Fintech

in Latin America

The State of Ecosystem </>

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Update
Julio 2022

EDWIN ZÁCIPA
LATAM TOP FINTECH INFLUENCER

- Administrador de Negocios Internacionales de la Universidad de La Sabana y Executive MBA Candidate del Inalde Business School.
- Emprendedor Fintech con experiencia en Inteligencia de Negocios en banca comercial.
- Movilizador en el Ecosistema de Emprendimiento e Innovación de Colombia.
- Cofundador y anterior director ejecutivo de la Asociación Colombia Fintech
- Country Head de Open Vector, *Senior Advisor* y miembro de junta directiva de Fintechs, entidades financieras y gremios en servicios financieros digitales.
- Profesor universitario y columnista de la revista Forbes.
- Hoy es el joven más influyente del ecosistema Fintech de América Latina, según varios rankings internacionales.

Conectémonos por Linkedin

Nuevos modelos de negocio
que se apalancan de la *tecnología (TIC)*
para **TRANSFORMAR**
procesos, productos y servicios
de la actividad financiera tradicional.

PAYTECH

REGTECH

CRÉDITO DIGITAL

SME FINANCE

PFM

WEALTHTECH

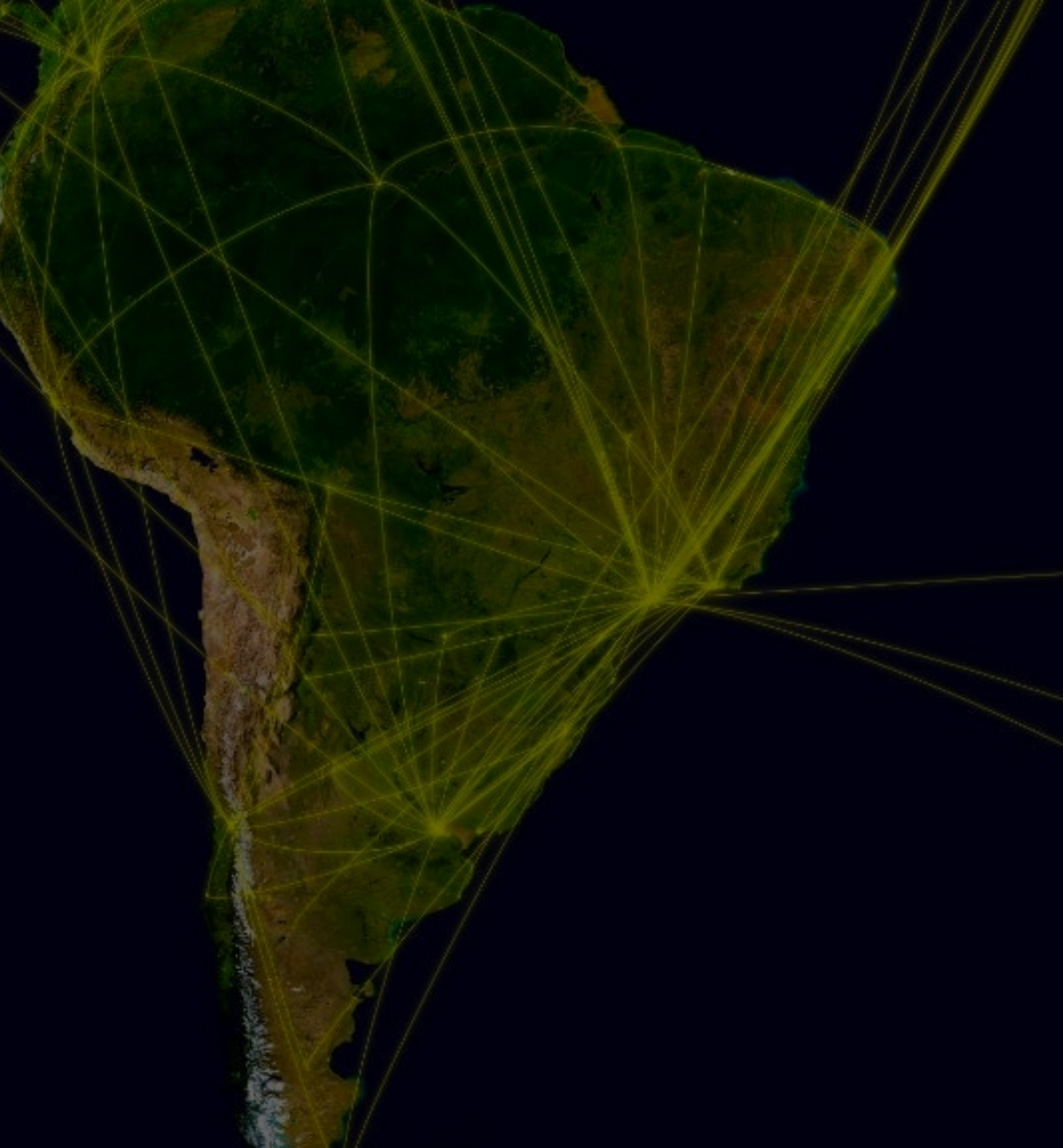
CROWDFUNDING

INSURTECH

NEOBANCOS

DEFI

El Estado del Fintech en América Latina y Colombia



Actividad Fintech en Latam

Número de startups

2.712
Emprendimientos 2021

2.301
Emprendimientos 2020

17% crecimiento

1.741
Emprendimientos 2019

32% crecimiento

1166
Emprendimientos 2018

49% crecimiento

703
Emprendimientos 2017

65% crecimiento

Brasil	1.264
México	512
Colombia	322
Argentina	305
Chile	179
Perú	57
Ecuador	34
Uruguay	28
Venezuela	11

Cifras del Banco Interamericano de Desarrollo y Finnovista 2021 y cálculos propios.

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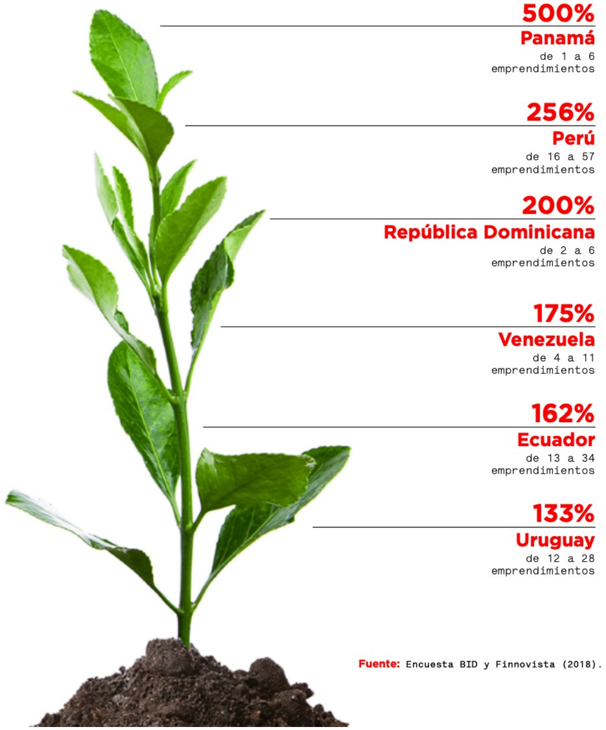
Actividad Fintech en Latam

Crecimiento ecosistemas

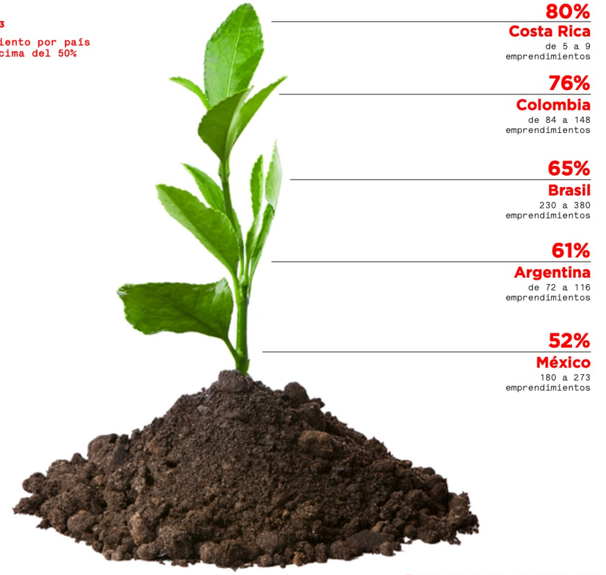
Americas (Top 50)

Region Rank	Fintech Rank	Total Score	Quantity	City	Country
1	1	80.136	28.99	San Francisco Bay	United States
2	3	36.889	22.98	New York	United States
3	5	18.805	4.66	Sao Paulo	Brazil
4	6	17.867	7.05	Los Angeles	United States
5	8	15.795	4.66	Boston	United States
6	12	14.616	4.76	Toronto	Canada
7	14	14.419	3.78	Chicago	United States
8	19	13.150	3.05	Atlanta	United States
9	20	13.097	3.24	Miami Area	United States
10	21	12.860	2.41	Mexico City	Mexico
11	22	12.821	2.70	Seattle	United States
12	25	12.408	2.95	Austin	United States
13	27	11.984	2.28	Dallas-Fort Worth	United States
14	36	11.289	2.45	Vancouver	Canada
15	37	10.916	1.37	Denver	United States
16	40	10.606	1.62	Bogota	Colombia
17	41	10.463	1.50	Charlotte	United States
18	42	10.261	1.45	Buenos Aires	Argentina
19	44	10.231	1.82	San Diego	United States
20	48	9.842	1.49	Montreal	Canada
21	51	9.593	1.55	Washington DC	United States
22	52	9.565	0.83	Philadelphia	United States
23	54	9.418	1.10	Santiago	Chile
24	57	9.291	0.66	Rio de Janeiro	Brazil
25	61	9.193	0.87	Portland	United States



Fuente: Encuesta BID y Finnovista (2018).

iento por país
cima del 50%



Fuente: Encuesta BID y Finnovista (2018).

