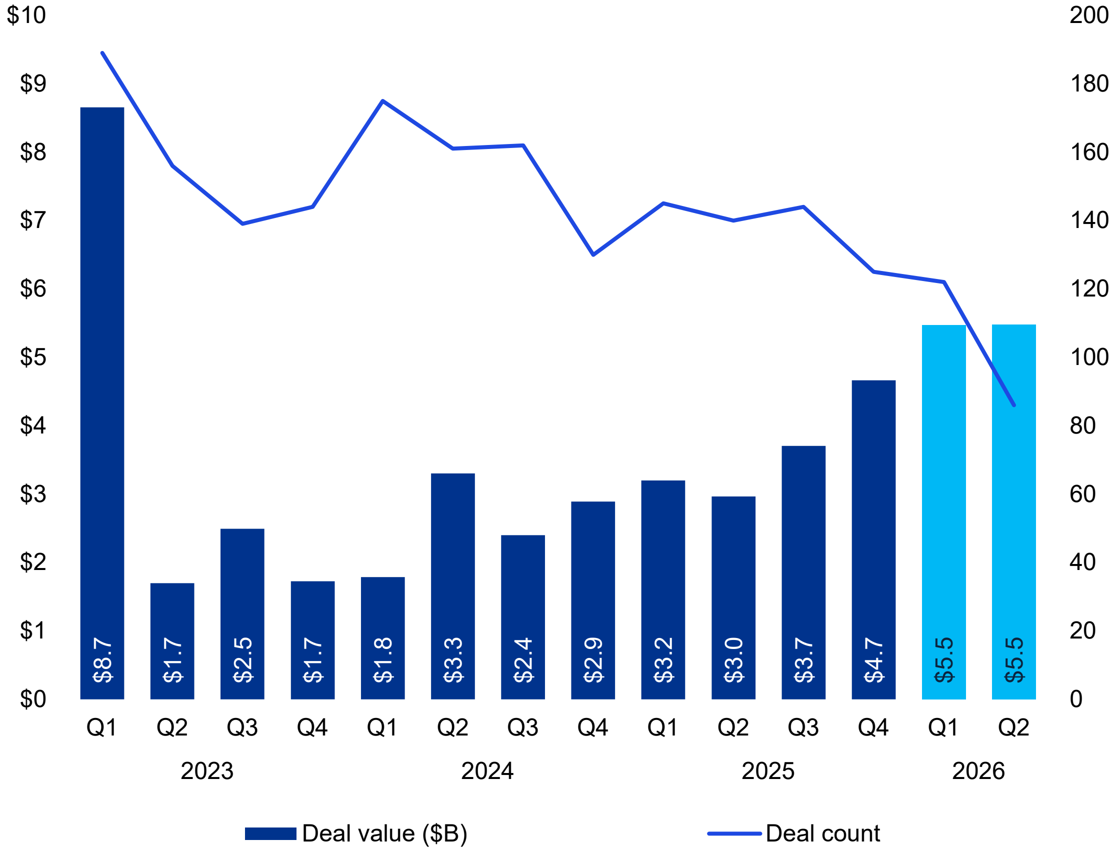
Regional insights — Americas

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

Venture capital funding activity in fintech in the Americas 2023-2026*



VC activity in fintech with corporate participation in the Americas 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

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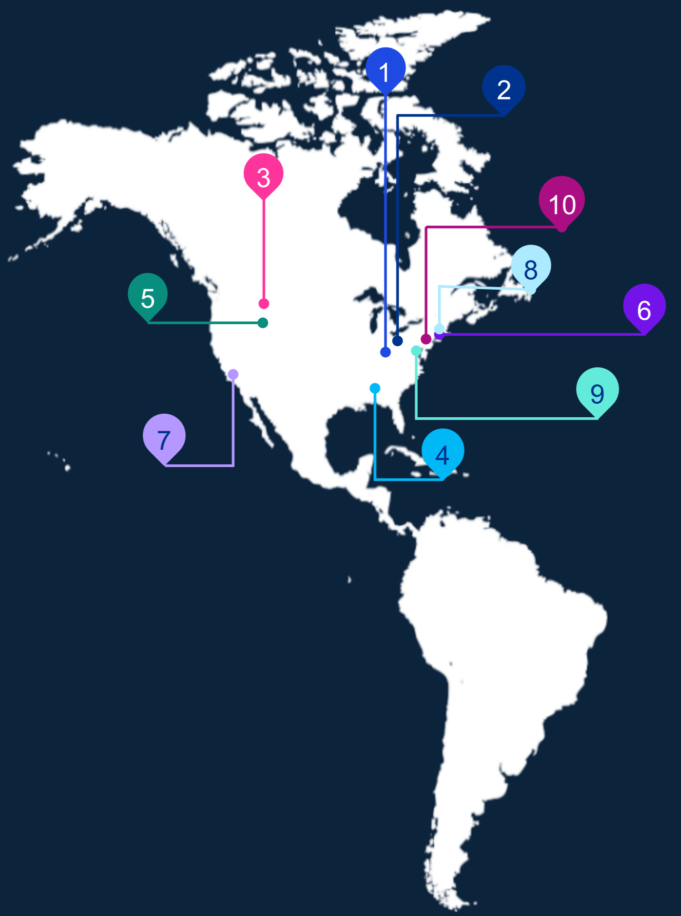
Americas

Top fintech deals in the Americas in H1 2026



1. **Worldpay** — $24.3B, Cincinnati, US — Payments — *M&A*
2. **Total System Services** — $13.5B, Columbus, US — Payments — *Corporate divestiture*
3. **Clearwater Analytics** — $8.4B, Boise, US — Investment management — *Buyout*
4. **OneStream** — $6.4B, Birmingham, US — Infrastructure — *Take-private*
5. **Brex** — $5.15B, Salt Lake City, US — Corporate finance — *M&A*
6. **Polymarket** — $1.6B, New York, US — Markets — *Series D*
7. **Newfront** — $1.3B, San Francisco, US — Insurtech — *M&A*
8. **Kalshi** — $1.2B, New York, US — Markets — *Series F*
9. **Cantaloupe** — $873M, Malvern, US — Payments — *Take-private*

Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

03

In H1 2026, funding in fintech companies in Europe, Middle East and Africa (EMEA) recorded $11.3B with 626 deals

Regional insights — EMEA

Fintech investment in the EMEA region softens considerably as large megadeals in short supply

Fintech investment in the EMEA region got off to a slow start in 2026 amid continued geopolitical and macroeconomic uncertainties. The region attracted $11.3 billion across 626 deals in H1'26.

Three PE deals accounted for the largest fintech transactions in the region during H1'26, all relatively modest in size: the $1.2 billion buyout of Denmark-based digital investment bank Saxo Bank by J. Safra Sarasin Group, the $1 billion acquisition of a minority stake in Belgium-based real-time trade intelligence company Kpler Holding by Sixth Street, and a $738.7 million growth round by UK-based cross-border payments platform Ebury that was led by Centerbridge Partners. In the Middle East, the largest rounds included a $250 million investment by Blackstone into payments and data intelligence company Advanced Digital Gaming Technology and a $230 million seed round by AI-native Islamic bank Mal — both in the UAE. The largest deal in Africa was an $80 million VC raise by Seychelles-based stablecoin platform Kast.

Key H1'26 highlights from the EMEA region include:

UK attracts largest share of investment in the EMEA region in H1'26, but not largest deals

While Denmark and Belgium saw the largest fintech deals in H1'26 in the EMEA region, the UK continued to attract the largest volume of deals and share of total fintech investment in the region, with $2.5 billion across 205 deals, followed by Germany with $1.6 billion across 36 deals. The Middle East accounted for $1.4 billion across 50 deals, while jurisdictions in Africa attracted $403 million across 44 deals.

Geopolitical and economic uncertainty put pressure on fintech investor sentiment in H1'26

H1'26 brought a fresh wave of uncertainties to the EMEA region, including increasing geopolitical tensions, new US tariff policies, and concerns over inflation and interest rates caused by the outbreak of war in the Middle East. These factors likely put an uncertainty on the sentiment of fintech investors across the region. In the UK, political changes and concerns about new wealth taxes also contributed to the lackluster investment.

> "There's a lot of uncertainty in the UK right now, driven by political change, policy concerns, and broader economic pressures. As a result, investors are taking a more cautious approach. That's challenging for a number of strong fintech companies that are well positioned for growth but are facing a market that's not yet ready to fully support their next stage of expansion."

Hannah Dobson
Partner, Head of Fintech
KPMG in the UK

Regional insights — EMEA

AI-focused fintechs see interest, but investments still relatively small

EMEA investors continued to show interest in AI-focused fintechs, particularly those targeting digital identity, cybersecurity, and regtech. However, such startups still remain quite small compared to their counterparts in other regions — which means many investments have been as well. Corporates also showed significant interest in AI; while many were laser focused on opportunities to use AI to drive efficiencies, some have started to consider how best to use AI to help drive revenue.

Digital assets space continues to heat up

Interest in the stablecoins and digital assets continued to pick up in H1’26, driven in part by the regulatory clarity provided by MiCA and the rush of companies looking to obtain their MiCA licenses before the end of the transitional period. During H1’26, the Bank of England and the Financial Conduct Authority also set out their approach to the joint regulation of systemic stablecoin issuers.[3] Despite the increasing maturity of the digital assets space in the region, including growing interest and participation from traditional banks, lingering concerns remained over how to manage differing regulatory treatments of stablecoins and digital assets, and the resulting investor exposure.

