



Finnovista

# FINTECH RADAR COLOMBIA

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# INTRODUCTION

Finnovista, in collaboration with Mastercard and Galileo, has compiled the seventh edition of the Finnovista Fintech Radar Colombia. The ultimate goal of this Radar is to paint a comprehensive picture of the Fintech ecosystem in Colombia and to shed light on the startups, their innovations, solutions, and the prevailing trends in the sector.

The data for this study was gathered through responses from over 200 Fintech companies operating in Colombia, interviews conducted with various ecosystem stakeholders, and a thorough search of specialized sources, subsequently analyzed by Finnovista's Innovation team.

The study distinguishes between the Fintech Ecosystem and the Market. The Colombian Fintech Ecosystem consists of companies established or founded by Colombian teams operating within the country, falling under the Fintech definition -startups offering financial solutions with a capacity for 100% digital customer journey- while the Fintech Market encompasses both Ecosystem companies and foreign Fintech projects with a presence in the country. If your Fintech meets the criteria mentioned above and your project is not included in the graph, please contact us (fintech.radar@finnovista.com) to have your startup considered for future editions.



Lending

abaco Credifamilia glik  
 affore crezcamos f3 millete Presta  
 AgriCapital anticipo. ExcelCredit avista Finsocial  
 AVANZO CrediOrbe CrediLike lexponencial efinti  
 KLYM Finexus.com.co prestápolis FINECO LINERU FinMq Vaale  
 Credifomento PLANIFICADOR DE CREDITO ONLINE FINAMCO Bonus Linxe INVEST LATAM KREDICITY  
 mezub LIQUITECH Luqepago ONE 2 credit REFERENCIA Finnecta  
 plataform alumni sueños RapiCredit NCREDIT Tangelo Wadana.  
 RAMBO MEDICREDIT Suplio e-monkey ValCredit Solventa SURETI wipol  
 Plurall odiru FCC prami Galilea Fintegro Prestanza Solfinanzas Muji  
 Impresta Finesa MESFIX zinobe sistecredito SIMBIOSIS Addi semp.  
 Comanager flevo LOZANK tu progresor finio Finky epik ziro presta gente fintra  
 CELYA Approbe  
 LIBERTEC SilverApp SEOS ABL Capital Juancho Bankamoda Denario RAY Credyfy  
 Finkago WELLI OZON REFINANCIA Colfimax No tu cueltgues ALMI GoluCredit Cuycli  
 viventa Pagueleita MICREDI KREDIT CARGAYA  
 finaktiva. MULTI PRESTAMA a2censo bc PATIYA  
 FinanCash CrediSeguro

Insurtech

wesura  
 sekure teca monokera  
 seguralia Figuro R5  
 FINDORSE Willay Hatix  
 AG RISK segurapp segurocanguro.com INN  
 vivaexpres agentemotor SOFTSEGUROS.  
 BUSOO

Personal Financial Management

Advance  
 Fundación Capital investopí  
 MONET Kkupi Glim coink  
 mejordt.com TRIBUTI fu finantú kebo  
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 VELARA oneluka TuCash Fisapay bitu  
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Proptech

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 LaHaus LaProp cástia Dora!  
 neivor Fincaraiz invert!  
 BRIKSS aptuno LQN KAPU  
 LOKL pupa ciencuadras  
 terrenta Properix

Fintech as a Service

Trébol  
 MAREIGUA CERTIKA Datascoring  
 Verifik Lleida.net MOVIZZON  
 BIO CREDIT olimpia arklidia COOP HUMANA  
 VASS appin AutenTIC pirani Truora  
 Transfiriendo soy yo taxxa sophos anzi  
 CBS M LSIM RISKTECH  
 ALCUADRADO reconoSER ID verko  
 LIMEN Negozia Consumer Finance



**Open Finance**

**Enterprise Financial Management (EFM)**

**Payments and Remittances**

**Crypto**

**Wealth Management**

**Digital Banking**

**Crowdfunding**

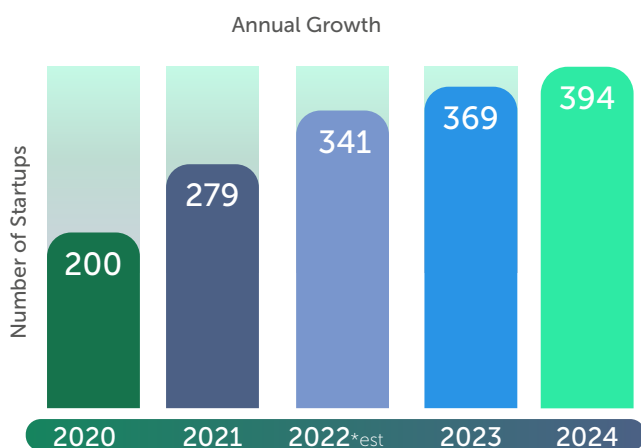


# FINTECH ECOSYSTEM IN COLOMBIA

## EVOLUTION

The number of local Fintech companies in Colombia reached 394 in the first four months of 2024.

Figure 1. Evolution of the number of Colombian local Fintech companies



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

The figure of 394 represents a new record high for the Colombian ecosystem, highlighting the development and growth of the Fintech environment, which continues to strengthen over time.

Analyzing data from previous years, the most notable growth can be observed from 2020 to 2021. During this period, the ecosystem experienced an increase of 39.5%, rising from 200 to 279 Fintech companies, coinciding with the best year in the history of venture capital in Colombia. Following this period, the second cycle with the highest growth was from 2021 to 2022, during which an estimated 62 new companies were added, reaching a total amount of 341, representing a growth of 22.2%.

Subsequent periods reflect a stabilization of ecosystem growth. From 2022 to 2023, 28 Fintech companies were added, bringing the total to 369, equivalent to a growth of 8.2%. This trend has continued in the 2023-2024 cycle, with the growth rate again below 10%. In the first four months of the year, 25 new companies have been identified, resulting in a total of 394, reflecting a Fintech ecosystem growth of 6.8% in the last year.

Of the 369 Fintech companies identified in the 2023 study, 322 remained active until 2024 and fell under the Fintech definition. This implies that 12.7%, or 47 companies, exited the ecosystem during the 2023-2024 period, either by ceasing operations, transitioning to other business models unrelated to the Fintech industry, or being acquired by other players. This exit rate has decreased over the cycles: between 2021 and 2022, this figure was close to 18%.



As the years pass, there has been a decrease in the addition of new Fintech companies to the ecosystem. However, it is noteworthy that the exit rate has followed an equally downward trend, decreasing year after year since 2020. This phenomenon underscores and confirms the consolidation and continuous evolution of the Fintech industry in Colombia, which increasingly embraces less volatile and more solid and stable evolution figures.



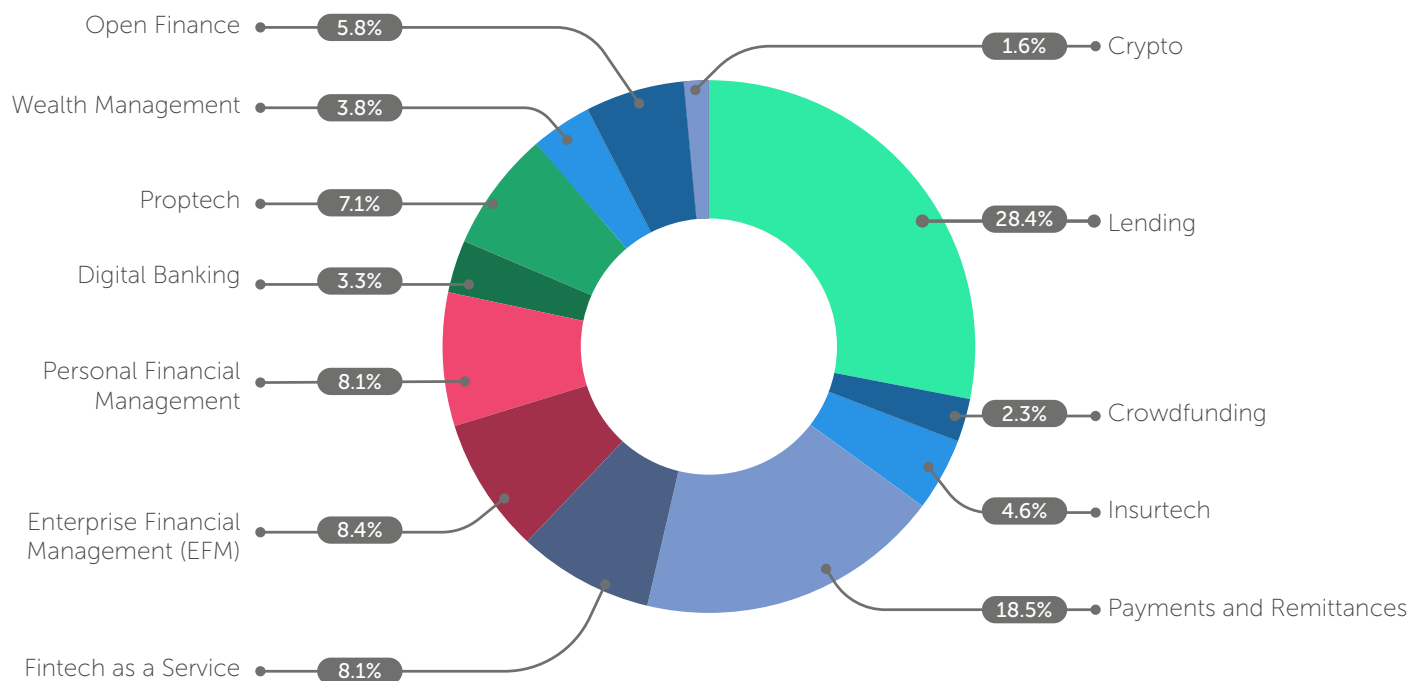
2023 was indeed a year of consolidation for the segment. Looking ahead, we anticipate Fintech companies becoming increasingly robust, with broader coverage and catering to more specific market niches.



