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前　言

随着我国经济体制改革的逐步深化和对外开放的不断扩大，金融业在国民经济中占据了重要的地位，并发挥着重要的作用。特别是伴随国内经济与国际经济的接轨，国际金融在对外经济关系中愈发举足轻重。1994年，经中国人民银行总行和国家教委批准，我国建立了《金融专业英语证书考试制度》(Financial English Certificate Examination System)。这是我国第一个国家级的行业性英语证书考试制度，是我国金融从业人员培训逐步与国际专业培训接轨的一项重要举措。金融专业英语证书考试主要面向全国金融系统(包括合资、外资银行和非银行金融机构)。从近两年看，除金融从业人员外，中资、外资企业和从事进出口贸易、财务管理的人员，以及社会上有志于从事金融工作的人士很多也都参加了这个考试。以此为契机，为适应我国金融业改革发展和扩大对外开放的需要，我们编撰了《ENGLISH FOR FINANCE(金融英语)》一书。

本书的出版将对培养大批既懂现代金融知识，又能运用英语从事银行业务及管理的中高层次复合型人才起到积极的作用。该书由一批从事金融研究的青年学者，以及银行界从事国际业务的人士合作编撰。在收集了丰富的文献资料，并进行了细致的筛选和整理的基础上，作者认真地组织撰写，力争保证该书的高层次和高质量。本书具有两个明显的特点：第一，该书所涵盖的内容比较全面、系统，读者读后可以对现代金融知识有一个完整的认识和理解；第二，该书正文部分的英文章节比较规范、严谨，对于其中的专业术语和背景知识在注文中都一一作出了准确的注释，这有助于读者对原文的理解和专业英语水平的提高。因此，本书适合于作为高等院校的课程教材，同时也适合于作为金融专业英语证书考试的指导书。

鸣谢：

标准渣打(麦加利)银行的闫兵女士和汇丰银行的魏泓女士，她们对本书的编写提出了许多中肯的建议和有益的帮助；

香港银行学会，他们为本书的编写提供了部分文献资料。

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PART 1

MANAGEMENT OF COMMERCIAL BANKS

Text 1 An Introduction to Commercial Banking[1]

We will first discuss the role of banks in an economy, the types of banks, and the types of commercial banking services, and will highlight commercial banks in general. We will talk about the developing of banking over time, including current general areas of development. We will talk about the organization of banks, and perhaps the most important thing that banks do, create of money.

1. Types of Banks

Investment Banks[2] This discussion will focus on the types of banks found in the open marketplace, particularly in the United States. Investment banks are the first type of bank. They specialize in underwriting corporate and government securities, and purchase securities from issuers to re-sell in the open market. These investment bankers take price risk in the securities that they purchase and sell. If, in purchasing securities, they sell securities at a price below their purchase price, the investment banks lose money. They make a profit when they sell securities at a higher price than they purchased them. For investment banks, underwriting[3] means taking price risk in securities.

Industrial Banks[4] General banks are generally called industrial banks. Industrial banks typically accept small consumer savings deposits and make loans to wage earners, or small loans to individuals.

Savings Banks[5] The next kind of bank is a savings bank. These banks accept small consumer savings deposits. They make loans to wage earners, but they emphasize mortgages[6]. Mortgages are usually loans secured by real estate. Real estate is land, homes, or buildings. Savings banks are different from industrial banks in that they emphasize long-term loans on a real property, whereas industrial banks' loans are typically much shorter in length.

Commercial Banks Commercial banks accept small and large deposits of any denomination. They are the principal institutions for the payments function in the US economy. Typically, throughout the world, most commercial banks are also tools of the regulatory system in the payments function. The payments function is a system, whereby checks are written against an account. Wire transfers[7] and other mechanisms can also be used to pay bills and to make investments. Commercial banks also make direct loans to businesses, individuals, governments, and other institutions. The commercial bank is many things to many people.

In the United States, commercial banks are to be distinguished from investment banks. Investment banks tend to buy and underwrite securities. Commercial banks can do some of that, but currently emphasize buying and selling securities of governments, primarily Federal government treasury bonds and bills[8], as well as municipal bonds[9]. Commercial banks do not have the full scale ability to buy and sell corporate security stocks and bonds of corporation. As a result, commercial banks are distinguished from investment banks. In many parts of the world, commercial banks and investment banks are combined and are often called merchant banks[10]. The general trend in the US is for commercial banks to move toward offering merchant bank type services, while investment banks are moving toward offering commercial bank services. There appears a general long-term trend toward creating merchant banks in the United States.

