Cambridge Centre for Alternative Finance

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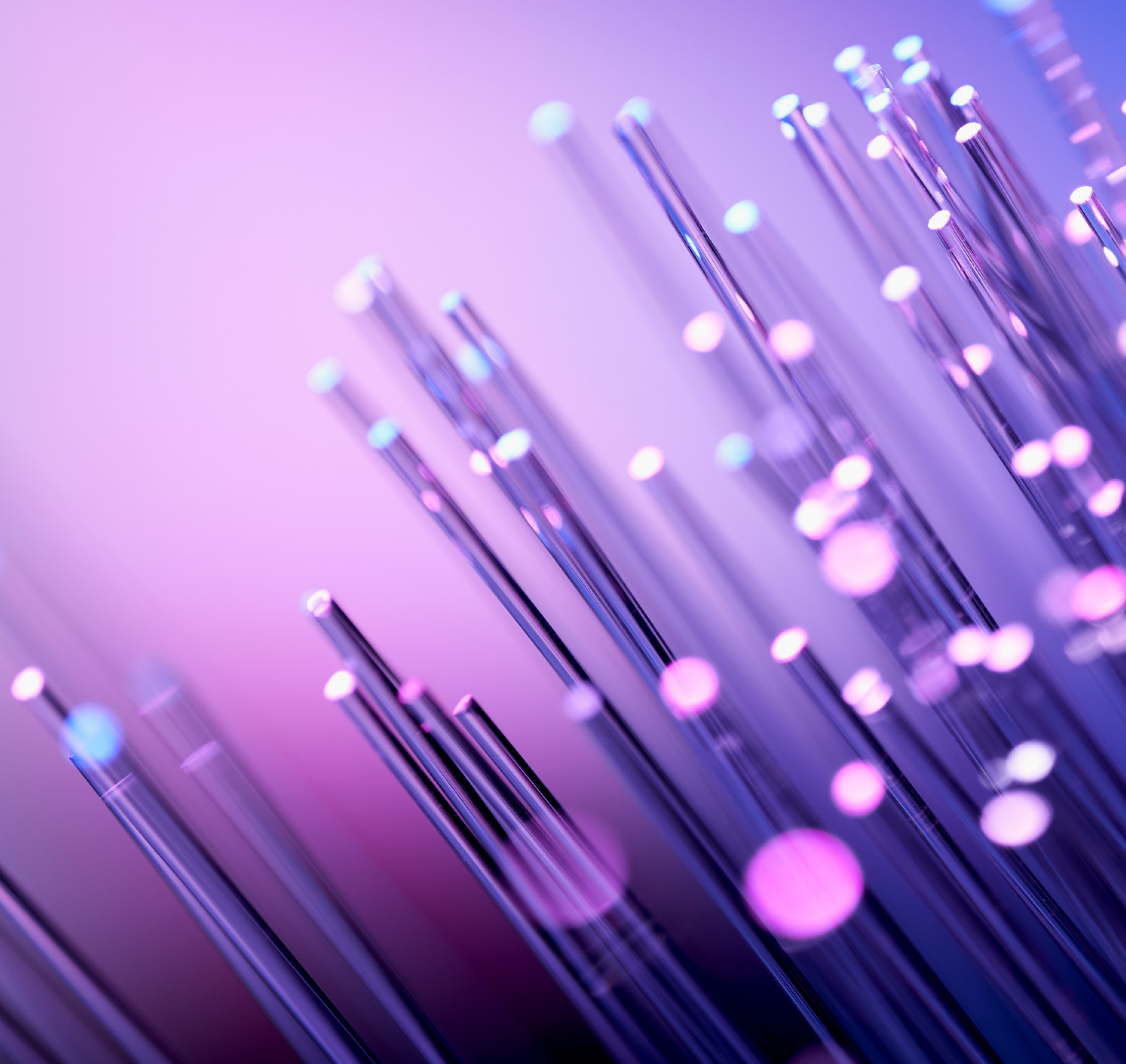
WORLD ECONOMIC FORUM

The Future of Global Fintech: From Rapid Expansion to Sustainable Growth Second Edition

INSIGHT REPORT

JUNE 2025



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Foreword

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The Future of Global Fintech research initiative was launched with the primary goal of collecting empirical data on how the global fintech industry is evolving and seizing new opportunities while navigating challenges associated with the rapidly shifting financial services landscape. As this dynamic and often disruptive sector continues to reshape financial services, it challenges regulators and policy-makers to keep pace. The industry requires adaptability and coordination to cultivate innovation, support market competition and ensure consumer protection.

In response to these challenges, the World Economic Forum and the Cambridge Centre for Alternative Finance (CCAF) have partnered once again to produce the second edition of this global study. This edition offers key benchmarks and comparative insights on market performance indicators while also exploring how firms reach underserved customer segments and unlock market potential through financially inclusive products. It further captures evolving perceptions around regulatory and supervisory frameworks, and how these influence the growth and development of fintech businesses.

This research draws on data from 240 fintech firms spanning six industry verticals and six geographical regions. With respondents headquartered in 59 jurisdictions and operating in 109 countries, the findings offer a comprehensive and diverse snapshot of the global fintech industry.

Between 2020 and 2023, consumer demand for fintech services remained strong, driving sustainable growth across the sector. During this period, fintech firms not only expanded but also developed customer-centric value propositions aimed at enhancing financial inclusion, particularly for underserved populations in emerging markets and developing economies. Yet, the sector faced its share of challenges, especially macroeconomic instability and persistent uncertainties surrounding regulatory and supervisory frameworks.

This edition also explores the expanding role of artificial intelligence (AI) within fintech, a topic first identified in the inaugural study as the most relevant issue shaping the industry's future. It examines how firms integrate AI across various business functions, the subsequent impact on performance and the associated risks (including concerns around bias, deepfakes and the cost of adoption). The findings reveal that firms are actively investing in AI to enhance customer experience, improve operational efficiency and drive cost savings.

We hope that the insights presented in this study help stakeholders better understand the evolving dynamics of the fintech industry. Our aim is to shed light on both opportunities and challenges across key areas – particularly regulation, technology and digital public infrastructure, and their role in expanding financial access and advancing financial inclusion.

Finally, we extend our sincere thanks to the UK Foreign, Commonwealth and Development Office (FCDO) for their support and to all survey participants and collaborators involved in this research for their contributions and perspectives.

Executive summary

The fintech industry is transitioning from rapid expansion into a phase of sustainable growth, increased collaboration and broader market reach.

This second edition of the Future of Global Fintech report aims to provide a clear view of the current fintech landscape. It builds on the first edition[1] as well as earlier studies on the impact of COVID-19 on the fintech industry.[2] Its insights are designed to support evidence-based decision-making by public- and private-sector leaders across the fintech ecosystem.

This empirical study surveyed a total of 240 carefully selected fintech companies across six key retail-facing fintech business verticals (digital lending, digital capital raising, digital payments, digital banking and savings, insurtech and wealthtech) and six regions (Asia-Pacific, Europe, Latin America and the Caribbean, Middle East and North Africa, the US and Canada, and Sub-Saharan Africa).

Key findings:

The global fintech industry remains robust in its transition to a more sustainable growth phase. The industry maintains positive performance metrics, though at more moderate rates than during the COVID-19 pandemic surge. Average customer growth from 2022-2023 stands at 37%, down from 55% in 2020-2021, reflecting natural market normalization as the industry matures beyond pandemic-driven digital acceleration. Encouragingly, revenue growth is strong at 40%, while profit growth is also promising at 39%.

Macroeconomic factors continue to be the primary challenge for fintech growth, though improvements have been noted. In total, 18% of survey respondents cite macroeconomic factors as unsupportive to growth, and 37% cite them as neither supportive nor unsupportive. In the previous study, 56% of respondents considered these factors a hindrance. Similarly, perceptions of the funding environment have recovered, with 31% of fintechs having neutral opinions and only 12% of fintechs citing it as a hindrance (compared to 40% in the previous study).

Financial inclusion remains central to the fintech value proposition, with traditionally underserved segments comprising significant portions of customer bases. Fintechs report that micro, small and medium enterprises (MSMEs) make up 57% of their customers, low-income populations make up 47% and women make up 41%, representing a considerable portion of their customer base. These segments also generated substantial revenue, particularly in emerging markets and developing economies (EMDEs), demonstrating that inclusion can support profitability.

Partnerships play a critical role in fintech strategies. Overall, 84% of surveyed fintechs are partnering with incumbent financial institutions, most commonly through application programming interface (API) integrations (52%), technology providers (41%) and funding agreements (36%). Technology solutions and infrastructure (48%) are noted as the primary motivators for collaboration, followed by enhanced credibility and trust (34%) and product and service innovation (34%).

Fintechs are generally satisfied with the regulatory landscape and approaches taken by regulators. In total, 62% of fintechs report that regulation in the regions where they conduct business is adequate for their operations, and 35% cite strong clarity of the regulatory approach. Notable areas where challenges persist, however, include financial authority knowledge and capacity, coordination of financial authorities, and licensing and registration processes.

Technology adoption continues to accelerate. In total, 80% of surveyed fintechs are implementing artificial intelligence (AI) across multiple business domains. Customer service and process automation lead AI applications, with 91% of fintechs either implementing AI or planning to implement it in these areas in the near future. This widespread adoption of AI is positively affecting fintechs' performance, with reported improvements in customer experience (83%), cost reduction (75%) and profitability (75%).

In a continuously evolving industry, fintechs have identified AI, regional interoperability, open banking and open finance as the most important topics for development in the next five years. Combined with broader report findings, this points to a strategic focus on sustainable growth, cross-border expansion and deeper integration with traditional financial infrastructure. The industry may be moving beyond pure disruption towards collaborative transformation of digital financial services.

Introduction

Drawing on direct input from fintechs, this research provides new data and insights into fintech market developments.

With fintechs now central to the global financial system, it is critical to monitor key trends – ranging from market performance and customer shifts to regulation, fundraising and technological innovation.

Research objective and rationale

Fintech firms have evolved rapidly over the last two decades, securing their position alongside traditional financial institutions. This is due, in large part, to their ability to harness technology to deliver affordable, accessible financial products and services at scale. Recently, the COVID-19 pandemic served as an unprecedented accelerator, and the industry's momentum has proven resilient since. With fintechs now central to the global financial system, it is critical to monitor key trends – ranging from market performance and customer shifts to regulation, fundraising and technological innovation.

This study explores the core drivers of fintechs' continued growth, including mechanisms that support scale, partnerships with financial institutions and a healthy regulatory environment. It also examines topics such as the fintech industry's role in advancing financial inclusion and its adoption of artificial intelligence (AI). Building on the last edition of this research in 2024, this report draws on empirical data to provide actionable insights for policy-makers, regulators, investors, financial institutions, development banks, consumers and academic stakeholders.

Methodology

Data source and collection

The main dataset for this report was gathered via the Future of Global Fintech Insight Survey (second edition), conducted by the Cambridge Centre for Alternative Finance (CCAF) and the World Economic Forum. A logic-based survey consisting of 34 questions enabled firms to respond to specific questions based on their country, region of operation and customer groups. For global reach and accessibility, the survey was translated from English into 11 other languages: Arabic, Bahasa Indonesian, Bahasa Malaysian, Brazilian Portuguese, Chinese (simplified), French, Spanish, Tagalog, Thai, Turkish and Vietnamese. The data collection period spanned from 17 September to 31 December 2024.

The panel of respondents was composed of firms that participated in the first edition of the Future of Global Fintech research initiative, as well as fintechs that were newly identified in the mapping process. To ensure data robustness, the research team mapped firms based on some entry criteria: the number of operational years, the number of countries where the firm operated, business vertical, customer base, valuation and maturity. This invitation-only initiative consisted of a carefully selected group of innovative leading fintech[3] firms representing six key retail-facing fintech business verticals (digital lending, digital capital raising, digital payments, digital banking and savings, insurtech and wealthtech[4]) across six regions (Asia-Pacific, Europe, Latin America and the Caribbean, Middle East and North Africa, the US and Canada, and Sub-Saharan Africa). A total of 240 fintech firms responded to the survey.

Data sanitation and verification

Alongside data collection, a multi-stage verification process was executed. This process involved scrutinizing survey responses for anomalies and inconsistencies to ensure robust representation of fintech verticals and regions in the sample. In compliance with the EU General Data Protection Regulation (GDPR) and the data protection rules of the University of Cambridge, personal and firm-level identifiers were removed, each firm was assigned a unique ID and the raw data was transferred to a separate database. All analyses were conducted on an anonymized and sanitized dataset, and results were reported at an aggregate level, categorized by fintech industry vertical or geographical jurisdiction. Entries that could not be verified were excluded. While selection, data sanitation and verification were conducted carefully, due to the invitation-only nature of the survey and the fact that data was self-reported by a selected group of fintechs, report findings may not fully represent the entire fintech ecosystem and should be interpreted with appropriate caution.

Sample demographics

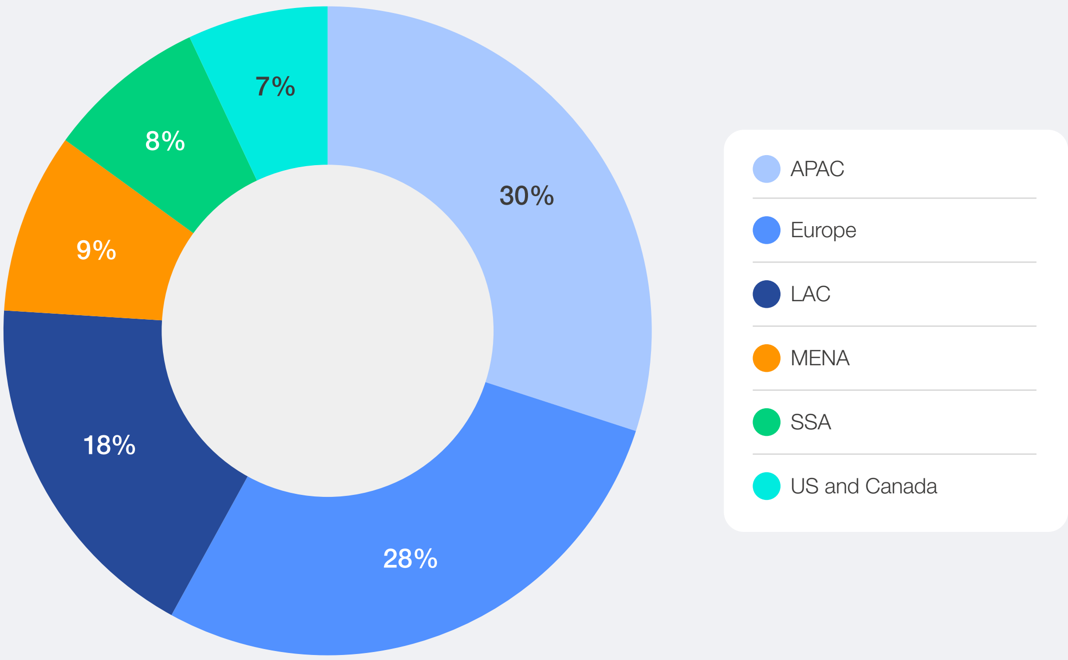
The research sample was made up of fintechs with a highly global footprint. Most fintechs in the sample (60%) operated in multiple jurisdictions, with 31% operating in multiple regions. Asia-Pacific (APAC) fintechs exhibited a more local focus, expanding less internationally than firms from other regions. Even when they did expand, it was predominantly within their own region.

In contrast, fintech firms in the Middle East and North Africa (MENA), Latin America and the Caribbean (LAC) and Europe demonstrated a strong international presence (72%, 71% and 70%, respectively), with a substantial proportion venturing into another region (42%, 29% and 43%, respectively). The US and Canada showed a balanced approach, with half expanding internationally and into other regions. International expansion varied across fintech verticals. While some remained focused on local markets, others pursued international opportunities, with expansion rates ranging from 43% for digital lending firms to 79% for insurtech firms. Notably, surveyed insurtech, wealthtech and digital payment firms showed significant cross-regional expansion (43%, 48% and 37%, respectively).

Respondents were almost evenly distributed by income level, with 55% representing firms operating in advanced economies (AEs) and the remaining 45% operating in emerging markets and developing economies (EMDEs).

Operational and headquarter regions and countries

FIGURE 1 **Distribution of fintechs by region**

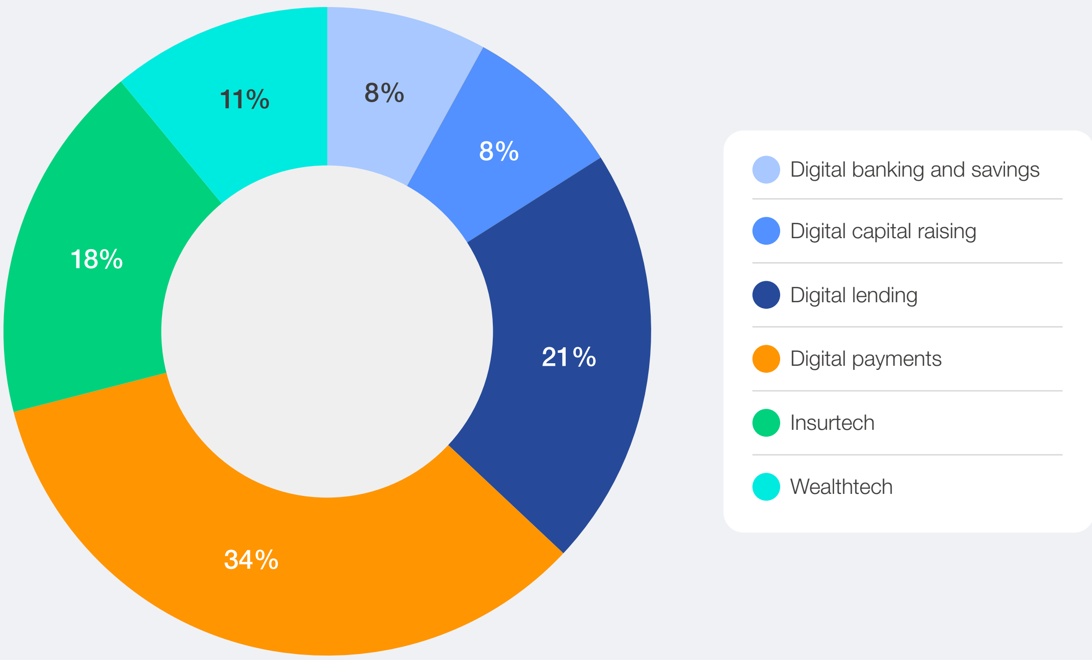


The survey data sample consists of responses from fintechs operating in different geographies (totalling 717 data points, as a fintech firm may have multiple separate jurisdictional subsidiaries). The study composition contains robust data cuts, with at least fifty firms represented from each region and fintech industry vertical, allowing the research team to derive relevant insights. The APAC region had the largest proportion of responses (30%), being home to some of the fastest-growing fintechs in the world. Europe followed closely with 28%, while LAC and MENA contributed 18% and 9% of the survey sample, respectively. The sample also included firms from Sub-Saharan Africa (SSA) and the US and Canada (8% and 7%, respectively). Overall, the distribution was similar to that of the first edition, with nuances such as increased participation by fintechs in Europe and a drop in participation from SSA (from 15% to 9%).

The study revealed that fintech hotspots include the UK, India, the US, Singapore, Brazil and Indonesia, each of which headquarters over 10 firms and showcases their booming fintech sector. Additionally, the top operating countries for fintechs included the US, the UK, India, Singapore, the United Arab Emirates, Brazil, Colombia, Mexico, Indonesia and Germany.

Business models

FIGURE 2 **Distribution of fintechs by business model**



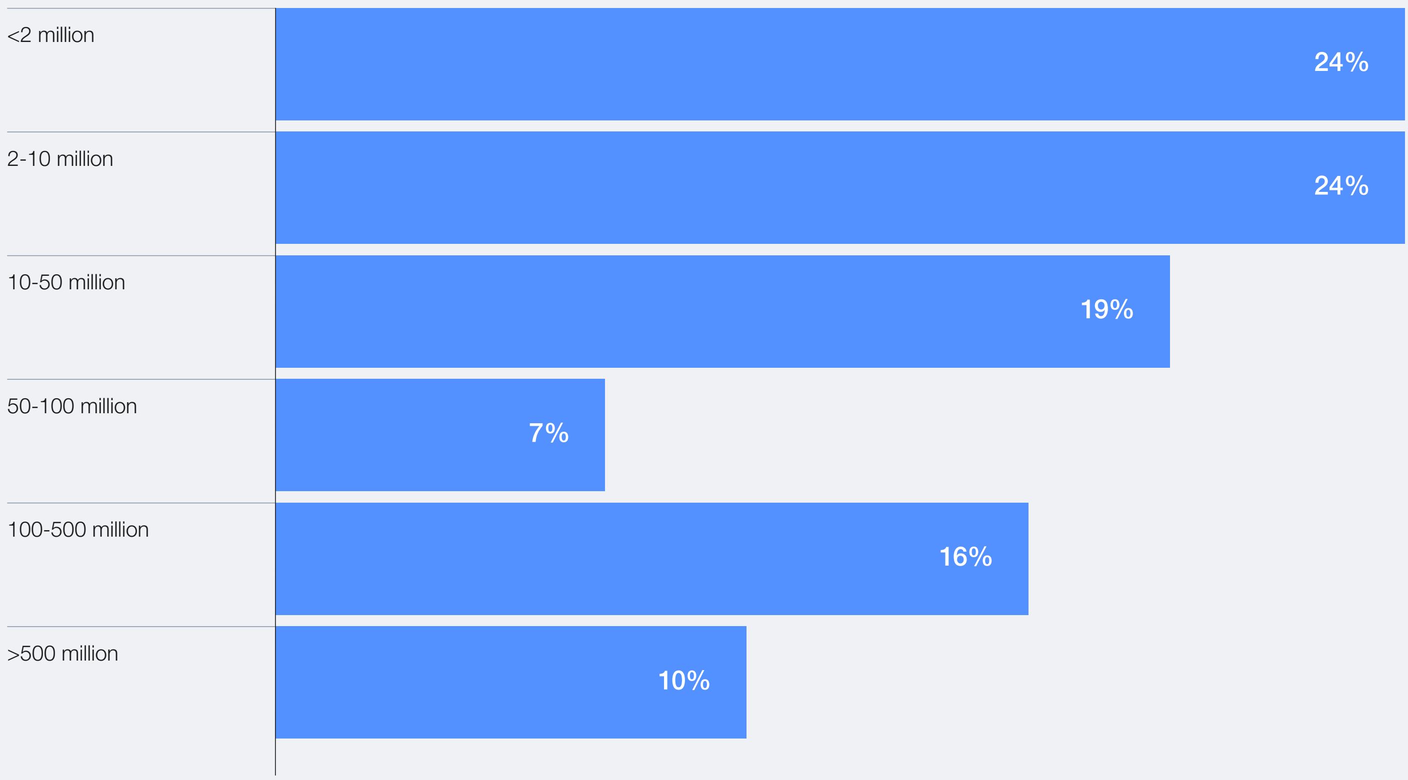
This report focuses on six retail-facing fintech industry verticals. The distribution was similar to that of the previous edition, with the addition of wealthtech. In the recent study, digital payments were the largest vertical, comprising 34% of the total responses, followed by digital lending (21%), insurtech (18%) and wealthtech (11%). Digital capital raising and digital banking and savings accounted for 8% each.

The top three digital payment categories were cross-border remittances (45%), money transfer (43%) and domestic remittances (40%). This trend was consistent in SSA, Europe and LAC. Digital lending was the second largest vertical in APAC (29%), LAC (26%) and MENA (16%). In LAC and Europe, most digital lending firms provided balance sheet business lending services. Meanwhile, in MENA and APAC, they primarily focused on balance sheet consumer lending services.

Digital wealth management was the leading service for wealthtech firms, with 50% offering this service, followed by personal financial management (35%) and robo-advisers (21%). The US and Canada and Europe led in terms of the number of wealthtech firms (17% and 15%, respectively), followed by MENA (11%) and LAC (10%).

Technical service providers (TSPs), on-demand insurance and customer management were the top three categories in the insurtech vertical. TSP dominated most regions, except for the US and Canada and APAC. In APAC, the claims and risk management solutions category led (34%), while in the US and Canada, use-based insurance was the largest segment (44%), with one-third offering parametric-based insurance.

FIGURE 3 | **Distribution of fintechs by annual revenue between 2022-2023 in $, millions**



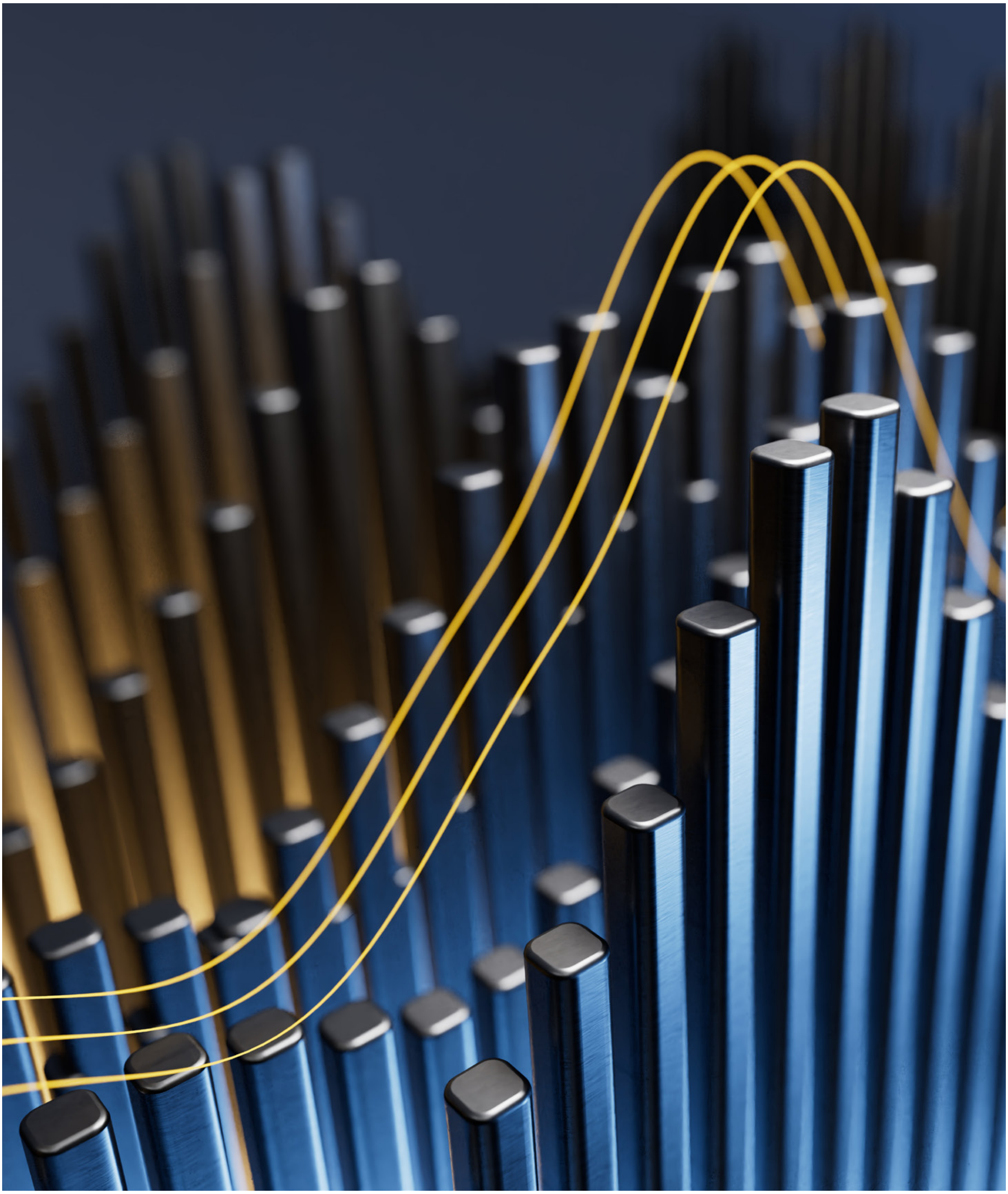
Looking at the operations, 48% of fintechs reported having annual revenue ranging from under $2 million to $10 million (24% for each group) between 2022-2023. Additionally, 26% reported annual revenue of between $10 million and $100 million (19% $10-50 million and 7% $50-100 million), followed by 16% with revenue of $100-500 million. Another 10% reported annual revenue of over $500 million. This reflects a strong composition of fintechs with lower but significant revenue levels.

