FinTech Group:

Banking and Lending Technology Market Update

Spring 2026

Executive Summary: Banking and Lending Technology Report

Banking and Lending Technology Houlihan Lokey Advisory Update: What have we been up to?

We remained highly active in 2025 and Q1 2026 across the banking and lending technology ecosystem, with multiple closed or announced advisory engagements.

DIVERSIS CAPITAL
LTi Technology Solutions
Diversis Capital has acquired LTi Technology Solutions
Buyside Advisor

Equipment Finance Software

Transaction Pending
NORDIC CAPITAL
TradingHub
Nordic Capital has agreed to make a strategic investment in TradingHub
Buyside Advisor

Trade Surveillance Technology for FIs

afs
OCEANSOUND PARTNERS
Automated Financial Systems has been acquired by OceanSound Partners
Sellside Advisor

Commercial Loan Servicing and Lifecycle Mgmt.

Bridgepoint
Zuto
Bridgepoint has made a majority investment in Zuto
Buyside Advisor

Automotive Finance Marketplace and Brokerage

Banking and Lending Technology Key Themes Update: What have our clients been up to?

Key thematic trends across the industry:

- AI Adoption Impacts the Full Suite of Banking Products
- Digital Transformation Driving Banking and Lending
- Open Banking Becoming a Platform for Growth
- Evolution of Loan Origination Systems
- Market-Leading Players Driving Growth from AI and M&A
- Healthy Outlook in End Markets

Please refer to Section 2 for additional details on each of these themes.

Banking and Lending Technology Sector Update: What have the markets been up to?

The **index of public banking and lending technology companies has traded below the S&P 500**, though there is meaningful variability by the underlying subsector.

Alongside this performance, we **anticipate the M&A market to intensify** in 2026 for both strategic and PE deals as market conditions stabilize, acquirer demand intensifies, and willingness to transact grows.

Refer to:

Section 2: Market Maps

Section 3: Valuation

Section 4: Deal Activity

Other Houlihan Lokey Sector Spotlight Publications

InsurTech Market Update

View Report

Digital Assets Market Update

View Report

Governance, Risk, and Compliance Market Update

View Report

Capital Markets Technology Market Update

View Report

Join Houlihan Lokey's FinTech mailing list to receive this report in the future, as well as other Houlihan Lokey transaction announcements, event invitations, and company updates.

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Houlihan Lokey Banking and Lending Tech Coverage Overview

01

Leading Independent, Global Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,723
Global Employees

33
Locations Worldwide

$10.02B
Market Cap(1)

$2.6B
Revenue(2)

~25%
Employee-Owned

No
Debt

HLI LISTED NYSE

CORPORATE FINANCE

2025 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**458**
2	Goldman Sachs	441
3	Rothschild	400
4	JP Morgan	364
5	Morgan Stanley	357

Source: LSEG.
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Solutions Group

FINANCIAL RESTRUCTURING

2025 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**83**
2	PJT Partners	55
3	Lazard	50
4	Rothschild	44
5	Evercore	33

Source: LSEG.

No. 1
Global Restructuring Advisor

1,900+
Transactions Completed Valued at More Than $4 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

2001–2025 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,170**
2	Duff & Phelps, A Kroll Business	1,069
3	JP Morgan	1,034
4	UBS	769
5	Morgan Stanley	716

Source: LSEG.
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years

2,500+
Annual Valuation Engagements

FINANCIAL SPONSORS COVERAGE

2025 Global Private Equity Financial Advisors Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**286**
2	Rothschild	232
3	Jefferies	196
4	Goldman Sachs	164
5	JPMorgan Chase	162

Source: The Deal.

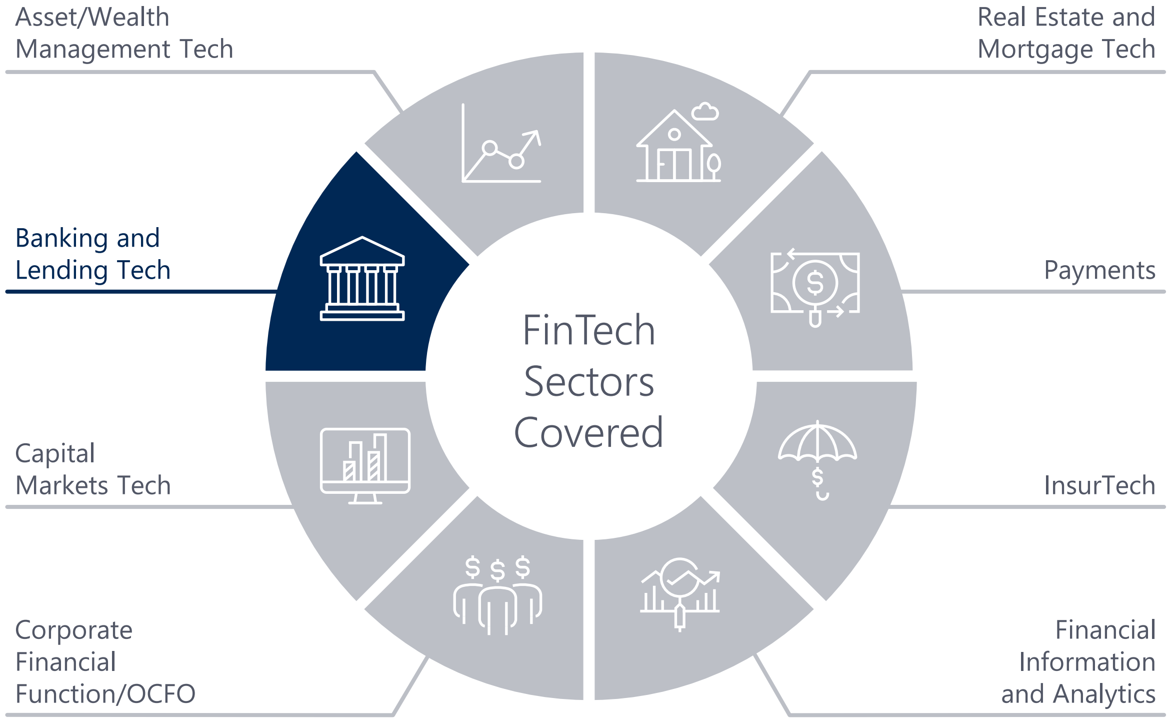
No. 1
Most Active Advisor to Private Equity—Globally

2,000+
Sponsors Covered Globally

(1) As of March 31, 2026. (2) LTM ended December 31, 2025.

Global, Market-Leading FinTech Group

Houlihan Lokey's dedicated FinTech Group builds on the firm's leading technology and financial services expertise and underscores its belief in and commitment to the future of FinTech. Our coverage is arranged around deep end-market expertise, with dedicated senior-level financial professionals across every vertical of FinTech.



Houlihan Lokey's FinTech Specialty

Global, specialized FinTech practice within a newly dedicated industry group.

~150 Total technology finance professionals.

110+ Dedicated FinTech/financial services finance professionals.

100+ FinTech transactions signed or closed since January 2021.

Fully integrated team across the world, based in New York and London, with additional financial professionals on the ground in Frankfurt, Atlanta, Los Angeles, and San Francisco.

15+ Countries represented by parties in FinTech transactions since 2021.

