

The Fintech Landscape in Lithuania

2020 – 2021 Report



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About this report

This report presents research, carried out by Invest Lithuania, that forms a critical part of the continuous efforts to foster a thriving Fintech ecosystem in Lithuania. We would like to thank our partners, Fintech Hub LT, Fintech Lithuania, Rockit and the SEB Innovation Center, for assisting us in compiling the list of Fintechs and consulting us on the content of the report.

The goal of this research was to collect in-depth information on the local and international Fintech companies operating here. A list of Fintechs was developed using last year’s research results, existing directories, and information provided by associations and hubs. These Fintechs were then screened to ensure they matched a precise definition of a Fintech organization – namely, one that undertakes activities relating to the use of innovative business models and technology to enable, enhance or disrupt financial services. A total of 230 Fintechs were identified as operating and having a legal entity in Lithuania at the end of 2020. Desk research was performed to collect data on the locations and business activities of these companies, as well as the number of people they employ. All of these companies were then invited to take part in the survey that forms the main basis of this report. The survey questions focused on gaining insights into the companies’ talent dynamics, their growth and funding, and the key upcoming challenges and opportunities they face. In all, 86 companies submitted their responses, representing 37% of the market.



Welcome

2020 was, beyond any doubt, a turbulent and unforgettable year. Never in our lifetimes has the world changed so drastically in such a short period of time. These changes have affected every sector, every economy and every person. Luckily, the Fintech sector emerged as one of the survivors, and even one of the winners.

With our lives, work and daily routines transferred to the digital space, we have all witnessed the difference Fintech solutions make. They help establish new channels serving the needs of diverse communities and bridge gaps in the delivery of financial services to households and businesses. Impressive growth in the contactless services segment is a prime example of this.

Despite the pandemic, 2020 was another successful year for individual companies and the whole Fintech ecosystem in Lithuania. We saw the 230th Fintech company being established and the community of people working in the industry growing to over 4,000 individuals. We welcomed new international players, such as Mambu, Curve, Ria Financial, Saldo Finance and Stanhope Financial.

With a continuous focus on improving its business and regulatory environment, Lithuania has strengthened its position as one of the top ecosystems globally for developing and rapidly scaling innovative Fintech solutions. This strong growth, uninterrupted by the pandemic, shows that the Fintech sector in Lithuania is robust, welcoming, and built on effective collaboration between the public and private sectors. It is particularly reassuring to see that it is not just the Fintech companies themselves, but also the technology providers serving them, that are attracted to the Lithuanian Fintech ecosystem.

Even in these uncertain times, the team at Invest Lithuania continues to assist global tech companies in discovering the opportunities and benefits of our ecosystem and launching operations in Lithuania with full access to the EU market.

We have been issuing the Fintech Landscape Report annually for the past four years, and I'm sure that this edition will help you understand how the landscape has changed in the last year. This time, in addition to data-driven insights, we've provided a platform for some of the key players in Lithuania's Fintech ecosystem to share their insights.

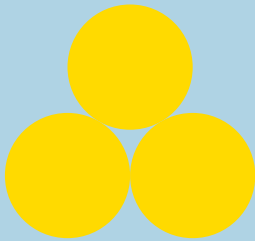
So, I invite you to explore Lithuania's ecosystem through this report, and wish you a pleasant and illuminating read.



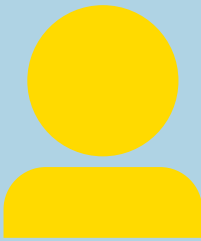
Gintare Baciuliene,
Head of Technology Team at Invest Lithuania

Lithuania's Fintech landscape at a glance

Fintech Hub



230+
Fintech companies
operating in Lithuania¹

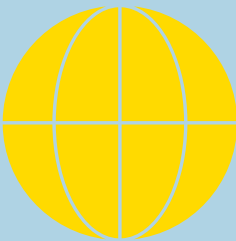


4,000+
People employed
in the Fintech sector¹



118
Fully Passportable
Fintech licences issued²

Business Environment



11th
globally (3rd in the EU)
for Ease of Doing Business³



6th
in OECD for tax
competitiveness⁴



20th
in the world for
quality of life⁵

Achievements



4th
in Global Fintech Ranking⁶



1st
Largest Fintech hub in the EU in
terms of licensed companies⁷



1st
Global ranking of Vilnius in Tech
Startups FDI Attraction Index⁸

Source 1: Invest Lithuania, 2020
Source 2: The Bank of Lithuania, Data as of the end of 2020
Source 3: Doing Business ranking – The World Bank, 2020 (190 countries ranked)
Source 4: Tax Foundation, 2020

Source 5: Quality of life index, 2020
Source 6: Findexable, 2020
Source 7: EUCLID Register, European Banking Authority, Data as of the end of 2020
Source 8: FDI Intelligence, Tech Start-up FDI Attraction Index 2019

Ecosystem Overview

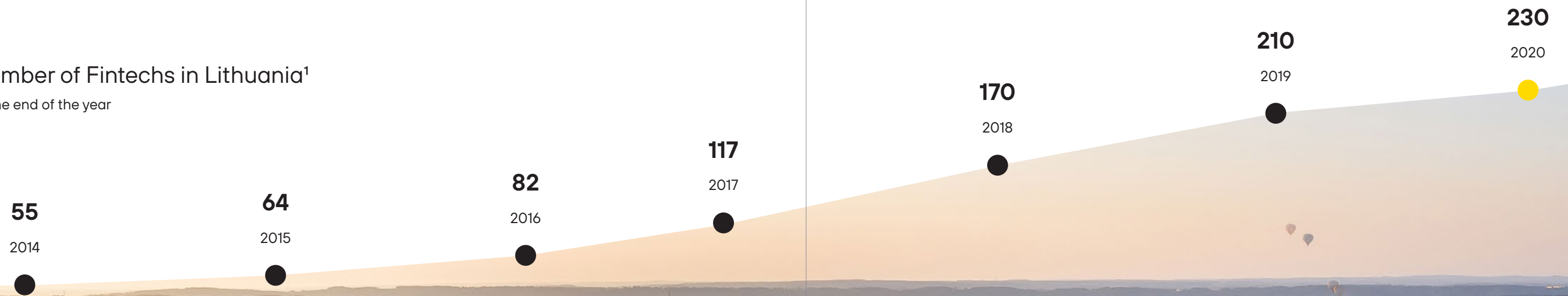
Sector trends and highlights

Despite a troubled global economy, the Fintech industry demonstrated its resilience in 2020 and continued to grow strongly, a trend which was in full evidence in Lithuania. In 2020, Lithuania's Fintech hub saw 40 new companies set up operations, with the overall sector

growing from 210 to 230 over the year. Almost half of these newcomers were international Fintech brands opening offices in Lithuania. The remainder were recently established startups founded either by local or international entrepreneurs.

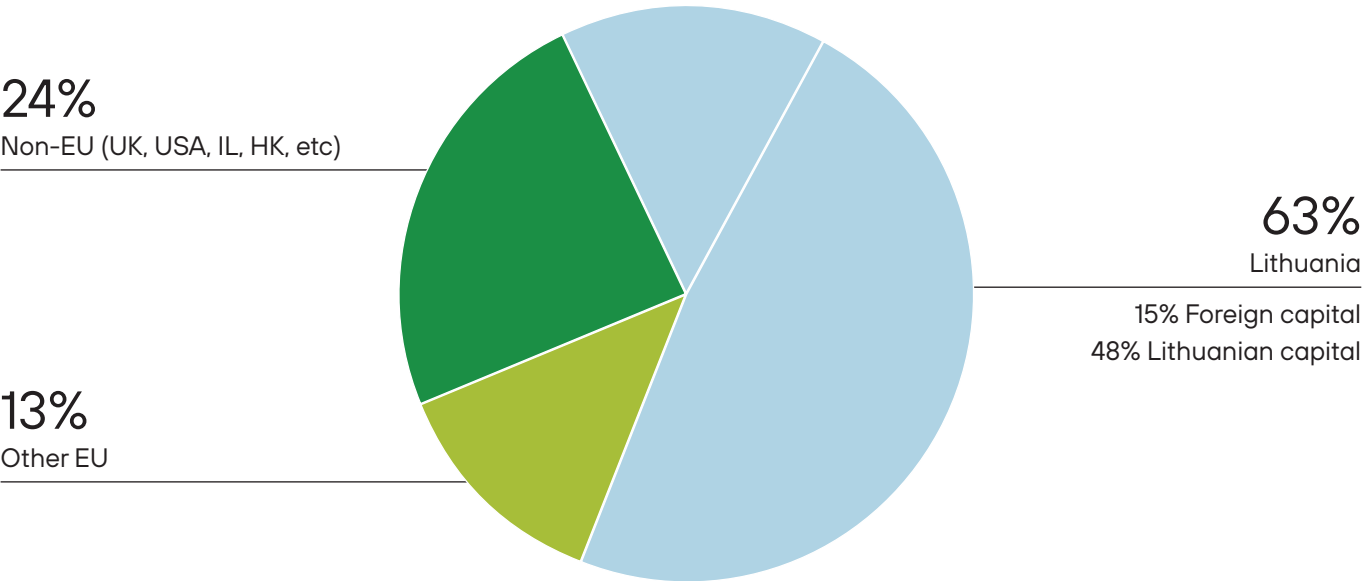
Number of Fintechs in Lithuania¹

At the end of the year



Fintechs in Lithuania by their HQ location¹

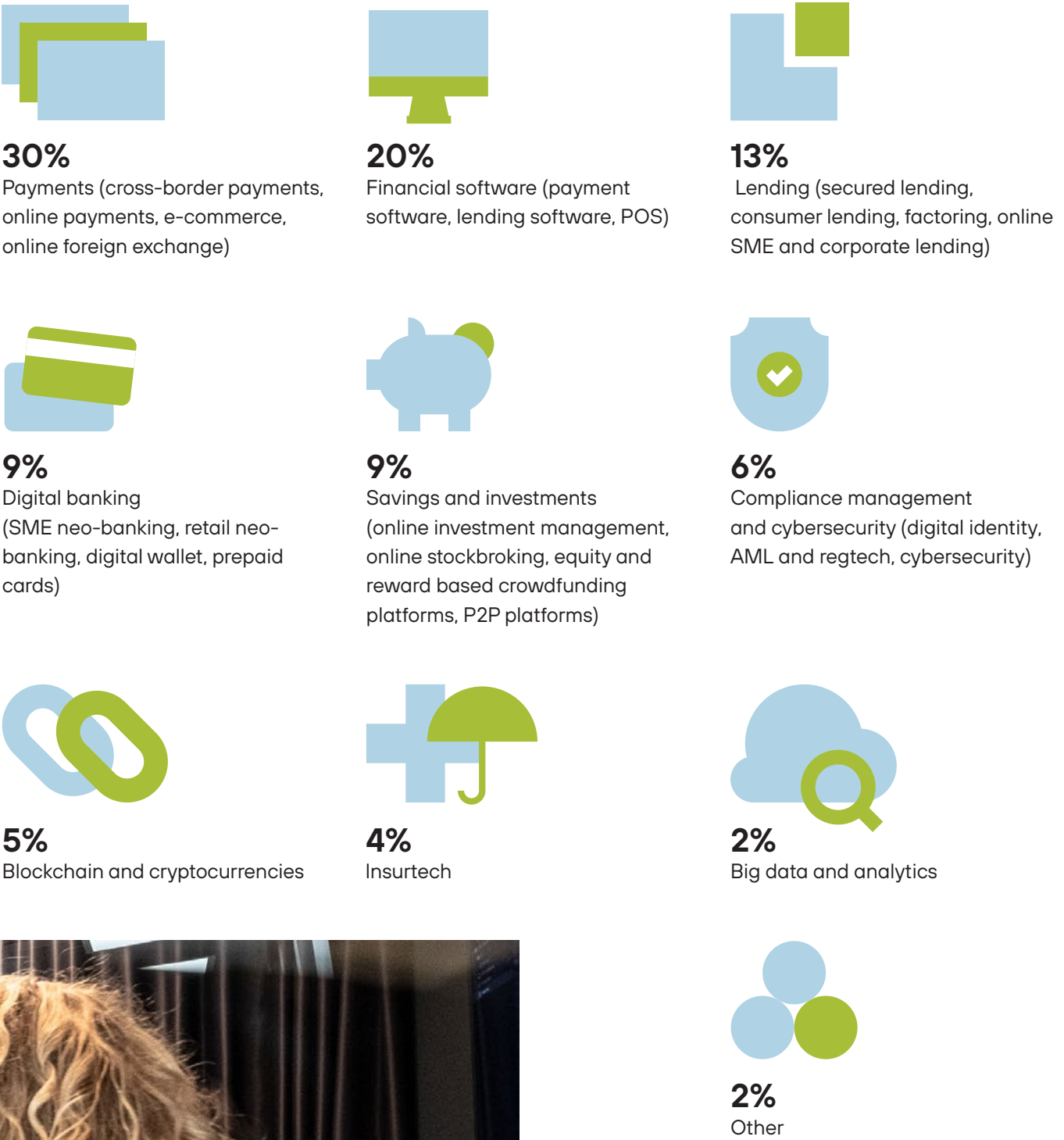
By the end of 2020, almost 37% of Fintechs in Lithuania were foreign brands with their HQs in other locations. Another 15% were companies established by foreign entrepreneurs who decided to locate their HQs in Lithuania.



Lithuania’s Fintech sector remains strong in payments and digital banking. Almost 50% of players hold an Electronic Money Institution (EMI), Payment Institution (PI) or Special Purpose Bank (SPB) licence, and the majority of them are able to issue prepaid cards

and digital wallets to their clients, in addition to making money transfers. Alongside the large wave of newcomers in payments, Fintechs in financial software and lending activities also joined Lithuania’s Fintech hub in 2020, making up 16 of 39 newcomers.

