



State of European FinTech

European Sovereignty: Financial Technology will lead the way in a world of AI

2026 Edition

Introduction

Welcome to the **11th edition of Finch Capital's State of European FinTech** report, where we take stock of the evolution, opportunities, and challenges shaping Europe's Financial Technology landscape. As in previous years, our analysis centres on macro trends including funding and valuation shifts, exit activity and the impact of AI across key European markets.

This year's report is structured into two sections:

1. State of European FinTech
2. Country Deep Dives

For over a decade, Finch Capital has been at the forefront of European Growth Capital, identifying and nurturing the next generation of Business and Financial Technology companies. We combine deep industry expertise with patient capital to help entrepreneurs build sustainable, market-leading businesses. Our portfolio includes over 50 companies such as AccountsIQ, eFlow, Fourthline, Goodlord, Lavanda, NomuPay and Zopa.

We are a team of 12 investment professionals across Amsterdam, and London with deep entrepreneurial experience. We remain committed to partnering with the next generation of FinTech leaders.

Learn more at www.finchcapital.com and subscribe to our newsletter for updates.

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Methodology

Finch Capital has been investing in category-defining Financial Technology for over a decade

Insurance	Payments	Banking & Crypto	Wealth & Capital Markets	Lending & Mortgages	CFO Office	Regulatory & Compliance
<ul style="list-style-type: none"> • Risk protection products • Underwriting software • Claims Handling • Policy admin • Search and quoting software • Pricing software 	<ul style="list-style-type: none"> • Acquiring • Pay outs • FX • Remittance • POS • Digital wallets • Loyalty • Issuing/Cards infrastructure 	<ul style="list-style-type: none"> • Banking as a service • Financial Data & Open banking infrastructure • Challenger Banks • Stablecoins • On & off Ramp • Crypto infrastructure 	<ul style="list-style-type: none"> • Wealth tools and platforms • Personal finance, PFM and savings • Digital brokers • Capital markets analytics • Fund admin • Capital Formation and Raising Platforms 	<ul style="list-style-type: none"> • Lending technology • B2C tech enabled brokers/lenders • Communication and product construction tools • Embedded Finance • Credit & alternative Data infrastructure 	<ul style="list-style-type: none"> • Expense/spend and tax • Treasury& Liquidity management • Invoicing and payments • Accounting and planning • Payroll and benefits 	<ul style="list-style-type: none"> • Compliance Governance software • Fraud , Risk and security • Digital Identity (infrastructure) incl. KYC/ KYB) • AML and transaction monitoring • Customer onboarding

Finch Capital Portfolio Companies

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(1) Non-exhaustive list



1. State of European FinTech

State of European FinTech - Executive Summary

European Sovereignty: Financial Technology will lead the way in a world of AI

State of European FinTech

2026 Edition

1

Global Relevance: London is the #1 FinTech hub, bigger than SF Bay Area and NYC

The EU-US Venture gap is shrinking as Europe powers through as the most stable environment for FinTechs. Top European hubs have growth by 37% since Covid-19 vs top US hubs have declined by 13%, in total funding value. London leads with EUR +30Bn funding raised in the last 4 years.

2

European Ecosystem: European Late Stage FinTech Funding fully dependent on US funds

Whilst the European FinTech VC/Growth ecosystem is largely self-sufficient at the early stage, all European EUR 1Bn+ rounds were led by US investors in the last 5 years. Europe has the players to fill this (Pension Funds and Corporates) but very few participate (ASML is the one-off).

3

Infrastructure Sovereignty: Europe dominates the FinTech distribution layer, US the infrastructure

63% of European cloud compute runs on AWS, Microsoft Azure and Google Cloud and >90% of card purchase volume in Europe is held by Visa and Mastercard; a large share of the value created by European FinTechs flies back to the US through those rails.

4

Impact of AI: Boost in operating leverage visible and shape economics esp. those with low MOAT

Value shifts away from "seat-based" to "outcome-based" model. Business models with Low MOAT and lack of usage-based pricing most at risk. Revenue growth (+300%) has outpaced headcount (+200%) since 2020.

5

SaaS Apocalypse: Key FinTech verticals are generally resilient given Regulation, Data & Infrastructure

Embedded workflows, proprietary data and regulatory intensity are key to stay relevant in the age of AI. Top sectors for AI FinTechs formation are Regulatory & Compliance (25%) and CFO Office (19%) – segments where Europe outperforms the US.

6

Pricing: The public market repriced FinTech after the 2025 IPO resurgence

Business model durability and fundamentals, not growth, determined IPO performance. Clear winners (e.g. Circle) stood out with recurring models based on infrastructure/structural solutions, versus volume-driven solutions carrying credit or narrative risk (e.g. Klarna).

7

Exit Momentum: The most structurally liquid verticals in FinTech are not the most well funded ones

Payments is a top sector in both funding and exit values, but the funding-to-exit ratio is the highest at 2.5x for CFO Office and 2.5x for Regulatory & Compliance. Banking & Crypto is the most well-funded vertical in FinTech - e.g. Revolut, Finastra - but liquidity is still pending.

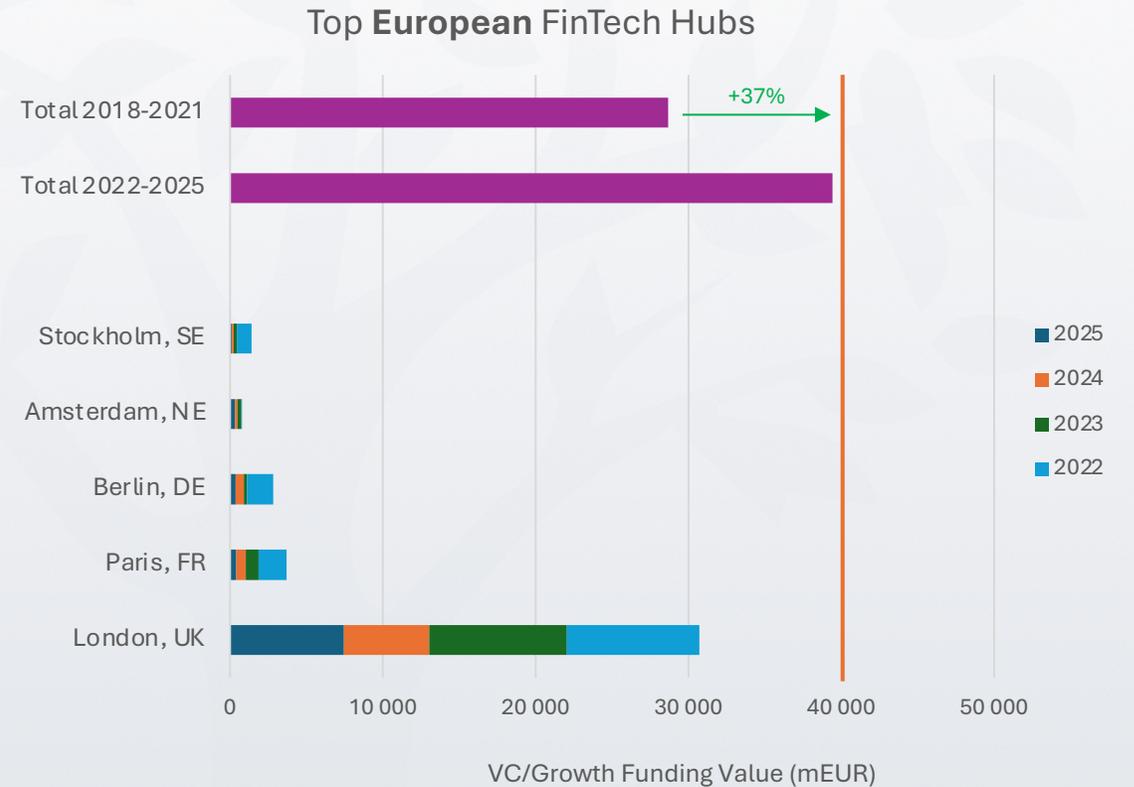
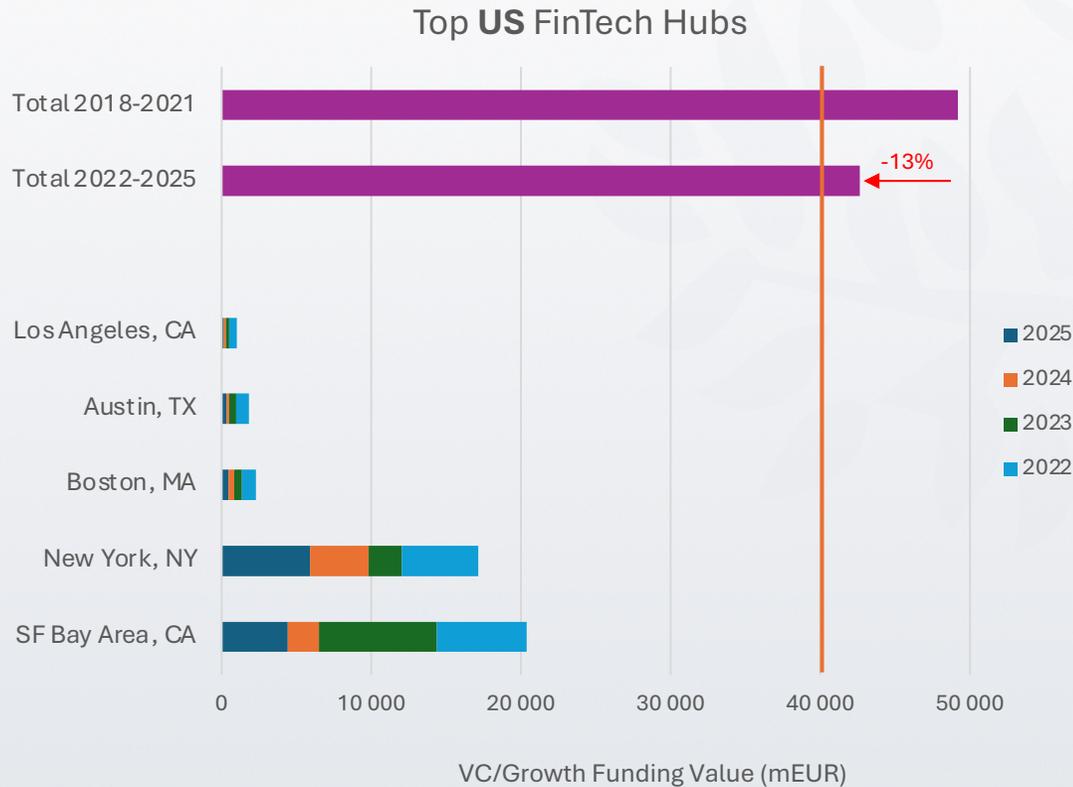
European Sovereignty

