

FINTECH CREDIT PILOT EXERCISE, THE APPROACH OF BANCO DE ESPAÑA

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BRASÍLIA DF, BRAZIL

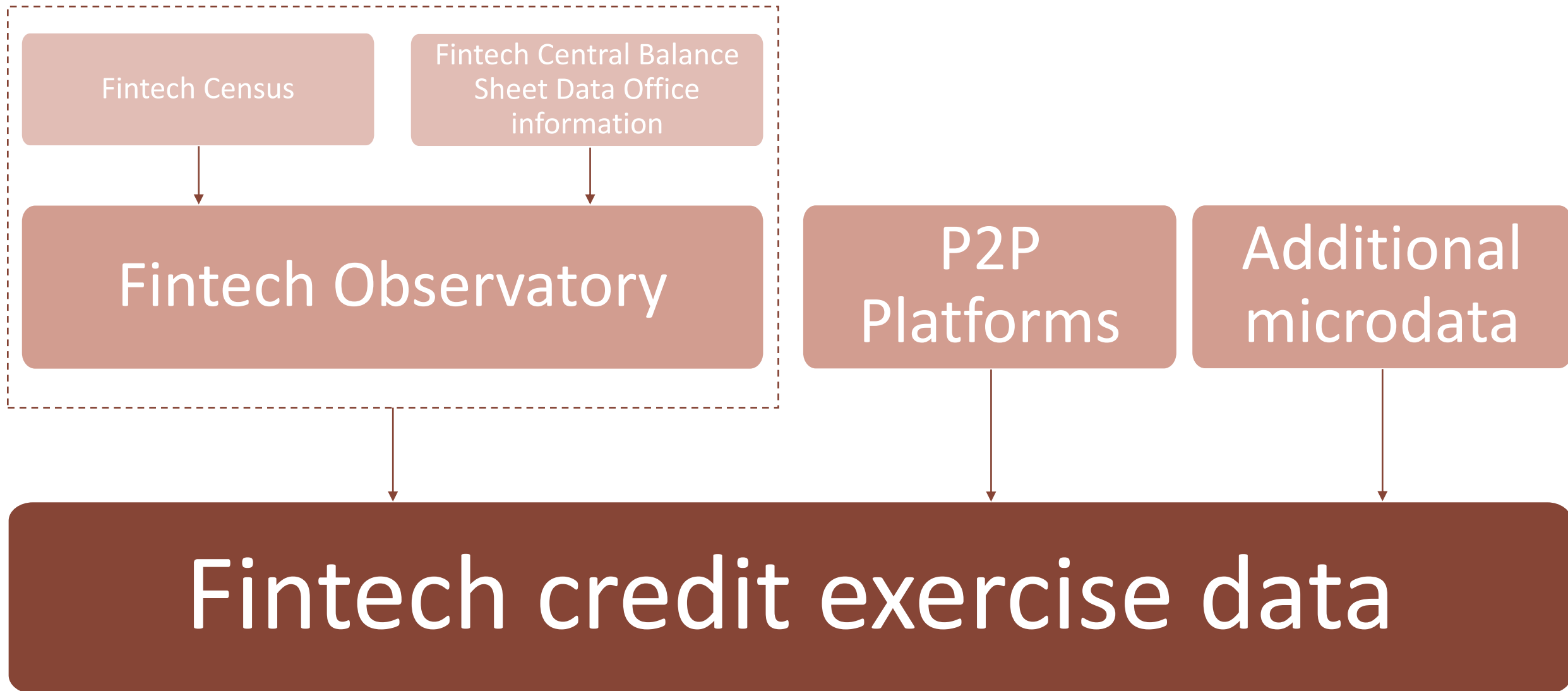
June 12, 2024

STATISTICS DEPARTMENT

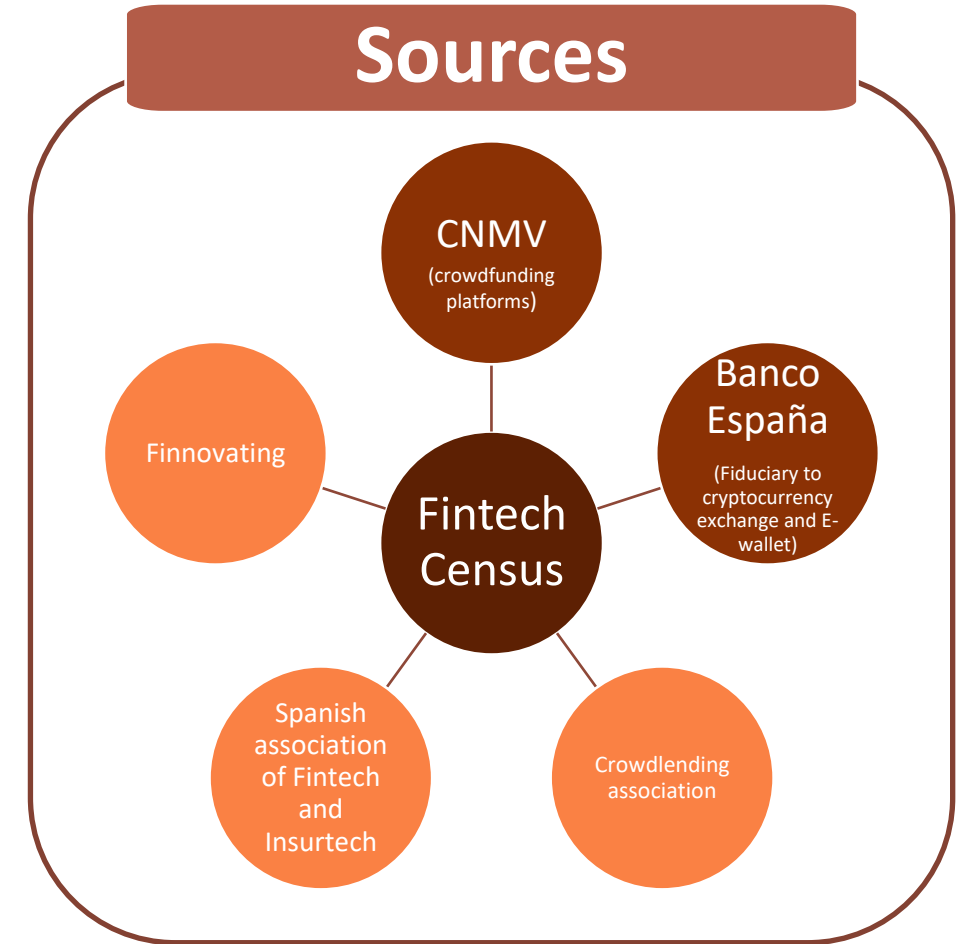
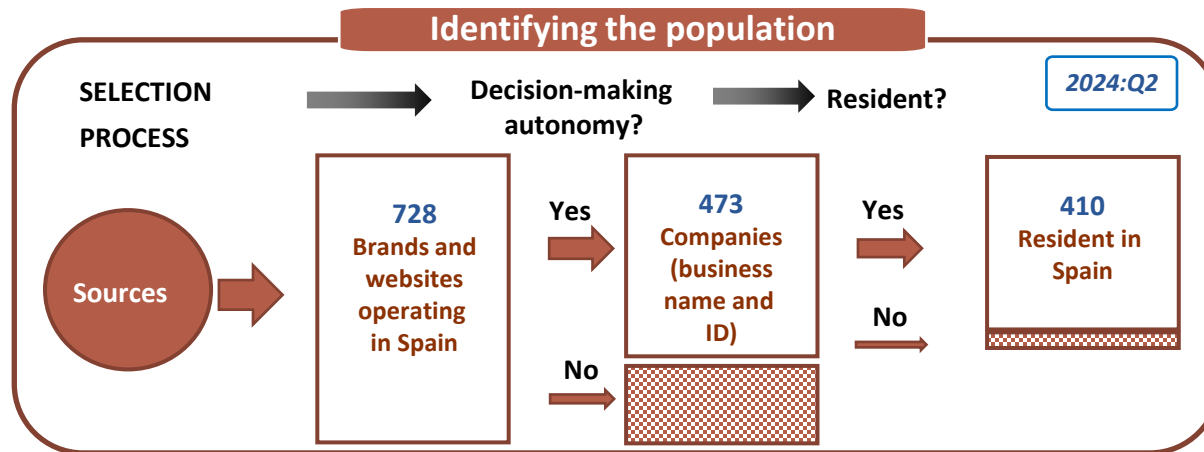