Fintechs in Lithuania by their core business activity¹

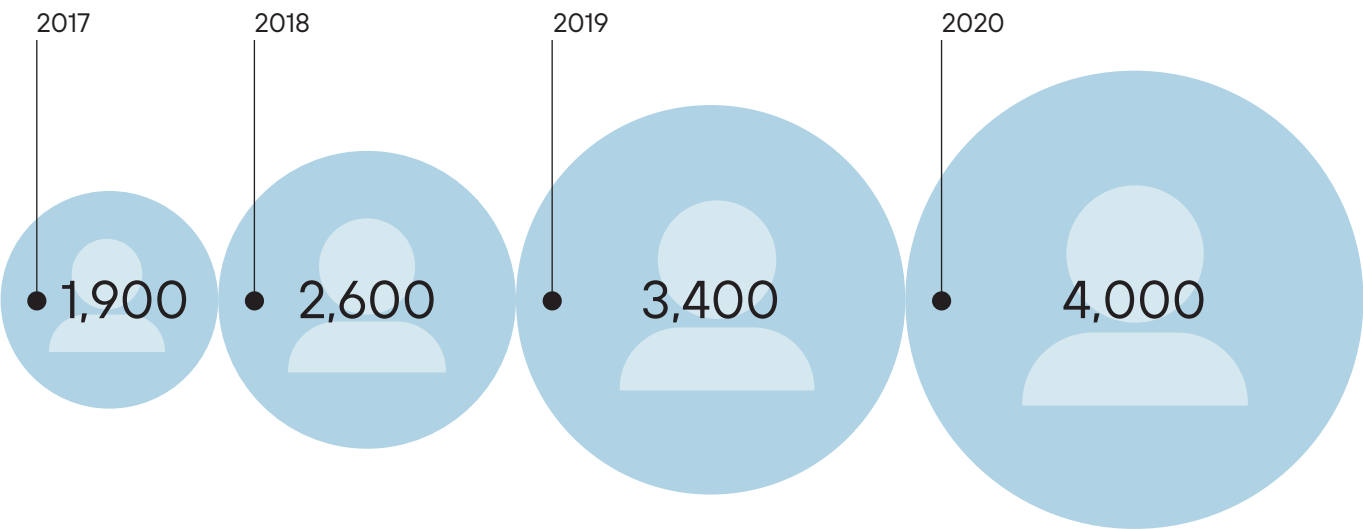


Source 1: Invest Lithuania, 2020
Talent Garden coworking space in Vilnius
Photo courtesy of Talent Garden Vilnius

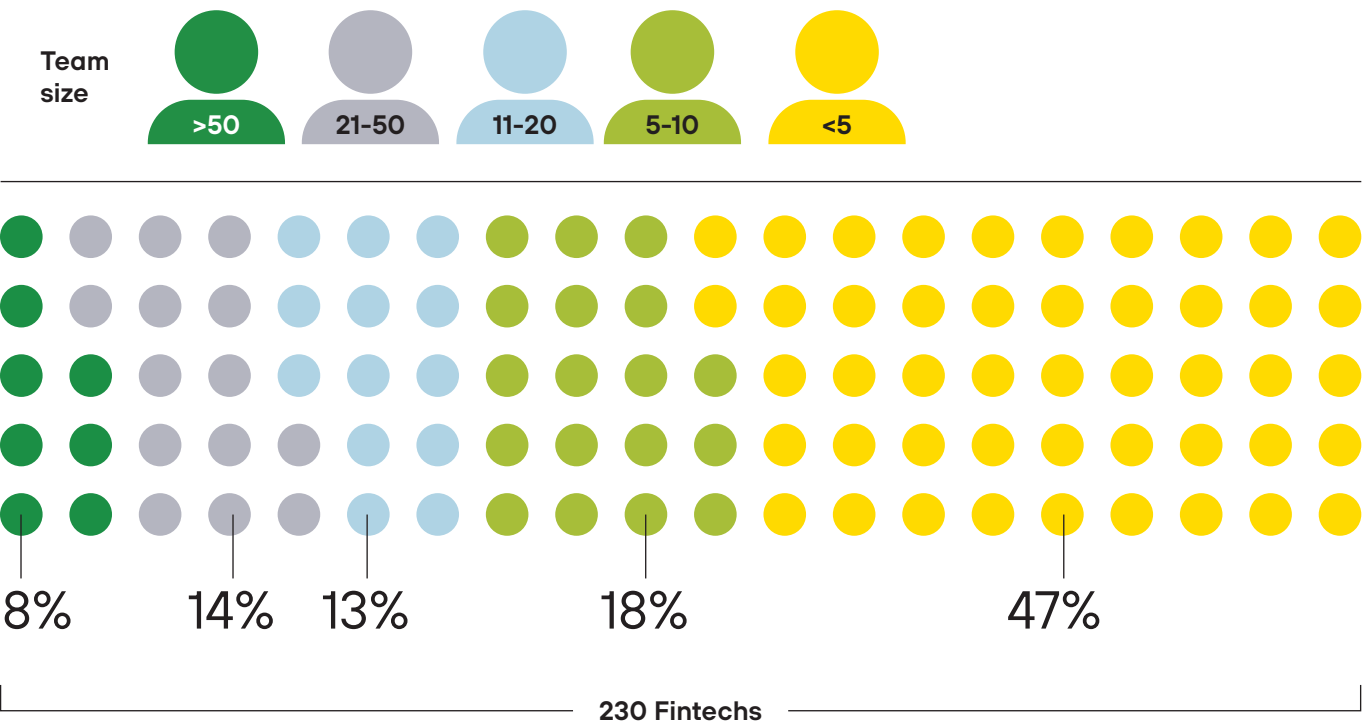
The number of specialists employed in this sector grew by 18% in 2020. This represents a similar rate of increase in full-time employees (FTEs) as in previous years, despite the disruption and uncertainty experienced last year. The growth in the number of FTEs was mainly caused by multiple companies scaling their teams in order to keep up with increased demand for their services or products. Many of these companies experienced triple digit revenue growth. Several new arrivals to the ecosystem were able to ramp up their operations within a year, growing their headcount to as high as 40 FTEs. While the share of young Fintechs with small teams remains similar to last year, the more established Fintechs were able to successfully scale even through the disruption caused by Covid-19.

Number of people employed by Fintechs in Lithuania¹

At the end of the year



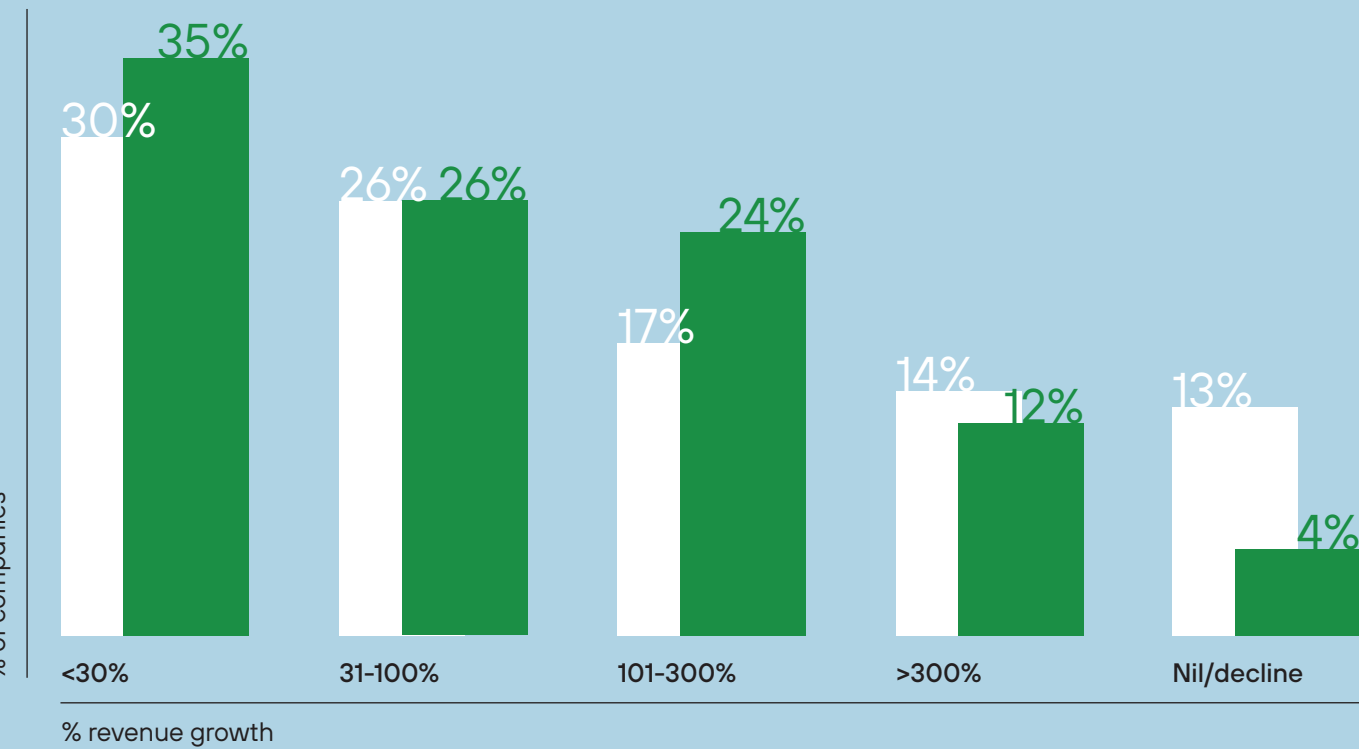
Fintechs in Lithuania by team size¹



Source 1: State Social Insurance Fund Board (Sodra), 2020

Substantial revenue growth was another key trend for Fintechs in Lithuania in 2020. 87% of survey respondents saw their revenue increase in 2020, with almost a third registering revenue surges of over 100%. Among the businesses with the highest revenue growth were Fintechs in the Compliance, Payments and Financial Software sub-sectors. Many respondents expect the Fintech industry to continue strongly into 2021, and predict that their favorable product or service positioning within the market will allow them to experience even higher revenue growth in 2021.

Revenue growth and expectations for 2021¹



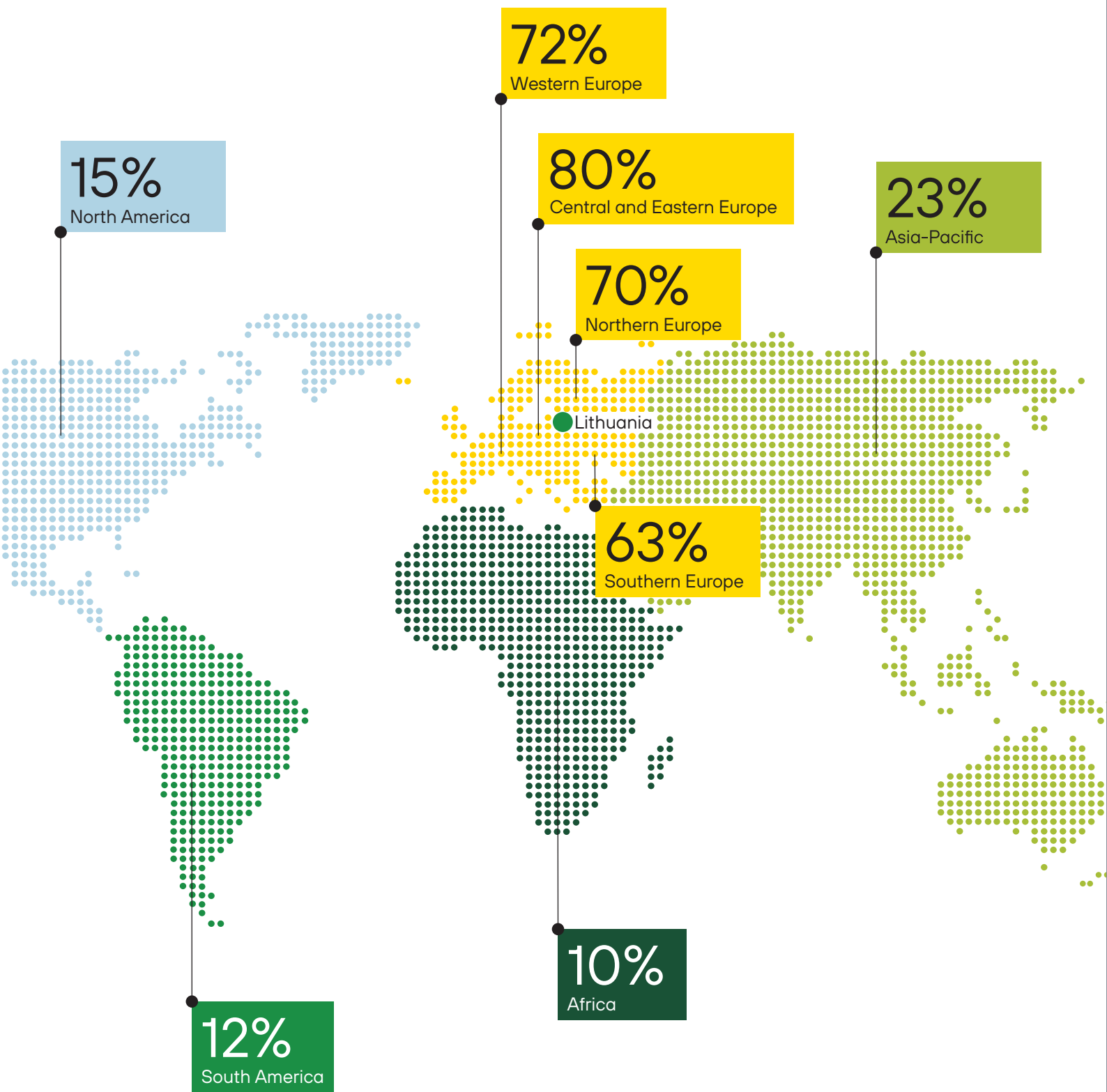
More and more international Fintechs are finding their way to Lithuania. We asked our respondents to tell us why they chose Lithuania. The country's friendly regulation and unparalleled infrastructure, as well as the business environment and exceptional talent pool, stood out as the main reasons.

