

2019

SME CONFERENCE

A Year in Review.

VILLA ARRIGO
31 OCTOBER 2019



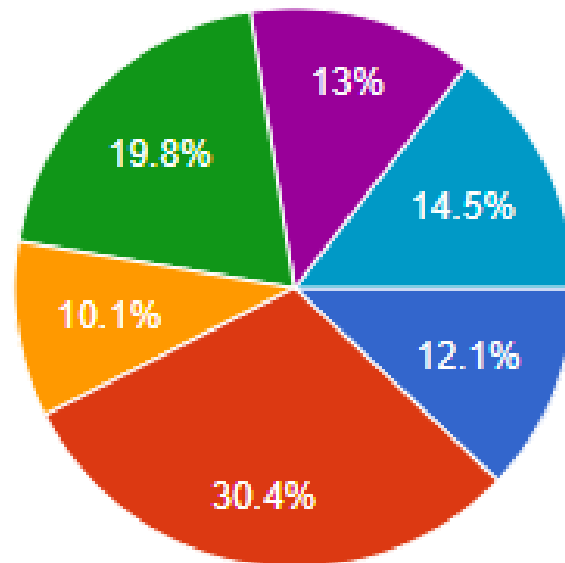
Local Banking Services and Challenges faced

Marcel Mizzi

VP – Finance & Administration

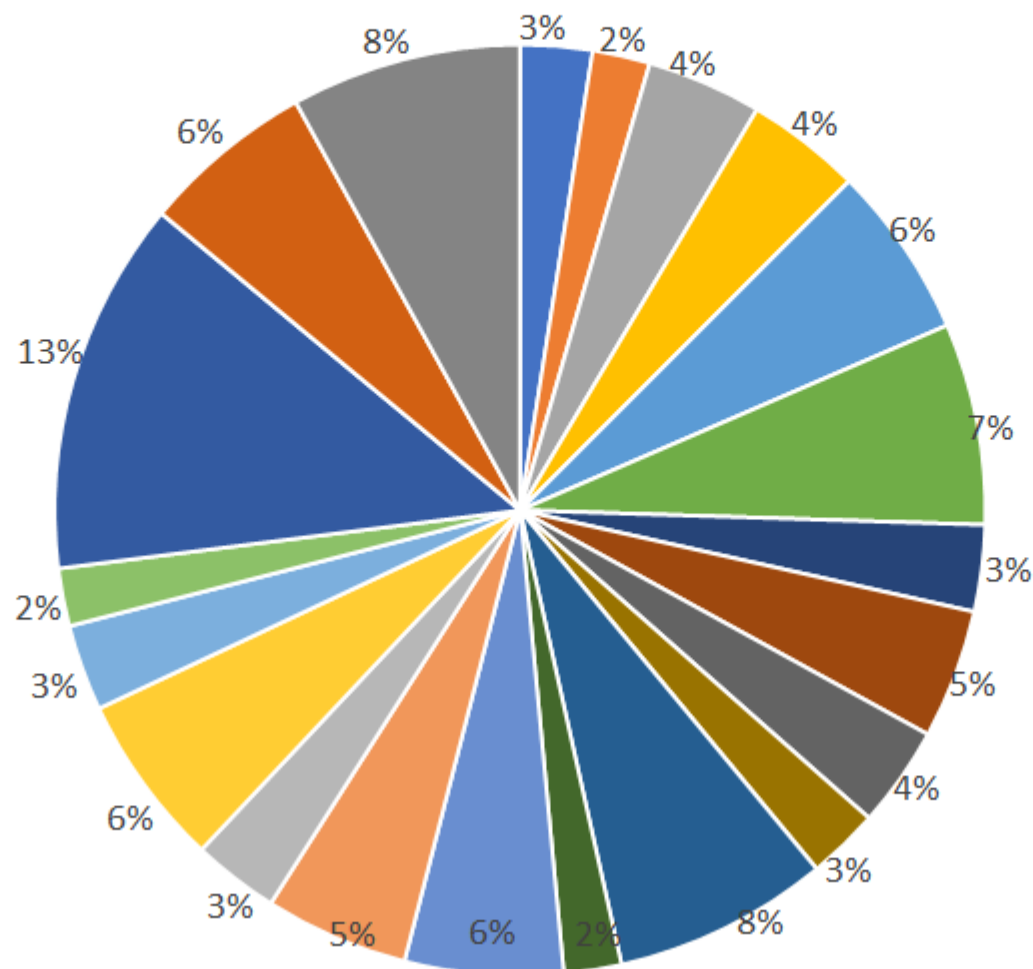
- Survey conducted amongst over 200 enterprises coming from 21 different sectors
- A random sample was taken and the study took place during the month of October 2019

What is the size of business?



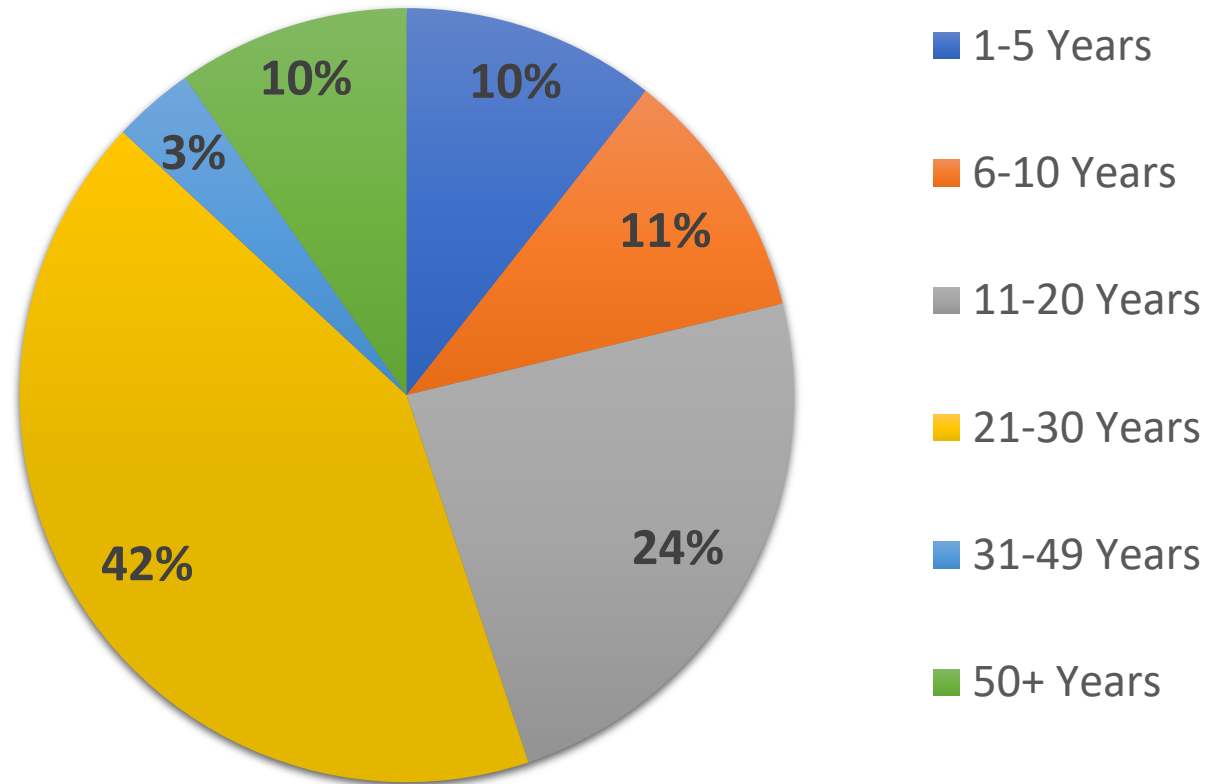
- 1 employee
- 2 - 5 employees
- 6 - 9 employees
- 10 - 25 employees
- 26 - 49 employees
- 50+ employees

Which Business Sector do you operate in?