The Age of AI

State of Exit

London is the #1 FinTech hub, bigger than SF Bay Area and NYC

For Fintech, Europe is already a credible alternative to the US



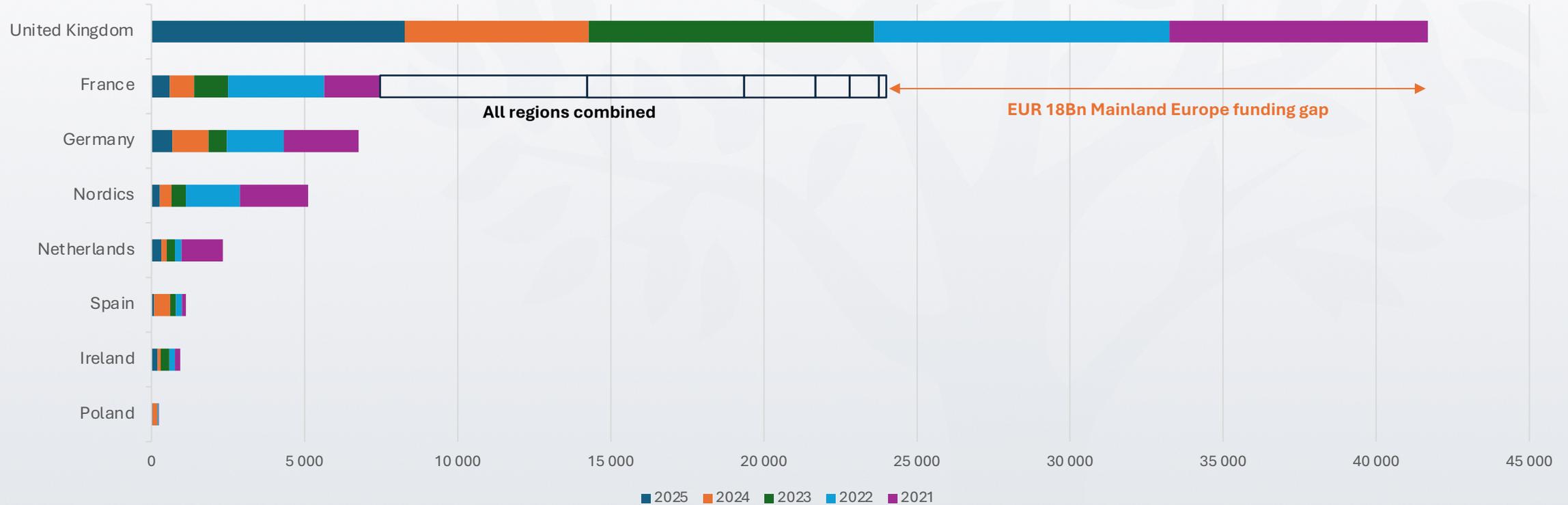
Key Takeaways

- The EU-US Venture gap is visibly shrinking with London emerging as the world's 1st FinTech Hub
- Top European FinTech hubs have grown by 37% since Covid-19 whilst top US FinTech hubs have declined by 13% in total funding value
- Paris, Berlin, Stockholm and Amsterdam are equivalent to smaller US hubs but still far away from rivaling with NY, SF or London

Within Europe, UK remains the undisputed FinTech Powerhouse

UK-based VC/Growth deals accounted for 70% of total deal value in Europe in 2025

Deal value (EURm)



Key Takeaways

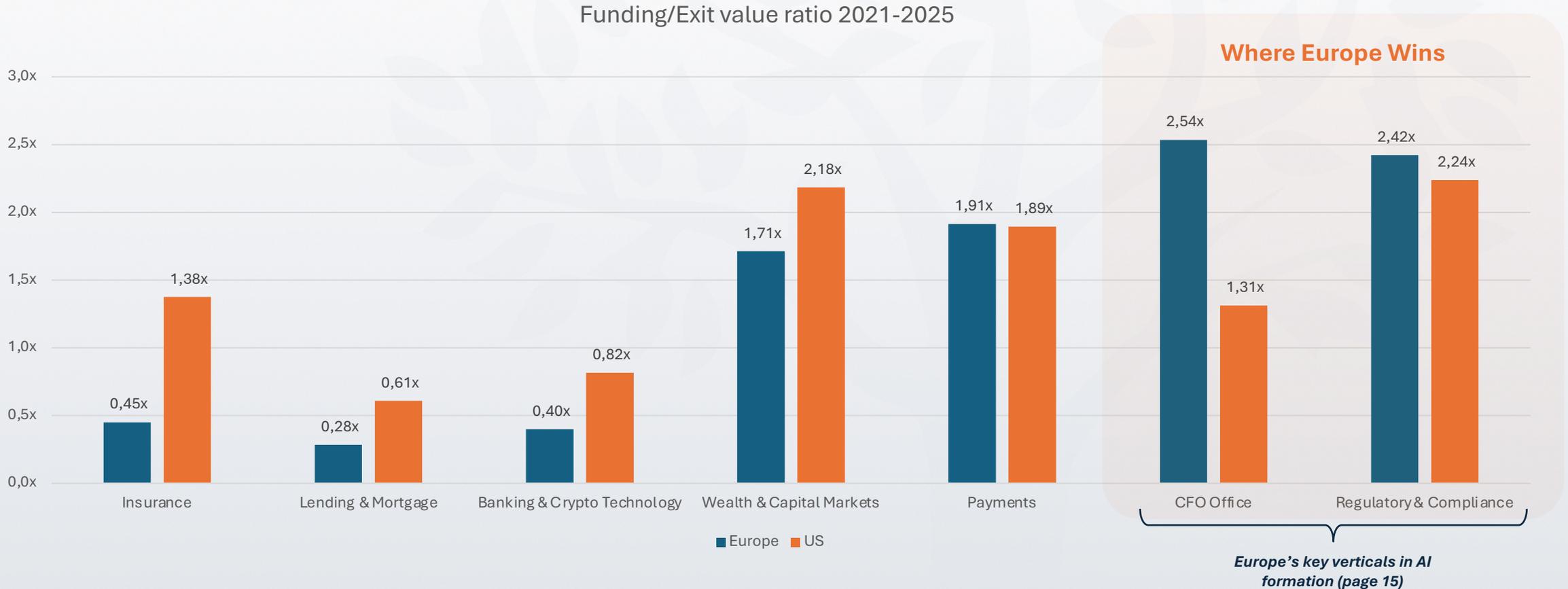
- The UK grew deal value by 38% in 2025 whilst Germany and France both declined by -42% and -24% respectively
- **The UK FinTech market is as 1.7x bigger than the next 7 European markets combined**
- The Netherlands and Ireland are sticking their heads above water and increased their pie share of deal value to 3% and 2% respectively

(1) Nordics = Sweden, Norway, Finland and Denmark

Sources: Pitchbook, Finch Capital analyses

Europe has better returns than the US in sectors that matter

European CFO Office companies convert funding into exit value ~2x more efficiently than US peers



Key Takeaways

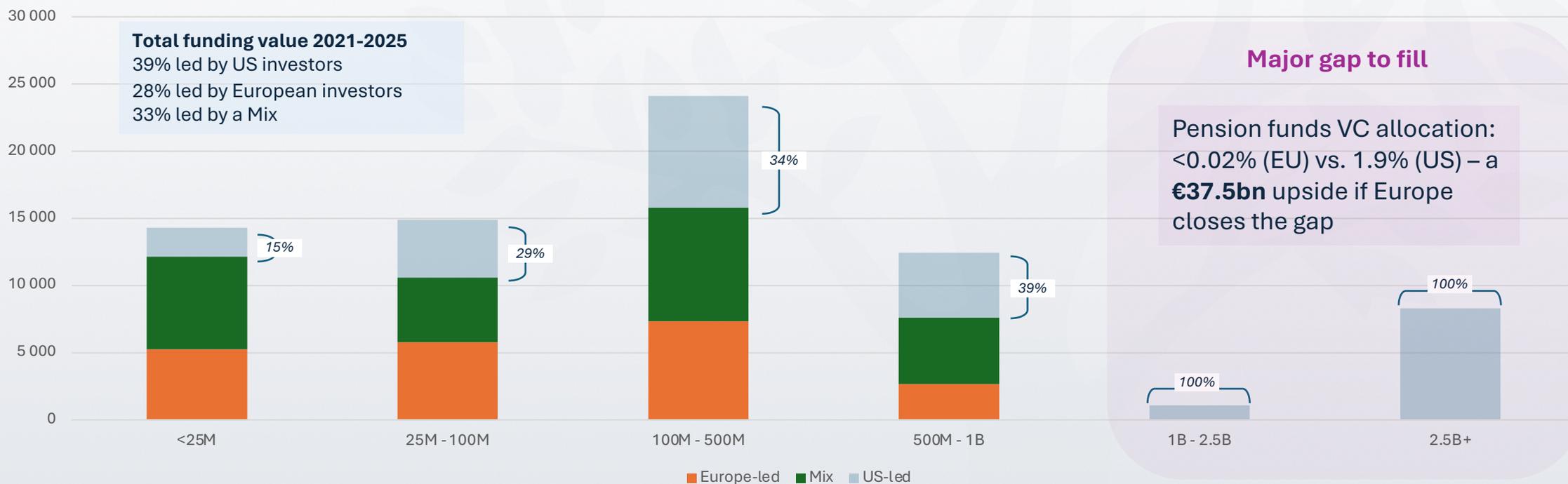
- Europe's strength lies in regulatory-intense, infrastructure-heavy fintech verticals such as CFO Office, Payments and RegTech
- The US continues to dominate risk-driven and balance-sheet-intensive segments such as Insurance, Lending & Mortgage and Banking

(1) Only announced deal values

European Late Stage FinTech funding is fully dependent on US funds

Europe needs EUR ~9Bn to fill the gap; EU-led initiatives aren't enough without Pension Funds on board

European FinTech VC/Growth Funding 2021-2025 (mEUR)

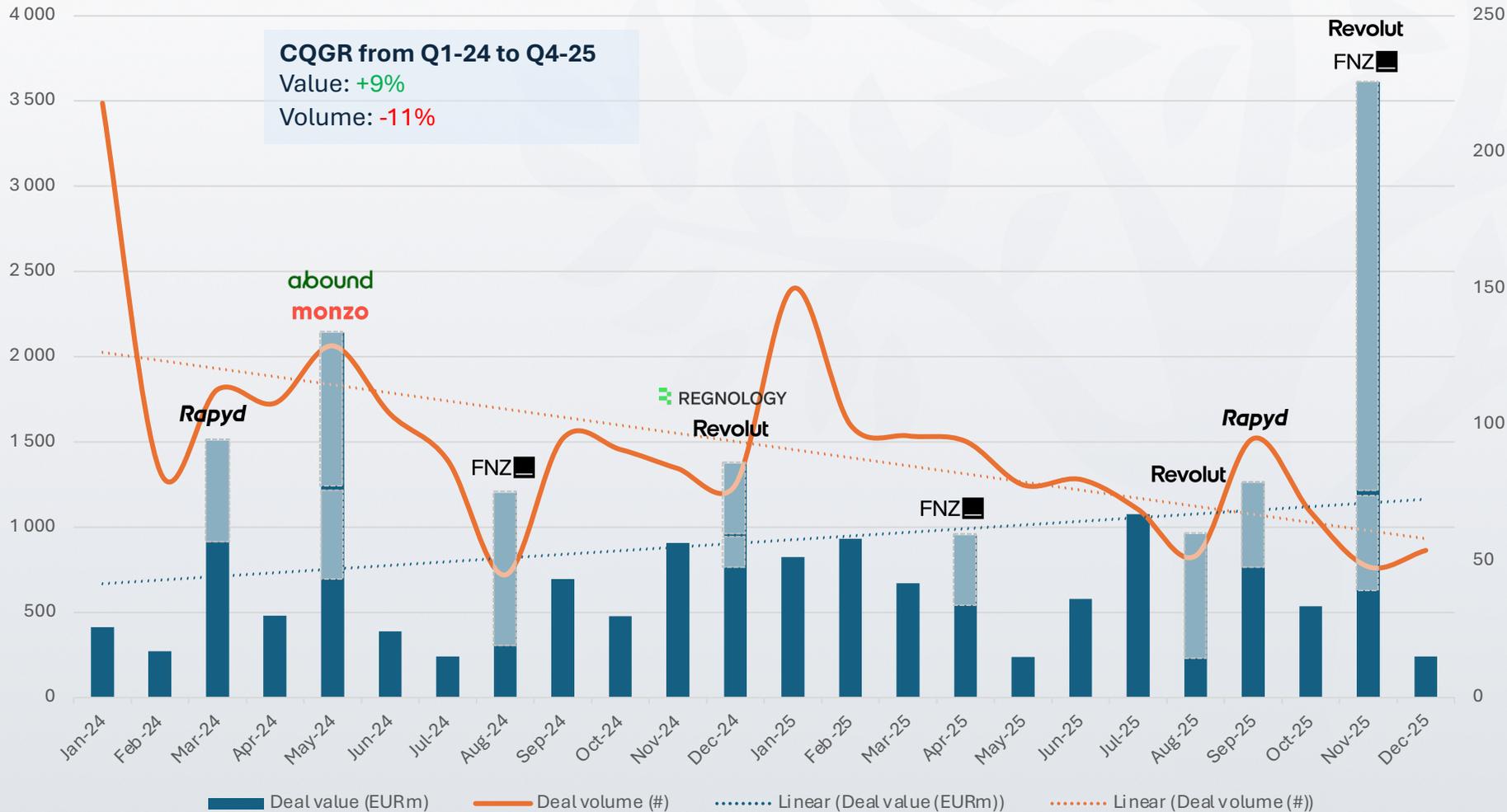


Key Takeaways

- All European EUR 1Bn+ rounds were led by private US investors
- **The European VC ecosystem is largely self-sufficient at the early stage (EUR <100m deals)**
- The late stage (EUR >100m deals) is more dependent on US capital to maintain current scale

Less Noise. More Money.

