

Wholesale Banking - Definition, Advantages, Disadvantages

Wholesale banking refers to the banking services offered by banks to larger customers. The customers are various entities and the list is given below.

1. Mortgage banks
2. Commercial Banks
3. Large Corporations
4. Mid-sized Companies
5. Real Estate Developers and Investors
6. Institutional Customers
7. Government agencies

Wholesale Banking includes currency conversions and large scale transactions. Wholesale banking is also called corporate banking or commercial banking, as opposed to retail banking which involves small customers like individuals. For more information on UPSC Exam, check the given link [IAS Exam](#)

Wholesale Banking Services

1. Specialised Finance
2. Loan Syndications
3. Structured Transactions
4. Securitisation
5. Credit Structuring
6. Public Sector Infrastructure financing

Advantages of Wholesale Banking

1. There is additional safety for depositors
2. Lending to Government to carry out long term projects with heavy investments.
3. Better Cash management
4. Massive working capital requirement of large businesses can be fulfilled.
5. Customers of wholesale banking have the advantage of having lower transaction fees.
6. It will help companies have transactions on a large scale.

Disadvantages of Wholesale Banking

1. Interest Rates are very high

2. Processing Fees are also very high
3. Have to pay for services even if they are not availed
4. It is expensive to maintain accounts and records.
5. Risk of large scale loss if the bank closes down.

Wholesale Banking in India

Some of the major banks in India, involved in Wholesale Banking are given below

1. State Bank of India (SBI)
2. ICICI
3. IDBI Bank
4. Punjab National Bank

The above details would help candidates preparing for [UPSC 2020](#)