

## ***FinTech* investment trends and the role of Latvian-based company in their development.**

Since 2010, *fintech* companies determine the industry trends and create a wide range of new financial products and services to make money management easier and more efficient. Financial market participants established in the pre-digital era face significant challenges in regard to implementation of innovative new services in their product range.

Currently, Europe has achieved a new investment record in the financial technologies industry reaching \$58.1 billion in 2019, compared to \$43.4 billion in 2018. The increase is due to FIS transaction where WorldPay was purchased for \$42.5 billion which made up more than half of the figure. Other large transactions in the first half of 2019 included redemption of eFront shares in France for \$1.3 billion and redemption of SIA (Milan) shares in Italy for \$894 million. To a large extent, due to the purchase of WorldPay, *fintech* investments in the United Kingdom increased significantly: from \$25.4 billion in 2018 to \$48.5 billion in 2019. In Germany, *fintech* demonstrated a highly successful investment year, reaching \$1.6 billion that was impacted by investment of \$470 million in N26 in Q3 2019. France also does not run much behind the leading Western Europe countries with \$1.8 billion investment in the financial industry.

One of the leaders in the fund-raising is the *fintech* start-up company Revolut which managed to raise \$500 million in the last D Series investment phase, resulting in the company's evaluation of \$5.5 billion. In the recent years, Revolut has managed to raise investments in the amount of \$836 million.

GERLIONTI GROUP with its experienced team of professionals work in the domain of new technologies, improving the available resources to compete directly with traditional financial institutions and intermediaries, retaining digital financial services as the key part of business. These services facilitate opening business accounts and daily online payments. Thereby, businesspeople save time for management and development planning in these rapidly changing and challenging times.

“We would like our clients to work efficiently and increase their revenues, without thinking about account expenses and payments; we want to ensure that the process is easy and effortless,” said the Head of GERLIONTI GROUP Latvian branch SIA “Gerlioni”, Signe Kalniņa.

GERLIONTI GROUP is a group of several international companies engaged in financial services that develops its technologies to provide its clients extensive and industry-compliant range of payment and financial services. The Latvian branch is engaged in development and implementation of IT solutions and recently it has presented the new application GerliPay available on iOS and Android devices.

The goal of the Group management is development of client-oriented financial service, as well as further growth of the Group by taking up significant market share not only in Poland and Baltics, but also in Western Europe. The traditional banking services are necessary for

the clients, however, experience in recent years shows significant change in attitude in the client service and service availability.

Combining experience with trends of global financial market development, GERLIONTI GROUP continues developing its new product, GerliPay, which will serve as a great contribution to the financial industry.

To achieve the goal, the company underwent first phase of fund-raising to create GerliPay payment system.

This year, a contract was signed on purchase of Modularbank next generation Core banking programme and development of GerliPay payment system. Over the next 6 months, one of the Group's payment systems will be replaced with a new fintech solution based on the banking software and will include:

- Opening of multi-currency accounts (EUR, USD, GBP and PLN);
- Receipt and review of online account applications;
- Making SEPA payments;
- Receipt and making SWIFT payments in 50+ currencies to 80+ countries;
- Visa Business payment cards;
- Apple Pay and Google Pay payment services;
- Account access via customer portal on the personal computer or via mobile application.
- 24/7 client service.

Within the framework of approved investment plan, the company will continue the expansion of the Group in Poland and as a result of this decision the second Group company has received payment institution licence in Poland.

To create the ecosystem of GerliPay that includes financial institution licences issued in different jurisdictions and joins different service providers in one digital platform, the management of GERLIONTI GROUP has started negotiations with potential investors on raising second phase investments in the amount of 5 million Euro. The funding obtained from investments will allow to employ high-level professionals and choose the highest quality service providers to achieve the goals.

The above numbers demonstrate the extensive interest of investors in investing in the financial industry and active *fintech* company development that is ongoing.

Based on the estimates of financial and technology industry specialists, the value of GERLIONTI GROUP following second phase of fund-raising amounts to 15 million Euro that shows a stable position in the industry.