

## Mexico Fintech Chatter – November 19<sup>th</sup>, 2024

### Mexico FinTech News

#### Ualá Secures New Funding to Expand in Mexico and Colombia

Argentine fintech Ualá has raised \$300 million in a funding round to strengthen its operations in Mexico and Colombia and build on its huge success in its home country. CEO Pierpaolo Barbieri said the company plans to scale the business to match or exceed its operations in Argentina. Ualá currently serves over 6 million clients in Argentina and 1.7 million in Mexico, where despite operating as a licensed bank, its results have vastly lagged fintech leader Nu. As of September, Ualá Mx had MXN 5.3 bn in total deposits, compared to Nu's MXN 77.3 bn. It remains unclear what liquidity rights were attached to the investment and if there is a convertible element. Allianz X, the VC arm of German insurance giant Allianz, led the round, and hopes to sell insurance products via Uala.

Reforma, 11/15/24, Reuters: [Ualá secures new funding to expand in Mexico and Colombia.](#)

#### Nu Mexico Could Be “Another Brazil”, but “Probably Going to Take a Little Bit Longer”

Nu's stock fell sharply after weaker than expected 3Q24 net interest margins, declining 10% in the past three trading sessions; results were driven by the slowdown of Pix financing in Brazil and heavy losses in Mexico. In response to the poor results, Nu continued to signal it would cut further yields on deposits in Mexico, thereby easing the FinTech deposit yield war that has hurt the sector's profitability (but been great for customer acquisition). Asked about Mexico's long-term prospects during the company's earnings call, CEO David Vélez said the country's “upside case” is for it to be as relevant as Brazil, but that would require digital payments become more relevant in the country over the next five years; in the base case, it wouldn't be as big as Brazil, but it would “move the needle”. Mexico currently accounts for less than 10% of total assets, and is struggling with profitability. The country's results had been previously disclosed ([see here](#)), but the company also reported Nu Mexico added 1.2 million new customers in 3Q24, reaching a total of 8.9 million, driven by its continued growth in high-yield but loss-making deposit accounts. Nubank serves a total of 109.7 million clients, having recently reached the 100 million mark in Brazil.

Nu Holdings Earnings Call Transcript: [Link.](#)

#### Santander's Openbank Finally Launches in Mexico, Joining Deposit Yield War

Openbank, Santander's digital bank, has officially launched in Mexico, offering an attractive 12.5% yield on deposits to compete directly with Nu and other fintechs. This marks an aggressive move by Santander and contrasts with Banorte's weak deposit yield offering from Bineo, which offers a yield equal to 75% of CETES, and which so far appears to offer no obvious value proposition to customers. This perhaps signals Santander's determination to stop Nu from repeating its success in Brazil in Mexico and ensure it doesn't lose ground in Mexico's rapidly growing digital banking market. Santander Brazil is one of the incumbent banks in Brazil that has been most impacted by Nu's success there

and thus is perhaps especially sensitive to the competitive threat of the Brazilian neobank giant here in Mexico. Openbank's CEO is the Argentine Matías Nuñez, a veteran of Santander in Argentina, Spain, and for the past eight years, Mexico.

Openbank: [Debit Account](#)

#### **Four Entities Withdraw from Banking License Process**

Between 2023 and October 14, 2024, nine applications to establish banks were filed with CNBV. Of these, four have been withdrawn, leaving five under review. Applicants are said to include fintech firms like Nu, Mercado Pago, Plata, Konfio and Finsus.

El Economista, 11/13/24, Sebastian Estrada: [Four entities withdraw from the banking license process](#)

#### **Cometa Secures US\$12 Million to Strengthen Growth in Mexico**

Cometa, a platform that optimizes revenue for educational institutions in Mexico, has announced a US\$12 million Series A funding round led by Reach Capital. Founded in August 2022 by four Stanford students—Valeria Tapia, Mateo Creamer, Gonzalo Gallardo, and Andrés Benavides—Cometa seeks to modernize administrative processes in private schools. The company plans to use the funds to enhance its services and support the growing demand in the educational sector.

