

Financial products in banking sector

[Finance](#), [Banks](#)



A commercial bank provides a variety of services to meet the needs of its customers. These services can be broadly divided into consumer and corporate. A commercial bank works under the directives of a central bank that keeps an eye on the operations of a commercial bank. (Lipsey and Chrystal, 2003)

There is a variety of services provided under the head of consumer bank. A commercial bank provides ATM, Locker, Loans, Home Loans, Study Loans and Credit Card services to end consumers. The reason why these are known as consumer banking services is because the amount of credit creation in this sector is limited as compared to corporate banking. ATM and Locker Services are mostly provided to deposit holders or account holders of a bank. They can store their valuables in lockers guarded by the bank's own staff and can deposit and withdraw money using the ATM card provided by the bank. Similarly, Home Loans are provided on an application from the bank's customers and same is the case with study loans. Credit Cards are not usually provided by banks. They are issued by international carriers like VISA and MasterCard with commercial banks only acting as intermediaries.

(Randall, 1994) Corporate Banking is where the bulk of the bank's money is invested. These are large loans and LC services. LC services are provided to exporters and importer and are also known as documents of exchange. However, these are not funded facilities with banks only acting as a guarantor. These become funded facilities when the bank's party or customers fail to meet what is expected of them. References: Lipsey, Richard and Chrystal, Alec. (2003). Economics. Oxford University Press. Randall, Harold. (1994). Accounting. Letts Educational.