Cifras de las asociaciónes de Fintech de la región

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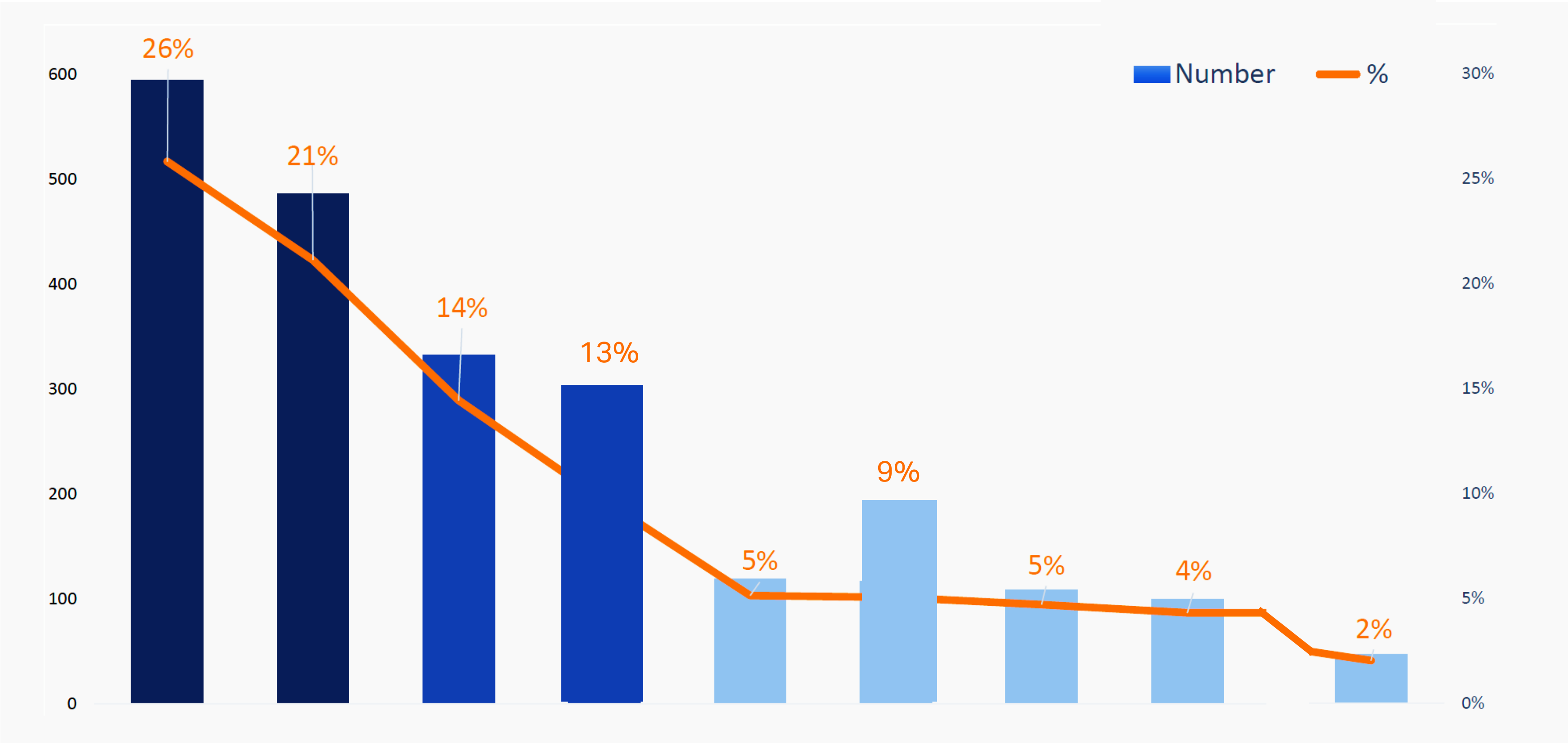
Clasificación de las empresas Fintech en Latam

Segmentos de Negocio

El desarrollo Fintech en Latam se ha debido a reducir el sobreuso del efectivo, las brechas de crédito y la informalidad empresarial.



Segmento de negocio	PAYTECH	CRÉDITO DIGITAL	SME FINANCE	REGTECH	INSURTECH	WEALTHTECH	PFM	CROWDFUNDING	NEOBANKS
Fintech de referencia	clip	creditas	Treinta	belvo.	betterfly	inviu		LEVO	nu

Cifras del Banco Interamericano de Desarrollo y Finnovista 2020

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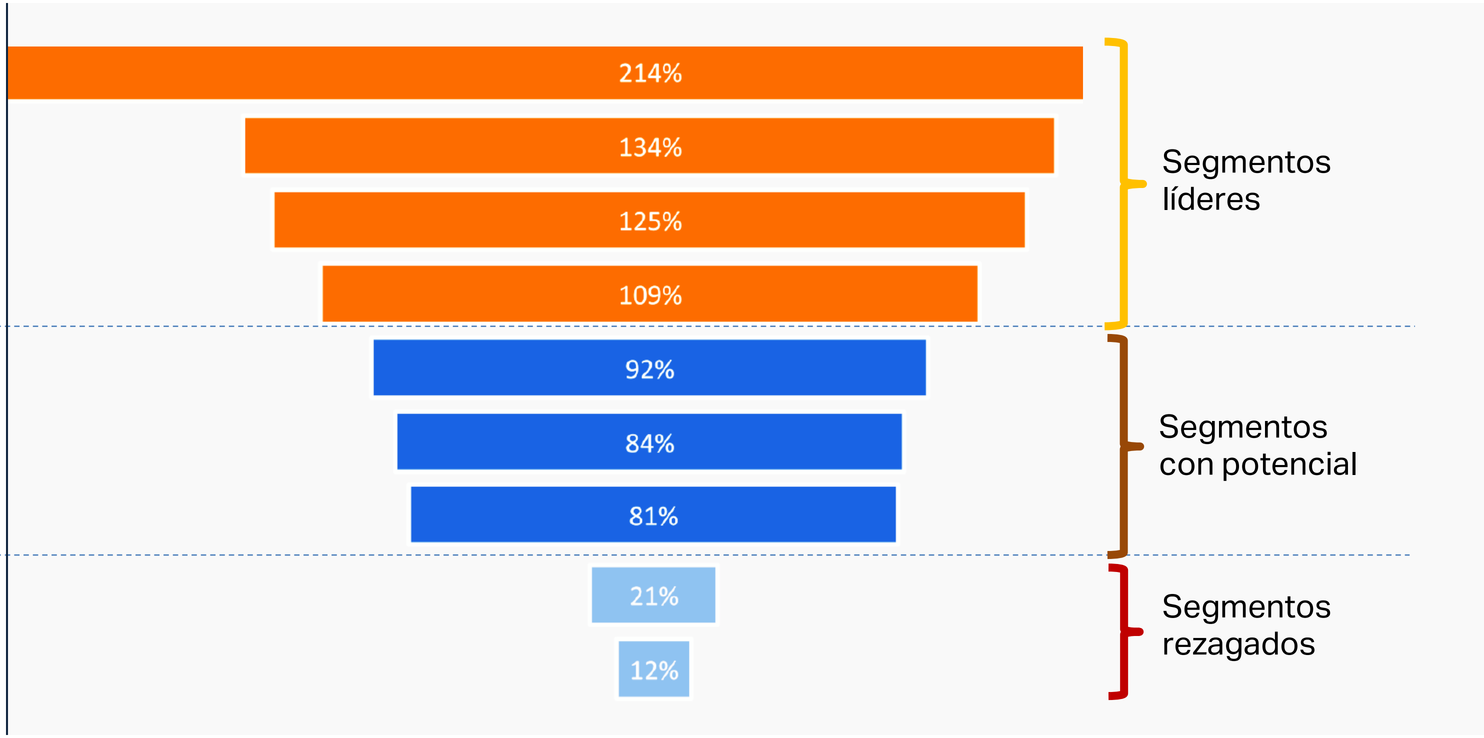
Clasificación de las empresas Fintech en Latam

Crecimiento del segmento

REGTECH	Back, Middle, Front
CRÉDITO DIGITAL	B2C, B2B
INSURTECH	Back, Middle, Front
PAYTECH	PSPs, Emisores, Adquirentes
WEALTECHTECH	Back, Middle, Front
SME FINANCE	
NEOBANKS	Marcas digitales, OTTs, Nativos digitales
PMF	
CROWDFUDNING	Financiero, No Financiero



Cifras del Banco Interamericano de Desarrollo y Finnovista 2020

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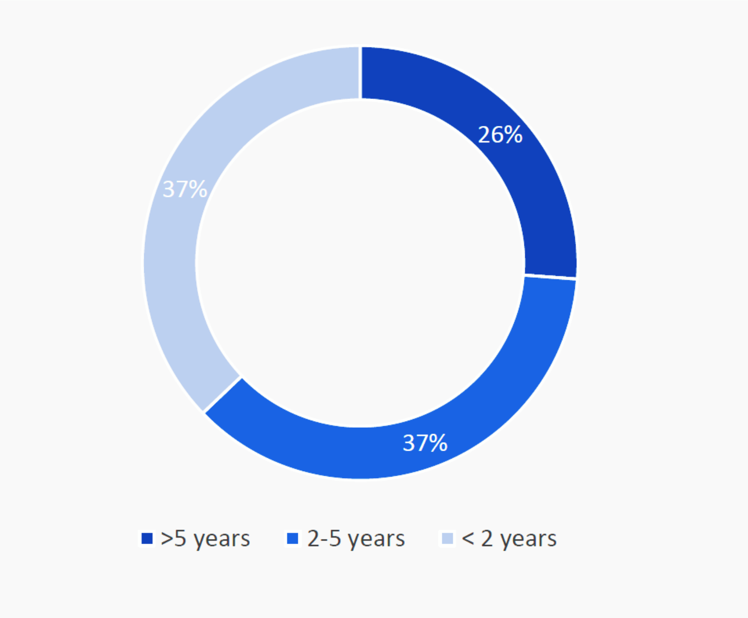
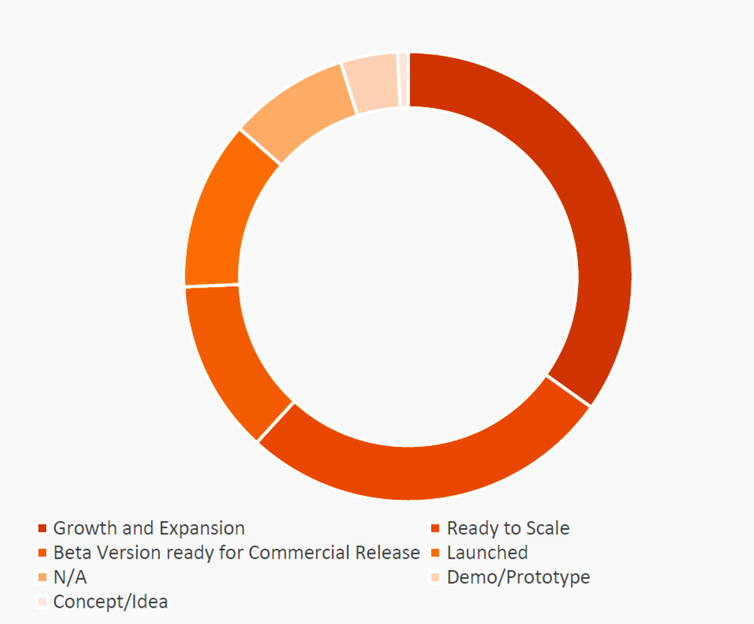
Edad y estado de madurez

