**Into to Finance**

**Lesson 1 What is Money?**

**Financial Statements**

Balance Sheet

Income Statement

Cash flow statement

**Lesson 2 What is Risk**

Activity – Risk Reflection

Activity – Ratio deep dive

**Lesson 3 Investing**

Activity – Inflation reflection

Activity – Calculate TVM

Activity – Portfolio comparison

**Lesson 4 Markets**

**Lesson 5 Start-up survival Guide**

Activity – Crunch numbers on crunchbase

<https://www.crunchbase.com/hub/australia-companies>

<https://www.crunchbase.com/organization/FrankieOne>

Total 2 funding rounds,

Seed $3M

Series A $20M

Frankie connects with different vendors and data sources from ID verification, eKYC, AML, fraud monitoring, and credit tools.

Developer APIs, FinTech, Fraud Detection, Identity Management, SaaS

From the news <https://www.fintechfutures.com/2021/10/aussie-id-and-fraud-prevention-platform-frankieone-nets-15m-series-a-round/>

FrankieOne provides a complete and unified onboarding and fraud-prevention platform, that connects 350+ third-party identity verification and fraud-prevention data sources across 46 countries into one single API.

FrankieOne’s mission is to create a platform that provides fintech with the convenience of consuming the world’s identity verification and fraud-prevention services via a single unified API. This allows fintech to “switch on” geographies and services as they need, enabling them to focus on innovation and their core business, and providing the agility to scale more rapidly.

**Skills gained**

1. Financial fundamentals
   1. Time series analysis

Time series analysis is a **specific way of analysing a sequence of data points collected over an interval of time**. In time series analysis, analysts record data points at consistent intervals over a set period of time rather than just recording the data points intermittently or randomly.

Weather data

Stock data

Automated stock reading

* 1. Financial ratios

financial ratio is **a measure of the relationship between two or more components on the company's financial statements**. These ratios give you a quick and straightforward way to track performance, benchmark against those within an industry, spot trouble and proactively put solutions in place

Working capital ration

Quick ratio (Acid test) Inventory minus current assets divided by current liabilities

Earning per share EPS

Price-Earning ration

* 1. Financial analysis

Financial analysis is the **process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability**. Typically, financial analysis is used to analyse whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

* 1. Financial modelling

Financial modelling is the **process of creating a summary of a company's expenses and earnings in the form of a spreadsheet** that can be used to calculate the impact of a future event or decision. A financial model has many uses for company executives. Its building an abstract representation of real-world financial situation. This is a mathematical model designed to represent the performance of an asset or financial portfolio.

1. Programming and financial libraries
2. ML applications in finance
3. Blockchain and cryptocurrency

Week-1 Activities

**FinTech domains**

 Payments and Remittances

 Robo Advisors and Personal Finance

 RegTech

 Digital Banking

 InsurTech

 Alternative Finance

* Create a document containing the names and definitions of each FinTech domain.
* Research each domain and use your findings to answer the following questions:
  + What does the particular FinTech domain do? What is its purpose?
  + What is the competitive landscape? Who are its main contenders?
  + What are the main factors for change in the domain? How is the domain being disrupted by innovation?
  + What are the technologies used?
  + What is its past, present, and future growth?

RegTech – Regulatory Technology

Using technology to keep track of regulatory compliance is known as regtech. Regulatory technology solutions automate the monitoring and reporting of data with tools with the capability to handle large datasets or unstructured information. These technologies are also designed to help financial institutions keep up with changing regulations in various jurisdictions around the world.

The prominence of regtech may help to preserve fintech security as political governments change and governments increasingly seek to promote increased cybersecurity laws. To fulfil regulations, these tools are designed to manage large data transfers.

RegTech, consists of a group of companies that use cloud computing technology through software-as-a-service (SaaS) to help businesses comply with regulations efficiently and less expensively.

Risk management

Identity management and control

Compliance

Transaction monitoring

**SaaS technologies, cloud computing, big data and artificial intelligence** to manage regulatory compliance and automates the crucial processe

Future

Wave -1 present day

Regulated entities adopt regulatory technology to reduce the cost of complying with regulation

Wave -2 the regulator may develop its own technologies and make them compulsory for those being regulated.

Wave-3 Reports and research into RegTech have envisioned a future regulatory system in which near-real-time monitoring is enabled by interoperability between technologies used by regulated entities and technology used by regulators

he use of emerging technologies such as artificial intelligence, natural language processing and smart contracts allow for greater automation of regulation, which would supposedly make non-compliance near impossible.

Technologies disrupted the traditional financials

Blockchain allows for cheaper and more secure transactional validation; robo advisors utilize machine learning algorithms for portfolio management, thereby reducing overhead costs; and payment applications utilize modern infrastructure such as mobile and cloud-based networking.

Cloud based computing

With cloud-based networking such as AWS, small start-ups and even individuals can quickly spin up servers faster and on an as-needed basis, minimizing time to deployment and reducing up-front costs. This allows **smaller companies** to compete more efficiently with larger firms that have existing infrastructures.

Other technologies

Machine learning can be used in lending to more efficiently target customers who have a higher likelihood of paying back their loans, while avoiding those who have a higher likelihood of not paying back their loans.