

## COURSE TECHNICAL DATA

Course Information	
ECTS Credits	4
Degree	Master in Finance / Master's Degree in Finance from Universidad Pontificia de Comillas
Professor	Jaime Fernández Cerezo
Name	Fintech and Banking Disintermediation
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## OBJETIVOS Y CONTENIDOS

OBJECTIVES
<p><b>General Competencies</b></p> <p><b>CG.1 Project-Based Learning: Ability to develop and execute collective financial projects through their various phases based on real situations, proposing real solutions, and making all interactions with the team, clients, and any other participants efficient.</b> RA1 - Ability to commit to the development of experimental collective projects based on the real world, managing and aligning client needs with available resources, optimally distributing work, communicating and projecting the different phases, proposing real solutions, and making all interactions with the team, clients, and other stakeholders efficient.</p> <p><b>CG.3 Teamwork: Use critical thinking for decision-making, applying techniques and methodologies that promote teamwork.</b> RA1 - Be committed to and cooperate in defined roles to achieve goals related to assigned tasks, activities, projects, and responsibilities.</p> <p><b>CG.8 Entrepreneurship: Exhibit initiative, creativity, and entrepreneurial spirit in the application of financial strategies and practices.</b> RA1 - Develop in students the ability to generate original processes, ideas, and projects through divergent thinking and the application of learned models and techniques, efficiently evaluating and leveraging available resources.</p> <p><b>CG.9 Digital Competence: Efficiently and safely employ, leverage, and use technological and digital resources that apply to financial management in organizations.</b> RA1 - Be able to use information and communication technologies critically, creatively, and safely in financial management within organizations, employing applications and leveraging internet resources.</p> <p><b>Specific Competencies</b></p> <p><b>CE05 Understand in depth the new business activities within the financial sector, as well as the value generation processes based on new technologies and their impact on the current and future financial ecosystem.</b> <b>RA3.</b> Understands the regulation impacting fintech and the role of digitalization as an element of innovation and a disruptor of the financial industry's paradigm, and knows how to apply it in specific projects that increase the added value of a process. <b>RA6.</b> Development of digital banking businesses and services. Analysis of digital solutions from some banks, as well as digital platform-based banking business models.</p>



**CE08 Understand in depth the operations and management systems of credit institutions within the current financial paradigm, as well as other alternative sources of financing, the various banking and non-banking credit products, and solutions offered by financing markets for different financing projects.**

**RA1.** Understands and knows how to negotiate and manage credit and liquidity needs with a bank for a business project, understanding the key internal mechanisms of the bank—treasury, risk, and commercial management—to succeed in the credit application process.

**RA3.** Knows and differentiates between wholesale and retail-focused products, as well as those aimed at private banking and investment banking.

## CONTENTS

### Transformation of the Financial Sector and Fintech Ecosystem

- New players in the financial sector: Fintech, Neobanks, Bigtech
- Fintech Ecosystem: Alternatives to traditional banking, new verticals, and trends

### Innovation in the Financial Sector

- Innovation initiatives in the financial sector: Open Innovation, Intrapreneurship, Venture Building, Corporate Venture Capital, Sandbox
- Analysis of methodologies for initiatives and impact: How to successfully develop a program using a corporation's own resources, based on various real-world cases

### Investment in Fintech Startups

- Analysis of the investment process in startups (fundraising journey): company analysis (Due Diligence) and presentation of the opportunity (investment memo)
- Closing the deal and the investment: negotiation, term sheet, performance warrants
- Types and functioning of a Venture Capital fund

### Disruption in Fintech

- Fintech Sandbox: Innovating in a controlled environment
- DeFi & Blockchain



## TEACHING METHODOLOGY

### General methodological aspects of the course

This course is based on interactive classes that encourage participatory learning. This learning will be supported by theoretical material presented through slides and brief numerical examples, as well as cases based on real projects. This will allow students to simulate an environment as close to reality as possible.

From a methodological point of view, students will work individually or in teams on real company cases. Critical thinking, data handling, and analysis will be key for each class and for solving the cases. Students are expected to be highly involved and actively participate in both classes and work sessions.

In cooperative work, students in groups receive a task, case, or scenario that requires sharing information and resources among members to achieve a common goal. The preparation and methodology of the cases stimulate inductive learning. From the analysis of specific examples, different analysis tools are built, and responses are induced. Therefore, it is essential to study the cases in advance and actively participate in discussions during the general sessions.

Presentations by students should be evaluated by their peers or the teacher to deepen the subject matter and foster collective learning.

Individual study before and after class. Individual reading of various types of texts (cases, books, magazines, articles, press, online publications, reports on practical experiences, etc.) related to the subjects of study.