2. Origins of Modern Banking

Back when gold was the primary, if not sole, foundation of money, medieval goldsmiths, particularly those in Europe, provided safekeeping for gold. Often goldsmiths would issue certificates for the gold that was placed on deposit with for protection. They also sometimes paid interest on the deposit of gold. When the goldsmith[11] started issuing more receipts than they had gold, and making loans on the money that they had, the medieval goldsmiths were in fact providing a vital banking function. They were creating money by issuing the extra receipts, obtaining funds, and making loans.

Money Merchants Contributors to the development of banking were the money merchants of old. Money merchants exist today as they did in times of old. In general, money merchants exchange one kind of money for another. This is a vital payments function of commercial banks, and also of interest on particular currencies and others that was paid, which provides and outlet of sometimes savings and exchange.

The word "bank" is thought to have come from Italy, from the Italian word "banco". Translated, this is understood to mean bench; bench meaning a long board on which one sat. In old Italy when one was bankrupt, everything involving the business, including furniture and especially the bench for conducting business, was liquidated, or taken away. As a result, when someone goes out of business, we still today call it being bankrupt; in the literal sense, a person loses the bench from which they conduct business.

In the sense that we understand it today, modern banking began near the 1700s. Around 1694, the Bank of England accepted commercial deposits from businesses and other commercial enterprises. They made loans against the commercial deposits, and also, at the same time, operated as an agent for the British government. Despite its support by the British Government, the Bank of England is considered a predecessor of modern banking, at least in the United States.

So, modern banking, as far as we are concerned, began roughly in 1700 or in this particular case, the exact year was 1694. Now, lets go back to some of the economic functions that we think a modern bank provides.

3. Services Offered by Commercial Banks

There are a number of general services offered by commercial banks in the United States.

Money Creation The main service or function of a commercial bank is that it creates money. This is also perhaps the most important over all function that a bank supplies to an economy. A bank creates money by accepting primary deposits from customers. Customers deposit to protect their cash—having the money in the bank avoids the possibility of someone taking the money from you, or of theft.

Deposits are also created as the result of banks making loans. These are called secondary deposits. Primary deposits are received from a depositor (a customer), and are on the list of deposits for the bank. When a bank takes cash or money out of the primary deposits and lends it, establishing another account and new deposit balance for a borrower, then, money has been created. That is why a secondary deposit is a deposit that arises from the bank's loan and investment operations; this is particular important for the creation of money.

In a static economy, creation of money by a commercial bank can be important. When there is stimulus in this economy and a desire by businesses to invest, they go to banks to borrow money. This creates a stimulus to the economy, because there is an expansion of money in the economy and more money available. In this particular instance, the economy will start growing.

Outlet for Savings Commercial banks provide an outlet for the savings of businesses, households, and governmental units. In other words, they provide deposit services so that savings may be created and interest received on those savings. Commercial banks also offer a means of payment for purchases of goods and services. Among the depository services is check writing. An individual can write a check on his deposit account and give that check to a third party. Then the third party can go to the bank and receive payment from the money that is in the first person's account. That is a payment service. The bank charges for that service, but none the less, it is an important function of commercial banking.

Provide Fiduciary Services[12] Banks importantly also provide fiduciary services to customers. Fiduciary services are services in which the bank is placed in a position of unusual trusts. The bank must be especially reputable and protective of its customer. These services may involve investment management; for example, if someone had a substantial quantity of funds and did not have the time nor inclination or skills to invest in a substantial portfolio, employees in the Trust Department or Fiduciary Services Department of a bank may in fact invest the money on that person's behalf. In doing so, they place themselves in a situation of unusual regard for their customers, and cannot harm them; that is the trust services.

Supplying International Financial Services Another important function of commercial banks these days is supplying international financial services. These financial services may involve loan making abroad or converting dollars into other currencies. International services may also include the granting of letters of credit, which is not a loan service. The bank places its credit position in the support of a transaction to purchase goods and services abroad. Additional international services include the payment functions; commercial banks can go a long way toward providing payment or smoothing the way to receive payment from other currencies for customers across the globe, which are particularly important services as well.

Investment Banking Services In recent years, some banks have moved into providing investment banking services, and are aggressively seeking to add these services. They have some of the services now, but are planning to increase them in the future.

Other Future Services There are other services that banks hope to offer in the future. The trend in deregulation among commercial banks has led to them hoping to be able to sell a full array of insurance. Banks sell credit life insurance now, and some other insurance, but they would like to sell all lines of insurance at some time in the future. They would also like to provide a full array of investment banking services and securities underwriting services, to buy and sell corporate bonds and stocks taking price risk. They would also like to provide a full line of real estate brokerage services to aid their customers in the buying and selling of real estate. Commercial banks already provide escrow[13] and trust type of services for real estate; this would merely be an extension of the services that a bank provides currently.

