The voice of the SME

Banking experiences and expectations

July 2021
The voice of the SME

Small and medium-sized enterprises (SMEs) are the engine room of economies. Their success underpins consumer confidence and builds momentum to drive growth and economic prosperity. As the world begins to emerge from the pandemic, SMEs will play a pivotal role in underpinning the pace at which nations large and small recover.

SMEs are a dynamic and rapidly evolving segment, defined by diversity. The segment is a composite of unique businesses from different sectors, operating at different stages of the business life cycle, with different ambitions, varied prospects and often with owners/leaders with markedly different personalities. It’s a complex and disparate segment that is bound together by size and operational needs.

The pandemic has been confronting for many SMEs, bringing new challenges and amplifying other longstanding ones. At a time of profound change and continued uncertainty, it can be hard to chart a course for the future. Some have revelled in the pandemic, but they are more the exception than the norm. Most have been challenged in ways they would never have imagined.

As banks/financial service providers transform to better meet the needs of SMEs, insight into the prevailing dynamics is imperative in order to understand:

- **The SME journey** – including any challenges or opportunities based on their business life stage
- **The impact of COVID-19** – how SMEs have adapted to cope with the impacts of the pandemic
- **Changes to the SME business model** – the evolution and the support needed to adapt
- **Relationships with banks/financial providers** – exploration of the status of current relationships with their bank/financial provider, and usage of products and services
- **Support requirements during moments that matter** – opportunities for banks to help overcome challenges and optimize opportunities
- **Sources of finance** – factors of importance in the decision-making process

Against the backdrop, the EY organization set in place a comprehensive program of research to engage with SMEs and to listen to their experiences, needs, expectations and aspirations. It was underpinned by 5,698 surveys and a series of one-on-one, in-depth interviews with SMEs and with representatives from major banks.

This report presents the key insights from across 16 markets. Deep-dive, market-specific presentations are also available.

Redefining the relationship with SMEs is critical, but complicated. The start-point is to engage with them – to listen, to reflect and then to challenge prevailing assumptions. Through this research, we bring the voice of the SME to the table to help banks transform and deliver market-leading solutions.

*Anita Kimber*

EY EMEIA Business Transformation Leader
About the research

The research program involved both qualitative and quantitative research across three stages.

1 **Interactive client immersions**
   
   Discussions with major clients to capture their perspectives on the SME segment and develop insights to inform key areas of coverage with a focus on key risks and challenges.

   [8 immersions]

2 **In-depth interviews with SMEs**
   
   Exploratory deep-dive interviews with a range of SMEs from the US, UK, Ireland, Australia and Singapore (by size, sector and market). Key focus on unpacking the contextual dynamics that underpin the SME experience.

   [19 in-depth interviews]

3 **Qualitative surveys with SMEs**
   
   Online surveys with a representative sample of SMEs across 16 markets to quantify SME experiences, perspectives and opinions within each market.

   [>5,600 interviews]

**Definition of an SME**

For the purpose of the study, an SME was defined as a business with between 10 and 249 full-time equivalent employees.

**Market coverage: 5,698 surveys**

- **US** n=903
- **Canada** n=301
- **Brazil** n=126
- **Germany** n=300
- **UK** n=712
- **Italy** n=300
- **Netherlands** n=305
- **Switzerland** n=307
- **Belgium** n=310
- **Ireland** n=310
- **Australia** n=306
- **Indonesia** n=304
- **Hong Kong, China** n=306
- **Malaysia** n=300
- **Singapore** n=301
- **Vietnam** n=307

The sample size for each market needs to be taken into account when looking at individual market data and any sub-group analysis.

**Weighting**

The data has been weighted to help ensure it is reflective of the profile of the SME market within each market based upon the number of employees.

For the global-level data, each market has been given equal weighting to help ensure the results of each market are sufficiently represented in the global results.
The headlines

The past 18 months have tested the resilience of the owners and leaders of SMEs in ways they could never have anticipated. The pressure has been intense, as longstanding assumptions of the past gave way to sustained uncertainty. SMEs thrive on stability and that can feel like a distant memory for large tranches of the businesses involved in our research.

While revenue and profitability are always high on the agenda for SMEs, the level of focus on all things financial became all the more acute, including their relationship with their bank and other providers. The way they think about the business and the drive for efficiency has them looking at their operations and aspirations through new eyes. For some it has been a story of capitalizing on the disruption; for most it has been about making it to the other side.

As they move through recovery and beyond, the opportunity for banks is to embrace the new perspective of SMEs and to understand emerging expectations. As more certainty comes into play, SMEs will be more assertive in assessing their banking/financial relationships and will challenge things they may have done by default in the past. Traditional products and services and conventional delivery channels will be in the spotlight and they are more likely to be looking laterally at different options, including those from non-traditional providers. Their experience with their bank through the pandemic will also play a role.

Success for banks will be predicated on more advanced digital capabilities to streamline and enhance the individual experience; the ability to deliver the Brilliant Basics; delivering faster access to funding; adding value through bundled ancillary services; orchestrating ecosystems to connect and support SMEs; and developing stronger fee-based income streams. Overlaid on this is brand and reputation – major banks have a higher level of trust than non-bank competitors and that is a competitive edge coming out of the pandemic.

We have distilled 12 key headlines: within each there are important layers and nuance by SME size and geography that need to be embraced to help drive successful customer-led transformation that will resonate with the market. What is clear is that the sharper focus and the roiling economic environment mean that opportunities to drive growth in this segment abound, but current assumptions about how the SME segment operates need to be recalibrated and the strategy redefined.
The pandemic: a profound and deep negative impact

- The headline figure tells the story – almost three-quarters of SMEs (74%) said they have been negatively impacted by the pandemic. The impact has been felt most sharply in revenue and profit margin.
- The outlook is also challenging, with almost four in five SMEs (78%) suggesting that the impact of the pandemic and global recession will make charting a course into the future difficult.
- While the downturn and scale of the hit is not unexpected, it is the impact on mindset, outlook and priorities that hold most relevance. SMEs will invariably talk of the challenges of running a small business – it’s an age-old dynamic. Now, those challenges have gone up a level. SMEs revel in the independence and control afforded by their business, but the trade-off is the breadth of responsibility and the issues that invariably emerge from left field.
- There is much talk of the legacy of the pandemic and whether the changes in place now will be sustained. The reality is that SME leaders were hit quickly and hit hard in the first stages of the pandemic. The pressure has then been sustained. Through all of this, there is an emotional impact and that is what underpins the shift in outlook and behavior over the longer term. The past 18 months have hardened their disposition and sharpened their business acumen.

Business priorities: the introspective and more assertive SME will demand a new relationship

- The extreme uncertainty brought to bear by the pandemic forced change and saw SMEs adapt at pace. The scale of the disruption, prevailing anxiety and lack of clarity saw the leaders of SMEs look at their business through different eyes.
- They turned inward, becoming much more introspective and focused on the fundamentals of what they do and how they do it. For some it was about survival, for others about embracing newfound opportunities. For all, any complacency of the past disappeared. They are focused on “what matters most” in helping them realize their goals.
- This has seen most SMEs change shape and direction, with further transition pending. More than half of SMEs in the research (56%) expect to change their current business model.
- Their relationship with their bank/main financial institution (MFI) has been cast in a new light – driven by new expectations and priorities, as well as the extent to which they felt they were supported as they navigated the past 18 months. Significant numbers of SMEs (51%) said their bank/MFI could have done more to help them through the pandemic.
- As stability and momentum return for SMEs they will have different expectations around transactional service levels, how the relationship is managed and where the bank can provide more support beyond the core offering. Central to this will be personalized products and services delivered more quickly, which requires high-end data analytics capability.

Business cycle transition: talking about the evolution and the need to rethink segments

- The SME segment is dynamic, with businesses at different points of the life cycle at any point in time. We typically look at six SME life stages – conception, start-up, growth/rapid growth, maturity/stabilize, decline and exit. It’s a critical lens.
- The pandemic has accelerated change, with many in the SME segment transient – moving from one stage to another. Only 55% have stayed in the same life cycle stage over the duration of the pandemic.
- One of the greatest shifts is an increase in those entering the decline stage of the SME life cycle (12% at a global level). This has been driven by those in both the growth/rapid growth stage and the maturity/stabilize stage. Importantly, for those in decline it is a case of refocusing and adapting rather than progressing to the exit stage. The actions taken by those in decline include – streamlining the business to reduce costs, borrowing money and reducing the working hours of employees.
- The SME market has shapeshifted. Some businesses are accelerating, others slowing down and under pressure. This forces a rethink of how the customer base for banks are defined and segmented, the engagement strategies, the product offering and the support required. As the businesses evolve through different points of the life cycle so too do their banking needs. New priorities emerge and it’s imperative banks both recognize and proactively manage this transition.
Pandemic financial support: critical lifeline, but challenges and risk prevail

- Support from the government and loans from financial institutions provided essential support for SMEs.
- Overall, 63% of SMEs received some sort of support from financial institutions and/or the government. Fifty-one percent of SMEs accessed government support, while 42% borrowed money (bank, government subsidy, personal assets/finance).
- A high number appear to remain in a precarious situation, with 29% of those that borrowed money very/extremely concerned about their ability to repay the loan. This is highest among SMEs with 100–249 employees and those in decline.
- SMEs will require ongoing support as anxiety about what the future holds remains rife. Nearly two in five SMEs (39%) see recovering from the pandemic as a key challenge in years to come. There will be a fine line between risk assessment and conservative support policies and managing longer-term success and loyalty of SMEs by providing access to funds.

Retention: the staunch and the promiscuous

- SMEs hold an average of 3.5 business banking products and have a relationship with two financial institutions on average. Almost two-thirds (64%) of SMEs receive financial services via a traditional bank with 57% stating that a traditional bank is their MFI. Overall satisfaction is high with their MFI, with 72% saying they are satisfied with their provider.
- More than two in five SMEs (42%) have acquired new products in the last 12 months, with satisfaction around the experience high (60%+ across a range of key dimensions).
- The propensity to switch sits at 36% of SMEs, with 26% in the mid-ground neither actively considering or dismissing changing. The types of organizations to be considered if switching or extending relationships varies, with a bank with branches (43%), a FinTech (31%) and a large corporation that traditionally provides non-financial products (30%) heading the list.
- The potential for FinTech and Big Tech to further disrupt is significant. While only 14% of SMEs overall are considering FinTechs as a source of funds, it does elevate to 19% when looking at larger businesses (50–249 employees). Where it becomes interesting is when we look at the drivers of selecting a provider. Having a physical presence was the factor of least importance (at 45% vs. the most important factor—the cost or interest rate offered at 70%). However, a major variable is trust, where there is a gulf between traditional institutions and the digital only players in FinTech and Big Tech.

Digital business: major aspiration, but concern about keeping up

- “Digital” and all it encompasses is a constant and enduring priority for SMEs as they look to improve how they engage with customers, bring more efficiency into the business and differentiate against competitors.
- More than three-quarters of SMEs (77%) have either maintained or increased the level of digitization of their business processes over the last 12 months. While lock downs and new ways of doing business have forced change, the pandemic has also helped many SMEs realize long-held digital ambitions or breakdown barriers and overcome reticence.
- Digital transformation can provoke mixed emotions in SMEs—it can be inspiring and exciting, while equally being daunting and problematic. The latter is underlined by almost two in five SMEs (39%) being concerned about keeping up with digital advancements (47% among those in the decline life stage) and almost a quarter of SMEs (24%) saying insufficient IT is a major threat for their business (33% among those in the conception life stage).
- Overlaid on this is the concern over cybersecurity, with 29% seeing it as a major challenge going forward. Feeling vulnerable around data security and more broadly business security is a confronting topic for many SMEs.
- The need for support in the digital space is significant. Large numbers of those that implemented a digital strategy, but did not access external support would have liked to. This represents an opportunity for banks in the provision of ancillary support services to help SMEs navigate their digital journey.
Digital banking: a smarter, more intuitive experience

- Behavior and future preferences around the way SMEs engage with their MFI, both in terms of day-to-day transactions and broader relationship support, is evolving faster than has been seen in the past.
- The lift in current usage of online banking is pronounced (net +32) and it tops the list of the channels and touchpoints that were assessed to identify the shifts. The shift is higher among SMEs in Southeast Asia and Latin America, with businesses in decline also experiencing the greatest proportionate move to online banking.
- As important are the preferences for the future, with online banking maintaining the top mantle (net +29), followed by mobile banking (+27). Concurrently driving the shift is the consumer transition away from cash. Almost one in two SMEs have seen a decrease in the proportion of customers paying with cash (45%).
- Will their be a rebound? Unlikely. The accelerated transition to digital through the pandemic has been a circuit breaker, seeing things that were rituals in the past give way to new ways of engaging and transacting. The caveat is that the “human-side” remains all important – being able to connect with people who know me, know my business, respect my history and make decisions/remediate quickly. The opportunity is to deliver against these needs through different channels (on and offline) and solutions. There is more scope to redefine and meet the needs in smarter and better ways.

Digital segmentation: major differences in financial and digital maturity

- While perhaps its something of a truism to say that not all SMEs or their leaders are the same, it’s a critical point when looking at financial and digital maturity. Both are integral to the strategies required to drive SME engagement, loyalty and advocacy in an era of continued hyper-connection.
- In our research, we looked at the level of maturity of SMEs in terms of their financial acumen and digital aptitude.
- Our quadrant analysis shows that only 26% of SMEs see themselves as both financially and digitally mature. One in five SMEs (20%) sit at the other end of the spectrum rating themselves as low on both fronts. The balance are in between with confidence in either financial or digital areas, but not both.
- This assessment underlines the complexity of designing the digital strategy of the future and the products and services that will resonate. What works with one SME may overwhelm another. It requires new forms of segmentation and a micro understanding of current behavior, future needs and emerging expectations.

Fundamentals first: deliver the Brilliant Basics

- The start-point in the relationship is to deliver the basics well. It’s about the fundamentals in the relationship that set the foundations when delivered well, but cause consternation when the experience falls short.
- The Brilliant Basics run through a continuum – the discovery of the bank through leading-edge digital marketing and engagement strategies; the onboarding experience with world class and frictionless CX; effective product onboarding leveraging data to align product offers and rapid decision-making processes; integrated and seamless relationship management underpinned by state of the art CRM.
- The core offering is the bedrock on which the relationship is built. Permission to do more and add greater value comes in the slipstream of getting the core right.
- Our research shows that satisfaction levels are solid, but they are arguably coming from a low expectation base where the similarities between banks are seen to be greater than the differences.
10 Engagement: it’s about managing the relationship, not more relationship managers

- The longstanding catchcry of SMEs has been: “I want to talk to a person and have a relationship manager.” In fact, 76% say they want to maintain or increase the level of interaction they have with their relationship manager in the future.

- This shouldn’t be taken at surface value. It’s the point of reference for SMEs and the key to increasing efficiency and delivering a better experience is to understand what underpins the request – the needs that they feel can be best addressed by having a contact point. The RM is a proxy for not wanting to feel like a number and accessing someone who can help navigate the options, remediate issues, offer proactive solutions and build rapport. It’s about ensuring that less time can be spent on banking and more time on the business.

- The opportunity in the future is to find the equilibrium, where digital and remote solutions deliver efficiency and connection, while the “human-side” still plays a role at the right times. There’s no single solution, but the clues lie in the characteristics that SMEs cited when talking about the strength of the relationship with their RM – invested in my business (59%), understands my business (63%), makes me feel valued (65%) and brings innovative financial solutions (61%). If “the hassles” can be solved through streamlined solutions, then the roles of RM’s can be redefined to be more proactive and truly relationship focused. It’s reflected in satisfaction levels, where we see a strong correlation between the strength of the relationship with the RM and overall satisfaction with their MFI.