Federico Martínez  
Cluster Lead at Mastercard

## Performance of Fintech Segments

Figure 2. Local Fintech by Segment



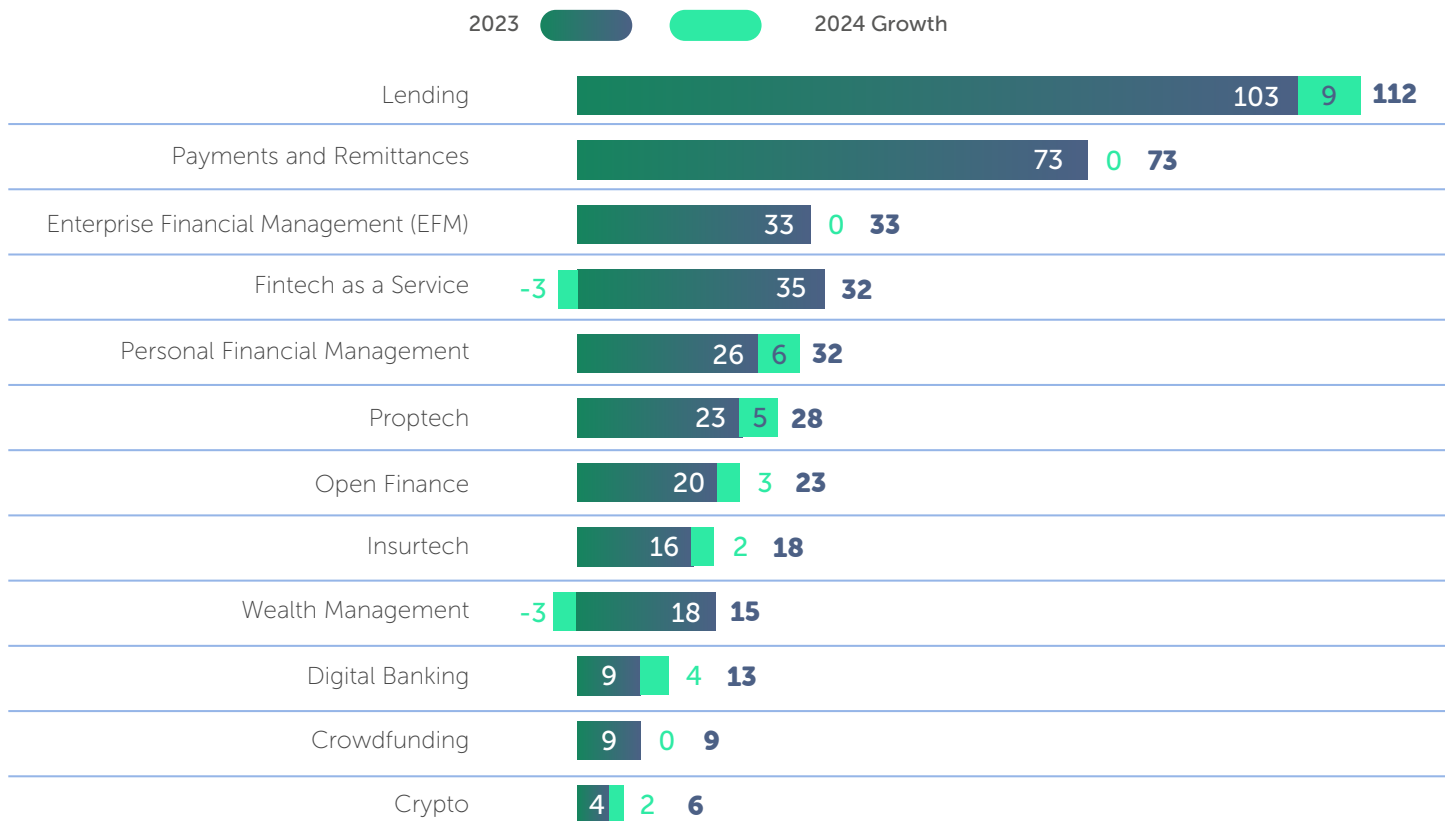
Source: Data extracted from the Finnovista Fintech Radar Colombia survey

Regarding the distribution of identified ventures across different segments considered in the study, it is interesting to note that, similar to what was highlighted in last year's report, close to half of the Fintech ecosystem in Colombia is comprised of **Lending** companies (28.4%) and **Payments & Remittances** (18.5%). At the

same time, it stands out that no other segment accounts for more than 10% of the Fintech ecosystem. Following these two primary segments are **Enterprise Financial Management** (8.4%) and **Personal Financial Management** and **Fintech as a Service**, both representing 8.1% of the ecosystem.



Figure 3. Evolution of Local Fintech by Segments 2023-2024



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

Regarding the incorporation of new companies, it can be observed that the **Lending** segment consolidates once again as the main protagonist by adding 9 Fintech, reaching a total figure of 112 ventures dedicated to lending in Colombia. It is important to emphasize that the majority of the new solutions identified focus, on one hand, on educational credit and older individuals, and on the other hand, on the business fabric.

Other sectors worth highlighting are **Personal Financial Management** and **Proptech**, for which 6 and 5 new Fintech were identified, respectively. The digitization of real estate services is very evident from 2021 onwards: since that year, 25 new **Proptech** companies have been identified in Colombia.

Finally, within the **Digital Banking** and **Open Finance** sectors, 4 and 3 new ventures were identified respectively in this last cycle, which represents a growth of 44.0% and 15.0% for both segments compared to 2023.





# FINTECH MARKET

## KEY PLAYERS AND TRENDS

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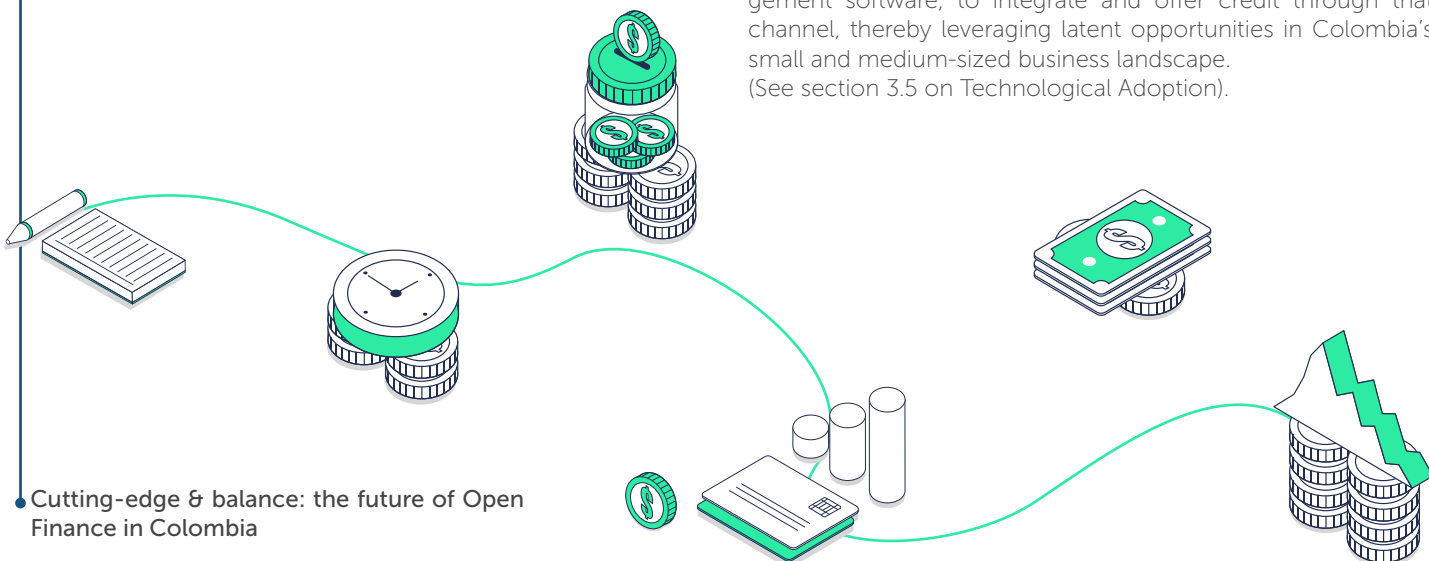
● Neobanks are strengthening their models through accelerated integration of Fintech solutions.

While Neobanks initially offered simple products such as savings accounts and payment services, recent trends indicate a shift towards incorporating solutions like business management software or other added services that allow them to differentiate themselves from competitors by offering a more comprehensive suite. Consequently, the Digital Banking segment emerges as the most collaborative among Fintechs, aiming to accelerate the integration of new solutions into their product and service offerings for Colombian clients. (See section 3.7 on collaboration among Fintechs)

● How to overcome challenges: seizing the opportunity in SME credit, the technology race, and service integration with other segments.

The lending sector in Colombia is at a crucial juncture. Usury rates that cap the maximum interest rates at which loans can be provided, along with the rising cost of capital, have squeezed margins.

This has spurred accelerated innovation in technologies related to risk mitigation, alternative data to refine credit scoring, or improving efficiency in processes. Additionally, experts point out that some lending Fintechs are exploring closer collaboration with other players, such as those dedicated to SME management software, to integrate and offer credit through that channel, thereby leveraging latent opportunities in Colombia's small and medium-sized business landscape. (See section 3.5 on Technological Adoption).



● Cutting-edge & balance: the future of Open Finance in Colombia

While there is widespread optimism and confidence among Fintechs to drive open finance in Colombia towards one of the most pioneering systems in LATAM, traditional players are focusing on the potential impact, balance, and consumer safety under the new Open Finance law. (See section 3.6 on Regulation)



So far, we have analyzed the performance of the local Fintech ecosystem. However, from this point forward, the study will address both local Fintech startups and foreign ones operating in the country (Fintech Market).

In addition to the 394 Fintech companies in the local Colombian ecosystem, it is estimated that over 169 foreign firms are operating in Colombia. Thus, the Colombian Fintech Market comprises more than 560 startups present in the country.

## ECONOMIC OUTLOOK

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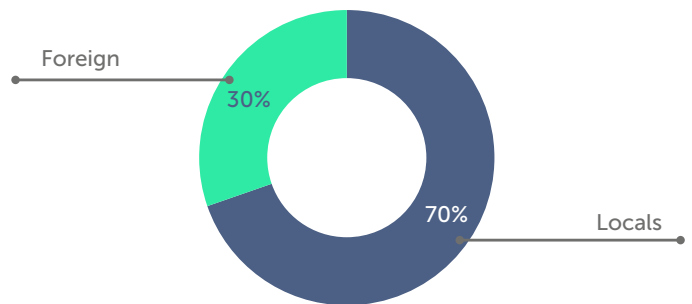
As forecasted, Colombia's GDP growth has experienced a significant deceleration, closing 2023 with a growth rate of 0.6%, compared to 7.5% in 2022. This figure is lower than projected (between 0.9% and 1.5%), as high interest rates and ongoing inflation have impacted investment, household consumption, and the country's net exports. However, the outlook is that in the coming years, the growth rate will return to more economically healthy levels, around 2-3%.

Regarding the financial sector, 2023 has been a period of adjustment due to slower growth and tight financial conditions, both for households and businesses. As for the credit situation, as of April 2024, Colombia maintains a usury rate of 33.09%, while interest rates stand at 11.75%. The limitation of the usury rate alongside the still-high interest rates has led to a decrease in credit portfolio and lower average profitability, as evidenced in section 3.4 on the main challenges of the ecosystem.

When asking **Lending**-specialized Fintechs about their portfolios, they have stated maintaining an average portfolio of over 7 million USD, a delinquency rate close to 6%, and an interest rate of 20.5%.

Figure 4. Fintech Market

Composition of the Fintech Market by Origin



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

Figure 5. Average Credit Data of Fintechs in Colombia



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

On the other hand, in line with the government's commitment to a more inclusive economy, an increase in investments in cybersecurity, innovation in the context of the new open data regulation, immediate payment system, as well as in the development of artificial intelligence and big data, is expected, which will significantly promote the advancement of the Fintech sector.

Finally, the Colombian Banking and Financial Entities Association anticipates that financial inclusion will be determined by credit inclusion, translating into an opportunity for the **Lending** segment.



# EVOLUTION OF KPIS

## Fintech Size by Revenue

In 2023, nearly half of Colombian Fintechs reported revenues between \$1 and \$500,000.