Europe is a greenfield for mega funds as FinTech investors pull back on volume and double down on scale



Key Stats

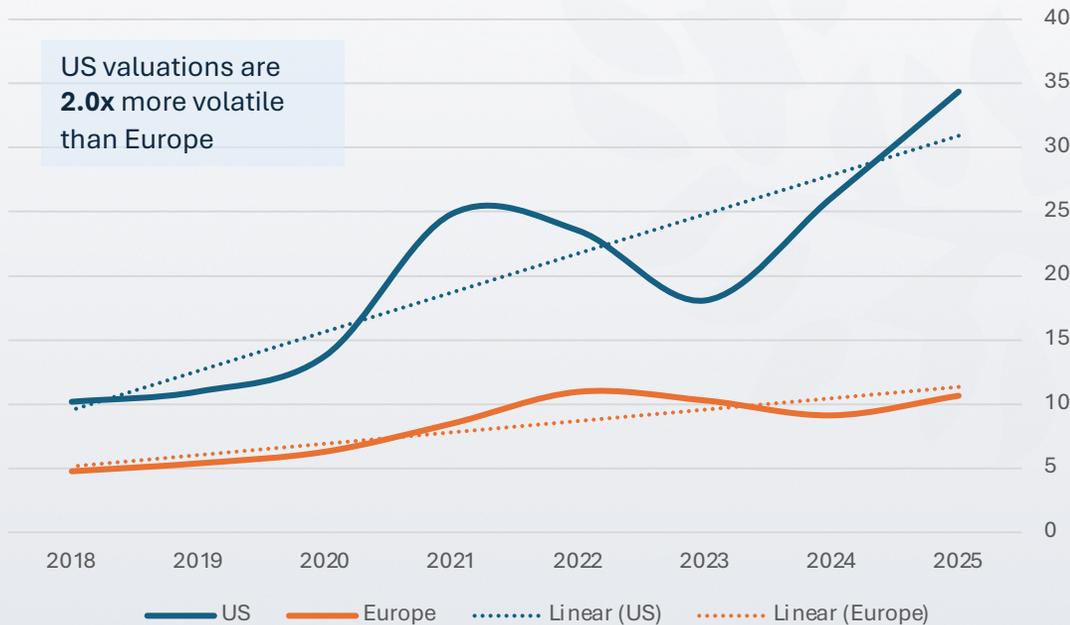
- Top 20 deals as a % of total funding value
 - 2024-25: 60% ↑
 - 2022-23: 54%
- Top 2 deals as a % of total funding value
 - 2025: 29% ↑
 - 2022: 10%
- **Revolut and FNZ account for 25% of total European FinTech funding value 2024-25**

(1) CQGR = Compound Quarterly Growth Rate

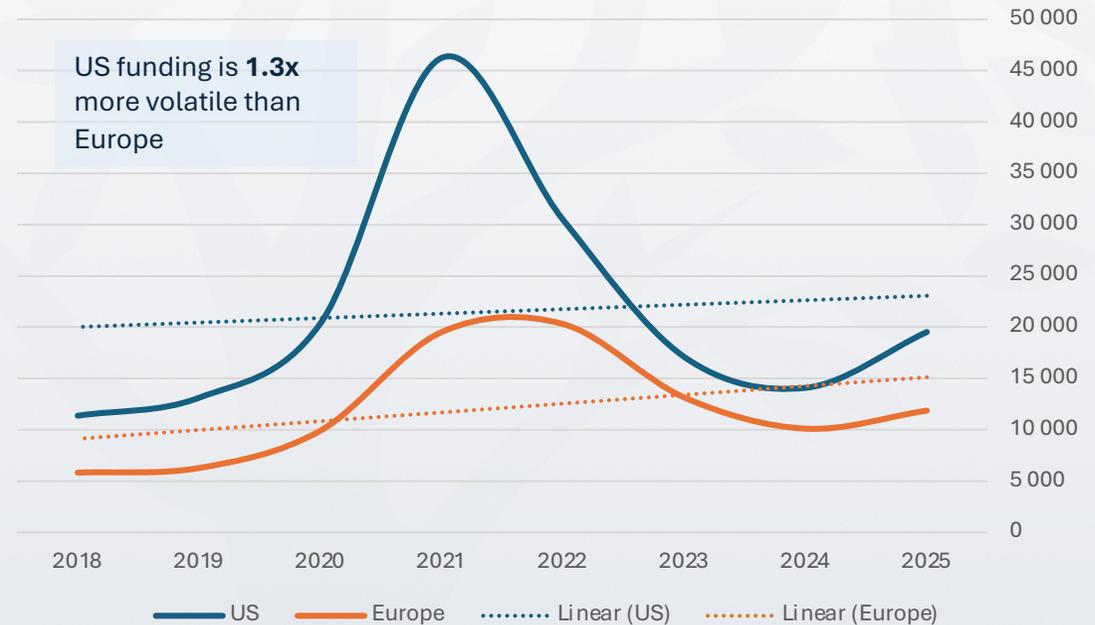
The US swings harder. Europe more resilient

Europe compounds through cycles whilst the US appears more exposed to market volatility

VC/Growth median pre-money valuation (EURm)



VC/Growth Funding amount (EURm)

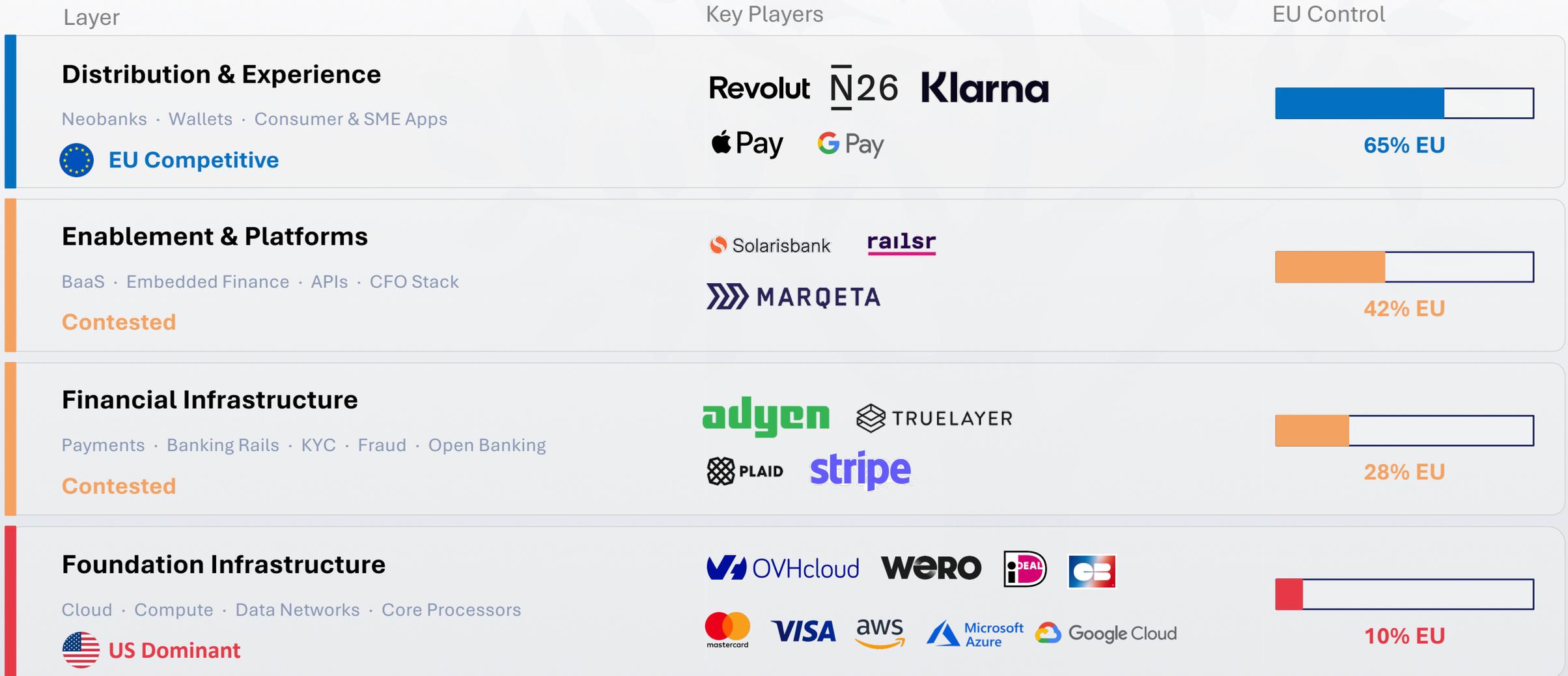


Key Takeaways

- US markets amplify cycles: sharper valuation inflation and deeper funding pullbacks
- **European stability supports long-term value creation, particularly in regulated FinTech models**

Who really owns Europe's Financial Technology Stack?

Europe dominates the experience layer, but the US dominates everything beneath it

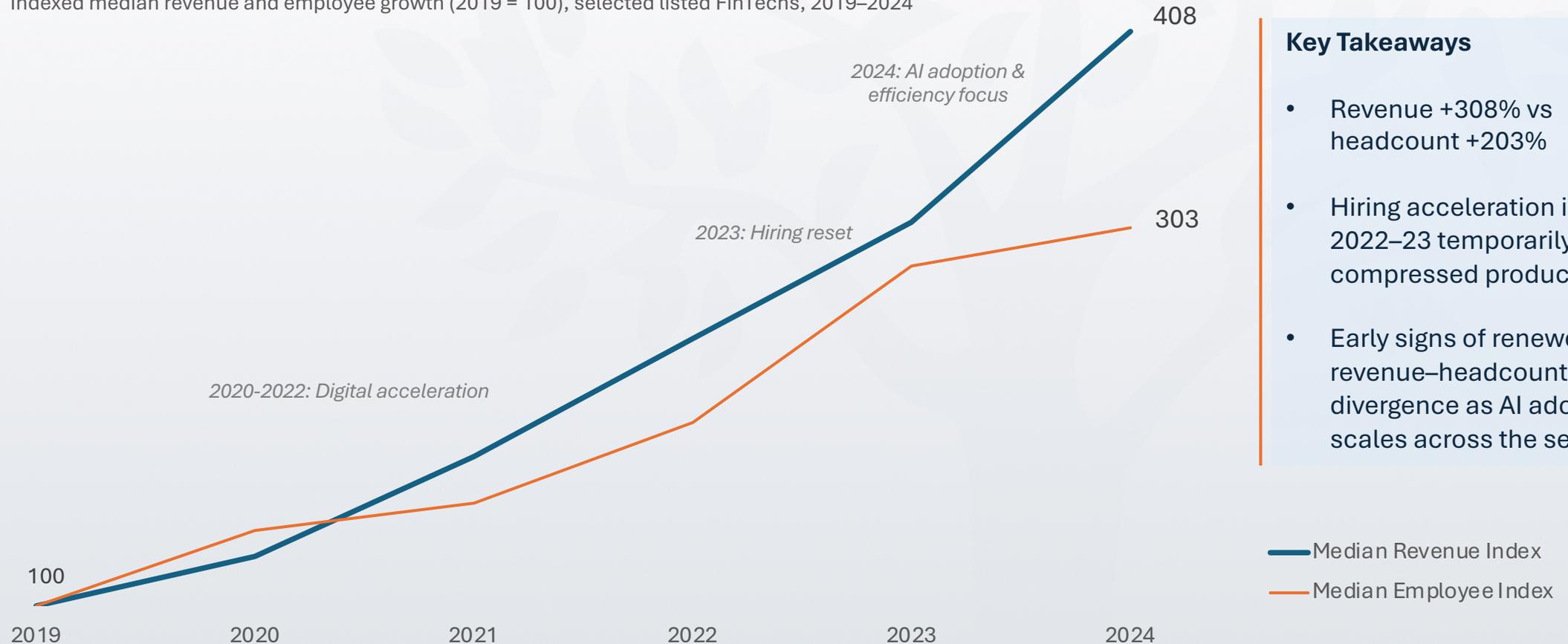


(1) EU control (%) per layer is an indicative estimate (not a published metric), calculated by weighting sub-category market shares by estimated revenue contribution. Sources: Synergy Research (Q2 2025, cloud); ECB card transaction data (2022–2024) with Visa/Mastercard ~60% weight (Financial Infra.); and KPMG Pulse of Fintech, Fintech Global, and public disclosures (Distribution & Enablement).