11 Funding: better and faster access

- A large proportion of SMEs borrowed through the pandemic (42%). What the experience has underlined is frustration with knowing which products are available and the speed of access to credit.

- In our research, we asked SMEs specifically about their expectations when accessing credit. What we found was over half of SMEs felt it was very/extremely important (66%) to receive faster access to credit when needed. Of these SMEs, half (58%) would have liked to have received it within 7 days, with 33% looking for access within 3 days. There was also a willingness to pay for a bank to deliver faster credit (26%).

- There is frustration at slow credit decisioning and an opportunity to differentiate – if the systems are in place to manage the process.

- One of the main opportunities lost for banks with SMEs is the level of underfunding and their perception that it’s hard to find the right products and then it’s a comparatively slow and antiquated path to accessing the funds.

12 Beyond banking: a more progressive offering

- Seven potential ancillary services were explored in the research, with interest, willingness to access via a bank and preparedness to pay additional service fees assessed.

- Overall, there was high interest (ranging from 50%-66% across all SMEs) and reasonably strong conversion through to accessing via a bank (ranging from 38%-61% among SMEs interested in ancillary services). The conversion rate through to willingness to pay among SMEs interested in accessing these services via a bank was strong, ranging from 68%-81% (or 16%-26% among SMEs at a total level).

- The order of preference of ancillary services was trusted advisor providing tailored strategies; faster access to credit; facilitation of business management functions (legal, advice, risk, etc.); development of a sustainable business model; tailored networking to connect and facilitate opportunities; a single integrated platform housing all accounts/products with broader integration capability; and subscription based financial services – add/remove products at pace from a portfolio to tailor and flex as required.

- What the evaluation of the ancillary services and product initiatives demonstrated is that there is an appetite for progressive offerings that push beyond the core to address existing challenges in the business. The caveat, as flagged earlier, is that the Brilliant Basics need to be in place first.
Pandemic experience and impact

**Negative impact of the pandemic on SMEs**

- **74%** Have been negatively impacted by the pandemic.
- **57%** Experienced a decrease in revenue.
- **54%** Experienced a decrease in profit margin.
- **54%** Experienced a decrease in sales volume.

**Top five challenges**

1. **COVID-19** (43%)
2. Global recovery from economic impact of COVID-19 (29%)
3. Maintain/increase profitability (23%)
4. Keeping up with tech advancements (22%)
5. Generate new business/sales/revenue (18%)

**Pre-/post-pandemic life cycle transition**

- Conception: -0.4%
- Start-up: -2.5%
- Growth/rapid growth: -9.5%
- Maturity/stabilize: 0.3%
- Decline: 12.1%
- Exit: 0.0%

**Pandemic sources of financial support**

- **51%** Received government funding to support their business during the pandemic.
- **29%** Are concerned (very/extremely) about repaying their loan.

**Borrowed finance**

- **42%** Borrowed money to support business during pandemic from...
  - Bank (loan, overdraft, credit): 45%
  - Government subsidy: 28%
  - Personal asset/finances: 25%

**Support received from banks during the pandemic**

- Was proactive and helpful during the COVID-19 global pandemic: 52%
- Could have done more to help my business through the pandemic: 51%
- Gave me fast access to credit when I needed it: 48%

**Business model evolution**

- **56%** Are planning to change their current business model.

**Intended increase/decrease in future business models**

- E-commerce/online-only: 10%
- Marketplace: 7%
- Franchise: 6%
- Advertising or hidden revenue: 5%

**Financial vs. digital maturity**

- Financial maturity:
  - Low: 11%
  - High: 26%
- Digital maturity:
  - Low: 20%
  - High: 41%
## Financial services relationships

### Main financial institution (MFI)

<table>
<thead>
<tr>
<th>Usage of non-traditional banks is increasing</th>
<th>Propensity to switch</th>
</tr>
</thead>
<tbody>
<tr>
<td>FinTech</td>
<td>20%</td>
</tr>
<tr>
<td>A large corporation that traditionally provides non-financial services</td>
<td>20%</td>
</tr>
<tr>
<td>Internet/telephone-only bank without branches</td>
<td>17%</td>
</tr>
<tr>
<td>Big Tech corporation</td>
<td>22%</td>
</tr>
</tbody>
</table>

### Trust index

(average score out of 10)

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bank with branches</td>
<td>7.6</td>
</tr>
<tr>
<td>Big Tech corporation</td>
<td>6.7</td>
</tr>
<tr>
<td>FinTech</td>
<td>6.6</td>
</tr>
<tr>
<td>Internet/telephone-only bank without branches</td>
<td>6.7</td>
</tr>
<tr>
<td>Other financial services company</td>
<td>6.9</td>
</tr>
</tbody>
</table>

### Relationship management

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
</tr>
<tr>
<td>76%</td>
</tr>
</tbody>
</table>

### Propensity to switch

SMEs are likely (very likely/likely) to consider switching

<table>
<thead>
<tr>
<th>Type of organization considering switching to</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bank with branches</td>
<td>43%</td>
</tr>
<tr>
<td>FinTech</td>
<td>31%</td>
</tr>
<tr>
<td>A large corporation that traditionally provides non-financial services</td>
<td>30%</td>
</tr>
<tr>
<td>Big Tech corporation</td>
<td>26%</td>
</tr>
<tr>
<td>Internet/telephone-only bank without branches</td>
<td>24%</td>
</tr>
<tr>
<td>Other financial services company</td>
<td>10%</td>
</tr>
</tbody>
</table>

### New product acquisition

<table>
<thead>
<tr>
<th>Type of Organization</th>
<th>Average number of banking products held</th>
<th>Acquired new products in last 12 months</th>
<th>High satisfaction with key aspects of onboarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bank with branches</td>
<td>3.5</td>
<td>42%</td>
<td>60%+</td>
</tr>
<tr>
<td>FinTech</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A large corporation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Big Tech corporation</td>
<td></td>
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</tr>
<tr>
<td>Other financial services company</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### I’d like my bank/financial service provider/relationship manager to ...

<table>
<thead>
<tr>
<th>Service provided</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do the basics well before offering my business any value-added services</td>
<td>75%</td>
</tr>
<tr>
<td>Have a clear understanding of my business and our strategic direction</td>
<td>74%</td>
</tr>
<tr>
<td>Have a deep understanding of my industry/sector</td>
<td>72%</td>
</tr>
<tr>
<td>Be more involved in my business/help with the development of long-term plans/solutions</td>
<td>62%</td>
</tr>
</tbody>
</table>
Evolving the relationship

Factors of importance to SMEs in provider selection

- The cost or interest rate offered: 70%
- Speed of decision and release of money: 66%
- The chance of being funded: 64%
- Flexibility of products offered: 62%
- Has good knowledge of my industry: 61%
- Existing relationship with the lender: 56%
- An easy-to-use digital experience/self-service platform: 53%
- Offers telephone/online support: 53%
- A single point of contact: 53%
- Connects me with other companies that complement my business: 51%
- No collateral required for loan: 50%
- Physical presence (office/branches): 45%

Top five support challenges

1. COVID-19: 20%
2. Global recovery from economic impact of COVID-19: 13%
3. Keeping up with tech advancements: 10%
4. Maintain/increase profitability: 10%
5. Generate new business/sales/revenue: 8%

Dynamics of data exchange

- Are interested (very/extremely) in sharing more business data with bank/financial provider for better services: 51%
- Would be prepared to pay for this service: 50%
- Feel that running a sustainable business is important to them: 63%
Section 1:
The impact of the pandemic on SMEs
A profound and deep negative impact

The headline figure tells the story – almost three-quarters of SMEs (74%) said they have been negatively impacted by the pandemic, with the balance saying it has had no impact (10%) or a positive impact (15%). There was variance by market and region; however, the proportion of SMEs adversely affected remains consistently high.

When the spotlight turns to the specific areas impacted, the top three are all financial-related – revenue, profit margin and sales volume.

The “hit” was more pronounced at the smallest end of the segment, with SMEs with 10-49 employees hardest hit. As we will see as the report unfolds, this is also the segment most interested in strategic support from banks/financial service providers.

Conversely, the more resilient businesses that were less affected were the largest of the segment.

"All of our plans are on hold. There's nothing I can do at the moment with the lockdown except try to stay afloat but I don't know how quickly we will recover if we recover at all.

10-49 employees, AU$2m-AU$10m turnover, Australia"

“Leverage is key to the company moving forward. Even with COVID-19, we’re very financially stable. Businesses are closed on and off, tenants can’t pay rent but we have used our leverage and lines of credit to stay ahead of the game.

10-49 employees, US$10m-US$100m turnover, US"

<table>
<thead>
<tr>
<th>Region</th>
<th>Negative impact by region</th>
<th>Financial impact of the pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>82%</td>
<td>57% decrease in revenue</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>81%</td>
<td>54% decrease in sales</td>
</tr>
<tr>
<td>Europe</td>
<td>74%</td>
<td>54% decrease in profit</td>
</tr>
<tr>
<td>Americas</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>67%</td>
<td></td>
</tr>
</tbody>
</table>

74%

Of SMEs negatively affected by the pandemic

78%

Of SMEs indicated that the impact of the pandemic and/or subsequent global recession will be a key challenge moving forward
Impact of the pandemic

Overall impact of the pandemic on the business

![Impact of the pandemic chart](image)

Negative impact by market

<table>
<thead>
<tr>
<th>Market</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>74%</td>
</tr>
<tr>
<td>Italy</td>
<td>90%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>89%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>86%</td>
</tr>
<tr>
<td>Ireland</td>
<td>82%</td>
</tr>
<tr>
<td>Brazil</td>
<td>82%</td>
</tr>
<tr>
<td>UK</td>
<td>81%</td>
</tr>
<tr>
<td>Canada</td>
<td>77%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>76%</td>
</tr>
<tr>
<td>Singapore</td>
<td>75%</td>
</tr>
<tr>
<td>Australia</td>
<td>71%</td>
</tr>
<tr>
<td>Germany</td>
<td>68%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>67%</td>
</tr>
<tr>
<td>US</td>
<td>67%</td>
</tr>
<tr>
<td>Belgium</td>
<td>62%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>61%</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>54%</td>
</tr>
</tbody>
</table>

Specific impact of COVID-19 on parts of the business

- Revenue
- Profit margin
- Sales volume
- Customers paying with cash
- Staff morale/positivity
- Number of staff
- Operational expenses other than staff
- Outsourcing of business functions/support
- Digitization of business processes/functions
- Brand reputation

Indicates significantly higher
Indicates significantly lower
The introspective SME

The profound impact and extreme uncertainty brought to bear by the pandemic forced change and saw businesses adapt at pace. The scale of the disruption and the lack of clarity about the future also saw the leadership of SMEs look at their business through different eyes. They turned inward, becoming much more introspective and focused on the fundamentals. For some it was about survival, for others it was about embracing new found opportunities. For all, complacency has disappeared.

It has cast the relationship with banks/financial service providers in a new light and, as confidence returns, new expectations will come into play.

The impact of the pandemic and the introspection plays out when we look at the thinking on evolving the current business model. More than half (56%) say they are adjusting in response to changing market conditions with many following consumer demand and opting for more digitally focused business models via e-commerce or marketplaces.
Talking about the evolution

The SME segment is dynamic, with organizations moving through different stages of the life cycle. There are six distinct stages we typically use to define where an SME is on the journey:

1. **Conception**: pre-start-up and the business idea is born.

2. **Start-up**: the business is launched. Low sales and high costs. No/little profitability.

3. **Growth/rapid growth**: the business is established, experiencing year-on-year sales increases. Costs may be reducing with some profitability realized.

4. **Maturity/stabilize**: the business has been operating successfully for a number of years. Sales/revenue are consistent year-on-year. Costs may be reducing and profits are good/increasing. Potentially planning to enter a grow and evolve cycle.

5. **Decline**: sales and revenue are declining year-on-year. Costs are consistent or increasing, with profits decreasing.

6. **Exit**: sales and revenue are strong with profits good/stable. Interested in selling.

The tumult of the past 18 months has changed the shape of the SME market, with significant proportions of SMEs transitioning to a different stage of the life cycle (see diagram overleaf).

Overall, the SME market has slowed and 45% have experienced a change in their “business journey” over the past 12 months.

The key points of transition are:

- **Increase in the decline life cycle**: One of the greatest shifts has been the number of businesses moving into decline, growing from 5% pre-pandemic to 17% in May 2021. This has largely been a function of SMEs shifting from maturity (8%) and growth/rapid growth (5%) stages. The increase in SMEs entering decline is more significant in some markets compared with others as well as certain business sectors (e.g., hospitality, 33%).

- **Decrease in the growth life cycle**: Just under two in five (37%) businesses were in the growth/rapid growth stage 12 months ago, this reduced to just over one quarter (27%) in March 2021. While half of these SMEs managed to maintain growth through the pandemic, more than a quarter (28%) saw their business shift from growth to maturity.

SMEs within some regions are more resilient to the effects of COVID-19 than others:

- Those in Asia-Pacific (35%) and North America (33%) indicate a higher proportion of SMEs currently in the growth/rapid growth stage than other regions (Europe: 24% and Latin America: 17%).

- Economies in countries such as Australia, that managed to contain the virus and have not been under as strict social restrictions as other countries, have rebound well since March and April 2020. Indicating that there is a pathway back to growth for SMEs in countries where restrictions are still in place.

### Proportion of businesses moving into decline by market

<table>
<thead>
<tr>
<th>Market</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>12%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>21%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>20%</td>
</tr>
<tr>
<td>Ireland</td>
<td>17%</td>
</tr>
<tr>
<td>Brazil</td>
<td>15%</td>
</tr>
<tr>
<td>UK</td>
<td>14%</td>
</tr>
<tr>
<td>Italy</td>
<td>13%</td>
</tr>
<tr>
<td>Singapore</td>
<td>10%</td>
</tr>
<tr>
<td>Germany</td>
<td>9%</td>
</tr>
<tr>
<td>Belgium</td>
<td>9%</td>
</tr>
<tr>
<td>Canada</td>
<td>8%</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>7%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7%</td>
</tr>
<tr>
<td>US</td>
<td>7%</td>
</tr>
<tr>
<td>Australia</td>
<td>4%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>3%</td>
</tr>
</tbody>
</table>
The business life cycle of an SME can be divided into six key stages (these stages are defined below).

- **Conception**
  - Pre-start-up
  - Business idea is born

- **Start-up**
  - Business is launched
  - Low sales
  - High costs
  - No/little profits
  - Often first couple of years

- **Growth/rapid growth**
  - Business is established
  - Experiencing increasing sales year-on-year
  - Costs may be reducing
  - Some/good profits

- **Maturity/stabilize**
  - Business operating successfully for a number of years
  - Sales/revenue consistent year-on-year
  - Costs may be reducing
  - Profits are good/increasing
  - Potentially planning to enter a grow and evolve cycle

- **Decline**
  - Sales/revenue are declining year-on-year
  - Costs are consistent or increasing
  - Profits are decreasing

- **Exit**
  - Sales/revenue are strong
  - Profits are good/stable
  - Interested in selling the business
The evolving life cycle

Our research with SMEs has mapped the shift between business life cycle stages over the past 18 months.

