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**ДЛЯ СТУДЕНТОВ ОТДЕЛЕНИЯ МЕЖДУНАРОДНОГО
ЧАСТНОГО ПРАВА**

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Unit 1. Bank organization

Active Vocabulary

accounting – бухгалтерское (счетное) дело, отчетность, ведение учета, представление официальной отчетности, бухгалтерия

to acquire - приобретать, покупать

affiliate – дочернее или зависимое предприятие, родственная компания, филиал

to assess - оценивать, определять

Banking Division - деление по производству банковских операций

bonds – облигации, бонды, таможенная закладная, ценные бумаги

bullion – слиток золота или серебра; золотые (серебряные) монеты, продаваемые на вес

Certificates of Deposit (CD) – свидетельство о депонировании денежных средств, сохранное свидетельство

clearing bank – клиринговый банк, расчетный банк, банк - член расчетной палаты

commercial bank - коммерческий банк

comptroller's department - контрольно-ревизионный и бухгалтерский отделы банка

to conduct business - вести дело

corporate banking operations – корпоративная (акционерная) банковская деятельность

correspondent banking – система корреспондентских отношений

Data Processing Department – отдел обработки данных, служба обработки информации

Dealing Division – отдел биржевых (торговых, коммерческих) операций, отделение по обращению ценных бумаг

debenture loan – ссуда под долговое обязательство, заём с обязательной выплатой

development bank – банк развития, производственный банк

divestment - ликвидация части организации, продажа подразделения организации, изъятие инвестиций, отделение активов, бегство капитала

documentary credit - унифицированные правила документарных аккредитивов, документарный аккредитив, документированный кредит

to earn a profit - приносить прибыль (давать прибыль)

to establish correspondent relationships- устанавливать корреспондентские связи между банками

to extend a branch network - расширять сеть филиалов

to generate a profit - порождать (вызывать) прибыль

to increase the economic growth- увеличивать экономический рост

investment trust - инвестиционная компания, инвестиционный фонд, финансовый трест, инвестирующий свой капитал в акции других предприятий

invoice – счет, фактура, накладная, смета, товарная накладная, приходный счет

leasing packages - лизинговая программа

line divisions - линейные подразделения фирмы

lucrative market - прибыльный рынок

merchant bank – торговый банк, коммерческий банк

municipal bonds - облигации или другие ценные бумаги, выпускаемые муниципалитетом

organization chart - схема организационной структуры

payment - платеж, оплата, выплата, взнос, вознаграждение, погашение, проплата, выдача, расчет

portfolio – капитал в ценных бумагах, перечень ценных бумаг, набор (портфель) услуг, подборка, круг ведения

premises – здания с прилегающими постройками и участком, недвижимостью; вступительная часть документа, вводная часть договора об аренде, констатирующая часть искового заявления

Private Banking Division - деление по производству банковских операций по частным вкладам

profitable joint operations - прибыльные совместные операции

to provide services - оказывать услуги
to raise the living standard - повышать жизненный уровень
retail banking - операции банков с широкой клиентурой, банковские услуги для физических лиц
savings bank - сберегательный банк, сберкасса
selling-off of interests – распродажа (активная распродажа в связи с угрозой дальнейшего снижения цен) прав на долевое участие
to surpass – превосходить, превышать, перекрывать, преодолеть
Treasurer's Division - финансовый (инвестиционный) отдел
unit trust - общий инвестиционный траст-фонд объединённого капитала мелких владельцев, доверительный паевой фонд, паевой инвестиционный фонд
USM flotation - выпуск новых акций на рынок некотируемых ценных бумаг при Лондонской фондовой бирже, размещение займов на этой бирже, эмиссия ценных бумаг на ЛФБ
wholesale banking - операции крупных банков между собой, межбанковские операции
wholly-owned subsidiary - дочерняя компания, находящаяся в полной собственности материнской компании
to yield a profit - приносить прибыль (давать прибыль)

The way in which a bank is organised and operates is determined by its objectives and by the type of economy in which it conducts its business. A bank may not necessarily be in business to make a profit. Central banks, for example, provide a country with a number of services, while development banks exist to increase the economic growth of a country and raise the living standard of its population. On the other hand, the aim of commercial banks is to earn profits. They therefore provide and develop services that can be sold at a price that will yield a profit.

A commercial bank which provides the same range of services year after year is less likely to be successful than one which assesses changes in the demand for its products and which tries to match products to its customers' needs. New services are constantly being introduced and developed by commercial banks, and the full-service philosophy of many banks means that they are akin to financial supermarkets, offering a wide variety of services. However, not every bank may want to offer every kind of financial service.

Many banks offer a combination of wholesale and retail banking. The former provides large-scale services to companies, government

agencies and other banks. The latter mainly provides smaller-scale services to the general public. Both types of banking, however, have three essential functions, which are: deposits, payments, credits.

These three functions are the basis of the services offered by banks. They make it possible for banks to generate profits and to achieve their operating aims.

Several factors have combined to make banking an international business. These include the growth of multinational companies and of international capital markets, the increased competition between the banks themselves, and important improvements in communications and transportation. The major banks of the world have established extensive international operations by acquiring banks in other countries, by extending their own branch network abroad and by establishing correspondent relationships with foreign banks so as to develop profitable joint operations. The operations of these major commercial banks are dynamic and rapidly changing, and their organization is of a global nature.

Comprehension Questions

1. What does a bank organization and operation depend on?
2. What three types of banks do you know?
3. What is the aim of development and commercial banks?
4. What does the full-service philosophy of many banks mean?
5. How can you explain the difference between wholesale and retail banking?
6. What three essential functions have both types of banking?
7. What factors make banking an international business?
8. How have the major banks of the world established extensive international operations?

Exercise 1. Choose the necessary word.

a. competition, b. services, c. raise, d. a price, e. payments, f. large-scale, g. retail, h. smaller-scale

1. New ... are constantly being introduced and developed by commercial banks.
2. Development banks exist to increase the economic growth of a country and ... the living standard of population.
3. The aim of commercial banks is to provide and develop services that can be sold at ... that will yield a profit.
4. Many banks offer a combination of wholesale and ... banking.

5. The wholesale banking provides services to companies and other banks.
6. The retail banking provides services to the general public.
7. Deposits, ... and credits are the basic services offered by banks.
8. The increased ... between the banks contributes to the development of international business.

Exercise 2. Translate into English.

1. Существуют различные виды банков в зависимости от их целей и типа экономики, в которой они ведут дела.
2. Производственные банки существуют для того, чтобы поднимать экономику страны и жизненный уровень населения.
3. Основная цель коммерческих банков состоит в том, чтобы заработать прибыль.
4. Успех банка зависит от того, насколько он оценивает (исследует) спрос на свои услуги и пытается удовлетворить нужды своих клиентов.
5. Сочетание нескольких факторов делают банковское дело международным бизнесом.

