




Everyday Life Use of Financial Services

Name: _____ () Class: _____ Date: _____

Activity 1

Financial services institutions in Hong Kong

Banks provide a variety of services. Write down how banks can help in each of the following cases.

Case	How can banks help them? What are the conditions for using the services?
 <p>I will travel to Japan next week, but I don't have any Japanese Yen.</p>	
 <p>I hope to buy a flat soon, but I only have savings of about 30% of the property price only.</p>	
 <p>I already have some savings but I want my existing wealth to grow steadily.</p>	

In addition to banks, what other financial service institutions can provide the above services?

Case 1	Case 2	Case 3

Activity 2

Speedy sorting

Discuss in groups and arrange the items in the correct sequence for each of the following situations. Discuss the questions afterwards.

Case 1: Steps to make a time deposit

Chi Wai would like to earn some interest income. He is considering to put some money into a time deposit at a bank. Write down the correct sequence and discuss the relevant steps in the following table.

	Decide the amount to deposit		Deposit money to the time deposit account
	Receive principal and interest at maturity		Compare time deposit schemes from different banks (interest rates, early redemption penalties, minimum deposit amounts)
	Decide on the time deposit maturity instruction		Fill out a deposit slip



I hope to have a steady return every year. Should I make time deposits? What are the pros and cons of time deposits?

Case 2: Steps to get a mortgage loan

Li Siu Wah and his wife are planning to purchase a property but they do not have enough money to pay for it in full. They plan to apply for a mortgage loan from a bank. Write down the correct sequence and discuss the relevant steps in the following table.

	The bank provides an interest and repayment schedule for the mortgage		Prepare relevant documents to apply for the mortgage loan from the bank
	Calculate the maximum mortgage loan amount based on the household income and savings		The bank approves the application
	Repay the loan to the bank on time		The mortgage loan amount and information will be handed over to the bank's solicitor to complete the property purchase transaction



What will happen if I do not repay the mortgage loan to the bank on time?

Case 3: Steps to purchase travel insurance

Man Wai plans to travel abroad. His parents told him that he should purchase travel insurance. Write down the correct sequence and discuss the relevant steps in the following table.

	Provide supporting documents when making a claim for a loss (such as stolen cash, damaged baggage or illness)		Read the terms and conditions. Pay attention to exclusions (such as losses not covered because they are caused by certain extreme sports or terrorist attacks)
	Take the travel insurance policy documents with you when travelling		Pay the insurance premium
	Fill in the application form, including the destination and period of travel		Compare insurance schemes offered by different companies (coverage, premiums and claim limits)



In addition to travel insurance, what are the other common types of insurance?

Case 4: Steps to trade stocks through banks

Mei Yan has worked for several years after graduation and has some savings. She would like to grow her wealth by investing in the stock market. Write down the correct sequence and discuss the relevant steps in the following table.

	Purchase the shares of the listed company through the investment account		Analyse the information of listed companies and choose the company shares that is suitable for you
	Compare the services of different banks, as well as the commissions and handling fees		Can receive dividends from the shares or sell the shares through the investment account
	Check the monthly statement to ensure the transaction details and charges are correct		Open an investment account with the bank



In addition to shares, what investment products can be bought through banks?

Summary

Understand various services provided by banks

- ◆ Hong Kong dollars can be exchanged into other currencies for travelling and personal investment purpose.
- ◆ You can open savings accounts and time deposit accounts to earn interest income.
- ◆ You can open investment accounts to trade stocks for long-term investment.
- ◆ You can purchase various types of insurance plans, such as travel insurance, life insurance, medical insurance, home insurance and car insurance. Insurance can reduce financial losses in the event of accidents or illnesses.
- ◆ Banks provide a variety of personal credit services such as credit cards, personal loans, tax loans and mortgage loans.

Extension activity

Comparison of opening accounts at different banks

Compare the minimum amount required to open a children's savings account and the handling fees with different banks. Students can go to a nearby bank or search for information online.

Bank	Minimum amount required to open a savings account (children's account)	Handling fees

Which bank would you choose and why?
