MIRANDA INTELLIGENCE

Mexico Fintech Chatter – June 2, 2025

Mexico FinTech News

Digitalization Advances in 2024, but Cash Remains King in Mexico

Banxico's Financial Infraestructure Report and a poll by INEGI and CNBV showed digital payment channels continued to gain share in 2024. According to the central bank, close to 73% of adults made a bank transfer through SPEI last year, while card payments grew in the double digits: transactions went up over 20%, while total volume rose by 12% (i.e., the number of low-value transactions is rising fast, partly driven by the higher growth of aggregators). Meanwhile, cash withdrawals saw their third consecutive year of declines, with the total amount withdrawn down 2.4% YoY in real terms. For its part, INEGI and CNBV's poll shows 46% of companies have been granted a loan at some point since their start of operations. And so, there are reasons to be optimistic about an improving financial inclusion and the prospect for fintech players. Still, however, the use of cash remains pervasive: 75% of companies said cash was its main method of payment; for small companies, the figure goes up to 86%. It's a good thing that cash withdrawals are down, but not only are they still high, there's a sizable chunk of the economy that never makes it into the formal financial sector in the first place. All the technology in the world will never be enough to fix that: as long as informality remains normalized, and tax evasion continues with impunity, millions will continue to prefer cold, hard cash over pretty apps and SPEIs.
Banco de México, 26/05/25: 2024 Annual Report on Financial Markets Infraestructure | **INEGI and CNBV, 28/05/2025:** Press Release: National Survey on Companies' Sources of Financing and Full Report.

Nubank CEO not totally happy with Mexico execution?

In what was a shift from its standard positivity about Nubank's operations in Mexico, founder and CEO David Vélez acknowledged to top investors, cited in a Wall Street investment report, some shortcomings in execution — particularly in launching new products. (Our guess he is referring to delays in rolling out a premium credit card in Mexico, which would have appealed to the millions of wealthy Nu deposit customers.) While Vélez maintained that he is still "very pleased" with Mexico's overall progress, the fact that he said both he and CFO Guilherme Lago are now becoming more involved in day-to-day decision-making in Mexico raises questions. As any employee knows, it's rarely a good sign when the CEO announces they'll be "spending more time" on your business unit. The concerns about poor Mexico execution follow the recent firing of Youssef Lahrech, the global President and COO, to speed up decision making. Mexico has been a priority market for Nubank, with over 11 million customers and more than US$5 billion in deposits, but progress in stemming huge losses in its credit portfolio has been slow. Moreover, analysts question whether clients and data collected in its high-end deposit business is of much use to its middle-income core credit card business. Vélez admitted that the local team's focus on securing a banking license — a process that he said involved an extraordinary 60% of Nu Mexico staff — delayed product rollout. Vélez's comments suggest some internal frustration with the pace and effectiveness of Mexico execution — a surprising tone switch for a company known for its relentless optimism.

Meanwhile in an interview with *iupana*, Iván Canales, CEO of Nu México, said the company's new banking license will allow it to expand into payroll accounts and SME financial services—especially for businesses operating informally or with limited banking access. "We've built a beloved consumer brand, and it can translate well into SME products," said Canales. One key focus will be payroll. According to

Canales, many users were already depositing salaries into Nu accounts informally, and the license now lets them formalize that flow with products aimed at employers. Rather than branching into sectors like telecoms (as in Brazil), Nu México's priority is to deepen its role in Mexico's financial system, focusing on SMEs and formal workers.
Iupana, 19/05/25, Mitzy González Ramírez: Nu finds growth niche in Mexican SMEs

BBVA to invest over 100 billion pesos in Mexico; claims to be 'largest fintech' in the country

BBVA Global Chairman Carlos Torres Vila announced the bank will invest "more than 100 billion pesos by 2030" in its Mexican operation, underscoring the group's commitment to the country, its main source of profits. Management described the bank as 'the largest fintech in the country'. Meanwhile, BBVA Mexico CEO Eduardo Osuna highlighted that 'digitizing the economy is essential to reducing informality and the reliance on cash'. He proposed: implementing cashless social programs: ensuring that all collections and payments at the federal, state, and municipal levels are 100 percent digital; and close collaboration between the government and the private sector.
BBVA, 27/05/25, Staff: BBVA to invest over 100 billion pesos in Mexico in the 2025-2030 period.

Palla Secures $14.5 Million Series A to Drive Expansion in Cross-Border Payments

Palla, an international payments platform that enables instant cross-border payments for global financial institutions and fintech firms, announced that it has raised $14.5 million in a Series A round, led by Revolution Ventures. Palla's platform enables partners to embed real-time international payments into their existing digital channels via a suite of APIs, white-label apps, and embeddable components. Unlike traditional money transfer providers, Palla allows financial institutions to offer international payments directly within their native applications—or via Palla's hosted infrastructure—tailored to each partner's cross-border use case and end customer needs. Palla is led by CEO Enrique Perezalonso, a 20-year veteran of retail banking in Mexico and the U.S.
Business Wire, 28/05/25: Palla Secures $14.5 Million Series A Funding to Drive Expansion and Innovation in Cross-Border Payments.

