



## *Panel*

# How digitisation, and especially FinTechs, change the financial world: specific challenges for SMEs

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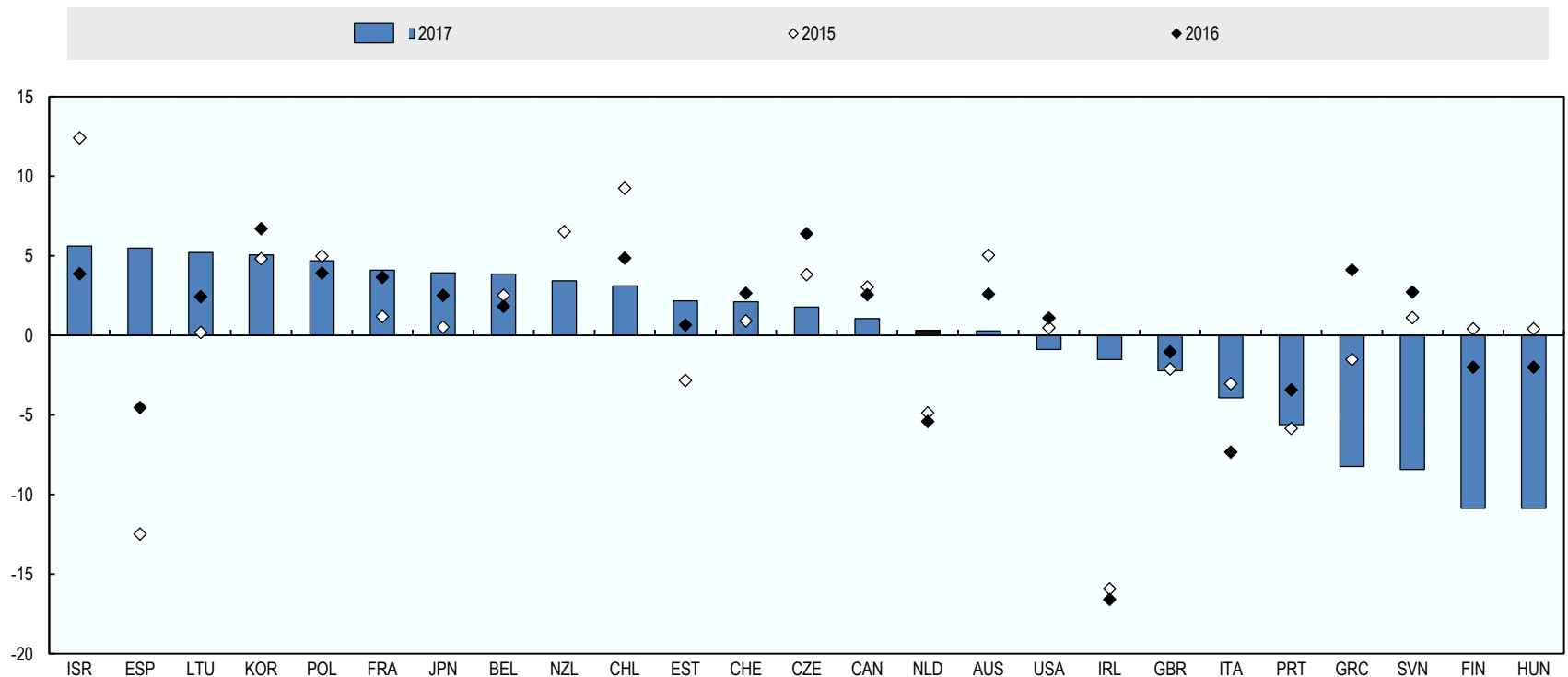
OECD Centre for Entrepreneurship, SMEs, Regions and Cities