Año de incorporación y etapa de desarrollo

Years of Operation **37%** less than 2 years



Development Stage **62%** in mature stages



12%
Tasa de mortalidad

BID - FINNOVISTA 2020

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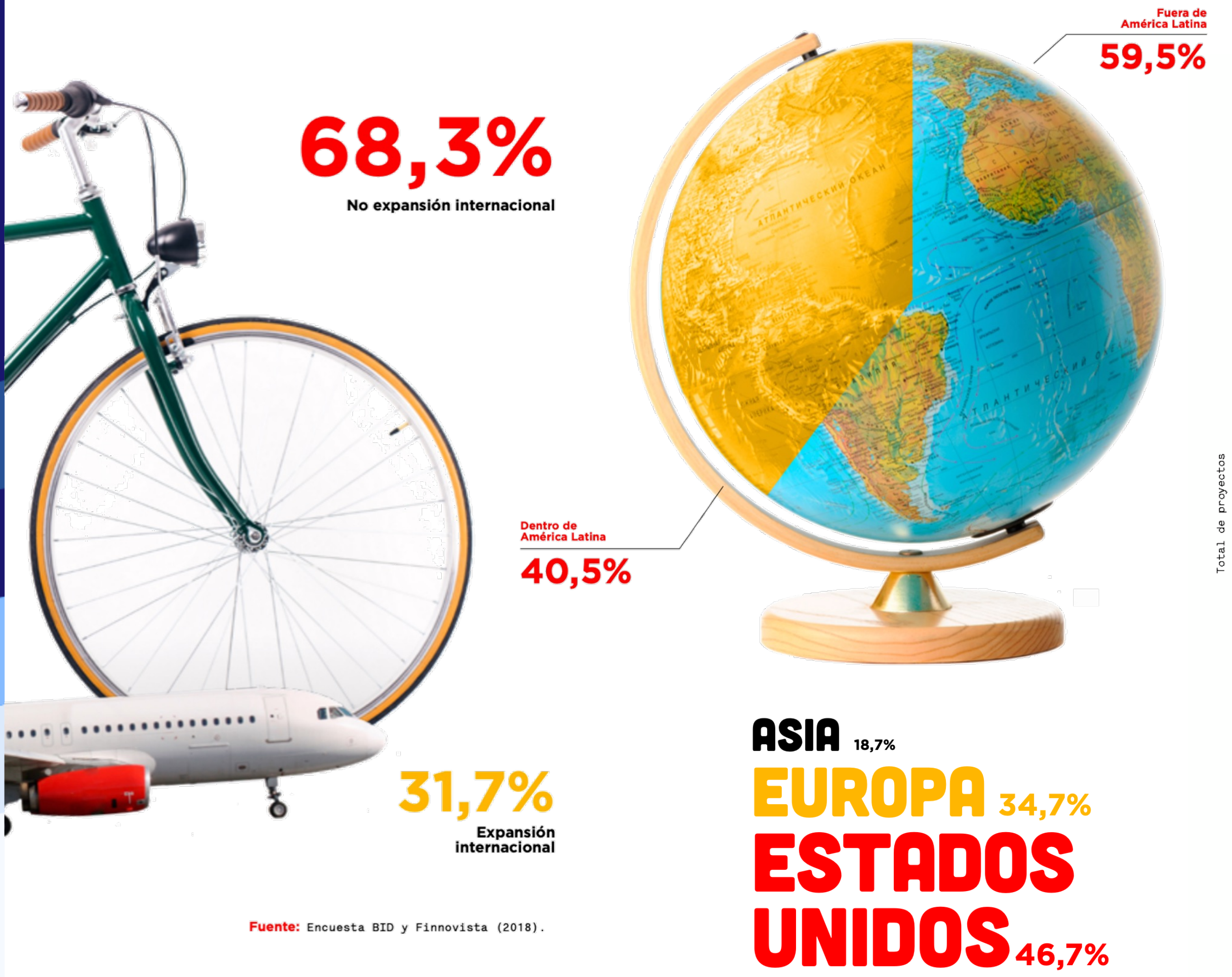
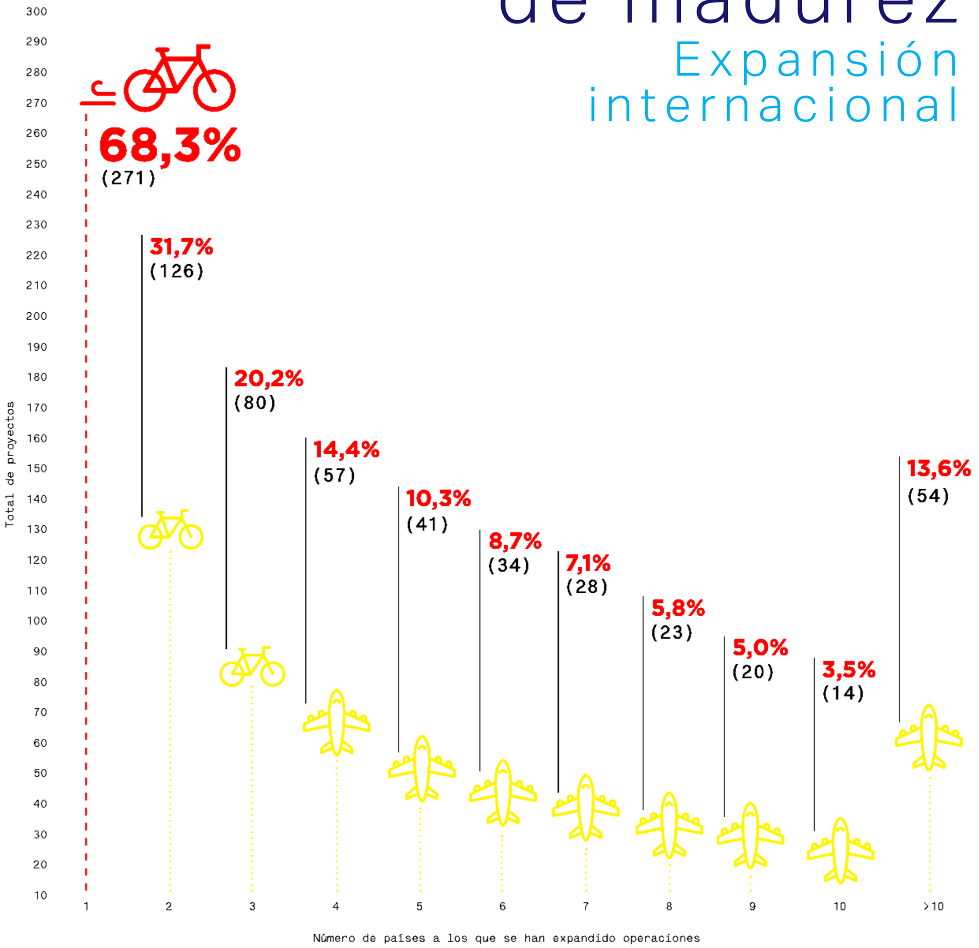
Estado de madurez
Expansión internacional

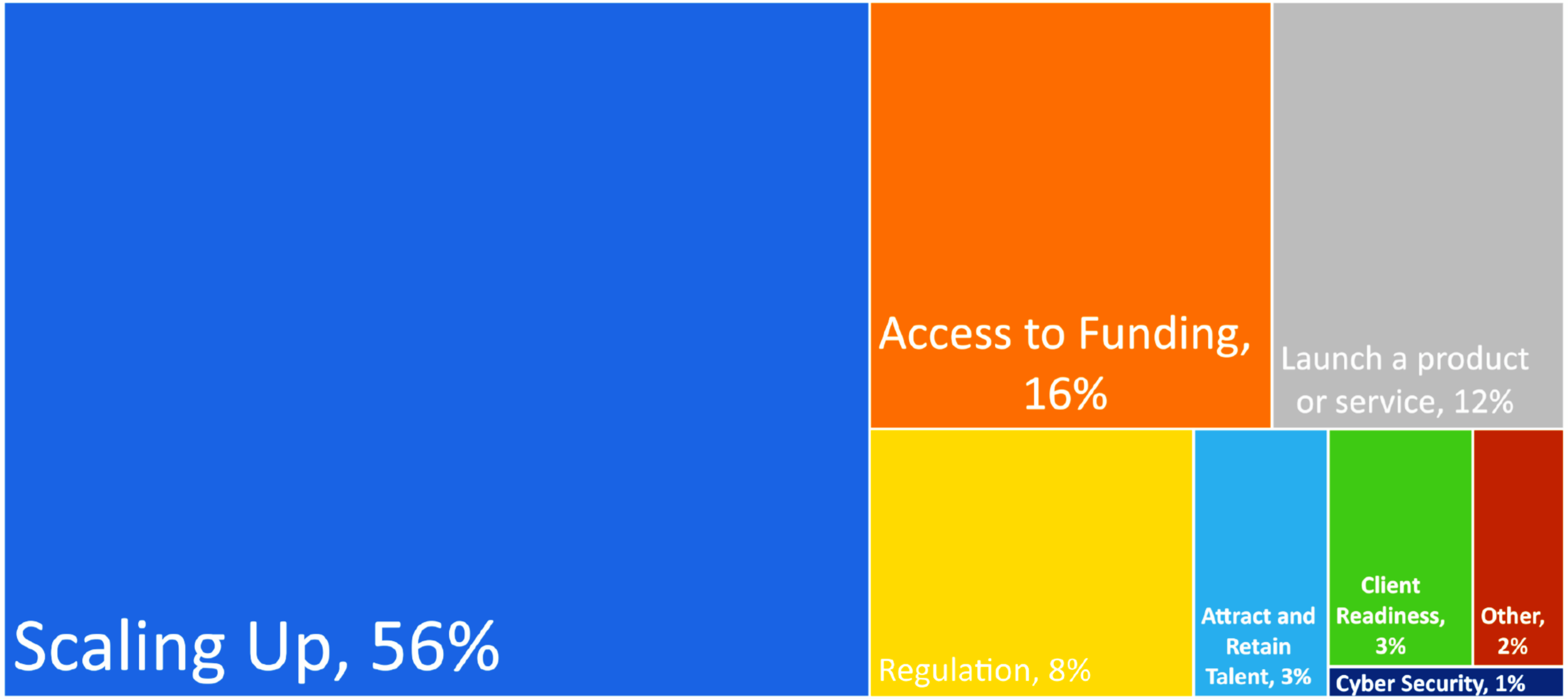


Fuente: Encuesta BID y Finnovista (2018).



Retos de las Fintechs de Latam para este año

Principales desafíos en la estrategia en la región



Cifras del Banco Interamericano de Desarrollo y Finnovista 2020

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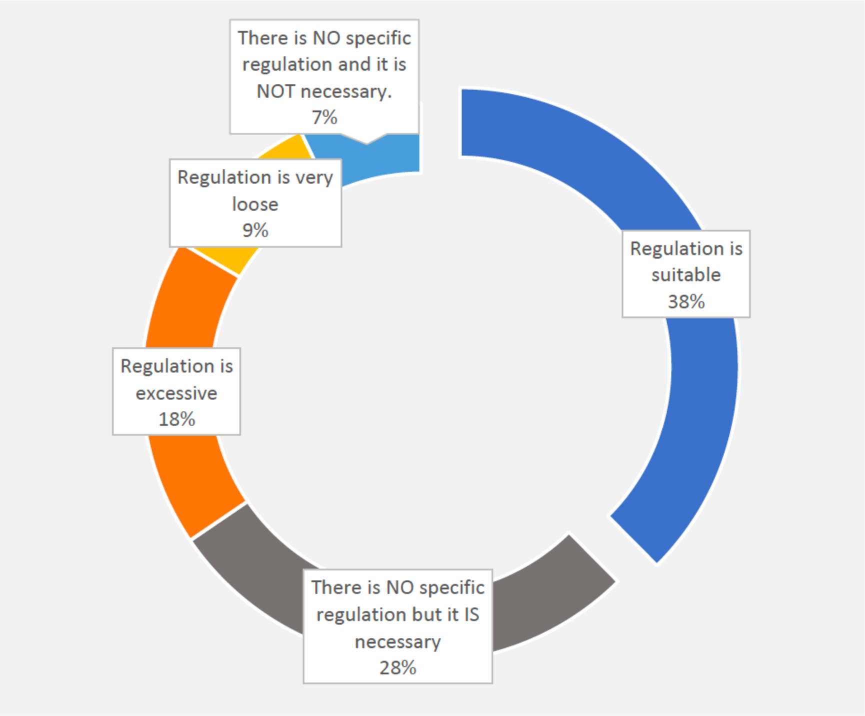
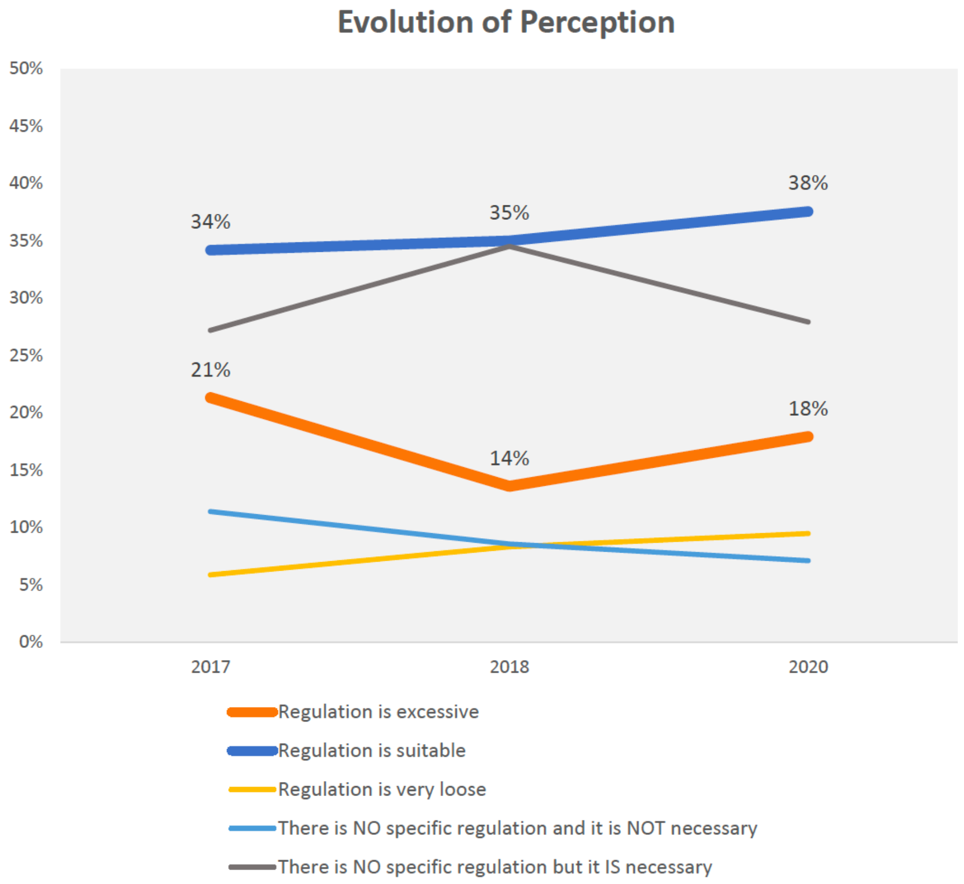
Actividad Fintech en Latam