Forbes Mexico, 11/13/24, Lilliana Gómez: [Fintech Cometa closes \\$12 million financing round to consolidate growth in Mexico](#)

#### **CNBV to See its Budget Cut in 2025**

CNBV will see a 14.2% cut in real terms in its operating budget for next year, according to the proposal presented by the Ministry of Finance last week. It will maintain its headcount unchanged at 1,658. Consumer watchdog Condusef will see a 13.3% real-terms cut.

El Economista, 11/15/24, Fernando Gutiérrez: [CNBV and Condusef See Major Budget Cuts.](#)

#### **Fintech LAKPA Enhances Mexican Offerings with J.P. Morgan AM Model Portfolios**

Chilean investment management fintech LAKPA has partnered with J.P. Morgan Asset Management to offer model portfolios in Mexico. These portfolios aim to support financial advisors and enhance investment strategies for Mexican clients. LAKPA is strengthening its role in the market through partnerships with major brokerage firms.

Funds Society, 11/13/24, Javiera Donoso: [LAKPA Fintech Enhances Mexican Offerings with J.P. Morgan AM Model Portfolios](#)

#### **Stori Partners with AliExpress to Enhance Credit Card Offerings in Mexico**

Mexican fintech Stori has partnered with Alibaba's AliExpress to enhance credit card services for underserved populations in Mexico. The partnership includes exclusive benefits during the Buen Fin sales event. Founded in 2018, Stori now serves over three million active customers in Mexico; it had previously announced a partnership with [Shein](#).

Axis Negocios, 11/13/24, Staff: [Stori partners with AliExpress from Alibaba](#)

### **Bitso Integrates Bitcoin Lightning Network to Reduce Transfer Costs**

Mexican cryptocurrency exchange Bitso has integrated the Bitcoin Lightning Network, enabling faster and more cost-effective Bitcoin transactions. This feature allows Bitso's 8 million users to send and receive Bitcoin with lower fees and quicker processing times. The Lightning Network, a second-layer solution, enhances Bitcoin's scalability and transaction speed, aiming to improve the user experience and encourage cryptocurrency adoption in Latin America.

**BelnCrypto, 11/12/24, Eduardo Venegas:** [Bitso integrates Bitcoin Lightning Network, promises low-cost Bitcoin transfers](#)

### **Civitatis Partners with Rappi to Offer Tours and Activities in Latin America**

Civitatis, a platform specializing in Spanish-language tours and activities, has partnered with Rappi to expand its services across Latin America. Users can now book experiences like hot air balloon rides over Teotihuacán, catamaran tours in Isla Mujeres, and guided visits to Chichén Itzá through the Rappi Travel section.

**El Economista, 11/14/24, Alejandro de la Rosa:** [Civitatis offers tourism options through the Rappi platform](#)

### **Mexican government launches its own remittance app**

The Mexican government launched "Finviar," a blockchain-based app to reduce remittance costs from the U.S. to Mexico. With fees starting at \$1.90 and daily limits of \$1,500, it enables secure transfers to Mexican bank accounts. Expansion to Canada, Colombia, and reverse remittances is planned, with iOS and Android support.

**Forbes, 11/12/24, Diego Aguilar:** [Federal government launches remittances app](#)

### **Other News**

**El Economista, 11/11/24, Sebastián Estrada:** [Mexico becomes the second most preferred destination for Argentine fintechs.](#)

**Forbes México, 11/11/24, Staff:** [Amid nearshoring, companies need a banking reference: Banorte](#)

**Edomex al Día, 11/14/24, Staff:** [Greater security and fraud prevention: How artificial intelligence is transforming the payment industry](#)

**LatamList, 11/15/24, Sara Delgado:** [Klar launches platinum credit card](#)

## **LatAm FinTech News**

### **Félix Pago Expands Remittance Services in Central America Through Mastercard Partnership**

Miami-based fintech Félix Pago has partnered with Mastercard to expand its remittance services to El Salvador, Honduras, Guatemala, and the Dominican Republic. Through a WhatsApp-based platform using blockchain and AI, users can send money securely and instantly. Recipients can access funds via bank deposits, cash pickups, or Mastercard-

issued cards, with the integration of USDC stablecoin reducing costs and enhancing transaction speed.

