

What is the banking industry?

The banking industry includes systems of financial institutions called banks that help people store and use their money. Banks offer clients the opportunity to open accounts for different purposes, like saving or investing their money.

What type of industry is banking?

Banking is included in the Tertiary sector of the economy.

What is the banking industry?

The banking industry includes systems of financial institutions called banks that help people store and use their money.

Banks offer clients the opportunity to open accounts for different purposes, like saving or investing their money.

The banking industry is also valuable to the economy, as it provides resources for individuals, families and organizations to use for transactions and investments.

How does banking industry function?

- People deposit their money in banks;
- the bank lends the money out in car loans,
- and business loans.
- The loan recipients spend the money they borrow,
- the bank earns interest on the loans,

MEANING OF BANK

- A BANK IS AN INSTITUTION OR ORGANISATION WHICH TRANSACTS IN MONEY.
- THE ORGANISATION ACCEPTS THE MONEY FROM THE PEOPLE AS DEPOSIT AND LENDS MONEY TO THE PEOPLE.
- A BANKER IS ONE WHO IN THE ORDINARY COURSE OF HIS BUSINESS, RECEIVES MONEY WHICH HE PAYS BY HONOURING CHEQUES OF PERSONS WHOSE ACCOUNT HE RECEIVES IT.

THE MEANING OF INDUSTRY



- Industry means the economic activity which creates the economic value by transforming the raw material into finished products.



Banks: What is a Bank and Banking?

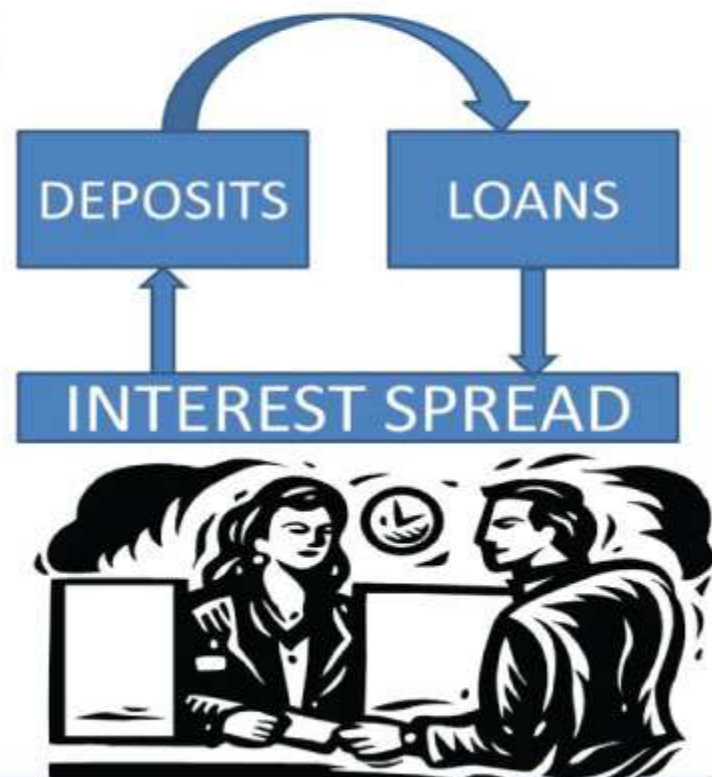


What is Banking

Banking is a service industry providing services to those who want to lend, borrow or invest.

SIMPLE?

NOT REALLY!!!!!!!





Business Banking

['biz-nəs 'bɑŋ-kiŋ]

A company's financial dealings with an institution that provides business loans, credit, savings accounts, and checking accounts, specifically designed for companies rather than for individuals.

What is Banking?

- **Banking** – is the business of receiving deposits from the general public, and then lending the funds to borrowers, or otherwise investing.
- Banking is about dealing in money (and its substitutes) and providing financial services.





HISTORY OF BANKING

- ❖ **Bank of Hindustan** – 1770 - first bank at Calcutta under European management.
- ❖ In 1786 **General Bank** of India was set up.
- ❖ The first bank purely managed by Indian was **Punjab National Bank**, established in Lahore in 1895.
- ❖ However, the first Indian commercial bank which was wholly owned and managed by Indians was **Central Bank of India** which was established in 1911.