Pre-COVID-19

Conception (5%)
Start-up (12%)
Growth/rapid growth (37%)
Maturity/stabilize (41%)
Decline (5%)
Exit (1%)

Current

Conception (4%)
Start-up (9%)
Growth/rapid growth (27%)
Maturity/stabilize (41%)
Decline (17%)
Exit (1%)

Percentages may not add to 100% in total due to rounding.
Looking at those in decline stage

When the experiences and outlook of the SMEs in decline are reviewed, a number of key points emerge.

- **Refocusing not exiting.** Those in decline are not in the exit stage. They are adapting, focusing on survival and rebuilding momentum. External support is imperative and many are receptive to their bank providing recovery and growth planning assistance. A lack of access to this type of support is a fundamental challenge.

- **The negative triumvirate.** Three main factors have pushed SMEs into the decline stage – a downturn in sales, revenue and profit margin. Almost one in two businesses in decline have experienced a downturn in sales/revenue and/or a decline in profit margins (both 46%). This is a significantly higher proportion than those in other stages of the SME life cycle (23% and 22%, respectively).

- **Arresting the decline.** Businesses in the decline stage are more likely to:
  - Have taken decisive steps to streamline their business to reduce costs (31% vs. 21% total)
  - Borrow money (40% vs. 33% total)
  - Reduce the working hours of their employees (40% vs. 24% total) to cope with the reduction in demand

A number of SMEs report they are looking at every element of their operations to determine where they can cut costs. Hospitality is more commonly taking the latter measure, with six in ten (60%) across the globe reducing the working hours of their employees.
Financial support through the pandemic

Support from the government and loans from financial institutions have been pivotal through the pandemic for a large proportion of SMEs, with 63% of all SMEs receiving government support and/or borrowing money. SMEs in Vietnam (91%), Singapore (81%), Malaysia (78%) and Ireland (72%) were most likely to have received financial support to help their business during the pandemic. SMEs in the Netherlands (46%), Belgium (51%), Australia (54%), and the US (57%) were least likely.

Government support

Half of all SMEs received direct government support during the pandemic. Government support varied by:

- **Life cycle stage.** SMEs in the conception (72%) or start-up (63%) stage were most likely to receive government support, while those in the exit stage (29%) were least likely to receive support.

- **Industry.** SMEs in hospitality, tourism, entertainment and the arts were most likely to receive government support (70%), while SMEs in agriculture, forestry, fishing and mining were least likely to receive funding (38%).

- **Market.** SMEs that received support were lowest in Europe and Latin America, with both being among the least likely to access government funding (48% and 33%, respectively). This may reflect alternate approaches governments took to dealing with the pandemic more broadly, with those in the Netherlands (42%) and Belgium (38%) driving the lower result in Europe.

“We’ve had to furlough staff and the government help meant we’ve been able to stay in business until now but any more lockdowns will make it very difficult indeed.

50-200 employees, €5m–€10m turnover, Ireland
Support from financial institutions

Government funding wasn’t the only lifeline, with more than two in five (42%) having to borrow to support their business as a result of the pandemic. There were some differences by life cycle stage, with those in conception, start-up and decline more readily borrowing funds.

Banks were the most common source of funding for SMEs (45%) during the pandemic. This result was consistent across the globe, with the exception of Belgium, where only 23% indicated they had borrowed money through a bank.

While banks are the most prevalent source of funding support during the pandemic, SMEs in the growth/rapid growth stage are turning to FinTechs. One in five (21%) accessed finance through a FinTech (versus 14% at a total level).

SMEs in the growth/rapid growth stage phase that are accessing finance through a FinTech are typically smaller SMEs (10-49 employees), suggesting that the threat to market share for banks sits mainly at the smaller SME end of the market at present.

The growth/rapid growth stage is an important battleground for banks/financial service providers. As these SMEs continue to evolve and expand, they become a critical segment for banks. This research underlines the real threat banks face from FinTechs for this important segment of the SME market.

SMEs accessing funds by life cycle stage

<table>
<thead>
<tr>
<th>Life Cycle Stage</th>
<th>Funding Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conception</td>
<td>65%</td>
</tr>
<tr>
<td>Start-up</td>
<td>64%</td>
</tr>
<tr>
<td>Growth/rapid growth</td>
<td>39%</td>
</tr>
<tr>
<td>Maturity/stabilize</td>
<td>33%</td>
</tr>
<tr>
<td>Decline</td>
<td>52%</td>
</tr>
<tr>
<td>Exit</td>
<td>12%</td>
</tr>
</tbody>
</table>

Differences in funding sources by life cycle stage

- SMEs in the growth/rapid growth stage accessed finance through a FinTech (compared with 14% overall)
- SMEs in maturity (52%) and decline (55%) stages more commonly borrowed from banks (compared with a total of 45%)
# Key business challenges and access to support

## Business challenges faced in the last 12 months

<table>
<thead>
<tr>
<th>Business challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented a digital strategy/enhanced your online presence</td>
<td>28%</td>
</tr>
<tr>
<td>Developed a new service/product</td>
<td>27%</td>
</tr>
<tr>
<td>Reduced working hours</td>
<td>24%</td>
</tr>
<tr>
<td>Experienced a downturn in sales/revenue</td>
<td>23%</td>
</tr>
<tr>
<td>Received financial advice</td>
<td>22%</td>
</tr>
<tr>
<td>Experienced a decline in profit margins</td>
<td>22%</td>
</tr>
<tr>
<td>Hired new staff</td>
<td>22%</td>
</tr>
<tr>
<td>Implemented a marketing/PR strategy/campaign</td>
<td>21%</td>
</tr>
<tr>
<td>Received general business management related advice/support</td>
<td>21%</td>
</tr>
<tr>
<td>Streamlined the business</td>
<td>21%</td>
</tr>
<tr>
<td>Implemented new IT/technology/software</td>
<td>21%</td>
</tr>
</tbody>
</table>

## Streamlining business support needs

- **21%** Faced this challenge
- **47%** Would have liked to access support
- **43%** Accessed support
- **57%** Did not access support

## Declining profit margin support needs

- **22%** Faced this challenge
- **58%** Would have liked to access support
- **32%** Accessed support
- **68%** Did not access support

## Downturn in sales/revenue support needs

- **23%** Faced this challenge
- **54%** Would have liked to access support
- **34%** Accessed support
- **66%** Did not access support
From uncertainty to opportunity

Overall, anxiety remains rife among SMEs, with almost three in five (58%) seeing COVID-19 as a key challenge for their business now and in the years to come.

In addition to the immediate impact of COVID-19, SMEs are worried about the recovery from the global recession caused by the pandemic (39%). When uncertainty dominates the outlook, it makes planning for the future difficult and tends to drive more conservative behavior.

"It’s impossible to say when things will turn around or even if they will. My business has relied on travel and contacts in Southeast Asia but I can’t travel and I have no idea when I can get back there.

10–50 employees, US$10m turnover, US

The regions with fewer SMEs expressing concern are Asia-Pacific (52%) and Europe (55%). Although, the difference is only marginal, in all regions, more than half remain concerned about the ongoing effect of COVID-19.

The main support needs relate to the ongoing challenges created by COVID-19 and recovery from the economic downturn.

---

### Concern over the ongoing effect of COVID-19

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Least concerned</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>55%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>52%</td>
</tr>
<tr>
<td>Most concerned</td>
<td></td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>65%</td>
</tr>
<tr>
<td>North America</td>
<td>64%</td>
</tr>
</tbody>
</table>

Identify the ongoing effects of COVID-19 as a key challenge for the future 58%

Identify the recovery from the global recession caused by the pandemic as a key challenge 39%

### Support needs for top five business challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of COVID-19 on business</td>
<td>20%</td>
</tr>
<tr>
<td>Global recovery from economic impact of COVID-19</td>
<td>13%</td>
</tr>
<tr>
<td>Keeping up with tech advancements</td>
<td>10%</td>
</tr>
<tr>
<td>Maintain/increase profitability</td>
<td>10%</td>
</tr>
<tr>
<td>Generate new business/sales/revenue</td>
<td>8%</td>
</tr>
</tbody>
</table>
Section 2:

Usage and experience of banks and financial providers
The research is showing that while a large proportion of SMEs have longstanding and quite traditional relationships with their bank, expectations are evolving quickly and they are looking at financial institutions through different eyes. The headlines demonstrate the nature of the relationship:

- **MFI**: banks with branches are the main institution for more than half of SMEs (57%). This does vary by life cycle stage.
  - Those in conception (26%), start-up (36%), growth/rapid growth (52%) less likely; those in maturity (64%) and decline (70%) stages more likely to utilize the services of a bank as their MFI.

- **Product holdings**: SMEs hold an average of 3.5 business banking products, with credit cards and savings/transaction accounts topping the list.

- **New product uptake**: more than two in five SMEs (42%) acquired new financial products/services in the last 12 months, with satisfaction high in key areas such as transparency, speed and level of information (60%).

- **Onboarding**: among SMEs that took up new products they experienced a mix of onboarding methods including human-led, technology-led and a human/technology hybrid. No single approach to onboarding was more common than the other, but a dual approach is having the greatest success with SMEs. Those that were onboarded for financial products via an automated and human-led approach were significantly more satisfied with the process across all metrics. Whereas those opting for a purely human-led approach were the most dissatisfied overall.

> Anything I can do myself is a win because that saves me so much time. In saying that, I would want to be able to contact someone to help me with something out of the ordinary.

10-20 employees, US$10m turnover, US
Bank/financial provider usage

Main financial institution:
typically a traditional bank

- Bank with branches: 57%

... but broader usage of non-traditional banks
(outside of MFI) is increasing

- FinTech: 20%
- Internet/telephone-only bank: 17%
- A large corporation that traditionally provides non-financial services: 20%
- A Big Tech corporation: 16%

Banking products:
multiple products held with a bank/financial provider

Business banking products currently held by SMEs (on average)

3.5

Most common products held:

- Business credit card(s): 36%
- Business savings account: 35%
- Business transaction/deposit account: 32%
- Business loan: 31%
- Line of credit: 27%

New product uptake and onboarding process: diversity in onboarding processes

The application process is ...

- Fully automated: 37%
- Human-led: 28%
- Both automated and human-led: 34%
- Don’t know: 1%

Acquired new products/services in the last 12 months

- 42%

Satisfaction with banks/financial service providers:
underpinned by the basics and built through strategic support

- Are satisfied/very satisfied with their primary bank/financial service provider: 72%

Top drivers of satisfaction are ...

1. Responsive to my requests
2. Understanding of my business
3. Makes me feel valued as a customer

Evolving interactions:
interactions with banks/financial providers have changed over the last 12 months ...

... with increases in ...

- Using online banking services (via a laptop/desktop computer/tablet): 43%
- Using mobile banking (through an app): 40%

... and decreases in ...

- Visiting a branch/office: 38%
- Using cash management services including ATMs (deposit/withdraw cash): 24%

Satisfaction with the onboarding process: an opportunity to build the relationship

- Level of human interaction: 66%
- Transparency: 65%
- Speed: 63%
- Level of information I had to provide: 63%
- Automation: 62%
Satisfaction with the current experience

There is high overall satisfaction with the MFI, with 72% of SMEs saying they were satisfied. This was underpinned by a sense that their bank/financial services provider was responsive to their needs, understood their business and made them feel valued as a customer.

- Satisfaction is built over time. Those in the conception stage (59%) are the least satisfied overall, contrasted by high satisfaction among those in the maturity stage (77%).

- Larger SMEs more likely to be satisfied. Those in businesses of 50-249 employees are more satisfied with their provider overall (79% vs. 71% smaller businesses).

- Level of service in Europe not as strong. SMEs in Europe are showing lower levels of satisfaction (67%) compared with those in Southeast Asia (86%).

Insight and understanding

SMEs will invariably describe their business as unique. It’s one of the defining characteristics of this segment and it requires banks/financial service providers to convey:

- A consistent understanding of the business
- Awareness of the challenges prevailing
- Responsiveness at critical points
- Flexibility to suit (perceived) individual needs
- Empathy and rapport to build trust

Banks/financial service providers that are doing these things well are the ones succeeding in the eyes of their customers.
Satisfaction metrics

Satisfaction with bank/financial service provider

Overall satisfaction with MFI

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Total Disagree</th>
<th>Total Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very dissatisfied</td>
<td>10%</td>
<td>72%</td>
</tr>
<tr>
<td>Satisfied</td>
<td>50%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Satisfaction with aspects of primary bank/financial service provider

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Total Dissatisfied</th>
<th>Total Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusted partner/advisor</td>
<td>6%</td>
<td>23%</td>
</tr>
<tr>
<td>Responsive to my requests</td>
<td>5%</td>
<td>24%</td>
</tr>
<tr>
<td>Makes me feel valued as a customer</td>
<td>6%</td>
<td>26%</td>
</tr>
<tr>
<td>Provides a personal/customized service</td>
<td>6%</td>
<td>26%</td>
</tr>
<tr>
<td>Understanding of my business</td>
<td>6%</td>
<td>27%</td>
</tr>
<tr>
<td>Provides me with the flexibility to switch products/services that best suit my business’s needs</td>
<td>6%</td>
<td>28%</td>
</tr>
<tr>
<td>Speed of credit decision-making and access to cash</td>
<td>7%</td>
<td>27%</td>
</tr>
<tr>
<td>Offers a streamlined digital experience</td>
<td>6%</td>
<td>29%</td>
</tr>
<tr>
<td>Brings me innovative financial solutions/services to help solve my business problems</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td>Understanding of my industry</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td>Application/on-boarding processes when taking out a new product</td>
<td>6%</td>
<td>31%</td>
</tr>
<tr>
<td>Makes me feel like they are invested in my business</td>
<td>8%</td>
<td>29%</td>
</tr>
<tr>
<td>Regularly reaches out to check in on my business</td>
<td>8%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Top five drivers of satisfaction with primary bank/financial service provider

<table>
<thead>
<tr>
<th>Driver</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsive to my requests</td>
<td>14.7</td>
</tr>
<tr>
<td>Understanding of my business</td>
<td>10.8</td>
</tr>
<tr>
<td>Makes me feel valued as a customer</td>
<td>9.0</td>
</tr>
<tr>
<td>Is a trusted partner/advisor</td>
<td>8.2</td>
</tr>
<tr>
<td>Provides a personal/customized service</td>
<td>7.5</td>
</tr>
</tbody>
</table>
## Top satisfaction drivers by market

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Drivers</th>
</tr>
</thead>
</table>
| North America| US       | 1. Understanding of my business  
               2. Responsive to my requests  
               3. Brings me innovative financial solutions/services to help solve my business problems  
               4. Speed of credit decision-making and access to cash |
| North America| Canada   | 1. Makes me feel valued as a customer  
               2. Is a trusted partner/advisor  
               3. Speed of credit decision-making and access to cash  
               4. Understanding of my business |
| Latin America| Brazil   | 1. Understanding of my business  
               2. Responsive to my requests  
               3. Understanding of my industry  
               4. Is a trusted partner/advisor |
| Europe       | Germany  | 1. Offers a streamlined digital experience  
               2. Brings me innovative financial solutions/services to help solve my business problems  
               3. Responsive to my requests  
               4. Understanding of my business |
| Europe       | UK       | 1. Makes me feel valued as a customer  
               2. Responsive to my requests  
               3. Is a trusted partner/advisor  
               4. Offers a streamlined digital experience |
| Europe       | Italy    | 1. Understanding of my business  
               2. Understanding of my industry  
               3. Provides a personal/customized service  
               4. Responsive to my requests |
| Europe       | Netherlands | 1. Application/onboarding processes when taking out a new product  
                              2. Responsive to my requests  
                              3. Speed of credit decision-making and access to cash  
                              4. Provides me with the flexibility to switch products/services that best suit my business needs |
| Europe       | Belgium  | 1. Responsive to my requests  
               2. Brings me innovative financial solutions/services to help solve my business problems  
               3. Understanding of my business  
               4. Regularly reaches out to check in on my business |
| Europe       | Ireland  | 1. Makes me feel valued as a customer  
               2. Responsive to my requests  
               3. Application/onboarding processes when taking out a new product  
               4. Provides me with the flexibility to switch products/services that best suit my business needs |
| Asia-Pacific | Australia | 1. Provides a customized service  
                              2. Responsive to my requests  
                              3. Understanding of my business  
                              4. Makes me feel valued as a customer |
| Asia-Pacific | Hong Kong, China | 1. Makes me feel valued as a customer  
                              2. Responsive to my requests  
                              3. Is a trusted partner/advisor  
                              4. Understanding of my business |
| Asia-Pacific | Singapore | 1. Understanding of my business  
                              2. Provides a personal/customized service  
                              3. Offers a streamlined digital experience  
                              4. Responsive to my requests |
| Southeast Asia | Indonesia | 1. Makes me feel valued as a customer  
                              2. Offers a streamlined digital experience  
                              3. Provides me with the flexibility to switch products/services that best suit my business needs  
                              4. Responsive to my requests |
| Southeast Asia | Malaysia | 1. Responsive to my requests  
                              2. Understanding of my business  
                              3. Is a trusted partner/advisor  
                              4. Speed of credit decision-making and access to cash |
| Southeast Asia | Malaysia | 1. Offers a streamlined digital experience |
| Southeast Asia | Vietnam | 1. Provides me with the flexibility to switch products/services that best suit my business needs  
                              2. Makes me feel like they are invested in my business  
                              3. Is a trusted partner/advisor  
                              4. Responsive to my requests |
Propensity to switch

More than one in three SMEs (36%) suggest they are “likely” to consider switching from their main bank/financial services provider in the future. The profile of those more likely to switch reveals:

- **Mid-sized SMEs:** SMEs employing 50–249 employees (42% vs. 35%) are more likely to consider switching despite yielding higher levels of satisfaction with their provider.

