

PRESENTATION
OF SURVEY RESULTS

FINTECH READINESS

FINTECH SURVEY

2022
MONTENEGRO

LED BY



MINISTRY OF FINANCE

SUPPORTED BY



DELIVERED BY



REPORT
AVAILABLE

November 2022

LANDSCAPING FINTECH READINESS

in Montenegro



Supported By
EUROPEAN FUND FOR SOUTH EAST
EUROPE (EFSE) & EUROPEAN UNION



Led By
CBCG & MINISTRY OF FINANCE



Delivered By
VEDANVI FINTECH ADVISORY

AGENDA

OBJECTIVES

Distil key findings of the Fintech Landscaping & Readiness Survey

Stimulating discussions of the results

Sketching next steps to developing a National Fintech Strategy



1

SURVEY METHODOLOGY & APPROACH

2

OVERVIEW OF RESULTS ACROSS ALL STAKEHOLDERS

3

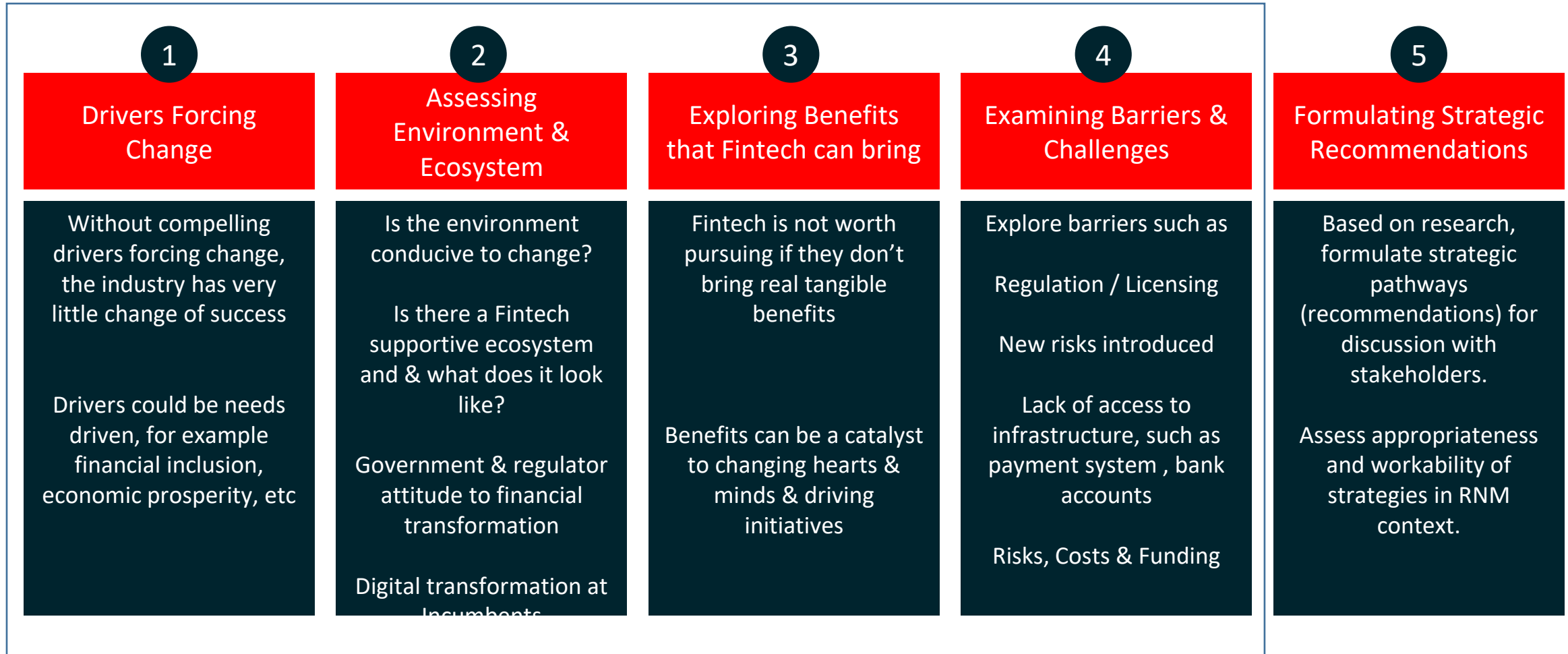
EXAMINING THE SUPPLY SIDE & ENABLING ENVIRONMENT

4

Next Steps & the path to developing a National Fintech Strategy

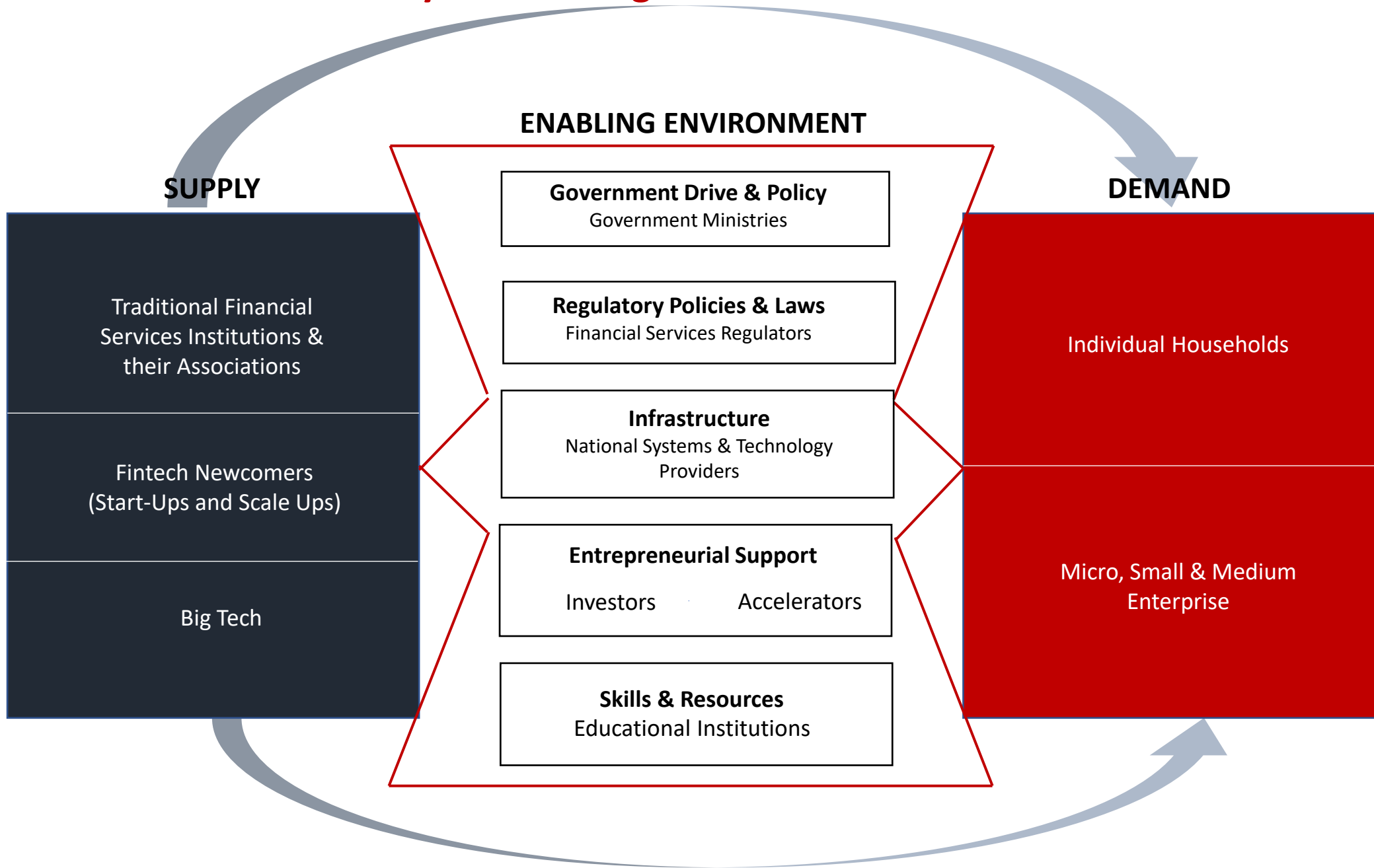
SURVEY METHODOLOGY & APPROACH

PATHWAY TO NATIONAL FINTECH STRATEGY



SURVEY & ROUND TABLES

Ecosystem for Digital Financial Inclusion



SURVEY APPROACH

385

Participants

PERIOD

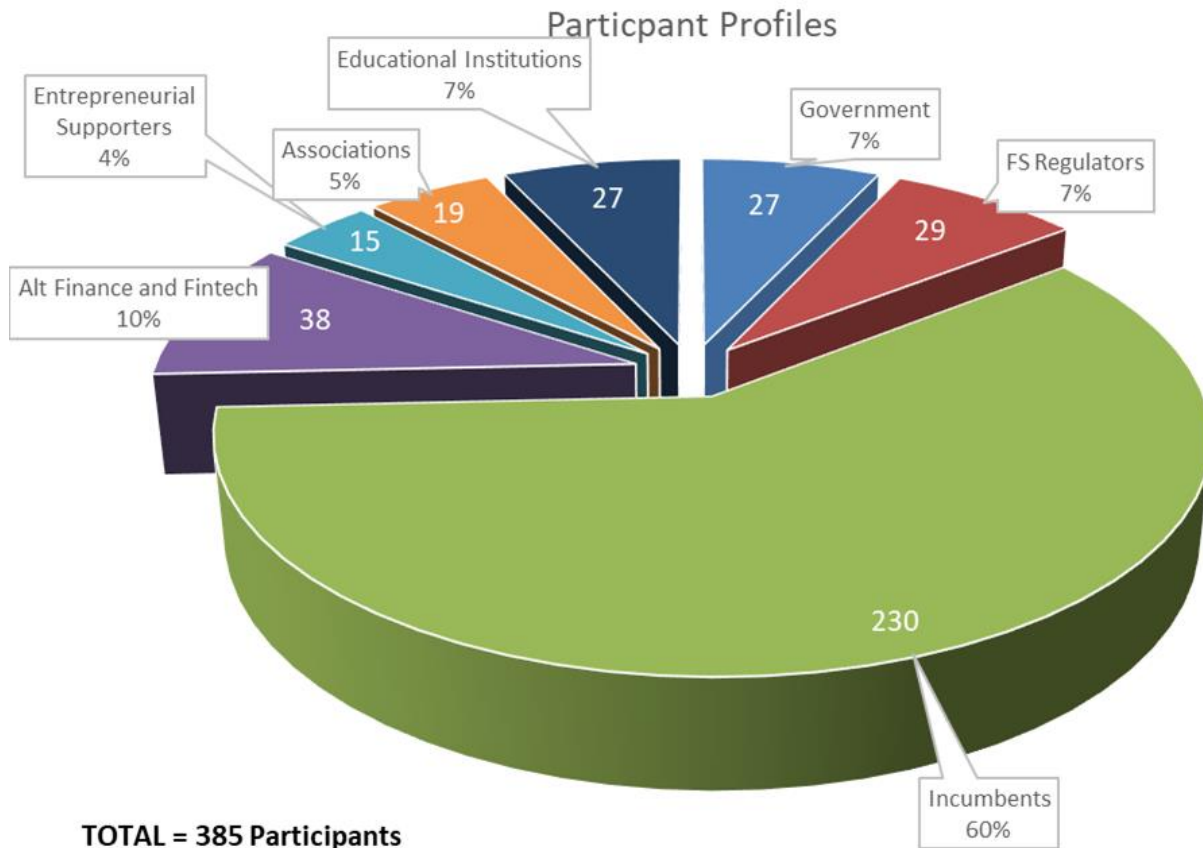
Aug - Sep 2022
5 Weeks

FORMAT

Online Survey Completion

METHOD

7 Individual Surveys
First 10 Common Questions



DEMAND

DEMAND



Prior Survey by CBCG



HIGH LITERACY

50.2% University Degrees
49.2% Secondary Education



LOW UNEMPLOYMENT

9.7% of Survey Respondents Unemployed
15.7% with no Bank Account



INTERNET & MOBILE

94% Smart Phones
96% Internet Access



LOW USE OF DFS

58% Use ATMs
51.7% Visit Branches
43.7% Use Payment Cards



LOW SME USE OF DFS

32.5% Use eBanking - - 24/7 Availability & Time Saving
55.6% Visit Bank

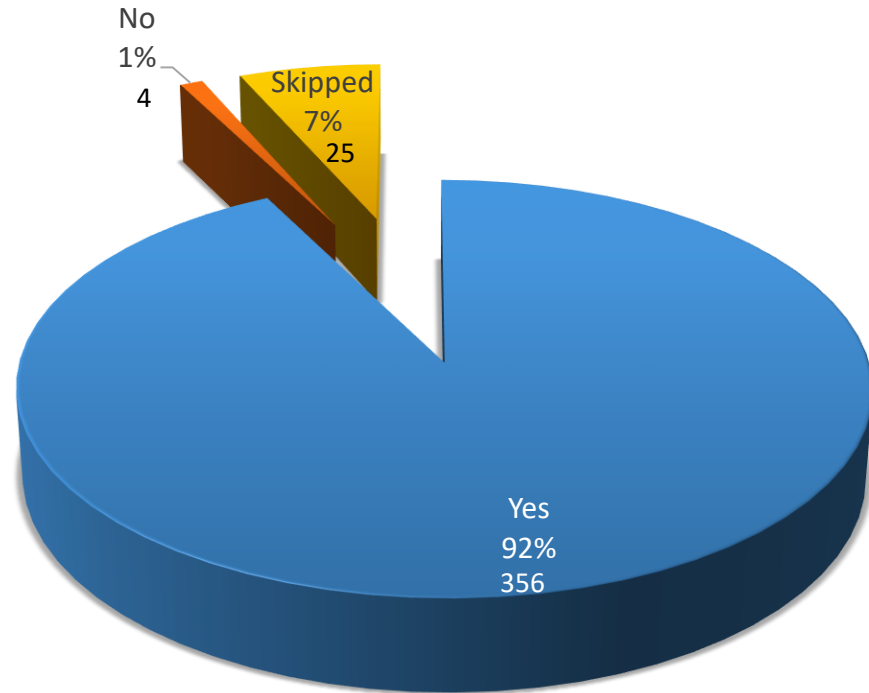
RESULTS OF THE SURVEY

SUPPLY SIDE & ENABLING ENVIRONMENT

**OVERVIEW
ACROSS
ALL STAKEHOLDERS**

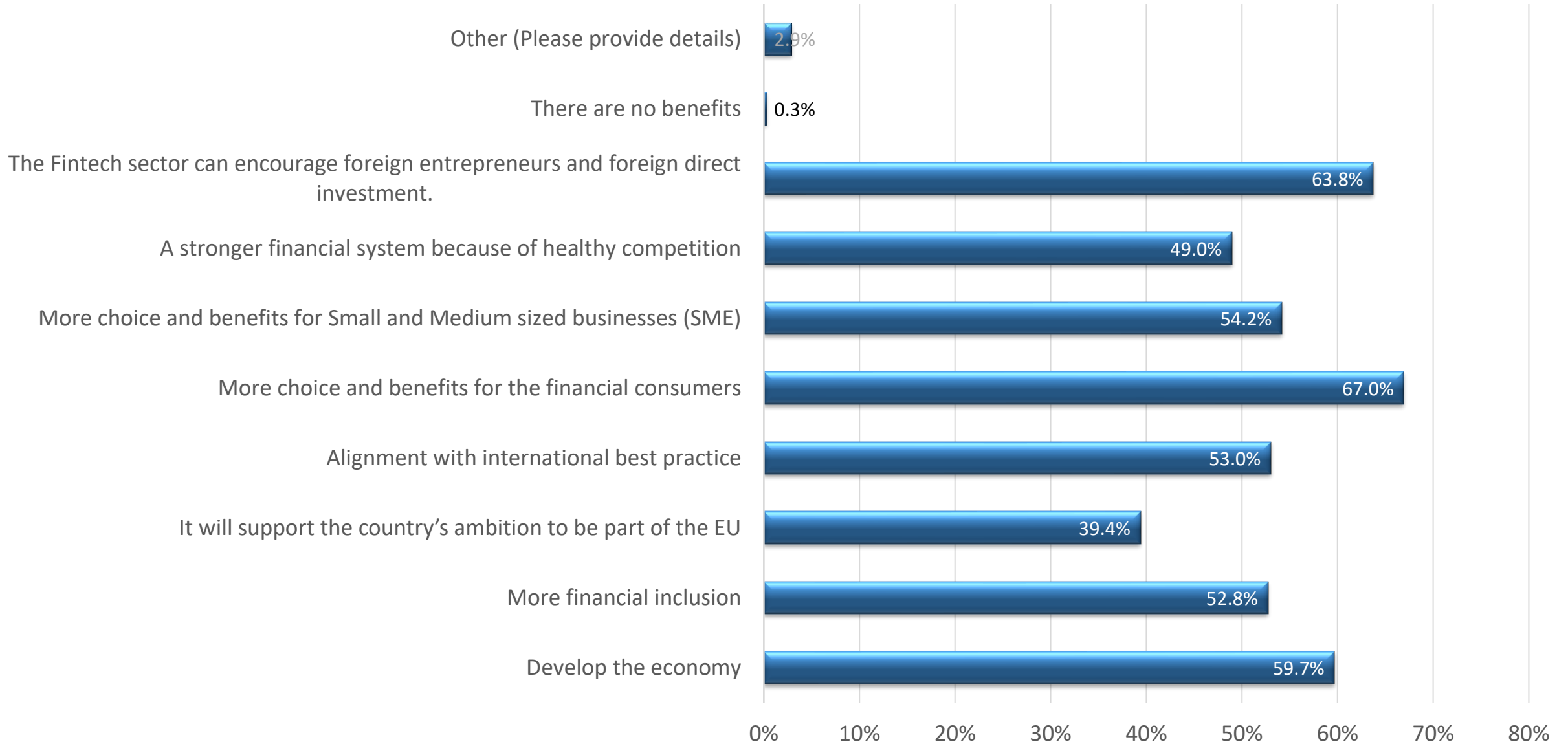
RATIONALE for “NO”

Do you Believe there is a Need for Fintech in Montenegro?



