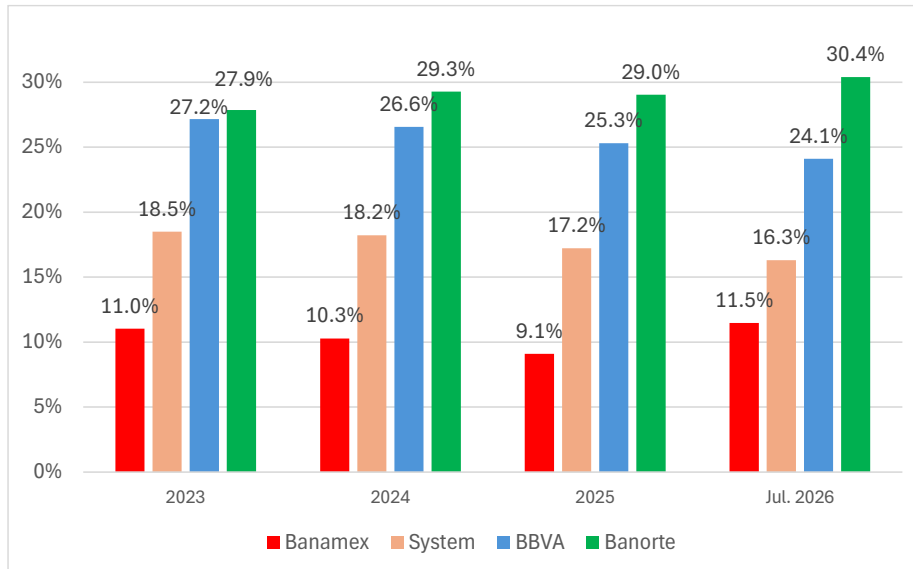


**Mexico FinTech News****Citi Said to Eye January 2027 IPO**

Citi aims to IPO Banamex as early as January next year, and has unsurprisingly picked Citi itself as Global Coordinator, supported by Bank of America Corp., Goldman Sachs Group Inc. and JPMorgan Chase & Co as other lead bookrunners, according to Bloomberg. Citi, which currently owns about 51% of the bank, plans to sell about \$3bn of shares in the offering, which at the latest valuation to private equity (\$2.5bn for their 24% stake) would imply an offload of another 30% of the bank. (At \$3bn, the offering would be smaller than the Santander Mexico IPO of \$4.2bn back in 2012). Once certain tax planning dates are met, Citi is expected to sell additional shares before the IPO, so as to go below 50% ownership and thus deconsolidate the entity, simplifying the regulatory burden of holding the bank. Existing shareholders – the chairman Fernando Chico with his 25% stake, and current private equity entities with 24%, would be the logical buyers of the pre-IPO share sale, helping cement and clarify Chico Pardo's control before marketing the offering.

The investment thesis for Banamex is relatively straightforward. Freed of Citi bureaucracy, risk aversion and excessive compliance, boosted by the lowest cost of funding in the system, and aided by a bit of Chico Pardo magic, it will grow its loan book and revenues, cut administrative costs, and thereby see ROE revert to levels of its main competitors. The new investors bought shares at just 0.85x book value, with upside of at least 135% should the valuation reach Banorte's 2x book, predicated on ROE getting to levels of its more profitable peer. The tricky part will be executing the plan in an increasingly competitive banking environment. To name three risks, interchange fees on cards are coming down 30% over the next three years, there are signs of rising defaults on consumer credit, and fintechs like Revolut are going after premium customers, all potentially affecting the profitability of its key high-end credit card business. Banamex has indeed improved ROE since the lows of 2025 (affected by the costs of the separation from Citi), but there is still a long way to go.

### ***Banamex's ROE improves but lags peers***



Source: CNBV. Miranda Partners.

**Bloomberg, 9/25/26, Michael O'Boyle:** [Citigroup Targets More Than \\$3 Billion Banamex IPO, Taps Banks](#) | Other sources: [BloombergLínea](#).

### **Interchange Fee Debate: Many Last-Minute Comments, Few Surprises**

When it seemed like the public consultation on the interchange fee caps would end with rather few comments, some forty comments arrived on Thursday and Friday, the (slightly extended) deadline. Based on our initial assessment, we found the vast majority of the comments sought to clear up potential ambiguities in legal language ("Where it says 'Banxico may' it should say 'Banxico shall'..." type of lawyerly technicalities), streamline reporting obligations and clarify other technical elements of the proposals; interestingly (though not quite surprisingly) there was virtually no (public) opposition to the proposed interchange caps, with some participants suggesting the introduction of a cost-based model to increase transparency and future flexibility in setting the caps; others such as Mercado Pago and BanCoppel warned caps could disproportionately impact low-income cardholders; and in a notable exception, Clip suggested *lowering* the initial phase-in level as it is at a similar level to current fees (a point we [noted previously](#)). We were more surprised by the rather low number of comments regarding the lack of specific regulation of the merchant discount rate (MDR, the price businesses ultimately pay for accepting card payments, made up of interchange, acquiring and network fees), with consultancy Common Sense Project (whose [post on the matter](#) we also previously highlighted) the only one to flag the matter.

