

The Global Alternative Finance Market Benchmarking Report

Trends, Opportunities and Challenges for Lending, Equity, and Non-Investment Alternative Finance Models

WEBINAR PRESENTATION OF KEY FINDINGS AND PANEL DISCUSSIONS

Agenda

1. Welcome and Introduction by Dr. Robert Wardrop,
Director of the Cambridge Centre for Alternative Finance
2. Presentation of Key Findings by Tania Ziegler & Dr. Rotem Shneor
3. Panel 1 : Regulating Financial Technology
4. Panel 2 : The Future of FinTech in Response to Covid-19

Hyperlink to Report: <http://tiny.cc/CCAF>



GLOBAL TRENDS IN ALTERNATIVE FINANCE

Tania Ziegler
Rotem Shneor

APRIL 29, 2020



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RESEARCH PROCESS

Database of Alternative Finance Capital-Raising Activities:

- Diverse Taxonomy including Crowdfunding & Peer-to-Peer Lending Activities
- 185 Jurisdictions, 1,227 unique firms providing 2,322 firm-level entries

Survey-based Data Collection

- 30 questions, 11 required.
- Key Questions: Total Volume, Number of Funders & Fundraisers
- Data analysed and presented in aggregate format by country & model.

Outreach & Survey Dissemination

- 50+ Local Research Partners
- 25+ Local Researchers
 - Global Benchmark Research Assistantships
 - Partnerships with External University Research Partners
- Authors:
Tania Ziegler, Rotem Shneor, Karsten Wenzlaff, Britney Wanxin Wang, Jaesik Kim, Ana Odorovic, Felipe Ferri de Camargo Paes, Krishnamurthy Suresh, Bryan Zheng Zhang, Daniel Johanson, Cecilia Lopez, Leyla Mammadova, Nicola Adams, Dan Luo



RESEARCH PROCESS

Data Collection

- Annual update of platform lists.
- 6 Months data collection.
- Multiple reminders.
- Critical platforms contacts via multiple channels.
- Web-scraping for selected large platforms.
- Special check on repeat and non-repeat platforms.

Sanitation

- Revisiting unclear/ suspected mis-entries with platform contacts.
- Identifying outliers and verifying numbers.
- Currency conversions.
- Aggregate data entries into pre-specified analytical formats.
- Comparison to previous year figures for identifying suspicious changes.

Analysis and Write-up

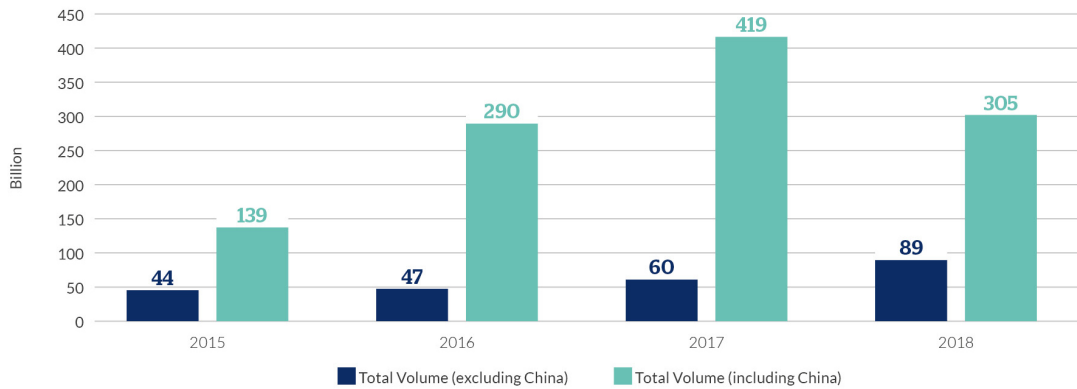
- Data cuts by country and model for multiple leading questions.
- Regional summaries and cross-region and country comparisons.
- Collection of industry insights from experts.
- Consultation with stakeholders about findings.
- Multiple rounds of proof-reading.

TAXONOMY OF MODELS UNDER REVIEW

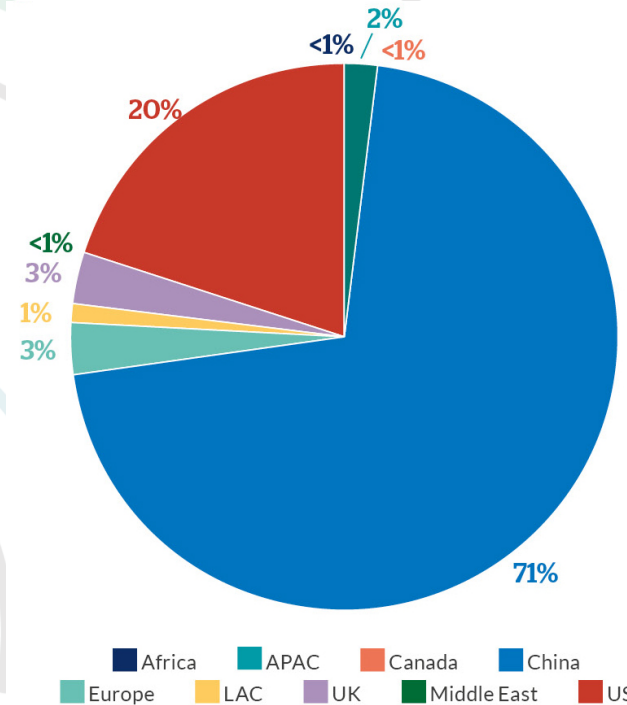
	Model	Definition
Lending	P2P Consumer Lending	Individuals or institutional funders provide a loan to a consumer borrower.
	P2P Business Lending	Individuals or institutional funders provide a loan to a business borrower.
	P2P Property Lending	Individuals or institutional funders provide a loan secured against a property.
	Invoice Trading	Individuals or institutional funders purchase invoices/receivables from a business.
Equity	Equity Crowdfunding	Individuals or institutional funders purchase securities/equity from a business.
	Real Estate Crowdfunding	Direct investment into a property usually through the sale of a registered security or subordinated-debt financing through a special purpose vehicle (SPV).
Non-invest	Reward Crowdfunding	Backers provide funding to individuals, projects or companies in exchange for non-monetary rewards or products.
	Donation Crowdfunding	Donors provide funding to individuals, projects or companies based on philanthropic or civic motivations with no expectation of monetary or material benefit.