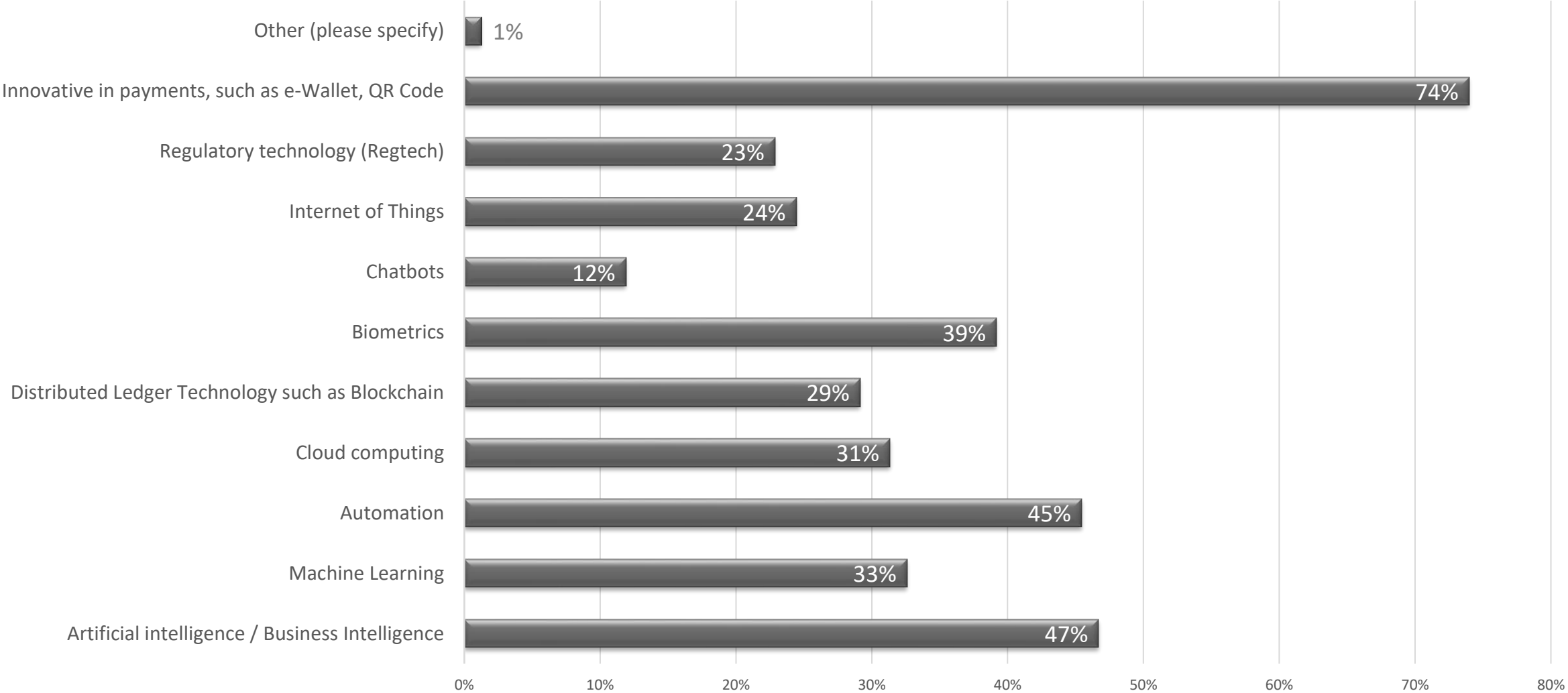
- Market is too small
- Too many banks already & they could launch digital products and services
- People are not ready to adopt digital financial services

BENEFITS OF FINTECH



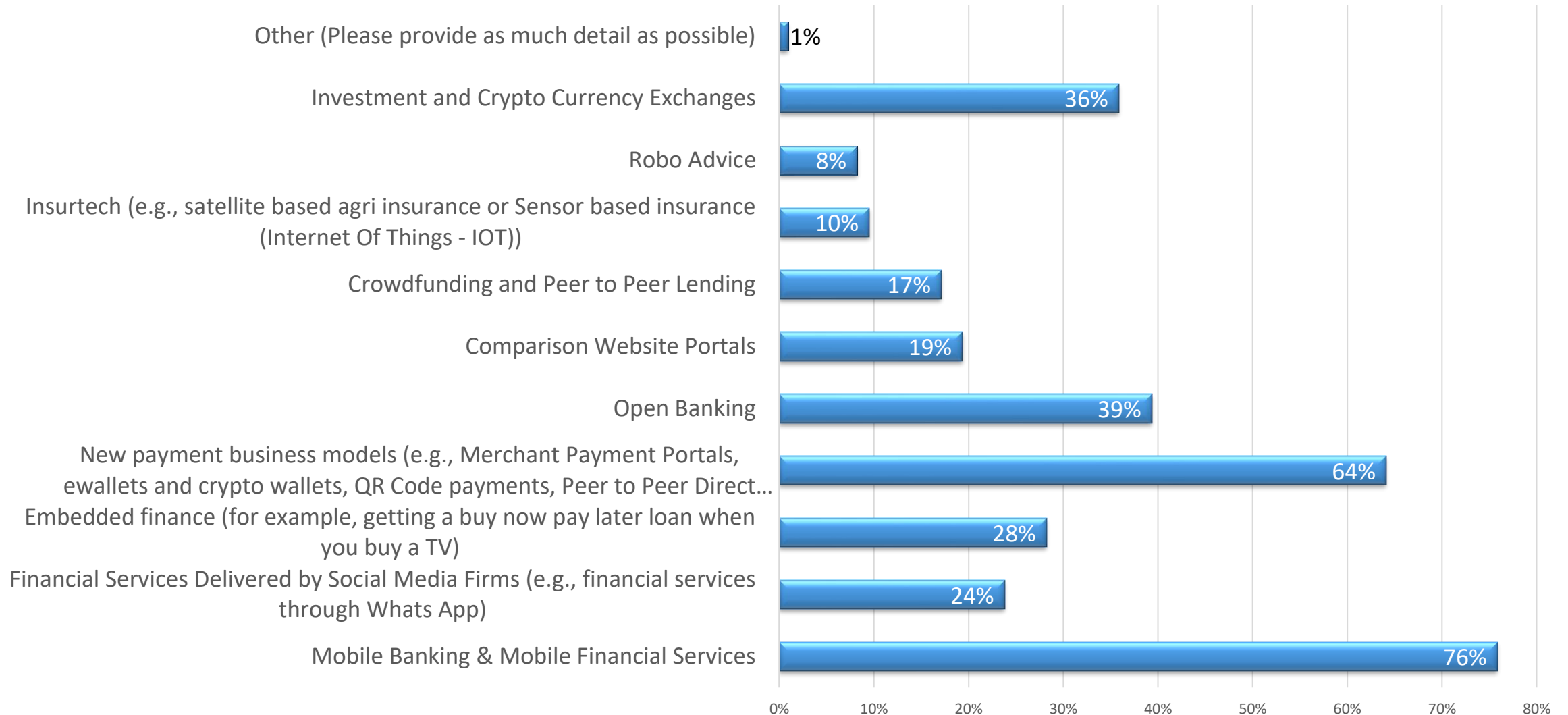
FUTURE TECHNOLOGIES

Which Technologies will have the Biggest Impact on the Financial Services Sector in Montenegro in the next 3 to 5 Years?



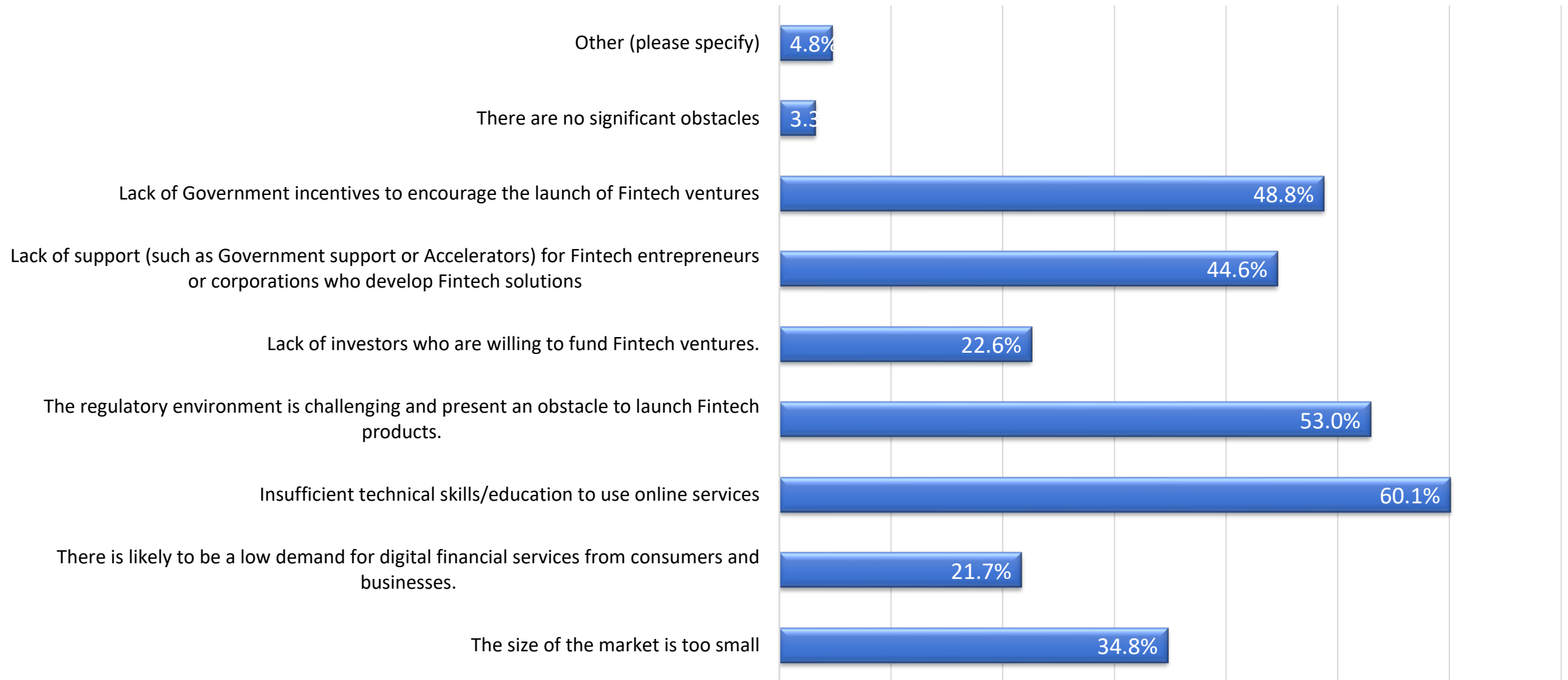
FUTURE BUSINESS MODELS

Which Fintech Business Models are Likely to Emerge in Montenegro in the next 3-5 Years?



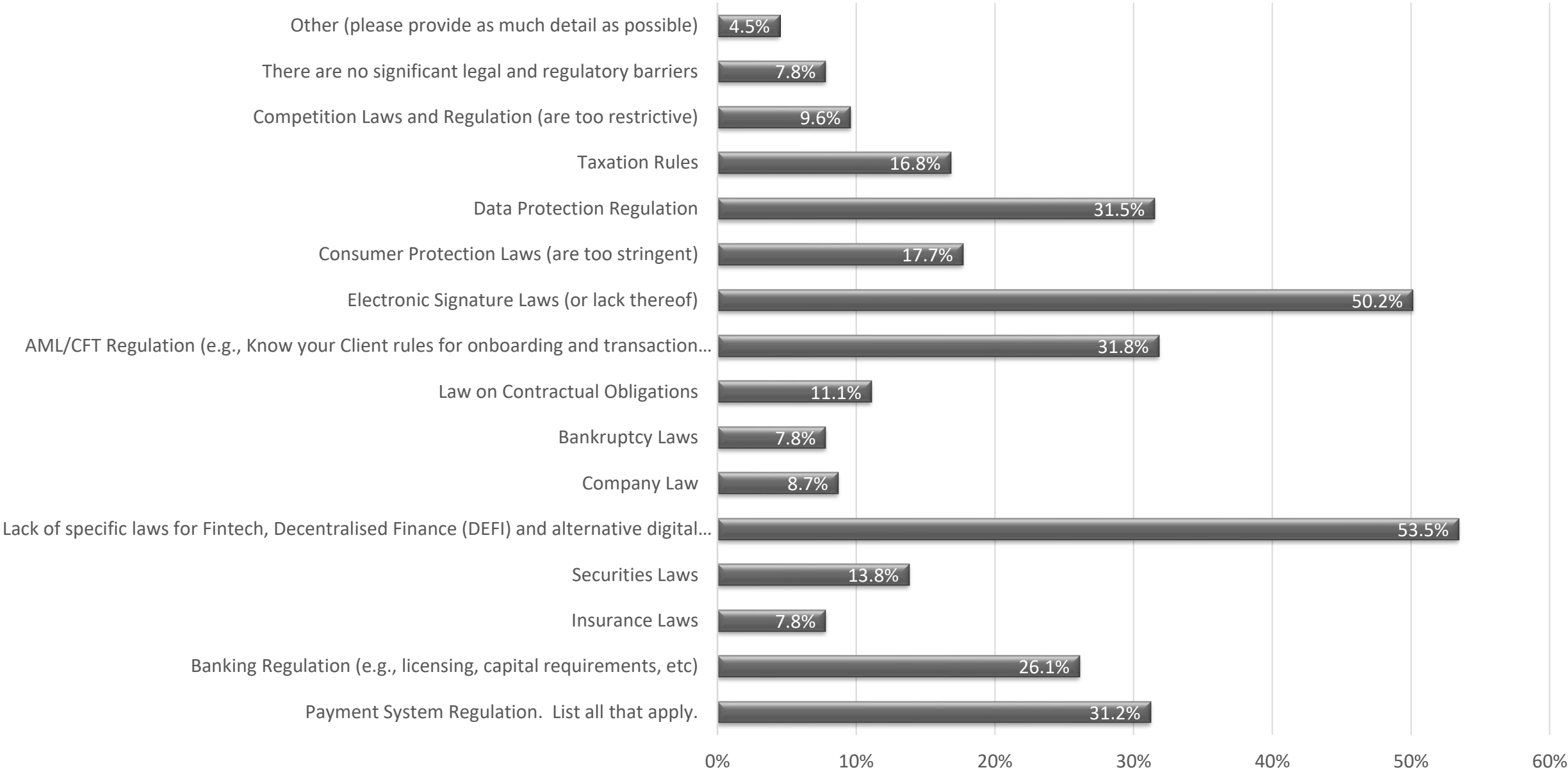
OBSTACLES TO FINTECH

What are the Biggest Obstacles to Developing Fintech in Montenegro?



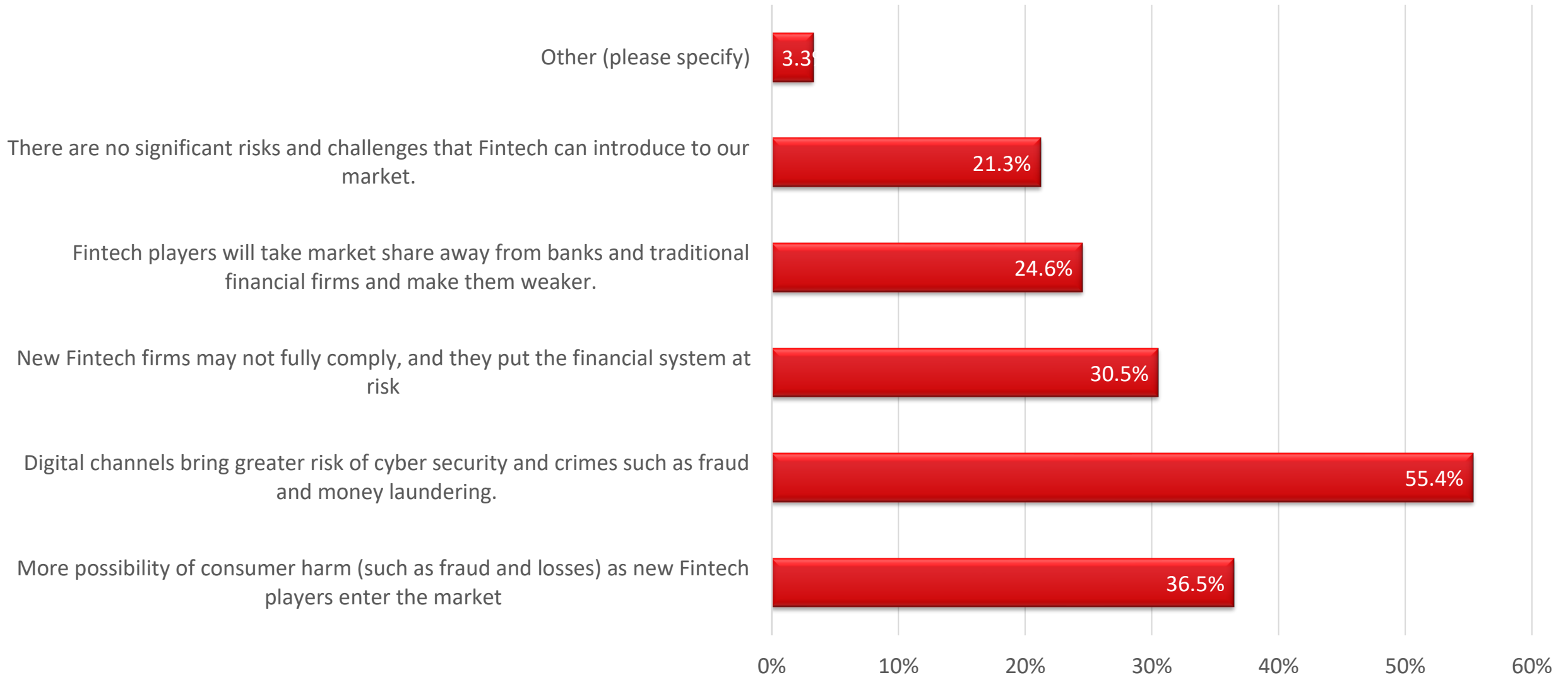
LEGAL & REGULATORY BARRIERS

Which Laws & Regulation present the Biggest Obstacles for Organisations?



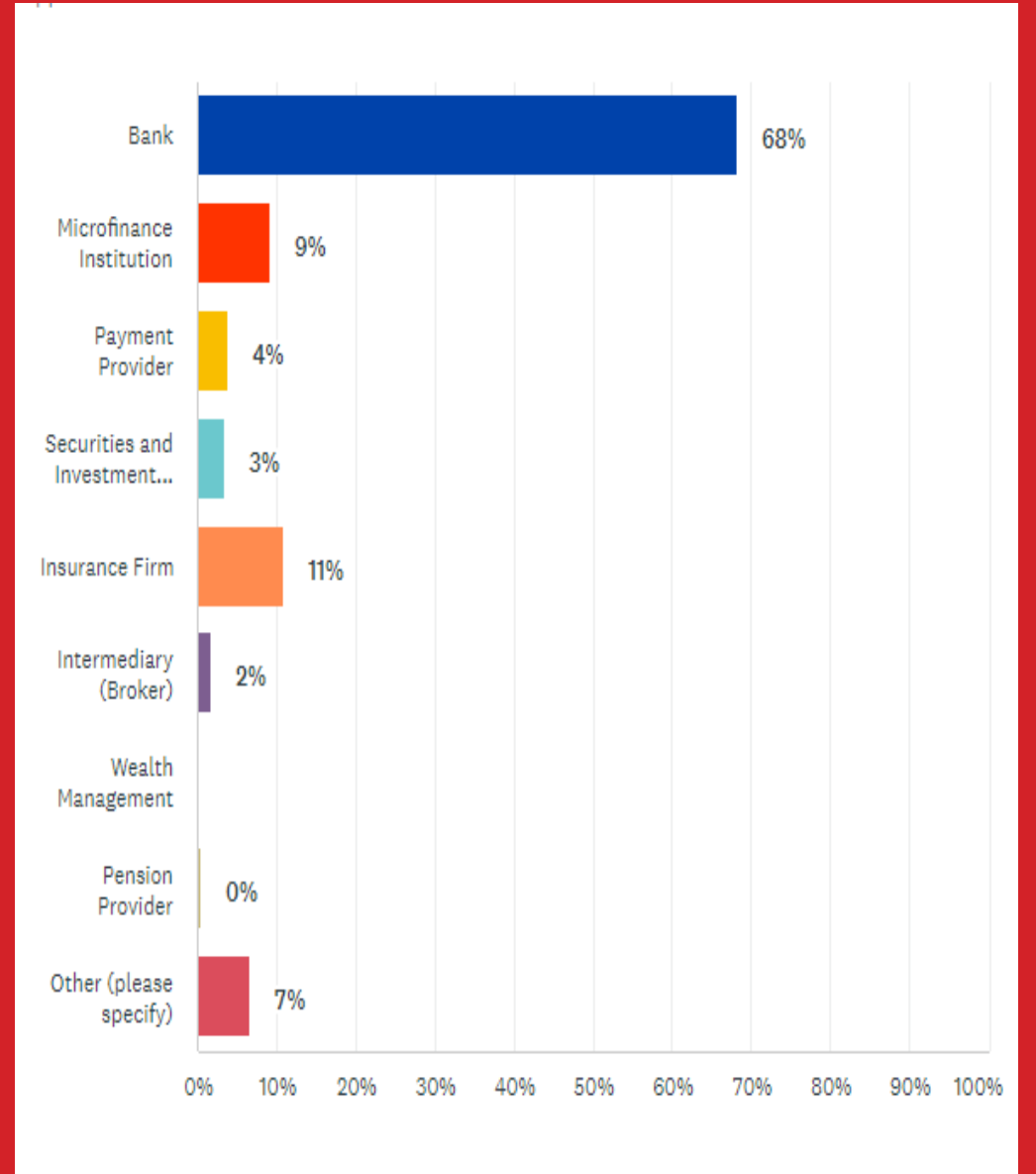
RISKS OF FINTECH

What Risks & Challenges will the Introduction of Fintech bring to Montenegro?



