

Notes on Classification and Types of Financial Services

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Classification of Financial services

The financial services industry can be conventionally classified into two categories:

i) Capital market intermediaries, consisting of term lending institutions and investing institutions providing long-term funds.

ii) Money market intermediaries, include commercial banks, co-operative banks and other agencies, which supply funds for short-term requirements. Therefore, the term financial services include all kinds of organizations, which intermediate and facilitate financial transactions of both individuals and corporate customers.

TYPES OF FINANCIAL SERVICES

- Asset/fund-based services :
- Leasing
- Factoring
- Hire Purchase
- Housing Finance
- Venture Capital

FEE-BASED/ADVISORY SERVICES SERVICES

- Fee based financial services are those services wherein financial institutions operate in specialised fields to earn a substantial income.
- a) Issue Management
 - b) Corporate Advisory Services
 - c) Credit Rating
 - d) Mutual Funds
 - e) Asset Securitisation