GLOBAL ALTERNATIVE FINANCE VOLUMES

Global Volumes of Alternative Finance

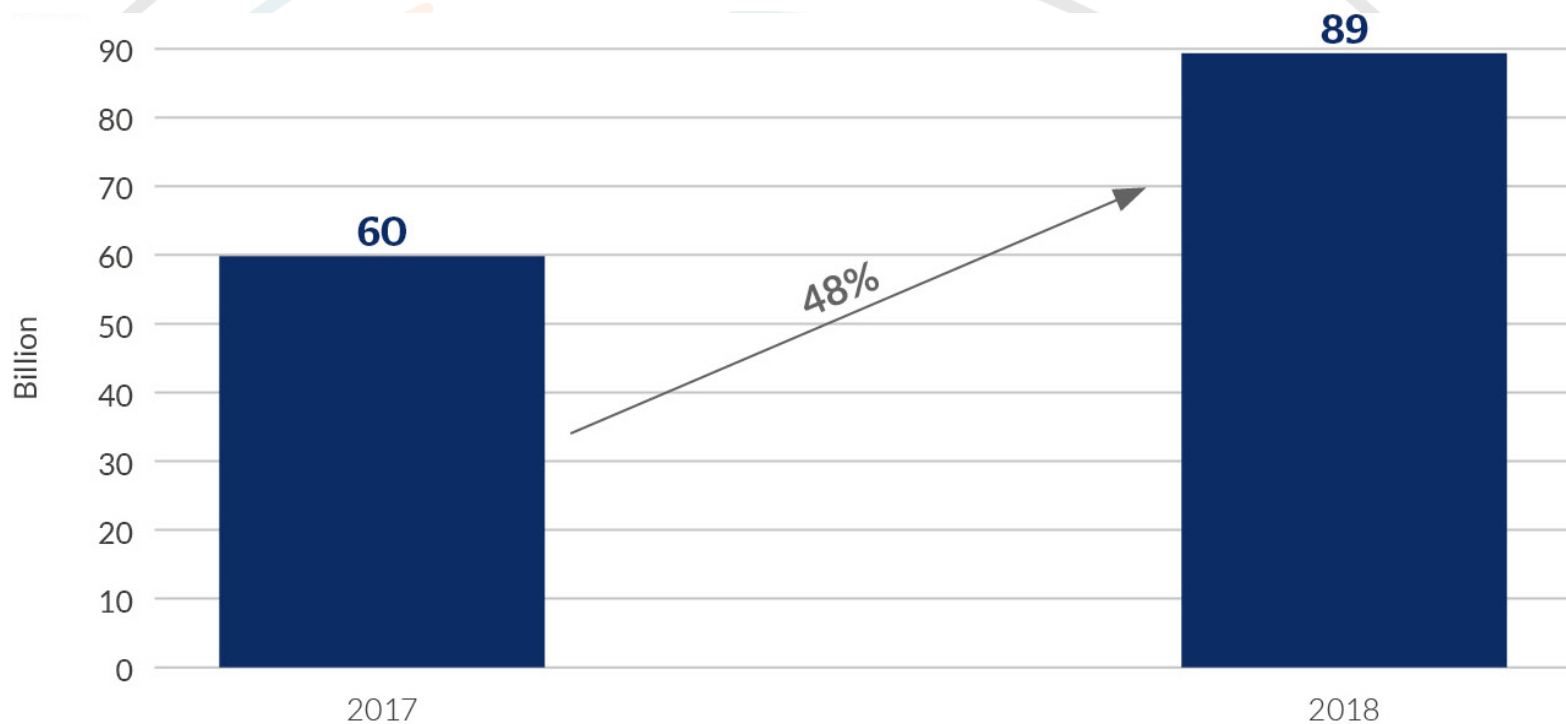


Global Volumes of Alternative Finance by region



GLOBAL ALTERNATIVE FINANCE VOLUMES 2017-2018

*Excluding China



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Judge Business School

UNIVERSITY
OF AGDER

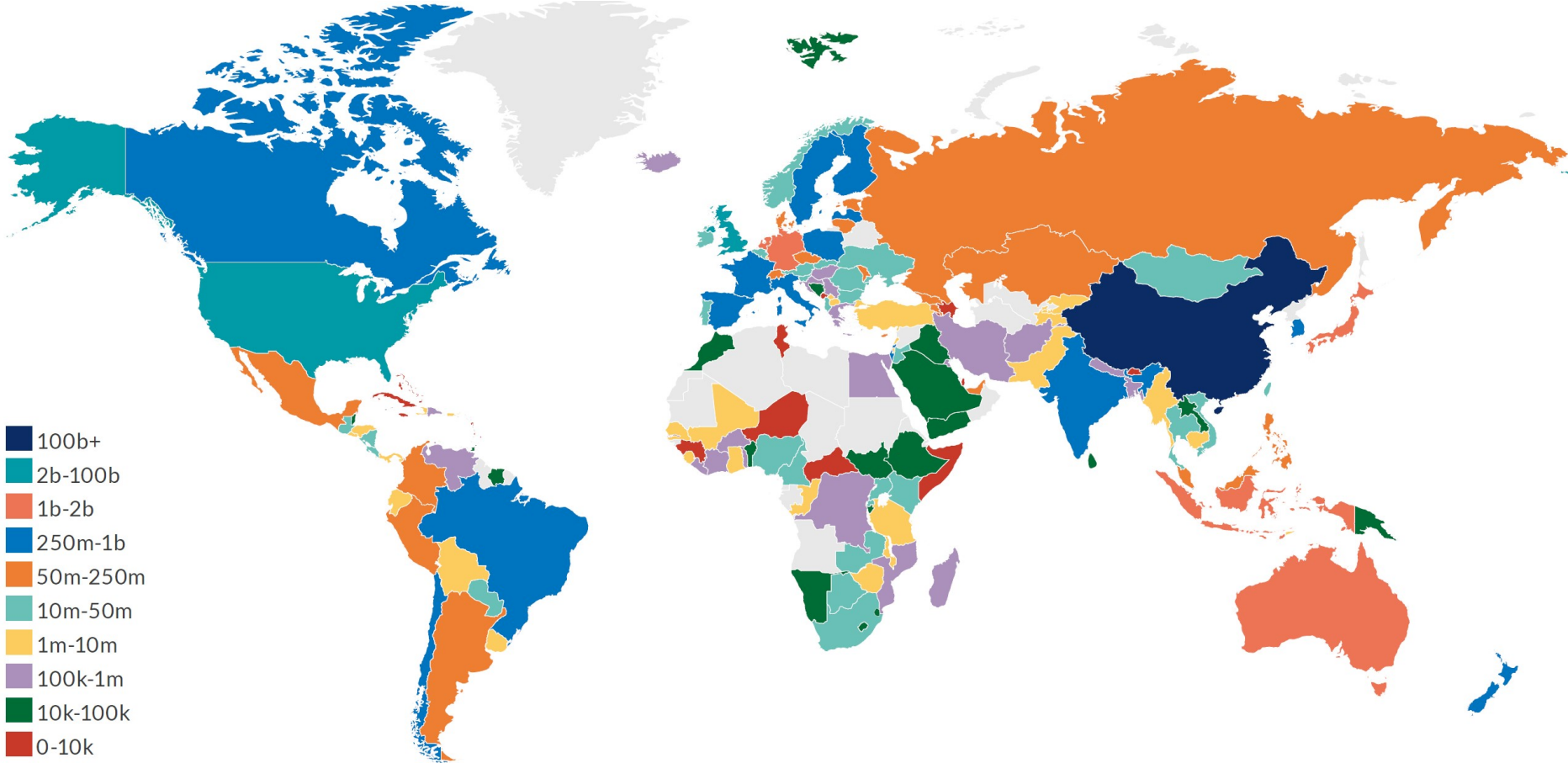
CME GROUP
FOUNDATION

Invesco

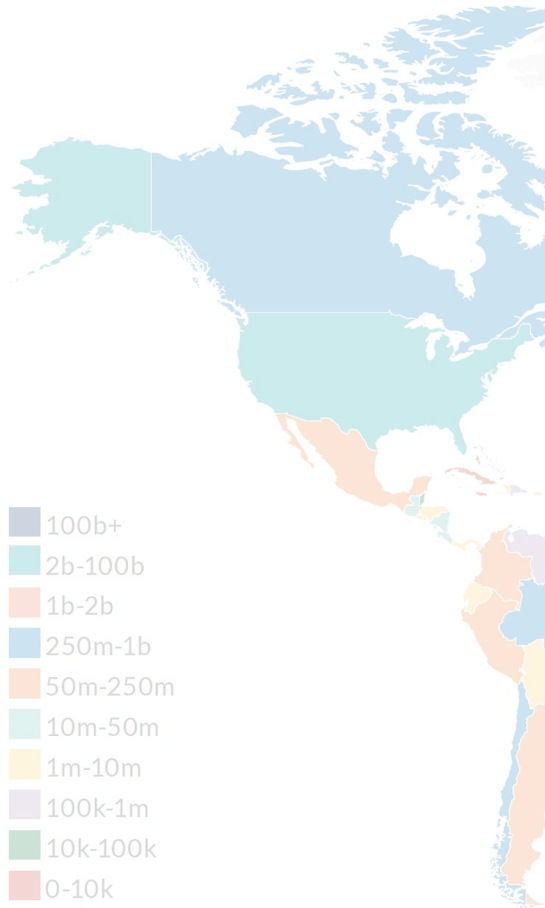
IDB
Inter-American
Development Bank

IDB
Invest

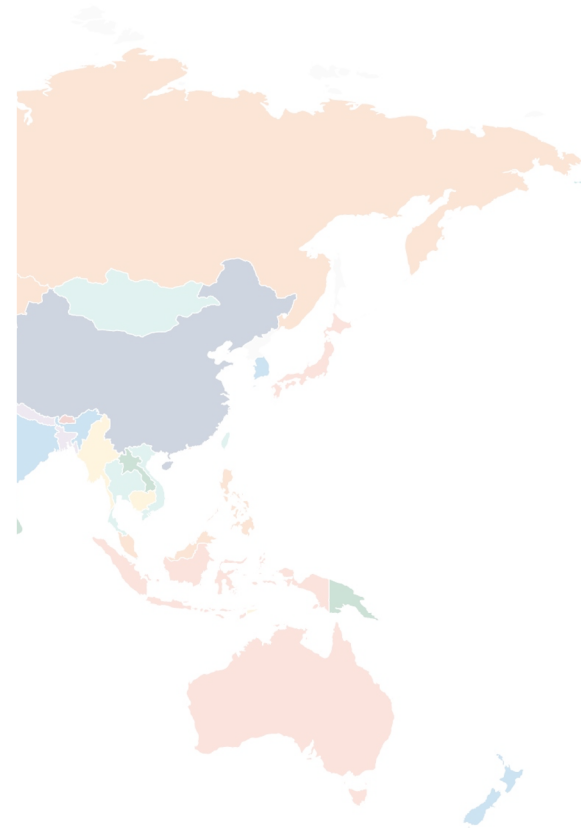
ALTERNATIVE FINANCE VOLUMES



TOP 30 VOLUME-DRIVING COUNTRIES

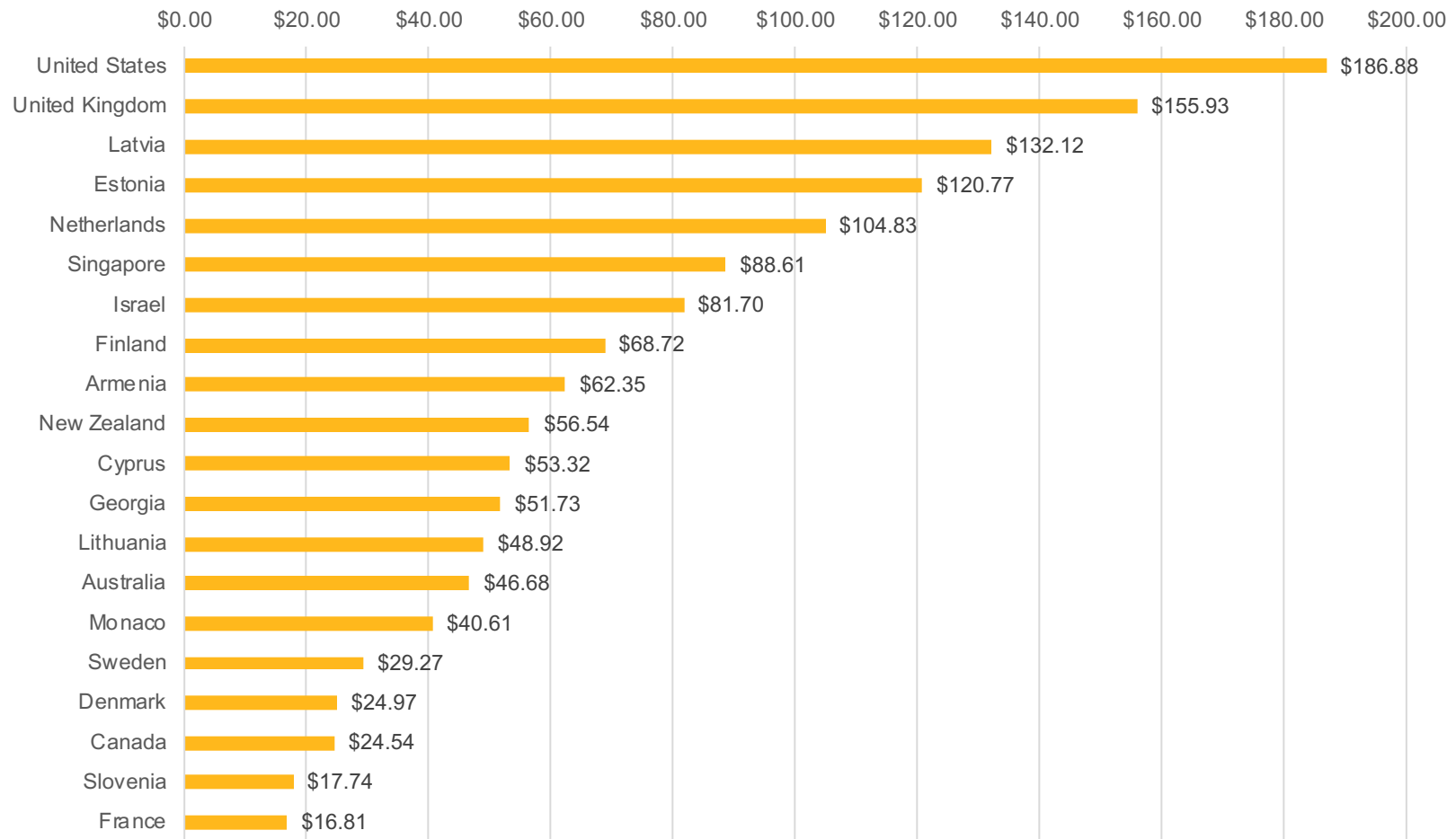


China	\$215,396,387,848.40
United States	\$61,134,356,480.00
United Kingdom	\$10,367,889,408.00
Netherlands	\$1,806,298,624.00
Indonesia	\$1,451,228,928.00
Germany	\$1,276,201,472.00
Australia	\$1,166,546,048.00
Japan	\$1,074,756,864.00
France	\$933,132,928.00
Canada	\$909,255,296.00
South Korea	\$753,380,992.00
Israel	\$725,827,200.00
Brazil	\$673,192,768.00
India	\$547,428,160.00
Italy	\$532,583,424.00
Singapore	\$499,653,248.00
Spain	\$419,040,224.00
Finland	\$379,191,520.00
Poland	\$333,293,184.00
Sweden	\$298,038,528.00
Chile	\$289,255,456.00
New Zealand	\$276,205,248.00
Latvia	\$254,535,808.00
Mexico	\$233,390,656.00
Georgia	\$193,016,992.00
Colombia	\$192,467,200.00
Armenia	\$184,032,032.00
Estonia	\$159,526,080.00
Peru	\$158,461,440.00
Denmark	\$144,745,360.00
Lithuania	\$136,458,928.00