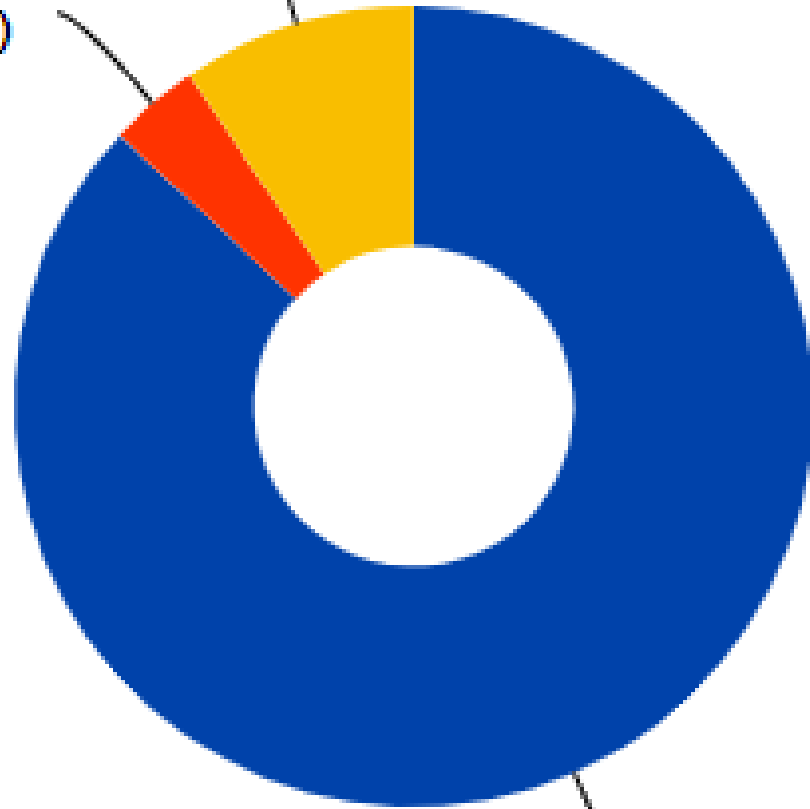
READINESS OF

TRADITIONAL FINANCIAL SERVICES SECTOR



I'm not sure 9% (18)

No 4% (7)



Yes 87% (165)

Has COVID-19 Accelerated the Adoption of Digital Financial Services Channels?

DIGITAL TRANSFORMATION



EFFICIENCIES

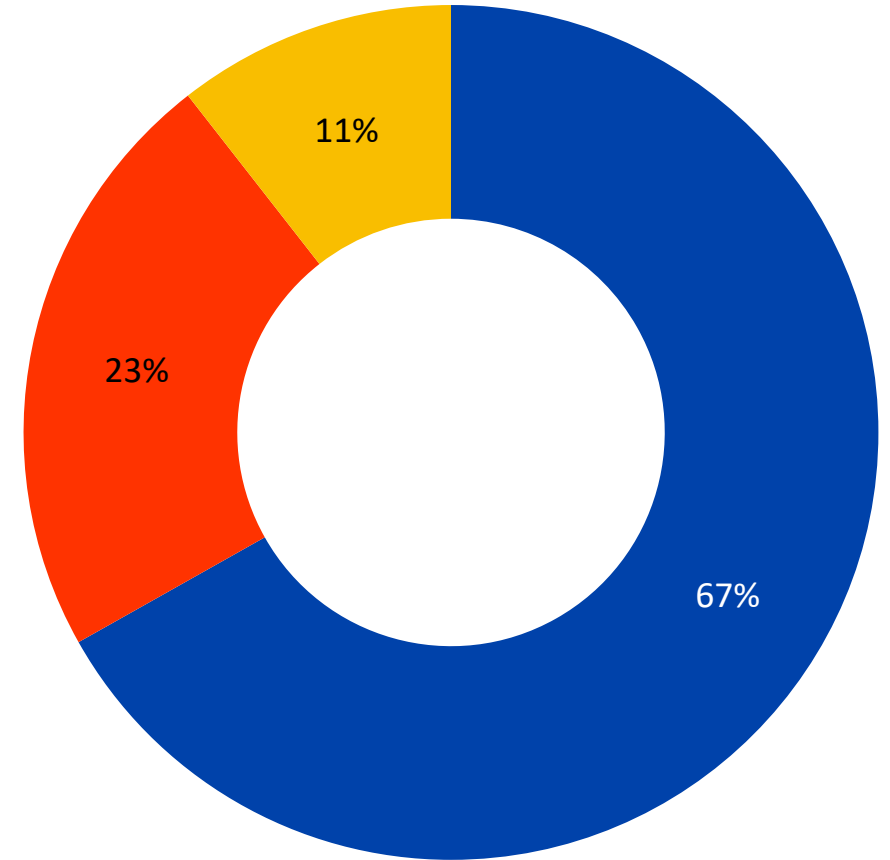
- Operational Efficiencies
- AI & Automation
 - Cloud Computing
 - Digitization
 - Digitization of Processes
- Cost Reduction



MARKET SHARE

- Online & Mobile Banking
- Online Portals
- End to End Digital Customer Journey
- E-Wallet Solutions & Digital Payments

Is your organisation currently implementing any digital transformation initiatives?



■ Yes ■ No ■ I'm not sure

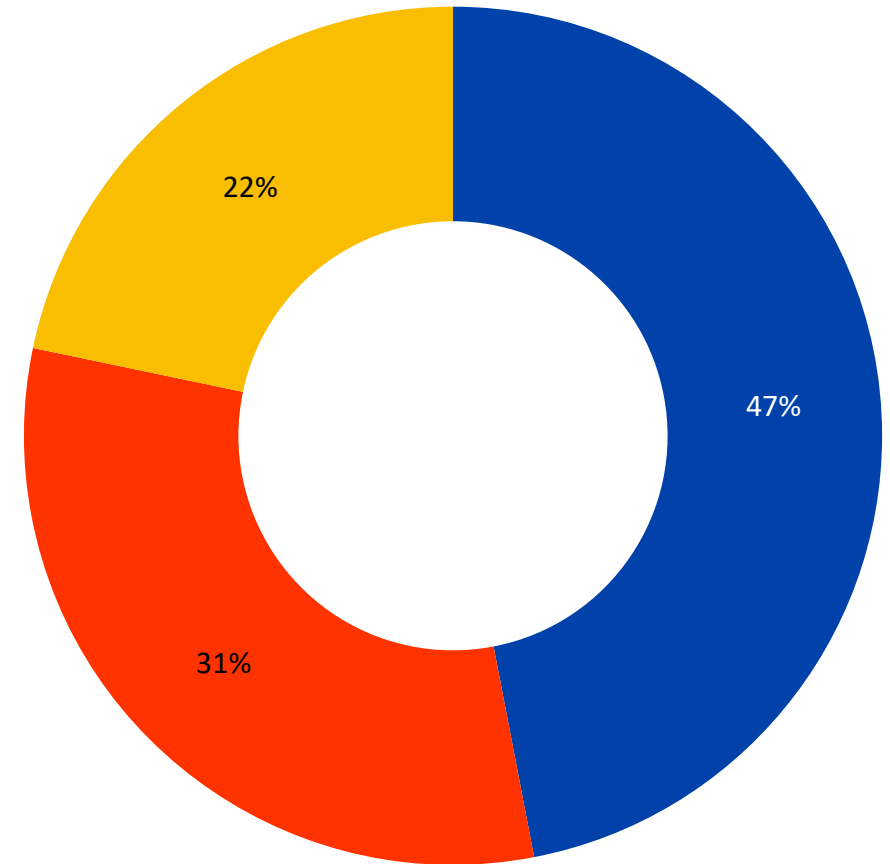
FINTECH PRODUCTS

At Incumbents

EXAMPLES

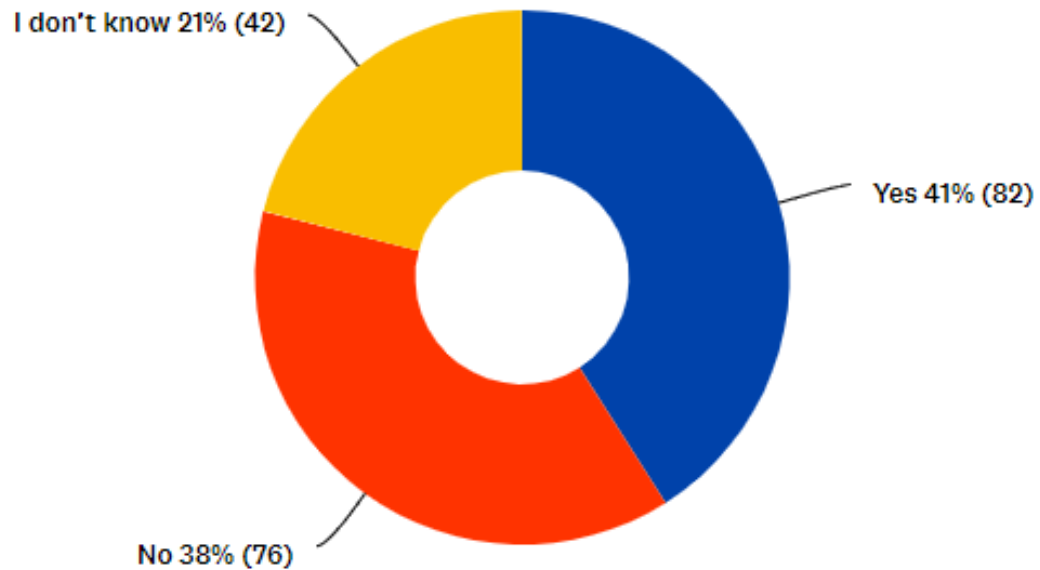
- Digital Payments & E-Wallets
- Digital Credit Scoring & Lending
- Digital Distribution Channels in Partnership of Telecomms. Provider
- Online Insurance Portal

Is your organisation currently developing and Digital or Fintech Products or Services?

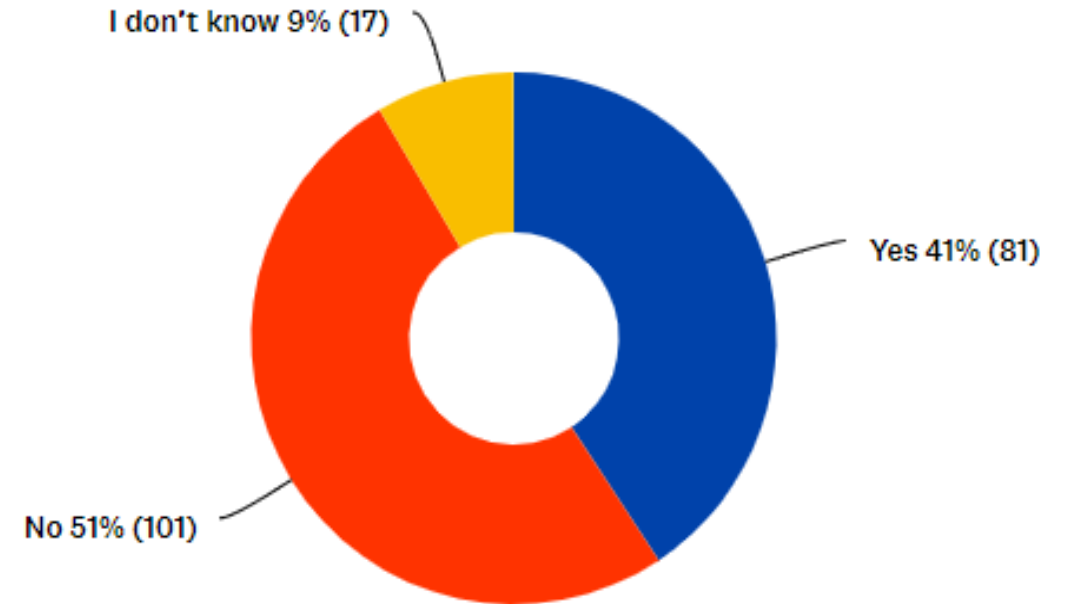


■ Yes ■ No ■ I'm not sure

Does your organisation have a written Digital Transformation Strategy?



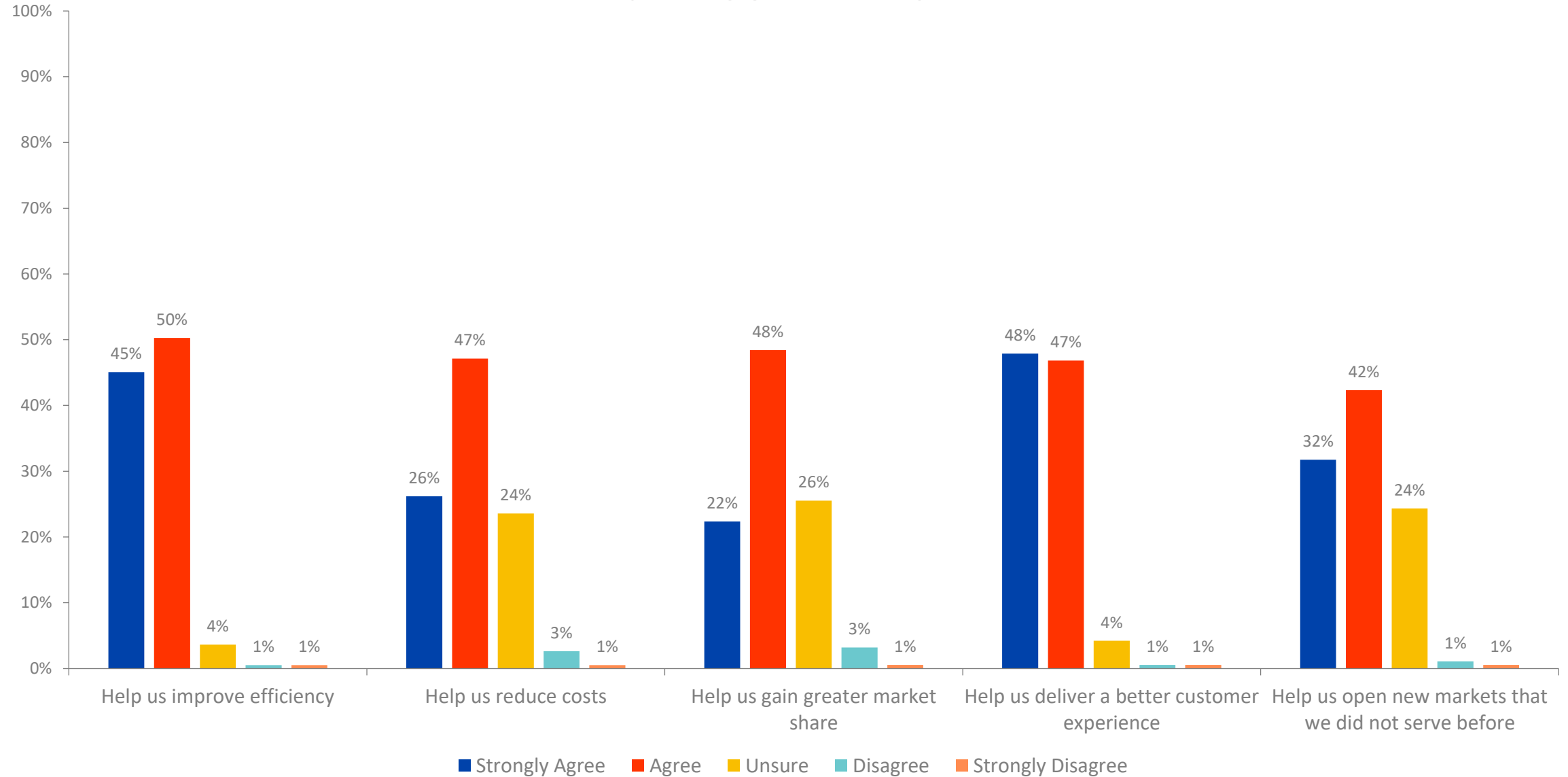
Does your organisation have a Digital Transformation Department or a Responsible Senior Officer for DT?