Unit 2. Bank performance

Active Vocabulary

acceptance for customers - согласие на оплату денежных и товарных документов, акцептование клиентов

asset - активы, капитал, фонды

balance sheet - балансовый отчет

benefit - пенсия, пособия

cash on hand - кассовая наличность

credit - кредит (приход)

customer base - клиентурная база, постоянный контингент заказчиков

debit - дебет (расход)

deferred taxation – отсроченная уплата налогов, отсроченное налогообложение

deposit – вклад, залог, хранилище, депонирование

to deposit – вкладывать, депонировать, сдавать на хранение, вносить деньги в банк

depreciation – износ основных фондов, обесценивание, снижение стоимости, физический или моральный износ, списание стоимости, начисление износа, амортизационные отчисления

double entry - двойная бухгалтерская запись (проводка)

to enter- вносить, заносить

fee-generating activity – банковская операция за комиссионные

fiscal – налогово-бюджетный, казначейский

fixed assets – недвижимост, основные средства, неликвидные активы, реальный основной капитал

investment securities – обеспечительные бумаги, ценные бумаги как объект капиталовложений, инвестиционные ценные бумаги

item – статья счета, статья баланса, пункт, предмет, наименование, позиция, бухгалтерская запись, кредитный инструмент

liability - правая сторона счета (пассив), задолженность, обязательство уплаты

liquidity – ликвидност, ликвидные средства, возможность пре-вращения в наличные деньги, оборотные средства, способность банка своевременно выполнять обязательства

loss account - счет убытков

money in vaults - деньги в хранилище

Net Income – доход, подлежащий обложению подоходным налогом, чистые поступления, чистый доход

Net Interest Income – чистый доход в виде процентов, доход от нетто процентов

outgoings – издержки, расходы, платежи

payable - подлежащий оплате

portfolio of loans - общая сумма дебиторской задолженности, портфель выданных займов

profit account - счет прибылей

profitability – прибыльность, рентабельност, доходност, выгодност

retained profits - нераспределённая прибыль; нераспределённая годовая прибыль, перенесенная на следующий год

return on investments - прибыль на инвестиции

to run business - вести дело

sophisticated accounting system – развитая/ усовершенствованная/ испытанная система бухгалтерского учета

statutory requirements - требования, установленные законом

stockholders' equity – акционерная часть капитала компании, чистый капитал, средства акционеров компании

on a straight line basis – равномерно (начислять износ, амортизацию), прямолинейно
transaction – экономическая операция, сделка, оборот,

Banks necessarily use sophisticated accounting systems to record as clearly as possible what the financial situation of the bank is. Normally such a system is based on the principle of the double entry, which means that each transaction is entered twice, as a credit in one account and as a debit in another account. If we deposit \$100 with a bank, for example, the bank enters a debit for the receiver and a credit for the giver. The former represents an asset to the bank, since it is a sum of money at the bank's disposal, as well as a liability, since it will one day have to be repaid.

The balance sheet of a bank gives us a view of its financial situation at one point in time, usually 31 December of a particular year. But we do not know what has happened between two balance sheets. This information is provided by the profit and loss account for the period in question. Neither statement is exactly uniform from bank to bank, but both contain certain essential features.

The largest asset of a bank is normally its total portfolio of loans. Deposits usually constitute the largest liability. Balance sheets usually include the following items listed as assets:

- cash on hand and due from banks - money in vaults, balances with other banks, cheques in process of collection.
- investments - bonds, shares, etc.
- loans - to companies, the general public, etc.
- fixed assets - buildings, equipment, etc.

Items listed in the balance sheet as liabilities are:

- deposits - all money owed to depositors.
- taxes payable - national and local.
- dividends payable - decided on, but not yet paid.

The profit and loss account records the income of a bank, and here, typically, the items in order of size are:

- interest on loans;
- return on investments;
- fees, commissions, service charges.

The granting of credit provides the largest single source of bank income. Typically, two thirds of an American commercial bank's yearly earnings result from interest on loans. Nine out of every ten dollars they lend come from depositors' funds.

The following items normally constitute the main expenses in a bank's profit and loss account, again in typical order of size:

- interest paid;
- salaries and other benefits;
- taxes.

A bank's accounting systems, then, are designed to record and present the transactions that take place every day. Substantial reserves over and above statutory requirements are an indication to customers of the bank's strength, that it has run its business well and has retained profits in the business for future operations. Profitability indicates the effectiveness of a bank's performance and how well it has managed the resources under its control. Published figures thus provide some essential data on the liquidity, safety and income of a bank.

Comprehension Questions

1. What systems do banks use to record the financial situation of the bank?
2. What does the principle of double entry mean?
3. What is an asset of a bank?
4. What is a liability of a bank?
5. What information does the balance sheet of a bank give?
6. What items do balance sheets include?
7. What liabilities do balance sheets include?
8. The income of a bank is recorded in the loss account, isn't it?
9. What items constitute the expenses in the bank's profit and loss account?
10. What are bank's accounting systems designed for?

Exercise 1. Choose the necessary word.

a. data, b. the transactions, c. to record, d. enters, e. loans, f. indicates

1. Banks use sophisticated accounting systems ... as clearly as possible the financial situation of the bank.
2. If we deposit some money with a bank, for example, the bank ... a debit for the receiver and the credit for the giver.
3. The largest asset of a bank is usually its total portfolio of....
4. Profitability ... how well the bank has managed the resources under its control.
5. A bank's accounting systems are designed to record and present ... that take place every day.

6. Published figures provide some important ... on the liquidity, safety and income of a bank.

Exercise 2. Translate into English.

1. Балансовый отчет банка дает картину его финансового состояния на данный момент времени (обычно на 31 декабря текущего года).
2. Счета прибылей и убытков не являются едиными для всех банков, но оба содержат определенные основные черты.
3. Счёт прибылей и убытков регистрирует доход банка.
4. Системы бухучета представляют основные данные о ликвидности, надежности и доходности банка.