2025 M&A Advisory Rankings
All Global FinTech Transactions[1]

	Advisor	Deals
1	**Houlihan Lokey**	**22**
2	The Goldman Sachs Group	21
3	William Blair	15

Complementary Industry Coverage and Broad Product Capabilities

Technology

2025 M&A Advisory Rankings
All Global Technology Transactions[2]

	Advisor	Deals
1	**Houlihan Lokey**	**128**
2	Goldman Sachs	116
3	JP Morgan	112

Financial Services

2025 M&A Advisory Rankings—Global Financial Services Transactions Under $5 Billion[3]

	Advisor	Deals
1	**Houlihan Lokey**	**66**
2	Goldman Sachs	59
3	Morgan Stanley	42

Product Capabilities

- M&A Advisory (Sellside and Buyside)
- Private Capital Solutions (Equity and Debt)
- Board and Special Committee Advisory
- Fairness Opinions and Valuation Services
- Financial Restructuring and Special Situations

FinTech Industry Coverage

Note: As of December 2025.
(1) Source: PitchBook Data, Inc.
(2) Source: LSEG. Excludes accounting firms and brokers.
(3) Source: LSEG. Excludes accounting firms and business brokers.

Houlihan Lokey's Integrated Team Built to Advise Modern FinTech Platforms

FinTech Leadership Team


Alec Ellison
Global Head of FinTech
Alec.Ellison@HL.com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Managing Director
Andrew.Atherton@HL.com


Mark Fisher
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Mike Capocci
Director
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Matt Capozzi
Director
MCapozzi@HL.com


Elliot Reader
Director
EReader@HL.com


Alfie Pike
Senior Vice President
Alfie.Pike@HL.com

Additional Senior Officers With End-Market and Business-Model Expertise

Financial Services


Jeff Levine
Global Co-Head of Financial Services


James Anderson
Global Co-Head of Financial Services


Brent Ferrin
Managing Director Specialty Finance


Jennifer Fuller
Managing Director Mortgage


David Helms
Managing Director Insurance, Investment Services


Mike McMahon
Managing Director Asset Management


James Page
Managing Director Mortgage


Gagan Sawhney
Managing Director Capital Solutions


John Waller
Managing Director Insurance

Technology


Sascha Pfeiffer
Global Head of Technology


Geoff Baldwin
Chairman of Global Technology


Todd Carter
Chairman of Global Technology


Jason Hill
Co-Head of U.S. Technology


John Lambros
Co-Head of U.S. Technology


Ryan Lund
Co-Head of U.S. Technology, Global Co-Head of Software


Chris Gough
Managing Director PropTech


Shane Kaiser
Managing Director Transportation Tech


Geoff Rhizor
Managing Director Vertical Software


Keith Skirbe
Managing Director Cybersecurity

Houlihan Lokey's Dedicated Banking and Lending Technology Team

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Tobias Schultheiss
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Elliot Reader
Director
EReader@HL.com

How We Cover Banking and Lending Technology

Banking and Lending Tech

Banking and Lending Software
- Core Banking and Financial Infrastructure
- Digital Banking
- Specialized Lending and Verification Solutions

Credit Marketing/Lead Gen/ Price Comparison
- Credit Bureaus and Data Providers
- Consumer Financial Marketplaces
- Marketing and Data Analytics Platforms

Digital Lenders
- Direct and Marketplace Consumer Lending
- B2B Lending Platforms
- Specialty Consumer Finance

Neobanks and Mobile Banking
- Full-Service Digital Banks
- Digital Brokerage and Savings
- Challenger FinTechs

Deep Banking and Lending Technology Domain Expertise Across the Ecosystem

The team at Houlihan Lokey has driven exceptional client outcomes throughout the banking and lending ecosystem.

Diversis Capital | LTi Technology Solutions
Diversis Capital has acquired LTi Technology Solutions
Buyside Advisor

afs | OceanSound Partners
Automated Financial Systems has been acquired by OceanSound Partners
Sellside Advisor

Bridgepoint | Zuto
Bridgepoint has made a majority investment in Zuto
Buyside Advisor

Flagstone | Estancia Capital Partners
Flagstone Group has received a minority investment from Estancia Capital Partners
Sellside Advisor

Flex Capital | omikron e-banking solutions
FLEX Capital has acquired Omikron Systemhaus
Financing Advisor

Privitar | Informatica
Privitar has been acquired by Informatica Software
Sellside Advisor

ValidiFI | RIBBIT | ABS Capital | MissionOG
ValidiFI, LLC, has been acquired by RIBBIT, Inc., with financial support from ABS Capital & MissionOG
Sellside Advisor

AnaCap Financial Partners | fintus
AnaCap Financial Partners has acquired a majority stake in Fintus
Buyside Advisor*

Crowd Credit | Bankers Holding
Crowd Credit, Inc., has been acquired by Bankers Holding Co., Ltd.
Sellside Advisor

illion | Archer capital | Macquarie
Illion and Archer Capital have received a $260m structured investment from Macquarie
Financial Advisor

cicplus | experian
CIC Plus, LLC, has been acquired by Experian Holdings, Inc.
Sellside Advisor

Atalaya | Allica Bank
Atalaya Capital Management has invested in Allica Bank Limited
Buyside Advisor

odessa | THL Thomas H. Lee Partners
Odessa Technologies, Inc., has received an investment from Thomas H. Lee Partners, LP
Sellside Advisor

CloudVirga | stewart
Cloudvirga has been acquired by Stewart
Sellside Advisor

UniversalCIS | LMP Lovell Minnick Partners
UniversalCIS has received a majority investment from Lovell Minnick Partners
Sellside Advisor*

autofutura | Inflexion | chrysalis loyalty
Acquisition Financing
Autofutura, a portfolio company of Inflexion, has acquired Chrysalis Loyalty
Financing Advisor*

Flexiti | CURO
Flexiti Financial, Inc., has been acquired by CURO Group Holdings Corp.
Sellside Advisor

silverfleet capital | Collectia
Silverfleet Capital has acquired a majority stake in Collectia
Financial Advisor

Note: The list of transactions shown is illustrative, not exhaustive.
Tombstones included herein represent transactions from 2020 forward.
**Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.*

ONE HOULIHAN LOKEY

GLOBAL CONFERENCE

Join Us at Our Next Event: ONE Houlihan Lokey New York

May 12–14, 2026

New York Marriott Marquis

T — Business Services | Industrials | Infrastructure | Oil & Gas

W — Consumer | Healthcare | Real Estate

Th — Financial Services | FinTech | Technology

Unable to attend the New York event?
Join us in the fall, in London.

After a series of highly successful ONE Houlihan Lokey global conferences in London, Tokyo, and New York, we are delighted to welcome you back to the Big Apple for this year's landmark event. Join us as we bring together leading minds from across industries, creating an unparalleled opportunity to connect, collaborate, and gain valuable insights.

This event will showcase a broad spectrum of sectors and services across various industries, while exploring key themes, including:

- Capital Solutions
- Financial Restructuring
- Financial Sponsors
- Financial and Valuation Advisory
- Mergers and Acquisitions

ONE Houlihan Lokey is designed to connect decision-makers, highlight cutting-edge insights, and enable meaningful discussions amid evolving market dynamics. Across all three days, we look forward to welcoming you for:

- **Powerful Insights**: Hear from a multitude of companies spearheading change in their respective industries.
- **Unparalleled Networking Opportunities**: Engage with thousands of attendees from across global markets.
- **Meaningful Engagement**: Targeted 1x1 meetings will offer exclusive opportunities for connecting with senior capital providers.

VIP Reception the night before each day of the conference at The Pool & Grill.

Previous Conference Highlights

4,000+
Conference Attendees

53%
Capital Providers

47%
Operating Companies*

380+
Participating Companies

~8 to 10
1x1 Meetings per Presenting Company

100+
Panels and Presentations

80+
Sectors Represented

Includes participating companies.