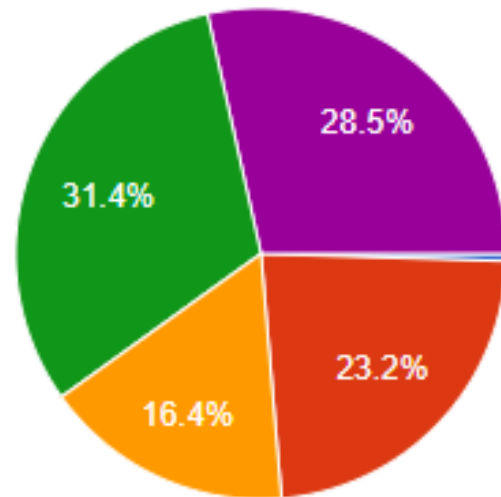


- Accommodation
- Automotive
- Construction & Real Estate
- Clothing
- Entertainment
- Food & Drink sector
- Household products
- Jewelery and Watches
- Media and PR
- Profesional Services
- Wellness, beauty, pharma
- Arts and Crafts
- Auto Sales, Rentals & Leasing
- Catering
- Education & Childcare
- Finishings
- Gaming & Lotto
- IT & Communications
- Machinery and Production
- Other Services
- Tourism

How old would you say your Business-Banking Relationship is?

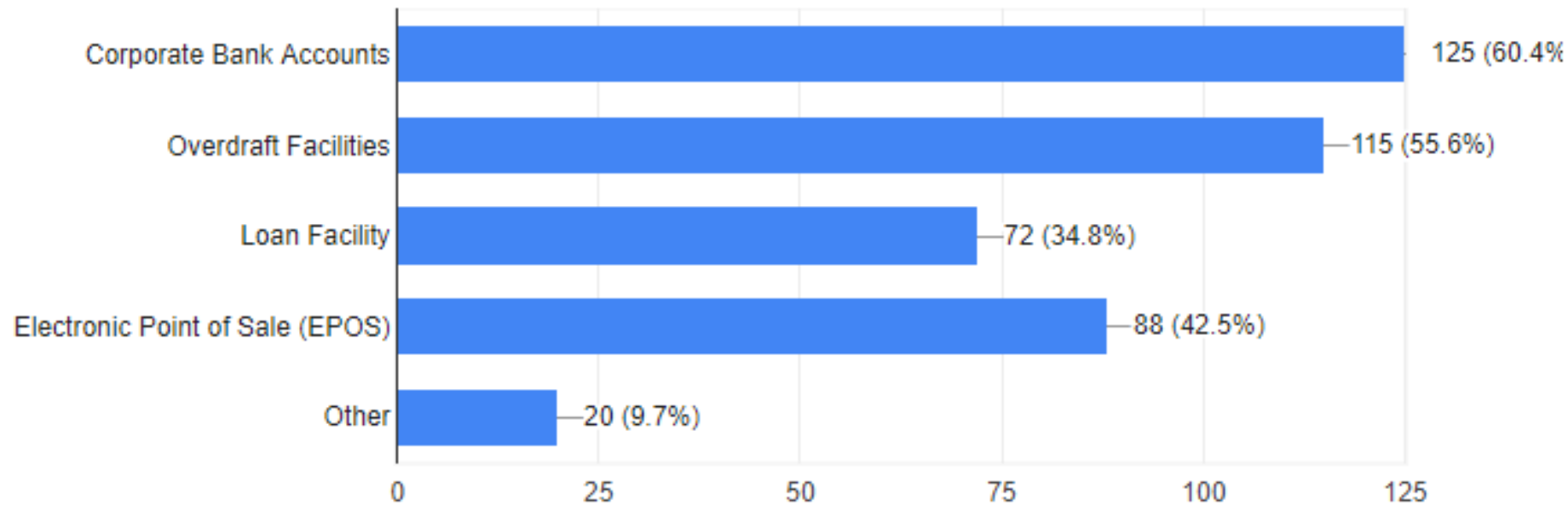


How has the quality of the service you get from banks available in Malta developed over the years?

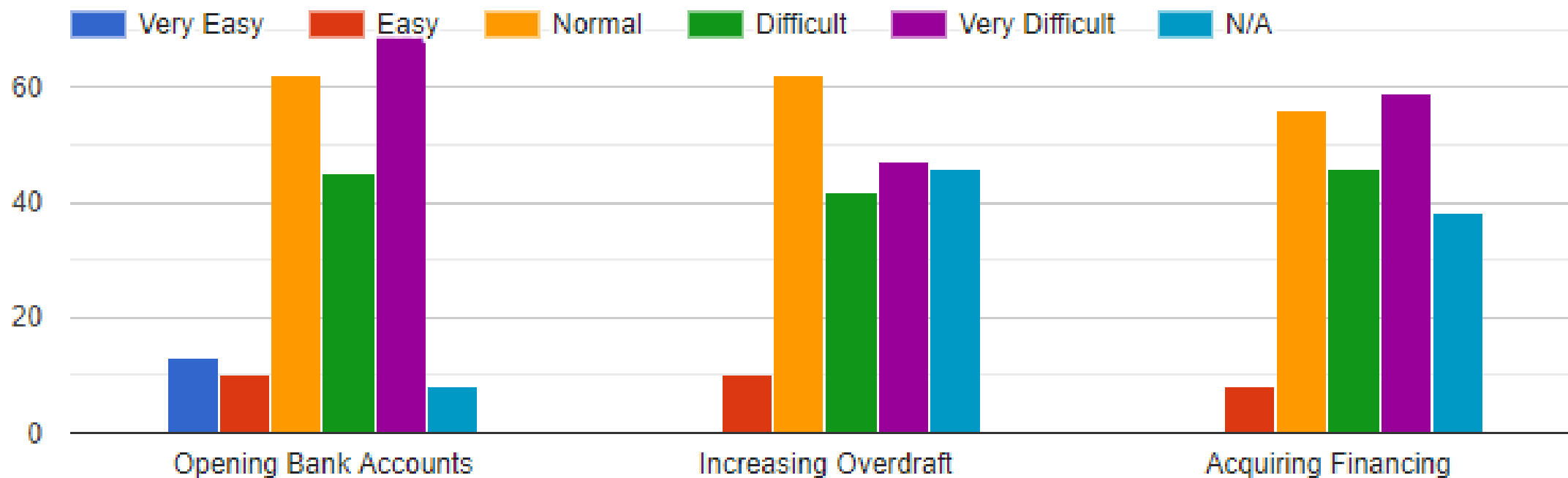


- Improved Drastically
- Improved
- Remained the Same
- Worsened
- Worsened Drastically

