

FINTECH PULSE

2026 / 2027

THANK YOU TO OUR MEMBERS FOR BUILDING THIS HUB TOGETHER!







TĪNA LŪSE,
Managing Director of
Fintech Latvia Association

This is the fifth Fintech Pulse. When we started, Latvian fintech was underestimated, partly because nobody had measured it properly. If you cannot show what a sector contributes, you cannot have a serious conversation about policy. So we put the facts on the table first. Five years later, we can finally look back and say honestly where we are strong and where we still have work to do.

Latvian fintech is small at home and big everywhere else. Our home market is too small to build a business on, so a founder based in Latvia plans for Europe from day one. The lending, payments and investment platforms built here were designed to cross borders, and they still are. It is a profitable, export-driven sector, built largely by local founders. The Fintech Observatory now counts 148 companies, and if they were one taxpayer, they would be the ninth largest in the country. Of these 148 companies, 107 are of Latvian origin. In 2025, the sector generated 509.8 million euros in turnover, based on available comparable financial data, and paid 99.2 million euros in taxes. These are also some of the best-paid jobs in Latvia. Last year alone, the sector added 272 jobs, bringing total employment to 3,920. Labour taxes averaged 20.8 thousand euros per employee – 2.3 times the average across Latvian companies. Since 2021, turnover has grown by 82%, taxes paid by 88% and employment by 37% among the companies currently included in the Fintech Observatory.

What has changed this year is that the street now goes both ways.

Latvia is no longer only a place where fintechs are born; it is becoming a place where they come to build, says Tīna Lūse, Managing Director of Fintech Latvia Association.

Of the fintech companies registered in Latvia since 2021, 37% are of foreign origin. Latvijas Banka issued eight fintech licences in 2025 and 25 since the start of 2026, many of them to founders from Austria, Germany, Hungary, Israel, Lithuania, Poland and the US who chose Riga as their European Union base. Payments has overtaken lending as our largest segment – by the number of companies, with 36 in payments compared with 28 in lending – largely thanks to Markets in Crypto-Assets (MiCA) licences that usually come together with a payment licence. And since January, the specialised credit institution licence lets a company start a bank with 1 million euros instead of 5 million. It draws interest from fintechs both locally and from abroad, because it allows a more gradual start. At the same time, some of our fintechs have matured enough to aim for a full European Central Bank banking licence, and Mintos has publicly stated that ambition. Not every fintech should become a bank, but those that should can now do it here.

None of this happened by accident. Founders can meet the supervisor within days, not months. Latvia was the first country assessed in MONEYVAL's new round, with a high or substantial rating on 10 out of 11 outcomes, so our reputation is no longer a weakness but an argument. And in a small country, decision-makers are within reach. Abroad, we have learned to show up as one ecosystem: in 2025 and 2026 we joined 10 trade missions and industry events in seven countries, from London to Japan, often together with the Investment and Development Agency of Latvia, our embassies and the country's top leadership. The industry also comes to us now. This year Riga hosted four international fintech events; a few years ago, there were none. That shows how active and mature our ecosystem has become, and that the interest from abroad is real. It is also why we made Fintech Pulse a bigger event this year: we have grown, and we have something to say and to offer.

What we are working on now is keeping what makes Latvia work: accessibility, quality and credibility. Growth only matters if the reputation holds. Next is proportional supervision. A 10 - 20-person fintech and a large bank should not be supervised the same way; supervision has to fit a company's size and maturity, and its impact on consumers and the financial system. Then there is speed. The regulation fintechs need to grow takes far too long to arrive, and that is not only a Latvian challenge but a European one. For several years I have been talking to different European Union fact-finding missions, and we still have no results to show for it. In the start-up world, a year is a lifetime; in European Union rule-making, it is barely enough for a first draft. If Europe wants to compete globally, it cannot continue like that. And at home, we keep raising awareness of the fintech ecosystem among our own policymakers, so they see it for what it has become: a sector that pays its taxes, creates well-paid jobs and takes Latvia to the world.

Our strategy goal for 2027 is not a bold one: 30% more fintech companies, 15% more investment and 18% more jobs. I can see that we are well on our way to reach it. But for me, it is more important not to chase abstract numbers, but to create the most accessible and supportive, yet credible fintech ecosystem in the world. We already have mature fintechs that are turning into banks and successfully raising capital on public markets, from Nasdaq Riga to Frankfurt, and younger ones that attract venture capital. We want more of both. My wish is that the new cohort getting licensed now will follow the same path, because that shows the whole journey, from a licence to a public company, can start here.

We recently launched a podcast called Small Hub, Endless Opportunities, and I think the name says a lot about Latvian fintech. We may be a small country, but our ambitions reach far beyond our borders. The people and companies in this magazine are proof of that.



LATVIA'S FINTECH AMBITION: TURNING INNOVATION INTO ECONOMIC GROWTH



ANDRIS KULBERGS,
Prime Minister of the Republic of Latvia

Latvia faces an important economic choice. We can continue focusing primarily on reducing public expenditure and improving the efficiency of government, or we can combine these necessary reforms with a much more ambitious approach to economic growth. I firmly believe that cutting costs alone will not secure Latvia's future. We need to earn more, attract investment, create high-value jobs and develop industries capable of competing internationally.

Fintech is one of the sectors where Latvia has a genuine opportunity to achieve this.

The figures already demonstrate its economic significance. According to Fintech Observatory research conducted in cooperation with RTU Riga Business School, Latvia is home to approximately 150 fintech companies. In 2025, their combined turnover increased by 8.4%, reaching 490 million euros, while their tax contributions amounted to 99 million euros. Average salaries in the sector are also considerably higher than the national average. These numbers tell

an important story. Fintech is not simply an emerging technology industry. It is already creating well-paid jobs, generating substantial tax revenue and contributing to Latvia's economic development. More importantly – I believe we have only begun to realise its potential.

Latvia is a relatively small economy. We cannot compete with Europe's largest countries through market size or financial resources alone. Instead, our competitive advantages must be speed, expertise, technological capabilities and the ability to create an environment where innovative businesses can develop and expand internationally.

The fintech sector fits this approach particularly well. A finantech company established in Latvia can serve customers across the European Union and beyond. Its growth is not limited by our domestic market, and its success can bring international capital, knowledge and highly qualified professionals into the Latvian economy.

We already have several important advantages: a digitally advanced society, strong expertise in information technology and financial services, and an increasingly competitive regulatory environment. One example is the implementation of the European Union's Markets in Crypto-Assets Regulation (MiCA). When Latvia moved quickly to introduce this framework, I emphasised that it could become an important opportunity for our economy. However, adopting legislation is only the first step. The real achievement comes when companies choose Latvia, establish meaningful operations here and create economic value.

However, Latvia's fintech strengths extend well beyond crypto-assets. We have a long-established and internationally successful lending industry, while payment innovations are another area where Latvian companies are making significant progress. Our wealthtech platforms have also secured a remarkable position in Europe, accounting for nearly a quarter of the European alternative investment market. This demonstrates that Latvian fintech companies can compete internationally and achieve a scale far beyond the size of our domestic market.

This distinction remains essential. We should not measure success simply by the number of licences issued, but also by the businesses, investments, jobs and expertise that those licences bring to Latvia. At the same time, we must recognise that international confidence cannot be established through legislation alone. Latvia has worked hard to strengthen the integrity and transparency of its financial system. We need to communicate these improvements consistently and demonstrate that our country offers a stable, secure and reliable environment for financial innovation.

I must add that strong supervision and business competitiveness are not opposing objectives. Quite the contrary: credible regulation is one of the foundations of a successful financial centre. Companies choosing where to establish their European operations need clear rules, predictable procedures and constructive communication with supervisory authorities. This is where closer cooperation between the government, Latvijas Banka, industry representatives and educational institutions becomes particularly important. We must understand the practical obstacles companies encounter, identify unnecessary administrative barriers and address them without compromising financial security or regulatory standards.

A small country should be able to make decisions efficiently. Our ambition should be to make Latvia a place where businesses can communicate directly with relevant institutions, receive clear answers and plan their investments with confidence. And the government's role in this situation is not to choose individual winners or replace private initiative. Our responsibility is to create the conditions in which innovative companies can succeed. This means competitive regulation, access to qualified talent, stronger investment opportunities and a public administration that understands the needs of internationally operating businesses.

Latvia's fintech development strategy sets ambitious goals, including increasing the number of fintech companies by approximately one-third, attracting investment and creating new jobs. These objectives are achievable, but they require coordinated action and measurable results.

We must also think beyond attracting companies from abroad. Latvia needs to develop its own internationally successful fintech businesses. We already have several good examples, but we need more. This requires closer cooperation between universities, entrepreneurs and investors, as well as better access to growth capital.

Fintech can also strengthen other sectors of our economy. More accessible financing for businesses, efficient payment solutions and innovative investment platforms can help Latvian companies grow, expand into new markets and compete more successfully. Ultimately, our ambition must extend beyond the fintech industry itself. Latvia needs a stronger, more productive economy capable of financing its security, public services and future development. High-value industries such as fintech, information technology and defence technology have an important role to play in achieving this.

Looking towards 2030, I want Latvia to be recognised as one of Northern Europe's most competitive and trusted locations for financial technology companies, says Andris Kulbergs, Prime Minister of the Republic of Latvia

Not necessarily the largest, but among the most effective in turning innovation into successful international businesses. Also, I want to see more global fintech companies building substantial operations in Latvia, more Latvian fintech businesses succeeding abroad, and more talented professionals choosing to develop their careers here. And I believe it is possible.

Latvia has the talent, technological foundations and regulatory opportunities to succeed. Now we must turn these advantages into investment, businesses and economic growth.

The potential is there. Our responsibility is to make sure Latvia captures it.

LATVIA'S FINTECH ECOSYSTEM 2026

PAYMENTS

ZENITH · 3S Money · finsei · Atrya · Bonusukarte · DECTA · Dukascopy · Mani Rēķini · ecommpay · FIBONATIX · universepay · GoCardless · gr8 pay · handwave · dool · maksekeskus · Mobilly · moin · MONELIQ · MULTIPASS · noah · nodu · pace · MeaWallet · paynt · Mily · Rīgas Karte · teya · PAY · TRANSACT PRO · VELVIAN · VALET · WESTSTEIN · WORLDLINE · xpate

REGTECH

ClearPic · Finchecker · FINTELLIGENCE · Graphdo · LAPPA · notakey · ReguSafe · salv · INFOTECH

CROWDFUNDING

Ascend Finance. · CAPITALIA · CrowdedHero · Digilo · Estateguru · FLOW · FUNDAUS · LANDE

BUSINESS TECH

abillio · Billme · CATEGO · CONFERO · conversshake · crassula · NewSchool · CWISE · D8 Corporation · data invision · Tiki-Taka PAY · elcoin · inGain · instantic · LENDISCORE · maxaa · NIT · PayTraq · sapiens bi · Snapio · Sneaky peer · SoftTech · spell · Star-Bridge · tailwind · TAMMy · PATS jo tu vari

INVESTMENT PLATFORMS

neverless, Debitum, goodeve, INDEMO, mintos, nectaro, pinyya, TWINO, viainvest

BROKERS

altero.lv, līzings, smeGo, jeff, Sefinance

INSURTECH

Balcia insurance, SAPIENS

DIGITAL BANKING

INDEXO

LENDING

aizdevums.lv, AvaFin, CS CREDIT SOLUTIONS, delfingroup, ecofinance, Eleving GROUP, ERST FINANCE, esto, bino.lv, finea, FINTO CAPITAL, FLEXIDEA, PUNK FINANCE, NordCar, HOLM, inbank, IPF digital, FOE FINANCE, MC' FINANCE, mogo, IESPĒJU KREDĪTS, primero, Sun Finance, TBO, viasms GROUP, VIZIA, Wandoo

CRYPTO

KANGA EXCHANGE EU, AlteWay, AXIOMA, Bleap, BLOCKBEN, Blockvis, btcbit, Crypton, Fintelum, H-FINANCE, GRAVITY TEAM, NEXDESK, paybis, PRIMEX GROUP, Backpack, UPWOD, WunderTrading

OTHERS

Claroo, Sorsera, UXDA

Methodological note:
Data is based on RBS Baltic Finance Center's analysis of the Latvian fintech landscape. Full methodology is available here: https://finance.rbs.lv/en/fintech-observatory-methodology/

It is important to note that:

- the dataset includes fintech companies registered in Latvia that were active as of October 2026.
- the dataset includes companies that contribute to the Latvian economy through tax payments and employment, or that hold a financial services licence. Companies that serve Latvian clients and/or have Latvian founders but are not registered in Latvia are not included;
- the dataset applies a broad definition of fintech, aligned with the fintech typology developed by the Cambridge Centre for Alternative Finance;

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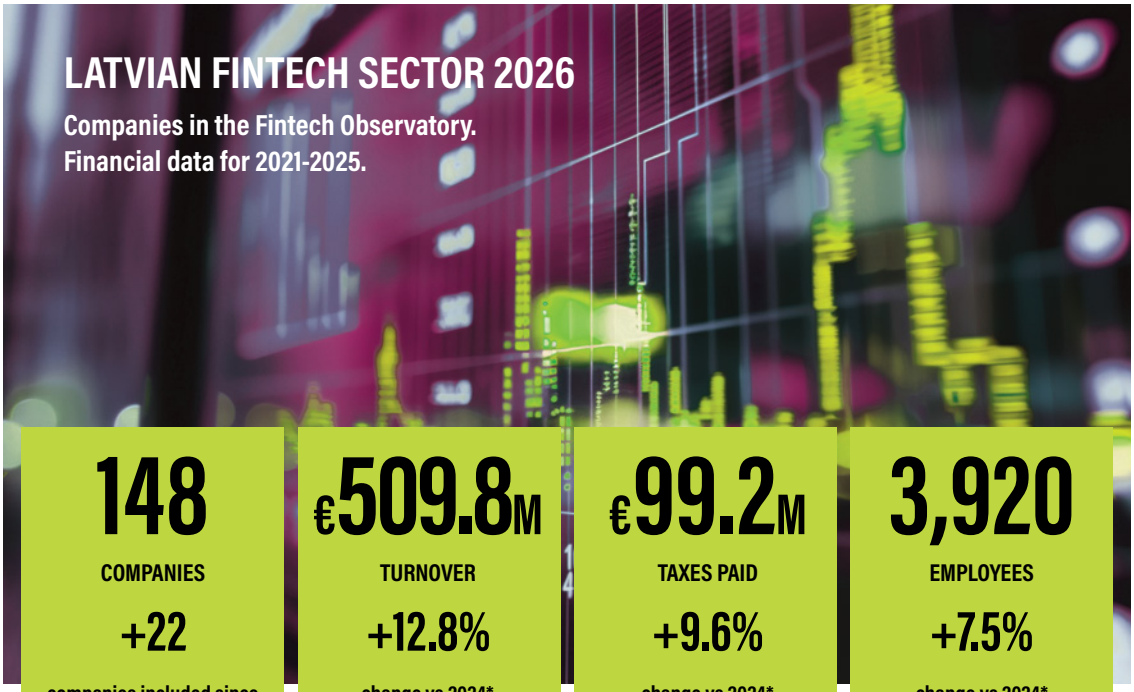
LATVIAN FINTECH IN NUMBERS



TURNOVER

Turnover of the fintech companies included in the Fintech Observatory reached 509.8 million euros in 2025, up 12.8% from 452.1 million euros a year earlier. Since 2021, turnover has increased by 82.3%, from 279.7 million euros, representing a compound annual growth rate of roughly 16%. In other words, turnover has almost doubled and has risen every single year. This shows that Latvian fintech is not a one-off spike but a steadily growing business.

** For more information about the methodology, see the next page*

TAXES PAID

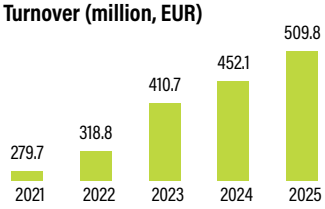
Companies tracked by the Fintech Observatory paid 99.2 million euros in taxes in 2025, which is 9.6% more than in 2024. Since 2021, tax payments have grown by 88.1%, almost doubling from 52.7 million euros. Growth was uneven: payments remained almost unchanged between 2022 and 2023 (about 71 million euros) before increasing significantly in 2024 and 2025. This means that the companies are contributing increasingly more to public finances, alongside their growing revenue.

EMPLOYEES

Fintech companies employed 3,920 people in 2025, 7,5% more than in 2024. Compared with 2021, that is a 37.4% increase. Employment has grown more slowly than turnover and taxes, which suggests that the companies are generating more turnover and paying more taxes per employee, rather than growing solely by hiring more people.

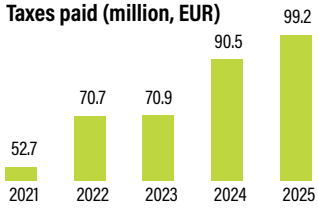
FIVE-YEAR TREND, 2021–2025

Turnover (million, EUR)



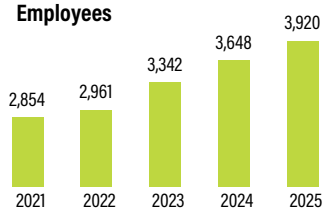
+82.3%
change since 2021*

Taxes paid (million, EUR)



+88.1%
change since 2021*

Employees



+37.4%
change since 2021*

**For more information about the methodology, see the next page.*

TAXES AND LABOUR TAXES

€20.8K
labour taxes per fintech employee (income tax + social contributions)

2.3×
times the all-company average labour taxes per employee**

9
If all fintech companies were one taxpayer, it would be the 9th largest one in Latvia

***For more information about the methodology, see the next page.*

LABOUR TAXES, 2025

In 2025, companies monitored by the Fintech Observatory paid 20.8 thousand euros in labour taxes (income tax and social contributions) per employee. This is 2.3 times the average across Latvian companies with employees and positive labour tax payments, pointing to above-average pay in the sector.

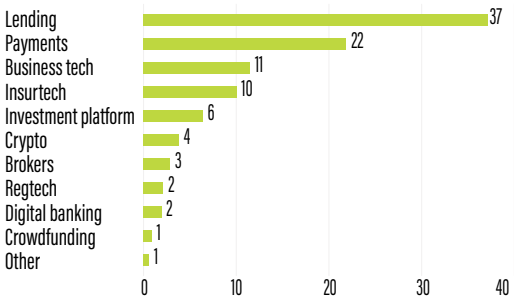
TOTAL TAXES

Taken together, these companies paid 99.2 million euros in taxes in 2025. If they were a single taxpayer, they would rank as the 9th largest taxpayer in Latvia.

TAXES PAID BY SEGMENT

Lending is the largest tax contributor with 37.1 million euros (+10.9% vs 2024), followed by payments with 21.9 million euros (+9.4%). Together they account for almost 60% of all taxes paid by the fintech sector. The fastest relative growth came from digital banking (+61.0%, from a small base), crowdfunding (+27.7%) and investment platforms (+25.7%). Insurtech was the only segment where tax payments fell (-7.0%), to 10.0 million euros. This segment has only two companies, so a change at one of them can have a large effect on the total.

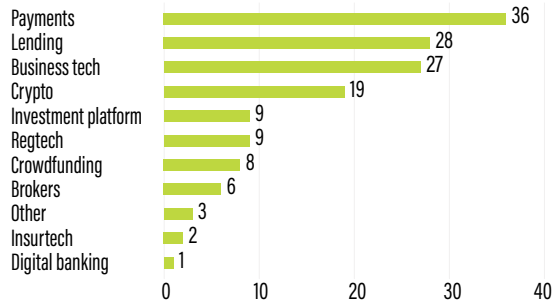
Taxes paid in 2025 by type of company (million, EUR)



COMPANIES BY SEGMENT

The Fintech Observatory covers 148 companies, and three segments account for most of them: payments (36 companies, 24.3%), lending (28, 18.9%) and business tech (27, 18.2%). Together they make up over 60% of the total. Other segments, such as crypto (19), investment platforms (9) and regtech (9), are smaller – at the moment.

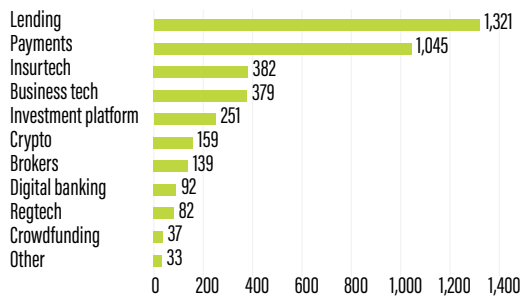
Number of companies by Company type



EMPLOYEES BY SEGMENT

Lending (1,321 employees) and payments (1,045) are also the largest employers, together accounting for about 60% of the people working in the fintech companies included in the Fintech Observatory. The biggest relative growth was in digital banking (+87.8%, or 43 additional employees, from a small base, as the segment has only one company) and crypto (+20.5%). Business tech was the only segment where employment declined, with a small decrease of 1.0% (four fewer employees).

People employed in 2025 by type of company



WHERE FINTECH COMPANIES COME FROM

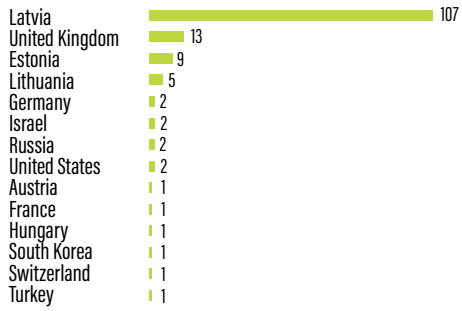
COUNTRY OF ORIGIN

72% of the companies tracked by the Fintech Observatory come from Latvia. The remaining 41 companies come from 13 other countries, led by the United Kingdom (13), Estonia (9) and Lithuania (5). This shows that Latvia attracts international fintech companies, not only home-grown ones.

COMPANIES REGISTERED SINCE 2021

37% of the companies registered in Latvia since 2021 come from abroad, highlighting Latvia's role as a base for international fintech companies.

Number of companies by country of origin





IEVA JĀGERE,
Director General of the Investment and Development Agency of Latvia (LIAA)

"Our ambition is to continue developing Latvia as an internationally competitive fintech hub by attracting companies that create high-value-added jobs, develop new products and export services from Latvia," says Ieva Jāgere, Director General of the Investment and Development Agency of Latvia (LIAA)

Fintech is an important sector for Latvia in terms of attracting investment and exporting high-value-added services, with significant potential for international growth. Its greatest advantage is the opportunity to develop technologies and financial services in Latvia that reach customers across multiple countries. This translates into investment in skilled jobs, innovation and expertise that strengthen the competitiveness of Latvia's economy.

Latvia's fintech sector development strategy also sets clear targets for the end of 2027: a 30% increase in the number of fintech companies, a 15% increase in investment attracted to the sector and an 18% increase in fintech employment.

LIAA's role is not only to promote Latvia as an attractive investment destination, but also to provide practical support to companies considering establishing operations here and to help them grow. We engage with potential investors at an early stage, while they are still evaluating different countries and comparing their business environments. LIAA's network of international representative offices helps us reach potential investors and establish initial contacts. In Latvia, we support companies in building relationships with local partners, navigating the business environment and connecting with relevant institutions, including Latvijas Banka.

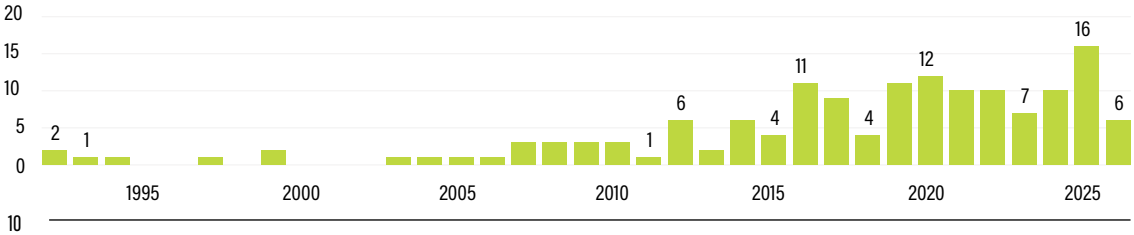
We actively support the international growth of fintech companies operating in Latvia. For example, in September 2026, together with the Fintech Latvia Association, we organised meetings in Berlin with German banks, institutional investors and potential business partners. In October, we also worked with the association to organise training sessions for LIAA's international representatives, strengthening our ability to attract new fintech companies in a more targeted and effective way.

Our goal is to build long-term partnerships with investors – from their initial interest in Latvia through to successful business operations, expansion and growth in international markets.

REGISTRATION YEAR

Registrations have been relatively high in recent years. Between 2021 and 2026, 59 of the 148 companies in the Fintech Observatory were registered, with 2025 recording the highest number (16 companies). Before 2016, annual registrations rarely exceeded six companies. This means that a significant share of the companies currently included in the Fintech Observatory are relatively young.

Companies by year of registration in Latvia

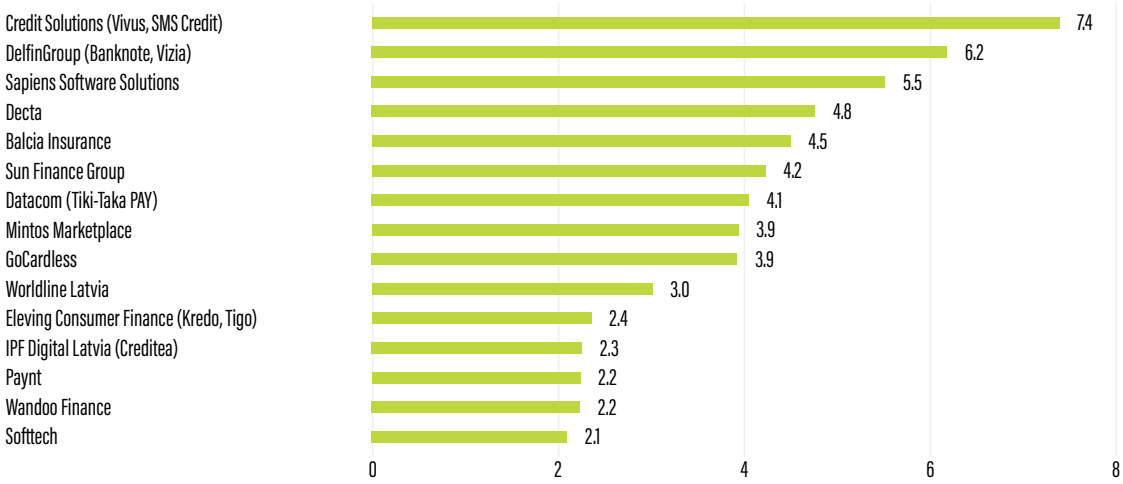


TOP 15 IN 2025

TOP 15 BY TAXES PAID

According to Fintech Observatory data, Credit Solutions moved up to first place in 2025, paying 7.4 million euros in taxes, followed by DelfinGroup (6.2 million euros) and Sapiens Software Solutions (5.5 million euros). The biggest climbers in the Top 15 were Paynt (up 6 places to 13th) and Softtech (up 5 places to 15th). The ranking is led by lending, payment and insurtech companies, with several companies changing positions compared with 2024.