DEDICATED DT INFRASTRUCTURE

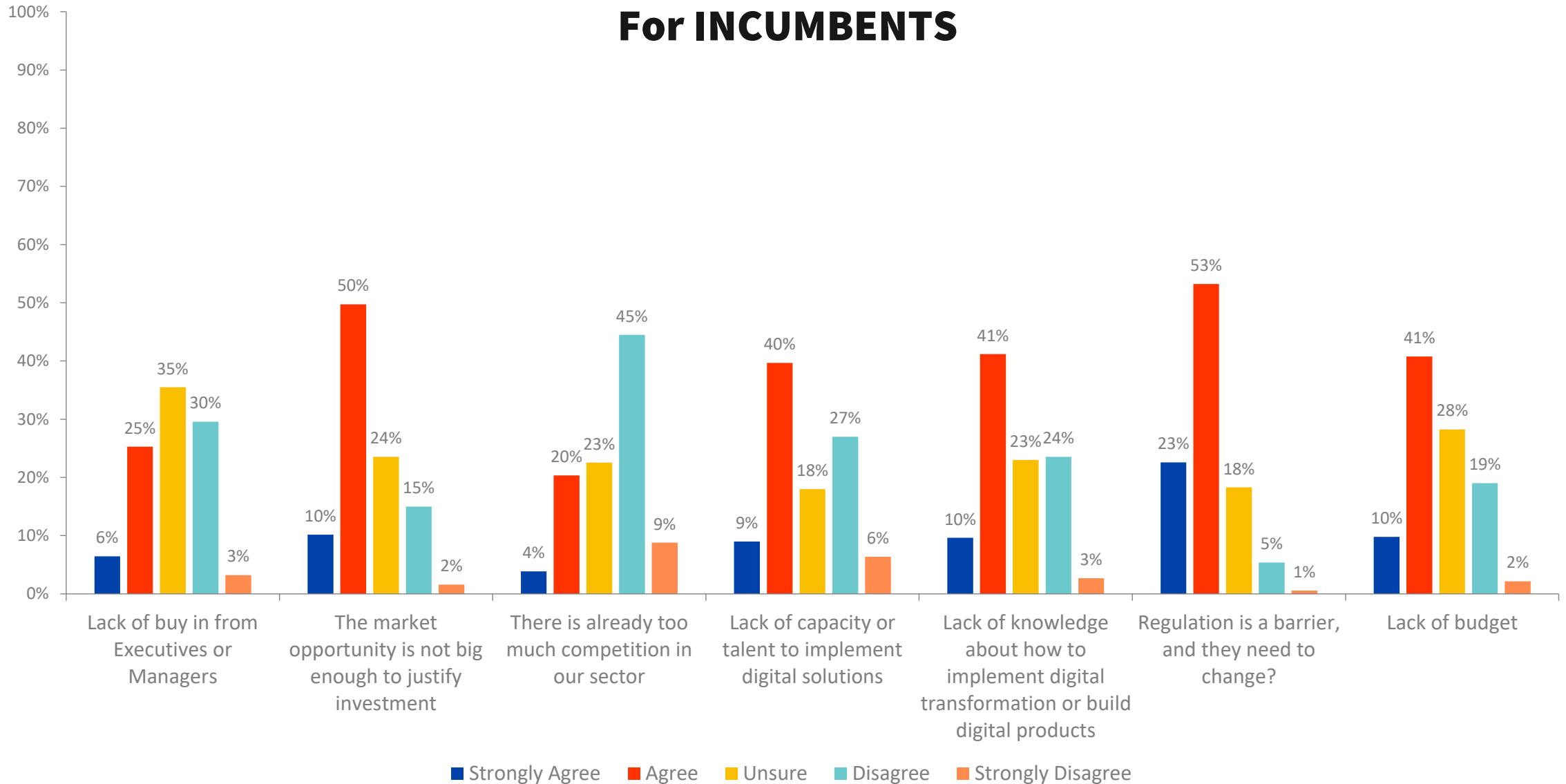
BENEFITS OF DIGITAL TRANSFORMATION

For INCUMBENTS

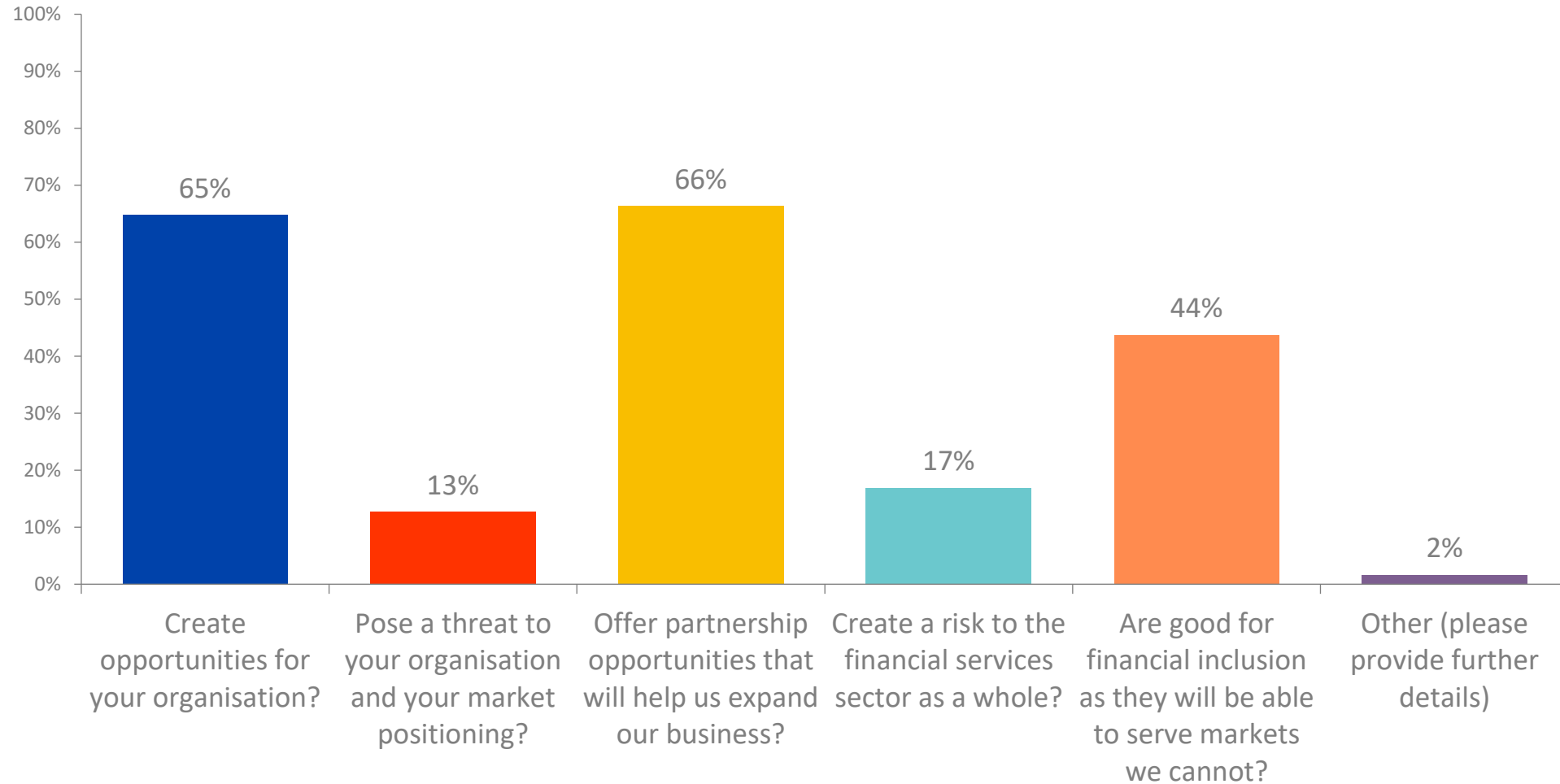


CHALLENGES OF DIGITAL TRANSFORMATION

For INCUMBENTS

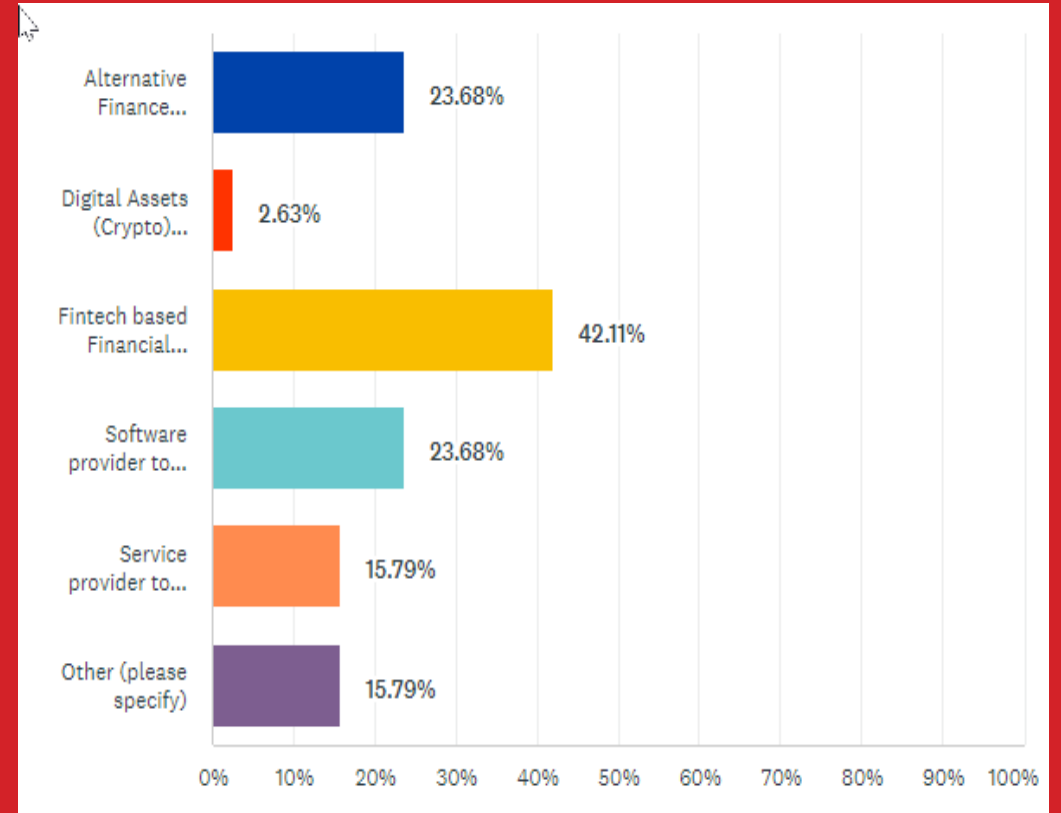


Do you believe that new Fintech start-ups and growth businesses:

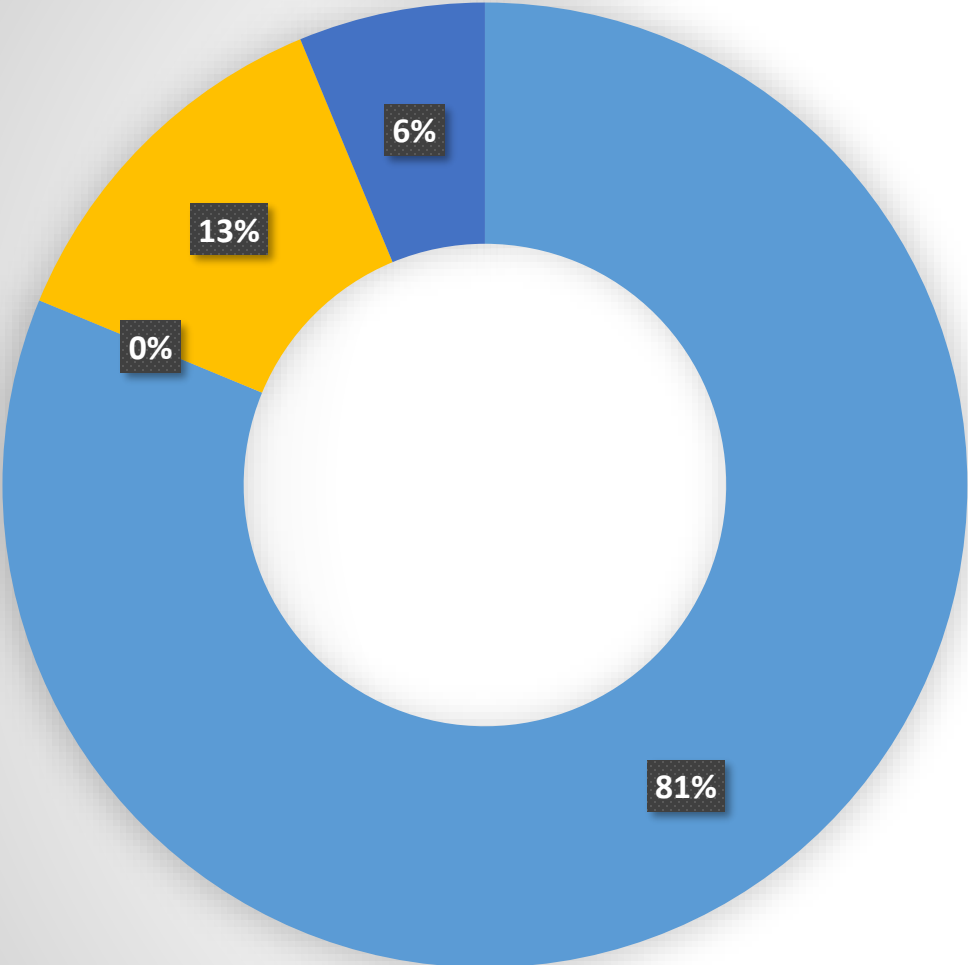


READINESS OF

FINTECH & ALTFI SECTORS



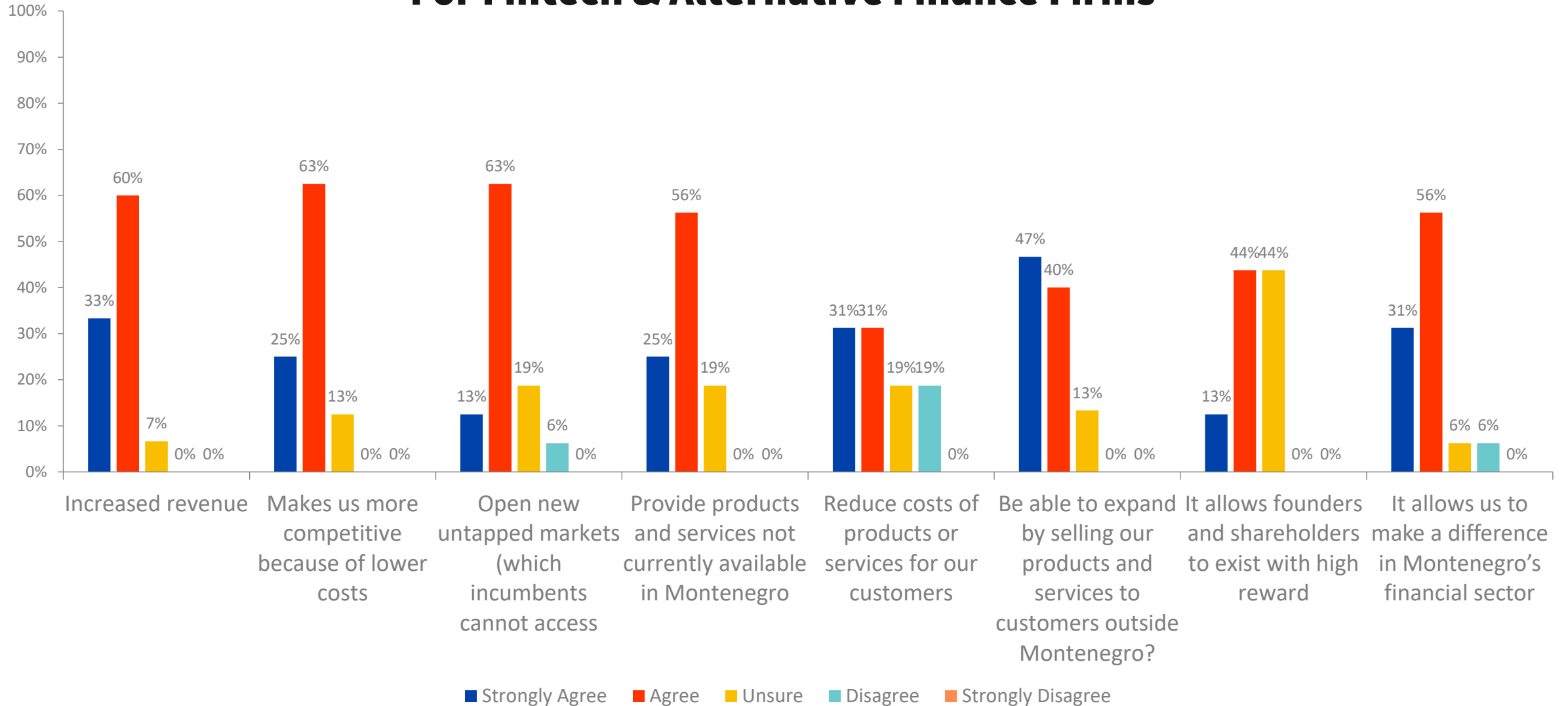
Do you believe there is a market demand for Fintech products and services in Montenegro?



- Yes there is a demand
- No – businesses and individuals prefer dealing with traditional players
- No - businesses and individual prefer using cash
- I do not know
- Other (please specify)

