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Commercial banks, development banks, merchant bankers, issue managers, and rating agencies:

In the intricate tapestry of the financial landscape, various institutions play pivotal roles in shaping economic activities and facilitating financial transactions. Commercial banks, the bedrock of financial systems, serve as custodians of deposits, facilitators of transactions, and providers of essential financial services to individuals and businesses. On the other hand, development banks focus on catalyzing economic growth by funding projects that contribute to infrastructure development and poverty alleviation. Merchant bankers, also known as investment bankers, navigate the complexities of corporate finance, assisting companies in raising capital through IPOs and other financial transactions. Issue managers orchestrate the introduction of new securities to the market, ensuring a seamless process from regulatory compliance to investor engagement. Meanwhile, rating agencies diligently assess and communicate the creditworthiness of entities, influencing investment decisions across the financial spectrum. Together, these entities form a dynamic ecosystem, each playing a unique role in shaping the contours of the financial world.

1. Commercial Banks:

- **Role:** Commercial banks are financial institutions that provide a range of services to individuals, businesses, and governments. These services include

accepting deposits, lending money, and facilitating various financial transactions.

- **Function:** Commercial banks play a crucial role in the economy by promoting savings, facilitating transactions, and providing loans for various purposes.

2. Development Banks:

- **Role:** Development banks focus on providing financial assistance and support for the economic development of a country. They typically fund projects that contribute to infrastructure development, poverty reduction, and overall economic growth.
- **Function:** Development banks help bridge the funding gap for projects that might be considered too risky for commercial banks. They often work closely with governments and other financial institutions to stimulate economic development.

3. Merchant Bankers:

- **Role:** Merchant bankers, also known as investment bankers, specialize in corporate finance and advisory services. They assist companies in raising capital through activities like IPOs (Initial Public Offerings), mergers and acquisitions, and other financial transactions.
- **Function:** Merchant bankers provide expertise in structuring deals, valuations, and navigating complex financial transactions. They act as intermediaries between companies seeking capital and investors.

4. Issue Managers:

- **Role:** Issue managers are professionals or entities involved in the issuance of securities in the primary market. They oversee the process of bringing new securities, like stocks or bonds, to the market.

- **Function:** Issue managers coordinate various aspects of the issuance process, including regulatory compliance, due diligence, and marketing. They work closely with companies, underwriters, and regulatory bodies to ensure a smooth and legal issuance.

5. **Rating Agencies:**

- **Role:** Rating agencies assess the creditworthiness of entities, including governments, corporations, and securities. They provide credit ratings that help investors gauge the risk associated with a particular investment.
- **Function:** Rating agencies analyze financial data and assign ratings based on factors like financial stability, debt levels, and overall risk. These ratings influence the interest rates at which entities can borrow money in the financial markets.

In summary, these financial entities collectively contribute to the functioning of the financial system by providing a range of services, managing financial transactions, and supporting economic development.