In total, 23% of fintechs in AEs and 26% of fintechs in EMDEs reported revenue under $2 million. AEs led in the $2-10 million (27% versus 20%) and $10-50 million (20% versus 17%) ranges, while EMDEs had a higher share in the $100-500 million range (20%).

Across most verticals, except for digital payments and digital lending, annual revenue under $2 million was the major trend. Digital capital raising had the highest prevalence (63%), followed by wealthtech (41%) and digital banking and savings (36%). Most digital payments firms reported revenue of $2-10 million (29%) and $100-500 million (2%).

1 Market performance

The fintech industry sees continued growth, with positive trends observed in revenue, profit and market reach.

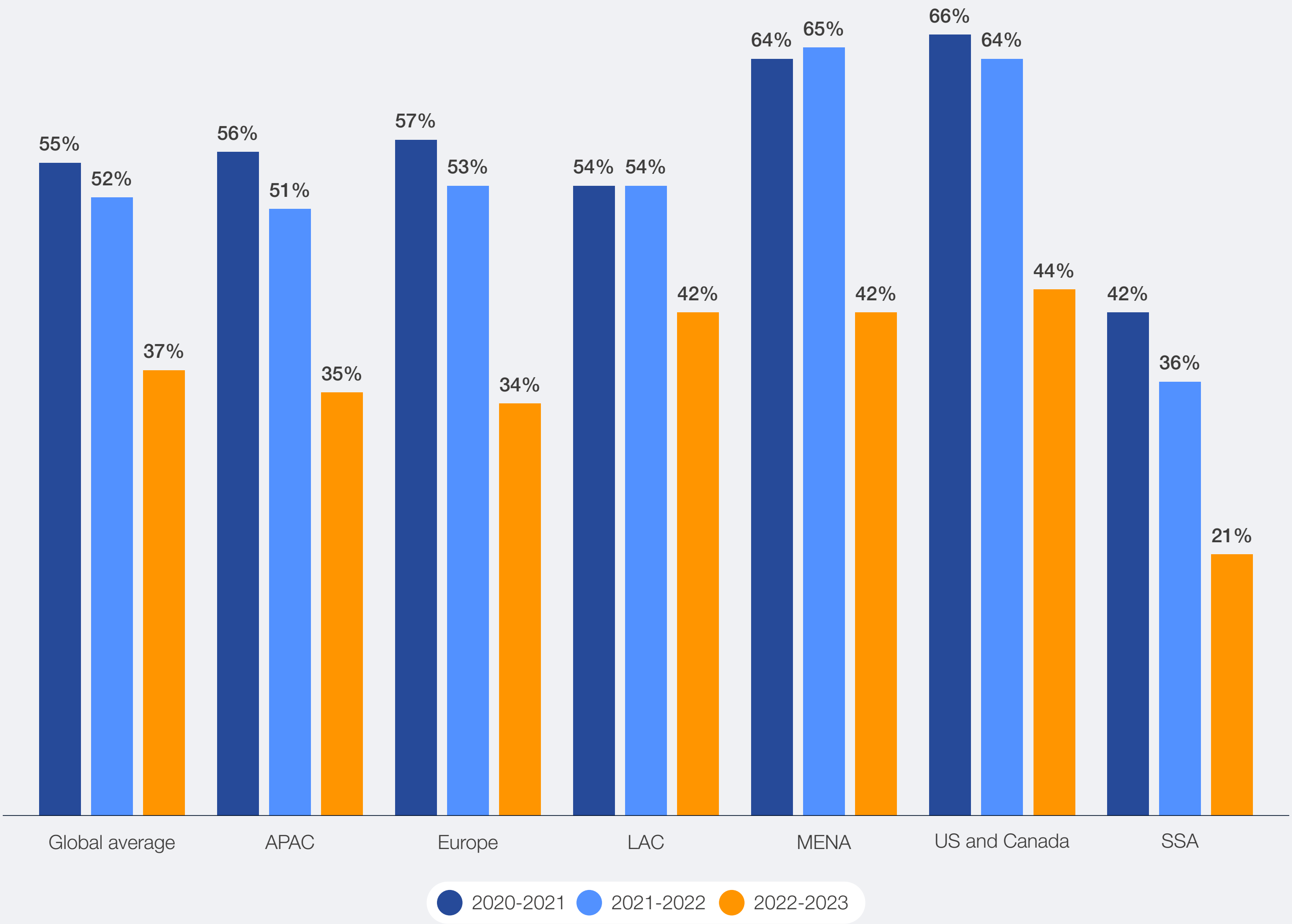


Customer growth

Data from 2020 onward formed the basis of the Future of Global Fintech initiative's analysis, capturing the beginning of a period of exceptional growth for the fintech industry. Data from the second edition of the survey revealed that fintechs continued to perform at a high standard, indicating an average fintech customer growth rate of 37% from 2022-2023. However, this represented a decline from recent years – customer growth was 55% in 2020-2021 and 52% in 2021-2022, as seen in Figure 4.

This deceleration, consistent across verticals and regions, highlighted a post-COVID-19 pandemic normalization following a period of rapid adoption of digital financial products. The market is maturing, with fintechs focusing on deepening their value propositions and strengthening customer relationships rather than relying solely on user acquisition.[5]

FIGURE 4 **Rate of customer growth**



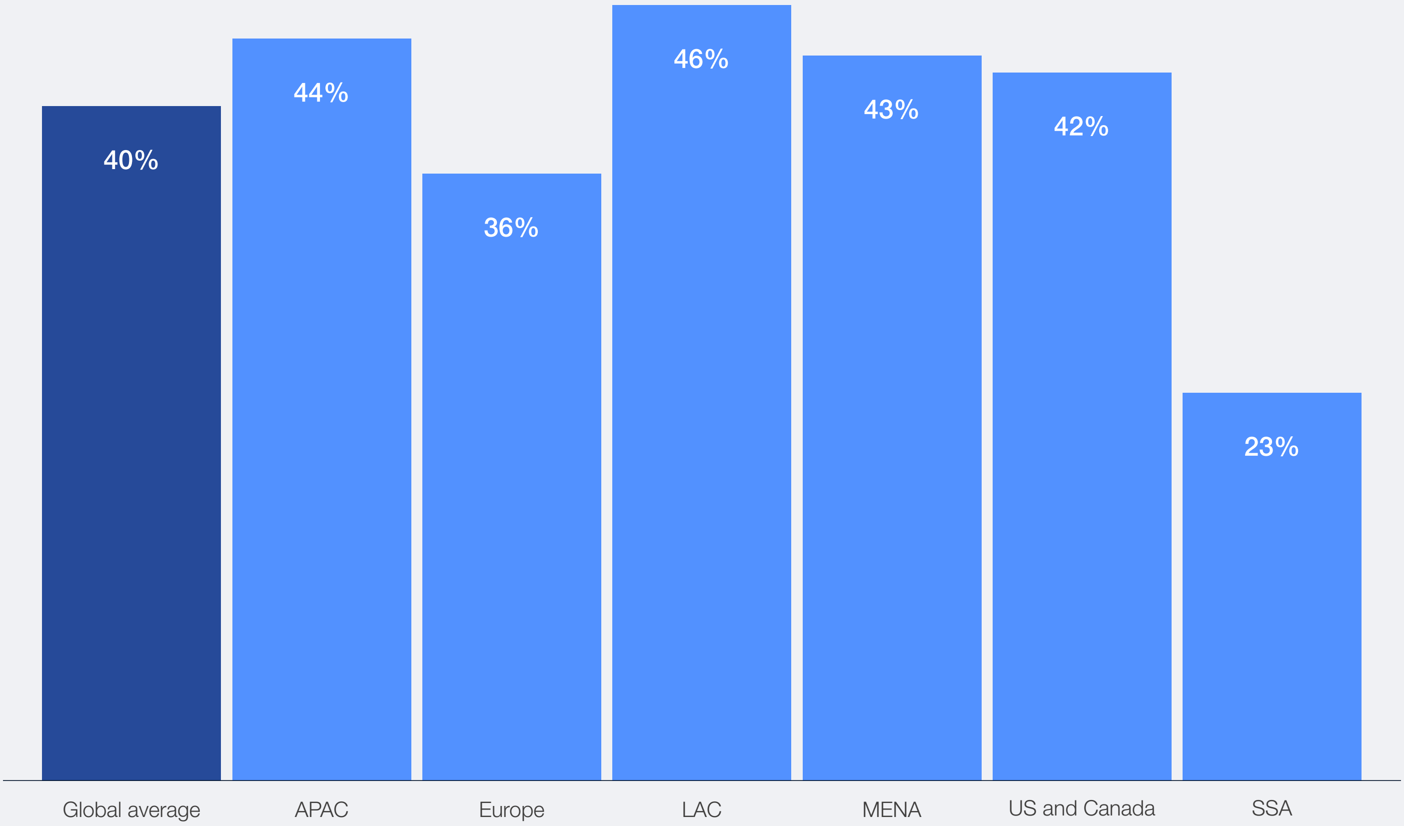
From 2022-2023, fintechs in the US and Canada led in customer growth at 44%, followed by MENA and LAC at 42%, all exceeding the global average. APAC and Europe also demonstrated solid growth rates of 35% and 34% (respectively), while SSA lagged at 21%. Despite the US and Canada and MENA maintaining above-average growth, they experienced substantial year-on-year (YoY) slowdowns of 20% and 23%, which were the greatest drops of all regions.

Growth rates in both AEs and EMDEs mirrored the global trend. Fintechs operating in AEs reported a growth rate of 37%, driven by well-established digital infrastructure and a mature customer base,[6] while EMDEs stood at 36%, fuelled by rapid digital adoption.

Across verticals, digital banking and savings, digital payments and wealthtech led with customer growth rates above 40% (higher than the global average). Digital lending grew by 35%, while insurtech (28%) and digital capital raising (17%) reported the lowest growth rates. Compared to the first edition, most verticals experienced slowdowns exceeding 15%, with insurtech experiencing the sharpest decline (38%), followed by capital raising and digital payments.

Change in revenue from 2022 to 2023

FIGURE 5 **Rate of revenue growth (2022-2023)**

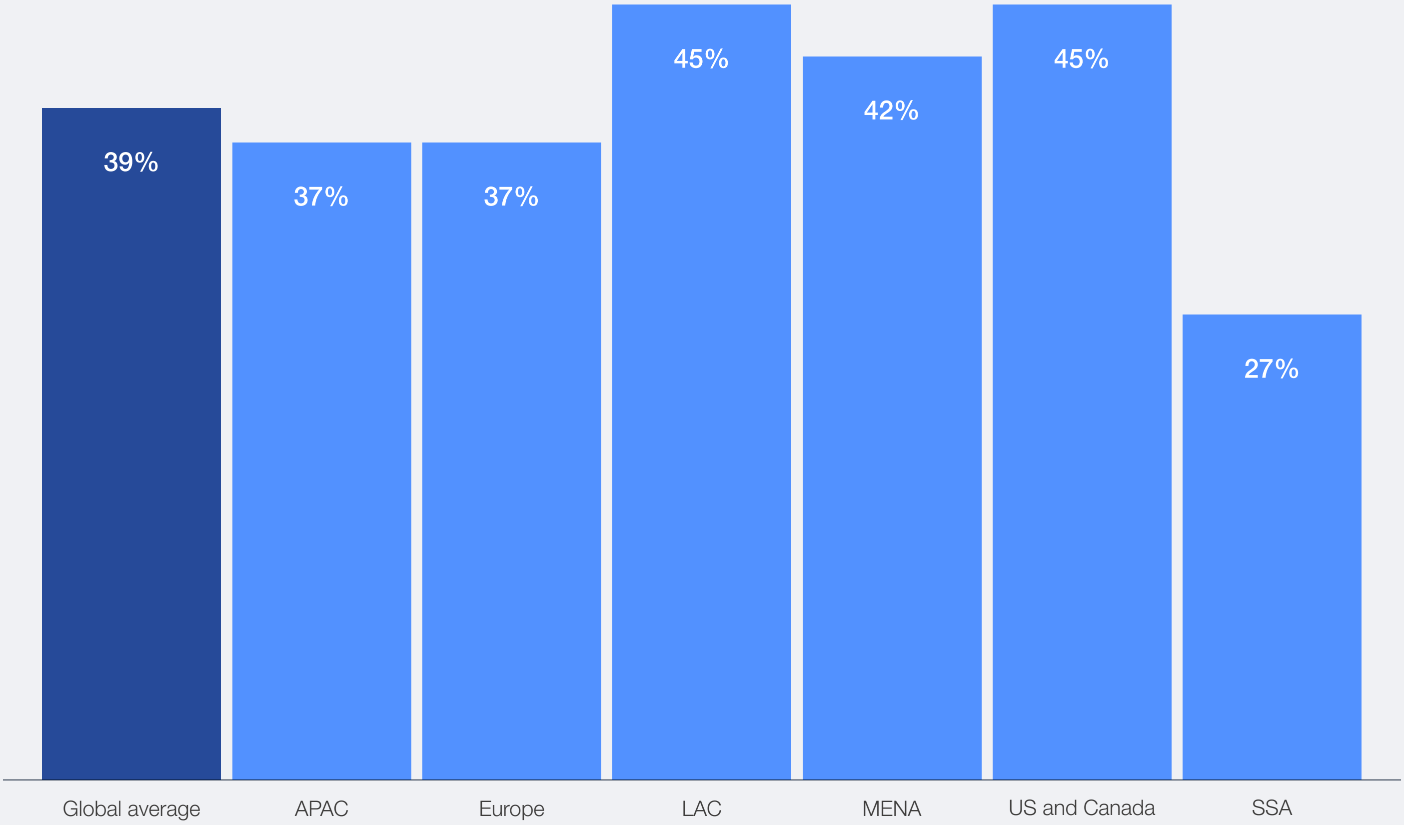


While customer growth slowed, revenue generation remained resilient. The average revenue growth rate in 2023 was 40% (Figure 5), reflecting strong industry performance and increasing reliance on digital financial services for efficient and accessible solutions. Several regions reported above-average revenue growth rates. LAC led at 46%, followed by APAC (44%), MENA (43%) and the US and Canada (42%). Europe (36%) and SSA (23%) trailed.

Fintechs in EMDEs outperformed with a revenue growth rate of 42%. Fintechs in AEs reported a slightly lower revenue growth rate of 39%. Across verticals, revenue growth exceeded the industry average in all except digital capital raising and insurtech firms. Digital banking and savings led with a 67% increase, while insurtech and digital capital raising firms experienced the slowest growth at 31% and 18%, respectively.

Change in profit from 2022-2023

FIGURE 6 Rate of profit growth (2022-2023)



The regions with the greatest profit growth rates were LAC (45%), the US and Canada (45%) and MENA (42%). APAC and Europe (both at 37%) reported near-average profit growth.

In terms of profits, the fintech sector demonstrated strong growth in 2023, with an average profit growth rate of 39% (Figure 6), indicating efficient operations. Deeper impact evaluation identified partnerships with local financial institutions and the integration of micro, small and medium enterprises' (MSMEs) products as key factors driving fintech profit growth by 12% and 9%, respectively.[7] Overall, profit performance highlighted the industry's ability to adapt and thrive in a dynamic environment.

The regions with the greatest profit growth rates were LAC (45%), the US and Canada (45%) and MENA (42%). APAC and Europe (both at 37%) reported near-average profit growth. In comparison, SSA reported the lowest profit growth rate of 27%, largely due to the region's struggles with economic instability, limited access to capital and infrastructural constraints.[8]

Fintechs in AEs outperformed those in EMDEs, with a profit growth rate of 41% and 36%, respectively. This slight disparity can be attributed to the lower growth rates observed in SSA, which reduced the overall performance of EMDEs.

Across verticals, all except for digital capital raising fintechs reported above-average profit growth. Digital banking and savings led at 59%, driven by strong customer adoption caused by increasing demand for digital financial services. Insurtech followed with a profit growth rate of 42%, reflecting the growing interest in innovative insurance solutions.[9] Digital capital raising had the lowest profit growth at just 14%.

2

Growth enablers and inhibitors

Consumer demand, financial literacy in digital financial services and skilled workforces remain critical to fintech growth.

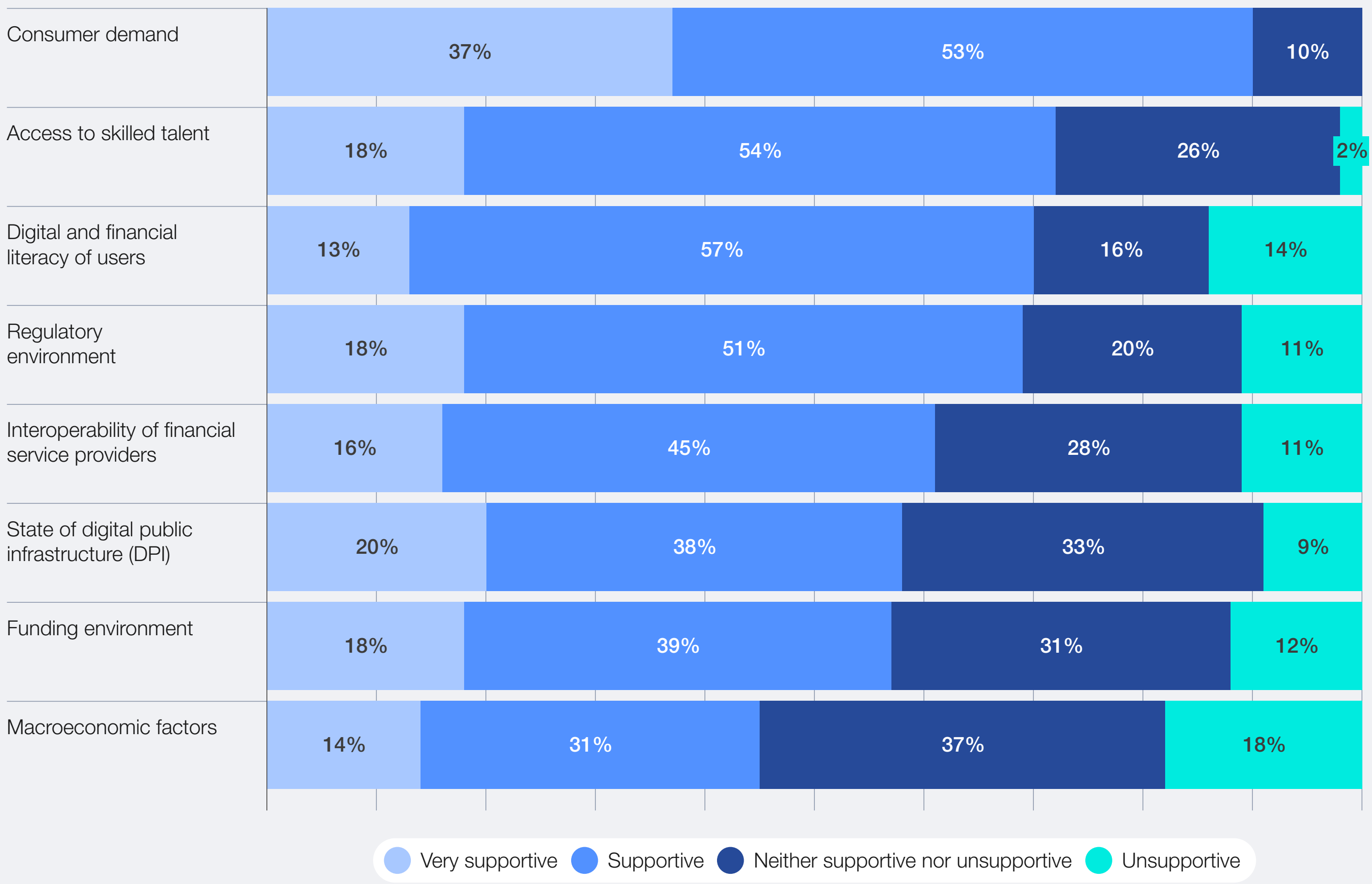
Factors supporting fintechs' ability to grow

To understand the main drivers of the fintech industry's growth, several survey questions asked respondents to share their perceptions of factors supporting or hindering their business' ability to grow and develop.

As in the first study, consumer demand and access to skilled talent remained the top enablers of fintech growth. In this year's study, fintechs expressed a more positive view towards these, and all, factors. For instance, 90% – compared to 51% in the previous survey – viewed consumer demand as either very supportive (37%) or supportive (53%) (Figure 7). This was the most crucial factor driving fintech growth.

Regarding the unsupportive factors, Figure 7 highlights that macroeconomic factors remained the top hindrance to fintech growth (with 18% citing it as unsupportive), followed by users' digital and financial literacy (14%). However, these concerns were significantly lower than those reported in the 2024 study.[10] This more positive view was also seen in the regulatory environment (11% against 47% in the first edition) and funding environment (12% against 40% in the first edition). Interestingly, many surveyed fintechs expressed neutral views on the funding environment, even though fintech funding has declined significantly from 2021 highs in terms of value and number of deals.[11]

FIGURE 7 **Factors supporting or hindering fintechs' ability to grow**



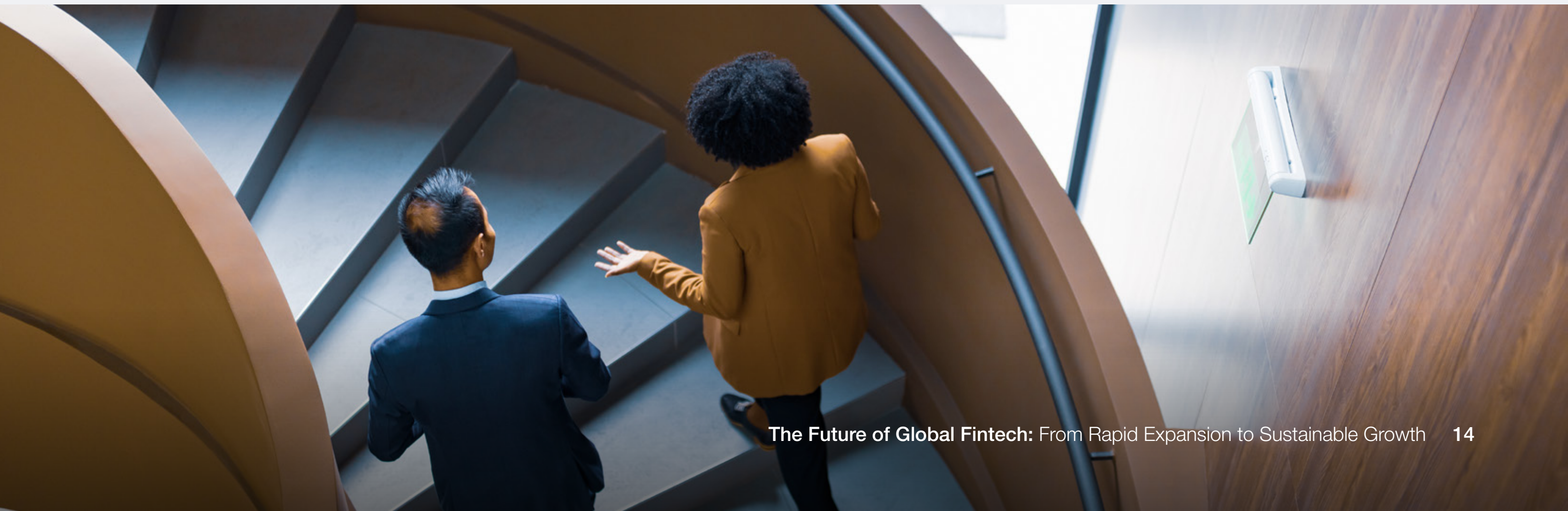
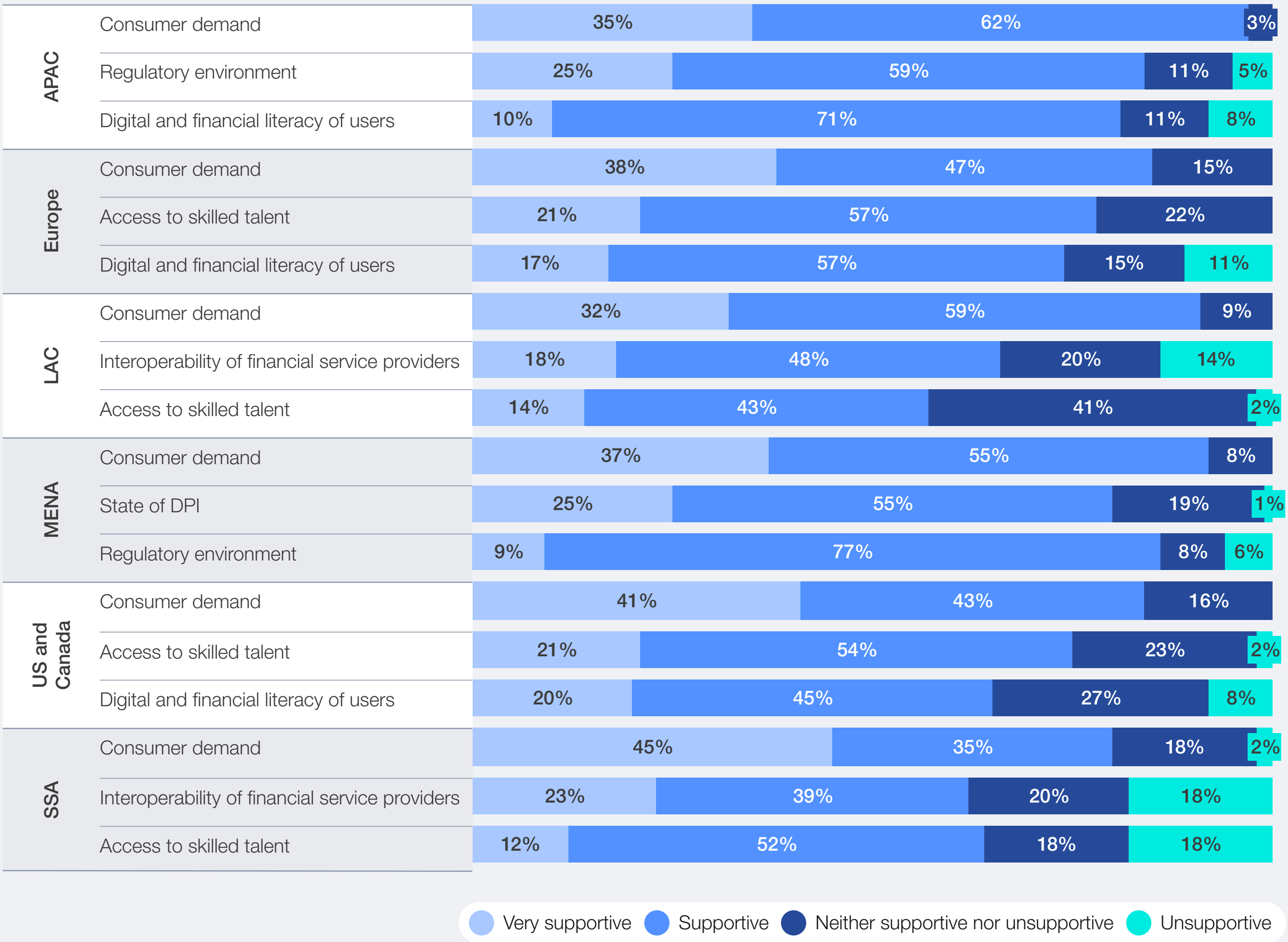


FIGURE 8 | **Factors supporting or hindering fintechs' ability to grow – top three factors by region**



64%

of respondents in digital banking deemed consumer demand very supportive.