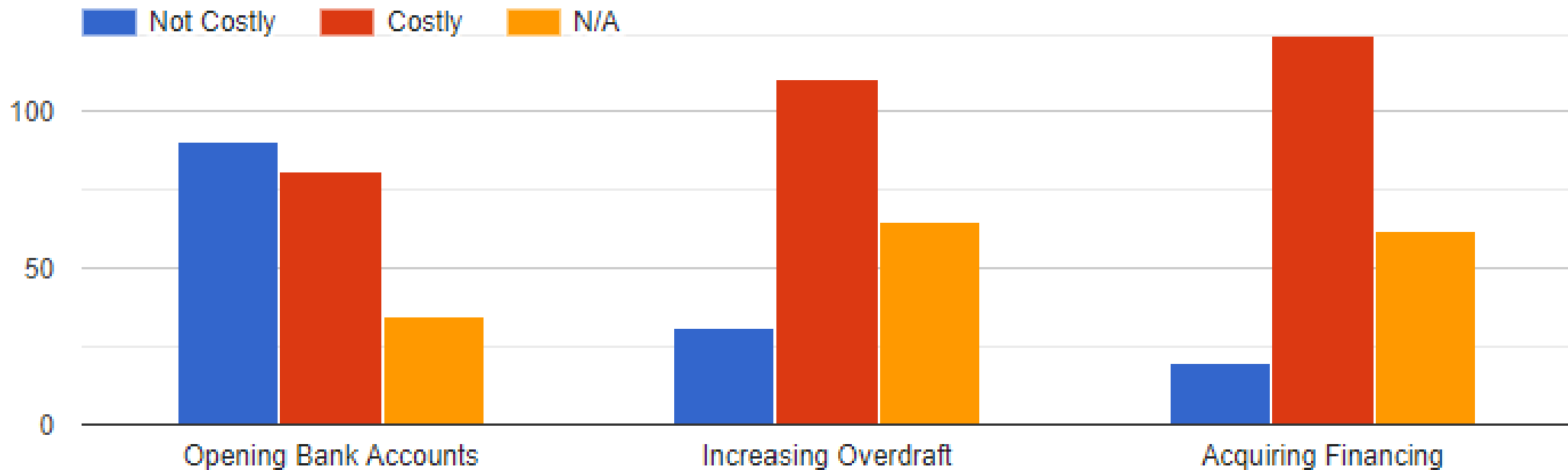
What banking services is your business currently utilising:



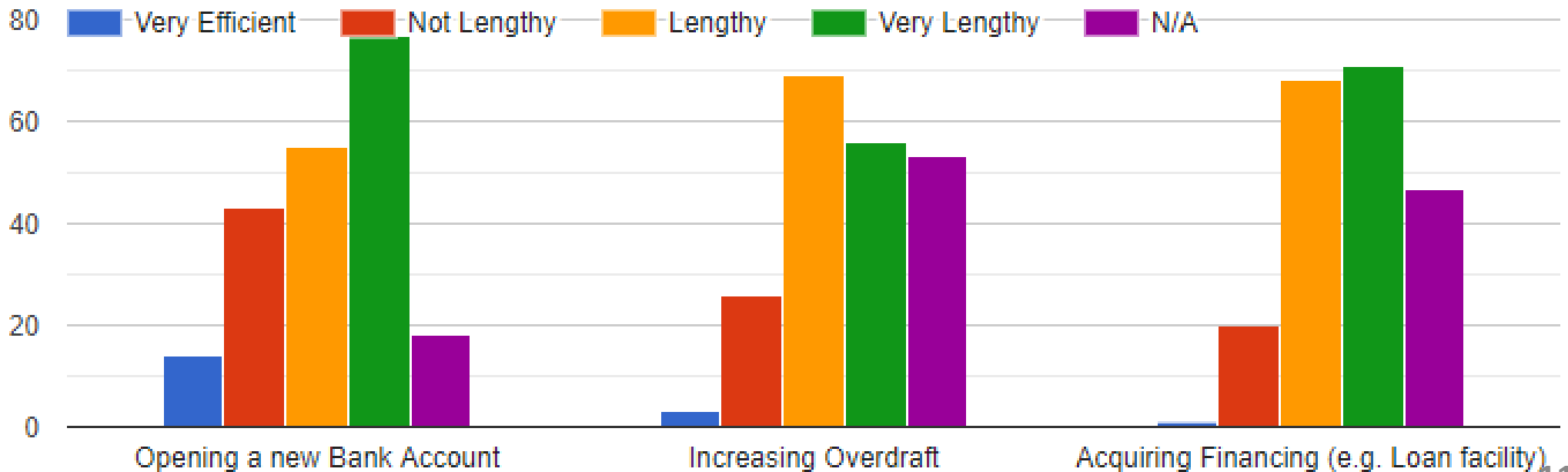
Ease of Acquiring Banking Services



Cost of Acquiring Banking Services

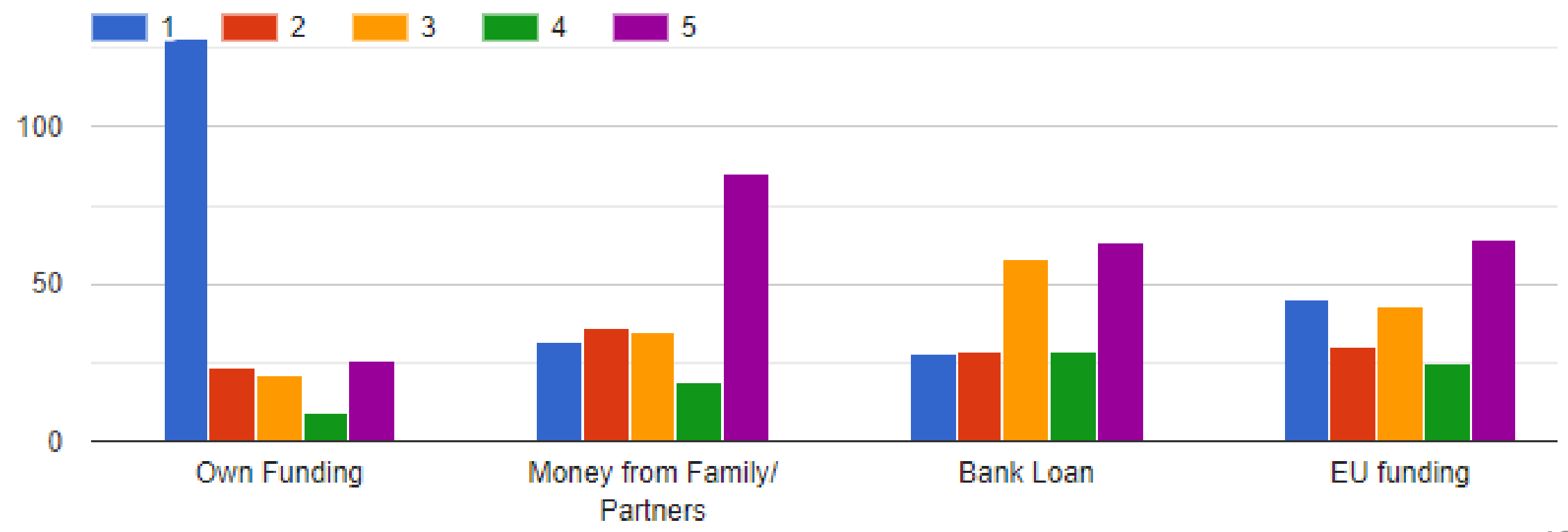


Length to Acquire Banking Services

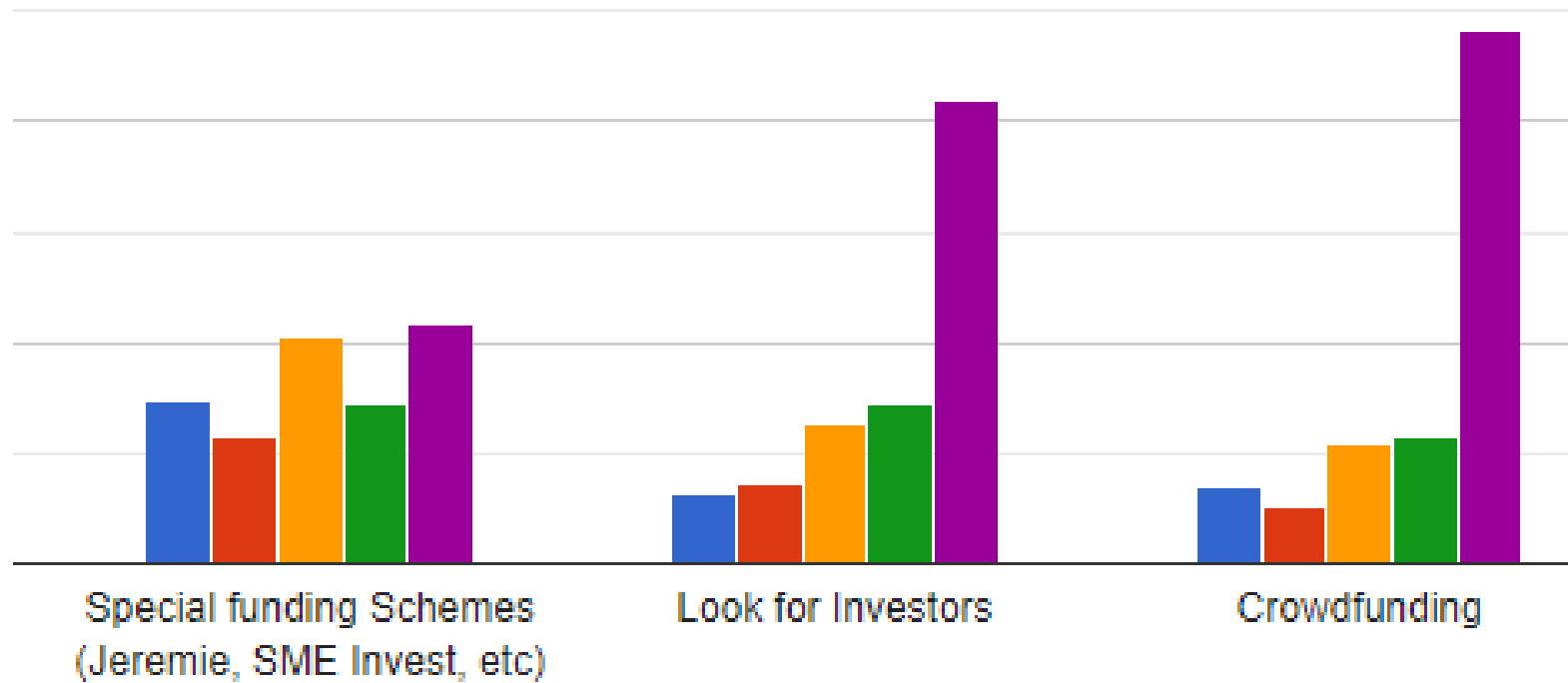


Let's say that you were planning a business investment of Euro 100,000 to carry out next year. Please rank by preference which of the below is the most attractive (1 being best and 5 being worst)

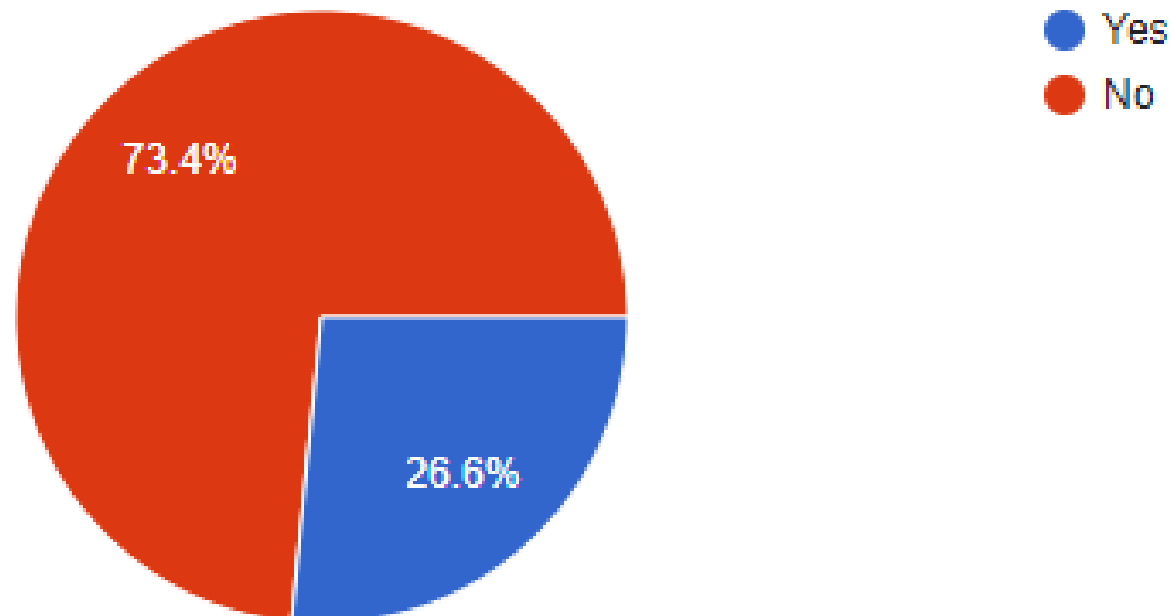
Investment of 100K (1=best)



