SBI Ventures Europe

CAPITAL FLOWS · REGULATORY SHIFT · H2 INVESTOR OUTLOOK

EUROPEAN FINTECH H1 2026

Selectivity, Regulation and the Infrastructure Opportunity

AUGUST 2026

Introduction

Welcome to our European Fintech H1 2026 Report!

This report is our attempt to step back from individual deals and look at the broader market: where capital is flowing, which sectors are gaining momentum, and what this means for fintech investors in Europe.
We created this report to support better sourcing, sharper thesis-building, and more disciplined investment conversations in H2 2026.

Inside, you will find:

- A snapshot of European fintech funding activity
- Deal dynamics and capital concentration
- Regional momentum across Europe
- Sector deep dives by fintech vertical
- Key regulatory catalysts shaping the market
- Exit activity and liquidity trends
- Our view on the most relevant H2 2026 investment themes

Here at SBI Ventures Europe, we focus on fintech and digital asset investments across Europe. As SBI Group’s European hub, we partner with regional innovators and support them with access to SBI’s global network, financial ecosystem, and market reach.

Our work sits at the intersection of financial infrastructure, regulation, digital assets, and cross-border innovation.

Learn more at https://www.sbiventures.eu/

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"European fintech is entering a more disciplined phase. Innovation remains strong, but capital is increasingly concentrating around companies with high-quality revenues, regulatory defensibility and clear distribution advantages.
At SBI Ventures Europe, we see significant opportunity in the infrastructure shaping the next generation of finance, including regulated digital assets, compliance and risk technology, payment and settlement rails, and embedded B2B financial workflows. As we expand our dedicated investment activities in fintech and digital assets, we aim to back ambitious European founders building scalable, cross-border platforms that can become strategically important parts of the financial system."

Shotaro Iwano
Managing Director
SBI Ventures Europe

01

Executive Summary

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Active Market, Selective Capital

383 deals
61% EARLY-STAGE

$5.74B
TOP 10 DEALS 31%

$4.2M
MEDIAN DEAL SIZE

42%
AI-TAGGED DEALS

H1 2026 IN ONE VIEW

European fintech remained active in H1 2026, but capital did not return broadly. Early-stage formation stayed healthy, while disclosed funding concentrated in a narrow set of scale assets and category leaders.

The strongest investor signal is no longer deal count. It is where capital is willing to pay for revenue quality, regulatory defensibility and distribution access.

INVESTOR READ For H2 2026, the question is not where activity is highest, but where revenue quality, regulatory defensibility and distribution access are strongest.

KEY TAKEAWAYS

1. **FORMATION REMAINS ACTIVE**
383 deals closed; 61% early-stage. Europe is still producing new fintech companies, but most rounds remain small and disciplined.

2. **CAPITAL CONCENTRATED IN CATEGORY LEADERS**
At least $5.74B was deployed, but the top 10 deals accounted for >$1.7B.

3. **GEOGRAPHY REMAINS UNEVEN**
The UK remains the benchmark market, while France, DACH, Switzerland and selected hubs show thematic momentum.

4. **REGULATION IS NOW A MARKET CATALYST**
MiCA, Instant Payments, DORA, FiDA, AMLA and the AI Act are driving demand for compliant infrastructure and AI governance.

5. **H2 OPPORTUNITY IS SELECTIVE**
Prioritize Regtech/AML, AI-native workflows, licensed digital assets, SME/CFO stack and underwriting-led insurtech.

AVOID generic BaaS, consumer BNPL, shallow AI copilots and undifferentiated payment orchestration.

"I would not treat the fall in deal count as the main signal of H1 2026. To me, the more important message is how selective capital has become. European fintech still showed healthy company formation, especially at early stage, but larger checks went to a much narrower group of companies with stronger revenue quality, infrastructure relevance and clearer exit logic. For H2, this means we should not simply follow where activity is highest, but where investors are still showing real conviction."

Renxiu Zhao
Senior Associate
SBI Ventures Europe

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Deal Activity

SBI Ventures Europe

Fewer Deals, More Money: H1 2026 Shows Selective Capital

Year-over-year benchmark: the market wrote fewer checks, but more money flowed into larger selected rounds.

DEAL COUNT

598 → 383
H1 2025 / H1 2026

-36% Fewer financing events

CAPITAL

$4.76B → $5.74B
H1 2025 / H1 2026

+21% More dollars despite fewer deals

MEDIAN ROUND

$3.0M → $4.2M
H1 2025 / H1 2026

+40% Typical round size increased

MEAN ROUND

$12.8M → $21.4M
H1 2025 / H1 2026

+67% Mega-rounds distort the average

HEADLINE SHIFT

Deal count fell 36% (598 → 383), but capital rose 21% ($4.76B → $5.74B). The market is concentrating into fewer, larger bets.

INVESTOR READ

H1 2026 is not a broad recovery. It is a quality filter: fewer companies raised, but selected assets cleared larger rounds.

TAKE AWAY Activity contracted, but investor conviction rose around fewer, more scaled or strategically relevant companies.

Source: PitchBook H1 2025 and H1 2026 VC deal analysis. Capital figures disclosed only.

Capital Follows Category Leaders Across Core Fintech Themes

$1.8B
TOP 10 DEALS
(of $5.74B total)

36% → 31%
TOP 10 SHARE OF CAPITAL
H1 '25 → H1 '26

3 of 10
FRENCH COMPANIES
56% of top 10 capital

8 → 9
$100M+ DEALS
H1 '25 → H1 '26

COMPANY	COUNTRY	AMOUNT	STAGE	SECTOR	FLAG
alan	France	$538M	Series G	Insurtech	
pennylane	France	$240M	Series E	SME Finance / CFO	
Morpho	France	$175M	Series C	Digital Assets	
9fin	UK	$169M	Series C	Lending & Credit	
Allica Bank	UK	$155M	Series D	Banking infra and BaaS	
ELLIPTIC	UK	$120M	Series D	Digital Assets	★ SBI Portfolio
Taktile	Germany	$110M	Series C	Regtech / Decision Infra	
Primer	UK	$100M	Series C	Payments / A2A	
Keyrock	Belgium	$100M	Series C	Digital Assets	
upvest	Germany	$90M	Series C	Banking & Capital Market infra	Headline round was $125M, but only $90M was equity; $35M was debt facility.

Source: PitchBook H1 2026. Top 10 excludes buyouts, LBOs, secondaries and standalone debt facilities; includes VC and growth equity rounds only..

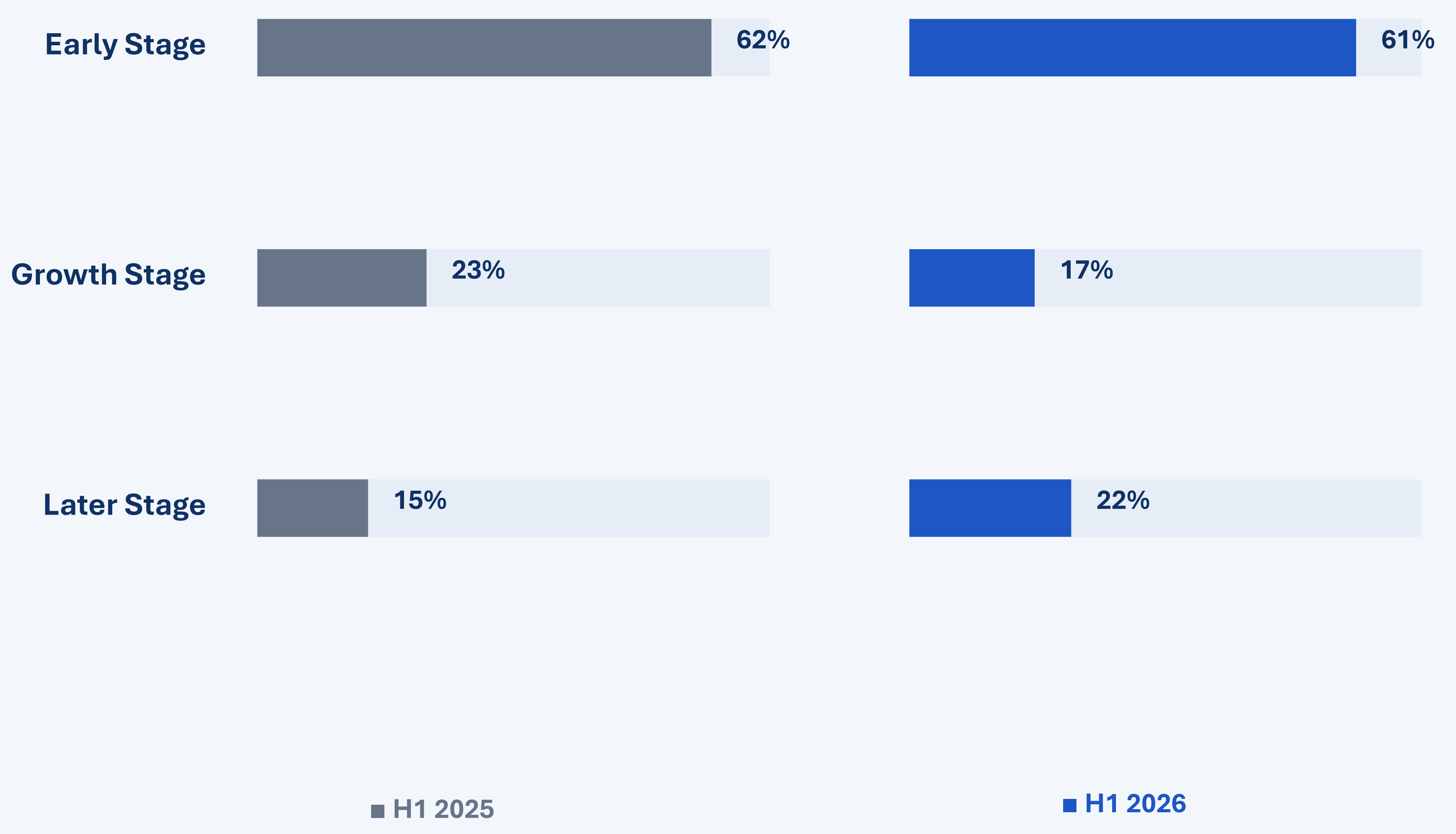
TAKE AWAY

Large equity rounds remain selective, but digital assets stand out as the clearest momentum cluster, with three companies in the Top 10. France leads by value, while the rest of the list skews toward infrastructure-heavy fintech.

Stage Shift: Early Formation Holds, Growth Rounds Thin Out

H1 2025 vs. H1 2026 : early-stage share stayed constant, while later-stage rounds increased and Series A/B share contracted.

STAGE MIX BY DEAL COUNT



KEY INSIGHT

Early-stage remains ~62% of deal count.

Growth stage fell from 23% → 17%, fewer Series A/B rounds cleared.

Later stage rose from 15% → 22%, helped by Alan, Taktile and other scale rounds.

INVESTOR READ

Series A/B is more selective. Early-stage volume is a pipeline signal; later-stage capital shows investors crowding around proven scale assets.

TAKE AWAY The market is not frozen at seed, but the Series A/B bridge is tighter and later-stage concentration is rising.

Sector, Geography and AI Signals: Where the Mix Changed

H1 2025 vs. H1 2026: the market became more selective by vertical and geography, while AI penetration rose sharply.

