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Page Title	Unit Launch	Type	Text and Static Image / Graphic	Number	1
Screen Layout					
					
Event	Audio	On-Screen Text (OST)			
1.		Professional Banking Fundamentals  Chapter 1 – The Business of Banking and the economic environment			




		Financial Markets		
		Let's Get Started		




Page Title	Navigation	Type	Text and Static Image / Graphic	Number	2
Screen Layout					
<div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div>Financial Markets</div><div><div>Navigation of Unit</div><div>This unit will take approximately 20 minutes to complete.</div><div>To navigate through this unit, there are arrows to continue next and go back.</div><div>This unit is one several in the Business of Banking chapter. A Knowledge Check will be provided at the conclusion of the chapter to assist in reinforcing your learning. This does not count towards your final exam.</div></div></div>					
Event	Audio	On-Screen Text (OST)			
2.		<p>This unit will take approximately 20 minutes to complete.</p> <p>To navigate through this unit, there are arrows to continue next and go back.</p> <p>This unit is one several in the Business of Banking chapter. A Knowledge Check will be provided at the conclusion of the chapter to assist in reinforcing your learning. This does not count towards your final exam.</p>			



Page Title	Learning Introduction/ Objectives	Type	Animated Text and Static Image / Graphic	Number	3
Screen Layout					
					
Event	Video/Audio	On-Screen Text (OST)			
		<p>Introduction</p> <p>Welcome to the Financial Markets unit</p> <p>By the end of this unit you will be able to:</p> <ul style="list-style-type: none"><li>• Describe the financial markets in Australia.</li><li>• Illustrate an understanding of the financial service providers, other than banks, in Australia.</li><li>• Explain the current trends in the Australian banking industry.</li></ul> <p>Click here to begin</p>			



## Topic 1: Financial Markets in Australia

Page Title	Financial Markets	Type	Static text and dynamic interaction on each image	Number	4
Screen Layout					
					
Event	Audio	On-Screen Text (OST)			
3.		<p>The role of financial markets is to bring together buyers and sellers of financial products in order to trade.</p> <p>Within financial markets, there are different types of markets: Click each image to learn more about each financial market type.</p> <p><b>A PRIMARY MARKET</b> is where new issues of shares or other forms of security are offered to the market for the first time. For example, if the government is seeking to fund a project to build a road, it may choose to finance this by borrowing the</p>			



funds on the market and issuing government securities.

**A SECONDARY MARKET** is where these securities are traded after their initial issue, like a 'second-hand' market, where securities that have already been issued through the primary market are traded again.

**EXCHANGE TRADED MARKETS** are organised and subsequently traded on a physical or electronic exchange facility, typically with business rules that define relationships, products and conventions. In Australia the main licensed exchange traded markets are equities (shares) and exchange traded derivatives (such as futures) on the Australian Stock Exchange (ASX).

**OVER THE COUNTER MARKETS (OTC)** are non-standardised and negotiated between the parties involved in the transaction.

[Click next to proceed](#)









Page Title	Financial Market Products	Type	Drag and Drop Activity	Number	2
Screen Layout					
<div><div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div><div>Financial Markets</div><div><div>The Major Financial Market In Australia are:</div><div><div>Interest Rate or Debt</div><div>Foreign Exchange</div><div>Equities</div><div>Commodities</div><div>Derivatives</div></div><div><div>trading (buying and selling) includes short term securities and long term securities such as government and corporate bonds</div><div>exchanging one currency for another. This is the largest financial market in the world, and due to the zone differences, trades 24 hours a day</div><div>trading shares in listed companies.</div><div>trading in raw or primary products such as wheat, grain, cattle, electricity.</div><div>a contract whose value is derived from one or more underlying assets or instruments; for example, forward rate agreements on underlying exchange rate</div></div></div><div><div>Drag and drop the definitions to match each major financial market in Australia.</div><div>Check</div></div></div></div></div>					
Event	Audio	On-Screen Text (OST)			
4.		<div><div><div>The Major Financial Markets in Australia are:</div><div>Drag and drop the definitions to match each major financial market in Australia.</div><div><div>INTEREST RATE OR DEBT MARKET – trading (buying and selling) includes short term securities and long-term securities such as government and corporate bonds.</div><div>FOREIGN EXCHANGE MARKET – exchanging one currency for another. This is the largest financial market in the world, and due to time zone differences, trades 24 hours a day.</div><div>EQUITIES MARKET – trading shares in listed companies.</div></div></div></div>			