# At a time of moderate increase in bank lending to SMEs ...

## Growth in outstanding SME business loans in OECD countries

Year-on-year growth rate, as a percentage



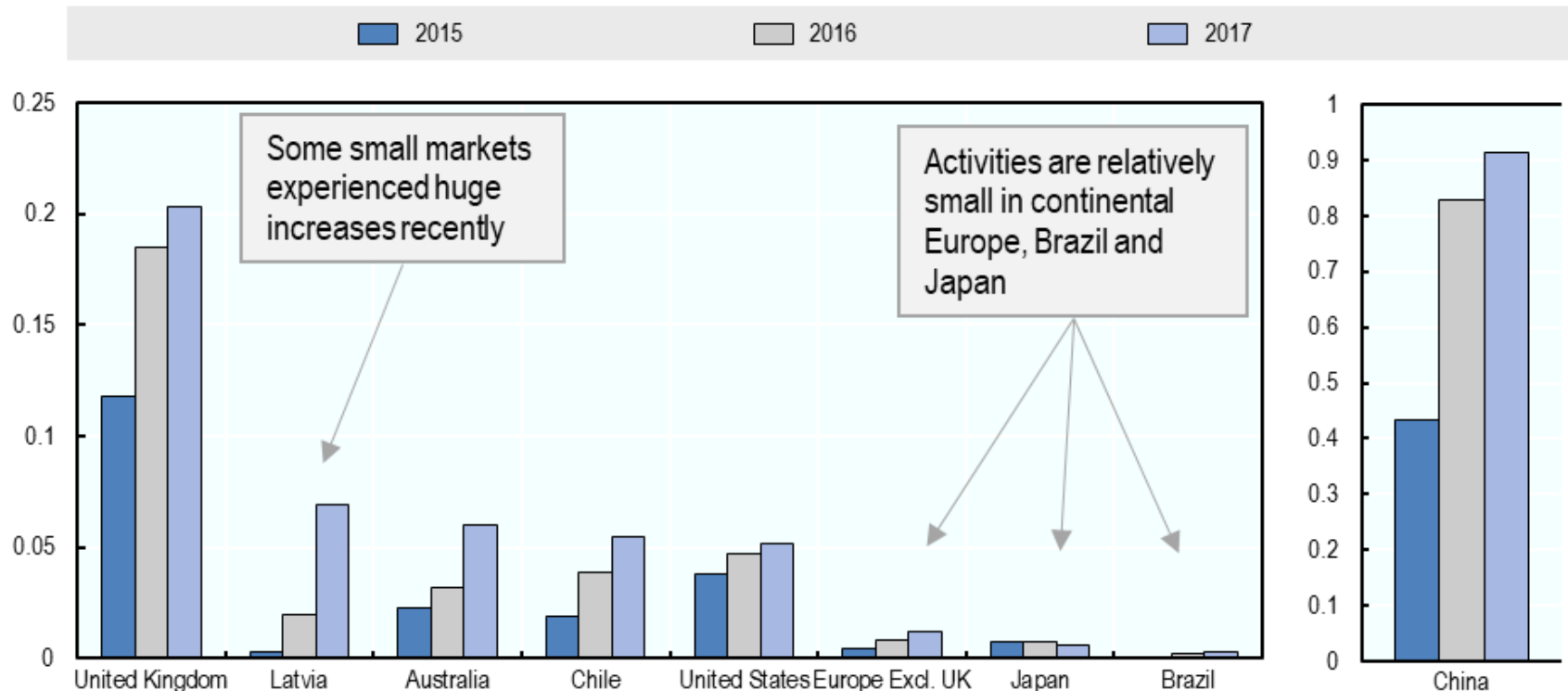
Note: Data are adjusted for inflation using the OECD GDP deflator.

Source: Data compiled from the individual country profiles of Financing SMEs and Entrepreneurs 2019.



# Fintech is growing at a rapid speed... though more modestly in Europe

Online alternative finance (equity crowdfunding and peer-to-peer lending), as a share of GDP