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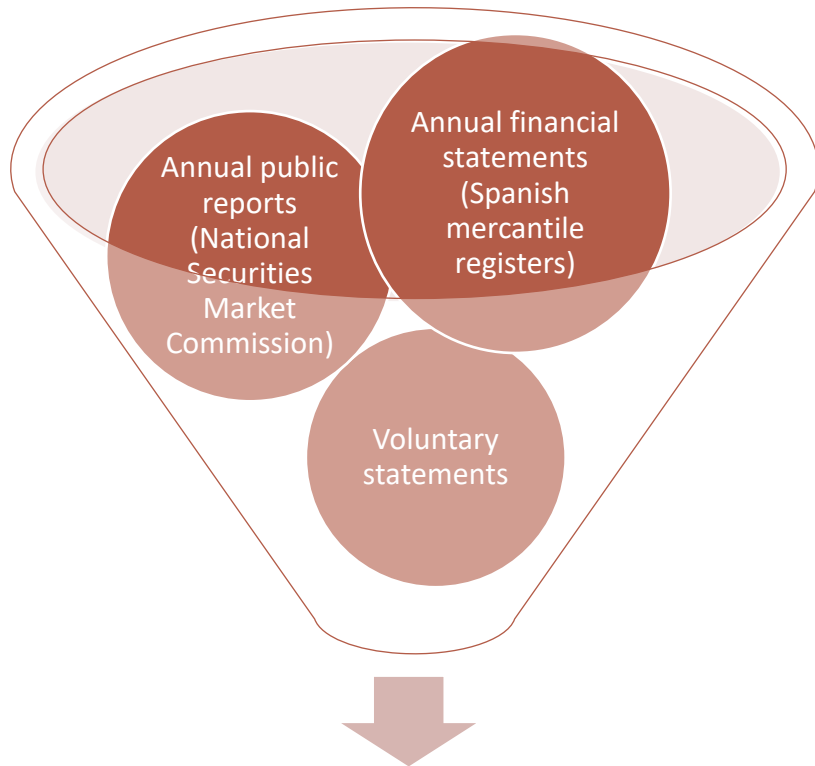
- Built and maintained by the Statistics department
- IT support + manual browsing
- “Fintech” is a flag, compatible with classification into any sector (except banks)
- Qualitative information:
 - National identification code
 - Type of Fintech service (“vertical”)
 - Geographical location



Fintech Census

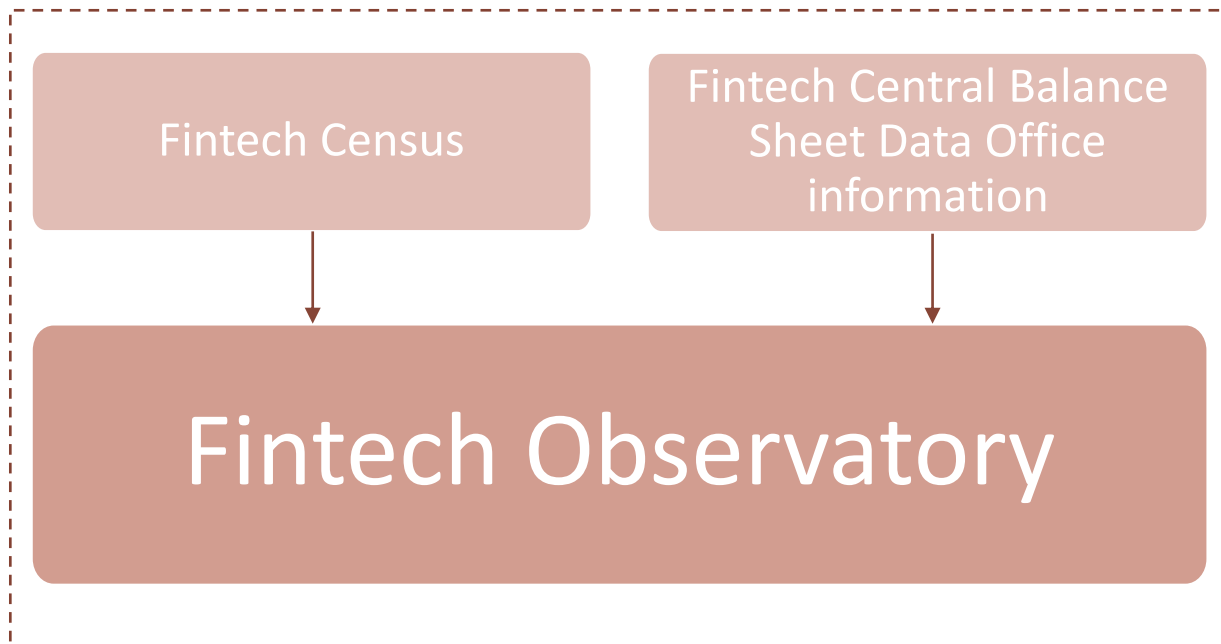
Fintech Central Balance
Sheet Data Office
information