Belvo Bets on Alternative Data in Mexico Amid Open Finance Stagnation

With 60% of its business based in Mexico and the remaining 40% in Brazil, fintech Belvo continues to invest in the Mexican market despite stalled open finance regulation. The company sees strong potential in alternative data sources, such as SAT and IMSS, to improve credit access. Roughly 80% of its clients are credit-focused institutions like Sofipos and Sofomes. Belvo recently raised US $15mn to expand operations and plans to integrate AI for deeper data insights. While open finance remains underregulated, Belvo sees growing specialization and infrastructure maturity in the segment.
El Economista, 27/05/25, Sebastián Estrada: Belvo bets on alternative data in Mexico amid open finance stagnation.

Préstamo Feliz in trouble

Whitepaper reports that New York-based investment firm Christofferson, Robb & Company is seeking bankruptcy proceedings against Préstamo Feliz, a Monterrey-based SOFOM. According to CONDUSEF, Préstamo Feliz has a loan portfolio of MXN 12.6 billion, with more than MXN 6.5 billion in default—over 51%. This would make it one of the largest SOFOMes in Mexico and the one with the highest reported delinquency. Christofferson, Robb & Co had been providing credit lines to fund payroll and pension

loans, as well as acquisitions, including the Mexican unit of World Acceptance Corporation. They claim the SOFOM defaulted and is no longer meeting repayment terms
El Heraldo, 27/05/25, Darío Celis: La Quinta Transformación

Additional reading…

- What should a good trading platform offer in 2025?
- Klar cuts its yield on demand deposits to 3.5% from 4.0%.
- BBVA: Mexico: how to disrupt a competitive market with a tax on remittances.

LatAm FinTech News

Mercado Pago to Apply for Digital Banking License in Argentina

Mercado Pago, the fintech arm of Mercado Libre, announced it will request a fully digital banking license from Argentina's central bank, following similar moves in Brazil and Mexico. The goal is to deepen financial inclusion and transform how users interact with banking services. Mercado Libre, valued at US $131bn, aims to build the largest digital bank in Latin America.
El Economista, 28/05/25, Edgar Juárez: Mercado Pago to apply for digital banking license in Argentina.

Nubank Turns 12 and Is Brazil's Favorite Financial Institution

Nubank celebrates its 12th anniversary with 25% favorability, making it the most preferred financial institution in Brazil, according to Bridge Research. It closed Q1 2025 with 119 million customers—99 million active—and reported US $3.2bn in revenue, a 40% YoY increase.
Nubank Newsroom, 26/05/25, Staff: Nubank turns 12 and is Brazil's favorite financial institution.

Prontopaga Launches Neobank YOL1 to Transform Cross-Border Payments from Chile

At the Chile Fintech Forum 2025, Prontopaga CEO Sebastián Salazar announced the launch of YOL1, a new digital platform designed to simplify cross-border payments in Latin America. Backed by US $10mn in initial investment, YOL1 will allow users to send and receive money using local payment rails like PIX, YAPE, and interoperable QR codes. The MVP is expected in January 2026. Prontopaga currently processes over 4.5 million monthly transactions outside Brazil and projects a TPV of US $300mn by year-end. YOL1 plans to add insurance and investment services pending regulatory approvals in Peru, Chile, and Brazil.
Latam Fintech, 28/05/25, Staff: Prontopaga launches neobank YOL1 to transform cross-border payments from Chile.

Additional reading…

- Paytech Zulu surpasses US $250mn in cross-border payments from Colombia.
- Gilgamesh Ventures raises $20M Fund II.
- Operator-led Nascent VC announces the launch of its $15 million Fund II.

Global FinTech News

U.S. Direct VC Secondary Market Is Swelling

The U.S. direct secondary market for venture capital reached an estimated US $60bn in 2025, up from US $50bn in 2024, according to PitchBook. After two years of deep discounts, Q1 2025 saw positive

pricing, with a 6% average and 3% median premium. While many startup shares still sell at 30–60% below their last valuation, top-tier unicorns continue to attract premiums as investors flee to quality. Market volatility and liquidity pressure on LPs are fueling activity, alongside large tender offers from firms like Ramp and Stripe.
PitchBook News, 29/05/25, Michael Bodley: U.S. direct VC secondary market is swelling.

Kashable Secures US $250mn Credit Facility to Expand Workplace Financial Wellness

Kashable, a U.S. fintech offering employer-sponsored credit and financial wellness benefits, secured a US $250mn credit facility led by Nomura, with continued support from MidCap Financial (Apollo). The funds will expand Kashable's reach and enhance payroll and HR system integration. Since 2013, the company has originated nearly US $1.5bn in affordable loans and now serves over 4 million employees. The platform also offers financial coaching, budgeting tools, and credit monitoring to promote long-term financial health.
Fintech Finance News, 29/05/25, Staff: Kashable secures US $250mn credit facility to expand workplace financial wellness.

Additional reading…

- Santander considers launching euro-pegged stablecoins.