

BOX 3: AN ANALYSIS OF CREDIT TRANSFERS IN MALTA – 2024^{1,2}

Introduction

The following is an analysis of credit transfers as reported by the credit, e-money and payment institutions registered in Malta. The term credit transfer is here defined as a payment service which allows the payer to instruct the institution holding its account to transfer funds to the indicated beneficiary.

This analysis will cover credit transfers data as reported by local licensed institutions, for the years 2020 to 2024, to the Central Bank of Malta. The analysis includes credit transfers initiated in a paper-based form and those initiated electronically, where the latter further distinguishes between those performed online, through ATMs, and mobile payment solutions. In addition to this, electronic credit transfers include further granular data between those initiated remotely and non-remotely, distinguishing between Single Euro Payments Area (SEPA) credit transfers (SCTs), SEPA Inst credit transfers (SCT Inst), and non-SEPA transactions.

The report also includes comparisons between 2024 data and previous years for both volumes and values of credit transfers sent (outgoing) locally (Malta) and to cross border countries. It is worth noting that data on credit transfers for 2020 and 2021 was collected through reporting templates under the ECB Regulation on Payment Statistics ECB/2013/43, while data for 2022 and thereafter reflects the revised ECB Regulation ECB/2020/59 on Payment Statistics. The reporting templates for the latter provide further breakdown of credit transfers data.

Credit transfers SENT

Table 3a outlines the total annual volumes of outgoing credit transfers within Malta and cross-border, as reported by credit and financial institutions for the period 2020 to 2024. The data comprises total credit transfers, including both those initiated in paper-based form and those initiated electronically.

As can be observed in Table 3a, the yearly total volume of credit transfers sent locally and abroad have been increasing from a volume of 15.5 million transactions in 2020 to 21.0 million transactions in 2024. However, this increase was driven by cross-border transaction which more than tripled from 2.5 million in 2020 to 9.1 million in 2024. This increase in cross-border transfers could partly reflect the proliferation of new financial institutions that were licensed to operate in Malta, with passporting rights to provide their services to other European countries. Furthermore, the rise in cross-border transactions may also reflect the rise of inward migration to Malta to take up employment, hence giving rise to remittances to their home country.

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² Data as from 2022 is subject to change and revision.

Table 3a
TOTAL VOLUME OF CREDIT TRANSFERS SENT AS REPORTED BY
CREDIT AND FINANCIAL INSTITUTIONS

Millions

	Total	Local	Cross border
2020	15.5	13.0	2.5
2021	19.1	15.8	3.3
2022	15.8	11.7	4.1
2023	18.2	11.6	6.6
2024	21.0	11.9	9.1

Source: Central Bank of Malta.

By contrast, local credit transfers declined after the end of the pandemic, increasing by just 1.7% between 2022 and 2024. The limited growth in internal credit transfers may in part be the fees associated with such transactions that may be limiting their appeal. As a result, the share of local credit transfers in the total shrank from almost 83.9% in 2020, to 56.7% by 2024, while that of cross-border transactions increased from 16.1% to 43.3% for the same period.

The corresponding yearly values of outward credit transfers reported by the credit and financial institutions are outlined in Table 3b. As can be noted, both local and cross border credit transfers generally increased steadily between 2020 and 2024 by 53.2% and 44.7%, respectively, partly reflecting the effects of inflation over time. While in terms of volumes, as highlighted earlier, there was a strong upward trend in the share of cross-border transactions, in terms of value the share of cross-border transactions declined marginally from 59.0% to 57.6%, meaning that the share of local credit transfers increased by 1.4 percentage points between 2020 and 2024.

These developments show that in terms of average value per local credit transfer increased from €2,153.85 in 2020 to €3,605.04 by 2024. This represents a significant increase of 67.4%, although comparing with 2020, which was the height of the pandemic,

Table 3b
TOTAL VALUE OF CREDIT TRANSFERS SENT AS REPORTED BY
CREDIT AND FINANCIAL INSTITUTIONS

EUR billions

	Total	Local	Cross border
2020	68.3	28.0	40.3
2021	81.7	33.7	48.0
2022	85.1	39.4	45.7
2023	89.2	39.8	49.4
2024	101.2	42.9	58.3

Source: Central Bank of Malta.

is likely to be impacting upwards such growth. Indeed, the average value per local credit transfer increased by just 7.1% between 2022 (after the end of the pandemic) and 2024. By contrast, the average value per cross-border credit transfer was more than halved between 2020 and 2024 from €16,120.00 to €6,406.59. This sharp drop is likely to reflect that the rise in volumes over the past four years has been more dominated by migrant remittances, where values tend to be lower as increased migration from third country nationals was more channelled to jobs requiring lower skill levels.

