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UK (PRA / FCA) vs Lithuania (Bank of Lithuania / ECB): banking licenses compared

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In short: The United Kingdom (PRA / FCA): minimum capital €5m (from £1m/€1m for small specialist banks), deposit protection £120,000 (FSCS). Lithuania (Bank of Lithuania / ECB): minimum capital €5m (bank); €1m (specialised bank), deposit protection €100,000. Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is 'better': that depends on who the clients are and what protection they need. The full rules, sources and FAQs are in the Banking license in the United Kingdom and Banking license in Lithuania guides.

Side by side

	United Kingdom	Lithuania
Regulator	Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)	Bank of Lithuania and the European Central Bank (ECB)
License	Part 4A permission to accept deposits, granted by the PRA with the consent of the FCA (dual authorisation)	Banking licence or specialised bank licence under the Law on Banks; the final decision is taken by the ECB
Legal basis	Financial Services and Markets Act 2000; PRA Rulebook and the UK Capital Requirements Regulation; FCA Handbook for conduct	Law on Banks of the Republic of Lithuania; EU Capital Requirements Directive and Regulation; SSM Regulation

	United Kingdom	Lithuania
Minimum capital	Most new banks must hold initial capital of at least €5 million (sterling equivalent). Since the 2013 reforms, a bank that qualifies as a small specialist bank can start with an absolute minimum of €1 million or £1 million, whichever is higher, plus a capital planning buffer. New banks must also hold enough capital to cover Pillar 1, Pillar 2A and buffers for at least 12 months.	€5 million for a bank with a full banking licence. €1 million for a specialised bank, which may take deposits, lend and provide payment services but not most investment services. A specialised bank is subject to the same capital ratios and prudential rules as a full bank.
Application fee	Reported at £55,740 in total for the PRA and FCA application fees; we could not confirm the current figure from an official source.	A state fee is charged on the licence, reported at €50,683. In December 2023 the Ministry of Finance announced a reduction in bank licence fees; check the current amount with the Bank of Lithuania.
Decision time	By law within 6 months of a complete application, or 12 months if incomplete. Banks that use mobilisation then spend a period authorised with restrictions before full authorisation.	The Bank of Lithuania must assess the application within 6 months of a complete file; the ECB then decides. The ECB says licensing decisions usually take 6 to 12 months.
Local substance	A UK-incorporated firm with its head office and mind and management in the UK, a full executive team and board approved under the Senior Managers Regime, and a credible business plan, recovery plan and solvent exit plan.	A Lithuanian company with its head office in Lithuania, fit and proper managers and shareholders, and staff proportionate to the business model. The Bank of Lithuania accepts licence documents in English.
Minimum capital ratios	UK implementation of Basel III: CET1 4.5%, Tier 1 6% and total capital 8% of risk-weighted assets, plus buffers and a firm-specific Pillar 2A requirement set by the PRA.	Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement.

	United Kingdom	Lithuania
Foreign bank branches	Yes. Banks from outside the UK can apply for a branch authorisation; the PRA expects banks with significant UK retail deposits to operate through a UK subsidiary instead.	A bank from outside the EU can open a branch only with a national authorisation from the host country; it does not receive an EU passport. CRD VI (Directive (EU) 2024/1619) harmonises the rules for third-country branches across the EU.
Liquidity	Liquidity coverage and net stable funding requirements under the PRA Rulebook; the PRA has reduced liquidity requirements for new entrant banks.	Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of at least 100% under the CRR.
Deposit protection	FSCS: up to £120,000 per eligible depositor, per authorised bank, for banks that fail from 1 December 2025 (previously £85,000). Temporary high balances, such as house sale proceeds, are protected up to £1.4 million for six months.	Deposits are insured up to €100,000 per depositor, per bank, by the state deposit insurance scheme (Indėlių ir investicijų draudimas), under the EU Deposit Guarantee Schemes Directive.
Cross-border passport	No EU passport since Brexit. A UK banking license covers UK business; serving EU clients needs an EU license, usually through a separate EU subsidiary.	Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor. This applies to specialised banks too.
Public register	FCA Financial Services Register [2]	Bank of Lithuania register of licences [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, the United Kingdom or Lithuania?

The United Kingdom: Most new banks must hold initial capital of at least €5 million (sterling equivalent). Since the 2013 reforms, a bank that qualifies as a small specialist bank can start with an absolute minimum of €1 million or £1 million, whichever is higher, plus a capital planning buffer. New banks must also hold enough capital to cover Pillar 1, Pillar 2A and buffers for at least 12 months. Lithuania: €5 million for a bank with a full banking licence. €1 million for a specialised bank, which may take deposits, lend and provide payment services but not most investment services. A specialised bank is subject to the same capital ratios and prudential rules as a full bank. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

Are the capital ratios the same under both licenses?

The United Kingdom: UK implementation of Basel III: CET1 4.5%, Tier 1 6% and total capital 8% of risk-weighted assets, plus buffers and a firm-specific Pillar 2A requirement set by the PRA. Lithuania: Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement.

How much of a depositor's money is protected if the bank fails?

The United Kingdom: FSCS: up to £120,000 per eligible depositor, per authorised bank, for banks that fail from 1 December 2025 (previously £85,000). Temporary high balances, such as house sale proceeds, are protected up to £1.4 million for six months. Lithuania: Deposits are insured up to €100,000 per depositor, per bank, by the state deposit insurance scheme (Indėlių ir investicijų draudimas), under the EU Deposit Guarantee Schemes Directive.

Can a firm with one of these licenses serve clients in other countries?

The United Kingdom: No EU passport since Brexit. A UK banking license covers UK business; serving EU clients needs an EU license, usually through a separate EU subsidiary. Lithuania: Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor. This applies to specialised banks too.

See also

- Banking license in the United Kingdom
- Banking license in Lithuania
- Lithuania (Bank of Lithuania / ECB) vs Ireland (CBI / ECB): banking licenses compared
- Switzerland (FINMA) vs UK (PRA / FCA): banking licenses compared
- US (OCC / FDIC) vs UK (PRA / FCA): banking licenses compared
- Ireland (CBI / ECB) vs UK (PRA / FCA): banking licenses compared
- All 10 licenses in one table

References

1. Official Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) . United Kingdom. Accessed November 2026.
2. Official FCA Financial Services Register . PRA / FCA. Accessed November 2026.
3. Official Bank of Lithuania and the European Central Bank (ECB) . Lithuania. Accessed November 2026.
4. Official Bank of Lithuania register of licences . Bank of Lithuania / ECB. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

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