¿Cómo se encuentra la percepción sobre la regulación Fintech de LAC?

Perception of regulation

38% say is suitable





Cifras del Banco Interamericano de Desarrollo y Finnovista 2020

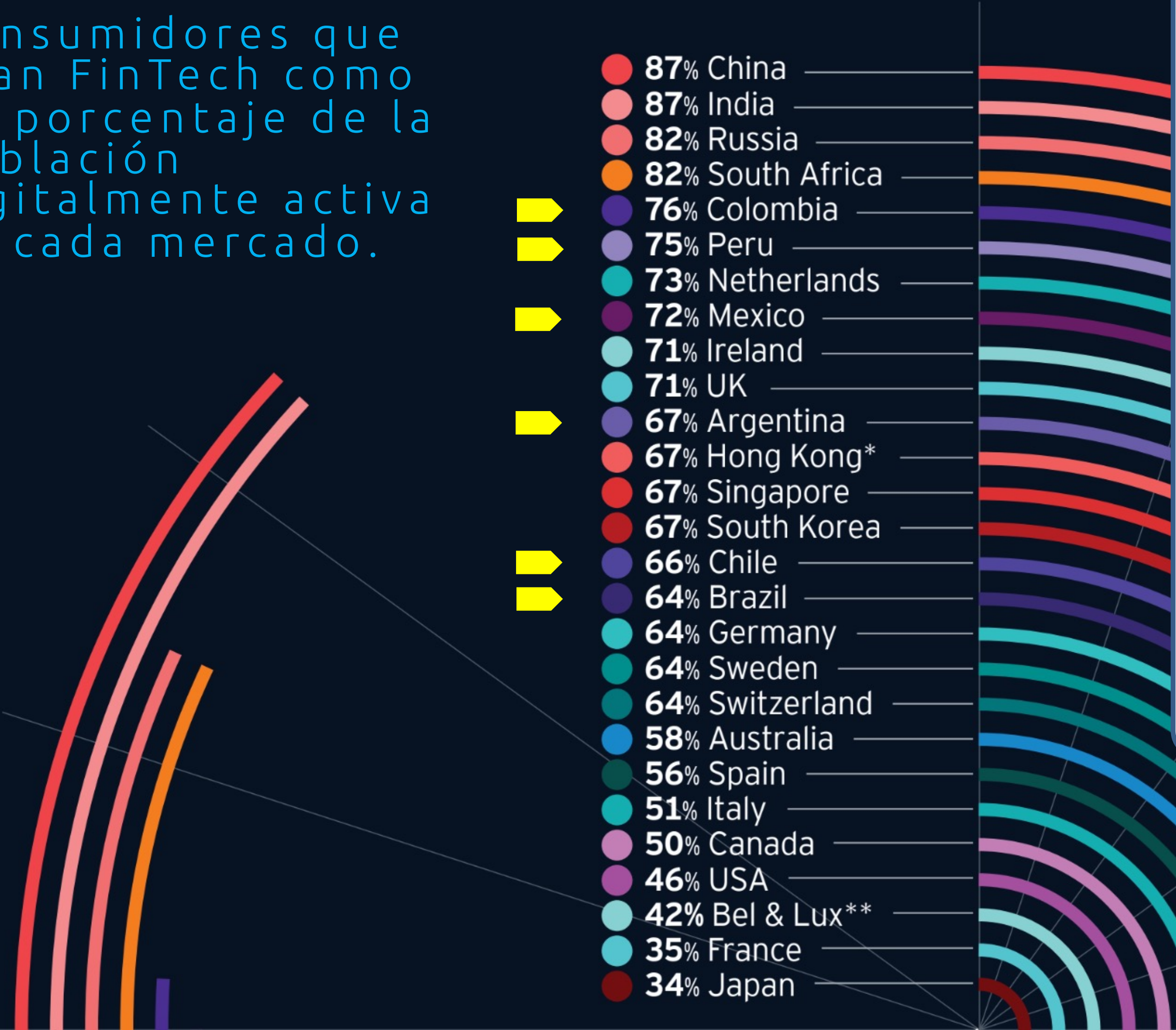
América Latina se posiciona como líder de innovación financiera y tecnológica a nivel mundial y sigue a los referentes mundiales

	Colombia	Brasil	Chile	Argentina	México	Reino Unido	Singapur
Asociación Fintech	Colombia Fintech	ABFintechs	FinteChile	Cámara Argentina de Fintech	Asociación Fintech México	Innovative finance	Singapore Fintech
Esquemas de **promoción *Fintech*** desde las autoridades financieras	Sí existe.	Sí existe.	Marco normativo habilitante o en trámite.	Marco normativo habilitante o en trámite.	Sí existe.	Sí existe.	Sí existe.
Instrucciones y prácticas relativas a las **tecnologías** de soporte *Fintech*	Sí existe.	Sí existe.	Sí existe.	Marco normativo habilitante o en trámite.	Sí existe.	Sí existe.	Sí existe.
Seguridad de la información y **protección de datos** personales	Sí existe.	Sí existe.	Sí existe.	Sí existe.	Sí existe.	Sí existe.	Sí existe.
Acceso a la información financiera por parte de terceros y ***open banking***	Marco normativo habilitante o en trámite.	Marco normativo habilitante o en trámite.	Marco normativo habilitante o en trámite.	No existe.	Sí existe.	Sí existe.	Sí existe.
Modernización de **sistemas de pagos de bajo valor**	Sí existe.	Sí existe.	Marco normativo habilitante o en trámite.	Marco normativo habilitante o en trámite.	Sí existe.	Sí existe.	Sí existe.
Sandbox regulatorio	Sí existe.	Sí existe.	No existe.	No existe.	Sí existe.	Sí existe.	Sí existe.

Sí existe. Marco normativo habilitante o en trámite. No existe.

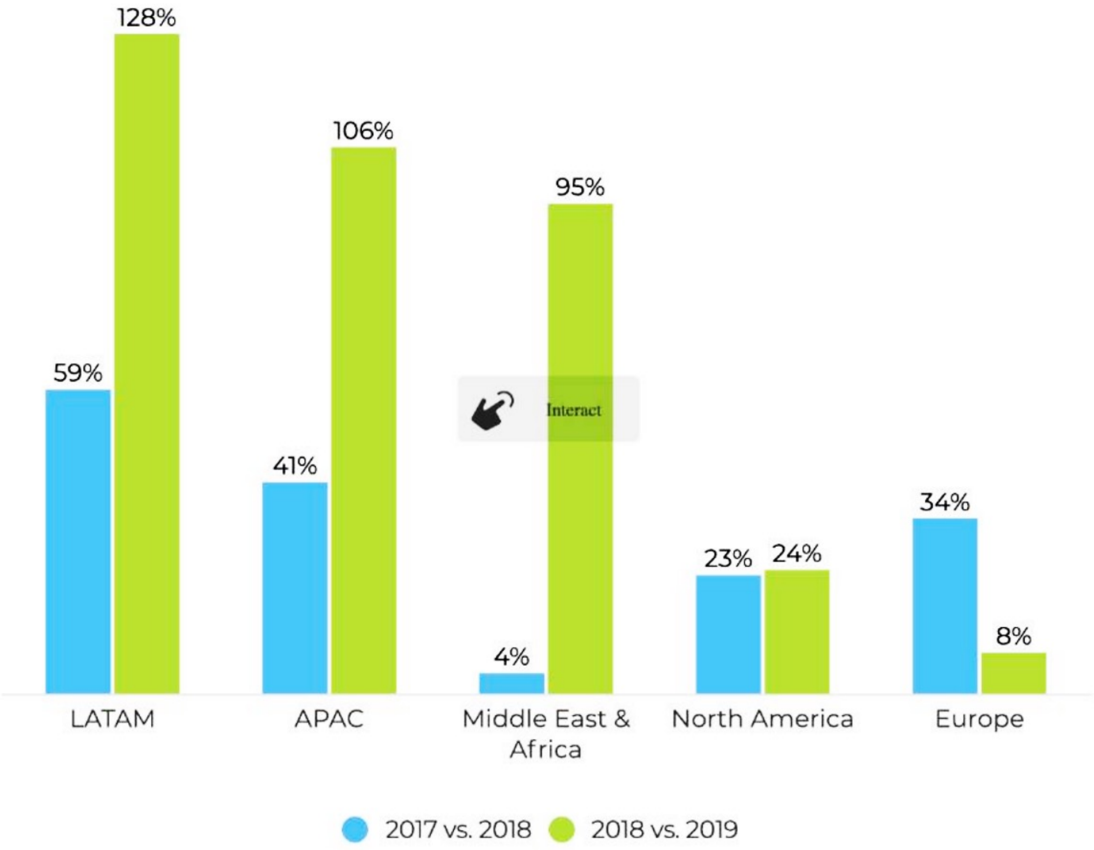
Demanda de Fintech

Consumidores que usan FinTech como un porcentaje de la población digitalmente activa en cada mercado.