		<p><b>COMMODITIES MARKET</b> – trading in raw or primary products such as wheat, grain, cattle, electricity.</p> <p><b>DERIVATIVES MARKET</b> – a contract whose value is derived from one or more underlying assets or instruments, for example, forward rate agreements on the underlying exchange rate.</p> <p>Check (button)</p>		
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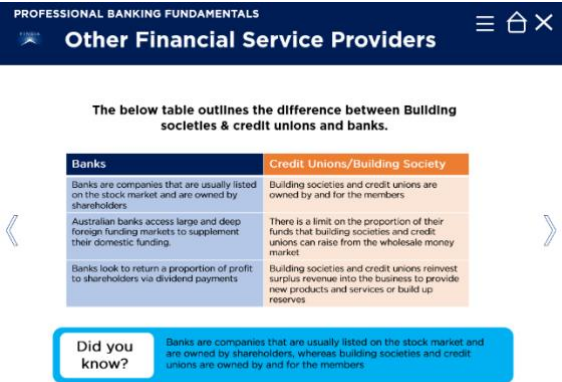
Page Title	Financial Market Participants	Type	Animated text and icons	Number	7
Screen Layout					
<div><div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div> Financial Markets</div><div><div>≡</div><div>🏠</div><div>✕</div></div></div><div><div>WHO PARTICIPATES IN THE FINANCIAL MARKETS?</div><div>Participants in financial markets range from banks and <b>non-bank financial institutions (NBFI)</b> such as building societies, credit unions, investment banks, corporations, brokers, government and individuals. Banks, NBFIs and brokers normally act as intermediaries and 'price makers', while other participants, such as corporations, government and individuals are usually end users or 'price takers'.</div><div><div>⏪</div><div></div><div>⏩</div></div><div>Lets now have a look at other Financial Service Providers</div></div></div>					
Event	Audio	On-Screen Text (OST)			
5.		<p><b>WHO PARTICIPATES IN THE FINANCIAL MARKETS?</b></p> <p>Participants in financial markets range from banks and <b>non-bank financial institutions (NBFI)</b> such as building societies, credit unions, investment banks, corporations, brokers, government and individuals. Banks, NBFIs and brokers normally act as intermediaries and 'price makers', while other participants, such as corporations, government and individuals are usually end users or 'price takers'.</p> <p>Let's now have a look at other financial service providers</p>			

Page Title	Other Financial Service Providers - ADIs	Type	Static and animated text and imagery	Number	8	
Screen Layout						
<div><div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div>Other Financial Service Providers</div><div>In addition to banks, other types of financial services providers operating in Australia include the following:</div><div>AUTHORISED DEPOSIT-TAKING INSTITUTIONS (ADIs)</div><div><div></div><div><div>Building Societies</div><div>A building society is a mutual institution, which means that most people who have a savings account, or mortgage, are members. Each building society has a board of directors who run the society and are responsible for setting its strategy. Each member has voting rights on how the organisation is run.</div></div></div></div></div>						
Event	Audio	On-Screen Text (OST)				
6.	None	<p>In addition to banks, other types of financial services providers operating in Australia include.</p> <p>AUTHORISED DEPOSIT-TAKING INSTITUTIONS (ADIs)</p> <p><b>Building societies</b></p> <p>A building society is a mutual institution, which means that most people who have a savings account, or mortgage, are members. Each building society has a board of directors who run the society and are responsible for setting its strategy. Each member has voting rights on how the organisation is run.</p>				



