

## MDB ANNUAL REPORT 2021

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### There in times of need

Through our programmes, we unlock more lending to businesses at better terms. Since the launch of our first scheme in late 2018, the Malta Development Bank has been a major contributor to the Maltese economy, and as the Covid-19 pandemic brought worldwide economies to a halt, it ensured that thousands of businesses remained afloat throughout these troublesome months.



Supporting over **€550,000,000 in loans**

**14%** of all outstanding business loans in Malta



**700 businesses** in different economic sectors

**91%** are SMEs, mostly micro-enterprises

### MDB Financing Opportunities

#### SMEInvest



SMEs planning new investment projects



Enhanced access to finance at better terms



Bank financing up to a maximum of €750,000



Lower interest rates



Reduced collateral requirement

#### FSMA+



Soft loans for students wishing to further their studies



Loans at highly subsidised rates, financing tuition fees as well as accommodation, living and travelling if studying abroad



Loan size of up to €100,000



A maximum moratorium period of five years. The interest due during the moratorium period is fully covered by an interest rate subsidy, placing no payment obligation on the student during study period



Funded by the European Social Fund (ESF)



No collateral requirements and a low interest rate during the remaining term of the loan

The **COVID-19 Guarantee Scheme (CGS)** where the MDB provides a 90% guarantee to commercial banks to enhance access to working capital loans to businesses facing a sudden acute liquidity shortage as a result of the COVID-19 outbreak will remain available until 30 June 2022

### Upcoming Schemes

Later this year, the MDB will be launching two new schemes which will support businesses in their drive to grow and innovate. Whilst these schemes will be available to all economic sectors, the MDB will be encouraging those investments that aim to build a greener and more digitally oriented economy. The Bank is committed and strongly believes that this is the way forward to truly propel Malta into the next level of growth.

**In addition, the MDB will soon be launching urgent liquidity support measures to address the impact of disruptions in supply chains and the upsurge in commodity prices as a result of the Ukraine crisis.**

#### Guaranteed Co-Lending Scheme for SMEs (GCLS)



Financing of new investment



Risk-sharing facility involving co-lending between the MDB and accredited commercial banks on a 50:50 basis



Loan up to €10 million, subject to state aid considerations



MDB to guarantee 60% of the commercial bank's part of the co-lending



Better access to finance and lower interest rate



Longer repayment period

#### SME Guarantee Scheme (SGS)



Financing of new investment and Business transfers



The scheme will be intermediated by accredited commercial banks and aimed at enhancing enterprises access to bank credit for new investment and business transfers



Loan up to €750,000



This scheme offers an 80% uncapped MDB guarantee



Better access to finance



Lower interest rate and longer repayment period