Consumer demand: Across all regions, consumer demand was ranked first among the factors supporting fintechs' growth, being very supportive for 32% to 45% of fintechs (Figure 8). This aligned with the continuous customer growth fintechs have experienced in the past few years. A small portion of fintechs reported that this factor neither supported nor hindered their growth. This trend also persisted across verticals, with 64% of respondents in digital banking and savings deeming it very supportive, followed by 48% of digital lending respondents and 41% of digital capital raising respondents (all above the global average).

Access to skilled talent: Access to skilled talent is often a barrier for firms engaging in innovative industries. However, fintechs seemed not to consider it an impediment but a factor supporting development, with very few firms facing hindrances in this regard. Across all regions except APAC and MENA, this factor ranked among the top three, with 21% of fintechs in Europe and the US and Canada deeming it very supportive. This held across many verticals, with access to skilled talent being very supportive for digital banking and savings (37%), wealthtech (20%), digital capital raising (20%), digital payments (20%) and digital lending (19%) fintechs.

Digital and financial literacy of users: The digital and financial literacy of users factor completes the top three main drivers of growth (13% very supportive and 57% supportive), suggesting that customers are becoming more familiar with digital financial services. This factor was more supportive in AEs (16% very supportive against 10% in EMDEs), with fintechs in the US and Canada and Europe perceiving it as very supportive for their growth (20% and 17%, respectively). Fintechs in the SSA (35%) and LAC (27%) regions, however, described this factor as unsupportive, indicating a greater need for mechanisms to improve the financial literacy of consumers. Across verticals, the digital and financial literacy of users was deemed very supportive for the growth of digital wealthtech (21%), digital lending (20%) and digital banking and savings (21%).

Regulatory environment: The regulatory environment was the fourth most important factor

84%

of fintechs reported partnering with incumbent financial institutions.

supporting fintech industry development, with 69% stating it was either supportive (51%) or very supportive (18%), demonstrating the importance of an enabling regulatory landscape. This factor was very supportive for 25% of fintechs in APAC and 9% in MENA, making it one of the top three factors in these regions. It is worth mentioning that 20% of fintechs in LAC and the US and Canada cited this as unsupportive for their business. In contrast, 36% of wealthtech fintechs classified the regulatory environment as very supportive, making it the top factor for this vertical.

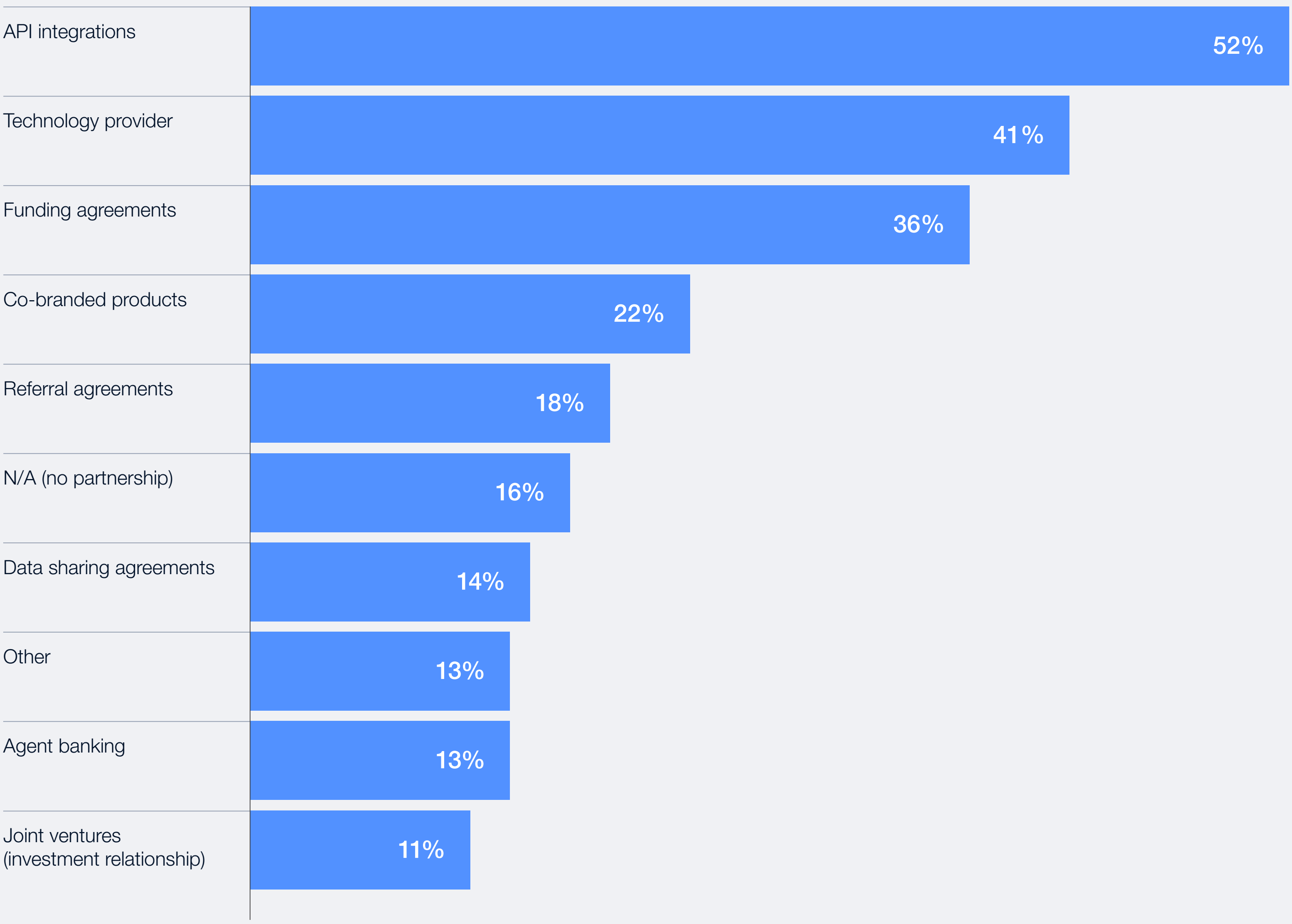
Fintech-incumbent partnerships

The survey asked fintechs to provide insights into the various forms of collaboration they engaged in and the functions these partnerships served in driving operational and strategic outcomes. This data informed assessments of the partnerships between fintechs and incumbent financial institutions.

A striking 84% of fintechs reported partnering with incumbent financial institutions. Survey results confirmed that several different types of partnerships were shaping the fintech ecosystem (Figure 9). Application programming interface (API) integrations led responses at 52%, reflecting the industry's reliance on seamless technology-driven connectivity. This also aligned with the broad consensus among fintechs (noted in Chapter 6) that open banking and open finance frameworks were beneficial to business growth. A notable 12.5% of respondents with API partnerships operated in jurisdictions without an active open banking/open finance framework. Further analysis revealed that these integrations predominantly supported payment processing, purchase transactions and cross-border remittances. Partnering for API integrations was particularly prevalent in MENA (70%), and the wealthtech (68%) and digital payment (63%) verticals.

Technology providers followed as a prominent type of partnership at 41%, underscoring the role of third-party technology solutions in driving fintech operations. These trends were consistent across AEs and EMDEs. Funding agreements ranked third at 36%, signifying the importance of financial collaborations in sustaining growth and innovation This was particularly important in regions like SSA, where 56% of fintechs identified access to capital as a key challenge.

FIGURE 9 **Type of partnerships between financial institutions**



Funding agreements were particularly important in regions like SSA, where 56% of fintechs identified access to capital as a key challenge.

Co-branded products followed, with 22% of fintechs harnessing these partnerships to enhance brand reach and value. Co-branded products, as a factor, were noted most prevalently among insurtechs (26%), digital lending (26%) and digital banking and savings (25%). This type of partnership may be particularly valuable for verticals facing cross-border expansion challenges, as was the case with digital banking and savings and insurtechs. They reported significant difficulties in establishing partnerships for international expansion, as seen later in this chapter, suggesting that co-branding with established partners could be a key strategy for overcoming these barriers.

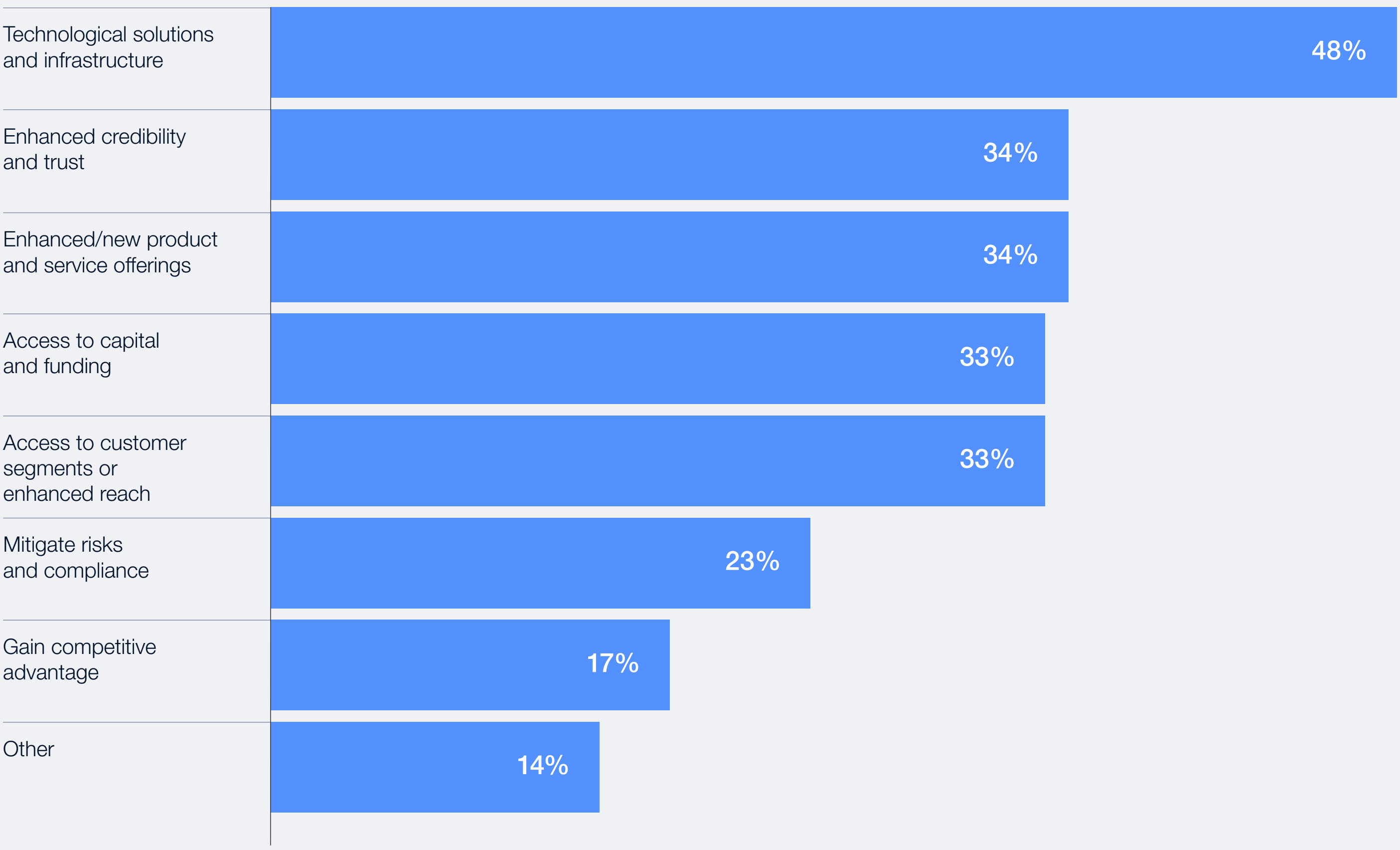
Data sharing agreements, agent banking and other forms of partnership each accounted for 13% to 14%. The relatively low percentage of agent banking partnerships was notable, particularly when compared to the finding that 43% of fintechs serving rural areas relied on agent networks for customer acquisition. This figure rose to 66% in SSA, suggesting potential room for growth in this type of partnership. Joint ventures appeared least frequently, representing 11% of fintechs in the survey – though it was particularly strong in the digital capital raising (27%) and wealthtech (21%) sectors, which rely on equity-based partnerships.

Finally, the remaining 16% of respondents indicated that they did not engage in partnerships (N/A), particularly in LAC (29%), Europe (21%) and SSA (18%).

Motivations for partnership

To explore the motivations underpinning partnerships between traditional financial institutions and fintechs, the survey asked respondents about the driving factors behind their collaborations and how the partnerships contributed to operational efficiency, innovation and market positioning.

FIGURE 10 **Motivations for partnership**



In total, 48% of fintechs cited technological solutions and infrastructure as their primary reason for partnerships.

Figure 10 illustrates the primary motivations driving fintech partnerships. In total, 48% of fintechs cited technological solutions and infrastructure as their primary reason for partnerships, underscoring the industry's focus on harnessing technology to drive efficiency and innovation. This was particularly evident in SSA (55%) and APAC (52%), as well as in the digital payments (72%) vertical. This also aligned with the finding that 77% of fintechs in APAC described the digital public infrastructure (DPI) environment as supportive for their growth.

Enhanced credibility and trust (34%) was another prominent motivation. It was the top motivation for wealthtech (49%) and digital capital raising (46%) firms. The ability to enhance or create new product and service offerings (34%) followed. This was the second-most reported motivation in APAC (47%) and SSA (45%), as well as for digital payments firms (48%). This was expected, as this vertical uses integrated payment infrastructures to create new products, such as checkout facilities on partners' platforms.

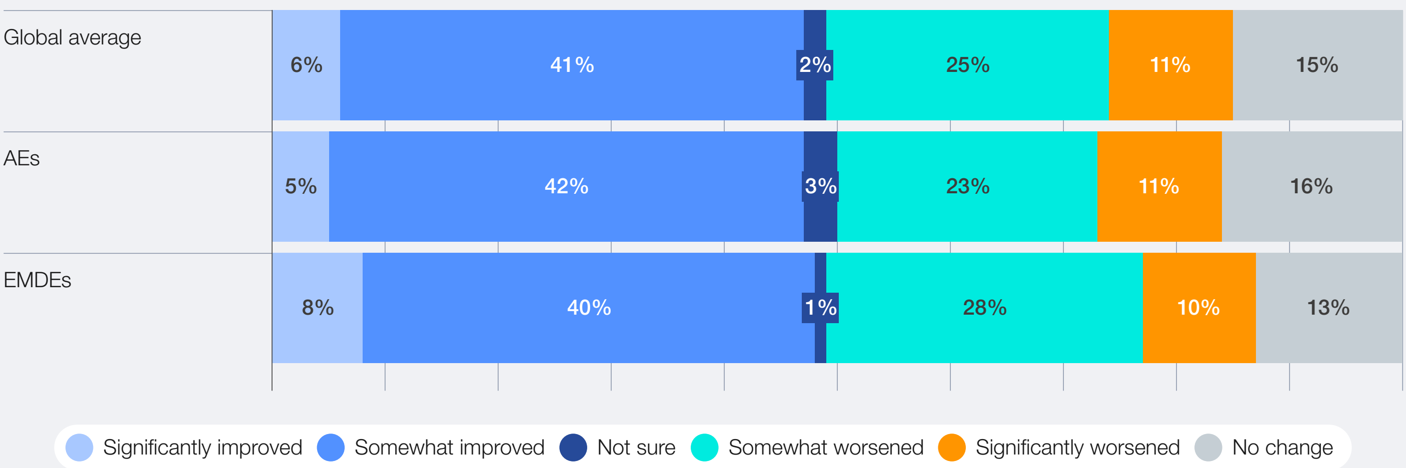
Access to capital and funding and access to customer segments or enhancements to market reach stood at 33%, reflecting the importance of partnerships in financial growth and customer base expansion. Customer segment access appeared to be especially important for wealthtech (45%) and digital payments (38%), with verticals also showing strong international expansion plans, as seen later in this chapter.

Motivations related to mitigating risks and ensuring compliance were cited by 23% of respondents. Meanwhile, 41% in MENA and 36% in SSA cited partnerships as an effective way to mitigate risks and compliance, reflecting regional variations in the regulatory landscape. Only 17% described gaining a competitive advantage as their primary reason for partnerships. This distribution indicates a clear emphasis on harnessing partnerships for technological and strategic growth, as well as improved market positioning and consumer trust. Meanwhile, factors like compliance and competitive advantage played relatively more minor roles. Moreover, this emphasis on trust and credibility was especially relevant in EMDEs, where fintechs were found to serve a higher proportion of underserved segments through targeted product offerings.

Fintech funding

Fintechs expanding across borders often face several challenges, with funding being one of the most significant. To assess changes in the funding environment over the last 12 months, the survey asked respondents to share their perceptions of whether conditions had improved, worsened or remained unchanged, as illustrated in Figure 11.

FIGURE 11 **Perceptions on the funding environment in the last 12 months**



47%

of fintechs reported that the funding environment somewhat or significantly improved.

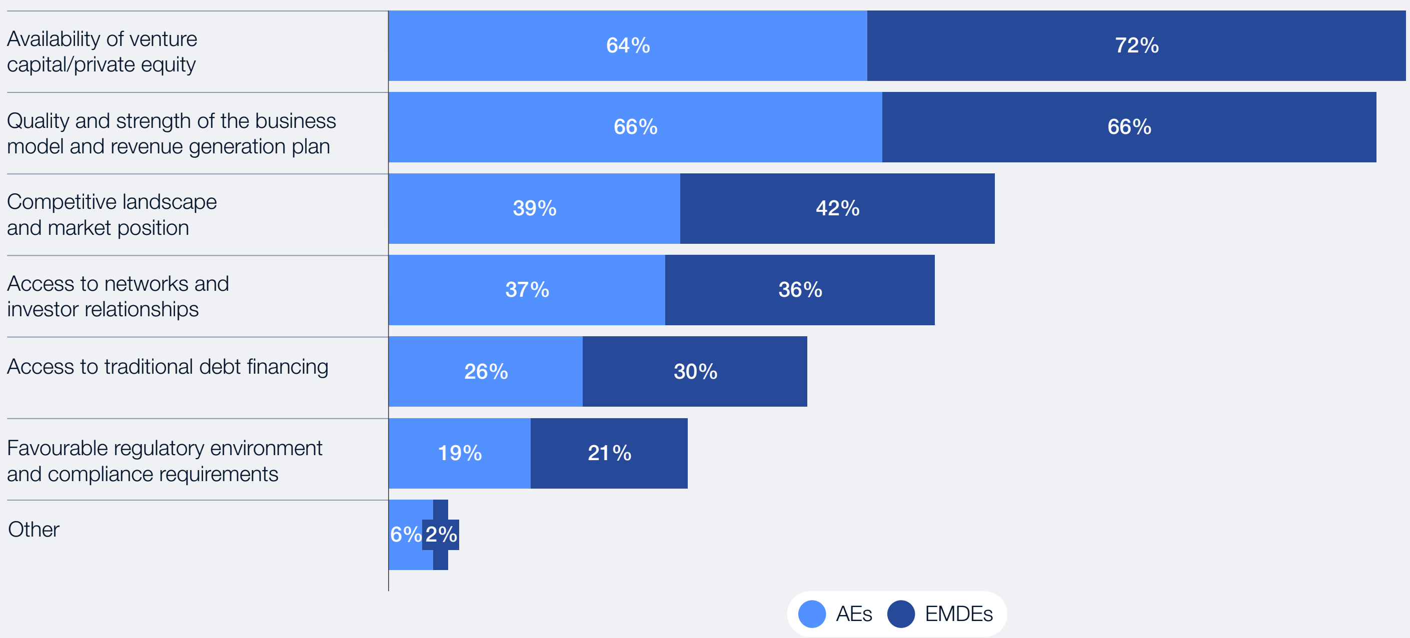
In both EMDEs and AEs, fintechs reported similar levels of improvement in the funding environment, with slightly more firms in EMDEs reporting that it significantly improved compared to AEs (8% against 5%, respectively). Overall, 47% of fintechs reported that the funding environment somewhat or significantly improved. However, a significant portion mentioned that the funding environment had worsened, with 38% in EMDEs and 34% in AEs reporting this setback. This finding aligns with the broader market correction observed since 2022 (for instance, fintech investment fell to a seven-year low in 2024).[12]

Perceptions varied across regions and verticals. Fintechs in SSA had the most negative perceptions of the recent funding environment – 35% said it had somewhat worsened, and 18% said it had significantly worsened. On this less positive end, 23% of wealthtechs said it had significantly worsened. In contrast, 66% of insurtechs and 47% of wealthtechs said the funding environment had somewhat improved. In terms of significant improvement, digital payments led, with 12% having this opinion.

These results suggest that, while there are some positive trends in funding perceptions globally, challenges may persist, particularly in EMDEs, where the proportion of respondents indicating worsening conditions was slightly higher. AEs demonstrated relatively more stability, with a higher proportion of respondents indicating no change than in EMDEs.

To understand the determinants of funding availability in the fintech industry, the survey asked respondents to evaluate the importance of various factors, as portrayed in Figure 12.

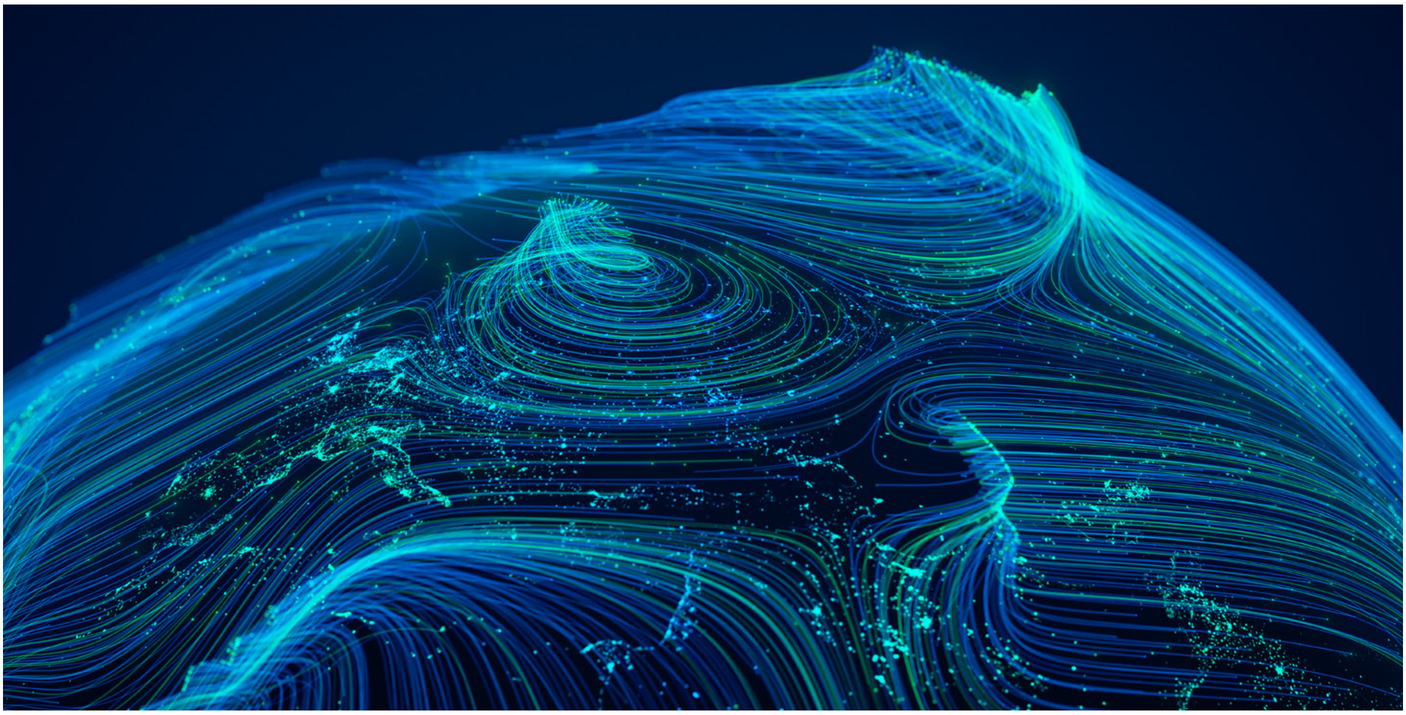
FIGURE 12 **Key factors determining funding availability**



In both EMDEs and AEs, the quality and strength of the business model and revenue generation plan emerged as the most critical factor, with 66% of respondents in both EMDEs and AEs identifying it as pivotal. The availability of venture capital, private equity or angel investor funding ranked second in importance, cited by 72% of respondents in EMDEs and 64% in AEs, indicating greater reliance on alternative financing sources in EMDEs. This was especially significant in SSA, where 85% of fintechs reported that the availability of venture capital was a key factor.

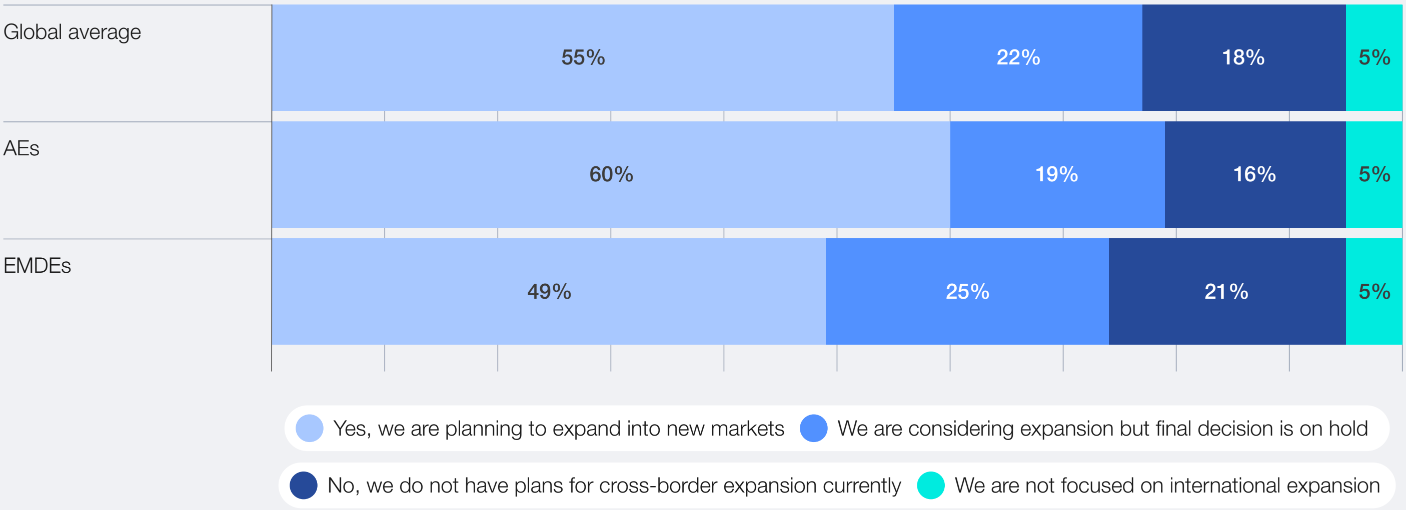
The competitive landscape and market position stood out as another significant consideration, with 42% of EMDE and 39% of AE respondents recognizing its impact. This was particularly significant in APAC (47%) and MENA (44%), as well as in the digital banking and savings, insurtech and digital lending sectors (57%, 46% and 44%, respectively). Similarly, access to networks and investor relationships was viewed as influential by both EMDEs (36%) and AEs (37%), indicating the critical role of connections in securing funding, especially for wealthtech firms (64%).