Why companies choose Lithuania - the main reasons listed by global Fintechs¹



Source 1: Fintech Survey results, 2020

Target markets of Fintechs in Lithuania¹



Source 1: Fintech Survey results, 2020



Scaling fast in Lithuania

Interview with Andrius Bagdonavicius,
Managing Director of Vilnius Engineering Centre, Mambu



Why has Mambu chosen Lithuania? What was the thought process and criteria for selecting a new office?

Lithuania was Mambu's choice for our new engineering centre because of the country's reputation of focusing its business environment on the needs of specific industries, including Fintech. Besides, developing, improving and maintaining our platform requires the sharpest people available, and we believe that Lithuania's highly educated talent pool is one of the best in Europe.

Lithuania's Fintech-friendly reputation was a key factor as well. We see the opportunity to join Lithuania's Fintech ecosystem as a chance to accelerate our growth.

Before establishing an office in Lithuania, Mambu was already an active player in Lithuania. Have you had many partnerships or clients in the Lithuanian market?

Yes, even before establishing our office in Vilnius, we had strong relationships with customers like General Financing Bankas and Rebellion Pay, as well as partners like Etronika and Inventi.

What is the current role of the Vilnius office within your company? What is the roadmap for the future?

Our Vilnius office is one of the company's most important engineering centres. We expect to grow our headcount in Lithuania to 100 over the next two years, and recruit Software Engineers, Product Managers, Service Reliability Engineers, Integration Engineers and Engineering Managers.



Workland Laisves coworking space in Kaunas



Building the bank of tomorrow

Interview with Virgilijus Mirkes,
CEO of Revolut Bank

Revolut

It has been two years since Revolut received an EMI and Special Purpose Bank (SPB) licence in Lithuania. How has your journey been so far and what effect has it had on Revolut’s expansion?

We opened an office in Lithuania in 2017, after considering the country’s Fintech-friendly business environment, smooth licensing process, and, of course, the readily-deployable local specialists. When submitting the licence applications, we enjoyed a clear, cooperative and transparent process during which we received all possible assistance from the Bank of Lithuania.

After we were granted EMI and SPB licences at the end of 2018, we continued to get advice, assistance and constant feedback from the regulator, and that was truly useful for expanding our operations. Of course, all of this is balanced with clear and strict rules on supervision after operationalisation.

Getting a licence in Lithuania has allowed us to expand our business across the EU. So, at the moment, our teams in Vilnius are responsible for accelerating the ambitious growth of Revolut Bank in Europe.

Since 2019, Revolut has been building Revolut Bank. Is it difficult to gain market share as a newly established bank in the current economic climate?

We already have more than 300,000 Revolut customers in Lithuania. Therefore, offering banking products – insured deposit accounts and credit – was an appealing addition to the end-to-end financial products that are already available in the Revolut app. Our banking licence was the next step in building customer trust and encouraging more people in Lithuania to use Revolut as a daily financial partner.

We have been expanding Revolut Bank across CEE regardless of the pandemic, and I’d say we even have a competitive advantage in these uncertain times. In the peak of the pandemic, it is much safer to consult your phone or computer screen, rather than a bank teller. I see significant growth opportunities for our business model both in Lithuania and the world.

What role is the Lithuanian office playing in Revolut’s journey, and what is the roadmap ahead?

Lithuanian talent has been building Revolut from the very beginning, and the company has always had close ties with the country. Our Vilnius office currently employs more than 200 people across banking, operations, product development, customer support and more.

Our Lithuanian entities are now a hub for all Revolut’s European operations after Brexit. 70% of our 13 million customers are situated in Europe. Therefore, becoming a European bank has always been a priority.

We are building a next-generation bank here in Lithuania, and we have every ambition to leverage our SPB licence to expand operations across Europe which is an essential milestone in Revolut’s goal to build the world’s first truly global financial super-app.

The pulse of Fintech

Featured article by Rockit

Powered by **Rockit**

2020 promised stability and growth for Fintech and the economy as a whole, but after only a few months, things took a dramatic turn and the ecosystem had to resort to a plan B that no one had an idea they would even need. What still seems most astonishing is how Fintech companies, instead of asking for outside support,

became a key partner for the government in distributing aid and helping businesses tackle the pandemic. For some Fintechs, the year was a roller coaster that, in the end, helped them scale. For others, it was the perfect time to step back and focus on their priorities.

Has the pandemic changed the game?

According to the Fintech survey¹, two-thirds of companies claimed 2020 to be a year of opportunity, rather than challenge. Looking back, the pandemic did not impede the growth and scalability of the Fintech sector in Lithuania.

The Fintech survey shows that the acceleration of digital projects, which particularly sped up in the second quarter, was one of the main components for the Fintech sector’s success in Lithuania. A significant increase in the demand for online purchases and the reliability of digital infrastructure spurred growth. Online identity verification solutions were successful not only in helping consumers access financial services remotely, but also in assisting people in registering for doctor’s visits and communicating with medical professionals. Fintech solutions have also helped to massively speed up loan issuance to SMEs, including that of government-supported pandemic relief loans.

A healthy ecosystem brings new partnership opportunities

Many of the surveyed Fintechs agree that the growth they saw would not have been possible without a strong, cooperative and resilient community.

The majority of partnerships occurred between companies in Payments and Lending. Fast transactions and data processing, compliance, security, and digital identity authorisation were seen as prerequisites for Fintechs to partner.

The demand for partnerships between Fintechs was highlighted by many. However, the increased number of partnerships cannot be attributed to the pandemic alone, as most of them have resulted from the local ecosystem’s gradual growth.

The maturity of the ecosystem should be noted alongside its resilience. Partnerships between banks and Fintechs are the definitive proof of this, but they surely didn’t arise spontaneously during 2020. Many of them involved a long preparatory phase, stemming from the need to digitise certain services.

We provide a service that was easy to carry out digitally. The adaptation process to the economic situation was very fast, and our infrastructure was ready to cope with thousands of applications. It’s important to mention INVEGA, who were also very well prepared for the challenges of the pandemic.

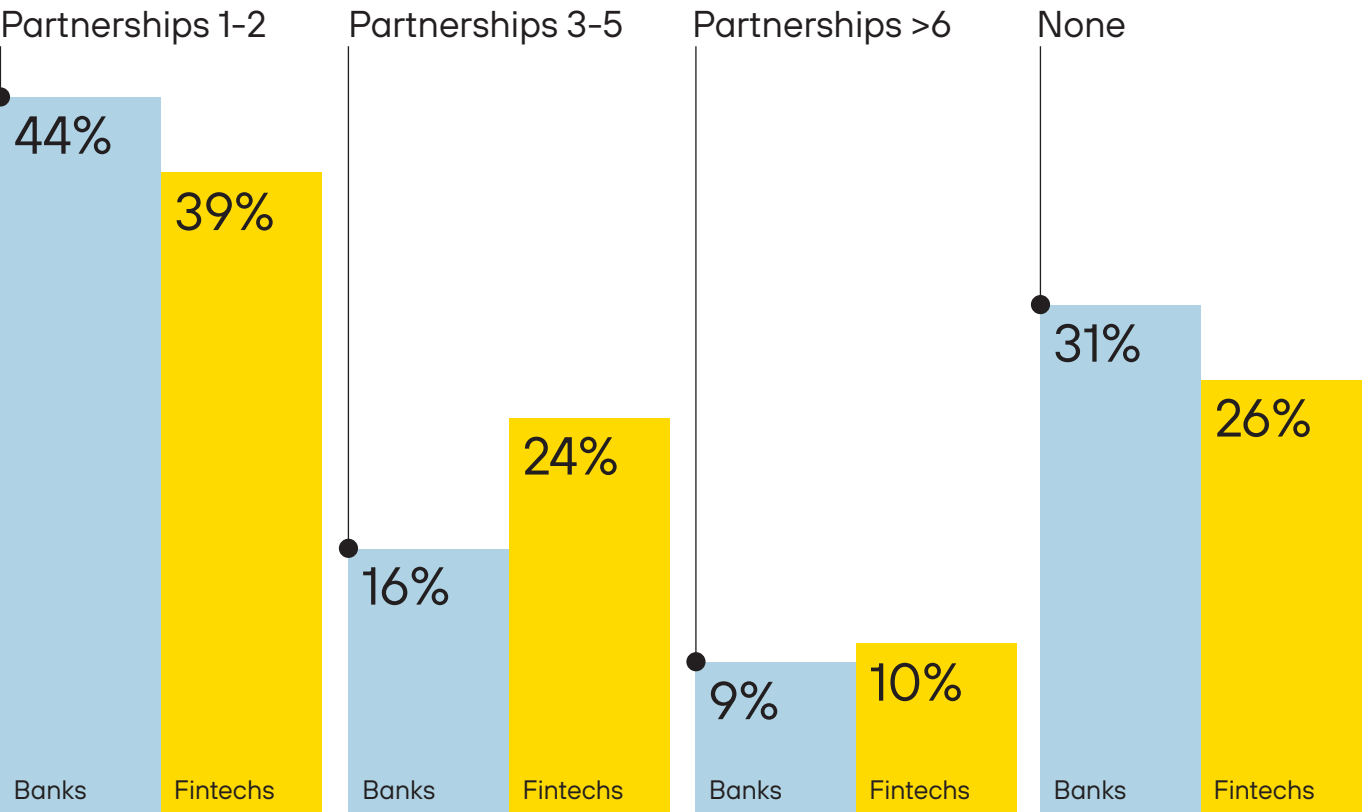
Audrius Griskevicius, CEO of FinBee Verslui

Thanks to the growth of the industry, today Fintechs don’t limit themselves to just payments and transactions, but have a much wider range of services. These encompass compliance, security, AI, and faster data analytics. This increase of the scope of services and products brings banks and Fintechs closer to being partners, not competitors.

Liudas Kanapienis, CEO of Ondato

Source 1: Fintech Survey results, 2020

Partnerships: Fintechs with Banks and Fintechs with Fintechs¹



Covid-19: Opportunity or Challenge?¹

67%
Opportunity

- Acceleration of digital projects
- Increased No. of customers
- Revenue growth
- Hired more people

33%
Challenge

- Reduced revenues
- Operational challenges
- Delayed product launch

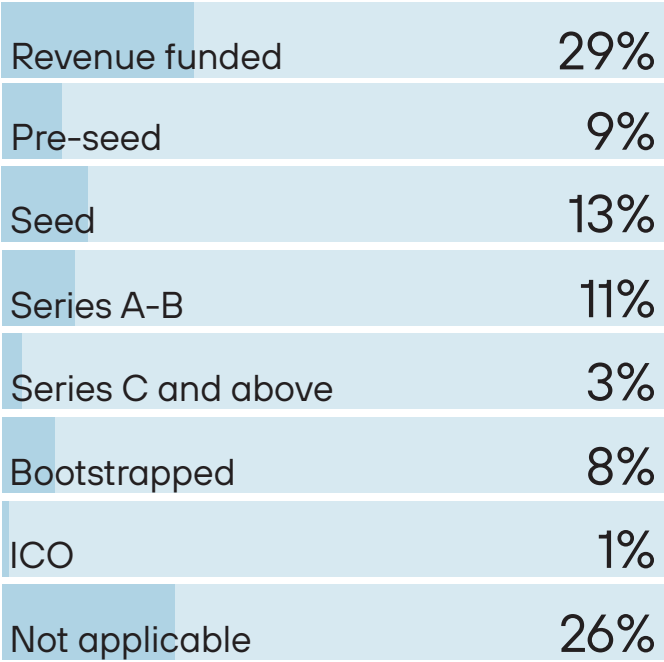
Source 1: Fintech Survey results, 2020

Accessing venture capital

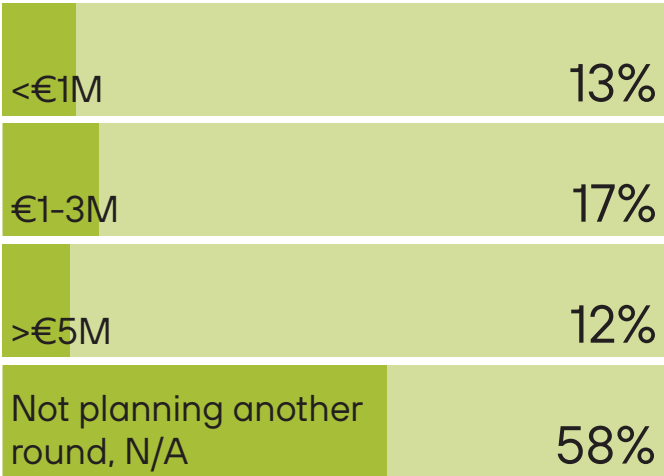
While Covid-19 took global markets by surprise and hampered fundraising activities, Fintech businesses in Lithuania managed to overcome these challenges by shifting their focus to pursuing profitability and long-term sustainability. Meanwhile, credit market disruptors saw increased funding not only from investors, but from governmental institutions as well.

Looking to the future, survey respondents have a positive outlook, with 42% of Fintechs in Lithuania's ecosystem planning another funding round. 12% expect to raise over €5 million.