- **Newly formed SMEs:** those in conception (59%), start-up (52%), and growth/rapid growth (43%) stages are more open to switching than those in maturity (29%) and decline (29%) stages of the life cycle.

- **Lower turnover SMEs:** those turning over less than US$75k are less loyal to their main bank/financial provider (46% likely to switch).

- **Geographically:** SMEs in North America are among the most loyal to their bank/financial provider, with three in ten (31%) likely to consider switching. However, SMEs in Southeast Asia are among the most likely to consider (46%).

### Propensity to switch main bank/financial services provider

<table>
<thead>
<tr>
<th>Consider switching main bank/financial services provider</th>
<th>Type of organization considering switching to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% Very likely</td>
<td>A bank with branches 43%</td>
</tr>
<tr>
<td>27% Likely</td>
<td>FinTech 31%</td>
</tr>
<tr>
<td>26% Neither likely nor unlikely</td>
<td>A large corporation that traditionally provides non-financial services 30%</td>
</tr>
<tr>
<td>23% Unlikely</td>
<td>A Big Tech corporation 26%</td>
</tr>
<tr>
<td>15% Very unlikely</td>
<td>Internet/telephone-only bank without branches 24%</td>
</tr>
<tr>
<td></td>
<td>Other financial services company 10%</td>
</tr>
</tbody>
</table>

**Most likely to switch**

- **Medium (50–249 employees):** 42%
- **Small (10–49 employees):** 35%

**Region:**
- Southeast Asia (Indonesia, Malaysia, Vietnam): 46%
- Latin America (Brazil): 37%
- Asia-Pacific (Singapore, Australia, Hong Kong): 36%
- Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands): 34%
- North America (US, Canada): 31%
FinTech and Big Tech in SMEs

The current use of FinTech (20%) and Big Tech (16%) as a financial services providers emerged in our research. This proportion grows further when exploring consideration of future banks/financial providers, with three in ten (31%) indicating they would consider a FinTech provider, and one in four (26%) a Big Tech provider.

SMEs in Southeast Asia are the most likely to consider Big Tech (39%), with those in Europe the least likely to consider Big Tech (19%). Overall, few SMEs are currently considering a FinTech as a source of funding (14%), although this grows to almost one in five (19%) when looking at larger businesses with 50-249 employees.

The main take-away is the building of momentum, reflected in interest levels in FinTech and Big Tech in the future. As awareness of alternative options increase, confidence rises as the brands build equity and trust within the SME market. It’s at this point when retention risks for traditional banks becomes all the greater.

The pandemic has seen SMEs gravitate to where there is familiarity and certainty, but equally it has rapidly recalibrated how they look at their business. This different perspective, that stretches to how they look at suppliers, is an emerging challenge for banks.

“
I think it would be great to have some new players! As I said, I think the big Irish banks have become complacent and some more competition could force everyone to improve.

10-49 employees, €10m turnover, Ireland

Physical presence of lesser importance

One of the strengths of traditional banks has been the physical network. However, this is declining in importance. When evaluating the factors that drive the selection of a bank/financial provider, SMEs volunteered a provider’s physical presence as the factor of least importance (45% important – lowest scoring).

This further underlines the challenge from the tech players and it’s more pronounced in some markets. Those in the UK (35%) and the Netherlands (34%) are the least likely to feel that their bank/financial provider having a physical presence is important when selecting a provider.
**FinTech and Big Tech in SMEs**

### Consideration of Big Tech by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific (Singapore, Australia, Hong Kong)</td>
<td>29%</td>
</tr>
<tr>
<td>Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands)</td>
<td>19%</td>
</tr>
<tr>
<td>North America (US, Canada)</td>
<td>25%</td>
</tr>
<tr>
<td>Southeast Asia (Indonesia, Malaysia, Vietnam)</td>
<td>39%</td>
</tr>
<tr>
<td>Latin America (Brazil)</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Importance of a bank/financial provider to have a physical presence

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific (Singapore, Australia, Hong Kong)</td>
<td>41%</td>
</tr>
<tr>
<td>Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands)</td>
<td>42%</td>
</tr>
<tr>
<td>North America (US, Canada)</td>
<td>43%</td>
</tr>
<tr>
<td>Southeast Asia (Indonesia, Malaysia, Vietnam)</td>
<td>54%</td>
</tr>
<tr>
<td>Latin America (Brazil)</td>
<td>50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total agree</strong></td>
<td>45%</td>
</tr>
<tr>
<td>US</td>
<td>46%</td>
</tr>
<tr>
<td>Canada</td>
<td>39%</td>
</tr>
<tr>
<td>Brazil</td>
<td>50%</td>
</tr>
<tr>
<td>Germany</td>
<td>47%</td>
</tr>
<tr>
<td>UK</td>
<td>35%</td>
</tr>
<tr>
<td>Italy</td>
<td>48%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>34%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>47%</td>
</tr>
<tr>
<td>Belgium</td>
<td>40%</td>
</tr>
<tr>
<td>Ireland</td>
<td>45%</td>
</tr>
<tr>
<td>Australia</td>
<td>41%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>53%</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>38%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>47%</td>
</tr>
<tr>
<td>Singapore</td>
<td>46%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>60%</td>
</tr>
</tbody>
</table>

↑ Indicates significantly higher than total
↓ Indicates significantly lower than total
Is trust the new battleground?

Trust is something that has to be earned over time. It is about the strength of the relationships between a customer and a financial institution – how they feel and whether they have the confidence they will be treated well.

Trust is built based on a combination of positive experiences, demonstrated respect, empathy and consistency. It is a critical dynamic with the “effort” required to switch in many countries (through consumer data rights and the equivalents) having reduced.

Our research shows there is a gap in trust between traditional banks and FinTech/Big Tech.

- **Banks and trust.** Banks dominate the SME market as the “go to” for funding and as a bank/financial provider more broadly. One in three (35%) SMEs surveyed indicated they have a high level of trust in traditional banks, yielding the highest levels of trust of all institutions tested. This level of trust is amplified among businesses in maturity stage (39%), perhaps leveraging a long history with their bank to inform this decision.

- **FinTechs/Big Techs and trust.** The bank data compares with around one in five that place their trust in Big Tech (23%) and FinTech (21%). Read alongside the interest levels in “tech,” it is clear there is an early adopting tranche of SMEs that are open to these newer providers.

> They are so regulated and scrutinized by the Government, as well as the profits they make, you know they’re not going anywhere and you can trust that.

1-10 employees, AU$5m-AU$10m turnover, Australia

---

### Level of trust in financial institutions

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>No trust at all (1 + 2)</th>
<th>3 + 4</th>
<th>5 + 6</th>
<th>7 + 8</th>
<th>Complete trust (9 + 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks with branches</td>
<td>2%</td>
<td>4%</td>
<td>17%</td>
<td>41%</td>
<td>35%</td>
</tr>
<tr>
<td>A Big Tech corporation</td>
<td>6%</td>
<td>10%</td>
<td>24%</td>
<td>37%</td>
<td>23%</td>
</tr>
<tr>
<td>Other financial services company</td>
<td>4%</td>
<td>7%</td>
<td>27%</td>
<td>41%</td>
<td>21%</td>
</tr>
<tr>
<td>A large corporation that traditionally provides non-financial services</td>
<td>5%</td>
<td>8%</td>
<td>28%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>FinTech – online-only financial services business</td>
<td>5%</td>
<td>9%</td>
<td>28%</td>
<td>36%</td>
<td>21%</td>
</tr>
<tr>
<td>Internet/telephone-only bank without branches (Australia)</td>
<td>6%</td>
<td>11%</td>
<td>27%</td>
<td>35%</td>
<td>21%</td>
</tr>
</tbody>
</table>
Section 3: Digital hyperconnection
Digital: priority and pressure

Digital and all it encompasses is a constant and ever-evolving priority for SMEs as they look to improve how they engage with customers, bring more efficiency into the business and differentiate against competitors. It’s a perpetual challenge.

The focus on digitization accelerated through the pandemic, with more than three-quarters of SMEs (77%) having either maintained or increased the level of digitization of business processes (e.g., taking orders online, online payments) within the last 12 months. While lockdowns certainly forced change, the reality is that it has brought forward and compressed changes that may have taken five years to come to life.

The consumer of the future

Throughout the pandemic, the EY organization has been conducting extensive global consumer research across 20 countries every 6-8 weeks. The Future Consumer Index underlines the extent to which people are changing the way they live, and embracing new priorities and values. It also tracks the uptake of digital in their daily lives and their expectations for the future. This change in consumer behavior impacts most SMEs, regardless of whether they operate direct to consumers or are more in the B2B space.
Adapting and evolving

As illustrated earlier, 56% of SMEs are considering changing their business model over the next few years. The research shows key differences by:

- **Life cycle stage:** SMEs that are just starting out and SMEs in decline stage are most likely to be planning to pivot and change their business model. SMEs currently in growth/rapid growth and maturity stages are less likely to change compared with these life cycle stages.

- **Geography:** SMEs in Malaysia, Singapore, Switzerland, Vietnam, Brazil and Indonesia were more likely to be considering switching their business model to an e-commerce or marketplace model compared with other markets in the research.

One of the fundamental areas of business model transition is in digital with an increase in SMEs shifting to either an e-commerce and marketplace model – most likely driven by changing consumer purchasing patterns accelerated by the pandemic.

The shift to e-commerce and marketplace is driven more by SMEs that have either a traditional retail mix or bricks-and-mortar business model. It is an area in which support and guidance will be required and present an opportunity for banks to further help facilitate the transition.

### Adapting business models

- **56%** Are planning to change, update or modify their business model over the next few years

- **37%** Are changing to an e-commerce or marketplace business model

### More common among certain life cycle stages...

- Conception: 74%
- Start-up: 68%
- Growth/rapid growth: 57%
- Maturity: 48%
- Decline: 60%
- Exit: 21%

### Most common changes in business model

<table>
<thead>
<tr>
<th>Now</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional retail mix</td>
<td>20%</td>
</tr>
<tr>
<td>Bricks-and-mortar stores</td>
<td>14%</td>
</tr>
<tr>
<td>E-commerce</td>
<td>16%</td>
</tr>
<tr>
<td>Marketplace</td>
<td>18%</td>
</tr>
</tbody>
</table>
Mixed emotions

Digital transformations can provoke mixed emotions in SMEs, inspiring excitement about the potential while being equally daunting and unsettling.

A deeper analysis of the SMEs based on how digitally savvy they are (or otherwise) brings to the surface an interesting dynamic:

- A higher proportion of the more digitally progressive SMEs are worried about keeping up.
- For those at the less digitally proficient end of the spectrum, it’s a case of “you don’t know what you don’t know” and that’s a latent risk for their business.

An area where concern is rife is in cybersecurity and it is cited as a key business challenge going forward. Concern is highest among:

- Larger SMEs employing 100–149 employees (34%) and 150–249 employees (42%)
- SMEs in Vietnam (62%) and Indonesia (42%)
- Those in professional, financial and technology services (34%)

Digital — keeping up

Concerned about keeping up with digital advancements

39%

Indicated that insufficient IT is a major threat for their business moving forward

24%

Data security

Of SMEs feel that managing cybersecurity will be a key business challenge moving forward

29%

Larger SMEs are more concerned about cybersecurity than smaller SMEs

50–249 employees 34%

Less than 50 employees 28%
The need for support

Switching to digital also has wider implications for a business including inventory and warehousing, supply chains and workforce/HR (e.g., the need to switch from a face-to-face retail workforce, to a warehouse/order processing model and backend customer support one-off function). The impact of digital advancements is ongoing, meaning providing an offer in this space isn't a one-off.

Some SMEs are actively drawing on external support for digital strategy, design and security, but the demand remains high. Large numbers (61%) of those that did not access external support "would have liked to."

Digital support

SMEs that implemented a digital strategy in the last 12 months

- 28% Accessed external support
  - 64% 36% 61% would have liked to

New IT/technology/software

SMEs that implemented new IT, technology and/or software

- 21% Accessed external support
  - 67% 33% 52% would have liked to
Section 4:

Digital banking expectations
A shift in digital banking expectations

The way SMEs are interacting with financial institutions, and their preferences for the future, are evolving – fast. The pandemic/lockdowns forced change, but overlaid on that, many SMEs reflected on how and why they do the things they do in running their business.

**Pandemic uplift in digital channels**

One of the most pronounced changes has been in the way SMEs engage and interact with their bank. The figures tell the story, with online banking, mobile banking and video calls at the top of our list of eight touchpoints (see chart on next page).

There are some differences in uptake by region, with SMEs in Latin America (68%) and Southeast Asia (56%) increasing their digital interaction with the bank more so than European SMEs (33%). Within this, the pre-pandemic digital maturity of the bank and SME relationship comes into play.

**Continued momentum**

Demand for digital banking has accelerated through the pandemic. Our research shows:

- **SMEs embrace digital.** Almost seven in ten (68%) SMEs are looking to manage as many aspects of their business via digital touchpoints as possible. Linking back to the strong desire for banks/financial providers to get the basics right, a large part can be achieved via satisfying this need.

- **Stronger focus among Asia-Pacific and Southeast Asian SMEs.** Those in Southeast Asia (79%), Latin America (77%) and Asia-Pacific (72%) are more commonly seeking out a range of digital touchpoints compared with SMEs in other regions (North America 62%, Europe 61%). As foreshadowed, this is a function of higher pre-pandemic levels of digital engagement and confidence.

- **Sector differences.** Those operating within professional services are more likely to see the value in multiple digital engagement touchpoints (71%) compared with other industry sectors.