Meanwhile, 30% of EMDE respondents and 26% of AE respondents viewed access to traditional financing from banks or financial institutions as a key factor, showing a similar level of reliance on these sources. Lastly, fintechs considered the favourable regulatory environment and compliance requirements less influential. This suggests that, while regulation creates an enabling environment, other factors, such as business strength and investor networks, are more decisive in determining funding availability.



Fintech expansion

FIGURE 13 **Plan to expand operations internationally in the next 12 months**



The survey asked fintechs about their plans to expand operations internationally over the next year. Overall, responses highlighted a strong inclination for cross-border expansion, with 55% of firms planning to enter new markets. When including those with future expansion ambitions, 22% of fintechs reported plans for international growth. In total, 23% indicated they had no current plans or that the question did not apply.

Appetite for international expansion varied by region, with 67% of fintechs in MENA, 64% in Europe, 57% in LAC and 60% in the US and Canada showing strong ambitions. Meanwhile, 22% in APAC, 21% in LAC and 20% in SSA focused more on local operations. Fintechs in SSA appeared to face greater barriers to international expansion, with 42% reporting that their expansion plans were on hold. More broadly, AEs saw a higher share of fintechs (60%) planning international expansion in the next 12 months compared to EMDEs (49%) (Figure 13).

In terms of verticals, digital banking and savings (73%) and wealthtech (65%) led in cross-border expansion plans, followed by digital payments (58%) and digital capital raising (55%). In contrast, digital lending remained more localized, with 34% not focusing on international expansion at the time of the survey.

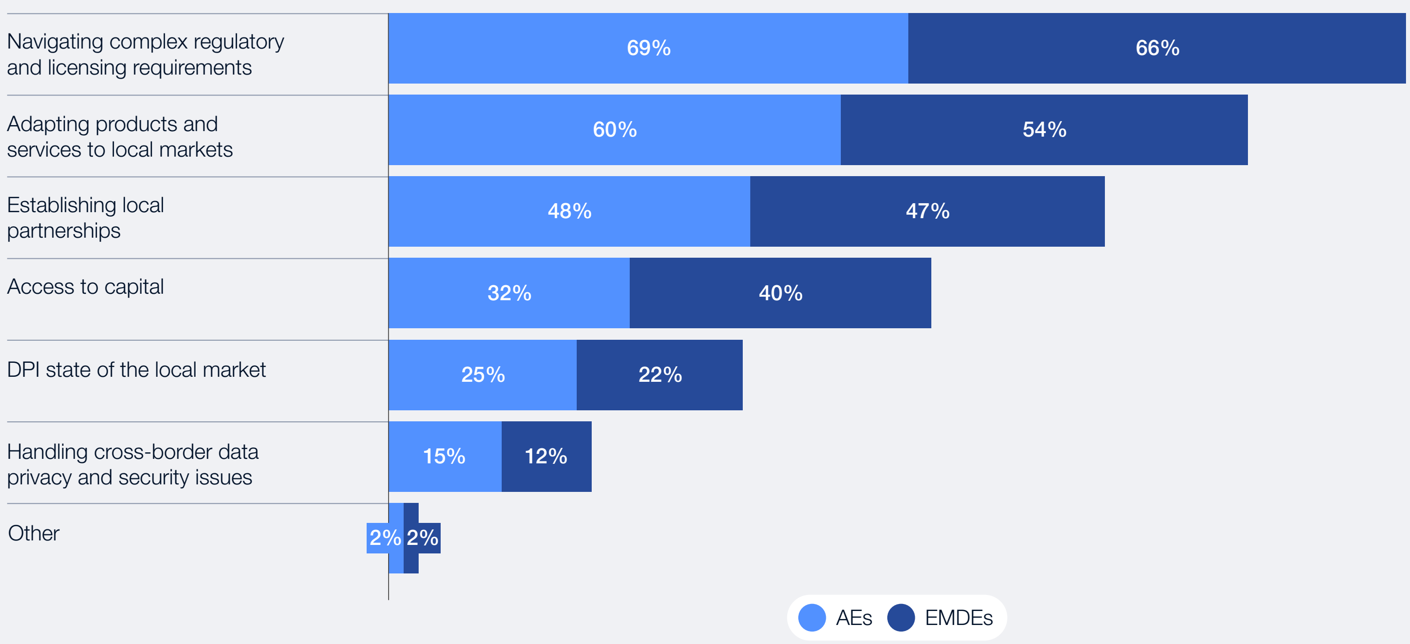
Some verticals struggled more with compliance, while others faced greater difficulties in increasing their appeal to international markets.

Regarding the challenges hindering cross-border expansion, fintechs worldwide reported they faced obstacles when expanding to new markets, particularly in compliance and customer acquisition. The top three barriers cited were complex regulatory and licensing requirements (68%), adaptation of new products and services to local markets (58%) and establishment of local partnerships (48%) (Figure 14).

Regionally, in Europe and APAC, the main challenge to cross-border expansion was complex regulatory and licensing requirements (72% each). In LAC, adapting products and services to local markets was the primary challenge (69%), while SSA struggled with access to capital (56%). Notably, the access to capital challenge was more pronounced in EMDEs (40%) than in AEs (32%).

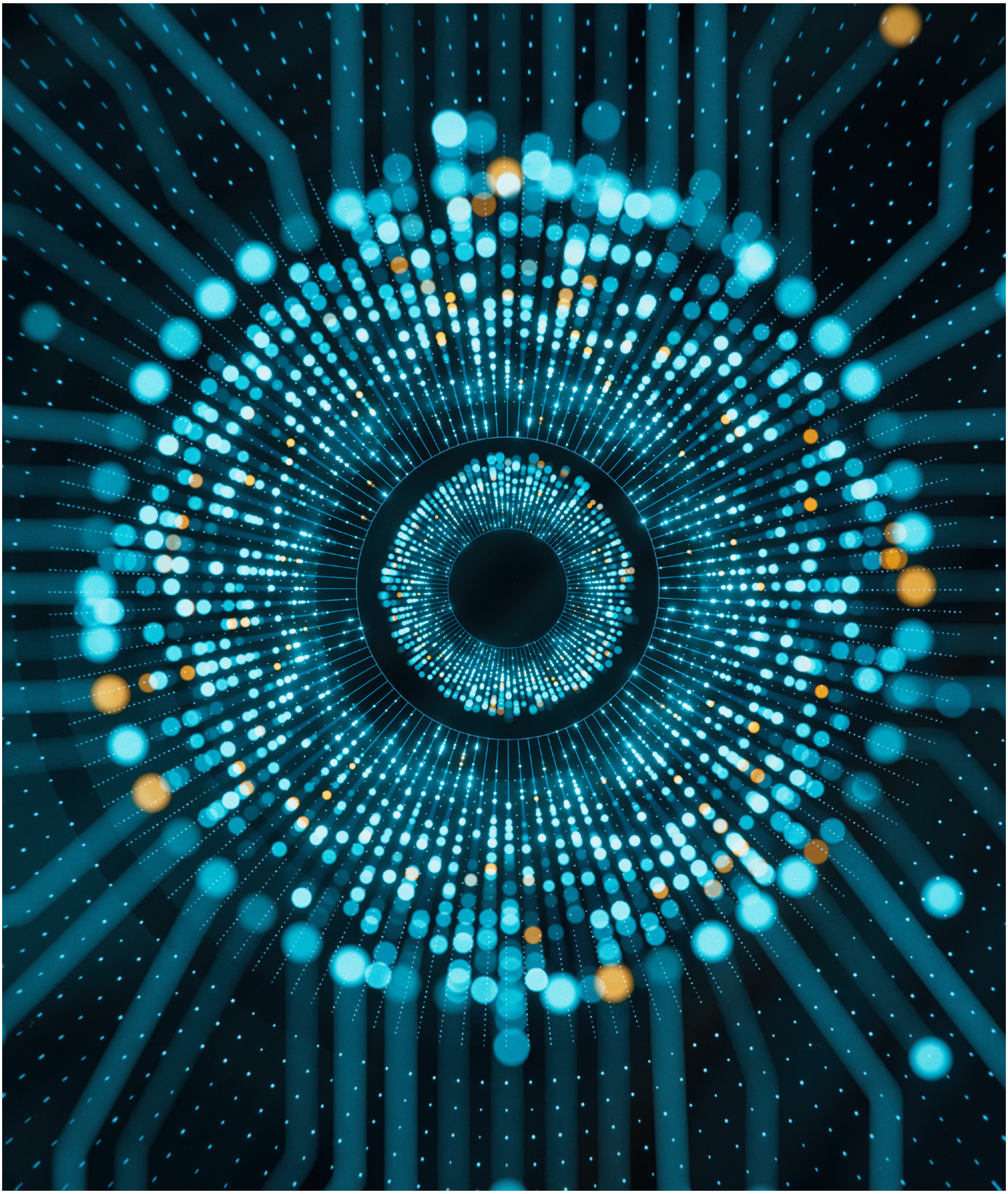
Some verticals struggled more with compliance, while others faced greater difficulties in increasing their appeal to international markets. In particular, while digital capital raising fintechs struggled more with navigating complex regulatory and licensing requirements (84%), digital banking and savings and insurtech firms faced greater difficulties in establishing partnerships (71% and 75%, respectively).

FIGURE 14 **Main challenges to cross-border expansion**



3 Regulatory perceptions

Fintechs primarily see the regulatory environment as adequate and transparent, though some still find certain aspects restrictive.



As technologies and their applications continue to evolve, regulatory frameworks must also adjust.

Fintech perceptions of the regulatory environment

Fintechs do not operate in isolation – they are both influenced by and actively shape the regulatory environment of their jurisdictions. Regulatory frameworks for fintechs encompass the laws, regulations, policies and compliance requirements that govern fintech firms, ensuring consumer protection, data security, financial stability and adherence to anti-money laundering (AML) and risk management standards.[13,14]

As technologies and their applications continue to evolve, regulatory frameworks must also adjust. Given the rapid pace of technological developments, monitoring fintechs' perspectives on the regulatory environment is particularly important. Such information can be highly valuable for regulators and policy-makers as they seek data points to inform their decisions. Against this backdrop, the research survey asked fintechs several questions about the regulatory environment in their countries of operation.

Overall, 62% of responding fintechs perceived the regulatory environment as adequate and appropriate for their activities, consistent with the 2024 study[15] (Figure 15). This trend was consistent across regions (Figure 16) and verticals (Figure 17). However, there were notable disparities. Fintech respondents in MENA, APAC and Europe perceived their regulatory environment more positively than those in other regions (75%, 68% and 62%, respectively). MENA marked a significant shift from the findings in the 2024 study, with fintechs in this region having previously expressed greater concerns about excessive regulation in their sectors.[16]

In contrast, 20% of respondents in LAC perceived the regulatory environment as overly restrictive (an increase of 6% compared to the 2024 study[17]), while another 12% found it inadequate. Similarly, in SSA, 22% of responding fintechs considered regulations overly restrictive, and 18% viewed them as insufficient for their activities (slightly more than their peers in other regions). Fragmented policies and limited regulatory capacity could perhaps explain this.[18] Overall, fintechs in EMDEs were more likely than firms in AEs to rate the regulatory environment as inadequate (14% versus 7%).

Wealthtech (70%) and digital lending (65%) viewed the regulatory environment in their jurisdictions as favourable for their business activities. Digital capital raising fintechs considered the environment more challenging (20% of respondents viewed it as overly restrictive, and another 18% perceived it as adequate). Meanwhile, 24% of insurtech respondents regarded it as overly restrictive.

The increase in fintechs' perception of regulatory frameworks' adequacy was correlated with an increase in customer growth, which led to a 22% increase in this indicator overall. Moreover, statistical evidence showed the positive impact of regulatory adequacy was more pronounced for firms in EMDEs, with an increase of up to 39% in customer growth and a 37% increase in revenue.[19] Additionally, and unsurprisingly, further statistical evidence indicated a positive correlation between willingness to expand across borders and a strong or adequate rating of clarity in the regulatory approach.[20]

FIGURE 15 **Perception of the regulatory environment overall**

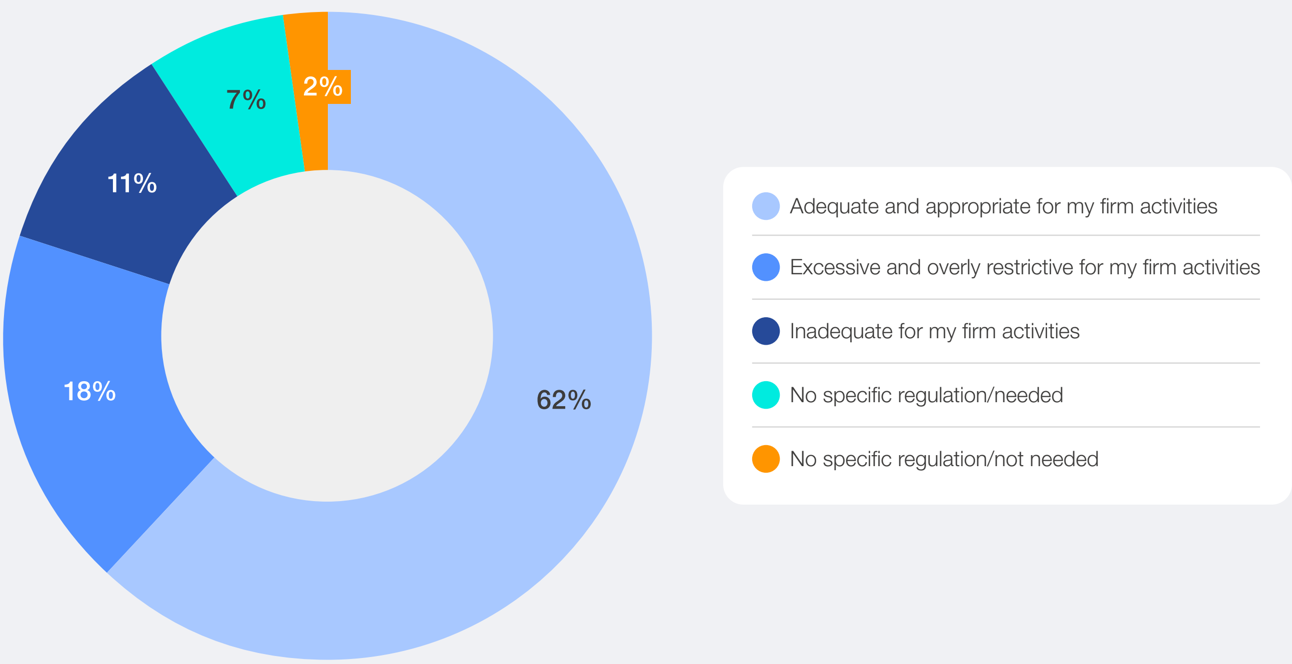


FIGURE 16 Perception of the regulatory environment – by region

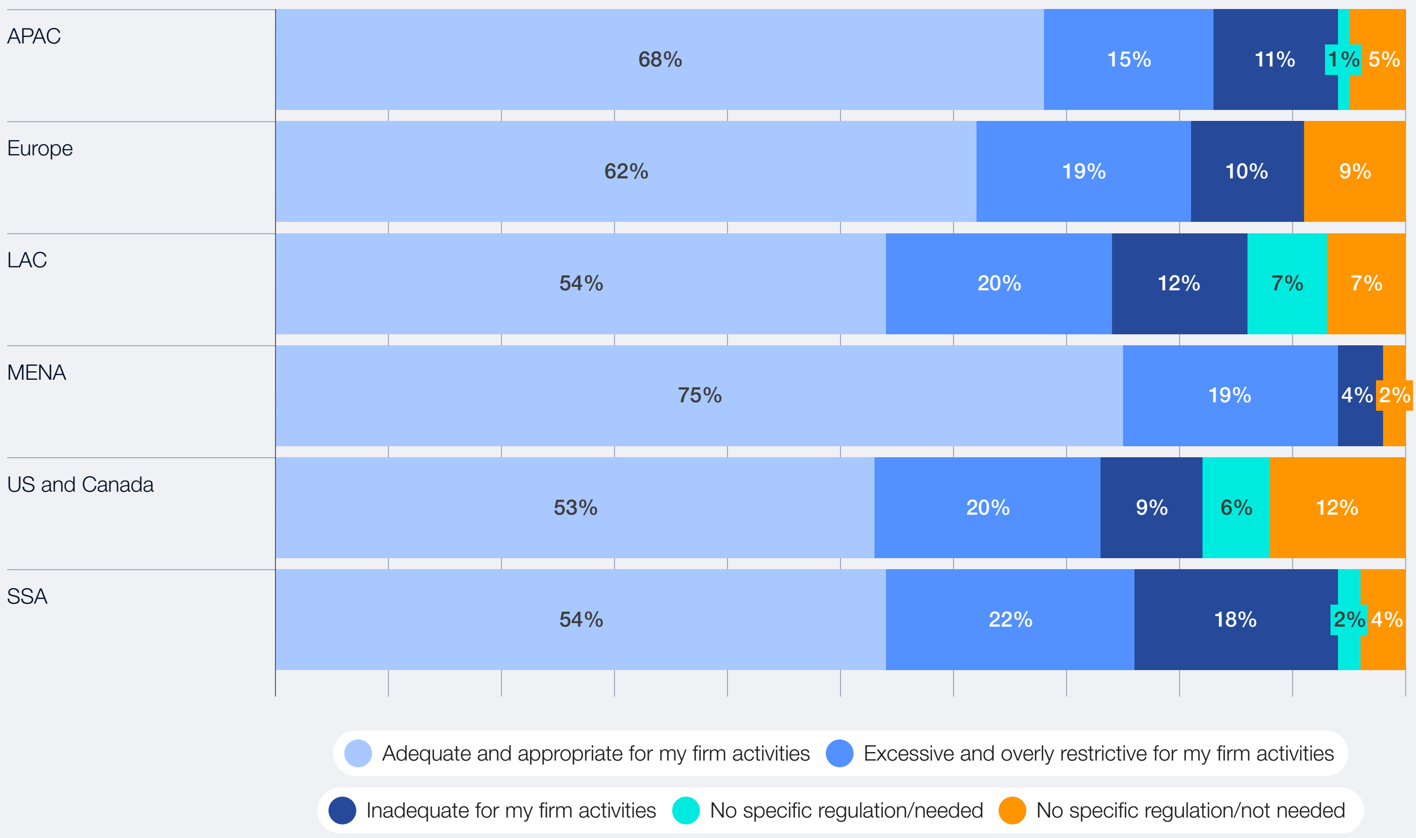
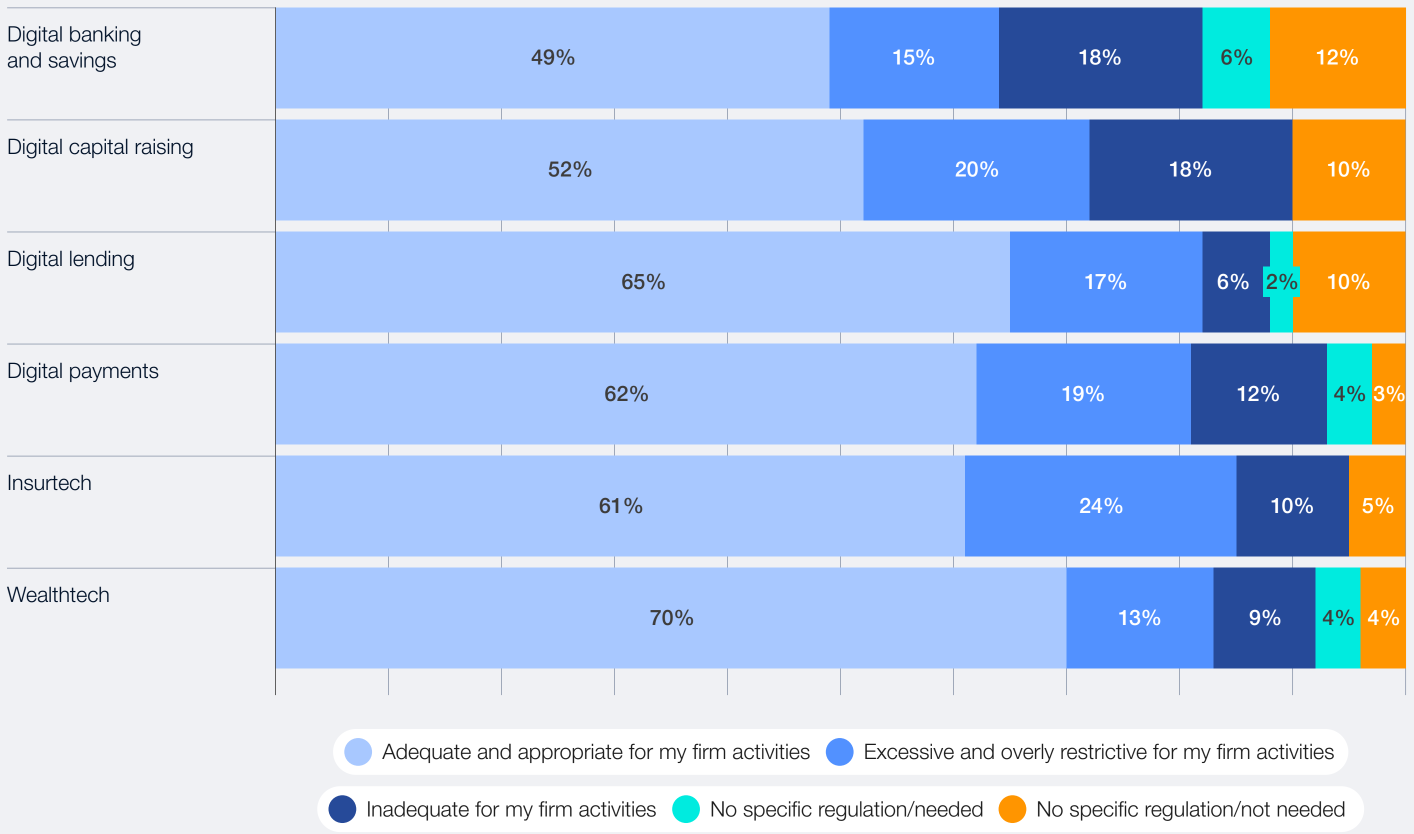


FIGURE 17 Perception of the regulatory environment – by vertical



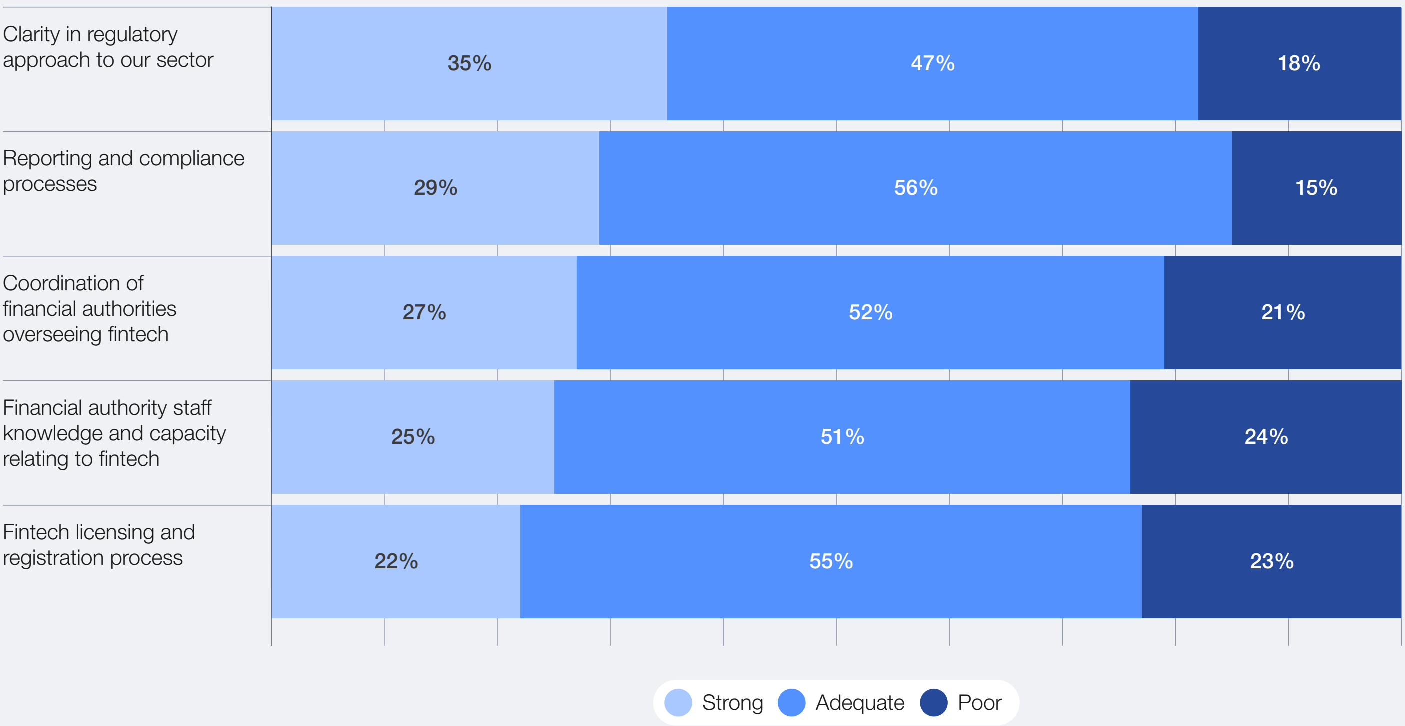
Assessment of regulatory and supervisory aspects

Fintechs were asked to assess the regulation and supervision in their jurisdictions based on five key qualities: clarity of the regulatory approach, reporting and compliance processes, fintech licensing and registration, coordination of financial authorities overseeing fintechs, and financial authority staff knowledge and capacity.

Overall, surveyed fintechs assessed regulatory and supervisory aspects as adequate (Figure 18). They saw room for improvement, however, in financial authority knowledge and capacity (24%) and fintech licensing and registration processes (23%), which received the highest proportion of poor ratings. In contrast, reporting and compliance processes were rated most positively, with nearly 85% of fintechs considering them adequate or strong.

Shifts in perception from the first study were noted. In that study, issues of coordination between regulatory authorities and licensing and registration processes topped as the most poorly rated aspects.[21] In the current study, fintechs expressed greater confidence, and poor ratings for coordination dropped to 21% (a 6% improvement), while poor ratings for licensing decreased to 23% (a 4% improvement). Perceptions of financial authority staff knowledge and regulatory clarity remained largely unchanged.

FIGURE 18 **Rating of key regulatory aspects overall**



Clarity of the regulatory approach: Fintechs across regions and income groups generally perceived clarity of the regulatory approach applicable to their vertical as positive, with 82% of firms rating it as strong or adequate. Fintechs in AEs were less likely to indicate a poor rating compared to firms in EMDEs (13% in AEs against 24% in EMDEs). Regionally, fintechs in LAC (32%) and SSA (29%) were more likely to perceive the clarity of the regulatory approach as poor.