Credit transfers initiated electronically and in paper-based form

The total reported volumes and values of credit transfers are further split by those effected electronically and those effected through paper-based form, with the former method accounting for 98.8% and 91.1% in volume and value terms respectively over total outward credit transfers. Transactions that are initiated electronically include (a) submissions through file/batch and (b) those effected on a single payment basis. Moreover, those initiated via single payment basis method include those effected through online banking, at ATMs with a credit transfer function, and through mobile payment solutions. It transpires that the bulk of transactions are effected through online banking, accounting for 46.1% and 73.7% in volume and value respectively of all electronic credit transfers.

Table 3c outlines the volumes and values of the total outgoing credit transfers that were initiated electronically for the years under review 2020 to 2024. As shown in the table below, the total volume of electronic credit transfers for the last five years amounts to 87.8 million transactions, whilst the total value amounts to €378.8 billion.

As can be noted, the volume of electronic transactions increased by over a third from 15.2 million transactions in 2020 to 20.8 million transactions in 2024. Similarly, the corresponding values show a consistent upward trend, rising by 55.2% to €92.2 billion.

The average value per electronic credit transfer increased by almost a quarter between the pandemic period of 2020-2021 and 2022, but thereafter declined by 7.5%, stabilising at around just over €4,400.

As mentioned earlier, electronic credit transfers can be effected on a single payment basis or in a batch file. Regarding payments carried out on a single payment basis, the latter

Table 3c
VOLUMES AND VALUES OF OUTWARD CREDIT TRANSFERS INITIATED ELECTRONICALLY (LOCAL AND CROSS BORDER)

	2020	2021	2022	2023	2024
Volume (<i>millions</i>)	15.2	18.4	15.5	17.9	20.8
Value (<i>EUR billions</i>)	59.4	73.2	74.4	79.7	92.2
Average value per transaction (<i>EUR actual</i>)	3,915	3,968	4,809	4,446	4,438

Source: Central Bank of Malta.

includes those initiated through online banking, at ATMs with a credit transfer function and through mobile payment solutions. Online banking is accessed via web browsers or the mobile online banking app of a payment service provider, whilst ATMs with a credit transfer function allow authorised users to settle payments, such as utility bills. The mobile payment solution component includes remotely initiated transactions via digital wallets and P2P mobile payment solutions. Such granular information is not available for 2020 and 2021 as these initiation methods are captured under the new regulation for payment statistics. Therefore, only data between 2022 and 2024 is being analysed.

As outlined in Table 3d, it is evident that single payment online banking credit transfers accounted for the highest volume and value of credit transfers, both cross border and within Malta, with both categories registering substantial increases. In fact, the volume increased by just over 45% from 6.6 million transactions in 2022 to 9.6 million transactions in 2024. Similarly, the corresponding values increased from €55.9 billion to €67.9 billion, though at 21.5%, the rate of increase was slightly less than half that of transaction volumes. Consequently, the average value per credit transfer decreased from €8,471 in 2022 to €7,095 in 2024, meaning that customers effected lesser valued transactions through this payment channel.

