

Mexico Fintech Chatter – December 9th, 2024

Mexico FinTech News

Consolidation watch: Klar Acquires Tribal's Assets in Mexico to Expand SME Offerings

In a sign the long-awaited Mexico Fintech consolidation is finally happening, Klar, a Mexican consumer financial services platform, has acquired the Mexico assets of SME-focused Tribal. Tribal's co-founder and CEO, Amr Shady, and key Mexico executives will join Klar. Based on information available, Klar has raised over US\$150 mn from General Atlantic, Prosus Ventures, and Quona Capital while San-Francisco-based Tribal (at a global level, as it operates in over 20 countries) has secured US\$140 mn from QED Investors, SoftBank Latin America Fund, and Coinbase Ventures. Given that Klar is taking over Tribal Mexico, it would seem that Klar is larger than Tribal in Mexico and perhaps Tribal Mexico has not been doing especially well, with the VCs involved thus trusting more Klar management to run the combined entity in Mexico. As of September 2024, Klar serves over 3 million clients with assets exceeding MXN 11 bn. In October, it said it had [reached profitability](#), and then last month said it could [IPO by late 2026](#). With this acquisition the company is well positioned to offer both consumer products (credit cards, personal loans), and SME products (corporate cards, spend management, payments), leapfrogging Nu, Stori and Plata, which for now remain mostly consumer-focused.

El Economista, 12/05/24, Sebastian Estrada: [Klar Acquires Tribal's Assets in Mexico to Expand SME Offerings](#) *Other sources:* [Expansion](#), [AXIS](#).

At Long Last, Banamex and Citi Officially Split – Time for Other License Approvals?

Early last week, Banamex and Citi announced their official separation after a long, painstaking process. While the banks have said this should not bring about any changes for their customers, we believe it represents a notable industry event, as it frees up CNBV's staff to focus on pending requests (Plata, Mercado Pago, Nu, etc.) As for Banamex, it faces the challenge of reestablishing its identity in a competitive market, with a strategy that seeks to balance its traditional brand with innovation, emphasizing stability and trust while adopting modern technologies.

Expansión, 12/03/24, Nancy Malacara: [The Challenge of Banamex's Rebranding After Separation from Citi](#)

Colektia raises US\$9mn for credit card recoveries

The Chilean startup, backed by investors like Angel Ventures and Nazca, has secured US\$9 mn in a funding round led by Mouro Capital. With operations in Chile, Colombia, and Peru, Colektia generates 63% of its revenue from Mexico—a market it entered in 2021. The new funds will help Colektia acquire delinquent credit portfolios and expand through mergers and acquisitions. Clients include Rappi, Claro, and Nu. Founders Gabriel and Oswaldo Monroy, originally from Venezuela, are now based in Mexico, driving this fintech's impressive growth.

Whitepaper, 12/09/24, Staff: [Whitepaper, Today](#).

Arcus by Mastercard Receives Authorization to Operate as an Electronic Payment Funds Institution in Mexico

Arcus, a Mastercard-owned fintech, has received approval to operate as an Electronic Payment Funds Institution (IFPE) in Mexico. The license allows Arcus to provide real-time payment solutions via the SPEI platform, which saw a 37% increase in transactions in 2023. Arcus can now serve regulated entities, open electronic payment accounts, and support payments for local and international businesses, promoting secure and accessible digital payments in Mexico.

Latam Fintech, 12/04/24, Mastercard: [Arcus by Mastercard Receives Authorization to Operate as an Electronic Payment Funds Institution in Mexico](#)

Mercado Pago Launches Digital Credit Initiative for Women Entrepreneurs

Mercado Pago, in collaboration with Women's World Banking and Fundación Visa, has launched an initiative to improve digital credit access for women entrepreneurs in Mexico. The program highlights that personalized communication increased financing adoption by 4% among women compared to men. Despite progress, 56% of women-led SMEs still rely heavily on cash transactions, limiting access to credit. This initiative aims to address these barriers through tailored financial products and assertive communication strategies to boost financial inclusion for women entrepreneurs.

