

**ЧЕРКАСЬКИЙ ІНСТИТУТ БАНКІВСЬКОЇ СПРАВИ
УНІВЕРСИТЕТУ БАНКІВСЬКОЇ СПРАВИ
НАЦІОНАЛЬНОГО БАНКУ УКРАЇНИ (М. КИЇВ)**

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BUSINESS OF BANKING

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Мета посібника – забезпечення цілісного і послідовного засвоєння англійської лексики і термінології сфери банківської справи та набуття вмінь і навичок роботи з фаховою літературою, а також розширення знань студентів у галузі банківської діяльності.

Призначено для студентів фінансово-економічних спеціальностей вищих навчальних закладів.

ПЕРЕДМОВА

У сучасному міжнародному суспільстві все більше розширюються контакти спеціалістів з різних країн, а нові соціально-економічні умови в Україні викликають необхідність посилити увагу до питань вивчення іноземної мови у вищих закладах освіти. Потреба у спеціалістах, які вільно володіють іноземними мовами, здібних підтримувати тісні ділові контакти із закордонними фахівцями, постійно зростає. Знання іноземної мови є необхідною вимогою до майбутнього фахівця – конкурентоздатного, творчого працівника, спроможного оволодіти найновітнішими технологіями у різних сферах професійної діяльності.

Посібник призначено для студентів фінансово-економічних спеціальностей вищих навчальних закладів.

Мета посібника полягає у забезпеченні цілісного і послідовного засвоєння англійської лексики і термінології сфери банківської справи та набуття вмінь і навичок роботи з фаховою літературою, а також розширенні знань студентів у галузі банківської діяльності. Матеріал посібника спрямований на вдосконалення рівня володіння іноземною мовою студентами, розвиток інтегрованих мовленнєвих умінь та комунікативних навичок, що відповідає цілям і змісту сучасної фахової освіти студентів.

Посібник складається з п'яти розділів: «З історії банків. Типи банків», «Банківська система України», «Банківська система Великої Британії», «Банківська система США», «Банківські послуги».

Кожний розділ містить нові слова, вирази, мовні зразки і включає фахові тексти, термінологічний словник, різноманітні лексичні вправи та комунікативні завдання, що сприяє відпрацюванню мовленнєвих навичок і вмінь використання лексичного матеріалу в ситуаціях реального спілкування. Система вправ забезпечує засвоєння навичок з усіх видів мовленнєвої діяльності: читання, говоріння, аудіювання та письма. Крім того, кожний окремий розділ містить вправи на словотворення, перефразування, тлумачення

окремих слів, переклад з української мови на англійську та навпаки. Запропонована система вправ забезпечує швидке й ефективне засвоєння студентами необхідних знань і вироблення в них стійких навичок спілкування. У кінці кожного розділу пропонуються мовні ситуації за темою.

З метою оптимізації процесу викладання англійської мови особливу увагу приділено забезпеченню комунікативності навчальної діяльності студентів. Відомо, що оволодіння іноземною мовою можливе лише за умови моделювання під час навчання реальних ситуацій іншомовного спілкування. Посібник містить ряд завдань, спрямованих на практичне застосування мовного матеріалу, а саме спілкування у групі, дискусії, тощо.

Додаткові англомовні тексти сприятимуть поповненню словникового запасу з фаху. Для активізації професійної лексики у посібнику розміщений словник скорочень банківських термінів.

Посібник розроблено на основі сучасних принципів навчання іноземній мові з урахуванням комунікативних вимог до майбутніх фахівців у сфері банківської діяльності. Посібник може використовуватися на практичних заняттях та під час самостійної роботи.

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Unit I. HISTORY OF BANKING. TYPES OF BANKS

Reading

Text A

THE HISTORY OF BANKING

The word 'bank' derives from the Italian word *banco* 'desk/bench', used during the Renaissance by Florentine bankers, who used to make their transactions above a desk covered by a green tablecloth. However, there are traces of banking activity even in ancient times.

Many of today's banking services were first practiced in ancient Lydia, Phoenicia, China, and Greece, where trade and commerce flourished. The temples in Babylonia made loans from their treasuries as early as 2000 BC. The temples of ancient Greece served as safe-deposit vaults for the valuables of worshipers. The Greeks also coined money and developed a system of credit. The Roman Empire had a highly developed banking system, and its bankers accepted deposits of money, made loans, and purchased mortgages. Shortly after the fall of Rome in 476 AD, banking declined in Europe.

The increase of trade in 13th-century Italy prompted the revival of banking. The moneychangers of the Italian states developed facilities for exchanging local and foreign currency. Soon merchants demanded other services, such as lending money, and gradually bank services were expanded.

The first bank to offer most of the basic banking functions known today was the Bank of Barcelona in Spain. Founded by merchants in 1401, this bank held deposits, exchanged currency, and carried out lending operations. It also is believed to have introduced the bank check. Three other early banks, each managed by a committee of city officials, were the Bank of Amsterdam (1609), the Bank of Venice (1587), and the Bank of Hamburg (1619). These institutions laid the foundation for modern banks of deposit and transaction.

For more than 300 years, banking on the European continent was in the hands of powerful statesmen and wealthy private bankers, such as the Medici family in Florence and the Fuggers in Germany. During the 19th century, members of the

Rothschild family became the most influential bankers in all Europe and probably in the world. This international banking family was founded by German financier Mayer Amschel Rothschild (1743-1812), but it soon spread to all the major European financial capitals.

The Bank of France was organized in 1800 by Napoleon. The bank had become the dominant financial institution in France by the mid-1800s. In Germany, banking experienced a rapid development about the middle of the 19th century with the establishment of several strong stock-issuing or publicly owned banks.

Banking in the British Isles originated with the London goldsmiths of the 16th century. These men made loans and held valuables for safekeeping. By the 17th century English goldsmiths created the model for today's modern fractional reserve banking — that is, the practice of keeping a fraction of depositors' money in reserve while extending the remainder to borrowers in the form of loans. Customers deposited gold and silver with the goldsmiths for safekeeping and were given deposit receipts verifying their ownership of the gold deposited with the goldsmith. These receipts could be used as money because they were backed by gold. But the goldsmiths soon discovered that they could take a chance and issue additional receipts against the gold to other people who needed to borrow money. This worked as long as the original depositors did not withdraw all their gold at one time. Hence, the amount of receipts or claims on the gold frequently exceeded the actual amount of the gold, and the idea that bankers could create money was born.

Comprehension check-up

I. What do you know about the history of banking? Which of the following statements are true/false? Find the part of the text that gives the correct information.

1. The word 'bank' derives from the Italian word *banco* that means 'a tablecloth'.
2. Many of today's banking services were first practiced in ancient Greece, where trade and commerce flourished.

3. After the fall of Rome in 476 AD, banking started to develop in Europe.
4. The first bank to offer most of the basic banking functions was founded by merchants in Spain in 1401.
5. For several centuries, banking on the European continent was in the hands of merchants.
6. Banking in the British Isles originated in the 17th century.
7. The goldsmiths made loans and held valuables for safekeeping.
8. The goldsmiths could not issue additional receipts against the gold to other people who needed to borrow money.

II. Make up 10 questions covering the content of the text and let your fellow students answer them.

III. Draw up a plan of the text.

Vocabulary Exercises

I. Find the English equivalents for the following words in the text and make up 10 sentences of your own with them:

1. процвітати
2. храм
3. кредит
4. скарбниця
5. сховище
6. застава, іпотека
7. занепадати
8. зростання, ріст
9. спонукати
10. Відродження
11. угода

12. купець, торговець
13. ювелір
14. зберігання
15. частковий резерв
16. розписка, квитанція
17. свідчити
18. бути забезпеченим золотом
19. позичати
20. забирати
21. отже, у результаті, звідси
22. перевищувати

II. Translate the words and name the word-building elements and the parts of speech of each word:

bank, bankable, banker, banking, banknote, bankroll, bankrupt, bankruptcy.

III. Compose 8 sentences of your own with the above words.

IV. Translate the following sentences paying attention to the italicized words:

1. He jumped in and swam to the opposite *bank*.
2. The sun disappeared behind a *bank* of clouds.
3. There were steep *banks* of snow at the sides of the road.
4. Fans who couldn't get into the stadium watched the match on *banks* of TV monitors outside.
5. "I am not sure if I should buy this suit." "Come on! *It won't break the bank!*"
6. I *bank* with Barclays.
7. The plane *banked* to the left.
8. *I am banking on* your help.
9. I *was banking on* getting something to eat on the train.
10. The movie's success has made her one of the world's most *bankable* stars.

11. She's thinking about a career in *banking*.
12. He is the candidate with the biggest campaign *bankroll*.
13. Mr Terence had *bankrolled* them when they had nothing.
14. They *went bankrupt* in 2008.
15. The company was almost *bankrupted* by legal costs.
16. There could be further *bankruptcies* among small farmers.

Reading

Text B

TYPES OF BANKS

A bank is a financial institution licensed by a government. Its primary activities include borrowing and lending money. Many other financial activities were allowed over time. The principal types of banks in the modern industrial world are commercial banks, which are typically private-sector profit-oriented firms, and central banks, which are public-sector institutions.

The **central bank** is at the centre of the financial structure of any country (in Ukraine it is the National bank of Ukraine, in the USA – the Federal Reserve System, in the UK – the Bank of England, in Germany - the Bundesbank, etc). It is the most important bank in the country because it issues and manages currency, influences the base lending rate and helps to carry out the government's financial policy. Central banks can be either privately owned or owned by the government. In Europe, central banks are owned and operated by the government. In the United States, commercial banks own the central bank, the Federal Reserve.

Commercial banks constitute the second level of the banking system. There are many different terms used, not all mutually exclusive. Let's examine the following:

- Retail banks
- Merchant / investment banks
- Savings banks
- Offshore banks

- Cooperative banks
- Mortgage banks
- Universal banks

Retail banks (also called high street banks) deal directly with individuals and small businesses. They focus on mass market products such as current and savings accounts, mortgages and other loans, and credit cards. These banks have the large branch networks in the high streets of cities and towns, in the shopping centres, college campuses, etc.

Investment Banks / Merchant Banks. (Merchant bank is a classic UK term. Investment bank is the US equivalent.) Investment banks deal mainly with rich corporate clients (companies or large firms) or rich individual clients. They aim not so much at lending money but at raising funds for industry (their corporate clients) in different financial markets. They also provide corporations advice on mergers and acquisitions. Therefore investment banks act mainly as intermediaries for their customers. They do not themselves make loans, but make their profits from fees paid for their services. Merchant banks in Britain do the same, but they also offer loans themselves.

Savings banks specialize in providing savings accounts as opposed to general banking services. **Postal savings banks** are associated with national postal systems.

Offshore banks are based or registered abroad, usually to avoid tax laws. Some depositors seek the services of these banks for their easy access to deposits, less restrictive legal regulation, and increased privacy for the depositor. It is believed that as much as half of the world's capital flows through offshore centers.

A **cooperative bank** is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Cooperative banks are often created by persons belonging to the same local or professional community or sharing a common interest. Cooperative banks generally provide their members with a wide range of banking and financial services.

Mortgage banks generally specialize only in making mortgage loans. They do not take deposits from customers.

Universal banks, also known as financial services companies, are large banks engaged in multiple activities from commercial and retail lending, offshore banking to customers in other countries through its subsidiaries to the sale of insurance products.

Comprehension check-up

I. Answer the questions using the information from the text.

1. What is a bank?
2. What are the primary activities of a bank?
3. What are the principal types of banks in the modern world?
4. Why is the central bank considered to be the most important bank in the country?
5. How can central banks be owned?
6. What banks constitute the second level of the banking system?
7. What characterizes retail banks?
8. Is there any difference between merchant banks and investment banks?
9. Why do some depositors seek the services of off shore banks?
10. What services are provided by cooperative banks?
11. What do mortgage banks generally specialize in?
12. What are universal banks?

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. Федеральна Резервна Система
2. базова ставка позичкового відсотку
3. здійснювати фінансову політику уряду
4. роздрібний банк

5. торгівельний банк / інвестиційний банк
6. ощадний банк
7. офф-шорний банк
8. кооперативний банк
9. іпотечний банк
10. зосередити увагу на чомусь
11. поточний рахунок
12. ощадний рахунок
13. велика мережа філій
14. злиття
15. поглинання
16. обмежувальне правове регулювання
17. конфіденційність
18. фінансова установа
19. займатися
20. дочірня компанія

II. All the words below can be combined with bank or banking in a two-word partnership, e.g. off-shore banking. Add the word bank or banking either before or after each of the words below. Translate the word combinations:

- | | |
|--------------------------|--------------------------|
| 1. account | 11.merchant |
| 2. balance | 12. note |
| 3. card | 13. off-shore |
| 4. central | 14. rate |
| 5. clerk | 15. retail |
| 6. commercial | 16. robbery |
| 7. deposit..... | 17. savings |
| 8. holiday. | 18. statement |
| 9. investment..... | 19. system |
| 10. manager | 20. wholesale |

III. Match British and American financial terms:

British

1. Annual General Meeting (AGM)
2. building society
3. cheque
4. company
5. current account
6. Memorandum of Association
7. merchant bank
8. ordinary share
9. share
10. shareholder
11. stock
12. deposit account

American

- a. stockholder
- b. inventory
- c. Annual Stockholders Meeting
- d. checking account
- e. corporation
- f. Stock
- g. Certificate of Incorporation
- h. common stock
- i. investment bank
- j. savings account
- k. savings and loan association
- l. check

IV. Complete these sentences about central banks using the following

words: *act, fix, implement, issue, control, function, influence, supervise.*

1. ... as banks for the government and for other banks.
2. ... monetary policy.
3. ... the money supply.
4. ... the minimum interest rate.
5. ... as the lender of last resort to commercial banks with liquidity problems.
6. ... coins and banknotes.
7. ... (floating) exchange rates by intervening in foreign exchange markets.
8. ... the banking system.

V. Complete the text using these words:

TYPES OF BANKS

central banks	building societies	finance house
commercial banks	merchant banks	investment banks
supranational banks	universal banks	

(1) ... supervise the banking system; fix the minimum interest rate; issue bank notes; control the money supply; influence exchange rates; and act as lender of last resort.

(2) ... are businesses that trade in money. They receive and hold deposits in current and savings accounts, pay money according to customers' instructions, lend money, and offer investment advice, foreign exchange facilities, and so on. In some countries such as England these banks have branches in all major towns; in other countries there are smaller regional banks. Under American law, for example, banks can operate in only one state. Some countries have banks that were originally confined to a single industry, e.g. the Credit Agricole in France, but these now usually have a far wider customer base.

In some European countries, notably Germany, Austria, and Switzerland, there are (3) ... which combine deposit and loan banking with share and bond dealing, investment advice, etc. Yet even universal banks usually form a subsidiary, known as a (4) ... to lend money — at several per cent over the base lending rate — for hire purchase or installment credit, that is, loans to consumers that are repaid in regular, equal monthly amounts.

In Britain, the USA and Japan, however, there is, or used to be, a strict separation between commercial banks and banks that do stockbroking or bond dealing. Thus in Britain, (5) ... specialise in raising funds for industry on the various financial markets, financing international trade, issuing and underwriting securities, dealing with takeovers and mergers, issuing government bonds, and so on. They also offer stockbroking and portfolio management services to rich corporate and individual clients. (6) ... in the USA are similar, but they can only act as intermediaries offering advisory services, and do not offer loans themselves.

Yet despite the Glass-Steagall Act in the USA, and Article 65, imposed by the Americans in Japan in 1945, which enforce this separation, the distinction between commercial and merchant or investment banks has become less clear in recent years. Deregulation in the US and Britain is leading to the creation of «financial

supermarkets» — conglomerates combining the services previously offered by stockbrokers, banks, insurance companies, etc.

In Britain there are also (7) ... that provide mortgages, i.e. they lend money to home-buyers on the security of houses and flats, and attract savers by paying higher interest than the banks. The savings and loan associations in the United States served a similar function, until most of them went spectacularly bankrupt at the end of the 1980s.

There are also (8) ... such as the World Bank or the European Bank for Reconstruction and Development, which are generally concerned with economic development.

