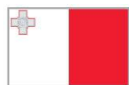


SME Initiative Malta Annual Implementation Report 2019

Operational Programme SME -
Stimulating private sector investment for economic growth



European Union
European Structural and Investment Funds



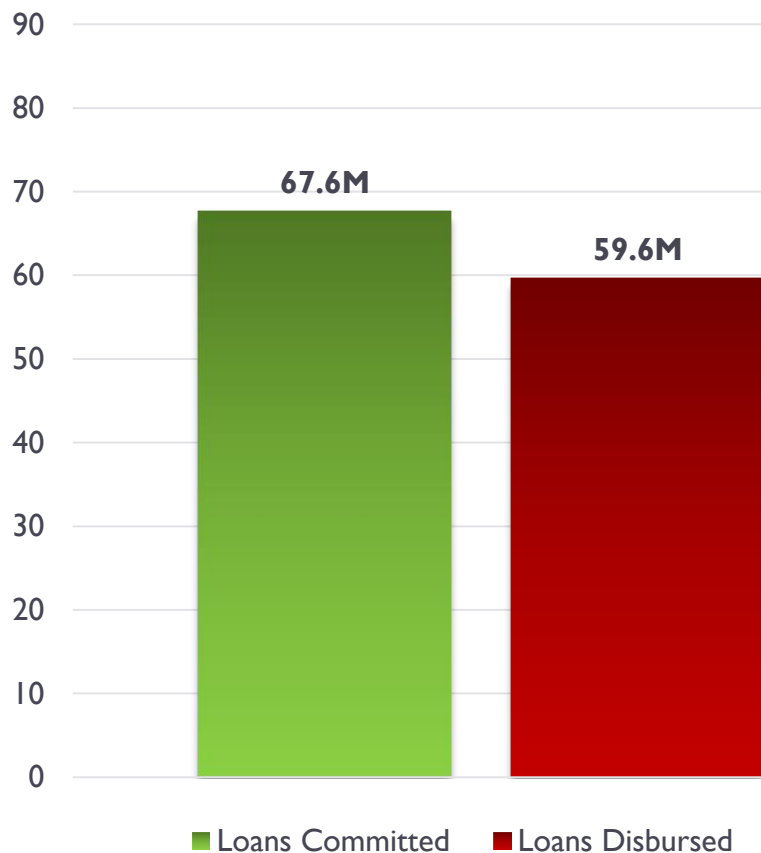
Overview

- The SME Initiative aims at improving competitiveness of SMEs by facilitating SMEs access to finance.
- It provides an uncapped guarantee for a portfolio of new loans to SMEs.
- The implementation period has now been extended until 31st December 2023.
- **€22M** in ERDF funds have been allocated to this instrument to create a Maximum Portfolio Volume (MPV) of loans amounting to **€89M**.
- The instrument will achieve a leverage of 4x of ERDF resources committed to the instrument.

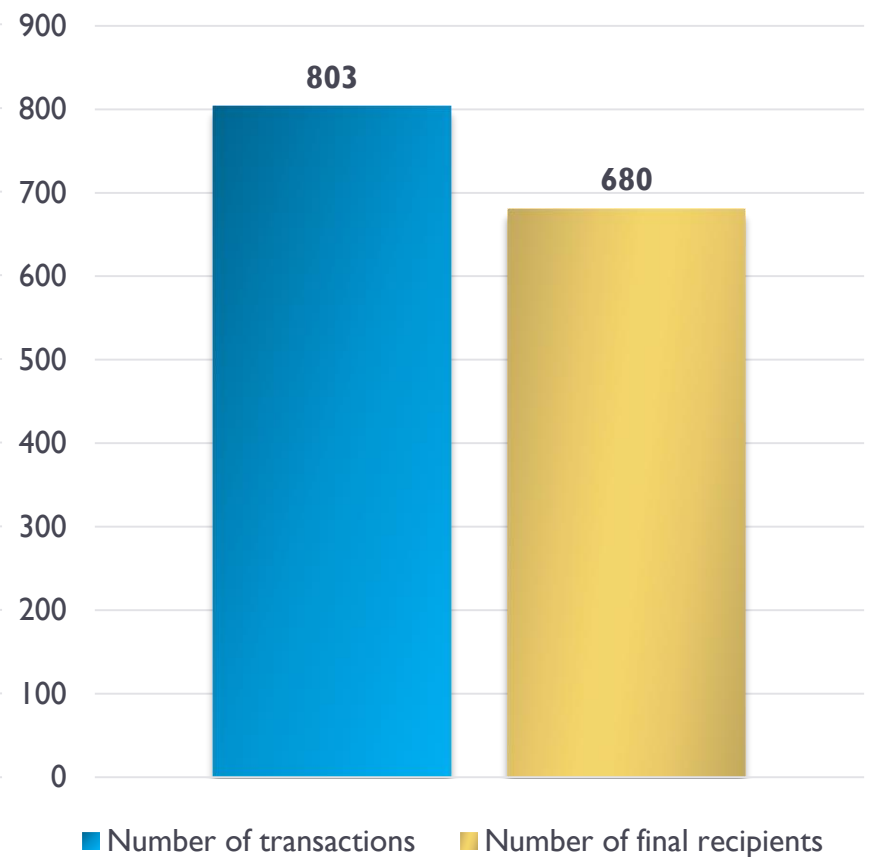
By way of an update, as at **February 2020**, **€68.7M** (out of **€89M** target) have been committed to **700 SMEs** (out of **845 SMEs** target); which means an absorption rate of **circa 80%-85%**.