Unit 3. Foreign exchange

Active Vocabulary

a/c – открытый счёт, текущий банковский счёт (от account current)

to add a pip – добавить одну десятитысячную валютного курса (по ходу сделки)

adverse movements - неблагоприятные изменения

bid rate - курс покупателя

to carry out a transaction - выполнить сделку

currency unit - единица валюты

to detect a discrepancy - обнаруживать несоответствие

dealer – торговый посредник, биржевик, агент по продаже, биржевой маклер, оптовый покупатель товаров

to expose to risk - подвергать риску

to fill in a dealing slip - заполнить документ по сделке (бланк)

firm up – укрепнуть, утвердиться (о курсе ценных бумаг)

foreign exchange dealing - сделка (операция) по обмену валюты

forward rate - курс по форвардной сделке (заблаговременный), курс по срочным сделкам

interest differential - разница в процентной ставке, разница в ставке учётного процента

lack-lustre trading – вялотекущие сделки

long position - срочная позиция, образовавшаяся в результате покупки фьючерсных или опционных контрактов, позиция по срочным сделкам при игре на повышение, позиция на повышение; обязательства по срочным сделкам при игре

- на повышение; наличие у банка определённой суммы в иностранной валюте
- maturity dates** - сроки обязательств, дата наступления срока платежа, дата погашения
- offer rate** - курс предложения, курс продавца
- outright** – валютный курс по срочным сделкам, включающий дисконт, срочный валютный курс "аутрайт", простая форвардная сделка, не связанная с другими одновременными операциями
- petrocurrency** - валюта курс, которой связан с рынком нефти, нефтяные доллары
- to quote a rate** - производить котировку курса, назначать ставку
- settlement** - расчет, уплата
- spot rate** - курс при расчётах наличными, курс по спотовой сделке, курс, по которому расчёты по сделке проводятся на второй рабочий день после её заключения, текущий курс
- to square account** – расплачиваться
- swap** – мена, сделка, операция своп, покупка или продажа валюты на условиях "спот" с одновременным заключением обратной форвардной сделки, обмен обязательствами или активами, обмен одних ценных бумаг на другие
- tom/next** – послезавтра, через день
- to transact business** - вести деловые операции, заключать сделку
- written confirmation** - письменное подтверждение

Foreign exchange dealing is, as its name implies, the exchange of the currency of one country for the currency of another. The rate of exchange is the value of one unit of the foreign currency expressed in the other currency concerned.

With the growth of global trade, many companies need foreign currencies to pay producers in other countries. A British company with a supplier in Germany, for example, will probably use sterling to buy Deutschmarks from its bank in order to pay an invoice from the German company. The bank buys the Deutschmarks from another bank at a particular rate and provides them to its customer at a higher rate, thus making a profit. Similarly, a bank may make gains on buying and selling currencies on the inter-bank market. Making a profit on the transaction is the basic idea of foreign exchange dealing.

Currencies can be bought or sold in the foreign exchange market either for immediate delivery, that is at the spot rate, or for delivery later (e.g. two weeks, three months, etc.) at forward rate. The forward market is useful for companies, since if a company knows that it will need a particular foreign currency to pay a bill in four weeks' time, for example, a forward deal enables it to protect itself against future adverse movements in the exchange rate which would have otherwise had the effect of making the foreign goods more expensive.

When dealing in foreign exchange, normally by telephone, the bank quotes both the selling and buying rate of a currency at which it is prepared to transact business. Settlement for a spot transaction is two working days later. Thus if a contract is made on Monday, the seller delivers the amount sold and receives payment on Wednesday.

Currency traded in this way is delivered to the buyer's account with a bank in the main centre, or one of the main centres, for the currency in question. In the case of sterling, for example, this is London, for Dutch guilders it is Amsterdam and Rotterdam, and for Belgian francs it is Brussels and Antwerp. The buyer decides the bank where his or her account is to be credited.

The foreign exchange dealer fills in a dealing slip containing basic information such as the date and time of the deal, the contracting party, the amount and rate agreed on, the date of settlement, and the place of delivery of the currency dealt in. As soon as a foreign exchange transaction has been carried out, both banks send a written confirmation containing the basic information mentioned above. Any discrepancies may thus be detected quickly.

A bank holding debts or claims in a foreign currency is itself exposed to an exchange risk, unless the debts and claims neutralize each other by being of equal size and by having roughly the same maturity dates. Dealers therefore aim for a balanced total position. If the amount of bank's claims in dollars, for example, is larger than the total debts in dollars, then the bank has a long position, but if the debts are larger than the claims, the bank is short in dollars. As long as the total position balances, there is no risk for the bank.

Comprehension Questions

1. What does foreign exchange dealing mean?
2. How will you explain the term "rate of exchange"?
3. Why do many companies need foreign currencies?

4. How does a bank make a profit buying and selling currencies?
5. What are the terms for immediate delivery of currency and its delivery later?
6. Why is a forward deal useful for companies? What does this deal protect a company against?
7. Who decides the bank where the account is to be credited?
8. What documents does a foreign exchange dealer fill in?
9. What kind of information does a dealing slip contain?
10. Why do banks send a written confirmation when a foreign exchange transaction has been carried out?
11. What does it mean "a bank has a long position" and "a balanced total position"?

Exercise 1. Choose the necessary word.

a. gains, b. enables, c. value, d. invoices, e. balances, f. exposed, g. settlement, h. detected

1. The rate of exchange is the ... of one unit of the foreign currency expressed in the other currency concerned.
2. Many companies need foreign currencies to pay ... in other countries.
3. A bank may make ... on buying and selling currencies on the interbank market.
4. A forward deal ... the company to protect itself against future adverse movements in the exchange rate.
5. ... for a spot transaction is two working days later.
6. Any discrepancies in foreign exchange dealings may be ... quickly.
7. A bank holding debts and claims in a foreign currency is ... to an exchange risk.
8. As long as the total position ... there is no risk for the bank.

Exercise 2. Translate into English.

1. С развитием мировой торговли многие компании нуждаются в иностранной валюте, чтобы рассчитаться с производителем другой страны.
2. Валюту можно купить или продать по спотовой или форвардной сделкам.
3. При валютных сделках банк обычно производит котировку курса покупки и продажи валюты, с которой он собирается работать.

4. Бланк о валютной сделке включает информацию о валютном курсе в соответствии с договоренностью.
5. Письменное подтверждение сделки помогает проследить любое несоответствие в расчетах.

Unit 4. Meetings

Active Vocabulary

base rate - базовая ссудная ставка банков, тарифная ставка, цена кредита для первоклассных заёмщиков

to be straightened out over the phone – улаживать (получать исчерпывающую информацию) по телефону

big customer - крупный покупатель, важный клиент

borrowing facility - возможность получения займа, кредита

to charge interest rate - начислять процентную ставку

commitment – обязательство, вложение капитала, контракт, предусматривающий финансовую ответственность за выполнение операций, намеченные финансовые ассигнования, обязательство предоставить кредит на определённую сумму

countervalue – эквивалент, встречная цена

credit rating - рейтинг общей кредитоспособности заёмщика, оценка кредитоспособности, показатель кредитоспособности заёмщика

custodian services- услуги по опеке управления чужими капиталами

equity transaction – сделка с активами (фондовым капиталом) предприятия

erratic rates - беспорядочные ставки (нестабильные, изменчивые)

expertise – консультационные услуги, экспертный анализ, заключение специалистов

flat-rate fee - паушальный сбор, единообразная ставка, тариф с постоянной платой

to grant on the account- предоставлять на счет

to keep in touch - поддерживать связь

LIBOR – либор, лондонская межбанковская ставка по краткосрочным кредитам, предоставляемым в евровалюте, ставка продавца на лондонском межбанковском рынке депозитов, ставка Лондонского рынка межбанковских кредитов

margin - колебание цены (курса), маржа, предел, разница, минимально возможный барыш, предел доходности, разница