VI. Fill in the blanks with prepositions:

... Europe, savings banks originated ... the 18th century. Their original objective was to provide easily accessible savings products to all strata ... the population. ... some countries, savings banks were created ... public initiative, while ... others, socially committed individuals created foundations to put ... place the necessary infrastructure.

France claims the credit ... being the mother ... savings banks, basing this claim ... a savings bank said to have been established ... 1765 ... the town ... Brumuth, but it is ... record that the savings bank idea was suggested ... England as early as 1697. There was a savings bank ... Hamburg, Germany, ... 1778 and ... Berne, Switzerland, ... 1787. The first English savings bank was established ... 1799, and postal savings banks were started ... England ... 1861. The first chartered savings bank ... the United States was the Boston Provident Savings Institution, incorporated December 13, 1816.

Nowadays, European savings banks have kept their focus ... retail banking: payments, savings products, credits and insurances ... individuals or small and medium-sized enterprises.

VII. Give the summary of the following text in English:

КОМЕРЦІЙНІ БАНКИ

Комерційні банки розглядаються у двох аспектах — широкому та вузькому. У широкому розумінні комерційний банк — це будь-який банк, що функціонує на другому рівні банківської системи.

У вузькому розумінні комерційний банк — це банк, який виконує повний набір базових банківських операцій та єдиною метою має одержання максимального прибутку. Так він характеризується у банківській практиці Німеччини, США та інших країн, в яких разом із групою комерційних банків діє велика група банків другого рівня, які не є комерційними.

Світова практика виробила два принципи побудови комерційних банків:

- 1) принцип сегментування, коли банківська діяльність обмежена певним видом операцій чи сектором грошового ринку;
- 2) принцип універсальності, коли будь-які обмеження на діяльність банків на грошовому ринку знімаються.

Принцип сегментування чітко простежується у банківському законодавстві США та Японії, де банкам, по суті, заборонено здійснювати операції з цінними паперами корпорацій, з нерухомістю, страхові операції тощо.

У більшості країн Західної Європи такі обмеження знято, і банки другого рівня можуть надавати будь-які фінансові послуги на грошовому ринку.

Незалежно від принципу, на який орієнтується банківське законодавство, комерційні банки в кожній країні істотно відрізняються за комплексом операцій та послуг, що надаються. Одні з них виконують широке коло операцій, охоплюють багато секторів грошового ринку та галузей економіки. Такі банки мають назву *універсальних*. Інші банки виконують тільки окремі операції на ринку чи функціонують у вузькому секторі ринку, обслуговуючи окремі галузі економіки. Такі банки називають *спеціалізованими*. Спеціалізація може бути функціональною, коли банки зосереджуються переважно на виконанні окремих

операцій, наприклад, іпотечних, інвестиційних тощо, та галузевою, чи секторною, наприклад, ощадні, сільськогосподарські, інноваційні банки.

Speaking and Writing

I. Discussion:

1. Do you agree with the quotes? Why / why not? Give reasons for your opinion.
 - a) "Give me control of a nation's money and I care not who makes her laws."
(Meyer Rothschild).
 - b) "Where large sums of money are concerned, it is advisable to trust nobody."
(Agatha Christie)
2. Why do people use banks?
3. Why do people keep their money in banks?
4. How do banks make money?

II. Speak about:

1. The History of Banking.
2. Types of Banks.

III. Write a report / make a presentation on the topics:

1. The history of banking in Ukraine.
2. The history of banking in the UK.
3. The history of banking in the US.
4. The history of banking in Canada.
5. The history of banking in Australia.

Unit II. BANKING IN UKRAINE

Reading

Text A

THE STRUCTURE OF THE BANKING SYSTEM OF UKRAINE

The evolution of the national banking system in Ukraine started in March, 1991, after the adoption of the Law of Ukraine "On Banks and Banking" by the Verkhovna Rada. This law defines the structure of the banking system, the economic, organizational and legal basis for the establishment, transactions, reorganization and liquidation of banks in Ukraine.

The Ukrainian banking system is a two-tier structure consisting of the National Bank of Ukraine and commercial banks. The National Bank of Ukraine serves as the country's central bank which pursues a uniform state monetary policy to ensure the national currency stability.

In Ukraine commercial banks may be founded in the form of a joint-stock company or a cooperative bank. Banks may operate as universal or specialized institutions. According to their specialization, banks may be classified as savings, investment, mortgage and settlement (clearing). Each bank may independently determine areas of its activity and specialization by types of operations. Each bank may acquire the specialized bank status when more than 50 percent of its assets are represented by assets of the same type.

The range of commercial banks activities includes receiving deposits of enterprises, institutions and households, crediting of economic entities and households, investments in securities, formation of cash balance and reserves, as well as other assets, cash and settlement servicing of the economy, foreign exchange operations and other services to individuals and legal bodies.

As of 1 January 2008, 198 commercial banks were registered in Ukraine, 184 of which were granted licenses by the NBU to perform banking transactions.

Ukraine's banking sector has a high level of concentration. According to the NBU data, over 50% of the sector's total assets are held by the 10 largest banks. According to the NBU, as of 31 December 2008 the total statutory capital of

domestic banks was UAH 83 billion (it's about US \$ 10 billion). Moreover, at least 53 banks in Ukraine had some foreign capital, 17 of which were wholly owned by foreigners, and 45% of total statutory capital in all Ukrainian banks was represented by banks with foreign capital. It is significant that the top ten commercial banks include two state-owned banks (Oshchadbank and Ukreximbank), several banks with foreign capital and one foreign bank - Raiffeisen Bank Aval.

Commercial banks require a license from the NBU to operate. For banks being registered after 4 October 2006, the minimum statutory capital requirement is EUR 10 million.

The banks in Ukraine act in accordance with the Constitution of Ukraine, the Laws of Ukraine "On the National Bank of Ukraine", "On Banks and Banking", the Ukrainian legislation on joint-stock companies and other economic entities, as well as with the normative regulations of the National Bank of Ukraine and their Statutes.

Comprehension check-up

I. Answer the questions using the information from the text.

1. Which Law defines the structure and functions of the banking system of Ukraine?
2. How is the Ukrainian banking system organized?
3. What are the forms of ownership of commercial banks?
4. What types of banks can be established in Ukraine?
5. What main services can be provided by Ukrainian banks?
6. Are there any state banks in Ukraine?
7. What are the largest banks in Ukraine?

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up sentences of your own with them:

1. прийняття закону
2. дворівневий
3. проводити політику
4. єдина державна грошово-кредитна політика
5. забезпечувати стабільність
6. акціонерне товариство
7. розрахунковий банк
8. визначати
9. набувати статусу
10. активи
11. домашні господарства
12. залучення депозитів
13. суб'єкт господарської діяльності
14. цінні папери
15. розрахунково-касове обслуговування
16. валютні операції
17. юридична особа
18. видавати ліцензію
19. статутний капітал
20. іноземний капітал
21. законодавство
22. нормативна постанова

II. Match the terms with their definitions:

1. National bank	a. a bank that provides finance for companies, esp. by buying stocks and securities and selling them in smaller units to members of the public. It also advises on takeovers and mergers and ways of raising money
2. commercial bank	b. central financial body

3. savings bank	c. bank that concentrates on cash deposit and transfer services to general public
4. investment bank	d. a financial institution that specializes in providing services such as savings accounts as opposed to general banking services
5. state bank	e. bank where the share of capital, belonging to at least one non-resident, exceeds 10%
6. bank with foreign capital	f. bank owned by the members and with maximum profit not necessarily the main objective – it may aim, eg. to give low cost loans to members
7. cooperative bank	g. bank that specializes in servicing mortgage loans
8. mortgage bank	h. bank in which the state owns 100 % of the statutory capital

III. Translate into English:

1. Банківська система України складається з Національного Банку України та інших банків, а також філій іноземних банків, що створені і діють на території України.
2. Банки в Україні створюються у формі публічного акціонерного товариства або кооперативного банку.
3. Банки в Україні можуть функціонувати як універсальні або як спеціалізовані.
4. За спеціалізацією банки можуть бути ощадними, інвестиційними, іпотечними та розрахунковими.
5. Банк самостійно визначає напрямки своєї діяльності і спеціалізацію за видами операцій.
6. На кінець 2004 року зі 160 банків, які мали ліцензію Національного Банку України на здійснення банківських операцій, 132 банки були акціонерними товариствами.

Reading

Text B

THE NATIONAL BANK OF UKRAINE

The National Bank of Ukraine is the central bank of Ukraine. Legal status, principles of organization and activities of the National Bank of Ukraine are determined by the Constitution of Ukraine and the Law of Ukraine "On the National Bank of Ukraine".

The National Bank of Ukraine is a legal entity with separated property, which is the object of the state property. Its authorized capital amounts to UAH 10 million and is the state-owned property which is in the full economic competence of the National Bank.

The governing bodies of the National Bank are the Council of the National Bank of Ukraine and the Board of the National Bank of Ukraine. The Governor of the National Bank is appointed by the Verkhovna Rada of Ukraine on the recommendation of the President of Ukraine for a period of five years. The Governor directs the work of the Board and is a member of the Council. Since the Banks' establishment, the following statesmen were the Governors of the National Bank of Ukraine (initially the title of the position was the Chairman of the Board):

Name	In office
Volodymyr Matvienko	1991 - 1992
Vadym Hetman	1992
Viktor Yushchenko	1993 - 1999
Volodymyr Stelmakh	2000 - 2002
Sergiy Tigipko	2002 - 2004
Volodymyr Stelmakh	2004 – 2010
Sergiy Arbuzov	2010 – present

According to the Constitution of Ukraine, the main function of the National Bank is to ensure stability of Ukraine's monetary unit - the hryvnia. To carry out its major function, the National Bank fosters the stability of the banking system and within its competence, the price stability.

The National Bank of Ukraine also carries out the following functions:

- to determine and pursue the monetary policy;
- to issue the national currency of Ukraine on a monopoly basis and to organize its circulation;
- to act as the lender of last resort for banks and to organize the refinancing system;
- to establish the rules of conducting banking transactions, accounting and reporting, protection of the information, funds and property for the banks;
- to determine the system, procedure and modes of payments, including those between banks;
- to determine the areas of the development of modern electronic banking technologies, to establish, co-ordinate and control the creation of electronic means of payment, payment system, banking automation and the banking information protection facilities;
- to keep the official Register of identification numbers of issuers of payment cards of domestic payment systems;
- to exercise the inspection certification of auditors for conducting audit of banks, temporary administrators and liquidators of a bank;
- to compile, analyze and forecast the balance of payments;
- to represent Ukraine's interests in central banks of other states, international banks and other crediting institutions, where the cooperation takes place at the level of central banks;
- to exercise the currency regulation with the competence to be defined by a special law, to determine the procedure of effective payments in the foreign currency, to organize and exercise the currency control over the commercial banks and other credit institutions which are in possession of a National Bank's license for the transactions with currency values;
- to ensure the accumulation and custody of the gold and currency reserves and the conduction of transactions with them and the banking metals;
- to analyze the status of the monetary, crediting, financial, pricing and currency relations;

- to organize the collection and transportation of bank notes, coins and other values; to grant licenses for collection and transportation of bank notes, coins and other values;
- to take part in the training of personnel for Ukraine’s banking system;
- to exercise other functions in the monetary and crediting sphere within its competence defined by the law.

Comprehension check-up

I. Answer the questions using the information from the text.

1. What are the activities of the NBU determined by?
2. What are the governing bodies of the NBU?
3. Who appoints the Governor of the NBU?
4. What is the main function of the NBU?
5. What does the NBU do to carry out its major function?
6. What are other functions of the NBU?

II. What do you know about the NBU? Which of the following statements are true/false? Find the part of the text that gives the correct information.

1. Legal status, principles of organization and activities of the National Bank of Ukraine are determined by the Law of Ukraine “On Banks and Banking”.
2. The Council of the National Bank of Ukraine is the only governing body of the National Bank.
3. The Governor of the National Bank is appointed by the President of Ukraine.
4. Two persons were the Governors of the NBU twice.
5. According to the Constitution of Ukraine, the main function of the National Bank is to foster the stability of the banking system.

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. правовий статус
2. відокремлене майно
3. об'єкт права державної власності
4. керівні органи
5. Рада Національного Банку України
6. Правління Національного Банку України
7. Голова Національного Банку
8. за поданням
9. сприяти
10. монопольно здійснювати емісію валюти
11. кредитор останньої інстанції
12. система рефінансування
13. бухгалтерський облік і звітність
14. визначати порядок і форму платежів
15. електронні банківські технології
16. автоматизація банківської діяльності
17. засоби захисту банківської інформації
18. ідентифікаційний номер емітенту платіжної картки
19. здійснювати сертифікацію
20. складати платіжний баланс
21. передбачати, прогнозувати
22. валютне регулювання
23. відповідно до визначених спеціальним законом повноважень
24. накопичення та зберігання
25. золотовалютні резерви
26. інкасація

II. Match the words with their synonyms:

- | | |
|----------------|-----------------|
| 1. to consist | a. fund |
| 2. property | b. to encourage |
| 3. to foster | c. holdings |
| 4. stability | d. to control |
| 5. to regulate | e. to predict |
| 6. to forecast | f. process |
| 7. to ensure | g. to guarantee |
| 8. procedure | h. consistency |
| 9. reserve | i. to compose |

III. Complete the sentences below using the verbs in the right tense-form: to foster, to determine, to compile, to regulate, to establish, to consist of, to ensure, to forecast.

1. We are trying ... a list of suitable people for the job.
2. The activities of credit companies ... by law.
3. My father ... the family business in 1972.
4. The NBU ... that the economy will grow by 2% this year.
5. Their aim is ... better relations within the community.
6. Your parents' income is used ... your level of financial aid.
7. The committee ... 10 members.
8. All the necessary steps have been taken ... their safety.

IV. Change the noun form into the verb and adjective forms. You may need to use a dictionary.

Example: stability (n) – stabilize (v) – stable (adj)

governor, organization, function, support, development, creation, information, protection, identification, issuer, certification, liquidator, regulation, control, accumulation, conduction, collection.

V. Translate into English:

1. Національний Банк України – це центральний банк України, який координує роботу банківської системи.
2. Будь-яка діяльність Національного Банку України проводиться відповідно до Конституції України і закону “Про банкі і банківську діяльність”.
3. Головне завдання Національного Банку України - це забезпечити стабільність української валюти.
4. Національний банк турбується про стабільність банківської системи.
5. Керівними органами Національного Банку є Рада Національного Банку України та Правління Національного Банку України.

VI. Translate the following text into English:

Національний Банк України у відповідності із Законом України "Про Національний Банк України" є центральним банком України, її емісійним центром. Він проводить єдину державну політику в галузі грошового обігу, кредиту, зміцнення грошової одиниці, координує діяльність банківської системи в цілому, визначає курс грошової одиниці відносно валют інших країн. Національний банк визначає вид грошових знаків, їх номінал, відмінні ознаки і систему захисту. Національний Банк України зберігає резервні фонди грошових знаків, дорогоцінні метали та золотовалютні запаси, накопичує золотовалютні резерви і здійснює операції з ними та банківськими металами. Національний Банк України встановлює порядок визначення облікової ставки та інших відсоткових ставок за своїми операціями, дає дозвіл на створення комерційних банків шляхом їх реєстрації та видає ліцензії на виконання банківських операцій.

Speaking and Writing

I. Discussion:

1. In November 2006, the Rada passed the law that permitted foreign banks to operate branch offices in Ukraine since the country joined the WTO. Is the entry of foreign banks welcome to Ukraine?
2. At the beginning of 2003 the average capital per bank in Ukraine was UAH 64 million (\$12 million), whereas Western experts believe that the banks whose capital is less than \$50 million are unwanted on the market. What is your point of view concerning small banks?
3. Has the role of the NBU changed over the last years?
4. How does the NBU ensure the banking stability?
5. What problems does the Ukrainian banking system face with?

II. Speak about:

1. The structure of the banking system of Ukraine.
2. The legal status, functions and governors of the National Bank of Ukraine.