Progress as at December 2019

Loans committed and disbursed (millions)



Number of transactions and final recipients

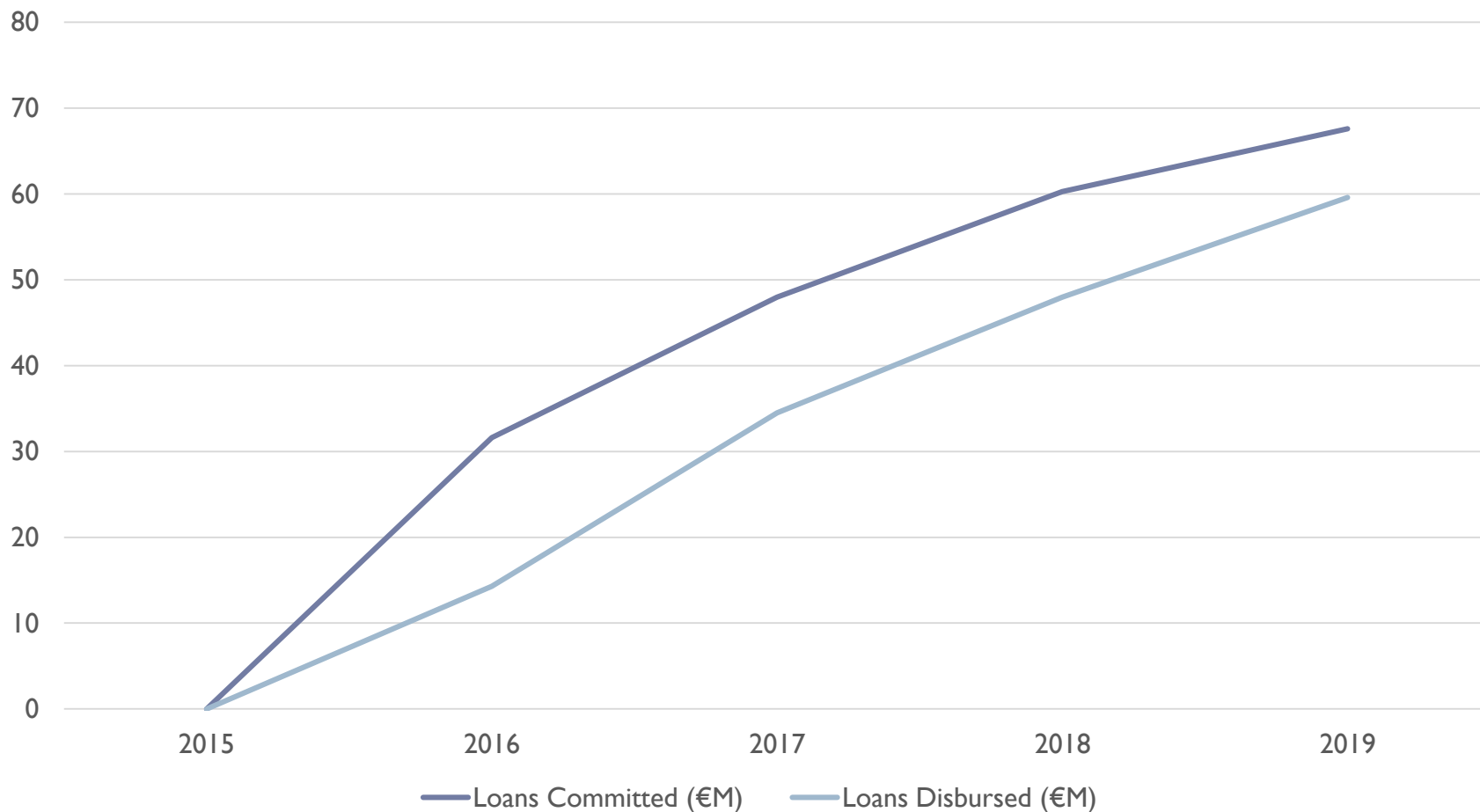


Build up of Portfolio – Loans Committed and Disbursed



EU funds
for Malta | 2014
2020

Loans Committed and Disbursed (cumulatively)

