

Baltic Bank Seeking Additional Capital or New Ownership

*Rare Opportunity to Acquire a Banking License in the Baltics
Quick Action Required*

The Bank: A fully licensed bank headquartered in the Baltics is seeking equity capital from new investors or new owners. Its focus is the SME market with an emphasis on short term operating loans and trade receivable financing. Originally formed in 2014 by several Baltic entrepreneurs to engage in trade finance and factoring, it acquired its banking license in 2022. It is a member of SWIFT and has access to all EEA and global payment processing systems.

Current Situation: Since its inception, the bank has lost money. Based on past performance, it is likely that without additional capital from new owners or investors, the regulators will close the bank before the end of 2024. If the bank is closed, it is highly unlikely that the regulators will attempt to find new owners.

The owners recognize the situation and have engaged consults to evaluate potential investors.

Investment Thesis: Acquisition is suitable for a financial institution, company, or individual seeking a fully licensed bank in the EU and has a business plan for strengthening the bank's financial position to support long term banking activities. Once stabilized, the platform also offers opportunities to expand into FinTech activities and participate in other financial activities only available to licensed credit institutions such as buying syndicated corporate debt.

Most important is that the jurisdictions where this bank is licensed have stated they will not issue new banking licenses for at least 4 years.

NOTE: The value is in the license, not the current banking business or banking assets.

Investment Options

Full Acquisition: The owners believe that the bank is worth 30 to 35 million EUR, but with expert negotiation, a final sale price of 20 to 25 million EUR is possible. Regulators will require additional regulatory capital. Buyers must submit to regulatory approval process.

Acquisition in Installments: A capital contribution of at least 10 million EUR is required by the end of Q3 2024 for the bank to continue operations into 2025 which will allow time for the bank to show improved results or seek additional capital. With an investment of 10 million EUR, the investor will be the largest shareholder and have board and management representation. In addition, the investor could receive an option to acquire the remaining shares. This allows an investor seeking a bank platform to have access to that platform earlier.

For more information:

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