Central Balance Sheet Data
Office information

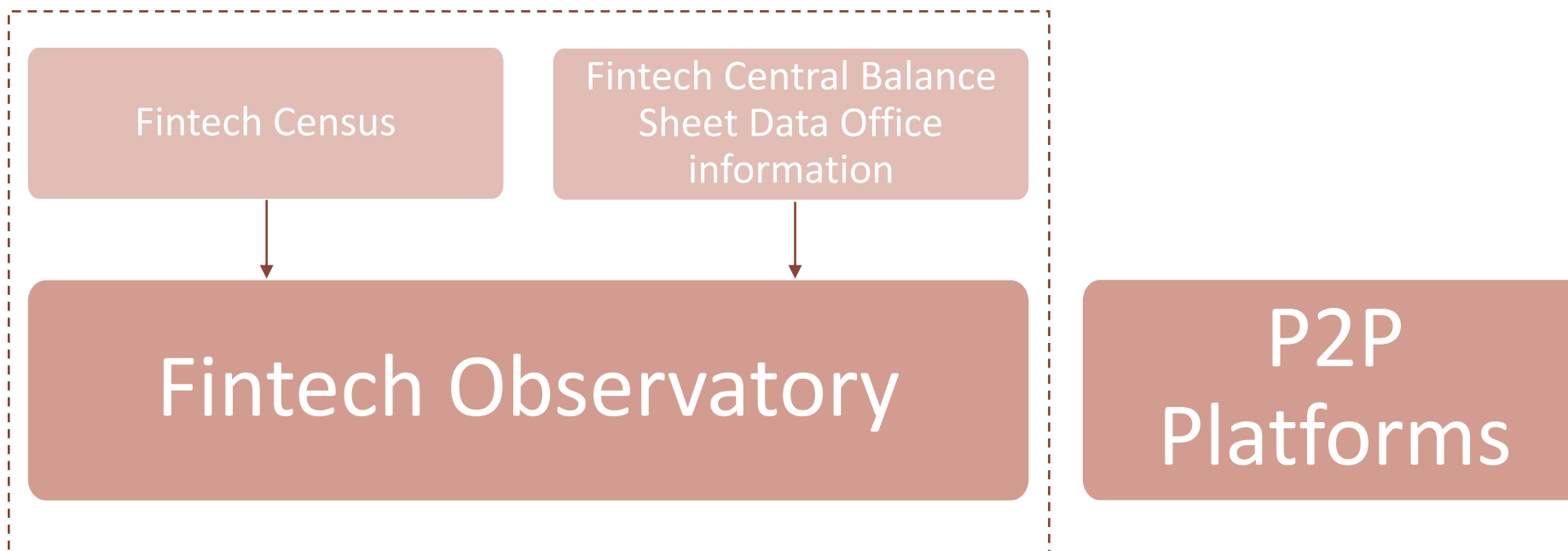


New product: Fintech National Accounts data

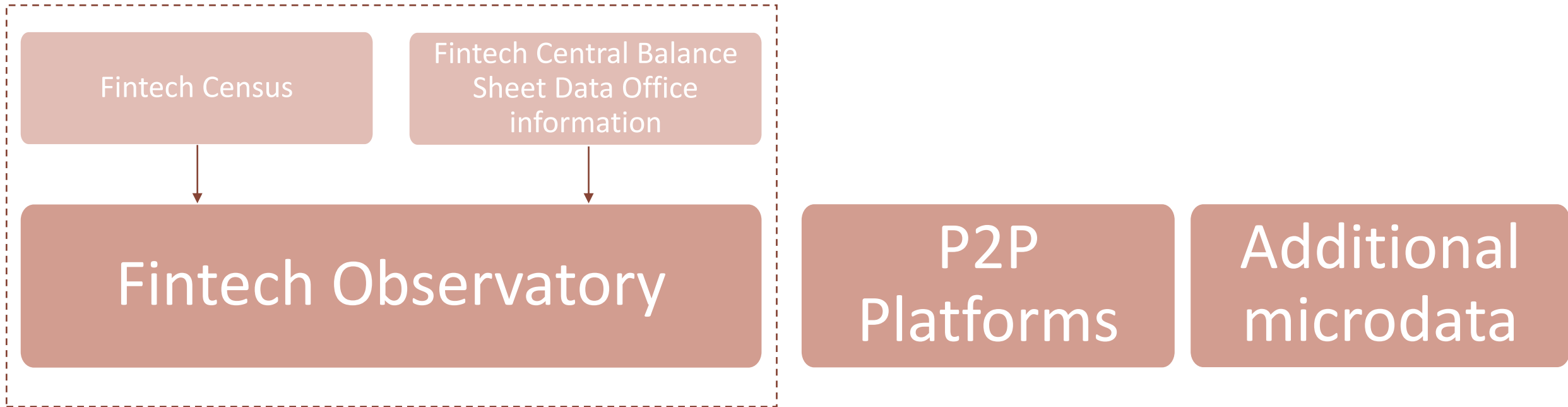
- **Automatic processing of entities flagged as “Fintech”**
 - *Manual processing of errors*
- **Specific rules might apply for Fintech entities**
- **Quantitative information:**
 - *Balance sheet and current accounts (over 200 concepts)*
 - *Employment*
 - *FISIM (Financial Intermediation Services Indirectly Measured)*



- Experimental statistic that aims to measure the size and relevance of the non-banking FinTech sector in Spain, as well as to clearly delimit financial and non-financial FinTech companies
- Started in 2020, data back to 2018
- Entities grouped in four verticals
 - Lending and funding
 - Payment and currency Exchange
 - Investment services
 - Technology services
- Currently accessible for internal users and researchers only, public distribution is an objective in the medium term
- Qualitative + quantitative information (296 fields)