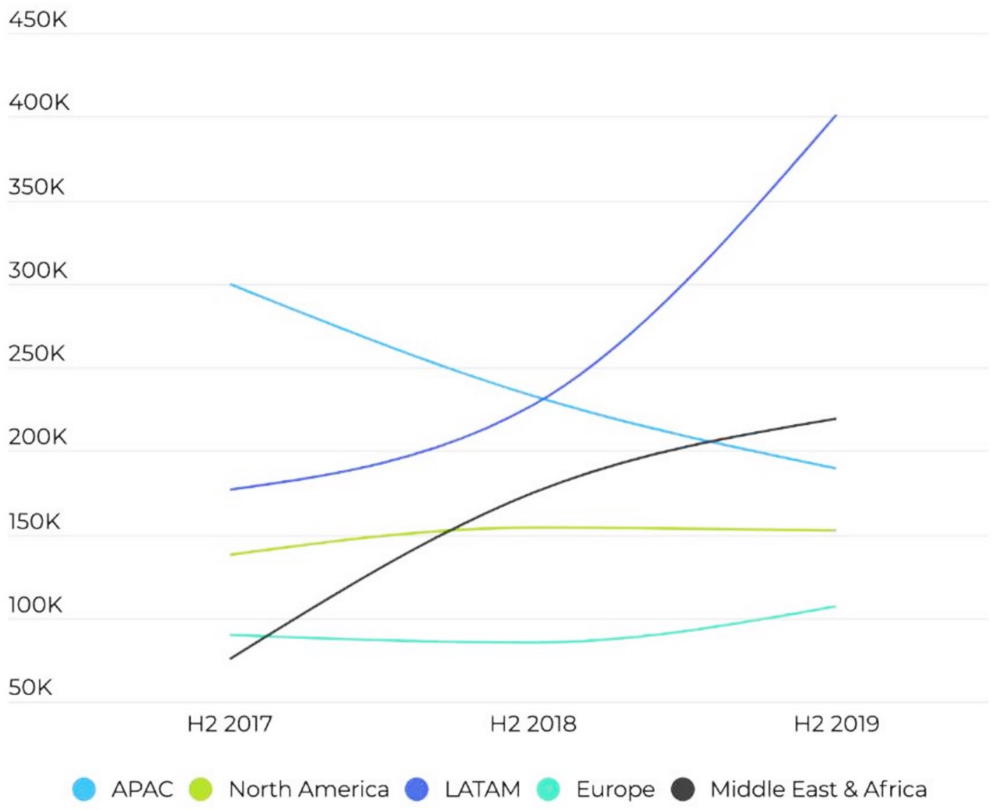


EY, GLOBAL FINTECH ADOPTION INDEX 2019

Regional YoY Growth in Share of the Install Pie
Finance, Per Region



Average Number of Installs Per Finance App
Per Region



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La necesidad del sector

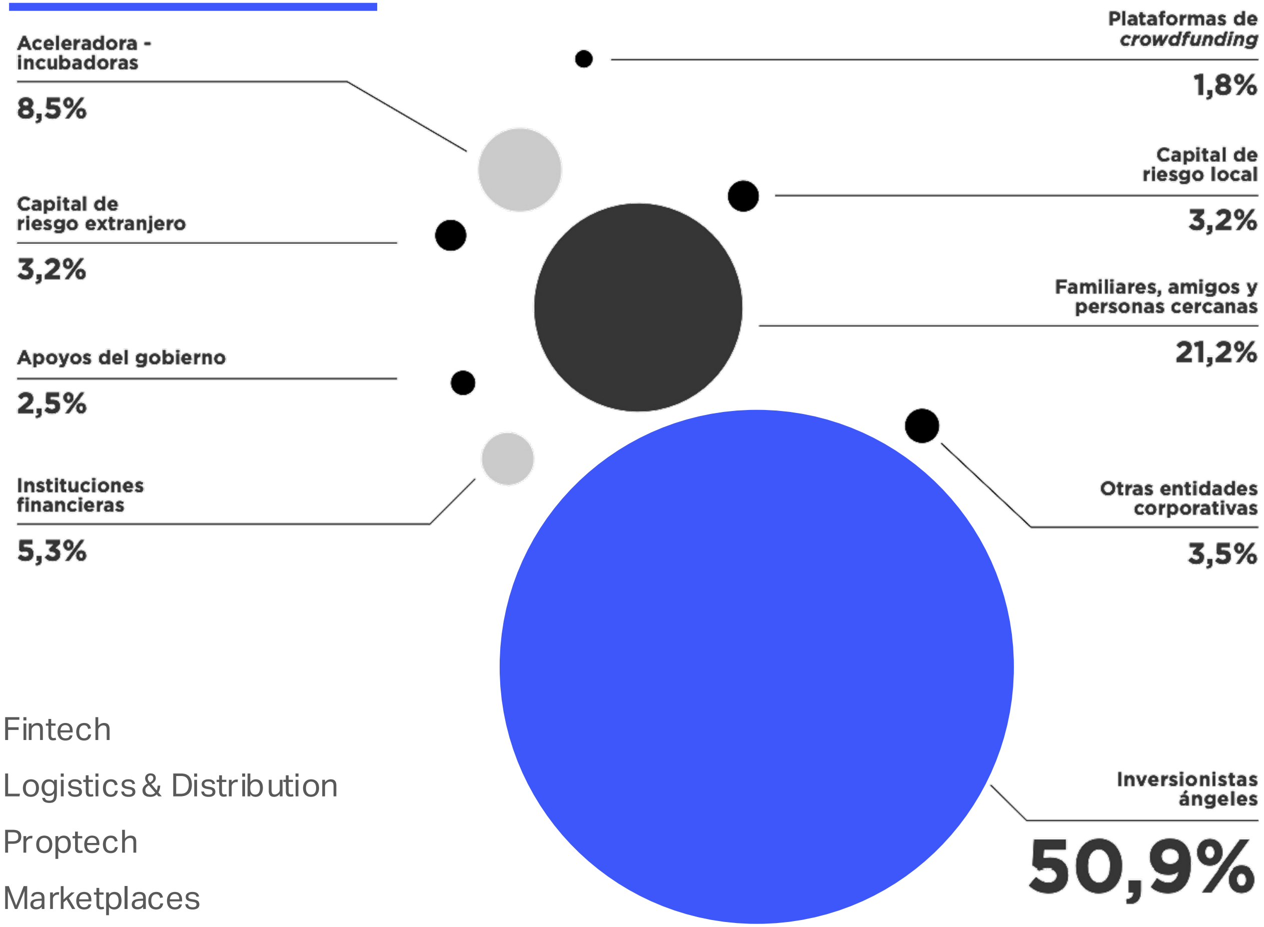
¿Estás buscando actualmente inversión para tu emprendimiento?

Gráfico 6.1

Fintech en términos de consecución de capital y financiación.

- 88% busca inversión a cambio de acciones
- 40% busca financiamiento a través de deuda

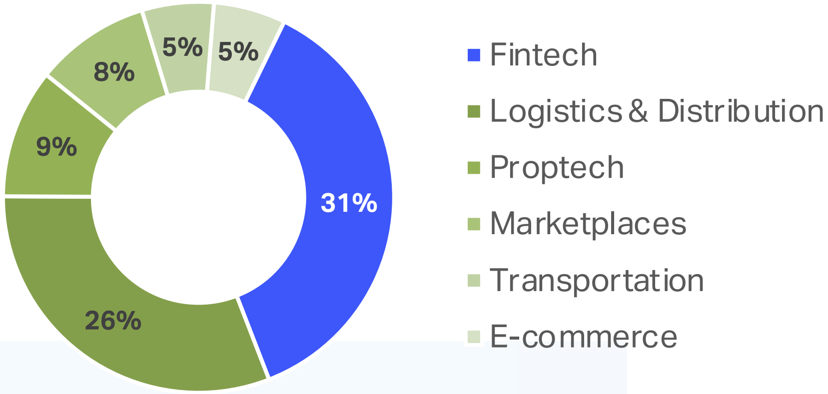
Fuentes de Financiación e Inversión en Latam 2019



Fuente: Encuesta BID y Finnovista (2018).

Leading Startup Sectors in Latam, By Dollar Volume 2019

LAVCA 2020



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Evolution of Funding in Fintech Companies Latam 2021

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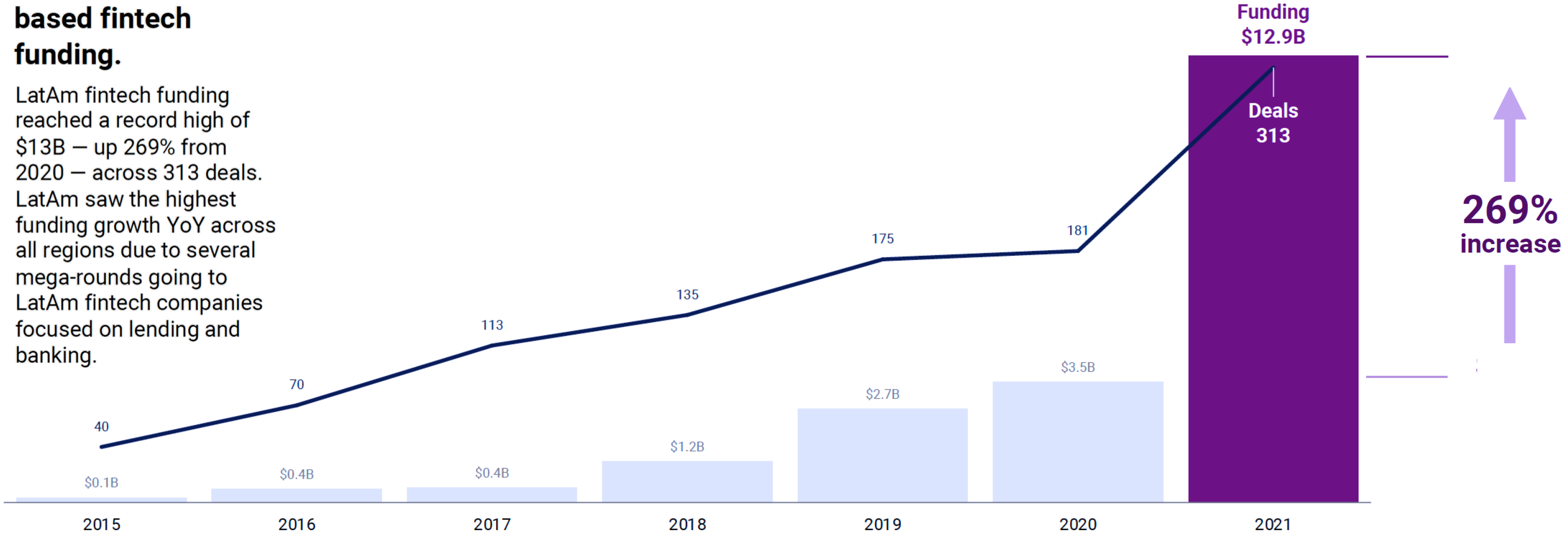
STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

LatAm fintech funding hits $12.9B in 2021, up more than 3x

Growth in LatAm-based fintech funding.

LatAm fintech funding reached a record high of $13B — up 269% from 2020 — across 313 deals. LatAm saw the highest funding growth YoY across all regions due to several mega-rounds going to LatAm fintech companies focused on lending and banking.