A comparison by vertical indicated that digital capital raising firms were more likely to rate the quality of the regulatory approach as poor (34%). On the other hand, only 11% of insurtech firms expressed discontentment with it.

Reporting and compliance processes: Globally, fintechs perceived reporting and compliance processes as favourable, with only 15% of responding fintechs rating these processes as poor. Nonetheless, discontent with existing reporting and compliance processes was significantly higher in SSA (31%). It was lowest in APAC, where only 9% of respondents described reporting and compliance processes as poor.

Digital capital raising firms (28%) were likelier to rate reporting and compliance processes as poor. This vertical also showed above-average discontent with the regulatory environment, deeming it excessive and inadequate (see Figure 17).

Coordination of financial authorities: Fintechs seemed more comfortable coordinating efforts between financial authorities in their jurisdictions than in the first edition. Despite this apparent

Fintech firms across regions view financial authority staff knowledge and capacity as the area with the most room for improvement.

improvement, firms in LAC (32%) and SSA (29%) were more likely than firms in other regions to evaluate coordination efforts as insufficient. Perceptions in these regions drove the divergence between the percentage of firms that rated coordination efforts as poor in AEs (13%) and EMDEs (24%).

At a vertical level, digital banking and savings (32%) and digital capital raising firms (30%) were more likely to give a negative evaluation of coordination between financial authorities. In contrast, 34% of digital payments, 29% of wealthtech and 27% of digital lending respondents perceived it as strong.

Financial authority knowledge and capacity: Generally, fintech firms across regions view financial authority staff knowledge and capacity as the area with the most room for improvement. Firms in LAC (43%) and the US and Canada (26%) were more likely to rate the knowledge and capacity of the financial authority negatively, exceeding the global average (24%). Conversely, firms in the US and Canada (32%), APAC (30%) and Europe (29%) viewed the knowledge and capacity of financial authorities as strong, with above-average numbers. The response from the US and Canada was unique, with high ratings on both ends of the spectrum.

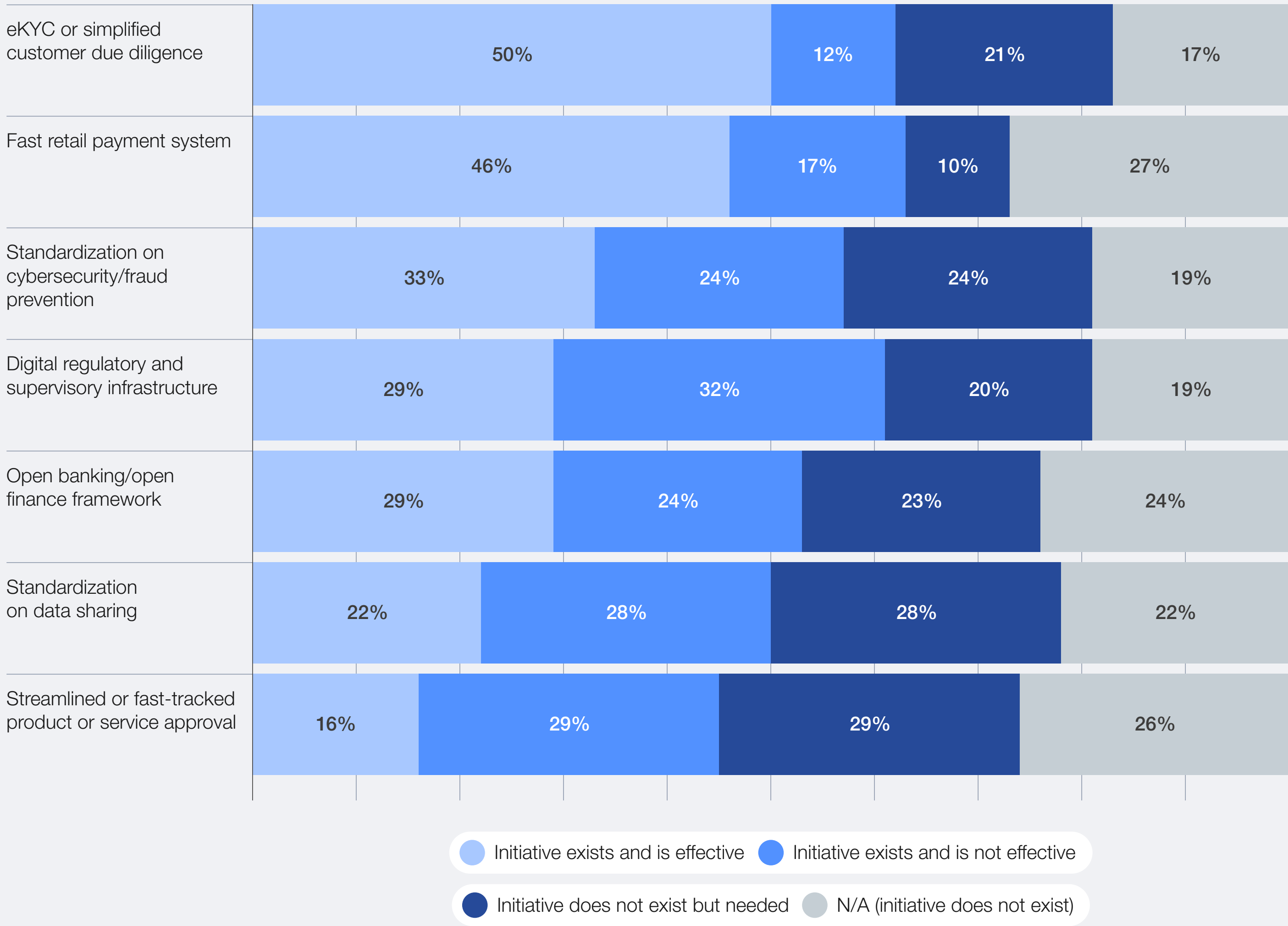
A higher proportion of firms in digital banking and savings (47%) and digital capital raising (40%) verticals rated financial authority knowledge and capacity as poor, indicating a need for capacity building to allow financial authorities to better support these sectors. Meanwhile, 34% of wealthtech and 31% of digital payment respondents perceived it as strong, indicating a higher focus from authorities on these sectors.

Licensing and registration processes: Fintechs' overall views on licensing and registration processes improved compared to the 2024 study.[22] Firms in LAC and the US and Canada were more likely to rate these processes as poor (43% and 26%, respectively). By vertical, a higher proportion of digital capital raising (43%) and digital banking firms (38%) expressed dissatisfaction with licensing and registration processes.

Overall, while fintechs' perceptions of the key aspects of the regulatory environment were favourable, there was still a substantial minority that considered staff knowledge, licensing processes and coordination to be poor in their jurisdictions. Strengthening financial authorities, especially in EMDEs, could enhance the regulatory environment that fintechs navigate.

Supporting mechanisms and initiatives to promote sector growth

FIGURE 19 **Effectiveness of supporting mechanisms for fintech business growth**



Globally, fintech regulators and supervisors undertake a range of initiatives to ensure effective regulations and cultivate an enabling environment. To understand the effectiveness of mechanisms and initiatives that promote fintech growth, the survey asked fintechs to rate the efficacy of seven regulatory initiatives and mechanisms, as set out in Figure 19.

Overall, the measures that respondents rated as most effective were "electronic know your customer" (eKYC)/simplified customer due diligence (50%), fast retail payment systems (46%) and standardization on cybersecurity and fraud prevention measures (33%). This aligned with other findings highlighting fintechs' belief that integrated eKYC and AML platforms would be the leading DPI intervention that could cultivate business growth.

eKYC/simplified customer due diligence: This supporting mechanism was viewed as significantly effective in APAC (72%), followed by MENA and the US and Canada (each with 54%). In contrast, in SSA, fintechs reported that it was strongly needed (62%). By vertical, eKYC mechanisms were deemed broadly available by 72% of digital payment firms and 70% of digital lending firms, with notable nuances. While 63% of digital payments firms found the mechanisms effective, 22% of digital lending firms reported it was ineffective.

Fast retail payment systems: Most firms in APAC (54%) and SSA (50%) reported that fast payment systems existed and were effective. In comparison, 19% of firms in LAC considered it necessary but acknowledged that it had not yet been implemented. Additionally, 27% of fintechs in the region reported the absence of a fast payment systems initiative, perhaps reflecting uneven implementation.

By vertical, digital lending (67%), wealthtech (51%) and digital payment (47%) fintechs viewed these systems as most favourable, aligning with their positive perception of open banking and open finance frameworks. In contrast, 24% of digital capital raising firms reported that fast retail payment systems did not exist but were needed, with another 29% stating they existed but were ineffective.

63%

of insurtechs found standardization on cybersecurity effective.

Standardization on cybersecurity: Over half of fintech respondents came from jurisdictions where cybersecurity and fraud prevention mechanisms exist, with 42% of fintechs in APAC and 40% of firms in the US and Canada finding them effective. Overall, 24% of fintechs found this initiative ineffective, especially in MENA (34%). Furthermore, 24% reported that standardization was needed (40% in LAC). Some nuances were noted in the verticals – 63% of insurtechs found it effective, while 47% in digital capital raising rated it ineffective. In total, 31% of digital lending fintechs were in need. Meanwhile, for 27% of digital payment firms and 25% of wealthtech firms, it did not exist.

Digital regulatory and supervisory infrastructure: Although 29% of firms rated supervisory infrastructure as effective where it existed, there was a slightly more negative perception towards digital regulatory and supervisory infrastructure, with 32% perceiving it as an ineffective measure. EMDEs (33%) were more likely than AEs (26%) to rate the infrastructure as effective. At the vertical level, digital banking and savings (13%) and digital capital raising (15%) were the verticals that considered this measure to be the least effective, while digital lending (41%) and wealthtech (39%) sectors were more likely to rate this measure as effective when it was present.

Open banking and open finance framework: Open banking and open finance regimes are expanding globally, with 95 countries having some form of implementation.[23] Their impact on fintech growth is uneven, however, with 29% of fintechs finding them effective and 24% considering them ineffective. Additionally, 23% of firms reported that these frameworks would be beneficial but were unavailable in their jurisdictions, while another 24% deemed their implementation useful. Regionally, fintechs in Europe (42%), MENA (33%) and APAC (31%) were more likely to find them effective, though 31% of fintechs in MENA and APAC also rated them as ineffective. In LAC, 46% of firms viewed them as needed despite the significant adoption of open banking over the last few years (with several countries defining their strategies to implement it).

Additionally, fintechs in AEs found the frameworks more effective than those in EMDEs (34% versus 23%). By vertical, digital capital raising firms had the most negative opinions, with 40% viewing them as ineffective, while digital lending (39%), digital payment (36%) and wealthtech (37%) saw them as effective.

4 Financial inclusion

Financial inclusion is central to fintech business, with targeted offerings for underserved populations driving both growth and revenue.

Customer segments

In recent years, fintechs have demonstrated their ability to expand both access and affordability of financial services – two essential components of financial inclusion – by harnessing technology.[24] Indicators are showing that they are well-positioned to continue along this trajectory across all regions.

The first edition of this study found that fintechs increasingly tailored financial services to traditionally underserved segments of the population, which constituted a large share of their customer base and revenue. This second edition explored these areas further, offering additional insight into the role of fintechs in advancing access.

Surveyed fintechs reported a considerable customer base expansion across all traditionally underserved customer segments compared to the first study, as seen in Table 1. Overall, MSMEs remained the largest segment (57%), followed by low-income (47%) and women (41%). Senior and rural/remotely located customers saw the highest growth of 11% and 9%, respectively.

SSA led in serving underserved customer segments, with the highest proportions of MSMEs (62%), low-income customers (68%) and rural or remotely located customers (66%). LAC and Europe also showed a strong representation of MSMEs, at 61% and 60%, respectively. Conversely, the US and Canada had the lowest proportion of MSMEs (45%) but led in targeting women customers (48%) and youth (44%). In the MENA region, women accounted for 53% of the customer base, the highest proportion among EMDEs.

TABLE 1 **Customer segment proportion – comparison of the Future of Global Fintech studies**

	MSMEs	Women	Low-income	Youth	Senior	Rural/ remotely located
2022	49%	39%	40%	34%	14%	27%
2023	57%	41%	47%	37%	25%	36%

Source: World Economic Forum; Cambridge Centre for Alternative Finance (CCAF).

FIGURE 20 **Customer segment proportions – AEs versus EMDEs**

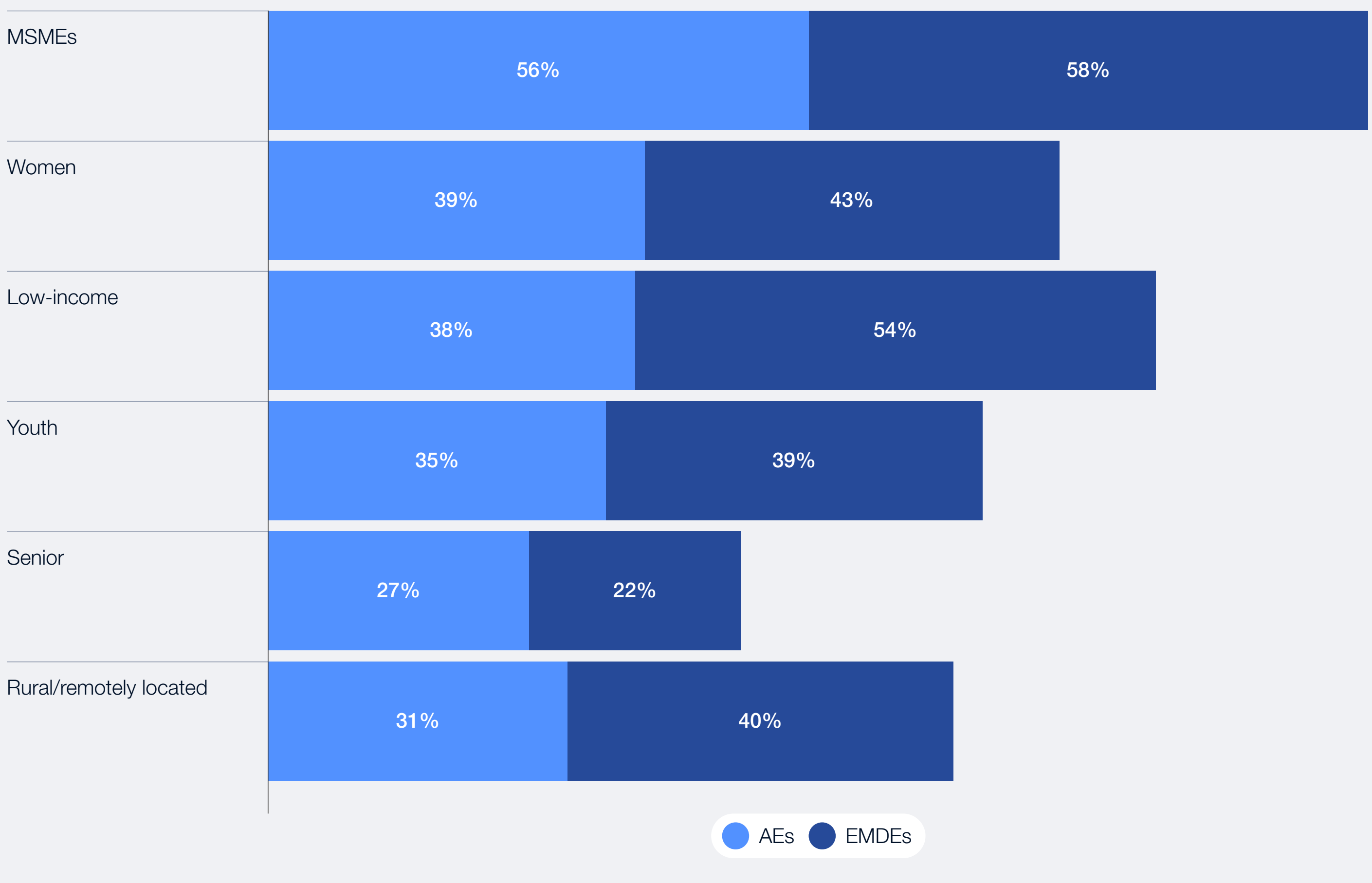


Figure 20 shows that traditionally underserved segments formed a larger percentage of fintechs' customer bases in EMDEs than they did in AEs. This was most prominent with low-income customers (54% in EMDEs versus 38% in AEs), followed by rural/remote customers (40% in EMDEs versus 31% in AEs). Seniors, however, comprised a larger percentage of the customer base for AEs, coming in at 27% (versus 22% in EMDEs).

Across verticals, digital lending (70%) and insurtech (60%) reported the highest MSME customer shares, reflecting their role in serving small businesses. Digital payments also performed well, with MSMEs making up 56% of its customer base. Low-income customers were most prevalently served by insurtech (58%), digital lending (53%) and digital banking and savings (52%) firms. Youth customers were most prominent in digital payments (45%) and insurtech (43%) firms, while seniors were most heavily served by wealthtech (36%) and digital capital raising (34%) firms. Lastly, rural/remote populations were served most strongly by insurtech (47%), digital payments (39%) and digital banking and savings (37%) firms, indicating these verticals' role in extending services to last-mile customers.

Revenue by customer segments

In regard to revenue, the study reflected the growing contribution of underserved customer segments to fintechs' revenue, with notable shifts across all segments except women (Table 2). Low-income customers had a significant YoY increase of 17 percentage points (43% in 2023 against 26% in 2022), while senior segments saw a YoY increase of eight percentage points (28% in 2023 against 20% in 2022). Notably, although the overall customer base grew in 2023, the share of fintech revenue from women customers slightly declined.

TABLE 2 **Customer revenue proportion – comparison of the Future of Global Fintech studies**

	MSMEs	Women	Low-income	Youth	Senior	Rural/ remotely located
2022	51%	39%	26%	30%	20%	31%
2023	55%	37%	43%	33%	28%	36%

Source: World Economic Forum & Cambridge Centre for Alternative Finance (CCAF).

> **SSA fintechs derived 63% of revenue from MSMEs, 60% from low-income customers and 58% from rural populations.**

In aggregate, underserved customer groups had a greater impact on revenue in EMDEs than in AEs (Figure 21). This trend was particularly evident in the low-income segment (48% versus 36%), indicating fintechs' ability to profitably serve customers with limited capital. Women (41% versus 33%), rural/ remote locals (38% versus 33%) and youth (34% versus 32%) also had higher revenue in EMDEs than they did in AEs. Conversely, seniors in AEs had higher revenue compared with their counterparts in EMDEs (33% versus 24%).

By region, SSA and MENA received the strongest revenue contributions from underserved groups. SSA fintechs derived 63% of revenue from MSMEs, 60% from low-income customers and 58% from rural populations. MENA followed closely, with 59% of revenue coming from low-income customers and 66% from rural/remote populations. Conversely, the US and Canada and LAC reported lower revenue from rural/remote customers, at 23% and 22%, respectively. Europe and the US and Canada had the highest revenue from seniors (41% and 32%). Youth contributed the most in the US and Canada (37%) and SSA (36%), while MENA reported the lowest youth contribution at 18%.

By vertical, digital lending (65%), insurtech (63%) and digital payments (56%) led in generating revenue from MSMEs, while digital banking and savings (35%) and digital capital raising (32%) lagged. Low-income customers contributed significantly to insurtech (63%), digital lending (47%) and digital payments (44%) but provided little revenue to wealthtech and digital capital raising firms (22% and 14%, respectively). Youth contributed above-average revenue in insurtech (38%) and wealthtech (33%), while seniors generated the highest revenue in insurtech (38%), digital capital raising (36%) and digital payments (33%). Rural or remotely located customers generated the highest transaction revenue in digital payments (50%) and insurtech (44%).

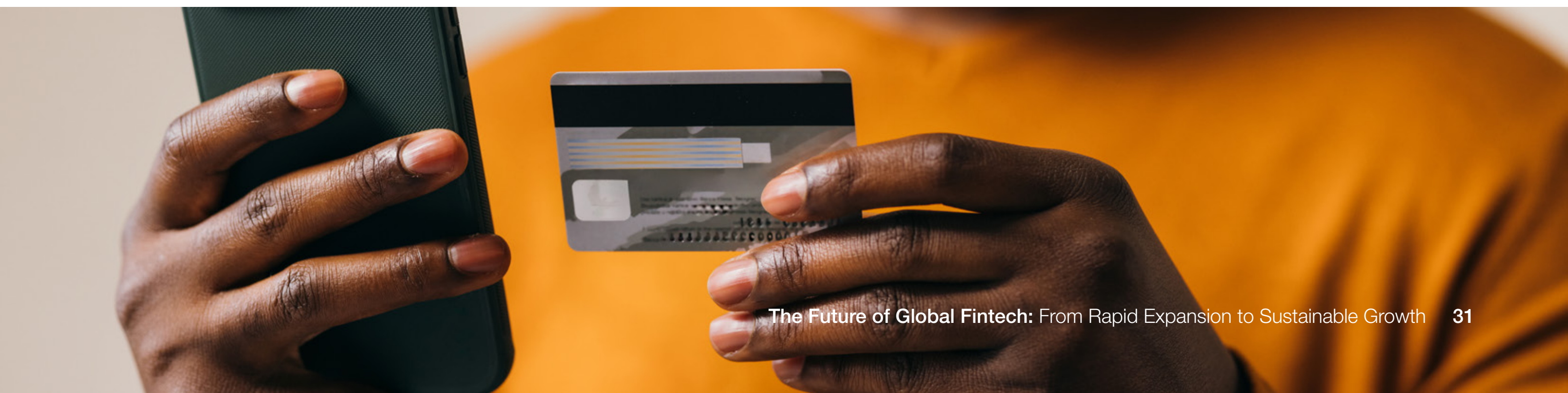
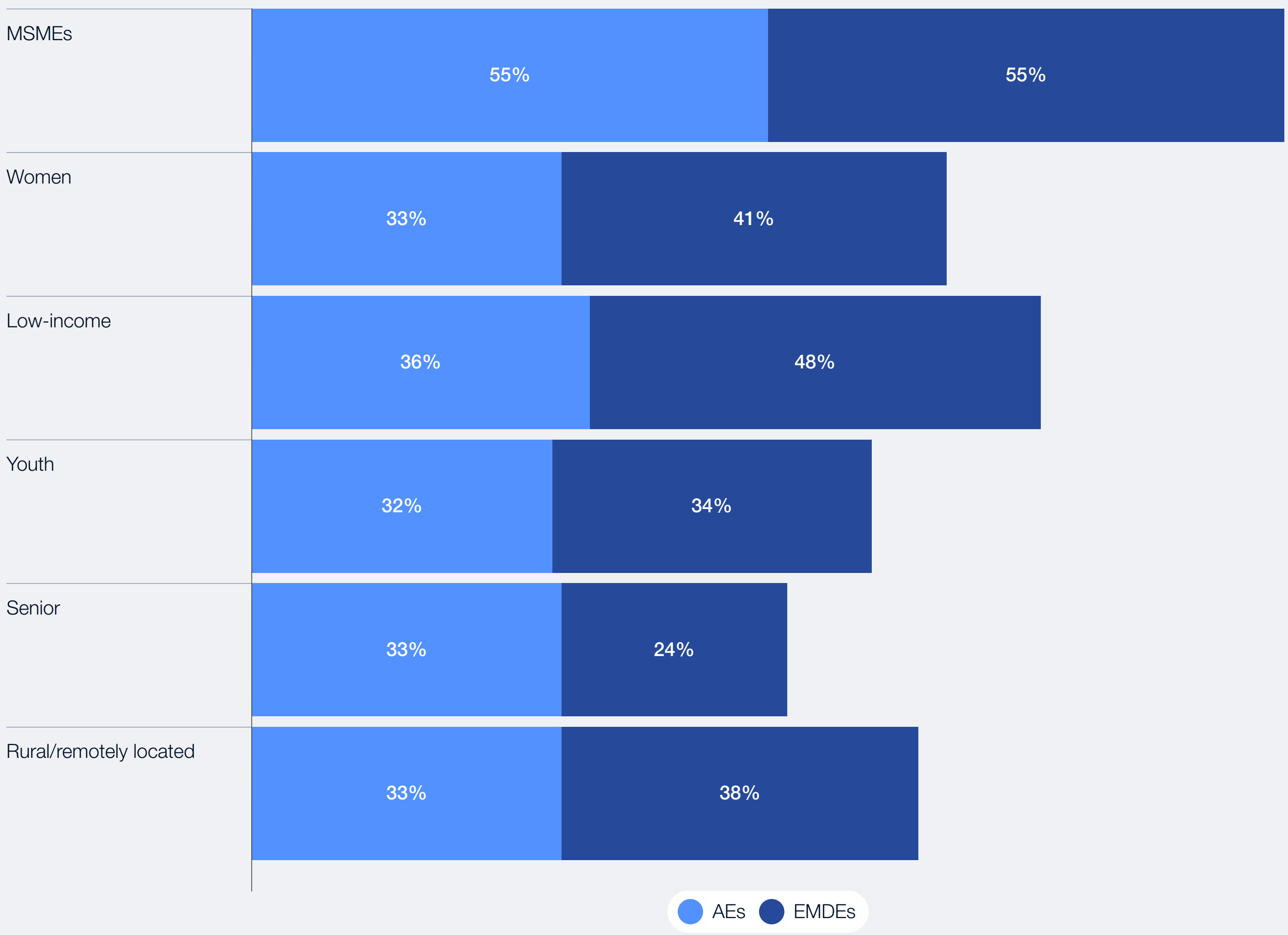


FIGURE 21 **Customer revenue distribution – AEs versus EMDEs**



Targeting underserved customer groups

Fintechs reported targeting offerings for traditionally underserved customer segments. The study found that, globally, fintechs continued to prioritize MSMEs first, followed by women, low-income and youth customer segments. Given fintechs' demonstrated ability to generate high transaction volumes from MSMEs, it is expected that many will continue to focus on designing products for this segment.

Table 3 shows the YoY change in targeted fintech offerings across all segments. Most segments saw either steady or increased offerings – most notably MSMEs, which experienced a 10% increase (48% in 2022 against 58% in 2023), reaffirming their critical role as the top segment for both revenue and customer base. The study also showed that fintechs were decisively increasing their focus on senior customer offerings. A modest decrease was noted in offerings targeted at low-income and rural/ remote segments.