4. The Social Responsibilities of Banking

Some observe that because banks are chartered by governments and are closely regulated by governments, they should be prevailed upon by law, regulators, and various groups within an economy to manage themselves in ways that satisfy the interest of those particular groups. Generally, some individuals, including regulators, look upon banks to manage their operation in order to increase employment in the economy, to sustain economic growth, to help in price stability, to provide equilibrium in balance of payments and to fight inflation. These groups, to the extent that they are successful in getting the bank to divert its energies into these areas, tend to decrease the goal of the bank of maximizing the return on the bank stock.

Because banks are managed at the will of the government, which issues a charter and permits them to operate, sometimes banks are unavoidably involved in activities that do not tend to increase the wealth of the shareholders. The debate over social responsibilities of banks will not end soon. Increasingly, it seems that as banks are regulated, they will always be subject to a subtle kind of economic blackmail that will force them to do things that they would prefer not to do. This is a comment on social responsibility, without coming to a conclusion one way or the other.

5. How Banks are Organized

Owners and Policy Makers The upper level of a bank consists of the owners. These are the stockholders and policy makers. Representing the shareholders is the Board of Directors, who are the overall policy makers.

Senior Management The board of directors has the obligation to manage the institution on behalf of the stockholders. The people that the board of directors most deal with in doing so is the senior management of the bank. Since the board of directors are only occasionally present in the bank, and are not in touch with day-to-day activities of the bank, they delegate their day-to-day control of the bank to its senior management.

Senior management is usually led by a Chief Executive Officer, a Managing Director, or some other person who is the most senior staff member of the bank. This is a particularly powerful position. Reporting to the most senior management would be for example, the Head of the Credit Division.

Credit Division This is a major division within commercial banks and perhaps the most risky division, where most banks either succeed or fail. Loans are made and credit risks are taken in the Credit Division. Loans are made to local businesses, large non-local businesses such as large corporations inside the country and multi-nationally, and are extended as individual international credit.

The Credit Analysis Department is often found within the Credit Division. This department has the task of analyzing the many loan proposals that come their way. Senior management also is responsible for managing the Finance Division. If the Credit Division is responsible for loaning money, or dispersing money out to get an interest return, then the Finance Division is responsible for obtaining the funds that the Credit Division disperses. The Financial Division has the job of supplying the funds for the Credit Division. It consists of Deposit Services, Money Market Division, and a number of other functions that raises money so that the Credit Division can make loans and obtain earning assets.

Operations Division There is another division that is of critical importance to both the Finance Division and the Credit Division, and that is the Operations Division. The Operations Division provides staff support to the Finance and Credit Divisions. This division provides accounting, the Personnel Department, the cash management of the bank, and numerous other services that don't neatly fit into either the Finance or Loan Division.

Trust Division The next division is responsible for services, and is the Trust Division. Their main services are managing retirement accounts, managing real properties, portfolios of stocks and bonds, and actively trade securities on behalf of clients. When the Trust Division members actively trade securities, they don't trade corporate stocks and bonds for the bank's own account. The Trust Division is in a fiduciary relationship with it's customers.

NOTES

1 本课对有关银行的基本知识作了一个总体介绍，包括银行的种类、现代银行的起源、商业银行提供的主要服务和发挥的主要职能、银行业的社会职能以及银行的内部构成。这些基本知识可以对后面的学习起到铺垫作用。

2 investment bank 投资银行。

3 underwriting 金融包销，指投资银行以自有资金购买新发行的全部证券，然后再向投资者销售。

4 industrial bank 工业银行，最初是为雇员贷款而组成的金融机构，银行通过工人储蓄的方式获得资金。目前大多数工业银行已并入商业银行。

5 savings bank 储蓄银行，是专门办理居民储蓄，以储蓄存款为主要资金来源的专业银行。它包括互助储蓄银行、信托储蓄银行、储金局、邮政储蓄系统等多种类型。

6 mortgages 抵押品。

7 wire transfer 电汇。

8 treasury bond and bill 美国政府国库券。其中，前者指期限为 1 年—7 年的中期国库券，后者指期限为 91 天—182 天的短期国库券。

9 municipal bond 市政债券、地方债券，指由美国各州政府、市政府、住宅当局(housing authorities)、市属公用事业及经营收费道路、桥梁和其他运输设施当局所发行的债券。一般分为两种：收益证券(revenue securities)和一般债务证券(general obligation securities)。

10 merchant bank 商人银行，指经营部分银行业务的金融机构，由以往从事国际贸易并兼营承兑业务的商人发展而来，大多为合作或非公众性公司。其主要办理承兑和经营一般业务，对国外的工程项目提供长期信贷和发放国外贷款。常见于英联邦各国。

11 goldsmith 金匠。
12 fiduciary services 信用服务。
13 escrow 托管。

Text 2 Structure of Commercial Banking[1]

1. Characteristics of the US Banking Industry

The US banking industry is somewhat different than in other developed countries. Firstly, there are a lot of commercial banks. As late as 1994, there were 11 000 commercial banks in the US. In other large developed countries around the world, there are just a handful of very large banks.

