



# LATAM FINTECH TRENDS

**Q1 2025**

A summary of market trends and industry initiatives from Q1 2025

Jan-Mar 2025

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## LATAM Fintech Grows Up and Looks Outward

- Fintechs across the region are getting more mature and more global. We're seeing licences, international expansions, and smart partnerships that show these players are thinking big.
- Key players are expanding into mature markets, targeting diaspora users, and embedding regional rails to serve both inbound and outbound needs.



## Credit and Payments Infrastructure Get Rebuilt

- Legacy credit models are being replaced by faster, modular rails. From alternative underwriting to recurring payment automation, fintechs are reshaping how lending flows through the system.
- Real-time payments — once a tech feature — are now the default backbone for product design, loyalty campaigns, and even crypto payment integration.



## Finance Embeds into Everyday Behavior

- Fintech is showing up in people's everyday routines — from paying at a fast food counter to sending money with a QR code.
- Partnerships with consumer brands and SME platforms are turning financial services into an invisible part of daily life — always there, but rarely noticed.



## Capital Backs the Builders

- Investors are doubling down on infrastructure, licensing, and inclusion-focused fintechs. From dental BNPL to SME credit stacks, Q1 funding went to players building foundational layers of access.
- M&A activity also reflected this logic — acquisitions were aimed at expanding reach, stacking capabilities, and entering new verticals, not just exits.



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# Global fintechs entering LATAM with localised plays



**Key takeaways:** LATAM continues to be a landing zone for global fintech players testing new markets. This quarter saw not just launches, but also tailored product offerings built around local pain points—especially FX, remittances, and financial inclusion.

## Brazil

### Revolut

- **Revolut** launched a **checking account in Brazilian reais**, complete with a debit card, bill payment capabilities, and PIX integration.
- The digital bank plans to expand its offerings this year to include a local credit card and a subscription-based benefits program with service discounts. It is also considering obtaining a full banking licence from Brazil's Central Bank.

## Mexico

### Wise

- Money transfer giant **Wise** launched in **Mexico** as it seeks to tap into another multi-billion dollar market.
- The new service lets people send money from Mexico to over 40 currencies and 160 countries through a fully digital process using Wise's app or website.

## Mexico

### Openbank

- **Openbank**, a digital bank by Santander, launched in **Mexico** with an improved suite of everyday financial products.
- The suite of everyday banking products include interest-bearing accounts, debit and credit cards, cash withdrawals at 10,000 Santander ATMs, 3% cashback on online credit card purchases, and an interest-free deferred payment option for three months.



# Digital banks enabling seamless saving, investing, and sending



**Key takeaways:** The trend emerging from the activities of Latin America-based digital banks illustrates a shift towards enhancing both global financial access and customer-centric savings. Key developments include offering services that return on savings and deposits, payments in foreign currency, investing in foreign markets and enhancing payment services.

## Savings feature



- **Nubank** introduced Turbo Box (Caixinha Turbo), a new savings feature offering clients a return of 110% of the CDI rate with immediate liquidity.
- Customers can earn enhanced returns by depositing R\$900 (USD 156) into their Nubank account, with the option to save up to R\$5,000 (USD 870) over 31 days. The feature requires customers to deposit new funds every 31 days to maintain the benefit.

## Cross-border payments



- **Itaú Unibanco** partnered with **Wise** to offer instant cross-border payments directly through the Itaú app.
- This integration allows users to send and receive foreign currencies with ease, initially supporting instant transfers in Euros and British Pounds for transactions under the same account holder. By the end of 2025, the service will expand to include 12 additional currencies, including US dollars, Canadian dollars, Australian dollars, Japanese Yen, and New Zealand dollars.

## Global account service



- Brazil-based **Inter** partnered with **Grupo Bind** to expand its global account services to Argentina.
- This initiative enables Argentine users to invest in foreign markets, hold international credit cards, and receive salaries from abroad, addressing the country's demand for foreign currency access amid economic instability.

## Payments via QR codes



- **Mercado Pago**, the digital banking arm of Mercado Livre, introduced a new feature allowing Brazilian tourists in Argentina to make payments using Pix via QR codes.
- This functionality is being progressively rolled out to establishments equipped with Mercado Pago's 'Point Smart' devices, aiming to offer travelers a practical and economical payment alternative abroad.