SECTOR SHIFTS

H1 2025 → H1 2026

Lending	78 → 24	-69%
Banking infra	31 → 14	down, but 2025 capital outliers
Insurtech	65 → 38	-42%
Resilient pockets	Wealthtech · Digital assets · SME finance	

Lending collapse is the clearest caution: demand exists, but lender appetite and risk transfer remain hard.

GEOGRAPHY SHIFTS

H1 2025 → H1 2026

UK	205 → 151	-26%
France	52 → 33	-37%
Sweden	18 → 8	-56%
Spain	18 → 22	+22%
Italy	16 → 18	+12%
Germany	holding proportional	-29%

Southern Europe is no longer negligible: Spain + Italy increased despite overall contraction.

AI SIGNAL

H1 2025 → H1 2026

30% → 42%

AI-tagged deal share

AI adoption is the clearest structural shift in the dataset, but the investment signal is quality, not label: embedded workflow AI is more meaningful than companies simply marketing themselves as AI.

Slide link: AI features inside working products attract more capital than agentic claims.

TAKE AWAY H1 2026 is more concentrated by sector, geography and AI capability: lending fell sharply; Southern Europe and AI gained share.

Who Is Funding European Fintech in H1 2026?

Ranked by deal count in H1 2026 only, not all-time or historical rankings.

TOP 10 PRIVATE VC INVESTOR

#	Investor	Deals	Stage	Main themes	Example deals
1	**Index Ventures**	8	Growth	FinTech, SaaS	Alan, Fonoa
2	**SFC Capital**	7	Seed/A	FinTech, AI/ML	Checkboard, Canongate AI
3	**Fuel Ventures**	6	Seed/A	FinTech, SaaS	Allocation Strategy, PANTA
4	**Seedcamp**	6	A/B	FinTech, AI/ML	9fin, Orbital
5	**Balderton Capital**	5	Growth	SaaS, AI/ML	Taktile, Primer (Financial Software)
6	**Kima Ventures**	5	Seed/A	FinTech, AI/ML	Cardnexus, Alpa (Financial Software)
7	**Passion Capital**	5	Growth	SaaS, FinTech	Lassie, Round Treasury
8	**Redstone VC**	5	Seed/A	FinTech, SaaS	Talentir, Homaio
9	**a16z**	5	Growth	Crypto, FinTech	Morpho, Stoik
10	**AlbionVC**	4	Growth	FinTech, SaaS	Elliptic, Bound

TOP 5 PUBLIC INVESTOR

#	Investor	Deals	Role
1	**Lazio Innova**	10	Regional innovation / seed support
2	**Enterprise Ireland**	6	National innovation / export support
3	**CDP Venture Capital**	5	Italian public-backed VC
4	**Bpifrance**	4	French public investment bank
5	**Innovationsstarter**	4	Regional innovation fund

TOP 5 STRATEGIC INVESTOR

#	Investor	Deals	Strategic angle
1	**Coinbase Ventures**	6	Digital assets / crypto infra
2	**Rabo Investments**	4	Banking / payments / fintech infra
3	**Sella Direct Ventures**	4	Bank-backed fintech / B2B software
4	**SBI Group**	3	Digital assets / financial ecosystem
5	**PayPal Ventures**	1	Payments / merchant software

INVESTOR READ

Follow private VCs for sourcing signals, public investors for regional ecosystem momentum, and strategics for infrastructure-scale conviction.

IPO Candidates Are Emerging, But H1 Liquidity Still Came Through M&A

50 $4.0B value

M&A TRANSACTIONS

Strategic consolidation dominates. Europe's largest private fintechs are becoming prime acquisition targets for global strategic buyers.

22 $289M value

PE / BUYOUT / LBO

PE active in mature fintech software. Seeking profitability + SaaS metrics.

ZERO

VC-COMPARABLE IPOS

IPO window remains effectively closed, despite rising readiness signals.

COMPANY	TYPE	VALUE	ACQUIRER
Inigo Insurance (UK)	M&A	**$1,671M**	Radian Group (NYSE: RDN), Feb 2026
PrimaryBid (UK)	M&A	**$519M**	SoFi, May 2026
Lendo Group (Sweden)	M&A	**$458M**	Clar Global, Mar 2026
Billhop (Sweden)	M&A	**$395M**	Ramp, Mar 2026
October (France)	M&A	**$155M**	Aether Financial Services, May 2026
Pay by B (UK)	M&A	**$94M**	National Australia Bank, May 2026
Flock (UK)	M&A	**$93M**	Admiral Group (LON: ADM), Jun 2026
NGRAVE (Belgium)	M&A	**$87M**	Lydian Group, Jan 2026

78 total exits recorded; 74 classified. Source: PitchBook H1 2026 exit dataset.

Clearest near-term IPO signals: Monzo, Zilch, Bitpanda, Revolut.

monzo
reported IPO preparation / investor-readiness

zilch
funding + banking licence support IPO narrative

bitpanda
reported Frankfurt IPO consideration

Revolut
IPO scale, but timing pushed later

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Geography Momentum

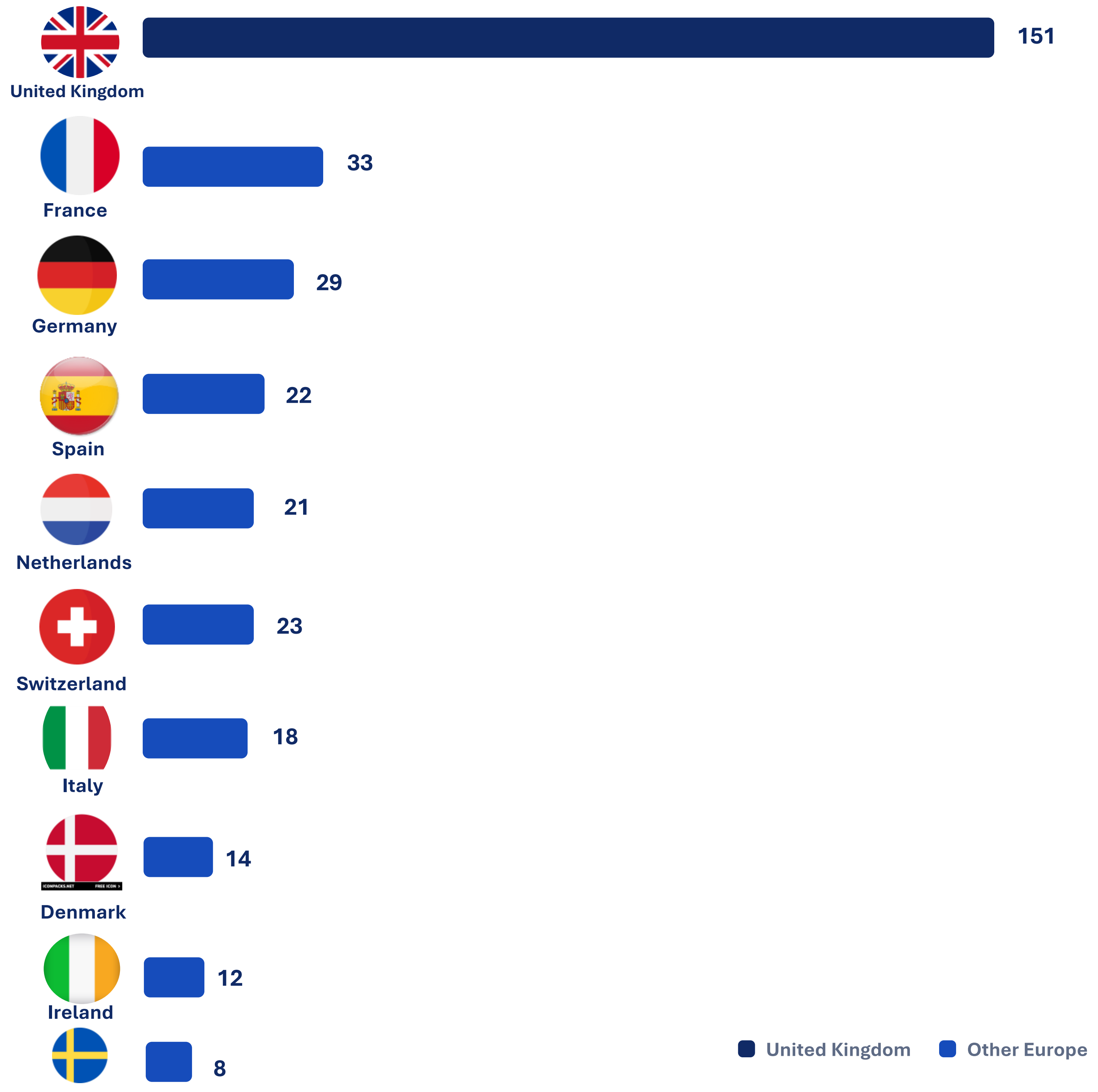
“*What stood out to me is not simply that the UK remains Europe’s largest fintech market. It is that momentum is becoming more distributed. Spain and Italy together recorded 40 deals in H1 2026, even as activity contracted across much of Europe, while France, DACH, Switzerland and the CEE/Baltics each show a distinct sector edge. We often speak about Europe’s fragmentation as a disadvantage. It certainly makes scaling harder. But it also forces founders to learn early how to navigate different regulators, customers and routes to market. Companies that solve for that complexity can become more resilient - and more exportable.*

Having spent much of my career investing outside the obvious centres of capital, I have learned not to confuse the biggest ecosystem with the only place where exceptional companies are built. The most interesting opportunities often appear where specialist talent, an urgent local problem and less crowded capital meet. For investors, geography should therefore be a sourcing lens, not a league table. Europe’s next financial-infrastructure leaders may emerge from established hubs, but just as plausibly from the spaces between them.”

Andrea Böhmert
Managing Partner
SBI Ventures Europe

SBI Ventures Europe

UK is the Core Sourcing Market; France and DACH Lead Outside It; Southern Europe is rising



TOP 10 MARKETS: H1 2026 DEAL COUNT

UK (151 deals, 39%)
Core sourcing market. Deepest deal flow across fintech infra, lending data, regtech and digital assets. Most competitive on entry pricing.

France (33 deals)
Strongest scale-asset market outside the UK. CFO stack, DeFi and insurtech have visible momentum.

Germany (29 deals)
Meaningful B2B fintech base, but headline funding needs adjustment for mixed debt/equity structures such as Cloover.

Southern Europe
Spain and Italy together recorded 40 deals, led by SME finance, payments, insurtech and embedded finance infrastructure. More early-stage than UK/France, but no longer negligible.

Switzerland / Liechtenstein
Selective depth in regulated digital assets, custody, stablecoins and crypto banking. Best viewed as a specialist market for institutional infrastructure, not broad fintech volume.

Nordic
Strong operator base across payments, open banking, spend management and SME software. Selective new-deal market, but attractive where fintech infrastructure show clear Nordic expansion potential.

CEE/Baltics
Rising Seed market with strength in AML/KYC, crypto infrastructure. Attractive for technical talent and lower entry competition, but scale usually depends on Western European expansion.

INVESTOR READ

UK deal flow remains the benchmark, but differentiated sourcing requires a thematic map: France for scale assets, DACH for B2B infrastructure, Switzerland for regulated crypto, and Southern / CEE markets for early-stage formation.