Project Work. A project work in the context of a master's course involves carrying out a practical and applied task, where students must research, develop, and present a solution or analysis on a specific topic related to the subject. This work combines theory and practice, fostering research skills, critical analysis, and problem-solving. It usually culminates in a written report and an oral presentation, evaluating the students' ability to apply learned concepts in real-world situations.

## EVALUATION AND GRADING CRITERIA

Evaluation Activities	(%)
Case Studies	30%
Economic Analysis of a Country - Exam - 40%	50%
Participation	20%



## Grading

**Class Participation:** Students will be evaluated for their proactive contribution in class by offering ideas and/or regularly asking questions and/or consistently working on the group project all the time. These ideas or questions should aim to enrich and/or expand discussions by relating the discussed topics to others, either from the same course or a different one. Students should listen without interrupting when others speak, either working in groups or in class, incorporating new angles into the discussion or elaborating more on other students' ideas. Additionally, contributing to the overall class environment and being positively prepared for sessions, i.e., covering the recommended readings for each session, will be taken into account.

Full attendance is mandatory (including class excursions/site visits, Master Classes, and informal sessions, among others) and will be checked at the beginning of each class; students who miss many classes or are frequently late will see a reduction in their participation grade. Personal trips do not constitute justified absences. Unjustified absences will have the following penalty on the class participation grade rubric:

- a. One unjustified absence: -15% reduction in the final class participation grade.
- b. Two unjustified absences: -40% reduction in the final class participation grade.
- c. More than two unjustified absences will cause a 60% reduction in the final class participation grade. The student will not be allowed to take the exam and will, therefore, be required to take the makeup exam. If the student passes the makeup exam, their final Class Participation grade will be limited to 5.0.

Tardiness is a sign of disrespect towards the professor and other students and should not be allowed. Therefore, students arriving more than 10 minutes late to class will have to wait outside until the break.

Finally, the role played in the final group project presentation will also be considered for this part of the final grade.

**Exercises, Case Studies, and Group Project:** Throughout the course, exercises based on real cases will be reviewed. To make the most out of the class, students are asked to prepare them in advance. Some of these exercises will be defined for individual completion and others in groups.

If there is a Group Project in a company, the final grade will be determined by the average of the following criteria: 50% (company tutor/s); 25% (Professor); 25% (average of student self-evaluation/co-evaluation).

If the project is not in a company, then the evaluation criteria will be 75% (Professor) and 25% (average of student self-evaluation/co-evaluation). If a student does not pass the Exercises and/or Group Project, they will have to agree with the responsible professor on the activities needed to pass.

**Final Exam:** The final exam will generally consist of a set of multiple-choice questions, short/long essays, and/or practical exercises. The exam evaluates the understanding and analysis of all course concepts along with practical exercises based on the topics discussed in class.

A minimum grade of 5 (out of 10) is required on the final exam for all evaluation criteria (Participation/Exercises/Project) to be weighted as indicated in the program. An average weighted grade of more than 5 is required to pass the course.

If a student does not obtain at least a grade of 5.0 (out of 10), the student must take the "makeup" exam.



Makeup: The course grade will be calculated as follows: the makeup grade will be limited to the median grade of the students who passed the first exam. The final makeup grade will be weighted with the Class Participation, Exercises, and Group Project grades.

## BIBLIOGRAPHY AND RESOURCES

### Basic Bibliography

#### Books:

- Brad Feld, Jason Mendelson; Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist, (2011)
- Stephen R. Covey; "7 Habits Of Highly Effective People", (1989)
- Paolo Sironi "Banks and Fintech on Platform Economies: Contextual and Conscious Banking", (2021)
- Luigi Wewege; Michael Thomsett; " The Digital Banking Revolution" De Gruyter; N.º 3 edición (2019)
- Ignacio Garcia Alves, Philippe de Backer, Juan Gonzalez. Disruption. "The future of Banking and Financial Services". LID Publishing (2022)
- Luis Diaz del Dedo. "Growth Hacking"; Social Business. 3a edicion.

#### Articles:

- NuBank Annual Report and Prospectus
- 5 things we learnt from Monzo's 2022 Annual Report
- The State of Embedded Finance. Whitesight.
- The State of Open Finance. Whitesight.

#### Cases:

- Augmentum Fintech - Why we invested in.
- On VC Thesis Evolution. Ahmad Takatkah.
- Venture Capital vs. Angel Investing Processes. VCStack.
- How to Size a Market in 30 minutes.



## **Podcasts / Videos:**

- Wharton FinTech Podcast [EN]
- FinTech Insider by 11:FS [EN]
- Más Que FinTech [ES]
- PodKast de K Fund [ES]
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