Key Themes and Market Map

02

Top Trends in Banking and Lending Technology

01	AI Adoption Impacts the Full Suite of Banking Products	AI is becoming foundational across financial services, embedded directly into banking software, lending workflows, marketing engines, and digital channels to automate decisioning, personalization, and core operations.
02	Digital Transformation Is Empowering Banking and Lending, but More Work Remains	Banks are accelerating IT spend toward transformative initiatives, but legacy infrastructure, rising costs, and talent gaps keep execution risk elevated across institutions.
03	Open Banking Is Adapting to Become a Platform for Growth	Regulatory mandates and API-driven architecture are pushing open banking beyond compliance into a revenue and distribution growth lever for proactive institutions.
04	LOS Evolution: From Digital Workflow Automation to Strategic Revenue and Risk Platform	Loan origination systems have evolved from back-office workflow tools into AI-powered enterprise platforms driving credit decisioning, ecosystem integration, and accelerated approval timelines.
05	AI Product Launches and M&A Driving Strategies of Market-Leading Players	Market leaders are deploying AI across product suites and accelerating M&A to consolidate capabilities, with profitability inflection points emerging as a key differentiator in competitive positioning.
06	End Market Trends: A Healthy Outlook for 2026 and Beyond	Rate stabilization, easing deregulation, and recovering M&A confidence are converging to create a constructive demand environment for banking technology vendors in 2026.

1 AI Adoption Impacts the Full Suite of Banking Products

AI is becoming foundational across financial services, embedded directly into banking software, lending workflows, marketing engines, and digital channels to automate decisioning, personalization, and core operations.

AI-Enabled Capabilities…

Hyper-personalization

Automated Underwriting and Fraud Detection

Data Capture and Mapping

…Promote a Wide Variety of Use Cases Across Banking

Marketing: AI-powered targeted marketing campaigns increase the likelihood of cross-sales and upsells while lowering CAC.

Underwriting: Real-time credit risk insights and automated workflows that reduce errors and approval times.

Back Office: Automating routine administrative tasks, such as onboarding and internal processes.

Servicing and Accounting: Optimize operations with integrated loan servicing and accounting tools.

Customer Relations: Leveraging AI agents with personalized customer data, representatives can suggest appropriate products.

Sources: Bank Director, BCG, The Business Research Company, CSI, Fenergo, Stephens.

1 AI Adoption Impacts the Full Suite of Banking Products (cont.)

Despite these advantages, AI adoption has been slow due to regulatory concerns and legacy systems.

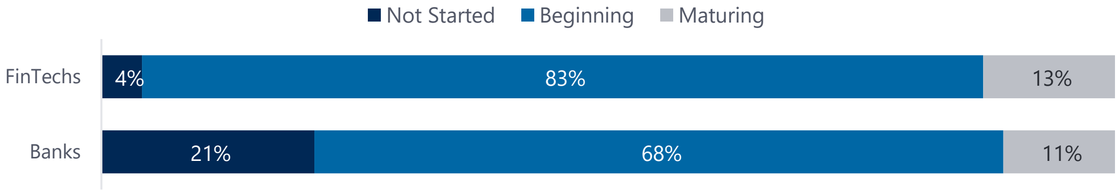
Key Pain Points in Adoption

- Regulatory Uncertainty and Fragmented Guidance:
  - The absence of a unified federal AI framework has created a patchwork of state-level rules that complicates compliance.
  - Only approximately 26% of banks say they are confident they can align AI initiatives with current regulatory requirements.
  - AI-driven credit decisioning faces scrutiny under ECOA and FCRA, where probability-based models risk embedding systemic biases.
- Legacy Infrastructure, Data, and Governance Incompatible With AI Workloads:
  - 43% of financial institutions still operate decades-old legacy core systems.
  - Monolithic architectures resist the real-time data access and flexible integration that AI models require, keeping most initiatives stuck in isolated proofs of concept.
  - More than 90% of data users at banks report that the data they need is often unavailable or takes too long to retrieve, and 81% cite data quality as a top challenge.
  - Only 12% of banks have a well-defined and resourced AI strategy and less than 50% have centralized data governance.

> "Progress hasn't been stalled by apathy but rather by complexity, as legacy tech stacks, fragmented data, and rigid compliance structures all slow momentum… It's not hesitation holding them back, it's the weight of responsibility."
>
> Backbase, *Banking Predictions Report 2026*

AI Investment From Banks Remains Early Stage…

Executive Assessment of AI Investment—% of Survey Responses[1]



…But Potential Is Becoming Clear

$1M Average annual expected compliance savings from agentic AI (industry-wide).

20% Expected TAM CAGR for the AI lending market (2025–2030).

53% Of bank executives believe their firm should allocate more resources to tech and innovation.

> "Bank supervision in recent decades has taken a gradual approach to technology, but the rapid, large-scale adoption of AI leaves no time to hesitate."
>
> Heather Hogsett, *EVP and Head of BITS, Bank Policy Institute*

> "Banks are moving quickly to embed agentic AI, potentially at the expense of clear strategy and AI governance."
>
> Atul Dubey, *EVP and General Manager, Compliance Solutions, Wolters Kluwer*

(1) As of 2025.
Sources: BCG, Deloitte, Wolters Kluwer.

2 Digital Transformation Is Empowering Banking and Lending, but More Work Remains

- Banks have invested substantially in technology over the past few years:

Bank IT Spending by the Numbers

2022–24 CAGR	2025–28 CAGR	Avg. IT Spending (% Rev.)
7%	9%	10%

- However, banks have generally not enjoyed a competitive advantage due to a focus on "run-the-bank" initiatives rather than transformative "change-the-bank" efforts.
- Addressing compliance risk, vendor management, and legacy infrastructure unlocks efficiencies across lending.

Bank IT Spending by Type

Percent of Total Bank IT Spending

"Run-the-Bank" Maintenance Spending

Current State	Future State
60%	50%

"Change-the-Bank" Transformative Spending

Current State	Future State
40%	50%

The Pains	The Remedies
Increased Risk of Cyber Attacks and Fraud	Investment in Unified Cybersecurity Platforms and AI-Powered Detection
Limited In-House Engineering Talent	Selective Insourcing and FinTech Partnerships
Escalating Costs	Rationalize Vendor Spend, Embrace AI and Simplify Organizational Structure
Legacy Application Risk	System Retirement Planning
Pressure to Allocate Demands Appropriately	Tech That Is More Agile, Flexible, and Scalable

Top Priorities for Banking and Lending Participants

Banks

- Navigating the core modernization versus replacement debate, with most institutions favoring phased approaches to manage execution risk over big-bang replacement.
- Enhancing real-time reporting for regulatory compliance.

Credit Unions

- Overcoming legacy system limitations by adopting configurable loan origination platforms and cloud infrastructure.
- Investing in AI-driven tools to enhance member personalization and automate compliance reporting.

Mortgage Lenders

- Digitizing the end-to-end mortgage process with AI-powered underwriting and robotic process automation (RPA).
- Leveraging big data analytics to offer personalized loan products.

FinTech Lenders

- Driving growth through embedded finance by integrating lending services into non-financial platforms.
- Utilizing AI for hyper-personalized loan offerings and a mobile-first approach to capture new customer segments.

Loan Servicers

- Deploying AI-powered predictive analytics to anticipate borrower behavior and manage prepayment risk.
- Implementing automated, technology-enabled outreach to improve borrower communication and maximize the value of servicing assets.

Sources: BCG Expand Research, Capgemini, S&P Global.

