

# Mexican corporate card provider Clara bags \$80M amid soaring volume

Article

Clara has lined up **\$80 million** in new funding to build on its rapid transaction volume growth, [per](#) TechCrunch. The funding consists of **\$30 million** on the equity side and **\$50 million** in revolving debt. The card provider, which caters both to startups and larger firms, has grown its transaction volume by **100x** in a little more than two months, as Gerry Giacomán Colyer, co-founder and CEO of Clara, disclosed to TechCrunch. This latest funding round [follows](#) the

fintech's March emergence from stealth mode. Clara will use its proceeds to bolster its card underwriting and to acquire small and medium-sized business (SMB) customers.

**Clara's growth occurs within the hard-hit Mexican banking sector, rife with branch closures and credit card cancellations.** The coronavirus pandemic has slammed banking in Mexico, **shutting down** 867 bank branches and axing 1 million credit card contracts in Q1 2021. The upheaval **also** pushed Mexico's 50 banks into cutting 6% of all points of contact for banking customers. The cuts to physical banking and existing card contracts reduce incumbent banks' advantages over neobanks—giving digital challengers an opportunity to grow their Mexican customer bases.

**Clara can stand out from Mexican neobanks by catering to businesses, not consumers.** It's hard for new entrants to get noticed within the crowded consumer side of Mexico's neobank space. Current players include Brazil-based **Nubank**, which **disclosed** last month that it is building out its presence in the market. Since its 2019 debut with a commission-free card offering, Nubank has acquired 1.5 million users. Other examples include **Albo**, which has **reached** almost 500,000 customers, and **Fondeadora**, which **offers** a debit card.

**In contrast, the banking market for Mexico's SMBs is underserved.** Neobank **Oyster**, which **unveiled** new features in March, offers an exception. But Clara's rapid user growth, stemming from its initial focus on corporate cards, gives it a path to add and cross-sell new features, such as deposit accounts and commercial loans, that could position it as a well-rounded business neobank. US-based **Brex** previously blazed this path in its home market by branching out from cards to offer an **array** of business banking services.