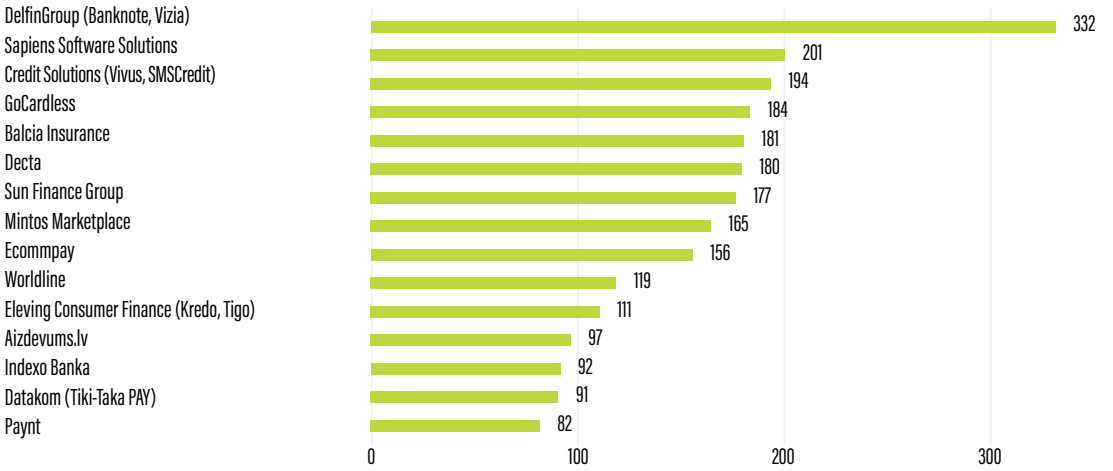
Taxes paid in 2025 (million, EUR)



TOP 15 BY EMPLOYEES

DelfinGroup is the largest employer among the companies monitored by the Fintech Observatory, with 332 people, followed by Sapiens Software Solutions (201) and Credit Solutions (194). The ranking is more stable than the tax ranking, with most companies maintaining their positions. The notable exceptions are Indexo Banka, which climbed seven places to 13th (92 employees), and Ecommpay, which dropped five places to 9th (156).

Employees 2025 by Company



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It is important to note that:

- the dataset includes fintech companies registered in Latvia that were active as of October 2026. The findings do not reflect companies that have ceased operations or the historical development of the fintech sector as a whole;
- the dataset includes companies that contribute to the Latvian economy through tax payments and employment, or that hold a financial services licence. Companies that serve Latvian clients and/or have Latvian founders but are not registered in Latvia are not included;
- the dataset applies a broad definition of fintech, aligned with the fintech typology developed by the Cambridge Centre for Alternative Finance;
- due to differing reporting requirements, comparable net turnover is not available for insurers, banks and investment platforms;
- financial data covers 2021-2025. 2025 turnover is not included for companies that have not yet filed their 2025 annual report, so they are not reflected in the 2025 total or in changes over time;
- company data is sourced from the Enterprise Register and provided via RBS Baltic Finance Center's partner CrediWeb.

03

LATVIA'S FINTECH ECOSYSTEM:

RIGA'S FINTECH SECTOR DRIVES EXPORTS, INVESTMENT AND GROWTH



Fintech is one of Riga's strongest export industries, with almost all Latvian fintech companies based in the capital and most of their revenue coming from international customers. The sector contributes to the city's economy through well-paid jobs, tax revenue and international visibility. Riga fosters its development through support programmes and industry events.



LINDA HELMANE,
Head of Investment at Riga Investment and Tourism Agency

> **"Fintech is one of Riga's strongest export industries. Almost all of Latvia's fintech companies are based here, and most of their revenue comes from customers abroad," says Helmane.**

One of the factors making Riga attractive to fintech companies is Latvia's regulatory environment. "Our biggest advantage is fast, predictable licensing and a regulator that works with companies. A fintech company can be set up in Latvia in three to six months, and Latvijas Banka offers free pre-licensing support. In 2025 eight new companies were licensed, but in the first three quarters of 2026 the number has already reached 25," Helmane explains.

Latvia has also made progress in crypto-asset regulation. In December 2025, Latvijas Banka issued the country's first two licences under the European Union's Markets in Crypto-Assets Regulation. "Riga is also cost-competitive. Latvia ranks first in the OECD for corporate tax, has 0% tax on reinvested profit and one of the best employee stock option frameworks in Europe," says Helmane.

Beyond regulation and taxation, Riga City supports companies through startup infrastructure, accelerators and talent attraction programmes. In 2025, the Riga Investment and Tourism Agency invested around 800,000 euros in startup and business support programmes, including relocation support for highly qualified specialists and members of the Latvian diaspora. "The city can focus on lowering the risk of starting and growing here. That means co-funding accelerators, helping companies bring in talent," Helmane says. One example is Startup House Riga, to which the city has committed 450,000 euros over three years.

Helmane also highlights the role of events in developing Riga's fintech ecosystem. In 2026, the city supported Baltic Fintech Days through the Riga Startup Ecosystem Support Programme. The event brought together fintech companies, investors, regulators and industry experts from across the Baltics and beyond, providing opportunities for local companies to establish international connections. Alongside Baltic Fintech Days, Riga supports a series of smaller fintech breakfast events focused on networking, exchanging experiences and sharing company success stories. "These initiatives provide founders and industry professionals with regular opportunities to meet and learn from one another, as well as reflect Riga's commitment to supporting the fintech sector at every level, from large international events to everyday community building," says Helmane.

LATVIA'S FINTECH SECTOR IS GROWING UP, BUT CHALLENGES REMAIN

Latvia's fintech sector is entering a new stage of development as companies expand their services, rethink their business models and increasingly consider becoming banks. However, access to talent, banking services and the limitations of Latvia's small domestic market remain obstacles to growth.



RAMONA MIGLĀNE,
Partner at law firm Sorainen

"Latvia's fintech sector is clearly maturing. Companies are rethinking their business models, adding new services and upgrading their licences, and traditional players are trying harder than ever to innovate themselves," says Ramona Miglāne, Partner at law firm Sorainen.

According to her, fintech companies are becoming more ambitious about the range of financial services they want to provide. Businesses that initially focused on payments are increasingly considering electronic money services and even banking. "Fintechs now treat licences like a career path. They start as a payment institution, move to an electronic money institution, and more and more often end up asking a question that sounded unrealistic five years ago: 'Why not become a bank?'" This shift suggests that companies are increasingly looking beyond their original business models, while established financial institutions face growing pressure to innovate," explains Miglāne.

GROWTH AMBITIONS MEET PRACTICAL OBSTACLES

Despite these ambitions, fintech companies in Latvia continue to face challenges that have little to do with developing new financial products. According to Miglāne, access to qualified employees and the cost of hiring remain among the industry's biggest concerns. Opening bank accounts is another recurring difficulty, with companies calling for faster processes.

"Access to talent, and what it costs, is still the number one complaint, followed closely by bank account opening, which could be a lot faster," she says.

Another challenge is the mismatch between the size of Latvia's domestic market and the international ambitions of fintech companies. Many businesses establish operations in Latvia with plans to serve customers across the European Union rather than focus primarily on the local market. "Fintechs are also frustrated when they're expected to show heavy substance and market share in Latvia, even though our market is small, already saturated, and most of them are built to scale across the European Union from day one," Miglāne explains.

The challenge for Latvia is therefore not only to attract fintech businesses, but also to create conditions that allow internationally oriented companies to develop and expand their operations. One example of Latvia's evolving financial services market is the introduction of the country's first legal framework for equity release lending. The amendments to the Consumer Rights Protection Law, adopted in August 2026, allow consumers to access the value of real estate other than their primary residence through a new type of secured loan. Sorainen helped develop the amendments on behalf of the Fintech Latvia Association, working with Latvijas Banka, government institutions and other stakeholders. The new framework came into force in September 2026.

FROM FINTECH STARTUP TO STOCK EXCHANGE

Looking ahead to 2027, Miglāne believes that one of the strongest signs of progress would be a Latvian fintech company making the leap from a regulated business to a publicly listed company. "My wish for 2027 is to see a licensed Latvian fintech go from regulatory approval all the way to a listing on Nasdaq Riga. That would be the strongest signal that the ecosystem has matured," she says.

Such a development would demonstrate that Latvia can support fintech companies beyond their initial establishment, helping them grow into businesses capable of attracting public-market investors.

Miglāne also believes Latvia has an opportunity to strengthen its position in the wider European fintech market, including in competition with the Nordic countries.

> **Latvia has a chance to write one of the best comeback stories in European fintech. We know what went wrong, we've fixed a lot of it, and now we can show the Nordics that Riga is a place to build, not just to get licensed," says Ramona Miglāne, Partner at law firm Sorainen.**

MONEYVAL EVALUATION REINFORCES LATVIA'S POSITION AS A TRUSTED INTERNATIONAL PARTNER

The latest MONEYVAL evaluation report recognises Latvia as an internationally respected jurisdiction with a transparent and resilient anti-money laundering system. This positive international assessment further strengthens also Latvia's credibility as a destination for fintech investment and development.



TOMS PLATACIS,
Head of the Financial Intelligence Unit of Latvia

In the latest MONEYVAL evaluation, Latvia achieved high or substantial levels of effectiveness in 10 of the 11 areas assessed, receiving the highest rating in five Immediate Outcomes and a substantial effectiveness rating in another five.

> **So far, no other country has achieved such a high level of effectiveness.**

"These ratings are not simply an assessment of whether Latvia's legal framework complies with Financial Action Task Force standards. It is about the effectiveness of a country's system, whether the system produces tangible results and if the actions the country has taken are aligned with its risks. The main conclusion is that Latvia has built an effective anti-money laundering system, which is the result of fundamental reforms in Latvia's financial system," explains Toms Platacis, Head of the Financial Intelligence Unit of Latvia.

A TRUSTED PARTNER IN THE INTERNATIONAL FINANCIAL COMMUNITY

Latvia was the first country to be evaluated under the new Financial Action Task Force and MONEYVAL assessment round. Platacis explains that one of the Latvian government's objectives in volunteering for the evaluation was to restore the international reputation of Latvia's financial sector.

"Back in 2018, Latvia was seen as a jurisdiction with strategic deficiencies in its anti-money laundering, with significant exposure to non-resident business and cross-border money laundering risks without corresponding controls and preventive measures. The current evaluation report presents Latvia in a fundamentally different light, as an internationally respected jurisdiction with a transparent and resilient anti-money laundering system. It has been internationally recognised that Latvia has strengthened its financial system, which protects our society and reinforces Latvia's reputation as a trusted partner in the international financial community," says Platacis.

The positive MONEYVAL evaluation strengthens Latvia's reputation among international partners and investors, providing a stronger foundation for the country's fintech sector to expand internationally. "As financial services are built on trust, this is the largest advantage of

the positive evaluation. For an internationally oriented fintech company, the reputation of the jurisdiction in which it is established matters to partners, investors, payment institutions, and customers. A strong international assessment of Latvia's anti-money laundering system provides an additional layer of credibility," Platacis points out.

This is particularly relevant as MONEYVAL rated financial sector and virtual asset supervision and preventive measures as substantially effective. Therefore, a strong and effective anti-money laundering system can be seen as an advantage for attracting fintech companies and investment.

HIGHLY EFFECTIVE AND ALIGNED WITH INTERNATIONAL STANDARDS

Latvia achieved the highest effectiveness ratings in five areas that form the foundation of a strong and resilient financial integrity system. The first, and arguably foundational, pillar is risk understanding and national coordination under Immediate Outcome 1. Latvia achieved the highest level of effectiveness in this area, demonstrating a strong understanding of financial crime risks and a coordinated national approach to addressing them.

The second pillar is the transparency and accuracy of beneficial ownership information. Reliable information on who ultimately owns or controls legal entities is essential for exposing hidden ownership structures and preventing their misuse for money laundering, sanctions circumvention and other illicit purposes.

The third pillar is financial intelligence. MONEYVAL recognised the Financial Intelligence Unit of Latvia as a highly effective institution that produces and disseminates high-quality financial intelligence used by competent authorities in money laundering investigations, prosecutions and the recovery of criminal assets.

The fourth pillar is asset recovery. "Latvia has demonstrated a strong ability to identify, trace, restrain and recover criminal proceeds – ensuring that the anti-money laundering system does not stop at detecting financial crime, but also targets the economic benefit derived from it," explains Platacis.

The fifth pillar is the implementation of targeted financial sanctions. Effective implementation of these sanctions is critical to preventing funds and other assets from being made available to persons and entities involved in the proliferation of weapons of mass destruction.

"Taken together, these five top-rated areas cover the full chain of an effective anti-money laundering system: understanding the risks, identifying who is behind legal structures, turning financial data into actionable intelligence, depriving criminals of illicit assets, and preventing the financial system from being used to support proliferation," emphasises Platacis.

The MONEYVAL evaluation highlights Latvia's strong overall performance in preventing and combating money laundering. "At the same time, the evaluation is not an endpoint. As money laundering evolves constantly, the system remains dynamic, risk-based and forward-looking.

> **"Latvia will ensure the risk-based approach by applying more controls where risks are high, while avoiding unnecessary burdens where risks are objectively low," says Platacis.**





04

LATVIA AS A FINTECH LICENSING DESTINATION

LATVIA'S FINTECH LICENSING BOOM ATTRACTS COMPANIES FROM AROUND THE WORLD

Latvia's fintech licensing activity is accelerating – in the first nine months of 2026, Latvijas Banka issued 25 fintech licences. Around half of the companies involved in licensing and pre-licensing processes have an international background, with interest coming from across Europe and as far away as Singapore and China.



MARINE KRASOVSKA, Head of Financial Technology Supervision Department of Latvijas Banka



ELĪNA DINDENDORFA, Senior Associate at Walless



AGNETA RUMPA, Senior Associate at Sorainen



AGNESE ALAINE, Head of Licensing and Sanctions Department of Latvijas Banka



ANNIKA LĪZE VALTERE, Assistant Lawyer at Sorainen

For some foreign fintech companies, one of the biggest surprises in Latvia is how easily they can speak directly with the country's financial regulator. Combined with a growing number of successful licensing cases and access to the European Union market, this has helped Latvia attract increasing international attention.

SHARP INCREASE IN FINTECH LICENSING ACTIVITY

The growth of licences issued is well visible: in 2025, Latvijas Banka issued 8 licences to fintech companies. "We are seeing growing interest in several types of licences, particularly in fintech, payment and electronic money services, crypto-asset services under Markets in Crypto-Assets Regulation (MiCA), and, more recently, specialised credit institutions. From a supervisory perspective, however, the question is not simply which licence is most in demand. We look at what business models are coming to Latvia, what risks they bring, and whether those risks can be properly managed from day one," emphasises Marine Krasovska, Head of Financial Technology Supervision Department of Latvijas Banka.

Latvijas Banka aims to remain open to market innovations while maintaining clear supervisory expectations and requirements. Its pre-licensing process allows potential weaknesses in governance, anti-money laundering, internal controls, information technology and operational resilience to be identified at an early stage.

> **"We offer access to a relatively innovation-oriented regulatory environment, but a licence is treated as a real supervisory responsibility, not simply as an entry ticket to the European Union market," notes Krasovska.**

"From the central bank's perspective, customer protection and financial stability remain fundamental. We expect companies that have sustainable business models, adequate capital, strong governance and the ability to manage risks as they grow. This is also why Latvia is becoming attractive to serious fintech companies: we offer access to a relatively innovation-oriented regulatory environment, but a licence is treated as a real supervisory responsibility, not simply as an entry ticket to the European Union market. Our role is to make sure that innovation develops without compromising customer protection, market integrity or financial stability," stresses Krasovska.

THE INTEREST IS EVOLVING

Looking at licences issued by Latvijas Banka in 2025 and 2026, the international interest is evident. Around half of the participants in licensing and pre-licensing processes have an international background. "Companies make their location decisions based on a combination of factors, including access to investment and capital, financial and operating costs, taxation, legal and regulatory requirements, access to talent and infrastructure, and, importantly, access to the wider European Union market," says Krasovska.

Law firm Walless has noticed that interest from foreign fintechs in getting a licence in Latvia is quite high.

> **"As more companies successfully obtain licences in Latvia, international interest continues to grow. These success stories encourage other businesses to take a closer look at the Latvian market, explore the regulatory environment and assess whether Latvia could be the right place to establish or develop their operations," says Elīna Dindendorfa, Senior Associate at Walless.**

During the last two years, law firm Sorainen has seen a sharp increase in the number of foreign fintechs seeking licences in Latvia. Following the implementation of the MiCA, crypto-asset service provider licences have become the most sought-after authorisation, although electronic money institution and payment institution licences also continue to attract strong interest. "A key factor behind this increase is that the regulator, Latvijas Banka, has demonstrated its willingness to engage in constructive dialogue with fintech companies, finding ways to balance regulatory expectations with business considerations. Latvijas Banka offers an unofficial pre-licensing stage, thereby making the licensing process more welcoming, transparent and accessible. There is also strong political support for making fintech a key driver of Latvia's economic growth," comments Agneta Rumpa, Senior Associate at Sorainen.

In the first three quarters of 2026, there are 12 licensed crypto-asset service providers in Latvia, of which Sorainen has advised five – Blockben, Nexdesk, Paybis, Twino and Noah. Sorainen has also counselled IBC Invest in the process of obtaining an investment firm licence and Fibonatix on its way to receiving a payment institution licence, as well as advising on a couple of crowdfunding provider licences, including Flow, and multiple ongoing projects, including a specialised banking licence.

"However, for us, the biggest success story is not a single or even several projects. Rather, it is that within a relatively short period of time, Latvia has become a recognised jurisdiction for fintechs and crypto-asset businesses, and this story is only just beginning," says Rumpa.

"We truly believe that every company that successfully completes the licensing process also contributes to Latvia's growing reputation as a credible destination for fintech businesses," emphasises Dindendorfa.

LATVIA ATTRACTS FINTECH INTEREST FROM WITHIN AND BEYOND EUROPE

In Sorainen's experience, within the European Union, the strongest interest has come from Lithuanian and Polish companies. "These jurisdictions historically had a supportive fintech environment and a high number of fintech companies; however, this has changed in recent years. Latvia is a natural choice for these companies geographically and culturally. German, Austrian, Spanish and other investors have also succeeded and continue to succeed in investing in Latvia," says Rumpa.

Also Walless sees particularly strong interest from Poland and Turkey, as well as a growing number of enquiries from other European countries, including Spain, Italy, France, Germany and Norway. "In the case of Poland, we believe that the interest is partly driven by the local regulatory and policy environment, including the considerable influence of the banking sector on fintech policy. However, what attracts companies to Latvia is not simply the situation in their home markets, but the opportunities that Latvia itself can offer," says Dindendorfa.

There is also growing interest from Southeast Asia, particularly Malaysia and Singapore. For companies from these markets, Latvia is increasingly being considered as a potential European headquarters from which they can establish and develop their business across the European Union, explains Dindendorfa.

There is also strong interest from the United Kingdom, China, ans Turkey. "The common rationale for these companies is to gain access to the European Union market. Latvia has proven to be an attractive jurisdiction for this purpose," explains Rumpa.

DIRECT ACCESS TO THE REGULATOR SETS LATVIA APART

When considering a licence in Latvia, the first question from foreign fintechs is usually: 'Why Latvia?' And Dindendorfa has an answer: "One of Latvia's greatest advantages is the accessibility of its regulator, Latvijas Banka. In many jurisdictions, companies do not have the opportunity to communicate so openly and directly with the regulator, arrange consultations or discuss their business models before formally entering the licensing process."

Being a smaller country also has its advantages: communication can be more direct, stakeholders are easier to reach, and practical questions can often be addressed efficiently. "This genuinely surprises many foreign companies. Some find it difficult to believe that such direct communication with a financial regulator is possible," shares Dindendorfa.

Latvia's increasing international visibility also plays an important role. "Thanks to the efforts of the Investment and Development Agency of Latvia, together with various industry associations, we have opportunities to participate in international fintech conferences, specialised events and industry fairs, where we can meet foreign companies face to face, introduce them to Latvia's fintech ecosystem and explain the opportunities available here. These personal connections are extremely valuable. Quite often, a conversation at an international event is the first step towards a company seriously considering Latvia as its licensing jurisdiction," Dindendorfa notes.

At the same time, Latvia's geographical location and the geopolitical situation in the region can initially raise concerns among international businesses. "However, once companies visit Latvia, meet the regulator and local professionals, and gain a better understanding of the business environment, many of these concerns can be addressed," says Dindendorfa.

ACCESS TO EUROPEAN MARKET REQUIRES GENUINE LOCAL OPERATIONS

One of the advantages of the European Union regulatory framework is that once

a company is authorised in a European Union Member State and meets the relevant requirements, it can, in many cases, provide services across the European Union through the applicable passporting framework. "From our perspective as a supervisor, however, obtaining a Latvian licence cannot be viewed simply as obtaining an European Union passport. We expect applicants to establish genuine substance and meaningful operations in Latvia, a robust compliance and internal control system, with appropriate governance, management, risk management and control functions corresponding to the nature and scale of the business. We assess this as part of the authorisation process," emphasises Krasovska.

To obtain a licence in Latvia, fintech companies need to have a local presence. They are expected to establish themselves in Latvia upon receiving a licence from Latvijas Banka. Because of that, prospective applicants typically want to understand how many employees will be required locally, and to what extent day-to-day management is expected to be carried out from Latvia. "Latvijas Banka expects licensed companies to have a genuine presence in Latvia; however, the regulator takes a practical approach to these arrangements, especially during the initial period of operations," comments Rumpa.

GOOD PREPARATION MAKES LICENSING FASTER AND SMOOTHER

"A successful licensing process is critically dependent on the preparation phase, during which the applicant clearly defines its proposed business model, assesses its capital requirements, familiarises itself with the applicable regulatory framework, and engages a team of experienced professionals or advisers to support the preparation of the required documentation and information," says Agnese Alaine, Head of Licensing and Sanctions Department of Latvijas Banka.

A foreign company preparing for its first conversation with Latvijas Banka should be ready to explain why it wants to establish a business in Latvia, what activities it intends to conduct here and how Latvia fits into its overall business strategy. "From a supervisory perspective, this is important because we expect a company applying for a Latvian licence to have genuine substance and meaningful operations in Latvia.

We are not looking for a licence on paper, with the real business conducted elsewhere," says Krasovska.

Companies should also be able to explain what services they intend to provide, who their customers are, which markets they plan to serve and how the business will generate revenue.

Another important aspect is governance and risk management. Latvijas Banka wants to understand who is responsible for the business, where key functions will be located and how the company intends to manage risks related to anti-money laundering and counter-terrorism financing, customer protection, information and communication technology, operational resilience and outsourcing. "Be open. The first conversation is an opportunity to identify questions and potential gaps early. We do not expect a company to have everything perfect. For this purpose, the pre-licensing process has been established. What makes the process smoother is a clear, realistic and transparent discussion about the business model, the proposed presence in Latvia and how the company intends to meet the regulatory expectations," explains Krasovska.

Alaine highlights one more important factor. "Another critical factor is the quality of documentation and the company's ability to respond promptly and substantively to supervisory requests. We see the best results when companies submit well-prepared documents that genuinely reflect their business models, operational processes and risk profiles," says Alaine.

Also Dindendorfa is sure that the most important factor is how well prepared the company is before submitting its application and whether it has gone through an effective pre-licensing process. She always encourages clients to assess their internal readiness at an early stage. "If the internal processes, governance structures, compliance arrangements and key personnel are already in place, the licensing process can be significantly smoother and more efficient. In our experience, investing sufficient time in preparation and presenting a clear case to the regulator in the pre-licensing process is often the best way to save time during the actual licensing process," explains Dindendorfa.

INNOVATION AND EFFECTIVE SUPERVISION ARE NOT OPPOSITES

Foreign fintech founders often highlight how quickly they can arrange a meeting with Latvijas Banka and how smoothly the licensing process can proceed. Krasovska explains that this openness reflects the central bank's approach to innovation and supervision. "Our openness comes from a clear understanding that innovation and effective supervision are not opposites. As a central bank and supervisor, our role is to understand new business models early, identify the risks they may create, and make sure those risks can be managed appropriately. That is why we are willing to engage with companies at an early stage. A first conversation does not mean that we are giving a company any assurance that it will receive a licence. It gives both sides an opportunity to understand the business model, the regulatory perimeter and the supervisory expectations early in the process."

However, the speed of licensing still depends on the applicant's readiness. "Where significant gaps remain, naturally, more time is needed to address them," says Krasovska.

Latvijas Banka has invested in making the licensing process more structured and predictable. The objective is not to lower regulatory standards, but to reduce unnecessary uncertainty and bureaucracy. "We expect companies to be able to approach

the supervisor, ask questions and understand what is expected of them. But ultimately, authorisation depends on whether the applicant can demonstrate that it has a sustainable business model and the appropriate governance, resources and risk-management capabilities to operate safely," Krasovska insists.

LICENCING TAKES TIME

When considering a licence in Latvia, the top question foreign fintechs ask Sorainen experts is: 'When can we expect to receive the licence?' In practice, the answer varies considerably, with certain extraordinary precedents, e.g., some crypto-asset service provider licences have been granted in about half a year, including preparation time.

The length of the licensing process depends on the company's preparedness and ability to actively engage in the preparation of the application, as well as on the licence type sought, but the entire process generally takes 6–12 months. The pre-licensing process usually takes 2–3 months, including the time needed to receive Latvijas Banka's feedback. Once pre-licensing is complete, in Sorainen's experience preparing the licensing documentation for the formal licensing process takes 1–3 months. For special types of licences, such as specialised banking licences, and for extraordinary situations, the process may take longer, explains Rumpa.