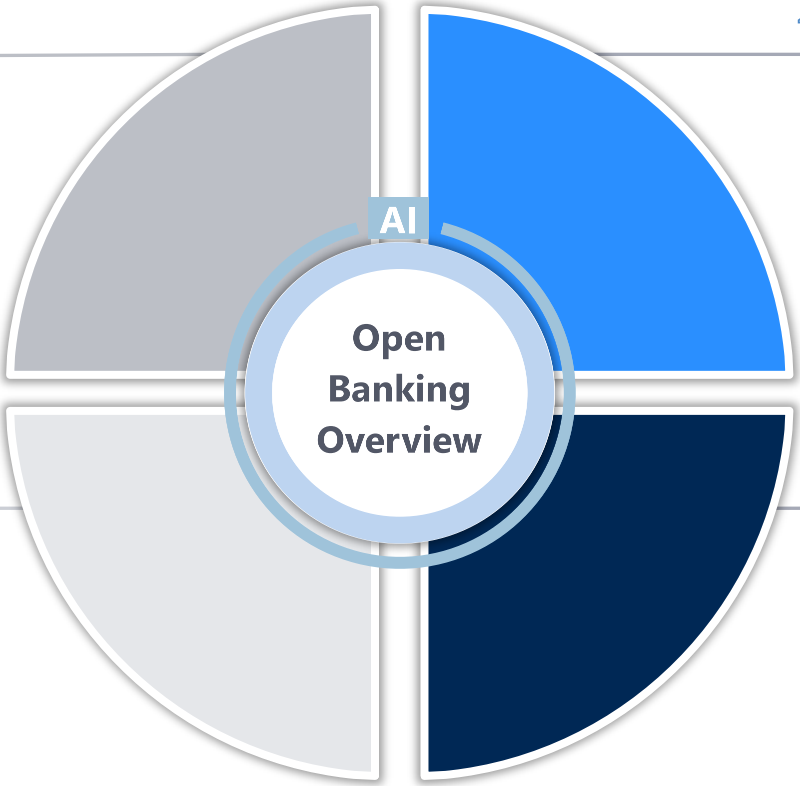
3 Open Banking Adapting to Become a Platform for Growth

Context for the Rise of Open Banking

- Regulatory pressure, customer expectations, and competition from FinTechs and tech-native players are **accelerating modernization**.
- Historically, banks have treated core systems as immutable infrastructure. Today, the core is viewed as a **strategic control plane**—one that governs data access, orchestrates third-party integrations, and supports real-time personalization across channels.

Evolving Into Open Finance—and Revenue

- Industry leaders expect open banking to expand into a more general open finance approach.
- Banks **that productize APIs and embed services into partner ecosystems** rather than simply complying with regulation **can compound distribution and drive growth**, placing new demands on core systems.



Regulation Is Forcing Architectural Change

- While many banks view recent consumer rights regulations defensively, the data suggests a disconnect between perceived threat and actual strategic opportunity.

Data Fragmentation Is Limiting Returns on Core Investments

- While most banks acknowledge the importance of data strategy, execution remains uneven—particularly where legacy core systems create silos across products and channels.

Timeline of Major Developments (2022–2026)

2022	PSD2 enforcement matures across the EU, setting the global standard for API-driven data sharing; BaaS, third-party integrations, and real-time payment volume accelerate globally.
2023	CFPB proposes Section 1033, marking the United States' first move toward mandated open banking; the EU releases a draft of PSD3.
2024	CFPB finalizes Section 1033, mandating data portability at large U.S. banks; U.K. CMA confirms Open Banking Roadmap; Canada introduces Consumer-Driven Banking.
2025/ 2026	The EU advances PSD3; large U.S. bank compliance deadline (April 2026) triggers infrastructure investment wave; open finance frameworks expand globally.

Sources: Jack Henry, Backbase.

4 LOS Evolution: From Digital Workflow Automation to Strategic Revenue and Risk Platform

LOS has evolved from a back-office digitization tool into a core enterprise platform driving revenue agility, credit intelligence, and ecosystem integration.

Rapid Technology Innovation Accelerating LOS Platform Evolution

Multi-Product, Cloud-Native Platform Consolidation

LOS consolidating into a **unified platform layer**, replacing fragmented legacy stacks across credit, data, and servicing ecosystems.

Commercial LOS evaluation shifting from workflow to **strategic system-of-engagement** for lenders.

AI and Advanced Analytics Driving Origination

Automation is now table stakes—2026 bank spend leaning toward **AI-driven fraud prevention.**

Composability, emerging tech, and UX increasingly central to LOS evaluation criteria.

Agentic and Generative AI in Loan Origination

66% of institutions are evaluating or developing Agentic AI in consumer loan origination.

76% of institutions are evaluating or developing Generative AI in consumer loan origination.

Modular, API-First Architecture Enabling LOS Platform Transformation

Decoupled, Composable Infrastructure

Separating the front-end and back-end **enables lenders to modernize LOS** without a full platform replacement.

Plug-and-play integration of credit decisioning, data providers, verification services, and document orchestration.

Faster Product Innovation and Policy Agility

Rapid rollout of new lending products, underwriting models, and compliance rules through **configurable workflows**.

Continuous **policy updates** without large-scale system redevelopment.

Central Enterprise Orchestration Layer

LOS evolving into the **central control layer** connecting core banking, CRM, fraud, KYC, servicing, and treasury systems.

Real-time pipeline visibility and **embedded analytics** support underwriting, pricing, and portfolio management.

AI-Powered Verification and Decisioning Capabilities Unlocked by New Architecture

Real-Time, Multi-Source Borrower Verification

AI orchestrates income, employment, tax, payroll, and bank data simultaneously—**replacing manual document collection and verification processes**.

Automated reconciliation identifies discrepancies and flags exceptions in **seconds rather than days**.

Embedded Intelligence in Underwriting Workflows

Machine learning **identifies income patterns, detects anomalies**, and recommends alternative verification.

AI-driven insights **improve underwriting accuracy** while **reducing manual** loan officer intervention.

Accelerated Approval-to-Close Timelines

Real-time data ingestion and automated validation reduce borrower communications and eliminate bottlenecks

Application timelines compress **from weeks to days**.

Sources: Celent, Gartner, nCino.

5 AI Product Launches and M&A-Driving Strategies of Market-Leading Players

Alkami

- Launched Digital Banking Conversion Toolkit in 2025, unifying onboarding, digital banking, and data/marketing.
- Launched an integrated Digital Sales & Service Platform for "anticipatory banking," which uses predictive models to anticipate needs and automate cross-sell and retention campaigns.
- Acquired MANTL (digital account opening) in Q1 2025.

CSI

- Margin inflection underway; credibly pivoting to profitable growth. Emerging as the trusted AI partner for middle-market FIs.
- Launched TruDetect (AML) and TruProtect (real-time fraud) in 2025, leveraging AI for risk scoring.
- Acquired Apiture (digital banking software) in Q4 2025.

FINASTRA

- Focused on strategic divestitures and refinancing as it streamlines its core operations.
- Established a dedicated COE in Atlanta and India to scale AI across its product portfolio; launched AI-powered modules for payment hubs and a GenAI assistant for corporate banking.
- Sold Treasury and Capital Markets business in Q2 2025 to Apax.

FIS

- Expanded with 14 of the top 25 U.S. FIs across banking and capital markets, positioning as the scaled infra layer for AI-era banking.
- Launched "industry-first" agentic commerce solution for issuers to use KYA data and card details securely with Mastercard and Visa.
- Completed acquisitions of Global Payments' Issuer Solutions business and Amount (digital account origination) in Q2 2025.

fiserv.