FinTech operating leverage is re-accelerating in the age of AI

Revenue has outpaced headcount since 2020, with AI driving renewed divergence

Indexed median revenue and employee growth (2019 = 100), selected listed FinTechs, 2019–2024



Key Takeaways

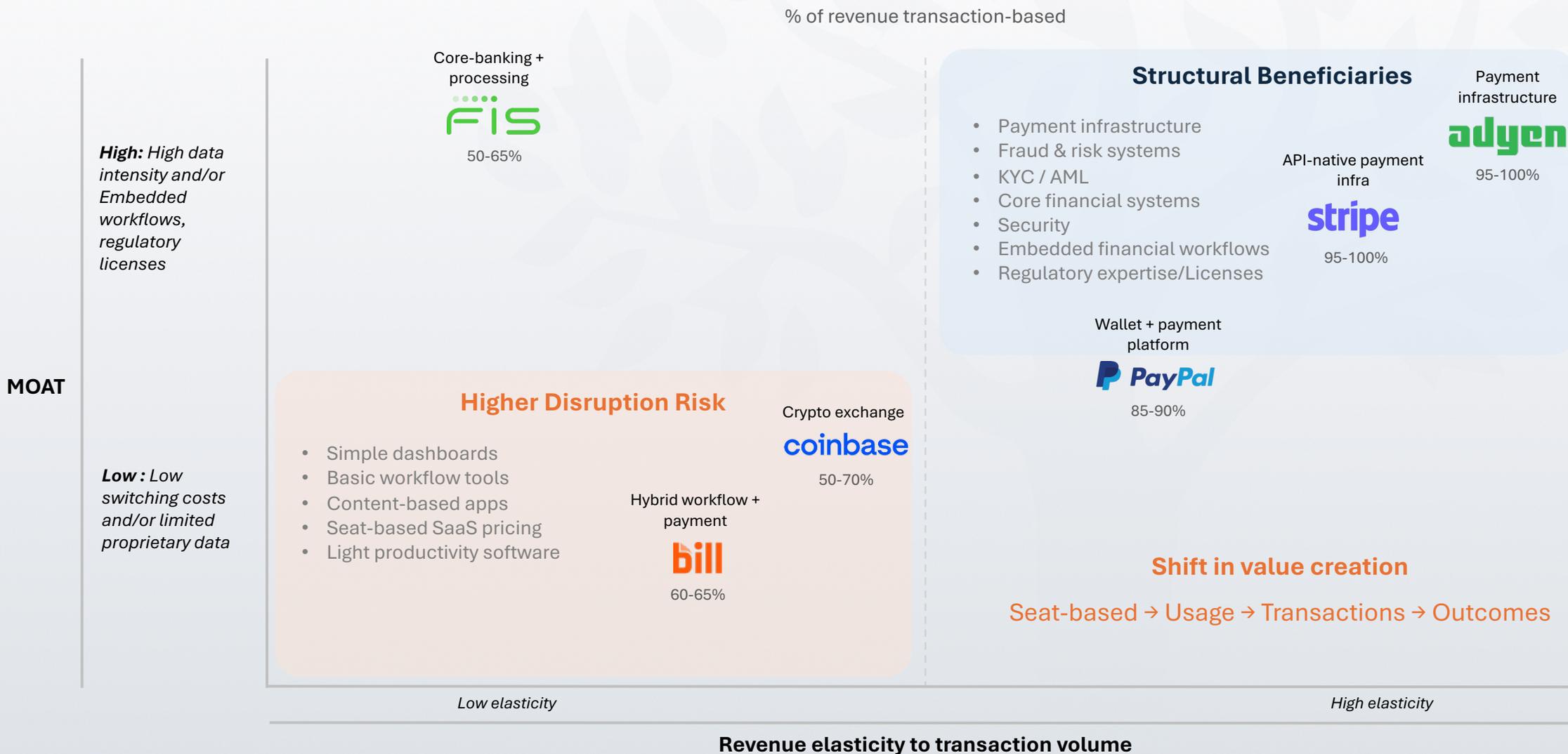
- Revenue +308% vs headcount +203%
- Hiring acceleration in 2022–23 temporarily compressed productivity
- Early signs of renewed revenue–headcount divergence as AI adoption scales across the sector

AI adoption accelerated across listed FinTechs in 2023–24, coinciding with a renewed focus on efficiency.

Sources: Company annual reports and investor filings (2019–2024). Median across selected listed FinTech platforms (Adyen, Wise, Worldline, Block, PayPal, Affirm, Funding Circle, Shift4). Companies selected based on public listing and consistent disclosure of revenue and year-end headcount. Revenue reflects reported net revenue where applicable. Indexed to 2019 = 100.

AI will reshape financial software economics esp. those with low MOAT

Transaction-native infrastructure models structurally benefit from AI-driven volume expansion



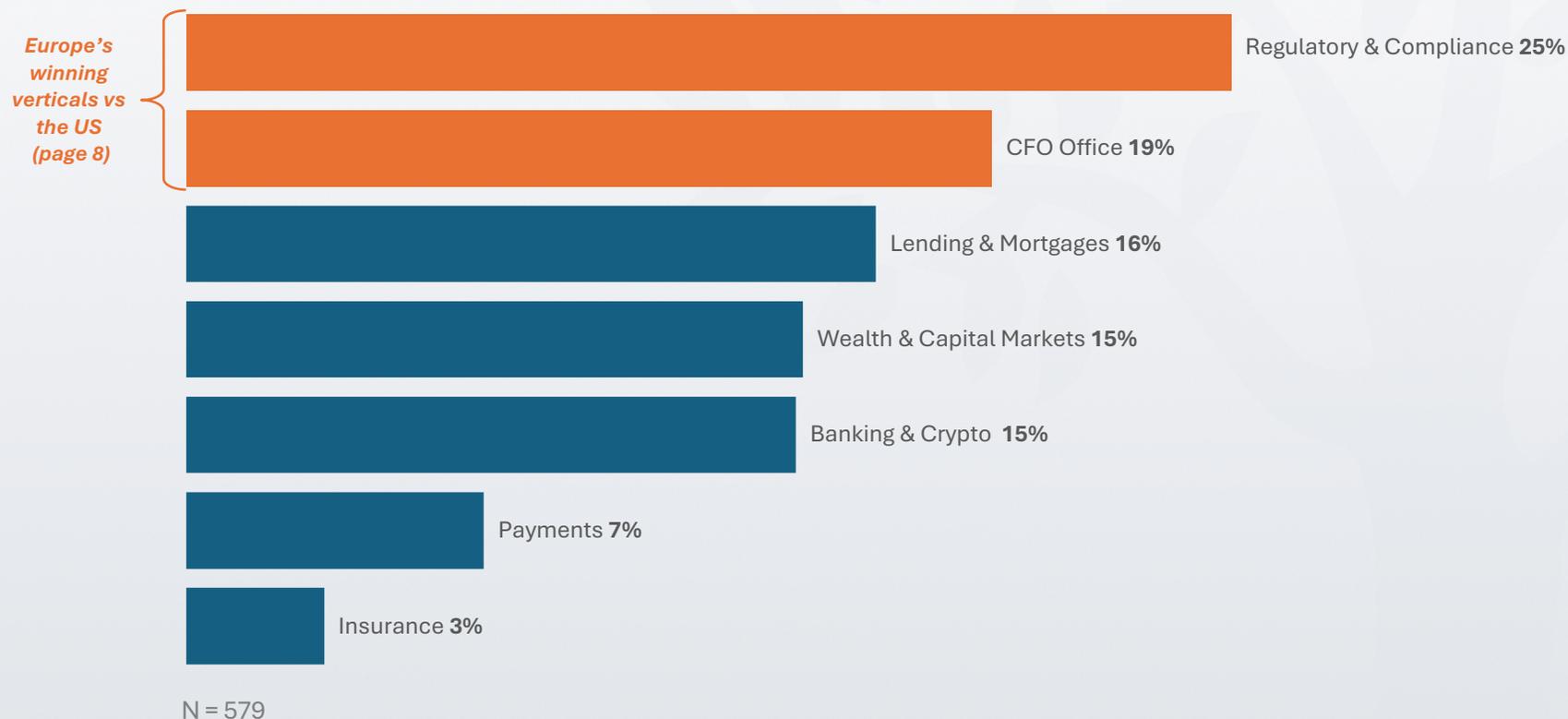
(1) Elasticity approximated by % revenue transaction-based

Sources: Finch Capital analyses, Public Companies' Earnings Reports

AI formation in European FinTech is solving complexity first

Regulatory & CFO-driven verticals account for 44% of AI-led company creation

Distribution of AI-led FinTech companies founded by sub-vertical (2020–2025)



What This Means

- AI is disproportionately attacking the regulatory burden – 25% of all AI-led FinTechs founded since 2025
- AI formation is skewed toward segments with historically high operational headcount and compliance intensity, i.e. the CFO Office
- Mature sectors such as Payments and Insurance fall at the bottom field of AI formation

(1) Based on AI-tagged FinTech companies founded 2020–2025 in Europe. Classification by report sub-verticals.

AI drives divergence across European FinTech verticals

Moat increasingly depends on embedded workflows, proprietary data and regulatory intensity

	Insurance	Payments	Banking & Crypto	Wealth & Capital Markets	Lending & Mortgages	CFO Office	Regulatory & Compliance
Critical Asset	<ul style="list-style-type: none"> Fraud detection Claims handling Underwriting software 	<ul style="list-style-type: none"> Acquiring payment rails Payment orchestration Payout infrastructure Card issuing infrastructure Stablecoin payment rails 	<ul style="list-style-type: none"> Stablecoins On/off-ramps Crypto infrastructure Banking-as-a-Service 	<ul style="list-style-type: none"> Capital markets Infrastructure & analytics Fund administration platforms 	<ul style="list-style-type: none"> Lending decision engines Broker enablement infrastructure Product construction tools 	<ul style="list-style-type: none"> Treasury automation Autonomous finance systems Accounting Systems 	<ul style="list-style-type: none"> Fraud & security infrastructure Digital Identity (incl. KYC/KYB) platforms AI governance AML data driven software
Medium Risk	<ul style="list-style-type: none"> Policy Admin 	<ul style="list-style-type: none"> Remittance apps POS software Digital wallets Loyalty platforms 	<ul style="list-style-type: none"> Challenger banks 	<ul style="list-style-type: none"> Digital Brokers 	<ul style="list-style-type: none"> Front-end borrower marketplaces 	<ul style="list-style-type: none"> Expense management Payroll tools 	<ul style="list-style-type: none"> Monitoring dashboards
Existential Risk	<ul style="list-style-type: none"> Search & quoting software Pricing comparison layers 	<ul style="list-style-type: none"> FX spread models ISO/payment resellers 	<ul style="list-style-type: none"> Thin interface layers without infrastructure 	<ul style="list-style-type: none"> Personal finance apps (PFM) Personal wealth tools 	<ul style="list-style-type: none"> Lead-gen and comparison sites 	<ul style="list-style-type: none"> Basic invoicing Basic accounting software 	<ul style="list-style-type: none"> Manual compliance workflows