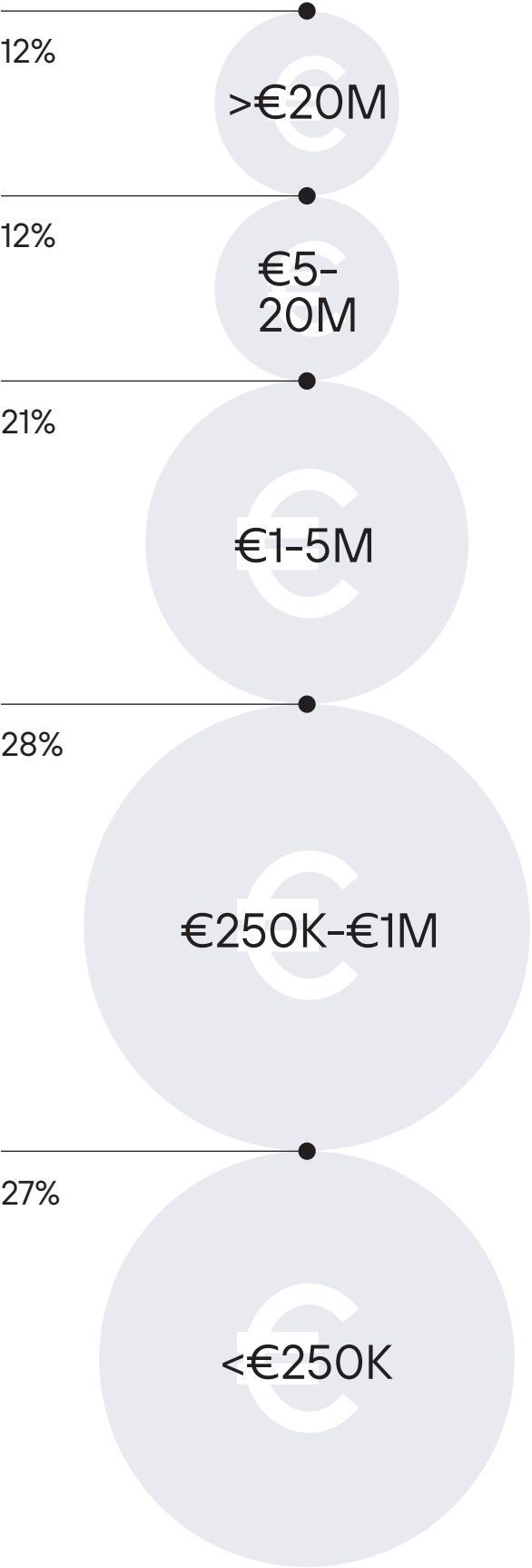
Fintechs by stage of funding¹



Total funds Fintechs aim to raise in their next funding round¹



Total funds raised so far by Fintechs operating in Lithuania¹



Source 1: Fintech Survey results, 2020



Raising funds during the pandemic ondato

Interview with Liudas Kanapienis,
Co-founder & CEO of Ondato

Raising funds during the Covid-19 pandemic can't have been easy. Is there anything you would like to share about this experience?

In principle, the Covid-19 pandemic had little or no impact on the fundraising activities of Fintech and Regtech companies, as the need for these services in the face of the pandemic only increased. Of course, meeting with investors in person has become more difficult.

Is it easier for a Lithuanian company to attract funds from Lithuanian or foreign investors?

Talking about the pre-seed stage, I think it is easier to raise funds and participate in accelerators in the local market. But if we are talking about bigger rounds, we have to look into other countries that have stronger funds.

What's next for Ondato?

In the nearest future, we plan to attract a larger amount of investment from foreign investors, which will help us expand more into foreign markets.



U219 Business Centre in Vilnius
© Norbert Tukaj

Support for your growth

Introduce yourself. What is the purpose and what are the activities of your association/hub?



By uniting more than 45 licensed Fintech companies, we aim to foster favourable conditions for their activities, strengthen compliance and contribute to Lithuania becoming a reputable Fintech centre. Exclusive networking opportunities, local and international events, and direct dialogue with local regulatory authorities are all part of our membership perks.

fintech
LITHUANIA

The Fintech Lithuania Association brings together leading Fintech companies, service providers, legal, licensing and regulatory compliance experts, challenger banks, IT companies and other participants of the local ecosystem.

Rockit

Rockit is the home of Fintech and sustainable innovation. We are the go-to place for the Fintech community - we host key ecosystem events and facilitate value-added partnerships, co-creation, and accelerator programs. Within the last year alone, Rockit became a hub for more than 40 industry-leading Finance and Tech companies.

SEB Innovation Centre

Our main goal is to enable businesses, entrepreneurs, Fintechs, our customers, and our employees to learn, innovate and explore new opportunities through a range of programs. These include the SEB Growth Program, which is designed to help SMBs to grow, and the Lighthouse Development Program, which is meant to explore startup partnerships with Nordic and Baltic innovators.

Could you share some of the main highlights of 2020? What will you take away from this year?



The main takeaway of 2020 is that the Lithuanian Fintech sector's growth shows no sign of slowing down even with Covid-19 affecting every part of our lives. Our local Fintechs have successfully set up remote work for all their employees, while remotely onboarding and serving a growing number of clients. A diversified portfolio of clients hailing from Europe, Asia, North America and even Africa helped our members to maintain stable cash flows.

fintech
LITHUANIA

Even though 2020 was marked by challenges arising from Covid-19, the Lithuanian Fintech sector managed to quickly adapt to the situation, and companies not only weathered the crisis, but successfully expanded their operations.

Rockit

It was a challenging year for all, but the Fintech ecosystem remained strong, adaptive, and supportive due to the cooperation between the public and the private sectors. As a result, companies like Ondato, Finbee, Noviti Finance, ArcaPay, and many others adjusted their products and businesses to support other enterprises to overcome the pandemic. For Rockit, the year was rich with new partnerships and connections not only in Lithuania but also with global Fintech ecosystem players in Singapore, the Netherlands, France, Taiwan, the USA, and beyond.

SEB Innovation Centre

First, the SEB Innovation Centre relocated to SEB's brand new Head Office. After the pandemic is over, this will provide a unique platform for startups and scaleups to directly connect with bank employees and explore joint opportunities. Secondly, we focused and increased our scouting efforts for Fintech and tech companies, and also evaluated partnerships that stemmed from the Lighthouse Development Program. Thirdly, we saw an increase in SMBs focused on sustainability which have joined the SEB Growth Program. Lastly, we became partners to the Startup Wise Guys Fintech accelerator.

With quite a lot of uncertainty in 2020, have you set any priorities or goals for 2021? What do you plan to achieve?



Fintech Hub LT is prioritizing fostering continuous dialogue with local regulatory authorities, especially the Bank of Lithuania, and strengthening our self-regulation initiatives while helping members grow and become more mature and sustainable.



Fintech Lithuania will remain active in putting forward proposals on the continuous improvement of Lithuanian Fintech’s legal, regulatory and business environment, with a focus on KYC/AML. We will continue delivering value to our members by actively promoting them via our platform, supporting them in their export ambitions, and organizing industry events.

Financial technology is moving forward at an incredible pace. Now that Lithuania has established itself as a definitive payments/remittance centre, which Fintech sub-sector could be the next big success story in Lithuania?

Rockit

There are two exciting sub-sectors to mention: Digital Banking and Online Investing. In 2020, digitalization enabled banks to offer new and more efficient services. The usage of Open Banking helped to optimize the exchange of information between different companies. Online Investing and P2P lending companies benefit from favourable regulation and are expanding, while providing new solutions and products.

SEB Innovation Centre

Looking at the current landscape of Fintech companies and their progress, I think innovation in payments will still be a significant factor in 2021. Innovation will be fuelled by Open Banking, especially as large banks will continue to develop both mandatory and non-mandatory APIs.

In the B2C market, for example, Open Banking APIs will be leveraged for non-payment related innovation based on user data, mainly to provide value-added services to end-users (e.g. advanced personal finance management tools). Also, I believe we will see more players trying to provide value to the SME segment in their financial life cycle (e.g. loans) and providing non-financial products (e.g. analytics, business finance management tools).



Support from the Public Sector



Invest Lithuania - the official agency for Foreign Direct Investment and Business Development



Startup Lithuania - a one-stop-shop for existing and future startups in Lithuania



Go Vilnius - the official development agency of the City of Vilnius



Enterprise Lithuania - an agency for promoting entrepreneurship, supporting business development and fostering exports



MITA - the main governmental institution responsible for implementing innovation policy in Lithuania



Kaunas IN - the official development agency of the City of Kaunas



Invega - the agency responsible for investment and business guarantees



LVPA - the agency responsible for administering EU funds, including those for businesses and R&D



A non-profit city development agency supporting local and foreign businesses

Accelerators, funds and VCs active in Lithuania



Verslo Angelų Fondai I-II

Regulatory Overview

22

The Bank of Lithuania - at the frontier of innovation

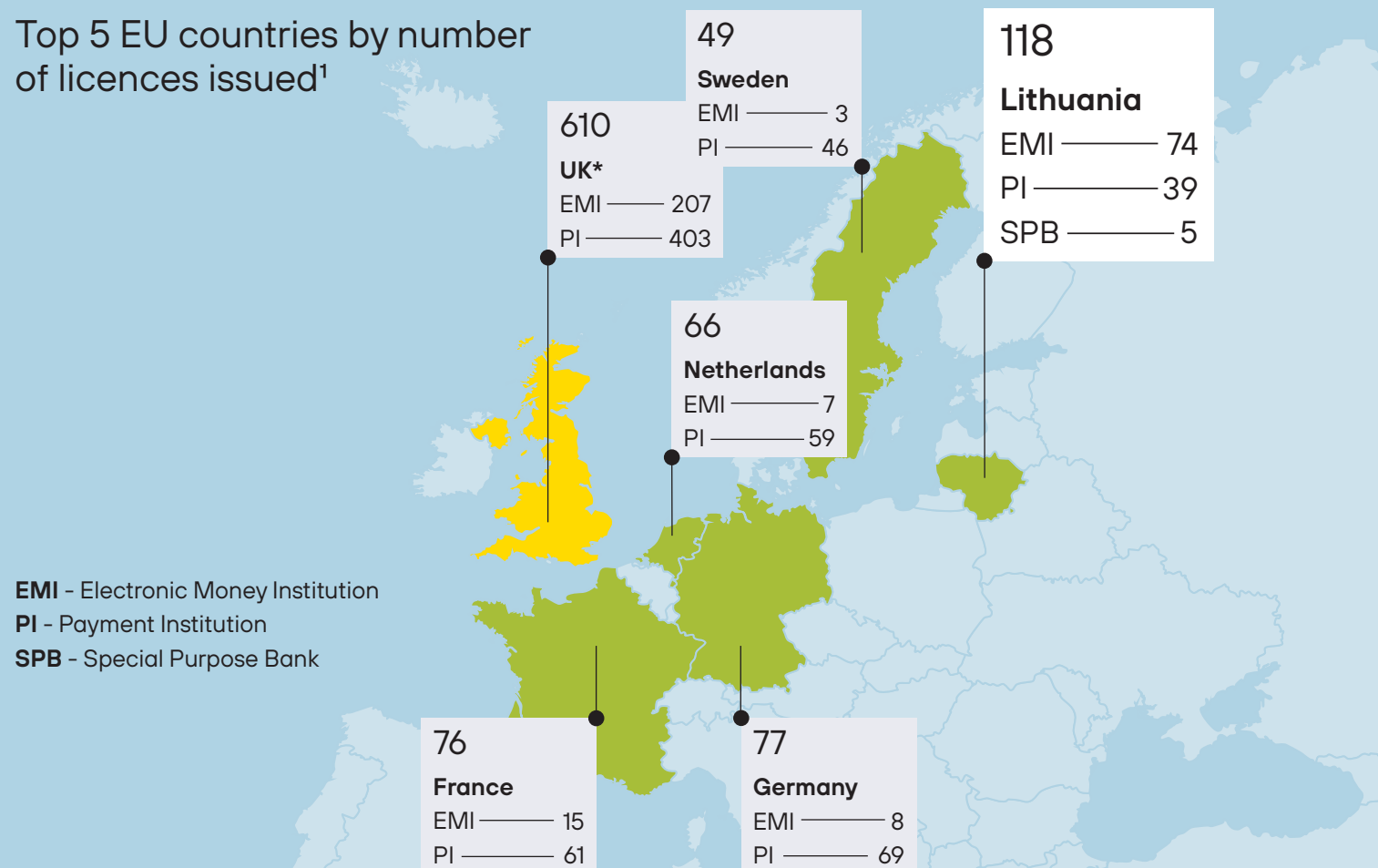
The Bank of Lithuania (BoL) is the central bank of Lithuania. It is responsible for supervising financial market participants, drafting and implementing monetary policy, maintaining price stability and championing financial innovation.

The BoL's work, anchored by the values of accountability, transparency and drive, not only benefits society but also contributes to enhancing the public's trust in the central bank and the domestic financial system, which encompasses Fintech.

As the Fintech sector and its adoption rate continue to grow, supervisors around the globe are increasingly reflecting Fintech-related issues in their supervisory priorities.

Developing a Fintech-friendly regulatory and supervisory environment as well as fostering innovation in the financial system is one of the Bank's strategic directions. This makes Lithuania one of the most attractive Fintech hubs in the EU for developing and scaling Fintech business.

Top 5 EU countries by number of licences issued¹



Source 1: EUCLID Register, European Banking Authority & Bank of Lithuania, Data as of the end of 2020
*Since 1st of January, 2021 UK is no longer part of the EU

23

Regulatory Overview



Why is innovation so important?