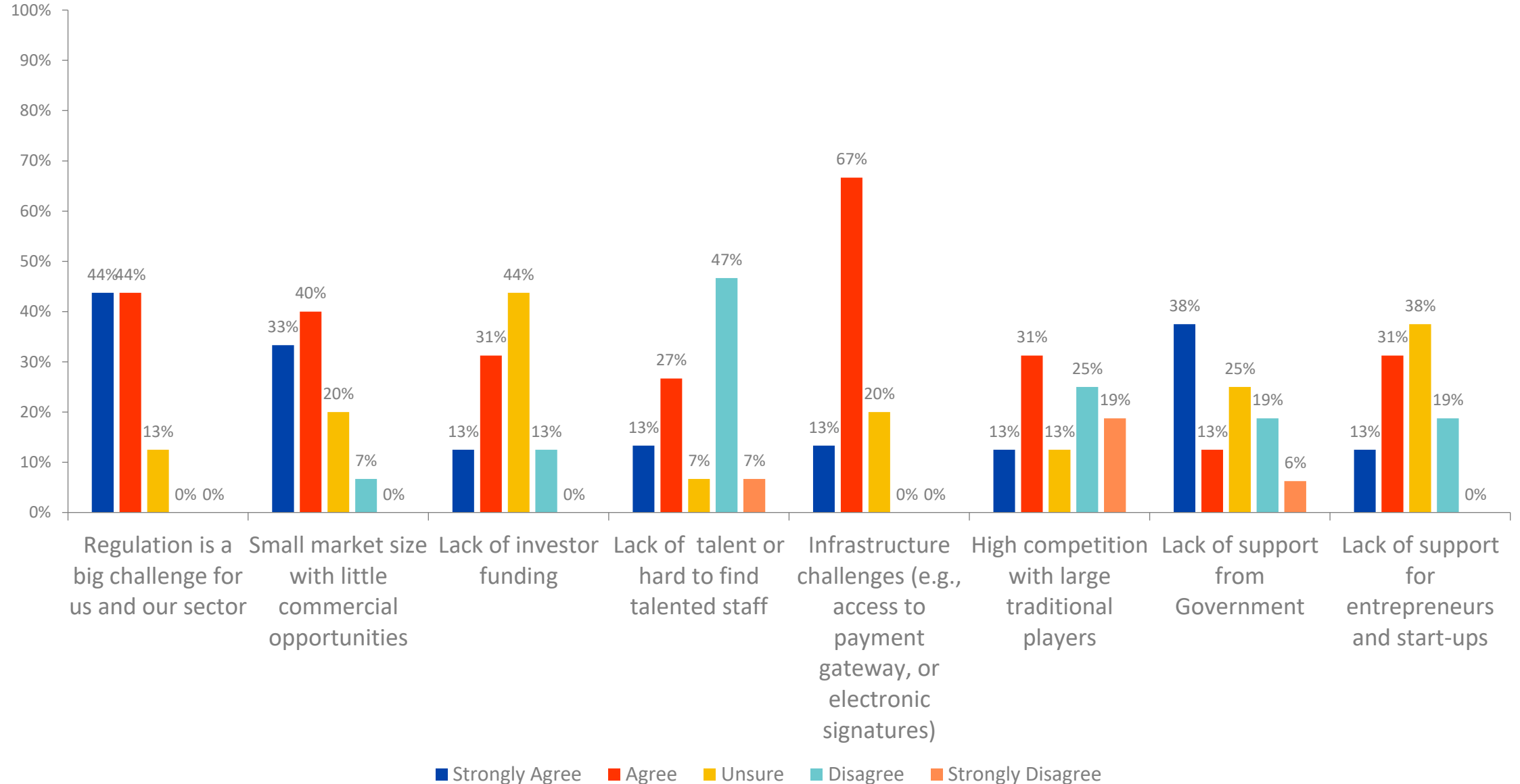
BENEFITS OF FINTECH

For Fintech & Alternative Finance Firms



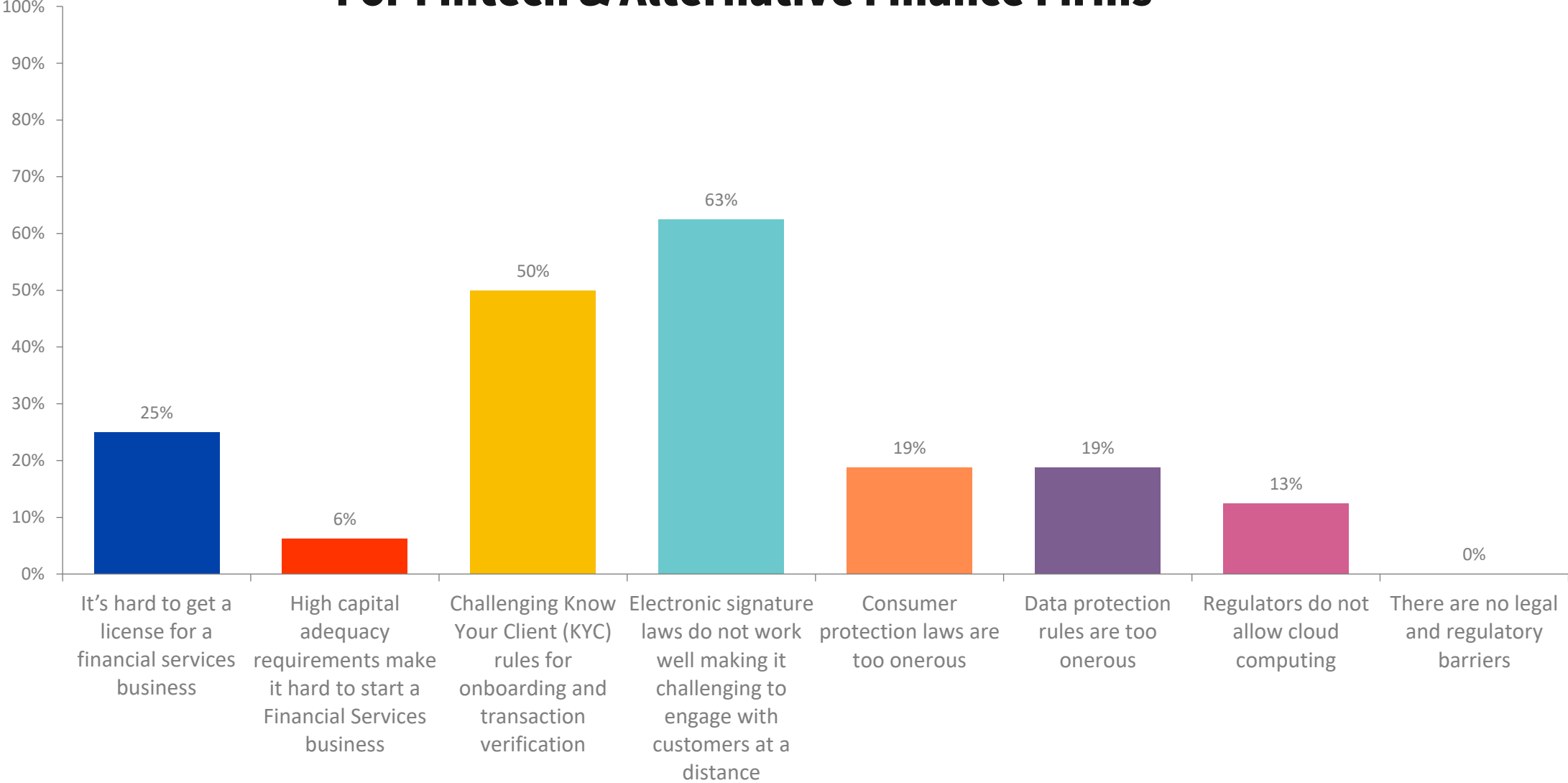
CHALLENGES OF FINTECH

For Fintech & Alternative Finance Firms

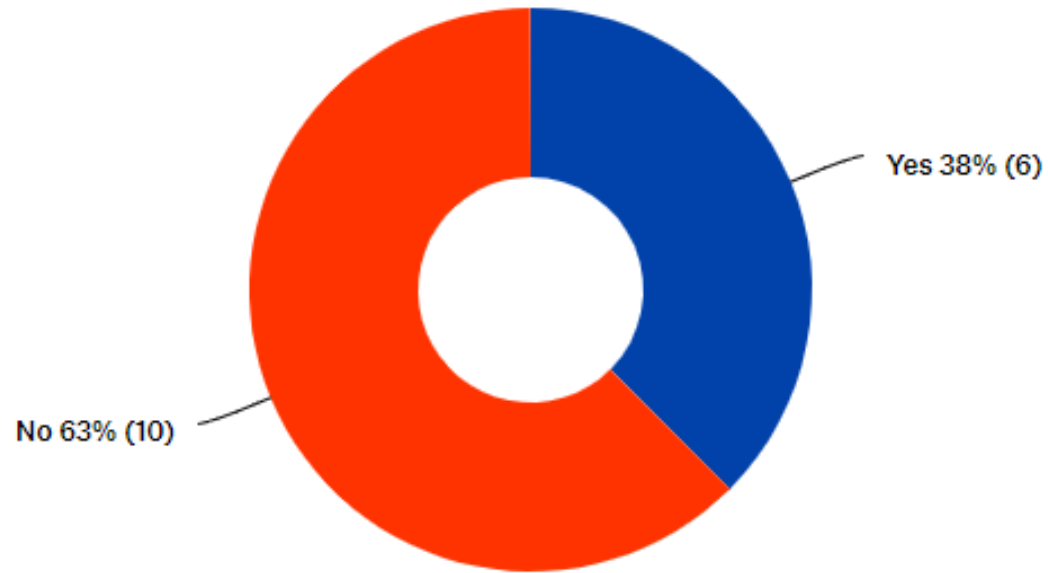


LEGAL & REGULATORY BARRIERS

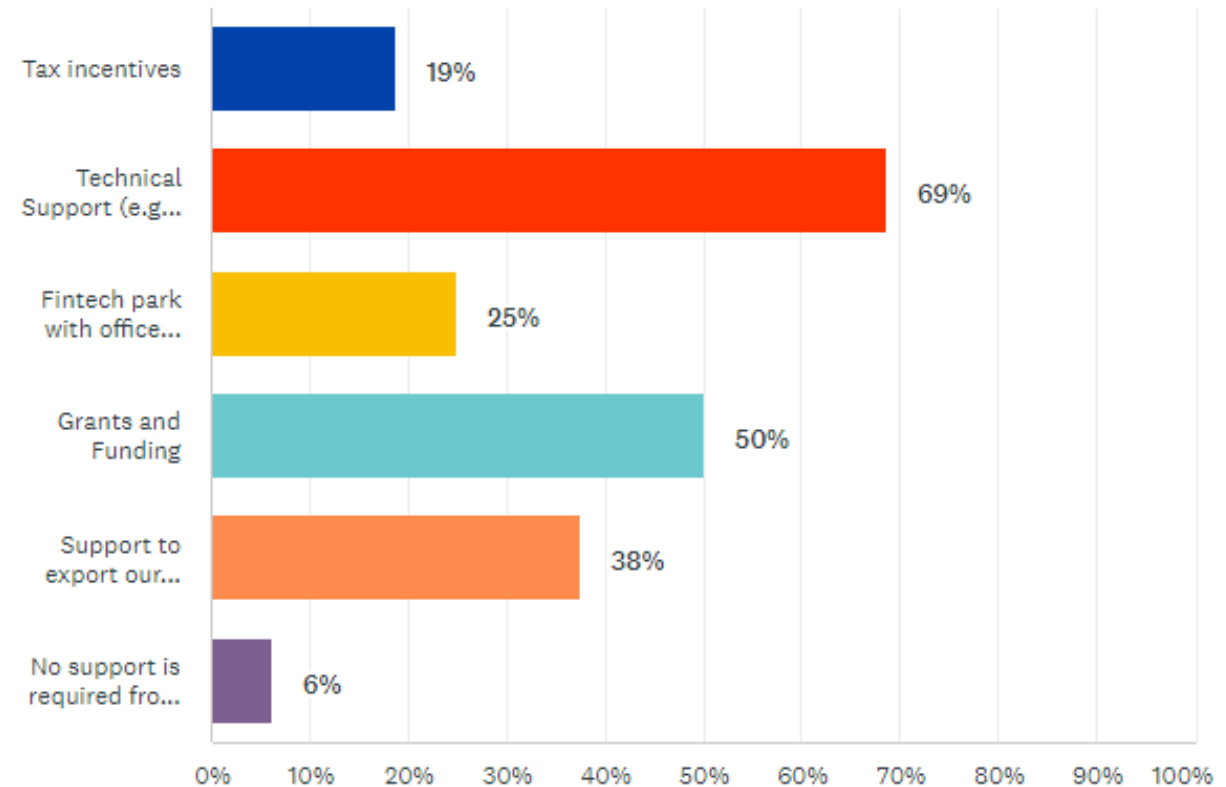
For Fintech & Alternative Finance Firms



Do you know what types of Government support is available for entrepreneurs in Montenegro?



What specific support would you like from Government to help you build and grow a Fintech venture?



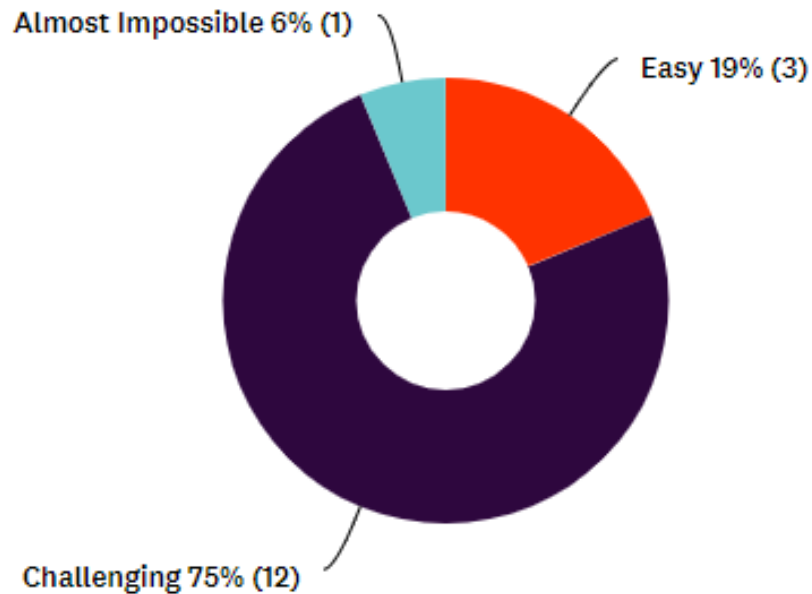
GOVERNMENT SUPPORT

For Fintech ENTREPRENEURS

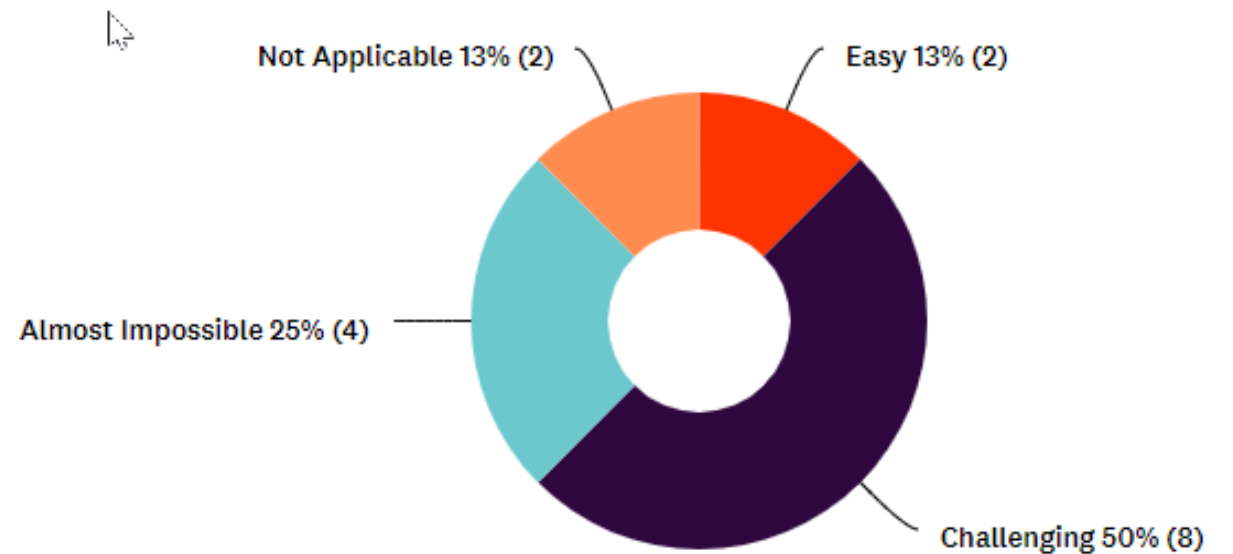
PARTNERING & FUNDING CHALLENGES

For Fintech & Alternative Finance Firms

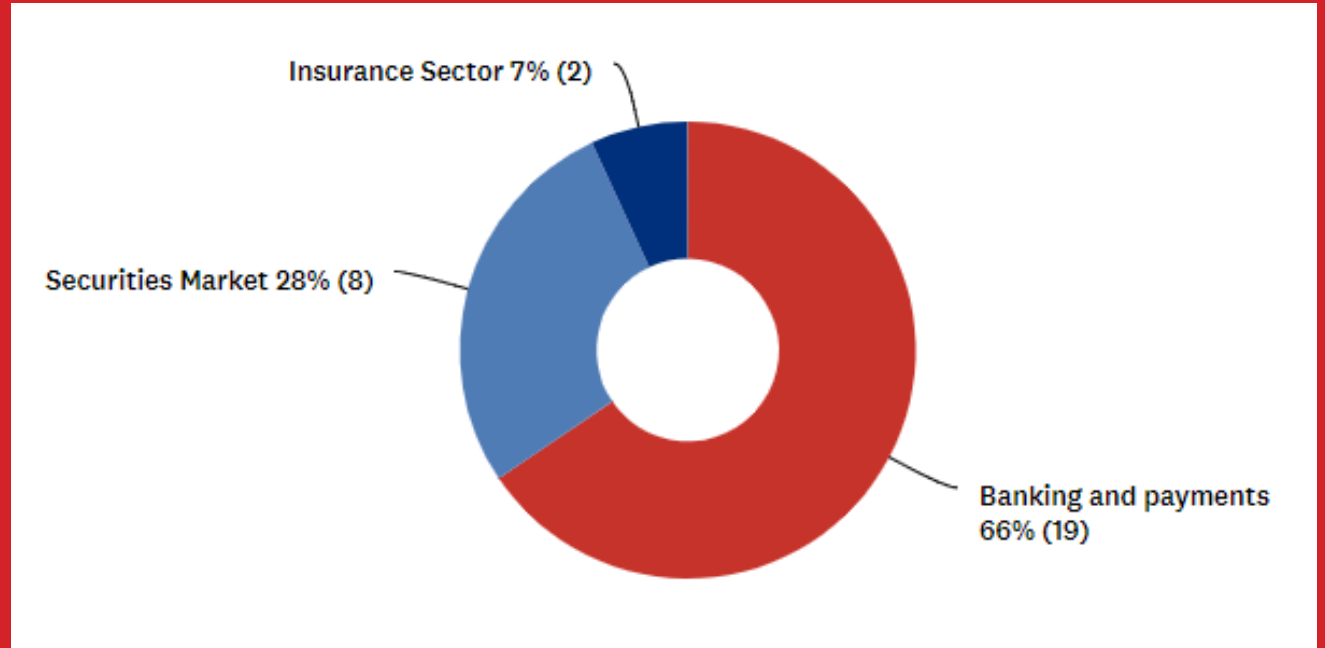
How easy or difficult is it to partner with an incumbent firm (like a bank or insurer)?



How easy or difficult is it to get finance (or funding) for your venture in Montenegro?

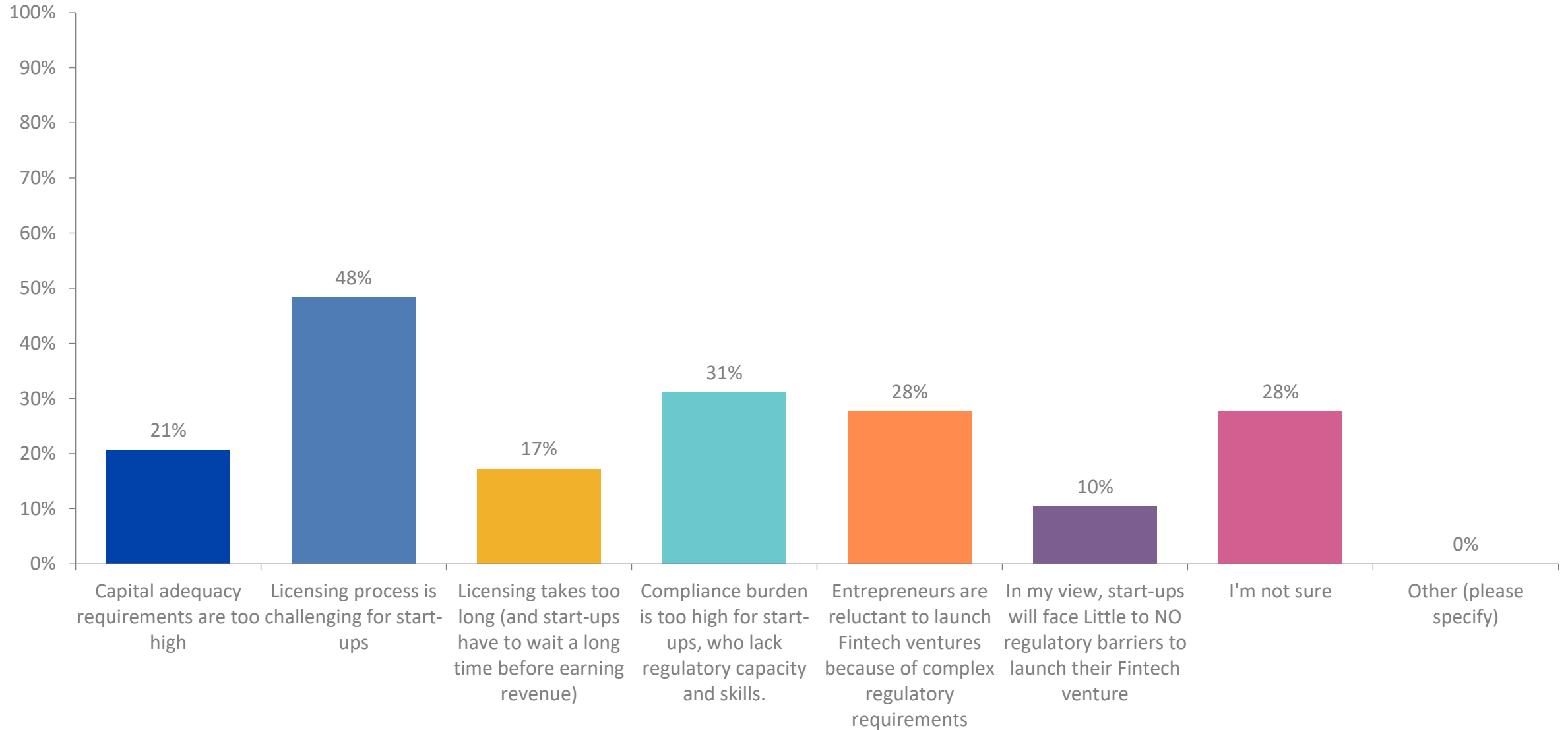


READINESS OF



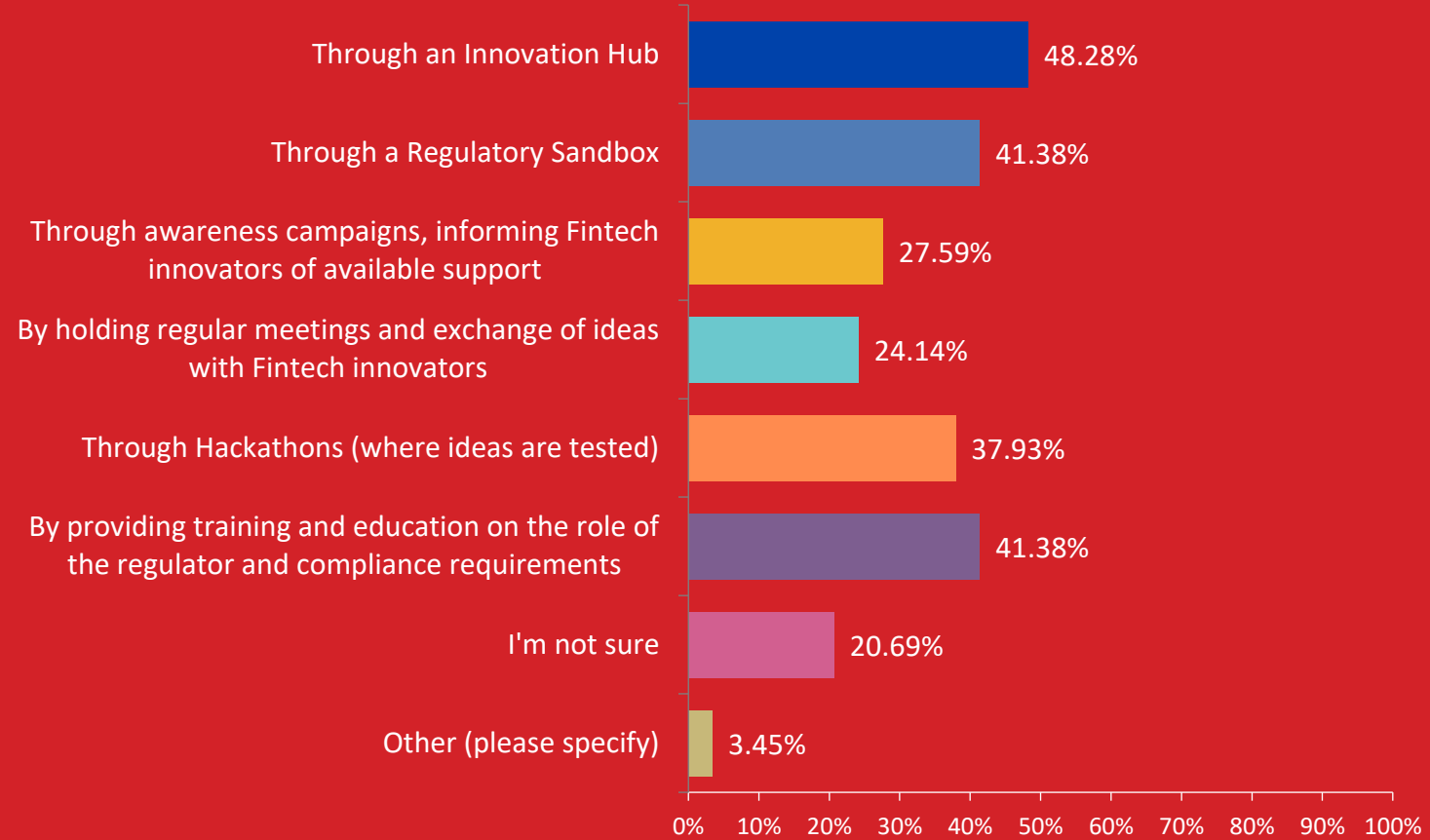
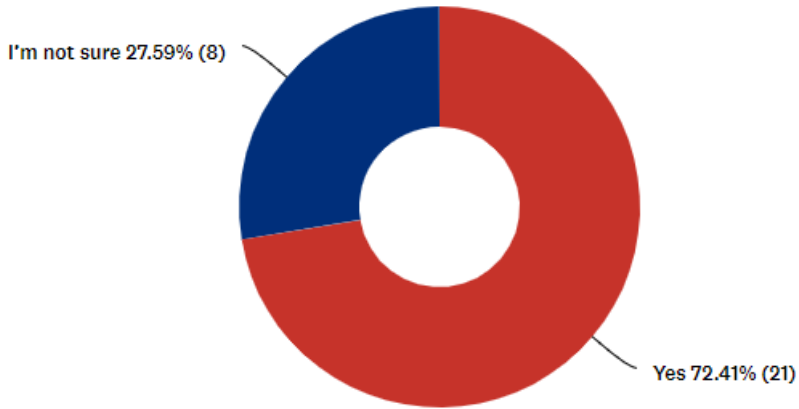
FINANCIAL SERVICES REGULATORS