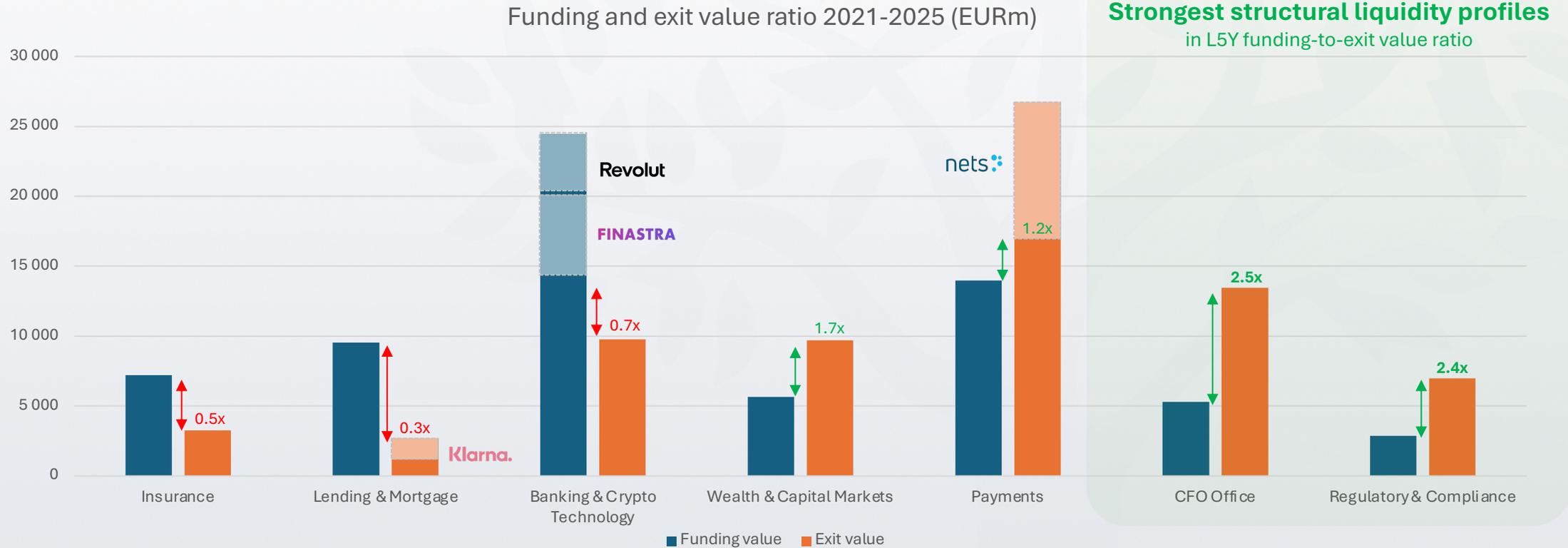
Public markets repriced FinTech: durability over growth

Business model and revenue stability determined 2025 IPO outcomes



CFO Office & RegTech most structurally liquid verticals in FinTech

Mega exits (e.g. Klarna, Revolut) will only provide timely liquidity in their sectors



Key Takeaways

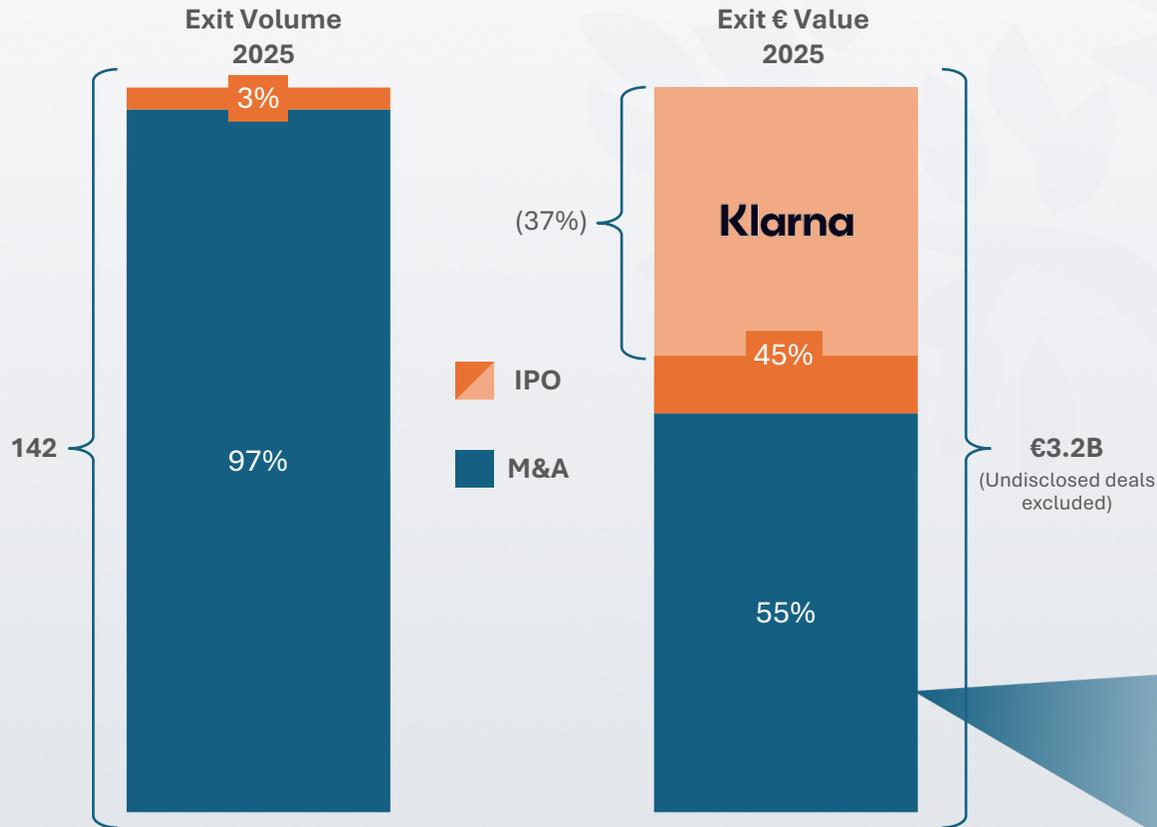
- **Payments is the vertical that keeps on giving as a top sector in Europe both in terms of funding and exits**
- Revolut's highly expected liquidity event in 2026 should help recover the Banking & Crypto Technology funding-to-exit value gap
- Lending & Mortgage and Insurance are well funded sectors, but total exit value falls behind expectations

(1) Only announced deals; Europe HQ'd companies only; Ratio normalised without Revolut, Finastra and Nets' mega transactions

Sources: Pitchbook, Finch Capital analyses

M&A defines the exit market – IPO value is the exception, not the rule

M&A brings structural liquidity in FinTech whilst 37% of 2025 exit value was concentrated in Klarna's IPO



What This Means

- **Volume vs value divergence:** Exit activity remains M&A-led, but capital concentration increases when a large IPO occurs.
- **IPO window is episodic:** A single large listing can materially skew annual exit value, particularly when considering undisclosed exit values.
- **M&A reflects structural liquidity:** Strategic and sponsor capital provide consistent liquidity across cycles



(1) Only announced deals; Europe HQ'd companies only

Sources: Pitchbook, Finch Capital analyses



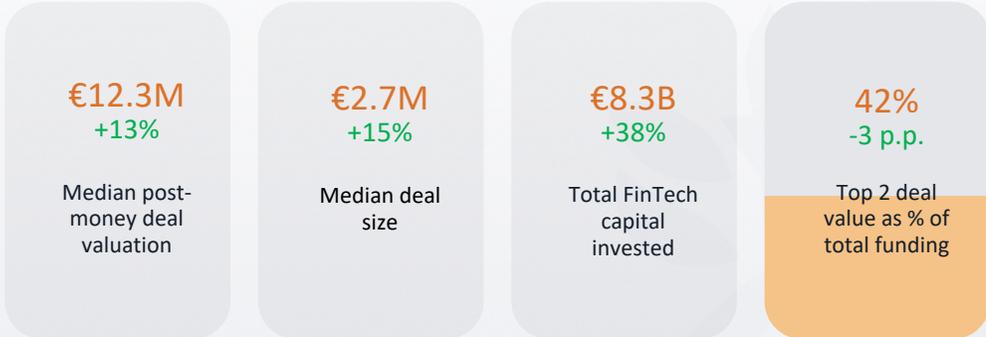
2. Country Deep Dives



Revolut is a clear booster to the UK's continued domination

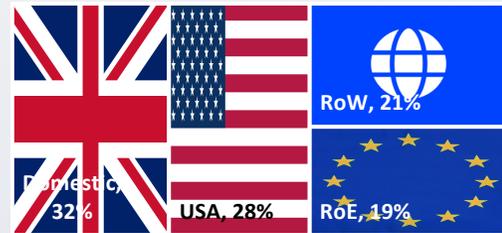
Despite drop in deal count, mega deals make sure UK sees another strong funding year

Year: 2025



Most Notable Raises		Most Notable Exits		Rising Stars	
Revolut	€2.6B	ALPHA	€1.9B	APEX	Payments
Revolut	€859M	with Intelligence	€1.6B	ComplyCube	Regulatory & Compliance
FNZ	€561M	INIGO	€1.5B	BRON	Banking & Crypto
FNZ	€460M	GoCardless	€1.1B	yonda	CFO Office
Rapyd	€428M	CALASTONE	€766M	VELOCITY	Payments

Funding Volume Concentration by Investor Location & City*

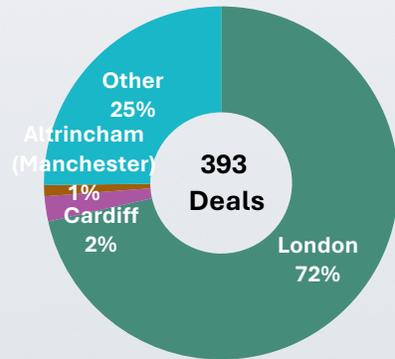


*Based on investor HQ

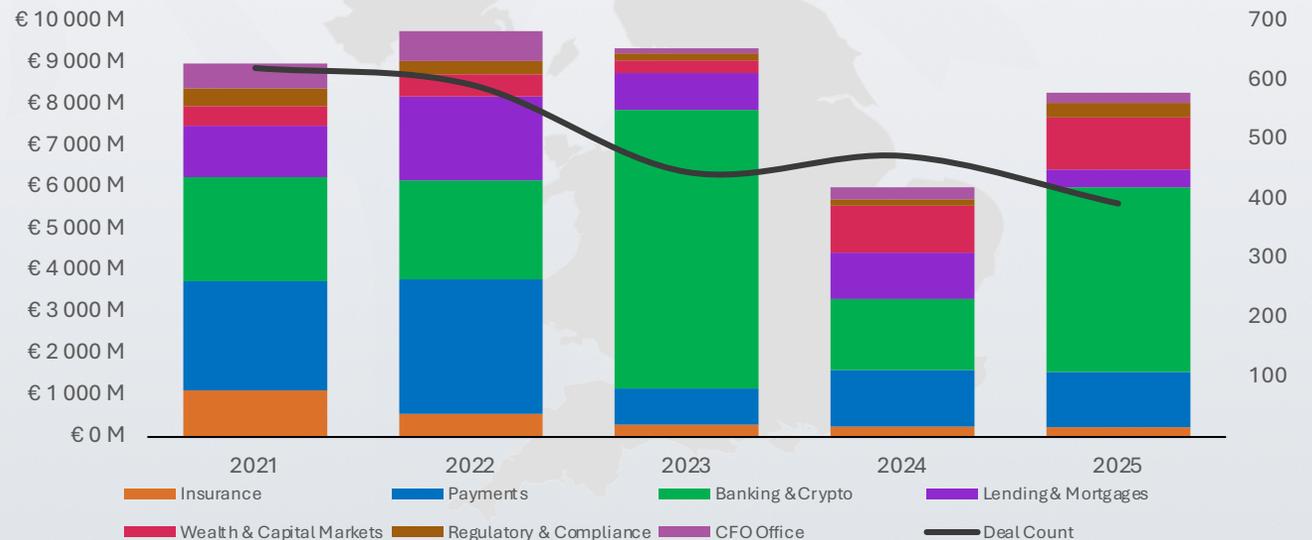
Most Active FinTech Investors (L12M)**

HAATCH	7 Deals
SFC Capital	7 Deals
Fuel Ventures	6 Deals

**Excluding Accelerators, Incubators & Angels



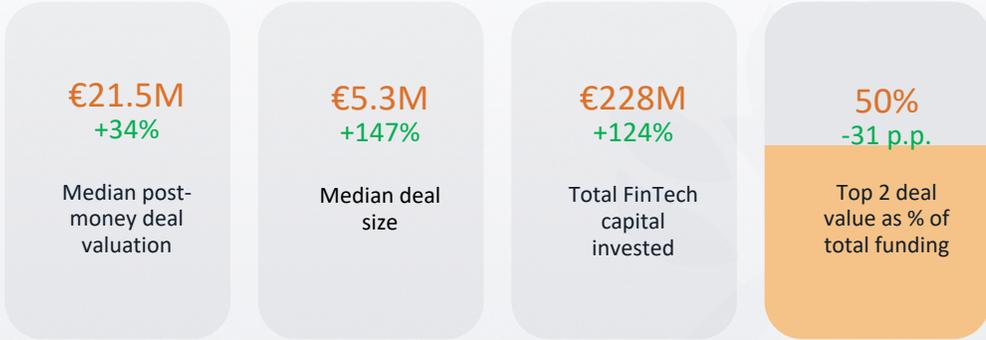
Total Funding Value and Volume by Sector