Governments continue to prioritize development of sovereign capabilities and ecosystems

Geopolitical tensions and uncertainties have spurred governments to focus on the development of sovereign capabilities and ecosystems in order to reduce reliance on capital and capabilities from outside the region. For example, during H1’26, the EU continued to move ahead with its €5 billion Scaleup Europe Fund,[4] naming EQT as the fund manager. While not fintech specific, the fund is expected to support the scale-up of regional startups in relevant adjacent areas, including AI and quantum computing. During H1’26, there was also growing interest in fintechs providing regional solutions for activities like digital identity management and payments interoperability.

> “MiCA has helped open up the digital assets market by providing greater regulatory clarity. But innovation is still moving faster than regulation, especially in areas like stablecoins, where questions around oversight, interoperability, and investor protection remain. The sector is becoming more mature and demand continues to grow, but there is still work to be done to support long-term adoption at scale.”

Dave Remue
Director, Head of Fintech
KPMG in Belgium

[3] Bank of England, “Bank of England and Financial Conduct Authority’s approach to joint regulation of systemic stablecoin issuers,” 30 June 2026.
[4] European Commission, “European Innovation Council selects EQT to lead €5 Billion Scaleup Europe Fund,” 17 May 2026.

Regional insights — EMEA

Trends to watch for in H2'26

- Growing investment and competition in the stablecoins and digital asset tokenization space as the sector continues to mature and gain traction.
- Increasing interest in instant payments, particularly facilitated by tokenization, stablecoins, and corporate treasuries looking to improve working capital management.
- Strengthening focus on the emerging area of agentic commerce.
- The Scaleup Europe Fund and other government initiatives helping to spur larger investments in EU-based scale-ups as part of efforts to strengthen sovereign capabilities and decrease reliance on foreign capital.
- How political and tax changes affect the fintech and broader investment market in the UK.

"There are a significant number of fintechs operating in areas such as payments, banking, and financial services, many offering similar solutions. Not all of them will succeed, and as clear market leaders emerge, we're likely to see increased consolidation. We're already seeing signs of that across Europe, with some corporates acquiring distressed fintechs that they view as strategic opportunities."

François Assada
Partner, Head of Fintech
KPMG in France

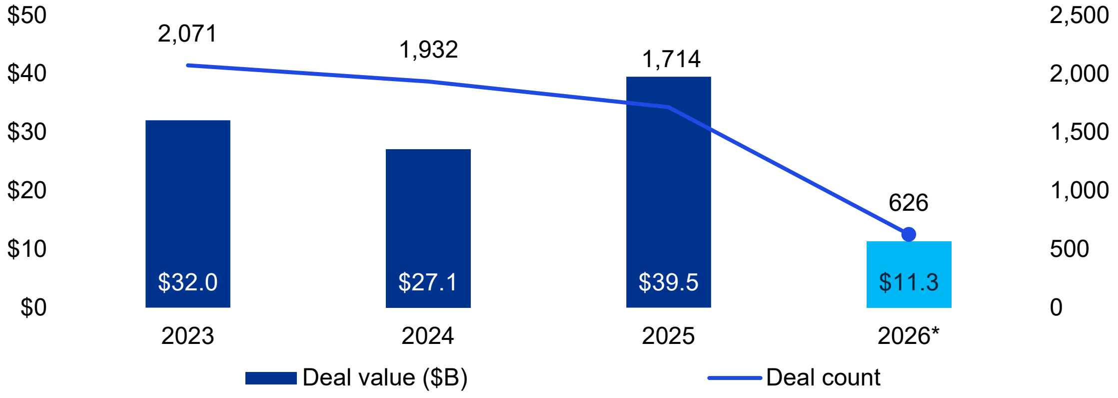
"One of the most talked-about trends in AI today is agentic commerce, and for good reason. We're seeing growing interest and investment in the infrastructure needed for AI agents to shop, transact, and make payments. While the market is still evolving, the pace of innovation suggests this space could develop very quickly over the coming months."

Martijn Berghuijs
Head of Fintech and Payments
KPMG in the Netherlands

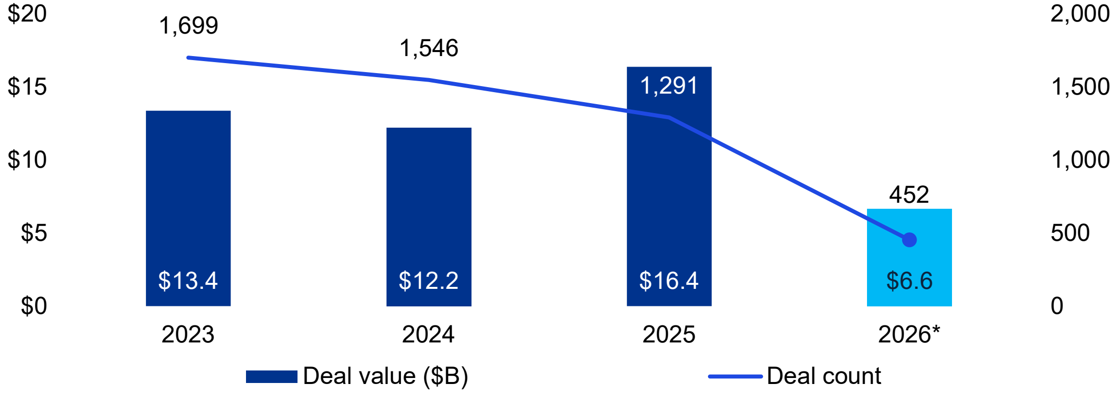
Regional insights — EMEA

Dealmaking ebbs somewhat

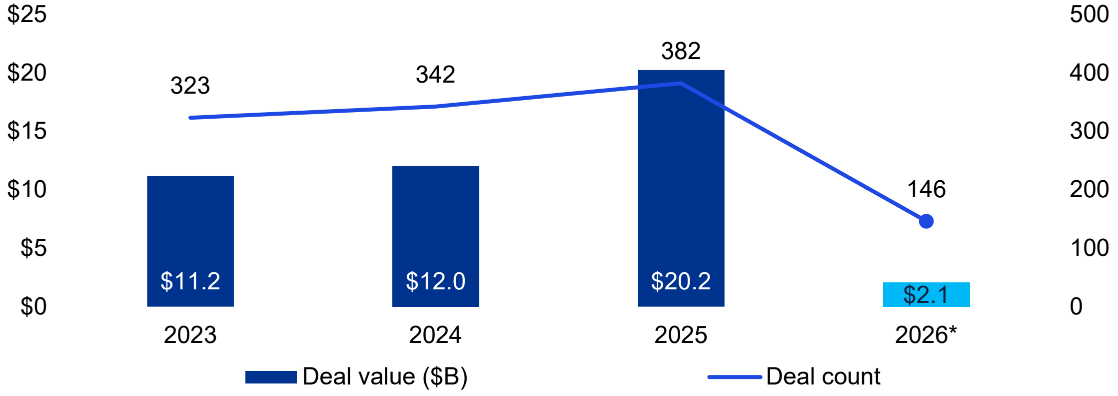
Total funding activity (VC, PE and M&A) in fintech in EMEA 2023-2026*



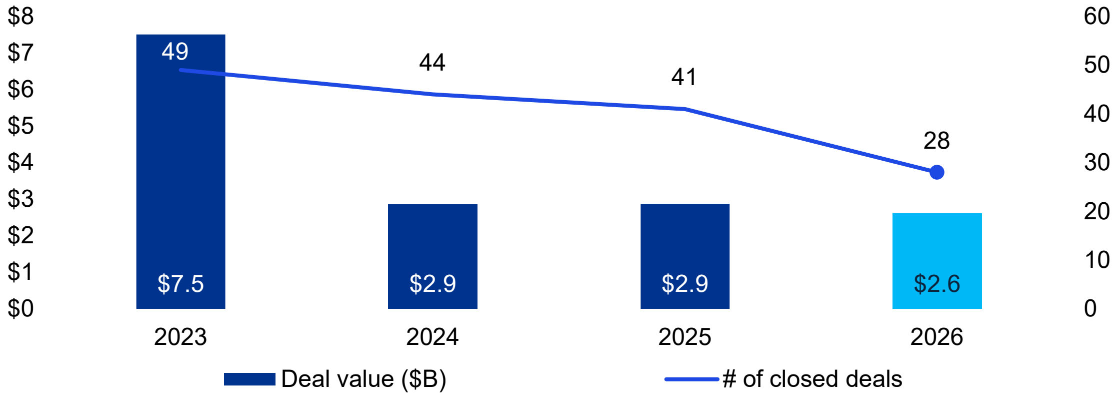
Venture capital funding activity in fintech in EMEA 2023-2026*