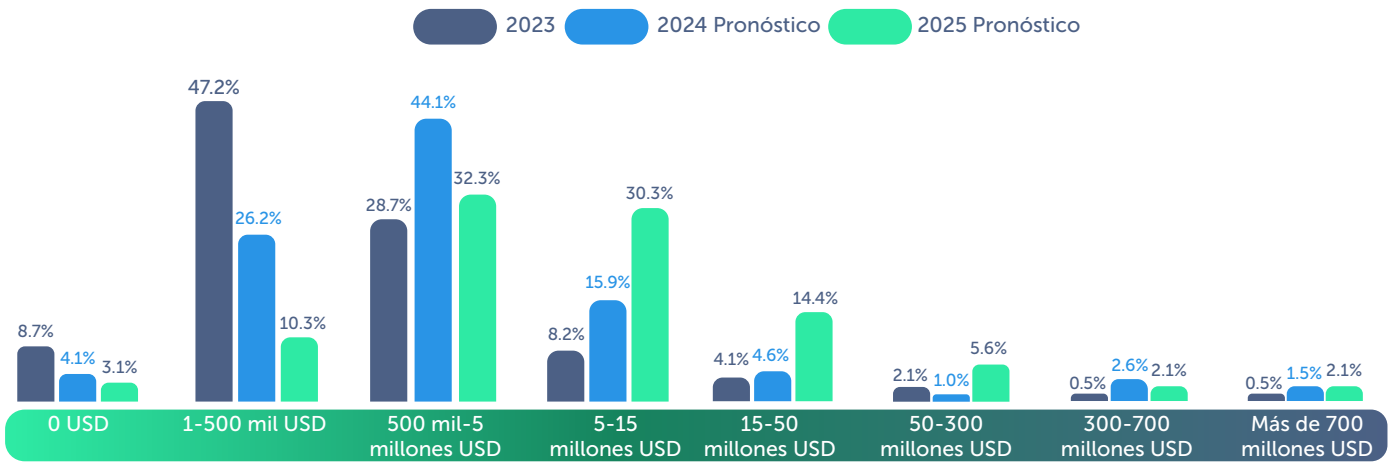
During 2023, the number of companies not generating revenue stood at 8.7%. On the other hand, 47.2% of Fintechs generated between 1 and 500 thousand dollars annually, while about a third of the ecosystem (28.7%) brought in between 500 thousand and 5 million dollars. This means that only the remaining 15.4% fell into higher income brackets.

Zooming in on different segments, it's worth noting that the companies falling within the income ranges above 5 million dollars, accounting for 15.4% of the ecosystem, mainly belong to the **Fintech** as a **Service and Payments & Remittances** segments, being the best positioned in higher brackets. On the other hand, the range from 0 to 500 thousand dollars and from 1 to 500 thousand dollars, where most Fintechs are

found, is made up of highly heterogeneous segments. For 2024, Fintechs expect accelerated growth. According to responses from surveyed companies, in this year only 4.1% of the ecosystem would remain without generating revenue. On the other hand, there would be a significant transition to middle income ranges of 500 thousand to 5 million dollars, increasing from 28.7% in 2023 to an estimated 44.1% in the current period.

According to the survey responses, by 2025 it is estimated that more than half of Colombian Fintechs (54.5%) will fall into income ranges above 5 million dollars, implying a significant transition from the 15.4% of companies that claimed to be in this position in 2023.

Figure 6. Gross Revenues Obtained per Year



Source: Data extracted from the Finnovista Fintech Radar Colombia survey



## Maturation of Fintech Products and Services

More than three-quarters of the Fintech ecosystem offers products and services that are in growth and expansion stages.

Regarding the development stage of Fintech products and services in Colombia, the maturity of the companies' offerings stands out. More than three-quarters of the ecosystem offers products and services that are in growth and expansion stages (44.1%) or are ready to scale (32.8%). Interestingly, close to one-fifth of Colombian Fintechs have just launched their products and services (18.5%).

## Target Market of Fintechs

Regarding the target market of Fintechs, it is noteworthy that the ecosystem's product and service offerings are evenly directed between B2B and B2C models. 51.3% of Fintech solutions are aimed at the B2B market, focusing on companies, financial institutions, and SMEs, while the remaining 48.7% is allocated to the B2C market.

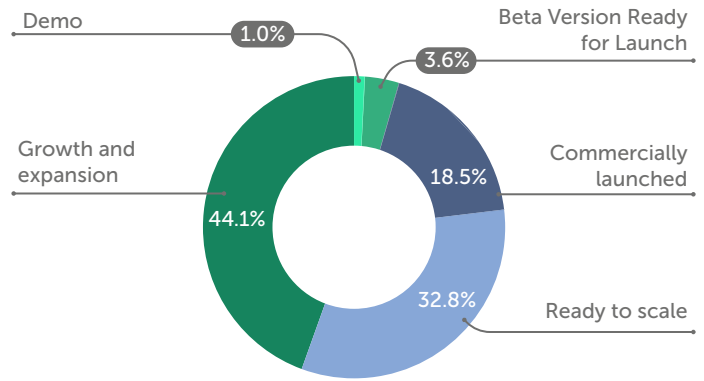
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- Banked financial institutions
- Corporations or banked companies
- Banked SMEs (with two or more financial products)
- Underbanked SMEs (only one financial product)
- Unbanked SMEs (do not have any financial product)
- Banked people (with two or more financial products)
- Underbanked people (only one financial product)
- Unbanked people (do not have any financial product)

Source: Data extracted from the Finnovista Fintech Radar Colombia survey

When comparing the year-on-year evolution of products and service offerings, rising from 17.8% in 2023 to 28.7%. Alongside this, there is a notable increase in solutions focused on already **banked SMEs**, increasing from 15.0% in 2023 to 18.5% in 2024.

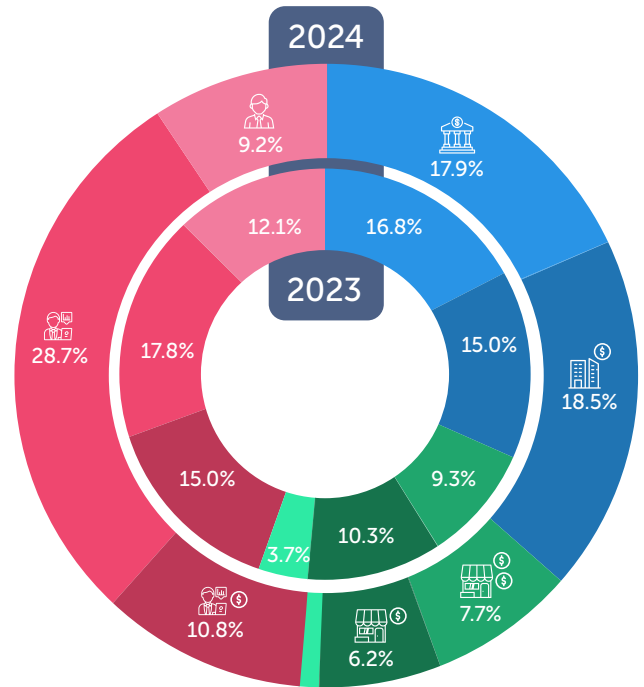
Figura 7. Etapa de los productos y servicios de las Fintech



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

More than half of Fintech solutions are aimed at companies and SMEs.

Figure 8. Target Market of Fintechs

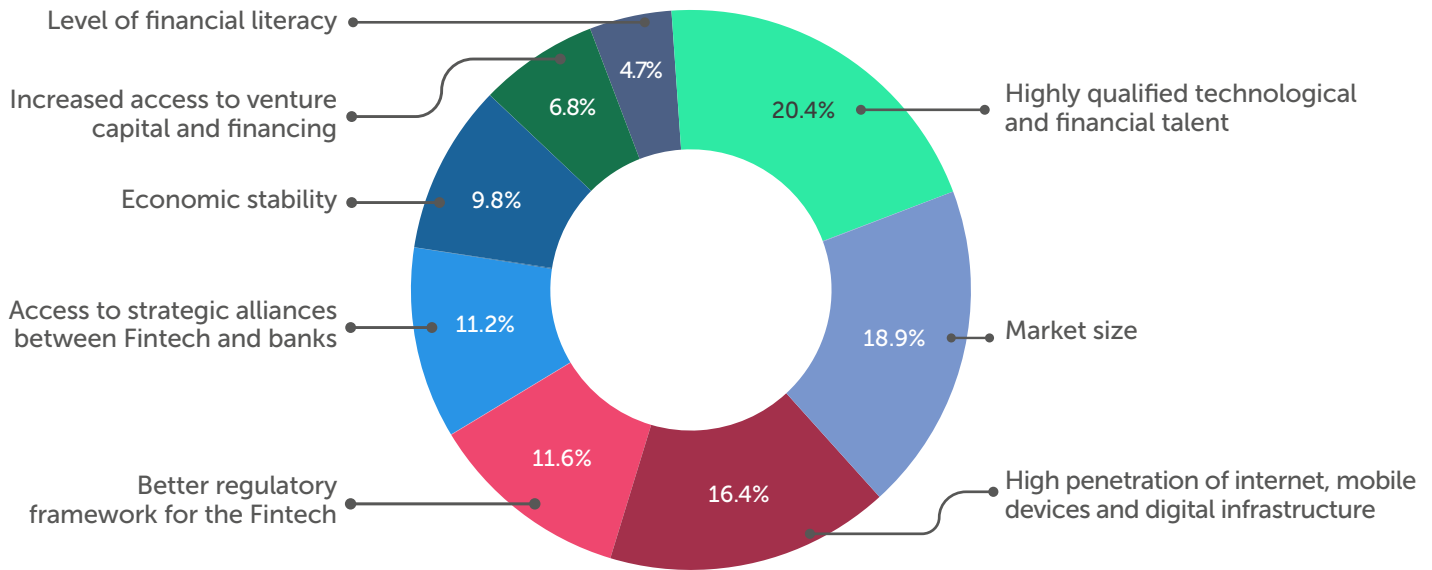


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## CHALLENGES AND COMPETITIVE ADVANTAGES

Figure 9. Market Advantages Compared to Other Countries According to Fintechs



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

### Competitive Advantages of the Colombian Fintech Market

In terms of the country's competitive advantages, surveyed companies agree that Colombia boasts valuable, qualified human talent in technology and finance, which stands out compared to other countries in the region, with 20.4% of responses. Additionally, the size of the Colombian market is seen as a significant opportunity for sector companies, ranking as the second primary advantage for most respondents (18.8%). Thirdly, startups highlight population density and the increasing penetration of the internet, mobile devices, and digital infrastructure, garnering 16.5% of responses.

