

# Estonia, Latvia, Lithuania

## Irish FinTech Goes East




28 April 2021

KEY CAPITAL

# Why We Matter

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- #1 Cutting-edge tech and regulation**
  - #2 Growing FinTech, Banking and GBS buyers**
  - #3 Upside potential is high and will be global**
  - #4 Accessible and a good fit for Irish companies**

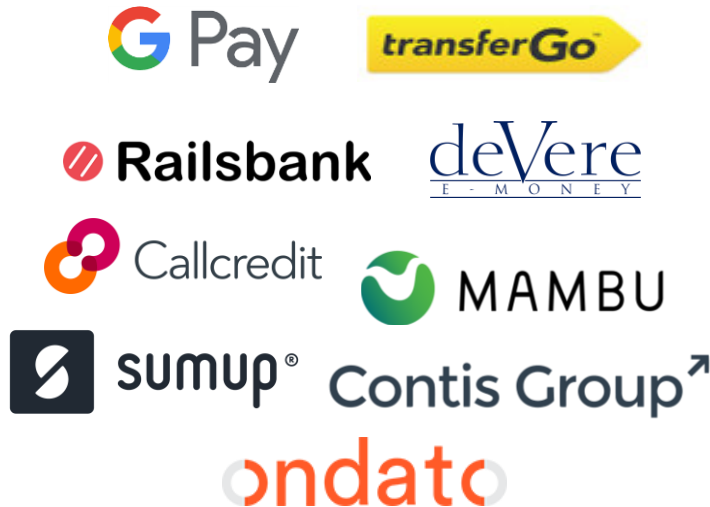
# Lithuania > Markets

## FinTech

Number 230 - 250  
 Employees 4,000  
 AUM n/a

Key Segments Payments + EMI = 30% of #  
 Software = 20%

Key Players



## Banking

11 (+6 foreign branches)  
 n/a  
 EUR 37.7bn

Regional banks = 80% of assets  
 Specialist banks = 1%



## GBS

85  
 19,000  
 n/a

BFSI sector = 49% of fte  
 F&A function = 13% of fte



# Lithuania > Characteristics

## FinTech

▲ 10-15% p.a.

Dynamic

Drivers

Innovative regulation  
Export sales  
Talent  
Infrastructure (Centrolink)

Opportunities

Payments  
Open Banking / API  
RegTech

## Banking

▲ 5-10% p.a.

Innovative regulation  
Digitalisation

RegTech  
Risk  
A.I.

Core banking  
Digital banking

## GBS

▲ 10% p.a.

IT, language + math skills  
Digitalisation  
Ease of doing business  
Innovation

RPA  
Data analytics  
Governance



# Estonia > Markets

## FinTech

Number: 100 (+450 crypto)  
 Employees: 3,000  
 AUM: n/a

Key Segments: Online lending  
 Payments  
 Digital currencies

Key Players



## Banking

9 (+5 foreign branches)  
 5,400  
 EUR 34bn

Regional banks = 83% of assets

Domestic



Regional



Specialised



## GBS

60  
 7,500  
 n/a

BFSI sector = 10% of fte  
 F&A function = 15% of fte

BFSI



F&A



# Estonia > Characteristics

## FinTech

Dynamic

▲ 10% p.a. (crypto ▼)

Drivers

Global unicorns  
Scale ups  
Talent  
Agile methodologies

Opportunities

Payments  
Open Banking / API  
RegTech  
InsureTech  
WealthTech

## Banking

▲ 5-10% p.a.

Domestic economy

Export sales

RegTech

Risk

A.I.

## GBS

▲ 0-5% p.a.

IT, language + math skills

Digitalisation

Ease of doing business

ERP

RPA

Data analytics

Governance

# Latvia > Markets

## FinTech

Number 90  
 Employees unknown  
 AUM n/a

Key Segments Online lending = 40% of #  
 Payments = 20%  
 Digital currencies = 10%

Key Players



## Banking

13 (+3 foreign branches)  
 n/a  
 EUR 24.5bn

Regional banks = 59% of assets  
 Citadele = 22%

Domestic



Regional



Branches



## GBS

50  
 15,000  
 n/a

BFSI sector = 50% of fte  
 F&A function = 21% of fte

BFSI



F&A



# Latvia > Characteristics

## FinTech

Dynamic

▲ 5% p.a.

Drivers

Scale ups

Talent

Government incentives

Opportunities

Open Banking / API

Lending

Credit Scoring and Big Data

RegTech

## Banking

▲ 0-5% p.a.

Domestic economy

RegTech

Risk

A.I.

Core banking

## GBS

▲ 5-10% p.a.

IT

Finance and Accounting

Outsourcing

RPA

Data analytics

Governance



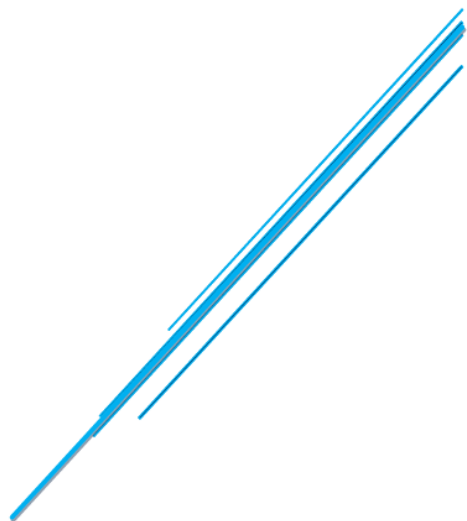
# Considerations

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- #1 Comms** Communication is less direct than Ireland  
Personal relationships matter
- #2 Reciprocity** Your experience in Ireland, US, UK, etc can be valuable
- #3 Scale** Regional is small and has 3 jurisdictions
- #4 Volatility** Money laundering topic rumbles on

## THE BALTIC STATES

### FinTech Sector Overview



October 2017



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# KEY CAPITAL





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# Data Bank

	Ireland 	Estonia 	Lithuania 	Latvia 
Population (2019)	4.9m	1.3m	2.8m	1.9m
GDP, nominal (2019)	USD 389bn	USD 31bn	USD 55bn	USD 34bn
GDP, per capita / PPP (2019) <sup>1</sup>	USD 78.7k / 89.6k	USD 23.7k / 39.9k	USD 19.6k / 40k	USD 17.8k / 33k
Credit Rating (current) <sup>2</sup>	AA / stable	AA- / stable	A+ / stable	BBB+ / stable
Global Competitiveness Rank (2019) <sup>3</sup>	24	31	39	41
Global Financial Services Index <sup>4</sup>	48 Dublin	87 Tallinn	62 Vilnius	109 Riga
Global FinTech Ranking <sup>5</sup>	17	10	4	49
ICT share of value added <sup>6</sup>	14.9%	8.6%	3.7%	5.6%
Financial Services share of value added <sup>6</sup>	5.8%	4.9%	2.8%	2.8%