Cifras de CBInsights 2022

Evolution of Funding in Fintech Companies Latam 2021

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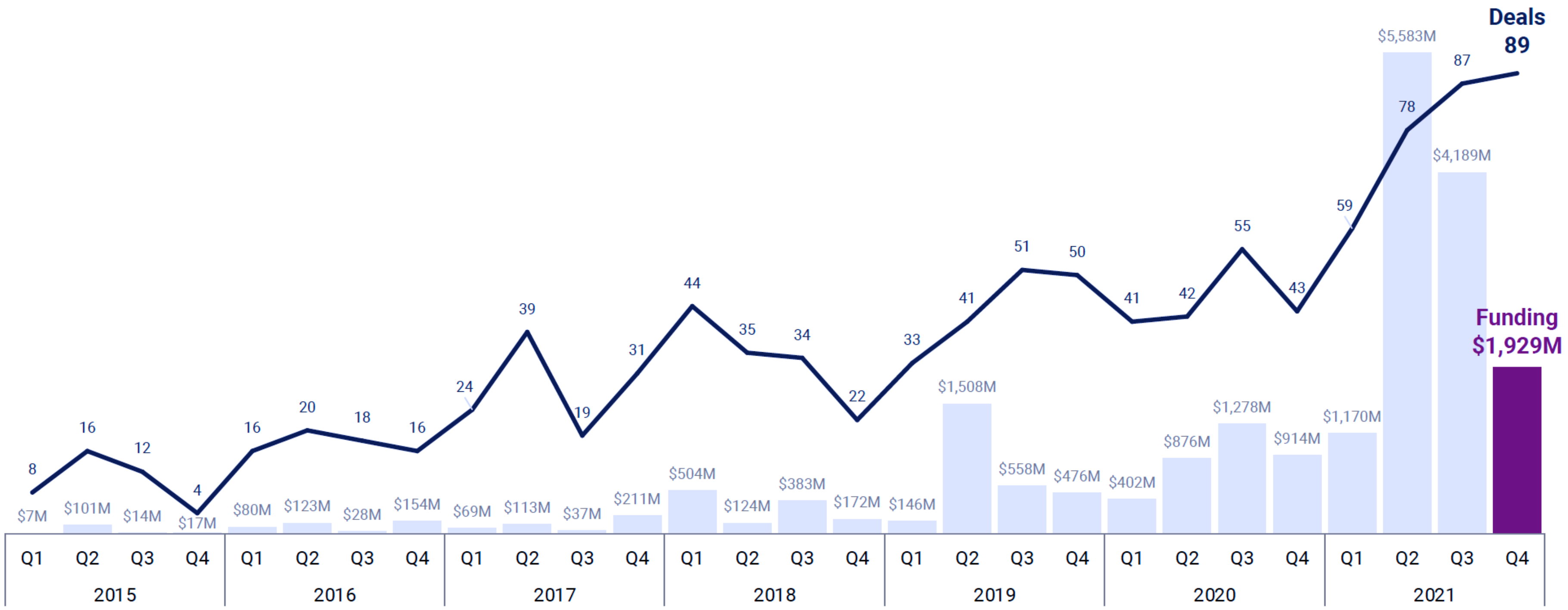
STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

Quarterly LatAm deals reach an all-time high, but funding plummets by 54%



Cifras de CBInsights 2022

Top Fintech Deals
Latam Q4 2021

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STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

LatAm: Top equity deals in Q4'21

	Company	Round Amount	Round Date	Round Valuation	Select Investors	Country	% of Total Funding
1	**FTX**	**$421M**	**Series B** 2021-10-21	$25.0B	Institutional Venture Partners, Lightspeed Venture Partners, Sequoia Capital, Ribbit Capital, Temasek	Bahamas	21.8%
2	**Alice**	**$127M**	**Series C** 2021-12-21	N/A	SoftBank Group, Kaszek Ventures, ThornTree Capital Partners, Allen & Company, G Squared	Brazil	6.6%
3	**stori**	**$125M**	**Series C** 2021-11-11	N/A	GGV Capital, GIC, General Catalyst, Lightspeed Venture Partners, Source Code Capital	Mexico	6.5%
4	**Open Co**	**$115M**	**Series A** 2021-12-15	N/A	SoftBank Latin America Fund, International Finance Corporation, LTS Investments, Raiz Investimentos	Brazil	6.0%
5	**Pismo**	**$108M**	**Series B** 2021-10-19	N/A	SoftBank Group, Accel, Redpoint e.ventures, Amazon, B3	Brazil	5.6%
6	**Kueski**	**$102M**	**Series D** 2021-12-02	N/A	Stepstone Group, Angel Ventures Mexico, Richmond Global, Rise Capital, Tuesday Capital	Mexico	5.3%
7	**ADDI**	**$80M**	**Series C** 2021-12-20	$700M	GIC, SoftBank Latin America Fund	Colombia	4.1%
8	**2TM**	**$50M**	**Series B** 2021-11-30	N/A	10T Fund, Endeavor, PIPO Capital, TC, Tribe Capital	Brazil	2.6%
8	**Mercado Bitcoin**	**$50M**	**Series B** 2021-11-30	N/A	10T Fund, Tribe Capital, PIPO Capital, TC, Endeavor	Brazil	2.6%
8	**QI Tech**	**$50M**	**Series A** 2021-11-05	N/A	GIC	Brazil	2.6%

Cifras de CBInsights 2022

Most Active Investors Latam Q4 2021

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STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

LatAm: Top investors by company count in Q4'21

	Investor	Company Count	Investor Group	Country
1	**Kaszek Ventures**	**9**	VC	Argentina
2	**SkyVision Capital**	**7**	VC	Virgin Islands (British)
3	**mgnr**	**5**	VC	Cayman Islands
4	**Gate.io**	**4**	Corp	Cayman Islands
4	**Monashees+**	**4**	VC	Brazil
4	**TC**	**4**	Corp	Brazil
7	**Big Bets**	**3**	VC	Brazil
7	**Iporanga Investimentos**	**3**	VC	Brazil
7	**Krypital Group**	**3**	Corp	Cayman Islands

Cifras de CBInsights 2022

Characteristics of equity round categories
Latam 2021

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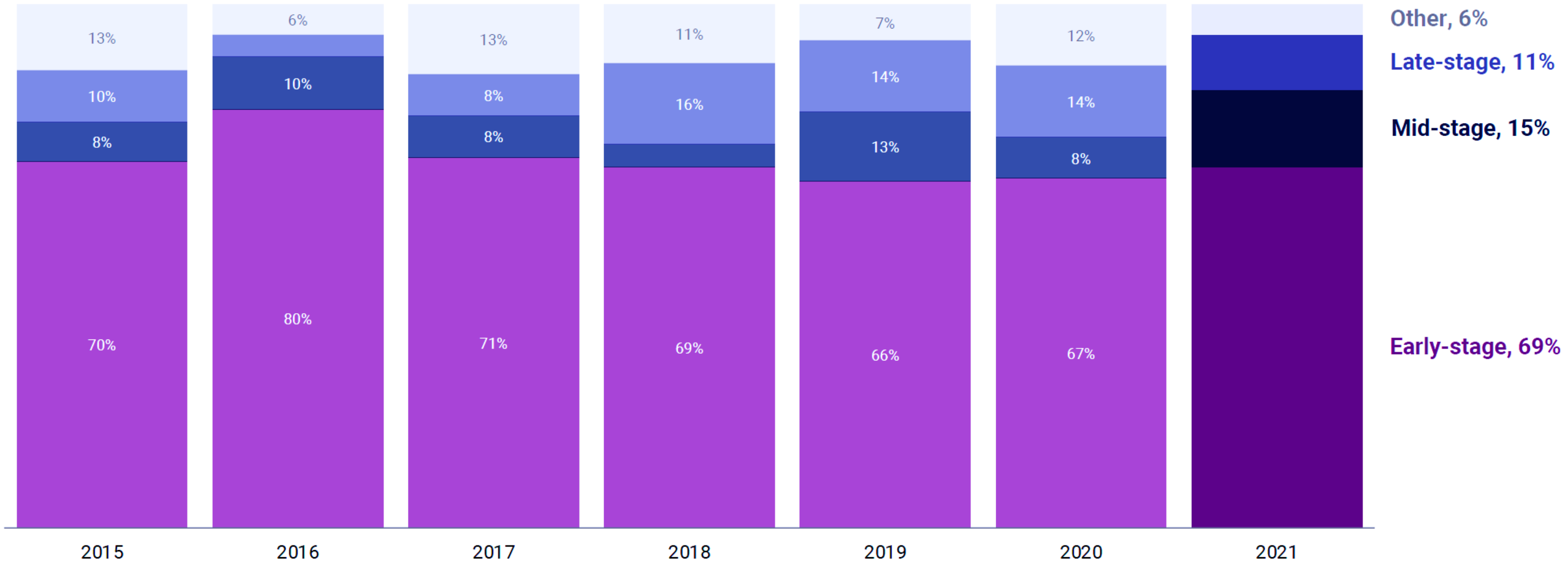
Early-stage rounds continue to represent more than two thirds of deals



Cifras de CBInsights 2022

Characteristics of equity round categories

Latam H1 2021

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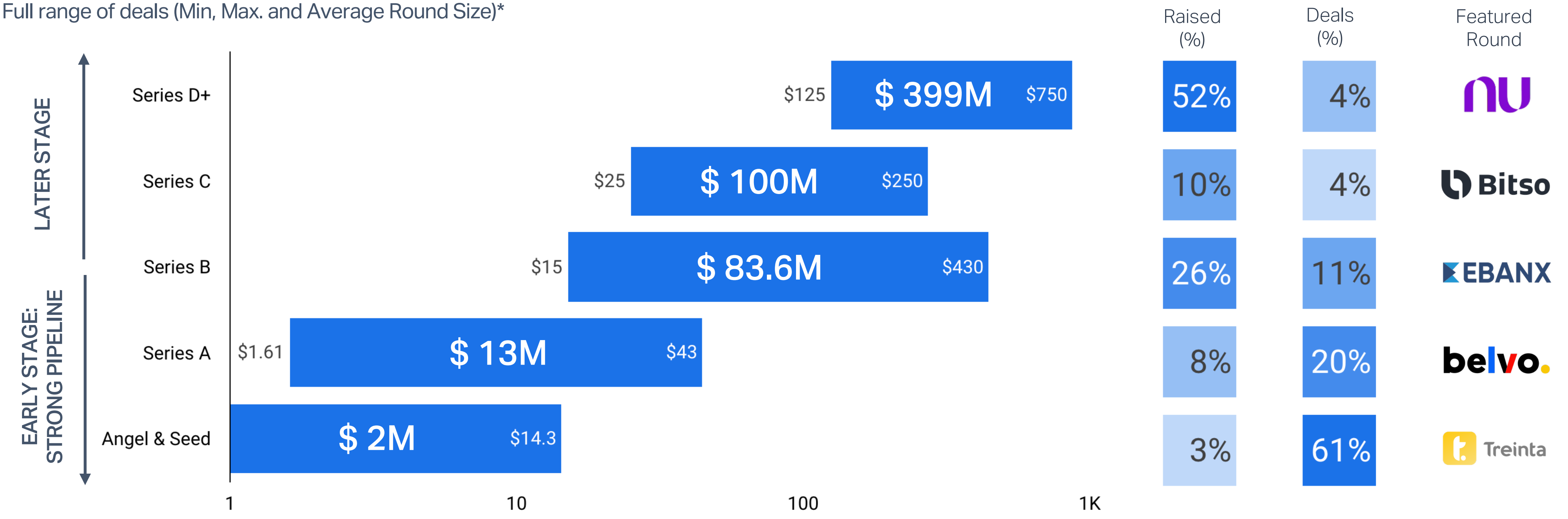
2021 Q2 saw largest ever Latam cohort of early-stage Fintech companies funded.
However, the range of funding raised under each of those is very wide.

