Why Malta?

➤ We host banking institutions hailing from the UK, Turkey, Qatar, the US, Czech Republic, Finland, Bahrain, Ireland, Greece and Holland.
➤ Our banking model is diversified, and most banks don’t rely on wholesale funding.
➤ Non-EU Institutions gain access to the EU and to a market of 400 million people.
➤ Payment providers and FinTechs benefit from our tech-friendly regulatory environment.
➤ Our small size makes us an ideal test bed for new services and products.
➤ Unlock active opportunities for company growth and target underserved market segments. Innovate and collaborate with other players in our financial centre.

Our Finance Centre in Numbers

<table>
<thead>
<tr>
<th>2,070+</th>
<th>12,200+</th>
<th>5.5%</th>
<th>24</th>
<th>50</th>
<th>72</th>
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<tbody>
<tr>
<td>Authorised entities in 2020</td>
<td>Employees in 2020</td>
<td>Real GVA growth rate in 2020</td>
<td>Credit Institutions</td>
<td>Financial Institutions</td>
<td>Insurance Companies</td>
</tr>
</tbody>
</table>

| 54 | 20 | 518 | 78 | 4 | 39 |
| Retirement Schemes | Fund Administrators | Investment Funds | Notified Alternative Investment Funds | Recognised Incorporated Cell Companies | Securitisation Vehicles |

Source: MFSA. All data as of June 2021 unless indicated otherwise.

Quick Overview: Malta’s Financial Services Centre

We counter scale with agility, and an ever-evolving appetite for product-innovation. As we embark on the exciting journey of shaping the next generation of financial services, find out what else defines Malta’s financial services ecosystem.

Malta may be one of the world’s smallest countries, but it is also a vibrant financial hub where fintech start-ups, banks, fund managers, insurance undertakings, payment providers, pension administrators and family offices work in walking distance from each other. We made the conscious decision to support a variety of financial activities and specialist segments, including a rich mix of international, regional and local institutions.

Asset management, insurance and pensions, banking, private wealth and fintech are the dominant forces of our finance industry. Moreover, aviation, yachting, maritime services, space finance and sustainable finance are also playing important roles. This diversity helps us to thrive and promotes cross-sector partnerships and cooperation among companies operating from Malta.

Key Strengths

Located at the centre of the Mediterranean, between Europe and North Africa, Malta is an EU member state and deeply integrated in the world of finance. The country has signed up to all the global standards that have become the norm of international finance today. From Malta, financial services companies can access the EU’s massive single market of over 400 million people. In addition, Malta offers an OECD and EU-approved fiscal framework and has a network of some 70 double-taxation treaties, covering most of the world’s high-growth markets, facilitating trade and international business.

Moderate operating costs coupled with a well-trained population and a desire to support innovative ideas make us the ideal location for small and medium-sized organisations, regional headquarters, back-office functions and fast-growing fintech firms. As a finance centre, Malta has also become internationally recognised as a thought leader. We championed the introduction of cell company structures, which are today an important element in the captive insurance sector. We still have an active appetite for innovation, which will continue to power our growing financial services sector.

FINANCEMALTA.ORG
Credit and Financial Institutions - Our Sector at a Glance

From trade finance and corporate banking, to payments and fintech, Malta has attracted companies across the entire banking and finance spectrum due to a range of converging factors: EU membership, strong support for technology and a cost-effective operating environment.

Banking and FinTech

Banking has long been a cornerstone of our financial services sector, and the sector continues to evolve. Today, no less than 24 banks and 50 financial institutions are located here. While some institutions focus on the local market, most banks offer specialist services. These international banks do not take local deposits, but rather transact business with non-residents, focus on intragroup transactions supporting their parent bank abroad or concentrate their activities on areas such as trade and project finance, syndicated loans and investment banking. Many of them hold executive responsibility for specialised areas of their group’s global operations. In addition, a considerable number of payment providers and Fintechs have chosen Malta as their EU hub. They have nurtured a new financial cluster that continues to see strong investment.

Digital Opportunities

In Malta, as elsewhere, Fintechs are continuing to transform how financial services are delivered to consumers. While there is demand for traditional banking services that support the niches that Malta’s finance sector has built up, ranging from wealth management and investment services to maritime and aviation finance, the greatest opportunity currently lies in the development of new digital solutions. Payment providers and financial institutions in the FinTech space have a set up in Malta to serve customers in the EU and the neighbouring countries of North Africa. The expectation is that Africa’s demand for digital financial services, especially as the population remains largely un- or under-banked – will continue to increase. Malta offers Fintechs a base in the European Union from where to target the emerging economies of the region.

Tech-Friendly Ecosystem

We have a fast-growing digital sector, which is quickly becoming the largest driver of new banking solutions and payment innovation. It strengthens our competitive position as the ideal hub for investors, start-ups and established FinTech companies wanting to make inroads in the banking sphere. Our Government and regulatory authorities are very supportive of new technologies, including AI, IoT and quantum technologies. There is a willingness to get new ideas to market faster and offer firms the critical support they need to advance projects. We are also an ideal test market, offering a good representation of customers from around the world. Malta has a large expat population, with around 20% of its residents born in a foreign country.

A Dynamic Industry

EU passporting and moderate operating costs add to our appeal as a centre for banking and financial institutions. Our banks continue to be profitable and well capitalised. All regulatory capital ratios are above the minimum levels required. As an EU member state, banking legislation is founded on EU legislation and is compliant with the Basel Core Principles. The supervision of the island’s three largest banks falls under the remit of the Single Supervisory Mechanism, while the Malta Financial Services Authority is directly in charge of the supervision of all other institutions. Malta’s banks are increasingly embedding ESG (environmental, social and governance) factors into their strategies and started to offer sustainable finance products. FinTech firms with expertise in blockchain, cryptocurrency, PayTech and asset management are equally considering Malta a dynamic operational hub that continues to evolve in line with global market trends and consumer demands.
GET IN TOUCH

There are many things to consider when starting or moving your business to Malta, and we are sure you have got questions. We are here to help you. Contact us for a more personalised introduction to opportunities in Malta’s Financial Services Centre.

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