Regional Champions Point to Different Sourcing Themes

Scale Anchors ≥$1B valuation · Rising H1 Signals = H1 2026 deal activity · smaller markets: regional standouts

REGION	SCALE ANCHORS	RISING / H1 SIGNALS	WHAT IT SIGNALS?
UK	Revolut, Monzo, 9fin	Orbital, Primer,Elliptic	Deepest market; strongest in lending data, regtech, digital assets and exits.
France	Pennylane, Alan, Qonto	Ramify, Morpho, Cryptio	Scale assets outside the UK; CFO stack, DeFi and insurtech momentum.
DACH	Trade Republic, Bitpanda	Getquin, Taktile	B2B fintech and wealth infrastructure; treat climate-finance rounds separately.
Switzerland	Sygnum, Taurus, Bitcoin Suisse	VNX, Avnu	Regulated crypto, custody, stablecoins and later-stage fintech depth.
Benelux	Adyen, Mollie, bunq	Quantoz, KeyRock, Silverflow	Payments, open banking, compliance and banking software strength.
Nordics	Klarna, Pleo, Lunar	Lassie, Embankment, Performativ	Strong operators; payments, open banking and spend-management heritage.
Southern Europe	Satispay, Twinco, Coverflex	BlockInvest, Wopta, Fence	SME finance, payments and insurtech; watch early-stage formation.
CEE / Baltics	Wise, Veriff, Payhawk, TransferGo	Kevin., Ondato, Salv	Identity, payments, AML and AI workflows; good seed/A hunting ground.

INVESTOR READ

Regional champions should guide sourcing hypotheses, but not replace diligence. The best regions are defined by sector edge, buyer access and exit pathways, not by headline deal count alone.

H2 Sourcing Playbook: Match Region to Stage and Thesis

The practical question is not which country is biggest, but where we can source differentiated opportunities at the right stage.

BEST HUNTING GROUND BY STAGE

Stage	Best geographies	Why
Seed	CEE/Baltics, Southern Europe, France	technical talent + less crowded entry
Series A	France, DACH, Benelux, Nordics	category proof + early scale
Series B+	UK, France, Germany, Switzerland	revenue depth + follow-on capital
Growth	UK + category leaders in France/DACH	exit visibility + strategic buyers

REGIONAL THESIS PRIORITIES

Regtech / AML	**UK, Benelux, CEE/Baltics**	Compliance urgency, model governance and AML automation.
Digital assets	**Switzerland, France, UK, Benelux**	MiCA-linked licensing, custody and institutional infrastructure.
SME / CFO stack	**France, DACH, Southern Europe**	Accounting, treasury and cash-flow workflows with cross-sell potential.
Payments / A2A	**UK, Benelux, Nordics**	Open banking, pay-by-bank, verification and fraud prevention.
Wealth / banking infra	**DACH, UK, Nordics**	Custody, brokerage, core/banking software and B2B wealth rails.

INVESTOR READ geography should guide sourcing strategy: use the UK for benchmarking, France/DACH for scale assets, Switzerland for regulated crypto, and CEE/Southern Europe for seed-stage discovery.

The US Wins on Scale; Europe Wins Where Regulation Creates Infrastructure Demand

Europe is not a smaller version of the US. Its edge lies in regulation-shaped demand for infrastructure across digital assets, compliance, open finance and instant payments.

EUROPE

383 deals

$5.74B disclosed capital

- Smaller market, thinner late-stage depth
- Fragmented operating environment
- Best in regulation-led infrastructure

UNITED STATES

1,280 deals

$22.3B disclosed capital

- Larger and deeper capital pool
- Stronger growth and exit environment
- Broader category breadth

DIMENSION	EUROPE	US	STRATEGIC READ
Scale	383 deals, $5.74B	1,280 deals, $22.3B	The US has much broader market depth and capital availability.
Stage / maturity	Early-stage heavy; thinner late-stage pool	Deeper growth and late-stage ecosystem	Europe forms companies well, but the US remains structurally stronger for scaling and exits.
Market structure	Fragmented across markets and buyer environments	Large unified domestic market	Europe creates more need for cross-border, compliance and localization infrastructure.
Regulatory environment	MiCA, DORA, Instant Payments, FiDA, AML reform, AI Act	Less coherent federal pathway	Europe's policy stack creates earlier demand for compliance-led infrastructure.
Best investable themes	Regtech / AML, digital assets, open finance, payments infra, treasury / CFO stack	Broader fintech breadth, more consumer and software-fintech scale	Europe is strongest where regulation and infrastructure intersect.

EUROPE'S REGULATORY STACK

1. MiCA: institutional pathway for digital-asset infrastructure
2. DORA: spend on operational resilience, vendor risk and compliance tooling
3. Instant Payments: supports A2A, pay-by-bank and verification infrastructure
4. FiDA: expands the open-finance data layer
5. AI Act / AML reform: increases demand for model governance and compliance automation

Europe does not beat the US on breadth; it wins where regulation creates non-optional infrastructure demand.

INVESTOR READ Use the US as the benchmark for scale, but use Europe to find infrastructure businesses built around regulatory urgency and compliance moats.

PitchBook deal-level data, H1 2026. Europe: 383 deals, $5.74B. US: 1,280 deals, $22.3B. VC/PE rounds only.

“*Payments, digital assets, regtech and SME/CFO stack are the parts of European fintech where investors still have a real chance to back infrastructure winners. By infrastructure, I mean the software that banks, insurers, payment firms and finance teams build into their own systems and use to run day-to-day financial operations.*
The data shows that capital is not leaving fintech infrastructure, but it is becoming much more selective. In some sectors, activity still looks high, but the investable layer is narrow: investors need to separate true infrastructure from balance-sheet exposure, distribution-only models and margin-compressed workflows. In these priority sectors, there is still a credible path to back companies early and expect later-stage capital or strategic buyers to support their scaling.”

Mateo Rojas
Visiting Analyst
Harvard Kennedy School

04

Sector Deep Dives

Capital Flows to Scale; Regulation Drives Urgency

Ranking reflects H2 investability, based on activity, median round size, capital concentration and infrastructure relevance.

PRIORITY H2 THEMES

A. Regtech, fraud, AML — HIGH

Identity, fraud, transaction monitoring and compliance tooling.

35 deals	$4.1m Median	$501m Raised
↓19% vs H1 2025	↑128% vs H1 2025	

B. Digital assets and stablecoins — HIGH

Blockchain-based infrastructure for custody, settlement, stablecoins and tokenized assets.

65 deals	$5.5m Median	$484m Raised
↓6% vs H1 2025	↑96% vs H1 2025	

C. Payments and A2A — MED-HIGH

Infrastructure for payment processing, orchestration, verification.

46 deals	$5.7m Median	$352m Raised
↓28% vs H1 2025	↑90% vs H1 2025	

D. SME finance and CFO stack — MEDIUM

SME finance workflows for cash management, spend control, invoicing and treasury.

59 deals	$1.8m Median	~$490m Raised
↓14% vs H1 2025	↓25% vs H1 2025	

SELECTIVE OPPORTUNITIES

E. Insurtech — MEDIUM

Underwriting, claims, policy and insurance distribution software.

42 deals	$3.8m Median	$1,155m Raised
↓39% vs H1 2025	↑90% vs H1 2025	

F. Lending and credit — SELECTIVE

Borrower acquisition, risk pricing and loan servicing platforms.

28 deals	$9.5m Median	$1,968m Raised
↓66% vs H1 2025	↑188% vs H1 2025	

G. Wealthtech — SELECTIVE

Investment, brokerage, custody and portfolio tools.

64 deals	$5.2m Median	$683m Raised
↓23% vs H1 2025	↑86% vs H1 2025	

LOWER-PRIORITY / NICHE

H. Banking infra and BaaS — LOW

Banking rails, accounts, cards, compliance and embedded banking infrastructure.

19 deals	$10.2m Median	~$160m Raised
↓41% vs H1 2025	↓24% vs H1 2025	

I. Capital markets and deal advisory — LOW

Tools for deal sourcing, capital raising, valuation, M&A and transaction workflows.

16 deals	$1.5m Median	~$30m Raised
↓48% vs H1 2025	↑15% vs H1 2025	

TAKEAWAY Fewer deals and higher medians point to a stricter quality filter. Prioritize sectors where regulation, infrastructure ownership or workflow depth explain the larger checks.

Source: PitchBook H1 2025–H1 2026; medians based on disclosed rounds.

Payments slowed, but infrastructure attracted larger checks

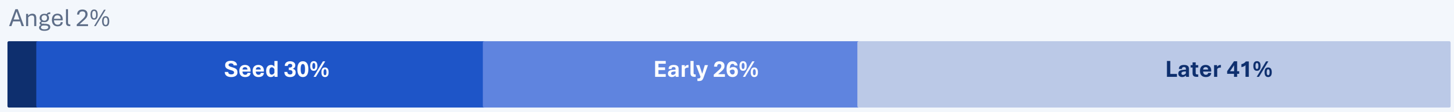
Payments and A2A

Infrastructure for payment processing, bank-to-bank payments, orchestration, settlement and verification.

DEAL STATISTICS

46	**$5.7M**	**$352M**
DEAL COUNT	MEDIAN DEAL SIZE	DISCLOSED CAPITAL
64 → 46 ↓ 28%	$3.0M → $5.7M ↑ 90%	year-on-year

STAGE MIX · SHARE OF DEALS BY STAGE



H1 CONTEXT

- Deal count fell 28%, but median round size nearly doubled to $5.7M, capital is concentrating around stronger infrastructure plays.
- 80% of disclosed capital went to rail operators and settlement infrastructure; orchestration remains exposed to margin compression.
- Instant Payments regulation creates urgency around fraud monitoring, payee verification and real-time risk controls.

VC FILTER: WHAT IS ACTUALLY INVESTABLE?

PAYMENT TYPE	SBI VIEW	DILIGENCE FOCUS
Rails / regulated access	Attractive	Does it control settlement, licensing, risk or direct bank connectivity?
Fraud / verification layer	Attractive	Does it reduce instant-payment fraud or improve authorization?
Payment orchestration	Selective	Does it have pricing power, or is it just routing volume?
Payment-adjacent lending	Reclassify	Underwrite as credit risk, not payments infrastructure.

ONE QUESTION TO ASK

Does the company control payment economics, regulated access or risk decisioning, or is it simply routing volume through another processor?

SBI VE VIEW

Payments remains attractive only at the infrastructure layer.

Prioritize rails, regulated A2A access, settlement, fraud / verification and authorization infrastructure. Avoid generic orchestration and reclassify payment-adjacent lending.

INVESTABLE: infrastructure ownership | SELECTIVE: orchestration | RECLASSIFY: lending risk

Source: PitchBook H1 2025–H1 2026, data pulled 7 July 2026. Medians based on disclosed rounds only.

Digital assets stayed active, while MiCA makes licensing the moat

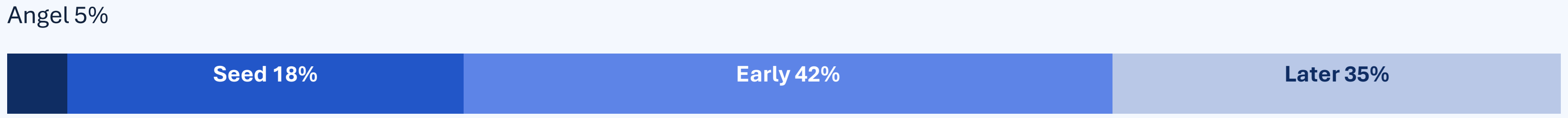
Digital assets and stablecoins

Blockchain-based financial infrastructure for custody, settlement, stablecoins, tokenized assets and MiCA-licensed crypto services.