между себестоимостью и продажной ценой, наценка; часть цены акции, вносимая наличными при покупке в кредит
mark-up – надбавка, наценка, повышение, разница между себестоимостью и продажной ценой; получать продажную цену прибавлением к себестоимости накладных расходов и прибыли

to market new services - предоставлять на рынок новые услуги

to meet needs - удовлетворять потребности

outline proposal - предложение общего характера, предварительное предложение

overdraft facility - превышение кредитного лимита, система овердрафта, овердрафтовая касса, предоставление коррентного кредита

overnight rate - ставка по суточным депозитам, ставка процента по однодневным вкладам, процентная ставка однодневной ссуды

per annum – в год, ежегодно, за год

to rate – оценивать, исчислять, таксировать, производить оценку, определять тариф/ставку

security transaction – сделка с ценными бумагами

standby L/C (letter of credit) - резервный (запасной) аккредитив

statement of the documents - выписка документов

treasure bill- казначейский вексель

variable borrowing facility - переменная система займа

Banks provide a wide variety of services to companies, and a company operating internationally is likely to use several banks around the world to meet its various needs. Banks keep in touch with these customers by telephone and perhaps with regular meetings, to maintain the relationship and to market new services.

Most companies use banks at one time or another to finance their operations. As with any other type of loan, banks charge interest on corporate loans. Interest rate for loans in Britain, for example, can be charged in one of three ways:

- at a margin above the bank's base rate. Each bank decides its own rate, and then charges the company a rate of interest which is related to this. A big customer with a very good reputation may be charged the bank's base rate plus 0,5%, for example, while a smaller company might be charged the base rate plus 3%;

- at a margin above LIBOR, the margin again depending on the bank's assessment of the corporate customer;

- at a fixed rate of interest for the period of the loan.

The first two ways are variable and are adjusted periodically to reflect movement in interest rates on the market. They may also be dangerous for the bank when market rates are erratic.

A company in a business where income and expenditure are subject to constant changes needs a variable borrowing facility.

This is met most simply by an overdraft facility. The company opens an account with the bank, and an overdraft with a specified limit is granted on the account.

A standby letter of credit is a commitment under which a bank agrees to provide funds to a customer where, unlike most other forms of documentary credits, no goods are involved. The standby letter of credit is a flexible form of lending and can cover a variety of situations, in which procedures are reduced to a statement of the documents to be received before payment is made to the third party.

Many companies make a profit not only from the goods or services which they sell but also from the money that they have. Cash managers utilize funds at their disposal, buying and selling shares, treasury bills and so on, to generate profit in the form of investment income. Rather than move valuable foreign shares and securities around the world by post, a company will deposit them for safe keeping with a bank in the foreign country. A company in Sweden which buys shares on the American market, for example, will use the custodian services of a US bank. Banks naturally charge fees and/or commissions for custodian services.

Comprehension Questions

1. What do banks provide to companies?
2. How do banks keep in touch with their customers?
3. In what ways can interest rates be charged?
4. What companies need a variable borrowing facility?
5. What is an overdraft facility?
6. What flexible form of lending is mentioned in the text?
7. How can companies make a profit from the money that they have?
8. Do companies move their securities and shares around the world by post?
9. When do companies use the custodian services?

Exercise 1. Choose the necessary word.

a. to finance, b. interest rate, c. regular, d. variety, e. a commitment, f. decides on, g. charge, h. investment, i. the custodian services, j. profit

1. Banks provide a wide ... of services to companies.
2. Banks keep in touch with companies by telephone and ... meetings.
3. Most companies use banks at one time or another ... their operations.
4. A standby letter of credit is ... under which a bank agrees to provide funds to a customer where no goods are involved.
- 5 Many companies make ... not only from the goods which they sell but also from the money they have.
6. Cash managers utilize funds at their disposal, buying and selling shares, treasury bills to generate profit in the form of ... income.
7. A company in Sweden which buys shares on the American market will use ... of a US Bank.
8. As with any other type of loan, banks ... interest on corporate loans.
9. ... for loan in Britain can be charged in one of three ways.
10. Each bank ... its own rate.

Exercise 2. Translate into English.

1. Процентная ставка на займы в Британии может быть начислена одним из трех способов.
2. Компания, работающая в международном бизнесе вероятно пользуется услугами нескольких мировых банков, чтобы удовлетворить свои потребности.
3. Крупной компании с хорошей репутацией процентная ставка по займу может быть начислена в размере банковской базовой ставки плюс 0,5%.
4. Резервный аккредитив является гибкой формой кредитования и может использоваться в различных ситуациях.
5. Естественно, что за услуги службы опеки банки начисляют комиссионные и плату за услуги.

Unit 5. Presentation

Active Vocabulary

adverse movement - неблагоприятные изменения

agreed date - условленная дата

agreed exchange rate - условленный курс обмена

base currency – валюта, по отношению к которой котируются прочие валюты, базисная валюта

to buy at the spot rate - покупать по спотовому курсу (наличному курсу)

to buy forward - покупать по форвардному курсу, покупать на срок

calculated gamble - просчитанный риск

call option – сделка с предварительной премией, опцион "колл", опцион покупателя, условие контракта, дающее право купить определённый товар или ценные бумаги по заранее установленной цене в течение оговоренного срока

to charge - начислять, назначать цену, записывать в долг, дебетовать, относить на дебет, начислять издержки, относить на счет, взимать плату, требовать оплату

cleared credit balance – погашенный кредитовый остаток, погашенное отрицательное сальдо

contingent cash flow – возможный оборот наличности, квота (состав) операций с наличными

currency option – право выбора валюты, валютный опцион (право купить или продать валюту по фиксированной цене)

downside risk – риск падения (курса, цены), риск убытков, риск снижения стоимости ценной бумаги

to drop option – отказаться от предлагаемых условий опциона, снять заявку с торгов

eligible bill - вексель, могущий быть переучтённым в банке, приемлемый вексель

expiration date - дата истечения срока, истечение срока опциона, конечный срок действия

forward contract – контракт на срок с поставкой в будущем, срочный контракт

lithe exchange rate – гибкий (плавающий) курс валют

maturities - даты платежа, сроки платежа, срочность погашения ценных бумаг наличными деньгами

option - сделка с премией, право продавать или покупать ценные бумаги, право купить ценные бумаги эмитента на оговоренных условиях

option buyer – покупатель опционов

option writer - продавец опциона

premium – плата, страховая премия, комиссионные за опцион, премия по срочным сделкам, надбавка к курсу или цене

profit lock – фиксация предполагаемого дохода

put option – обратная премия, пут-опцион, опцион продавца, контракт, дающий покупателю право продать финансовый инструмент по оговоренной цене в течение определённого

