

# Mexico ripe for digital banking surge - CEO

By Ulric Rindebro - Friday, July 24, 2015



**Francisco Meré**  
**CEO**  
**Bankaool**

*Bankaool is a small Mexican bank and a pioneer in its home market because of the fact it was born as a "digital bank."*

*This venture was supported by [World Bank](#) private sector arm the [IFC](#) as Bankaool aims to help improve Mexico's low level of financial inclusion – especially in the agriculture sector – through a strategy of branch-less banking.*

*To find out more about digital banking in Mexico and the bank's plans for the coming years, BNamericas spoke to its CEO, Francisco Meré.*

*This second part of a [two-part interview](#) shows that Bankaool might consider expanding into other Latin American countries in the medium-term.*

**BNamericas:** You have been a digital banking pioneer in Mexico and it seems that other, and larger, banks have digitalized at least some parts of their business. Looking forward, do you see a big potential for digital banking on a larger scale in Mexico?

**Meré:** Banking penetration in Mexico is very low both in terms of loans and deposits, but the environment for greater digital banking is promising, because of several factors.

Mexico has a payment system which is very advanced and in which you can make transactions between different banks in a matter of seconds.

The country has also implemented good and user-friendly regulations in a range of different areas, including anti-money-laundering, non-bank distribution partners and mobile banking. And these are the factors that will facilitate further innovation and greater spread of digital banking in supply side terms.

**BNamericas:** And on the demand side?

**Meré:** Mexico, in the last several years, has seen impressive growth in terms of e-commerce as well as online banking.

The Mexican population is also among the world leaders in terms of usage of technology and social media. Almost everyone has a mobile phone and Mexico is No.14 in the world in terms of population, but in terms of Facebook and Twitter users, it is fifth and seventh, respectively.

**BNamericas:** Is the number of people with smartphones also growing quickly?

**Meré:** Yes, the use of smartphones is growing very fast and it is expected to reach levels of 80% or 90% of total mobile phones in some three years from an estimated penetration of around 50% today.

**BNamericas:** What are the banking association and the government doing in Mexico to support the growth of digital banking?

**Meré:** More than collective efforts, it is more individual efforts by each bank so far in this area. The Mexican authorities have a very open mind and lots of interest in regard to this topic because digital banking is a way to improve financial inclusion – which, in turn, is positive for the country and the economy. Evidence of this pro-active and positive attitude from the authorities are the regulations that I mentioned before.

**BNamericas:** Do you have any plans to expand your banking model into other countries in Latin America?

**Meré:** We have seen some very interesting opportunities in terms of agriculture supply-chain financing in the region. We have been very successful here in Mexico in this niche and it could be a beachhead for us in terms of expansion into other countries.

**BNamericas:** When could this happen?

**Meré:** An internationalization strategy is part of our plans but it would be a medium-term project and probably come after 2016 since we need to consolidate our operations in Mexico first.

**BNamericas:** If you go down that road, what countries would you be most interested in?

**Meré:** A natural move for us would be Central America and countries such as Ecuador and Colombia in the northern part of the Andean region. We are not considering countries in the Southern Cone, like Argentina and Brazil, because the agriculture sectors there are very different from those in Mexico.

### **About Francisco Meré**

Francisco Meré has been Bankaool's CEO since 2008. He has more than 20 years of experience in the financial sector, serving in leading positions in both the public and private sectors.

Meré has a law degree from the Escuela Libre de Derecho in Mexico City and holds a dual Masters in International Affairs and in Public Policy and Administration from Columbia University in New York City.

### **About the company**

Bankaool is based in Mexico City and has around 130 employees.