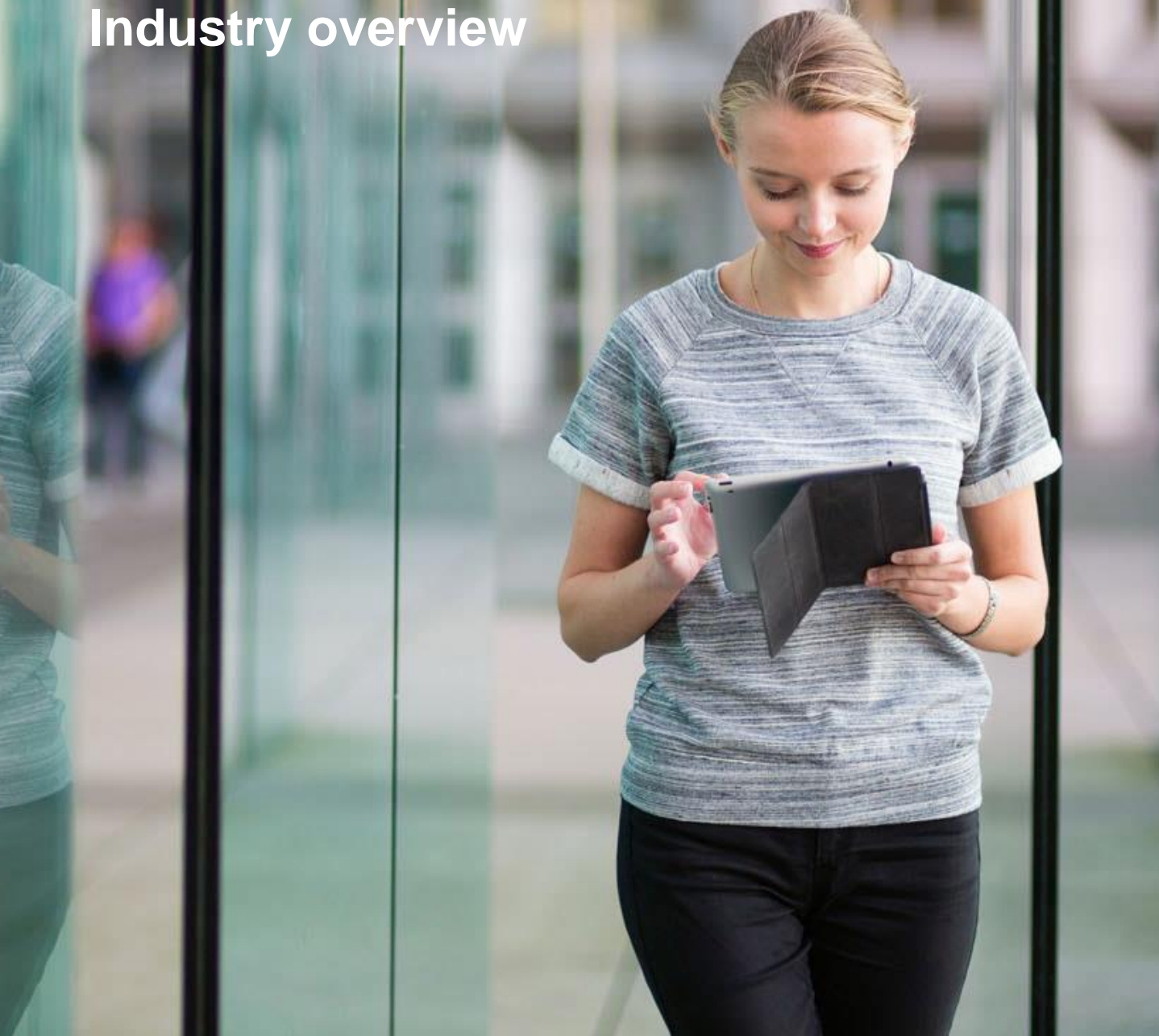


Shared Service Centres

Industry overview



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Key strengths in the SSC sector

Forward-thinking talent and vast potential

▪ Where Innovation thrives

Lithuanian professionals are renowned for their ability to find new, innovative solutions for the long term, not just complete tasks and find quick fixes.