DEAL STATISTICS

65	$5.5M	$484m
DEAL COUNT	MEDIAN DEAL SIZE	DISCLOSED CAPITAL
69 → 65 ↓ 6%	$2.8m → $5.5m ↑ 96%	year-on-year

STAGE MIX · SHARE OF DEALS BY STAGE



H1 CONTEXT

- Deal count held up best among major sectors, while median round size nearly doubled to $5.5M.
- Capital is concentrating in custody, settlement, tokenization and CASP infrastructure rather than speculative retail-facing plays.
- MiCA shifts the market toward licensed providers: regulatory readiness is becoming a commercial advantage, not just a compliance cost.

VC FILTER: WHAT IS ACTUALLY INVESTABLE?

DIGITAL ASSET TYPE	SBI VIEW	DILIGENCE FOCUS
Licensed custody / CASP infrastructure	Attractive	Does it have passportable licensing, compliance capability and institutional distribution?
Settlement / tokenization rails	Attractive	Does it enable regulated issuance, trading or post-trade workflows?
Stablecoin infrastructure	Selective	Is it infrastructure and workflow-enabling, or just narrative exposure?
Unlicensed / retail-driven crypto services	Avoid	Can it legally serve EU clients under MiCA, or is the model at regulatory risk?

ONE QUESTION TO ASK

Is the company's moat its license and compliance infrastructure, or is it still dependent on regulatory arbitrage?

SBI VE VIEW

Digital assets remain attractive where regulation creates defensibility

Prioritize licensed custody, settlement, tokenization and institutional stablecoin infrastructure. Be selective on narrative-heavy crypto exposure, and avoid models whose edge disappears once MiCA is enforced.

INVESTABLE: licensed infrastructure | SELECTIVE: stablecoin workflows | AVOID: regulatory arbitrage

Regtech medians more than doubled; AMLA 2027 makes compliance spend non-optional

Regtech, fraud, AML

Tools for identity verification, fraud detection, transaction monitoring and compliance reporting.

DEAL STATISTICS

35	$4.1M	$501M
DEAL COUNT	MEDIAN DEAL SIZE	DISCLOSED CAPITAL
43 → 35 ↓ 19%	$1.8M → $4.1M ↑ 128%	year-on-year

STAGE MIX · SHARE OF DEALS BY STAGE

Angel 3%

Seed 31% | Early 34% | Later 31%

H1 CONTEXT

- Deal count fell 19%, but median round size more than doubled to $4.1M, the strongest median growth of any sector.
- AMLA 2027 creates the clearest buying deadline: banks, payment firms and CASPs must comply with one EU AML rulebook from July 2027.
- Instant payments raise real-time fraud pressure, supporting demand for monitoring, verification and case-management infrastructure.

Emerging layer: KYA (Know Your Agent) may become a new control point as agentic payments scale.

VC FILTER: WHAT IS ACTUALLY INVESTABLE?

REGTECH TYPE	SBI VIEW	DILIGENCE FOCUS
Identity / KYC / KYB / KYA	Attractive	Does it become the system of record or control point inside regulated onboarding?
Fraud / monitoring	Attractive	Does it own detection models and data, and reduce real-time false positives?
Case management / reporting	Selective	Is it embedded in regulator-facing workflow, or just internal productivity software?
Resold checks / dashboard-only tools	Reclassify	Nice-to-have workflow is not the same as budget-protected compliance infrastructure.

ONE QUESTION TO ASK

Does the customer treat the product output as the compliance record itself, or just as an internal dashboard?

SBI VE VIEW

Regtech remains attractive where compliance spend is non-optional and the product becomes part of the regulatory workflow.

Prioritize identity, fraud / monitoring, AML infrastructure and auditable case-management. Be selective on workflow tools and avoid thin-margin reseller models.

INVESTABLE: budget-protected AML infra | SELECTIVE: workflow software | RECLASSIFY: thin reseller models

Source: PitchBook H1 2025–H1 2026, data pulled 7 July 2026. Medians based on disclosed rounds only.

SME/CFO stack: workflow depth matters more than headline capital

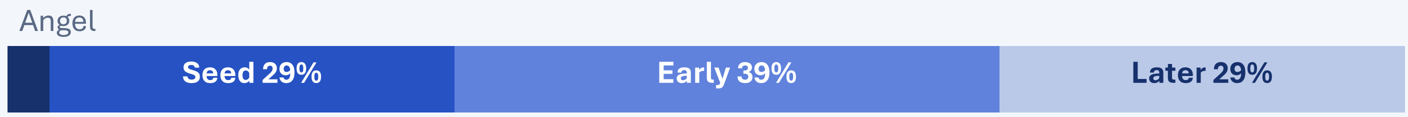
SME finance / CFO stack

Finance workflows for SMEs: cash management, spend control, invoicing, treasury and accounting.

DEAL STATISTICS

59	$1.8M	~$490M
DEAL COUNT	MEDIAN DEAL SIZE	DISCLOSED CAPITAL
69 → 59 ↓14%	$2.4M → $1.8M ↓25%	about 8% of capital

STAGE MIX · SHARE OF DEALS BY STAGE



H1 CONTEXT

- Deal count fell 14%, but the category held up better than lending and BaaS.
- The strongest cases own daily workflows: cash visibility, invoicing, spend or treasury.
- Embedded finance is attractive only when it strengthens workflow retention, not when it turns the model into credit risk.

Strategic buyer lens: accounting platforms, SME banks, spend platforms and ERP vendors.

VC FILTER: WHAT IS INVESTABLE?

SME / CFO TYPE	SBI VIEW	DILIGENCE FOCUS
Core finance workflow	Attractive	Does it own daily AP/AR, spend, cash or accounting workflows?
Treasury / cash visibility	Attractive	Is it system-of-record quality, with bank connectivity and real-time data?
Embedded finance layer	Selective	Does it deepen workflow retention, or does lending revenue dominate?
Credit-led SME finance	Reclassify	Underwrite as lending: check lender supply, credit risk and balance-sheet exposure.

ONE QUESTION TO ASK

Would the customer keep the product even without financing because it controls a daily CFO workflow?

SBI VE VIEW

Workflow ownership creates distribution and cross-sell.

Prioritize finance operating systems with sticky daily usage, proprietary transaction data and expansion paths into payments, cards, FX, treasury or working capital. Avoid point tools without integrations and credit-led models without software retention.

INVESTABLE: workflow ownership | SELECTIVE: embedded finance | RECLASSIFY: credit-led models

Source: PitchBook H1 2025–H1 2026. Medians based on disclosed rounds only.

05

Regulatory Catalysts

“The money spent for regulatory compliance is not lost. You buy a sound risk management system and the entry ticket to the EU single market.
The report frames regulation as a catalyst rather than a constraint, and from the seat of a licensed bank I second this. Supervisor and bank ultimately share the same objective: a stable, well-run institution that all stakeholders like customers, shareholders and in general markets can trust. Meeting regulatory requirements is not overhead imposed from outside, it is a direct contribution to sound management. Regulatory compliance is therefore the foundation everything else is built on: the licensed, passportable access to the European market that the report correctly identifies as the moat behind MiCA, AMLA and DORA.
One point worth adding: European supervisors often and increasingly address new frameworks — like the EU AI Act — proactively rather than retrofitting them. That early, harmonised approach creates a genuine level playing field. We should look at it as a strategic advantage, not a regulatory burden.”

Dr. Matthias Heinrich
Chief Risk Officer
Solaris

EU-Wide Rules Are Reshaping Fintech by 2028

FACT 1

Fintech in Europe was regulated country by country. Since 2023, EU regulations replace national rules with one set that applies in every member state, so a rule cleared once is cleared across all 27.

FACT 2

In Europe, complex regulatory and licensing requirements are the main challenge to cross-border expansion (72%).

TIMELINE OF BINDING DATES

IN FORCE NOW

- MiCA (crypto licensing)
- DORA (IT-resilience duties)
- The DLT Pilot regime
- The crowdfunding regulation

TODAY · JUL 2026

2025 · 2026 · 2027 · 2028 · 2029

- CCD2 on checkout and pay-later credit binds 20 November
- Free state identity wallets under eIDAS 2 are provided by 24 December
- Instant euro payments phase in through the year (the main non-bank duty lands 9 April)
- The single anti-money-laundering law binds 10 July
- The AI Act's credit and insurance-pricing duties bind 2 December
- Firms must accept the identity wallet by 24 December
- 2028: the new anti-money-laundering authority begins supervising the largest firms directly
- 2029 and later, conditional: a digital euro, only if the European Central Bank issues one

NO DATE YET

- The revised payment-services law (PSD3 and the PSR), expected to publish in the second half of 2026
- The financial-data-access law (FiDA), which has no agreed text

COLOR KEY: WHAT EACH REGIME DOES

raises an entry barrier · adds a cost · opens a market · threatens a substitute

Source: Cambridge Centre for Alternative Finance, The Future of Global Fintech, 2nd ed. (2025) ↗

Twelve EU regimes reshape fintech; each in one line, with the single change that matters.

COLOR KEY: WHAT EACH REGIME DOES — raises an entry barrier · adds a cost · opens a market · threatens a substitute

MiCA

(Markets in Crypto-Assets) · Crypto services

Since 1 July 2026 any firm that holds, trades, or arranges crypto for EU clients needs a crypto-asset service provider license.

EUR-Lex ↗

AML package

(Anti-Money Laundering Regulation and Authority) · Financial-crime checks

From 10 July 2027 a single EU law binds every obliged firm, crypto providers now included on the same terms as banks.

EUR-Lex ↗

DORA

(Digital Operational Resilience Act) · IT resilience

Since 17 January 2025 every licensed firm must meet minimum duties for surviving IT failures.

EUR-Lex ↗

PSD3 and the PSR

(the third Payment Services Directive and the Payment Services Regulation) · Payments

Payment and e-money firms will be re-licensed and banks must open data access and refund some fraud, about 21 months after publication (expected in the second half of 2026).

EUR-Lex ↗

Instant Payments

Euro transfers

By 9 April 2027 euro-area payment firms must send and receive instant euro transfers at no higher price than ordinary ones.

EUR-Lex ↗

AI Act

High-risk AI

By 2 December 2027, AI used for credit scoring or life and health insurance pricing is high-risk and carries extra duties.

EUR-Lex ↗

eIDAS 2

(the EU digital-identity regulation) · Identity

By 24 December 2027 covered firms must accept the free state identity wallet when a customer offers it.

EUR-Lex ↗

CCD2

(the second Consumer Credit Directive) · Consumer credit

By 20 November 2026 checkout and pay-later credit must run creditworthiness checks and be licensed.

EUR-Lex ↗

FiDA

(the Financial Data Access regulation) · Open finance

It would force banks to share customer financial data on request, but it has no agreed text and no date.

EUR-Lex ↗

DLT Pilot regime

Tokenized markets

In force since 2023, it licenses trading and settlement of blockchain-based securities, with about six operators so far.

EUR-Lex ↗

ECSPR

(the European crowdfunding regulation) · Crowdfunding

In force since 2021, it gives crowdfunding platforms one EU license, up to €5m per company per year; 181 hold it.

EUR-Lex ↗

Digital Euro

Public money

Only if the European Central Bank issues one (potentially 2029), banks would have to distribute it and merchants to accept it.

EUR-Lex ↗

MiCA Makes Crypto Licensing the Moat

Date pin. 1 July 2026: the last national transition ended, so every duty is now live.