Table 3d
CREDIT TRANSFERS IN ELECTRONIC FORM, ON A SINGLE PAYMENT BASIS
INITIATED VIA ONLINE BANKING, MOBILE PAYMENT SOLUTION AND AT
ATM TERMINALS 2022-2024

Actual figures

ONLINE BANKING BASED CREDIT TRANSFERS	2022	2023	2024
Volume (Total)	6,599,525	7,388,996	9,574,911
Value (Total) (EUR)	55,905,225,351	59,280,934,996	67,937,619,333
Volume (Local)	4,706,399	4,538,386	4,699,821
Value (Local) (EUR)	21,209,756,592	21,578,906,927	23,508,756,483
Volume (Cross border)	1,893,126	2,850,610	4,875,090
Value (Cross border) (EUR)	34,695,468,759	37,702,028,068	44,428,862,850
MOBILE PAYMENT SOLUTION	2022	2023	2024
Volume (Total)	1,771,844	3,323,791	3,775,907
Value (Total) (EUR)	260,819,006	896,173,276	2,550,085,357
Volume (Local)	77,732	112,984	135,594
Value (Local) (EUR)	40,933,334	86,782,456	198,266,808
Volume (Cross border)	1,694,112	3,210,807	3,640,313
Value (Cross border) (EUR)	219,885,672	809,390,820	2,351,818,548
ATM TERMINAL	2022	2023	2024
Volume (Total)	12,281	10,723	9,912
Value (Total) (EUR)	5,112,733	4,586,616	4,317,880
Volume (Local)	12,281	10,723	9,912
Value (Local) (EUR)	5,112,733	4,586,616	4,317,880
Volume (Cross border)	0	0	0
Value (Cross border) (EUR)	0	0	0

Source: Central Bank of Malta.

However, there were clear diverging trends between local and cross-border transactions. While the average value of single-payment online banking local credit transfers increased by 11% from €4,507 to €5,002 between 2022 and 2024, that for cross-border transactions declined by just over 50% to €9,113, reflecting the effects of the rise in migration.

Data for transactions effected through mobile payment solutions depict a lower take up than online transactions. However, a considerable increase is noted between 2022 and 2024. Mobile payment technology allows users to make transactions digitally through mobile devices (e.g., smartphones and tablets) using methods such as near-field communication (NFC), quick response (QR) codes, and mobile payment apps. This enables customers to pay for goods and services without physical cards or cash.

Payments directed locally and to cross border countries increased from 1.8 million transactions to 3.8 million in 2024, whilst the value of these transactions increased almost ten-fold from €260.8 million to €2,550.1 million during the following two years. Similarly, mobile payments directed within Malta increased considerably, from 77,732 transactions in 2022 up to 135,594 transactions in 2024. Similarly, the values rose from €40.9 million to €198.3 million, registering nearly five times as much. This indicates that customers are finding such payments to be safe, quick and convenient.

As previously mentioned, electronic credit transfers also include transactions effected via file/batch method, an electronically initiated credit transfer that is part of a group of credit transfers jointly initiated by the payer via a dedicated line, for example, payment by a company of its monthly payroll.

As depicted in Table 3e, these payment types are on the decrease, from 9.5 million in 2020 down to 7.4 million in 2024, although data for 2020 and 2021 is likely to have been significantly impacted by the pandemic, as data since 2022 shows an upward trend in respect of volumes, value and average value per transaction.

Apart from credit transfers initiated electronically, fund transfers can be carried out in paper-based form. Such transactions refer to credit transfers initiated by the payer in paper-based form or by instructing staff at a branch over the counter (OTC) to initiate a credit transfer and any other credit transfer which requires manual processing.

Table 3e
VOLUMES AND VALUES OF OUTWARD CREDIT TRANSFERS INITIATED ELECTRONICALLY, VIA FILE/BATCH (LOCAL AND CROSS BORDER)

	2020	2021	2022	2023	2024
Volume (<i>millions</i>)	9.5	8.1	7.1	7.2	7.4
Value (<i>EUR billions</i>)	29.9	29.0	18.2	19.5	21.7
Average value per transaction (<i>EUR actual</i>)	3,154	3,560	2,571	2,708	2,928

Source: Central Bank of Malta.

Table 3f**VOLUMES AND VALUES OF OUTWARD CREDIT TRANSFERS INITIATED IN PAPER-BASED FORM (LOCAL AND CROSS BORDER)**

	2020	2021	2022	2023	2024
Volume (<i>thousands</i>)	320.0	357.3	290.7	266.3	244.6
Value (<i>EUR millions</i>)	8,915.0	8,547.7	10,683.3	9,528.4	9,002.5
Average value per transaction (<i>EUR actual</i>)	27,862	23,922	36,747	35,785	36,810

Source: Central Bank of Malta.