III. Write a report / make a presentation on the topics:

1. The largest banks in Ukraine.
2. Banks with foreign capital in Ukraine.
3. Foreign banks in Ukraine.
4. State banks in Ukraine.
5. The history of the NBU.
6. The International Activity of the NBU.

Unit III. BANKING IN THE UK

Reading

Text A

THE BANKING SYSTEM OF THE UNITED KINGDOM

The UK banking sector is the third largest in the world after the US and Japan. In addition to having one of the largest commercial banking industries, the UK is also a major international center for investment and private banking. The UK banking sector's strong international orientation is reflected in the substantial foreign presence and sizeable assets of foreign banks in London. Virtually all of the world's leading banks have investment and commercial banking offices in the City of London.

The number of authorized banks in the UK totaled to about 690 in 2004. Although the number of UK incorporated banks declined over the past decade there was a significant increase in their average size and financial strength. The total number of authorized banks increased largely due to the growing presence of European Economic Area (EEA) banks.

British banking has been highly consolidated since the early 20th century. And this consolidation increased over the past several years. According to market capitalization, the following are the top six UK banks:

- HSBC bank
- Barclays
- Standard Chartered
- Royal Bank of Scotland Group
- Lloyds Banking Group
- Co-Operative bank

As expected in a consolidated segment, the UK government owns a controlling stake of 70% of the Royal Bank of Scotland Group and 43% stake of Lloyds Banking Group. However, the functioning of both these banks remains independent of the government. The government controls the National Savings and Investments bank and Northern Rock that was nationalized in 2008, after it was faced with bankruptcy.

Unlike some other major economies, the UK does not have a major stratum of independent local banks. All independent specialized and local banks combined constitute just a small fraction of the size of the smallest of the top six banks.

The other main class of consumer financial service organisation in the United Kingdom used to be the building society. Building societies are mutual organizations owned by their members. Their main business activity is mortgage finance. In 1980s - 1990s the majority of them, including the biggest ones Abbey National and Halifax Building Society, converted into joint stock banking companies, and subsequently were acquired by other banks. The largest of the remaining building societies is Nationwide.

Responsibility for the authorization and supervision of banks passed from the Bank of England (central bank of the UK) to the Financial Services Authority (FSA) in June 1998.

The Financial Services Authority is an independent non-governmental body which exercises statutory powers under the Financial Services and Markets Act. The FSA must report annually on the achievement of its statutory objectives to the Treasury, which is required to lay the report before Parliament. The FSMA requires the FSA to pursue four objectives: to maintain confidence in the UK financial system; to promote public understanding of the financial system; to secure an appropriate degree of protection for consumers whilst recognizing their own responsibilities; and to reduce the scope for financial crime.

The Bank of England is responsible for maintaining overall stability of the financial system as a whole. Since its responsibilities for supervising individual banks were transferred to the FSA, the financial stability role of the Bank has been to focus on identifying and limiting systemic financial risk. This involves close monitoring of the financial system infrastructure, particularly payments systems and monitoring economic and financial market developments.

There is a Memorandum of Understanding between the FSA, HM Treasury and the Bank of England which explains how the three authorities should work together towards the common objective of financial stability.

Comprehension check-up

I. Answer the questions using the information from the text.

1. What is the number of authorized banks in the UK?
2. Why did the total number of authorized banks increase largely over the last years?
3. What are the top six UK banks according to market capitalization?
4. Does the government control any banks in the UK?
5. Are there many independent specialized and local banks in the UK?
6. Do building societies play an important role in the consumer financial services nowadays?
7. What body is responsible for the authorization and supervision of banks in the UK?
8. What are the four objectives of the FSA?
9. What is the role of the Bank of England?

II. What do you know about the banking system of the UK? Which of the following statements are true/false? Find the part of the text that gives the correct information.

1. The UK banking sector is the largest in the world.
2. Almost all of the world's leading banks have a physical presence in the London market.
3. The total number of authorized banks in the UK declined over the past decade.
4. The government controls four banks in the UK.
5. There are many independent local banks in the UK.
6. The main objective of the FSA is to maintain confidence in the UK financial system.
7. The Bank of England is responsible for the authorization and supervision of banks.

III. Draw up a plan of the text.

Vocabulary Exercises

1. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. значні активи
2. фактично
3. уповноважений банк
4. дорівнювати
5. зареєстрований банк
6. контрольний пакет акцій
7. постати перед банкрутством
8. будівельне товариство
9. компанія з обмеженою відповідальністю
10. згодом
11. нагляд
12. Управління фінансових послуг
13. неурядова організація
14. здійснювати законні повноваження
15. досягнення статутних цілей
16. Казначейство
17. переслідувати мету
18. зберігати довіру
19. сприяти розумінню фінансової системи
20. забезпечувати відповідний ступень захисту споживачів
21. визнавати власну відповідальність
22. скоротити можливість
23. підтримка стабільності
24. зосередити увагу на чомусь
25. виявлення та обмеження системного фінансового ризику

II. Find words and phrases in the text that mean:

1. considerable
2. to decrease in quantity
3. to become larger in amount, number
4. joined together into one
5. to make up
6. to change from one form, system to a different one
7. every year
8. an aim that you are trying to achieve

III. Fill in the blanks with the most appropriate words from the list: acquisition, financial institution, divisions, share, subsidiaries, merger, branches, shareholders.

Lloyds Banking Group plc is a British-based ..., formed through the ... of HBOS by Lloyds TSB in 2009. The UK Government holds a 43% ... in the Group. Lloyds Banking Group's activities are organised into four business ...: Retail Banking (including mortgages), wholesale, insurance, and wealth & international. Lloyds' extensive operations span the globe including the US, Europe, Middle East and Asia.

Lloyds TSB was formed in 1995 by the ... of Lloyds Bank and the Trustee Savings Bank (TSB). The company operated in England and Wales as Lloyds TSB and in Scotland as Lloyds TSB Scotland plc. Its other ... included the mortgage bank Cheltenham and Gloucester, a life assurance company and a finance house.

Following the approval of both the Lloyds TSB and HBOS ..., the takeover was completed on 19 January 2009. The Bank of Scotland brand will remain in Scotland while the Halifax and Lloyds TSB brands will be retained in England & Wales and will each offer different products and pricing.

The Group has announced it will sell Lloyds TSB ... in Scotland, the Cheltenham & Gloucester business and Intelligent Finance as a consequence of the UK Government taking a 43% share in the Group.

Reading

Text B

THE BANK OF ENGLAND

The **Bank of England** (formally the Governor and Company of the Bank of England) is, despite its name, the central bank of the whole of the United Kingdom and is the model on which most modern, large central banks have been based. The Bank's headquarters has been located in London's main financial district, the City of London, on Threadneedle Street, since 1734. Hence the Bank is sometimes known by the metonym The Old Lady of Threadneedle Street or simply The Old Lady. The Bank of England was founded in 1694 to act as the English Government's banker. The Bank was privately owned and operated from its foundation in 1694 until it was nationalized in 1946. In 1997 it became an independent public organisation, wholly-owned by Government, with operational independence over monetary policy.

The roles and functions of the Bank of England have evolved and changed over its three-hundred year history. Today standing at the centre of the UK's financial system, the Bank is committed to promoting and maintaining two core purposes - monetary and financial stability as its contribution to a healthy economy. Monetary stability means stable prices - low inflation - and confidence in the currency. Financial stability is a key ingredient for a healthy and successful economy. People need to have confidence that the system is safe and stable, and that it functions properly. It is also important that problems in particular areas do not lead to wider disruption across the financial system.

The Bank of England performs the following functions of a central bank:

1. note issue
2. government's bank
3. banker's bank
4. lender of last resort
5. management of gold and foreign currency reserves
6. relations with other central banks and international institutions
7. management of the monetary policy

The Bank of England used to be responsible for the supervision of the banking industry, although this responsibility was transferred to the Financial Services Authority in June 1998.

Note issue

The Bank of England has issued banknotes since 1694. Notes were originally hand-written. They became fully printed from 1855. Until 1928 all notes were "White Notes", printed in black and with a blank reverse. The Bank produces approximately 7.5m new notes every day at its printing works and destroys about the same number. (Coin is issued by the Royal Mint on behalf of the Treasury, and is not a responsibility of the Bank of England.)

Bankers' bank

The Bank of England acts as banker to the main banks and discount houses who themselves have accounts at the Bank. They need these accounts for two main purposes:

Operational balances to settle the debts each bank owes the others at the end of a day's banking. The banks merely settle their debts with each other through accounts which they maintain at the Bank of England.

Non-operational balances. Since 1981 the banks have had to keep 0.5 % of their total liquid liabilities in accounts with the Bank. These accounts earn no interest; they are designed to control the credit-creating abilities of the banks.

Finally the bank offers highly valued advice to other banks. It keeps the clearing banks informed over its intentions, and the clearers let the Bank know of any potential problems.

Government's bank

This function was the founding principle of the bank. Nowadays the main account of the government, the Exchequer, is kept at the Bank as are the accounts of many departments. One more activity of the Bank of England – management of the National Debt was transferred to the new UK Debt Management Office in 1998.

Lender of last resort

The bank of England serves as the lender of last resort to the financial institutions that are experiencing financial difficulty and cannot obtain credit elsewhere and the collapse of which would have serious implications for the economy.

Management of gold and foreign currency reserves

Britain's gold and foreign currency reserves are held in the Exchange Equalisation Account and are managed by the Bank. By operating this account the Bank is able to influence the value of sterling and other currencies in the foreign exchange market.

It is important for business that the value of the pound is kept reasonably stable. The Bank constantly monitors the value of the pound. It steps into the foreign exchange market and buys pounds with gold and foreign currency when its value is falling, and sells pounds when its value is rising too quickly.

Relations with other central banks and international institutions.

The Bank of England maintains regular contact with other central banks and international organisations to improve the international monetary and financial system.

Management of the monetary policy

The Bank's monetary policy objective is to deliver price stability – low inflation – and, subject to that, to support the Government's economic objectives including those for growth and employment.

Comprehension check-up

I. Answer the questions using the information from the text.

1. What is the central bank of the United Kingdom?
2. When was the Bank of England founded?
3. What is the other name of the Bank of England?
4. When was the Bank of England nationalised?
5. What core purposes does the Bank have?

6. What does monetary stability mean?
7. What does financial stability mean?
8. What are the functions of the Bank of England?
9. Which body is responsible for minting coins?
10. Why is the Bank of England called 'the banker's bank'?
11. What is meant by the term 'the Government's banker'?
12. What does the phrase 'lender of last resort' mean?
13. What is the Exchange Equalisation Account?
14. What is the Bank's monetary policy objective?
15. What are the relations of the Bank of England with other central banks and international institutions?

II. What do you know about the Bank of England? Which of the following statements are true/false? Find the part of the text that gives the correct information.

1. The Bank of England is the central bank of England.
2. The Bank of England is the model on which most modern, large central banks have been based.
3. The Bank of England started as a private bank.
4. The Bank of England was founded in 1694 to act as the banker's bank.
5. The purposes of the Bank of England have remained the same over its three-hundred year history.
6. The Bank of England promotes monetary and financial stability of the country.
7. The Bank of England is responsible for the supervision of the banking industry.
8. The Bank of England has had a monopoly on the issue of banknotes in the UK since 1928.
9. The Bank of England has minted coin since 1694.
10. The Bank of England manages the National Debt.

11. Britain's gold and foreign currency reserves are managed by the Bank of England.

12. The Bank of England maintains constant relations with international organizations throughout the world.

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. незважаючи на
2. розвиватись
3. прагнути до
4. сприяти
5. підтримувати, утримувати
6. головна мета
7. внесок
8. довіра
9. підрив
10. зворотній бік
11. Королівський монетний двір
12. від імені
13. заборгувати
14. ліквідні зобов'язання
15. кліринговий банк
16. казна (фінансові резерви)
17. Відомство Управління Боргом
18. крах/ банкрутство
19. наслідки
20. фонд стабілізації валюти/ валютний зрівняльний рахунок
21. валютний ринок

22. забезпечувати

II. Find words and phrases in the text that mean:

1. the main building of a large organization
2. a word or phrase that replaces the name of one thing with the name of sth else, closely associated with it
3. central or most important part of something
4. the back of sth
5. sth that existed at the beginning, before sth was changed
6. written by hand
7. a sum of money that sb owes
8. the amount of money that sth is worth
9. a sudden failure of sth, such as an institution
10. the situation in which people have work

III. Match these words as they occur in the text. Translate the phrases:

- | | |
|---------------|-----------------|
| 1. central | a. system |
| 2. monetary | b. bank |
| 3. financial | c. stability |
| 4. public | d. purpose |
| 5. economic | e. organization |
| 6. core | f. area |
| 7. healthy | g. reserve |
| 8. particular | h. economy |
| 9. currency | i. advice |
| 10. regular | j. objective |
| 11. valued | k. contact |

IV. Change the noun form into the verb and adjective forms. You may need to use a dictionary:

contribution, confidence, disruption, system, government, lender, management, exchange, finance, bank, supervision, interest, value, growth, employment.

V. Suggest an appropriate synonym for each of the following words:

core, modern, obtain, evolve, reserve, supervision, transfer, responsibility, purpose, maintain, total, advice, intention, problem, principle, obtain, collapse, influence, objective, approximately.

VI. Suggest an appropriate antonym for each of the following words:

public, stability, fall, modern, maintain, difficulty, serious, constantly, to improve.

VII. Match the words and phrases with their explanations.

1. mint	a. a general rise in the prices of services and goods in a particular country
2. monetary stability	b. a Government department that controls public finance and spending
3. national debt	c. an independent body that regulates the financial services industry
4. inflation	d. the amount which the government of the country owes arising out of its issue in the past of government securities
5. Treasury	e. stable prices and confidence in currency
7. Financial Services Authority	f. an account where Britain's gold and foreign currency reserves are held
8. Exchange Equalisation Account	g. a market where foreign currencies are traded
8. foreign exchange market	h. a central bank of the United Kingdom

9. building society	i. an Act of the Parliament of the United Kingdom that created the Financial Services Authority
10. Bank of England	j. an institution that lends money in the form of a mortgage to people who want to buy houses or flats
11. Financial Services and Markets Act	k. a place where coins are officially made

VIII. Fill in the blanks using the verbs in the right tense-form: *to play, to raise, to recognize, to found, to set, to transfer, to achieve, to maintain, to take over, to nationalize, to keep, to give, to work.*

The Bank of England

The Bank of England is the UK's central bank. Originally ... in 1694 by a group of private bankers ... money for the Crown, it ... as the central banknote issuer in the UK in 1844 and was recognized as responsible for interest rate policy in 1870 but it was only in 1946, 272 years after it was first set up, that the Bank of England

The bank ... a key role in the fight ... inflation under control having been given more independence than ever before by the former Chancellor, Gordon Brown.

One of Brown's first actions as Chancellor in May 1997 was ... more power to the Bank with the formation of the Monetary Policy Committee on which the government does not have a vote.

The Treasury ... the inflation target and the Bank of England has operational responsibility for setting interest rates ... those aims.

In the past the Bank of England was also responsible for the regulation of the banking industry. This function ... to the Financial Services Authority (FSA)

Although the Financial Services Authority ... the responsibility for the supervision of banks in 1998, one of the Bank's continuing core functions is ... financial stability which entails detecting and reducing threats to the financial system as a whole. The Bank ... closely with the FSA and HM Treasury and other institutions.