“[Integration between bank and SME internal systems] ... would be fantastic! Anything that means fewer steps means fewer mistakes.

10-49 employees, £50m turnover, UK

**Room to improve the digital experience**

The quality and caliber of the digital banking experience is a major driver of the experience SMEs have with their MFI. Our research shows that:

- **Satisfaction with digital is solid, but not excellent.** More than three in five (62%) SMEs are satisfied that their current provider offers a streamlined digital experience (i.e., digital products and offerings that make the business finance experience better/easier). However, only 19% are highly satisfied. This highlights a need for banks/financial providers to bridge the gap between expectation and reality and meet SMEs’ high expectations when it comes to their digital experience.

- **Easy to use digital experience.** More than one in two (53%) SMEs highlight that it is important (very/extremely) for a bank/financial provider to deliver an easy-to-use digital experience. Customers have high expectations when it comes to user experience (UX), which are continuously influenced by advancements in digital interactions with other banks/financial providers as well as digital experiences from other categories.

With levels of digital interaction set to increase for banks/financial providers, there is a need to ensure that platforms are well designed with a focus on UX. Frustrations were played back around enduring extended webpage loading times, difficulty navigating content and insufficient information provision. Progressive UX is particularly relevant considering that a streamlined digital experience is a critical driver of overall satisfaction with a bank/financial provider in some markets (specifically Europe and Southeast Asia).

**Strong appetite for a single integrated platform**

The appeal of a single integrated SME platform is strong. More than over half (56%) of SMEs feel this platform would help to better support them in their current stage. More than one in five (22%) would be willing to access this through a bank, and 17% of SMEs would be willing to pay.
Current engagement channels and future preferences

**Engagement: channels and touchpoints**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Changes in last 12 months</th>
<th>Preferences for the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using online banking services (e.g., via a laptop/desktop computer or tablet)</td>
<td>+32%</td>
<td>+29%</td>
</tr>
<tr>
<td>Using mobile banking (e.g., through an app)</td>
<td>+28%</td>
<td>+27%</td>
</tr>
<tr>
<td>Video calls (e.g., via Skype, Teams, Zoom)</td>
<td>+19%</td>
<td>+15%</td>
</tr>
<tr>
<td>Live webchat (e.g., instant messaging)</td>
<td>+12%</td>
<td>+12%</td>
</tr>
<tr>
<td>Calling your bank/financial provider (e.g., via telephone banking)</td>
<td>+11%</td>
<td>+5%</td>
</tr>
<tr>
<td>Meetings/calls with your relationship manager</td>
<td>+6%</td>
<td>+7%</td>
</tr>
<tr>
<td>Using cash management services including ATMs (e.g., to deposit or withdraw cash)</td>
<td>-3%</td>
<td>+3%</td>
</tr>
<tr>
<td>Visiting a branch or office</td>
<td>-23%</td>
<td>-10%</td>
</tr>
</tbody>
</table>

Note: the data shows the net difference between SMEs using “more often” and “less often.”

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**Interacting with online banking more by region**

Interacting more with online banking ...

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America (Brazil)</td>
<td>68%</td>
</tr>
<tr>
<td>Southeast Asia (Indonesia, Malaysia, Vietnam)</td>
<td>56%</td>
</tr>
<tr>
<td>North America (US, Canada)</td>
<td>44%</td>
</tr>
<tr>
<td>Asia-Pacific (Singapore, Australia, Hong Kong)</td>
<td>43%</td>
</tr>
<tr>
<td>Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands)</td>
<td>33%</td>
</tr>
</tbody>
</table>

↑ Indicates significantly higher than total
↓ Indicates significantly lower than total
Interest in digital

**Service of banks/financial providers**
- 62% of SMEs are satisfied that their current provider offers a streamlined digital experience; however, just 19% are highly satisfied, suggesting room for improvement.

**Interest in a single integrated software platform**
- 78% willing to access this through a bank.
- 22% willing to pay additional service fee.
- 40% interested in this service.
- 56% interested in digital.

**Desire for digital channels**
- 68% SMEs are looking to manage as many aspects of their business via digital channels as possible.
- 53% find it important that a bank/financial provider delivers an easy to use digital experience/self-service platform.

**Region-wise interest**
- Southeast Asia (Indonesia, Malaysia, Vietnam): 79% (↑)
- Latin America (Brazil): 77% (↑)
- Asia-Pacific (Singapore, Australia, Hong Kong): 72% (↑)
- North America (US, Canada): 62% (↓)
- Europe (UK, Italy, Germany, Belgium, Ireland, Switzerland, Netherlands): 61% (↓)

↑ indicates significantly higher than total
↓ indicates significantly lower than total
Customer cash behavior driving SMEs

As a result of the pandemic, almost one in two businesses have had a decrease in the proportion of customers paying with cash (45%), and almost one in four (24%) businesses are using cash management services to deposit or withdraw cash (including ATMs) less than they did 12 months ago. In addition, almost one in five (18%) businesses plan to use these cash management systems less moving forward.

This in itself puts increased pressure on banks/financial providers to ensure all digital transactions can be processed seamlessly and meet the expectations of SMEs.

The theme of reducing usage of cash management services in the future is least common in the US, with only 12% of SMEs indicating this compared with the global figure of 18%, with 56% of SMEs in the US looking to maintain the use of these services in the future.

While the use of branches and cash management services are in decline, there remains a need for these services moving forward. Just 8% of SMEs globally do not want to interact with their bank/financial provider via cash management services such as ATMs and just 5% do not want to visit a branch. However, 29% of SMEs indicated that they would visit a branch less in the future.
Financial vs. digital maturity matrix

Financial and digital maturity

One of the most critical aspects in driving and enhancing digital engagement is to understand the profile of the SME customer base. In our research, we have mapped the financial and digital maturity of SMEs. What emerged is that more than a quarter of SMEs (26%) considered themselves to be both financially and digitally mature. One in five (20%) sit at the other end of the spectrum.

What this shows is the need to understand the confidence levels of the SME customers and to set in place different levels of support and guidance depending on where they sit on the maturity spectrum.

The channel for this support is also all important. The 31% of SMEs that claim to have low digital maturity would likely need “offline” support (e.g., a telephone helpline, support in branch) to get up to speed with digital tools.
Digital savvy SMEs are in search of deeper relationships with MFIs

I’d like my bank/financial services provider to do the basics well

- Digital and financial savvy: 86%
- Digital savvy but not financial savvy: 82%
- Financial savvy but not digital savvy: 66%
- Neither digital nor financial savvy: 56%

It’s important that my bank/financial service provider/relationship manager has a clear understanding of my business and our strategic direction

- Digital and financial savvy: 84%
- Digital savvy but not financial savvy: 81%
- Financial savvy but not digital savvy: 62%
- Neither digital nor financial savvy: 57%

It’s important that my bank/financial service provider/relationship manager has a deep understanding of my industry/sector

- Digital and financial savvy: 80%
- Digital savvy but not financial savvy: 80%
- Financial savvy but not digital savvy: 58% ↓
- Neither digital nor financial savvy: 54%

I’d like my bank/financial service provider/relationship manager to be more involved in my business and help with the development of long-term plans/strategies/solutions

- Digital and financial savvy: 66%
- Digital savvy but not financial savvy: 75%
- Financial savvy but not digital savvy: 45%
- Neither digital nor financial savvy: 44%

↑ Indicate significantly higher than total
↓ Indicates significantly lower than total
Section 5:
The underfunding challenge
42% of SMEs accessed financial support during the pandemic, with 45% of these accessing funds via a bank, as we saw earlier in the report. The funding needs varied:

- To help with the business restructure (15%)
- To help with the day-to-day running of the business (14%); the highest was those in hospitality
- For capital investment (14%)

For many SMEs, the pandemic tested the strength of their relationship with their MFI. The sentiment is more positive than negative around the role of banks during the pandemic, yet still more could have been done to support them.

**Streamlined support**

Faster credit

What the pandemic has underlined is frustration of the speed of access to credit. Demand is high and there is a segment prepared to pay for a faster service.

We saw large numbers of SMEs dismayed at the lack of effort by banks to adjust processes to be more flexible and streamlined.

Access to faster credit was one of the strongest initiatives tested in the research – with high interest, appeal in it being offered by a bank and a positive conversion through to paying for the service. The reaction to this initiative emphasizes the need SMEs have for banks/financial providers to help them react quickly to challenges.

**Tailored guidance**

The opportunity for banks lies within the desire of SMEs to link into further guidance when sourcing finance via their bank. Financial service providers may look to differentiate their funding offer by taking it a step further from the transaction and presenting businesses with tailored advice to their industry on how to best utilize funding.

**Perceptions of bank/financial provider service levels**

- Agree that their bank was proactive and helpful during the COVID-19 pandemic: 52%
- Agree that banks and financial providers could have done more to help their business customers through COVID-19: 51%

**Expectations when accessing funding**

- Would like to have received faster access to credit when needed: 48%
- Want to be funded within 7 days: 55%
- Want to be funded within 3 days: 31%

**Access to faster credit**

- Willing to pay for this service: 26%
- Willing to access this through a bank: 38%
- SMEs feel faster credit would help better support their business: 62%
Access to financial support

**SMEs accessing financial support during the COVID-19 pandemic**

| Country               | Total | Vietnam | 79% | Indonesia | 54% | Malaysia | 47% | Ireland | 47% | Brazil | 46% | Italy | 44% | Singapore | 42% | Hong Kong, China | 42% | Switzerland | 38% | UK | 36% | US | 36% | Canada | 35% | Germany | 34% | Belgium | 32% | Australia | 31% | Netherlands | 25% |

| Key reasons for accessing support |

- **15%** For a business restructure
- **14%** To help with the day-to-day running of the business
- **14%** For capital investments

| Business life cycle impacting the need for reactionary support (borrowing for the day-to-day) |

<table>
<thead>
<tr>
<th>Stage</th>
<th>Conception</th>
<th>Start-up</th>
<th>Growth/rapid growth</th>
<th>Maturity/stabilize</th>
<th>Decline</th>
<th>Exit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
<td>21%</td>
<td>11%</td>
<td>13%</td>
<td>21%</td>
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</tbody>
</table>

Indicates significantly higher than total
Indicates significantly lower than total
Section 6:

Building deeper relationships
Building the relationship

For some SMEs, their loyalty to their main financial institution is founded on an ongoing positive experience and deep relationship. For others, it is more of a case of inertia where they may be interested in looking around, but it's seen as too hard with other priorities in the business taking precedence.

Playing into this is also the perception that there is also some protection available with a bank that knows you if things head in the wrong direction and support or flexibility is required.

The promiscuous SME

The level of switching away from the MFI is typically low. However, the experiences over the last 18 months are unprecedented and do have the potential to drive more mercenary behavior when economies regain momentum and SMEs feel confident. They are looking at their businesses through different eyes and are likely to be more proactive in looking for better options if their needs aren't quite being met and experiences have fallen short.

Central to retention and advocacy is the strength of the relationship. Three themes emerged in the research on this front – the need to absolutely deliver on the fundamentals; the need to focus on managing the relationship and to redefine the role of the relationship manager; and the scope to become more progressive and strategic in the level of support offered. Each of these are covered over coming pages.

1. Delivering on the fundamentals: the Brilliant Basics

The Brilliant Basics run through a continuum – the discovery of the bank through leading-edge digital marketing and engagement strategies; the onboarding experience with world-class and frictionless customer experience (CX); effective product onboarding leveraging data to align product offers and rapid decision-making processes; and integrated and seamless relationship management underpinned by state-of-the-art CRM.

The core offering is the bedrock on which the relationship is built. Permission to do more and add greater value comes in the slipstream of getting the core right.

Our research shows that satisfaction levels are solid, but they are arguably coming from a low expectation base where the similarities between banks are seen to be greater than the differences.

Underpinning the delivery of the Brilliant Basics needs to be sophisticated data analytics and CRM to streamline the experience and create opportunities to engage proactively.

2. Managing the relationship vs. the relationship manager

As discussed prior, there is enthusiasm among SMEs for greater engagement via digital channels. However, the “human side” of the relationship remains an important pillar. As it stands, 63% of SMEs have a relationship manager with their MFI of which 58% interact at least once every three months and 25% interact at least once per month. Moving forward, less than four in five (79%) want to maintain or increase the level of connection they have with their relationship manager. This is higher for larger SMEs.

While the level of connection is there for many SMEs, it doesn't mean that they are getting what they need.

Fewer than one in five SMEs (18%) feel they have a strong relationship with their bank/financial provider, with 26% looking for deeper connection. The research underlines the pivotal role of the relationship manager in building connection.
I only really speak to them when I need something or if something goes wrong. I never really see my bank other than that.

10–49 employees, US$10m–US$100m turnover, US

I’m disappointed that bank managers over time have never said ‘you have money here, you can either invest it here, etc.’ I wonder where I can get that advice, I only know haulage and fabrication so I stick with it.

10–49 employees, £5m–£10m turnover, UK

Engaging with a RM or a similar point of contact is a proxy for wanting an experience that is streamlined and proactive. We discussed earlier what the main drivers of satisfaction are: responsiveness, understanding the business, making me feel valued, acting as a trusted advisor and providing personalized service. These are the primary needs, and while the default has been a person to contact, that doesn’t need to prevail, particularly at the smaller end of the spectrum.

Central to success in better managing the relationship is effective use of data – something that appeals to SMEs and will be a potential catalyst for an increase in open banking post-pandemic and enable the broadening of service offerings.

Our research shows that 82% of SMEs have some level of interest in sharing more business performance data with their MFI if they are provided with:

- Richer/deeper insight about their business
- Tailored advice to assist growth and reducing costs

There is a stronger inclination to share data for this purpose in Southeast Asia (93%), but while a lesser proportion, the majority of SMEs in other markets also have a strong appetite to do so. The lowest proportion was in Europe, where 78% are still interested in this service.

Half of the SMEs (50%) globally, indicated that they would be prepared to pay for data sharing.

Propensity to pay varies greatly by region, and it is important to consider that less than half of those interested in accessing this service via a bank are willing to pay for the service in North America (46%), Asia-Pacific (45%) and Europe (41%). There may be an expectation in these markets that sharing data for this purpose would be a free service offered by banks/financial providers.
Relationship with their bank/financial provider

**Relationship manager**
- Have a relationship manager: 63%

**Interaction with relationship manager**
- Interact with their relationship manager at least once every three months: 58%
- Want to maintain or increase interaction with relationship manager: 79%

**Desired relationship with bank/financial provider**
- SMEs feel they have a strong relationship with their bank/financial provider: 18%
- Expressed a desire for a deeper connection with their bank/financial provider: 26%

**Higher level of desire for a strong relationship in some regions**
- **North America**: 25%
  - Experiencing strong relationship vs. 33% that want a stronger relationship in the future
- **Southeast Asia**: 32%
  - Experiencing strong relationship vs. 43% that want a stronger relationship in the future
- **Others content with how relationship is now**
  - **Europe**: 52%
  - Are content with a “good” relationship

**Areas of lowest satisfaction – an opportunity to strengthen the relationship (% agree)**
- Regularly reaches out to check in on my business: 69%
- Makes me feel like they are invested in my business: 75%
- Application/onboarding processes when taking out a new product: 76%
- Understanding of my industry: 76%
3. More progressive and strategic support

If we distill it down to a base level, SMEs need:

- **Transactional support**: access to people who are familiar with their business and can efficiently resolve day-to-day issues or inquiries.