Excélsior, 12/06/24, Jimena Díaz: [Mercado Pago Launches Digital Credit Initiative for Women Entrepreneurs](#)

Cetes vs. Fintechs: The Race for Savings in Mexico

In Mexico, people now face a growing range of options for growing their money, with government-backed Cetes competing against fintech platforms like Nu and Mercado Pago. As of December 2024, Cetes yields have dropped to 9.95%, while Nu offers 12.25% and Mercado Pago provides 15%, making fintech platforms more attractive for higher returns. Cetes provide government-backed security, while fintechs offer greater flexibility and liquidity, appealing to a broader range of savers. Choosing between these options depends on the investor's priorities for safety, liquidity, and returns.

Expansión, 12/04/24, Octavio Torres: [Cetes vs. Fintechs: The Race for Savings in Mexico](#)

AI Enhances Security and Fraud Prevention in the Payments Industry

Artificial intelligence (AI) is transforming the payments industry in Latin America, where 47% of companies have adopted AI, exceeding the global average. AI reduces fraud in credit cards, mobile payments, and online banking by analyzing transactions in real time to detect irregularities. For example, Juniper Research reports a 25% decrease in mobile payment fraud due to AI in contactless methods. With high smartphone and internet penetration, the region is well-positioned to leverage AI for secure, efficient payment solutions, benefiting businesses and consumers alike.

DFSUD, 12/03/24, Staff: [AI Enhances Security and Fraud Prevention in the Payments Industry](#)

LatAm FinTech News

CloudWalk Raises US\$444 million to Fund Merchant Payment Advances

Brazilian fintech CloudWalk has raised US\$444 million through a Credit Rights Investment Fund (FIDC) to support its merchant payment solutions. The fund, structured by Itaú BBA with participation from Bradesco BBI, BTG Pactual, BB Investimentos, and Banco Safra, is the largest in the company's history. The funds will enable faster upfront payments to merchants for credit card sales. Since its founding in 2013, CloudWalk has grown its merchant base from 161,000 in 2023 to 484,000 in 2024, serving retail, food services, and e-commerce sectors.

LatamList, 12/06/24, Hellen Villena: [CloudWalk Raises \\$444M to Fund Merchant Payment Advances](#)

Paymóvil and Máximo Pay Partner to Boost Digital Payments

Paymóvil, a payment aggregator, has teamed up with Máximo Pay, a digital wallet provider, to expand digital payment solutions in Colombia, Ecuador, and Peru. Paymóvil's TarjeTAP technology enables smartphones to function as point-of-sale terminals, while Máximo Pay offers a customizable Wallet as a Service (WaaS) platform with modules for credit, rewards, identity validation, BNPL, and interoperable QR codes. This partnership aims to foster financial inclusion and support business growth in the digital economy.

Latam Fintech, 12/06/24, Staff: [Paymóvil and Máximo Pay Partner to Boost Digital Payments in Colombia, Ecuador, and Peru](#)

Nuvei Launches Stablecoin Payments for Merchants in Latin America

Nuvei, a global payment technology provider, has introduced stablecoin payment solutions for merchants across Latin America. This offering allows businesses to accept payments in various stablecoins, enabling faster transactions, reduced costs, and improved customer experiences. The initiative supports the growing adoption of digital currencies in the region.

FinanceFeeds, 12/06/24, Rick Steves: [Nuvei Launches Stablecoin Payments for Merchants in Latin America](#)

Onze Raises US\$20 million to Expand Corporate Pension Platform

Onze, a Brazilian fintech specializing in corporate pensions and financial wellness, raised \$20 million in a funding round led by Ribbit Capital, with participation from Atlantico and Red Ventures. The funds will support expanding its client base, developing credit solutions backed by pension assets, and boosting platform adoption among medium and large businesses. Founded in 2020, Onze doubled its client base and assets under management in 2024, surpassing \$650 million. Key clients include Dell, Tim, and Grupo OLX.

LatamList, 12/06/24, Hellen Villena: [Onze Raises \\$20 million to Expand Corporate Pension Platform](#)

Nu Colombia Launches Pilot Program for NuControl

Nu Colombia has launched a pilot program for NuControl, a credit card designed to enhance financial inclusion. The card offers three variants, combining different interest rates and maintenance fees to suit diverse customer needs. Options range from a no-interest plan with a monthly fee of COP 29,000 (~US\$6.50) to a standard interest rate with a reduced fee of COP 12,000 (~US\$2.70). All versions provide one free cash advance per period and prioritize transparency. The initiative aims to help individuals historically excluded from credit access, aligning with Nu's mission to democratize financial services in Colombia.