M&A activity in fintech in EMEA 2023-2026*



PE growth activity in fintech in EMEA 2023-2026*

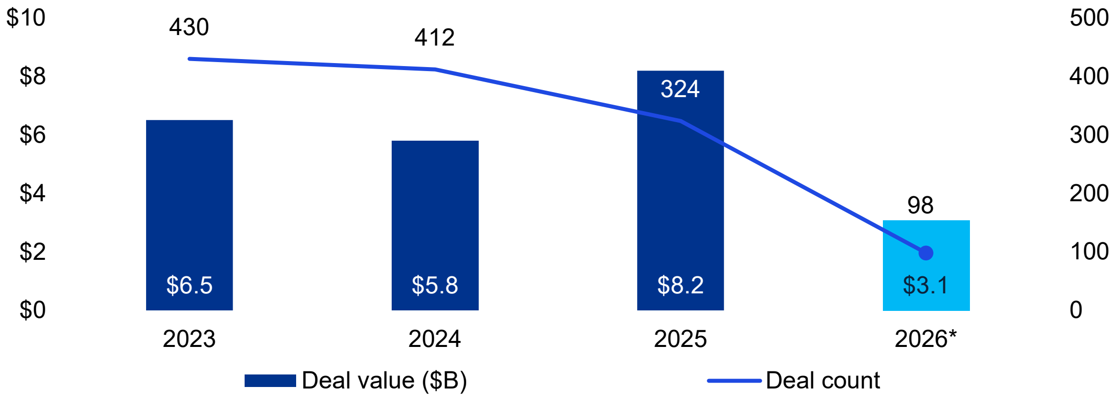


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

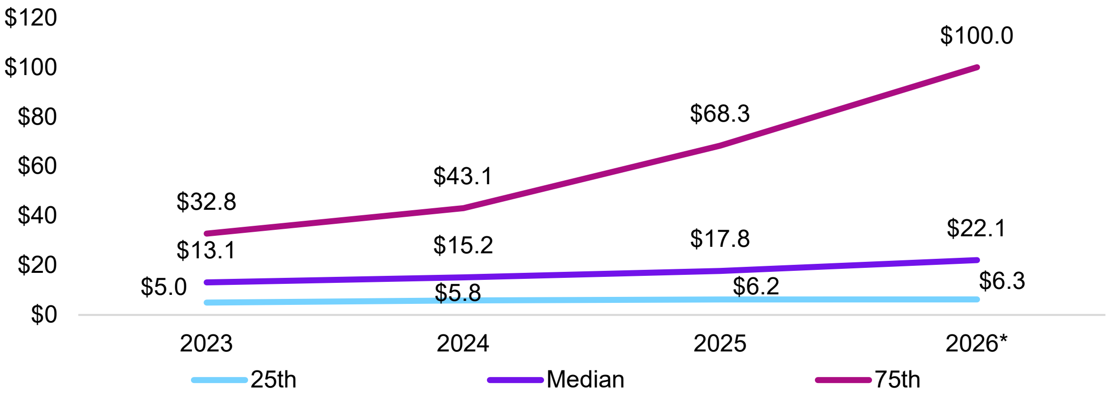
Regional insights — EMEA

M&A remains healthy or even at a record level, but venture valuations remain variable

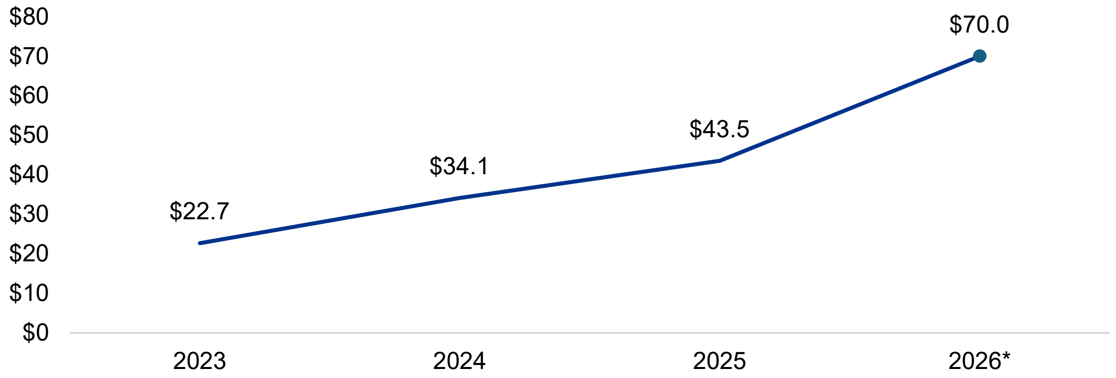
VC activity in fintech with corporate participation in EMEA 2023-2026*



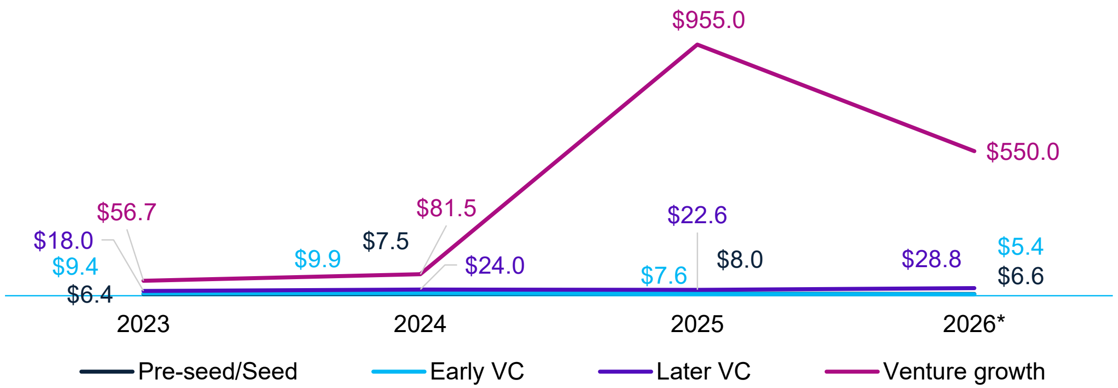
Quartile post-money (VC, PE and M&A) valuations in EMEA 2023-2026*



Median M&A size ($M) in fintech in EMEA 2023-2026*



Median pre-money valuations ($M) by stage in fintech in EMEA 2023-2026*

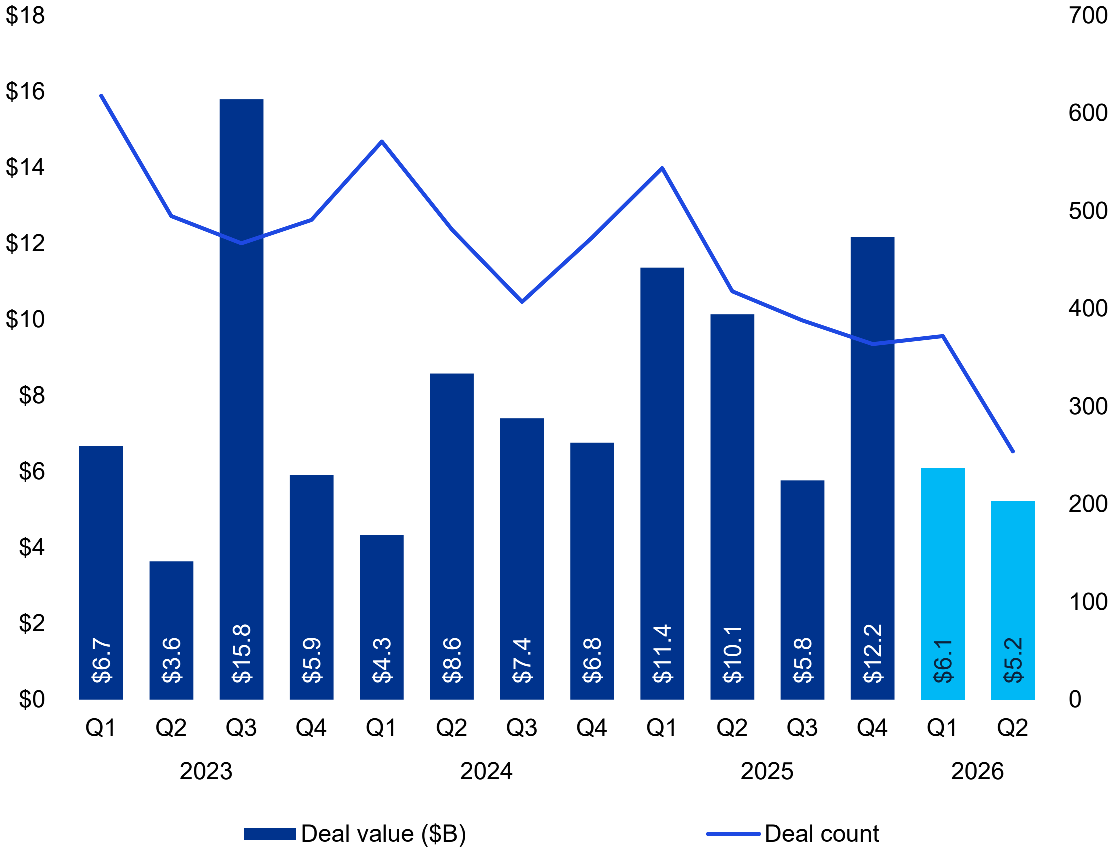


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026. Note: The median M&A deal size in 2026 YTD was based on a population size of 15. Median pre-money valuations for 2026 YTD are based on non-normative population sizes likewise, including all venture growth historical tallies.

