

Mohamed Boudiaf University of M'sila- Algeria
Faculty of Economics, Business, and Management
Department of Finance and Accounting

Dr. Mohamed Diab - Lecturer Professor

mohamed.diab@univ-msila.dz

ENGLISH FOR THE FINANCIAL SECTOR

Course for first year master students in Finance and Accounting

The academic year 2023/2024

INTRODUCTION

English for the financial sector is reading, speaking, and writing courses for undergraduate students in finance and accounting who need to understand and express the key concepts of finance and accounting and even other related areas of business and economics.

These courses aim to:

- * present you with the language and concepts found in books, newspapers, magazine articles, and websites on finance and accounting.
- * develop your comprehension of finance and accounting texts.
- * provide you with opportunities to express finance and accounting concepts by reformulating them in your own words while summarizing and discussing ideas.

UNIT 18 Financial institutions

A- Types of financial institution

These are a student's notes from a lecture about banking

For most of the 20th century, most banks operated in one country only (in the US, in one state only). Different kinds of banks did specialized kinds of financial business:

1- Retail banks or commercial banks worked with individuals and small companies:

- * received deposits
- * made loans

2- Investment banks worked with big companies:

- * gave financial advice
- * raised capital — increased the amount of money companies had by issuing stocks or shares and bonds
- * organized mergers and takeover bids.

3- Insurance companies

- * provided life insurance and pensions.

4- Building societies

- * specialized in mortgages. Many have now become normal commercial banks.

Br: merchant bank; Am: investment bank

Br: retail bank, commercial bank, High Street bank; Am: retail bank, commercial bank

Br: building societies; Am: savings and loans associations

B- Deregulation

The financial industry changed radically in 1980s and 90s when it was deregulated.

* Before deregulation: rules and regulations in the US, Britain and Japan prevented commercial banks doing investment banking business. Some other countries (Germany, Switzerland) already had universal banks doing all kinds of financial business.

* Today: many large international conglomerates offer a complete range of financial services. Individuals and companies can use a single financial institution for all their financial needs.

C- Specialized banks

Other types of banks still have specialized functions:

- * central banks issue currency and carry out the government's financial policy
- * private banks manage the assets of rich people or high net worth individuals
- * clearing banks pass cheques and other payments through the banking system
- * non-bank financial intermediaries such as car manufacturers, food retailers and department stores now offer products like personal loans, credit cards and insurance.

D- Exercise

Find words in A and B opposite with the following meanings.

- 1- a company offering financial services
- 2- the money a company uses, raised by way of shares and bonds
- 3- when two formerly separate companies agree to join together
- 4- a company formed by the merger or takeover of several other companies
- 5- the ending of some rules and restrictions
- 6- when a company offers to buy the shares of another company to gain control of it