HOW A CRYPTO FIRM GETS AUTHORIZED TO SERVE THE EU

BEFORE
until Jun 2026

- License in France
- License in Germany
- License in Italy...

27 national authorizations

A separate license from each country's regulator; no cross-border passport, and many firms operated outside any license at all.

Access to one country per license

Or no license at all

NOW
since 1 Jul 2026

- **One application**
- **Capital €50k–€150k by service**

One CASP authorization

1. A single home-state regulator reviews and grants it
2. The firm is listed on the ESMA public register
3. It notifies each host state before serving it

Passport: serve all 27 EU states

WHO IT COVERS

10 **crypto-asset services in scope**

Custody, trading venues, exchange, order handling, token placement, advice, portfolio management. Stablecoin issuers licensed separately, as a bank or e-money firm.

WHO WINS, WHO PAYS

€50–150k **capital floor, by service**

Wins: capitalised firms get a cleared EU market from one authorization.
Pays: small firms carry the same fixed cost on less business, some exited the EU.

WHAT TO VERIFY

The target's standing on the ESMA register:

Licensed | Application pending | Non-compliant

ESMA's MiCA register page ↗

AI Act: credit and insurance AI becomes high-risk

Date pin. 2 Dec 2027: AI used for creditworthiness / credit scoring and life & health insurance risk assessment or pricing becomes high-risk.

HOW THE AI ACT APPLIES TO A COVERED FINANCIAL AI SYSTEM

BEFORE
until Dec 2027

- Banks / lenders
- Insurers
- Fintech vendors

Sector rules + model governance gaps
Credit, insurance and fraud models are reviewed under existing risk, conduct, GDPR and supervisory expectations, but no unified AI rulebook.

Rules vary
Audit burden unclear

NOW
from 2 Dec 2027

- Provider
- Deployer
- Regulated buyer

AI **High-risk AI rulebook for finance**

1. Risk management, data governance and technical documentation
2. Automatic logs, transparency to deployers and human oversight
3. Accuracy, robustness, cybersecurity and post-market monitoring
4. FRIA / impact assessment for regulated deployers where required

Audit-ready model governance

WHO IT COVERS

Credit scoring / creditworthiness

Life & health insurance pricing

Providers + deployers

Finance AI is in scope when it affects access to credit or insurance outcomes for natural persons.

WHO WINS WHO PAYS

Wins: model governance, monitoring, audit trails, testing tooling.

Pays: regulated buyers and AI vendors that must document, test and monitor systems.

WHAT TO VERIFY

High-risk classification

Evidence pack + logs

Is the system high-risk, or carved out as fraud detection? Provider vs deployer responsibility; technical file and logs.

Is AI governance live today, or a 2027 plan?

Source: EU AI Act, Article 6 / Annex III; financial-services interpretation based on current regulatory guidance. Dates should be validated in legal review.

AMLA Creates One EU AML Rulebook

Date pin. 10 July 2027: the single law applies. 2028: the new authority begins direct supervision.

HOW ANTI-MONEY-LAUNDERING RULES APPLY TO A COVERED FIRM

BEFORE
until Jul 2027

- Banks
- Payment firms
- Crypto (lightly covered)

27 national AML laws
Each country writes its own rules, so a firm can base itself where they are lightest, and crypto sits largely outside.

Duty varies by country

Forum-shopping possible

NOW
from 10 Jul 2027

- Banks
- Payment firms
- Crypto firms

One EU AML rulebook (AMLR)

1. One regulation applies directly in all 27 states
2. AMLA directly supervises the largest cross-border firms (from 2028)
3. Others stay with national supervisors enforcing the same law

One standard EU-wide, crypto held to bank rules

WHO IT COVERS

Banks | Payment & e-money | Crypto, newly obliged

Crypto-asset service providers now sit on the same footing as banks, with more business types added to the law's list.

WHO WINS, WHO PAYS

≥6 member states → direct AMLA supervision

Pays: fixed compliance cost hits crypto and new entrants hardest. **Wins:** incumbents with mature programmes, and the regtech vendors selling the tooling.

WHAT TO VERIFY

No public register exists yet, check the target's own documents against the timeline:

Jul 2027 · firms selected | 2028 · supervision begins

Is the compliance programme running today, or still a 2027 plan?

eIDAS 2: Resets the Identity Stack

Date pin. 24 December 2026: states provide the wallets. 24 December 2027: covered firms must accept them.

WHO PROVES A NEW CUSTOMER IS GENUINE, AND WHO PAYS

BEFORE
until Dec 2027

A new EU customer

Identity-verification vendor

The covered firm pays the vendor for each check that a new customer is who they claim to be.

Verified customer

Cost: a per-check fee

NOW
from 24 Dec 2027

New EU customer with a state wallet

Free state identity wallet

1. Each state issues residents a free wallet (by Dec 2026)
2. The customer presents it at sign-up
3. The covered firm must accept it (by Dec 2027)

Verified customer at zero marginal cost

WHO IT COVERS

Banking & finance **+ transport, energy, health, telecoms**

Firms whose log-ins legally need two proofs of identity, excluding the smallest (under 10 staff). Identity-verification vendors are not covered, they are the competitors facing the free substitute.

WHO WINS, WHO PAYS

A vendor's revenue lines, after the wallet:

~~**Identity proofing, per check**~~	undercut
Fraud scoring	stays lit
Monitoring & non-EU volume	stays lit

WHAT TO VERIFY

% **of revenue that is per-check identity proofing**

Not total verification volume, and how fast the wallet is being adopted in the target's markets.

[EU list of certified providers ↗]

From Regulation to Investment Signal

A regulation is not a moat by itself. It becomes one when it changes market access, buyer urgency, unit economics, investor confidence, competitive supply, or exit probability.

VC CHANNEL	WHAT REGULATION CHANGES	METRIC TO UNDERWRITE
01 **Market access**	Legal right to serve a regulated product, buyer type or geography.	Licence-dependent revenue; passporting reach; jurisdictions unlocked.
02 **Buyer urgency**	Compliance becomes mandatory, budgeted and time-bound.	Sales cycle; win rate; ACV; named regulatory deadline.
03 **Unit economics**	Sponsor fees, cost of funds, capital requirements and compliance burden shift.	Gross margin; cost of funds; regulatory FTEs; capital intensity.
04 **Investor confidence**	Regulatory validation reduces perceived risk and information asymmetry.	Follow-on probability; investor breadth; strategic or foreign investor participation.
05 **Competitive supply**	Fixed compliance cost thins the field or raises the entry bar.	New licences; licence withdrawals; concentration; market-share migration.
06 **Exit optionality**	Scarce permissioned capability can become faster to buy than build.	Named acquirers; buy-vs-build time; change-of-control risk.

Examples in this report

MiCA
Licensed CASPs, custody, settlement and stablecoin rails gain defensibility.

AMLA / AMLR
AML automation and audit-ready compliance become non-optional spend.

Instant Payments
Verification, payee checks and fraud controls move up the priority list.

AI Act
Model governance and auditability become underwriting requirements.

DORA
Operational resilience and vendor-risk tooling become board-level compliance spend.

INVESTOR READ

Prioritize companies where regulation creates a measurable business advantage: faster market access, mandatory buyer spend, lower compliance cost, defensible licensing, or clearer strategic-acquirer demand.

06

AI Trend & Reality Check

"AI-enabled fintech is most credible where it augments expert workflows rather than pretending to remove humans entirely. The strongest opportunities are in professional services and complex financial operations: tax, accounting, compliance, treasury and the broader CFO stack, where AI can compress research, data collection, reconciliation and document preparation from hours to minutes. However, humans remain essential for judgement, accountability and client advice.

The hype begins when companies claim full autonomy in areas with messy data, changing regulation or significant liability. In diligence, we should therefore test whether the product delivers measurable productivity gains in live workflows, not just impressive demos. Key questions are: how much manual work is genuinely removed, how often humans must correct outputs, whether customers trust the system for mission-critical tasks, and whether margins improve as volume scales. We should also examine data access, integration depth, auditability and regulatory responsibility."

Moritz Schwarz
Principal
SBI Ventures Europe

SBI Ventures Europe

AI Features Dominate; Agents Remain Rare

AGENT
Autonomously completes tasks by designing its own workflow and using tools. Deciding rule: the system itself commits external actions across steps.

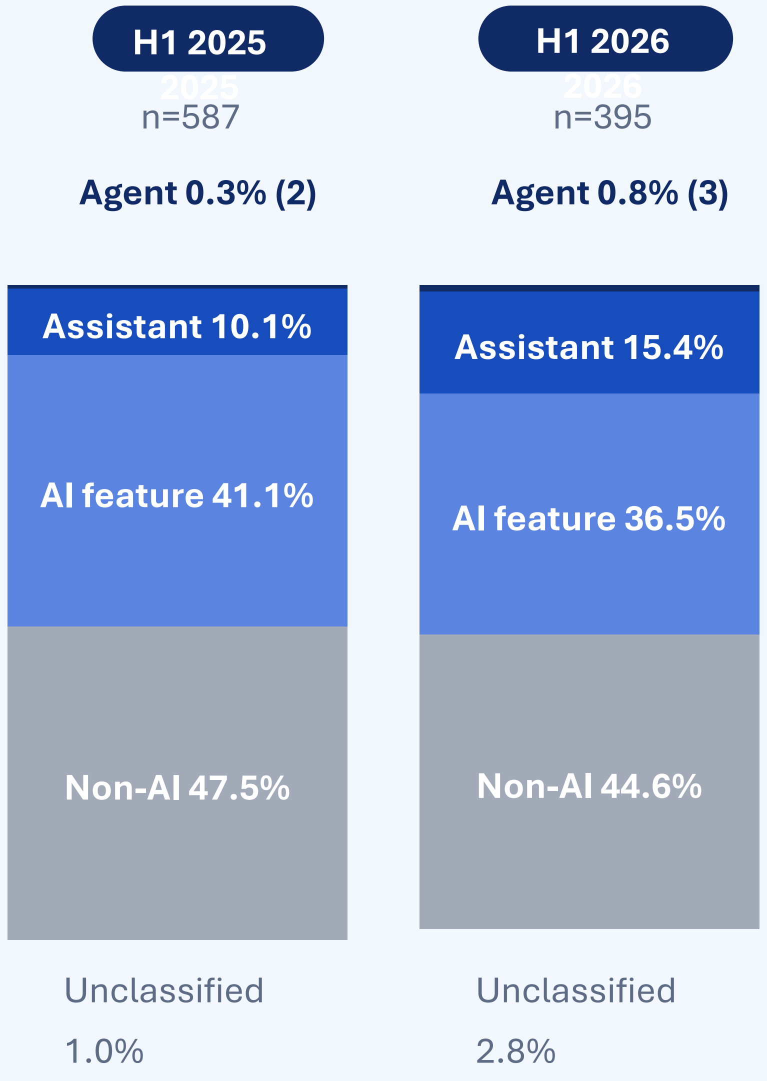
ASSISTANT
Completes tasks through conversation, one request at a time. Deciding rule: a human drives each turn and commits every external action.

AI FEATURE
AI (generative or learned models) working inside a product that is not itself AI. Deciding rule: the AI is not the unit of sale.

NON-AI
No learned model of any kind: fixed rules, thresholds, or a human-run process. Deciding rule: nothing in the product learns.