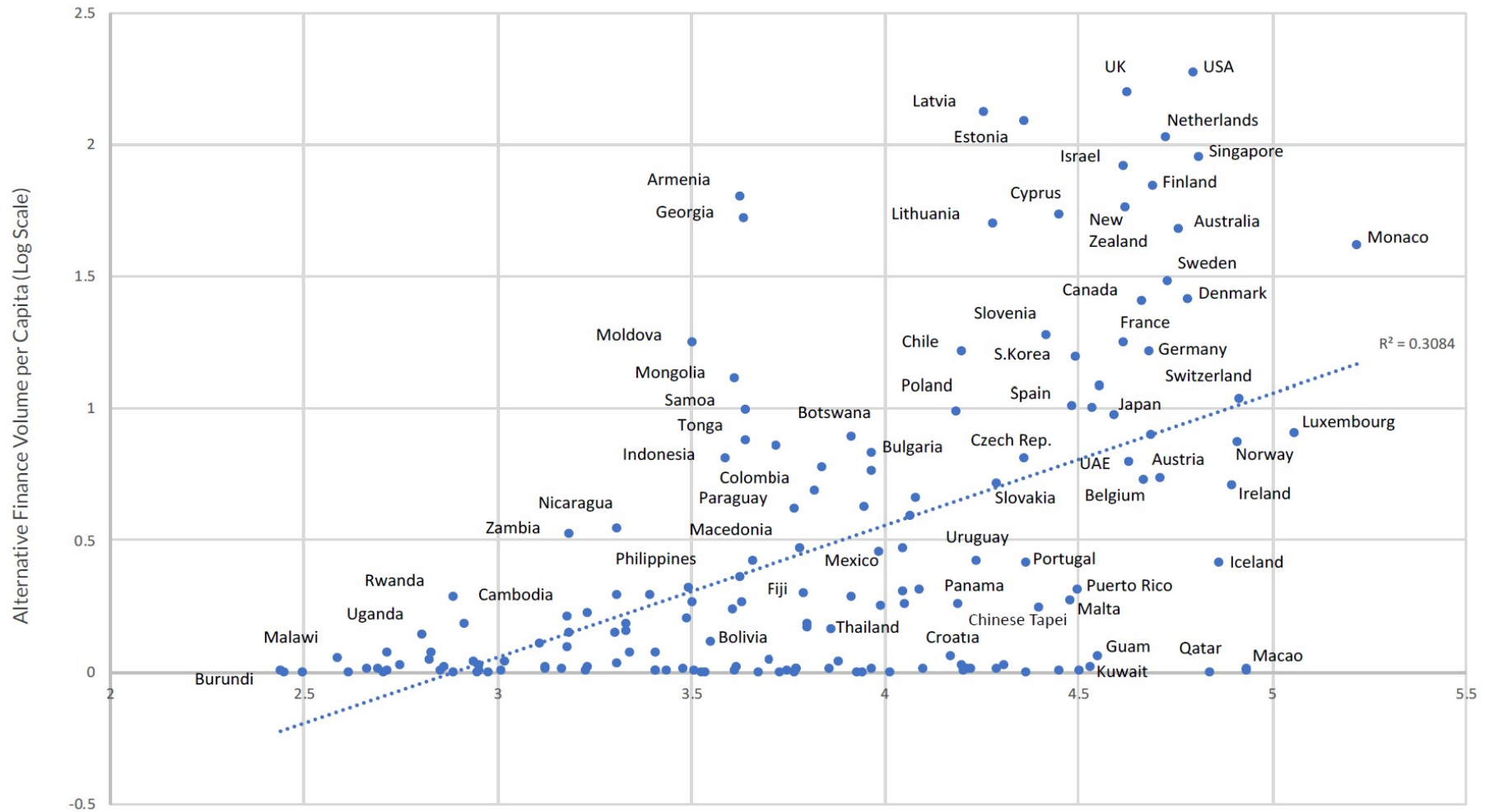


ALTFIN VOLUMES PER CAPITA vs. GDP PER CAPITA

Alternative Financer Volumes per Capita - Top 20 Countries - 2018

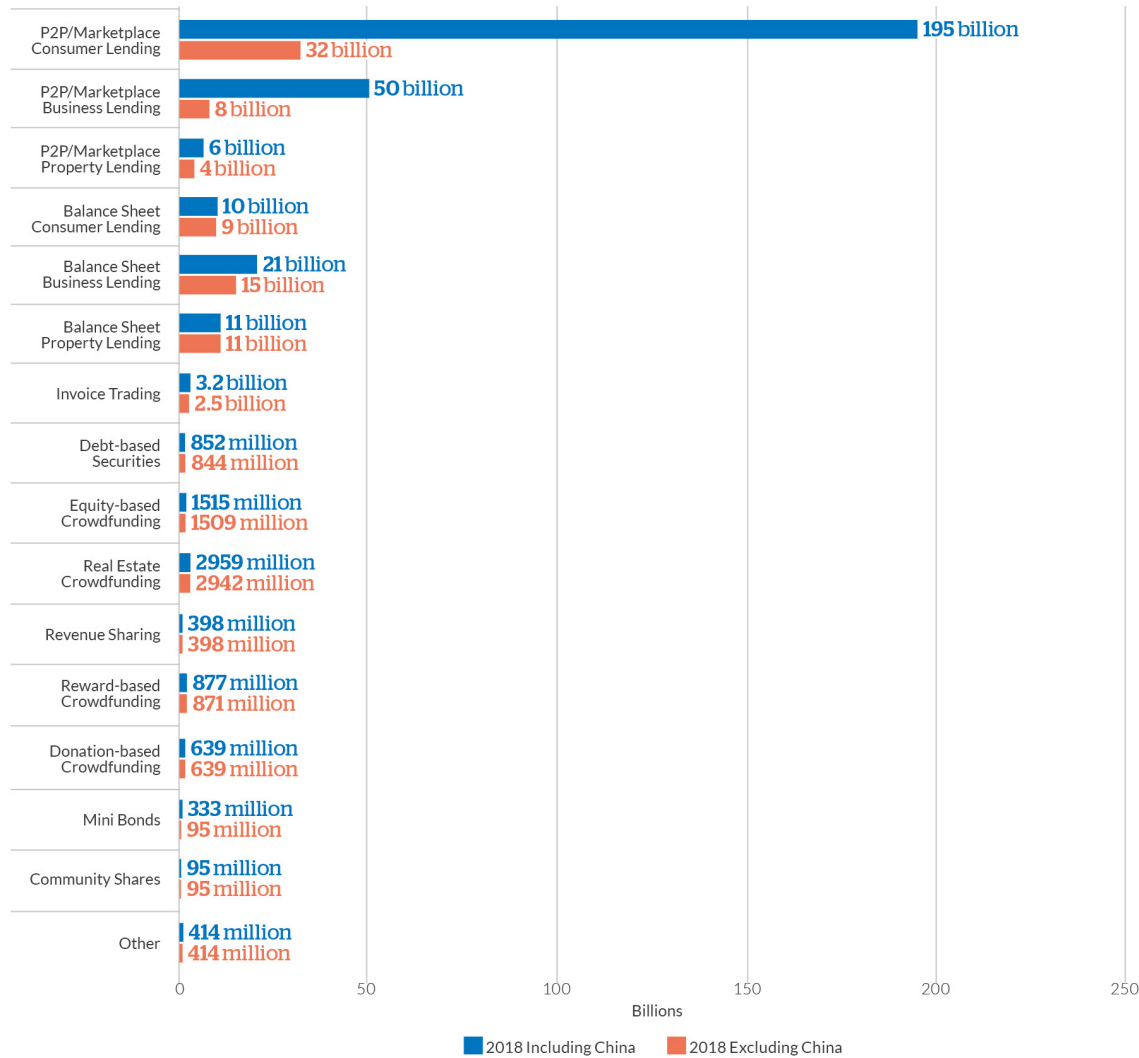


ALTFIN VOLUMES PER CAPITA vs. GDP PER CAPITA



* Based on 165 countries

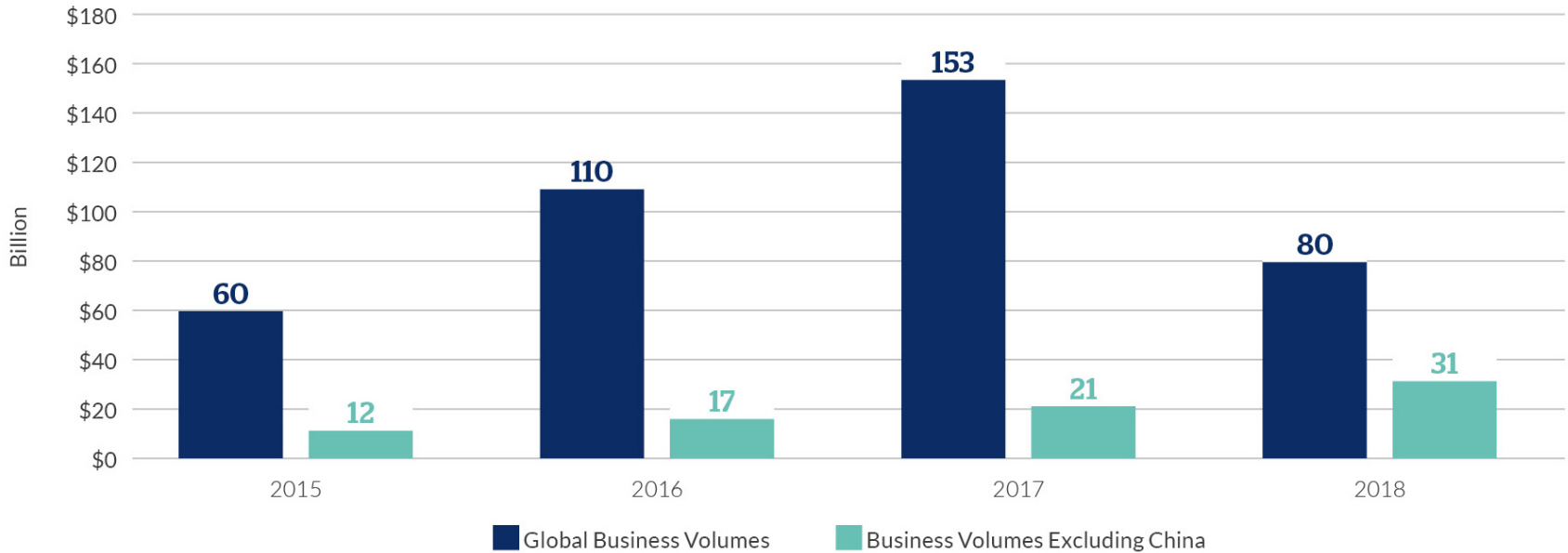
GLOBAL VOLUME BY ALTERNATIVE FINANCE MODELS



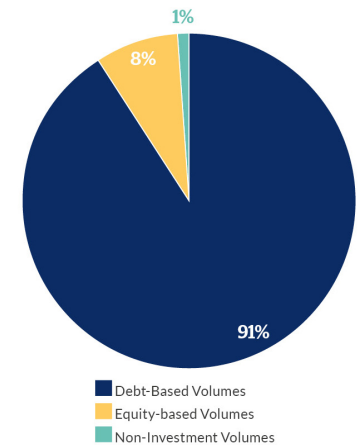
DISTRIBUTION OF MODELS BY SELECT REGIONS

Europe		Asia Pacific		Latin America and Caribbean	