времени, право владельца облигации предъявить её к погашению досрочно

to run a risk - подвергать риску

straightforward - движущийся или ведущий прямо вперёд; непосредственный, простой

strike price - цена реализации опциона, цена исполнения, цена, по которой держатель опциона может купить или продать ценную бумагу; фиксированная цена, по которой покупатель опциона может использовать свое право купить или продать определённые финансовые документы

tender – предложение, предложение на торгах, конкурсная заявка, аукцион, участник торгов

worst case – в наихудшем случае, наиболее неблагоприятный вариант, в самом тяжёлом случае

Companies trading internationally are exposed to considerable foreign exchange risk. If, for example, a French company knows that it will need \$2 million in three months' time to pay for imports from the USA, it can buy the dollars forward, i.e. at a rate specified now, thus eliminating the risk of an adverse movement in the exchange rate between the French franc and the US dollar. Unfortunately, buying dollars forward also eliminates the possibility of a favorable movement in exchange rates. Alternatively, the company could wait three months and then buy the dollars at the spot rate, i.e. the rate charged then for funds to be delivered two working days after the transaction. This way the company may get a better exchange rate but it also runs a risk, since the rate could be worse. Essentially, either course of action involves a calculated gamble on exchange rates.

To meet this situation, some banks developed and began to offer currency options in the early 1980s. Under the currency option, the customer pays a premium which gives them right to demand purchase or sale of a specified currency at an agreed exchange rate up to an agreed date, but no obligation to do so. After the customer pays the premium, the bank sends out confirmation of the deal, like the exchange rate in three months' time, or whenever the expiration date is, is better than the one the customer has agreed on, they do not use the option, and instead deal at the market rate when they need to. Their cost has only been the premium for the option. Alternatively, if the rate is worse than the one they have agreed upon, they exercise the option, and thus suffer no loss due to the fall in exchange rates. The customer may exercise the option

at any time up to and including the expiration date, for value spot. This, then, is the basic idea of the currency option.

Comprehension Questions

1. Why are companies trading internationally exposed to foreign exchange risk?
2. When did banks begin to offer currency option'?
3. What is the aim of the currency option?
4. What rights are given to customers under the currency option?
5. When may a customer exercise the currency option?
6. What is the basic idea of the currency option?

Exercise 1. Choose the necessary word.

a. premium, b. eliminates, c. gamble, d. forward, e. a risk, f. currency options

1. All companies can buy the dollars ..., i.e. at a rate specified now, thus eliminating the risk of an adverse movement in the exchange rate.
2. Unfortunately, buying dollars forward also ... the possibility of a favourable movement in exchange rate.
3. The company may get a better exchange rate but it also runs ..., since the rate could be worse.
4. Either course of action involves a calculated ... on exchange rates.
5. Some banks developed and began to offer ... in the early 1980s.
6. Under the currency option, a customer pays a ... which gives them some preferences.

Exercise 2. Translate into English.

1. Покупка долларов по форвардной сделке исключает возможность риска при неблагоприятном изменении обменного курса.
2. Чтобы не подвергаться риску при обмене валюты, банки разработали и предложили валютные опционы.
3. После уплаты клиентом (компанией) страховой премии, банк подтверждает сделку.
4. Клиент может воспользоваться валютным опционом в любое время до даты истечения срока и включая ее.
5. Покупка валюты по форвардной или спотовой сделке является просчитанным риском.

Unit 6. Trade Finance

Active Vocabulary

- advising bank** - банк, производящий выплату по аккредитиву, авизирующий банк; банк, извещающий бенефициара об открытии аккредитива
- backlog** – ресурс, незавершённые задания, задолженность (по выпуску и поставке продукции)
- beneficiary** – бенефициарий, тот, кто получает экономическую выгоду, получатель денег по аккредитиву или страховому полису, обладатель привилегии, получатель страховой суммы
- certificate of origin** - свидетельство о происхождении груза, товара
- duplicate** – дубликат, копия, залоговая квитанция, второй экземпляр, копия, имеющая силу оригинала
- to evidence the shipment of goods** - подтвердить отгрузку товара
- forfeiting** - финансирование торговли путём учёта векселей без права регресса, форфетирование
- halt** - прекращение действия, место для остановки
- immediate payment** - немедленная оплата, срочный платёж, немедленная уплата
- inspection company** – инспектирующая компания
- issuing (opening) bank**- банк, который открывает аккредитив в другом банке в пользу продавца, эмиссионный банк, выставяющий банк
- letter of credit** – аккредитив, кредитное письмо
- line for confirmation of credit** – ограничение по согласовываемым условиям кредита
- to meet the terms of the contract** - удовлетворять условия контракта
- merchandise** - товар(ы), торговля, ассортимент; торговать, содействовать продаже товара
- negotiating stance** - позиция на переговорах
- overdue** - не уплаченный в срок, просроченный, просрочка
- overseas operations** - зарубежные операции, заморские операции
- packing list** - поместная спецификация, упаковочная опись (товаросопроводительная документация)
- partial shipment** - частичная отгрузка

quote - запрашиваемая цена, опубликованная цена товара, предлагаемая цена

reimbursement - возмещение расходов, рамбуцирование, финансовое возмещение, возвращение суммы

revocable (irrevocable) letter of credit - отзывной (безотзывной) аккредитив

to say offhand – комментировать по ходу дела, импровизировать, говорить без предварительной подготовки

shortfall in interest – задолженность по выплате процентов, недостаточное выполнение кредитного соглашения

sight letter of credit - аккредитив на предъявителя, аккредитив с оплатой тратт на предъявителя

stringent – строгий, стеснённый недостатком средств, испытывающий денежный дефицит

time letter of credit - аккредитив с предъявлением срочной тратты

transshipment – перегрузка, перевалка, переотправка, транзитный груз, транзитная перевозка грузов

venture - рискованное предприятие или начинание; ; сумма, подвергаемая риску; товар, отправляемый за границу на риск отправителя; объект спекуляции

The growth in multinational corporations manufacturing and trading on a worldwide basis has led to the growth in the overseas operations of major banks over the last twenty years. Banking may be said to be the one industry on which all others depend for financial services one time or another, and banks play a key role in the import and export trade in particular. In 1981 US companies exported goods with a total value of USD 234 thousand million. In the same year the American market imported merchandize worth USD 261 thousand million. Banks provided a considerable amount of money to finance this trade, and in 1980 foreign earnings accounted for 47.3 per cent of the consolidated earnings of the ten biggest US commercial banks.

