

Abdelhafid Boussouf University Center – Mila

Institute of Economic, Commercial and Management Sciences

Departement of Economics

LECTURES ON : Banks and Financial Institutions

Addressed to 3RD year economics students – Second semester

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Academic year 2023-2024

What are Banks and Financial Institutions?

Banks and financial institutions are places where people keep and manage their money, and where they can get loans and other financial services.

2. Types of Banks and Financial Institutions:

a. Commercial Banks:

Definition: Commercial banks are like the regular banks you see in your neighborhood.

Services: They help people save money, give out loans, and provide other banking services.

Key Terms: Deposits (الودائع), Loans (القروض), Transactions (المعاملات).

b. Investment Banks:

Definition: Investment banks are banks that help big companies with money-related things.

Services: They help companies raise money by selling stocks and bonds, and they also help with buying and merging companies.

Key Terms: Capital Raising (جمع رأس المال), Securities (الأوراق المالية), Mergers and Acquisitions (الاندماجات والاستحواذات).

c. Credit Unions:

Definition: Credit unions are like banks, but they are owned by the people who use them.

Services: They offer similar services to banks, like savings accounts and loans, but they are usually smaller and more community-focused.

Key Terms: Member-Owned (مملوكة للأعضاء), Financial Cooperatives (التعاونيات المالية).

d. Central Banks:

Definition: Central banks are like the bosses of all banks in a country.

Services: They make decisions about things like how much money should be in circulation and how much interest rates should be.

Key Terms: Monetary Policy (السياسة النقدية), Currency Issuance (إصدار العملة), Economic Stability (الاستقرار الاقتصادي).

e. Insurance Companies:

Definition: Insurance companies help people and businesses protect themselves from financial losses.

Services: They offer different kinds of insurance, like health insurance, car insurance, and life insurance.

Key Terms: Insurance Coverage (تأمين الغطاء), Policies (السياسات).

3. Conclusion:

Banks and financial institutions come in different forms, each offering various services to help people manage their money and achieve their financial goals.