Top tier payment deals in Ireland inject fresh oxygen

Irish ecosystem is maturing in all fields, continuing to punch above its weight

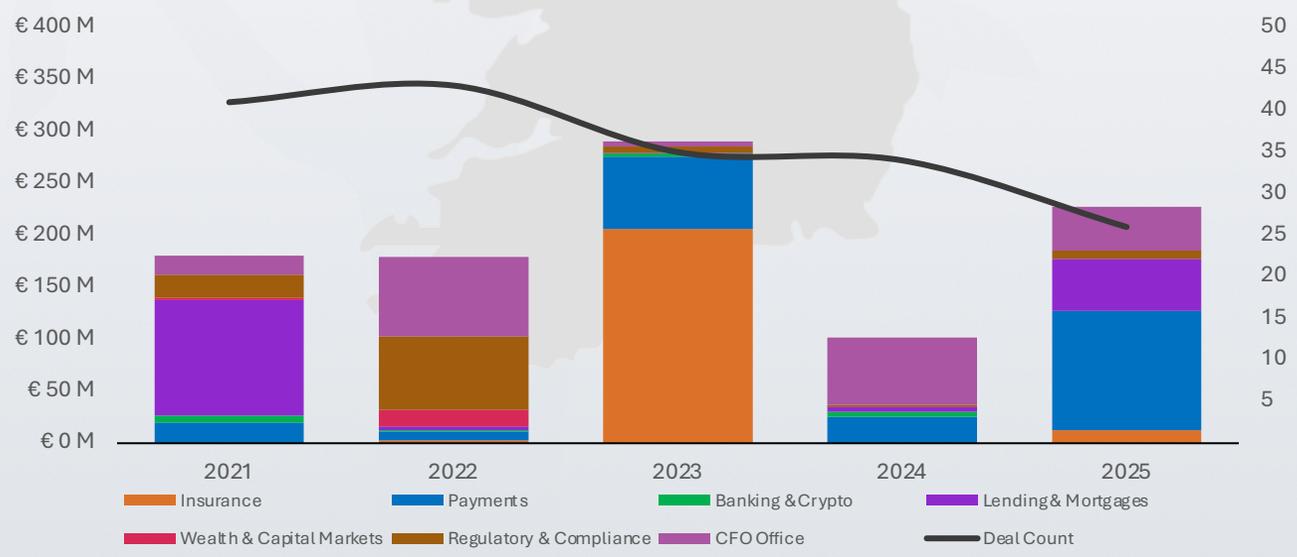
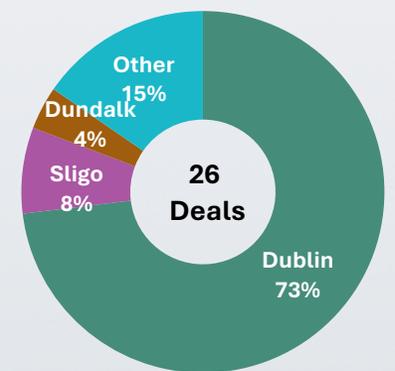
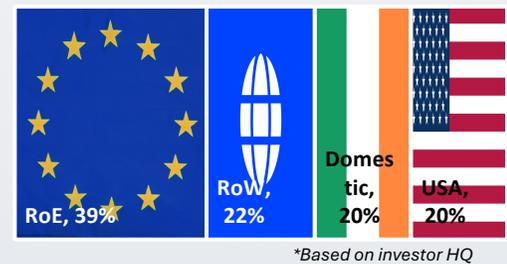
Year: 2025



Most Notable Raises		Most Notable Exits		Rising Stars	
nomupay.	€64M	amberlo	N/A	Tipple	Wealth & Capital Markets
TEYBRIDGE CAPITAL	€50M	AREX markets	N/A	JUSTTIP™	Payments
nomupay.	€37M	bigred CLOUD	N/A	PRODENSUS	Regulatory & Compliance
nory	€31M	ee erovaenergy	N/A	Leapifai	CFO Office
Kota	€13M	TUCR.io	N/A	numra	CFO Office

Funding Volume Concentration by Investor Location & City*

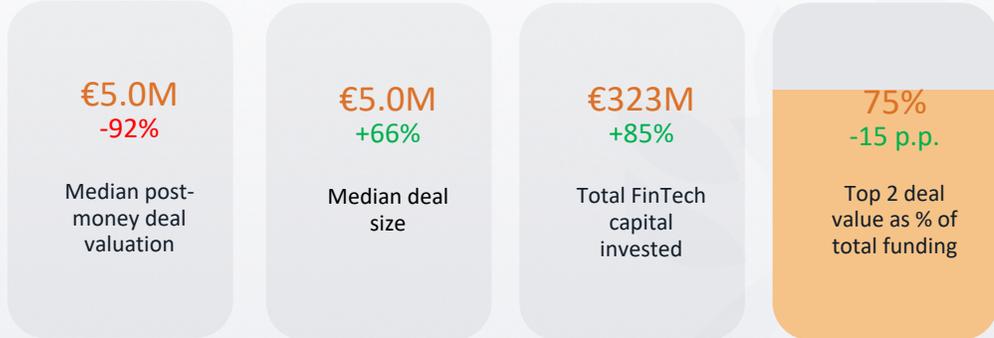
Total Funding Value and Volume by Sector



Treasury & Finom keep ecosystem alive, but lack of next Adyen/mollie

Deal value again very dependent on top 2 deals, marking an unbalanced ecosystem

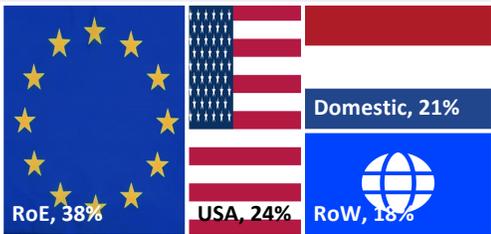
Year: 2025



Most Notable Raises		Most Notable Exits		Rising Stars	
treasury.	€126M	Wolters Kluwer	€450M*	Surebird	Lending & Mortgages
FINOM	€115M	CCV	€191M	Fraudio	Regulatory & Compliance
insify	€16M	margento	€11M	ROOT	Regulatory & Compliance
workwize	€13M	Factuur Portal	N/A	delfio	CFO Office
DUNA	€11M	klippa	N/A	STRUCK	Regulatory & Compliance

*Finance, Risk and Regulatory Reporting Branch

Funding Volume Concentration by Investor Location & City*

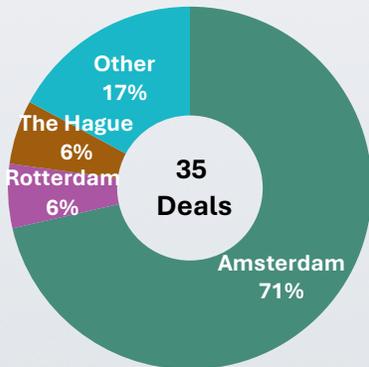


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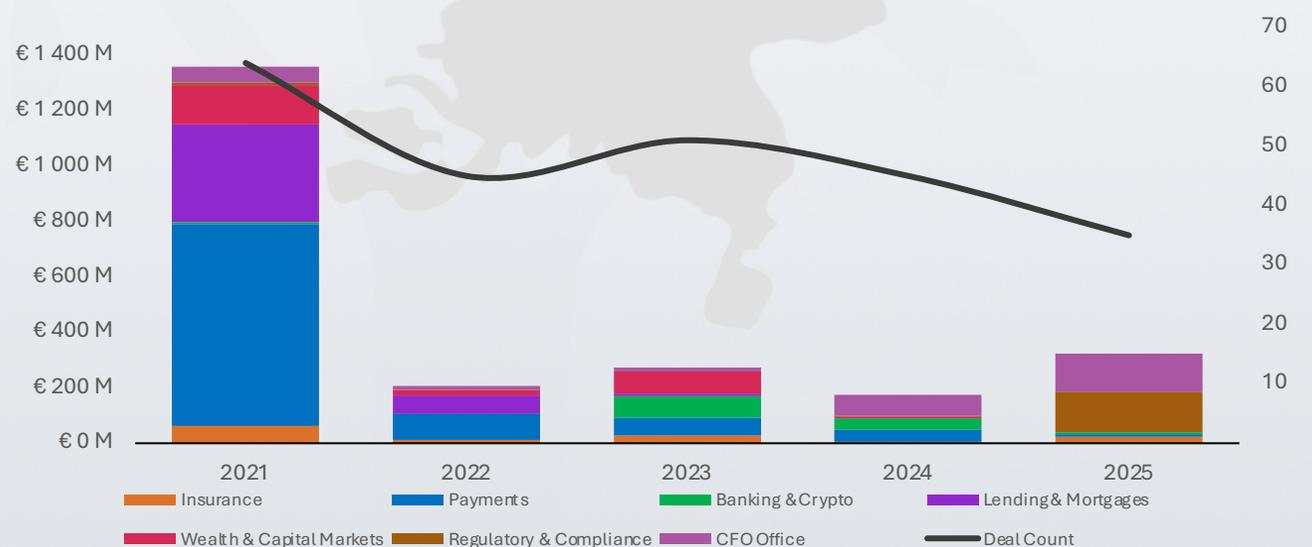
Most Active FinTech Investors (L12M)**



**Excluding Accelerators, Incubators & Angels



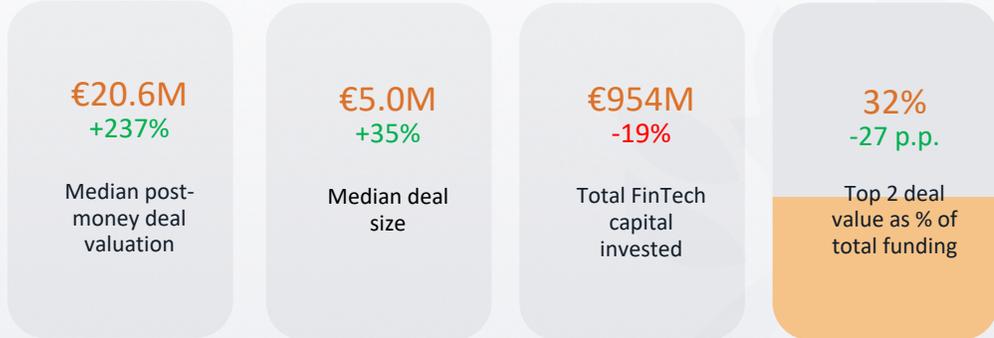
Total Funding Value and Volume by Sector



Germany | Bigger rounds, fewer deals

Germany sees more interesting activity on exit rather than fundraising, despite overall decent year