Letters of credit are the most frequently used international service provided by banks for customers involved in international trade. Such a document guarantees that the seller (exporter) will be paid provided the terms of the contract are met. At the same time, it protects the buyer (importer) by guaranteeing that payment will not be made until the contract is fulfilled.

Letters of credit can be revocable or irrevocable, but the latter is most usual since it stipulates that no changes may be made without the consent of both the buyer and seller.

They may also be issued on a time or sight basis. The former calls for immediate payment against the documents evidencing the shipment of goods; the latter specifies a date by which payment must be made. The letter of credit may also be confirmed, which means that the exporter's bank undertakes to pay the exporter for the goods once the correct documents are received.

Procedures differ according to the type of credit, but let us assume, for example, that a company in Australia wants to import goods from a company in Basle, Switzerland. As well as requiring credit, the Australian company wants to be sure that the contract will be fulfilled. The Swiss company wants to know that it will be paid for the goods.

The Australian company therefore contacts its local bank and requests, for example, an irrevocable sight letter of credit in favour of the Swiss exporter. The application will specify the documents required as proof that the shipment of goods has been made. The Australian bank notifies a bank in Switzerland of the credit, and is then known as the issuing or opening bank. The Swiss bank contracts the exporter in Basle and then known as the advising bank. The exporter, i.e. the seller, is now the beneficiary of the letter of credit, and will receive payment provided the terms of the contract are met. When the goods have been shipped, the company in Basle presents the documents to its bank, which may or may not be the advising bank, and the bank will make payment immediately. Thus it can do with confidence, since it knows that the issuing bank must make payment. Funds then flow from the issuing bank in Australia to the paying bank in Switzerland, as reimbursement for the money paid by the Swiss bank to the seller in Basle. The Australian bank then recovers this money from the account of its customer, the importer.

Comprehension Questions

1. What situation has led to the growth in the overseas operations of major banks?
2. Why do banks play a key role in the import and export trade?
3. What is the most frequently used international service provided by banks for customers?
4. What does a letter of credit guarantee?
5. What kinds of letters of credit do you know?

6. What is the issuing or opening bank?
7. What is the advising bank?

Exercise 1. Choose the necessary word.

a. seller, b. import, c. fulfilled, d. industry, e. letters of credit, f. shipment

1. Banking may be said to be the one ... on which all others depend for financial services at one time or another.
2. Banks play a key role in the ... and export trade in particular.
3. ... are the most frequently used international service.
4. Such a document guarantees that the ... will be paid provided the terms of the contract are met.
5. Until the contract is ... payment will not be made.
6. Letter of credit on a time basis calls for immediate payment against the documents evidencing the ... of goods.

Exercise 2. Translate into English.

1. Банковское дело это такая отрасль экономики, от которой все другие зависят, когда идет речь о финансовом обслуживании.
2. Для финансирования мировой торговли банки предоставляют огромные суммы денег.
3. Австралийская компания попросила местный банк оформить безотзывной аккредитив в пользу экспортера из Швейцарии.
4. Аккредитив защищает покупателя гарантией того, что оплата не будет произведена до тех пор, пока не будут выполнены условия контракта.
5. Американский рынок ввез в страну товаров на тысячи миллионов долларов.

Unit 7. Financial news

Active Vocabulary

to affect currency exchange rate - влиять на курс обмена валюты

barrage of accessible information - поток доступной информации

bounce – скакать вверх и вниз (о резко скачущей выручке или прибыли), подпрыгивать

commodity prices - товарные цены, цены на готовые изделия, цены на сырьевые товары

to discern trends - определить тенденции

durable goods - товары длительного пользования, потребительские товары длительного пользования

forex volume – объем СКВ, объем иностранной валюты (сокращенно от foreign exchange)

glut – избыток, пресыщение, перепроизводство, изобилие, перенасыщение рынка определёнными финансовыми инструментами

interaction of supply and demand - взаимодействие спроса и предложения

interest income - "Доход (прибыль) в виде процентов", процентный/рентный доход

leaseback – возвратный лизинг, обратная аренда, аренда продавцом проданного им же имущества, продажа собственности с условием получения её обратно в аренду

to make news - готовить новости

to rise/increase a demand - повысить спрос

setback – понижение цен, регресс, движение назад, спад

short position - короткая позиция - продажа - "сизу в шорте", короткая позиция по опциону, обязательства по срочным сделкам при игре на понижение

stock market price - курс ценных бумаг на фондовом рынке, цена на фондовой бирже

to transmit news - передавать (распространять) новости

worldwide crash- всемирный (глобальный) кризис (спад)

Modern information technology has led to news being transmitted worldwide quicker than ever before. Time differences around the world mean that financial news is being made twenty-four hours a day, and it is this barrage of readily accessible information that serves as a basis for many of the business decisions that are made concerning international banking and financing. Techniques of analysis are applied to information to determine its implications and to try to discern trends in the future.

Many prices are determined by a complex interaction of factors. With regard to currencies, it may be said that one factor governing prices is the interaction of supply and demand. Interest rates prevailing in different countries affect currency exchange rates. If interest rates rise in the UK for example, US investors may move funds to the UK to earn higher interest income. They will then sell

dollars for sterling, and the demand for sterling will rise, while at the same time the supply of dollars will rise too. The dollar will therefore fall in value, while the price of sterling will rise.

Trade between countries may also affect currency rates. If, say, Japanese exports to Germany rise, and German exports to Japan remain the same, there will be an increase in the supply of Deutschmarks as Japanese exporters sell them for dollars. This will normally increase the value of the Yen in relation to Deutschmarks.

Government intervention may also affect exchange rates. If sterling is weak, for instance, the Bank of England may enter the market to buy sterling with some of its reserves of other currencies. This will reduce the supply of sterling, thereby increasing its value.

Stock market prices in a particular country are often affected by stock market prices elsewhere in the world, and markets tend to move together, as indicated by the worldwide crash in the autumn of 1987.

The share price of any one company will obviously tend to be influenced by the financial performance of the company, details of which are released at various times during the financial year.

The factor of supply and demand mentioned earlier will also tend to affect commodity prices. A bad coffee harvest in Brazil will increase the price of coffee because demand will exceed supply. The over-production of oil, on the other hand, will lead to a fall in the price of the commodity, since there will be a glut of oil available on the market.

Comprehension Questions

1. Why is news being transmitted at present much quicker than ever before?
2. What factor serves as a basis for many business decisions concerning international banking and financing?
3. How does the interaction of supply and demand govern prices?
4. In what way do interest rates in different countries affect currency exchange rates?
5. What factor is the share price of any company influenced by?
6. Will the factor of supply and demand affect commodity prices? Prove it.

Exercise 1. Choose the necessary word.