As shown in Table 3f, credit transfers in paper-based form depict a declining trend in both volume and value terms. The average value per transaction presented in the table depicts a rather stable trend after 2021, at around €36,500.

An analysis of payments effected through SCT scheme, SCT Inst scheme and non-SEPA via strong customer authentication (SCA)

Regulation (EU) No. 260/2012, also known as the SEPA Regulation, establishes technical and business requirements for credit transfers in euro within the SEPA. It aims to create a unified and efficient system for euro-denominated payments across Europe. Under the new regulation of payment statistics, such credit transfers initiated electronically are further broken down by payment initiation sub-channel, that is, via SCT scheme, SCT Inst scheme and via non-SEPA scheme.

Data for local and cross border SCTs is not available for the years 2020 and 2021 as the previous payment statistics regulation did not cater for such segregation. As outlined in Table 3g, the volume of cross border SCTs shows a consistent rising trend, from 3.6 million transactions in 2022 going up by 50% to 5.4 million in 2024. Similarly, the corresponding value of transactions increased, recording €27.0 billion in 2022 and €34.6 billion in 2024, resulting in a surge of 28.3% in two years. As mentioned earlier, this increase is probably due to the increasing foreign migrants in employment in Malta effecting outward transfers

Table 3g**OUTWARD SCTs (CROSS BORDER AND LOCAL)**

SCTs – Cross border (via remote and non-remote) via SCA	2022	2023	2024
Volume (<i>millions</i>)	3.6	5.5	5.4
Value (<i>EUR billions</i>)	27.0	27.9	34.6
Average value per transaction (<i>EUR actual</i>)	7,518	5,038	6,454
SCTs – Local (via remote and non-remote) via SCA	2022	2023	2024
Volume (<i>millions</i>)	8.4	8.4	8.6
Value (<i>EUR billions</i>)	24.1	25.9	30.7
Average value per transaction (<i>EUR actual</i>)	2,856	3,102	3,572

Source: Central Bank of Malta.

Note: Data is not available for 2020 and 2021.

to their home country. The average value per SCT outlined in the table recorded a decrease of 14.2% with respect to 2022, although it was 28% higher compared to 2023.

Data for local credit transfers via SEPA also depict an increasing trend in both volume and value. However, growth in volume was much weaker at just 2.4%, rising from 8.4 million in 2022 to 8.6 million in 2024, which could indicate some reluctance due to the fees charged to such payment instrument. As with cross-border transactions, the corresponding values depict a significant surge in value terms, rising from €24.1 billion in 2022 up to €30.7 billion in 2024, recording an increase of 27.3%. The strong surge in the value of such transactions led to a rise in the average value per transaction.

The following table outlines the volume and value of credit transfers effected through the SEPA instant method. The difference between the traditional SCT and SCT Inst is primarily speed and availability, with SCT Inst processing payments in usually under ten seconds, 24/7, ideal for time-sensitive transactions, urgent payments and immediate e-commerce purchases, while traditional SCTs can take up to one business day and are subject to banking hours and holidays. SCT Inst offers near-instantaneous, always-available transfers, whereas SCT provides a standard, reliable, but slower service suitable for non-urgent payments.

As can be shown in Table 3h, SCT Inst data for 2020 and 2021 are not available since these were not reportable under the previous payment statistics regulation. However, data for such scheme is required under the new regulation for payment statistics. The data available shows a consistent significant increase in both volume and value of transactions. In fact, the volume for cross border SCT Insts via SCA increased from 137,047 transactions in 2022 up to 2.8 million in 2024, whilst the value aspect increased from €173.4 million in 2022 to €3.9 billion in 2024. Likewise, local instant credit transfers increased significantly, from just 303 transactions in 2022 to 21,817 transactions in 2024, although this was still much lower than the volume of cross border transactions. Similarly, the corresponding value surged from €1.6 million to €32.8 million between 2022 and 2024. The substantial

Table 3h
OUTWARD SCT INST (CROSS BORDER AND LOCAL)

Actual figures

	2022	2023	2024
SCT Inst SCHEME			
Cross border (via remote and non-remote) – via SCA			
Volume	137,047	841,576	2,822,293
Value (EUR)	173,387,809	1,079,503,373	3,917,030,002
Average value per transaction (EUR)	1,265	1,283	1,388
SCT Inst SCHEME –			
Local (via remote and non-remote) – via SCA			
Volume	303	2,364	21,817
Value ((EUR)	1,579,992	8,374,328	32,837,715
Average value per transaction (EUR)	5,214	3,542	1,505

Source: Central Bank of Malta.