IX. Fill in the blanks with prepositions:

a. The Bank of England is the Central Bank ... the United Kingdom and one ... eight banks legally authorised to issue banknotes ... the UK. Only Bank of England notes have the status ... legal tender, and only within England and Wales; they are accepted ... Scotland and Northern Ireland along ... other notes. The Bank of England has issued banknotes ... 1694. The Bank of England has not always had a monopoly ... note issue ... England and Wales. Until the middle ... the Nineteenth Century, private banks ... Great Britain and Ireland were free to issue their own banknotes. The Bank Charter Act 1844 began the process which gave the Bank of England exclusive note-issuing powers. ... the Act, no new banks could start issuing notes, and note-issuing banks were barred ... expanding their note issue. Gradually, these banks vanished ... mergers and closures, and their note-issuing powers went ... them. The last private English banknotes were issued ... 1921 ... Fox, Fowler and Company, a Somerset bank. Today, the Bank of England has a monopoly ... banknote issue ... England and Wales.

b. ... 6 May 1997, following the 1997 general election which brought another Labour government to power, it was announced ... the Chancellor of the Exchequer, Gordon Brown, that the Bank of England would be granted operational independence ... monetary policy. ... the terms ... the Bank of England Act 1998 (which came ... force ... 1 June 1998), the bank's Monetary Policy Committee was given sole responsibility ... setting interest rates to meet the Government's stated Retail Prices Index (RPI) inflation target ... 2.5%. The target has now changed to 2% ... the Consumer Price Index (CPI) replaced the Retail Prices Index as the treasury's inflation index. If inflation overshoots or undershoots the target ... more than 1%, the Governor has to write a letter to the Chancellor ... the Exchequer explaining why, and how he will remedy the situation.

X. Translate into English:

1. Банк Англії — один із найстаріших і найвпливовіших центральних банків світу.

2. Він був заснований у 1694 р. з метою надання уряду позики для війни із Францією.

3. Банк Англії виконує усі функції центрального банку. Він є банком уряду та банком для комерційних банків, виступає у ролі "кредитора останньої інстанції" банківської системи, здійснює емісію банкнот, керує золотовалютними резервами країни, проводить грошово-кредитну політику.

4. Банк Англії може впливати на валютний курс, використовуючи золотий і валютний запаси країни.

5. Закон надав Банку Англії операційну незалежність, тобто право самостійно визначати відсоткову політику та розробляти грошову політику.

XI. Translate the following text into English:

Як і будь-який інший банк, Банк Англії надає низку послуг своїм клієнтам. Однак клієнти Банку Англії відрізняються від клієнтів інших банків. Можна виділити три найважливіші групи клієнтів:

1. Комерційні банки. Усі клірингові банки мають рахунки в Банку Англії. В операціях клірингу використовуються рахунки клірингових банків у Банку Англії. Банки зобов'язані мати певну суму на рахунку і не мають права перевищувати її. Усі банки, здійснюючи діяльність у Великобританії, розміщують 0,5% від суми всіх своїх депозитів на рахунку Банку Англії.

2. Центральні банки інших країн мають рахунки в Банку Англії і можуть вести справи в Лондоні через Банк Англії.

3. Уряд тримає рахунки в Банку Англії. Таким чином, платежі, податки в бюджет і платежі з бюджету на соціальні потреби здійснюються через рахунок Банку Англії.

THE HISTORY OF THE BANK OF ENGLAND

The Bank of England was founded in 1694 to act as the Government's banker and debt-manager. Since then its role has developed and evolved, centred on the management of the nation's currency and its position at the centre of the UK's financial system.

Events and circumstances over the past three hundred or so years have shaped and influenced the role and responsibilities of the Bank. They have moulded the culture and traditions, as well as the expertise, of the Bank which are relevant to its reputation and effectiveness as a central bank in the early years of the 21st century. At the same time, much of the history of the Bank runs parallel to the economic and financial history, and often the political history of the United Kingdom more generally.

Key moments in the Bank's history - a brief guide**King William & Queen Mary**

When William and Mary came to the throne in 1688, public finances were weak. The system of money and credit was in disarray. A national bank was needed to mobilise the nation's resources.

William Paterson

The Scotsman William Paterson proposed a loan of £1,200,000 to the Government. In return the subscribers would be incorporated as the Governor and Company of the Bank of England.

The Royal Charter

The money was raised in a few weeks and the Royal Charter was sealed on 27th July 1694. The Bank started life as the Government's banker and debt-manager, with 17 clerks and 2 gatekeepers. The first governor was Sir John Houblon, who is depicted in the £50 note issued in 1994. In 1734 the Bank moved to Thread-needle Street, gradually acquiring land and premises to create the site seen today.

Commercial functions

The Bank managed the Government's accounts and made loans to finance spending at times of peace and war. A commercial bank too, it took deposits and issued notes.

The 18th Century

During the 18th Century the Government borrowed more and more money. These outstanding loans were called the National Debt.

1781: renewal of the Bank's Charter

Reliance on the Bank of England was such that when its charter was renewed in 1781 it was described as 'the public exchequer'.

The bankers' bank

By now the Bank was acting as the bankers' bank too. It was liable to fail if all its depositors decided to withdraw their money at the same time. But the Bank made sure it kept enough gold to pay its notes on demand.

The 'Restriction Period'

By 1797 war with France had drained the gold reserves. The Government prohibited the Bank from paying its notes in gold. This Restriction Period lasted until 1821.

The 19th Century

The 1844 Bank Charter Act tied the note issue to the Bank's gold reserves. The Bank was required to keep the accounts of the note issue separate from those of its banking operations and produce a weekly summary of both accounts.

Lender of last resort

The Bank Return, as it's called, is still published every week.

In the 19th Century the Bank took on the role of the lender of last resort, providing stability during several financial crises.

The First World War: 1914-18

During the First World War the National Debt jumped to £7 billion. The Bank helped manage Government borrowing and resist inflationary pressures.

Gold

In 1931 the United Kingdom left the gold standard; its gold and foreign exchange reserves were transferred to the Treasury. But their management was still handled by the Bank and this remains the case today.

Nationalisation 1946

After the Second World War the bank was nationalised. It remained the Treasury's adviser, agent and debt manager.

Financial crises

During the 1970s, the Bank played a key role during several banking crises. The Bank was at the fore when monetary policy again became a central part of Government policy in the 1980s.

Operational independence May 1997

In May 1997 the Government gave the Bank responsibility for setting interest rates to meet the Government's stated inflation target.

Managing the modern bank

The 1998 Bank of England Act made changes to the Bank's governing body too. The Court of Directors, as it's known, is now made up of the Bank's Governor and 2 Deputy Governors, and 16 Non-Executive Directors.

Vocabulary Exercises

1. Find the English equivalents for the following words and word-combinations in the text:

1. формувати
2. безладдя
3. об'єднуватись
4. Королівська Хартія
5. скріплювати печаткою
6. несплачені борги
7. відновлення
8. довіра

9. спустошувати
10. забороняти
11. обмеження
12. протидіяти
13. попереду

II. Make up questions covering the content of the text and let your fellow students answer them.

III. Give the summary of the text.

Speaking and Writing

I. Discussion:

1. How is the economic life of the United Kingdom influenced by the activity of the Bank of England?
2. Compare the functions of the central Bank of the UK and the central bank of Ukraine.
3. Compare the structure of the banking system of the UK and Ukraine.

II. Speak about:

3. The banking system of the UK.
4. The history and functions of the Bank of England.

III. Write a report / make a presentation on the topics:

1. The largest banks of the UK.
2. The structure of the Bank of England.
3. The Central Bank's relationship with Parliament.

UNIT IV. BANKING IN THE USA

Reading

Text A

THE BANKING SYSTEM OF THE UNITED STATES

In the US, the principal financial institutions are:

- commercial banks (domestic and foreign);
- thrift institutions that include savings and loan associations (S&Ls), mutual savings banks and credit unions;
- insurance companies;
- private and government pension funds;
- commercial / consumer finance companies;
- mutual funds.

Among financial institutions, banks and thrifts are known as depository institutions. The firms that are not in this category are called nondepository (or nonbank) institutions. All financial institutions perform some of the related functions but only commercial banks perform all of them and are the most responsible for the evolution of each function. This is one of the reasons the banking system is the most important sector of any financial system.

With nearly 90,000 branches and 371,000 automated teller machines (ATMs), US banking system is the largest in the world. As of September 30th 2004, US banks had US\$9.88 trn in assets and US\$5.98 trn in total loans. US banking is more diverse than in most Western countries. Despite ongoing consolidation, vigorous competition exists within the vast banking community, which includes financial holding companies that operate nationwide, dominant regional banks and smaller independents. Large foreign banks also continue to expand in the US market.

The unique aspect of the US banking industry is its so-called dual banking system. It means that there are two parallel regulatory structures in chartering, supervising, and examining banks in the United States. One side of the regulatory structure consists of the state regulatory agencies and their regulatory systems and the other side consists of the federal agencies: the Federal Reserve System, the Federal

Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC). Therefore, in the United States there is a certain amount of competition between the state and federal regulatory agencies.

The Federal Reserve System is the central bank of the United States. A network of twelve Federal Reserve Banks and their branches (twenty-five as of 2004) carries out a variety of system functions, including operating a nationwide payments system, distributing the nation's currency and coin, supervising and regulating member banks and bank holding companies, and serving as banker for the US Treasury. The twelve Reserve Banks are each responsible for a particular geographic area or district of the United States. Each Reserve District is identified by a number and a letter. Besides carrying out functions for the system as a whole, such as administering nationwide banking and credit policies, each Reserve Bank acts as a depository for the banks in its own District and fulfills other District responsibilities.

The nation's commercial banks can be divided into three types according to which governmental body charters them and whether or not they are members of the Federal Reserve System. Those chartered by the federal government are national banks; by law, they are members of the Federal Reserve System. Banks chartered by the states are divided into those that are members of the Federal Reserve System (state member banks) and those that are not (state non-member banks). State banks are not required to join the Federal Reserve System, but they may elect to become members if they meet the standards set by the Board of Governors. As of March 2004, of the nation's approximately 7,700 commercial banks nearly 2,900 were members of the Federal Reserve System - approximately 2,000 national banks and 900 state banks.

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the federal government of the United States created in 1933 in response to the thousands of bank failures that occurred in the 1920s and early 1930s. It provides deposit insurance, which guarantees the safety of deposits in member banks, currently up to \$250,000 per depositor per bank. (In 2008, due to the financial crisis, and to encourage businesses and high-net-worth individuals to keep their cash in the

largest banks, Congress temporarily increased the insurance limit from \$100,000 to \$250,000. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor.) Since 1989 all commercial banks that accept deposits are required to obtain FDIC insurance. Banks that are in danger of failing are either taken over by the Federal Deposit Insurance Corporation, administered temporarily and eventually sold off or merged with other banks. Since the start of FDIC insurance on January 1, 1934, no depositor has lost a single cent of insured funds as a result of a failure.

Comprehension check-up

I. Answer the questions using the information from the text.

1. What is the structure of the US financial system?
2. Why are banks and thrifts called depository institutions?
3. What is the most important sector of any financial system? Why?
4. What is the unique aspect of the US banking system?
5. What are the federal regulatory agencies?
6. What is the central bank of the United States?
7. What are its main functions?
8. How can the nation's commercial banks be divided?
9. What is the Federal Deposit Insurance Corporation?
10. Can commercial banks in the US go bankrupt?

II. What do you know about the banking system of the USA? Which of the following statements are true/false? Find the part of the text that gives the correct information.

1. Commercial banks are the principal financial institutions in the US.
2. Banks and thrifts are known as nondepository institutions.
3. The USA has a dual banking system.
4. There is no competition between the state and federal regulatory agencies in United States.

5. The Federal Reserve System is the central bank of the United States.
6. The nation's commercial banks can be divided into two types according to which governmental body charters them and whether or not they are members of the Federal Reserve System.
7. National banks in the US are chartered by the federal government.
8. State banks should join the Federal Reserve System.
9. All commercial banks in the USA are required to obtain FDIC insurance.
10. The standard insurance amount is \$100,000 per depositor per bank.

Vocabulary Exercises

1. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. ощадна установа
2. позичково-ощадна асоціація
3. взаємоощадний банк
4. кредитна спілка
5. інвестиційний фонд
6. банкомат
7. різноманітний
8. триваюча консолідація
9. жорстка конкуренція
10. поширюватись
11. дворівнева банківська система
12. ліцензувати
13. Федеральна корпорація по страхуванню депозитів
14. Управління контролю грошового обігу
15. загальнонаціональний
16. розповсюдження
17. банківська холдингова компанія

18. позначатись
19. виконувати функції
20. контроль за банківською діяльністю
21. виконувати обов'язки
22. обирати
23. відповідати стандартам
24. Рада керуючих
25. заохочувати
26. бути під загрозою
27. тимчасове управління
28. врешті решт
29. поглинати / об'єднувати

II. Complete the sets of synonyms from the list: to carry out, to spread, to execute, to grow, to increase, to implement, to inflate, to perform, to enlarge, to realize, to broaden, to accomplish.

- a) to fulfill -
- b) to expand -

III. Complete the sentences using the following words: to operate, regulatory, deposits, federal, chartered, loans, dual, financial, approximately, state.

1. Today the United States has a ... banking system in which banks ... by the federal government and by the state ... side by side.
2. A commercial bank is a ... institution that holds the ... of individuals and businesses and use them to make ... to individuals, businesses and the government.
3. ... 6,400 US banking organizations had an asset size of less than \$50 million.
4. Actually a bank can choose its own ... agency.
5. A ... bank is chartered by the government and a ... bank is chartered by the state.

IV. Fill in the blanks with the most appropriate words from the list: *commercial banks, banking system, business, deposits, activities, financial services, universal banks, securities.*

While many financial trends are global, there are nonetheless substantial cross-country differences in financial institutions. The most obvious of these concern banks. The US ... differs from many countries both in the range of services supplied by ... and in the sheer number of them - roughly 12,000 at last count. This compares with 10 in Canada, of which 4 or 5 have almost all of the ..., or about a hundred in the UK, where 6-8 banks control about 80 percent of the market. We could make similar statements about France, Germany, and Japan: they have nowhere near as many banks as the US. These banks differ, as well, in their range of US banks have traditionally accepted ... from customers (individuals and businesses) and used the proceeds to finance loans to businesses and individuals and investments in corporate and government This is often allied with related businesses like credit cards, foreign currency transactions, and so on. But until recently the reach of commercial banks did not extend to investment banking activities. In many countries, however, banks provide a more complete range of In Germany, for example, ... provide investment banking and insurance services.

V. Fill in the blanks with prepositions: *between, on, of, by, in:*

... the United States a distinction exists ... commercial banks and so-called thrift institutions, which include savings and loan associations (S&Ls), credit unions, and savings banks. Like commercial banks, thrift institutions accept deposits and fund loans, but unlike commercial banks, thrifts have traditionally focused ... residential mortgage lending rather than commercial lending. The growth ... a separate thrift industry ... the United States was largely fostered ... regulations unique to that country; these banks therefore lack a counterpart elsewhere ... the world. Moreover, their influence has waned: the pervasive deregulation ... American commercial banks, which originated ... the wake ... S&L failures during the late

1980s, weakened the competitiveness ... such banks and left the future ... the US thrift industry ... doubt.

VI. Complete the text using these words:

BANKING INSTITUTIONS

banking institutions	mutual savings banks	savings banks
bank holding companies	commercial banks	mutuals
stockholders	thrift institutions	credit unions
savings and loan associations	financial services	dividends

(1) ... include commercial banks, savings and loan associations (SLAs), savings banks, and credit unions.

(2) ... are so named because they specialize in loans to commercial and industrial businesses. Commercial banks are owned by private investors, called (3) ..., or by companies called (4) (It is a corporation that exists only to hold shares in another company.) In 2000, 76 percent of banks in the USA were owned by holding companies. Commercial banks are “for profit” organizations. Their objective is to make a profit. The profits either can be paid out to bank stockholders or to the holding company in the form of (5) ..., or the profits can be retained to build capital (net worth).

(6) ... (S&Ls) are usually owned by stockholders, but they can be owned by depositors as well. (If owned by depositors, they are called (7) “...”.) If stock owned, the goal is to earn a profit that can either be paid out as a dividend or retained to increase capital. If owned by depositors, the objective is to earn a profit that can be used either to build capital or lower future loan rates or to raise future deposit rates for the depositor-owners. Until the early 1980s, regulations restricted S&Ls to investing in real estate mortgage loans and accepting savings accounts and time deposits (savings accounts that exist for a specified period of time). As a result, historically S&Ls have specialized in savings deposits and mortgage lending.

Traditional (8) ..., also known as (9) ... (MSBs), have no stockholders, and their assets are administered for the sole benefit of depositors. Earnings are paid to depositors after expenses are met and reserves are set aside to insure the deposits. During the 1980s savings banks were in a great state of flux, and many began to provide the same kinds of services as commercial banks.