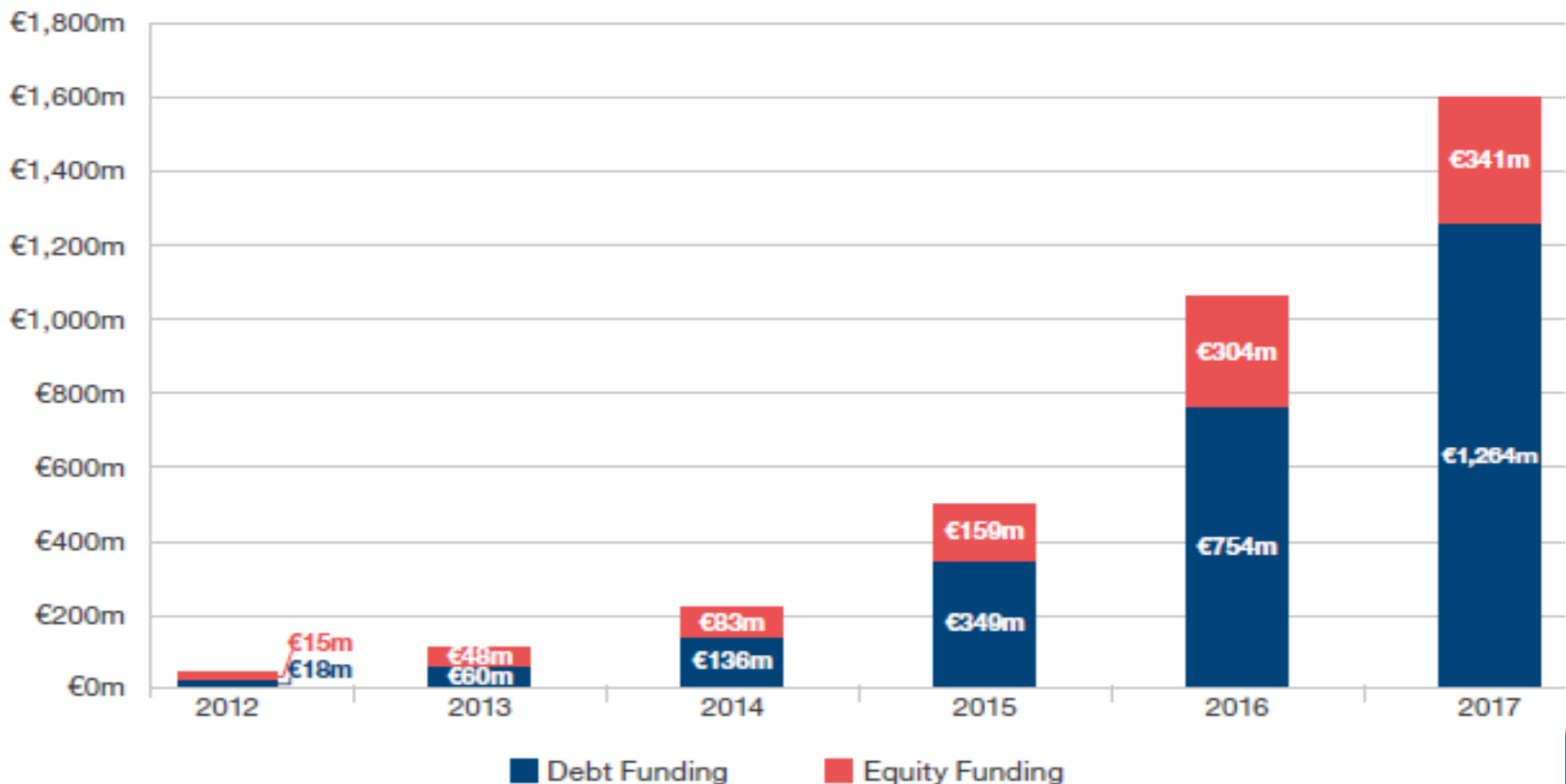




# Where it is mainly oriented towards debt

In 2017, 24,107 businesses raised roughly €1,660m through an online alternative finance platform. Of these, €1,264m were raised through debt funding platforms.