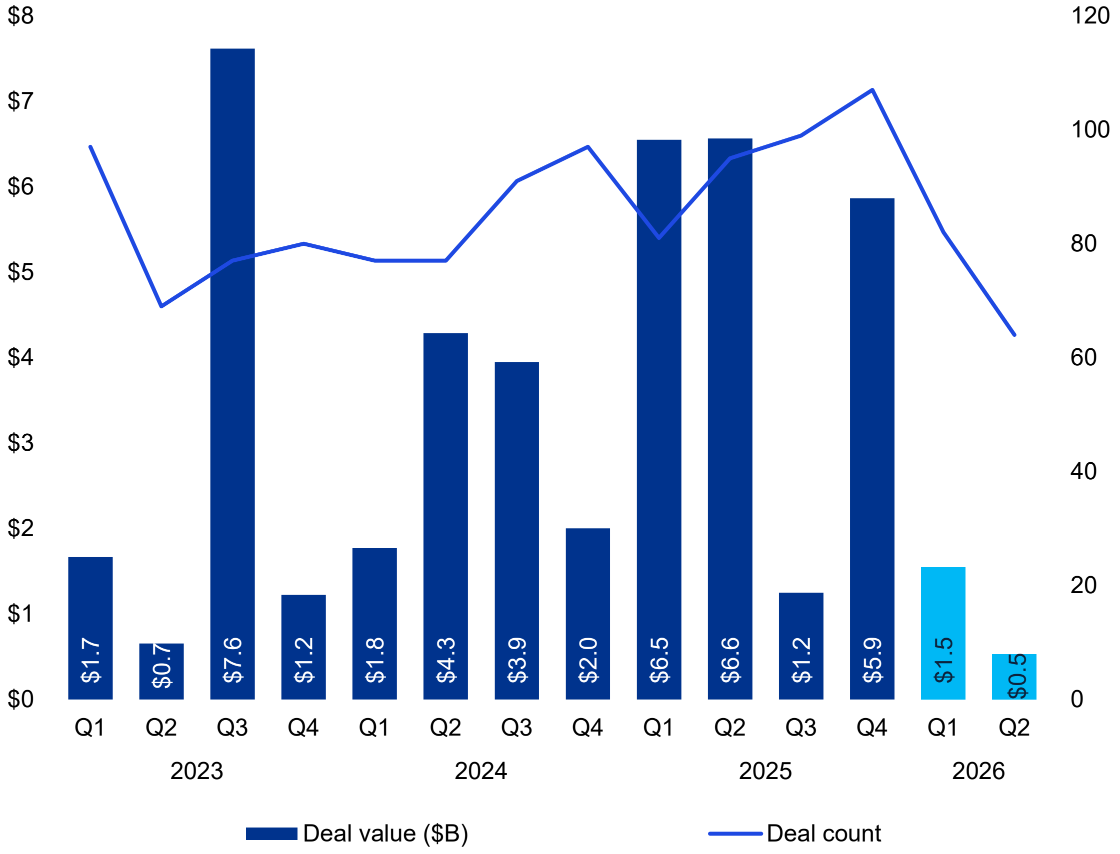
Regional insights — EMEA

VC activity slides in the first half of 2026

Total funding activity (VC, PE and M&A) in fintech in EMEA 2023-2026*



M&A activity in fintech in EMEA 2023-2026*

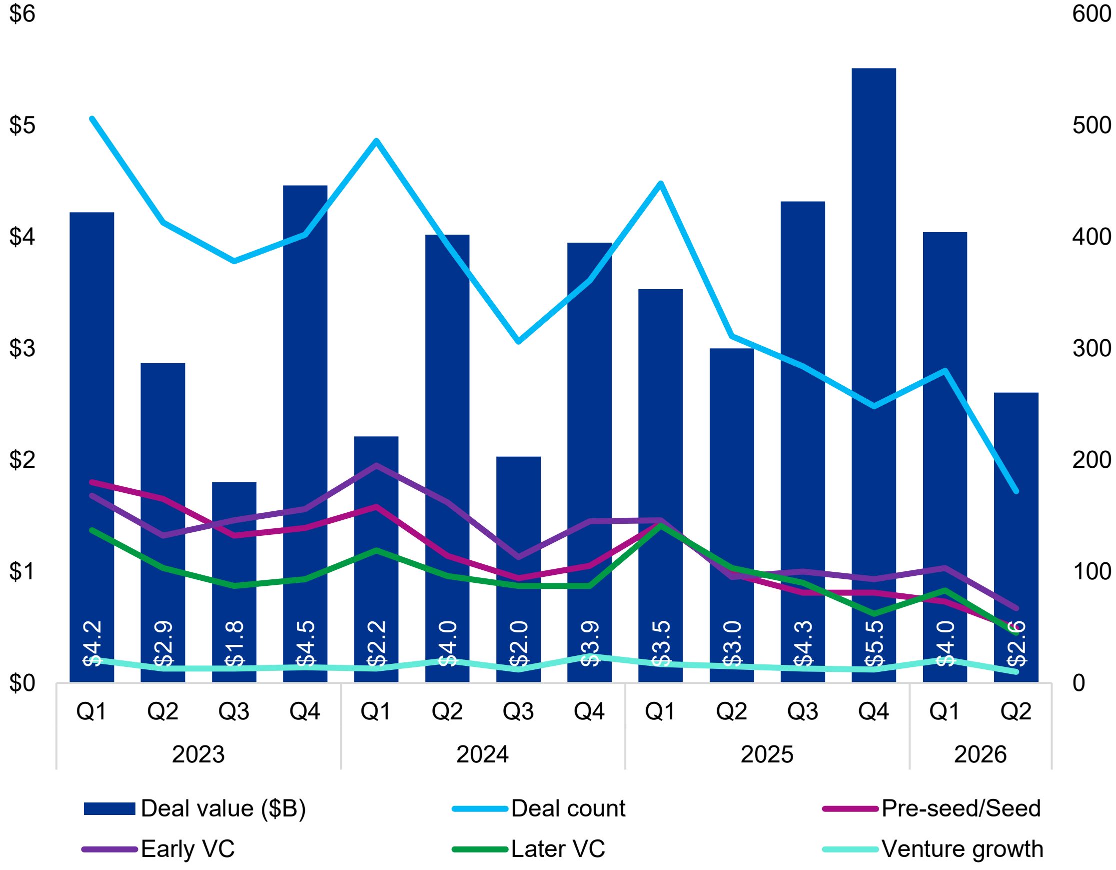


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

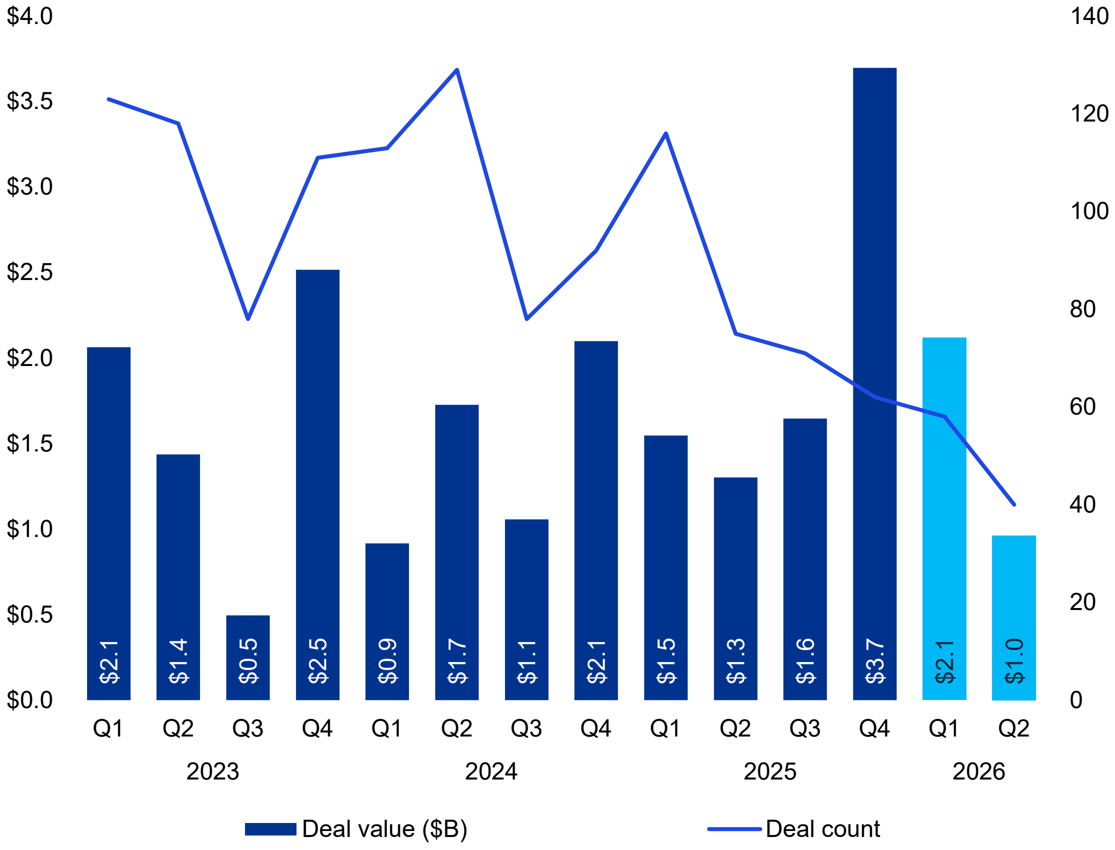
Regional insights — EMEA

After a strong back half of 2025 in VC invested, dealmaking ebbs

Venture capital funding activity in fintech in EMEA 2023-2026*



VC activity in fintech with corporate participation in EMEA 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