Since 1982 savings banks have been permitted to convert to S&Ls. S&Ls also may convert to savings banks. Both S&Ls and MSBs can now offer a full range of (10) ..., including multiple savings instruments; checking accounts; consumer, commercial, and agricultural loans; and trust and credit card services.

(11) ... are not-for-profit, cooperative organizations that are owned by their members. Their goal is to minimize the rate members pay on loans and maximize the rate paid to members on deposits. Whatever surplus is earned is retained to build the capital of the credit union. Members must share a common bond. That bond is typically employment (members all work for the same employers) or geography (members all live in the same geographic area). Historically, credit unions specialized in providing automobile and other personal loans and savings deposits for their members. However, more recently credit unions have offered mortgage loans, credit card loans, and some commercial loans in addition to checking accounts and time deposits.

Credit unions, S&Ls, and savings banks help encourage thriftiness by paying interest to consumers who put their money in savings deposits. Consequently, credit unions, S&Ls, and savings banks are often referred to as (12)

VI. Match the words and phrases with their explanations.

1. commercial bank	a. the central bank of the United States
2. national bank	b. an independent agency created by the Congress to maintain stability and public confidence in the nation's financial system

3. the Federal Reserve System	c. a savings bank or savings and loan association
4. mutual savings bank	d. a system by which people with a common bond – membership of the same club, church, association or trade union – can collaborate to put their savings into a joint fund
5. credit union	e. a bank that provides many different services for its customers and acts as a profit-making company
6. thrift institution	f. a bank owned and administered by the government as in some European countries, or a bank chartered by the US government
7. charter	g. a written instrument granting certain rights and privileges
8. the Federal Deposit Insurance Corporation	h. in the USA, thrift institutions which have no stockholders but are owned by the depositors
9. savings and loan association	i. a US federal agency that charters, regulates, and supervises all national banks and the federal branches and agencies of foreign banks in the United States
10. the Office of the Controller of the Currency	g. a financial institution that specializes in accepting savings deposits and making mortgage and other loans
11. finance company	k. a professionally managed type of collective investment scheme that pools money from many investors and invests it in stocks, bonds, short-term money market instruments, and/or other securities
12. mutual fund	l. a non-bank lender. It does not receive deposits, but makes loans to individuals or businesses

VII. Translate into English:

1. Сполучені Штати мають двоїсту банківську систему, в якій уряди штатів та федеральний уряд ліцензують комерційні банки.
2. Декілька установ регулюють діяльність комерційних банків: Федеральна резервна система, Федеральна корпорація страхування депозитів, а також керівні органи банківської діяльності штатів.
3. Ліцензування і перевірка банків здійснюється установами регулювання. Метою їхньої діяльності є забезпечення надійного функціонування банківської системи.
4. Юридичний статус Федеральної резервної системи обумовлений тим, що федеральні резервні банки тісно пов'язані з урядом США й усією системою державних установ.
5. Взаємоощадні банки використовують свої фонди головним чином для надання іпотечних позик.

VIII. Translate the following text into English:

Територія США поділена на 12 федеральних резервних округів. У головному місті кожного округу знаходиться федеральний резервний банк, який здійснює емісію банкнот та інші функції центрального банку для комерційних банків округу. Приблизно 40% комерційних банків США є членами ФРС. Державні банки зобов'язані бути членами ФРС, банки штатів можуть приєднатися до неї, виконавши певні вимоги.

IX. Translate the following text into English:

На першому рівні грошово-кредитної системи США знаходиться Федеральна резервна система. На другому рівні — комерційні банки та небанківські кредитно-фінансові установи. Комерційні банки відіграють особливу роль у грошово-кредитній системі США і поділяються на універсальні комерційні банки та спеціалізовані комерційні банки.

Універсальні банки — тип комерційних банків, які здійснюють усі види банківських операцій. До найпотужніших універсальних комерційних банків США належать, зокрема, "Сіті Корп.", "Банк оф Америка", "Чейз Манхеттен Корп."

Спеціалізовані банки — тип комерційних банків, які спеціалізуються на проведенні певних банківських операцій. Серед спеціалізованих комерційних банків Сполучених Штатів виділяються інвестиційні банки, які виникли в період громадянської війни (1861—1865 рр.) для розміщення облігацій федерального уряду, та Експортно-імпортний банк США.

Інвестиційні банки — спеціалізовані комерційні банки, які здійснюють фінансування інвестицій приватних підприємств та держави. Експортно-імпортний банк США — державний спеціалізований банк, створений у 1934 р. Банк є важливою ланкою державного регулювання економіки, зовнішньої торгівлі та міжнародних кредитних відносин.

Крім комерційних і спеціалізованих банків, інфраструктура грошово-кредитної системи Сполучених Штатів включає й інші, небанківські, кредитно-фінансові інститути. Роль небанківських інститутів зростає і становить конкуренцію комерційним банкам, особливо у сфері довготермінового кредиту.

Reading

Text B

THE FEDERAL RESERVE SYSTEM

The Federal Reserve System, often referred to as the Federal Reserve or simply the Fed, is the central bank of the United States. It was founded by Congress in 1913 by "The Federal Reserve Act" to provide the nation with a safer, more flexible, and more stable monetary and financial system. Over the years, its role in banking and the economy has expanded. It is important to take into account that despite being a part of the executive branch the FED is not under the direct control of the President.

Today, the Federal Reserve's duties fall into four general areas:

1. conducting the nation's monetary policy by influencing the monetary and credit conditions in the economy in pursuit of maximum employment, stable prices, and moderate long-term interest rates;
2. supervising and regulating banking institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers;
3. maintaining the stability of the financial system;
4. providing financial services to depository institutions, the US government, and foreign official institutions, including playing a major role in operating the nation's payments system.

The Fed consists of:

- the Board of Governors
- the Federal Open Market Committee
- 12 regional Federal Reserve Banks
- Numerous private US member banks
- Advisory Councils

The Board of Governors, also known as the Federal Reserve Board, located in Washington DC, is the main governing body of the Federal Reserve System. It is charged with overseeing the 12 District Reserve Banks and with helping to implement national monetary policy. The Board consists of seven governors, appointed by the President of the United States and confirmed by the Senate for 14-year terms. The Chairman and Vice Chairman of the Board are appointed for four-year terms.

The Federal Open Market Committee (FOMC) is composed of the seven members of the Board of Governors and five Reserve Bank presidents. The president of the Federal Reserve Bank of New York serves on a continuous basis; the presidents of the other Reserve Banks serve one-year terms on a rotating basis. The FOMC is the most important monetary policymaking body of the Federal Reserve System. It is charged under law with overseeing open market operations, the principal tool of national monetary policy. These operations affect the amount of Federal

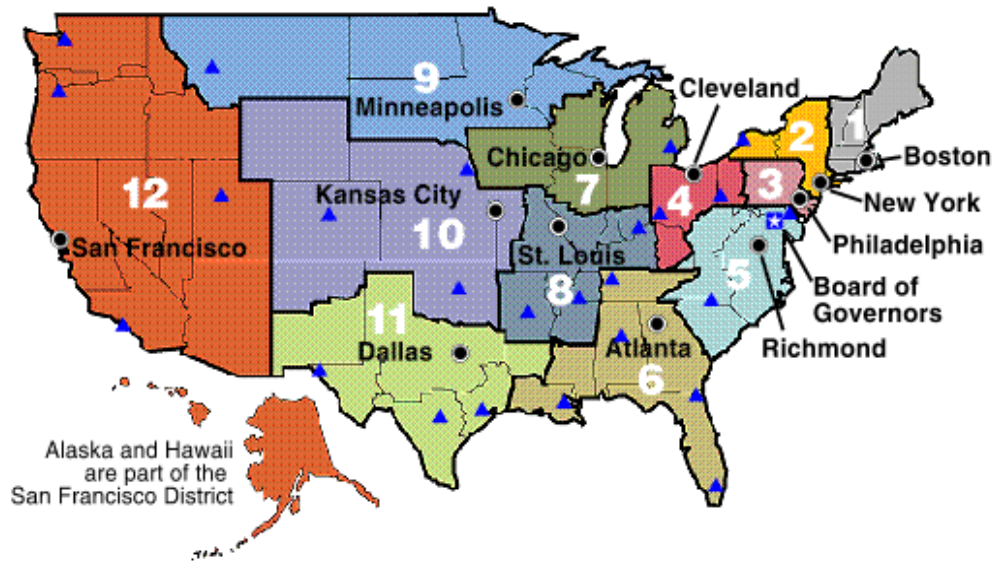
Reserve balances available to depository institutions, thereby influencing overall monetary and credit conditions. The FOMC also directs operations undertaken by the Federal Reserve in foreign exchange markets.

To carry out the day-to-day operations of the Federal Reserve System, the United States has been divided into twelve Federal Reserve Districts with a Reserve Bank in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Twelve district **Federal Reserve Banks** with 25 branches serve as the operating arms of the nation's central banking system. Many of the services provided by Reserve Banks to depository institutions and the government are similar to services provided by banks and thrift institutions to business customers and individuals. Reserve Banks hold the cash reserves of depository institutions and make loans to them. They move currency and coin into and out of circulation, and collect and process millions of checks each day. They provide checking accounts for the Treasury, issue and redeem government securities, and act in other ways as a fiscal agent for the US government. They supervise and examine member banks for safety and soundness. The Reserve Banks also participate in the activity that is the primary responsibility of the Federal Reserve System, the setting of monetary policy. As required by the Federal Reserve Act of 1913, each of the Reserve Banks is supervised by a board of nine directors who are familiar with economic and credit conditions in the district.

Numerous private US **member banks**. National banks, chartered by the federal government must be members of the Federal Reserve System; state-chartered banks may join if they meet certain requirements. The member banks are stockholders of the Reserve Bank in their District and as such, are required to hold 3 percent of their capital as stock in their Reserve Banks. Holding stock in a Federal Reserve Bank is not, however, like owning publicly traded stock. The stock cannot be sold or traded. Member banks receive a fixed, 6 percent dividend annually on their stock, and they do not directly control the applicable Federal Reserve Bank as a result of owning this stock. They do, however, elect six of the nine members of Reserve banks' boards of directors.

Three Advisory Councils: the Federal Advisory Council, the Consumer Advisory Council, and the Thrift Institutions Advisory Council advise the Board on matters of current interest. These councils, whose members are drawn from each of the 12 Federal Reserve Districts, meet two to four times a year.

The Twelve Federal Reserve Districts



Comprehension check-up

I. Answer the questions using the information from the text.

1. What is the central bank of the United States?
2. When was the Fed founded?
3. What general areas do the Federal Reserve's duties fall into?
4. How is the Federal Reserve System structured?
5. What are the responsibilities of the Board of Governors?
6. Why do you think the governors serve one nonrenewable 14-year term?
7. Whom does the FOMC consist of?
8. What is FOMC charged under law?
9. What services are provided by Reserve Banks to depository institutions and the government?
10. Are many commercial banks in the US members of the Federal Reserve System?

II. Draw up a plan of the text.

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. гнучкий
2. зростати, розширюватись
3. виконавча гілка влади
4. з метою / в пошуках
5. забезпечувати стабільність і прозорість
6. Федеральний комітет з операцій на відкритому ринку
7. здійснювати нагляд
8. виконувати, здійснювати
9. працювати на постійній основі
10. відповідно до законодавства
11. працювати на основі ротації
12. операції на відкритому ринку
13. впливати
14. загальні умови
15. здійснювати оперативний зв'язок
16. погашати/ викупати державні цінні папери
17. фінансовий агент
18. бути знайомим з
19. відповідати певним вимога
20. відповідний
21. Федеративна консультативна рада
22. Консультативна рада з питань стану споживачів
23. Консультативна рада з питань діяльності ощадних установ

III. Match the words with their synonyms:

- | | |
|----------------------|--------------------------|
| 1. flexible | a. be in charge of |
| 2. oversee | b. carry out |
| 3. expand | c. adaptable |
| 4. implement | d. influence |
| 5. affect | e. relevant |
| 6. applicable | f. knowing sth very well |
| 7. familiar with sth | g. choose |
| 8. elect | h. increase |

III. Change the noun form into the verb and adjective forms. You may need to use a dictionary:

insurance, consumer, appointment, provision, regulation, expansion, requirement, performance, responsibility, consolidation, competition, operation.

IV. Complete the sentences below using the verbs in the right tense-form: to issue, to appoint, to maintain, to implement, to ensure, to serve, to delegate, to confirm.

1. The Federal Reserve has responsibility for supervising and regulating the following segments of the banking industry ... safe and sound banking practices and compliance with banking laws.
2. The Department of the Treasury ... primary responsibility for issuing and enforcing regulations to implement this statute.
3. A central bank ... as the banker to both the banking community and the government; it also ... the national currency, conducts monetary policy, and plays a major role in the supervision and regulation of banks and bank holding companies.
4. The seven members of the Board of Governors ... by the President and ... by the Senate.

5. Some of supervisory responsibilities ... to the Reserve Banks by the Board of Governors.
6. A central bank ... monetary policy – either the government's, as in the United Kingdom, or their own, if they are independent, as in the USA or Germany.

V. Fill in the blanks so as to accurately portray the structure of the Federal Reserve System:

The Federal Reserve Bank of Philadelphia is one of _____ regional Reserve Banks in the United States that, along with the _____ in _____, make up the Federal Reserve System - the nation's _____. The Federal Reserve System was established by Congress in _____. To ensure a sound financial system and a healthy economy, the Fed conducts _____, supervises and regulates financial institutions, maintains the payments system, and serves as the _____ in a financial crisis.

The _____, led by its Chairman, is a federal government agency and the centralized component of the Fed, located in Washington, D.C., the Federal Reserve Board consists of _____ members - called Governors - who are appointed by _____ and confirmed by _____. A Governor's term is _____ years. The terms of the Chairman and Vice Chairman are _____ years.

The _____ is the Federal Reserve's chief monetary policymaking body. The FOMC's decisions ultimately affect interest rates. The FOMC's voting membership includes the _____ members of the Board of Governors, the president of the _____ Reserve Bank, and _____ of the other _____ Reserve Bank presidents, who serve in an annual rotation.

VI. Fill in the blanks with prepositions:

The First Bank of the United States: 1791-1811

The history ... central banking ... the United States begins almost with the founding ... the country. Once America won its independence, Congress was faced ... the task ... paying off the new nation's war debts.

Alexander Hamilton, the first Secretary ... the Treasury, urged Congress to also assume the war debts ... the individual states and then create a Bank ... the United States to help refinance all these debts. The bank would be the only national bank, and it would hold the federal government's deposits and lend to the government and business.

Hamilton's proposal faced major opposition. Critics said that Hamilton's bank was unconstitutional, would be a monopoly, and would reduce the power ... the states. Although Hamilton won, the bank's charter was limited to 20 years.

The first Bank ... the United States, also called the First Bank, helped transform the country ... a more unified national economy, but it was a private institution and foreigners owned 70 percent ... it. That worried many Americans. When the bank's charter came up for renewal ... 1811, it was rejected ... a single vote ... each house ... Congress.

The First Bank was not a central bank ... the modern sense, especially since the country had few banks. Nevertheless, ... branches ... eight port cities, its large size and broad geographic presence gave it influence ... the economy, particularly as changes ... its lending policies influenced state banks' lending practices.

Like other banks, the First Bank made business loans, accepted deposits, and issued notes that circulated as currency and were convertible ... gold or silver. Unlike state banks' notes, however, First Bank notes were valid ... payment of federal taxes.

The First Bank served as the federal government's fiscal agent, receiving its revenues, holding its deposits, and making its payments. Its stock was publicly traded and held ... both foreign and domestic investors.

VII. Translate into English:

a. Федеральна резервна система складається з Ради керуючих, 12 федеральних резервних банків та філій, Федерального комітету з операцій на відкритому ринку, Федеральної консультативної ради та банків-членів ФРС.

Головними функціями Федеральної резервної системи є:

- здійснення впливу на пропозицію грошей і кредиту;

- регулювання і нагляд за діяльністю фінансових інституцій;
- здійснення функцій банківського та фінансового представника держави.