Latin American Fintech Funding

Full range of deals (Min, Max. and Average Round Size)*



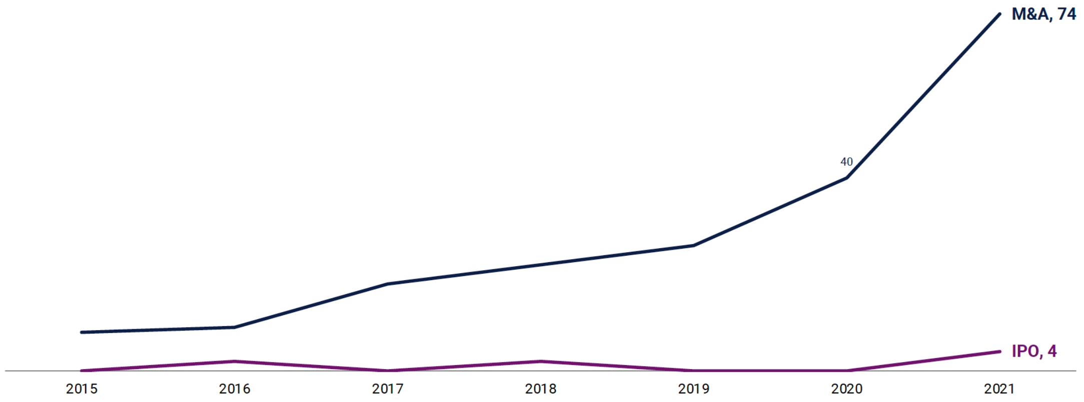
* Logarithm scale

Source: Latam Fintech Hub Team

Fintech M&A activity Latam Q2 2021

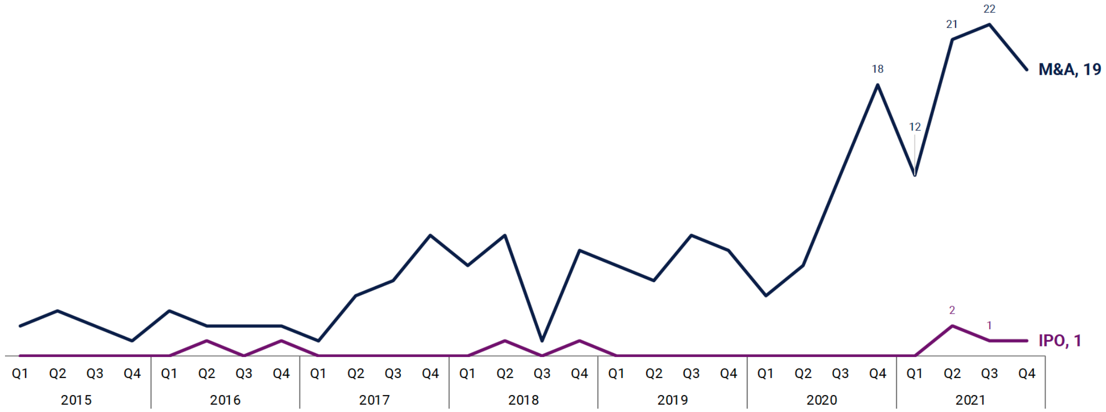
STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

M&A exits jump 85% to 74 deals in 2021, IPOs continue to edge up



STATE OF FINTECH | GEOGRAPHIC TRENDS | LATAM TRENDS

M&A exits dip in Q4'21 but remain elevated



Cifras de CBInsights 2022

Fintech M&A activity Latam Q2 2021

Startup	Location	Investor	Segment
Visor	Mexico City, Mexico	Credijusto	REGTECH
pagcerto	Aracaju, Brazil	locaweb	PAYTECH
celer	Sao Paulo, Brazil	via	PAYTECH
NEXOOS	Rio de Janeiro, Brazil	ame	CROWDFUNDING
Base erp	Curitiba, Brazil	ASAAS	SME FINANCE
PagoFácil	Santiago, Chile	Bci	PAYTECH
WEEL	Sao Paulo, Brazil	Banco bs2	DIGITAL LENDING
bit55	Sao Paulo, Brazil	magalu	PAYTECH
bling	Bento Gonçalves, Brazil	locaweb	SME FINANCE
acesso bank	Sao Paulo, Brazil	Méliuz	PAYTECH
omni LATAM	Bogotá, Colombia	777 PARTNERS	SME FINANCE

11

Deals shows that Fintech M&A activity in Latin America is poised for a comeback following a difficult 2020, during which the COVID-19 pandemic heavily impacted a region already burdened with political and social unrest and deep structural weaknesses.

Source: Latam Fintech Hub Team

Acquisitions by Fintech Companies Latam September 2021

Segment	Fintech	Acquisition
NEOBANKS	nu	spin_pay
NEOBANKS	nu	JUNTOS
DIGITAL LENDING	nu	UNION PROGRESO
DIGITAL LENDING	creditas	bcredi
DIGITAL LENDING	creditas	volanty
DIGITAL LENDING	creditas	MINUTO SEGUROS
NEOBANKS	Banco bs2	WEEL
NEOBANKS	inter	USEND
NEOBANKS	ualá	wilobank
PAYTECH	PicPay	Guiabolso
PAYTECH	PagSeguro	ConcilCard

Segment	Fintech	Acquisition
SME FINANCE	ASAAS	Base erp
SME FINANCE	ASAAS	Code Money
DIGITAL LENDING	Credijusto	Banco Finterra
DIGITAL LENDING	Credijusto	visor
WEALTHTECH	TC	Sencon
WEALTHTECH	TC	Abalustre
WEALTHTECH	TORO	
WEALTHTECH	TORO	Mobills
WEALTHTECH	warren	Renascença DTVM
WEALTHTECH	Fintual	INVERMERICA
DIGITAL LENDING	Konfío	Sr.Pago

22

Deals show that the region is experiencing a new M&A boom, driven by neobanks, digital lending and WealthTech segments.

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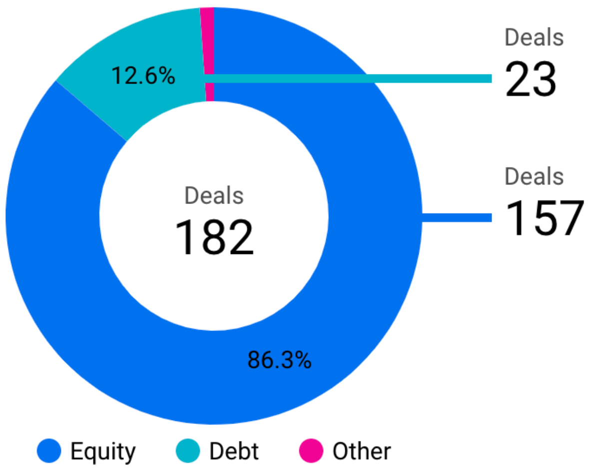
Source: Latam Fintech Hub Team

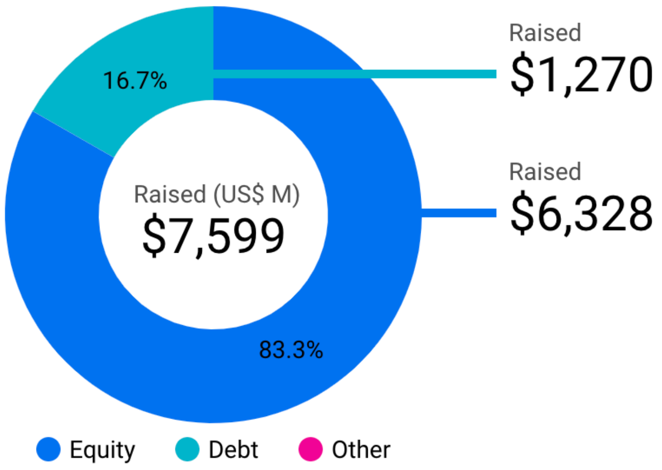
Total Funding in Fintech Sector
Latam H1 2021

Latin American Fintech companies raised a total of **US$ 7,599M** (US$ 6,328M in equity and US$ 1,270M in debt financing) in 182 deals* in H1 2021. Of the 182 rounds, 32 were undisclosed.

Latin American Fintech Funding
Equity vs Debt (Deals)



Latin American Fintech Funding
Equity vs Debt (Volume)



Average Round Size
$55.2

Average Round Size
$40.3

Featured Round

meu tudo $ 410M

C6 $ 2B

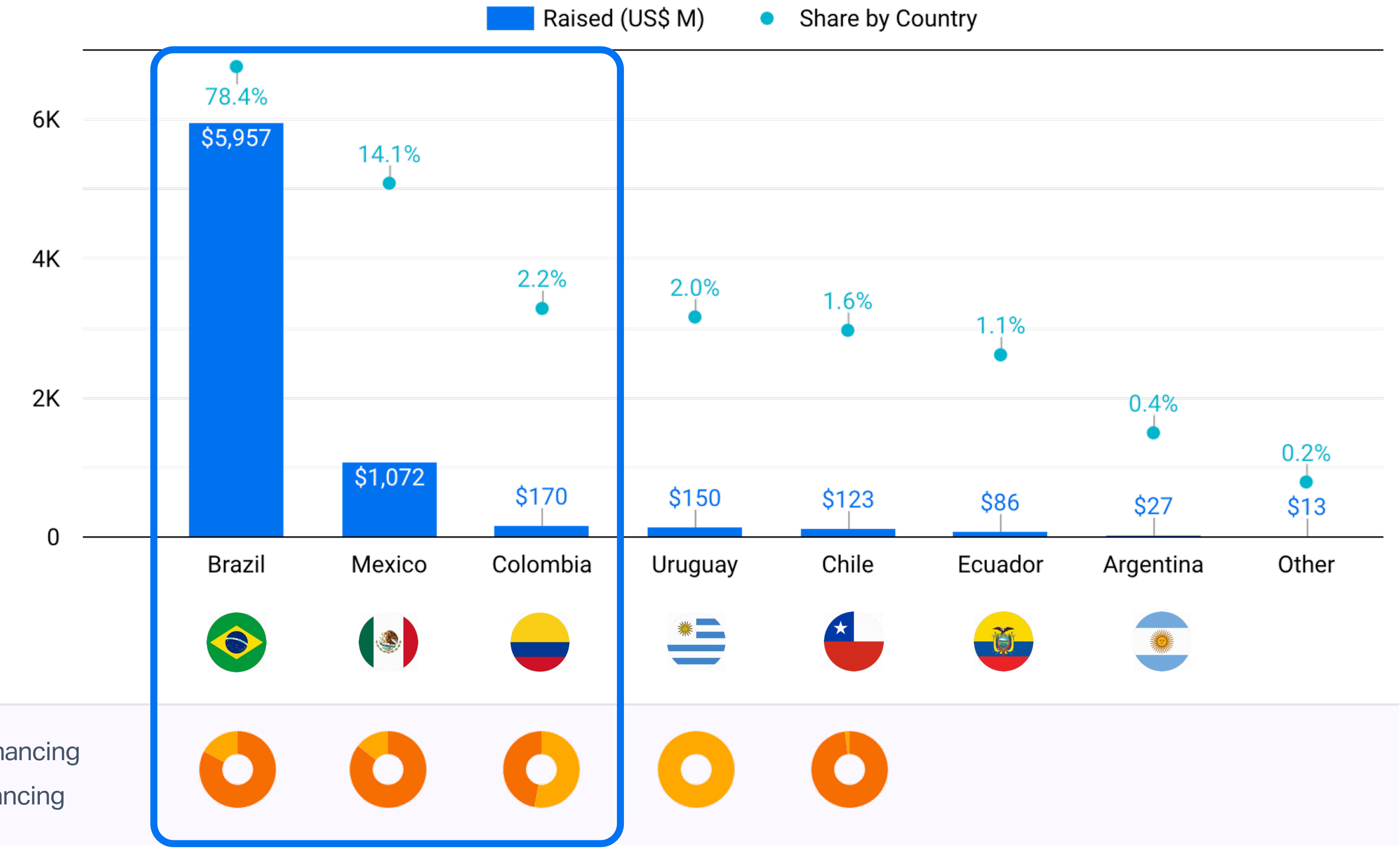
* Only investments in Fintech and Insurtech companies are considered. Investments in Agtech or Proptech companies, technological providers, consulting firms focused on financial services and cross-industry Regtech companies are not included.