- a. interaction, b. exchange, c. trends, d. value, e. tend, f. affect

1. Techniques of analysis are applied to information to determine its implications and to try to discern ... in future.
2. Many prices are determined by a complex ... of factors.
3. The dollar will fall in, while the price of sterling will rise.
4. Trade between countries may also ... currency rates.
5. Government intervention may also affect ... rates.
6. The share price of any one company will obviously ... to be influenced by the financial performance of the company.

Exercise 2. Translate into English.

1. Разница во времени по всему миру означает, что финансовые новости рождаются 24 часа в сутки и этот поток новостей служит основой для серьезных решений в мире бизнеса и финансов.
2. Если в Великобритании процентные ставки увеличиваются, можно направить финансы в эту страну, чтобы заработать более высокую прибыль на процентах.
3. Цены на фондовой бирже в определенной стране часто зависят от цен в каком-либо другом регионе мира.
4. Различные технологии применяются для обработки информации, чтобы определить сферу применения получаемых данных.
5. Фактор взаимосвязи спроса и предложения предопределяет динамику цен на товары.

Unit 8. Projects

Active Vocabulary

- buyer credit**- кредит покупателю, потребительский кредит
- bid** – предложение цены, курс покупателя, заявка на торгах, конкурсное предложение
- bidder** - покупатель на аукционе, лицо, предлагающее цену; подрядчик, участвующий в торгах на подряд
- consortium** - объединение независимых компаний для выполнения проекта
- ECGD** – Департамент страхования экспортных кредитов (Export Credits Guarantee Department)
- exchange rate fluctuation** - колебания валютного курса
- front-end loan** – разовая ссуда, первоначальное заимствование, финансирование, обеспечиваемое на первых стадиях выполнения контракта

to grant big advances - выделять крупные ссуды (транш)
to handle a loan - справляться с займом (контролировать)
lead manager- инвестиционный банк, выступающий главой синдиката кредиторов, ведущий управляющий, главный организатор и гарант кредита
long-term funds – долгосрочный капитал
multiples – аналитические показатели, характеризующие акции
package deal - комплексная операция, аккордный контракт, соглашение о покупке нескольких видов товаров за паушальную сумму
preferential fixed rate of interest – фиксированная норма процентного процента на льготных условиях
progress payments – постепенные платежи, промежуточные выплаты, увеличение кредита по мере строительства объекта
provision of credit - выдача кредита, предоставление кредита
to raise money - изыскивать средства, занимать деньги (мобилизовать капитал), получать ссуду
to refer a proposal - направлять предложение, предлагать
subscription – отчисление, взнос, подтверждение (скрепленное личной подписью), подписание документа; соглашение о намерении приобрести ценные бумаги нового выпуска
supplier credit - кредит поставщикам, коммерческий кредит
to syndicate – объединять в консорциум или синдикат
syndicated lending - синдикатное кредитование (организованное несколькими участниками)
syndicated loan – синдицированный банковский кредит, банковская ссуда, предоставленная членам консорциума
tendering - подача заявки, участие в торгах
turnkey basis - сдача "под ключ", поставка под ключ
underwriting – гарантирование размещения ценных бумаг, приём на страхование, андеррайтинг, гарантирование размещения займа, размер страховой премии
when due - когда подошел срок платежа, по наступлении срока платежа

The provision of credit is one of the primary functions of a bank. It allows the borrower to finance major projects which would have otherwise not been possible. A company building a new production plant or a country building a new dam both need to raise very large sums of money in order to get the job done. The provision of funds

by banks for specific projects is thus an important part of international financing.

For practical or legal reasons, a bank may decide that a particular loan is too large to handle alone. Banks often therefore refer loan proposals to other banks, frequently their larger correspondents, and invite them to participate in the loan.

Syndicated lending therefore allows a bank to share with other banks (sometimes 100 or more from different countries) the risks involved in granting big advances. The borrower is able to obtain more than would be possible from a single bank, even though he or she deals with only one bank which organizes the participation of the other banks. The lead manager, as this bank is called, decides the rate of interest to be charged, collects payments from the borrower when due, and distributes the money to the participating banks.

International lending normally requires a clear understanding of the political and economic situation of the country in question, since granting credit naturally involves a degree of risk. Banks therefore examine exchange control regulations, balance of payments difficulties, payment records and so on before undertaking an international loan for a major project.

In Britain, the Export Credits Guarantee Department was set up in 1919 to help British exports. One of its range of services is to guarantee banks against losses resulting from loans made to the exporter (supplier credit) or to the buyer overseas (buyer credit). Such credits are used for loans of more than two years' duration and for large contracts such as ships. In the case of a buyer credit, the ECGD lends up to 85 % of the contract price to the buyer, or a bank in the buyer's country, so that the exporter can be paid. A similar organization in the USA is the Export - import Bank (Exim-bank), a government organization set up in 1934 to aid trade between the United States and other countries.

Comprehension Questions

1. What function of the bank aids to finance major projects?
2. When do banks refer loan proposals to other banks and invite them to take part in the loan?
3. What kind of lending allows a bank to share risks with other banks?
4. What is the lead manager responsible for?
5. Why does international lending require a clear understanding of the political and economic situation of the country in question?

6. What organization was set up in Britain in 1919?
7. How is a similar organization set up in the USA in 1934 called?

Exercise 1. Choose the necessary word.

a. loan, b. the provision, c. due, d. to raise, e. clear understanding, f. proposals, g. duration, h. lead manager

1. ... of credit is one of the primary functions of a bank.
2. A company building a new production plant or a country building a new dam both need ... very large sums of money.
3. A bank may decide that a particular ... is too large to handle alone.
4. Banks often refer loan ... to other banks.
5. The ... decides the rate of interest to be charged, collects payments from the borrower when ..., and distributes the money.
6. International lending normally requires a ... of the political and economic situation of the country in question.
7. Credits are used for loans of more than two years' ... and for large contracts such as ships.

Exercise 2. Translate into English.

1. Выделение кредита позволяет заемщику финансировать крупные программы.
2. Если банк считает, что займ слишком велик, он может предложить другим банкам принять участие в займе.
3. Банк-инвестор решает, какую процентную ставку начислить.
4. Одна из многочисленных услуг департамента - это гарантия того, что банки не понесут потери от кредитов, выданных экспортером.
5. Экспортно-импортный Банк США помогает торговле между США и другими странами.