Interview with Marius Jurgilas,
Member of the Board at the Bank of Lithuania



LIETUVOS BANKAS
EUROSISTEMA

The Bank of Lithuania is considered one of the most innovative regulators worldwide. How and why did the Bank of Lithuania become synonymous with innovation?

It's no secret that financial services are undergoing a great technological transformation. We have chosen to play an active role in this process by seeking to become a partner for the financial sector, promoting innovation and sustainable growth. This has been a strategic direction of the Bank of Lithuania for the past 4 years. Most importantly, this direction is also shared by other public institutions.

One of the objectives of our Fintech policy is to strike the right balance between acknowledging and managing potential risks while also enabling financial innovation. As a central bank and supervisory institution, the Bank of Lithuania has found itself in a position to ensure an orderly usage of new technologies in the financial markets. The multiplicity of mandates turned out to be a useful tool for us to see a bigger picture of financial markets globally. It has encouraged discussions outside the rigid organisational silos and facilitated a cultural shift towards combining a strict supervisory view with a partnership approach.

How has Lithuania's financial market changed over the last 4 years? What does the sector look like from the regulator's perspective?

There has been a significant change. In recent years, Lithuania has become the number one jurisdiction for electronic money institutions in the European Union. Other sub-sectors of Fintech, such as P2P lending and crowdfunding, also saw dramatic growth.

These changes facilitated the digitalisation of consumer behaviour. The preference for mobile banking and non-cash payment solutions is already much higher in Lithuania than just a few years ago. Having said this, this change is posing a lot of issues in terms of access to financial services, financial inclusion and risk management. Ensuring sustainable change is a constant balancing act.

It was a privilege to be acknowledged as the forerunners of innovation. In the current age of digital excitement, the Bank of Lithuania has decided to set itself up for digital maturity. First of all, we are making substantial

investments upgrading our record-setting CENTROLink payment system, which is heavily used by financial market participants.

We are also about to modernise our data management system, deploying new Regtech solutions, which has provided us with lessons on how to streamline reporting procedures as well as reduce the administrative burden and costs for both supervised entities and the regulator. As a supervisory authority, we will be able to gain insights on potential market risks and share them with financial market participants in a more timely and accurate manner, resulting in more efficient supervisory practices.

Lastly, we are heavily involved in the Eurosystem's efforts to build digital Euro prototypes in a series of practical experiments. In this endeavour, we are relying on the knowledge we have built during our own DLT experimentation projects in recent years.

Financial technology is moving forward at an incredible pace with constant innovations. Now that Lithuania has established itself as a definitive payments/remittance centre, which Fintech sub-sector could be the next big success story in Lithuania?

When it comes to our success in the Fintech sector, we have had an appealing narrative: policy changes in Lithuania created a more conducive ecosystem for innovative Fintech companies to address their own challenges. Our businesses and consumers need faster, cheaper and more innovative financial services. We also need innovation and high value-added jobs to be created here, in Lithuania. That is exactly what we have managed to achieve, largely in the payments and digital banking sectors.

Now, we can use these results (such as accumulated knowledge and trained staff) as a foundation for further growth in sectors such as Wealthtech, which is especially ripe for growth, given the new European Crowdfunding Regulation and an increased need for investments after the outbreaks of the coronavirus.

Central banking awards - excellence recognized by the central banking community

At the Central Banking FinTech & RegTech Global Awards 2020¹, the Bank of Lithuania was granted the Global Impact Award which aims to recognise the central banks that are at the cutting edge of technology, from artificial intelligence to cloud integration, the promotion of Fintech and Regtech, and new applications of data. The Bank of Lithuania showed

excellence in terms of the number of implemented innovative projects and the value added created by them. The Bank's newcomer programme and regulatory sandbox, along with LBChain, various Regtech solutions and the CENTROLink payment system, were the main innovative initiatives mentioned by the award committee as the deciding factors in choosing the Bank of Lithuania for the main prize.



LBCOIN – The world's first digital collector coin

2020 was also the year that saw the launch of the world's first digital collector coin. Created on NEM blockchain technology, the LBCOIN project consists of 24,000 digital tokens centrally issued by the Bank of Lithuania and held in a private electronic wallet. The tokens come in packs of six at a cost of €99. Each token features a portrait of one of the 20 historical figures who signed Lithuania's Declaration of Independence in 1918. Collectors can trade these tokens on the digital marketplace integrated with the electronic wallet. Having acquired a token from each of the six

categories, collectors are able to exchange them for a physical silver coin. Created as a hands-on experiment to test the issuance of retail Central Bank Digital Currency (CBDC), LBCOIN has already proven to be an immensely valuable learning experience on the legal, technological, and cybersecurity fronts. With more governmental institutions, such as the European Central Bank and the Federal Reserve hinting at issuing CBDC, it is great to see the Bank of Lithuania at the forefront of this development.



A Regtech solution to streamline reporting procedures

Last year was also marked by significant regulatory innovation. The Bank of Lithuania launched a Regtech solution prototype which will automate reporting procedures and minimise the administrative burden for financial market participants. Most importantly, it will open new monitoring and analysis opportunities for the regulator. This solution is one of the best examples of private and public sector partnerships, as it was jointly

created by Lithuanian Tech companies and tested out in a supervised environment. This technology, ground breaking in terms of its efficiency and accuracy, will use an application programming interface (API) module which is able to automatically collect the necessary data from the institution and submit the data in a standard format to the supervisory authority.

Source 1: Central Banking Awards, 2020



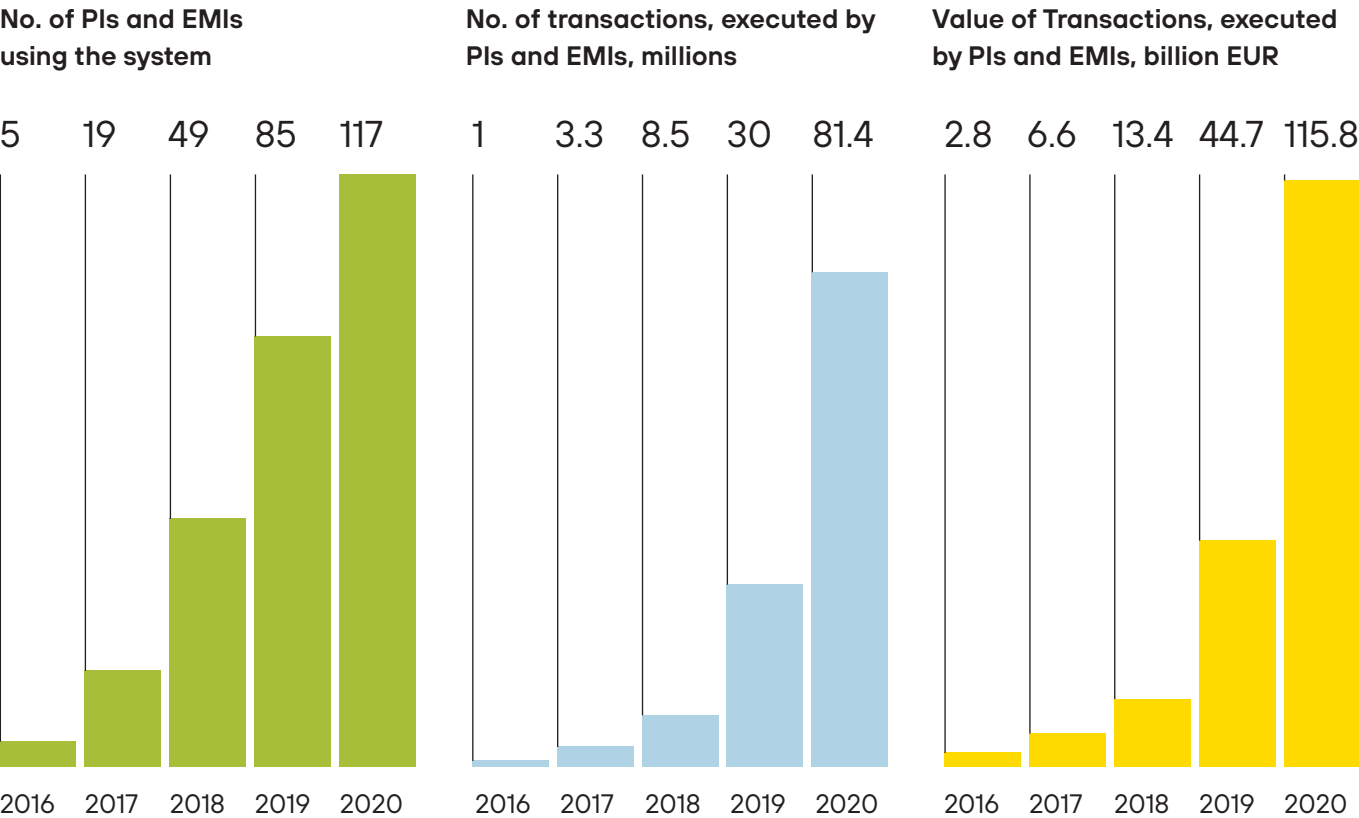
Rockit coworking space in Vilnius
Photo courtesy of Rockit

CENTROLink – local infrastructure, global reach

CENTROLink is a payment system operated by the Bank of Lithuania that provides technical access for all types of payment service providers licensed within the European Economic Area (EEA), enabling them to send and receive Single Euro Payments Area (SEPA) payments.

The growth of the use of CENTROLink in Lithuania has been unprecedented. 2020 marked a significant milestone – over 100 Fintech companies are now participating in the system. These Fintechs together made 81.4 million transactions valued at €115.8 billion. The growth year-over-year is staggering, as both the value and volume of transactions has doubled.

CENTROLink in numbers¹



Source 1: Bank of Lithuania; Data as of the end of 2020



CENTROLink – a key to unlock SEPA payments

Interview with Asta Grigaityte,
CENTROLink Client Relationship Manager



What makes CENTROLink so unique? Is CENTROLink open to all market players?

The Bank of Lithuania is open to Payment Service Providers (PSPs) and is offering access to SEPA payments via its Payment System to thoroughly selected traditional credit institutions as well as non-credit institutions like electronic money and payment institutions. CENTROLink acts as a gateway to SEPA Credit Transfers (SCT), SEPA instant payments (INST) and the SEPA Direct Debit Core scheme (SDD Core).

Despite significant interest in CENTROLink, about one-third of all applications are rejected during onboarding, when risks and reputation are evaluated. CENTROLink users get the opportunity to reach the Eurosystem infrastructure. Starting from February 2020, the Bank of Lithuania allows the sending and receiving of real-time payments via the TARGET2-Lietuvos Bankas System. Access is given to selected reputable PSPs that meet the eligibility criteria.

What is driving the successful growth of CENTROLink?

The share of non-credit institutions’ transactions within CENTROLink currently takes two-thirds of all payments executed through the system, which is then followed by the share held by banks, special purpose banks and credit unions. CENTROLink started its expansion in the Fintech sector from 1 electronic money institution back in 2015. We ended 2020 with more than 100 non-banks providing SEPA services via CENTROLink. We also saw three-fold growth in the credit institutions sector. Overall, the total value of SEPA payments from SCT, SDD Core and INST increased three times over the last three years.

What are your plans for the future?

In a dynamically changing payments market, we have an ambition for CENTROLink to meet the requirements of a third-generation Payment System in the medium term by adding new services. The Bank of Lithuania was among the first to provide a Proxy Lookup Service, and we plan on joining further European Proxy initiatives. We are also investigating the options to implement European Request to Pay initiatives to expand the opportunities they may offer. Currently, CENTROLink provides access to SEPA, therefore, only transactions in Euros are available, but we are looking forward to offering our participants payments in other currencies in the foreseeable future.



Regulatory risk management

The AML Centre of Excellence – a prime example of successful PPP

2020 marks the establishment of the Centre of Excellence for Anti-Money Laundering (AML Centre). Envisioned by the Bank of Lithuania, the AML Centre is a monumental public-private partnership effort made possible by the cooperation of multiple government agencies such as the Ministry of Finance, the Bank of Lithuania and the country’s commercial banks. Other financial market participants will be invited to join its activities in the future. The primary goal of the initiative is to mobilise public and private efforts in combating money laundering and terrorist financing, as well as to strengthen the prevention framework. The AML Centre aims to achieve this with a plan of action involving:

- Creating a dedicated information exchange platform ensuring proper risk identification and management;
- Strengthening competencies of public and private sector staff in the AML/CTF field, and organising workshops, seminars, conferences and other events;
- Carrying out studies, assessments and analyses, and preparing guidelines, recommendations, methodologies and legislative initiatives to improve the AML/CTF framework in Lithuania;
- Publishing information on the implementation of AML/CTF measures in the country.
- Assisting private sector entities in conducting internal AML/CTF risk assessments;



The “Licensed in Lithuania” trademark as a sign of quality

Interview with Jekaterina Govina, Executive Director of Financial Market Supervision Service at the Bank of Lithuania



What is the BoL’s role in defining the country’s AML strategy? What measures is the BoL taking to increase efforts to strengthen the effectiveness of the AML/CTF framework?

Although money laundering prevention is being overseen by 12 institutions in Lithuania, the Bank of Lithuania, as the supervisor of the whole financial sector, is definitely one of the key players in building the country’s resilient AML framework and system.

Our understanding is that to have a healthy and mature financial sector, AML compliance and other requirements should be at the very heart of financial companies. Therefore, as our financial market grows steadily alongside technology, we are prioritizing AML, cybersecurity and the supervision of other risks accordingly. We intend to set the strengthening of the Fintech market’s maturity in the field of compliance as our strategic goal for the upcoming four years. We ask the companies we supervise to do the same. We are all responsible for the reputation of our country and see the “Licensed in Lithuania” trademark as a sign of quality.