- **A strategic partnership**: this is the next level in the relationship, built on a strong foundation where the Brilliant Basics are delivered and there is the ability to elevate the relationship. Where this already exists, the hallmarks are:
  - Makes them feel valued (65%)
  - They understand their business (63%)
  - They bring innovative financial solutions/services to help solve business problems (61%)
  - Makes them feel like they are invested in their business (59%)

Propensity to pay for this advisory service is stronger in Southeast Asian locations; with the majority of SMEs in Vietnam willing to pay (60%). Some European countries, though interested in such a service, are less willing to invest, potentially suggesting that they would expect advisory services to be part of the MFI offer.

### Factors of importance in bank/financial provider relationship

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding their business and strategic direction</td>
<td>74%</td>
</tr>
<tr>
<td>Understanding their industry and sector</td>
<td>72%</td>
</tr>
<tr>
<td>Being more involved in the development of long-term plans and strategic solutions</td>
<td>62%</td>
</tr>
</tbody>
</table>

Two in three (66%) SMEs feel having a trusted advisor to advise on the development and implementation of a tailored business strategy, with the aim of improving their business’s financial performance and connecting to growth opportunities, would be of value to their business. Almost four in ten (37%) would access this through a bank, with 26% willing to pay for this service (or two-thirds (66%) of those willing to access the service through a bank would be willing to pay an additional service fee).

### Broader initiatives

Aligned to this more progressive and strategic support is the opportunity to offer a suite of broader initiatives, alongside the trusted advisor service. All of these broader initiatives are covered in the chart on the next page. They all performed well in the research.
Seven initiatives to differentiate the banking offer

Potential services that could be offered by financial providers

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Conversion Rates</th>
<th>Interested in this service</th>
<th>Willingness to access services via a bank</th>
<th>Willingness to pay additional service fee</th>
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</thead>
<tbody>
<tr>
<td>Becoming a trusted advisor</td>
<td>69% 68% 66%</td>
<td>26% 37%</td>
<td>66%</td>
<td>61%</td>
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<td>Providing faster credit</td>
<td>77% 81% 59%</td>
<td>26% 22%</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>Offering tailored networking opportunities</td>
<td>85% 38% 50%</td>
<td>16% 19%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Offering business management functions</td>
<td>44% 40% 56%</td>
<td>20% 22%</td>
<td>81%</td>
<td>22%</td>
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<tr>
<td>Offering a single integrated platform</td>
<td>78% 62% 57%</td>
<td>18% 22%</td>
<td>81%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Glossary

**Trusted advisor**
Provision of a trusted advisor who would advise you on the development and implementation of tailored strategy for your business with the aim of improving your business's financial performance and connecting you to growth opportunities.

**Business management functions**
Facilitation of business management functions: (e.g., legal, advice, risk management, other financial management capabilities – payroll, accounting) that allow you to focus on your core business activities and growing your business.

**Tailored networking**
Provision and facilitation of networking opportunities tailored to your business's needs to help create connections and opportunities between like-minded and complementary clients (e.g., connections would be mutually beneficial for clients) to help your business grow.

**Faster credit**
Guaranteed access to faster credit (e.g., fast approval processes, certainty that funds are available when you need them).

**Subscription-based financial services**
Customers would have the ability to add or remove products and services quickly from their financial services portfolio. A broad range of customized products and services would be available, tailored specifically to your business's needs that can flex and evolve as your business changes.

**Development of sustainable business model**
Provision of support and guidance to help you build a sustainable business that has a clear and well-articulated social purpose. By sustainable, we mean a business where profitability, concern for the environment and social commitment are in harmony and your position on this supports the growth of your business.

**Single integrated software platform**
Provision of a single integrated platform that houses all of your business accounts, services and financial products from multiple banks/financial providers that work and communicate seamlessly together. The software can also be used to build your own services, which you can use to connect your buyers, suppliers and clients.
Appendix 1:

Global comparison data
## Global comparison – SME journey

<table>
<thead>
<tr>
<th>Current life cycle stage</th>
<th>All markets</th>
<th>US</th>
<th>Canada</th>
<th>Brazil</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Australia</th>
<th>Hong Kong, China</th>
<th>Singapore</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Vietnam</th>
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<td>4%</td>
<td>5%</td>
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<td>2%</td>
<td>7%</td>
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<td>Moments that matter the most (top three for all markets)</td>
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<td>Internal challenges/ opportunities (top three for all markets)</td>
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<td>Overall external challenges/opportunities</td>
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<td>60%</td>
<td>46%</td>
<td>62%</td>
<td>57%</td>
<td>45%</td>
<td>56%</td>
<td>56%</td>
<td>62%</td>
<td>65%</td>
<td>36%</td>
<td>54%</td>
<td>63%</td>
<td>75%</td>
<td>56%</td>
</tr>
</tbody>
</table>

*Indicates significantly higher

*Indicates significantly lower
## Global comparison – impact of COVID-19

<table>
<thead>
<tr>
<th>Overall impact of COVID-19 on the business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total negative Impact 74% 67% 77% 82% 68% 81% 90% 61% 76% 62% 82% 71% 54% 75% 89% 86% 67%</td>
</tr>
<tr>
<td>No impact at all 10% 11% 8% 5% 15% 6% 5% 19% 11% 18% 5% 10% 16% 4% 2% 3% 19%</td>
</tr>
<tr>
<td>Total positive Impact 15% 20% 14% 13% 17% 11% 5% 19% 12% 15% 13% 18% 29% 21% 9% 11% 14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific impact of COVID-19 on parts of the business (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue 57% 49% 62% 58% 57% 58% 66% 51% 55% 47% 51% 52% 42% 53% 72% 73% 52%</td>
</tr>
<tr>
<td>Profit margin 54% 43% 54% 62% 42% 58% 64% 45% 55% 44% 50% 53% 42% 51% 69% 71% 47%</td>
</tr>
<tr>
<td>Sales volume 54% 48% 55% 60% 45% 57% 60% 42% 52% 48% 50% 52% 46% 51% 70% 70% 47%</td>
</tr>
<tr>
<td>Customers paying with cash 45% 30% 42% 59% 35% 46% 45% 30% 38% 34% 49% 44% 27% 40% 67% 61% 60%</td>
</tr>
<tr>
<td>Staff morale/positivity 42% 37% 53% 48% 31% 48% 62% 29% 47% 46% 50% 38% 37% 33% 36% 52% 24%</td>
</tr>
<tr>
<td>Number of staff 37% 33% 40% 47% 30% 36% 35% 24% 37% 31% 37% 40% 41% 33% 51% 44% 29%</td>
</tr>
<tr>
<td>Operational expenses other than staff 32% 24% 34% 46% 22% 35% 34% 26% 32% 31% 26% 27% 33% 33% 37% 41% 27%</td>
</tr>
<tr>
<td>Outsourcing of business functions/support 26% 16% 22% 28% 18% 24% 35% 22% 21% 24% 26% 21% 25% 25% 32% 40% 29%</td>
</tr>
<tr>
<td>Digitization of business processes/functions 20% 14% 23% 22% 16% 17% 21% 16% 21% 22% 23% 15% 20% 14% 30% 27% 19%</td>
</tr>
<tr>
<td>Brand reputation 14% 11% 10% 14% 13% 11% 20% 13% 17% 21% 16% 13% 11% 10% 21% 16% 5%</td>
</tr>
<tr>
<td>Received government funding to support business during COVID-19 Yes 51% 46% 47% 33% 50% 52% 47% 42% 50% 38% 57% 46% 58% 75% 31% 65% 76%</td>
</tr>
<tr>
<td>Borrowed money to support business during COVID-19 Yes 42% 36% 35% 46% 34% 36% 44% 25% 38% 32% 47% 31% 42% 42% 54% 47% 79%</td>
</tr>
<tr>
<td>Main sources of funding during COVID-19 (top three globally) Bank (loan, overdraft, line of credit, credit cards) 45% 36% 36% 48% 31% 40% 50% 28% 30% 23% 40% 43% 35% 44% 61% 57% 72%</td>
</tr>
<tr>
<td>Government subsidy 28% 29% 31% 13% 24% 39% 28% 26% 27% 14% 20% 30% 23% 33% 15% 32% 52%</td>
</tr>
<tr>
<td>Personal asset/finances 25% 21% 29% 13% 25% 16% 19% 14% 26% 24% 26% 18% 35% 22% 40% 41% 21%</td>
</tr>
<tr>
<td>Concerned about repaying the loan Not concerned 6% 12% 10% 2% 3% 14% 1% 12% 5% 9% 6% 11% 1% 3% 8% 3% 5%</td>
</tr>
<tr>
<td>Slightly/moderately concerned 65% 55% 66% 53% 66% 51% 66% 68% 66% 57% 66% 62% 85% 65% 69% 61% 75%</td>
</tr>
<tr>
<td>Very/extremely concerned 29% 33% 24% 45% 31% 35% 33% 20% 28% 34% 28% 27% 14% 32% 23% 37% 20%</td>
</tr>
</tbody>
</table>

- ↑ Indicates significantly higher
- ↓ Indicates significantly lower

58 | The EY Organization | The voice of the SME
## Global comparison – bank/financial service provider currently used

<table>
<thead>
<tr>
<th>Type of financial institution currently used</th>
<th>All markets</th>
<th>US</th>
<th>Canada</th>
<th>Brazil</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Australia</th>
<th>Hong Kong</th>
<th>China</th>
<th>Singapore</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank with branches</td>
<td>64%</td>
<td>68%</td>
<td>64%</td>
<td>69%</td>
<td>64%</td>
<td>66%</td>
<td>66%</td>
<td>60%</td>
<td>71%</td>
<td>51%</td>
<td>65%</td>
<td>64%</td>
<td>50%</td>
<td>64%</td>
<td>68%</td>
<td>73%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>FinTech</td>
<td>20%</td>
<td>21%</td>
<td>13%</td>
<td>25%</td>
<td>16%</td>
<td>15%</td>
<td>18%</td>
<td>14%</td>
<td>22%</td>
<td>22%</td>
<td>23%</td>
<td>14%</td>
<td>26%</td>
<td>22%</td>
<td>21%</td>
<td>28%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>A large corporation that traditionally provides non-financial services</td>
<td>20%</td>
<td>16%</td>
<td>15%</td>
<td>17%</td>
<td>15%</td>
<td>19%</td>
<td>24%</td>
<td>15%</td>
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<td>18%</td>
<td>20%</td>
<td>16%</td>
<td>30%</td>
<td>17%</td>
<td>18%</td>
<td>22%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Internet/telephone-only bank</td>
<td>17%</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>14%</td>
<td>15%</td>
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<td>13%</td>
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<td>13%</td>
<td>23%</td>
<td>26%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>A Big Tech corporation</td>
<td>16%</td>
<td>15%</td>
<td>12%</td>
<td>7%</td>
<td>15%</td>
<td>14%</td>
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<td>27%</td>
<td>21%</td>
<td>16%</td>
<td>18%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Other financial services company</td>
<td>8%</td>
<td>10%</td>
<td>8%</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>3%</td>
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<td>8%</td>
<td>12%</td>
<td>11%</td>
<td>12%</td>
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</tr>
<tr>
<td>Business banking products currently held</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Business credit cards</td>
<td>36%</td>
<td>52%</td>
<td>49%</td>
<td>49%</td>
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<td>45%</td>
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<td>27%</td>
<td>22%</td>
<td>34%</td>
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</tr>
<tr>
<td>Business savings account</td>
<td>35%</td>
<td>46%</td>
<td>45%</td>
<td>28%</td>
<td>18%</td>
<td>40%</td>
<td>24%</td>
<td>38%</td>
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<td>26%</td>
<td>55%</td>
<td>54%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Business transaction/deposit account</td>
<td>32%</td>
<td>29%</td>
<td>33%</td>
<td>69%</td>
<td>22%</td>
<td>31%</td>
<td>17%</td>
<td>25%</td>
<td>19%</td>
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<td>36%</td>
<td>38%</td>
<td>45%</td>
<td>40%</td>
<td>30%</td>
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</tr>
<tr>
<td>Business loan</td>
<td>31%</td>
<td>29%</td>
<td>33%</td>
<td>26%</td>
<td>24%</td>
<td>27%</td>
<td>26%</td>
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<td>24%</td>
<td>32%</td>
<td>36%</td>
<td>48%</td>
<td>57%</td>
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</tr>
<tr>
<td>Line of credit</td>
<td>27%</td>
<td>37%</td>
<td>35%</td>
<td>48%</td>
<td>28%</td>
<td>19%</td>
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<td>27%</td>
<td>21%</td>
<td>21%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Business insurance products</td>
<td>24%</td>
<td>25%</td>
<td>25%</td>
<td>20%</td>
<td>17%</td>
<td>31%</td>
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<td>18%</td>
<td>25%</td>
<td>29%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Business management products (payroll, accounting)</td>
<td>24%</td>
<td>34%</td>
<td>24%</td>
<td>18%</td>
<td>20%</td>
<td>25%</td>
<td>16%</td>
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<td>26%</td>
<td>30%</td>
<td>40%</td>
<td>39%</td>
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</tr>
<tr>
<td>Business overdraft</td>
<td>23%</td>
<td>20%</td>
<td>30%</td>
<td>31%</td>
<td>20%</td>
<td>38%</td>
<td>23%</td>
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<td>14%</td>
<td>24%</td>
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<td>23%</td>
<td>15%</td>
<td>11%</td>
<td>27%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Payment products (other than credit card/merchant services)</td>
<td>17%</td>
<td>19%</td>
<td>10%</td>
<td>14%</td>
<td>17%</td>
<td>13%</td>
<td>13%</td>
<td>17%</td>
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<td>14%</td>
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<td>21%</td>
<td>21%</td>
<td>16%</td>
<td>25%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Foreign currency accounts</td>
<td>16%</td>
<td>8%</td>
<td>18%</td>
<td>6%</td>
<td>14%</td>
<td>15%</td>
<td>15%</td>
<td>12%</td>
<td>16%</td>
<td>15%</td>
<td>16%</td>
<td>8%</td>
<td>21%</td>
<td>24%</td>
<td>17%</td>
<td>28%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Asset finance (hire purchase, leasing)</td>
<td>15%</td>
<td>12%</td>
<td>8%</td>
<td>18%</td>
<td>7%</td>
<td>12%</td>
<td>23%</td>
<td>14%</td>
<td>5%</td>
<td>14%</td>
<td>12%</td>
<td>14%</td>
<td>25%</td>
<td>13%</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Merchant services</td>
<td>15%</td>
<td>26%</td>
<td>22%</td>
<td>11%</td>
<td>11%</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>9%</td>
<td>8%</td>
<td>14%</td>
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<td>18%</td>
<td>9%</td>
<td>15%</td>
<td>10%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Risk management products (credit risk, regulatory compliance)</td>
<td>13%</td>
<td>13%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
<td>9%</td>
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<td>9%</td>
<td>15%</td>
<td>16%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange services</td>
<td>12%</td>
<td>9%</td>
<td>18%</td>
<td>9%</td>
<td>8%</td>
<td>10%</td>
<td>11%</td>
<td>7%</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>10%</td>
<td>26%</td>
<td>15%</td>
<td>10%</td>
<td>15%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Offshore banking products</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
<td>7%</td>
<td>6%</td>
<td>11%</td>
<td>13%</td>
<td>11%</td>
<td>10%</td>
<td>6%</td>
<td>18%</td>
<td>8%</td>
<td>9%</td>
<td>8%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

↑ Indicates significantly higher
↓ Indicates significantly lower
## Global comparison – satisfaction with bank/financial service provider