Page Title	Other Financial Service Providers - ADIs	Type	Static and animated text and imagery	Number	9
Screen Layout					
<div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div><div>Other Financial Service Providers</div><div><p>In addition to banks, other types of financial services providers operating in Australia include the following:</p><p><b>AUTHORISED DEPOSIT-TAKING INSTITUTIONS (ADIs)</b></p><div><div></div><div><div>Credit Unions</div><div><p>Like building societies, credit unions are mutually-owned institutions, providing basic, low-cost deposit, personal/housing loans and payments services to members. Members finance their personal borrowing from their own combined resources. In many ways credit unions are like the early building societies with the provision that members must share some common bond, such as living in the same locality, or working for the same employer or industry.</p></div></div></div></div></div></div>					
Event	Audio	On-Screen Text (OST)			
7.	None	<p>In addition to banks, other types of financial services providers operating in Australia include:</p> <p><b>AUTHORISED DEPOSIT-TAKING INSTITUTIONS (ADIs)</b></p> <p><b>Credit unions</b></p> <p>Like building societies, credit unions are mutually owned institutions, providing basic, low-cost deposit, personal/housing loans and payment services to members. Members finance their personal borrowing from their own combined resources. In many ways credit unions are like the early building societies with the provision that members must share some common bond, such as living in the same locality, or working for the same employer or industry.</p>			




Page Title	Other Financial Service Providers - ADIs	Type	Transitional/Animated text. Click and reveal	Number	10
Screen Layout					
					
Event	Audio	On-Screen Text (OST)			
8.	None	<p>The table below outlines the differences between building societies and credit unions, and banks.</p> <ul style="list-style-type: none"><li>Banks are companies that are usually listed on the stock market and are owned by shareholders, whereas building societies and credit unions are owned by and for the members.</li><li>Australian banks access large and specialised foreign funding markets to supplement their domestic funding whereas there is a limit on the proportion of the funds that building societies and credit unions can raise from the wholesale money market.</li><li>Banks look to return a proportion of profit to shareholders via dividend payments, whereas</li></ul>			



		<p>building societies and credit unions reinvest surplus revenue into the business to provide new products and services or build up reserves.</p> <p><b>DID YOU KNOW?</b> Banks are companies that are usually listed on the stock market and are owned by shareholders, whereas building societies and credit unions are owned by and for the members”</p>		
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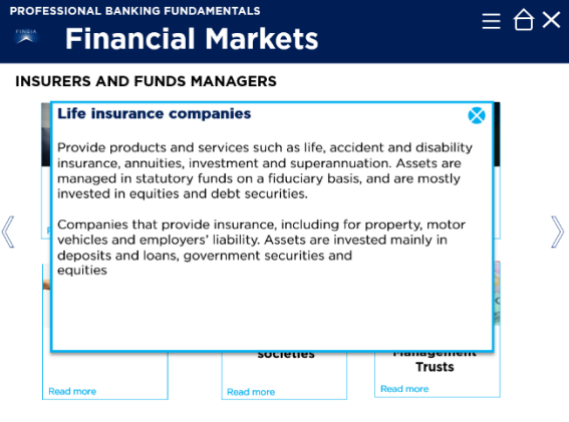