In 2020, the BoL enforced more than 20 enforcement measures on market participants. Is the BoL getting more conservative, or is this a natural process in a growing ecosystem?

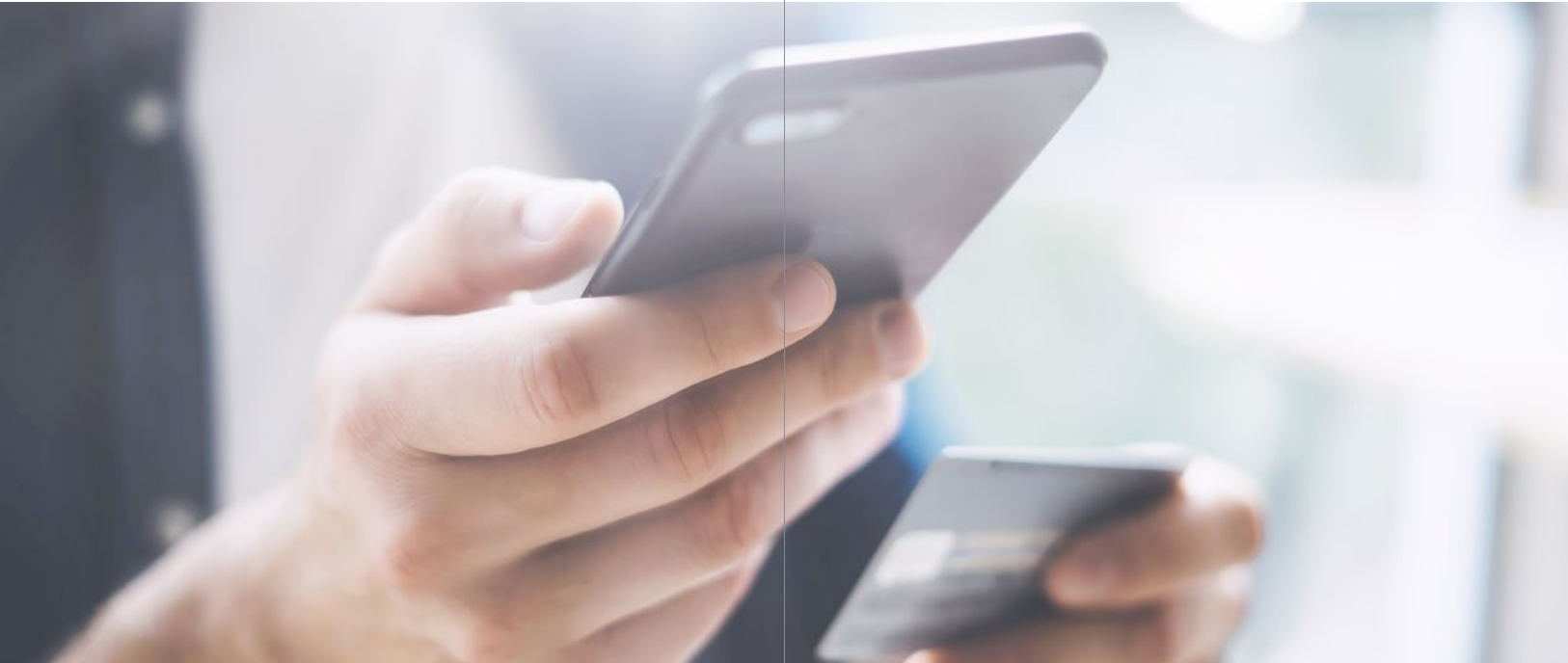
The Bank of Lithuania is not getting more conservative. Our actions rather reflect the growth of the ecosystem, and our ability to implement enhanced risk evaluation models and tools to identify companies that require a closer look into.

But our focus is still very much on preventive measures. We put in a lot of effort to educate the market, to make sure that companies understand the risks they are facing when operating in the financial system and implement sufficient control measures. If and when the preventive measures are ineffective, the reaction of the supervisor regarding AML breaches should be adequate.

In a report published in August, the Council of Europe’s anti-money laundering body Moneyval concluded that the Lithuanian authorities have improved their understanding of national money laundering and terrorism financing risks and have taken appropriate countermeasures. What was done in 2020, and what can we expect in 2021?

Moneyval’s acknowledgement that the Lithuanian authorities understand ML/TF risks is a good indication that ML/TF risk management in Lithuania has a strong foundation. And it is up to us to build effective controls on this foundation. As a supervisory authority, we focus on building intelligent risk assessment methods and processes, and developing innovative tools (Suptech). We will continue focusing on this in 2021 as well.

Another important project finalized in 2020 was the establishment of our Centre of Excellence in Anti-Money Laundering based on public-private partnership principles. That is a unique project that had us co-found an independent non-profit company together with the Government of Lithuania and financial market participants.



Ensuring a compliant, safe and transparent financial system is a team effort which would not be possible without cooperation with the private sector. Lithuania is home to a number of innovative compliance

management providers: from cybersecurity experts and biometric identity startups to Regtech solution developers, a vibrant ecosystem offers the benefits of distributed security.



What does it take to combat money laundering?

Interview with Justin Holder, CEO and founder of AML Analytics Ltd



What were the main criteria for you when choosing a new location? How did Lithuania appear on your radar?

Our choice of Lithuania as the ideal location for a dedicated IT development office was influenced by several factors. Lithuania had a competitive edge over other locations due to its wealth of available highly skilled IT professionals. Specific IT skill sets that are readily accessible in Lithuania can be a challenge to find in other locations. On a more practical level, Lithuania is easily accessible from the UK with daily direct flights from London. We found that there was a wide and varied selection of attractive, spacious offices to choose from, and we were able to communicate easily with everyone we dealt with due to the exceptionally high standards of spoken English throughout the country.

How important is the cooperation between the public and the private sectors in strengthening the AML and CTF framework?

PPPs play a critical role in the disruption of financial crime, and the last few years have seen a prolific growth in the creation of these vital partnerships in many jurisdictions around the globe. When government organisations and law enforcement agencies join with private companies to share crucial information, the ability to fight financial crime at different levels and from different perspectives will be enabled, thus strengthening the AML/CFT framework in a particular jurisdiction. AML Analytics collaborates frequently with international policymakers to ensure that our AML solutions are as relevant and as current as possible.

What final advice would you give to financial institutions on fighting financial crime, be it in Lithuania or elsewhere?

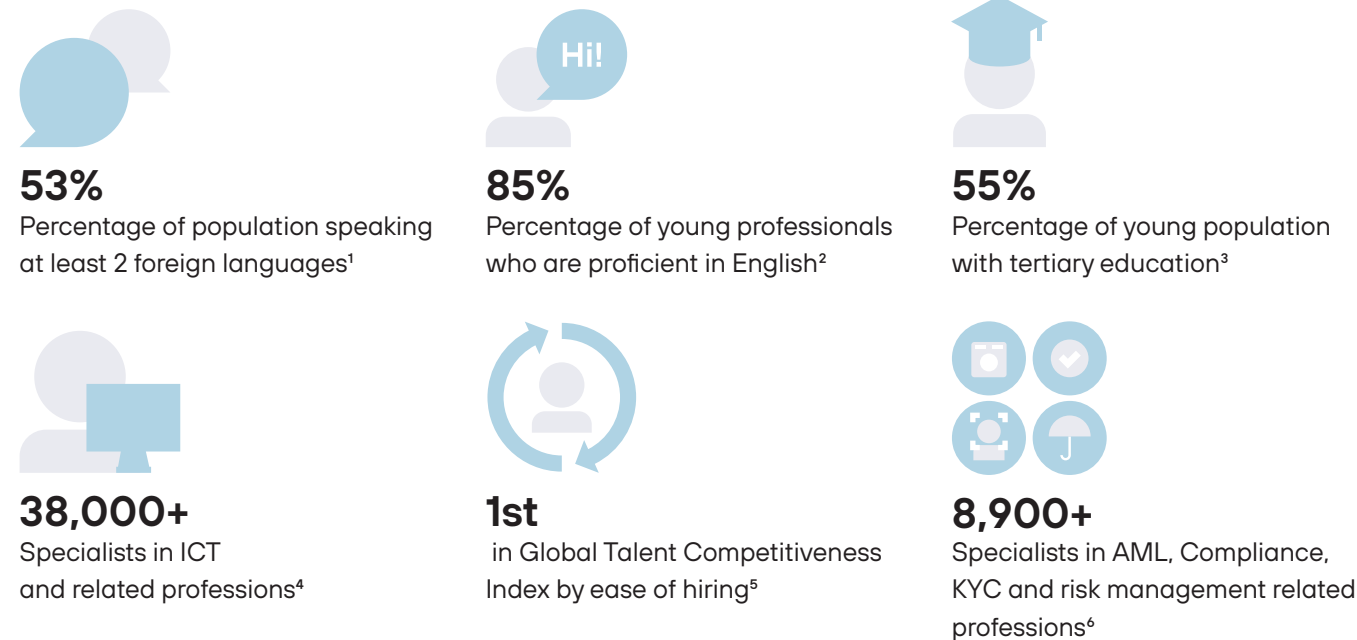
In the current climate of Covid-19, financial institutions are more exposed than ever to the risks associated with financial crime as new threats emerge and criminals find different ways to launder illicit funds and gain access to international banking systems.

Our advice to financial institutions around the globe to help them prevent financial crime would be to ensure that their AML systems are working as expected by carrying out frequent system testing and validation using our technologies. This will improve AML system efficiency and effectiveness and will ensure that regulatory demand and expectation is satisfied.

Availability and growth

One of the largest strengths of Lithuania's Fintech sector is the availability of well-educated and multilingual talent. Over half of the young people in Lithuania have a higher education, making Lithuania's workforce one of the most highly educated in the EU. Strong ties with the world economy, the presence of many global companies, and an international mindset have resulted in a society where it is common to find people speaking at least 2 foreign languages fluently.

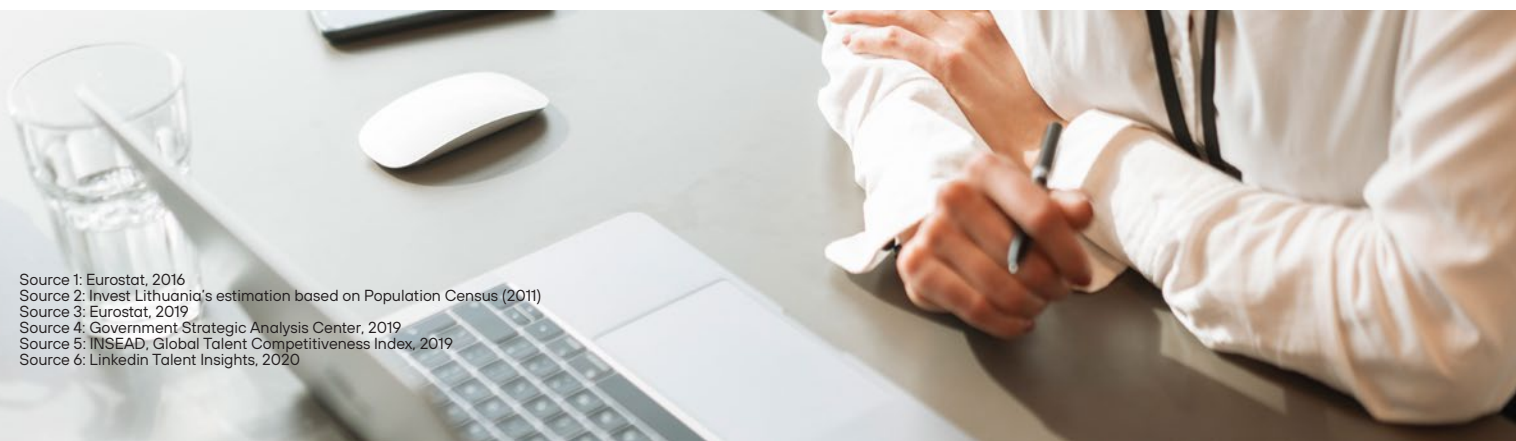
Lithuania has one of the highest per capita ratios of ICT specialists in the world, and a large talent pool of specialists with expertise in F&A and compliance & AML. As a result, Lithuania's talent is consistently cited as a key factor for companies when choosing Lithuania to develop and scale their Fintech businesses.



Lithuania leads the EU for the proportion of adults with a tertiary education, and its strong academic base gives Fintechs the fuel they need for further industry expansion. The most popular degree subjects in Lithuania are IT, Economics and Finance, which together attract over 10,000 new students to these university courses each year.

Furthermore, new postgraduate programs are being rolled out which specialize in Fintech business and

technologies¹. These new courses focus not only on specific areas like regulation, security and IT, but also on the macro trends that are driving the Fintech revolution across the globe. They are directly connected to the close-knit Fintech community in Lithuania, with leading industry specialists and entrepreneurs regularly featuring as guest speakers and lecturers. This provides focus for these educational programs, and also ensures graduates are already familiar with how the industry works.