<table>
<thead>
<tr>
<th>Overall satisfaction with primary financial service provider</th>
<th>All markets</th>
<th>US</th>
<th>Canada</th>
<th>Brazil</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Australia</th>
<th>Hong Kong, China</th>
<th>Singapore</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average score (out of 5) (1)</td>
<td>3.8</td>
<td>4.0</td>
<td>3.8</td>
<td>3.7</td>
<td>3.9</td>
<td>3.5</td>
<td>3.7</td>
<td>3.6</td>
<td>3.4</td>
<td>3.8</td>
<td>3.9</td>
<td>3.6</td>
<td>3.7</td>
<td>4.0</td>
<td>3.9</td>
<td>4.4</td>
<td></td>
</tr>
</tbody>
</table>

### Satisfaction with aspects of primary financial service provider (average score out of 5)

- **Trusted partner/advisor**
  - All markets: 3.8
  - US: 4.0
  - Canada: 3.7
  - Brazil: 3.8
  - Germany: 3.8
  - UK: 3.6
  - Italy: 3.7
  - Netherlands: 3.7
  - Switzerland: 3.5
  - Belgium: 3.5
  - Ireland: 3.7
  - Australia: 3.6
  - Hong Kong, China: 3.9
  - Singapore: 3.9
  - Indonesia: 3.4
  - Malaysia: 3.4
  - Vietnam: 3.9

- **Responsive to my requests**
  - All markets: 3.8
  - US: 3.7
  - Canada: 3.8
  - Brazil: 3.7
  - Germany: 3.7
  - UK: 3.6
  - Italy: 3.7
  - Netherlands: 3.6
  - Switzerland: 3.4
  - Belgium: 3.5
  - Ireland: 3.7
  - Australia: 3.7
  - Hong Kong, China: 3.7
  - Singapore: 3.9
  - Indonesia: 3.6
  - Malaysia: 3.7
  - Vietnam: 4.3

- **Makes me feel valued as a customer**
  - All markets: 3.7
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.5
  - UK: 3.5
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.4
  - Belgium: 3.5
  - Ireland: 3.6
  - Australia: 3.4
  - Hong Kong, China: 3.7
  - Singapore: 3.4
  - Indonesia: 3.4
  - Malaysia: 3.5
  - Vietnam: 4.2

- **Provides a personal/customized service**
  - All markets: 3.7
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.4
  - Belgium: 3.5
  - Ireland: 3.6
  - Australia: 3.5
  - Hong Kong, China: 3.7
  - Singapore: 3.5
  - Indonesia: 3.5
  - Malaysia: 3.8
  - Vietnam: 4.1

- **Provides flexibility to switch products/services that best suit business’s needs**
  - All markets: 3.7
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.4
  - Belgium: 3.5
  - Ireland: 3.6
  - Australia: 3.5
  - Hong Kong, China: 3.6
  - Singapore: 3.5
  - Indonesia: 3.5
  - Malaysia: 3.9
  - Vietnam: 4.1

- **Speed of credit decision-making/access to cash**
  - All markets: 3.7
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.3
  - Belgium: 3.4
  - Ireland: 3.6
  - Australia: 3.7
  - Hong Kong, China: 3.7
  - Singapore: 3.4
  - Indonesia: 3.6
  - Malaysia: 3.7
  - Vietnam: 4.2

- **Brings me innovative financial solutions/services to help solve business problems**
  - All markets: 3.6
  - US: 3.5
  - Canada: 3.5
  - Brazil: 3.5
  - Germany: 3.5
  - UK: 3.4
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.4
  - Belgium: 3.4
  - Ireland: 3.6
  - Australia: 3.3
  - Hong Kong, China: 3.7
  - Singapore: 3.8
  - Indonesia: 3.7
  - Malaysia: 3.6
  - Vietnam: 4.1

- **Understanding of my industry**
  - All markets: 3.6
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.5
  - Netherlands: 3.4
  - Switzerland: 3.5
  - Belgium: 3.5
  - Ireland: 3.6
  - Australia: 3.5
  - Hong Kong, China: 3.8
  - Singapore: 3.8
  - Indonesia: 3.7
  - Malaysia: 3.6
  - Vietnam: 4.1

- **Application/onboarding processes when taking out a new product**
  - All markets: 3.6
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.5
  - Netherlands: 3.4
  - Switzerland: 3.5
  - Belgium: 3.4
  - Ireland: 3.5
  - Australia: 3.5
  - Hong Kong, China: 3.7
  - Singapore: 3.8
  - Indonesia: 3.8
  - Malaysia: 3.8
  - Vietnam: 4.1

- **Makes me feel like they are invested in my business**
  - All markets: 3.6
  - US: 3.6
  - Canada: 3.6
  - Brazil: 3.6
  - Germany: 3.6
  - UK: 3.5
  - Italy: 3.6
  - Netherlands: 3.5
  - Switzerland: 3.4
  - Belgium: 3.6
  - Ireland: 3.5
  - Australia: 3.5
  - Hong Kong, China: 3.7
  - Singapore: 3.7
  - Indonesia: 3.7
  - Malaysia: 3.8
  - Vietnam: 4.1

- **Regularly reaches out to check in on my business**
  - All markets: 3.6
  - US: 3.5
  - Canada: 3.5
  - Brazil: 3.5
  - Germany: 3.5
  - UK: 3.6
  - Italy: 3.5
  - Netherlands: 3.4
  - Switzerland: 3.3
  - Belgium: 3.3
  - Ireland: 3.6
  - Australia: 3.7
  - Hong Kong, China: 3.8
  - Singapore: 3.6
  - Indonesia: 3.6
  - Malaysia: 3.9
  - Vietnam: 4.2

Indicates significantly higher
Indicates significantly lower
Global comparison – relationship with bank/financial provider

| Trustworthiness of types of financial service providers (average score out of 10) | All markets | US | Canada | Brazil | Germany | UK | Italy | Netherlands | Switzerland | Belgium | Ireland | Australia | Hong Kong, China | Singapore | Indonesia | Malaysia | Vietnam |
| Bank with branches | 7.6 | 7.8 | 7.8 | 8.3 | 7.7 | 7.5 | 7.3 | 7.0 | 7.1 | 6.8 | 7.2 | 7.5 | 7.3 | 7.5 | 8.3 | 8.1 | 8.8 |
| Other financial services company | 6.9 | 7.1 | 6.7 | 7.7 | 6.7 | 6.8 | 6.9 | 6.3 | 6.0 | 6.2 | 6.3 | 6.5 | 7 | 6.7 | 7.6 | 7.2 | 8.5 |
| A large corporation that traditionally provides non-financial services | 6.7 | 6.9 | 6.6 | 7.3 | 6.4 | 6.6 | 6.7 | 6.3 | 5.9 | 6.4 | 6.4 | 6.2 | 6.5 | 6.9 | 7.1 | 7.3 | 8.4 |
| A Big Tech corporation | 6.7 | 6.8 | 6.4 | 7.9 | 6.4 | 6.5 | 6.7 | 5.9 | 5.7 | 6.1 | 6.2 | 6.2 | 6.5 | 6.7 | 7.7 | 7.5 | 8.4 |
| FinTech | 6.6 | 6.7 | 6.5 | 7.6 | 6.3 | 6.4 | 6.9 | 6.2 | 5.9 | 6.3 | 6.6 | 6.2 | 6.5 | 6.6 | 6.5 | 7.1 | 8.2 |
| Internet/telephone-only bank | 6.6 | 6.6 | 6.4 | 7.7 | 6.4 | 6.5 | 6.6 | 6.2 | 6.1 | 6.4 | 6.2 | 6.3 | 6.5 | 6.5 | 5.9 | 6.9 | 7.8 |

### Current relationship level with primary financial service provider

| No relationship at all | 7% | 4% | 11% | 5% | 8% | 9% | 4% | 6% | 9% | 17% | 10% | 10% | 6% | 3% | 4% | 6% | 2% |
| Some relationship | 25% | 18% | 27% | 17% | 22% | 31% | 26% | 37% | 29% | 30% | 34% | 24% | 32% | 26% | 14% | 20% | 16% |
| Good relationship | 50% | 51% | 41% | 50% | 53% | 49% | 57% | 48% | 54% | 46% | 43% | 51% | 52% | 58% | 59% | 57% | 26% |
| Strong relationship | 18% | 28% | 22% | 28% | 17% | 12% | 13% | 9% | 9% | 7% | 13% | 15% | 10% | 12% | 23% | 17% | 56% |

### Desired relationship level with primary financial service provider

| No relationship at all | 5% | 4% | 6% | 3% | 5% | 5% | 3% | 7% | 6% | 11% | 6% | 8% | 5% | 3% | 3% | 0% | 2% |
| Some relationship | 19% | 12% | 19% | 9% | 17% | 22% | 19% | 29% | 26% | 30% | 27% | 23% | 24% | 17% | 11% | 12% | 8% |
| Good relationship | 49% | 47% | 46% | 43% | 60% | 52% | 56% | 50% | 49% | 51% | 49% | 43% | 52% | 59% | 50% | 56% | 28% |
| Strong relationship | 26% | 36% | 29% | 45% | 18% | 21% | 21% | 14% | 16% | 8% | 18% | 26% | 19% | 21% | 36% | 32% | 62% |

### Have a relationship manager with primary financial provider

| Yes | 63% | 62% | 53% | 87% | 74% | 58% | 64% | 61% | 63% | 44% | 54% | 51% | 65% | 67% | 52% | 65% | 83% |

### Overall satisfaction with relationship manager (average score out of 5)

| Average score (out of 5) | 3.9 | 4.2 | 4 | 3.7 | 4 | 3.9 | 3.7 | 3.7 | 3.8 | 3.6 | 3.5 | 3.9 | 3.6 | 3.7 | 4 | 4.1 | 4.5 |

*↑ Indicates significantly higher  
*↓ Indicates significantly lower*
## Global comparison – expectation of bank/financial provider

<table>
<thead>
<tr>
<th>Expectation of financial service provider and/or relationship manager (average score out of 5 excl. don't know/not applicable)</th>
<th>All markets</th>
<th>US</th>
<th>Canada</th>
<th>Brazil</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Australia</th>
<th>Hong Kong, China</th>
<th>Singapore</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’d like my financial services provider to do the basics well (processing payments, fast access to funding) before offering my business any value-added services (tailored advice)</td>
<td>4.1</td>
<td>4.1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3.9</td>
<td>3.8</td>
<td>4</td>
<td>4.0</td>
<td>4.0</td>
<td>4.1</td>
<td>4.2</td>
<td>4.2</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>It’s important that my financial service provider/relationship manager has a clear understanding of my business and our strategic direction</td>
<td>4.1</td>
<td>4.1</td>
<td>4</td>
<td>4.2</td>
<td>3.9</td>
<td>4.1</td>
<td>4</td>
<td>4</td>
<td>3.9</td>
<td>3.8</td>
<td>3.8</td>
<td>4.0</td>
<td>4.0</td>
<td>4.1</td>
<td>4.2</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>It’s important that my financial service provider/relationship manager has a deep understanding of my industry/sector</td>
<td>4.0</td>
<td>4</td>
<td>3.8</td>
<td>4.1</td>
<td>3.9</td>
<td>3.9</td>
<td>4</td>
<td>3.9</td>
<td>3.7</td>
<td>3.8</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.2</td>
<td>4.3</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>I’d like my financial service provider/relationship manager to be more involved in my business and help with the development of long-term plans/solutions</td>
<td>3.8</td>
<td>3.8</td>
<td>3.7</td>
<td>3.8</td>
<td>3.6</td>
<td>3.6</td>
<td>3.9</td>
<td>3.6</td>
<td>3.5</td>
<td>3.5</td>
<td>3.6</td>
<td>3.7</td>
<td>4.0</td>
<td>3.8</td>
<td>4</td>
<td>4.2</td>
<td>4.2</td>
</tr>
</tbody>
</table>

| Consider switching main financial provider (likely/very likely) | Total likely | 36% | 36% | 25% | 37% | 35% | 30% | 42% | 26% | 34% | 40% | 30% | 24% | 48% | 35% | 49% | 37% | 51% |

### Types of organizations would consider switching to (top five globally)

| Bank with branches | 43% | 44% | 54% | 46% | 38% | 46% | 48% | 40% | 44% | 32% | 37% | 56% | 33% | 45% | 47% | 50% | 43% |
| FinTech | 31% | 31% | 23% | 41% | 32% | 38% | 29% | 18% | 15% | 28% | 17% | 23% | 39% | 33% | 37% | 43% | 32% |
| A large corporation that traditionally provides non-financial services | 30% | 33% | 16% | 20% | 26% | 30% | 21% | 29% | 29% | 25% | 27% | 23% | 45% | 30% | 23% | 38% | 48% |
| A Big Tech corporation | 26% | 33% | 13% | 12% | 15% | 16% | 21% | 18% | 13% | 26% | 24% | 29% | 29% | 30% | 36% | 32% | 46% |
| Internet/telephone-only bank | 24% | 28% | 29% | 19% | 21% | 29% | 23% | 20% | 33% | 20% | 21% | 15% | 31% | 21% | 24% | 15% | 28% |

*Indicates significantly higher
↓ Indicates significantly lower
## Global comparison – sources of finances and requirements