- Front-loading 2026 spend to accelerate Clover and core business.
- Leveraging strategic partnerships for AI initiatives (e.g., Agentic Commerce with Visa and Mastercard, Fraud Management with FICO, Identity-Based Payments for Clover with Wink).
- Acquired StoneCastle (cash management) and Smith Consulting (operational consulting services) in Q4 2025.

jack henry

- Launched Financial Crimes Defender (an AI-native platform to combat real-time fraud) in partnership with Feedzai and deployed secure conversational AI agents across its approximately 7,500 banks and credit unions.
- Acquired Victor Technologies (embedded payments-as-a-service) in Q4 2025.

nCino

- Accelerated its shift toward Agentic Banking, launching a suite of role-based "Digital Partners" and specialized advisors designed to automate complex banking workflows.
- Launched Banking Advisor and Digital Partners for AI, which provide role-based intelligence for credit analysis, portfolio insights, and relationship management using proprietary data.

Q2

- First GAAP profit ($52 million) and $2.7 billion backlog mark a genuine inflection point in the road to profitable growth.
- Transitioning from providing embedded AI tools to launching a comprehensive "AI for Everyone" framework.
- Prioritizing AI through the Andi Copilot Platform, providing role-specific intelligence for bankers, developers, and account holders.

temenos

- Raised FY28 targets in Feb. 2026, citing confidence in its strategic roadmap and AI integration.
- Launched "Money Movement & Management" platform in Sep. 2025, using AI to unify payments, account services, and treasury.
- As part of its move toward a composable core banking strategy, divested Multifonds (fund administration software) in Q2 2025.

Sources: Company websites, Foundry, SEC filings, Reuters.

6 End Market Trends: A Healthy Outlook for 2026 and Beyond

Interest Rate Stabilization

- The Fed held rates steady at 3.50%–3.75% at both its January and March 2026 meetings, signaling a data-dependent “wait-and-see” posture as inflation remains above target and an oil shock tied to the Middle East conflict complicates the path to rate cuts.
- The median dot plot projects one additional cut in 2026, though the timing is uncertain; Powell’s term ends in May, and a successor appointment by the Trump administration introduces further policy uncertainty.

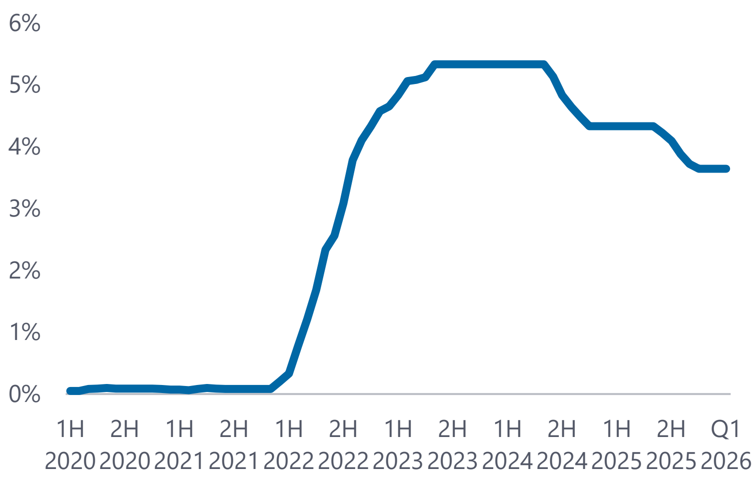
Certainty Drives Strategic Action

- With interest rates now stabilizing and beginning to fall, M&A activity is recovering. A more predictable environment for deal modeling and valuation is restoring confidence and driving a rebound in strategic transactions.
- Key drivers of M&A demand include:
  - Cost pressures and the need for faster cloud migration are pushing banks to buy tech rather than build it.
  - Rapid AI adoption coupled with regulatory demands for automation and compliance technology.
  - Growing PE appetite for capital-light banking technology businesses.

Deregulation Promotes Spending

- The Trump administration has taken a laissez-faire approach to banking regulations since taking office.
- The Fed’s supervision and regulation division has shrunk 30%, and regulations have been loosened.
- Key changes include providing banks with early access to annual stress test scenarios, relaxing capital requirements, reducing the supplementary leverage ratio, and including crypto in mainstream banking.
- Banks have largely embraced the changes and can support higher spending as a result.

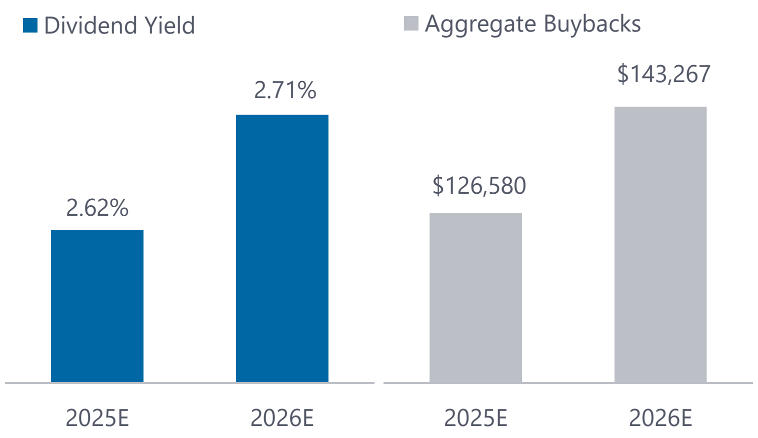
Federal Funds Effective Rate



Strategic Trends: FinTechs and Banks

$10.2B	2025 Banking and Lending Tech Financing Volume
$20.1B	2025 Banking and Lending Tech M&A Volume
$40.0B	2025 Bank Financing Volume
$50.4B	2025 Bank Market M&A Volume

Bank Dividend Yield and Buybacks ($M)



Sources: Board of Governors of the Federal Reserve System (U.S.) via FRED, Bloomberg, PitchBook, RBC.

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Banking and Lending Technology Landscape

Illustrative Banking and Lending Technology Companies (Public, Investor-Backed, and Privately Held)

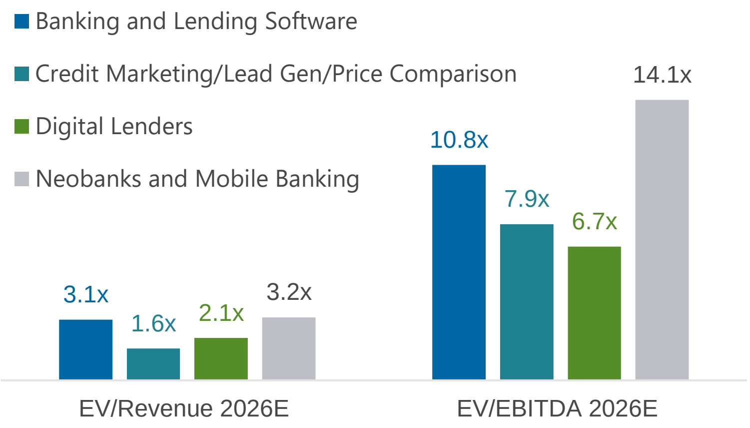
Market Update and Notable Deal Activity

03

M&A Growth Continues Despite Public Volatility While Financing Activity Sees a Slight Decline

Public Company Trading

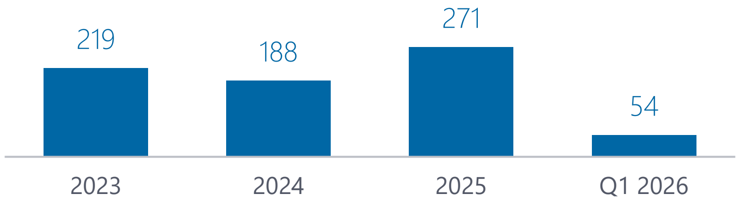
Median Valuation Multiples



- Valuation multiples for the banking and lending technology sector show significant divergence, with performance varying based on the specific business model and market segment.
- Neobanks and mobile banking command the highest valuation multiples, driven by investor enthusiasm for their high-growth profiles and potential for market disruption.
- In contrast, digital lenders and credit marketing companies are trading at lower multiples, reflecting a more cautious investor outlook on their scalability and profitability paths.