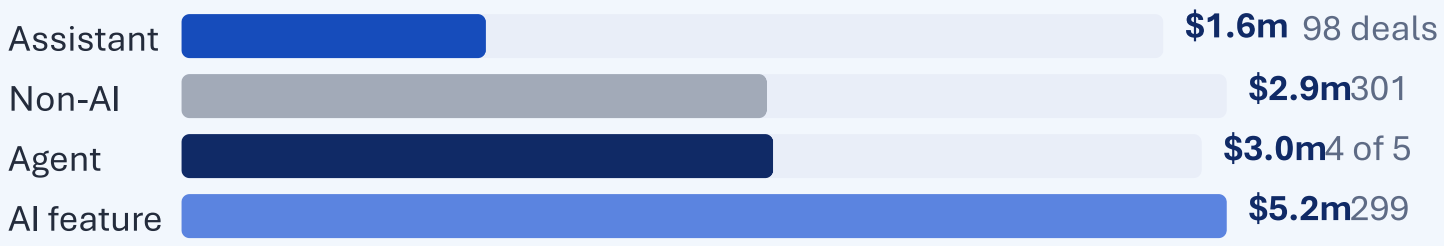
[Label definitions follow IBM's published definitions of AI agents and assistants ↗]

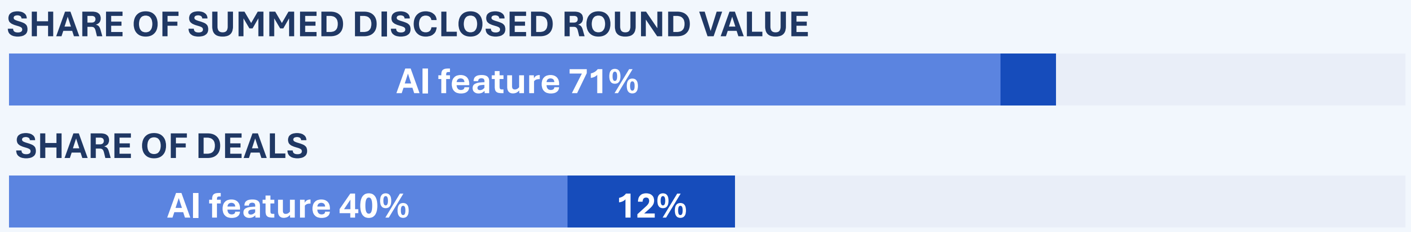
LABEL SHARES BY HALF



51 companies raised in both halves and count in both.

PRICING PANEL · MEDIAN DISCLOSED DEAL SIZE





AI feature 71% on 40% of deals; assistant 4% on 12%.

AI feature median $4.4m (2025) → $7.0m (2026). No agent disclosed a post-money valuation.

ON THE AGENT CLAIM AND ROUND SIZE

Within AI features, self-declared agents raised larger rounds ($7.6m median, 36 deals, against $5.0m, 263); within assistants they did not ($1.3m against $1.6m). Stage plausibly drives both.

INVESTOR READ

Underwrite AI as workflow ROI, not as a label. True agents remain rare, so prioritize measurable productivity gains, proprietary workflow data and clear human oversight. The strongest opportunity may be the agent control layer: permissioning, audit logs, rollback and accountability infrastructure.

Source: PitchBook, European fintech VC deals, H1 2025 and H1 2026. Labels assigned by a language-model pipeline against IBM's definitions; on 25 hand-labelled test companies it matched 64% to 84%, so shares may move a few points.

More AI Marketing, Limited Product Shift

TREND PANEL · H1 2025 → H1 2026

52.0% → 54.2%
Ship a working AI product
share of companies we could label

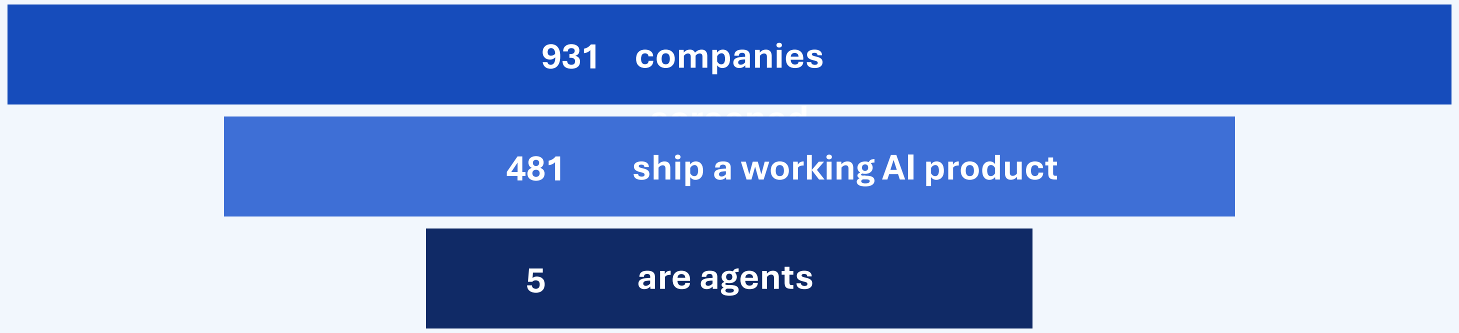
18.9% → 23.5%
Mention AI in their description
share of all companies

HOW WE COUNTED "MENTIONS AI"

A company counts as mentioning AI if the words "AI" or "artificial intelligence" appear anywhere in its PitchBook description, in any capitalization. When a company had more than one description in a half-year, we used the longest one.

Companies calling themselves agents 7.0% (41 of 587) → 12.2% (48 of 395); companies that qualify as agents 2 → 3 (2025: Chaseit.ai, Murphy; 2026: Ask Gina, Cleavr, Paraglide AI).

CAPABILITY FUNNEL · EACH STEP IS INSIDE THE ONE ABOVE IT



931 screened: every fintech in the H1 2025 and H1 2026 deal sets, read for product and developer documentation.

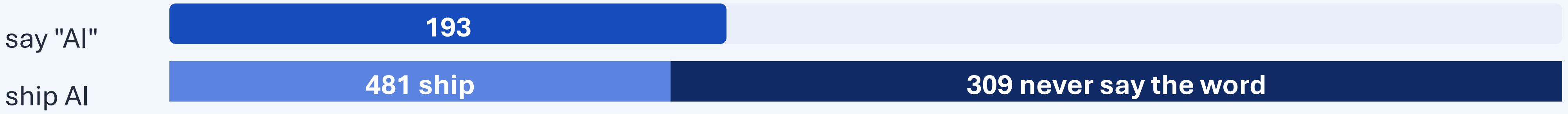
481 ship: an AI feature, assistant, or agent found in that documentation.

5 are agents: documented autonomous action across steps without a human driving each turn.

Ask Gina | Chaseit.ai | Cleavr | Murphy | Paraglide AI

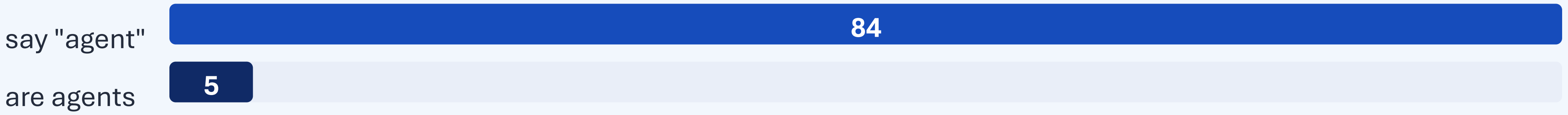
TALK AGAINST REALITY

On AI, companies under-claim.



193 say "AI" in their description, but 481 actually ship it; 309 of the shippers never say the word. Building AI is more common than talking about it.

On agents, companies over-claim.



84 say "agent," but only 5 meet the definition. Saying "agent" is 17 times more common than being one.

AI Must Improve Real Workflows, Measurably

A real AI product changes how much output a team gets from its inputs. Each metric below exists to show that change; a company that cannot produce the metric is asking you to take the gain on faith.

1. Is the model in production or still a pilot?
2. Which measured number improved (fraud caught, staff hours, approval rate)?
3. Does the company own workflow data its rivals cannot get?
4. Can a regulated buyer audit the model?
5. What survives if OpenAI or Google ship the same feature?

CLASSIFICATION

fraud, identity checks, credit screening

ASK FOR

AUC / Gini for overall ranking power, plus precision and recall at the live production cutoff.

WHAT IT PROVES

At the same false-alarm rate, the model catches more real fraud (or more bad borrowers) than the rule it replaced.

COMMON DILIGENCE TRAP

They quote a high AUC from a hand-picked past sample and never show the live threshold. Pin it down: ask for precision and recall at the production threshold, computed on transactions from after the model went live, not the data it was built on.

Google ML Crash Course ↗

PREDICTION

pricing, risk

ASK FOR

Ask whether the model is reliably calibrated: when it assigns high probability to an outcome, that outcome should happen at a similar real-world rate.

WHAT IT PROVES

The model's stated probabilities match reality, which is what a price rests on.

COMMON DILIGENCE TRAP

They show one average model result that looks strong, while weak performance is hidden in specific countries, products, customer segments or time periods.

scikit-learn ↗

LARGE-LANGUAGE-MODEL ASSISTANTS

ASK FOR

Task completion rate, containment rate, and cost per resolved conversation.

WHAT IT PROVES

The assistant finishes work a person would otherwise do, and at what unit cost.

COMMON DILIGENCE TRAP

"Contained" counts any chat the assistant handled without a human, so a customer who gives up counts as a success. Pin it down: ask for the share of contained chats where the same customer came back within 7 days on the same issue, plus the company's written definition of a resolved conversation.

IBM Watson ↗

AGENTS

ASK FOR

A log of autonomous actions, the map of human approval points, and error and rollback rates.

WHAT IT PROVES

The system acts across steps on its own, and does so safely enough to price.

COMMON DILIGENCE TRAP

They show demo recordings as if they were production, and compute error rates after deleting every run a human caught. Pin it down: ask for logs from paying customers with the human interventions left in, and the rollback rate over the last 90 days.

OpenAI governance ↗ Chan et al. ↗

07

Investment Outlook

"We are most excited about areas where SBI's strategy and financial ecosystem create clear synergy. In digital assets, this means companies bringing finance on-chain: stablecoin and tokenised-deposit orchestration, tokenised treasuries, on-chain credit, collateral infrastructure and regulated asset-lifecycle platforms. These fit SBI's broader vision of connecting issuance, distribution, payments and institutional markets through blockchain rails.

We are also seeing strong potential in AI companies that make core financial operations materially cheaper and more efficient. This includes the broader CFO stack as well as KYC/KYB, AML, compliance, reconciliation and other infrastructure. A further area of interest is agentic commerce, where AI and blockchain increasingly converge around identity, permissions, payments and settlement for autonomous transactions.

Finally, we are screening opportunities in loyalty, customer data and digital identity, particularly where regulation, consent frameworks or proprietary datasets create defensibility. Across themes, we look for measurable workflow improvement, infrastructure depth and long-term strategic relevance."

Moritz Schwarz
Principal
SBI Ventures Europe

Where to Hunt in H2 2026 : Vertical Attractiveness Ranking

1 Regtech / Fraud / AML & KYA

HIGH

Regulatory pressure remains the clearest demand driver in H2. AML, fraud, model governance and emerging **KYA(Know Your Agent)** workflows create non-optional spend, while AI-native tools can materially reduce manual review and investigation costs.

2 Digital Assets / Stablecoins

HIGH

MiCA creates a licensing and compliance moat across custody, stablecoins, settlement and institutional digital-asset infrastructure. Attractive, but selection matters: prefer infrastructure over narrative-driven crypto exposure.