Figure 14: Debt vs Equity Online Alternative Business Finance 2012-2017 (€millions)



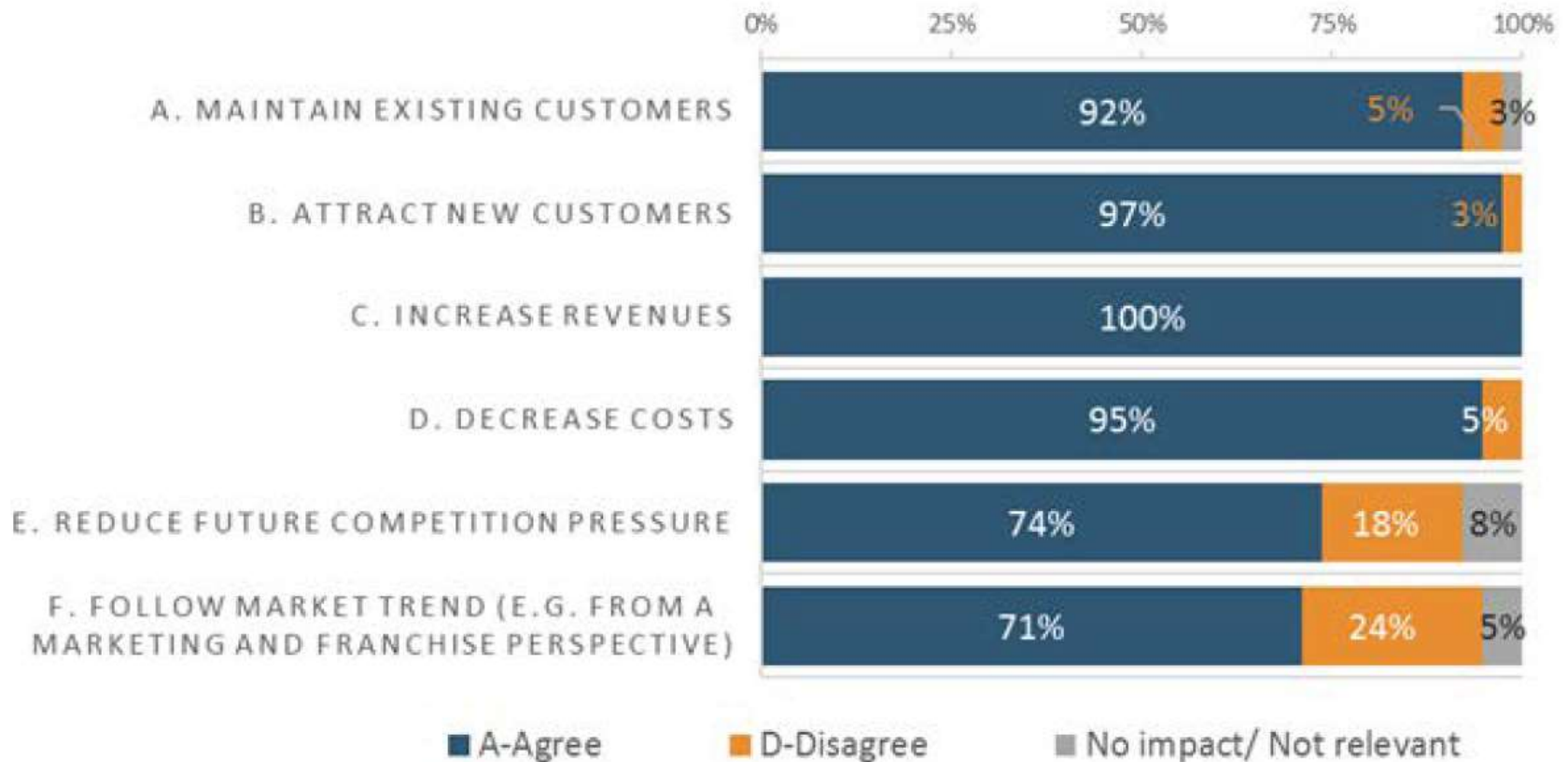
Source: Shifting Paradigms: The 4th European Alternative Finance Benchmarking Report, Cambridge 2019