One of Walless's recent success stories is supporting AlphaRoute in obtaining Class 3 authorisation from Latvijas Banka to provide crypto-asset services under the European Union's MiCA regulation. "This case is particularly meaningful because it was the first licence for operating a trading platform in Latvia, and the licence was issued in around one month, following close cooperation between all parties. It demonstrates that Latvia can offer a competitive and accessible environment for innovative financial services businesses seeking to operate within the European Union's regulatory framework," says Dindendorfa, adding that a relatively quick process is possible, although it should certainly not be considered the standard timeframe or a guarantee for other applicants.

EMBRACING INNOVATION WHILE MANAGING RISKS

From Latvijas Banka's perspective, fintech is increasingly important to the development and modernisation of Latvia's financial sector. "Fintech can contribute through investment, new business models, technology, skilled jobs and greater competition in financial services. It can also help Latvia become more connected to the wider European financial market. For a relatively small economy, attracting internationally oriented financial businesses can have an impact beyond the companies themselves, through the wider ecosystem of technology, professional services and talent," says Krasovska.

She believes that Latvia's opportunity is not simply to attract more fintech companies, but to build an ecosystem where innovative businesses can grow, establish meaningful operations, create value in Latvia and meet high regulatory and risk-management standards. "That is where I see the sustainable role of fintech in Latvia's economy evolving," emphasises Krasovska.

Alaine agrees that the focus should extend beyond attracting new companies and making licensing more accessible. "This is also where we see an important priority for the entire fintech ecosystem. We should focus not simply on attracting new market participants or facilitating access to licensing, but also on systematically raising the industry's professional competence, governance standards and regulatory maturity," says Alaine.

At the same time, Latvijas Banka's priority as a central bank and supervisor is to ensure that fintech growth remains sustainable and does not come at the expense of financial stability, market integrity or customer protection. A larger fintech sector also brings new and potentially more complex risks that need to be understood and supervised. "Looking ahead, we expect the sector to become more integrated into the broader financial system. We will see more convergence between traditional financial institutions and technology companies, as well as continued development in areas such as payments, digital assets, artificial intelligence and other technology-enabled financial services," believes Krasovska.



FINTECH LICENCES ISSUED BY LATVIJAS BANKA



IN Q1–Q3 2026

Crypto-asset service providers

- Paybis Europe
- Neverless
- Trek Technologies
- AlphaRoute
- Bleap
- Hodleris
- Nodu Digital
- Atrya Technologies
- Noah LV
- IBS Twino Investments

Electronic money institutions

- Moneliq Europe
- NorthernTech
- Moin Payments

Payment institutions

- Catego
- Paybis Europe
- Trek Technologies
- Nexdesk
- Fibonatix
- Nodu Digital
- Velvian
- Neverless
- Noah LV

Crowdfunding service provider

- Fundaus

Investment firms

- pinyya invest
- IBC Invest

IN 2025

Crypto-asset service providers

- Nexdesk
- BlockBen

Electronic money institutions

- AP Operations
- Pace FS
- GR8 Pay

Crowdfunding service providers

- Ascend Finance
- Flow
- CSP Growth Solutions

FINMID CHOOSES LATVIA FOR EUROPEAN FINANCING OPERATIONS

European fintech company finmid, founded by former N26 executives, has chosen Latvia for its licensed operations. The company's ambition is to become the financing layer for business-to-business platforms across Europe.



MAX SCHERTEL, co-founder and CEO of finmid

Finmid specialises in embedded financing for business-to-business platforms, allowing businesses to access funding directly through the services they already use. Platforms such as Wolt, Bolt, Delivery Hero, Teya and myPOS can offer financing to their merchants, while finmid handles the underlying processes, including credit assessment, payouts and collections.

Finmid has a team of around 45 people and works with more than 20 platform partners. "Together, we have made more than 4 billion euros in financing offers to merchants across 30 European markets. About 85% of merchants come back for further financing, and financed merchants have grown their revenue on partner platforms by up to 45%," shares Max Schertel, co-founder and CEO of finmid..

2026 has been the busiest year for finmid so far. They launched with Sliq in Cyprus, efood Capital in Greece and myPOS in Italy. With Bolt, they moved into vehicle financing for fleet operators in Germany, with Teya they brought financing to businesses in Croatia and Hungary, but Wolt Capital launched in Norway.

LATVIA WINS OVER OTHER EUROPEAN COUNTRIES

In July 2025, finmid's Latvian subsidiary, Ascend Finance, received a crowdfunding licence from Latvijas Banka. Before choosing Latvia, the company evaluated several European jurisdictions, including Ireland, the Netherlands, Luxembourg, Germany and Lithuania. Three factors influenced the decision: access to local talent, straightforward administrative procedures and a responsive financial regulator.

"For us, Latvia had the best combination across these factors," says Schertel.

Finmid already had a small team in Latvia. Another important factor was the level of digitalisation in public administration, with almost all procedures involved in running a business available online. "In our conversations with regulators across different countries, Latvijas Banka made a very good impression: it was quick to react, easy to reach and open in discussions, and it went deep to understand our model in a pragmatic, business-oriented way," he notes.

Finmid also considered different types of financial licences. "We also compared licence types: payment services, e-money and, briefly, a banking licence. Our business is about matching the supply of capital with small and medium-sized enterprises' demand for it, and a crowdfunding licence fits that model best," Schertel explains.

He has one piece of advice for other fintechs preparing for licensing: "Understand what the regulation is really trying to protect against, and think about the risks in your business as a whole rather than one requirement at a time."

FINMID BRINGS N26 EXPERIENCE TO LATVIA

Schertel stresses that Rīga is home to Ascend Finance, finmid licensed entity, and to the company's risk and compliance teams. The Latvian team currently consists of five people, and finmid plans to expand it. "While we also serve Latvian businesses, our focus is on Europe as a whole, which we see as a great economic opportunity for Latvian companies. That's why we're especially interested in working with platforms headquartered in the Baltics that operate across Europe," he says.

Finmid was founded by former N26 executives Max Schertel and Alexander Talkanitsa. "At N26 we learned how to build regulated financial products at scale, and that risk and compliance have to be part of the product from day one, not added later. That's why we built our own licensed entity early and kept risk and compliance in-house. What we do the same is obsess over a simple, fast experience for the end customer. What's totally different is who we serve: N26 built a brand for consumers. At finmid, we stay in the background. Platforms like Wolt and Bolt offer financing to their merchants inside the tools they already use, and we handle the underwriting, payout and collection, so businesses never even see finmid. That said, commercial banking can learn a lot from consumer banking: how quick and seamless financing can be, and how well-integrated processes can turn a historically tedious task into something that no longer gets in the way of running a business," notes Schertel.

> **"Rīga is home to Ascend Finance, and we plan to grow the team here. While we also serve Latvian businesses, our focus is on Europe as a whole, which we see as a great economic opportunity for Latvian companies," says Schertel.**

In October 2026, finmid raised 17 million euros, bringing its total funding to 52 million euros. N26 co-founder Maximilian Tayenthal is also among finmid's investors, alongside venture capital firms Big Pi Ventures, Mainset, and Earlybird. "The 17 million euro round, led by Big Pi Ventures with Mainset and Earlybird, will go into developing our asset-finance products, our multi-source funding infrastructure and our underwriting. It also supports our move into new platform categories such as mobility and e-commerce," shares Schertel.

FROM RIGA TO EUROPE: PINYYA SETS OUT TO MAKE HOMEOWNERSHIP MORE ACCESSIBLE

Austrian-founded fintech pinyya is building a new way for Europeans to become homeowners, and Latvia will be at the centre of its plans. With a licensed investment firm in Riga, the company is preparing to launch its platform in early 2027, starting with projects in Austria before expanding across Europe.



THOMAS KÖCK,
CEO and co-founder of pinyya

The Latvia-based investment platform pinyya makes homeownership accessible through a model the company calls 'Aligned Ownership'. Aspiring homeowners buy a share of their home that is feasible for them today and increase their ownership step by step over time: own what they can, rent the rest. And investors in the platform finance the remaining share through a transparent, regulated structure. "We only win when homeowners and investors win together," explains Thomas Köck, CEO and co-founder of pinyya.

FROM BANKING EXPERIENCE TO A NEW BUSINESS MODEL

The idea behind pinyya dates back to 2020, when he was CEO of an Austrian home loan and savings bank. Köck saw that homeownership was becoming increasingly difficult to afford, even for people with stable jobs and strong financial prospects. This raised a question: could homeownership become more flexible, allowing people to gradually increase their share or sell part of it as their circumstances change? That question led him and his co-founders to create pinyya.

Asked about banking experience, Köck says it taught him two things. First, how to manage risk: credit assessment, regulation, compliance, and the discipline of getting the foundations right before you scale. "We brought all of that into pinyya, and it's why we started with the licence rather than the app," he explains. Second, Köck saw how rigid the path to homeownership is today. "It's a binary decision: either you can finance the whole home, or you stay a tenant. There is nothing in between. That's what we do differently at pinyya. Homeowners buy the share they can afford today and grow into full ownership over time, while investors hold the rest. Both sides benefit from the same home, so their interests are genuinely aligned. It's not a replacement for the mortgage, it's the missing step in between," emphasises Köck

EUROPEAN LAUNCH, GLOBAL AMBITIONS

"We plan to go live in early 2027," shares Köck. The investment platform will launch from Latvia, while on the homeowner side, pinyya will start in Austria and then expand across Europe.

> **"From Riga, we hope to grow into a truly European platform," says Köck.**

Their first goal is to cover the European market, but in the long run pinyya wants to become a global provider. Köck is sure: "The problem we're solving isn't European, it's universal. We see different approaches to it in the UK, Canada, the US, Australia, Turkey and even Vietnam, to name just a few. What works in our favour is that it's not only the economics that have changed, but society. For the baby boomer generation, the path was clear: a 20-year mortgage, a few tight years while income was still low, but you were building for the future. Careers were more linear, and life plans were more predictable. That's no longer the case for many people today. And with a traditional mortgage, over time a lot of your wealth ends up tied up in your home, and it's hard to access when you need it, for example if you lose your job. A flexible model, where you can invest in your own home step by step, but also scale back your share when life changes, simply fits the way people live today."

WHERE DOES THE RELEVANT EXPERIENCE ALREADY EXIST?

"From day one, pinyya was designed as a European platform, not an Austrian one with an export plan. So we decided early on to set up a European investment firm. That also meant we didn't want to do everything in Austria: we wanted access to the best talent, advisers and support wherever in Europe we could find them," says Köck.

To decide where to get the licence, the key question was: Where did the relevant experience already exist? If pinyya had opted for a European crowdfunding licence, the company would most likely have gone to Vilnius, which was the hub for that licence type at the time.

> **"Since we chose an investment firm licence, Riga was the natural choice. Latvia had already licensed a number of investment platforms, so there is a mature ecosystem: lawyers and tax advisers know the field, and Latvijas Banka knows the processes and requirements. That makes the dialogue much easier and more open," explains Köck.**

The decisive moment came in the early conversations – first with local lawyers and then with Latvijas Banka itself. "We felt a remarkable understanding of the needs of a startup and how to work with them. After that, choosing Riga was an easy decision," says Köck. He emphasises: "Latvia is the heart of pinyya. Our licensed investment firm, pinyya invest, operates the investment

platform from Riga, supported by the other group companies that make the whole process work."

REGULATION FIRST

"When we started pinyya, we made a deliberate choice: regulation first. Before building the product, we wanted to be clear about the framework we would operate in, rather than build something that might work well but doesn't fit the regulatory framework. Our users trust us with their homes and their capital, so 'move fast and break things' was never an option," explains Köck.

The application itself took six months, but pinyya invested about twelve months in preparation beforehand – in that time the team clarified the requirements, drafted the documentation, built the corporate and governance structures and put together the right team. "Several of us come from banking, so we knew how important it is to get the foundations right from day one. This applies above all to anti-money-laundering and know-your-customer processes. If these processes aren't set up properly from the start, fixing them later is costly, if it's possible at all. So the biggest challenge was simply the amount of work. Experience makes a real difference. What made it easier was the communication with Latvijas Banka, which was uncomplicated and smooth throughout. For us, regulation isn't an obstacle to innovation. It's the design constraint that makes the product trustworthy," emphasises Köck.

FIBONATIX PICKS RIGA AS THE BASE FOR ITS EUROPEAN PAYMENTS BUSINESS

Israeli-founded payments company Fibonatix plans to begin operations in early 2027, serving small and medium-sized businesses across Europe and the United Kingdom.



TAL MILLER,
CEO of Fibonatix

Fibonatix has chosen Latvia as the base for its European operations. It received a payment institution licence from Latvijas Banka in June 2026, allowing it to provide payment acceptance services to merchants. The licence also allows the company to provide services in 29 other European countries through the European Economic Area's passporting mechanism.

Fibonatix was established more than a decade ago with the ambition of making payment services more accessible to businesses whose needs were not always adequately addressed by traditional providers. Over the years, Fibonatix has evolved into an international payments company, combining proprietary technology, specialist industry expertise, and a highly experienced team.

"We have been licensed in the United Kingdom since 2018, and obtaining our Latvian financial services licence represents another significant milestone in our development," notes Tal Miller, CEO of Fibonatix. Today, Fibonatix employs close to 60 people across companies offices in Manchester, Krakow, Petah Tikva, and Riga, serving hundreds of business clients across Europe and the United Kingdom. "Our focus remains on building long-term relationships with our clients and strengthening our capabilities as we enter the next chapter of our European expansion," shares Miller.

PAYMENTS FOR COMPLEX SECTORS

Fibonatix serves small and medium-sized businesses in Europe and the United Kingdom. It focuses on sectors that traditional financial institutions often consider complex or do not fully understand. Asked for examples, Miller mentions businesses operating in the cannabis-derived products industry and the digital asset sector. "Both are rapidly evolving markets where regulation, public perception, and business models can vary significantly. For instance, there is a clear distinction between legally marketed cannabis-derived wellness products and other cannabis-related activities, just as there is between blockchain technology providers and companies offering cryptocurrency-related financial services. We chose to focus on these sectors because we believe businesses deserve to be assessed on their individual merits rather than broad industry labels. By combining specialist industry knowledge with rigorous compliance and risk management, we can better understand their needs and provide reliable payment solutions without compromising our standards, explains Miller.

He believes many of these businesses are legitimate but struggle to get the financial services they need: "Complexity should not automatically lead to exclusion." The company's approach is to assess each business's risks individually and build payment products around them while keeping to high compliance and risk-management standards. In practice, it starts

with taking the time to understand the business beyond its industry classification. "We look at what the company actually does, who its customers are, how its products or services are delivered, and how payments flow through its business. This allows us to identify the specific risks involved and determine whether and how we can support the business. Where appropriate, we can then tailor the payment solution and the controls around it to the company's particular needs. The important distinction is that we don't apply a one-size-fits-all approach, but our compliance standards remain consistent. We believe that understanding a business better allows us to manage risk more effectively, rather than simply avoiding complexity," believes Miller.

BUILDING A LONG-TERM PRESENCE

When Fibonatix decided to pursue a European financial services licence, the company considered several jurisdictions across Europe.

"We were looking for more than just a suitable regulatory framework – we wanted to establish ourselves in a country where we could build a long-term presence and develop a constructive relationship with the regulator," says Miller.

He praises the interaction with Latvijas Banka. From the initial discussions, Fibonatix was impressed by the regulator's deep understanding of the payments industry and its approach to engaging with businesses. "We found them to be highly knowledgeable and professional, but also open to constructive dialogue and genuinely interested in understanding the businesses they supervise. That combination made a strong impression on us and gave us confidence that Latvia was the right place to establish our regulated European operations," shares Miller.

PREPARATION TAKES TIME

The licensing process took about a year, including preparation before the formal application. Miller explains applicants must show not only a viable business model but also the governance, expertise, systems and controls of a responsible financial institution. Because the company knew what to expect, there were no major surprises.

Recruitment, however, was more challenging. "Latvia has a strong pool of financial services professionals, but it is also a relatively small country. Naturally, this means that the number of candidates with the specific experience and qualities we were looking for was more limited than in some larger markets. As a result, certain recruitment processes took longer than we would have liked," openly shares Miller.

The company addressed this challenge by working with a local recruitment agency, which was actually a departure from Fibonatix's usual approach, as the company has traditionally managed recruitment internally. This helped to identify candidates with the specific expertise and qualities the company was looking for, without compromising on its standards.

"Looking back, I believe the process was extremely valuable. It required a significant investment of time, effort, and resources, but it also helped us establish the foundations for a strong and sustainable operation," says Miller.

BUILDING FIBONATIX'S FUTURE IN LATVIA

In Latvia, Fibonatix has already taken the first steps towards establishing its presence. The company has opened an office in Riga and is building its local team, led by Fibonatix's Head of Risk, Olga Kuliševska.

"The team is currently working on the preparations necessary for us to commence operations at the beginning of 2027. Our ambition is to make Latvia the cornerstone of Fibonatix's European operations. We want to build a strong local team, develop lasting relationships within the Latvian financial ecosystem, and use our presence here to support our broader European growth. We see this as a long-term commitment," emphasises Miller.

Fibonatix's priority is to successfully commence operations in early 2027, ensuring that the company has the right infrastructure, partnerships, and operational capabilities in place from day one. From there, Fibonatix intends to gradually expand its activities, grow the local team, and establish strong relationships within Latvia's financial services ecosystem. "Over the following years, our ambition is to develop Riga into the central hub of Fibonatix's European operations, supporting our expansion into additional European markets. We see this as a gradual, long-term process, with an emphasis on sustainable growth, operational excellence, and maintaining the high standards that helped us obtain our licence in the first place," notes Miller.

NOT ONLY A BUSINESS BUT ALSO A PERSONAL REASONS

The decision to establish operations in Latvia also had a personal dimension for Miller. His father was born in Riga, and growing up, Miller heard many wonderful stories about the city and Latvia in general.

"We even had a coffee table book filled with photographs of Riga, which I remember spending hours looking through as a child. So, in a way, Riga was a familiar place to me long before I ever had the opportunity to do business there. Of course, the decision was ultimately a commercial and strategic one, but I would be less than honest if I said that personal connection didn't make it particularly meaningful for me," adds Miller.



WHAT FINTECH COMPANIES GET WRONG ABOUT LICENSING

UNDERESTIMATING THE PREPARATION REQUIRED AND THE TIMELINES

"Some companies assume that obtaining a licence is primarily a legal documentation exercise, when in fact it is an exercise in setting up a fully functioning and operational business. Regulators expect applicants to demonstrate that their governance, internal controls, compliance procedures and operational arrangements are ready to support a regulated business. While some licensing processes can be completed relatively quickly, this depends heavily on the company's readiness and the complexity of its business model. Starting the process or planning market entry around overly optimistic timelines before these elements are sufficiently developed can lead to unnecessary delays. Realistic planning and early preparation are therefore essential," notes Elīna Dindendorfa, Senior Associate at law firm Walless.

TREATING THE LICENSING PROCESS AS A FORMAL REQUIREMENT

"A licensing process is not simply about submitting policies, procedures and forms that the regulator requests; it requires companies to critically assess, think through and often redesign key aspects of their business," emphasises Agneta Rumpa, Senior Associate at law firm Sorainen.

CHANGING THE PLAN, THE COMPANY STRUCTURE AND THE FUNDING STRUCTURE SEVERAL TIMES DURING THE PROCESS

"This results in a need to change already finalised documents and sometimes reshape the story for the regulator. This can significantly lengthen the process and create unnecessary frustration for all involved parties. Let's present a clear case and stick to it as much as possible," suggests Dindendorfa.

TOO OPTIMISTIC AND UNREALISTIC FINANCIAL PROJECTIONS IN GENERAL AND SPECIFICALLY REGARDING CLIENT ATTRACTION AND BUSINESS VOLUMES

"Our experience clearly demonstrates that the higher the maturity level of a potential market participant, the more efficient and constructive our cooperation becomes. Companies with strong governance, experienced management, sound compliance practices and a clear understanding of regulatory expectations generally move through the licensing process much more efficiently," says Agnese Alaine, Head of Licensing and Sanctions Department of Latvijas Banka.

INABILITY TO PROVE THE LEGITIMATE ORIGIN OF FUNDS

"Sometimes, we still see cases where applicants struggle to prove that their financing comes from legitimate sources, especially if the capital has been acquired over a longer period," mentions Rumpa.

INSUFFICIENT LOCAL PRESENCE

"Some applicants assume they can obtain a licence in Latvia while operating almost entirely from another jurisdiction. In practice, the company must establish sufficient local presence. Specific requirements differ, but at least some members of the management board and other key senior officers must be present in the country. Establishing an office in Latvia and employing local employees must also take place at stages acceptable to the regulator," points out Annika Līze Valtere, Assistant Lawyer at Sorainen.

"Companies sometimes underestimate the importance of establishing a genuine operational presence in the licensing jurisdiction. Having appropriate management, qualified personnel, clear responsibilities and sufficient resources is essential. A licence should reflect a business that is capable of operating effectively, not simply a formal presence in a particular country," explains Dindendorfa.

MANAGEMENT FAILING TO MEET FIT AND PROPER REQUIREMENTS

"From our supervisory perspective, the best examples of successful collaboration between regulators and market participants are those where companies demonstrate a high level of professional and organisational maturity. There are several factors that make a real difference. First, companies work with competent and experienced legal advisers who understand the regulatory framework and its practical application. Second, the companies themselves have strong professional expertise in their business models and associated risks. Third, and perhaps most importantly, shareholders and management clearly understand what good governance means and recognise their own responsibility for compliance, risk management and the effectiveness of internal controls," says Alaine.

LACKING A SUFFICIENTLY EXPERIENCED CORE TEAM

"Some applicants lack sufficient senior personnel with relevant experience in compliance, anti-money laundering and counter-proliferation financing, risk management, IT, cybersecurity, and business operations. This is particularly evident in fast-growing start-ups, which have typically focused on building their product, rather than developing the governance, compliance, and control frameworks expected of regulated companies," says Rumpa.

ASSUMING EXTERNAL ADVISERS CAN DO ALL THE WORK

"External advisers can guide the process and draft document templates that companies must later supplement with business-specific information. However, Latvijas Banka expects companies to demonstrate how their business processes are aligned with the policies and procedures, which requires the company's deep involvement in the process," explains Valtere.

RELYING EXCESSIVELY ON OUTSOURCING

"Many foreign fintechs build their operations around third-party service providers, often from outside the European Economic Area. While outsourcing is permitted, companies often underestimate the extent of oversight they must retain. The regulator expects companies to monitor and manage outsourced activities, especially where critical functions, IT systems, cybersecurity or business continuity arrangements are involved," notes Rumpa.

RISK ASSESSMENT IS NOT ALIGNED WITH THE BUSINESS PLAN, ESPECIALLY REGARDING ANTI-MONEY LAUNDERING

"Shareholders and senior management do not always fully understand the extent of their responsibility for establishing and maintaining an effective internal control framework. Compliance cannot simply be delegated to external advisers or a compliance officer. Accountability ultimately remains with the management body," notes Alaine.

GENERIC POLICIES AND PROCEDURES THAT DO NOT REFLECT ACTUAL BUSINESS OPERATIONS

"One of the most common challenges we encounter is the use of generic, template-based policies and procedures that have not been properly tailored to the company's actual activities. Documentation may appear compliant on paper, but it does not necessarily reflect how the business operates in practice. This creates inconsistencies, raises additional supervisory questions and significantly prolongs the licensing process," shares Alaine.

LACK OF TRANSPARENCY ABOUT PAST ISSUES

"Sometimes, companies or individuals at board or management level have experienced reputational, regulatory or other difficulties in the past and are reluctant to disclose them. However, attempting to conceal such information can seriously damage the regulator's trust. It is always better to be transparent, explain the circumstances and demonstrate how any previous issues have been addressed," says Dindendorfa.

TREATING THE LICENCE AS THE FINAL OBJECTIVE

"Obtaining a licence is an important milestone, but it is only the beginning of operating as a regulated financial services provider. Companies must be prepared to maintain ongoing compliance, manage regulatory risks and adapt to changing requirements. The most successful applicants are those that approach licensing as part of their long-term business strategy rather than a one-off administrative process," points out Dindendorfa.

05

CRYPTO AND DIGITAL ASSETS



INTERNATIONAL CRYPTO COMPANIES ARE CHOOSING LATVIA

Latvia has emerged as a leading destination for international crypto businesses, with 12 licences issued under the European Union's Markets in Crypto-Assets Regulation (MiCA) and more than 40 companies pursuing licensing in the country. Interest is coming from countries including the United States, Israel, Turkey and Singapore.



REINIS ZNOTIŅŠ, Executive Director of the Latvian Blockchain Association

"The next measure of success will be translating licensing momentum into lasting local operations, skilled jobs, investment and services developed from Latvia. Our ambition should be to make innovation a continuous national priority, with Latvia consistently helping promising new segments develop," says Reinis Znotiņš, Executive Director of the Latvian Blockchain Association.

A YEAR OF GROWTH AND MATURATION

For Latvia's crypto and blockchain industry, 2026 has been a year of growth and maturation. According to the Latvian Blockchain Association's industry tracking, Latvia leads not only the Baltics but also the Scandinavian and Polish region in the number of MiCA licences issued. "Backpack is a particularly strong success story: an international brand choosing Latvia for its European operations and obtaining both crypto-asset service provider and payment institution licences. Other examples include Nodu Digital and Noah LV, which also received both types of authorisation, demonstrating the growing connection between crypto and payments," says Znotiņš.

Through the Latvian Blockchain Association's industry outreach, Latvia has attracted more than 40 companies interested in obtaining licences in the country. These companies are at different stages of preparation and application.

While Lithuania retains a larger, more established fintech ecosystem, particularly in payments, and Estonia remains a strong competitor for technology businesses and talent, Znotiņš sees Latvia's particular strength in close cooperation between the industry, policymakers and the regulator. Latvia's lead is also reflected in the licensing figures: currently, the country has twice as many MiCA-authorised providers as Lithuania and four times as many as Estonia. "In my assessment, Latvia also offers stronger, more constructive and coordinated regulatory dialogue, legislative engagement and political support specifically for the crypto industry. The Latvian Blockchain Association has played an important role in building this environment through sustained cooperation with Latvijas Banka, ministries and Parliament," explains Znotiņš. He also points out that other businesses in Latvia are growing alongside the crypto sector: "For example, Magnetiq Bank has developed into the first truly fintech-supportive bank, and law firms such as Sorainen, Walless and Glimstedt are increasingly focusing on supporting this sector."