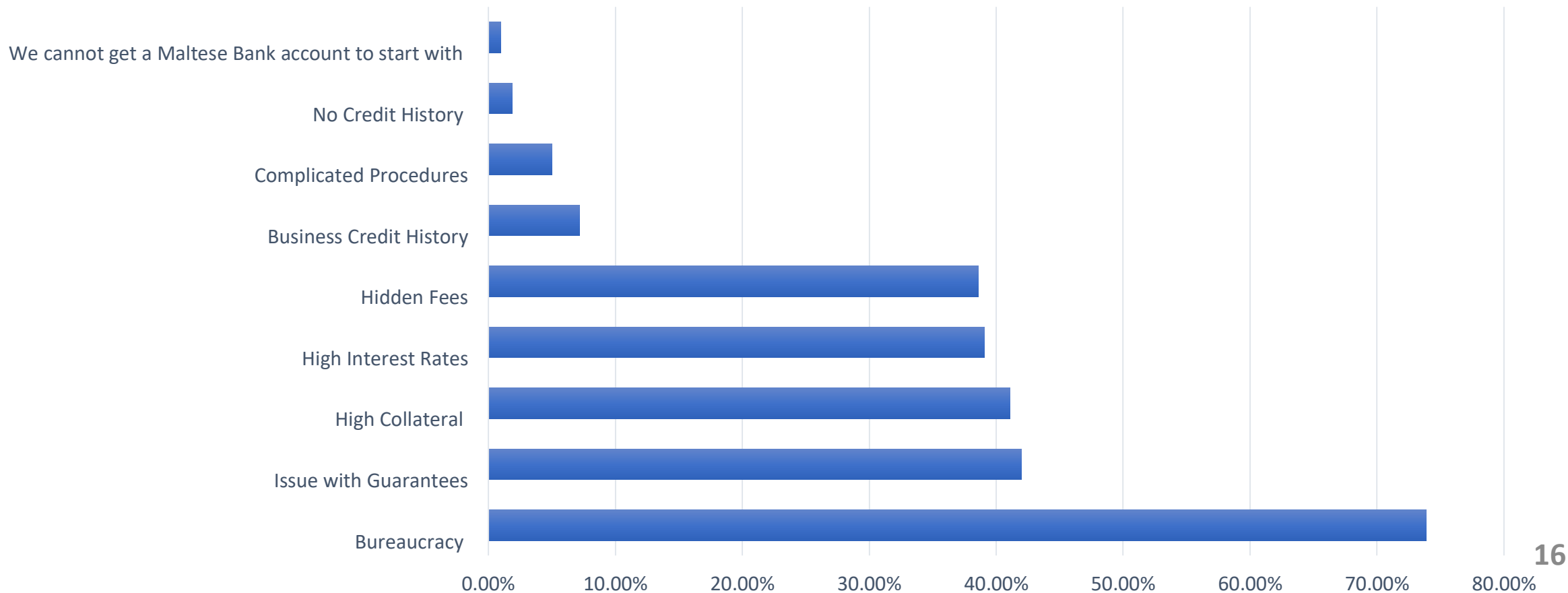
Investment of 100K (1=best)



Do you find it easy to obtain Finance from Banks

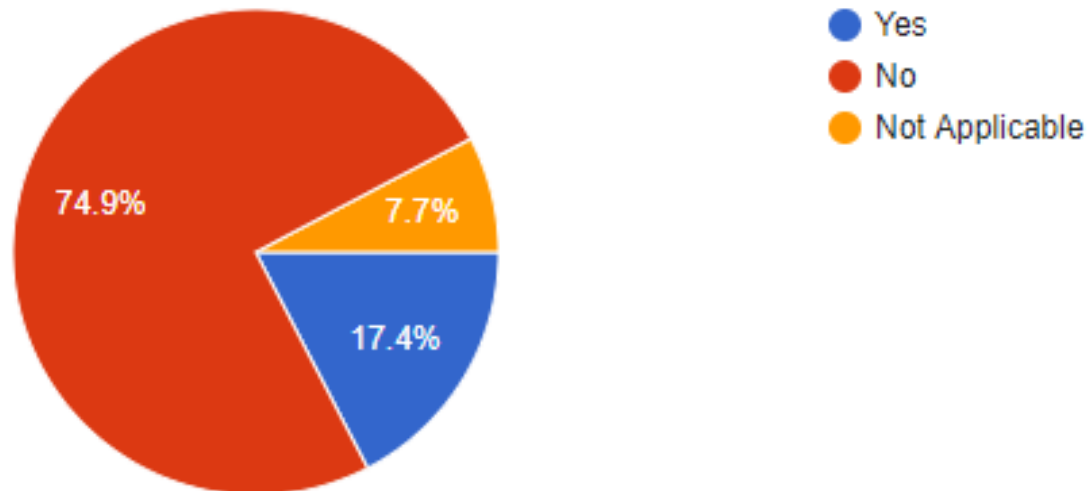


What are the issues you encounter when trying to obtain Finance from Banks

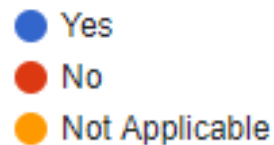
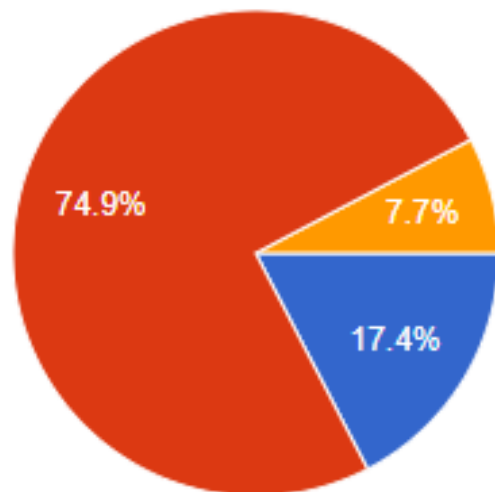


Have you ever been
refused any of the
following?

Opening a Bank Account (Have you ever been refused ?)



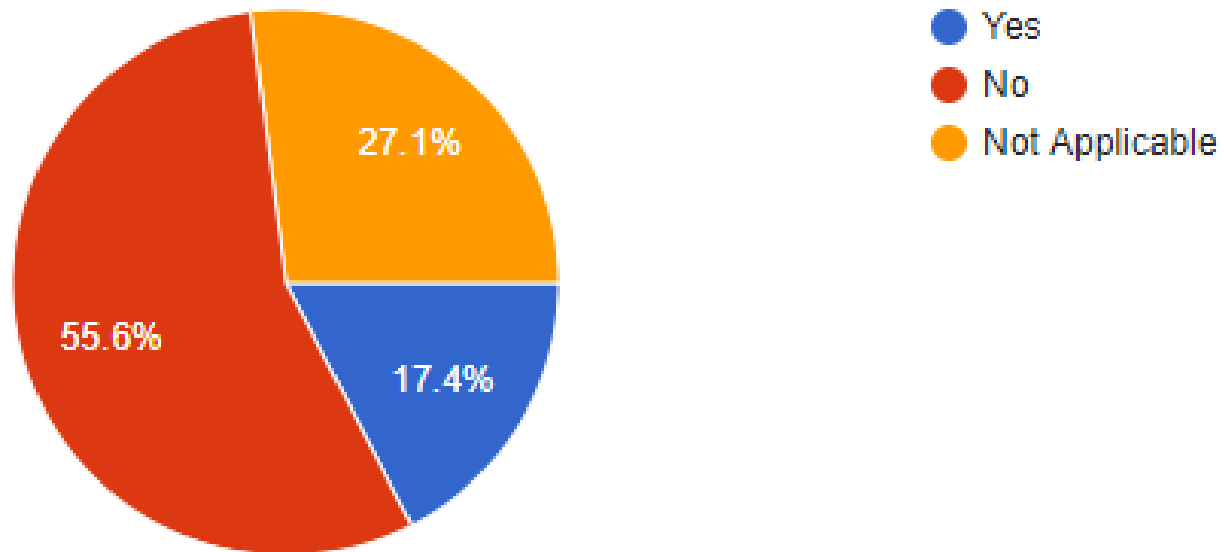
Opening a Bank Account (Have you ever been refused ?)