Mergers and Acquisitions

Annual Deal Count

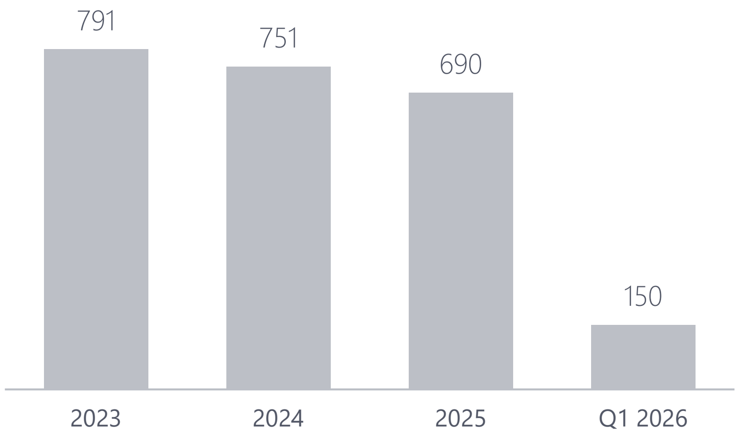


- Banking and lending technology has experienced gradually increasing M&A deal activity since Q2 2024.
- We anticipate the M&A market will stay active in 2026 for both strategic and PE deals, particularly in 2H, if macro conditions stabilize.
- Featured control deals and acquisitions include:

Target:	meridianlink	Best Egg	MANTL	HYPE	dimensa
Buyer:	Centerbridge	BARCLAYS	Alkami	Banca Sella	evertec

Growth and Venture Capital

Annual Deal Count



- Banking and lending technology growth and venture deal activity have slowed, with volume falling at an approximate (7%) CAGR from 2023 to 2025.
- We expect interest to rebound, particularly for high-growth companies that can demonstrate profitability. Attention has continuously shifted to "Tier A" assets since COVID-19.
- Featured growth and venture deals include:

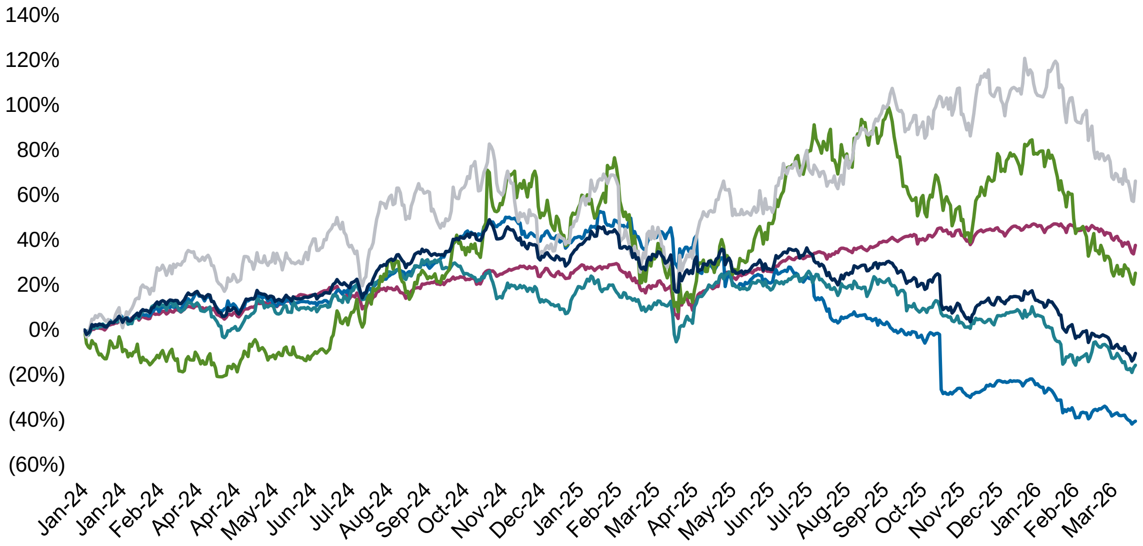
Target:	Revolut	upgrade	PLAID	tide	NOVA CREDIT
Lead Investor:	COATUE	N|B	Consortium	TPG	COX

Sources: S&P Capital IQ, PitchBook.
Note: Trading multiples are based on share price, other market data, and broker consensus future estimates as of March 31, 2026; deal counts are non-exhaustive but highly representative of market trends.

Index Performance: Banking and Lending Tech Versus Broad Market

There is significant performance variability within the banking and lending tech subsector.

Indexed Share Price Performance Since January 2024



Index	Since Jan. 2024	Since Jan. 2025
S&P 500	38%	14%
Banking and Lending Technology[1]	(10%)	(42%)
Banking and Lending Software	(41%)	(81%)
Credit Marketing/Lead Gen/Price Comparison	(16%)	(26%)
Digital Lenders	25%	(19%)
Neobanks and Mobile Banking	66%	31%

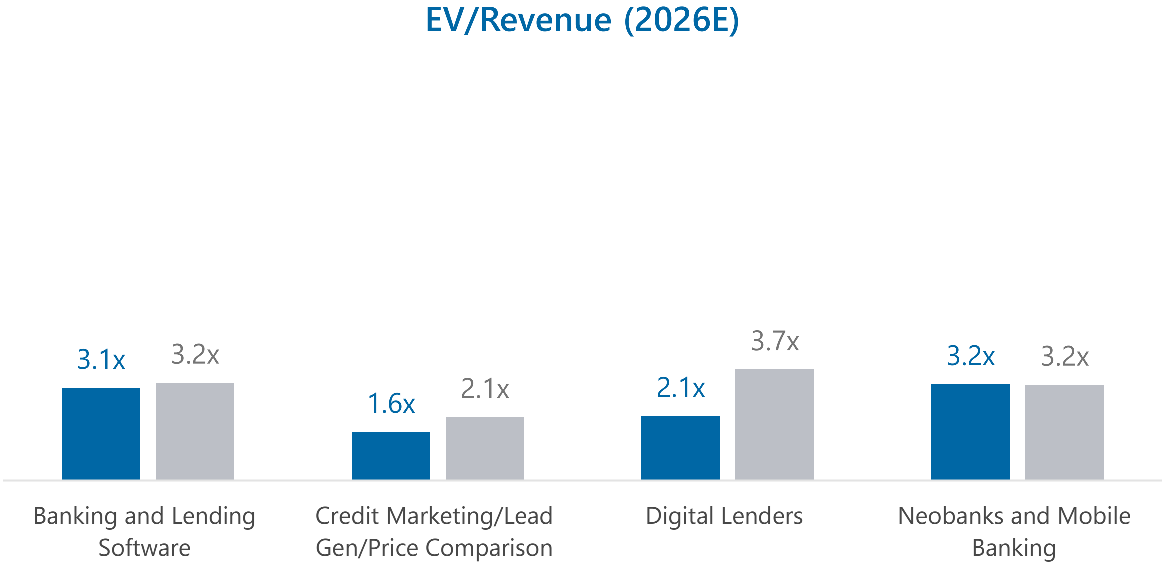
Banking and Lending Software	Credit Marketing/Lead Gen/Price Comparison	Digital Lenders	Neobanks and Mobile Banking
Alfa, Alkami, FIS, Fiserv, Jack Henry, Mitek, nCino, OpenLending, Q2, Temenos	Cardlytics, Equifax, Experian, Fintel, LendingTree, Money Super Market, Mortgage Advice Bureau, NerdWallet, Orion, TransUnion	Atlanticus, Enova, Funding Circle, LendingClub, Lendinvest, OppFi, Pagaya, Propel Holdings, Rocket Companies, Upstart	Chime, Dave, Nordnet, Nu, SoFi