"Latvia offers strong, constructive and coordinated regulatory dialogue, legislative engagement and political support specifically for the crypto industry," says Znotiņš.

REGULATION BRINGS OPPORTUNITIES … AND CHALLENGES

The introduction of MiCA has made it possible for authorised crypto businesses to serve customers across the European Union under a common regulatory framework. For Latvia, that has created an opportunity to attract international companies, although the new rules also impose demanding requirements. "Latvijas Banka's pre-licensing consultations are an important advantage, helping applicants understand expectations and prepare their organisations," says Znotiņš.

Companies must demonstrate adequate financial safeguards, effective governance, experienced management and operational controls. Supervisors also expect real organisational substance and sufficient personnel. These requirements can be particularly demanding for smaller businesses.

The end of the remaining European Union transitional periods on 1 July 2026 meant providers without the necessary authorisation had to wind down the relevant activities. "In my view, this is also contributing to consolidation, with businesses seeking the scale and resources needed to compete," he says.

Despite the progress, banking access, skilled employees, compliance costs and regulatory predictability remain challenges for the industry. "A licence is an essential foundation, but companies also need reliable banking relationships, experienced employees and clear supervisory expectations as they grow," says Znotiņš.

PRACTICAL ROUTE FOR INDIVIDUALS

Another significant development in Latvia this year is the crypto tax reform approved by Parliament on 15 October. It introduces a one-off voluntary declaration mechanism allowing eligible individuals to declare previously undeclared crypto holdings by paying 10% of their market value as at 31 December 2026. For qualifying participants, the covered historical declaration and tax obligations will be treated as fulfilled. The mechanism excludes people already subject to relevant investigations or tax proceedings. "This creates a practical route for individuals to regularise their holdings and bring more capital into the formal economy," Znotiņš explains.

The reform also extends the investment-account approach to crypto. Under the new rules, tax on qualifying accounts becomes payable when withdrawals exceed contributions, rather than on every individual trade.

LATVIA AIMS TO BE THE FIRST PLACE CRYPTO ENTREPRENEURS CONSIDER

Looking ahead to 2027, Znotiņš identifies two areas where Latvia could take the lead: real-world asset tokenisation and prediction markets. "For real-world asset tokenisation, the priority should be advancing legal clarity around how assets can be tokenised, how ownership and investor rights are protected, and how those assets can be transferred and traded. Latvia should aim to give companies a clear, practical route from an innovative idea to an operating business," he explains.

Prediction markets are another area where Latvia could work to establish clear rules for new business models. "We should bring industry, policymakers and the relevant supervisors together early to clarify how different models fit within applicable financial, gambling and consumer-protection rules. Clear guidance would help responsible businesses understand what they can build and under which conditions," says Znotiņš.

He thinks Latvia should aim to be the first place entrepreneurs consider when developing these new sectors – and the most welcoming place to build them responsibly. "That requires accessible institutions, responsive supervision, opportunities to test new models and sustained political support," emphasises Znotiņš.

He adds that on April 7–8, 2027, the Latvian Blockchain Association is organizing UN:BLOCK – the largest blockchain, crypto, and fintech conference in Northern Europe.

BLOCKBEN CHOOSES LATVIA AS ITS BASE FOR EUROPEAN GROWTH

Blockchain technology company BlockBen, which develops infrastructure for businesses to offer digital asset services, plans to make Latvia its European regulatory and operational centre. BlockBen was the first in Latvia to receive authorisation under the European Union's Markets in Crypto-Assets Regulation (MiCA).



DÓRA KOVÁCS,
Regulatory & Product Strategy Lead at BlockBen

BlockBen, which is in the market already from 2018, primarily works with other businesses, offering a platform and expertise for developing and launching new crypto-assets in cooperation with businesses from a wide range of industries, including sectors that have traditionally had little exposure to blockchain technology. In these projects, BlockBen acts as the issuer of the crypto-assets, while its business partners may act as offerors. As a MiCA-authorised entity, BlockBen provides regulated crypto-asset services and maintains direct relationships with customers using its platform.

BlockBen's European market focus encompasses the European Union, as well as Norway, Liechtenstein and Iceland. "With our MiCA authorisation in Latvia, we are well-positioned to further expand our regulated services and business relationships across the European Economic Area," says Dóra Kovács, Regulatory & Product Strategy Lead at BlockBen.

BLOCKBEN TAKES TOKENISATION BEYOND CRYPTO

So far, BlockBen has worked with three business clients on joint token issuance projects and maintains a wider network of professional and commercial partners. One of the company's key technologies is Qantrum, its proprietary hybrid blockchain platform. BlockBen has also developed BlockStock, a utility crypto-asset used for transactions and access to various functions within its ecosystem. One example is StockLock, which allows users to lock their BlockStock for a defined period in exchange for specific benefits. "Together, these solutions demonstrate our approach to developing digital assets with practical utility and applications beyond simple trading or speculation," says Kovács.

One example of BlockBen's business model in practice is the company's collaboration with a Latvian equity crowdfunding platform CrowdedHero on the CrowdX (CRDX) utility token. "CrowdX demonstrates how an established business outside the traditional crypto sector can integrate digital assets into its existing business model. The token provides practical utility within the CrowdedHero ecosystem, including an alternative means of paying platform fees, early access to investment opportunities, priority customer support and potential fee discounts," shares Kovács.

Another example is Holoverz (3DHT), a utility token developed in collaboration with a business specialising in innovative 3D holographic collectibles. The token enables holders to access exclusive, limited-edition holographic collector cards and other products through the BlockBen ecosystem.

In these projects, BlockBen provides the blockchain infrastructure, digital wallets, customer onboarding and regulatory expertise, while its partners develop the products and services behind the tokens. "These collaborations illustrate what we aim to achieve: making digital assets relevant and accessible to businesses beyond the traditional crypto industry. CrowdX is particularly meaningful to us because it also demonstrates how collaboration with a Latvian fintech company can support innovation within the country's growing financial technology ecosystem," notes Kovács.

"We view our presence in Latvia as a long-term investment and look forward to contributing to the development of the country's digital asset industry," says Kovács.

SETTING ROOTS IN LATVIA

BlockBen is a Hungarian-owned fintech company with approximately 30 professionals, primarily based in Hungary, but with an established presence in Latvia, where the company currently employs three specialists dedicated to compliance and anti money laundering functions. BlockBen sees Latvia as a long-term base for expanding its crypto-asset services and partnerships across Europe. The company plans to establish relationships with local financial institutions, technology providers and professional service firms, while gradually developing its local operations and recruiting from Latvia's talent pool.

"We see Latvia not merely as our licensing jurisdiction, but as a long-term operational base from which we can grow our activities and contribute to the development of the European digital asset market," she emphasises. The Latvian licence is central to these plans, providing a regulatory foundation for the company's European expansion.

10 MONTHS FROM FIRST MEETING TO LICENCE

BlockBen already had a presence in the Baltic region when it began considering several European jurisdictions for its MiCA authorisation. Latvia emerged as an option following discussions with Sorainen, the law firm with which BlockBen had maintained a long-standing working relationship. The first contact with the Latvian regulator was arranged remarkably quickly. "Within just three days, we were

able to arrange an introductory meeting with senior representatives of Latvijas Banka," Kovács recalls.

The company then took advantage of Latvijas Banka's pre-application process, which allowed it to discuss regulatory expectations and assess its readiness before submitting a formal application. "This opportunity was particularly valuable, allowing us to assess our readiness, clarify expectations and streamline the formal application," she adds.

Kovács highlights the regulator's clear feedback and willingness to maintain an open dialogue without compromising supervisory standards. Its ability to assess a technologically complex business model also strengthened BlockBen's confidence in Latvia.

BlockBen received its MiCA authorisation in December 2025, becoming Latvia's first authorised crypto-asset service provider under the regulation. The process took approximately 10 months from the initial meeting with Latvijas Banka. "The process was rigorous and demanding, but fair and well-structured," Kovács says.

The most resource-intensive areas were anti-money laundering and counter-terrorist financing requirements, information and communications technology governance, and operational resilience under the Digital Operational Resilience Act (DORA). "The real challenge was not simply documenting compliance, but ensuring that regulatory requirements were effectively embedded in our technology, internal processes and everyday operations," she explains.

For companies considering Latvia as a licensing jurisdiction, Kovács recommends starting regulatory preparations early, working with experienced local advisers and investing in internal governance and compliance from the outset. "The importance of strong local expertise cannot be overstated," she stresses.

FROM POLAND TO LATVIA: ALPHAROUTE EXPANDS BEYOND CRYPTO TRADING

Crypto company AlphaRoute, which operates the cryptocurrency exchange kangaexchange.eu, has obtained a Class 3 crypto-asset service provider (CASP) licence from Latvijas Banka under the European Union's Markets in Crypto-Assets Regulation (MiCA). The company is now looking to expand beyond cryptocurrency trading, with plans to develop new financial services, and build a broader European digital finance platform.



DOMINIK TOMCZYK, CEO of AlphaRoute

After MiCA was officially published, the people from the old Polish cryptocurrency exchange platform kanga.exchange decided to seek a license that would let it provide crypto-asset services in full compliance with the regulation. The team spent nearly all of 2025 preparing documentation and aligning internal processes across departments with MiCA's requirements. "As a Polish company, our initial desire was to obtain a licence from the Polish regulator. However, political developments complicated the local legislative process to such an extent that we ultimately decided to pursue options in three different jurisdictions," says Dominik Tomczyk, CEO of AlphaRoute.

A FIRST TRIP TO LATVIA, AND A CHANGE OF PLAN

At the end of October 2025, Tomczyk visited Latvia for the first time. The company's only local contacts at that point were the law firm Walless and Magnetiq Bank. During the visit, he met the Latvijas Banka team responsible for the MiCA licensing framework. After the first meeting, Latvijas Banka invited him to take part in the pre-licensing process.

Back in Poland, Tomczyk proposed to the board and key leadership that the company commit to Latvia. "I was primarily won over by the openness of the Latvijas Banka team, the opportunity to enter the pre-licensing phase, and their practical, business-minded approach to our project – a level of engagement I found sorely lacking in other jurisdictions," he says.

Tomczyk adds: "Throughout my career, I have always prioritised building genuine business relationships. Ultimately, those positive interactions were the deciding factor in stepping away from our applications in other jurisdictions to focus entirely on Latvia. Looking back, I am convinced it was the best decision we could have made."

AlphaRoute submitted its complete application package in May 2026, and Latvijas Banka granted the Class 3 CASP licence five weeks later. "The formal phase of obtaining the Class 3 CASP MiCA licence progressed remarkably smoothly. This would not have been possible without our thorough advance preparation and active participation in the pre-licensing dialogue. Those two factors were undeniably the cornerstone of our success," he emphasises.

BEYOND THE EXCHANGE

Until mid-2026, the Polish team was known primarily as a cryptocurrency exchange operating as kanga.exchange. The licence lets it widen its scope. "Today, alongside operating the crypto exchange, our vision is to build a fully regulated, European digital finance platform," Tomczyk notes.

AlphaRoute plans to serve both businesses and individual customers, with a particular focus on crypto infrastructure and payment services. "We had to build almost everything from the ground up to ensure compliance with MiCA requirements. We have already developed a new custody solution with a back office for business-to-business partners, as well as a new crypto buy-sell engine," notes Tomczyk. AlphaRoute plans to introduce its services gradually, starting with cryptocurrency buying and selling, followed by transactions at physical locations, automated Bitcoin purchases and spot trading. "We expect to launch the first features in mid-November 2026, and we will continue to expand our offerings systematically from there," promises Tomczyk.

As a next step, AlphaRoute has applied to Latvijas Banka for a Payment Institution licence covering electronic money token transfers.

"We plan to progressively expand the scope of this licence in subsequent phases. We want to make it easier for people to buy Bitcoin. We also plan to expand our Payment Institution licence to issue fiat and crypto payment cards, targeting both existing customers and new users," shares Tomczyk.

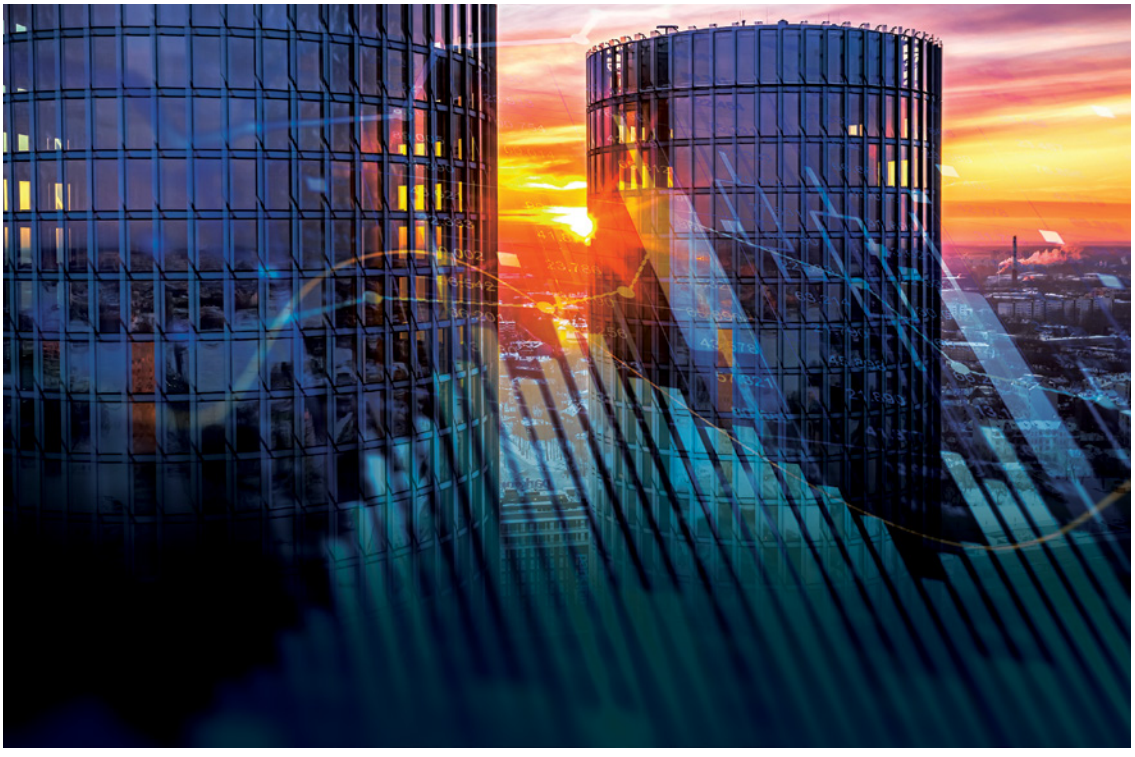
MORE THAN A REGULATORY BASE

AlphaRoute intends to build up its local entity.

"For us, Latvia is much more than just a regulatory base. We want our local entity to play an active part in establishing Latvia as the primary crypto hub for the Baltic states," says Tomczyk.

The company plans to hire Latvian staff and, in the future, to bring a Latvian executive onto its board of directors. AlphaRoute plans to hire local specialists in anti-money laundering and is considering establishing marketing operations in Latvia to serve the wider Baltic market. The company is also exploring partnerships to open physical cryptocurrency trading locations in the region. As the business grows, it expects to recruit finance specialists in Latvia.

AlphaRoute also wants to contribute to regional blockchain infrastructure and share its expertise. It is currently in talks with local non-profit organisations about educational projects built around Kanga University, which offers more than 300 hours of content on blockchain and cryptocurrencies.



BACKPACK BUILDS ITS EUROPEAN CRYPTO BUSINESS FROM LATVIA

International trading platform Backpack has chosen Latvia as the base for its European operations. Its Latvian company, Trek Technologies, that operates under the brand Backpack EU, has received both a crypto-asset service provider (CASP) authorisation under the European Union's Markets in Crypto-Assets Regulation (MiCA) and a payment institution licence from Latvijas Banka. The two licences allow Backpack to combine crypto-asset and payment services within one regulated European entity.



AIGA KRĪGERE, Board Member and CEO of Backpack EU

Backpack operates in several jurisdictions, each with its own licences and its own regulatory approvals. The products and services available differ from market to market. Backpack EU is currently in the pre-launch stage. "Once it goes live, it will start by serving individual customers, offering the ability to buy and sell crypto-assets for funds, swap between crypto-assets, and delivering order execution and stablecoin transfers, with custody of crypto-assets underpinning these services," shares Aiga Krīgere, Board Member and CEO of Backpack EU.

Together with the Backpack Group's CySEC-licensed company in Cyprus, which offers regulated crypto derivatives, the aim is to give European customers a fully regulated path from spot to derivatives, within one Backpack EU user account.

She emphasises that Latvia is the foundation of Backpack's European strategy: a single, well-supervised base from which the company can grow across the European Union.

> **"Latvia isn't a box-ticking exercise for us. It houses a significant part of our business, and we expect it to grow as our European business scales," says Krīgere.**

Expansion across the European Union will be phased. "Our priority is to do this properly, market by market, with the same standard of service and compliance in every country we serve. We'll start with the largest European markets and broaden our offering as we scale," she adds.

TWO LICENCES, MORE OPPORTUNITIES

The combination of the two licences enables Backpack EU to provide crypto-asset and payment services to European customers through a single regulated entity. Under MiCA, Backpack is authorised to provide custody and administration of crypto-assets, exchange crypto-assets for funds or other crypto-assets, execute orders on behalf of clients, and provide crypto-asset transfer services. The authorisation is already passported across the European Economic Area.

On the other hand, the payment institution licence covers payment services involving electronic money tokens (EMTs), such as euro-backed stablecoins (EURC). Under European Union rules, transfers of EMTs carried out for clients are considered payment services. Together, the two licences allow Backpack to offer euro stablecoin deposits, withdrawals and payments within the European Union payment services framework. "That combination is what lets us offer an integrated, trusted service rather than a fragmented one," says Krīgere.

3 REASONS FOR CHOOSING RIGA

"When we planned our European structure, we wanted more than a licence. We were looking for a regulator that is rigorous, knowledgeable, and serious about building a good home for compliant digital-asset businesses. Latvia offered all three," says Krīgere. She explains that Latvijas Banka engaged with the company early in the pre-application phase, providing clarity about the requirements and expectations. Another advantage was the possibility of obtaining both MiCA authorisation and a payment institution licence under the supervision of the same regulator.

Riga's pool of finance, compliance and technology professionals also influenced the decision. According to Krīgere, Latvia's operating costs allow the company to invest more in people rather than overhead. As she describes it, Backpack EU's Latvian team is a lean, hands-on group of around a dozen people, including the four-member Management Board and specialists in anti-money laundering, regulatory compliance, finance and safeguarding, information and communication technology and customer support. "As the business scales, Backpack EU plans to grow the team, especially in compliance," adds Krīgere.

THE PROCESS IS DEMANDING – AND IT SHOULD BE

Obtaining the two licences took approximately a year, including the pre-licensing stage, which accounted for around three quarters of the process. "The process was demanding, and that's how it should be," says Krīgere.

Latvijas Banka examined Backpack's governance, anti-money laundering and counter-terrorist financing framework, safeguarding of client assets, information and communication technology, operational resilience and the suitability of its management team. "What we valued most was how predictable and open it was. Expectations were clear, feedback was specific, and the team was available to discuss questions instead of leaving us to guess," Krīgere explains.

She describes pre-licensing as the stage where the most substantial work takes place, including addressing questions from

the regulator, making necessary changes and refining the business model. "That's where the real work happens: you answer the hard questions, fix what needs fixing and get your model right."

Once the outstanding issues were resolved, the formal applications progressed quickly. Backpack first submitted its CASP application, followed by the payment institution application a month later. Both licences were granted on the same day.

The main challenge was pursuing two licences in parallel. This required aligning the global company's systems, policies and controls with European Union requirements, while demonstrating that Backpack had genuine operations, employees and decision-making functions in Latvia.

For other companies considering Latvia, Krīgere recommends preparing thoroughly for the pre-licensing process rather than focusing only on the formal application. "Our advice to anyone coming to Latvia is to be ready for a thorough pre-licensing stage. It pays off," she is sure.

NODU LAUNCHES LICENSED EUROPEAN OPERATIONS

Fintech company Nodu has launched its European operations after securing two licences from Latvijas Banka. The company now offers payment infrastructure combining traditional currencies and stablecoins.



ALEKSANDRS NOVOŽENOVS, co-founder and CEO of Nodu

Nodu was founded in 2025 by Aleksandrs Novoženovs, Vladislavs Nikolajevs and Daria Dubinina, who previously developed a European fintech platform Crassula that has processed more than 600 billion euros in payments for over 150 clients. The idea for Nodu emerged from the founders' experience working with financial institutions that wanted to introduce digital asset services but faced technological and regulatory obstacles.

"Banks wanted to join the digital-asset economy, but lacked safe, compliant tools. Nodu was built to change that," says Nodu CEO and co-founder Aleksandrs Novoženovs.

The company's infrastructure is designed to connect traditional financial services with blockchain-based payment systems, allowing businesses to integrate both types of payments without developing separate technical solutions.

REPOSITION OF THE OFFERING

In July 2026, Nodu received two licences from Latvijas Banka: a payment institution licence and a crypto-asset service provider (CASP) licence under the European Union's Markets in Crypto-Assets Regulation (MiCA). The company officially launched its licensed European operations in September 2026.

The CASP licence allows Nodu to exchange crypto-assets for funds and provide crypto-asset transfer services on behalf of clients, while the payment institution licence covers money remittance services. The group also holds a Money Services Business (MSB) registration in Canada, combining regulatory coverage in Europe and North America.

Following the licensing process, Nodu has repositioned its offering to focus on fintech companies, payment service providers and money transfer businesses operating outside Europe that need access to European financial infrastructure.

Its services include virtual International Bank Account Numbers, Single Euro Payments Area payments, European currencies, fiat and stablecoin settlements, and payment collection and payouts in more than 60 countries. These services are integrated through a single application programming interface.

PREPARING FOR GLOBAL EXPANSION

In December 2025, Nodu secured 1.45 million US dollars in pre-seed funding in a round led by Digital Space Ventures, an early investor in Revolut and Paysend. The investment was intended to support international expansion, strengthen the company's engineering and compliance teams, and develop partnerships with financial institutions.

Nodu is now building its sales team and preparing to expand into international markets. The company is also strengthening its presence at industry events and panel discussions to develop relationships with potential partners and customers.

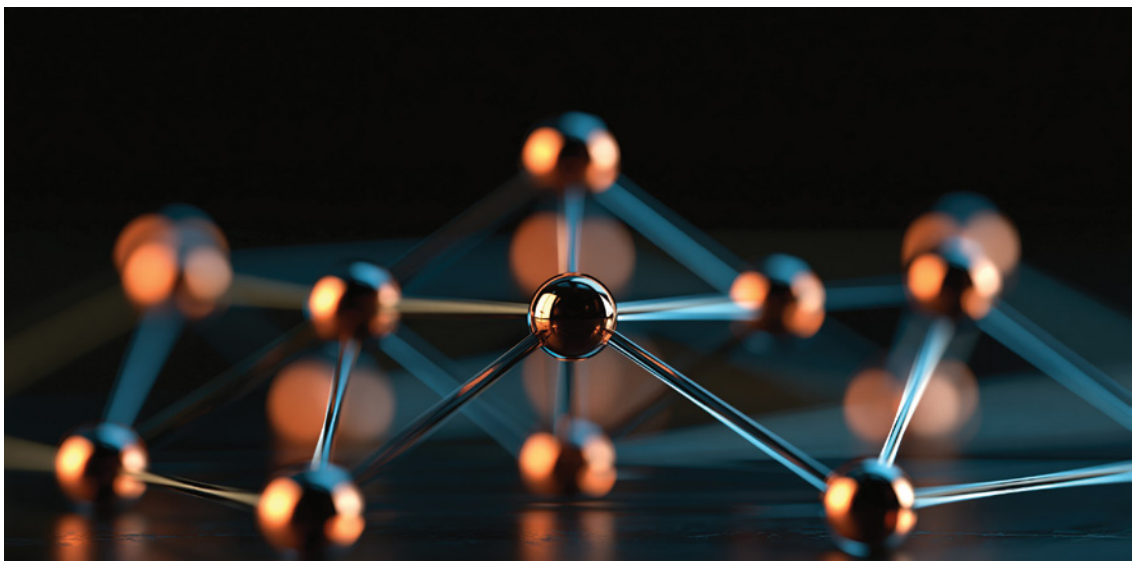
> **"Our longer-term ambition is to connect more than 170 countries through a unified payment network, using stablecoins to facilitate transactions between different currencies and financial systems," says Novoženovs.**

To support its next stage of development, Nodu is planning another funding round aimed at accelerating growth and expanding its international operations.

06



INVESTMENT PLATFORMS AND WEALTHTECH



LATVIA STRENGTHENS ITS POSITION AS EUROPE'S INVESTMENT PLATFORM HUB



TATJANA KULAPINA, Executive Board Member of Viainvest



JURIS GRIŠINS, manager of Capitalia



DĀVIS ZIEDIŅŠ, Head of Business Development at Debitum

Latvia's investment platform sector continues to outperform the broader European market, attracting international investors, expanding its product offerings and strengthening its position as a financial services exporter. With more than 800,000 investors and nearly 15 billion euros in cumulative investments, industry representatives see further opportunities for growth, despite increasing competition and changing investor expectations.

Dāvis Ziediņš, Head of Business Development at Debitum, describes 2025 as a milestone for the sector. "2025 was a milestone year for Latvia's investment platform sector. For the first time, combined assets under management of the eight largest Latvian alternative investment platforms – Capitalia, Debitum, Indemo, Lande, Mintos, Nectaro, Twino and Viainvest – passed 1 billion euros, rising from 827 million euros to 1.04 billion euros. That is a 25.5% increase," says Ziediņš. The sector's contribution to the Latvian economy is growing at the same pace – taxes paid in Latvia rose by 24% to 7.1 million euros, and in addition the platforms withheld 6.1 million euros in tax on investors' income, a total contribution of more than 13 million euros to the state budget. "What makes this result stronger is the context. Total investment volume on European alternative investment platforms reached 3.2 billion euros in 2025, broadly in line with previous years. The European market is stable, while Latvian platforms keep growing at around 25% a year. In other words, Latvia is growing faster than the market and gaining share," emphasizes Ziediņš.