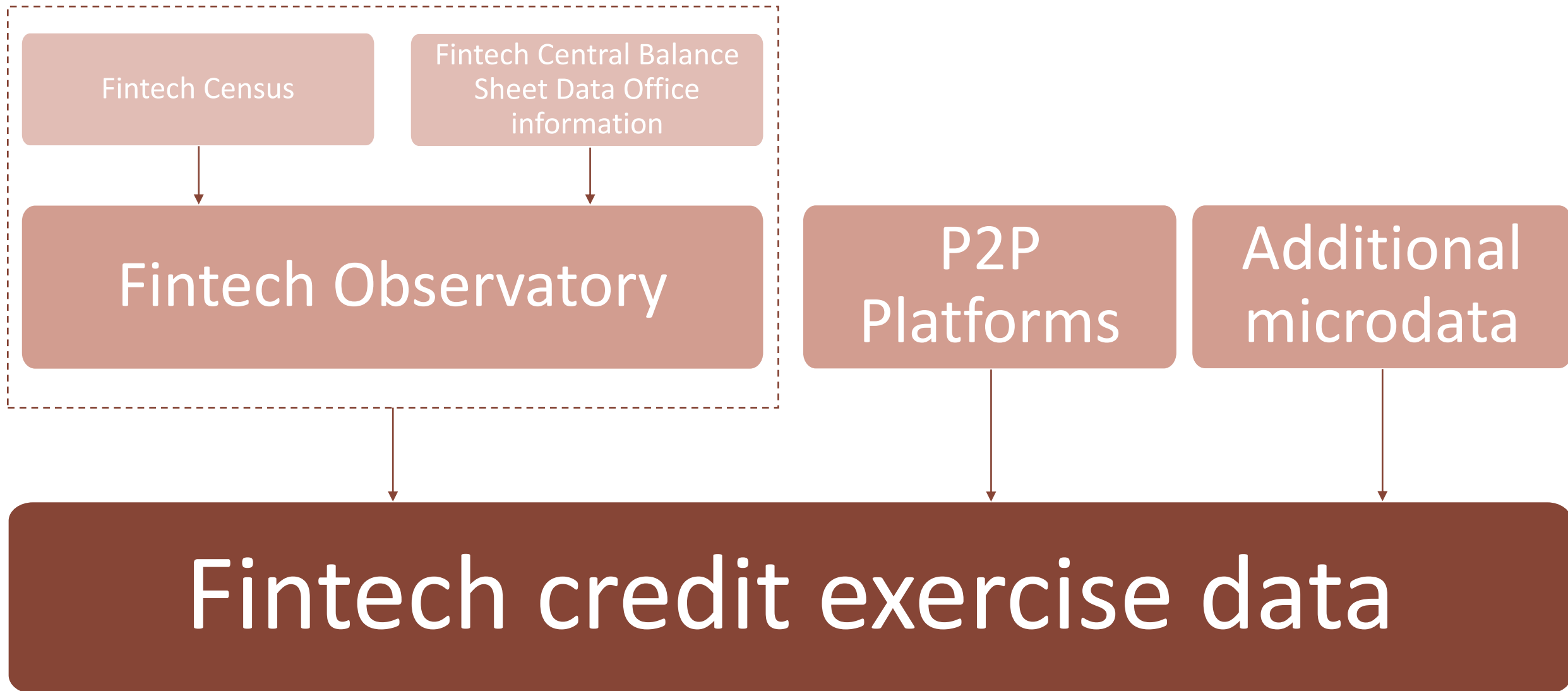


- **Regulation (EU) 2020/1503 sets certain rules for crowdfunding service providers within the EU, in terms of authorisation, supervision, transparency...**
- **Requires annual reporting about:**
 - Amounts raised
 - Instrument issued (securities or loans)
 - Aggregated information about investors
- **The Spanish National Securities Market Commission requires additional information, including outstanding amounts of loans**
- **Limitations**
 - Invoice trading platforms are not subject to regulation, hence no information is gathered
 - Data on interconnections is not provided, so assumptions need to be made



Fintech observatory information was enriched with information from microdata databases, useful for classification and interconnections

Source	Type of information
Sectorisation database	SNA subsector and type of entity (qualitative information)
Securities Holdings Statistics	Quoted shares, IF shares and debt securities vis-à-vis all subsectors
International Investment Position	Positions vis-à-vis Non Residents
Banking groups' structure	Issued equity, owned by banks



Final product: 273 x 309 matrix (entities x fields) to filter on

Limitations:

- **Fintech observatory quantitative data available with important delay (year 2022 recently published)**
- **Decisions made to “translate” fintech credit definition in our matrix**
 - In Spain, granting loans is a non-regulated activity (hence, there is no official register)