Model	Share	Model	Share	Model	Share
P2P Consumer	41%	P2P Consumer	23%	P2P Consumer	25%
Invoice Trading	16%	BS Business	19%	Invoice Trading	22%
P2P Business	14%	P2P Property	19%	Balance Sheet Consumer lending	17%
Real Estate CF	8%	P2P Business	17%	P2P Business	10%
Equity CF	6%	Real Estate CF	10%	Balance Sheet Business lending	5%
Reward CF	5%	Invoice Trading	5%	Donation CF	4%

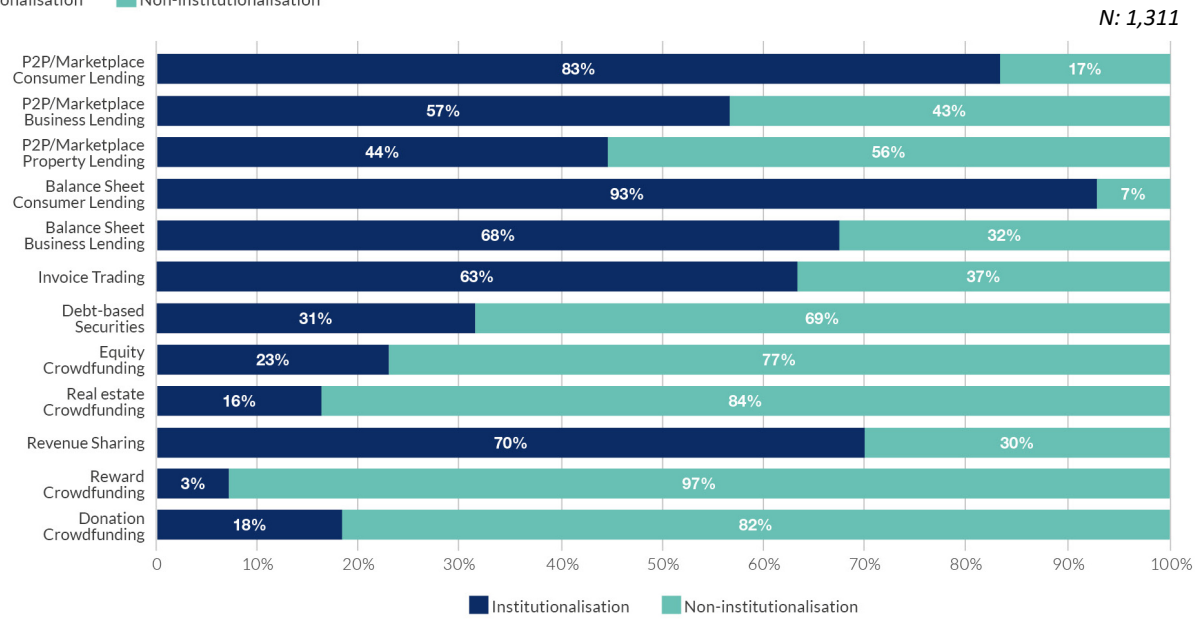
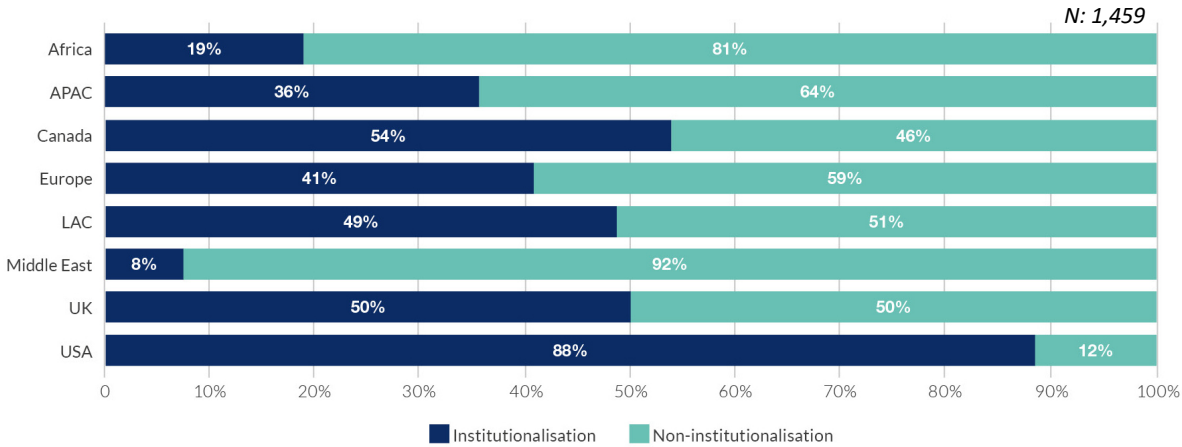
TREND 1 – A FOCUS ON SME FINANCE



