## **Table of Contents**

Fo	Foreword, by Stefano Caselli	
Th	The European FS Tech Hub at a glance	
	Part 1 – The Fintech Sector	
1	Fintech: Definition and Scope of Analysis	5
	Definition of the term 'Fintech'	5
	The Fintech ecosystem	7
	Technologies, fields of application and business areas	8
2	Empirical Analysis of the Fintech Sector	25
	Global scenario	25
	Regional scenario	40
3	<b>Evaluation of Fintech Companies</b>	47
	How Venture Capitalists impact ratings	47
	Factors impacting the evaluation: Evolution of metrics considered	
	in the evaluation	48
	Investment strategies and external factors	50
	Main challenges regarding the valuation of Fintechs	51
	Main evaluation methodologies	54
	Drivers of the value of a Fintech startup	72
	Assesment of current methods	76
	Timing	77
	Analysis of valuation trends: The 2021 speculative bubble	79
4	Case Studies	81
	Introduction to Buy Now Pay Later (BNPL)	81
	Introduction to Klarna	82
	Analysis of Klarna's valuation	83

VI The Evolution of Fintech

## **Part 2 – Soft Indicators**

Governance	91
Agency Theory	92
Good Governance Theory	92
Profile of founders and key stakeholders	94
Board of directors (BoD)	95
Characteristics of the CEO	97
Governance policies	98
Quality of the auditing company	99
Management	101
Financial management control systems	101
Human resources management control systems	102
Management control systems of strategic planning	103
Regulation	109
Regulatory Development and Fintech	109
Regulatory status	110
Regulatory sandbox	114
Ecosystem	115
Fintech startups	116
	117
Institutions	118
Financial customers	119
Universities, hubs and accelerators	120
Incumbent	120
Sustainability and Fintech	123
Main results	123
Added value of sustainability	127
Fintech startups	130
Empirical Evidence	131
Introduction	131
Research hypotheses	131
Methodology	133
	138
	139
	140
Implications of the results	143
	Agency Theory Good Governance Theory Profile of founders and key stakeholders Board of directors (BoD) Characteristics of the CEO Governance policies Quality of the auditing company  Management Financial management control systems Human resources management control systems Management control systems of strategic planning  Regulation Regulatory Development and Fintech Regulatory status Regulatory sandbox  Ecosystem Fintech startups Technology developers Institutions Financial customers Universities, hubs and accelerators Incumbent  Sustainability and Fintech Main results Added value of sustainability Fintech startups  Empirical Evidence Introduction Research hypotheses

Table of Contents VII

Part 3 – The Relationship between Incumbents and Fintec
---

11	The Digitisation of the Banking Sector The role of incumbents in digital transformation	149 150	
	Advantages of incumbent and Fintech alliances: The incumbents' perspective  Benefits of alliances between incumbents and Fintechs:	151	
	The Fintech perspective	157	
	Incumbent and Fintech collaboration models	159	
12	M&A between Incumbents and Fintechs	167	
	The transformation of incumbents: The rise of Fintechs and the need		
	to innovate and compete	167	
	Participations and collaborations: The numbers in 2023	167	
	The evolution of M&A transactions in Fintech	168	
	Challenges in Fintech integration: Why have expectations not been met?	168	
	Strategies for effective incumbent and Fintech integration:		
	How to maximise acquisition value	175	
13	Empirical Evidence	181	
	Introduction	181	
	Analysis of literature	182	
	M&A in the Fintech sector	183	
	Methodology	185	
	Analysis of results	186	
	Discussion and implications	187	
Co	nclusions	189	
Bib	Bibliography		