EMEA

Top fintech deals in EMEA in H1 2026

1. **Saxo Bank —** $1.2B, Hellerup, Denmark — Capital markets — *Buyout*
2. **Kpler Holding —** $1B, Brussels, Belgium — Capital markets — *Growth*
3. **Ebury** — $738.7M, London, UK — Payments — *PE growth*
4. **Alan** — $554.5M, Paris, France — Insurtech — *Series G*
5. **Advanced Digital Gaming Technology** — $250M, Abu Dhabi, UAE — Payments — *PE growth*
6. **Mal (Abu Dhabi)** — $230M, Abu Dhabi, UAE — Banking — *Seed*
7. **Pennylane** — $204.7M, Paris, France — Back-office/B2B — *Series E*
8. **Uzum** — $200M, Tashkent, Uzbekistan — Payments & lending — *PE growth*
9. **Wefox** — $192.7M, Zurich, Switzerland — Insurtech — *Late-stage VC*
10. **Twinco Capital** — $192.6M, Madrid, Spain — Supply chain finance — *Series B*

Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

04

In H1 2026, fintech companies in Asia Pacific (ASPAC) recorded $4.6B with 350 deals

Regional insights — ASPAC

ASPAC region sees $4.6 billion in fintech investment in H1’26

During H1’26, fintech-investment in the ASPAC region was $4.6 billion across 350 deals, down from $7.1 billion across 426 deals in H2’25. Deal value was particularly low in Q1’26 ($1.2 billion) before picking up to $3.4 billion in Q2’26. Several factors contributed to this softness, including fintech investors continuing to reassess late-stage valuations, shifting regulations, and geopolitical exposures.

VC investment accounted for many of the largest deals in the ASPAC region during H1’26, including a $900 million raise by India-based rewards-focused credit management platform Cred, a $320 million raise by Singapore-based payments company Airwallex, a $280 million raise by India-based loan platform KreditBee, and a $150 million raise by Australia-based crypto exchange Synthetix.

Key H1’26 highlights from the Asia-Pacific region include:

India attracts largest share of fintech investment in ASPAC

India bucked the downward investment trend seen in other ASPAC jurisdictions, attracting $2.0 billion across 101 deals in H1’26, up from $1.8 billion across 102 deals in H2’25. South Korea came a distant second, with $899 million in investment across 31 deals, followed by Singapore ($499 million across 53 deals), Australia ($456 million across 28 deals) and Japan ($204.5 million across 37 deals).

Maturity of fintech sector in China creating structural market differences

During H1’26, total fintech investment in China was soft, with just $149 million invested across 33 deals. But part of this softness can be attributed to the structure of China’s fintech sector, including the maturity of its payments, consumer finance, and digital lending spaces. Many fintech capabilities have also been internalized by banks, insurers and large platforms. As such, interactions with fintechs have increasingly occurred through ecosystem partnerships, joint R&D and other initiatives where funding primarily falls outside of conventional VC, PE and M&A. Actual demand for fintech innovation has not waned in China, evidenced by its strong growth in digital products.

> “While investment activity in China may pick up in the second half of the year, it’s likely to remain selective. That said, fintech sector health is about more than funding. When you look at metrics such as revenue, adoption, and business outcomes, there’s considerable activity and innovation happening, much of it outside traditional VC, PE, and M&A markets.”

Andrew Huang
Partner, Head of Fintech
KPMG China

Regional insights — ASPAC

Investors grow more cautious and cost-focused, particularly in Australia

During H1’26, fintech investors in Australia continued to remain cautious as the Reserve Bank of Australia raised interest rates three times, and the federal government announced capital gains tax changes as part of its 2026 budget.[5] Other jurisdictions also faced macroeconomic challenges, particularly related to rising costs associated with the conflict in the Middle East and the extended closure of the Strait of Hormuz. The uncertain macroeconomic environment led many investors to focus more on cost management rather than on growth plays, with AI increasingly being seen as a means for driving efficiencies.

Hong Kong SAR continues to position itself as global fintech leader

During H1’26, Hong Kong SAR continued to work to cement its position as a global fintech leader, particularly in the digital assets space. In February, the Hong Kong Monetary Authority (HKMA) released its Fintech Promotion Blueprint, outlining specific measures to further accelerate fintech adoption, including in five key areas: AI, distributed ledger technologies, high-performance computing, data, and cyber resilience.[6] In April, the HKMA also issued its first two stablecoin issuer licenses.[7]

Corporates continue to show interest in regtech, but investment more global than regional

Within the ASPAC region, traditional corporates and mature fintechs continued to show appetite for regtech and compliance related technologies, particularly related to anti-money laundering (AML) and know your customer (KYC). Investment in the space, however, has been masked somewhat given that many regtech players are based in other regions, including EMEA and the US.

> “After years of heavy technology spending, CFOs are increasingly focused on what delivers measurable value. That’s putting pressure on fintechs delivering services to traditional financial services players, albeit demand for regtech and compliance solutions remains strong. As regulation becomes more complex, we see AI is poised to play an increasingly important role in helping organizations manage risk and improve efficiency.”

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

[5] Australian Government, “Tax reform — Boosting home ownership — Reforming negative gearing and capital gains tax,” 29 June 2026.
[6] Hong Kong Monetary Authority, “Fintech Promotion Blueprint,” 3 February 2026.
[7] Hong Kong Monetary Authority, “Granting of stablecoin issuer licenses,” 10 April 2026.

Regional insights — ASPAC

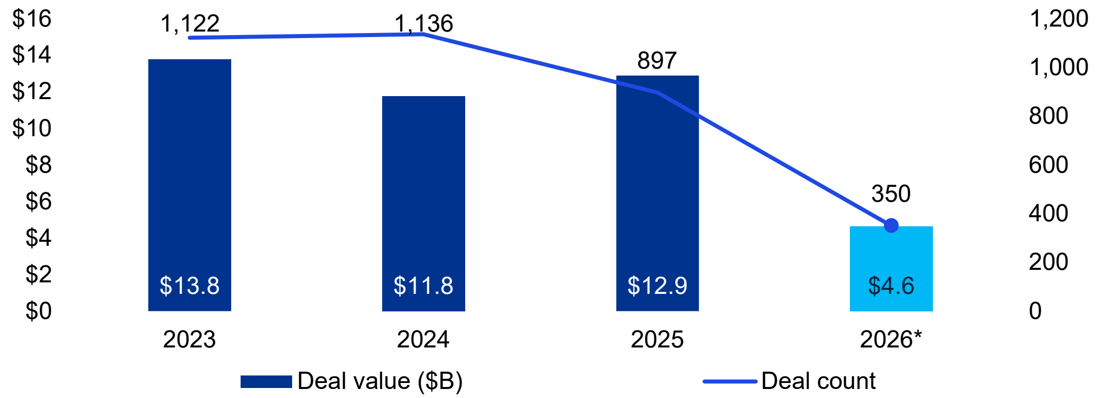
Trends to watch for in H2'26

- India continuing to attract solid fintech investment given the strength of its economy.
- Increasing interest in AI related to regtech and workflow automation in Australia and other low-growth economies as corporates look to drive operational efficiencies and cost out.
- Strengthening AI investment in areas related to AML, operations and software engineering, customer service agents, and employee support agents (e.g. wealth advisory, corporate treasury, claims).
- Core technology platforms increasingly introducing agentic AI solutions for financial workstreams.
- Hong Kong SAR continuing to create policies and market supports across AI, stablecoins, and tokenization to support the institutionalization of digital assets.
- Consolidation within the payments, credit, and wealth management spaces in China, with more scaled fintechs becoming acquirers.

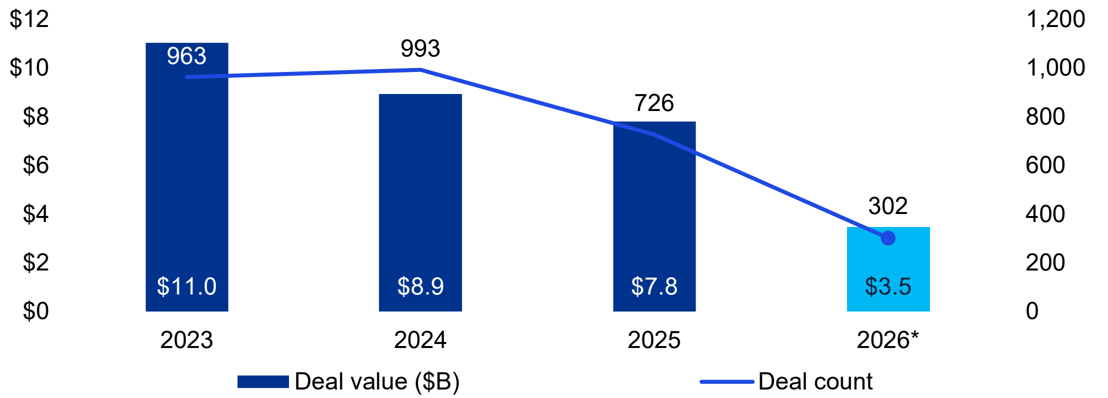
Regional insights — ASPAC

Activity weakens somewhat across M&A and to a lesser extent VC

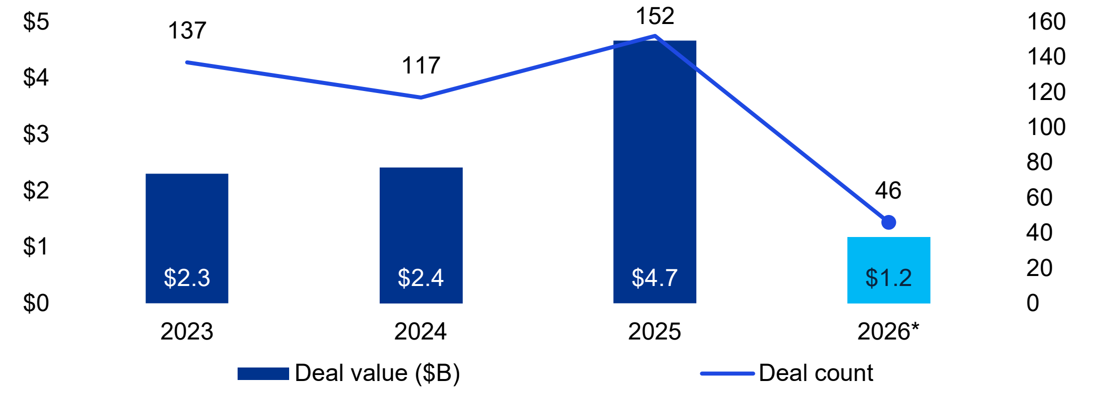
Total funding activity (VC, PE and M&A) in fintech in ASPAC 2023-2026*



