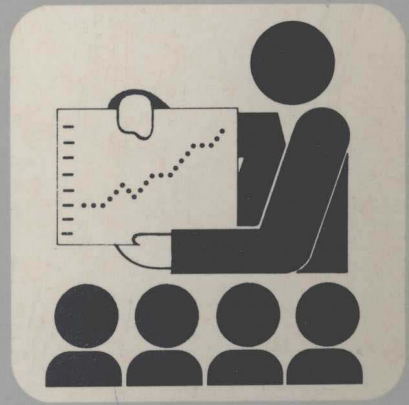
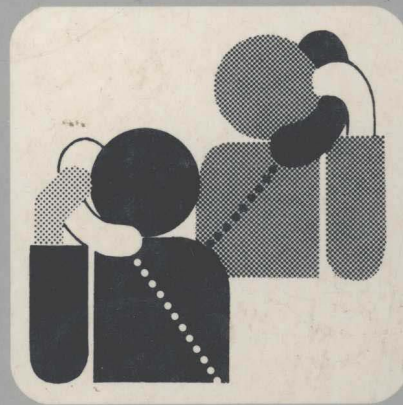
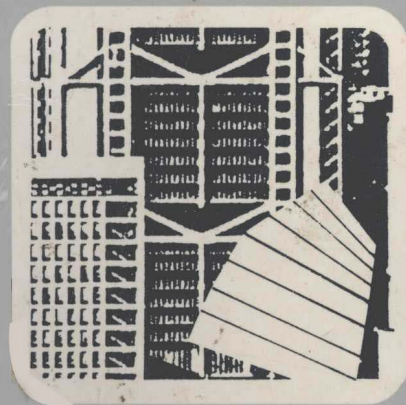
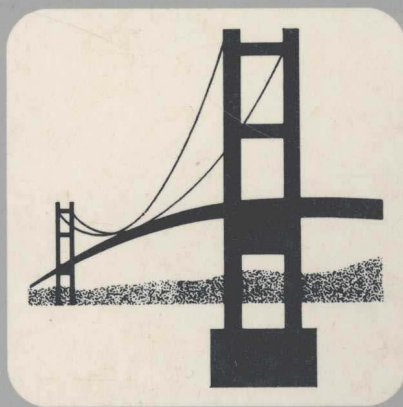


ENGLISH FOR INTERNATIONAL BANKING AND FINANCE

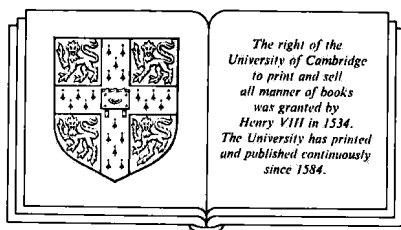
Jim Corbett



Cambridge University Press

ENGLISH FOR INTERNATIONAL BANKING AND FINANCE

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Cambridge University Press
Cambridge
New York Port Chester
Melbourne Sydney

Published by the Press Syndicate of the University of Cambridge
The Pitt Building, Trumpington Street, Cambridge CB2 1RP
40 West 20th Street, New York, NY 10011-4211, USA
10 Stamford Road, Oakleigh, Melbourne 3166, Australia

© Cambridge University Press 1990

First published 1990
Reprinted 1991

Printed in Great Britain by
Scotprint Ltd, Musselburgh, Scotland

ISBN 0 521 31999 4 Student's Book
ISBN 0 521 32000 3 Guide for Teachers
ISBN 0 521 26677 7 Cassette

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To the user

Who the book is for

This book is for people who need English for their day-to-day work in international banking, as well as for students of international banking and professional people whose work brings them into contact with international banking and finance.

How you can use this book

The book can be used in class, in one-to-one teaching and for self-study. If you are using the book on your own, you will need a copy of the *Guide for Teachers*. This contains background information on the banking and finance topics, an answer key and the tapescripts for the listening material on the cassette. Please note that if you are working on your own then you will not be able to do some of the communication activities, that is unless you can find a friend to do them with!

