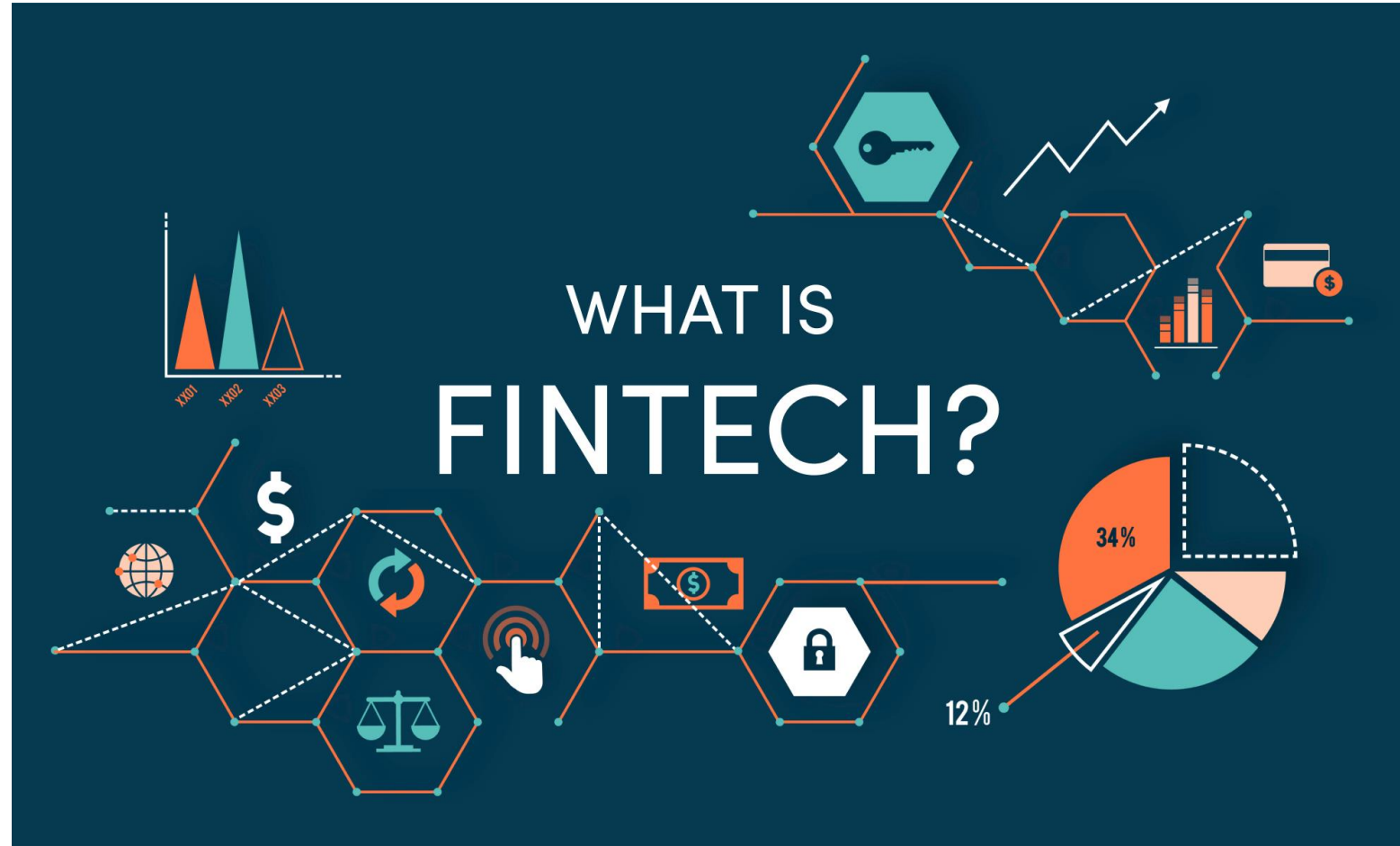


## Lesson 4;



## What Is Financial Technology (Fintech)?

Financial technology (better known as fintech) is used to describe new technology that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners, and consumers better [manage their financial operations](#), processes, and lives. It is composed of specialized software and algorithms that are used on computers and smartphones. Fintech, the word, is a shortened combination of “financial technology.”

When **fintech** emerged in the **21st century**, the term was initially applied to the technology employed at the backend systems of established financial institutions, such as banks. From 2018 or so to 2022, there was a shift to consumer-oriented services. Fintech now includes different sectors and industries such as education, retail banking, fundraising and nonprofit, and investment management, to name a few.

Fintech also includes the development and use of cryptocurrencies, such as [Bitcoin](#). While that segment of fintech may see the most headlines, the big money still lies in the traditional global banking industry and its multitrillion-dollar [market capitalization](#).

## 2- Fintech and New Technologies :

New technologies, such as [machine learning](#)/artificial intelligence (AI), predictive behavioral analytics, and data-driven marketing, will take the guesswork and habit out of financial decisions. “Learning” apps will not only learn the habits of users but also engage users in learning games to make their automatic, unconscious spending and saving decisions better.

Fintech is also a keen adapter of automated customer service technology, utilizing chatbots and AI interfaces to assist customers with basic tasks and keep down staffing costs. Fintech is also being leveraged to fight fraud by leveraging information about payment history to flag transactions that are outside the norm.



### **3-Fintech Users ;**

There are four broad categories of users for fintech:

- [Business-to-business \(B2B\)](#) for banks Clients of B2B banks
- [Business-to-consumer \(B2C\)](#) for small businesses Consumers

Trends toward mobile banking, increased information, data, more accurate analytics, and decentralization of access will create opportunities for all four groups to interact in unprecedented ways.

As for consumers, the younger you are, the more likely it will be that you are aware of and can accurately describe what fintech is. Consumer-oriented fintech is mostly targeted toward Gen Z and millennials, given the huge size and rising earning potential of these generations.

When it comes to businesses, before the adoption of fintech, a business owner or startup would have gone to a bank to secure financing or startup capital. If they intended to accept credit card payments, they would have to establish a relationship with a credit provider and even install infrastructure, such as a landline-connected card reader. Now, with mobile technology, those hurdles are a thing of the past.

## Homework ; 4

**1- what is fintech ? and who are its users ?**

- **2- Extract from the texts all terminologies**

**And translated from english into Arabic** **قم باستخراج كل المصطلحات وقم ترجمتها من**  
**(الإنجليزية الي العربية)**

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