TABLE 3 **Overall targeted fintech product and service offerings for different customer segments – comparison of the Future of Global Fintech studies**

	MSMEs	Women	Low-income	Youth	Senior	Rural/ remotely located
2022	48%	45%	45%	42%	22%	37%
2023	58%	46%	42%	42%	28%	36%

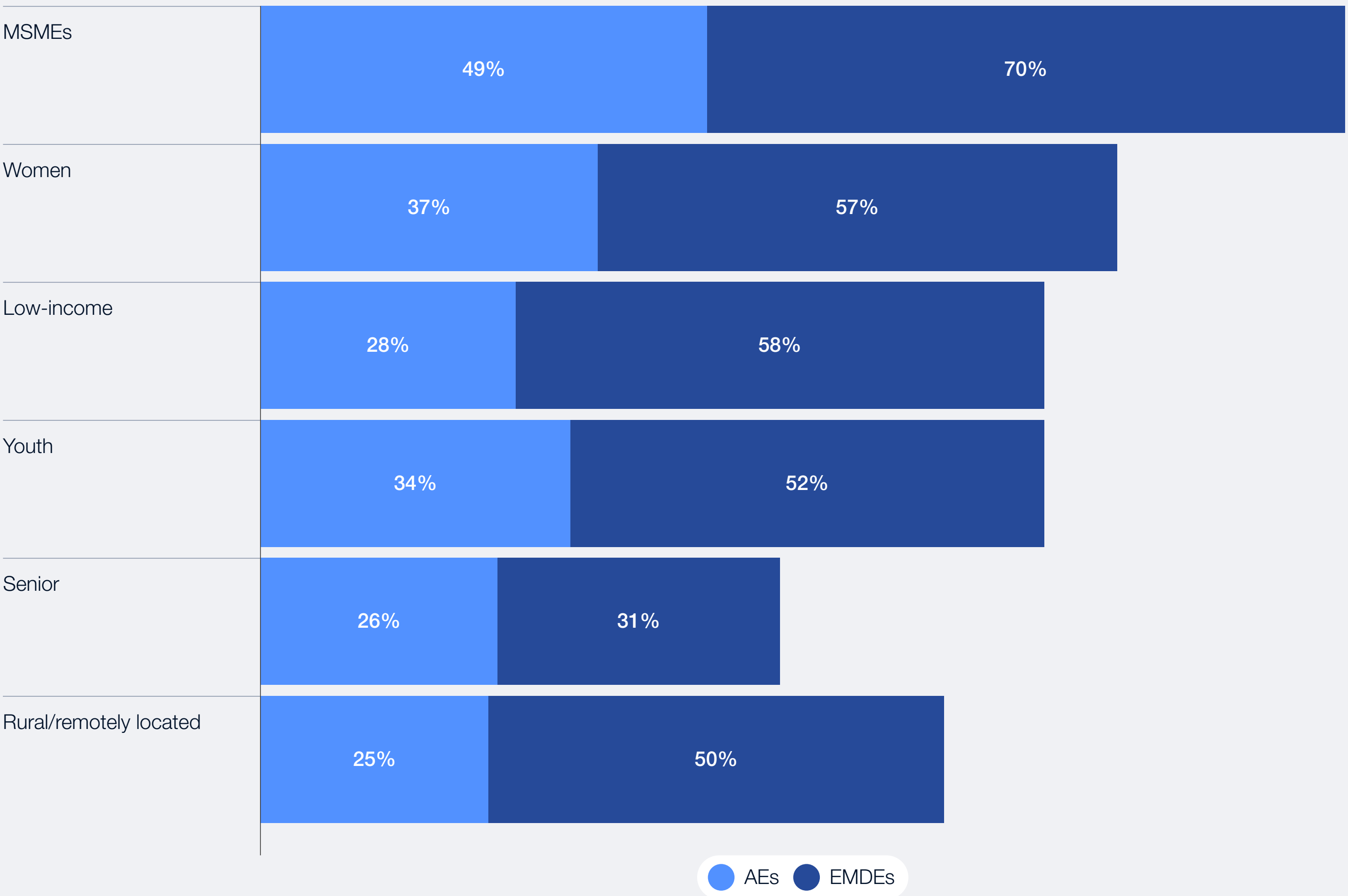
Source: World Economic Forum & Cambridge Centre for Alternative Finance (CCAF).

As shown in Figure 22, 70% of fintechs in EMDEs had targeted offerings for MSMEs, compared to 49% in AEs. Women and youth remained a key focus (42% had targeted products for these groups), while 36% of fintechs reported having targeted products for rural and remotely located customers.

Overall, fintechs operating in EMDEs reported having a larger percentage of products for underserved customers, with only 14% in SSA, 15% in APAC and 18% in LAC not offering targeted products, compared to one-third in Europe and the US and Canada. MSME-focused products were particularly high in SSA (76%) and MENA (69%). Additionally, fintechs in APAC and MENA demonstrated strong engagement with women (59% and 53%, respectively), offering products targeted at women.

By vertical, digital payments (78%) and digital lending (72%) led in having targeted products for MSMEs, while insurtech and digital capital raising firms showed the lowest targeted engagement with underserved groups. Digital capital raising had limited reach among low-income (23%) and rural customers (20%), while insurtech had particularly low engagement with senior customers (11%), which was the least targeted group by fintechs globally (28%). In contrast, over half of digital banking and savings firms (54%) offered products to youth.

FIGURE 22 **Targeted fintech product and service offerings for different customer segments – AEs versus EMDEs**



> Despite rapid digitization worldwide, access to cell phones and internet services in developing regions was shown to be far from universal.

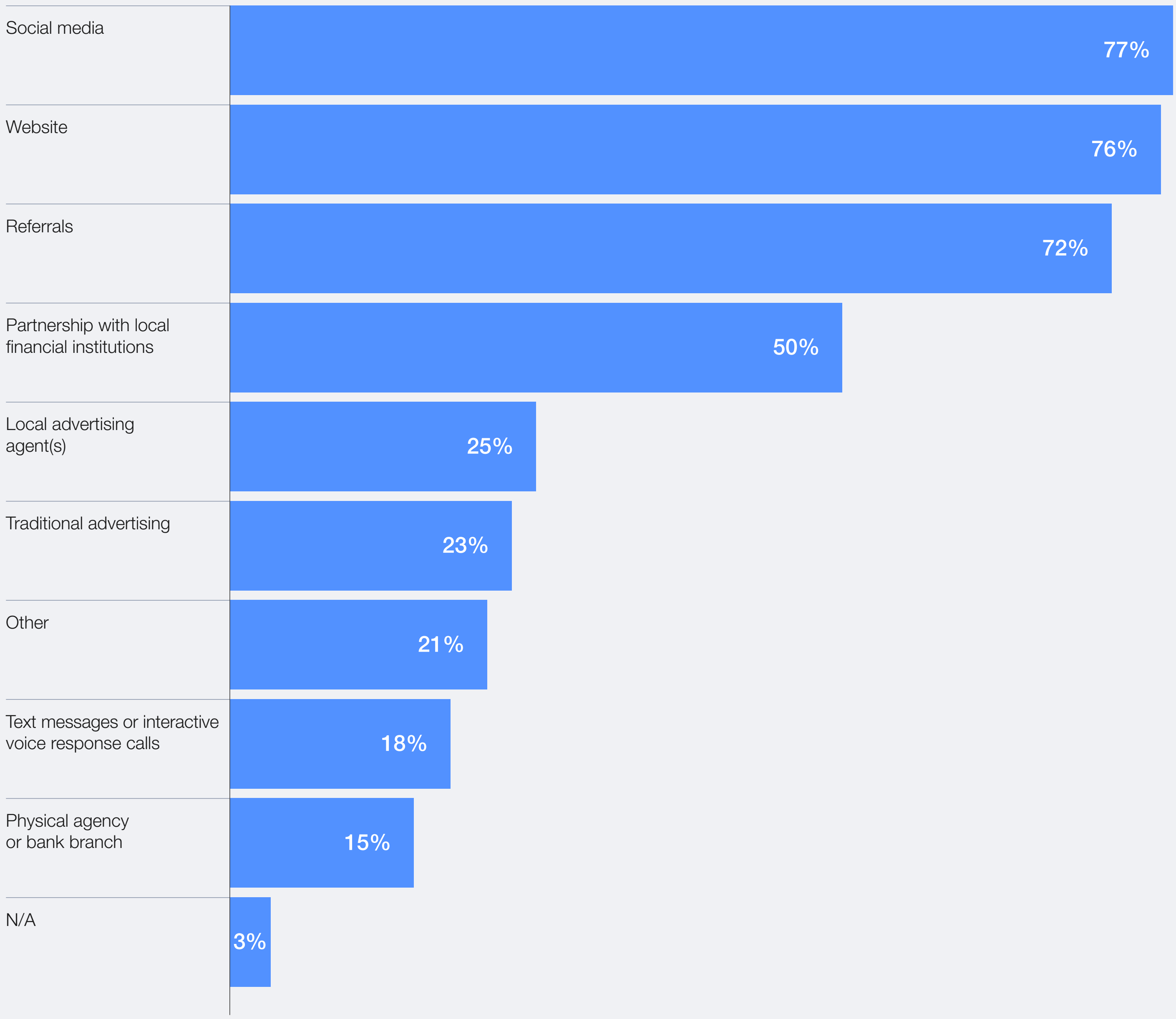
Mechanisms for acquiring customers

Globally, fintechs' interest in expanding their consumer bases led them to strengthen their digital focus, with most firms relying on social media platforms (77%), websites (76%) and referrals (72%) as primary customer acquisition channels (Figure 23). Firms reported a decline in the use of traditional methods such as text messages and calls (15% against 20% in the 2024 study).

Social media was a particularly prominent strategy in LAC (87%), APAC (84%) and MENA (83%). Despite rapid digitization worldwide, access to cell phones and internet services in developing regions was shown to be far from universal. With only 35% of people in developing countries having internet access,[25] fintechs in EMDEs cannot rely solely on digital methods. Therefore, firms in SSA were more likely to use traditional advertising methods (42%) and text messaging (40%), while MENA firms were found to rely on local physical agents (27%) and partnerships (52%) more extensively. In contrast, firms in the US and Canada and Europe prioritized websites (60% and 81%, respectively) and social media (62% and 69%, respectively), with little reliance on physical branches or traditional methods.

Across verticals, social media and referrals remained the most popular customer acquisition strategies. Digital capital raising firms led in social media use (91%), while wealthtech firms relied heavily on referrals (85%). Insurtechs were also more likely to use referrals (80%), traditional advertising (49%) and text messaging (30%).

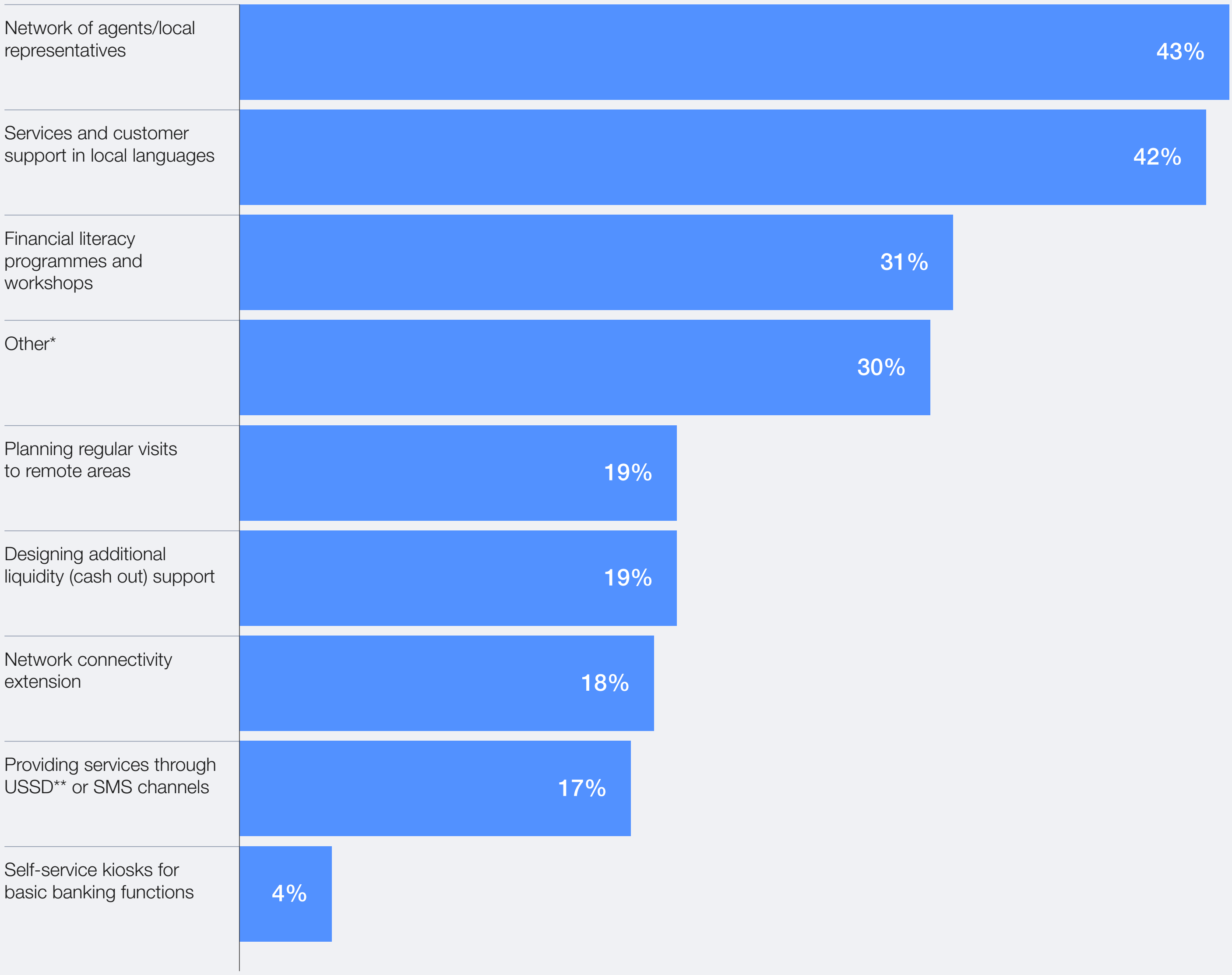
FIGURE 23 **Mechanisms for acquiring customers**



Note: *Other: partnerships with retailers; B2B partnerships; partnerships with governments.

Mechanisms for acquiring customers in rural or remote areas

FIGURE 24 Mechanisms for acquiring customers in rural/remote areas



*Other = mobile apps, social media, referrals; **USSD = unstructured supplementary service data.

73%

of insurtechs' customers harness agent networks.

Overall, 38% of surveyed fintechs served rural and remotely located customers, with a higher concentration in EMDEs (40% versus 31% in AEs). Given the inherent difficulty in serving this customer segment, it was worth examining the mechanisms used to acquire these customers. Firms reported a tendency to use more individualized and tailored approaches, such as agent networks (43%), multilingual service offerings (42%) and financial literacy programmes (31%) (Figure 24).

Firms in SSA led in outreach to rural customers, employing a more diverse range of strategies than other regions. SSA fintechs cited financial literacy programmes (66%), providing services in local languages (66%), using agent networks (66%) and providing services through USSD (unstructured supplementary service data) or SMS (short message service) channels (61%) as their most popular strategies. In general, firms in EMDEs employed multiple customer acquisition mechanisms more extensively than their counterparts in AEs. At the vertical level, there was considerable variation between fintechs' approaches to last-mile customers. Insurtechs demonstrated the highest volumes of rural customers harnessing agent networks (73%), offering services in local languages (67%), conducting financial literacy programmes (63%) and providing services through USSD or SMS (50%). In contrast, digital capital raising firms showed the least interest in reaching rural customers, likely due to lower disposable income in these areas.

5 AI adoption

While fintechs increasingly harness AI to enhance customer experience and profitability, evolving risks and challenges to adoption must also be considered.

Survey findings indicated that 80% of fintechs had implemented or were in the process of implementing AI in at least one of the five application areas analysed.

AI adoption across application areas

AI is widely viewed as a transformative technology with far-reaching implications for both society and the economy. It follows that AI is rapidly reshaping the financial sector, changing how financial services are developed, delivered and experienced. As financial institutions increasingly adopt AI, it is essential to assess how the technology is being used and the potential effects of its deployment.

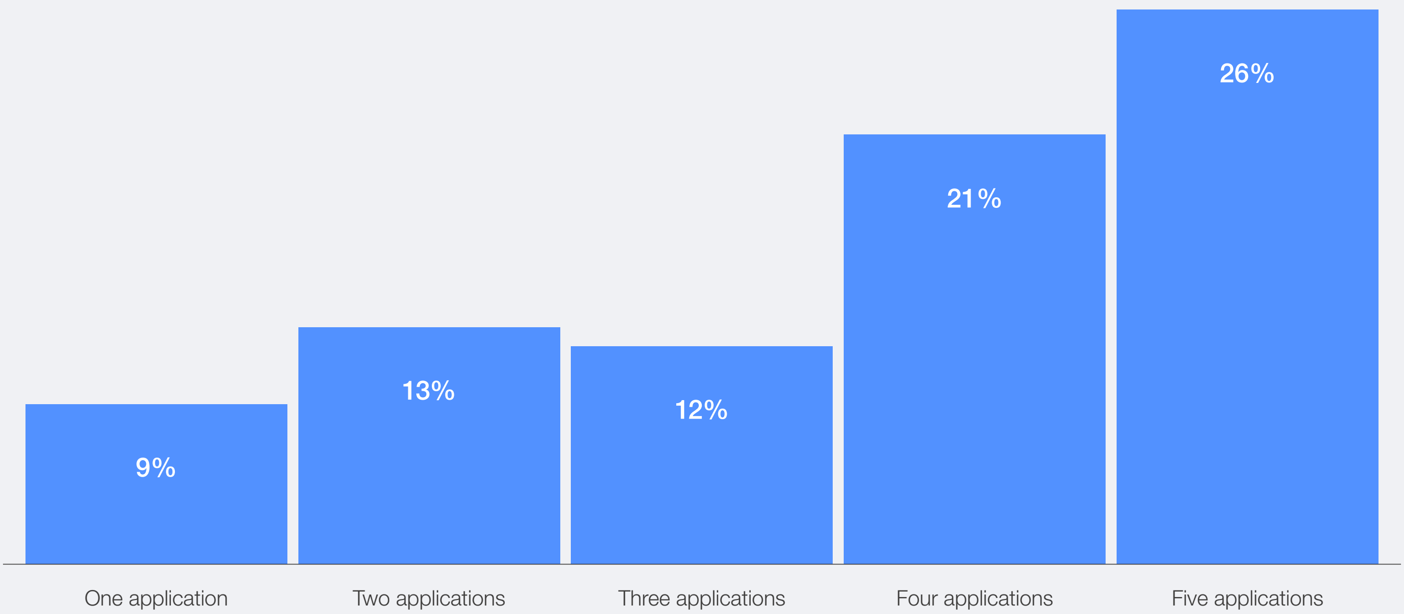
To better assess AI adoption among fintechs and meet their business demands, this study examined use of AI across different application areas and domains. Being inherently technology-focused, fintechs are typically early adopters of AI. Survey findings indicated that 80% of fintechs had implemented or were in the process of implementing AI in at least one of the five application areas analysed.

A deeper exploration revealed that fintechs were integrating AI across multiple application areas (Figure 25), with over a quarter of firms using it in all five areas studied. This finding indicates expansion into several business functions and highlights the growing importance of deploying such technology in business operations.

AI adoption varied across regions and verticals. APAC led, with 33% of fintechs implementing AI across all five application areas. Regions that reported slower adoption rates included SSA, whichhad the highest share of fintechs yet to implement AI of any area (29%), and MENA (22%). Neither of these two regions reported plans to forgo AI entirely, however, suggesting they recognized its potential.

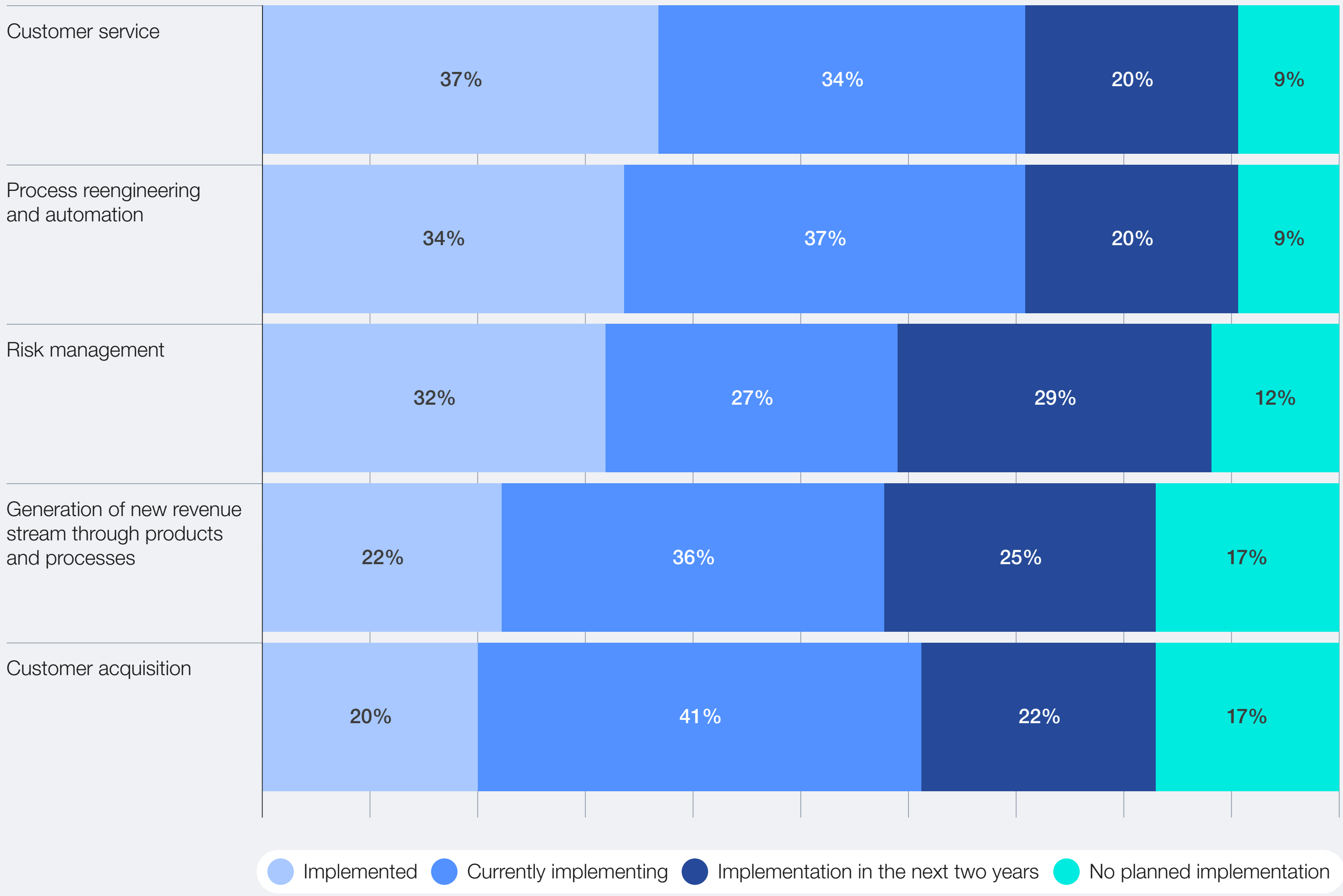
Among verticals, digital payments and wealthtech led with the highest percentages of firms implementing AI across all five application areas (36% and 31%, respectively). In contrast, digital capital raising had the highest non-adoption rate at 40% (of which 28% reported no plans for implementation). This exceeded other verticals, such as digital lending (25%) and digital banking and savings (10%), which had not adopted AI in any application area.

FIGURE 25 **Fintechs' adoption of AI by the number of application areas**



AI adoption by application area

FIGURE 26 **Overall AI adoption by application area**



37%

of fintechs implemented AI in the customer service domain.

By application area, APAC led in AI adoption across different financial service functions. Among verticals, insurtech led with the highest implementation rate in both customer service (50%) and generation of new revenue streams (47%).

While risk management has been noted as a top AI use case in early studies on AI in financial services,[26] adoption has expanded into other operational domains.

Customer service led, with 37% of fintechs implementing AI in this domain, followed by process automation (34%) (Figure 26). APAC had the highest customer service adoption rate (46%), followed by the US and Canada (40%), while SSA trailed at 16%, reflecting significant regional differences.

Process reengineering and automation also saw high rates of adoption (34% implemented, 37% in progress), particularly in wealthtech, where 56% of firms had implemented AI (compared with just 5% in digital capital raising). AI-driven generation of new revenue streams was also strong (with 22% adoption and 36% in progress). This was especially true for the US and Canada (31% implemented).

Risk management remained critical – 32% of fintechs reported that they had already implemented AI, while 27% were in the process of implementing. By region, APAC led, with 41% of firms implementing AI in this area. By vertical, 47% of insurtechs reported implementing AI here. Despite risk management not being the top application area, survey responses indicated that this domain remained a high priority, with 29% of fintechs stating they had plans to implement it in the next two years, mainly in the US and Canada (35%) and MENA (34%). Fintechs in the insurtech (35%), digital lending and wealthtech verticals (31% each) also stated they had plans to advance AI in the coming two years.

Customer acquisition exhibited lower implementation rates (20% implemented, 41% in progress), though MENA (50% implemented) and Europe (47% implemented) led in this category. Digital banking and savings and wealthtech prioritized customer acquisition, with rates of 36% (implemented) and 35% (implemented), respectively.

In the customer acquisition domain, AI helped fintechs expand their market presence and service offerings.

Specific applications of AI

To further understand how AI is being used within application areas, the survey asked respondents about their specific application interests for each area where they reported current or planned adoption interests (Figure 27). While there were variations, responses revealed that priorities spanned nearly all individual applications or use cases studied. Respondents were also asked how they implemented their applications of AI – e.g. built in-house, through partnerships with banks or outsourced.

Customer service use cases were a major focus, with fintechs reporting that they prioritized enhanced communication channels (64%) and real-time services (39%). In-house development dominated these areas (56% and 62%, respectively), though outsourcing also played a key role, covering 43% of communication channels and 37% of real-time services.

Within the process reengineering and automation application area, automation of administrative tasks was the leading use case with a 46% implementation rate, followed by automated reporting at 44% and chatbots and virtual assistants at 35%. Compliance automation remained lower at 22%, with higher outsourcing rates (particularly in the APAC, LAC and MENA regions, where over 30% of these tasks were handled externally).

In risk management, AI was primarily used in fraud detection, with 46% of fintechs reporting that they were implementing it for this purpose. Notably, 37% outsourced this function, relying on external expertise for specialized capabilities. Preventative pattern analysis saw even higher outsourcing rates (65% in digital payments and 30% in digital capital raising). Regional differences were notable. Europe, for instance, favoured in-house development, with 76% of preventive pattern analysis managed internally. Similarly, while AI-enabled conduct risk management in digital payments and digital capital raising was outsourced by 61% and 33% of fintechs globally, Europe stood out with 84% in-house development.

For AI-driven generation of a new revenue stream, fintechs primarily developed decision-making and data analytics solutions in-house. Yet, the outsourcing of decision-making solutions was more common in LAC (27%) and SSA (32%). Wealthtech and digital capital raising also leaned on external providers, outsourcing over 40% of decision-making solutions. Digital capital raising relied on external expertise for 47% of its data analytics solutions.

In the customer acquisition domain, AI helped fintechs expand their market presence and service offerings. About 35% of fintechs reported using AI-enabled market services, while 39% employed AI for add-on services. Notably, 79% of these add-on services were developed in-house. Digital account opening solutions, adopted by 25% of fintechs, also reflected this trend, with 71% of fintechs developing internally and only 23% outsourcing.

FIGURE 27 **Specific applications of AI overall**

Customer service	AI-enabled customer communication channels	64%
	AI-enabled real-time service adjustments to clients' needs	39%
	Personalized risk exposure analysis	16%
Process reengineering and automation	Automated compliance	22%
	Automated reporting	44%
	Automation of administrative tasks and processes	46%
	Chatbot and virtual assistant to streamline work	35%
AI-enabled risk management	AI-enabled conduct risk management	32%
	Fraud detection	46%
	Preventive pattern analysis to find potential exploits	31%
Generation of new revenue	AI-enabled data analytics	41%
	AI-enabled informed decision-making	41%
Customer acquisition	AI-enabled access to add-on services/products	39%
	AI-enabled marketing	35%
	Digital account opening solutions	25%

> About 35% of fintechs reported using AI-enabled market services, while 39% employed AI for add-on services.

Effects of AI on business performance

Beyond exploring how and to what extent fintechs were deploying AI, this study sought to understand where the adoption of AI was truly enhancing business performance. Respondents were therefore asked a series of questions about the impact of AI on their businesses.

