



Nasdaq Expands Digital Bank FinTech Presence in Latin America

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Expanded partnership with Nubank reflects rapid growth of banking and payment services in Latin America

Over half of Nasdaq's Latin American banking clients have expanded their technology partnership in the last 12 months

Nasdaq's financial technology solutions simplify regulatory compliance and reduce time to market across multiple jurisdictions

NEW YORK and SAO PAULO, Sept. 23, 2024 (GLOBE NEWSWIRE) -- Nasdaq today announced it has expanded its digital bank financial technology presence in Latin America, having agreed to provide its AxiomSL regulatory reporting solution to Nubank, a leading digital bank with over 100 million customers across Brazil, Mexico, and Colombia.

The agreement extends Nasdaq's existing partnership with Nubank which includes providing the technology that underpins the bank's treasury function - managing its fixed income and money market operations - and now the bank's regulatory reporting obligations in Colombia. It also reflects the accelerating demand for third-party financial technology solutions in Latin America, driven by the rapid growth and development of digital banking in the region and the competitive need for technology that can support a short time to market for new products and services.

Nasdaq has over 50 banking and payment services clients in Latin America, comprising a broad range of digital and traditional banks, local and regional players as well as tier one global banks. The technology provided includes Nasdaq AxiomSL, which supports financial and regulatory reporting requirements across 55 countries and 110 regulators, and Nasdaq Calypso, which provides the SaaS technology platform that underpins banks' treasury, risk, and collateral management workflows.

The comprehensive range of Nasdaq's mission critical technology across the fabric of the Latin American financial system, alongside extensive partnerships with the region's market infrastructure operators, helps foster deep customer relationships and insight into their most complex operational challenges. In the last 12 months, over half of Latin American clients adopting Nasdaq's AxiomSL and Calypso technology have sought to expand their partnership, alongside strong growth in new customer numbers.

Ed Probst, Senior Vice President, Regulatory Technology at Nasdaq said: "Digital banking services in Latin America are experiencing a period of extraordinary development, with online marketplaces, open banking and innovative technology combining to empower a new generation of consumers. Nasdaq's technology is helping to underpin the maturation of the industry, with proven regulatory solutions substantially reducing time to market and providing a competitive advantage in such a fast-paced industry. We welcome the opportunity to expand our partnership with Nubank, alongside many other clients in the region, to support their ambitious growth trajectory."

Navigating regulatory complexity across Latin American banking services

The Latin American financial system is undergoing a radical transformation with the number of fintech startups established over the last six years having grown more than 340%, according to a recent report by the Inter-American Development Bank (IDB) and Finnovista¹. This trend is also reflected in a study published by McKinsey & Company which highlights the soaring popularity of noncash payments, with cash no longer representing the preferred payment method². Latin America's relatively young demographic is proving a catalyst for innovation and digital adoption.

Alongside this shift, the region's regulatory frameworks are undergoing a period of continued enhancement, which is helping to bolster the integrity of the system and unlock new areas of open finance and digital banking. Collectively these drivers are helping to unlock significant growth opportunities for financial services providers, including amongst previously unbanked people and companies.

Nevertheless, the regulatory environment remains deeply complex for companies seeking to access multiple jurisdictions and regulatory regimes. For example, Brazilian requirements typically focus on the types of products and services offered while Mexico has a specific license for "fintechs". In Colombia, several small and digital banks operate as a "Financing Company", which carry different requirements to "Banks and Financial Corporations". This pattern is replicated across Latin America where the confluence of innovation, rapid growth, and regulatory complexity is driving traditional and digital banks to seek third party technology providers to meet their regulatory needs. Nasdaq's advanced technology allows these banks to keep pace with inherent regulatory risks as they look to scale responsibly.

In addition to Nubank, other digital bank and payment companies Nasdaq has expanded its services with include Mercado Libre, Latin America's leading e-commerce and digital payments company, C6 Bank, a full-service digital bank in Brazil, and Bankaool, the first bank to receive a license from the Mexican government to provide digital-only services.

As a scaled platform partner, Nasdaq draws on deep industry experience, technology expertise, and cloud managed service experience to help 3,500+ banks, brokers, regulators, financial infrastructure operators, and buy-side firms solve their toughest operational challenges while advancing industrywide modernization.

About Nasdaq

Nasdaq (Nasdaq: NDAQ) is a leading global technology company serving corporate clients, investment managers, banks, brokers, and exchange operators as they navigate and interact with the global capital markets and the broader financial system. We aspire to deliver world-leading platforms

that improve the liquidity, transparency, and integrity of the global economy. Our diverse offering of data, analytics, software, exchange capabilities, and client-centric services enables clients to optimize and execute their business vision with confidence. To learn more about the company, technology solutions, and career opportunities, visit us on LinkedIn, on X @Nasdaq, or at www.nasdaq.com.

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¹ <https://www.iadb.org/en/news/study-fintech-ecosystem-latin-america-and-caribbean-exceeds-3000-startups>

² <https://www.mckinsey.com/industries/financial-services/our-insights/the-rapid-evolution-of-payments-in-latin-america>

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