Tatjana Kulapina, Executive Board Member of Viainvest, also points to strong growth: "Latvia's investment sector has demonstrated strong growth over the past year. According to Latvijas Banka data, the sector's total customer base rose 11%, while investment firms' assets grew 36% year-on-year to 26 million euros as of June 2026. In addition, assets under custody and management increased by 27% year-on-year, reaching 1.606 billion euros. These figures highlight the continued development of Latvia's investment services market and its growing importance within the financial sector." In her view, one of the most important achievements is the strengthening of investor confidence in Latvian investment platforms. Growth in both the customer base and assets indicates increasing market participation and suggests that investors are becoming more comfortable incorporating investment platforms into their broader investment strategies. "Another positive development is the entry of new investment platforms, which increases competition, encourages innovation, and expands the range of investment opportunities," says Kulapina.

Juris Grišins, manager of Capitalia also points to continued growth. "The development trajectory in 2026 so far supports it. Investor numbers across the eight leading platforms grew by roughly 14% in nine months. At Capitalia in 2025, we funded 220 businesses for a total of 22 million euros, a growth of 17% compared to the previous year. With a focus on local and institutional investors, Capitalia's active investor count exceeded 2,000 by the end of 2025," says Grišins.

Viainvest has also grown alongside the broader market. "One of the key growth drivers is the increasing engagement of existing investors, who continue to expand their portfolios and reinvest their returns. Investors who entered the market earlier are benefiting from the power of compounding, reinforcing the attractiveness of long-term investing. We are also seeing an important shift in investor behaviour. Growth is increasingly supported not only by new retail investors but also by larger portfolios, repeat investments and a more diversified investor base. We are seeing growing interest from institutional investors, which we see as a positive signal of the market's increasing maturity and potential for further expansion," says Kulapina.

> **"Looking ahead, I believe successful investment platforms will combine technological innovation with investor education, transparency, and long-term investor confidence. Technology will continue to transform the industry, but building lasting relationships with investors will remain equally important," says Kulapina.**

NEW LICENCES, NEW OPPORTUNITIES

In 2026 alone, Latvijas Banka granted licences to three new investment firms, bringing the total number of licensed investment firms in Latvia to 13. Existing platforms have also continued to introduce new products and diversify their offerings. Grišins notes that three new crowdfunding licences were issued in 2025, doubling the number of authorized providers. "Every serious player now operates under the European Union's crowdfunding regulation or the Markets in Financial Instruments Directive. The unregulated era is over, and that is the single most important achievement for investor trust," says Grišins.

Ziediņš emphasizes that no other European Union country has such a concentration of licensed investment platforms. He identifies

four reasons for Latvia's competitiveness. The first is regulation: Latvian platforms are licensed and supervised by Latvijas Banka and can serve investors across the European Union. The second is experience: the leading platforms have operated for around a decade, through the COVID-19 pandemic, Russia's full-scale invasion of Ukraine and a full interest rate cycle. The third is their international reach: on many Latvian platforms more than 90% of investors come from abroad, with Germany, Spain, France, Portugal and Italy among the key markets. "The fourth is their impact on the real economy: capital from European investors is channelled into Latvian small and medium enterprises, forestry, agriculture and real estate," adds Ziediņš.

"In the long term, we see alternative investment platforms as one of Latvia's most successful financial export industries – bringing European capital into the Latvian economy, creating high-value jobs and generating tax revenue," emphasizes Ziediņš.

WHY HAS LATVIA BECOME A EUROPEAN HUB?

Latvian platforms account for around a quarter of all money ever invested through European alternative investment platforms – close to 15 billion euros of an estimated 58 billion euros by the end of 2025. "One in every four euros ever invested through European alternative investment platforms has gone through Latvia. For a country of under two million people, that's not a niche – that's an export industry," emphasizes Ziediņš.

Grišins credits the sector's early start: Latvian platforms built their brands and investor communities in the mid-2010s, ahead of much of Europe. Riga also has experienced professionals in lending, payments and product development. The platforms' international reach is another advantage. "Our capital comes mostly from Western Europe, especially Germany. Our platforms were built for pan-European distribution from day one," emphasizes Grišins. He also highlights regulatory credibility. Platforms founded in Latvia have made the transition to the European Union's crowdfunding regulation or the Markets in Financial Instruments Directive, with Latvijas Banka providing what he considers predictable supervision.

"Latvia remains an important player in Europe's alternative investment sector. Our competitive strengths lie in financial technology expertise, a well-established regulatory environment and extensive experience serving international investors. Our platforms have developed strong international investor networks, particularly in markets such as Germany, which represents approximately 30% of investors and investment volumes for Latvian investment platforms. Looking ahead, I believe the key opportunity is to build on this strong foundation by expanding international partnerships, introducing new investment products and further strengthening investor confidence," says Kulapina.

She also highlights collaboration within Latvia's fintech ecosystem. Although the companies compete for investors, they also recognise the value of working together to promote Latvia internationally. Kulapina particularly values the opportunities created through the Mission Latvia initiative and international events organised with the support of the Investment and Development Agency of Latvia. "These initiatives help us build relationships with international investors and potential partners, while strengthening the visibility of Latvia's investment platform sector. From our international interactions, we sometimes even sense a degree of envy regarding the level of collaboration and networking opportunities within Latvia's investment platform sector," says Kulapina. Overall, she believes Latvia's investment platform sector is becoming a more established and competitive investment ecosystem, supported by regulatory oversight, product innovation and growing investor participation.

INVESTORS ARE BECOMING MORE SELECTIVE

"The goal for Latvia should be to stay Europe's licensing and operating hub for this industry while bringing more of the financing back home, to Latvian businesses," points out Grišins.

Talking about the visible trends in the industry, Grišins emphasizes that the platforms are offering different types of investments. "Investors want one place for loans, bonds, real estate and exchange-traded funds. Platforms are looking for ways to deliver this. Another trend is the shift from chasing yields to focusing on quality. After the defaults of 2020–2022, investors look at underwriting, collateral, recovery track record and regulation before headline returns. The new regulation has not been particularly helpful in standardising return calculations, and investors are often lured by promises of unrealistically high returns," he says.

Another trend is specialisation. As investors look for diversification and real-economy exposure, the fastest-growing Latvian platforms focus on specific asset classes such as agriculture, forestry, real estate and business lending. At the same time, competition is growing. More regulated players are entering the market. "That is healthy, but there is also a large number of unregulated platforms targeting European retail investors. Regulators need to keep a close eye on them, and investors need to check licences before investing. This is where licensed Latvian platforms have a clear advantage: investors are becoming more selective and increasingly choose regulated platforms with a proven track record," emphasizes Ziediņš.

He also highlights liquidity: "The clearest trend in 2025 and 2026 is demand for liquidity. Retail investors still want attractive returns, but they increasingly want access to their money without waiting for loans to mature. Platforms are responding: this year Debitum launched Debitum Flow and Twino launched Twino Flexi, both giving investors more liquid options. And other European platforms are following the same pattern. The challenge is to offer liquidity responsibly, with transparent terms and strong cash management, because the underlying loans still have fixed maturities."

Kulapina has also noticed changes in investor behaviour. Investors are becoming more informed, selective and demanding. Beyond attractive returns, they value transparency, security, ease of use and access to reliable information. "They expect investment platforms to offer not only competitive investment opportunities but also a seamless digital experience and efficient processes," she says.

INFORMED INVESTORS DRIVE SUSTAINABLE MARKET GROWTH

Kulapina explains that the investment platform industry is increasingly shaped by three key trends: the growing importance of investor education, rising expectations for transparency and security, and the rapid adoption of artificial intelligence and automation. As investment opportunities become more accessible, financial education plays an increasingly important role in helping investors make informed decisions and understand the associated risks. "We place strong emphasis on investor education, as we believe that well-informed investors are essential for the sustainable development of the market. At the same time, investor confidence remains fundamental to the industry's growth. Clear communication and a transparent, well-regulated environment, supported by public institutions and supervisory authorities, help encourage broader participation in financial markets," says Kulapina.

Technology is also changing how platforms operate. While attracting qualified talent was a challenge in previous years, artificial intelligence is now reshaping workforce needs and how businesses operate. Automation and artificial intelligence-powered solutions are increasingly handling routine tasks, allowing companies to improve efficiency and focus their teams on higher-value work. "At Viainvest, we are investing in automation and process optimisation to accelerate operations, simplify the investor journey, and improve the overall customer experience while maintaining high standards of security and regulatory compliance," says Kulapina.

COMPETITION AND OTHER CHALLENGES

Despite the growth, Grišins says Latvia still has a relatively small domestic investor base. For example, platforms operating in both Latvia and Lithuania report considerably higher investor activity in Lithuania. He also sees room to simplify the European Union's crowdfunding regulation, reducing administrative work and making platforms easier for customers to use. Lower interest rates present another difficulty: they benefit borrowers but reduce returns for investors, putting more pressure on platforms to compete on credit quality. Platforms also compete with digital brokers and banks for retail savings. "European Union efforts to channel retail savings into productive investment favour regulated platforms like ours," says Grišins.

Latvian platforms and the Fintech Latvia Association are exploring a co-financing mechanism with public partners to expand small and medium enterprises' access to funding. "Lithuania has shown this work. If it happens, it will be the biggest boost for domestic small and medium enterprise lending," Grišins points out.

THE FUTURE LOOKS BRIGHT

"With clear regulation and standardised credit practices, Latvian platforms can seek to export their competences to other markets," says Grišins.

Ziediņš sees international expansion as the biggest opportunity, too. He considers state support crucial to this expansion. With the support of the Investment and Development Agency of Latvia, Latvian investment platforms have exhibited together at Invest Stuttgart for two years in a row. "It was a major success, bringing new investors and new partnerships. The next step is to continue that support and expand it to other markets where Investment and Development Agency of Latvia is represented and where our investors already come from, such as Spain, France, the Netherlands, Italy, Portugal and Belgium," says Ziediņš.

Looking to the future, Ziediņš is optimistic. "The European alternative investment platform market is expected to stay broadly stable in volume, so future growth will come from winning market share, and capital is already is concentrating in licensed platforms with strong track records. Latvian platforms are well positioned to keep growing at around 20–25% a year," says Ziediņš.

Grišins expects continued double-digit growth. "Assets under management growth of around 20–25% is realistic for the sector as a whole. Results will vary a lot between platforms. Those with a clear niche are growing faster. Capitalia's 2026 expected assets under management growth is about 15% as we are resetting our geographic focuses," says Grišins. He is sure that platforms with scale, strong credit risk management and diversified products will take a larger share. Grišins expects smaller platforms to merge or exit the market.

Kulapina is even more optimistic. She believes growth in certain segments of the investment services sector could exceed 30% in 2026. One of the most promising opportunities is the increasing role of investment platforms as an alternative financing channel beyond traditional banking. "As investment platforms mature, they have the potential to serve a wider range of financing needs and attract both retail and institutional investors," says Kulapina. For Viainvest, the ambition is to translate these opportunities into sustainable growth by strengthening the platform's international presence, building long-term financing partnerships and continuously improving the investment experience. "We believe that the next stage of the industry's development will be defined not only by growth in investment volumes, but also by the ability to connect investors and businesses more efficiently across European markets," says Kulapina.

POWERED BY:

TWINO LANDE Debitum mintos CAPITALIA

FROM INVESTMENT PLATFORM TO BANK: MINTOS WILL EXPAND ITS SERVICES ACROSS EUROPE

Latvian investment platform Mintos is preparing to take the next major step in its development by pursuing a banking licence. With 800 million euros in assets under management and 700,000 registered investors, the company aims to expand into deposits, lending and other banking services, bringing more of its customers' financial activities onto a single platform.



MĀRTIŅŠ ŠULTE,
CEO and co-founder of Mintos

"We are committed to becoming one of Europe's leading investment platforms in helping people build and grow their wealth over time. The banking licence is essential to our strategy. It enables deposits, direct lending, and ownership of our core infrastructure, allowing the business to scale efficiently.

> **"Our vision is for Mintos to become the platform where people across Europe build and manage their entire financial portfolio. While a banking licence is not the only path, it is a key enabler that accelerates our progress," emphasises Šulte.**

THE NEXT STEP AFTER A DECADE OF GROWTH

Applying for a banking licence is the natural next step in a journey that started in 2015. Mintos began as a marketplace for investing in loans, became an investment firm licensed under the Markets in Financial Instruments Directive II in 2021, and has since grown into a multi-asset platform offering seven asset classes in one place.

"A banking licence lets us unlock the next growth curve – deposits, lending, and new banking products – on top of everything we already do," Šulte states.

The timing reflects both the company's readiness and changing customer needs. After 10 years, Mintos has grown to 800 million euros in assets under management and 700,000 registered investors. "And the business economics work. The customer side is just as telling: a huge share of household wealth in Europe – around 41% – is still parked in bank deposits earning less than inflation, and our own investors keep asking to hold more of their money with us and to get savings and banking products next to what they already invest in. Today we can only offer part of that. Without a banking licence, we have to rely on partner banks to hold and safeguard customer deposits, which limits what we can build ourselves. A licence lets us offer those products directly," explains Šulte.

A BANKING LICENCE WILL CHANGE THE BUSINESS

A banking licence would allow Mintos to accept deposits directly, covered by the European Union's deposit guarantee scheme up to 100,000 euros per depositor. This is something Mintos cannot offer as an investment firm today. The licence would also enable the company to build a banking balance sheet and lend directly, for example, to the lending companies it works with. "Just as importantly, it lets us own more of our core infrastructure, where today we rely on third-party banks for payments, settlement, and custody," adds Šulte.

Currently, Mintos generates revenue from fees that vary by product. The company's overall revenue includes management, transaction fees, foreign exchange fees, etc. Becoming a bank would introduce deposit-based funding, allowing Mintos to finance a banking book and earn a net interest margin alongside fee income. Taking control of its payments, settlement and custody infrastructure would also help Mintos lower costs and reduce its reliance on external providers as the company grows. "To fund growth, we have historically combined institutional capital with equity raised directly on our platform, including crowdfunding rounds our investors have backed. As a bank, customer deposits become an additional, lower-cost source of funding for lending activity. We would continue to raise capital in rounds sized and timed to match our growth trajectory, with a view to building a profitable, well-capitalised business over the long term," Šulte points out.

MORE SERVICES FOR EXISTING CUSTOMERS AND NEW AUDIENCES

For existing customers, Šulte believes the biggest changes would be greater confidence in Mintos and access to a broader range of financial products. "They could hold larger balances, backed by the 100,000 euro deposit guarantee, and access savings and banking products in the same app they already use for Exchange-Traded Funds, stocks, bonds, loans, real estate, crypto Exchange-Traded Products, and Smart Cash. The experience stays the same – one account, every asset class – but with more of their financial life in one trusted place," he says.

A banking licence could also help Mintos attract more cautious savers who currently keep their money in traditional bank deposits – the largest pool of untapped household wealth in Europe. Another target audience is people aged roughly 20 to 35 who are moving on from savings accounts and starting to invest for the first time.

Geographically, Mintos has already established its business model in Spain, continues to grow in Germany and is now expanding in markets such as France and the Netherlands.

BECOMING A BANK BRINGS NEW REQUIREMENTS

Obtaining a banking licence and operating as a bank would also bring significant regulatory and operational requirements. "The biggest requirement is the depth of rigour that comes with being supervised as a bank. That means

meeting capital, liquidity, risk-management, governance, and anti-money-laundering requirements to the European Central Bank's standard, and building the treasury, risk, and compliance functions that sit behind deposit-taking and lending. Bringing payments and settlement infrastructure in-house, rather than relying on partner banks, is a significant undertaking in its own right," Šulte acknowledges.

The transition would require substantial operational changes, although Mintos is building on its existing experience. The company has an international team of more than 200 people across Riga and Berlin, including professionals with experience at leading European banks and fintech companies. "We have built a dedicated banking preparation team and are adding the specialist roles and processes a bank requires. The cultural shift from an investment firm to a regulated bank is as important as the technical one, and it is something we are managing deliberately," Šulte says.

Talking about the year 2026 for Mintos, he adds that it's been a strong year. The company crossed 800 million euros in assets under management and now it has more than 700,000 registered investors. In the beginning of the year, Mintos introduced regulated crypto exchange-traded products (ETPs) in partnership with Upvest, followed by commission-free exchange-traded fund (ETF) investing in summer, with access to more than 1,000 ETFs. But later in 2026, the company added commission-free investing in more than 4,000 stocks from US, European and global markets. "On products, the biggest steps were launching commission-free stocks and ETFs – a major expansion of what investors can do on the platform, as well as adding crypto ETPs. On top of that, we completed a funding round backed directly by thousands of our own investors, and geographically, we've kept scaling: Spain has proven our model and we're now expanding in France, the Netherlands, and Italy," notes Šulte.

TWINO'S FLEXI ATTRACTS OVER 2,300 INVESTORS IN ITS FIRST YEAR

Since Latvian investment platform Twino launched its new investment product Flexi in April, 2026, the product has attracted more than 2,300 investors and surpassed 2 million euros in assets under management. Following growing demand from investors, the maximum individual investment in Flexi has increased from 10,000 to 100,000 euros.



KRISTIĀNS PURVIŅŠ, Head of Platform at Twino Investments

Many European savers are looking for alternatives to bank deposits, while traditional bonds and loan investments often tie up capital. Twino's secondary market already allowed investors to exit their investments early, but liquidity was less predictable. Flexi was developed to address this gap, allowing investors to invest in asset-backed securities with the possibility of withdrawing funds at any time without fees.

> **"We kept hearing the same thing from investors: they want fixed-income returns, but they don't want their money locked in for months or years," says Purviņš.**

Another development for Twino in 2026 was obtaining authorisation under the European Union's Markets in Crypto-Assets Regulation. In 2027, the company plans to introduce buying, selling and holding selected crypto-assets directly on its platform, with plans to expand the product range later. This would allow investors to manage both fixed-income and crypto investments in one place. "Rather than building a crypto exchange, we want to give existing and new investors a simple way to add digital assets to a diversified portfolio, alongsideincome-generating products like Flexi," Purviņš explains.

Twino sees crypto-asset services as an important second pillar of its business, intended to attract new clients and deepen relationships with existing investors. "We believe blockchain technology and digital assets are becoming a permanent part of modern finance, and Twino intends to take an active part in this global shift," says Purviņš.

Alongside product development, the company continued its international expansion in 2026, with Germany as its main growth market. Purviņš describes Germany as Europe's largest savings market, where investors are increasingly looking beyond bank deposits. According to him, German investors pay particular attention to regulation, transparency and liquidity. "What we have learned is that they are well informed, careful and trust-driven: they read reviews, compare products and want to understand exactly how a product works and where the risks are," he says.

Twino has supported its growth in Germany through partnerships with local financial publishers and content creators. According to Purviņš, these partnerships have proven more effective than generic advertising: "This content-led approach has given us a strong foundation, and as Twino grows, we will build on it by expanding our presence across more channels and reaching an even broader European investor audience."

Spain is also among Twino's strongest investor markets. Latvia remains its home market, where the company has built a loyal and well-established investor community over more than 10 years of operations.

DEBITUM LAUNCHES NEW INVESTMENT PRODUCT



IEVA PASTARE,
Chief Brand and Communications Officer at Debitum

Latvian investment platform Debitum has launched Debitum Flow, a fixed-income investment product that calculates interest daily and allows investors to request withdrawals before maturity.

Launched in September 2026, Debitum Flow has attracted 2 million euros in investments within its first two months. "The introduction of Debitum Flow was an important step towards offering greater flexibility, with daily interest and the option to request withdrawals before maturity," explains Ieva Pastare, Chief Brand and Communications Officer at Debitum.

By the end of October 2026, Debitum cumulative investments had reached €234 million, representing a 39.3% increase compared to the end of 2025.

The company attributes its growth to its financing partners and investor relationships, as well as increasing interest in investment opportunities linked to business financing. "Investors are increasingly looking for ways to diversify their portfolios and generate passive income beyond traditional investment options. We believe our growth has been driven by a combination of consistent historical performance, reliable repayment discipline and the opportunity to invest in real businesses. Investors value transparency and a proven track record, especially when choosing where to allocate their capital," says Pastare.

Germany is Debitum's largest market, accounting for approximately 32% of active investors, followed by Spain with 18%, Portugal with 10%, France with 8% and Lithuania with 6%. She believes this reflects a combination of growing investor interest in alternative fixed-income investments and the company's efforts to build awareness of Debitum across European markets.

"Investors are increasingly looking for opportunities to earn passive income while putting their capital to work in the real economy," says Pastare.

LATVIAN INVESTORS HAVE INVESTED MORE THAN 23 MILLION EUROS THROUGH ESTATEGURU

Esttateguru plans to significantly increase its Latvian investor base and investment volumes in 2027, supported by a new Investor Relations Lead for Latvia and by EG Grow, a new investment product that completed its first year in 2026.



TRIIN PAPPEL,
Chief Commercial Officer in Investor Relations at Estateguru

Estateguru, which is operating with a European Union-wide crowdfunding licence, has 13 years of experience in real estate-backed lending. By November 2026, the total volume of funded loans had exceeded 975 million euros.

Latvia is one of the three Baltic markets where real estate-backed loans are funded through the Estateguru platform. To date, more than 150 million euros in loans backed by Latvian real estate have been funded through the platform.

"Latvia has clear room to grow. We still have relatively few investors from Latvia, so the potential is there," says Pappel.

Beyond Latvia, Estateguru's focus remains on the Baltic markets. New loans on the platform are funded only against real estate collateral in Estonia, Latvia and Lithuania, while investors must hold a current account with a licensed credit institution registered in an European Economic Area country.

In 2025, Estateguru launched its new investment product EG Grow. By early November 2026, more than 8 million euros had been invested through it in total, and the number of investors had grown every quarter since the launch. EG Grow allows investors to allocate money automatically across real estate-backed loans funded through the platform in Estonia, Latvia and Lithuania. Investors can start with 100 euros, which is spread across several loans. Every loan is backed by a first-ranking mortgage. The product also includes a contingency fund designed to support monthly interest payments if borrower repayments are delayed. However, the fund covers interest only, not the invested principal.

Latvian investors had invested around 125,000 euros in EG Grow by early November 2026. "Latvian investors have so far invested mainly through our other products, and they are still discovering EG Grow," comments Pappel.

In September 2026, Indra Kimmele joined the company as Investor Relations Lead for Latvia. "With this addition, our aim for next year is to significantly increase both the number of Latvian investors and the total amount they invest," Pappel adds.

NECTARO BECOMES FIRST NON-BANK COMPANY IN LATVIA TO OFFER INVESTMENT ACCOUNT

Latvian investment platform Nectaro has launched iPayTax, becoming the first non-bank company in Latvia to offer its clients an investment account under the country's personal income tax legislation. The new product allows Latvian tax residents to reinvest their full interest earnings without immediate taxation.



SIGITA KOTLERE, CEO of Nectaro

iPayTax operates under Article 11.13 of Latvia's Personal Income Tax Law, which regulates investment accounts. Unlike a regular account where tax is deducted from each interest payment, iPayTax allows investors to receive interest in full and reinvest it immediately. Tax becomes payable only when total withdrawals exceed total deposits, and only on the difference. This allows money that would otherwise be paid in tax to remain invested and potentially generate additional returns over time.

"We see people exploring a wider range of investment opportunities, including alternative investments such as those offered on Nectaro, and the amounts they invest are growing," says Sigita Kotlere, CEO of Nectaro.

The company plans to introduce additional asset classes and attract more Latvian investors through iPayTax. "Our goal is for iPayTax to become the default choice for investors who want to make the most of their returns," adds Kotlere.

She explains that the iPayTax account is built specifically for Latvia's investment account legislation. But Nectaro is following legislative developments in other European Union's countries to be able to introduce the product to new markets.

> **"The response to iPayTax has been excellent. It has become one of our most popular products, and we are proud to be the first non-bank institution to offer an investment account to Latvian investors," says Kotlere.**

DIGILO BRINGS REAL-ESTATE-BACKED LENDING TO EUROPEAN INVESTORS

Latvian crowdfunding platform Digilo specialises in real-estate-secured business lending, connecting businesses seeking alternative financing with investors looking for investment opportunities. Digilo has financed eight real-estate-backed lending projects worth more than 152,000 euros since launching its operations in June 2026.



ZANE SNIEDZE, CEO of Digilo

The idea of Digilo is to create a straightforward process for both investors and borrowers, building on the lending practices and experience the team had developed over the years. The platform was established by a team with experience in the real estate sector and in real-estate-secured business lending. "After several years in the lending industry, we decided to bring our experience into a digital environment and make investing in real-estate-backed loans more accessible," says Zane Sniedze, CEO of Digilo.

Another priority for Digilo is encouraging more women to invest. The company aims to create an accessible and welcoming investment environment, particularly for women who are new to investing. "Investing is not about gender, but about access to high-quality projects, information, and confidence in one's decisions. The more women see other women in the financial sector and in leadership positions, the more confident they will be to get involved themselves," says Sniedze.

ALREADY 8 PROJECTS FUNDED SINCE LAUNCH

Digilo's first investment project was published in June 2026. The company received its European crowdfunding licence in September 2025. In the first months of operations the platform had gained 266 registered investors.

The average investment on Digilo is currently around 500 to 600 euros. While the platform's minimum investment starts at 150 euros, the team sees that many investors choose to invest larger amounts, depending on the project and their individual investment preferences.

"Germany and Portugal are among the countries where we have attracted the most investor interest. We believe this is partly due to the relationships we have built with established financial bloggers and content creators in these markets. Through these collaborations, we have been able to introduce Digilo to audiences who are already familiar with crowdfunding and alternative investment opportunities," shares Sniedze.

The company's main priority is to increase the number of funded projects and active investors. Digilo is also exploring opportunities to provide financing outside Latvia. "Although our immediate focus remains on expanding our existing operations," says Sniedze.

The platform currently offers two Auto-Invest strategies, allowing investors to automate their investments. Digilo is also finalising its Pay by Bank functionality and developing a mobile app. Another planned feature is a Secondary Market, which the company aims to introduce later in 2026. It would allow investors to sell their investments before maturity, provided a buyer is available.