Source: Latam Fintech Hub Team

Ranking of Countries by Funding

Latam H1 2021

Fintech funding in Latin America is highly concentrated. Brazil, Mexico, and Colombia accounting **for over 95% by H1 2021.**



Source: Latam Fintech Hub Team

Top Deals by Country
Latam H1 2021

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clip · PAYTECH · $ 250M

KUSHKI · PAYTECH · $ 86M

betterfly · INSURTECH · $ 60M

ADDI · DIGITAL LENDING · $ 65M

C6 · NEOBANKS · $ 2B 🦄

d·local · PAYTECH · $ 150M* 🦄

inviu · WEALTHTECH · $ 15M

The countries with the largest funding rounds in Fintech are Brazil, Mexico and Colombia. These three countries accumulate **85% of the total deals.**

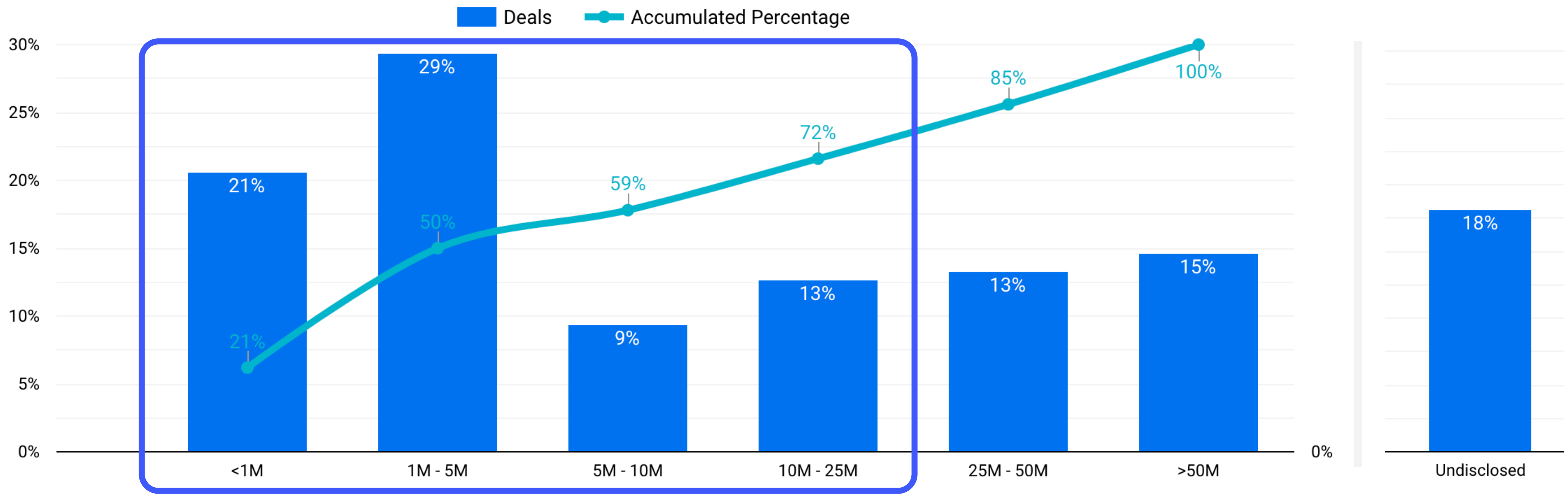
* Last round of investment before IPO.

Source: Latam Fintech Hub Team

Percentage of Deals by Range

Latam H1 2021

72% of the deals have a financing ticket of less than 25 million dollars.



Source: Latam Fintech Hub Team

Unicorn Fintechs by Country

Latam H1 2021

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Mexico

clip	PAYTECH	$ 2B
Bitso	DEFI	$ 2.2B

Uruguay

d·local	PAYTECH	$ 13.1B*

Argentina

ualá	NEOBANKS	$ 1B

Brasil

nu	NEOBANKS	$ 30B
inter	NEOBANKS	$ 20.3B*
PagSeguro	PAYTECH	$ 18.3B*
stone	PAYTECH	$ 17.8B*
C6	NEOBANKS	$ 2.2B
creditas	DIGITAL LENDING	$ 2.1B
neon	NEOBANKS	$ 1B
EBANX	PAYTECH	$ 1B

The country with the most Fintech companies with valuations over a billion dollars is Brazil. It accumulates **83% of the total companies in the club.**

* Market Cap as 20210720. - Source: Latam Fintech Hub Team

Next Fintech Unicorns

Latam August 2021

latamfintech HUB

Source: ALLVP. Help us to keep it updated: hola@latamfintech.co

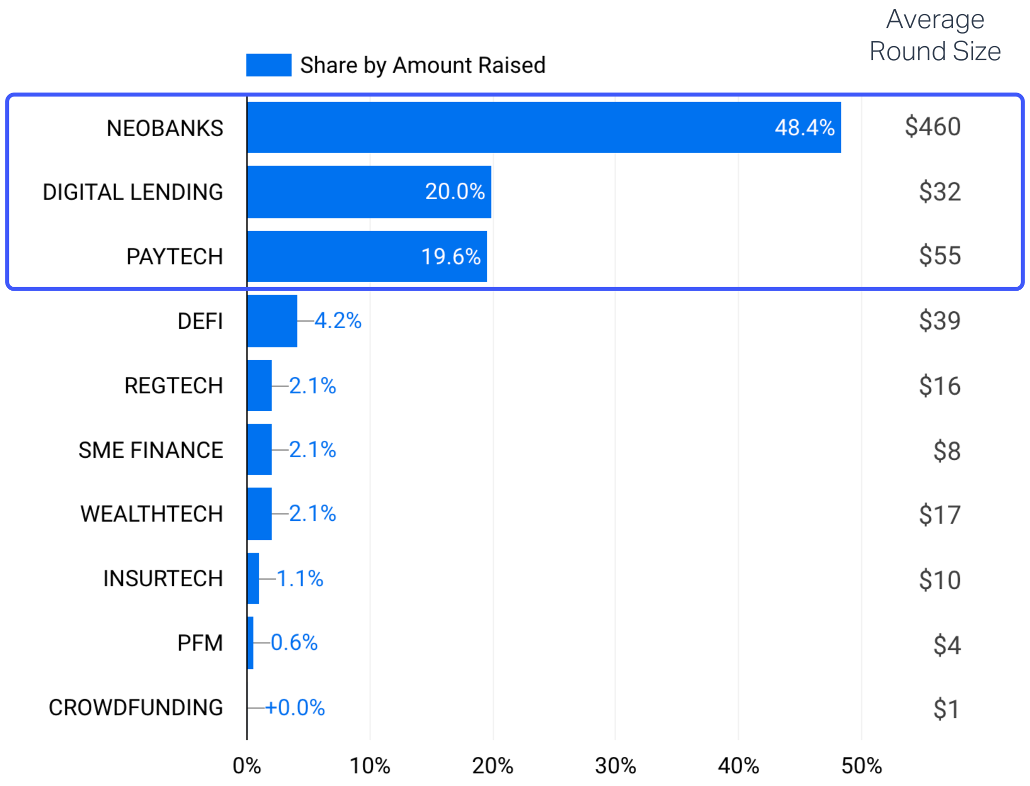
Fintech Segments
Latam H1 2021

Latin American Fintech Funding
Financing Volume

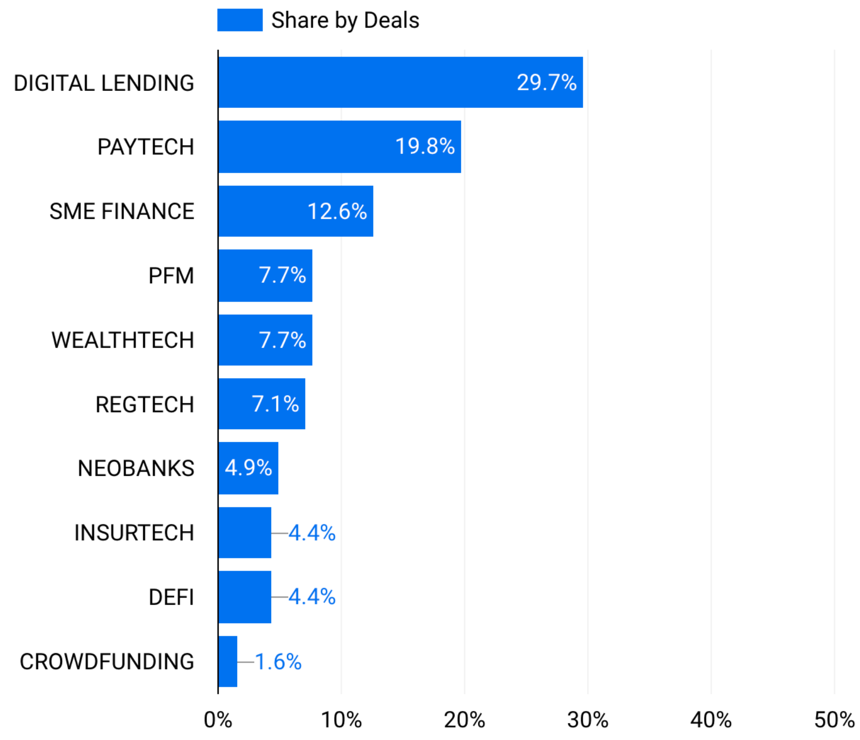
88%

of the total funding was concentrated in three business segments:

Digital banks, B2B and B2C digital credit, and digital payments companies.



Latin American Fintech Funding
Number of Deals



Source: Latam Fintech Hub Team

The YC Latam Fintech Directory
Summer 2021

latamfintech HUB

Mexico

baubap	DIGITAL LENDING 💰
LEVO	CROWDFUNDING 👫
Kodda	INSURTECH 🏆
Monto	DIGITAL LENDING 💰

Colombia

trii	WEALTHTECH 📈
MONET	DIGITAL LENDING 💰

Brasil

Verde	DIGITAL LENDING 💰
Plug	PAYTECH 💳
Sprout	WEALTHTECH 📈

Source: Y Combinator

WealthTech en Latam 📈

Scorecard - apps de mayor crecimiento en el H1 2021

latamfintech HUB

Fintech	TradersClub	Trii	Warren	Inviu	Nu Invest	Fintual	Flink	Kivo	Onze
País	🇧🇷	🇨🇴	🇧🇷	🇦🇷	🇧🇷	🇨🇱	🇲🇽	🇧🇷	🇧🇷
Calificación app store	4,5	4,3	4,6	4,5	4,1	4,9	3,6	4,8	4,9
Capital levantado este año	$ 13M	-	$ 55M	$ 15M	$ 750M	$ 15M	$ 57M	$ 12.8M	$ 10M

Lista de Fintechs que ofrecen tarjetas corporativas

Latin America 2022

latamfintech HUB

México

delt.ai	DIGITAL LENDING
tribal	DIGITAL LENDING
konfio	DIGITAL LENDING
JEEVES	DIGITAL LENDING
Credijusto	DIGITAL LENDING
Mendel	SME FINANCE
CLARA	PAYTECH
Oyster.	PAYTECH
Kapital	NEOBANK

Chile

Cardda	DIGITAL LENDING

Colombia

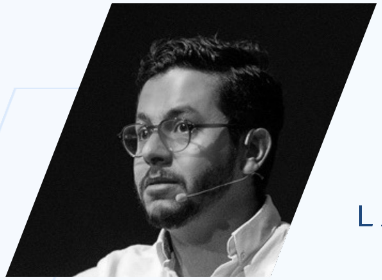
sempli	DIGITAL LENDING
mono	NEOBANK

Brasil

Linker	PAYTECH
Banco Inter	NEOBANK
Banco Original	NEOBANK
conta simples	NEOBANK
C6 BANK	NEOBANK
pride bank	NEOBANK
Banco bs2	NEOBANK
nubank	NEOBANK

Source: Latam Fintech Hub

Want to remain up to
date on the latest
FinTech trends in Latam?



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