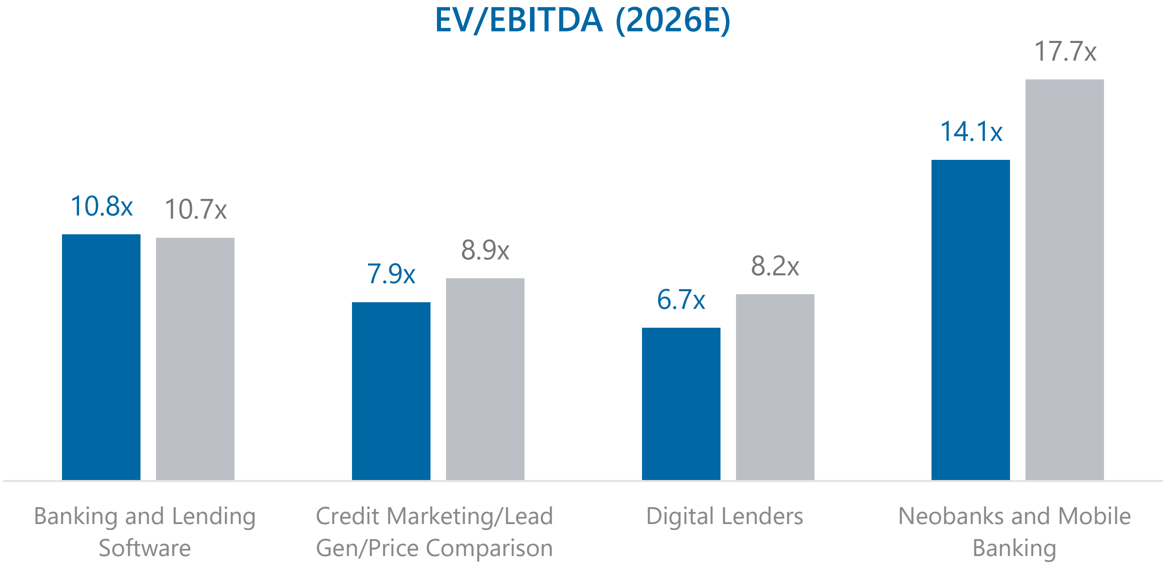
Notes: The indices shown are equal-weighted, with all share prices rebased to 100. Data derived from S&P Capital IQ as of March 31, 2026.
(1) Total Banking and Lending Technology Index includes all companies depicted across all segments of banking and lending technology, as shown at the bottom of this page.

Banking and Lending Tech Public Company Valuation Multiples

Valuation multiples vary by business model and underlying operating metrics.

Median Mean





Banking and Lending Software

Alfa, Alkami, FIS, fiserv., jack henry, Mitek, ncino, OpenLending, Q2, temenos

Credit Marketing/Lead Gen/Price Comparison

cardlytics, EQUIFAX, experian, FINTEL, lendingtree, Money Super Market, Mortgage Advice Bureau, nerdwallet, ORION, TransUnion

Digital Lenders

Atlanticus, enova, Funding Circle, LendingClub, lendinvest, OppFi, PAGAYA, PROPEL HOLDINGS, Rocket Companies, Upstart

Neobanks and Mobile Banking

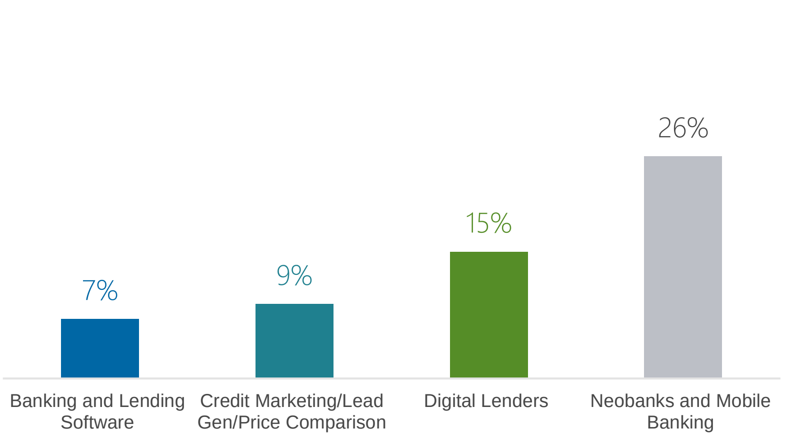
chime, dave, Nordnet, nu, SoFi

Source: S&P Capital IQ.
Note: Trading multiples are based on share price, other market data, and broker consensus future estimates as of March 31, 2026.

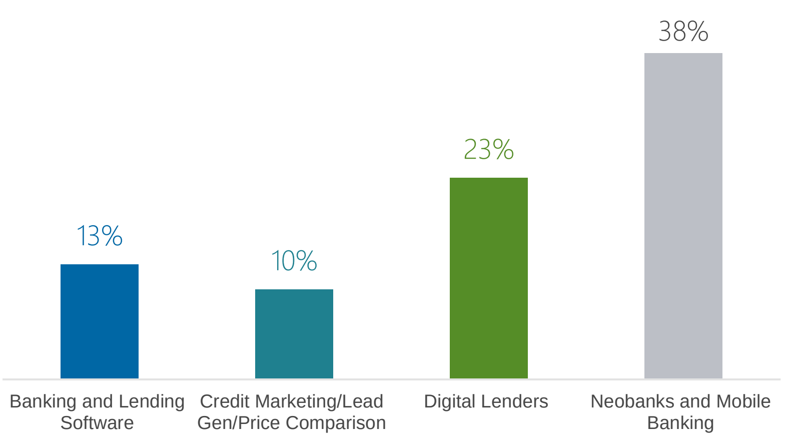
Banking and Lending Technology Public Company Operating Metrics

2026E median revenue and EBITDA growth vary significantly by business model., while EBITDA margins are more consistent.

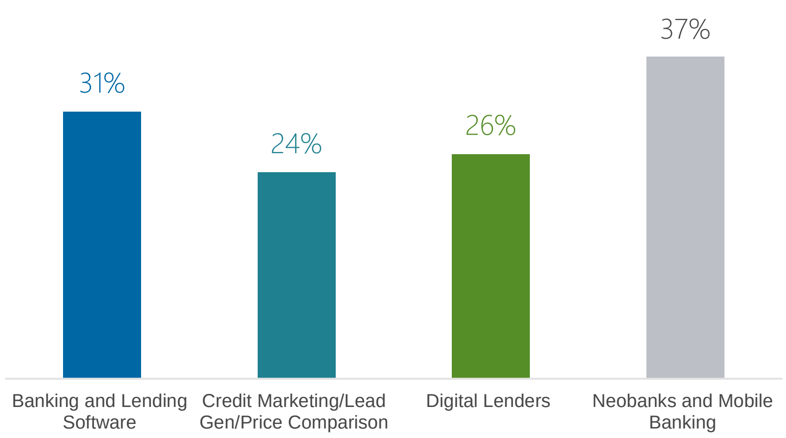
Revenue Growth



EBITDA Growth



EBITDA Margin



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Neobanks and Mobile Banking

chime, dave, Nordnet, nu, SoFi

Source: S&P Capital IQ.
Note: Trading multiples are based on share price, other market data, and broker consensus future estimates as of March 31, 2026.