How the book is organized

There are nine thematically linked units. Unit 3, for example, has Foreign Exchange as its topic. These units are self-contained so they can be used on their own or grouped together to form modules according to individual needs.

The units are each divided into four sections. The first three sections in a unit are based on listening materials. The fourth section in a unit mainly contains reading texts. A unit provides between three and five hours work. They follow a consistent format so the book is easy to use. At the back of the book there is a list of abbreviations used in banking and finance.

How the cassette fits in

The listening material provides the main input for the first three sections of a unit. The great majority of the recordings are based on transcriptions of authentic recordings made on location in financial institutions.

Thanks

In preparing this book, I have received generous help and advice from a large number of people and organizations: my sincere thanks to all of them.

Special thanks are due to: Steffan Alvollin, Wilhelm Bergman, Ingemar Bergqvist, Michael Burmester, Janice Cowell, Bill Davis, Patrick Hanks, John Heywood, Alan Jones, Terry Laidlaw, Mickey Lowe, Jan Sundgren and Paul Tucker, all of whom helped with source materials; also to Hambros Bank, National Westminster Bank, Nordic Bank, PK Christiania Bank (UK) and Rank Xerox.

My thanks are also due to the following people and organizations for piloting and commenting on my draft manuscript:

Sue Fortescue; Vivienne Ward; Doreen Lee at the Harven School of English in Woking, Surrey; Bill Horncastle at the Cambridge Centre for Languages; Eric Freedman at IFG Langues in Paris;
Vicky Mabbs and Jane Lawton at the Regent School in Rome;
Joe Wiersma at International House Executive Courses in London; Don Byron at Esade Idiomas in Barcelona; Saul Ray at Excellence Corporation in Tokyo; H Zak at Ecole Cadres in Courbevoie; Elizabeth Sim and Michael Sneyd at Eurocentre, Cambridge; G Marcy Bergqvist at KEY English Language Services in Stockholm; Jane Ferentzi-Sheppard at the VHS Language Centre in Nuremburg; Herbert Chang at Target in Sao Paulo;
Jan Janssen at Interlingua Talenpraktikum in Holland;
Anne Larsen at STE in Eindhoven; Vivienne Ward at Ebury Executive School; Hong Kong Polytechnic; Let's in Sao Paulo

Last but by no means least, my thanks are due to the publishing team at Cambridge University Press, Peter Donovan, Desmond O'Sullivan, Lindsay White and Will Capel.

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Unit 1 Bank organization

This unit is about bank organizational structures and how to describe them. We will hear three bankers describing the structure of organizations they work for: banks of different types and sizes in different countries.

Section A **A1**

Look through the following short report concerning the reorganization of a bank.

The Allied Bank is reorganizing its operations into three business sectors: corporate banking and international banking operations will be headed by Bernard Rogers, who is currently Director of International Banking Operations and Deputy General Manager; the finance operations sector, including foreign exchange operations, short-term money market operations and accounting, will be headed by Lucy John, while David Lacey has been named Deputy General Manager with responsibility for the branch network and retail banking sector.

- 1 In the boxes below each name, fill in the division for which each person will be responsible. Beneath the boxes add any details which are given about the responsibilities of the divisions.



Bernard Rogers



Lucy John



David Lacey

- 2 Now look at the words in the left-hand column, which are taken from the text. Match them with words from the right-hand columns.

- 1 operations
- 2 sectors
- 3 headed
- 4 currently
- 5 including
- 6 named

- | | |
|--------------|-----------|
| A reports | G led |
| B at present | H offices |
| C activities | I areas |
| D sales | |
| E covering | |
| F appointed | |