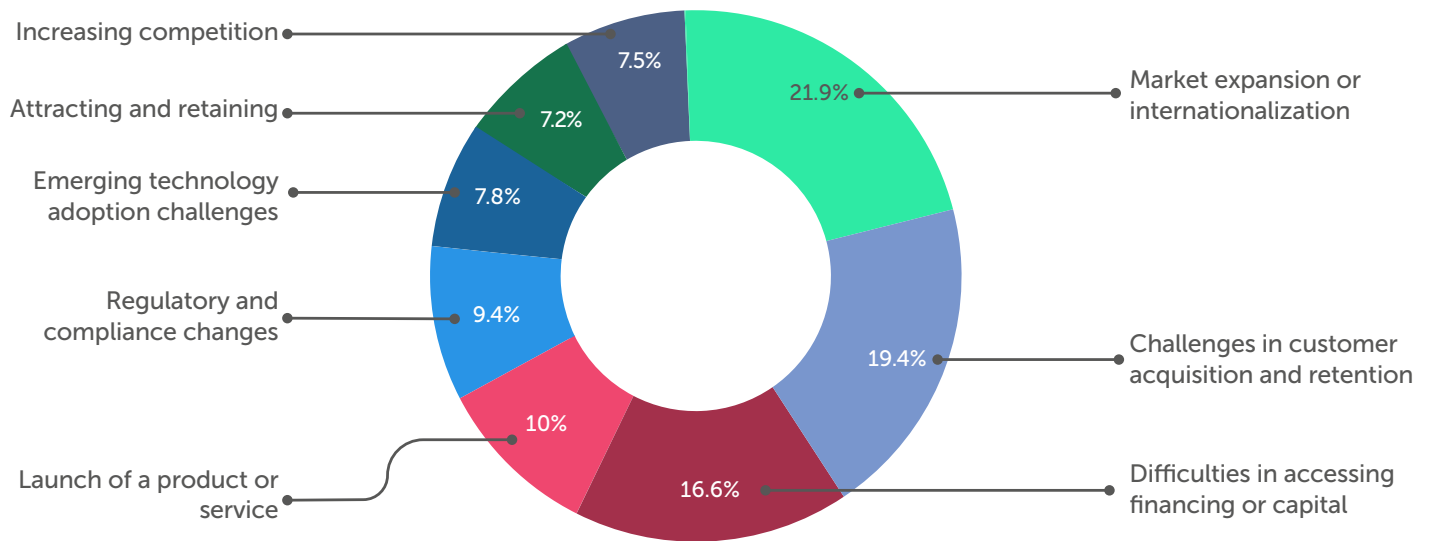
Lastly, surveyed companies point out other competitive advantages such as more favorable regulation for Fintech (11.7%), access to strategic alliances between Fintech and banks (11.3%), and the country's economic stability (9.7%).

Colombian talent stands out for its solid technical and academic preparation, combined with excellent commitment and work ethic. This makes it a highly valued resource internationally, reflecting the quality of the country's human capital.

Ana Mora Bowen  
Colombia Country Manager,  
Angel Ventures



Figure 10. Major Challenges for Fintechs



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

### Challenges Identified by Fintechs

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When studying the challenges faced by startups in the Colombian Fintech environment, market expansion and internationalization emerge as the main challenges for 22.1% of respondents. They are followed by customer acquisition and retention, being the main challenge for 19.3% of companies, while difficulty accessing financing or capital ranks as the third main challenge, with 16.8% of Fintechs citing it

However, it is worth noting that for Fintechs in the **Lending** segment, access to financing or capital is the main challenge, with 53.0% of respondents. For 41.0% of companies in the **Fintech as a Service** segment, market expansion and internationalization would be their main challenge.

With a lower percentage of responses, other challenges stand out, such as launching a new product or service, with 9.8% of responses; changes in regulation and compliance (9.5%), and the adoption of emerging technologies (7.6%). Lastly, regarding international expansion, it is worth emphasizing that it is not only a challenge, but as seen in point 5 of this Radar, it is a reality for two out of every three Colombian Fintechs, once again indicating that the Colombian market is in the process of consolidation and showing signs of maturity.

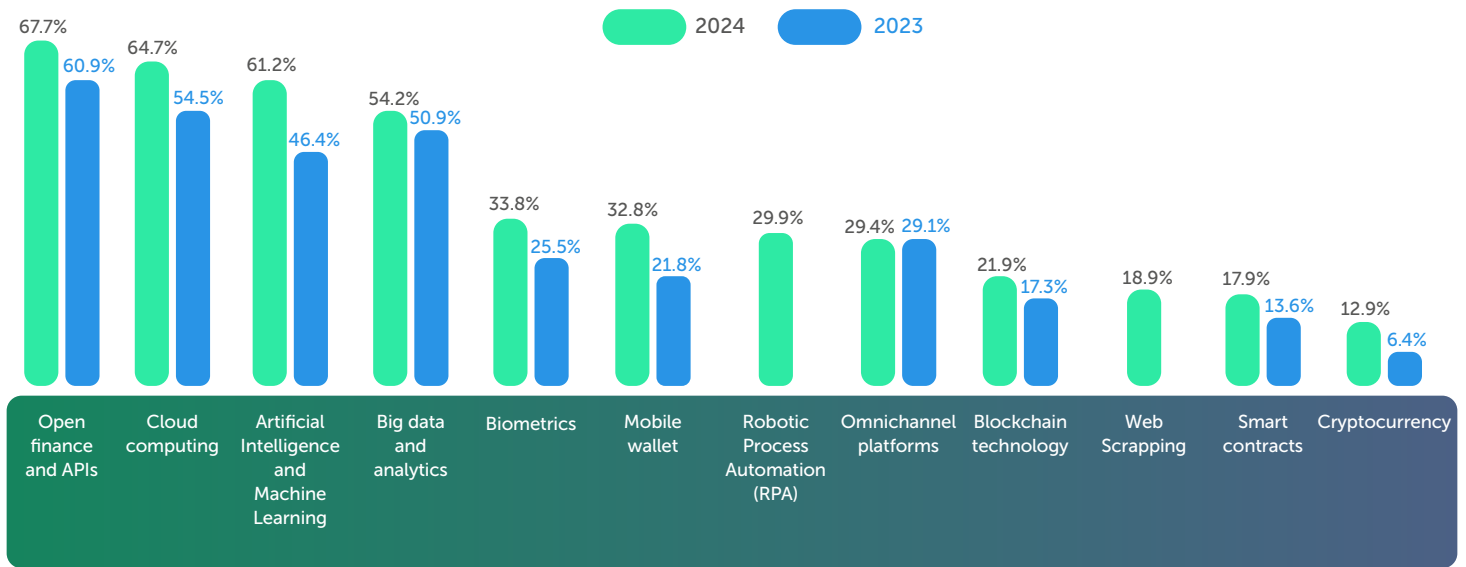
“ Fintechs in the lending sector have encountered a complex situation, as high inflation has led to high interest rates and, consequently, significantly more relevant funding costs. ”

**Renzo Sesana**  
Principal at H2O Capital Innovation



# TECHNOLOGICAL IMPLEMENTATION

Figure 11. Technological Implementation



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

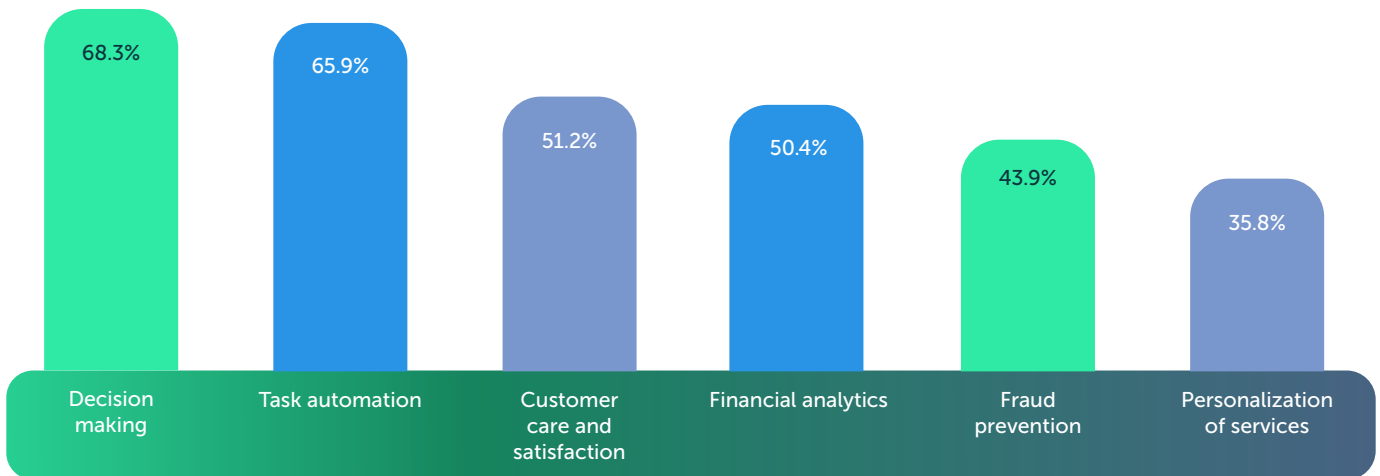
15 Fintechs in Colombia focus on technological advancements in transactional security and interoperability, alternative data, and improved operational efficiency.

Technology in the Fintech industry in Colombia continues to progress, with an overall increase in the adoption of new technologies. Open Finance and APIs once again lead as the most used technologies by Fintechs in Colombia, raising their adoption rate to 67.7% this year, compared to 60.9% from the previous year. On the other hand, Cloud Computing remains in second place, showing a notable increase in adoption, rising from 54.5% in 2023 to 64.7% in 2024.

Alongside the previously mentioned technologies, those that have shown the most growth compared to 2023 are Artificial Intelligence - Machine Learning (+11.1%), the adoption of Biometric Security Methods (+9%), and Mobile Wallets (+6.3%). This significant development responds to the need of Fintechs for the creation of new financial products capable of utilizing alternative data to assess credit risk, improve security, accessibility to users, and enable immediate and efficient transactions.



Figure 12. Use of AI in Fintech Operations



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

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## Artificial Intelligence, the Fastest Growing Technology in Implementation.

When investigating how Colombian Fintechs are utilizing emerging technologies, it is noteworthy that approximately two-thirds of those implementing artificial intelligence (AI) apply it both to optimize decision-making (68.3%) and process automation (65.9%). Furthermore, nearly half employ AI to enhance customer service (51.2%), financial analysis (50.4%), and fraud prevention (43.9%).

Although adoption and impact are still in their infancy according to experts, Fintechs are already in full swing to see who implements them most successfully, especially in credit approval, risk management, and operational improvement through task delegation to AI.



The use of artificial intelligence in the companies we invest in is particularly focused on process automation and risk and fraud detection, enabling them to generate better margins and maintain their focus on business improvement to stay ahead of the competition.



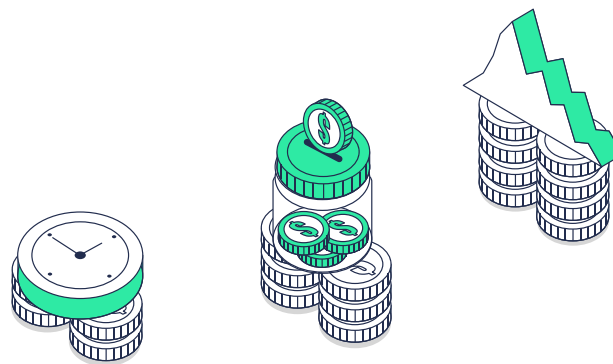
**Gonzalo Pizarro**  
*Venture Capitalist at Salkantay*



## REGULATION

### Optimism and Caution: Current Status of Fintech Regulation in Colombia.

In recent years, Colombia has faced the challenge of maintaining a regulatory framework commensurate with one of the continent’s fastest-growing ecosystems. Unlike other countries, the legislature has not chosen to promote unified legislation. Instead, the country has multiple regulations that indirectly apply to Fintech activities. This regulatory development has placed certain emphasis on issues such as debt and equity crowdfunding, regulations on biometric identification in payment systems, consumer rights protection, and open banking.