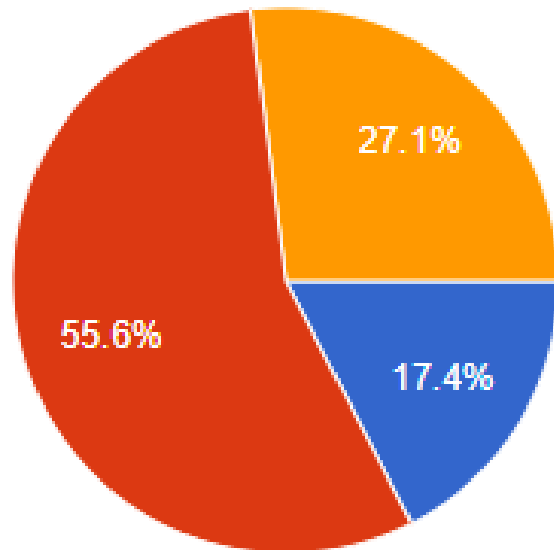
Reason for Refusal:

- Bank de-risking
- Bank had no appetite
- No Reason Given
- I had no history since I was new to this Bank
- UBOs Foreign Owned
- Politically Exposed Person
- High Risk business
- Turnover had to be very high

Acquiring Finance for Business (Have you ever been refused ?)



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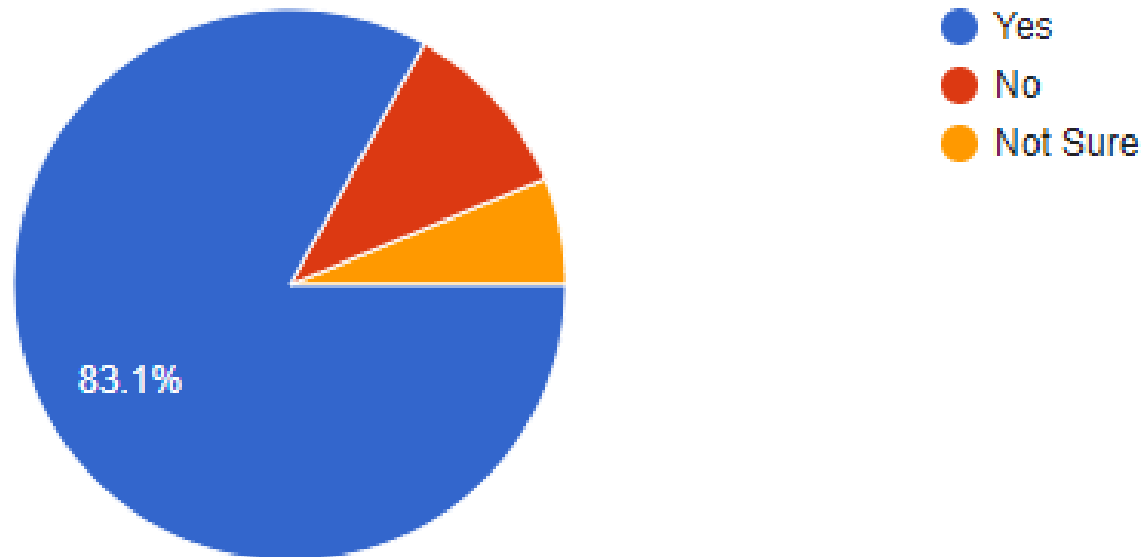


- Yes
- No
- Not Applicable

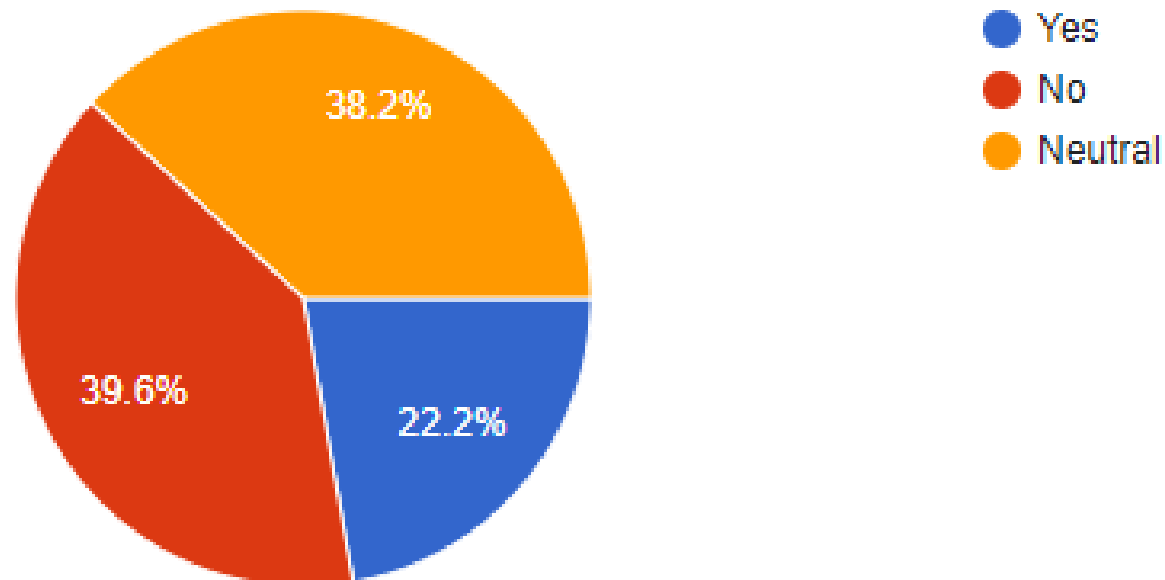
Reason for Refusal:

- Age
- Too Risky
- Lack of Guarantees
- Because of previous years with lower profit
- No Reason
- Plan not viable from Banks' perspective

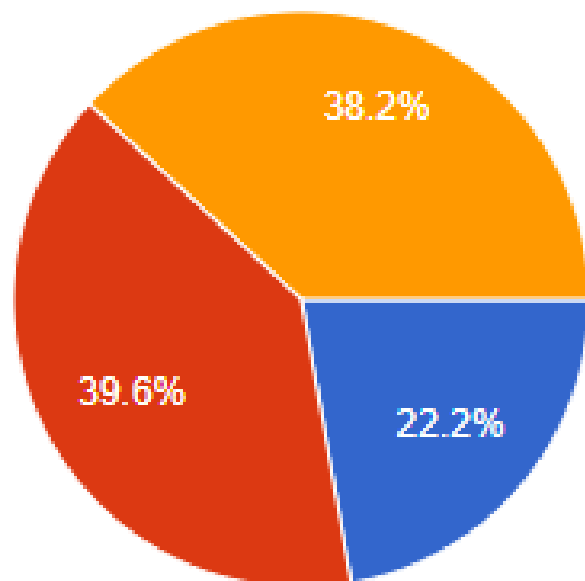
Did you experience more rigorous security checks by the bank when requesting / depositing Money during the last two years?