A2

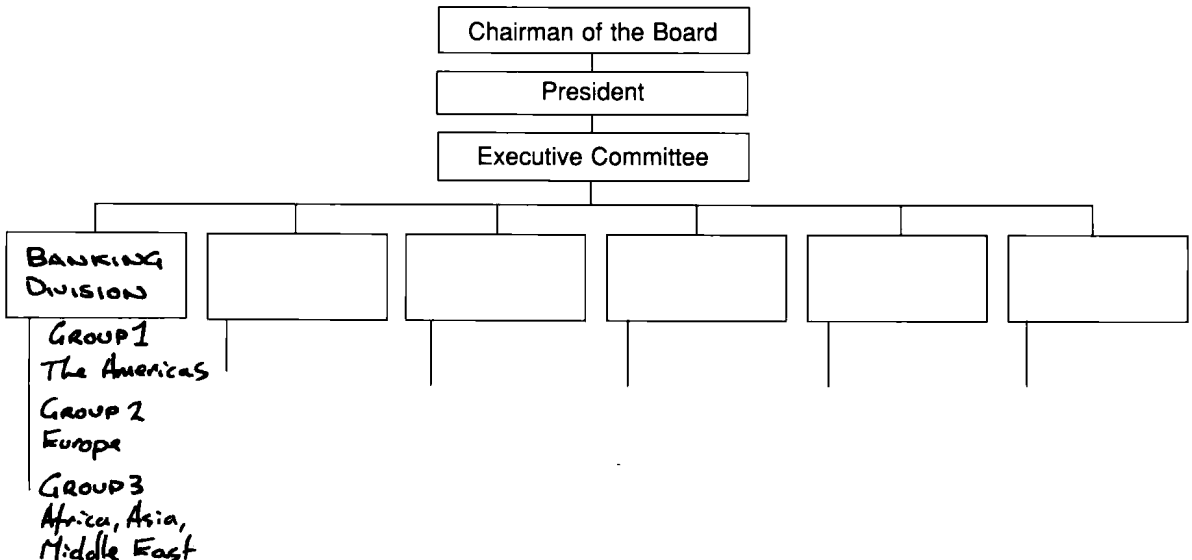
You are going to hear Ed Walker, an Assistant Vice-President of a large American bank, talking about the structure of his bank to Françoise Caie, a French banker. Before you listen to the conversation, look at these questions which you will answer after you have listened for the first time.

- 1 Is Ed:
 - a) explaining the bank's organizational structure?
 - b) discussing the bank's organizational structure?
- 2 Does Ed:
 - a) give a basic outline of the bank's organizational structure?
 - b) give a detailed analysis of the bank's organizational structure?

Now listen to Ed's conversation with Françoise.

A3

Listen again to what Ed says about the structure of his bank. As you do so, complete the following organization chart. Firstly, write in the boxes the names of the divisions. Then under the boxes add details of the responsibilities of each of the divisions.



A4

Look at the words in the box, all of which are from this section. Check any words that you do not know with a partner. Then, working together, match the words with the correct definition from the list below.

credit policy	bullion	consumers
annual report	line divisions	strategic planning
premises	personnel	commercial paper
domestic	reorganized	municipal bonds
comptroller's department		
investment portfolio management		

- 1 A report presented each year, giving details of the company's activities and financial performance during the previous financial year.
- 2 Formed or structured in a new way.
- 3 Sections of a company which deal with different products or services from each other.
- 4 People who buy goods or services.
- 5 In your own country, not abroad.
- 6 Management of a client's collected investments.
- 7 Short-term documents usually sold by big US corporations, promising to pay a specified sum of money on a particular date. They may be sold again by the buyer.
- 8 Documents issued by a local government authority, promising to repay loans at a certain time.
- 9 Bars of gold or silver.
- 10 Employees, staff.
- 11 Buildings and surrounding land.
- 12 A department which controls the internal finances of a company.
- 13 Deciding the main aims of an organization.
- 14 Plans for the lending of money.

Section B **B1** 

You are going to hear Clive Regis, the Director of a London merchant bank, being interviewed about his bank's organization. As you listen, look at these headings. Which ones does he talk about and in which order?

- Structure of the parent company
- Brief history of the bank
- Range of services provided
- Recent changes

B2 

Listen again to what Clive says about the organization of the bank. As you do so, write in the boxes below the names of the six divisions to which he refers and list their main areas of responsibility.

Administration Division					
----------------------------	--	--	--	--	--

B3

Look at the terms in the left-hand column. Match each one with its correct definition in the right-hand column.