Predictably, some of the comments pushed for specific amendments to the proposal that would benefit their authors, including:

- The ABM pushed back against full transparency when dealing with parties seeking to become new network participants, arguing it would infringe on confidentiality agreements.
- Visa and Mastercard both argued against having to serve as guarantors of issuers operating with their brands (an issue Mastercard is [currently facing in Brazil](#)); instead they called for increased transparency on each issuer's exposure and liquidity.
- Issuers of corporate cards (including Clara) argued for a differentiated treatment of such cards.
- Aggregators argued against "disproportionate" measures vis-à-vis legacy acquirers; on the other hand, all sides argued against mandatory "same calendar day" settlement, calling instead for "next banking day" settlement.

#### Additional reading...

- [Mercado Pago places first MXN 3.75 bn from BIVA shelf registration.](#)
- [CNBV argues cash is actually more expensive than digital payments.](#)
- [Revolut Mx reaches one million customers in less than eight months operating as a bank.](#)
- [Conekta Becomes Card Acquirer](#)
- [Revolut launches Ultra membership in Mexico](#)

### LatAm FinTech News

#### Nu stock down sharply on M&A speculation

Nubank shares fell about 6.5% in early Monday trading after reports that the Brazilian digital bank had approached UK neobank Monzo about a potential acquisition. Talks are reportedly at an early stage, with a possible valuation of £8bn-£10bn (US\$10.6bn-US\$13.3bn) and no certainty that a transaction will take place. Nubank is currently worth about US\$65.7bn, making the proposed acquisition equivalent to roughly 16-20% of Nu's market value. It would also be by far the largest acquisition in Nu's history and a notable departure from CEO David Vélez's traditional "build rather than buy" approach.

The initial negative market reaction is partly explained by the difference in valuation. Monzo reported £1.7bn of revenue in FY2026, up 39%, and pre-tax profit of £87.3mn. At £8bn, Monzo would be valued at approximately 4.7x revenue and 93x earnings. Nu, by contrast, currently trades at around 18.5x trailing earnings and 14x forward earnings. So Monzo would be purchased at a considerably higher earnings multiple than the one investors currently assign to Nu itself. The reported price would also represent a significant step-up from Monzo's £4.5bn valuation in an October 2024 secondary share sale.

Given the transaction reportedly includes a significant stock component, Nu would be issuing relatively inexpensive shares, whose valuation is still heavily influenced by Brazil, to acquire a UK asset carrying a much higher earnings valuation. In simple terms, Nu would be swapping relatively "cheap" Brazil-geared equity for much more expensive UK-geared equity.

Another concern is that Nu may simply be biting off more than it can chew. It still lacks scale in Mexico and Colombia, has only just launched in the US, and is rolling out its global banking product. Adding the UK and potentially Europe, through a large, regulated cross-border transaction, would materially increase execution complexity and could take management's eye off the ball in markets where Nu still has a lot to prove. Integration would also involve different regulators, cultures and technology stacks. Monzo's cost structure is very different: its efficiency ratio was around 76% in 2025 versus roughly 20% for Nu, while absorbing a UK-based workforce of around 5,000 employees would add a materially higher salary base.

So why do it? Monzo has 15.2mn customers, £25.7bn of deposits and strong brand recognition, while revenue grew 39% last year. An acquisition would immediately give Nu scale in the UK and potentially a platform for broader European expansion and to take on Revolut in its home market. Paying £8bn-£10bn for Monzo would effectively bring forward years of European expansion in a fintech market that is now sufficiently mature that greenfield expansion could take too long or be too expensive. In short, buying Monzo may be Nu's last realistic chance to build a European business at scale through acquisition. Monzo also has great products, excellent customer reviews and high-quality engineers, all of which could help Nu build global know-how, while making integration potentially easier with Nu, a similarly customer-obsessed engineering-driven digital bank. Monzo is also a relatively scarce asset: there are few independent European digital banks with comparable customer scale, deposits and brand recognition.

Another possible reason is that Nu's board may in fact be quite worried about the credit cycle in Brazil, recent regulatory developments and the longer-term Brazil growth outlook, and therefore be more than happy to swap "cheap" shares in a Brazil-driven business for a more globally diversified one. Investors have already been debating whether Brazil is becoming a more mature market, alongside a potentially tougher credit and regulatory environment. So while Monzo would give Nu scale, deposits, licenses and a European growth platform, in one shot it would also make Nubank less Brazilian. That might make strategic sense, but it is hardly reassuring about the value of the existing business.

**FT, 9/26/26, Laith Al-Khalaf:** [Monzo in talks with Brazil's Nubank about sale](#) | **Other sources:** [Sky News](#).

### **Revolut Keeps on Expanding, Now Enters Argentina**

A week after securing its [Colombian bank license](#), Revolut announced it has agreed to acquire Banco Cetelem Argentina from BNP Paribas; the central bank has already given its initial green light to the transaction; terms were not disclosed.

**BloombergLínea, 9/24/26, Filipe Serrano:** [Revolut gets green light from BCRA to acquire Banco Cetelem](#).

### **Additional reading...**

- [The Sprawling Banco Master Probe Is Roiling Brazil's Presidential Election](#).

- [NG.CASH lands \\$15M to bring credit to young Brazilians.](#)
- [Colombian fintech Monni launches multi-currency digital wallet.](#)

## Global FinTech News

### Additional reading...

- [SoftBank's OpenAI Debt Gets Costlier, Riskier and Even Bigger.](#)
- [What AI should learn from the banks.](#)
- [Rivals Revolut and Nubank go head to head in bid to crack US banking market.](#)
- [US Federal Reserve proposes new stablecoin rules.](#)

### Contact

**Gilberto García**

Partner and Head of Strategic Advisory

[gilberto.garcia@miranda-partners.com](mailto:gilberto.garcia@miranda-partners.com)