3 Payments & A2A

MED-HIGH

We prioritize infrastructure over generic payments. Instant payments, pay-by-bank, orchestration and fraud/verification remain attractive, while **agentic payments** adds a new infrastructure layer around authorization, trust and execution.

4 SME Finance / CFO Stack

MEDIUM

Attractive where treasury, accounting, cash-flow and working-capital workflows are tightly embedded in day-to-day operations. Prefer multi-country platforms and businesses with clear strategic-acquirer relevance.

5 Insurtech

MEDIUM

Exit pathways are proven, but selectivity matters. Prefer underwriting, claims automation and embedded insurance infrastructure over distribution-led models.

6 Lending & Credit Infra

SELECTIVE

SME demand is real, but lender appetite is the bottleneck. Invest only where infrastructure unlocks supply through committed capital, better underwriting or lender orchestration.

7 Wealthtech

SELECTIVE

Focus on B2B wealth infrastructure such as custody, brokerage, portfolio tools and advisor workflows. Avoid consumer wealth apps without strong distribution or infrastructure edge.

8 Banking Infra / BaaS

LOW

The category has moved from formation to consolidation. New entry competes against distressed incumbents, rising compliance burden and a more skeptical market.

Ranking reflects H2 2026 investment outlook. Activity ≠ attractiveness. Regtech has the lowest H1 activity but highest H2 attractiveness.

No-Go Areas: Clear Conviction Requires Clear Exclusions

OVERBUILT

- **Generic BaaS platforms**

No new formation; consolidation phase only. New entry competes with distressed incumbents.

- **Undifferentiated payment orchestration**

Margin-compressed against Adyen/Stripe/Checkout. No moat on routing.

- **Consumer BNPL**

Structurally declined since 2022. Regulatory scrutiny increasing. No European BNPL at IPO readiness.

WEAK MOAT

- **Generic AI copilots for finance**

Large-model providers offering native integrations are compressing standalone copilot value fast.

- **B2C wealthtech apps**

Distribution expensive; retention poor below mass-affluent AUM. Consumer fintech faces rising CAC.

UNDERWRITING RISK

- **Lending infrastructure without distribution**

Attractive thesis but cannot be underwritten without a named lender partner, proprietary credit data, or committed balance-sheet facility at entry.

INVESTOR READ | Clear no-go areas make the investment thesis more credible. Investors who can say 'no' clearly are more capital-efficient.

SBI's Portfolio Is Positioned at the Infrastructure Layer Shaping H1 2026

Our fintech and digital asset holdings concentrate in the regulated infrastructure layer, the rails, platforms and B2B systems at the core of H1 2026's most active investment themes.

OUR INFRASTRUCTURE THESIS

SBI Ventures Europe backs the infrastructure layer: regulated rails, institutional platforms and B2B systems that underpin European fintech at scale.

PORTFOLIO SCOPE

Representative examples across SBI Group vehicles by theme. Not an exhaustive holding list

Digital assets	Payments rails
Banking infra	SME workflows
Market access	Regulated infra

THEME FROM REPORT	SBI PORTFOLIO EXPOSURE(selective)	WHY IT MATTERS
Digital assets & stablecoins	ripple, CIRCLE, B2C2, Morpho	Regulated custody, liquidity, settlement and institutional digital-asset infrastructure
Payments & cross-border rails	Rapyd, pliant	Cross-border settlement, card issuing, B2B payments and financial workflow infrastructure
Banking infrastructure / BaaS	Solaris, oradian, tide, Qwist	Banking rails, SME banking, embedded finance and account infrastructure
Wealth, brokerage & market access	eToro, SYGNUM, Habito	Retail and institutional market access, brokerage, crypto trading and liquidity
SME finance / CFO workflows	tide, pliant	SME banking, spend management, cards and business finance workflows
Regulated financial infrastructure	Börse Stuttgart, Solaris, onfido	Compliance-heavy infrastructure operating under financial regulation

SBI VE VIEW

SBI's portfolio reflects a structural conviction in financial infrastructure over application-layer themes. Across digital assets, banking rails, SME finance and payments, our companies occupy the regulated, high-barrier layer where strategic consolidation, and premium exit multiples, are concentrated.

Note: Selected SBI Group portfolio examples only; not an exhaustive portfolio list. Portfolio ownership and strategic relationships may vary by entity and vehicle.

SBI's Digital Asset Network

"Everything will be tokenized."

Yoshitaka Kitao, Chairman & CEO, SBI Holdings — WebX 2026 keynote

REGULATED IN Japan · Singapore · Switzerland · Germany · United Kingdom · UAE · Saudi Arabia · Hong Kong · United States

~3M
crypto accounts · ~¥1tn custody
#1 in Japan (SBI VCT + bitbank)

5
exchange hubs
Japan · SEA · MENA · EU · US

3
regulated e-payment instruments
JPYSC · USDC · RLUSD

70+
subsidiaries, JVs, partnerships
& investments in digital assets

€5bn+
crypto under custody via
Boerse Stuttgart Digital

Exchanges & Distribution

Owned venues across five regions — retail, institutional & security tokens

SBI VC Trade · bitbank (100% by Oct '26) · BITPoint · Coinhako (SG) · Fasset (UAE) · Boerse Stuttgart Digital (EU, MiCA) · EDX Markets (US) · AsiaNext (w/ SIX) · Osaka Digital Exchange / START

Stablecoins & Payments

The only Japanese group issuing multiple regulated e-payment instruments

Circle — USDC (Circle SBI Japan JV) · JPYSC (SBI Shinsei Trust × Startale) · Ripple — RLUSD, Japan's first Type-4 · SBI Ripple Asia · Visa (MOU, SBI VISA Crypto Card) · DeCurret DCP — DCJPY · Partior · Mesh · Money Tap

RWA & Tokenized Markets

Issuance to distribution in-house — Japan ↔ Singapore, cross-border DVP

Ondo Finance (#1 in tokenized equities) · DigiFT / SBI Onchain JV · Securitize · Franklin Templeton · UBS Asset Management · SBI Digital Markets (MAS) · Penguin Securities · BOOSTRY / ibet for Fin · Tokenz

Chains & Core Infrastructure

Building the L1 for onchain finance — and holding stakes in everyone else's rails

Strium — L1 via SBI Startale Labs · Startale Group (20%) · SBI Solana Global (SBI 51% / SMFG 14% / Solana Foundation 35%) · R3 Corda · Canton Network / Digital Asset · Chainlink CCIP · XDC Network · Oasys · SBI Crypto (mining pool) · Lancium

Trading, Liquidity & DeFi

Institutional flow onchain — market making, prime brokerage and onchain yield

B2C2 (100%, global crypto market maker) · SBI Alpha Trading · Morpho / Morpho Blue · Gauntlet · HashHub · Clear Street · USDC lending 5% p.a. · JPYSC lending 3% p.a.

Custody, Security & Compliance

Bank-grade custody, analytics and dynamic defence built for the AI era

Sygnum (CH/SG digital-asset bank) · Elliptic · Tangem · SBI EVERSPIN — Eversafe · KEKKAI · Authlete · CollectID · BRD

Capital & Ecosystem

Balance-sheet and fund capital, from seed to public markets

SBI Investment · SBI Digital Asset Holdings · SBI–Sygnum–Azimut Digital Asset Opportunity Fund · SBI Digital Hub · SBINFT · double jump.tokyo · DEA · SolanaFM · Startbahn · Temple Digital · Canton Strategic Holdings · backing bitFlyer, Kraken & Ripple since 2016

AI × Onchain

First Japanese financial group to go all-in on AI — now pointed at the chain

Anthropic — group-wide AI transformation partnership (Jun '26) · Ridge-i · SBI Global Financial AI Concierge · AI-agent trading on Strium · Bluwhale · Nexxa.ai

Sources: Kitao keynote, WebX 2026 (CoinPost, 13 Jul 2026); SBI Group & SBI Investment disclosed transactions. As of July 2026.

Investment Takeaways for H2 2026

1 **Follow conviction, not volume.** Deal count fell 36%, but capital rose 21% and median deal size increased 40%. The best signal is where investors still write large checks.

FEWER DEALS, LARGER CHECKS

2 **Activity ≠ investability.** High activity in AI or payments does not automatically mean high investability. Separate infrastructure ownership, workflow ROI, pricing power and capital intensity.

CLASSIFY BEFORE DEPLOYING

3 **Regulatory moats are the H2 edge.** MiCA creates a licensing window in digital assets; AMLA creates a hard buying deadline for AML automation; instant payments increase verification and fraud-control urgency.

MICA · AMLA · INSTANT PAYMENTS

4 **M&A is the realistic exit path:** European fintech liquidity remains M&A-led. Every H2 thesis should include a credible buyer map and a clear reason why the asset is faster to buy than build.

NAMED ACQUIRER SET REQUIRED

5 **Narrow the sourcing agenda:** Prioritize Regtech/Fraud/AML & KYA, licensed digital assets, payments verification infrastructure, and SME/CFO workflow platforms. Treat AI as a diligence filter unless ROI is measurable.

FOCUS THE PIPELINE

07

Appendix

Acknowledgement

We thank Mateo Rojas for his research support during his summer internship at SBI Ventures Europe, particularly on Regulatory Catalysts, AI-related fintech trends and Sector Deep Dives.

How We Analyzed The Regulations

One screening step decides which regulations enter; a per-regulation analysis built from the legal text decides what each requires, the section stays complete, and every claim traces to a cited article.

PILLAR 1 · SELECTION which regulations enter the report

PROCESS

Map every regulation a sector could touch → Classify: core, peripheral, or out of scope → Write a full file only for the core set

THREE BUCKETS

12 core

- **Core** materially binds a sector; gets a full file.
- **Peripheral** older, general law that still binds or sets a boundary; kept as a short note.
- **Out of scope** recorded so the boundary is explicit.

COVERAGE

12 core regulations across 9 sectors, placed on two axes: role (infrastructure, application, or consumer) and function (the nine sectors), so none is counted twice.

STANDARDS APPLIED THROUGHOUT

- Every date, figure, and scope test comes from the article itself; a secondary note may locate a provision, but the fact comes from the law.
- After two failed attempts to open a source, an unverified claim is flagged for legal review.

PILLAR 2 · ANALYSIS how each is written and verified

PROCESS, PER REGULATION

Frame the seven questions → LLM drafts from the legal text → Two parallel checks: facts + style → Reconcile both into the file → Final human review

SEVEN QUESTIONS EACH FILE ANSWERS

1 Which firms it binds
2 What it forces them to do
3 When it applies to a firm
4 Which sectors it touches
5 Who gains and who loses
6 What to verify in a target
7 The source behind every line

Draft : written article by article, source on every line; secondary sources support only who gains and-loses.

Checks: each a separate pass: facts against the legal text; style against the plain-language standard.

Review: each note accepted with an edit or rejected with a reason; market-effect and target-verification judgments rest with the reviewer.

SOURCES

Primary law: EUR-Lex (one CELEX per regulation). Map: European Commission, Digital Finance Package. Books: Cambridge, *The EU Law on Cryptoassets* (2026); *Fintech Law and Regulation*, 3rd ed. Articles: Zetzsche et al. (MiCA scope); Borgogno & Colangelo (account access); Langenbucher (AI credit scoring). Status: ESMA, EBA, ECB and public registers.