SELECTIVE APPROACH TO LENDING

Sniedze sees real-estate-backed lending as an alternative for businesses that cannot find suitable financing through traditional banks. Currently, Digilo finances projects exclusively in Latvia, with businesses typically seeking funding for expansion, purchasing materials and working capital.

Before publishing a project, Digilo evaluates the borrower's financial situation, repayment capacity and the real estate offered as collateral. "We prefer to reject applications presenting significant risks rather than lower our assessment standards to increase financing volumes," says Sniedze. This approach is intended to appeal to investors looking for a more cautious investment strategy. However, Digilo acknowledges that real estate collateral does not eliminate investment risk.

The European crowdfunding market has developed considerably in recent years, and the common European Union regulatory framework has made it easier for platforms to operate across borders.

"In Latvia there is still room for alternative financing to grow, both among businesses looking for funding and individuals interested in investment opportunities," is sure Sniedze.

It's not a secret that Latvian fintech companies such as Mintos and Twino already offer real estate-related investments. How does Digilo differ? Sniedze thinks it's a good thing that investors have several established platforms to choose from. "After all, one of the basic principles of investing is not to put all your eggs in one basket, and we're happy for Digilo to be one of those baskets. What we bring to the market is our background in real-estate-secured lending, a conservative approach to project selection and a straightforward investment experience. We carefully evaluate each borrower, their repayment capacity and the property offered as collateral before publishing a project. We're still a relatively small platform, which also allows us to stay close to our investors, listen to their feedback and keep improving. Our goal isn't to replace other platforms, but to give investors another option when building a diversified portfolio," she comments.

GOODEVE TO LAUNCH INVESTMENT PLATFORM IN EARLY 2027

Latvian fintech company Goodeve plans to launch its investment platform in early 2027, initially targeting investors in Latvia before expanding to the rest of the Baltics and Western Europe. Goodeve aims to serve both experienced and first-time investors, offering access to financial instruments through a regulated platform.



IEVA NARBUTE, CEO of Goodeve

IBC Invest, founded by Matīss Ansviesulis and Dāvis Barons and operating under the Goodeve brand, received an investment brokerage licence from Latvijas Banka in September 2026. The licence enables Goodeve to offer its services in other European Union countries through passporting, subject to the applicable procedures. The company is currently completing technical and operational preparations. It plans to launch with an initial selection of financial instruments from partner companies, starting with lenders, and expand its offering gradually.

Goodeve is being developed for people looking for investment opportunities beyond traditional savings accounts, including those with limited investment experience.

"Not everyone who wants to invest is a professional investor, so our goal is to make the complex simpler and investing more understandable," says Narbute.

The platform intends to present information about each investment instrument's terms, expected returns and risks in one place, allowing investors to compare different opportunities. Goodeve also aims to give investors another option for diversifying their portfolios. "Diversification is one of the core principles of investing. It reduces the chance that one unsuccessful deal significantly affects your whole portfolio," says Narbute.

Following its launch in Latvia, Goodeve plans to expand internationally, introduce additional investment opportunities and bring more partners onto the platform.

UNITOQ AIMS TO MAKE INVESTING IN EUROPEAN REAL ESTATE MORE ACCESSIBLE

Riga-based fintech startup Unitoq is developing an investment platform that will allow individuals to invest in income-generating European real estate starting from 100 euros. Unitoq plans to launch its platform in the first quarter of 2027, initially offering investment opportunities in Riga.



ŅIKITA MANIJA, co-founder of Unitoq



EDUARDS RAUDONIS, co-founder of Unitoq

Unitoq aims to make real estate investment more accessible by allowing individuals to invest in properties without purchasing an entire apartment or managing tenants and maintenance. The platform will partner with experienced property operators to select income-generating properties in European markets. Each property will be divided into smaller investment portions. Investors will receive a proportional share of rental income and, when a property is sold, a share of any increase in its value. These operators will also handle tenant relations and property maintenance. Investors will be able to browse available properties, make investments and track their income and payouts through Unitoq's digital platform.

"At some point, almost everyone has thought about buying an investment property and renting it out, but very few actually get the chance: you need a large down payment, a mortgage, and the time to deal with tenants and repairs. We're here to change that and open real estate up to many more people," says Unitoq co-founder Eduards Raudonis.

He acknowledges that several Latvian investment platforms already offer real estate-related investment products. "Latvia has a great fintech scene, and it's good to see online investing growing. What makes Unitoq different is that it's built entirely around real estate. It isn't one product among many, it's the whole platform. Unlike loan-based products, our investors benefit from both rental income and value growth, and their returns aren't capped at a fixed interest rate, just as if they had bought the property themselves," explains Raudonis.

WAITING LIST IS ALREADY BOOMING

The platform is not yet available for investments, but Unitoq has already attracted more than 1,000 people to its pre-launch waiting list. The company is currently applying for a European Crowdfunding Service Provider (ECSP) licence from Latvijas Banka, which would allow it to offer its services to investors across the European Union.

The team is building Unitoq with big ambitions. Real estate is one of the largest asset classes in the world, yet for most people it's still out of reach, so the opportunity in Raudonis's eyes is huge. Also, Unitoq's ambitions are big.

> **"In five years, I'd like to see Unitoq as the leading real estate investment platform in Europe, active in multiple markets and trusted by a large community of investors who see it as their go-to way to invest in property," says Raudonis.**

He adds: "And Europe is just the beginning: Asia is already on our radar as the next big step. But first things first - our focus right now is a strong launch, a great first set of properties and earning our investors' trust one project at a time."

155,000 EUROS RAISED FROM BUSINESS ANGELS

Unitoq has closed a 155,000-euro pre-seed funding round through UQ Investors, a syndicate formed by members of the Latvian Business Angel Network (LatBAN) together with other business angels. The newly raised funding will be used to launch the platform, grow its investor community and bring its first properties in Riga to investors.

Asked how difficult it was to raise funding, Raudonis openly says the process was demanding but easier than the team initially expected. "A big reason is that the investors who trusted us this early strongly believe in the future of hard assets and in the digitalisation of the real estate industry, so we were speaking the same language from the start," he says.

Raudonis believes raising funding for a fintech company is generally more demanding than raising funding in other sectors. Investors know that a regulated business takes longer to launch, so they look very closely at the team and at how seriously you take compliance. "But once you're on the right path with the regulator, that becomes a real advantage, because it builds trust and makes the business much harder to copy," Raudonis is sure.

COMBINING REAL ESTATE AND STARTUP EXPERIENCE

Unitoq was founded by Eduards Raudonis and Ņikita Manija, who combine experience in business development and real estate investment. Raudonis has a background in sales and business operations and previously founded and managed his own consultancy, while Manija has experience in property development and investment in Latvia and internationally.

The two founders first worked together in 2021 on a dark kitchen startup following the COVID-19 shutdowns. A few years later, Raudonis founded the proptech startup Rentock, with Manija acting as his advisor. "To be honest, Ņikita was the main reason I moved into real estate. He's a real estate executive with more than 13 years of experience in property development and investment, both in Latvia and internationally, and a real expert in the field," says Raudonis.

The founders chose Riga as the company's base because of Latvia's fintech ecosystem and the opportunity to work with Latvijas Banka on obtaining the necessary regulatory approval.

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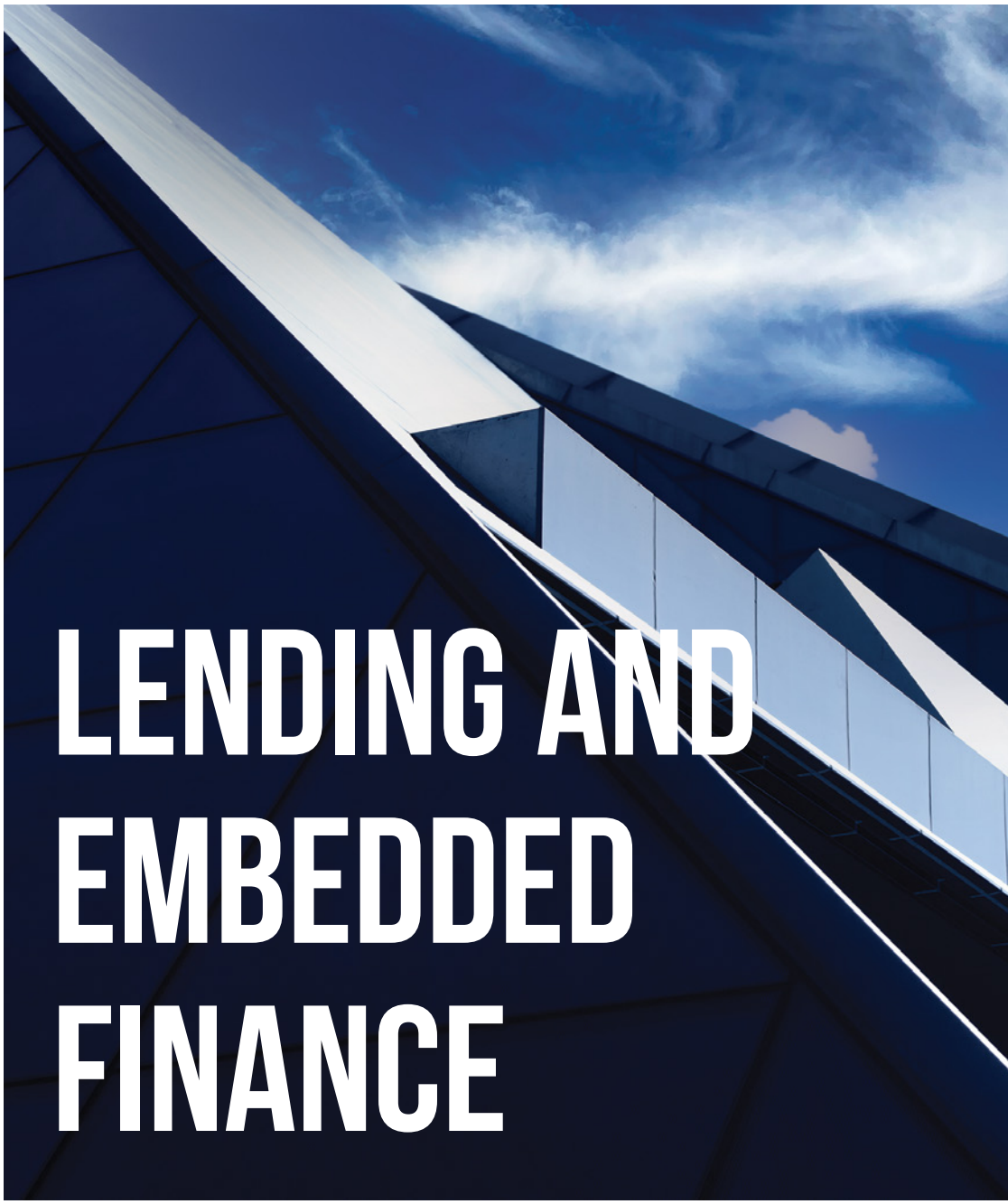

LENDING AND EMBEDDED FINANCE

LATVIA PREPARES TO CHANGE HOW NON-BANK LENDERS ARE SUPERVISED

From 1 January 2027, Latvijas Banka will take over the licensing and supervision of non-bank consumer lenders from the Consumer Rights Protection Centre, including anti-money laundering supervision, financial services advertising and consumer complaints.



KRISTERS GRĪNBERGS, Regional Director Baltics at DoAff and Board Member of Kredora



TOMS JURJEVS, founder and CEO of Sun Finance



OSKARS BALTAIS, CEO of InGain

The reform will significantly reduce licensing costs, with the fee falling from 250,000 to 2,500 euros. Licences will be issued for an indefinite period, while annual supervision fees will be calculated according to lenders' loan portfolios, with smaller lenders potentially paying less. During the 2027 transition period, existing regulations will remain applicable until Latvijas Banka introduces its own rules, which must be adopted by the end of the year.

MORE CONSISTENT APPROACH TO FINANCIAL SECTOR SUPERVISION

> **"Regulation doesn't have to slow innovation if the requirements are clear early and the technology is built to adapt," says Baltais.**

"For lenders the question is what those rules will require: reporting formats, data, anti-money laundering and ICT security expectations. Lower fees only help if compliance doesn't become much heavier at the same time. For technology providers it means reporting and compliance rules that change through configuration, not code, so lenders can follow the regulator without rebuilding. Regulation doesn't have to slow innovation if the requirements are clear early and the technology is built to adapt," says Oskars Baltais, CEO of Latvian loan management software provider InGain.

Regarding the planned transfer of non-bank lending supervision to Latvijas Banka, Toms Jurjevs, founder and CEO of Sun Finance, believes the reform could create a more consistent approach to financial sector supervision and strengthen confidence in the market. However, he emphasises the importance of managing the transition carefully. "The sector has invested years in building products, processes and customer relationships, and that experience should not be overlooked," says Jurjevs. He also stresses that the industry needs to be involved from the start. In his mind, regulation is rarely created in isolation – the best results come when supervisors and market participants work through practical issues together. The objective should be to improve the framework without adding unnecessary complexity or disrupting services that already work well for consumers, adds Jurjevs.

> **"The best results come when supervisors and market participants work through practical issues together," says Jurjevs.**

"We welcome the move to a single supervisor. Consistent standards for advertising, fees and advice across every channel that offers credit will raise the bar for the whole market and strengthen consumer trust," says Kristers Grīnbergs, Regional Director Baltics at DoAff, a financial affiliate and broker, and Board Member of licensed intermediary Kredora that works under the brand Samazini.lv.

> **"Consistent standards for advertising, fees and advice across every channel that offers credit will raise the bar for the whole market and strengthen consumer trust," says Grīnbergs.**

NEW RULES BRING MORE BUSINESSES UNDER LENDING SUPERVISION

From 20 November 2026, the Consumer Credit Directive 2 (CCD2) is coming into force. The rules apply across the European Union, but countries are at different stages: some have already adopted their national laws, while others are still drafting, and national choices, for example on caps on interest and total cost, differ. Lenders operating in several countries need to follow each national version.

"CCD2 widens what counts as consumer credit: buy-now-pay-later and deferred-payment products now fall under the rules. That pulls companies that never saw themselves as lenders, such as telecoms selling phones on instalments or rent-to-own businesses, into lending-grade compliance: affordability and creditworthiness checks, clearer pre-contractual information, rules on advertising and cross-selling, and stronger consumer rights. On the technology side, lenders must be able to prove later that they assessed each customer properly: decisions recorded and auditable, the right information at the right step, and reporting on demand. For companies offering by-now-pay-later or instalments for the first time, that's a big jump if their systems were built for e-commerce, not credit," says Baltais.

CCD2 requires Member States to promote education in responsible borrowing and

debt management in consultation with relevant stakeholders. Grīnbergs shares the European Commission's 2023 Eurobarometer survey's data that shows that only 11% of Latvians scored highly on financial literacy, compared with 15% in Poland, 12% in Romania and a European Union average of 18%. Another 24% of Latvians received low scores. Financial education is an area where Grīnbergs sees opportunities for cooperation between public institutions and the financial industry.

OPPORTUNITIES FOR PROPERTY-BACKED LENDING

Amendments to Latvia's Consumer Rights Protection Law that entered into force on 15 September 2026 introduced a lending product secured by property other than the consumer's home. The framework permits loans of up to 70% of the pledged property's value, with terms of up to 30 years. Borrowers must be at least 21 years old, liability is limited to the pledged property, repayment capacity must still be assessed, and an interest-only period of up to five years is permitted.

Latvia's homeownership rate of 83.7% in 2024, according to the European Commission, suggests potential for property-backed financing. International practice also offers examples of consumer safeguards. In the UK, products meeting Equity Release Council standards include a no-negative-equity guarantee and require independent legal advice.

Grīnbergs says later-life lending products secured against older borrowers' own homes, such as reverse mortgages, represent a separate potential market. Research from the Netherlands and Italy suggests that demand depends not only on property ownership but also on product design and consumer confidence. "For both refinancing and equity release, the benefit must be clear after fees and risks: secured borrowing is cheaper, but the property is at stake," says Grīnbergs.

Latvia's 2024 refinancing reforms made switching lenders easier. The changes generally prohibited outgoing lenders from charging refinancing fees, except compensation for fixed-rate loans, capped incoming lenders' fees at 1% and simplified the transfer of mortgage security. However, access to competing offers remains a challenge. Grīnbergs would welcome more banks participating in intermediary channels, allowing borrowers to compare new mortgages and refinancing offers in one place.

LONGER-TERM LOANS AND NEW BUSINESS MODELS RESHAPE CONSUMER LENDING

Consumers are borrowing differently than they did a few years ago. Demand for larger loans with longer repayment terms is growing, while smaller short-term borrowing is becoming less common. Customers also expect fast digital services, greater transparency and financing tailored to specific needs, pushing lenders to develop new products and integrate lending into the purchasing process.

Talking about consumer borrowing habits, founder and CEO of Sun Finance, has noticed growing demand for larger loans with longer repayment terms, while small short-term borrowing is becoming less common. At the same time, customers expect a fast and fully digital process. They are also comparing offers more carefully and paying closer attention to the overall cost of borrowing.

Jurjevs also sees a clear shift towards more specialised lending products.

> **"Customers increasingly want financing that fits a specific need and is available when and where they need it," says Jurjevs.**

Jurjevs points to growing demand for instalment loans, leasing solutions and buy-now-pay-later products. More broadly, customers expect financing to be integrated into the purchasing journey rather than treated as a separate process.

According to Jurjevs, the biggest challenge today is finding the right balance between growth, regulation and customer expectations. Competition is increasing both among non-bank lenders and from banks, which are becoming more active in many of the same customer segments. Funding for non-bank lenders has also become more expensive, while regulatory requirements continue to grow. "For us, this means there is a constant need to invest in technology, risk management and customer experience while remaining efficient," explains Jurjevs.

Looking ahead to 2027 and beyond, Jurjevs remains optimistic about the sector's long-term growth. He notes that customer expectations are changing and there is still significant room for innovation in how financial services are delivered. "We expect to see further consolidation, stronger partnerships between lenders and merchants, and greater use of data and AI across the industry," says Jurjevs.

LENDING IS BECOMING PART OF EVERYDAY BUSINESS

Describing how the lending market is evolving, Oskars Baltais, CEO of Latvian loan management software provider InGain, shares that lending is moving closer to the point of sale: instalments, buy-now-pay-later products and embedded finance inside non-financial businesses.

> **"We see new lending business models appear all the time, for example embedded student loan products, or a product that lets homeowners release the equity in their home without selling it," says Baltais.**

"There is room for many more niche credit products, and with the right technology consumers could choose from far more products built for their needs," Baltais is sure.

Looking at InGain clients, the clearest pattern is diversification: more markets and more products, instead of one product in one country. Lenders who started with a single loan now add credit lines, buy-now-pay-later or leasing, and open new countries on the same system. Industry data points the same way: MD Finance's Q3 2026 review of ten international non-bank lending groups shows their portfolios broadening from consumer loans into credit cards, buy-now-pay-later and small-business lending. "A second pattern is non-financial businesses becoming lenders. For example, a client of ours finances green-energy installations such as solar panels and heat pumps for installers, with funding from banks. A third is partnership models such as lending-as-a-service, where a bank brings the licence and funding, a local operator runs the business, and a technology partner runs the platform," says Baltais.

He has also noticed that the trends are similar everywhere, but markets are at different stages. "Regulation, data access and customer habits differ, and regulation keeps changing, which can reshape a whole market in one move," notes Baltais.

REFINANCING GAINS MOMENTUM AS COMPETITION INTENSIFIES

"As an intermediary, we see 2026 as the year of the challengers. Competition is pushing established lenders to revisit pricing, products and customer experience, and consumers have more choice than ever," says Grīnbergs.

"The market is entering a refinancing phase. For many of our customers, refinancing has become a normal part of managing existing debt, and lenders are responding with better terms," says Kristers Grīnbergs, Regional Director Baltics at DoAff and Board Member of Kredora.

Grīnbergs shares the data by Consumer Rights Protection Centre that shows that non-bank lenders issued more than 1 billion euros in new consumer credit in 2025, an increase of 23.6% compared with the previous year. The outstanding portfolio grew by 14.9% to 1.4 billion euros. Customers are increasingly looking for better terms across consumer loans, mortgages and other property-backed financing. "Their priorities are practical: an affordable payment, clear costs and help completing the switch," Grīnbergs explains.

At the same time, data from Latvijas Banka shows that in 2025 interest margins were reduced on 11,505 mortgage loans worth nearly 840 million euros. Of these, 965 were refinanced with another lender, while the remainder received reductions from their existing lenders. A further 2,288 loans received margin reductions in the first half of 2026. "Most borrowers renegotiate with their existing lender; making it easier to compare offers across lenders is the next step," says Grīnbergs.

He thinks refinancing could also put pressure on high-cost consumer credit. At the end of 2025, online loans accounted for 645 million euros, or 46%, of the non-bank lending portfolio. New online instalment loans and credit lines carried a weighted average annual percentage rate of 42.2% in December 2025, according to the Consumer Rights Protection Centre. "That gives banks and non-bank lenders alike a clear reason to develop competitive alternatives," says Grīnbergs. He expects refinancing to become an established part of Latvia's lending market, with mortgage intermediation and equity release emerging as additional growth areas. "Customers want practical ways to improve their existing commitments and access suitable funding," says Grīnbergs..

ALTERNATIVE FINANCE IS PLAYING A GROWING ROLE ACROSS EUROPE

Alternative finance is gaining ground across Europe, particularly among small and younger businesses that struggle to secure traditional bank loans. While the value of bank lending agreements of up to 1 million euros in the euro area increased by just 2% between 2020 and 2025, the value of new leasing in Europe grew by 32%, factoring turnover rose by 44% and crowdfunding doubled or tripled in size in many countries.



RONALD KLEVERLAAN, Chairman of Stichting MKB Financiering and Director of the European Centre for Alternative Finance at Utrecht University

Basel requirements and the costs associated with anti-money laundering compliance make smaller loans relatively expensive for banks to provide. According to Ronald Kleverlaan, Chairman of Stichting MKB Financiering and Director of the European Centre for Alternative Finance at Utrecht University, digital-native finance providers can process smaller transactions more efficiently by using online applications and transaction data to assess borrowers. This allows them to offer faster and more flexible financing.

Small businesses also increasingly seek financing tailored to specific needs, such as purchasing equipment, building inventory ahead of a busy season or covering the period between issuing an invoice and receiving payment. Specialist

providers can address these needs through their expertise in particular industries or financing products.

The Netherlands illustrates how significant the role of non-bank lenders can become. According to the Dutch central bank, independent non-bank providers accounted for approximately 45% of the value of new small and medium enterprises financing below 250,000 euros and 31% of financing below 1 million euros. Although banks remain the primary source of small and medium enterprises financing, specialist providers complement them by financing assets and cash flows that are more difficult to assess through standard bank lending procedures. "I expect their role to grow across Europe, especially in smaller transactions. The pace will depend on local banking markets, access to credit data and whether specialist providers can secure the funding they need to lend at scale," says Kleverlaan.

FILLING THE GAPS LEFT BY TRADITIONAL LENDING

Kleverlaan identifies the largest financing gaps among companies seeking smaller loans, businesses with limited trading histories and firms whose main assets consist of equipment, invoices or recurring revenues. A young company may already have paying customers but lack the operating history required to qualify for a conventional bank loan. Similarly, a wholesaler with profitable orders may need to pay suppliers immediately while waiting 60 days for customers to settle their invoices. Invoice financing can help bridge this gap.

According to Kleverlaan, one non-bank provider in the Netherlands has developed expertise in valuing used machinery and financing purchases of second-hand construction equipment. He also points out that its digital processes allow it to handle smaller transactions more quickly and at a lower processing cost than is typically possible for banks. Another specialist provider focuses on microloans, combining small-scale financing with business development support. "One model relies on knowing what a piece of equipment is worth. The other relies on assessing the entrepreneur and the business plan early on, when there is little trading history to go by," Kleverlaan explains.

COMBINING DIFFERENT SOURCES OF FINANCE

Kleverlaan expects more businesses to combine bank financing with funding from specialist lenders. For example, a manufacturing company could use a bank credit line to finance daily operations, lease a new production line and rely on invoice financing to fulfil a large export order. He also sees opportunities in financing energy efficiency improvements, particularly when repayment schedules for new equipment can be linked to the savings generated by those investments.

For smaller European markets, Kleverlaan suggests that a shared investment vehicle could help local specialist lenders obtain access to larger pools of long-term capital while allowing financing decisions to remain close to the businesses receiving the loans. Such a vehicle could also help channel European and national public funding to small businesses through specialist lenders.

"The challenge is to grow responsibly through a full credit cycle. Specialist lenders need reliable funding, disciplined credit assessment and a plan for supporting borrowers when trading conditions deteriorate," says Kleverlaan.

He also stresses that entrepreneurs need to understand the full cost of fast credit and what happens if they miss a payment. "I would judge the sector's success by how many viable businesses can access finance on terms they understand and can afford," he concludes.

SUN FINANCE SURPASSES 5 BILLION EUROS IN LOANS ISSUED SINCE ITS FOUNDING

Riga-based fintech company Sun Finance has surpassed 5 billion euros in loans issued since launching operations in 2017, with the latest billion added in approximately one year. In the first half of 2026, the group generated 124.8 million euros in revenue and reported year-on-year growth in its loan portfolio.



TOMS JURJEVS,
founder and CEO of Sun Finance

Sun Finance reached the 5 billion euro milestone in April 2026, less than a year after its cumulative loan issuance surpassed 4 billion euros in spring 2025.

During the first six months of 2026, Sun Finance generated revenue of 124.8 million euros, up 1% compared to the same period last year. EBITDA reached 43.9 million euros, corresponding to an EBITDA margin of 35.1%. The group's net loan portfolio stood at 186.5 million euros at the end of June, representing a 9% increase compared to June 2025.

In 2025, Sun Finance reported revenue of 286.9 million euros, an increase of 5.7% compared to 2024. Its net loan portfolio expanded by 21.7% to 207.2 million euros, largely driven by a greater focus on longer-term lending products. However, net profit declined by 18.6%, from 71.6 million euros in 2024 to 58.3 million euros in 2025. The company attributes the decrease to its shift towards longer-term loans, where returns are realised over a longer period, as well as adverse foreign exchange movements.

Sun Finance was founded in Riga in 2017 by Toms Jurjevs and Emīls Latkovskis. The company is headquartered in Riga and provides online consumer financing services across four continents. The company provides online consumer financing services across Europe, Asia, Africa and Latin America.