Types of banks

Here are some common types of banks:

Commercial bank

A commercial bank is an institution that offers financial services to individuals and businesses in the general public. Commercial banks often have physical branches that employ tellers and consultants who can help perform banking tasks for clients.

Investment bank

An investment bank primarily serves large organizations, corporations and institutions that need help with investments. Investment banks can help with tasks like organizing and confirming mergers and acquisitions, issuing securities and helping businesses finance projects that require large amounts of funding.

Retail bank

A retail bank functions similarly to a commercial bank by providing financial services to clients in the general public. However, a retail bank typically only serves individual clients by helping them with their banking needs and doesn't take on businesses as clients. Retail banks can assist individual clients with taking care of their money, accessing credit options and making secure deposits

Community bank

Community banks usually exist to serve clients in the general area where they operate. This means that most community banks only take on clients who come from their communities, which often results in community banks being smaller than other types of banks. By focusing their services on members of the community, community banks can personalize the services they offer and usually establish lasting relationships with the clients they acquire.

Central bank

The central bank is the primary source for liquid resources that all banks in a banking system use. Most countries have some sort of central bank that supports the rest of the banking operations in the nation. In the United States, the central bank is called the Federal Reserve. The Federal Reserve has several functions, like purchasing and selling securities, determining how much money a bank can issue in loans, setting interest rates and helping banks borrow funds.

What is meant by corporate banking?

Corporate banking refers to **the aspect of banking that deals with corporate customers.**

Commercial banks make loans that enable businesses to grow and hire people, contributing to the expansion of the economy. Both types of banks offer various products and services

What are the types of corporate banking?

Corporate Banking

Working Capital Finance. CSB offers range of working capital facilities - affordable, convenient financial solutions that help in running an efficient enterprise. ...

Corporate loans. ...

Term Loans. ...

Cash Management. ...

Doorstep Banking. ...

Current Account. ...

Salary/Payroll Account. ...

Trade Finance.

What are the benefits of corporate banking?

Benefits of Corporate Account

➤ Improves Credibility. Having separate bank accounts for personal and business purposes is immensely helpful because it makes the business appear more professional.

...

➤ Higher Investment Opportunities. ...

➤ Offers Liability Protection. ...

➤ Creates better Financial Management. ...

➤ Easier Financial Transactions.

What is the difference between corporate banking and commercial banking?

Corporate bankers deal with large sums of money due to the volume of large-scale loans offered to some of the biggest businesses

in the U.S. Commercial banking focuses on the average consumer, and as a result, the amount of money that is loaned, deposited and invested is on a smaller scale in comparison to corporate ..



What is the work of corporate Banker?

To service a business customer, a front office banker would **interact with the customer, understand their needs and then recommend appropriate banking solutions.** The back office functions are usually centralised and provide support to the front office staff.⁰⁸

Corporate banking

Corporate banking refers to **the aspect of banking that deals with corporate customers.** Commercial banks make loans that enable businesses to grow and hire people, contributing to the expansion of the economy. Both types of banks offer various products and services.

What is the importance of corporate banking?

Corporate banking teams **provide financial services like cash management, payment processing, credit products, and hedging strategies to large corporations.** Most of these corporations are publicly traded.

Characteristics of Corporate Banking:

The following characteristics of corporate banking below are;

Clientele or Customer: A bank's business banking unit usually serves small to middle-sized businesses and large conglomerates.

Authority: A company's corporate banking accounts can only be opened after obtaining consensus from the board of directors of the company. It means that they must authorize by an official vote or a corporate resolution. As well as, the company's treasurer usually opens corporate accounts.

Liability: Since companies are recognized as separate legal entities under the law, all contents of corporate accounts are the property of the company and not of the individual board members. It means that there is a certain degree of independence in corporate accounts. It also indicates that the personal creditors of the board of directors are not entitled to the contents of the corporate account of a company.

Credit rating: The conduct or functioning of the corporate account forms part of the credit history of the company. It affects the valuation and share prices of the company, the interest rates applicable to loans extended to the company, etc.

Bankers: Corporate banking requires a degree of expertise in the industry. Thus, corporate bankers are extremely well paid. JP Morgan Chase, Bank of America Merrill Lynch, and Goldman Sachs are some of the largest [commercial banks](#) in the world.

