**Professor Malgorzata Pawlowska (Warsaw School of Economics)**

**Title: *The effects of digital technology in the banking sector on the relations between the financial sector and the real economy***

**Abstract:** The aim of this paper is to investigate the impact of digital technology on the relations between the financial sector and the real economy in EU. The IT revolution brought new factors that influenced the traditional banking market. Banks were forced to compete not only with other players from the banking sector but also with unregulated FinTech companies. Therefore, this paper describes how the growth of the FinTech lending market affects the availability of bank credit and the competition on the credit market. Thus, its level also affects the relations between the financial sector and the real economy. Based on panel vector autoregression model this paper confirms that new technology has an impact on bank lending; especially our findings confirm the leading role of loans for households in the use of new digital technologies. Furthermore, new players (FinTech, BigTech) are blurring the boundary between the financial sector and the real economy.