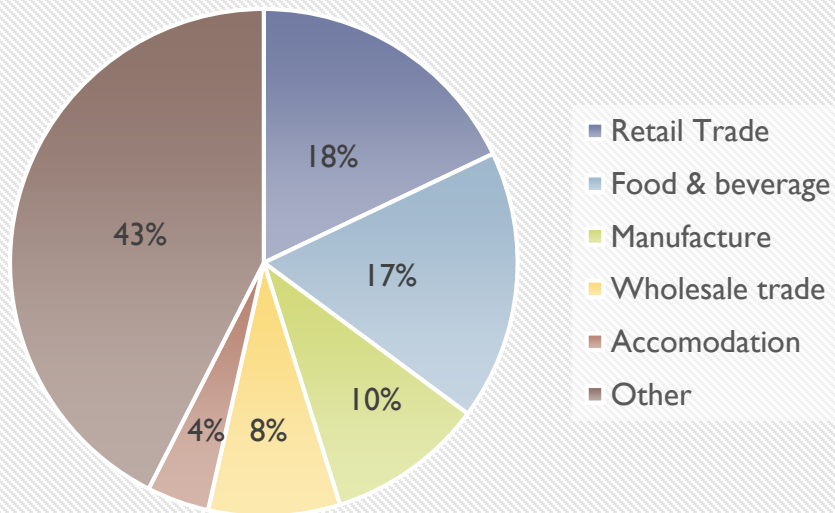


Profile of final recipients

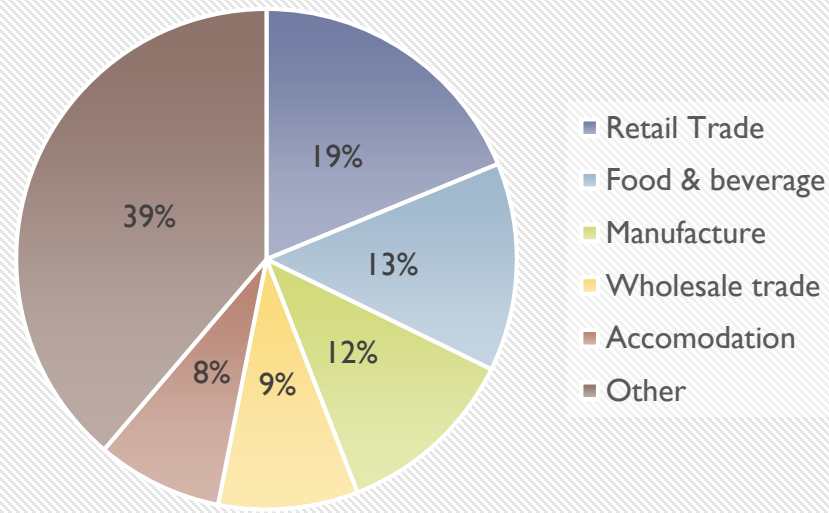
Diversification by Sector

- ▶ **63 sectors** received financing (NACE code level 2)
- ▶ **5 sectors account for approx. 61%** of SMEs receiving financing