За структурою та принципами управління ФРС суттєво відрізняється від центральних банків інших країн. Один із головних принципів, покладений в її основу, — врахування інтересів місцевих банків щодо недопущення централізації управління грошово-кредитною системою країни. Відповідно до цього принципу відбувся і розподіл території США на 12 резервних округів, у кожному з яких було організовано федеральний резервний банк. Очолила цю систему Рада керуючих, що знаходиться у Вашингтоні. Це забезпечило єдність грошової системи держави та її ефективність.

б. Рада керуючих координує і спрямовує діяльність ФРС. Вона складається із семи членів, які призначаються президентом США строком на чотирнадцять років. Їхні кандидатури проходять обов'язкове погодження в Сенаті США. Один із членів Ради керуючих обирається її головою терміном на чотири роки.

в. Федеральний комітет з операцій на відкритому ринку є найважливішим органом у сфері грошово-кредитної політики ФРС. Він був заснований у 1936р. Федеральний комітет з операцій на відкритому ринку відповідає за політику сприяння економічному зростанню, зайнятості населення, стабільності ціноутворення та сталості механізму міжнародної торгівлі й платежів. До складу комітету входить сім членів Ради керуючих та п'ять представників від федеральних резервних банків.

г. Федеральні резервні банки створені Конгресом США як функціональні органи централізованої банківської системи країни. Федеральні резервні банки здійснюють оперативний зв'язок з іншими комерційними банками. Кожен такий резервний банк очолюється правлінням із дев'яти директорів (шестеро обираються банками-членами округу, троє призначаються Радою керуючих, причому один із них стає головою правління).

д. До консультативних органів належать Федеральна консультативна рада, Консультативна рада з питань стану споживачів та Консультативна рада з питань діяльності ощадних установ. Федеральна консультативна рада

проводить наради з Радою керуючих з економічних і банківських питань та дає рекомендації щодо діяльності ФРС. До складу ради входить дванадцять членів — по одному від кожного резервного округу. Консультативна рада з питань стану споживачів консулює Раду керуючих із питань захисту інтересів споживачів. Консультативна рада з питань діяльності ощадних установ надає інформацію та результати аналізу проблем ощадних установ. До складу ради входять представники ощадних банків, позичково-ощадних асоціацій, кредитних спілок.

Speaking and Writing

I. Discussion:

1. Why are the Districts of the Fed in the western part of the country larger geographically than the Districts in the eastern part of the country?
2. Compare the US banking structure with that of the UK.
3. Compare the functions of the central bank of the USA and the central bank of the UK.
4. How does the FED ensure the banking stability?

II. Speak about:

1. The banking system in the US.
2. The structure, functions and activities of the Federal Reserve System.

III. Write a report / make a presentation on the topics:

1. The largest banks of the US.
2. History of Central Banking in the USA.
3. History of the Federal Reserve System.
4. Duties and functions of Federal Regulatory agencies.

Unit V. BANKING SERVICES

Reading

Text

BANKING SERVICES

Commercial banks offer various services to their customers. These services fall into three major categories: deposits, loans and cash management services.

A. Deposits

There are three major types of deposits: demand deposits, savings deposits and time deposits. What distinguish one type from another are the conditions under which the deposited funds may be withdrawn.

A *demand deposit* is a deposit that can be withdrawn on demand at any time and in any amount up to the full amount of the deposit. The most common example of a demand deposit is a checking account (called a current account in the UK). Money orders and traveler's checks are also technically demand deposits. Checking accounts are also considered transaction accounts because payments can be made to third parties — that is, to someone other than the depositor or the bank itself — via check, telephone, etc. Checking accounts are popular because as demand deposits they provide perfect liquidity and as transaction accounts they can be transferred to a third party as payment for goods or services. As such, they function like money.

Savings accounts (called deposit accounts in the UK) pay interest to the depositor, but have no specific maturity date on which the funds need to be withdrawn or reinvested. Any amount can be withdrawn from a savings account up to the amount deposited. Under normal circumstances, customers can withdraw their money from a savings account simply by presenting their “passbook” or by using their automated teller machine (ATM) card. Savings accounts are highly liquid. They are different from demand deposits, however, because depositors cannot write checks against regular savings accounts. Savings accounts cannot be used directly as money to purchase goods or services.

Time deposits are deposits on which the depositor and the bank have agreed that the money will not be withdrawn without substantial penalty to the depositor before a specific date. These are frequently called certificates of deposits (CDs). Because of a substantial early withdrawal penalty, time deposits are not as liquid as demand or savings deposits nor can depositors write checks against them. Time deposits also typically require a minimum deposit amount.

B. Loans

Banks make three types of loans: commercial loans, consumer loans, and mortgage loans.

Commercial loans are loans to businesses or industrial firms. These are primarily short-term working capital loans (loans to finance the purchase of material or labor) or transaction or longer-term loans (loans to purchase machines and equipment). Most commercial banks offer a variable rate on these loans, which means that the interest rate can change over the course of the loan. Whether a bank will make a loan or not depends on the credit and loan history of the borrower, the borrower's ability to make scheduled loan payments, the amount of capital the borrower has invested in the business, the condition of the economy, and the value of the collateral the borrower pledges to give the bank if the loan payments are not made.

Consumer loans are loans for consumers to purchase goods or services. There are two types of consumer loans: closed-end credit and open-end credit.

Closed-end credit loans are loans for a fixed amount of money, for a fixed period of time (usually not more than five years), and for a fixed purpose (for example, to buy a car). Most closed-end loans are called installment loans because they must be repaid in equal monthly installments. The item purchased by the consumer serves as collateral for the loan. For example, if the consumer fails to make payments on an automobile, the bank can recoup the cost of its loan by taking ownership of the car.

Open-end credit loans are loans for variable amounts of money up to a set limit. Unlike closed-end loans, open-end credit does not require a borrower to specify

the purpose of the loan. Credit cards are an example of open-end credit. Most open-end loans carry fixed interest rates—that is, the rate does not vary over the term of the loan. Open-end loans require no collateral, but interest rates or other penalties or fees may be charged—for example, if credit card charges are not paid in full, interest is charged, or if payment is late, a fee is charged to the borrower. Open-end credit interest rates usually exceed closed-end rates because open-end loans are not backed by collateral.

Mortgage loans are loans used to purchase land or buildings such as houses or factories. These are typically long-term loans and the interest rate charged can be either a variable or a fixed rate for the term of the loan, which often ranges from 15 to 30 years. The land and buildings purchased serve as the collateral for the loan.

C. Cash Management and Other Services

Although deposits and loans are the basic banking services, banks provide a wide variety of other services to customers. For consumers, these include check cashing, foreign currency exchange, safety deposit boxes in which consumers can store valuables, electronic wire transfer through which consumers can transfer money and securities from one financial institution to another, and credit life insurance which automatically pays off loans in the event of the borrower's death or disability.

In recent years, banks have made their services increasingly convenient through electronic banking. Electronic banking uses computers to carry out transfers of money. For example, automated teller machines (ATMs) enable bank customers to withdraw money from their checking or savings accounts by inserting an ATM card and a private electronic code into an ATM. The ATMs enable bank customers to access their money 24 hours a day and seven days a week wherever ATMs are located, including in foreign countries. Banks also offer debit cards that directly withdraw funds from a customer's account for the amount of a purchase, much like writing a check. Many banks use the Internet to enable customers to pay bills, move money between accounts, and perform other banking functions.

For businesses, commercial banks also provide specialized cash management and credit enhancement services.

Comprehension check-up

I. Make up questions covering the content of the text and let your fellow students answer them.

II. Draw up a plan of the text.

Vocabulary Exercises

I. Find the English equivalents for the following words and word-combinations in the text and make up 10 sentences of your own with them:

1. розрахунково-касове обслуговування
2. депозити до запитання
3. ощадні вклади
4. строкові вклади
5. знімати
6. поточний рахунок
7. грошовий переказ
8. операційний рахунок
9. термін, строк боргового зобов'язання
10. банківська розрахункова книжка
11. банкомат
12. штраф
13. депозитний сертифікат
14. комерційний кредит
15. споживчий кредит
16. іпотечна позика
17. короткостроковий

18. позика оборотного капіталу
19. довгостроковий кредит
20. змінна ставка
21. відсоткова ставка
22. вносити заплановані плажі за позикою
23. застава, забезпечення кредиту
24. зобов'язуватись
25. позика, що сплачується частинами
26. погашати щомісячними рівними платежами
27. окупити, компенсувати
28. позика споживачеві з невстановленою заздалегідь сумою
29. фінансова відсоткова ставка
30. бути забезпеченим чимось
31. переведення чеків у готівку
32. обмін валюти
33. депозитний сейф
34. зберігати цінні речі
35. електроний переказ
36. кредитне страхування життя
37. окупати кредит
38. розширення кредитування

II. Match the words and phrases with their explanations.

1. credit card	a. a facility to exchange money from one currency to another
2. debit card	b. a loan made by a bank to a customer so he/she may take out more money than is actually in a bank account
3. foreign exchange service	c. a sum of money advanced by a bank on the condition it will be paid back after an agreed period with interest

4. overdraft	d. a plastic card, issued by a bank and used to buy goods and services. Payment is automatically taken from the cardholder's bank account
5. loan	e. a plastic card, issued by a bank or finance company, which guarantees that payment for goods or services will be made to the seller by the card issuer. The cardholder then makes payment to the card issuer at a later date
6. traveller's check	f. property or an item of value that can be claimed by a bank if a loan is not repaid
7. collateral	g. the date on which a loan becomes due for payment
8. maturity date	h. a check for a fixed amount, sold by a bank, that can easily be cashed in foreign countries
9. liquidity	i. the cost of borrowing money expressed as a percentage of the capital borrowed
10. interest rate	j. immediate access to cash
11. mortgage	k. a sum of money put into a bank
12. deposit	l. an arrangement in which money is lent by a bank for buying a house or another property

III. Choose the correct alternative to complete each sentence:

- If you possess something, you can say that you..... ... it.
a) owe b) own c) owner
- If you have to reimburse or repay someone, you money.
a) owe b) own c) yield
- To let someone else have the use of money for a certain period of time, after which it must be paid back, is to
a) borrow b) lend c) credit
- To take money that has to be repaid is, on the contrary, to
a) borrow b) lend c) steal
- An amount of money lent is a ...

- a) debit b) debt c) loan
6. A person who has borrowed money is a
- a) creditor b) debtor c) owner
7. Another word for a lender is a/an
- a) creditor b) debtor c) owner
8. The income received by someone who lends money is called
- a) dividends b) interest c) interests
9. The borrower has to pay back the loan himself, also known as the
- a) principal b) principle c) premium
10. The amount of money a lender receives for a loan or an investment, expressed as a percentage, is known as its return or
- a) credit b) income c) yield

IV. Suggest an appropriate synonym for each of the following words:

advance, various, major, distinguish, withdraw, amount, provide, purchase, penalty, frequently, pledge, purpose, require.

V. Match the phrases with their explanations:

- | | |
|----------------------------|--|
| 1. to pay off the debts | a. to borrow money without paying it back on time |
| 2. to run up a debt | b. to return the debts |
| 3. to be in debt | c. to spend so much money that you need to borrow it |
| 4. to get/go/run into debt | d. a debt that is unlikely to be paid |
| 5. bad debt | e. to owe money |
| 6. to write off a debt | f. to pay interest on money that has been borrowed |
| 7. to service a debt | g. to cancel a debt |
| 8. to rollover a debt | h. to allow money that is owed to be paid later |

VI. Fill in the blanks using the verbs in the right tense-form: to pay off, to run up, to get into, to run into, to write off, to service.

1. He had enough money to ... his son's debts.

2. He ... credit card debts of thousands of dollars.
3. We were poor but we never ... debt.
4. In just three weeks in the USA she ... debt of more than \$3000.
5. When he came to know about her mother's death he decided to ... a debt.
6. The company can no longer ... its debts.

VII. Translate the following words and word-combinations into English and insert them in the sentences given below: *обслуговувати, надавати (позику), позичати; позика, подовжити термін погашення боргу, бути винним, сплатити, мати борги.*

1. Of course I don't have that kind of money. I had to ... it.
2. I showed the bank my business plan, and they offered to ... everything I had asked for.
3. Since they clearly couldn't afford to pay back the loan then, the bank had to agree to ... the debt.
4. Many third world countries are unable to ... their debts, let alone repay the principal.
5. They agreed to grant me a ... for six months.
6. I can't borrow any more; I already ... the bank over £10,000.
7. By Christmas, I hope to have ... all my debts.
8. Many developing countries are now heavily

VIII. Complete the sentences below with the best answer:

1. I need to ... at the bank because I'm going overseas on business, and I want to take some of the local currency with me.
 - a) withdraw money
 - b) exchange money
 - c) buy traveller's checks
2. You ought to ... to store your valuables and important documents in a secure location.
 - a) rent a safety deposit box
 - b) open a savings account
 - c) pay your bills online
3. My father is trying to ... to pay for the construction of a new room to our house.

- a) take out a loan b) pay off a loan c) review his bank statement
4. This house is too expensive. The ... will bankrupt us.
- a) loan payments b) mortgage repayments c) interest rate
5. It took us nearly thirty years to ... our mortgage.
- a) take out b) repay c) pay off

IX. Choose the correct definition. Make up 8 sentences of your own with these words and word combinations:

1. *to cash a check* is to ...
- a) exchange a check for cash
b) pay money into your account
c) pay money into sb's account
2. *to cash in* is to ...
- a) sell sth (shares)
b) pay cash for sth
c) open the cash register
3. *to cash in on* is to ...
- a) forecast the receipt of cash
b) make a profit from a situation in a way that other people think it is wrong
c) calculate money spent
4. *to cash up* is to ...
- a) add up cash at the end of the day
b) obtain cash from a bank
c) exchange a check
5. *cash flow* is ...
- a) the movement of money into and out of a business
b) money which is immediately available
c) the conversion rate between currencies
6. *petty cash* is ...
- a) small denomination banknotes

- b) a small amount of money kept in an office for small payments
- c) small denomination coins

7. *cashier* is a ...

- a) a book in which payments are recorded
- b) a person who pays and receives money
- c) a dealer in foreign currency

8. to pay *cash down* is ...

- a) to pay for sth before you receive it
- b) not to pay all the money
- c) to pay without using cash

X. Banks offer many different channels to access their banking and other services. Match the channels with their explanations.

branch	a. is a term used for performing banking transactions or professional banking consultations via a remote video and audio connection.
ATM	b. is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website.
mail	c. is a method of using one's mobile phone to conduct simple banking transactions by remotely linking into a banking network.
video banking	d. g. is a retail location where a bank or financial institution offers a wide array of face-to-face service to its customers.
online banking	e. is part of the postal system which itself is a system wherein written documents typically enclosed in envelopes, and also small packages containing other matter, are delivered to destinations around the world. This can be used to deposit cheques and to send orders to the bank to pay

	money to third parties. Banks also normally use mail to deliver periodic account statements to customers.
mobile banking	f. is a computerised telecommunications device that provides a financial institution's customers a method of financial transactions in a public space without the need for a human clerk or bank teller. ATMs enable card holders from other banks to get their account balance and withdraw cash, even if the card is issued by a foreign bank.

XI. Complete the text using the words from the box given below:

accounts	current account	lend	overdraft	return
bank loan	standing orders	liabilities	salary	transfer
cheque	depositors	liquidity	spread	wages
customers'	deposits	optimize	withdraw	debt

Commercial banks are businesses that trade in money. They receive and hold (1) ..., pay money according to (2) ... instructions, (3) ... money, etc.

There are still many people in Britain who do not have bank (4) Traditionally, factory workers were paid (5) ... in cash on Fridays. Non-manual workers, however, usually receive a monthly (6) ... in the form of a cheque or a (7) ... paid directly into their bank account.

A (8) ... (US: checking account) usually pays little or no interest, but allows the holder to (9) ... his or her cash with no restrictions. Deposit accounts (in the US also called time or notice accounts) pay interest. They do not usually provide (10) ... (US: check) facilities and notice is often required to withdraw money. (11) ... and direct debits are ways of paying regular bills at regular intervals.

