

Deetken Impact | Puntored



Date of Investment
February 2020

Transaction Size
USD7.5m¹

Participation Stake
Undisclosed

Puntored is an alternative payment methods company that provides digital financial services and virtual products to low and middle-income populations through a network of small business owners in Colombia. In 2020, Deetken Impact (formerly Adobe Capital) invested in Puntored to support the nationwide rollout of Veci, a mobile application designed for small business owners to manage digital payments. As of 2023, Puntored offers access to financial products in over 938 municipalities in Colombia through its network of over 70,000 shopkeepers, covering 77% of previously underbanked rural areas.

1) Initial investment of USD 3.5m through Revenue-Based Financing (RBF) loan ; follow-on investment of USD4m in June 2022.

Investor Profile



FUND NAME

Adobe Mezzanine
Finance Fund II

FUND SIZE

USD30.3m

TOTAL AUM

USD145m

Company Profile

puntored

COMPANY NAME

Puntored

INDUSTRY

Fintech

LOCATION

Colombia

Deetken Impact is an impact investment fund manager focused on supporting growing businesses with a specific focus on solving pressing social and/or environmental issues while working toward gender equality. Deetken Impact invests in innovative companies that have significant potential to scale and be financially profitable while delivering products and services that significantly impact the quality of life and/or the environment in Latin America and the Caribbean.

Founded in 2004, Puntored is an alternative payment methods company that provides digital financial services to small business owners who can serve as banking correspondents for customers in isolated communities across Colombia. Puntored has developed a network of over 70,000 shopkeepers that offer access to financial products in over 938 municipalities. Through the company's app (Veci), informal business owners can make online payments, wire transfers and access loan services.

The Opportunity

Puntored began operations in 2004 as a digital network allowing customers in remote communities to add credit to prepaid mobile phone plans. During this time, only ~35% of Colombians used financial products such as savings accounts or loans, largely due to a lack of accessibility. Puntored addressed these challenges by providing small business owners within its network with technological tools that transformed brick-and-mortar shops into access points for virtual and financial products, turning shopkeepers into banking correspondents for their customers. The company's business model allows shopkeepers to earn additional income through fee-sharing agreements, supporting the growth of small businesses.

By 2019, nearly 90% of micropayments in Colombia were still cash-based, and Puntored noticed that many small business owners lacked access to a digital payments system. This left entrepreneurs more vulnerable to theft and excluded from financial products due to a limited credit history. Puntored began looking for institutional capital to fund the creation of a business unit that would provide technological tools for small business owners to process payments online and decrease reliance on cash transactions.



Execution

In 2020, Deetken Impact (formerly Adobe Capital) made the first investment in Puntored through a Revenue-Based Financing (RBF) loan linked to the company's performance. The funding supported the nationwide creation of Puntopay, which was later rebranded to Veci. This application was initially designed as a stand-alone product that enabled small business owners to process digital payments and access instant credit lines linked to purchase orders from major suppliers. However, during the pandemic, Puntored's existing network of shopkeepers began using Veci to manage their own payment processes. In response to this shift, Puntored made the decision to fully integrate the application into its affiliate network of shopkeepers.

Throughout the COVID-19 pandemic, Puntored's network of shopkeepers became the Colombian government's primary vehicle for distributing subsidies and aid programs to millions of people in remote regions. During this timeframe, Puntored increased its base of banking correspondents by 143% in only two years, as digital payments became more integrated into the lives of small business owners. By 2022, the company was able to negotiate early repayment of the RBF loan and Deetken Impact made a follow-on investment in the form of a sub-loan with warrants. In addition, the SEAF Colombia Agribusiness Fund (SCAF), USAID and DFC invested in Puntored in September 2022.

The Puntored network is currently comprised of nearly 70,000 mom-and-pop stores, small businesses and supermarkets spread over 938 municipalities in Colombia, reaching 92% of the national territory. In July 2023, Puntored acquired Gestopago, a Mexican payments platform, further positioning the company to expand its impact across Latin America. By the end of 2023, Puntored had processed nearly 250 million financial transactions and more than doubled its revenues since Deetken Impact's initial investment in 2020.

Social Impact

Puntored's services empower traditionally underserved communities by making financial and virtual products accessible through small business owners, who gain additional income as banking correspondents. This additional revenue has grown from USD2.7m in 2020 to USD5.9m in 2023. Nearly 90% of the shopkeepers in Puntored's affiliate network are low to middle-income individuals, with 97% reporting an improvement in their income levels through partnering with the company. Additionally, the company offers virtual courses on financial management for its affiliate network through the Puntored Academy.

Within Colombia, the company's network covers 77% of previously underbanked rural areas and reaches over 12.5 million users. In terms of supporting inclusion across gender, women currently operate nearly 60% of Puntored's "tiendas" and hold 38% of the company's senior management positions. Additionally, the company has received support from the Fondo Nacional de Garantías to provide loans to 700 women without a credit history, based solely on Puntored's transactional data. By increasing access to digital financial services, Puntored continues to support the development of entrepreneurs across Latin America.