Sun Finance employs more than 1,100 people, including approximately 250 at its headquarters in Riga.

ELEVING GROUP HITS MILESTONE OF ONE MILLION ACTIVE CUSTOMERS

Riga-based fintech company Eleving Group has issued 472 million euros in loans during the first nine months of 2026, representing a 38.2% increase compared to the same period last year. Revenue reached 263.8 million euros, up 47.5% year-on-year. Eleving Group also reported a record-high net profit of 27.8 million euros for the nine-month period, an increase of 17.8% from the corresponding period of 2025.



MODESTAS SUDNIUS, CEO of Eleving Group

> **"Our revenue reached a record high, growing by nearly a half compared with the same period last year," says Modestas Sudnius, CEO of Eleving Group.**

"We are pleased with our results for the first nine months of 2026. Our revenue reached a record high, growing by nearly a half compared with the same period last year. As planned, we moderated loan issuance in the third quarter, which, together with the efficiency measures implemented earlier in the year, resulted in our highest quarterly net profit to date. Our net profit for the first nine months is already comparable with that for the full year of 2025. In the third quarter, we also reached an important milestone of 1 million active customers. Overall, we are well positioned to finish the year strongly," says Modestas Sudnius, CEO of Eleving Group.

Alongside the expansion of its lending business, Eleving Group has issued 200 million euros in senior secured bonds. Part of the proceeds from the bond issuance has already been used to refinance Eleving Group's 90 million euros bond issued in 2023 and maturing in 2028. The proceeds will also be used to repay part of Eleving Group's outstanding borrowings on the Mintos platform, while the remaining funds will be gradually deployed to support the continued growth of the group's loan portfolio.

Eleving Group has also expanded its international operations by entering South Africa. After obtaining a licence from the country's National Credit Regulator, the company opened its first branch in Cape Town in July 2026. In South Africa the company operates under the Bongo brand, offering consumer loans through both physical branches and digital channels. It plans to gradually expand its branch network to other major cities in the region.

"South Africa has one of the largest and most developed economies in Africa. The country has a population of more than 63 million people, and its lending market is well developed, with a well-established regulatory framework. Our key competitive advantage in this market is our technology-driven solutions and the extensive experience we have gained through our successful operations in other African markets," emphasises Mārtiņš Ozoliņš, CEO of Eleving Consumer Finance.

According to him, the company's strategy in South Africa combines digital lending with a physical presence. "South Africa has a highly developed digital landscape, and its people are well acquainted with online services. At the same time, it is important for us to remain easily accessible to our customers. We therefore plan to establish a physical branch network in the country while also offering our services digitally," points out Ozoliņš.

South Africa is Eleving Group's eighth African market, joining Kenya, Botswana, Uganda, Namibia, Tanzania, Zambia and Lesotho. At the end of September 2026, the Group's total net loan portfolio stood at 548.7 million euros, with 44% attributable to its African markets.

INGAIN EXPANDS INTO GERMANY

Latvian loan management software provider inGain has expanded into Germany, bringing the number of markets where its platform operates to 11. The company operates across Europe, Latin America, the Middle East and Africa.



OSKARS BALTAIS, CEO of inGain

"Our first client in Germany is live on inGain. It scales on the platform and has already launched a second product on it. For us, that shows there is demand in the German market and that the system fits it, so we see an opportunity to grow there," says Oskars Baltais, CEO of inGain.

inGain's largest markets are the Baltics, Czech Republic and Spain. According to Baltais, the company focuses on markets where regulation and licensing are changing, because that is when lenders need to rethink their products and systems.

> **"From next year, we will also look at developing markets, for example in Africa, where we already have a presence in Cameroon," says Baltais.**

inGain's platform manages the full loan lifecycle and supports more than 90 integrations, including credit bureaus, payment providers and know-your-customer services. inGain has developed ready-made market entry packages that allow lenders to launch opera-

tions in new countries within weeks rather than months. The packages are based on inGain's experience working with more than 60 lenders and are adapted to the regulatory requirements of each market. They allow lenders to introduce new lending products or enter new countries without developing their loan management infrastructure from scratch. Clients can use the packages as provided or customise them by adding integrations and other functionalities.

"In 2026, we onboarded several new clients, and a big focus was on efficiency, product development and bringing AI into our work, which made us about 30% more efficient. Some development work that used to take around three weeks is now often delivered in days. We also grow with our clients: several of them launched new products on inGain this year, some of them to adapt to the Consumer Credit Directive 2," adds Baltais.

In 2026, inGain saw growing interest in artificial intelligence (AI) among its clients. Lenders are connecting AI tools to the platform to configure integrated services and create their own dashboards using data available through inGain's system.

MAGNETIQ BANK LAUNCHES LENDING-AS-A-SERVICE PLATFORM

Latvian bank Magnetiq Bank has introduced a Lending-as-a-Service platform that allows fintech companies, e-commerce platforms and other digital businesses to offer loans under their own brands without developing their own banking infrastructure. The bank provides the regulated infrastructure and manages processes such as customer verification, credit risk assessment, loan origination and servicing.



JAKUB WIECLAW,
Chairman of the Board of
Magnetiq Bank

The launch comes as embedded finance expands beyond digital payments into lending, allowing businesses to offer financing directly through their existing platforms. For fintech companies, online marketplaces and payment service providers, embedded lending creates opportunities to introduce new financial products and generate additional revenue.

However, developing lending services independently requires significant investment in compliance, risk management and technical infrastructure. Magnetiq Bank's Lending-as-a-Service model allows businesses to integrate lending products through application programming interfaces while retaining control over their customer-facing platforms.

The platform supports several types of financing. Fintech companies can offer personal loans and revolving credit lines, while e-commerce marketplaces can integrate checkout financing or provide working capital to merchants. Payment service providers can add lending to their existing services, and established lenders can use the bank's infrastructure to expand their operations.

Magnetiq Bank handles customer verification, automated credit risk assessment, loan origination, payment processing and ongoing loan servicing. Partners can offer these services under their own brands while managing the customer experience. The platform also offers three funding models. Loans can be financed directly by Magnetiq Bank, funded by the partner or provided through a co-funding arrangement, depending on the business model and risk profile.

> **"The future of banking lies in seamlessly integrating financial services into everyday digital experiences. With Lendingas-a-Service, we empower our partners to lead their industries by embedding capital precisely where it is needed – right at the point of customer interaction," says Wieclaw.**

Magnetiq Bank has more than 15 years of experience serving the fintech and e-commerce sectors. With the introduction of Lending-as-a-Service, the bank is expanding its financial infrastructure offering for businesses operating in European markets.

> **"We believe embedded finance is the future, with more and more financial products becoming digital and seamlessly integrated into everyday services. Our ambition is to continue developing our Lending-as-a-Service solution, making it accessible to more businesses and enabling them to easily integrate lending services into their own products and platforms," says Wieclaw.**

He sees great opportunities across Europe, where the demand for digital financial services continues to grow. "Currently, we are seeing particularly strong interest in our Lending-as-a-Service solution from the German market. Our focus is on expanding partnerships with fintech companies across Europe and providing flexible, reliable lending solutions that help them bring new financial products to market," adds Wieclaw.

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PAYMENTS AND FINANCIAL INFRASTRUCTURE



PAYNT GROUP REACHES A NEW MILESTONE IN PAYMENT VOLUME

Riga-based payment solutions provider Paynt has surpassed 5 billion euros in processed payments since the company launched its operations in 2014. For now, Paynt serves more than 10,000 merchants all around the world.



JĀNIS LĪCIS,
Head of Marketing at Paynt

Paynt now operates directly in 8 markets and across the European Union through partners. The company has continued its international expansion in 2026, entering Italy and Greece and establishing local teams to support merchants. "Both countries have large hospitality sectors with strong demand for modern payment solutions, making them a natural fit for Paynt. Our local teams enable us to support merchants on the ground. Next, we are exploring France and Spain, focusing on markets where hospitality is central to the economy," says Jānis Līcis, Head of Marketing at Paynt.

The company has also introduced the Paynt POS App, designed to simplify in-store payments, and launched a Developer Portal that provides documentation and technical resources for partners integrating Paynt's payment solutions. These additions will help Paynt scale its partner network and bring its payment solutions to more merchants across Europe and North America.

MERCHANT FINANCING TO LAUNCH IN LATVIA

Paynt's Merchant Cash Advance Orchestration Platform connects businesses with funding providers, allowing merchants to access financing that is repaid according to their card turnover. The platform has been live in the UK for some time, and Paynt is now preparing to introduce Paynt Funding in Latvia by the end of 2026

"Paynt's experience in other markets shows that this solution helps hospitality businesses manage cash flow through quieter periods, invest in equipment or renovations ahead of peak season, and grow without taking on rigid fixed-term loans," Līcis explains.

DEMAND FOR INTEGRATED SERVICES IS GROWING

One of the products Paynt offers is a digital tipping solution that was developed in collaboration with Latvia's Ministry of Finance and State Revenue Service. The platform allows employees to receive tips directly while automating the declaration and payment of income tax. "Under Latvian law, digital tips are taxable employee income, and Paynt Tipping makes compliance effortless: tips are declared on the employee's behalf, income tax is automatically deducted and paid to the state, and staff receive their tips directly," says Līcis. Already more than 4 million euros in tips have been processed through Paynt Tipping in Latvia, generating over 1 million euros in personal income tax for the state. The company now plans to introduce automatic income tax declaration and withholding on tips in Lithuania and Estonia. As in Latvia, this would bring more tip income into the economy, increasing tax revenue for the state while making compliance simple for businesses and their staff.

Looking at changes in the payments industry, Līcis highlights growing demand for integrated services, particularly among hospitality businesses. Rather than using separate providers for different financial services, merchants increasingly expect payments, financing and tipping to be available through connected solutions.

> **"Most striking is how quickly hospitality businesses are moving to integrated solutions, expecting payments, funding and tipping in one place. Customers now see contactless and mobile payments as the default, and demand for embedded services like revenue-based funding is growing fast," says Līcis.**

He expects this trend to accelerate, as more hospitality businesses look for a single partner to handle payments, financing and staff tips, rather than juggling separate providers.

3ENITH STRENGTHENS ITS POSITION IN EUROPEAN PAYMENT PROCESSING

Latvia-based payment processing company 3enith provides payment technology and infrastructure to banks and financial institutions across Europe and the UK. Anna Šafara, CEO of 3enith, illustrates the scale of operations supported by the company with an example of one client whose monthly transaction volume has increased from approximately 100,000 to 3 million.



ANNA ŠAFARA,
CEO of 3enith

Founded in 2019, 3Enith enables banks, electronic money institutions and payment service providers to process online payments and money transfers through Visa, Mastercard and UnionPay. The company also helps financial institutions develop and implement new payment solutions. "Simply put, we provide the technology that makes payments work," says Šafara.

One of the company's responsibilities is managing technical communication and coordination with Visa, Mastercard and UnioPay on behalf of its clients. According to Šafara, this allows financial institutions to focus on their core business rather than managing the technical aspects of payment processing.

3enith reports that its client portfolio and transaction

volumes continue to grow. "Our growth is closely connected to the success of our clients. As their businesses grow, we grow alongside them," says Šafara.

The company has also expanded its team. Starting with three to five employees, 3enith now employs more than 10 specialists. While the company uses AI and other technologies to improve operational efficiency, Šafara emphasises that experienced specialists remain important, particularly when working with financial institutions that have different technical requirements. "In payment processing, reliability is essential – every minute of downtime matters," she says.

"Looking ahead, 3enith remains committed to delivering secure, reliable, and innovative payment processing solutions while growing together with our clients," says Šafara.

The company continues to invest in its technology and infrastructure to maintain system stability as transaction volumes increase. It also plans to expand its team in line with client demand.

Another priority for 3enith in 2026 has been implementing the requirements of the European Union's Digital Operational Resilience Act (DORA), which sets rules for managing information and communication technology risks in the financial sector. According to the company, it has completed its planned DORA implementation activities, covering ICT risk management, operational resilience and business continuity.

CRASSULA EXPANDS AND STRENGTHENS ITS INTERNATIONAL PRESENCE

Latvian fintech company Crassula, which develops white-label banking software, has expanded its capabilities in the Middle East through an integration with UAE-based Zand Bank and strengthened its partnership with British banking infrastructure provider ClearBank.



IVAN SHAROV,
CEO of Crassula

Founded in Latvia 11 years ago, Crassula develops software for digital banks, payment institutions and other financial services companies. Its clients include licensed electronic money institutions, fintech startups and smaller banks. The company operates internationally, with its main markets including Europe, the United Kingdom, the Middle East and North Africa (MENA), Canada and Switzerland. Crassula already has active partnerships with more than 45 service providers.

One of Crassula's main developments in 2026 has been expanding its capabilities in the Middle East through an integration with Zand Bank, a digital bank based in the United Arab Emirates. The integration supports UAE dirham accounts and domestic payments. During 2026, the company expanded it to include US dollar functionality.

"Successful market entry requires more than simply making technology available; it also requires an understanding of regional payment systems, regulatory frameworks and customer expectations," says Ivan Sharov, CEO of Crassula.

The integration has already generated interest from businesses operating in the region and those considering entering the market. "For us, MENA represents an opportunity to apply the experience we have developed in European markets while adapting our offering to the specific requirements of a fast-evolving regional fintech ecosystem," he adds.

GROWING DEMAND FOR READY-MADE BANKING TECHNOLOGY

Over its 11 years in operation, Crassula has observed changes in demand for white-label banking solutions. While early fintech companies focused primarily on basic digital accounts and payments, demand now includes instant and cross-border payments, digital wallets, card programmes and services combining traditional currencies with crypto-assets.

"Speed to market is no longer simply a competitive advantage; in many cases, it is a business necessity," says Sharov.

The company is also seeing more interest from businesses outside traditional financial services that want to integrate payments and other financial functions into their existing products. "We are also seeing growing interest from companies outside traditional financial services. Businesses increasingly want to integrate payments, wallets and other financial capabilities directly into their customer journeys, creating new revenue opportunities and improving customer engagement," Sharov explains.

Looking ahead to 2027, Crassula plans to expand its network of banking and technology partners and continue updating its web and mobile platform. International expansion and the development of new integrations remain among the company's priorities.

NEW CEO BRINGS ORGANISATIONAL CHANGES

In early 2026, Sharov took over as Crassula's CEO, as the company's co-founders decided to devote more attention to Nodu, another fintech business they established several years ago. One of Sharov's first priorities was simplifying the organisational structure and clarifying responsibilities across product development, technology, sales and client operations. "We simplified the organisation and gave each area a clear owner. Product, technology, sales and client operations now work to shared goals, which we review together every week: new

clients, client retention, and revenue from new features and integrations," says Sharov.

Another change has been bringing product managers into direct contact with clients, reducing the number of people involved in technical and product-related decisions. "Decisions that used to take several rounds of communication now happen in one conversation," Sharov explains.

Crassula has also introduced a more structured approach to expanding its network of integrations, working with providers at a pace of one every two weeks. The company has revised its commercial terms and pricing structure

AI ENTERS EVERYDAY OPERATIONS

Artificial intelligence has also become part of Crassula's internal operations. The company uses AI-powered tools to automate routine tasks and support employees. Its product team uses an internal AI chatbot to access information, while an AI assistant also supports technical customer service. "We see AI primarily as a tool that enhances the capabilities of our people rather than replaces their expertise. In a complex industry such as financial services, human judgement, security and regulatory responsibility remain essential," Sharov says.

He sees further opportunities for AI in customer onboarding, compliance and fraud detection, including identifying inconsistencies during know-your-client and anti-money laundering checks and detecting unusual transaction patterns. "Data protection, explainability, accuracy and regulatory compliance are especially important when technology is used in financial decision-making," he adds.

VUZZA TARGETS THE HIDDEN COSTS OF CROSS-BORDER BUSINESS PAYMENTS

Riga-based fintech startup Vuzza has developed a platform for cross-border business payments that combines payment approvals, automated compliance controls and a verifiable record of every action taken. The platform aims to reduce cross-border payment costs while giving businesses greater control over their payment processes.



VALTS MARGA,
co-founder and CEO of Vuzza

Vuzza's customers are mid-market companies paying suppliers across borders, starting with logistics and manufacturing. The platform is designed for financial controllers and treasury teams responsible for managing payments. Every action taken through the platform is recorded in a cryptographically verifiable audit trail, while payment approval rules are enforced automatically. Payments are settled through licensed partners using stablecoin infrastructure, but customers can send and receive funds in traditional currencies without having to hold stablecoins themselves.

Vuzza is currently working with 12 design partners across Europe, the Middle East and Africa, with four pilot projects underway since autumn 2026. Pilot clients settle around a third more payments every month with the same team. On average, the time spent manually processing a payment has fallen from 18 to seven minutes, while settlement time has decreased from three days to one. Audit preparation time has also dropped from four weeks to two and a half. "They have also cut their month-end close from two weeks to four days, and finding the full record behind a payment now takes two minutes instead of an hour," says Valts Marga, co-founder and CEO of Vuzza.

FROM CHEAPER PAYMENTS TO BETTER CONTROL

When a company pays a supplier abroad, it can be difficult to establish who approved the payment, when and why, particularly if the information is spread across several systems and spreadsheets. At the same time, cross-border fees quietly eat into margins without anyone tracking them.

> **"Vuzza makes every payment approved, recorded and cost-efficient before the money moves," says Marga.**

Marga spent 10 years working with finance teams and repeatedly proposed the same idea, but the answer was always 'next year'. Finance is often seen as an administrative cost rather than part of business operations. "The issue for me personally was that I was never able to get a final acceptance to build this product in-house in the companies I worked in due to this fact. So I built it myself – now Vuzza makes every payment approved, recorded and cost-efficient before the money moves," shares Marga.

At an early stage, Vuzza participated in the Startup House Riga Pre-Accelerator. The team initially believed that transaction costs were the main problem, but discussions with finance teams revealed a different challenge. Marga says that while transaction fees matter, a bigger problem is reconciling payments across multiple systems, especially when records do not match and it is unclear who approved a transaction. "A small company can still find the answer by digging through a few emails. At hundreds of payments a month across several systems, that's no longer possible," he explains.

This discovery changed the direction of Vuzza's development. Instead of focusing mainly on cheaper payments, the team began building a single system for managing and tracking them. They tested the concept with financial controllers, presenting a prototype to potential customers before the product was ready.

ACCELERATORS OPEN DOORS TO NEW PARTNERSHIPS

In September 2026, Vuzza joined the Freshmango accelerator and Mastercard Lighthouse Finitiv programme, followed by Nvidia Inception in October. "Each programme since has added a different layer. Freshmango sharpened our positioning and sales strategy – how long our sales cycle really is, how to structure proofs of concept, how to find product-market fit, and how to work with investors," says Marga.

The Mastercard Lighthouse Finitiv programme also helped Vuzza identify opportunities beyond its initial target market, particularly among banks and financial institutions that could offer the platform to their corporate customers under their own brands. The programme has led to discussions about a proof of concept with a Nordic bank and a payment partnership with a Lithuanian electronic money institution.

Nvidia Inception supports Vuzza's product development as the company expands the use of AI in its platform.

TARGETING THE NORDICS AND BALTICS IN 2027

In 2027, Vuzza plans to close a 750,000-euro pre-seed funding round, launch its settlement infrastructure into production and expand its team. "We start in the Nordics and Baltics, where we already have partners and pilots, and then expand across Europe, the Middle East and Africa," says Marga.

The company forecasts 75,000 euros in annual recurring revenue by the end of the first quarter of 2027 as pilot projects convert to paid contracts. Three more pilots are currently being scoped for the next quarter. "The intent is there – 92% of our design partners have said they would replace their current accounts payable stack with Vuzza," adds Marga.

Vuzza plans to grow through direct sales, partnerships and cooperation with financial institutions. Its direct sales approach focuses on helping companies identify payment costs and test the platform with a small number of suppliers before expanding its use. The company also plans to work with enterprise resource planning software providers and accounting firms, as well as banks and financial institutions that could offer Vuzza's technology under their own brands.

HANDWAVE PREPARES TO LAUNCH BIOMETRIC PAYMENTS

Latvian fintech company Handwave has processed its first real biometric payments and is preparing to launch pilot projects with banks and retailers across the Baltics by the end of 2026. The first pilots will initially be available only to selected users, with broader consumer access planned towards the end of 2027. Handwave is also preparing for international expansion, with the European Union as its main focus over the next few years.



OSKARS LAKŠĒVICS,
Chief Commercial Officer at Handwave

Handwave has been testing biometric payments in a production environment, allowing actual purchases at a self-service kiosk in the company's office. Access is currently restricted to Handwave employees, and all transactions processed so far have been successful. The company has also completed the necessary integrations with one of the leading banks in the Baltics, which provides acquiring services for the payments.

The next step is to test the technology with banking and retail partners. Handwave is gradually onboarding banks, retail technology providers and merchants, including some of the largest banks in the Baltics. The first live pilots are scheduled for the end of 2026, with all planned Baltic pilots expected to be operational in the first quarter of 2027.

A SINGLE PALM SCAN FOR PAYMENTS AND IDENTITY VERIFICATION

> **"Our long-term vision goes beyond payments: making a single palm scan a universal way to pay, verify identity, confirm age and access services," says Lakšēvics.**

Handwave's technology combines three checkout activities – payment, loyalty benefits and age or identity verification – into a single palm scan. These activities currently take anywhere from 30 seconds to more than a minute. Handwave's biometric recognition takes less than a second, while the complete checkout process is expected to average under four seconds, depending on the merchant's existing payment processing system.

Handwave uses two biometric characteristics – the unique patterns on the surface of the palm and the vein structure beneath it – combined with liveness detection to verify that a real person is present.

"We do not store raw palm images, only encrypted biometric templates. We also have a contractual relationship with Visa and use its tokenisation services to protect payment card credentials," says Lakšēvics.

He adds that the company's technology and data protection practices have undergone due diligence by Visa, Worldline and its Baltic partners.

FROM SEED FUNDING TO INTERNATIONAL EXPANSION

Since raising 3.65 million euros in 2025, Handwave has developed its proprietary end-to-end biometric platform, including palm-scanning hardware, biometric recognition algorithms and supporting software in-

frastructure. The company has successfully integrated its technology with live payment processing infrastructure, established partnerships with banks and POS/ECR system providers, and continues to onboard new partners. In September 2026, Handwave expanded its cooperation with Visa to include support for international expansion and access to Visa's partner network

While the Baltics will serve as the company's initial market, Handwave plans to focus its international expansion on the European Union over the next few years. Lakšēvics says Handwave's compliance with European Union payment, security and data protection requirements should help the company expand into other markets.

In the longer term, Handwave aims to extend the use of palm recognition beyond retail payments, allowing people to verify their identity, confirm their age and access other services with a single scan.

HOLYDONATION BRINGS DIGITAL DONATIONS TO CHURCHES AND RELIGIOUS ORGANISATIONS

Latvian fintech startup HolyDonation is developing digital tools that make it easier for churches and other organisations to collect donations. Less than a year after the idea was born, the company is working with 55 organisations at different stages of onboarding and is looking beyond Latvia, with the United States as its main target market.



KRISTS ANDERSONS, founder of HolyDonation

HolyDonation combines digital payment solutions with technology, aiming to make donations easier for supporters and simpler to manage for organisations. "The idea is to make technology as simple as possible. An organisation can set everything up in five minutes and then wait for the required know-your-client and anti money laundering checks," says Krists Andersons, founder of HolyDonation.

The platform allows organisations to set up recurring donations and stay in contact with their donors. Asked how HolyDonation works in practice and what makes this solution different from a regular bank transfer or QR code, he explains that when making a donation through regular bank transfer a person needs to copy paste everything. In this case it is quicker – 2 clicks in the phone and donation is done. HolyDonation's current customers are mainly religious organisations, although the platform is also designed for other non-governmental organisations.

FROM AN IDEA TO THE FIRST CUSTOMER IN LUDZA

HolyDonation started as a project at StartSchool, where the team was looking for a simple way for religious organisations and non governmental organisations to accept donations digitally. "We were solving the problem of how to donate using digital tools, focusing on a simple and fast way to set up subscriptions for an organisation's followers. Now the platform also helps organisations stay in contact with every donor," says Andersons.

He remembers – on 29 November 2025, it was just an idea on paper. By 19 January 2026, HolyDonation's had a working minimum viable product and the first customer – the Roman Catholic Parish of the Assumption of the Virgin Mary in Ludza.

DONATIONS BEYOND SUNDAY SERVICES

HolyDonation is now working with 55 organisations at various stages of the sales and onboarding process. According to Andersons, donations through the platform are already coming from abroad, including Brazil. People donate throughout the week, not just during Sunday services, and the volume of donations is growing month by month. "It's not just about five-euro donations. Some people donate more than 100 euros. First month it was a two digit number, now it reaches four," he shares.

One of the more unusual applications of the technology can be found at St James's Cathedral in Riga, where even a religious figurine has been equipped to accept donations. "I call them travelling terminals," Andersons says, describing the possibility of bringing donation technology to different locations.

HolyDonation offers four pricing plans tailored to the size and needs of the organisation. Depending on the plan, the commission ranges from 1% to 2% of donations received.

THE US MARKET IS NEXT

Although HolyDonation is still at an early stage, the startup plans to expand internationally, with the United States market among its priorities. The company sees opportunities to reach Latvian congregations abroad through cooperation with the American Latvian Association. It has also compiled a database of 3.5 million religious organisation contacts and plans to develop the technical infrastructure needed to automate outreach to potential customers. "Hopefully, next year we will reach at least 300–500 organisations, although there are more than 1,000 registered religious organisations in Latvia alone," shares Andersons. He adds: "We want to operate overseas, and the United States is our main target market. HolyDonation has no borders, just like any religion."

For the Andersons, the company's ambitions are not only about technology or payments. "At the end of the day, it's about being a good person, doing good and helping good organisations," he adds.

HolyDonation is currently working with 55 organisations, but its founders, Krists Andersons and Kalvis Grauds, hope to reach at least 300–500 organisations in 2027.



09

AI, DATA AND THE FUTURE OF FINTECH

EVOLUTION WITH REVOLUTIONARY IMPACT

Artificial intelligence (AI) is becoming part of everyday operations at fintech companies, helping teams work faster, automate routine tasks and develop new products. While the technology creates new opportunities, it also raises questions about trust, data protection and accountability.