That's what made the country so attractive to **Nasdaq**, which maintains its leading position worldwide by finding and nurturing the best talent. Established in Vilnius in 2015, Nasdaq's Lithuanian development team makes, tests and delivers state-of-the-art solutions that are used across the globe.

▪ No "if", only "when"

When a company sees a 'can do' attitude from the staff, then it knows it can trust them with greater responsibility and more complex tasks. And as **Barclays** has discovered, Lithuanian employees are full of drive and commitment.

In 2009, the company established a service centre in Vilnius to handle simple IT operations. Today, thanks to the ability and dedication of its ever-growing team, the centre manages a range of core IT and HR services for Barclays' global operations and is the location for one of its global Centres of Excellence.

▪ Talent that tailors itself

Whatever the challenge, whichever skills and competences are required, Lithuanian professionals are ready to tailor themselves to fit it. Just ask global leader in business and tech services **Cognizant**.

New employees at Cognizant's Vilnius office receive intensive language tuition in either Norwegian or Swedish. In just 6 months they are ready to provide professional customer support to the company's Scandinavian customers.

▪ People-driven growth

If you have a plan, why not exceed it? In Lithuania, thanks to the large pool of highly skilled professionals on offer, the majority of investors significantly exceed their initial plans.

In the case of **Western Union**, current staff numbers are five times higher than those originally planned. Established in 2010, the company's Vilnius team has grown from 250 to 1,500, making it the largest WU site worldwide. And with services provided in 30 different languages to customers in 34 countries, the office is truly international in both its size and scope.

▪ Even greater potential for growth

Whilst Lithuania's SSC sector is already robust, with one of the most educated populations in Europe the country continues to offer excellent potential for growth and expansion. In fact, it boasts some of the lowest saturation levels in the CEE region, which has allowed **Danske Group** to dramatically grow its IT team over the last year.

Established at the start of 2015, Vilnius-based Danske Group IT has been able to hire 1.5 IT specialists every day to work in its banking solutions and global monitoring teams. These teams are responsible both for creating cutting edge solutions for the financial services sector and conducting the entire group's IT project management activities.

SSC & Business Services

#1 General Overview

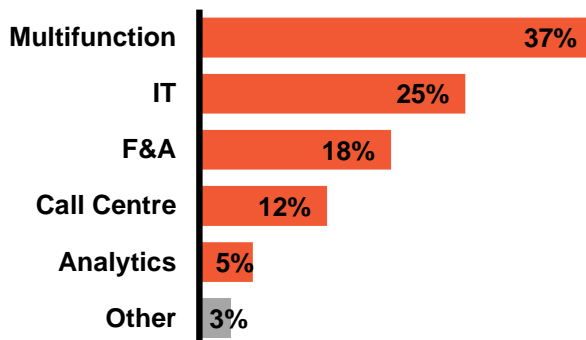
- Around **12,000** professionals employed in **~50** SSC/BPOs¹
- Services provided in over **34** languages²
- Over **90%** of employees have at least a bachelor degree²
- Among **Top 10** destinations globally for FDI in SSC³
- **10 - 14%** attrition rate within Shared Services Centers²
- Danske Group IT Center Lithuania – **Best Employer of the Year 2015 in CEE**⁴



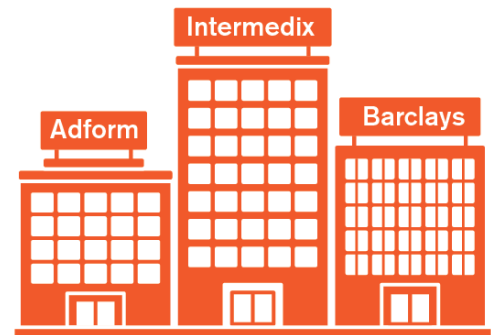
Vilnius - the best location for shared service and outsourcing in the CEE in 2014 and 2015

Kaunas - the best emerging city for shared service and outsourcing in the CEE in 2015⁴