<table>
<thead>
<tr>
<th>Sources of finances considered when need to access money for the business (outside the COVID-19 pandemic)</th>
<th>All markets</th>
<th>US</th>
<th>Canada</th>
<th>Brazil</th>
<th>Germany</th>
<th>UK</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Switzerland</th>
<th>Belgium</th>
<th>Ireland</th>
<th>Australia</th>
<th>Hong Kong, China</th>
<th>Singapore</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank (loan, overdraft, line of credit, credit cards)</td>
<td>45%</td>
<td>46%</td>
<td>43%</td>
<td>49%</td>
<td>39%</td>
<td>45%</td>
<td>45%</td>
<td>41%</td>
<td>34%</td>
<td>29%</td>
<td>43%</td>
<td>49%</td>
<td>41%</td>
<td>36%</td>
<td>54%</td>
<td>55%</td>
<td>67%</td>
</tr>
<tr>
<td>Personal asset/finances</td>
<td>29%</td>
<td>33%</td>
<td>34%</td>
<td>23%</td>
<td>32%</td>
<td>20%</td>
<td>27%</td>
<td>20%</td>
<td>32%</td>
<td>23%</td>
<td>25%</td>
<td>28%</td>
<td>33%</td>
<td>25%</td>
<td>44%</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Government funding/subsidy</td>
<td>28%</td>
<td>27%</td>
<td>26%</td>
<td>14%</td>
<td>28%</td>
<td>34%</td>
<td>30%</td>
<td>18%</td>
<td>26%</td>
<td>22%</td>
<td>26%</td>
<td>26%</td>
<td>28%</td>
<td>39%</td>
<td>26%</td>
<td>32%</td>
<td>48%</td>
</tr>
<tr>
<td>Business grant</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
<td>19%</td>
<td>26%</td>
<td>34%</td>
<td>16%</td>
<td>19%</td>
<td>23%</td>
<td>16%</td>
<td>27%</td>
<td>22%</td>
<td>27%</td>
<td>36%</td>
<td>7%</td>
<td>16%</td>
<td>22%</td>
</tr>
<tr>
<td>Loan from family or friend</td>
<td>18%</td>
<td>17%</td>
<td>19%</td>
<td>13%</td>
<td>17%</td>
<td>15%</td>
<td>12%</td>
<td>13%</td>
<td>21%</td>
<td>19%</td>
<td>16%</td>
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<td>28%</td>
<td>16%</td>
<td>20%</td>
<td>20%</td>
<td>32%</td>
</tr>
<tr>
<td>Venture capital</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
<td>10%</td>
<td>18%</td>
<td>14%</td>
<td>22%</td>
<td>10%</td>
<td>18%</td>
<td>11%</td>
<td>15%</td>
<td>14%</td>
<td>17%</td>
<td>20%</td>
<td>45%</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>FinTech</td>
<td>14%</td>
<td>18%</td>
<td>11%</td>
<td>20%</td>
<td>12%</td>
<td>12%</td>
<td>15%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
<td>11%</td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
<td>13%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Sell shares</td>
<td>13%</td>
<td>16%</td>
<td>7%</td>
<td>19%</td>
<td>13%</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
<td>14%</td>
<td>17%</td>
<td>17%</td>
<td>11%</td>
<td>16%</td>
<td>10%</td>
<td>6%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>13%</td>
<td>11%</td>
<td>9%</td>
<td>17%</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>11%</td>
<td>12%</td>
<td>9%</td>
<td>14%</td>
<td>14%</td>
<td>11%</td>
<td>17%</td>
<td>24%</td>
</tr>
<tr>
<td>Business angels</td>
<td>12%</td>
<td>12%</td>
<td>7%</td>
<td>8%</td>
<td>16%</td>
<td>11%</td>
<td>9%</td>
<td>16%</td>
<td>12%</td>
<td>6%</td>
<td>10%</td>
<td>19%</td>
<td>15%</td>
<td>18%</td>
<td>16%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Peer-to-peer (P2P) lending</td>
<td>12%</td>
<td>11%</td>
<td>11%</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>14%</td>
<td>7%</td>
<td>12%</td>
<td>10%</td>
<td>13%</td>
<td>9%</td>
<td>14%</td>
<td>9%</td>
<td>17%</td>
<td>17%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Cost/interest rate offered** 70% | 71% | 61% | 82% | 70% | 69% | 62% | 58% | 60% | 56% | 70% | 69% | 60% | 81% | 74% | 82% | 82% |
**Speed of decision/release of money** 66% | 69% | 61% | 83% | 64% | 61% | 65% | 62% | 64% | 53% | 60% | 60% | 52% | 69% | 71% | 68% | 80% |
**Chance of being funded** 64% | 71% | 55% | 76% | 60% | 61% | 69% | 52% | 62% | 55% | 54% | 58% | 58% | 61% | 74% | 65% | 76% |
**Flexibility of products offered** 62% | 61% | 56% | 74% | 61% | 54% | 60% | 49% | 55% | 55% | 55% | 58% | 51% | 53% | 75% | 74% | 82% |
**Has good knowledge of my industry** 61% | 61% | 58% | 73% | 47% | 55% | 56% | 56% | 49% | 49% | 57% | 62% | 45% | 64% | 75% | 64% | 81% |
**Existing relationship with the lender** 56% | 59% | 49% | 77% | 55% | 45% | 49% | 47% | 49% | 43% | 49% | 45% | 58% | 52% | 63% | 59% | 70% |
**Provides an easy-to-use digital experience** 53% | 55% | 52% | 71% | 36% | 51% | 48% | 44% | 42% | 43% | 43% | 53% | 44% | 57% | 61% | 61% | 69% |
**Offers telephone/online support** 53% | 56% | 43% | 77% | 41% | 46% | 50% | 47% | 43% | 35% | 52% | 49% | 49% | 46% | 67% | 54% | 67% |
**A single point of contact** 53% | 57% | 51% | 36% | 52% | 50% | 45% | 57% | 48% | 38% | 44% | 49% | 56% | 63% | 54% | 57% | 75% |
**Can connect me with companies that complement my business** 51% | 48% | 44% | 63% | 26% | 41% | 47% | 32% | 40% | 35% | 49% | 48% | 46% | 52% | 67% | 66% | 76% |
**No collateral required for loan** 50% | 52% | 50% | 52% | 43% | 48% | 47% | 43% | 34% | 46% | 48% | 47% | 53% | 53% | 49% | 63% | 58% |
**Physical presence** 45% | 46% | 39% | 50% | 47% | 35% | 48% | 34% | 47% | 40% | 45% | 41% | 38% | 46% | 53% | 47% | 60% |

↑ Indicates significantly higher  ↓ Indicates significantly lower
Global comparison – professional support desired for the top internal and external challenges/opportunities

| Professional support desired for internal challenges/ opportunities | All markets | US | Canada | Brazil | Germany | UK | Italy | Netherlands | Switzerland | Belgium | Ireland | Australia | Hong Kong, China | Singapore | Indonesia | Malaysia | Vietnam |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total finance | 34% | 31% | 29% | 34% | 31% | 26% | 37% | 18% | 29% | 19% | 30% | 36% | 37% | 34% | 37% | 49% | 60% |
| Total growth | 23% | 22% | 15% | 34% | 17% | 15% | 22% | 13% | 23% | 14% | 16% | 23% | 23% | 27% | 40% | 36% | 29% |
| Total operational management | 17% | 14% | 12% | 17% | 13% | 16% | 14% | 13% | 13% | 7% | 10% | 13% | 17% | 17% | 32% | 28% | 28% |
| Total technology | 15% | 15% | 13% | 18% | 12% | 10% | 17% | 12% | 15% | 13% | 12% | 16% | 14% | 15% | 25% | 19% | 15% |
| Total risks | 13% | 14% | 13% | 14% | 11% | 10% | 13% | 7% | 9% | 9% | 12% | 15% | 11% | 14% | 17% | 11% | 35% |
| Total HR | 7% | 9% | 9% | 5% | 12% | 8% | 7% | 9% | 6% | 10% | 6% | 8% | 7% | 7% | 2% | 6% | 8% |

| Professional support desired for external challenges/opportunities | All markets | US | Canada | Brazil | Germany | UK | Italy | Netherlands | Switzerland | Belgium | Ireland | Australia | Hong Kong, China | Singapore | Indonesia | Malaysia | Vietnam |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total COVID-19 pandemic | 33% | 26% | 39% | 26% | 25% | 34% | 38% | 17% | 32% | 32% | 36% | 31% | 28% | 33% | 42% | 43% | 53% |
| Total other external influences | 15% | 16% | 14% | 11% | 13% | 16% | 12% | 12% | 16% | 13% | 14% | 13% | 35% | 14% | 12% | 19% | 14% |
| Total political instability | 8% | 9% | 6% | 3% | 4% | 22% | 7% | 4% | 7% | 7% | 17% | 5% | 11% | 8% | 5% | 8% | 6% |

↑ Indicates significantly higher
↓ Indicates significantly lower
Global comparison – opportunities to grow

| Services offered by financial providers that would help to better support business | All markets | US | Canada | Brazil | Germany | UK | Italy | Netherlands | Switzerland | Belgium | Ireland | Australia | Hong Kong, China | Singapore | Indonesia | Malaysia | Vietnam |
| Trusted advisor | 66% | 63% | 60% | 83% | 63% | 58% | 66% | 51% | 58% | 41% | 58% | 66% | 62% | 61% | 85% | 82% | 93% |
| Faster credit | 62% | 59% | 59% | 85% | 49% | 51% | 65% | 42% | 52% | 36% | 65% | 61% | 59% | 63% | 80% | 74% | 90% |
| Business management functions | 61% | 59% | 57% | 76% | 51% | 54% | 61% | 41% | 48% | 43% | 59% | 55% | 65% | 66% | 81% | 74% | 90% |
| Development of sustainable business model | 59% | 54% | 47% | 77% | 50% | 46% | 62% | 43% | 50% | 41% | 53% | 48% | 60% | 61% | 84% | 81% | 90% |
| Tailored networking | 57% | 53% | 49% | 67% | 46% | 45% | 55% | 41% | 48% | 38% | 56% | 54% | 62% | 64% | 79% | 72% | 86% |
| Single integrated platform | 56% | 56% | 52% | 77% | 50% | 48% | 61% | 43% | 45% | 39% | 48% | 52% | 53% | 52% | 72% | 70% | 79% |
| Subscription-based financial services | 50% | 42% | 43% | 66% | 37% | 37% | 54% | 35% | 44% | 35% | 44% | 40% | 57% | 47% | 78% | 71% | 77% |

| Willingness to use these services via a bank | | | | | | | | | | | | | | | | | | |
| Faster credit | 38% | 36% | 40% | 59% | 26% | 32% | 41% | 20% | 31% | 17% | 39% | 35% | 31% | 37% | 55% | 47% | 61% |
| Trusted advisor | 37% | 40% | 38% | 42% | 42% | 34% | 33% | 33% | 33% | 21% | 33% | 41% | 30% | 32% | 48% | 42% | 60% |
| Business management functions | 27% | 30% | 28% | 31% | 18% | 25% | 21% | 11% | 16% | 12% | 26% | 22% | 33% | 28% | 41% | 38% | 55% |
| Development of sustainable business model | 26% | 21% | 15% | 34% | 16% | 20% | 24% | 17% | 17% | 10% | 15% | 20% | 28% | 26% | 54% | 40% | 57% |
| Single integrated software platform | 22% | 24% | 19% | 38% | 16% | 19% | 21% | 9% | 18% | 11% | 18% | 24% | 27% | 14% | 39% | 22% | 37% |
| Tailored networking | 22% | 18% | 20% | 21% | 17% | 15% | 16% | 14% | 16% | 12% | 18% | 14% | 20% | 23% | 41% | 32% | 46% |
| Subscription-based financial services | 19% | 17% | 13% | 20% | 14% | 14% | 13% | 8% | 16% | 7% | 17% | 13% | 21% | 17% | 43% | 35% | 41% |

| Willingness to pay an additional service fee for these services | | | | | | | | | | | | | | | | | | |
| Trusted advisor | 26% | 28% | 19% | 32% | 22% | 19% | 23% | 16% | 18% | 13% | 21% | 21% | 22% | 21% | 37% | 38% | 60% |
| Faster credit | 26% | 22% | 22% | 38% | 18% | 18% | 26% | 16% | 18% | 11% | 30% | 18% | 16% | 28% | 43% | 39% | 48% |
| Business management functions | 22% | 24% | 18% | 22% | 15% | 15% | 16% | 11% | 12% | 12% | 19% | 17% | 35% | 18% | 36% | 30% | 51% |
| Development of sustainable business model | 20% | 16% | 14% | 25% | 13% | 12% | 18% | 13% | 11% | 10% | 15% | 13% | 21% | 20% | 43% | 33% | 45% |
| Tailored networking | 18% | 14% | 13% | 14% | 12% | 11% | 14% | 8% | 15% | 12% | 18% | 15% | 27% | 21% | 30% | 25% | 38% |
| Single integrated software platform | 17% | 18% | 14% | 22% | 11% | 13% | 20% | 7% | 14% | 9% | 12% | 14% | 20% | 12% | 31% | 18% | 37% |
| Subscription-based financial services | 16% | 16% | 8% | 15% | 13% | 10% | 11% | 7% | 17% | 7% | 14% | 11% | 24% | 15% | 30% | 28% | 37% |

Interest in sharing more business data with financial provider for better services (average score out of 5)

| Average score (out of 5) | 3.4 | 3.6 | 3.1 | 3.7 | 3.3 | 3.1 | 3.5 | 3.2 | 3.1 | 3.0 | 3.4 | 3.2 | 3.5 | 3.4 | 3.7 | 3.6 | 4.2 |

Importance of running a sustainable business (average score out of 5)

| Average score (out of 5) | 3.7 | 3.8 | 3.6 | 4.0 | 3.7 | 3.5 | 3.6 | 3.4 | 3.6 | 3.2 | 3.6 | 3.6 | 3.5 | 3.6 | 3.9 | 3.9 | 4.4 |
Appendix 2:
Profile of the SMEs
SME profile

**Market**

- **US**: 16%
- **Canada**: 5%
- **Brazil**: 2%
- **Germany**: 5%
- **UK**: 13%
- **Italy**: 5%
- **Netherlands**: 5%
- **Switzerland**: 4%
- **Belgium**: 5%
- **Ireland**: 5%
- **Australia**: 5%
- **Indonesia**: 5%
- **Hong Kong, China**: 5%
- **Malaysia**: 5%
- **Singapore**: 5%
- **Vietnam**: 5%

Base: n=5,698

**Region**

- **Metropolitan/urban areas**: 59%
- **Suburban areas**: 27%
- **Regional/rural areas**: 20%

Base: n=5,698

S6. Is your business premise(s) located in a metropolitan/urban area, regional/ rural area or suburban area?

**Business size (no. of employees)**

- **Small businesses (10-49 employees)**: 16%
- **Medium businesses (50-249 employees)**: 84%

Base: n=5,698

**Business current life cycle**

- **Conception**: 17%
- **Start-up**: 4%
- **Growth/rapid growth**: 27%
- **Maturity/stabilize**: 41%
- **Decline**: 9%
- **Exit**: 4%

Base: n=5,698

S7. How many full-time equivalent employees work in the business (nationally)?

Q2. And which of the following best describes the life cycle stage of your business currently?
**Industries**

- Agriculture, forestry, fishing, mining, metals, oil, gas: 3%
- Power, utilities water and waste services: 1%
- Retail, wholesale, transportation, warehouse: 16%
- Construction and manufacturing: 17%
- Public sector and government (defense, education, training): 10%
- Health care and social assistance: 5%
- Hospitality, tourism, entertainment, arts, recreation services: 8%
- Professional, financial, scientific and technology services: 31%
- Other private sectors: 10%

*Base: n=5,698*

**Business tenure**

- Less than 3 years: 8%
- 3 years to less than 6 years: 21%
- 6 years to less than 11 years: 28%
- 11 years to less than 16 years: 15%
- 16 years to less than 21 years: 9%
- 21 years or more: 18%

*Base: n=5,698*

**Turnover (US$)**

- Less than $75,000: 11%
- $75,000 to less than $200,000: 7%
- $200,000 to less than $500,000: 6%
- $500,000 to less than $1,000,000: 7%
- $1,000,000 to less than $2,000,000: 7%
- $2,000,000 to less than $5,000,000: 8%
- $5,000,000 to less than $10,000,000: 5%
- $10,000,000 to less than $50,000,000: 5%
- $50,000,000 or more: 3%
- Prefer not to say/don't know: 41%

*Base: n=5,698*

**Profitability**

- Profitable: 35%
- Break even: 55%
- Unprofitable: 9%

*Base: n=5,698*
### Respondent profile

#### Gender

- **Male**: 60%
- **Female**: 40%

**Base**: n=5,698  
D4. Gender

#### Age

- **18-24**: 6%
- **25-34**: 26%
- **35-44**: 30%
- **45-54**: 19%
- **55-64**: 9%
- **65+**: 3%
- **Prefer not to say**: 7%

**Base**: n=5,698  
D3. How old are you?

#### Number of years within the business

- **Less than 3 years**: 14%
- **3 years to less than 6 years**: 30%
- **6 years to less than 11 years**: 31%
- **11 years to less than 16 years**: 14%
- **16 years to less than 21 years**: 5%
- **21 years or more**: 6%

**Base**: n=5,698  
S11. How long have you been working for the business?

#### Role

- **Chief executive officer (CEO)**: 9%
- **Chief financial officer (CFO)**: 11%
- **Chief operating officer (COO)**: 5%
- **Chief marketing officer (CMO)**: 2%
- **Chief technology officer (CTO)**: 4%
- **President**: 5%
- **Vice president**: 4%
- **Executive director/director**: 9%
- **Managing director**: 13%
- **Manager**: 30%
- **Other**: 7%

**Base**: n=5,698  
S10. What is your role in the business?
Contacts

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