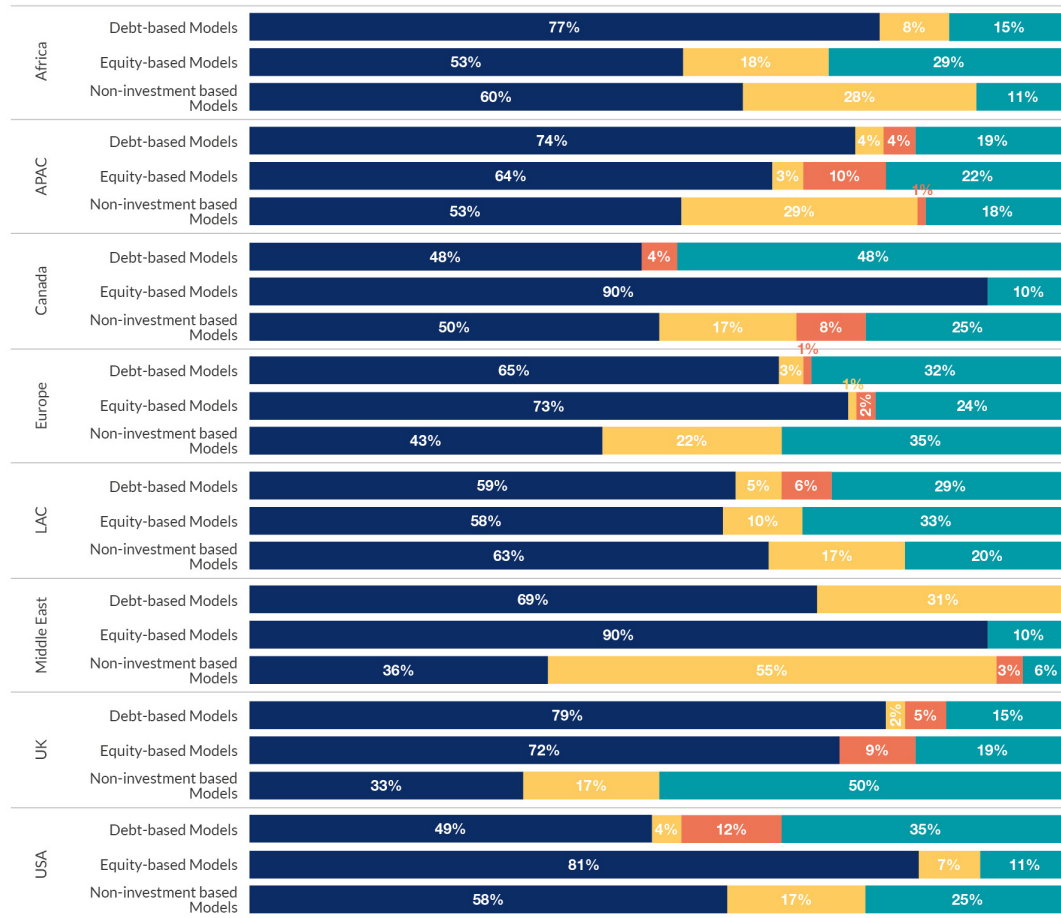
- Up 47% against Previous Year
- 60% of LAC Alternative Finance Focused to SMEs



TREND 2 – THE ROLE OF INSTITUTIONAL INVESTORS



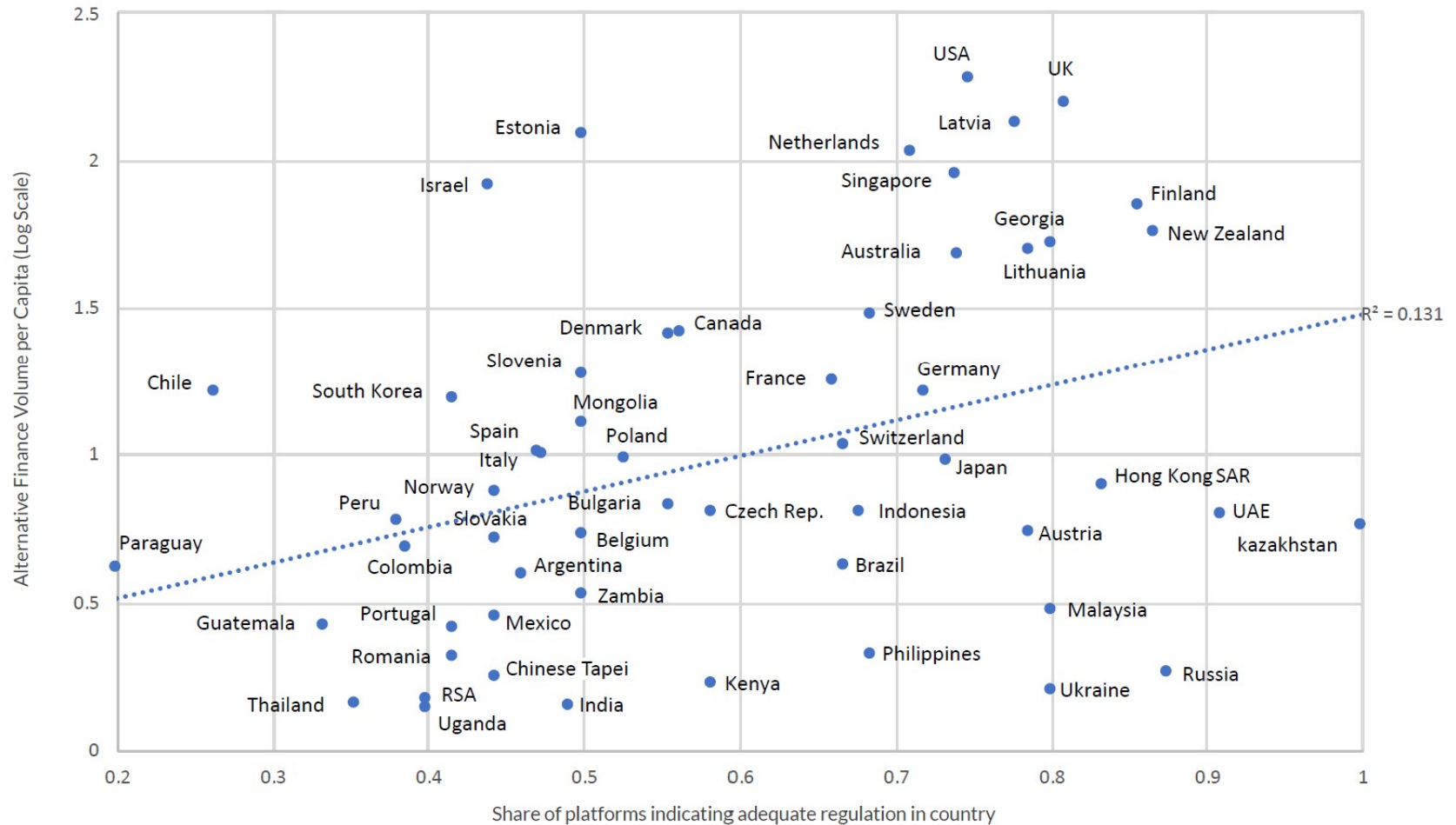
TREND 3 – THE IMPORTANCE OF REGULATION



- My platform is authorised in my jurisdiction
- My platform is not authorised but has interim permissions to operate in my jurisdiction
- My platform is not authorised but has a relationship with another licensed institution (ie Appointed Representative) that serves as our agent
- Regulatory Authorization is not required for my business activities