Banks offer both loans and overdrafts. A (12) ... is a fixed sum of money, lent for a fixed period, on which interest is paid; banks usually require some form of security or guarantee before lending. An (13) ... is an arrangement by which a

customer can overdraw an account, i.e. run up a debt to an agreed limit; interest on the (14) ... is calculated daily.

Banks make a profit from the (15) ... or differential between the interest rates they pay on deposits and those they charge on loans. They are also able to lend more money than they receive in deposits because (16) ... rarely withdraw all their money at the same time. In order to (17) ... the return on their assets (loans), bankers have to find a balance between yield and risk, and (18) ... and different maturities, and to match these with their (19) ... (deposits). The maturity of a loan is how long it will last; the yield of a loan is its annual (20) ... — how much money it pays — expressed as a percentage.

XII. Fill in the blanks with prepositions:

Benefits for the Economy

The deposit and loan services provided ... banks benefit an economy ... many ways. First, checking accounts, because they act like cash, make it much easier to buy goods and services and therefore help both consumers and businesses, who would find it inconvenient to carry or send through the mail huge amounts of cash. Second, loans enable consumers to improve their standard ... living ... borrowing money to purchase cars, houses, and other expensive consumer goods that they otherwise could not afford. Third, loans help businesses finance plant expansion and production ... new goods, and therefore increase employment and economic growth. Finally, since banks want loans repaid, banks choose borrowers carefully and monitor performance ... a company's managers very closely. This helps ensure that only the best projects get financed and that companies are run efficiently. This creates a healthy, efficient economy. ... addition, since the owners (stockholders) ... a company receiving a loan want their company to be profitable and managed efficiently, bankers act as surrogate monitors for stockholders who cannot be present ... a regular basis to watch the company's managers.

The checking account services offered ... banks provide an additional benefit to the economy. Because checks are widely accepted as payment ... goods and

services, the checking accounts offered ... banks are functionally equivalent to real money—that is, currency and coin. When banks issue checking accounts they, ... effect, create money without the federal government having to print more currency. Under government regulations ... many countries, banks must hold a reserve of paper currency and coin equal to at least 10 percent of their checking account deposits. ... the United States, banks keep these reserves ... their own vaults or ... deposit ... the U.S. government's central bank known as the Federal Reserve, or the Fed. If someone wants a \$10 loan, the bank can give that person a \$10 checking account with only \$1 ... currency in its vault. As a result U.S. banks can create at least \$10 ... checking account money ... every \$1 ... real money (currency or coin) actually printed ... the federal government. This arrangement, which allows extra deposit money to be created ... banks, is referred to as a fractional reserve banking system.

Because banks attract large amounts ... savings from depositors, banks can make many loans to many different customers ... various amounts and ... various maturities (dates when loans are due). Banks can thereby diversify their loans, and this ... turn means that a bank is at less risk if one of its customers fails to repay a loan. The lowering of risk makes bank deposits safer ... depositors. Safety encourages even more bank deposits and therefore even more loans. This flow ... money from savers ... banks to the ultimate borrower is called financial intermediation because money flows through an intermediary—that is, the bank.

XIII. Translate into English:

1. Клієнти банку можуть розмістити свої заощадження на рахунках до запитання, депозитних рахунках із низкою додаткових переваг для вкладника (з виплатою відсотків наприкінці терміну чи щомісяця; з можливістю поповнення та дострокового зняття коштів тощо), а також пенсійні рахунки для одержання пенсій. Депозит можна розмістити на 1, 2, 3, 6 і 12 місяців. Ставки за всіма видами вкладів не змінюються протягом усього терміну дії депозитного договору.

2. Операції по поточним банківським рахункам включають в себе: операції з готівкою (видача та зарахування); щомісячні безкоштовні виписки з рахунку; здійснення регулярних переказів за дорученням клієнта на підставі договору, щомісячне нарахування відсотків на залишок по поточному рахунку.

3. Банківські послуги через інтернет в більшості банків вже увійшли в розряд традиційних. Особливо клієнтів приваблює можливість працювати з рахунками пластикових карток, оскільки це дає змогу користуватися послугами інтернет-магазинів у всьому світі. Механізм простий - достатньо перевести за допомогою системи інтернет-банкінгу необхідну суму коштів на картку, а потім з її допомогою оплатити якусь послугу або товар в інтернеті-магазині. При цьому в системі будуть доступні витяги з карт-рахунку, з яких можна визначити, яку суму коштів списано з картки і за що.

Speaking and Writing

I. Discussion:

1. What makes a loan attractive to the bank and customer?
2. What factors will a bank consider when deciding whether or not to make a loan?
3. Advantages and disadvantages of using debit cards.
4. Advantages and disadvantages of credit cards.

II. Speak about:

1. Services provided by banks.

IV. Write a report / make a presentation on the topics:

1. The influence of modern technology on banking.
2. Types of loan accounts.
3. Methods of funds transfer.
4. Foreign services of banks.

5. Investment services of banks.
6. Insurance services of banks.

Supplementary Reading

Text 1. Banking in Canada

Because of Canada's close historical relationship with the United States and the United Kingdom, development of the Canadian banking system has been influenced by both countries. Unlike the United States, however, Canada always had a branch-banking system. Until 1994 banks in the United States were restricted to opening branches only in the city or state where they were incorporated. One of the first laws passed by Canada's Parliament after confederation, in 1867, allowed any Canadian-chartered bank to operate in any part of the dominion. This law encouraged the growth of Canada's branch-banking system, in which a few large banks operate all the country's banking offices. In 2000 there were only 13 domestic banks in Canada, and the six largest controlled more than 90 percent of all bank assets in Canada. The remaining seven domestic banks accounted for about 2 percent of bank assets, and foreign banks accounted for about 7 percent of bank assets.

The largest commercial banks of Canada operate extensively in foreign countries, particularly in the West Indies, Asia, and the United States. In addition to the usual business of commercial loans, Canadian banks operating in foreign countries have specialized in investment banking and wealth-management activities.

The regulator of federally chartered Canadian banks and financial institutions is the Office of the Superintendent of Financial Institutions (OSFI), which was established in 1987. Since 1967 deposit insurance has been provided by the Canada Deposit Insurance Corporation (CDIC), which insures up to \$60,000 Canadian per depositor per institution. Both the OSFI and the CDIC are Crown Corporations owned by the government.

The central bank of Canada is the Bank of Canada. Created in 1935, it is owned by the Ministry of Finance and is responsible for Canadian monetary policy. Unlike the U.S. Federal Reserve, the Bank of Canada is also responsible for issuing and managing the national debt. In the United States, this function is performed by the Department of the Treasury. The primary policy group of the Bank of Canada is

called the Governing Council. This group consists of the governor of the Bank of Canada, the senior deputy governor, and four deputy governors. The Bank of Canada is less independent of the government than is the U.S. Federal Reserve because it must consult with the minister of finance on policy matters.

Text 2. Banking in Australia

Historically, the Australian banking industry was tightly regulated. Until as recently as the 1980s, it was virtually impossible for a foreign bank to establish branches in Australia; consequently Australia had very few banks when compared with such places as the United States or Hong Kong. Moreover, banks in Australia were divided into two distinct categories, known as *saving banks* and *trading banks*. Saving banks paid virtually no interest to their depositors and their lending activities were restricted to providing mortgages. Trading banks were essentially merchant banks, which did not provide services to the general public.

Because of these and numerous other regulatory restrictions on banks, other forms of non-bank financial institutions flourished in Australia, such as the building society and the credit union. These were subjected to less stringent regulations, could provide and charge higher interest rates, but were restricted in the range of services they could offer. Above all, they were not allowed to call themselves "banks".

Originally the role of central bank was performed by the Commonwealth Bank of Australia, then a government-owned but essentially commercially-operated banking organization. This arrangement caused some discomfort for the other banks, and as a result the central bank function was transferred to the newly-created Reserve Bank of Australia on January 14, 1960.

At the time, consumer credit in Australia was primarily loaned in the form of installment sales credit. The arrival of hundreds of thousands of readily employable migrant workers under the post-war immigration scheme, coupled with intense competition amongst lenders, discouraged proper investigation into buyers. Concerns about the possibly inflationary impact of lending created the first finance companies in Australia.

Currently, the Australian banking sector is dominated by four major banks: Australia and New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation. The Australian government has a "four pillars" policy that prevents mergers between the four major banks. This is long-standing policy rather than formal regulation, but it reflects the broad political unpopularity of bank mergers. A number of leading commentators have argued that the "four pillars" policy is built upon economic fallacies and works against the nation's better interests. Recently, Australia's "big four" banks are in fact in the world's top 12 banks, due to recent collapses of large banking corporations.

Text 3. Banking in the European Continent

Until recently, European banking was very different from banking in the United States. European banks were frequently owned by the government and could engage in activities that were prohibited to banks in the United States. Most of these prohibited activities involved investment banking such as security underwriting (selling a firm's stock or bonds at a guaranteed price) or security placement (finding buyers for a firm's stock or bonds). These services are important to businesses and being able to provide them gave European banks an advantage over U.S. banks. These differences are rapidly disappearing. Most European banks are now privately owned and recent U.S. legislation has allowed U.S. banks to engage in investment-banking activities through the bank holding company form of organization.

Two differences remain between U.S. and European banking. The first is that many European banks can own nonbank commercial and industrial businesses. Such ownership is still prohibited, for the most part, for U.S. banks and holding companies. As a result, banks in Europe tend to be more business oriented and much more involved with corporate governance (corporate decision-making) than their U.S. counterparts. This also explains why most European companies rely more heavily on bank loans to finance their activities than do U.S. companies which rely more on funds raised by selling stocks and bonds in financial markets.

The second difference is that banking is much more concentrated in Europe. In other words, banking markets are dominated by a few large banks whereas in the United States many banks compete for a customer's deposits and loans. This stems from the fact that European countries have had very liberal branching laws allowing banks to have extensive deposit-gathering networks in their home country and also from the fact that most European countries are not as concerned about monopolies as are U.S. regulators. It is not clear how long this difference will last, however, as legislation in the United States in 1994 allowed banks to establish banks and branches in other states.

The establishment of the Economic and Monetary Union (EMU) in 1992 created a new banking system in Europe that parallels that of the United States in many ways. The EMU created a new European Central Bank (ECB) that will coordinate monetary policy throughout most of continental Europe. It also established a uniform currency in Europe called the euro that beginning in 2002 was the currency used throughout Western Europe, except in Denmark, Sweden, and the United Kingdom. The EMU also allowed banks to branch throughout Europe and not just in their home country.

Text 4 International Banking

The expansion of trade in recent decades has been paralleled by the growth of multinational banking. Banks have historically financed international trade, but a notable recent development has been the expansion of branches and subsidiaries that are physically located abroad, as well as the increased volume of loans to foreign borrowers. In 1960 only eight U.S. banks had foreign offices with a total of 131 branches. By 1998 about 82 U.S. banks had about 935 foreign branches.

Similarly, the number of foreign banks with offices in the United States has increased dramatically. In 1975, 79 foreign banks were chartered in the United States, accounting for 5 percent of U.S. bank assets. In 1998, 243 foreign banks had U.S. offices, accounting for 23 percent of U.S. bank assets. Most of these banks are business-oriented banks, but some have also engaged in retail banking. In 1978 the

U.S. Congress passed the International Banking Act, which imposed constraints on the activities of foreign banks in the United States, removing some of the advantages they had acquired in relation to U.S. banks.

As banks make more international loans, many experts believe that there must be greater international cooperation regarding standards and regulations to lower the risk of bank failure and international financial collapse. In 1988 the Basel Committee on Banking Supervision, an international organization of bank regulators based in Basel, Switzerland, took the first steps in this direction with the Basel Capital Accord. The accord established a global standard for assessing the financial soundness of banks and required banks to maintain a minimum ratio of capital to risky assets. Many banking experts believe this accord became the primary tool for strengthening the safety of international banking. The accord was eventually adopted by 100 countries. In 2001 the Basel Committee recommended a new set of regulations known as Basel II or the New Basel Capital Accord to replace the 1988 agreement.

Basel II established global regulations governing how much capital banks must keep in reserve in the event of investment or loan losses. The Basel II accord introduced the concept of risk-weighting—that is, if banks are invested mainly in relatively safe government bonds, then they are permitted to keep smaller capital reserves. If their loans or investments carry more risk, then they are required to keep larger capital reserves.

Text 5. The European Central Bank

The **European Central Bank (ECB)** is the institution of the European Union tasked with administering the monetary policy of the 16 EU member states taking part in the Eurozone. It is thus one of the world's most important central banks. The bank was established by the Treaty of Amsterdam in 1998, and is headquartered in Frankfurt, Germany. The current President of the ECB is Jean-Claude Trichet.

The European Central Bank is the *de facto* successor of the European Monetary Institute (EMI). The EMI was established at the start of the second stage of the EU's Economic and Monetary Union (EMU) to handle the transitional issues of states adopting the euro and prepare for the creation of the ECB and European System of Central Banks (ESCB).

The ECB formally replaced the EMI on 1 June 1998 by virtue of the Treaty on European Union (TEU, Treaty of Maastricht), however it did not exercise its full powers until the introduction of the euro on 1 January 1999.

The first President of the Bank was Wim Duisenberg, the former president of the Dutch central bank and the European Monetary Institute. While Duisenberg had been the head of the EMI just before the ECB came into existence, the French government wanted Jean-Claude Trichet, former head of French central bank, to be the ECB's first president. The French argued that since the ECB was to be located in Germany, its President should be French. This was opposed by the German, Dutch and Belgian governments who saw Duisenberg as a guarantor of a strong euro. Tensions were abated by a gentleman's agreement in which Duisenberg would stand down before the end of his mandate, to be replaced by Trichet, an event which occurred in November 2003.

There had also been tension over the ECB's Executive Board, with the United Kingdom demanding a seat even though it had not joined the Single Currency. Under pressure from France three seats were assigned to the largest members, France, Germany, Italy and Spain. Despite such a system of appointment the board asserted its independence early on in resisting calls for interest rates and future candidates to it.

When the ECB was created, it covered a Eurozone of eleven members. Since then, Greece joined in January 2001, Slovenia in January 2007, Cyprus and Malta in January 2008, and Slovakia in January 2009, enlarging the bank's scope and the membership of its Governing Council.

On December 1, 2009 Treaty of Lisbon entered into force, ECB according to the article 13 of TEU, gained official status of an EU institution.

The primary objective of the ECB is to maintain price stability within the Eurozone, or in other words to keep inflation low. The Governing Council defined price stability as inflation (Harmonised Index of Consumer Prices) of below, but close to 2%. Unlike for example the United States Federal Reserve Bank, the ECB has only one primary objective with other objectives subordinate to it.

The key tasks of the ECB are to define and implement the monetary policy for the Eurozone, to conduct foreign exchange operations, to take care of the foreign reserves of the European System of Central Banks and promote smooth operation of the financial market infrastructure under the Target payments system and being currently developed technical platform for settlement of securities in Europe. Furthermore, it has the exclusive right to authorise the issuance of euro banknotes. Member states can issue euro coins but the amount must be authorised by the ECB beforehand (upon the introduction of the euro, the ECB also had exclusive right to issue coins).

The bank must also co-operate within the EU and internationally with third bodies and entities. Finally it contributes to maintaining a stable financial system and monitoring the banking sector. The latter can be seen, for example, in the bank's intervention during the 2007 credit crisis when it loaned billions of euros to banks to stabilise the financial system. In December 2007 the ECB decided in conjunction with the Federal Reserve under a program called Term auction facility to improve dollar liquidity in the eurozone and to stabilise the money market.

Text 6.

THE EBRD

The **International Bank for Reconstruction and Development** (IBRD) is one of five institutions that comprise the World Bank Group. The IBRD is an international organization whose original mission was to finance the reconstruction of nations devastated by World War II. Now, its mission has expanded to fight poverty by means of financing states. Its operation is maintained through payments as regulated by member states. It came into existence on December 27, 1945 following international ratification of the agreements reached at the United Nations Monetary

and Financial Conference of July 1 to July 22, 1944 in Bretton Woods, New Hampshire.