Responses highlighted that AI adoption had largely led to increased profitability. Overall, 74% of fintechs reported that AI brought improvements in their profitability (27% significant improvement and 48% slight improvement) (Figure 28). This effect was felt slightly more in AEs (76%) than EMDEs (73%). Percentages were generally similar across regions – however, it is noteworthy that for 53% of fintechs in SSA, profitability significantly improved.

MENA had the highest percentage of firms that did not see changes in profitability after adopting AI (39%), although no fintech reported a decline in profitability. By vertical, 90% of insurtechs (of those, 31% significantly improved) and 85% of digital banking and savings (of those, 58% significantly improved) experienced an improvement in profitability.

FIGURE 28 **Impact of AI on profitability**

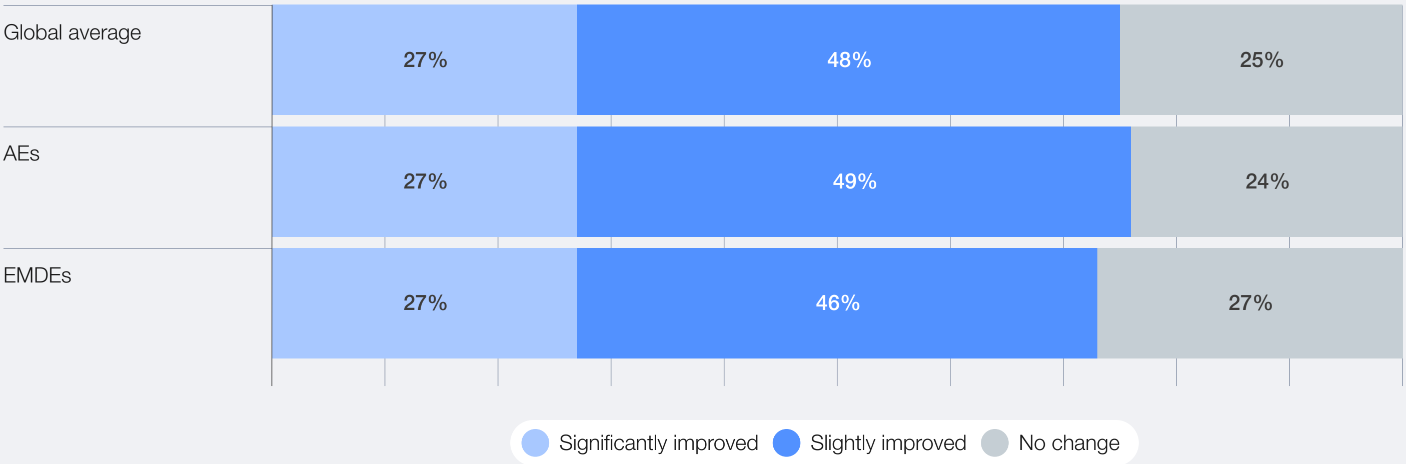
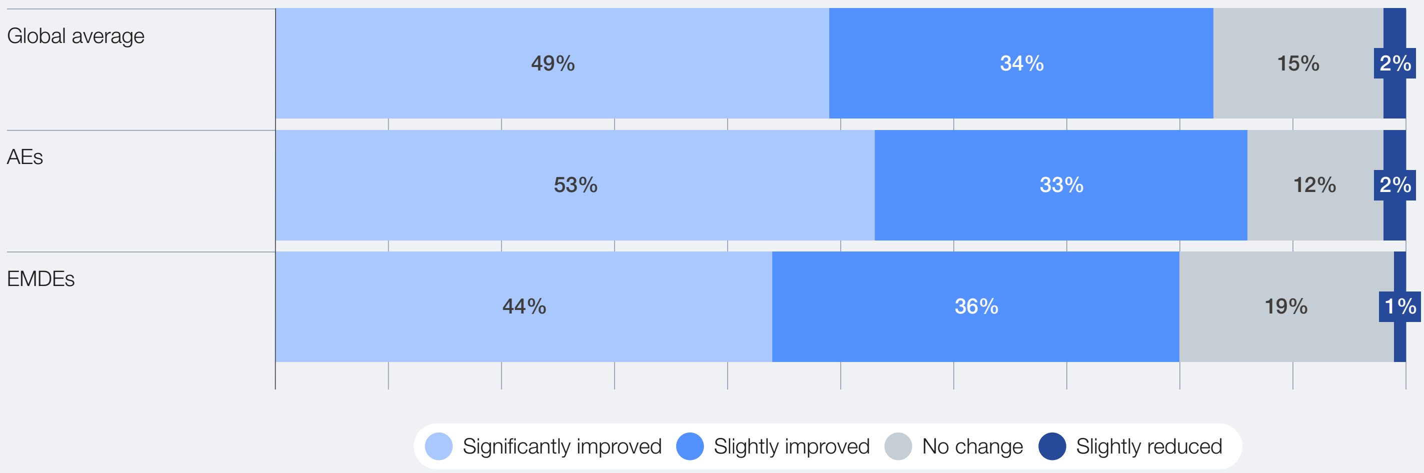


FIGURE 29 | **Impact of AI on customer experience**



92%

of digital banking and savings firms significantly improved their customer experience after AI implementation.

When asked about the impact of AI on the customer experience, 83% of fintechs reported improvement, with 49% indicating significant benefits (Figure 29). The trend was relatively consistent across regions. Furthermore, 53% of firms in AEs reported significant improvements compared to 44% in EMDEs.

Overall, only 15% saw no change in customer experience after AI adoption, with a slightly higher proportion of fintechs in EMDEs (19%) and digital payment fintechs (32%) reporting no change. Reports of a decline in customer experience were minimal. It is worth noting that digital banking and savings (92%) and insurtech (78%) significantly improved their customer experience after AI implementation, the latter also being the first to adopt AI for customer services (50% implemented).

Measuring the impact of AI on research and development (R&D) expenditures was important to understanding the cost of AI implementation for fintechs. Overall, 71% of fintechs reported an increase in R&D expenditures, with 21% deeming it significant (Figure 30). There was no change in R&D expenditures; however, for 25% of the firms, 3% reported that it decreased. R&D expenditures with AI were slightly higher in AEs than they were in EMDEs.

A higher percentage of fintechs in SSA and the US and Canada reported a significant increase in R&D than in other regions (35% and 28%, respectively). While 33% of fintechs operating in MENA indicated no changes with the adoption of AI, 54% of those in APAC and LAC said R&D spending slightly increased. By vertical, 81% of digital banking and savings firms saw a significant increase in R&D expenditures.

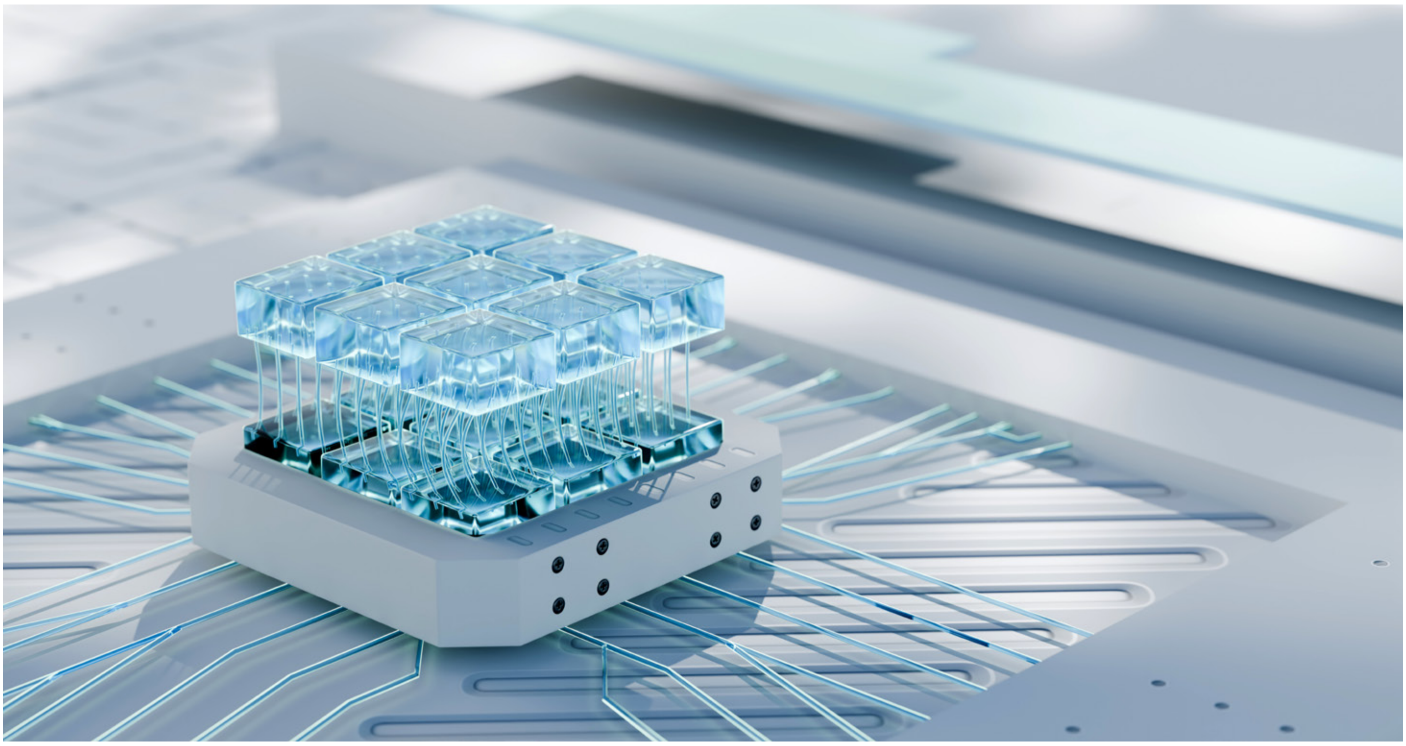


FIGURE 30 **Impact of AI on research and development expenditures**

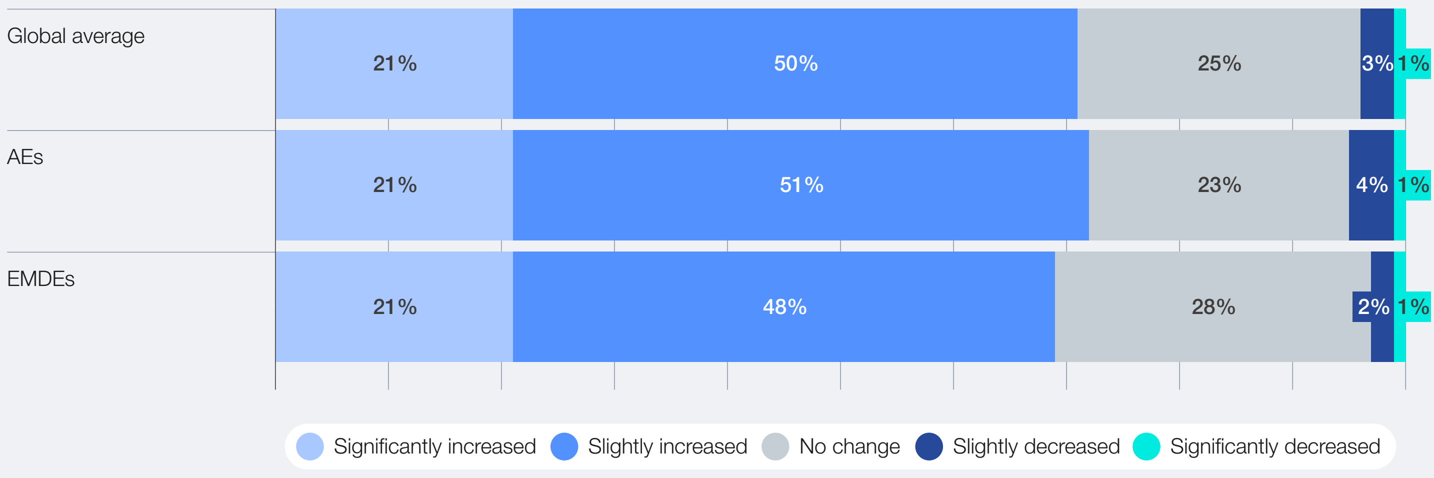
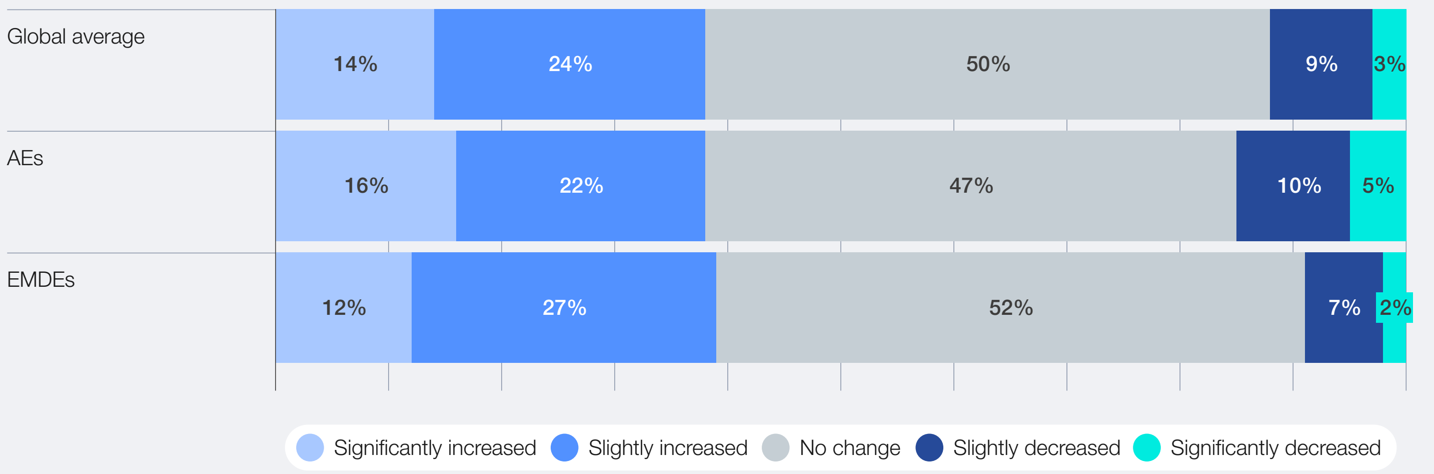


FIGURE 31 **Impact of AI on the workforce**



50%

of fintechs adopting AI reported no change in their workforce.

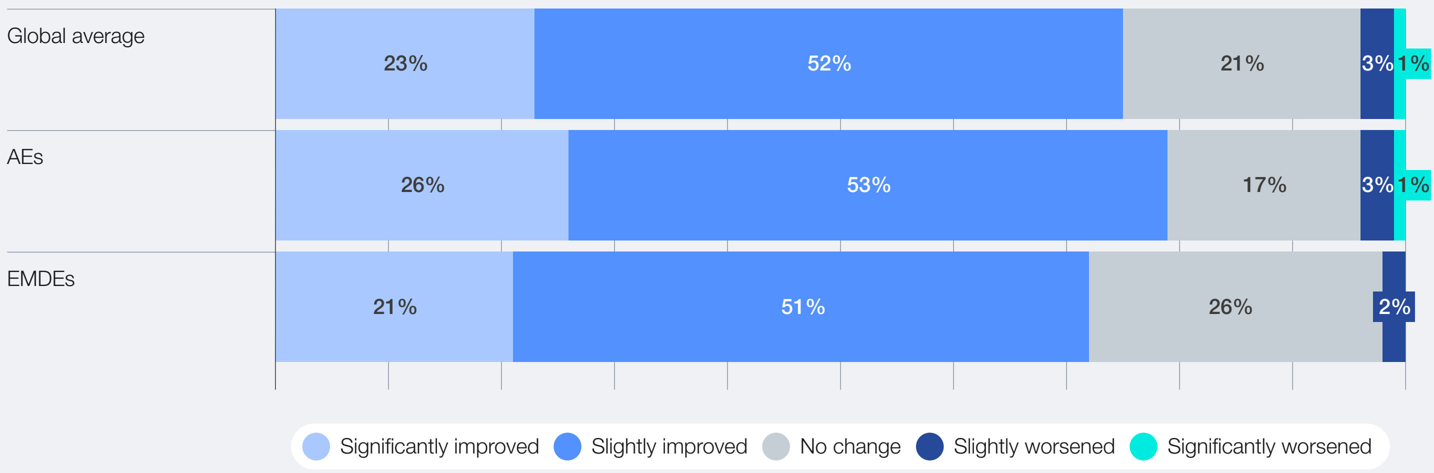
One of the key ongoing discussions around AI is its potential impact on jobs. Survey respondents were questioned specifically on whether their firm's workforce had increased, decreased or remained the same with AI adoption. Overall, 50% of fintechs adopting AI reported no change in their workforce. Notably, more fintechs increased their workforce (24% slightly increased and 14% significantly increased) than reduced it (9% slightly reduced and 3% significantly reduced) after AI implementation. Small disparities between fintechs operating in AEs and EMDEs were observed, with 16% of those in AEs significantly increasing their workforce compared to 12% in EMDEs (Figure 31).

MENA was a unique case, with 22% of fintechs reporting workforce reduction. By vertical, a positive outlier was digital banking and savings, with 58% of fintechs reporting a significant increase in their workforce after implementing AI.

One of the main incentives for businesses to implement AI was the potential for cost reduction. Improvements in this area were experienced by 75% of fintechs surveyed, with slight improvement for 52% and significant improvement for another 23% (Figure 32). Only 3% reported that costs increased after AI adoption. Fintechs in AEs reported greater cost reduction outcomes than those in EMDEs, where a higher percentage of fintechs reported no changes.

Although some disparities were noted, a positive trend was witnessed across all regions. Fintechs in Europe were more likely to report significant improvements (39%), while in LAC, 61% reported slight improvements. In contrast, 36% in MENA reported no changes, while 9% in the US and Canada said it had slightly worsened. Additionally, the digital banking and savings (62%) and digital lending (44%) verticals had the highest rates of fintechs reporting significantly reduced costs after AI adoption.

FIGURE 32 Impact of AI on business cost reduction

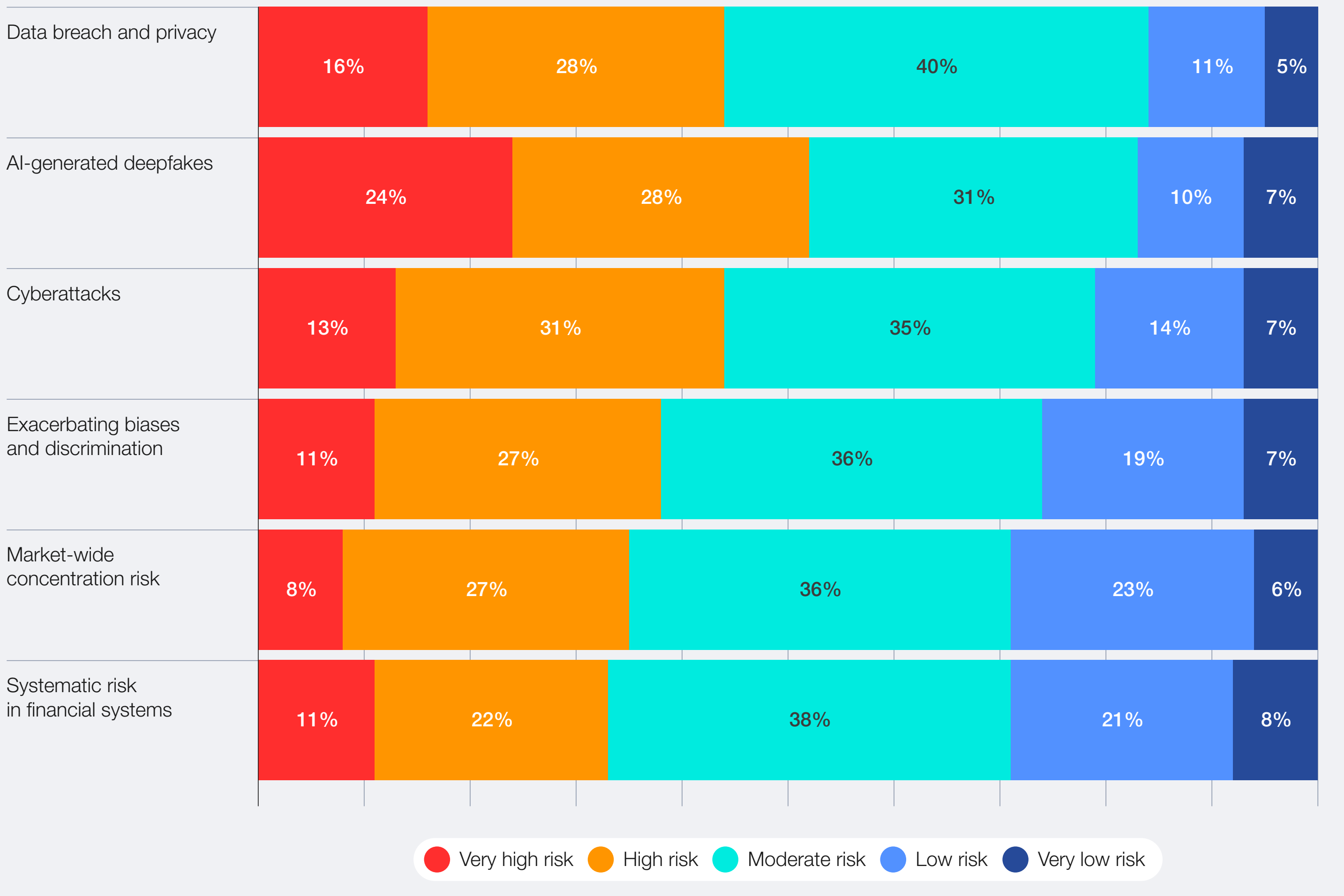


Risks associated with AI

As AI deployment in the finance sector continues to expand and evolve, it is necessary to monitor the equally expanding and evolving risk landscape. With this in mind, the survey asked respondents about their perceptions of a set of risks associated with AI.

As shown in Figure 33, a significant majority of fintechs (between 71% and 84%) considered all outlined risks moderate to very high. Conversely, 16% to 29% viewed these risks as low to very low.

FIGURE 33 Perception of risks associated with AI



87%

of firms identified the cost of implementing and maintaining AI as a hurdle.

Among the risks assessed, data breach and privacy ranked highest, with 84% classifying it as a moderate to very high risk. AI-generated deepfakes were rated as a moderate to very high risk by 83% of fintechs, while cyberattacks were similarly rated as a moderate to very high risk by 79% of fintechs. Exacerbating biases and discrimination (74%), systematic risk in financial systems (71%) and market-wide concentration (71%) represented the bottom three risks, with respondents ranking these as moderate to very high.

This trend was generally consistent across regions, with data breaches and privacy issues and AI-generated deep fakes representing the top two risks in the moderate to very high risk level. Data breach and privacy risk were dominant in Europe, with 90% of fintechs ranking this as moderate to very high. In MENA, cyberattacks were the primary concern, with 86% of fintechs ranking them as a moderate to very high risk. Notably, the AI-generated deepfakes and exacerbating biases and discrimination risks were particularly prominent in SSA, with 96% of fintechs ranking these as moderate to very high. SSA also dominated in market-wide concentration and systematic risk in financial systems, with 89% of respondents ranking both as moderate to very high.

Fintechs operating in AEs reported data breach and privacy as the highest risk, with 87% ranking this as moderate to very high. AI-generated deepfakes were reported as the highest risk by fintechs operating in EMDEs, with 84% ranking this as moderate to very high.

By vertical, insurtech firms had the highest percentage of negative perceptions (with consistently high percentages in the moderate to very high categories) across all risks analysed – from 85% in systematic risk in financial systems to 92% in data breach and privacy.

Barriers to AI implementation

Assessing obstacles to AI implementation stemming from internal and external factors can offer insight into what's still needed to create a robust enabling environment. To better understand such challenges, the survey asked fintechs about perceptions of a set of barriers to AI implementation.

The cost of implementing and maintaining AI systems remained a major challenge for most fintechs, with 87% of firms identifying it as a hurdle (41% considering it a significant hurdle and 46% viewing it as a slight hurdle). Notably, 47% of fintechs in EMDEs and 52% of digital payments firms deemed implementation costs a significant hurdle.

Data access and quality, encompassing issues such as data sparsity and lack of variety, posed a challenge for 69% of fintechs, with 48% seeing it as a slight hurdle and 21% considering it a significant one. This concern was particularly pronounced in SSA, where 40% of fintechs cited data as a significant hurdle hindering AI implementation. Overall, 31% of fintechs did not perceive data access and quality as a hurdle, highlighting that this was not a universal challenge.

Fintechs did not see other internal factors, such as unclear value propositions or a company's culture and governance, as major hurdles. Fintechs in EMDEs expressed more confidence in these areas, with 48% seeing no hurdle in defining AI's value proposition and 52% reporting no challenges related to culture and governance. By vertical, 62% of insurtechs were confident in AI's value proposition, while 71% of digital bank and savings firms reported no culture and governance challenges.

In regard to external factors, regulatory uncertainty surrounding AI was a major hurdle for fintechs. A substantial 77% of fintechs perceived it as a challenge, with 32% considering it a significant hurdle and 45% viewing it as a slight one. Only 23% of fintechs did not perceive regulatory uncertainty as a hurdle. Regionally, regulatory uncertainty was a particularly significant concern for fintechs in APAC (35%), LAC (36%), the US and Canada (33%) and SSA (35%).

While access to skilled talent is a key driver of fintech growth (as seen in Chapter 3), it presents a challenge for AI implementation, potentially limiting firms' ability to develop AI-driven solutions. Although 51% viewed lack of talent as only a slight hurdle, it was a significant barrier for 49% of digital lending fintechs.

Other external factors, such as trust and user adoption of AI and market uncertainty, remained a hurdle for 74% and 60% of fintechs, respectively. Notable regional variations emerged. Europe had the most concern over trust and user adoption of AI, with 37% viewing it as a significant hurdle, while 33% in SSA cited market uncertainty as a significant obstacle hindering AI implementation.

