Fintech’s Coming of Age

Fintech is growing up.

Venture capital investments in the sector were projected to shrink in 2019, but big deals are on the ascent. In the second quarter of 2019, for instance, there were the fewest fintech venture capital deals since 2016—but the highest-ever number of deals above $100 million, according to CB Insights. In the United States, the value of deals jumped 60% to $12.7 billion—another indication of the trend of larger deals.

“Fintech is maturing on a global scale as late-stage deals increase and startups raise massive megarounds for product development and market expansion,” Lindsey Davis, senior intelligence analyst, CB Insights, said in a recent report.

These U.S. fintech companies are also branching out. Smaller fintech companies are shedding the disruptor tag by working with major financial institutions, according to S&P Global Market Intelligence. At the same time, these larger organizations are developing internal fintech capabilities. These incumbent financial companies are transforming operations for everything from products and services to back-end processes, according to Business Insider Intelligence.

There is no time to waste. On the banking side, for instance, 61% of respondents to a Business Insider Intelligence survey said that it was extremely important to have instant transfers as a mobile banking feature when choosing a bank. That was the top consideration for choosing a bank—well above the next closest priority, fingerprint login. Fintech, it seems, is table stakes.

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