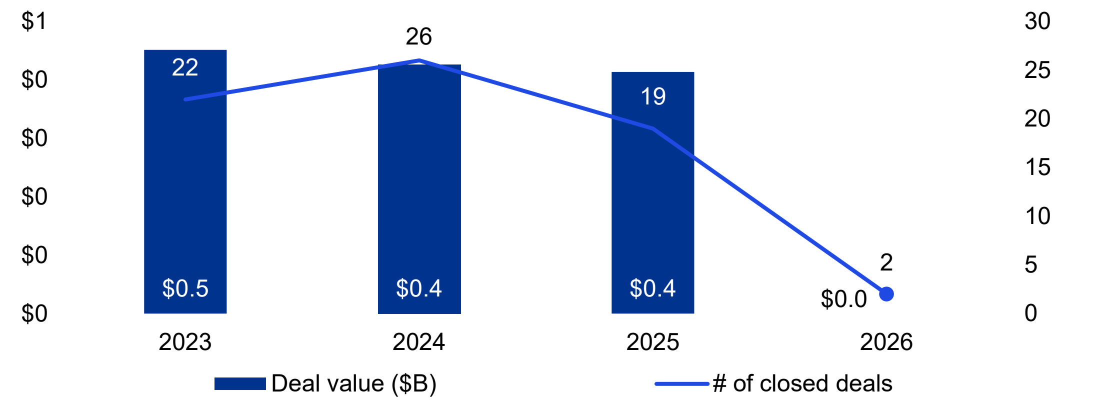
Venture capital funding activity in fintech in ASPAC 2023-2026*



M&A activity in fintech in ASPAC 2023-2026*



PE growth activity in fintech in ASPAC 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

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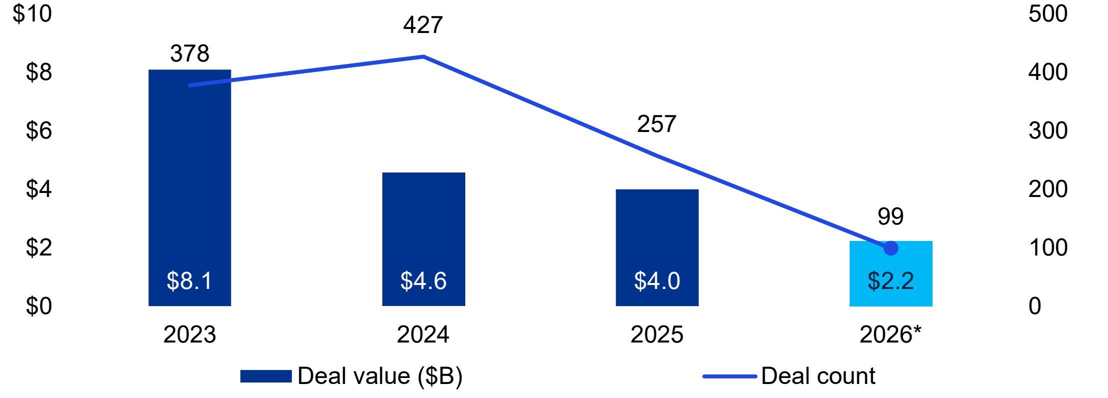
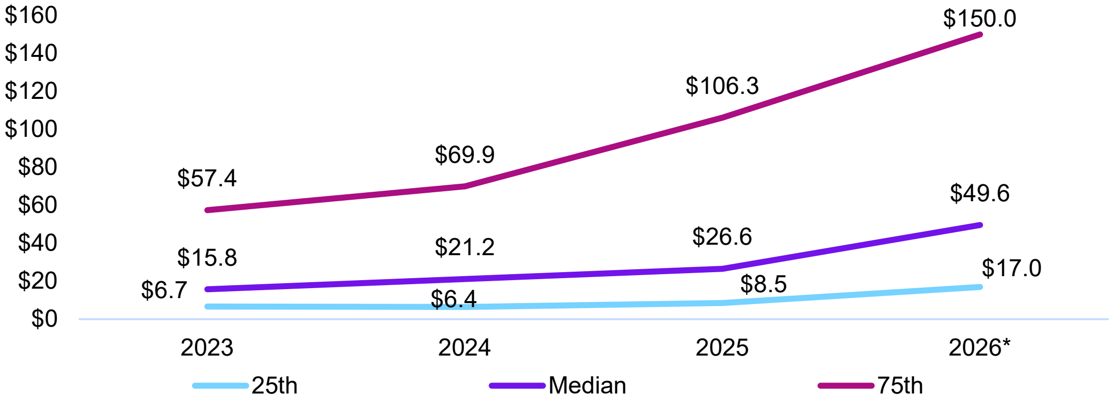
Regional insights — ASPAC

Deal metrics remain shifted by outliers, exacerbated by smaller population sizes

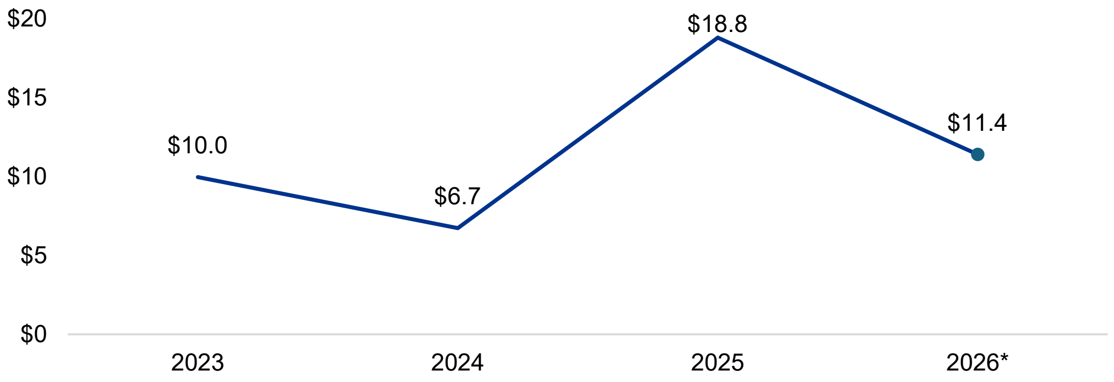
VC activity in fintech with corporate participation in ASPAC 2023-2026*



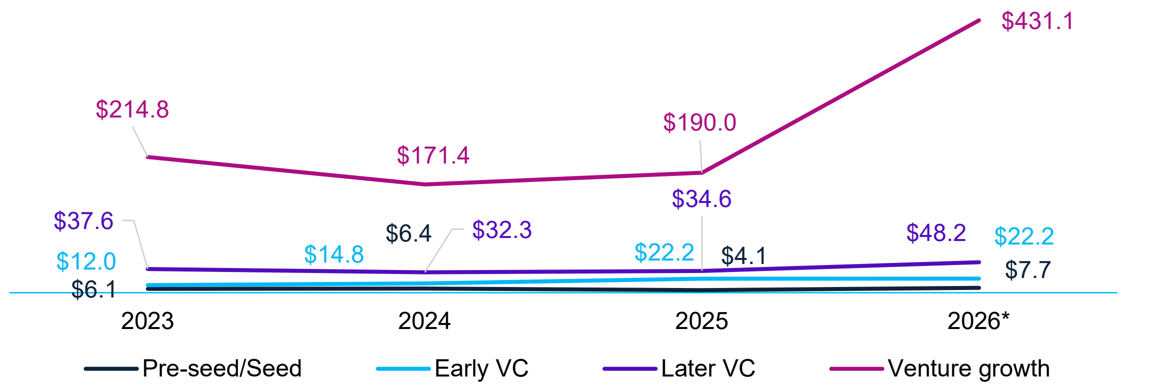
Quartile post-money (VC, PE and M&A) valuations in ASPAC 2023-2026*



Median M&A size ($M) in fintech in ASPAC 2023-2026*



Median venture pre-money valuations ($M) by stage in fintech in ASPAC 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.
Note: The median M&A deal size in 2026 YTD was based on a population size of 17. Median pre-money valuations are based on non-normative population sizes likewise, including all venture growth historical tallies.