How We Built The Deal Dataset

One wide-pull, two-stage, human-audited pipeline, run identically across H1 2025 and H1 2026

1 · SOURCE one PitchBook pull per half-year

Europe, all venture stages (angel to later-stage VC).

By deal date: H1 2025 = 1 Jan – 30 Jun 2025; H1 2026 = 1 Jan – 15 Jun 2026.

A COMPANY ENTERS ON ANY ONE FILTER

Verticals
FinTech · InsurTech · Cryptocurrency / Blockchain

Emerging space
Financial Services

Industries
Financial Services · Capital Markets

Keywords
payment · lending · wealthtech · banking

Strip the banner, normalise headers, keep **Completed** deals.

2 · CLASSIFY rules, then model, then human

Same rulebook and steps in both years.

1. **Human rulebook, ordered role tests + 9 sector definitions**
2. **Claude Sonnet 4.6 classifies each company, temperature 0, one at a time**
3. **Web search + Claude Opus settle close calls**
4. **A person audits every low-confidence and abstained deal**
5. **Final label: with confidence and a logged reason**

TWO STAGES PER COMPANY

Stage 1 fintech yes / no, plus layer (infrastructure · application · consumer)

Stage 2 one of 9 sectors

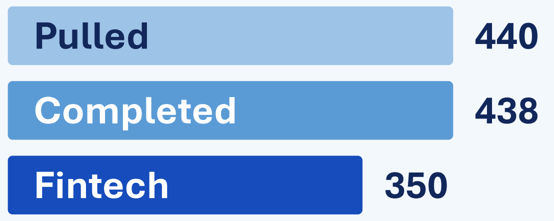
3 · FUNNEL download to classified

SCREEN — EVERY COMPLETED DEAL

H1 2025

29% non-fintech dropped · 2 to human review

H1 2026



17% non-fintech dropped · 13 to human review

SECTORED — AFTER HUMAN REVIEW & RE-ADD

H1 2025 590 fintech → **543 in the 9 sectors**, 47 other

H1 2026 383 fintech → **374 in the 9 sectors**, 9 other

How We Classified 931 Fintechs

We sorted 931 fintechs by the final product they sell: agent, assistant, AI feature, and no AI. A second LLM re-labeled ~400 companies from scratch; the two agree within a 79-86% band at 95% confidence, and 81% of labels are medium or high confidence.

931 — **fintechs classified** — each label tied to a quotable sentence

83% — **re-read agreement** — independent second reader, from scratch

79-86% — **agreement band** — at 95% confidence

THE PROCESS left to right

1. **Clean the list** — drop duplicates, confirm the right company, translate non-English sites
2. **Set the categories** — four labels + a status tag: live, announced, or not found
3. **Hand-label 50** — a human answer key to tune against
4. **Write & tune rules** — refine the model's instructions to 85% agreement with the key
5. **Label all 931** — each label tied to a sentence we can quote
6. **Check & rewrite** — score against the key, fix the instructions where they missed
7. **Re-read fresh** — a new sample from scratch; settle disputes best-of-three

GROUNDING how we defined the categories, feeds step 2

TOP TWO CATEGORIES — FROM IBM

IBM defines an agent as one that *"autonomously performs tasks by designing workflows with available tools,"* and draws the line: *"assistants are reactive… agents are proactive, working autonomously."*

Our plain test: it is an **agent** if it plans its own steps and takes the action itself, moving the money, filing the return, with no human sign-off. It is an **assistant** if a person still clicks the final button.

LOWER TWO CATEGORIES — A SIMPLER QUESTION

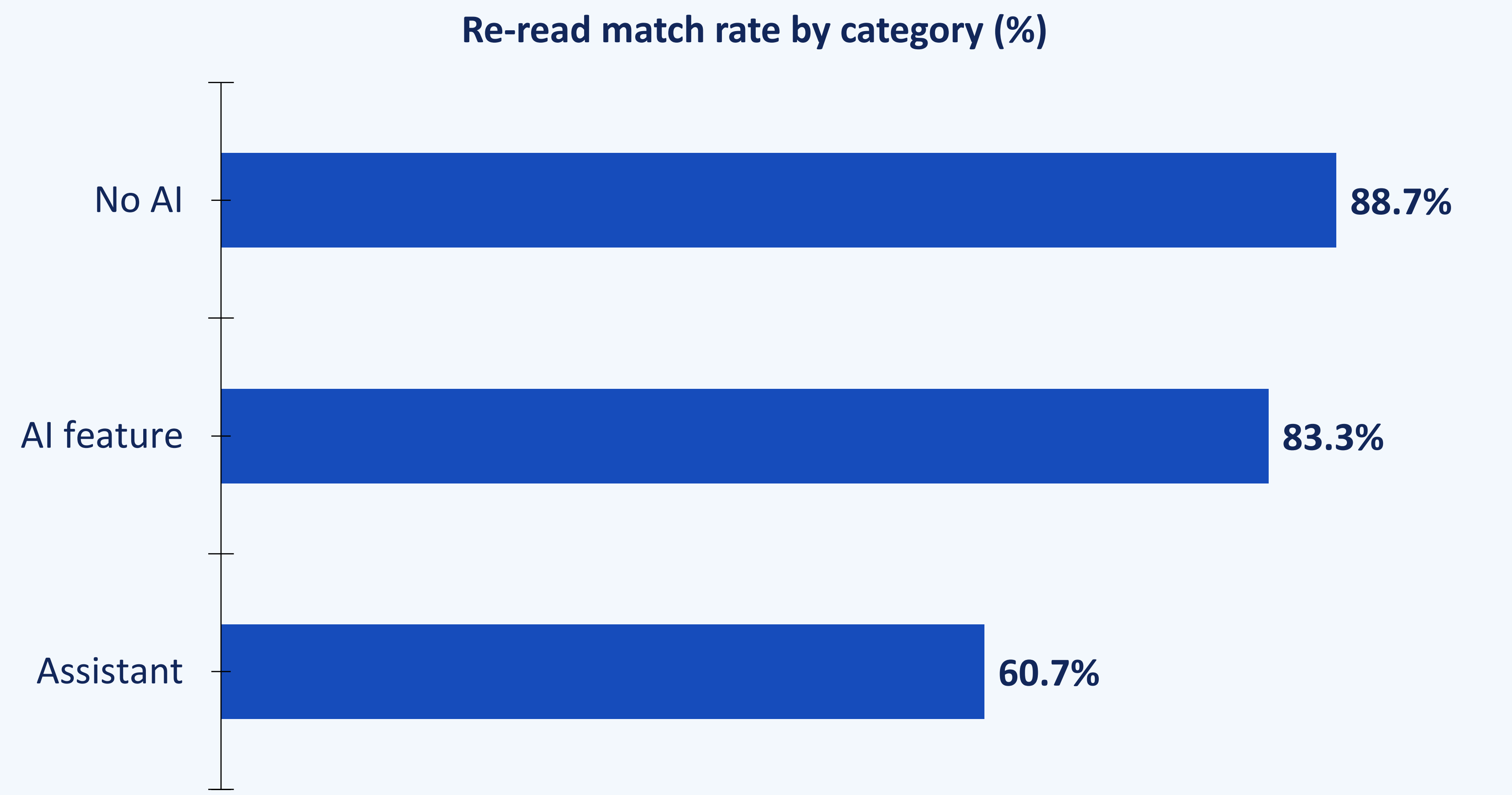
Is there a model that **learned from data,** and is that model the **product itself** (an **AI feature**) or just a part inside a bigger one? If neither, it is **no AI**.

ALSO DREW ON one expert interview, Kitao-san's vision talk, and internal docs.

How We Validated the AI Classification

An independent second LLM re-labeled a new sample from scratch. Agreement is strong where the categories are distinct and weakest where they blur: differentiating an assistant from an AI feature inside a bigger product.

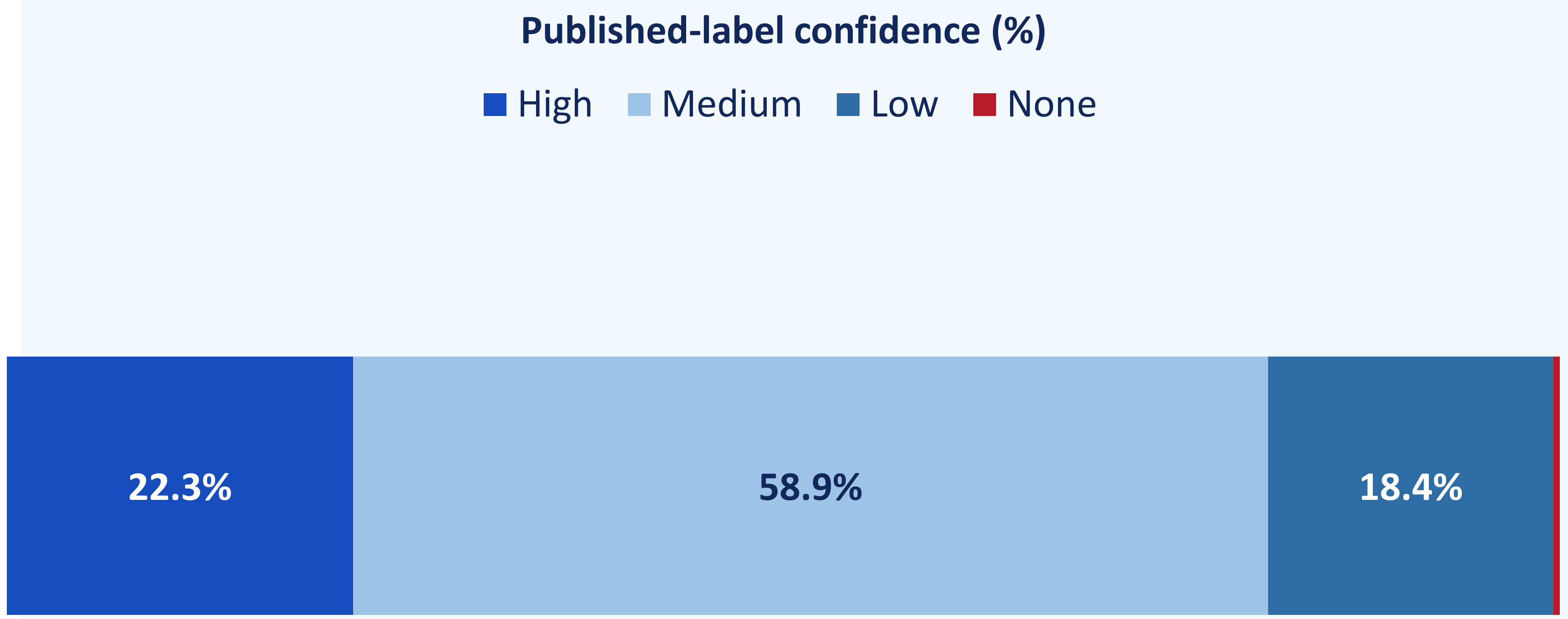
PROOF — MATCH BY CATEGORY re-read agreement



LIMITATION

The **assistant** category is the weakest, at **60.7%,** telling an assistant apart from an AI feature inside a bigger product is the hardest call in the set.

CONFIDENCE OF LABELS published set



TWO DESIGN CHOICES

- Each company is tagged **twice:** what the AI is, and whether it is live, announced, or not found, so an announced product never inflates the agent count.
- “Agent” is reserved for a **live product that plans and acts on its own**; a company that only calls itself an agent is flagged and left out of the total.