

Global fintech investment tops \$210 bn in 2021, India shines: Report

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Total global fintech funding (across mergers & acquisitions, private equity and venture capital) reached \$210 billion with a record 5,684 deals in 2021 -- up from \$125 billion across 3,674 deals in 2020, a new report showed on Tuesday.

India once again shined on the global map, with four out of top 10 fintech deals in the Asia-Pacific region originating from the country.

"It demonstrates India's increasing influence in the fintech space. Advent of digital rupee will make this space more interesting as newer models evolve around neobanks, wealthtech and insurtech," said Sanjay Doshi, Partner and Head, Financial Services Advisory, KPMG in India. According to the 'Pulse of Fintech H2'21', the fintech funding in the second half of last year accounted for \$101 billion.

The payments space saw \$51.7 billion in investment in 2021 - up from \$29.1 billion in 2020 and investment in blockchain and crypto space soared from \$5.5 billion in 2020 to \$30.2 billion in 2021.

A continued surge in interest in areas like 'buy now, pay later', embedded banking, and open banking aligned solutions has helped keep the payments space very robust, said the report. Cybersecurity (\$4.85 billion) and wealthtech (\$1.62 billion) also saw record-levels of investment. Cross-border fintech M&A deal value more than tripled year-over-year - to \$36.2 billion.

Total fintech-focused M&A deal value rose from \$76 billion in 2020 to \$83.1 billion in 2021.

"PE funding to fintechs more than doubled from its previous high - with \$12.2 billion in investment in 2021 compared to a peak of \$5.2 billion in 2018," the report noted.

VC investment in fintech globally more than doubled year-over-year -- from \$46 billion in 2020 to a record \$115 billion investment in 2021.

The US accounted for \$88 billion of total funding and \$52.7 billion in VC funding.

Fintech investment in the Asia-Pacific region almost doubled - from \$14.7 billion in 2020 to \$27.5 billion in 2021, said the KPMG report.fintech