The IBRD provides loans to governments, and public enterprises, always with a government (or "sovereign") guarantee of repayment subject to general conditions. The funds for this lending come primarily from the issuing of World Bank bonds on the global capital markets—typically \$12–15 billion per year. These bonds are rated AAA (the highest possible) because they are backed by member states' share capital, as well as by borrowers' sovereign guarantees. Because of the IBRD's credit rating, it is able to borrow at relatively low interest rates. As most developing countries have considerably lower credit ratings, the IBRD can lend to countries at interest rates that are usually quite attractive to them, even after adding a small margin (about 1%) to cover administrative overheads.

Commencing operations on June 25, 1946, it approved its first loan on May 9, 1947 (\$250m to France for postwar reconstruction, in real terms the largest loan issued by the Bank to date).

The IBRD was established mainly as a vehicle for reconstruction of Europe and Japan after World War II, with an additional mandate to foster economic growth in developing countries in Africa, Asia and Latin America. Originally the bank focused mainly on large-scale infrastructure projects, building highways, airports, and powerplants. As Japan and its European client countries "graduated" (achieved certain levels of income per capita), the IBRD became focused entirely on developing countries. Since the early 1990s the IBRD has also provided financing to the post-Socialist states of Eastern Europe and the republics of the former Soviet Union.

Abbreviations Used in Banking

ABS	asset-backed security	- цінний папір, забезпечений активами
AC	account current	- поточний банківський рахунок
AGM	annual general meeting	- щорічні загальні збори акціонерів
AIBD	Association of International Bond Dealers	- асоціація дилерів з міжнародних облігацій
AMEX	American Stock Exchange	- американська фондова біржа
AON	all-or-none	- випуск нових цінних паперів, що може бути анульованим у разі невдачі з гарантованою підпискою
A/P	accounts payable	- кредиторська заборгованість
APR	annual percentage rate	- процентна ставка за річного розрахунку
APV	adjusted present value	- скоригована поточна вартість
A/R	accounts receivable	- дебіторська заборгованість
ARPS	adjustable rate preferred stocks	- привілейовані акції з регульованою процентною ставкою
AS	after sight	- по пред'явленні
ASC	all savers certificate	- універсальний ощадний сертифікат
ATM	automated teller machine:	- банкомат
AVC	average variable costs	- середні змінні витрати
BACS	bankers' automated clearing services	- банківська автоматична система розрахунків
BB	1. bank book; 2. bearer bond; 3. best buy; 4. bill book	1. книга банківського обліку; 2. облігація на пред'явника; 3. купівля за найвигіднішою ціною; 4. книга векселів
BC	1. bank clearing; 2. bill of collection	1. безготівкові розрахунки між банками; 2. вексель на інкасо
BD	1. bank draft; 2. bill discounted	1. тратта, виставлена банком на інший банк; 2. облікований вексель
BE	bill of exchange	- переказний вексель
BF	brought forward	- перенесений на інший рахунок
BHC	bank holding company	- банківська холдинг-компанія
BIN	bank identification number	- банківський ідентифікаційний номер
BIS	Bank for International Settlements	- банк міжнародних розрахунків
B/L	bill of lading	- коносамент; транспортна накладна
BP	bills payable	- векселі до оплати
BR	bank rate	- облікова ставка банку

B/S	balance sheet	- балансовий звіт
BV	book value	- балансова вартість; чисті активи фірми
CA	1.current account 2.chartered accountant	1. поточний банківський рахунок; 2. дипломований бухгалтер вищої кваліфікації
CAD	cash against documents: a payment which is made upon presentation of a full set of documents, i. e. a L/C.	- платіж за документом
CAMEL	capital, assets, management, earnings, liquidity	- рейтингова система оцінки банків – КЕМЕЛ (акронім з перших літер термінів, що визначають основні критерії «здоров'я» банку: достатність капіталу, якість активів, якість управління, доходи, ліквідність).
CD	1. certificate of deposit; 2. cum dividend	1. депозитний сертифікат; 2. "з дивідендом", відображене в ціні право покупця на дивіденд
CF	cash flow	-грошовий обіг; рух готівки
CFO	chief financial officer	- фінансовий директор; віце-президент компанії з фінансів
CH	clearing house	- клірингова палата
CHAPS	clearing house automated payment system	- автоматизована система клірингових розрахунків (Велика Британія)
CHIPS	clearing house interbank payment system: used for domestic payments in sterling in the UK.	- електронна система міжбанківських клірингових розрахунків
CIA	cash in advance	- плата авансом
C/L	current liabilities	- короткострокові забор'язання
CMV	current market value	- поточна ринкова вартість
CN	credit note	- кредитове авізо
COD	cash on delivery: payment is made upon receipt of the goods.	- оплата готівкою на момент поставки
COH	cash on hand	- готівка в касі
CP	commercial paper	- комерційні папери; короткотерміновий комерційний вексель
CPA	certified public accountant (USA)	- дипломований бухгалтер
CPI	'consumer price index': a statistical measure of the	- індекс споживчих цін

	average changes in cost of a selection of consumer goods and services.	
CR	current rate	- курс дня, діюча ставка
CS	1. capital stock; 2. common stock	1. акція; акціонерний капітал; 2. звичайна акція
CTN	container: the abbreviation used on export documentation.	- контейнер
CTT	capital transfer tax	- податок на переказ капіталу
c/v	certificate of value	- сертифікат вартості
DA	1. deposit account; 2. documents against acceptance	1. депозитний/строковий вклад; 2. документи проти акцепту
DAC	delivery against cost	- вимога оплати цінних паперів готівкою при поставці
dc	direct costs	- прямі витрати
Dep	deposit	- депозит
DL	demand loan	- онкольна позика, позика до запитання
DN	debit note	- дебітове авізо
DPS	dividend per share	- дивіденд на акцію
EBIAT	earnings before interest and after tax	- прибуток до відрахування відсотків і після відрахування податків
EBIT	earnings before interest and tax	- прибуток до відрахування відсотків і податків
EBRD	European Bank for Reconstruction and Development	- Європейський банк реконструкції та Розвитку
ECB	European Central Bank	- Європейський Центральний банк
ED	ex dividend	- "без дивідендів" (позначення ціни акції)
EFTPOS	electronic funds transfer at point of sales	- переказ платежів за допомогою електронної системи на термінал у пункті продажу
E/L	export licence: a licence which allows an individual to export.	- експортна ліцензія
EMP	end-of-month payment	- платіж у кінці місяця
EMS	European Monetary System: a monetary arrangement of the EU to provide exchange rate stability and stimulate economic cooperation and	- європейська валютна система

	trade.	
EMV	expected monetary value	- очікувана вартість грошей
EPD	excess profit duty	- додатковий податок на прибуток корпорацій
EPR	earning-price ratio	- співвідношення чистого прибутку до ціни акції
EPS	earnings per share	- чистий прибуток на одну акцію
EPT	excess profit tax	- додатковий податок на прибуток корпорацій
ERA	exchange rate agreement	- угода про валютний курс
ERM	exchange rate mechanism	- механізм валютних курсів (у <i>Європейській валютній системі</i>)
ESCB	European System of Central Banks	- Європейська система центральних банків
FAT	fixed asset transfer	- передача основного капіталу
FDIC	Federal Deposit Insurance Corporation (USA)	- Федеральна корпорація зі страхування депозитів
FIFO	first in, first out	- метод ФІФО, оцінка та облік портфеля цінних паперів у порядку їх надходження
FOC	free of charge	- безкоштовний
FOK	fill or kill	- наказ клієнта брокерові, який повинен бути негайно виконаний або анульований
FP	1. fixed price; 2. fully paid	1. фіксована ціна; 2. повністю оплачений
FRN	floating rate note	- короткотермінове зобов'язання зі змінною відсотковою ставкою
FRS, Fed	Federal Reserve System (USA)	- Федеральна Резервна Система
FS	final settlement	- повний розрахунок
FV	future value	- майбутня вартість
FX (forex)	foreign exchange	- іноземна валюта, валютні операції
FY	fiscal year, financial year	- фінансовий рік
FYI	for your information	- до вашого відома (<i>ринкове котирування, що дається виключно для інформації</i>)
GAI	guaranteed annual income	- гарантований річний дохід
GATT	General Agreement on Tariffs and Trade	- генеральна угода про тарифи та торгівлю
GE	gilt-edged	- першокласні цінні папери
GOB	general obligation bond	- облігація, забезпечена загальною гарантією

GS	government stocks	- державні цінні папери
HP	highest price	- найвищий курс; максимальна ціна
IBRD	International Bank for Reconstruction and Development; usually referred to as The World Bank.	- Міжнародний банк реконструкції та розвитку (МБРР), Світовий банк
ICC	International Chamber of Commerce: an organization, which monitors trading standards.	- Міжнародна торгова палата
ILC	irrevocable letter of credit	- безвідкличний акредитив
IMF	International Monetary Fund	- Міжнародний валютний фонд
IOU	I owe you	- Я винен вам (<i>напис на документі</i>)
IP	installment paid	- черговий внесок сплачено
IPD	interest, profits and dividends	- відсотки, прибутки та дивіденди
IRR	internal rate of return	- внутрішня ставка доходу
JA	joint account	- спільний рахунок
KYC	"know your customer" rule	- правило "знай свого клієнта"
L/A	1. letter of authority; 2. letter of advice	1. довіреність; 2. авізо, повідомлення
LBO	leveraged buyout	- викуп контрольного пакета акцій за допомогою кредитів
L/C	letter of credit	- акредитив
LIFO	last in, first out	- ЛІФО, метод обліку цінних паперів, коли першими продаються ті, що надійшли останніми
LILO	last in, last out	- метод обліку цінних паперів, коли ті, що надійшли останніми, продаються останніми
LIBOR	The London Interbank Offered Rate: the key rate in international lending.	- ставка продавця на лондонському міжбанківському ринку депозитів
LLC	limited liability company	- компанія з обмеженою відповідальністю
LOCH	London Option Clearing House	- Лондонська біржа опціонів та клірингів
LP	limited partnership	- компанія з обмеженою відповідальністю
Ltd	limited	- з обмеженою відповідальністю
M&A	merges and acquisitions	- операції злиття та придбання компаній
MBS	mortgage-backed securities	- цінні папери, забезпечені заставою

MEC	marginal efficiency of capital	- гранична ефективність капіталу
MIS	management information system	- система управлінської інформації (СУІ)
MLR	minimum lending rate	- мінімальна ставка позичкового відсотка
MO	money order	- грошове доручення
MP	mail payment	- поштовий переказ
MR	marginal revenue	- граничний дохід
MU	monetary unit	- грошова одиниця
NAV	net asset value	- вартість чистих активів компанії в розрахунку на одну акцію
NB	new bonds	- нові облігації
NC	no charge	- безкоштовно
NCI	1. new capital issue; 2. no common interest	1. новий випуск цінних паперів; 2. без звичайних відсотків
NF	no funds	- без покриття (<i>напис на чеку</i>)
NOL	net operating loss	- чистий збиток від основної діяльності
NP	1. net proceeds; 2. no profit; 3. notes payable	1. чистий виторг, чистий дохід; 2. без прибутку; 3. векселі до оплати
NPV	1. net present value; 2. no par value	1. чиста теперішня вартість; 2. без фіксованого номіналу
NRV	net realizable valued	- чиста вартість реалізації
NR	1. no risk; 2. not rated	1. без ризику; 2. немає рейтингу (<i>вказівка на відсутність офіційної оцінки якості цінних паперів</i>)
NSF	not sufficient funds	- не забезпечено грошовим покриттям (<i>відмітка банку на неоплаченому чеку</i>)
NV	nominal value	- номінальна вартість
O/A	open account	- відкритий рахунок
o/c	1. old account; 2. outstanding account	1. старий рахунок; 2. неоплачений рахунок
OD	1. on demand; 2. overdraft	1. на вимогу; 2. овердрафт
OECD	Organisation for Economic Cooperation and Development: a 24-nation group which coordinates social and economic policies among its members and developing countries.	- Організація економічного співробітництва та розвитку

OTC	1. over the counter; 2. one time charge	1. позабіржовий, що продається без посередників; 2. разовий збір
PAYE	pay-as-you-earn	- виплата податків із поточних доходів
PC	petty cash	- дрібні гроші, розмінна монета
PCPA	per cent per annum	- відсоткі за рік
PEP	personal equity plan	- програма пільгового продажу акцій службовцям компанії
PER	price earnings ratio	- відношення ціни до прибутку
PIN	personal identification number	- персональний ідентифікаційний номер
P/L	profit and loss statement	- звіт про прибутки та збитки
PLC	public limited company	- компанія з обмеженою відповідальністю
PN	promissory note	- простий вексель
POS	point of sale	- термінал для проведення платежів у місці здійснення купівлі
PS	preferred stock	- привілейована акція
PV	present value	- теперішня вартість
R/E	rate of exchange	- валютний курс, обмінний курс
REPO	repurchase agreement	- угода про купівлю цінних паперів із подальшим викупом за обумовленими цінами
ROA	return on assets	- прибутковість активів
ROC	return on capital	- прибуток на капітал, дохідність капіталу
ROE	return on equity	- прибутковість власного капіталу
ROI	return on investment	- прибутковість інвестиції; коефіцієнт окупності інвестицій
ROIC	return on invested capital	- прибутковість інвестованого капіталу
RPI	retail price index	- індекс роздрібних цін
SB	1. savings bank; 2. savings bond; 3. short bill	1. ощадний банк; 2. ощадна облігація; 3. короткотермінова облігація
SD	sight draft	- вексель на пред'явника
SDR	special drawing rights	- спеціальні права запозичення (розрахункові грошові одиниці в рамках Міжнародного валютного фонду)
SE	1. shareholder's equity; 2. stock exchange	1. акціонерний капітал; власний капітал; 2. фондова біржа
SEAQ	The Stock Automated Quotation System for UK	- електронна система інформації про курси цінних паперів на Лондонській фондовій

	securities. A continuously updated computer database containing quotations and trade reports in UK securities. SEAQ is the official information source for trading UK securities.	біржі
SN	1. security number; 2. stock number	1. номер цінного папера; 2. номер акції
SP	stop payment	- призупинити платіж
SPQR	small profits, quick returns	- малі прибутки - швидка віддача
SR	short rate	- короткотермінова процентна ставка
STB	special tax bond	- спеціальна податкова облигація
STF	stock transfer form	- бланк передачі акцій
SWIFT	Society for Worldwide Interbank Financial Telecommunications	- Міжнародна міжбанківська електронна система платежів (СВІФТ)
TA	1. trade acceptance; 2. transferable account	1. акцептований торговельний вексель; 2. переказний рахунок
TB	treasury bill	- казначейський вексель
TC	traveler's cheque	- дорожній чек
TD	time deposit	- терміновий депозит/вклад
T.E.	tax exempted	- звільнений від податку
TESSA	tax exempt special savings account	- спеціальний ощадний рахунок, що не оподатковується (<i>Велика Британія</i>)
TFN	tax file number	- реєстраційний номер у податковому управлінні
TL	time loan	- позика із певним терміном погашення
UA	1. underwriting agreement; 2. unit of account	1. угода про розміщення цінних паперів; 2. розрахункова одиниця
UCPDC	uniform customs and practices for documentary credit: a set of regulations which specify how letters of credit should be issued, produced by the ICC.	- уніфіковані правила документарних акредитивів
ULS	unsecured loan stock	- незабезпечені облигації компанії
UNCTAD	United Nations Conference on Trade and Development	- конференція ООН з торгівлі та розвитку
UPC	universal product code	- універсальний товарний код
USM	unlisted securities market	- ринок некотируваних цінних паперів при Лондонській фондовій біржі

uw	underwriter	- гарант розміщення цінних паперів
VAT	value added tax	- податок на додану вартість
VRM	variable rate mortgage	- іпотека з плаваючою відсотковою ставкою
VRN	variable rate note	- короткотерміновий цінний папір з плаваючою відсотковою ставкою
XA	ex all	- виключаючи всі права (<i>позначення ціни акції</i>)
XD	ex dividend	- без дивіденду (<i>позначення ціни акції</i>)

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