### Regulatory Challenges

Despite significant legislative progress, Colombia still has a way to go to further improve the regulatory environment for the ecosystem. This study particularly highlights two challenges facing the regulator:

**Harmonization in Regulatory Oversight:** Similar to not having a specific Fintech law, Colombia also lacks a particular entity responsible for supervising all sector activities. Instead, it relies on a conglomerate of institutions such as the Financial Superintendent or different regulatory bodies. While there is disagreement in the sector about the need for a single supervisory entity, having multiple entities poses a challenge in balancing requirements among different players.

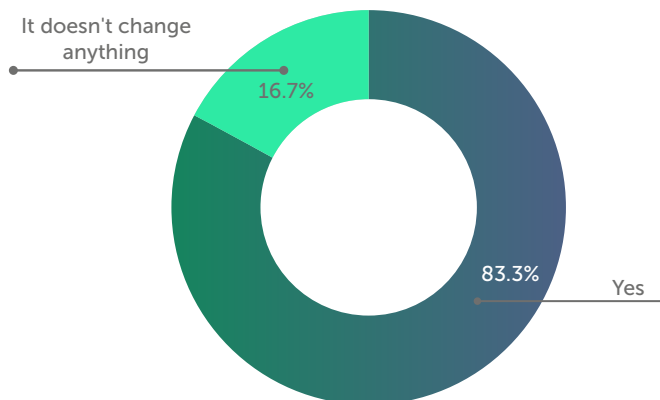
**Promotion of New Legislation for Underserved Segments:** Colombia has made significant strides in Fintech regulation, thereby improving its regulatory perception for much of the Fintech market (see section 5.1). However, despite the progress in numerous areas, there are parts of the ecosystem calling for the development of specific regulations, such as cryptocurrencies. When asked about the regulatory environment overall, this study reveals a score of 6.8 out of 10, very similar to other markets in the region like Chile or Mexico. However, this score drops below 4 out of 10 when only considering Cryptocurrency Fintech, which still lacks specific regulation.

### Status and Next Steps of Open Finance Regulation:

Colombia has been the third country in Latin America to regulate open finance, following Brazil and Chile. The latest significant step in implementing the law was in February 2024, with the publication of Circular 004, focusing on user consent and security standards.

In light of these advances, there is great expectation within the ecosystem: 83.3% of Fintech in Colombia anticipates that Open Finance regulation will allow them to offer more personalized and enhanced products to their users, while 100% believe it will facilitate collaboration with other financial entities. In this regard,

Figure 13. Will regulation allow your startup to offer improved and more personalized products to your users?

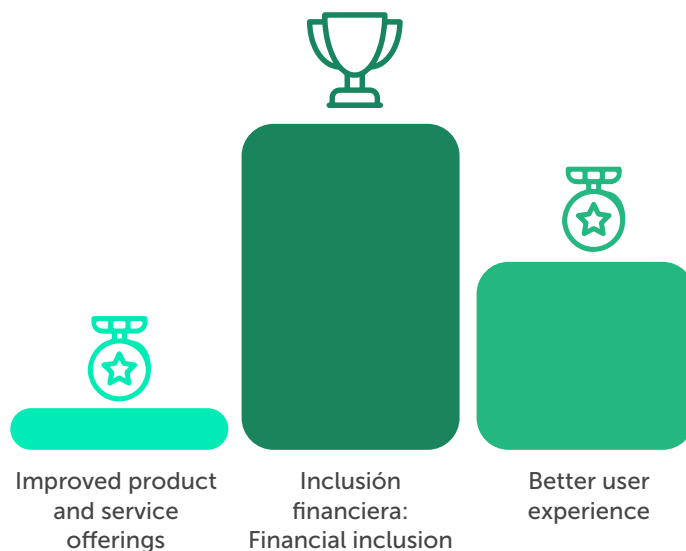


Fintech anticipates that the impact of Open Finance on users will be considerable, highlighting, in order of importance: improved financial inclusion, enhanced user experience, and increased product and service offerings.

Despite the optimism obtained in the study's surveys by Fintech, regulation still faces significant obstacles. On one hand, startups highlight potential difficulties in ensuring good practices, interoperability, and scalability safely and cost-effectively, as well as effective regulatory compliance. On the other hand, traditional players focus on its slow implementation and the lack of incentives for banks, which could result in unequal benefits for them when sharing their data with other institutions. Finally, from the regulator's perspective, the main challenge is to strike a balance between protecting consumers and allowing the necessary freedom for innovation and sector growth.

In this scenario of optimism and caution, experts emphasize the importance of having a well-defined regulatory framework that facilitates the effective implementation of Open Finance, ensuring that operations are safe and aligned with the interests of consumers, Fintech, and traditional players.

Figure 14. Key Impacts of the Open Finance Law According to Fintech in that Segment



## COMPETITION AND COLLABORATION

### Competition

When conducting this study, a significant presence of foreign companies entering the Colombian market has been observed. According to Finnovista's database, 30% of the Fintech operating in Colombia are not of Colombian origin. Therefore, when studying competition, the focus has been on the foreign landscape.

Two segments stand out primarily. On one hand, there are 32 startups dedicated to **Fintech as a Service** compared to the 52 foreign Fintech in that segment. On the other hand, 73 local Fintech companies have been identified in **Payments & Remittances**, while at least 45 foreign projects are operating in the country, making almost 4 out of every 10 Fintech in this segment in the country foreign-owned.



The entry of international players enhances the growth of the Colombian Fintech market, challenging local startups to innovate and raise their standards to compete.



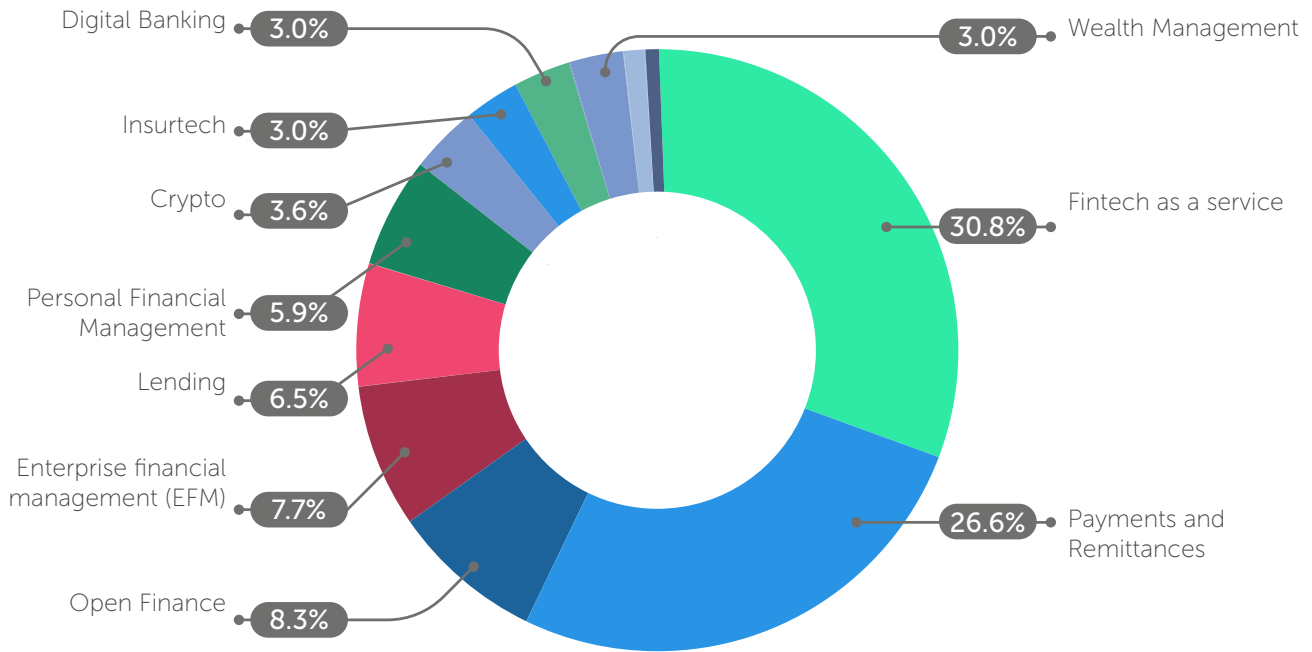
ÚRSULA BORRERO

*Market Development*

*Director en Mastercard*



Figure 15. Foreign Fintech by Segment



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

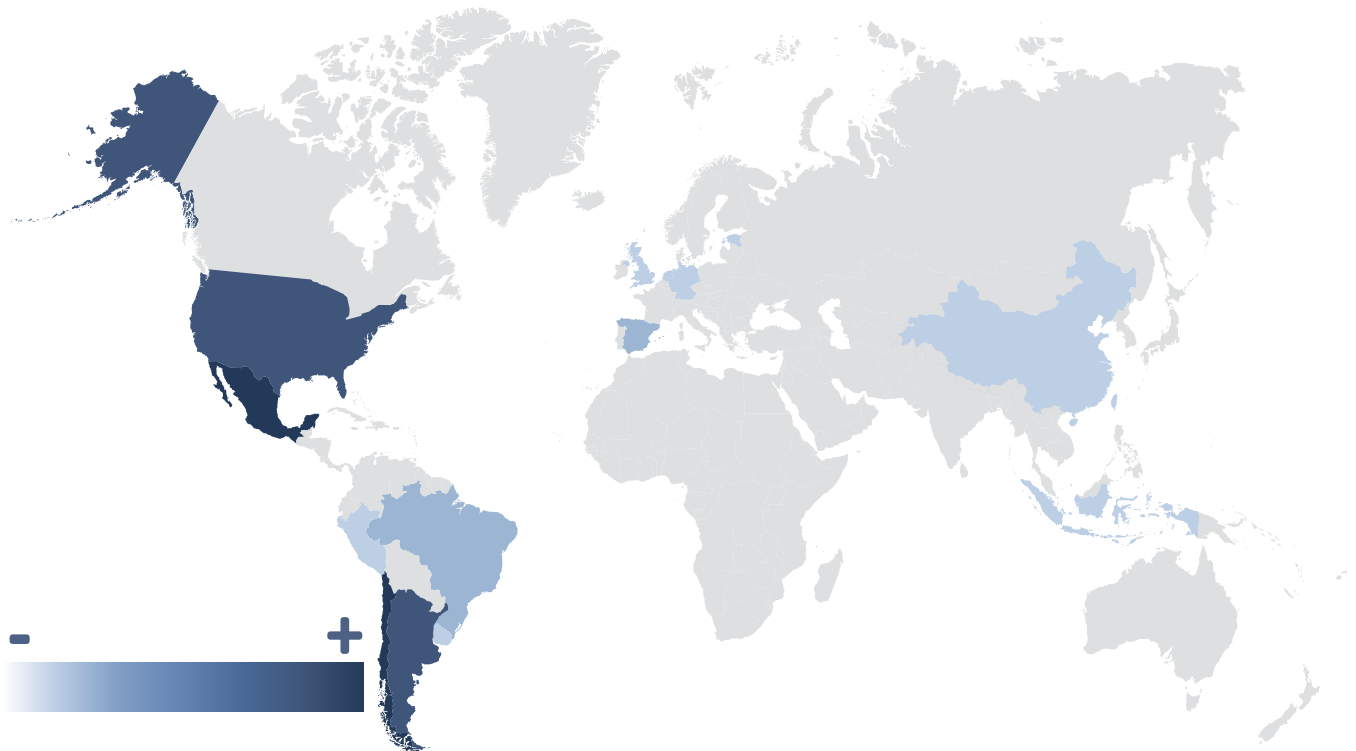
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Over the past year, despite the scarcity of investment, the Colombian business ecosystem has demonstrated its ability to adapt and thrive, focusing on profitability and strengthening its resilience and creativity. Additionally, the entry of leading foreign companies has brought a new dynamic to the market, fostering diversification and raising quality standards. This period of change has provided opportunities for growth and innovation within the Colombian business sector.

