



US Insights: Pulse of Fintech

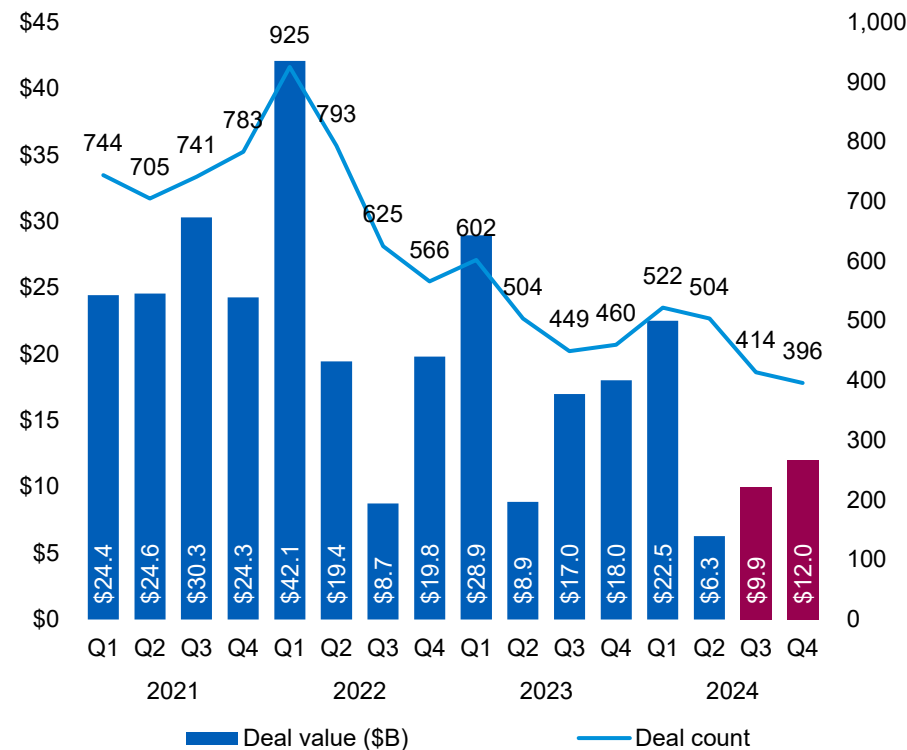
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Country insights : US

A plateau in dealmaking has likely emerged while cautious optimism for 2025 to experience a rebound, even if mild, in fintech financing activity

Total fintech investment activity (VC, PE and M&A) in the US
2021-2024*



Source: Pulse of Fintech H2'24, Global Analysis of Investment in Fintech, KPMG International (data provided by PitchBook), *as of 31 December 2024.

- Dealmaking across fintech in the US experienced a cautious increase toward the end of the year, albeit only in aggregate quarterly deal value. Transaction volume remains muted, if not that unhealthy compared to pre-2021 levels.
- There is modest optimism for fintech to enjoy a bit of a recovery in VC activity in 2025, borne of the back of positive economic growth, slightly decreasing costs of capital, hopefully more muted geopolitical volatility, and more.
- Key fintech developments to watch in the US include the competition for retail investor dollars by asset managers and advisory firms, especially post-consolidation amid asset management in the late 2010s and early 2020s. New innovations in open banking and AI deployment will be used heavily to court customers.

“After bottoming out in Q2, dealmaking began to show signs of a rebound the second half of 2024. Both PEs and Corporates have robust M&A pipelines, but the bar for executing the deal remains higher given interest rates are not coming down as quickly as expected and valuation differences between buyers and sellers. With increased appetite for dealmaking in 2025, the focus will be on economic and political stability. A large transaction has the potential to ignite the dealmaking market in 2025.”



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