Current account is only for business, no interest for the money present in that

Unlimited withdrawals and deposits, only min bal needs to be maintained

DICGC- deposit insurance and credit guarantee corporation

FD account

========

U can avail loans on FD 80-90%

Spread~`margin (we to fd @ 5.6, they give us loans at 8.5-that 3% is the spread/margin to the bank)

How banks get profit

1. Interest margins
2. Lockers
3. Currency exchange margins

# Types of Banking

Retail- Fd,home loans,micro finance- dealing with individual customers

Commercial – to companies and small business- banking to improve business

Investment banking – to raise capital

Private Banking- like banking to Adani.. Personalized banking to the people who gives more business- high net worth customer

Mortage – means takattu, illu takattu pettadam- home loan- if we fail to give they will take away ours

Loan is also a type of debt- where some object is kept they wont give it for free- gold loan/ home loan

Defaulter- means I.p person, if he is unable pay the loan or if he missed the payment he will become defaulter

Later it may become N.P.A –non performing asset- mondi bakay

## Terminologies

Trade finance-

Like Auto finance- loan that is given for the product- when we finance an auto he will use that auto

International trade- like dubai sells their own natural resource petrol to other countries

Liabilities- means debts/ amount which we have to pay

Working capital – it is the cash (it can contain liabilities) how much we have in hand to buy raw materials and amount to give salaries

Gross means totalllllllllllllll (like total salary including the emis)

Net means – remaining amount after deducting the emi’s or debts

Gross working capital – u may not convert that product to cash, but within a year u can convert that to cash

Net working capital- means final cash left after paying all the liabilities /Bills short term loans

Net means always final

Working capital can be attained from local banks/stock market

## Investment banking

Investment banking is a banking that organises complex financial transactions such as mergers or IPO’s

Investment in stocks, Trading, sale of stocks, bonds, options, Forex

## Private banking

Means offering financial services to high network individuals

Private Banking deals with more personalized financial services and products.

Products being offered to private individuals, usually high net worth individuals by major institutional banks.

Example: H S B C Private banking

## Wealth management

This part of H S B C provides wide range of services to high net worth individuals like advising clients on alternative investments based on their risk appetite and so on.

If these services are offered, only to affluent individuals then it is called as wealth management.

## Risks in banking

Risks due to interest rate fluctuation

Major risks- due to Private banking

Giving loans to HNWI customers – credit risk,markt risk,interest rate risk, liquidity risk

Systematic / diversified risk- effects large num of people – like stock market fluctuation, its difficult to prevent it

Non- systematic- change in management- this is limited to organisation or industry

Identify the risk and check how can u manage that risk

# Payment branks

Paytm, free charge-

Payment banks cant give loans, they cant give credit cards

Hence paytm wont give credit cards

What payment banks can do? Like Paytm,

PhonePe is an Indian digital payments and financial services company

**Raise deposits of upto Rs. 1 lakh and pay interest on these balances just like a savings bank account does**

**♣ Enable transfers and remittances through a mobile phone**

**♣ Offer services such as automatic payments of bills, and purchases in cashless and chequeless transactions through a phone**

**♣ Issue debit cards and ATM cards usable on ATM networks of all banks**

**♣ Transfer money directly to bank accounts at nearly no cost being a part of the gateway that connects banks**

**♣ Provide forex cards to travellers, usable again as a debit or ATM card all over India**

**♣ Offer forex services at charges lower than banks**

**♣ Offer card acceptance mechanisms to third parties such as the ‘Apple Pay'**

# FinTech

Financial technology

Banking from our pocket

Ex:- paytm, goibibo, flipkart, amazon,ola ,book my show

Refers to a business that Aims to provide **financial services by using software and modern technology**

If u transfer money from ur mobile,website,order taxi,recharging, shopping,bill payments – that’s a fintech

Like recharging through phone, if u do any financial thing via phone- its called fintech

Ex:- stocktrading apps, paytm, google pay, phone pay, POS machines like small scanner machines which shows QR in shops, petrol pumps

Tech is evolving

In fintech we have lending also – “Kabbage” app

Fintech startups are taking payments to next level in terms of convenience, speed, efficiency

1st EZbob later , RBS is famous

Germanbank FIDOR acquired by French BPCE

Xenmorph was funded by HSBC

AVS- address verification service

P2P encryption – converts customer details to one time code

1. Fintech consists of both startups and other well established firms