Page Title	Other Financial Service Providers – NON ADIs	Type	Transitional/Animated text	Number	10	
Screen Layout						
<div><div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div><div>Financial Markets</div><div>NON - ADI FINANCIAL INTERMEDIARIES</div><div><p><b>Money market corporations (excluding those with assets &lt; \$50m)</b> These operate primarily in wholesale markets, borrowing from, and lending to, large corporations and government agencies. Other services may be provided, including advisory, corporate finance, capital markets, foreign exchange and investment management.</p><p><b>Finance companies (excluding those with assets &lt; \$50m)</b> Finance companies that provide loans to households and small to medium size businesses. They raise funds from both the wholesale and retail markets.</p><p><b>Securitisation vehicles</b> These are special purpose financial solutions that issue securities backed by pools of assets (e.g. mortgage-based housing loans). The securities are usually credit enhanced (e.g. through use of guarantees from third parties).</p><div><div></div><div>CAN YOU NAME ANY AUSTRALIAN NON - ADI FINANCIAL INTERMEDIARIES?</div></div></div></div></div></div>						
Event	Audio	On-Screen Text (OST)				
9.	None	<b>NON-ADI FINANCIAL INTERMEDIARIES</b>  <b>Money market corporations (excluding those with assets &lt; \$50m)</b> These operate primarily in wholesale markets, borrowing from, and lending to, large corporations and government agencies. Other services may be provided, including advisory, corporate finance, capital markets, foreign exchange and investment management.  <b>Finance companies (excluding those with assets &lt; \$50m)</b> Finance companies that provide loans to households and small to medium size businesses. They raise funds from both the wholesale and retail markets.				



		<p><b>Securitisation vehicles</b></p> <p>These are special purpose financial solutions that issue securities backed by pools of assets (such as. mortgage-based housing loans). The securities are usually credit enhanced (e.g. through use of guarantees from third parties).</p> <p>*Thought icon* Can you name any non-financial intermediaries?</p> <p>For additional information about the types of financial institutions refer to the RBS web site under financial stability.</p>		
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Page Title	Insurers and Fund Managers	Type	Static text with slide layers for each heading	Number	11
Screen Layout					
					
Event	Audio	On-Screen Text (OST)			
10.	None	<p><b>INSURERS AND FUNDS MANAGERS</b></p> <p><b>Insurance companies</b></p> <p>Life insurance companies provide products and services such as life, accident and disability insurance, annuities, investment and superannuation. Assets are managed in statutory funds on a fiduciary basis and are mostly invested in equities and debt securities.</p> <p>General insurance companies provide insurance for property, motor vehicles and employers' liability. Assets are invested mainly in deposits and loans, government securities and equities.</p>			

		<p><b>Superannuation and approved deposit funds (ADFs)</b>  Superannuation funds accept and manage contributions from employers (including self-employed) and/or employees to help Australian's save for retirement. These funds are controlled by trustees. ADFs are generally managed by professional fund managers and may accept superannuation lump sums and eligible termination payments (payments generally made when a person resigns, retires or is retrenched). Superannuation funds and ADFs usually invest in a range of assets (equities, property, debt securities and deposits).</p> <p><b>Unit trusts and Managed Funds</b>  Managed funds pool investors' funds, usually into specific types of assets (e.g. cash, equities, property, money market investments, mortgages and overseas securities). Most are managed by subsidiaries of banks, insurance companies or money market corporations.</p> <p><b>Cash management trusts</b>  Cash management trusts are a type of unit trust governed by a trust deed and open to the public. They generally confine their investments (as authorised by the trust deed) to financial securities available through the short-term money market.</p> <p><b>Trustee companies (Common funds)</b>  Trustee companies pool into common funds money received from the general public or held on behalf of estates or under</p>		
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		<p>powers of attorney. Funds are usually invested in specific types of assets (e.g. money market investments, equities and mortgages).</p> <p><b>Friendly societies</b> These are mutually owned co-operative financial institutions offering benefits to members through a trust-like structure. Benefits include investment products through insurance or education bonds, funeral, accident, sickness, or other benefits.</p>		
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Page Title	Trends in the Australian Banking Industry	Type	Static text. Futuristic Imagery	Number	12
Screen Layout					
					
Event	Audio	On-Screen Text (OST)			
11.	None	<p>Financial services is an industry that deals primarily with information, rather than manufactured products. Communication and distribution of that information is increasingly produced and managed digitally. Consequently, most of the major developments in financial services are in the area of information technology and networked communication systems.</p> <p><b>Click next to learn about some of the most recent trends</b></p>			