Note: Data is not available for 2020 and 2021.

increase from one year to another clearly indicates a growing preference towards this payment method. Whilst the average value per transaction to cross border countries shows a modest increase, that resulting from transactions effected locally shows a decreasing trend, from €5,214 in 2022 down to €1,505. This suggests that this kind of payment method is increasingly gaining popularity even for smaller value payments. This increase, especially in local transactions, is expected to continue due to the introduction of the Instant Payments Regulation which mandates institutions to offer instant payments to customers and especially if more banks remove their fees.

Credit transfers can also be effected through non-SEPA. Therefore, those transactions which are not processed in accordance with the SEPA rules are reported separately. Non-SEPA transactions include TARGET2 transactions which are considered to be transactions involving MFIs at both ends of the transactions when retail payment transactions are sent or received through the TARGET2 system.

Table 3i depicts the volume and value of cross border non-SEPA transactions effected between 2022 and 2024. The Table shows a consistent increasing trend, with the volume rising from 94,746 transactions in 2022 to 532,715 transactions during 2024, more than five times in just two years. Similarly, the corresponding value increased from €9.0 billion in 2022 to €11.5 billion in 2024, resulting in an increase of 27.6%. The average value per transaction emanating from this data declined from €94,991 in 2022 to €21,588 in 2024, suggesting greater use even for smaller value transactions.

On the other hand, the Table shows that both in volume and value terms, local transactions peaked in 2023 and declined slightly in 2024. Volume of transactions ranged from 26,000 to 29,000, whilst values present ranged from €1.2 billion to €1.6 billion between 2022 and 2024.

Table 3i
OUTWARD NON-SCTs (CROSS BORDER AND LOCAL)

Non-SCTs –	2022	2023	2024
Cross border (via remote and non-remote) via SCA			
Volume (<i>actual</i>)	94,746	101,730	532,715
Value (<i>EUR billions</i>)	9.0	11.2	11.5
Average value per transaction (<i>EUR actual</i>)	94,991	110,095	21,588
Non-SCTs –	2022	2023	2024
Local (via remote and non-remote) via SCA			
Volume (<i>actual</i>)	26,169	30,287	28,934
Value (<i>EUR billions</i>)	1.2	2.2	1.6
Average value per transaction (<i>EUR actual</i>)	44,323	71,209	54,852

Source: Central Bank of Malta.

Data is not available for 2020 and 2021.

Conclusion

In conclusion, data for the past five years may have been impacted somewhat by the pandemic, particularly in 2020 and 2021. However, it is apparent that after 2022 outgoing funds reported by credit and financial institutions to settle credit transfers have been on the rise, as reflected in the increase of 34.6% and 18.9% in volume and value respectively of local and cross-border credit transfers. The rise in volumes after 2022 has been driven by cross-border transfers, likely reflecting the impact of higher migration flows. On the other hand, growth in local outward credit transfers in volume terms was somewhat contained at just 1.7% between 2022 and 2024, though in value terms these increased by 8.9%.

The EU's Instant Payments Regulation (Regulation (EU) 2024/886), adopted in March 2024, obliges, since 9 April 2025, credit institutions as service providers (PSPs) to be capable of receiving instant euro credit transfers within ten seconds, 24/7 and sending instant payments by 9 October 2025. These requirements will become mandatory for financial institutions in 2027. Key provisions include the requirement for a payee verification service to prevent fraud, and a real-time sanctions screening mechanism that would not delay transactions. Given this Regulation, it is expected that the diffusion of instant credit transfer payments would increase significantly and eventually displace normal credit transfer payments.

The increase in the usage of credit transfers is welcome given that it provides an efficient and convenient alternative to paper-based means of payment, such as cheques. It is a trend that is expected to continue, especially following the entering into force in 2025 the regulation of mandatory introduction of instant credit transfers, given their secure and efficient characteristics.