Unit 9. Trends

Active Vocabulary

accounting records - бухгалтерские отчеты

ATM withdrawal – снятие денег через банкомат (Automated Teller Machine)

authentication measures – приёмы установления идентичности, меры по удостоверению или засвидетельствованию под-

линности документа, способы засвидетельствования подлинности документа

balance of payment difficulties - трудности платежного баланса

to commit sum - вкладывать капитал

concessionary rate – льготная (концессионная) процентная ставка

contingency planning - планирование действий в экстремальных условиях, планирование на случай чрезвычайных обстоятельств

dealing room - операционный зал, дилерская комната

deficit – нехватка, недостаточность, недостаток, недостающая сумма, дебетовое сальдо счета нераспределённой прибыли

EFT – электронный перевод средств, ЭПС, электронная пере-сылка фондов, электронные платежи (electronic fund transfer)

encryption – зашифровывание, кодирование, засекречивание

financial conglomerate – финансовая многопрофильная корпорация, диверсифицированная финансовая компания, имеющая филиалы, торгующие разными товарами и услугами

growing demand for finance - возрастающий спрос на финансы

IC – Intermediate Cross-Connect, Identity Card

interest payments - уплата процентов, процентные платежи

interface - связующее звено, согласующее устройство

ledger - приходно-расходная книга, бухгалтерский регистр, главная бухгалтерская книга

loan portfolio - портфель выданных займов, общая сумма дебиторской задолженности, ссудный портфель

to meet obligations - выполнять обязательства

OECD – организация экономического сотрудничества и развития (Organisation for Economic Co-operation & Development)

to offer financial services - оказывать финансовые услуги

over-the-counter transactions - внебиржевые (проводимые за наличные или без посредников) сделки

personnel costs - расходы на содержание персонала

portfolio - портфель ценных бумаг, капитал в ценных бумагах, перечень ценных бумаг,

ratio – пропорция, коэффициент, соотношение, относительный показатель

real-time data - оперативные данные; данные, поступающие в реальном масштабе времени

repayment installments - очередные взносы (погашения)

repercussions – влияние, последствия, результаты

to reschedule loans - перераспределить займы
to restructure – изменять структуру, преобразовывать, реорганизовывать, перестраивать структуру
securities house – фирма, торгующая ценными бумагами
security operations - операции, обеспечивающие безопасность, операции службы безопасности
statutory means – нормативный инструмент, предписанное законом средство; операция, подлежащая исполнению согласно закону
SWIFT – Международная межбанковская организация по валютным и финансовым расчётам по телексу (Society for Worldwide Interbank Financial Telecommunications), межбанковская электронная система передачи информации и совершения платежей, СВИФТ
to transmit (transfer) electronically - передавать электронным способом
up-to-the-minute data – самые последние данные, ежеминутные сообщения, информация о только что случившемся
world recession - мировая рецессия (спад)

Banking has faced considerable external change over recent decades, and major changes have taken place in the industry itself. Developments have been many and rapid. One of the most important developments during the 1980s was the growth in international debt problems, a situation which had begun to evolve in the previous decade.

In addition to the growth in the financial needs of large companies, government agencies around the world also formed an area of growing demand for finance in the 1970s. International banks assisted countries with balance of payments difficulties, that is those which were importing much more than they were exporting, by lending them large sums of money, and this assistance increased after the sharp rise in oil prices in 1973, since the higher prices meant even greater balance of payments problems for some countries. Banks were at this time able to lend out more money, deposited with them by oil producing countries, to countries with payment deficits. Some leading banks committed sums which exceeded their capital and reserves, ignoring the principle of a well-spread loan portfolio.

During the 1980s, however, high interest rates and world recession prevented several countries from meeting their repayment obligations. Banks have had to reschedule loans, that is arrange for

interest payments and repayment installments to be delayed, and the debt crisis, as it has been termed, has put banking in the industrialized countries under a certain amount of strain. Some observers see the financial strength of the banks depending on the financial strength of the debtors. In this way, they claim, the debt problem threatens both the development of the debtor countries and the stability of the banking system of the industrialized world.

A second challenge faced by banks recently is the increasing competition from other organizations, both in terms of numbers and in the range of financial services offered. Banks are generally very closely regulated, examined, restricted and supervised, making it sometimes difficult to meet new competition from institutions operating under different regulations, such as insurance companies. Laws and regulations restraining the activities of banks and other financial organizations have been changing, and continue to change. One example in the UK is the so-called Big Bang, which in 1986 deregulated the traditional procedures for dealing in UK securities. The changes taking place in the financial services industry are not confined to any one country, however, and innovation and development are contributing to general market evolution, both nationally and internationally.

A third trend in banking during recent years has been the growth in the application of technology in the industry. Accounting records are maintained with the aid of computer systems, where ledgers were once kept by hand. Messages can now be transmitted and funds can be transferred around the world electronically in a matter of moments. Dealing rooms often use the latest technology, with electronic hardware and software. The information systems used may include a transaction input capability, an interface with main office systems, large high resolution colour displays, and so on, to provide the up-to-the-minute data on which effective trading decisions are based.

While electronic systems reduce time and paper, they do involve certain risks, such as those of computer system failure and fraud. Security operations in both cases are therefore of vital importance to modern banks. If a system breaks down, it is imperative that information is not lost. With large sums of money being sent around the world electronically, it is also imperative that banks prevent outsiders or unauthorized users from penetrating their systems and diverting funds for their own use. One professional survey in the UK in the mid-1980s estimated that computer fraud involving funds transfer in the UK totaled some 50 million pounds a year.

Banking services offered to the general public are also becoming increasingly automated, as banks try to reduce their costs associated with branch over-the-counter transactions, such as personnel costs.

Comprehension Questions

1. What was the most important development in banking industry during the 1980s?
2. What countries did international banks assist and why did the assistance increase in 1973?
3. Which principle was ignored by many banks committing sums which exceeded their capital and reserves?
4. What facts prevented several countries to meet their repayment obligations?
5. What was the result of the debt crisis for industrialized countries?
6. What does the financial strength of banks depend on?
7. Why is it difficult for banks to compete with insurance companies?
8. What changes have taken place after the application of technology in the banking industry?
9. Why are security operations of vital importance to modern banks?
10. What are the advantages of banking automated services offered to the general public?

Exercise 1. Choose the necessary word.

a. records, b. imperative, c. assisted, d. personnel, e. loan, f. failure, g. payments, h. market, i. competition

1. Many banks try to reduce their ... costs offering their automated services.
2. International banks ... countries with balance of payments difficulties.
3. During the sharp rise of oil prices in 1973 the higher prices meant even greater balance of ... problems for some countries.
4. Some leading banks ignored the principle of a well-spread ... portfolio.
5. Recently banks faced the ... from other organizations both in terms of numbers and in the range of services.

6. Financial services industry development and innovation are contributing to general ... evolution.
7. Accounting are maintained with the help of computer systems.
8. Electronic systems do involve certain risks, such as computer system
9. If a system breaks down it's ... that information is not lost.

Exercise 2. Translate into English

1. За последние десятилетия в сфере банковских услуг произошли большие изменения.
2. Банки столкнулись с постоянно растущей конкуренцией со стороны других организаций.
3. Бухгалтерские документы ведутся с помощью компьютерных программ.
4. Хотя электронные системы экономят время и бумагу, они подвержены определенному риску.

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