The Colombian market is thus consolidating with increased penetration of foreign players, while the number of players is stabilizing.

Regarding the origin of foreign startups, most of them come from Mexico (29%), Chile (20%), and the USA (18%), totaling nearly 70% of foreign Fintech.

Figure 16. Origin of Foreign Fintech Companies

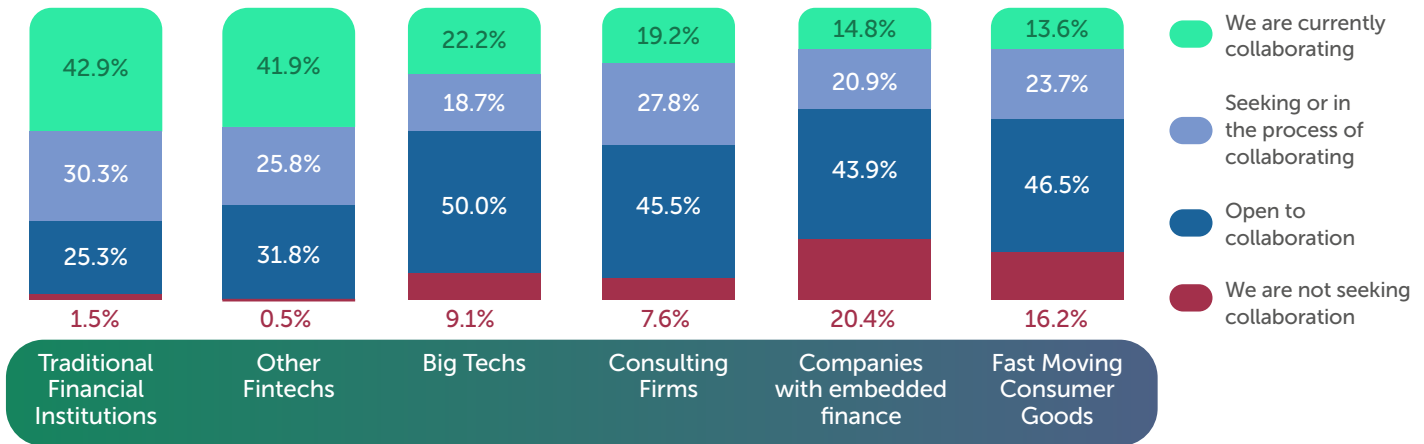


Source: Data extracted from the Finnovista Fintech Radar Colombia survey



## Collaboration

Figura 17: Colaboración en el mercado Fintech Colombiano



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

Regarding collaboration, the favored synergy among Fintech companies occurs with traditional financial institutions, currently standing at 42.6%. While this percentage is slightly lower than in previous radars, it is noteworthy that now 30.5% of Fintech companies claim to be seeking or in the process of collaborating with these institutions, while another 25.4% affirm being open to such collaborations. These data indicate a focus on expanding the collaborative framework between the traditional ecosystem and the Fintech ecosystem to reinforce existing collaborations.

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Moreover, after mutual learning, current collaborations are more mature, as both Fintech companies and institutions strive to find the best formula and outcome, resulting in a win-win situation.

Following this type of collaboration is synergy among Fintech companies themselves. Currently, 41.6% of the surveyed companies state they are collaborating with other startups in the sector. Additionally, 25.9% claim to be seeking or in the process of collaborating, while 32% confirm being open to such collaborations.

Therefore, as indicated in Figure 17, the small percentage of startups not seeking collaborations with financial institutions (1.5%) and other Fintech companies (0.5%) is notable. Last year, these figures were 3.2% and 3.8%, respectively, further supporting the existence of an increasingly collaborative ecosystem.

Other common collaborations in the Fintech sector occur with large technology companies (22.3%), companies with embedded finance (19.3%), consulting agencies (14.4%), and consumer companies (13.7%).

These synergies, both with financial institutions and among Fintech companies, are mainly carried out through Commercial Alliances, both with clients and suppliers, Brand Partnerships, and through Pilot Programs.

Lastly, regarding collaboration among Fintech companies, the main synergies occur between startups in the **Digital Banking** and **Lending** segments, **Digital Banking** and **Open Finance**, as well as Open Finance startups primarily motivated by integrating new services to expand their offerings.



“ The major banks realized that Fintech companies are not their competition. Ultimately, collaboration is what generates mutual value for us, enabling us to offer a better product to the end consumer. ”

**Carlos Alberto Ochoa**  
Principal at Bancolombia Ventures



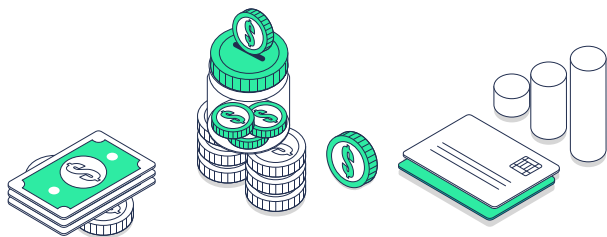


# INVESTMENT OUTLOOK

## Status of total investment in Colombia

According to data from LAVCA, in 2023, \$1,525.1 million were invested in Colombia across 98 transactions, once again positioning the Andean country as the third-largest market in terms of investment figures, only behind Brazil and Mexico. The total investment figure in Colombia represents one-tenth (9.8%) of the transactional value of all deals recorded throughout Latin America for the year. In terms of transaction quantity, the 98 deals completed in 2023 represent 9.2% of all transactions in Latin America. Comparing the total investment in Colombia in 2023 with the numbers from 2022 (\$3,868.3 million across 154 transactions), there is a YoY drop of 60.5%.

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## Status of venture capital investment in Colombia

In terms of venture capital investment, according to the 2024 Industry Data & Analysis report from LAVCA, there were 82 venture capital transactions in Colombia with a transactional value of \$373.1 million in 2023. These transactions represent 9.2% of the total transactional value of this asset class throughout Latin America in that period, making Colombia the third-largest market in terms of venture capital volume, behind Brazil and Mexico. In terms of transaction quantity, the 82 recorded deals represent 10.6% of the total investments in this asset class in Latin America in 2023. Comparing these venture capital investment figures against the numbers from 2022, there is a YoY drop of 68.9% in transactional value and a decrease of 33.8% in the number of operations.

// During 2023, the ecosystem experienced a decrease in the level of investment. However, there are now clear signs that we have reached a turning point and investment is beginning to rebound again.

Fabricio Zabala  
Corporate VC at Wayra

## Biggest Rounds of 2024

**Addi**

Lending  
86 MDD

**simetrik**

Enterprise Financial  
Management  
55 MDD

**beld**

Payments  
& Remittances  
50 MDD

**yuno**

Payments  
& Remittances  
25 MDD

<sup>1</sup> Las cifras totales incluyen Venture Capital, Private Equity, Private Credit e inversiones en infraestructura y recursos naturales.



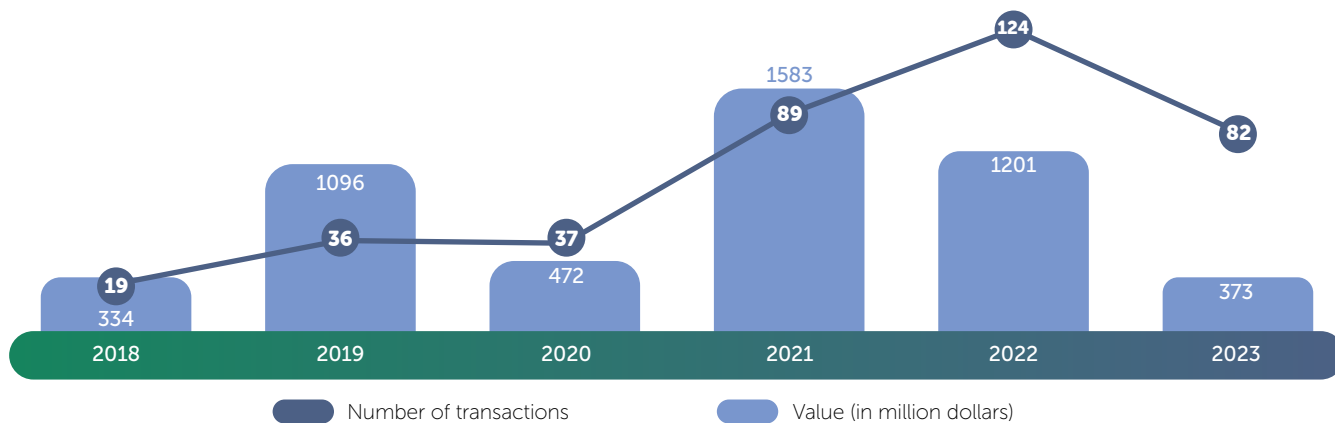
However, this downward trend does not seem to be extending into 2024 in the Colombian ecosystem, as Q1 was marked by rounds of tens of millions of dollars raised by Fintech startups. The financing round of **Addi** stands out, raising \$86 million in both equity and debt. The round saw participation from respected venture capital funds such as Andreessen Horowitz and Union Square Ventures, along with involvement from Goldman Sachs Group, which provided debt financing. On the other hand, **Simetrik** raised \$55 million in a Series B led by Goldman Sachs Asset Management, with participation from prominent funds like Fintech Collective and Cometa. **Bold**, the **Payments & Remittances** startup, also closed a \$50 million Series C led by General Atlantic.

In the same **Lending** infrastructure segment, Fintech **Yuno** closed a Series A with participation from several of the most important venture capital funds, such as Kaszek, Monashees, TigerGlobal, and Andreessen Horowitz.

When analyzing the evolution of the venture capital investment ecosystem in Colombia between 2018 and 2023, a compound annual growth rate (CAGR) of 2.23% in transactional value can be observed. In number of operations, there has been a CAGR of 34% over the same period. Despite not being the year with the highest number of operations, 2021 is clearly the standout year, after Colombian startups raised nearly \$1.583 billion across 89 deals.