REGULATORY BARRIERS FOR FINTECH NEWCOMERS

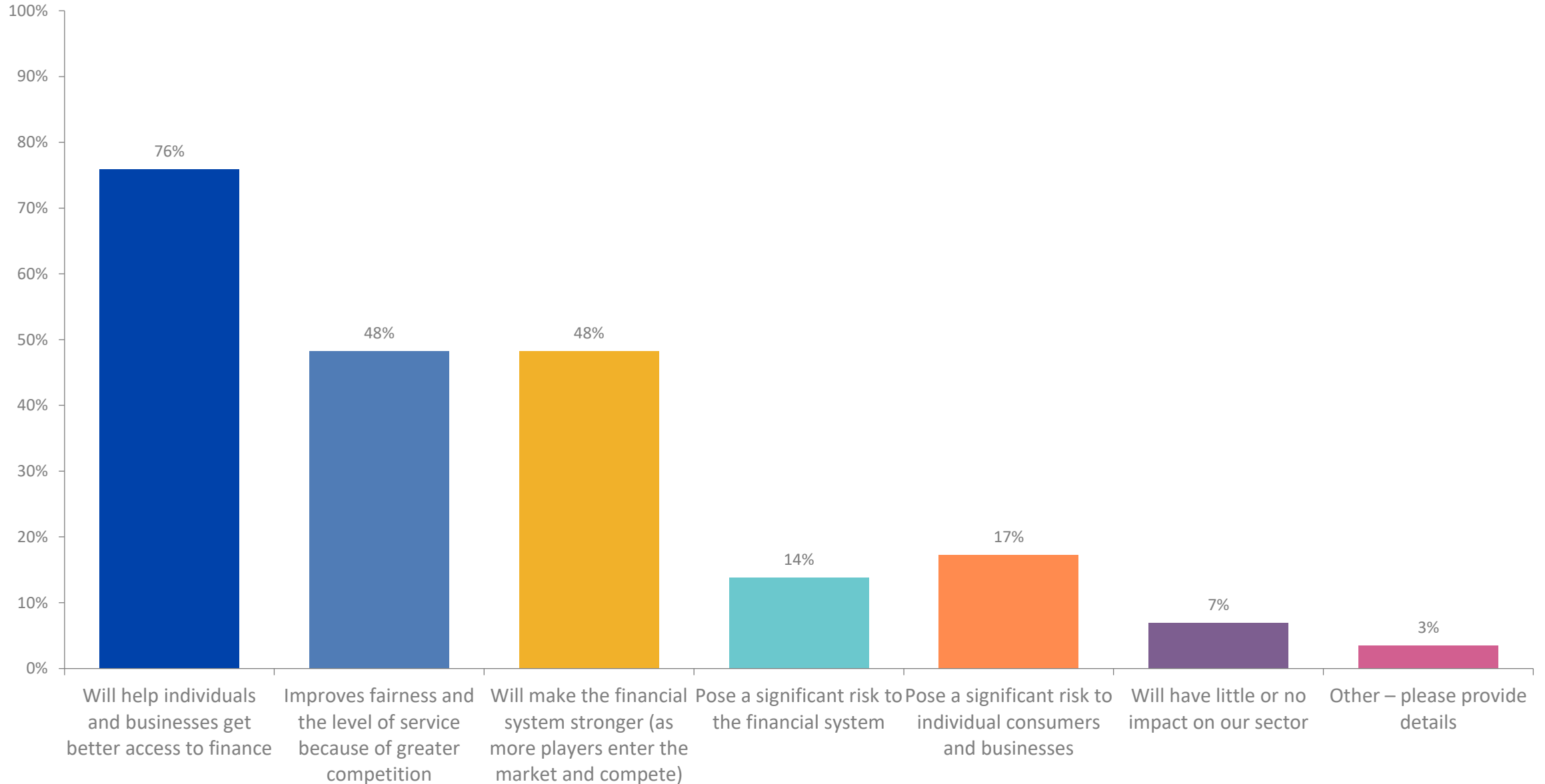


REGULATORY SUPPORT FOR FINTECH

Do you believe that regulators should support the entry of Fintech newcomers to your sector?