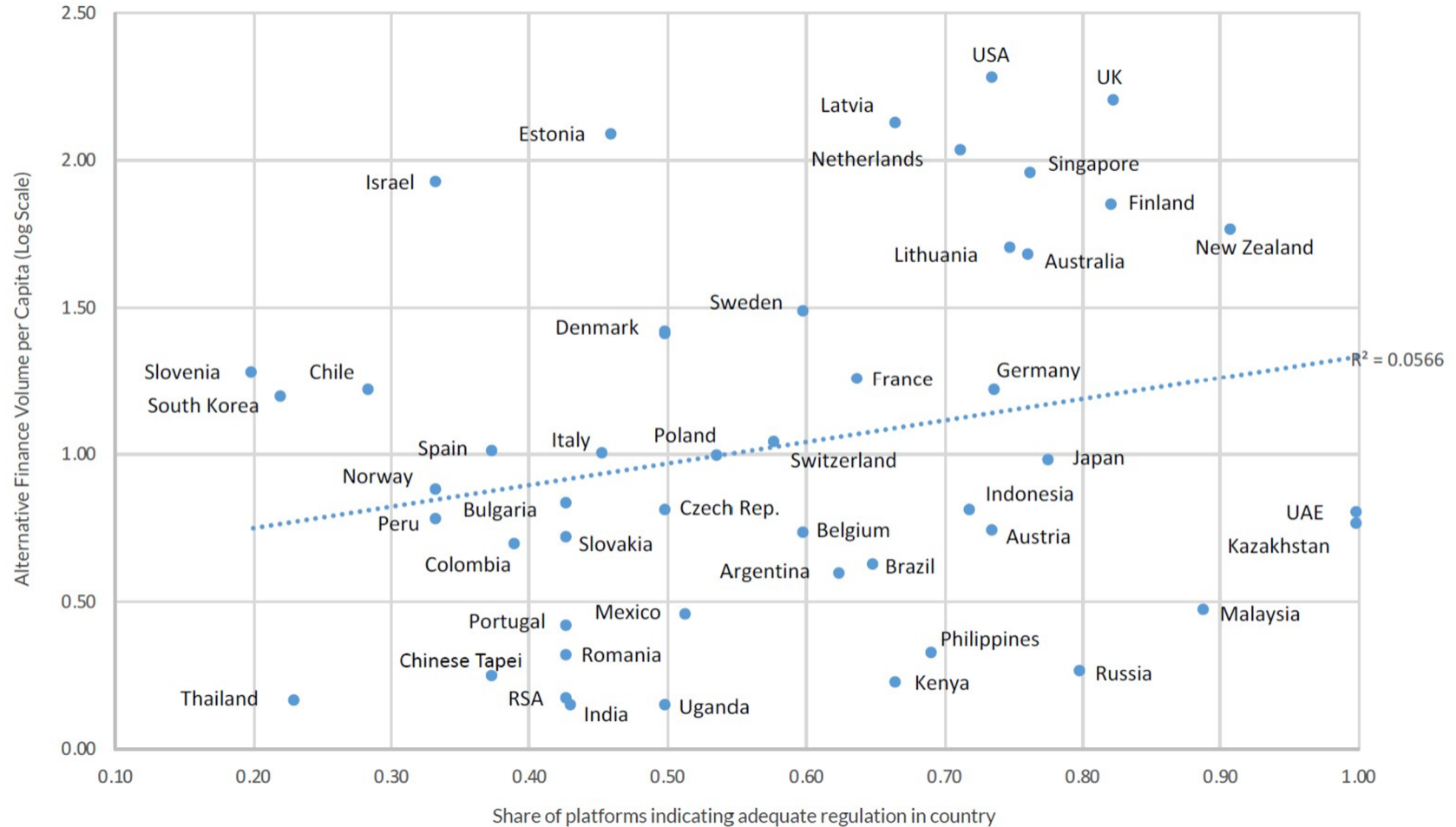
TREND 3 – THE IMPORTANCE OF REGULATION

Perceived Regulation Adequacy vs. Volume per Capita 2018 (Log Scale)
Global - All Platform



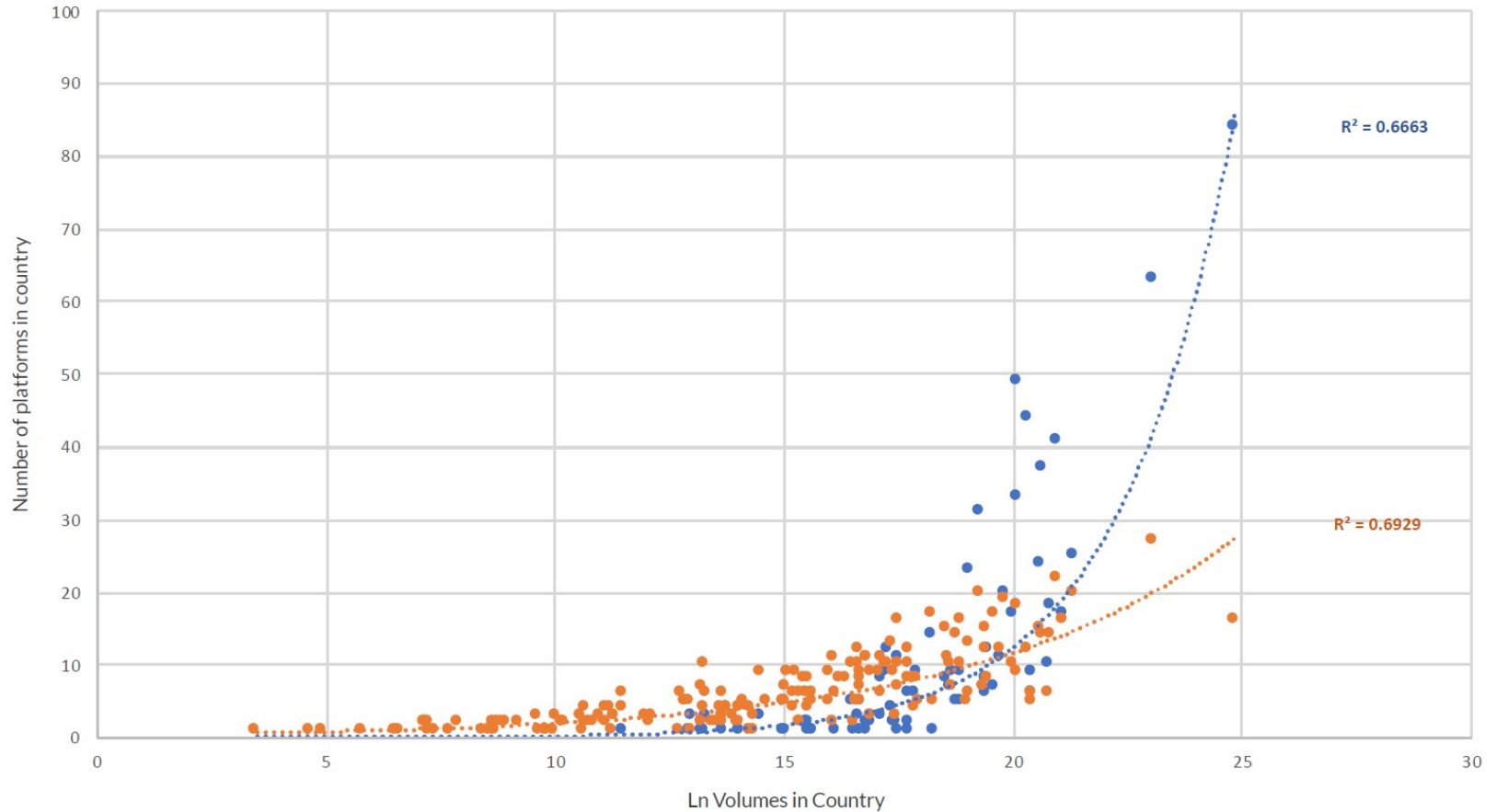
TREND 3 – THE IMPORTANCE OF REGULATION

Perceived Regulation Adequacy vs. Volume per Capita 2018 (Log Scale)
Global - Investment Platform