- | | |
|---------------------------|--|
| 1 merchant bank | A The selling-off of interests. |
| 2 clearing bank | B A very large loan for one borrower, arranged by several banks. |
| 3 wholly-owned subsidiary | C Money overdrawn on bank accounts to agreed limits. |
| 4 accounting and audit | D Documents promising to pay sums of money at specified times. |
| 5 syndicated loan | E Money placed in countries with very low taxes. |
| 6 overdraft | F The joining of two or more companies into one. |
| 7 documentary credit | G A bank which is a member of a central organization through which cheques are presented for payment. |
| 8 correspondent banking | H Activities where one bank acts as an agent for another bank. |
| 9 currency option | I A contract where the buyer has the right to demand purchase or sale of a specified currency, but no obligation to do so. |

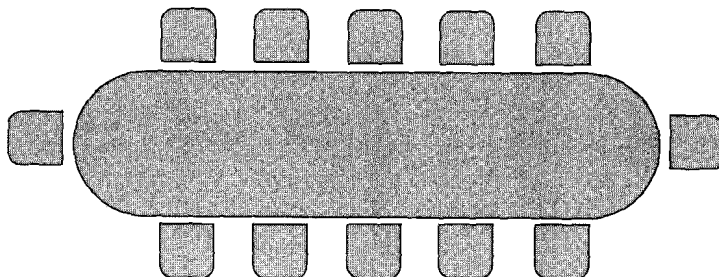
10 bonds	J A bank mainly concerned with the financing of international trade.
11 floating rate note	K An organization which collects and pools money from many small investors and invests it in securities for them.
12 Eurodollar CD	L A company entirely owned by another company.
13 financial futures	M A limited company formed to invest in securities.
14 merger	N A method of financing international trade where the bank accepts a bill of exchange from the exporter for the invoice amount, in return for receipt of the invoice and certain shipping documents.
15 takeover	O The buying of a majority of the shares of companies.
16 divestment	P Contracts to buy or sell currencies, bonds and bills, etc. at a stated price at some future time.
17 USM flotation	Q Note on which interest rates are fixed periodically, and which can be traded on the market.
18 investment trust	R Document given for a deposit repayable on a fixed date, the currency being dollars which are deposited outside the USA.
19 unit trust	S The keeping of financial records and their periodic examination.
20 offshore funds	T The starting of a new limited company, where the shares are not included in the official list on the Stock Exchange.

B4

Imagine that you are organizing a dinner party for 12 bank officials, including yourself. The other 11 people each work in different areas of banking, which are as follows:

Financial control	Syndicated loans
Investment management	Correspondent banking
Documentary credits	Foreign exchange
Planning	Corporate finance
Overdrafts	Accounting and audit
	Project finance

Draw up a seating plan for the guests and yourself, placing everyone at the table below. When you have finished, compare your plan with that of a partner. Discuss any similarities and differences, and explain the reasons behind your plan.