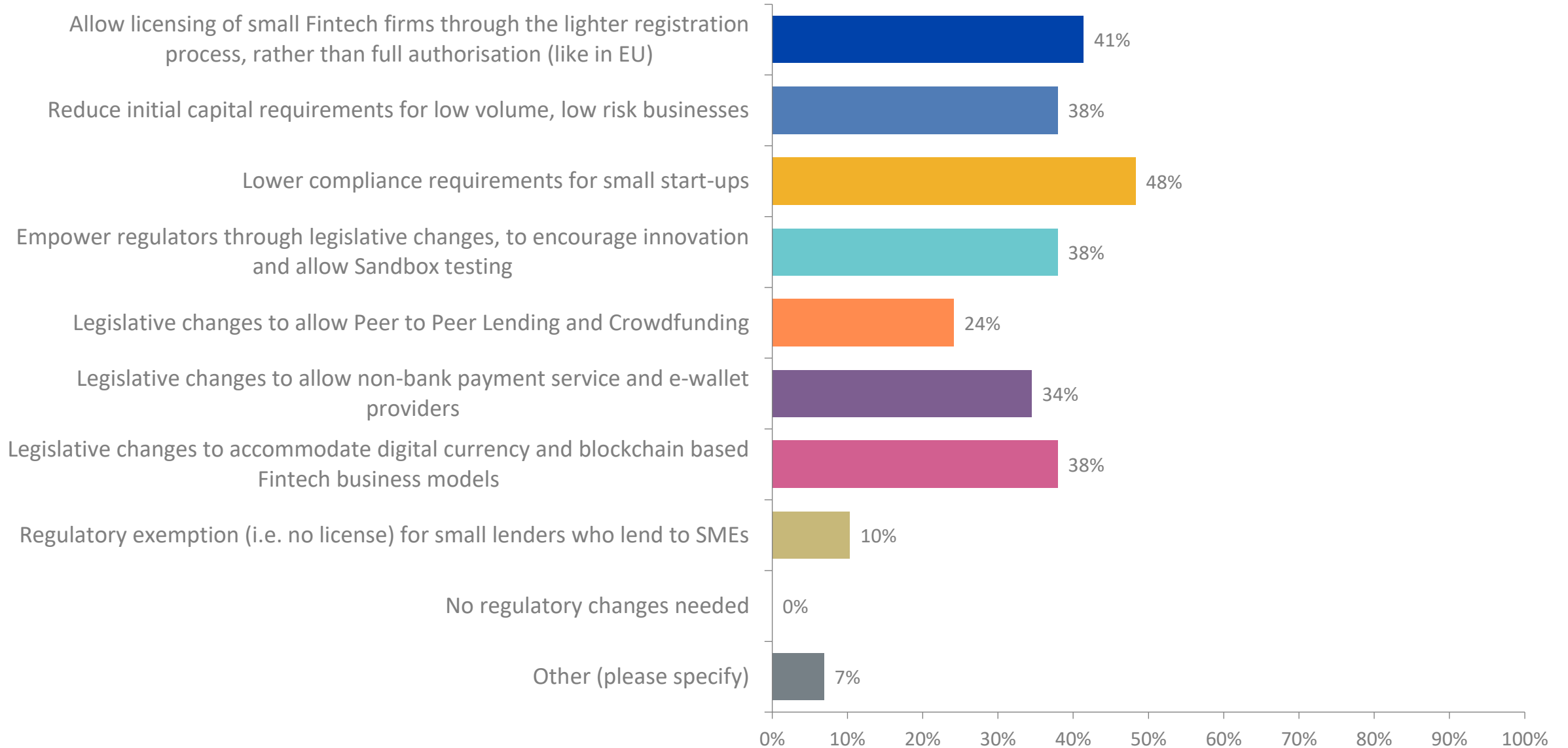


REASON FOR SUPPORTING FINTECH



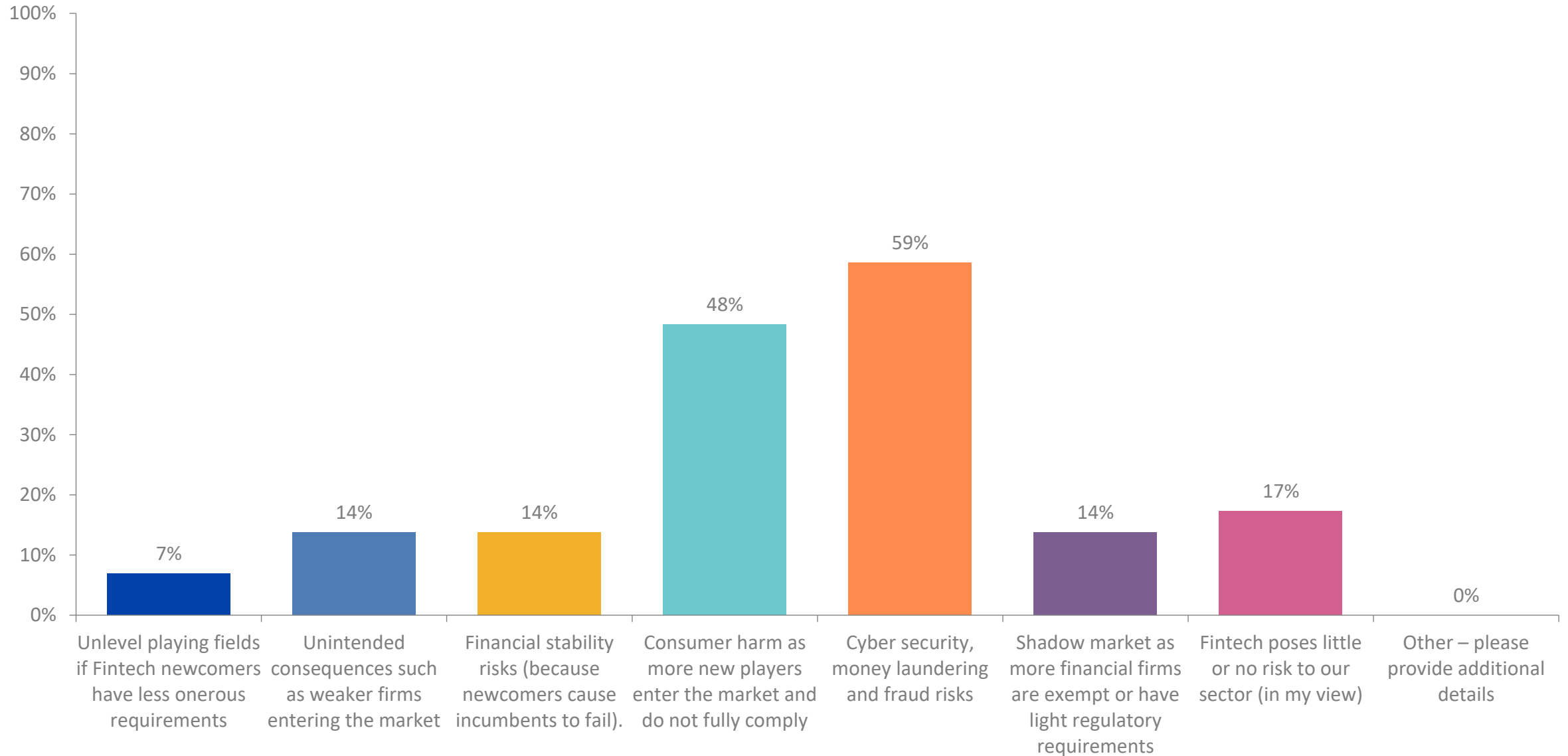
REGULATORY MEANS

For Supporting Fintechs

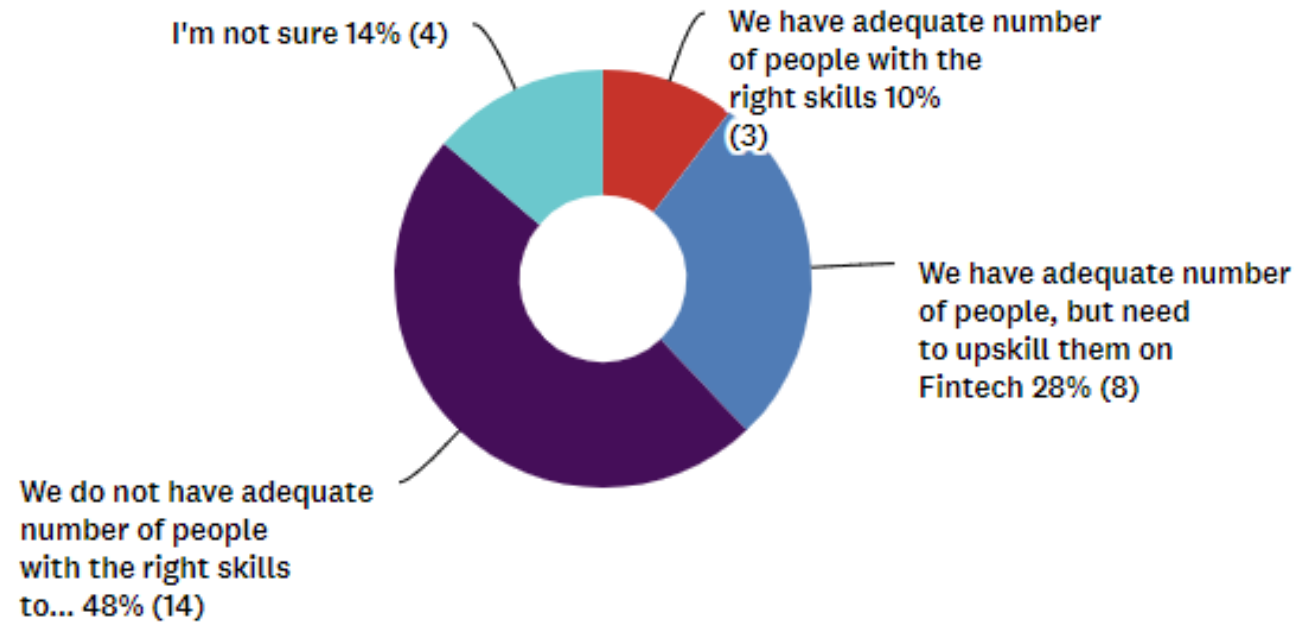


PERCEIVED RISKS POSED BY FINTECH

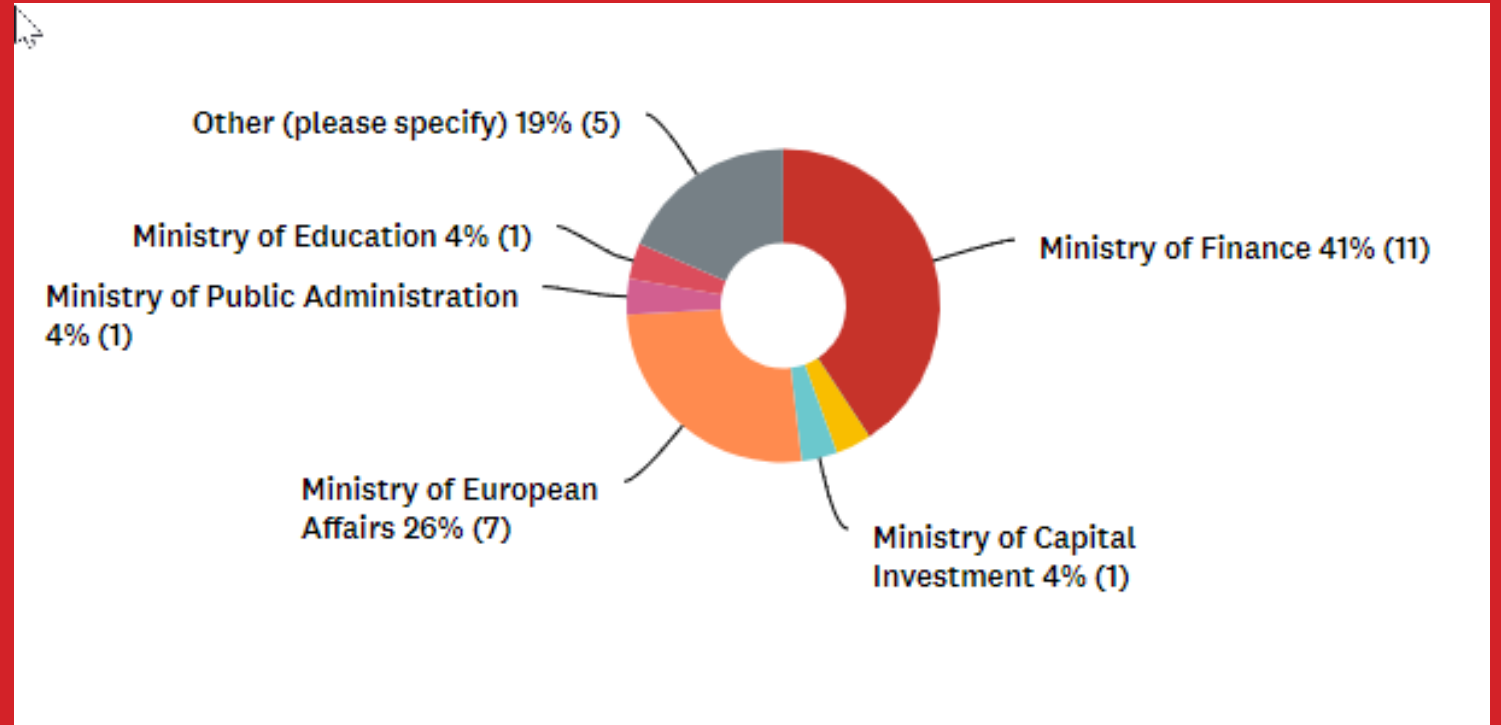
From a Regulatory Perspective



REGULATORY CAPACITY CONSTRAINTS

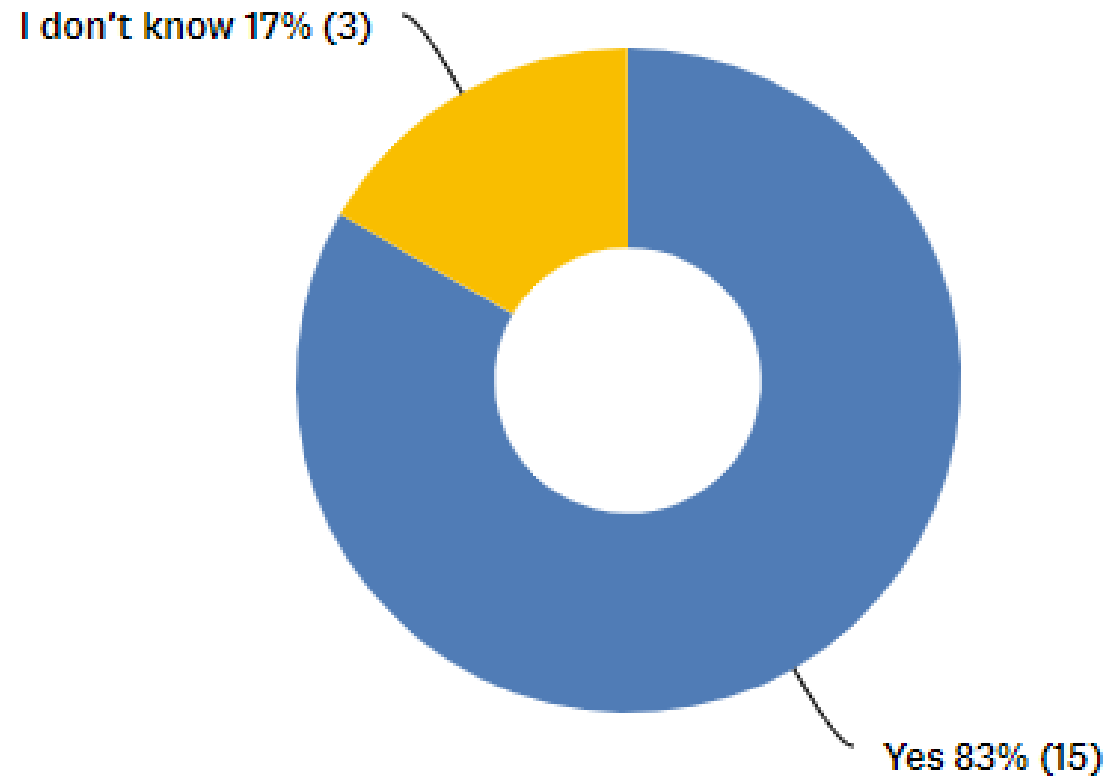


READINESS OF

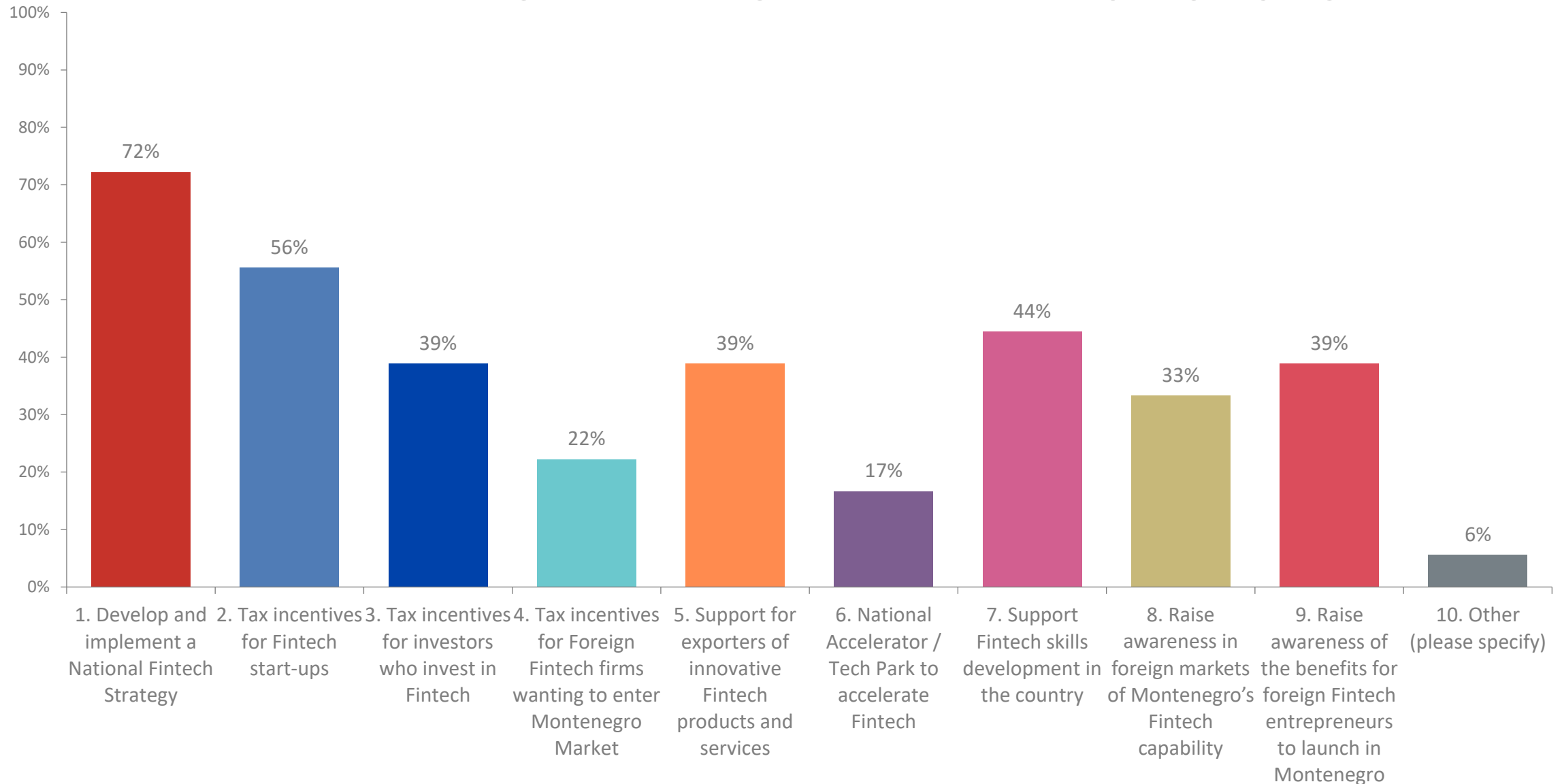


GOVERNMENT MINISTRIES

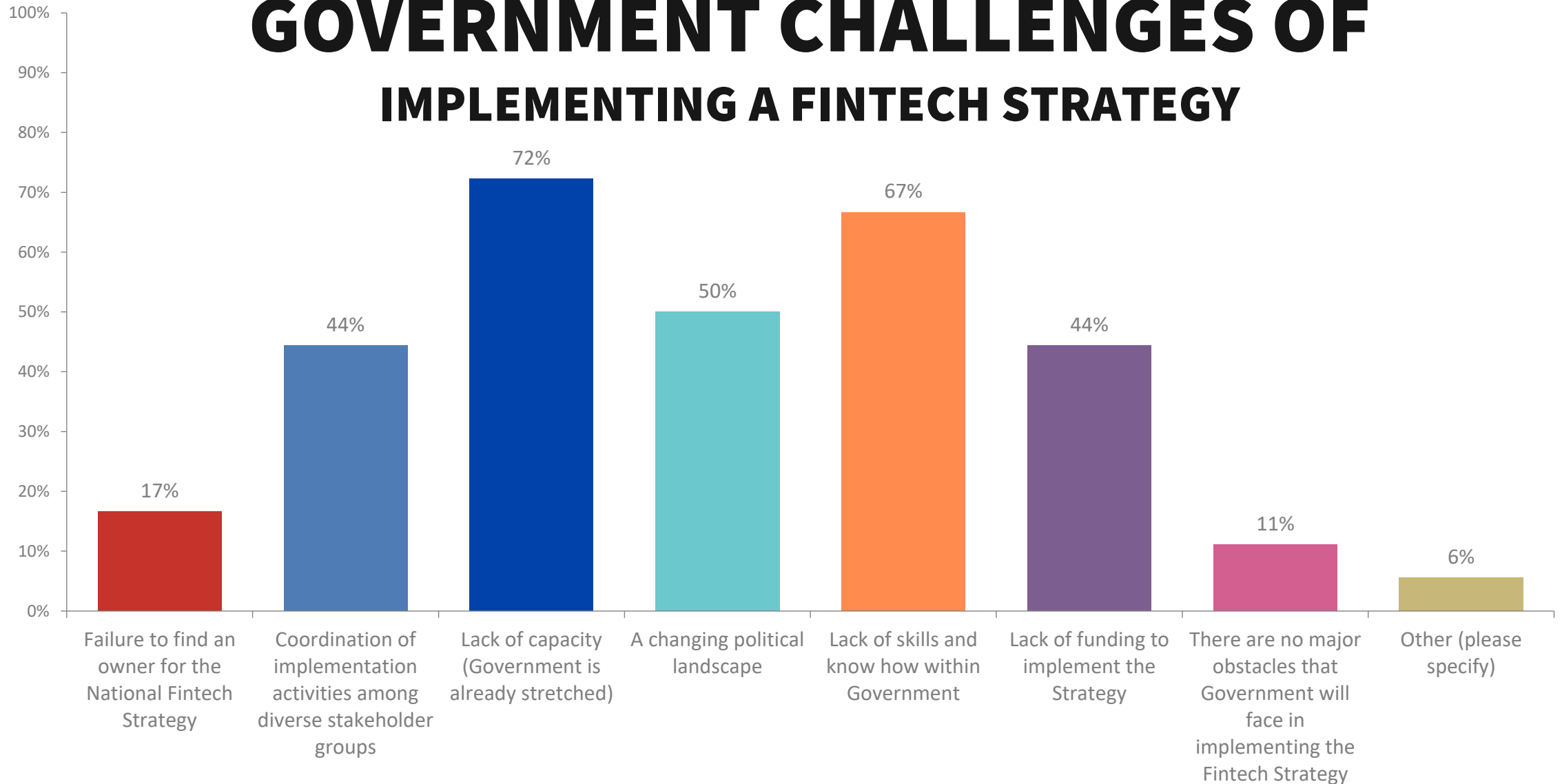
SHOULD GOVERNMENT SUPPORT THE DEVELOPMENT OF FINTECH?



HOW GOVERNMENT CAN SUPPORT THE DEVELOPMENT OF THE FINTECH SECTOR

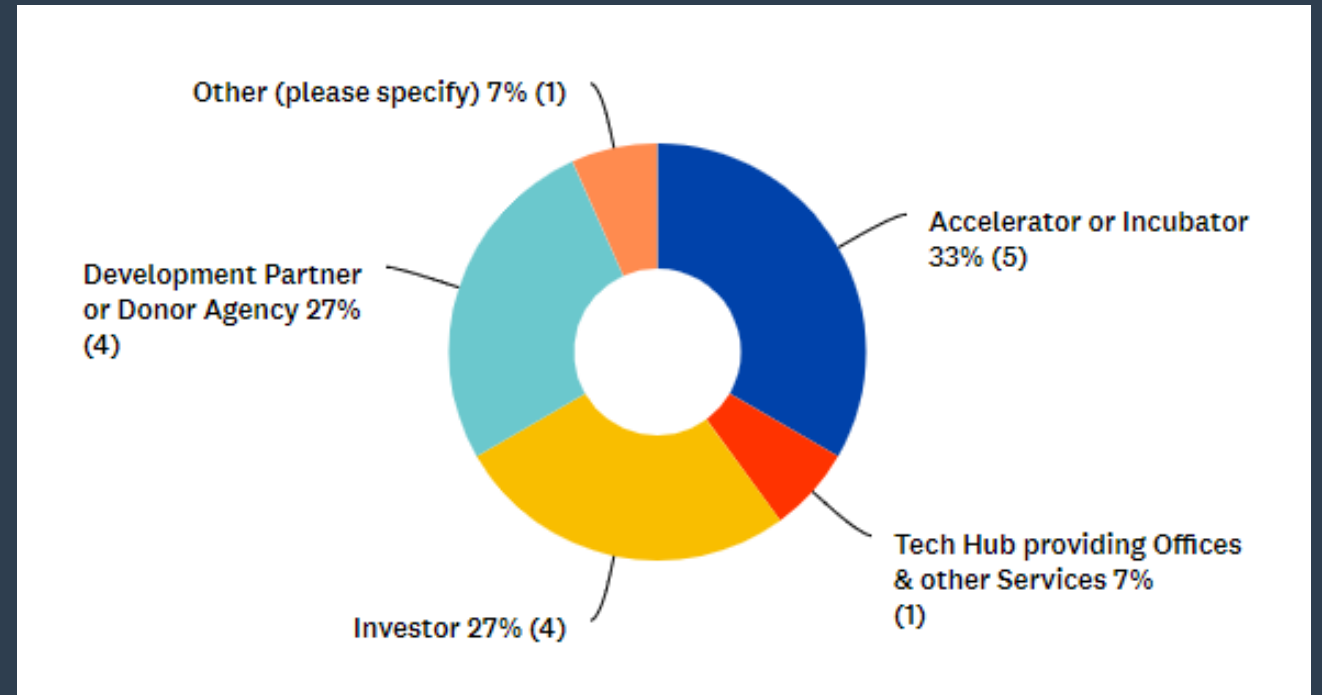


GOVERNMENT CHALLENGES OF IMPLEMENTING A FINTECH STRATEGY



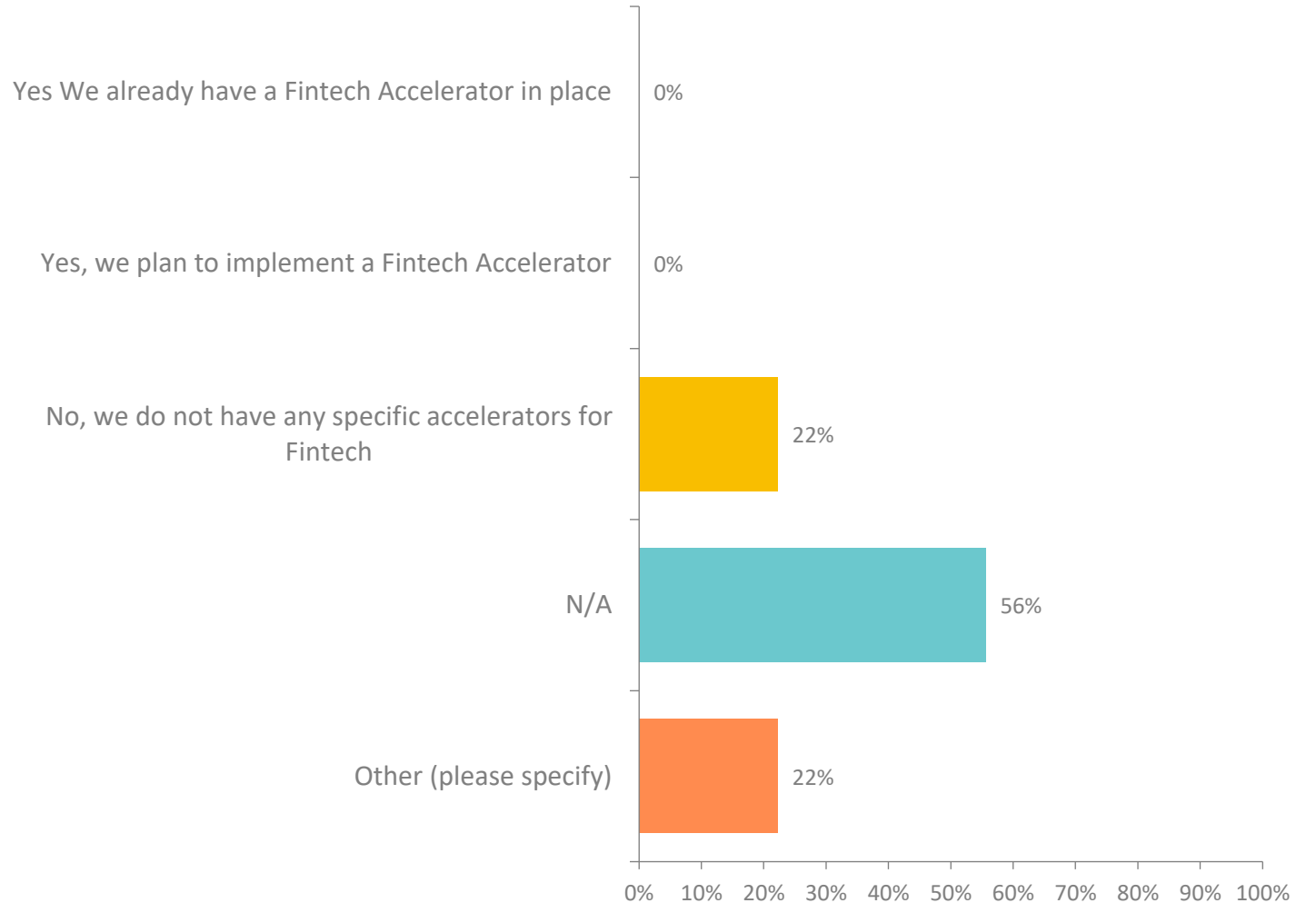
VIEWS OF

ENTREPRENEURIAL ECOSYSTEM

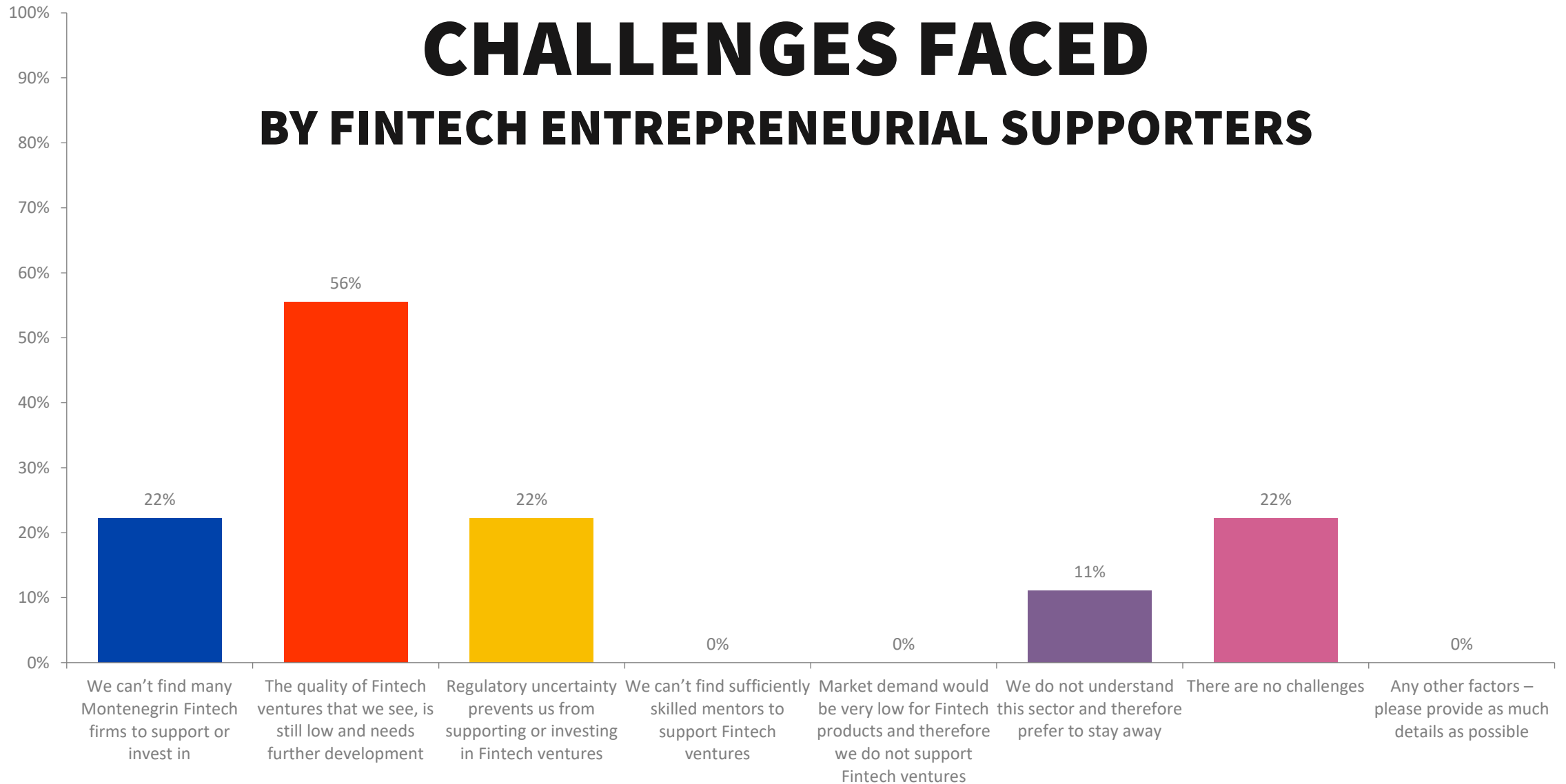


DEDICATED FINTECH ACCELERATOR

Does your firm already have in place (or plan to establish) a Fintech Accelerator?

