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Introduction to Banking and Banking Products

5. Credit and Debit Card Services: Banks often charge annual fees for credit cards and sometimes for premium debit cards. There may also be fees for late payments, exceeding credit limits, or using the card abroad.

6. Financial Advisory Services: Banks offer advice on investments, insurance, and other financial matters. They may charge a fee for these advisory services.

7. Account-Related Services: This includes fees for things like issuing cheque books, account statements, or certificates, as well as charges for not maintaining a minimum balance in the account.

8. Loan Processing Fees: When you apply for a loan, banks charge a fee for processing the application. This fee is usually a percentage of the loan amount.

These fees are charged to cover the costs of providing these specialized services and to generate additional revenue for the bank.

LEASE FINANCE SERVICES

Lease finance services provided by banks in India are designed to help businesses and individuals acquire assets without the need for outright purchase. These services include a variety of leasing options tailored to meet different financial needs. Here's an overview of the primary lease finance services offered by banks in India:

1. Operating Lease

- Short-term Leasing: Banks provide assets for use over a short period, typically less than the asset's useful life.
- Maintenance and Risk: The bank (lessor) retains ownership and responsibility for maintenance, insurance, and obsolescence risks.

2. Finance Lease (Capital Lease)

- Long-term Leasing: Involves leasing assets for most of their useful life, with the lessee enjoying the benefits and risks of ownership.
- Ownership Transfer Option: The lessee often has the option to purchase the asset at the end of the lease term at a nominal price.