

Bank lending

Finance



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Question 2 (b) What products will you, as business development officer of ANZ bank, offer to Mr. Angelo to replace the products of Commonwealth bank, and what additional products may be appropriate? The bank products that Mr. Angelo will be offered are: Account products, which include; current accounts and under this category are Current Account Plus Pre-paid card and a Basic Bank Account in it to give him flexibility and full control of his money. In addition, for his savings and investments, there is a wide range of accounts such as Savings Account Plus that allows him to enjoy higher interest rates on his savings, and a Term deposit Account with a guaranteed rate for his savings. Insurance products that Mr. Angelo can access include Travel insurance for his trips, whether business or personal, a Life Cover for himself and loved ones, a Car Insurance Cover, which he definitely needs for his wide range of vehicles and Home Insurance for his residential property in Mill Point Rd, South Perth as well as the holiday home in Dunsborough.

Lending products One of these products is loans, both short and long-term, as this will allow him to borrow a fixed amount of money, which he then pays back in instalments over an agreed period of time. This is safe for both parties - the bank will only need collateral, which is available to secure the loan and Mr. Angelo will be in a position to upset his financial obligations. Overdraft is another product that allows Mr. Angelo to overdraw his account(s) up to a certain approved limit. Mr. Angelo may need an overdraft to upset his bonds on Bond on Mill Point Rd, South Perth property, bond on Dunsborough property and bond on farm. This is because, with overdraft, interest is only charged once on the amount unlike loans and moreover, bond is not an investment. Mortgage is one of the products, which is a lengthy commitment that Mr. Angelo has to make. This gives him an

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opportunity to make investment in the real estate industry. The good thing is that he can choose from a wide range of mortgages, for example, there are mortgages for a second home, Offset Mortgages where he has to link his savings account to his mortgage, Fixed Rate mortgages whereby his payments will not change during the fixed rate period, and lastly Buy to Let Mortgages, which serves as an income now and potential investment for the future. Other additional products are; A travel card, which is a prepaid visa card that allows him to load more than five different currencies on only one card, and spend it while on tour to overseas. A SmartyPig, which is an online savings account that rewards him with value boosts from top retailers when he reaches his savings goal. He can also benefit from a balance visa, and a credit card that can be offered as a rewarded for repayments rather than spending. Additionally, he can get a Drought Consolation Loan that gives him a chance to consolidate existing farm debts with a long-term loan.