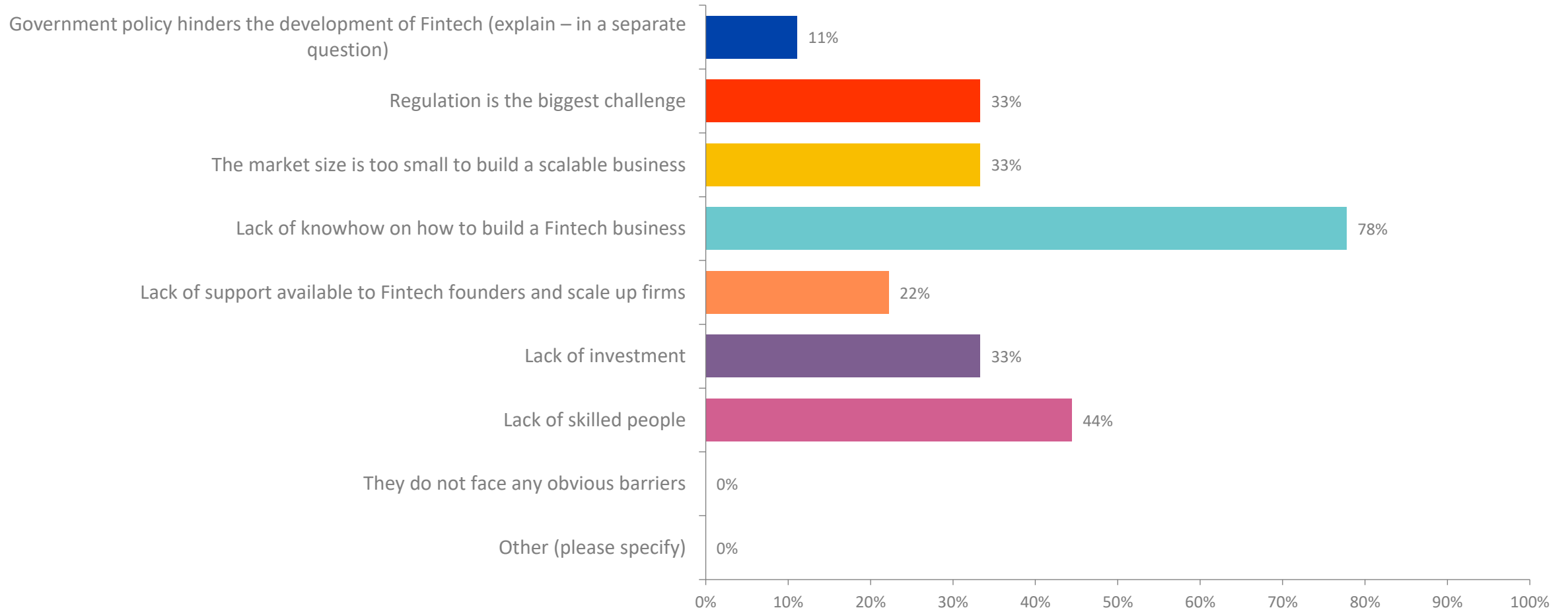


CHALLENGES FACED BY FINTECH ENTREPRENEURIAL SUPPORTERS



BARRIERS FACED BY FINTECHS

ACCORDING TO ENTREPRENEURIAL SUPPORTERS



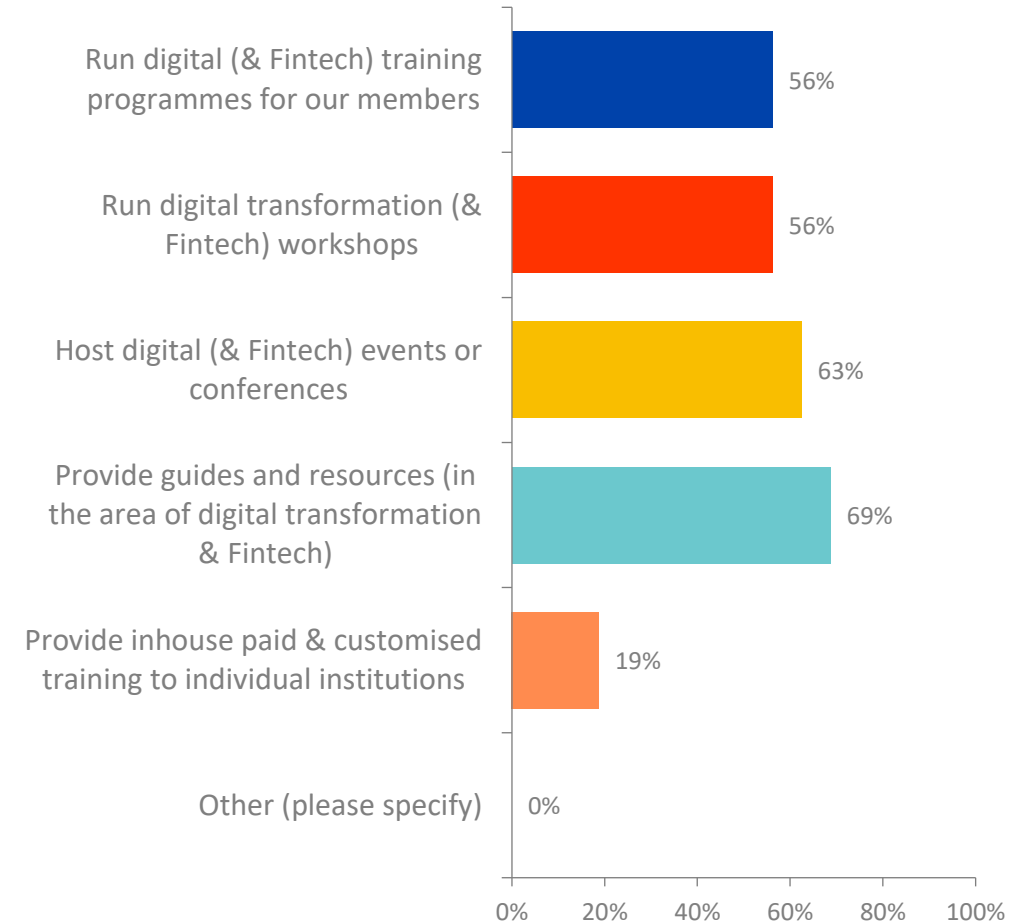
LANDSCAPING

**FINTECH
SKILLS & CAPACITY BUILDING**

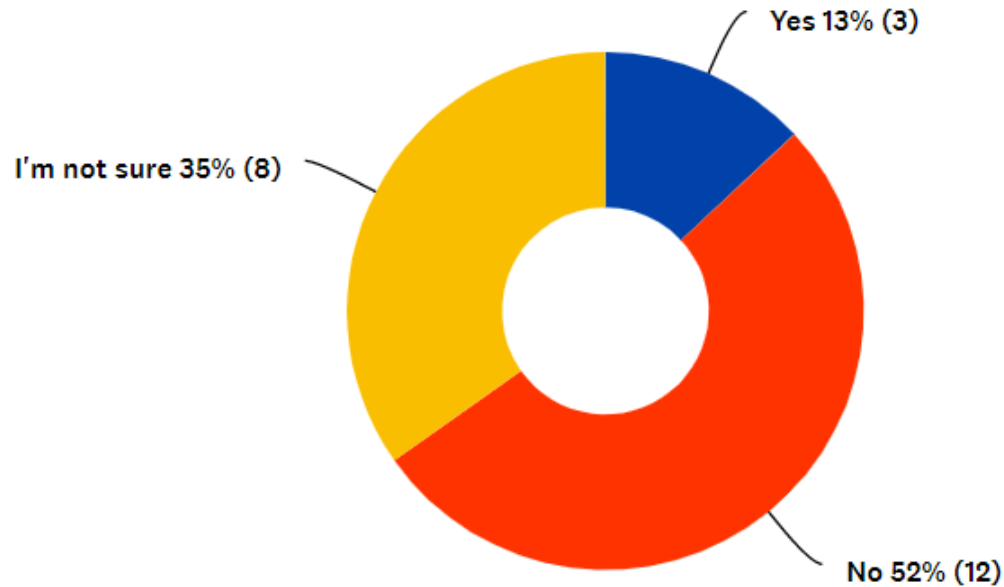
Do you believe **Associations** have a role to play in building digital skills?



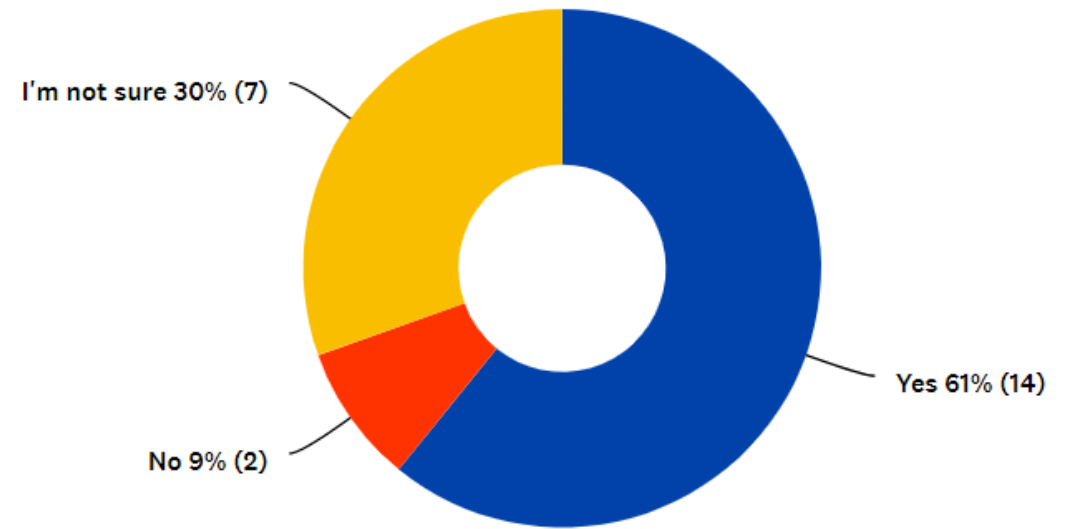
How can **Associations** play a role in developing digital skills within your member firms?



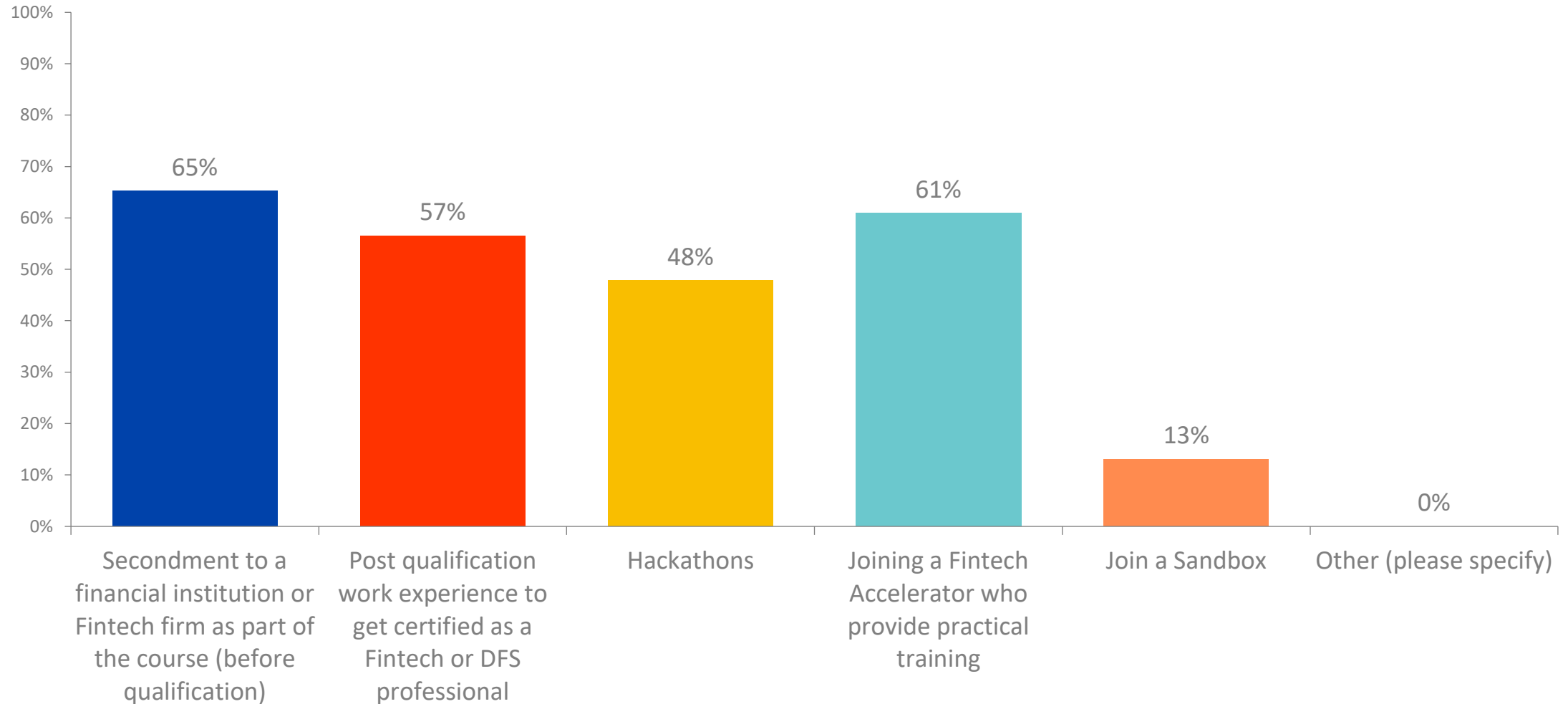
Does your **educational institution** currently offer any specific qualifications or courses in digital financial service (DFS) or Fintech?



Do you believe there will be sufficient student demand if your **educational institution** offers qualifications or courses in Digital Financial Services and Fintech?



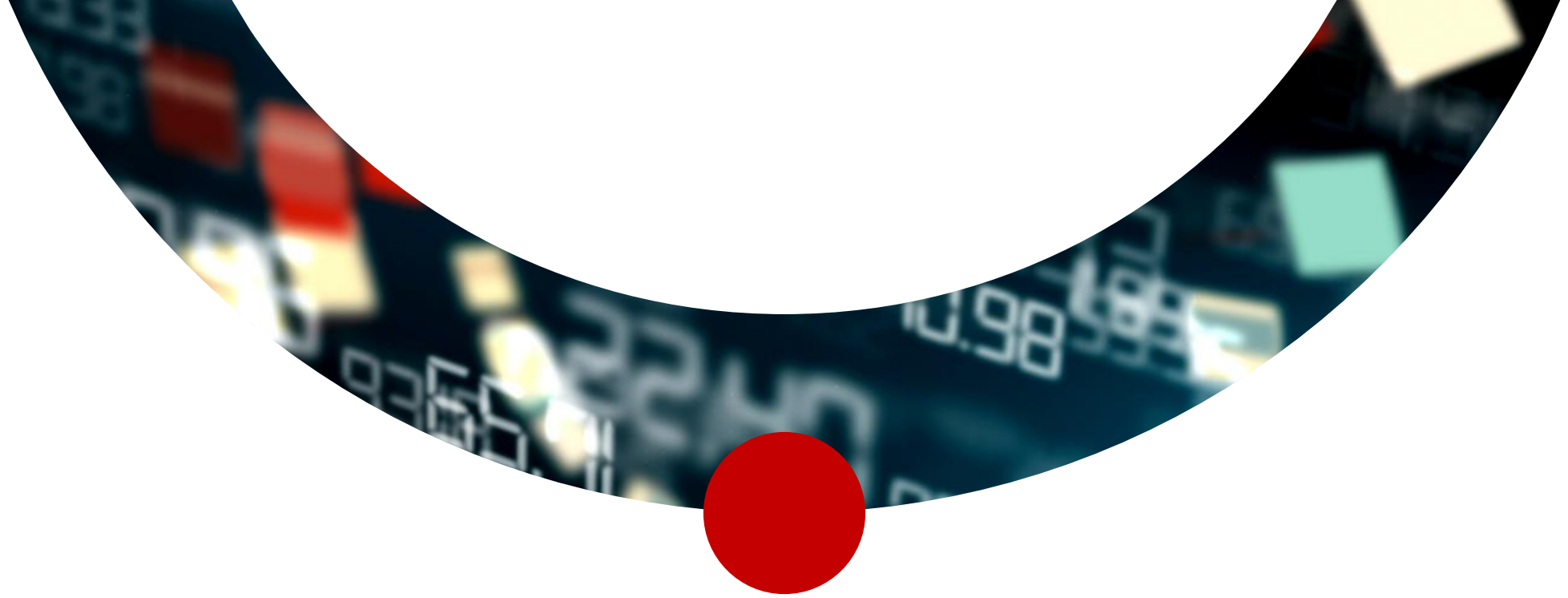
In your view, how can students gain practical experience in Fintech and Digital Financial Services?



**NEXT
STEPS TOWARDS A
NATIONAL FINTECH STRATEGY**

NEXT STEPS

1. Discuss & Agree **Governance & Implementation**
Mechanism with Stakeholders
2. Draw out **recommendations** for a road map
3. Stakeholder **consultation** on recommendations
through **Round Tables**
4. Development & Approval of a **National Fintech**
Strategy
5. Coordinated **Implementation** of the Strategy



THANKS!

Any QUESTIONS?



MINISTRY OF FINANCE



CENTRALNA BANKA
CRNE GORE



DEVELOPMENT FACILITY



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