**The Fintech Times, 11/14/24, Staff:** [Félix Pago Extends Remittances Reach in Central America With Mastercard Partnership](#)

### **Finkargo Secures US\$95 Million to Triple Import Financing Operations**

Finkargo, a Colombian-Mexican startup focused on import financing for SMEs in Latin America, has raised US\$95 million through an extension of its Series A round, combining equity and debt. The funds will be used to triple operations in the next year and expand supply chain services such as freight financing, supplier verifications, pre-shipment inspections, and cargo insurance. Since 2021, Finkargo has facilitated over 4,000 import transactions worth more than US\$510 million, connecting 450 clients with 1,200 suppliers across 47 countries.

**Axis Negocios, 11/12/24, Staff:** [Finkargo secures \\$95 million to triple import financing operations](#)

### **Blip raises US\$60 million round led by Softbank**

Brazilian AI-marketing firm Blip closed a \$60 million Series C funding round led by SoftBank, with participation from Microsoft – a rare direct investment. The new cash brings the company's total capital raised to \$230 million, and will be put toward international expansion and product development. Blip helps companies set up AI-powered chatbots to answer questions and transfer customers to human reps for more complicated requests.

**TechCrunch, 11/18/24, Kyle Wiggers:** [Text marketing firm Blip secures backing from SoftBank, Microsoft](#)

### **Other News**

**LatamList, 11/15/24, Matheus Tomé:** [Lerian raises \\$3.1M in a round led by MAYA Capital](#)

## **Global FinTech News**

### **Startups Navigate Challenging IPO Market Amidst Economic Uncertainty**

The U.S. IPO market remains largely closed due to economic uncertainty, market volatility, and investor caution. Despite this, some startups are cautiously pursuing public listings while others turn to alternative financing methods like private funding rounds or mergers with SPACs. This shift highlights how startups are adapting to the challenging financial landscape, prioritizing capital needs while navigating market constraints.

**TechCrunch, 11/15/24, Anna Heim:** [The US IPO window hasn't reopened yet, but startups take what they can](#)

### **Octane Completes \$326 Million Asset-Backed Securitization**

Octane, a fintech specializing in recreational financing, has finalized a \$326 million asset-backed securitization, known as OCTL 2024-1. Backed by fixed-rate powersports loans

from its lending arm, Roadrunner Financial, the deal includes six classes of fixed-rate notes, with the senior class achieving AAA ratings from Standard & Poor's and Kroll Bond Rating Agency. This is Octane's ninth securitization, reflecting its strong capital markets strategy and focus on growth.

FF News, 11/15/24, Staff: [Octane Completes \\$326 Million Asset-Backed Securitization](#)

### **Intudo Raises \$125 Million to Connect Indonesia with Global Markets**

Intudo, a venture capital firm dedicated to Indonesian startups, has raised \$125 million in its latest funding round. The firm focuses on connecting Indonesian businesses to international markets while bringing global companies to Indonesia. The new capital will help local startups scale operations and foster innovation, strengthening Indonesia's role in the global economy.

FF News, 11/12/24, Staff: [Intudo Raises \\$125 Million to Bring the World to Indonesia and Indonesia to the World](#)

### **Other News**

The Fintech Times, 11/15/24, Staff: [Fintech Payment Opportunities Remain Rife Across the Middle East, Says Fuse](#)

Bloomberg, 11/15/24, Pablo Mayo: [Klarna Seeking More Bank Pitches as It Prepares for US IPO](#)

Fortune, 11/12/24, Catherine McGrath: [Coinbase launches 'Coin50' index as crypto equivalent to S&P 500 and a balance to Bitcoin](#)