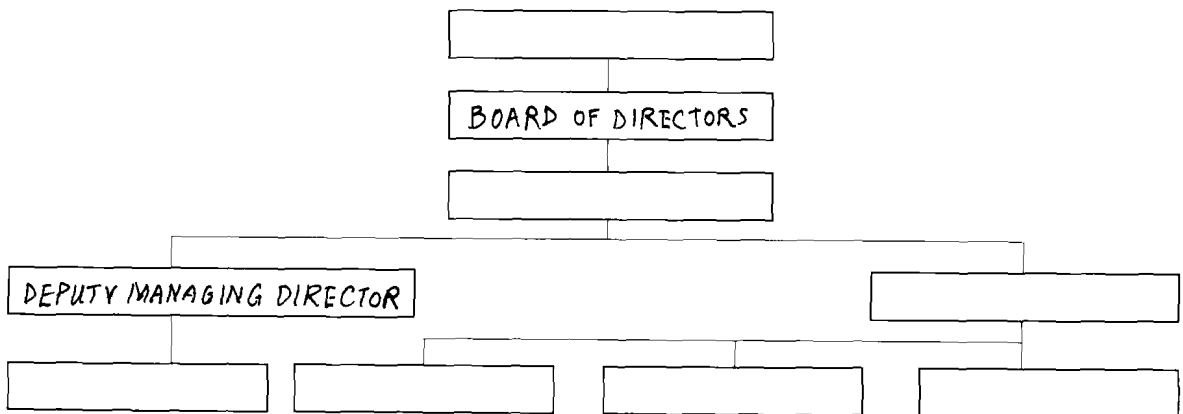
Section C **C1**

So far we have heard about and looked at the structure of a large American bank and a British merchant bank. Now we are going to look at the work of a savings bank. Look at the following list of banking services. Put a tick (✓) next to those that are traditionally associated with savings banks.

Currency options	
Personal loans	
Safe-deposit services	
Takeovers	
Deposit accounts	
Bullion	
Payment of standing orders	
Cheque paying services	
Leasing packages	

C2 

Now listen to Kai Larsen describing the organization of the Scandinavian savings bank he works for and fill in the organization chart below. Listen twice if necessary.



C3

Look at the following extracts from Kai's description of the savings bank. Work with a partner and note down what you think the speaker says instead of the words in *italics*. Then listen to the section again and compare your answers with the words Kai actually uses.

- 1 ... to understand just what we are and that is a
(*bank set up to accept deposits from members of the public*)
- 2 in 1878 ... (*set up, established*)
- 3 In 1980 we with the two largest regional savings
banks ... (*joined together*)
- 4 ... and effectively this now gives us a to serve the
private customer ... (*system of local offices over the whole country*)
- 5 There's a Board of Directors, which is elected by the Board of
.....
..... (*people responsible for administering money or
property for the benefit of others*)
- 6 ... to gain access to the
..... (*markets in which there are
good profits*)
- 7 ... markets dominated by the
..... (*banks which offer a
wide range of services to the public, to companies and to other
organizations*)
- 8 1970 ... (*before*)
- 9 ... couldn't accept deposits the equivalent of ... (*more
than*)
- 10 ... granted an international of 45 million dollars ...
..... (*loan of money at a fixed rate of interest, involving a certificate of the
debt*)
- 11 ... and which had a 50 per cent of which ... (*an
entire collection of loans*)
- 12 ... and expanding worldwide
..... (*arrangements with
banks who act for each other*)
- 13 ... major investments in terms of
..... (*people who work
here*)
- 14 ... necessary for us to be able to
..... (*increase the range
or extent of our operations*)

C4

You are going to make a short presentation of your bank or company. Look through the list of points below and decide in which order you will use them in your presentation. Then compare your order with that of a partner and discuss any differences.

- Range of services
- Financial performance
- Structure
- Specialized products
- Geographical representation

Now make a short presentation of the structure of your bank or company. Use any visual aids, such as diagrams, that will help you.

Section D D1

Quickly read the text below, which is taken from an annual report of one of the world's largest banks. Then choose the best heading from this list.

The year in brief

Financial review

Global banking resources

Notes to the accounts

Foreign locations

To service the needs of different client groups effectively, the Bank is organized into three broad groups: the Domestic Banking Group, the Corporate Banking Group and the International Banking Group.

The basis of the Bank's strength continues to be its domestic banking operations. The Domestic Banking Group's network of 295 branches provides a full range of banking services nationwide and is the largest network in the country.

The Corporate Banking Group is responsible for servicing the complex needs of over 200 of the nation's largest corporations. Of the Bank's total domestic deposits and domestic loans outstanding, the Corporate Banking Group accounts for 25 per cent and 40 per cent respectively.

The Bank continues to develop and expand its international operations, and in fiscal 1991 foreign earnings surpassed those of the country's other leading banks for the fourth consecutive year. Since January 1 1990, the Bank has opened six new representative offices and has upgraded the Rome representative office into a full service branch. Our strong international presence is currently maintained through 12 branches, 18 representative offices, two agencies and 10 subsidiaries and affiliates.