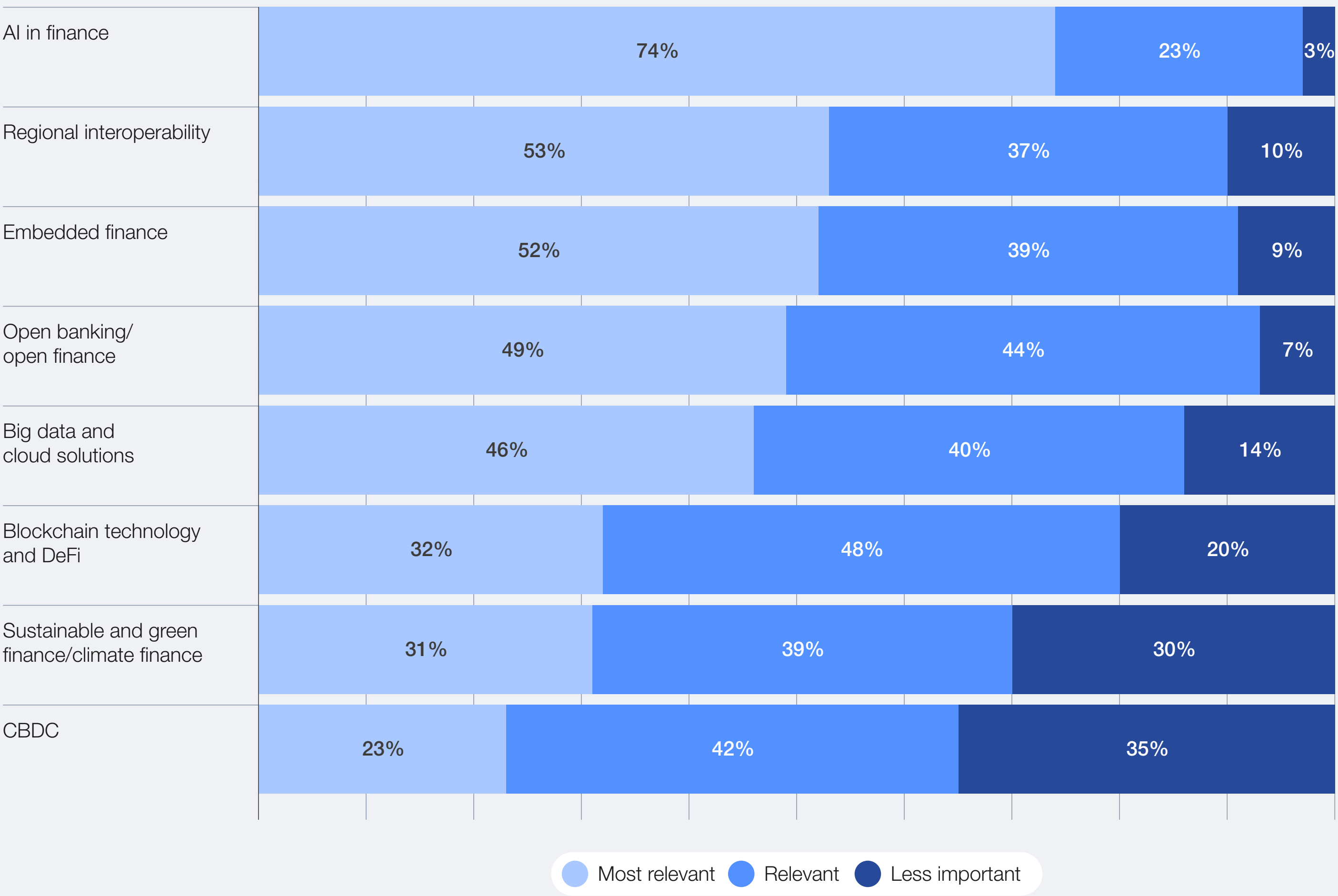
6 Looking to the future

AI, regional interoperability and open banking/open finance are expected to be critical drivers of fintech development from 2025-2030.

Key industry issues in the next five years

Recognizing the importance of perspectives on the future of the global fintech market, this study concluded with views from fintechs on topics that may shape the industry in the next five years.

FIGURE 34 **Fintechs’ perceptions on fintech industry development in the next five years**



AI ranked first across most verticals, except digital capital raising, where regional interoperability was found to be most relevant.

As in the first study, AI was the top issue, with 74% of fintechs deeming it “most relevant”. This trend was consistent across all regions and verticals. This is unsurprising given the sustained attention the technology commands and recent advancements in the field.

The second most relevant topic reported was regional interoperability, with 53% of fintechs rating it as most relevant and another 37% as relevant. Embedded finance followed closely, with 52% considering it most relevant and 39% deeming it relevant. At the bottom, the ranking remained unchanged from the last study, with central bank digital currency (CBDC), sustainable and green finance, blockchain technology and decentralized finance (DeFi) remaining the least important topics at 35%, 30% and 20%, respectively.

Figure 35 shows the top three most relevant topics by vertical, with interesting differences. AI ranked first across most verticals, except digital capital raising, where regional interoperability was found to be most relevant. Digital banking and savings, digital payments and insurtech firms had above-average recognition of AI’s relevance at 86%, 81% and 76%, respectively.

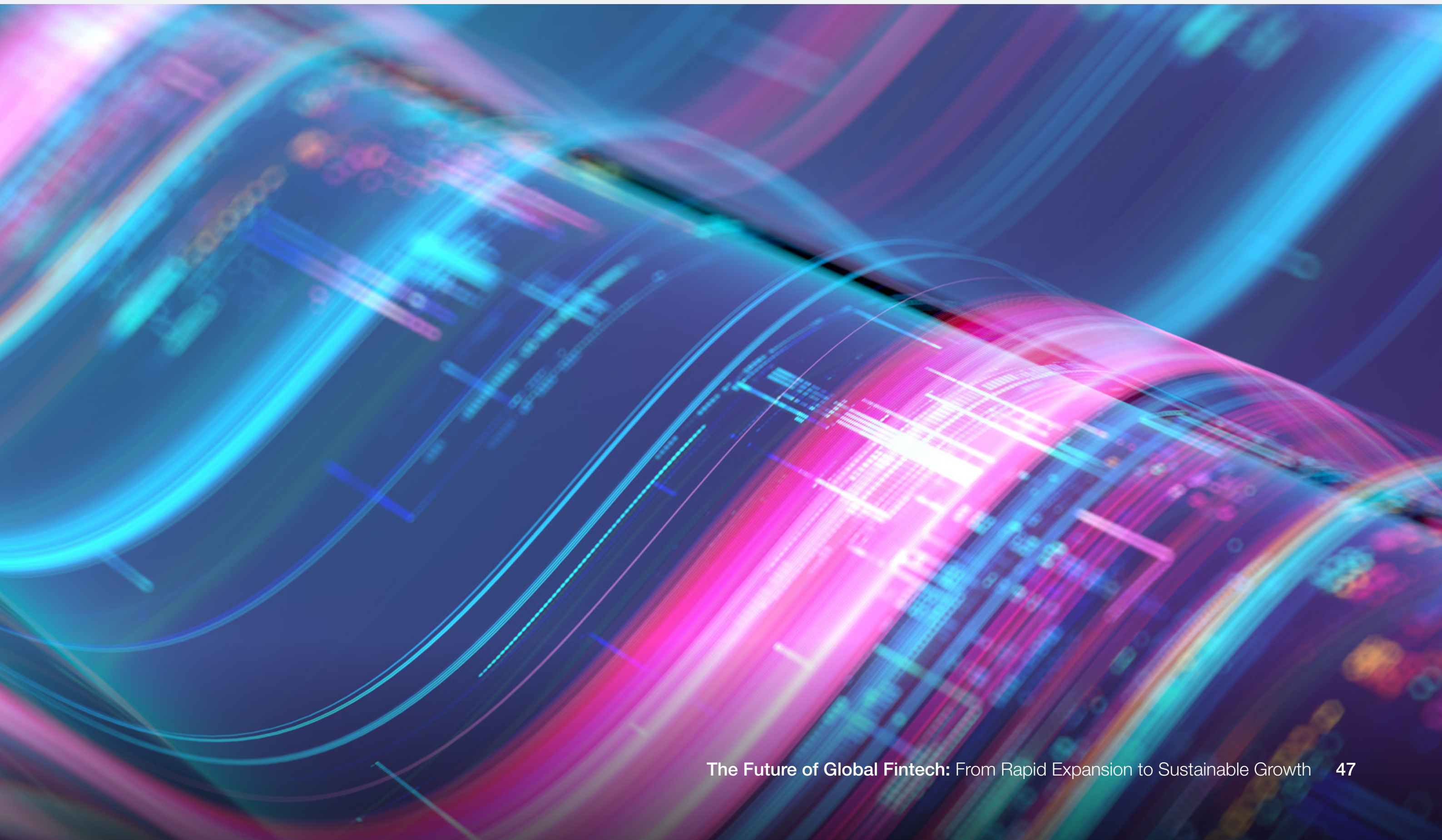
Embedded finance and open banking/open finance ranked among the top three most relevant topics in digital banking and savings and digital lending, reflecting these verticals’ reliance on API integrations and embedded features. Meanwhile, regional interoperability was more relevant to digital capital raising (67%), digital payments (78%) and wealthtech (57%) firms.

Finally, sustainable and green finance was among the most relevant topics for insurtechs (48%), while big data and cloud solutions and blockchain technology and DeFi completed the top three across various segments.

FIGURE 35 **Fintechs' perceptions on topics for fintech industry development in the next five years – by vertical**

Vertical	Topic	Most relevant	Relevant	Less important
Digital banking and savings	AI in finance	86%	11%	3%
	Embedded finance	61%	32%	7%
	Open banking/open finance	55%	36%	9%
Digital capital raising	Regional interoperability	67%	31%	2%
	AI in finance	58%	27%	15%
	Blockchain technology and DeFi	42%	45%	13%
Digital lending	AI in finance	66%	33%	1%
	Embedded finance	55%	32%	13%
	Open banking/open finance	53%	46%	1%
Digital payments	AI in finance	81%	19%	
	Regional interoperability	78%	21%	1%
	Embedded finance	67%	28%	5%
Insurtech	AI in finance	76%	20%	4%
	Big data and cloud solutions	68%	29%	3%
	Sustainable and green finance/climate finance	48%	34%	18%
Wealthtech	AI in finance	71%	22%	7%
	Regional interoperability	57%	39%	4%
	Big data and cloud solutions	56%	35%	9%

Most relevant Relevant Less important



93%

of fintechs surveyed reported that open banking and open finance were relevant topics affecting the industry's future.

Open banking, open finance and DPI

The rise of open banking,[27] open finance[28] and DPI[29] has been a significant milestone for the fintech sector, creating new opportunities for innovation, market expansion and competition. To assess fintechs' impact, the survey asked respondents for their perceptions on whether they had benefited from these frameworks.

As noted earlier in Figure 34, 93% of fintechs surveyed reported that open banking and open finance were relevant topics affecting the industry's future. It follows that most fintechs (67%) reported benefitting from open banking and open finance frameworks implemented in their market. Regionally, MENA and LAC had a greater interest (with 41% and 40% reporting strongly agree, respectively) in these frameworks, followed by SSA (31%).

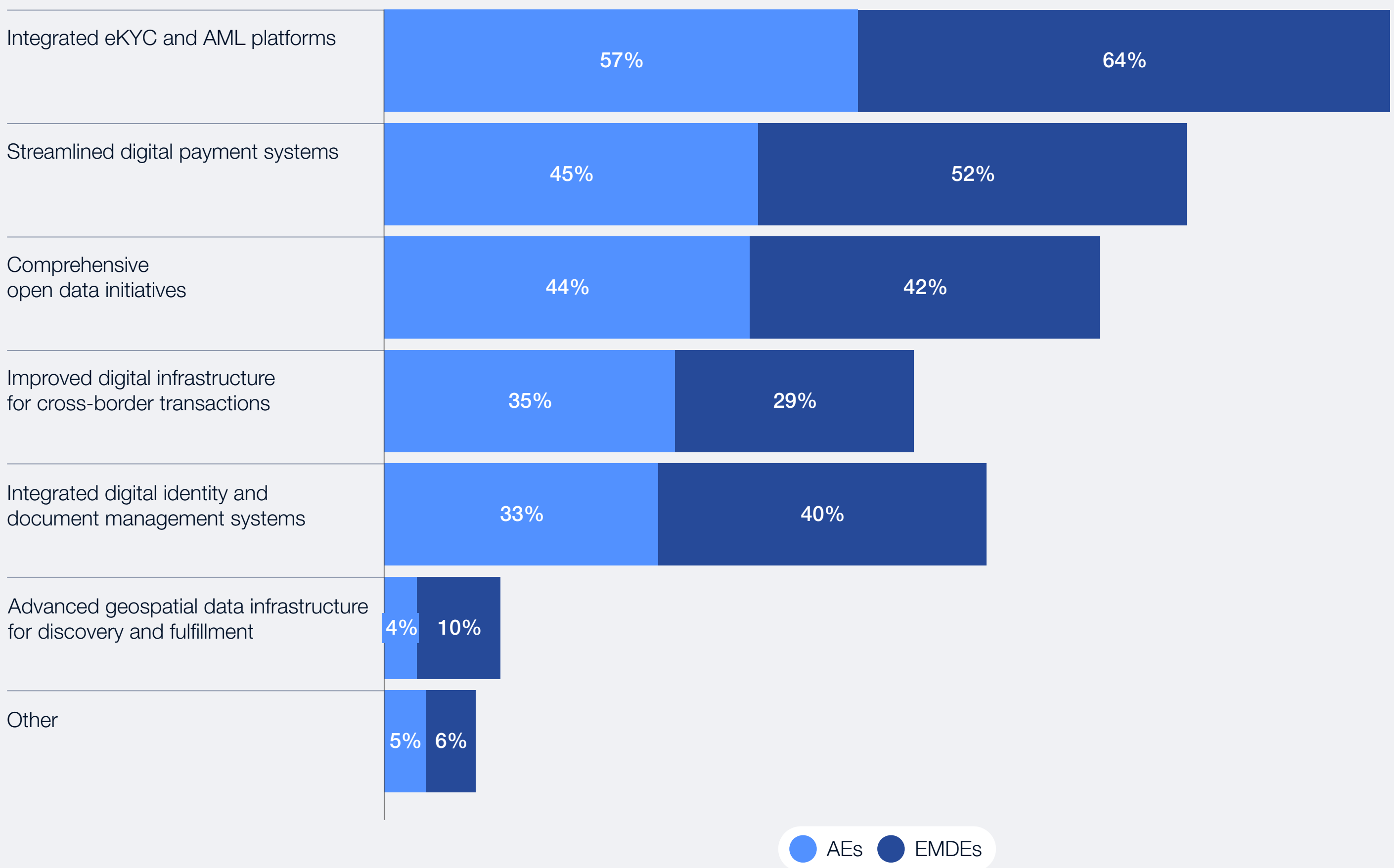
The differences between AEs and EMDEs in this area were slight, with EMDE fintechs more strongly agreeing about this benefit compared to those in AEs (33% versus 31%, respectively). Across most verticals, fintechs acknowledged the benefits of open banking and open finance frameworks implemented in their market, except in insurtech, where most fintechs (56%) remained neutral. Digital lending, digital payments and wealthtech showed the strongest agreement on the benefits of these frameworks.

To assess key DPI improvements that could contribute to fintech growth, the survey asked respondents to evaluate the importance of various developments.

Integrated eKYC and AML platforms were deemed to be the top improvement in the DPI landscape for both AEs and EMDEs, with 60% of fintechs overall viewing this as a main improvement that could benefit fintech growth (Figure 36). This was followed by streamlined digital payment systems (52% in EMDEs and 45% in AEs) and comprehensive open data initiatives (42% in EMDEs and 44% in AEs), completing the top three. Integrated digital identity and document management systems and improved digital infrastructure for cross-border transactions were also reported by 36% and 32%, respectively.

Regional differences were evident. In MENA, improved digital infrastructure for cross-border transactions (47%) ranked higher than in other regions. This aligns with the earlier insight that 67% of firms in MENA reported more appetite for international expansion compared to other regions. In SSA, integrated digital identity and document management systems were prioritized (49%). By vertical, digital lending firms found open data initiatives particularly valuable (55%).

FIGURE 36 **Main DPI improvements that would benefit fintech growth – AEs versus EMDEs**



Conclusion

This second edition of the Future of Global Fintech provides empirical insights to help bridge knowledge gaps and support stakeholders working to advance the financial ecosystem. The findings reflect a fintech sector maturing beyond the rapid acceleration brought on by the COVID-19 pandemic, shifting towards more sustainable and inclusive growth.

Despite moderate customer acquisition rates, fintechs are demonstrating strong revenue and profitability gains, indicating solid business fundamentals and continued relevance in the broader financial services landscape. At the same time, a sharper focus on underserved populations, particularly in emerging markets, reinforces fintechs' central role in expanding global financial inclusion.

Looking ahead, priorities such as AI adoption and regional interoperability, along with growing collaborations with incumbent institutions, improved regulatory sentiment and a stabilizing funding environment, all signal a more integrated and resilient financial future. Supporting this evolution will require ongoing, data-driven research to track emerging trends and equip decision-makers to respond effectively.

This report is intended to serve as a valuable foundation for public- and private-sector leaders as they guide fintechs' ongoing development and shape a more inclusive, efficient and future-ready financial system.

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Abundance Investment

Activar Insurtech

Advance Intelligence Group (Atome)

Advantech Servicios Financieros

Aella Financial Solutions

Afluenta

Agora Financial Technologies

AIFT (formerly One Degree)

Akua

Alixco

Alpian

Alt

Alta Alternative Investments and Securities Exchange

Amartha

AmFi

Ample Savings

Ant Group

Anzen Technologies

APM Capital Markets

Arab Financial Services

Arta Finance

ArtistShare

ASSNTURE

Ata Plus
Axis
Ayo
AZA Finance
B89
Balancehero
Banca Ética Latinoamericana – Belat
Betriax
Bharatsure
BigPay
Black Manta Americas
Bolttech
Bravo
Bricksave
BridgerPay
Brighte Capital
Briisk
Broxel
Brubank
bunq
Cadro
Capital Cell
Capital Empreendedor
Capsphere Services
Cashea
Catarse
CFG Australia Holdings (ThinCats)
Charles Taylor Insuretech
Chita
Chqbook
Clara
CLARK
ClickPesa
CMTA
Coda
COFA
Colendi
Comparaonline
Coralus
Cornetstone
CRED
CWallet
Dana Fintech
Digital Mobile Africa
Digizen
Doconomy
Donorbox
Doorway
Dotz
Dvara Holdings
Dynamic Resources
Eastnets
Enerfip
Enfuce
ePolli
Estacubierto
Estateguru
eTranzact International
Exirio
Fasset
Feelcapital
Fibe (previously EarlySalary)
Fincite
Finhay
Finple
Finsmart

FinTech Association for Consumer Empowerment (FACE)

Fintech Association of Japan

FinTech Association of Sri Lanka

FinTech Australia

FinTech Indonesia (AFTECH)

FintechAlliance.ph

Fintract Global

First Circle Growth Finance

First Digital Finance Corporation

Fondify

FOO

Forms Syntron

Fraction

Freely

Fundfina

Funding Societies | Modalku

FWD Group

GCash

Ghana Fintech and Payment Association

Gig Wage

GoFundMe

Guanxi Investment

hepster

Huddlestock

iBanFirst

iKiwi

IllumyFi

Innova Funding

Insgeek

Instantpay

InsurteChile

InsurX

Invoice Interchange

Italian Fintech

JazzCash

Jeitto

Jingle Pay

Jumpstarter Crowdfunding

Kapital

Khalti

Khazna

KiaKia

Klimber

Kura Technologies

Kweli Smart Solutions (Trading as Smart Kiosk)

Lean Financial

Leap Financial

LenDenClub

Lendha

LendInvest

Level E Research

Liberis

Lulu Financial Holdings

Lxme Money

Mahila Money

MDOTM

Meerkat

MENA Fintech Association

Mercuryo

Merlin Investor

MIC Global

MidasFi

MiFinanzas

Mintos

MNT-Halan

Modefinance

Movi
Moyasar Financial
Music Securities
myTU
Nagro
Namutek
National Crowdfunding & Fintech Association (NCFA)
Nequi
Noh
Nomad
Noveba
OKO Finance
Omnisient
Omocom
OPay Digital Services
Oraan
OVO
Paisabazaar
Pango Financial
PausePay
Payclip
Paycode
PayPal
Paysend
Paysys Labs
Paytota
PayU
Pier Seguradora
Platební Instituce Roger
Plum
Plurall
Pocketly Infotech
PolicyBazaar/PB Fintech
Pravaler
PretUp
PT Akseleran Keuangan Inklusif Indonesia
Pt Artha Bina Bhayangkara
PT Dompet Anak Bangsa (Gopay)
PT Midtrans
Pt Ninetynine Digital Niaga
PT Vertika Technologies Nusantara
Qoala
Radiant Acemoney
RedCapital
Salud Fácil
Satago
Sav
SDAX
SDK.finance
SecondSTAX
SEOS Energy
Skyblue Analytics
SkyBridge Payments
SkyCredit
Sonovate
SpareBank 1 Spleis
Stashfin
Stitch Money
StockGro
Stripe
Sumar Inversión
Suning Bank
SUNRATE
Superscript
SupplyLine
Swedish FinTech Association

Swipe Nigeria
swissQuant
Syfe
Tarjetas Peruanas Prepago
Technovation
TellerOne
Telr
Thai FinTech Association
TORANOTEC
UnaFinancial
United Payment
Usability Engineering Center
Vaki
Validus
Valu
Vayana
VendoMiJuicio
Verqor
Vestwell
VIAINVEST
Vivifi India Finance
Vivriti Capital
VunaPay
wadiz
Wealthi Techfin
WealthObjects
Wisr
XPay
Zest

Production

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Endnotes

1. World Economic Forum & Cambridge Centre for Alternative Finance (CCAF). (2024). *The Future of Global Fintech: Towards Resilient and Inclusive Growth*. https://www.weforum.org/publications/the-future-of-global-fintech-towards-resilient-and-inclusive-growth/.
2. World Economic Forum, Cambridge Centre for Alternative Finance (CCAF) & World Bank. (2020). *The Global COVID-19 Fintech Market Rapid Assessment Study*. https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/2020-global-covid-19-fintech-market-rapid-assessment-study/; World Economic Forum, Cambridge Centre for Alternative Finance (CCAF), & World Bank. (2022). *The Global COVID-19 Fintech Market Impact and Industry Resilience Study*. https://www3.weforum.org/docs/WEF_Global_Covid19_FinTech_Market_Study_2022.pdf.
3. This study focused on fintech firms, defined as digital entities offering or facilitating financial services online. Traditional financial firms and major tech firms were excluded from the study. The latter were omitted as their primary business activity is not financial services provision. Notably, larger technology companies often deliver financial services indirectly through collaborations with financial firms, including fintechs.
4. The current edition of this study now includes wealthtech, given its growing prevalence within the fintech ecosystem and distinction from other verticals.
5. McKinsey & Company. (2023). *Fintechs: A new paradigm of growth*. https://www.mckinsey.com/industries/financial-services/our-insights/fintechs-a-new-paradigm-of-growth.
6. International Data Corporation. (2024). *Global Digitalization Index 2024*. https://www-file.huawei.com/-/media/corp2020/gdi/pdf/gdi-2024-en.pdf?la=en.
7. Results of regression analysis:
   - Partnerships with local financial institutions: highly significant with P-value [0, 0.001] and a positive correlation coefficient of 0.1492.
   - MSME products: significant with P-value [0.001, 0.01] and a positive correlation coefficient of 0.11044.
8. McKinsey & Company. (2022). *Fintech in Africa: The end of the beginning*. https://www.mckinsey.com/~/media/mckinsey/industries/financial%20services/our%20insights/fintech%20in%20africa%20the%20end%20of%20the%20beginning/fintech-in-africa-the-end-of-the-beginning.pdf.
9. Globenewswire. (2024). *Insurtech Market Set to Hit USD 336.5 billion by 2032*. https://www.globenewswire.com/news-release/2024/02/08/2825940/0/en/Insurtech-Market-Set-to-Hit-USD-336-5-billion-by-2032-Riding-on-a-Strong-41-0-CAGR-Market-us.html.
10. In the first study, macroeconomic factors and the digital and financial literacy of users were noted as hinderances by 56% and 34% of fintechs, respectively.
11. Innovate Finance. (2025). *FinTech Investment Landscape 2024*. https://www.innovatefinance.com/capital/fintech-investment-landscape-2024/.
12. CB Insights. (2025). *State of Fintech Q1'25 Report*. https://www.cbinsights.com/reports/CB-Insights_Fintech-Report-Q1-2025.pdf.
13. World Bank. (2021). *Business Regulatory Environment*. https://www.worldbank.org/en/topic/investment-climate/brief/business-regulatory-environment.
14. Long definition: Business regulatory environment assesses the extent to which the legal, regulator, and policy environments help or hinder private businesses in investing, creating jobs and becoming more productive. World Bank. (n.d.). *DataBank: Metadata Glossary*. https://databank.worldbank.org/metadataglossary/country-policy-and-institutional-assessment/series/IQ.CPA.BREG.XQ.
15. In the first study, the overall perception of the regulatory environment for the "adequate and appropriate for my platform activities" was 63%.
16. In the first study, 24% of fintechs operating in MENA reported that the regulatory environment was excessive and overly restrictive to their activities, versus 19% in this edition.
17. In the first study, 14% of fintechs operating in LAC reported that the regulatory environment was excessive and overly restrictive to their activities, versus 20% in this edition.
18. Cambridge Centre for Alternative Finance (CCAF). (2021). *FinTech Regulation in Sub-Saharan Africa*. https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/fintech-regulation-in-sub-saharan-africa/.
19. Results of the regression analysis:
   - Regulatory adequacy impact on customer growth. Adequate and appropriate for my firm: Significant with p-value [0.01, 0.05] and a positive correlation coefficient of 0.095662.
   - Regulatory adequacy impact on customer growth in EMDEs. Adequate and appropriate for my firm: Significant with p-value [0.01, 0.05] and a positive correlation coefficient of 0.159401.
   - Regulatory adequacy impact on change in revenue in EMDEs. Adequate and appropriate for my firm: Significant with a p-value [0.01, 0.05] and a positive correlation coefficient of 0.176787.

20. Results of the correlation analysis: Adequate clarity in regulatory approach had a positive correlation to cross-border expansion of 0.05207. Strong clarity in regulatory approach had a positive correlation to cross-border expansion of 0.1095.
21. In the first study, regulatory authorities and licensing and registration processes were rated at 27% and 28%, respectively.
22. In the first study, 72% of fintechs rated licensing and registration processes positively (21% strong and 51% adequate) against 77% in this edition (22% strong and 55% adequate).
23. Cambridge Centre for Alternative Finance (CCAF). (2024). *The Global State of Open Banking and Open Finance Report*. https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/the-global-state-of-open-banking-and-open-finance-report/.
24. It is generally accepted that financial inclusion, in its entirety, is defined as access to, and use of, quality, affordable financial products and services that lead to greater financial well-being.
25. Organisation for Economic Co-operation and Development. (2023). *These are the places in the world where internet access is still an issue – and why*. https://www.weforum.org/stories/2023/09/broadband-no-luxury-basic-necessity/#:~:text=The%20EDISON%20Alliance%20says%20internet,80%25%20in%20the%20developed%20world.
26. Cambridge Centre for Alternative Finance (CCAF). (2020). *A Global AI in Financial Services Survey*. https://www.jbs.cam.ac.uk/wp-content/uploads/2020/08/2020-ccaf-ai-in-financial-services-survey.pdf.
27. Open banking enables people to share their payment account transaction data with trusted third-party providers (TPPs). In some cases, they can also instruct TPPs to initiate payments from those accounts to help them manage their finances better by, for example, by accessing credit, doing so at a lower cost or providing more flexible and cost-effective payment services. Cambridge Centre for Alternative Finance (CCAF). (2024). *The Global State of Open Banking and Open Finance Report*. https://www.jbs.cam.ac.uk/wp-content/uploads/2024/11/2024-ccaf-the-global-state-of-open-banking-and-open-finance.pdf.
28. Open finance expands the data-sharing and action-initiation principles of open banking to cover a wider range of financial products and product providers. Cambridge Centre for Alternative Finance (CCAF). (2024). *The Global State of Open Banking and Open Finance Report*. https://www.jbs.cam.ac.uk/wp-content/uploads/2024/11/2024-ccaf-the-global-state-of-open-banking-and-open-finance.pdf.
29. DPI is defined as foundational and reusable digital platforms and building blocks – such as digital ID, digital payments and data sharing – that support the development and delivery of trustworthy, digitally-enabled services across the public and private sectors. World Bank & Inter-American Development Bank (IADB). (2024). *Unlocking The Potential Of Digital Public Infrastructure (DPI) In Latin America And The Caribbean (LAC): A Region-specific Perspective*. https://documents1.worldbank.org/curated/en/099072524161522274/pdf/P1786161f166e904318ce516dc8d17f524b.pdf.

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