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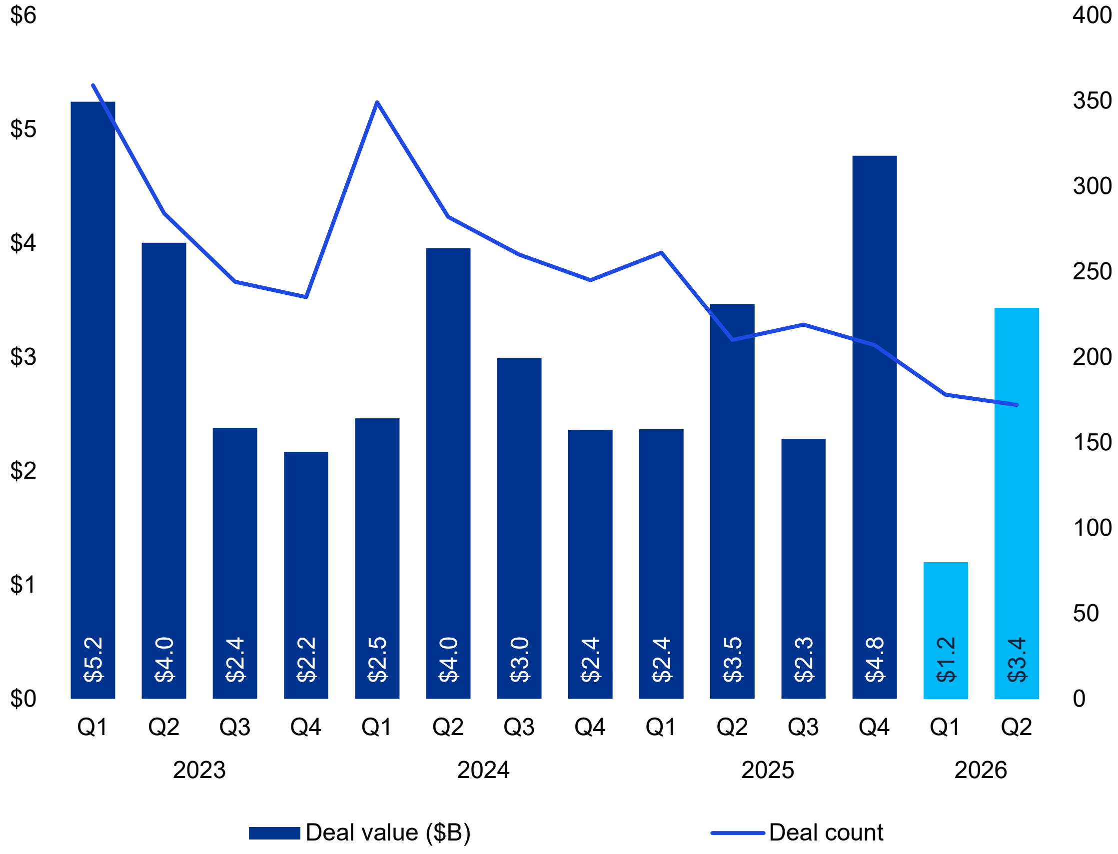
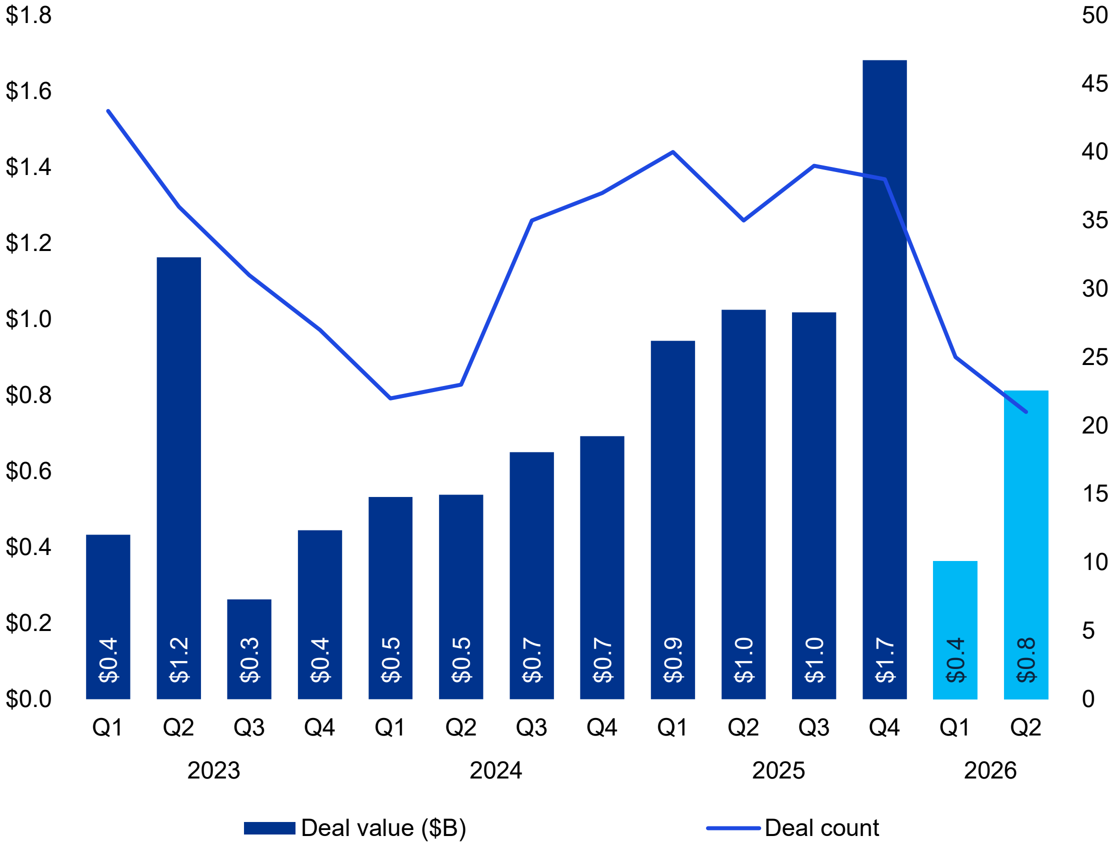
Regional insights — ASPAC

