

Lesson 1

Financial institutions

Try These...

Circle actions that involve borrowing money.

credit card	writing cheques	currency exchange	line of credit
savings account	money order	mortgage	debit card

There are many different types of financial institutions. They provide a variety of services for people and businesses.

Financial institution

Features and services

banks

- government licensed
- services include
 - _____ and savings accounts
 - ATM (automated teller machine) services and _____ banking
 - _____ exchange
 - bill payments
 - safety deposit boxes
 - investments such as RRSPs, GICs, and term deposits
 - _____, mortgages, and _____

credit unions

- cooperative: account holders are _____ who have a _____ in the institution's financial policies
- similar to banks in function and services offered
- many offer a combined chequing/savings account

loan companies

- provide _____ and _____
- may offer _____ interest rates than banks or credit unions

investment companies

- _____ planning services
- _____ management: services such as choosing investments, planning for taxes, estate planning
- other financial services: RRSPs, GICs, savings accounts

trust companies

- _____ and _____ assets for an individual, a company, an estate, or a trust
- keep records, pay bills, pay out inheritances, and distribute assets

Financial Institutions: Practice Questions:

1. What services does a bank provide?

2. What services do credit unions provide? How are they different than banks?

3. What two things could a loan company provide you with?

4. Would you go to an investment company for daily banking? Why or why not?

5. Why might you want to use a trust company? What special service do they provide?

6. a) If I wanted to make a will for my estate I would probably go to a _____

b) _____ and _____ could provide me with a savings or chequing account

c) _____ may have better rates than a bank or credit union

d) Sunova is a _____ and CIBC is a _____

e) Would you personally prefer to use a bank or credit union, why?