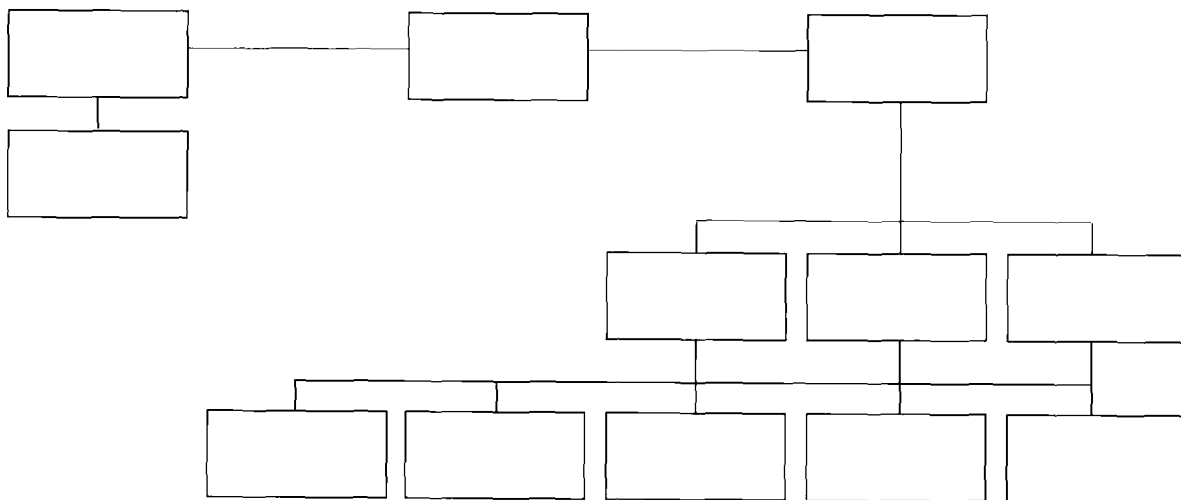
The International Banking Group includes regional departments which assume responsibility as follows: the Americas; Africa, Middle East and Europe; Asia and Oceania. The Group includes both the Correspondent Banking Department, which is responsible for the Bank's correspondent banking network of some 1,500 institutions, and the Merchant Banking Department.

Also within this Group, the International Treasury Department specializes in foreign exchange and funding operations, while the International Planning Department is responsible for strategic planning. The International Business Supervision Department is responsible for the assessment of country risk and corporate credits, as well as for systems development and for ensuring compliance with regulations regarding international business.

The Bank continues to respond well to market dynamics both at home and abroad. Part of the Bank's strength lies in the wide spread of its representation and in its ability to develop sophisticated new services to meet the changing patterns in banking opportunities. The Bank's aim is to ensure the continued prosperity of the group by means of its dedication to service and by expanding the scope of its activities, both geographically and functionally. We believe that we have the right organization to do this in the period ahead.

D2

Using the information in the text you have just read, complete this organization chart.



D3

Based on the information in the text, say whether the following statements are true or false.

- 1 The Corporate Banking Group services the needs of 1,500 of the nation's largest institutions.
- 2 The Corporate Banking Group plays an important part in terms of the bank's domestic deposits and domestic lending.
- 3 1991 was the fourth year in a row in which the bank earned more money abroad than any other bank in the country.
- 4 The bank has 30 branches and representative offices abroad.
- 5 The bank plans to increase its international operations.

D4

Read through the following information.

A commercial bank, a merchant bank, a savings bank and a clearing bank all have head offices on the same street in London.

The commercial bank and the clearing bank both have six business sectors.

The commercial bank, the savings bank and the clearing bank are all independent banks.

The bank with four line divisions was founded in 1920.

The bank which is a wholly-owned subsidiary is split into five line divisions.

The commercial bank was founded in 1928 and has a larger number of correspondent relationships than the other three banks.

The bank with the smallest number of personnel was established in 1896 and is no longer independent.

Given these facts, work out the following:

- 1 Which bank has four line divisions?
- 2 Which bank was formed by a merger in 1946?

D5

To end this unit, interview a partner about the organization of the bank he or she works for. Then write a description of the organization of this bank and give it to your partner to look through and comment on. If you all work for the same bank, then describe a bank you have worked for in the past or know well. You may need to do a little research!