



University of Blida 2 Lounici Ali
Faculty of economics, business and management sciences

Common Trunk department

Business English

BANKING

First Year students

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2022/2023

What is a bank ?

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A **bank** is a financial institution which trade in money.



WHAT ARE THE BASIC BANK SERVICES ?

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They receive and hold deposits

Pay money according to customer instructions



Lend money

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Exchange foreign currencies



Remittances

HOW DO THEY MAKE PROFIT ?

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They make profit from the **difference** (known as **spread** or **margin**) between the **interest rate** they pay to lenders and the **interest rate** they charge to borrowers.

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Types of banks

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Retail banks

Retail banks offer their services to the **general public** and usually have branch offices as well as main offices for the convenience of their customers.

Commercial or corporate banks

Commercial or corporate banks tailor their services to **business** clients, from small business owners to large, corporate entities.

Investment banks

An investment bank serves lots of large corporations, firms and **buys shares to resell** to investors, and even governments.

Saving and Loan Associations (SLAs)

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Also known as **Savings and Loan Institutions (SLIs)** or **Thrifts**, are financial institutions that specialize in accepting deposits from savers and using those funds to provide **mortgages and other loans** to borrowers, particularly for purchasing homes.

Are entirely digital banks
that operate without
physical branches



Online banks

VS

Neobanks



are traditional banks that have
moved some or all of their services
online

Central banks

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A central bank is a financial institution that is responsible for overseeing and regulating a country's monetary system.

Central banks play a crucial role in managing the economy and maintaining stability by controlling the supply of money and credit, **setting interest rates**, and **regulating banks** and other financial institutions.

A blackboard with a wooden frame containing the text 'Banking terminologies'.

Banking terminologies

2022/2023



Debit card

- Debit cards are linked to a bank account and allow you to spend only the money you have in the account.
- Debit card purchases are deducted immediately from your account
- Debit cards do not charge interest or fees on purchases

VS



Credit card

- Credit cards allow you to borrow money from the bank to make purchases or pay for services.
- credit card purchases are added to your balance and paid off later
- credit cards charge interest and fees on the borrowed amount.

VS

A checking account

- A checking account is designed for everyday transactions, such as depositing and withdrawing money, paying bills, and making purchases.
- Checking accounts typically offer features such as check-writing privileges, debit cards, and online banking services.
- Some checking accounts may require a minimum balance or charge fees for certain transactions or services.

A saving account

- is designed for saving money over a longer period of time.
- Savings accounts typically pay interest on the account balance
- savings accounts typically have limits on the number of withdrawals or transfers that can be made each month without incurring a fee. credit cards charge interest and fees on the borrowed amount.