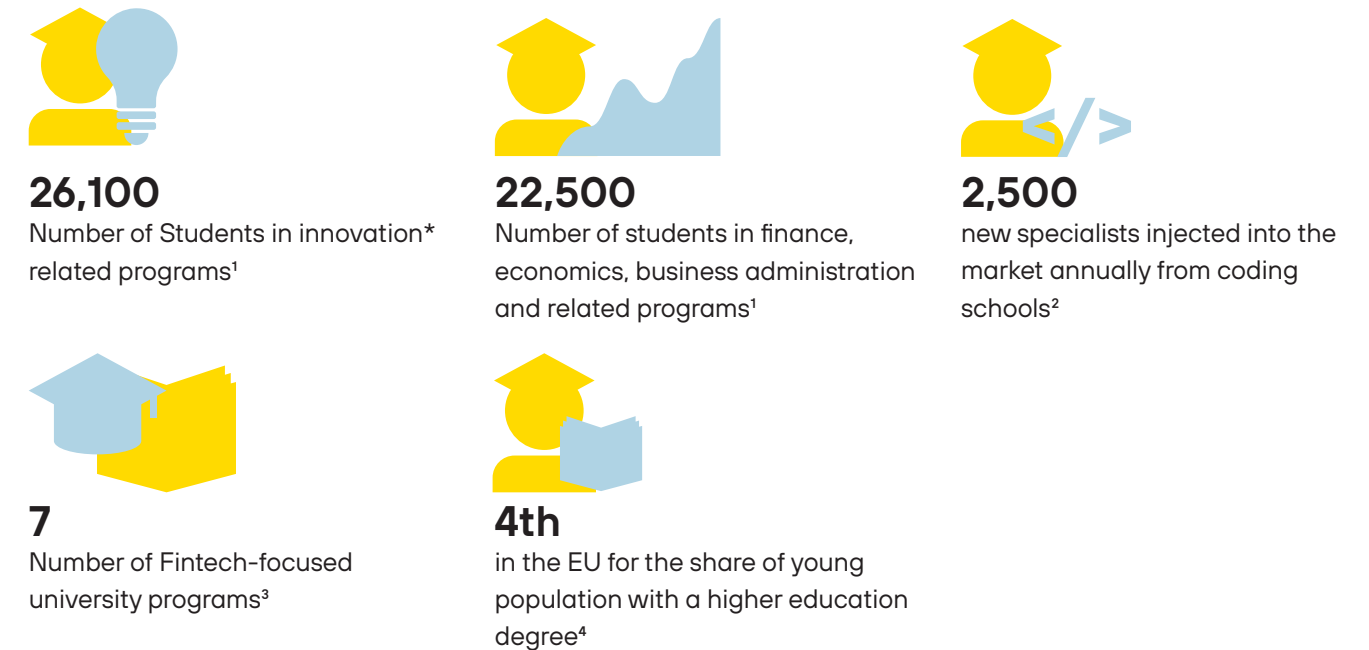


Source 1: Eurostat, 2016
Source 2: Invest Lithuania's estimation based on Population Census (2011)
Source 3: Eurostat, 2019
Source 4: Government Strategic Analysis Center, 2019
Source 5: INSEAD, Global Talent Competitiveness Index, 2019
Source 6: LinkedIn Talent Insights, 2020

The supply of talent from universities, which constitutes the main source of specialists for the industry, is supplemented by multiple additional sources:

- Lithuanian specialists returning from abroad;
- A growing number of international professionals choosing Lithuania as the place to build their careers;
- And the roughly 2,500 junior developers² who enter the job market every year thanks to private and public retraining programs.

The close cooperation in Lithuania between the government, universities and private companies is producing a new generation of industry leaders in Fintech, and ensuring Lithuania has a robust IT community that is ready to develop innovative products and take them to global markets.



The Work in Lithuania program was set up in 2017 to help deliver the best talent to the growing number of international and domestic businesses operating in Lithuania. The program is dedicated to attracting both Lithuanian and foreign talent from abroad to Lithuania, and facilitating relocation processes when needed.

Work in Lithuania's results for 2020 were stellar. Monthly visitors to the program's talent matching platform grew from 18,600 in 2019 to 37,000 in 2020. The number of monthly applications received by companies in Lithuania through the program grew to over 900.



workinlithuania.lt

* Life sciences, engineering, Mathematics, IT, Physical Sciences
Source 1: Ministry of Education, Science and Sport, 2020
Source 2: Invest Lithuania, 2020

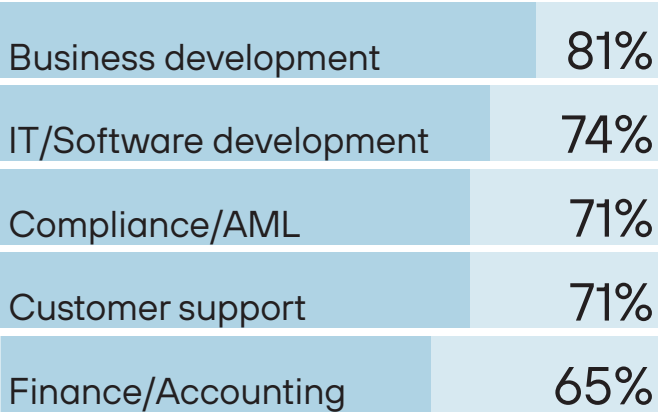
Source 3: Invest Lithuania, Research 2020
Source 4: Eurostat, 2019
Source 5: Work in Lithuania, 2020

Specialists helping Fintechs grow

As Lithuania’s Fintech ecosystem grows and diversifies, so too does the range of functions for which employees are hired. In 2020, the most common areas that Fintechs were hiring in were business development, IT and software development, compliance & AML, and customer support. Survey respondents indicated that continued growth in the number of talents hired by Fintechs can be expected in 2020, with 97% stating that they plan to increase their teams.

Functions for which employees are hired by Fintechs in Lithuania¹

% of respondents that hire these functions



In-demand talents¹

% of respondents that named this function



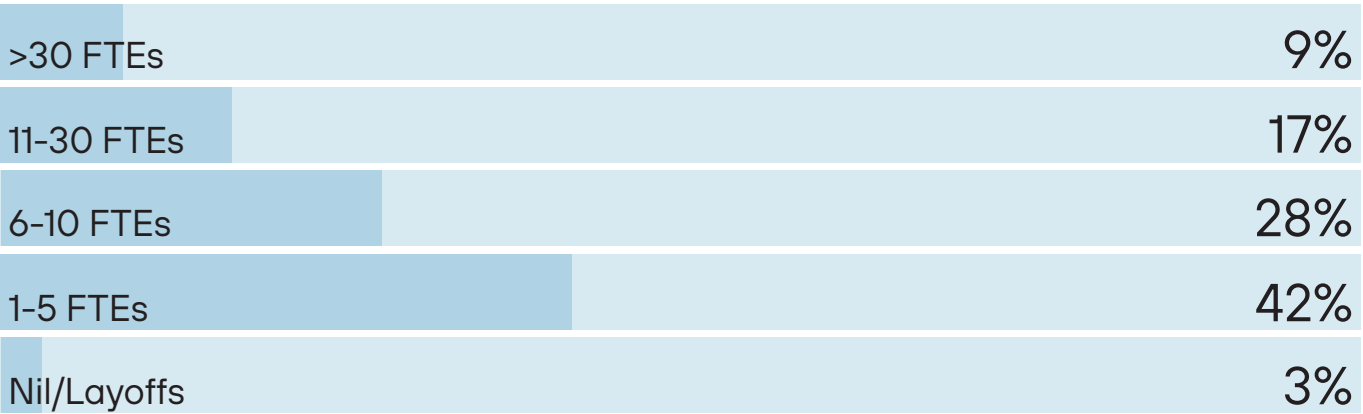
41%
of Fintechs in Lithuania have international teams¹



5
the number of continents represented by talents working at Fintechs in Lithuania¹

Fintech hiring plans for 2021¹

% of respondents that plan to enlarge teams



Source 1: Fintech Survey results, 2020



Qualified, multi-lingual talent that drives growth

Interview with Leslie Leaf,
Chief Customer Officer, Revel Systems



You were one of the first international Fintechs to land in Lithuania. How has the Lithuanian business environment changed for international companies since then?

There is more talent overall, so good job for preparing more potential employees. Sure, there is also more competition driving up compensation and making recruiting more of a challenge. This is a natural course, and let’s just hope this trend does not affect cost-competitiveness too much. Otherwise, it might decrease the attractiveness Lithuania currently has for companies.

In your opinion, what aspects of the Lithuanian business environment are the most competitive and what still needs to be improved?

Overall, the environment is great, but as the industry evolves, growing the talent pool and ensuring cost-competitiveness will become imperative for further development.

Your company has been constantly expanding its Lithuanian office. What has been the driving force for that?

Great people with relevant degrees and remarkable opportunities to source other European languages were the main driving force. We have been able to find great people who are dedicated and are looking to grow within our company.



Motivated and professional individuals with the right mentality

Interview with Nimrod Lehari,
CEO of Simplex



What does the Lithuanian talent pool look like from your perspective?

We find Lithuania to have an excellent talent pool of motivated and professional individuals that fit in well with our global atmosphere. The team is very easy to work with and shares our Israeli mentality of making the work atmosphere dynamic and fun.

Your team is expanding rapidly. What roles are the easiest to hire for?

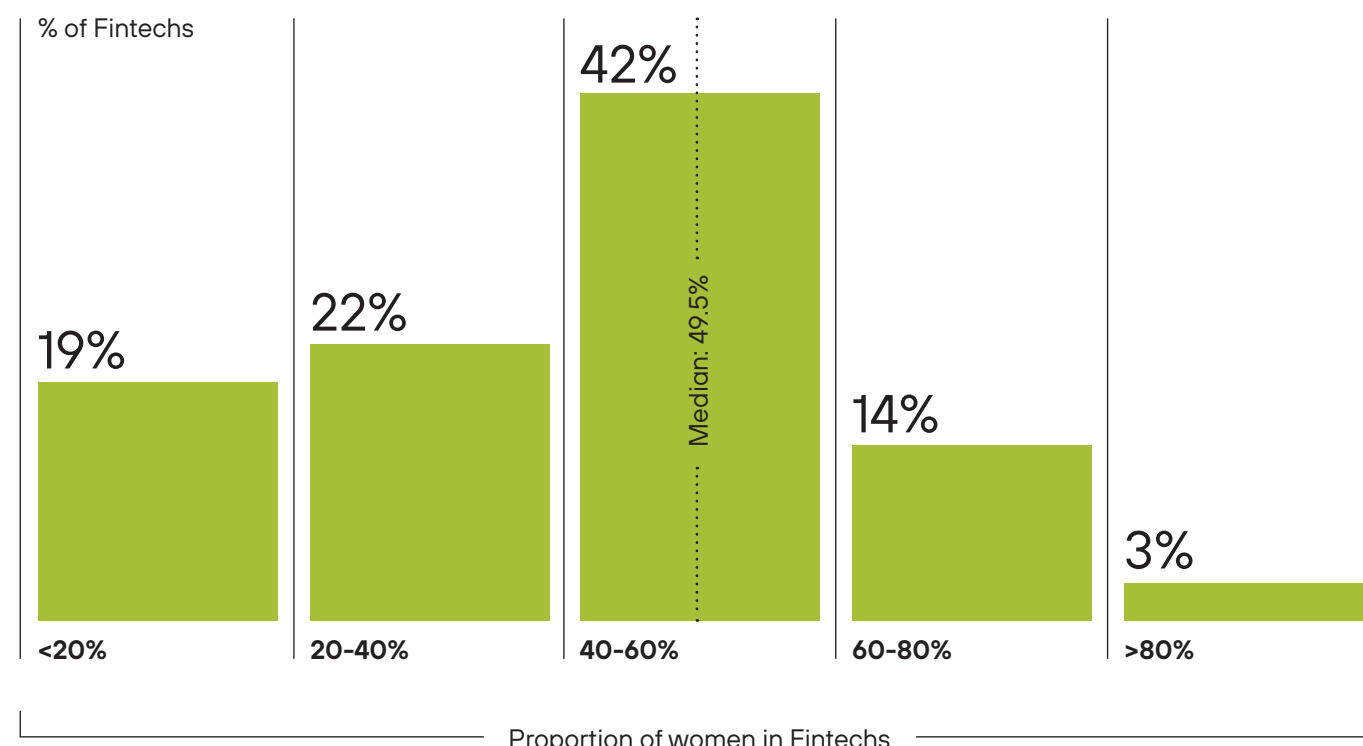
When it comes to hiring, it’s always about the people. We’ve found exceptional talent across all the hires we’ve made in Lithuania, and we’re excited to continue growing our teams there.



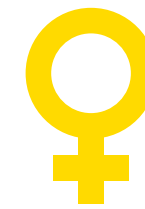
Strength in diversity

Lithuania's Fintech hub stands out for its gender equality - nearly 50% of the workforce at Fintechs in Lithuania are women. Most importantly, this tendency is visible across all organizational levels, with 63% of the Fintechs surveyed confirming that they have at least one female executive. This reflects Lithuania's overall position as a leader in gender balance in the workplace - 50% of the total workforce are women, and the majority of the scientists and engineers in the country are female.

Proportion of women in Fintechs in Lithuania¹

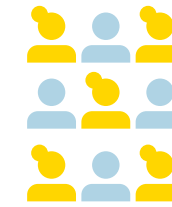


Source 1: Fintech Survey results, 2020



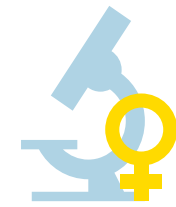
63%

of Fintechs have women at executive level¹



1st

globally, 50% of total labor force are women²



1st

in the EU, 57% of scientists and engineers are women³



Empowering women in the workplace

Interview with Sigute Kuncėviciute,
CEO of SumUp EU Payments



Could you please describe the role of the Vilnius office at SumUp? What are your plans for Lithuania moving forward?

In 2020, the number of employees at our Lithuanian entity doubled, and we expect this trend to continue in 2021. The Vilnius office is an important hub for SumUp operations in the Baltic states. It brings together specialists of different profiles, including business development, compliance and data protection, as well as operations. We have huge plans here, with SumUp Bank in the pipeline.

What are some of the strategies that can help women achieve a more prominent role in their organizations?