Year: 2025



Funding Volume Concentration by Investor Location & City*

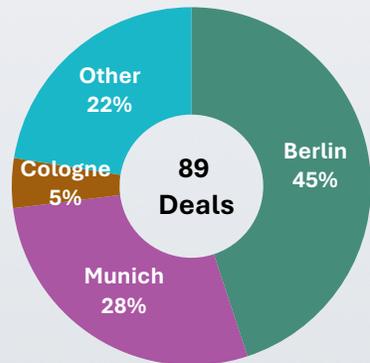


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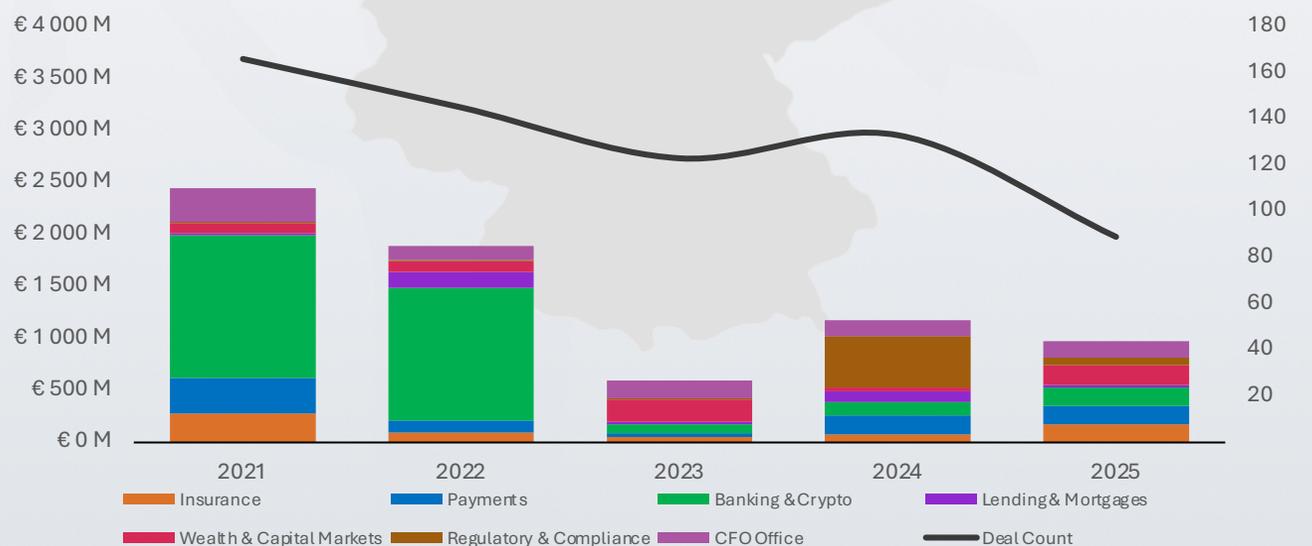
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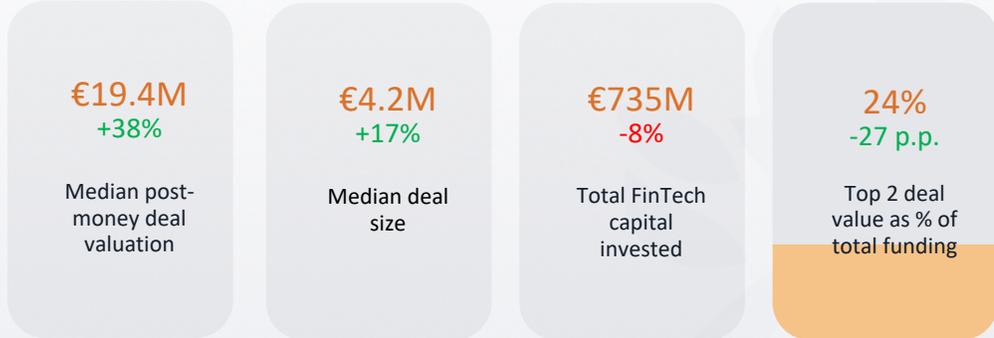
Total Funding Value and Volume by Sector



France experiences a 3-year long contraction

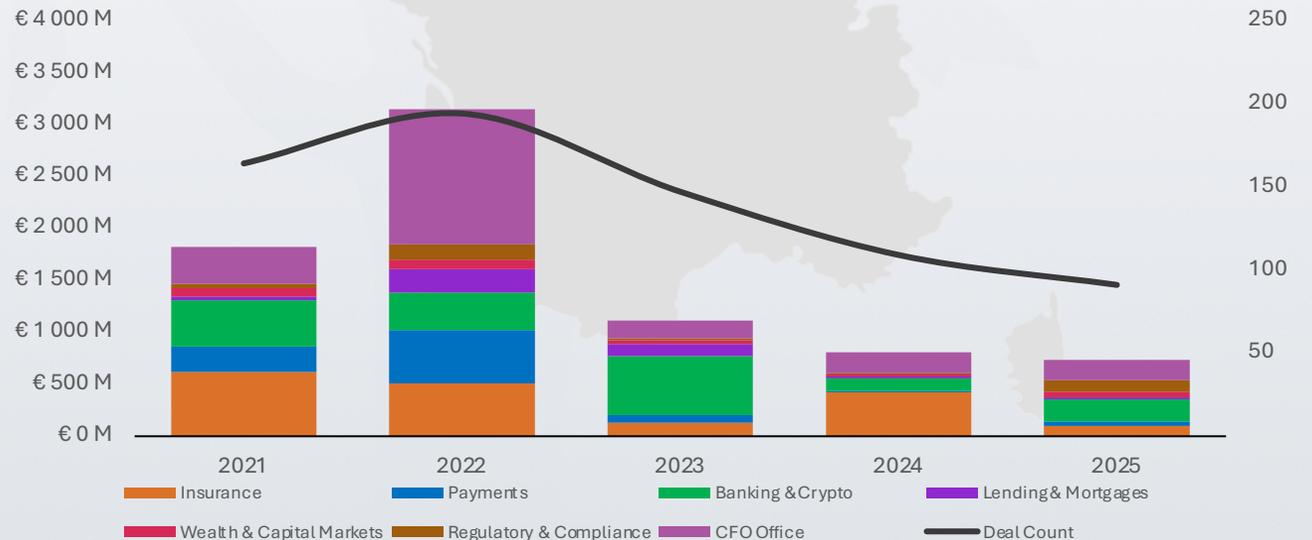
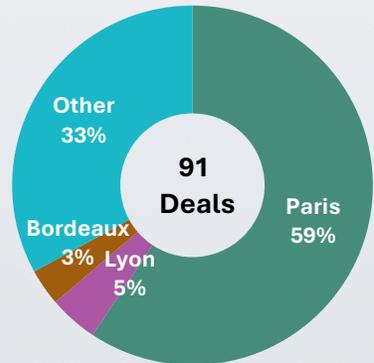
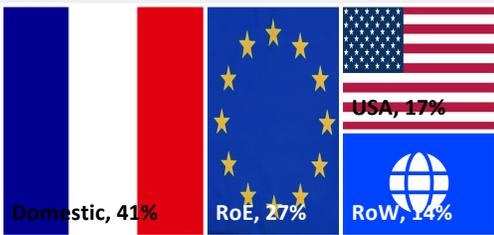
Both deal value and deal count are down yoy, but at least France sees more European involvement

Year: 2025

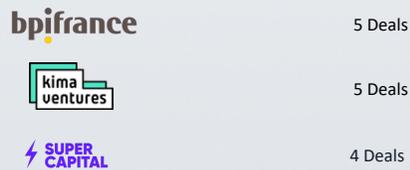


Funding Volume Concentration by Investor Location & City*

Total Funding Value and Volume by Sector



Most Active FinTech Investors (L12M)**

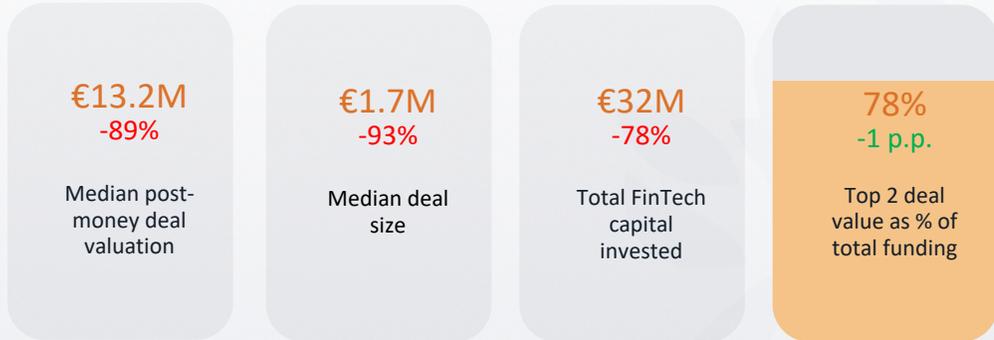


**Excluding Accelerators, Incubators & Angels

Poland fails to improve attractiveness to foreign capital

Poland recorded 2 notable deals, but overall activity remained muted across other segments

Year: 2025



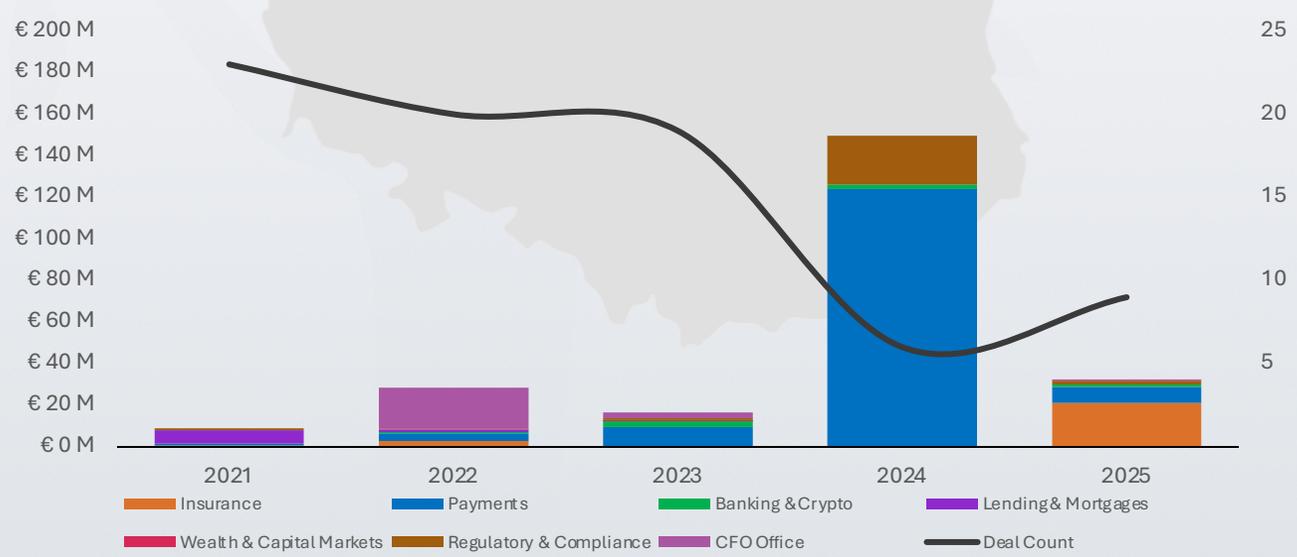
Most Notable Raises		Most Notable Exits		Rising Stars	
Crasti SIMPLY FAIR	€21M	xtb online trading	€172M	Bid Finance	Wealth & Capital Markets
skycash	€5M	MPAY zawsze z Tobą	€1M	skycash	Payments
INXY Payments	€3M	COINLAB	N/A	symmetrical	CFO Office
Bid Finance	€2M	Quantee	N/A	smeo	Lending & Mortgages
Nodu	€1M	ISON	N/A	ARI 10	Banking & Crypto

Funding Volume Concentration by Investor Location & City*



- Most Active FinTech Investors (L12M)**
- flashpoint** VENTURE CAPITAL: 1 Deal
 - GROWTH** VENTURE CAPITAL: 1 Deal
 - BVALUE**: 1 Deal
- **Excluding Accelerators, Incubators & Angels