Asked whether AI represents an evolution or a revolution, Deniss Filipovs, Board Member and CTO of Magnetiq Bank, describes it as evolution with revolutionary impact. "In regulated banking the change is gradual and controlled. As the buzzword phase passes, real use cases will be put to the test, and many ideas will not survive that validation. But the ones that mature will have a huge impact on cost, speed and risk management across the sector," believes Filipovs. Nauris Bloks, CEO of Twino, also thinks that AI has revolutionary potential, but the practical change happens one workflow at a time. "I already use it for real work, so I don't see it as just a buzzword. But calling something AI-powered tells me very little. I want to know what problem it solves, whether people actually use it, what the complete cost is and who checks the result," says Bloks.

OPPORTUNITY TO IMPROVE THE SERVICE

In fintech in general, Bloks sees AI reducing the effort needed to understand information, develop software, support customers and investigate problems. Smaller teams can explore and build services that previously required much more specialist capacity. But the bigger opportunity is improving the service itself: making financial products easier to understand, reducing unnecessary steps and helping people get useful answers sooner.

"At the same time, cheaper automation does not automatically create a better financial service. Data quality, customer trust and accountability still determine whether the result is useful. I expect the strongest companies to be those that combine their financial-services knowledge with the ability to redesign and test workflows around AI," says Bloks.

According to him, the biggest adoption barriers are connecting AI to the right information, getting permissions right and turning experiments into reliable daily workflows. "Usage limits and costs matter too. Buying access is relatively easy; learning where a tool helps, how to give it context and how to check its work takes more effort," adds Bloks.

AI CAN BUILD PROTOTYPES, BUT CAN IT RUN A LENDER?

Today there is a strong assumption that with AI and vibe coding almost anything is possible to build in a couple of evenings. Oskars Baltais, CEO of lending operations platform InGain, sees vibe-coded lending systems as fine for prototypes and simple minimum viable products, but not for running a lending business at scale.

"You can build an impressive prototype very quickly, but you don't really know what is inside it. A system built from scratch will miss edge cases, and you can't tell how it will perform under real load or how well it holds up against cyber attacks. In lending one mistake can end the business: one loan to a sanctioned person, or one disgruntled employee asking an AI tool to delete the database, and the licence is at stake," says Baltais.

Once a company moves from a prototype towards a product that has to scale, the real requirements arrive: security, GDPR, regulatory reporting, audit trails and dozens of reliable integrations with credit bureaus, payment providers and know-your-customer services, each with its own edge cases. Knowing which of them matter comes from running real lending operations, and learning that by trial and error is slow and expensive.

EXPLORING AI WITHOUT RUSHING INTO LENDING DECISIONS

Unlike some fintech companies that are already integrating AI into their core operations, Latvian crowdfunding platform Digilo is taking a more cautious approach. AI is not currently integrated into the platform's lending or investment processes. The company is exploring its potential but is limiting its experiments to publicly available information, without using clients' personal data, financial records or other confidential information. "Any future AI implementation would require appropriate safeguards, human oversight and compliance with regulatory requirements. For Digilo, the priority is to understand where AI could provide practical benefits rather than introduce the technology simply because of its popularity. Looking ahead, we expect AI to play a growing role in the lending and investment industry, particularly in document processing, information analysis and supporting credit risk assessment," notes Zane Sniedze, CEO of Digilo.

She is sure that automating routine tasks could reduce manual work and allow employees to focus on decisions requiring professional judgement.

"For investors AI could also make financial information easier to understand and help explain the characteristics and risks of different investment opportunities. However, I don't expect AI to replace human decision-making in lending. Professional experience, human oversight and accountability will remain essential when assessing financial risks," says Sniedze.

RISING EXPECTATIONS FOR SPEED

Baltais points out that many good financial products never reach the market because building the technology makes them too expensive to try. Now AI cuts the time and effort to launch and makes experienced teams much faster. "But it doesn't replace industry knowledge, proper engineering, maintained integrations or the data insights built up over years of running real lending businesses," he adds.

Looking at the broader fintech sector, Filipovs believes AI is rising expectations for speed. Building a minimum viable product or running a pilot has become easier and cheaper, allowing ideas to be validated in weeks rather than months. AI is also making compliance and fraud prevention scalable, reducing the cost of serving businesses and accelerating onboarding and payments.

"The most interesting change for me is how much more a capable person or team can do. The test is whether that translates into better work and better services for customers. Also if AI would be taken away today, then most of workflows would break and that shows that evolution is happening," says Bloks.

According to Tatjana Kulapina, Board Member of Viainvest, AI reduces time spent on manual evaluations and allows the team to focus on improving the customer experience and addressing issues proactively.

"Adopting AI has helped us work faster and more efficiently, particularly by reducing time spent on routine tasks. It lets our team focus on more important, complex cases that require human attention, while AI handles repetitive tasks. As a result, we can prioritise our work better and respond to customer needs more effectively," says Kulapina.

Valts Marga, co-founder and CEO of Vuzza, highlights that a small team can now build and test in a week what previously took three months. "In our last development sprint we went from idea to a working product tested with real financial controllers in five days," he shares.

Bloks adds: "We should measure the time needed to reach an accepted result, including checking and corrections, rather than only how quickly AI produces a first draft."

AI CREATES NEW RISKS AS WELL

One of the biggest gains for wider AI adoption is time, but the flip side is quality.

> **"Smaller players that launch products built largely with AI, without careful review, risk gaps in security, compliance and reliability. We believe thorough human review remains essential, especially in regulated finance," says Filipovs.**

Looking at the wider fintech industry, Kulapina warns that faster development can create challenges around quality, accuracy, security and customer experience. "We believe AI is a revolution for the fintech industry, with the potential to significantly change how financial services are developed, delivered, and managed. As AI adoption continues to grow, the key challenge will be finding the right balance between speed and innovation while maintaining high standards of quality, reliability, security, and regulatory compliance," says Kulapina. She identifies customer data protection, privacy and potential errors in AI-generated outputs as the main risks of using AI in fintech. "We are closely following the development of AI regulation and industry standards, which will provide clearer guidance on how customer data can be used with AI models. In the meantime, we focus on using AI in controlled use cases and ensuring that appropriate data protection and human oversight are maintained," she explains.

Unitoq co-founder Eduards Raudonis thinks the biggest challenge is trust. "When it comes to people's money, AI has to be transparent and properly supervised. For us, it's a great tool, but the responsibility for every decision always stays with people," he emphasises. Marga agrees: "One rule is fixed – AI prepares, people approve. AI can never approve a payment on its own."

ANYONE FANCY A FAKE INVOICE?

Triin Pappel, Chief Commercial Officer in Investor Relations at Estateguru, emphasises that the benefits from AI depend on data quality, not simply the amount of available information. She also notes that personal contact remains essential in investor relations and when working with borrowers, making local market presence important. AI also creates new cybersecurity challenges. "What helps detect fraud is also available to fraudsters, so the role of cybersecurity is growing across the sector, and in the near future it will be in the focus of many fintechs," Pappel says.

Marga also points out risks such as AI-generated fake invoices, altered bank account details and payment decisions that cannot be traced afterwards. "That's exactly where we see Vuzza – as the infrastructure where AI agents can run payables, read invoices, prepare payments and settle them, while every rule is enforced, every step is recorded and a human still approves every payment," notes Marga.

Bloks thinks that the biggest risk while using AI is a confident answer that is wrong, particularly when it concerns a customer, regulation or a financial decision. Data exposure, excessive access rights, biased outputs and dependence on external providers also need attention. While AI can help detect fraud, it can also make impersonation and fraud more convincing. Twino has introduced visibility over AI agents and their access, and the company's practical training uses dummy data and emphasises checking outputs. Of course, questions about customer-data use need the right privacy and compliance review. "My principle is that responsibility stays with the person using the tool. The level of checking should reflect the consequence of an error. Drafting an internal summary and influencing a credit decision require very different controls. Our governance needs to develop alongside adoption; I wouldn't describe it as a finished exercise," says Bloks.

THERE ARE ALSO INDIRECT RISKS...

In Filipovs eyes, the main direct risks of using AI include data protection, model errors and bias, as well as regulatory requirements under GDPR, the European Union's AI Act and Digital Operational Resilience Act. AI-enabled fraud, including deepfake documents and synthetic identities, is another risk the bank expects and prepares for, although it has not encountered it in practice so far. "The less visible risks are indirect. We see a growing number of AI-related vulnerabilities in infrastructure, especially as AI tools and agents are integrated into internal systems and get access to data," Filipovs says.

He also points to the trade-off between software-as-a-service and on-premises solutions. Software-as-a-service provides speed and access to the latest models but offers less control over data and creates greater vendor dependency. On-premises solutions offer more control but cost more and move more slowly. "This year, regulatory requirements and supervisory expectations for AI have become much clearer. That clarity is welcome, but it adds compliance and documentation burden and slows experimentation, so we focus on fewer, well-governed use cases," explains Filipovs. He believes the companies that succeed will be those combining AI speed with strong governance and quality control.

WHAT COMES NEXT?

Over the next five years, Sniedze expects AI to make existing financial processes more efficient and accessible rather than fundamentally replace the people responsible for them. Raudonis sees opportunities for AI in property and market analysis, personalised investor services and the automation of routine compliance and reporting tasks.

But Marga expects AI agents to take over more financial operations in the coming years, particularly accounts payable: "Over the next few years, AI agents will start running whole parts of finance, like accounts payable, end to end. That's a huge opportunity for efficiency, but it raises a new question – when an agent pays a supplier, who said 'yes'?"

Juris Grišins, founder and CEO of Capitalia, is cautious about predicting how AI will transform financial services in the longer term. "No forecast, my answer would change every couple of months as the capabilities of AI models are changing very, very rapidly," he says.

KREDĪTINFORMĀCIJAS BIROJS LAUNCHES NEW AI-POWERED RISK SCREENING SOLUTION

Latvian credit information provider Kredītinformācijas Birojs has introduced two new digital solutions – a self-service business information platform and an AI-powered reputation and compliance screening tool developed in partnership with Fintelligence. The new platform provides instant access to financial and credit information, including data on more than 22,000 businesses with credit obligations, while the AI solution helps companies identify potential reputational, sanctions and compliance risks when assessing business partners.



INTARS MIĶELSONS,
Commercial Director at
Kredītinformācijas Birojs

In April 2026, Kredītinformācijas Birojs launched its new digital portal, kib.lv, providing individuals and businesses with easier access to credit information services. The business information platform brings together multiple data sources, allowing users to assess companies' credit histories, payment behaviour, financial performance, ownership structures and creditworthiness in one place.

One of its key features is access to information about companies' outstanding credit obligations and overdue payments to financial institutions. "This information was previously unavailable to Latvian businesses through comparable business information services and can reveal financial difficulties that may not yet be visible in publicly available financial statements," says Intars Miķelsons, Commercial Director at Kredītinformācijas Birojs.

Previously, access to Kredītinformācijas Birojs data was primarily available to licensed lenders through application programming interface integrations. Following legislative changes that expanded access to certain credit information, the company developed a self-service portal to make this data more accessible to a wider range of businesses. Companies can now retrieve relevant credit information within seconds, without the need for complex technical integrations, while maintaining high data security standards. Miķelsons highlights that this is particularly valuable for small and medium-sized enterprises when assessing new business partners, payment terms and credit limits.

BEYOND FINANCIAL DATA

In October 2026, Kredītinformācijas Birojs expanded its services with a new reputation and compliance screening solution developed in partnership with Fintelligence. The tool helps businesses assess potential and existing partners by identifying risks that may not be visible in financial statements or payment histories.

"Traditionally, this process has involved manually searching international news websites, public databases, search engines and sanctions lists. Relevant information may also be published in different languages, making the process time-consuming and complex," explains Miķelsons.

The solution uses a specially trained AI assistant to analyse publicly available information from international sources in more than 100 languages, alongside international sanctions lists. It identifies adverse media coverage and potential risks related to sanctions evasion, money laundering, fraud, corruption and other financial crimes. Findings are presented in a structured report with references to the original sources.

SCREENING INTERNATIONAL PARTNERS

For example, a Latvian company considering a partnership with an international supplier can use the tool to review publicly available information, sanctions screening results and potential reputational risks in a single report instead of searching multiple sources manually. The solution supports know-your-customer, anti-money laundering, supplier due diligence and third-party risk management processes.

Although the tool can significantly reduce manual research, Miķelsons emphasises that AI should support professional judgement rather than replace it. Final business decisions remain the responsibility of the organisations using the solution.

AI AND THE FUTURE OF RISK ASSESSMENT

Looking ahead, Kredītinformācijas Birojs expects AI to play an increasingly important role in identifying early warning signs of financial difficulties, reputational concerns and compliance risks. Businesses will increasingly seek tools that go beyond assessing a partner's current financial position.

"At the same time, data quality, source reliability, transparency, and responsible AI use will become even more important.

> **"AI can support the analysis and interpretation of information, but trustworthy data will remain the foundation of sound decision-making," says Miķelsons.**

He believes the future of the industry lies in closer integration of traditional credit information, reputational data and artificial intelligence, helping businesses make faster and better-informed decisions.

INTELIA REVEALS FINANCIAL CHALLENGES FOR LATVIAN BUSINESSES

Latvian alternative financing provider Capitalia has launched a free credit analysis platform Intelia that allows businesses to assess their financial position before applying for financing. Based on an analysis of more than 10,000 companies assessed through Intelia, data shows that while 77% of analysed companies could potentially qualify for financing, many face declining profitability, shrinking revenue and tax-related issues.



JURIS GRIŠINS,
founder and CEO of Capitalia

For any company registered in Latvia, Intelia provides a credit score on a scale of 1–100, an indicative borrowing capacity, an estimated business value and a comparison with industry peers. The assessment uses the same methodology Capitalia applies to its lending decisions, drawing on more than 15 years of experience financing small and medium-sized enterprises in the Baltics.

"Every lender scores a company before it lends, but the company itself almost never sees that score. A business owner applies to a bank, gets a no, and usually isn't told why," explains Juris Grišins, founder and CEO of Capitalia.

He has noticed that businesses often approach the wrong lender or apply for an unsuitable loan amount. Some abandon their search for financing after a single rejection, even though other options may be available. "With Intelia we opened our credit methodology to everyone. Any Latvian company can check its credit score, an indicative credit limit and its business value for free, and see how it compares with its industry," says Grišins.

In October 2026, the platform introduced additional tools for accountants, including bulk debtor checks, alongside a free loan brokerage service. Businesses can now submit a single financing application to up to 17 banks and alternative lenders and compare their offers.

In August 2026, Capitalia began publishing a monthly Latvian Company Financial Health Index based on Intelia data. It reveals significant differences in their financial health: 41% of companies have an excellent credit score of 91–100, while 29% score below 60, indicating poor financial health. The median score is 84 out of 100. However, the data also points to weakening financial performance. Almost half (48%) of analysed companies experienced a year-on-year decline in profitability, while 37% reported lower revenue than the previous year.

Tax compliance is another challenge. One in five companies has registered tax debt, while 44% have a B or C cooperation rating from the Latvian State Revenue Service.

> **"Most companies are in better shape than they think. Around 77% of the companies we analyse could potentially qualify for financing based on their financials. The problem is less access to capital than access to the right financier, plus timing," says Grišins.**

He points out that lenders consider tax compliance when assessing financing applications, and businesses often underestimate its importance. Even financially healthy companies can face difficulties obtaining financing because of tax-related issues that could potentially be resolved within weeks.

The Financial Health Index also identifies differences between industries. Healthcare, other mining and quarrying, and water supply are among the strongest-performing sectors. Meanwhile, water transport, manufacturing of other transport equipment, and repair of computers and personal goods have the weakest results.



FINTECH COMPANIES ARE HIRING MORE SELECTIVELY AS DEMAND FOR SPECIALISED TALENT GROWS

Latvia's fintech companies are becoming increasingly selective when hiring new employees. While recruitment experts say there is no general shortage of talent, finding professionals with the right experience in regulated financial services and technology can be difficult, forcing companies to look beyond Latvia.



EVITA LUNE, Equity Partner and Global Head of FinTech Practice at Pedersen & Partners



DANA KOCĀNE, Talent Partner and Chief Executive Officer at Teamence



ANASTASIA ZENCIKA, founder of Evotym

> **"It is never easy to appoint a fintech executive. Our clients have disruptive business models and global ambitions," says Lune.**

"Our clients have disruptive business models and global ambitions. Nowadays, they are actively applying for licences, which calls for candidates from a regulated environment. And last but not least – fintech companies have rather authentic company values and behaviours, which are often difficult to compare and match," says Evita Lune, Equity Partner and Global Head of Fintech Practice at Pedersen & Partners.

Dana Kocāne, Talent Partner and CEO of Teamence, agrees: "There is a strong pool of experienced professionals who are open to new opportunities, so the challenge is not necessarily finding people – it is finding the right people with the skills and experience the company needs." Kocāne points out that hiring has become more complicated. "In general, the hiring process has become more complex. Companies are operating in challenging times, while expectations from management are increasing. This often makes decision-making slower and hiring processes longer," she says. However, Kocāne doesn't think that there is currently a lack of talent. On the contrary – in many cases, there is a lack of clarity and strategy. Companies need to be very clear about what business problem they are trying to solve, what capabilities they actually need and what kind of person can deliver the result. "When requirements become a long list of skills rather than a clear business need, finding the right person becomes much more difficult. The starting point should not be 'Who should we hire?' but rather 'What exactly do we need this person to solve?'," explains Kocāne.

From the searches Evotym runs in Latvia and across Europe, they see fintech hiring becoming increasingly selective, particularly for senior, specialised and regulated roles.

> **"Companies are looking for people with experience in a similar product, market or regulatory environment, and in a relatively small market like Latvia, the number of genuinely relevant candidates can be limited," shares Zencika.**

Also, many strong candidates are already employed and not actively looking for a new role, which makes them harder to reach through traditional hiring channels.

Kocāne sees that fintech companies are becoming much more specific about the experience and skills they need. They are creating smaller, but stronger teams. In fintech and technology, for example, they may look for someone who has already worked with a particular product, regulatory environment, market, or technology at a certain scale. "However, the market often offers strong generalists rather than candidates with this exact combination of experience. The best candidate is not always actively looking for a new role, and finding someone who matches both the technical requirements and the business context requires a much deeper market search. So, I would not describe the current challenge as a lack of talent. It is more about precision – finding the right expertise, at the right level, for the right business," explains Kocāne.

> **"The best candidate is not always actively looking for a new role, and finding someone who matches both the technical requirements and the business context requires a much deeper market search," points out Kocāne.**

LOOKING BEYOND LATVIA

Competition for experienced professionals extends well beyond Latvia. "We are definitely competing beyond Latvia. For senior technology and fintech professionals, the talent market is regional and increasingly global. A strong candidate in Latvia may have opportunities not only from local companies, but also from employers in the Baltics, Nordics and other European markets, including companies offering remote or hybrid positions. This is particularly noticeable

at executive and senior levels. The more specialised the profile, the wider the geographical competition becomes," says Kocāne.

At the same time, companies are also becoming more open to hiring talent from other markets when the right expertise is not available locally. From Teamence's experience in executive search, this means that companies need to think beyond the local candidate pool. Understanding where the relevant talent is, what motivates them and how competitive the offer is has become an important part of successful hiring.

Lune points out that Latvia is often too small to look for candidates in the fintech space, especially outside the lending business vertical. Given the fact that there have been no successful digital neobanks in Latvia yet, and the number of licensed businesses in other fintech segments is relatively small, Pedersen & Partners often needs to search for candidates across a broader region. This includes professionals with experience in payment and electronic money institutions, as well as companies operating under the European Union's Markets in Crypto-Assets Regulation and Markets in Financial Instruments Directive. As quite a few of the already licensed companies in Latvia are still at an early stage, the search often extends to the Baltics, Poland, the Nordics and Central Europe.

Zencika adds that international recruitment is not always straightforward, particularly for regulated roles. "Regulated positions can still be very location-specific. Local market knowledge, understanding of the regulatory environment and, in some cases, physical presence in the jurisdiction remain important," says Zencika.

MOST SOUGHT-AFTER PROFESSIONALS

Currently, Teamence is looking for senior executives, compliance and anti-money laundering specialists, and business development managers for its fintech clients. Among the most sought-after executives are chief executives and directors responsible for technology, operations and finance. On the technology side, companies are most actively looking for cybersecurity specialists, data engineers, artificial intelligence (AI) and machine learning engineers, as well as development and operations specialists.

At the same time, Kocāne sees less demand for traditional middle-management roles, such as project managers, product owners and heads of department. "Companies appear to be more selective when hiring for these positions and are increasingly looking for roles that bring either strong strategic leadership or highly specialised expertise – mainly because of AI," Kocāne explains.

Pedersen & Partners is most actively hiring for senior leadership positions in neobanks, including chief executives and directors responsible for risk management, information security, compliance and operations. "These are very challenging projects due to the lack of a neobanking track record in Latvia and the frequent lack of a cultural match between traditional bankers and a fintech environment. In such situations, we always look for candidates more broadly – not only in Latvia, but also in neighbouring countries and wider Europe. Candidates from universal banks in Latvia may lack a wider pan-European or global business vision and experience, as well as familiarity with the most up-to-date technologies (agentic finance, digital assets, etc.)," says Lune.

In Evotym's experience, there is strong demand for senior professionals in commercial, compliance and product functions, as well as for senior executive and board-level roles, especially for licensing purposes.

"We also see companies keeping teams leaner, which means senior hires are expected to stay close to execution, take ownership and have a clear impact on business performance," adds Zencika.

She also sees new hybrid profiles emerging in compliance. Companies increasingly look for professionals who combine strong regulatory expertise with blockchain and crypto knowledge, and that combination is still relatively rare in the market.

DEMAND FOR REGULATORY EXPERTISE

Regulation is also changing the types of professionals fintech companies need. "In fintech, as more companies enter new markets and operate in increasingly regulated environments, there is growing demand for experienced leaders who can combine business growth with strong regulatory and risk management expertise," says Kocāne. She sees more demand for roles such as chief executives, managing directors, and heads of compliance, risk management and anti-money laundering, especially in companies launching new regulated entities or expanding into new European markets.

Lune has noticed a similar trend. With increasing regulation in the European Union and Latvia's development as a European fintech hub, demand for professionals with experience in licensed financial institutions has grown, particularly in compliance and anti-money laundering. "There is also growing demand for strategic senior executive positions in a strictly regulated environment. Earlier mandates were less focused on regulatory aspects," says Lune.

NEW ROLES DRIVEN BY AI

"AI is creating a new generation of roles," emphasizes Kocāne. Today, she sees growing demand for AI product managers, leaders specialising in AI and machine learning, and professionals leading AI and business transformation, as well as professionals who can connect AI with business, product and operational needs. A few years ago, many of these positions either did not exist or were not clearly defined as separate roles. "What is particularly interesting is that companies are not only looking for pure AI specialists. They increasingly need people who understand how to turn AI into real business value, and this is related to every profession," assumes Kocāne.

Zencika sees similar changes in recruitment. "Across our current searches, we are seeing strong demand for AI developers and prompt engineers focused on automation, while practical AI use is becoming part of the skill set companies expect across many other functions," says Zencika.



FROM LONDON TO JAPAN:

LATVIAN FINTECH BUILDS INTERNATIONAL PARTNERSHIPS

In 2025 and 2026, Fintech Latvia Association and its member companies took part in 10 international trade missions and industry events across seven countries: the United Kingdom, Germany, the Netherlands, France, Austria, Uzbekistan and Japan.



TĪNA LŪSE,
Managing Director of Fintech Latvia Association

These included leading fintech and tech events such as the Innovate Finance Global Summit in London, Frankfurt Digital Finance, Money20/20 Europe in Amsterdam, VivaTech in Paris and Invest Stuttgart, as well as a trade mission to Uzbekistan.

During the Innovate Finance Global Summit in London in April 2026, Fintech Latvia Association signed a Memorandum of Understanding with Innovate Finance, the UK's financial technology industry association. The agreement provides for an in-depth exchange of knowledge, the development of joint initiatives and the promotion of new business opportunities between the fintech ecosystems of both countries. "This collaboration is important not only from the perspective of boosting the export capacity of Latvian companies, but also from the perspective of attracting investment – Fintech companies launching their operations in London may find access to the European Union market particularly relevant – and in this regard, Latvia is currently able to provide an accessible licensing process in a jurisdiction with a good reputation. "We have already been working with investors from the United Kingdom who are expressing interest in a specialized banking license," says Tīna Lūse, Managing Director of Fintech Latvia Association.

Several international trade missions took place at the highest political level. Latvian fintech companies joined the Minister of Economics in Berlin, the Minister of Economics and the President of Latvia on a visit to Japan, and the Prime Minister and the Minister of Economics in Hamburg and Rostock.

"For me, the most important achievement is that Latvia is no longer showing up abroad as individual companies but as a fintech ecosystem: companies, the association, Latvian Investment and Development Agency, the regulator, our embassies and, more and more often, the country's top leadership telling one story together," says Tīna Lūse, Managing Director of Fintech Latvia Association.

"When the President, the Prime Minister or the Minister of Economics brings fintech companies along on a visit, it sends a clear signal that fintech is part of Latvia's economic story. We are a small hub, but when we travel as a delegation, people listen. Every mission makes Latvia more visible as a place where fintech companies can get licensed, build and scale. And this is exactly the message we want to send: once you enter the Latvian market, we want you to grow here. International engagement has clearly increased, but there is still room to be more systematic: choosing fewer, better-targeted markets and making sure that every trip leads to concrete business, not just visibility," says Lūse.



The Fintech Latvia Association hosts Fintech Breakfast, a popular event series that brings together fintech companies, entrepreneurs, industry experts, regulators and other professionals from Latvia's financial sector. The breakfasts are well attended and offer a chance to discuss industry developments, hear different perspectives and connect with the wider fintech community.

Each event focuses on a single topic, combining expert presentations, practical examples and open discussion. Recent sessions have explored the use of artificial intelligence in fintech companies, the practical implementation of the Digital Operational Resilience Act (DORA) and Latvia's ambition to become a stronger European fintech hub. Speakers have included representatives of fintech companies, technology providers, Latvijas Banka and other organisations.

Networking is just as important as the discussions. The informal setting allows participants to share experiences, ask questions and meet people facing similar challenges. Fintech Breakfast has become a fixture for Latvia's fintech community.







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