Nubank International, 12/06/24, Staff: [Nu Colombia Launches Pilot Program for NuControl to Boost Financial Inclusion](#)

Other News

LatamList, 12/06/24, Hellen Villena: [Agilize raises \\$9 million to grow accounting platform for SMEs](#)

Latam Fintech, 12/06/24, Staff: [Klubi Raises \\$7 million to Expand Automotive and Mobile Consortia Services](#)

Global FinTech News

Trump Picks Paul Atkins, a Crypto Advocate, to Run the S.E.C.

President-elect Donald J. Trump picked Paul Atkins to serve as chair of the Securities and Exchange Commission. Mr. Atkins, 66, who was an S.E.C. commissioner under President George W. Bush, is a well-known and respected figure in Washington legal circles. He is also seen as a strong advocate for looser regulation of crypto assets – an issue that Mr. Trump adopted as part of his campaign.

NY Times, 12/04/24, Matthew Goldstein and David Yaffe-Bellany: [Trump Picks Paul Atkins to Run the S.E.C.](#)

FDIC Intensifies Oversight of Fintech Partnerships with Banks

The Federal Deposit Insurance Corporation (FDIC) is increasing its scrutiny of partnerships between banks and fintech companies to address emerging risks. This follows the collapse of Synapse Financial Technologies, which exposed vulnerabilities in such collaborations. The FDIC is now directly monitoring fintech firms working with banks and has proposed new rules to strengthen recordkeeping and ensure consumer access to funds.

FinTech Alliance, 12/06/24, Staff: [FDIC Intensifies Oversight of Fintech Partnerships with Banks](#)

Lumin Digital Secures \$160 million in Growth Funding

Lumin Digital, a cloud-native digital banking provider in the US, has raised over \$160 million in growth equity financing. The funding round was led by Light Street Capital, NewView Capital, and Partners Group. The investment will be used to accelerate strategic

growth initiatives, focusing on innovation and delivering enhanced value to financial institutions, their members, and shareholders.

PR Newswire, 12/06/24, Staff: [Lumin Digital Secures \\$160 million in Growth Funding](#)

Public.com Raises \$135 million to Expand AI and Multi-Asset Brokerage Services

Public.com, a New York-based investing platform, secured \$135 million in a Series D-2 funding round, including \$105 million in equity and \$30 million in debt. The round was led by Accel, a longtime partner. The funding will support the development of AI-driven research tools and expand Public.com's multi-asset brokerage services, which now span five asset classes. Its AI-powered research agent, Alpha, has driven significant user engagement, with over 90% of users utilizing it and 25% of interactions resulting in trades within three hours.

Crunchbase News, 12/06/24, Joanna Glasner: [Public.com Raises \\$135 million to Expand AI and Multi-Asset Brokerage Services](#)

KPay Secures \$55 million in Series A to Boost SME Support in Asia

Hong Kong-based KPay has raised \$55 million in a Series A funding round led by Apis Growth Markets Fund III and Apis Global Growth Fund III, marking the largest Series A in the payments sector globally for 2024. Founded in 2020, KPay has achieved a 166% CAGR in revenue and serves over 45,000 merchants across Hong Kong, Singapore, and Japan. The funds will fuel expansion into Indonesia, the Philippines, Malaysia, and Thailand through organic growth and strategic acquisitions. KPay plans to double its partnerships with over 150 SaaS providers, banks, and financial firms to support one million merchants over the next five years.

FinTech Global, 12/04/24, Staff: [KPay Secures \\$55 million in Series A to Boost SME Support in Asia](#)

9fin Secures \$50 million Series B to Transform Debt Market Analytics with AI

London-based AI-powered analytics platform 9fin has raised \$50 million in a Series B funding round led by Highland Europe, with participation from Spark Capital, Redalpine, Seedcamp, 500 Startups, and Ilavka Vuillermoz Capital. The funds will be used to enhance its AI technology, expand its analytics team, and accelerate U.S. market expansion. Founded in 2016, 9fin has achieved an annual recurring revenue of \$25 million and plans to extend its services into private credit and asset-backed lending.

FinTech Global, 12/02/24, Staff: [9fin Secures \\$50 million Series B to Transform Debt Market Analytics with AI](#)

Other News

Crunchbase News, 12/06/24, Joanna Glasner: [Wealth Management Startups See Surge in Funding](#)

Yahoo Finance, 12/06/24, Staff: [Mambu Acquires French Paytech Company Numeral](#)