SSC & BPO PRESENCE IN LITHUANIA BY FUNCTION¹

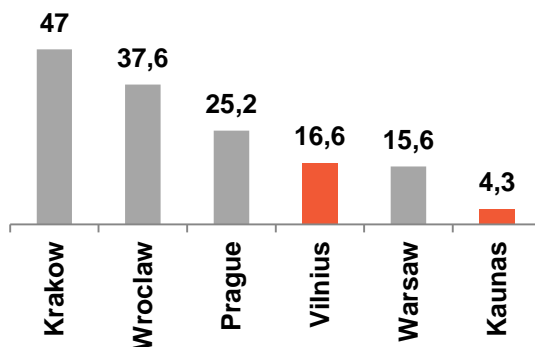


TOP3 MOST DESIRED EMPLOYERS ARE SSCs



Source: Verslo Zinios Annual Survey, 2015⁵

PEOPLE EMPLOYED IN BUSINESS SERVICE CENTERS PER 1,000 RESIDENTS⁶



Target companies

- Financial and Insurance Services
- LPO / Law Firms
- Pharma & CRO
- Manufacturing Companies

SSC & Business Services

#2 Competence & talent

INFORMATION TECHNOLOGIES

Student Supply

- **8,260** IT students at 11 universities and 15 colleges¹
- **1,700** graduates each year¹

Experienced professionals

- **27,800** experienced IT professionals and 2,380 IT enterprises²
- **31** SSC/BPO's supporting IT functions in Lithuania³

Key Competences:

Java, Oracle, Microsoft (C#, C/C++, Visual Basic, ASP), Web Based (HTML, PHP, JavaScript, CSS, XML)



FINANCE AND OPERATIONS

Student Supply

- **34,917** students enrolled in finance, economics, business administration and similar programs at universities and colleges¹
- **10,200** graduates each year¹

Experienced professionals

- **24,000** professionals employed in companies operating in finance and insurance, accounting and auditing sectors in Lithuania⁴



HUMAN RECOURSES

Student Supply

- **37,000** students suitable for HR positions in the pipeline¹
- **9,400** graduates each year¹

Experienced professionals

- **10,000** experienced HR professionals employed in the industry⁴



SSC & Business Services

#3 Cost - effective business environment

Position in the SSC	Avg. yearly gross salary (EUR) ¹		
	LT	PL	Δ
Accountant	20 650	21 230	- 3 %
Business Planning Analyst	31 380	32 630	- 4 %
Computer Operator	10 540	11 280	- 7 %
Data Entry Clerk	7 270	7 920	- 8 %
Secretary	11 280	12 070	-7%
Human Resources Advisor	18 630	19 150	- 3%
Payroll Manager	30 300	31 500	- 4%
Customer Service Representative	8 610	8 710	- 1%

Financial Support for Services Projects:

- 8-15% of Salary Costs for the first 2 yrs.
- Up to 50% of employee training costs, but no more than EUR 500,000 per project

Support Intensity Assessment Criteria:

- Number of new jobs created
- Average monthly salary
- Share of services for export
- Amount of investments
- Location within Lithuania

Tax comparison ²	LT	PL
VAT	21%	23%
Dividends	0-15%	0-19%
Personal income tax	15%	18-32%
Social security tax	9% employee 30.98% employer	~35%

SSC & Business Services

#4 Case Studies



Barclays Group Operations Center

Functions: IT and global HR services
Languages: English, French, German, Italian, Portuguese, Spanish
Headcount: 1300
Est. in: 2009, Vilnius



Global Business Services & IT Center

Functions: Finance, accounting, banking operations and IT
Languages: English, Danish, Finnish, Swedish, Norwegian
Headcount: 816 (GBS) and 500 (DGITL)
Est. in: 2012, Vilnius



Global Operations Center

Functions: Compliance, F&A, AML, HR and transactions
Languages: 34 languages
Headcount: 1500
Est. in: 2010, Vilnius



Technology and Business Support Competence Center

Functions: IT management and support, finance, accounting and securities operations
Languages: English, French, German, Spanish, Russian
Headcount: 142
Est. in: 2015, Vilnius



Shared Service Center

Functions: Medical coding, patient research, practice management, data analytics & IT
Languages: English
Headcount: 636
Est. in: 2014, Kaunas