Are you happy with the service given by your bank?



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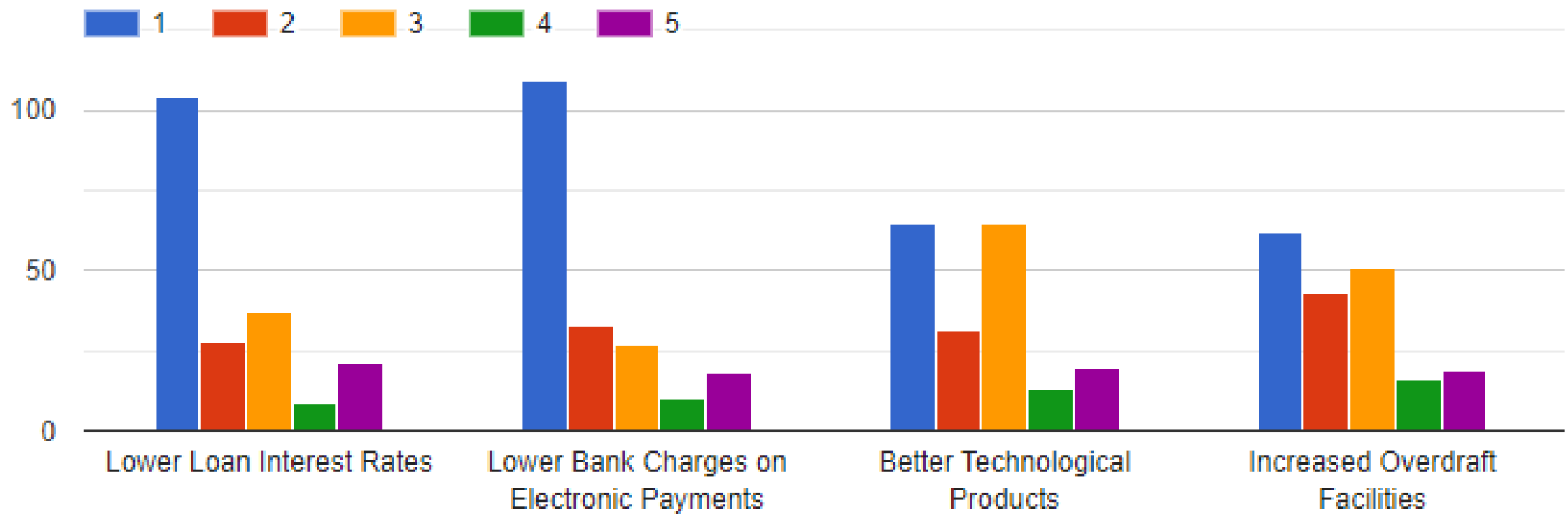
- Yes
- No
- Neutral

Since you are not happy with the service, what are the reasons you keep banking with the current bank?

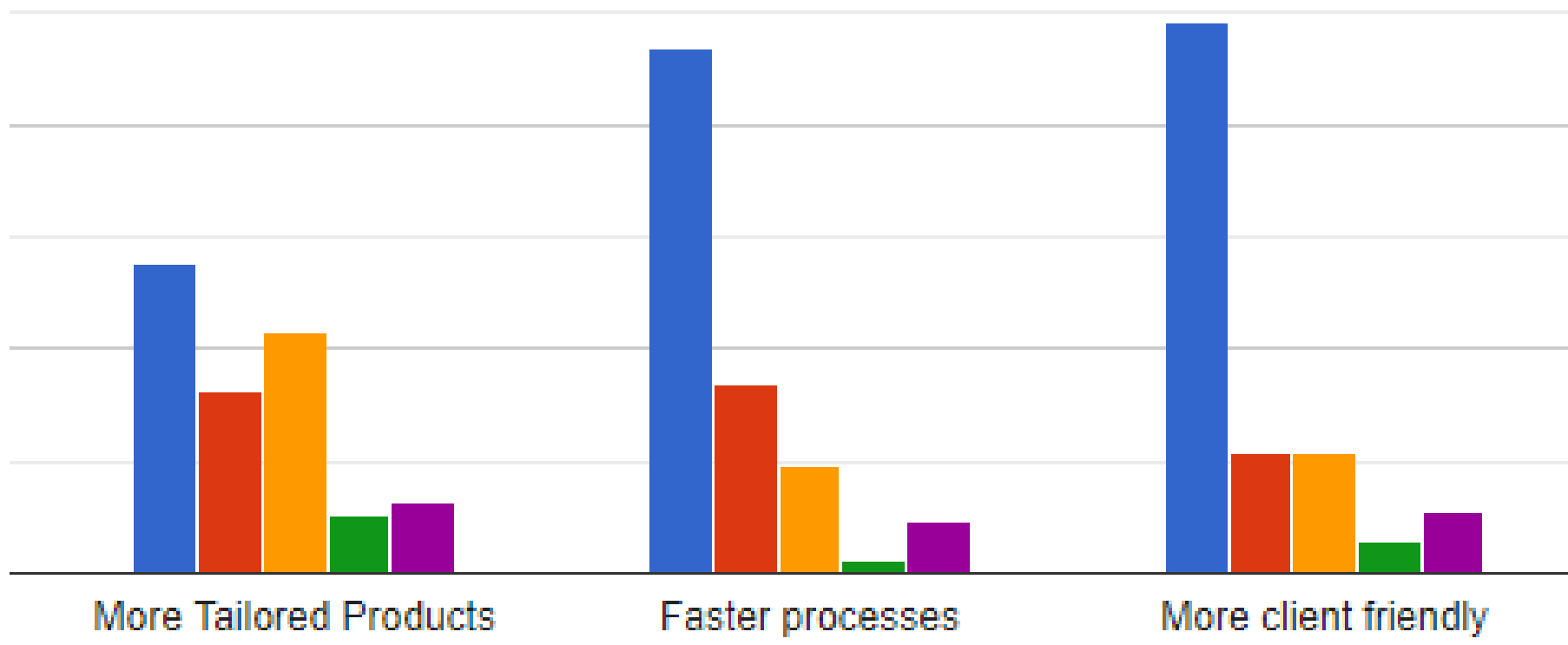
- Complications and costs of transfer to another bank
- Too much bureaucracy to change bank
- No alternatives
- All are practically the same / Not much choice
- Too much red tap