# Partnering with Fintechs opens up growth opportunities for financial institutions



**Figure 1.** The main drivers for having a relationship with FinTech companies and/or products/services



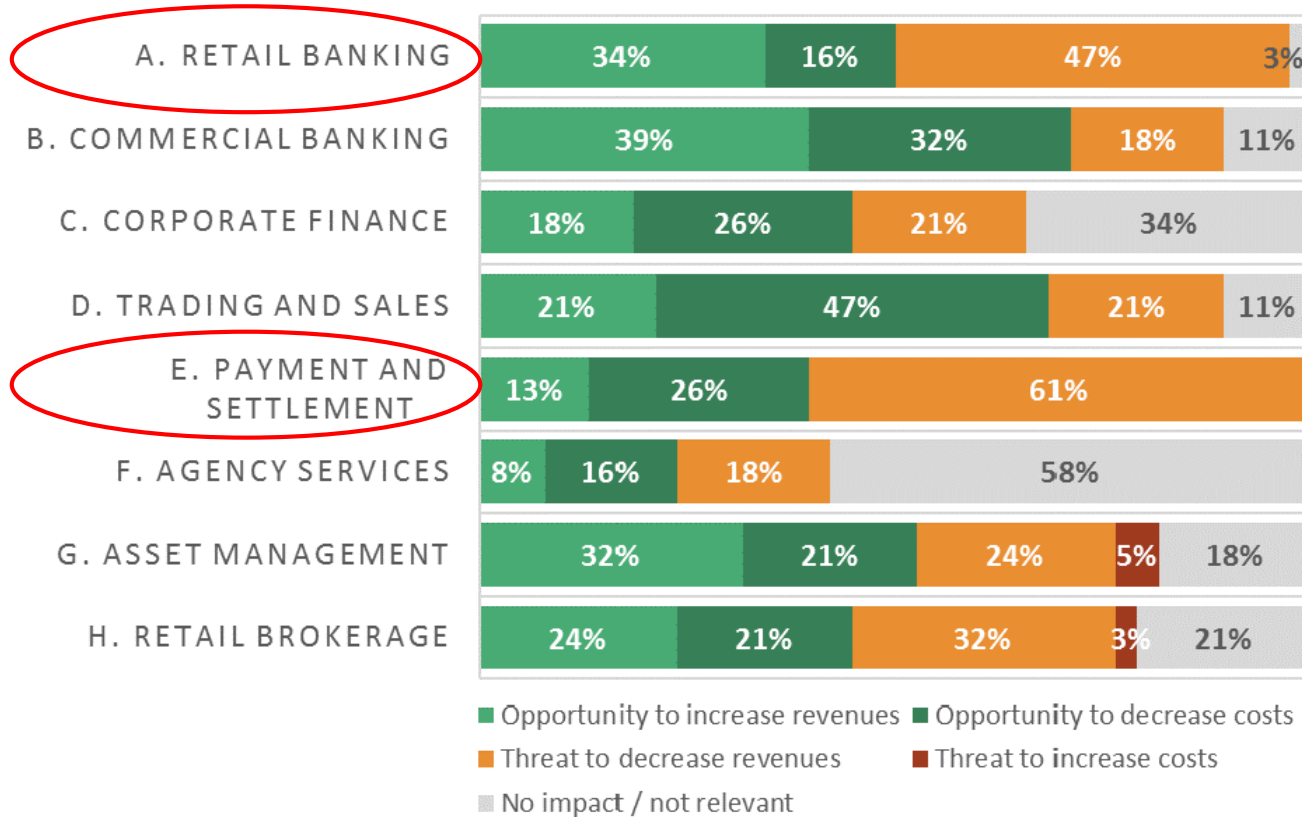
Source: EBA RAR H2 2017

Source: EBA report on the impact of fintech on institutions' business models



# ...but also drives changes in business models

Figure 2. How do you see FinTech firms affecting the current business model (business lines) of your bank?



Source: EBA report on the impact of fintech on institutions' business models



## ... and adaptation in financial regulation

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- Regulatory sandboxes (UK FCA, Australia, Canada)
- New licensing reforms for Fintech companies (Switzerland)
- Enhanced clarity in crypto-assets regulations (France)
- Regulated Fintechs to widen financial sector competition  
(Brazil, Mexico)



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***What are the implications for SMEs?  
What opportunities and what risks?***

***How can SMEs seize the benefits of the  
digital transformation?***





# Addressing SME digital gap

Diffusion of selected digital tools among firms, as a percentage of all firms, 2017

