

# FinTech Industry in 2023 & Beyond



FinTech (Financial Technology) companies are shifting from only growth to a profitability model, as the FinTech industry is expected to reach **\$698.48 billion in revenue by 2030 at a CAGR of 20.3%**.<sup>1</sup>

The FinTech investment market is expected to grow by **\$54.56 billion between 2021 and 2025, at a CAGR of 7.76%**.<sup>2</sup>

## 2023 FinTech Trends to Watch Out for

### RegTech

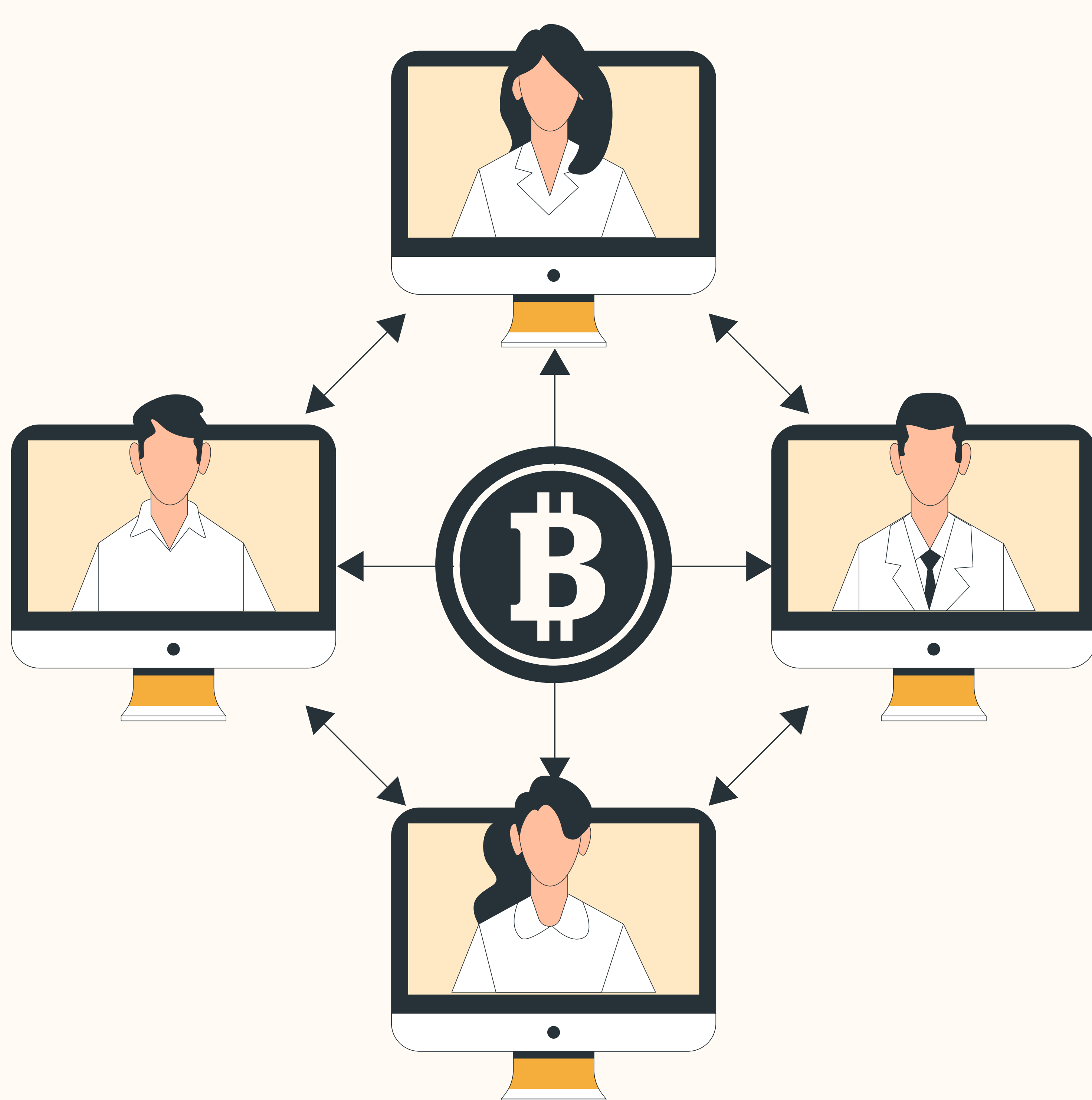
2023 and beyond – Increased regulations to streamline financial processes and modernize FinTech businesses.

RegTech (Regulatory Technology) – A new technology solutions disruptor in the FinTech sector, which employs technology to manage regulatory procedures, leading to a decrease in cost compliance while quickly implementing regulatory-driven transformations.

The global RegTech market is predicted to reach **\$19.5 billion by 2026 at a CAGR of 20.8%**.<sup>3</sup>



### Blockchain and DeFi



Blockchain technology is here to stay, despite the cryptocurrency value drop in 2022.

The FinTech Blockchain market is projected to grow at a CAGR of 43.8%, to reach **\$8.7 billion globally by 2030**.<sup>4</sup>

Blockchain technology is expected to help lower costs and increase the speed and security of international transfers.

DeFi (Decentralized Finance), a blockchain-based initiative that enables users to borrow, save, exchange or lend cryptocurrencies, will see technological innovations, including new digital assets and payment systems.

The global DeFi market size is expected to reach **\$231.19 billion by 2030**, expanding at a **CAGR of 42.5%**.<sup>5</sup>

### AI in FinTech

AI in the FinTech market is predicted to grow at a **CAGR of 25.3% from 2022-2027**.<sup>6</sup>

Uses of AI in the FinTech sector – customer service, personalized solutions, improved customer experiences, finance and customer data analysis, cybersecurity, product quality and profit improvement.



### Embedded Finance



Embedded finance means integrating traditional banking services like lending, payment, access of funds, and insurance within a non-financial company's product or platform.

It is key to customized and contextualized experiences that satisfy consumer demands.

Embedded finance is expected to generate **\$230 billion in net revenue by 2025**.<sup>7</sup>

### Non-Cash Transactions

Non-cash transactions are expected to increase from **989.4 billion in 2021 to over 2.1 trillion in 2026, at a CAGR of 16.5%**.<sup>8</sup>

Digital wallet users will cross **4.4 billion by 2025**.<sup>9</sup>

The share of new payments – instant payments, e-money, digital wallets on mobile devices, A2A, and QR codes – in non-cash transaction volume is anticipated to increase from **17% in 2021 to 28% in 2026**.<sup>8</sup>

Globally, there will be more than **4.4 billion unique users of digital wallets in 2025**, up from **2.6 billion in 2020**.<sup>10</sup>

Instant payments will reach **428 billion in volume by 2025**, growing at a **CAGR of 29% between 2021 and 2025**.<sup>8</sup>

Global QR code payment users are expected to reach **2.2 billion by 2025**, up from **1.5 billion in 2020**.<sup>11</sup>



## Data Analytics Is Transforming the FinTech Industry

*Data-driven insights enable FinTech organizations to address emerging challenges and optimize operations. LatentView Analytics is a global pure-play analytics firm that partners with enterprises to harness the power of data and technology for business transformation and growth. Data-driven insights enable FinTech organizations to address emerging challenges and optimize operations.*