Page Title	Trends in the Australian Banking Industry	Type	Animated Transitional Text and Futuristic Imagery	Number	13
Screen Layout					
 <p>The screenshot shows a presentation slide titled "Trends in Banking" under the heading "PROFESSIONAL BANKING FUNDAMENTALS". It features three sections: "FINTECH" (Financial technology), "BITCOIN" (Historically, as transactions became more complex...), and "BLOCKCHAIN" (Instead of using a central third party...).</p>					
Event	Audio	On-Screen Text (OST)			
12.	None	<p><b>EMERGENCE OF FINTECH</b> Financial technology (FinTech) is a broad term that describes new digital technologies and other innovative developments. New and existing technology companies are now competing with traditional financial services companies by providing alternative platforms to deliver financial services, especially payments.</p> <p><b>BITCOIN</b> Historically, as transactions became more complex, so did the importance of intermediaries in the payments systems. Technologies such as bitcoin and blockchain are challenging</p>			







the traditional platform. **Bitcoin** is a decentralised digital currency that enables instant payments to anyone, anywhere in the world, using peer-to-peer technology to operate with no central authority – transaction management and money issuance are carried out collectively by the network.

#### **BLOCKCHAIN**

Instead of using a central third party or an offline reconciliation process, **Blockchain** is a distributed ledger using peer-to-peer technology, providing real-time records that are replicated among the participants. The threat of disintermediation (eliminating intermediaries) in the payments industry is both real and imminent. However, tight regulation of the banking industry and strict privacy laws may protect some aspects of financial services from competition, and represent an ongoing threat to FinTech companies.



Page Title	Trends in the Australian Banking Industry	Type	Transitional/Animated text	Number	14
Screen Layout					
<div><div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div> Trends in Banking</div><div><div><p><b>A.I.</b></p></div><div><p>Artificial Intelligence in banking. 'Trading without traders' has been a market reality for at least a decade now, where the role of the human trader has been replaced by electronic exchanges, for example in equities and futures.</p></div></div><div><div><p><b>ROBOTICS</b></p></div><div><p>Robotics are also already being used for back office tasks. Banks and FinTech companies already use machine learning to detect fraud by flagging unusual transactions. These technologies can be more efficient than human manual monitoring and it is expected their use will increase.</p></div></div><div><div><p><b>ANALYTICS</b></p></div><div><p>Customer analytics and 'big data'. Banks and credit unions will continue to leverage the data they gather through their customer interactions and enable a more personalised approach to targeting and engaging with consumers. From location-based offers to improved service delivery, organisations will use spending patterns, product use and channel interactions to enable improved experience-driven banking.</p></div></div></div></div>					
Event	Audio	On-Screen Text (OST)			



13.	None	<p><b>Artificial Intelligence in banking</b></p> <p>'Trading without traders' has been a market reality for at least a decade now, where the role of the human trader has been replaced by electronic exchanges, for example in equities and futures.</p> <p><b>Robotics</b> are also already being used for back office tasks. Banks and FinTech companies already use machine learning to detect fraud by flagging unusual transactions. These technologies can be more efficient than human manual monitoring and it is expected their use will increase.</p> <p><b>Customer analytics and 'big data'</b></p> <p>Banks and credit unions will continue to leverage the data they gather through their customer interactions and enable a more personalised approach to targeting and engaging with consumers. From location-based offers to improved service delivery, organisations will use spending patterns, product use and channel interactions to enable improved experience-driven banking.</p>		
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Page Title	Completion/Next Steps	Type	Static text/ Clickable buttons	Number	9
Screen Layout					
<div><div>PROFESSIONAL BANKING FUNDAMENTALS</div><div><div>Financial Markets</div><div><div>Well done!</div><div>You have completed the Financial Markets module</div><div>What would you like to do now?</div><div>Click here to see next unit</div><div>Click here to review this unit</div></div></div></div>					
Event	Audio	On-Screen Text (OST)			
14.		<div>Well done. You have now completed the Financial Markets in Australia unit.</div> <div>What would you like to do now?</div> <div>Click here to see next unit.</div> <div>Click here to review this unit.</div>			