 - Industry approach followed: assumptions that entities classified within certain Fintech services (Crowdfunding/lending, Alternative Financing, Neobanks, Onboarding...) are mainly involved in the provision of credit

Main figures	Outstanding amounts, billion €, end 2021, unless otherwise stated
Fintech financial assets	1.2
Fintech credit entities	56% (153 entities)
o/w Financial Fintech credit entities	15% (40 entities)
Market lenders	11% (30 entities)
Balance sheet platforms	4% (10 entities)
Fintech credit assets*	0.5
Total liabilities (Fintech credit entities)	0.8
o/w liabilities vis-à-vis RoW (S.2)	0.4
Crowdlending outstanding amounts	0.1 (end 2022)

In perspective

Loans granted by Finance Companies, NFC (S.11) and Banks	46, 444, 1336
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*60% granted by just one Fintech finance company (FC)

Conclusions

- Fintech Credit is a very small fraction of total lending
- An important part of Fintech Credit seems to be done by entities which are not out of our radar (FC, electronic money)

Limitations of the exercise

- Our capacity to construct a census is limited to our sources
- Difficulties tracking activity changes in existing entities

Lessons learned

- Accounting information can be used for signalling incorrect sectorisation of Non-financial Fintech Corporations

Prospects for NBFIs 2023

- Data on crowdlending already available
- Proposed changes seem mostly achievable with current sources, but timeliness will be an issue

Thank you for your attention