TREND 4 – A FOCUS ON INTERNATIONALISATION

Number of Platforms vs. Volumes in Country (Ln Value)- 2018

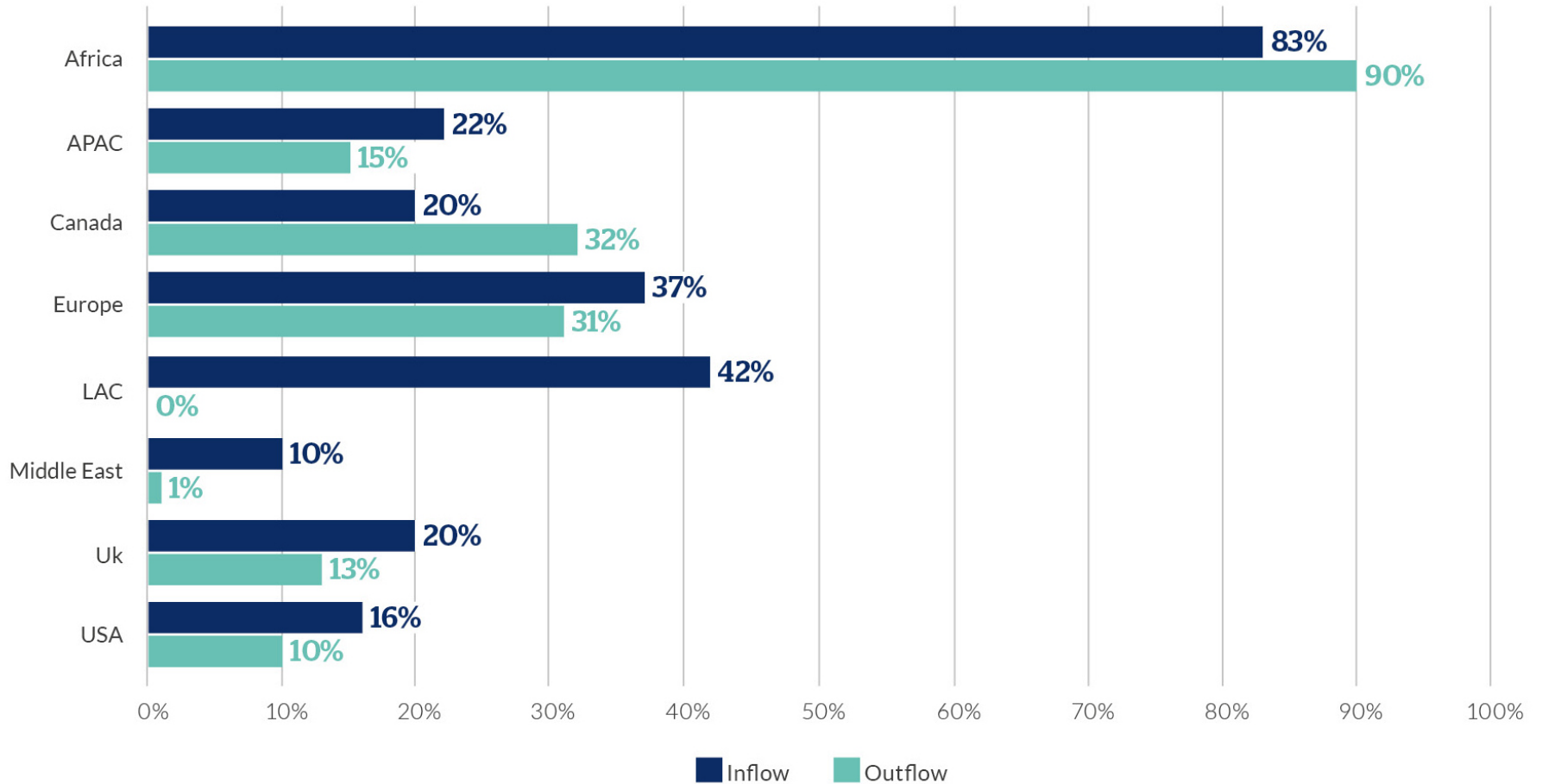


● Domestic ● Foreign ●●● Expon. (Domestic) ●●●● Expon. (Foreign)

TREND 4 – A FOCUS ON INTERNATIONALISATION

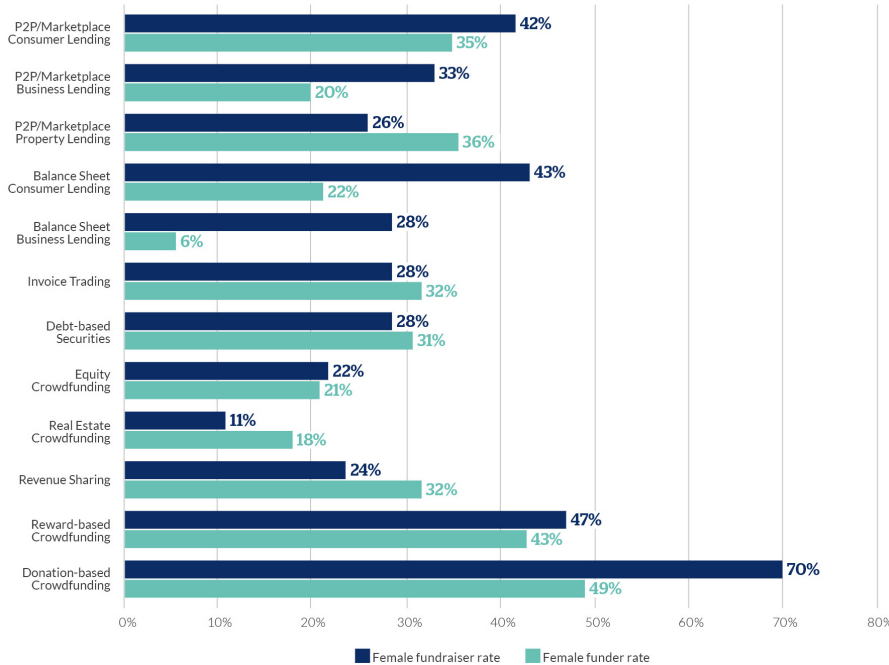
Inflow rate and Outflow rate by region-2018

N: 707 (inflow)
530 (outflow)

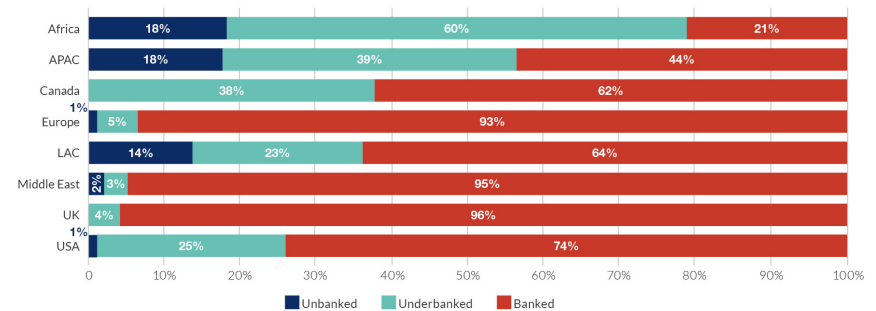


TREND 5 – FINANCIAL INCLUSION

Female fundraisers and funders by model



Banking Status by region



LOOKING FOREWORD

IMPORTANCE OF TIME SERIES DATA

Relaunch of Global AltFin Survey

Monitoring industry dynamics through time; identifying challenges & market trends across the ecosystem.

COVID-19 IMPACT RESPONSE

Integration of Covid-19 Rapid Assessment

Capturing the industry's response and impact felt. Inclusion of 10 FinTech verticals.

Collaboration with traditional finance

Financial accessibility

Technological upgrades

Proliferation vs Consolidation



SCAN ME

THANK YOU FOR YOUR ATTENTION!

PANEL 1: REGULATING FINANCIAL TECHNOLOGY

Moderator: Diego Herrera, Financial Markets Lead Specialist, IDB

Panelists:

- Laura Clavijo Muñoz, Head of Innovation, *Colombia's Financial Superintendence*
- Ángel Sierra, Executive Director, *Fintechile*
- Guillermo Mulville, Investment Management Principal Officer, *IDB Invest*

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PANEL 2: THE FUTURE OF FINTECH IN RESPONSE TO COVID-19

Moderator: David Dowsett, Global Head of Emerging Technology, AI, Strategy and Intentional Innovation, *Invesco*

Panelists:

- Inese Lazdovska, General Counsel, *Mintos*
- Anil Stocker, CEO & Co-founder, *MarketFinance*
- Peter Renton, Co-founder & Chairman, *LendIt Fintech*
- Ronald Kleverlaan, Director, *European Centre for Alternative Finance*

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