Figure 18. VC Investment in Colombia

22



Source: LAVCA

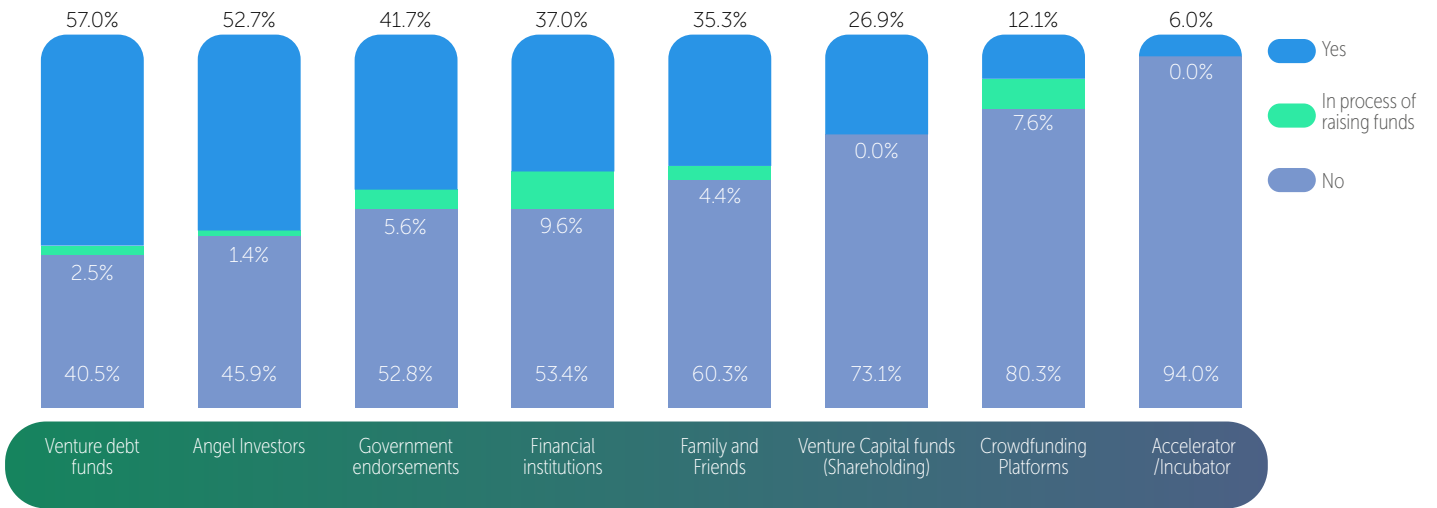
## Funding sources for Colombian Fintech companies

57.0% of the Fintech companies that make up the Colombian ecosystem have raised capital through **angel investors**, while another 2.5% of these companies are in the process, meaning that nearly 3 out of every 5 startups in this industry have turned to this source to finance their operations. It is noteworthy that there has been a significant increase in this funding source, as in the 2023 study this figure was around

41.0%. Following this source of financing are **friends and family**, through which more than half (52.7%) of the Colombian Fintech ecosystem has successfully raised capital. Interestingly, 2 out of every 5 Fintech startups (41.7%) in Colombia have obtained financing after going through an acceleration or incubation process, surpassing the participation of venture capital funds, which have funded 37.0% of the ecosystem.



Figure 19. Funding sources of Colombian Fintechs



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

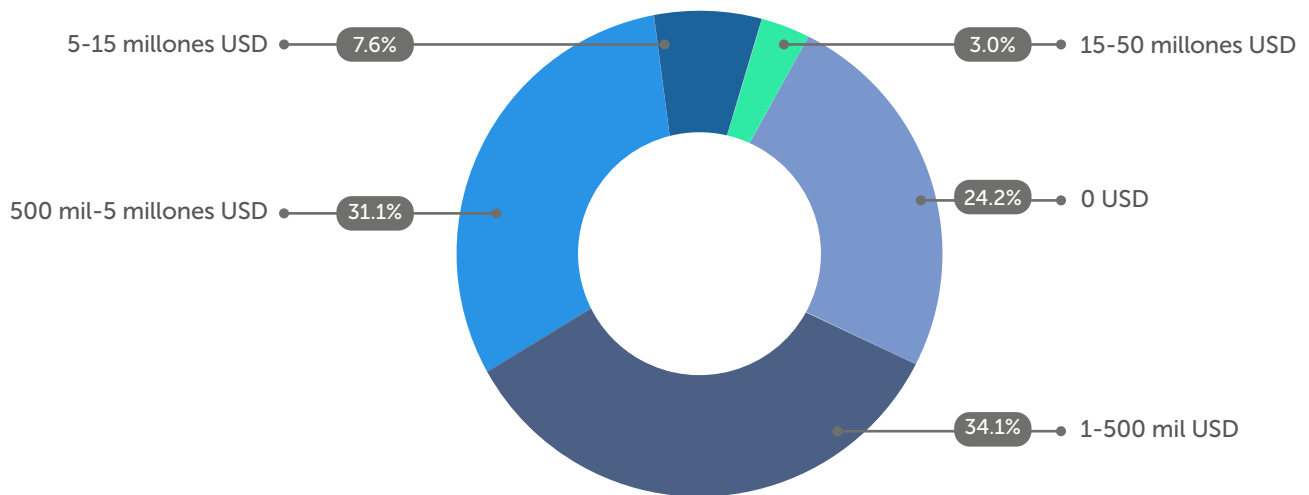
## Raised capital

23

According to the data obtained in the survey, more than a third of Colombian Fintech companies (34.1%) have raised between 1 and 500 thousand dollars. Similarly, 31.1% of the ecosystem has managed to raise between 500 thousand and 5 million dollars. It can be observed that practically 2 out of every 3 Fintech companies in Colombia (65.2%) fall within these ranges when combined. On the other hand, it is very important to highlight that close to a quarter of the Fintech companies have not raised a single dollar of capital from third parties (24.2%), while at the other end, only 10.6% of the Fintech companies have managed to raise an amount exceeding 5 million dollars to sustain their operations.

Nearly two thirds of Colombian Fintechs have raised between US\$1 million and US\$5 million.

Figure 20. Capital raised by Colombian Fintechs



Source: Data extracted from the Finnovista Fintech Radar Colombia survey





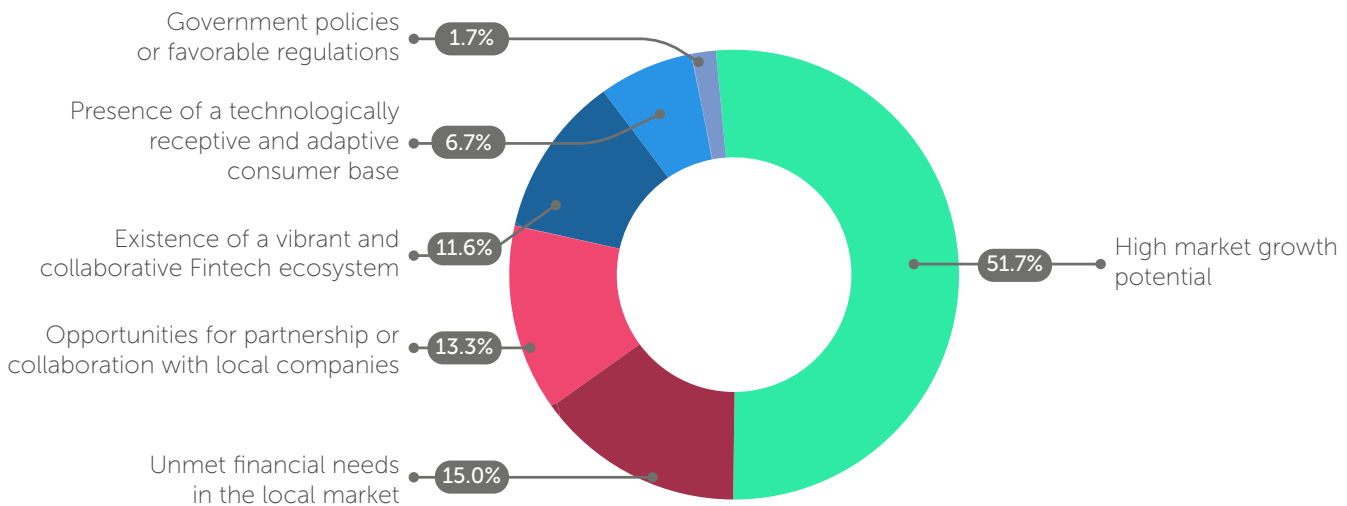
# FOREIGN OUTLOOK

## Incentives and barriers for foreign Fintechs

To delve deeper into why Fintech startups choose Colombia for international expansion, foreign startups with a presence in Colombia were surveyed about what enticed them to make the leap to this country, underlining its competitive advantages. The results indicated that more than half of the startups (51.7%) consider the main advantage to be the **high**

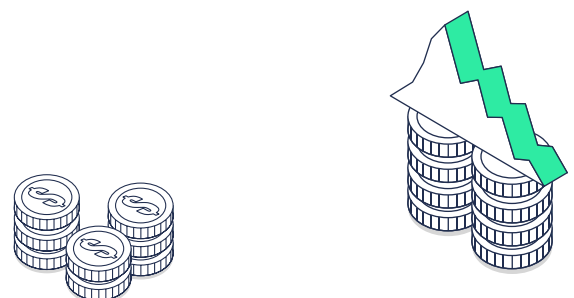
**growth potential** that the Colombian market still holds. The second most common response, but with a much lower rate (15.0%), focused on the fact that not all **financial needs in the local market** have yet been met. Finally, the third main reason (13.3%) is the opportunities for partnership or collaboration with local companies that the country presents.

Figure 21. Incentives for international expansion



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

When scoring different aspects of the Colombian ecosystem, foreign startups once again highlighted the **market outlook and potential** with a rating of 7.7 out of 10, the highest of them all. Among these prospects and potential are the opportunities for scalability, the scope for incorporating new products and services, consumer openness and the existence of unattended or latent markets.



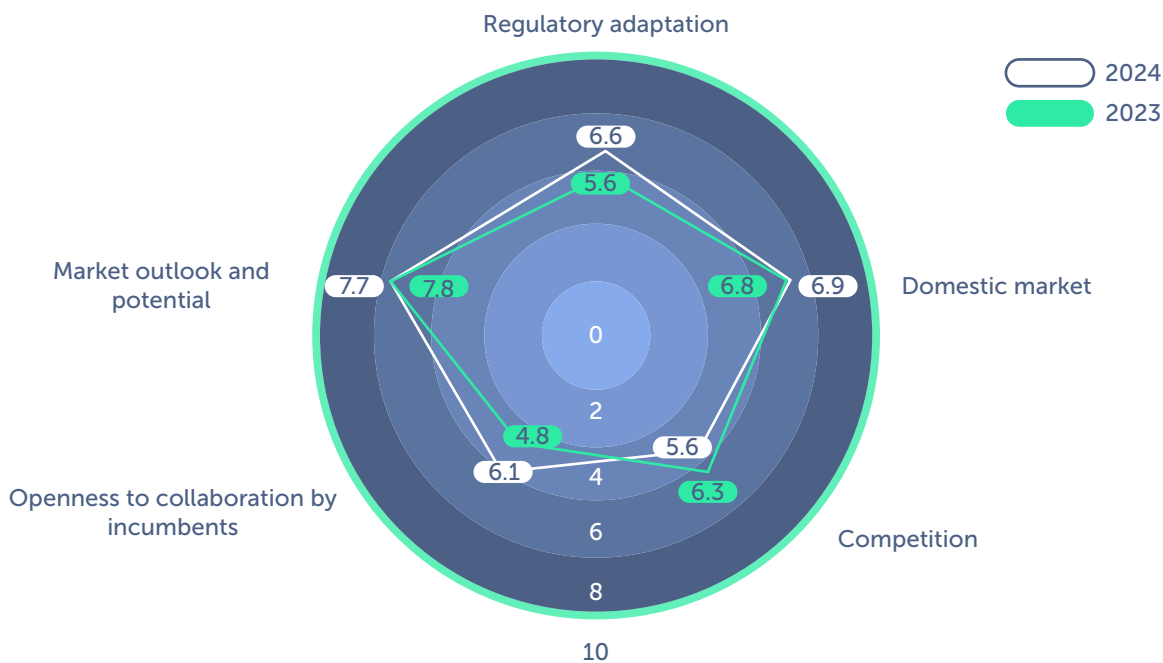
The next most highly rated aspect is the **characteristics of the domestic market**, considering its size and maturity for the target customer or user, achieving an average score of 6.9 out of 10.