Mega-deals skew quarterly tallies even as counts flatline

Total funding activity (VC, PE and M&A) in fintech in ASPAC 2023-2026*



M&A in fintech in ASPAC 2023-2026*

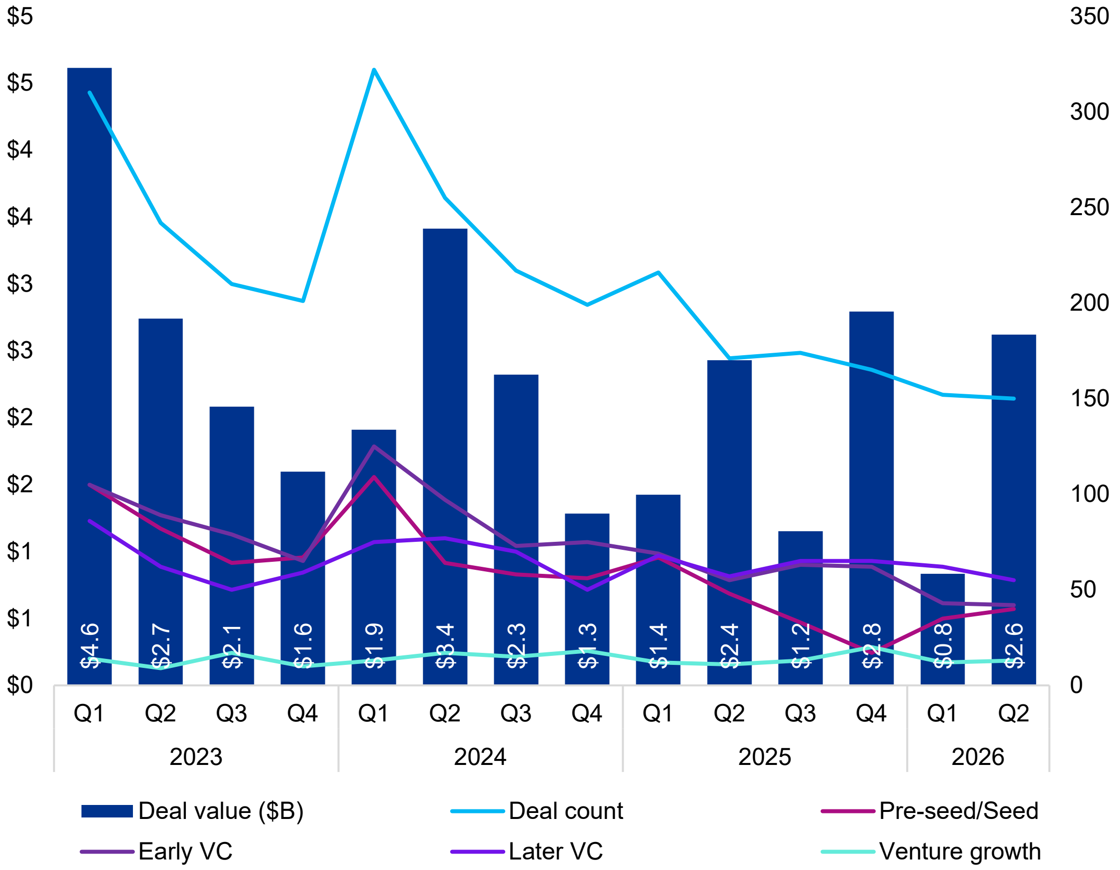


Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

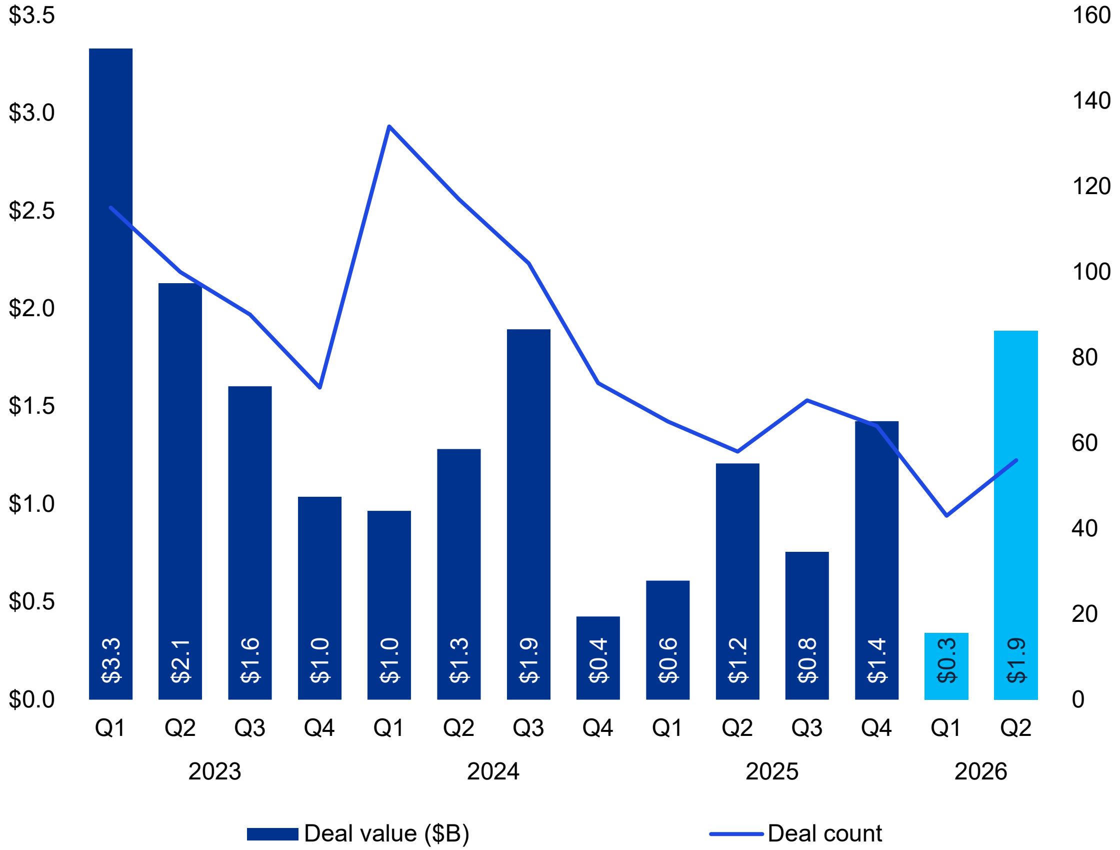
Regional insights — ASPAC

Corporates remain active in VC

Venture capital funding activity in fintech in ASPAC 2023-2026*



VC activity in fintech with corporate participation in ASPAC 2023-2026*



Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

ASPAC

Top fintech deals in ASPAC in H1 2026

1. **CRED** — $900M, Bengaluru, India — Credit — *Series H*
2. **TwoDots** — $740M, Jeju, South Korea — General fintech — *M&A*
3. **Airwallex** — $320M, Singapore — Payments — *Series H*
4. **KreditBee** — $280M, Bengaluru, India — Lending — *Series E*
5. **Synthetix** — $150M, Sydney, Australia — Crypto trading — *Series C*
6. **Independent Reserve** — $116.7M, Sydney, Australia — Crypto exchange — *M&A*
7. **Juspay** — $110M, Bengaluru, India — Payments/transactions — *Series D*
8. **Korbit** — $91.8M, Seoul, South Korea — Crypto exchange — *Corporate divestiture*
9. **IDfy** — $73M, Mumbai, India — Cybersecurity/compliance — *Series F*
10. **XTransfer** — $70M, Shanghai, China — Payments/transfers — *Series E*

Source: Pulse of Fintech H1'26, Global Analysis of funding in Fintech, KPMG International (data provided by PitchBook), *as of 30 June 2026.

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 suptech advice and deployment
- Financial industry policy development support
- Research services, benchmarking and market scans

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

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

About the KPMG global fintech practice

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

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

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

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

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

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

Visit kpmg.com/financialservices

Authors and contributors

Anton Ruddenklau
Global Lead of Innovation and Fintech for 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.

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 and Payments
KPMG in the Netherlands

Erich Braun
Partner, Audit
and Co-Lead Fintech
KPMG in the US

Dubie Cunningham
Partner, Banking and Capital Markets
KPMG in Canada

Samantha Dann
Manager, Program Delivery
KPMG International

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

Leah Fegan
Director, Global Marketing
Financial Services
KPMG International

Karim Haji
Global Head of Financial Services
KPMG International

Andrew Huang
Partner and Head of Fintech
KPMG China

Kenji Hoki
Director, Financial Services
KPMG in Japan

Authors and contributors (cont.)

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

Timothy Johnson
Global Head of Deal Advisory
Financial Services
KPMG International

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

Matthew Miller
Principal, Advisory
Banking, Cyber & Tech Risk
KPMG in the US

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

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

Leon Ong
Partner, Financial Services
Advisory
KPMG in Singapore

Dave Remue
Director and Head of Fintech
KPMG in Belgium

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

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

About the report

Methodology

The underlying data and analysis for this report (the 'Dataset') was provided by PitchBook Data, Inc ('PitchBook') on 30 June 2026 and utilizes their research and classification methodology for transactions as outlined on their website at https://pitchbook.com/news/pitchbook-report-methodologies. The Dataset used for this report considers the following funding transactions types: Venture Capital (including corporate venture capital) (VC), private equity (PE) funding and mergers and acquisitions (M&A) for the fintech vertical within the underlying PitchBook data. Family and friends, incubator and accelerator type funding rounds are excluded from the Dataset.

Due to the private nature of many of the transactions, the Dataset cannot be definitive, but is an estimate based on industry-leading practice research methodology and information available to PitchBook at 30 June 2026. Similarly, due to ongoing updates to PitchBook's data as additional information comes to light, data extracted before or after that date may differ from the data within the Dataset.

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

Venture capital deals

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

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

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

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

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

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

About the report

Methodology (cont'd)

Private equity fundings

PitchBook includes both buyout investors, being those that specialize in purchasing mainly a controlling interest of an established company (in a leveraged buyout) and growth/ expansion investors, being those that focus on investing in minority stakes in already established businesses to fund growth. Transaction types include leveraged buyout (LBO); management buyout; management buy-in; add-on acquisitions aligned to existing fundings; secondary buyout; public to private; privatization; corporate divestitures; and growth/ expansion.

M&A transactions

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

The fintech vertical

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

1. **Payments/transactions** — Companies whose business model revolves around using technology to provide the transfer of value as a service including both B2B and B2C transfers.
2. **Digital assets and currencies** — Companies whose core business is predicated on distributed ledger (blockchain) technology with the financial services industry and/or relating to any use case of crypto assets (e.g. coins, tokens, and stablecoins). This vertical includes companies providing services or developing technology related to the exchange of crypto assets, the storage of crypto assets, the facilitation of payments using crypto assets and securing crypto assets ledgers via mining activities.
3. **Lending** — Any non-bank that uses a technology platform to lend money often implementing alternative data and analytics or any company whose primary business involves providing data and analytics to online lenders or investors in online loans.
4. **Proptech** — Companies that are classified as both fintech and who are developing and leveraging technology intended to help facilitate the purchase, management, maintenance and funding into both residential and commercial real estate. This includes sub-sectors such as property management software, IoT home devices, property listing and rental services, mortgage and lending applications, data analysis tools, virtual reality modeling software, augmented reality design applications, marketplaces, mortgage technology and crowdfunding websites.

About the report

Methodology (cont'd)

5. **Insurtech** — Companies utilizing technology to increase the speed, efficiency, accuracy and convenience of processes across the insurance value chain. This includes quote comparison websites, insurance telematics, insurance domotics (home automation), peer-to-peer insurance, corporate platforms, online brokers, cyber insurance, underwriting software, claims software and digital sales enabling.
6. **Wealthtech** — Companies or platforms whose primary business involves the offering of wealth management services using technology to increase efficiency, lower fees or provide differentiated offerings compared to the traditional business model. Also includes technology platforms for retail investors to share ideas and insights both via quantitative and qualitative research.
7. **Regtech** — Companies that provide a technology-driven service to facilitate and streamline compliance with regulations and reporting as well as protect from employee and customer fraud.
8. **AI & ML, ESG** — These companies are either tagged with fintech and the existing PitchBook vertical of AI & ML, meaning they operate within both fintech and employ AI & ML tools, models, etc. For ESG, this segment was defined utilizing existing PitchBook ESG-related verticals (e.g., cleantech) and the fintech vertical.

Written analysis and commentary

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

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