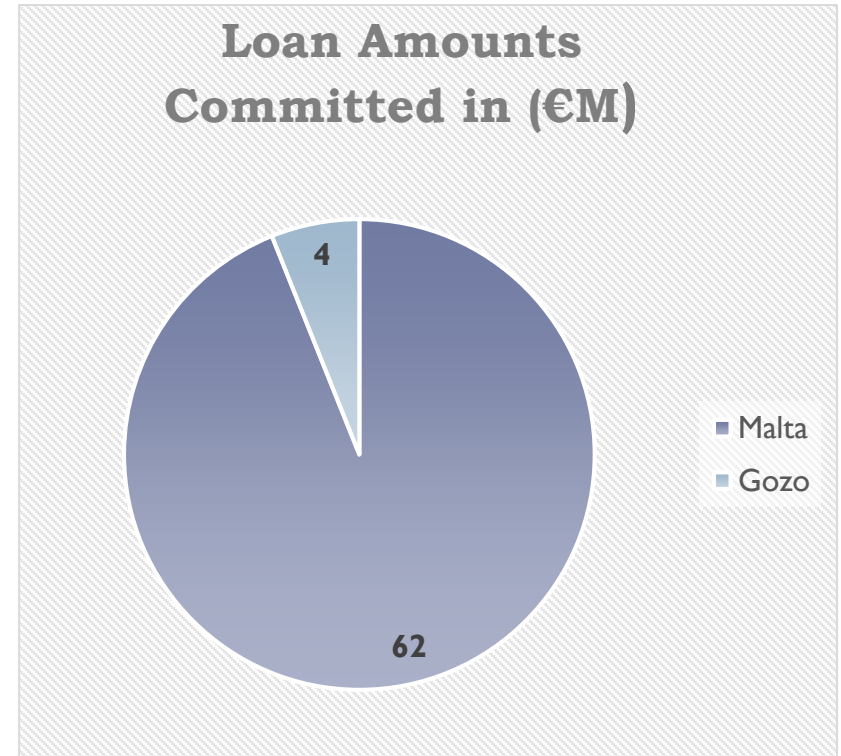
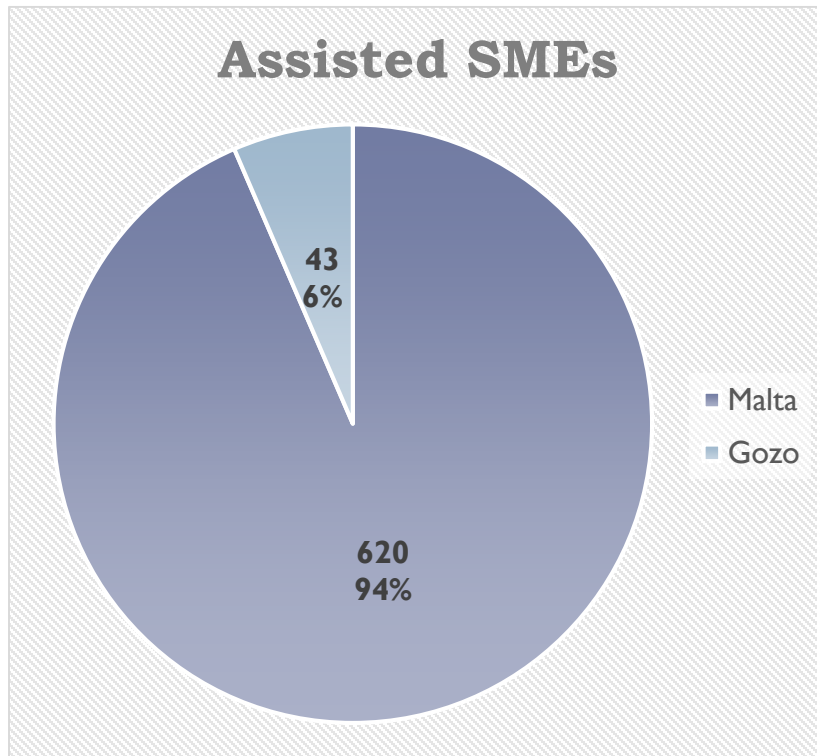
By Number of SMEs



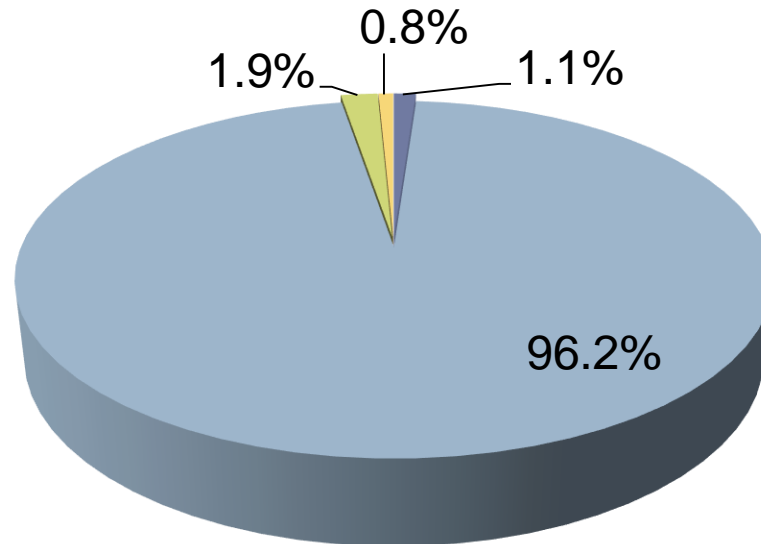
Committed Amount



Assistance by Territory (as at September 2019)



Loan Purpose



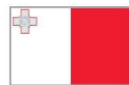
- Working capital
- Tangible investment
- Intangible investment
- Business Transfer

Conclusion

- ▶ The SMEi Malta continues to perform well, showing that SMEs in Malta are open to the flexibility of Financial Instruments.
 - ▶ Banks expect to increase commitment in 2020
 - ▶ A slight slowdown registered during the last quarter of 2019 but this is seen as a seasonal effect (due to change of management / adjustment of systems and organization)
- ▶ Financial Intermediaries see a certain demand for SME loans for next years and a gap between start of InvestEU and end of 2020 programming period should be covered to ensure continuity of SME financing.



EU funds | 2014
for Malta | 2020



European Union
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