Total Funding Value and Volume by Sector

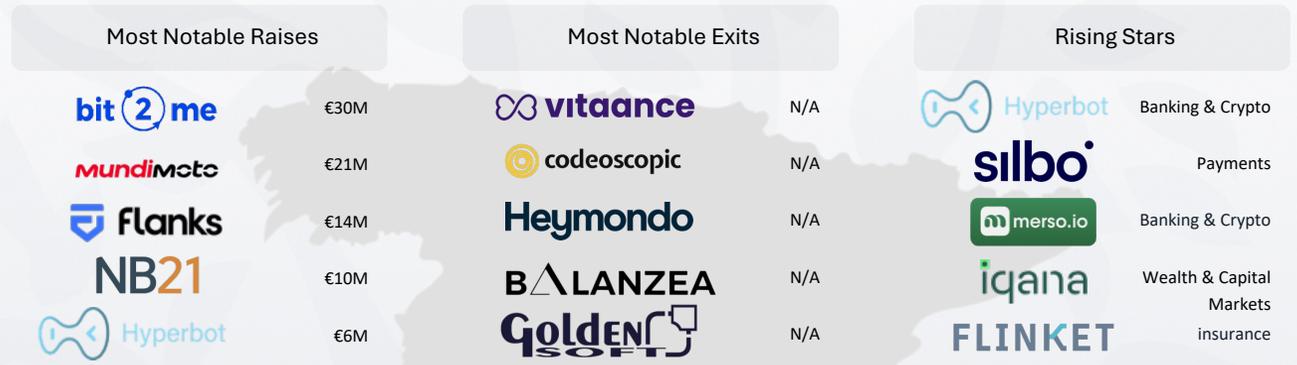
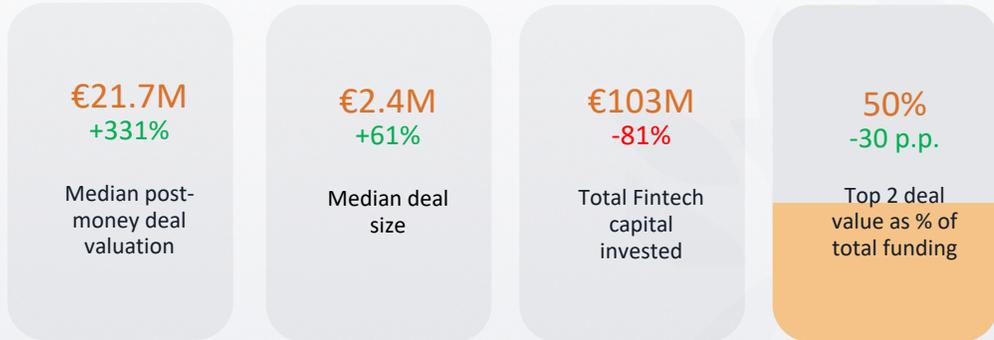




Spain for the size of Economic lacks big winners (smaller than Ireland)

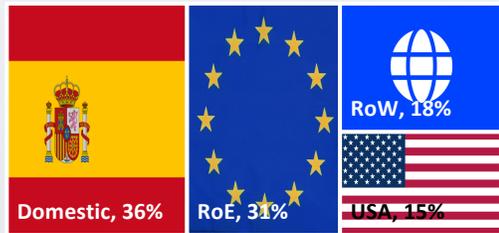
FinTech winter is here

Year: 2025



Funding Volume Concentration by Investor Location & City*

Total Funding Value and Volume by Sector

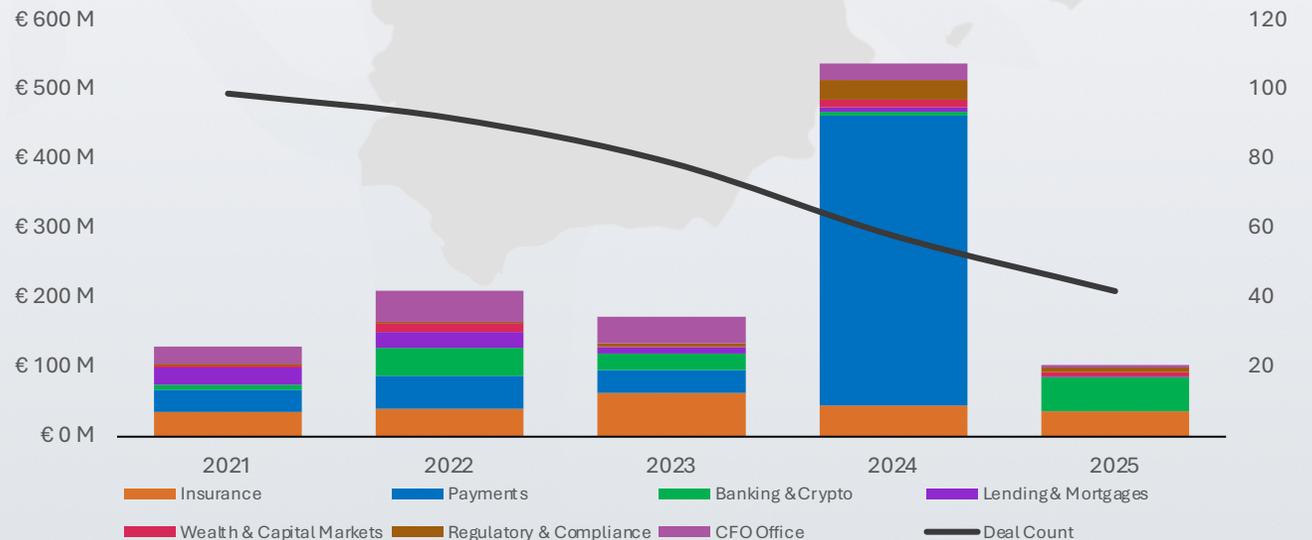


*Based on investor HQ

Most Active FinTech Investors (L12M)**



**Excluding Accelerators, Incubators & Angels





Post Fortnox and Klarna success Scandinavia pipeline is drying up

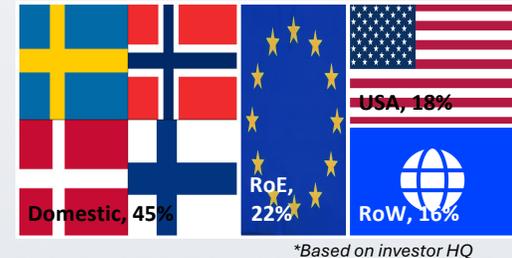
Despite strong exit activity, large fundraises prove more difficult

Year: 2025

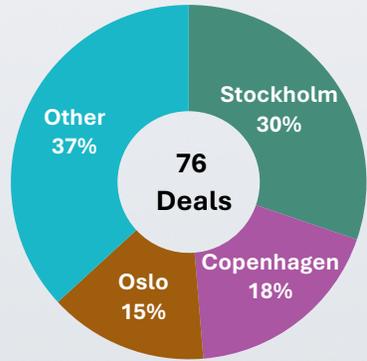
<p>€4.3M -77%</p> <p>Median post-money deal valuation</p>	<p>€1.0M -60%</p> <p>Median deal size</p>	<p>€313M -19%</p> <p>Total FinTech capital invested</p>	<p>50% -7 p.p.</p> <p>Top 2 deal value as % of total funding</p>
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Most Notable Raises	Most Notable Exits	Rising Stars
<p>Flatpay €125M</p> <p>Formalize €30M</p> <p>eir €26M</p> <p>Klarna €20M</p> <p>Froda €20M</p>	<p>Fortnox €5.1B</p> <p>Klarna €1.2B</p> <p>SAXO BE INVESTED €1.2B</p> <p>SHINE €982M</p> <p>Admincontrol €370M</p>	<p>Groundley. CFO Office</p> <p>Vantel Insurance</p> <p>Bluebook™ CFO Office</p> <p>inven Wealth & Capital Markets</p> <p>Polar Payments</p>

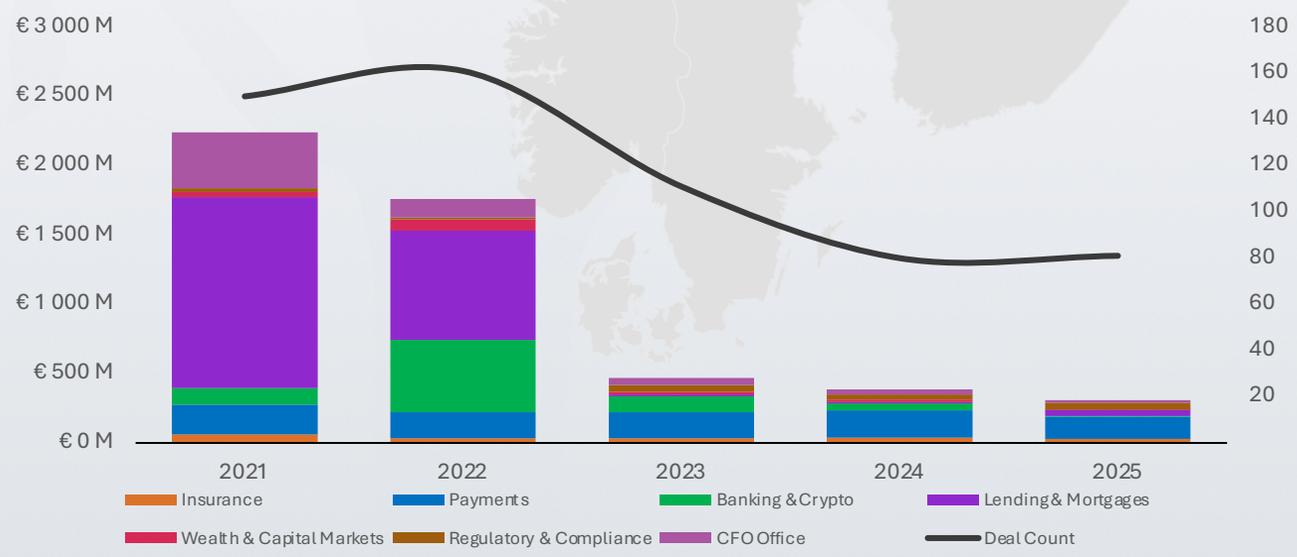
Funding Volume Concentration by Investor Location & City*



Most Active FinTech Investors (L12M)**



Total Funding Value and Volume by Sector



Mainland Europe bites the dust

UK emerges as the clear winner once more, while other regions fall even more behind

Year: 2025

Most Active FinTech Investors #Deals*

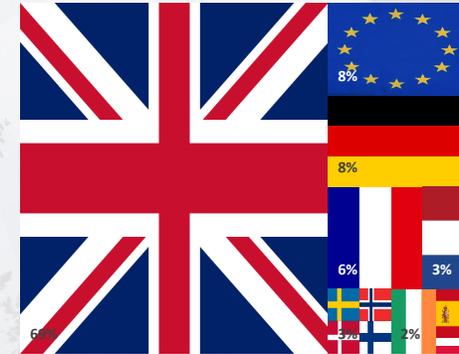
	Enterprise Ireland	14
	HAATCH	7
	SFC Capital	7
	Fuel Ventures	6
	bpifrance	5

*Excluding Incubators, Angels and Accelerators

Rising Stars in FinTech

	APEXX	Payments orchestration for aviation industry
	yonda	Tax & VAT compliance platform
	VELOCITY	Stablecoin payments infrastructure
	tanso	CO2 accounting and ESG management platform
	Bluebook™	AI agents for accounting

Total FinTech Funding Value in Europe



€13.2M
+12%
Median post-money valuation

€2.5M
+12%
Median deal size

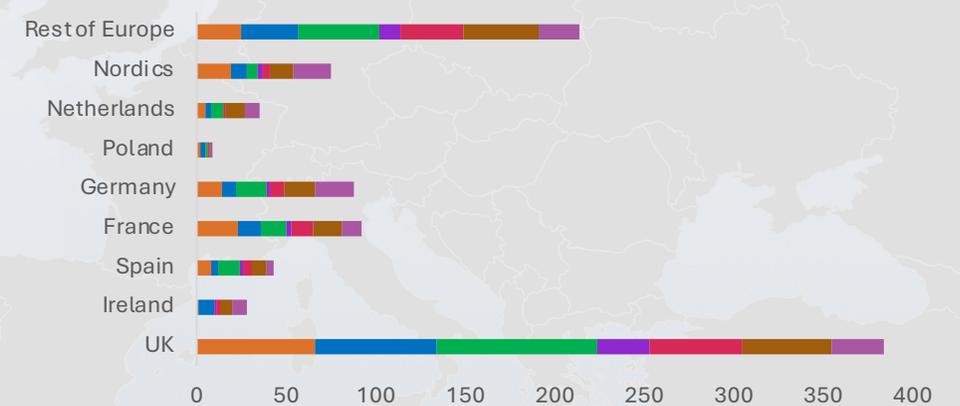
€11.9B
+20%
Total capital invested

29%
Top 2 deal value as % of total funding

(Soon-) Unicorns or Largest Deals per Region

	Revolut	Digital banking platform	Banking & Digital Currency	€2.6B
	Revolut	Digital banking platform	Banking & Digital Currency	€859M
	FNZ	Wealth management platform	Wealth & Capital Markets	€561M
	FNZ	Wealth management platform	Wealth & Capital Markets	€460M
	Rapyd	Global payment provider	Payments	€428M

Total FinTech Funding Volume per Region



■ Insurance
 ■ Payments
 ■ Banking & Crypto
 ■ Lending & Mortgages
 ■ Wealth & Capital Markets
 ■ Regulatory & Compliance
 ■ CFO Office

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