The United States has unique regulatory constraints, including among many regulators, an opposition to branch banking. Branch banking is defined as one bank with many offices; the bank may have a headquarters in a large city, and then many offices of the same bank scattered throughout the region.

The next characteristic that is relatively unique to the United States is that the typical bank is smaller in the United States than in other developed countries. Only three percent of the 11 000 banks in 1994 had assets of more than one billion dollars. One billion dollars in total assets for a bank is not very large in terms of the overall economy for the United States.

There are a few other characteristics that make the United States banking market relatively unique. Because of the large number of small banks and because there is a need for an economy of scale, many small banks are too small to be efficient enough to deliver services and make a profit. Therefore, consolidation of banks is underway. Consolidation reduces the number of banks, but makes the average bank larger. Also, competition between bankshas intensified over the last couple ofdecades. New services have been offered outside the regulated parts of the banking industry, which has caused some relaxation of regulations.

2. The Importance of Banking Structure

Throughout banking in the United States, there has been a continuing emphasis on structure of the banking industry, as well as the structure of each individual participant inside the banking industry.

What Structure Means Generally, structure in an individual bank usually defines whether the bank is a unit bank or a branch bank[2]. A unit bank is a bank with an office in one single location. Typically, unit banks have formed in large cities where large customers and large corporations do their banking. The branch bank is one which has a single headquarters office, but many branches scattered over a large geographic area, each of which accepts deposits and makes loans.

The dominant legal structure for branch banks is the bank holding company. A bank holding company may own or hold more than one bank, have non-bank subsidiaries or non-bank subcorporations or corporations that are owned by another corporation, may have more than one board of directors and multiple capital structure. Multiple capital structure means that an individual bank may have a capital structure that is debt and equity, but that bank is in turn owned by a corporation which has its own separate capital structure.

The bank holding company may hold more than one bank, although it does not have to. Many bank holding companies hold only one bank, but have many branches. If the bank holding company has multiple banks, it usually operates the banks in such a way that they tend to be like one large branch system. Non-bank subsidiaries refer to companies that are owned by the bank holding companies in which non-banking services are supplied. According to law inside the United States, each corporation has to have a board of directors and often, those boards of directors are different. The bank holding company is a unique instrument utilized for large banks of multiples of banks to do large branch banking and to obtain efficient size, provide good service, and be profitable for stockholders as well.

There is a competitive answer to bank holding companies. All such financial organizations that might be called holding corporations do not need to provide banking services. One of those kinds of companies is called a symbiotic financial firm, which owns financial non-bank services firms that compete with banks in non-traditional banking services. Traditional banking services typically include accepting deposits, gathering deposits, purchasing deposits and making loans. Symbiotic financial firms do not have a banking charter, and are not regulated as a commercial bank, yet compete with commercial banks in the provision of many non-bank services.

The Importance of Structure First of all, structure affects competition. Competition is inter-firm rivalry or rivalry between firms, and the extent of this rivalry depends upon how much market share and how much profit is earned by bank holding companies or by individual banks. The greater the market share, the lower the rivalry. For example, if a bank had 100% market share for all banking done in a particular area, it would have virtually monopoly control. If the market share is more nominal, close to ten or fifteen percent, the bank's response to rivalry would be that it operates more efficiently and sells its services much more economically.

Profits are very important because the more profit that a bank has, the more it can invest in its business and branches. It can make branches and services more economical and at the same time increase return to its shareholders.

Structure is important because it makes banks more or less efficient; as banks grow in size, which has been the dominant trend in banking, the greater their ability to deliver services at the lowest possible cost. This does not mean that every large bank delivers services at the lowest possible cost, but it does mean that banks are generally able to deliver services at a lower cost if they are larger rather than smaller.

Structure, by affecting competition and efficiency, influences economic performance. In short, structure affects the ability of the bank to earn profits and wealth, and increase the wealth of its shareholders. Banks in the United States are highly regulated, and the banking structure has an effect upon the ability of banks to deliver services at the lowest cost. Regulators tend to try to influence banks to deliver services at the lowest possible cost.

It should be noted that regulators often have a bias against large banks in the belief that smaller banks compete more aggressively by providing more and better services to customers. However, many others feel that large banks can compete for customers just as aggressively as small banks can.