Deal Activity: M&A

Strategic M&A

Month	Target	Acquirer	Ent. Value ($M)	Target HQ
Mar. 2026	OrboGraph	Kinective	--	🇺🇸
Feb. 2026	dimensa	Evertec	$178	🇧🇷
Jan. 2026	Tagit	Juniper Group	--	🇸🇬
Dec. 2025	StoneCastle	Fiserv	--	🇺🇸
Dec. 2025	playter	Shawbrook	--	🇬🇧
Nov. 2025	PostCredit	Usio	--	🇺🇸
Nov. 2025	Compuflex	Kinective	--	🇺🇸
Nov. 2025	planky	BNK301	--	🇬🇧
Nov. 2025	HYPE	Banca Sella	$197	🇮🇹
Oct. 2025	pocketnest	Maps Credit Union, Reseda	--	🇺🇸
Oct. 2025	Best Egg	Barclays	$800	🇺🇸
Oct. 2025	FINASTRA Student Loan Servicing	Nelnet	--	🇬🇧
Oct. 2025	FINTILECT	Volaris Group	--	🇬🇧
Oct. 2025	KRIYA	Allica Bank	--	🇬🇧
Oct. 2025	WINFACTOR	Lendscape	--	🇺🇸
Oct. 2025	Nucleus	Pulse	$56	🇬🇧
Oct. 2025	VICTOR	Jack Henry	--	🇺🇸
Oct. 2025	SIRVATUS	Carta	--	🇺🇸
Sep. 2025	AMOUNT	FIS	--	🇺🇸

Month	Target	Acquirer	Ent. Value ($M)	Target HQ
Sep. 2025	Lendo	Clar Global	--	🇸🇪
Aug. 2025	APITURE	CSI (TA Associates)	--	🇺🇸
Aug. 2025	esq	Kinective	--	🇺🇸
Aug. 2025	EVERY STREET	Fundwell	--	🇺🇸
Jul. 2025	JANUSEA	Kinective	--	🇺🇸
Jul. 2025	leasepath	Solifi	--	🇺🇸
Jul. 2025	FINASTRA EZTeller Solutions	Core Financial Software	--	🇬🇧
May 2025	TRADETEQ	Silver Birch Finance	--	🇬🇧
May 2025	CreditSnap	SavvyMoney	--	🇺🇸
May 2025	epicriver	Kinective	--	🇺🇸
Apr. 2025	MAZA	Flex	$40	🇺🇸
Apr. 2025	moneymoney	Fiserv	--	🇧🇷
Apr. 2025	truework	Checkr	--	🇺🇸
Apr. 2025	MESH	Trabian	--	🇺🇸
Apr. 2025	DATAVA	Kinective	--	🇺🇸
Mar. 2025	MBS	Finovifi	--	🇺🇸
Mar. 2025	Heywood	Regnology	--	🇿🇦
Feb. 2025	MANTL	Alkami	$400	🇺🇸
Feb. 2025	sandbox	nCino	$63	🇺🇸

Private Equity Buyouts

Month	Target	Sponsor	Ent. Value ($M)	Target HQ
Mar. 2026	LTi Technology Solutions	Diversis	--	🇺🇸
Feb. 2026	afs	OceanSound	--	🇺🇸
Jan. 2026	glas	Oakley Capital	--	🇬🇧
Nov. 2025	Zuto	Bridgepoint	--	🇬🇧
Oct. 2025	Mortgage Cadence	PartnerOne	--	🇺🇸
Oct. 2025	Digital Storefront	Demopolis Equity Partners	--	🇺🇸
Aug. 2025	meridianlink	Centerbridge	$2,000	🇺🇸
May 2025	FINASTRA TCM Business	Apax Partners	--	🇬🇧
Jan. 2025	concord	GTCR	--	🇺🇸

Sources: PitchBook, S&P Capital IQ, Mergermarket, company filings, industry news reports.
Note: Deal dates listed are based on the transaction announcement.

Denotes Houlihan Lokey Deal

Deal Activity: Growth Capital Raises

Month	Target	Lead Investor	Amount ($M)	Post-Val. ($M)	Target HQ
Feb. 2026	UPTIQ	Curql	$25	--	United States
Feb. 2026	neo	Caldwell Growth	$69	--	Canada
Feb. 2026	Varo	Warburg Pincus	$124	--	United States
Jan. 2026	LUNAR	100A	$46	--	Denmark
Nov. 2025	Revolut	Coatue Management	$3,000	$75,000	United Kingdom
Nov. 2025	zilch	KKCG, BNF Capital	$176	--	United Kingdom
Nov. 2025	finnable	Z47, TVS Capital	$56	--	India
Oct. 2025	R2	Ant International	--	--	Mexico
Oct. 2025	FundPark	Ares Management	$71	--	Hong Kong
Oct. 2025	PAVEBANK	Accel KKR	$39	--	United States
Oct. 2025	upgrade	Neuberger Berman	$165	$7,300	United States
Oct. 2025	NOVA CREDIT	Socium Ventures (Cox)	$35	$368	United States
Sep. 2025	LENDOS	Blackstone	$10	$36	United States
Sep. 2025	ModernFi	Canapi Ventures	$30	$214	United States
Aug. 2025	SPLASH	Grand Oaks	$82	$413	United States
Aug. 2025	casca	Canapi Ventures	$29	$130	United States
Jul. 2025	QITECH	General Atlantic	$313	--	Brazil
Jul. 2025	SALIENT	Andreessen Horowitz	$60	--	United States
Jul. 2025	Murphy	Northzone	$15	--	Spain

Month	Target	Lead Investor	Amount ($M)	Post-Val. ($M)	Target HQ
Sep. 2025	tide	TPG	$120	$1,500	United Kingdom
Sep. 2025	AKUVO	Vista Equity Partners	$16	--	United States
Jun. 2025	Spinwheel.	F-Prime	$30	--	United States
Apr. 2025	PLAID	Consortium	$575	$6,100	United States
Feb. 2025	VENN	Left Lane Capital	$22	-	Canada

Sources: PitchBook, S&P Capital IQ, Mergermarket, company filings, industry news reports.
Note: Deal dates listed are based on the transaction announcement.

Public Comparables Detail by Subsector

04

Key Valuation Metrics by Subsector

Metrics reflect the first quartile, median, and upper quartile, respectively.

Subsector	Enterprise Value to 2026E Revenue			Enterprise Value to 2026E EBITDA		
Banking and Lending Software	2.9x	3.1x	3.7x	6.8x	10.8x	13.6x
Credit Marketing/Lead Gen/ Price Comparison	1.4x	1.6x	3.5x	6.2x	7.9x	12.6x
Digital Lenders (Tech-Enabled and P2P/Marketplace)	1.1x	2.1x	2.6x	4.7x	6.7x	10.9x
Neobanks and Mobile Banking	2.9x	3.2x	3.4x	10.2x	14.1x	21.6x

Source: S&P Capital IQ.
Note: Trading multiples are based on share price, other market data, and broker consensus future estimates as of March 31, 2026.

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