What would motivate you most to change your banking service provider, please rank 1 to 5 (1 being best and 5 being worst)

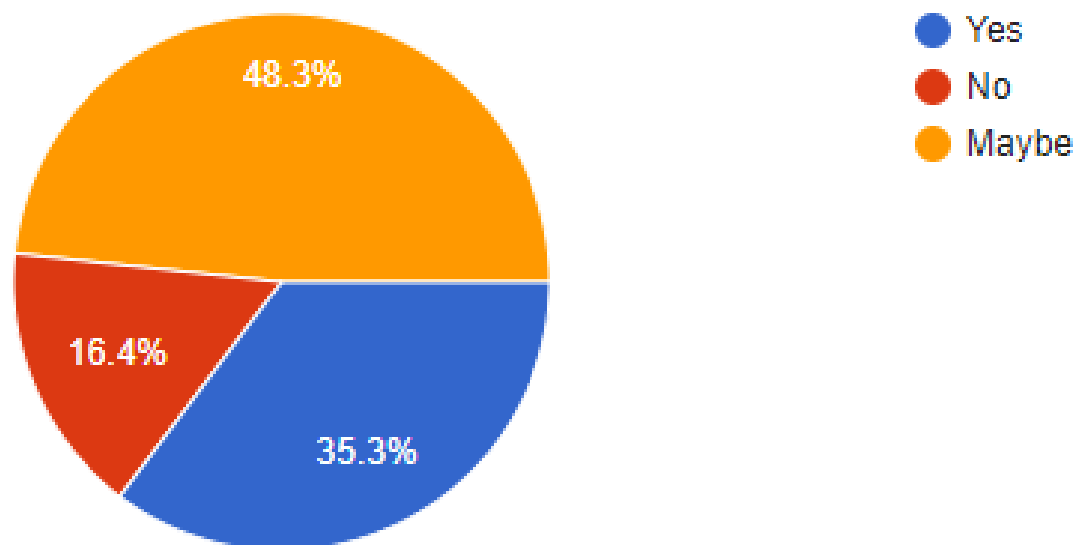
Motivation to change your bank (Blue=most motivation)



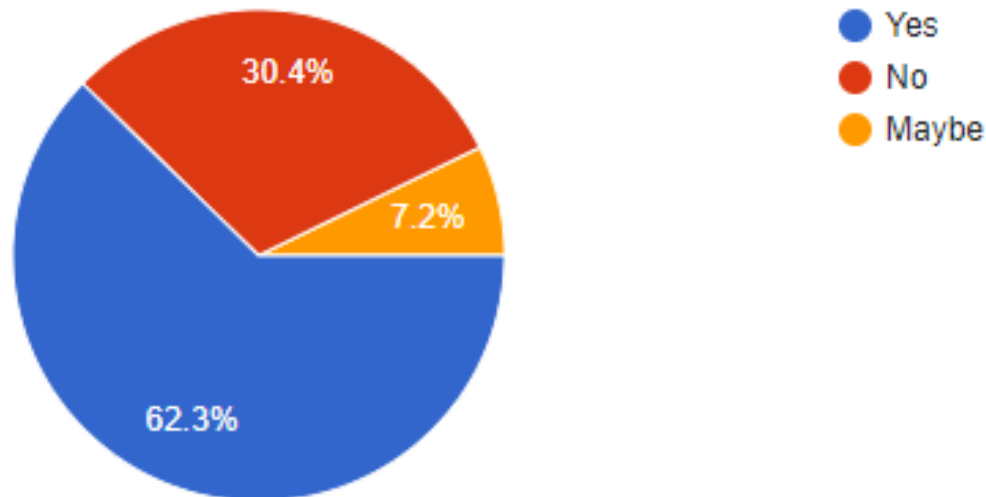
Motivation to change your bank (Blue=most motivation)



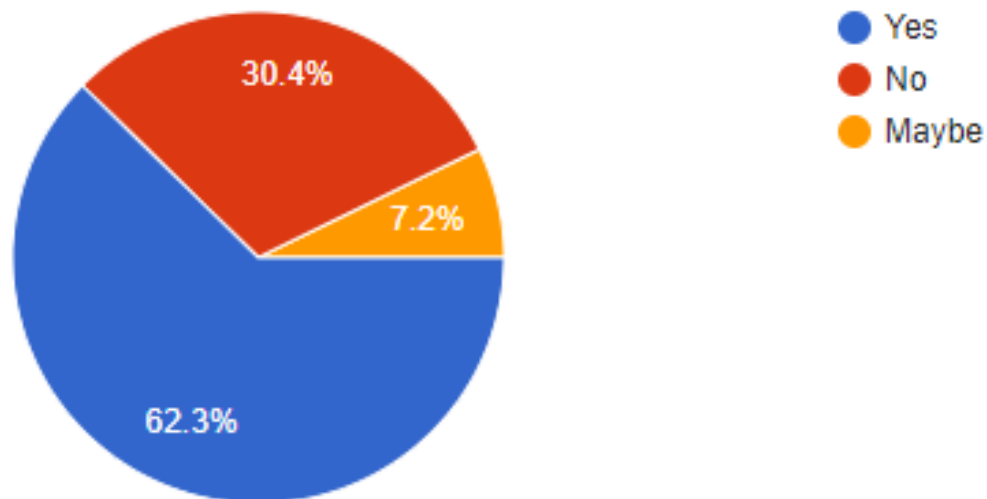
Would you trust new market such as banks or other alternatives? (for business purposes)



Apart from traditional Banks, do you use the service of any other Electronic Banking or Alternative Service Providers? (Example Revolut for business, MyPos, PayPal, Transferwise, etc.. for business purposes)



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What kind of services do you use?

- Paypal
- Revolut
- Transferwise
- MyPos / 24/7 Pay
- Trustly
- E-Wallets
- Western Union
- EMIs
- Flywire

Other Comments from Members:

- Charge for ePOS is still too high
- It is ridiculous that Maltese citizens who already have an account should wait weeks for another bank account
- Situation in Malta with banks for business is TRAGIC.
- Local banks close the umbrella when it rains
- Overall banking services in Malta are expensive.
- Banks are becoming ridiculously bureaucratic, making one consider alternatives
- Something needs to be done ASAP!
- Some of the local banks refused to work with me simply because I am new. Mind I say that the company is registered in Malta and I am the Owner and main shareholder (Maltese)

Key Insights 1

- More Competition in the banking sector is heavily needed in Malta
- From a Business perspective, the situation has never been worse
- Rigorous procedures are slowing business and creating a barrier for entry. More Efficiency and transparency in requirements are called for.
- Bank charges on the whole are increasing

Key Insights 2

- More incentives similar to initiatives taken by the Malta Development Bank (MDB) are essential
- Maltese Businesses are becoming more willing to change, accept and integrate new technologies
- Electronic payments are still very costly for local Businesses
- Businesses need more exposure to alternatives both to know what is offered and to create a relationship of trust.

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