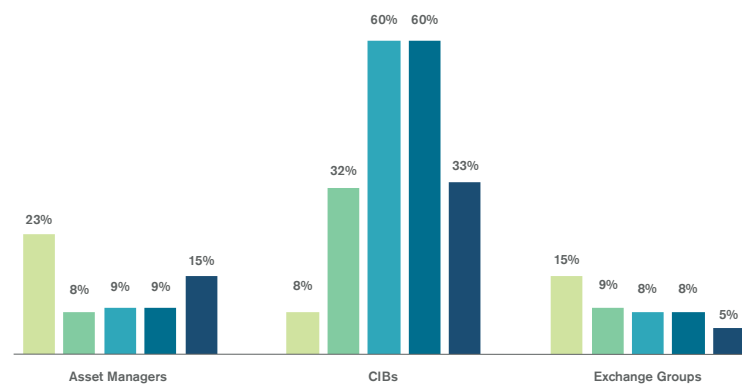


DIGITAL TRANSFORMATION: THE CAPITAL MARKETS INNOVATION LANDSCAPE 2023

FINTECH INNOVATION IN ASSET MANAGEMENT FIRMS, CORPORATE & INVESTMENT BANKS AND EXCHANGE OPERATORS

In 2023, technology vendors across all the major mediums of risk and trading, business process automation and IT process automation are embedding their products into the everyday workflows of their capital markets clients. From the birth in 2018 of the Buy & Build approach to trading technology development, to Cloud-based data analytics platforms, to desktop interoperability software and – most recently – with the low-code / no-code development framework approach to software design, ‘fintech’ increasingly comprises much of the asset management, investment banking and exchange platform industries’ operational DNA.

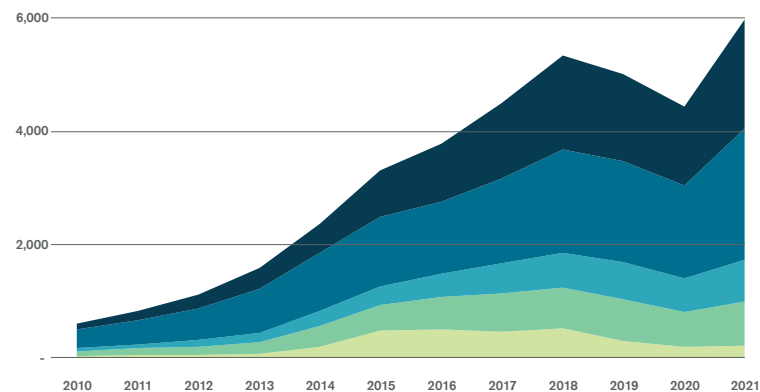
Share of Sampled Companies Operating 2023 Innovation Efforts



Investment banks continue to dominate the Capital Markets’ industry’s use of fintech innovation engagement entities in 2023, while the asset management industry and exchange industry continue to make meaningful, competitive strides.

- SIGs
- CVCs
- External Accelerators
- Internal Accelerators
- Competitions

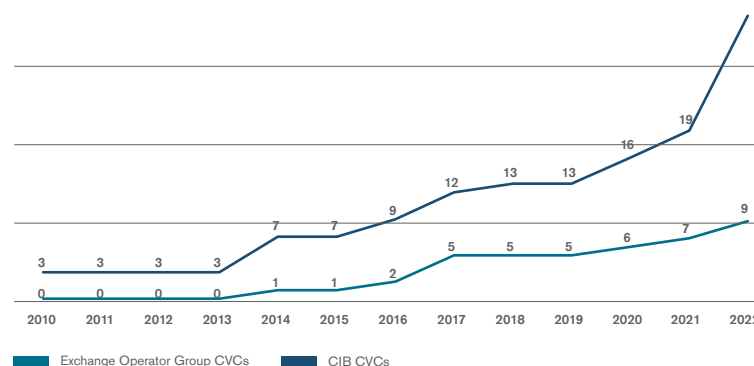
Number of Fintech Investment Deals per Region, 2010 to 2021



Since 2010, equity investment in fintech companies amounted to more than USD 1tn over the course of 35,000+ deals.

- China
- European Union
- United Kingdom
- United States of America
- Rest of the World

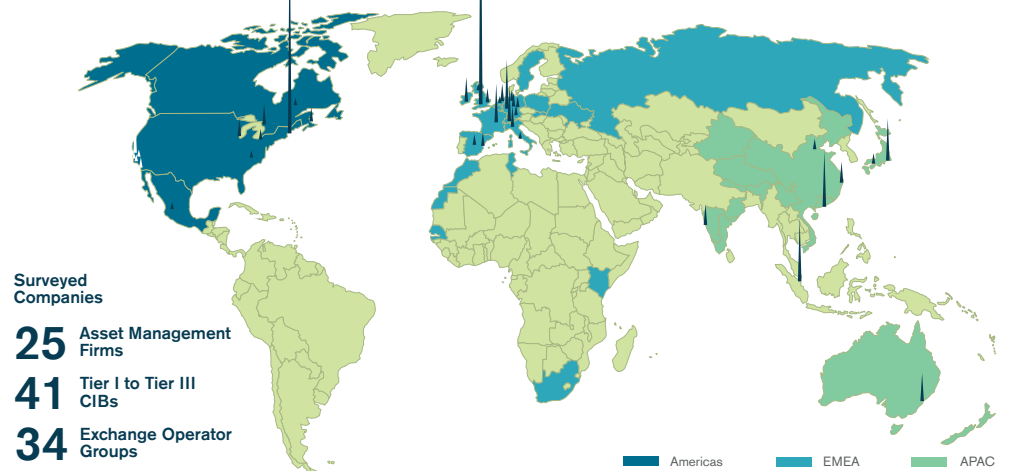
Growth of Corporate Venture Capital Units Over Time



Exchanges and Investment Banks now favor the corporate venture capital approach to fintech innovation investment over any other method, with banks completing 9,700 CVC-led fintech investments between 2019 and 2022.

Innovation Initiative Locations

Fintech innovation efforts are present in 31 countries and 85 cities globally in 2023, with EMEA still the most fertile region for overall activity and London and New York City the undisputed co-capitals of capital markets fintech company investment.



This report is the third in an on-going series that documents how buy-side firms, sell-side institutions and exchange groups seek to capture digitalisation innovation through different means of engaging with independent, third-party fintech companies. The research examines the means of engagement that asset managers, investment banks and exchanges use to invest in or otherwise support fintech start-ups, and it explores other elements such as the expanding geography of fintech innovation engagement and the ability of start-ups to continue to garner investment amid an increasingly challenging economic environment for the whole of the fintech industry.

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