Globally, 52% of SumUppers are women, and our share of women in technology roles is above the average in the tech industry. In our Lithuanian office, we are definitely above average. Nonetheless, we still see plenty of opportunities for us to go even further to empower women, especially in leadership and tech roles. We recently started to build our global Diversity & Inclusion team that will look into designing specific programs to foster the inclusion of women in all areas of SumUp. Some of our past organic initiatives around D&I included creating a women's circle, Women's Month programs, establishing partnerships with meetup groups and organizations that foster the development of women, and an employee resource group that worked on diversity promotion projects.

Although there has been some progress made, the gender equality situation in corporate management still leaves a lot to be desired. What do you think is the most significant barrier to female leadership?

The way the inclusion of women in leadership roles is often approached is by teaching women how to "play the leadership game," while still following mainly masculine standards for what being a leader is.

The main challenge we have as a society at this point is how to reinvent leadership to be more inclusive of the experiences of women as well as other underrepresented groups. Real inclusion comes not by making an underrepresented group fit the existing mould, but by transforming the mould to incorporate diverse experiences. I feel we're on the right track at SumUp, as some of the core leadership principles we apply here steer away from the traditional and hierarchical leadership standards we still sometimes see.

Source 1: Fintech Survey results, 2020
Source 2: IMD World talent ranking, 2020
Source 3: Eurostat, 2018

Success Stories

Elevator pitches from local upstarts

Success Stories

In collaboration with Fintech Hub, Fintech Lithuania, Rockit, and the SEB Innovation Center, we have selected six young and ambitious local Fintech companies to watch that are already making waves with their ground-breaking innovative solutions.



kevin.



NORDSTREET



Transforming agricultural financing into an online marketplace

HeavyFinance is on a mission to connect global retail and institutional investors with European farmers. The overwhelming majority of the 10 million farms in the EU are small and medium businesses, and therefore they struggle to get funding from traditional financial institutions. We are the first company to provide investors with an opportunity to invest in loans backed by heavy equipment.

Our ultimate goal is to become the leading borderless financing solution for European SMEs that use heavy equipment. While achieving this, HeavyFinance aims to become an open and multinational company for its employees and a reliable partner to governments in helping to provide financial aid to farmers.

HeavyFinance's value proposition consists of the provision of chattel loans without a down payment requirement, custom repayment schedules, and an accurate risk assessment methodology that suits SMEs in agriculture. We already offer our services to farmers in Bulgaria, Lithuania and Portugal.

Unlocking open banking to disrupt payments

Kevin. is a Fintech that provides a secure and developer-friendly payments infrastructure accessible via an API. We give businesses the ability to accept payments directly from banks, cutting out the card networks. This makes the payments process cheaper, faster, and more convenient.

Our aim is to disrupt the payments sector, unlocking the potential of open banking to a wide range of market players. Our banking payments solutions outcompete card networks on both quality and price.

Kevin. is licensed to operate across the EEA. What's more, there is a wide range of opportunities for startups to build different financial products on top of Kevin.'s unique infrastructure. Therefore, we are open to partnerships with other startups as well.

We are a team of 40 (and growing!) passionate people driven by our expertise, ambition, trust and a sense of ownership. In 2020, Kevin. was named the best Fintech in the Baltics in the prestigious Mastercard Lighthouse Program.

Unlocking the full potential of user experience with tailor-made solutions

Mark iD is a global digital identity hub. Our remote customer onboarding solution helps to increase sales by enabling companies to reach all user groups while providing the highest level of security, as well as meeting KYC, GDPR, and AML regulation requirements.

Our solutions can be easily integrated into the client's system or deployed through the Mark iD platform at no additional integration cost.

As a deep tech company, we are integrating next-generation AI and ML solutions to provide the most advanced service in the world.

Our long-term vision is not only to be a global face recognition service provider, but also to become an identity verification gateway for the whole EU region, so our customers can access all local identification, authentication, and e-signature solutions via one single integration.

An alternative way to earn or to attract funding

Nordstreet is a crowdfunding platform with dual benefits. For investors, it is an alternative way to make passive earnings, and for businesses, it is an opportunity to smoothly raise funds.

The Nordstreet crowdfunding platform finances business loans by mortgaging existing real estate or other assets. Anyone can invest in business loans from just €100.

After launching such vital features as Secondary Market and Auto Investing, the company focused its efforts on going international. The platform has already funded business projects in Lithuania, Estonia, Latvia, Poland and even the USA.

With the development of a powerful crowdfunding process management tool, Nordstreet has launched a new software rental project to help start crowdfunding businesses in different areas. Almost any business can benefit from the crowdfunding process. With Nordstreet, businesses will be able to launch crowdfunding websites 3x faster and at a lower cost.

A next-generation, full-stack, peer-to-peer insurer

With Ooniq, friends come together to collectively protect the stuff they love. Your friends are your safety net if something were to go wrong. If you and your friends take good care of the stuff you love, you all get a cashback on your premium. If you need to claim, your friends will vote on the decision to pay. Ooniq takes a small flat fee from the paid insurance premium. Simple, transparent and great value for money.

We have launched our first product, mobile phone insurance, and have graduated from the Lithuanian Central Bank Sandbox and also the Hong Kong-based Helix Accelerator. Ooniq now plans to expand its product to include Household (contents) insurance and develop the next technology iteration of its platform, including AI. The business is looking at markets outside Lithuania and considering a white label as well as D2C offering to facilitate new market entry.

Access your data easily by leveraging our Data API framework

The growing demand for open data requires large-scale investment into tools and infrastructure to stay competitive and innovative.









Peekdata's Data API Gateway is a flexible out-of-the-box solution designed for companies willing to create modern tools for data analysis, access, and sharing through the REST APIs, disregarding the variety and number of data sources the company has.









Our Data API and Reporting components are easy to deploy and configure. This allows our customers to extend their products with data-rich functionality in a matter of weeks and focus only on their core business.









Peekdata.io continues to invest in R&D to improve our technology - to make it even faster and easier to integrate.









Peekdata.io expects growth not only in sales but also in the team during 2021, and will focus on improving our product.









Some of the established brands in our Fintech hub























The full list can be found in the [Fintech Map](#)



Opportunities and Challenges

If the previous year was characterised by adaptability in the face of unprecedented change, 2021 is set to be a year of dynamic transition for Fintechs in Lithuania. While the Fintech industry, both at home and abroad, demonstrated its remarkable resilience in 2020, it was undoubtedly a year full of challenges. For the Fintechs we surveyed, some of these challenges included struggling to develop and launch their product/service pipeline, finding suitable team members, and staying compliant with regulations. Looking to 2021, many of the companies believe that they will transition into the next phases of business development, and their main

challenges for the year will be international expansion, building relationships with incumbents, and the development of their existing product portfolio.

We expect 2021 to be a very exciting year for the Fintech ecosystem. With PSD2 fully coming into force, and new harmonised crowdfunding regulations becoming law in the EU, we look forward to seeing not only the birth of new companies, but also the creation of new customer and data centric products. These products could have a massive impact on consumer habits and overall access to finance.

Main challenges experienced by the surveyed Fintechs in 2020¹

Product/IT development	65%
Attracting qualified and suitable talent	38%
Covid-19	38%
Regulatory compliance	37%
International expansion	36%

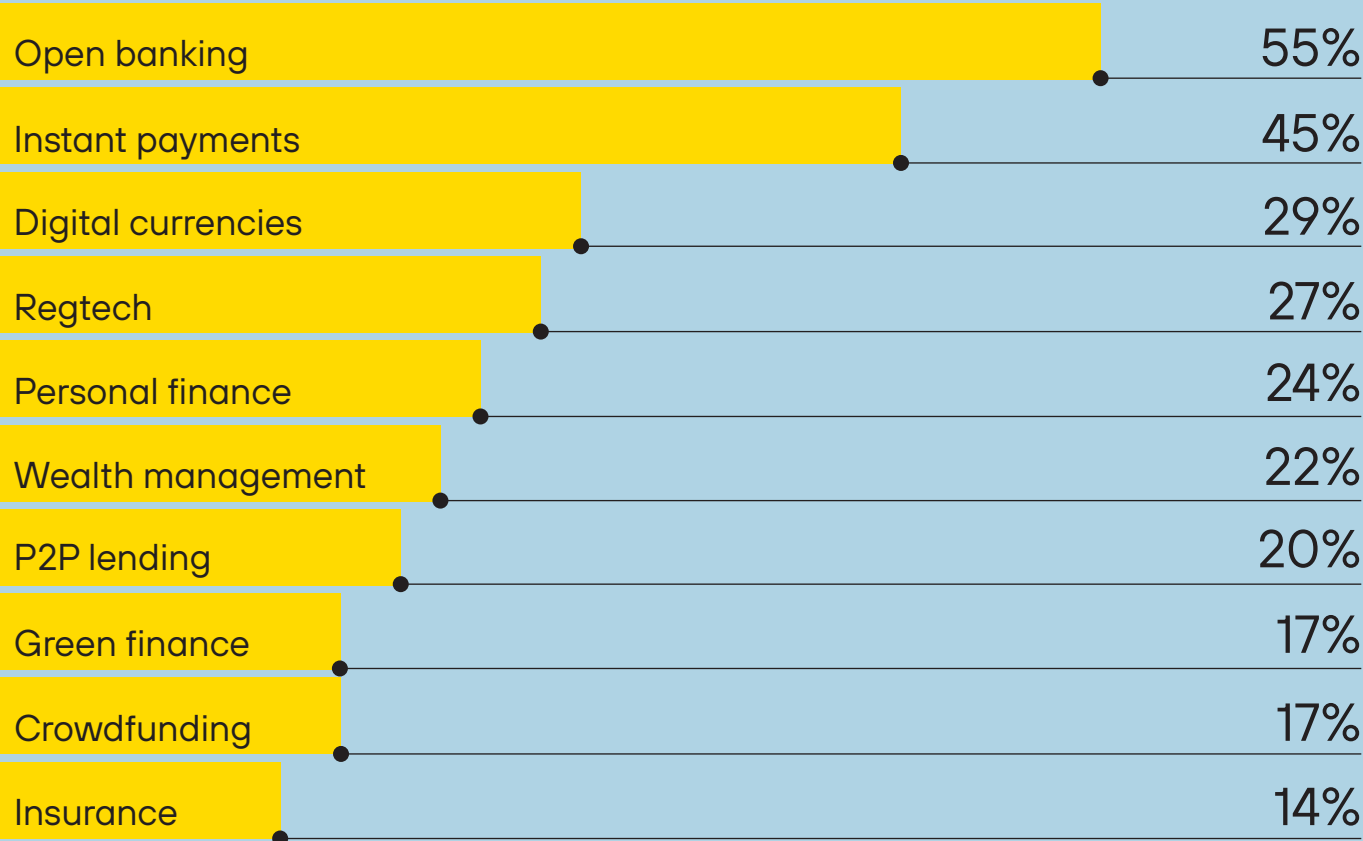
Challenges anticipated by the surveyed Fintechs in 2021¹

Product/IT development	53%
International expansion	51%
Expansion of product portfolio	44%
Attracting qualified and suitable talent	38%
Building partnerships with established players	35%



Challenges and opportunities go hand in hand, and our respondents believe that 2021 will be a fruitful year for a number of Fintech sub-sectors. Open banking, which has been the main topic in Fintech circles for the last two years, is only going to gain momentum. At the same time, instant payments and digital currencies will be among the top growth areas in 2021. When comparing this to the survey we ran a year ago, respondents expect more action in the areas of personal and green finance.

Where do companies see the biggest opportunities for Fintech in 2021?¹



One of the most interesting takeaways of this survey is how ecosystem participants view Lithuania’s potential. A surprisingly large number of Fintechs believe that Lithuania has what it takes to become the European leader in Compliance and Regtech. This position is supported by a range of factors: the growing number of

AML specialists, the establishment of the AML Centre of Excellence, the gradual digitisation of the regulatory environment, the strong reputation of the Bank of Lithuania as one of the most prudent and competent regulators in the EU, and an increasing number of compliance-related solutions on the market.

In which area does Lithuania have the most potential to become a leader?¹

% of respondents that named this area



Source 1: Fintech Survey results, 2020



Moving forward in 2021

2020 was a test for the instincts, strategies and flexibility of Fintechs, both globally and in Lithuania. The biggest winners were those who were quick to adapt to the new dynamics. In Lithuania, we witnessed a number of companies that achieved extraordinary results and demonstrated their resilience. There were Fintechs in Lithuania who achieved impressive revenue growth, completed successful funding rounds, doubled their headcounts, forged important partnerships, and launched new products.

We begin 2021 with our Fintech hub looking somewhat different to a year before. Some companies have dropped off the map, others have been added to it, with many new international players having joined our community. With a continually growing number of Fintechs, highly competent specialists in the sector, and a constantly improving regulatory environment, Lithuania yet again has strengthened its position as one of the leading Fintech hubs in the EU.



Looking for exciting new horizons for your Fintech? Invest Lithuania would love to help.



Gintare Baciuliene
Head of Technology
Team



Marius Ribokas
Key Account
Executive



Ieva Paulauskiene
Senior Investment
Advisor



Rugile Stonyte
Senior Investment
Advisor



Justas Cerniauskas
Senior Investment
Advisor

Invest Lithuania

Invest Lithuania is the official agency for FDI promotion and business development. We provide free advice to global companies interested in launching their business in Lithuania, and introductions to experts on the ground. Our mission does not end at set-up, as we provide aftercare support months and years down the road. All our services are confidential and tailored to the specific needs of our clients. So if your company is considering a business set-up or looking to access one of Europe's most skilled talent pools, make us your first stop.



Decision-
making



Business
Establishment



Business
Development

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Investments in Lithuania