It's worth noting that the perspective of foreign startups on the ease of **regulatory adaptation** to enter the market has significantly improved compared to the previous year, as companies have rated it one point higher (6.6 out of 10). This score is very

similar to that obtained by local startups, as can be seen in point 3.5 on Regulation.

Similarly, **openness to collaboration** has been, along with regulatory adaptation, the aspect that has improved the most in its rating, rising from 4.8 in the previous Radar to 6.1. This again underscores that collaboration between traditional institutions and Fintech seems inevitable.

Figure 22. Market Aspects Scoring for Foreign Fintechs



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Source: Data extracted from the Finnovista Fintech Radar Colombia survey

## International expansion of Colombian Fintechs

Almost two out of every three Colombian Fintechs are present in another country.

According to the data obtained from the survey, 63.4% of the surveyed Colombian Fintech companies have expanded internationally.

Almost half of the surveyed Fintech companies have indicated that their products or services are in growth or expansion, with their main challenge being to scale operations and expand internationally. This data indicates that the Colombian market is beginning to show signs of consolidation and maturity.

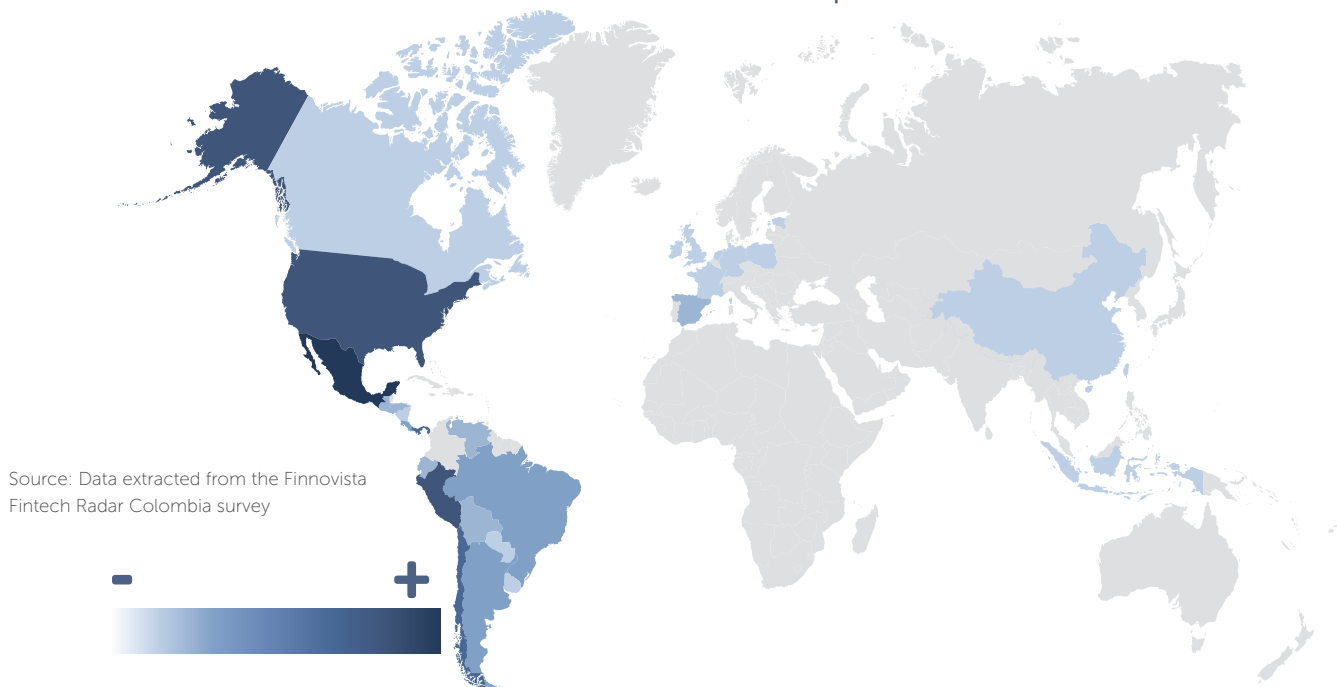
The preferred countries for expansion are, in first place, Mexico, which is the destination for 29.1% of them, followed by the United States with 20.9%. Peru comes in third place with 20.1% of the responses.

It is striking how many Fintechs in Colombia have managed to cross borders with their business model. This movement not only strengthens the local ecosystem, but also positions the country as one of the main developers of the Fintech sector in the region.

**Tory Jackson**  
*Head of Business Development & Strategy para América Latina de Galileo*



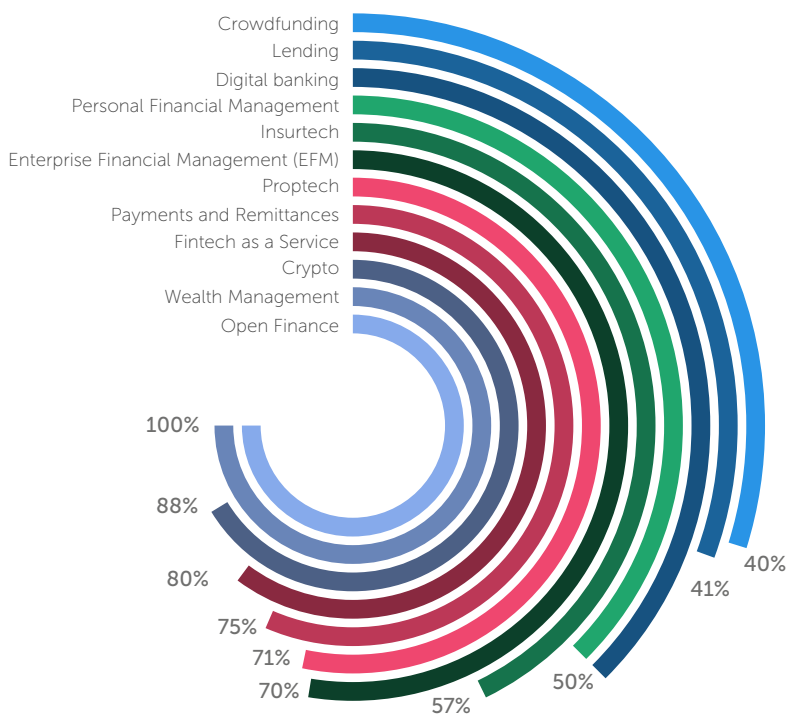
Figure 23. International expansion of Colombian Fintech companies



According to the collected data, the segments with the highest international expansion rate are **Wealth Management** and **Open Finance**, with 100%<sup>1</sup> of the startups having successfully expanded. Following them is the Crypto

segment with 88%, and the Fintech as a Service segment with 80%. Below, in Figure 24, you can observe the percentage of international expansion of the ecosystem by segments.

Figure 24. International expansion rate by segment



Source: Data extracted from the Finnovista Fintech Radar Colombia survey

<sup>1</sup> In the survey we obtained a sample of approximately 50% of local Colombian Fintechs for each of the segments, of which all responded that they are present in more countries.





## CONCLUSIONS

The Fintech ecosystem in Colombia continues to solidify, experiencing a steady growth of 6.8% in the number of ventures compared to 2023. Paired with this growth is a notable increase in Fintech revenues: 45% of companies reported surpassing \$500,000 in 2023, a figure that remained at 36.4% in 2021. The **Lending, Payments & Remittances**, and **Enterprise Financial Management** segments emerge as the most prominent groups in Colombia by the number of Fintech companies, comprising nearly 56% of the ecosystem.

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Despite a noticeable decline in venture capital funding in 2023, there were significant fundraising rounds in the first quarter of 2024 within the Colombian Fintech ecosystem. Several Andean Fintech companies raised some of the largest rounds of 2024 in all of Latin America so far, suggesting that venture capital investment in Colombia could finally rebound this year, showcasing investor confidence and the industry's growth potential.

Moreover, it's crucial to highlight the significant presence of foreign Fintech companies in Colombia, accounting for over

30% of the total active projects in the market. This foreign presence serves as an indicator of the potential and opportunities within the Fintech sector in the Andean country. The quality of Colombian talent in the industry is evident, with over 60% of the country's Fintech companies successfully launching their operations internationally, consolidating their presence in other countries.

Colombia finds itself at a crucial point in terms of regulation and technological advancement. The rapid adoption of emerging technologies such as cryptocurrencies, artificial intelligence, biometrics, and especially Open Finance by the Fintech sector has prompted regulators to develop dynamic legal frameworks supporting sustainable sector growth. While Colombia is already making significant strides and positioning itself as a leader in Latin America in some areas, the challenge remains to expand and streamline the regulatory framework across all segments of the Fintech ecosystem, ensuring it is balanced and does not hinder the sector's progressive growth potential.



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# GLOSSARY

## Fintech Segments:

**Lending:** this segment includes Fintechs that offer Business Balance Sheet Lending, Consumer Balance Sheet Lending, Business Peer-to-Peer Lending, Consumer Peer-to-Peer Lending, Buy Now Pay Later (BNPL) solutions and Factoring.

**Payments and Remittances:** here we consider the Fintechs of Payments and Mobile Wallets, International Transfers and Remittances, Mobile Point of Sale (mPOS), and Payment Gateways and Aggregators.

**Fintech as a Service:** this category encompasses companies that address specific needs of financial institutions, such as Identity and KYC Solutions, Smart Contracts, Alternative Scoring and Chatbots. Also included are Digital Identification and Security and Fraud Prevention and Risk Management solutions.

**Crowdfunding:** includes rewards, donations and equity crowdfunding companies.

**Enterprise Financial Management:** considers companies in Electronic Invoicing, Digital Accounting, Financial Management and Business Intelligence, and Collections.

**Financial Wellbeing:** this segment includes Personal Financial Management Platforms, Comparison Platforms and Debt Management Platforms. The Financial Education and Fintech Startups on Demand (FEWA) sub-segments have also been added.

**Insurtech:** this category includes Comparison Platforms, Distribution Channels and Lead Generation specific to insurers, as well as Digital Insurers. It also includes Technologies for Insurance Companies.

**Digital Banking:** here Business Banking and Consumer Banking are encompassed.

**Proptech:** this emerging segment arises from the identification of a critical mass of startups specialized in the real estate space. The subcategories within PropTech include: Real Estate Crowdfunding and Real Estate Technologies.

**Open Finance:** includes startups that provide services falling into two main categories: Open Data and Open Capabilities. Open Capabilities include startups that facilitate the connection to the financial system, bin sponsors, bank account management startups or end-to-end and modular service providers that allow third parties (Fintech and non-Fintech) to offer banking services without having to develop the banking infrastructure internally. Also considered in this category are embedded finance startups, i.e., those that provide non-financial products or services but incorporate or embed financial services as long as this represents an important business vertical within their business model (e.g., sale of cars with financing model).

**Wealth Management:** this segment includes Digital Wealth Management Fintechs, Robotized Advisors, Foreign Exchange Solutions, Securities Market Solutions and Cryptocurrency Exchanges.