# Fintechs driving SME innovation across LATAM

SME focus



**Key takeaways:** Fintechs in LATAM are introducing tailored solutions to support the evolving needs of SMEs across the region. From embedded finance tools and FX services to ecommerce solutions and local payment options, these offerings aim to empower small businesses with greater access to credit, seamless payment processing, and tools for global trade.

## Embedded finance enabler



- **Ant International** introduced embedded finance tools for ecommerce SMEs in Brazil.
- Through a partnership with **Zoop**, small merchants can now offer credit, insurance, and payments inside their platforms — helping them operate like much larger businesses without needing to build from scratch.

## Foreign exchange



- **XTransfer** and Brazil's **Ouribank** announced a partnership to support SME exporters and importers.
- The collaboration simplifies foreign exchange and compliance, enabling Brazilian small businesses to trade globally with more transparent, regulated, and affordable payment options — all from a single platform.

## Ecommerce tools



- **Santander** rolled out its new ecommerce solution, *Getnet SEP*, targeting LATAM SMEs and online sellers.
- The platform gives small businesses access to advanced tools like tokenised payments, chargeback protection, and easy checkout integration — helping them scale across the region without enterprise-level infrastructure.

## Payment solutions



- emerchantpay introduced local acquiring connections and payment options in Brazil and Mexico.
- Through this strategic initiative, emerchantpay aims to equip merchants with higher acceptance rates, improved cross-border transactions, and more competitive pricing, which will, in turn, deliver a simplified and optimal payment experience for businesses.



# Securing payment institution licences in Brazil



**Key takeaways:** Fintechs are securing payment institution licences in Brazil as part of their efforts to expand operations and strengthen their regulatory positioning in the region. These licences enable fintech players to offer a wider range of services, including electronic money issuance, cross-border payments, and cash withdrawal capabilities.

**PagBrasil**



- **Brazil's Central Bank** approved **PagBrasil** as a **Payment Institution**, allowing the issuance of electronic money and support for international transactions.
- With the new licence, these offerings will be able to support transactions over \$10,000 and offer cash withdrawal abroad.

**AstroPay**



- **AstroPay** announced its approval as a **Payment Institution** in Brazil, planning to scale services and add new product verticals.
- With its new PI licence, AstroPay will deliver secure, compliant, and user-friendly cross-border payment solutions.

**Airwallex**



- **Airwallex** secured **payment institution** licence from the **Banco Central do Brasil** and finalised the acquisition of MexPago, a **Mexico**-based payment service provider and an **Institution of Electronic Payment Funds (IFPE)** licence-holder.
- With these 2 licences secured, Airwallex will connect its global financial infrastructure to Latin America's largest economies.

**Paysafe** ◆◆













- **Brazil's central bank** granted **Paysafe** a licence to operate as the **payment institution** for the country's newly regulated online gambling industry.
- The licence allows the company to strengthen its regulated Latin American iGaming space, where it already operates in over 90 jurisdictions.



# Key investments



**Key takeaways:** Q1 funding in LATAM fintech backed vertical credit, digital banking, and regional expansion - with investors betting on scalable, inclusive financial infrastructure.

Company	Country	Key Investors	Motive	Funding	Round
		BBVA Spark	Funding aims to offer more installment-based payment options to consumers traditionally excluded from formal credit channels.	\$355M	Credit Facility
		Battery Ventures and Canela Capital	The funding will be used to expand its digital banking and payments platform, with a focus on accelerating regional growth.	\$160M	Series A
		Led by Greenoaks, with participation from Ribbit Capital, Kaszek, QED Investors, and Tencent,	Aims to fund the scaling of SME credit, payments, and management tools across Brazil's underserved business sector.	\$116M	Series B
		SoftBank Latin America Fund, Tencent, and Goldman Sachs	The funding will support the growth of its personal finance and SME services across LATAM.	\$66M	Series E
		Led by Kaszek, with participation from Monashees and Clocktower Ventures.	Funding will be used to expand Capim's reach among clinics and patients across Brazil's underserved dental care ecosystem.	\$26.7M	Series A

## WS Further reading that might interest you



### The State of Embedded and Digital Finance Roundup (Jan 2025)

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### The State of Digital Finance (Q4 2024)

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